

BUYING TO BUILD

How to accelerate GROWTH

Growing a business has never been easy.

For many management teams, acquisitions present the ideal opportunity to accelerate expansion. This so-called 'buy and build' approach can be a highly effective and complementary strategy to support the organic growth already being achieved, enabling a company to accelerate scale, presence and ultimately shareholder value.

At LDC, we continue to support many of our portfolio companies on their 'buy and build' journeys. Over the past three years alone, we have backed 37 'bolt on' acquisitions for 23 of our portfolio companies. – proof that our teams not only understand 'buy and build', but are passionate about delivering it.

As Darryl Eales, LDC's CEO comments: "Growth through acquisition has been a regular feature of LDC's investments and given current market conditions I can only see this becoming more prevalent going forward. LDC is committed to actively supporting management teams pursue buy



and build strategies with both expertise and follow on funding when the right target companies become available."

Take a look at a number of recent examples, or find out how we can support you by speaking to your local LDC team.

Visit www.ldc.co.uk/portfolio for more information about our partnership with portfolio companies.

Examples of Expertise
in Buying to Build

TMT



FINANCIAL SERVICES

Direct Group



RETAIL & CONSUMER

american^{golf}

PHARMACEUTICAL



Recent examples of LDC's Buy and Build Support include:

Avelo

Avelo provides a market-leading integrated suite of technology solutions, software and consultancy to the financial services industry throughout the UK.

Following LDC's investment we supported Avelo's acquisition of N4 Solutions, a leading provider of distribution and fulfilment software for the financial services industry. The acquisition of N4 is a key component in Avelo's strategy to take a market leading position in the delivery of financial planning and fulfilment solutions for the enterprise investment, life and mortgage markets.

Aesica

Aesica Pharmaceuticals manufactures active pharmaceutical ingredients (APIs), which are exported to major drug producers around the world.

LDC completed the MBO in September 2004 and exited to Silverfleet Capital in Sept 2011. During LDC's investment period employee numbers rose to 1300 from an initial 150 and turnover moved from €25million in 2005 to c€180million by the time of exit.

During the investment period Aesica completed the purchase of leading research and development company R5, which was the third acquisition since LDC's investment. This was followed up in 2011 with the acquisition of three European manufacturing sites from leading biopharma company, UCB.

Direct Group

Direct Group provides a range of value-added services to insurers and corporate partners, including policy administration and fulfilment, commission management, premium collection, claims handling and performance reporting.

In August 2007 LDC backed the £40million management buy-out of Direct Group. In 2008, LDC supported Direct Group's maiden acquisition of Millennium Insurance, a Midlands provider of general insurance solutions to the mortgage broker and IFA market and this was followed up in January

2009 when the business took over the claims handling and administration business of MetLife's UK protection arm as part of a five year deal, which was followed in April 2009 by the transfer of claims administration businesses for Nexus and Travel Protection Services, part of UKG. Subsequently the company completed the acquisition of Evander Validation Services Limited (EVS), the fast growing insurance property validation and fulfilment provider, in May 2010, which represented the fourth acquisition during the LDC investment period.

EDM Group / Sala International

EDM Group has been providing information management services and solutions since 1974. EDM Group was established with the express intent of leading the market for the provision of electronic document management services and solutions. In October 2011 it merged with Sala International a business which was established in 1994.

In December 2010, LDC invested in the BIMBO of Sala International. Pursuing a buy and build strategy Sala acquired Microstat and Arrow in March 2011. This was followed up in October 2011 with a merger with EDM Group in a £52million transformational deal.

Sala International manages in excess of 400,000 square feet of secure space and stores 1.5 million boxes and 50 miles of live filing on behalf of its client base.

The business, which now operates as EDM Group, provides one of the industry's most comprehensive and advanced offerings, combining market-leading services in digital mailroom, print room, document digitisation, records management, online document hosting and SaaS solutions for business process management. Collectively, the Group will continue to focus on expanding its services in the core sectors of financial services, business services and healthcare, where its customers include Avis Europe, Nationwide Building Society, Companies House, Legal & General, Grant Thornton and numerous healthcare providers including many NHS Trusts, Bupa and BMI hospitals.

INDUSTRIALS



BUSINESS SERVICES



CLEANTECH



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