

Apax
PARTNERS

KnowledgeNow: Future Foundations

Apax Partners KnowledgeNow Conference
October 2016



Barcelona, October 2016

The 6th Annual Apax Partners KnowledgeNow Conference took place in Barcelona on 18 to 20 October 2016



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26 Attendees

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Partners in driving growth

In attendance...

118 Executives and partners

28 Portfolio companies*

Representing...

\$15bn+ Annual sales

100,000+ Employees

Apax Partners is one of the world's leading private equity advisory firms. An independent global partnership focused solely on long-term investment in growth companies, our Funds invest in four sectors: **Consumer**, **Healthcare**, **Services** and **Tech & Telco**.

Apax Funds' strategy is to drive superior returns through sector expertise, geographical flexibility and transformational ownership. To that end, the Operational Excellence Practice ("OEP") and the firm's vertical domain expertise are brought to bear through the life cycle of a deal to drive value. The OEP is comprised of resources possessing deep operational expertise and broad acumen as general managers. The OEP resources "get in the boat" with management teams to drive results.

Through the OEP's **KnowledgeNow** programmes, communities and conferences, we create forums for executives to share **experiences** and discuss the common **challenges** our portfolio businesses face. Our annual conference, held in October 2016 in Barcelona and recounted in this brochure, is the cornerstone of these efforts.



Building foundations for the future in uncertain times

The KnowledgeNow Conference brings together portfolio companies, critical vendors and operational experts from across the Apax network to discuss common themes and to share best practice.

The conference has grown from strength to strength since ten people gathered in a New York conference room in 2011 and realised they were facing many of the same challenges. This sense of a common purpose is as true today as it

was then, even now that the conference comprises attendees from portfolio companies representing more than \$15 billion in annual sales.

In the wake of the Brexit decision in the UK and with the US election result looming large on the horizon, the conference provided the ideal forum to discuss how businesses could continue to flourish in uncertain times by building “Future Foundations” today.

Our primary objectives

Share...

- ... ideas
- ... experiences
- ... data
- ... best practices
- ... worst nightmares

Network...

- ... with each other
- ... with our partners
- ... with Apax

Accelerate...

- ... project delivery
- ... talent development
- ... transformation
- ... execution

“More than 80% of the value that’s been created in our buyouts comes from the work that each and every one of our portfolio companies does every day; expanding margins, driving profitability and growing the top line.”

Seth Brody Partner and Global Head of the Operational Excellence Practice, Apax Partners

The evolution of Operational Excellence

As part of our own commitment to continuous improvement at Apax, we recently asked McKinsey to examine the evolving perceptions and expectations of the Operational Excellence Practice through a comprehensive research study.

We take the idea of continuous improvement very seriously and wish to focus on serving two constituencies: internally helping our deal teams and deal partners carry out due diligence on the way in; and externally supporting our portfolio executives to grow their businesses and drive equity value.

The results from the survey were clear. Apax portfolio companies appear happy with our mission and strategy – we are designed to “get in the boat and row” with the portfolio companies, and we get in with a strike-force mentality. This seems to be understood and working well, with strong results and partnerships around the global portfolio.

What was less universally understood is the full range of services that the OEP provides, where there is opportunity to more broadly communicate our capabilities. There are also functional areas where we will strengthen our offer going forward, most notably in the areas of corporate carve-outs and human capital.

Portfolio Companies Registered:



OEP Research Supported By

McKinsey & Company

OEP through the numbers

2,823 Days of Effort in Past 12 months⁽¹⁾

\$2.28bn Portfolio Company Spend Optimised⁽²⁾

\$170m+ "Cross-Portfolio Revenue" Generated⁽³⁾

39 Portfolio Companies Engaged in Past 12 months⁽¹⁾

\$293m+ Cash EBITDA Savings Generated⁽²⁾

A+100% UNPRI/RobecoSAM ESG Rating



Bankrate

BMI Healthcare

COLE HAAN
EST. 1924

DOMINION
MARINE MEDIA

duckcreek
technologies

ENGINEERING

EVRY

genex

GlobalLogic

idealista.com

Invent Farma

multiply

NEURAXPHARM

onecallcare
MANAGEMENT

rfs

rue21

Schubert
Solving Smart, Saving People

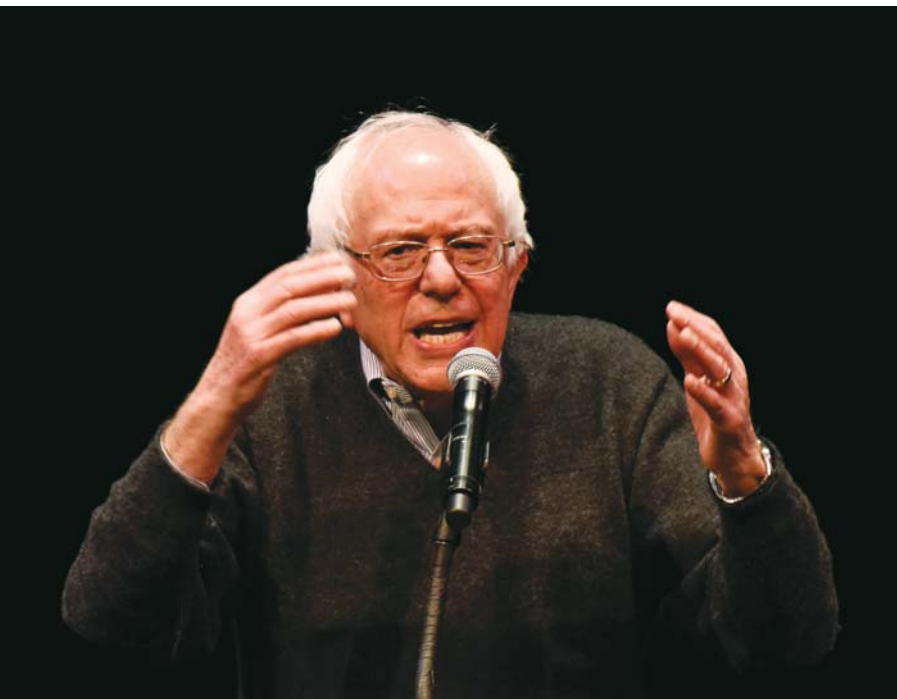
St. John's

Unilabs

vyaire
HEALTH

zap group

ZenSar
TECHNOLOGIES





KnowledgeNow: Future Foundations

Shifting foundations in a turbulent world

Insights on a year of unprecedented political and economic turmoil. Our experts unpick the trends and offer their thoughts on the road ahead.



Shifting foundations in a turbulent world continued

Micro-opportunities, macro-knowledge

with **Andrew Sillitoe**, co-CEO, Apax Partners, and **Nico Hansen**, Chief Investment Officer, Apax Partners



In the face of a “frothy” environment, Andrew Sillitoe outlined the three pillars of sector expertise, geographical flexibility and transformational ownership that define Apax, and zeroed in on micro-theses over macro-bets.

Apax Partners’ sector approach developed from the firm’s venture capital roots and predates that of many private equity peers. We overlay digital expertise across these sectors and take a flexible geographical approach by moving our sector experts to the opportunities we see. We add transformational ownership through measures such as management improvement or accelerated M&A to generate superior returns.

Apax is committed to striving to maintain its target returns, despite the fact that the current low-interest rate environment and high company valuations make this more challenging than in the past. Rather than paying highly for developed businesses with sustained growth, Apax is searching for companies at lower valuation where we can create value early through transformational skills.



Andrew Sillitoe Co-CEO, Apax Partners

This has led to a focus on the micro-thesis over the macro-bet. Recent Apax Funds acquisitions have tended to follow four key themes: digital improvement, carve-out/operational improvement, international expansion and consolidation. Some investments fall into one category, but many, such as Duck Creek Technologies and Vyair Medical, fall into a number of them.

High asset prices and cheap borrowing do mean it is a good time to sell – Apax Funds has achieved realisations of \$21.5 billion since 2014.⁽⁴⁾ But against the backdrop of low, sometimes negative, interest rates we are refusing to drop our target returns – we believe that can leave little room for companies underperforming versus plan in uncertain times and compound potential for low returns.

Apax has achieved...

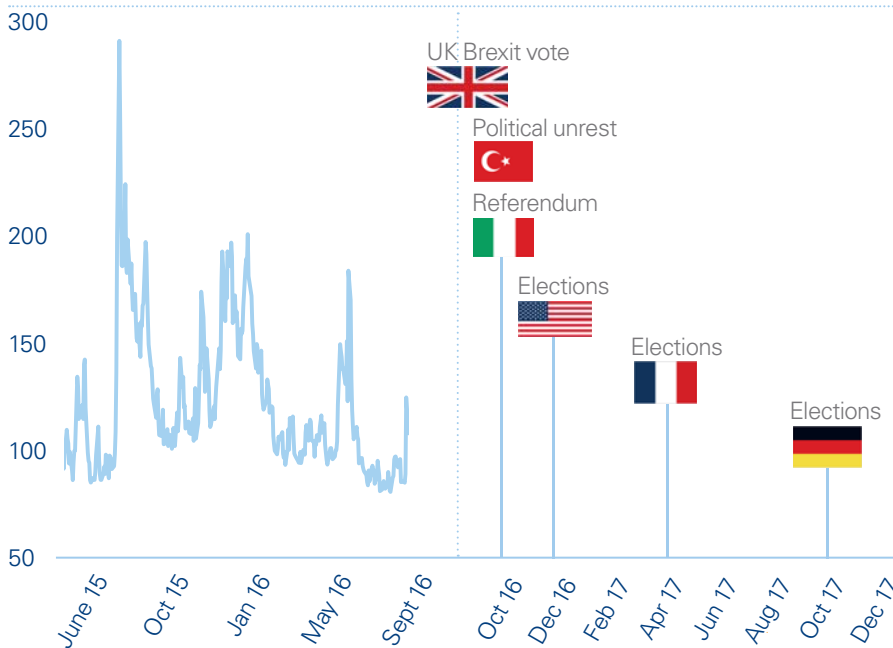
\$21.5 billion

of realisations since 2014⁽⁴⁾

3.4x

achieved on 2016 realisations⁽⁵⁾

Event driven volatility



Footnote reference (6)

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Nico Hansen Chief Investment Officer, Apax Partners

Nico Hansen delved deeper into the world's economies to explain how Apax is pivoting to markets and subsectors where lower valuations can be found.

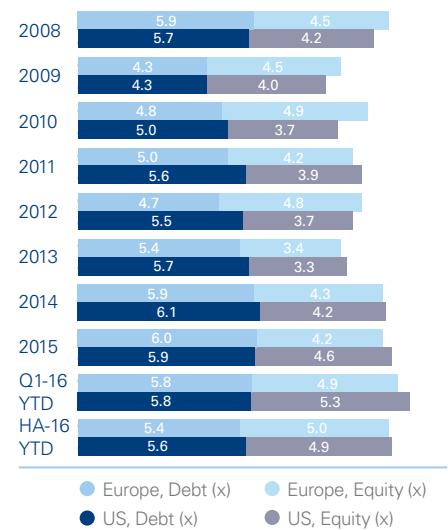
Public market valuations have continued to rise throughout 2016 and are above their five-year averages in most markets around the globe, while private company valuations are at 10.5x, trailing EBITDA in the second half of 2016. We are seeing how they are now back in line with levels seen in 2007 before the financial crisis.

At the same time, political uncertainty can cause significant volatility. The UK's Brexit decision continues to have near-term economic repercussions while political unrest in Turkey, the presidential elections in the US, the referendum on constitutional reform in Italy, as well as forthcoming elections in France and Germany, all have scope to upset markets. Taken together, all of these factors indicate high potential for another market correction in the next six to twelve months.

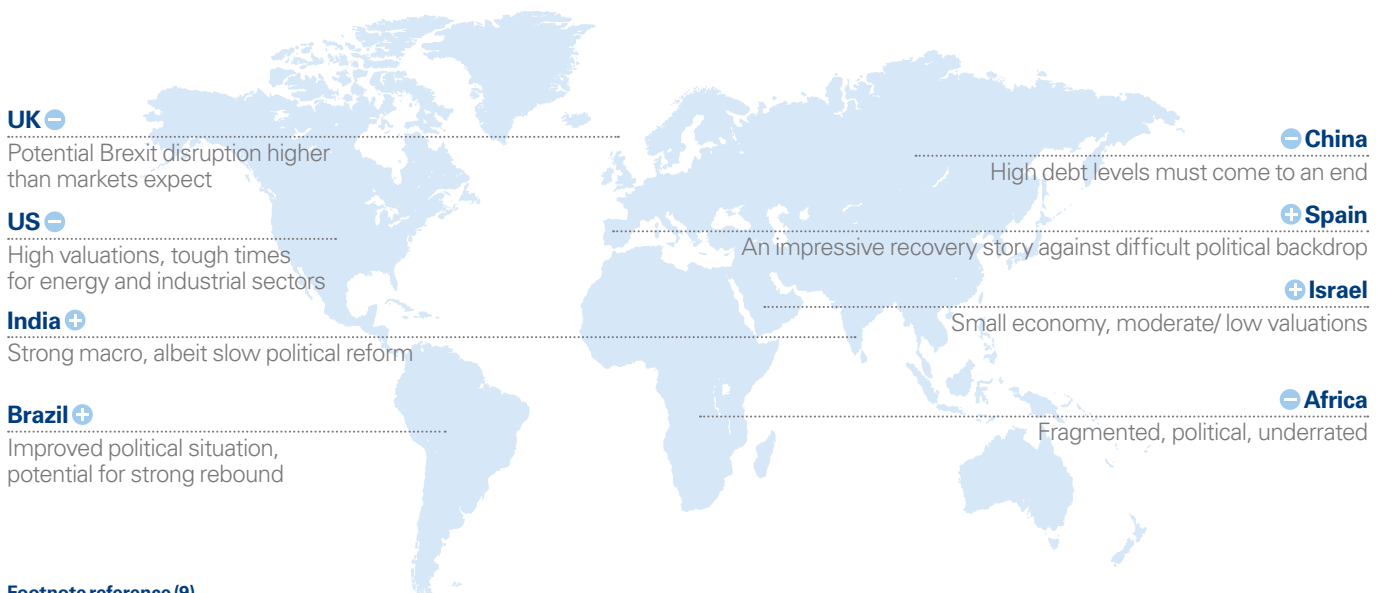
Despite this turbulence, Apax Funds has investors' capital to deploy and we are hunting for – and finding – opportunities.

With asset prices high in the US, we are looking towards Europe and emerging markets similar to Israel where valuations are lower on average. While we do focus on micro-theses, the macro-environment is critical. Where we see a positive macro-backdrop and moderate or low valuation levels, it's an incentive to deploy our resources to unearth those micro-opportunities.

Average PE buyout multiples (EV/LTM EBITDA)⁽⁸⁾



Market outlook snapshot



Footnote reference (9)

Shifting foundations in a turbulent world continued

Putting Brexit in a global context

with **Andrew Sentance**, Senior Economic Adviser at PwC and former Bank of England Monetary Policy Committee member

In Sentance's presentation *Brexit – and the changing global economic order* he outlined the causes and consequences of the UK's Brexit vote. He also highlighted long-term global trends that might provide potential investment opportunities.

Global concerns and UK-specific factors led to the Brexit decision

An anti-globalisation backlash, in part brought on by the rise of Asian economies and the declining influence of the West as well as fears about immigration, were the two main reasons behind the UK's unforeseen decision to leave the European Union in June. Neither of these factors is confined to the UK as Sentance sees the same trend of discontent across Europe and the US, as highlighted by mounting popular support for both far-right and far-left political parties. "The growth of people's living standards, particularly in traditional industries, has been fairly weak and fairly low and that's contributed to the perception that this great global economy that we created in the period from the 1990s onward maybe isn't serving the interests of many working people in western economies," Sentance said.

It's worth noting the decision was influenced by a number of UK-specific issues, which may limit a similar voting outcome elsewhere in Europe. Since the creation of the EU in the 1990s, Britain became less prominent in European

political and economic decisions. Leading British politicians often used the EU as a scapegoat for problems at home. Sentance claims that these factors, along with a badly managed pro-EU campaign, led to the unexpected final result.

UK will bear the brunt of Brexit fallout as the global economy moves forward

Despite the global concerns about a slow recovery from the Brexit decision, economic growth has been remarkably solid. While developing economy growth rates have been particularly high, developed economies in Europe and North America have also performed soundly. Growth rates of about 2% might seem disappointing when compared with the heady 3%–4% rates achieved by some economies before the financial crisis. They are actually in line with long-term averages achieved from the 1980s onwards. "Two per cent growth is quite healthy for a western economy," Sentance explained. Even Japan is growing at the same rate as the US when you adjust for its declining population. We would predict that these growth rates represent the "new normal".

A shifting global economy⁽¹⁰⁾



1.5% to 5.5%

Potential reduction in UK GDP growth by 2020 stemming from the Brexit decision.



3x...

... the projected size of the global economy in 2021 in dollar terms compared with 2000.



20% to 35%

The increase in Asia Pacific's share of global GDP from 1980 to 2016.

Despite this solid performance in “developed” economies, we should expect the Asia Pacific region – which is home to 60% of the world’s population – to increase its current share of global GDP from 35%, while Africa and the Middle East increasingly become the real motors of future economic growth.

The impact of Brexit on these wider trends, as well as the economic impact on the world’s economies, will be negligible. However, the effect on the UK will undoubtedly be negative. PwC expects British GDP growth to slow to 1% in 2017. Depending on the kind of deal the UK strikes with the EU, PwC believes that by 2020 GDP will be lower than the pre-Brexit trajectory. Any potential benefit for export businesses that might emerge from the fall in sterling will be more than offset by higher prices on imported goods for consumers.

Capitalising on global opportunities in the post-Brexit world

Investment in the new world order will require an understanding of global economic movements, a focus on persistent underlying trends, and detailed analysis of micro-economic opportunities. Sentance noted that the inexorable shift of global economic power to Asia is a trend to capture, as is the rise of older age consumer groups in developed economies, as well as in China.

Sentance concluded, “Before the financial crisis, there were some very strong tail winds, particularly from the expansion of credit but also from the impacts of globalisation sweeping through the world economy. [Those] big macro-tailwinds to a large extent have gone away... it’s digging down into the micro-economic opportunities that’s going to be important.”

“The growth of people’s living standards, particularly in traditional industries, has been fairly weak and fairly low.”

Andrew Sentance Senior Economic Adviser, PwC



Shifting foundations in a turbulent world continued

The view from the Hill

with **John Boehner**, 53rd Speaker of the United States House of Representatives



The art of disagreeing and finding common ground, as well as building a strong team, are keys to success in politics and business, John Boehner, former speaker of the US House of Representatives, said in an interview with Apax's own Seth Brody on the theme of America's Political Foundations and the Presidential Election of 2016.

Voters frustrated by weak economy

Speaking ahead of the US presidential election on 8 November, in which Republican candidate Donald Trump swept to power, Boehner said the weak economy was a major contributor to the political situation in the US. "There's a great deal of frustration in our country, and frankly I think elsewhere around the world; mostly stemming from the economic collapse, and the inability of the world to reflate and grow the world economy," he said.

Due to the level of political ill will that characterised the whole campaign, he predicted that either candidate would struggle to pass laws in Congress. As a result, the majority of issues will go before the Supreme Court. With a vacant seat in the court, the president's selection of potential justices is a decisive factor between Trump and Clinton.

While the future of politics may be headed for uncertainty and potential gridlock, Boehner had encouraging words about US businesses. Based on his experience on the road fundraising for businesses from auto dealers to dry cleaners, Boehner asserted that the picture on the ground was often very different from the view in Washington. "I would argue America's economy is a lot stronger than America's political process," Boehner said. "I'm optimistic about America, and eventually the political process. People will calm down. We'll have new leaders who can lead. And they'll get back on track. But right now, it ain't going to happen any time soon."

Learning to disagree without being disagreeable

Growing up as part of a large working-class family in Cincinnati, Ohio, armed Boehner with the fundamental skills needed to make his way in politics. Dealing with tricky customers at the family-operated tavern while simultaneously getting along with eight brothers and three sisters provided him with essential experience for his political career. "The art of being able to disagree, without being disagreeable. That's something that probably helped me more throughout my political career than anything else I ever learned," he said.



“The art of being able to disagree, without being disagreeable. That’s something that probably helped me more throughout my political career than anything else I ever learned.”

“There’s a great deal of frustration in our country, and frankly I think elsewhere around the world; mostly stemming from the economic collapse, and the inability of the world to reflate and grow the world economy.”

Before politics, Boehner gained professional experience in the plastics and packaging business. “There’s one big lesson that I learned during my business career, and that’s take your team and make sure it’s a team,” Boehner said. As Speaker of the House, he had a staff of about 85 people with united goals and principles. He conducted regular team-building retreats and exercises to maintain team cohesion among existing employees and new recruits.

Navigating economic and trade challenges

Boehner praised America’s entrepreneurs who deal with the political landscape in front of them while advocating a smaller state as a route to a healthier economy. However, he still saw significant financial threats. “I think the greatest threat to the economy today is the risk of deflation. All over Europe, the United States, China, everybody’s been involved in trying to avoid deflation for the last eight years. And we have shot virtually every bullet in trying to avert this,” Boehner said.

He was also critical of the government practice of running a budget deficit, which he likened to children paying for their parents’ purchases on credit.

Turning to the other side of the pond, he had a more positive message for the UK following its Brexit vote in June. If Britain can seal a free trade agreement with the US ahead of the EU, which continues to struggle to set terms, then it would strengthen its hand in negotiations with the other European nations, Boehner said.

“I would argue that America’s economy is a lot stronger than America’s political process.”





KnowledgeNow: Future Foundations

Building the future for growth

Leaders from across the Apax Fund portfolio share operational insights on how to build solid platforms for success in turbulent and challenging times.





Building the future for growth continued

Follow your North Star

with **Kyle Leahy**, Executive Vice President and General Manager of North America, Cole Haan



COLE HAAN
EST. 1928

Differentiation is the key to transforming an iconic American brand into the next big global lifestyle brand, Kyle Leahy, EVP and GM for North America at Cole Haan, explained in her presentation *Building a consumer-driven brand and product strategy*.

The hundred-year-old start-up

Cole Haan's acquisition by Apex Funds in 2013 and subsequent carve-out from Nike was the catalyst for huge change at the US footwear company. It involved rebuilding the entire management team in multiple phases, a complete overhaul of product lines and establishing new platforms for future growth including digital. In short, a complete reset of the company's direction. This "North Star" strategy aimed to transform the business from a multi-million-dollar footwear company into a multi-billion-dollar lifestyle brand.

Leahy referred to Cole Haan as a "hundred-year-old start-up". She explained: "We are lucky to be stewards of this great American brand. But it requires that we really rethink how we operate, how we're going to compete."

That means overcoming the legacy mind-set and challenging the ways things have been done in the past.

Differentiation at the heart of brand positioning

With markets more competitive and consumer demands higher than ever, standing out from the crowd is the key to Cole Haan's strategy. This differentiation is defined by three components: brand authenticity, market opportunity, and cultural and consumer insight. By reconsidering its brand strategy, Cole Haan arrived at a competitive advantage defined as *Elegant Innovation*. This cross-market positioning allows the company to compete in a much larger market, with performance sportswear brands as well as fashion brands. "Consumers have responded so strongly that it is validated for us that this is a North Star that we can continue to drive as a sharp point for our company," Leahy said. Sales of shoes developed under its GRAND.ØS technology design initiative have grown to some 1.5 million pairs in the last 18 months.



Key takeaways from Cole Haan journey



Question the traditional way of doing things at your business



Define your competitive advantage by understanding your brand, your consumer and your market



Invest and plan to meet your North Star strategy



For inspiration, Cole Haan delved deep into its long history of design innovation, which included developing ergonomically designed golf shoes in the 1940s. It also looked at changing consumer trends, as well as carefully analysing feedback from customers to really understand their perceptions of the brand and what they expected.

Finally, it investigated the market opportunity. "‘Fish where the fish are’ is a phrase we use a lot when we think about our strategy development," Leahy said. As a result, Cole Haan broadened its focus from the dress shoe category, worth some \$8 billion at the time of acquisition, to incorporate casual and lifestyle categories, in the process boosting its potential market opportunity to \$100 billion.



Delivering against a North Star strategy

Having defined its market and set its North Star, Cole Haan is now delivering against its aims. Leahy explained how it requires patience and clarity of message, as well as an ability to fine tune the strategy over time. The company has changed its product architecture and is planning far ahead with new collections for 2018 seasons that will meet its customers' expectations. "We've tilted our investment to be able to deliver against this North Star. It's informed the type of talent that we've acquired, the resources that we've built," Leahy said.

As part of this drive to cement this market leadership position, Cole Haan has built an innovation centre at its New Hampshire headquarters where it has industrial engineers, rapid prototyping and 3D printing. "It's been a tremendous proof point for us around not just talking the talk, but walking the walk on bringing innovation," Leahy added.

Addressable markets⁽¹¹⁾

8x

The increase in Cole Haan's addressable market

Innovation⁽¹²⁾

1.5 million

The number of shoes sold under Cole Haan's GRAND.ØS innovation programs in the last 18 months



“We are lucky to be stewards of this great American brand. But it requires that we really rethink how we operate, how we're going to compete.”



Building the future for growth continued

Mapping career paths to a stronger future

with **Greg Kayata**, Senior Vice President of Human Resources, Acelity



Choosing the right people, defining their career development potential, and providing detailed feedback on performance can help retain employees and minimise costs from unnecessary staff turnover, explained Greg Kayata, SVP of Human Resources at Acelity.

Staff turnover can place high costs on a business through lost revenue and recruitment fees for new hires. By improving management that identifies how employees can progress through the company, staff are likely to stay on board for longer, reducing costs to businesses.

Since joining Acelity two years ago, Kayata has spearheaded a new human resources plan that focuses on four key areas: selection, development, performance and retention. In the first instance, better selection means more standardised interview processes and success profiles that define what is needed for each role from the outset. This is followed by creating development plans to focus on how those staff can progress through the company, mapping out potential routes and roles they can take in the future.

Setting clear criteria for each job makes it easier to assess staff performance and create potential goals. The evaluation of leadership potential and subsequent succession planning should be more open and transparent. This also requires that those not picked for internal moves should be given clear feedback on what is needed to progress. "I'd argue if you're doing those first three things appropriately, then the retention will follow," Kayata explained.

Acelity is witnessing the benefits of this approach, with turnover of new hires in field services down to zero this year and staff willingness to recommend the company on the rise.

Reducing staff turnover costs

Selection

Define the role and standardise interviews

Development

Plan career paths to enable staff progression

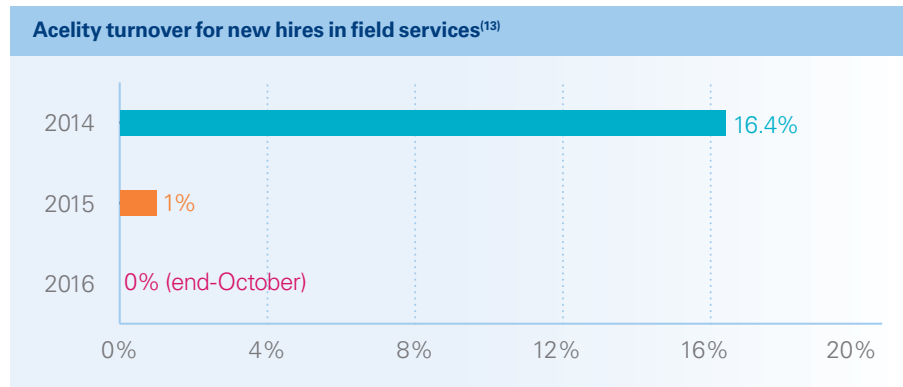
Performance

Give clear feedback on how to move forward

Retention

Get the first three right and retention will follow!

“I'd argue if you're doing those first three things appropriately, then the retention will follow.”



The price of change

with **Scott Kim**, CEO, Bankrate.com



Bankrate

Defining a new business pricing model required staff change and a new company mind-set that ultimately delivered better results, Bankrate.com CEO Scott Kim explained.

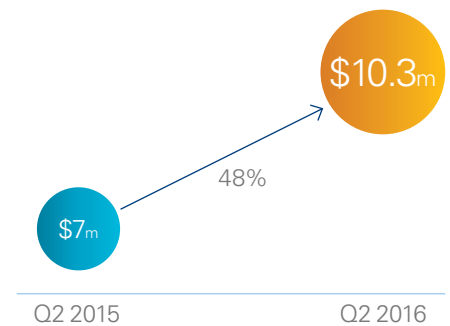
Financial product comparison website Bankrate.com threw out its old flat rate pricing chart and switched to one based on data analysis tailored to individual searches. Through detailed analysis, the company identified seven key dimensions that highlighted the consumers most likely to actually take out mortgages. The new algorithmic model based on this data generates about 1,500 different prices and crucially demonstrates to advertisers that the higher the ad price they pay, the greater the likelihood of a loan agreement.

Implementing the new model required a four-point plan. In the first instance, Bankrate.com put data into its DNA. Not only did it create a data centre and a business intelligence team, it also put the head of data in charge of product management, meaning the ethos filtered through the organisation. Then Bankrate.com needed to break the inertia of the traditional way of doing things.

The third point was to set company objectives and key results that were transparent and to let people take charge. "You really have to let go and push empowerment and ownership down the organisation," Kim said. Finally, Bankrate.com moved to Agile and Scrum methodologies to increase velocity – it made mistakes but was able to focus on what was really important.

The result was a 48% jump in the top line – Q2 2016 revenues grew to \$10.3 million from \$7.0 million the previous year.

Top line revenue increase⁽¹⁴⁾

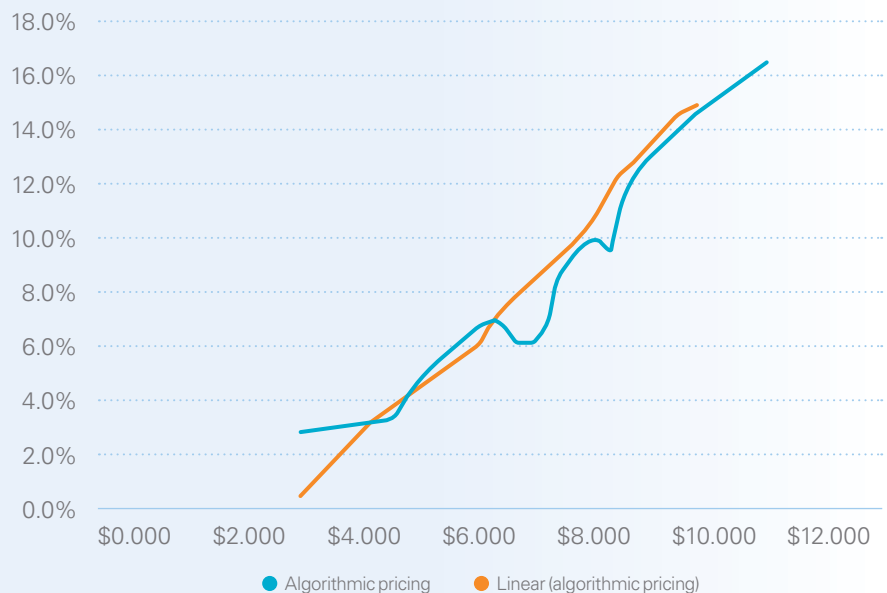


“You really have to let go and push empowerment and ownership down the organisation.”

Raise in Q2 2016 mortgage revenues



Correlation of price and probability of lead⁽¹⁴⁾



Building the future for growth continued

Building strength in carve-out situations

with **Noel Goggin**, CEO, Aptos;
Matt Foster, COO, Duck Creek Technologies; **Vid Desai**, CIO, Vyair Medical



aptos

duckcreek
technologies

vyair
MEDICAL

Establishing standalone working practices while ensuring continuity for customers and staff are central to company carve-outs, explained Aptos CEO Noel Goggin, Duck Creek Technologies COO Matt Foster and Vyair Medical CIO Vid Desai.

Taking control

Aptos's ownership by Epicor, a software and services group previously owned by Apax Funds, meant the spin-out process could be concluded in just 60 days. This situation allowed the company to think differently about priorities. "We had to build all this stuff from scratch. So it gave us a tremendous opportunity to actually do things differently from the start," Goggin said. Aptos chose not to establish a large in-house IT team and infrastructure but instead to go down a 100% SAAS route, which also felt right for a "scrappy, start-up-oriented organisation".

However, the desire for speed must also be balanced with other considerations. Vyair's mantra to "do no harm" reflects its focus on patient wellbeing for the respiratory devices carve-out from Beckton Dickinson.

Total time to spin Aptos out of Epicor

 60
days

Managing people

In the case of Duck Creek, a specialist insurance software company that was spun out of Accenture, the main issue was managing the expectations of the employees at the large process-driven former parent. Some 400 people at Accenture were aware of and involved in the evolution of Duck Creek. "One of the big challenges was trying to keep everybody in a similar orbit and keeping them informed," Foster said. In hindsight, he wishes he had more selfishly concentrated on the future priorities of the company rather than managing the separation process.

Meanwhile, the carve-out of Aptos energised many staff, but also identified people who would hold the company back. Aptos turned over 20% of employees in the first year. It holds weekly company meetings to get the staff more on-board with changes. "We can't do enough communication of the right behaviours internally," Goggin said.

Existing customers and new opportunities

Vyair Medical has identified opportunities to go after untapped customers in new markets. "About 85–90% of our revenues right now come from the US, so the international area is a huge growth opportunity," Desai explained. At Duck Creek Technologies, that desire to go after new sources of revenue must also be balanced with the need to minimise disruption for existing customers and keeping them on board, Foster added.

“We had to build all this stuff from scratch. So it gave us a tremendous opportunity to actually do things differently from the start.”

Extending your influence

with **Rich Beattie**, Vice President, Multiply



“There is a very specific group you should be targeting.”

Influencers on social media don't need to be global mega-stars. The key to increasing brand awareness and boosting sales is to understand your customers and work with influencers that reflect this audience, Rich Beattie, VP at Multiply explained.

The rapidly growing and increasingly mobile social media universe reaches billions. Facebook, the dominant platform, has 1.7 billion monthly active unique users. Better still, it has near 100% penetration among 18–34-year olds, and is still the go-to site for 18–24-year olds, with half going straight to Facebook when they wake up. Subsequently, social media advertising is expected to reach €25 billion by 2021.

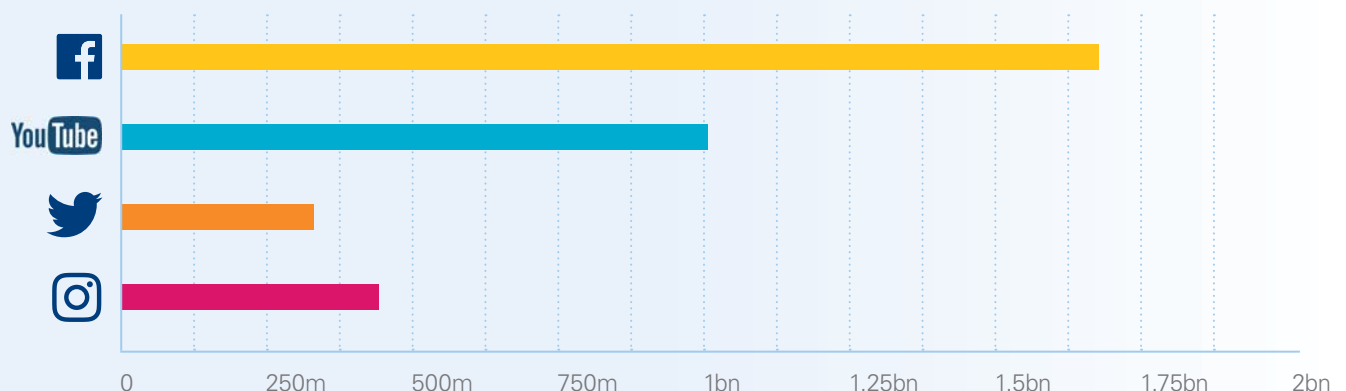
As social media grows, the role of influencers in the space continues to evolve. Famous names linked to commerce have been a tool used throughout history – from Josiah Wedgwood using Royal endorsement to sell crockery in the 18th century, to basketball star Michael Jordan's relationship with Nike in the 1980s. While celebrity status still has pulling power, social media today enables anyone to create and share their own content online and become an influencer.

Beattie explained. “A lot of people have taken advantage of this and really built followings around very specific topics, and developed very specific niche audiences,” he said. Those influencers are driven by making money, but increasingly want to endorse quality products they believe in.

Both consumer and B2B brands can benefit from influencers on social media – when it comes to targeting the right audience, Beattie says the key is to “think small”.

Beattie then went on to talk about the new evolutions in social media and how these nascent developments could be harnessed by brands and influencers to further enhance their online presence. “So what is next? Well, some of the things that I think are particularly interesting, Facebook 360 panoramas, Facebook Live and Snapchat Stories. It's all about Live now. You're going to get even more bang for your buck with those”, he said.

Social media users monthly in 2016⁽¹⁵⁾





KnowledgeNow: Future Foundations

Putting the foundations in place: case studies for success

Four real-life examples demonstrating how the OEP works with portfolio companies to drive change and unlock value

Putting the foundations in place: case studies for success continued

A recipe for winning new customers

with **Jon Simmons**, Operating Executive, Apax Partners

Reaching potential customers directly was a new opportunity for B2B weight loss program Ideal Protein. Through a clear plan, selective testing and systems to attract and track potential leads, the company was able to prove that a B2C initiative could be a cost effective way of growing the customer base.

Ideal Protein's science-based approach to weight loss has relied on medical professionals at 3,000 independent clinics across the US and Canada recommending the plan to end-customers. While it has achieved great results for individuals, the B2B set-up meant that the number of dieters was limited by clinics' priorities and their own ability to grow their customer bases.

The company wanted to test into new channels such as search engines and social platforms to grow its customer base, but needed to understand if the cost of the new approach would be viable in the long run. Apax and Ideal Protein management worked together to define key performance indicators – cost per lead, and cost per dieter – to measure overall program success, and built a multi-step lead generation funnel designed to generate leads, and convert those leads into new customers.

Ideal Protein built a new front-end user experience for the program including multivariate-ready website landing pages, a clinic locator solution, and online reservation flow – additionally, the company leveraged an off-the-shelf analytics solution, Google Analytics, coupled with proprietary lead tracking and CRM solutions to track and manage the distribution of leads through to clinics. After the components of the lead generation funnel were built, the marketing program was activated on Google and Facebook in two key test markets, Chicago and Washington DC. “Out of the gate, let's just see if we can actually drive some leads in this very, very competitive marketplace,” Jon Simmons explained.

In the first few months, the B2C initiative generated good progress on new leads, and a rapidly declining cost per new lead.

The upshot is that Ideal Protein identified the cost of acquiring a new customer B2C and proved it could make a return on investment. “We learned that this is a viable channel for us,” explained Simmons. The initiative has also provided lessons on how the company can boost its B2B business by improving the way it interacts with clinics.

““Out of the gate, let's just see if we can actually drive some leads in this very, very competitive marketplace.””



Preparing for public markets

with **Doug Ahrens**, CFO, GlobalLogic



GlobalLogic®

“The reality for any company is you don’t know when or if [an exit event] will happen, but it’s really good to prepare when you’re getting large and growing quickly,” Doug Ahrens said. GlobalLogic drew on the experience of Apax’s Operational Excellence team and preferred vendor Alvarez & Marsal for the process. The exit readiness project highlighted three areas for improvement at the company: faster turnaround of monthly accounts, better and longer-term forecasting, and improved financial and revenue controls.

The project required increased IT resources, daily progress reports and weekly meetings among key GlobalLogic management, extensive internal communications with staff and a program sponsor on the executive team – in this case Ahrens himself. External help enabled the company to push through changes, while continuing on its high-growth trajectory, and set up processes

that could be sustainable in the longer run. The result? GlobalLogic has reduced the turnaround on monthly accounts to ten days from seventeen. It also extended forecasting from one or two quarters to five, and beefed up revenue controls by linking with banks to receive automatic balance updates. Whatever the eventual exit route, the preparations have been important and healthy, Ahrens concluded.

“The reality for any company is you don’t know when or if [an exit event] will happen, but it’s really good to prepare when you’re getting large and growing quickly.”

Putting the foundations in place: case studies for success continued

Health and safety as a value driver

with **Cliff Dixon**, Vice President of Information Technology, Quality Distribution



Quality Distribution needed a complete overhaul of environmental, and health and safety standards following the acquisition by Funds advised by Apax in 2015. One year on, the company stands out as one of the most safety-conscious chemical transport companies.

During the due diligence process, Apax challenged Quality Distribution's manual reporting of its handling of chemicals and other hazardous materials. Most environmental information was kept on spreadsheets and in the head of just one individual. The lack of processes occasionally sucked internal time and resources from other priority projects.

The Operational Excellence team helped design an initiative to make environmental, and health and safety processes more transparent, improve governance to ensure compliance with regulations and automate processes. Quality Distribution documented procedures for operations in all key areas and set up a cross-functional team to take reporting off spreadsheets and into an automated system.

Following a competitive tender, the company selected an appropriate software vendor to transform its tracking and reporting processes. The system goes live in early 2017 and will standardise procedures, including reporting and analysis. It will allow the company to identify weaknesses and automate processes. And crucially, it will enable the company to avoid potential fines, and cut down on legal fees related to compliance issues. "If we avoid just a couple of those things, that easily pays for the whole implementation of an EH&S solution. So it really becomes a no-brainer from that standpoint," Cliff Dixon explained.

Putting customers at the heart of systems planning

with **Sal Caruso**, CIO, One Call Care Management, and **Nick Iozzo**, Operating Adviser, Apax Partners

Harmonising One Call Care Management's six distinct IT systems threatened to be a costly and time-consuming process. Apax and company management focused on customers to design an integrated system that can generate synergies and transform the business.



The customer experience at One Call Care Management, a US company managing medical compensation claims, was complex and at odds with the name. In order to increase satisfaction, One Call settled on an "outside in" approach that would focus on improving customer-facing systems first, followed by a rebuild of the less visible back-end functions over time.

Using the Apax Portfolio Efficiency platform to get “large company” procurement

with **Edward Burgers**, Procurement & Facilities Manager, Exact Software



= exact

Apax’s network of contacts and portfolio companies helped Exact improve procurement and understand best practice. The software company is on track to have increased procurement savings four-fold since before the takeover last year.

Realising cost savings in a fast-growing company in which procurement is not a strategic function can be challenging. But Apax’s expertise, as well as contacts with other companies in the portfolio, has helped transform Exact’s procurement function into that of a large company without hiring new people or going through costly and time-consuming tenders for outside consultants. “We do have a lot of knowledge in all the portfolio companies, and the team has really brought that together and made it available to us,” Edward Burgers explained.

By outsourcing IT infrastructure suppliers, Exact was able to reduce costs and improve quality, without any negative impact on the company or its users. The company was also able to benefit from experience within the group to secure licensing deals and contracts with Salesforce and Microsoft. In addition, Exact has come to understand all the constituents of its carbon footprint – including lease cars and offices – and has developed a plan to improve.

The benefit to the bottom line is clear. From cost savings of \$500,000 in 2014, the company achieved \$1.5 million in 2015 and made savings of over \$2 million even before 2016 was out.

The first step was for the company to talk to some of its users and define their needs. “You don’t spend months thinking about this; you spend a week and it’s a gauntlet,” Nick Iozzo said. Next, One Call prepared rough and ready designs to show to customers, which it was then able to transform into a prototype for more detailed feedback.

One Call has completed planning and is now in the build phase. In addition, it has brought forward consolidation of its Oracle E-Business Suite applications. The wider business has bought into the process and is aligning with IT. “We don’t consider this an IT project. It’s a business transformation project of which IT is a key partner,” Sal Caruso concluded.

““We don’t consider this an IT project. It’s a business transformation project of which IT is a key partner.””

Attendees

Who's who?

Conference speakers



Doug Ahrens
CFO, GlobalLogic

Rich Beattie
Vice President, Multiply

John Boehner
53rd Speaker of the United States House of Representatives

Seth Brody
Partner and Global Head of the Operational Excellence Practice, Apax Partners

Edward Burgers
Procurement & Facilities Manager, Exact Software

Sal Caruso
CIO, One Call Care Management

Vid Desai
CIO, Vyaire Medical

Cliff Dixon
Vice President of Information Technology, Quality Distribution

Onur Erzan
Partner, McKinsey & Company

Matt Foster
COO, Duck Creek Technologies

Noel Goggin
CEO, Aptos

Nico Hansen
Chief Investment Officer, Apax Partners

Nick Iozzo
Operating Adviser, Apax Partners

Greg Kayata
Senior Vice President of Human Resources, Acelity

Scott Kim
CEO, Bankrate.com

Kyle Leahy
Executive Vice President and General Manager of North America, Cole Haan

Jason Phillips
Partner, McKinsey & Company

Andrew Sentance
Senior Economic Adviser, PwC

Andrew Sillitoe
Co-CEO, Apax Partners

Jon Simmons
Operating Executive, Apax Partners

Conference attendees



Connie Adair
CEO, Taylor Winfield

Ameya Agge
Principal, Apax Partners

Doug Ahrens
CFO, GlobalLogic

Nicolas Alfin
General Manager, Cosas De Barcos

Nick Alvarez
Managing Director, Alvarez & Marsal

Ian Atkins
President, Dominion Marine Media

David E. Ball
Senior Vice President of Operations, Acelity

Brett Batchelder
Senior Director Private Equity, EMC

Rich Beattie
Vice President, Multiply

Bryan Belanger
Vice President of Technology, Ideal Protein

Mark Binney
Partner, PwC

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COO, Unilabs

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Business Development Manager, Wehkamp Group

Blake Booyesen
CFO, Wehkamp Group

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Partner and Global Head of the Operational Excellence Practice, Apax Partners

Arthur Brothag
Principal, Apax Partners

Fredrik Burger
Partner, Ernst & Young

Edward Burgers
Procurement & Facilities Manager, Exact Software

David Burgess
Operating Specialist, Apax Partners

Sal Caruso
CIO, One Call Care Management

Courtney Chalmers
Vice President of Marketing, Dominion Marine Media

Gabriele Cipparrone
Partner, Apax Partners

Piet Coelewij
CEO, Wehkamp Group

Dave Cook
Executive Chairman, TradeGlobal

Jonny Crowe
CEO, Wehkamp Group

Martyn Curragh
CFO, PwC

Paul de Janosi
Senior Managing Director, SSA & Company

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Operating Adviser, Apax Partners

Vid Desai
CIO, Vyaire Medical

Cliff Dixon
Vice President of Information Technology, Quality Distribution

Lynn Durant
Managing Director, Taylor Winfield

Frank Ehmer
Partner, Apax Partners

John Elwood
Vice President, Global AWT Manufacturing, Acelity

Fernando Encinar
CMO, idealista

Jesus Encinar
CEO, idealista

Drubay Eric
Group CPO, Unilabs

Onur Erzan
Partner, McKinsey & Company

Matt Foster
COO, Duck Creek Technologies

Paulo Freitas
CFO and Director of Investor Relations, TIVIT

Conference attendees continued

Bryan Gartner

Principal, Apax Partners

Marcelo Gigliani

Partner, Apax Partners

Jason Glaun

Operating Adviser,
Enterprise Technology,
Apax Partners

Noel Goggin

CEO, Aptos

Gurdeep Grewal

Senior Vice President of &
GM Europe, GlobalLogic

Marty Guinoo

Operating Executive,
Apax Partners

Genna Gwynn

AVP Sales Commerce
Cloud, Salesforce

Rohan Haldea

Partner, Apax Partners

Tom Hall

Partner, Apax Partners

Nico Hansen

Chief Investment Officer,
Apax Partners

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Operating Specialist,
Apax Partners

Paul Harrington

Senior Director,
Private Equity, SAP

Dan Hatola

Chief Marketing Officer,
FULLBEAUTY Brands

Thomas Helmreich

CFO, Takko Fashion GmbH

Michael Holland

CIO, rue21

Charles Honnywill

Partner, Ernst & Young

Dawn Hu

Vice President, Apax Partners

Gary Hughes

Operating Adviser,
Apax Partners

Nick Iozzo

Operating Adviser,
Apax Partners

Michael Jackowski

CEO, Duck Creek Technologies

Dene Jones

Customer intelligence
& experience director,
Wehkamp Group

Ashish Karandikar

Partner, Apax Partners

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CEO, Bankrate.com

Al Koch

Managing Director, AlixPartners

Onno Krap

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CEO, Unilabs

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Co-founder, Senior Partner,
Cardinal Path

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Managing Director,
Alvarez & Marsal

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Executive Vice President
and General Manager of
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Executive Vice President,
Chief Digital Officer,
FULLBEAUTY Brands

Velina Luhur

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Wiljar Nesse

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Ajmal Noorani

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Business, GlobalLogic

Or Offer

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Milind Patwardhan

Vice President, Strategic
Solutions, GlobalLogic

Alex Pellegrini

Partner, Apax Partners

Laurent Peron

Regional Vice President,
Commerce Cloud, Salesforce

Jason Phillips

Partner, McKinsey & Company

Chaitanya Rajebahadur

Senior Vice President
and Head of Europe,
Zensar Technologies

Brad Ramsey

Vice President of Sales,
North America,
Dominion Marine Media

Micha Ronen

CEO, Schulz Catering Ltd.

Indranil RoyChoudhury

Senior Vice President of
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President & CEO, GlobalLogic

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Vice President, Supply Chain
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Global Coverage Officer, ADP

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Jon Simmons

Operating Executive,
Apax Partners

Shashank Singh

Partner, Apax Partners

Will Smith

Chief Product Officer,
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Quality Distribution

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CTO, Wehkamp Group

Brett Trent

Chief Digital Officer, rue21

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CEO, INVENT FARMA S.L.

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Managing Director,
Macquarie Group

Vivek Vyas

Principal, Apax Partners

Chris Watson

COO, One Call Care
Management

Jill Watts

Group CEO, BMI Healthcare

Michael Weyrich

Partner & Managing Director,
Alix Partners

Edmund Williams

Independent non-executive
director, idealista

Ilan Zachi

CEO, Zap Group

The Operational Excellence team⁽¹⁶⁾

Operational Excellence practice

Seth Brody

Partner and Global Head of the Operational Excellence Practice



Seth Brody is a Partner and Global Head of the Operational Excellence Practice ("OEP"). He has been with Apax since 2008, based in the New York office. He is responsible for the strategy and development of the OEP team and the evolution of its capabilities.

His prior industry operating experience includes roles as Executive Vice President and General Manager at Razorgator Interactive Group, as Group Vice President and General Manager at Orbitz Worldwide, Director of Marketing at priceline.com, and Product Manager at

Netmarket Group, Inc. Seth has served in numerous interim management positions across the Apax Fund portfolio including roles as the Chief Information Officer at Netrada Management GmbH and Chief Marketing Officer at Trader Canada Corporation. Seth serves on the boards of directors for FULLBEAUTY Brands, Aptos and for Bankrate, Inc. (NYSE:RATE). He has served as a director and adviser to numerous growth companies in the digital space. He received his BA from Yale University and his MBA from Harvard Business School.

Jon Simmons

Operating Executive, Digital



Jon Simmons is an Operating Executive in the Operational Excellence group. He joined Apax Partners in 2012 and is based in New York.

Prior to joining Apax, Jon was the Founder and Principal at Clearsearch Media, where he led digital strategy for a diverse portfolio of clients ranging from early stage ventures to global companies. Prior to founding Clearsearch in 2006, Jon was the Director of Marketing Operations at Walkaway

Media, an online lead aggregator in the travel industry, and also held various positions at priceline.com. Jon serves on the board of directors for Dominion Marine Media.

Jon holds a BA in Economics and German from Middlebury College.

Marty Guinoo

Operating Executive



Marty Guinoo is an Operating Executive in the Operational Excellence Practice. He joined Apax Partners in 2016 and is currently based in the New York office.

Prior to joining Apax Partners, Marty had over 10 years of experience running and selling assets for private equity. During that time, he was the CEO of Sentient Jet and President of Icon Parking Systems.

Marty's prior industry operating experience included management positions at priceline.com and Starwood Hotels.

Marty holds a BA from Harvard College.

Will Harman

Operating Specialist, Portfolio Efficiency



Will Harman is an Operating Specialist in the Operational Excellence team. He joined Apax Partners in 2014 and is currently based in London.

Prior to joining Apax Partners, Will worked for PA Consulting Group where he led procurement restructuring, cost reduction and supply chain risk management programmes for clients including BP, BAE Systems and Aston Martin.

Will was previously a supply chain consultant at PwC and has led major procurement programmes at Jaguar Land Rover.

Will holds a Master's degree by Research from Warwick Business School, an MA in International Relations from Bristol University and a BSc in Economics and Politics from Bath University.

Jessica Kuess

Vice President, Digital⁽¹⁷⁾



Jessica Kuess is a Digital Associate in the Operational Excellence group. She joined Apax Partners in 2014 and is currently based in New York.

Prior to joining Apax Partners, Jessica was a member of the Strategic Development team in Ralph Lauren's Global Digital and e-commerce Group. She also worked as an Investment Banking Associate and Analyst at Citigroup in the Global Industrial Group in New York.

Jessica holds a BBA from the Stephen M. Ross School of Business at the University of Michigan.

Velina Luhur

Sr. Associate, Portfolio Efficiency⁽¹⁷⁾



Velina Luhur is a Sr. Associate in the Portfolio Efficiency practice of the Operational Excellence team. She joined Apax Partners in 2015 and is currently based in New York.

Prior to joining Apax Partners, Velina was a member of the Central Procurement and Profit Improvement team at J.Crew, where she led cross-functional cost reduction and process improvement initiatives. She also worked as a Procurement Strategy Manager at ANN INC. and as a procurement consultant at GEP.

Velina holds a BSFS in International Political Economy from the Edmund A. Walsh School of Foreign Service at Georgetown University.

Operational Excellence practice continued

Gary Hughes Operating Adviser



Gary Hughes joined the Operational Excellence team at Apax as an Adviser in October 2012 following an extensive career in both the public and private equity markets.

Gary is an experienced international operator and at Apax works with our deal teams on operational pre-acquisition due diligence; with portfolio companies on business efficiency, change and transformation and 100-day planning; and provides interim management support where needed.

He is currently a non-executive director of Booker Group plc, Premier Farnell plc, Majid al Futtaim LLP, SECC Limited and the Scottish Football Association. He is also an Apax representative on the board of General Healthcare Group Limited. His career has taken him from investment banking to various roles across the FMCG, international hotel, media and gaming sectors.

Jason Glaun Operating Adviser, Enterprise Technology



Jason Glaun is an Operating Adviser in the Operational Excellence team, having previously held the role of Interim Global Technology Director at Apax Partners.

Prior to joining Apax as an adviser in 2009, Jason founded a management consulting business in the Channel Islands. He has operated in the retail, digital, technology, alternative investments, finance,

law and consulting industries. Holding previous operating positions at board and executive level, his speciality areas revolve around supply chain, business operations and technology.

Jason holds a postgraduate Diploma in Commerce & Industry and an MBA in Technology Management from the Open University.

Shivani Tejuja Operating Adviser, Digital Retail



Shivani Tejuja joined Apax Partners in 2014 as an adviser in the Operational Excellence team.

Prior to joining Apax, Shivani was Multichannel Director of New Look, strategising this dynamic fast-fashion brand's customer experience and growing its digital business over 50% year-on-year. She has held senior management roles and directorships at a host of major brands in the US and Europe, including Microsoft, Starbucks, Amazon,

Expedia and Voyages-SNCF – Expedia's joint venture with the French national train operator.

Since joining the Apax team, Shivani has supported digital growth initiatives at rue21, Takko, Karl Lagerfeld, Rhiag and FullBeauty brands.

Shivani holds a BA in Economics from the University of Pennsylvania and an MBA from London Business School.

Nick Iozzo Operating Adviser, User Experience



Nick Iozzo has nearly 20 years' experience in user experience and product management of internet-based software.

Nick's speciality is in managing the design and roll-out of disruptive technologies. During most of his career, he established and led the user experience practice for three different consulting companies, working for companies like Hallmark, Victoria's Secret, Travelocity, Fisher Scientific, GSK and

Orbitz as well as about 40 other start-up and established companies.

Currently, he works exclusively with Apax Partners and provides assistance to portfolio companies looking for help in managing disruptive technologies, improving the usability of their products, or helping them bring design thinking to their product management process.

Ellen de Kreijl Operating Adviser, Sustainability Initiatives



Ellen de Kreijl is responsible for the implementation of the Apax Partners Sustainability Programme and is a member of the Apax Operational Excellence team.

Ellen joined Apax Partners in 2002 as Director of Deal Generation and became a Director in the Investor Relations team in early 2010 with a particular focus on European investors.

Prior to joining Apax Partners, Ellen worked as an investment banker in the Mergers & Acquisitions teams at Merrill Lynch and Broadview International, where she specialised in advising transactions in the Technology sector.

Ellen holds an MA in Dutch Civil Law and an MBA from Harvard Business School.

David Burgess Operating Specialist, Search Technologies



David Burgess joined the Operational Excellence group in 2015 as an Operating Specialist focused on Search Technologies.

Prior to joining Apax, David acted as President of Ayima, a specialist search engine optimisation (SEO) agency. David grew the office from inception, building an industry-leading team of SEO experts and winning Fortune 100 clients including Verizon, Sports Illustrated and MGM Resorts. A technical SEO expert, David spearheaded the SEO Program

at Verizon Wireless, delivering transformational change, triple digit growth and multi-million-dollar revenues from the Organic Search channel.

Prior to moving to the US in 2012, he acted as lead consultant for FTSE 100 clients in the most competitive search verticals, including O2 and Marks & Spencer. He is an expert in e-commerce platform optimisation including Oracle Commerce & Demandware. David holds a BSc in Human Sciences from University College London.

A differentiated platform for value creation

Distinct approach

The structure and capabilities of the OEP have evolved to meet the needs of deal teams and portfolio company executives over time. There are currently seven vertical practice areas, which have been developed based on the evolving nature of the growth opportunities and challenges we face in our investments. The OEP combines the experiences of its distinctive

in-house team with a powerful network of fit-for-purpose "preferred partners". These efforts are augmented with a coordinated process for best practice sharing and cross-portfolio networking, called "KnowledgeNow", and innovative tools and technologies developed to accelerate growth across the portfolio using big data analytics.



DISTINCT APPROACH

Proprietary tools & technology

The OEP is comprised largely of former executives. The team's work in due diligence and across the global portfolio puts them in contact with operators on a daily basis. Those executives are engaged in the constant effort to bring products to market, leverage their data to make decisions and maximise the

value of their relationships. The OEP practice leaders view it as an extension of their mission to not only support deal teams and executives during a particular project, but to empower them with connections, tools and technologies that can be used to drive performance on a daily basis.

PROPRIETARY TOOLS & TECHNOLOGY



KnowledgeNow through the ages



KnowledgeNow 2012

"Building a focus factory"

New York

21 portfolio companies

12 preferred partners

100 attendees



KnowledgeNow 2013

"Branching out"

London

26 portfolio companies

15 preferred partners

87 attendees



KnowledgeNow 2014

"Enterprise Tomorrow"

Las Vegas

24 portfolio companies

17 preferred partners

89 attendees



SPECIALISED TEAM

Specialised team

The OEP team is comprised of operating professionals who bring diverse experiences and backgrounds to our vertical practice areas from some of the world's leading organisations.

The group operates with a global remit, travelling frequently to engage directly on projects and initiatives alongside portfolio executives and investment professionals.

PORTFOLIO SCALE



Portfolio scale

The power of the Apax network is formidable. Companies in the portfolio employ more than 150,000 people around the globe who conduct business in nearly every conceivable market. There is a vast wealth of

operating knowledge and commercial experience on hand.

The OEP team has access to this knowledge base through its global engagements.



KnowledgeNow 2015

"Playing Offense"

Miami

27 portfolio companies

21 preferred partners

130 attendees



KnowledgeNow 2016

"Future Foundations"

Barcelona

28 portfolio companies

15 preferred partners

120 attendees

References

- (1) 1 November 2015 to 31 October 2016.
- (2) Contract value and savings calculations since inception of Portfolio Efficiency/Procurement practice through 31 October 2016.
- (3) Contract value established between Apax portfolio companies through 31 March 2016 including iGATE, Epicor, Garda, Travellex, GlobalLogic, Tradeglobal, Sophos.
- (4) The realisations figure is from 1 January 2014 to 30 September 2016 and is pro-forma for the closed realisations of Plantasjen, Idealista, and Ascential and signed exit of Sisal (post-30 September 2016). The figure, as of 30 September 2016, is converted to USDbn at the FX rate prevalent at the end of each month in which the cashflows occurred. The \$21.5bn of realisations figure is based on all cash received, or expected to be received, by the Apax Funds across all deals.
- (5) Returns calculated on EURm basis. Includes fully realised investments; signed exit of Sisal and Plantasjen closed post-September 2016; and significant partial realisations of Sophos, Capio and Garda, where the Apax Funds have sold the majority of the shares originally held. For partial realisations, unrealised stake valued as of September 2016 or exit event, whichever is more recent. For all fully realised and significant partial realisations, total costs associated with each investment and realisations prior to 2014 are included in the returns calculation. Gross IRR calculated on a concurrent basis (please refer to "Information with respect to IRRs, MOICs and TVPIs" in EndNotes for further information). Refer to table of Fund Level Returns in End Notes for Gross and Net MOIC & IRRs for funds containing investments included in above figures. Realisations figures are pro-forma for the signed realisations in Sisal and closed exit of Plantasjen post September 2016. Information with Respect to IRRs, MOICs, TVPIs and DPIs. Unless otherwise indicated, all internal rates of return ("IRR") and multiples of invested capital ("MOIC") in this Presentation are presented on a "gross" basis (i.e., they do not reflect the

management fees, carried interest, expenses, taxes, the value of any uplift in respect of the equity owned by a portfolio company's management and/or board of directors, transaction costs in connection with the disposition of unrealised investments and any other fees or expenses that are borne by the relevant Apax Funds or its investors, all of which will reduce returns and, in the aggregate, are expected to be substantial). Net IRRs and net MOICs (otherwise referred to in this Presentation as "TVPIs" (or total value to paid-in capital)) are after all management fees, carried interest and other expenses but do not include taxes or withholding or certain other expenses incurred by investors directly. "DPI" refers to distributions to paid-in capital. A description of such fees, "carried interest" and expenses is or will be detailed in the relevant Apax Fund's limited partnership agreements or offering documents (as applicable), a summary of which will be furnished to each recipient upon request. Recipients of this Presentation may also obtain a hypothetical illustration of the effect of such fees, expenses and other charges on such returns. Unless otherwise indicated, "Gross IRR" and "Net IRR" shall mean the aggregate, compound, annual, gross or net, as applicable, internal rate of return on investments, calculated on the basis of actual investment inflows and outflows contributed by and distributed to investors. As presented herein, IRRs and MOICs with respect to unrealised investments assume that such investments were sold for cash at their indicated unrealised values and the proceeds therefrom distributed to investors. Actual realised returns on unrealised investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the valuations used in the prior performance data contained herein are based. Accordingly,

the actual realised returns on unrealised investments may differ materially from the returns indicated herein. In certain instances, the Gross IRR shown is a Concurrent IRR, meaning a gross annual IRR, calculated as if the first cash flow associated with all investments occurred in the same month.

- (6) Source: Bloomberg.
- (7) Source: Factset.
- (8) Source: S&P Capital IQ. Includes fees and expenses. Presented by Nico Hansen, Apax Partners.
- (9) Apax analysis. For a discussion on Apax's current views on the implications of the 'Leave' vote and the likely process by which the UK may pursue an exit from the European Union, please refer to the Resource Library. Presented by Nico Hansen, Apax Partners.
- (10) ONS and PwC forecasts and post-Brexit scenarios. Presented by Andrew Sentance, PwC.
- (11) The NPD Group Consumer Tracking Service, 12ME October 2015 (includes men's and women's dress, casual, sports leisure, outdoor, performance footwear and \$12bn Kids Market); Accessories Magazine/The NPD Group, Inc. 2015 Census Report. Men's accessories represents an additional \$2bn; The NPD Group, 2013. Presented by Kyle Leahy, Cole Haan.
- (12) 1.5 million pairs, October 2014 – August 2016. Presented by Kyle Leahy, Cole Haan.
- (13) ©2016 KCI Licensing, Inc., LifeCell Corporation, and/or Systagenix Wound Management, Limited. All rights reserved. Presented by Greg Kayata, Acelity.
- (14) Source: Bankrate. Algorithmic Pricing as a Catalyst for Cultural Change.
- (15) Source: <https://www.dreamgrow.com/top-15-most-popular-social-networking-sites/>
- (16) The Operational Excellence team as at 30 September 2016.
- (17) Title as of 1 January 2017.





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