

YEAR IN REVIEW

DUKE
STREET

SPRING 2018

www.dukestreet.com

Duke Street 2017 highlights

- Two new investments in TeamSport and A-Rosa with a combined EV of €248m
- Three exits from: Baywater, QCNS and Eduservices
- Creation of two new funds of committed capital: DS Cornerstone I LP and DS Cornerstone II LP, which include significant investment from Goldman Sachs, Arcano and Glendower

7 deal-by-deal investments

Combined EV of over

£1bn

3 refinancings during 2017:

Voyage Care

£250m

wagamama

£225m

ARDENT
HIRE SOLUTIONS

£120m

9 awards won by investee companies and their employees in 2017

NEW INVESTMENTS

First deal for firm's new Cornerstone Fund

Location: UK

Sector: Retail, Leisure & Consumer

Business: Indoor go-karting operator

Date of investment: October 2017

TeamSport, the UK's leading indoor karting operator was acquired by Duke Street in October 2017. With just eight tracks in 2013, TeamSport, led by managing director Dominic Gaynor, now operates 24 tracks across the UK, including five in London, and expects to accelerate this rate of growth under Duke Street's ownership.

"Duke Street stood out from the pack with their understanding of our business and their determination to deliver - in my view this makes them an ideal partner for the next stage of TeamSport's journey."

Dominic Gaynor, managing director of TeamSport



Duke Street acquires premium cruise operator A-ROSA

Location: Germany

Sector: Retail, Leisure & Consumer

Business: Premium river cruise operator

Date of investment: December 2017

A-Rosa was the second deal for Duke Street's Cornerstone Fund. A-Rosa is market leader for premium river cruises in Europe. Duke Street acquired A-ROSA from Waterland Private Equity in a deal signed in December 2017.

The company was established in 2001 as a subsidiary of P&O Princess Cruises and was originally developed as the river cruise complement to AIDA ocean cruises. Based in the northern German city of Rostock and in Chur, Switzerland, A-ROSA has approximately 600 employees and operates a fleet of 11 high quality vessels. More than 85,000 passengers travelled on board A-ROSA cruises in 2017.

"Duke Street moved very quickly in building a solid understanding of our business in a short space of time and have shown real determination to deliver a transaction that allows us to unlock the growth potential to take A-ROSA to the next level. We look forward to working together with the Duke Street team to develop and grow our business over the next years."

Jörg Eichler, CEO of A-ROSA

aROSA 
arosa-cruises.com

A leading private equity firm investing in europe

Duke Street has invested over €2.5bn in more than 50 companies over the last 25 years and has achieved strong returns in excess of 20% IRR throughout the cycle.



Sale of QCNS Cruise, the leading cruise distributor in southern Europe

Location: Europe
Sector: Retail, Leisure & Consumer
Business: Cruise online travel agency in France, Italy and Spain
Date of exit: July 2017

The sale of QCNS Cruise to Montefiore, a French PE fund completed in July 2017 for €75m (10x EBITDA). QCNS Cruise was the leading cruise distributor in southern Europe selling in France, Italy and Spain. The company's strategy was to roll out this

model into new geographies in Europe and South America alongside Duke Street's guidance on operational best practice and corporate governance. Duke Street achieved a recovery from zero at Jun 2014 post the Costa Concordia accident to a €29m return at exit.



New fund creates a flexible hybrid funding model

Duke Street's new Cornerstone Fund was established in January 2017 with backing from Goldman Sachs and Arcano as a key step in the evolution of our deal-by-deal approach into a hybrid funding model. This new hybrid funding model comprises committed capital from our Cornerstone Fund which provides up to 50 per cent of equity investment in new deals. This traditional blind pool is supplemented by our club of circa 30 LPs that co-invest with us, several of which have already supported more than one deal, plus our own general partner contribution. For the past three years our deals have been oversubscribed and we have already completed two new deals since inception of the Cornerstone Fund.

FIRM DEVELOPMENT

In the last twelve months we have continued to strengthen our Investment Team.

Tom Salmon joined Duke Street as a Partner in 2018 having previously spent 13 years at 3i. Tom has significant investment and portfolio management experience across the Consumer and Services sectors.

Hugo Strachan, our newest Investment Manager, joined Duke Street in 2018 from RJD Partners.

Debbie Mantzouridis joined Duke Street in 2017 from Bridgepoint where she worked within the Buyout Deal Team.

Renée Marie Bogdanović also joined Duke Street in 2017 from Charles River Associates in Munich.



Tom Salmon



Hugo Strachan



Debbie Mantzouridis



Renée Marie Bogdanović

Duke Street secures 5x return on Baywater Healthcare exit

Location: UK
Sector: Healthcare
Business: Provider of oxygen & equipment
Date of exit: July 2017

In January 2018 Baywater Healthcare UK was sold to Bastide Group, a specialist in the sale and rental of home medical equipment in France for a 5x return of cost for Duke Street and its co-investor, Souter Investments with the potential for further returns from an earnout based on future performance. The transaction was Duke Street's second deal-by-deal financing.

"Baywater has been a classic Duke Street investment in healthcare, a core sector for the firm. With the dual trends of an ageing population and an increasing need for the NHS to manage costs by providing patients with care at home, we have worked successfully with management to raise the quality of care, improve logistics, invest in stronger operational and logistics capabilities, thereby delivering significant growth in profitability."

Charlie Troup, Managing Partner at Duke Street



Sale of Eduservices to French buyer consortium

Location: UK and Ireland
Sector: Financial Services
Business: Private post-secondary education
Date of exit: December 2016

In December 2016 Duke Street sold Eduservices a leading institutional group in the Private post-secondary education sector in France to a buyer consortium of the Grassaud Family and Capzantine Capital. Total exit proceeds led to a 1.5x return on the investment.

EduServices

DUKE STREET

Nations House, 103 Wigmore Street, London W1U 1QS
www.dukestreet.com

DUKE
STREET