

# Financial Year Review

*2019-2020*



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# Foreword



Michael Reeves, CEO

**Last year was another exceptional year for Clearwater as a result of our committed team, dedicated to achieving our clients' strategic objectives.**

Over the last year, we advised on 129 transactions, working with clients and counterparties in 17 countries. We continued to expand our global reach and strengthen our presence in southern Europe with the announcement of our merger with Milan-based Brera Financial Advisory. The team in Italy add further depth to the ten sectors we operate in and we are excited to have them on board.

We achieved revenues of over €74m in the year, representing a 9% growth on last year. We have seen a strong performance across all sectors and service lines contributing to the sustained performance of the business.

The success we have achieved over the past year would not have been possible without the trust our clients put in us to deliver on their ambitious goals, the energy and dedication of our team and the support of our professional contacts.

The period that the world has entered into as a result of the COVID-19 crisis is unprecedented and unsurprisingly has affected our stakeholders and our business. However, it has also shown the resilience of our business; I am immensely proud of the adaptable nature of our team who have shown dedication and commitment to both the business and our clients in light of unparalleled challenges.

Clearwater International continues to maintain its strong market position through our geographic and sector diversification. Our financial track record and results support a healthy balance sheet and strong cash position. While the uncertainty will undoubtedly have some impact on our business, I am confident that our continued origination approach to the market, will ensure Clearwater remains well-positioned through this period and beyond.

*We achieved revenues of over €74m in the year, representing a 9% growth on last year.*



# Year in numbers



## 129

*Deals completed*

## 58

*PE deals with 38 firms*

## €74m

*Revenue*

Over

## €12.5bn

*Deal value*

## 25%

*of team promoted in 2019*

## €6.9bn

*Debt raised*

## Most active sectors



*Industrials &  
Chemicals*



*Business  
Services*

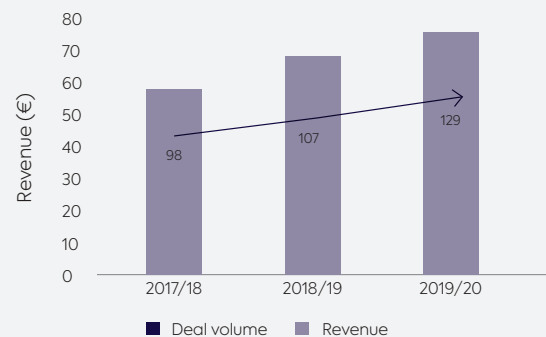


*Healthcare*



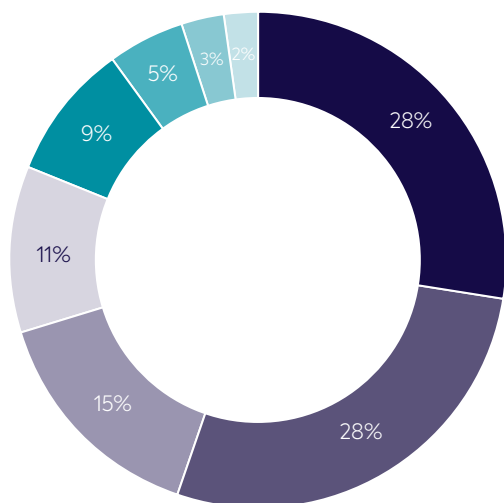
*Real Estate*

Revenue vs Deal Volume



# Key financials

Fee income by region,  
percentage of total fee income.



9%

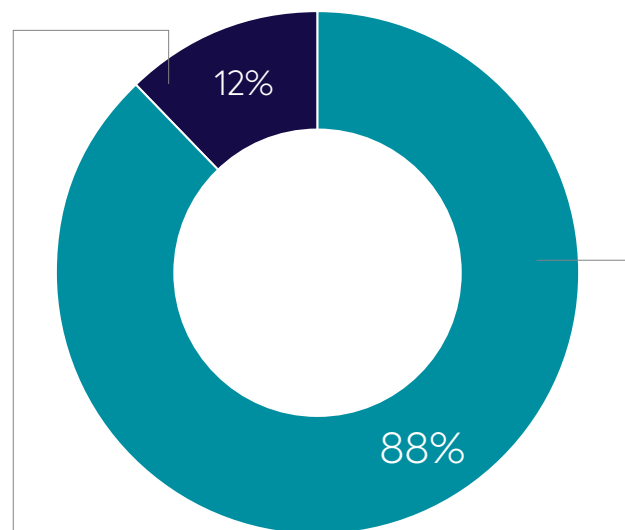
Fee income growth - £6m increase



*In 2019/20 our fee income increased by 9% in comparison to 2018/19 with a strong performance seen across all service lines.*



## Service offering



Revenue generated from  
**Debt Advisory** - €9m

Revenue generated from  
**M&A** - €65m

# Clearwater service offer

## M&A

The Industrials and Chemicals and Business Services teams were the most active, closely followed by the Healthcare and Real Estate teams.

The Industrials and Chemicals sector team experienced an exceptional year with average deal values finishing at four times the value of 2019. Key deals for the team included: the German team advising Oiltanking GmbH, a subsidiary of the Marquard & Bahls AG group, on a €1.5bn comprehensive refinancing and the UK team advising on the management buy-out of SRL Traffic Systems supported by LDC and Crescent Capital.

Likewise, the Business Services sector team experienced an active deal calendar which included the UK team advising MML Capital and the shareholders of Learning Curve Group, an education and training specialist, on its sale to leading private equity firm Agilitas. The Healthcare sector team also completed notable deals including the French team advising the shareholders of Hôpital Privé du Confluent on its sale to Vivalto Santé and Icade Santé.

The Real Estate team across Europe has expanded, doubling the number of deals compared to 2019 and increasing the average deal value by 40%. The French team completed nine real estate transactions in the year including advising Tikehau Capital and Foncière Atland on the sale of a real estate portfolio of 22 assets operated by Elis and advising Harvestate AM on the fundraising of its new land redevelopment investment fund 'Terrae Optimae 1' in

partnership with Nexity. Clearwater has recently bolstered the team with the appointment of Joe Dyke to Partner and Head of Real Estate Finance in the UK.

## Debt Advisory

For the sixth year running, the European Debt Advisory team experienced strong growth, with over 40 mandates completed across the various territories, representing debt raised in excess of €6.9bn.

This increase saw Clearwater expand its bespoke debt team with two new recruits and three senior promotions during the year. Among the key deals for the team, the German team advised Wieland-Werke AG on the structuring of a syndicated loan totalling €1.4bn and €310m of promissory notes for the refinancing of the acquisition of US-based Global Brass and Copper Holding and the UK team co-advised Daisy Group on the second phase of its recent refinancing with Ares of over €1bn

of debt facilities, one of the largest private credit financings in Europe.

## Private Equity

Clearwater's deep heritage in private equity (PE) continues to grow, with PE involved in 45% of deals during the year, solidifying Clearwater's second place on the PE advisory Europe exits MergerMarket league table.

Some notable transactions included the UK team advising on the management buy-out of the corporate clothing division of US-based Tailored Brands, Inc (NYSE:TLRD) in a deal which values the group at €56m. The French team also advised Parquest Capital and the shareholders of 5 Santé, a major French player in private post acute care clinics, on the group's disposal to Korian. The Italian team also advised investment firm Platinum Equity on its acquisition of a majority stake in marine contractor De Wave Group from Xenon private equity.

*Industrials and Chemicals  
sector team*

4x

the value of 2019 deals

*Real Estate team  
across Europe*

40%

increase in deal value

*European Debt  
Advisory team*

200%

increase in deal value

*Private equity growth*

45%

of deals during the year

# Deal highlights

Clearwater International completed 129 deals in the last financial year with average deal values increasing by 31%, placing Clearwater in 7th place in the Pan-European financial advisors league tables.

  sold to  Sell-side Undisclosed	  sold to  Sell-side Undisclosed	  raised capital from  bpi <b>france</b> Fundraising €75m
  acquired a majority stake in  from  Buy-side Undisclosed	  sold a real estate portfolio operated by   Sell-side Undisclosed	  acquired  Acquisition finance €1.1bn
  acquired by  Sell-side Undisclosed	  sold  to  Sell-side Undisclosed	  acquired  from  Buy-side Undisclosed





# Response to COVID-19

*Since the first reports of COVID-19, Clearwater's priority has been the health and wellbeing of our employees and their families. Our response put in place working practices to ensure the safety of both our employees and clients, coordinated across our 17 European offices.*

Clearwater International has always upheld an agile working policy across all geographies which enabled our teams to work remotely without impacting our high-level security standards. This allowed us to act quickly across the globe to limit the impact on our clients and team.

## **Supporting our clients**

Despite the impact of COVID-19 on activity and operations, our teams have shown incredible dedication and commitment to the business and clients in light of unparalleled challenges. As a result, Clearwater has continued to advise clients through the uncertainty and provide high levels of service during this crisis. As at the date of publishing, we have completed 15 transactions since lockdown began.



*Our teams have shown incredible dedication and commitment to the business and clients in light of unparalleled challenges.*

Q

### *What impact have you seen on the debt funding market as a result of COVID-19?*

Mark Taylor, International Head of Debt Advisory



A

The impact on the debt environment as a result of COVID-19 was huge and immediate. The main reason for this was the need for businesses to gain additional support from their lenders both via additional cash flow and restructuring existing facilities where previously agreed terms were outdated.

Our team was quick to engage with all market stakeholders, which included the full lending community in addition to clients and financial sponsors to ensure

we were able to respond to queries from all directions. All counterparties have found that the clarity and guidance we have provided in this unprecedented, and fast-moving environment has proved invaluable.

On a positive note, the debt markets have, to a degree, now stabilised with lenders actively supporting fresh transactions. All businesses will, however, face a period of recovery and the challenges caused by the pandemic will take some time to

unwind and for profitability to be restored. Borrowers need to be aware of this and maintain an active dialogue with their lenders around areas where they will need ongoing support and flexibility.

Our strong market position across Europe means that alongside the immediate liquidity work, we are also currently active with a number of new transactions giving us good insight. Importantly, the market is already demonstrating resilience and appetite to support good quality credits.

Q

### *How is private equity responding to COVID-19?*

Miquel Martí, International Head of Private Equity



A

Understandably private equity (PE) houses have been initially focussing internally to assess the relative risk to their portfolio companies and will be tackling immediate issues to optimise cost structures and working capital. Once more comfortable with the position of their portfolio we expect to see PE returning their attention to the external

marketplace albeit with a more selective approach. The market uncertainty is likely to be reflected in the pricing of deals which may not reflect the increasing multiples seen at the beginning of 2020.

PE funds will be looking to inject additional capital into portfolio companies continuing the trend

of buy and build strategies that have been popular amongst PE for some time. As complementary acquisitions become available, we expect PE to take advantage of the fortuitous timing.

# Clearwater International highlights



*The number of Clearwater offices has increased to*

**17**

over the past 12 months

*Team engagement*

**87%**

engagement from teams

*Increasing diversity*

**30%**

of junior hires were female

*Recruitment activity*

**25%**

of team promoted in 2019

*Manchester team raised*

**€56k**

for local UK charities

*Clearwater continues to encourage team members to take up secondments within our European offices.*

## Growth in Europe

Clearwater continued its growth in Europe with the integration of Milan-based Brera Financial Advisory in September 2019.

The Italian business is led by four experienced partners, all with an excellent track record in international mid-market deals. Over the past 20 years, the Brera team has successfully concluded over 150 transactions in Italy and internationally through their work with entrepreneurs and private equity funds.



The team in Milan completed almost double the number of deals this year compared to the previous 12 months, included advising Italmobiliare Investment Holding on its investment in Officina Profumo Farmaceutica di Santa Maria Novella, a premium perfume and cosmetics company and advising Airi on the sale of two of its subsidiary companies, active in the Italian helicopter market, Aersud Elicotteri and Helicopters Italia, to Airbus Helicopters.

## Clearwater Talent



Clearwater's success was reflected in its recruitment activity and talent development across Europe and China, which saw 25% of the team promoted during 2019. The business also recruited partner Richard Goldsack to head up the new Leeds office in the UK, which opened in January 2020. Clearwater is committed to increasing diversity across the workforce and this year made headway with 30% of junior hires being female.

The business is further committed to being a great place to work and efforts were reflected in the 2019 team engagement and opinion survey, which saw an engagement result of 87%, outperforming the norm for professional services with results in all key engagement themes, significantly above the benchmark; from supportive leadership to a positive environment and culture to the growth opportunities available.

Clearwater continues to encourage team members to take up secondments within our European offices, this year one of the UK team was seconded to the Copenhagen office for six months.

## CSR

In October 2019 a team of Clearwater International volunteers travelled to South Africa to support the Footprints Foundation in an effort to help local communities. This involved completing work on a new medical centre, located in the township of Lenasia, Johannesburg, which will provide thousands of people access to medical support that was not previously available.

In the lead up to the trip, volunteers across the business fundraised through a number of events including marathons, a 10-mile barefoot walk and the Coast to Coast cycle challenge.

Clearwater offices are dedicated to contributing positively to their local communities too through specific fundraising initiatives and the provision of paid leave for colleagues so they may volunteer.





# About Clearwater International



*Automotive*



*Business Services*



*Industrials  
& Chemicals*



*Financial Services*



*Healthcare*



*Real Estate*



*Consumer*



*Energy & Utilities*



*Food & Beverage*



*TMT*

*Our success comes down to our connections, knowledge, scale, and global outlook.*

*Clearwater International has a proven track record of excellent client outcomes. With 17 international offices and more than 250 employees, the business has completed over 1,690 transactions worth an aggregate value in excess of €91bn.*

Our experienced Debt Advisory team ensures that clients looking to raise new debt capital or refinance existing facilities have access to the most sophisticated and specialised debt packages available on international markets.

We have a rich and respected heritage in private equity, working with investors, entrepreneurs, and management teams over many years. Our success comes down to our connections, knowledge, scale, and global outlook.

Our independence from any larger financial institution or consulting firm ensures that we can give truly objective advice, guiding clients through the challenges faced. All transactions are partnered, offering high levels of personal service and knowledge. We take great pride in the fact that many of our clients return to us for advice on multiple occasions.



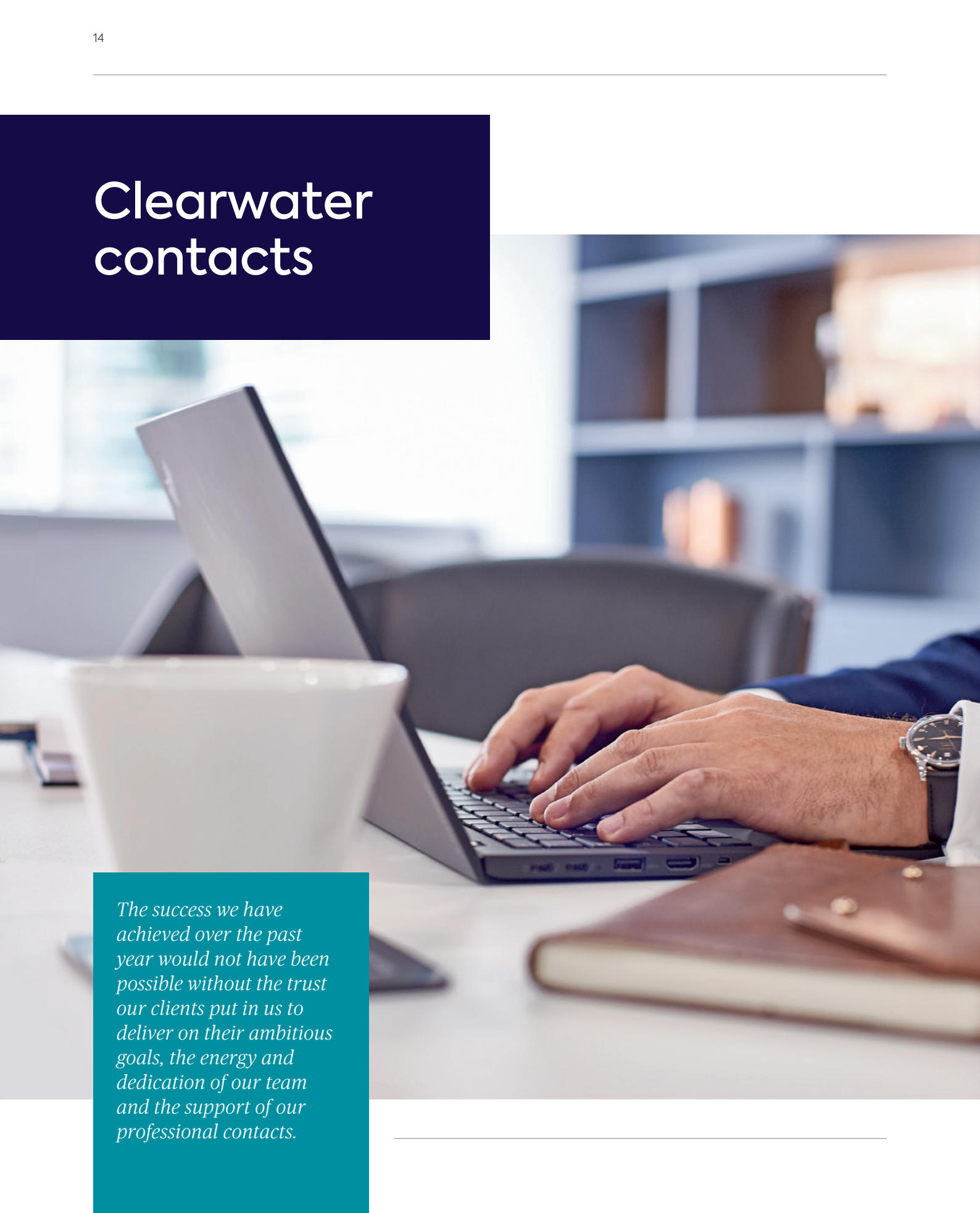
## Europe

Clearwater International Location

Partner Location



# Clearwater contacts



*The success we have achieved over the past year would not have been possible without the trust our clients put in us to deliver on their ambitious goals, the energy and dedication of our team and the support of our professional contacts.*

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