

# ADVENT INTERNATIONAL GPE VIII

## PRESENTATION TO RHODE ISLAND STATE INVESTMENT COMMISSION

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### **Basis for Calculating Investment Returns**

Gross IRR for each portfolio investment is calculated based on daily cash flows from inception through the calculation date and includes the amounts initially invested in each company, follow-on investments and proceeds received from realization events. For current investments the estimated fair value, based on Advent International's Valuation Policy, of the remaining interest in the portfolio company is assumed to be the terminal cash flow. Gross IRR for each Program (and each of the individual funds comprising these Programs) is calculated on a daily basis and is determined by adding together the cash flows relating to each investment and calculating a total Gross IRR for the Fund or Program. Figures referring to a consolidated track record are the total of the Programs over the time period indicated, calculated as if they had been a single Program. Net IRR is calculated on a daily basis and is based on the timing of capital contributions and cash and stock distributions to the Limited Partners. The fair value of the Limited Partners' interest in the funds, based on Advent International's Valuation Policy, is assumed to be the terminal cash flow. Net IRR is net of management fees, other operating expenses and the General Partner's carried interest. The net IRR calculations described in this paragraph are consistent with those used in preparing the financial highlights in the U.S. GAAP financial statements for the funds. In determining cash flows for investments based in foreign currencies, these cash flows have been converted to the Fund or Program base currency (as indicated) at the rate of exchange prevailing at the time of the applicable cash flow.

### **Past Performance**

In considering the prior performance information contained herein, the recipient should bear in mind that past performance is not indicative of future performance, and there can be no assurance that an Advent Fund or other Advent Entity will achieve comparable results in the future.

### **Accuracy**

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The unrealized portfolio company investments shown in these materials were made in various countries and, accordingly, such investments and any proceeds therefrom will be denominated in a variety of currencies. If those investments or proceeds are denominated in currencies other than the applicable Advent Fund's base currency, the relative value of those investments/proceeds (when valued in the Advent Fund's base currency) will fluctuate as a result of changes in currency exchange rates between the date the investment was originally made and the valuation date. As a result, an increase or decrease in the current value of a portfolio company (as shown in the applicable Advent Fund's base currency) relative to the initial investment amount could reflect fluctuations in currency exchange rates, rather than changes in the valuation of the applicable portfolio company itself. In addition, the applicable Advent Fund may incur costs in connection with conversions between various currencies. Therefore, movements in the value of currencies over the life of any investment and currency conversion costs will affect the value of the investment. Specific operating information regarding each portfolio company (such as EBITDA or revenues) is generally reported in the base currency of the applicable portfolio company, which may differ from the base currency of the applicable Advent Fund (or Funds).

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- 1. Advent International Overview**
- 2. GPE Team**
- 3. GPE Fund Update**

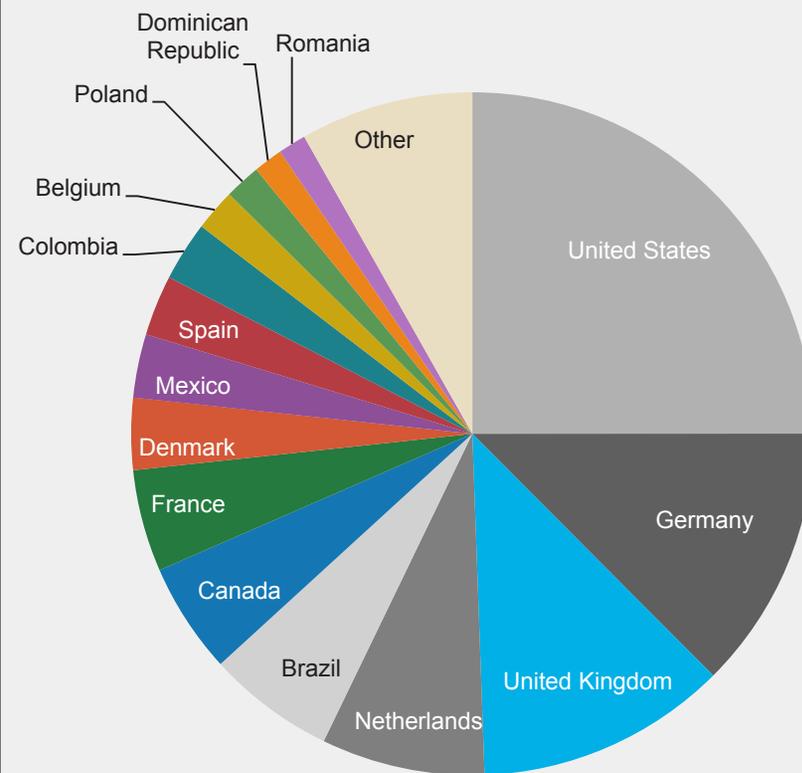
# Advent International

More than 30 years of global private equity investing

## FIRM HIGHLIGHTS

- A pioneer of international private equity
  - Founded in 1984
  - Operating across multiple continents since 1989
- Proven global execution capabilities
  - 308 deals across 40 countries
  - 248 fully realized investments across 36 countries
- Delivering access to global private equity markets
  - 25% United States
  - 54% Europe
  - 21% Rest of World

## GEOGRAPHIC DIVERSIFICATION OF INVESTMENTS



As of September 30, 2015.

Note: Chart shows geography of deals completed, based on US\$ invested cost as of June 30, 2015. Other includes Italy, Singapore, India, Czech Republic, Hungary, Bulgaria, Finland, Switzerland, Argentina, Uruguay, Costa Rica, Ukraine, Luxembourg, Hong Kong, Ireland, BVI, Indonesia, Taiwan, Austria, Slovak Republic, China, Malaysia, Philippines and Thailand.

# Advent International

## A leading global private equity firm

- Traditional private partnership model
  - Owned and operated by 41 Partners (Managing Partners and Managing Directors)
  - Governed by a group of 13 Managing Partners
- Large, experienced and stable team
  - 174 investment professionals executing locally across 4 continents
  - Partners with an average age of 44 and an average of 15 years with Advent
- Focused on private equity
  - \$33.3 billion managed across the developed and emerging markets<sup>1</sup>
  - Two primary programs, including our most recent funds:
    - GPE VII €8.5bn (2012) – primarily Europe / North America
    - LAPEF VI \$2.1bn (2015) – Latin America
- Globally integrated sector approach and operationally focused strategy
  - Team organized by and coordinating across global sectors
  - 16 in-house Portfolio Support professionals and 68 third-party Operating Partners<sup>2</sup>
  - Returns driven primarily by earnings growth initiatives
- We seek to generate attractive absolute returns in alignment with our investors
  - Carry-centric culture
  - More than \$650 million of Advent co-invest commitments since inception

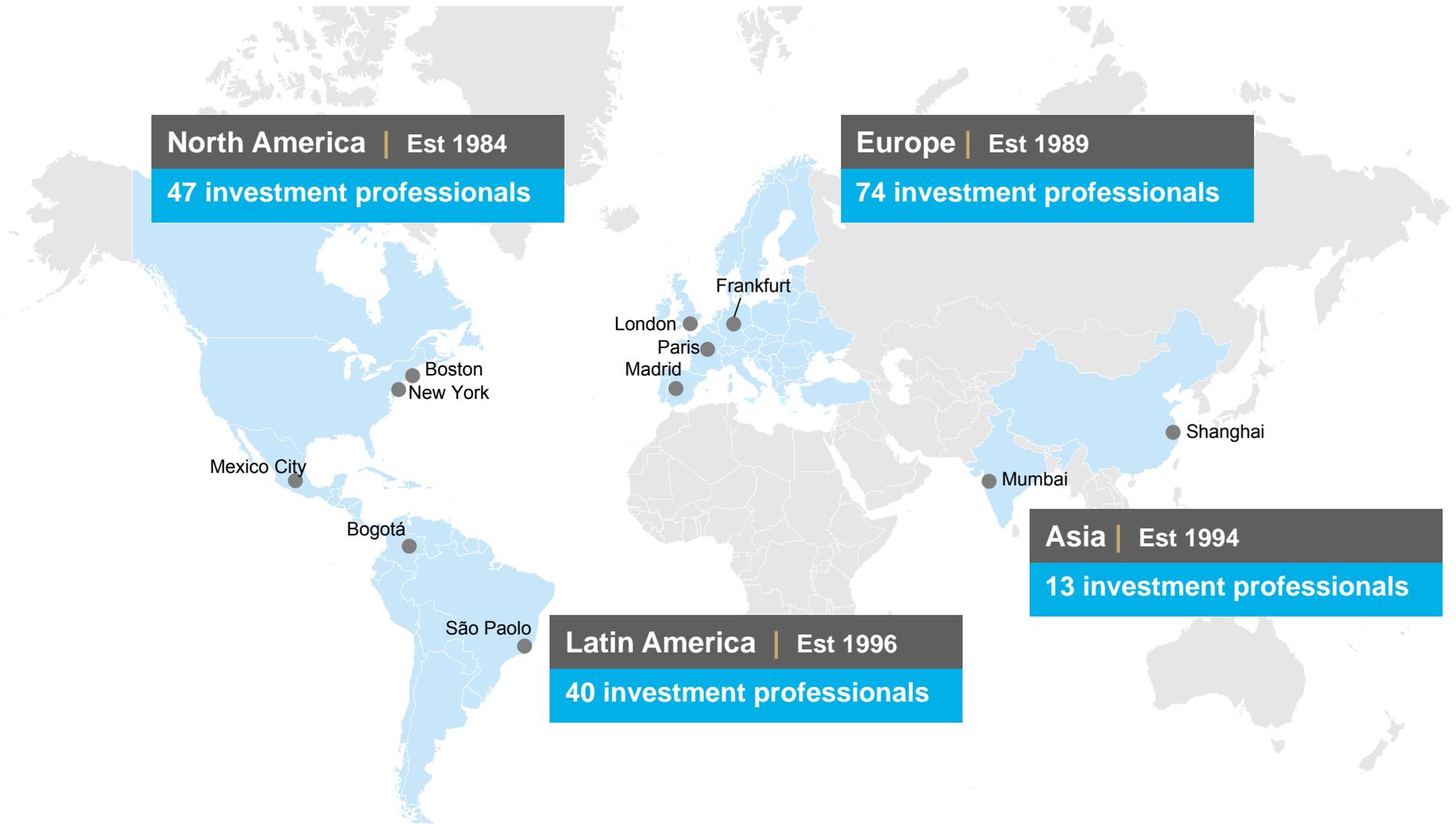
As of September 30, 2015.

1. Assets under management as of June 30, 2015.

2. Operating Partners are senior industry executives who can provide deep sub-sector expertise. They are third party industry consultants that are retained in an advisory capacity for a defined period of time.

# Global investment team

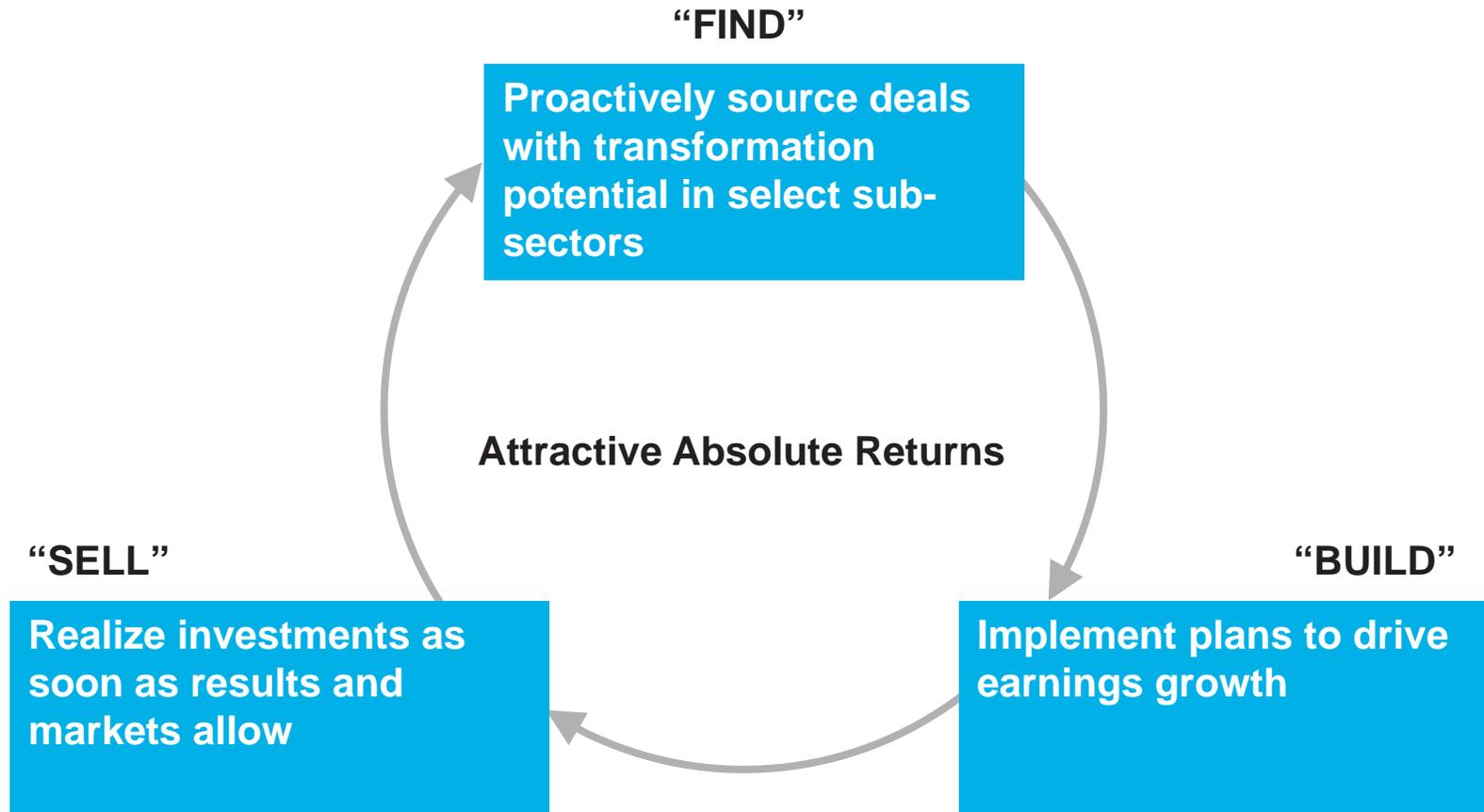
Supports regional execution capabilities



As of September 30, 2015.

## Our approach

Generate attractive absolute returns through business transformations



## “Find”: Global sector coordination

Supports proactive deal sourcing and allows for a large and diverse opportunity set

SECTOR	TEAM <sup>1</sup>	OPERATING PARTNERS <sup>2</sup>	SELECT SUB-SECTORS OF INTEREST	NUMBER OF DEALS	SELECT GLOBAL EXPERIENCE <sup>3</sup>
Business & Financial Services	35	12	FI Non-core Assets Insurance Services Marketing Services Payments	68	
Healthcare	32	12	Hospitals Payers and Payer Services Post / Sub Acute Care Provider Services	35	
Industrial	35	20	Building Products Chemicals & Materials Energy Industrial Services & Distribution	65	
Retail, Consumer & Leisure	34	15	Controlled Brands Discount / Value Retail Foodservice & Restaurants Travel & Leisure	67	
Technology, Media & Telecom	22	9	Enterprise Software Information Services & Data Analytics Mobility Technology-Enabled Services	73	

As of September 30, 2015

1. Some investment professionals work in multiple sectors but are only counted once using primary affiliation.

2. Operating Partners are senior industry executives who can provide deep sub-sector expertise. They are third party industry consultants that are retained in an advisory capacity for a defined period of time.

3. Represents all GPE VI and GPE VII portfolio companies.

# “Find”: Case study on Payments

## Execution of the sub-sector approach

- THEMES**
- Strong macro trends: e.g. secular shift from cash/check to credit/debit
  - Recession resistant with high barriers to entry and sticky customer base
  - Many payments companies are non-core divisions of larger financial institutions
  - Opportunity to carve-out these companies at attractive prices, invest in growth initiatives and achieve operational improvements

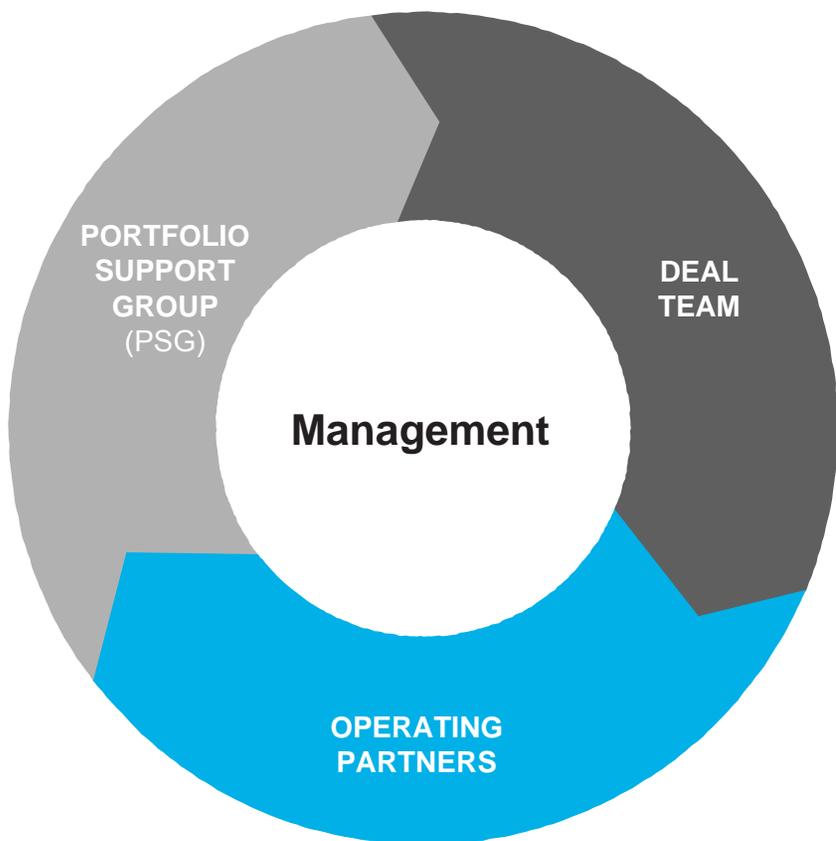


- OPERATING PARTNERS AND INDUSTRY ADVISORS**
- |                             |  |
|-----------------------------|--|
| Bernard Bourigeaud (Europe) |  |
| Adam Coyle (US)             |  |
|                             |  |
| Pam Patsley (US)            |  |
|                             |  |
| David Yates (Europe)        |  |
| Clyde Thomas (US)           |  |

(Oct '08) + 
 (Jun '09) + 
 (Nov '10) + 
 (Jul '14) + 
 (Dec '15) = 
 >\$2,000mm Capital Deployed

Note: Operating Partners and Industry Advisors are senior industry executives who can provide deep sub-sector expertise. They are retained as third party industry consultants in an advisory capacity for a defined period of time. Advent International does not intend the use or display of other parties' trade names, trademarks or service marks to imply a relation with, or endorsement or sponsorship of these other parties.

## “Build”: Resources applied to portfolio companies



### DEAL TEAM

- Identify opportunity
- Establish discipline

Advent deal teams leverage sector expertise to provide direction to management and use board oversight to instill financial & operating discipline

### OPERATING PARTNERS

- Mentor management
- Drive strategy

Seasoned advisors with deep operating experience mentor management and help create an environment for change with the credibility of “having done it”

### PORTFOLIO SUPPORT GROUP

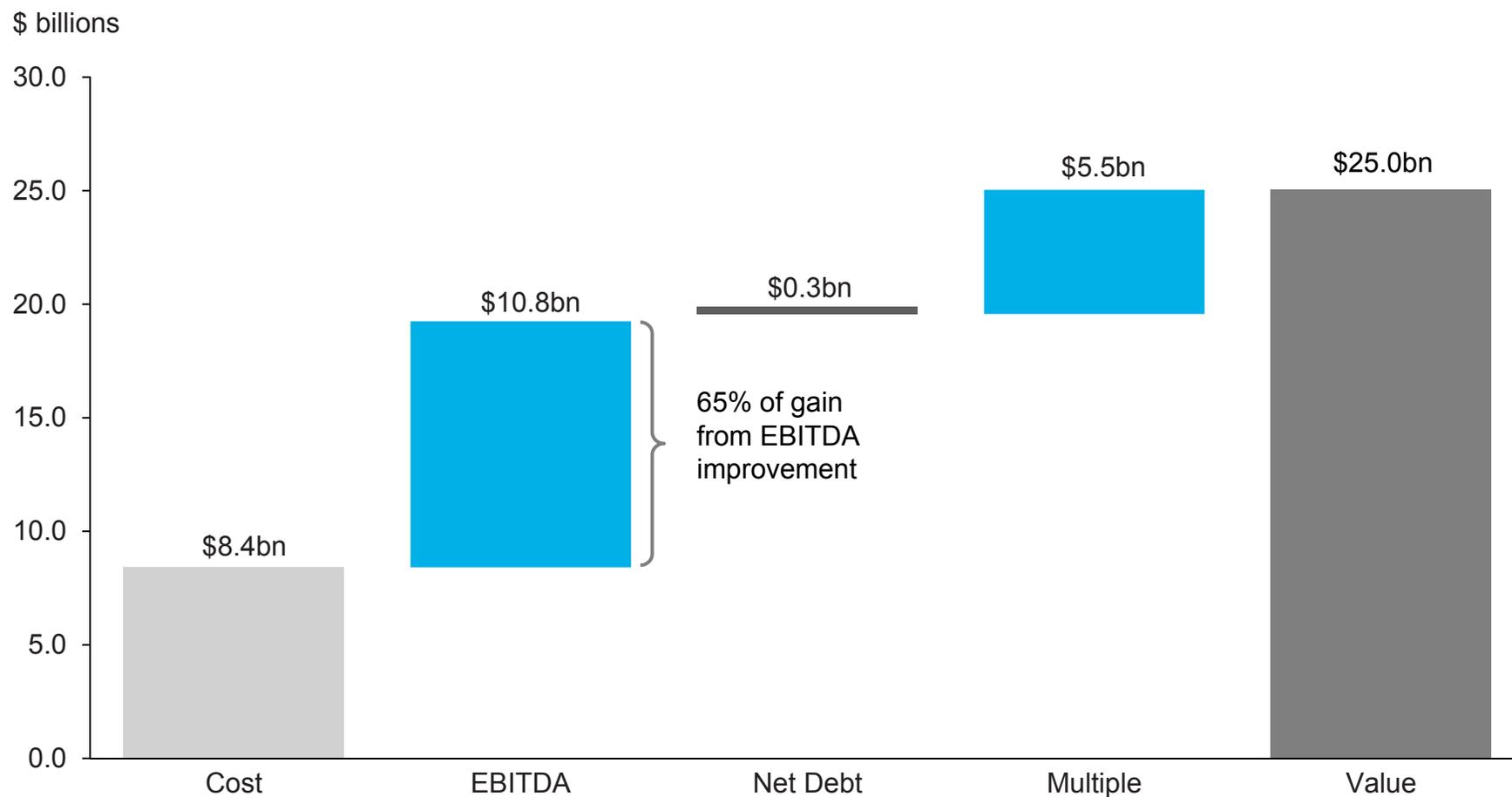
- Facilitate execution
- Support the team

PSG provides leverage to deal teams, independent advisors & management teams by bringing tools & temporary resources to help management identify & capture value

Note: Operating Partners are senior industry executives who can provide deep sub-sector expertise. They are retained as third party industry consultants in an advisory capacity for a defined period of time.

## “Build”: Realized source of gain analysis

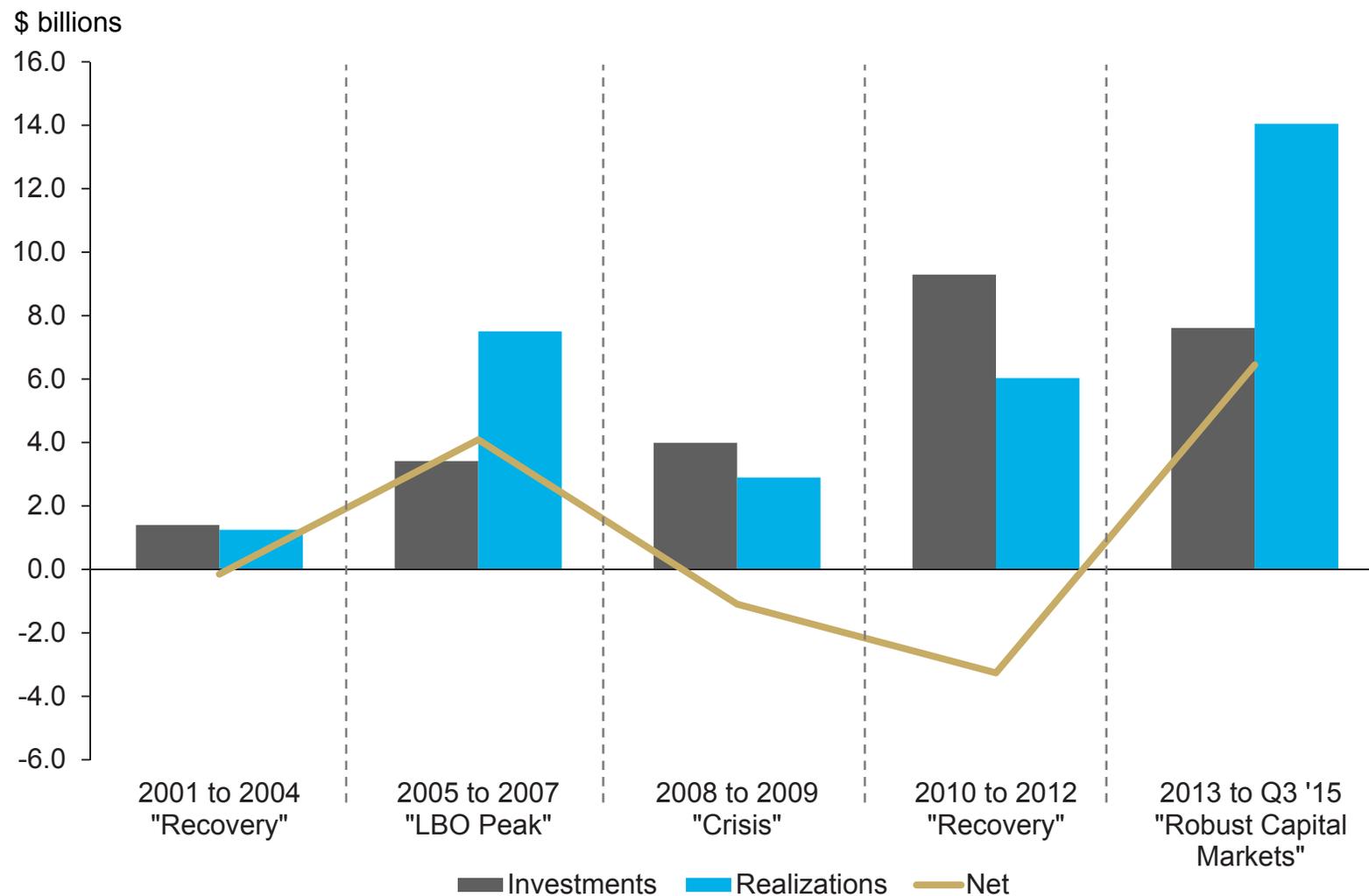
Returns primarily driven by earnings growth



Based on discounted equity value bridge calculated from variance of EBITDA, multiple and net debt as of acquisition to exit or September 30, 2015 for each investment. Calculation includes fully realized and substantially realized deals with more than 1.0x cost realized in GPE IV, V, VI and VII. Adjusted for dilution, FX and realized proceeds. Values of substantially realized investments calculated in accordance with Advent International's Investment Valuation Policy.

## “Sell”: Historical investments / realizations

Move to realize our investments as soon as results and markets allow



As of September 30, 2015. Includes activity in the GPE, LAPEF and ACEE programs.

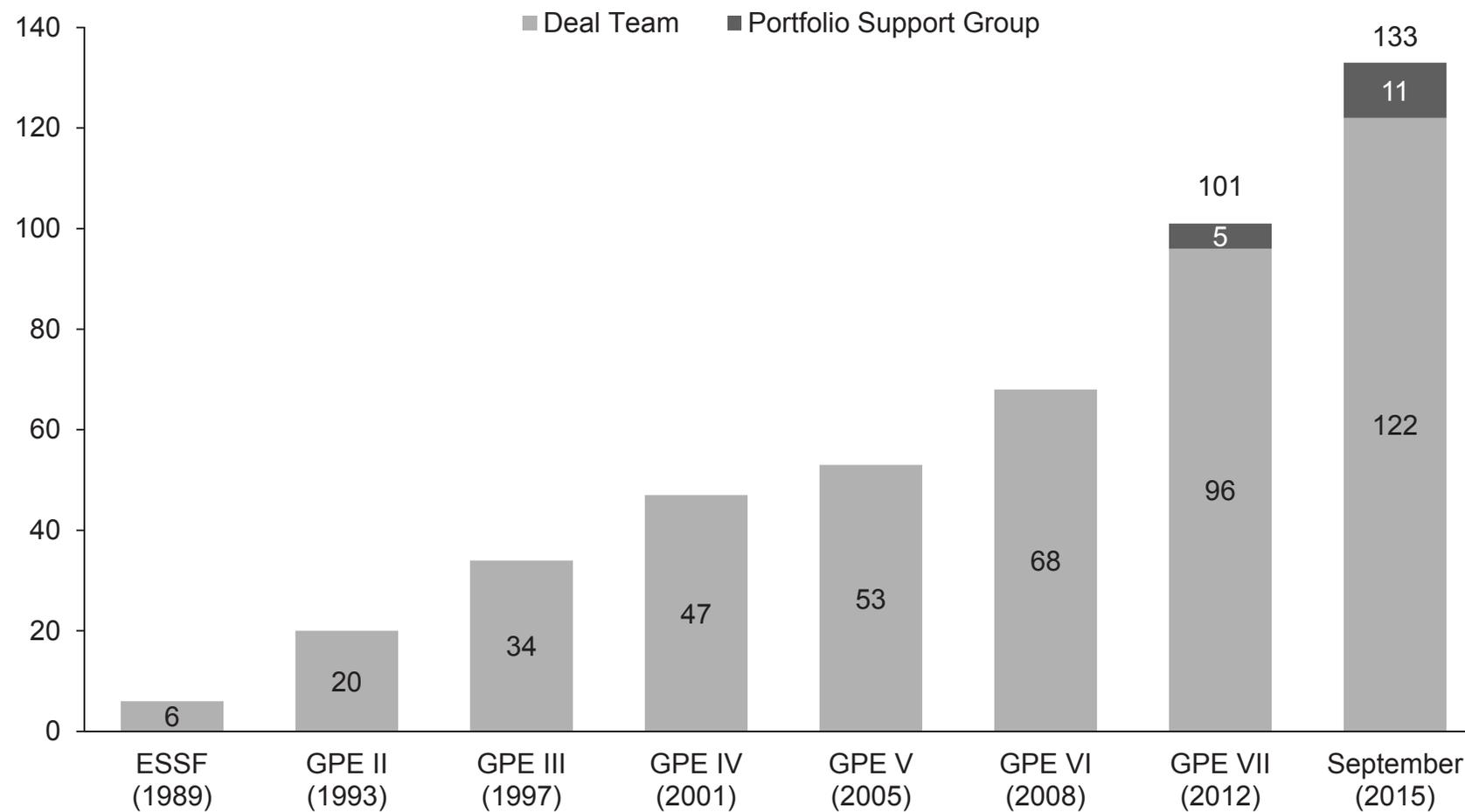
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## GPE Team: Resource intensive model

### Large team driving value creation

#### # OF INVESTMENT PROFESSIONALS



As of September 30, 2015.

## GPE Team: Large, highly experienced partner group

26 deal partners supported by an additional 107 investment professionals

NAME	AGE	PRIVATE EQUITY EXPERIENCE	ADVENT EXPERIENCE	OFFICE	PRIOR EXPERIENCE
Allen, Tom	37	11	11	London	Arthur Anderson
Ayles, Ronald	46	16	11	Frankfurt	3i; Degussa AG
Battcock, Humphrey	60	30	21	London	Trinity Capital Partners; Coopers & Lybrand
Brocklebank, James	45	18	18	London	Baring Brothers; Dillon, Read & Co.
Case, Jefferson	38	12	12	Boston	Bowles Hollowell Conner / First Union; Danaher Corp.
Chateau, Cedric	40	15	10	Paris	PAI Partners; Deloitte
Collins, Steven	45	18	18	Boston	Merrill Lynch; Coopers & Lybrand
Dawson, Andy	37	11	11	London	OC&C Strategy Consultants
De Vecchi, Filippo	47	16	16	Shanghai	Value Partners; Wasserstein Perella & Co.
Egan, Chris	39	15	15	Boston	UBS Warburg
Grewal, Gurinder	37	11	7	Boston	Bain Capital; Donaldson, Lufkin & Jenrette
Hoffmeister, Stephen	39	13	11	Boston	Bain Capital; Bain & Company
Huep, Ralf	54	24	24	Frankfurt	Veba AG; Continental AG
Jalan, Shweta	39	15	6	Mumbai	ICICI Venture; Ernst & Young
Janshen, Jan	45	18	16	London	3i; Roland Berger Strategy Consultants
Li, Andrew	39	13	3	Shanghai	Warburg Pincus; HSBC PE; Solera Capital; Credit Suisse
Maldonado, John	39	15	10	Boston	Bain Capital; Parthenon Capital; The Parthenon Group
McKenna, David	48	23	21	Boston	Bain Capital; The Monitor Group
Mussafer, David	52	26	25	Boston	Chemical Bank; Adler & Shaykin
Ogrinz, Michael	37	14	5	Paris	GS Capital Partners; Proxchange; JP Morgan
Paduch, Jeff	36	13	13	London	UBS Warburg
Pike, Chris	45	19	19	Boston	Coopers & Lybrand
Schnoes, Holger	37	12	12	Frankfurt	ING Bank
Sen, Ranjan	46	15	12	Frankfurt	DB Capital Partners; UBS Capital; Dresdner Kleinwort Benson
Tadler, Steve	56	30	30	Boston	Manufacturers Hanover Trust Co.
Wakeman, Fred	53	23	17	New York	GE Capital
<b>Average</b>	<b>44</b>	<b>17</b>	<b>14</b>		

As of September 30, 2015. Humphrey Battcock and Steve Tadler may transition to Special Partner or other part-time status during the course of GPE VIII. Chris Mruck (Managing Partner, Central and Eastern Europe), not included in the table above, is expected to transition to the GPE Team during the course of GPE VIII.

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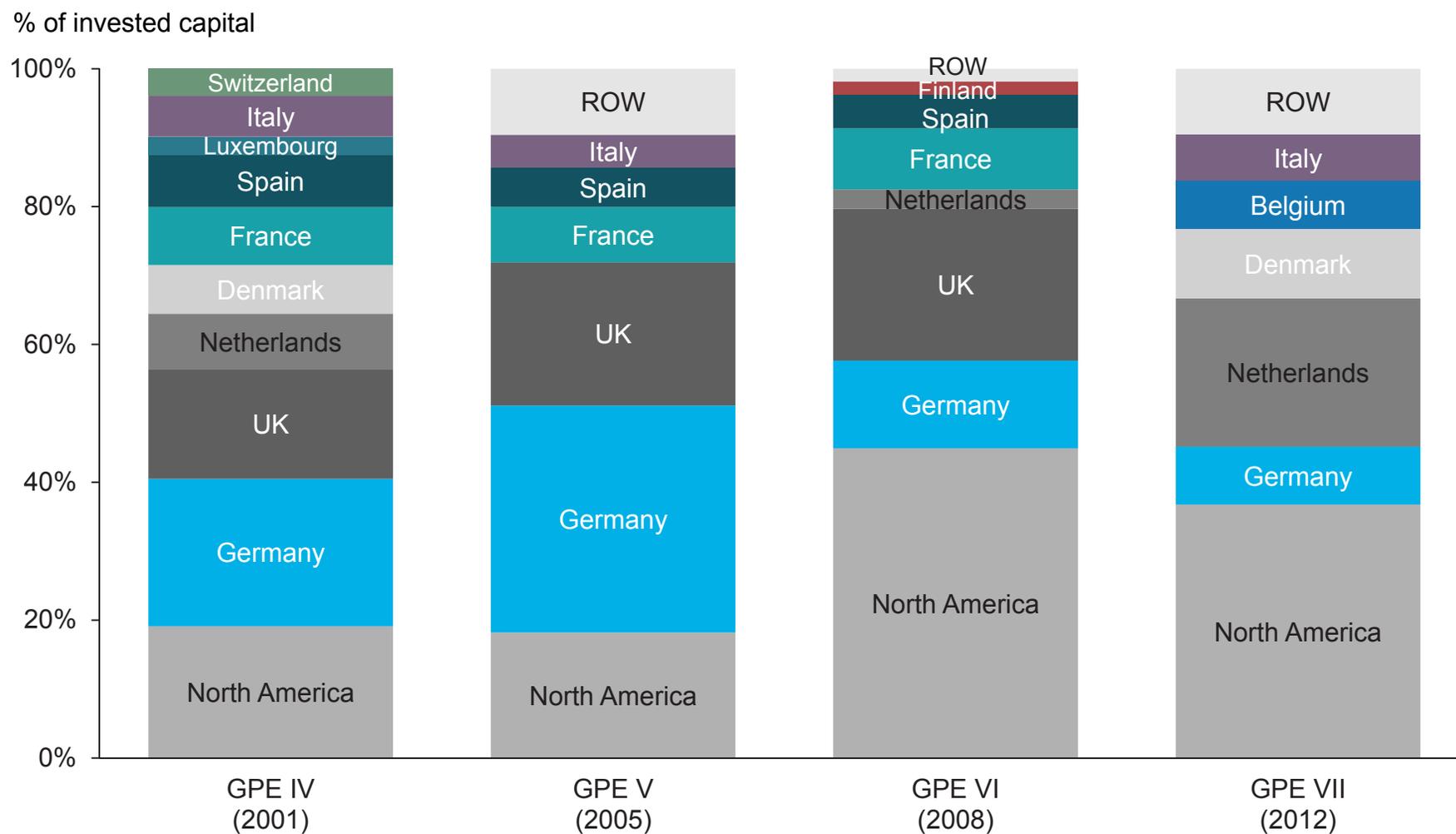
## GPE: Program performance

As of September 30, 2015 (billions)

FUND (VINTAGE / SIZE)	# OF DEALS	COST	REALIZED VALUE	UNREALIZED VALUE	TOTAL VALUE	GROSS IRR	GROSS MULT.	NET IRR	NET MULT.	DPI
<b>ESSF</b> (1989 / \$231mm)	27	\$0.2	\$0.5	\$0.0	\$0.5	31%	2.7x	17%	2.2x	2.2x
<b>GPE II</b> (1993 / \$314mm)	58	\$0.3	\$0.8	\$0.0	\$0.8	38%	2.4x	22%	2.0x	2.0x
<b>GPE III</b> (1997 / \$1.0bn)	60	\$1.0	\$2.0	\$0.0	\$2.0	19%	2.1x	11%	1.7x	1.6x
<b>GPE IV</b> (2001 / \$1.5bn)	34	\$1.5	\$5.5	\$0.0	\$5.5	61%	3.6x	44%	3.0x	3.0x
<b>GPE V</b> (2005 / €2.5bn)	25	€2.3	€6.3	€0.5	€6.9	100%	3.0x	46%	2.5x	2.3x
<b>GPE VI</b> (2008 / €6.6bn)	29	€6.7	€7.4	€9.9	€17.3	29%	2.6x	21%	2.2x	0.9x
<b>GPE VII</b> (2012 / €8.5bn)	21	€5.5	€1.3	€7.1	€8.4	30%	1.5x	18%	1.3x	0.2x

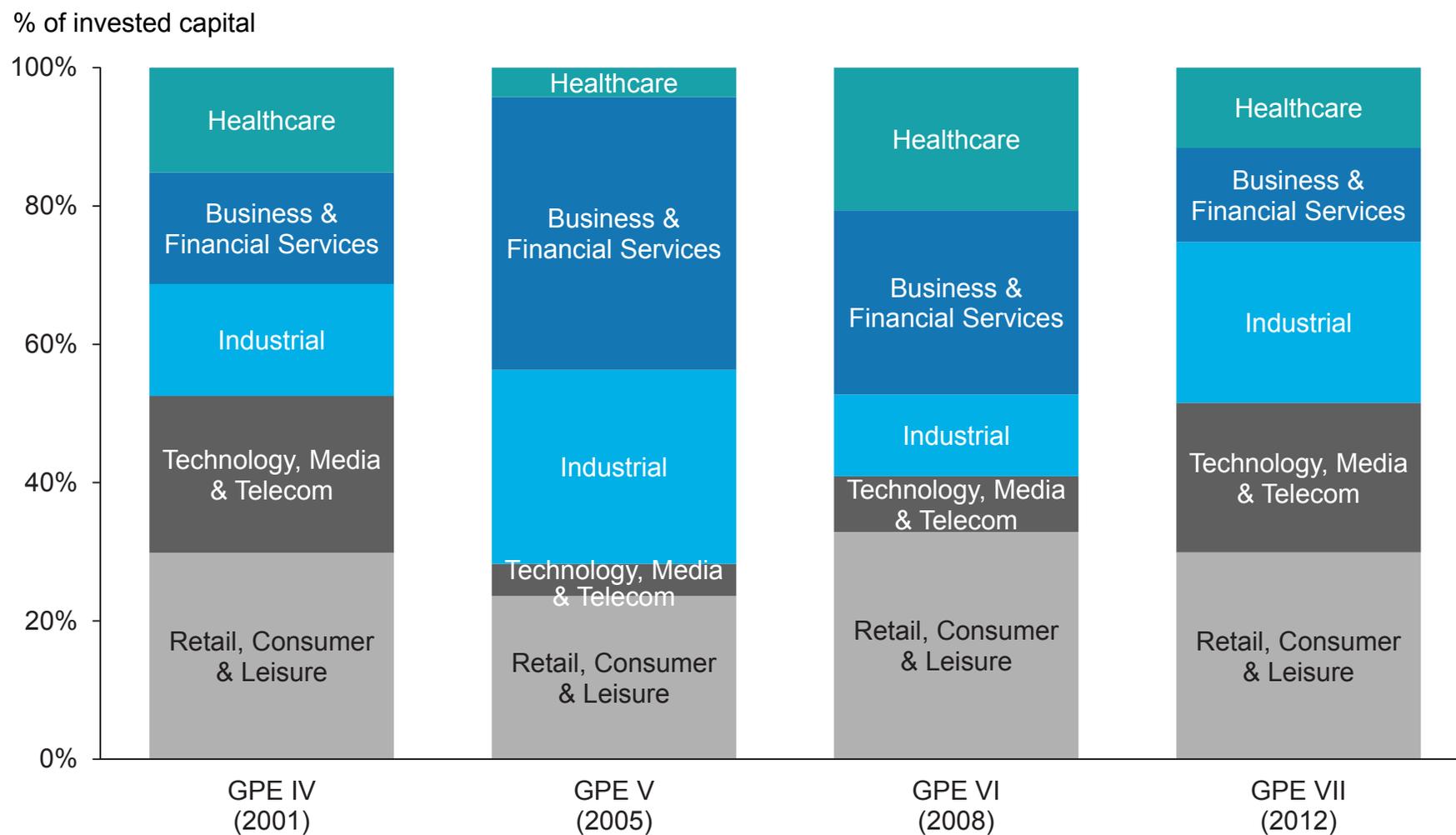
Note: When considering fund financial information and the value of portfolio investments in this presentation, refer to the notes at the front of the materials regarding Valuation Policy and Portfolio Investments and Basis for Calculating Investment Returns. Total value, multiples and IRRs include the value of unrealized investments which are calculated in accordance with Advent International's Investment Valuation Policy. Past performance is not indicative of future performance and there can be no assurance that comparable results will be achieved in the future.

## GPE: Dynamic allocation across geographies



As of December 31, 2015, GPE VII was approximately 71% invested / committed. Note: ROW stands for Rest of World.

## GPE: Dynamic allocation across sectors



As of December 31, 2015; GPE VII was approximately 71% invested / committed.

## Advent International GPE VIII Limited Partnership

### Executive summary

- GPE VIII is being organized to pursue the same proven investment strategy employed by its predecessor funds
  - **Sector specialization:** (1) Business & Financial Services; (2) Healthcare; (3) Industrial; (4) Retail, Consumer & Leisure; and (5) Technology, Media & Telecom
  - **Primarily developed markets:** Europe and North America
  - **Control-oriented investments:** Primarily buyouts and recapitalizations with a focus on value creation and business transformation through earnings growth
  - **Operationally intensive investing:** Bringing significant resources to portfolio companies enabling them to drive transformational initiatives and strong earnings growth
- Launched in September 2015; expect to conclude the fundraising process by March 2016

## Advent International GPE VIII Limited Partnership

### Summary of principal terms

<b>Committed capital</b>	\$12.0 billion target; \$13.0 billion hard cap
<b>Investment period</b>	6 years from the commencement date of the Fund, subject to extension with the Limited Partners' approval
<b>Term</b>	10 years, subject to extension with Advisory Committee approval
<b>Management fees</b>	1.50% of capital committed to the Fund during the investment period; 1.50% of invested capital thereafter
<b>Allocation of income</b>	80% to the Limited Partners and 20% to the General Partner
<b>Transaction fees</b>	100% of transaction fees to the Fund