

## **AnaCap sells Cabot Credit Management to J.C. Flowers**

15 May 2013

AnaCap Financial Partners LLP (“AnaCap”), the specialist European financial services private equity firm, is pleased to announce the sale of Cabot Credit Management (“CCM”) to funds managed and advised by J.C. Flowers & Co. LLC. The transaction agreements have been signed, and the transaction is expected to complete imminently.

CCM was formed after the merger in April 2011 of two businesses, Apex Credit Management and Cabot Financial, purchased by funds advised by AnaCap and its co-investors, Morgan Stanley Alternative Investment Partners and Partners Group.

Following the integration of the two businesses, backed by AnaCap’s intensive operational engagement, CCM has become a market leading acquirer and manager of consumer debt with over £7.7 billion of assets under management covering more than 3.5 million customer accounts. With the support of AnaCap, CCM built a business based on creating long-term, sustainable value through effective partnerships, founded on treating customers responsibly and fairly, and working with them to find practical and sustainable payment solutions to help individuals reduce their debt burden.

With the benefit of AnaCap’s intensive, operationally focused investment approach CCM demonstrated consistently strong financial performance. Over the past year, CCM’s results showed a 13% revenues increase driving adjusted EBITDA to £111 million, a YOY increase of 23%. In the 12 months to 31 December 2012 the group spent £99 million on new portfolio purchases, and expects to exceed that in 2013. In September 2012 CCM issued a £265 million Senior Secured Note thereby securing longer term funding for its business activities.

Cabot’s achievements have been validated by numerous accolades over the past few years including an “Investors In People” Gold award, and being listed in the Sunday Times’ 100 Best Companies to Work For - 2013.

Joe Giannamore, Co-Managing Partner at AnaCap, commented:

“We are delighted with the result for our investors following the sale of Cabot Credit Management. As a result of the commitment and hard work of many people in AnaCap and Cabot, the business is now thriving as the top debt management firm in the UK. We expect Cabot to see continued growth in the coming years and believe J.C. Flowers is the ideal partner to help Cabot reach the next stage of its development.”

Ed Green, Director at AnaCap, commented:

“This has been a highly successful growth story starting with the acquisition of a debt collection agency that was transformed into the leading dual debt purchase and contingency platform, offering service and capacity on a scale not previously achieved in the UK market. Following the acquisition of Cabot we led a successful integration programme to create a single integrated platform with a collective ethos at its core, founded on the concept of treating borrowers responsibly and fairly.”

Neil Clyne, CEO, Cabot Credit Management, commented:

“The Cabot Credit Management group has grown rapidly following the merger of Cabot Financial and Apex Credit Management. The purchase of the group by JC Flowers, who have a great deal of experience in the debt purchase industry, represents a very exciting next step in the development of the group. I'd like to take the opportunity to thank AnaCap for its support and the key role it has played in the development of the group.”

Financial Advisors to the deal were Citi and William Blair with CMS as legal advisor.

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## **About AnaCap Financial Partners LLP**

AnaCap Financial Partners is Europe's largest specialist private equity investor in the financial services sector. Based in London and investing across Europe, AnaCap advises funds with €1.7 billion under management across Private Equity and Credit Opportunities vehicles, as well as co-invest.

AnaCap's Private Equity funds invest in European financial services businesses with strong, highly motivated management teams and provide the support and expertise necessary to create exceptional returns. Our network of relationships, which extends across the globe and throughout the financial services sector, enhances our ability to source investment opportunities, support high-quality management teams and identify and capitalise on growth strategies.

AnaCap's role is to provide capital, strategic guidance and operational expertise to build highly efficient and scalable businesses. Furthermore, our considerable experience of working with regulators through multiple investments in commercial and retail banks positions us as a favourable counterparty for many sellers.

The name AnaCap, an abbreviation of 'Analytics before Capital', forms the bedrock upon which our organisation is built. AnaCap takes a highly analytical approach towards the valuation and due diligence of potential investments, which is facilitated by the use of proprietary tools to price assets and which leverages our best-in-class, in-house capabilities.

The success of AnaCap's private equity and credit investment strategies and teams has attracted investment from highly regarded global institutional investors including Goldman Sachs, Allianz, Morgan Stanley Alternative Investment Partners, Honeywell, State of New Jersey and Adams Street Partners.

## **About J C Flowers**

J.C. Flowers & Co. is a global investment adviser and private fund manager focused solely on investing in the financial services industry. Founded in 1998 by J. Christopher Flowers, the firm's funds have invested over \$11 billion of capital in 13 countries worldwide across a range of industry subsectors, including banking, insurance and re-insurance, asset management and specialty finance. J.C. Flowers & Co. has offices in New York and London.

## **About Cabot Credit Management**

Cabot Credit Management is a market leading acquirer and manager of consumer debt. Divided into four specialist businesses, Cabot Financial, Cabot Financial Ireland, Apex Credit Management and Apex Discovery Solutions it covers debt purchase, contingency collections and customer tracing.

Cabot Credit Management has purchased assets of £7.7bn, manages over £1bn of assets on behalf of clients, collects over £20m per month on portfolios it owns and on behalf of clients, and has a 14 year unbroken track record of steady growth.

The Group employs over 700 people with offices in Kings Hill, Stratford-upon-Avon and Dublin. It prides itself on its ethical values and high standards and has an impressive list of accolades including achieving Investors in People Gold award (accredited for 3 years) and attaining a place in the Sunday Times Top 100 Best Companies To Work For - 2013. In addition Cabot Financial has a Quality Management System ISO 9001 since 2008.