

Our investments continued

Healthcare



Partnerships in Care

[www.partnershipsincare.co.uk](http://www.partnershipsincare.co.uk)

<b>Activity</b>	Psychiatric care homes
<b>Location</b>	UK
<b>Acquired</b>	April 2005
<b>Transaction value</b>	£552 million
<b>Sales*</b>	£186.7 million
<b>Employees</b>	Approximately 3,300
<b>Cinven representatives</b>	David Barker, Alex Leslie
<b>Senior management</b>	Chairman Kevin Beeston Group Chief Executive Fred Sinclair-Brown COO Joy Chamberlain CFO Peter Thomas Group Company Secretary Tony Rook

Company description

Partnerships in Care (PiC) is the UK market-leader in the private provision of secure psychiatric services. It provides care services for men and women with complex mental health needs and specialises in the areas of mental health, personality disorders, learning disabilities and brain injury rehabilitation. PiC has 23 units in the UK.

Cinven origination

Prior to Cinven's acquisition, PiC was a subsidiary of General Healthcare Group (GHG), itself a highly successful Cinven investment which was sold in 2000. Following Cinven's sale of GHG, Cinven's Healthcare team maintained a dialogue with PiC's management. Through this relationship and Cinven's knowledge of PiC and the market it serves, Cinven became aware of GHG's desire to divest PiC in order to focus the group on its acute care hospital assets. Having developed a value creation strategy,

Cinven was able to create a financing structure. The team's prior knowledge and ability to execute transactions also enabled it to meet the seller's desire for a quick close.

\*to end December 2010 (actual)

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Partnerships in care  
Changing lives for the better

### Investment rationale and strategy

Cinven was attracted to PiC by its leadership position in a growing market, together with the freehold property which backed its assets. Cinven's strategy for PiC was to accelerate the growth of the company by:

- providing the company with previously unavailable capital to increase its bed capacity through new sites, extensions at existing sites, and selective bolt-on acquisitions to meet excess demand, driven by the continued growth of NHS outsourcing;
- increasing margins by improving operational performance, through the optimisation of ward staffing and reduction in expensive agency staffing in the existing business; and
- diversifying into the 'low secure' and rehabilitation markets, an opportunity identified by Cinven and management, that would enable PiC to provide a continuum of care for its patients.

### Cinven value creation

Cinven executed on its strategy during the first years of its ownership by:

- replacing the bridging loan facility with a financing structure, which provided PiC with the ability to develop the business;
- identifying a number of additional growth and performance improvement opportunities;
- enlarging and accelerating the development plan, which has increased PiC's capacity from 800 beds at acquisition to more than 1,200 currently;
- assessing a number of potential industry consolidation proposals; and
- initiating operational improvement and cost reduction programmes.