

21 May 2019

Acquisition of Minority Equity Interest in The Ardonagh Group

Investment funds managed by Madison Dearborn Partners, LLC (“MDP”) and HPS Investment Partners, LLC (“HPS”) have today agreed to acquire shares in The Ardonagh Group (the “Group”) for a total consideration of £92m (\$117m) (of which £82m (\$104m) from MDP and £10m (\$13m) from HPS) from certain existing institutional investors and other minority shareholders (the “Transaction”).

Ardonagh TopCo Shares and Sentry B Shares are being acquired for a price of £1.175 per share (\$1.495 per share), which implies a total equity valuation for the Group of approximately £860m (\$1.1bn), corresponding to an enterprise value of approximately £1.9bn¹ (\$2.4bn²).

Following the Transaction, MDP funds’ shareholding will increase from 33% to 43%³ and HPS funds’ shareholding will increase from 52% to 54%³. The Transaction is expected to complete on 07 June 2019, and all applicable conditions to completion have been satisfied.

Vahe Dombalagian, Managing Director and Co-Head of the MDP Financial & Transaction Services team, commented today:

“Alongside HPS, we are pleased to affirm our commitment to the Ardonagh platform, and we are excited about the strong trajectory of the business as it keeps strengthening its position as a leading independent insurance broking platform in the UK. Ardonagh remains a unique investment opportunity, given its talented management team and diversified portfolio of brands and leading positions in niche markets across a broad spectrum of insurance sectors.”

David Ross, CEO of The Ardonagh Group, added:

“We continue to enjoy a truly collaborative relationship with both MDP and HPS. Today’s announcement is a further example of the long term commitment to Ardonagh from shareholders who have a deep understanding of the markets in which we operate.”

-ENDS-

¹ Based on FY 2018 Total Net Debt of £1,002m

² Based on USD/GBP FX rate of 1.274 as of 20th May 2019

³ Look-through shareholding as defined in The Ardonagh Group Limited Shareholders’ Agreement

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