

CVC agrees to acquire M Group Services from PAI Partners

Group secures new investment for next phase of growth and development

London, UK, 27 June 2024. CVC, one of the world's leading private equity firms, is pleased to announce the acquisition of M Group Services, the UK's largest provider of essential infrastructure services and solutions. CVC Fund IX will acquire the business from PAI Partners, a pre-eminent private equity firm. The transaction is expected to complete in Q3 2024.

Headquartered in the UK, M Group Services, which supports and partners with major essential infrastructure providers in water, energy, telecom and transport by providing recurring repair and maintenance services, was formed in 2016 from Morrison Utility Services. The business has over 100 years of heritage, employs more than 11,000 people and operates from over 216 locations nationwide.

The business has scaled significantly under PAI's ownership: total revenues have increased from £1 billion in 2018 to over £2 billion today, the order book has doubled in size, and the company has successfully delivered on a strategy to broaden its service offering and move up the value chain. In support of this strategy, the Group has acquired and successfully integrated 14 complementary businesses since 2018.

Leveraging PAI's deep sector expertise in Business Services, the Group has also benefitted from extensive investment to strengthen its platform, improving operational functions and processes, enhancing its IT infrastructure and advancing its sustainability credentials, which are consistently recognised as industry leading. The success of this strategy has led to a more diversified and resilient business model, deeper client relationships and a strong platform from which M Group Services can continue to grow with the support of its new owners.

CVC is investing out of Fund IX, its most recent fund that closed at €26 billion in 2023, becoming the largest private equity fund ever raised, and brings substantial experience of investing in and growing UK businesses. CVC will work closely with M Group Services' management team to accelerate its organic growth and development in this next phase, complemented by further strategic value-enhancing M&A. Recognising the long-term relationships with clients, employees and suppliers that underpin M Group Services' successful track record, CVC is committed to upholding the Group's commitment to safety, client-focused delivery, sustainability and innovation.

Andrew Findlay, Chief Executive of M Group Services, said: "We would like to thank PAI Partners for their strong support and commitment to our growth since 2018. We are delighted that CVC has decided to support our clear and ambitious plan to continue to grow and deliver at pace, built on our solid market-leading foundations. We look forward to working in partnership with CVC to deliver our future plans. This is great for our people, our clients and their customers."

Dominic Murphy, Managing Partner and Co-Head of the UK Team at CVC and Tim Gallico, Partner at CVC, said: "M Group Services is a leader in an attractive market growing on the back of structural trends linked to ageing infrastructure, decarbonisation initiatives and technology

transitions. We are delighted to support its management team in this exciting next phase of its growth and development.”

Colm O’Sullivan, Partner & Head of the UK Team at PAI, said: “We are delighted to have supported M Group Services over the last six years and to have guided its transformation into the leading provider of essential infrastructure services in the UK – a classic example of PAI investing in the Real Economy. Thank you to the Group’s management team for the excellent partnership. With a well-invested platform, extensive service offering and clear leadership in sustainability, M Group Services is well placed to continue its successful journey in the years ahead.”

Deutsche Bank acted as lead financial adviser to PAI, with Citi also acting as financial adviser. Evercore acted as financial adviser to CVC.

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About M Group Services

M Group Services delivers a range of essential infrastructure services within the water, energy, transport and telecommunication sectors in the UK and Ireland. The Group has built and maintained relationships with clients over a number of years and is a trusted employer of more than 11,000 people working from 216 locations. www.mgroupservices.com.

About PAI Partners

PAI Partners is a pre-eminent private equity firm investing in market-leading companies across the globe. The Firm has c. €27 billion of assets under management and, since 1994, has completed over 100 investments in 12 countries and realised more than €24 billion in proceeds from 61 exits. PAI has built an outstanding track record through partnering with ambitious management teams where its unique perspective, unrivalled sector experience, and long-term vision enable companies to pursue their full potential – and push beyond. Learn more about the PAI story, the team and their approach at: www.paipartners.com.

About CVC

CVC is a leading global private markets manager with a network of 29 office locations throughout EMEA, the Americas, and Asia, with approximately €193 billion of assets under management. CVC has seven complementary strategies across private equity, secondaries, credit and infrastructure, for which CVC funds have secured commitments of approximately €235 billion from some of the world's leading pension funds and other institutional investors. Funds managed or advised by CVC's private equity strategy are invested in approximately 130 companies worldwide, which have combined annual sales of over €155 billion and employ more than 600,000 people. For further information about CVC please visit: <https://www.cvc.com/>. Follow us on [LinkedIn](#).

All figures as of 31 March 2024, and adjusted to reflect the agreed acquisition of DIF Capital Partners announced in September 2023 (closing of which is subject to regulatory approvals), unless otherwise indicated.