



HGGC to Sell Minority Interest in Davies Group to AIMCo

Specialist Operations, Consulting & Digital Solutions Business More Than Doubles Revenues in Less than Two Years

PALO ALTO, Calif. — January 23, 2019— HGGC, a leading middle-market private equity firm, today announced it has reached a definitive agreement to sell a minority stake in Davies Group Ltd. (“Davies” or “the Company”), a UK-based tech-enabled operations management, consulting and digital solutions provider, to Alberta Investment Management Corporation (“AIMCo”), on behalf of certain of AIMCo’s clients. The investment in Davies will diversify and strengthen the Company’s shareholder base as Davies seeks to drive continued organic growth and expansion in the years ahead. HGGC will continue to hold the majority ownership stake in the Company.

Davies is the go-to specialist operations, consulting and digital solutions partner for organizations in highly regulated markets, including insurance, financial services, utilities, and communications, as well as to regulatory bodies and other global businesses. Headquartered in London, Davies provides claims solutions, insurance services and customer experience programs to more than 400 clients from its operations in the UK, Ireland, Bermuda, and North America.

HGGC originally invested in January 2017 and has taken a collaborative approach to ownership that has provided Davies with the financial and strategic resources to continue its strong organic growth path. Since HGGC’s investment, Davies has acquired and integrated 11 complementary businesses, including five in 2018, to its growing platform and invested in new technology that improves its client value proposition and operational efficiencies. The Company has more than doubled annual revenues in less than two years to \$150 million.

“From the start, our investment in Davies has been emblematic of HGGC’s philosophy of acquiring compelling platforms and providing them with the resources and value-added expertise to drive growth,” said John Block, Principal at HGGC. “We’re extremely proud to have partnered with Davies Group CEO Dan Saulter and his team to guide the Company’s impressive trajectory and we look forward to partnering with AIMCo to sustain and elevate this success.”

Over the course of 2018, Davies has added more than 100 new accounts from existing and new clients to its growing platform.

“HGGC has exceeded our expectations for an investment partner,” said Saulter. “The team’s strategic guidance and support has been invaluable. Over the past two years, we have tripled our annual investment in technology and digital transformation, continued to invest heavily in our people, and have significantly diversified our services and solutions for our more than 400 insurance, highly regulated and global clients. We are excited to begin working with AIMCo, who will not only be a source of long-term capital, but also a value-added partner as we cement Davies’ place as the leading operations, consulting and digital partner in our chosen verticals.”

“Davies Group’s incredible progress shows that Dan and his team have cracked the code on what it means to be a successful enterprise in complex markets,” added Rich Lawson, CEO and Co-Founder at HGGC. “We’re thrilled to have the opportunity to take advantage of Davies’ success to return capital back to our investors, and at the same time, partner with AIMCo to ensure the Company has ample capital for continued growth.”

“AIMCo is excited to be partnering with Dan and his team, alongside HGGC, to support Davies in its next phase of growth. We believe the Company has a strong runway ahead along with an excellent leadership team and investor partners to capitalize on growth opportunities,” said James Ridout, a Director in the Private Equity group at AIMCo.

The transaction is subject to receipt of customary regulatory approvals and is expected to close within Q2 of 2019. Concurrent with the equity transaction, Davies finalized financing arrangements with ICG and Permira Debt Managers.

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About HGGC

HGGC is a leading middle-market private equity firm with \$4.3 billion in cumulative capital commitments. Based in Palo Alto, Calif., HGGC is distinguished by its *Advantaged Investing* approach that enables the firm to source and acquire scalable businesses at attractive multiples through partnerships with management teams, founders and sponsors who reinvest alongside HGGC, creating a strong alignment of interests. Over its history, HGGC has completed more than 115 platform investments, add-on acquisitions, recapitalizations and liquidity events with an aggregate transaction value of nearly \$19 billion. More information is available at www.hggc.com.

About Davies Group

Davies Group is a multi-award winning operations management, consulting and digital solutions provider to organisations in highly regulated markets (including insurance, financial services, utilities, communications, and to regulatory bodies) and to global businesses. Davies’ core service lines include: Claims solutions, Insurance services, and Customer solutions (incorporating Cynergie, ServiceTick, Ember & Veriphy). Davies has a 1,700-strong team of professionals across the UK, Ireland, Bermuda, the US and Canada with headquarters in the City of London, and command centre operations in Stoke, Colchester, Birmingham, Peterborough, Witham, Dublin, Hamilton and Toronto. Beyond the core team, Davies operates a network of specialist consultants that are deployed within clients’ own operations, to execute regulatory and transformation projects. Davies’ investors are HGGC, AIMCo, acting on behalf of certain of its clients, and Davies’ staff following HGGC’s majority investment in January 2017 and AIMCo’s minority investment in January 2019. Davies’ programme of digital transformation has seen it successfully launch a range of technology-led solutions in to its insurance and highly regulated markets, including the use of video, drones, robotics and its “Disruptive Thinking” innovation lab that places the power of new ideas in the hands of its people. Over recent years Davies has consistently delivered double-digit organic growth through a combination of growing its solutions with existing clients, and adding new partnerships to its business. In the past year Davies has added more than 100 new accounts to its organic platform. In

addition Davies has successfully broadened and deepened its operations and digital capabilities via targeted acquisitions. Since the start of 2017 Davies has acquired: Cynergie, CMSL, Ambant, ServiceTick, TLSS, R&Q's insurance services business, Ember, Direct Group's claims businesses, Veriphy, USA Risk Group and TMS. More information is available at www.davies-group.com.

About Alberta Investment Management Corporation (“AIMCo”)

Alberta Investment Management Corporation, AIMCo, is one of Canada's largest and most diversified institutional investment managers with assets under management in excess of C\$108 billion. AIMCo, established on January 1, 2008, invests globally on behalf of 32 pension, endowment and government fund clients in the Province of Alberta. AIMCo's head office is located in Edmonton, Alberta, and has additional offices located in Toronto, London, and Luxembourg. AIMCo's Private Equity team comprises a dedicated group of experienced investment professionals and manages a private equity allocation of approximately C\$6.0 billion. More information is available at www.aimco.alberta.ca.

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