

Deal of the Week: PAI Partners buys R&R Ice Cream from Oaktree

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| Announcement Date | <ul style="list-style-type: none"> April 30, 2013 |
| Acquirer | <ul style="list-style-type: none"> PAI Partners |
| Acquirer Description | <ul style="list-style-type: none"> Private equity firm specializing in leveraged buyouts, buyins, and mature company transactions Founded in 1998 and headquartered in Paris, France |
| Target | <ul style="list-style-type: none"> R&R Ice Cream |
| Target Description | <ul style="list-style-type: none"> Engages in the production and sale of ice cream and frozen confectionery in Europe Founded in 1932 and based in Northallerton, the United Kingdom |
| Target Financial Stats | <ul style="list-style-type: none"> LTM Revenue: €600 million / \$790 million LTM EBITDA: €84.4 million / \$111 million |
| Price / Consideration | <ul style="list-style-type: none"> Price: Approximately €850 million / \$1.1 billion Consideration: Equity and debt |
| Acquirer Advisor | <ul style="list-style-type: none"> Barclays |
| Target Advisors | <ul style="list-style-type: none"> Credit Suisse |
| Rationale | <ul style="list-style-type: none"> Colm O’Sullivan, partner at PAI Partners, said: “R&R is a market-leading company with a strong portfolio of innovative products and excellent potential to expand in the UK and internationally” “The food and consumer brands sector is a core area of investment focus and expertise for PAI and we are delighted to be investing in R&R. We look forward to working closely with the company’s management and supporting the company’s continued growth” |
| Of Note | <ul style="list-style-type: none"> PAI Partners bought Britain's R&R Ice Cream from Oaktree Capital, paying €460 million (\$606 million) for the equity in R&R, while loading it up with new debt. R&R released results showing a figure of €361.8 million (\$477 million) for "total debt," defined as total financial liabilities minus accrued interest and less prepaid transaction fees on financial debt issuance Oaktree Capital created R&R in 2006 from the merger of Richmond Foods plc, which it took private for £201 million (\$312 million), with its existing German, French and Polish ice cream business Roncadin Gelus. It had bought Roncadin Gelus from Italian food group Roncadin SpA for €152.5 million (\$201 million) the previous year R&R has rolled up a number of European ice cream businesses and this month agreed to acquire Britain's Fredericks Dairies for £49 million (\$76 million). Today, R&R is one of Europe's largest producers of ice cream, manufacturing both own-label products for major retailers and branded products. These include Nestlé SA's U.K. ice cream brands, acquired in 2001, and a range of European brands under license from Mondelez International |