Permira Debt Managers (PDM) is an independent debt management business comprising three strategies: Direct Lending, Structured Credit and CLO Management. Founded over a decade ago, it is now one of Europe’s leading specialist debt investors, advising investment funds and products which have provided c.€5.2bn of debt capital to over 120 European businesses.

Eleven years of private credit investing
Now in its eleventh year, PDM operates three distinct strategies: Direct Lending, Structured Credit and CLO Management.

The business was established to take advantage of the retrenchment of banks from the European corporate lending market, driven by regulatory change.

Flexible solutions for European businesses
On the Direct Lending side, our funds partner with European businesses to provide quick and flexible credit solutions that are better tailored to their growth and other needs. The PDM team benefits significantly from the wider Permira office network, sector expertise and relationships with banks, lawyers, accountants and other service providers to European businesses.

Liquidity for the European credit market
As the European market has evolved, we have launched products in Structured Credit and CLO Management that enable our funds to provide liquidity to both the primary and secondary markets, financing larger transactions in a rapidly evolving European credit space.

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"...our funds partner with European businesses to provide quick and flexible credit solutions..."
PDM aims to partner with European businesses to provide the capital they require for growth and generate market-leading risk-adjusted returns for investors in PDM funds.

**Structured Credit**

Our Structured Credit funds provide long-term capital to CLO managers in both the primary and secondary capital markets. This strategy relies on the excellent risk/reward characteristics inherent in senior secured debt, typically issued by larger leveraged buyouts.

Our Sigma funds specialise in the most junior parts of the capital structure, especially equity, where our credit-led approach provides the greatest differentiation.

**CLO Management**

Building on 10+ years’ experience as a European credit investor, PDM has relaunched a CLO business with a dedicated investment team. The CLO invests in syndicated loans and bonds that are issued to support portfolio companies of private equity funds. Providus CLO I was priced in March 2018.

**Direct Lending**

PDM’s Direct Lending funds provide credit solutions to mid-market European companies across the capital structure. The Permira credit solutions funds have a track record of providing additional funding for organic and external growth, in particular overseas expansion, and buy-and-build strategies.

**To achieve this PDM follows three key investing strategies:**

**€1.8bn**

Invested in 28 businesses since Jan 2017

**38**

Investments by Sigma 4

**€363m**

Size of Providus CLO I
SELECTED DIRECT LENDING CASE STUDIES

**Daltys Coffee**

**Business overview**
Daltys is a leading provider of vending and coffee machines to the corporate, healthcare and hospitality sectors and also operates coffee shops in France.

**Why we backed them**
The company has a strong and defensible position across its three key distribution channels: vending machines, coffee machines and coffee shops. Growing demand for coffee distribution and high barriers to entry in established locations means that the company is well-positioned to continue this growth.

**Kinaxia Logistics**

**Business overview**
Kinaxia is a UK haulage and warehouse business that was created out of a succession of mergers in the logistics space.

**Why we backed them**
PDM identified the opportunity to back a strong buy-and-build platform in a rapidly consolidating industry. Further reassurance was gained through the existing relationship with the founder, who had previously been successfully backed by the Permira private equity funds. The financing package will enable the company to maintain its acquisitive growth in a rapidly consolidating market.

**RSK**

**Business overview**
RSK advises clients in the energy, infrastructure, oil and gas, and construction sectors on a range of issues including project management, regulations and environmental factors.

**Why we backed them**
Having backed the company in a previous financing round, PDM was attracted to its broad and capable management team, solid growth and opportunities for further expansion. The business is well diversified by geography and sector, and enjoys strong relationships with blue-chip customers that it can service across the entire lifecycle of their projects.

**Soho House**

**Business overview**
Soho House is a hospitality company that operates exclusive private members clubs, as well as hotels, restaurants and spas.

**Why we backed them**
PDM had strong industry knowledge and relationships with the Soho House management team through the previous investment of the PDM funds in the business. As it extends its global franchise, the company has built significant brand value, a stable and loyal membership and high demand to join the clubs. These dynamics help provide protection against the economic cycle and have powered year-on-year growth in membership and revenues for more than a decade.

INVESTING RESPONSIBLY IN DIRECT LENDING

The PDM funds have been delivering value to investors for more than 10 years. A focus on Environmental, Social and Governance (ESG) considerations is an important part of building lasting value in the PDM funds’ portfolio companies.

ESG and sustainability matters are considered as part of the standard investment analysis for Direct Lending investments. PDM is further developing its approach to integrating ESG considerations in its other investment strategies.

**Incorporated in investment processes**

1. Asset selection and origination
   - ESG screening of potential investments
2. Due diligence and deal execution
   - Potentially material ESG risks considered on Direct Lending investment as part of standard investment analysis
   - Investment professionals access public information, relevant documents, and the sponsor or company management as appropriate and depending on the risk profile of the business
   - Key ESG risks presented to the Investment Committee and General Partner
3. Post-investment
   - Ongoing monitoring of material ESG risks identified pre-investment (as relevant) and emerging post-investment
   - Engagement with selected portfolio companies on managing and improving ESG, particularly where the PDM funds have a board seat or board observer seat
   - Reporting material incidents or developments to investors

Permira reports annually on its approach to integrating ESG.