

Ares Management Corporation Leads £1.875 Billion Commitment to The Ardonagh Group in Largest Ever Unitranche Financing Transaction

Jun 22, 2020 1:25 PM

LOS ANGELES & LONDON--(BUSINESS WIRE)-- Ares Management Corporation (“Ares”) (NYSE:ARES) announced today that it is serving as the lead arranger for a £1.875 billion financing commitment to The Ardonagh Group (“Ardonagh”), the U.K.’s largest independent insurance broker, through Ares’ global direct lending platform. Ardonagh is majority owned by HPS Investment Partners (“HPS”) and Madison Dearborn Partners. In addition to direct lending funds managed by Ares, other significant lenders include Caisse de dépôt et placement du Québec (“CDPQ”), HPS and KKR.

The financing is comprised of a £1.575 billion unitranche loan and a £300 million committed capital expenditures facility. The combined £1.875 billion commitment represents the largest ever unitranche financing. The financing will be part of the company’s global refinancing to support its business expansion plans.

Established in 2017, The Ardonagh Group grew significantly through a series of acquisitions in 2018 that brings together the leading insurance brokerage brands in the U.K. including Autonet, Bishopsgate, Carole Nash, Geo Underwriting, Price Forbes, Swinton, Towergate and URIS. With more than 100 office locations and a workforce of over 6,000 people, The Ardonagh Group is active across distribution, wholesale, underwriting and services, forming the largest principal diversified and independent broking and underwriting group in the U.K.

“We believe this is the largest ever unitranche financing transaction globally, which is a testament to the quality of The Ardonagh Group, our long-standing relationships with HPS Investment Partners and Madison Dearborn Partners and the advantages created by our global and scaled platform,” said Blair Jacobson, Partner and Co-Head of European Credit and Mark Affolter, Partner and Co-Head of U.S. Direct Lending. “We believe there is a significant need in the current market to serve as a partner to companies in need of scaled financial solutions and are excited to support Ardonagh in realizing its growth ambitions.”

“This is a major transaction for the lending group in Europe. It will support Ardonagh’s growth over the coming years,” said Luis Mayans, Partner and Deputy Head, Private Debt at CDPQ. “Over the years, Ardonagh has developed an attractive business model by bringing together specialized insurance brokerages that are leaders in their respective niches, and we’re pleased to offer them a financial solution that meets their needs.”

David Ross, CEO of The Ardonagh Group commented: “The substantial commitment from this lending group led by Ares is a vote of confidence in Ardonagh and our management team. The structure of the unitranche facility and additional committed capital expenditures facility leave us well positioned to deliver the next phase of our growth strategy and beyond.”

About Ares Management Corporation

Ares Management Corporation (NYSE: ARES) is a leading global alternative investment manager operating integrated businesses across Credit, Private Equity and Real Estate. Ares Management's investment groups collaborate to deliver innovative investment solutions and consistent and attractive investment returns for fund investors throughout market cycles. Ares Management's global platform had \$149 billion in assets under management as of March 31, 2020 with more than 1,200 employees in over 20 offices in more than 10 countries. Please visit www.aresmgmt.com for additional information.

About The Ardonagh Group

The Ardonagh Group is the UK's largest independent insurance broker with global reach. We are a network of over 100 office locations and a workforce of over 6,000 people. Formed in 2017 and following a series of acquisitions in 2018, Ardonagh today brings together best-in-class brands including Autonet, Bishopsgate, Carole Nash, Geo Underwriting, Price Forbes, Swinton, Towergate and URIS. Our understanding of the communities we serve, together with our scale and breadth, allows us to work with our insurer partners to deliver solutions that meet our customer needs.

About HPS Investment Partners

HPS Investment Partners is a global investment firm with approximately \$61 billion of assets under management as of May 1, 2020. HPS was founded in 2007 and manages various strategies that invest across the capital structure, from syndicated leveraged loans and high yield bonds to privately negotiated senior secured debt and mezzanine investments, asset-based leasing and private equity. The scale and breadth of the Firm's platform offers the flexibility to invest in companies large and small, through standard or customized solutions. HPS is headquartered in New York with ten additional offices worldwide and has 145 investment professionals and over 370+ employees globally.

About Madison Dearborn Partners

Madison Dearborn Partners, LLC ("MDP"), based in Chicago, is a leading private equity investment firm. Since MDP's formation in 1992, the firm has raised over \$26.0 billion of capital and has completed over 145 investments. MDP invests across a broad spectrum of industries, including businesses and government software and services; basic industries; financial and transaction services; health care; and telecom, media and technology services. MDP's objective is to invest in companies with strong competitive characteristics that it believes have the potential for significant long-term equity appreciation. To achieve this objective, MDP seeks to partner with outstanding management teams that have a solid understanding of their businesses as well as track records of building shareholder value. Funds managed by MDP are lead investors in insurance brokers, NFP Corp., The Amynta Group and Navacord Inc., demonstrating MDP's experience in the sector.

About CDPQ

Caisse de dépôt et placement du Québec (CDPQ) is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at December 31, 2019, it held CAD 340.1 billion in net assets. As one of Canada's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure, real estate and private debt. For more information, visit cdpq.com, follow us on Twitter [@LaCDPQ](https://twitter.com/LaCDPQ) or consult our [Facebook](#) or [LinkedIn](#) pages.

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

Forward-Looking Statements

Statements included herein may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, which relate to future events or the Company’s future performance or financial condition. These statements are not guarantees of future performance, condition or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described from time to time in the Company’s filings with the Securities and Exchange Commission. Ares Management Corporation undertakes no duty to update any forward-looking statements made herein.

View source version on businesswire.com: <https://www.businesswire.com/news/home/20200622005618/en/>

Ares Management Corporation

Mendel Communications

Bill Mendel, 212-397-1030

or

Carl Drake, 678-538-1981

or

Brittany Cash, 212-301-0347

Source: Ares Management Corporation