

# TriSpan – Newsletter Issue 7



## GROWTH AGAINST ALL ODDS

During the past 24 months we witnessed challenging and unique times. Covid waves followed each other causing human and business disruption and losses. At TriSpan and in our portfolio companies, we have been blessed and lucky. Our colleagues worldwide remain safe, and our companies continued to navigate the choppy waters with success. More importantly, all but one of our portfolio companies continued to grow during this period, moving steadily towards their strategic objectives. We are cognizant and thankful for all the unwavering efforts made by all the management teams and their colleagues throughout each company to continue their growth journey unyielding to the severe headwinds we have all been facing. For those very reasons, and to give the reader a taste of what all this means, we have decided to feature in this newsletter our latest three investments in the Opportunities fund, all in OF2, and three of our latest investments in Rising Stars.

Among the common characteristics between Prestige, Real Good Dental and DHV+ are economic downturn resiliency, sticky recurring revenues, low customers churn and fragmented industries prone for consolidation. Themes we look for in each of our **Opportunities Fund** portfolio companies. Those companies did not stay put or complacent during Covid. They have continued to execute against their strategic plan, all surpassing so far our underwriting assumptions. **Prestige** completed two important acquisitions in less than a year while continuing to focus on driving record level organic growth. **Real Good Dental** continued its acquiring spree of clinics while focusing on maintaining its client offerings and services during complicated times. **DHV+**, a newcomer to the market, acquired 6 companies in a 4 month period and continued to build its headquarter capabilities. While still relatively new investments, all three have exceeded our underwriting and we remain very excited about their prospects.

**Rising Stars** operates in the restaurant sector. It found itself in the midst of an unprecedented storm that led to somewhere between 10% to 20% casualties. An endless number of restaurants had to close permanently, to reinvent themselves or required significant injection of capital. But like in every crisis, opportunities arise. Recent changes in the industry allowed for market share to be grabbed, for real estate opportunities to become more prevalent and more affordable and for investment opportunities to become better priced and better structured against downside risk or repeat covid waves. At TriSpan, with our unique capabilities in this space, we were quick to react to support our portfolio companies and to invest in four highly promising companies, three of which are featured in this newsletter. **Maman** and **Naya**, two well entrenched New York concepts, continued to grow and to open a record number of stores this past year. Both have an unprecedented number of stores readied to be opened, taking advantage of great real estate conditions and a renewed and growing appetite for clients to come back to restaurants despite Omicron. As for **Pho**, it recently opened three new locations in the UK and continues to exhibit strong performance matching or exceeding in most of its locations pre-covid levels. We are blessed to have a Rising Stars portfolio that has not seen any casualties, nor has it required any equity cure for any of its portfolio companies. As importantly, we see structural improvements and changes in the industry that make the next few years an unprecedented window for investing.

As for **TriSpan** we have also had our best two years during Covid. This is not to say that Covid is driving our success. On the contrary, we hope that this indicates a potential to continue on a similar and enhanced path moving forward. Our AUM grew by approximately 50% last year, making 2021 our record fund raising year. All of our deals completed in the past 18 months were oversubscribed with a growing institutional appetite. We remain very busy focused on additional acquisitions for our portfolio and are looking at interesting new opportunities. Finally, our team continues to grow with an additional 5 full time investment professionals, including two new partners and several new operating partners.

Onward to a safer 2022!

The TriSpan Team



# —2021—

## A Year in Review

**5** new TriSpan team members

**Proactively Implementing ESG Program Across Portfolio**



**Top 50**

PE Firms Award



**US Team moved to new office, doubling size**



**16+**

Institutional Investors

**Implemented 2 new transformational software solutions**



**26**

Deals Completed

**All Deals Oversubscribed**

**2**

Opportunities Platform Investments

**Real Good Dental**



**First OF Exit**

**@ 3.9x Gross CoC  
45%+ Gross IRR**



**22**

Add-on Acquisitions

**THANK YOU to our 216 investors!**

**Offered and closed ~\$200m in co-investment opportunities to our LPs**

**2**

**Rising Stars Investments**



## PRESTIGEPEO

Founded in 1998 and headquartered in Melville, NY, Prestige is the 9th largest PEO in the U.S. with a leading market presence in the New York City metropolitan area.

PrestigePEO provides comprehensive outsourced human resource services to small and mid-size businesses (“SMBs”).

Key services include state of the art payroll processing, innovative management of workplace safety risks, workers compensation, healthcare plans and unemployment claims processing.

Currently, the company has 900+ clients and employs 22,000+ worksite employees (“WSEs”).

Since TriSpan invested in PrestigePEO in December 2020:

- ✓ PrestigePEO completed the following 2 add-on acquisitions: PathGoal in August 2021 and StaffLink in December 2021
- ✓ The company developed a robust pipeline with 2 other targets in discussion
- ✓ The company grew its worksite employees by 25%



### Why did you partner with TriSpan?

*Unlike the exiting shareholders, I was looking to remain with Prestige. It was important to me who my future partners were going to be. The prior suitors did not have the culture that Ehud Laska, Benjamin Douek, Baudoin Lorans and Elan Schultz displayed. They treated me like family. They took the time to learn about Prestige, what our goals were and displayed the utmost respect as to what we had accomplished.*

### How did you deal with the Covid crisis?

*PrestigePEO turned lemons into lemonade and then sold all of the lemonade until we were out of lemons. Challenged with a remote workplace, Prestige grew 25+% during the pandemic. Businesses required more guidance than ever before and PrestigePEO provided that guidance.*

### What are the opportunities and challenges in the near future?

*While the increased complexity of compliance to new legislation can be challenging at times, with each law having endless implications, it also engenders a need for PrestigePEO’s expertise. Moreover, we are continuously diversifying, such as exploring new employee benefit plans and screening new markets via partnerships in the PEO space.*



**Andrew Lubash**  
**CEO of PrestigePEO**

## REAL GOOD DENTAL

Established in 2012 in Scotland, Real Good Dental (RGD) is the largest/very close second dentistry group operating 54 practices with over 140 surgeries and over 120 associates.

The group also offers aesthetic treatments through the brand, Westerwood Health, which has a standalone clinic in Glasgow and surgery inserts in 2 RGD practices.

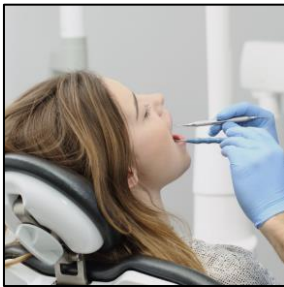
The enlarged group's key offering areas are dental care, teeth replacement, oral health, orthodontistry as well as cosmetic treatments, amongst others.

TriSpan's investment strategy is to build one of the largest dentistry groups in the UK with a strong footprint in Scotland through a buy and build strategy.

Since TriSpan invested in Real Good Dental in June 2021:

- ✓ 9 practices were added to the Group
- ✓ The company developed a robust pipeline with a dozen additional practices expected to be completed by the end of the fiscal year
- ✓ The company is currently screening the Northern Irish market to enter via a group/cluster of single practice acquisition

Real  
Good  
Dental



Jagdeep Singh Hans  
CEO of Real Good Dental

### Why did you partner with TriSpan?

*TriSpan's track record in supporting founder-led businesses and successful buy and builds in the healthcare sector was crucial to the decision making process. The whole team at TriSpan have been wholly supportive of the process since our first meeting and their dynamic approach allowed a deal to be done at the height of the pandemic.*

### How did you deal with the Covid crisis?

*The Covid pandemic was a challenging time for all front line healthcare providers. By following government guidelines, RGD was able to start providing some form of dental services to its patients as soon as possible. We have been supported by our hard working staff and dentists, the NHS and TS throughout the pandemic, allowing us to continue to put patient care at the forefront during these challenging times.*

### What are the opportunities and challenges in the near future?

*Post pandemic dentistry has changed for the better. We have seen technology being implemented more readily as well as the digitalisation of dental work flow. There are still a number of challenges facing dentistry especially with uncertainty over long term standard operating procedures, increased waiting lists and future payment structures within the NHS.*



## DHV PLUS

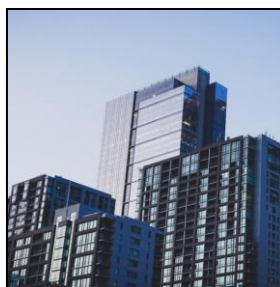
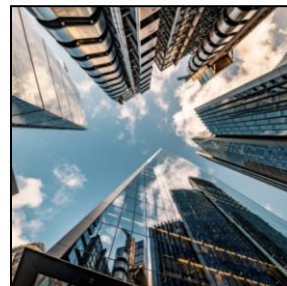
DHV Plus is a newly established buy & build platform in the German residential property management market that was closed in September 2021.

The target Property Managers all provide a range of core services to their customers, for which they charge base fees. Adding to this, some larger targets have started developing adjacent services.

DHV Plus is continuously implementing systems and processes to support the integration of add-ons and the extraction of synergies.

Since TriSpan invested in DHV Plus in September 2021:

- ✓ DHV Plus completed 6 property management add-on acquisitions
- ✓ The company developed a robust pipeline, with 5 property management add-ons in advanced stages
- ✓ Beefing up central infrastructure and capabilities, with key hires at DHV Plus HQ level in Finance and M&A functions



**Kai Krahmer**  
CEO of DHV Plus

### Why did you partner with TriSpan?

*I chose to work with TriSpan because of a thirty year personal relationship with TriSpan partner Baudoin Lorans and their experience in the European facility management sector. Additionally, their track record in starting from scratch similar buy and build programs or greenfield companies proved to me that they would be a good fit.*

### How did you deal with the Covid crisis?

*The main impact of the Covid crisis was that it made adjustments in the sourcing strategy necessary. Normally I prefer to meet people at industry fairs or at their business. As this was not possible, we wrote more letters, and used voice and video calls. Generally, the Covid crisis proved our thesis that the residential property manager market is very solid with resilient top lines.*

### What are the opportunities and challenges in the near future?

*We currently face limited competition. That is a great opportunity and also a challenge to convert targets as soon as possible.*

MAMAN

Maman, founded in 2014 in New York, is a premium fast casual restaurant, café and bakery offering high quality and locally sourced food.

It has since grown considerably and currently operates 14 units, with two stores opening in Canada.

Maman has 'beautified' rustic interiors by exposing bare brick walls, investing in lighting design, displaying elegant floral arrangements and furnishing units with inexpensive items often found in flea markets to create a unique atmosphere and attract a young and upscale crowd.

Due to its authenticity and charm, the restaurant was named one of Zagat's Top 10 most "Instagrammable" cafés in America.

Since TriSpan invested in Maman in December 2020:

- ✓ Maman opened 6 new units
- ✓ The company secured an additional 17 sites in prime locations
- ✓ Maman launched a native mobile app and website as well as a cookbook. Maman's Instagram account grew to over 122k followers, a 46% increase



Why did you partner with TriSpan?

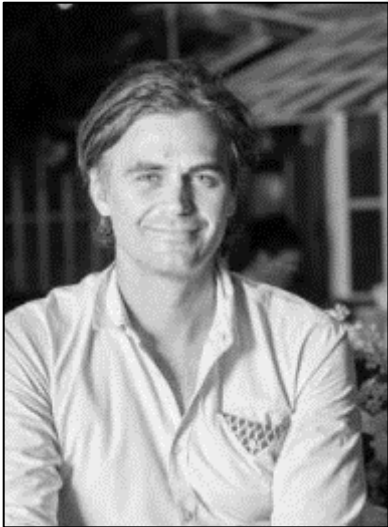
*I had the chance to meet quite a few private equity firms. From the get-go, TriSpan gave me the best impression that they understood our brand very well, shared our vision and seemed like a great group of people to work with. I have no regrets as our relationship has been very strong since day one.*

How did you deal with the Covid crisis?

*Due to our multiple locations, we could move our staff – helping us retain our great team while catering to our various store needs. We increased our offerings in terms of pre-packaged items by introducing new products. Finally, we have been involved with our community more than ever, e.g., we provided over 5,000 meals to NY hospitals through the Food First Foundation.*

What are the opportunities and challenges in the near future?

*We had some great opportunities in terms of real estate and signed ~20 leases with terms that we would have not been able to negotiate pre-covid: lower rent, high tenant's improvement allowance, etc. In terms of sales, despite creativity, we need the office population to come back to work, as it negatively impacts sales.*



Benjamin Sormonte  
CEO of Maman



## PHO

Pho is a UK-based Vietnamese casual dining restaurant founded in London in 2005 by Stephen and Juliette Wall who thought of the concept while travelling to Vietnam, falling in love with the cuisine.

They decided to open their first store using all their savings and currently operate 35 sites across the UK, including 18 in London and 17 in provincial cities.

The restaurant offers five main categories of traditional dishes: *Gioi* (Vietnamese salads), *Pho* (steamed noodle soup), *Pho Xao* (wok fried noodle salad), *Bun noodles* (noodle & salad bowl) and *Com Tam* (Vietnamese curry) and a wide selection of cocktails and other drinks.

Since TriSpan invested in Pho in August 2021:

- ✓ Pho opened 3 new sites
- ✓ The company secured an additional pipeline of 3 brick-and-mortar sites that have already been developed
- ✓ The delivery performances of the company grew considerably. The social media presence of the restaurant grew to over 40k followers on Instagram



**Patrick Marrinan**  
Managing Director of Pho

### Why did you partner with TriSpan?

*The combination of Robin Rowland and the wider TS deal team provides our business with an additional layer of sector expertise. Very early on in our relationship it was clear that we shared a similar vision for the future expansion of Pho and the team brings a broad range of skills and experience, as well as a significant network to the table which will help maximise Pho's potential.*

### How did you deal with the Covid crisis?

*During Covid, we focused on a priority list of issues, firstly banking and liquidity, then ensuring our employees were dealt with fairly, key suppliers were paid and then landlord negotiations undertaken. The business pivoted successfully to delivery and takeaway trade and this enabled us to establish a strong financial position, as we start to emerge from the Covid era.*

### What are the opportunities and challenges in the near future?

*COVID has taught us that our national presence is a core strength of the business and increasing our regional expansion is a primary goal going forward. A key challenge for us is the trading climate in London, particularly the business districts and tourist areas. We anticipate that these locations will be slower to return to pre COVID levels but this is more than off-set by our regional growth, which has been very encouraging.*



NAYA

Founded in 2008 by Hady Kfoury and headquartered in New York, Naya is a Lebanese/Mediterranean fast casual brand serving fully customizable yet simple entrees that combine a variety of proteins, carbs and toppings.

The company currently operates 9 units, with one of them in Philadelphia.

What makes Naya different is its sourcing of quality ingredients, while maintaining a reasonable price-point and serve customers swiftly.

Since TriSpan invested in Naya in October 2020:

- ✓ Naya opened 2 new units
- ✓ The company developed a robust pipeline and is expected to open 3 additional units in prime locations
- ✓ The chain developed a very strong off-premise offering as well as an in-store delivery operation. Naya's Instagram followers increased by more than 35%



**Hady Kfoury**  
CEO of Naya

### Why did you partner with TriSpan?

*We partnered with TS for several reasons. First and foremost, RS is one of the very few funds dedicated to F&B, bringing significant value add to our concept through sector expertise. Secondly, we have an excellent relationship with the partners and were very well aligned on future growth plans. Finally, TriSpan's extensive network provides the tools required to propel Naya through its next phase of growth.*

### How did you deal with the Covid crisis?

*Our main responsibility was to ensure the safety of our guests and staff, implementing various initiatives that prioritized their well-being. From a business and operations perspective, we monitored labor very closely and renegotiated rents with our landlords. In addition, we were able to get longer credit terms with suppliers. Additionally, we implemented measures that streamlined our delivery capabilities.*

### What are the opportunities and challenges in the near future?

*One challenge the whole industry is currently facing is labor shortages. It is increasingly difficult to recruit and train strong candidates. Office occupancy also remains depressed which naturally impacts our locations in business districts. Despite this, we took advantage of our strong cash position and the distressed NY real estate sector to secure second generation locations at very attractive terms.*

## TRISPAN 2022 PROMOTIONS

- The TriSpan team is the nucleus of the company's future, as we believe our team members are the biggest drivers of positive change. Through regular communication despite current difficult circumstances, the team was able to work from home without sacrificing efficiency and productivity. We strive to create a community of diverse and motivated individuals from around the world with one common goal – to create value.
- Since TriSpan's launch in 2015, our team has grown to 30 professionals from 14 different countries. In the past 12 months, we have added 5 new members, including 2 partners, and several operating partners, one of whom is focusing solely on ESG implementation.
- TriSpan is continuously investing in its human capital through several initiatives such as TriSpan University, a set of financial courses and discussion sessions organized by our partners, as well as our mentorship program that connects experienced professionals with young and motivated individuals eager to learn.
- TriSpan is now pleased to announce the promotions of Photos, Thomas and Della. TriSpan thanks them for all their hard work and wishes them much success in their new roles.



### **Photos Photiades – Vice-President**

- Photos joined TriSpan USA in October 2019 from UBS where he was an investment banking analyst in the global industrial group
- Prior to this role, Photos was a Credit research intern at Finisterre Capital. He also spent time serving his mandatory Cyprus military conscription in the infantry department. Photos holds an economics major from Yale University

### **Thomas Plaquet – Vice-President**

- Thomas joined TriSpan London in October 2017 from SIP Agriculture based in Luxembourg, which specializes in agricultural investments
- Prior to this role, Thomas worked for a CTA fund based in Luxembourg and held an internship in a value fund at GaveKal Capital in Hong Kong. Thomas holds a Master's Degree Cum Laude in Business Engineering from Solvay Brussels School of Economics and Management



### **Della Mecattaf – Analyst**

- Della joined TriSpan London in May 2021 as an intern from UBS where she was an investment banking analyst in the firm's "execution group" that works on the execution of deals across all products and sectors of the investment banking floor
- Prior to this role Della was a volunteer at an elderly care home and tutored children with underprivileged backgrounds. Della holds a master's degree in financial analysis from London Business School and a bachelor's degree in economics from the American University of Beirut



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