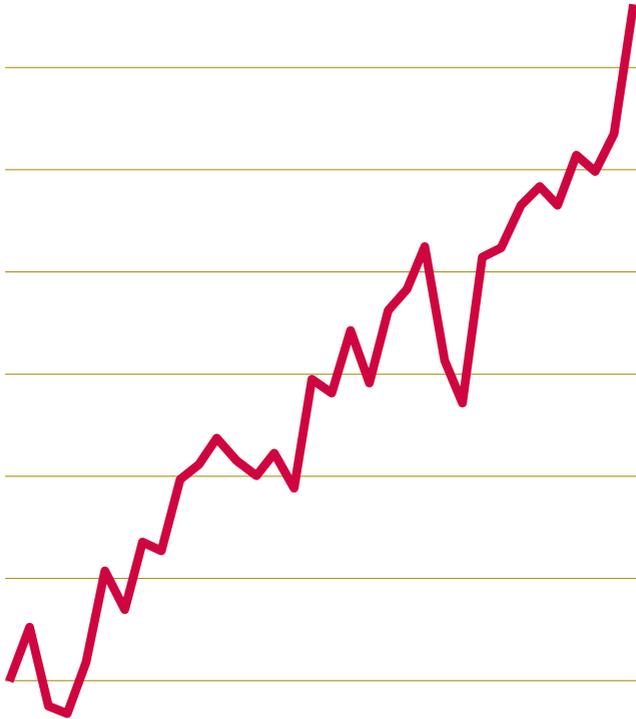




P R A G M A

Investor Services



What We Do

We are a leading consultancy specialising in retail and consumer markets. We deliver strategies that turn insight into profit.

Our key strength is understanding how customers behave and what motivates them to buy. We use this insight to provide rapidly improved business models and profit. Our planning and facilitation services offer our clients support in taking their strategy forward.

With 25 years of experience in more than 30 countries, we have completed over 1,100 projects to date, successfully improving profitability for our clients.

Our expertise lies in six key areas including specialty retail and wholesale businesses

- Specialty
- House, Home and Electricals
- Sport / Outdoor
- Personal Care
- Branded Food Service
- Fashion

Pragma is part of St Ives, a group of market-leading companies that delivers the UK's most diverse range of marketing solutions.

Investor Services

Our specialist investor services team has a great deal of experience and knowledge in supporting investors. Our approach is always tailored to the client's requirements and we draw on a substantial skill set in the team to deliver the required work scope.

Our team works with a variety of different clients including banks, accountants and private equity firms, to provide an informed opinion on the potential of a business.

Our services include pre-sale advice, operational and commercial due diligence, post acquisition strategy and portfolio improvement.

Our experience covers nearly all consumer sectors including fashion,

homewares, electrical, outdoor, personal care, branded food service and specialty retail on a national and international scale.

We consistently win awards for our strategic and commercial advisory services:

Private Equity Advisor of the Year 2013
ACQ Global Awards

Commercial & Operational Due Diligence Firm of the Year 2013
Finance Monthly

Retail Strategy Specialist of the Year 2013
Acquisition International

Strategic Advisory Firm of the Year 2013
M&A International—Global Awards

What Our Clients Say About Us:

“Having worked with Pragma a number of times before, we selected them again for their unique experience and ability to clearly distil the critical drivers of any retail model. The Pragma team were very responsive and produced a high quality, insightful report in a short timeframe.”

Charterhouse Capital Partners

“Pragma did exactly what we asked of them. They had an immediate understanding of the issues and provided insightful feedback.”

Bridgepoint Capital

“Pragma's unusual insight into customers and consumer markets comes from their detailed research and willingness to put the microdynamics of the business under review, which for retail investments is a must for us as investors.”

LDC



Case Study Hawksmoor

Background

Hawksmoor, with its four restaurants, is one of London's leading premium steakhouse restaurant chains. Its high quality steak offer holds high appeal amongst diners of all backgrounds, making it an aspirational choice for a variety of dining occasions.

Task

Complete a thorough commercial due diligence programme of consumer and market research to understand Hawksmoor's position within the premium dining market, its competitive advantages and areas of opportunity, both in the UK and internationally.

What We Did

- Three quantitative consumer surveys formed the backbone of the research programme: an online survey, used to validate Hawksmoor's market position; a database survey, designed to test visit frequencies and behaviours; and an exit survey, capturing feedback immediately after visit
- Pragma used focus groups to explore Hawksmoor brand perceptions and its resonance with the target market. We also took the opportunity to capture feedback on the dining experience and possible improvements
- Detailed desk-based research into the London dining market focused on critic reviews, consumer feedback and table availability
- An assessment of the potential for the Hawksmoor brand and concept to launch internationally was also undertaken, conducting a thorough review of three potential foreign cities for the brand to explore

Result

Pragma's detailed analysis and findings informed Graphite Capital in its backing of a management buy-out of Hawksmoor, providing additional capital for the brand to grow, both in the UK and potentially internationally.

Case Study True Religion

Background

TowerBrook was considering acquiring True Religion, a premium denim brand distributed across six continents. The brand's key point of difference—all adult denim products are hand stitched and “Made in the U.S.A.”—and its premium nature, seek to appeal to a fashion conscious and affluent target consumer. Pragma was asked to provide a full programme of commercial due diligence on the brand and its operations.

Task

Complete a comprehensive commercial due diligence programme including consumer and market research, an analysis of historical performance, a comprehensive market sizing and competitor appraisal and an operational review of the business to provide a complete view on the True Religion opportunity, both in the US and internationally.

What We Did

- Analysed the market to assess recent trends, estimate current market size and provide indications for future projections
- Analysed the key competitors in the US and internationally, to understand any competitive advantages or areas of opportunity
- Completed primary consumer research, in the form of an online survey, to understand the competitive landscape of the premium denim market. Key objectives were to gain an understanding of the True Religion customer in addition to the awareness, penetration and perceptions of True Religion and other premium denim brands
- Conducted exit interviews with customers leaving 12 US store locations to understand visit drivers, purchase criteria, attitudes towards the brand and perceptions of the store. This included collecting metrics such as visit frequency, conversion and spend
- Reviewed True Religion's historical trading performance by channel to understand key success drivers and any risks or opportunities for the business
- An organisational review was completed to understand strengths, weaknesses and the optimum strategy for the future

Result

Pragma's detailed analysis and findings informed TowerBrook Capital Partners LP in its acquisition of True Religion, a transaction valued at approximately \$824 million.



Case Study The Gro Company

Background

Mobeus Equity Partners were looking to invest in The Gro Company, a baby products manufacturer based in Devon. Gro is best known for the 'Grobag', a baby sleeping bag, but it also manufactures and wholesales a range of other sleep-related products, including the Gro-egg and the Gro-clock. Mobeus invited Pragma to assess the investment opportunity and growth potential of the brand, in the UK and abroad.

Task

Undertake a commercial due diligence programme, giving an overview of the baby products market in the UK and Australia as well as analysing customer and consumer perceptions in the UK, where the brand is already established.

What We Did

- Conducted UK focus groups and interviews to understand consumer perception of the brand and products, as well as validate assumptions for future performance
- Sized the baby products market in the UK and Australia and highlighted key factors which are likely to influence future market performance, such as birth rates and distribution channels
- Analysed key competitors in the UK and Australia, and the significance of the threat they pose to the Gro brand

Result

Pragma provided an in depth and robust view on the Gro opportunity, giving Mobeus confidence to support the management buyout with an overall funding package of c. £10 million.



Case Study Dreams

Background

Dreams is one of the UK's leading bed retailers and manufacturers, specialising in beds, mattresses, bedroom furniture, bedding and bed linen. It has 170 stores throughout the country.

Task

Pragma was asked in May 2012 by the company's lenders to review, validate and suggest any necessary amendments to the management business plan and operating model. Subsequently, we worked with management to define the Dreams brand framework.

What We Did

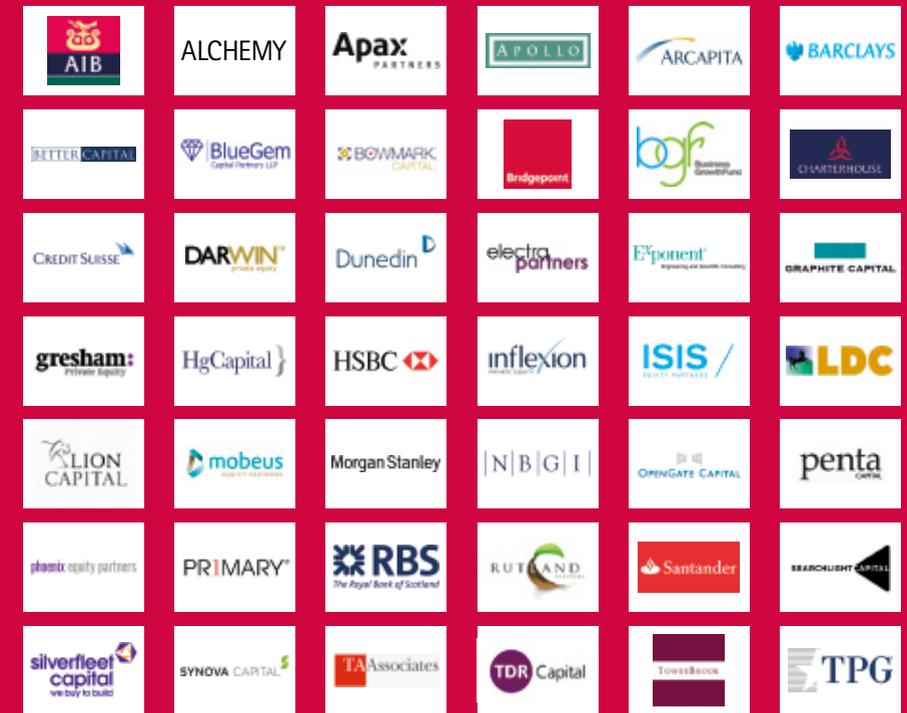
Intensive business evaluation including management interviews and review of operational performance. We also carried out an evaluation of the market and competitor landscape, in-depth audit of the store environment and website as well as a review of marketing and advertising strategy. We mixed shopper and employee insight by completing customer and staff focus groups and workshops to inform brand proposition development.

Result

Many of Pragma's recommendations were adopted into the company strategy and revised operating model, and the business was sold in March 2013 to Sun Capital Partners.



Recent Clients



Investor Services Assignments

Abel & Cole/American Golf/Americana (Bench)/Antler/Aurum/Bathstore/Beales/Card Factory/Cath Kidston/Claire's Accessories/Cotswold Outdoor/Dreams/EAT/Ede & Ravenscroft/Education Travel Group/Erno Laszlo/Eveden/Fat Face/Fiorelli/Fly 53/Fraser Hart/Gatwick Airport/Gerard Darel/Hobbycraft/Hawksmoor/Hotter Shoes/Hunter Boots/Jack Wills/Kaporal/Kwik-Fit/L.K.Bennett/Lowe Alpine/Matalan/Micheldever Tyre/Mountain Warehouse/Musto/Myla/Nicole Farhi/Office/Original Additions/Pets at Home/Phase Eight/Pizza Hut/Play.com/Poundland/Pret A Manger/Rab/RAC/Radley/Robert Dyas/Sanctuary Spa/SK:N/Snow+Rock/St Tropez/The Gro Company/The Hospital Group/True Religion/Vivalis/White Stuff/World Duty Free/Zadig & Voltaire/

For further information about the
services we provide please contact:

Pragma Consulting Ltd
One Tudor Street
London
EC4Y 0AH
020 7902 6888
info@pragmuk.com

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