



MEDIOBANCA

## Press Release

# Cairn Capital to acquire Bybrook Capital, Mediobanca retains its majority stake

Cairn Capital Group Ltd (“Cairn Capital”), supported by Mediobanca S.p.A. (“Mediobanca”) as its majority shareholder, have agreed terms for a strategic partnership in which Cairn Capital will acquire and merge with Bybrook Capital LLP (“Bybrook”), a specialist distressed credit manager based in London.

Bybrook, established in 2014, is focused on absolute value stressed/distressed debt and special situations in Europe and has established an outstanding track record since inception. Bybrook currently manages approximately \$2.5 billion on behalf of top tier international institutional investors. Through this transaction, Mediobanca will reaffirm its majority shareholder position with a stake of ca. 64% while the remaining 36% will be held by former Bybrook shareholders and existing Cairn Capital minority shareholders.

Cairn Capital and Bybrook both enter into this partnership having delivered meaningful growth and strong investment performance. The merger with Bybrook fulfils the ambition to create a leading diversified alternative credit manager with approximately \$8 billion in AUM across public, private, performing and distressed investment opportunities. It brings together a top performing leveraged loan and alternative credit franchise with an outstanding stressed/distressed and special situations business. The Bybrook partners will keep their full focus on managing their strategies while remaining significant investors in their funds alongside investors. They also show their confidence in the future of Cairn Capital by becoming meaningful minority shareholders.

The transaction is subject to the customary conditions, including approval from the relevant regulatory authorities, and is expected to close in the second quarter of 2021.

Nicholas Chalmers, CEO of Cairn Capital, said: *“We are delighted at the prospect of merging with an outstanding firm that has a proven track record of delivering differentiated and strong absolute returns to institutional investors. We are confident that the combined fundamental credit research capabilities and complementary skills will greatly enhance the investment process and our ability to consistently deliver exceptional returns throughout the cycle.”*

Robert Dafforn, CIO of Bybrook, said: *“The Bybrook partners are extremely pleased to be joining forces with Cairn Capital. As one of Europe’s leading CLO franchises for many years, Cairn Capital provides Bybrook with even broader research coverage, which is sure to drive strong returns within stressed/distressed and special situations over the years to come. We are excited that we will be able to provide full credit markets solutions to clients via the enhanced and expanded platform.”*

Alberto Nagel, CEO of Mediobanca, said: *“In the past five years we have fostered Cairn Capital’s growth and today, in welcoming Bybrook, we will broaden its investor appeal, raise new capabilities and achieve positive synergies positioning the combined entity in the higher margin segment. As part of its overall strategy, Mediobanca is strongly committed to enlarging its Wealth Management division, on both the distribution and asset management sides, organically and through acquisitions. With the acquisition of Cairn Capital in 2015, RAM Active Investments in 2017 and Bybrook today, Mediobanca keeps building an Alternative Asset Management platform which today manages roughly \$10 billion in AUM, focusing on specialist affiliates, adding value to their clients within the Group’s distribution networks and beyond.”*

London and Milan, 2 February 2021



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### **About Cairn Capital**

Cairn Capital, established in 2004, is a London-based alternative credit asset management specialist with approximately \$6 billion in AUM. Mediobanca acquired a majority stake in the company in 2015. Cairn Capital has in-depth expertise across various public and private credit markets and a strong reputation for deep fundamental credit research.

### **About Bybrook Capital**

Founded in 2014 by former Eton Park partner Robert Dafforn with backing from Blackstone, Bybrook runs an absolute value distressed credit strategy, investing both long and short in stressed/distressed and special situations, and has approximately \$2.5 billion in AUM across total return and long only vehicles and co-investments.

### **About Mediobanca**

Ranked among the best capitalised Banks in Europe, Mediobanca is a listed specialised financial group with an integrated business model based on Wealth Management, Consumer Banking and Corporate & Investment Banking. Mediobanca is committed to growing its Wealth Management and Alternative Asset Management platforms, both organically and through acquisitions.

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