SOHO SQUARE

Churchill Group

EXIT TO AN EOT

> *When Churchill's founding team explored early exit options, Soho Square's minority equity structure enabled the Company to have a greater choice of exit routes than would be the case with more traditional private equity structures.*

Stuart Hamilton
Principal
Soho Square

> *Churchill is proud of its difference in the FM market, achieving significant growth over 30 years.*
>
> *It was hugely important for us to find a partner that shared our long-term ambitious vision for Churchill. In Soho Square we found that support and over the past three years we have worked tirelessly to deliver rapid and resilient growth.*

James Bradley
Group CEO
Churchill

> *We are seeing much more interest from founders and entrepreneurs in EOTs.*
>
> *Having benefited from Soho Square's minority investment, rather than a majority buyout, Churchill were ideally positioned to pursue an EOT, enabling them to stay in control of their business and pass the benefit of future growth to the employees.*

Bilal Khan
Director
Grant Thornton

ABOUT CHURCHILL

Churchill, founded by Joel Briggs and Phil Moxom in 1988, is a rapidly growing UK-based Facilities Management company providing cleaning, security, catering and environmental consultancy services across the education, rail & transport, public sector, corporate and property management sectors.

The company comprises of a group of expert businesses within the FM and compliance industries with the ability and freedom to operate in a way that always delivers the right results for its customers.

Each sector leading business in the group - cleaning, security, catering, and environmental - has its own core purpose to improve the environments it delivers in, all contributing to a principal philosophy of doing the right thing.

Q Why did Churchill select Soho Square as its investment partner?

A Churchill was looking for a minority equity partner that shared in its long-term ambitious vision - to further scale the business and prepare the Company for eventual exit options over a 3 to 5 year period. Soho Square's track record of backing high-growth businesses made them the ideal partner to assist the company as it continued its upward trajectory through both impressive organic growth and strategic acquisitions.

Q How did Churchill evolve?

A From the time Soho Square invested in Churchill in 2020 through to exit in 2023, Churchill worked tirelessly to deliver rapid and resilient growth. The business won considerable market share through pursuing a strategy of bidding for larger contracts and as a result underwent a period of significant organic growth, seeing EBITDA double.

With Soho Square's support, investment was also made in increasing the effectiveness and resilience in financial reporting, IT and controls.

The highly capable management team delivered transformational growth well ahead of plan enabling Churchill to fully exit Soho Square from their investment after a hold period of just over three years.

Q Churchill explored early exit options – how did that work?

A Soho Square prides itself on providing solutions that are more flexible than traditional credit or private equity financing, with a broad range of structured capital solutions that are tailored to the needs of each investment.

They put the founder's needs at the heart of the solution – what do they need, what are their ambitions for themselves and their business. So, when Churchill's founding team wanted to explore early exit options, Soho Square's minority equity structure enabled Churchill to have a greater choice of exit routes than would be the case with more traditional private equity structures.

Q How did the Employee Ownership Trust (EOT) exit work?

A With the strong performance of the business, the Founders wanted to explore an early liquidity event using an EOT. This produced a full exit for Soho Square ahead of plan, and enabled Churchill to be fully owned by its management team and employees, with the Founders realising further liquidity as well as maintaining a significant stake in the business to benefit from future growth.

The EOT is a natural transition as it allows Churchill to retain its unique culture and its values of doing right, seeking better and putting people first.