

CBRE PRIVATE EQUITY ADVISORY

PARTNERING WITH PRIVATE EQUITY SPONSORS &
THEIR PORTFOLIO COMPANIES

CBRE
CORPORATE CAPITAL MARKETS

PRIVATE EQUITY ADVISORY

Working with sponsors and their portfolio companies to unlock value.

UNLOCKING SEEMINGLY ILLIQUID CAPITAL

M&A activity creates risk and opportunity for private equity sponsors. CBRE's Private Equity Advisory Group is designed to provide qualitative and quantitative capital markets advisory and execution expertise, for planned and existing assets, on behalf of private equity sponsors and their portfolio companies. Expertise include advisory and execution proficiency on a full range of real estate and credit-based capital structures for single-tenant, portfolio company-owned assets, including sale leasebacks, purchase leasebacks, single-tenant investment sales, credit-based financing, and mergers and acquisitions.

We work hand-in-hand with Advisory & Transaction professionals to provide a full suite of CBRE's 22 unique service lines to ensure private equity sponsors and their portfolio companies realize the full depth and breadth of the platform.

Leave Nothing On The Table: We look at all the alternatives and levers from labor, real estate, incentives, market risk, taxes, and capital markets to identify value that impacts EBITDA.

Owned Portfolio Transactions

- Forward take-out
- Sale Leaseback execution
- Credit Tenant Lease structuring
- Synthetic Lease evaluation
- Build-to-suit capital
- Debt/Equity capital

Leased Portfolio Transactions

- Lease Restructure/Renegotiation
- Leased Facility Expansion
- Leased Facility Consolidation
- Space Disposition (Early buyout, sublease, assignment)
- Denovo site selection and lease negotiation

Sale Leaseback Transaction: There are many benefits to the sale-leaseback transaction, including:

- The ability to unlock substantial illiquid capital for redeployment in core business (or to paydown debt, dividend recap), while providing long-term occupancy and control of the property,
- Residual value is optimized and achieved immediately, avoiding risk when the property is no longer required,
- Lease payments can be fixed for the base lease term and beyond, at a significant discount to market rents, and;
- The realization of 100% of a property's true market value without the prohibitive covenants and restrictions of most corporate finance instruments.

\$1.5B
of Private Equity Sale
Leasebacks
-AND-
\$480M
of Enterprise Value
Creation Since 2016

**Exit multiple data taken from the actual transaction(s) and/or Pitchbook*

REPRESENTATIVE CLIENTS



THE CARLYLE GROUP

THOMA BRAVO



WYNNCHURCH | CAPITAL



WELLSPRING CAPITAL
MANAGEMENT LLC

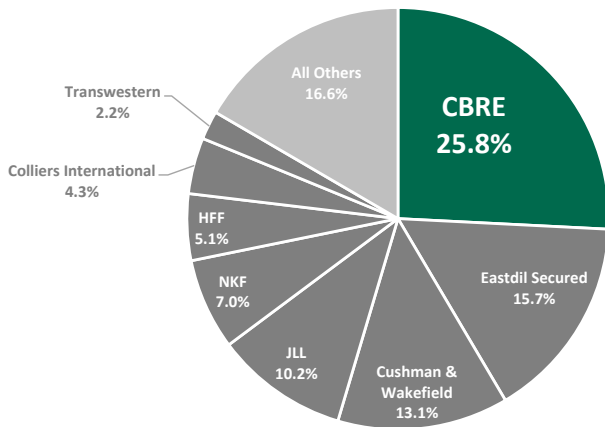
Morgan Stanley



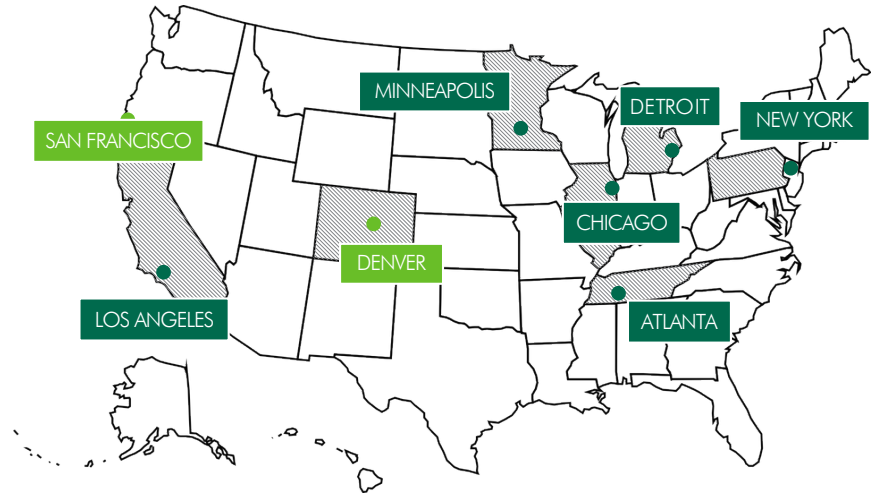
Partners Group
REALIZING POTENTIAL IN PRIVATE MARKETS

CREATING VALUE FOR SPONSORS AND THEIR PORTFOLIO COMPANIES

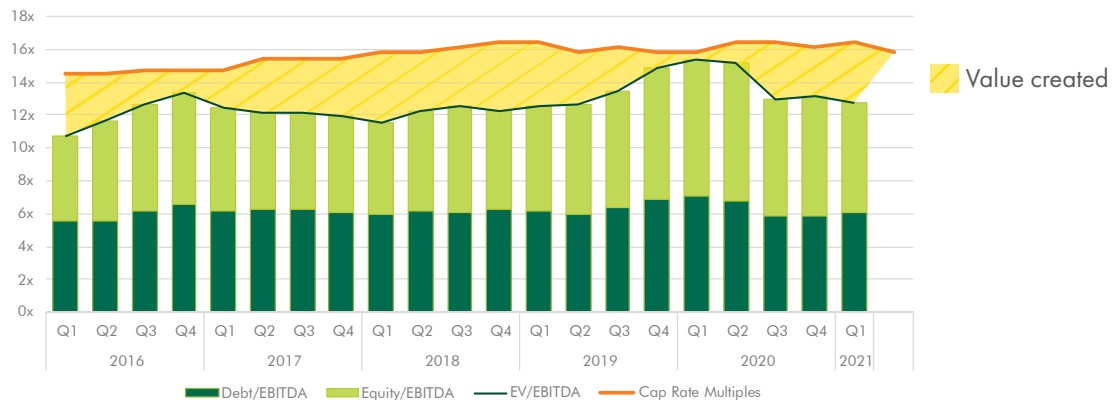
SALE-LEASEBACK MARKET SHARE



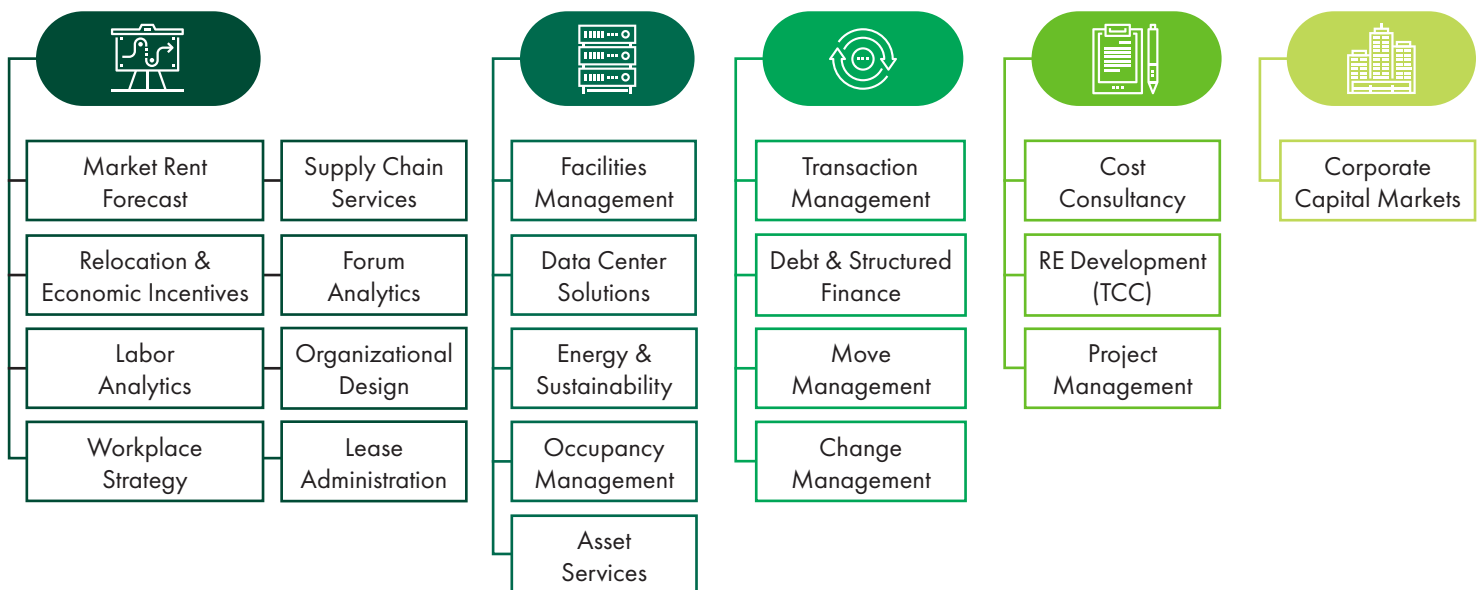
Source: Real Capital Analytics, 2019



VALUE CREATION THROUGH MULTIPLE ARBITRAGE



CBRE SERVICES PLATFORM



TEAM PROCESS & TOOLS



TRANSACTION MANAGEMENT

To begin, the team will generate a baseline model for the process and review with a counterpart model, to ensure a seamless transactional relationship. This review will identify critical dates and flag any potential issues that may arise, through the deliberation and dissemination of data and technology that will be used. The end result is a “go-forward” strategy—our recommendation of how the clients’ firm should proceed and where the areas of opportunity might lie. This includes a detailed transition plan, a review of the portfolio, preparation for transferring payments and rent roll, as well as the development of internal controls as necessary. The process model and transition plan will be implemented and continuously monitored in order to be refined as necessary.



PORTFOLIO & LEASE ADMINISTRATION

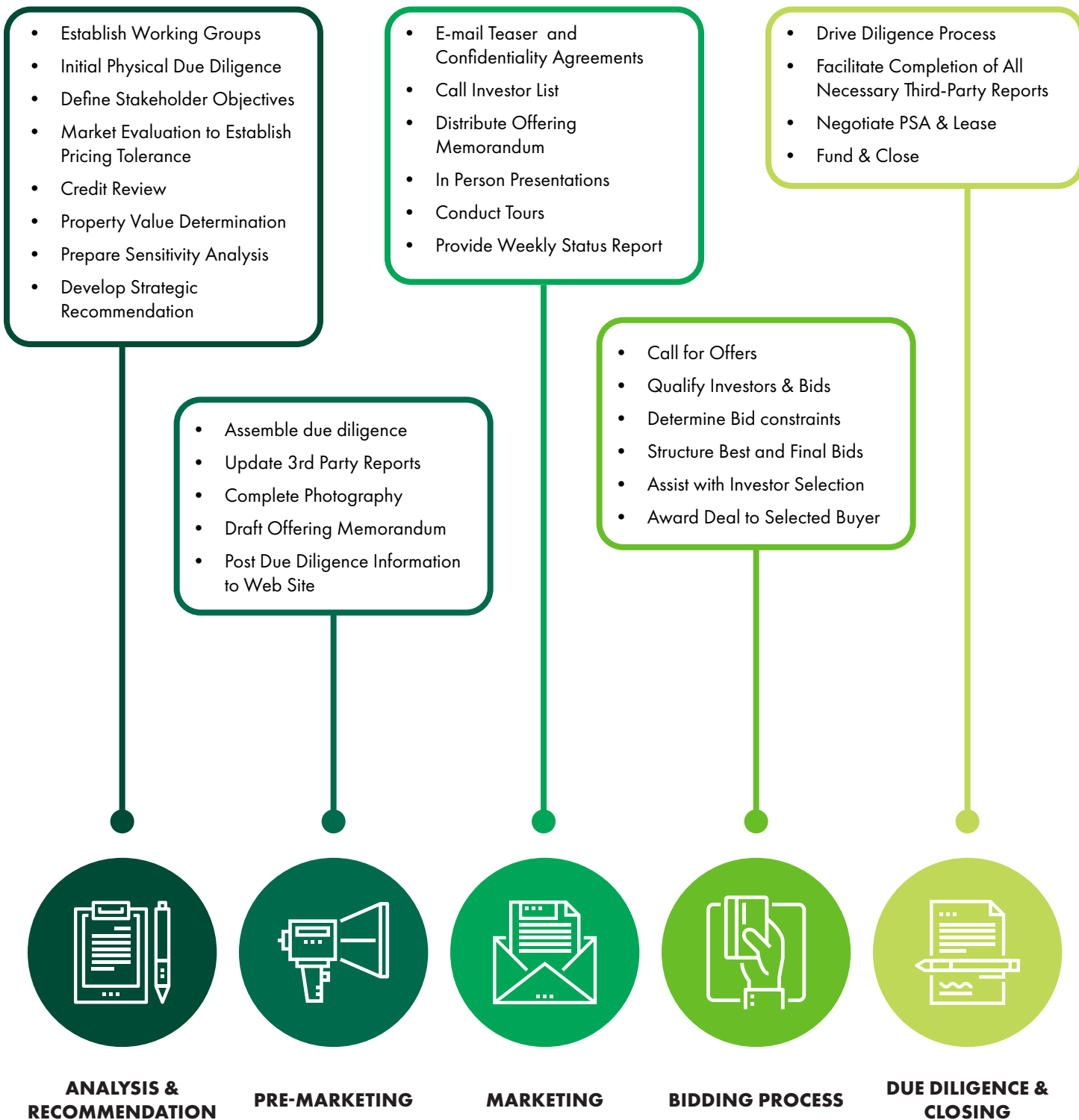
In the management of the portfolio and the lease therein, CBRE will prepare a baseline model and key performance metrics alongside the clients’ team, to make certain both sides are tracking the success of the relationship. This step will identify in-process transactions, as well as committed and forecasted projects—making your team aware of potential opportunities in the market. The team will review third party contracts and prepare a transition plan that will include the overall strategy, delivery model, delivery process and implementation plan. This will also be monitored and refined as necessary.



CAPITAL MARKETS PLAYBOOK

- Catalogue owned asset list
- Identify, analyze and assess risks with current ownership
- Create project-in-process transition plans
- Review pre and post close financial strength
- Recommend go-forward strategy and develop implementation plans, process
- Detail all expected capital expenditures for owned assets
- Identify sale leaseback opportunities and complete sensitivity analysis
- Create monetization plan and continuously monitor and refine as necessary

SALE LEASEBACK PROCESS



PHASE I

PHASE II

TEAM BIOS



VINCENT POLCE

First Vice President

Vincent Polce Co-Leads CBRE's national Private Equity Advisory practice. With a decade of prior experience as an independent commodities trader and investment banker, today Vincent combines his deep financial knowledge with a passion for real estate to provide qualitative and quantitative capital markets advisory and execution expertise, for planned and existing assets, on behalf of private equity sponsors and their portfolio companies. His expertise includes advisory and execution proficiency on a full range of real estate and credit-based capital structures for single-tenant, portfolio company-owned assets, including sale leasebacks, purchase leasebacks, build to suits, single-tenant investment sales, credit-based financing, and mergers and acquisitions.

Prior to joining CBRE, Vincent worked for 10 years as an independent commodities trader at the Chicago Mercantile Exchange. He began his real estate career in 2008, structuring private equity, joint venture acquisition and development opportunities throughout the United States.

CLIENTS REPRESENTED

- Audax Private Equity
- Wynnchurch
- Keystone Capital
- Veritas Capital
- GAW Capital
- Thoma Bravo
- Wellspring Capital
- Gamut Capital
- Partners Group
- H.I.G. Capital
- Taglich Private Equity
- Carlyle
- Morgan Stanley Capital Partners

TEAM BIOS



ROB BICKEL

Executive Vice President

Robert Bickel Co-Leads CBRE's national Private Equity Advisory practice. Rob brings expertise in credit analysis, finance, lease accounting, tax, and transaction structuring of large, single-tenant assets. Rob is instrumental in helping private equity sponsors and their portfolio companies evaluate real estate alternatives and make the best financial decisions particularly around portfolio optimization, build-to-suit, and sale leaseback executions.

With over 22 years of commercial real estate experience, Mr. Bickel has completed approximately \$15 Billion in transactions encompassing all property types over his career. His expertise in credit analysis, finance, lease accounting, tax, and transaction structuring of large, single-tenant assets helps corporate occupiers evaluate real estate alternatives thoroughly, enabling the best financial decisions particularly around portfolio optimization, build-to-suit, and sale-leaseback executions.

Mr. Bickel's advisory and transaction experience includes: Netflix, Citibank, Bank of Montreal, CSAA, Thales USA, Bank of America, United Healthcare, Digital Realty Trust and iStar Financial.

CLIENTS REPRESENTED

- Wynnchurch
- Carousel Capital
- CIC Partners
- Audax Private Equity
- Thoma Bravo
- Gamut Capital
- Partners Group
- Levine Leichtman CP
- Taglich Private Equity
- Carlyle
- Morgan Stanley Capital Partners
- TOMS Capital

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