



2020 IN REVIEW



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Managing Partner

Synergy invests across the capital structure in the Industrials, Metals and Power sectors globally.

\$470MM
Capital Deployed
(including co-investors)

8

Companies

6

**Countries in
Asia and Europe**

With 2020 finally behind us and, after a period of reflection at the start of this new year, I wanted to share an update of what we have achieved at Synergy and how we are entering 2021 stronger and with renewed energy.

It is well-known that “in the midst of every crisis, lies great opportunity”. These taxing times bring the best out of people if the right culture is in place. Our investment strategy performed well in 2020, notwithstanding the gloomy market conditions. As we advance into the new normal, we expect 2021 to provide us with many exciting business opportunities and create more value for our partners and investors.

Acknowledging the growing demand for our business verticals, we have constructively strengthened our team. We doubled our office space in Dubai and grew our presence in Singapore and India. In total, we increased the team size by over 30% and promoted another 10% since the beginning of 2020.

PRIVATE EQUITY

We started the year strongly, closing two investments by February. Like most fund managers, we faced several strategic dilemmas when the COVID-19 lockdowns began. While it is now a distant memory, there was a severe credit crunch in March, and the 34% drop in the S&P 500 hid a much larger derating of the industrials, metals and power sectors.

Synergy differentiates itself by the quality of its operating team and the spirit of partnership with the companies in which we invest. As such, we dedicated ourselves to supporting the management teams of the investee companies. In all cases, they performed admirably, putting employee health as their top priority while developing new ways of working to restore production and manage supply chain disruptions.

This gave us renewed confidence to pursue new investments, mostly relying on technology solutions to conduct due diligence and negotiations. By the end of the year, we had deployed approximately \$100 million of capital in three new companies and two top-up investments across four different countries in Europe and Asia.

The nature of these investments varied greatly from MBOs to debt refinancings to growth capital. Many were highly structured. In all cases, they are well-run businesses with outstanding and motivated management teams, which we look forward to working with in the years to come.



STRATEGIC ADVISORY

Our strategic advisory business also grew in 2020 with new and larger business transformation and monitoring projects. Our expertise in this area allows industrial companies to access the capabilities of our operating team.

ESG

Synergy invests in sectors, which shape our society and geographies that bring strong positive human and economic impact. While ESG has always been an integral part of our ways of working leading to stronger and more robust long-term returns, these values and efforts had not been codified. As we grow as a firm, our values and principles needed to be properly enshrined.

This year we decided to crystalize ESG standards and objectively measure progress. Accordingly, we applied to be a signatory to the UN Principles of Responsible Investment. We also took the opportunity provided by the lockdown to review our policies, including Responsible Investment, Code of Conduct, and Diversity & Inclusion.

Giving back is also a core value at Synergy. In January, we distributed kits containing food and personal care products to 2,000 people displaced by the Taal volcano eruption in the Philippines. Whilst keeping the environment in mind, we packed the items in strong, reusable eco-friendly bags. Our support was amplified when the global pandemic started. We redesigned our corporate giving program by making a charitable donation on behalf of our employees on their birthday.

In November, Synergy ranked #6 out of 627 corporate participants in the 2020 Dubai Fitness Challenge. It was our best showing in a month-long healthy living journey for 750,000 participating employees from 154 nations.

LOOKING FORWARD

2021 is expected to remain uncertain with volatility not dissipating. The incidences of NPA, M&A, turnaround and special situation financing and investment opportunities are most likely to grow. At Synergy, we expect to benefit from such trends and, therefore, 2021 should be a pivotal year.

Our motto and aspiration of “the sum being greater than the parts” holds true now more than ever. We participate in sectors that are socially critical and which have a significant positive developmental impact. We have started the year with new vigor, and with new capabilities and resources to become your business partner of choice.

We look forward to finding opportunities to work with you. For inquires and more information please visit us at www.synergycapital.co.uk

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We have started the year with new capabilities and resources to become your business partner of choice in this pivotal year