

Press Release

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Brentwood Associates Announces Sale of Marshall Retail Group

October 17, 2019

LOS ANGELES — (BUSINESS WIRE) — Brentwood Associates (“Brentwood”), a consumer-focused private equity investment firm, announced it has entered into a definitive agreement to sell The Marshall Retail Group, LLC (“MRG”), to an affiliate of WH Smith PLC (“WH Smith”). MRG is America’s largest, independent specialty retailer in the airport and resort marketplace, and WH Smith, founded in 1792, is one of the oldest store chains in the world with c.1,600 stores worldwide, with operations in over 100 airports across 30 countries outside of the UK. The transaction is subject to customary closing conditions, including regulatory approvals, and is expected to close no later than in the first quarter of 2020.

Founded in 1955, MRG is a leading specialty retailer offering a broad range of concepts for high-foot-traffic marketplaces. MRG provides turnkey solutions to airport and premier hotel resort operators by creating and managing a highly scalable platform of stores. The Company currently operates more than 170 locations across the United States, with 70 of those locations operating inside airports.

MRG is led by CEO and President Michael Wilkins, who will continue to lead the business going forward. Commenting on the transaction, Wilkins said, “Brentwood has been a great partner over the last five years, having supported the company with growth capital and significant resources to facilitate our infrastructure and store expansion strategy. We couldn’t be more excited about our next chapter, aligning forces with WH Smith as we continue to create unique experiences for our guests.”

Since Brentwood’s 2014 investment, MRG has increased its presence from eight airports to 15 across North America while also growing its resort business. Today, MRG has over 1,200 employees. Rahul Aggarwal, a partner at Brentwood, commented, “MRG has made impressive progress expanding its presence in the travel retail channel by introducing innovative and thoughtful concepts that resonate with travelers and landlords alike. Importantly, the team has also built a best-in-class operational foundation to support continued rapid growth of the company.”

Roger Goddu, a partner at Brentwood, added, “MRG has developed a unique collection of retail solutions to an impressive range of partners. As MRG continues to innovate and provide airport, hotel and resort operators with new and customized concepts that enhance customer experience, we believe the company is well positioned to continue its impressive growth trajectory.”

North Point Advisors, LLC and William Blair & Company, LLC acted as financial advisors, and Kirkland & Ellis LLP acted as legal counsel to The Marshall Retail Group in connection with the transaction.

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About Brentwood Associates

Brentwood Associates is a leading middle-market private equity investment firm with a 30+ year history of investing in leading growth companies. Brentwood focuses on investments in growing businesses where it can leverage its extensive experience in areas such as: consumer products and services; multi-location growth strategies, including specialty retail and restaurants; direct marketing, including direct mail and e-commerce; health and wellness; education; and business services. Since 1984, Brentwood's dedicated private equity team has invested in over 50 portfolio companies with an aggregate transaction value of over \$6 billion. With significant experience in both investing and brand building, Brentwood is a value-added partner with entrepreneurs and senior management teams building world-class companies. For more information about Brentwood, please visit www.brentwood.com.