



# Unquote

Issue 83 – April 2020

## Crisis mode

Under lockdown and faced with critical portfolio challenges amid the coronavirus pandemic, PE players expect daunting ramifications for fundraising and deal-making

**Backing winners  
with secondaries**

**CapitalT's data-  
driven model**

**Italian PE faces  
dark times**



## **A unique angle**

Discover a new  
competitive edge

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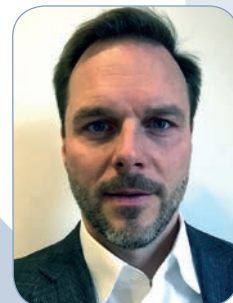
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*A wealth of further information is available through our website. This includes breaking news and analysis from each European market, features, commentary, blogs and video covering fund launches, changes in strategy and people moves, and in-depth analysis of every deal featured in this issue*





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## High-speed crash

Most observers were anticipating some form of market correction as the economic cycle of the 2010s was coming to a close – but few could have foreseen that it would come in the form of such a dramatic outside event.

The comparisons with the global financial crisis (GFC) of the late 2000s have come thick and fast in recent days, ranging from the size of bailout packages to the eventual scale of the damage wrought on economies.

But these comparisons are ultimately not always apt: the scope and more importantly the pace of disruption caused by the Covid-19 outbreak are simply unprecedented. The GFC unfolded over a period of months, with warning signs regularly dotting a defined sequence of events. Meanwhile, finance professionals have gone from washing their hands slightly more often in the office, to being locked indoors while dealing with entire segments of the economy grinding to a halt in barely more than a fortnight.

It is still too early to accurately quantify the impact of the crisis on activity figures, with stricter lockdown rules only starting to come into effect across western Europe. But there is now little doubt that deal-making and fundraising will be severely impacted for Q2 2020 at least, as travel bans

and social distancing take their toll on processes and due diligence.

More importantly, the expected economic shock and the impact on portfolios across the board – beyond the immediate existential threat to many assets in the travel and leisure sectors – should guarantee that the activity peak recorded in 2019 is unlikely to be repeated this year. Private equity managers – as they absolutely should – will simply be too busy making sure their portfolios are shielded as much as possible.

First and foremost, we hope all our readers, our wider community and their loved ones are safe and sound, and managing to go about their daily lives as best they can under these extraordinary circumstances.

The Unquote team is currently working remotely, but striving harder than ever to continue to bring you valuable intelligence, data and insights, in order to help you navigate the rapidly evolving situation. Additionally, we will try to balance this with content that takes a slightly longer-term view, highlighting the opportunities that will remain when life and business return to some semblance of normality.

Do not hesitate to get in touch to discuss all these topics, and, more generally, how your firm is adapting to the situation – our team is as keen as ever to keep interacting with you as much as possible.

In the meantime, stay safe. ■



## **Discover opportunities in the private equity market**

News and data for European private  
equity funds and deals

# Dealing with the unprecedented

With Covid-19 now sweeping across the globe, industry participants expect daunting ramifications for fundraising and deal-making activity. By Greg Gille, with additional reporting from Harriet Matthews, Julian Longhurst, Katharine Hidalgo and Denise Ko Genovese

It could have been worse. When hundreds of international private equity players gathered in Germany for the SuperReturn conference at the end of February, the outbreak of Covid-19 was still in its early stages. Industry participants noted that although a handful of LPs and GPs cancelled plans to attend, those that did make it did not seem overly concerned.

Fast-forward a month and the situation has escalated beyond recognition: with case and death tallies spiralling, lock-downs have become commonplace across major European cities and businesses are now on high alert as they scramble to cope with no international travel, severe restrictions on local meetings, and near-universal remote working contingencies.

This does not spell good news for GPs currently in fundraising mode, according to a number of professionals *Unquote* spoke to in recent weeks.

Most GPs did not have a blanket travel ban in place as of mid-March, beyond scrapping trips to the worst-affected areas – but restrictions are only likely to tighten as a number of countries are effectively closing their borders and firms themselves place increasingly stringent restrictions on staff movement.

Most players we contacted stressed that the outbreak's immediate impact on general fundraising is difficult to judge at this stage, given the natural flexibility of the timelines involved. Nevertheless, caution on the LP side is apparent. "A number of LPs across Europe, Asia and the US have blanket travel bans in place, so it is definitely pushing out due diligence visit timetables," one placement agent says.

Another placement agent notes that virtual conferencing is becoming a popular substitute and that physical roadshow activity was already clearly down as of early March. A major pan-European mid-market GP notably turned its annual investor meeting in March into a webcast. There is some anecdotal evidence that these constraints are directly affecting investment decisions too, with *Unquote* sister publication *Debtwire* recently reporting on a direct lender missing out on a potential LP commitment after a cancelled trip. ►

"PE is the last bastion of relationship-focused and relationship-driven business. If you are not in front of your investors, it is very difficult to get things done"

*Secondaries investor*





“Private equity is the last bastion of relationship-focused and relationship-driven business. If you are not in front of your investors, it is very difficult to get things done. It has a fairly dramatic effect on fundraising especially,” says one secondaries investor.

### Top of the pile

The potential for disruption down the line is also giving investor relations professionals and their advisers cause for concern, raising the bar higher when it comes to where LPs focus their time and exacerbating bifurcation in a crowded market. “There will likely be a back-log of investor due diligence activity when the coronavirus fear abates,” says the first placement agent. “In all likelihood, there are some GPs who are going to get dropped from the pipeline because the LPs are human-capital-constrained and will focus on their top relationships for due diligence.”

“It is difficult to get the attention of LPs at the best of times. I doubt there will be any investment committees between March and April – everyone will be waiting to see what is next,” says the secondaries investor. “So, compared with the rollercoaster of the past two or three years (positive growth and lots of fundraising) the next three months will slow right down. Depending on

where your fund is – for instance private debt, or another strategy – we will see what strategy will emerge as a winner.”

A partner at a mid-market GP, which is currently on the fundraising trail, confirms that the coronavirus outbreak is having an impact on roadshows, and expects the situation to get worse: “The further afield the LP/GP is, the bigger the issue.” But they also strike a note of optimism for European players: “We are also seeing international institutions back away completely from Asia – and so focusing more locally.”

Nevertheless, European private equity managers will no doubt worry that the ongoing situation could derail the momentum regained last year after a slight cooldown for fundraising in 2018. More than €124bn was collected in final closes by European managers across all strategies (excluding infrastructure) in 2019, according to *Unquote Data*, up from €102bn in 2018 and just shy of the record €127bn raised in 2017. With 32 funds closed so far in Q1 2020, activity was hitherto tracking to be on par with that recorded in Q4 last year (35 final closes), which showed an uptick after a dip in Q3.

According to *Unquote Data*, more than 230 European vehicles are currently in fundraising mode, with an aggregate target in excess of €128bn. While funds nearing their final-close targets should be relatively shielded from the

### Sale processes that could be affected

TARGET	VENDOR	TARGET COUNTRY	SECTOR
Cyrillus-Verbaudet Group	Alpha Group	France	Consumer/retail
Unifaun	Vitruvian Partners	Sweden	Transportation
Botter	Idea Taste of Italy; the Botter family	Italy	Consumer/retail
Prime Fitness	Prime Fitness	Italy	Events/leisure/restaurants
Roompot Vakanties	PAI Partners	Netherlands	Events/leisure/restaurants
Mediterranea	Portobello Capital	Spain	Events/leisure/restaurants
Swissport International	HNA Group	Switzerland	Transportation
Kurt Geiger	Cinven	UK	Consumer/retail
Reiss	Warburg Pincus	UK	Consumer/retail
Oxford International Education Group	Bowmark	UK	Education

Source: Mergermarket



## Secondaries buyers expect 30% volume drop over next two months

A majority of secondaries buyers recently surveyed by advisory firm Setter Capital expect their activity to go down over the next two months, as the coronavirus crisis worsens.

The report is based on responses from 39 firms described by Setter as some of the most active and regular buyers in the secondary market worldwide. The survey was conducted in mid-March, as most countries were only starting to put more severe coronavirus lockdowns in place, leading Setter to state that the average predictions should be viewed as a best-case scenario.

Two thirds of respondents expect their pace of buy-side activity to slow down over the next two months, by an average of 29.7%. A quarter of respondents expect purchasing to decrease by up to 40%, while the largest group (11 buyers) put this figure at 40–60%. Three

respondents stated their buy-side activity would all but dry out, with an 80–100% drop. That said, five buyers (around 11% of respondents to that question) appear opportunistic and expect activity to go up in the next two months.

On average, buyers estimate that it will take 9.4 months for the market to return to normal levels of buying and selling. As a result, respondents expect 2020 volume to decrease by 28.5% from the record volume of \$84.4bn in 2019.

Similarly, the buyers surveyed expect secondaries fundraising for 2020 to decrease by a quarter from the record level raised in 2019.

Pricing is expected to go down, too, given the diminishing buy-side appetite: for LBO funds, respondents estimate that current pricing should be at around 77% of 2019 NAV, versus 102% in Setter's December 2019 price report (a 25% drop).

impact of LPs limiting travel and/or being more selective with due diligence, the consensus among market participants contacted by *Unquote* is that those that have just hit the trail will be significantly impacted. *Unquote* recorded 35 European funds launching in the past three months, with a collective target of slightly more than €30bn. In addition, a further 92 funds are currently known to be coming to market in the near future.

### Deal-doing headaches

The strict travel restrictions are also making life more difficult for investors and advisers working on getting deals over the line – with meetings either being done virtually, or being postponed altogether. “Normally you run a deal on a consistent tight timeline, but under coronavirus some logistics are hampered, so you need to take that into account,” says one corporate finance adviser. “If you have any transactions with China, people are working, but from home and they have difficulty coordinating investment committee meetings on the phone, if at all.” Says another adviser: “On the institutional investor side, meetings are getting cancelled, so roadshows are difficult.”

The aforementioned mid-market GP adds that it is currently working on an Italian acquisition, but that getting into and around Italy is proving impossible, and consequently affecting due diligence and timing for that transaction.

The due diligence aspect, in particular, is proving to be a significant hurdle, especially in sectors hit hardest by the outbreak. “We have seen a couple of deals pulled, notably in the travel and education sectors,” a bank lender noted as early as the first week of March. “The deals in education that were affected were for companies heavily reliant on overseas students – potential private equity purchasers are thinking it is tricky to forecast what is going to happen in the coming months.”

In the travel sector, one high-profile casualty has been Titan Travel, with Saga putting the sale of the escorted leisure trips business on hold in early March. Several private equity houses were understood to be readying bids for the asset before the coronavirus crisis intensified.

A slew of cancelled entertainment events also led buy-siders to hit pause on Ardian's sale of D&B Audiotechnik, according to *Unquote* sister publication *Mergermarket*. BC Partners, Onex ►

**“If you cannot sell or deliver, you cannot invoice – which means no cash flow. In an LBO, that results in liquidity problems extremely rapidly”**

*Mid-market GP*

Partners and Providence Equity Partners had advanced into the final round; the auction has not been officially withdrawn, but lengthy delays are now expected.

Even for what should be relatively sheltered businesses, uncertainty is wreaking havoc on large processes. CapVest notably decided to defer the sale of French nuclear medicine company Curium due to “extreme volatility and uncertainty in global financial markets” related to the coronavirus outbreak. Bids came in at around €2.6-2.7bn, when the vendor was reportedly expecting around €3bn.

### Downward spiral

Mirroring market sentiment around fundraising, it is still too early to start quantifying exactly how much of a material effect the situation will have on activity levels. But a sharp drop over Q2 and potentially Q3 is looking increasingly likely – to say nothing of a potentially reduced pipeline

beyond that, as businesses worldwide contemplate significant impact on their top-lines. “Volume is likely to be down in the UK in the coming weeks, which is a shame, as we were starting to see a good bump following the December general election,” the lender says. On the other hand, a partner at a German law firm expects a few deals to close in March when they would have been anticipated in April or May: “People really want to get deals done more quickly due to the uncertainty. The downside is that people are talking about different conditions, such as earn-outs – buyers would not normally expect this. So this could either be a minor blip, or a huge blip.”

Beyond prospective investments or exits, these due diligence headaches are also reflecting the potential risk at portfolio level for private equity players. The mid-market GP notes that lending banks, in particular, are stepping up their scrutiny: “It is as if they are more concerned about the virus and the knock-on effects (the supply chain and liquidity implications) than they are about the actual business. I think they are right – supply chain issues are going to be the major concern over the next couple of months. If you cannot sell or deliver, you cannot invoice – which means no cash flow. In an LBO, that results in liquidity problems extremely rapidly.”

### Newly launched and upcoming european fundraises

FUND NAME	FUND MANAGER	FOCUS	FUND TARGET	STATUS
CVC Capital Partners VIII	CVC	Large-cap	€17-20bn	Open
EQT IX	EQT	Buyout	€14.75bn	Open
Montagu VI	Montagu	Buyout	€3bn	Pre-launch
DBAG Fund VIII	DBAG	DACH	€1.1bn	Open
Sagard IV	Sagard	Buyout	€800m	Open
PAI Mid-market	PAI Partners	Mid-cap	€600m	Open
Sovereign Capital V	Sovereign Capital	Buy-and-build	£500-600m	Pre-launch
Activa Capital IV	Activa Capital	French mid-cap	€200m	Pre-launch
NorthEdge Capital Fund III	NorthEdge	UK	n/d	Pre-launch
Axcel VI	Axcel	Nordic mid-cap	n/d	Open

Source: Unquote Data

“People might well be underestimating the severity of the economic impact at this stage,” adds one partner at a small-cap GP. “There are going to be a lot of GPs with huge portfolio challenges to deal with; new deals might not be high on their agendas.”

Private equity giant Blackstone went as far as cautioning investors that “coronavirus presents material uncertainty and risk with respect to our funds’ performance and financial results”, in a recent report filed with the SEC, highlighting “disruption in global supply chains” and adverse effects in a number of industries including transportation, hospitality and entertainment. “The outbreak could have a continued adverse impact on economic and market conditions, and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus,” the firm added.

### Seizing opportunities

This lack of clarity for individual businesses, and the likely impact on overall economic growth in most countries, will no doubt continue to preoccupy GPs and their investors in the coming weeks – and keep risk management consultancies busy. Meanwhile, some could see unexpected silver linings, especially in the enterprise software area. Permira sold a further 22 million shares in listed remote working software company TeamViewer on the Frankfurt Stock Exchange in early March – a source familiar with the situation told *Unquote* that connections to the company from China have doubled in recent weeks during the coronavirus outbreak. And the aforementioned bank lender posits that less risk-averse GPs could potentially benefit from the market becoming less frothy: “If you do not mind taking a gamble, you could conceivably score assets at 6-7x in the current environment.”

More generally, there is now clearly a sense



that the industry will increasingly aim to pivot away from putting out fires (and dealing with a level of disruption that is unprecedented in both its scope and pace), towards positioning itself to seize opportunities in the new landscape.

“Good private equity managers will have learned lessons from prior crises, and will stay close to their portfolio companies, providing support where necessary, and hopefully will be able to take advantage of new opportunities at more reasonable entry valuations,” says Josh Featherby, investment director at Cambridge Associates. “The covenant-lite nature of the vast majority of leverage today may also play favourably into GPs’ hands, providing a great deal more flexibility to private-equity-backed companies relative to the GFC. I am hopeful GPs will find the time to manage existing problems and look to take advantage of opportunities that do arise.

“We will probably see a greater divergence of returns over the coming years than we have become used to over the past decade, but that shake out is not necessarily a bad thing,” Featherby adds. “It means the good GPs are earning their (high) fees. These could even be good vintages to deploy to.” ■

# Secondaries sea change: Backing your winners



**Denise Ko Genovese**  
Associate editor

An increasing number of GPs feel confident that the stigma attached to a GP-led secondaries deal has been well and truly shaken off, to the point that they are using the secondaries market to actively support their stellar performers, without the fear of the asset being tarnished in the process.

“In many ways, the LP mindset has evolved faster than that of a GP, with many of them happily endorsing – and in some cases even actively promoting – the use of secondary-market solutions,” says Nicolas Lanel of Flow Advisors.

Many GPs will now go beyond the traditional dual-track options of IPO and M&A sale, and will routinely ask whether a single asset secondary sale constitutes a viable alternative exit route.

The approach is not necessarily without downsides, of course. The higher value that one would expect from an IPO/M&A sale process, due to the higher competitive tension or strategic synergies, is likely to raise questions from existing LPs when it relates to the proposed value of this asset, says Daniel Roddick of Ely Place Partners. But when this route is not possible or does not offer the best value, as long as the LP investor

rights are respected and they are given sufficient time and information in a transparent process to take a decision, then LPs have the benefit of a liquidity option in an illiquid holding.

The sea change is all about the type of asset under consideration. What was once the preserve of the underperformer is now shifting towards the prized asset that a GP wants to retain as there are more opportunities for growth on the horizon.

## Long haul

Part of this is driven by the significant amounts of capital raised by secondaries funds that needs to be put to work, but there are other reasons, says Sam Kay, a partner at law firm Travers Smith. Some GPs and investors are prepared to hold assets for longer and there is far more private capital being used to support fast-growing businesses up to and beyond valuations of \$1bn. On the flip-side, other investors may be increasingly focused on IRR rather than liability-matching, so are prepared to seek liquidity. These factors all contribute to well-performing assets being part of the package for GP-led restructurings.

“This is a real change, but as an investor you feel confident that the GP wants to continue to support a company, so we are very comfortable with it,” says Mireille Klitting, managing partner of Rothschild Merchant Banking’s Five Arrows Secondaries Opportunity Fund. “Since the early days, we have been focusing on these direct transactions – in our most recent fund, 90% of the transactions completed have been GP-led.”

“In many ways, the LP mindset has evolved faster than that of a GP, with many of them happily endorsing the use of secondary-market solutions”

*Nicolas Lanel, Flow Advisors*



## The secondaries market was traditionally used to find solutions for troubled portfolios, but it is now being used by GPs to continue supporting high-performing assets. Denise Ko Genovese reports

PAI's secondaries process for portfolio company Froneri, whereby the GP transferred the ice cream manufacturer from Fund V into a new vehicle, is an example of a private equity house actively wishing to keep control of a well-performing asset. The group had already identified an opportunity to acquire Nestlé's US ice-cream business for \$4bn, but with the vehicle in its 12th year, and with limited uncalled capital available, tapping the secondaries market for new cash made sense.

Others cite Permira's Genesys as an example of a GP wanting to keep hold of a performing asset. Secondary capital provided by Collier Capital and Neuberger Berman has already been committed to a feeder vehicle to provide liquidity to existing LPs that do not wish to remain in Fund IV for the five-year extension. The US/France-headquartered software company is the largest of the remaining assets – which include eDreams and Asia Broadband Satellite – and also viewed as the most attractive, a source familiar with the situation told *Unquote*. A tender offer is currently out to existing LPs for the remaining assets.

The secondaries market can help GPs that want to ride the upside, and do not want to sell just because the 10-year time frame is up. In some cases, a stellar performer is bundled together with less-prized assets, to draw in investors, leaving the nuance to pricing and valuation.

"The art is in which assets you put together for sale," says Rothschild's Klitting, "but this has always been the case, and ultimately it comes down to a combination of pricing and an assessment of the risk."

Flow Advisors' Lanel, says: "These deals will almost invariably offer a double layer of protection to LPs in that they can usually vote the transaction down. And if they do not like the price, they can roll into the acquisition vehicle, such that there should not be any forced sellers."

### Signalling risk

As well as ensuring against conflicts of interest, there is also the risk that a private equity house could be making a statement about its confidence, or lack thereof, in the assets it does not retain for longer than the life of the original fund, especially if restructurings become increasingly used to back winners.

"What does it say to the market about something [a GP] is exiting and not following?" says Livingbridge's Susie Stanford, adding that this is possibly a nuance that the market has not fully grasped yet.

With increasingly innovative ways to use secondaries, and GPs using the market to back companies at all different stages of performance, there could be the possibility that funds will begin to change the way they exit portfolios, says Travers' Kay. Rather than asset-by-asset realisations – whether trade sales, secondary buyouts or IPOs – the funds may instead do a mix of individual realisations and fund restructures. If the fund restructure involves multiple assets, that will reduce the overall number of M&A transactions in order to dispose of the whole of the fund's portfolio. ■

# VC Profile: CapitalT



**Harriet Matthews**  
Reporter

Early-stage venture capital investor CapitalT is headed by co-founders Janneke Niessen and Eva de Mol, both of whom have a background in entrepreneurship and technology. Niessen has experience as an angel investor, and has founded a number of companies and initiatives including InspiringFifty. De Mol has years of experience in venture capital firms, and has also published a number of academic papers.

CapitalT's debut fund held a first close in February 2020 – the amount of which remains undisclosed. Niessen tells *Unquote* that it began fundraising in March 2019 and is targeting a final close in 2020, with a hard-cap of €60m. "We have a lot of commitments already in the works and we are well on our way," says Niessen.

The GP did not use a placement agent, but law firm Zuidbroek provided legal advice. The fund will follow market standard terms and conditions, and will have a 10-year lifecycle, with a five-year investment period.

The fund currently has 18 LPs and anticipates adding a further 10-15 by the final close. It has a minimum commitment of €500,000 and the LP

Niessen says. For the final close, the vehicle aims to secure commitments from banks, funds and regional development funds backed by the Dutch government.

The fund will target a 4-5x money return for investors, says Niessen: "We believe that we can do really well; we look differently at teams and that has a big influence on the outcome."

Asked about the fundraising, Niessen says: "Raising a fund as a first-time fund is not easy – but then, it should not be too easy; it is a huge commitment to investors and the



"Raising a fund as a first-time fund is not easy – but then, it should not be too easy; it is a huge commitment to investors and the companies in which you invest"

*Janneke Niessen, CapitalT*

base currently consists of entrepreneurs and family offices, including the founders of TomTom, Booking and Adyen. It also has several US investors,

## Netherlands-based venture capital firm CapitalT recently held a first close for its debut fund, targeting €40m. Co-founder Janneke Niessen talks to Harriet Matthews about the progress of the fundraising and the firm's data-driven model to analyse startup teams

companies in which you invest. It is good that there is a strong process. We have a different approach through our model, so investors are really interested, and they like the fact that we are focused on teams and we have a data-driven model for that. Since investors recognise the importance of teams, they know how this can make a positive or negative difference."

### Know your startup

The VC's data-driven strategy comprises an analysis of the dynamics of startup teams, based on research undertaken by de Mol during her PhD at VU University and University of California – Berkeley Haas Business School. Niessen says each core team member of a startup is invited to take a survey, which is based on more than 80,000 observations across more than 1,000 companies in five years.

She explains the factors that the analysis focuses on: "First, personality traits, such as stress resistance, resilience and passion; second, human capital, such as industry and startup experience, complementary skills and knowledge; and third, team dynamics, since without team cohesion and shared vision, you can put the smartest people together but it will not work. Key questions are whether people hold each other accountable, whether they speak up, whether they have the right form of conflict, and whether or not there are discussions about the content."

Niessen adds that the results can reveal a lot about the potential of a team: "We do not expect teams to be perfect, but it is important to know if there is something missing or if there are

issues that people are not aware of. We discuss the results with the team, too, and objective analysis helps the discussion. Sometimes there are too many red flags and we do not invest – some people fall in love with a deal, but you need to augment your gut feeling with actual facts. When we decide to work with a team, you can immediately solve certain things. In many cases, it is an area people find difficult to discuss – you can look at the numbers at an early stage, but there is only so much you can get from that; you need to see if the people involved can be flexible, and turn things around to make things happen."

### Unearthing hidden gems

The vehicle will now deploy equity tickets of €250,000–3m and aims to invest in 20–25 businesses, focusing on seed financing rounds. "The companies do not need to generate revenues, but there needs to be traction in different ways, such as having a client base lined up," says Niessen. A quarter of the fund will be held back for follow-on investments. It will generally provide equity investments but will provide convertible loans for smaller tickets, Niessen says.

The firm will target technology-based companies in northern Europe and the UK. It has deals in the pipeline and has already made two investments, according to Niessen. CapitalT invested in Netherlands-headquartered WizeNoze, which filters and assigns reading levels to internet-based resources for use in education and study. It also invested in pre-hiring assessment software business TestGorilla, a company that provides businesses with resources to test the skills of potential job candidates. ■

# Iberian PE activity reaches record highs



**Alessia Argentieri**  
Senior reporter

While turmoil continued in Catalonia, whose failed bid for independence in 2017 triggered one of the country's biggest political crises, Spain struggled to find a solid government coalition able to ensure stability across the country.

After the general election in April 2019 ended with no clear majority and the Socialist Party failed to form a coalition government, a new election was held in November – Spain's fourth general election in as many years. The country's governing Socialist Party (PSOE) won the most seats but fell short of a majority, while right-wing parties made major gains.

However, 2020 started on a more positive note, with the formation of a coalition government between the Socialist Party, led by prime minister Pedro Sánchez, and the anti-austerity Unidas Podemos alliance.

The country's macroeconomic outlook looks less favourable than a year ago, though. The European Commission estimates GDP growth of 1.9% in 2019, 0.4% down from its previous forecast and 0.5% less than 2018. Growth is expected to decelerate to 1.5% in 2020 and 1.4% in 2021.

Meanwhile, in Portugal, the Socialist Party won 108 seats in the general election held in October 2019. Falling 10 seats short of an absolute majority, prime minister António Costa sought to negotiate a new alliance with the far-left parties that backed him last time.

## Strong dealflow

And yet, despite political instability, the region's private equity industry thrived, recording a significant increase in both deal volume and value. Iberia saw 79 buyouts in 2019, worth an aggregate value of €13.8bn, according to *Unquote Data*. By comparison, 53 buyouts for a total EV of €11.1bn were inked in 2018.

"The Iberian private equity market is developing and maturing at a fast pace," says Oriol Pinya, founder and managing partner at Abac Capital. "The rising interest shown by local and international investors, alongside the significant dry powder available, will probably result in a further increase in both deal volume and value. Furthermore, even though valuations in Iberia have increased, they remain below the rest of Europe and represent a strong driver for investments in the region."

Among the largest deals were PAI Partners' acquisition of catering specialist Areas for €1.5bn; the take-private of amusement parks operator Parques Reunidos by EQT Partners, which valued the company at around €1.4bn; and CVC Capital Partners' purchase of a majority stake in Universidad Alfonso X El Sabio for an EV of around €1.1bn.

"Rising interest shown by local and international investors, alongside the significant dry powder available, will probably result in a further increase in both deal volume and value"

*Oriol Pinya, Abac Capital*



## Despite uncertainty and conflicts dominating Iberia's political landscape, and a worsening of its macroeconomic indicators, 2019 was one of the most buoyant years for private equity activity in the region. Alessia Argentieri reports

Across the region, the strongest sectors last year were consumer, with 26 buyouts (up from 23 in 2018); industrials, with 19 buyouts (up on the 15 inked in the previous year); and healthcare, with 15 deals (up from seven). On the sell side, Iberia recorded a noticeable increase in the number of exits to 66 in 2019 from 50 in 2018. Furthermore, there was a sharp rise in SBOs to 21, up from only nine recorded in the previous year.

"The increase in SBOs is a sign of the Iberian market becoming more mature and developed," says Francisco J Maroto, partner at Cuatrecasas. "The high quality of available assets across Spain and Portugal has attracted more international players towards the local markets and has increased the sellers' confidence in achieving return expectations."

### Fundraising slowdown

Fundraising activity recorded a contraction in Iberia in 2019, affected by political instability. There were only two noticeable closings last year: ProA Capital Iberian Buyout Fund III, which closed on €475m, surpassing its €450m target; and lower-mid-market fund Nazca Capital V, which hit its €150m hard-cap.

Nevertheless, several funds were launched over the year and some of them are expected to wrap up their fundraising, including GED VI España Fund, Suma Capital Growth Fund II and MCH Private Equity V.

However, fundraising and deal activity will undoubtedly be affected by the coronavirus

**"The high quality of available assets across Spain and Portugal has attracted more international players towards the local markets"**

*Francisco J Maroto, Cuatrecasas*

outbreak in the coming months. With 1,000 deaths and more than 20,000 infections at the time of writing, Spain is the worst-hit country in Europe after Italy and the fourth worst in the world. To fight the contagion, the government declared a nationwide lock-down, forcing people to stay indoors, with exemptions only for exceptional circumstances.

"We have noticed an initial slowdown in deal-making and some disruptions in the due diligence process, with some deals put on hold across the region," says Cuatrecasas's Maroto. "Despite contingency plans for online meetings and remote working policies, we expect travel restrictions and office closures to cause further delays in the coming weeks, especially if the outbreak becomes more severe." ■



■ This article is taken from the 2019 edition of the *Annual Buyout Review*. To download your copy of the full report, including detailed data breakdowns of the Iberian private equity market, visit [unquote.com](http://unquote.com)

# LP Profile: Kåpan Pensioner



**Sofia Karadima**  
LP researcher  
and writer

**E**stablished in 1992, Kåpan Pensioner manages occupational pensions of current and former government employees in Sweden.

Private equity has been part of the firm's investment strategy since 2007, but up until 2017 it formed part of the alternatives allocation. Following a restructuring of the portfolio, private equity has become part of its overall equity allocation.

The SEK 100bn LP started by investing in funds-of-funds, but as the programme matured, the focus has shifted more towards single funds. Over 2017-2019, the average yearly investment was SEK 1.5bn (€137m). The team is looking to increase its private equity allocation to somewhere between 4% and 5%, up from 3.8% currently.

The breakdown of the private equity portfolio is 54% buyouts, 18% growth equity, 22% secondaries, 1% venture and 5% funds-of-funds.

"A very large part of our portfolio is in secondaries, due to the fact that we have a vintage gap in our private equity portfolio," says Mikael Falck, head of alternatives at Kåpan Pensioner. "We only did a few private equity commitments over 2008-2010 in the aftermath of the financial crisis. Thus, when we reactivated the private equity programme a few

Kåpan Pensioner committed to six funds in 2019. The ticket size varied from SEK 140m to SEK 430m, with the average being around SEK 330m. The typical fund size also varies, as the LP is looking for diversification across managers. Its private equity portfolio consists of 40% mid-cap, 38% large-cap, and 22% mega-cap (that is, vehicles of more than SEK 5bn).

Despite its interest in and commitment to co-investments, which can reduce overall fees and improve relationships with investment managers, the organisation has not made any so far, due to a lack of resources and an investment team of only two.

"The decision to start co-investing is a long-term commitment. You need to have a clear strategy to build up a diversified portfolio and you need the resources to be able to quickly react to investment opportunities. When a co-investment



"You need to have a clear strategy to build up a diversified portfolio and you need the resources to be able to quickly react to investment opportunities"

*Mikael Falck, Kåpan Pensioner*

years ago, we decided to try and fill this gap with vintage exposures that were three to four years backwards looking."

## As Kåpan Pensioner looks to increase its allocation to private equity, Sofia Karadima speaks to Mikael Falck, head of alternatives at the Swedish pension fund, to assess appetite and exposure to the asset class, as well as hopes to kick-start co-investment

opportunity appears, you typically only have a few weeks to do your assessment and due diligence, so a bigger team is needed," says Falck, adding that in the future things could change, as there may be the opportunity to use external teams to provide expertise and resources.

At 2% of total private equity allocation, the LP's exposure to venture capital is limited and mainly consists of old vintages. Falck says there is nothing to restrict the organisation from investing in VC, but at the moment he says the firm probably would not consider investing in the asset class, as the focus is on buyouts and growth equity.

### Geographical reach

While the organisation has a global private equity programme, the focus is mainly on Europe and the US. "We invest in Europe and the Nordic region, as it is close to home and we know the markets well. We also focus on the US, as it is the most mature and sophisticated private equity market, where there is a vast range of opportunities, especially in the mid-market space," says Falck.

When asked about investing in the UK, Falck says the organisation would consider investing there at some point, as it offers a mature private equity market. However, he would not currently opt for a UK-only manager due to ongoing uncertainty around Brexit.

As for Asia and emerging markets, Falck says the organisation has not backed any standalone Asian private equity managers to date. However, the organisation has gained exposure to Asia and emerging markets through international strategies, where it has backed mega-funds that allocate to the region.

The geographical allocation of the private equity

portfolio currently consists of 58% to the US, 37% to Europe and 5% to the rest of the world.

When selecting a new manager, Kåpan is not only looking for a good track record, but for consistency in that track record over a long time.

"There are things to consider beyond absolute returns. We look at the consistency of the track record, the capital deployment pace, risk awareness and mitigation, but we also look at how managers perform over cycles," says Falck.

He adds that the firm is open to the idea of investing with first-time funds, but a typical situation would be one where the manager is a spinout team that has previously worked well together and has the track record to show for it.

As for the impact of the coronavirus pandemic, Falck remains stoic for now: "We are closely following the evolution of the outbreak and its possible impact on the economy. The impact of the Covid-19 virus is too early to assess as of now. As such, we are not currently altering our strategy or allocation to private markets," Falck adds that it is also too early to assess return implications: "Private markets follow a quarterly reporting scheme, so even just the impact of Q1 2020 will not be known until April or May." ■

### Key team members

**Mikael Falck** is head of alternative investments. He has previously worked for Nordea Investment Management and CIM funds, among others.

**Arvid Letzén** is portfolio manager within alternative investments. He has previously worked for Nordea Asset Management.

# Funds round-up



## LSP closes sixth fund on \$600m

Life Sciences Partners (LSP) has held a final close for its sixth life-sciences-dedicated fund on its \$600m hard-cap.

The fund was launched in March 2018 with a \$450m target and held a first close on €410m in November 2018.

The vehicle is larger than its predecessor, which closed on its \$280m hard-cap, surpassing its \$170m target, in June 2016. LSP 5 held its first close on \$80m in October 2014, with two further interim closes held in 2015.

LSP has raised \$2.5bn since it started to invest in life sciences in 1988. The group has offices in Amsterdam, Munich and Boston. Alongside LSP 6, the firm is investing from its \$300m Health Economics

Fund, and its \$200m public fund and mandates.

LSP's stand-out deals include Argenx, Crucell, Kudos, Movetis, Neuravi, Okairos, Prosensa, Qiagen and Zealand Pharma.

LSP 6 will invest in 15-18 predominantly European companies developing new medications and medical technologies. The fund has already made 12 investments.

LSP 6 attracted capital from a diverse investor base including pension funds, insurance companies, wealth managers, government funds and family offices. Among others, it received commitments from Bristol Myers Squibb and Otsuka Pharmaceutical. ■

### LSP 6

<b>TARGET</b>	\$450m
<b>LAUNCHED</b>	Mar 2018
<b>CLOSED ON</b>	\$600m, Mar 2020
<b>FOCUS</b>	European life sciences
<b>FUND MANAGER</b>	Life Sciences Partners

## BGF and Coutts announce UK Enterprise Fund

BGF and private bank Coutts have announced the launch of a vehicle to provide funds and support to UK-based entrepreneurs.

The fund will invest in UK-based SMEs led by diverse management teams. Specific initiatives and programmes will be put in place to support female-led businesses and increase the diversity of management teams.

In particular, the partnership looks

to expand the framework around the Coutts Investment Club, which supports private businesses.

The partnership is expected to build on the two companies' existing platforms. The fund also intends to "identify and address equity gaps across the whole of the entrepreneurial ecosystem", according to a statement.

Coutts and BGF will be the cornerstone investors in the fund. ■

### UK Enterprise Fund

<b>LAUNCHED</b>	Mar 2020
<b>FOCUS</b>	Diversely managed UK SMEs
<b>FUND MANAGER</b>	BGF, Coutts



**A round-up of recent fundraisings throughout the private equity industry, including LSP closing its sixth fund on \$600m; Activa Capital gearing up for a €200m launch; and Arcano Asset Management raising €200m for its flagship vehicle**

## Activa Capital to launch €200m fourth fund

French GP Activa Capital intends to launch its fourth buyout fund with a €200m target in the coming months, *Unquote* understands.

The fund will be the same size and employ the same investment strategy as its predecessor, which raised €206m in 2015 and is almost fully deployed. It recently inked its 10th investment with the acquisition, alongside Arkéa Capital, of a 50% combined stake in French engineering service Ingeliance.

“We have found our niche market, where we have a competitive advantage, deep know-how and strong expertise,” Activa Capital managing partner Christophe Parier told *Unquote*. “That is why we intend to stick with that and continue to target the lower- and mid-market with a focus on the B2B services segment.”

Activa Capital IV will make 10-12 investments supporting the management buyouts of French companies operating in the B2B services industry. It will target businesses with enterprise values of €20-100m and deploy equity tickets in the €10-30m range, and up to €60m in co-investments.

The fund will pursue an intense buy-and-build strategy across France, but also elsewhere, with the aim of consolidating the market position of

its portfolio companies and creating several strong aggregation platforms in the B2B services sector.

The fund expects to build an LP base primarily composed of European institutional investors – mostly pension funds, sovereign wealth funds and insurance companies, as well as family offices – mainly from the UK and Scandinavia, and a minority of LPs from the US.

Several investors from the third fund are expected to re-up to this new vehicle, while some new LPs interested in deploying smaller tickets for a fund entirely dedicated to the lower- and mid-market will join the LP base.

Established in the early 2000s, Paris-headquartered Activa is managed by a team of 20 professionals led by managing partners Christophe Parier and Alexandre Masson.

Its first vehicle held a first close in December 2002 on €90m and a final close in December 2003 on €162m. This was followed by the first and final close of its second FCPR fund on €315m in 2007, before the third fund was raised in 2015. Standout deals by the firm have been consumer-focused assets such as desserts brand Materne-Mont Blanc, bike manufacturer Look and household linens brand Linvosges. ■

### Activa Capital IV

<b>TARGET</b>	€200m
<b>FOCUS</b>	Buyout, French B2B sector
<b>FUND MANAGER</b>	Activa Capital

## PHI Industrial launches €50m third fund

Spanish private equity firm PHI Industrial has launched its third fund, with a €50m target.

The vehicle will be the same size as its predecessor, PHI Industrial II, which closed on €50m in 2014.

The predecessor fund is currently deployed across seven companies, four of which are based in Spain. The Spanish portfolio companies are air conditioning systems provider Hitecsa, purchased in 2012; industrial kitchen manufacturer Adisa Cooking, bought in 2014; household and cleaning products manufacturer Blue Sun, acquired in 2016; and porcelain specialist Lladró, acquired in 2017.

In addition, the fund is invested in three businesses located in Italy: textile specialist Mascioni, bought in 2015; menswear designer Boglioli,

backed in 2017; and child safety seats producer Brevi, acquired in 2018.

PHI Industrial III expects to build a diverse investor base composed of Spanish and international institutional investors.

The fund will invest in distressed companies based in Europe that require substantial investments, structural and management changes and a restructuring strategy in order to return to profitability.

It will also target carve-outs in profitable companies with significant growth potential across all industrial sectors.

Target companies will generate revenues in the €20-250m range, with EBITDA from negative to positive, based primarily in Spain and Italy, but also the rest of Europe. ■

### PHI Industrial III

TARGET	€50m
LAUNCHED	Mar 2020
FOCUS	European restructuring and carve-outs
FUND MANAGER	PHI Industrial

## Enern nears close for VC fund, on road for growth vehicle

Czech Republic's Enern is nearing a close for its fourth venture fund, and is aiming to raise €200m for a new growth fund.

The Prague-based venture and growth capital player is raising €80m for its fourth venture fund, founding partner Pavel Mucha said. While the fund is largely committed, it would like to hear from interested parties. Enern aims to close the fundraising in Q2 this year.

The new fund will invest in the consumer sector and B2B companies.

Typical investments will be in the €1-4m range.

The VC is also in the early stages of raising €200m for its new growth fund. The fund's first closing is expected to take place later this year followed by a second closing next year.

This growth fund will target companies in the DACH and CEE regions, with Enern planning to open a Munich office to support this. Typical investments will be between €10m and €20m. ■

### Enern Venture Capital Fund IV

TARGET	€80m
LAUNCHED	2019
FOCUS	CEE venture
FUND MANAGER	Enern

## Arcano launches impact FoF, raises €200m for flagship vehicle

Arcano Asset Management, which is part of Arcano Partners, has launched Arcano Impact Private Equity Fund (AIPEF), a private equity fund-of-funds dedicated to impact investing, with a €300m target.

Arcano expects to hold a first close by June 2020. The fund targets a 12% IRR and a 1.8-2x return on capital.

AIPEF expects to build an investor base composed of Spanish and international institutional investors and private banks.

AIPEF will invest in funds active in various sectors, promoting and contributing to the United Nation's Sustainable Development Goals, with a focus on pursuing environmental transition, solving environmental and social issues, and developing solutions to address global challenges, while generating private equity risk-adjusted returns.

The vehicle will target European and US mid-market funds, and will focus on primary deals, while considering opportunistic secondary investments. It will deploy around €10-20m per deal and expects to target a total of 12-15 funds.

Founded in 2003, Arcano specialises in investment banking, private equity and wealth management. The firm employs 150 people and is headquartered in Madrid, with additional offices located in Barcelona and New York.

It currently has more than €6bn in assets under management invested in private equity, private

debt, venture capital, real estate and infrastructure.

The firm manages Arcano Capital XII, a fund-of-funds launched at the end of 2018 with a €250m target and €300m hard-cap. *Unquote* understands that the vehicle has raised around €200m and will hold a final close by the summer.

The fundraising was initially focused on Spanish LPs and subsequently expanded to attract commitments from international investors. The fund has so far received commitments mainly from Spanish and international institutional investors, family offices and banks.

The fund is larger than its two predecessors, Arcano Capital X and Arcano Capital XI, which were launched in 2016 with a combined target size of €200-250m; they closed in December 2017 and February 2018 respectively, hitting their combined hard-cap of €300m.

Arcano Capital XII targets primarily European and US private equity mid-market buyout funds with a small allocation for capital expansion and restructuring vehicles. It deploys equity tickets of €10-50m. The fund specialises in both primary and secondary deals, with a focus on GP-led transactions and buying LP interests.

In addition, Arcano has a venture arm that manages Arcano Ventures II, a VC fund launched in November 2019 and currently fundraising. ■

### Arcano Impact Private Equity Fund

<b>TARGET</b>	€300m
<b>LAUNCHED</b>	Mar 2020
<b>FOCUS</b>	Impact investing funds
<b>FUND MANAGER</b>	Arcano Asset Management

# UK & Ireland



**Katharine Hidalgo**  
Reporter

## Small, but mighty

Small-cap investment activity has seen an upward trend over the past five years in the UK & Ireland. The volume of deals worth less than €50m in the region has grown from 85 in 2015 to 132 in 2019, according to *Unquote Data*. The segment's share of total buyout volume for the region has also grown from 45.5% to 57% during the same period.

Meanwhile, the small-cap market has seen a spate of recent fund closes in 2020. To date, August Equity Partners V has closed on £300m, Active Partners III has closed on £100m and Vespa III has closed on £150m, among others. The sector is likely to see more investment in the future, with 12 SME-dedicated funds currently raising, according to *Unquote Data*. Open funds include Harwood Private Equity V, which was registered in July 2019, Dunedin Buyout Fund IV, which was registered in July 2018, and Kester Capital II, which held a first close on £50m in June 2019.

A number of factors could explain the growth in the small-cap sector. Across Europe, average entry multiples for the segment remain lower than their larger counterparts. In 2019, the average entry multiple for assets under €50m was 10x EBITDA,

and assets valued at €50-100m had an average entry multiple of 9.3x, according to Clearwater International's Multiples Heatmap. In contrast, the average entry multiple for assets valued at more than €1bn was 12.8x.

As such, small-cap deal volume has increased by 55% during the past five years, while deal value has increased by just 40%. Furthermore, the number of targets in the size bracket is far larger than investment opportunities available to mid-market and large-cap firms. A briefing paper from the House of Commons reported that in 2019, 99% of businesses in the UK had fewer than 50 employees. The number of companies in the UK has also grown by an annual average of 2.9% since 2001, with many naturally being in the small-cap segment.

Says Adam Maidment of Kester Capital: "Because the UK lower-mid-market is such a big universe of deals, you do not see the same competitors on every deal and you get many more truly off-market deals. Everyone's got their own individual, strong adviser relationships and there are so many in the lower-mid-market that no private equity house can effectively cover them all."

Meanwhile, in contrast to the abundant small-cap segment, a shortage of quality assets in the upper-mid-market has driven frothy pricing.

## Minority rule

In addition, this increase in small-cap activity may have arisen because small-cap investors have taken more varied investment strategies. "Private equity, and in particular the small buyout market, has become more accepting of minority

"The small buyout market has become more accepting of minority investments and we are certainly happy to look at those smaller deals"

*Mark Ligertwood, Dunedin*



## Average entry multiples by deal bracket

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
<€50m	10.3x	10.1x	10.1x	10.0x	9.8x	10.1x
€50–100m	9.5x	9.3x	9.3x	9.2x	9.3x	9.4x
€100–250m	10.1x	9.9x	10.3x	10.2x	10.1x	10.1x
€250–500m	11.4x	11.2x	11.6x	10.8x	10.4x	11.2x
€500m–1bn	10.7x	11.4x	12.4x	12.8x	12.9x	12.3x
>€1bn	12.1x	12.2x	12.0x	13.1x	13.2x	12.9x

Source: Clearwater International Multiples Heatmap

investments and we are certainly happy to look at those smaller deals, which might open further market opportunities,” says Mark Ligertwood from Dunedin. “It may be that the mid-market is slightly less enthusiastic about these opportunities in the minority space and in creative equity solutions.”

Investors such as ESO Capital and Rockpool take hybrid strategies, where they can both invest and lend to SMEs. In addition, minority investments are generally more common in smaller transactions, with mid-market firms only recently taking minority stakes on a regular basis, as previously reported by *Unquote*.

Founded in 2011, BGF offers growth equity to SMEs in exchange for minority stakes. Grant Paul-Florence, an investor at the firm, says: “Established mid-market funds tend to have clearly defined

strategies, and to move away from those might be difficult. More recently established small-cap players have emerged to address the market need and may be able to take a fresh look at what they do.”

Despite the growing level of small-cap activity, several market participants say the market is far from crowded. Richard Caston, a partner at RJD Partners, says: “Competition in the small-cap market is growing, but not hugely. Some funds have left the market as they have grown into larger funds, which has then been countered by new entrants forming to represent new competition.”

As more GPs and LPs recognise the attractive qualities of small-cap investing, and with larger firms such as Bridgepoint and Livingbridge raising SME-dedicated vehicles, the small-cap market is gearing up for even more activity in the long-term. ■

# UK & Ireland deals

**£88m**  
Reported  
revenues

## Dunedin's FRA secures £100m refinancing

Dunedin-backed accounting and data governance consultancy Forensic Risk Alliance (FRA) has secured a £100m refinancing with Barings.

The new senior debt facilities are intended to allow FRA to expand into new markets, mainly through new office openings and recruitment. Dunedin partner Mark Ligertwood said: "We are growing our Paris and Scandinavia offices quickly, but we have not yet identified our next location. We tend to follow client projects in addition to opening offices where we can recruit the best talent and build our presence around those teams."

FRA is a forensic accounting and data governance consultancy. Founded in 1999, the company reported revenues of £88m in 2019 and employs 283 people. Its EBITDA has grown from £14.3m in 2018 to around £34m in 2019.

The company recently opened offices in the Nordic region, as well as in New York, Dallas and Philadelphia, and expanded its headcount by 79 staff in 2019.

The package will be used to pay shareholder loans, and



preference and ordinary share dividends, as well as widen the equity pool available to enable recruitment for new positions in management.

With an EBITDA of around £34m, the package implies leverage of just less than 3x for the company, said Ligertwood. Existing lenders HSBC and Santander will continue to provide a modest amount of financing, with Barings providing the company's debt funding.

"We think lenders like FRA because generally client

engagements will run for many years and, in addition, we have had very quick growth," said Ligertwood.

Dunedin invested in FRA in March 2017. HSBC and Santander provided debt financing to support the transaction. The firm was investing from Dunedin Buyout Fund III at the time, which closed on £300m in June 2013.

The company secured a refinancing in January 2019 of £50m from its existing lenders. ■

## Causeway merges brands

Causeway Capital Partners portfolio companies Bakers + Baristas and Patisserie Valerie have been merged.

Both brands will continue operating and retain their existing in-store offerings. The merged group will be led by James Fleming, who is currently chief executive of Bakers + Baristas.

Patisserie Valerie production managing director Jose Peralta and retail managing director Paolo Peeretti, who have led a turnaround of the company following its acquisition by Causeway, will leave the company following a transitional period.

The merger will enable both businesses to benefit from shared banking, customer service resources and new product development, and allow for new store openings.

Causeway acquired Bakers + Baristas, the Ireland-based coffee shop operator, for an undisclosed amount in March 2015.

Risk Capital Partners backed the MBO of Patisserie Valerie in 2006. In 2014, the company listed on the London Stock Exchange and raised £33m.

In October 2018, a £40m fraudulent accounting irregularity was detected at the company and, in January 2019, the company fell into administration.

Causeway acquired Patisserie Valerie in February 2019. ■

**£150m**  
Additional  
debt  
financing

## Bowmark Capital acquires minority stake in Focus Group

Mid-market private equity firm Bowmark Capital has acquired a significant minority stake in Focus Group.

As part of the transaction, additional debt financing of around £150m was provided by BlackRock to accelerate the company's acquisition plan.

Bowmark deployed capital from its flagship vehicle Bowmark Capital Partners VI, which closed on £600m in January 2019. The vehicle targets UK mid-market companies with enterprise values of up to £200m.

Bowmark VI primarily makes majority investments, though its remit also includes minority positions. It most recently made

a minority investment in Aston Lark, an existing portfolio sold on to Goldman Sachs Merchant Banking Division in May 2019. The fund will make 10 deals overall and typical equity cheques are in the region of £50-70m.

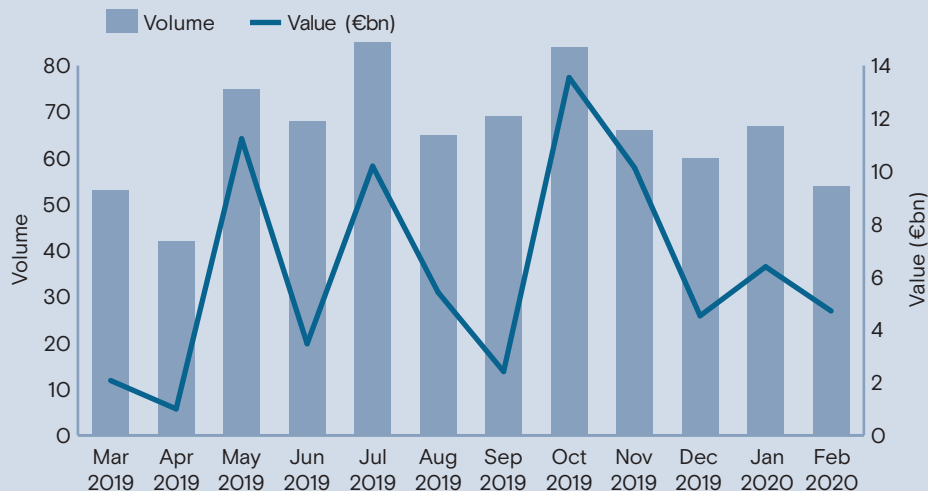
Founded in 2004, Focus provides a range of integrated technology software products and services. The company generates revenues of £80m and employs approximately 300 staff. ■

### People

**Bowmark Capital** – Stephen Delaney.

**Focus Group** – Ralph Gilbert, Chris Goodman.

## UK & Ireland private equity activity



Source: Unquote Data

# Benelux deals

**60-70%**  
**Stake**  
**acquired**

## Nordian Capital sells Open Line to Capital A

Private equity firm Nordian Capital Partners has sold its majority stake in Dutch ICT and cloud specialist Open Line to Capital A Investment Partners.

Capital A acquired a 60-70% stake, while the company's management team retained the reminder.

The GP invested via its eighth fund, which closed on €270m in 2019 and is currently around 35-40% deployed.

The vehicle invests in companies with enterprise values in the €15-75m bracket, based across the Netherlands and Belgium, and with high-growth potential. It deploys equity tickets of €5-35m and pursues an intense buy-and-build strategy, with the aim of scaling up its portfolio companies and building leading platforms across a variety of sectors.

The team of Capital A was originally responsible for mid-market private equity deals within ABN Amro. It spun out from ABN Amro in 2018 and rebranded as Capital A. ABN Amro remains an important investor in all Capital A current funds, alongside Alpinvest, LGT, Five Arrows and Bregal.



In addition to Capital A Fund VIII, the GP is currently managing the portfolios of its Fund V, VI and VII, which are all fully invested.

Established in 2003, Open Line specialises in designing, implementing and managing ICT infrastructures and cloud solutions.

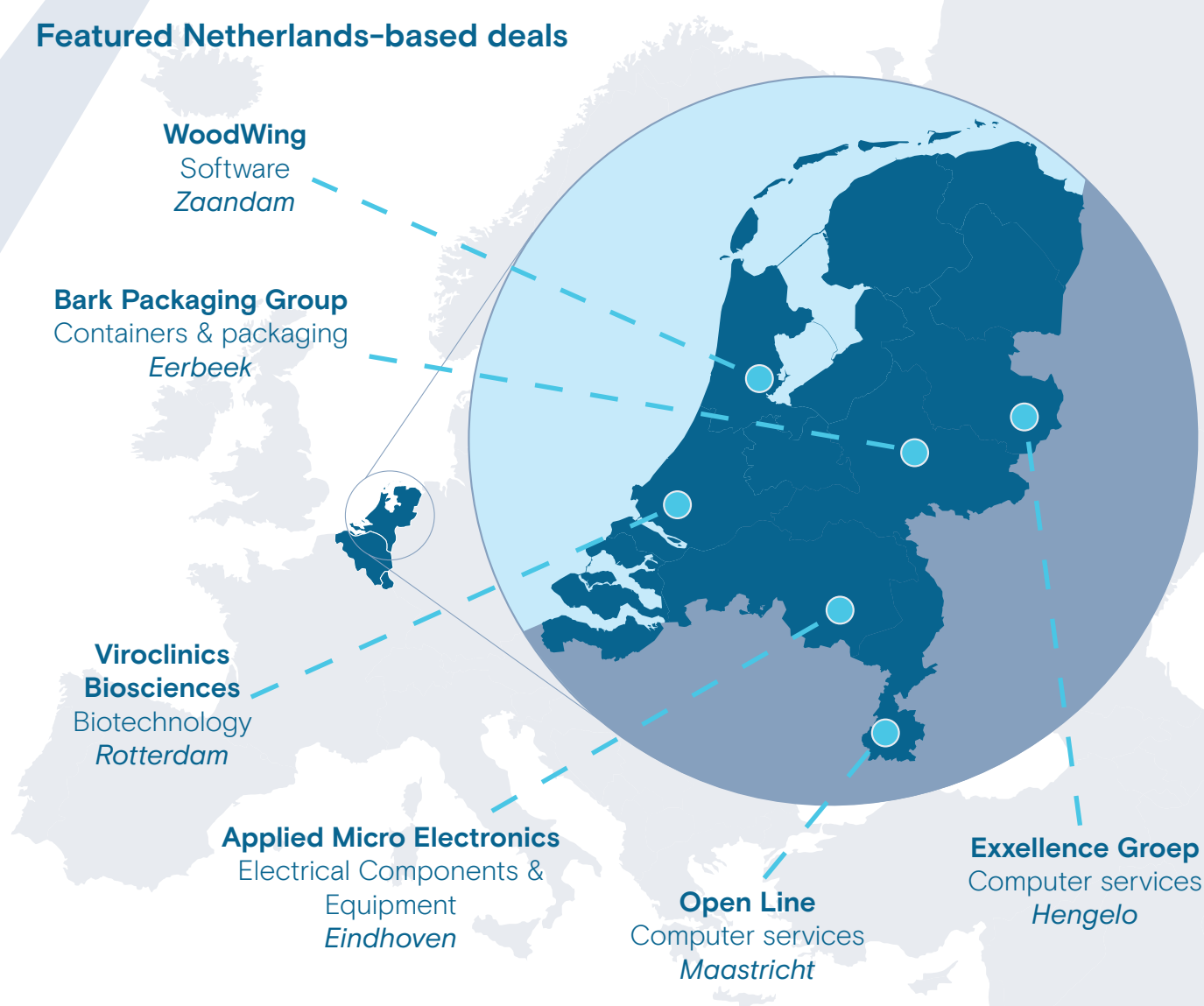
The company is headquartered in Limburg and Maastricht Airport, with additional offices in Landgraaf, Eindhoven, Capelle aan den IJssel and Amsterdam. It operates two tier-3 data centres with dual power and distribution capabilities, and employs 230

staff. Open Line expects to generate revenues of around €40m in 2020.

Nordian acquired a majority stake in Open Line in January 2016 via its €300m second fund. The GP is currently investing via its third fund, which held a final close on its €320m hard-cap in June 2019.

Under Nordian's ownership, Open Line consolidated and expanded its market position in the Netherlands, strengthened its presence in the healthcare industry and increased its turnover by around 25% per year. ■

## Featured Netherlands-based deals



**€100m**  
Expected  
turnover

## Quadrum Capital backs Bark Packaging

Quadrum Capital has acquired a stake in Dutch flexible packaging specialist Bark Packaging Group.

The GP is investing via Quadrum Investment Fund II, which closed on €100m in 2019. The vehicle acquires majority and minority stakes in Dutch companies operating in a range of industries.

This is the second deal closed by the fund in the packaging sector in the past year. It previously acquired a stake in Royal Sens, a Rotterdam-based producer of labels for food and non-food packaging, in November 2019.

Bark Packaging plans to use the fresh capital to further consolidate its market position in the Netherlands and Germany, accelerate its international growth, and finance new acquisitions

across Europe. It expects to reach turnover of €100m in the next five years.

Following the deal, chief commercial officer Erik Bos will take up the role of CEO, while founder and current CEO Berry Plas will remain actively involved within the company.

Established in 1978, Bark specialises in manufacturing flexible packaging, including pouches, doypacks and seal bags.

The company is headquartered in Eerbeek, with offices in Utrecht and Stuttgart. It also operates an innovation and support centre, which specialises in the development and design of new packaging systems. The group employs 36 staff and generates revenues of around €40m. ■



# Benelux deals

**2001**  
Year  
founded

## Summit backs Viroclinics Biosciences

Private equity firm Summit Partners has made a majority investment in Viroclinics Biosciences.

Founded in 2001 in the Erasmus Medical Center in Rotterdam, Viroclinics provides specialised non-clinical and clinical services to the global virology therapeutics and vaccine development market.

The investment will be used to fuel continued expansion of Viroclinics' services, capacity and international presence.

The company already announced a first bolt-on following the investment, with the acquisition of Netherlands-



based DDL Diagnostic Laboratory.

The combined group intends to increase laboratory capacity to create a complete portfolio of services, including early-stage pre-clinical work, large-scale phase-II/III trials and post-marketing studies.

The business will employ 240 scientists, researchers, technicians and support staff.

In January 2014, Gilde Healthcare Services acquired a majority stake in Viroclinics from Erasmus University Medical Centre, allowing the institute to fully exit from the company. Gilde invested

via its Gilde Healthcare Services I fund, a €50m vehicle launched in 2009.

In August 2017, Gilde sold the company to mid-cap buyout firm Parcom Capital Management. Viroclinics became fully owned by Parcom. In August 2019, Parcom exited Viroclinics. ■

**100**  
Combined  
staff

## Main carves out Excellence and SMQ from Kune

Main Capital has acquired a majority stake in Excellence and SMQ, formerly part of the Kune Group.

The two companies will form Excellence Groep. The GP intends to support the new group in further developing its product portfolio and expanding its customer base.

Main has €1bn in assets under

management for investments in mature and growing software companies. Its current portfolio includes software companies such as Optimizers, Assessio, GBtec, Onventis, Hype Innovation, Cleversoft, Enovation, SDB Group and MUIS Software.

Excellence and SMQ provide software management systems and CRM for public

organisations. The two companies employ around 100 staff and serve 120 customers in the Netherlands, ranging from municipalities and water boards to housing corporations and healthcare institutions.

Their client base includes the municipality of Utrecht, the municipal tax office of Twente and the municipality of Tilburg. ■

## Main invests in WoodWing

Main Capital has secured a majority stake in the buyout of software company WoodWing.

Some members of the company's existing management team will retain a minority stake in the business.

With the fresh investment, WoodWing will look to bolster the reach of its content orchestration platform in the target markets of publishers and enterprise brands. The deal will also support the company's buy-and-build strategy.

Headquartered in the Netherlands, Main Capital is a GP with an exclusive focus on the software sector in the Benelux, DACH and Nordic regions. The firm has assets under management of approximately €1bn for investments in mature and growing software companies.

Main Capital held a first close for its sixth vehicle in December 2019 on €535m. Managing partner Charly Zwemstra recently told *Unquote* that the GP plans to end Q1 with four investments from the vehicle.

Headquartered in the Netherlands, WoodWing helps brands, publishers and agencies create and manage content across teams and publish across channels. The organisation has offices in the US and Malaysia, and serves 800 customers across 60 countries. ■

**€40m**  
Reported  
turnover

## Gimv Acquires majority stake in Applied Micro Electronics

Gimv has invested in smart electronics producer Applied Micro Electronics (AME).

The GP has acquired a majority stake, with the company's management and a small number of shareholders retaining a minority stake, a source close to the situation told *Unquote*. The GP will also take a seat on the company's board. The source said that the deal came about via an introduction from advisers and an informal management meeting in 2019.

AME designs and produces smart electronic components for power conversion, Internet-of-Things technology and sensing. Its products are used in electric

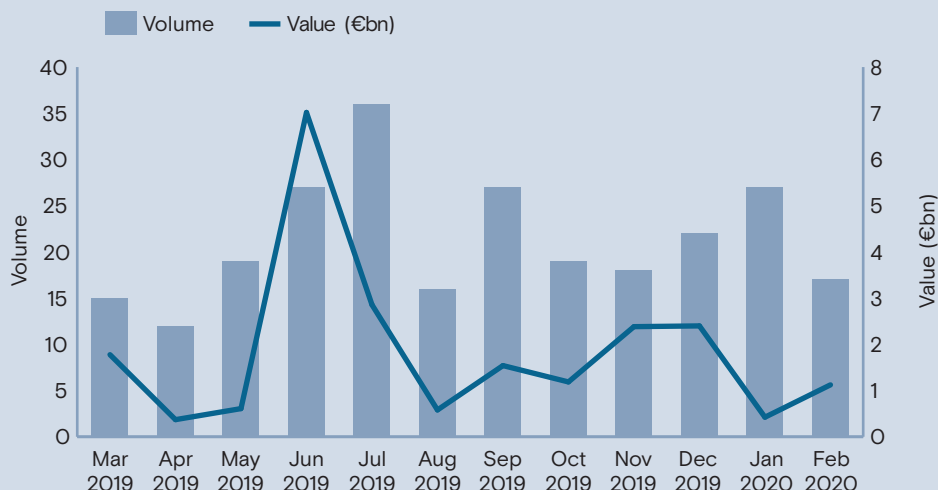
vehicles, home appliances, industrial automation, and offshore oil and gas data and monitoring systems.

The company employs 250 people and reports turnover of €40m. The source told *Unquote* that the company has reported double-digit revenue growth each year since its inception.

International expansion will be considered, with an initial focus on Germany and a longer-term focus on the US. The source added that international add-on acquisitions may be considered.

The investment is part of Gimv's Smart Industries platform. The initiative has made 10 investments so far. ■

### Benelux private equity activity



Source: *Unquote Data*

# CEE



**Mariia Bondarenko**  
*Data reporter*

## Driving the ESG revolution

**E**nvironmental, social and governance (ESG) compliance has evolved from nice-to-have to a compulsory requirement for private equity firms in recent years. And while this is a relatively new concept for the CEE region, the growing maturity of the market has been gradually bringing local standards up to western European levels.

Private equity firms in CEE tend to follow two paths in ESG development. The first is to become signatories to the existing standards of investment designed by international institutions; the second is developing their own principles for internal use, which is mainly adopted by small funds that have a tight budget. As for the former, the Principles for Responsible Investment (PRI) and IFC Performance Standards have been gaining traction with investors.

Polish private equity firm Abris Capital became a signatory to the PRI because its management believed being a good corporate citizen is not enough and that GPs need to go further, says partner Monika Nachyla. She notes that LPs now require a more formulated and systematic approach to ESG, pushing private equity firms to develop in that direction. Moreover, says Dmytro Bondar, compliance manager at Ukraine-based

Horizon Capital, development financial institutions (DFI) – which constitute an important LP base in the region – have even higher requirements: “Under the influence of DFIs, the ESG bar keeps rising, having a positive impact on shaping the broader responsibility of businesses.”

An additional aspect of ESG compliance has arisen in the region recently: decarbonisation as an aspect of policymaking has not been regulated in CEE, missing a reliable measurement approach. “In addition to the standard ESG work we do, each year has a specific theme,” says Abris’s Nachyla. “In 2020, the theme is carbon-footprint management. Together with an external adviser, we have defined both a mid-term and a long-term reduction programme, and on top of that, we want to set for ourselves a carbon-neutral ambition at portfolio level.”

Corporate governance is also a crucial component of ESG for identifying businesses that are often related to so-called “grey-zone” practices. This is especially relevant for eastern Europe, where some businesses have not moved to transparent, responsible operations, or are built on capital with doubtful origin.

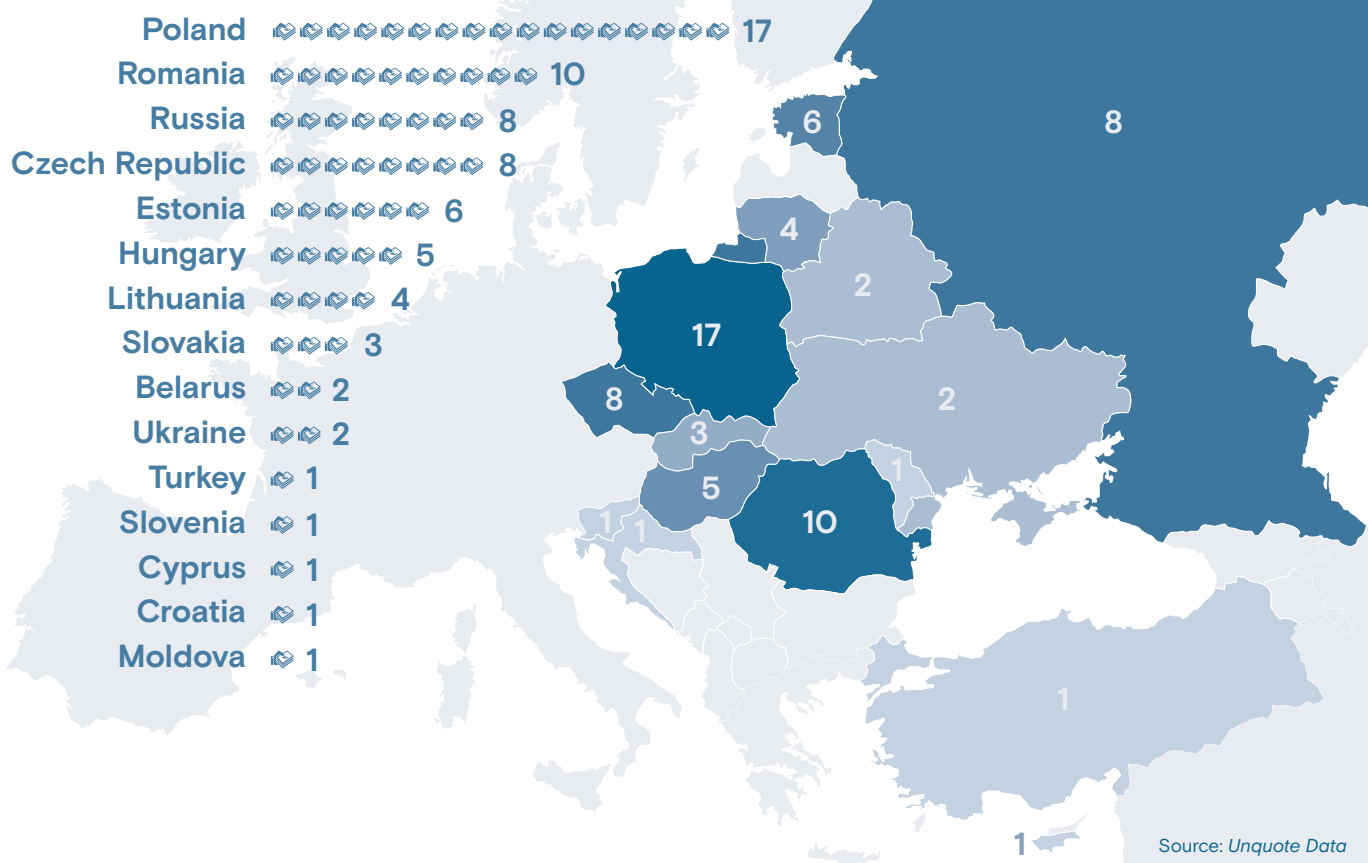
### Challenges remain

The impetus for getting ESG right is strong beyond securing commitments from LPs, too, especially when it comes to improving EBITDA and increasing multiples with exits in mind. “We call it the ESG premium,” says Vasile Tofan, a partner at Horizon Capital. “Western strategic buyers are ready to pay a higher price for companies with sound ESG and broader corporate governance practices.”

“Under the influence of DFIs, the ESG bar keeps rising, having a positive impact on shaping the broader responsibility of businesses”

*Dmytro Bondar, Horizon Capital*

## Deal volume by country (six months to Feb 2020)



However, due diligence on exits is also becoming increasingly thorough. Tofan argues that it is more efficient to beef up the ESG aspects during the holding period, even if that comes at a material cost, as it is preferable to the alternative of providing extensive warranties or indemnities for any shortcomings or risks identified during the due diligence process.

Meanwhile, ESG advisory companies are strengthening their positions in the region on the back of increased demand. There are a few regional companies and specialised global advisers with local teams in CEE, providing enough expertise for investors. This is complemented by the growing trend of having a team member responsible for ESG compliance at the GP level, with third-party experts brought in to match the scope of a transaction if

required. But implementing ESG principles in CEE portfolio companies is not always an easy process. For family- and privately owned businesses it often implies a cultural change, which is a significant and time-consuming undertaking: "Our approach is always very pragmatic," says Abris's Nachyla. "We try not to force revolution but go for evolution. We explain to the management teams what the risks and opportunities are, and what mitigating factors we can introduce. Then we explain how the actions we want them to implement will translate into improved earnings and profitability."

Ultimately, investors believe that ESG is crucial in highlighting that private equity in emerging markets has a dual mission – not only delivering good returns to LPs, but also pushing the standards of doing business to a higher level. ■

# CEE deals

**€55m**  
Expected  
net revenues

## Innova sells Polskie ePłatności to Nets for €405m

Innova Capital is selling its stake in Polish payment provider Polskie ePłatności (PeP) to Denmark-based Nets and its indirect subsidiary, Rementi Investments.

Founded in 2010 and headquartered in Rzeszów, PeP provides electronic processing of non-cash payments to merchants in the retail sector, with an installed base of 125,000 point-of-sale terminals. It has 600 employees and expects net revenues of €55m in 2020. The company operates locations across Poland including in Gdańsk, Warsaw, Lublin, Jasionka, Kielce, Kraków and Katowice.

Innova and other shareholders are to sell a total of 79.49% of the company, and OPTeam is to sell 20.51%. OPTeam will reap proceeds of €68.6m. The transaction values PeP at €405m.

The final stage of the auction process also saw Worldline, another payments company, and a third unknown bidder participate, according to *Unquote* sister publication *Mergermarket*.

In June 2016, Innova and OPTeam acquired a majority stake in PeP. Initially, both Innova



and OPTeam acquired equal stakes in PeP, but OPTeam eventually sold 75% of its shares in the company to Innova for a consideration of £13.49m.

At the time, the firm was investing from its Innova/5 fund, which held a final close on \$388m in 2009. The fund acquired another payments company, Provus Service Provider, in January 2011. Innova exited its stake in the payment processing and technological service via a trade sale to Germany-based payments company Wirecard for a

purchase price of €32m.

Innova/5 has made several other realisations, including the sale of Neomedic, an obstetrics-focused hospital group, to Swedish company Medcover; and the listing of online information portal Wirtualna Polska.

Remaining assets in the fund include food products provider Bakalland, advertising and marketing technology developer Netsprint and heavy construction service Trimo Group.

With the acquisition, payment services group Nets intends to



further strengthen its presence in Poland. Headquartered in Ballerup, Denmark, the acquirer processes around \$1tn in transaction value through its systems annually. Its services include direct debit, credit, QR code and mobile payments at point-of-sale and online, as well as card services, electronic funds transfers and cheque processing services.

Private equity firm Hellman & Friedman announced its intention to acquire and de-list Nets in a DKK 33.1bn deal in September 2017. The deal went through in February 2018.

In September 2016, Advent International and Bain Capital Private Equity listed Nets in one of the largest Nordic private-equity-backed IPOs since 2010. The buyout consortium listed the company just two years after the two GPs acquired Nets from a group of Danish and Norwegian banks for DKK 17bn.

The transaction is subject to approval by the respective authorities, and closing is expected to be within the third quarter of 2020. ■

### People

**Polskie ePłatności** – Jarosław Mikos.

**Nets Group** – Bo Nilsson.

**Innova Capital** – Krzysztof Kulig.

### Advisers

**Vendor** – Morgan Stanley (corporate finance); Deloitte (financial due diligence).

**2004**  
Year  
founded

## Mediterra Capital exits Mobiliz to GPS Bulgaria

Mediterra Capital has sold Turkey-based navigation technologies firm Mobiliz to GPS Bulgaria, a provider of GPS/GSM-based solutions for fleet management.

The GP led the Mobiliz buyout in November 2012 for a total consideration of €5.05m. Mediterra deployed capital from its Mediterra Capital Management I debut fund, which held a final close in January 2013 on €164m, backed by international institutional investors, including Alpinvest Partners, DEG, EBRD, FMO and IFC. The vehicle targets mid-market companies with enterprise values of €50-250m.

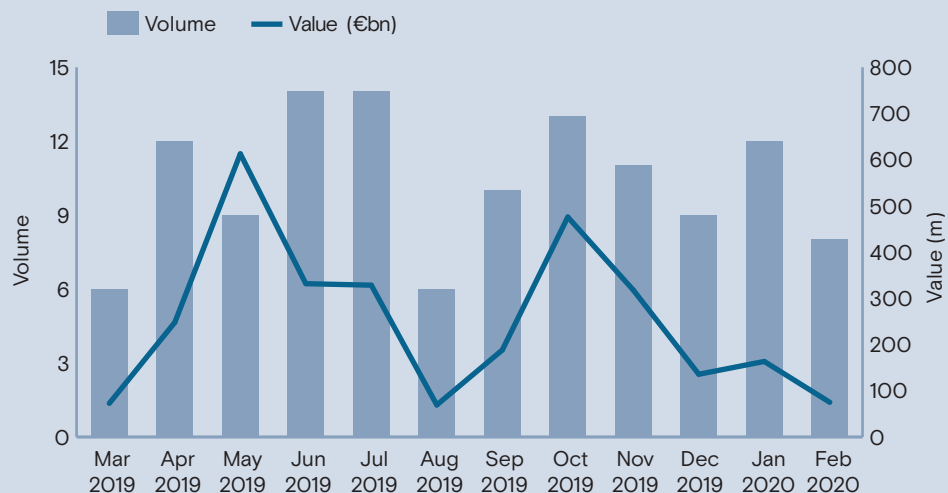
The acquirer offers GPS-based products and services for fleet

management, vehicle security, personal tracking, monitoring of ships and railway vehicles. GPS Bulgaria was founded in 1998 and is based in Sofia.

GPS Bulgaria made the acquisition both to strengthen its position in the telematics market and to benefit from Mobiliz's development team, which will serve as its regional hub for R&D activities.

Founded in 2004 and headquartered in Ankara, Mobiliz employs 68 staff and serves 15,000 customers. The company offers telematics solutions for vehicle tracking, mobile video recording and camera tracking. ■

### CEE private equity activity



Source: Unquote Data

# DACH



**Harriet Matthews**  
Reporter

## DACH mega-deals in the spotlight

In February, a consortium of Advent International, Cinven and the Abu Dhabi Investment Authority agreed to buy Thyssenkrupp Elevator in a deal valued at €17.2bn – the largest buyout ever recorded in Germany. With Switzerland-based Veeam also being sold to US investor Insight Venture Partners in January 2020 for \$5bn, the region is off to a good start when it comes to aggregate deal value.

Buyouts in the DACH region valued at more than €1bn have increased steadily in volume and value since 2017, according to *Unquote Data*. In spite of current Covid-19 uncertainty, the DACH market has historically been home to a raft of publicly listed, world-renowned corporates, and carve-outs have, in part, fuelled the high-value surge in the region, including Lone Star's €3.2bn buyout of BASF's construction chemicals division in December 2019. Jürgen Diegruber, a partner at Partners Group, says: "In the last 10–15 years, the bigger conglomerates followed a strategy of growth mainly via M&A, but now they are focusing more on their core business and thinking about carve-outs."

Figures from *Unquote* sister publication *Mergermarket* show that strategic investors

have traditionally dominated the €1bn+ deals in the DACH region compared with private equity sponsors. However, the share of deals backed by private equity buyers increased in 2018 and 2019.

Wolfgang Peitzsch, managing partner at Ardian, says that selling to a private equity backer can provide certainty to corporate vendors in a sale process. "Theoretically, the strategic investor should win. But often strategics cannot act as fast as private equity players when it comes to deal execution. Often sellers want to have a high level of deal security – so if the strategic buyer does not have a handle on its internal operations, or faces merger control topics, sometimes private equity can win, even though the strategic buyer theoretically can pay a higher price or has even offered a higher price."

### Strength in numbers

Diegruber expects instances of consortiums in large-cap deals to increase. "Sometimes it comes down to competition, so sponsors decide to join forces. Another argument is that you have some investors in the market that are not used to leading investments, such as larger pension funds, but do like to make direct investments with an investor who is used to leading a transaction."

The operational dynamics at play if private equity buyers team up with a strategic investor to buy an asset are rather different. Says Marcus Brennecke, a partner at EQT: "Sometimes a strategic buyer has one target that it wants to go after, but wants to be careful with money and capex, and does not want the full management attention. So it makes sense for them to allow

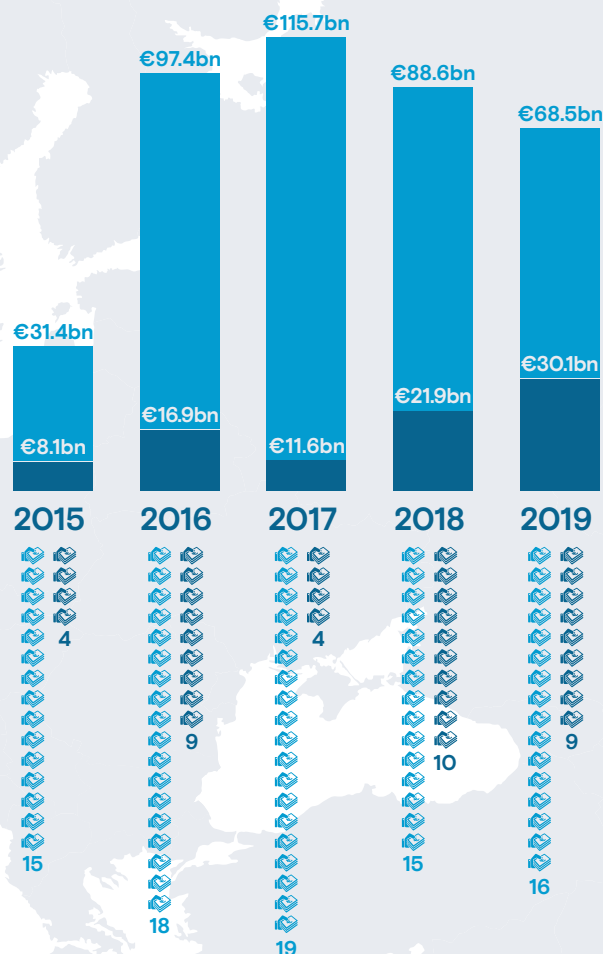
"Bigger conglomerates followed a strategy of growth mainly via M&A, but now they are focusing on their core business and thinking about carve-outs"

*Jürgen Diegruber, Partners Group*

## Mega-deals by PE versus strategic buyers

■ Strategic buyer  
■ Private Equity

■ Strategic buyer  
■ Private Equity



Source: Unquote Data

the private equity firm to run the business – they do not consolidate, but they can still put the asset together with their business and then have the option either to buy out the partner, or IPO the business.” Brennecke cites the example of Haarmann & Reimer, which EQT bought from Bayer in 2001 and merged with market peer Dragoco to create Symrise. Following Symrise’s listing, EQT’s merger partner became and remained the largest shareholder in the company post-IPO.

“Many shareholder activists are pushing for value in publicly listed companies; this only started a few years ago in the DACH region,” says Diegruber, citing another driver for carve-outs. He adds that the corporate governance of publicly listed companies is something that sponsors are able to overcome: “Private equity has a great advantage in that we can

choose our board and choose who will drive value creation with us beyond the public market. If you are a manager or a board member in a publicly listed company in Germany, it is often very restrictive.”

Although large-cap deals can be headline-grabbing, Alexander Friedrich, managing director at Ardian, says that value creation in any deal band demands similar strategies: “Value creation always goes along similar operational levers and is our roadmap to transform companies: management and corporate governance is the first aspect, followed by operational support in areas such as strategy, pricing, supply chain and working capital management and buy-and-build. Digital intelligence, and thus the use of data internally to make the business more efficient, has become a further important growth driver.” ■

# DACH deals

**€1bn**  
EBITDA

## Consortium buys Thyssenkrupp Elevator for €17.2bn

A consortium comprising Advent International, Cinven and RAG-Stiftung has acquired Thyssenkrupp Elevator for a purchase price of €17.2bn.

The transaction is expected to complete by the end of Q3 2020. Thyssenkrupp said in a statement that it will reinvest €1.25bn for a minority stake in the business. The rest of the proceeds will be used to reduce the company's debt and will be reinvested in the company.

Thyssenkrupp Elevator is an engineering division of Thyssenkrupp that manufactures lifts and provides related maintenance services, including freight lifts, escalators, moving walkways, passenger boarding bridges, and stair and platform lifts.

The company operates in 1,000 locations and has customers in 100 countries. The business generates revenues of €8bn and reportedly has EBITDA of €1bn.

The consortium plans to pursue a strategy combining organic growth with R&D investment and strategic add-on acquisitions, targeting high-growth markets, according to a statement.



The announcement came after *Reuters* reported that Thyssenkrupp had received bids from two consortiums for the business, with similar leverage of around 7x EBITDA, amounting to €7bn. The other consortium consisted of Carlyle, Blackstone and the Abu Dhabi Investment Authority.

### Next level

Cinven deployed equity from its seventh vehicle, which held a final close in May 2019 on €10bn. The vehicle deploys equity tickets from €200m and

will make 10-12 investments. The deal marks the second investment from the fund, following its investment in the £3bn buyout of life sciences supplier LGC in November 2019, along with the Abu Dhabi Investment Authority and Astorg.

Advent invested via Advent International GPE IX, which held a final close in June 2019 on \$17.5bn, surpassing its target of \$16bn. Thyssenkrupp Elevator will be the fourth investment from the vehicle, according to *Unquote Data*.

Thyssenkrupp began the

structured process to sell its lift business in August 2019. The company had previously planned to list the division, following the abandonment of Thyssenkrupp's joint venture with Tata, as reported by *Unquote* sister publication *Mergermarket*.

The asset generated interest from various strategic investors, including Finland-based engineering company Kone, which expressed interest in acquiring the asset early on but left the process in February.

The asset also drew interest from sponsors including KKR, EQT, 3G Capital and Hillhouse.

The deal will mark the third largest private-equity-backed buyout in Europe, according to *Unquote Data*, surpassed only by Refinitiv in January 2018 and the take-private of Boots in June 2007.

The deal is also the largest buyout recorded in Germany by more than €8bn, surpassing the CHF 10.2bn (€8.9bn) buyout of Nestlé Skin Health in May 2019 by a consortium led by EQT, the Abu Dhabi Investment Authority and the Public Sector Pension Investment Board. ■

### Advisers

**Equity** – Rothschild & Co (*corporate finance*); UBS (*corporate finance*); Bain & Company (*corporate finance*); Latham & Watkins (*legal*); Goetz Partners (*M&A*); EY (*financial due diligence*).

**Company** – Linklaters (*legal*).

**€15–30m**  
**Revenues**  
**generated**

## Nord Holding invests in IT service Ewerk

Nord Holding has bought a majority stake in IT service Ewerk. The company's managing directors and founders, Hendrik Schubert and Erik Wende, will remain in their management roles and have retained a minority stake.

The GP will assist the company with its growth strategy and will also make targeted add-on acquisitions. It already has a number of DACH-based businesses in mind, Christoph Grunewald, investment manager at Nord Holding, told *Unquote*.

Nord Holding generally invests in companies with revenues of €20–500m and EBITDA of

€5–15m, with an enterprise value of around €100m.

Ewerk provides IT services including software design and development, transition management, and data centre and infrastructure management.

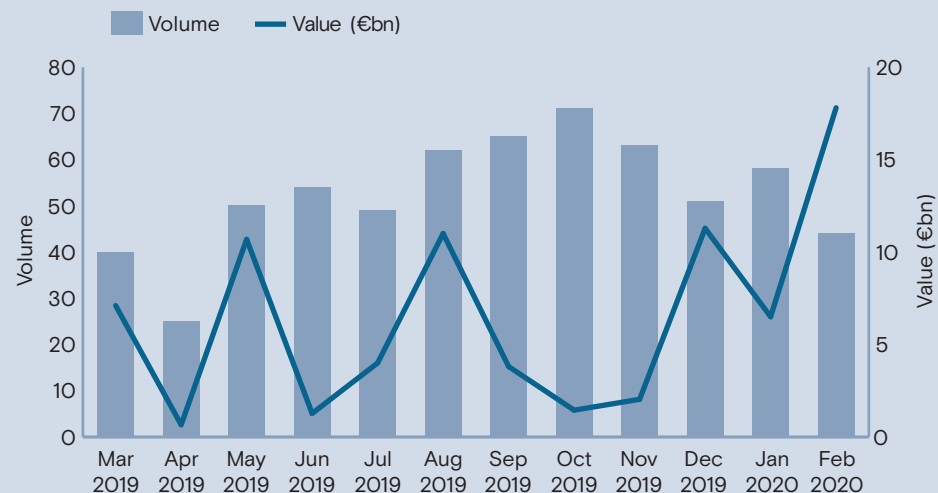
Headquartered in Leipzig, the company has 200 employees with offices in Berlin, Zurich, Wolfsburg and Bayreuth. It generates revenues of €15–30m. ■

### Advisers

**Equity** – Noerr (*legal*); WDP, (*commercial due diligence*); KPMG (*financial due diligence, tax*).

**Company** – Quarton International (*M&A*).

## DACH private equity activity



Source: *Unquote Data*



# France



**Harriet Matthews**  
Reporter

## French PE commits to gender diversity

**F**rench private equity association France Invest launched its gender-parity charter at IPEM in January this year, with the aim of bolstering the drive for equality in the industry and ensuring progress does not stagnate.

The charter is open to members of the trade body and, as of 9 March 2020, it had been signed by 261 organisations, with increasing numbers of market players committing to ensuring gender parity in their firm and, in the case of GPs, their portfolio companies.

The charter outlines 30 goals and commitments, some of which pertain to sponsors and their portfolio companies, while others are directed at LP signatories.

LP signatories, specified as insurers, pension funds, savings funds, family offices and institutional investors, have a number of specific commitments they must adhere to. First, they must monitor the gender composition of sponsors in whose funds they invest, including the seniority level of their positions. They must also track the number and proportion of women on the investment teams of these firms, presenting this data to France Invest, either as a specific report or as part of a yearly environmental, social and governance report.

The GP signatories must ensure that women

occupy 25% of positions responsible for investment committee decisions by 2030, and 30% by 2035. Signatories must also ensure that women make up 40% of their investment teams overall by 2030. GPs must also offer flexible working hours, address wage inequality, and combat gender stereotypes and everyday sexism by introducing unconscious-bias training for managers, as well as addressing firms' policies on sexual harassment.

On the VC side, sponsors must also make sure that 25% of the startups they finance are founded, co-founded or managed by women by 2025. This must rise to 30% by 2030 and 50% by 2050. This goal is in line with those of VC funding equality initiative Sista, which introduced its own manifesto in October 2019. Sista aims to reduce gender funding inequalities in the digital sector, committing its signatories to keeping track of the number of female-led companies in their portfolios, adopting more inclusive recruitment and investment practices, and promoting good practice within the industry via initiatives such as startup labs. France Invest has introduced its own gender-equality charter in partnership with Sista.

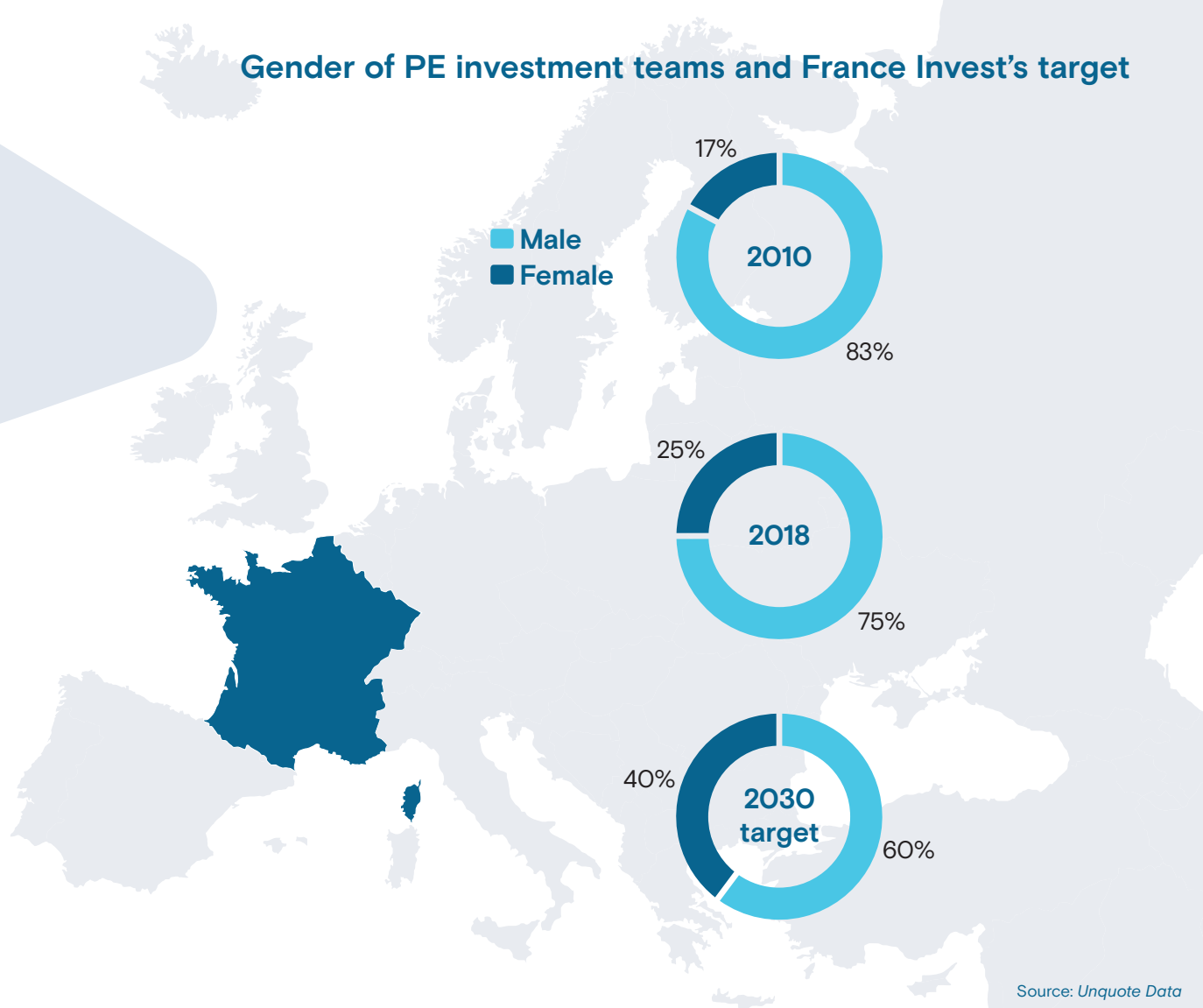
### Breaking the glass ceiling

As for portfolio companies, the charter commits sponsors to several measures, including ensuring that 30% of the management teams in businesses with more than 500 employees are made up of women by 2030.

The latest statistics from France Invest's gender diversity report, published in November

GP signatories must ensure that women occupy 25% of positions responsible for investment committee decisions by 2030, and 30% by 2035.

## Gender of PE investment teams and France Invest's target



2019, provide a starting point for GPs and LPs in achieving the charter's goals. The number of women in GP investment teams increased from 16% to 25% over the past 10 years.

A study by France Invest in partnership with the Boston Consulting Group published in March aimed to shed light on the representation of women in the management and governance of sponsor-backed companies, compared with non-private-equity-funded companies in the French economy. The study, based on 5,000 portfolio companies, revealed that women make up 7% of CEO or equivalent top positions in private-equity-backed companies, compared with 15% for other companies in France (according to National Institute of Statistics and Economic Studies).

The same report found that the presence of

women in top positions across all companies did not correspond to their increased presence throughout the companies surveyed. In companies with a male CEO, women made up 30% of senior positions; in companies with a female CEO, 31% of senior positions were held by women. Of the management positions that women do hold, the study found that women tend to occupy similar roles: 55% of women occupy the position of either marketing director or HR director.

Although the industry and its related portfolio companies have a significant way to go, a data-driven approach, combined with public commitments and accountability, means that French private equity is making positive efforts to address the issue of gender equality. ■

# France deals

**€2.5bn**  
Deal value

## Providence sells Galileo to CPP-led consortium

Providence Equity Partners has sold higher education group Galileo Global Education to a consortium comprising several institutional investors, including Canada Pension Plan Investment Board (CPPIB).

The deal is reportedly worth around €2.5bn, equal to approximately 18x Galileo's EBITDA. CPPIB invested through its wholly owned subsidiary CPP Investment Board Europe.

The consortium also comprises private equity specialist Montagu, alongside existing shareholders Téthys Invest (the investment holding of the Bettencourt-Meyers family) and French investment bank BPI France.

On completion of the transaction, CPPIB and Téthys will each hold approximately 40% in the company.

Established in 2011, Galileo manages 42 schools and universities in 13 countries. Its network includes Paris School of Business, Cours Florent, Penninghen, Strate and Atelier de Sèvres in France; Macromedia University in Germany; Istituto Marangoni in Italy; and Universidad IEU in Mexico.



The group generates EBITDA of around €135m, according to press reports.

Providence acquired a majority stake in Galileo in 2011. The company grew via an intensive buy-and-build strategy and completed several add-ons, including the purchase of French higher education business Studialis in a €250m deal inked in 2015, and the acquisition of the Italian and Cypriot divisions of Laureate Education for €225m in 2017.

CDC International Capital and Mubadala Development bought a minority stake in Galileo in May 2016. Subsequently, Téthys acquired a stake of around 20%

in the business, followed by BPI France, which invested in the company in June 2018.

Providence hired Goldman Sachs and Rothschild to find a new owner for the education group in early February 2020, according to several press reports. The auction reportedly received interest from private equity firms KKR, EQT, CVC Capital Partners and BC Partners, as well as from several European family offices, including Wendel Group and Groupe Bruxelles Lambert, and international institutional investors including Singapore's sovereign wealth fund GIC. ■

## Siparex buys stake in Nerco

Siparex has acquired a minority stake in Lyon-based construction firm Nerco, with managing director Philippe Nouvel retaining a majority stake.

A report from Capital Finance stated that the equity ticket deployed for the deal exceeds €5m. LCL and Crédit Agricole Centre-Est provided senior debt for the acquisition.

The company's managing directors, including Jean Gho and Christophe Picollet, will also take a stake in the business.

The GP will assist the company with its plans to expand internationally and to broaden its presence in France.

Siparex is currently deploying from a number of vehicles, including Siparex Midcap 3, which held a final close in November 2018 on €170m, surpassing its target of €150m. The vehicle targets minority or majority stakes in France-based businesses with revenues of €15-100m, deploying equity tickets of €3-12m.

Nerco provides engineering and architecture services including layout design, project management, environmental certifications and technical studies. The company reported revenues of €27m in 2019.

Headquartered in Lyon, the company also has offices in Paris and Marseille, and employs 100 staff. ■

## €547m

Current turnover

## Ardian and Tikehau to exit Dérivés Résiniques et Terpéniques to trade

Ardian, Tikehau Capital and the family shareholders of Dérivés Résiniques et Terpéniques (DRT) have entered exclusive talks to sell the company to Switzerland-based fragrance and flavour business Firmenich.

In December 2014, Tikehau invested in a growth funding round for DRT, taking a 5.1% stake in the company. The original investment was made via Tikehau's balance sheet. The investment was then transferred in a recent GP-led secondaries process, consisting of six assets, as reported by *Unquote*.

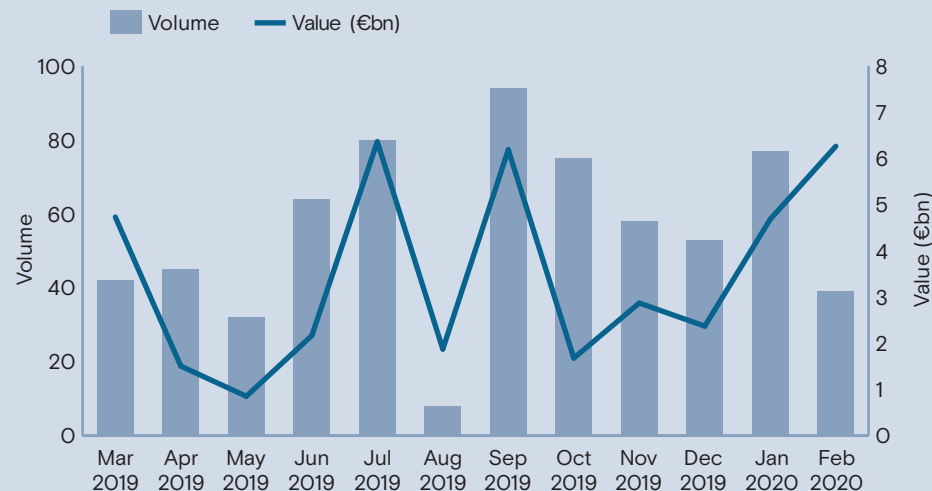
Ardian bought a majority stake in DRT in November 2017 in a deal valued at approximately €1bn. The

company's management retained a minority stake. Tikehau made a capital gain of around €153m from the sale of its entire stake in DRT, but reinvested some of the proceeds for a minority stake in the business.

DRT produces plant-based chemical ingredients from renewable sources. The ingredients are used for industry applications ranging from agriculture to energy, as well as in fragrances, health products and nutrition.

DRT has a headcount of 1,500 staff. It reported revenues of €350m in 2014 and reports a current turnover of €547m, according to its website. ■

## French private equity activity



Source: *Unquote Data*

# Nordic



**Katharine Hidalgo**  
Reporter

## Buyout market has silver linings, despite low volume

The Nordic region has seen the lowest quarterly deal volume since Q4 2013, with just 17 buyouts in Q1 2020. The weak quarter follows a year of slow activity, with a decline in the number of buyouts from a high of 142 in 2018 to 125 in 2019.

Other types of investments, including venture and growth equity deals, have held up better in the first quarter, with 32 deals overall, although this number is down from 50 in the preceding quarter and 47 in Q3 of 2019.

The coronavirus outbreak is likely to be a factor in the decline, and market participants agree that dealflow is likely to suffer further. In addition, fundraising is likely to be adversely affected in the long term. Frida Einarson, head of investor relations at Verdane, says: "We hear in the market that those funds that are already raising or were scheduled to launch now are pushing ahead, more or less according to their original timetables, whereas some who were about to launch later this year are delaying."

The European Central Bank has already launched an emergency €750bn package to buy government and company debt across

the eurozone. Funding packages to support the economy from the various governments in the Nordic region have also been announced. They principally come in the form of loans and guarantees for companies, and packages dedicated to assuming the cost of sick leave or salaries for individuals.

These financial measures illustrate a substantial commitment to shoring up the economy and minimising the damage caused by Covid-19 on Nordic economies.

### Head start

In addition, there are a number of reasons why Nordic-focused GPs can be slightly more positive about the outlook in the region in comparison with other European economies.

Einarson says: "Many of the trends we are seeing as relevant in this crisis, such as distance working, the shift from offline to online, teleconferencing and moving to software-based solutions, will be accelerated over the coming months. The Nordic region is already far along the road in terms of tech-enabled companies in comparison with the rest of Europe."

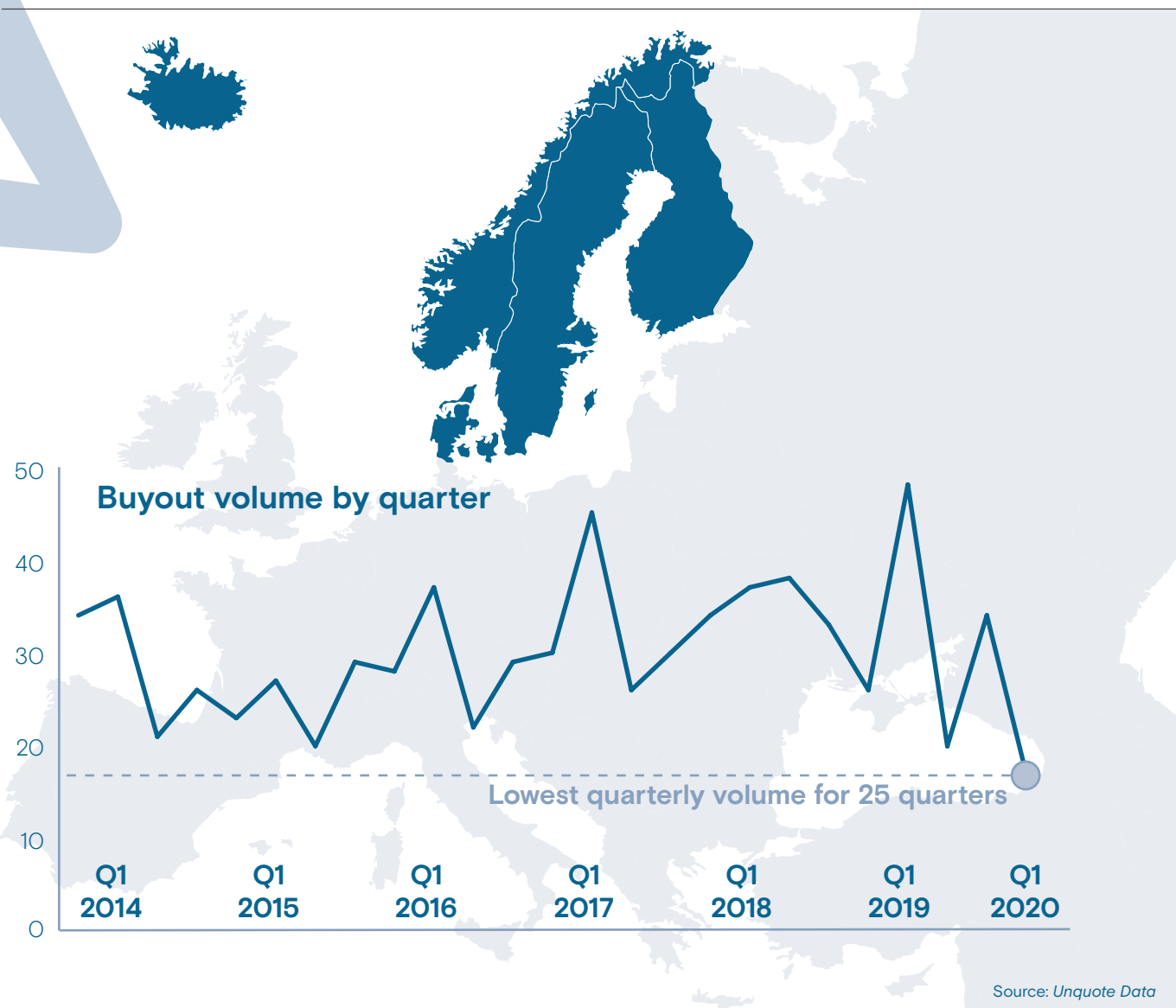
Thomas Klitbo of IK Investment Partners agrees: "There is very high education levels and very high digitisation levels, and the Nordic region was very early on cloud adoption."

While the volume of technology buyouts has experienced a plateau in recent years, with 30 deals in 2017, 28 deals in 2018 and 30 in 2019, technology firms still make up a large proportion of portfolio companies in the region. On average,

"Funds that are already raising or were scheduled to launch now are pushing ahead, more or less according to their original timetables"

*Frida Einarson, Verdane*





6% more technology buyouts have occurred annually than the European average during the past five years. This does not include those companies that are technology-enabled, such as online retailers, all of which are likely to perform better than the traditional retail sector in the current climate.

Verdane's Einarson says: "You have to be really specific to find growth in these times and we are already looking at those sub-pockets of growth, like the offline to online shift, the move to cloud-based software and, more generally, the push towards a more sustainable society. We do have businesses such as online grocery store Mathem and online pharmacy Komplet.no that have obviously seen a surge in demand."

Another area where the private equity industry

might benefit is an expected decline in vendors' price expectations. Frothy pricing has been a characteristic of the Nordic market for some time, with the average entry multiple reaching more than 11x EBITDA since Q3 2018 on Clearwater International's Multiples Heatmap – the highest multiples in Europe.

Einarson says: "In times of great uncertainty, we have experienced in the past that it is harder for buyers and sellers to find a clearing price."

However, market participants expect the flight to quality that has been present in the market for some time now to continue amid the current market conditions. The trend has previously seen high-quality assets sell quickly and for high valuations, while lower-quality assets may sell slowly or not at all. ■

# Nordic deals

**€120m**  
Reported  
revenues

## Intera sells majority of PHM stake to Norvestor

Norvestor has acquired a majority of Intera's shareholding in Finland-based property maintenance company Porvoon Huoltomiehet (PHM).

The investment comes a year and a half after Intera acquired a minority stake in the business through its Intera Fund III. The Finnish private equity firm will continue to be involved as a minority stakeholder, while management will be the largest shareholder.

Under Intera's ownership, PHM has expanded into the Swedish market through acquisitions, with revenues of the company increasing from €45m in 2018 to €120m in 2019, and Sweden contributing to 40% of the turnover.

Karl Svozilik, a partner at Norvestor, told *Unquote* that PHM and the services it provides had proven to be quite resilient, having grown even during the financial crisis years.

Norvestor aims to help PHM accelerate its growth in the Nordic facility maintenance market and to consolidate the currently fragmented sector through acquisitions.

According to *Unquote Data*,



Norvestor typically invests €10–45m in mid-market Nordic businesses. Its most recent fund, Norvestor VII, held a final close in February 2016 on its hard-cap of €510m.

Founded in 1991 and headquartered in Poorvo, Finland, PHM is a property maintenance company specialising in repair, renovation, cleaning, and transportation and waste management services to residential and commercial property owners. The company has recently focused on growing its presence

in Sweden and has an office in Stockholm. Its most recently reported revenues stood at €120m and it employs 1,200 staff. ■

### People

**Norvestor** – Karl Svozilik.

**Intera** – Tuomas Sarkola.

**Porvoon Huoltomiehet** – Ville Rantala.

### Advisers

**Equity** – PwC (*financial due diligence, tax*); Dittmar (*legal*).

**Vendor** – Krogerus (*legal*).

## CapMan exits INR to Dansani

CapMan has sold its majority stake in Sweden-based Iconic Nordic Rooms (INR), a designer and manufacturer of bathroom furniture, to Danish company Dansani.

The transaction is expected to close within two weeks, and will raise Dansani's annual revenues to more than DKK 500m (€67m) following the acquisition.

Dansani CEO Carsten Friis will take over as CEO of the merged company, while INR CEO Per Skårner will step down but stay on as a board member.

The merged company aims to expand beyond Scandinavia and into markets in central Europe.

In 2010, CapMan invested £25.5m in INR through its Buyout IX fund, and also merged INR with Aspen. In 2009, the two companies had a combined turnover of approximately €30m.

During CapMan's holding period, INR acquired Finnish shower equipment maker Sanka.

Founded in 1988 and based in Malmö, INR designs and manufactures showers and bathroom equipment. It was initially concentrated in Sweden, but now has operations in all four Nordic countries and employs 115 staff.

The company's net sales were SEK 402m in 2019. ■

**€14-24m**  
Deal value

## Litorina acquires Swedish restaurant chain Sushi Yama

Litorina has acquired a majority stake in sushi restaurant chain Sushi Yama in Sweden.

Litorina's investment was made through its Litorina V vehicle, which held a final close on its SEK 3bn target in August 2018. It is the private equity firm's sixth investment through the fund, leaving the vehicle 50% deployed.

The restaurant founders, Sargon and Ninos George, will continue to hold a minority stake in the company.

According to Swedish publication *Breakit*, the deal value could be SEK 150-250m, (€14-24m). The same report noted that in 2019, the

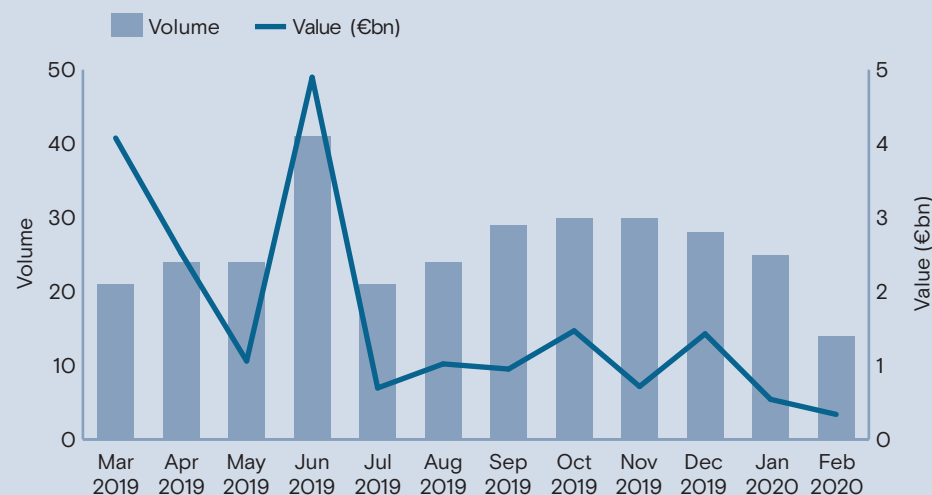
company reported an operating margin of 15%.

Sushi Yama is mainly present in Stockholm and eastern Sweden. With Litorina's investment, the company plans to expand throughout Sweden and in other Nordic countries, as well as internationally.

The private equity firm has identified potential for another 100-150 restaurants in Sweden alone and has started searching for new locations.

Headquartered in Stockholm, the first Sushi Yama restaurant opened there in 2008. There are now 47 restaurants. In 2019, the restaurant chain reported annual sales of SEK 240m. ■

### Nordic private equity activity



Source: Unquote Data

# Southern Europe



**Alessia Argentieri**  
Senior reporter

## Coronavirus leaves Italian PE industry in limbo

After initially reporting only a few cases of Covid-19, the north of Italy – which has the highest concentration of manufacturing activity and production facilities in the country – saw a spike in infections at the end of February. The situation rapidly escalated and the contagion reached 6,000 cases and claimed more than 300 lives in less than two weeks.

Following this surge, in March the Italian government placed the most affected areas of the country under quarantine, including Milan and the entire Lombardia region, as well as 14 provinces across northern Italy.

A few days later, a nationwide restriction on movement and travel was imposed until 3 April. The measure prescribes that, in addition to the closure of schools and universities, public gatherings are forbidden; cinemas, museums, theatres, gyms, bars, restaurants, clubs and most shops excluding grocery stores are closed; and all sports are suspended, including Serie A (Italy's top football league). In the meantime, numerous airlines, such as British Airways and Ryanair, have cancelled all their flights to and from the country.

The total number of infections in Italy – at the

time of writing – had risen to nearly 40,000 and the death toll had passed the 2,600 mark.

Affected by the uncertainty, the stock market plummeted, with the FTSE Mib index down 16.92%, while Italy's 10-year bond yield gap over Germany hovered above 220 basis points. Meanwhile, the government has pledged to spend €25bn to reduce the economic impact of the outbreak.

### At a standstill

Severe repercussions are already visible in the Italian private equity market, which has completely stalled from the end of February and has not seen any buyouts announced in the past 20 days.

Fineurop Soditic CEO Eugenio Morpurgo says: "Disruption will not affect deals between signing and closing, but will cause delays and possible price reductions for those deals where only a letter of intent has been signed. Furthermore, we expect new deals that were going to come to market and new auctions to be put on hold until the financial results for Q1 2020 are available. This is particularly important because this is not a liquidity and financing crisis, but is a type of disruption that directly affects revenues and EBITDA generation, with immediate repercussions on the real economy."

Several GPs contacted by *Unquote* said that some imminent deals – with private equity both on the buy- and sell-sides – have been put on hold for now. Travel restrictions, quarantines, shutdowns and office closures are making it difficult to run the necessary due diligence and impossible to hold in-person meetings – often crucial to seal a deal.

This raises the question of whether the pandemic

"We expect new deals that were going to come to market and new auctions to be put on hold until the financial results for Q1 2020 are available"

*Eugenio Morpurgo, Fineurop Soditic*

## Selection of Italian PE funds on the road

### Buyout funds



Green Arrow Private Equity Fund 4



Industry 4.0



Mandarin Capital III



Aksia Capital V



Consilium Private Equity Fund IV



Made in Italy Fund



IGI Investimenti Sei

### Venture funds



Indaco Ventures I



Programma 102

### Private debt funds



Equita Private Debt II

Source: Unquote Data

will deeply and irreversibly affect the local economy, arresting the forward momentum achieved by the Italian private equity industry in the past few years, and perhaps even triggering a recession.

“It is still difficult to assess the human and economic costs of the virus in Italy,” says Eugenio De Blasio, CEO at Green Arrow Capital. “What we can see is a slowdown in due diligence and deal-making, despite most GPs and companies having put in place contingency plans for international travel, online and conference call meetings, and remote working policies. We expect the situation to further deteriorate in the short term. However, the country’s economy is more resilient and mature than it was during the 2008 financial crisis, and will likely be able to quickly recover and overcome the effects of the contagion.”

In the meantime, special options and legal mechanisms, such as material adverse effect clauses, are expected to become more commonplace.

The economic impact of the contagion will also differ across sectors, with certain industries more resilient than others, while sectors that significantly rely on travelling or the global supply chain are at a higher risk of collapsing.

The outbreak is likely to have a major impact on fundraising activity as well, which might struggle to maintain the fast pace of 2019, when Italian buyout and generalist funds raised €6.8bn. According to market sources, LPs are likely to become more anxious and reluctant in allowing over-exposure to the country, and coronavirus fears are expected to slow down fundraising during at least the next six months. ■



# Southern Europe deals

**€103m**  
Revenues  
in 2019

## ProA Capital buys Solitium

Spanish private equity firm ProA Capital has acquired a majority stake in Zaragoza-based printer specialist Solitium.

The GP invested via ProA Capital Iberian Buyout Fund III, which held a €475m final close in February 2019, surpassing its €450m target. The fund backs companies with enterprise values of €20-250m that demonstrate a high potential for growth and internationalisation.

The vehicle deploys equity tickets in the €10-60m range and targets the consumer, pharmaceuticals, industrial, chemicals, services and tourism sectors. The vehicle is able to invest up to 25% of its capital in companies based outside Spain.

In addition to the equity drawn down from the fund, Banco Santander provided a debt package to support this acquisition and finance the company's growth.

Established in 2005 and headquartered in Zaragoza, Solitium sells copiers and printers to Spanish SMEs, and provides IT and maintenance services. It employs 600 staff across 33 offices and has 22,000 clients. The company



generated EBITDA of €11.5m from revenues of €103m in 2019.

This is the third deal made by ProA Capital Iberian Buyout Fund III, following the purchase of a majority stake in dental products manufacturer IPD, acquired in July 2019, and the acquisition of pasta producer Pastas Gallo, bought in October 2019.

In addition to its third fund, the firm is also managing the portfolio of ProA Capital Iberian Buyout Fund II, which closed on €350m in September 2015. The vehicle is currently invested across seven companies

operating in a variety of sectors, including fruit smoothies and purée maker Fruselva, bought in December 2016; grapes producer Moyca, acquired in February 2017; and Italy-based employment agency MAW, bought in July 2017. ■

### Advisers

**Equity** – EY (*financial due diligence*); Linklaters (*legal*).

**Company** – Guerreiro y Asociados (*financial due diligence*); Chequers Abogados (*legal*).

## Aurica backs STI Norland

Aurica Capital, the private equity arm of Banco Sabadell, has acquired a 41.5% stake in solar tracker manufacturer STI Norland.

The GP invested via its Aurica III fund, which held a €160m final close in December 2017. The vehicle is dedicated to growth capital investments in mid-market companies with expansion and consolidation potential, generating at least 70% of their revenues from outside Spain.

It typically acquires significant minority stakes by deploying equity tickets in the €10-30m range and up to €50m when in partnership with its co-investors. Target companies are Spanish businesses with revenues in the €30-200m bracket and EBITDA of at least €5m.

Established in 1996, STI Norland specialises in the design and manufacturing of solar trackers for photovoltaic panels.

Headquartered in Pamplona, the company has subsidiaries in the US, Israel, India, Brazil, Mexico, Chile and South Africa. It employs 250 staff and generates revenues of around €80m.

The GP intends to consolidate STI Norland's position in the Spanish market and support its growth both organically and via new acquisitions. ■

**300**  
Staff  
employed

## AS Equity Partners carves out QDQ Media from Solocal

AS Equity Partners has acquired QDQ Media, a Madrid-based advertising and marketing specialist, from French listed company Solocal.

QDQ Media specialises in providing digital advertising and marketing to Spanish companies with the aim of increasing their visibility online, and promoting their brands and products through digital channels.

The business controls three marketing agencies: QDQ Media, OptimizaClick and Trazada. It employs 300 staff, serves 20,000 clients and generated revenues of €22.9m in 2019.

The divestment will enable the Solocal group to focus on its

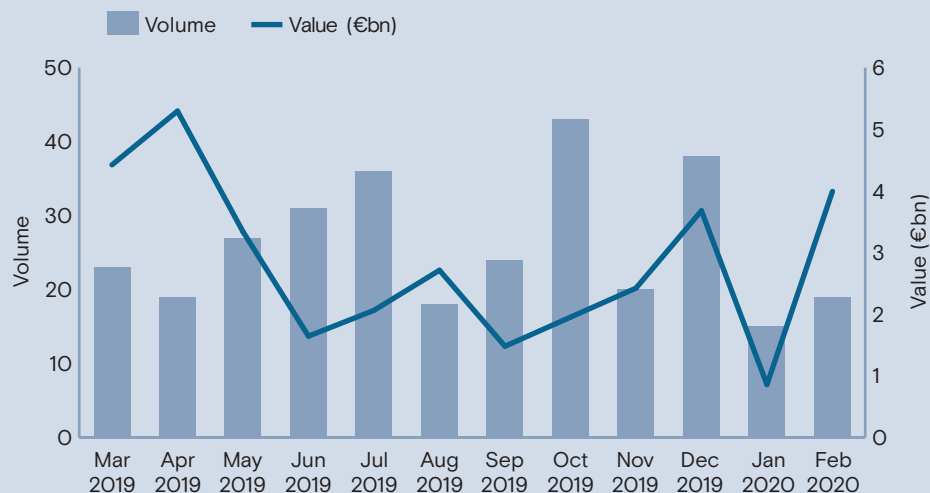
strategic activities, as well as on a new range of digital services for SMEs and large-caps in France.

Solocal is a digital marketing specialist with operations in France, Spain, Austria and the UK. It generated EBITDA of €191m from revenues of €584m in 2019.

AS Equity Partners will support QDQ Media to further consolidate its market position, develop new products and boost its expansion across Spain.

Headquartered in London and Zurich, AS Equity Partners targets European lower- and mid-market companies with revenues in the €10-100m range, operating in the digital and technology-enabled sectors. ■

### Southern Europe private equity activity



Source: Unquote Data

# People moves



**Andy Grove**  
LDC

## LDC announces four senior promotions

LDC has announced senior promotions across its UK offices.

Current head of new business **Andy Grove** has been promoted to a newly formed role of chief investment officer and will be responsible for the firm's overall investment activity, including supporting LDC's portfolio through the investment and follow-on funding. Since joining in 2008, Grove led investments in Forest Holidays and Joules, among others.

**John Garner**, currently head of Yorkshire, the north-east of England and Scotland, will replace Grove as head of new business. He will focus on LDC's new business efforts nationally. Garner joins LDC's executive committee and investment committee. In addition to his current role, since joining LDC in 2006, he has held senior positions in the Nottingham and Manchester offices. He has led more than 30 investments, including the minority investment and subsequent listing of video games developer Team17.

**Jonathan Bell** has been promoted from head of the north-west of England to head of the north of England. Bell

will remain on LDC's investment committee and will oversee LDC's offices in Manchester, Leeds, Newcastle and Aberdeen, as well as its presence in Glasgow and Edinburgh.

**Steve Aston** has also been promoted to senior director and joins the firm's executive committee alongside his existing roles on its investment and valuation committees. Aston has previously worked on investments including AIM Aviation and MB Aerospace.

## AKD appoints Leroy and Nesch as partners

Law firm AKD Benelux Lawyers has appointed **Virginie Leroy** and **Jevgeniy Nesch** as partners in Luxembourg.

Leroy has more than 20 years of experience in practising business law, including 13 years within the investment fund industry.

Prior to joining AKD, Leroy worked for law firms and fund management companies, specialising in assisting domestic and international clients in regulatory and corporate governance throughout the entire fund lifecycle.

Jevgeniy Nesch has extensive experience in advising fund

managers, with a focus on private equity, venture capital, real estate, infrastructure, renewables and debt fund strategies.

Nesch advises large US, UK and German sponsors on traditional and alternative fund structures, and assists institutional and professional investors in fund due diligence. Prior to joining AKD, Nesch worked for international and local firms in Luxembourg, Germany and Russia.

The appointments of Leroy and Nesch bring the total number of partners at AKD's Luxembourg office to seven.

## Investec makes two appointments

Investec has appointed **Tobias Sommer** to its financial sponsors transaction group and **Jan Straube** to its growth and leveraged finance team.

Investec is continuing to grow its financial sponsors group, according to a statement.

Prior to joining Investec, Sommer worked at Macquarie in the firm's financial sponsor coverage and principal transaction group.

Straube previously worked in the leveraged finance team at Lloyds. He also has experience at WestLB.



**Virginie Leroy**  
AKD Benelux Lawyers

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## A round-up of recent people moves throughout the private equity industry, including GPs, LPs, corporate finance houses, law firms, placement agents, banks, alternative lenders and due diligence providers

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### González joins Alvarez & Marsal as MD

Alvarez & Marsal (A&M) has appointed **Alejandro González** as managing director.

In his role, González will be based in Madrid and lead the firm's private equity performance improvement (PEPI) team in Spain.

Prior to joining A&M, he worked as a partner for 13 years at Arthur D Little, specialising in private equity transactions, and deals in the financial and business services sectors.

Headquartered in New York, A&M is a global advisory and consulting firm that specialises in business performance improvement and turnaround management services. Its PEPI team is composed of 170 professionals across Europe.

### Livingbridge appoints four in investment team

Livingbridge has announced four new appointments to its investment team in London, Manchester and Boston.

**Isabelle Hemington** will join as an associate director in the firm's London office. She joins the firm from 3i, where she focused on investing in the travel, leisure and consumer sectors. Prior to that, she worked

in JP Morgan's UK M&A team.

**Tom Reece** will also join as an associate director in the Manchester office. Reece joins from Livingstone Partners, where he spent four years in the M&A advisory team, having previously worked at KPMG.

**Guy Simon** joins the firm's London office as an investment manager. His previous experience includes roles at ECI Partners and Strategic Analytics.

**Taha Bakhtiyar** has also joined the Boston office as an associate director.

These announcements follow the recent appointment of two partners and seven investment professionals at Livingbridge across its London, Manchester and Melbourne-based offices. The firm is currently investing from its Livingbridge 6 flagship fund, as well as its Livingbridge Enterprise 3 vehicle.

### McDermott Will & Emery hires Gallagher

McDermott Will & Emery has announced the appointment of **Fergus Gallagher** to its corporate team in London.

Prior to joining McDermott, Gallagher spent 14 years with Hogan Lovells, where he also spent time on secondment with

Morgan Stanley and Jefferies. He has experience in acting for private companies, as well as public M&A, and primary and secondary capital markets transactions. He also handles cross-border deals and has experience in emerging markets.

The firm now has 17 partners in its London-based corporate and transactional department, according to its website.

### Nielsen joins Industriens Pension

Industriens Pension has appointed **Peter Juhl Nielsen** as a director in its unlisted investments team.

His responsibilities include working on investments in private equity, infrastructure and real estate funds.

Nielsen replaces **Christian Raaby Brønden**, who has departed from the pension fund in order to join a subsidiary of Saudi Aramco.

Nielsen joins from Realdania, where he served as head of alternatives and private equity. He has previously worked for Odin Equity Partners, BankInvest and Tryg Forsikring.

In his new role, Nielsen will report to **Jan Ostergaard**, head of private investments. ►



**Alejandro González**  
Alvarez & Marsal



**Isabelle Hemington**  
Livingbridge

# People moves cont.



**Claire Blackhall**  
*Dunedin*

## Dunedin appoints Blackhall and Morrison

UK mid-market private equity house Dunedin has hired **Claire Blackhall** and **James Morrison** for its research and direct origination team.

The team provides the wider investment team with pre-qualified target companies to approach, as well as the coordination of sector and corporate knowledge.

Blackhall joined Dunedin in September 2019 as an associate. Prior to that, she was a manager in the KPMG private equity group in London, working on M&A transactions.

Junior analyst James Morrison joined in November 2019. Previously, he worked for business-change consultancy Voyager Solutions, where he was involved in data analysis.

Dunedin targets UK buyouts with a deal size of £20-100m in the business services, financial services and industrial sectors.

## Moravia Capital hires Lambert as partner

Moravia Capital has hired **Harry Lambert** as a partner.

Lambert will generally focus on vehicles of €100m-1.5bn for GPs with fund strategies

including buyout, venture capital, real estate, infrastructure and private debt. He will be affiliated with the firm's Swiss office, but will also expand the firm's LP coverage in the UK and elsewhere in Europe, expanding to the US over time.

Prior to joining the firm, Lambert was head of capital raising and fund investment at DeBere Capital Partners, where he worked for more than three years. He also has experience as director of business development and investor relations at RD Capital Partners. Lambert previously held roles at Collier Capital, Hermes GPE and PwC.

## Salmon joins IK as small-cap partner

**Tom Salmon** has joined IK Investment Partners as a partner in the firm's small-cap team.

Salmon will be based in IK's London office, primarily focusing on the origination of investment opportunities in the UK with an enterprise value of up to £100m.

Salmon previously served as a partner at Duke Street Private Equity. Prior to that, he was a partner at 3i, where he co-managed the UK team and spent 13 years covering

origination, execution and portfolio management. He has been involved in transactions including Great Rail Journeys, Audley Travel, JMJ and NCP.

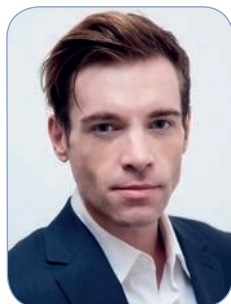
IK Small Cap II closed on its hard-cap of €550m in February 2018. The fund makes majority buyouts in companies with an enterprise value of up to €100m across France and the DACH, Nordic and Benelux regions. It will also make selected minority buyouts. IK Small Cap I held a final close on €277m in March 2016.

IK's recent transactions include Paris-based private higher education group Groupe EDH and Netherlands-based social services provider Acture Groep.

## Chavanne to lead Advent European team

Advent International has appointed **Nicolas Chavanne** to lead the firm's retail, consumer and leisure sector team in Europe.

Chavanne joins from TowerBrook, where he most recently served as a managing director. He has 14 years' investment experience across Europe. Prior to TowerBrook, he worked at investment bank Greenhill, having started his career at Donaldson Lufkin & Jenrette. ■



**Harry Lambert**  
*Moravia Capital*



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