Online edition
22 February 2021

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15 March, 2021 – Issue 858 penews.com BARRON'S GROUP

PRIVATE EQUITY NEWS

Michael Moore

The BVCA boss and former MP on why private equity must create public value

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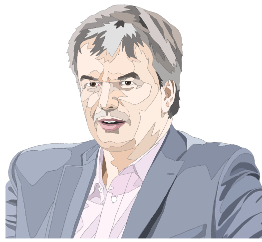

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Charterhouse to sell drugmaker Cooper to CVC in €2.2bn deal

Elisângela Mendonça

London-based private equity firm Charterhouse Capital Partners said it has entered into exclusive talks with CVC Capital Partners to sell a majority stake in French drugmaker Cooperation Pharmaceutique Française, known as Cooper.

The deal, which could value the business at about €2.2bn, would deliver a three times return to Charterhouse, according to people familiar with the matter.

As part of the transaction, Luxembourg-headquartered CVC will partner with Yvan Vindevogel, the founder of consumer health company Vemedia, as well as the specialised healthcare investment firm Avista Capital Partners and Cooper's management team, according to a statement. Charterhouse will make a "significant reinvestment" in Cooper and continue to support the growth and international expansion of the business alongside CVC, it said.

Headquartered in Paris, Cooper manufactures and distributes a diversified portfolio of branded and basic products on an international basis, to 30 export markets. Its products offering includes over-the-counter medicines, dietary supplements and medical devices. Under Charterhouse's ownership since 2016, the company has more than doubled in size and posted revenues close to €500m, according to the firm.

The deal is still subject to workers' council information and consultation and to the approval of relevant regulatory authorities.

One of the longest-established private equity firms operating in Europe, Charterhouse has completed more than 150 acquisitions over 35 years of activity. Its main targets are transactions with an enterprise value of between €75m and €1.5bn in services, healthcare, specialised industrials and consumer sectors. Since 1994, its more than 50 investments have generated €19.7bn of proceeds at a return of 2x multiple of capital contributed and a gross internal rate of return of 39%.

Throughout 2020, the pharmaceutical sector has been resilient to Covid-19 financial impacts and many PE firms have also taken advantage of investor appetite to offload businesses to peer buyout groups.

CVC itself agreed to sell a majority stake in French clinic chain Elsan to KKR and Ardian for about $4bn. Ardian also exited a pharma business, Envision Pharma Group, in November, to GHO Capital, for example.

Gender balance progress stalls in Europe

Elisângela Mendonça

Improvements to the gender balance in private equity have almost stalled, a new report has found.

At the end of 2020, 20.6% of people employed by buyout groups in Europe were women, just slightly up from 20.4% at the end of 2019, according to Preqin's *2021 Women in Alternatives* report, released last week, which is a follow-up to last year's study.

Preqin's research used data from all the alternative investments industry, including private equity, venture capital, hedge funds, private debt, real estate and others. But even when looking into alternatives more broadly, progress is still slow. In 2020, 20.3% of people working in the whole alternative assets sector were women – up from 19.7% in 2019.

"Achieving gender equality in alternative assets is slow, but progress is being made in most parts of the industry," said Shifra Ansonoff, global head of research and data operations at Preqin.

Ivelisse Rodriguez Simon, managing partner at Los Angeles-based Avante Capital Partners, noted the industry is "finally discussing diversity as a business imperative", but stressed more needs to be done in a Preqin webinar to present the report on 11 March. "There is positive momentum, but we have to keep on pushing this topic…. to continue to drive the change we want to see," she added.

20.6%
Proportion of people employed by buyout firms in Europe in 2020 that were women

Women in leadership positions, such as Simon continue to be a rarity in private equity. They account for only 11.8% of senior private equity roles globally, against 11.5%, according to Preqin's previous annual report. A more visible improvement was seen at junior and mid-levels, where women now occupy 32.2% and 24.7%, respectively, versus 30.6% and 26% a year ago.

"Female representation among senior roles remains low. However, women's presence in the alternative assets industry is slowly growing, registering gains that will hopefully hold over the longer term," Preqin's Ansonoff added.

She believes "women will be attracted to work on firms that take diversity seriously", which may contribute to pushing the agenda forward.

Momentum for improving women's representation in private equity may have stalled because of the pandemic. A report this week by professional services firm PwC said that due to the "disproportionate effects" of coronavirus pandemic on women, progress on gender equality in the workplace in developed countries is set to be back to 2017 levels.

Some firms, however, are making improvements to diversity. Last week, Equality Group launched its first Inclusive Top 20 PE & VC Index, shared exclusively with *PEN* (*See issue 857, pages 6-7*). The London-based consulting firm analysed 400 global PE and VC groups to rank them according to their recent efforts on improving diversity.

"How to build diversity in venture capital", page 14.

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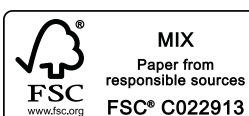
ISSN 1741-9085

Printed by: Pureprint Group
Distributed by: Citipost
Published by: eFinancialNews Ltd©2021



Deals of the week

Nordic Capital invests in waste recycling and AI companies

Sweden's Nordic Capital has agreed to acquire recycling and waste handling company Sortera. The Stockholm-based company engages in collection, recycling, processing and broking of unused materials from the building and construction sector and operates in Sweden and Finland. The company has around 420 employees and generated about 1.4bn Swedish kronor (about €138m) last year. The Swedish private equity firm is also backing artificial intelligence company Boost.ai. The Norway-based company's products are designed to let users develop computer programmes using natural language instructions. Nordic Capital is investing alongside existing backers.

Preservation Capital acquires Parmenion in £102m deal

Standard Life Aberdeen has sold its financial advisory business Parmenion to London-based private equity firm Preservation Capital Partners in a deal worth £102m. Parmenion, which Standard Life Aberdeen put up for sale in November, manages more than £8bn in assets on behalf of about 2,500 advisers, with more than 68,000 clients. Parmenion was acquired by Aberdeen Asset Management for £50m under the leadership of former chief executive Martin Gilbert just before Aberdeen completed its landmark merger with Standard Life Investments in 2017.

Ardian makes first investment in Germany via growth fund

Ardian is investing in online fashion retailer Kapten & Son, making its first investment in Germany through its growth arm. Acquiring a minority stake and investing alongside the company's founders, Ardian said it will help the business expand into other parts of Europe. Cologne-based Kapten, which also operates six retail stores, generates more than €50m in revenue.

EQT and Blackstone put $450m into Epidemic Sound

Private equity firms EQT and Blackstone Group have together invested $450m in Swedish music platform Epidemic Sound in a deal valuing the company at $1.4bn. EQT Mid Market Europe acquired 40% in Epidemic Sound in 2017 and through this deal is partially exiting its stake but will remain Epidemic Sound's largest shareholder. Epidemic Sound provides a subscription service that gives customers royalty-free access to a library of music for use on social media, in online videos, TV and films.

GETTY IMAGES

Six Nations Rugby and CVC seal £365m deal

Six Nations Rugby, which runs the annual European Six Nations Rugby Championships and Autumn Internationals, has entered into a long-term strategic partnership with the Luxembourg-headquartered private equity giant CVC. CVC's seventh fund will invest up to £365m in Six Nations Rugby in return for a one seventh share in the organising body. The rugby unions of the competing countries – England, France, Ireland, Italy, Scotland and Wales – will together retain the remaining six-sevenths share. Under the agreement the six national rugby unions will retain sole responsibility for all sporting matters as well as majority control of commercial decisions, the statement said.

KPS carves out aluminium unit of Norway's Norsk Hydro

KPS Capital Partners is acquiring the global aluminium rolling business of Norwegian energy company Norsk Hydro for €1.38bn. The transaction includes seven plants, one research and development centre, global sales offices, and around 5,000 employees of which 650 employees are in Norway and the remaining mainly in Germany. In 2020, Hydro Rolling contributed 24 billion kroner (€2.37bn) in revenue, 17% of Hydro's total. KPS has a history of acquiring business units of larger companies and growing those units before selling them. Last year, for example, the firm acquired Humvee maker AM General from MacAndrews & Forbes.

Thoma Bravo to acquire French data company Talend

Talend has entered into a memorandum of understanding to sell itself to private equity firm Thoma Bravo for about $2.4bn. As a private company, Talend said it would continue investing in its cloud transition. Talend reported a fourth-quarter net loss of about $19.6m on revenue of $78.9m, compared with a nearly $11.7m loss on $67.5m in revenue in the year-earlier period.

CIP offloads stake in Spanish wind farm portfolio Monegros

Copenhagen Infrastructure Partners has agreed to sell a 49% stake in Monegros, a wind energy portfolio in Spain, to Arjun Infrastructure Partners. The assets include 12 generating sites in Aragon with capacity to produce as much as 487 megawatts of power. The seller invested in the project through its €3.5bn Copenhagen Infrastructure III fund.

EU sets out guidance on sustainability funds

Anna Hirtenstein

The European Union has brought in rules that seek to regulate the fast-growing sustainable finance industry for the first time.

Managers of funds that invest in line with environmental, social or governance considerations, known as ESG, will have to put forward a tangible, measurable plan for how they will do so. This applies to all asset managers that raise money in the EU, whether they are based within its borders or not, from 10 March.

"Today there's quite a bit of variability, too much variability" in how ESG investments are defined, said Jeff McDermott, managing partner of Nomura Greentech, a sustainable infrastructure-focused investment bank that is part of Japanese financial services conglomerate Nomura Group. "Investors think they're investing behind a manager doing ESG, but when you peel back the onion, it's a different story."

The rules, known as the Sustainable Finance Disclosure Regulation, or SFDR, address a long-running concern for the industry: ESG's lack of supervision. There is no hard definition of what constitutes a sustainable investment and no watchdog to enforce it. Fund managers and ESG ratings firms have been free to set their own definitions, which has sparked concerns that claims may be exaggerated, a practice known as greenwashing.

This "is a first step in really trying to get to a place where companies are reporting data on a consistent basis," McDermott said. "This is going to, I think, make it much more difficult to greenwash."

GETTY IMAGES

The rules will give investors clarity on ESG funds

Sustainable investing has attracted huge volumes of capital as the financial services industry has come under greater scrutiny for its role in pollution and climate change. Investors directed $152bn into investments marketed as ESG in the fourth quarter of 2020, an 88% rise from the previous one, according to data from Morningstar.

ESG is cropping up in corners of finance that aren't sustainability-focused at first glance. When Saudi Arabia held an investor call ahead of a euro-denominated government-bond sale last month, it touched on topics such as the rising number of women in its workforce and its cleaner gas-fired power stations, a banker involved in the deal said. The kingdom was able to raise money at a negative interest rate for the first time, although it didn't label the bonds as green. Some money managers have included Saudi debt in ESG funds.

The rules dictate that all financial firms that have investors in the EU, including US money managers, will have to put forward a new kind of disclosure to investors: how environmental, social or governance issues such as climate change or poor corporate ethics could affect the value of their investments. They will also have to put out a statement about the impact of their portfolios on the wider world such as the carbon emissions of companies they contain.

Private market funds are also included, marking a shift in the regulation of an opaque corner of finance that sells directly to investors without exchanges or public disclosure.

"When deciding what assets to buy or build, we will want to make sure that they work with these standards," said Anthony Gordon, a partner at Avaio Capital, a New York-based private equity fund. "If not, it could create a liability."

This is the latest in a series of EU legislation with a wide-ranging impact, a list that includes the GDPR data-privacy law and the Mifid rules that govern securities markets.

In this case, the rules won't be directly enforced by EU authorities in Brussels. Instead, it will be up to the regulatory authorities in each member state.

From The Wall Street Journal

Company news

Apax Partners starts pitching for mid-market digital fund

Buyout firm Apax Partners is pitching its second digital fund focused on mid-market technology companies just weeks after collecting $11bn for its latest main investment pool. London-based Apax is seeking $1.5bn for Apax Digital II and expects to hold a first close for it in May or June, according to documents presented to the Pennsylvania Public School Employees' Retirement System. Apax raised $1bn for its debut Apax Digital fund in 2017.

$1.5bn
Amount Apax is seeking for its second digital fund

PAI Partners pockets €920m for debut mid-market vehicle

France-headquartered private equity firm PAI Partners has collected €920m for its inaugural mid-market fund. The vehicle, PAI MMF, was raised entirely virtually and surpassed its original €800m hard cap, the firm said. Its main targets will be companies sized between €100m and €300m in sectors such as business services, food and consumer, industrials, and healthcare.

Temasek forges $500m tie-up with impact investor LeapFrog

Singapore state investment firm Temasek announced its largest-ever commitment to an impact investor, forging a half-a-billion dollar partnership with impact private equity firm LeapFrog Investments. Temasek, which manages a portfolio of about $232bn, will make a $500m multi-fund investment in LeapFrog, which invests in businesses in Africa and Asia that have a positive impact.

BlackRock to raise $4.5bn for renewable power fund

BlackRock's global renewable power group expects to collect between $4bn and $4.5bn for its third flagship fund which it aims to close by the end of March. The fund, BlackRock Global Renewable Power Fund III, has raised $3.7bn so far for the fund from 85 investors, according to documents presented to the Connecticut Retirement Plans and Trust Funds. At $4.5bn, the new fund would be more than 2½ times as large as its predecessor.

African fintech Flutterware gathers $170m

Flutterwave has joined the ranks of African financial technology companies attracting private-equity investments. The payments technology provider has received $170m through a Series C financing round led by Avenir Growth Capital and Tiger Global Management. Although deal volume in Africa has slowed during the coronavirus pandemic, technology startups have remained a bright spot.
See pages 8-9 for more on Africa.

Goldman to invest $10bn in Black women initiatives

Goldman Sachs plans to invest $10bn over the next decade in businesses and organisations that benefit Black women. The plan includes investing in housing, healthcare and other programmes with the ultimate goal of narrowing the wealth gap between Black women and others. The bank also will commit $100m to philanthropy.

Contributors
Elisângela Mendonça, Mark Latham, David Ricketts, Dave Sebastian, Dominic Chopping, James Booth, Fabiana Negrin Ochoa, Preeti Singh

The former MP wanting to put the industry at the heart of the UK recovery

An MP for 18 years before becoming the head of BVCA, Michael Moore tells *Mark Latham* about his journey into and out of politics, his return to the financial sector and how the private equity industry can help the UK economy emerge from the Covid freez

For an industry where the motivation of many is often perceived to be personal wealth, it is refreshing to hear the head of the BVCA, the UK trade association for the PE and VC industry, talk about the public and social functions of the sector and how it can help the country's post-pandemic economic recovery.

Michael Moore, a former Scottish MP and government minister, admits that his appointment as director general of the British Private Equity and Venture Capital Association in 2019 had more to do with his political and public policy experience than his experience of finance.

With unemployment rising, the 55-year-old father of two says that private equity and venture capital are well placed to address the country's priorities over the coming months and years, as the country's economy emerges from the Covid-19 pandemic.

These priorities include, he says, the government's much-hyped "levelling-up" agenda to tackle regional disparities as well as measures to strengthen the competitiveness of the UK's post-Brexit economy.

Dynamic businesses

"What attracted me to the role at the BVCA is that, whether you look at early-stage venture or large-scale buyouts from the global firms, or any point along that spectrum, you've got some of the most dynamic businesses in the UK economy investing to make them grow," he tells *Private Equity News* on a Zoom call from his home in southern Scotland.

The BVCA currently has over 750 member firms and lobbies on behalf of the PE and VC industry.

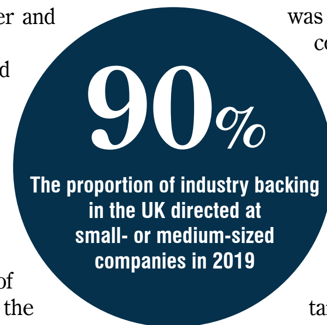
"When I was offered the job I thought this is a really interesting part of the economy to be focused on."

"There is a need for us to demonstrate the public value that we're creating. The industry can support government in some pretty important areas and create public value – and we are best able to do that if there's a good competitive climate in which we can make that investment."

Moore points to the fact that 4,290 firms employing almost one million people are currently backed by PE and VC across the UK and that £43bn has been invested in 3,230 firms over the past five years. He also cites the fact that 90% of industry backing was directed at small and medium sized businesses in 2019.

On the impact of Brexit on the UK's financial services industry, Moore says that, following the UK's departure from the EU, he is he is open to engaging in a debate on "how we can make things smoother and easier".

"If we've got a free hand on some aspects of regulation, let's do what we can to make that better," he says. "But our message consistently is that the industry wants to retain world class standards."



The fact that nearly 90% of the capital raised by firms in the UK is sourced internationally and not just from the UK means that foreign investors don't want a regulatory regime that they feel is watered down or not equivalent to international regulatory standards, he says.

"My sense at this stage is that the message has been logged with government. There's a lot of consultation going on now so it maybe another few months before we know what the shape of that future regulation really looks like."

"Let's go for generic compliance: calibrated divergence down to a level that doesn't go below world class standards, and not burden ourselves where we don't need to."

On the issue of the recent boom in the US of private equity-backed special purpose acquisition companies (Spacs), Moore believes it would be surprising if Europe "missed out on the phenomenon".

"Historically, an IPO was the most obvious way for businesses to provide an exit to investors but the market is more mature and sophisticated these days," he says. "My guess is that people will look carefully at all the different options and Spacs are one of them."

Moore has spent the pandemic lockdowns holed up in the tiny village of Darnick, close to Melrose in the Scottish Borders in the area that he represented as an MP in Westmins for 18 years.

After training as an accountant in Edinbu and at the age of just 29 he was first elec as Liberal Democrat MP for the former c stituency of Tweeddale, Ettrick and Lauderd in 1997, succeeding David Steel, and was turned again at the 2001 general election.

Following a boundary change, was returned as MP for the n constituency of Berwicksh Roxburgh and Selkirk in general elections of 2005 a 2010 before losing his sea 2015 to the resurgent Sc tish National Party.

The highlight of his We minster career, he says, w during the coalition gove ment when he became Sec tary of State for Scotland in run-up to the 2014 referendum Scottish independence, during which ti he negotiated with Nicola Sturgeon on rangements for the plebiscite.

Defining moment of life

As a cabinet minister he also piloted the Sc land Act 2012 which saw tax-varying pow transferred from Westminster to Holyrood.

"Being in the frontline of the emerging bate over the future of Scotland was amaz and was a defining moment in my life," he sa

Moore is also proud of a private memb bill he sponsored which put the UN's tar of developed countries donating 0.7% of gr national income as overseas development on the statute book: a coalition pledge that current government said recently it will redu to 0.5%.

By the time of the 2015 general elect and with dire poll predictions, Moore said was resigned to losing his seat in a vote t saw the SNP win all but three of the 59 Sc tish constituencies. "At least it felt it wasn't personal," he recalls.

Asked about the financial track record the 2010-2015 coalition government, Mo points to the creation in 2012 of the Green

“The industry can su
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best able to do that if
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investment”
Michael Moore, BVC

vestment Bank, set up to address market failure in providing funding for renewable energy projects and which helped to provide essential finance for a number of offshore wind projects before being spun off to the private sector in 2017.

“I think it was a major achievement and moved green finance towards the mainstream which I felt was an important part of what the coalition was about, as well as spreading economic development around the whole of the UK,” he says.

Moore adds that the global move towards net zero CO_2 emissions means that there will be a continuing role for government to finance large infrastructure projects, whether through green bonds – as recently announced by the Chancellor – or other vehicles.

Asked whether he would consider a return to politics, Moore is adamant that his days as an elected politician came to an end in 2015. While he misses friends in politics he says he won’t miss the massive pressure on politicians to campaign on an almost daily basis via social media – something that politicians did not have to think about when he was elected in the nineties.

“By the time I left, I had bagged pretty well everything that I thought I was going to get to do in politics, so I was in a contented place as far as politics was concerned,” he says. “On the

Michael Moore’s CV

Born: June 1965

Education
1977-1982: Strathallan School, an independent school in Perthshire
1982-1983: Jedburgh Grammar School
1983-1987: MA (Hons) in Politics and Modern History, University of Edinburgh

Career
1987-1988: House of Commons researcher for Archy Kirkwood, the then Liberal
constituency of Roxburgh and Berwickshire.
1988-1997: Chartered accountant, Coopers & Lybrand.
1997-2015: Member of UK Parliament for Berwickshire, Roxburgh and Selkirk. Du
a Liberal Democrat MP, Moore served as Secretary of State for Scotland 2010-13,
business adviser to the deputy prime minister Nick Clegg from 2013-15, and was
of the Smith Commission on the future of Scottish devolution in 2014.
2016-2019: Adviser to PwC on Brexit, UK devolution and Scottish independence.
time, visiting professor at the International Public Policy Institute, University of Str
August 2019-Present: Director General of the British Private Equity & Venture Ca

Other current roles: Chair of the Borders Book Festival, advisory board member
Business School at Heriot Watt University.

Hobbies: Watching rugby, hill-walking, cinema. Favourite films: *A bridge too far*,

Emerging markets outlook for

African private investment experts discuss the region's road to recovery from the coronavirus pandemic. By *Preeti Singh* and *Isaac Taylor*

The coronavirus pandemic dampened private equity fundraising and dealmaking around the globe in 2020. But in some emerging private equity markets, general partners say they continue to see plenty of opportunity despite the challenges created by the pandemic. (*Responses have been edited for space and clarity).*

Tope Lawani, co-founder and managing partner, Helios Investment Partners

What are the biggest challenges private investment professionals will face in 2021 in Africa?

TL: As a PE investor in Africa, it is particularly important to be a hands-on business builder. The market is not heavily intermediated and therefore the skills required to succeed are much broader. In certain instances, this may mean investing at an early stage or even creating companies where there's a gap in the market. The source of returns in Africa is growth rather than financial engineering, which means that it is important to exercise control and have the deep operational capabilities necessary to drive value creation.

Attracting investment capital into Africa has always been a challenge, but there are encouraging signs that capital is flowing back into emerging markets.

COMPANY PHOTOGRAPH

Tope Lawani: Hands-on business building is key for investors in Africa

How has your firm adjusted its strategy to deal with the effects of Covid?

TL: Our strategy has remained consistent since we started the firm. We invest in sectors that underpin the modern economy such as telecoms and internet infrastructure, financial services and technology, consumer nondiscretionary, and clean energy and power businesses. Because African consumers and businesses rely on the products and services our portfolio companies provide, if anything Covid has reaffirmed our strategy of backing businesses that benefit from secular growth trends. Covid in many ways has propelled these trends, be it the increase of digital transactions or the importance of telecoms infrastructure such as fibre, towers or data centres as we increasingly work from home.

What surprised you most about private investments in Africa last year?

TL: Clearly the pandemic has made for a more "bumpy" ride not just across Africa but world-wide. But the outlook for Africa PE continues to be very attractive. We see real potential for earnings growth underpinned by compelling macro trends such as increasing urbanisation and technological innovation.

Abi Mustapha-Maduakor, chief executive, African Private Equity and Venture Capital Association

To what degree will Africa recover in 2021 from last year's disruption caused by the pandemic?

AMM: In many ways, Africa's economic recovery from the disruption caused by the pandemic has already begun, aided by the fact that Africa was significantly less impacted by the Covid-19 virus than the rest of the world, with the exception of South Africa and parts of North Africa. At the zenith of the pandemic, Africa's PE and VC industries demonstrated their resilience by

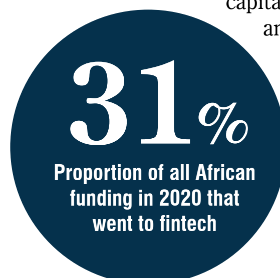
Technology sector shines across continent's deal landscape

Isaac Taylor

Africa's technology sector has remained a bright spot across the continent's private investment landscape even as the coronavirus pandemic dampened overall investment volume along with many of the region's economies.

Overall, venture deal activity in Africa fell to $544m in 2020 from $925m in 2019, according to data provider PitchBook. Africa's economies have been hit hard by the coronavirus pandemic and the global economic contraction associated with it, investment professionals say. Economic growth across much of the continent has contracted. Sub-Saharan Africa experienced a 2.6% decline in gross domestic product in 2020, a lower drop than that of the US and many European countries, according to January data published by the International Monetary Fund.

In the technology sector, however, particularly financial technology and digital infrastructure, private equity and venture capital firms continued to find attractive investment opportunities.



Fintech accounted for 31% of all African funding in 2020, according to a recent report from Briter Bridges, a London-based research firm. The total amount of capital deployed across investment and acquisition activity that Briter tracked in the region hit $2.4bn last year, down from a little more than $2.5bn in 2019, according to the report. Briter's data includes equity, debt, grants, mezzanine financing and certain convertible securities

Financial technology companies had been attracting increased attention and dollars from private investors in Africa even before Covid, driven partly by steady economic growth and an expanding middle class across many African nations. As the pandemic hit some sectors hard, the fintech sector remained buoyant, according to Cyrille Nkontchou, co-founder of Enko Capital, an asset management firm focused on Africa. Some fintech companies benefited from the pandemic, which forced many businesses to shift their operations online. But the sector's strong performance world-wide also prompted many global venture-capital investors to look for opportunities in emerging markets, Nkontchou added.

Fintech's popularity

Africa Capital Alliance, an Africa-focused private equity firm, in late November, agreed to invest $20m in the parent company of electronic payments provider Global Accelerex. The company said it plans to use the capital to further expand beyond Nigeria into other African countries.

Meanwhile, Chipper Cash, an African cross-border fintech startup, raised $30m in a Series B round in late 2020. The round was led by Ribbit Capital but also garnered the attention – and capital – of Bezos Expeditions, the personal venture capital fund of former Amazon CEO Jeff Bezos.

Fintech's popularity may also stem from the healthy investment multiples fintech companies have been able to attract. Nina

private equity in Africa

AVCA PHOTOGRAPH

Abi Mustapha-Maduakor: Financials and information technology continue to dominate PE and VC investment in the continent

developing several homegrown financing solutions to support businesses adversely affected by the health and economic crisis.

Secondly, Africa is not a stranger to crisis and volatility. Historically, many African markets have continued to grow in adverse conditions, such as during the global financial crisis and through periods of political instability…Africa has already begun to rehabilitate itself and shows signs of making a modest recovery in the first few months of 2021.

What are the upcoming investment trends you're expecting to see in 2021?
AMM: Financials and information technology continue to dominate PE and VC investment in Africa. Financials and information technology each accounted [for] 19% of VC deals by volume between 2014-2019 and were also two of the most active sectors by both PE deal volume and PE deal value in 2020 H1. Information technology has substantially impacted the growth of other sectors.

How is Covid affecting the overall investment landscape of Africa?
AMM: The normalization of remote-working practice and corporate digitalisation has been a significant shift in the investment landscape, creating opportunities to perform due diligence online as well as host LP and AGM meetings virtually. Crucially, this digital turn has also made it possible for more African PE and VC fund managers to solicit more international or cross-border fundraising.

Considerations of sustainability and environmentalism are increasingly being integrated into the investment philosophies of large global institutional investors. It is likely that ESG targets will become an essential component of investment strategies in Africa as the continent begins its recovery.

George Odo, senior partner and managing director, AfricInvest East Africa

How has the market for private equity evolved in Africa in the past few years?
GO: Over the past few years, private equity activity in Africa has increased notably. More experienced GPs have raised their third or fourth generation funds, new GPs have emerged, and some of the larger global PE players have invested in the continent. There's also been an increase of industry-specific funds as well as geography-focused funds. Funds focused on specialist strategies like private debt, mezzanine, impact and venture capital have also been established. Development finance institutions have played an important role in funding the growth of the ecosystem. More recently, the industry has seen increased interest from commercial LPs, including asset managers and pension funds from Europe, North America and Africa.

What do you view as opportunities for your region in the coming years?
GO: The pandemic has created new opportunities in sectors that provide essential services such as healthcare, food and agriculture, and education; offer support services including distribution and logistics; and leverage on technology (eg fintech, e-commerce). We also see opportunities in traditional high-growth industries through investments to help them operate in the "new normal" environment (eg, cashless and digital solutions for banks). Businesses that are adept and prepared for cross-border trade can also present opportunities given disruptions in the global trade supply chain.

From WSJ Private Equity Pro

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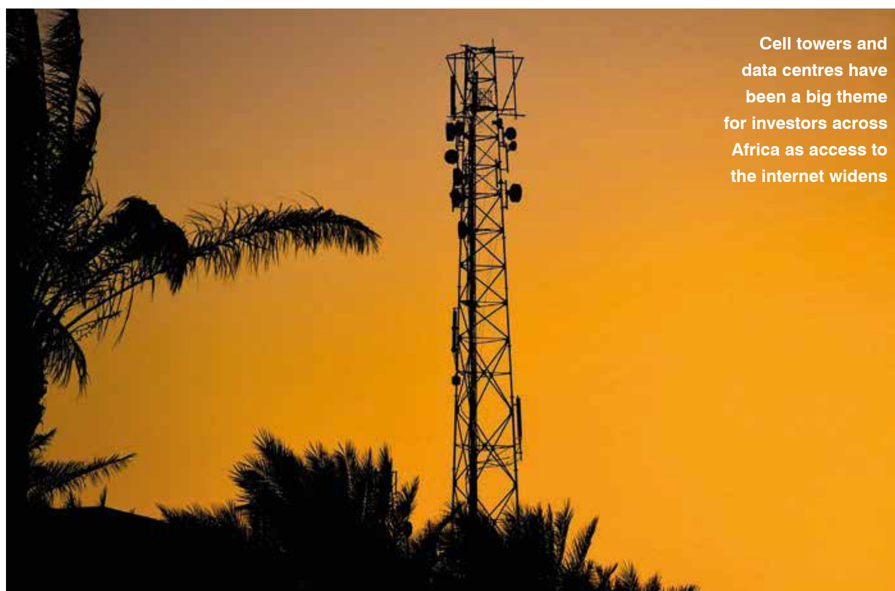

Cell towers and data centres have been a big theme for investors across Africa as access to the internet widens

Triantis, who heads telecoms, media and technology at Standard Bank Group, said multiples for fintech companies held up well despite the pandemic.

"Now, we're seeing some pretty hefty valuations being considered for some of these assets," Triantis said during a panel as part of the African Private Equity and Venture Capital Association's 2020 Focus podcast series.

Additionally, digital infrastructure assets thrived during the pandemic. Toward the end of 2020, Actis acquired Octotel, a fibre network operator in South Africa, for $140m. The emerging markets-focused firm also announced a $250m Pan-African data-centre platform in March 2020. Actis has completed at least one investment out of the vehicle, taking a controlling interest in Rack Centre, a Nigerian data-centre operator.

Meanwhile, the International Development Finance, the US government's development finance institution, allocated $300m to support Africa Data Centres' acquisition and expansion of existing data centre assets in South Africa and Kenya.

Continue to thrive

Investors expect technology deals to continue to thrive into 2021 despite what some predict will be a slow recovery for overall deal activity.

Professionals believe a recovery for the region in 2021 will depend on the speed at which other nations around the world can bring the pandemic under control and bolster their own economic recoveries.

Early signs suggest that "this will not happen significantly before Q3 2021," Enko Capital's Nkontchou said. "On that basis, the recovery in 2021 is likely to be slow, and more of an L shape than a V shape."

From WSJ Private Equity Pro

Private equity closes more but smaller deals so far this year

German sandal maker Birkenstock was sold to a consortium including Financiere Agache, Catterton Management and L Catterton for $4.2bn last month

Mark Latham

Global mergers and acquisition deals in January and February of this year have exceeded those of the first two months of last year, with 331 buyout deals announced compared with 317 in 2020 – before the coronavirus pandemic took hold in most developed countries.

Nevertheless, the combined value of global buyout deals fell in the first two months of this year to $82.5bn compared with $108.5bn in January and February of 2020, according to data from Dealogic.

The 10 largest global buyout deals in the first two months of this year totalled just short of $51.5bn, including debt, of which six of the targeted companies were European, three were US-based and one was Australian. Of the 10, half the deals were in healthcare or technology, as was also the case with the top ten deals in the first two months of 2020.

The largest deal, announced on 23 February, saw the Ardagh Group spin off its metal packaging business through a merger with Gores Group in a deal valued by Dealogic at $9.3bn

Luxembourg-based global packaging group Ardagh operates 56 metal and glass production facilities in 12 countries, employing more than 16,000 people.

Investment trends

Stephen Rosen, who heads the corporate practice in London of the US law firm Cooley, said that the trend of investing in technology and healthcare will likely continue for the rest of the year and is set to "move into majority territory by the end of the second quarter."

"Pricing is on the increase again in these sectors fuelled by investors seeing ever greater convergence of technology and healthcare and their importance on the world stage, coupled with the shadow from the Spacs hunting for M&A opportunities, which is undoubtedly playing its part on valuations," he said.

Meanwhile, Sunaina Sinha Haldea, managing partner of the advisory company Cebile Capital, says that, while deal flow within the private equity industry has been "very healthy" over the past six months, "the best is yet to come for these big deals in the coming months and years if the recovery takes hold and there is a return to economic normalcy".

The record $2.9tn of dry powder (committed but unallocated investment capital) parked in the private equity industry now "needs to be put to work", she says.

"That's an enormous amount of money and it has to go somewhere," she says. "It cannot get just sit around making no return."

K-shaped recovery

Sinha Haldea describes the current boom in private equity as a "great example" of a K-shaped recovery – whereby some parts of an economy pull out of a recession while others stagnate.

"Folk that are cash rich, private equity and GPs, continue to be in the driver's seat, but there are also many companies that are struggling, don't have an easy path out of this, are facing very difficult challenges and need state support," she said.

Phillip McCreanor, head of the UK and Nordics for the investment bank Lincoln International, said that, while it is "probably too early" to make predictions about the rest of year based on two months of data, the UK has had a positive year so far.

"The UK is set for a robust first six months at least while Europe will probably be patchy – dictated to a large extent by the rollout of vaccines and how quickly countries can open up properly," he told *PEN*.

"The focus on technology investments in particular across the value chain will continue to be a core investment theme in 2021. The ESG agenda is also becoming an increasingly important investor priority."

Private equity firms are now, said McCreanor, cashing in on the investment opportunity presented by a decade's worth of tech innovation "that took place last year as the world adapted to remote working."

Global financial sponsor buyout M&A deals (all stakes)

Month	Deal value ($bn)	Deal total
2020 Jan	31.5	179
2020 Feb	77.0	138
2021 Jan	30.8	171
2021 Feb	51.7	160

Source: Dealogic. Data as of 9 March 2021.

Top 10 global private equity deals, January-February 2021

Target	Acquirer	Value ($bn)	Target nationality
Ardagh Metal Packaging (100%)	Gores Holdings	9.3	Luxembourg
CoreLogic (100%, Bid No 3)	Stone Point Capital, Insight Venture Management	7.5	US
Naturgy Energy Group (22.69%)	IFM Investors Pty, IFM Global Infrastructure Fund	6.1	Spain
Birkenstock (Maj%)	Financiere Agache, Catterton Management, L Catterton	4.8	Germany
Lonza Group (100%)	Bain Capital, Cinven	4.7	Switzerland
Nestle Waters North America (100%)	One Rock Capital Partners, Metropoulos	4.3	US
Independent Vetcare (28.46%)	Nestle, Silver Lake Group	4.2	UK
Aggreko (100%)	TDR Capital, I Squared Capital Advisors	3.4	UK
Vocus Group (100%)	Macquarie Infrastructure & Real Assets, Aware Super	3.6	Australia
Cubic Corp (100%)	Veritas Capital Fund Management, Evergreen Coast Capital	3.0	US

Source: Dealogic. Data as of 9 March 2021.

KKR eyes Europe's fertile hunting ground for tech deals

The firm's partner and veteran investor Jean-Pierre Saad sat down with *Elisângela Mendonça* via Zoom to share what his team is bringing to the table when spotting and negotiating deals in the region's booming TMT sector

As Europe's tech industry blooms with the pandemic-induced shift to digital, heavyweight names in private equity are ready to gain more ground in the continent. KKR is one of them, the firm's partner, Jean-Pierre Saad or just "J.P.", as he introduces himself, told *Private Equity News* in an exclusive interview.

The head of the technology, media and telecom team for the Emea region says that 2020 was KKR's busiest-ever year for tech deals in Europe. In total, the firm closed six tech investments, of which the €3bn buyout of Spain's telecom MasMovil in June was the largest.

While KKR tends to be more of a generalist, Saad, a 40-year-old computer engineer by training, believes you can't be a "one-trick pony" if you want to invest in a sector such as technology.

This is why Saad, who has been at KKR for more than 12 years, helped set up a 15-strong team to spot the best deals in the tech sector, the London-based investor says.

Saad expects the tech momentum to accelerate still further in 2021, as the pandemic increases "convictions" about software or digital businesses.

His division can write equity cheques from €50m to "several billion" from KKR's fifth €5.8bn European fund, the firm's $2.2bn next generation growth or its $10.6bn long-term core private equity strategy.

(This interview has been edited for space and clarity).

EM: The investment landscape in Europe is crowded and several PE firms – KKR included – are expanding in other regions, such as Asia. Why is it still a good idea to invest in Europe?

JPS: We're seeing an evolution compared to a few years back when there was less capital available to back growth companies. With more capital and bigger tech hubs and ecosystems as in Paris, Berlin, London, Stockholm or Barcelona, more founders are choosing to stay in Europe, as they are able to hire great talent, get smart funding and eventually list in Europe, if they wish to.

In most cases, those European champions are looking for a global partner to help them expand beyond their local markets and this is where we can bring something differentiated as a truly global tech franchise.

EM: How do you search for and select the companies you want to invest in? What is more important: growth potential or an attractive price?

JPS: In an ideal world both! But realistically as the tech market is becoming more competitive with valuations increasing steadily for many years – especially for the strong growth businesses where we focus. We are increasingly picking our battles and focusing on companies and sectors that we know well and where we believe KKR's resources and experience can have a real positive impact on growth. This allows us to price the upsides that we can help deliver and hence be competitive.

EM: The pandemic accelerated several trends in the industry and tech deals became even more attractive last year. Is this sustainable or will the bubble burst?

JPS: The pandemic just accelerated trends that were already happening, such as the digital transformation of traditional industries, an explosion of digital services and transition to the cloud. We do not think this will change any time soon.

The pandemic has also proven to many sceptics that most software businesses, with their highly recurring revenue and in many cases mission critical nature, are quite resilient to disruptions and hence should deserve a premium. Not all software or digital companies are created equally and that is where tech expertise is key for any investor to be able to differentiate the long-term sustainability of growth from the short-term "Covid bump".

EM: What do you think will drive the future of the tech space in the post-pandemic world?

JPS: The increased focus on ESG, both in Europe and globally, as well as on data governance and regulation will play an increasingly important role in 2021 and beyond for the tech sector.

Beyond the mere regulation, we are seeing an increased focus from companies and consumers on data sovereignty, transparency and more generally being in control of one's data. We expect this to impact all tech companies in Europe in terms of the way they conduct their business.

EM: What are your expectations for 2021?

JPS: Technology is increasingly and undoubtedly the growth driver in our economies – Covid-19 has proven that. Almost all industries have seen a dramatic acceleration in their digital transformation, with many businesses and consumers accelerating their use of digital tools. We expect this trend to accelerate even more. I expect more investments in 2021 where we combine our sector expertise with the underlying industry experience.

EM: What do you wish you knew before you started working in private equity?

JPS: I trained as a computer engineer but soon after my graduation the tech bubble burst and I thought it was smart to shift to finance and banking. This seemed more attractive at the time, but many of my classmates stuck to tech and went to work for Amazon, Microsoft and later Facebook and Airbnb! No further comments needed…

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"Technology is increasingly and undoubtedly the growth driver in our economies – Covid-19 has proven that"
Jean-Pierre Saad, KKR

How do buyout firms protect returns

Having the right people with the necessary skills and expertise can help find the best opportunities, writes *Mark Corbidge*

Tech investing is now part of the private equity mainstream; it is no longer the preserve of venture capital or tech specialists. Almost a third of the top 10 European buyouts by value were technology companies in 2020 ($17.4bn out of a total of $59bn). Across the pond in the US, private equity firms invested some $161.13bn in technology companies across 560 deals last year compared with $138.66bn across 692 deals in 2019, according to data provider Dealogic.

Even with increased valuations, investors flocked to tech companies of all kinds last year, with a surge in tech stocks also helping to keep the public market's surprisingly buoyant and resilient amid the Covid-19 pandemic, and this trend shows no signs of slowing down in 2021.

As appetite for the sector increases, valuations are soaring. To protect returns, private equity companies must differentiate themselves to still be able to generate desired returns in an "over-hyped" tech sector.

Private equity tends to avoid the most talked about tech segments – as most are not in the business of paying stratospheric multiples for "hope" companies or going after unicorns within the tech space. For some tech companies it is almost a badge of honour how much cash they've burned; private equity investors view that very differently. Private equity tends to be interested in the companies that are more resilient in a downturn – for example, tech companies that can assist SMEs in terms of digitalisation or enterprise software companies. These types of companies usually have strong revenue growth and solid fundamentals because their customers are rapidly digitising to stay competitive.

At Sun European Partners, for example, we look at companies demonstrating 10-25% growth, and these growth rates are typical of the types of deals that private equity look for in the tech space.

However, these deals can only be found if you have the people with the right skill sets and sector expertise to seek them out. As private equity is a people business, it is vital to have the best people around to spot opportunities in the market. Sector expertise is crucial to find the companies that have a competitive relative valuation in a market

Firms need the skills to cut through the hype

that is over-valued. Deep sector knowledge within private equity firms enables the team to build a strong investment thesis to take to investment committees.

These specialists have a clear understanding of the key drivers, opportunities and challenges within the industry and have the ability to focus and go after the best businesses. Unsurprising, there will be premiums to pay

Digital transformation is giving private

George Ralph

The private equity industry has been growing rapidly over the past decade, driven by attractive returns and low interest rates. Total assets under management hit a record $4.11tn in 2019, as investors committed more than half a trillion dollars, further boosting the pile of available dry powder. Moreover, inflows into the asset class are increasingly coming from institutional investors.

As this new type of investor has been attracted to the industry – and with it increasing scrutiny from regulators – private equity managers have been under increasing pressure to "institutionalise" their technology and operating models to meet the greater demands put on them by both traditional and institutional investors.

Digitally transforming business operations can create efficiencies, increase the visibility of data and reduce costs and so increase the ability to generate alpha, but the actual process of transformation can be disruptive to business and deal flow. Consequently, the PE sector has been reluctant to embrace digitisation. However, as business and deal flow has evolved, some PE managers have grasped the opportunity and as their competitors start to see the tangible benefits, they will also follow in search of an edge in a hyper-competitive market.

Correct strategy

For those PE managers, it is crucial that any digital transformation is approached correctly, as a poorly executed strategy can lead to significant business disruption and even inhibit the ability to generate alpha.

Digital transformation is the use of technology to transform business operating models, such as replacing manual processes with automation across businesses. At its best, digitisation helps PE managers oversee their investments and key decision making. Collaboration tools such as Teams and Slack are able to automate manual processes around investor relations. For example, it is possible for a firm to automate checklists that have traditionally been tasks carried out in spreadsheets by using a tool such as Microsoft Flow. Investor reporting, which can take a person several days within any given month can now be fully automated and

"Private equity managers have been under increasing pressure to 'institutionalise' their technology and operating models to meet the greater demands put on them by both traditional and institutional investors"
George Ralph, RFA

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in an over-hyped technology market?

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> **"For some tech companies it is almost a badge of honour how much cash they've burned; private equity investors view that very differently"**
> Mark Corbidge, Sun European Partners

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for tech deals, but it is about finding the best businesses with good relative valuations in the space. This is almost impossible to do without key individuals with specific skills and knowledge that will still be able to generate desired returns within the tech bubble.

With increased sector expertise and specialists within private equity firms, the valuations and the valuation expectations of tech companies may also increase due to an increased understanding of the sector. A vicious cycle some may say! The rise in sector specialism, and an increased focus on similar sectors, will undoubtedly push prices up. In 2021, analysts at PitchBook expect 20% of buyouts to be priced above 20x Ebitda. The rise in valuations will probably deter generalist investors as, unlike those PE firms that have tech sector expertise, they may not have all the required skills that are needed to generate attractive returns.

So, what is the secret to protect returns in an over-hyped technology market? It's all about having the right people to navigate the over-hyped market and find attractive deals in a sweet-spot that still enables private equity to deploy its operational excellence to increase the company's value, help fuel its growth and ultimately generate attractive returns.

Mark Corbidge is managing director Sun European Partners, the European arm of US private equity firm Sun Capital Partners.

equity managers a competitive edge

instantaneous.

In the beginning of any digitisation journey, a firm should look at all the manual processes within their business, the teams and departments involved, and their roles. The next step is to complete a Proof of Concept, which allows a firm to check the outputs of the newly digitised process over a period of time, making sure the automation is correct.

Data strategy

Successful digitisation is built on an effective data strategy. An end-to-end managed data solution is usually the most effective approach for a PE firm. A data warehouse will separate the layers of data via any public cloud provider such as AWS, Azure or Google Cloud and then companies can scale their data and separate processing and storage to harness that data for dealmaking and key investment decisions.

Data governance, ingestion and analytics solutions are built to meet the standards of institutional investors and global financial regulators, automating the processes that have been lengthy in the past.

Also, with the current focus on ESG, investors are keen to see that ESG data management plans have been put in place for investments, built around key performance indicators and related targets. A robust data strategy can help a manager automate this. Also, using data and analytics, a manager can benchmark and monitor the ESG issues that are material to ESG performance.

An emerging manager and established manager might use different tools for their data and digital transformation journey, but the principle is the same. The great thing about public cloud and data warehousing is that it is scalable. At RFA we don't have clients using the same technology two years after launch as they did on day one, but the journey is seamless as we scale firms up to manage increased assets under management.

In today's environment, the key trend continues about how we manage data. As more and more people get involved in their data journey, they will discover more anomalies in the behaviour, operation and functions of their business.

Meanwhile, firms that have already embarked on their digitisation journey are in phase two of their delivery now, and we are seeing firms data scraping into their data warehouse to review the KPI's in order to see how that impacts their funds' performance.

Business burdens

This strategy also continues around collaboration. If a firm has multiple systems, the answer isn't to integrate those systems, it is to pour all the data from every system into a data warehouse. From here, a firm can assess where the burdens to their business lie and what can be automated.

The longer picture suggests a firm will need less people to deliver the same performance, if not better. So certain roles within a fund will shift and the end result is that automation can buy people more time to focus on tasks they really need to focus on, such as investor relations and the alpha generation that has caused this seismic shift in the prominence of the PE industry.

George Ralph is global managing director at RFA, a cybersecurity provider to the alternative investment industry.

How to build diversity in venture capital

Elisângela Mendonça

Venture capital, like the rest of the alternative investments industry, has made efforts toward improving diversity and inclusion (D&I) in recent years, but progress is still too slow. London-based consultancy Equality Group launched its first inclusion index last week (See *Private Equity News*, pages 6-7, 8 March), which ranks the top 20 PE and VC firms according to their diversity and inclusion performance. *PEN*, which had exclusive access to the list, spoke to representatives of Kinnevik and Bethnal Green Ventures, ranked first and second, respectively, among VC firms, about their strategies and why the industry has taken so long to take action. (*Interviews have been edited for length and clarity.*)

Rebecka Elming, legal and sustainability head at Kinnevik

PEN: Why is D&I important?

RE: In our business, it's very much about the people behind the idea or behind the business. If we limit ourselves to certain founders, because of unconscious bias, or networks, we'll find ourselves missing out on opportunities. And we'll also find ourselves not being able to build the companies that we want. The industry is just limiting its possibilities by not focusing on these topics.

PEN: Kinnevik was crowned the most inclusive VC firm by the Equality Group's Inclusive Top 20 PE & VC Index. What's the firm diversity roadmap?

RE: One of the things we consider very important is the thorough review of our behaviour. We aim to raise self-awareness as we go along and continue the conversation as we try to be prepared for uncomfortable situations. We have those conversations because this is not a "one-off" project that you do. This needs to be part of the firm's ongoing cultural journey. That requires a lot from everyone at the firm.

It takes time and effort to keep the conversation going at all stages and at all levels of the company, but this is key. To do that we've ensured that we have continuous training and inspirational talks on the topic [D&I] and that we have an internal D&I task force as well, which is an influencing group that represents all functions across all levels.

Rebecka Elming: raising self-awareness at the firm is key

Melanie Hayes, managing partner at Bethnal Green Ventures

PEN: Why does the industry need diversity and inclusion?

MH: Representation matters. We're past the point where we have to make the case for diversity and inclusion. There are enough studies that highlight how diverse teams perform better, deliver better returns, and much more. What we ultimately want to drive with our efforts is increased access to capital to founders from all walks of life and diversity in the outcome. As tech for good investors, we're acutely aware if your product is not inclusive by design, it will be unequal in the outcome.

At BGV, we publish our own team's diversity and inclusion data annually in our impact report. With our portfolio companies, we take a permission-based approach to collect and report on their D&I data. This in turn helped us establish a benchmark for our firm to consistently see what's working and where we need to step up our efforts and resources. What other VC firms can do is collaborate and share insights to help others figure out their D&I methodology.

PEN: Why has the industry taken so long to take action when compared to other asset classes?

MH: The VC industry is notoriously opaque and private by nature. VC deal flow largely operates on warm introductions. This already restricts access to capital to a narrow and largely homogeneous pool of investments, if the VC firms themselves are not diverse by design.

Only recently has that changed, with many more firms committed to operating "no warm intros needed" policies. And while there's been an increase in diversity at the associate level of funds, the decision-making power often still rests with largely homogenous groups of people. Increasing diversity and representation up to the investment committee level is critical for the VC industry to really move the needle on D&I.

Melanie Hayes: D&I will help increase access to capital to founders from all walks of life

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VC-backed Deliveroo plans London IPO listing

Ben Dummett

Deliveroo has taken the first step to list on the London Stock Exchange, seeking to replicate the stock-market success of US rival DoorDash as the pandemic fuels demand for online food deliveries.

The anticipated initial public offering, detailed in a filing on 8 March, would be one of the highest-profile listings this year in the UK. It is expected to value Deliveroo at around $10bn, according to people familiar with the matter. The filing didn't disclose how much the company intends to raise.

Deliveroo, whose delivery bikes are almost as common a sight on the streets of London as the city's black cabs and double-decker buses, counts Uber Technologies's Uber Eats and Just Eat Takeaway among its competitors.

Deliveroo's listing will be a test case for coming changes to London's stock market listing rules, that are meant to help the London Stock Exchange better compete against New York and Hong Kong for tech IPOs. As big tech has driven US stock markets to record highs, London has slipped behind, with a stock market heavily weighted toward slower-growth banks and resources companies.

Deliveroo plans to issue dual-class shares that would keep founder and chief executive Will Shu in control for three years. That paves the way for Deliveroo's shares to qualify for inclusion in the London Stock Exchange's blue-chip FTSE indexes following the expected approval later this year of new rules.

Deliveroo and other food-delivery companies in Europe and the US are experiencing a surge in business as homebound consumers, tired of preparing home-cooked meals, order in. Last year, Deliveroo's net revenue surged 54% to £1.2bn, equivalent to around $1.7bn. Meanwhile, the company's loss narrowed to £223.7m from £317.3m.

The company is betting on that revenue growth generating market interest in the offering following strong investor demand for DoorDash's IPO late last year. Ahead of that issue, the San Francisco-based company reported its revenue more than tripled in the summer and fall from the year-earlier periods.

DoorDash went public in December on the New York Stock Exchange and on the first day of trading its shares surged 86% from the IPO price to $189.51. The stock has since fallen back to $151 as part of an overall decline in tech issues.

From The Wall Street Journal

The deal insight below is provided by data provider Mergermarket for the week to 8 March, 2021. It features the pipeline of European private equity deals and the most recent deals to have emerged in the asset class.

Deal pipeline

Deal value, €m	Target company	Target sector	Target country	Financial adviser	Status	Possible bidder	Comments
8,000	Autostrade per l'Italia	Construction	Italy	Citi, UniCredit	Asset sale (Corporate disposal)	CdP, Blackstone Group International Partners and Macquarie Infrastructure and Real Assets	A consortium led by Italian state-owned financial holding Cassa Depositi e Prestiti (CdP) could split over any potential valuation compromise involving infrastructure holding Atlantia's 88% stake in Autostrade per l'Italia, *Il Sole 24 Ore* reported. CdP is willing to move toward Atlantia's valuation of €10bn-€12bn as opposed to the consortium's offer of about €8bn. However, CdP's partners Blackstone Group International Partners and Macquarie Infrastructure and Real Assets are less open to giving ground.
7,000	Stockholm Exergi	Utilities (other)	Sweden	Citi, Danske Bank	Company for sale	Antin, CKI, CPPIB, First State, IFM, MIRA, OTPP, Swiss Life Asset Management, AMF Pensionforsakring, Vattenfall, APG Asset Management, EQT, Swiss Life Asset Management, PensionDanmark, Macquarie Infrastructure and Real Assets, Infranode, Polhem Infra	Fortum's sale of its 50% stake in Swedish district heating network Stockholm Exergi is seeing bidders lining up ahead of its launch next month, *Mergermarket* reported. Teasers have already been sent to potential buyers. Stockholm City, which owns the other 50% stake in the business, is currently working on buyer qualification. Macquarie Infrastructure and Real Assets is among infrastructure investors readying to bid for the asset. PensionDanmark and Swiss Life are looking to bid together. There are two other consortiums forming to bid for the stake, include one comprising of Vattenfall and AMF, and another comprising of Axa IM, APG and Alecta.
2,400	Urbaser	Energy	Spain	Société Générale, Crédit Agricole, Deutsche Bank	Takeover situation	Apollo, Brookfield, Cinven, EQT, Stonepeak, Macquarie,	Binding bids for Urbaser, the Spanish environmental services company up for sale, are due after Easter as the auction struggles to get back on track after a cyberattack, *Mergermarket* reported. Press reports naming a shortlist of suitors including Elliott Management, Platinum Equity and Stonepeak Infrastructure Partners are correct. The vendors, China Tianying, have high price expectations. Bidders submitted offers of more than €2.4bn.
2,000	Crown Holdings (Food Can business)	Manufacturing (other)	Spain	Evercore	Company for sale	Sonoco, KPS Capital Partners, Lone Star Funds, Onex, Platinum Equity, Ball Metalpack	Crown Holdings is moving ahead with the process to divest its European food cans division, with revised offers due on 8 March, *Mergermarket* reported. Sonoco has joined a pool of bidders comprised predominantly of financial sponsors. KPS Capital Partners, Lone Star Funds, Onex and Platinum Equity, which is bidding via portfolio company Ball Metalpack, are the other contestants in the process.
1,700	Italian Football League	Leisure	Italy	Lazard, Gianni, Origoni, Grippo, Cappelli & Partners	Auction/ privatisation	CVC, Advent and FSI	A consortium made up of CVC, Advent and FSI is set to table an updated bid for a 10% stake to the Italian Football League (Serie A) in a media rights newco deal, *Reuters* reported. Serie A will examine the modified offer when it meets this week. A previous €1.7bn offer was blocked when seven of the 20 clubs making up Serie A voiced opposition to the deal.
1,500	ECS Capital's Portugal hotels	Leisure	Portugal	–	Auction/ privatisation	Bain Capital, Brookfield, Blackstone, Cerberus, Fortress, Davidson Kempner Capital Management, HIG. Capital and Kildare, Bain Capital, Apollo Global Management	Bain Capital and Apollo Global Management are among the candidates that presented non-binding offers for ECS Capital's hotel assets, *Mergermarket* reported. Other parties that were previously reported to be interested include Brookfield, Blackstone, Cerberus Private Equity, Fortress Investment Group, Davidson Kempner Capital Management, HIG Capital, Kildare Partners and Arrow Global. The businesses on the block include hotel chain Nau Hotels, resorts in the Algarve such as Conrad Algarve and Quinta do Lago, and other resorts and hotel assets throughout the country.

Based on dominant geography of target being European. Due to the pre-announcement nature of these deals, it is impossible to confirm the accuracy of the adviser details to the same level as on an officially announced deal. Some adviser details are based on unconfirmed speculative press reports. Source: Mergermarket

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