

## People moves

## Livingbridge adds two to investment team

Mid-market private equity firm Livingbridge has made two hires to bolster its investment team in London. Rebecca Osman was appointed as an investment director and Nick Manning has been hired as an investment manager in two newly created positions. They will join the other three team members who were appointed last month to work alongside Livingbridge's portfolio companies, assisting them with the development and execution of growth strategies. Osman joins Livingbridge from travel brands-specialised Travelopia, where she was an executive board member. Manning was previously at M&A and debt advisory firm Livingstone Partners, where he was part of the business services sector team, completing many high-profile deals.

## CA Ventures hires senior duo following push into Europe

CA Ventures, the \$10.2bn real estate investment firm, has made two senior appointments as part of its push into Europe. The firm has hired Matt Taylor as chief financial officer and Philip Sandford as head of HR. The pair will both be based in London. Taylor joins from ThreeSixty Developments, which is a student housing developer backed by Oaktree Capital Management. Sandford was previously at global marketing services group Engine. The appointments come two months after CA's entry into the European market. The firm said it has begun constructing three sites in Sheffield, Edinburgh and Glasgow, committing \$500m per annum in student accommodation across the UK and Ireland. It also has a further pipeline of \$200m a year in Spain and \$150m a year in both Portugal and Italy.

## ICG appoints new managing director to build US business

Intermediate Capital Group (ICG), the UK-listed private equity firm, has appointed Ryan Levitt as a managing director to help build out the firm's US private equity business. Levitt has joined ICG from Drum Capital Management, where he worked as a managing director responsible for sourcing, underwriting and portfolio management of primary, secondary, co-investment and control equity transactions. Prior to this, he worked for 11 years at Pomona Capital as a partner. In this newly created position based in the firm's New York office, Levitt will join Alan Jones, the senior managing director hired from Morgan Stanley in September to build its private equity business in North America.

*Elisângela Mendonça, Selin Bucak*

## What was your

## Jim Roth

Founder and partner, Zamo Capital

My first deal was with a Chennai-based financial services firm. It had an exceptional reputation for the returns it had provided previous PE investors. It was also renowned for its values of honesty and a commitment to serving low income clients with fair and affordable financial services.

When I negotiated the contract I went all out to get the highest levels of investor protection. Their management felt much of this was unnecessary. They would often say things like, "don't worry about your exit, that is on us".

Those of us who have worked for some time in emerging market private equity have noticed a strange thing. We spend hundreds of thousands of dollars on lawyers to draw up deal documents that give us the most secure protections. Yet we know with the stresses and strains placed on

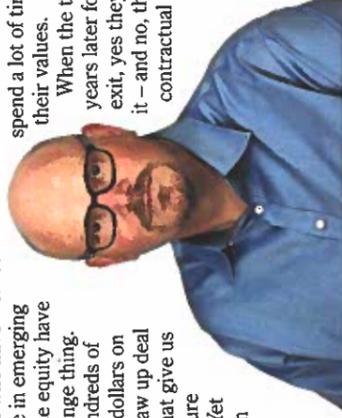
court systems in many emerging markets, the court case would likely outlive the term of our fund.

One morning I caught a taxi to one of these interminable negotiations. On telling the taxi driver where I was going, he said: "Oh yes, my father has been with them for decades. They will never cheat you." His words brought home to me that nothing is more important than being values-aligned.

No contract can substitute for this. The lesson I learned was that although we need to spend time and money negotiating contracts, we don't spend nearly enough time diligencing reputations. In my new business, Zamo Capital, I invest in impact managers. Before I even start negotiations I spend a lot of time understanding their values.

When the time came a few years later for that Chennai exit, yes they came through on it – and no, they didn't have any contractual obligation to do so.

Roth: nothing is more important than being values-aligned



## Lise Fauconnier, Managing director, Adrian Buyout

When I joined Adrian (AXA Private Equity) in 1998, I led the first investment of our buyout team in Linedata, a French software company providing services to the investment management and credit community. Anvaraly Jiva, the founder, had worked with our president Dominique Senequier on a previous buyout so he approached us directly. We had a very short window to make a decision, but we acted swiftly and managed to close the deal in four weeks.

It was a huge success for Adrian and, as we were a small team, I was effectively involved with everything from due diligence to identifying and negotiating with the financing provider as well as negotiation of the management package. We were very flexible and creative with the shareholder agreement, for instance providing the management special rights on strategy and exit, if certain criteria were met.

Speed and strong execution were vital, so, two months after the deal closed, we worked with the Linedata management on its first restructuring build-up, helping them buy their main competitor in France. This was followed by six more build-ups in the next two years before the company went public. Linedata was a great company and the management team has done a fantastic job. They've worked very hard to successfully establish the company as a global business. It was an exciting journey, and the Adrian team and I took great personal satisfaction from being part of this.

Fauconnier: speed and strong execution were vital



## first-ever investment?

## Lex McArthur

CEO, Jolimont RCF

We had just established the world's first specialist mining technology fund in late 2013 and were on a scouting trip looking for deals. One of my colleagues had a contact with a pedigree of mining tech start-ups based in Montreal and we went to visit him.

It was the week before Christmas and we navigated the icy pavements of the old town to reach the timber-lined loft office of our man in Montreal. He had invited a start-up CEO to pitch to us. He sounded like a Quebecois Rambo and the first words he uttered were: "Our aim is global domination of our target niche market".

I'd heard quite a few pitches but never as audacious as this one. The thing is, it was obvious these weren't just words floated out to try and attract investors. He had conviction emanating from every pore, and my gut instinct bought in immediately. Everything else he said at that pitch was well thought through and convincingly

argued. This all made his opening statement seem more achievable. We decided not long after that meeting to make this the first investment in our fund. Five years later, after growing sales from \$1.5m to \$23m, and continuing to espouse that line of "global domination" endlessly to staff, customers and our shareholders, until everyone had bought in, the company had become the global leader in its niche of underground mining IoT solutions for safety and productivity. We recently sold the company to a major mining equipment vendor for a 33% IRR to our fund. I still use this gentleman as my gold standard of a CEO with utter conviction in his vision and the talent and drive to make it come true.

McArthur: first investment was gold standard



## "I was fortunate to be part of a collaborative and deal-hunting culture"

Partner and co-head, private equity advisory team, EQT

I joined EQT Stockholm in 2007 as an associate – my very first deal was when EQT acquired Nasdaq listed home alarm company Securitas Direct in 2008, and it gave my career a flying start.

The transaction included all elements of a really tricky public-to-private situation – hedge funds taking stakes, main owners turning from buyers to sellers, just to mention a few. I was fortunate to be part of a collaborative and deal-hunting culture, and work together with one of EQT's smartest dealmakers Harry Klagsbrun.

We strongly believed that the home alarm market would explode and we were passionate about Securitas Direct's potential of becoming a global champion.

We managed to secure financing to buy 80% of the company, but wanted full control. After lengthy negotiations, creative deal tactics, and hours on flights back and forth

## Vytautas Plunksnis

Partner, INVL Baltic Sea Growth Fund

My first deal as a partner was for the acquisition of a Norwegian IT consulting company, Norway Registers Development (NRD) by the Lithuanian BAIP group in 2011.

The founders of NRD wanted to retire and to help with their exit strategy they hired advisers in the Baltics. Initially, we passed on the opportunity. The company, which had implemented projects in more than 50 countries, with the majority of them being in frontier or emerging territories, seemed too exotic for us. However, NRD had a software development subsidiary in Lithuania, so we decided to explore further.

Detailed negotiations on the transaction and some improvement of the bid price took place while I was on vacation in Bulgaria. So instead of enjoying the pool, each day I spent a few hours reading agreements and negotiating over the phone – in the investment world you never really have vacations!

This small acquisition for about €1.2m worked out well – it opened the opportunity to bid for big international projects and led to a value increase of NRD itself.

Plunksnis: negotiating on vacation

