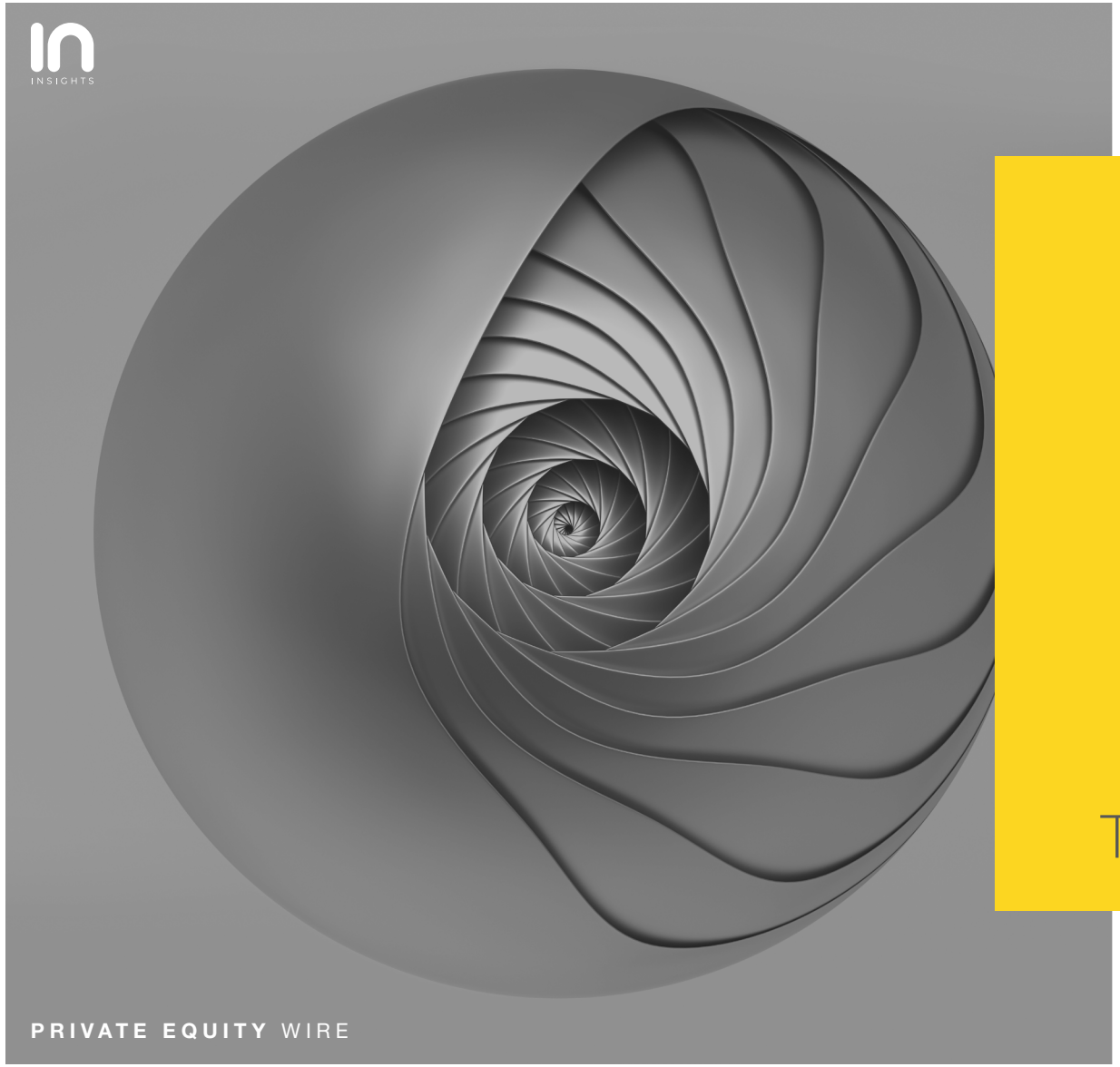


DECEMBER 2024

STORIES OF TRANSFORMATION

EXECUTIVE SUMMARY

Private markets are changing the world.

Industry conditions being what they are, with muted exits and persistent valuation gaps, firms worldwide have redoubled their value creation efforts at the asset and portfolio level. The upshot has been unprecedented innovation – to ensure businesses and industries worldwide are digitally advanced, sustainable, future-ready, financially sound and operationally efficient.

There is evidence all around. This report tells a range of stories: from sustainable olive oil production to the improvement of critical infrastructure; from driving financial inclusion in key markets to building more efficient water management systems; and many more – including e-mobility, power grids, quick-service food and entertainment operations, among others.

Still, the overarching story is the same. A PE firm acquired an asset, transformed it and successfully exited it – in the past two years – driving change not only for the company in question, but creating a lasting impact on community, industry and economy.

At Private Equity Wire, we're closely engaged with our audience of allocators and managers. And while we've noted a passion for driving change through investment, there is also a distinct need for education, conversation and collaboration – to ensure these objectives are met with stakeholder pressures, fiduciary responsibilities, liquidity demands and profit, all top-of-mind.

We want to become the platform to have this conversation, and help the world of private markets strike this balance. This is the first of many such pieces of content. Watch this space for more stories of transformation, and please do get in touch if you'd like to be involved in this exciting new journey.

AFTAB BOSE
HEAD OF PRIVATE MARKETS CONTENT

CONTENTS

GREENER PACKAGING MACHINERY 3

A STUDY IN DIGITISATION 5

SUSTAINABLE OLIVE OIL PRODUCTION 7

ACCELERATING EMOBILITY DEVELOPMENT 9

CUTTING EDGE WATER MANAGEMENT 11

FINANCIAL INCLUSION IN INDIA 13

MODERNISING ENERGY TRANSMISSION 15

SCALING UP QUICK-SERVICE RESTAURANTS 17

SPOTLIGHT ON ENTERTAINMENT OPS 19

RELIABLE TESTING AND INSPECTION 21

CRITICAL INFRASTRUCTURE FIRST 23

BC PARTNERS AND IMA:
GREENER PACKAGING MACHINERY

THE THESIS

BC Partners's investment approach focuses on a narrow set of sectors - TMT, healthcare, services and industrials, and food – where the firm has been investing for nearly four decades, with an amplified focus on select high-conviction sub-sectors where it has the right to win. Within these sectors, BC Partners focuses on upper mid-market 'defensive growth' businesses, where we can leverage our strong reputation, network, and credibility to build conviction and unlock differentiated opportunities.

BC Partners focuses on businesses that exhibit strong cash flow generation potential, allowing for transformative growth. By applying its expertise, the firm aims to create high-performing, industry-leading companies, delivering superior returns for investors.

THE TRANSFORMATION

Industria Macchine Automatiche S.p.A. (IMA Group), headquartered in Italy, is a global leader in the design and manufacture of automatic packaging machinery. Established in 1961, the company develops solutions for a broad range of industries, including pharmaceuticals, medical devices, cosmetics, food products, and e-mobility, as well as industrial process automation. In 2021, the company employed 6,200 people in 45 production sites globally, operating from headquarters in Milan.

In 2020, BC Partners identified an opportunity to invest in IMA Group, recognising the company as a 'jewel' in the Italian manufacturing sector, with a presence across Europe and Northern Italy, an impressive heritage, and a clear runway for continued innovation and growth. Leveraging the firm's extensive experience and deep local networks in Italy and the industrials sector, BC Partners, alongside the Vacchi family, successfully acquired the company, delisting it from the Milan Stock Exchange. This marked one of the largest take privates on a European exchange to date. BC Partners was able to negotiate and execute the take private despite Covid-19 pandemic.

Following the acquisition, BC Partners worked closely with IMA's management to guide the company through a transformation aimed at diversifying its business and reinforcing its global leadership position. Initiatives included:

Innovation and R&D

Strengthening innovation through research and development (R&D) was a key element of IMA's transformational growth plan, and under BC's ownership there was a 30% rise in the company's investment in R&D. Specifically, BC Partners's targeted R&D investments enabled IMA to advance automation technologies, improve efficiency, and expand into eco-friendly packaging solutions, bolstering its leadership in the global packaging machinery industry.

Strategic M&A

IMA's portfolio was further diversified through five bolt-on acquisitions, which enhanced its product offerings and extended its geographic reach. The strategic moves allowed the company to enter new markets and expand its capabilities. In parallel, an optimised supply chain improved operational efficiency, enabling IMA to meet growing demand while maintaining high-quality standards.



STEFANO FERRARESI
PARTNER
BC PARTNERS

THE IMPACT

IMA's transformation aligns with two major global trends, these being automation and sustainability.

The company has made substantial investments in automation, focusing on research and development to advance its technologies. This has enhanced IMA's operational efficiency and enabled its clients to increase productivity while reducing costs. By continuously refining its automation capabilities, IMA has reinforced its leadership in the digital evolution of the packaging industry.

At the same time, IMA has committed to sustainability in response to the rising demand for eco-friendly practices. Initiatives like the No-Plastic (IMA NoP) and Low-Impact (IMA Low) programmes focus on reducing waste, conserving resources, and using more sustainable materials. These efforts help IMA meet the growing need for environmentally responsible solutions, particularly in industries such as pharmaceuticals, food, and cosmetics. By integrating both automation and sustainability, IMA not only strengthens its competitive edge but also contributes positively to broader environmental goals.

Operational excellence: supply chain management

During BC's ownership period, the business also conducted a comprehensive review and optimisation of its supply chain operations, directly working to support the company's growth. By adopting advanced manufacturing techniques and streamlining processes, IMA was able to materially improve its operations while adapting to global supply chain disruption.

Sustainability

Throughout this period, BC Partners worked closely with the Vacchi family, ensuring alignment on strategic goals while preserving IMA's identity. This partnership fostered a culture of innovation, accountability, and sustainability, enabling IMA to thrive in a competitive environment.

Sustainability became a central focus of IMA's strategy. Initiatives such as the No-Plastic Programme (IMA NoP) and the Low-Impact Programme (IMA Low) were introduced to reduce waste, conserve resources, and incorporate eco-friendly materials into production. These efforts resonated with IMA's blue-chip clients and positioned the company as a leader in driving sustainable practices.

THE EXIT

Under BC Partners's ownership, IMA Group delivered strong growth, achieving €2bn of revenue in 2022 and a 70% increase in EBITDA. As a result of this strong performance, IMA attracted significant inbound interest from corporates and sponsors, prompting BC Partners to accelerate its exit timeline. In July 2023, BC Partners announced the sale of its stake in IMA to BDT & MSD Partners.

Thanks to BC Partners's innovative structuring of the deal, the macroeconomic conditions which hindered many wider deals at the time did not affect the exit, with the company's portable debt facility avoiding the need for new financing to be raised.

The transaction valued IMA at €6.9bn, up from less than €3bn at the time of BC Partners's initial investment. This 2.41x multiple on invested capital and 34% IRR underscores the significant value created by BC Partners through organic growth, operational improvements, and strategic acquisitions.

Since the partnership, IMA has expanded its global footprint, now operating in over 80 countries and 53 production facilities. The company serves a broad customer base across multiple regions, including Europe, North America, South America, Asia, and the Middle East. IMA's installed base of approximately 60,000 machines and its more than 3,000 patents reinforce its leadership position in the packaging and automation sectors.



CHRIS PELL
PRINCIPAL
PERMIRA

PERMIRA AND ALTER DOMUS: A STUDY IN DIGITISATION

THE THESIS

Permira is a global investment platform focusing on private equity – primarily buyout and growth equity – and credit, where the firm is active across both private and liquid credit.

On the PE side, the firm is a transformational growth investor at scale. It looks at underlying business metrics – whether the unit economics, profitability, operational markets, market resilience, or competitive positions – and try to identify the high-quality, high-growth companies that can be turned into global market leaders.

The firm seeks businesses with double-digit top line growth, helping them to find their maximum efficient growth rate rather than their maximum EBITDA margin.

Permira finds and invests in businesses benefitting from thematic growth trends and helps them to drive and accelerate that growth. The firm also focuses on digitisation and the tech-enablement of businesses in services, and is increasingly backing asset-light, tech-enabled businesses, or those with a tech-enablement or digital transformation journey ahead of them.

THE TRANSFORMATION

Permira first began examining Alter Domus eight years ago. Then, it was a corporate services player based predominantly in Luxembourg – it was a traditional, people-based professional services firm with minimal tech-enablement. It was fully owned and controlled by the three founders and was looking to onboard its first institutional partner to help with the journey ahead, primarily focusing on three things.

The first was to break into the US market. The second was a consolidation opportunity in a very fragmented market, seeking a partner with the experience and capital to fund acquisitions. The third was a focus on digital transformation – seeking a partner with deep technology expertise.

Alter Domus's entry into the US market started with the acquisition of a Chicago-based business called Cortland. After that, Permira supported a number of further acquisitions, including US fund administrator Strata Fund Solutions.

The Cortland acquisition not only brought in a high-quality client base, but also a skilled US management team. Permira helped Alter Domus successfully integrate these businesses into a unified, autonomous North American practice under a refreshed brand. That gave the company access to the US market, which has been growing at a rate of 30%+ every year since and is now the company's largest geography – more than 40% of the business today.

As part of a growth strategy, the firm helped the management team build out an in-house M&A function, providing Alter Domus with the capacity to execute a number of M&A transactions every year.

Finally, there was the technological component – which initially came down to people. Hiring the right people, strengthening the management team around technology, and then investing in it.

Permira's initial focus was on foundational areas including a SAP implementation and core IT systems. That enabled more time to be spent on exciting areas – most notably making sure the company had a market-leading client-facing portal.

Then, the goal was to make sure Alter Domus was working with best-in-class third-party platforms in each asset class. The company embarked on a comprehensive digitisation of workflows and business processes. Previously, it operated based on 100% people-based, pen-and-paper manual processes. And, while Alter Domus remains a high touch, white collar professional service business, the nature of the work has allowed it to become more and more automated and tech-enabled over time. This allows a higher quality of service and is more efficient for the business overall.

THE EXIT

Alter Domus was one of those investments that consisted of multiple avenues for growth – across new products, client segments and geographies. Keeping multiple value creation initiatives moving in parallel was probably the biggest challenge. At the end of the day, success came down to having high-quality management in place and the right people to drive each initiative.

When Permira first invested in the business, there were around 1,000 employees with just over €100m in revenue – just over €30m of EBITDA. Over a seven-year period, the company witnessed transformational growth – both organic and through M&As supported by Permira. Now, Alter Domus sits as a global market leader in its sector.

As the business had performed so strongly but also still has such a great opportunity ahead, it was important for both Permira and the founders to have a transaction that allowed both to return money to investors as well as stay invested. A competitive process was run to find a new shareholder, and Cinven was the winning bidder with an offer valuing the business at €4.9bn.

The founders have stayed investors, rolling over half their shares. They were keen to partly sell down and bring in a new shareholder to take the business forward for the next leg of its journey.

Similar to the founders, Permira rolled over half its stake, retaining a meaningful investment in the business going forward. The firm considers itself very aligned and excited about the future of the Alter Domus, for the same reasons as seven years ago.

THE IMPACT

Digital transformation is a key focus area for Permira when investing. In terms of the future, the firm is particularly excited about the opportunity for developing data and analytics products and services.

Alter Domus has teams looking at specific use-cases within the business for how that data can better be leveraged, such as to improve the quality of the service being provided, or to drive efficiencies within those processes.

To achieve this, a separate data and analytics function has been built out, and a new senior executive was hired from Moody's Analytics to run this function. Focus areas include the processes in place today, data within the business, needs of the end clients, and ways to better serve clients using data and analytics products – on top of the core servicing activities that they rely on from us.

Further, the opportunity to implement Gen AI within a business applies across Permira's services portfolio companies, and new investments being evaluated.

CIBUS CAPITAL AND INNOLIVA:
SUSTAINABLE OLIVE OIL PRODUCTION

THE THESIS

Traditional food production and its impact on people and the planet presents an opportunity to apply advanced technological expertise that will improve companies operating in this sector and assist in the transition of the food value chain to be more robust and resilient, underscoring long-term financial returns. Cibus Capital LLP's hands-on portfolio management approach seeks to ensure the future of food is both equitable and sustainable.

Cibus's core focus areas include creating sustainable value through responsible investment, enabling technologies that transform the food sector and delivering measurable environmental and social impact. Funds target key themes to address critical drivers while providing portfolio diversification across: permanent crops, contained environment agriculture, natural capital, crop & soil health, human & animal health, aquaculture and agrifood technology. Each strategy utilises investment opportunities presented by global regulatory changes, shifting trade and consumption patterns and the inability of the world's fastest growing economies to meet rapidly increasing regional food demand. Working in partnership with pre-existing ownership teams, or by assisting them to make an orderly transition to a new executive team, Cibus enhances businesses' performance, while reducing agrochemical inputs and Greenhouse Gas (GHG) emissions, improving water efficiency, introducing biodiversity measures and improving animal welfare, among other criteria aligned with Sustainable Development Goals.

THE TRANSFORMATION

Cibus Fund LP acquired Innoliva in 2017, its largest investment, which at the time comprised of approximately 4,300 hectares of super high-density olive groves in Spain and Portugal. Cibus worked to build out the executive team through the recruitment of top-tier management, including the appointment of a new CEO, Jorge Pena, and CFO, David Carrasco. The new management team expanded the footprint progressively to around 8,300 hectares and converted a third of the total hectares to organic olive oil, which positioned Innoliva as a leading global producer of olive oil. Cibus subsequently diversified Innoliva's product mix, adding both table olives and almonds to the product portfolio.

In addition to expanding the footprint, Cibus also increased efficiency onsite, including almost doubling the oil mill processing capabilities from 750 tonnes per day to 1,300 tonnes per day, increasing the storage capacity to 4 million kilograms of extra virgin olive oil and adding third-party milling services as part of Innoliva's offering. In total, Innoliva decreased the time from product harvest to processing to under three hours.

Cibus also made significant improvements to operational sustainability and resource efficiency. Select environmental milestones during Cibus's investment period included: the introduction of carbon emissions monitoring; treatment and re-integration of used mill water into irrigation systems in the groves; the launch of biodiversity initiatives; and the inclusion of solar energy for fertigation systems. Innoliva uses its olive oil by-products to create energy used to power the mill, separating olive pits from their olives, some of which are used to power the mill, with the remaining pits sold as animal feed. This efficient use of by-products



ROB APPLEBY
FOUNDER & CIO
CIBUS

THE IMPACT

The current food production system has significant adverse effects on the planet and its people. For example, 33% of global anthropogenic GHG emissions result from the food value chain, yet the growth rate of global population will drive food demand up between 35% and 56% in the period 2010-2050. Cibus seeks to tackle this challenge by investing in companies that leverage innovative technologies to enhance food production efficiency and sustainability while offering substantial financial returns to investors.

Innoliva's is a transitional success story. Through the integration of the value-creation initiatives and sustainability and resource efficiency practices outlined above, Cibus demonstrated that sustainability, resilience and commercial success in the food and agriculture sector are closely interlinked. Furthermore, the emphasis placed on Innoliva's sustainability credentials during the sales process highlight the rising demand from investors for "future-proofed" investments, with increased resilience to climate risks. For example, access to multiple on-site and renewable energy sources – such as solar, the Renewable Grid Contract and the biomass generator in Innoliva's case – mitigates energy market volatility for these investments.

capitalises on bioenergy and contributes to the company's bottom line. Specific initiatives introduced during Cibus's ownership include:

- Innoliva invested €250,000 in water infrastructure to support their aim of achieving three-fold water recirculation.
- Batteries were installed to enable lower emissions energy management during powercuts, leading to cost savings of €5,000 per year. Previously, the company was using diesel generators to support back up.
- Innoliva installed a biomass burner to use 10% of olive pit by-product, minimising the need for fossil fuel-based energy sources and reducing waste. The remaining 90% was sold to other companies, contributing to a circular economy and sustainable energy practices.
- Innoliva installed solar panels on their excess land through collaboration with a solar panel partner to support local production.
- By 2023, 71% of Innoliva's energy was sourced from a specially organised renewable grid energy contract.

In November 2023, Cibus Fund successfully exited Innoliva, its largest investment. Under Cibus's six years of ownership, Innoliva became a producer and processor of top-quality organic olive oil, at a globally competitive cost of production, within a framework of operations that supports environmental sustainability.

THE EXIT

Cibus launched the exit process for Innoliva in Q1 2023, appointing Lazard as a sell side advisor. Innoliva's sustainability credentials were a key attribute during the competitive sales process. Innoliva was sold to Canadian pension fund Fiera Comox in November 2023, exceeding the original IRR underwrite for the investment.

NORDIC ALPHA PARTNERS AND SPIRII:
ACCELERATING EMOBILITY DEVELOPMENT



LAURITS BACH SØRENSEN

SENIOR PARTNER

NORDIC ALPHA PARTNERS

THE THESIS

Nordic Alpha Partner's (NAP) investment thesis is based on the belief that it is able to change the math of green technology growth assets, and it relies on the ability to navigate the dramatic value drivers that exist in the green transformation. NAP specialises in helping pioneering hardware technologies achieve growth levels way above 40% per year (hypergrowth). This approach requires a highly operational value creation process (VCP) and a framework that can be replicated. NAP's VCP is divided into five steps: Early Strategy, Full Strategy, First Investment, Capital Efficient Scaling and Pre-Exit Planning.

The first two steps are at the heart of the VCP. It is here that NAP uses significant team resources to determine whether a potential company has the right characteristics to achieve hypergrowth. NAP looks for whether the company has had "representative traction" in the market, client types, conversion ratios, and more. The firm also determines whether the technology is 'B.C.S.A' – Better, Cheaper, Simpler to integrate and Available at scale, relative to competition in the specific value chain. To figure this out, NAP often works with a company for up to 12 months before a first investment, to implement several of its value creation levers and test market response.

When building a full strategy, NAP's value creation partners lay out a clear framework for creating, de-risking and managing hypergrowth, often even before a term sheet has been signed. While this is resource intensive, NAP ends up winning every asset it works with, often achieving significant investment discounts and extensive rights. When a deal is signed, NAP takes a significant minority position, but with operational control.

THE TRANSFORMATION

Using the recently exited investment in Spirii – a Denmark-based provider of e-mobility charging solutions – as an example, the transformation and value creation process looked like this: NAP worked actively with the company for over six months before investing, using this time to facilitate a new strategic and financial direction. The firm suggested splitting Spirii into two entities, establishing a Platform-as-a-Service (PaaS) offering on top of the original turn-key charge-point operator (CPO) business. Both the technology improvements and go-to-market strategies were based on core tools from NAP's value creation toolkit, including NAP's business trajectory management (BTM) framework. This strategy resulted in a very high client conversion ratio, enabling the company to win many of the world's largest eMobility players such as Amazon, Shell, Total Energies, UPS, EDF, AUDI, DAIMLER, CIRCLE K, Falck and more.

The split of the business was de-risked via NAP's hypothesis-based growth scaling (HBGS) scenario model, which suggested it was better to base the business model on smaller transaction fees on kilowatts of power delivered through Spirii's connected EV chargers, than it was to sell the charging points themselves. The model showed that it would enable much faster growth and value development. The platform play would also mean that Spirii's customers could play a bigger role in the EV-market, since they also got access to a larger back-end system, integrated into payment, billing, and ERP systems.

Other value creation tools and models also came into play, such as NAP's "Value Peaking Model" and "Dominance Diamond Matrix". After determining the right business model and making sure the offering was

BCSA, NAP's Value Peaking Model outlined the path to the next peak of value on the asset level, the Pre-Exit Planning stage of the VCP. NAP provided Spirii management with a clear overview of the company's position, where they need to be, and how long a potential value valley would be if the exit window was missed. Full clarity at that level is crucial for frontloading growth investments from a manager's perspective.

This is also how NAP determined that the physical CPO business was not a long-term play. Charging points were being commoditised quickly, disrupted by cheaper Chinese hardware with similar performance. There was no next real value peak for the CPO business. The Dominance Diamond Model helped guide the management to secure its market position by providing a framework for how to reinforce KPIs such as technology edge, financial performance, market access and identity. Despite having 50 competitors, Spirii stood out as a future dominant player due to the platform adoption and large client conversion. Building the equity story around the Dominance Diamond framework meant that it would likely achieve a high strategic multiple.

The close cooperation between the NAP and Spirii teams, from the early strategy process through the BCSA-analysis, a deep business pivot and several strategy revisions is what took Spirii from a challenger to a dominant player. It is a classic example of a NAP-asset journey; creating an offering that is BCSA and staying true to the hypergrowth hypothesis that lets us hit a high value peak after fencing it off as a dominant player.

THE EXIT

After implementation of the VCP, Spirii evolved into a leading, European eMobility platform provider, winning the world's largest energy, automotive, retail and logistics customers. Spirii's transformation during NAP's 11 quarters of ownership included expansion from: one country to 19 countries; eight employees to 120 across 15 nationalities; and double-digit monthly growth on all main KPI's such as connected chargers, software users, energy throughput and avoided CO2 emissions. The equity story was based on the fact that NAP had reduced CO2 emissions in the industry by 50,000 tonnes, installed over 25,000 connected low voltage chargers and 1,000 superchargers (with 4,200 in backlog) and over 200,000 platform users with in-app access to over 300,000 chargers across Europe. NAP had grown revenue from EUR1m to EUR24m and secured operational cash flow positivity.

Based on the future growth that the company was on track to hit, NAP achieved several offers for the asset. NAP sold the asset to the French CAC40 company EdenRed and achieved an exit multiple of 67 times ARR and eight times revenue as of December 2023. NAP achieved a multiple on investment capital of 5.7x, and an overall and IRR of 137%. The company is now on track to generate revenue of €50m.

THE IMPACT

The transformation story of Spirii is directly tied to the acceleration of sustainable transport and no-emissions mobility, core pillars of the global green transformation and a cornerstone of the Net Zero ambitions. Transportation accounts for almost one fifth of global emissions, and with the Spirii transformation, the largest transport and logistics players can now access more charging providers across the world and can provide customers with a superior product. Fleet management is critical to all logistics infrastructure in the world and the complexity increases when fleets go electric. Spirii's platform will make sure that fleet managers around the world can succeed in their electric transition.

Spirii also supports large-scale power-grid balancing, an essential part of the green transition where power needs to be moved around a grid more efficiently. The company is already pivoting as an enabler of next generation energy services, such as vehicle-to-grid capabilities, where EVs play a role as a power-to-x entity. This capability is critical if countries and regions want to create a truly electrified economy.

In other words, Spirii's transformation from a national provider of direct charging solutions to a global and pioneering platform provider is rapidly accelerating the green transition in a game-changing way.

AGILITAS AND HYDRO INTERNATIONAL:
CUTTING EDGE WATER MANAGEMENT

THE THESIS

Agilitas is a mid-market, pan-European private equity firm which has a patient, sector-focused investment approach and a strong track record of dramatically transforming and growing companies. Agilitas is highly selective, and only backs companies that serve fundamental human or planetary needs, ensuring alignment between shareholder value creation and positive purpose.

In Hydro International, Agilitas identified the opportunity to back a mission-critical technology leader in a growing and defensible sector that answers fundamental planetary needs, and to leverage Agilitas's transformational expertise and sustainable value creation capabilities. Hydro's market is supported by long-term market growth fundamentals such as growing risk of floods and the increasingly challenging supply of drinking water across the globe. As water is a fundamental planetary (and also human) need, water management-related infrastructure and services are typically non-discretionary. The industry is highly regulated because of the consequences of failure. Quality, rather than price, is key, and Hydro is a technology leader with entrenched market-leading positions in its niches. The company had an extensive high-quality portfolio of protected intellectual property products, with more than 120 patents granted or under application, distribution networks in key geographies and diversified revenue streams.

With demand for water management solutions rising because of climate change, urbanisation and population growth, Hydro was strongly positioned for growth.

THE TRANSFORMATION

Hydro provides water management expertise to municipalities and businesses globally. Its products and services reduce flood risk, improve water treatment and protect the environment from water pollution.

Hydro's transformation began with strengthening the management team, ensuring the right leadership was in place to drive innovation and sustainable growth. This included the recruitment of a new CEO, CFO, non-executive Chairman and Head of the American Storm Water division. With Agilitas's backing, Hydro's management team implemented targeted operational improvements to drive growth. This growth was subsequently accelerated with three add-ons.

Initial operational improvements included implementing targeted KPIs, institutionalising processes across functions and geographies, upgrading IT, and moving to fit-for-purpose headquarters in Clevedon, UK. Subsequent initiatives included closing an underperforming division and restructuring a loss-making equipment business. Collaboration was improved between the various divisions, in particular the marketing of UK products in the US. Hydro accelerated its research and development (R&D) efforts by expanding its lab in Portland, Maine, with a $1m investment shortly after closing – enabling the launch of new products and patent applications and helping to generate a valuable R&D pipeline for exit. Key products are well-protected by multiple patents: at exit, around 75% of product sales and approximately 90% of gross profits were IP-protected.

Alongside operational improvements, Hydro implemented further initiatives to drive organic growth. It developed a new offering for the industrial market including the new Microscreen product; existing products were also reconfigured for that market.



TORBJORN MIDSEM

INVESTMENT PROFESSIONAL
AGILITAS

THE IMPACT

The transformation of Hydro aligns with the global megatrend of addressing climate change and resource sustainability. Hydro is well positioned to capitalise on future opportunities as urbanisation, population growth and environmental pressures continue to intensify and drive demand for its mission-critical services. These directly address global challenges by helping businesses and organisations improve the way they process, treat and manage water.

Hydro has become a leader in providing solutions that enhance energy efficiency, mitigate the impact of flooding and water pollution, and support green infrastructure. The company's technologies keep water clean, reduce energy consumption, extend asset lifetimes and support more water-sensitive cities and communities. By expanding its product portfolio and entering key geographies, the company has not only cemented its market-leading position but also positively influenced the broader water management sector. The successful transformation of Hydro has, ultimately, enabled it to be better positioned to continue delivering a sustainable and positive impact on people and the planet.

Agilitas will continue to back companies which address environmental challenges, and demonstrate alignment between shareholder, human, societal and environmental value creation.

Hydro launched the 'category killer' Downstream Defender Select, the new generation of hydrodynamic vortex separator for treatment of stormwater runoff to protect the environment and meet water quality requirements, and the first product in its sector with Smart Data Capabilities. The company targeted new geographies, developing strategic trading relationships in the US, France, UAE, and China. The business expanded its global reach, establishing a presence in 19 countries and adding new US distributors to accelerate growth and diversify its customer base.

Three strategic acquisitions further solidified Hydro's position, enhancing its consulting and services capabilities in the UK, and insourcing key suppliers to mitigate risk.

Driving the business through transformation initiatives was challenged by the Covid-19 pandemic and related global supply chain disruption and inflation. With Agilitas's support, Hydro successfully addressed these challenges through a combination of proactive procurement, supplier negotiation and price adjustments. In addition, Hydro's customers increasingly demanded sustainable and efficient solutions, while regulatory changes required the company to remain at the forefront of regulatory developments and technologies. Agilitas's expertise in highly regulated and environmentally orientated sectors played a pivotal role in guiding Hydro through these complexities. The company's management, working with Agilitas, implemented ESG initiatives as part of the transformation plan, driving not only external impact but also improving Hydro's own sustainability efforts. This focus on ESG aligned with Hydro's mission and helped enhance its reputation as a leader in environmental technology.

THE EXIT

Agilitas backed the buyout of Hydro in February 2018, exiting in July 2023 to a corporate buyer.

Under Agilitas's stewardship, Hydro went from strength to strength, transforming into a global leader in environmental technologies that delivers mission-critical solutions. This ultimately positioned the business to capture future growth opportunities and deliver ongoing positive impact.

With Agilitas's backing, Hydro expanded its geographic reach, launched groundbreaking products for industrial markets and smart sensors, and improved its sustainability efforts. The company's relentless focus on innovation, supported by enhanced R&D facilities, resulted in an industry-leading patent portfolio.

These efforts significantly broadened Hydro's customer base and strengthened its ability to secure strategic contracts. The transformation culminated in a successful exit to a corporate backer, reflecting the substantial value created during Agilitas's stewardship and underscoring Hydro's position as a technology leader – helping municipalities and businesses reduce their environmental impact with cutting-edge water management solutions.

LEAPFROG AND NORTHERN ARC:
DRIVING FINANCIAL INCLUSION IN INDIA



PRANAV KUMAR
PARTNER
LEAPFROG INVESTMENTS

THE THESIS

LeapFrog is a growth private equity investor, investing in companies which deliver essential healthcare, financial services, and climate solutions for underserved consumers across Asia & Africa. Founded in 2007, the firm has backed and built more than 40 companies across 37 markets and has raised over $2.7bn from global institutions in pursuit of its 'profit with purpose' mission. In 2024, LeapFrog companies reached over 500 million people with healthcare, financial tools or climate solutions – a milestone for a commercial impact investor.

LeapFrog's investment approach is rooted in identifying and scaling innovative, high-growth businesses that meet the vast unmet demand for essential services in emerging markets. The firm classifies itself as sector specialists, on the ground, and have built in-house capabilities such as consumer experience optimisation and talent development. These resources enable LeapFrog's companies to scale sustainably and efficiently while delivering measurable social and financial returns.
LeapFrog's due diligence framework integrates rigorous financial and operational analysis with a sharp focus on impact. The firm evaluates each opportunity based on quality of its business model, alignment with founders, owners, and senior team, ability to add value, potential for enduring social or environmental impact, and potential for eventual exit.

THE TRANSFORMATION

LeapFrog Investments was the first institutional investor in Northern Arc in 2014 and doubled down subsequently. The firm's nominee is the longest serving board member on the asset, and it supported the rapid expansion of Northern Arc's non-bank lending platform to serve India's low-income households and businesses. The firm's journey with Northern Arc has been a testament to resilience and long-term partnership, as the pair navigated significant external shocks, including India's Demonetisation in 2016 and the Covid-19 pandemic.

Northern Arc's business model started with a focus on catalysing debt capital for over 320 originator partners – primarily smaller, non-bank financial companies (NBFCs) and fintech companies operating in the inclusive finance sector, in a highly risk-managed fashion, boasting industry-leading low loss rates even across external shocks. Through its platform, Northern Arc channels funds from more than 1,100 domestic and international capital providers to these partners, serving critical segments such as microfinance and credit for vehicles, housing and small enterprises, among others. Northern Arc is often the first lender to these institutions. The business has now significantly broadened its reach, with direct lending being more than 50% of the balance sheet, and also successfully launched a debt fund business with over 13 funds till date.

Throughout the investment, LeapFrog provided strategic leadership and supported value-creation initiatives at pivotal moments:

- **Governance transformation**. In 2017, LeapFrog oversaw and facilitated the company's transition from a promoter-led structure to a professionally governed, board-led organisation. The LeapFrog team was instrumental in assisting the company to appoint the first independent chairperson, implement a group restructuring exercise and put in place appropriate shareholder agreements for this structure to work. This laid the groundwork for the path to listing.

- **Liquidity strengthening**. In 2018 and 2019, LeapFrog played a critical role in unlocking foreign liabilities for the company during India's NBFC liquidity crisis, making introductions to several international liquidity providers (including OPIC) within its network.

- **Leadership transition**. In 2021, LeapFrog, via its seat on the Nomination and Remuneration Committee, ensured a seamless transition in leadership, supporting the appointment of Ashish Mehrotra as CEO – who has taken the company to IPO in 2024. LeapFrog guided the process by setting the framework for interviewing multiple candidates, deciding appropriate compensation structures and ultimately selecting the best candidate to match the company's growth ambitions.

- **Expanding the product mix**. In 2024, recognising the wealth of industry data at its reach, the company expanded into new direct-to-consumer product lines, which now account for as much as 50% of its loan mix. Most recently, LeapFrog connected the company to a climate expert who has helped with developing climate-led debt products and begun building out climate specific funds.

- **Pre-IPO and IPO**. In 2024, LeapFrog leveraged its relationship and played a key role in securing IFC – also a LeapFrog LP – as an investor in Northern Arc in a pre-IPO round in early 2024. Subsequently, LeapFrog was one of the three lead shareholders in navigating all the key shareholder decisions, which finally resulted in a successful IPO and partial exit in September 2024.

Leapfrog's board appointee, Michael Fernandes, is the longest serving board member throughout this journey and is widely regarded as lead shareholder. He played an instrumental role during key phases, including the company's recent IPO process. Several other LeapFrog investment team members as well as value creation experts have led projects during the last decade.

THE EXIT

Since LeapFrog's first investment in 2014, Northern Arc Capital has transformed into a leading force in India's credit ecosystem, driving the growth of the inclusive finance sector. Over this period between 2014 and 2024 financial year ending March:

- Its share price has increased sixfold in local currency
- Assets under management have expanded 22 times to $1.4bn
- Profits grew 26 times to INR3.1bn ($37m)
- This has created opportunities for more than 100 million people, almost half of whom are low-income consumers

Its commitment to responsible lending and ESG integration has earned it recognition as a leader in sustainable finance, and its approach to risk management was recently reflected in its upgraded credit rating from A+ to AA- by India Ratings

The company's IPO in 2024 was a landmark event, with the issue subscribed 117 times, setting a record for BFSI IPOs above INR5bn in the past 15 years. During the IPO, LeapFrog partially exited with a 3.1x dollar investment multiple and a 16.5% IRR in dollar terms. It continues to hold a 16% stake, allowing for LeapFrog to continue contributing to Northern Arc transformation story.

THE IMPACT

Northern Arc exemplifies the global megatrend of digitalisation and its impact on financial inclusion, particularly within India's rapidly evolving financial services sector. By leveraging cutting-edge technology, the company has transformed how credit flows to underserved segments, enabling scale and operational efficiencies while reducing the cost of capital for consumers.
At the heart of this transformation are pioneering digital tools that together reach 100m people.

- Northern Arc's Nimbus platform streamlines credit flow between the company and its originator partners, increasing both the speed and volume of disbursements.

- Its nPOS platform, a cloud-based API-enabled solution, automates the loan origination, underwriting, and management processes, significantly reducing manual intervention and processing time.

- The Nu Score machine-learning model enhances underwriting by mitigating risk, thereby expanding financial access responsibly.

These innovations have unlocked new opportunities for financial inclusion, particularly for emerging consumers historically excluded due to a lack of formal credit histories. By bridging this gap, Northern Arc has facilitated a significant shift in access to credit, helping underserved communities thrive. Their impact resonates across India's economy. For example, the microfinance sector's gross loan portfolio has grown nearly 16.5 times in a decade, driven by originator partners such as those supported by Northern Arc.

NJORD PARTNERS AND SOLIDAL:
MODERNISING ENERGY TRANSMISSION

THE THESIS

Njord Partners specialises in identifying and executing special situations investments across primary and secondary market cycles. In primary capital solutions, the firm leverages a hybrid capital structure encompassing secured and unsecured debt as well as equity investments.

By adopting an active role, the team drives value creation through strategic and operational initiatives, including growth acceleration, efficiency programmes, and business turnarounds. Their approach includes direct board participation, enabling them to transform portfolio companies through turnaround strategies, capital growth, and rescue financing.

Focusing primarily on companies in Western Europe, the team maintains a sector-agnostic outlook but demonstrates a strong preference for asset-heavy industries with solid free cash flow generation.

THE TRANSFORMATION

Challenges and stakeholder pressures

In 2015, Solidal – a power cable manufacturer and supplier of integrated energy transmission solutions – faced a financial crisis, requiring refinancing for short-term obligations and capital expenditures to resolve production bottlenecks. With existing lenders unwilling to provide support, the company was at a critical juncture, needing immediate intervention to sustain operations and avoid industrial shutdown.

In 2018, Solidal encountered liquidity issues due to triggered supplier credit insurance, leading to an urgent cash shortage. Solidal was unable to fund raw material purchases, forcing a halt in production and pushing the company to the brink of bankruptcy.

With no support from local banks or its majority shareholder, the company was just two weeks away from collapse. Additional challenges emerged in 2020 when the Covid-19 pandemic disrupted global operations, further complicating the stabilisation process.

Throughout this period, Solidal faced significant stakeholder pressures including meeting financial obligations to lenders, restoring trust with suppliers, and gaining employee buy-in for transformative measures.

Actions and changes implemented

Njord stepped in during the 2015 financial crisis, providing a senior secured loan that marked the beginning of a transformative partnership. When the liquidity crisis escalated in 2018, Njord agreed to provide fresh liquidity and became the majority shareholder through a debt-to-equity swap to restart operations.

With 100% majority ownership, in 2019 Njord tightened control to eliminate the capital structure issues, poor operations and poor governance.

First, Njord sold a non-operating RE, invested in de-risking the business by improving IT and logistics, and focused on lean manufacturing by upgrading production facilities and machinery inventory

Second, Njord appointed a new management team led by Francois Moufflet, to address immediate efficiency improvements. All staff were incentivised with clear objectives and performance appraisals. The team



ARVID TROLLE
PARTNER
NJORD PARTNERS

THE IMPACT

Solidal's transformation aligns with the global megatrend of electrification and the energy transition – key drivers of demand for power infrastructure worldwide. By stabilising operations and expanding capacity, Solidal positioned itself to support the growing need for energy transmission in Southern Europe, the UK and France, directly contributing to decarbonisation and grid modernisation.

The turnaround also had a significant economic impact. Solidal grew revenue and saved and created jobs during its crisis. Its sale to NKT in 2024 ensured continued expansion, innovation, and support for global electrification efforts, solidifying its role as a key player in the energy sector.

implemented commercial excellence and financial control measures.

The team also built trust by re-engaging with all stakeholders – including going on a roadshow with key customers, resuming supplier contracts and increasing employee engagement.

Despite the challenges posed by the pandemic in 2020, these efforts brought significant progress, earning Solidal the Turnaround Management Association (TMA) 2020 International Company Turnaround of the Year award. Between 2018 and 2023, the company's revenue grew from €33m to €155m, and its EBITDA improved from a €13m loss to a €21m profit. Furthermore, job preservation efforts in 2018 saved 350 roles, while an additional 77 positions were created by 2023, reflecting the success of the transformation.

Outcome

These decisive actions positioned Solidal as a leading player in the power cable industry. With continued focus on operational efficiency, margin improvement and record capex expansion by 2024, Solidal had achieved a full turnaround.

THE EXIT

In 2024, Njord sold Solidal to NKT, a leading global supplier of power cables listed on NASDAQ Copenhagen. This strategic acquisition provided NKT with additional production capacity and expanded its geographic reach into new markets. NKT also committed to expanding capacity at Solidal's existing site, further creating job opportunities.

This investment generated a gross return of 2.6 times multiple on invested capital for Njord's investors, establishing Solidal as a key player in the power cable sector and further solidifying Njord's reputation in European mid-market transformations.

QUILVEST AND METRO FRANCHISING:
SCALING GROWTH IN QUICK-SERVICE RESTAURANTS



JARED NAGAE
MANAGING DIRECTOR
QUILVEST CAPITAL PARTNERS

THE THESIS

Quilvest Capital Partners (Quilvest) is a dedicated global mid and lower mid-market alternatives investment manager with over $7bn AUM, operating four investment strategies: buyout, primaries, co-investments and secondaries, private credit and real estate.

Quilvest Capital Partners's partnership with Metro Franchising was not just a venture but a strategic move driven by a clear investment thesis. The goal was to capitalise on the business' strong position in the Dunkin' franchisees and unlock untapped growth potential in the Quick Service Restaurant (QSR) segment.

THE TRANSFORMATION

With a portfolio of 44 units across the New York metro area at the time of Quilvest's investment, Metro had the foundations of a robust business. At the time of Quilvest's entry, the firm and management identified numerous growth avenues, including new unit expansion through de novo builds and acquisitions and operational optimisation.

Quilvest's proven expertise in the QSR space and track record with similar investments, equipped the firm with a deep understanding of the dynamics unique to this sector. The team conducted rigorous due diligence focused on identifying areas for growth, assessing operational scalability, and evaluating the strength of Metro's management team.

Quilvest identified the opportunity to grow Metro's footprint while implementing structural improvements to enhance profitability and position the business for long-term, scalable growth. These resulted in a hands-on value-creation strategy that drove the business' transformation.

Quilvest's operational value creation strategy was rooted in collaboration with Metro's experienced management team, who had built the business from scratch. Together, they developed and executed a multifaceted plan that leveraged strategic acquisitions, organic growth, operational efficiency gains, and foundational infrastructure development.

Strategic expansion through acquisitions and organic growth

Metro's growth from 44 to 105 units was achieved through acquisitions and new store openings. Over the partnership, Quilvest facilitated seven strategic acquisitions, targeting well-managed Dunkin' stores that complemented Metro's existing footprint in the New York metro area and Long Island. These acquisitions were meticulously selected to integrate seamlessly into Metro's operations, creating synergies and bolstering the portfolio's overall performance.

In parallel, Quilvest and Metro opened 23 new locations, targeting high-traffic areas. This expansion was underpinned by data-driven site selection processes, ensuring that each new unit contributed positively to Metro's growth trajectory.

Operational efficiencies and scaling infrastructure

Scaling the business required a robust operational foundation. At the outset, Quilvest invested heavily in upgrading Metro's financial systems, IT infrastructure, and operational processes. These enhancements enabled Metro to manage its growing portfolio more efficiently and transparently. For example, increasing the density of Metro's store network improved logistics and enhanced resource utilisation.

One of the key initiatives included a complete overhaul of the business' accounting software and ERP systems, allowing for improved financial reporting and scalability.

Human capital development

Scaling an organisation also requires investing in people. Quilvest worked closely with Metro's leadership to expand the management team, ensuring it had the capacity and capabilities to scale the business efficiently and prudently. Quilvest also implemented a professional board, appointing independent board members with extensive backgrounds and expertise in the QSR segment to support management in executing the company's growth plan.

Challenges and stakeholder management

Throughout the transformation, the team navigated several challenges, including headwinds from Covid-19. These challenges included inflation and supply chain issues, a tight labour market, and responding to external pressures such as shifting consumer preferences and constraints.

For example, retaining talent and ensuring employee engagement were critical priorities during periods of rapid growth. Metro addressed this by fostering a collaboration culture and offering staff career development opportunities.

By the time of its sale to Beach Point Capital Management in September 2024, Metro had transformed into one of the largest Dunkin' franchisees, operating 105 units across the New York metro area. During Quilvest's partnership with Metro, the company's footprint more than doubled, with revenues and profitability scaling meaningfully.

Metro's strategic expansion and operational improvements created a highly efficient and scalable business. Metro's portfolio became a model for operational excellence, with increased geographic density driving cost efficiencies and enhanced performance. Additionally, the company's plans to expand into Jacksonville, Florida, provided it with an avenue for further new unit growth in a highly attractive and underpenetrated market.

THE EXIT

Quilvest's ability to execute its investment thesis and leverage its operational expertise resulted in a successful exit. The sale to Beach Point Capital Management not only validated the growth strategy but also positioned Metro for continued growth and expansion with its new partner.

THE IMPACT

Through its expanded presence in the densely populated New York metro area, Metro contributed to the local economy by creating jobs, fostering community engagement, and revitalising commercial spaces. Moreover, the company's strategic entry into Jacksonville aligns with broader population growth trends and economic expansion in secondary markets.

Metro's journey serves as a blueprint for scaling franchise-based businesses in competitive markets, paving the way for continued growth and innovation in the QSR sector.

VSS AND GREENSLATE:
SPOTLIGHT ON ENTERTAINMENT OPS

THE THESIS

VSS Capital Partners is a private investment firm that invests in US healthcare, business services and education companies. Since 1987, VSS has partnered with lower middle-market companies, working closely with management teams, to facilitate their next stage of growth. VSS provides structured, flexible capital for growth financings, recapitalisations, strategic acquisitions, and buyouts with the flexibility to invest control or non-control capital – based on the needs and objectives of each company. VSS has managed $4bn in committed capital across 8 funds and has completed 101 platform investments and over 600 add-on acquisitions.

Taking a role as a 'partner in growth', VSS is actively involved with its portfolio companies, and a key component of its strategy is its buy-and-build program which complements organic growth initiatives to strategically scale platform businesses and enhance value.

THE TRANSFORMATION

Drawing on nearly three decades of helping tech-enabled, US, lower middle market businesses grow and navigate highly fragmented markets, VSS Capital Partners, as a minority investor, played a strategic role in GreenSlate's growth during their five-year investment period. Greenslate was transformed into a highly differentiated market leader, now a rapidly growing provider of business solutions for media productions.

GreenSlate's all-in-one tech-enabled platform supports its clients in the production industry, to reduce their environmental impact and more efficiently navigate the complexities of workers' compensation, union and related regulatory requirements – now all bundled on one digital platform.

Following VSS's investment in 2018, GreenSlate undertook several initiatives to drive operational improvements, including accelerating the shift of its service offering to an all-in-one integrated digital platform, effectively positioning itself as a go-to solution for clients previously having to liaise with multiple service providers. Through a strategic turnkey acquisition of a software engine that would automatically account for stipulations in union contracts and eliminate the need for payroll to be entered by hand, GreenSlate provided an industry-wide solution to an antiquated and complex process.

This digital integration proved itself extremely timely when the entertainment industry faced a new set of challenges during the Covid-19 pandemic. After a long halt in production, GreenSlate was one step ahead of its competitors in terms of digital adoption when restrictions were finally lifted. The company now offered its clients the only 'all-in-one' app for entertainment payroll and production accounting, eliminating the need for multiple service providers and associated paperwork.



TRENT HICKMAN
CO-MANAGING PARTNER
VSS CAPITAL PARTNERS

THE IMPACT

GreenSlate's transformation story fits neatly into several 'global mega trends', specifically digital adoption, reduction of environmental footprint, and post-pandemic norms. Thinking ahead of its competitors, GreenSlate's vision to digitise the entertainment payroll process, and VSS's strategic support to bring this vision to reality – given their buy-and-build investment experience in fragmented industries – took the company's services to the next level and left a lasting impact on the business of production as it pertains to digital transformation.

Additionally, with VSS's support, GreenSlate took steps to strengthen its executive teams, most notably resulting in the recruitment and hiring of Jason Vines as Chief Financial Officer and Matthew Truenow as Chief Information Security Officer. The company was also named to Inc. 5000's list two times, selected as the exclusive payroll provider for all Netflix Animation productions, and started working with Tyler Perry Studios as a preferred payroll provider during this time.

THE EXIT

In 2023, VSS sold its original stake in GreenSlate, which grew EBITDA by more than 10 times. VSS re-invested in the company alongside Francisco Partners, purchasing more than twice the size of its original commitment.



MIKE SAND
MANAGING DIRECTOR
AMERICAN SECURITIES

AMERICAN SECURITIES AND ACUREN:
RELIABLE TESTING AND INSPECTION

THE THESIS

American Securities's partnership with Acuren epitomises the firm's disciplined approach to investing in great businesses and partnering with management to drive lasting value for investors.

Pre-acquisition, Acuren – a leading provider of non-destructive testing (NDT), engineering and lab testing, and rope access technician (RAT) solutions in North America – met the firm's core investment criteria: a leader in its market providing a critical service with EBITDA of approximately $100m; founder-led; and operating in a sector with attractive dynamics. The company enjoyed clear benefits of scale with a right to win, particularly with its rope access services, which is central to American Securities's value creation thesis.

Rope access – an advanced inspection method using technicians who use ropes to access and perform maintenance at heights of up to 150 feet within industrial facilities – was a service Acuren was known for in Canada. But there was untapped potential to expand this part of the business into the US and across the company's customer base.

In December 2019, American Securities acquired Acuren for approximately $900m.

THE TRANSFORMATION

A shared vision

Seizing on this opportunity required aligning on a shared vision with Talman Pizzey, a 35-year Acuren veteran, who was enthusiastic about transitioning from his role as regional leader of the Canadian business to CEO. To scale the rope access business in the US, American Securities needed to invest time and resources focusing on commercial excellence and sales strategy. Working closely with management, the firm realigned the RAT sales approach, sharpened operational priorities, and elevated focus at the board level, making growth in this area a top priority.

Best laid plans

By the time the firm ramped up operations in early 2020, a firm foundation had been laid for upcoming success – but ownership often means adjusting to unforeseen events and being agile enough to course correct. Almost immediately, the plans and timeline for the company were drastically tested.

In March 2020 – just months into the ownership period – Covid-19 brought the US to a standstill. As a service business with nearly 5,000 technicians operating at customer facilities, the onset of the pandemic presented an immediate challenge.

Management's focus on cost and managing cash flow enabled the company to survive for two volatile months, until, in late spring, Acuren's technicians were designated as essential workers and returned to work.

Navigating macroeconomic headwinds

Like many other companies during this period, Acuren had to navigate the pandemic's ripple effects, including negative oil prices in 2020 and wage inflation of 8-10% in 2021-2022.

Retaining skilled technicians was critical, so wage increases became the priority. To sustain profitability, a phased approach was adopted – first compensating workers and then renegotiating rates with customers. This effort prompted a company-wide initiative to align pricing with the new cost structure. Although this created short-term margin pressures, the initiative was ultimately effective.

Concurrently, even as customers faced financial pressure, they recognised the need to maintain critical infrastructure, enabling Acuren to regain momentum. The company ultimately retained its workforce and recovered lost margins, preserving long-term competitiveness.

Three pillars

Acuren's success was built on three key pillars: Expanding the rope access technician service line; gaining market share through exceptional service and sales execution; and navigating the challenges of Covid-19 and inflation. Strategic M&A further accelerated growth and strengthened the company's market position.

By focusing on disciplined execution – planning, staffing, resource allocation, and performance measurement – the firm nearly doubled the revenue of the rope access technician service line and helped export the expertise and success Acuren had in Canada into the US market. Nearly half of Acuren's EBITDA growth came from twelve acquisitions and associated synergies. While two of the deals targeted regional competitors, the remaining 10 were focused on expanding niche service lines as platforms for future growth. In each case, strong existing books of business were taken and integrated into Acuren's platform, while American Securities's scale was leveraged to enhance profitability. The company's EBITDA grew by more than 80% during our partnership.

Additionally, we positioned Acuren to capitalise on emerging trends in the energy transition. During our ownership, the company expanded into servicing renewable energy assets such as wind turbines, renewable diesel facilities, and carbon capture projects. Revenue growth was also achieved in liquified natural gas (LNG) terminals and semiconductor facilities, ensuring the business remained aligned with onshoring and domestic manufacturing trends. While energy transition revenue represented around $50m during ownership, it showed steady growth and underscored the company's ability to adapt to evolving market demands.

THE EXIT

In July 2024, American Securities sold Acuren for $1.85bn to Admiral Acquisition Limited – a London Stock Exchange, publicly listed special purpose acquisition vehicle (SPAC) that was formed in May 2023 by Sir Martin E. Franklin.

Unlike SPACs as they are commonly understood in the US, Admiral provided fully committed equity and debt financing at signing. This allowed the deal to proceed with the speed and certainty typically seen in private equity transactions. Long-term relationships with Admiral's leadership, cultivated well before the sales process launched, were instrumental in securing this successful exit.

Acuren is now poised to become a leading global test and inspection business, with plans for rapid end-market expansion and further M&A. The sale reflects the resilience built amid significant headwinds, and the ability to solidify and expand on Acuren's position as the North American market leader.

THE IMPACT

American Securities positioned Acuren to capitalise on emerging trends in the energy transition. During the ownership period, Acuren expanded into servicing renewable energy assets such as wind turbines, renewable diesel facilities, and carbon capture projects. American Securities also grew revenue in liquified natural gas (LNG) terminals and semiconductor facilities, ensuring the business remained aligned with onshoring and domestic manufacturing trends. While energy transition revenue represented around $50m during the ownership period, it showed steady growth and underscored the company's ability to adapt to evolving market demands.

TRITON AND EQOS:
CRITICAL INFRASTRUCTURE FIRST

THE THESIS

Triton aims to generate consistent risk-adjusted returns through all economic cycles by investing behind long-term megatrends such as the energy transition and the digitalisation of the economy, as well as in companies that are operating below their full potential but have the fundamentals to become market leaders.

The firm seeks to build better businesses for the long term through integrated teams that have skin in the game, deep sector knowledge, and operational expertise in investment management, full potential, ESG, digital, leadership and culture, debt financing and more. Portfolio companies benefit from the wide-ranging expertise of Triton's private equity investment team, as well as a team of around 65 operational experts and functional specialists from West Park – Triton's dedicated value creation and returns generation unit.

In the past 11 months, the firm has realised six exits representing €2.5bn of value and an aggregate of 5.1 times gross multiple on invested capital.

THE TRANSFORMATION

Triton bought EQOS out of a liquidity squeeze of its parent Alpine Group in 2014, recognising the company was performing poorly operationally but that its core businesses had a lot of potential. Due to a clear lack of financial and operational control as well as a lack of strategic focus, the business had been racking up losses across its numerous activities. While EQOS had been growing in the years preceding the sale, such growth had been uncontrolled and without direction or emphasis on financial performance.

The tense situation and the liquidity crisis faced by previous owner Alpine Group triggered the start of the sale process in 2013. With the signing of the agreement, Triton indirectly purchased ALPINE-ENERGIE Holding AG from Alpine's parent company – the Spanish construction and service group Foment de Construcciones y Contratas (FCC). Triton decided to rebrand the company to EQOS – standing for 'excellent quality of service' – in 2014.

Immediately following closing of the transaction in early 2014, Triton embarked on supporting fundamental changes in the company's leadership and culture, overall financial controls, and operations.

Triton initiated a full revamp of the leadership team followed by an in-depth operational improvement programme with the aim of instilling a performance culture on the back of local decision making and individual accountability. This upgrade was key to shifting from the historic management focus on growth only, with limited attention on margins or cash towards 'profitability over growth'. In parallel hereto, it encouraged a reduction of overhead costs through centralising services across the business and a meaningful outflow of working capital.

Management, with Triton's hands-on support, re-focused the business on its core set of activities within its core geographies, divesting or closing what was not deemed to be at the heart of the business. EQOS was thereby provided with additional capital to enable these restructurings and closures.

As part of this, Triton also provided fresh capital for select accretive acquisitions, bolstering the company's presence in its core markets and



MORITZ GUDENUS
INVESTMENT ADVISORY PROFESSIONAL
TRITON

THE IMPACT

EQOS is a leading specialty installation and service company for critical European infrastructure. It provides turnkey services to the energy, telecommunication and railway grid, covering the entire value chain from consulting, planning and installation to maintenance.

As part of the energy transition, the amount of green energy generated up in the German north constantly increases while at the same time displacing traditional energy generation in the German south – putting significant stress on existing energy infrastructure, most notably high-voltage power lines. The modernisation of said network is a prerequisite to enabling the energy transition.

technologies. EQOS successfully completed and integrated several acquisitions, most notably FRB, TCT, as well as Colas Rail.

Finally, the business' transformatory journey involved strides towards digitisation, ESG and process improvement. Under Triton's ownership, EQOS was transformed into a leading infrastructure service provider with sales of around €459m and around 1,700 employees. EQOS went from negative EBIT when acquired in 2014 to over €60m on an industry-leading margin of 13%+ in 2023.

THE EXIT

Triton developed and executed a strategy that transformed EQOS from a loss-making conglomerate of business activities into a highly profitable growth platform with a pronounced company culture and strong business fundamentals and focus. Thanks to its strong positioning, the business was well-placed to leverage attractive market fundamentals within the European energy and infrastructure landscape, most notably the requirements from the energy transition. Its complete transformation ultimately paved the way for an acquisition by French infrastructure group Eiffage. Triton sold EQOS to Eiffage Énergie Systèmes, the energy branch of the Eiffage Group, France's third-largest construction and concessions group. Triton's investment in EQOS generated a return of approx. 4.3 times on invested capital.

PRIVATE EQUITY WIRE

CONTRIBUTORS:

Aftab Bose
Head of Private Markets Content
aftab.bose@globalfundmedia.com

Mary Hurley
Junior Content Editor
mary.hurley@globalfundmedia.com

Johnathan Glenn
Head of Design
johnathan.glenn@globalfundmedia.com

FOR SPONSORSHIP & COMMERCIAL ENQUIRIES:

sales@globalfundmedia.com

Published by: Global Fund Media, Fox Court, 14 Gray's Inn Rd, London, WC1X 8HN

© Copyright 2024 Global Fund Media Ltd. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher.

Investment Warning: The information provided in this publication should not form the sole basis of any investment decision. No investment decision should be made in relation to any of the information provided other than on the advice of a professional financial advisor. Past performance is no guarantee of future results. The value and income derived from investments can go down as well as up.

