



LGT European Capital arranges two unitranche facilities in Italy

Paris, 5 November 2018 – **LGT European Capital has successfully arranged two unitranche facilities in Italy to support the acquisition of FairConnect in September 2018, and the buyout of AEB in October 2018.**

LGT European Capital Ltd (“LGT European Capital”) is pleased to announce that entities it advises acted as sole arrangers and underwriters of unitranche financings supporting the acquisitions of FairConnect by Palamon Capital Partners LP, and of AEB by Apax Partners. LGT European Capital has been consistently looking for attractive investment opportunities in the Italian market, with a focus on private debt investments for buy-outs led by mid-market private equity firms. The team identified FairConnect and AEB as highly attractive investments, and ultimately backed the successful buyouts of the two companies. Those deals evidence the desire of entities advised by LGT European Capital to offer private debt financing solutions to leading companies in the attractive growing Italian market.

EUR 30 million unitranche financing to support the acquisition of FairConnect by Palamon Capital Partners LP

In September 2018, entities advised by LGT European Capital arranged EUR 30 million of unitranche financing to support the acquisition of FairConnect by Palamon Capital Partners LP (“Palamon”). FairConnect is a leading provider of connected services to insurance companies. The company collects driving and usage data via Internet of Things technology devices installed in the cars of connected insurance policy holders, and subsequently analyzes and processes such data to provide useful analytics to insurance companies that have launched a connected insurance program. This service proposition is driving sector growth of more than 20% per annum.

FairConnect has significant operations in Italy, which is the world’s most developed connected car insurance market. In Italy, 15% of car insurance policies are usage-based as of today, with a penetration rate expected to quadruple to 60% by 2030. Connected motor insurance companies can tailor their customers’ premiums more accurately, assist in claims processing, improve margins, increase sources of revenue and enhance safety.

“We have been impressed by FairConnect management’s ability to grow the business at such a fast pace and develop a solid competitive edge based on a unique positioning as data-centric insurance telematics provider” said Olivier Meline, Managing Director at LGT European Capital. “LGT European Capital is delighted to support the acquisition by Palamon, whose rigorous approach to investing in strong growth propositions has generated attractive investment and therefore lending opportunities across Europe.”

Philippe Arbour, Associate Partner at Palamon commented: “LGT European Capital was able to understand FairConnect’s business and addressable market’s intrinsic potential quickly, and proposed a flexible unitranche financing solution with both drawn and undrawn tranches to support the initial acquisition and more importantly the future growth of the business.”

Unitranche financing to support the acquisition of AEB Group by Apax Partners

In October 2018, entities advised by LGT European Capital arranged a unitranche financing to support the acquisition of AEB Group by Apax Partners. Founded in 1963 and headquartered in Brescia, Italy, AEB Group is the worldwide leader in biotechnology solutions and related services for wine, beer and other food and beverage industries. AEB Group has a wide portfolio composed of more than 600 proprietary products and specialty equipment, and a unique coverage across five continents through a network of 13 subsidiaries in all the main wine and beer producing markets. AEB Group has more than 300 employees, including 170 agents and sales representatives. The company operates eight production units, four R&D laboratories and seven quality control laboratories globally and collaborates with more than 20 universities and research institutes to foster continuous innovation.

“We are pleased to back Apax Partners and the management of AEB in the next phase of the Company’s development plan”, stated Kevin Abrial, Managing Director at LGT European Capital. “Apax Partners is a long term partner for us, whom we’ve accompanied with several financing solutions over the recent years. We are firmly convinced that under Apax Partners’ ownership, AEB will be able to strengthen its position in its core markets, accelerate its international expansion by leveraging its existing worldwide sales and agents network and conduct an ambitious buy and build strategy, which we look forward to support”.

Bertrand Pivin, Partner at Apax Partners said “we are pleased to partner again with LGT European Capital on this investment, which meets all the criteria we look for when investing: a strong management team with a clear strategic vision and the ability to execute it, a highly differentiated value proposition to clients worldwide and a culture of constant innovation and technological improvements.” Francesco Revel-Sillamoni, Head of Italy at Apax Partners adds: “LGT European Capital has proven to be a very responsive partner, pragmatic and committed to delivering the best financing solution to meet AEB’s need”.

Ends

LGT European Capital

LGT European Capital is affiliated with LGT Capital Partners and operates as its private debt competence center focused on arranging and underwriting private debt investments for sponsored buy-outs of mid-market companies on a pan-European basis. Set up in 2005, the team is composed of 17 investment professionals based in Paris and London, has completed over 91 transactions, and now has approximately EUR 1.7 billion of funds under management. LGT Capital Partners is a leading alternative investment specialist with USD 60 billion in assets under management and more than 500 institutional clients in 37 countries. An international team of over 450 professionals is responsible for managing a wide range of investment programs focusing on private markets, liquid alternatives and multi-asset class solutions. Headquartered in Pfaeffikon (SZ), Switzerland, the firm has offices in New York, Dublin, London, Paris, Vaduz, Dubai, Beijing, Hong Kong, Tokyo and Sydney.



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