

EQT V hard caps fund at €4.25bn

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*The Nordic firm has delivered on the momentum of its €2.2bn first closing after an accelerated fundraising driven by the quick deployment of its 2004 predecessor fund.*

EQT, a Northern European private equity group, has closed its latest fund EQT V on €4.25 billion (\$5.5 billion) turning away commitments of almost €2 billion.

The fund had held a first closing in August on €2.2 billion with a target of €3 billion, which it has comfortably outstripped.

Bjørn Høi Jensen, senior partner and head of EQT Equity, said: "We could easily have taken more but we wanted to be consistent in our focus on the high end of the mid-market and deals with an enterprise value of around €1 billion. We have no intention whatsoever to do club deals. This fund gives us a little more firepower."

The additional capital will be useful, if EQT is faced with a repetition of the glut of opportunities that pushed it into fundraising for this latest fund earlier than anticipated.

Jensen said: "The highpoint was the first closing, because initially it came as a surprise that we had to hit the road, when three big deals in late spring all suddenly materialised."

Gambro, a medical technology company, Kabel Baden-Württemberg, a cable business, and SSP, a food and beverage services company, cleaned out the firm's 2004 €2.5 billion fund IV, which was fully invested in seven deals.

Jensen said the team had to prepare quickly and go on an intense roadshow at the worst time of the year when many investors were enjoying a summer break. By the first close the fundraising had a momentum and the team knew it was going to be "a home run", he said.

Investors in the fund were not concerned by the high concentration of fund IV, Jensen said. "Investors understood that first and foremost we are opportunistic businessmen, not statisticians working on portfolio concentration. They were more interested in a business model that focuses on industrial transformation and top line growth."

The fund will invest in companies where EQT, in partnership with management, can create a specific industrial angle and deploy its network of senior industrialists.

It plays on its connections with Investor, the quoted investment arm of the Swedish industrial dynasty the Wallenberg family and a founding backer of EQT, which is committing €500 million to the fund.

The firm said it also secured important new commitments from Australia, Canada and Japan.

MVision Private Equity Advisers acted as global placing agent and Clifford Chance was legal counsel to EQT V.