

Global Private Equity Practice

2021/2022 HIGHLIGHTS

Ranked among the **top 5** law firms for U.S. private equity buy-outs and the **top 10** for global private equity buyouts in 2021

– *Mergermarket*



Dechert
LLP

PRIVATE EQUITY

INVESTED IN YOUR SUCCESS SINCE 1984

The global private equity (PE) industry is currently scorching hot on all fronts.

Historic amounts of monetary and fiscal stimulus have been deployed to reflate economies and mitigate the disruptive impacts of the pandemic, sending public equity and private capital market prices soaring in the process. The impact of continued technological innovation is also figuring prominently in deal flow, driving demand and pushing multiples higher in what is an already extremely high-price environment. Similarly, fundraising activity is setting records. Absent yield in the depressed rate environment and motivated by the denominator effect, investors in search of returns continue to place capital with PE fund managers.

And as we start 2022, this momentum does not appear to be letting up.

Consistent with these trends, Dechert's global private equity practice successfully completed another record-breaking year in 2021, surpassing deal, fund and financing activity levels from all prior years, while navigating some of our clients' most important business priorities, such as cybersecurity, ESG, carried interest structures and antitrust. As detailed in Dechert's 2022 Global Private Equity Outlook report, published in collaboration with *Mergermarket*, several trends helped define the private equity industry in 2021 and are expected to shape it in the year ahead. A summary of these trends follows.



Dechert's Siew Kam Boon on the 2022 Global Outlook for PE, featured on Bloomberg TV

In this interview featured on Bloomberg TV, partner **Siew Kam Boon** discusses how private equity has adapted to the pandemic, as well as her expectation for increased PE activity in 2022.

Private equity lawyers in **20 offices** throughout the United States, Europe, Asia and the Middle East

Advised on **one of the largest PE buyouts** since the financial crisis and the world's largest private credit secondaries transaction

Named **"Pan-European Legal Adviser of the Year"** by Real Deals in its 2021 Private Equity Awards

Guided clients in private equity transactions totaling more than **US\$200 billion** in 2021

Back-to-Back Transactional **"Financial Services Law Firm of the Year"** – The Deal Awards⁴⁸ 2020 and 2021

50% of the 2021 PE transactions on which we advised were cross-border

PRIVATE EQUITY, BACK IN BUSINESS

“Following a lull in private equity activity in early 2020, we are now seeing deals at a level we haven’t seen for more than a decade,” says corporate partner **Derek Winokur**. “We expect this growth to continue into 2022.”

The boom in private equity activity comes with a fresh set of challenges for investors who need to stay ahead of the curve in this fast-moving industry.

We advised on transactions that set new standards in the most exciting and innovative industries, including asset management, fintech, life sciences and healthcare, technology and other highly regulated industries.

We advise

300+
private equity clients

51123
Interdisciplinary team of

350
private equity lawyers globally

Club Deal Revival 2021 saw PE deal value more than double relative to the prior year, shattering the previous record that was set in 2007. Dechert has been an active participant in this trend, having advised GIC as part of a larger investor group in numerous multi-billion dollar transactions.

For example, we advised **GIC** on the:

- Acquisition by an investor group, including Blackstone, The Carlyle Group and Hellman & Friedman, of Medline.
 - This was reported to be the second-largest buyout since the financial crisis and one of the largest healthcare buyouts ever.
 - The Medline acquisition was described by *The Wall Street Journal* as a rebirth of the multi-investor “club” deal that proliferated before the financial crisis.
- US\$27 billion sale of Refinitiv to London Stock Exchange Group plc by a Blackstone-led consortium and Thomson Reuters.
 - This marked the largest PE exit in 2019 when the deal first announced.
- US\$17 billion acquisition of athenahealth by an investor group that includes Hellman & Friedman, Bain Capital Private Equity and Bain Capital Tech Opportunities.

Another deal highlight from 2021 was our representation of **CVC Capital Partners** as leader of the investor consortium that sponsored the business combination of WorldWide Express and GlobalTranz, creating a leading provider of logistics solutions.

- The consortium also included GlobalTranz’s lead investors, Providence Equity Partners and PSG. Former Worldwide Express lead investor Ridgemoor Equity Partners, along with both Worldwide Express and GlobalTranz management, also retained a significant stake in the combined business.
- More than 60 Dechert lawyers spanning 12 practice groups and multiple offices globally navigated the complex business combination.



Dechert Continued California Expansion in 2021

Dechert added accomplished private fund formation partner Sonia Gioseffi, relocated private equity/M&A partner Jonathan Stott and litigation partner Joshua Hess, as well as adding former federal prosecutor Hartley West and corporate governance litigator Rick Horvath in San Francisco.

Sector Spotlights

Technology, Media & Telecommunications (TMT):

The pandemic accelerated digital consumer habits and increased business dependency on fiber networks and infrastructure. It therefore comes as no surprise that TMT outperformed other sectors in all regions for dealmaking activity. Consistent with this, a substantial portion of the PE deals on which Dechert advised this past year involved one TMT sub-sector or another, ranging from software to fintech and everything in between. A sampling of our private equity work in the TMT sector from this past year includes representing:

- Longstanding PE client **Court Square** in connection with the: US\$1.2 billion sale of Getaroom, a B2B-focused distributor of hotel rooms, to Booking Holdings Inc.; and its investments in Thrive, Connatix and GoEngineer.
- **Nordic Capital** on its €2.1 billion sale of Itiviti, a provider of trading technology and services to financial institutions, to Broadridge Financial Solutions (NYSE: BR).
- **GIC** in connection with the acquisition, together with **Stone Point Capital**, of Ascensus, a technology-enabled services company that helps millions of people save for retirement, education and healthcare.

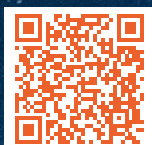
Committed Capital

A GLOBAL PRIVATE EQUITY PODCAST

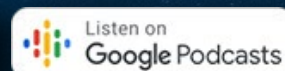
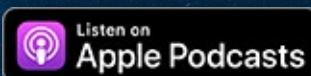
- **Artémis** in connection with the launch of a new venture capital fund set up as a société de libre partenariat to invest in fast-growing technology companies operating in the EU with strong potential for U.S. expansion.
- **Openspace Ventures**, a Singapore-based venture fund manager with US\$600 million of committed capital, on the formation and closing of their third fund, focused on investments in technology companies in Southeast Asia.
- **Mid Europa Partners** in connection with its acquisition of UAB Pigu, as well as the combination of UAB Pigu and Hobby Hall Group OÜ to create the largest generalist online marketplace platform operating across three Baltic states with a growing presence in Finland.
- **SK Inc.**, the holding company of SK Group, South Korea's third-largest conglomerate, in connection with its joint launch of a private equity investment fund focusing on the new mobility sector, with Zhejiang Geely Holding Group, China's largest automaker.

Dechert delivers global PE industry insights as and when issues emerge.

With unprecedented levels of dry powder, record deal activity, and intense competition, Dechert continued to develop its Committed Capital podcast series throughout 2021. Now in its second-consecutive year, the series explores current issues and trends affecting PE globally. In 2021, Dechert launched Committed Capital Sidecar, a new bite-size podcast that provides quick updates on developments impacting private equity. Hosted by members of Dechert's global private equity practice, Committed Capital features conversations with leaders from across the industry, including senior investment professionals from **Ardian**, **Blue Ox Healthcare Partners**, **Coller Capital**, **Court Square Capital Partners**, **Graham Partners**, **Hamilton Lane**, **Lazard**, **Mid Europa Partners**, **Planet First Partners** and **SilverStreet Capital** in 2021.



Subscribe to Committed Capital on your favorite podcast platform.



Consortium including:



Acquisition of a majority stake in Medline

Counsel to GIC

The second-largest private equity buyout since the financial crisis



US\$1.2 billion

Sale of Getaroom to Booking Holdings

Counsel to Seller/Target

cerberus

Acquisition of Lighthouse Autism Center

Counsel to Buyer



Healthcare and Life Sciences: The pandemic has also created unprecedented demand for medicines and healthcare services, which, together with more secular life expectancy trends, has made healthcare another dominant sector for PE investing. As PE sponsors execute highly complex deals relating to clinical-stage and approved life

sciences assets, Dechert blends decades of history advising on PE deals with holistic knowledge of the pharma and healthcare ecosystems. A sampling of deals from this past year includes advising:

- **Cerberus Capital Management** on a strategic investment in Lighthouse Autism Center, a U.S. provider of center-based autism behavioral health services for children diagnosed with autism spectrum disorder.
- A consortium, including **Cathay Capital Private Equity** and **Hohnhaus & Jansenberger** on the acquisition of German-headquartered medifa healthcare group, a provider of medical technology for operating rooms.
- **Ridgemont Equity Partners** on its acquisition of U.S.-based Agape Care Group, a provider of hospice and palliative care, and in connection with four add-on acquisitions on behalf of its portfolio company Anne Arundel Dermatology (following its original investment in Anne Arundel on which Dechert also advised).
- **J.H. Whitney** in connection with the IPO of its portfolio company Aveanna Healthcare, a provider of pediatric and adult home care services, which raised US\$458 million, valuing the company at US\$2.16 billion.
- **HRA Pharma**, an over-the-counter self-care products company owned by Astorg and Goldman Sachs Asset Management, in connection with its sale to Dublin-based Perrigo Company for approximately US\$2.1 billion in cash.
- **ArchiMed**, a private equity healthcare specialist, on its acquisition of a majority stake in CARSO, a French-headquartered leader in purity testing for the pharma and other industries.



Dechert Healthcare Deals Conference 2021

We welcomed senior leaders across the life sciences and healthcare industry at the 2021 Healthcare Deals Conference, held in-person at London's BMA House, as well as virtually. Alongside our panelists, we discussed the recent boom in healthcare deal-making, and held a fireside chat about building the BioNTech mRNA vaccine.

Asset Diversification Continues The PE industry, and the wider asset management industry, continues to evolve, converge and consolidate – trends that we believe will define the asset management industry for years to come. In fact, the alternative asset management industry, which has exploded into a nearly US\$12 trillion industry, is expected to reach more than US\$17 trillion by 2025, according to Preqin.

// **One notable example** of these trends can be seen in Dechert's representation of **T. Rowe Price Group**, a global investment management organization with US\$1.61 trillion in assets under management, in its acquisition of Oak Hill Advisors (OHA) for up to US\$4.2 billion. OHA, an alternative investment firm with US\$53 billion of capital under management across its private, distressed, special situations, liquid, structured credit and real asset strategies, will become T. Rowe Price's private markets platform, facilitating T. Rowe Price's expansion into alternative investment markets and complementing T. Rowe Price's existing global platform and ongoing strategic investments in its core investments and distribution capabilities. Over time, both firms intend to explore opportunities to expand into other alternative asset categories. //

With real estate representing one of the largest private capital asset classes, second only to private equity and private credit, Dechert is capitalizing on the intersection of these two investment strategies.

- We advised **Citi** as lead mortgage lender in connection with the origination of over US\$6.04 billion of floating-rate debt to finance the acquisition by affiliates of Blackstone of 19 data center properties through a take-private acquisition of QTS Realty Trust. The deal represented the first-ever, large-scale CMBS loan secured by data center properties.
- We are continuing to expand our global team with the addition of new partners, such as London-based Mark Thompson, who acts for leading PE real estate players, including Brookfield and Starwood Capital.

Consortium led by:

CVC

Combinations of
Worldwide Express, LLC
and Global Tranz, LLC

**Counsel to CVC Capital
Partners**



US\$17 billion

Acquisition of
athenahealth

Counsel to GIC



Investments in

Thrive, Connatix,
GoEngineer and The
Evans Network of
Companies

Counsel to Investor

Certares

US\$5.3 billion

De-SPAC transaction and business combination of American Express Global Business Travel and Apollo Strategic Growth Capital (APSG)

Counsel to Certares and Certares-led investor group

One Equity Partners

Acquisition of UK-based BRUSH

Sale of Merfish to Reliance Steel & Aluminum

Sale of ResultsCX

Counsel to OEP



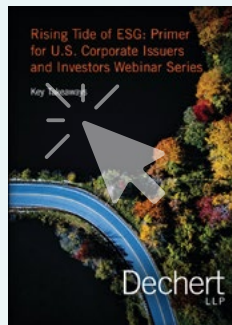
Acquisitions of Lindsay Precast, Plasman Holdings and Arrow Tru-Line

Counsel to Buyer

Private Credit Another asset class that continues to flourish is private credit, which has today reached US\$1 trillion in AUM and is expected to grow a further 46% by 2025. Private credit is inextricably linked to private equity, with some of the largest private credit businesses being arms of traditional “private equity” firms, and with private equity firms increasingly turning to private credit firms to finance their acquisitions as compared to traditional banks.

Dechert has been in the driver’s seat of this development, acting on behalf of direct lenders (such as Apollo, Ares, Barings, BC Partners, CVC and Permira) as well as sponsors tapping private credit firms for financing in addition to the private credit firms themselves. We also advise private credit firms and other alternative asset managers with respect to their most complex structured credit and CLO strategies, which is why Dechert is consistently recognized as the best law firm for CLO managers in leading publications, such as Creditflux and GlobalCapital. For example, we advised:

- Funds managed and instructed by **Permira Credit** in relation to a senior secured financing package provided to Macquarie Capital Principal Finance, Pollen Street Capital and Aryza senior management in relation to their acquisition of Aryza Holdings Limited (Aryza).
- **BC Partners Advisors L.P.** (on behalf of certain of its affiliated investment funds) as a direct lender in a number of transactions, including to finance the acquisition of a staff business and an engineering, design and construction-related services company.
- **Blackstone Private Credit Fund (BCRED)** on a number of transactions (over US\$15 billion in deal value), such as its multi-billion dollar senior secured credit facility – an ABL facility that is top of its class and provides for borrower-flexibility not otherwise currently in the market.
- **FS/KKR Advisor**, a partnership between FS Investments and KKR Credit Advisors, in the merger of FS KKR Capital Corp. (NYSE:FSK) and FS KKR Capital Corp. II (NYSE:FSKR), which creates one of the largest BDCs in the U.S.



The Continued Growth of ESG and DEI, and Increasing Cyber Concerns

Environmental, social and governance (ESG) and Diversity, Equity & Inclusion (DE&I) have each become a strategic focus for PE firms. Regulators and younger investors are demanding meaningful cultural change, and data indicates that embedded ESG and DE&I enhance financial performance and help expand the investor base. Major institutional investors have laid

Rising Tide of ESG

In the fall of 2021, Dechert lawyers were joined by industry experts to discuss ESG trends and developments affecting U.S. corporate issuers and investors. This Key Takeaways report highlights the most significant points from our three-part webinar series “Rising Tide of ESG.”

down the gauntlet to businesses to take action on climate issues, and PE is tackling this as portfolio company customers and employees and LPs demand more sustainable and socially responsible corporate behavior. Dechert has been actively working with PE firms to capitalize on the tectonic shift towards climate and sustainability. For example:

We represented Ares Management Limited on its provision of £1 billion sustainability-linked financing to the RSK Group in what is the largest private credit-based sustainability linked financing to date in the market. The transaction will be used to refinance RSK's existing credit facilities and support its continued growth in the market.

We represented FiveT Hydrogen, a management platform specializing in low-carbon hydrogen projects, in the creation of Hy24. Hy24 is a joint venture between FiveT Hydrogen and Ardian, a world leader in private equity, that will manage an initial fund of €1.5 billion. Twelve industry players have already pledged contributions of €800 million to the fund, which will be dedicated to the development of decarbonized hydrogen infrastructure.

Also top of mind is an explosion of personal data and a steady stream of cybersecurity breaches. Dechert's global privacy and cybersecurity team has been actively working with PE clients to evaluate cybersecurity risk as part of due diligence efforts and identify best practices for mitigating risks pre- and post-investment. Our team has helped PE firms with all aspects of data breach response when they have become a victim of one of these attacks, including handling ransom negotiations, regulatory disclosures and litigation defense.



Kayo Discusses PE Cybersecurity Risk with Dechert's Brenda Sharton

In "Not a Question of If, a Question of When," Kayo's Lindsay Burton discusses ways to reduce cybersecurity risk in PE transactions with Dechert's Brenda Sharton as a featured trailblazer on Kayo's The Weekly Knockout series.

NORDIC CAPITAL

€2.143 billion

Sale of Itiviti to Broadridge Financial Solutions
Counsel to Seller/Target

 **BainCapital**
CREDIT

(Bain Capital Specialty Finance)

Formation of a JV with the private credit business of Pantheon



Graham Partners Growth

Minority growth equity investments in Kinova Group and Surgere Holdings, LLC
Counsel to Investor



GP-led secondary transaction

One of the largest in Europe



Acquisition of

Agape Care Company

Counsel to Buyer



Sale of Crown Health Care Laundry Services to The Pritzker Organization

Counsel to Seller/Target

Going for Growth Growth equity is the fastest-growing segment of the private equity market as private companies raise larger amounts of capital and wait longer than ever to go public. Straddling the more traditional PE and VC markets, growth equity has emerged as a standalone investment strategy in its own right, offering greater flexibility and upside potential for the outsized returns associated with VC, but with more limited downside risk.

Dechert's representation of longstanding client **Graham Partners**, a middle-market private investment firm, in connection with its move into growth equity investments is a good illustration of this trend. We recently advised Graham Partners Growth, the growth equity strategy of Graham Partners, on its minority growth equity investments in Kinova Group, a Canadian technology company that designs and manufactures robotics systems, and Surgere Holdings, LLC, a provider of IoT-based supply chain visibility solutions for OEMs and their suppliers.

SPAC Slowdown? Although the peak may have already arrived, SPACs have represented a significant portion of dealmaking over the past two years, providing a viable exit alternative for PE portfolio companies and an alternative path for private firms to access public capital markets with pricing certainty. Dechert has experience across the entire SPAC life cycle, from advising on SPAC formation to de-SPACing transactions and PIPE investments, and everything in between.

// **We recently represented private equity firm Certares Management LLC** and the investor group it led in connection with the proposed combination of its portfolio company American Express Global Business Travel (GBT) with SPAC vehicle Apollo Strategic Growth Capital (NYSE: APSG) in a US\$5.3 billion de-SPACing transaction. The transaction provides up to US\$1.1 billion of gross proceeds, including an upsized and oversubscribed fully committed US\$335 million PIPE investment with key investors. The combination is expected to create the world's largest publicly traded B2B travel platform, which will list on the NYSE. //

- Dechert was the first law firm in the U.S. to navigate the SEC's guidance that warrants issued in SPAC offerings must be accounted for as liabilities rather than as equity. We designed a warrant that qualifies for equity accounting treatment without impacting warrant value, which was cleared by the SEC and went effective in late 2021.

SPACs Unpacked: So You Received a SPAC Bid. Now What?

Strategic Secondaries Turbulence resulting from the COVID-19 crisis alongside an upsurge in equity values has led to an increase in GP-led secondaries, which have become a major feature of the global industry. Offering advantages to investors as well as GPs, these transactions have tackled pandemic-related disruption, which is why this trend is set to continue. In 2021, Dechert advised on some of the most notable secondaries transactions in the market. For example, we represented:

- **Columna Capital** in connection with one of the largest GP-led secondary transactions in Europe.
- **Ping An Overseas Holdings** and its subsidiaries, the main offshore investment and asset management platform of Ping An Insurance (Group) Company of China, Ltd., on closing the world's largest private credit secondaries transaction for a credit portfolio together with Collier Capital and a large Asian financial institution.

Our secondaries experience includes advising on GP-led secondaries, transfers of fund interests, transfers of direct investments, “stapled” secondaries, fund restructurings, fund recapitalizations, management team/portfolio spin-outs, and strategic reorganizations of management companies. Having acted on both the buy side and the sell side, we have considerable insight into market terms, appropriate deal structures, and the distinct “key issues” for many of the largest secondaries participants globally.



Dechert recognized as a leader in the secondaries market for the second year running in *Secondary Investor's* annual overview.

Blackstone
(Blackstone Tactical Opportunities)

US\$490 million

Sale of
Diamonds Direct USA to
Signet Jewelers

Counsel to Target

ARES

£1 billion

Sustainability-linked
financing to the RSK Group

Counsel to Lender

*Largest private credit-based
sustainability linked financing
to date in the market*

Consortium including:

CATHAYCAPITAL
凯辉基金

Acquisition of medifa
healthcare group

**Counsel to Buyer
Consortium**



Selected statistics and insights are drawn from 2021 Global Private Equity Outlook, a report co-published by Dechert LLP and *Mergermarket*. The report includes insights from a survey of 100 senior PE executives in Asia, Europe and the U.S., and discusses the sector's resilience as well as emerging global trends expected to shape the industry in 2021.