

Driving the agenda

Private Equity

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Private equity investors face daily challenges, including fundraising, origination, valuation, execution, performance, exit strategies and regulation. Recovery from the global pandemic has added an additional dimension however according to the ninth edition of the European M&A Outlook, published by CMS in association with Mergermarket, 71% of dealmakers agree that private equity firms are better placed than corporates to take advantage of buying opportunities presented by COVID-19.

To secure transactions, private equity actors are leaning towards including ESG in their investment ecosystem as sustainability and transparency become increasingly important when doing business in the private equity world and are changing the way that private equity looks at risks and opportunities around a target. ESG can reduce the rate of loans and reduce interest rates, making deals more attractive.

Traditional tools of private equity for generating performance continue to reap rewards but this maturing industry also needs to recognise the need to innovate and improve value creation. CMS is working with clients to structure portfolios and reach their objectives.

“ They’re highly commercial, very responsive and good to deal with.

Chambers and Partners 2021

“ The whole team provides a service beyond anything experienced in over 15 years of doing deals.

Private Equity investor

“ Their professionalism shines out head and shoulders above all the other legal teams that I’ve come across.

Mergermarket



Industry expertise

CMS is structured according to the industries in which our clients operate and invest. This means you work with a team who fully understands the intricacies and nuances of your sector and how to create commercially successful deals. We work across the consumer products, energy and utilities, hotels and leisure, infrastructure and project finance, life sciences, real estate and construction, and technology, media and telecoms sectors.



A large team to deliver deals of every size

With over 400 private equity lawyers, CMS advised on more than 200 private equity transactions in 2021. Whether your transaction is in Europe, Africa, Asia or Latin America, CMS has experienced specialists who can bring a deal to a successful close.

Our deal experience and geographic reach enable us to help clients achieve the competitive edge to outperform the market, position themselves to make the highest quality investment decisions, and achieve maximum value.



Tech and innovation

Tech and innovation are key strategic pillars underpinning CMS’s vision, which is to be bold, dynamic and agile. Our investments are transforming the way we manage our deals, and the pandemic has supercharged our drive to digitise transactions from end to end.

As a founding investor in Lupl, we are using it with clients to collaborate more effectively and transparently on active matters. AI tools make due diligence exercises much faster and more cost-effective and DocuSign recently allowed us to close a transaction by signing 2000 documents within two hours.

Case studies

Equitix acquires a portfolio of diverse PPP projects across Europe

Leading investor, developer and fund manager Equitix acquired a diverse portfolio of PPP projects from DIF Capital Partners. This was a strategically important deal for Equitix, as they continue to expand their European portfolio.

A CMS team from Austria, Germany, Luxembourg, the Netherlands and the UK advised Equitix on the acquisition of stakes in six public-private partnership (PPP) projects following a competitive sale process. The acquisition spanned diverse sectors of public infrastructure, and CMS was able to deploy dedicated expertise in each relevant sector for each of the jurisdictions.

The projects are located in Germany, Austria and the Netherlands and include the German A7 Bordsesolm-Hamburg motorway PPP, the Netz West rolling stock concession in Germany, a 25% stake in the Dutch IJmuiden PPP (the world's largest sea lock), the A1/A6 and the N18 Enschede-Groenlo road PPPs and the Vienna Radiation Oncology Hospital PPP.

CMS's advice encompassed:

- Due diligence
- All contract work
- Completion conditions, such as co-shareholder approval, principal approval, merger control and foreign investment control clearances

Chief Investment Officer for Equitix, said: *"As we continue to diversify and grow our European portfolio, we are always looking out for attractive opportunities to acquire high-quality assets that meet our responsible investment criteria. The DIF portfolio does just this and will allow us to leverage our continental expertise for the benefit of investors in our European Infrastructure Fund."*

The first GP-LED secondary in Germany

In the first of its kind in Germany, CMS advised Capiton on the transfer of the shares in KD Pharma Group from a (selling) fund managed by Capiton to a newly established single asset (buying) fund, also managed by Capiton.

Capiton initiated the GP-led single-asset secondary transaction to provide its portfolio company KD Pharma with the necessary duration and follow-on capital to finance the significant future growth potential expected.

To make this deal possible, CMS devised a ground-breaking new deal structure that is expected to become an important exit option for PE houses as the current market climate sees increasing prices for quality assets.

A GP-led Secondary is considered when a PE fund is close to the end of its term and still has a portfolio company with great value growth potential. New investors may acquire shares in a new single asset fund buying the portfolio company and limited partners of the original (selling) fund may either exit or rollover to become a shareholder in the new buying fund. Last but not least as part of the transaction the new fund will acquire new growth capital for the portfolio company. The pricing of the transaction is achieved by a specific auction process as any usual pricing mechanism fails due to the fact that the GP of seller and buyer is the same.

Our track record

Sub-Saharan Africa

Kleoss Capital

on its acquisition of a direct equity interest in Dartcom SA, a specialist distributor and service provider in the telecommunication industry

Enko Capital Managers

on its investment to provide expansion capital to AMI Logistics to support its expansion strategy into Africa and to finance AMI's acquisition of Manica Holdings. The deal involved a due diligence across MHL's operating subsidiaries in South Africa, Zimbabwe, Zambia, Malawi and Botswana

EQT Fund Management S.à r.l.

as the fund manager of EQT VIII SCSp with its acquisition of Nestlé Skin Health, the global skincare business of Nestlé

Impact Capital

on the establishment of a section 12 Fund

A leading philanthropic organisation

in relation to the establishment of the private equity fund

Alpha Wealth

on the establishment of private equity fund with a focus on media and entertainment

SummerPlace Equity Partners

on the acquisition of Cool Cabs

Blue Frontier Group

on its acquisition and consolidation of certain independent retail businesses in South Africa and the current representation of the establishment of a buying group

Sithega Holdings

on the establishment of its private equity fund, Sithega Financial Services Fund

Harith General Partners, an asset management firm and a BEE Consortium

on their acquisition of Lanseria International Airport

New GX Capital and Harith General Partners

in connection with the acquisition of a stake in Vuma Tel

Various investors

in relation to the establishment and the restructure of the Swakhula Empowerment Fund

Founders Factory Africa

in relation to its incorporation in South Africa and the subscription of shares into it by two of its required investors

CMS Private Equity at a glance

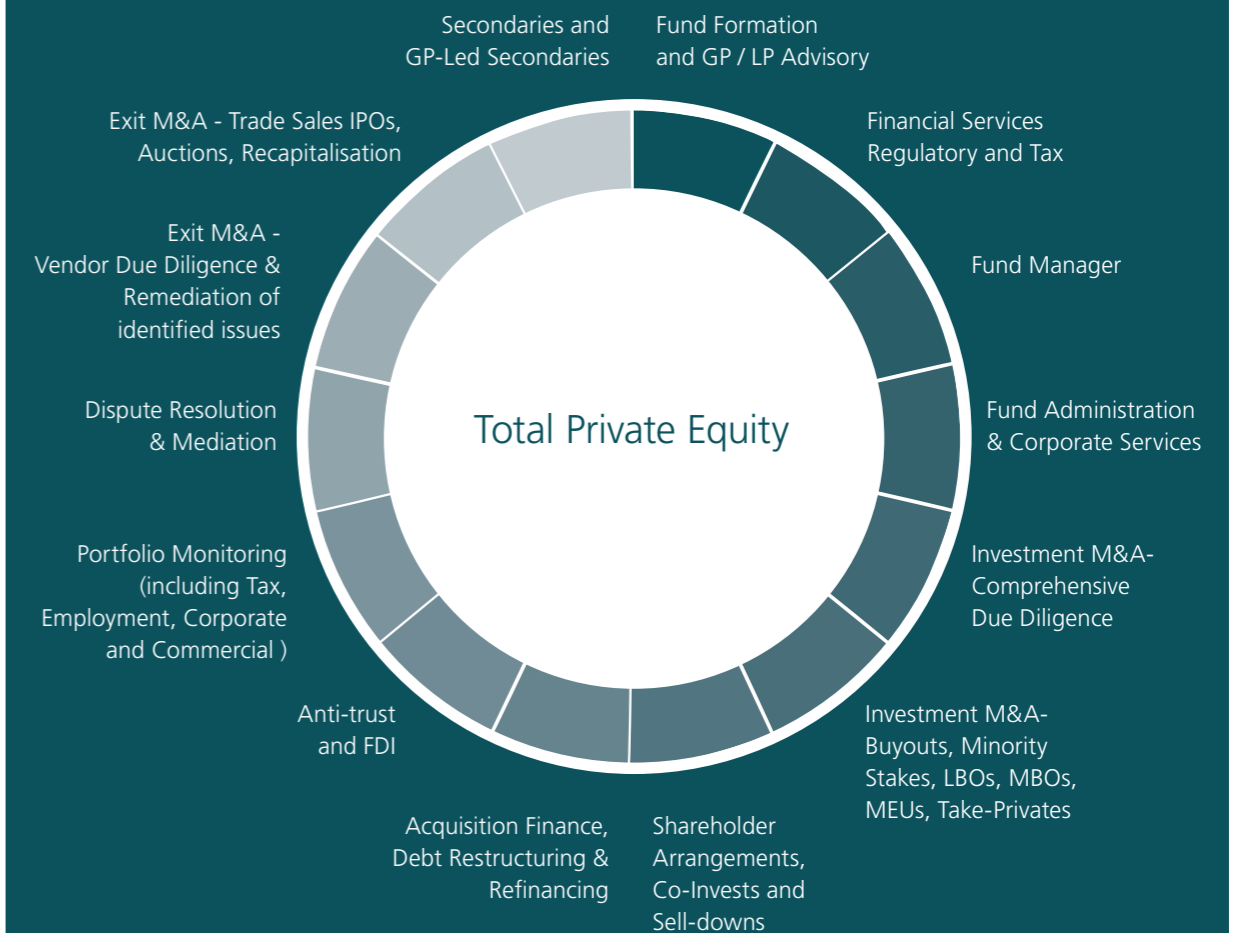
140+

Number of partners globally

400+

Number of lawyers globally

ONE-STOP-SERVICE



Future facing

Environmental, social and governance (ESG)

CMS believes that sustainability and profitability go hand in hand, and we see that deals that meet ESG criteria can result in lower interest rates and more favourable terms. Direct legal obligations and market expectations of transparency are also placing financial market participants under increased pressure to publish detailed information on sustainability issues. The developing legal and regulatory framework combined with heightened market expectations, makes this a top priority for private equity businesses.

We are already working with our clients to anticipate and understand the issues in the rapidly evolving ESG landscape. Find out more at cms.law.

Taking the admin out of deals

On our transactions we use an online platform to share drafts of legal documentation in a secure and structured format. It can be accessed by the entire deal team but keeps a very clear audit trail as to who has done what, to which document, and when. This helps simplify workflows during the deal and also drives cost efficiencies. The checklist updates in real-time and greatly improves everyone's ability to quickly check current progress on each workstream and allows access to all relevant documents without having to find attachments to emails and worrying about which is the latest version. This reduces the man- hours involved in some aspects of deal management and allows the team to concentrate on legal and commercial, rather than administrative, tasks.

Responding to investigations

So called dawn raids – unannounced inspections – are an established and increasingly frequent feature of the regulatory landscape and can affect any portfolio company coming under scrutiny by local authorities. The CMS Dawn Raid app gives our clients instant, 24/7 access to CMS experts whenever the authorities come knocking. Developed in cooperation with our global competition practice, the app includes jurisdiction-specific checklists and best practice guidelines. Download it from your app store.

Mobilising after a data breach

Companies are rightly devoting more and more resources to cybersecurity, but most will still suffer a breach sometime. With brand reputation and customer trust at risk, as well as intellectual property and data privacy, the cost of data breaches and increasingly sophisticated cyberattacks is increasing.

A rapid response in the aftermath of a breach is critical and can really make a difference in preserving the value of your investment.

CMS can help. Our Breach Assistant app helps you to understand the priority actions you should take when faced with a breach and you can contact CMS data breach response lawyers at the touch of a button.

Download the app from breachassistant.com

Keeping the market up to date

Sharing with you

We keep a close eye on developments and trends in this ever-changing sector to offer you insights, commentary and perspectives across multiple channels

Emerging Europe M&A Report 2021/2022



The Emerging Europe M&A Report is now in its 11th year. It presents data from 15 CEE countries in the region in detail, analysing trends and development across the region and sectors. This year's edition includes an article on trends in private equity investing in CEE

Click here to read the report: [CMS Emerging Europe M&A Report 2021/2022 | M&A deals report in CEE](#)

European M&A Outlook 2022



The report offers a comprehensive assessment of dealmaking sentiment in Europe's M&A market. It reflects the opinions of 330 corporates and PE firms based in Europe, the Americas and APAC about their expectations for the European M&A market in the year ahead.

Click here to read the report: [A study of European M&A activity in 2022 | CMS European M&A Outlook](#)

CMS M&A Study 2022



This 14th edition of the CMS European M&A Study 2022 analyses nearly 500 deals on which CMS offices in Europe advised in 2021. The study is a valuable resource for M&A practitioners across Europe and the rest of the world. It also includes a comparison against US practice by comparing the results of the American Bar Association's most recent edition of the Private Target Mergers & Acquisitions Deal Points Study.

Read the report: [CMS European M&A Study 2022](#)

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