



## A clear vision of the road ahead

PRIVATE EQUITY | FEBRUARY 2020

## Deal story

### A KEEN EYE FOR HIGH GROWTH

When Oaklins' French team identified and approached more than 50 potential buyers for software solutions provider Sogelink they met with keen interest, receiving letters of intent (LOIs) from numerous players.

After a competitive process, Keensight Capital stood out from the crowd and became Sogelink's majority shareholder while Naxicap decided to remain on board.

Keensight first invested in Sogelink in 2013, then sold the company to fellow middle-market private equity firm Naxicap Partners in 2016.

Last July the shareholders of Sogelink retained Éric Félix-Faure, managing partner, and his team in France to conduct a dual-track process before the end of 2019. Éric says the short time frame worked in favor of private equity firms — while strategic and financial buyers were invited, only private equity firms were familiar enough with Sogelink to complete due diligence and line up financing for a bid in time.

Since its founding in 2000, Sogelink's growth had caught the attention of private equity buyers looking to put their dry powder to work. Sogelink designs, develops and markets software and software as a service (SaaS) solutions intended to simplify and optimize complex business processes in the building site, infrastructure and property management industry.

(CONTINUED ON NEXT PAGE)

“Although it was a dual-track process, the short time frame worked in favor of private equity firms which were familiar enough with Sogelink to complete due diligence and line up financing for a bid on time.”

**ÉRIC FÉLIX-FAURE**  
MANAGING PARTNER, OAKLINS, FRANCE





**Sogelink** > So easy

has been acquired by



**KEENSIGHT**  
CAPITAL

M&A SELL-SIDE

---

TMT

With its unique collaborative platform, Sogelink stands as a pioneer and undisputed leader in its market in France (70% market share) and has over 18,000 clients. In 2018, Sogelink generated roughly US\$42 million in revenue and has been averaging 20% top-line growth for the last decade.

That kind of profitable growth is why Keensight kept its eye on Sogelink. Those figures are in line with Keensight's aim to invest in high-growth IT and healthcare companies with revenues

in the US\$15 million to US\$275 million range. Though Sogelink has a way to go to get to the top end of that range, Éric says Keensight is the right owner to get it there. Among the first items on the growth agenda, for instance, is to expand Sogelink to other European countries. Moreover, Keensight is likely to use bolt-on acquisitions to extend Sogelink's services and offerings, as it did last time.

The Sogelink deal marked one of the first in a new, richer fund.

In addition to the ability to generate growth and profitable margins, the quality of management and an innovation-driven DNA had a strong influence on the valuation.

Both strategic and financial buyers were highly active in pursuing application software targets, as vertical specific software companies remain highly sought after. Private equity investment across the software sector continues to exhibit strong momentum as dry powder remains at all-time highs. Engineering software subsegment reach following multiple : 7.4x Revenue and 32.2x EBITDA.



“We are pleased to have selected Oaklins to support us in our search for the right partner. The team perfectly understood our solutions and our ecosystem. We worked as a team and Oaklins' efficiency allowed us to carry out a process that met our expectations while preserving the company's daily performance.”

**FATIMA BERRAL**  
CEO SOGELINK  
FRANCE



## INDIA'S DISTRESSED ASSET DEAL BOOM

### Recent changes in India's bankruptcy laws provide an avenue for creditors to seek debt relief — and dealmaking opportunities for financial buyers around the world.

When global steel giant ArcelorMittal acquired India's Essar Steel out of bankruptcy in December, buyers of distressed assets around the globe took notice — and not just because lenders recouped the largest debt repayment in the country's history. For buyers, the deal also signaled a potential break in India's distressed asset dealmaking logjam heading into 2020.

After India's new government established the Insolvency and Bankruptcy Code (IBC) in 2016, it quickly became the most popular avenue for creditors to seek relief from companies in default on their debt. After all, prior to the enactment of the IBC, India's lack of legal remedies made it all but impossible for lenders to put a company into bankruptcy.

"The IBC made it easier for lenders to force a sale to recover assets," says Vikas Dawra, joint managing director

and CEO of YES Securities, an Oaklins member firm in India.

The seeds leading to the IBC's creation were planted a decade ago, when corporations poured hundreds of millions of dollars into telecom, utilities and manufacturing operations to service and connect India's growing population. But after alleged corruption in the awarding of spectrum and licenses rocked those industries, the corporations were left holding worthless assets. Moreover, they had taken on a lot of debt to acquire those assets.

The creation of the IBC provided a way for creditors to recoup money on bad debt. It also created a lot of opportunities for deals, particularly for buyers of distressed assets. "In the last few years, a lot of companies have been sold through the IBC," says Dawra.

But both deal value and deal volume slowed considerably last year, in part because there are just too many cases for the court to handle. Since its enactment, more than 12,000 companies have petitioned for bankruptcy, with nearly 1,900 applications granted between 2017 and 2019.

The sheer amount of potential deals on the horizon is one reason why

major financial buyers — among them Abu Dhabi's ADIA, Apollo Global, Bain Capital, Blackstone, Cerberus Capital, KKR, Oaktree — have set up their own offices in India or entered into partnerships or joint ventures with local firms. Hong Kong's SSG Capital bought a stake in Bhushan Steel, for instance. Other examples of recent deals include Oaktree and Edelweiss ARC partnering to acquire GTL Infrastructure, and AION Capital Partners — a joint venture between Apollo Global Management and ICICI Venture — winning the bid for Monnet Ispat & Energy.

Dawra says the partnership model is attractive for firms on both sides. For firms outside the country, having a local partner provides an on-the-ground presence to help shepherd the investment. For Indian firms, a partnership gives them access to additional funding at a time when bank loans are hard to come by.

If the Essar Steel deal does indeed break the logjam, Dawra says financial buyers are well positioned into 2020 and beyond because many of the strategic buyers in India are sidelined with highly leveraged balance sheets and not enough free cash flow to finance deals.

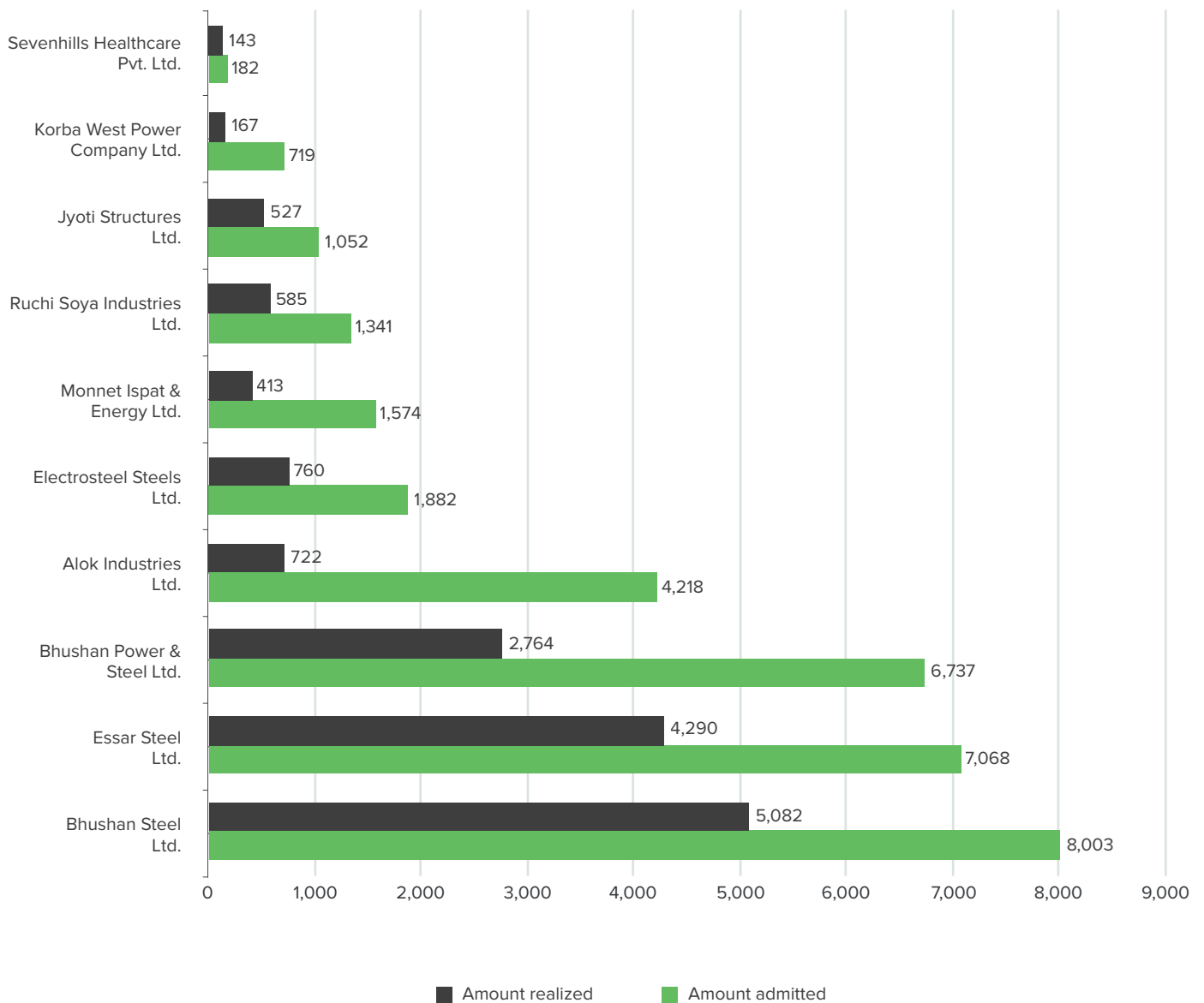
"These are good companies with good business models.

The more comfortable financial sponsors get with recapitalizing and turning around business in India, the more we will see large funds bidding on their own."

**VIKAS DAWRA**  
MANAGING DIRECTOR  
OAKLINS, MUMBAI, INDIA



**Key cases successfully resolved under IBC, up to September 2019 (US\$ million)**



Source: The Quarterly Newsletter of the Insolvency and Bankruptcy Board of India July–September 2019, Vol. 112



## A SELECTION OF RECENT PRIVATE EQUITY TRANSACTIONS

 <p>has been acquired by</p>  <p>M&amp;A SELL-SIDE</p> <p>Business Support Services/Private Equity</p>	 <p>has sold a 50% shareholding in its Orange activities to</p>  <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services/Private Equity</p>	 <p>have sold a majority stake to</p>  <p>M&amp;A SELL-SIDE</p> <p>Logistics/Private Equity</p>
 <p>has received an equity investment from</p>  <p>M&amp;A SELL-SIDE</p> <p>Private Equity</p>	 <p>have acquired a minority stake in</p>  <p>M&amp;A BUY-SIDE</p> <p>Industrial Machinery &amp; Components/Private Equity</p>	<p>UniHold B.V.</p> <p>has successfully sold a majority stake in</p>   <p>to</p>  <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services/Private Equity</p>

### A SUCCESSFUL INDUSTRY TRACK RECORD BEHIND THESE DEALS

Our Oaklins team has over 30 years of collective experience, with continued dedication to private equity markets. Our clients' aspirations and challenges are what make us tick, so for us it's natural to develop market expertise and transactional excellence.

# Our private equity transactions in the past five years

With over 500 active M&A mandates, we provide the leading private equity funds with tremendous deal flow. As global advisors with a local presence in over 45 countries, we work hand-in-hand with funds to realize outstanding acquisitions and achieve remarkable exits.

## Closed deals

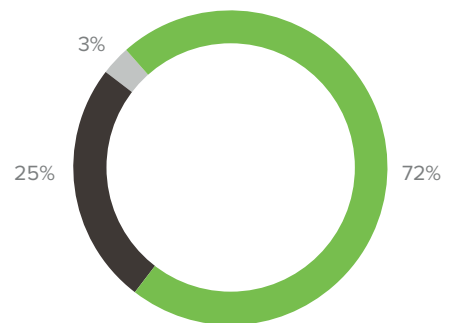
**437**

transactions closed  
2015–2019

**37%**

cross-border transactions

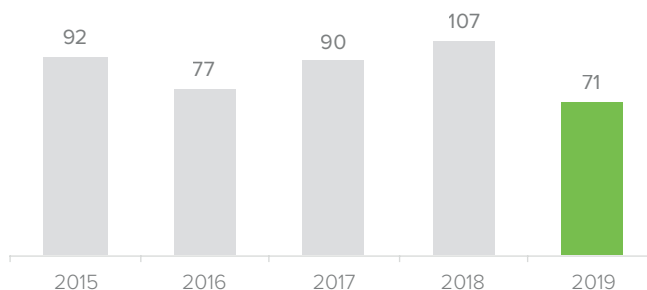
## Geographic split



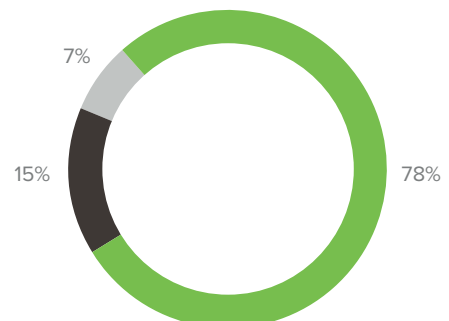
■ Europe/MENA\*  
■ Americas  
■ Asia Pacific

\*including Africa

## Number of transactions per year



## Advisory role



■ M&A sell-side  
■ M&A buy-side  
■ Other

# Deep local roots, global commitment

Oaklins brings you opportunities from across the world and we meet you with our expertise wherever you are

## OAKLINS OFFERS A COMPREHENSIVE RANGE OF SERVICES

- M&A advisory (buy- and sell-side)
- Growth equity and equity capital markets advisory
- Debt advisory
- Corporate finance services

Private equity is one of our focus areas. Combining comprehensive sector knowledge with global execution has led Oaklins to become one of the most experienced M&A advisors in the PE sector, with a large network of relevant market players worldwide. This results in the best possible merger, acquisition and divestment opportunities for PE companies.

If mergers, acquisitions or divestitures of businesses or business units are part of your strategy, we would welcome the opportunity to exchange ideas with you.



✉ **ÉRIC FÉLIX-FAURE**

Managing Partner  
France  
T: +33 1 43 12 32 12

Éric is a managing partner and founder of Oaklins France. With over 20 years of senior M&A experience, he has closed more than 50 deals. Éric has particular expertise in TMT, business support services and private equity. Notable clients he has recently advised include the acquisition of 99 Group by Andera Partners, the acquisition of ADDEV Materials by Tikehau Capital and Bpifrance, and the sale of Cylande to Cegid.



✉ **VIKAS DAWRA**

Managing Director  
India  
T: +91 22 3347 9667

Vikas is the joint managing director and CEO at YES Securities (India) Limited, Oaklins' member firm in India. With over two decades of extensive dealmaking experience, Vikas has led several large, complex domestic and cross-border merger & acquisition and private equity syndication transactions across multiple geographies and industries. He has worked with clients that include Tata Group, Mahindra & Mahindra, Hinduja Group, Aditya Birla, Essel Group, Future Group, Lupin, UPL and Jain Irrigation.

Go to [www.oaklins.com/private-equity.html](http://www.oaklins.com/private-equity.html)  
for more info on our private equity expertise in your country.

Oaklins is the world's most experienced mid-market M&A advisor, with over 850 professionals globally and dedicated industry teams in more than 45 countries. We have closed 1,700 transactions in the past five years.

## **Oaklins disclaimer**

This report is provided for information purposes only. Oaklins and its member firms make no guarantee, representation or warranty of any kind regarding the timeliness, accuracy or completeness of its content. This report is not intended to convey investment advice or solicit investments of any kind whatsoever. No investment decisions should be taken based on the contents and views expressed herein. Oaklins and its member firms shall not be responsible for any loss sustained by any person who relies on this publication.

© 2020 Oaklins. All rights reserved.

Oaklins is the collective trade name of independent member firms affiliated with Oaklins International Inc. For details of the nature of affiliation, please refer to [www.oaklins.com/legal](http://www.oaklins.com/legal).