

## Investcorp white paper identifies increasing buy-and-build activity amongst large buyout firms

*Platform investments: Buy-and-Build Comes of Age*

Bahrain, January 30, 2018 – Investcorp, a leading global provider and manager of alternative investments, today releases its white paper looking at platform investment activity across the private equity industry and the increased volume of buy-and-build transactions as market conditions require more creative deal structuring.

The white paper titled, “Insights: *Platform investments: Buy-and-Build Comes of Age*” identifies an acknowledgement by the industry that in order to meet return expectations of investors, financial engineering must be complemented by a robust operational value creation strategy. Once the core focus of lower and mid-market operators, large buyout firms are increasingly realizing the potential of platform investments.

The paper explores in detail the value drivers and benefits of leveraging a portfolio company investment as a platform for M&A to consolidate an industry, delivering greater value to the portfolio company and ultimately improved returns to investors. On investment, reaping greater synergies through achieving critical mass and economies of scale in the areas of professional infrastructure, R&D and IT software and systems can immediately improve margins, whilst on exit, a more sizeable group presents the private equity owner with more divestment options and greater potential to benefit from higher valuations.

Carsten Hagenbucher, Managing Director in Investcorp’s European Corporate Investment team, said, “Buy-and-build strategies have historically formed the investment theses of smaller private equity industry players. Increasingly, larger investors with significant dry powder behind them recognize that considerably better IRRs can be achieved through bulking together smaller companies to form a platform, versus those generated on stand-alone deals. For those GPs

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looking to deliver top-quartile returns, creative operational value creation strategies cannot be overlooked.”

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## **About Investcorp**

Investcorp is a leading global provider and manager of alternative investments, offering such investments to its high-net-worth private and institutional clients on a global basis. Led by a new vision, Investcorp has embarked on an ambitious, albeit prudent, growth strategy. The Firm continues to focus on generating investor and shareholder value through a disciplined investment approach in four lines of business: corporate investment, real estate, alternative investment solutions and credit management.

As at June 30, 2017, the Investcorp Group had \$21.3 billion in total AUM, including assets managed by third party managers and assets subject to a non-discretionary advisory mandate where Investcorp receives fees calculated on the basis of AUM.

Since its inception in 1982, Investcorp has made over 170 corporate investments in the U.S., Europe and the Middle East and North Africa region, including Turkey, across a range of sectors including retail and consumer products, technology, business services and industrials, and more than 450 commercial and residential real estate investments in the US, for in excess of \$55 billion in transaction value.

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Investcorp employs approximately 390 people across its offices in Bahrain, New York, London, Abu Dhabi, Riyadh, Doha, and Singapore. It is publicly traded on the Bahrain Bourse (INVCORP). For further information, including our most recent periodic financial statements, which details our assets under management, please visit: [www.investcorp.com](http://www.investcorp.com).

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