



## **Corporación Financiera Alba reaches preliminary agreement to sell 100% of its stake in investment management firm Artá Capital to the management team**

- Following the transaction, Artá Capital SGEIC will be an independent investment management firm, wholly-owned by its management team.
- Artá Capital SGEIC will continue to manage its existing vehicles, Deyá Capital and Artá Capital Fund II.
- Corporación Financiera Alba (CFA) will maintain its holdings in these vehicles as a reference investor.
- CFA remains fully supportive of Artá Capital as an investor and has committed to contributing 25% of the funds managed by Artá Capital through Fund III, to be launched imminently.

CFA has reached a preliminary agreement with the management team of private equity firm Artá Capital SGEIC, under which the management will acquire 100% of CFA's stake in the firm upon the imminent launch of its new product, Fund III. Artá Capital will then be positioned as a fully independent investment management firm, wholly-owned by its management team.

Artá Capital will continue to manage its existing vehicles, **Deyá Capital** and **Artá Capital Fund II**, and CFA will maintain its holdings in both funds as a reference investor but will no longer sit on Artá Capital's Board of Directors following the transaction.

CFA remains fully supportive of Artá Capital as an investor and has committed to contributing 25% of the funds managed through Fund III, which is to be launched imminently with a target size of 400 million euros and the same investment strategy as its predecessor.

In 2007, CFA was the majority founding partner of Artá Capital, created to harness an opportunity identified to add value by investing directly in unlisted companies in the Spanish market. Since then, Artá Capital has invested in 16 companies with nine divestments to date, generating compelling returns for its investors. Its latest fund, Artá Capital Fund II, has posted an annual IRR of over 25% since its inception in 2017.

The project is now established and enjoying significant success and CFA no longer feels that its presence as a shareholder in Artá Capital is necessary, largely for two reasons:

- As an independent investment management firm, Artá Capital will be well-positioned to attract investment from domestic and international institutional investors in future vehicles.



- Alba's own investment appetite for smaller unlisted companies in Spain and Portugal is channelled effectively through the vehicles managed by Artá Capital; it does not need to hold a stake in the firm, or sit on the Board of Directors, to achieve its investment objectives.

CFA's investment approach will remain focused on both listed and unlisted companies through active minority holdings – securing representation in its investees' governance bodies – and generally with investments of over 100 million euros.

The Artá Capital management team is also convinced that this agreement will enhance the firm's future performance, as a more diversified, global investor base will potentially allow Artá Capital to expand its investment strategy and geographical approach in the medium term. It is a completely natural step and is standard practice in the private equity market once projects reach a certain degree of maturity.

Artá Capital currently manages two investment vehicles: Deyá Capital (400 million euros, currently in the divestment phase) and Artá Capital Fund II (400 million euros, currently in the investment period). Both funds take minority and majority stakes in unlisted medium-sized companies in Spain and Portugal. CFA's total commitment across the two funds stands at 500 million euros. The rest of the capital was contributed by third-party investors, including a significant proportion of Banca March customers through the bank's range of co-investment products, which allows its customers to invest in the same opportunities as the bank's own shareholders.

Artá Capital has an outstanding track record of generating compelling returns for the investors in its vehicles, including highly successful investments and divestments in companies such as Gascan, EnCampus, Flex, Panasa and more recently Alvinesa.

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(14 June 2021)