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Private equity firm of the year. **GTCR**

The Chicago private equity firm raised its 11th fund, with \$3.85B in equity capital commitments



For 30 years, GTCR LLC has been fine-tuning the firm's game plan, and in 2013, the approach yielded victories in several arenas, including investments and exits. The private equity firm also raised its 11th fund, with \$3.85 billion in equity capital commitments.

The Chicago firm focuses on backing middle-market companies in the financial services and technology, health care, and information services and technology sectors. Throughout its history, GTCR has grown "modestly and sustainably," explains managing director Phil Canfield. Each fund has grown slightly. For example, the previous fund had \$3.25 billion in committed capital. The incremental growth allows the firm to include five to 10 new investors while retaining its previous limited partners.

Underlying GTCR's investments is the Leaders Strategy, a program that involves "finding and partnering with management leaders in core domains to identify, acquire and build market-leading companies through transformational acquisitions and organic growth."

One example of the strategy is Opus Global Holdings LLC, which was launched in September by GTCR in partnership with Doug Bergeron, a 23-year veteran of the financial technology industry. Bergeron is best known as the former CEO of VeriFone Systems Inc. (NYSE: PAY), a payments technology company backed by GTCR that went public in 2005. Headquartered in Palo Alto, Calif., Opus plans to leverage the slew of under-developed financial technology assets coming to market as banks sell non-



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core units to comply with new regulations around the world. Bergeron, who serves as CEO of Opus, is investing \$50 million in the company, and GTCR will invest up to \$450 million.

Another example is Crealta Pharmaceuticals Inc., formed in August as a partnership between GTCR and Ed Fiorentino, an industry veteran who previously spent 22 years at Abbott Laboratories (NYSE: ABT). Headquartered in Lake Forest, Ill., Crealta will focus on acquiring specialty pharmaceutical companies and products that are already approved or currently

marketed, as well as late-stage development assets. GTCR has committed up to \$200 million of equity capital to support Fiorentino's strategy. Like Bergeron, Fiorentino is no stranger to GTCR. He served as CEO of Actient Holdings LLC, which was backed by the firm. Founded in 2009 in partnership with GTCR, Actient acquired five companies to build a diversified portfolio for commercial products and pipeline programs focused on the treatment of urological indications. Actient was sold to Auxilium Pharmaceuticals (Nasdaq: AUXL) in April, marking one of GTCR's successful sales in 2013.

Six3 Systems Inc., an intelligence services provider, is another example. Founded in 2009 by GTCR and Robert Coleman, the former president of ManTech International Corp. (Nasdaq: MANT), Six3 made four acquisitions. Bringing the four companies together under one roof enabled Six3 to work on bigger projects and compete for bigger government contracts. In October, GTCR sold Six3 to CACI International Inc. (NYSE: CACI), a provider of information products and services to government customers, for \$820 million.

"It's no coincidence that we sold both Actient and Six3 to strategic buyers in their industries," says Canfield. "In the second half of 2013, strategic buyers, who have been on the sidelines since the financial crisis, finally have started to come back."

—Mary Kathleen Flynn