

PINOVA closes in on €150m target

The Munich-based firm founded by former 3i executives has raised €96m to date for its debut fund.

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PINOVA Capital has raised nearly two-thirds of its first fund, which is targeting €150 million for lower mid-market deals in German-speaking Europe.

PINOVA Fund I began marketing in January 2008, held a €50 million first close in December 2008 and now has commitments totalling €96 million.

Germany's Commerzbank is the Munich-based firm's cornerstone investor, while other limited partners in Fund I include the European Investment Fund via its Competitiveness and Innovation Framework programme; Luxembourg-based investment company BIP Investment Partners; and German development bank KfW Bankengruppe.

No placement agent was used for the first close, though Almeida Capital has been given a partial mandate going forward to target LPs in select countries, PINOVA partner Katrin Brökelmann said in an interview. She did not disclose which countries Almeida will target.

Fundraising conditions have been difficult since credit market dislocation began last year, with many liquidity-starved LPs committing smaller sums to fewer managers. First-time funds have been particularly difficult to raise, according to market participants.

"For a first-time fund it is always difficult because some investors exclude first-timers from everything that they do, but we have worked together a long time ... we're not considered a first-time team," Brökelmann said.

She and her three fellow co-founders – Marko Maschek, Martin Olbort and Joern Pelzer – spent nearly a decade working together at 3i, with the common thread being 3i's German operations.

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Katrin Brökelmann



"We were also lucky to have an early cornerstone investor" before fundraising conditions worsened in 2008, she said. And, Brökelmann added, "The segment we are targeting is back on the agenda of investors. Two years ago everyone would have laughed and said 'We just do big mega-buyouts.'"

Renewed interest in small cap deals, coupled with a lack of experienced teams in the German-speaking segment of the market helped PINOVA attract commitments, she said.

Katrin Brökelmann

The Munich-based firm will invest between €3 million and €15 million in high-growth engineering and services companies with revenues ranging from €5 million to €100 million. It has not yet made any investments.