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P Capital Partners launches new fund to finance sustainability transition in European companies

P Capital Partners (“PCP”) is Europe’s leading non-bank provider of credit funding to entrepreneurial and family-owned businesses in need of capital to fund growth or restructuring. As part of its strategy, PCP now launches PCP Transition Partner Fund (“PCP Transition”). The fund will finance companies with, or in transition to, sustainable business models, and those who enable such transition for other companies. In its first close, PCP Transition receives capital commitments of 550 million euro, and the fund-raising process will continue during the fall.

P Capital Partners today announces the launch of PCP Transition – a credit fund fully dedicated to finance and support transition to sustainability for mid-sized companies in Europe. Technological development, regulatory requirements, and shift in consumer behavior have created a need for today’s companies to adapt to sustainable business models to stay competitive. Many companies, however, are still off track to adapt their business to manage major sustainability risks. Supported by PCP’s long experience and strong network, PCP Transition will support and partner with companies whose business models contribute to society’s transition to sustainability in terms of reducing greenhouse gas emissions, use of limited natural resources, or protecting biodiversity. PCP Transition also continues to build on Proventus’ 50-year history of investing in companies in change and building relationships and partnerships with European companies and entrepreneurs.

“ Since PCP was founded within Proventus AB in 2002, PCP has built a leading position on the market for credit funding of mid-sized companies in Europe by acting as a strategic, financial partner to companies, their management and owners. We were an early mover in integrating ESG issues into our funding solutions, and in the last decade, we have been increasingly active in funding and incentivizing the sustainability transition. It is fantastic to be an investor during a time with little or no contradiction between commercial opportunities and doing good for society.”

- Daniel Sachs, CEO

“We are a strategic credit partner who are supportive of delivering on the Paris agreement objectives, and who see the value of business solutions that, for example, contribute to protecting biodiversity. Making the transition is partly about managing your sustainability risks, partly about identifying commercial opportunities. Today, companies are making much needed operational and technology adjustments to become more sustainable, and PCP wants to support that.”

- Marjo Koivisto, Head of ESG and Investment Associate

“ We see large investment needs in the transition to sustainable business models, but also a demand for more tailored financing solutions than those provided by banks and capital markets. Such transactions are well-suited for driving sustainable transition as binding obligations can be written into and monitored via the loan agreement. It could be, for example, that the borrower over time should source a certain share of its energy consumption from renewable energy, and if the share is achieved, it provides for lower financing costs.”

- Petter Lindblad, Investment Director and responsible for PCP Transition

PCP Transition will lend 10-100 million euro per transaction to mid-sized companies with proven business models in primarily the Nordics and Germany, but also Ireland, BeNeLux and the UK. The fund focuses on senior loans and has a lower risk and reward profile than PCP’s main fund. It is hence well suited to be a funder of capital-intensive investments.

In its first close, the fund has received capital commitments of 550 million euro. The investor base consists of Swedish institutions, pension funds and family offices, including Andra AP-fonden (AP2), Folksam, KPA Pension, SEB-Stiftelsen and Skandia.

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About P Capital Partners

PCP provides tailored funding solutions to mid-sized companies in Northern Europe. We act as a strategic, financial partner to companies who need additional funds to expand, make acquisitions, refinance their balance sheets, or restructure their operations. P Capital Partners was founded within Proventus AB in 2000, raised its first institutional fund in 2009 and became an independent management-owned company in 2013. Over the last two decades, we have raised almost 5 billion euro and invested in over 130 companies and helped them maximize their potential. More information can be found on www.pcapital.se