Activity Report
2018/2019
Center for Corporate Transactions and Private Equity (CCTPE)
As an alumnus of HHL’s Chair of Financial Management, I am proud and happy to see the successful launch of the Center for Corporate Transactions and Private Equity. After having moved from academia back to business myself as a private equity investment professional, I strongly second CCPTE’s focus on high-quality research while maintaining close ties to the practical world of investing and deal making at the same time.

Dr. Robert Loos
Private Equity Investment Professional, EQT Partners

Despite the changing market environment, the relevance of PE will increase and certainly will be one of the catalysts to transform business models. For us, working with HHL means strengthening our market position, achieving the best possible combination of theory and practice and attracting the best talents with a diverse mindset. Therefore, we are looking forward to partnering with HHL and jointly being part of this transformation and process.

Michael Kunz
Market Segment Leader PE GSA, EY
Preface

The private equity asset class is an outstanding success story as documented by the USD 5.8 trillion assets under management in 2018. It has also become one of the most important funding sources for corporates: Our research shows that PE-owned companies in Germany outnumbered stock-listed firms in 2012 for the first time and have continued to do so since then. On the other hand, private equity is remarkably understudied. For example, hits on the research platform Google Scholar for the keyword “private equity” are only half the number of those for the keyword “IPO”.

When setting up our Center for Corporate Transactions and Private Equity (CCTPE) jointly with our partners, our long-term goal was to change that. The Center aims to provide research meeting the highest academic standards. At the same time, we want to make sure that our results have a significant practical impact.

Now, one and a half years down the road, we can proudly say that we are on track: The Center is successfully established and has already delivered some remarkable research contributions. This activity report gives a thorough overview on the Center’s recent activities, events, presentations and contributions.

We would like to take this opportunity to thank all our sponsors for supporting and enabling us to write this success story.

Best regards,

Prof. Dr. Bernhard Schwetzler
Academic Director

Dr. Benjamin Hammer
Executive Director
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We thank our supporters!
Events in 2018/2019

Private Equity & Venture Capital Summit 2019

CCTPE as co-organizer

As an academic partner, the CCTPE and the Börsen-Zeitung organized the Private Equity & Venture Capital Summit 2019 for the first time from March 27 to 28, 2019. This summit serves as a high-level discussion platform for all relevant PE industry topics in the areas of finance, law and taxation. Inspiring panel discussions as well as network opportunities provided insight into the latest industry developments. Amongst others, renowned panel participants from AssetMetrix, Astorius Capital, Boston Consulting Group, Bridgepoint, Carlsquare (formerly CatCap), Lincoln International, McKinsey & Company, Nordic Capital, Riverside Europe, Skadden, Golding Capital Partners, Allianz Capital Partners and Permira were present.
Institutional Investment Days 2019

CCTPE as co-organizer

The CCTPE at HHL Leipzig Graduate School of Management, the Bund institutioneller Investoren (bii) and the Börsen-Zeitung jointly organized the Institutional Investment Days, from May 20 to 21, 2019, in Leipzig. The aim of the Institutional Investment Days is to provide a forum for representatives of the most successful national and international institutional investors to exchange views on current topics such as “Default Probabilities in Private Equity”, “Institutional Investment Platforms in Daily Practice” and “Active vs. Passive Funds”. There were some well-known speakers present from such institutions as Allianz, APG Asset Management, AXA, BaFin, BASF SE, Boston Consulting Group, BVK, GIC Real Estate, HANSAINVEST, Munich Re, Neuberger Berman, nuveen Real Estate, P+P Pöllath + Partners, Stuttgarter Versicherung, VERKA, Versicherungsforen Leipzig and Yielco Investments.
Conference Participation

North America
- MFA Annual Meeting 2019 (Chicago)
- SFA Annual Meeting 2019 (Orlando)
- EFA Annual Meeting 2017 (Jacksonville)
- FMA Annual Meeting 2017 (Boston)

Europe
- 4th ENTFIN Conference 2019 (Trier)
- 25th Real Options Conference 2019 (London)
- INFINITI Conference on International Finance 2019 (Glasgow)
- 2nd Private Markets Research Conference 2018 (Lausanne)
- EFMA Annual Meeting 2018 (Milan)
- 3rd ENTFIN Conference 2018 (Milan)

Africa
- World Finance Conference 2018 (Mauritius)

Australia
- 31st Australian Finance & Banking Conference 2018 (Sydney)
- 2nd INFINITI 2018 Asia-Pacific Conference 2018 (Sydney)
Academic Conferences

Dr. Benjamin Hammer:
“The cross-border buyout next door”
November 20–23, 2019
SFA Annual Meeting in Orlando, USA
July 1–3, 2019
4th ENTFIN Conference in Trier, Germany

“Buy-and-build strategies in private equity: boost or transformation?”
June 24–26, 2019

“Do private equity firms pay for synergies”
March 7–9, 2019
MFA Annual Meeting in Chicago, USA

July 5–7, 2018
2nd Private Markets Research Conference in Lausanne, Switzerland

June 27–30, 2018
EFMA Annual Meeting in Milan, Italy

June 26–27, 2018
3rd ENTFIN Conference in Milan, Italy

Nils Härtel:
“Stick to your knitting? Private equity firms leaving their competitive advantage: determinates and implications”
July 25–27, 2018
World Finance Conference in Mauritius

Sven Mettner:
“The cross-border buyout next door”
June 9–11, 2019
INFINITI Conference on International Finance in Glasgow, UK

Maximilian Schreiter:
“Real options view on preferential exit claims and post-money valuations”
June 26–29, 2019
23rd Real Options Conference in London, UK

Norbert Wünsche:
“Entrepreneurial activity in times of uncertainty: the case of management buyouts”
June 9–11, 2019
INFINITI Conference on International Finance in Glasgow, UK

Julian Kaboth:
“Preferential exit claims and skewed returns in venture capital investment”
June 26–29, 2019
23rd Real Options Conference in London, UK

Suleiman Naiem:
“Private equity investments and value creation in small and medium-sized enterprises”
June 9–11, 2019
INFINITI Conference on International Finance in Glasgow, UK
The InvestEurope CFO Forum held in Valencia, Spain, from June 11 to 12, was a forum where CFOs, COOs and senior finance and fund operations executives came together to discuss their rapidly evolving roles amid ongoing regulatory and economic developments.

Prof. Dr. Bernhard Schwetzler gave a keynote speech on “The (r)evolution of value creation strategies in private equity”.

Taking the opportunity to present some recent CCTPE research findings, Prof. Schwetzler highlighted first results on secondary buyout (SBO) performance based on a unique “back to back” sample covering the same firm in a primary (PBO) and the following secondary buyout. The study revealed that, against common belief, the returns of SBOs are uncorrelated with the returns of the PBOs. In the subsequent panel discussion on Diversity and Gender Balance, one of the general comments made was that the ‘blue suit group’ who currently dominate the PE world are creating an intimidating and discriminatory environment that makes it very hard for women to enter the higher management and executive levels. It is also virtually impossible for women-driven PE companies to attract limited partners (LPs). Less than 1% of all LP money is allocated to these PE and venture capital firms. However, once past the initial pitching stage, those firms immediately boost their allocation from LPs to 10% or more. In addition to Dr. Hammer, the panelists Maite Ballester, MP of Nexxus and Founder of Level 20, Bonnie Kraus from Crane VC and Joelle Starquit from Sofindev provided wonderful insight in a world that is still very much white and male-dominated, but where rapid change is on the horizon. In the last ten years more women have ascended to key positions than ever before, while at university, many more women and men from ‘minority’ backgrounds are now representing a majority in Undergraduate and Master’s programs. Across the PE community, many initiatives have come to the fore in support of better and broader diversity, and they are already demonstrating success. Level 20 seeks to achieve a 20% representation of women in boards and C-level positions. The trend is positive and within the next five to ten years we should see clear improvements.

With research providing evidence of the positive influence of diversity on performance and company culture, the trend is set to continue. The growing diversity among students of MBAs and other programs will feed directly into closing the credentials vs. diversity gap. It was the first time that the topic of diversity was brought to a large PE audience, but it certainly won't be the last. The topic grabbed the audience’s attention and is considered a very important element in the development and evolution of the PE community.
Awards/Grants

Awards

ZKB Best Paper Award 2018
April 6, 2018 in Zurich

Dr. Robert Loos and Prof. Dr. Bernhard Schwetzler were honored for the best article on a subject of high practical relevance by the journal Financial Markets and Portfolio Management “Fueling the buyout machine: Fundraising in private equity”.

BAI Science Prize in Alternative Investments 2018
November 28, 2018 in Bad Homburg

Dr. Benjamin Hammer was awarded the BAI Science Prize in Alternative Investments 2018 for his dissertation, “Three essays on buy-and-build strategies and default probabilities in the private equity industry”, which he completed in April 2017 at HHL under the supervision of Prof. Dr. Bernhard Schwetzler.

Grants

CEIBS Cathay Cross-Border Private Equity Research Program
February 27, 2019

Dr. Benjamin Hammer and Sven Mettner were recognized with an honorarium of USD 10,000 through the 2019 CEIBS Cathay Cross-Border Private Equity Research Program for their research proposal “How important is local presence for the performance of cross-border buyouts”.

Dr. Robert Loos, Prof. Dr. Bernhard Schwetzler

Prof. Dr. Rolf Tilmes, Dr. Benjamin Hammer, Prof. Dr. Mark Mietzner
Research

Characteristics of lead partners at PE-backed IPOs
Axel Dickenbrok

- Analysis of underpricing and short-term price performance in PE-backed IPOs
- Main dataset includes 202 lead partners at PE firms involved in the IPOs
- Findings indicate that lead partners managing the IPO with more diverse backgrounds help the issuing company perform better in the IPO

Entrepreneurial activity in times of uncertainty: the case of management buyouts
Benjamin Hammer, Sven Mettner, Norbert Wünsche

- Analysis of the propensity of management buyouts (MBOs) compared to other buyouts with PE involvement depending on the local policy uncertainty
- Main dataset includes 18,225 PE-backed leveraged buyouts (LBOs) across 52 countries, of which 2,332 (13%) are management buyouts
- Results show that the likelihood of MBOs increases with economic policy uncertainty in the portfolio firm’s country and further indicate that managers are more likely to succeed in executing a PE-backed buyout due to better access to private information

Multiple expansion skills in private equity deals
Axel Dickenbrok, Benjamin Hammer, Heiko Hinrichs, Bernhard Schwetzler

- Analysis of multiple expansion of 334 European PE deals based on EV/EBITDA multiple
- Findings indicate that buying companies below or selling them above market price is a specific skill for successful multiple expansion while selling high is more important than buying low
- Results show that small target companies benefit from the advantages of lower interest and liability through smallness — furthermore, buy-and-build (B&B) activities favor multiple expansion and exits via IPOs decrease the multiple expansion

Do private equity firms pay for synergies?
Benjamin Hammer, Nils Janssen, Denis Schweizer, Bernhard Schwetzler

- Analysis of entry pricing of PE buyouts and valuation effects from B&B strategies
- Main dataset includes 1,155 global PE buyouts of which 128 pursued same-industry B&B strategies within the first 2 years of the initial acquisition
- Results show that PE investors pay a premium of up to 47% at entry when pursuing B&B strategies — an effect that further increases with higher dry powder or deal competition

Intended use of proceeds, underpricing, and anomalies at private equity backed IPOs
Axel Dickenbrok, Benjamin Hammer, Jens Martin, Bernhard Schwetzler

- Analysis of 497 European IPOs, PE-backed and non-PE-backed
- Findings indicate that IPOs stating no concrete intended use of the proceeds or no information at all experience significant higher underpricing
- Results further show that PE-backed IPOs are less affected by the non-disclosure, implying lower underpricing than non-PE-backed IPOs, even in cases where IPO firms state no intended use of proceeds

Revisiting determinants of secondary buyout performance
Benjamin Hammer, Nils Härtel, Suleiman Naiem

- Analysis of the operating performance of SBOs in which the PBO was either a divisional buyout or the portfolio companies pursued a B&B strategy after the buyout
- Main dataset includes 42 back-to-back buyouts (i.e. PBO and subsequent SBO of the same target company)
- Results show that not all SBOs can be considered the same and they still exhibit significant improvements in the operating performance in specific cases
Opening a local office — PE firms’ engine for international expansion?

Sven Mettner

- Analysis of the role of local offices for the international expansion of 385 PE firms
- Use of unique data of global office locations and openings of PE firms in a sample that exceeds other samples of cross-border LBOs in size (6,357 cross-border buyouts in total)
- Results show that PE firms are more likely to open an office in countries which exhibit higher market opportunities and are more proximate
- PE firms significantly upsurge deal activity in markets around the presence of a local office
- Results further show that the presence of a local office significantly reduces propensity to syndicate with a partner and increases deal size after office opening
- Findings are consistent with the idea that, with the proximity of a local office, chances and risk perception for PE firms in foreign markets change

Private equity investments and value creation in small and medium-sized enterprises

Benjamin Hammer, Nils Härtel, Suleiman Naiem, Bernhard Schwetzler

- Comparison of deal level returns for SME PE buyouts and larger buyouts as well as identification of moderating factors for returns generated in SME buyouts
- Main dataset includes approx. 2,300 buyouts from 1997 to 2016 across more than 50 countries
- Results show that enterprise value growth rates are significantly higher in SME buyouts
- Findings further indicate that PEs acquiring an SME target in a country with a difficult debt financing environment or PEs with an additional focus on venture capital experience higher deal returns in SME buyouts

The cross-border buyout next door

Benjamin Hammer, Sven Mettner, Denis Schweizer, Timothy E. Trombley

- Analysis of the operating performance of cross-border PE buyouts, differentiating between pure cross-border buyouts and those where the PE firm has a local office in the portfolio company’s country
- Results show that post-buyout profitability is significantly higher for cross-border deals operated through a local office
- Results further indicate that outperformance of local offices is particularly strong when expected uncertainty is high, i.e. in case of high geographic and/or cultural distance
- Findings are consistent with local offices reducing the liability of foreignness

The performance of private equity-backed SMEs

Suleiman Naiem

- Analysis of operating performance and exit channels of PE-backed SMEs
- Main dataset includes c. 900 buyouts covering 20 years (1997 to 2016) across 25 countries
- PE-backed SMEs exhibit increased improvements in the operating performance not only compared to larger buyouts, but also compared to public peer SMEs, and are not more likely to end in an unsuccessful exit compared to larger target companies
Third-Party Projects

Joint study by Boston Consulting Group and CCTPE:

“What really matters for a premium IPO valuation?”

The CCTPE and the Boston Consulting Group (BCG) published a report together on IPO pricing and premium valuations of new companies going public. Specifically, we looked at a sample of 497 IPOs at the ten largest stock exchanges in Europe from January 2010 to June 2017. The aim of the study was to analyze which issuer characteristics influence the pricing of the IPO company and how to achieve a premium valuation when going public. The study confirmed that some intuitive factors, such as strong revenue growth and above-average margins, are indeed highly influential. However, we also found that some less obvious factors, including organizational complexity, leverage and expected dividend yield, are equally important. The relative importance of each factor depends on the maturity of the issuer’s industry and the size of the company. Surprisingly, some factors that are generally regarded as important in the IPO process, such as timing and the quality of underwriters appear to have little or no influence on the IPO valuation. In the end, the study was published in a BCG Perspective report in July 2018 and distributed over the worldwide network.

Cooperation with ValueTrust Financial Advisors SE:

Empirical studies of Public Takeovers and Taking Private Strategies in Germany

One of the central research areas of the CCTPE is M&A Transactions in Germany. In cooperation with ValueTrust Financial Advisors SE, the CCTPE performs empirical analyses on the specifics of public takeovers in Germany. In this regard, the extensive data on public bids, bidder and target characteristics, capital market and all subsequent structural measures are compiled into the proprietary Takeover Database. It is updated on an annual basis and it currently contains all practically significant information on 410 takeover offers and 218 related structural measures from January 1, 2005 to December 31, 2018. These data enables us to investigate the success factors in public takeovers and to develop an applicable model for estimating bid outcome with a moderate prediction error. Among the fundamental success factors, we consider target shareholder structure including ownership concentration and the stakes of particular shareholder types, which makes a substantial contribution to the existing empirical literature. The results of this research were jointly presented by Prof. Dr. Bernhard Schwetzler, Prof. Dr. Christian Aders and Dennis Muxfeld at specialist events in Frankfurt (October 25, 2018) and in Munich (December 4, 2018) organized by ValueTrust Financial Advisors SE. These events provided us with an opportunity to discuss our findings in the light of current trends in the German takeover market with other finance experts, practitioners, and lawyers. The empirical evidence on takeover offer success complements previously conducted research on the role of the offer premium in the total cost of ownership. Due to the strong legal protection of minority shareholders in Germany, the taking-private process usually involves cost-intensive structural measures followed by time-intensive appraisal proceedings. Thus, the analysis of total costs paid for gaining full control over the public company is of high importance and practical relevance. The updated report to the “endgame” acquisition strategies will be issued in November 2019.
With an increasing proportion of passive investors, the probability of success of takeover bids for listed stock corporations decreases. This is shown by a research paper by three authors from the HHL Leipzig School of Management, in which more than 300 takeover attempts for German stock corporations were analyzed from 2006 to 2018. Since index funds and ETFs represent a certain benchmark, there is little incentive for them to offer their shares if an index company becomes the target of a takeover bid.

**Mention in an article on Public Takeovers: “Public Takeovers: So hoch sollte die Übernahmeprämie sein”**

Is it accurate that the higher the premium, the more likely the offer will culminate in a takeover? This is not always true. Several factors play an essential role in the success of a public takeover bid. CFOs have to set the takeover premium in order to try not paying too much — but if it is too little, the offer could fail. The Public Takeover Report, for which the corporate finance consultancy ValueTrust and CCTPE analyzed public takeover bids in Germany over the past seven years, provides information on this. The key takeaway of this study; on average, potential buyers added a premium of almost 8% to the company value in 2018.

**August 2019**

Portraying HHL in interview

In a recent radio interview by MDR Kultur, Prof. Dr. Stephan Stubner (Dean of HHL), Dr. Benjamin Hammer (Executive Director of CCTPE) and Saskia Erben (PhD Student, Accounting and Auditing) expressed kind words about the university. As such Dr. Hammer says, “I found it simply an incredible story that after the fall of communism a university was founded here (in East Germany) with the aim of being one of the leading business schools in Europe.” Prof. Stubner adds, “From the very first day, we have been working with students in research and teaching, but also in transfer, on how to develop new business models, how to start your own business and how to help SMEs prepare for the challenges of digital transformation. This is an orientation that is quite unique in Germany, but even in Europe.” “Being at HHL connects. I think it is not only an important step for your career to build up a network, but also personally. As for me, many of my friendships come from the Master’s program and still last today, even though we are spread all over the world,” says Saskia Erben, PhD Student.

**July 2019**

Comment on management integration in a “buy and build” strategy: “Strategy for our time: ‘buy and build’ steps up”

*Financier Worldwide*, a leading information source of news and analysis covering corporate finance and board-level business issues, has provided a valuable article called “Strategy for our time: ‘buy and build’ steps up”. Because of his expertise in this field,
among others, Dr. Benjamin Hammer commented on management integration in a “buy and build” strategy. According to him, a management team needs to be a combination of ‘rainmaker-type’ lead partners well-versed in M&A execution and operation-oriented lead partners with specific industry experience. “The first type of lead partner usually sources and closes the deal, whereas the second type is responsible for monitoring and advising the portfolio company during the holding period,” he explains. “For the latter, it is often important that you find lead partners that share a common background with the portfolio firm managers and who ‘speak the same language’.”

www.financierworldwide.com/strategy-for-our-time-buy-and-build-steps-up#.XamuNmbggPZ

Comment on the Osram takeover:

It was Franz Müntefering who coined a term in 2005 that still accompanies an entire industry, ‘locusts.’ This is what the former SPD leader called large financial investors who buy up companies in order to sell them profitably again later. Since then, locusts have appeared whenever such PE investors are interested in a company, as in the case of Osram. Rightly so? “The PE industry has learned a lot in the meantime and enjoys a much better reputation,” says Dr. Benjamin Hammer. “Bain and Carlyle are known in the industry as funds that also focus heavily on operational business and do not just invest passively,” he adds. That can be a curse and a blessing: On the one hand, it means that Bain and Carlyle will probably get actively involved in day-to-day business. On the other hand, Osram can also benefit from the expertise of the investors, who are expected to bring it into the company with their own teams in order to help it out of the crisis. We at CCTPE remain curious how things will continue in the future.

www.br.de/nachrichten/wirtschaft/osram-uebernahme-so-umstritten-sind-bain-und-carlyle,RVMGgP8

March 2019

Mention in March issue of FINANCE magazine on the MBO of Scout24 by Hellman & Friedman and Blackstone

The article on the Scout24 takeover referred to the CCTPE data collection for Public-to-Private (P2P) transactions. In addition to Accento Real Estate, Scout24, Osram and VTG are now following as companies that have carried out or will carry out such a transaction in the course of the year.
**December 2018**

Neuberger Berman cooperates with HHL Leipzig Graduate School of Management: “Kooperation mit HHL Leipzig Neuberger Berman engagiert sich in Private-Equity-Forschung”

The independent US asset manager Neuberger Berman has become a partner of the CCTPE. Christian Puschmann, CEO of Neuberger Berman, Germany, says, “The research partnership with HHL Graduate School of Management offers us an excellent opportunity to actively participate in the development and research of new PE strategies. We can then integrate new PE research findings directly into our investment strategies to achieve the most effective results for our clients. In the long run, the collaboration with HHL, one of the most renowned business schools in Europe, will enable us to further expand our network and engage in dialogue with highly-qualified graduates.”

**November 2018**

AssetMetrix supports HHL Leipzig Graduate School of Management as a sponsor

Since September 1, 2018, AssetMetrix has been a sponsor and partner of the CCTPE of HHL Leipzig Graduate School of Management (HHL). Dr. Benjamin Hammer, Executive Director of CCTPE, explains, “We are pleased to have won AssetMetrix as a sponsor. As a Next Generation Asset Servicer, the Munich-based financial services provider takes on labor-intensive middle and back office tasks for PE investors — based on state-of-the-art technologies. AssetMetrix thus optimally complements the group of our sponsors.”

Kevin Gruber, Managing Director of AssetMetrix GmbH, comments, “The continuously growing PE asset class will continue to be an important component of every institutional portfolio in the coming years. We look forward to expanding HHL’s knowledge of the PE asset class and supporting the training of PE specialists and executives through our role as a sponsor.”

**Mention in an article in Börsen-Zeitung about ValueTrust’s model for estimating promising M&A premiums**

What premium must a bidder offer in order to achieve a targeted equity ratio? In the joint study on Public Takeover and Taking Private by ValueTrust and Prof. Dr. Christian Aders together with Prof. Dr. Bernhard Schwetzler, this topic is systematically analyzed. All public takeover bids with squeeze-out or merger were evaluated. “The unique database makes it possible to draw conclusions on an optimal takeover strategy in Germany for the first time,” says Aders. The results showed, among other things, that comparable analyses from the United States or Europe were not transferable to German circumstances due to the special features of German takeover and stock corporation law.

Börsen-Zeitung

If you have any questions or suggestions regarding these articles, please feel free to contact us:

cctpe@hhl.de
Teaching/Guest Lectures

May 2018:
Riverside Europe talks Private Equity at HHL

On May 22, we welcomed Dörte Höppner, COO of Riverside Europe, to speak before the MSc18 students about her passion for working in a PE firm. Prof. Dr. Bernhard Schwetzler, the Academic Director of the CCTPE says, “To establish a successful think tank, it is crucial to join forces with practice to stay close to the hot topics in the industry. We are therefore extremely thankful for Dörte’s visit. She not only helps students to better understand the PE landscape, but also provides valuable feedback for our current and upcoming research projects.”

To promote more gender diversity, Dörte Höppner, along with several other PE professionals, is actively engaged in the Level20 initiative that aims at increasing the proportion of women in PE to 20%. In addition, Dr. Benjamin Hammer, Executive Director of the CCTPE, believes, “Academic research helps to bring the topic of gender diversity into the university lecture halls around the world, which is important to tackle the root of the problem. Diversity in PE is therefore an important part of our research agenda for the upcoming years.”

December 2018:
Guest Lecture on M&A with Carlsquare (formerly CatCap)

In early December, Michael Moritz, Managing Partner and Cofounder of Carlsquare (formerly CatCap) held a guest lecture in front of our MSc students about the process of a midcap M&A transaction. He explained and discussed the typical KPIs and challenges and illustrated practical insight based on a real case example of the exit of a software company in a competitive auction. As Prof. Dr. Bernhard Schwetzler states, “We want our students to not only learn the theory but also to have a direct link to what really matters when executing such transactions.”
May 2019:

**Excursus on PE with practical insight from EY in Corporate Valuation and M&A**

In order to add to the theoretical background gained in a lecture of Prof. Dr. Bernhard Schwetzler on valuation in M&A transactions, Michael Kunz (Partner, Market Segment Leader Private Equity GSA) and Cord Stümke (Partner Private Equity, Transaction Advisory Services GSA) from EY gave an overview of German PE activities. Together with the students, they discussed the German PE market trends and outlook, the valuation of PE transactions as well as a comparison to strategic M&A transactions. This was a unique opportunity for the students to gain deep insight from real case examples of PE transactions.
About our Sponsors

Andersch was founded in 2012 and has since developed into a market-leading restructuring consultancy in the German-speaking region. With more than 100 colleagues and 650 years of combined experience in the team in restructuring, Andersch leaves a sustainable impact. The merger with FTI Consulting in August 2019 enables Andersch to meet the increasingly global and complex requirements of their clients.

FTI Consulting, Inc. is a global management consulting firm focused on supporting companies to manage change, reduce risk and resolve conflict — whether in financial or legal matters, operations, political or regulatory issues, corporate reputation or transactions. FTI Consulting employs over 4,700 people in 28 countries. The British Institute for Turnaround named FTI Consulting “Turnaround Advisor of the Year” in 2018 and The Deal magazine named the company the No. 1 restructuring consultant in the U.S. for the eleventh consecutive year.

AssetMetrix is Europe’s leading next generation asset servicer offering modular outsourcing solutions for private capital investors and front, middle and back-office solutions for limited and general partners. Its services enable private capital investors to free up their own resources for making investment decisions, benefit from a secure IT system and state-of-the-art analytics, and increase in-house transparency for optimal decision-making.

AssetMetrix has more than 20 years of experience as a service provider in institutional capital investment and operates without conflicts of interest. AssetMetrix is not an investor, an investment consultant, or a placement agent, but currently administers portfolios with a total volume of over EUR 12 billion in more than 1,500 funds.

Astorius was founded at the end of 2012 with the goal of providing private investors, family offices and institutional investors with high-quality and transparent access to PE starting at a minimum investment of EUR 200,000. Our management is convinced of the exceptional quality of PE as an investment asset because of our many years of experience operating in the finance industry. However, PE is normally only reserved for large, institutional investors. Minimum subscription sizes, lack of access to the relevant fund managers and, above all, the lack of information on the market represent almost insurmountable barriers to entry. As a successful industry insider, Astorius would like to change this and is opening the market up to private investors, family offices and institutional investors.
The **Börsen-Zeitung** is the main daily newspaper in Germany exclusively focused on the financial markets. The Börsen-Zeitung’s headquarters is in Frankfurt, with editorial offices in Berlin, Düsseldorf, Hamburg, Munich and Stuttgart, as well as Brussels, London, New York, Madrid, Milan, Paris, Shanghai, Tokyo, Washington D.C. and Zurich.

The focus of the Börsen-Zeitung in the 1950s was the capital markets. The first issues consisted mainly of reports from the German regional stock exchanges. In the early years, the editorial part of the Börsen-Zeitung was limited to one or two pages and the remaining pages were lists of securities prices. Since then, the reporting content has steadily increased. The Börsen-Zeitung’s perspective has become increasingly international, and the increased interest in the financial markets is reflected in the current issue length of 28 to 32 pages.

**Boston Consulting Group** partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963.

BCG’s diverse, global teams bring deep industry and functional expertise and a range of perspectives to spark change through leading-edge management consulting as well as data science, technology and design, digital ventures and business purpose. BCG works in an uniquely collaborative model across the firm and throughout all levels of the client organization to deliver results that help clients thrive. Today, as a top consulting firm, BCG helps clients with total transformation — driving complex change, enabling organizations to grow, building competitive advantage and driving bottomline impact.

**Carlsquare** is an independent, partner-run investment bank advising clients (businesses, shareholders and financial investors) in the implementation of strategic targets in the area of corporate finance/M&A. Due to their integration into the international M&A network Globalscope, Carlsquare offers integrated cross-border M&A consulting for medium-sized transactions. The firm is represented across Europe, with 70 employees located in Berlin, Copenhagen, Hamburg, Munich, London and Stockholm.
**Ernst & Young** is a multinational professional services firm headquartered in London, United Kingdom. EY is one of the largest professional services firms in the world and considered one of the Big Four accounting firms. EY has recently shifted its historical business focus towards consulting. In particular, EY advanced its market presence in strategic consulting. By a series of acquisitions and a shift of market focus, EY expanded its market share in areas including operations services consulting, strategy services consulting, HR services consulting, financial services consulting and technology services consulting. EY operates as a network of member firms that are separate legal entities in individual countries. It has 270,000 employees in over 700 offices in 150 countries around the world. It provides assurance (including financial auditing), tax, consulting and advisory services to companies.

The **Handelsblatt Media Group** defines itself as a community for the dissemination of economic expertise. The group’s 1,000 editorial and publishing employees ensure that the dissemination of economic expertise is put into practice every day — whether in newsprint or on the tablet, printed or digital. Only those who understand economic interrelationships can make better decisions in everyday life — whether at school, on campus or at work. The company promotes this to the best of its abilities with publications, online channels and various initiatives.

**Neuberger Berman** was founded in 1939 with the aim of delivering compelling investment results for clients over the long term. This remains the company’s purpose today, driven by a culture rooted in deep fundamental research, the purpose of investment insight and continuous innovation on behalf of clients and facilitated by the free exchange of ideas across the organization. As a private, independent, employee-owned investment manager, Neuberger Berman is structurally aligned with the long-term interests of its clients. From offices in 35 cities worldwide, Neuberger Berman manages a range of equity, fixed income, PE and hedge fund strategies on behalf of institutions, advisors and individual investors worldwide. With more than 600 investment professionals and more than 2,100 employees in total, Neuberger Berman has built a diverse team of individuals united in their commitment to client outcomes and investment excellence.
Nordic Capital PE funds focus on investments primarily in the Nordic region. Nordic Capital invests across a broad array of industries but has a particular focus on Health Care. Other key sectors are Tech & Payment, Financial Services, Industrial Goods & Services and Consumer & Retail.

Since its inception in 1989, Nordic Capital has invested EUR 14 billion in over 105 companies. The most recent fund is Nordic Capital Fund IX with EUR 4.3 billion in committed capital, principally provided by international institutional investors such as pension funds. Nordic Capital manages PE funds that invest to build businesses through operational improvement and transformative growth. The funds also invest in health care globally.

The fund advisory team of **palero** consists of highly experienced specialists who support transaction activities and oversee all commercial aspects. The partners combine more than 50 years of experience in operational management, corporate finance and PE. The team operationally led companies throughout Europe with revenues between EUR 10 million to EUR 500 million and operating in different industries, such as the automotive, chemical, trade, media, industrial and service sectors. Altogether, the team was responsible for more than 40 relevant transactions. These involved all different transaction structures, buyer groups and contract partners from Europe, the United States and Asia.

**Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates**, commonly known as Skadden or sometimes Skadden Arps, is an international law firm based in New York City, USA. With 22 offices, approximately 1,700 attorneys and 50-plus practice areas, Skadden advises businesses, financial institutions and governmental entities around the world on their most complex, high-profile matters, providing the guidance they need to compete in today’s business environment. In 2015, Skadden became the first law firm ever to handle more than USD 1 trillion in M&A deals in a single year and, for the third time in six years, the *Financial Times*’ “Innovative Lawyers” report named Skadden the most innovative law firm in North America.
ValueTrust is one of the leading valuation and financial advisory firms in the DACH region focusing on the core areas of enterprise valuation and corporate finance advising management and investors in acquisitions, mergers, restructurings and value management. The firm also supports clients and judges in proceedings before the courts and arbitral tribunals.

ValueTrust offers its clients solution-oriented advice and combines strict client focus and proven independence with a demand for the highest quality. Long-term benefits for its clients are generated through its dedicated financial experts and senior advisors with many years of project experience in the fields of value measurement, management and creation as well as in providing reliable advice in a partnership-like manner with a clear focus on practical solutions for clients that are solidly based in theory and case law.
Prof. Dr. Bernhard Schwetzler has held the Chair of Financial Management at HHL Leipzig Graduate School of Management since 1995. He completed his doctoral and habilitation studies at the University of Regensburg and was visiting scholar at Purdue University (West Lafayette, IN, USA) and INSEAD (Fontainebleau, France). Guest professorships led him to the University of Eichstaett/Ingolstadt (declined offer), EBS University (Oestrich-Winkel), EADA (Barcelona, Spain), Waikato School of Management (Hamilton, New Zealand), John Molson School of Business — Concordia University (Montreal, Canada), and Universidad del Pacifico (Quito, Ecuador).

Prof. Schwetzler heads the expert groups “Fairness Opinion” and “Corporate Transaction and Valuation” of the Society of Investment Professionals in Germany (DVFA), is a member of the scientific advisory board of the German Private Equity and Venture Capital Association (BVK) as well as co-founder and member of the board of the European Association of Certified Valuators and Analysts Germany (EACVA). His research focuses on Corporate Valuation (e.g. valuation of tax shields, growth and inflation, minority squeeze outs), M&A (e.g. fairness opinions, MACs). He regularly publishes in notable journals, such as the Journal of Business Economics, the Journal of Banking and Finance, the Journal of Applied Corporate Finance, CORPORATE FINANCE, Schmalenbachs Zeitschrift für betriebswirtschaftliche Forschung (zfbf) or Zeitschrift für Betriebswirtschaft (ZfB). Moreover, he is co-editor of the annual publication Jahrbuch für Unternehmensbewertung and the journal CORPORATE FINANCE.

Dr. Benjamin Hammer serves as the Executive Director of the CCTPE. He is also Assistant Professor for Finance and a member of HHL’s senate as well as an advisory board member of the Hans Böckler foundation’s Private Equity Monitor. Dr. Hammer’s research results have been presented at renowned conferences globally such as at the EFMA annual meeting where his research won the best paper award for corporate finance in 2016. He has published articles in leading academic journals and received the HHL Best Lecturer Award for outstanding teaching evaluations in 2018. Furthermore, his dissertation was recognized with an award for the best work in the field of alternative investments by the Federal Association for Alternative Investments in Germany. Dr. Hammer served as a visiting scholar at Concordia University (Montréal, Canada) and Florida Atlantic University (Boca Raton, FL, USA). He completed his doctorate in finance at HHL in 2017 with distinction and received HHL’s research award for emerging scholars. Before that, he studied at HHL Leipzig Graduate School of Management and at Tulane University (New Orleans, LA, USA) as a scholarship holder of the German Academic Scholarship Foundation, Germany’s largest, oldest and most prestigious scholarship foundation, as well as a member of the Beta Gamma Sigma Honor Society.
Jan Hendrik Degner joined the CCTPE in August 2019 as Research Associate and Doctoral Candidate. Previously, he spent around six years in investment banking at J.P. Morgan and CBRE where he worked with PE funds, corporations and other institutional investors on M&A transactions, IPOs and other public offerings. Mr. Degner graduated with a BA in Banking & Finance from the University of Zurich and an MSc in Management from HHL Leipzig Graduate School of Management.

Renata Lavrova has been a Doctoral Candidate and a Research Associate at CCTPE since October 2017. The subject of her research is M&A activity with a focus on German taking-private transactions, impact of ETF on deal outcome, hedge fund arbitrage strategies in M&A and complexity of takeovers due to minority shareholder protection. Ms. Lavrova holds a Diplom degree in Taxation and MSc in Economics & Finance. Beside academic education, she gained practical experience in international corporate tax planning.

Silke Pettkus has been a Research Associate and Doctoral Candidate at the HHL Chair of Financial Management since January 2018 and was actively involved in the relaunch of the CCTPE in September 2018. Her research interest is in Corporate Finance, more specifically PE buyout performance. Prior to that, she worked more than five years in a capital market oriented corporation and was responsible for the global Corporate Controlling division. Ms. Pettkus holds a master’s degree in International Finance and Taxation from ESB Business School.

Since March 2018, Mrs. Götz has been a team assistant at CCTPE. Previously she was a team assistant for other chairs and research assistant for four years at the Heinz Nixdorff Chair of IT-supported Logistics at the HHL Leipzig Graduate School of Management. She studied media economics at the TU Ilmenau and business administration at the University of Leipzig. From 2004 to 2005, Mrs. Götz studied abroad at the Universidade Federal de Santa Catarina in Florianópolis, Brazil.
Maximilian Schreiter is a postdoc and lecturer for Finance at HHL and serves as Executive Director of the Institute for Family Businesses and Entrepreneurial Succession (IFU). Dr. Schreiter has recently completed his doctorate in finance at HHL focusing on stochastic, option-based models and optimal decisions in corporate finance. He has already published in the Schmalenbach Business Review (VHB: B) and presented at renowned conferences globally such as at the EFMA annual meeting, the Asian FA annual meeting and the Young Finance Scholars conference where his research won the best paper award for corporate debt in 2016. Before and during completing his PhD, Mr. Schreiter worked as a consultant and project manager at Roland Berger on assignments spanning all over Europe and Western Africa.

Axel Dickenbrok is a PhD student/Doctoral Candidate at the Chair of Financial Management at HHL Leipzig Graduate School of Management and a core member of the CCTPE. His research interest lies within Corporate Finance and Private Equity, more specifically PE exits, such as PE-backed IPOs. Before joining HHL, he worked for Boston Consulting Group as a strategy consultant in the Corporate Finance Task Force. He holds an MSc in Management from the University of Mannheim and a BSc from EBS University Oestrich-Winkel.

Ludwig Dobmeier joined the CCTPE in October 2018 as External Doctoral Candidate. Besides his research, Mr. Dobmeier has been working for the Management Consulting firm McKinsey & Company, Inc. since 2016. At McKinsey & Company, Mr. Dobmeier predominantly works on long-term strategy projects, corporate transactions, as well as PE due diligences for clients in the Automotive and Banking industries. Mr. Dobmeier graduated with a BSc in Management & Technology from the Technical University Munich and a MSc in Accounting & Finance from the London School of Economics and Political Science.

Julian Kaboth joined CCTPE in September 2016 as an external Doctoral Candidate. He works at the Deal Advisory KPMG (Berlin) and is active in the area of venture capital investments and corporates in valuation and strategic projects involving company valuation, structured equity valuation, financial instrument analysis as well as quantitative assessment of growth and investment strategies. Mr. Kaboth graduated with a BSc in Management and Economics from the University of Paderborn and an MSc in Business Administration Finance from the University of Cologne.
External Doctoral Candidates

Jonas Kick has been a Doctoral Candidate at the Chair of Financial Management at HHL and a core member of the CCPTE since November 2019. Besides his research, Mr. Kick works in the Competence Center Restructuring, Performance, Transformation & Transaction (RPT) at the consulting firm Roland Berger. In his daily work, he supports investors in making investment and portfolio decisions by executing value creation and due diligence projects. Mr. Kick holds a master’s degree in Information Systems from the Technical University Munich.

Sven Mettner joined the CCTPE in November 2017 as External Doctoral Candidate. His research focuses on cross-border transactions of PE firms and the role of local branches. Previously, he worked two years as management consultant for McKinsey & Company. Thereby, he completed several corporate finance related projects, such as IPO readiness, M&A transactions and post-merger integrations, in various industries. Mr. Mettner completed with an MSc in Management from the University of Mannheim. Before, he obtained a (BA) dual study program with FOM Essen and Bertelsmann SE & Co. KGaA.

Suleiman Naiem has been an external Doctoral Candidate at the CCTPE since January 2018 and focuses on SBOs and buyouts of SMEs. Previously, he spent two and a half years at Goldman Sachs in the investment banking division, working primarily on M&A transactions for leading German corporates. He graduated with a BSc in Business Administration and an MSc in Finance and Accounting from Vienna University of Economics and Business.

Norbert Wünsche joined the CCTPE in June 2018 as an external Doctoral Candidate with a scholarship from Boston Consulting Group. Previously, he spent around three years in consulting at Boston Consulting Group working on Corporate Finance projects across industries as a member of BCG’s Corporate Finance Task Force as the CFO Excellence Team. Mr. Wünsche graduated with BAs in both Business Administration and Economics and an MA in Accounting and Finance from the University of St. Gallen and obtained the CEMS Master in International Management double degree from St. Gallen and ESADE Business School.
Save the Date —
2020 Events and Conferences

March 23–24, 2020:
PE Summit in Munich

November 4–5, 2020:
Tage der Institutionellen Kapitalanalage 2020
(IHK Frankfurt am Main)
The research partnership with HHL Graduate School of Management offers us an excellent opportunity to actively participate in the development and research of new private equity strategies. We can then integrate new private equity research findings directly into our investment strategies to achieve the most effective results for our clients. In the long run, the collaboration with HHL, one of the most renowned business schools in Europe, will enable us to further expand our network and engage in dialogue with highly qualified graduates.

Christian Puschmann
Managing Director, Head of Client Group — Germany and Austria, Neuberger Berman Asset Management Ireland Limited

My PhD at the CCTPE was personally enriching in several ways: exploring my interests in private equity research, gaining deeper insights into scientific work, discussing and partnering with other researchers (at conferences) around the world - and by doing so, meaningfully linking theory and practice.

Dr. Nils Härtel
Consultant, Boston Consulting Group