



ViewPoint in hybrid VC-PE deal

By Valerie Thompson, 13th September 2005

ViewPoint Capital Partners GmbH of Frankfurt has acquired a 75% stake in German-founded, but Pennsylvania-based **Arcplan Inc.**, a business intelligence software developer, for €27.5 million (\$33.76 million).

The deal is typical of a growing number of European investment deals that straddle both venture capital and private equity. While it has the hallmarks of a venture capital deal technology, smallish price tag and an experienced venture investor it also has characteristics of a buyout, given the majority purchase boot-strapped with debt.

European venture firms are "proactively [seeking] hidden companies which have never raised money from outside before, but where growth can be accelerated," said Jean-Michel Deligny, managing director of London-based corporate finance advisory firm **Go4Venture** in a recent newsletter.

Arcplan was advised by Düsseldorf-based WestLB AG's corporate finance advisory team, which led a bidding process among tech buyout firms. ViewPoint managing partner Christian Janson-Euteneck said several British and U.S. technology buyout houses were in the running, but his firm's presence in the German market and its familiarity with the company's management gave it an edge.

"Germany is a region where a lot of the Anglo-Saxon tech buyout firms don't have a lot of experience," Janson-Euteneck said. "We have been in contact with the Arcplan's management since 2001. And this facilitated pretty quickly exclusivity on the deal."

Though several established tech buyout firms such as Francisco Partners and Investcorp have said they are in the market for small European tech buyouts, few potential acquisitions have come to fruition. In one of the rare ones, U.K. midmarket buyout shop HgCapital in June acquired Addison Software & Service GmbH, valuing the Ludwigsburg, Germany-based supplier of accounting software at €78 million.

ViewPoint plans to build up Arcplan's U.S. and European sales teams. "It has been a technology-led company with very little investment in sales and marketing but nevertheless managed to achieve some \$20 million in annual sales last year," Janson-Euteneck said.

Wayne, Pa.-based Arcplan was founded in Langenfeld, Germany, in 1983. It builds customized analytic applications and has recently won contracts from IBM Corp., Gillette Co. and ABN Amro Holding NV.

Other firms that compete in the same market include Boise, Idaho-based ProClarity Corp., Cognos Corp. of Ottawa, and France's Business Objects SA.

ViewPoint turned to Heymann & Partner for legal advice, while Arcplan's investors tapped Freshfields Bruckhaus Deringer.

ViewPoint raised some 40% of the purchase price via debt and mezzanine finance from Bayerische Hypo- und Vereinsbank AG of Munich. Management and founders will own the remaining 25% of Arcplan.