

New Private Markets

By: Charles Avery
PUBLISHED: 24 April, 2023

MANAGERS

TowerBrook inks two deals from nascent impact strategy

The New York- and London-based manager is seeking investment opportunities of up to \$100m in companies contributing to one or more UN SDGs.

TowerBrook Capital Partners has launched a private equity impact strategy and begun deploying capital, acquiring controlling stakes in telecom infrastructure company TXO and electric vehicle charge point producer Envevo.

TowerBrook Impact Opportunities launched in 2021 with a mandate to invest in companies addressing one or more UN SDGs. At the start of this year, the programme was renamed TowerBrook Delta. The firm is looking to make majority and minority investments of up to \$100 million, a spokesperson told New Private Markets. Target companies will typically have at least \$25 million in revenue and an enterprise value of \$40 million or more. To measure impact, TowerBrook has developed a proprietary

assessment tool in conjunction with impact advisers Bridgespan.

TowerBrook declined to comment on the strategy's fundraising status.

The first two deals were signed this month, and are expected to close by the end of Q2. TXO produces solutions to assist with the reuse and recycling of telecom infrastructure, while Envevo's products support the adoption of renewable energy.

The impact strategy will operate alongside TowerBrook's main private equity programme. The firm closed its Investors V buyout fund on \$4.25 billion in June 2018 and is now raising a sixth buyout fund, which was launched in August 2022.

"Through this impact strategy we now have the opportunity to partner, either as acquirer or investor, with younger,

innovative companies committed to commercial success and making a positive and lasting contribution to society – TXO and Envevo are great examples," chief investment officer Gordon Holmes said.

TowerBrook became the first "mainstream" private equity firm to gain B-Corp status in 2019. In launching a separate impact private equity strategy to complement an existing private equity programme, the firm joins the ranks of the likes of TPG, Bain Capital, Apax Partners and others.

The spokesperson confirmed the impact strategy would not overlap with its buyout fund, which makes investments of over \$100 million.

Editor's note: This article has been updated to reflect that TowerBrook Impact Opportunities has been renamed TowerBrook Delta.