

Newsletter

OCTOBER 2022

Foreword

What a peculiar time. Threats everywhere you look. Moreover, everything happens beyond the control and influence of an individual or individual subjects. How to behave at such a time? How to make decisions in the context of an intense feeling that higher powers (and superpowers) often have a stronger influence on the outcome than us? How to recognize and seize the opportunities, of which there are certainly many hidden around us, but which are obscured by thick layers of uncontrollable risks? To wait or to act?

Finding the right answers and making sound decisions in both good and worse times is the main concern of every business owner. That's why at Genesis Capital we continue to keep the set direction, discipline, arm ourselves with patience, and approach our activities with extraordinary humbleness. It would be easy to succumb to a treacherous and false sense of complacency, especially when the period since the last newsletter came out has continued to be extremely active and prolific for us. But today, more than ever it is healthy to remind ourselves constantly, that time can relativize all good things very easily and very quickly..

Nevertheless, the events that happened in the first three quarters of 2022 and were the harvest of intensive and long-term efforts of our ever-growing team are objectively numerous. The new investments encompassed the acquisition of the producer of train seats and interior equipment for passenger trains BORCAD CZ, capital entry into the leading Central European group active in the production and sale of garden equipment Hecht Motors, and the add-on acquisition of the call centre Atoda, employing approximately four hundred operators, realized through a portfolio company Conectart. Genesis Capital Growth was also active, expanding its portfolio to include HC Electronics, a leading provider of electronics manufacturing services specialised primarily in printed circuit board assembly.

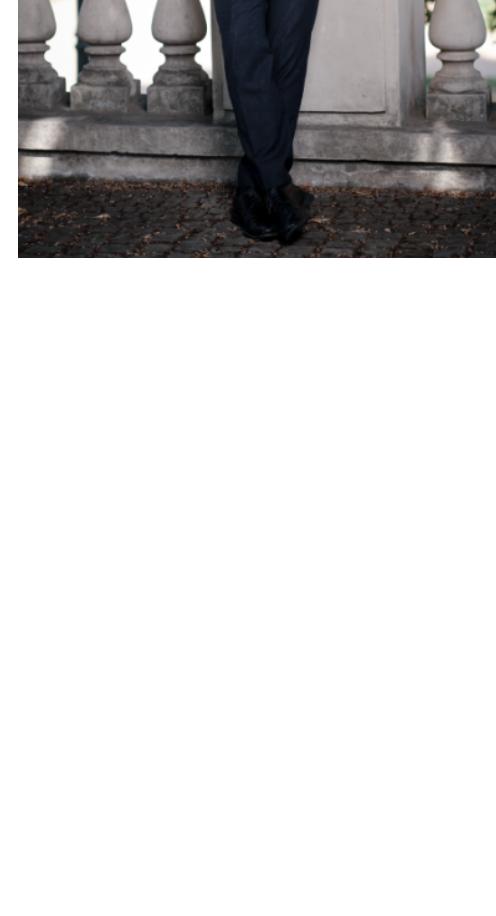
The exit of the Czech-Polish comprehensive engineering and technical building services company Stangl Technik Holding to the French-listed company SPIE, the European leader in multi-technical services, was exceptionally successful. Thanks to this exit, GPEF III has already exceeded its required 8% hurdle rate return in terms of capital distributed to the investors. An interesting moment was also the expansion of 11 Entertainment Group, which built and opened new entertainment parks in Bratislava and Bucharest and is about to open its largest park in Vienna. However, from the point of view of the entire organization, the most important moment was the final closing of GPEF IV reaching its hard-cap of EUR 150 million.

Several new acquisitions and add-on investments are currently in progress, we are planning additional personnel expansion in the analytical team and the financial department, and we are also preparing further exits from the GPEF III portfolio in 2023. In the meantime, we will be hoping that this winter will turn out to be as bearable as possible for all of us and that with the arrival of spring, the world will begin to shine again for better times!



Ondřej Vičar

Managing Partner



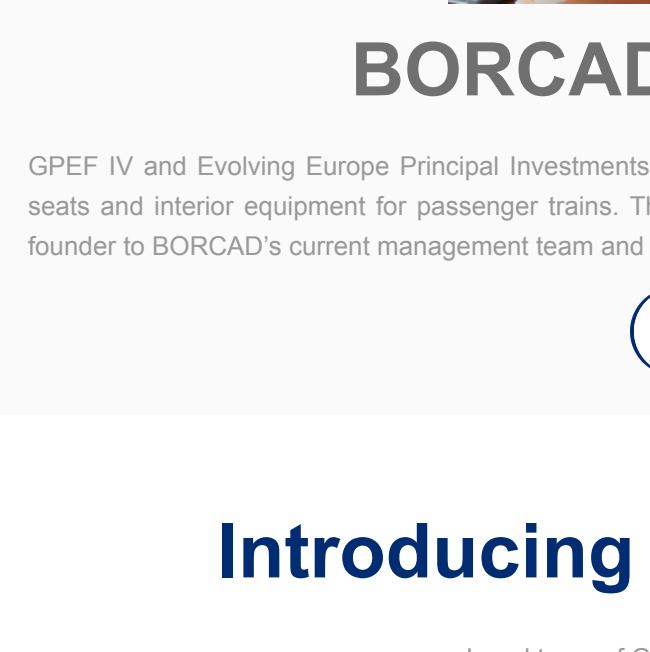
Atoda acquired by Conectart

Conectart, since 2020 a portfolio company of Genesis Private Equity Fund III (GPEF III) from the Genesis Capital group, reinforced its position on the call centre operator market by acquisition of the call centre Atoda.

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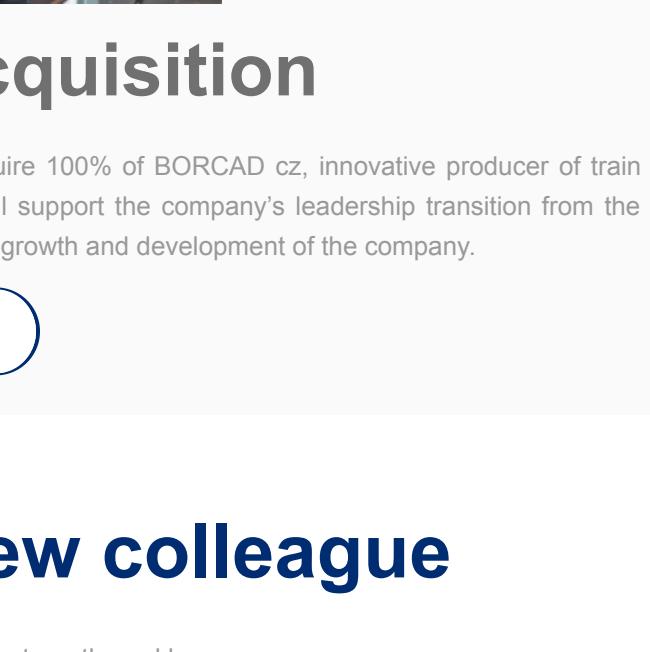
Final closing of GPEF IV

Genesis Capital finalised the fundraising of its already sixth private equity fund Genesis Private Equity Fund IV (GPEF IV), reaching its maximum hard-cap of EUR 150 million.

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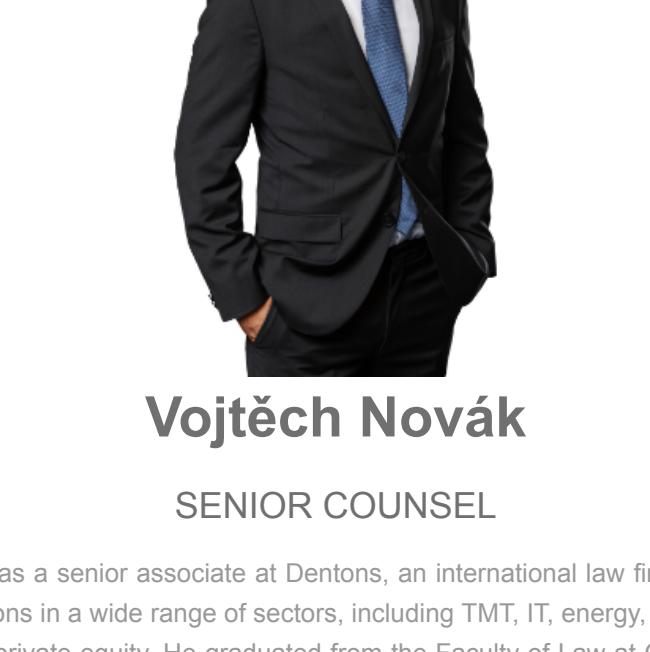
Stangl Technik Holding exit

Funds GPEF IV and Avallon MBO Fund II exited their majority ownership stake in Stangl Technik Holding, a leading provider of comprehensive engineering and technical building services in Poland and the Czech Republic. The new owner is SPIE, the independent European leader in multi-technical services in the areas of energy and communications.

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Hecht Motors acquisition

GPEF IV acquired a minority shareholding in Hecht Motors, the central European supplier and manufacturer of garden machinery and equipment. Genesis Capital joined forces with the company's founders, Jan Kováčka and Rudolf Runštuk, to accelerate regional expansion and enter new markets.

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BORCAD cz acquisition

GPEF IV and Evolving Europe Principal Investments I team up to acquire 100% of BORCAD cz, innovative producer of train seats and interior equipment for passenger trains. The new owners will support the company's leadership transition from the founder to BORCAD's current management team and continue in further growth and development of the company.

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Introducing our new colleague

Legal team of Genesis Capital was strengthened by:

**Vojtěch Novák**

SENIOR COUNSEL

Prior to joining Genesis, Vojtěch was a senior associate at Dentons, an international law firm. His experience includes advising on international and local transactions in a wide range of sectors, including TMT, IT, energy, automotive, manufacturing, food and beverages and, last but not least, private equity. He graduated from the Faculty of Law at Charles University and studied at the University of Nottingham in the UK, he is a member of the Czech Bar Association since 2017. With Vojtěch Genesis Capital receives direct support of another leading legal expert, who will support not only the investment activities of GPEF IV but also the activities related to the portfolio companies of GPEF III.

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