

EQT and MezzVest support notes in €2.7bn Swedish deal

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The alternative lenders are providing a part of the €700m in junior debt.

EQT Credit and MezzVest have provided €175 million junior debt in the €2.7 billion refinancing of Swedish alarm company Securitas Direct Verisure Group which saw US private equity firm Hellman & Friedman (H&F) become a majority shareholder alongside management after acquiring a 46 percent stake from Bain Capital.

The private debt lenders are part of a quartet that provided €700 million in privately placed senior notes, sources close to the matter said. EQT provided €100 million and MezzVest backed the deal with €75 million. Goldman Sachs provided €500 million, while asset manager Invesco extended €25 million. The privately-placed notes rank pari-passu to each other.

The €2.7 billion debt financing represents 7.5x leverage. It is comprised of a €2 billion senior secured bond and term loan package at 5.6x leverage, and junior debt at an additional 1.9x leverage. The enterprise value of the transaction is roughly €4.7 billion, a source said.

The proceeds refinance debt used to buy Securitas Direct Verisure in 2011, as well as back H&F's purchase. The acquisition is H&F's largest investment in its 30-year history.

Securitas Direct Verisure is a European provider of professionally-monitored home alarm systems with 24/7 response services offered through its Securitas Direct and Verisure brands.

Bain Capital and H&F acquired the group from EQT in 2011. Following the partnership, the group expanded into new countries such as Italy and Brazil.

London-based EQT Credit reached a first close of €350 million on its debut senior direct lending fund in May. EQT Mid-Market Credit Fund has a target of €500 million and will invest in first-lien unitranche facilities. The firm also runs two other credit funds.

MezzVest, a London-based manager, is in the process of developing a private debt investment platform which will span managed accounts, a pooled fund and collateralised loan obligations, as reported in March.

The manager held a final close of €585 million on its third flagship mezzanine fund in February 2014.

EQT and MezzVest declined to comment. Goldman Sachs and Invesco did not respond to a request seeking comment.