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PRIVATE MARKETS

Providence's new growth fund chief avoids auctions, seeks disruptive deals

By Steve Gelsi

- Mark Hastings joined Providence in 2013 from Garvin Hill
- Firm's first growth fund targets equity checks of \$10 mln to \$50 mln
- Fund to take majority and minority positions

Providence Equity Partners' inaugural growth fund will take aim at technology-enabled services companies disrupting traditional industries, according to an executive heading up the effort.

Mark Hastings, managing director of Providence Equity Partners, said the new \$315 million Providence Strategic Growth Capital LP fund will be positioned to capitalize on opportunities in tech across a variety of industries that help make businesses run smarter, faster and cheaper.

The fund has already made four investments, two of which have been announced: **Burning Glass Technologies**, a Boston-based provider of job market data for employers and workers, and **Netsurion** (formerly VendorSafe Technologies), a cloud-based information technology security services company.

"Our focus is on business applications — we are fairly agnostic to the end market," Hastings said in an email to *Buyouts*. "Some examples of vertical markets we are focused on include logistics, quick-serve restaurants and education."

The fund, which is the first growth vehicle in the firm's 26-year history, plans to avoid high deal prices by avoiding deals tied to competitive bidding

processes. The fund makes equity investments of \$10 million to \$50 million.

"We direct source all of our deals," Hastings said. "We do not participate in investment bank-led auctions."

Prior to joining Providence in 2013, Hastings founded and was managing partner of **Garvin Hill Capital Partners** and previously led **CIBC's** tech-focused growth equity team.

Hastings plans to tap some of his prior transactional experience in the space on the new Providence fund, which will take both minority and control positions.

"Some relevant prior deals that I've worked on include **Cashedge**, **Seisint**, **2ndWave Software**, and **Verid**," Hastings said.

Providence found strong demand for the growth strategy when it was out fundraising. Providence Strategic Growth Capital beat its \$250 million target and was oversubscribed with commitments from existing and new Providence investors, including corporate pensions, family offices and high net worth individuals.

Jonathan Nelson, CEO of Providence, said the new fund is a natural extension of the firm's investment platform, with a dedicated team making earlier stage investments, according to a prepared statement.

All told, Providence manages funds with more than \$40 billion in commitments and investments in more than 140 companies. The firm is based in Providence, Rhode Island.