

Highgrowth Partners raises €30m for first Iberia fund to target SMEs

Highgrowth Partners, a Barcelona-based firm, is raising a €30m (£19m) fund to target small-to-medium-sized businesses in Catalunya. A total of €22m has been raised for the fund, Fonsinnocat. It is aiming for a final close within the next three months.

Highgrowth has received commitments from the European Investment Fund, The Institut Català de Finances, a cornerstone investor owned by the



Lemus: more businesses seeking venture capital

Catalan government, EDF Capital-Investissement, Mutua de Propietaris and College de Ingenieros. Managing director Ferran Lemus said two savings banks in the region have also expressed interest and the firm is also in discussions with other local investors.

Lemus said Fonsinnocat is a generalist fund, which will target "innovative" companies with annual revenues of between €300,000 and €30m. Lemus said they have about 30 investments in the pipeline, but does not expect to invest before the end of the year. He expects opportunities to come from a variety of industries, but the most interesting deals would most likely be found in the automotive, IT, telecoms, services, agro-alimentary, medical devices, biotechnology and pharmaceutical sectors.

Lemus said demand for private equity has increased

significantly because the euro has led to interest rates of four per cent, far lower than the double-digit interest rates Spain experienced over the past 20 years. Highgrowth said this trend will continue, as more businesses turn to the "less expensive capital" to expand further into Europe and Latin America.

According to the firm, Catalunya accounts for 15.5 per cent of the Spanish population, 19.1 per cent of its GDP, 24.9 per cent of its industrial output, 26.8 per cent of Spain's exports and 38.8 per cent of foreign industrial investment. Other factors driving private equity opportunities include a good technical and logistical infrastructure, an extensive SME sector, and a commitment to innovation.

Highgrowth Partners was founded in 1999. Its first fund, Inverpymes, raised \$20m and targeted SMEs in Argentina.