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Private Equity Wire

SEF makes maiden investment in S4

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The Stanhope Entrepreneurs Fund (SEF), a growth capital fund managed by Stanhope Capital, has completed its first investment, acting as the lead investor in a circa USD90 million equity raise into S4 Capital (S4), a digital advertising and marketing services company established by Sir Martin Sorrell earlier this year.

The capital was raised by S4 to fund the acquisition of MightyHive for a total consideration of USD150 million. MightyHive is the San Francisco-based market-leading programmatic solutions provider for forward-thinking marketers and agencies. This transaction follows S4's acquisition of MediaMonks in July and furthers the company's strategy of combining award winning creative production with digital media planning and buying and first party data. As part of the transaction, Stanhope Capital's founder and CEO Daniel Pinto will join the Board of S4.

The SEF aims at backing fast growing businesses led by highly experienced management teams with a proven track record. Its main target sectors are disruptive services – companies using new technologies to disrupt traditional sectors – and brands. The Fund's philosophy is to actively support its portfolio companies by bringing together the impressive entrepreneurial pedigree of its Anchor Investors and the financial expertise of the Stanhope team.

In addition to Daniel Pinto, the Fund's Anchor Investors are Bruno Moineville, co-founder of Altice, one of the leading global telecom groups, Leon Seynave, co-founder of the specialised retail group Mitiska and founder of vente-exclusive.com, and Mark Moran, who organised the management buyout of Mater Private Hospital in Ireland. The other investors in the Fund are mostly entrepreneurial families and institutions in the UK and Europe who are incentivised – through a unique fund structure – to source interesting investment opportunities on behalf of the Fund thereby creating a mutually beneficial network effect.

Sir Martin Sorrell, Executive Chairman of S4, says: "Stanhope Capital's strategic investment is an excellent validation of our long terms plans and we welcome Daniel's input on the Board."

Daniel Pinto, Founding Partner and Chief Executive of Stanhope Capital, says: "Today, investors understand that the way to create substantial value in the long run is to back companies led by exceptional individuals who have both the ideas and experience required to challenge the status quo in their sectors. Our mission is to bring to the management of these companies the operational and financial support necessary to carry out their plans."

"I am delighted to be joining the board of S4. Sir Martin Sorrell's entrepreneurial vision is closely aligned with our own approach and that of our clients and we believe this represents a very exciting and attractive investment opportunity."

(Press Release Syndication)