



Syz Capital backs Riverdam in the creation of a leading MSP platform

Thursday, 11/14/2024

November 14, 2024 - Syz Capital is delighted to announce its co-investment in the Managed IT Service Providers Platform of the investment company Riverdam. This deal marks the fifth investment for our multi-strategy Private Equity fund, now showing a strong and well-seeded portfolio.

This investment continues to demonstrate Syz Capital's capability of leveraging longstanding relationships in the Private Equity market to co-invest alongside leading sponsors and management teams in high-potential Lower Mid-Market companies.

Syz Capital co-invests alongside Riverdam to develop a leading MSP platform

The Platform is a group of Managed IT Service Providers ("MSPs") in the Netherlands. MSPs offer comprehensive management of IT infrastructure and user systems on a subscription basis, focusing on proactive, ongoing support and maintenance, ultimately acting as an internal IT department. These businesses are generally characterised by low capex requirements, high share of recurring sales, stable margins, and high cash conversion.

The managed IT services market in Europe is experiencing significant growth (\$427b in 2024 projected spending, +11.8% YoY^[1]) driven by the increasing need for digitalisation among SMEs, the growing technological complexity, and the rising adoption of the "as-a-service" model.

The Netherlands is a frontrunner in Europe in terms of digitalisation. The country benefits from a robust digital economy and significant investments in IT and cloud services by major global players. The Dutch market is also highly fragmented in this space, counting more than 5,000 MSPs, and is characterised by a strong presence of SMEs increasingly adopting managed services to enhance their IT infrastructure and security.

"The Dutch IT market is the third 'Mainport' of the Netherlands and we foresee further growth acceleration in the coming years due to the further digital transformation as an underlying driver. We are therefore delighted and grateful to have Syz Capital on board as a Private Equity co-investor in our MSP platform." as Derk van Wingerden, co-founder of Riverdam, stated.

Olivier Maurice, Managing Partner at Syz Capital commented *"At Syz Capital we are thrilled to partner with Riverdam in the creation of a leading MSP group. We look forward to supporting the platform's management team as the company continues its growth journey, executing an ambitious value creation plan"*.

[1] Capitalmind Investec – "IT Services: A European M&A Deep-Dive"

About Syz Capital & SPMO

Syz Capital is a family-owned alternative asset manager with a longstanding tradition of backing family businesses and entrepreneurs in their growth journey. The Syz family has been investing in private companies for over 200 years.

Syz Private Market Opportunities ("SPMO") is a private investment partnership established by Syz Capital to invest in a diversified selection of high-return private equity transactions and strategies, alongside specialized teams in their core areas of expertise. With a focus on Europe, the strategy invests in niche sectors and companies exhibiting strong business models, attractive valuations and achievable value creation plans, leading to asymmetric risk-return profiles. The portfolio is mainly focused on Lower Mid-Market buyouts and is complemented by discounted secondary transactions with a short path to exit. Syz Capital is currently raising and deploying the second vintage in this strategy.

About Riverdam Management B.V.

Riverdam is an investment company that invests in profitable Dutch SMEs with a turnover of up to €20m. It offers entrepreneurs the best opportunity to grow the company further, by using knowledge and experience, financing options, hands-on support and a large network. Riverdam has completed 15 acquisitions in the past three years, including 12 Managed IT Services companies. The arrival of Riverdam as a majority shareholder brings with it both a solid foundation and new growth prospects for the companies.

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