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L-GAM seals debut deal

The firm has made a €35m investment in French garden centre Jardiland.

L-GAM Investments, a newly-established firm backed by the Princely Family of Liechtenstein, has made its debut investment by acquiring France-based garden centre business Jardiland for €35 million.

L-GAM, which was established in October 2013, will support Jardiland with a new "development strategy" after the business faced "two difficult years", in which it suffered from adverse weather conditions, a difficult macro-economic environment and various operational issues, according to a statement.

L-GAM said it planned to reposition the store's concept as well as its product and merchandising mix to make the business less weather-dependent.

"We are committed to contribute to the revival of such a strong brand and consolidate its position as the key innovator in its markets," Yves Alexandre, a founding partner of L-GAM, said in the statement.

The acquisition of Jardiland marks L-GAM's first deal since its inception last October when the firm said it had "existing capital commitments of €240 million". L-GAM declined to specify at the time whether this constituted a first close. It is understood to be still in discussions with investors with a view to raising up to €325 million, PEI reported in December.

The firm was founded by Yves Alexandre, a former managing director at Investcorp, and Ferdinando Grimaldi and Felipe Merry del Val, two former managing directors at Bain Capital. It has also hired Aled Jones, a former head of finance at Lion Capital as a chief financial officer, and Linda Walton, another former Investcorp executive, as an executive assistant in recent months, according to the firm's website.

L-GAM typically invests in deals between €20 million and €50 million, although it can also employ co-investment when it sees larger deals. The firm has come up with a special fund structure, which it believes gives them more flexibility. L-GAM has the ability to invest throughout the capital structure, targeting both debt and equity. It can take minority and majority stakes and target deals all over Europe in different strategies.

It is also understood the firm's investment vehicle has a 15-year life instead of the usual 10 years – because it doesn't want its investment decisions influenced by the need to return capital to LPs.

"The fundraising cycle effectively means that once you have owned a company for about five or six years, you'll be less inclined to make an add-on acquisition because you would have to stay in the business for another two or three years to see the results," Merry del Val told PEI in November. "You don't want to sell your winners too soon".