

## TBG Investimentos seeks to buy Brazilian target facing succession issues; welcomes pitches from advisors – CEO

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TBG Investimentos, a Brazilian search fund, welcomes pitches from M&A advisors as it seeks to acquire a local target struggling with succession issues, CEO Tulio Barbosa Gomes said.

A search fund is an investment vehicle in which investors financially support a management team seeking to acquire and grow a privately held company. The concept was developed in the 1980's at Stanford Graduate School of Business, Gomes noted.

The Sao Paulo-based search fund has already held talks with more than 260 potential targets, but it would welcome pitches from local advisors. It is also interested in hearing from legal and accounting firms as it plans to retain external advisors for due diligence and other M&A-related procedures, the CEO said.

TBG is looking to buy a company that generates between BRL 20m-100m (USD 5.4m-27m) in revenue and BRL 5m-10m in EBITDA, and lacks a succession plan, he said. It is prioritizing targets with low capital expenditures in sectors like education, financial, healthcare, industrials, logistics, and software, he added.

Potential targets should also have a recurring-revenue business model and not too many clients in the public sector, he noted.

The search fund is currently in moderate to advanced talks with about 11 potential targets and would like to close a deal in early 2019, the CEO said.

TBG's backers include Spectra Investments, a Sao Paulo-based asset manager that invests in private equity funds operating in Latin America; and Boston-based Relay Investments, which has invested in more than 100 search funds; among other shareholders, Gomes said.

Despite being relatively new in the Brazilian market, search funds have already closed a few acquisitions in the South American country. In October, Sao Paulo-based search fund Colibri Investimentos announced the purchase of Fleming Medicina, a Santo Andre-based education company that offers prep courses for students seeking to enroll in a medical school for an undisclosed amount, as reported.

Prior to launching TBG in 2017, Gomes worked with the global strategy team at Brazil's mining company VALE [B3: VALE] and at the local branch of Boston-based PE firm Advent International.

by Max Gonzales and Thiago Barrozo in Sao Paulo

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Grade: Confirmed

**BIDDERS**

[TBG Investimentos](#)

**Other Equity Provider**

[Relay Investments](#)

[Spectra Investments](#)

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**Countries**

Brazil

USA

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**States**

Massachusetts

(MA)

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**Sectors**

Financial Services

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**BIDDERS**

[TBG Investimentos](#)

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**Sub-Sectors**

Fund

management

Venture

Capital/Private

Equity

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**Topics**

Advisory

Invitation

(Bankers, Other)

Advisory

Invitation (Due

Diligence)

Advisory

Invitation

(Lawyers)

Bolt

on/Opportunistic

Cross Border  
Private equity  
related

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