



M&G acquires majority stake in leading European private credit business, P Capital Partners

London 6 February – M&G Investments today announces that it has agreed to acquire a majority stake in P Capital Partners (PCP). A leading European private credit business in the corporate non-sponsor sector, it supports entrepreneurs and family-owned businesses to grow and sustainable technologies to scale.

With origins dating back to 2002, PCP boasts one of the longest track records in European direct lending, using the same cycle-tested investment process to invest in more than 170 companies. It specialises in providing bespoke financing solutions to mid-sized businesses who often encounter challenges in securing loans through traditional channels and may not wish to sell equity stakes to fuel growth. PCP has been offering sustainability-linked loans for the past decade and has a strong reputation for investing with purpose, which has gained traction with large institutional investors.

PCP will become part of M&G Investments' £73 billion private markets business, complementing its established £19 billion private credit and structured credit teams and broadening its client offering in a segment where PCP already has strong relationships and an extensive origination network. Based in Stockholm with a team of 45, PCP has raised circa €7 billion since inception. M&G will acquire 70% of PCP, with its management retaining the remaining equity stake following the transaction. There will be no changes to PCP's management team or investment strategies as a result of the deal with M&G.

The acquisition further underpins M&G's strategic growth plans and cements its position a leader in European private assets, adding differentiated investment and origination expertise, whilst strengthening PCP's capabilities and plans for continued European expansion.

M&G's private corporate credit lending capabilities stretch back nearly 25 years, when it was the first non-bank lender to invest in European leveraged loans. Investing in private credit strategies on behalf of external clients and its Life business, including through the £129 billion With Profits Fund, M&G's private markets business enables these clients to gain access to new sources of higher yielding investment strategies. M&G's With Profits Fund invests and manages the long-term savings of 4.6 million UK policy holders, including 450,000 clients in PruFund.

Valued at approximately \$1.5 trillion¹, the global private credit market has become an increasingly attractive asset class for institutional investors, driven by the potential for higher yields and diversification benefits. Estimates indicate that institutional allocations to private credit have grown by more than 10%¹ annually, reflecting a broader trend to capitalise on the stability and returns offered by this asset class.



Joseph Pinto, Chief Executive Officer of M&G Investments, said: “This acquisition of a majority stake in P Capital Partners is in line with our growth strategy in private markets where we have the ambition to become the European champion. P Capital Partners' capability in the corporate non-sponsor sector and 20-year track record will offer our clients access to a wider range of differentiated offerings and improve our ability to better serve clients. Combined with our scale and distribution reach, it is a powerful, highly effective and distinctive combination.”

Emmanuel Deblanc, Chief Investment Officer of Private Markets at M&G Investments, added: “Increased access to direct investments is essential for early-growth entrepreneurs to scale without losing control or incentives. Together with P Capital Partners, we will aim to create economic value and positive social impact by supporting entrepreneurs who drive sustainable innovation. Through M&G's global distribution platform, P Capital Partners' capabilities will be more widely available in Europe and Asia, in turn supporting their growth ambitions. We look forward to working with P Capital Partners to drive future growth for our clients.”

Daniel Sachs, Founder and Chief Executive of P Capital Partners, added: “Tailored and creative funding to support entrepreneurs to drive innovation and growth is more critical than ever. Together with M&G, we are well-positioned to make uncompromised funding more accessible. A win for entrepreneurs, family owned businesses and the sustainable transition that they drive when given the opportunity to achieve their full potential.”

The transaction is expected to close in mid-2025, subject to regulatory approvals.

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Notes to editors:

¹ The size of the global private credit market is from an S&P global intelligence report, November 2024.



Moelis & Company UK LLP acted as exclusive financial adviser and Goodwin Procter and Mannheimer Swartling acted as legal advisers to P Capital Partners. Fenchurch Advisory Partners acted as financial adviser and Freshfields and Gernandt & Danielsson Advokatbyrå KB acted as legal advisers to M&G.

About M&G plc

M&G plc is a leading international savings and investments business, managing money for around 4.6 million retail clients and more than 900 institutional clients in 38 offices worldwide. As at 30 June 2024, we had £346.1 billion of assets under management and administration. With a heritage dating back more than 170 years, M&G plc has a long history of innovation in savings and investments, combining asset management and insurance expertise to offer a wide range of solutions. We serve our retail and savings clients under the M&G and Prudential brands in the UK and Europe, and under the M&G Investments brand for asset management clients globally.

About P Capital Partners

P Capital Partners AB is a leading, independent private credit solutions provider for primarily entrepreneur-owned, employee-owned and family-owned mid-sized companies based in Northern Europe. Established as an investment strategy within a family office in 2002, the strategy raised its first institutional fund in 2009 followed by a management buyout in 2013. The firm is headquartered in Stockholm Sweden and employs 42 professionals and is led by founder and CEO Daniel Sachs.

PCP invests across three private credit strategies, with more than €3.8 billion in assets under management (“AUM”) as of September 2024 across six institutional funds. PCP V represents the fifth-generation fund within the corporate credit strategy (“Corporate Credit Strategy”), that provides primarily senior secured loans to privately-held companies. PCP also manages a transition partner strategy (“Transition Partner Strategy”) introduced in 2021, targeting loans to companies working towards long-term environmental transition and sustainability trends and PCP Growth (“Growth Strategy”) which provides debt financing to entrepreneur-led companies designed to support disciplined scaling with a non-dilutive funding solution. Across these three strategies, invests with tickets spanning €10m-€125m.