NIC

— Nova Investment Club —

Newsletter

March 2025

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Foreword

This Month:

In our Macro Overview section, analysts from the Financial Markets and Private Equity Divisions will cover broad macro themes while reviewing major economic news from the past month. In our Deeper Dive section, Selamawit Asegid discusses the outcome of the 2025 German federal election, its implications for government policy and the potential impact on financial markets.

Our Investment Banking Division will guide you through February's overall M&A activity. Read about Prosus acquiring Just Eat Takeaway.com, and EP Global Commerce acquiring Metro AG. Additionally, get a detailed overview of what happened to Rheinmetall AG, and read expert insight on the Portuguese government's consideration of selling a minority stake in TAP.

Our Financial Markets Division will present the monthly results of the NIC Fund, an active relative return fund investing across three different asset classes: Equities, Fixed Income, and Commodities. The analysts will also provide commentary on each of the three major asset classes, along with Currencies, through an analysis of the past month’s major market moves. The overall performance of the NIC Fund in February was positive, with a cumulative return of 1.68%.

Our Private Equity Division will cover global and European trends in private equity transactions and investments, followed by brief insights into some top deals. Read about Blackstone’s acquisition of Safe Harbor Marinas and Prada Group’s acquisition of Versace.

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Macro Overview

Monthly

March 7th, 2025

Deeper Dive

Reflections from the 2025 German Federal Elections

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Market Moves

Market Moves

% change

	Last Close	-1W	-3M	YTD
S&P 500	5,955	-0.98%	-1.29%	1.24%
DJIA	43,841	0.95%	-2.38%	3.05%
Nasdaq	18,847	-3.47%	-1.93%	-2.40%
MSCI World	3,874	-0.55%	-0.40%	4.26%
MSCI EM	3,680	-3.50%	-1.74%	0.01%
Russell 2000	2,163	-1.47%	-11.16%	-3.01%
Euro Stoxx 50	5,464	-0.21%	13.72%	11.59%
FTSE 100	8,810	1.74%	6.30%	7.79%
Nikkei 225	37,156	-4.18%	-2.75%	-6.87%
Hang Seng	22,941	-2.29%	18.11%	14.36%
Dollar Index	107.61	0.94%	1.78%	-0.80%
EUR/USD	1.038	-0.79%	-1.91%	0.20%
GBP/EUR	1.212%	0.35%	0.71%	0.32%
GBP/USD	1.258%	-0.44%	-1.24%	0.49%
USD/JPY	150.630	0.91%	0.57%	-4.18%
USD/CHF	0.90	0.53%	2.51%	-0.47%
Brent Crude	73.180	-1.68%	0.33%	-1.96%
Gold	2,848.5	-3.03%	7.21%	7.86%

Generic Bond Yields

change in bps

	Last Close	-1W	-3M	YTD
US 10Y Yield	4.208%	-22.3	4.0	-36.1
GER 10Y Yield	2.406%	-6.4	31.8	3.9
JPY 10Y Yield	1.378%	-5.2	33.0	27.7
UK 10Y Yield	4.482%	-8.9	24.0	-8.6
PT 10Y Yield	2.940%	2.7	40.1	9.2

**Source: Bloomberg, as of 2025-02-28*

In Focus

February

German elections indicate a shift to the right. Germany's February federal elections saw a political shift, with the centre-right CDU/CSU alliance emerging as the largest party. The far-right Alternative für Deutschland (AfD) made substantial gains and secured second place, reflecting growing support for right-wing policies and complicating coalition-building in Germany's political landscape.

EU increases defence spend over concerns for the Russia-Ukraine war. The ongoing conflict between Russia and Ukraine and concerns over US support have prompted European nations to reassess their defence strategies. Denmark and Estonia announced significant defence budget increases, allocating up to 3% and over 4% of their GDP, respectively, to military spending by 2026. Notably, French President Emmanuel Macron convened a special meeting to coordinate European responses, emphasising the need for enhanced defence capabilities.

Trump's tariffs spark global trade tensions. President Trump imposed sweeping tariffs in February, including 25% on imports from Canada and Mexico and 10% on Chinese goods. Canada, China, and the EU retaliated, imposing tariffs on key American exports like agriculture, energy, and manufacturing components, escalating the risk of a global trade war.

US economic data indicates an emerging risk of stagflation. February's US Core CPI ticked up to 3.3% YoY, 20bps above forecasts, while the Uni. of Michigan's 5-Year inflation expectations climbed 30bps to 3.5%. Meanwhile, the Uni. of Michigan's consumer sentiment index fell by the most in four years and US business activity expanded at the slowest pace since September 2023. Consequently, the Atlanta Fed's latest Q1 2024 GDP forecast indicated a 1.5% contraction. This combination of slowing growth and rising inflation contributed to the declines across US equity indices and Treasury yields.

European stocks continue to outperform US peers YTD. European stocks outperformed US markets in February, with strong gains in the financial and industrial sectors, boosted by EU defence spending and Ukraine peace talk optimism. Meanwhile, US markets struggled, with the S&P 500, Nasdaq and Dow Jones Industrial Average all slipping amid trade tensions and stagflation fears.

Major APAC economies experience an economic boost. Despite global trade tensions, China set a 5% GDP growth target for 2025, raising its budget deficit to 4% of GDP and injecting USD 55 bn into major banks to support economic stability amid rising trade tensions with the US. Meanwhile, Japan's services sector experienced its fastest growth in six months, while the BoJ signalled potential rate hikes to manage inflation. To stay competitive, Japan's government pushed for bold investment incentives in key sectors like green energy, semiconductors, and AI.

UK economy surprises with strong growth. The UK economy delivered an unexpected economic boost in February, defying recession fears and outperforming forecasts despite mounting global challenges. GDP grew by 0.4% MoM, 30bps above forecasts, driven by a strong services sector, resilient consumer spending, and a rebound in business activity. In response, the BoE lowered its benchmark rate by 25bps to 4.5%. The move aims to sustain growth and shield the economy from the risks of slowing global demand and trade uncertainties.

Benjamin Lonnen
Financial Markets Division

Deeper Dive

Reflections from the 2025 German Federal Elections

Selamawit Asegid
Private Equity Division

"Germany's election outcome will shape the future of the Eurozone. Stability and economic confidence depend on Berlin's leadership in navigating fiscal policy, trade, and investment."

– Christine Lagarde, President of the European Central Bank

"Germany's political direction influences not just its own economy, but the entire European Union. A strong, forward-looking government in Berlin is crucial for Europe's financial stability and growth."

– Ursula von der Leyen, President of the European Commission

The 2025 German federal elections marked a turning point in the country's political and economic trajectory. The results signalled a shift in voter sentiment, with the conservative Christian Democratic Union (CDU/CSU) securing 28.5% of the vote, followed by the far-right Alternative for Germany (AfD) at 20.8%. The ruling Social Democrats (SPD) suffered a historic defeat, obtaining only 16.4% of the vote, underscoring public dissatisfaction with economic stagnation and immigration policies.

While the CDU/CSU is expected to form a coalition, its outright rejection of an alliance with the AfD limits its options. A partnership with the weakened SPD remains the most viable outcome, although internal divisions could complicate governance. Investors closely monitor coalition talks, as stability will be crucial in shaping Germany's economic policies.

The immediate market reaction was cautiously optimistic. On the day following the election, the DAX Index gained 0.62%, reflecting relief over the prospect of a more business-friendly CDU-led government, while the euro strengthened by 0.10% against the US dollar, suggesting renewed confidence in Germany's economic direction.

However, challenges remain. One of the key areas of concern is fiscal policy. The CDU/CSU has proposed reforms to Germany's "debt brake," which limits government borrowing. A relaxation of this rule could pave the way for increased infrastructure and defense spending, but any policy change requires a two-thirds majority in the Bundestag. The SPD's stance on this issue, along with potential opposition from smaller parties, will determine whether Germany embraces more expansionary fiscal measures.

Germany's energy sector was another focal point in the election, with parties divided over the country's approach to phasing out fossil fuels. The CDU/CSU favors a pragmatic transition, emphasising energy security, while the SPD and Greens advocate for accelerated renewable energy investments. The election results suggest a more measured approach, balancing economic competitiveness with sustainability goals. Financial markets also reacted to policy uncertainties regarding industrial subsidies and corporate taxation. Investors are seeking clarity on whether the new government will extend support for Germany's struggling manufacturing sector, which has been hit by weak demand and high energy costs.

The geopolitical landscape adds another layer of complexity. With the return of Donald Trump to the US presidency, Germany's role in the European Union is expected to grow, particularly in shaping economic and defence policies. The new government's stance on EU fiscal integration, defence spending, and trade agreements will influence broader market sentiment across Europe.

This political shift, while not revolutionary, tilts the Eurozone toward a more investment-friendly and integrated approach. I anticipate some easing of fiscal rigidity, a stronger stance on strategic trade issues, and sustained commitment to the European project. Financial markets have interpreted the change as a vote of confidence in Europe's largest economy, which bodes well for investor trust across the continent.

Sector by sector, the ripple effects will shape how banks, factories, and businesses plan for the future under common European frameworks. If Germany can leverage this moment to address its structural issues and lead by example, the effects will be largely positive – supporting a more stable euro, healthier public finances, and innovative, green growth throughout the EU.

European economic stability and growth prospects stand to improve modestly as a result, provided that Germany's new leaders convert plans into action and work collaboratively with their EU partners. The eyes of Europe are on Berlin, and early indications suggest that a constructive era of German engagement in the EU's economic evolution is underway, reinforcing the foundations for shared prosperity

Selamawit Asegid
Private Equity Division

Macro Overview

Economic Calendar

Economic and Political Events

EU Defence Summit

On the **6th** of March, the EU will convene an extraordinary summit to discuss enhancing support for Ukraine and addressing European security concerns. This meeting comes in response to recent geopolitical developments and aims to strengthen the EU's defence strategies.

China's "Two Sessions" Meetings

From the **5th** to **11th** of March China will hold its annual "Two sessions", where key economic policies and targets are set for the year. Premier Li Qiang is expected to announce 5% GDP growth target, address youth unemployment and emphasise advancements in AI.

UK Budget spending

During the Spring Statement on the **26th** of March, Chancellor Rachel Reeves plans to announce several billion pounds in spending cuts, including reductions in welfare to address fiscal challenges, as current projections fall short.

Central Bank Decisions

Fed Interest Rate Decision

The FOMC meeting will take place on the **18th** and **19th** of March, with markets assigning a 93% probability that the Fed will hold rates steady at target range of 4.25%-4.50%.

Bank of Japan Interest Rate Meeting

The BOJ will hold its monetary policy meeting on the **18th** and **19th** of March, following its January rate hike to 0.5%. Deputy Governor Shinichi Uchida indicated further rate increases are anticipated but will be implemented cautiously.

ECB Monetary Policy Decision

On the **6th** of March, the ECB cut its key interest rate by 25bps to 2.5%, marking the sixth reduction since June 2024, amid weakening economic growth and easing inflation pressures.

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Inflation and Deflation

Euro Zone Consumer Price Inflation

On the **3rd** of March, the Euro Area's February inflation reading decreased to 2.4%, down from 2.5% in January, primarily due to a slowdown in energy price inflation. Core inflation, excluding energy and food, also edged down to 2.6% from 2.7%.

US Consumer Price Inflation

On the **12th** of February, the US will release its inflation data for February, following January's data coming in hotter, with a 10bps rise in Headline CPI to 3.0% and a 10bps rise in Core CPI to 3.3%.

UK Consumer Price Inflation

On the **26th** of March, the UK will release its inflation data for February, following the increase from the January's reading. The CPI rose to 3.0% up from 2.5% in December, driven by higher transport costs, including air fares and motor fuels, as well as rising food prices

Labour Market

US Employment Readings

On the **7th** of March, the US Non-Farm Payrolls report for February will be released alongside the unemployment rate. The US economy is expecting an increase of 156,000 jobs, following January's increase of 143,000.

EU Unemployment Rate

On the **4th** of March, the euro area's seasonally-adjusted unemployment rate remained stable at 6.2%, unchanged from December 2024, and down from 6.5% YoY. Among the largest euro area economies, Germany recorded the lowest unemployment rate at 3.5%.

China's Unemployment Rate

On the **16th** of March, China will release its unemployment data for February. The last print showed a slight uptick from the previous moth, increasing 10bps from 5.0% to 5.1%.

Benjamin Lonnen
Financial Markets Division

Investment Banking

M&A

Overall Activity

Global

In February 2025, global M&A activity exhibited mixed trends across regions, with aggregate deal volume decreasing by 30.17% YoY and the number of transactions declining by 8.36% YoY. On a Month-over-Month (MoM) basis, deal volume dropped by 8.87%, while the number of transactions declined by 8.77% compared to January 2025. The average transaction premium for February stood at 63.60%. This decline reflects continued uncertainty in global M&A markets, driven by the ongoing Ukraine war and its far-reaching global consequences, including economic instability, disrupted supply chains, and shifting geopolitical dynamics. Nevertheless, February witnessed several major M&A transactions, such as Prosus' takeover offer of Just Eat Takeaway.com, EP Global Commerce's takeover offer of METRO AG, as well as Blackstone acquiring Safe Harbor Marinas (Consumer Discretionary), Herc acquiring H&E Equipment Services (Industrials), Bain Capital acquiring Apleona (Real Estate), and Thermo Fisher Scientific acquiring Solventum (Healthcare).

Selected Regions

North America

North America's M&A market saw a 37.54% MoM decline in deal volume, reaching USD 96.5 bn. The drop was driven by investor caution amid regulatory uncertainties and shifting economic conditions. The Federal Reserve's stance on interest rates and ongoing fiscal policy debates contributed to market hesitation. February recorded a 16.83% MoM decline in deal count, totalling 1,478 deals.

EMEA

EMEA's M&A activity surged by 88.99% MoM to USD 64.9 bn, reflecting renewed investor confidence despite ongoing geopolitical tensions in the region. The European Central Bank's monetary policy stance and stabilising market conditions contributed to this uptick. Nonetheless, deal count declined by 1.72% MoM, reaching 855 deals, despite an apparent uptick in USD 1bn+ transactions in February.

Asia

Asia's M&A market saw an 11.07% MoM increase in deal volume, reaching USD 41.5 bn, driven by strategic acquisitions in key industries and resilient corporate earnings. However, investor sentiment remained cautious due to regulatory uncertainties and currency fluctuations. Deal count declined by 3.32% MoM, totalling 1,310 deals, as companies reassessed risk exposure in volatile markets.

M&A

Deals of the Month

Announced Date	Target	Buyer	Target Region	Target Business	Value[1] (USD m)	Premium (%)
25 Feb 25	Innergex Renewable Energy Inc	Caisse de Depot et Placement du Quebec	CA	Utilities	6,444.66	83.47
24 Feb 25	Safe Harbor Marinas LLC	Blackstone Inc	US	Consumer Discretionary	5,650.00	
19 Feb 25	H&E Equipment Services Inc	Herc Holdings Inc	US	Industrials	5,590.69	18.32
24 Feb 25	Just Eat Takeaway.com NV	Prosus NV	UK	Communications	5,235.50	66.48
05 Feb 25	METRO AG	EP Global Commerce GmbH	DE	Consumer Staples	4,832.71	35.11
06 Feb 25	Banca Popolare di Sondrio SPA	BPER Banca	IT	Financials	4,443.03	8.33
07 Feb 25	SolarWinds Corp	Turn/River Capital	US	Technology	4,217.81	27.62
14 Feb 25	Apleona Group GmbH	Bain Capital LP	DE	Real Estate	4,202.80	
25 Feb 25	Purification & Filtration business/Solventum Corp	Thermo Fisher Scientific Inc	US	Health Care	4,100.00	
13 Feb 25	Entra ASA	Castellum AB	NO	Real Estate	3,977.06	-4.7

Note: 1. Sum of the announced equity value and net debt.

Tim Schröder
Investment Banking Division

M&A: Top Deals

Prosus to Acquire Just Eat Takeaway.com

Prosus has announced to acquire Just Eat Takeaway.com (JET) in an all-cash deal valued at EUR 4.1 bn. Under the terms announced on the 24th of February 2025, Prosus is offering EUR 20.30 per share, representing a premium of roughly 49% to JET's three-month volume-weighted average price and around 63% to its closing price on the 21st of February.

Buyer vs Seller

Prosus is a global consumer-internet group known for investments in online marketplaces and food-delivery platforms. JET, a leading European food-delivery company active in 17 countries, combines a traditional marketplace model with proprietary delivery logistics. Although no final completion date or specific debt assumptions have been officially disclosed, the acquisition is expected to close in 2025. Goldman Sachs, Morgan Stanley, Gleacher Shacklock, and Lazard will advise on the deal.

Industry Overview

Europe's online food-delivery market is projected to reach revenues of USD 157.4 bn in 2025 with a CAGR of about 7.2% from 2025 to 2029. Key drivers include convenience, grocery delivery expansion, and digital innovation, while inflationary pressures have prompted discounting but not derailed the shift online. Recent deals, like DoorDash and Wolt, point to industry consolidation, and Prosus' planned acquisition underscores this trend.

Peers	Currency	Market Cap (USD m)
Meituan	HKD	983,146.40
Grab Holdings Ltd	USD	19,530.95
Delivery Hero SE	EUR	8,065.65
Lyft Inc	USD	5,576.23
Deliveroo PLC	GBP	2,080.41

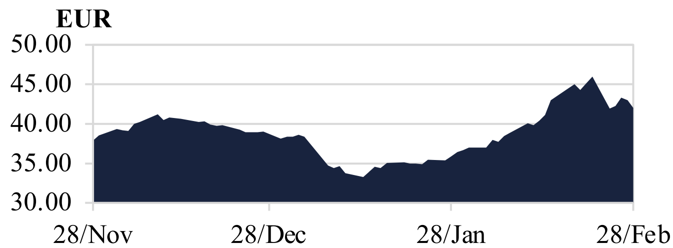
Deal Rationale

Nearly five years after losing a GBP 5.1 bn takeover battle for Just Eat, Prosus returns with this new bid. Prosus and JET foresee value creation through revenue synergies and cost efficiencies. Integrating Prosus' tech expertise with JET's marketplace should reduce fulfilment costs, boost order density, and improve partner satisfaction, ultimately strengthening bargaining power and securing a leading position in Europe's food-delivery market. In addition, the combined entity could benefit from enhanced data analytics and streamlined logistics, which may help optimise delivery routes and refine customer targeting.

Market Reaction

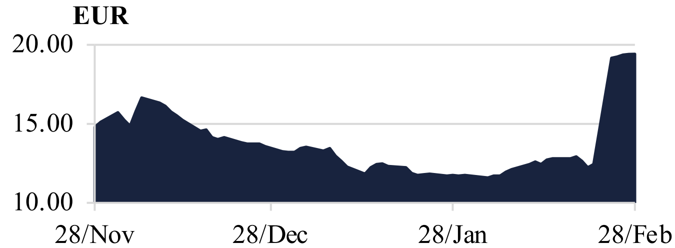
Prosus

After the announcement of the acquistion, Prosus' share price initially dropped by c. 6.5%, but soon recovered to post modest gains.



Just Eat Takeaway.com

JET's stock jumped by c. 54.7% on the day of the announcement, closing well below its 2020 peak yet close to the EUR 20.30 offer price.



Future Challenges

The transaction is subject to regulatory approvals, particularly in overlapping markets like Poland and Spain. A key risk is cannibalisation in those territories, as both buyer and seller serve similar customer segments. Moreover, Europe's intensely competitive online food-delivery environment may constrain the entity's pricing flexibility, potentially limiting synergy gains.

Leandra Borsch
Investment Banking Division

M&A: Top Deals

EP Global Commerce to Acquire Metro AG

On the 5th of February, EP Global Commerce (EPGC) has agreed to acquire all shares of German wholesaler Metro AG in a c. EUR 2 bn cash deal, offering EUR 5.33 per share, with a 38.98% premium to its closing price on the 4th of February 2025. EPGC plans to delist Metro from the Frankfurt Stock Exchange. The acceptance period for the offer is expected to begin in March 2025.

Buyer vs Seller

EPGC, founded in 2016, is an acquisition entity controlled by Czech billionaire Daniel Křetínský. Metro AG is a leading German wholesaler, supplying food and non-food products to businesses. EPGC already holds 49.99% of Metro's voting rights and previously attempted a takeover in 2019, but failed to secure shareholder backing. The delisting agreement reinforces Metro's "sCore" strategy and long-term growth. Kirkland & Ellis advised EPGC, while Hengeler Mueller provided legal counsel to Metro.

Industry Overview

The B2B food market was valued at USD 1.97 tn in 2024 and is expected to grow to USD 2.77 tn by 2034, with a CAGR of 3.49% (2025-2034). This growth is driven by rising demand for convenience foods and increasing global meat and poultry consumption. Germany's wholesale sector comprises over 131,000 companies and employs around 1.9 m people, though both numbers have been declining in recent years. Despite this trend, wholesalers keep generating significant revenue.

Peers	Currency	Market Cap (USD m)
Axfood AB	SEK	48,963.20
Carrefour SA	EUR	8,505.12
Marks & Spencer Group PLC	GBP	7,359.33
J Sainsbury PLC	GBP	5,983.55
Distribuidora Internacional de	EUR	1,039.37

Deal Rationale

EPGC sees future accretion through strategic realignment and operational efficiencies, particularly by enhancing Metro's sCore strategy, which focuses on growth investments, digitalisation, and delivery expansion. The delisting will free Metro from public market constraints, allowing for a more flexible long-term approach. Additionally, EPGC's financial backing ensures stability and investment continuity. As a private entity, Metro will strengthen its market position against online competitors such as Amazon, as well as discount retailers such as Lidl and Aldi, by reinforcing its core wholesale and foodservice business.

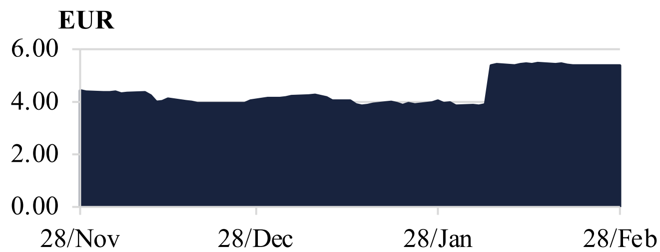
Market Reaction

EP Global Commerce

EPGC has previously valued Metro higher than the current offer. In its 2019 attempt to acquire the company, it offered EUR 16.00 per share, which included the acquisition of the stake held by the long-time major shareholder Haniel. Metro's board, supervisory board, and the DSW deemed the offer as too low at the time. EPGC's current offer of EUR 5.33 per share represents a significant premium over its current price, yet the DSW still considers it insufficient. CEO Marc Tüngler stated that while it looks attractive initially, it fails to reflect Metro's long-term value. Křetínský also holds in stakes in French food retailer Casino Guichard Perrachon SA and German industrial group Thyssenkrupp AG's ailing steel unit.

Metro AG

Metro's stock jumped by c. 38% following the announcement, reflecting investor optimism, but it remains down by c. 15% over the past 12 months.



Future Challenges

The deal requires BaFin's approval before the acceptance period begins, and the Frankfurt Stock Exchange must approve Metro's delisting application. Potential downsides include market cannibalisation, overlapping wholesale customers, and competition from Amazon, Lidl, and Aldi, along with execution risks in Metro's sCore strategy expansion.

Lilly Baltruschat
Investment Banking Division

What Happened To

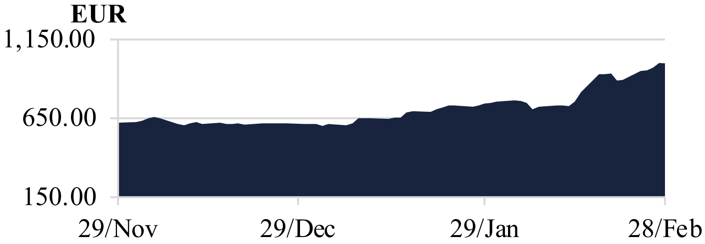
Rheinmetall AG

Rheinmetall is a multinational defence and automotive company, headquartered in Düsseldorf, Germany. Founded in 1889, it is one of Europe's largest defence contractors and a key supplier of military technology, including armored vehicles, weapons systems, and ammunition (c. 75% of revenue). Its main customers include the German "Bundeswehr" and other NATO allies.

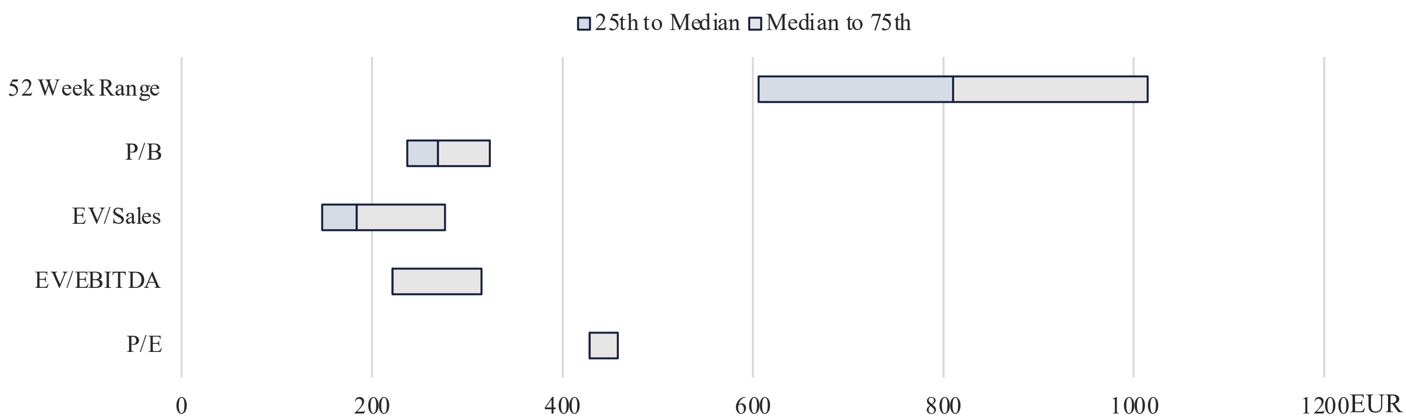
Corporate News

Rheinmetall saw significant advancements in February 2025, reflecting the current rising demand for military technology as geopolitical tensions are intensifying. In addition to that, the firm continued to strengthen its position in the defence sector with key contracts and operations shifts. For example, the firm announced on the 24th of February 2025, that it will repurpose two automative plants to manufacture defence equipment. On the 19th of February, Rheinmetall secured a c. EUR 260 m three-year framework agreement with Germany's "Bundeswehr" to provide logistical support for troop redeployments. On the 17th of February, its stock reached an all-time high amid growing expectations of increased European defence spending. The win of the conservative party CDU in Germany's elections was also beneficial for Rheinmetall's share price as the party's chairman is an advocate for an emergency defence fund of up to EUR 200 bn.

Price (28 Feb 25, EUR)	**1199.00**
Target Price (EUR)	1200.00
3M Performance	92.64%
Market Cap (EUR m)	53,114.58
Enterprise Value (EUR m)	54,823.58
**Target Price is for 12 months*	



Valuation Analysis



In Q3 2024, Rheinmetall reported a c. 36% increase in sales, reaching EUR 6.3 bn, surpassing market expectations. The company's operating result also saw a significant rise to c. EUR 705 m. The company's order backlog expanded to EUR 51.9 bn, indicating strong future revenue streams. Analysts have responded positively to Rheinmetall's performance. Morgan Stanley, for example, raised its price target from EUR 900 to EUR 1,300, reflecting confidence in its growth trajectory.

Rheinmetall and other European defence firms experienced strong stock gains within the last month while its counterparts in the U.S. struggled due to the Pentagon's proposed budget cuts, positioning Rheinmetall contractors as key beneficiaries of rising regional defence budgets. With its share price at record highs and new governments contracts secured, Rheinmetall remains at the forefront of Europe's evolving defence landscape.

Peers	Currency	Market Cap (CUR m)
Saab AB	SEK	203,768.77
BAE Systems PLC	GBP	49,115.16
Leonardo SpA	EUR	26,693.20
Dassault Aviation SA	EUR	23,311.44
QinetiQ Group PLC	GBp	2,942.84

Anna-Lena Rost
Investment Banking Division

NIC's View On

The Portuguese Government Weighing the Sale of a Minority Stake in TAP

Simon Steinbrech
Investment Banking Division

"The government must be available to find solutions, negotiate ... because it is better to move forward than to leave everything as it is."

– Miguel Pinto Luz, Minister of Infrastructure and Housing, Portugal

After years of uncertainty, the TAP privatisation process appears to be moving forward; Portugal's government is reinvigorating its plans to privatise at least part of its national airline, TAP Air Portugal. While the Portuguese government has expressed interest in selling the airline entirely, its Infrastructure Minister Miguel Pinto Luz confirmed that the current administration is only considering the sale of up to 49% of the airline, citing political constraints that prevent a full privatisation. More specifically, the Portuguese socialist party Partido Socialista (PS) and other parliamentary factions have expressed reservations about giving up majority control in the airline, advocating for the state to retain its leading role in TAP's future, especially given the airline's significance to the Portuguese economy.

This is, however, not the first attempt to privatise TAP. In 2015, a controlling stake was sold to a private consortium, but the state later reversed its decision in 2020, reclaiming majority ownership as the airline's financial struggles were significantly worsened by the COVID-19 crisis. Since then, Portugal has sought to reintroduce private investment to stabilise TAP's financial situation while maintaining a level of state oversight.

The country's latest privatisation efforts have attracted interest from major European airline carriers, including Lufthansa, Air France-KLM, and British Airways' parent company, International Airlines Group (IAG). Analysts believe that IAG is particularly well-positioned to acquire the airline as there could be potential to set up a Southern European multi-hub strategy with its subsidiary Iberia and TAP. The Portuguese government has outlined key conditions for the sale of TAP, and IAG has publicly reaffirmed its interest in acquiring a minority stake, while underlining its desire to become a majority owner of the airline in the future.

TAP's sale would represent yet another step in the ongoing consolidation of the European aviation sector. Lufthansa, Air France-KLM, and IAG have all been expanding their presence through acquisitions and strategic partnerships in the region. If one of the aforementioned groups were to secure a stake in TAP, competitive dynamics in the region could experience a significant shift, particularly in long-haul markets as TAP operates an extensive transatlantic network, particularly in its stronghold routes between Lisbon and Brazil, where it remains the leading European carrier. Additionally, TAP has a well-established presence in Africa and North America, making it an attractive asset for major European airline groups seeking to expand their long-haul market share. In addition to that, TAP has demonstrated financial improvement following a European Commission-approved restructuring plan, enhancing its appeal to prospective buyers.

With the privatisation framework expected to be finalised in the coming weeks, stakeholders will be watching closely. However, as past attempts to privatise TAP have shown, nothing is guaranteed until an agreement is formally reached and approved.

Date	Recent News
28 Feb 25	Air France CEO says ready to bid for Portugal's TAP. **Source:** *reuters.com*
28 Feb 25	IAG CEO Sees More Clarity On TAP Privatization In Coming Weeks. **Source:** *aviationweek.com*
12 Feb 25	Government insists on 100% sale of TAP - PS wants 49%. **Source:** *essential-business.pt*
11 Feb 25	Portugal Said to Weigh Sale of at Least 49% in Airline TAP. **Source:** *Bloomberg*

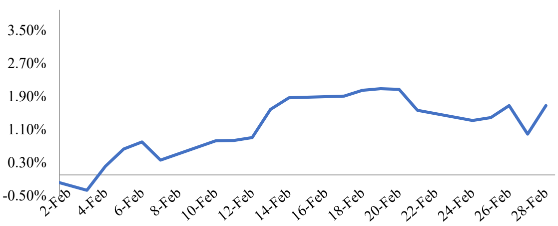
Simon Steinbrech
Investment Banking Division

NIC Fund

NIC Fund

Portfolio Overview

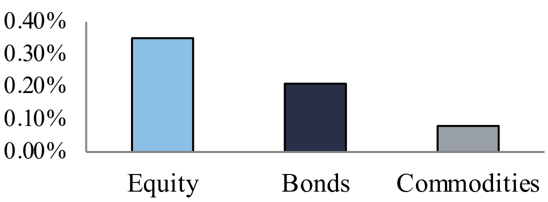
NIC Fund Cumulative Return



Portfolio Statistics	
Cumulative Return	1.68%
Annualized Return	20.14%
Daily St. Dev	0.42%
Period St. Dev	1.94%
Annualized St. Dev	6.72%
Info Sharpe	3.00
Skew (monthly)	-0.03

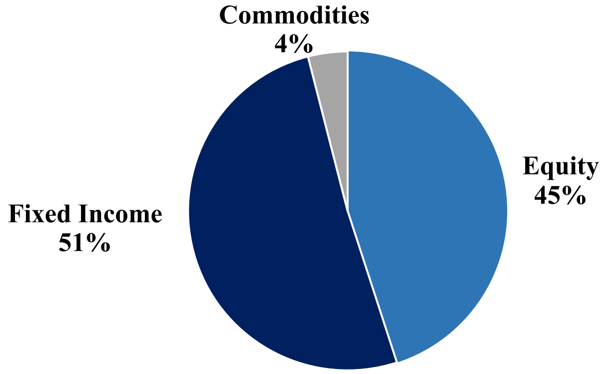
Benchmark	
iShares 3-7 Year Treasury Bonds	40%
SPDR S&P 500 ETF Trust	40%
Invesco DB Commodity Index	10%
iShares JP Morgan USD Emerging Markets Bond Index ETF	10%

Individual VaR



Portfolio Snapshot

During the month of February, the NIC Fund remained invested in Equities, Fixed Income and Commodities. Specifically, 45% of our fund remained devoted to Equities, 51% to Fixed Income and 4% Commodities. Concerning the Equity allocation, 55% was devoted to indices, with the remainder allocated to individual stocks using an equally weighted strategy. Regarding Commodities, over half was allocated to Gold via the Goldman Sachs Physical Gold ETF.



Return Metrics

The portfolio's overall performance was positive, with a cumulative return of 1.68%. The best performers were bonds, contributing with a positive return of 0.85%, closely followed by equities, which contributed a return of 0.75%. Commodities came in flat at 0.05%.

The equity portfolio consisted of not only the MSCI World index fund and other ETFs but also 34 individual stocks such as Flutter Entertainment plc. (FLUT US), 3i Group plc. (III LN), Intuitive Surgical, Inc. (ISRG US) and Nucor Corporation (NUC US). The top-performing stocks were BYD Company Ltd. and Rolls-Royce Holdings plc. with returns of 36.92% and 24.43%, respectively, while AMD had the poorest performance, with a return of -13.82%. The best-performing ETFs were the FTSE 100 Index and the Goldman Sachs Physical Gold ETF, with returns of 3.37% and 1.93%, respectively.

Risk Metrics

In terms of risk, our portfolio registered a daily VaR of 0.41%. As a result, this metric remained significantly below the maximum established threshold of 2.5%.

Equities were the asset class with the highest individual VaR, at 0.35%. Bonds had a slightly lower VaR at 0.21% while Commodities exhibited a markedly lower VaR of 0.05%.

Pascal Naumann
Financial Markets Division

NIC Fund

Assets in Brief

Asset Class	Symbol	Comments
China Equity	**BYDDY**	BYD saw its stock surge 36.72% in February on the back of stellar sales momentum and aggressive market strategy. The company sold 322,846 vehicles globally in February, a record high – up c. 8.9% from January – with overseas deliveries skyrocketing c. 187.8% YoY.
US Equity	**AMD**	AMD's shares fell sharply in February, declining by 13.88% MoM, as investors reacted to cautious forward guidance despite strong year-end results. The chipmaker posted a solid Q4 2024 – revenue jumped 24% year-over-year and earnings beat expectations. However, the outlook for early 2025 disappointed Wall Street, leading to a 6.27% decline in the company's share price the day following the earnings release.
US Equity	**TPR**	Parent of luxury brands Coach, Kate Spade, and Stuart Weitzman, Tapestry, enjoyed a 17.11% surge in February after delivering excellent earnings and raising its guidance, signalling resilience in high-end consumer demand. More importantly, Tapestry boosted its full-year outlook for FY2025, instilling confidence that momentum will continue.
US Equity	**CLS**	Celestica saw its share price retreat 13.30% in February after an impressive rally, despite reporting excellent Q4 results and raising its outlook. In late January, Celestica announced Q4 2024 adjusted EPS of USD 1.11 (vs. USD 0.77 a year prior) on revenue of USD 2.6 bn – topping forecasts and capping off an outstanding year. However, investor sentiment turned cautious, leading to a retracement of the stock price.
US Equity	**CVS**	CVS Health shares advanced 16.36% in February, a continuation of strong momentum from January, as the pharmacy and insurance giant's better-than-expected Q4 earnings and improved outlook signalled a potential turnaround. The growth was led by the pharmacy division and retail health services, which offset challenges in the health insurance segment.
UK Equity	**RR**	Shares in Rolls-Royce Holdings soared 24.43% in February, driven by a major positive surprise in its full-year 2024 results and outlook. The company announced FY2024 operating profit of GBP 2.5 bn, beating expectations, and declared that it will meet its previous mid-term financial targets a full two years ahead of schedule.
US Equity	**MSFT**	Microsoft traded down 4.35% in February, as investors grew cautious after the company's cloud business showed signs of slowing momentum. In late January, Microsoft reported strong overall fiscal Q2 results, but Azure – its flagship cloud computing platform – missed market expectations for growth and management warned of further deceleration in the current quarter.
US Equity	**GS**	Goldman Sachs' edged 2.83% in February as robust core earnings were offset by concerns over its consumer banking missteps. Investor enthusiasm was dampened by ongoing issues in Goldman's consumer finance venture. CEO David Solomon acknowledged that the Apple Card partnership had dragged down Goldman's return on equity by 75–100 bps in 2024, contributing to an USD 859 m annual loss in the platform solutions unit.
US Treasury Bonds	**IEI ETF**	IEI's gain of 1.43% in February was underpinned by falling mid-term yields as investors digested weaker growth data namely, US PMIs and consumer confidence and spending, pointing to a potential economic slowdown and evolving expectations that the Fed will pivot to rate cuts sooner rather than later.
Commodity	**DBC ETF**	Commodities posted a mixed performance in February, leaving the DBC fund roughly flat, gaining just 0.14% MoM. Strength in precious metals and certain agriculture products offset weakness in energy. Crude oil prices, which had rallied above USD 80 in January, pulled back toward the low USD 70s by month's end.

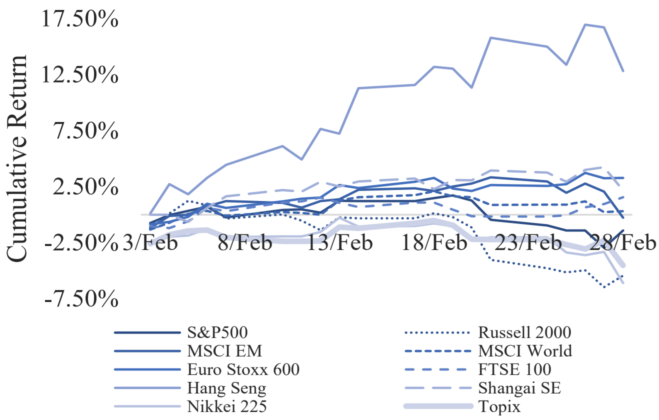
Pascal Naumann
Financial Markets Division

NIC Fund

Equities

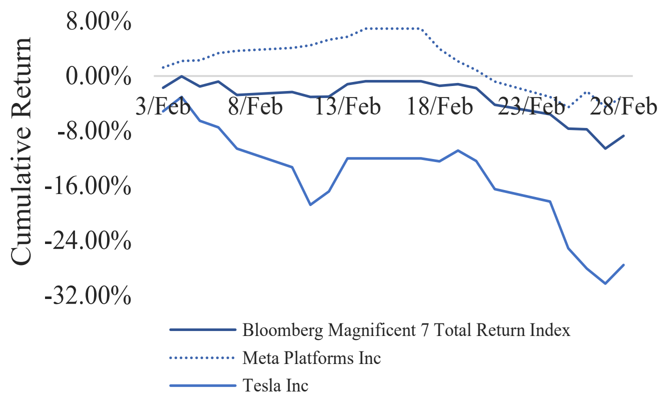
World Equities

Global equities experienced mixed results in February. The MSCI World Index declined by 0.81% to USD 3,805.33, reflecting global economic uncertainties. In the US, major indices faced downturns. The S&P 500 decreased by 1.42% to close at USD 5,954.50, marking a YTD gain of 0.87%. The Russell 2000 fell by 5.45%, ending at USD 2,163.069. The tech-heavy NASDAQ dropped 2.76% MoM, closing at USD 20,884.41, resulting in a YTD loss of 1.12%. European markets, however, demonstrated resilience. The UK's FTSE 100 advanced by 1.57% in February, reaching GBP 8,809.74, supported by robust corporate earnings. Germany's DAX Index surged 3.77% to EUR 22,551.43, with France's CAC 40 Index following suit – rising by 2.03% MoM. In Asia, Japan's NIKKEI 225 declined by 6.11% MoM. Conversely, Hong Kong's Hang Seng Index experienced a ferocious rally, surging by 13.43% to close at HKD 22,941.32, driven by strong performances from Chinese tech stocks. These market movements reflect ongoing investor concerns about global trade tensions, economic growth prospects, and sector-specific developments, with divergent movements in global equity markets.



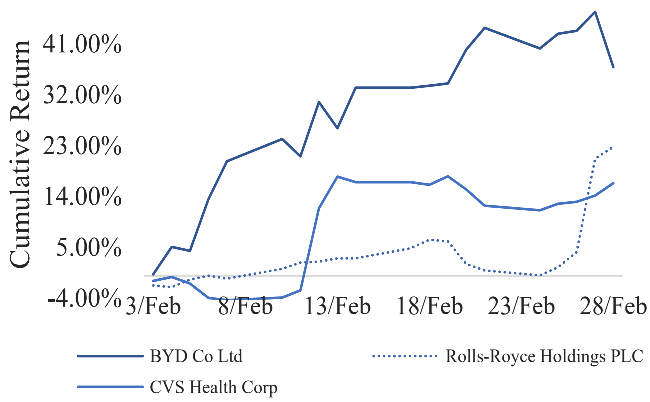
In Depth: Big Tech and US Markets Under Pressure

Big Tech stocks are under pressure as investors grow wary of high valuations, AI spending, and economic uncertainty. The Bloomberg Magnificent Seven Index has dropped nearly 12% from its peak and fell 8.73% MoM, with Tesla down 24.90% YTD, while Meta remains the only gainer. Hedge funds have aggressively offloaded tech stocks, making February the second-largest month for net selling on record. At the same time, US stocks are lagging behind global markets, with the S&P 500 up just 0.87% compared to the MSCI ex-US Index's 5.33% gain. AI investments, once a key driver of market growth, are now facing scrutiny. The emergence of China's DeepSeek is adding competitive pressure, fuelling concerns over capital expenditures and AI profitability. Meanwhile, European and Chinese stocks are gaining traction, offering investors a compelling valuation discount. With geopolitical risks, trade tensions, and AI sector uncertainty, analysts warn that US equities may face further downside in 2025.



Our Performance

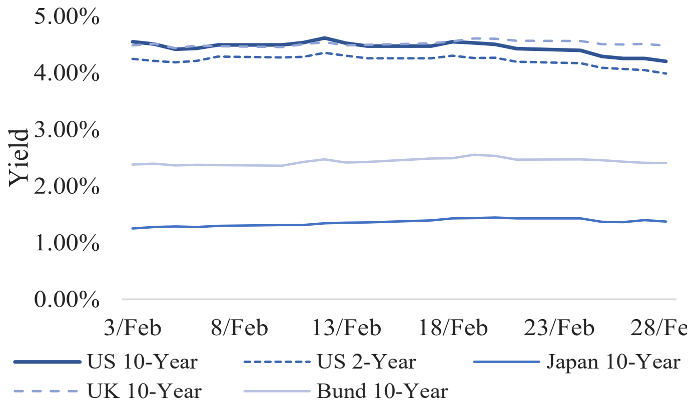
In February, equities' contribution to the overall portfolio performance was positive, with 0.75% cumulative return. While some sectors struggled with uncertainty, BYD Co. Ltd (BYDDF US) managed to gain 36.92% MoM, supported by strong demand for electric vehicles. Rolls-Royce Holdings (RR/ LN) also posted a solid 22.77% return, benefiting from ongoing recovery in the aerospace sector. CVS Health Corp (CVS US) saw a 16.36% increase, reflecting steady performance in the healthcare industry.



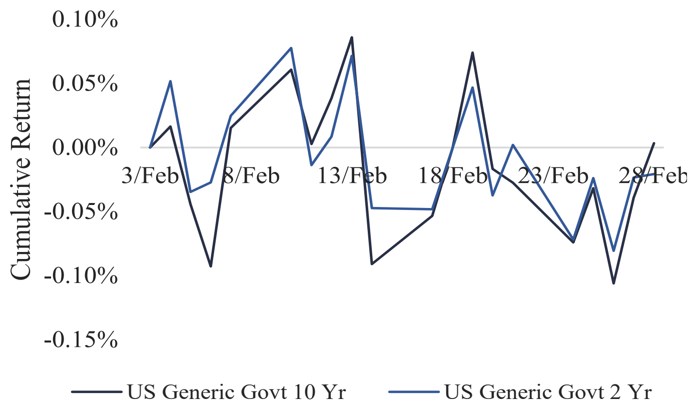
Rosa Gutierrez Sandoval
Financial Markets Division

NIC Fund
Fixed Income

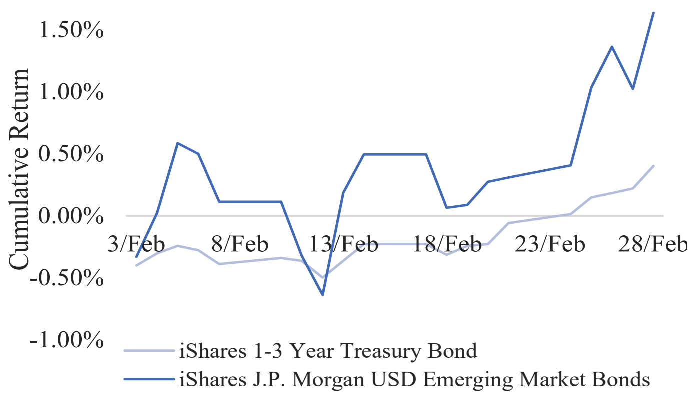
World Yields
In February, government bond markets saw notable shifts, driven by central bank policies, economic data, and geopolitical uncertainties. The US Treasury market saw a significant decline in yields, reflecting increased expectations of Fed rate cuts later in the year. The 2-Year Treasury yield, which is highly sensitive to Fed policy, fell sharply from 4.25% to 3.99%, as economic data signalled a potential slowdown. Meanwhile, the 10-Year Treasury yield dropped to 4.20%, its lowest level since December 2024, as safe-haven demand increased amid trade policy uncertainties and weaker economic indicators. In the Eurozone, the 10-Year German Bund yield saw a modest 3bps decline, reflecting continued caution among investors. While inflation remained a key focus, optimism over a possible Russia-Ukraine ceasefire and expectations of ECB rate cuts helped stabilise yields. The UK 10-Year Gilt yield declined by 6bps to 4.46%, following the BoE's surprise 25bps rate cut to 4.5% on 6th of February. The decision was aimed at supporting economic growth as UK inflation rose to 3% in January, prompting a cautious but proactive policy response. In APAC, the Japanese bond market bucked the global trend, with 10-Year Japanese government bond yields rising to 1.43%, reaching their highest level in nearly 15 years, before dropping to 1.38% by the end of the month. The move was driven by hawkish comments from BoJ officials, who hinted at the possibility of ending ultra-loose monetary policy and hiking rates to combat inflation.



In Depth: US Yields falls with US growth in doubt
US Treasury yields declined across the curve, with the 10-Year yield decreasing by 35bps to 4.20% and the 2-Year yield decreasing by 26bps to 3.99%. This decline was driven by easing inflation metrics and rising economic uncertainty. The rally was sparked by ISM manufacturing survey data for February, which showed an unexpected contraction in new orders and employment gauges. Yields declined further as the US benchmark price for crude oil slid following a report according to which a production increase is in the works. The imposition of new US tariffs on goods from Canada, Mexico, and China raised concerns about a potential trade war, leading to increased market volatility. This environment prompted investors to seek safety in government bonds, contributing to the decline in yields, especially in longer term bonds, as yields dropped by a higher amount (35bps) when compared to shorter term bonds (26bps).



Our Performance
Our benchmark fixed income fund, the SHY ETF, which tracks 1–3-Year US Treasury Bonds, performed reasonably well during February, earning a cumulative return of 0.40%. Additionally, the iShares JPMorgan USD Emerging Markets Bond ETF performed strongly, rising by 1.63% MoM.



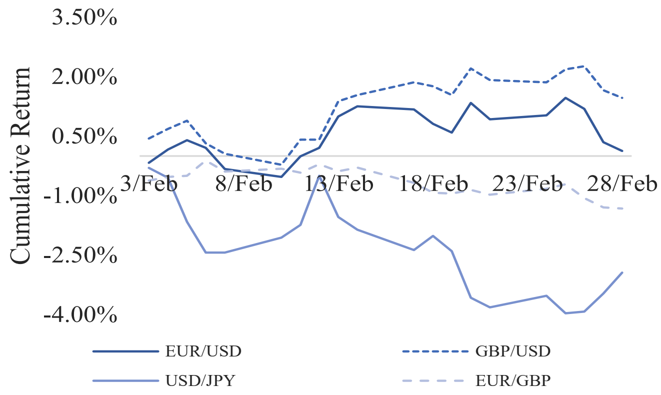
Peter Meszaros
Financial Markets Division

NIC Fund

Currencies

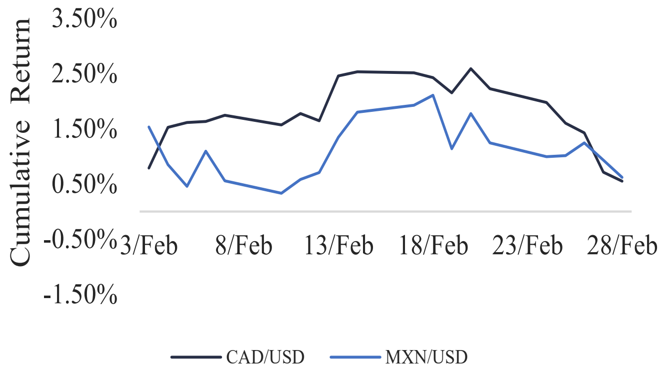
World Currencies

In February, global currency markets remained largely rangebound, with the US dollar ceding ground against other majors. The euro was steady, gaining just 0.13% versus the US dollar MoM. A mid-month advance in the EUR/USD pair, driven by solid US PPI data and easing trade war concerns, lost momentum after renewed US tariff threats on European goods, set for early April. The British pound outperformed, appreciating 1.47% against the dollar MoM and briefly reaching a 2-Month high versus its peer. Strong UK economic data, which revealed a surprise 0.1% expansion in Q4 despite forecasts of a contraction, supported the rally. The euro fell 1.33% against the pound MoM, reflecting the UK's economic improvements and market sentiment that the UK was less exposed to immediate tariff risks. Trump described the transatlantic trade relationship as "out of line" yet salvageable, while maintaining that tariffs on the EU "will definitely happen." The US dollar also weakened 2.94% against the Japanese yen, as strong economic data helped the yen gain momentum. Flash Q4 GDP figures from the Japanese Cabinet Office showed a 0.7% expansion, well above expectations and a Q3 reading of 0.3%, pushing the yen to its highest level since December ahead of a higher-than-expected CPI print, which further strengthened the case for additional BoJ rate hikes.



In Depth

The Canadian dollar and the Mexican peso were particularly affected by tariff-driven volatility in February. On the first trading day of the month, the USD/CAD and USD/MXN pairs surged by 2.72% and 3.85%, respectively, from the January 31st close, after President Trump signed an executive order imposing an additional 25% tariff on imports from Canada and Mexico. The peso, in particular, slid to its lowest level against the greenback in nearly three years. Canada responded swiftly by levying retaliatory tariffs of 25% on American imports, while Mexico signalled its intention to follow suit, albeit without specifying details. Despite Trump's further warning of escalating duties if retaliatory tariffs were applied to US goods, both nations later secured a one-month delay, as confirmed by Canadian Prime Minister Justin Trudeau and Mexican President Claudia Sheinbaum. Toward the end of the month, both currencies gradually weakened against the US dollar as Trump confirmed that the tariffs would take effect on the 4th of March. The USD/CAD and USD/MXN pairs closed February down by 0.55% and 0.61%, respectively. As trade tensions persist, the heightened volatility observed in February is expected to continue throughout 2025, with investors remaining alert to market-changing headlines.



Our Performance

We currently hold no currency related assets in our portfolio.

Adam Green
Financial Markets Division

NIC Fund

Commodities

February Round-Up

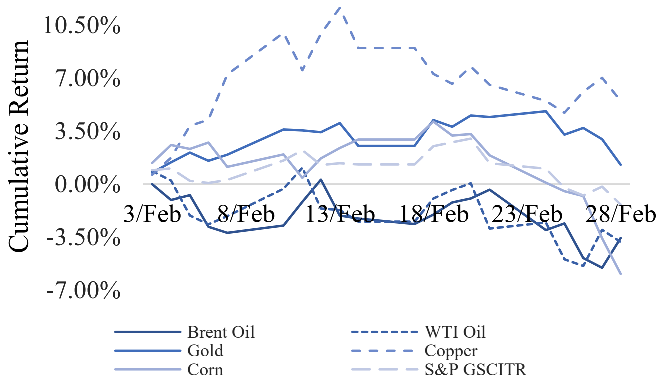
Brent crude oil prices declined 4.66% in February, closing at USD 73.18 per barrel. The downturn was driven by concerns over US President Trump's proposed tariffs on Canadian and Mexican imports, leading to heightened fears of an economic slowdown and weaker energy demand. Improved Chinese economic data, showing that manufacturing expanded at its fastest pace in three months, provided little support. WTI crude performed similarly, falling 3.82% to USD 69.76 per barrel. Gold prices gained 2.12% MoM, closing at USD 2,857.83 per ounce. A strong rally in early February was fuelled by trade war fears and global growth concerns, which boosted haven demand, before a selloff later in the month erased some earlier gains. February's final week marked gold's worst performance since the aftermath of the US election, highlighting the volatility currently pervading markets. Copper prices surged 5.50% MoM to USD 4.51 per pound as traders frontloaded purchases ahead of Trump's tariffs. Corn prices, on the other hand, tumbled 5.91%, closing at USD 4.54 per bushel. The selloff accelerated following the USDA's 27th of February release of its Grains and Oilseed Outlook for 2025, which projected a record 15.6 bn bushel corn crop for 2025-26 – a c. 5% increase YoY.

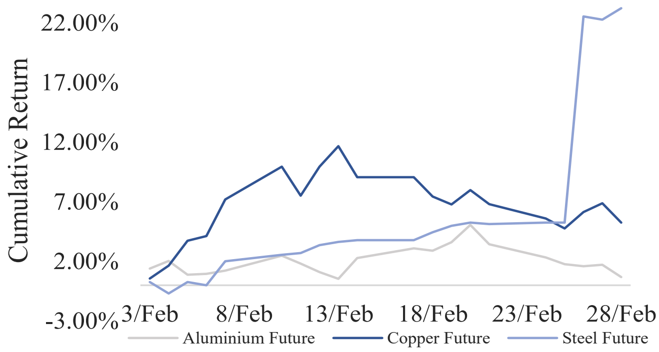
In Depth

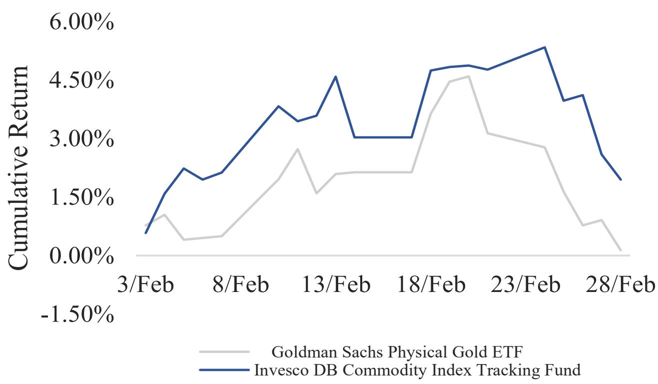
On the 9th of February, President Trump announced 25% tariffs on all steel and aluminium imports, with a potential levy on imported copper. In response, US traders rushed to secure supply, pushing metal premiums sharply higher. The New York Comex copper premium widened over USD 800 per tonne above London prices, while the Midwest aluminium premium, which reflects US-delivered aluminium prices including taxes and transportation, surged more than 20% in February. Notably, the US depends on imports for approximately 80% of its aluminium supply, critical to industries such as automotives and packaging. These price spikes in the US primarily highlight an anticipation of higher costs once tariffs take effect. However, prices retreated late in the month as market sentiment turned cautious. US business activity expanded at its slowest pace since September 2023, according to S&P Global, while long-term consumer inflation expectations hit their highest level in nearly three decades. Despite this slight pullback, analysts warn that once tariffs are imposed, US stockpiles could be rapidly depleted, driving metals prices even higher in the months ahead.

Our Performance

During February, the Goldman Sachs Physical Gold ETF rose by 1.95% MoM, while the Invesco DB Commodity Index posted a more modest gain of 0.14%.







Adam Green
Financial Markets Division

NIC
Nova Investment Club

Private Equity

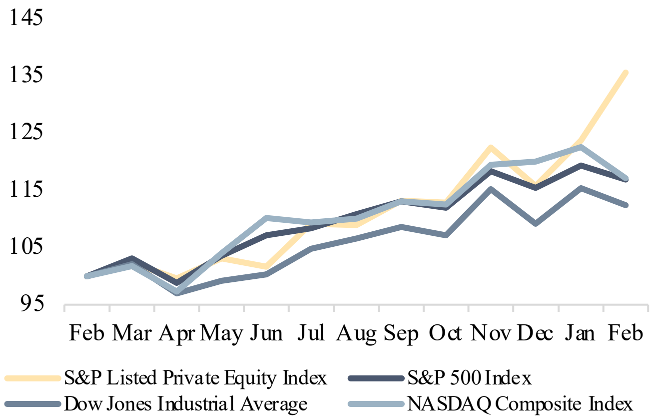
Transactions & Investments

Overall Activity

Global

At a Glance

In February 2025, global private equity deal value surged to USD 48.9 bn. Additionally, S&P Listed Private Equity Index posted a 9.54% in February 2025, overperforming NASDAQ Composite, S&P 500 and Dow Jones by 13.96 pp, 11.62 pp and 12.09 pp, respectively. This performance may indicate renewed investor confidence in private equity, potentially driven by expectations of favorable regulatory and fiscal policies post-US elections, such as tax incentives or reduced market restrictions. Additionally, it could signal anticipation of increased exit opportunities, including IPOs, as firms capitalise on improved market conditions.



Selected Regions

North America

In February 2025, North American private equity M&A deals totaled USD 32.2 bn, representing 65.88% of global deal volume. Compared to January, deal volume declined by 28.96%, while the number of deals fell by 18. Despite this overall decline, February saw an increase in large-scale M&A transactions.

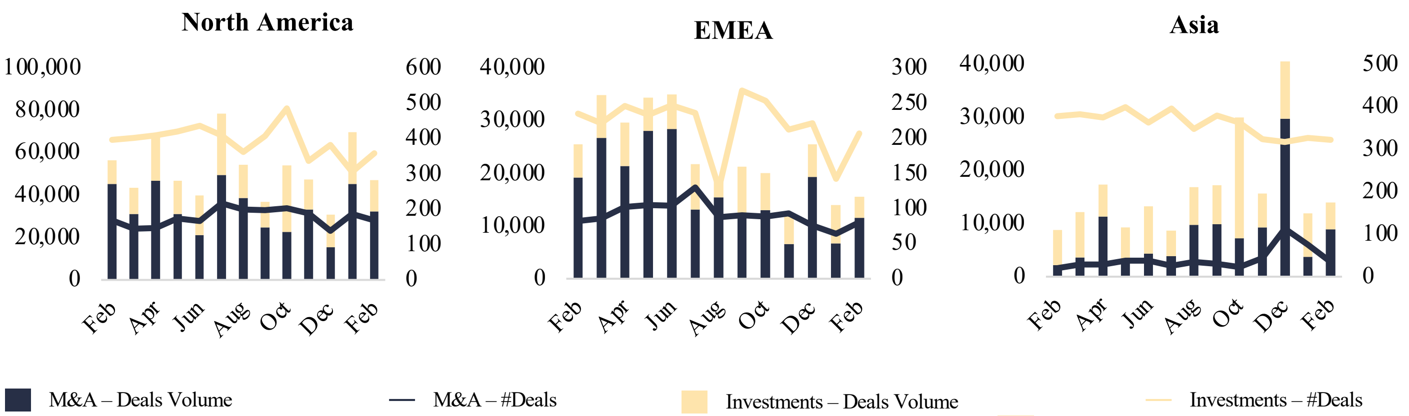
Private equity investments dropped from USD 24.1 bn in January to USD 14.7 bn in February. The Technology sector continued to be the primary driver of PE activity (USD 15.6 bn or 33.26%).

EMEA

Private equity M&A deal volume in EMEA reached USD 7.7 bn in February, significantly increasing as compared to January. This indicator showed significant volatility over the previous 5 months. The main activity was driven primarily by Real Estate (USD 4.3 bn) and Communications (USD 1.3 bn) sectors. PE investments in the EMEA region reached about USD 4.0 bn, decreasing by 45.10% MoM, with the UK, Italy, and Germany accounting for the highest volume.

Asia

Private equity deal volume in Asia surged from USD 3.7 bn to USD 8.9 bn in February, with Japan, China, India, and South Korea dominating the market, accounting for 98.56% of total deal activity in the region. The Technology sector remained the primary focus, representing 19.98% of total investments, followed by Energy at 16.08%. Total investments in the region declined significantly to USD 5.0 bn this month, while the number of deals saw a slight drop from 326 to 322.



Note: Summary of announced transactions.

Theresa Christina Noecker
Private Equity Division

Transactions & Investments

Europe Focus

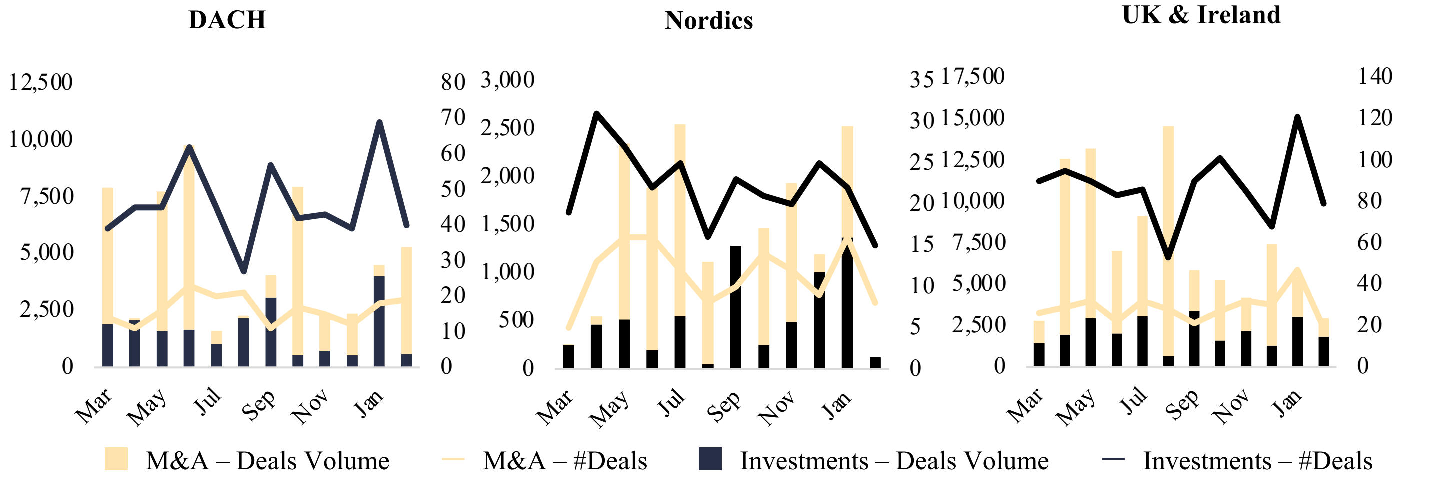
Overall European Activity

In February, the European private equity market recorded 279 transactions, with the total deal volume reaching USD 9.8 bn. This represents 16.07% of the global private equity market in February. Last month, Europe accounted for 14.87% of global private equity deal volume. The ongoing macroeconomic uncertainties and geopolitical tensions appear to be the main factors weighing down investor sentiment and deal-making activity.

Germany led the regional market with a deal volume of USD 4.4 bn across 37 transactions, followed by the United Kingdom with USD 2.1 bn and 85 deals. Spain, France, and Switzerland also reported notable deal activities, with values of USD 1.3 bn, USD 931.0 m, and USD 579.9 m, respectively. These countries together accounted for a significant portion of the total deal value in Europe for February. Interestingly, the UK's high number of deals did not translate into an equally high deal value, suggesting a prevalence of smaller transactions or a cautious investment approach amidst uncertainty around regulatory and economic outlooks.

Overall, the cautious stance observed among private equity investors is likely to persist in the short term, with many awaiting clearer signals of economic stabilisation. The coming months will be pivotal in determining whether Europe can regain its share of the global private equity market or if the headwinds will further dampen deal-making activities

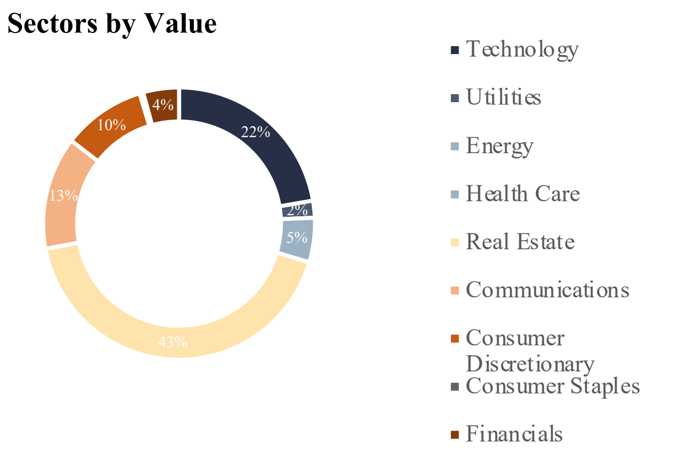
Selected European Regions



Europe by Sectors

In February, the Real Estate sector led the European private equity market with a total deal value of USD 4.2 bn, indicating strong investor interest despite broader market challenges. The Technology sector followed with USD 1.4 bn in deals, maintaining its position as a key focus area for private equity investments. The Communications and Consumer Discretionary sectors also saw significant activity, recording deal values of USD 1.4 bn and USD 1.0 bn, respectively.

The notable deal in the Real Estate sector was the acquisition of Apleona Group by Bain Capital. In the Communications sector, the primary deal was the USD 1.2 bn acquisition of Telefonica Moviles by Telecom Argentina. The Technology sector recorded 82 deals, primarily representing the UK small-cap technology firms.



Alexander Savinskiy
Private Equity Division

Transactions & Investments : Top Deals

Deals & Transactions

Blackstone
Acquiring
SAFE HARBOR MARINAS
USD 5.7 bn

On the 24th of February, Blackstone announced the USD 5.7 bn acquisition of Safe Harbor Marinas from Sun Communities. As the largest marina and superyacht servicing business in the US, Safe Harbor is expected to benefit from Blackstone Infrastructure's investment in expansion and modernisation.

TURN // RIVER
Acquiring
solarwinds
USD 4.4 bn

Turn/River Capital announced the USD 4.4 bn acquisition of SolarWinds on the 7th of February. The c. USD 18.50 per share offer represents a 35% premium over its 90-day average stock price of the leading IT management and security software provider. The deal is expected to close in Q2 and delists SolarWinds from the NYSE.

BainCapital
Acquiring
APLEONA
USD 4.2 bn

Bain Capital announced on the 14th of February the acquisition of Apleona, a leading European facility management group, from PAI Partners. With c. USD 4 bn in revenue and over 40,000 employees, the German company has expanded through strategic acquisitions and digital innovation.

BainCapital
Acquiring
Mitsubishi Tanabe Pharma
USD 3.4 bn

Mitsubishi Tanabe Pharma is set to be acquired by Bain Capital in a USD 3.4 bn deal announced on the 7th of February. Specialising in central nervous system, immuno-inflammation, and oncology drugs, the firm operates across three continents. Bain aims to capitalise on regulatory shifts in Japan's drug industry to drive further expansion.

COTIVITI
Acquiring
edifecs
USD 3.0 bn

Cotiviti announced on the 10th of February that it will acquire Edifecs, a leader in healthcare data interoperability. The deal aims to enhance connectivity between payers and providers, improving value-based care solutions. Edifecs' cloud-based technology will integrate with Cotiviti's healthcare platform, strengthening its market position.

Warburg Pincus
Berkshire Partners
Acquiring
TRIUMPH
USD 2.9 bn

Warburg Pincus and Berkshire Partners have announced the acquisition of Triumph Group, a key supplier of aircraft parts and services. The c. USD 26 per share all-cash deal represents a c. 39% premium over Triumph's last price. Triumph previously sold its product support division for about USD 725 m, now focusing on aftermarket services.

Ferdinand Meinersmann
Private Equity Division

Transactions & Investments: Deep Dive

Blackstone to Acquire Safe Harbor Marinas

Blackstone invested USD 5.7 bn in Safe Harbor Marinas a Dallas-based marina and superyacht servicing company, on the 24th of February. Safe Harbor Marinas operates 138 marinas, compared to the 101 it operated in 2020 when acquired by Sun Communities for USD 1.1 bn.

Buyer vs Target

Blackstone is a global investment firm specialising in private equity, real estate, credit, and hedge funds. Leveraging deep expertise and innovative strategies, it manages over a trillion dollars in assets, driving long-term investor value. Safe Harbor Marinas offers secure, well-equipped docking facilities with modern amenities, maintenance services, and exceptional customer care, ensuring a safe and welcoming haven for recreational and commercial vessels.

Industry Overview

The marina industry is a specialised segment of the broader maritime and tourism sectors, focused on providing docking, fuelling, maintenance, and support services for both recreational and commercial vessels. Industry forecasts suggest a healthy CAGR of approximately 5% over the next several years, potentially expanding the market to over USD 10 bn by 2030. This growth is driven by rising disposable incomes, increasing popularity of water-based recreation, and the trend of integrating full-service amenities into marina facilities. Additionally, heightened environmental awareness and regulatory pressures are spurring investments in sustainable, eco-friendly practices that ensure marinas contribute positively to coastal and inland waterway ecosystems while bolstering local tourism and economic development. Consequently, continued technological advancements and strategic partnerships are expected to further enhance operational efficiency and customer experience.

Date	Buyer	Target	Currency	Total Value (m)
13 Feb 25	Hydrostor	Canada Pension Plan Investment Board	USD	200
07 Feb 25	Prairie	Bayswater Exploration and Production	USD	603
03 Feb 25	Japan Hotel REIT Investment Corp	Hyatt Regency hotel/Tokyo	USD	647
09 Jan 24	Blackstone	Kimpton hotel eventi/New York City	USD	175

Deal Rationale

Blackstone's acquisition of Safe Harbor Marinas was driven by a strategic vision to tap into the growth potential of a resilient, cash flow–positive asset class within the broader alternative investments portfolio. With the marina industry forecasted to grow at a compound annual rate of around 5% and potentially expand to over USD 10 bn by 2030, Blackstone recognised an opportunity to benefit from stable, recurring revenue streams and robust seasonal demand. The deal rationale also centres on leveraging Blackstone's operational expertise to modernise and optimise the marina's facilities, thereby unlocking additional value through targeted capital improvements and strategic add-on investments. Furthermore, the investment aligns with the growing emphasis on sustainability and eco-friendly practices, positioning the asset to capitalise on both regulatory incentives and evolving consumer preferences in leisure and maritime services. Additionally, the acquisition complements Blackstone's diversified portfolio by providing exposure to a niche, infrastructure-like investment that demonstrates counter-cyclical resilience in various economic conditions.

Future Challenges

Future challenges in the marina industry include adapting to climate change, as rising sea levels and increased storm intensity necessitate resilient infrastructure and improved coastal protection measures. Additionally, tighter environmental regulations and sustainability requirements may drive up operating costs and capital expenditures for facility upgrades. The industry must also contend with evolving consumer preferences and increased competition from alternative leisure activities, which require continuous innovation in service offerings and digital engagement. Furthermore, integrating new technologies for enhanced operational efficiency and customer experience can be a significant hurdle for operators with legacy systems.

Felix Schappacher
Private Equity Division

Transactions & Investments: Deep Dive

Prada Group to Acquire Versace

Prada S.p.A. is nearing the acquisition of Versace from Capri Holdings in a deal valued at approximately EUR 1.5 bn. This transaction would bring together two of Italy's most renowned luxury brands, strengthening Prada's competitive position in the high-end fashion industry and enhancing its global reach.

Buyer vs Target

Prada S.p.A. is a leading Italian luxury fashion house, renowned for its sophisticated and minimalist designs, with a global presence spanning apparel, accessories, and fragrances. Gianni Versace S.r.l. is a high-end Italian fashion brand known for its bold and extravagant aesthetic, which has maintained a strong celebrity and pop culture following since its founding in 1978. Currently owned by Capri Holdings, Versace has been expanding its product lines and retail presence in recent years.

Industry Overview

The luxury fashion industry is undergoing rapid consolidation as leading conglomerates seek to strengthen their market positions. Valued at approximately EUR 345 bn in 2023, the sector is projected to grow at a 5-7% CAGR, driven by demand from high-net-worth individuals, Gen Z and Millennial consumers, and emerging markets. Digitalisation, direct-to-consumer models, and sustainability have become critical differentiators, with brands investing heavily in omnichannel retail and eco-conscious practices. At the same time, heritage and brand storytelling remain crucial as luxury consumers prioritise exclusivity and craftsmanship. The post-pandemic recovery has accelerated the shift toward experiential luxury, with high-end fashion houses expanding into lifestyle, hospitality, and immersive retail experiences. However, macroeconomic uncertainty, geopolitical risks, and shifting regulatory requirements present ongoing challenges. Prada's acquisition of Versace reflects the broader industry trend of strategic M&A aimed at securing long-term growth and competitive advantage.

Date	Buyer	Target	Currency	Total Value (m)
23 Dec 24	Saks Global	Neiman Marcus	USD	2,650
07 Oct 24	Mytheresa	YOOX NET - A - PORTER	EUR	555
17 Jul 24	EssilorLuxottica	Supreme	USD	1,500
30 Nov 23	Kering	Valentino	EUR	1,750

Deal Rationale

Prada's potential acquisition of Versace represents a strategic expansion to diversify its brand portfolio and strengthen its competitive position in the luxury fashion market. Versace's bold and high-glamour identity complements Prada's refined and understated aesthetic, offering Prada an opportunity to reach a broader customer base. The deal aligns with Prada's long-term growth strategy by adding a globally recognised name to its portfolio, expanding its market share, and increasing bargaining power in retail distribution and supply chain negotiations. Beyond brand diversification, this acquisition provides Prada with a stronger foothold in the US luxury market, where Versace has an established presence. Versace's retail expansion and direct-to-consumer strategy could offer Prada valuable insights into scaling its operations in key international markets. Additionally, the deal could unlock synergies in marketing, digital transformation, and operational efficiencies, optimising the cost structure and improving profitability. With consolidation becoming a key theme in the luxury sector, acquiring Versace allows Prada to better compete with industry giants like LVMH and Kering, who have strengthened their dominance through strategic acquisitions

Future Challenges

Despite its strategic advantages, the acquisition poses challenges for Prada. Maintaining the distinct brand identities of Prada and Versace while integrating operations will be crucial to avoid consumer confusion or dilution of exclusivity. Prada must also navigate macroeconomic uncertainties, including inflationary pressures, shifting consumer preferences, and evolving sustainability regulations. Additionally, competition from luxury conglomerates like LVMH and Kering remains strong, requiring Prada to execute a seamless integration while driving growth across both brands.

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