It took KPS less than four weeks to pull in $7 billion across two funds last year. In fact, throughout the firm’s history it has turned down more capital than it has closed on, despite having carry set at 30 percent – a testament to its impressive performance record.

Founder Mike Psaros describes the firm’s strategy as “based on seeing value where others do not”.

“That is key: buying right and then making businesses better. Our investment strategy fundamentally transforms companies, not balance sheets.”

As the world grapples with the pandemic, a strong focus on operational improvements – and KPS’s ability to make all-equity deals, as it did successfully following the GFC – puts the firm in a good position when it comes to deploying the $6 billion KPS Special Situations Fund V.

Psaros says even though the firm’s strategy and focus will remain the same, it will likely benefit from lower valuations brought about by market uncertainty, the general lack of available financing for new acquisitions, and the first opportunities in a long time to acquire assets through bankruptcies and financial restructurings.

“I would fully expect during the course of this downturn that we will acquire companies that would have otherwise gone out of business, thereby preserving them as a going concern, as well as employers of large groups of people.”

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