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PE DEALS

Thoma Bravo's Tse: LOGEX growth could help mesh European healthcare

LOGEX is the first investment by Thoma Bravo's London-based European team.

Thoma Bravo's new European team has made its first investment, taking a majority stake in European healthcare analytics provider LOGEX. Growing the company will require the private equity and growth capital firm to face one of the sector's biggest obstacles – the fragmented nature of the continent's healthcare sector, David Tse, vice-president, told PE Hub Europe.

Amsterdam-headquartered LOGEX aims to use data to help hospitals and other healthcare providers optimise delivery and quality of care while reducing costs. It operates in nine other European countries and plans to expand further across the continent.

“LOGEX's mission – to bring clarity to healthcare data and transform that data into actionable insights – is applicable and workable across geographies,” said Tse. “However, factors like delivery model, reimbursement structures and technical interoperability make the European market uniquely fragmented. This represents a challenge but also an opportunity.

“We believe that European expansion could create significant opportunities to improve interoperability across health systems, ultimately leading to better outcomes.”

Significant investment

Thoma Bravo announced its plan to invest in LOGEX last week, with the founders and European private equity firm Summa Equity – which invested in LOGEX in 2018 – remaining invested.

The size of the majority investment was “significant” and spoke “to the conviction we have in this market”, said Tse. No further financial details were disclosed.

LOGEX fitted with Thoma Bravo's aim to invest in growth-oriented, innovative companies in the software and technology sectors, said Tse.

“After evaluating several companies in the space, we saw that LOGEX had differentiated itself through strong product-market fit and best-in-class service. This created a strong customer base with optionality for expansion.”

Growth will come organically and via M&A, under Thoma Bravo's plans. “We plan to apply our software and operational expertise to support LOGEX's growth and drive further innovation as the company executes on its strategy and European expansion plans,” said Tse.

Local presence

Thoma Bravo, which had \$120 billion in assets under management as of 30

September, 2022, has US offices in Chicago, Miami, New York, and San Francisco and opened a London office a few months ago.

While the firm had already deployed \$11 billion in Europe over the last 12 years, LOGEX was the first by the dedicated European team.

“Europe is an important market for Thoma Bravo and having a team on the ground better enables us to partner with companies in the region while leveraging our global operational capabilities,” said Tse. “As an example, our approach means we have frequent interactions with key stakeholders during the investment, namely with sellers and management. Having a dedicated team on the ground to foster that partnership and be responsive helped us immensely through the stages of the deal process so far with LOGEX, including deal sourcing, diligence and execution.”