

## Sure, dogs are cute. But there's another dimension to the battle over Zooplus

[fortune.com/2021/10/11/sure-dogs-are-cute-but-theres-another-dimension-to-the-battle-over-zooplus](https://fortune.com/2021/10/11/sure-dogs-are-cute-but-theres-another-dimension-to-the-battle-over-zooplus)

Even before the pandemic unleashed a boom in puppy adoptions, the fortunes of the pet-care industry and our furry and feathered friends had been on the rise.

On the food front, out was the tasteless kibble fare of years past: The next age of pet owners were beginning to treat their dogs like humans, presenting their four-pawed friends with nutritionally supplemented foods and raw steaks. Heck, there's even a startup focused on drugs that lengthen dogs' lives, backed by the likes of First Round Capital and Box Group.

From that perspective, the furious, private-equity-fueled bidding war for Germany's largest online pet supplies retailer, Zooplus, is one rooted in long-term thinking—a mindset many investors like to stress to death as their defining feature. Betting on the online shopping and petcare boom, Hellman & Friedman bumped up its offer for the company for a third time on Friday, valuing the business at about about €3.4 billion (\$3.9 billion)—a 69% premium to Zooplus's stock price on Aug. 12, when this bidding war first started. At the time, Hellman & Friedman and Zooplus had agreed to a deal that valued Zooplus at about €3 billion (\$3.5 billion). But the stakes grew when other private equity giants, including KKR and EQT, each entered this particular chat over the course of the last two months.

Which means there is another factor driving the premium on Zooplus's valuation—private equity's enormous pool of dry powder, which now sits at about \$2.3 trillion. According to data from Refinitiv, buyout groups have paid on average a 45% markup for European companies and 42% for U.S. companies in 2021 so far—the highest markup since 1980 (when the data first started being collected) and 1999, respectively.

Even as it's a good time for tech startups to go public, it might also be a pretty darn good time—at least from a valuation perspective—for some companies that match the private equity profile to take it behind the screen. Take-private deals involving a private equity firm in the first half of the year reached \$113.5 billion—the strongest first half of the year since 2007, per White & Case.

Comparisons to 2007 and 1999 can feel ominous at a time when many investors fear that another economic downturn is looming. Regardless of if you believe we are in a bubble or not, the bottom line is this: In coming years, the pressure to deliver on higher returns to justify these higher valuations will also be on—pressure that will be keenly felt by both investors and the companies themselves.

**THRASIO MESSINESS:** Thrasio, the giant startup that has raised over \$2 billion in equity and debt to buy up Amazon-based sellers, has had some high-profile exits in recent months, including the departure of its CFO Bill Wafford in July, and then co-CEO Josh Silberman. CNBC is now reporting that the company, once rumored to be eyeing a SPAC merger, has delayed such plans over “complications with its financial audits.” If you have any thoughts here, let me know. [Read more.](#)

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*Jessica Mathews compiled the IPO and SPAC sections of this newsletter.*

## VENTURE DEALS

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- **CRED**, an Indian fintech, is in talks to raise at a \$5.5 billion valuation, per TechCrunch.

- **Notion**, a San Francisco-based collaboration tech maker, raised \$275 million in funding at a \$10 billion valuation. **Sequoia** and **Coatue** led the round and were joined by investors including **Base10**.

**Swile**, a French startup that offers employee benefits cards, raised \$200 million in Series D funding. **SoftBank** led the round and was joined by investors including **Eurazeo**, **Index Ventures**, and **Bpifrance**.

- **Wiz**, an Israeli cybersecurity startup, raised \$250 million, valuing it at \$6 billion. **Insight Partners** and **Greenoaks Capital** led the round.

- **Slice**, an Indian fintech startup focused on credit cards, is in talks to raise \$100 million with **Tiger Global**, per TechCrunch. Other investors include **Insight Partners**, **Ribbit Capital**, and **Greenoaks**.

- **Homa Games**, a Paris-based mobile games publisher, raised \$50 million in Series A funding. **Northzone** led the round and was joined by investors including **Singular**, **King** and **FuboTV founders** and **Daniel Ek's** family office.

- **Productfy**, a San Jose, Calif.-based maker of tech to build financial services apps, raised \$16 million in Series A funding. **CMVentures** led the round and was joined by investors including **Point72 Ventures**, **500 Startups**, and **Investnet|Yodlee**.

- **Mono**, an African fintech API startup, raised \$15 million in Series A funding. **Tiger Global** led the round and was joined by investors including **Entree Capital**, **Lateral Capital**, **GPIC**, **Acuity VC**, and **Ingressive Capital**.

- **Alpha Paw**, an Austin-based maker of pet-breed-specific foods, raised \$8 million in Series A funding. **Nordic Eye** led the round.

- **Pluton Biosciences**, a St. Louis, Mo.-based bioscience research company, raised \$6.6 million. **Better Ventures** led the round and was joined by investors including **Grantham Foundation, Fall Line Capital, First In Ventures, Wing Venture Capital,** and **Yield Lab Institute.**

- **PideDirecto**, a Mexico-based delivery startup, raised \$5.3 million in seed funding. **JAM FUND** led the round and was joined by investors including **Soma Capital, Acacia Ventures, Kube VC, Flexport,** and **Y Combinator.**

- **Sequential Skin**, a U.K. and Singapore-based skincare biotech, raised \$1.7 million in seed funding.

**Metaplanet** led the round and was joined by investors including **Scrum Ventures, SOSV, Genedant,** and **Ben Holmes** (ex-general partner at Index Ventures).

## PRIVATE EQUITY

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- **Hellman & Friedman** matched EQT's €3.4 billion (\$3.9 billion) bid for **Zooplus**, a German online pet-food retailer. Financial terms weren't disclosed.

- **Blackstone** and **CVC Capital Partners** are weighing bids for **Bayer AG's pest control products**, per Bloomberg. Bayer is looking to sell the products for € 2 billion (\$2.3 billion).

- **ClearCourse Partnership**, backed by **Aquiline Capital Partners**, agreed to acquire **TISSL**, a U.K.-based supplier of point of sale software to the hospitality industry. Financial terms weren't disclosed.

- **ECI Software Solutions**, backed by **Leonard Green & Partners** and **Apax Partners**, acquired **Merchant Systems Group**, the U.K.-based maker of **eCommonSense**, a data management company focused on the lumber & building materials, hardware, and home-centers industries. Financial terms weren't disclosed.

- **Fortis Solutions Group**, backed by **Main Post Partners**, acquired **Quality Tape and Label**, a provider of digital shrink sleeves, flexible packaging, and pressure sensitive labels to the craft beer, nutraceutical, food and health markets. financial terms weren't disclosed.

- **Genesys**, backed by investors including **Hellman and Friedman**, acquired **Pointillist** and **Exceed.ai**, two customer experience tech companies. Financial terms weren't disclosed.

- **Highlander Partners** acquired **RMS Beauty**, a Charleston, S.C.-based clean beauty brand. Financial terms weren't disclosed.

- **Unifrax**, backed by **Clearlake Capital Group**, acquired **Lydall** (NYSE: LDL), a Manchester, Conn.-based maker of specialty filtration materials, for about \$1.3 billion.

## EXITS

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- **Vestum** agreed to acquire **Lakers Group Holdings**, an aftermarket services provider of water and wastewater pumps, from **Summa Equity** for SEK2 billion (\$230 million).

- **Bain Capital** is looking to sell **Ooedo Onsen Monogatari**, an Japanese operator of hot springs, for about \$1 billion.

## OTHER

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- **Auchan**, a French grocer, sought to acquire **Carrefour SA**, the French grocery giant, for about \$19 billion, per Bloomberg. Talks stalled, however.

- **Chubb** (NYSE: CHUBB) agreed to buy health insurer **Cigna**'s (N:CI) life, accident, and supplemental benefits businesses in Asia Pacific and Turkey for \$5.8 billion in cash.

- **Dye & Durham** (TO: DND), a Canadian legaltech software maker, turned down a \$2.8 billion offer to go private from a management team.

- **Pacira** (Nasdaq: PCRX) agreed to acquire **Flexion Therapeutics** (Nasdaq: FLXN), a maker of non-opioid therapies for the treatment of patients with musculoskeletal conditions. The deal values the latter at about \$630 million including debt.

- **Riiid**, backed by SoftBank Vision Fund 2, acquired '**Langoo**', a Japanese distributor of Riiid's paid A.I.-based learning app. Financial terms weren't disclosed.

- **MotorK**, a portfolio company of **83North** and **Zobito**, acquired **Dapda** in Spain, as well as **FranceProNet** and **FIDCAR** in France. The three are companies in the automotive retail space. Financial terms weren't disclosed.

- **Instacart** acquired **FoodStorm**, a maker of ordering software for grocery retailers. Financial terms weren't disclosed.

## IPO

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- **iFIT Health & Fitness**, a Logan, Utah-based interactive exercise equipment maker, delayed its IPO. It previously sought to raise \$646 million in the offering. iFit posted \$851.7 million in revenue in 2020 and a net loss of \$98.5 million. **Pamplona** and **L Catterton** back the firm.

- **NerdWallet**, a San Francisco-based personal finance education website, filed for an IPO. The company posted \$245 million in revenue in 2020 and net income of \$5 million. **Institutional Venture Partners**, **RRE Ventures**, and **iGlobe Partners** back the firm.

- Owners of **Genesys**, a Daly City, Calif.-based call center technology company, are weighing an IPO for the company for the first half of 2022, per *Bloomberg*. An offering could value the company at up to \$20 billion. **Permira** and **Hellman & Friedman** own the firm.
- **AvidXchange**, a Charlotte, N.C.-based accounts payable software company, now plans to raise up to \$550 million in an offering of 22 million shares priced between \$23 and \$25 per share. The company posted \$186 million in revenue in 2020 and a net loss of \$101.2 million. **Mastercard**, **Bain Capital Ventures**, **CDPQ**, **Temasek Holdings**, and **Capital Group** back the firm.
- **Evotec SE**, a German drug developer filed for an IPO in the U.S. The company posted \$517 million in revenue in 2020 and \$43 million in net income. **Novo Holdings**, **T. Rowe Price**, and **Mubadala Investment Company** back the firm.
- **Paragon 28**, an Englewood, Colo.-based foot and ankle medical device company, plans to raise up to \$133 million in an offering of 7.8 million shares priced between \$15 and \$17 per share. The company reported \$111 million in revenue in 2020 and net income of \$3 million.
- **Delimobil Holding**, a Russian car sharing company based in Luxembourg, filed for an IPO in the U.S. The company posted \$90 million in revenue in 2020 and a loss of \$6 million. **Mikro Kapital**, **D-Mobility Worldwide**, and **VTB Capital** back the firm.
- **Desert Peak Minerals**, a Denver, Colo.-based Permian Basin mineral and royalty interest manager, filed for an IPO. The company posted \$43 million in revenue in 2020 and a net loss of \$14 million. **Kimmeridge**, **Blackstone**, and **Oaktree Capital Management** back the firm.
- **Sonendo**, a Laguna Hills, Calif.-based tooth decay medical technology company, filed for an IPO. The company reported \$23 million in revenue in 2020 and a net loss of \$47 million. **General Atlantic**, **OrbiMed**, **Meritech Capital**, and **EW Healthcare Partners** back the firm.
- **Vaxxinity**, a Dallas, Tex.-based chronic disease biotechnology company and COVID vaccine developer, filed for an IPO. The company posted \$557,000 in revenue in 2020 and a net loss of \$40 million. The firm is a subsidiary of **United Biomedical** and is backed by **Prime Movers Lab**.
- **Entrada Therapeutics**, a Boston, Mass.-based intracellular therapeutics company, filed for an IPO. The company reported a net loss of \$27 million in 2020 and has yet to post revenue. **MPM Capital**, **5AM Ventures**, **Roche Venture Fund**, and **MRL Ventures Fund** back the firm.

- **Aura Biosciences**, a Cambridge, Mass.-based cancer treatment company, filed for an IPO. The company reported a net loss and comprehensive loss of \$22 million in 2020 and has yet to post revenue. **Medixi, Matrix Capital Management, Surveyor Capital, Advent Life Sciences**, and **Lundbeckfonden Ventures** back the firm.

- **Blue Water Vaccines**, a Cincinnati, Oh.-based vaccine development company, filed for an IPO. The company reported a net loss of \$2 million in 2020 and has yet to post revenue. **Cincinnati Cornerstone Capital** and **CincyTech** back the firm.

- **Pod Point**, a London-based electric vehicle charging company, is planning an IPO in the U.K., per *Bloomberg News*. **Electricite de France SA** backs the firm.

## **SPAC**

- **SeatGeek**, a New York City-based ticket platform, is in talks to merge with **RedBall Acquisition Corp.**, a SPAC led by **Billy Beane**, who runs the front office and owns a minority stake of the Oakland Athletics, and **Gerry Cardinale** of RedBird Capital Partners, according to *Bloomberg News*.

## **F+FS**

- **HarbourView Equity Partners**, a Newark, N.J.-based investor in music and entertainment rights backed by **Apollo Global Management**, launched with about \$1 billion.

- **Atlantic Food Labs**, relaunched as FoodLabs with a dedicated €100 million FoodTech fund to invest in food, health, and sustainability startups.

- **BITKRAFT Ventures**, a California venture investor in the gaming and esports space, raised \$75 million for a blockchain-focused token fund.

## **PEOPLE**

- **Antler**, a venture capital investor, named Bernie Li as partner in its Toronto office.

- **KKR**, a New York City-based investment firm, named **Joe Bae** and **Scott Nuttall** as Co-Chief Executive Officers. Co-Founders Henry Kravis and George Roberts will remain as Executive Co-Chairmen of KKR's Board of Directors.