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P10 Holdings, Inc. Announces Transformative Transaction Details

Dallas, Texas – August 25, 2020 – An affiliate of P10 Holdings, Inc. (OTC: PIOE, “P10”) has signed a definitive agreement to purchase TrueBridge Capital Partners LLC (“TrueBridge”), a leading venture capital investment firm managing more than \$3.3 billion in assets. TrueBridge invests in venture and seed/micro-VC funds focused primarily on early-stage IT, as well as directly in select venture and growth stage technology companies. TrueBridge is the data partner behind Forbes' Midas List and the Next Billion Dollar Startups list, and is a regular venture-focused contributor on Forbes' platform. The firm was founded in 2007, and is headquartered in Chapel Hill, North Carolina.

“We could not be more excited to welcome TrueBridge into the P10 family,” said Co-CEOs Robert Alpert and C. Clark Webb. “Similar to both RCP Advisors and Five Points, TrueBridge has long delivered an exceptional investment process alongside a best-in-class culture and team. With Co-Founders Edwin Poston and Mel Williams at the helm, we look forward to decades more of outstanding performance for TrueBridge investors.”

Alpert and Webb continued, “With the addition of the TrueBridge team and investment strategies, P10 and its subsidiaries are uniquely positioned to offer a comprehensive suite of private equity, venture capital, and private credit strategies to limited partners around the globe. In each of these asset classes, we are blessed with premier investment talent, strategies and track records. We believe our teams are well positioned to continue raising and deploying capital at exceptional risk adjusted returns on behalf of our investors while generating long-term value for P10 shareholders.”

RCP Advisors Co-Founders and Managing Partners Fritz Souder and Jeff Gehl added, “We believe the combination of RCP Advisors, TrueBridge, and Five Points creates the best-in-class franchise in private equity, venture capital, and private credit, offering a full suite of niche oriented, market leading private markets products and services to our underlying fund sponsors and our investors alike. We have long known and admired the TrueBridge franchise, and we are thrilled to welcome Mel and Edwin to our company.”

TrueBridge Co-Founders Mel Williams and Edwin Poston added, “With common cultures, consistent long-term track records, and a shared vision of building a premier alternative asset manager able to deliver market-leading returns to our investors, we see tremendous opportunity in the years ahead.”

Terms of the Transaction

As consideration in the deal, TrueBridge will be receiving convertible preferred equity (“convertible preferred”) in a limited liability company (“Holdco”) and cash. All of the common units of Holdco are owned by P10. Holdco directly or indirectly owns RCP Advisors 2, LLC and RCP Advisors 3, LLC (collectively, “RCP Advisors”) and Five Points Capital, Inc. (“Five Points”). After the closing, TrueBridge will operate as a wholly-owned subsidiary of Holdco and will continue to be managed by its existing team, and TrueBridge executives will also join the Holdco Board of Managers and Executive Management Committee.

The convertible preferred is expected to yield 1% per year in cash and be convertible at the holders’ option into common equity at Holdco. The convertible preferred contains certain put rights and governance rights at Holdco. While the convertible preferred converts into Holdco common equity—and not P10 common stock—the conversion ratio into Holdco common equity, relative to P10 ownership of Holdco common equity, equates to a conversion price of \$3.30 per share at P10.

The cash portion of the transaction is expected to be primarily funded with current P10 cash on hand, an additional draw on our existing credit facility and the proceeds from the exercise of a call option by a current investor in Holdco.

Pro-Forma Financial Impact

Upon the closing of the transaction, a total of approximately \$159 million of convertible preferred will be issued and outstanding, convertible into approximately 36% of Holdco (assuming full conversion), with P10 retaining the remaining 64% of Holdco.

TrueBridge is expected to contribute substantial free cash flow in its first twelve months under P10 ownership, with 100% of revenues generated from long-term, contractual management fees from funds and separate accounts with an average duration exceeding 10 years at launch.

Pro-forma for both the TrueBridge and Five Points transactions, P10 expects run rate adjusted EBITDA to approach \$55 million by year-end 2020 alongside third party debt of approximately \$196 million. Unlike many alternative asset managers, in excess of 95% of P10 revenues and EBITDA is derived from predictable management fees on funds and separate accounts with an average duration exceeding 10 years at launch. With our capital light business model, peer-leading margins and predictable earnings stream, we believe we are well positioned to deliver long term value to P10 shareholders as we continue to compound free cash flow.

Timing

Subject to TrueBridge limited partner and other customary approvals, we expect the transaction to close in the next 45 to 60 days.

Ownership Limitations

P10’s Certificate of Incorporation, as amended, contains certain provisions for the protection of tax benefits relating to P10’s net operating losses. Such provisions generally void transfers of shares that would result in the creation of a new 4.99% shareholder or result in an existing 4.99% shareholder acquiring additional shares of P10.

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Important Cautions Regarding Forward-Looking Statements

This press release includes forward-looking statements that relate to the business and expected future events or future performance of P10 and involve known and unknown risks, uncertainties and other factors that may cause its actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "likely," "will," "would," "could," and similar expressions or phrases identify forward-looking statements. Forward-looking statements include, but are not limited to, statements about P10's ability to implement their business strategy, and their ability to consummate the contemplated transaction. The future performance of P10 may be adversely affected by various risks and uncertainties, including, without limitation, future capital requirements, regulatory actions or delays and other factors that may cause actual results to be materially different from those described or anticipated by these forward-looking statements. For a more detailed discussion of these factors and risks, investors should review P10's annual and quarterly reports. Forward-looking statements in this press release are based on management's beliefs and opinions at the time the statements are made. All forward-looking statements are qualified in their entirety by this cautionary statement, and P10 undertakes no duty to update this information to reflect future events, information or circumstances.

Restrictions on Ownership of 5% or more of P10 Holdings Stock

For information relating to restrictions on ownership of 5% or more of the common stock of P10 Holdings, please click here.



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