

APOLLO GROUP

A MAJOR INVESTOR
IN THE PORTUGUESE
INSURANCE MARKET

Apollo Global Management is a leading worldwide asset manager. The American private equity firm has a long history of raising, investing and managing funds for some of the world's most prominent institutional (blue chip) and individual investors, including large-scale American pension funds and sovereign wealth funds.

In Portugal, Apollo has increased its investment in the insurance sector. After investing in Tranquilidade in 2015, Açoreana Seguros followed in 2016 and by the end of the year both were merged into a single business under the Seguradoras Unidas umbrella. Tranquilidade and Açoreana however were kept as commercial brands.

Gustavo M. Guimarães, President of the Board of Directors of Seguradoras Unidas, speaks to FULLCOVER about the continued growth of the Apollo Group and its investment strategy in Portugal.



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Established in 1990 in the USA by a group of experienced investors, Apollo manages a portfolio of assets covering private equity, credit and real estate. Apollo is present in three continents – North America, Europe and Asia – and has a network of 15 offices.

The financial sector was, from the start, a priority in its development strategy and its first investment was in an insurer. Banking and insurance feature prominently in its investment portfolio; Athene USA, one of the biggest fixed annuities (pension plans) insurers, is currently the biggest asset managed by Apollo.

Even the tough economic conditions of the last few years have not prevented Apollo registering significant growth; assets worth \$160 billion were under management in Q1 2015, by the end of 2016, it was \$192 billion.

Gustavo Guimarães explains how the firm manages to sustain continued growth and deliver exceptional results: “Apollo integrates all its operations, believing this is the key differentiator. Its investment strategy, applied successfully over the years, enables it to identify good investment opportunities, provide capital to support and create leading companies and add value for investors across several sectors”.

Gustavo also mentions Apollo's flexibility in how it approaches and invests in various company set-ups and during differing market cycles, evidences its strong market expertise.

Equally strong collaboration between company management teams ensure group portfolio integration which further contributes to its global development.

“The integrated business model combines the strength of private equity, credit and real estate platforms with important factors such as long-lasting investor relations (including many important pension/global sovereign funds and institutional/private investors), a long-term capital base, a strong reputation and a team with a great know-how,” he says.

Outside the financial sector, Apollo has interests in other areas such as distribution, transport, media, telecommunications, industry and natural resources. “Apollo is very committed to Portugal, there is a desire to invest medium to long term in the country and to diversify into other sectors,” Gustavo states.

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A different approach

For Gustavo Guimarães, the Apollo Group has a different approach to the investment process: “It starts with the autonomy it gives the management teams of companies it invests in. Apollo believes in a model that, while as shareholder it may contribute with capital, knowledge and better working practices, it also values the independence of the companies’ management teams and local managers. It is they who should define the strategy, without conflict of interest, receiving incentives which ensure shareholder and company objectives are fully aligned.”

Apollo operates in sectors which can be complex from a regulatory, supervisory and legal perspective. Gustavo assures: “The operation is always intent on minimizing the risks and sharing its vast experience in governance models, compliance and managerial ethics with the companies it supports.”

The business is equally experienced in carrying out investments during times of economic and financial market uncertainty and finding business opportunities that not only add value for investors, but also for the countries it invests in.

Gustavo adds: “Apollo has a history of being a responsible, result-oriented investor with a long-term development perspective and a constructive approach to the managed companies it works with. This can already be observed in its affiliates in Portugal.”

Investment Plans

Apollo started investing in Europe in 2001 and since then has been growing in highly regulated sectors such as banking and insurance, with acquisitions in the United Kingdom, Italy, Germany, Spain and Portugal.

Having bought Tranquilidade in early 2015 and Açoreana in 2016, these investments now position both companies as the second largest non-life insurance operator in Portugal, holding more than 15% of market share. Adding to this investment is the purchase of AdvanceCare’s business – shareholders in Europ Assistance – giving the group further interests in the insurance and health sectors.

Gustavo confirms: “These investments by Apollo are a sign of the trust this important international investor has in the national economy and especially the Portuguese insurance sector.”

We asked Gustavo Guimarães what Apollo’s future plans are for Tranquilidade and Açoreana. He replies: “We have clear objectives of growth and to take a leading position in Portugal. We want the best people, with the best practices, demonstrating a culture of innovation. We want to be recognized as the market leader for collaboration, efficiency, service quality and solvency. Our ambition is to be the investor of choice for partners and clients and to be the insurance company that delivers outstanding value”.

Gustavo concludes the insurer sector and, specifically, the Portuguese market, are amongst Apollo’s strategic investment plans: “Apollo is very committed to Portugal, there is a desire to invest medium to long-term in the country and to diversify into other sectors. This is evidenced by the recent acquisition of Veralia, a leading company in the glass packaging market, located in Figueira da Foz. Within the Portuguese insurance market, Apollo’s investments confirm its commitment to develop a sector which faces a lot of challenges.” •

**\$192 billion
of assets under
management**

(as of December 2016)

**Company
listed in
the New
York Stock
Exchange
(NYSE)**



**A team of 986
employees,
including 376
investment
professionals**

**Global company
with 15 offices
in 3 continents**