

TRAINEE INSIGHTS

London Private Capital Transactions Partner **Libby Todd**



George Longworth



Katie Gerasimidis



Libby Todd

George Longworth: Hi, my name's George Longworth.

Katie Gerasimidis: Hello, my name is Katie Gerasimidis.

George Longworth: Welcome to this episode of *Trainee Insights*, the podcast about life as a trainee at Ropes & Gray in London.

Katie Gerasimidis: This podcast is for everybody who has an interest in building a successful career at the firm's London office. On today's episode, we are delighted to be joined by Libby Todd, who is a partner in our private equity transactions practice.

George Longworth: Libby's practice focuses on advising private equity sponsors and their portfolio companies, special-situations funds, sovereign wealth funds, family offices, and major international corporations on cross-border transactions, including public and private M&A and general corporate matters.

Katie Gerasimidis: Let's get into what's coming up on today's episode. We will be speaking to Libby about her background, how she got into law, current trends in the private equity market that Libby is seeing and how they affect her practice, as well as Libby's work on the Ropes & Gray London Women's Forum.

George Longworth: Libby, please could you provide our listeners with a bit of background about you and your story of how you got into law?

Libby Todd: I've been doing this for 17 years now, which is quite a while. I was quite a precocious child, which Katie,

who has worked with me quite a lot, will obviously be very surprised to hear that. I decided when I was seven—I knew no lawyers, I knew nothing about the law, I had no lawyers in my family, nothing like that—I saw a reference to a lawyer on television and decided, “That’s what I’m going to do.” And that was it, really—once I made my mind up, then that’s what I was going to do, I was going to be a lawyer. I did my training contract at Weil Gotshal, a U.S.-originated firm, which has a really strong office in London. I was really fortunate that Weil has a really strong private equity practice with some really amazing clients. I did a seat in London in private equity and actually also a seat in New York in private equity, as well. As soon as I got involved with private equity, I knew that was what I wanted to do. I stayed at Weil for another four and a half years after I qualified. Some people I knew were actually working at Ropes at the time and they called me up and said, “We think this would be interesting. We’d love to work together again.” Ropes just seemed an amazing platform for doing private equity work, and that has definitely proven to be the case. And so, I’ve now been here for 11 or so years.

Katie Gerasimidis: That’s amazing. That leads us well into our next question. So, for some of our listeners who might not be familiar with the concept, do you think you can tell us a little bit about what private equity is and the role that a corporate lawyer takes during a PE buyout?

Libby Todd: A private equity fund is basically a pool of money (a pool of capital), and a private equity firm, in the way we think about them, effectively, is a group of individuals who are very experienced in business. They go out to people and try and raise money on the basis that they will invest that money and make a return for the relevant investors who’ve given them the capital in the first place. There’s no reward for doing that—they will both invest their own money alongside it, and, so obviously, hope to make the same return as the investors. But they also get a management fee and additional returns, which is called “carry,” based on how much return they give back to the investors that gave them the original capital.

We have a funds team, which is amazing, and they do a lot

of that fundraising, going out on behalf of the PE funds to their investors and raising the capital and dealing with all the arrangements relating to that. For me, as a private equity transactions lawyer, I then deal with: What does that private equity fund (that sponsor) do with the money? So, they will have a very large pipeline where they identify businesses that they're interested in. Some of the funds that we work with have particular sector expertise or particular jurisdiction expertise, and they will target companies that they think they can own, go into, improve, and expand. Lots of our clients are really experienced and really successful at expanding into new business lines or new geographies—so they will look at companies where they think they can go in and use their expertise and both try and grow the business and then ultimately exit the business (i.e., sell the ownership stake)—that's how they return the money to the people who gave them the capital in the first place. For me, I'm the transactions lawyer who effectively helps them when they've identified businesses that they want to buy. I will help them do those transactions to buy the companies. And what's really interesting about lots of the clients I work with, is they're quite flexible, so lots of them are traditional buyout firms who look to take a controlling stake in a company. Others will do minority stakes or take-privates, which is taking a public company private. They might do convertible instruments. They could do a whole range of different things.

George Longworth: In the European market, the private equity industry's obviously a lot more mature than it was 20 years ago. How have you seen the private equity industry change? And how has this affected your work as a lawyer?

Libby Todd: I think there's a few things. One is that sector expertise has become very important, particularly in certain industries. In life sciences, for example, there are now a number of funds who either are solely life sciences/health care focused or have specific teams that deal with that. And it's obviously a very complex area, full of lots of regulatory issues. There's a lot of looking around corners in terms of what will changes to regulation mean to your business and how you price drugs or how you bring a new drug to market—all those sorts of things. I think the really exciting thing about private equity now is just how knowledgeable lots of those sector teams are, both in terms of the particular companies that they currently own and are building, expanding, and growing, but also in terms of the industry in general. So, I think that's been something that's really exciting and really interesting to see over the last 20 years.

I think the other thing that has definitely been the case is that it's not easy to do a private equity deal and make money on them. Our clients are incredibly sophisticated and incredibly clever. I think there was a perception based on when private equity came into being that it really was just a case of financial manipulation—that you bought a company, leveraged it up, sold off the real estate, and then you effectively exited and made money, and there was no actual change to the underlying business: you just stripped out lots of value from it. I generally don't think that is the case. There's lots of studies that people like the BVCA—which is one of the organizational bodies for the British private equity and venture capital industry—have done around the work, particularly in the last 10 years, where private equity has owned companies in the U.K. (European companies), how they've grown those companies, and how they've increased the number of employees employed by that company, whether it expanded into new regions. There's no financial manipulation that can be done, I think, to make an easy return—you need to understand the business back to front and actually really improve the operational aspects of that business in order to get the returns that you want to make.

Katie Gerasimidis: That's great. Is there a deal that you can tell us about that was a hugely successful deal or one that was just particularly interesting? Obviously, we appreciate confidentiality here, so even just a high-level overview would be great.

Libby Todd: Yes, it's really hard because there's a lot of deals, and also, lots of them stick out for a particular reason. Some of them, it's just because of the underlying company and being particularly interesting as a company or the management team or sellers of that company being particularly interesting. There are other deals that stick out because of team reasons, I suppose. I worked on a deal last year acting for a client. I love working with her, incredibly smart, from TSG Consumer Partners—they acquired a business called Cadogan Tate. The senior associate on that deal was somebody who actually sat with me when she was a trainee on our team, and so, she's been sat on our team for an awful long time. It was the first deal that she did as a lead senior associate, and she ran the deal back to front and she did an excellent job. So, that sticks out for that reason.

In terms of the underlying deal, the one that sticks out is I assisted funds affiliated with BPEA EQT (it's also known as Baring Private Equity, which is its old name). They bought a

corporate services business called Tricor in 2022, and it was a deal where it was done on an extremely short timeline. It was a competitive process, and so, we had to move very quickly. It was one of those deals where it really felt like Ropes was bringing everything it could to bear for the client, and I feel that we did a really good job. We worked on a cross-office, cross-practice basis—we were working hand in hand with our colleagues in Hong Kong as well as across the United States. It was one of the deals post-pandemic that I led where it really felt like Ropes is bringing value-add to the client, and it was a great result and a great deal, so that one sticks out as well.

George Longworth: Given the broader macroeconomic picture at the moment, could you explain a little bit about public-to-private deals and how you view their role in the current market?

Libby Todd: Yes, so this is something that we're seeing across the world, to be honest, including in the U.K. and Europe. I think one of the things that's really interesting in the U.K. and Europe is that there is a lot of strong public companies—companies that are publicly traded, listed on the public markets—where, compared to the high prices that people are still seeing from private companies, actually look pretty attractive and pretty good value. So, we're seeing a lot of our clients spend a lot of time looking at companies that are currently listed and working out whether they think it makes sense to make an offer to them and try to take them private. Sometimes, that can be for reasons relating to the company. If you look at a company that's currently publicly listed and it could really do with and would benefit from expanding into a particular area or doing a particularly large capital expenditure project, that's something they would need an awful lot of money for. Sometimes, there's a publicly listed company—particularly the way that the markets are at the moment—and raising additional capital can be really tough. If you, as a private equity investor, can look at that company and think, "If we owned it, we'd be able to finance that and make that change, it could be completely transformative to the business," then that's the company that could then be listed or go on to do other things. So sometimes it's because of the company itself that maybe what the public markets aren't allowing it to do that one of our clients could be interested. Sometimes, it's just because they see something that is priced attractively compared to an equivalent private company they could buy and therefore they think, "Actually, for our investors, is that a deal that we should be doing—looking to take that company private and effectively owning

it, trying to build it, and growing it? And then, coming up with an exit somehow with us selling it to somebody else, selling it to a trade buyer, or relisting it?"

The other thing that's interesting about some of the U.K.-listed companies in particular is that a number of them, whilst they're listed on the U.K. market, their revenue might actually be a real mix—it might be a completely global business that a lot of its revenue comes in euros, U.S. dollars, or other currencies. And so, particularly for a U.S. fund perhaps that has raised a U.S.-denominated fund and has a U.S. pile of dollars sitting there, when they look at a U.K. business that's priced in U.K. sterling—at least based on historical trends, U.K. is still pretty cheap to a U.S. investor compared to how it was at least 15–20 years ago—if they're buying a global business that makes global profits and has global revenue but is priced in sterling and that's something that there is some sort of currency arbitrage around, then that could make it pretty interesting for them as well.

Katie Gerasimidis: A lot of our listeners are students who are trying to get training contracts, so we thought it'd be nice to hear from you about a memorable story that you have from when you were a trainee.

Libby Todd: A lot of them I probably couldn't say. I actually spoke yesterday with somebody who I was a trainee with. I was so fortunate—I had an amazing group of people that I was trainees with, and the vast majority of them I still talk to and I still spend time with. One of them is actually another partner at Ropes now, [Simon Saitowitz](#), so it's great. We're three doors away from each other which, after training together 17 years ago, is really amazing.

Things that I can tell—I spent six months in New York, and that was just an amazing experience I would recommend to anybody, particularly when they're a junior lawyer, any chance you get to work overseas or within a client is just such a worthwhile experience. I worked in New York for six months in the private equity team there. I got to spend Thanksgiving in New York, and I actually went to the Thanksgiving parade. I was there with a friend who'd flown in from England to watch it with me and then we went out for Thanksgiving dinner and all those sorts of things. We were so excited about the Thanksgiving parade that there was actually a family in front of us standing watching it, and they treated us as if we were six years old—they moved out of the way so we could go to the front as Snoopy was going past and we were so overexcited by the whole thing. And then, my family came over and spent

Christmas with me. It was just an amazing opportunity to get to know both the legal system—I did tons of deals—and then also to get to know tons of people at the Weil U.S. offices, a number of whom I've kept in touch with and still know.

The other thing that's quite memorable to me is the end of my training contract. I took qualification leave—which, again, I would highly recommend that anybody does—and actually went to Ecuador and I spent a large part of the time in the jungle in Ecuador and was completely off-grid in the Amazon for about two weeks. I got out of the Amazon to discover that Lehman had collapsed and effectively the whole banking system was going under and changing . . .

George Longworth: It's like a different world.

Libby Todd: It was a completely different world because everyone else had been watching this happen, and I'd been completely oblivious. I was really fortunate because they actually ended up working on the Lehman chapter 11 bankruptcy, and so, that was something that I did for the first six to nine months. I did qualify into private equity, thinking of doing private equity deals, and I sort of was, but really, I was doing M&A disposals linked to bankruptcy and, as a learning experience, that was amazing.

George Longworth: How has your role changed since becoming a partner? Have there been any unexpected aspects to partner life? I mean, that's the dream, right? That's everybody's goal.

Libby Todd: This is what you're working for—yes, this is what you want to do, George. I don't think there's been anything that's unexpected. I think like a lot of roles in law, you end up doing the job before you actually have the title—and it's the same, I think, as an associate becomes more senior, you end up having to demonstrate to people that you can do it before actually they let you wild, as it were. I feel like I had been operating as a junior partner for at least a couple of years, probably, before I was made up. I was running deals, building client relationships, and all those sorts of things, so it didn't feel like a massive change, which is probably a good thing.

One of the things that I've really enjoyed is, particularly over the last couple of years, I've got far more involved in training and development of the broader team. On our team, we have two associate development partners—and me and one of the other partners, we're responsible for all the appraisals, training, and development of the associates that are with us. We take that incredibly seriously and it's a really nice thing to do.

From a deal perspective, I don't feel like it has changed that much because I was already running deals to a large extent before I became a partner. I've continued to do that and I've continued to try and build those client relationships, and that's been amazing because that's what I do this job for. But I guess what I hadn't been doing before was some of the more managerial aspects of being a partner and taking that on has been something completely new and therefore a challenge but also really great.

Katie Gerasimidis: I love being a part of the [Ropes & Gray Women's Forum](#), and I know that you do a lot of work with them. So, I wondered if you could just tell us a little bit about where that's moving and what your role is within that group?

Libby Todd: I am one of the co-chairs in London of the Ropes & Gray Women's Forum. It's a really broad organization: we have three global co-chairs as well who are all amazing lawyers but also amazing representatives of women and sponsors of women within the firm. Our main focus, and the focus of the Women's Forum, has always been an opportunity for women within the firm to network but also to find ways to business development. As a deal lawyer, but as any kind of lawyer in this commercial environment, your focus needs to be on client relationships and building those client relationship and building business. We want it to be a forum that was not just talking shop but also gave people opportunities to develop skills that would help them with those things or help them with business development. So, we do a lot—particularly for senior lawyers within Ropes and within Ropes London—we do a lot of events for clients, and they can be really good fun. We've been to Ladies' Day Ascot, dinners, art galleries—all those sorts of things are really nice, but it's actually just an opportunity to spend time together as a group and to meet clients, to meet each others' clients, and introduce clients to each other. As a business development activity, that is really great, and so, a lot of it is client-focused.

Then, the other thing we're focused on is a lot of internal relationships and internal networking. It's really important, I think, as a junior lawyer that you have mentors but, even more importantly, that you have sponsors—people who will really put their neck out to find opportunities for you, to get to know you, to think about your interests, and try to play you into opportunities. And actually, the only way you find a sponsor and mentor that's right for you is by getting to know people, so we try and make sure that there's lots of internal events where junior female lawyers can perhaps meet more

senior female lawyers who aren't in their team and get to know what they do and why they do it. Sometimes, that can just be about: "How do you balance certain things?" or "How do you deal with a situation where you have a male client and you would like to go for dinner with them because that's what you would do with clients normally, but are they going to think it's weird if you ask them?" Things like that still come up, and that's just partly down to the fact that it's still a very male-dominated industry, particularly in the private equity world. Private equity firms have made great strides in more gender diversity, but just because of the pool of people where private equity employees tend to come from, it is still relatively male-dominated. Just working at how you balance that, I think, sometimes can feel difficult or can feel awkward, so just helping people do that.

George Longworth: You've already offered in this podcast a fantastic gamut of life advice, but, in the great podcast tradition, we thought we'd end on a cliché and ask you: If there was one thing you could tell yourself before you started as a trainee, what would it be?

Libby Todd: I think, "Don't worry," to some extent. I can be relatively anxious. I can be a bit of a worrier. The best things that have happened to me in my career have come when I've just leaned into things, given it a go, not been too self-conscious, and not been anxious about it. Even now—this is going to be more life advice for you—I would always say that I hated networking and I hated business development. One, that's just not true. What I didn't like was being in situations where I didn't know people and having to introduce myself to them or trying to talk to them. So, going to lunch with a client or meeting a client for a coffee that I know, I love it. What I didn't like was going to conferences and perhaps feeling that I didn't know anybody there, but I should introduce myself and how do I do that?

I have two children and I was taking my oldest boy to his first dance class—he does street dance. When he was three, I took him to his first street dance class, and we stood outside

and I bent down and said, "That little girl, she looks like she's going to your class, too. You can go and say 'hello' and just say that your name's Elliott. Ask her if she's going to 9:30 street dance or whatever." And his face just dropped, he looked completely terrified, clearly didn't want to do it, but he did—he went over, did it, they talked, and they played chase for two minutes and then they went into dance class. As I was walking back away from dropping him off, I had that realization of, you've just asked Elliott to do the one thing that you hate doing and you are always trying to avoid doing—that's ridiculous. From that moment, I hope I'm much better at just giving things a go and introducing myself. I think it is, to some extent, the same as when you're three—people are happy to meet new people and people like to talk to new people. The worst that could happen is I don't get along with somebody and I never have to talk to them again, or I email somebody saying, "I think we've got this in common, it'd be great to meet up," and they just don't respond or they say, "No." Is that going to impact me? No, that's fine—I can live with that, I can deal with that. And so actually, "don't worry, just give things a go," I think, is a really good mantra.

Katie Gerasimidis: We highly doubt anyone's not responding to your emails, Libby, or not wanting to hang out with you. Thank you so much for joining us today—that's been so insightful.

George Longworth: We really hope you enjoyed today's discussion. This podcast will be ongoing, and we really want your support.

Katie Gerasimidis: One of the ways you can do that is by following us on [Twitter](#), [LinkedIn](#), and [Instagram](#). This podcast episode with Libby today will be available on [Spotify](#) and [Apple Podcasts](#).

George Longworth: If there's anything in particular you would like us to discuss on the podcast in the future, please leave us feedback or send us a message on social media. Thank you.