

PRIVATE EQUITY IN ACTION - CASE STUDY

RTS Stock Exchange



Country	Russia
Region	Russia
Investor	Da Vinci Capital Management

In January 2008, Da Vinci Private Sector Growth Fund made initial investment in RTS Stock Exchange - one of the two leading Russian stock exchanges, with subsidiary exchanges in Kazakhstan and Ukraine. In 2011, RTS and the MICEX stock exchange signed a framework agreement to merge, with the combined entity becoming the 9th-largest exchange group in the world.

Since then, Da Vinci has held RTS-MICEX to grow, accelerating the development of derivatives markets and creating a reliable trading platform, as well as leading the process for much-needed Russian financial market regulatory reform. The business is now in the process of developing an IPO plan of its own, which would value it at up to \$6bn.

What did the business need?

- Support for developing a genuine growth strategy
- Development of improved trading platforms
- Increased international presence
- Improve local regulatory framework

How did private equity backing create lasting value?

- Pivotal role in merger of RTS and MICEX
- Won IPOs and cash equity liquidity by focusing on development of domestic investor base and by attracting foreign investors
- Accelerated and diversify the development of derivatives market
- Created reliable and high-speed trading platform and high-quality IT services

\$6bn

maximum market cap at IPO

9th

largest global exchange



Currently Russian capital markets infrastructure undergoes main changes and creating a solid local exchange is a milestone event in establishing International Financial Center in Moscow.

- Led the process of Russian financial market regulatory reform
- Corporate governance, sales and marketing improvements
- Set up of commodity exchange in Kazakhstan

What outcomes did private equity investment achieve?

- Business transformed into 9th-largest exchange group in the world
- Exchange now has international profile and investors
- Target for IPO with market capitalisation of up to \$6bn

More information

[RTS Stock Exchange](#)

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RTS average daily trading volume (million of contracts)

