



# How DP World's Innovation Ventures Fund drives strategic value and financial growth

## The challenge

How to ensure long-term sustainability in a traditional industry being disrupted by emerging technology startups.

## The solution

A dedicated Corporate Venture Fund managed by an experienced Venture Capital firm specializing in early-stage startup investments.

## ABOUT DP WORLD

DP World is a world leader in global supply chain solutions.

With a dedicated, diverse and professional team of more than 103,000 employees spanning 75 countries on six continents, DP World is pushing trade further and faster towards a seamless supply chain that's fit for the future.



### INDUSTRY:

Transportation, Logistics, Supply Chain, & Storage



### HEADQUARTERS:

Dubai, Jebel Ali



### FOUNDED:

2005



### SPECIALTIES:

Marine, containerization, shipping, terminal operator, ports, logistics, maritime services, cargo, and free zones



### WEBSITE:

[www.dpworld.com](http://www.dpworld.com)

## DP WORLD'S INNOVATION VENTURES FUND —

In 2019, Imperial Logistics and Newtown Partners partnered to launch a \$50m corporate venture capital (CVC) fund with an initial investment of \$20 million.

The Fund transitioned into DP World's Innovation Ventures Fund after DP World acquired Imperial Logistics in 2022. In September 2022, DP World committed a further \$10 million to the Fund.

The Fund enables DP World to maintain its position as a vital industry player by exposing them to future disruptive forces and investing in high-potential startups, and drive innovation in future supply chains that are resilient, agile, and sustainable.

The Fund investment committee comprises representatives from Newtown Partners as the fund manager and DP World directors. The Fund is evergreen, with future commitments expected as capital is deployed.

## INVESTMENT PROCESS

As the fund manager, Newtown Partners follows a thesis-driven approach that includes an in-depth industry analysis of geographical areas, markets, disruptive business models, emerging technologies, and services that present the most strategically relevant and promising investment opportunities over a 5-12 year horizon.

In addition to the core strategic investment thesis, specific service areas exhibiting high disruptive potential are identified and researched for investment purposes. The Fund manager then produces a separate investment thesis for each disruptive service focus area. This leads to a well-defined set of criteria for identifying early-stage startups with medium to long-term strategic relevance to DP World.

The Fund has so far invested in the areas of digital road freight exchanges (DFEs), digital freight forwarders (DFFs), the healthcare and pharmaceutical value chain in Africa, medical devices at the point-of-care, digitized healthcare interfaces, pharmaceutical e-commerce, supply chain visibility, and port drayage/haulage.

The ongoing thesis-led investment approach places DP World in a stronger position to understand how these market spaces are changing and how they can be leveraged for either defensive or offensive purposes and create a competitive advantage in the future.

“Creating the Fund and working with Newtown Partners has allowed us to explore different ways of thinking about our businesses,” said Cobus Rossouw, Head of Road Freight Systems globally and Technology Business Partner for sub-Saharan Africa at DP World. “It has given us insights into what our future competitors are creating and forced us to strategically align our current business with future capabilities being developed by startups.”

“With this Fund, we have created a strong portfolio of investments that are both strategically relevant to Imperial and capable of generating compelling investment returns over the life of the Fund.”

## FUND PERFORMANCE\*

Thus far, DP World's Innovation Ventures Fund has invested in 14 technology startups<sup>1</sup>, operating globally in logistics and supply chain and in the pharmaceutical value chain in Africa.



Four years into the Fund, the startups have grown revenue by more than 281% since receiving the investment (3rd quartile), exceeding expectations for value growth. The Fund is well positioned to achieve the Multiple on Investment (MOIC) (4-5x) and IRR (25%- 30%) targets over the life of the Fund.<sup>3</sup>

**ILLUSTRATIVE MULTIPLE ON INVESTED CAPITAL (MOIC): 1.7x<sup>2</sup>**

**PORTFOLIO 3RD QUARTILE REVENUE INCREASE: +281%**

**TOP PERFORMER REVENUE INCREASE: 650%**

The Fund aids DP World's efforts to ensure that the Group's innovation output remains high and exceeds that of its key competitors over the medium term.

### THE SUCCESS OF DP WORLD'S INNOVATION VENTURES FUND CAN BE ATTRIBUTED TO:

- A long-term capital commitment
- Successful alignment of incentives and objectives between the corporate, the fund manager, and the startup entrepreneurs
- Thesis-driven approach to investments
- Speed of investment approvals by an independent investment committee
- Successfully mitigating conflicts of interest that exist between the corporate and the startups
- Venture capital expertise and access to an extensive global network of other startups, corporates, accelerators, incubators, and investors

“The Fund has enabled a change in thinking and readiness to acquire future capabilities in advance of their immediate utility. It has the potential to become a vibrant source of future competitive advantage for DP World in a world characterized by relentless and accelerating disruptive innovation,” said **Llew Claesen**, Managing Partner at Newtown Partners

1. As of June 30, 2023 | 2. As of June 30, 2023 | 3. This would place the Fund in the top quartile for CVC returns globally <https://www.bcg.com/publications/2018/how-best-corporate-venturers-keep-getting-better>

## About Newtown Partners

Newtown Partners is the family office of successful startup entrepreneurs Llew Claasen and Vinny Lingham. With a focus on early-stage venture capital, Newtown Partners invests in startups leading the way in emerging technologies and disruptive business models. The partnership with Imperial in 2019 enabled the launching of a corporate venture capital program, which transitioned into DP World's Innovation Ventures Fund in 2022 after DP World acquired Imperial Logistics. Newtown Partners operates out of offices in San Diego, U.S., and Cape Town, South Africa.

## About DP World

Trade is the lifeblood of the global economy, creating opportunities and improving the quality of life for people worldwide. DP World exists to make the world's trade flow better, changing what's possible for the customers and communities we serve globally.

With a dedicated, diverse and professional team of more than 103,000 employees spanning 75 countries on six continents, DP World is pushing trade further and faster towards a seamless supply chain that's fit for the future.

We're rapidly transforming and integrating our businesses -- Ports and Terminals, Marine Services, Logistics, and Technology - and uniting our global infrastructure with local expertise to create stronger, more efficient end-to-end supply chain solutions that can change the way the world trades.

What's more, we're reshaping the future by investing in innovation. From intelligent delivery systems to automated warehouse stacking, we're at the cutting edge of disruptive technology, pushing the sector towards better ways to trade, minimizing disruptions from the factory floor to the customer's door.

**WE MAKE TRADE FLOW  
TO CHANGE WHAT'S POSSIBLE FOR EVERYONE.**

## Connect with us

Talk to us about your corporate innovation programs and objectives. Regardless of where you are in the journey, we're happy to offer our views based on our learnings from managing DP World's Innovation Ventures Fund and investing in startups more generally since 2014.

DISCLAIMER: The information provided by Newtown Partners is not intended as investment advice and does not constitute an offer or solicitation to offer or recommend any investment product. It is for general purposes only and does not consider your individual/organizational needs, investment objectives, or specific financial circumstances.