

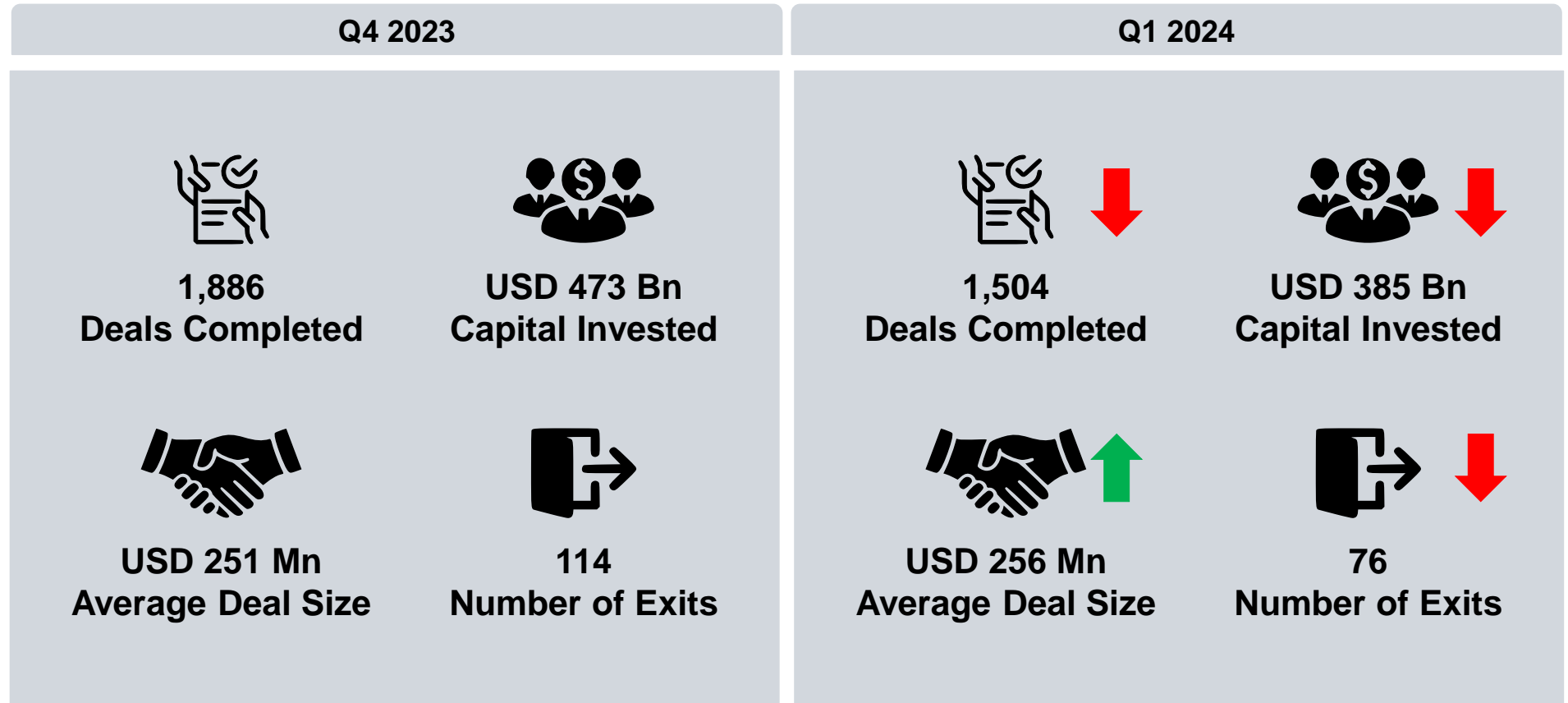
Special Report

Private Equity Factbook – Q1 2024

Focus: Global



Private equity (PE) investments dipped in Q1 2024 amid rising concerns over high interest rates



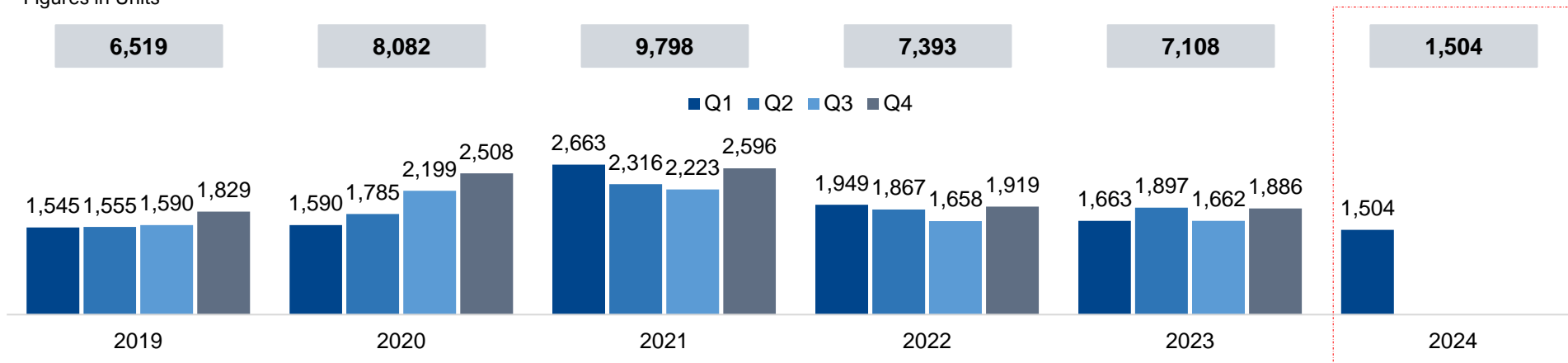
Source: Pitchbook, Aranca Analysis

Note: Quarter represents the calendar year.

PE activity dropped 20% QoQ in Q1 2024, reflecting a slowdown in PE deal-making and investment activities across markets

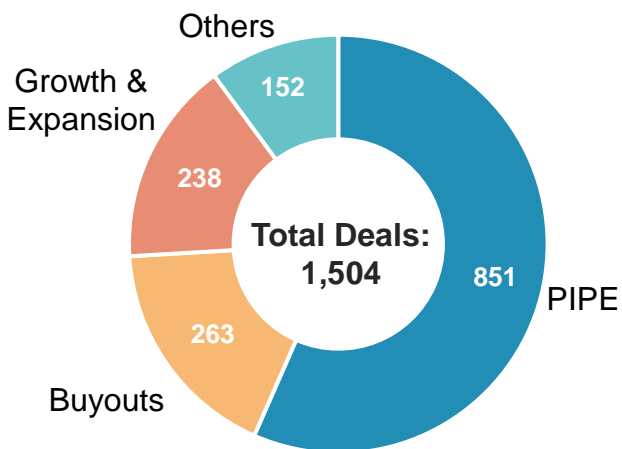
Number of Deals

Figures in Units



Type of Deals – Q1 2024

Indicates annual/YTD deals completed



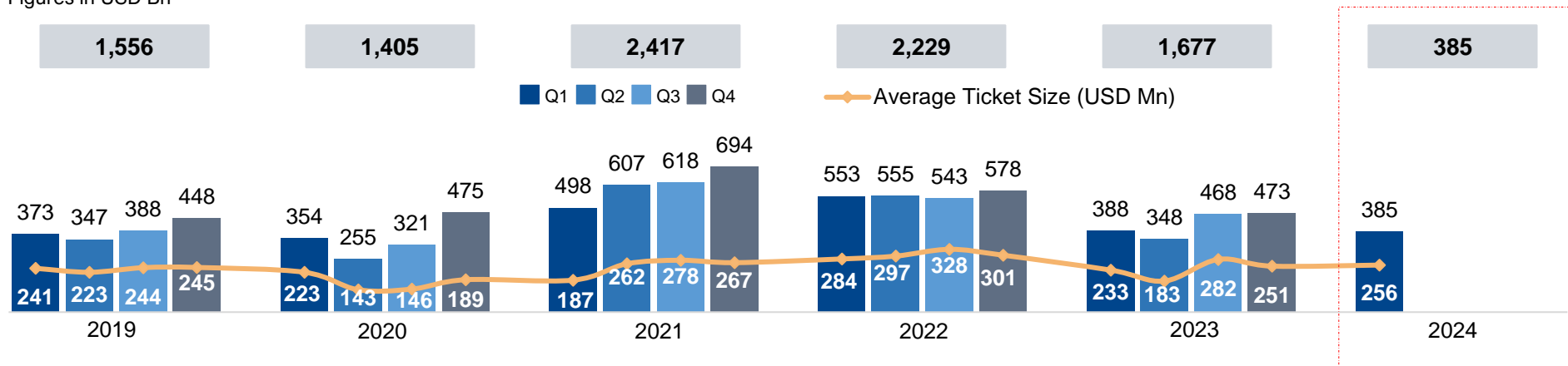
- In Q1 2024, PE deal activities decreased 20.3% compared to the previous quarter, mainly due to rising interest rates, an economic slowdown, higher capital costs, and a surge in stock prices, which made public companies prohibitively expensive for PE buyers.
- These factors widened the valuation gap between buyers and sellers in deal transactions, leading to a drop in PE deal volumes. This decline was primarily driven by private investment in public equity (PIPE) deals, buyouts, and growth/expansion transactions, which decreased 18%, 43%, and 20%, respectively.
- In contrast, the volume of public-to-private deals and corporate divestiture deals increased 3% each.

Source: Pitchbook, Aranca Analysis

In Q1 2024, PE firms observed a 19% decrease in invested capital, alongside a 6% rise in average ticket size due to a few large high-value transactions

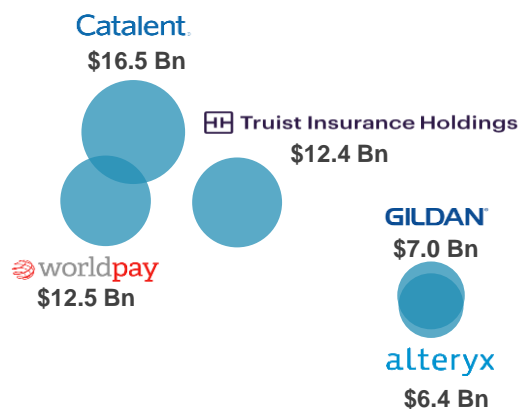
Capital Invested

Figures in USD Bn



Top 5 Deals – Q1 2024

Indicates annual/YTD capital invested

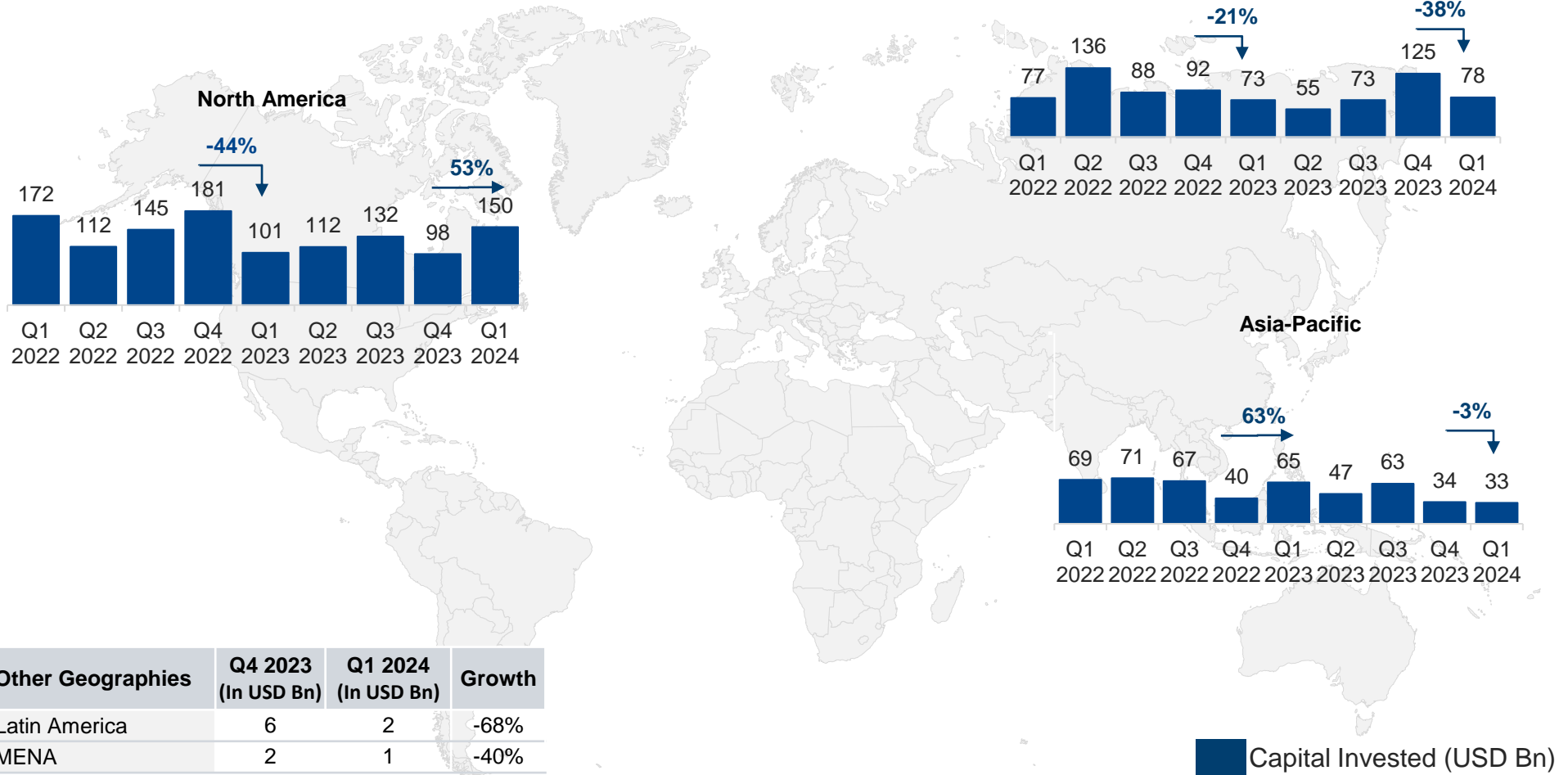


- The current interest rate climate resulted in lower capital investment, hindering the execution of large-scale deals due to increased borrowing expenses and lower leverage thresholds. As a result, both buyers and sellers encountered challenges in reaching mutually agreeable valuations.
- PE firms experienced an 18.6% drop in invested capital, particularly in secondary buyouts and asset divestiture deals, which saw declines of 61% and 84%, respectively.
- Conversely, there was a notable rise in capital invested in IPO deals, soaring from \$1 Bn in Q4 2023 to \$3.7 Bn in Q1 2024. Additionally, transaction value in the public-to-private market surged 76% vis-à-vis the previous quarter.

Source: Pitchbook, Aranca Analysis

PE investments in North America soared 53%, while investments declined in Europe, APAC, and MENA regions

Key Geographies

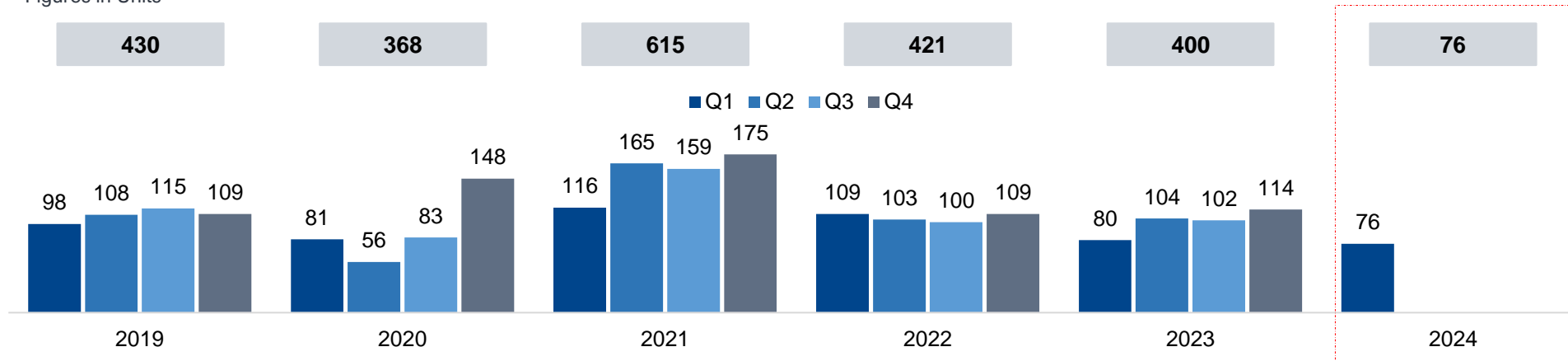


Source: Pitchbook, Aranca Analysis

Q1 2024 witnessed slow PE exits amid market volatility, as firms prolonged retention of portfolio companies

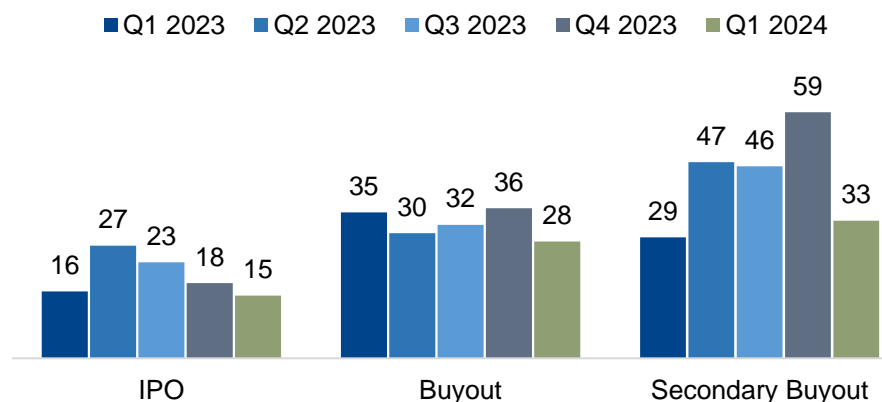
Number of Exits

Figures in Units



Key Exit Routes

Figures in Units



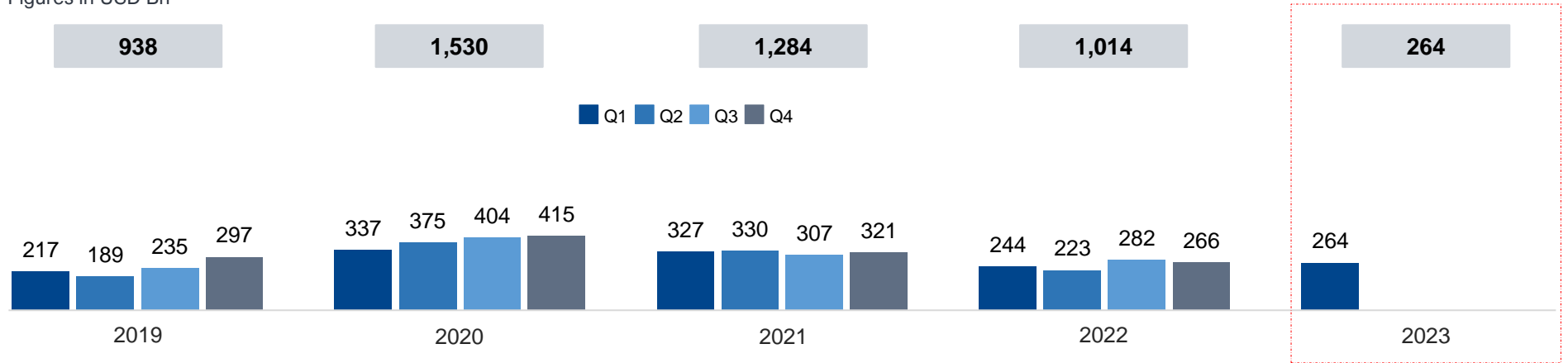
- Q1 2024 witnessed a slow beginning, with ~76 exits, signaling a 33% decrease from the previous quarter and reflecting continued market volatility.
- This uncertainty suggests PE firms are prolonging ownership of portfolio companies amid market adjustments, resulting in fewer exits.
- Additionally, secondary buyouts are regaining momentum in their share of PE exits, as managers prioritize certainty and speed in selling their portfolio companies, constituting the majority (43%) of PE exits.

Source: Pitchbook, Aranca Analysis

In Q1 2024, fundraising levels remained consistent with the previous quarter

Capital Raised

Figures in USD Bn

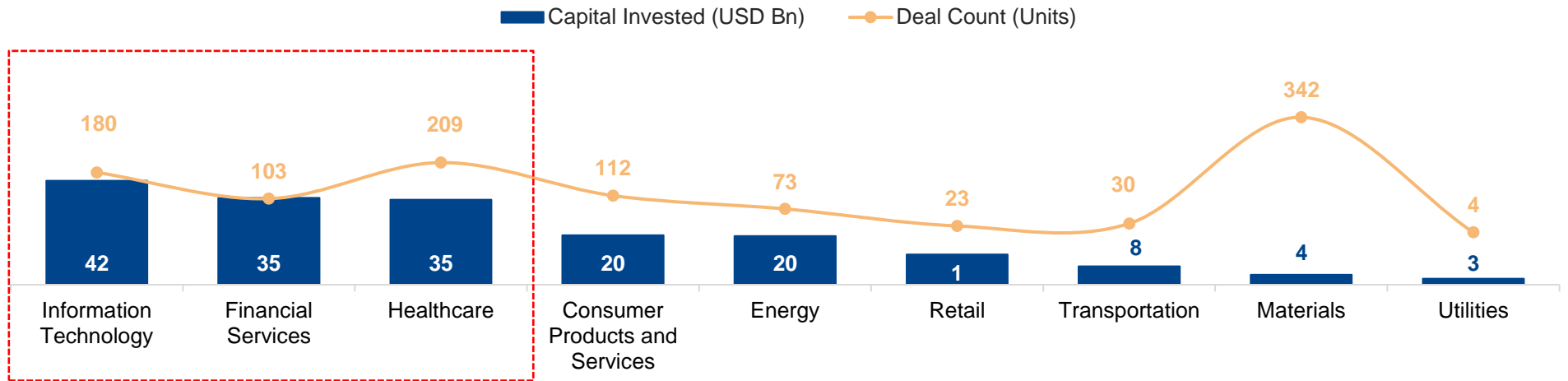


- In Q1 2024, despite subdued PE deal activities, the total amount raised by PE firms remained steady compared to the previous quarter.
- Buyout funds have emerged as the primary source of capital acquisition, indicating their dominance in fundraising efforts.
- Secondary funds, which primarily target interests and assets of the existing PE funds for redeployment, have experienced a rise in fundraising activity. These funds offer investors opportunities to either exit their positions or reallocate their investments.

Source: Pitchbook, Merger Market, Aranca Analysis

IT, financial services, and healthcare deals account for approximately 43% of the total capital invested by PE firms in Q1 2024

Top Sectors* – Q1 2024



Note: *Only includes deals for which sector-level information is available. Deals include those completed and announced

“As we move through 2024, we anticipate seeing continued investment in innovative healthcare segments as the economy and markets stabilize.”

– A professional services firm

“Technology is now a cornerstone of mid-market private equity, not only as a sectorial investment thesis, or a way to unlock the full potential of portfolio companies but also as a transformative force within the industry itself.”

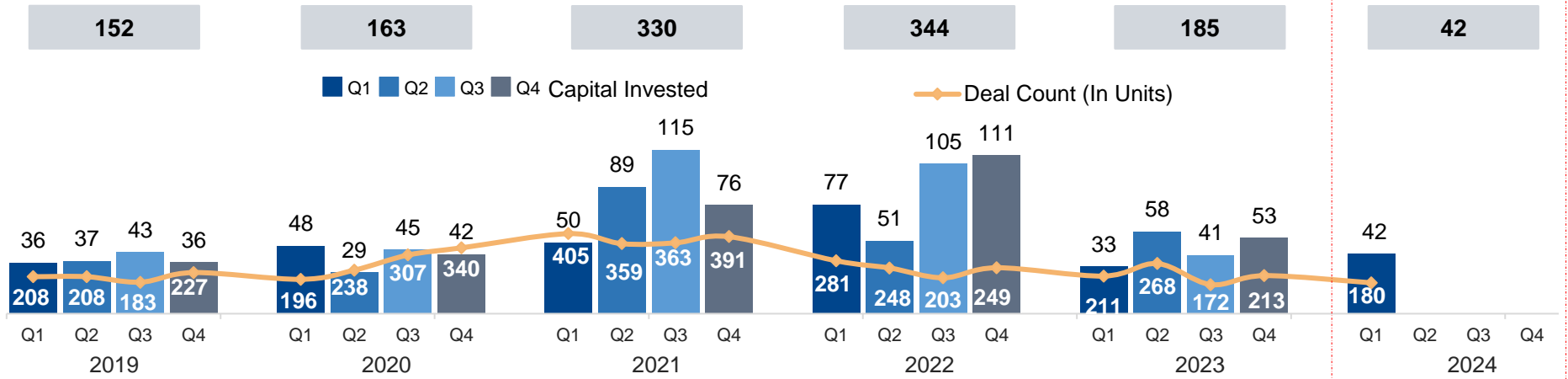
– A private equity publication

Source: Pitchbook, Aranca Analysis

IT sector investments declined 21% QoQ in deal value and 15% QoQ in deal volume, with software deals comprising 65% of the total

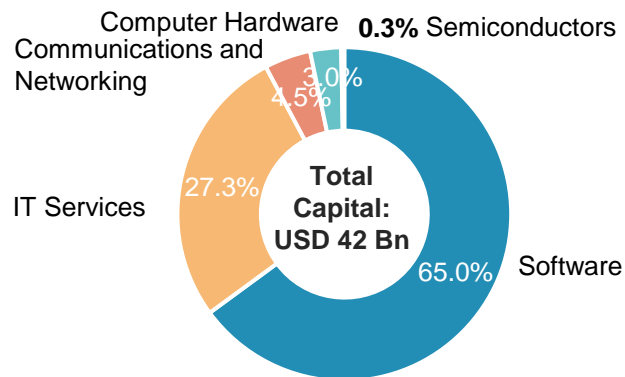
Top Sectors – Information Technology

Figures in USD Bn



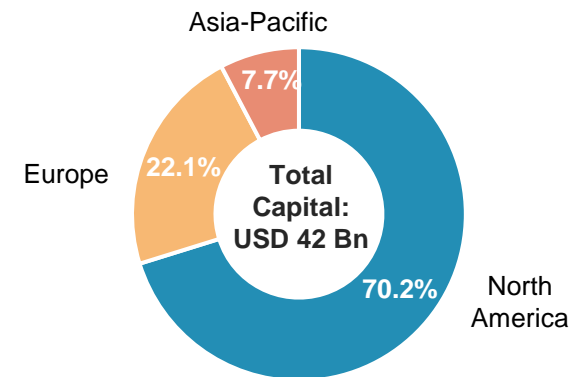
IT by Primary Sectors in Q1 2024

Figures in Percentage and USD Bn



IT by Geography in Q1 2024

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

Top PE investments in the IT sector in Q1 2024 *(Illustrative)*

IT Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD)	Deal Type	Investors	EV/ EBITDA	EV/ Revenue
Software	Business/ Productivity Software	Alteryx	Self-service data analytics software provider	The US	6,400.0 Mn	Buyout/ LBO	Clearlake Capital Group, Insight Partners	-	5.9x
		EngageSmart	Provider of customer engagement and integrated payment platforms	The US	4,000.0 Mn	Buyout/ LBO	Vista Equity Partners	89.3x	15.9x
IT Services	IT Consulting & Outsourcing	Vantage Data Centres	Operator of data centers	The US	6,400.0 Mn	PE Growth/ Expansion	Digital Bridge Group, Silver Lake	-	-
	Systems and Information Management	Echelon Data Centres	Operator and developer of data center infrastructure	Ireland	1,894.0 Mn	Buyout/ LBO	Starwood Capital Group	6.4x	3.1x
Communications and Networking	Telecommunication Service Providers	Tele Columbus	Provider of cable TV, internet, and telephony services	Germany	326.1 Mn	PIPE	Morgan Stanley Infrastructure Partners	-	-
		Swyft Connect	Provider of fiber internet connectivity services	The US	275.0 Mn	Buyout/ LBO	Macquarie Asset Management	-	-
Computer Hardware	Computers, Parts and Peripherals	NovaStar (Xi'an)	Developer of video and display solutions	China	228.6 Mn	IPO	China Insurance Investment Fund, China's National Social Security Fund	-	-
	Electronic Equipment and Instruments	Robosense	Provider of LiDAR sensors and systems for vehicles and robots	Germany	126.2 Mn	IPO	Shenzhen Nanshan Strategic Emerging Industry Investment	-	-
Semiconductor	Application Specific Semiconductor	GCT Semiconductor	Manufacturer of 5G and 4G LTE semiconductor solutions	Malaysia	49.0 Mn	PIPE	-	-	-
		UMS Holdings	Manufacturer of precision machining components and equipment modules	Singapore	38.8 Mn	PIPE	-	-	-
Median								47.9x	5.9x

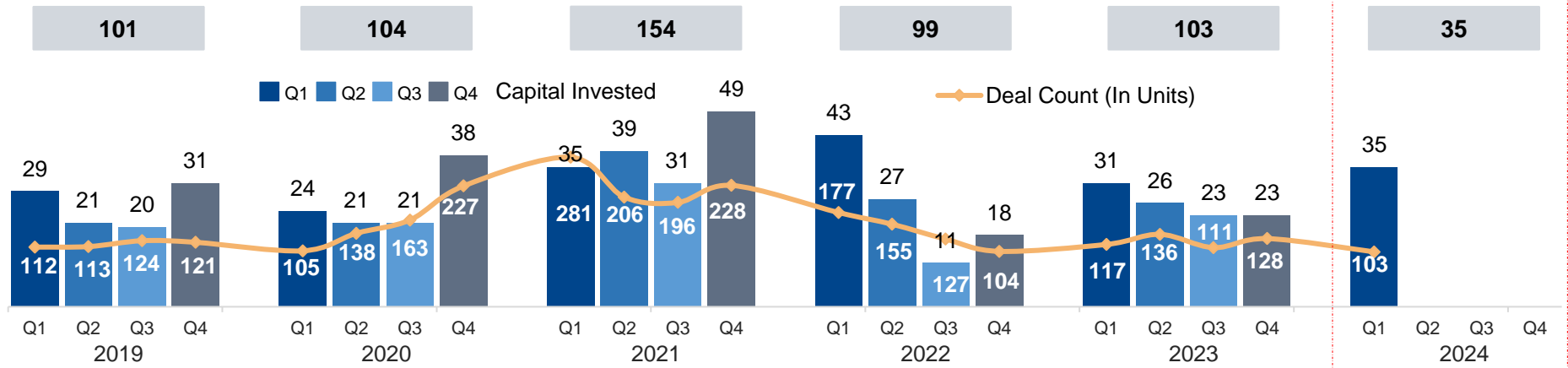
Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

PE deals injected substantial capital into financial deals in Q1 2024, driven by investments in insurance, capital markets, institutions, and commercial banks

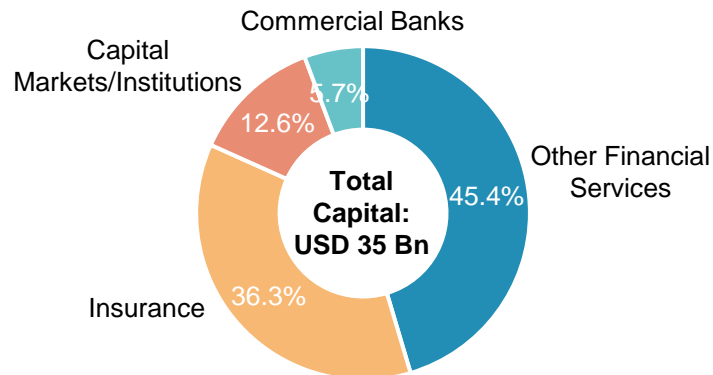
Top Sectors – Financial Services

Figures in USD Bn



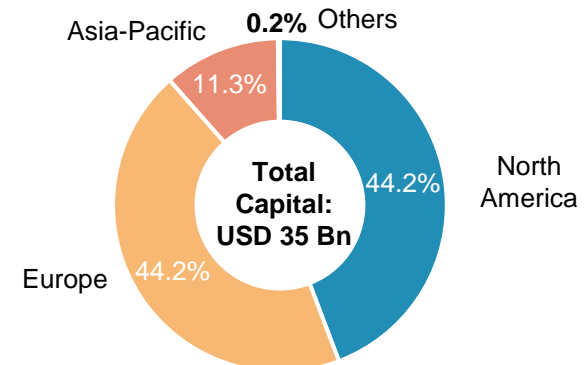
Financial Services by Primary Sectors in Q1 2024

Figures in Percentage and USD Bn



Financial Services by Geography in Q1 2024

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

Top PE investments in the Financial Services sector in Q1 2024 *(Illustrative)*

Financial Services Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD)	Deal Type	Investors	EV/ EBITDA	EV/ Revenue
Insurance	Insurance Brokers	Truist Insurance Holdings	Provider of insurance brokerage services and insurance marketplace solutions	The US	12,400.0 Mn	Buyout/ LBO	Clayton, Dubilier & Rice; Mubadala Investment Company	-	-
	Life and Health Insurance	F&G Annuities & Life	Provider of life insurance and annuity solutions	The US	250.0 Mn	PIPE	Fidelity National Financial	-	-
Capital Markets/ Institutions	Asset Management/ Investment Banks	Degroef Petercam	Provider of investment banking and asset management services	Belgium	1,693.0 Mn	Buyout/ LBO	CA Indosuez Wealth Management	-	-
	Private Equity	ST Telemedia	Investor in telecommunications, media, and infrastructure technology companies	Singapore	1,000.0 Mn	PE Growth/ Expansion	-	-	-
Commercial Banks	National Banks	New York Community Bank	Operates as a savings bank	The US	1,050.0 Mn	PIPE	Citadel Securities, Hudson Bay Capital Management	-	-
		Union Bank of India	Operates as a savings bank	India	361.2 Mn	PIPE	-	-	-
Other Financial Services	Payment Services	WorldPay	Provider of electronic payment and banking services to merchants	The UK	12,502.2 Mn	Buyout/ LBO	GTCR	-	-
	Real Estate Investment Trusts (REIT)	National Highways Infra Trust	Trust for investing in infrastructure projects	India	882.0 Mn	PIPE	Canada Post Pension Plan, HDFC Life Insurance Company	-	-
Median								-	-

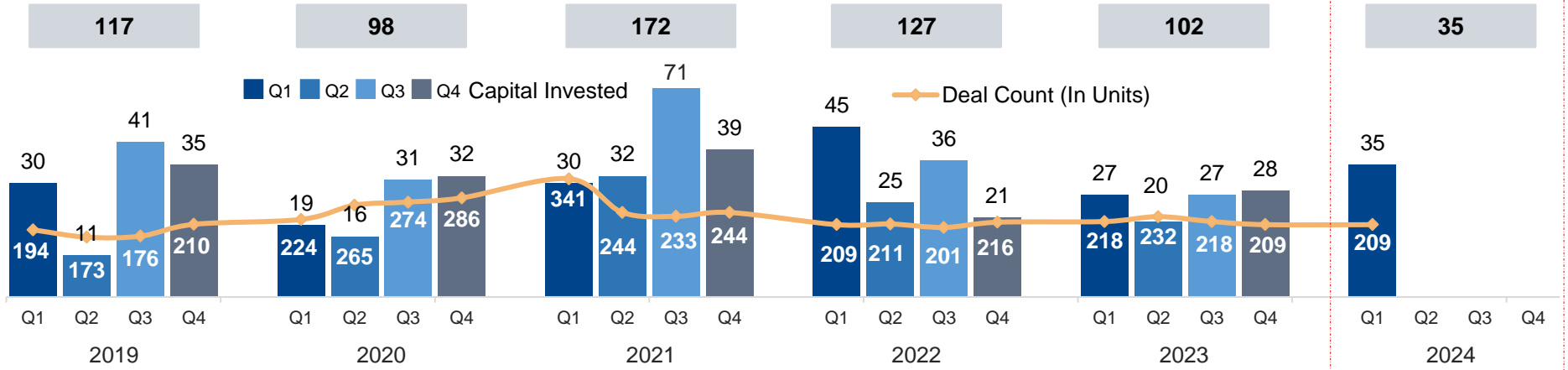
Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

Healthcare sector investments surged 25% QoQ in deal value, with pharmaceutical and biotechnology deals accounting for over 50%

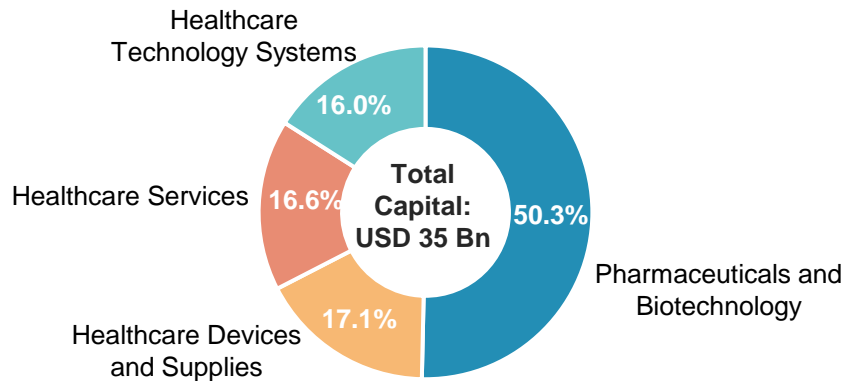
Top Sectors – Healthcare

Figures in USD Bn



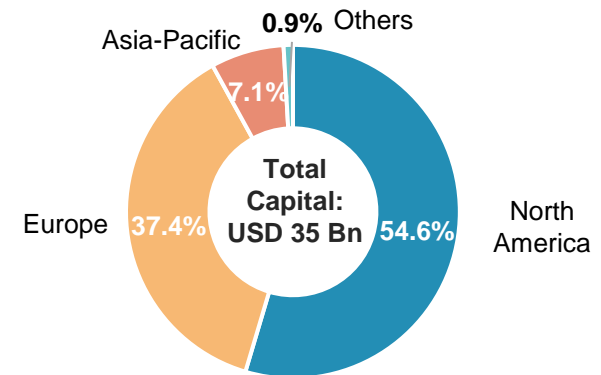
Healthcare by Primary Sectors in Q1 2024

Figures in Percentage and USD Bn



Healthcare by Geography in Q1 2024

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

Top PE investments in Healthcare Sector in Q1 2024 *(Illustrative)*

Healthcare Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD)	Deal Type	Investors	EV/ EBITDA	EV/ Revenue
Healthcare Devices and Supplies	Monitoring Equipment	Medtronic	Provider of medical monitoring technology devices and respiratory care solutions	The US	4,667.0 Mn	Buyout/ LBO	-	-	-
	Medical Supplies	Johnson Matthey	Manufacturer of medical device components	The UK	700.0 Mn	Buyout/ LBO	Montagu Private Equity	-	-
Pharmaceuticals and Biotechnology	Pharmaceuticals	Dechra Pharmaceuticals	Manufacturer of drugs and veterinary pharmaceutical products	The UK	5,670.0 Mn	Buyout/ LBO	Abu Dhabi Investment Authority, EQT	-	-
	Other Pharmaceuticals and Biotechnology	Sartorius Stedim Biotech	Provider of bioprocessing solutions	France	1,305.0 Mn	PIPE	Sartorius	-	-
Healthcare Services	Clinics/ Outpatient Services	Gruppo San Donato	Operator of hospital and healthcare services	Italy	2172.6 Mn	PE Growth/ Expansion	-	-	-
	Hospitals/ Inpatient Services	Island Hospital	Provider of healthcare services, serving patients across ages	Malaysia	799.8 Mn	Buyout/ LBO	-	-	-
Healthcare Technology Systems	Enterprise Systems	R1 RCM	Provider of Healthcare tech solutions revolutionizing patient experience and finances	The US	5,462.5 Mn	Buyout/ LBO	Ascension Health, New Mountain Capital, TowerBrook Capital Partners	12.4	2.4
	Outcome Management	DarioHealth	A digital therapeutics company delivering personalized evidence-based and data-driven interventions	The US	22.4 Mn	PIPE	-	-	-
Median								12.4x	2.4x

Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

Aranca View



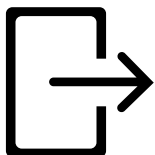
- Despite interest rate uncertainties, the secondary market has displayed consistent growth, providing liquidity to managers and LPs. PE firms hold substantial dry powder for further investments, potentially boosting their activity.



- PE investors anticipate a rebound in dealmaking due to the substantial dry powder available and the anticipation of interest rate declines in the coming quarters.



- PE firms increasingly view investments in software companies as a strategy to enhance portfolio company value.



- Investors anticipate a recovery in PE exits in 2024, as fund managers identify viable exit routes.



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