

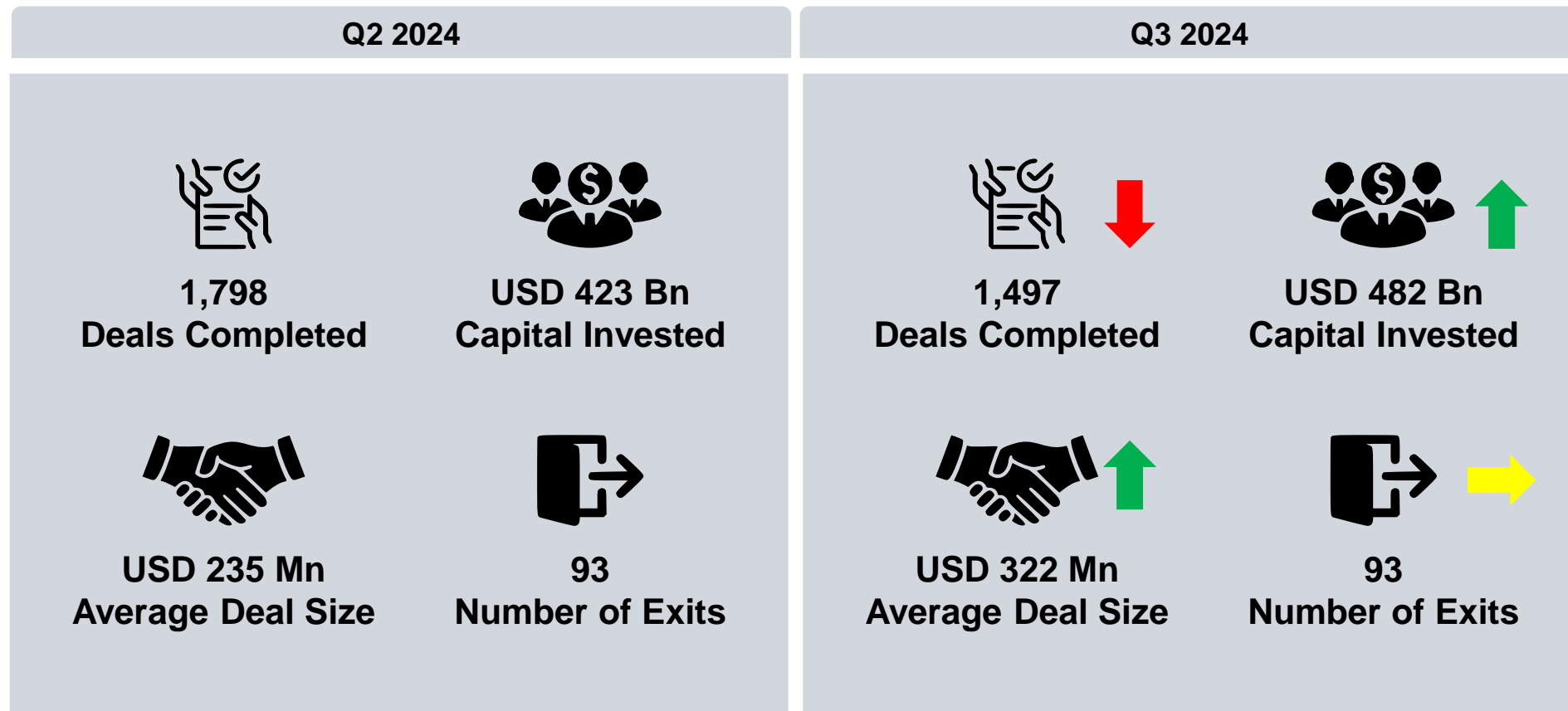
Special Report

Private Equity Factbook – Q3 2024

Focus: Global



Private equity (PE) investments declined in Q3 2023, primarily due to cautious investor sentiment, rising interest rates, and valuation gaps



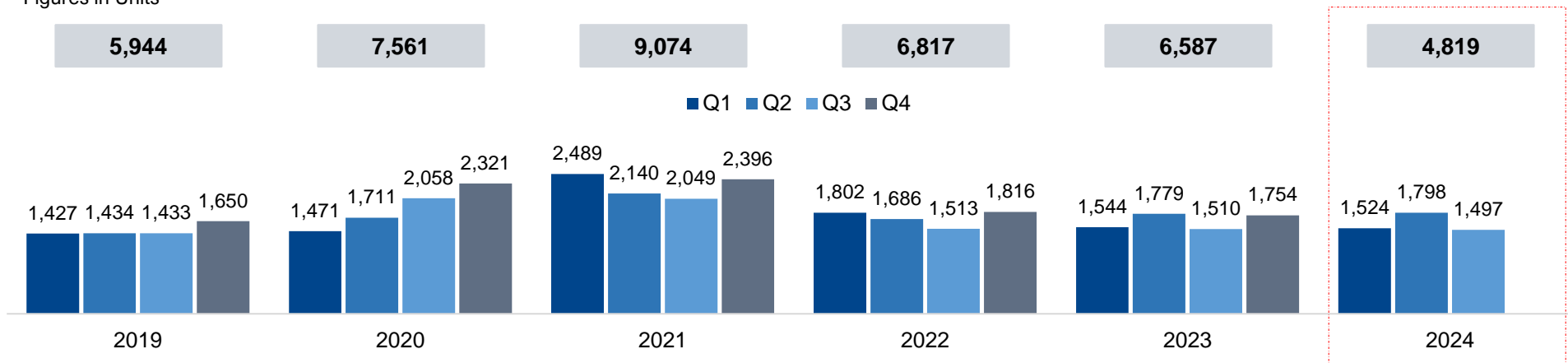
Source: Pitchbook, Aranca Analysis

Note: Quarter represents the calendar year.

PE deals dropped 17% quarter-over-quarter in Q3 2024, signaling a slowdown in investment activity due to ongoing market uncertainties

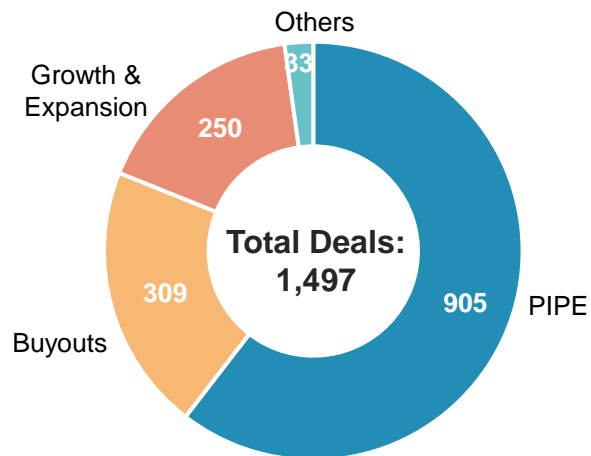
Number of Deals

Figures in Units



Type of Deals – Q3 2024

Indicates annual/YTD deals completed



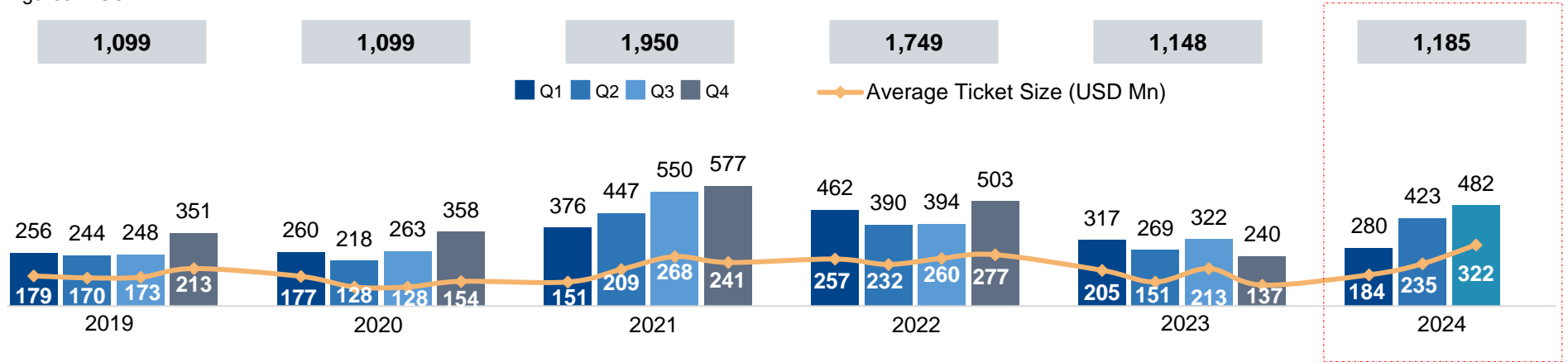
- The decline in private equity deal activity can be traced to a growing valuation gap, as sellers seek prices higher than what buyers are prepared to offer.
- Elevated interest rates and economic uncertainties have made buyers hesitant, while global instability, geopolitical tensions, and recession fears have further dampened investment appetite.
- In Q3 2023, private investment in public equity (PIPE) deals led the market, representing 60% of the total deal volume.
- Additionally, add-on transactions made up 76% of private equity buyouts as firms focused on consolidation within their portfolios, targeting synergies and cost-saving opportunities.

Source: Pitchbook, Aranca Analysis

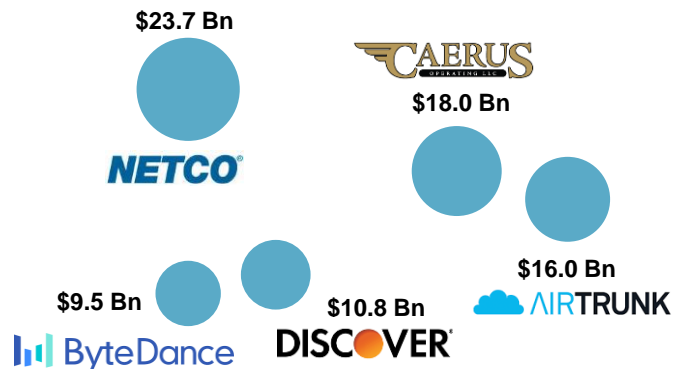
In Q3 2024, PE firms saw a 14% growth in invested capital and a 37% increase in average deal size, fueled by several high-value transactions

Capital Invested

Figures in USD Bn



Top 5 Deals – Q3 2024



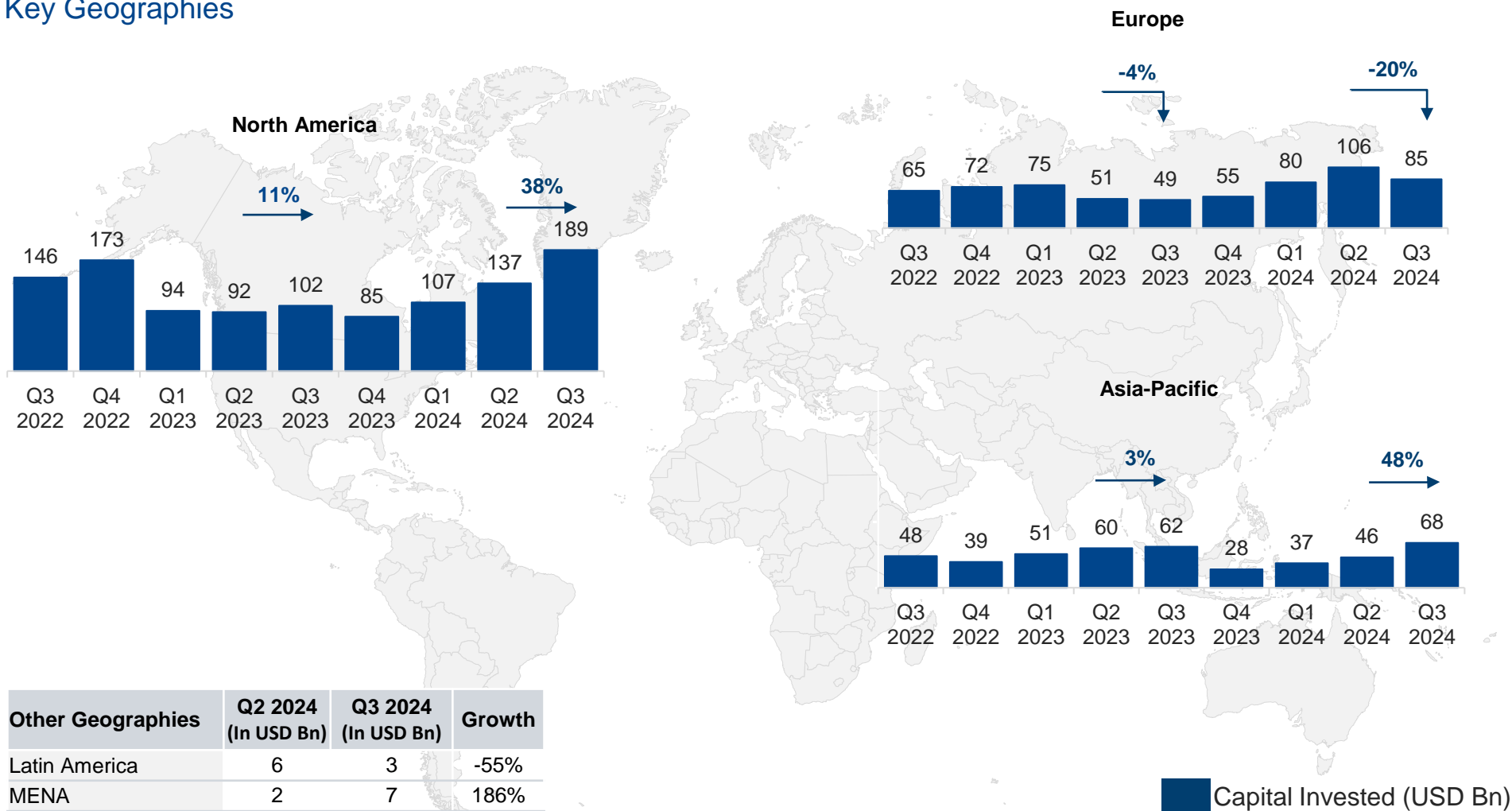
Indicates annual/YTD capital invested

- PE firms redirected their focus towards high-value and premium investments, resulting in fewer overall deals as they move away from smaller transactions.
- The proportion of capital allocated to mega-deals increased as firms seek high-growth opportunities and mature companies that offer stability in uncertain economic environments.
- Secondary buyouts and growth/expansion deals attracted ~65% of the total capital investment, reflecting investor confidence in mature companies with potential for operational improvement or market expansion.
- Capital investments in secondary buyouts and growth/expansion transactions rose by 52% and 13%, respectively, while public-to-private transactions saw a 17% decline.

Source: Pitchbook, Aranca Analysis

PE investments rose by 38% in North America and 48% in the Asia-Pacific region, while Europe experienced a 20% decline

Key Geographies

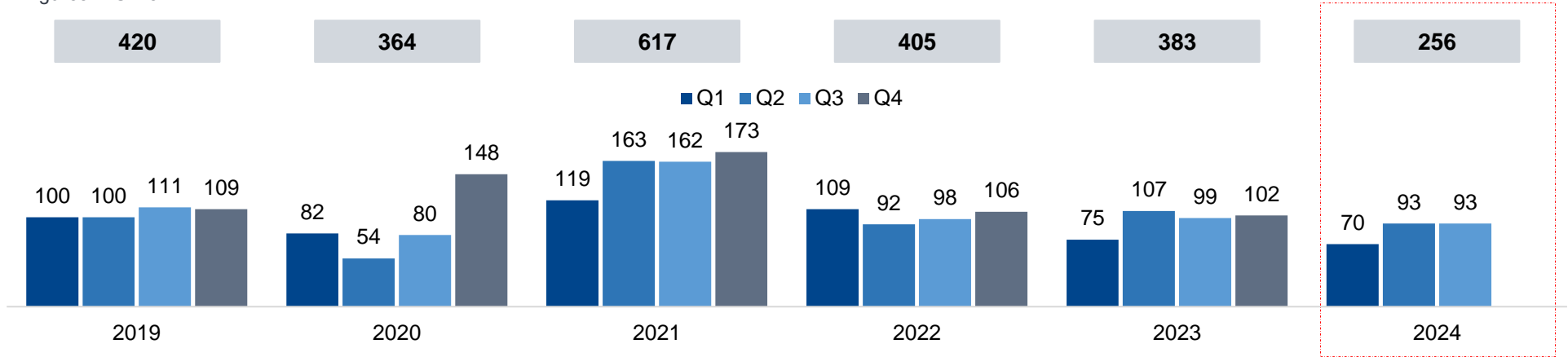


Source: Pitchbook, Aranca Analysis

PE exit activities remained steady in Q3 2024 as firms focused on IPOs and strategic sales to corporates

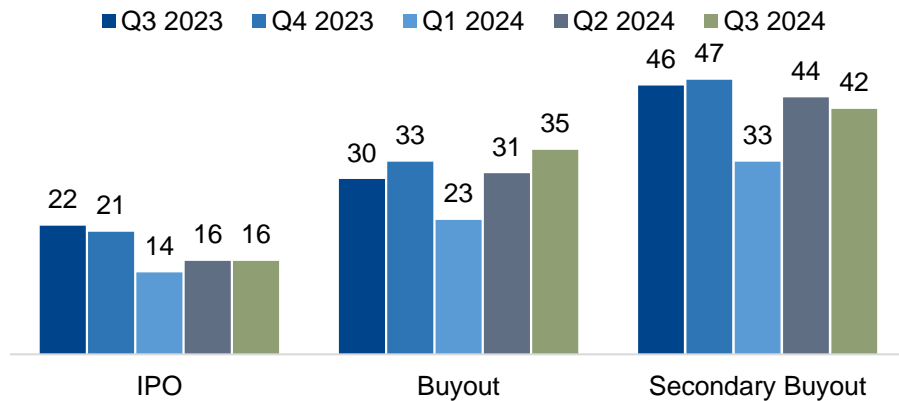
Number of Exits

Figures in Units



Key Exit Routes

Figures in Units



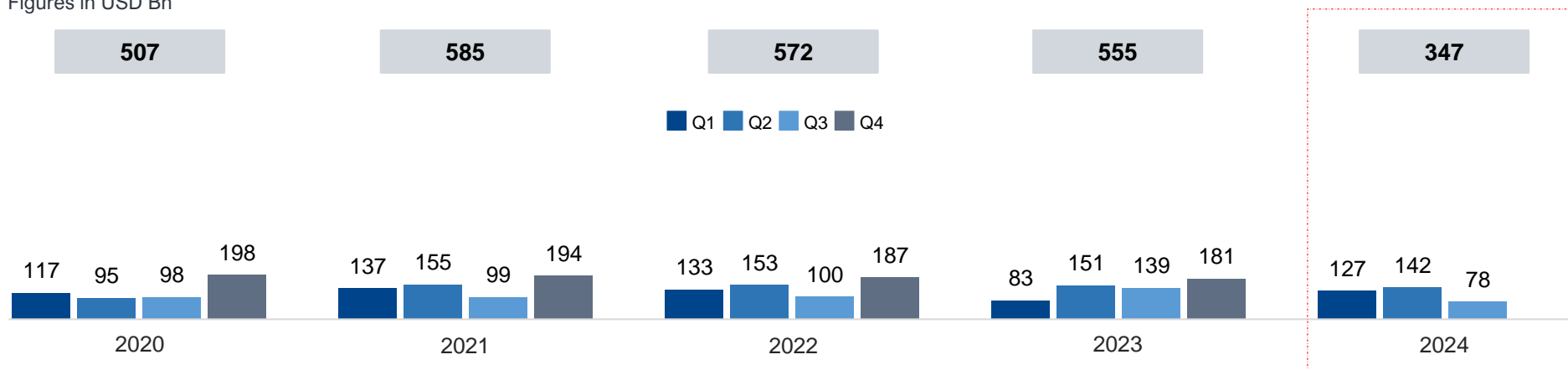
- Despite economic uncertainties such as interest rate fluctuations and inflation, PE firms are strategically extending their investment horizons to maximize valuations.
- Additionally, firms are increasingly assessing public markets and strategic sales to enhance valuations and improve investor returns.
- Secondary buyouts continue to be the leading strategy, accounting for 45% of PE exits, followed by partial sales to strategic investors seeking synergies and operational enhancements.

Source: Pitchbook, Aranca Analysis

Capital raised by private equity firms dropped by 45% in Q3, continuing the cycle of muted fundraising after the uptick observed in the first half of the year

Capital Raised

Figures in USD Bn



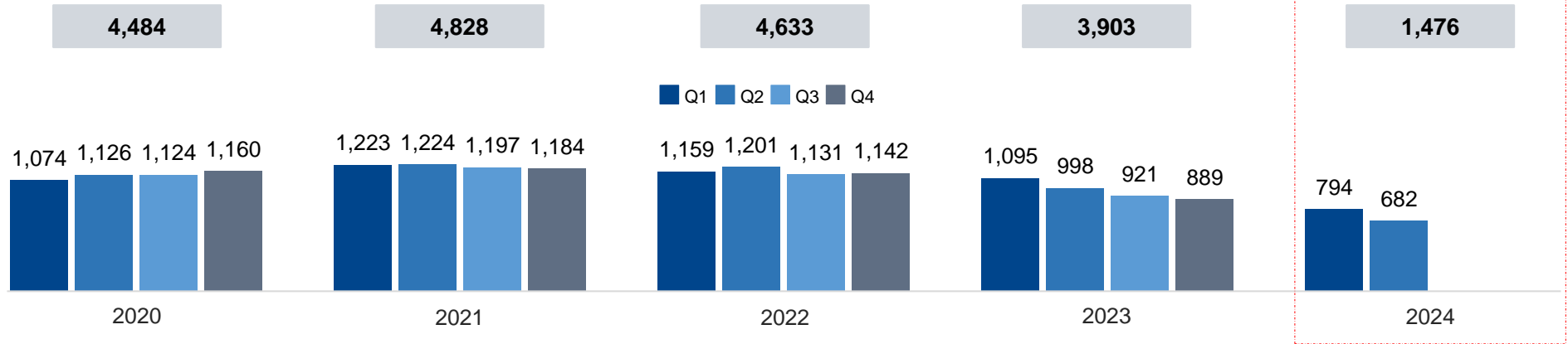
- PE fundraising reached its lowest level since 2020 in Q3 2024.
- Despite the overall decrease in fundraising, established managers could still close large funds, indicating a concentration of capital among experienced firms.
- The PE fundraising environment was also influenced by economic factors which have made investors more cautious along with presence of large volumes of dry powder.
- Furthermore, buyout funds continued to lead in Q3 2024, accounting for over half of the total capital raised.

Source: Pitchbook, Aranca Analysis

Dry powder availability with global PE firms decline 14% on account of subdued fund raising and a marginal rise in capital investments

Dry Powder

Figures in USD Bn



- The decline in dry powder can be attributed to companies finalizing deals despite challenging market conditions.
- This situation can be attributed to subdued deal activity over the past few quarters, with approximately 26% of dry powder now over four years old.
- As a result, PE firms are engaging in buyouts as they come under increased pressure from general partners to close deals, optimize portfolios, and deliver returns on investments.
- Middle market funds have shown more stable levels of dry powder compared to large market funds, contributing to a more stable and less volatile market environment, especially during periods of tightening credit markets and increased lending restrictions.

“What we see ahead is an unparalleled opportunity to deploy more than \$65 billion of dry powder into a dislocated environment.”

– **Global Co-head Real Estate, Blackstone**

“With combined dry powder of \$14B across our real estate businesses, we expect to lean into the growing number of interesting opportunities we are sourcing in our core areas of focus.”

– **CEO, TPG**

Source: Pitchbook, Aranca Analysis

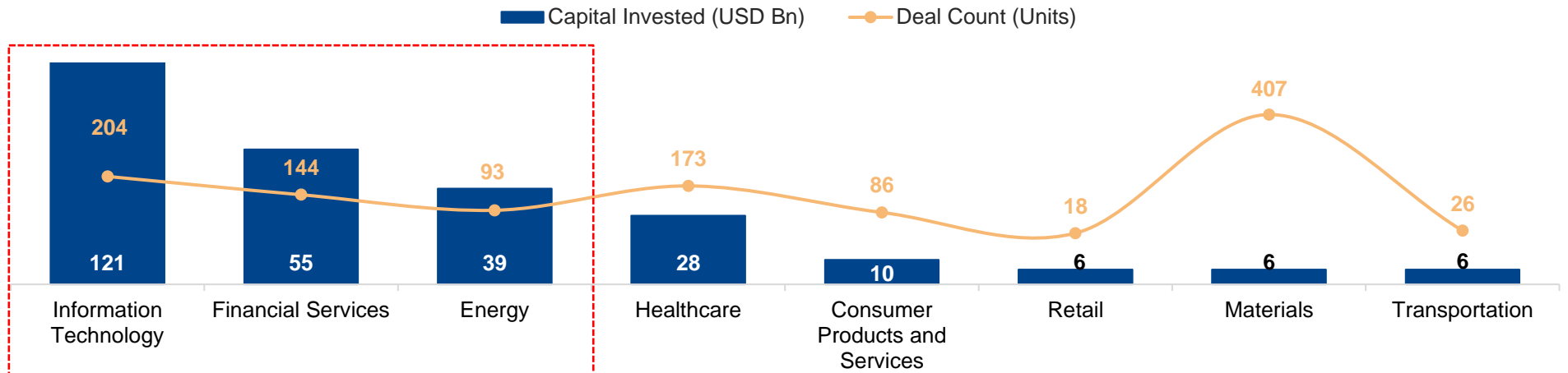
Top 15 Private Equity Firms (Based on available dry powder) *(Illustrative)*

Investors	Geography	Dry Powder (USD Bn) <small>As of June 2024</small>	Last Investment			Investments (Last 6 Months)	Investment Targets
			Target	Deal Value (USD Bn)	Date		
Blackstone	The US	165.4	Inhibikase Therapeutics	0.1	Oct 2024	109	Real estate, public debt, infrastructure, life sciences, and growth equity
EQT	Sweden	53.8	Eutelsat Communications	0.9	Aug 2024	51	Healthcare, technology, services, and industrial tech sectors
Ardian	France	52.4	Atlantic Ingénierie	-	Oct 2024	52	Food ingredients, agribusinesses, food safety, and others
SINO-IC	China	51.2	Hongxin Micro-Nano	-	Sep 2024	7	Integrated circuit companies
TPG	The US	42.9	United Urology	-	Oct 2024	68	Consumer, healthcare, business services, technology, digital media
Carlyle Group	The US	41.4	Exoprise	-	Oct 2024	93	Aerospace, government services, commercial products, consumer, media, retail, financial services, and aviation finance sectors
Intermediate Capital Group	The UK	39.0	Rex+ Group	-	Oct 2024	32	Private debt, credit, and equity, typically targeting mid-market companies
HPS Investment Partners	The US	35.1	PSC Insurance	1.6	Oct 2024	13	Small to large companies through syndicated leveraged loans, high-yield bonds, senior secured debt, and private equity
Partners Group	Switzerland	34.7	Dacsis	-	Oct 2024	50	Business products and services, consumer products and services, financial services, energy, and other sectors
HarbourVest Partners	The US	34.4	CoyleKiley Insurance Agency	-	Oct 2024	29	Business and consumer products and services, IT, healthcare, financial services, materials, and SaaS
Hellman & Friedman	The US	33.1	WestStar Insurance	-	Oct 2024	38	Consumer services, retail, energy, industrials, financial services, technology, information, business services, and healthcare
Bain Capital	The US	27.1	LeSportsac Japan	-	Oct 2024	64	B2B, B2C, retail, non-financial service, SaaS, transportation, energy, and healthcare
Clayton, Dubilier & Rice	The US	25.8	ERSCO Construction Supply	-	Oct 2024	33	Invests through buyouts, carveouts, and corporate divestiture in business services, retail, financial services, and healthcare sector
Lexington Partners	The US	23.3	Mitchell PMA	-	Oct 2024	2	Public and corporate pension funds, and sovereign wealth funds
Silver Lake	The US	22.7	Done+Dusted	-	Oct 2024	34	Invests in companies operating in technology sectors

Source: Pitchbook, Aranca Analysis

IT, financial services, and energy sectors account for ~60% of the total capital invested by PE firms

Top Sectors* – Q3 2024



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

“Private equity firms are stepping up to the challenge of financing the energy transition, with the total deal value in energy transition increasing by 7,300% over five years.”

– A professional services firm

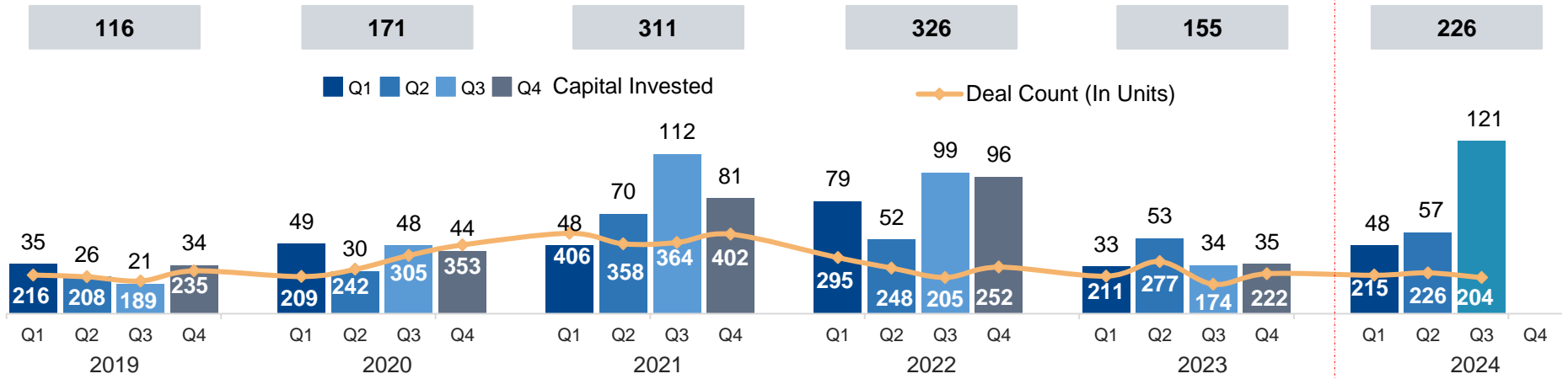
“The PE market witnessed its second-highest volumes and values since Q3 2022, primarily driven by substantial investments in banking and non-banking financial companies (NBFCs).”

– A publication firm

PE investments in the IT sector surged 112% QoQ, particularly in software, and IT services deals

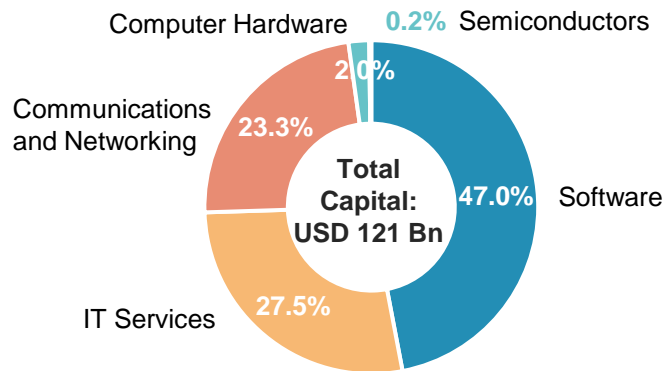
Top Sectors – Information Technology

Figures in USD Bn



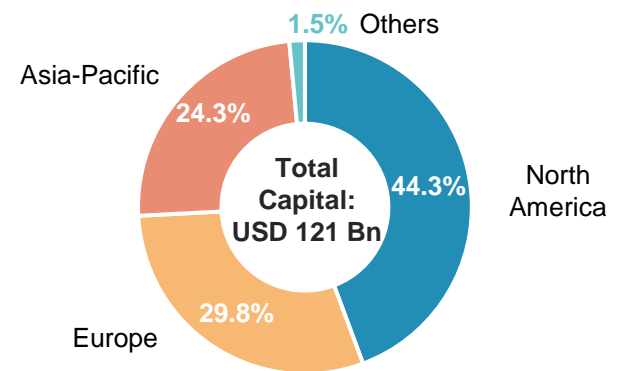
IT by Primary Sectors in Q3 2024

Figures in Percentage and USD Bn



IT by Geography in Q3 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 Q3 2024 *(Illustrative)*

IT Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD)	Deal Type	Investors
Communications and Networking	Telecommunication Service Providers	NetCo	Operator of a telecommunication network grid	Italy	23,675.4Mn	Buyout/LBO	Abu Dhabi Investment Authority, CPP Investments, Kohlberg Kravis Roberts
		euNetworks	Provider of bandwidth infrastructure services	The UK	2,306.6 Mn	PE Growth/Expansion	APG Group, Aware Super, Investment Management Corporation of Ontario
IT Services	Systems and Information Management	AirTrunk	Operator of technology data centers	Australia	16,038.9Mn	Buyout/LBO	Blackstone, CPP Investments
	IT Consulting and Outsourcing	QXO	Technology solutions service provider	The US	3,500.0 Mn	PIPE	Jacobs Private Equity, Sequoia Heritage
Software	Social/Platform Software	ByteDance	Developer of mobile applications	China	9,500.0 Mn	PE Growth/Expansion	AR Audit & Research, K5 Ventures
	Business/Productivity Software	Smartsheet	Provider of collaborative work management software	The US	8,400.0 Mn	Buyout/LBO	Blackstone, Vista Equity Partners
Computer Hardware	Electronic Equipment and Instruments	DET-TRONICS	Designer and manufacturer of flame detection, gas detection, and hazard mitigation systems	The US	1,425.0 Mn	Buyout/LBO	Sentinel Capital Partners
	Other Hardware	Stemmer Imaging	Provider of image processing technology	Germany	337.2 Mn	Buyout/LBO	Middle Ground Capital
Semiconductor	Production (Semiconductors)	Polar Semiconductor	Manufacturer of automotive-grade semiconductors	The US	175.0 Mn	Buyout/LBO	Niobrara Capital Partners, Prysm Capital
	Application Specific Semiconductors	Guerrilla RF	A fabless semiconductor company, developing high-performance MMICs products	The US	22.0 Mn	PIPE	-

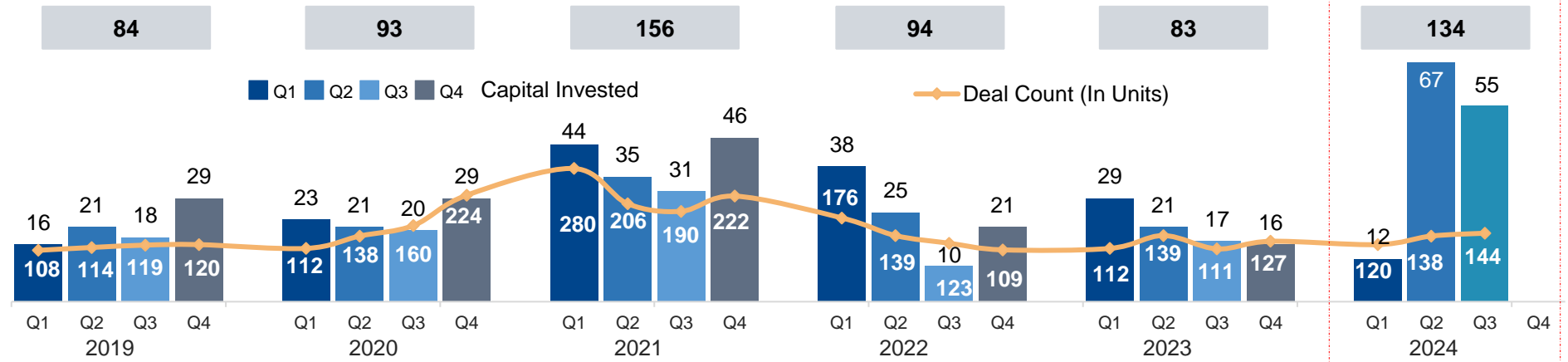
Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

Investments in the financial sector declined by ~18% QoQ to USD 55 Bn, with most investments concentrated on other financial services deals

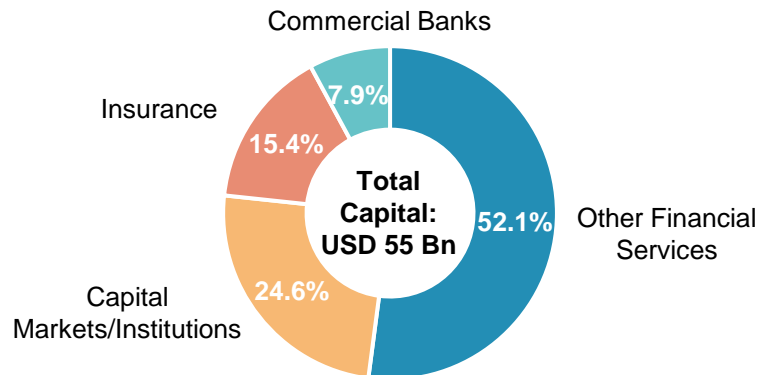
Top Sectors – Financial Services

Figures in USD Bn



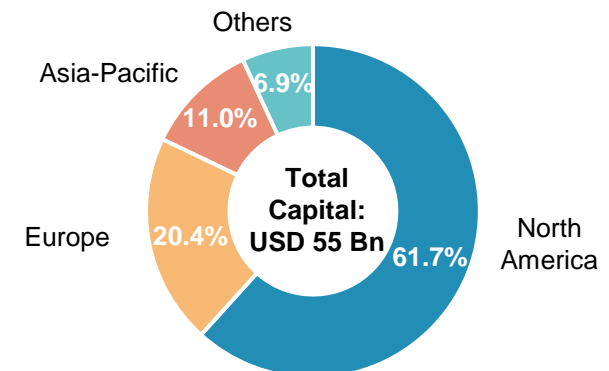
Financial Services by Primary Sectors in Q3 2024

Figures in Percentage and USD Bn



Financial Services by Geography in Q3 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 Q3 2024 *(Illustrative)*

Financial Services Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD)	Deal Type	Investors
Insurance	Insurance Brokers	Enstar Group	Re-insurance group offering capital release solutions	The UK	5,100.0 Mn	Buyout/ LBO	J.C. Flowers & Co., Liberty Strategic Capital, Sixth Street Partners
	Re-Insurance	Martello Re	Provider of life and annuity reinsurance service	The UK	1,295.0 Mn	PE Growth/ Expansion	Barings, Brown Brothers Harriman, Centerbridge Partners, Hudson Structured Capital Management, MassMutual Financial
Capital Markets/ Institutions	Asset Management	AssetMark Financial Holdings	Provider of wealth management, investment management, and financial consulting services	The US	2,700.0 Mn	Buyout/ LBO	GTCR
		Creative Planning	Provider of wealth and asset management consulting services	The US	2,000.0 Mn	PE Growth/ Expansion	Permira, TPG
Commercial Banks	National Banks	KeyBank	A hybrid community/corporate bank serving middle-market commercial clients	The US	2,800.0 Mn	PIPE	Scotiabank
		Punjab National Bank	An Indian public sector bank	India	894.2 Mn	PIPE	-
Other Financial Services	Other Financial Services	Discover Financial Services	An American financial services company	The US	10,800.0 Mn	Buyout/ LBO	Kohlberg Kravis Roberts, The Carlyle Group
	Holding Companies	Hudson's Bay	Operator of a holding organization with businesses in retail, real estate, and e-commerce	The US	5,150.0 Mn	PE Growth/ Expansion	Abu Dhabi Investment Council, National Realty & Development, Rhône Group

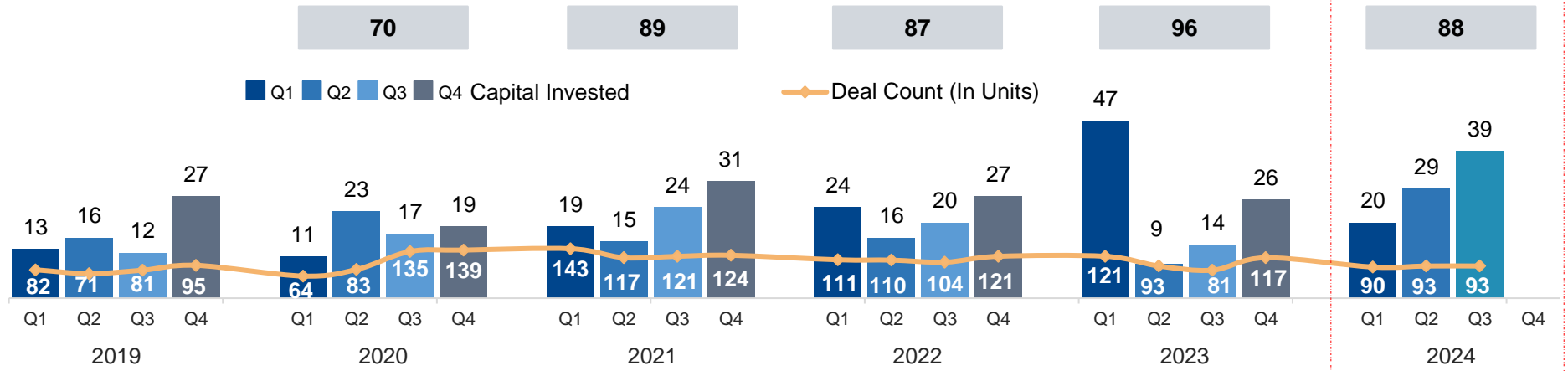
Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

PE injected significant capital into energy deals in Q3 2024, driven by investments in exploration, production, and refining

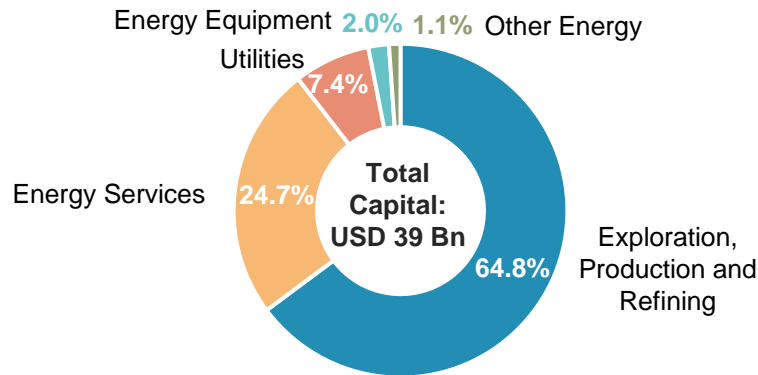
Top Sectors – Energy

Figures in USD Bn



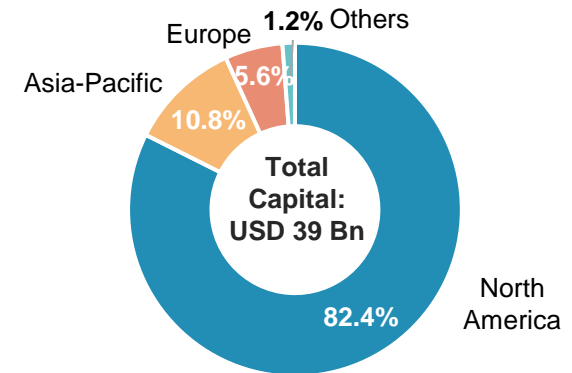
Energy by Primary Sectors in Q3 2024

Figures in Percentage and USD Bn



Energy by Geography in Q3 2024

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

Top PE investments in the Energy sector in Q3 2024 *(Illustrative)*

Energy Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD)	Deal Type	Investors
Exploration, Production and Refining	Energy Exploration	Caerus Oil and Gas	Operator of oil and gas production	The US	18,000.0 Mn	Buyout/LBO	Quantum Capital Group
	Energy Production	Algonquin Power and Utilities	Operator of a renewable and clean power generation business	Canada	2,500.0 Mn	Buyout/LBO	LS Power Group
Energy Services	Energy Infrastructure	Cogentrix Energy	Developer of independent power generation assets	The US	3,000.0 Mn	Buyout/LBO	Quantum Capital Group
		China National Nuclear Power Company	Engaged in the development, investment, construction, operation, and management of nuclear power projects	China	1,658.9 Mn	PIPE	China National Nuclear, China's National Social Security Fund
Utilities	Gas Utilities	New Mexico Gas Company	Supplier of natural gas, serving residential and business sectors	The US	1,252.0 Mn	Buyout/LBO	Bernhard Capital Partners
	Electric Utilities	Adani Energy Solutions	A power transmission company involved in the transmission of electric energy	India	1,073.0 Mn	PIPE	Abu Dhabi Investment Authority, BlackRock, Duquesne Family Office, Eastspring Investments, GQG Partners, HDFC Property Fund, Nomura, Qatar Investment Authority
Energy Equipment	Alternative Energy Equipment	Fourth Partner Energy	Manufacturer of solar-energy-based systems	India	275.0 Mn	Buyout/LBO	Asian Development Bank, DEG, International Finance Corporation, Norfund
		Runergy	Developer and manufacture of monocrystalline PERC solar cells	China	138.5 Mn	PE Growth/Expansion	Yueda Group
Other Energy	Other Energy	Tellurian	An upstream energy assets company	The US	260.0 Mn	Buyout/LBO	Aethon Energy Management
		Samson Solar Energy Center II	A 200-megawatt (MW) solar power facility	The US	170.0 Mn	PE Growth/Expansion	Invenergy, Monarch Private Capital

Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

Aranca View



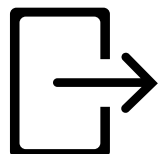
- **Increased deployment of available dry powder is expected to intensify competition and further drive valuations of high-quality assets**



- **Interest rates are expected to decline and drive leveraged buyout activity, prompting PE firms to pivot from add-on acquisitions to larger, strategic investments**



- **Technological advancements in artificial intelligence is expected to reshape PE investment strategies, impacting both processes and target selection**



- **PE exit volumes are expected to stay slightly above pre-pandemic levels, with sellers focusing on their top assets for exits while postponing less favorable ones in a selective market**



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across multi-disciplinary domains

2500+

Global clients

120+

Sectors and sub-sectors
researched by our analysts

80+

Countries where we have
delivered projects

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