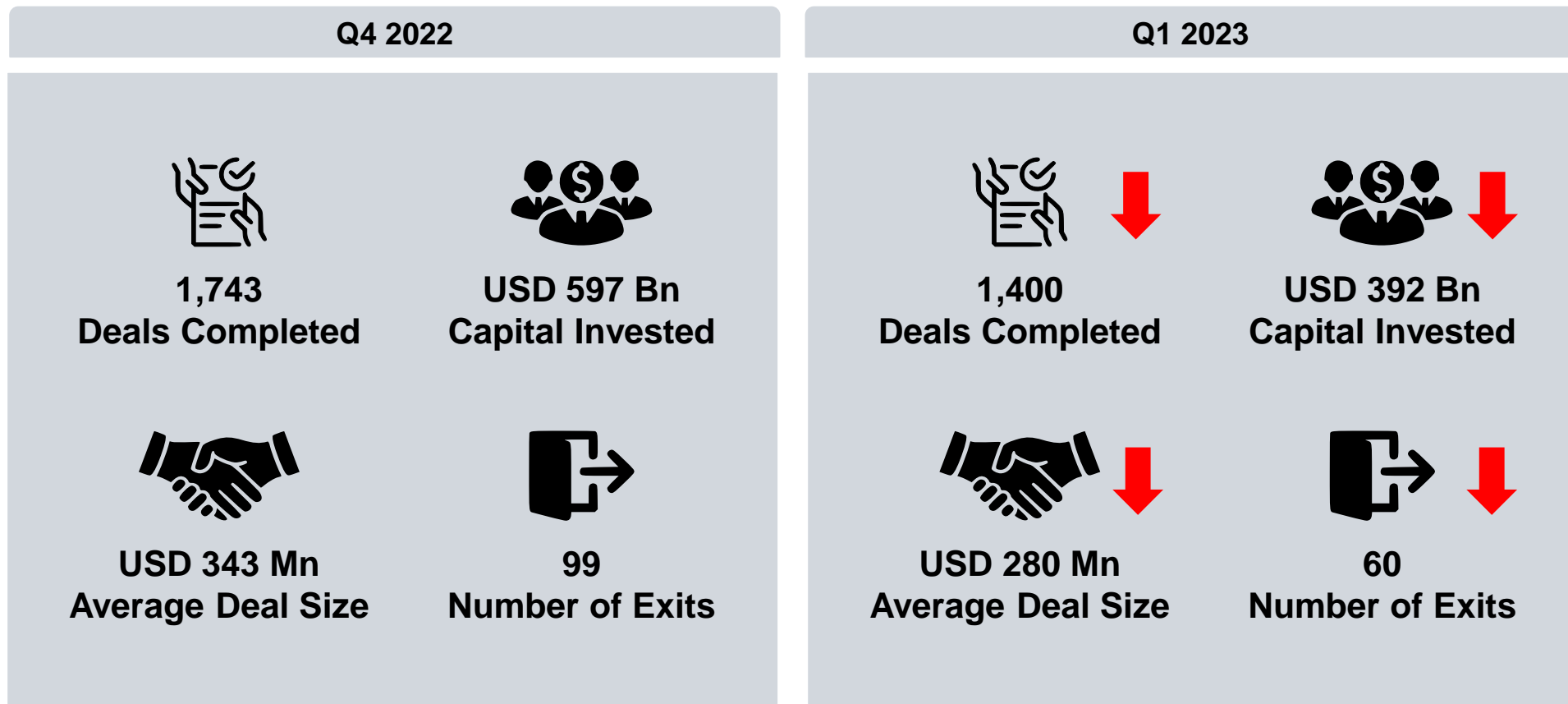


Special Report

Global Private Equity Factbook | Q1 2023



PE activity negatively impacted by banking crisis, interest rate hike, and inflation



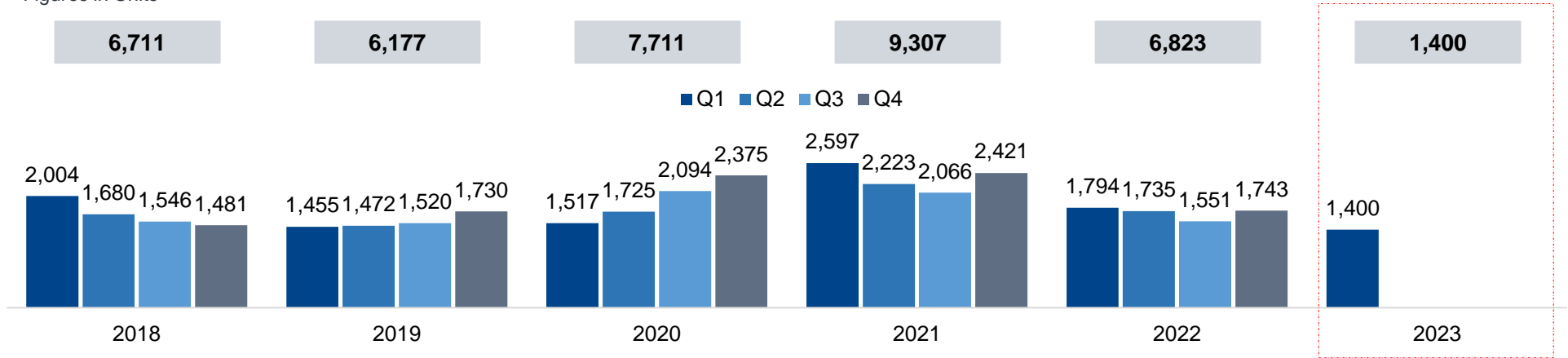
Source: Pitchbook, Aranca Analysis

Note: Quarter represents the calendar year.

PE deal volume reached the lowest levels since 2018, decreasing by 20% in Q1 2023

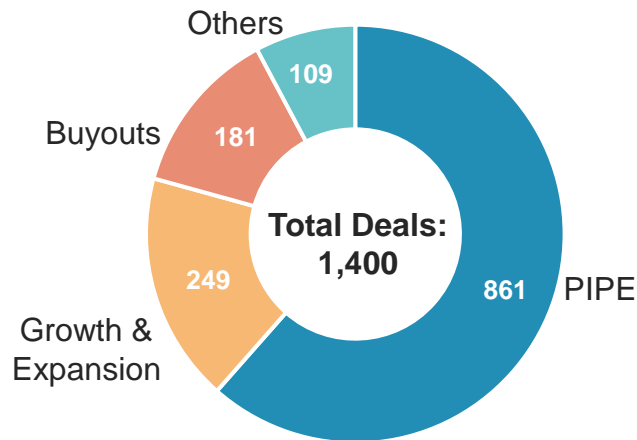
Number of Deals

Figures in Units



Indicates annual/YTD deals completed

Type of Deals – Q1 2023



- PE firms are targeting small-scale acquisitions at lower valuations, leading to increased focus on add-on deals. These deals boost the revenue of portfolio companies and counter the industrywide decline in valuations.
- In Q1 2023, PIPE, growth, and expansion deals made up approximately 79% of all deals.
- Growth equity investments that obtain minority company stakes usually require less debt financing and a smaller investment compared to leveraged buyouts for similar-sized targets.

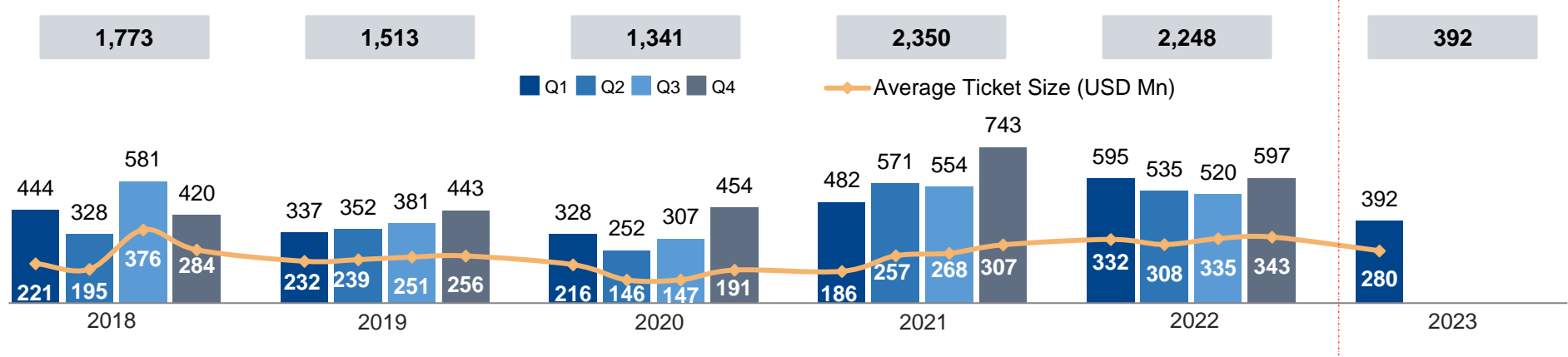
Source: Pitchbook, Aranca Analysis

Note: *PIPE: Private Investment in Public Equity

PE investments down by ~34% QoQ to 392 Bn in Q1 2023 due to tightened access to debt and rising uncertainty

Capital Invested

Figures in USD Bn



Top Deals – Q1 2023

Indicates annual/YTD capital invested

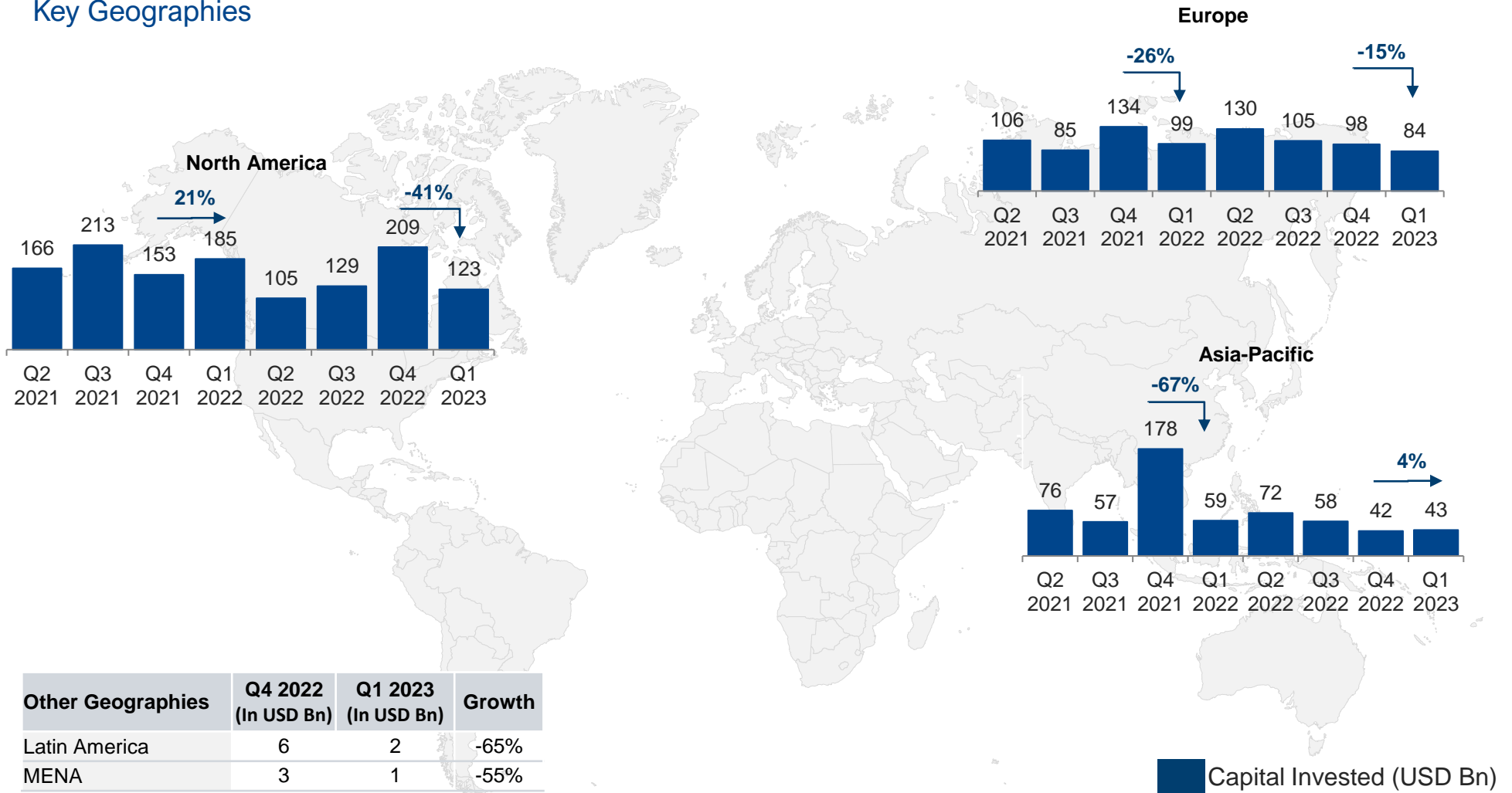
Company Name	Deal Size (USD Bn)	Investors
Vantage Towers	17.3	Global Infrastructure Partners, Kohlberg Kravis Roberts, and others
Store Capital	14.0	Blue Owl Capital, and GIC
Qualtrics	12.5	CPP Investments, and Silver Lake
Origin Energy	12.4	Brookfield Asset Management, MidOcean Energy
Aveva Group	12.3	Schneider Electric

- The PE funding landscape has become more challenging due to various factors including the struggles of Silicon Valley Bank and Signature Bank, acquisition of Credit Suisse, and interest rate increases.
- In response, firms that previously relied on bank financing are investigating alternative strategies for deploying capital.
- Major PE firms are turning their attention to deals with fewer leverage requirements and using their cash reserves to finance asset purchases, thus avoiding problems with loan availability.

Source: Pitchbook, Aranca Analysis

PE investments in Asia-Pacific rose by 4% compared to the previous quarter, while North America and Europe experienced declines of 41% and 15%, respectively.

Key Geographies

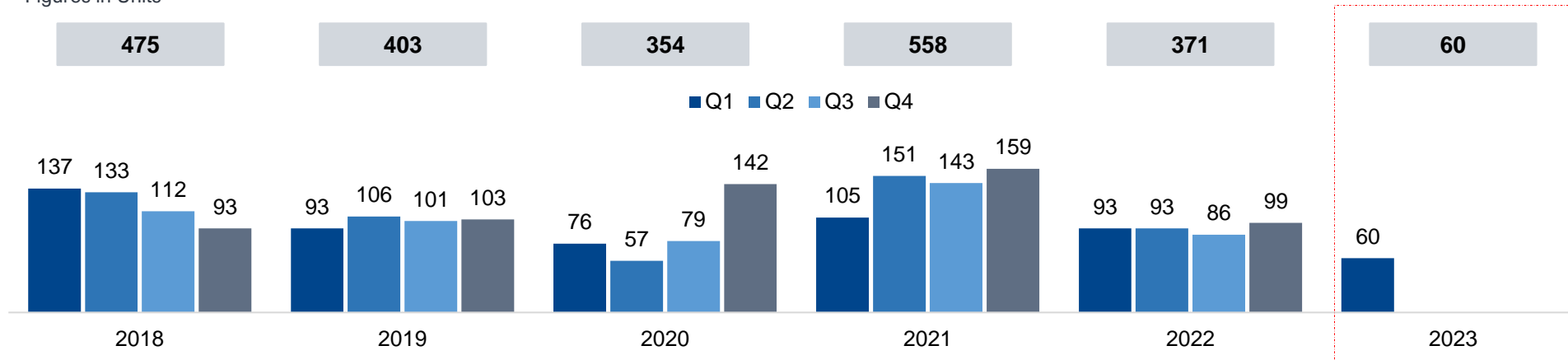


Source: Pitchbook, Aranca Analysis

Investors refrain from selling portfolio companies at lower valuations, resulting in fewer exits

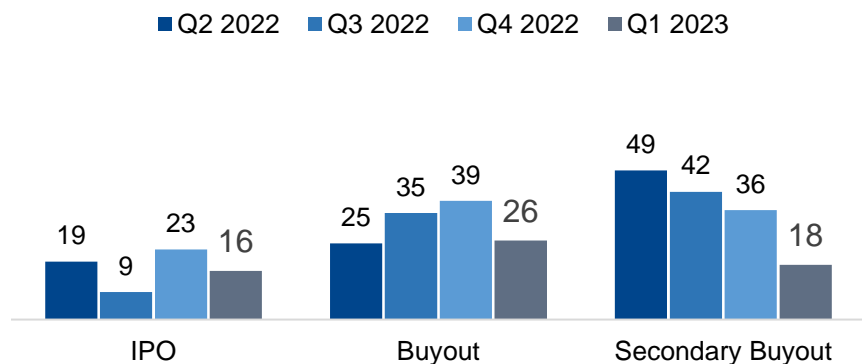
Number of Exits

Figures in Units



Key Exit Routes

Figures in Units



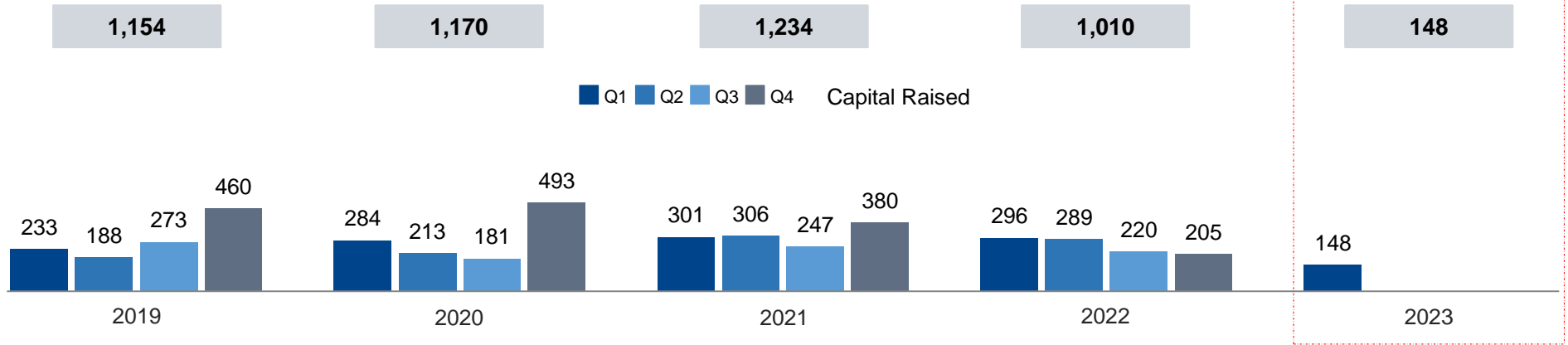
- The first quarter of 2023 saw a 39% decrease in PE exits, largely attributed to a disparity in valuation expectations between buyers and sellers.
- Buyers seeking discounts of 50–70% create a substantial gap between both parties.
- Buyouts were the mode of exit for 43% of the total exits during this period.

Source: Pitchbook, Aranca Analysis

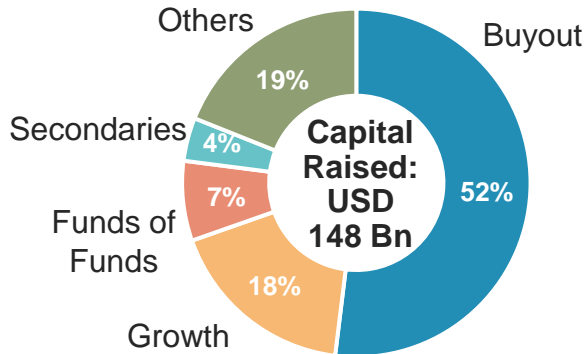
Q1 2023 sees private equity fundraising drop 28% to USD 148 Bn (QoQ)

Capital Raised

Figures in USD Bn



Capital Raised: By Fund Type



Key Companies by Total Capital Raised		
PE Name	Fund Name	Total Capital Raised (USD Bn)
Blackstone	Strategic Partners Fund IX	22.2
PERMIRA	Permira VIII	17.8

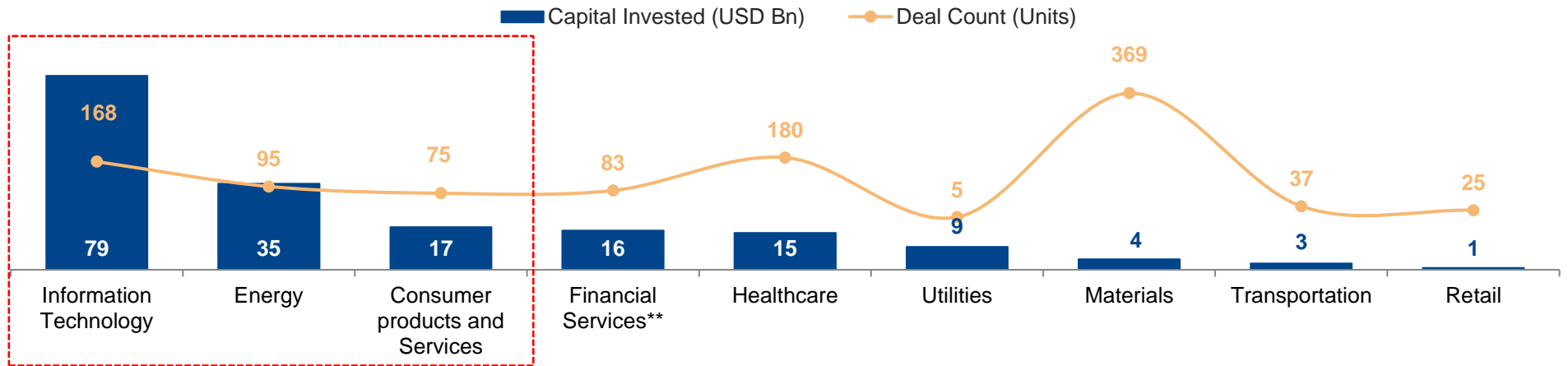
- Amid rising interest rates and economic concerns, the total amount of capital raised by private equity (PE) has reached its lowest level since 2019.
- Buyout funds and growth strategy funds collectively accounted for 70% of the total capital raised.

*Others comprises various fund types such as co-investment, balanced, direct secondaries, co-investment multi-manager, PIPE, turnaround funds, hybrid, and hybrid fund of funds.

Source: Pitchbook, Aranca Analysis

IT, energy, and consumer products and services accounted for ~57% of total PE capital invested in Q1 2023

Top Sectors* – Q1 2023



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

“Private equity will always love software. Maybe the valuations are different, but the fundamentals are not. Software is embedded in our daily lives and is ubiquitous across numerous industries and use cases. In good markets and bad, investors appreciate the recurring and predictable nature of these businesses, their capital efficiency, and the additional M&A opportunities that oftentimes come along with owning a platform of scale.”

– A financial services company

“We believe deal activity in the clean energy subsector will continue to grow as renewable energy sources are developed globally.”

– A capital market company

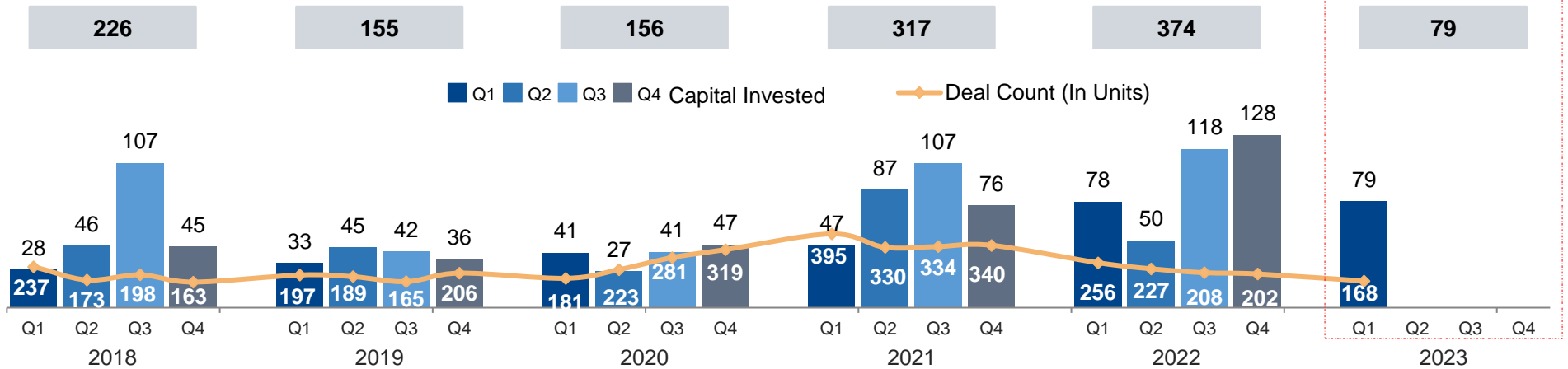
Source: Pitchbook, Aranca Analysis

Note: **Financial services do not include investments in real estate investment trust

PE investments in IT sector fall ~38% QoQ to USD 79 Bn; most investments concentrated in US and Europe

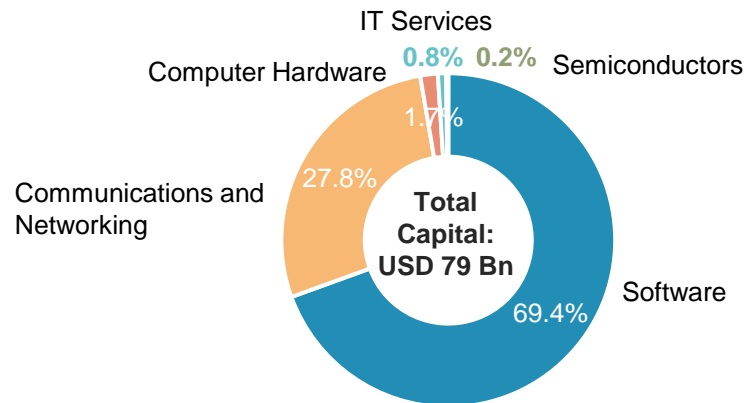
Top Sectors – Information Technology

Figures in USD Bn



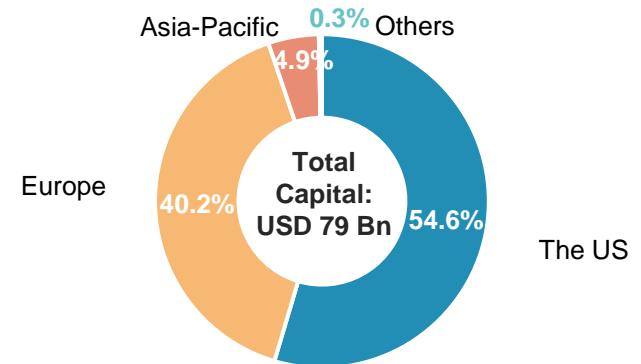
IT by Primary Sectors in Q1 2023

Figures in Percentage and USD Bn



IT by Geography in Q1 2023

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

Top PE investments in IT sector in Q1 2023 *(Illustrative)*

IT Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD)	Deal Type	Investors	EV/ EBITDA	EV/ Revenue
Software	Business/ Productivity Software	Qualtrics	Software technology company	the US	12.5 Bn	Buyout	CPP Investments and Silver Lake	-	7.72x
		Aveva Group	Information management and software solution provider	the UK	12.3 Bn	PIPE	Schneider Electric	-	-
IT Services	IT Consulting and Outsourcing	Cprime	IT consulting service provider	the US	290.0 Mn	Buyout	Everstone Capital, Goldman Sachs Asset Management	-	-
		VVDN Technologies	Product engineering and electronic manufacturing firm	India	103.3 Mn	Growth/ Expansion	Kotak Investment Advisors, Motilal Oswal Private Equity	-	-
Communications and Networking	Wireless Communication Equipment	Vantage Towers	Tower arm of Vodafone	Germany	17.3 Bn	Buyout	Global Infrastructure Partners, Kohlberg Kravis Roberts, and others	18.57x	21.17x
	Telecommunication Services	Intrado	Public emergency telecommunication service provider	the US	2.4 Bn	Buyout	Stonepeak	-	-
Computer Hardware	Storage	Western Digital Technologies	Motion sensor developer	the US	900.0 Mn	PIPE	Apollo Global Management, Elliot Management	-	-
	Other Hardware	Polaris	Composite utility pole manufacturer	the US	100.0 Mn	Growth/ Expansion	I Squared Capital	-	-
Semiconductors	Productions	Silex Systems	R&D company	Australia	82.0 Mn	PIPE	-	-	-
	General Purpose Semiconductors	HLB InnoVation	Manufacturer of leadframes	South Korea	24.1 Mn	PIPE	C-TRI, HLB, HLB BioStep Company	-	-
Median								18.57x	14.45x

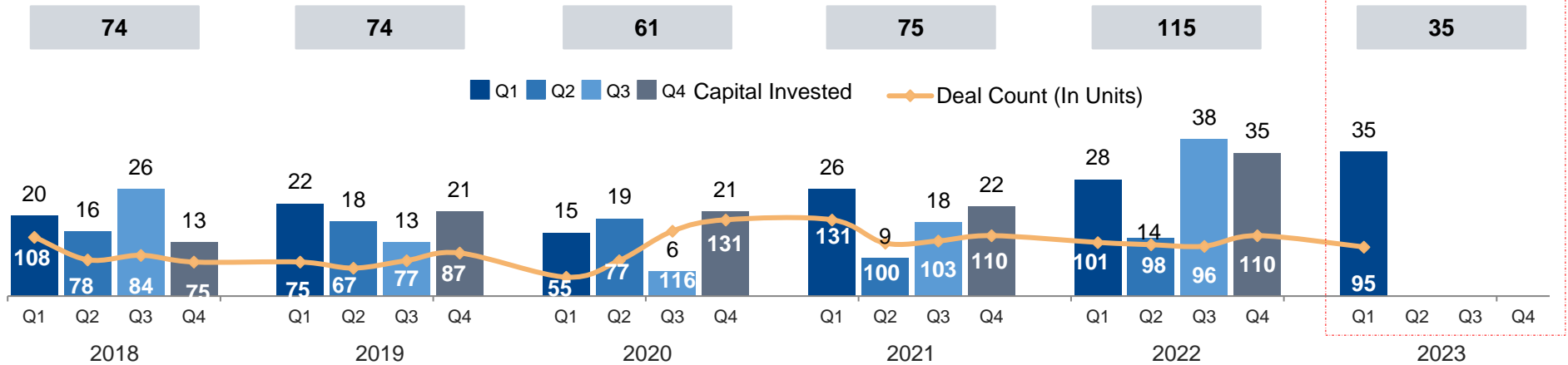
Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

Energy sector investments remain stable, with focus on exploration and energy production deals

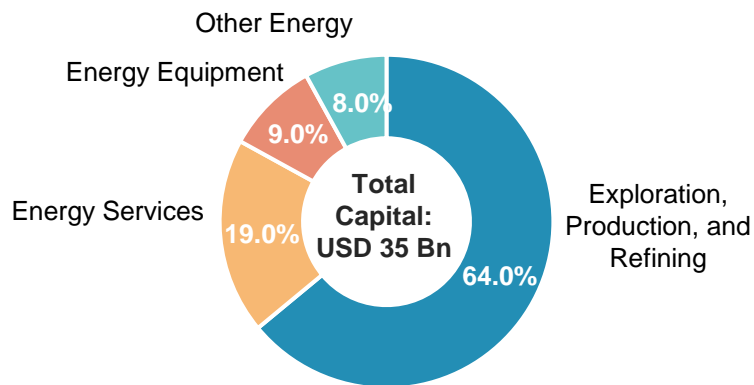
Top Sectors – Energy

Figures in USD Bn



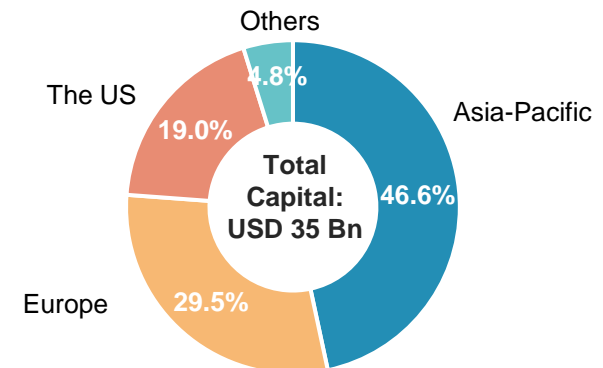
Energy by Primary Sectors in Q1 2023

Figures in Percentage and USD Bn



Energy by Geography in Q1 2023

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

Top PE investments in energy sector in Q1 2023 *(Illustrative)*

Energy Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD)	Deal Type	Investors	EV/ EBITDA	EV/ Revenue
Exploration, Production, and Refining	Energy Exploration	Origin Energy	Utility service provider	Australia	12.4 Bn	Buyout	Brookfield Asset Management, MidOcean Energy	-	-
	Energy Production	Aera Energy	Operator of an oil and gas production company	the US	4.0 Bn	Buyout	CPP Investments, IKAV	-	-
Energy Services	Energy Infrastructure	Avaada Energy	Producer of solar and other renewable energy	India	1.0 Bn	Growth/ Expansion	Brookfield Asset Management,	-	-
	Other Energy Services	Newave Energia	Operator of a renewable energy platform	Brazil	865.6 Mn	Buyout	Metalurgica Gerdau, Northwest Capital Management, and others	-	-
Other Energy	Other Energy	N-Sun Energy	Solar portfolio with projects having total capacity of 1.9 GW		1.8 Bn	Buyout	Alantra Partners, Amundi, Reichmuth & Co Private Bankers, and others	-	-
		IPC	380 MWp photovoltaic projects	Italy	426.8 Mn	Buyout	EOS Investment Management Group	-	-
Energy Equipment	Oil and Gas Equipment	Siemens Energy	Engineering technology company	Germany	1.3 Bn	PIPE	-	-	-
	Alternative Energy Equipment	GLC Integration Technology Company	Energy conglomerate specializing in clean and power production	China	868.9 Mn	PIPE	-	-	-
Median								-	-

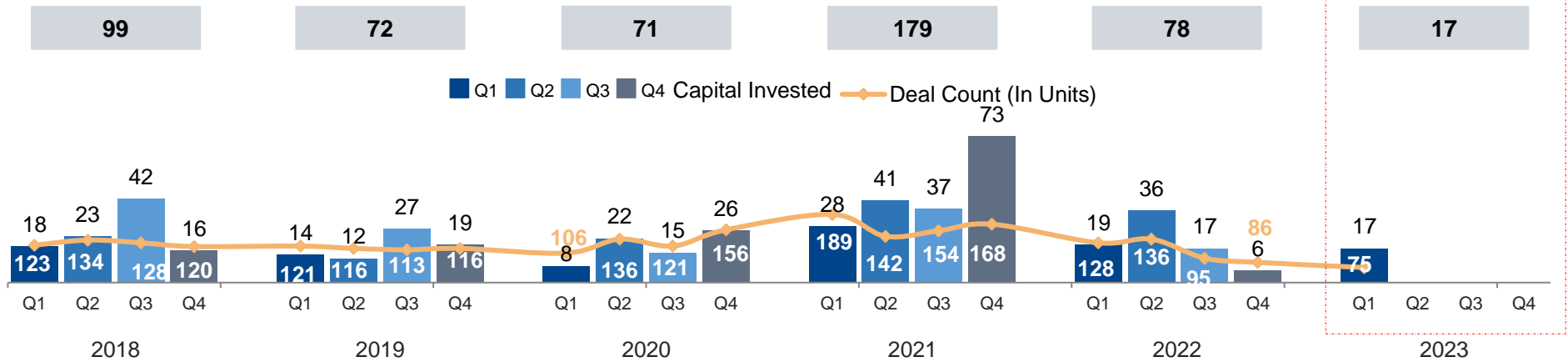
Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

PE interest in consumer products and services sector surge 183% QoQ, with focus on leisure facilities and household appliances

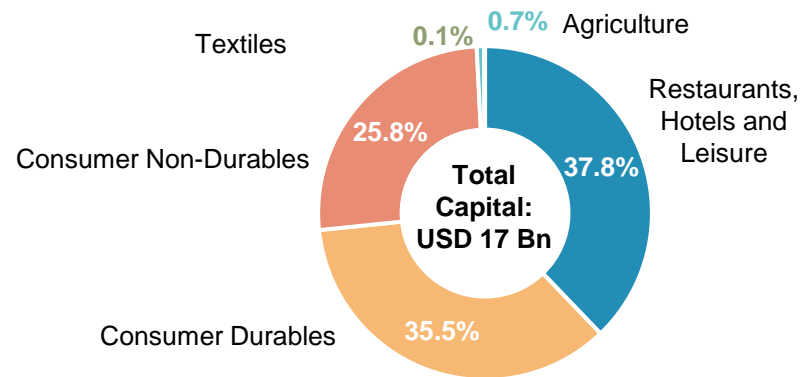
Top Sectors – Consumer Products and Services

Figures in USD Bn



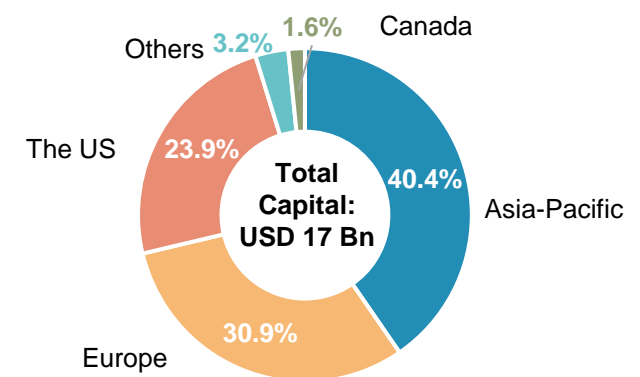
Consumer Products and Services by Primary Sectors in Q1 2023

Figures in Percentage and USD Bn



Consumer Products and Services by Geography in Q1 2023

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

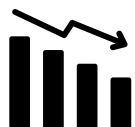
Top PE investments in consumer products and services sector in Q1 2022 *(Illustrative)*

Transportation Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD)	Deal Type	Investors	EV/ EBITDA	EV/ Revenue
Restaurants, Hotels, and Leisure	Leisure Facilities	Jurong Point	Operator of a shopping mall	Singapore	1.6 Bn	Buyout	Link REIT	-	-
	Restaurants and Bars	L'Osteria	Operator of a chain of restaurants	Germany	430.0 Mn	Buyout	McWin Capital Partners	1.05x	-
Consumer Durables	Household Appliances	Weber-Stephen Products	Outdoor cooking appliance company	the US	3.7 Bn	Buyout	BDT & Company	4.08x	-
	Other Consumer Durables	Fijitsu General	Manufacturer of electronic household products	Japan	1.7 Bn	PIPE	Brain Capital, Kohlberg Kravis Roberts, NIBE Industrier	-	-
Consumer Non-Durables	Food Products	COFCO	Supplier and producer of edible oil products	China	3.0 Bn	Growth/Expansion	Affirma Capital, China Chengtong Holdings, and others	-	-
	Beverages	Heineken	Beer producer	Netherlands	902.0 Mn	PIPE	Bill & Melinda Gates Foundation	-	-
Textiles	Animal Textiles	Gen Phoenix	Manufacturer of engineered composite leather products	the UK	18.0 Mn	Growth/Expansion	Dr. Martens, ETF Partners, Hermes GPE, InMotion Ventures, and others	-	-
Agriculture	Acquiculture	Atlantic Sapphire	Engaged in fish farming activities	Denmark	55.0 Mn	PIPE	-	-	-
		Nordic Aqua Partners	Seafood provider	Demark	29.8 Mn	PIPE	Israel Corp, Kontrari	-	-
Median								2.57x	-

Source: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

Aranca View



- **Concerns about a probable recession, inflationary pressure, higher interest rates, and an unstable credit market could lead to further reduction in investments and increased pressure on company valuations.**



- **Equity finance is expected to drive PE investments, while the debt market would remain limited.**



- **PE deals would potentially concentrate on lower risk sectors such as infrastructure and agriculture.**

Source: Aranca Analysis



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