

**Pan-European survey
Europe's private equity industry
during COVID-19 and beyond**

November 2020

Welcome



Arthur D Little

INTRODUCTION



Eric de Montgolfier
Chief Executive Officer



Vincent Bamberger
Managing Partner

SURVEY OUTCOME PRESENTATION



Julien Krantz
Research Director



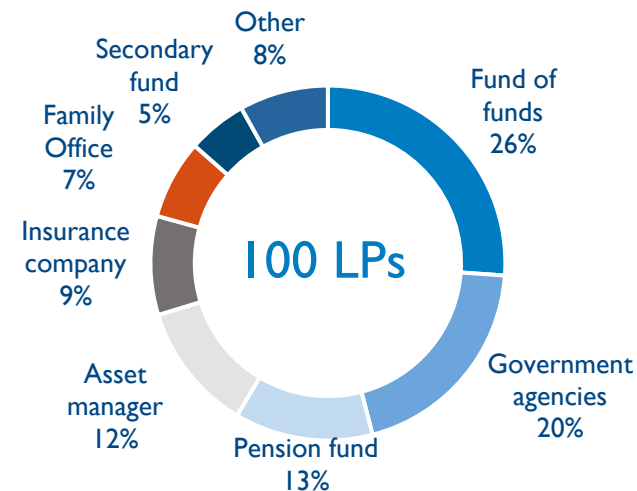
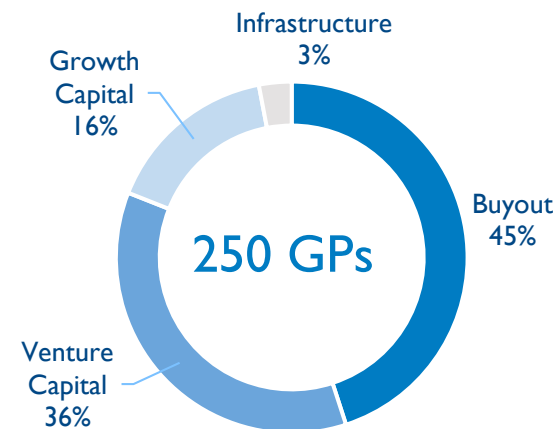
Jonas Fagerlund
Global Private Equity Leader



Guillaume Picq
Private Equity France

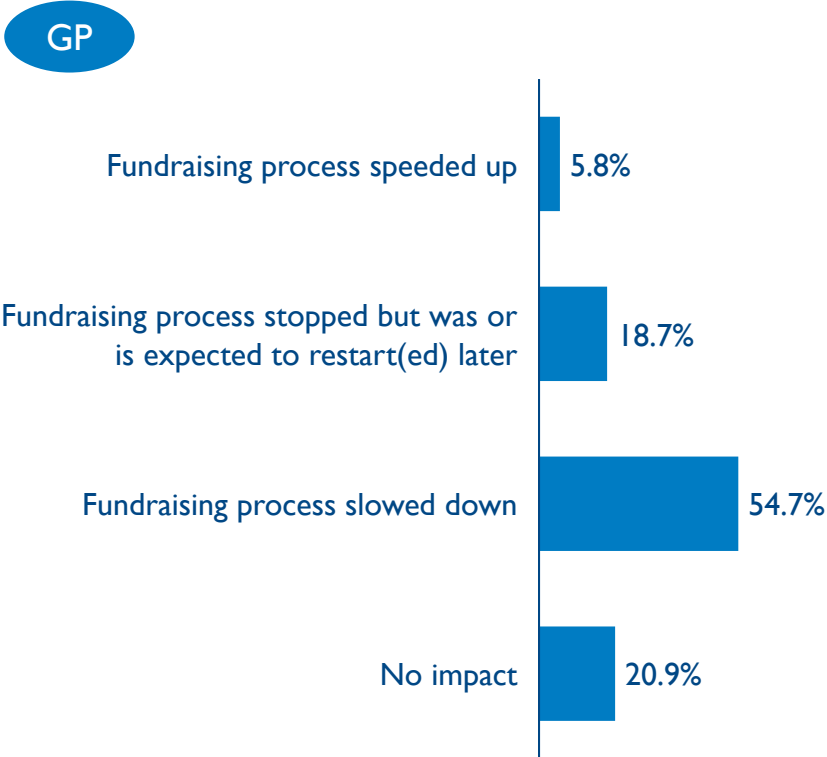
Pan-European survey conducted August – September 2020 involving over 350 respondents, with the majority being GPs

- **Invest Europe in collaboration with Arthur D. Little** conducted the ‘**Pan-European Private Equity Survey**’
 - Assesses **impact of COVID-19** on private equity and venture capital
- Captures the **views** of more than **350 GPs and LPs** on industry actions during the crisis and future expectations
- Wide range of issues covered, including **LP / GP future perspectives on**
 - Portfolio management
 - Investment focus
 - Capital allocation
 - Agreements, and
 - Investor relations
- **Insights** from GPs **on PE firm operations** going forward, threats but also potential new opportunities

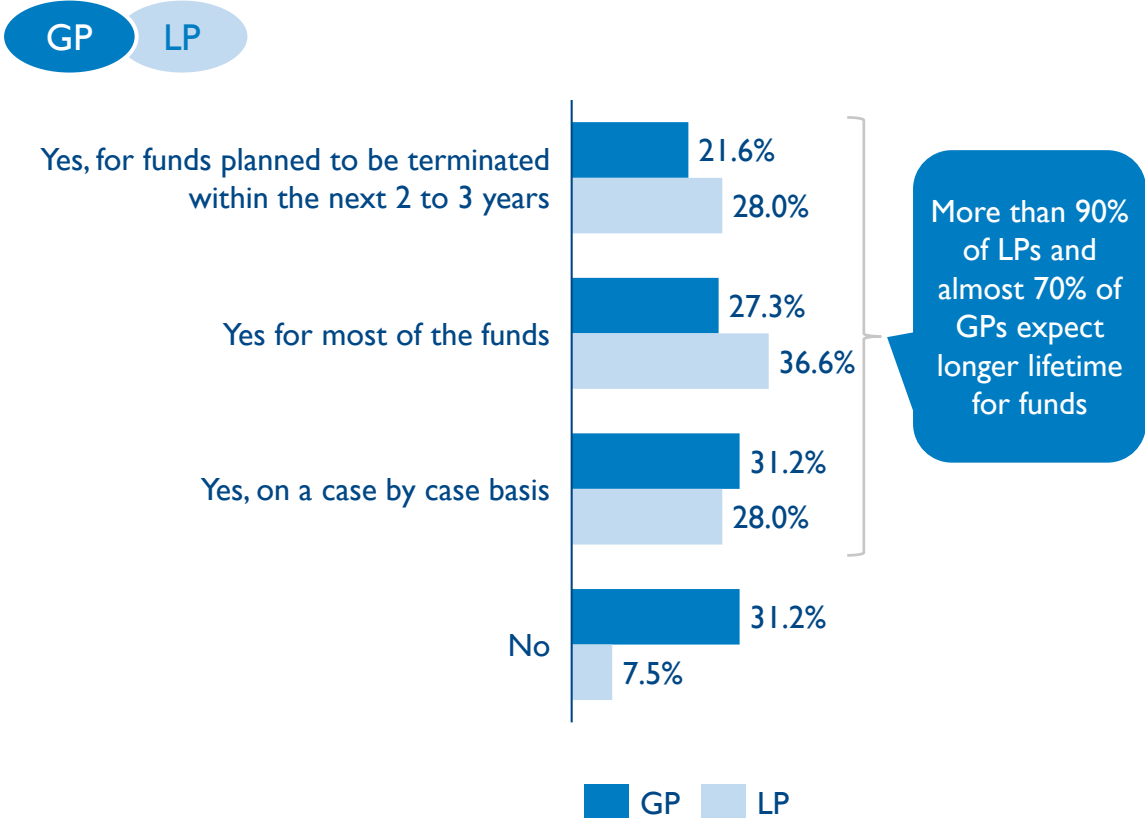


Fundraising relatively resilient towards COVID-19, however lifetime of funds may become longer

Impact on *fundraising process* when COVID-19 struck



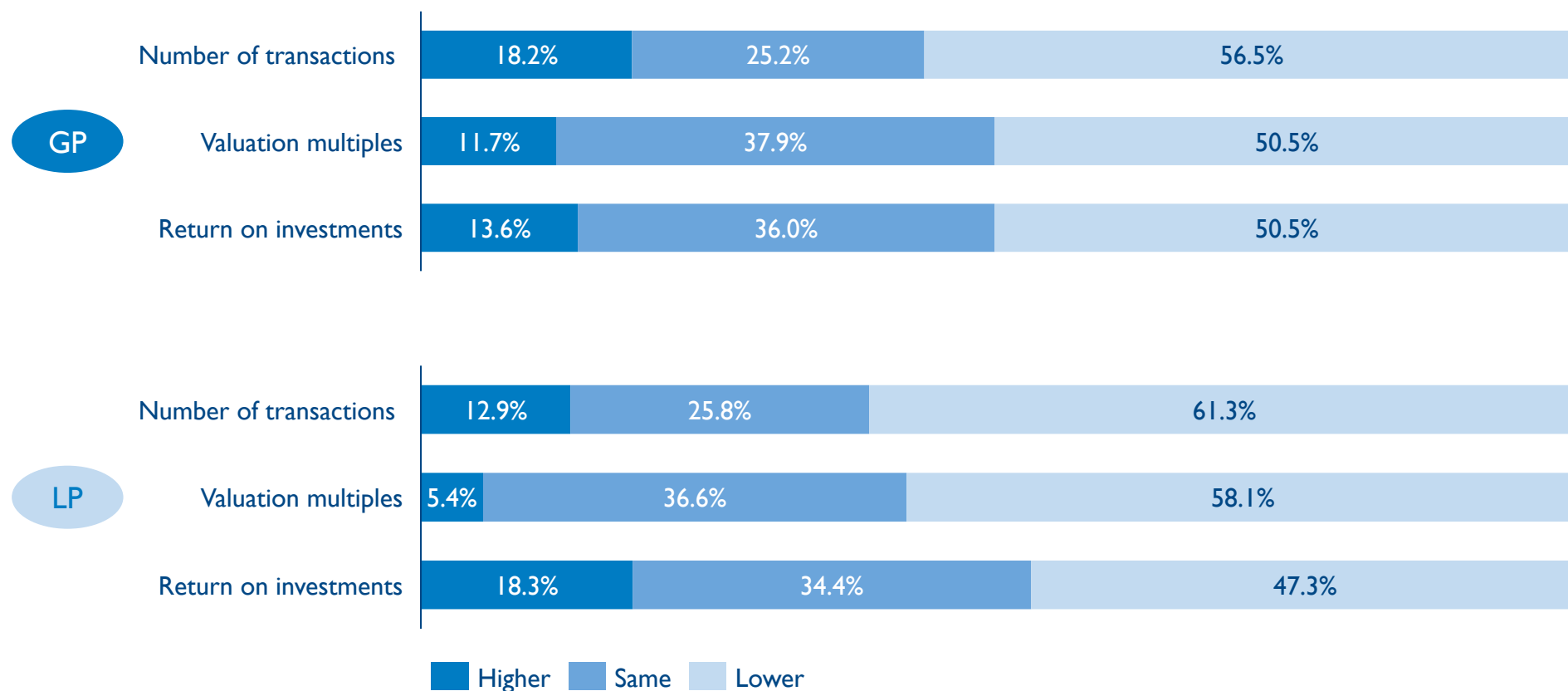
Funds' lifetime to become longer going forward



Source: Arthur D. Little Analysis, Invest Europe Private Equity survey

Declining PE transaction market over the next 6–12 months affecting deal volume, valuation multiples and ROI...

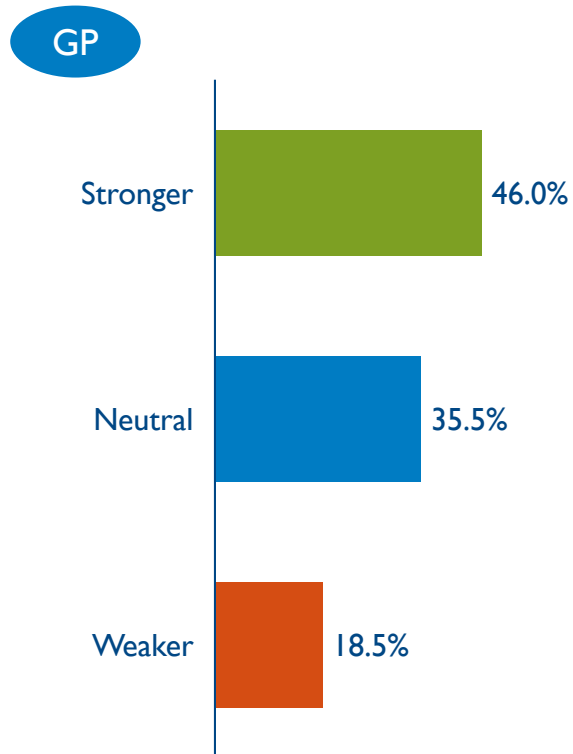
PE transaction market in the next 6 to 12 coming months compared to 2019



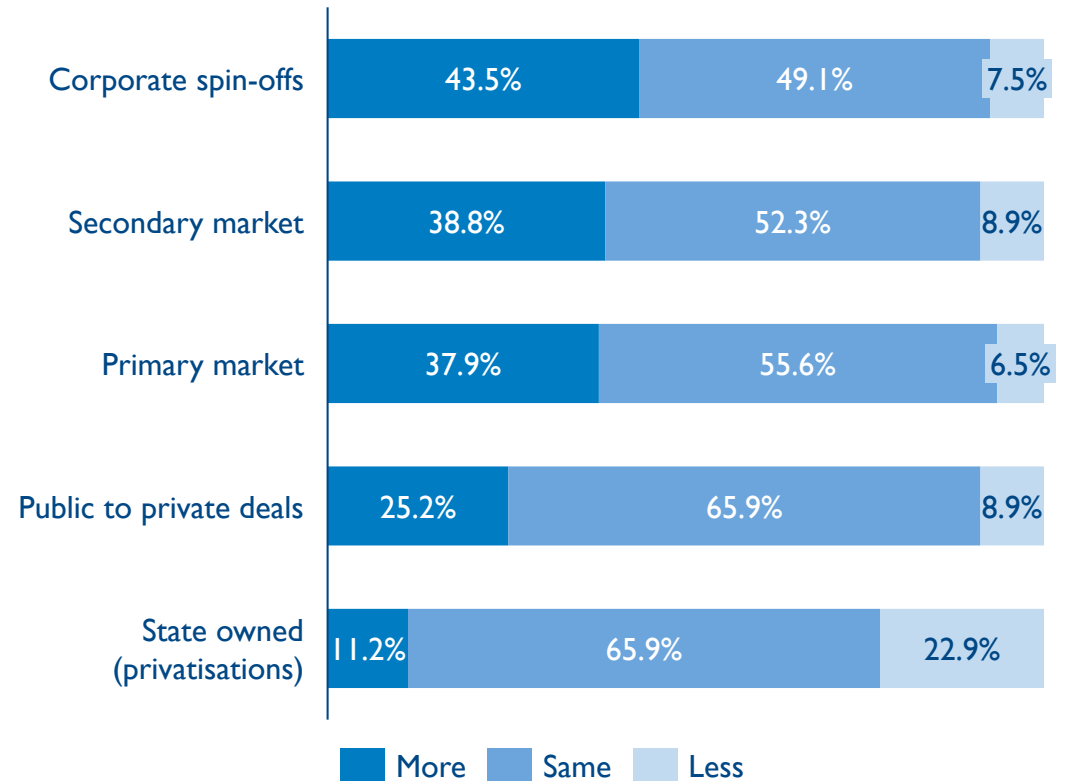
Source: Arthur D. Little Analysis, Invest Europe Private Equity survey

... but also new investment opportunities

Investment opportunities over next 12 months compared to 2019



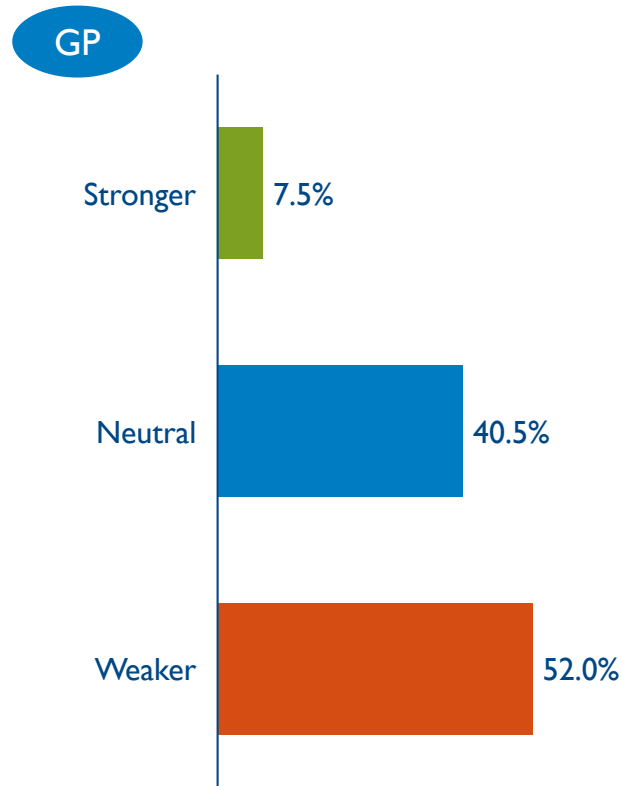
Specific investment opportunity areas over next 6 to 12 months compared to 2019



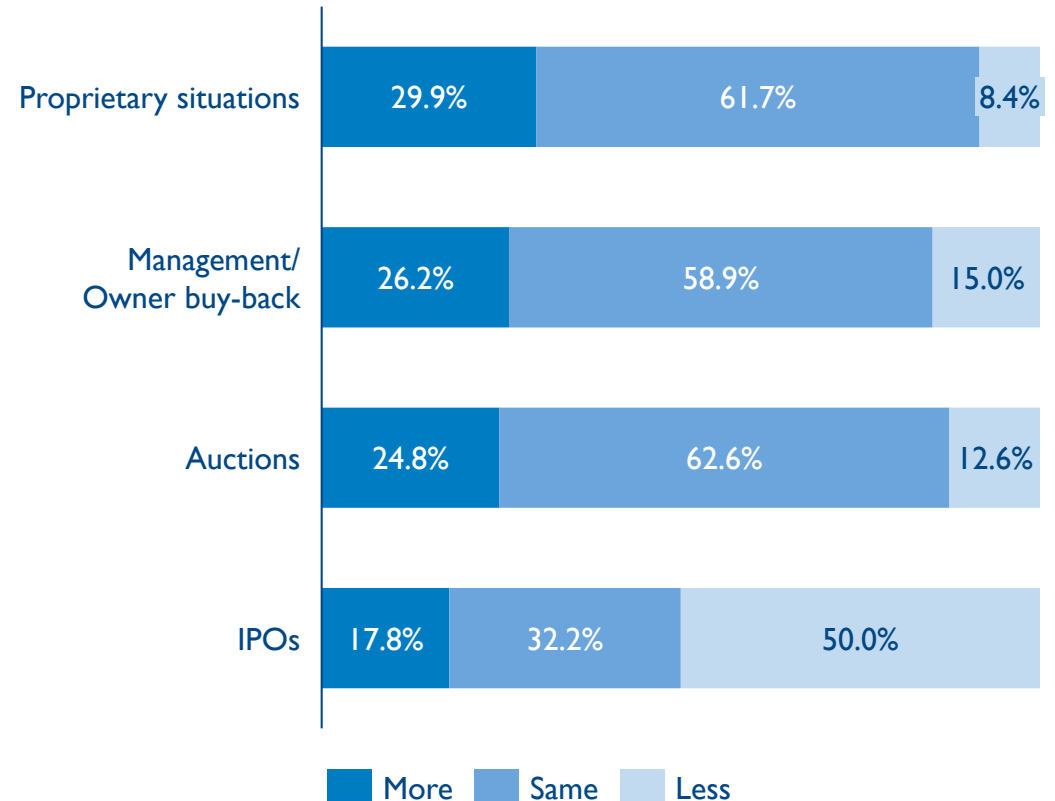
Source: Arthur D. Little Analysis, Invest Europe Private Equity survey

Divestments expected to be weaker

Divestment market within the next 12 months compared to 2019



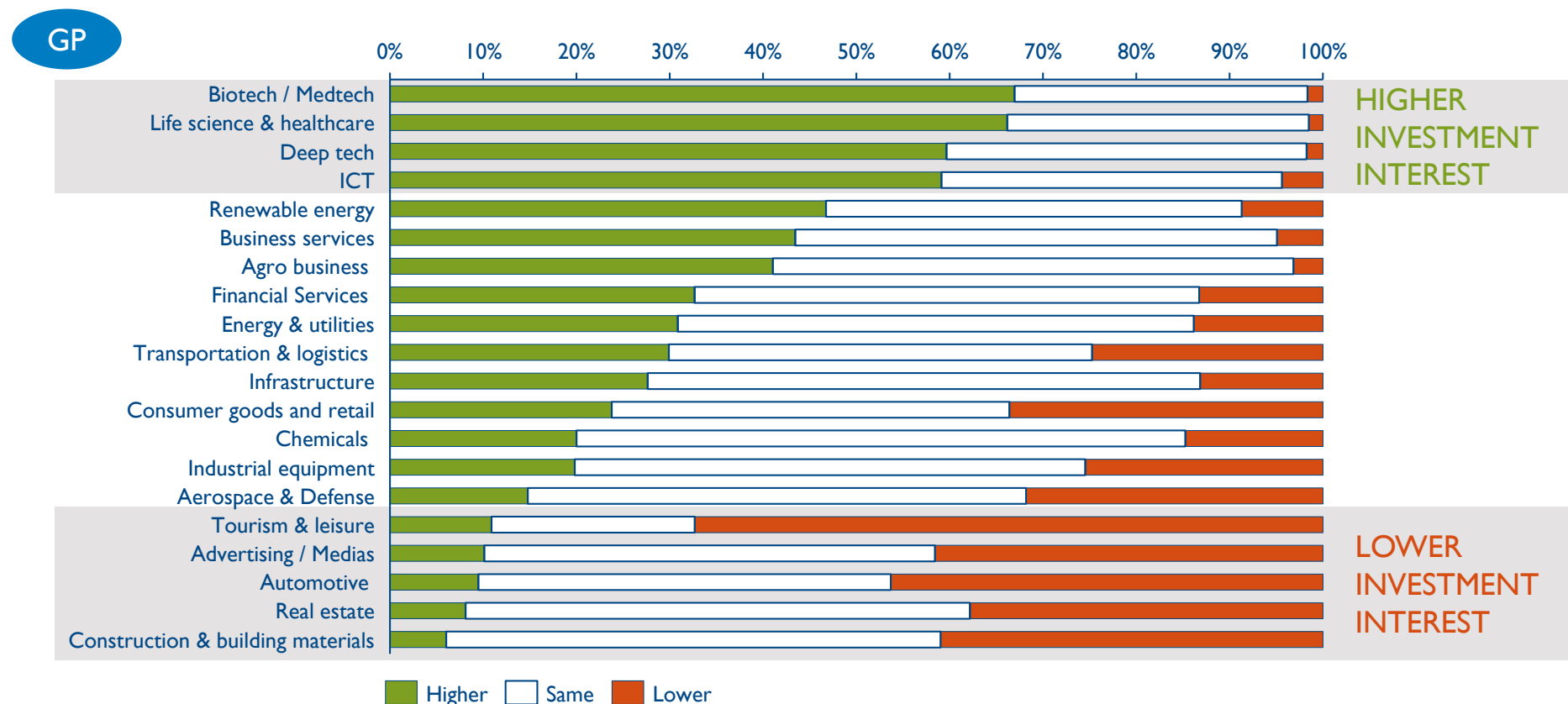
Expected exit routes in the next 6 to 12 months compared to 2019



Source: Arthur D. Little Analysis, Invest Europe Private Equity survey

Current context drives differentiated interests across industry sectors

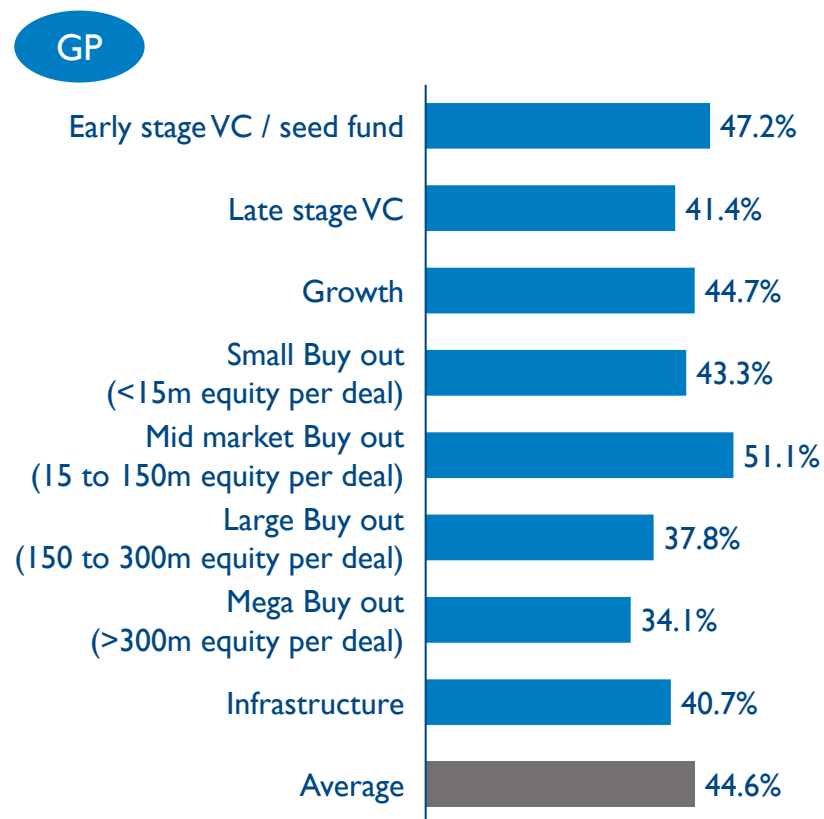
Expected investment operation activity levels compared to 2019 in terms of target sectors



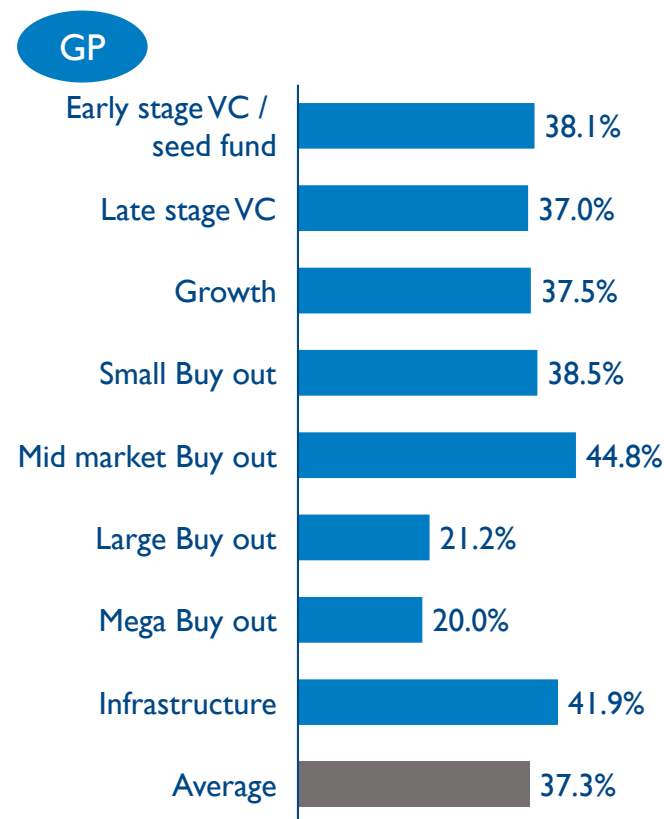
Source: Arthur D. Little Analysis, Invest Europe Private Equity survey

Less than half of PE portfolio companies utilised government support during COVID-19

Share of portfolio companies receiving temporary government unemployment support



Share of portfolio companies utilising government supported loans

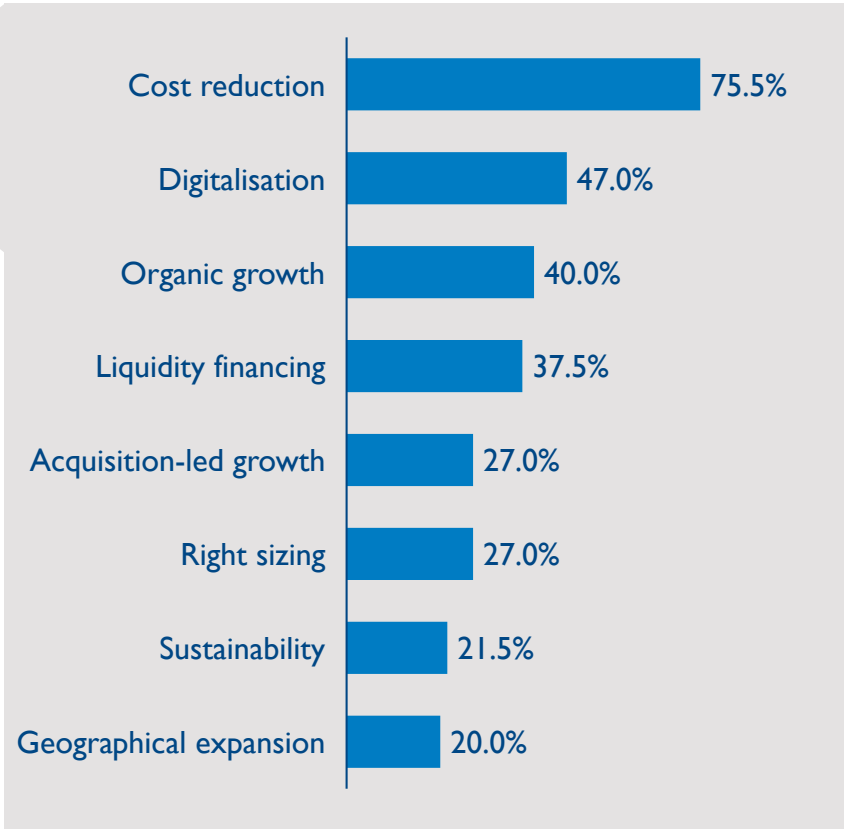
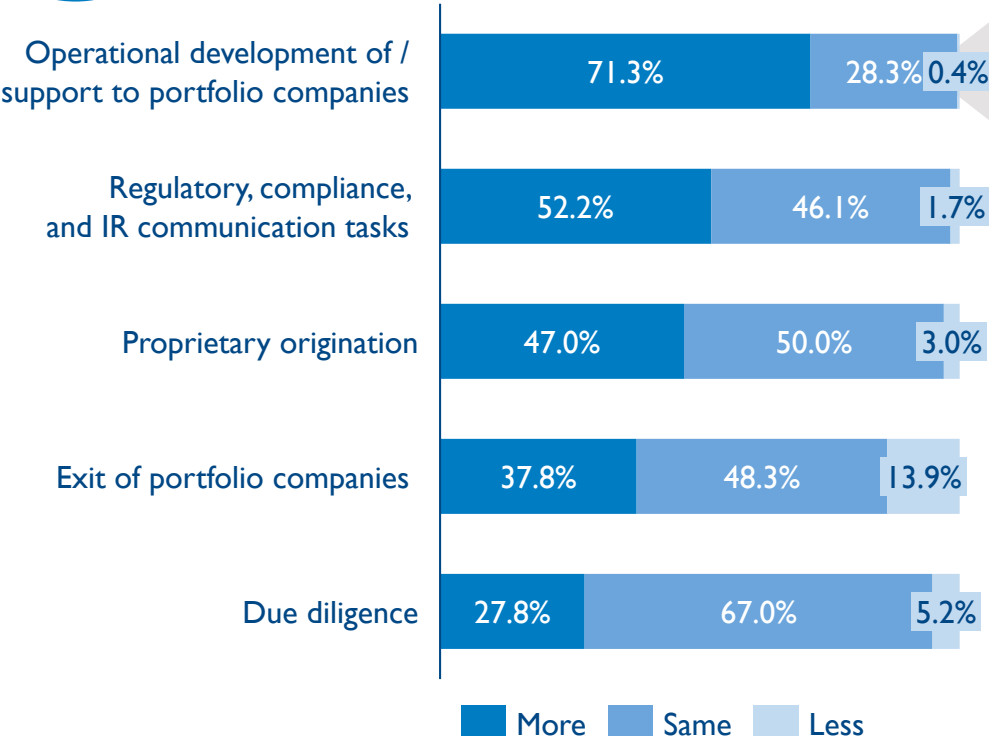


Operational development of portfolio companies in many forms will be key going forward

Main GP focus in the near future compared to 2019

Most important improvement initiatives

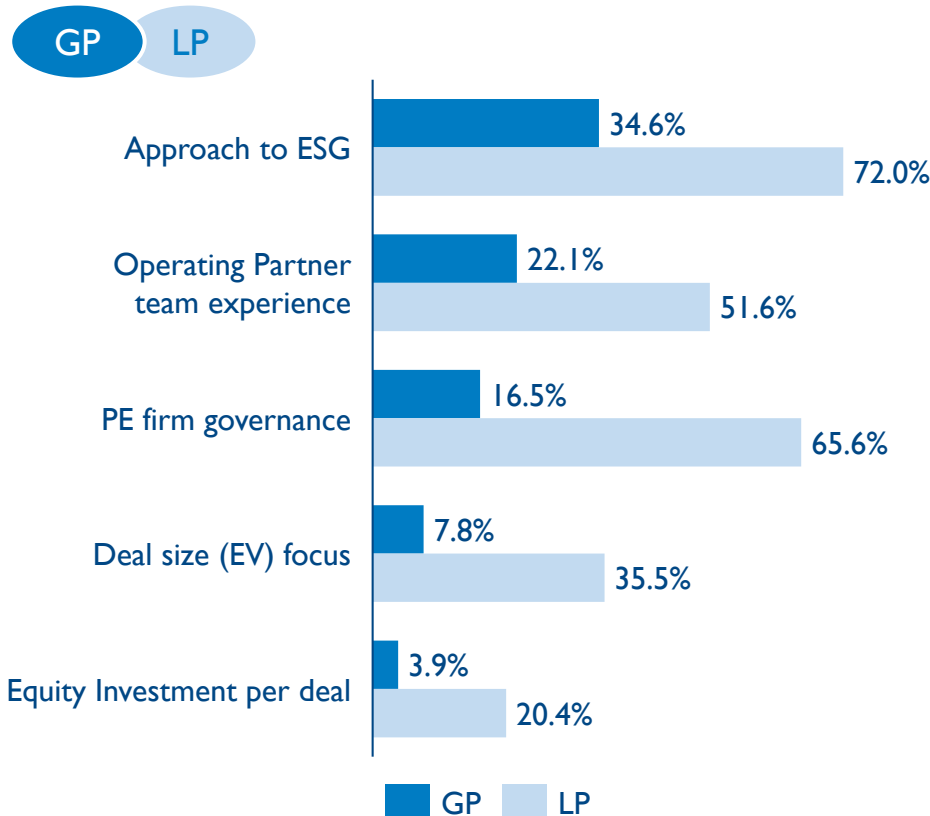
GP



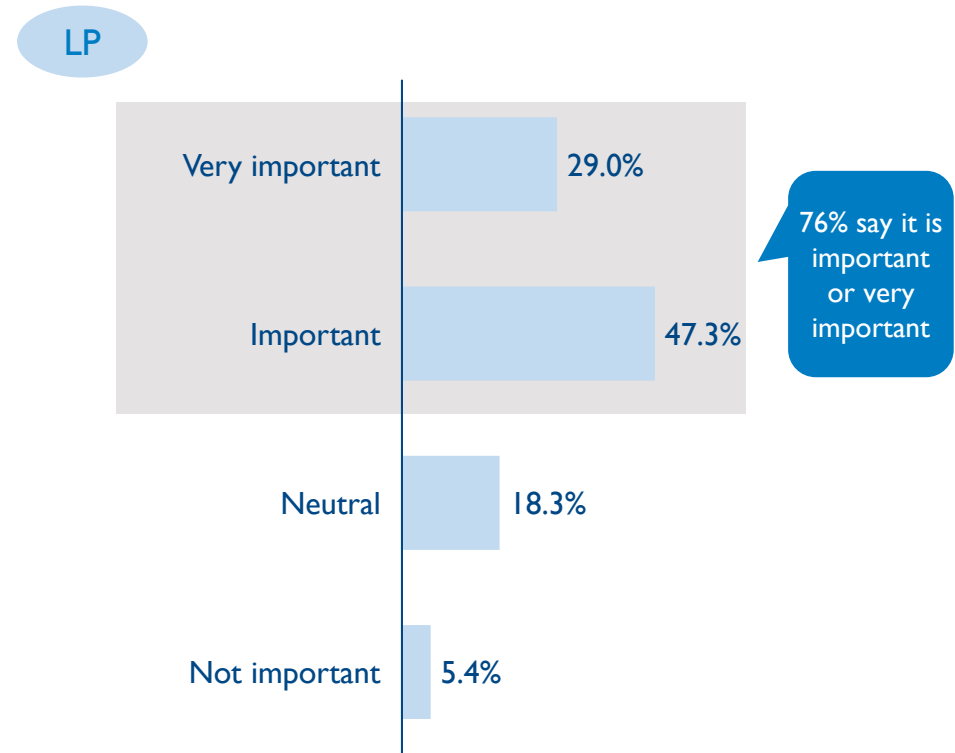
Source: Arthur D. Little Analysis, Invest Europe Private Equity survey

LPs have higher expectations in several areas compared to GPs

Most important factors for a PE firm to differentiate itself / Most important factors when selecting GPs



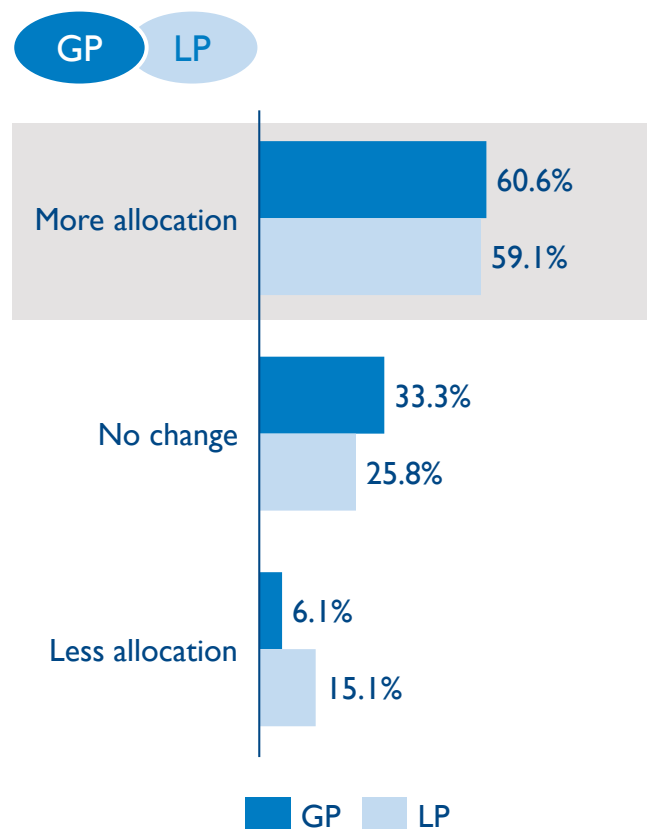
Importance of GPs to have an operating partner / dedicated portfolio manager



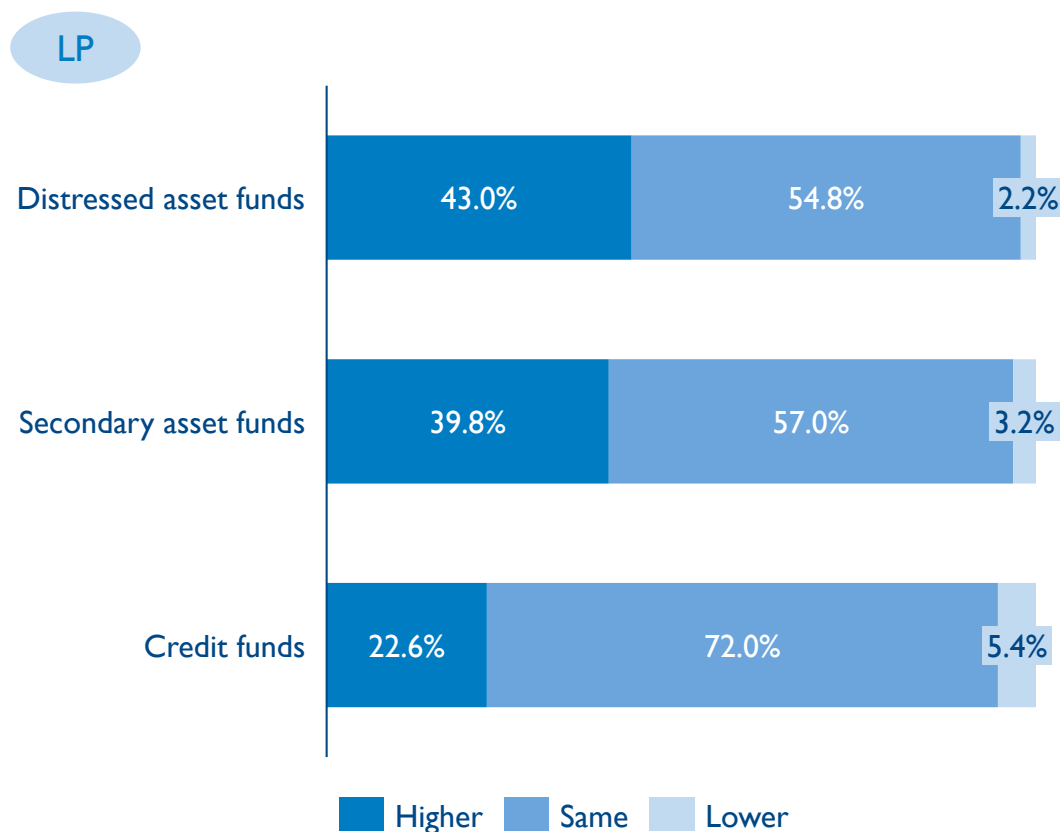
Source: Arthur D. Little Analysis, Invest Europe Private Equity survey

Private Equity as an asset class has an attractive position for LPs

Capital allocation over the next 3 years



Investment strategy allocations over the next 6 to 12 months compared to 2019




Source: Arthur D. Little Analysis, Invest Europe Private Equity survey

Questions / Answers



Available documentation and key contacts

Available documentation




- Today's webinar presentation

www.adl.com/EuropesPrivateEquity



- A white paper of the survey will be published today and is available to everyone

<https://www.investeurope.eu/research/private-equity-market-insight/>



- The full results of the survey is available in the form of a full report

Key contacts

Arthur D Little

Jonas Fagerlund – Partner
Fagerlund.Jonas@adlittle.com
 +46-709-474600

Guillaume Picq – Partner
Picq.Guillaume@adlittle.com
 +33(0)155742943

Julien Krantz – Research Director
Julien.Krantz@investeurope.eu
 +32(0)27150034