

ANNUAL PRIVATE EQUITY SURVEY

NOVEMBER 2023

**PEEL
HUNT**



Peel Hunt annual private equity survey

UK PE new deal volumes are down 43% but we expect an explosion of PE activity in 2024

Key takeaways

Rapidly rising interest rates had a detrimental impact on UK PE deal volumes

However, with an ever-present wall of dry powder and maturing portfolios...

...we don't expect this to last much longer, especially with potential tax changes from a looming UK general election

Overall, we expect an explosion of PE activity in 2024, within public markets with IPOs, public-to-private transactions and PIPEs as well as private company M&A

Peel Hunt has surveyed more than 250 private equity firms offering exceptional insight into the industry

We thank those individuals and firms for their participation

“The rapid rise in UK interest rates has caused a 43% fall in UK PE new deal volumes. However, we expect an explosion of UK PE activity in 2024 on the back of potential CGT changes, cash becoming king amongst LPs and ageing portfolios.”

Mark Barrow
Head of PE Coverage

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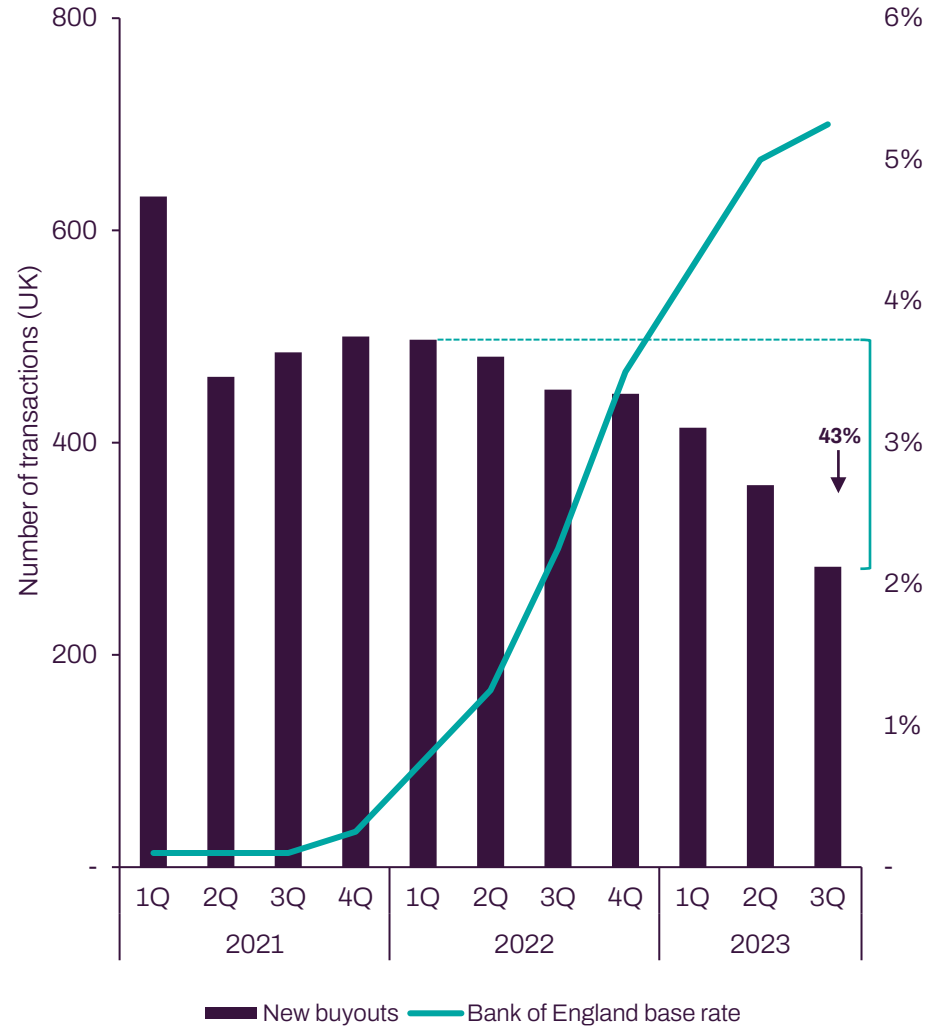
Rapidly rising interest rates had a detrimental impact on UK PE deal volumes

What is the average cost of new debt for PE?

11%

average rates have risen from 5% to 11%
in less than 2 years

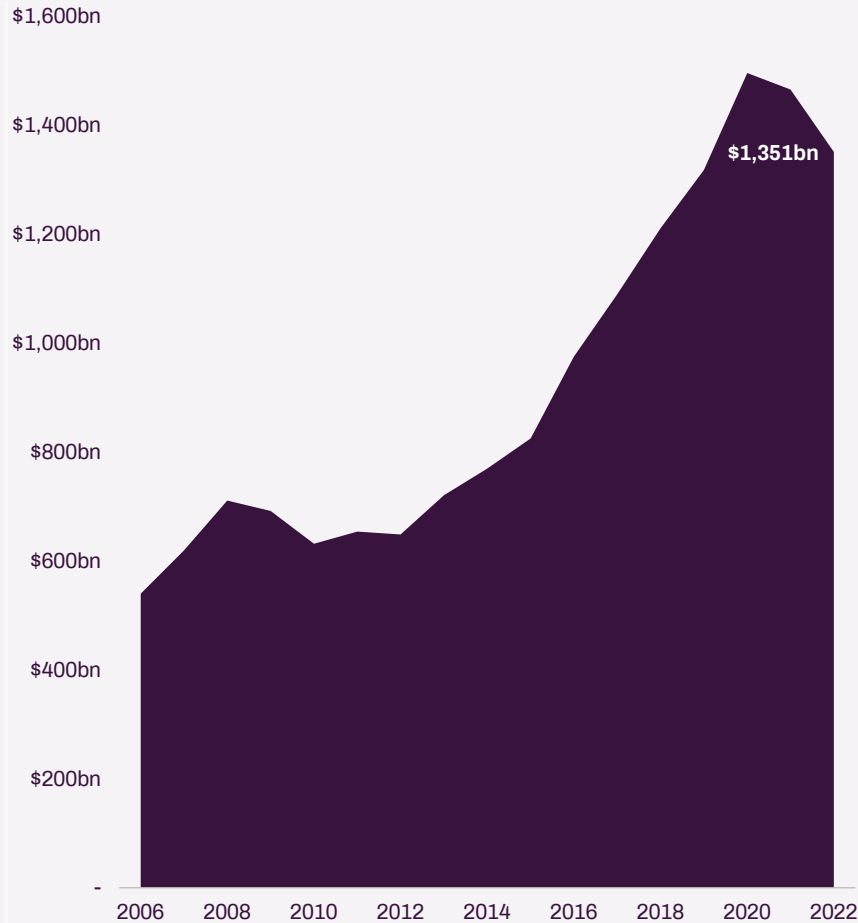
New PE buyouts are down 43% in the UK since rates started rising



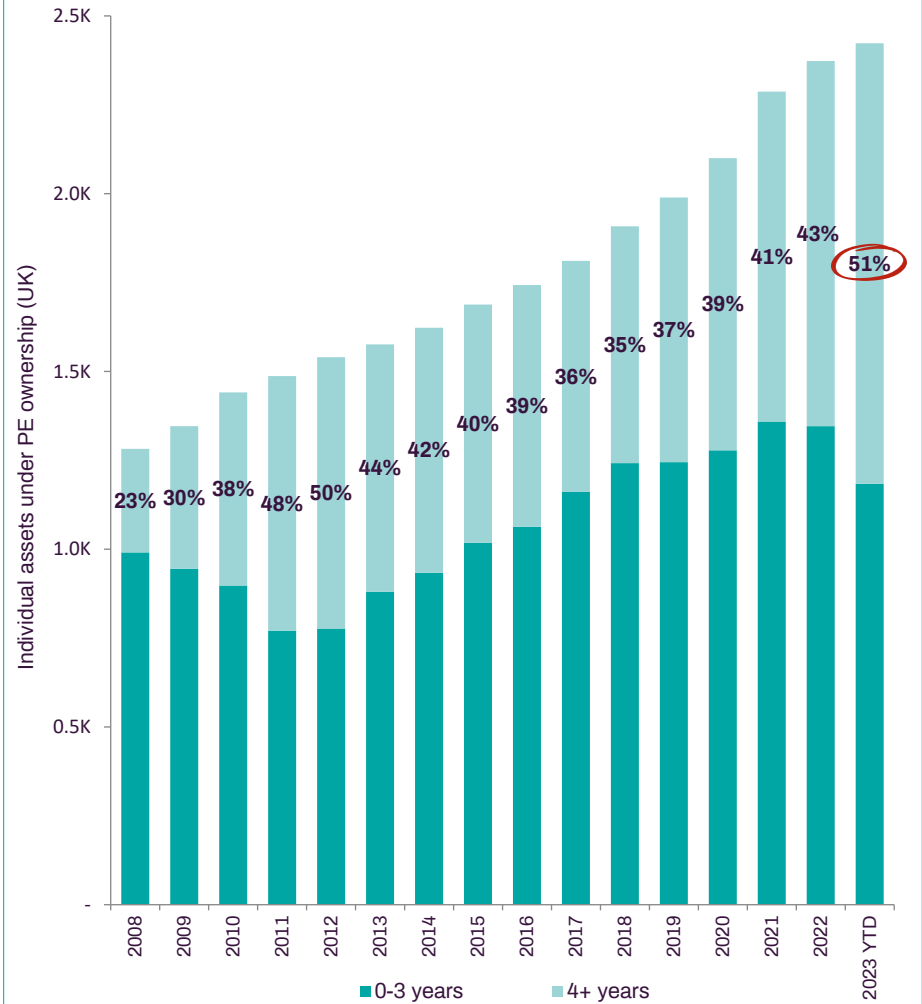
However, with an ever-present wall of dry powder and maturing portfolios...



\$1,351bn of pent-up demand in private equity globally at the start of 2023



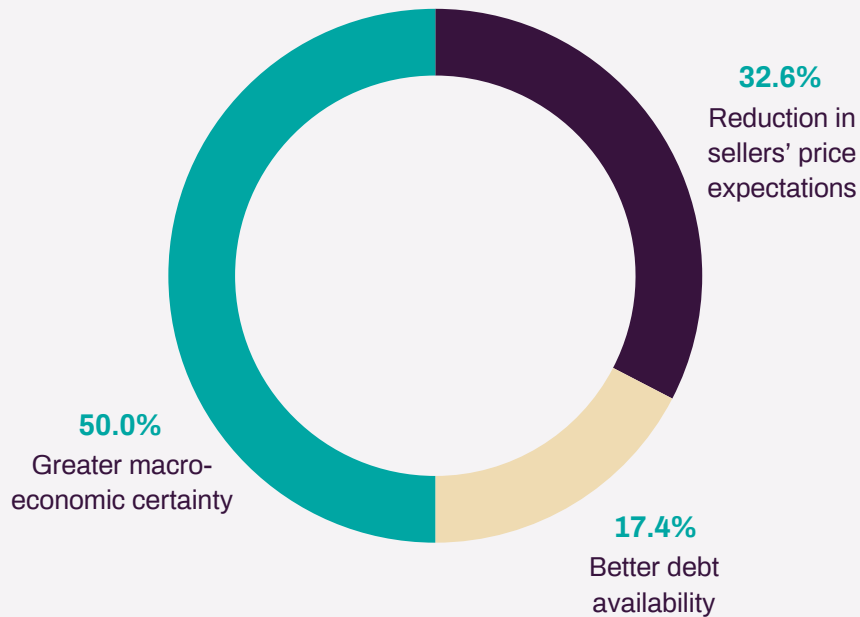
Over **50%** of UK private equity portfolio companies held for 4 years or more



Source: Peel Hunt annual private equity survey; Pitchbook

...interest rates stabilising as well as potential CGT changes

50% think the biggest enabler to increased deal volumes is greater macro-economic certainty over the next 12 months



63% believe CGT changes will drive deal flow

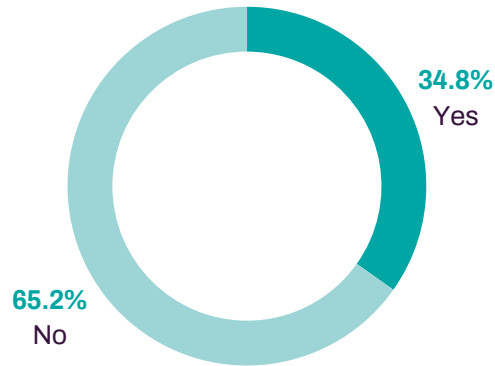


We expect an explosion of PE activity in 2024 including within public markets

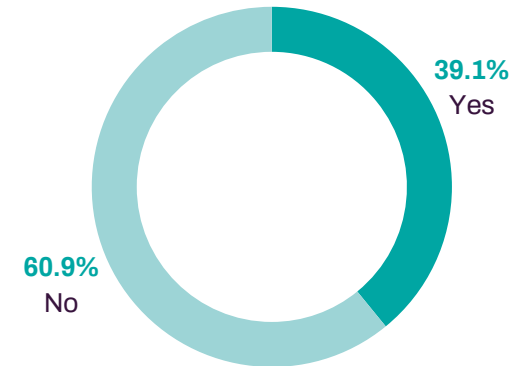
63% would consider IPO dual-tracking a portfolio company



35% are currently considering UK public-to-private transactions



39% would consider a PIPE transaction





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