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Europe slows down considerably

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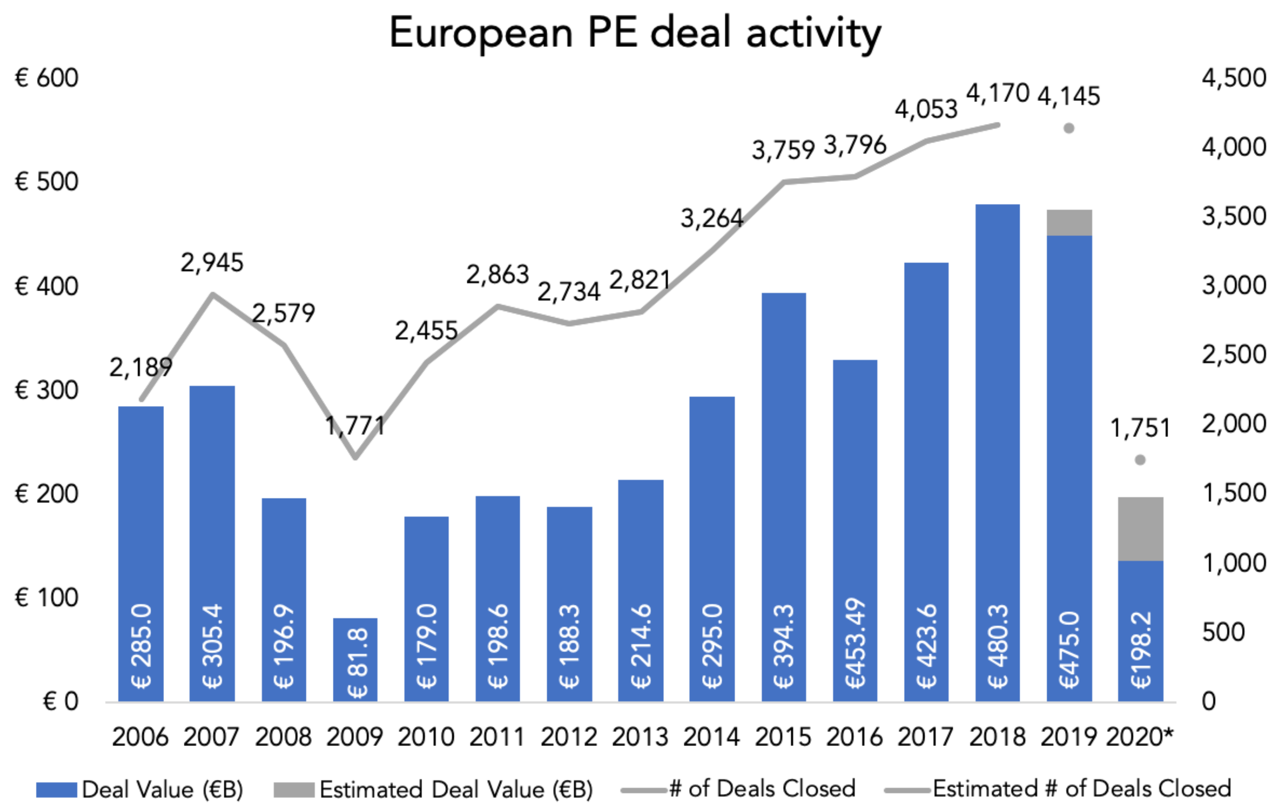

Download PitchBook's Report here.

European PE activity hit a skid in Q2, as expected. According to PitchBook's recently released Q2 European PE Breakdown, deal volume plunged to its lowest quarterly totals since Q3 2013. 650 transactions closed in Q2 for €79.8 billion, YoY declines of 31.5% and 18.7%, respectively. COVID uncertainty has caused defaults across Europe to already surpass full-year totals for 2018 and 2019.

Things were just as bad on the exit side, which is on pace to see its lowest annual totals in six year. About €73.2 billion worth of PE assets have been sold off through H1, well off the €254.9 billion seen in 2019. Of the 122 exits that closed in Q2, only five of them were worth more than €1 billion. Portfolios across Europe were already aging, and an extended pause in exits, unavoidable as it is, will make a dent in returns.