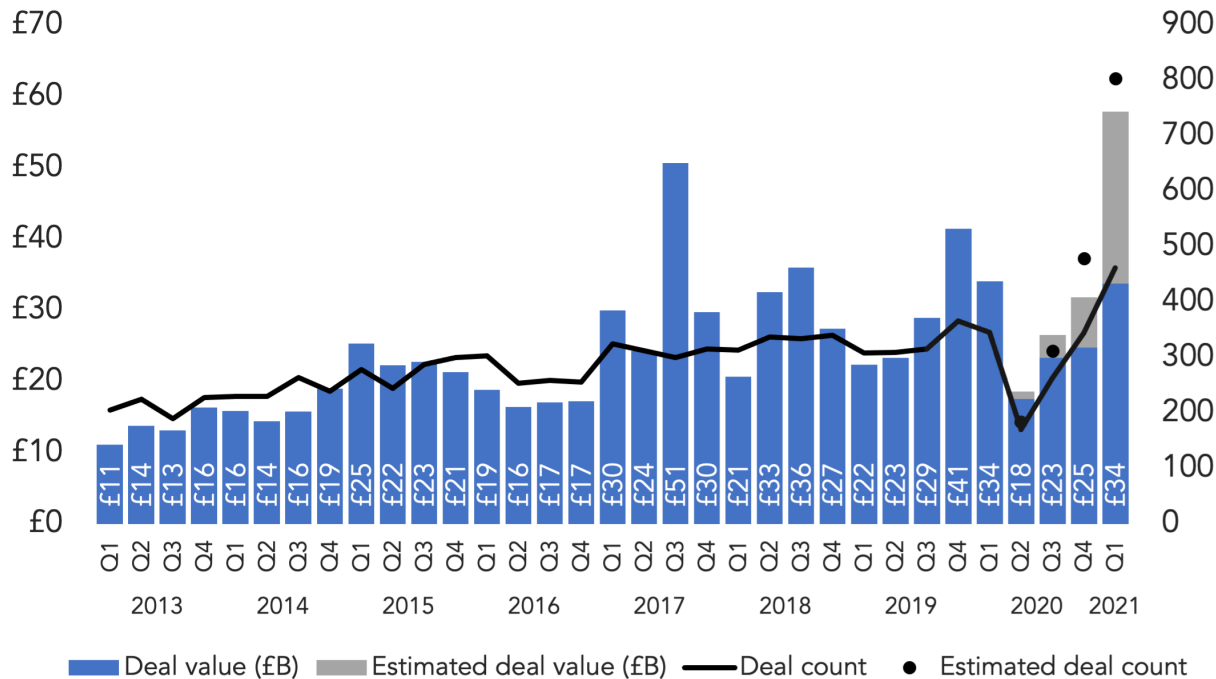


UK recovery also underway

PitchBook | June 3, 2021

PE activity in the UK and Ireland



Download PitchBook's Report [here](#).

Deal flow is on the upswing in the UK and Ireland, mirroring similar trends in North America. PitchBook's [UK & Ireland Private Capital Breakdown](#) estimates a dramatic increase in activity in Q1, surging to more than 800 transactions worth a combined £57.9 billion. Those would mark YoY increases of 132% and 70%, respectively, and much stronger recoveries in percentage terms from their Q2 2020 nadir. The UK—the largest playground for PE across Europe—benefitted from a friendly fiscal-monetary package last year and the most government borrowing since World War II. Coupled with more political certainty around Brexit, PE firms had improved visibility into companies' future earnings, and more buy-side confidence as a result. The Bank of England is projecting 7.25% in economic growth in 2021, boding well for cyclical PE-backed assets going forward.

Exit figures are also recovering. PitchBook estimates a 68.5% YoY increase in exit volume. Like the US market, exits went silent last spring as investors recalibrated their plans and tended to existing portfolio companies. The last couple quarters—and Q1 2021 in particular—have been a different story. PE-backed public listings hit a quarterly record to start the year, fueled by ten offerings worth a combined £9.7 billion. The UK's excess

liquidity theme drove sponsors to exit via IPOs and SPACs, a trend that we expect to see continue throughout the year. Open questions remain on the M&A front, and they mostly circle back to Brexit. The UK financial services sector hasn't finalized an arrangement with the EU yet, which poses question marks around cross-border M&A between buyers and sellers.

(Past performance is no guarantee of future results.)