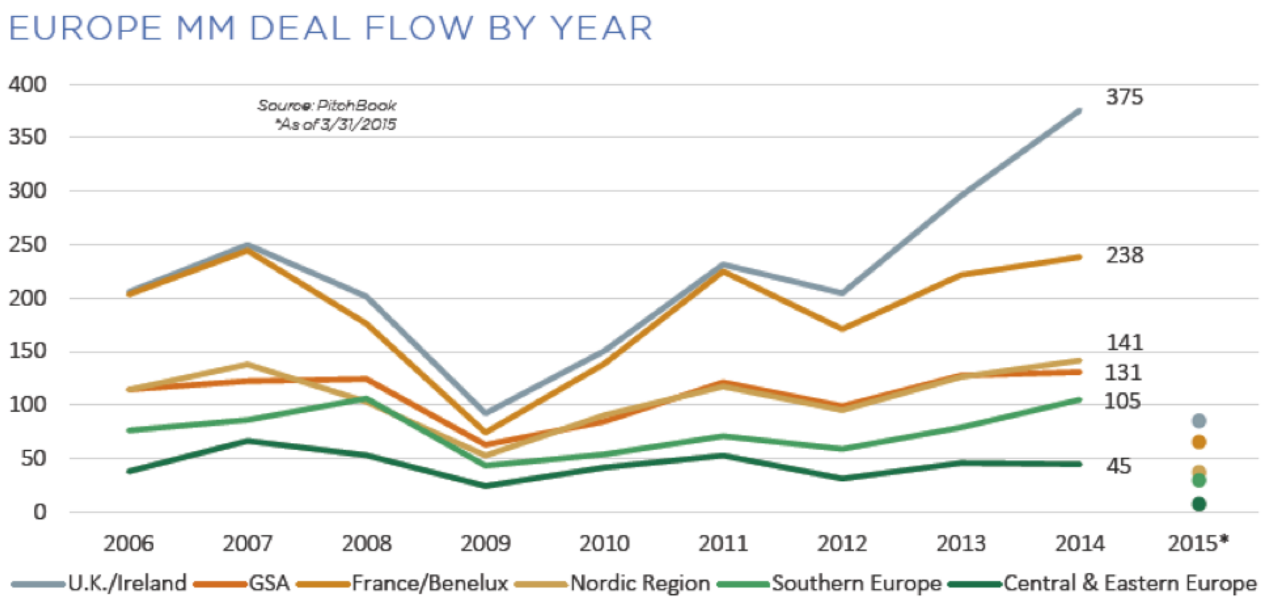
The Pulse of Private Equity – 6/8/2015

PitchBook | June 9, 2015

Not all recoveries are created equal

Top-line numbers never tell the whole story in PE. That’s especially the case in Europe, where overall middle-market numbers show a pronounced boom in activity between 2009 and 2014. Since bottoming out, deal flow almost tripled by count in five years, to 1,035 deals last year from 350 in 2009. But that huge increase is mostly due to two rapidly improving regions, the U.K./Ireland and the France/Benelux region. The U.K. hit 375 deals last year, another record for the region and a 308% increase over ’09. France/Benelux more than tripled its ’09 output (222%) to 238 deals. From there, the percentages start to go down – 166% for the Nordic region, 144% for Southern Europe, 108% for Germany/GSA and 88% for Central & Eastern Europe.



Taking it a step further, you could argue that only the U.K. stands out post-recession. Between 2012 and 2014, the France/Benelux increase (+39%) almost mirrors the other four regions. The U.K.? 84% higher versus 2012. Earlier this year and for the first time, Britain’s MM overtook Germany’s “Mittelstand” as the largest MM in Europe by revenues and head count. Small surprise that PE firms have latched onto growth in the U.K., while deal flow elsewhere in Europe goes back to normal.

To download PitchBook’s 1H 2015 European Middle Market Report, please click here.

Contact: Alex Lykken
alex.lykken@pitchbook.com