

# European Private Market Insights



# Speakers

---



**Aude Doyen**  
Managing Director  
London, UK



**Richard Olson**  
Managing Director  
London, UK



**Serge Palleau**  
Managing Director  
Paris, France



**Florus Plantenga**  
Managing Director  
London, UK



**Xenia Sarri**  
Managing Director  
London, UK



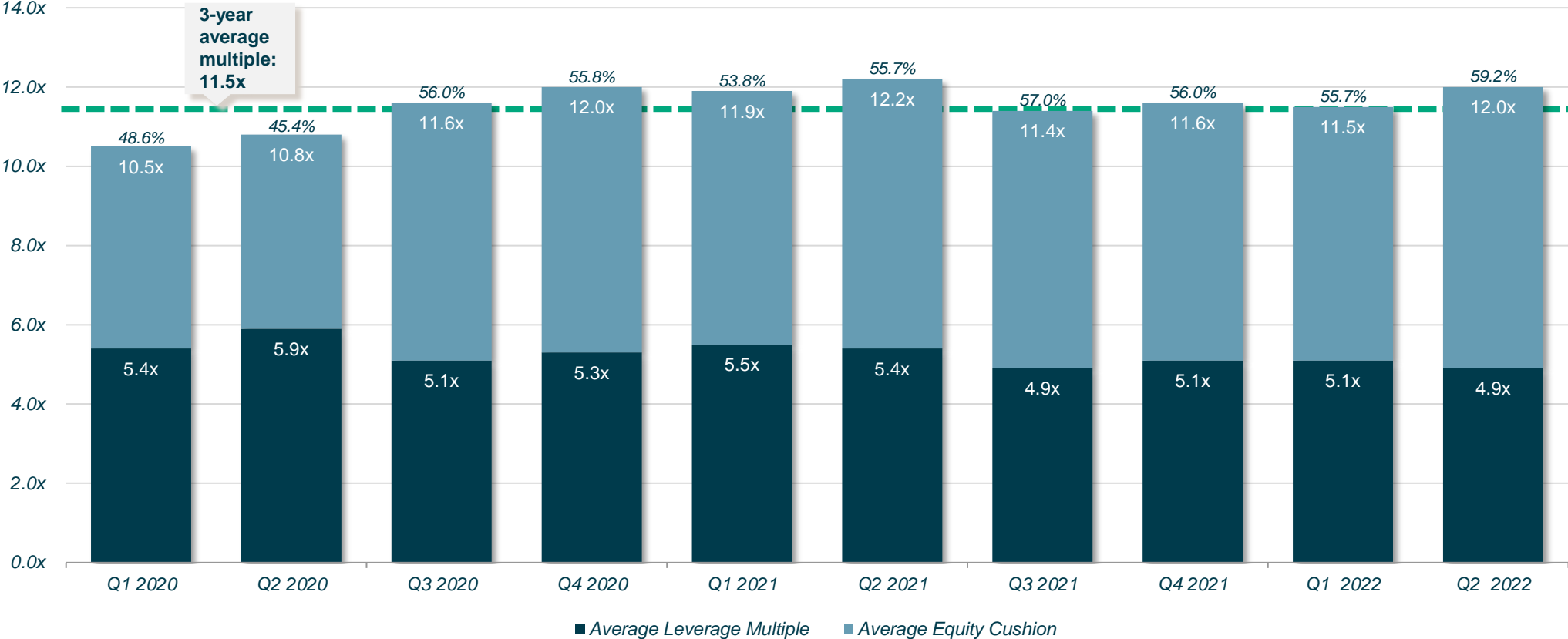
# Agenda

- Is revenue growth being sustained from 2021?
- Inflation and any impacts on EBITDA & margins
- Increasing base rates – what might changes mean for potential covenant breaches?
- Lender appetite and latest terms of debt financing



# European private company valuation multiples

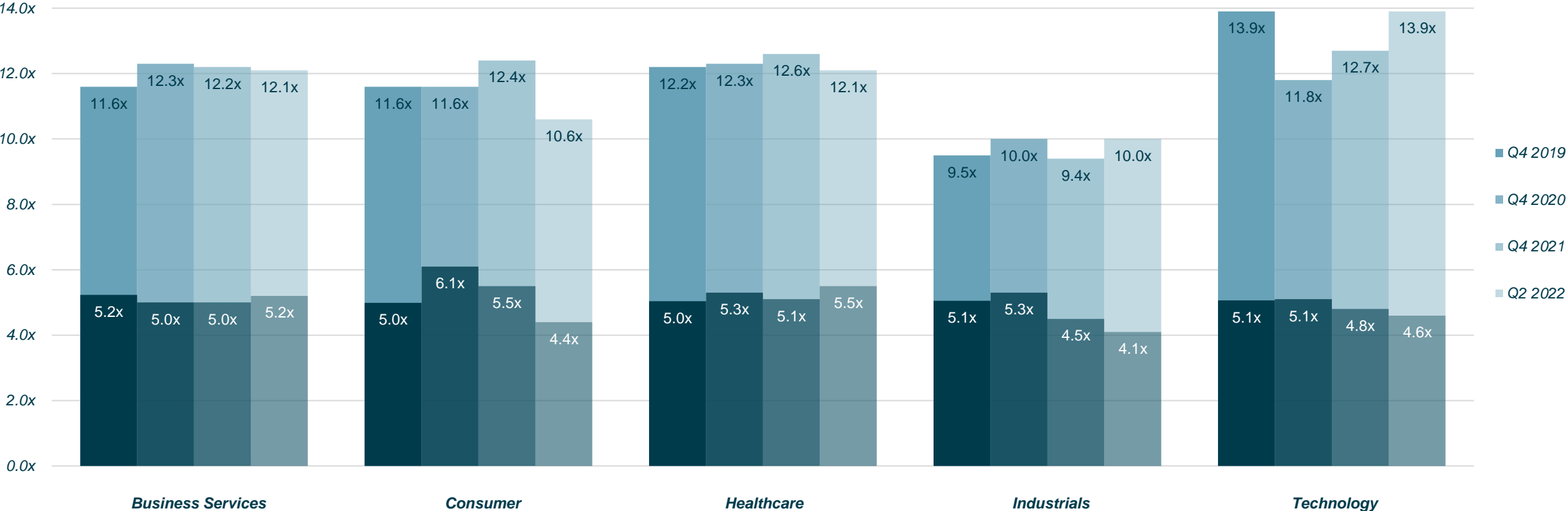
Enterprise value EBITDA multiples widened slightly during Q2 2022, whilst overall leverage declined slightly; Equity cushions are at a 3-year high



Source: Lincoln International proprietary data

# European private company valuation multiples, by industry

Private company valuation multiples varied significantly, depending upon industry sector; Leverage decreased for Consumer, Industrials, and Technology

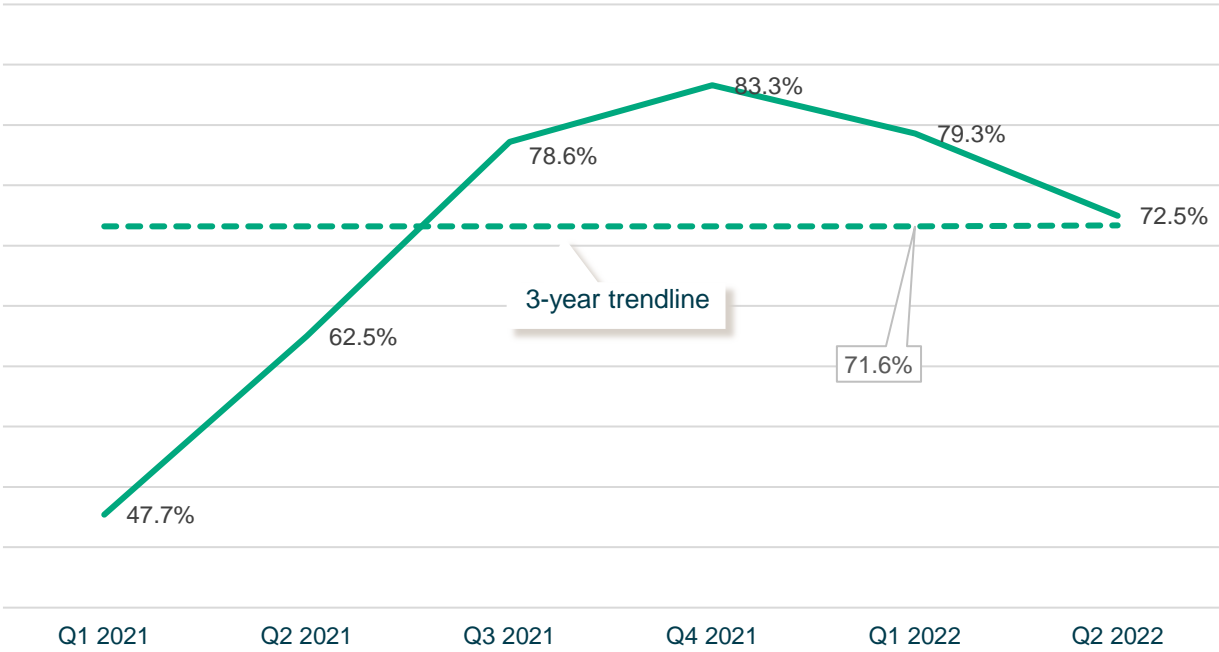


Source: Lincoln International proprietary data

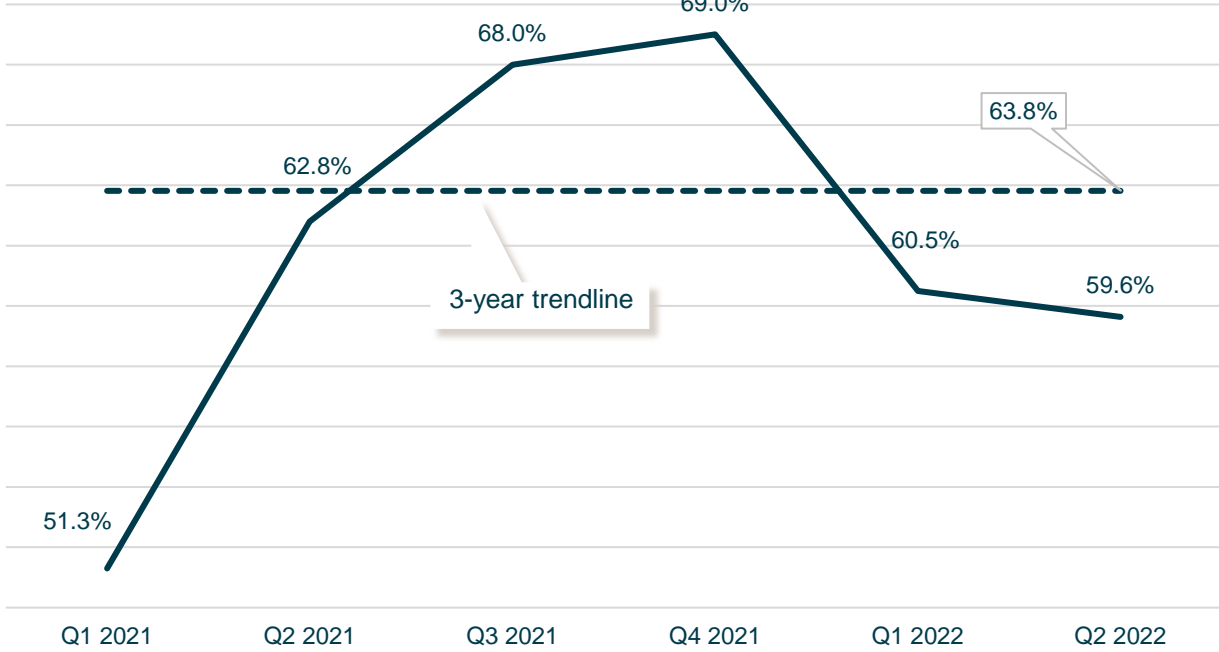
# European private company financial performance

Private companies grew EBITDA slower than revenue, highlighting difficulty in passing along inflation-related costs

### Private Companies Reporting YoY Revenue Growth



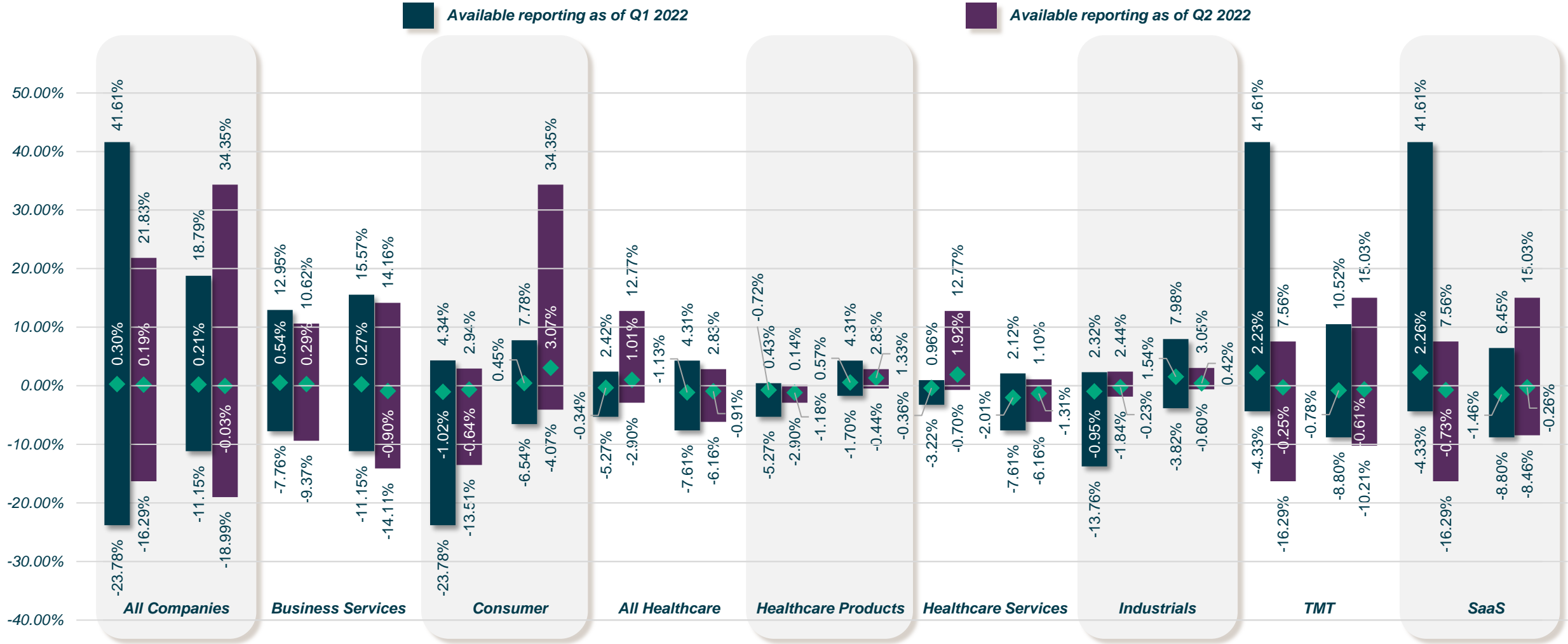
### Private Companies Reporting YoY EBITDA Growth



Source: Lincoln International proprietary data

# European private company EBITDA margins

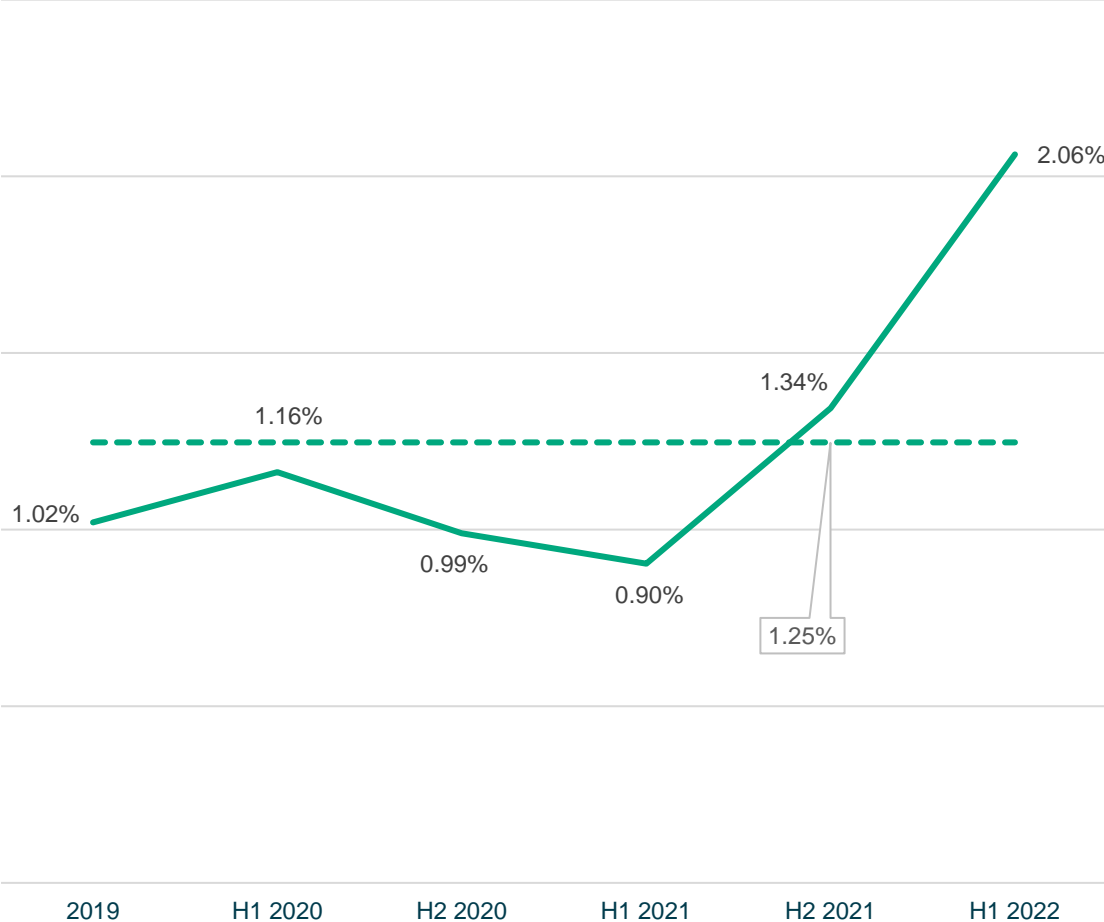
There has been minimal change in EBITDA margins as of available reporting for Q2 2022, but a wide variation of performance amongst industry sectors



Source: Lincoln International proprietary data

# European private credit covenant breaches

Leverage and liquidity covenant breaches have recently increased over the past two quarters and are above the 3-year average



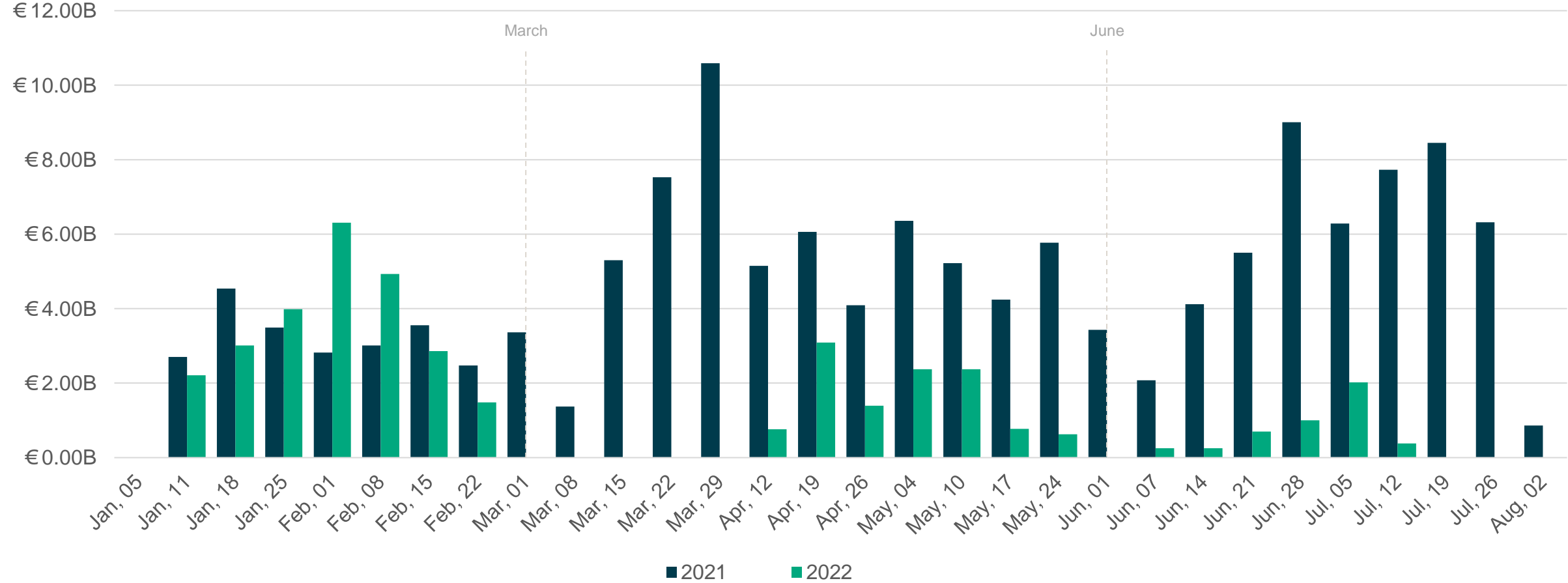
Source: Lincoln International proprietary data



# Market Conditions

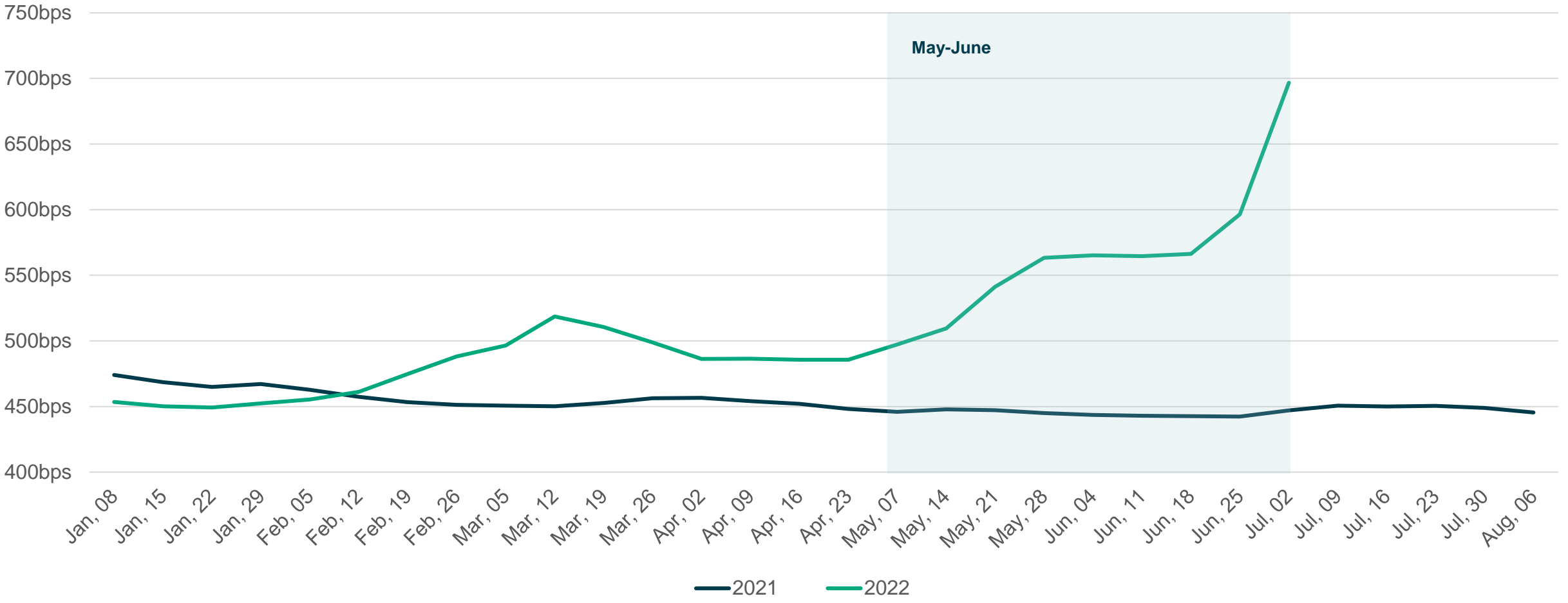


# European syndicated loan volumes



Source: Leveraged Commentary & Data (LCD), total European leveraged loan volume

# European syndicated loan pricing

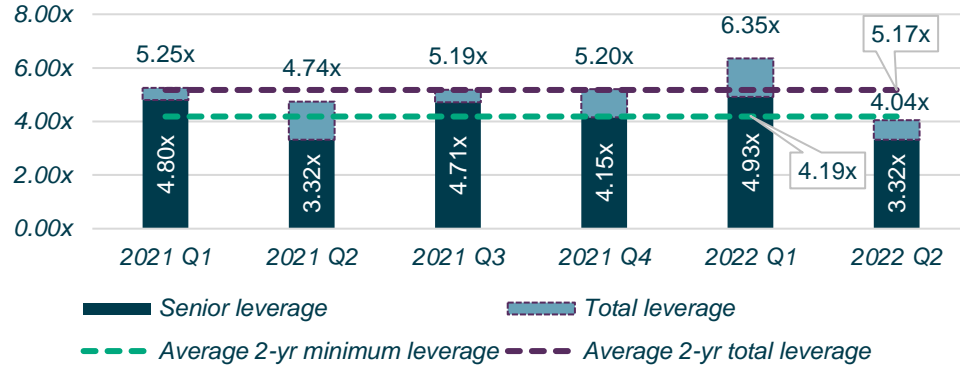


Source: Leveraged Commentary & Data (LCD), S&P European Leveraged Loan Index, Spread-to-Maturity (E+)

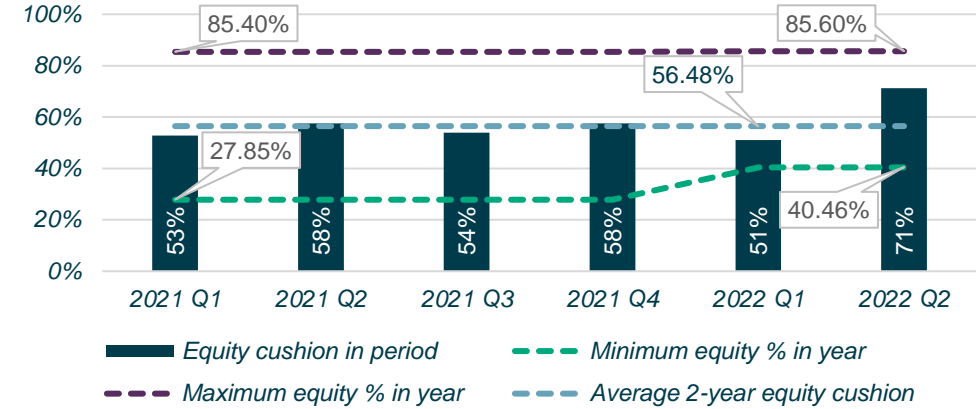
# European private credit deals

Recent deals have shown lower leverage, increased equity cushions, and higher all-in pricing (70 transactions over 18 months totalling €7.9 billion)

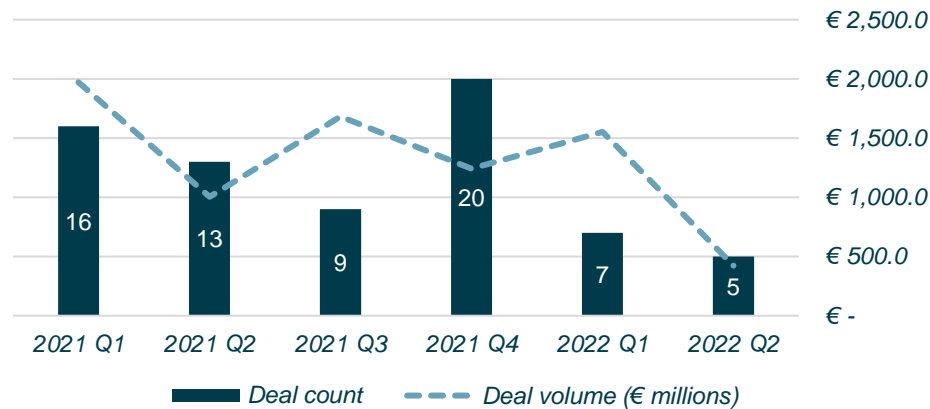
## Leverage Multiples



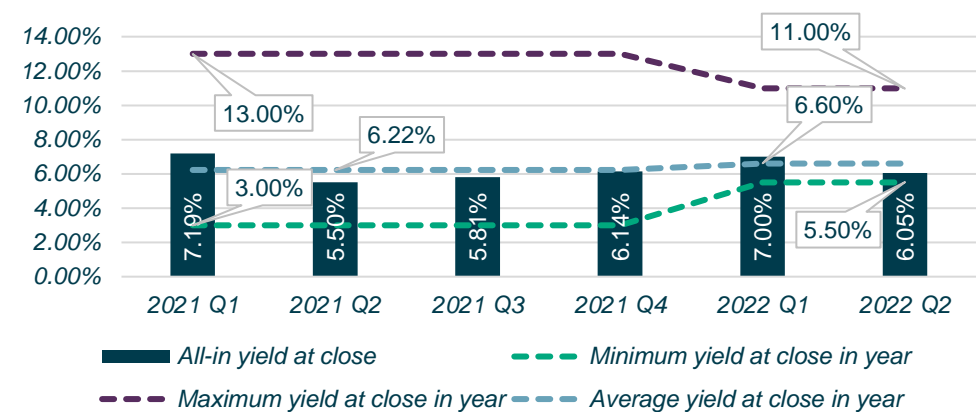
## Equity Cushions



## Observed European Private Credit Deals



## Pricing: New Deals



Source: Lincoln International proprietary data

# Q & A

## Recent European Capital Advisory Transactions

**Bluewater**

has refinanced

**3t Energy Group**

Refinancing



**CHILTERN CAPITAL**

has recapitalized

**Steer**  
AUTOMOTIVE GROUP


Refinancing



**HIBERNIAN TOWERS**

has been refinanced

Refinancing



**HORIZON CAPITAL**

has made an investment in

**BP3**  
There's a faster way to do Fuel™

Acquisition Financing



**kubrick**

a portfolio company of

**BOWMARK CAPITAL**

has raised financing

Acquisition Financing



**inflexion**

has acquired

**detectortesters**  
Finding Technology from the Cloud

Buy-Side Capital Raise



**SECURE-IC**  
THE SECURITY SCIENCE COMPANY

has raised funding from

**ALLIANCE ENTREPRENDRE**

**BNP PARIBAS ASSET MANAGEMENT**

**GO CAPITAL**

Capital Raise



**verdane**

has acquired

**papirfly.**

from

**Standout Capital**

Acquisition Financing

