

European Private Market Q3 2023 Insights & Q4 Outlook



Speakers



Aude Doyen
Managing Director,
Capital Advisory
London, UK



Richard Olson
Managing Director,
Valuations & Opinions
London, UK



Florus Plantenga
Managing Director,
FSG
London, UK



Daniele Candiani
Managing Director,
Capital Advisory
Milan, IT



Fred Odling
Director,
Capital Advisory
London, UK



Agenda

- **Q3 Valuations Overview**
- **Early Signs of Improving Financing Market Conditions**
- **Financing Upper Mid-Cap Transactions**
- **NAV Financings**

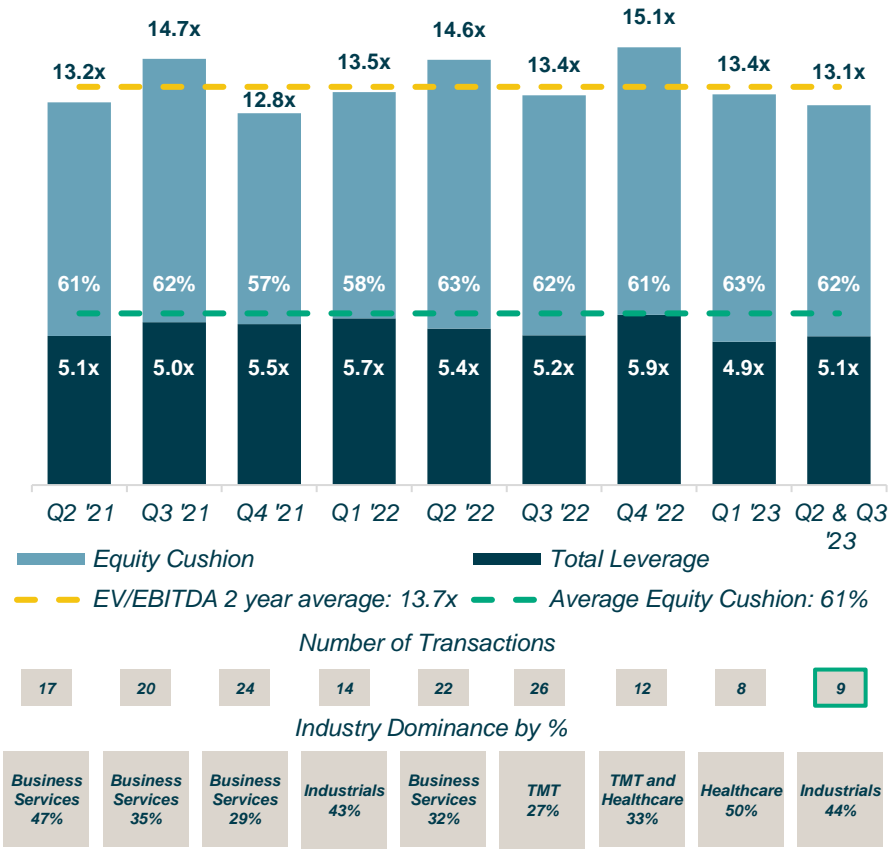


Quarterly Valuations Update

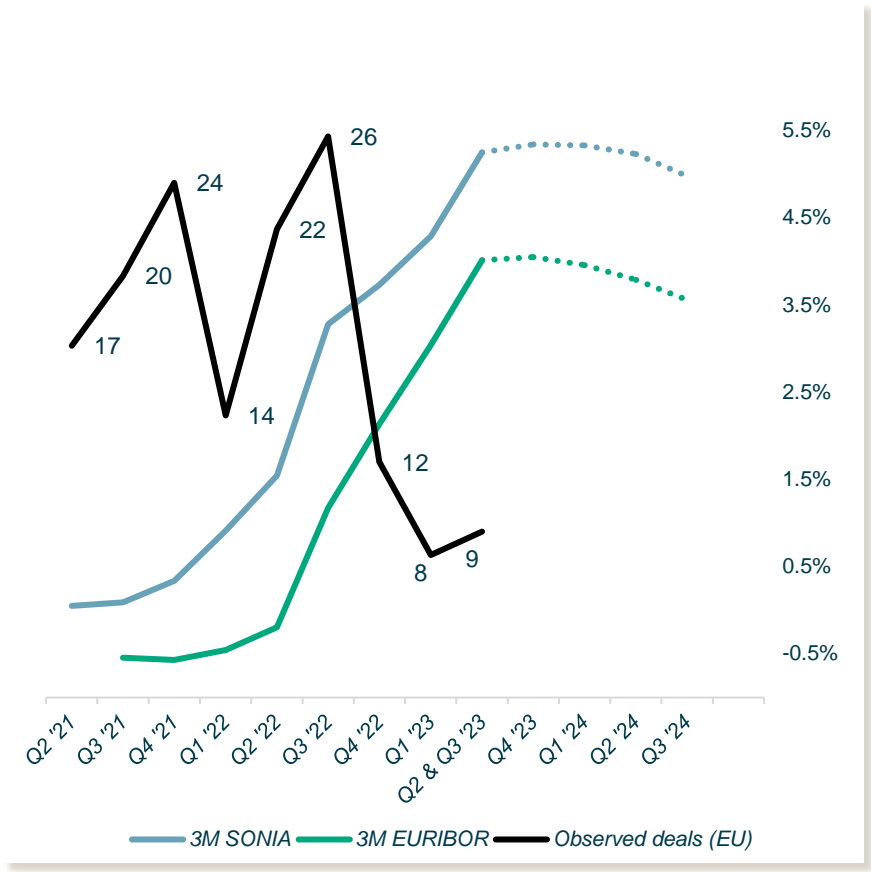


European Lincoln Observed New Third-Party M&A Buyouts

EV / LTM EBITDA Transaction Multiples



3M EURIBOR, 3M SONIA & LI Observed Deal Activity

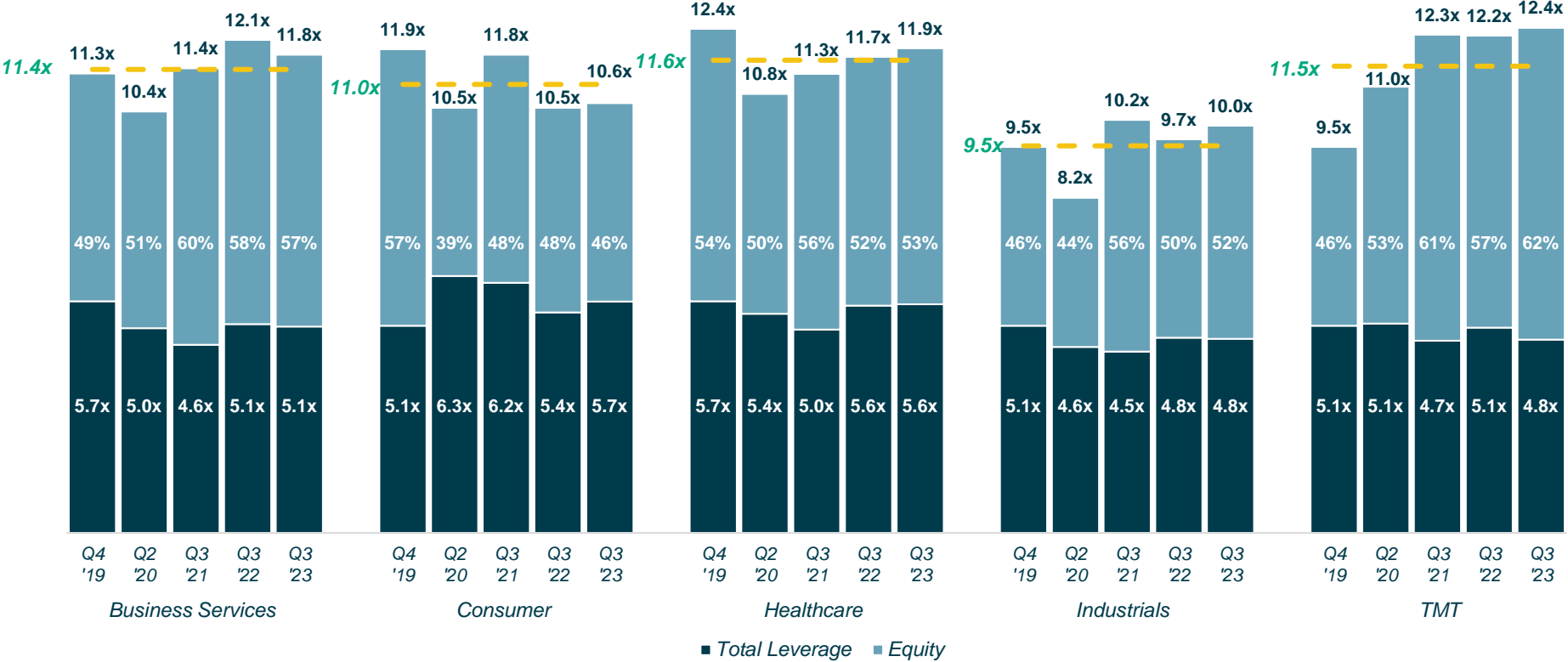


SOURCE: Lincoln VOG Proprietary Private Market Database, Bloomberg L.P – Europe only.

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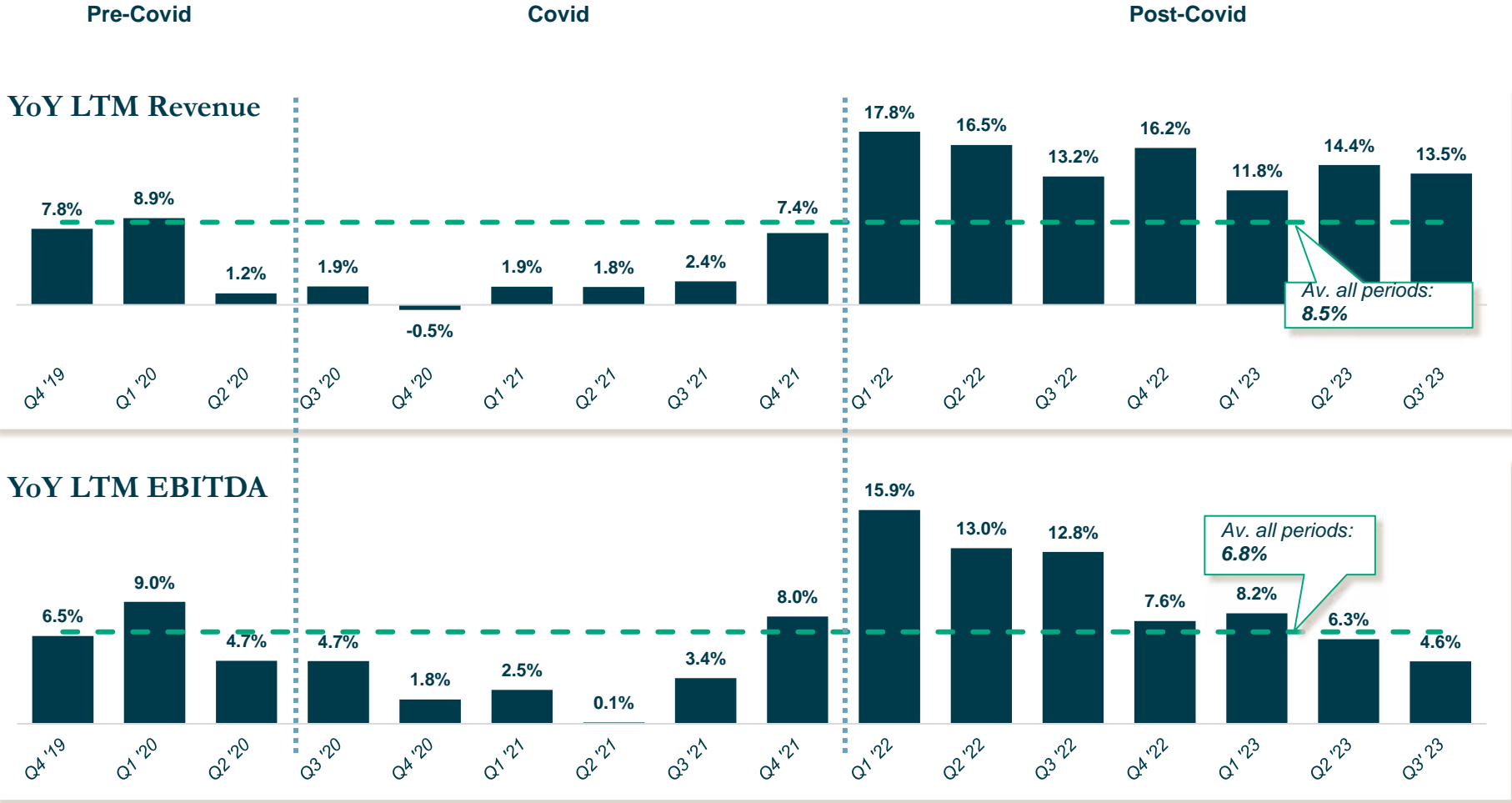


European EV/LTM EBITDA Multiple Evolution by Industry



SOURCE: Lincoln International's proprietary database – Europe only. NOTE: EV/LTM EBITDA multiples exclude companies valued solely using revenue multiples.
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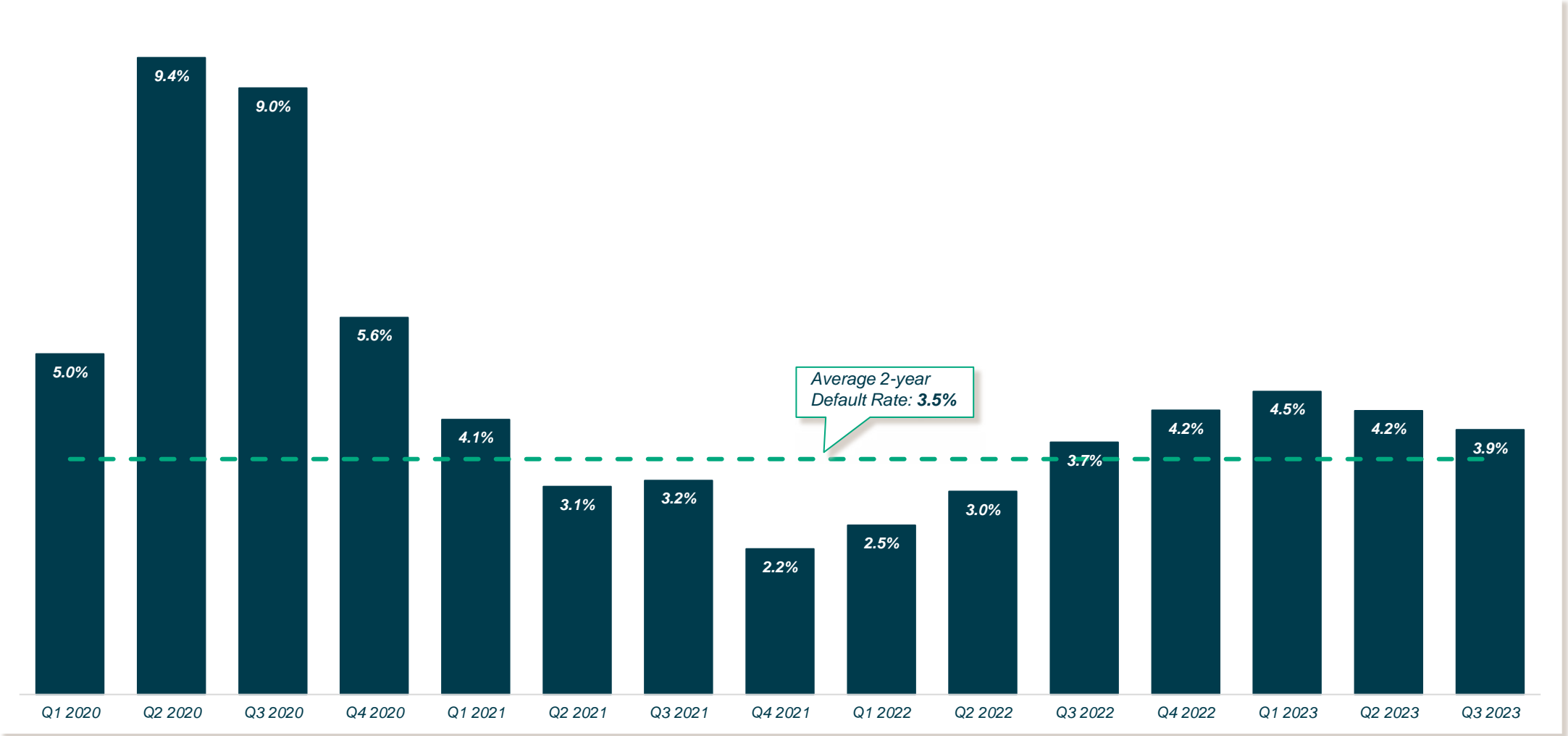
European Magnitude of LTM Revenue & EBITDA Growth



SOURCE: Lincoln International's proprietary database.

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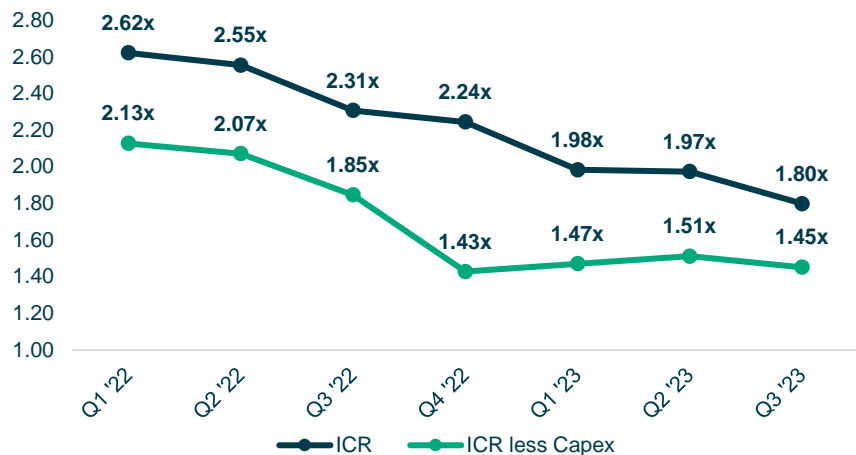
Covenant Default Rate (Size-Weighted)



SOURCE: Lincoln VOG Proprietary Database. Note: A default is defined as a covenant default and not a monetary default. The analysis was performed based on a size-weighted approach, which considered the total net debt balance for each of the portfolio companies that had a defaulting security in the respective quarter.
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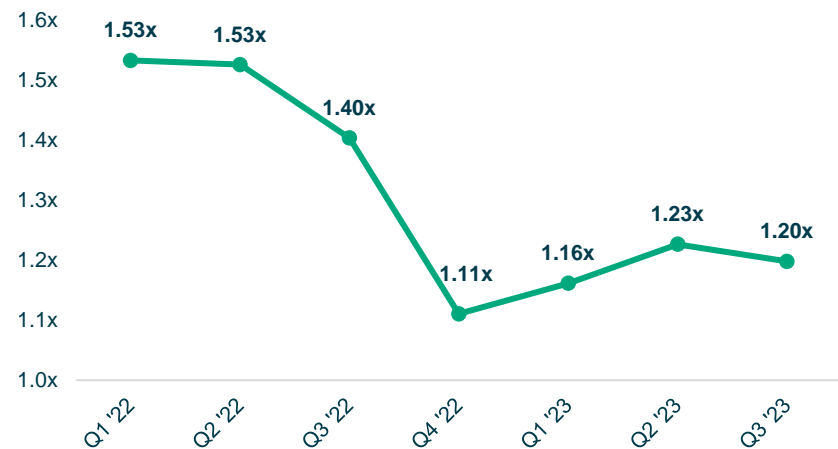
European Interest Coverage & Fixed Charge Coverage Ratios

LTM EBITDA Interest Coverage



Calculations: Interest Coverage Ratio = (LTM EBITDA – Capex) / Actual LTM Interest

Fixed Charge Coverage Ratio



Fixed Charge Coverage Ratio = (LTM EBITDA-Taxes-Capex) / LTM Interest Expense+(1% * Total Debt)

3M SONIA

30 Jun 2022	1.61%
30 Sep 2022	3.37%
31 Dec 2022	3.77%
31 Mar 2023	4.26%
30 Jun 2023	5.24%
30 Sep 2023	5.83%
31 Oct 2023	5.29%

3M EURIBOR

30 Jun 2022	(0.20%)
30 Sep 2022	1.18%
31 Dec 2022	2.17%
31 Mar 2023	3.06%
30 Jun 2023	3.65%
30 Sep 2023	4.01%
31 Oct 2023	4.02%

Early Signs of Improving Financing Market Conditions



Financing Upper Mid-Cap Transactions



NAV Financings



Recent Capital Advisory Transactions

Deutsche Beteiligungs AG

has acquired

ProMik
Trusted Solutions

Acquisition Financing



skerritts

a portfolio company of

SOVEREIGN
CAPITAL PARTNERS

has been refinanced

Refinancing



ORIENTA
SERVICES HOLDING

has acquired

bierrebi
Brewery Technology

with senior loan financing from

Banca Ifis BPER:
green arrow SOLUTION

and mezzanine financing from

Eiello Investimenti

Acquisition Financing



MidleGround Capital


has acquired

XTRAC

from

inflexion

Buy-Side
Acquisition Financing



Bubbles Bidco SpA

ACQUA & SAPONE

majority owned by

H I G

has refinanced its existing debt with a **€440,000,000** term loan and a **€55,000,000** revolving credit facility provided by a group of banks

Refinancing



I.R.I. PARTICIPAZIONI

has been refinanced by

Banca Ifis

Eiello Investimenti SOLUTION

Refinancing



CALEDONIA INVESTMENTS


has acquired

AIR SERV
Specialized Air Line

from

CSC
SERVICEWORKS

Buy-Side
Acquisition Financing



stellex
CAPITAL MANAGEMENT


has acquired

Santasalo

from

N+partners

Acquisition Financing
Buy-Side



Hallmarq
Advanced Maritime Imaging

a portfolio company of

AUGUST

has been refinanced

Refinancing




AMBER
INFRASTRUCTURE GROUP

has refinanced

toob

Senior Financing




COLMEC
COLMEC GROUP

has been sold to

Norvestor

Sell-Side
Staple Financing



mh Millbrook
HEALTHCARE GROUP

has sold


Ross Care

to

MEDEQUIP
a subsidiary of

medux

Sell-Side
Staple Financing



Key Contacts

www.lincolninternational.com

London

10th Floor
Orion House
5 Upper St Martin's Lane
London WC2H 9EA
United Kingdom

Milan

Via Santa Radegonda
11 – 5th Floor
20121 Milan
Italy

Aude Doyen

Managing Director
Capital Advisory Group
+44 7951 509824
adoyen@lincolninternational.com



Richard Olson

Managing Director
Valuations & Opinions Group
+44 7773 099 955
rolson@lincolninternational.com



Florus Plantenga

Managing Director
Financial Sponsors Group
+44 7894 479274
fplantenga@lincolninternational.com



Fred Odind

Director
Capital Advisory Group
+44 7790 922 159
fodind@lincolninternational.com



Daniele Candiani

Managing Director
Capital Advisory Group
+39 348 4518099
dcandiani@lincolninternational.com

