

European Private Market Q2 Insights & Q3 2024 Outlook



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Agenda

- **Q2 2024 EU valuation insights**
- **Secondary PE transactions and continuation vehicles**
- **Alternative strategies to return capital to LPs**
- **General election debrief**



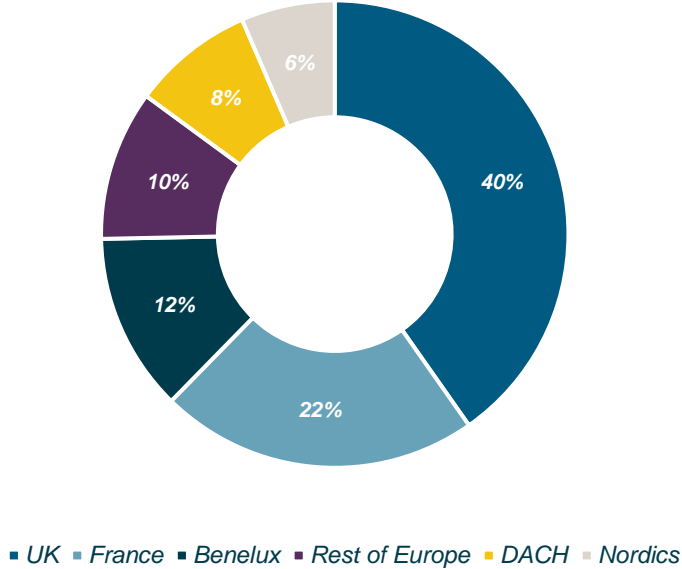
Q2 2024 EU valuations insights



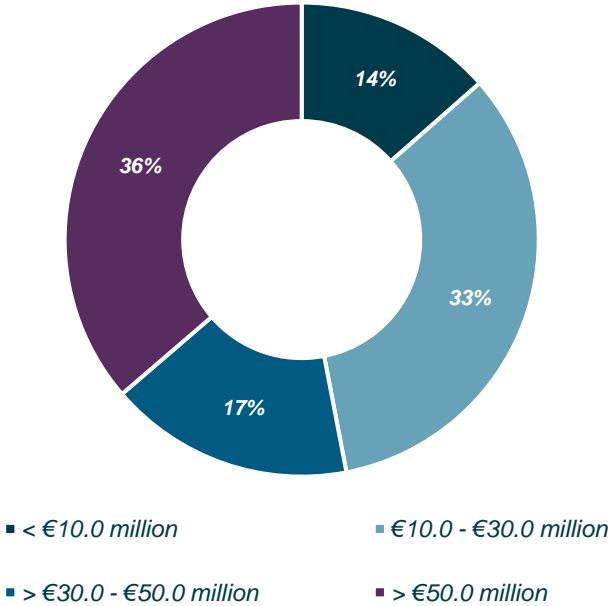
Q2 2024 European Private Company Data

Portfolio Companies by

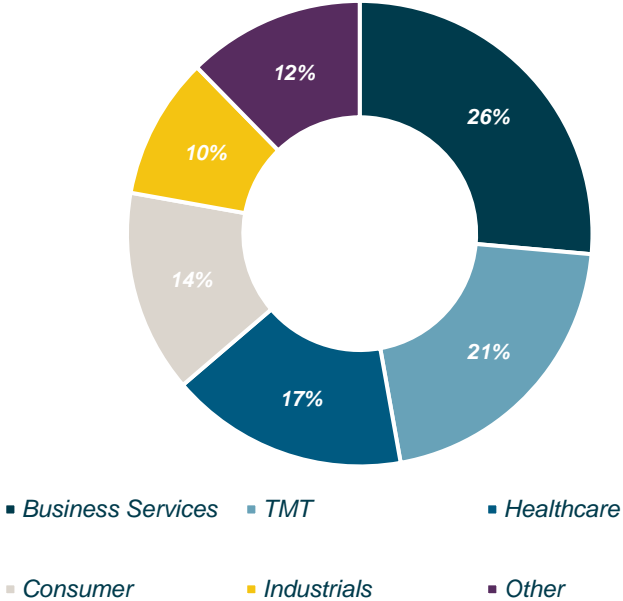
Region



LTM EBITDA



Industry



▪ Prior period: Q1 '24

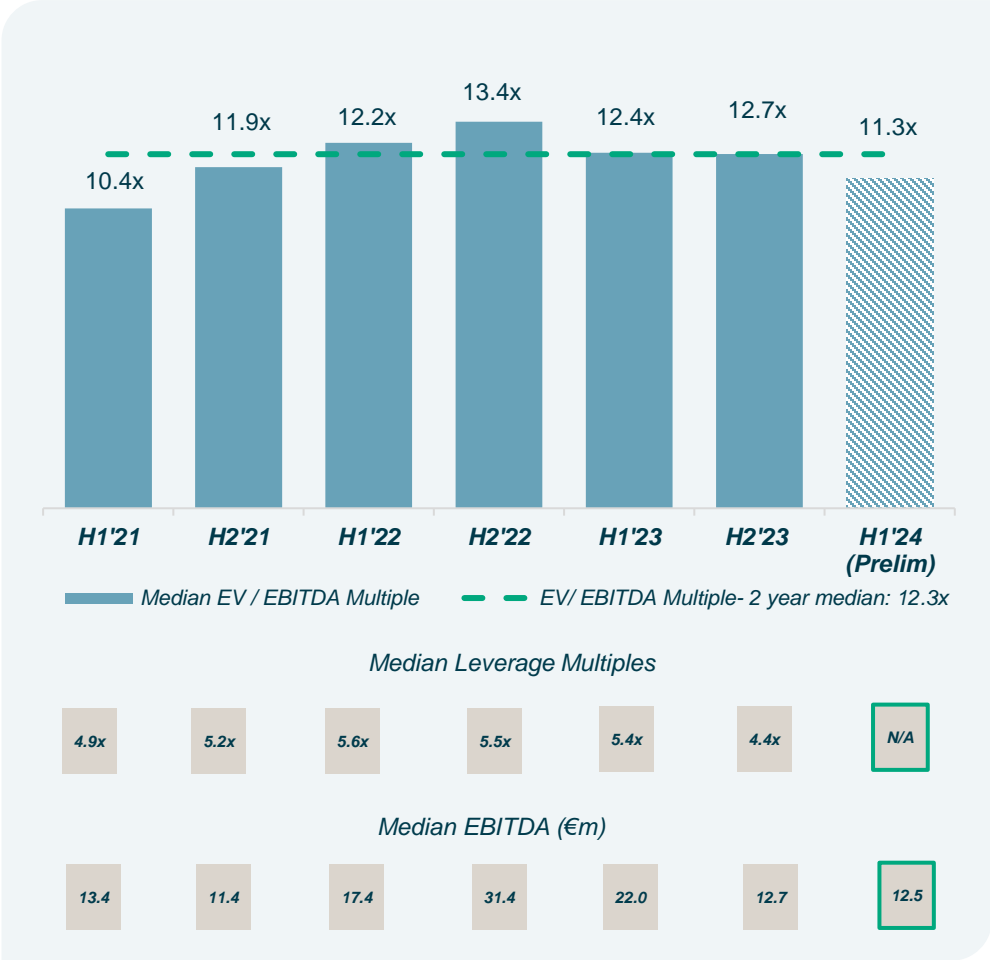
- Median Company Size (LTM EBITDA): ~ €31 million
- Average EV / LTM EBITDA Multiple: 11.9x
- Average Debt / LTM EBITDA Multiple: 5.2x

▪ Current period: Q2 '24 (prelim)

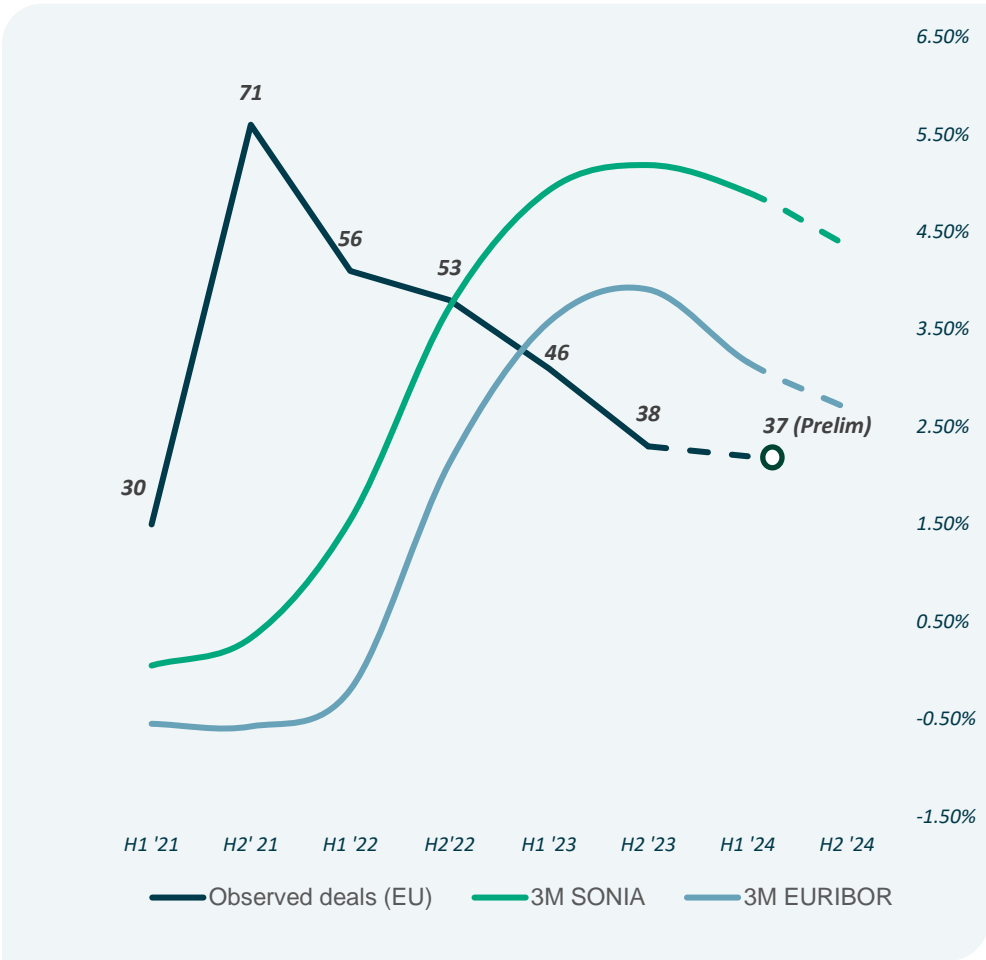
- Median Company Size (LTM EBITDA): ~ €32 million
- Average EV / LTM EBITDA Multiple: 12.4x
- Average Debt / LTM EBITDA Multiple: 5.2x

European Lincoln Observed New Third-Party M&A Buyouts

EV / EBITDA Transaction Multiples (VOG & M&A)

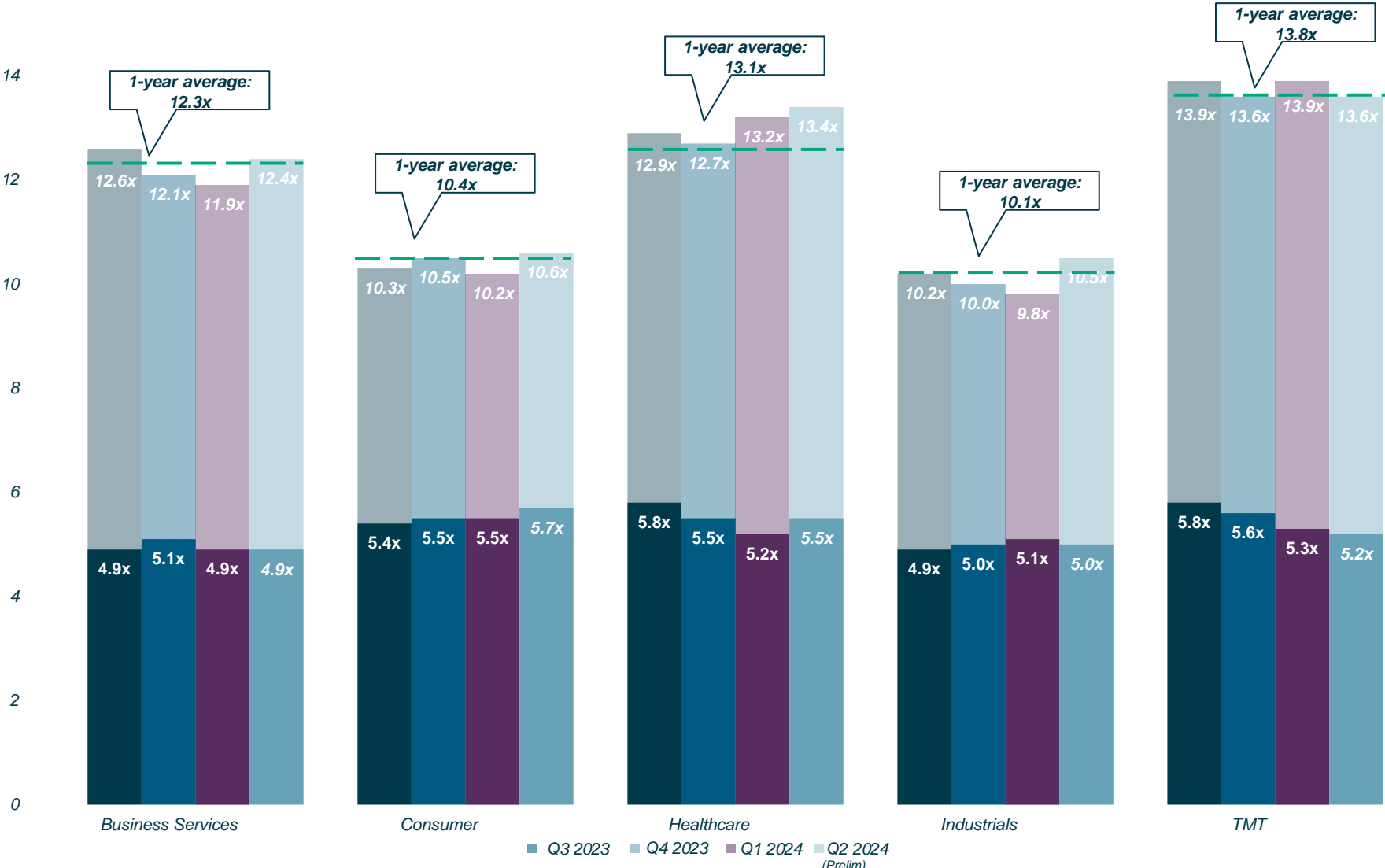


3M EURIBOR, 3M SONIA, & LI Observed Deal Activity



Source: Lincoln VOG Proprietary Database, FED Funds Futures per CME Group.
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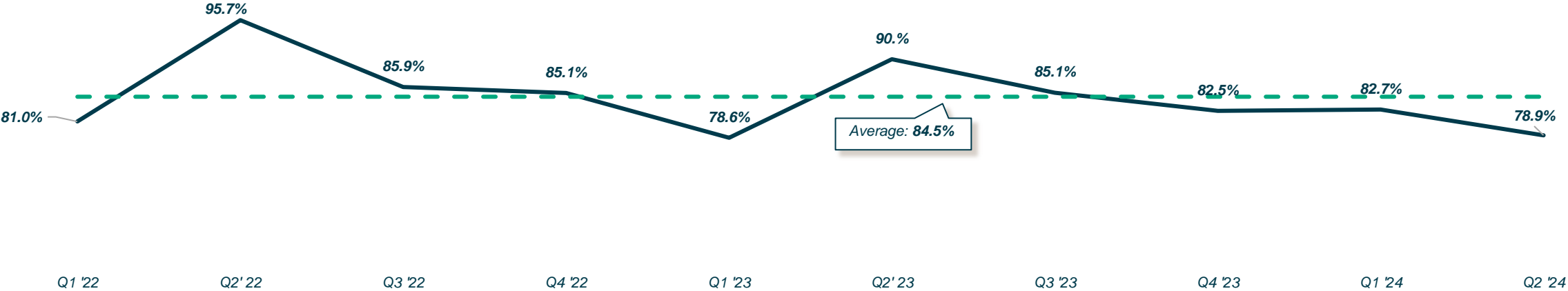
European EV/LTM EBITDA Multiple Evolution by Industry



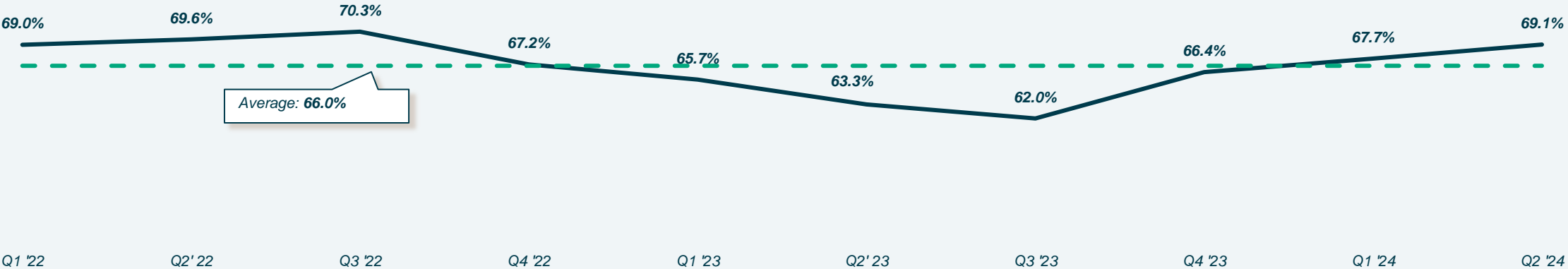
Source: Lincoln VOG Proprietary Database. Note: darker colors represent average leverage multiple, while lighter colors represent average enterprise value multiple.
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European LTM Revenue & EBITDA Growth

Percentage of Companies Reporting YoY LTM Revenue Growth

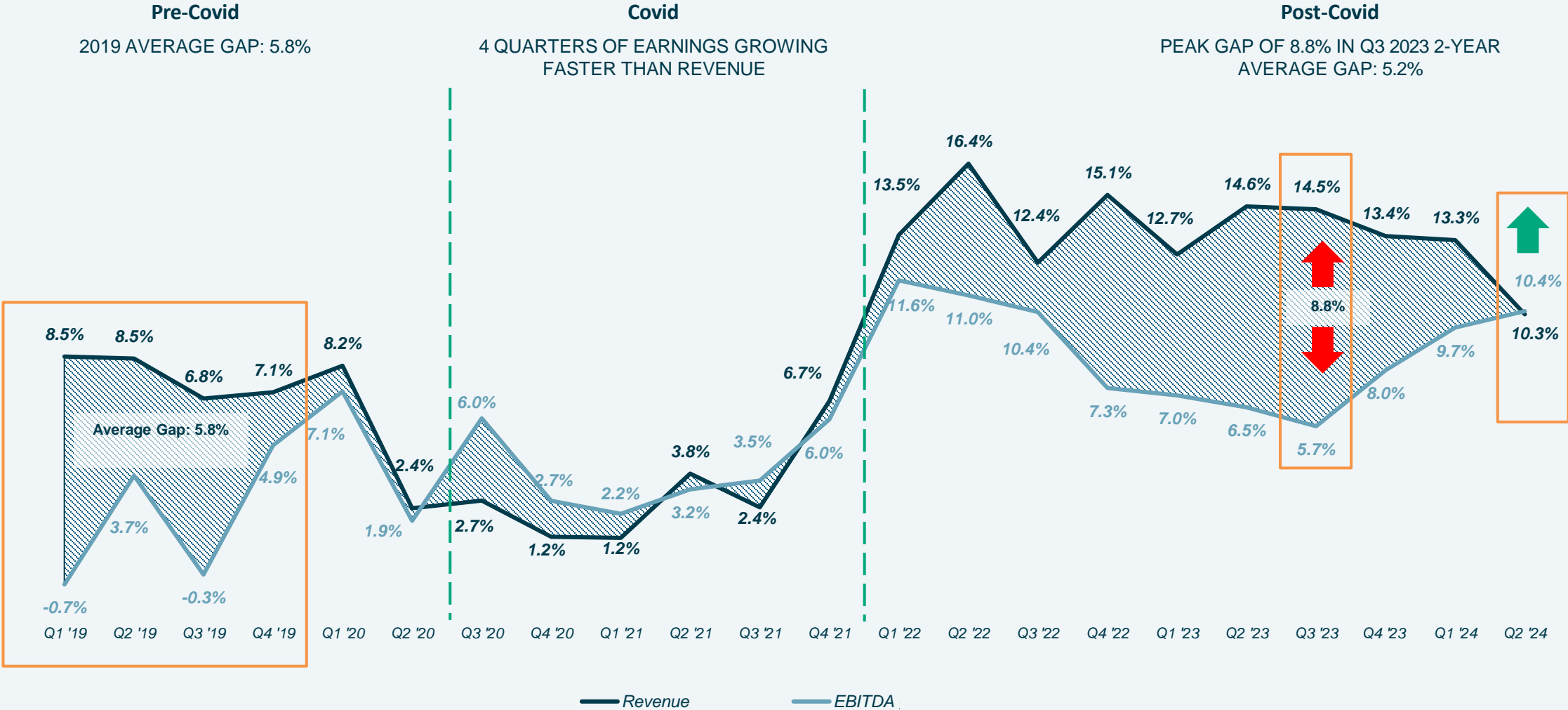


Percentage of Companies Reporting YoY LTM EBITDA Growth



Source: Lincoln VOG Proprietary Private Market Database
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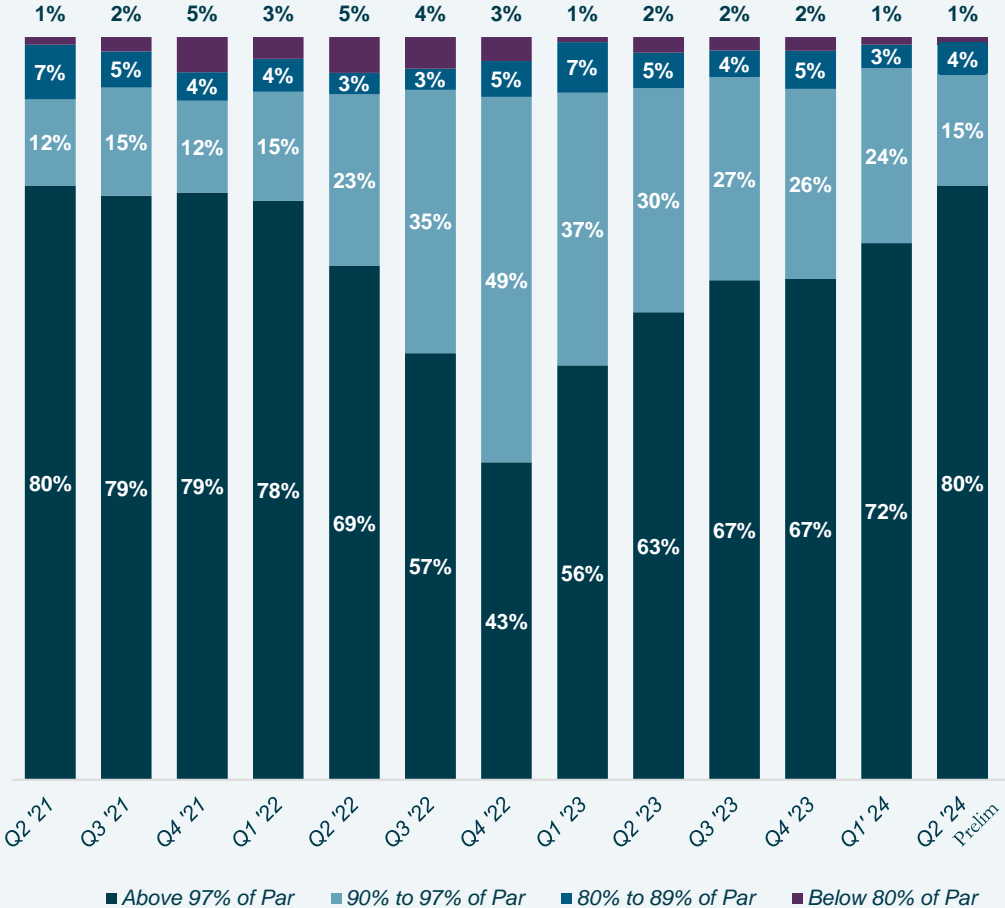
European Magnitude of LTM Revenue & EBITDA Growth



Source: Lincoln VOG Proprietary Database
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European Senior Debt Index Fair Values Observed Across Private Loans

Distribution of Private Credit Fair Values



Private Credit Fair Values by Quarter

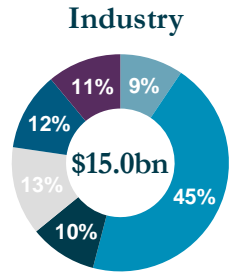
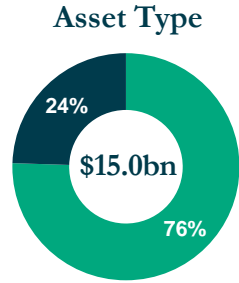


Source: Lincoln VOG Proprietary Database
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Secondary private equity transactions and continuation vehicles

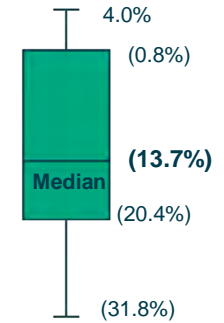
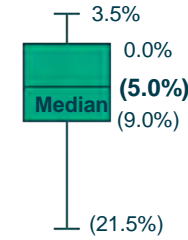
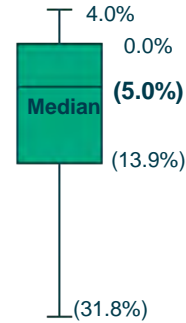


GP-led Secondaries | Lincoln Volume & Pricing Indications (2022 to 2024 YTD)



- Single Asset
- Multi Asset
- TMT
- Business Services
- Healthcare
- Industrials
- Consumer
- Other

Premium / Discount to NAV | 2022 to 2024 YTD

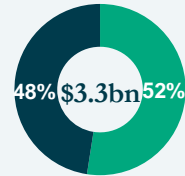


Combined

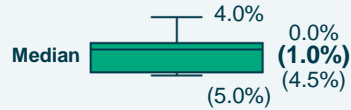
Single Asset

Multi Asset

2022



- Single Asset
- Multi Asset

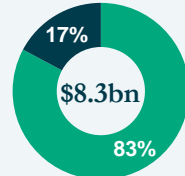


Median Premium / Discount to NAV

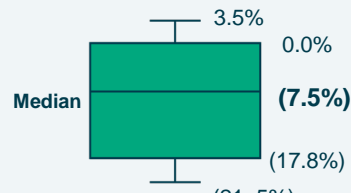
(4.0%)
Single Asset

(2.5%)
Multi Asset

2023



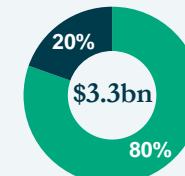
- Single Asset
- Multi Asset



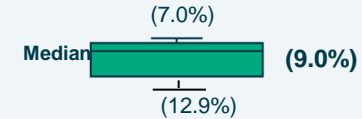
(3.3%)
Single Asset

(20.0%)
Multi Asset

2024 YTD



- Single Asset
- Multi Asset



(8.0%)
Single Asset

(10.0%)
Multi Asset

Alternative strategies to return capital to LPs



Alternative strategies to return capital to LPs

Portfolio driven solutions

- 1 *Dividend recap with senior debt*
- 2 *Dividend recap with flexible capital (junior debt, HoldCo PIK, preferred equity)*
- 3 *Sale of stake to another equity investor*
- 4 *Full exit*

CAG

VOG

M&A

Fund driven solutions

- 5 *Sale of fund minority stake to other GPs or prospective LPs*
- 6 *Single-asset or multi-asset continuation vehicles*
- 7 *NAV financing at fund level*

PFA

VOG

CAG



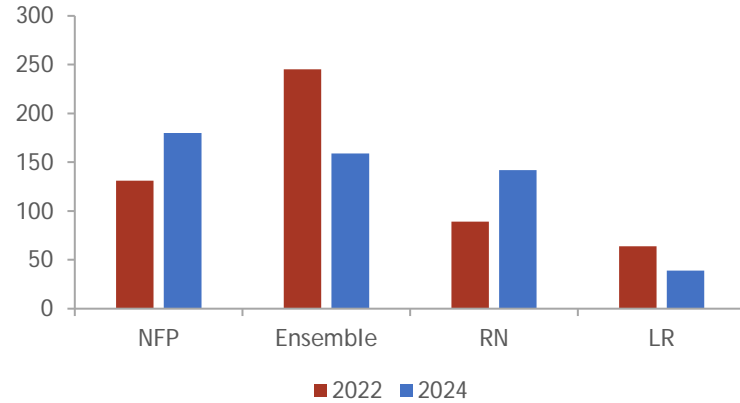
General election debrief



Elections have deepened uncertainty in France

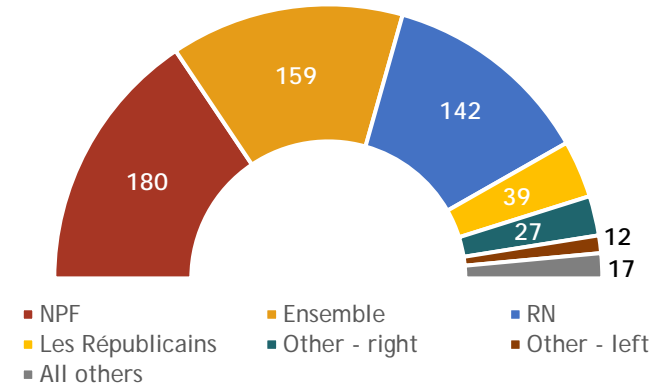
The right increased its vote share...

Seat gains and losses by major party



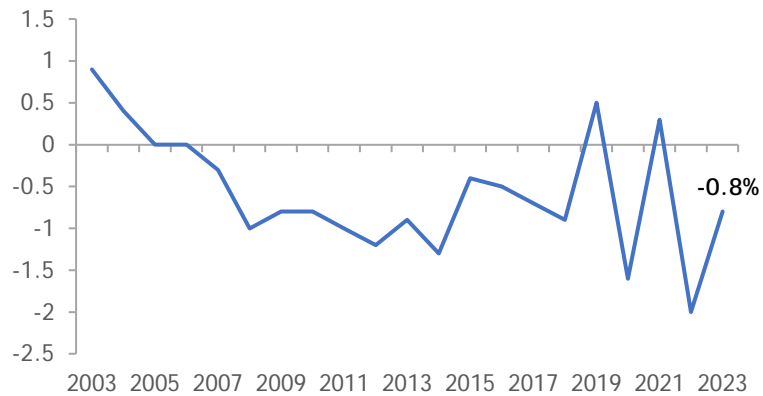
...but the centre and left can form a fragile majority

Composition of parliament, 2024



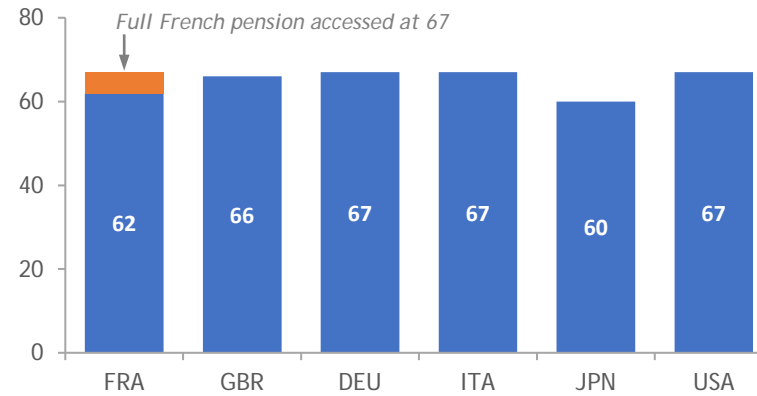
The budget deficit will be hard to reduce

% of GDP, by year



A low retirement age will incur an economic cost

State pension age by country

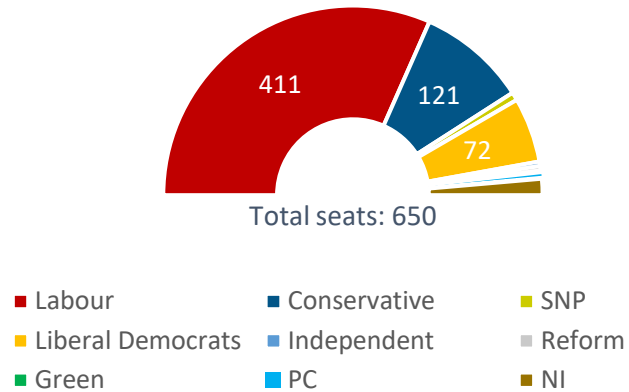


Sources: World Bank, Assemblée Nationale, national sources

Having secured their majority can Labour unlock growth?

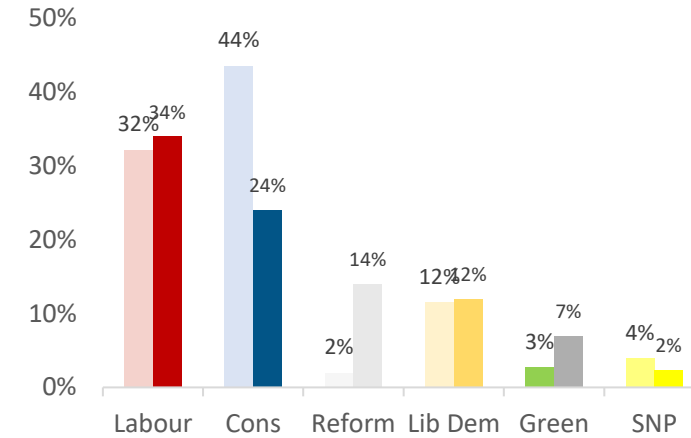
A BRUTAL LANDSLIDE...

UK Election results 2024



...MASKS SOME FRAGILITY

UK Vote Share by Political Party 2019 to 2024

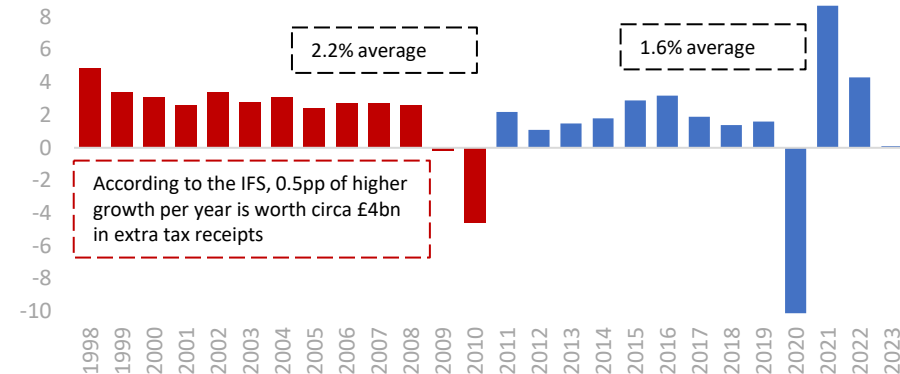


CUTS NEEDED UNDER LAB VS CON PLANS TO MEET FISCAL RULES


CRITERIA	CONSERVATIVE	LABOUR
Estimated real-term cuts to unprotected departments by 2028-29	1.9% to 3.5% per year	1.2% to 2.9% per year
Required top-up in 2028-29 spending to avoid the cuts to unprotected departments	£10 to £20 billion top-up needed in 2018-29	£6 to £16 billion top-up needed in 2018-29

*protected areas of spending include the NHS, defence, education and international aid. All other areas of spending are 'unprotected'.


ECONOMIC GROWTH ANNUAL AVERAGES UNDER CON AND LAB




Recent Capital Advisory Transactions



has been sold to



Sell-Side
Staple Financing



Founding shareholders
and




have refinanced




Refinancing






has made an investment in



Acquisition Financing





has entered into a strategic partnership with



Buy-Side
Acquisition Financing





a portfolio company of




has acquired




Acquisition Financing







has made a strategic investment in



a portfolio company of



Buy-Side
Acquisition Financing





a portfolio company of



has been refinanced

Refinancing





has acquired



Acquisition Financing





a portfolio company of



has been refinanced

Refinancing





has entered into a strategic partnership with




Buy-Side
Acquisition Financing







a portfolio company of



has merged with



Valuation Advisory





has acquired



with senior loan financing from

and mezzanine financing from



Acquisition Financing



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