

# The Italian Private Capital Market

Trends and Perspectives

9 June 2017

Update on Key Statistics  
**EY**

Enrico Silva - EY Private Equity Leader Mediterranean area



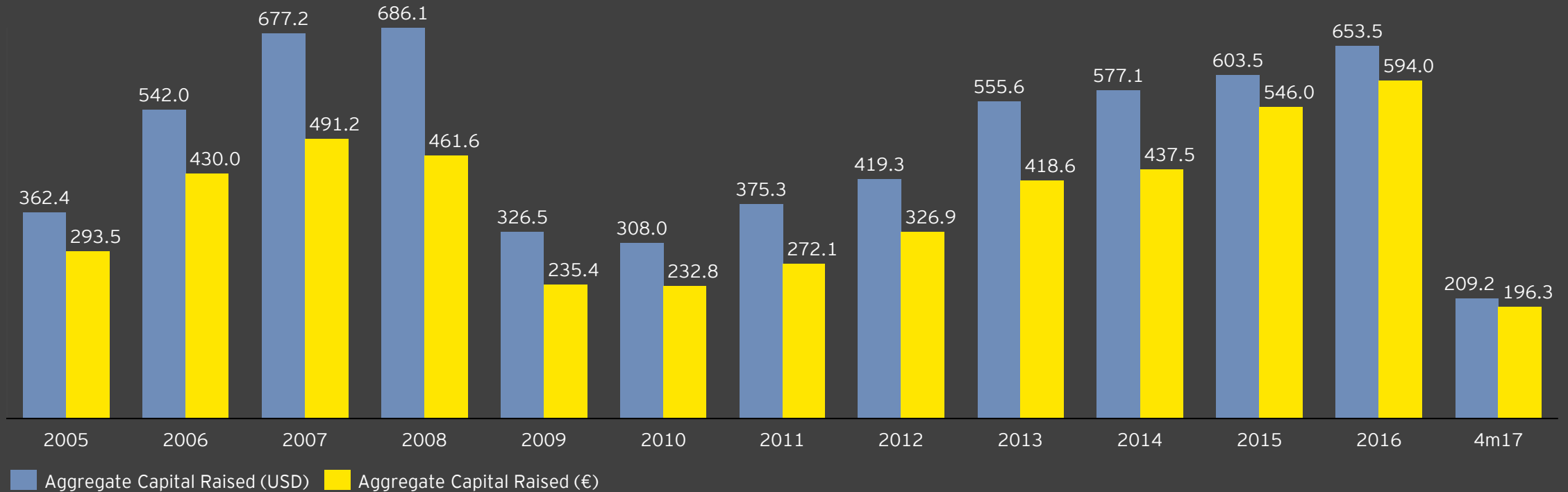
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# In 2016 fund-raising is close to historical pre-crisis maximum. USD appreciation against Euro makes Europe more attractive for USD based funds

## Fund-raising in USD and EUR

(bln \$-€)



Source: Preqin

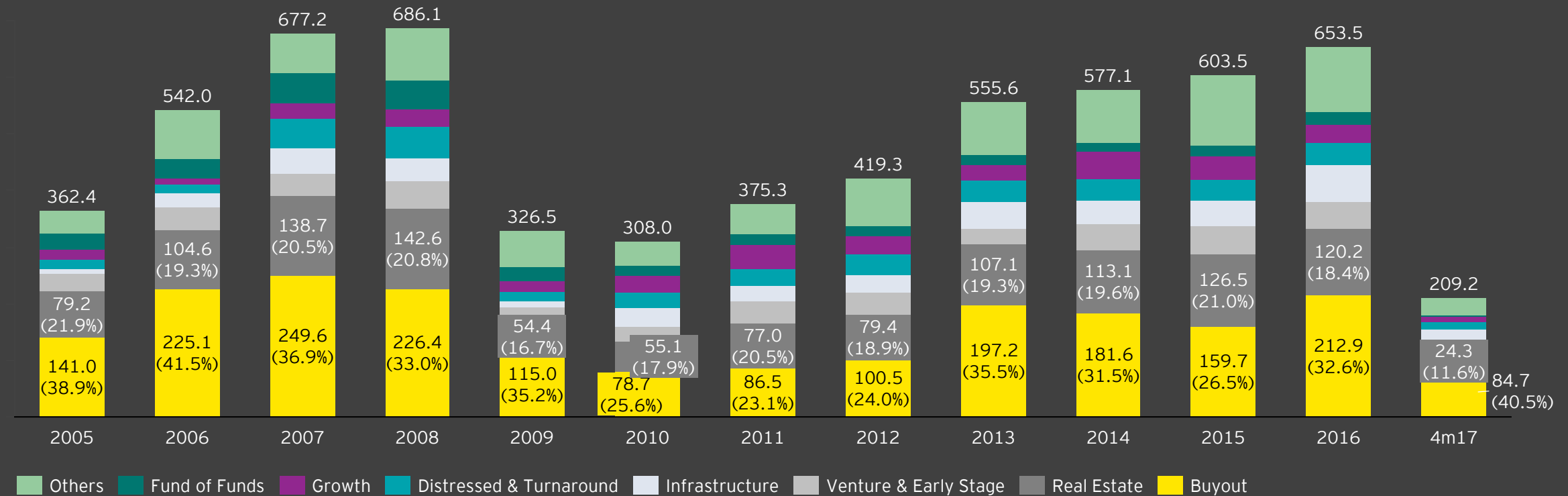
Notes: Fund types included: Balanced, Buyout, Co-investment, Co-Investment Multi-Manager, Direct Secondaries, Distressed Debt, Early Stage, Early Stage: Seed, Early Stage: Start-up, Expansion / Late Stage, Fund of Funds, Growth, Hybrid, Hybrid Fund Of Funds, Infrastructure, Infrastructure Fund of Funds, Infrastructure Secondaries, Mezzanine, Natural Resources, Real Estate, Real Estate Co-Investment, Real Estate Fund of Funds, Real Estate Secondaries, Secondaries, Special Situations, Timber, Turnaround, Venture (General), Venture Debt

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# Buyout funds maintain the leadership in fund raising even if real estate, venture capital and infrastructure funds are increasing their relevance

## Fund-raising by type of fund

(bln \$)



Source: Preqin

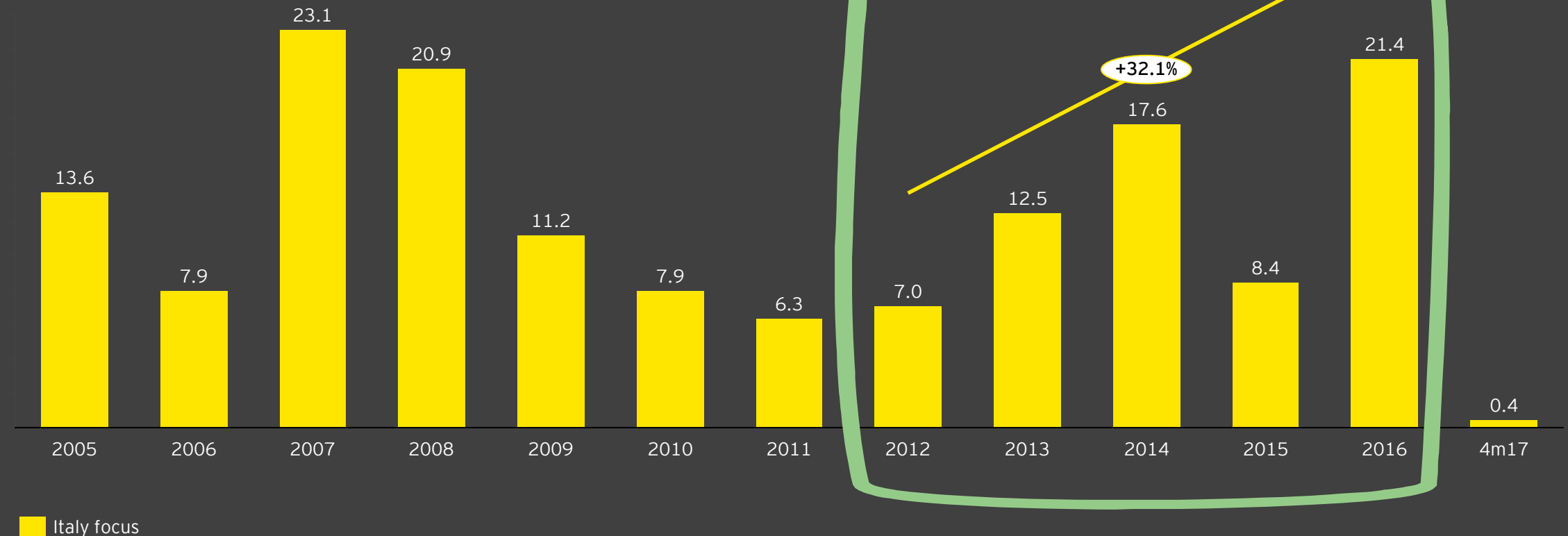
Notes: (1) Fund types included: Balanced, Buyout, Co-investment, Co-Investment Multi-Manager, Direct Secondaries, Distressed Debt, Early Stage, Early Stage: Seed, Early Stage: Start-up, Expansion / Late Stage, Fund of Funds, Growth, Hybrid, Hybrid Fund Of Funds, Infrastructure, Infrastructure Fund of Funds, Infrastructure Secondaries, Mezzanine, Natural Resources, Real Estate, Real Estate Co-Investment, Real Estate Fund of Funds, Real Estate Secondaries, Secondaries, Special Situations, Timber, Turnaround, Venture (General), Venture Debt

(2) Others include: Natural Resources, Secondaries, Mezzanine, Balanced, Expansion/Late Stage, Co-Investment, Hybrid, Direct Secondaries, PIPE

# In the recent years several new international funds have included Italy in their investment strategy

## Fund-raising of funds with investment focus in Italy

(bln \$, ○ CAGR%)



Source: Preqin

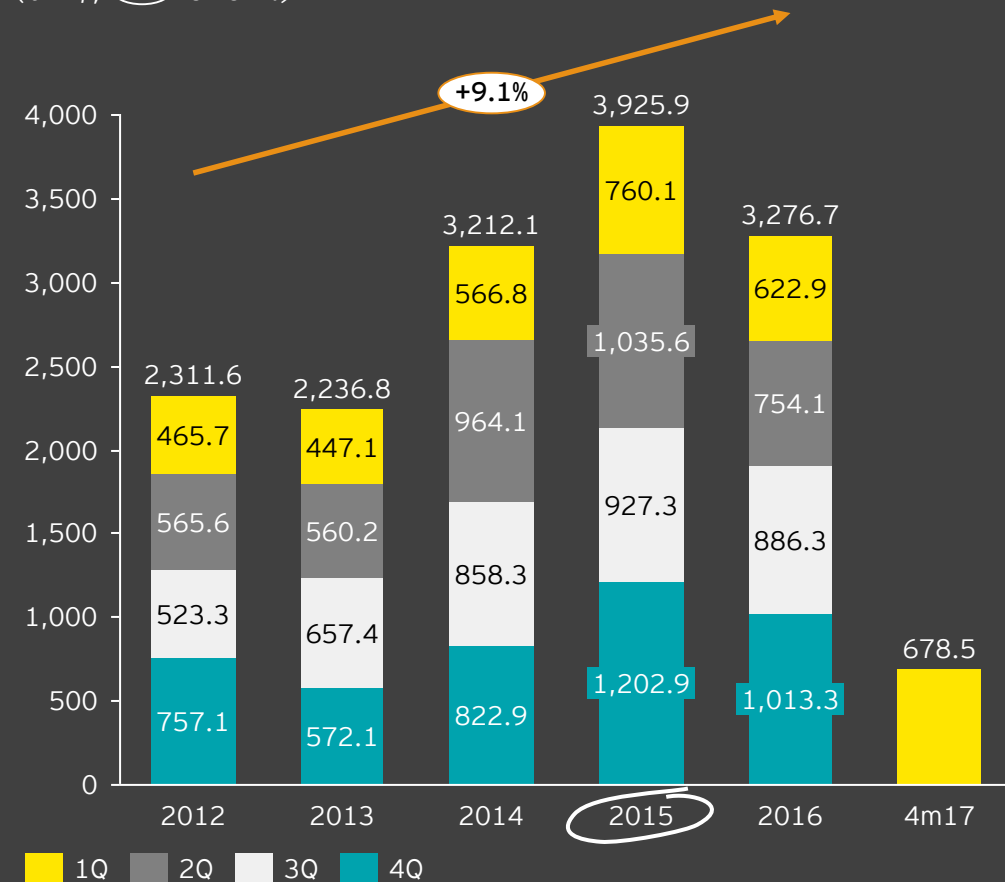
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# Following high level of fund-raising, global M&A activity peaked in 2015 but retreated in 2016, with investors struggling in finding opportunities

Global M&A Trend

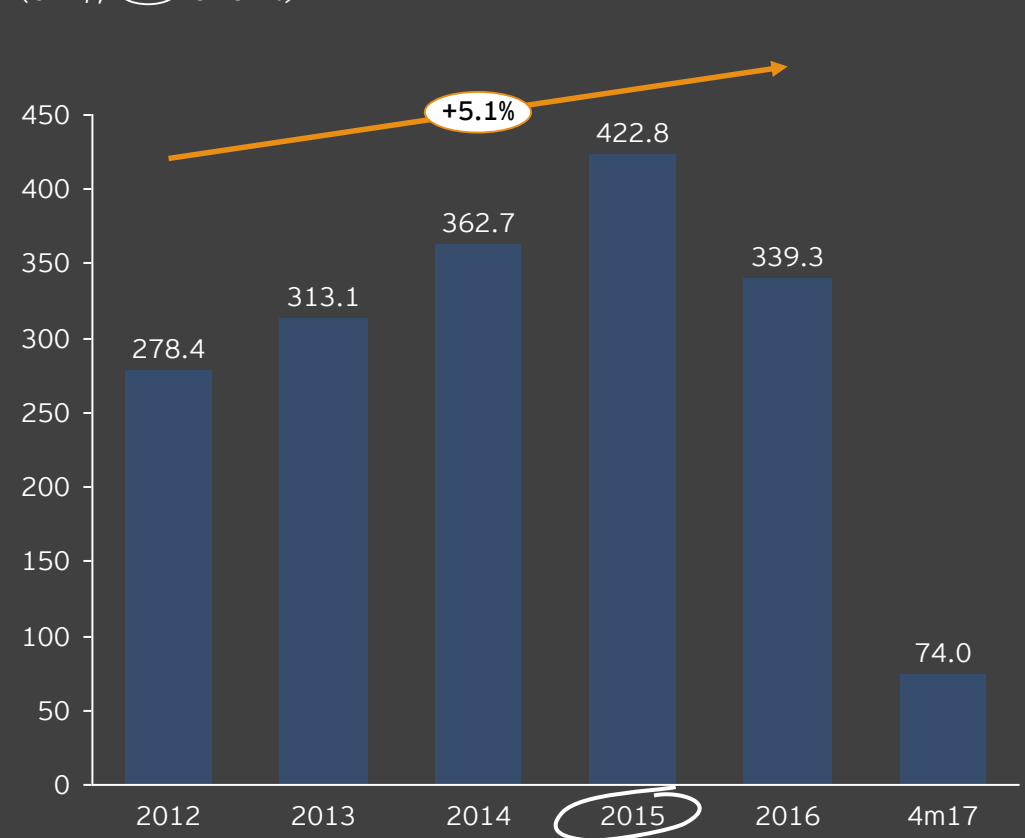
(bln \$, ○ CAGR%)



Source: Monthly M&A Insider - MergerMarket

Global Private Equity buyout Trend

(bln \$, ○ CAGR%)



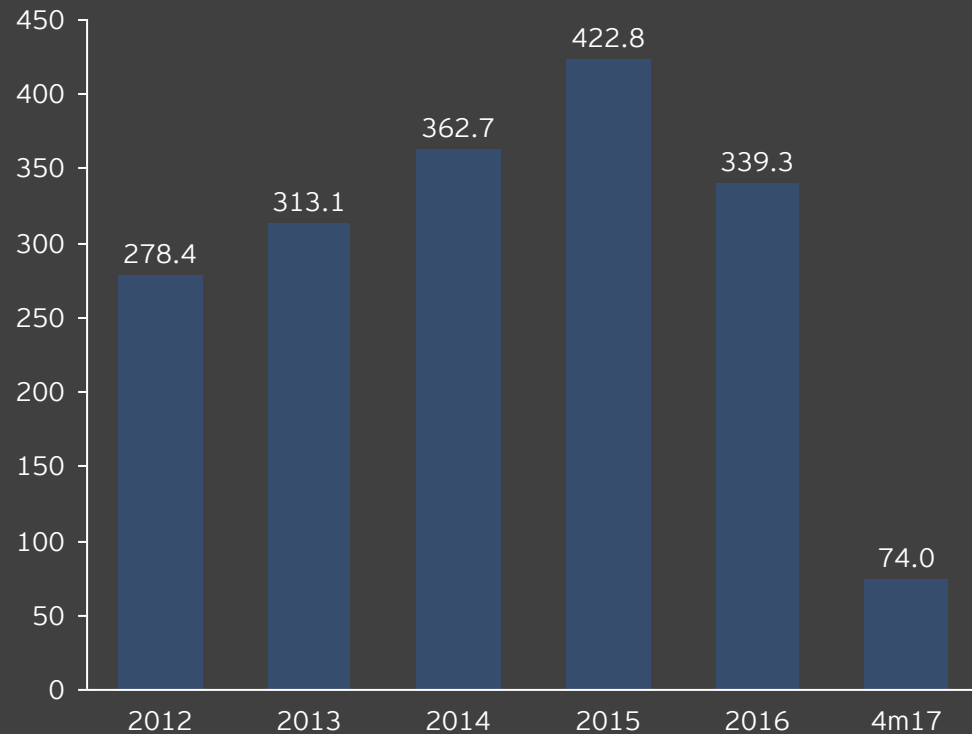
Source: Preqin

Notes: Deal status: Announced and Completes - includes add-on

# The difficulty in allocating funds raised and the fierce competition forced GPs to broaden their geographical investment criteria, including Italy

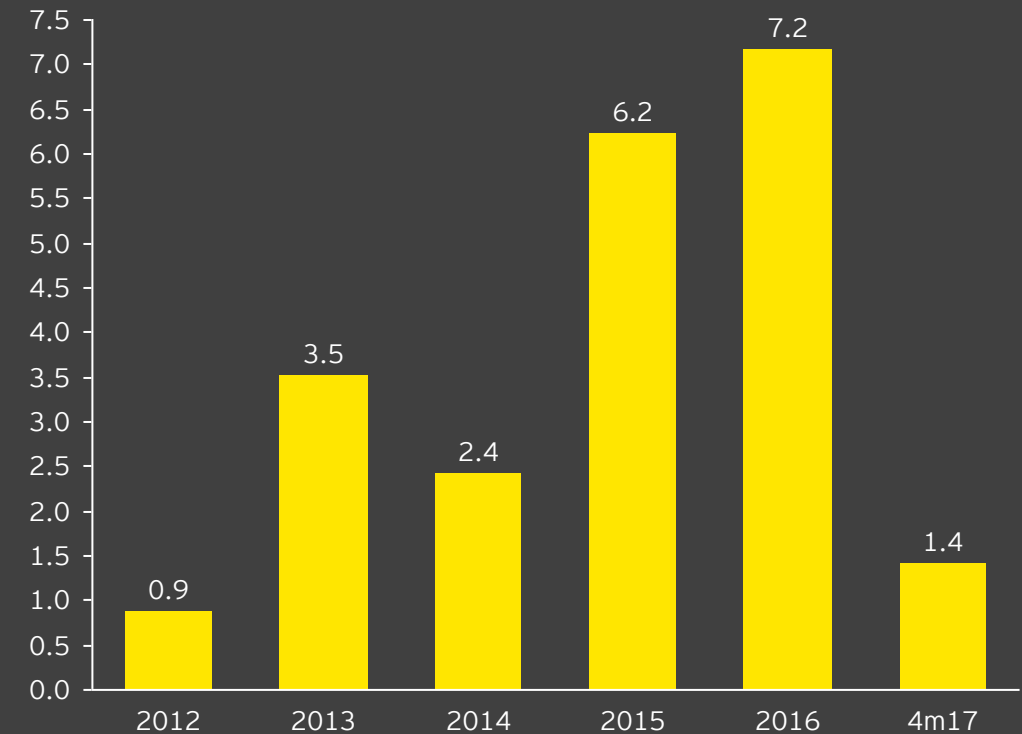
## Global Private Equity M&A Trend

(bln \$)



## Italy Private Equity Trend

(bln \$)



Source: Preqin

Notes: Deal status: Announced and Completes

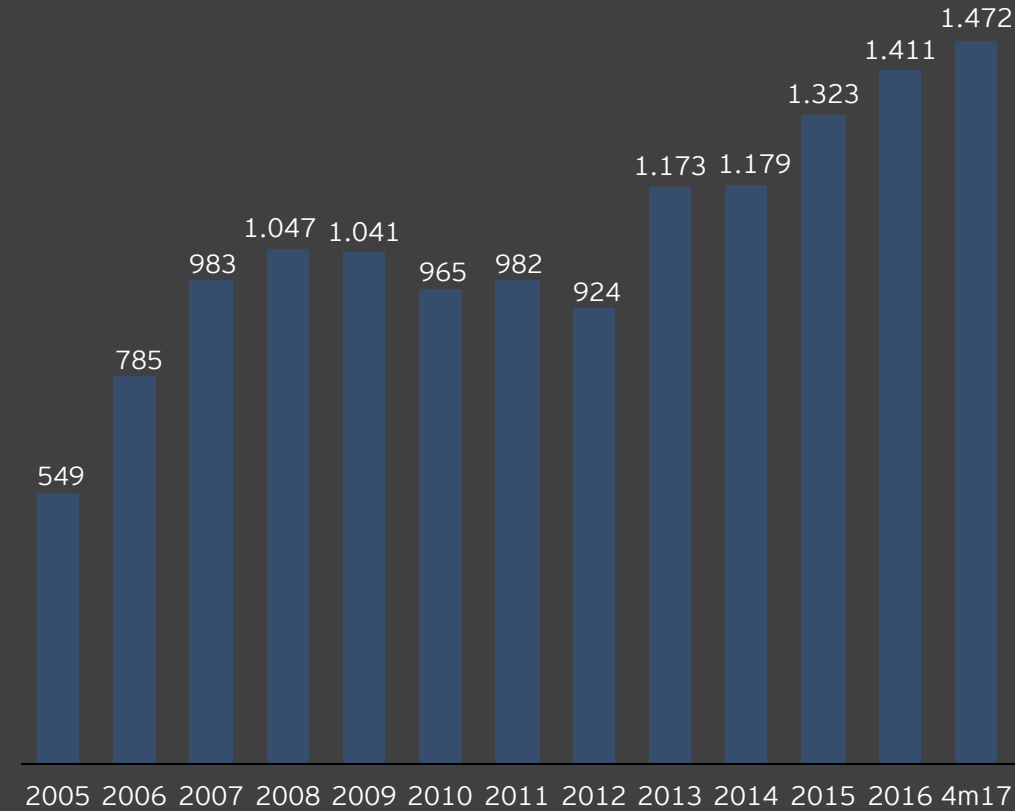
Source: Preqin

Notes: Deal status: Announced and Completes - includes add-on

# As a consequence of strong fund raising and investments difficulties, the dry powder of Funds increased

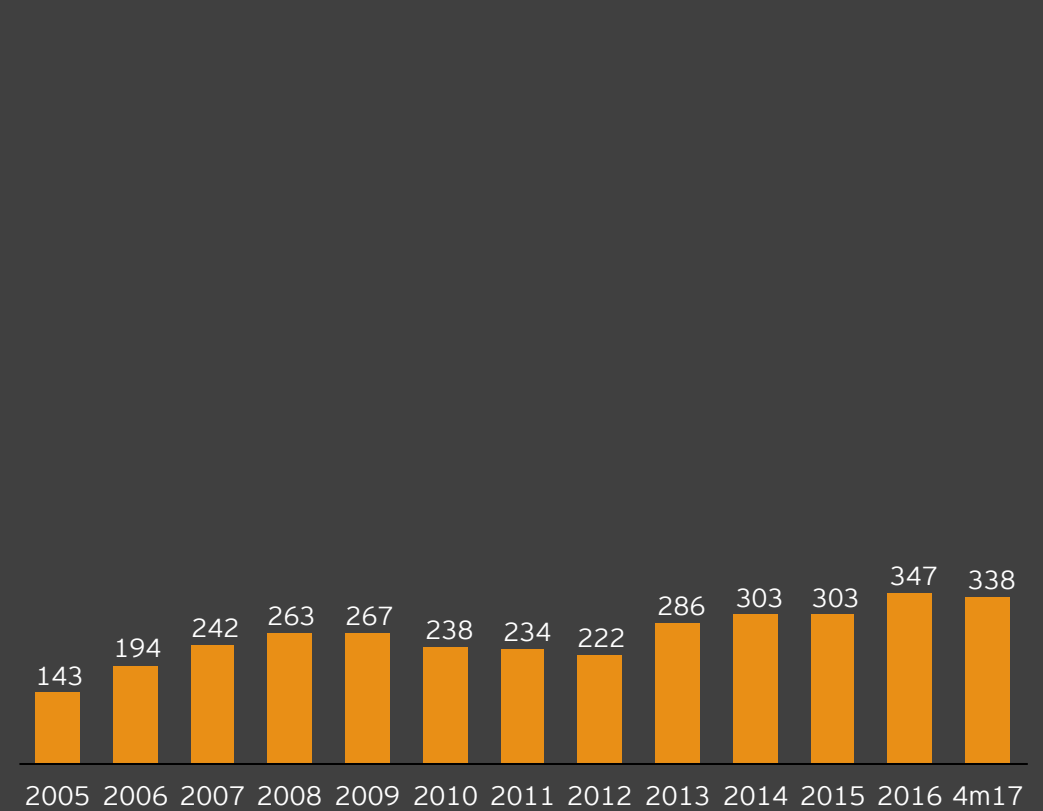
Global dry powder

(bln \$)



Europe dry powder

(bln \$)



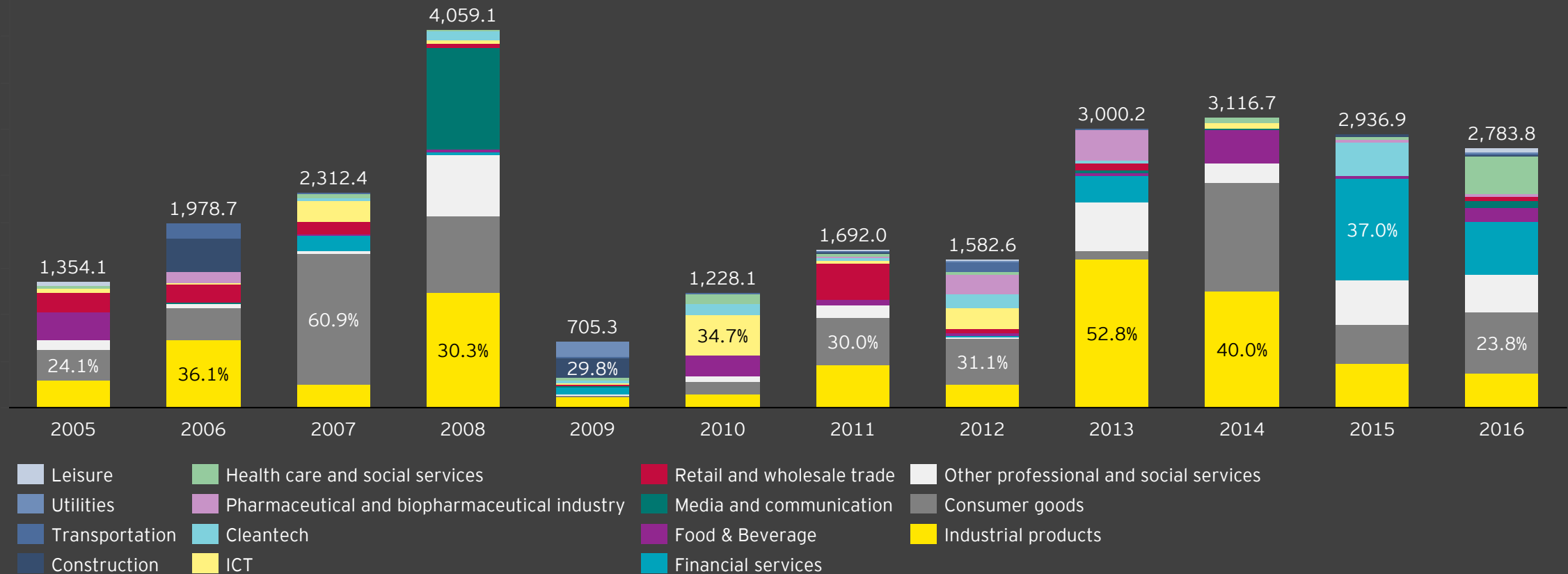
Source: Preqin

Source: Preqin

# Italy 2016 PE investment value is aligned to last year and slightly below pre-crisis level

## Italy investment value

(mln €)



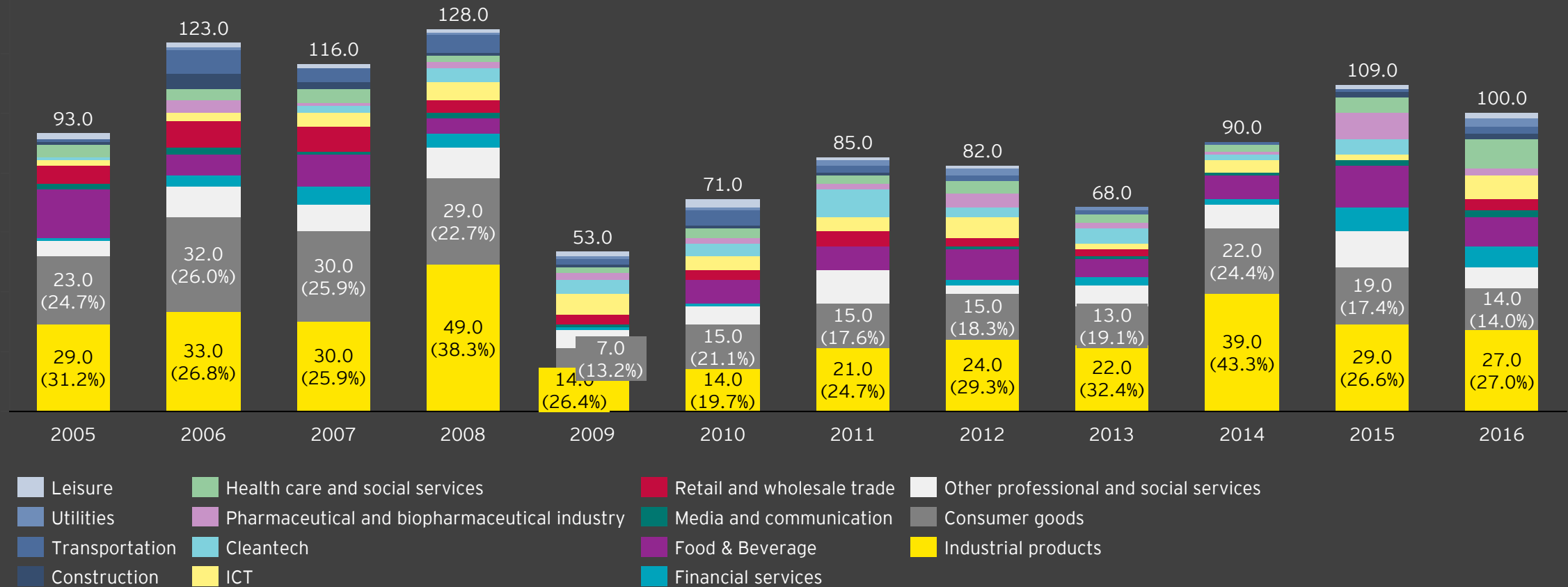
Source: PEM



# DIP remains the most attractive sector for private equity investments followed by consumer goods and food & beverage

## Italy investment number

(Unit)

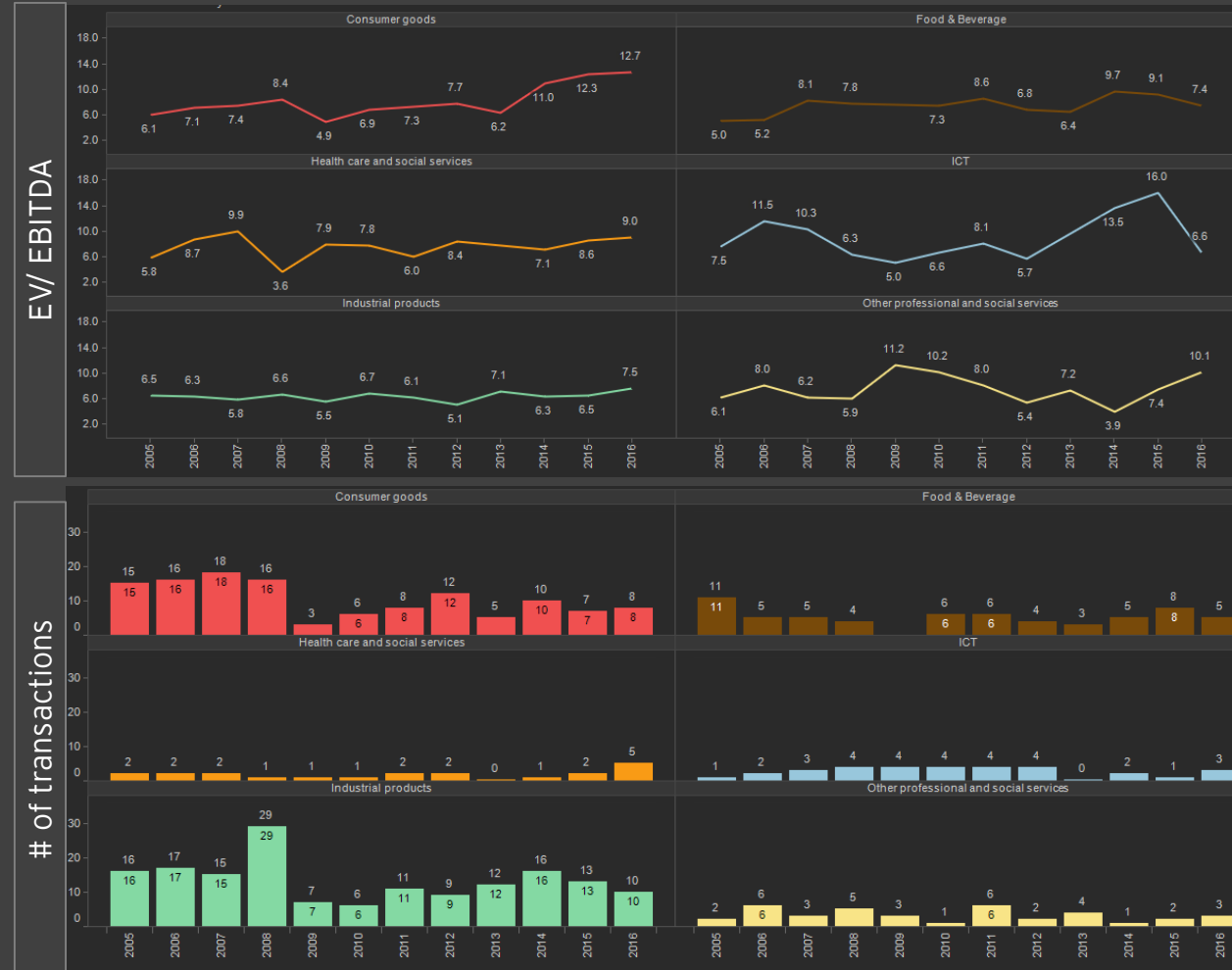


Source: PEM

# Most of the sectors shows substantial increase in EV/Ebitda multiple value

## Multiple trend in Italy by sectors

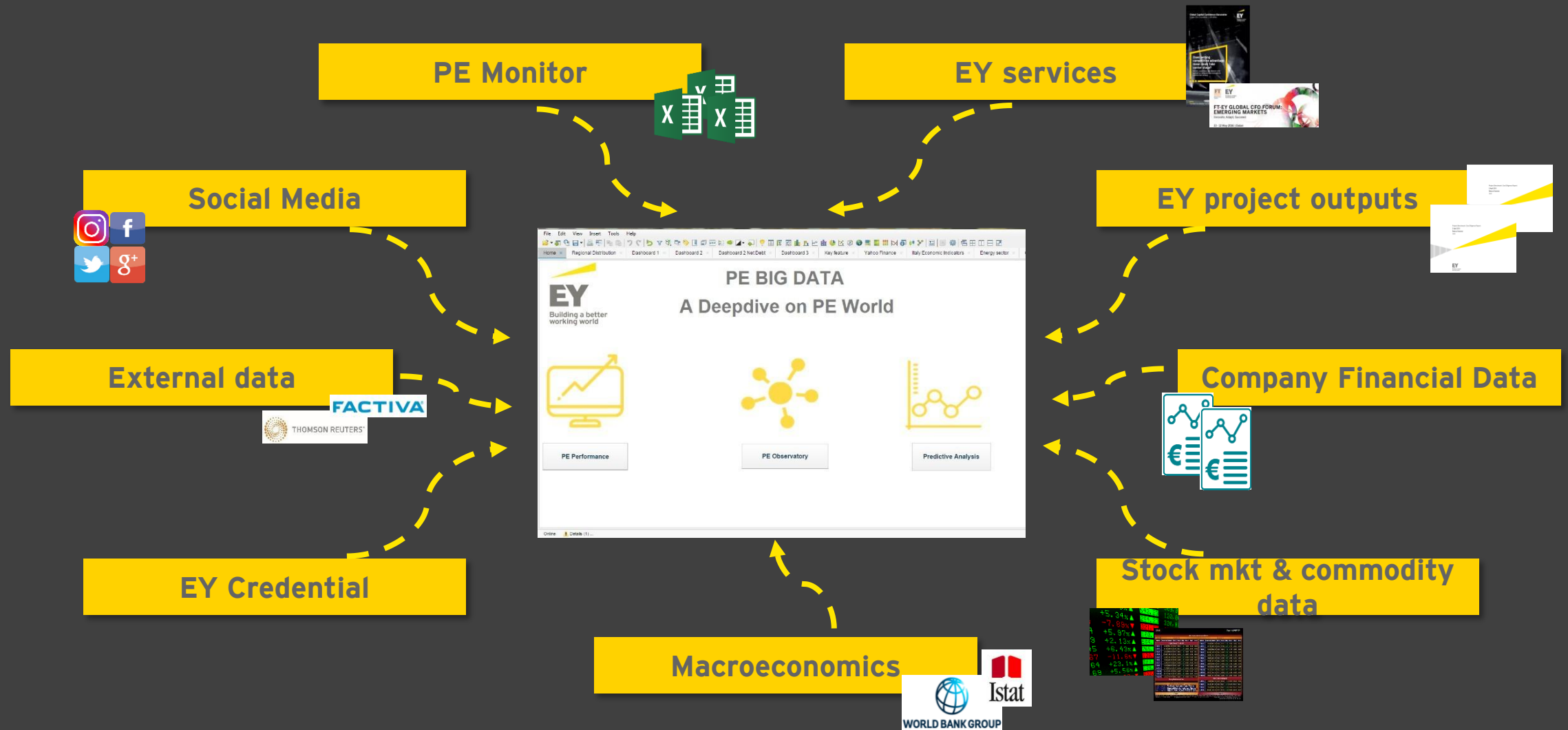
(EV/EBITDA)



Source: PEM

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# Data analytics for Private Equity



# Data analytics for Private Equity - how are we doing this?

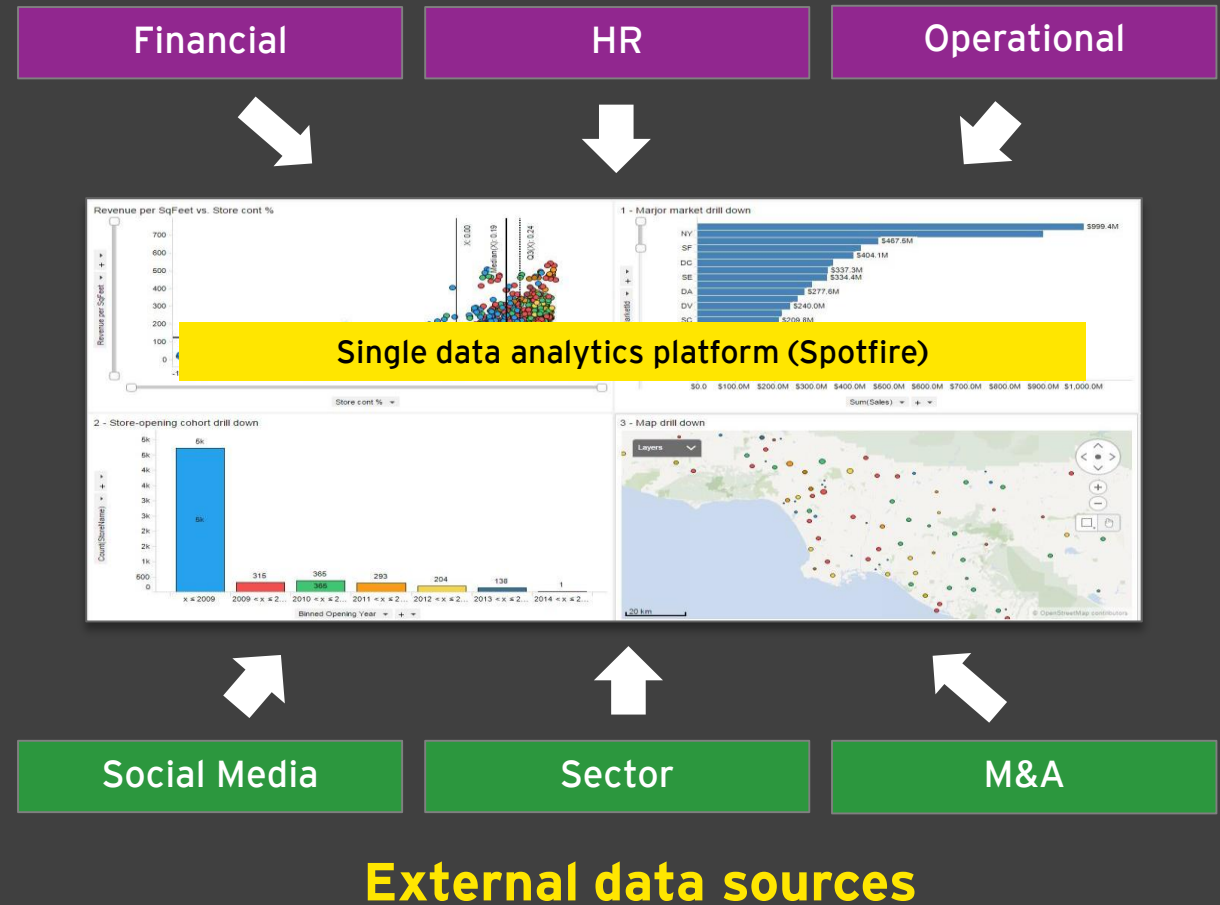
## What are we doing?

- ▶ We have launched a pilot project with a leading Italian PE house and one of its portfolio companies
- ▶ We are connecting our data analytics technology to all of the company's systems housing key data (fin, HR, ops, etc.) in addition to public data (market, social media, etc.) in order to enable a single, real-time data analytics financial and operational dashboard for the entire business and its markets

## Value for client

- ▶ Better day-by-day management of portfolio companies and more informed decision-making
- ▶ Quick delivery of Vendor Due Diligence reports prior to exit

## Internal data sources



## External data sources