Platform LBO and growth equity deals as a share of all PE deals

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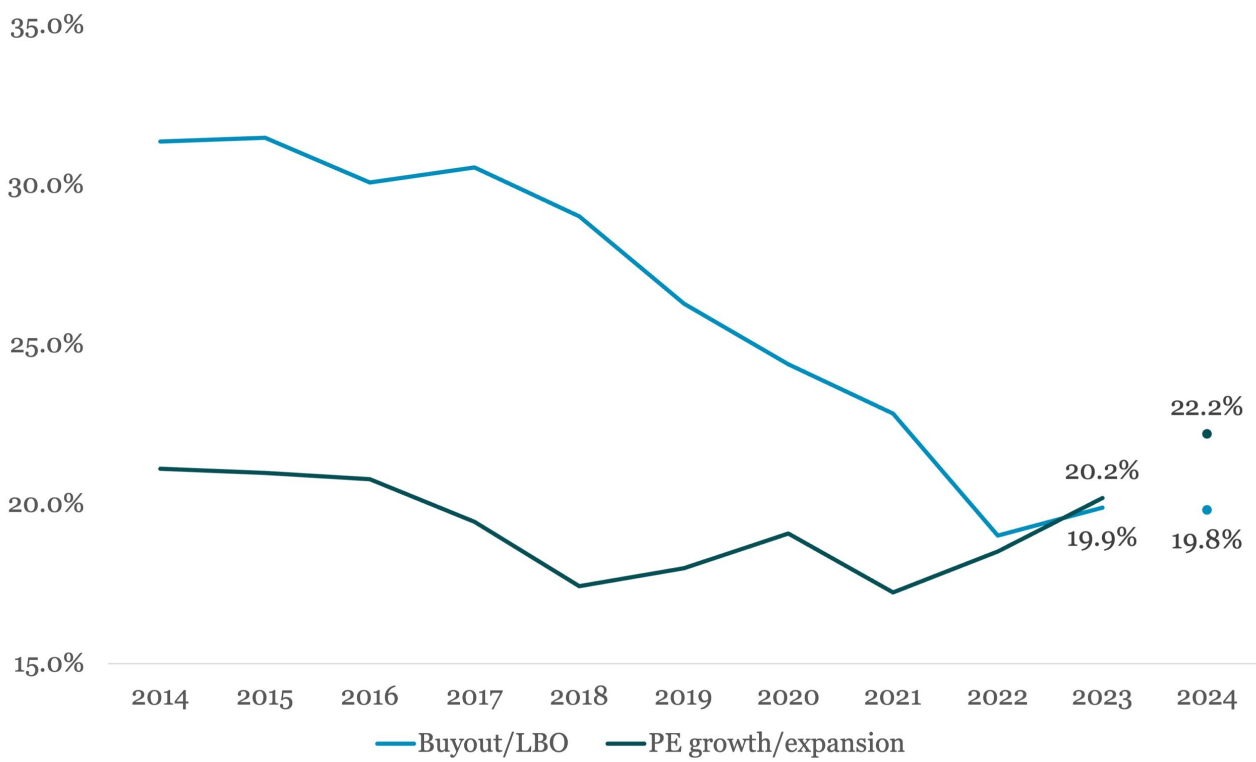

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In Q1 2023, growth equity deal count overtook platform LBO deal count for the first time ever, and that trend has persisted since. Still, we see the potential for stronger buyout deal activity in upcoming quarters, as financing costs are moderating, which is likely to create a crowdingout effect. The distinct strategy of growth equity, avoiding the burden of costly debt by typically opting for all-equity deal structures, aligns well with its focus on rapidly expanding companies. By providing capital for expansion, growth equity aims to accelerate and scale growth, thereby enhancing unit economics through operational rather than financial leverage. This approach is particularly potent in the current economic climate, where value creation is realized by maximizing EBITDA margins and growth.

(Past performance is no guarantee of future results.)