

# “5th Athens Triennial Meeting”

Combined with

The 40th Anniversary of the Costas Grammenos Centre  
for Shipping, Trade and Finance

*“Industry challenges: A global perspective from Athens”*

**7-9 October 2024 at the Onassis  
Stegi**

**Speaker – Mr. Emad Mansour**





## INVITATION

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Costas Grammenos Centre for  
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*“Industry challenges: A global perspective from Athens”*

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### REGISTER HERE

*The programme and list of panellists are now available and  
can be viewed [online here](#)*

Attendance is free and by invitation only

# Challenges of Private Equity Investing in the Current Economic Climate

## Current Trends in PE & Insights

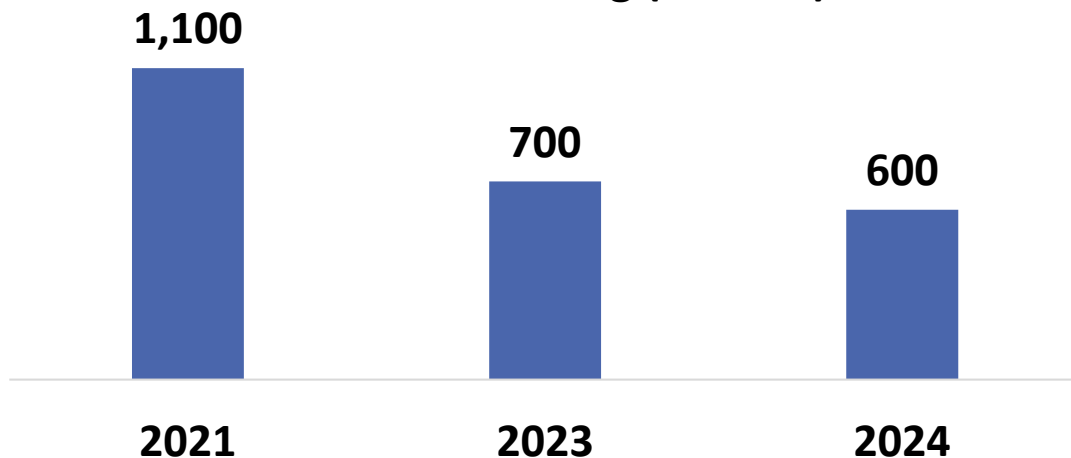
### Decreased Fundraising Activity

- ❑ Macroeconomic uncertainties
- ❑ Volatile interest rates
- ❑ Geopolitical tensions
- ❑ Cautious LPs with selective approach in committing capital
- ❑ Focus on existing commitments
- ❑ Fewer new funds being raised

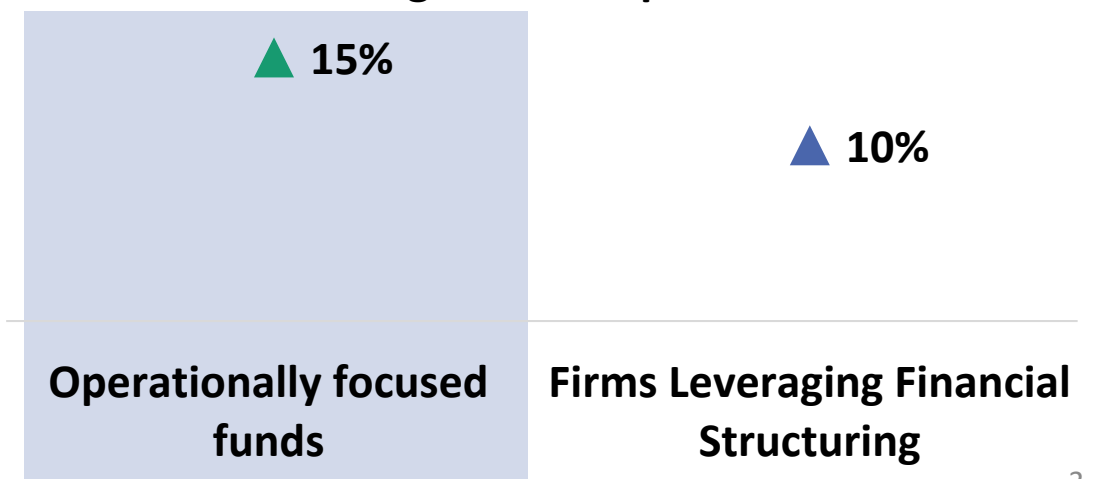
### Shift Towards Operational Improvements

- ❑ Sustainable growth through operational efficiencies
- ❑ PE Firms are looking beyond financial engineering
- ❑ Increasing competition and economic headwinds for existing portfolio companies
- ❑ PE Firms are setting aside higher % of dry powder for portfolio companies
- ❑ Investments in:
  - Technology
  - Process optimization
  - Talent development

Global PE Funding (USD Bn)



Average IRR Comparison



# Challenges of Private Equity Investing in the Current Economic Climate

## Current Trends in PE & Insights

### Volatile War Like Scenarios and Supply Chain Disruptions

- ❑ Enhanced Due Diligence Processes to assess:
  - Geopolitical risks
  - Supply chain vulnerabilities
- ❑ Supply chain optimization, Nearshoring etc. are being prioritized
- ❑ Growing interest in sectors related to defense, cybersecurity, and technology
- ❑ Diversified exposures across regions and sectors to combat geopolitical risks

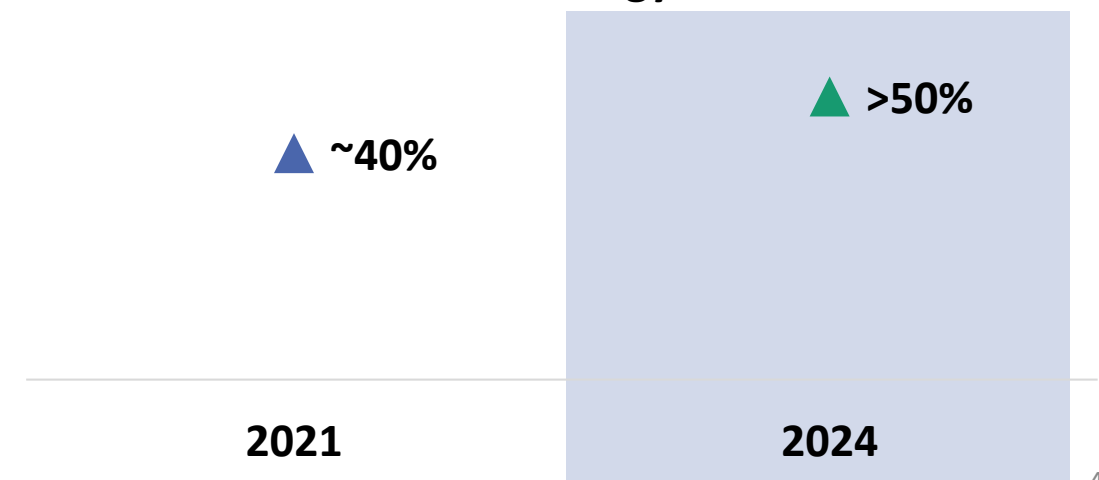
### Increased Investment in Resilient Sectors

- ❑ New Investments focused towards sectors like:
  - Technology
  - Healthcare
  - Essential Consumer Goods
- ❑ Pandemic has accelerated digital transformation and healthcare innovation
- ❑ Stable cash flows and growth potential are driving investment in resilient sectors

**Average number of hours spent in Due Diligence of potential Investments**



**Investments in Technology and Healthcare**



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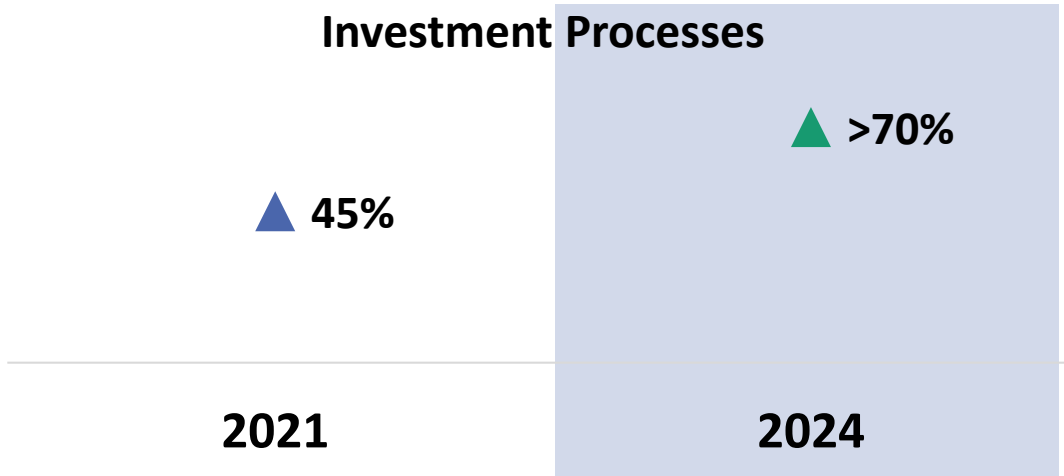
### Greater Emphasis on ESG Factors

- ❑ 70% of PE firms now incorporate ESG metrics
- ❑ ESG Score/Rating, Impact Metrics, Cost of Capital
- ❑ Sustainable practices are being regarded as a key driver long-term value
- ❑ Strong ESG practices can:
  - Enhance long-term performance
  - Mitigate risks
  - Lead to more sustainable investment outcomes

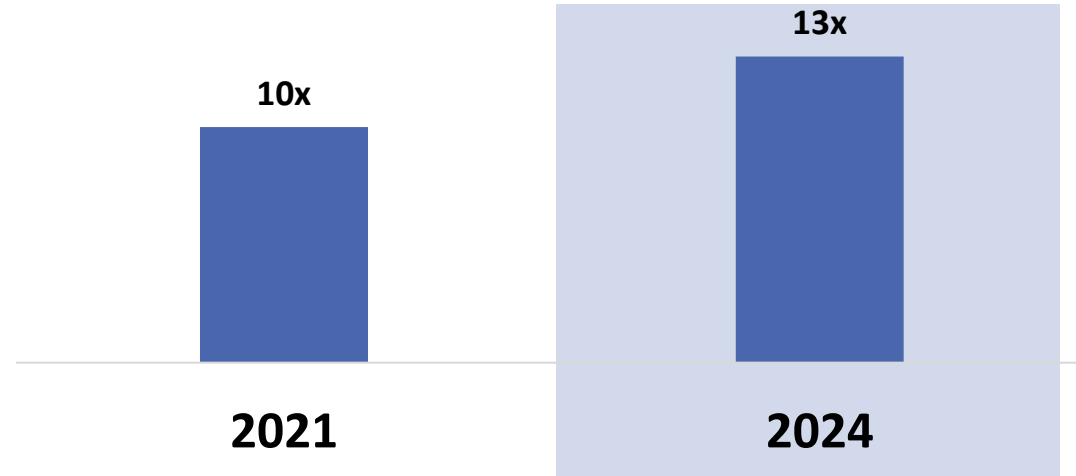
### Rising Valuation Multiples and Competitive Bidding

- ❑ Valuation multiples have remained elevated despite a decrease in deal volume
- ❑ Reflects ongoing competition among PE firms for quality assets
- ❑ Ongoing trend of competitive bidding processes explained by:
  - Abundance of dry powder
  - Need to deploy capital into high-quality assets

Firms incorporating ESG metrics in their Investment Processes



Average EBITDA multiple for buyouts



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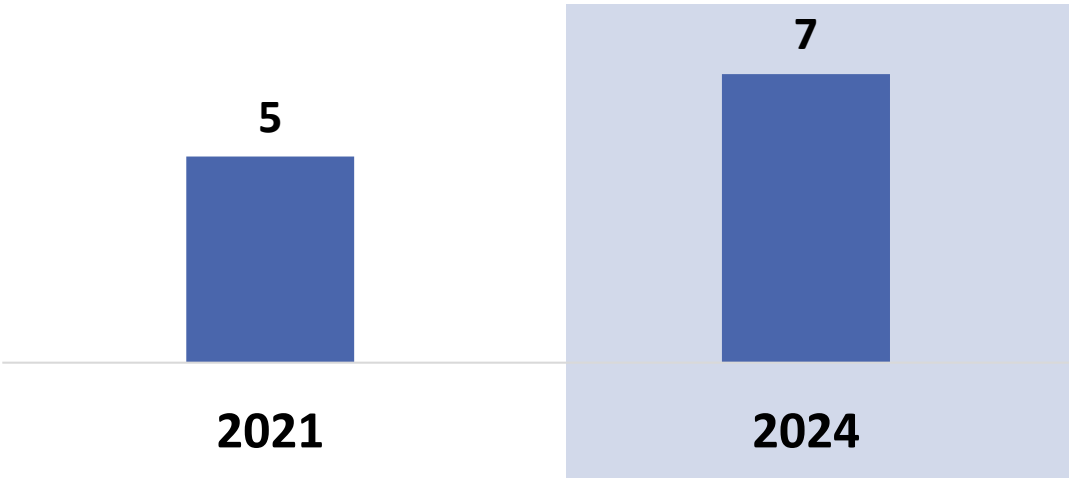
### Longer Holding Periods

- ❑ Investment holding periods are being extended to maximize value creation
- ❑ Focus on operational improvements requires a longer investment horizon
- ❑ PE Firms are being more patient to allow portfolio companies time to grow and adapt, especially in volatile sectors.
- ❑ Additional measures like Exit Timing Analysis are incorporated within the investment process

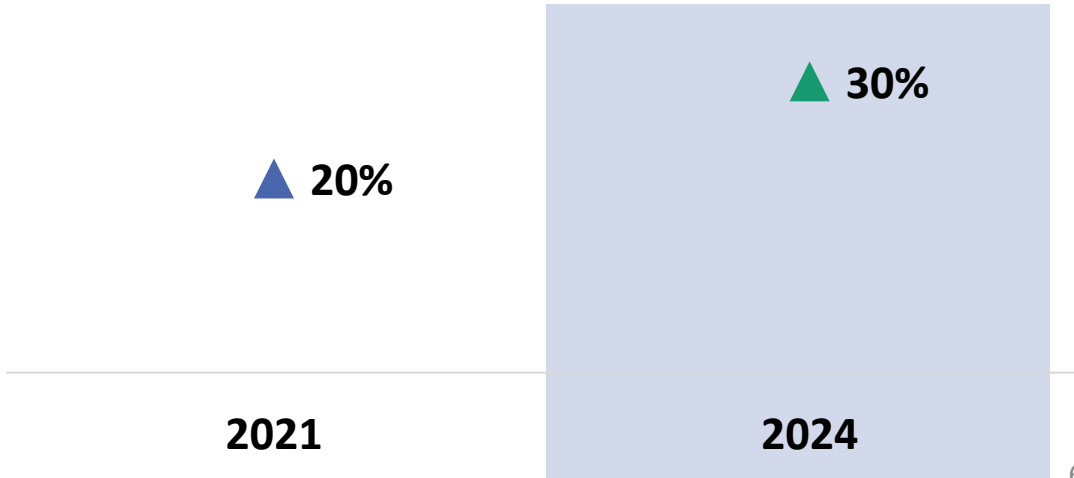
### Focus on Co-Investment Opportunities

- ❑ Growing desire for:
  - Greater alignment of interests and shared risk between LPs and GPs
  - Fostering stronger partnerships between LPs and GPs.
- ❑ Co-investments allow LPs to increase their exposure to specific deals without incurring additional fees

Average Holding Period (Years)



% Capital Deployed in Co-Investments



Thank You