

The Statue of Liberty is shown on the left side of the slide, partially obscured by a green banner. It is a large, green, copper-clad statue holding a torch in her right hand and a tablet in her left. The background is a clear blue sky.

# AIFI

Italian Private Equity, Venture Capital  
and Private Debt Association

## THE ITALIAN PRIVATE CAPITAL CONFERENCE

The Italian outlook in the new political context

Private Capital and M&A market trends in Italy

LP Perspectives: current market opportunities

SUPPORTED BY



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**Eugenio Morpurgo**

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*FINEUROPE SODITIC CEO and Founding Partner*

29<sup>th</sup> September 2022

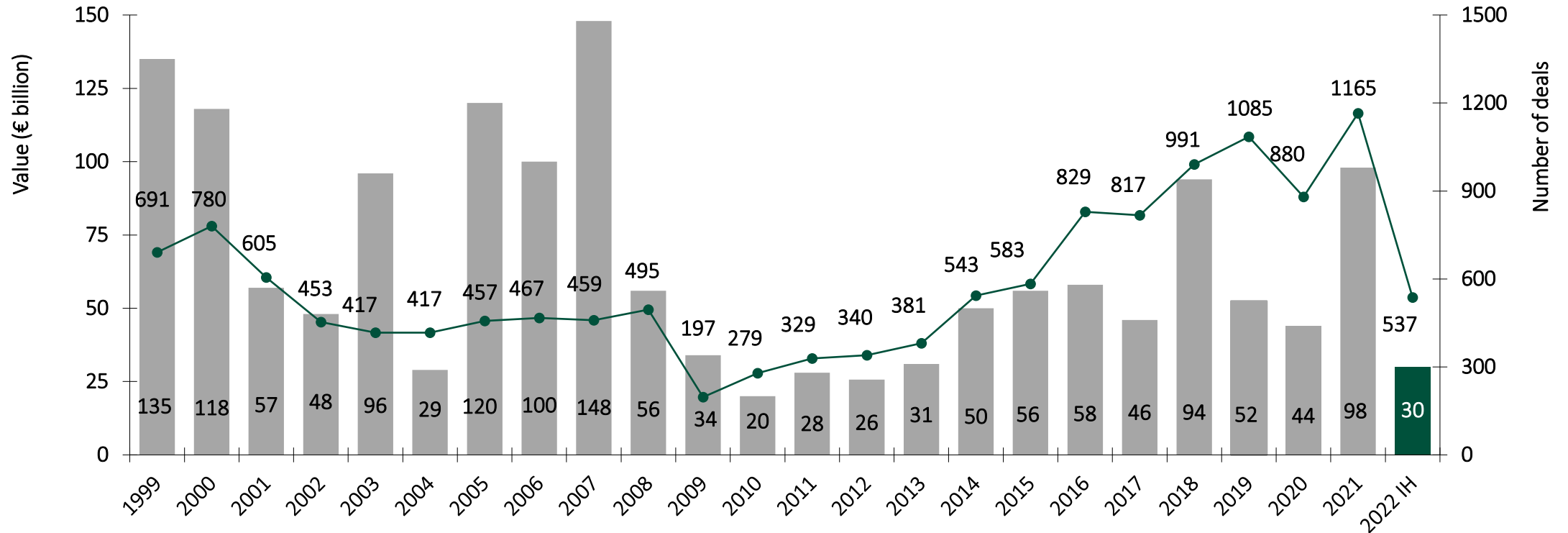
# Private capital and M&A market trends in Italy

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Italian M&A Market 1999 - 2022 IH



- The Italian market is cyclical in total values but with a clear upward trend in the number of transactions
- Penetration of private equity is increasing, with a growing share of the total M&A market and still a lot of potential to be exploited

## Opportunities for LPs/GPs in the Italian market

- Consolidation is necessary and urgent in many industries, starting from business services, IT and healthcare. Needs for scale up is highly perceived. Add on acquisitions are more and more a pillar of PE strategy , accounting for 40% of PE deals and showing a positive track record in exit multiples
- The number of domestic strategic serial acquirers is quite limited (no more than 30-35) , leaving room for private equity in auctions and proprietary deals
- New generation owners are more open to PE and ready to lose majority in favour of a bigger and transformational project
- Financing market still open for business and getting more sophisticated, with an active role played by private debt funds and use of mezzanine, preferred, unitranche, along with traditional banks providing senior loans
- IPO market is practically closed, but need for share capital increase among SME is compelling
- The NRRP plan will give a boost to industries such as railways, IT, healthcare, environmental
- Growing percentage of primary deals, due to families' higher availability to sell

## Opportunities for LPs/GPs in the Italian market (cnt)

- Managers are more inclined to buy out schemes and with an improving attitude towards challenging MIP
- Many foreign GPs have opened or reopened their offices in Italy, being closer to the local market
- Vary positive attitude towards foreign investors, deemed capable of bringing additional angles

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