HULT Private Capital’s Market Update

HULT Private Capital’s Market Update - HULT’s Market Summary - 2022 is looking like another great year for both Private Equity and Venture Capital. HULT Private Capital is looking forward to the coming excitement in both the U.K.

London, United Kingdom May 9, 2022 (Issuewire.com) - HULT Private Capital’s Market Update - 2021 was a stellar year for Private Equity(P.E.), and HULT Private Capital was undoubtedly right in the middle of the historical action. P.E. powered through the uncertainty and disruption of the continuing Covid-19 pandemic to reach new record-setting levels, not just for European venture capital and buyouts, but globally. HULT Private Capital has put together this P.E. market update digging into the European Private Equity market that made a sharp jump in 2021, which according to Uniquote, reached €392 billion. Similarly, according to Atomic, a venture capital group, European startups saw their investment funding surpass $120 Billion for the year.

HULT Private Capital saw growing concerns when the Omicron variant was discovered in Europe, prompting tightened restrictions in December ending the year, with reintroduced lockdowns in the Netherlands and Austria, and German and French travel restrictions enhanced. But by early January, these same rules were beginning to ease again, and the world was starting to realize that, though it was more transmissible, the variant's health effects were not as severe as the original Covid 19 strains, especially for those that were already vaccinated.

Though there was a decrease in fourth-quarter Private Equity activity in Europe, HULT Private Capital saw that Private Equity has looked past the impacts of the global pandemic's waves and focused on the long-term outlook for companies. This perspective is evident with P.E. giant, KKR's, continued to push to buy Telecom Italia, which at €33 billion, if successful, will be the largest ever European buyout.

Telecom Italia was not the only company that has garnered international Private Equity interest in Euro companies, it was echoed by a strong appetite for other leading public companies in all of Europe's largest economies, including Germany, France, and Spain. HULT Private Capital sees that there is a significant appetite for corporate carve-outs and new partnerships in addition to the take-private activity. December saw an agreement for Spain's electricity grid operator REE to sell a 49% stake in its telecoms infrastructure unit, Reintel, to KKR for almost €1.1 billion.

HULT Private Capital Identify The U.K. As Main Target

While there was record-breaking European Private Equity activity in 2021, HULT Private Capital saw U.K. companies as the primary focus for foreign buyers that continued to scour the country for opportunities. U.K. share prices remained below their pre-Covid highs, even with the ongoing December and January price performance. This lag contrasts with Europe's Stoxx 600, which sits at about 13% above its pre-Covid high, and the U.S. benchmark S&P500 is 40% higher than the highs it saw in February 2020.

U.K. megadeal interest remains high, and HULT Private Capital said that the current buzz is around the reported Bain CVC joint bid for the U.K.'s pharmacy and retail giant Boots, currently held by U.S. pharmacy leader Walgreens. Boots had previously been taken private by KKR in 2007, in an £11 billion deal, one of the largest deals before the Global Financial Crisis of 2008.

Another U.K. pharmaceutical group, Clingigen, in December, drew the interest of Triton, a firm that usually invests in northern European mid-market companies. Triton received the January backing of two shareholder advisory firms, but the increase of public-to-private activity in the U.K. has brought attention and resistance. Claims by an activist investor, Elliott Management (E.M.) were that Clingigen was undervalued, and E.M. built up their Clingigen stake to 11.4%, creating a potential bidding war.

HULT Investors See Strong Venture Capital Investment Start to 2022

The strong V.C. investment seen in 2021 made for a great year in many European countries. London & Partners and Dealroom showed data of $26 billion in new tech investment for the U.K.'s cultural and tech hub in London, which made it fourth globally behind Silicon Valley, New York, and Boston.

HULT Private Capital sees substantial French venture investment for 2022, with several funding rounds for startups, including the e-com platform Ankorstore and Qonto, an online bank. Combined, HULT Private Capital saw French startups put together €1.5 billion in the first half of January, which beats its full results for 2016.

HULT's Market Summary

2022 is looking like another great year for both Private Equity and Venture Capital. HULT Private Capital is looking forward to the coming excitement in both the U.K. and the rest of Europe. HULT sees a growing appetite to invest in undervalued U.K. companies and European startups that have proven their credentials to grow into successful tech firms.

To Know More - https://www.hultprivatecapital.com

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