



## Report: Dutch Private Equity & Venture Capital Breakfast

On May 18th, 2017 law firm CMS and executive search firm Pedersen & Partners successfully hosted for the first time the Dutch Private Equity & Venture Capital Breakfast in Amsterdam.

Moderated by Poul Pedersen (Pedersen & Partners) and Mark Ziekman (CMS), a panel consisting of Hans van Ierland (HPE Growth Capital), Cilian Jansen Verplanke (Karmijn Kapitaal), Matthias Vandepitte (Fortino Capital), Hans de Back (Orange Growth Capital), Bob Ernst (Hemingway Corporate Finance) and Pieter van Duijvenvoorde (CMS) discussed the following topics:

- Recent trends in M&A in the Benelux
- High opportunity sectors
- Challenges of managing portfolio companies
- Co-investing opportunities
- External factors

Many different and contrasting views were shared with the audience. On recent trends in M&A, the observation was made that tech, in particular FinTech, MedTech and Artificial Intelligence, are booming and that we can expect more, given the developments in the US and Germany. On the other side, prices are going up as sellers have higher expectations on the proceeds to be received. Another observation was made with respect to the high amount of capital in the market and new players entering into the market. This is a positive development for companies, but creates a more challenging environment for investors. As there is a lot of competition in the market, it seems that there are private equity firms that explore lower market segments. All in all, the market is very competitive, with sufficient capital in the market and banks that are more willing to provide acquisition financing.

On the question whether the market is seller- or buyer-friendly, different answers were provided.

The general opinion was that the market is still seller-friendly, however the geopolitical situation (Brexit, upcoming elections) may make prospective buyers more cautious. Furthermore, Chinese powerhouses are coming to Europe. They dispose of large amounts of capital, and are sophisticated and professional. They are willing to invest in the Benelux and other European countries.

The panel shared their experience on managing portfolio companies and interesting views were given by the audience. As team composition is an essential factor for success (sector expertise and diversity play an important role), the panel members explained how they assessed the capabilities of management, including as part of their selection of prospective targets.

On co-investing opportunities, there are more and more investors in the market who want to have the opportunity to co-invest. Although deal making may become more complex, the general opinion on co-investing opportunities is positive.

After a discussion on the effect of external factors, such as the geopolitical situation, on M&A and the investment decisions made, the panel session ended with an interesting Q&A session with the audience.

With a large number of participants and many interesting views shared by the panel, we look back at a very successful and inspiring event.