08.2012 Private Equity and financial crisis

The financial crises has made primary private equity transactions become very rare since 2009. Carve-outs of large corporates did not occur either. So called secondaries, the sale of a company from one private equity fund to another private equity fund were responsible for some deal flow. However, overall only a little amount of fresh capital came to market.

Also the demand of growth capital by involving a private equity partner - whether in a minority or a majority position - remained weak. Surprisingly, as the expansion in the last three years of the economic recovery could have been done at attractive conditions. Apparently the uncertainty about the sustainability of the upswing created some retention. On the other hand the awareness has clearly increased, especially within larger Mittelstand companies, that the expansion of the business within Europe and into growth regions of Asia, South America and Eastern Europe should not be longer postponed.

Equity capital of a reliable partner such as Lindsay Goldberg is a better choice than a risky leverage that has negatively affected not only a few companies in the recent past. Especially if considering further scenarios of crises in future. To manage those challenges and to remain the focus on growth at the same time without new equity will not work. Lindsay Goldberg funds have a lifetime of 20 years and are prepared to invest this equity into interesting opportunities. Lindsay Goldberg Vogel, the European arm of the funds, is available to convert projects into success stories.