

## How to move on after years in a bull market

In September Pedersen & Partners together with the international law firm CMS hosted annual [German Private Equity Breakfast](#). During the breakfast and networking event, German Private Equity firms discussed the way ahead.



Image source: [marketwatch.com](http://marketwatch.com)

Climbing valuations and lower quality targets, crowded markets in popular industries and lower exit volumes – after years in a bullish market environment, representatives from well-known private equity firms discussed how to deal with current conditions while preparing for a future economic slowdown. Although we have seen comparatively solid figures in 2017, the panellists stated that it is becoming more difficult to achieve attractive multiples.

Under these conditions, is Private Equity currently still an attractive asset class for investors? How will the macroeconomic backdrop, driven by political

developments impact the Private Equity business in the long term? These were just some of the questions discussed at the high calibre Private Equity Breakfast. This breakfast gathered more than 80 professionals to ensure a range of perspectives, including Cai Berg, the Managing Partner of Evercore, and Sven Oleownik, Partner and Country Head of the publicly listed fund Gimv. The panel discussion was Co-Chaired by Tobias Schneider from CMS and Poul Pedersen from Pedersen & Partners.

Despite the high valuations, private equity remains a high return asset class compared with other asset classes. Panellists diverged in their tactics for securing a good position in the event of a downturn and exploiting current opportunities. One popular option was to enhance value through successful digital transformation efforts in portfolio companies, while others claimed to focus more on soft factors when choosing targets. “Successful private equity investment is also about finding a match of culture and mentality,” stated Edin Hadzic, Co-founder of Paragon Partners. This includes actual and future talent in addition to management. CMS data demonstrated that public-to-private deals have increased significantly in Europe, however not so in Germany. Panellists had divided opinions on whether there will be more German public-to-private deals in the years ahead.



Magnus Alexander Wied is a Principal at Pedersen & Partners based in Frankfurt, Germany. Mr. Wied brings with him 15 years of business development, strategic communications and corporate innovation experience in a variety of industries. In the beginning of his career, Mr. Wied applied his legal and psychology studies at law firms and government institutions, later pivoting his career to take on strategic communications and public relations roles. After leaving specialty chemicals maker Huntsman Corporation where he headed Global Communications and Public Affairs he focused on digital transformation challenges in different industries and engaged deeply with the German start-up scene. Prior to joining Pedersen & Partners, Mr. Wied led his own company Magnus Associates, where his projects included the setup and marketing of next47, the independent investment arm of Siemens.

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