





M&A revenue growth survey 2024

Summary of Private Equity responses



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Survey overview and Private Equity sample

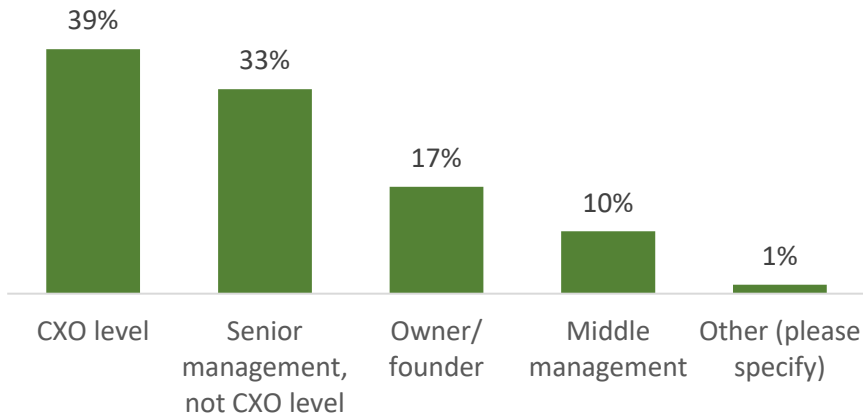


Survey demographics and overview

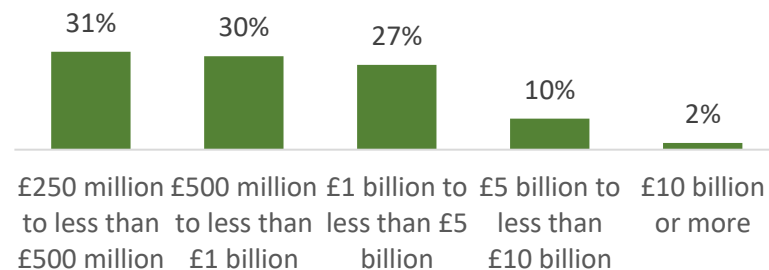
Background:

- In November 2024, Deloitte surveyed 141 UK private equity dealmakers.
- Nearly half (45%) of those surveyed were in leadership roles at PE funds or firms.
- The rest of the survey included investment professionals, deal teams, portfolio company operations, and value creation teams.
- Over half (60%) of the organisations represented had made six or more acquisitions in the past three years.

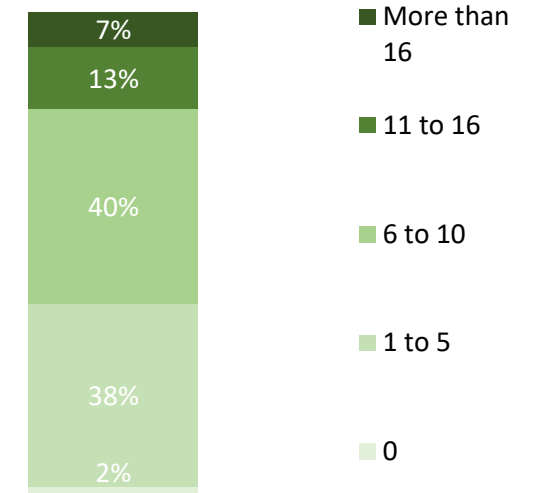
Title at company



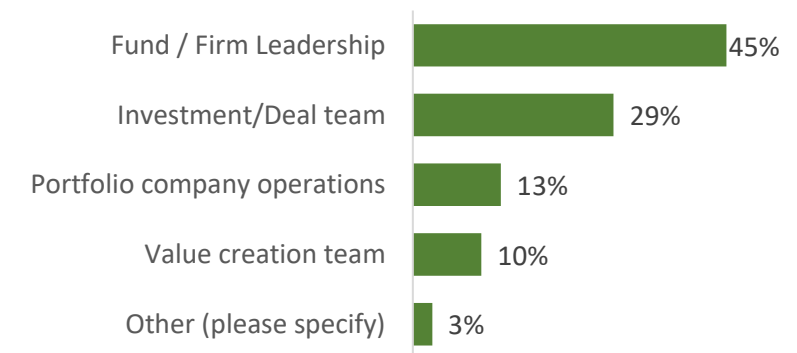
Size of your firm's current biggest fund



Acquisition transaction in last three years

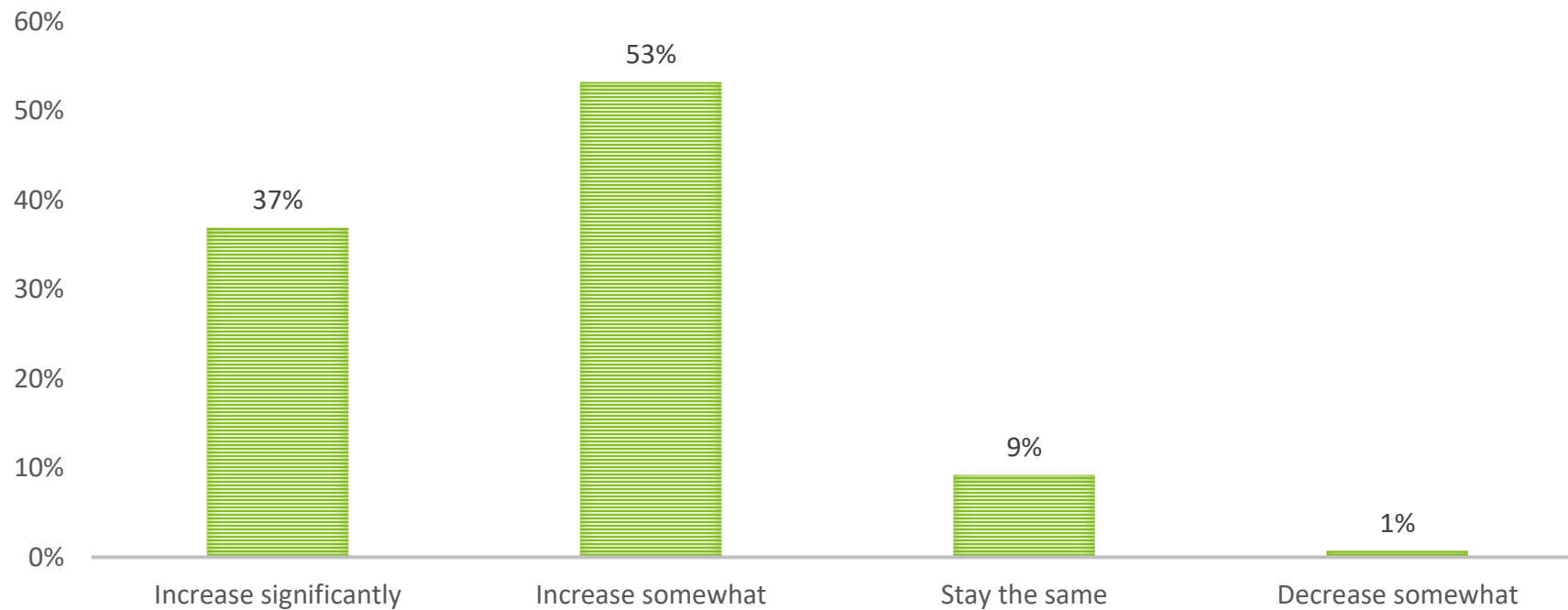


Role occupancy at house



Most PE firms expect the number of deals to increase in the near future

Do you expect the average number of acquisitions that your PE fund closes to increase or decrease over the next three years?

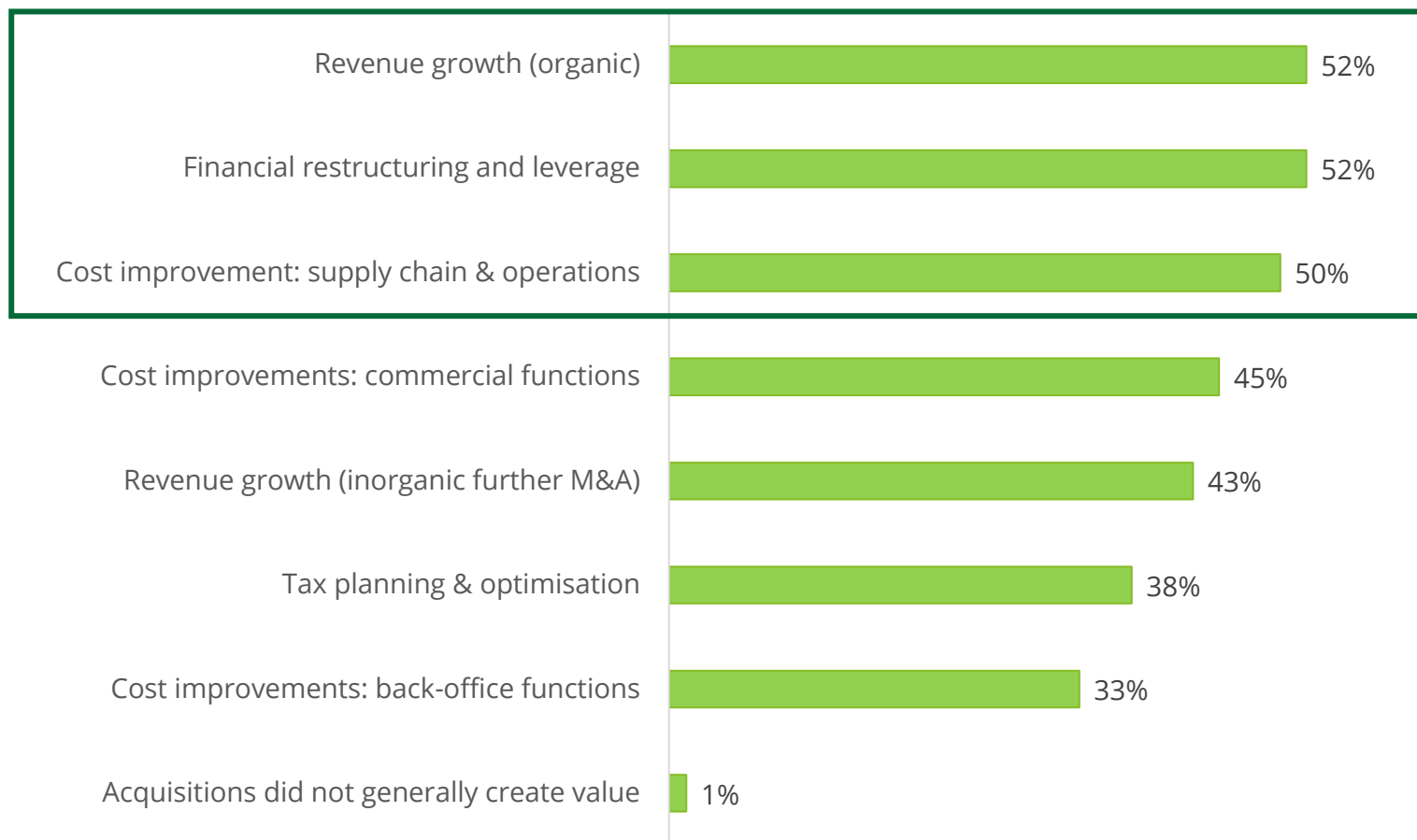


Value case: key levers



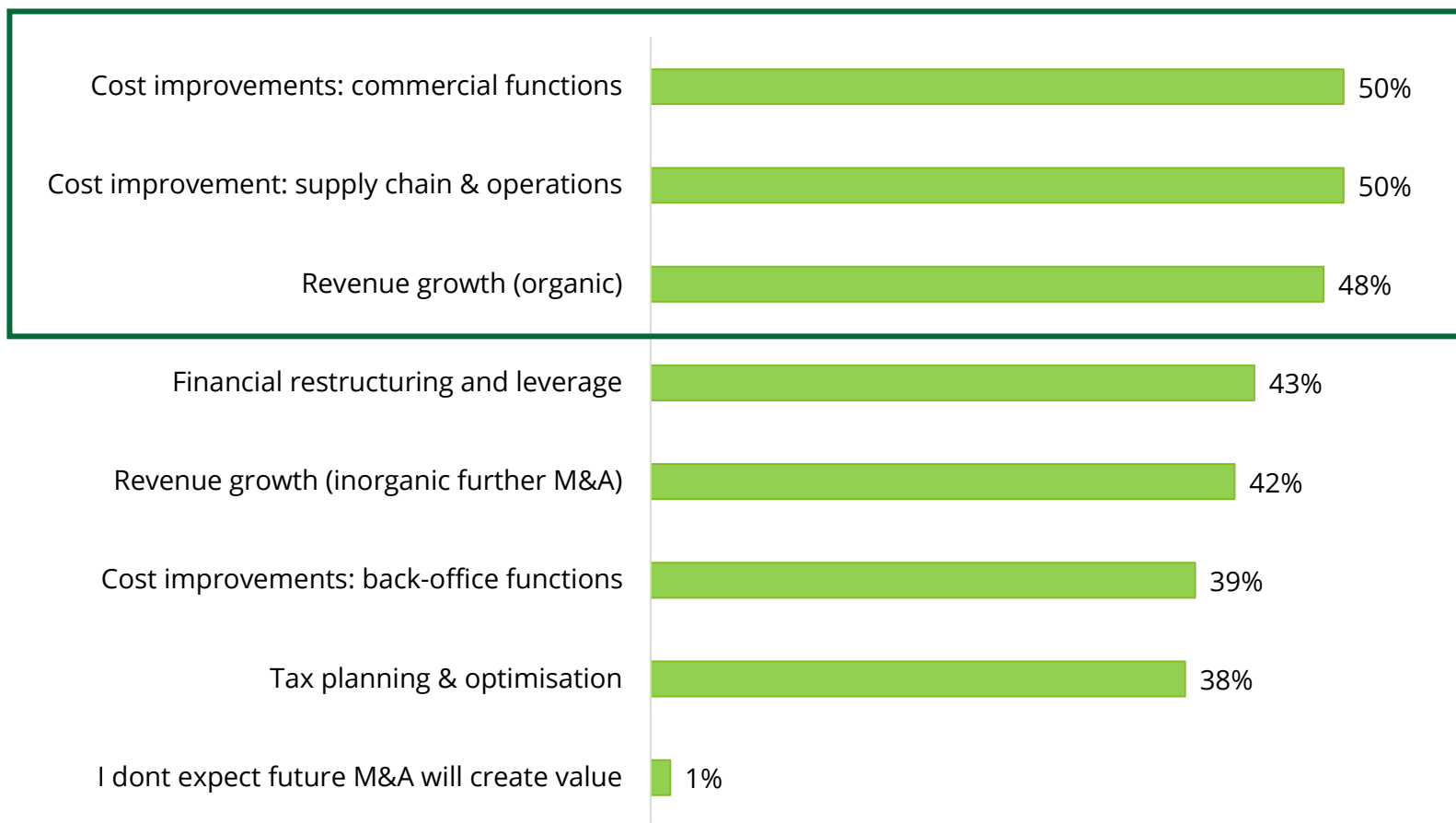
Recently, revenue growth has played an important and critical role in value creation cases

Of the acquisitions completed in the last three years, what were the most important components of the value creation case?



In the near future, revenue growth will continue to play a critical role in value creation cases

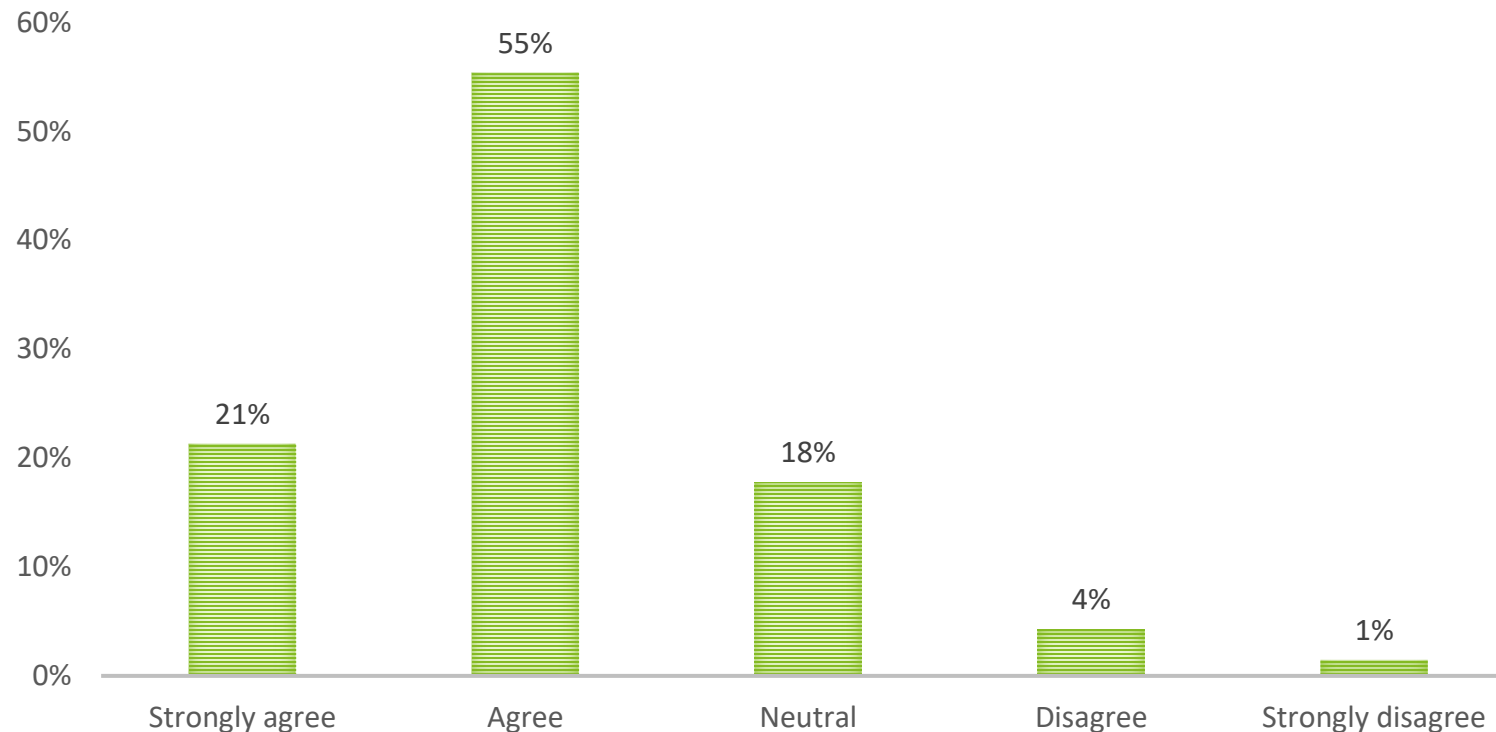
Of the acquisitions expected to close in the **next three years**, what are the most important components of the **value creation case**?



PE houses indicate that they will increasingly focus on creating value through organic revenue growth

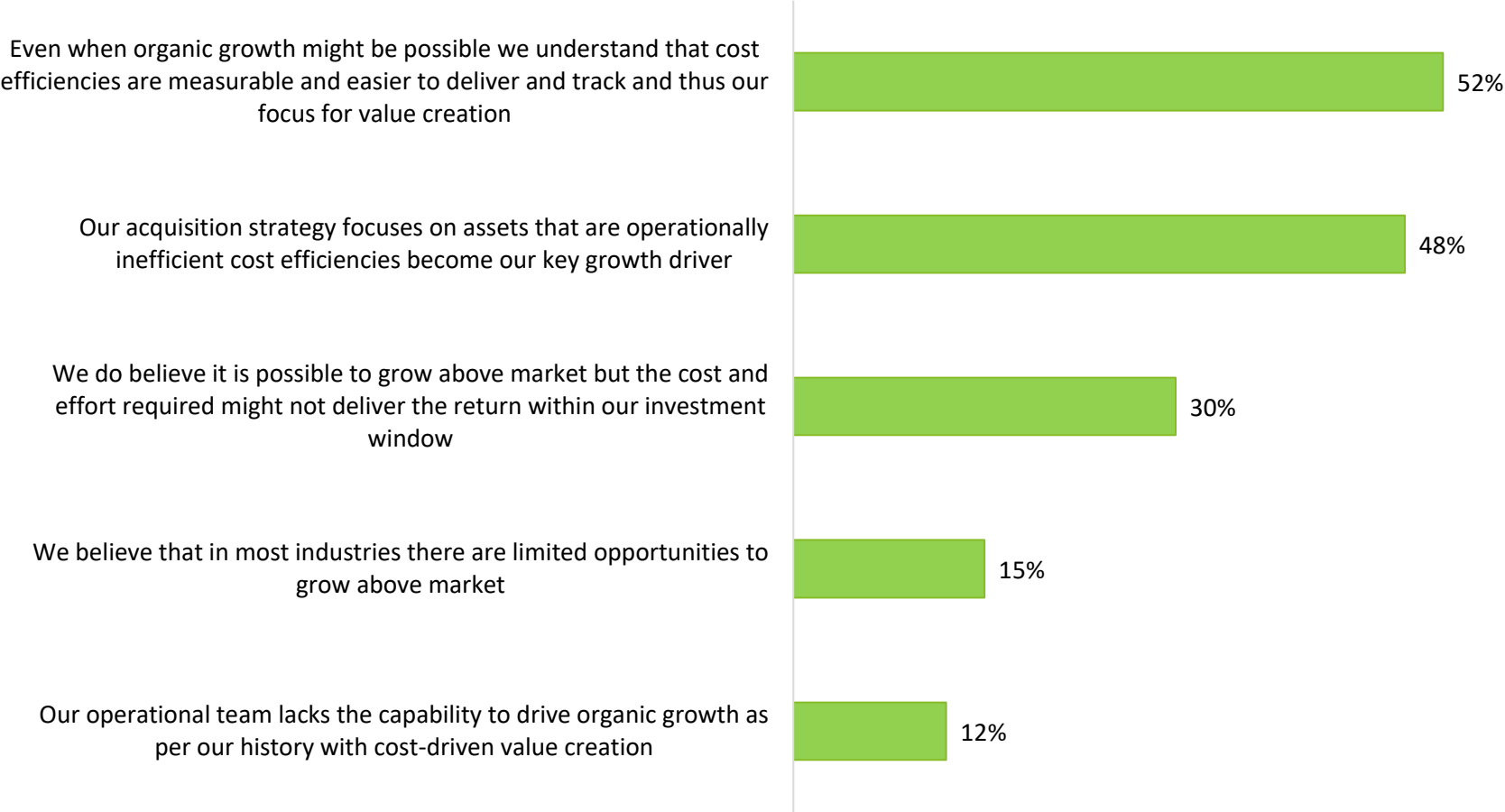
To what extent do you agree with the following statement:

More focus on organic revenue growth will be required to deliver returns to LPs (Limited Partners) on current and future assets?



Difficulty in data driven tracking of organic revenue growth compared to cost reduction is a primary reason for the lack of focus on organic revenue growth

What are the key reasons your organisation does not focus more on organic growth as a growth driver?



N = 33; Includes responded who have marked 'Strongly disagree', 'Disagree' or 'Neutral' in Q14

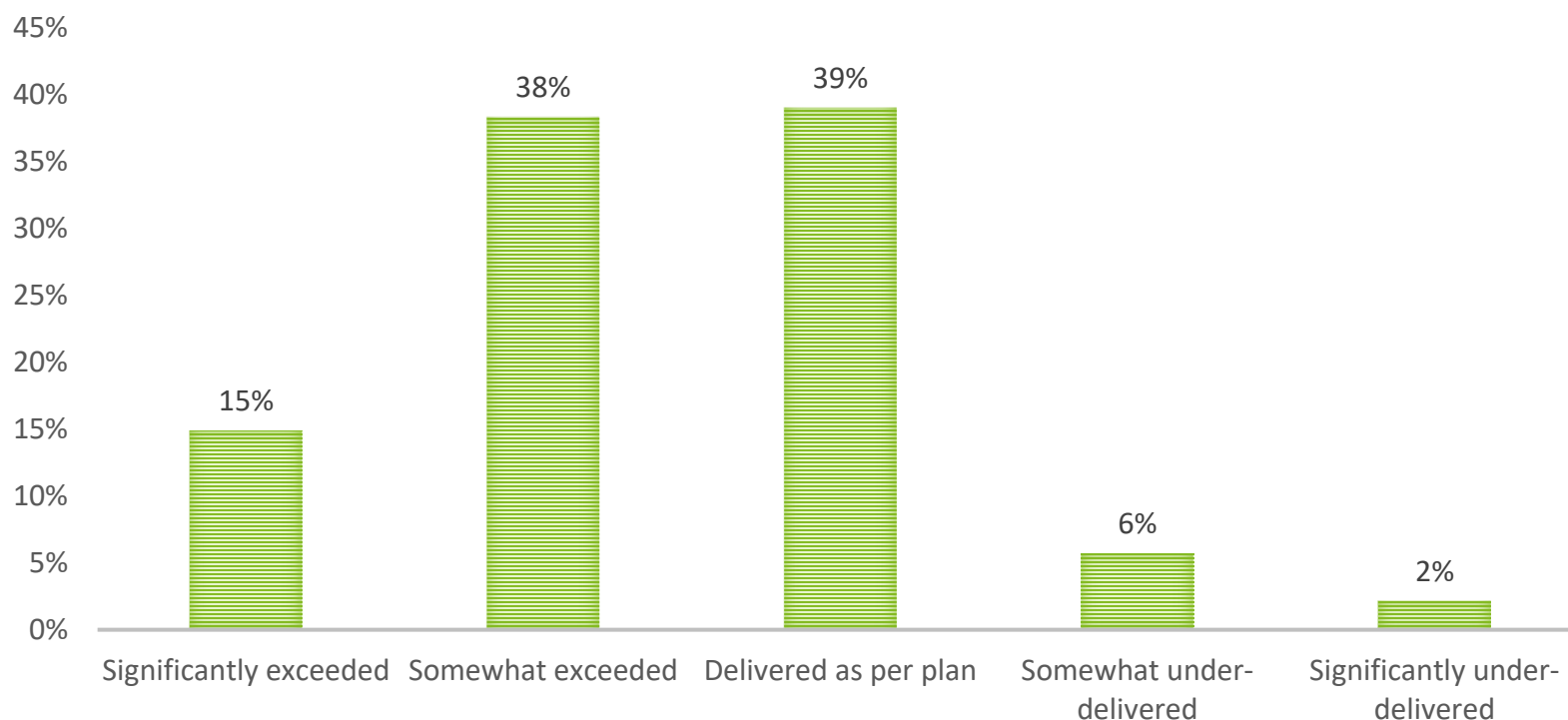


Implementing revenue growth



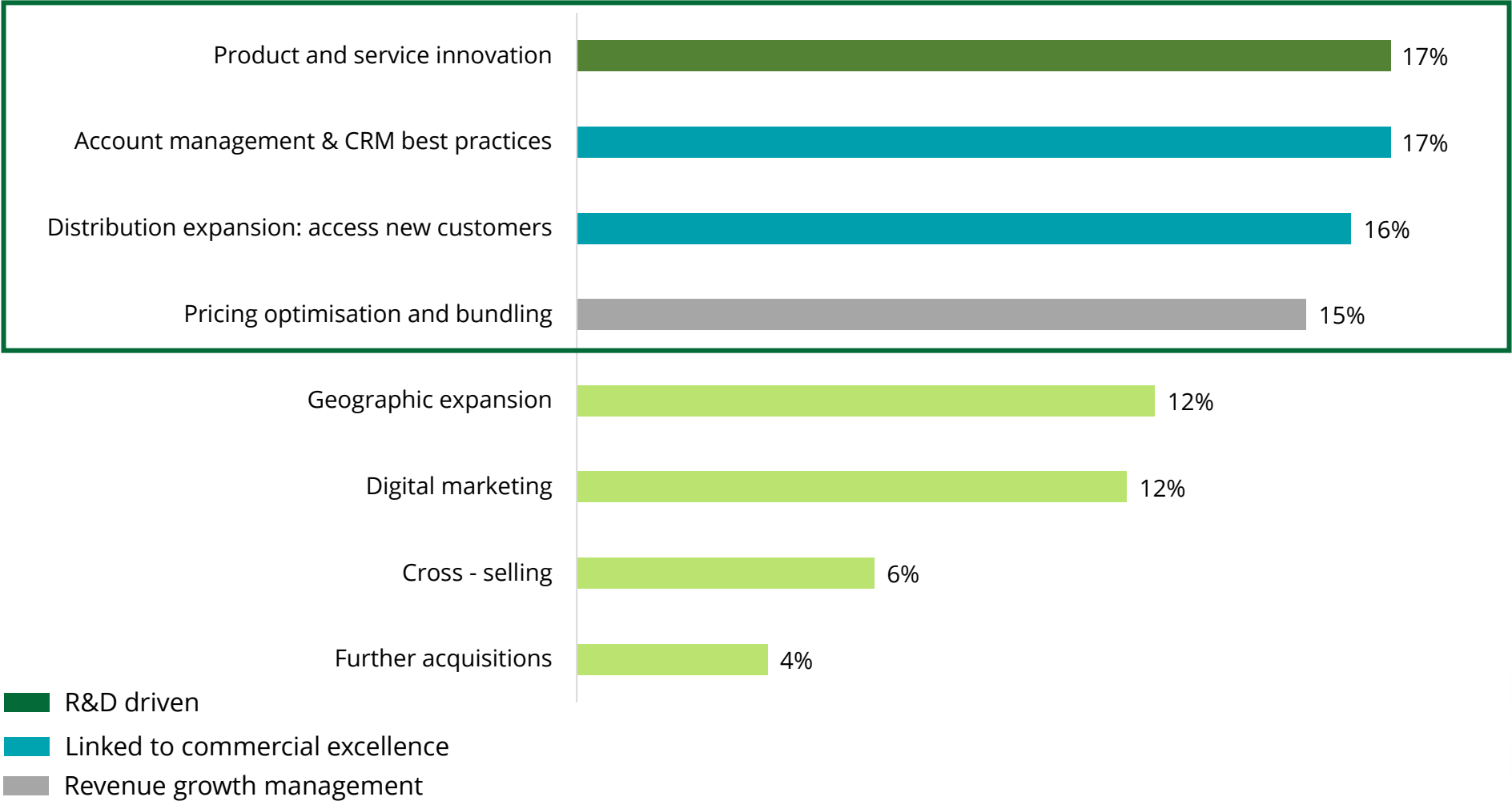
PE houses and their portfolio companies are successful in delivering planned revenue growth: 92 per cent of the acquisitions over the last three years were delivered at least to plan

In the acquisitions completed in the last three years, how did you perform overall against your revenue growth targets?



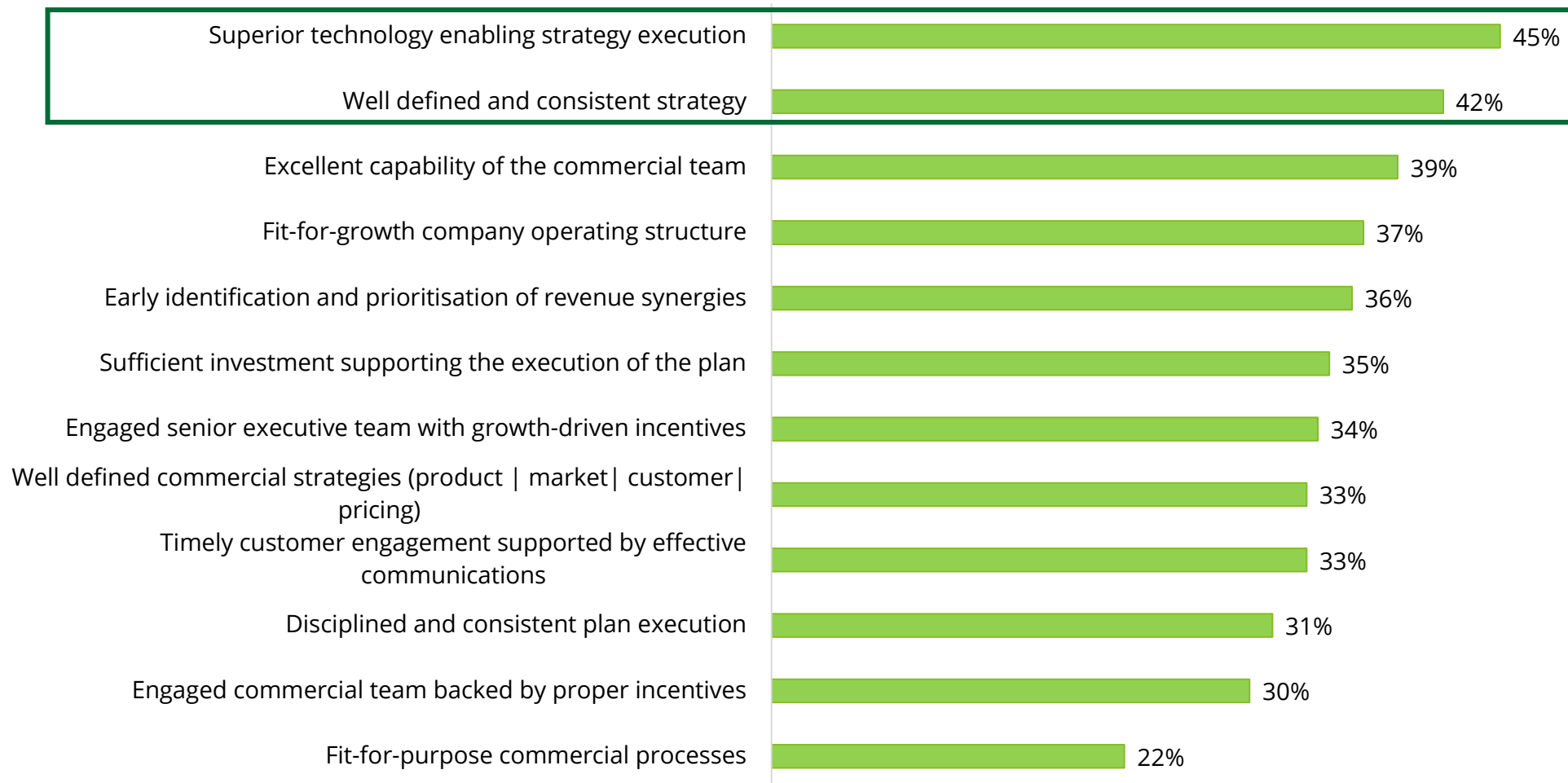
Driving revenue growth requires a set of practices: Innovation, pricing and commercial excellence are cited as top areas to look for and optimise

In an M&A deal, what drivers do you consider as key to achieving revenue growth?



Technology is the top contributor to revenue growth

Which of these elements have made a significant contribution to acquisition-related revenue growth over the past three years?



On the other hand, data is the number one barrier to driving revenue growth

What internal challenges have prevented your organisation realising its growth potential after an acquisition?

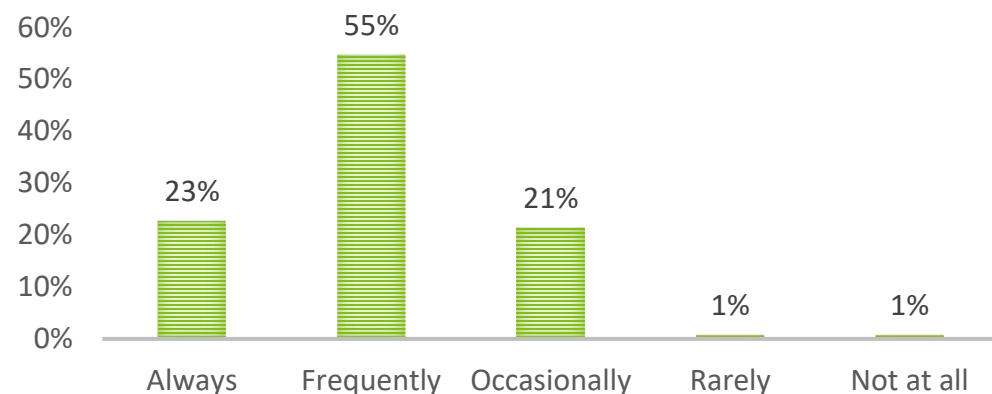


The key role of
technology

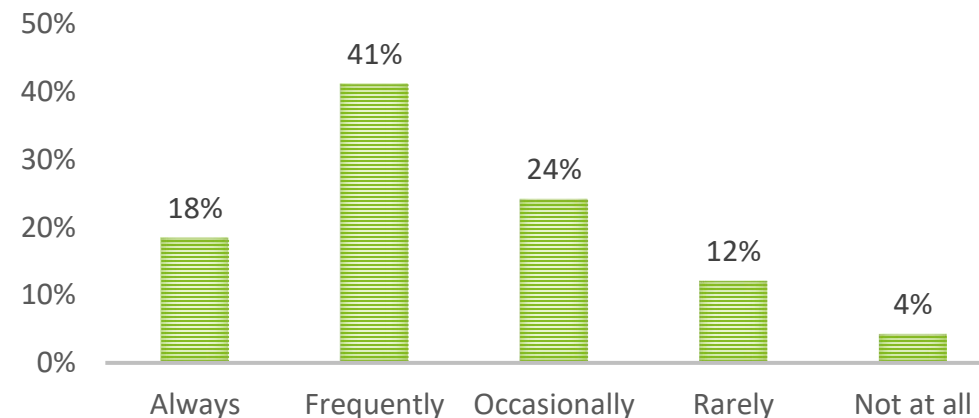


Technology is a key enabler to map and drive growth, with usage already relevant and widespread

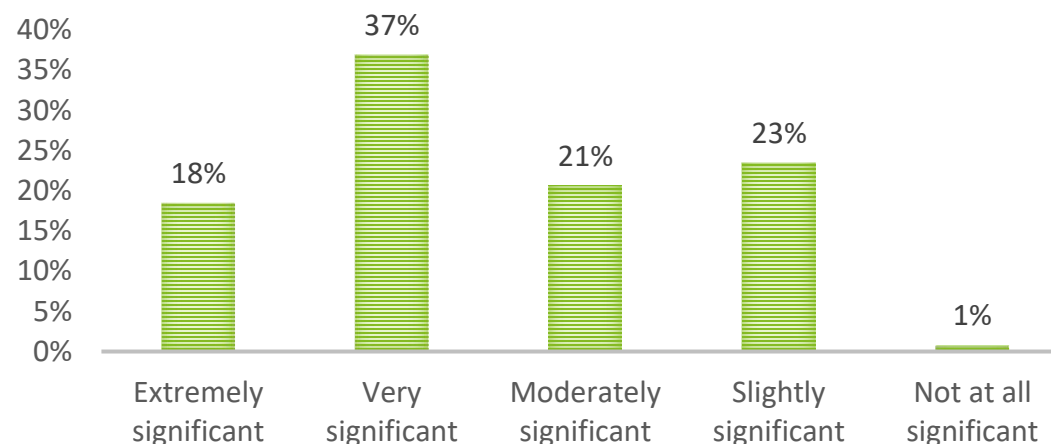
How often do you use simulation tools to map potential revenue growth in the context of M&A deals?



How often do you use Generative AI to map potential revenue growth in the context of M&A deals?

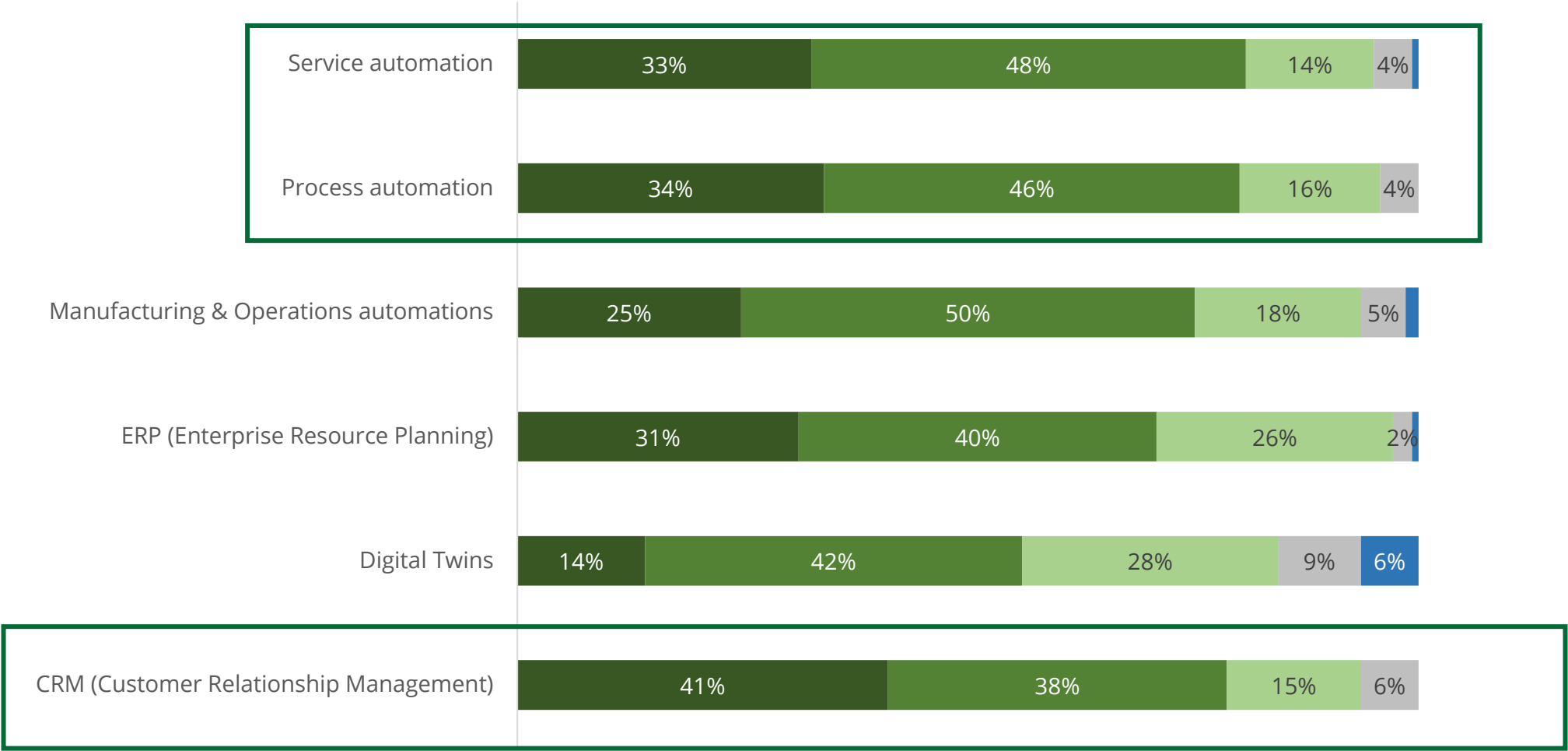


How significant are digital transformation technologies in enabling revenue growth in M&A deals?



Service automation, process automation and CRM are fundamental value enablers for most PE houses

To what extent does your portfolio companies consider these technologies as a value creation tools?

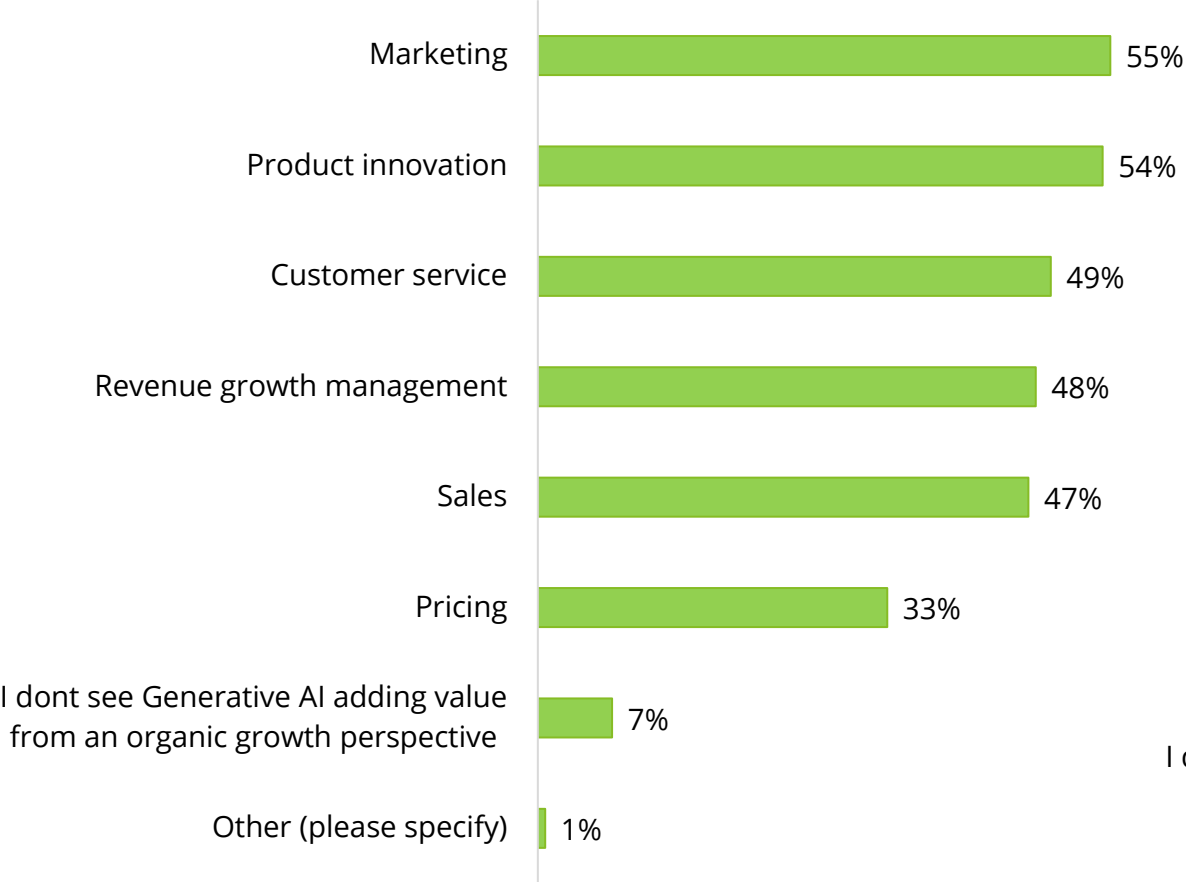


N = 141

Always Frequently Occasionally Rarely Not at all

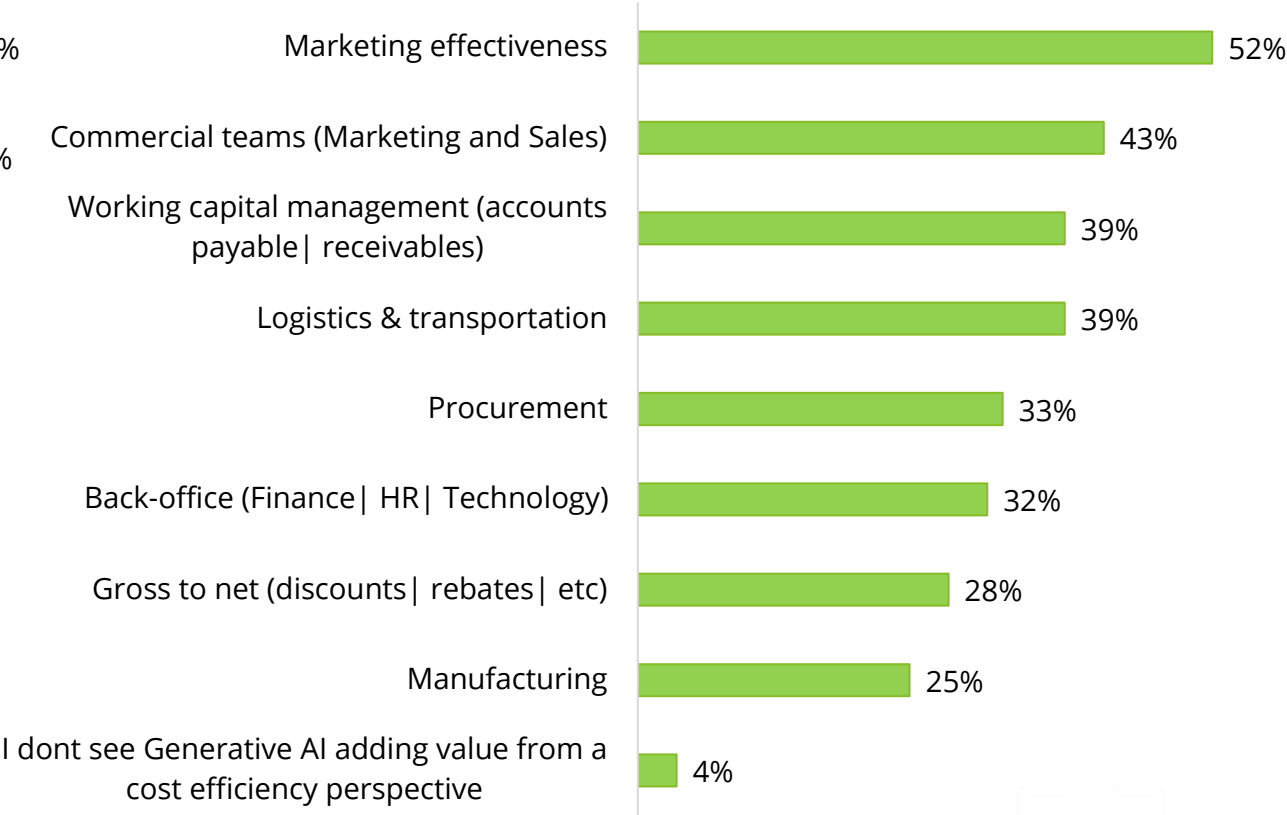
Gen AI is creating opportunity to add value from both revenue and cost efficiency perspectives

In which areas of the business do you see AI & Generative AI adding the most value from an organic growth perspective?



N = 141

In which areas of the business do you see AI & Gen AI adding the most value from a cost efficiency perspective?



The capacity of the IT department is still considered the main barrier to execution

What are the biggest barriers for your portfolio companies to use technology as a value creation tool?



Contact

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