

Private Equity in the European Insurance Sector





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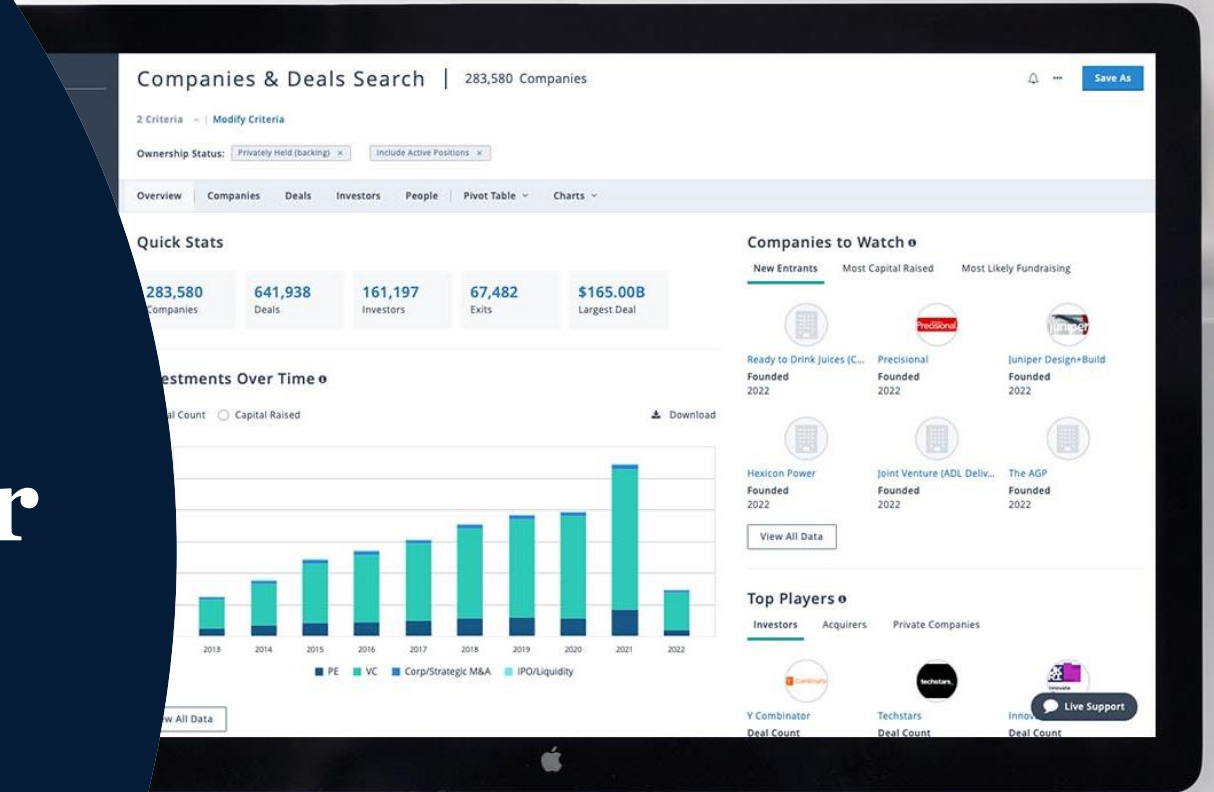


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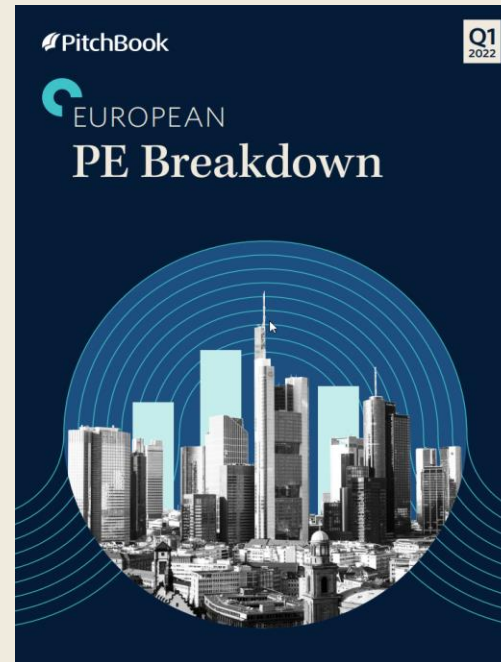
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Relevant Reports



[PE in the European Insurance Sector](#)



[Q1 2022 European PE Breakdown](#)



Agenda

- 01** PE Deal Activity
- 02** Top PE Investors
- 03** Key Risks
- 04** Emerging Opportunity
- 05** Macro impacts on PE

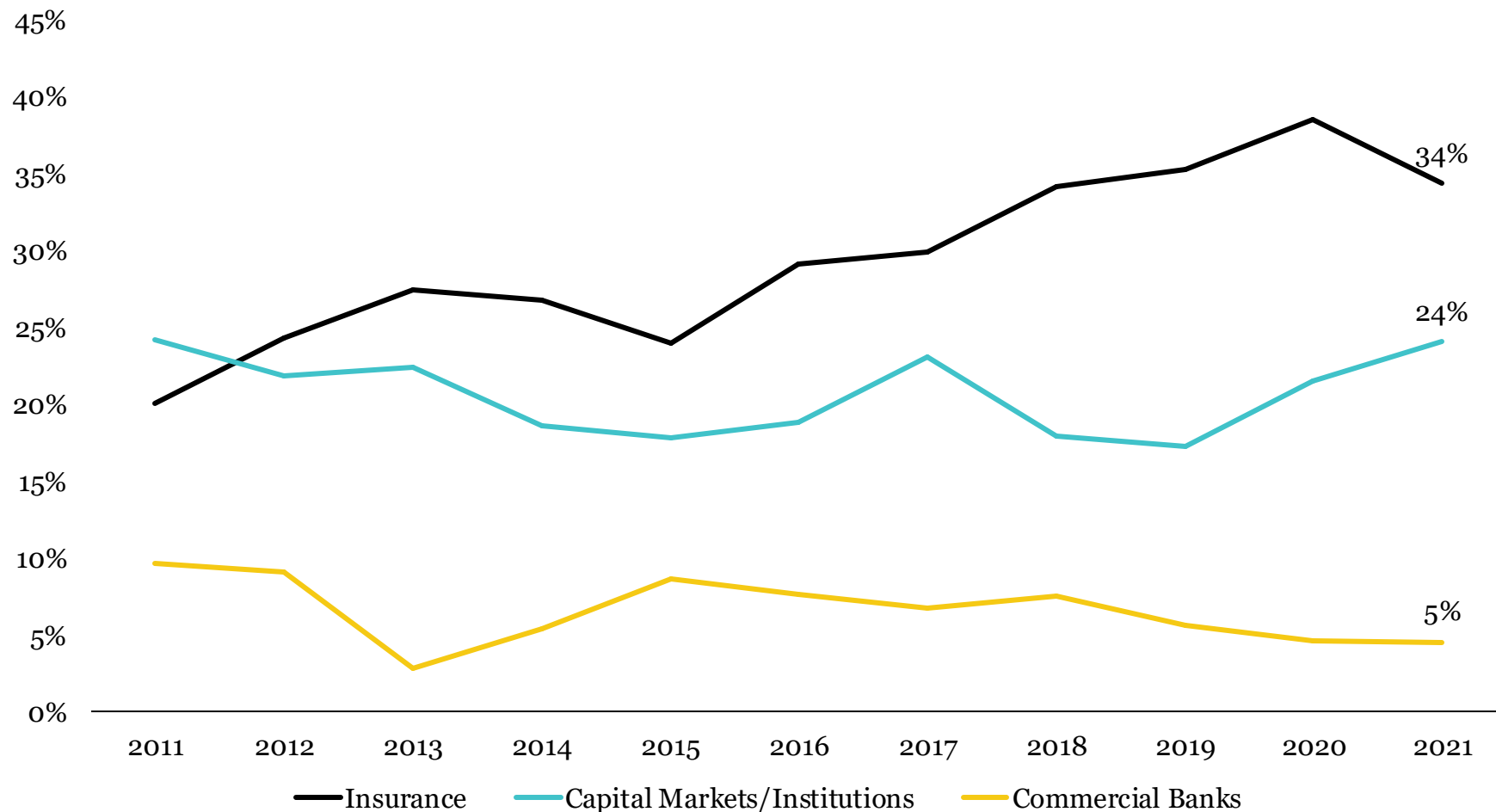


Key Takeaways

- PE deal volume for insurance brokers hits new record in 2021.
- Robust recurring revenues and heavily fragmented markets drives PE deal activity.
- Higher valuations and squeezing margins present key risks to PE deal activity.
- Multiple arbitrage is the dominant value creation strategy when acquiring insurance brokers.



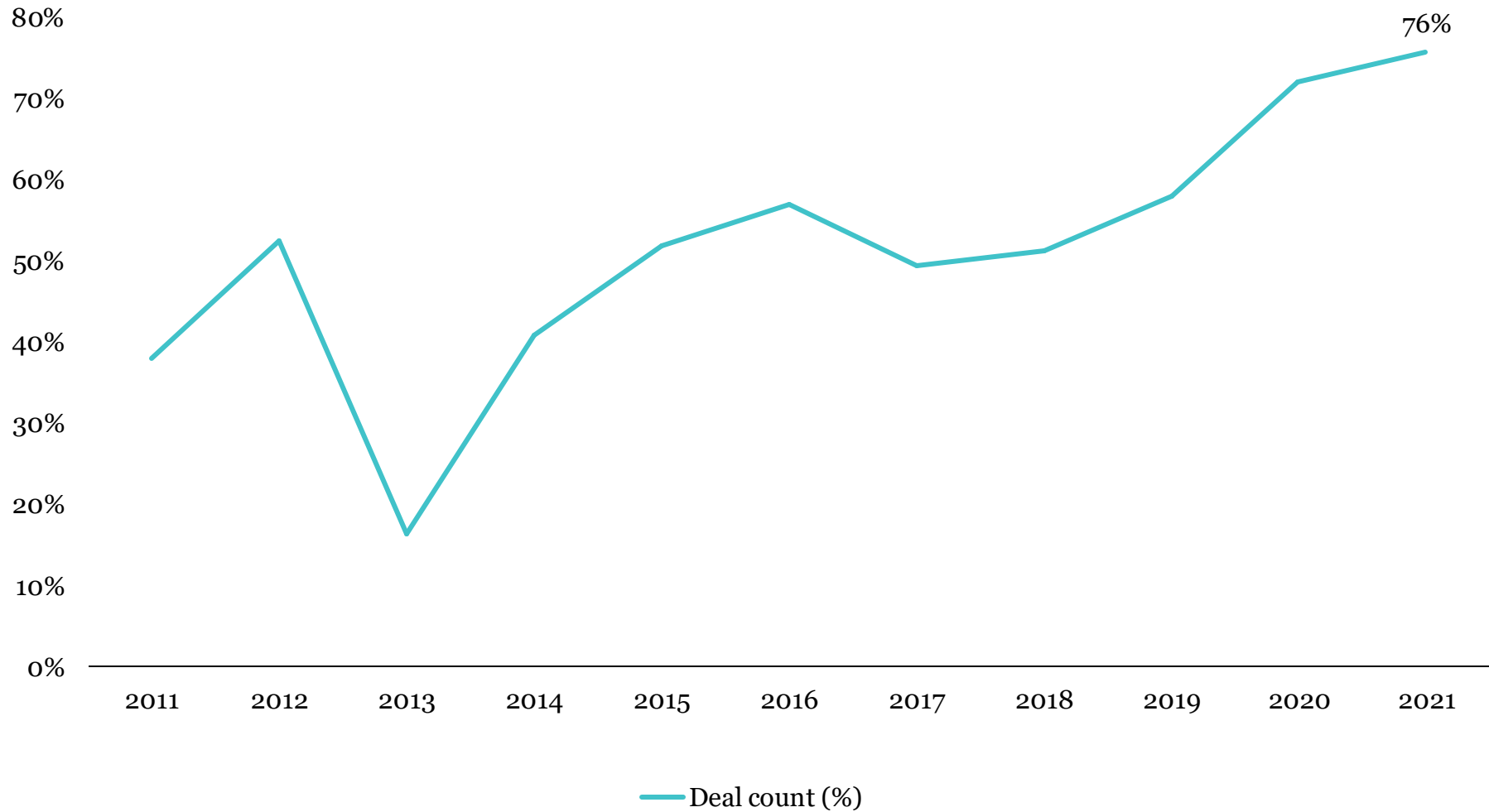
Financial services subsector deals as a share of all financial services deals



Insurance
accounts for more
than one in three
PE financial
services deals

Source: PitchBook | Geography: Europe
*As of March 31, 2022

Insurance broker PE deals as a share of all insurance PE deals



Source: PitchBook | Geography: Europe
*As of March 31, 2022

Over 75% of PE insurance deals are with insurance brokers

PE Deal Activity Mostly Concentrated in Retail Brokers

Type of Insurance Brokers

- Retail
- Wholesale
- Managing General Agents (MGAs)

How many European PE insurance broker deals closed in 2021?

A Under 50

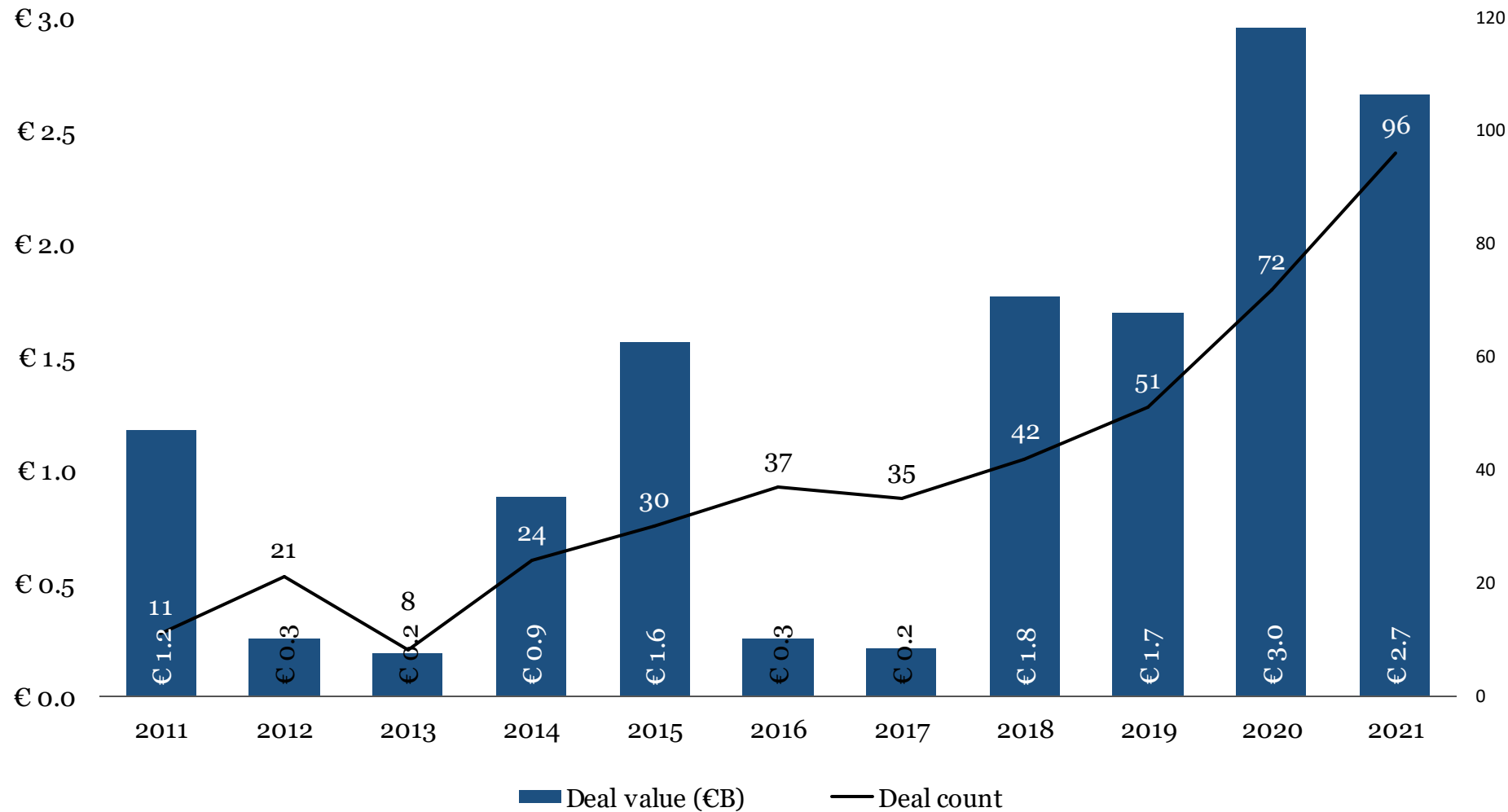
B 75 - 100

C 150 - 200

D 200 - 250

E 500+

European insurance broker PE deal activity



Source: PitchBook | Geography: Europe

*As of March 31, 2022

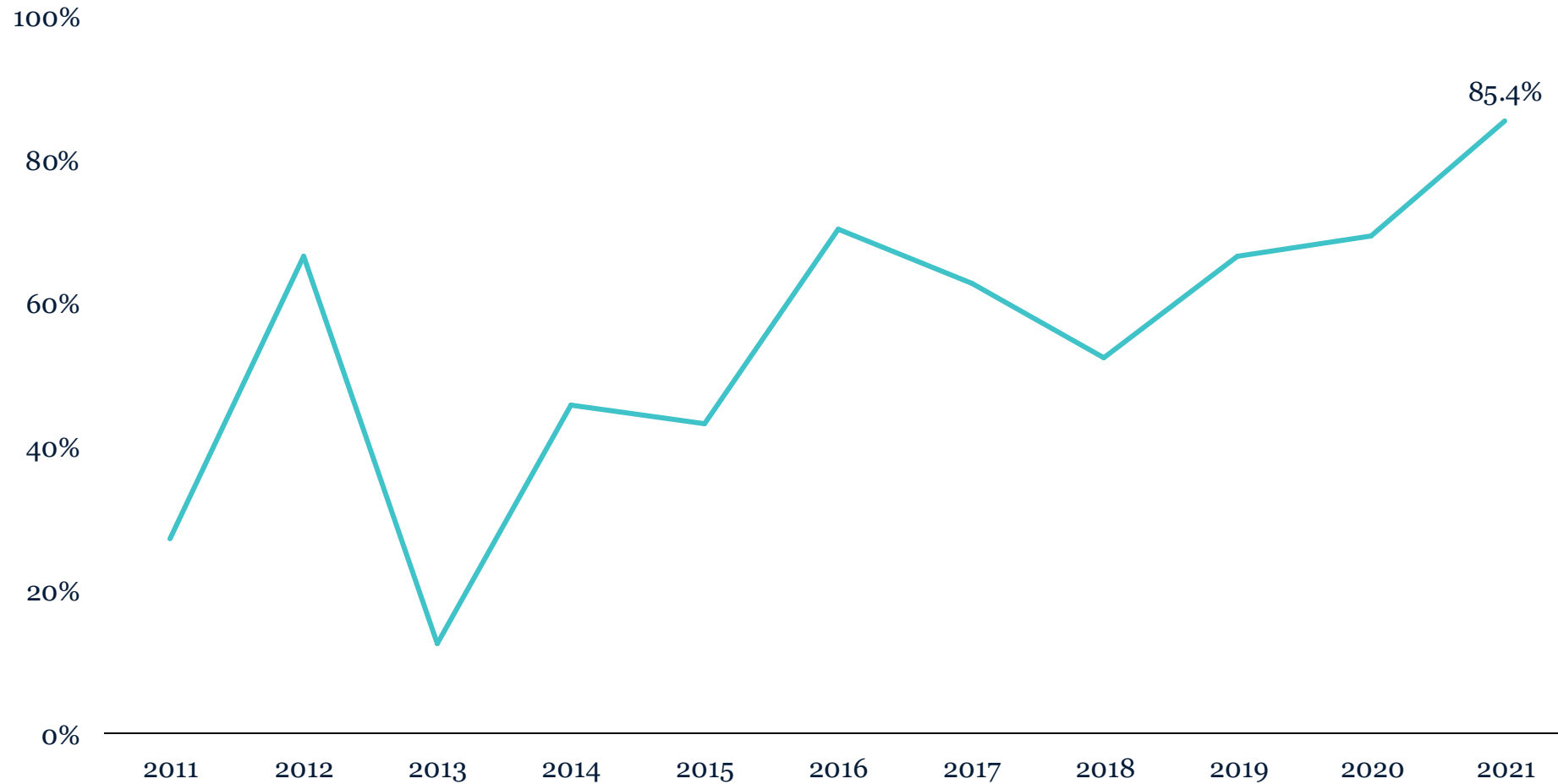
**Insurance broker
PE deal volume
hits new record in
2021**

Key Drivers of PE Deal Activity

- Strong business fundamentals
- Fragmented markets
- Light and local regulations
- Low risk business models
- Low barriers to entry
- Wide addressable markets



Bolt-on proportions of deal count



Bolt-ons race to new peak, accounting for 85% of deals in 2021

Source: PitchBook | Geography: Europe

*As of March 31, 2022

Which region accounts for the bulk of European insurance broker PE deal count?

A UK & Ireland

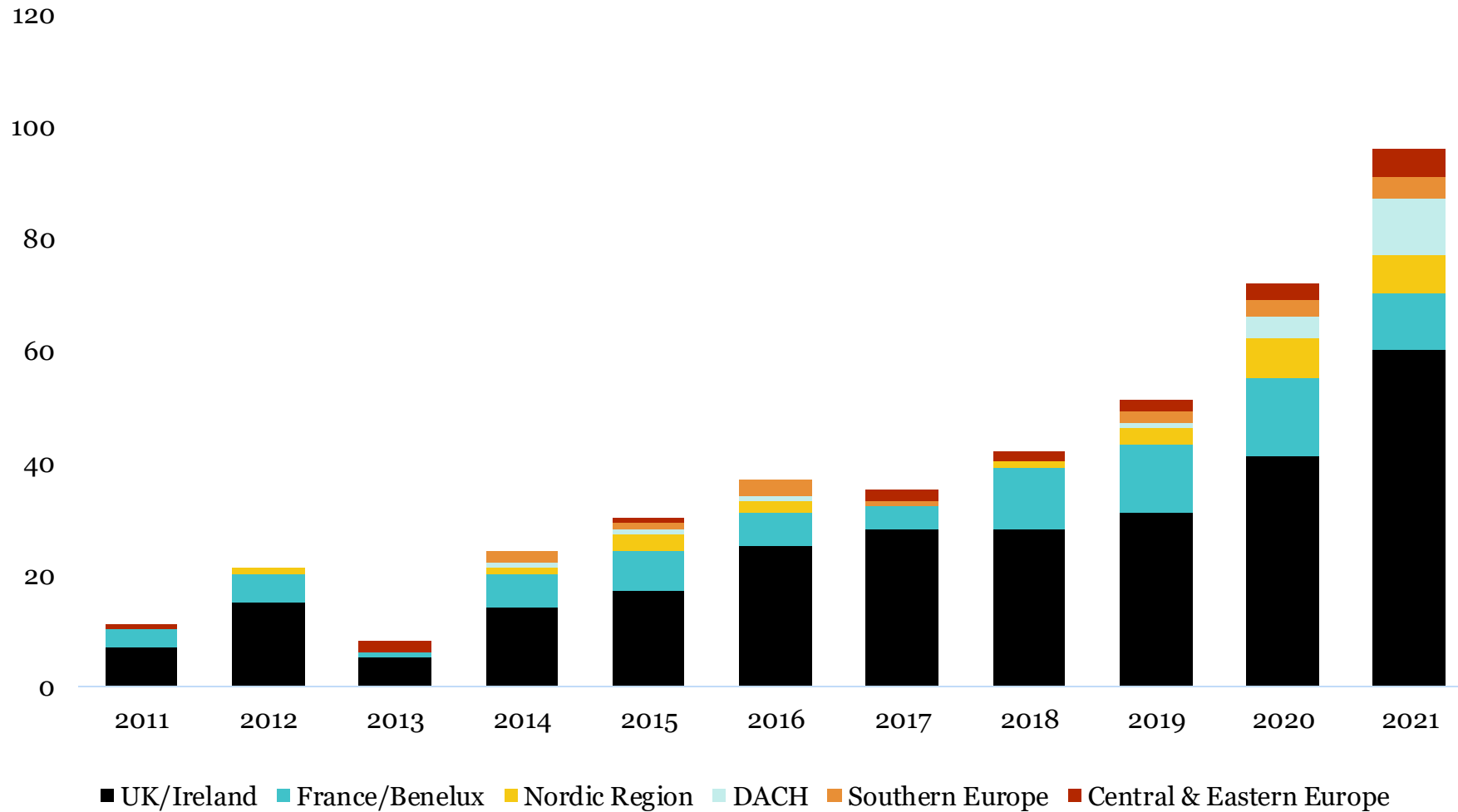
B DACH

C France & Benelux

D Nordics

E Southern Europe

Insurance broker PE deal count by region



**UK & Ireland
accounts for the
bulk of PE deal
count, contributing
62.5% of deals in
2021**

Source: PitchBook | Geography: Europe

*As of March 31, 2022

Who is the most active PE buyer of European-based insurance brokers since 2016?

A AnaCap

B The Carlyle Group

C Hg

D Bowmark Capital

E TA Associates

Top PE investors in European-based insurance brokers since 2016 by deal count



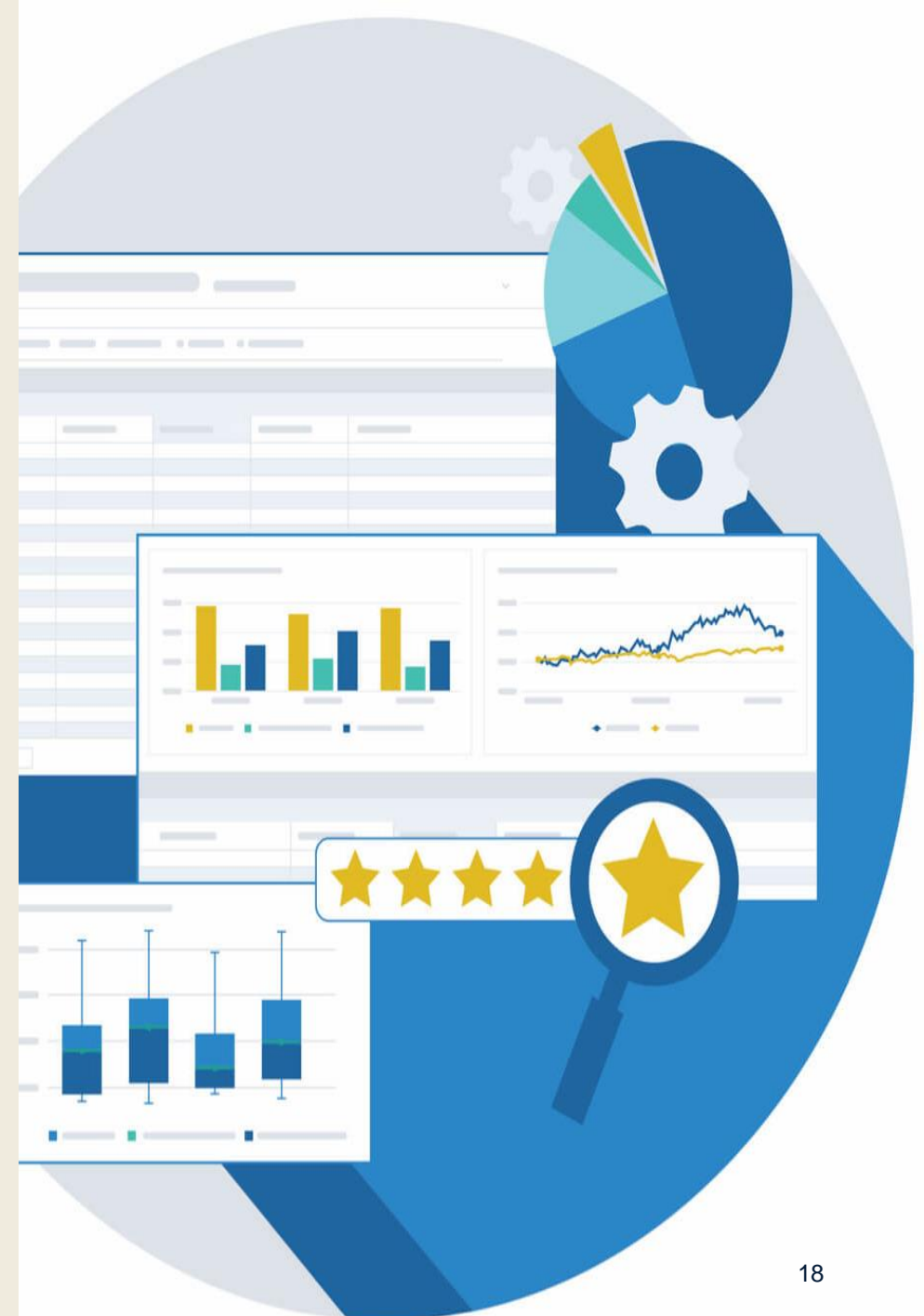
Bowmark Capital dominates PE insurance broker investing with 32 closed deals since 2016

Source: PitchBook | Geography: Europe

*As of March 31, 2022

Key Risks to PE Deal Activity

- High valuations
- Squeezing margins
- Further regulation
- More direct-to-consumer sales from insurers



Emerging Opportunity

The increased integration and adoption of technology



**Artificial
intelligence (AI)**



**Data and
analytics**



**Internet of
Things (IoT)**



Automation

Impacts of the macro environment on PE

- PE deal activity will slow, but wont stop
- Higher financing costs for sponsors
- PE asset valuations will soften
- Take-privates will be a stand-out theme
- PE asset selection and underwriting criteria will shift



Q&A



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