

# OUTLOOK OF THE UKRAINIAN PRIVATE EQUITY INDUSTRY

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# Growth Factors

- Universe of Target Companies
- Development of Capital Markets
- Competitive Landscape
- Market Opportunity
- Legislation – Regulation
- Awareness of Opportunity

# Investment Targets

- Majority of Ukrainian enterprises have been privatized
- Increasing number of new players across all sectors of economy
- Increasing need of managerial know-how – *crossing of family business stage*

# Capital Markets Development

- Developing Capital Markets
- Availability of Debt Financing
- Increasing role of multilateral institutions (EBRD, IFC)
- Increasing M&A Advisory support for SME's
- Favorable macroeconomic indexes

# Competitive Landscape

- Only a hand-full of players
- Discounted company valuations
- Ability to “cherry-pick” best targets

# Market Opportunity

- Many fragmented markets – *consolidation opportunity*
- Room for new “Niche” players
- Increasing opportunities for Later Stage (Development Capital) financing
- Larger investment requirement
- Lucrative local-buyers market

# Legal & Regulatory Environment

- Corporate Governance
- Transparency
  - ◆ **Control** of Legal Documentation
  - ◆ **Control** of Decision Making (BoD)
  - ◆ **Control** of financial management and financial reporting standards (IAS, GAAP)

# Awareness of Opportunity

- Team effort of local funds
- EVCA support to stimulate foreign investor participation
- Actively pursue local market of institutional investors
- Pursue local market of individual investors

"Thank You"