

Macro Roundup Article

Headline: [2023 Private Equity Fundamentals](#)

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Summary: Private equity lagged public equity markets last year by a significant margin. The easiest explanation is that this is simply the result of smoothing: PE firms didn't much mark down their portfolios when the market sold off in 2022 and then didn't have to write them back up as much in 2023. But according to Bain & Co.'s latest report, buyout exits are down 66% since 2021 and 44% from 2022—which suggests that something more worrisome is happening underneath the hood. In 2023, PE-backed companies grew slower than the public market and generated significantly lower free cash flow. The lagging performance of buyouts relative to public markets looks like it might be more than just smoothing. It may reflect the weakening of the relative fundamentals.

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Primary Topic: Financial Markets

Topics: Financial Markets, GDP, Op-Ed/Blog Post

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