

## **BAI Newsletter III/2025 – June 2025**

### **Editorial article from Frank Dornseifer, Managing Director, BAI e.V.**

#### **Private Equity and Venture Capital – „frustrated but engaged“**

Just a few weeks ago, the major players of the Private Equity industry - as well as those aspiring to be or having once been one - gathered in Berlin for SuperReturn. The scale, number of participants and level of commercialisation continue to grow: the number of pop-up bars on Budapester Straße and evening events is increasing, and ticket and sponsorship prices are soaring - as if there were no end in sight, and the industry were in a boom period once again. At least in Berlin, the partying is in full swing. However, the lavish evening events are only partly to blame for the overall hangover mood. The real causes lie in persistent, long-standing problems such as excess dry powder, sluggish fundraising and a lack of exits. A fitting summary of the mood at the conference was therefore: “frustrated but engaged!” Even the LPs are expressing their discontent more openly all the time, and continuation funds, evergreen structures, public-to-private transactions and the 'democratisation' of private markets are by no means seen as a way out of the crisis by all participants. The industry's turnaround is far from complete. In fact, compared to the previous year, the overall situation has not improved - geopolitics and geo-economics have actually made things worse. Portfolio companies are being held on to for significantly longer than planned, and investors are waiting for distributions, which is partly causing a standstill in new investments. Valuations (multiples) for new PE deals are falling, while discounts on secondary sales and financing costs remain high. Last but not least, the market is undergoing consolidation. Therefore, it is no surprise that both GPs and LPs are now pinning their hopes for recovery on 2026. In other words, even before mid-year, the current year is - at least partially - being written off. This is despite the fact that both the new German government and the EU Commission have effectively declared a new era of private capital.

Perhaps that is exactly why the above-quoted comment fits so well: despite the frustration, people remain - or at least present themselves as - engaged. There is certainly an element of forced optimism, but then again, the industry has weathered more than one crisis before. As they say in the Rhineland: 'Et is noch immer jut jejang' - things always turn out fine in the end. After all, a considerable number of LPs spent days at SuperReturn, holding countless one-to-one meetings with GPs and exchanging views, as well as discussing potential new commitments. The Private Equity engine keeps humming - and Berlin is only one gear in the machine. In line with this, two U.S.-based industry giants have just announced their intention to invest \$100 billion and \$500 billion respectively in Germany and Europe over the next ten years. Everyone knows the money is there. Now, let's wait for the deals.

Things remain exciting, which is exactly why the main focus of our newsletter is once again on the asset classes of Private Equity and Venture Capital.

## **BAI AIC 2025**

With around 1,000 participants, including over 130 institutional investors, 76 sponsors and media partners, five keynote speakers, 44 expert presentations and panel discussions, more than 80 guests at the investors' dinner and almost 450 attendees at the networking event, this year's BAI Alternative Investor Conference (AIC), which took place from 6 to 8 May at Kap Europa in Frankfurt, was a resounding success. The extremely positive feedback we received from many participants during and after the event is at least as important as these impressive numbers. Once again, we didn't just meet expectations — we exceeded them! At a time when other conferences are increasingly focused on commercialisation, we continue to prioritise quality, innovation, professional exchange and industry networking — all within a welcoming and comfortable atmosphere. This is not just our view, but that of our attendees too. You will find a detailed recap of the AIC in this newsletter.

Save the date for #AIC2026: it will take place at Kap Europa in Frankfurt from **27 to 29 April 2026**.

## **BAI Member Dialogue**

As you know, maintaining a strong dialogue with our members is very important to us. Whether through our expert committees and working groups, at association events or in our day-to-day operations and personal interactions, we strive to involve you as closely as possible in our work and the ongoing development of the association. With over 300 member organisations now, we want to further intensify and structure this exchange. To this end, we hold 20–30 conversations or calls with member companies every month — not only to provide updates on current association activities, but also to better understand your expectations and needs. This also helps to ensure that as many of your employees as possible are able to take full advantage of our diverse services and offerings. Our member platform is already a huge success, with almost 1,700 employees from member firms actively using it to stay informed about regulatory developments and BAI events and to engage in dialogue with the BAI office and other member organisations. We aim to grow this circle of active BAI members further and expand our range of services. You can help us by sharing your constructive and critical feedback. In the coming weeks and months, BAI staff will reach out to the primary or secondary contacts in our member companies to arrange a brief meeting. We would be very grateful if you could spare about 30 minutes for a brief exchange with us.

As always, I would like to conclude by thanking all the authors and sponsors who have contributed to this newsletter and who have once again contributed some very readable specialist articles.

For now, however, I hope you enjoy reading our newsletter on Private Equity and Venture Capital topics!

**Frank Dornseifer**

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