



# Value Creation *in Private Equity:*

Closing the MOIC Gap



**OC&C**  
Strategy consultants





# Our *Approach*

WE'VE PARTNERED WITH GAIN.PRO TO EVALUATE HOW PRIVATE EQUITY CREATES VALUE TODAY AND WHAT RELIABLY SEPARATES TOP-QUARTILE OUTCOMES APART.

Drawing on Gain.pro's global dataset of 10,000+ investments and exits, we used Shapley decomposition to attribute value across revenue growth, margin expansion, and multiple change.

We then triangulated the data against client work and practitioner perspectives to ground the findings in what is working in real deals.





# Executive *Summary*

PRIVATE EQUITY IS WORKING THROUGH A LIQUIDITY SQUEEZE. FUNDRAISING HAS TIGHTENED, EXITS HAVE SLOWED, AND THE INDUSTRY'S STORE OF DRY POWDER IS NOT CIRCULATING AT THE PACE SPONSORS AND THEIR LIMITED PARTNERS WOULD LIKE.

The asset class remains attractive over the long run, but the velocity of capital has dropped. Financial-engineering tailwinds have faded, higher base rates and evolving credit markets have reduced the contribution of leverage to equity returns, while market-wide multiple inflation has stalled. The result? A narrower spread versus public markets and a wider gap between the best deals and the rest.

That gap is bridgeable. Our synthesis of the data and recent deal experience points toward a clear center of gravity – revenue growth – not just cost takeout – is the primary driver of value creation, and the best path to a higher exit multiple. Margin work still matters, but it performs best when it makes the business easier to grow and the cash flows sturdier. Buy-and-build remains effective, but demands tighter arbitrage and greater scrutiny on deal logic and integration quality.

Fund design also influences outcomes. Lower-market and lower-volume programs show higher average upside with wider dispersion; upper-market and higher-volume programs tend to be steadier but less explosive. Sector specialization, or generalist teams with sectorized pods, can tilt the odds by improving sourcing, judgment, and exit credibility – especially in technical or regulated markets and in the lower mid-market where information asymmetries persist.

*Margin work still matters, but it performs best when it makes the business easier to grow and the cash flows sturdier.*



# State of Play in Private Equity: *The Liquidity Bottleneck*

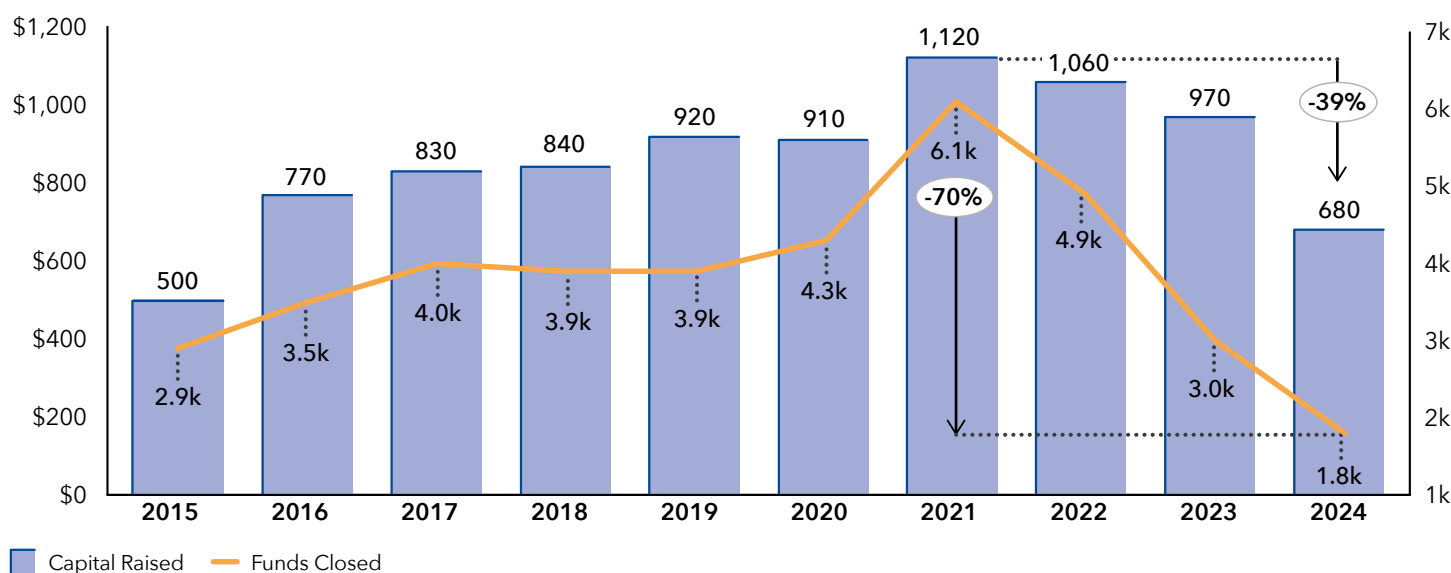
PRIVATE EQUITY'S CURRENT RHYTHM IS DEFINED BY A LIQUIDITY BOTTLENECK: MONEY CONTINUES TO FLOW INTO THE ASSET CLASS, BUT IS RECYCLING SLOWLY. FUNDRAISING HAS COOLED FROM ITS 2021 PEAK, EXITS HAVE NOT KEPT PACE WITH AUM GROWTH, AND LARGE RESERVES OF DRY POWDER IS ACCUMULATING.

That combination pulls through to everything GPs are experiencing day-to-day - more competition for attractive assets, longer deployment timetables, and a reduced contribution from classic financial-engineering levers.

In short, capital is there, but it is harder to recycle, so the onus shifts to demonstrable value creation earlier in the hold to unlock liquidity.

# CAPITAL FORMATION IS ON A DOWNWARD TREND FOLLOWING 2021 HIGHS, WITH LPS DIRECTING THEIR ALLOCATION TOWARDS FUNDS WITH A DEMONSTRABLE TRACK RECORD

Global PE Capital Raised & Funds Closed (\$b, 000s)



Source: S&P Global Marketing Intelligence, Pitchbook, OC&C analysis.

**1. Capital Formation:** Fundraising is slowing as LP liquidity tightens, and commitments are consolidating behind managers with reliable DPI and visible routes to exit. Over the last five years, global PE capital raised has fallen ~25%, returning to 2015-2016 levels. At the same time, the number of funds closed is down roughly 58%, while average fund size has compounded at ~15% annually – a sign that LPs are rationing limited capital, prioritizing GPs who can prove they've delivered.

**2. Asset Base:** Despite fundraising pressure, the long-term health of the asset pool remains intact. Global buyout AUM has grown at roughly a 10% CAGR over the last decade, reflecting consistent committed capital and the maturing of private markets. That said, AUM growth stalled in the last year as exits slowed – a velocity issue more than a demand issue. Once exit markets normalize, AUM growth is expected to resume, but the near-term stall is a real constraint on recycling capital today.

**3. Capital Deployment:** Deal value has recovered from the trough that followed 2021's all-time highs, yet it remains below peak levels. Over the last decade, global buyout deal value has grown at ~4% CAGR, but higher interest rates since 2021 have constrained leverage capacity and reset what buyers can underwrite – slowing the pace and raising the bar on what “good” looks like in diligence. 2024 saw a year-over-year improvement, and many expect further healing as GPs seek to put record dry powder to work, but deployment continues to lag the stock of available capital.

	Trend	
	L10Y	L5Y
1. Capital Formation	↑ Growing	↓ Declining
2. Asset Base	↑ Growing	↑ Growing
3. Capital Deployment	↑ Growing	— Stable
4. Liquidity	↓ Declining	↓ Declining
5. Returns	— Stable	↓ Declining



**1. Liquidity:** The crux of the fundraising challenge is liquidity. Exit value is down from 2021 highs but broadly stable versus longer-term averages; the issue is exits relative to the size of the asset base. For the last three years, the exit-to-AUM ratio has sat below the typical 15-20% range, and the last two years have been particularly depressed. That gap starves LPs of the distributions they expected, which, in turn, constrains their ability to recommit – compounding the fundraising slowdown. Continuation vehicles have helped return capital at the margin but have not fully cleared the backlog.

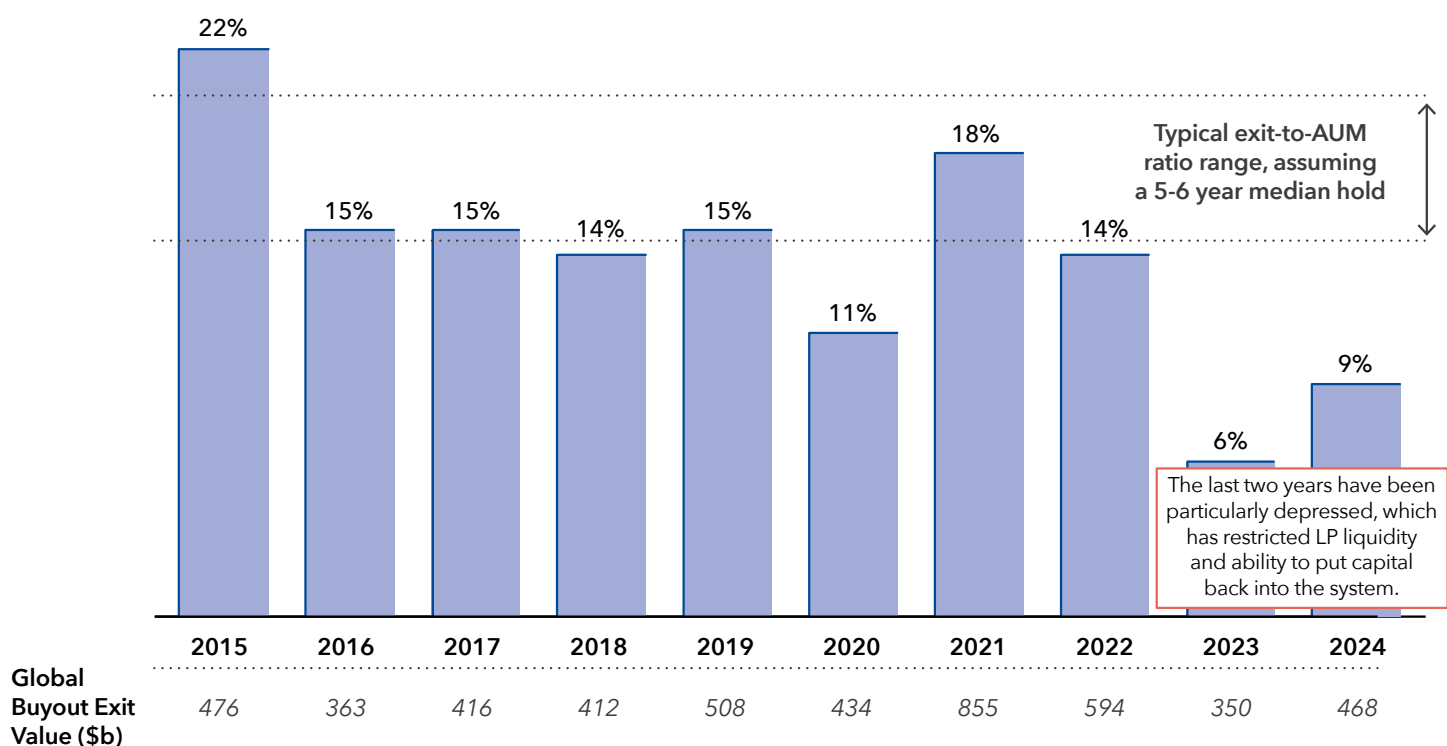
*The shift is away from financial engineering and toward business building – larger, faster-growing, more underwritable cash flows. Making value creation real, early, and measurable is now essential.*

In this context, assets that can prove premium value attract capital. The shift is away from financial engineering and toward business building – larger, faster-growing, more underwritable cash flows. Making value creation real, early, and measurable is now essential.

## LIQUIDITY ISSUES HAVE BEEN A KEY BARRIER TO FUNDRAISING, DRIVEN PRIMARILY BY A DIFFICULT EXIT ENVIRONMENT EXTENDING HOLD PERIODS AND DELAYING DISTRIBUTIONS

Global Exit-to-AUM ratio, 2015-24 (%)

*Global Buyout Exit Value / Global PE AUM*



Source: Preqin, Dealogic, Pitchbook, OC&C analysis.



# Recent Returns Have Stagnated *Relative* *to Historic Vintages*

THE RETURN PICTURE MIRRORS THE FUNDRAISING DYNAMICS: CAPITAL IS ABUNDANT BUT SLOWER-MOVING, AND BUYERS ARE MORE SELECTIVE. PRIVATE EQUITY STILL OUTPERFORMS PUBLIC MARKETS OVER A CYCLE, YET THE NEAR-TERM SPREAD HAS NARROWED AS THE EASY TAILWINDS OF FINANCIAL ENGINEERING FADE.

Median MOIC has pulled back from the 2019-21 highs, revealing a gap that is small in absolute terms but meaningful in what it says about how value is created today.

Headwinds have shifted from cyclical to structural. Two long-term forces are at work here that have been evident for over a decade but continue to accelerate. First, as the industry has matured, buyers have gotten far better at diligencing.

Most “tricks” that once flattered earnings without building durable value – short-term pricing pushes, under-resourced cost programs and aggressive add-backs – are now quickly uncovered, repriced, or excluded from valuation models. Cosmetic improvements don’t carry exits.

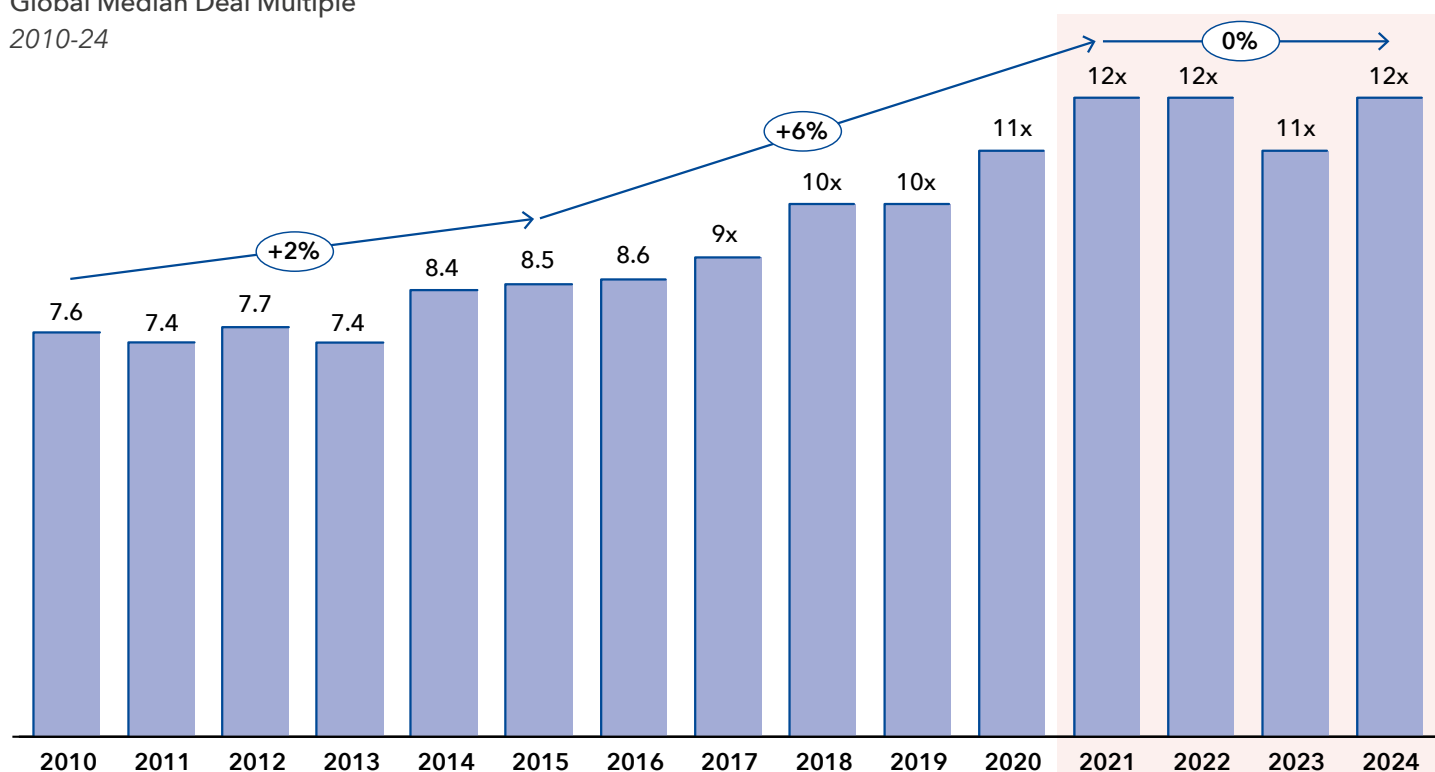
Second, the financial-engineering levers that magnified returns in the last cycle are less potent. Multiples have stalled since 2021 at elevated levels, which limits further beta-driven expansion; leverage is more expensive and often tighter on terms.

In this environment, the deals that win are the ones where sponsors can credibly change the EBITDA trajectory and the quality of cash flows.

## MULTIPLE EXPANSION HAS STALLED, AND GPS CAN NO LONGER RELY ON RISING EXIT VALUATIONS TO DRIVE RETURNS

Global Median Deal Multiple

2010-24



Source: Bloomberg, Stepstone, OC&C analysis.



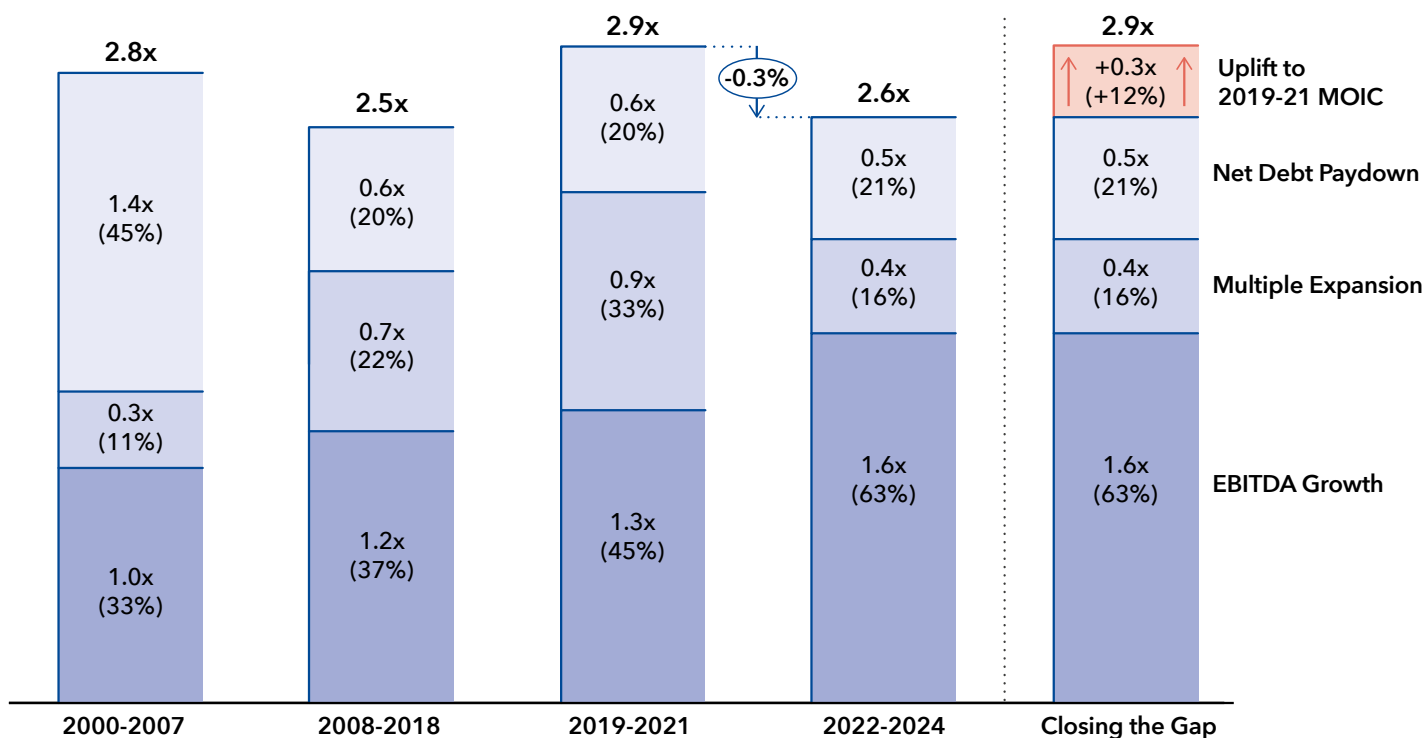
Near-term pressure will likely build before it eases. The MOIC gap that has opened, circa ~0.3x versus the 2019-21 period, is likely to grow for the next couple of exit cohorts. Many companies due to come to market over the next 12-24 months were acquired at or near the 2021 peak. With multiples largely flat since then, those assets won't enjoy much market-given uplift. If anything, today's underwriting standards may compress valuations for businesses that can't demonstrate clear growth or improved earnings quality. Add in borrowing costs that jumped to around 5% in 2023 and remain elevated, and the math gets more demanding: to deliver the same equity returns, EBITDA must grow faster and become easier to underwrite.

The "greater fool" has gotten smarter – so must the plan. Twenty to thirty years ago, return dispersion could be driven by financial structuring and surface-level operating moves. Today, due diligence is deeper, underwriting is tighter, and buyers pay for coherent, scaled businesses with differentiated propositions and sound industrial logic. That doesn't eliminate multiple expansion – it changes its source. The multiple you exit on is increasingly the market's grade on how convincingly you've built a better business. With market multiple beta stalled and leverage less potent, outperformance now comes from revenue-led business building.

Our research has identified opportunities to outperform through both value creation and fund specialization.

## RECENT YEARS HAVE SEEN A SLIGHT DECLINE IN MOIC VS 2019-21 LEVELS (-0.3X); CLOSING THIS MOIC GAP

Value Creation Drivers for Global PE Deals by Exit Year  
2000-24 (MOIC)



Source: Institute for private capital, Gain.pro, OC&C analysis.

A photograph of a construction site at dusk or dawn. Two large yellow and red tower cranes are prominent, their long jibs extending upwards. Below them, the skeletal steel framework of a multi-story building is visible, surrounded by scaffolding. The sky is a soft gradient of blue and orange. A thin purple line is visible in the upper left corner of the image.

# Closing the MOIC Gap – *Key Growth Levers*

THE RETURN BACKDROP SETS A CLEAR MANDATE: WITH LESS HELP FROM LEVERAGE AND MARKET-WIDE MULTIPLE INFLATION, OUTPERFORMANCE NOW COMES FROM WHAT SPONSORS CHANGE INSIDE THE BUSINESS.

In today's market, the center of gravity is revenue growth – distinct from simple cost takeout – as the primary driver of value creation and the most reliable path to earning a higher exit multiple. Margin work still matters, but it performs best when it makes the business easier to grow and cash flows sturdier.

Buy-and-build remains a powerful amplifier of growth and re-rating when it's thesis-led, priced with discipline, and integrated with a repeatable playbook.

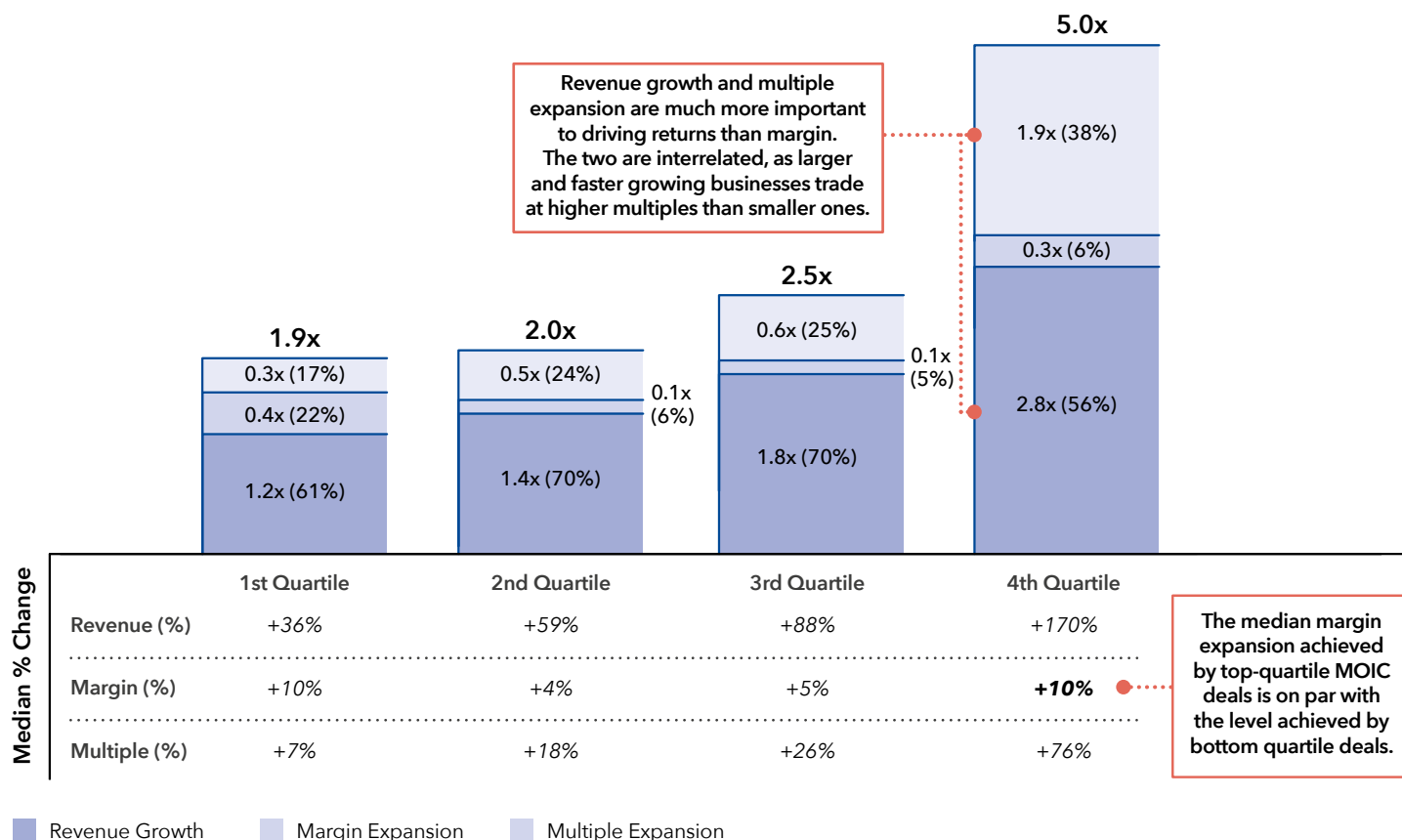


## Lead with revenue growth

### REVENUE GROWTH AND MULTIPLE EXPANSION MOVE THE NEEDLE MOST IN DRIVING RETURNS

Drivers of EV Growth by MOIC Quartile

Deals Exited 2017 - Present (Absolute EV Growth, % Contribution to EV Growth)



Source: Gain.pro, OC&C analysis.

Across deals and at the GP level, revenue growth and multiple expansion are the clearest differentiators of performance; margin expansion is helpful but has ultimately been less impactful on returns across the deals we surveyed.

This is most acutely seen when looking at performance of those deals that outperformed on various metrics: top-quartile performance on revenue and multiple growth drives disproportionately high performing overall outcomes, while the distribution of MOICs look similar across cohorts that achieved both low and high levels of margin expansion.

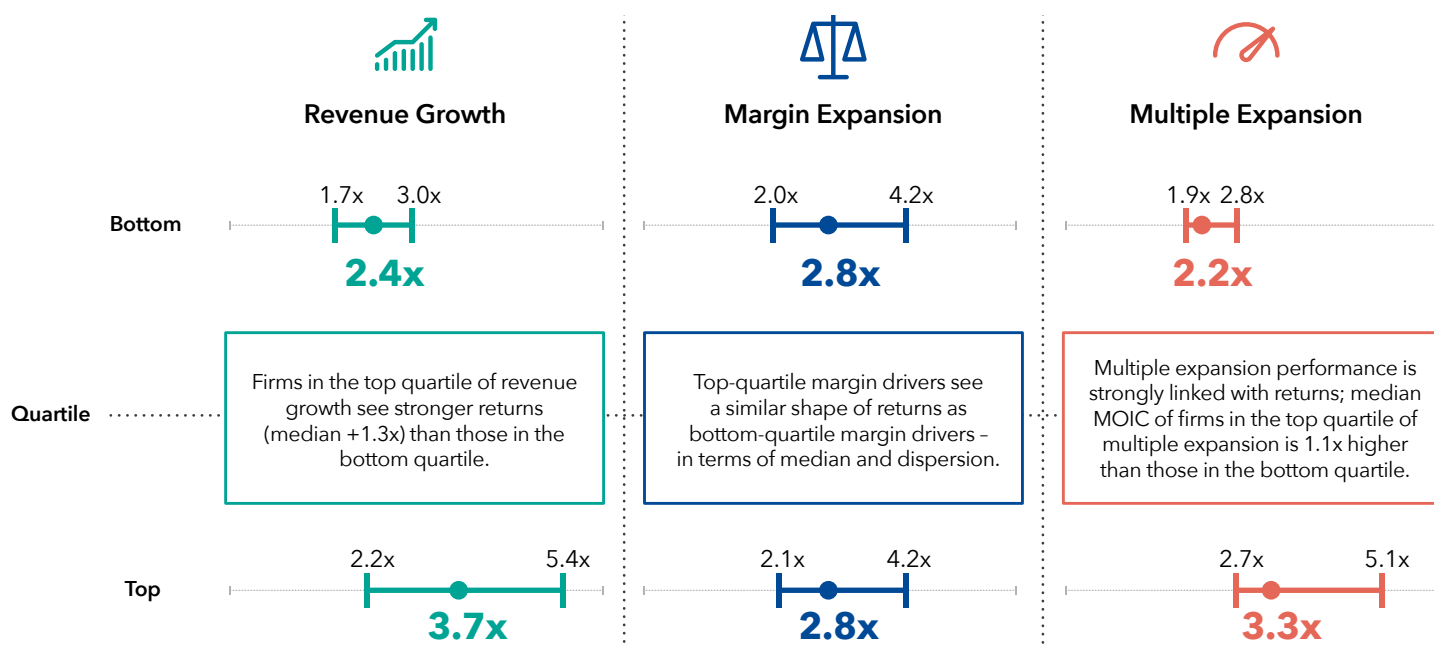
*Buy-and-build remains a powerful amplifier of growth and re-rating when it's thesis-led, priced with discipline, and integrated with a repeatable playbook.*



## GPS WINNING ON GROWTH AND MULTIPLES ACHIEVE THE HIGHEST RETURNS

Firm-level MOIC by Revenue, Margin, and Multiple Contribution to EV Growth

Deals Exited 2017 – Present (Q3, Median, Q1)



Source: Gain.pro, OC&C analysis.

Growth can also help drive a higher multiple – fast-growing companies typically command materially higher exit valuations – so the most durable way to close the gap is to change the revenue trajectory and the quality of earnings.

Market beta on multiples has stalled, but investors/operators do have some control over re-rating. Driving alpha through valuation is half about the numbers (growth, margin quality and cash-flow predictability) and half about the story (a coherent, credible equity narrative).

Platforms that achieve scale, reposition into higher-value segments, and present a crisp thesis tend to exit at higher multiples. Buy and build strategies can be a particularly strong driver of both top-line revenue growth and a tool to reshape the narrative and industrial logic of a platform.



## Bolt-on strategy optimization

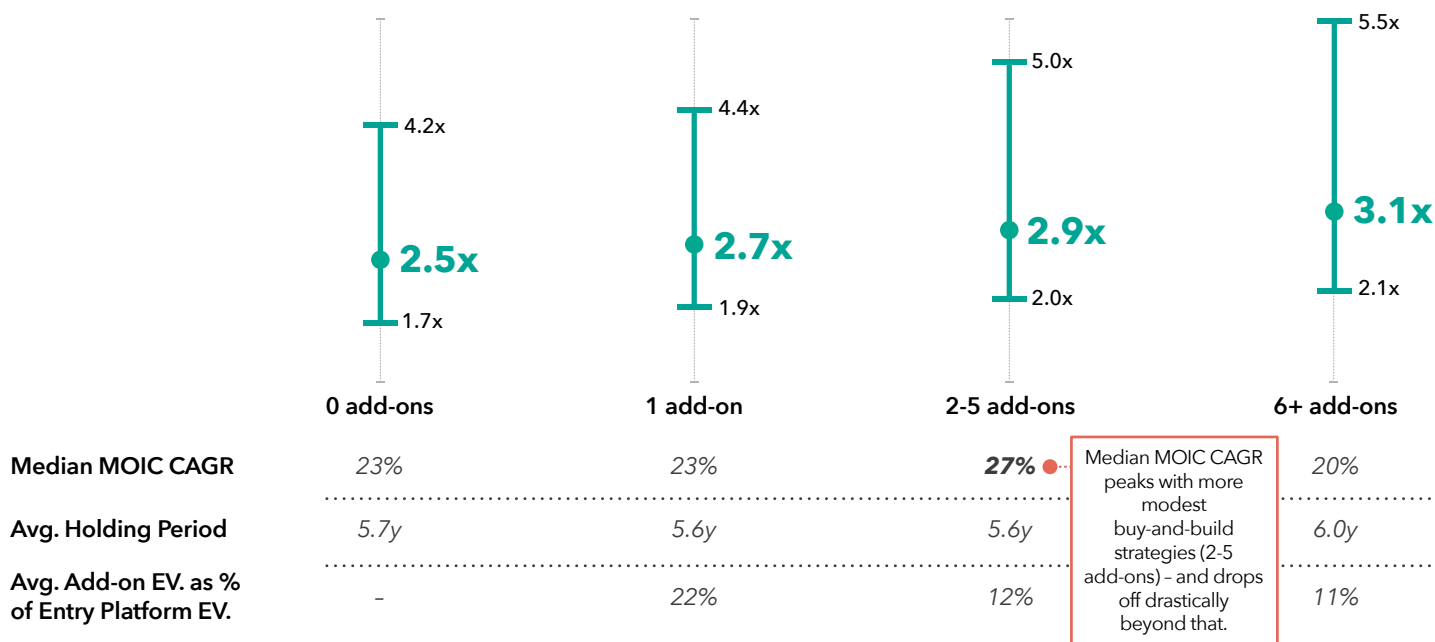
The market is increasingly skeptical of roll-ups without logic. Buyers discount collections of parts where cross-sell, pricing harmonization, and systems convergence are still “to come,” and arbitrage spreads between platforms and targets have narrowed. The antidote is discipline: pick add-ons that obviously advance the exit thesis, price to earn a return without giving away synergies, and integrate against a playbook with early leading indicators (pipeline lift, attach/upsell, gross-to-net realization, churn on integrated accounts).

Our analysis also suggests that the quantity of bolt ons can inflect returns. More add-ons tend to lift MOIC, but IRR peaks around 2-5 in a hold period. Platforms that execute buy-and-build generally show higher equity value growth, because add-ons can accelerate revenue, unlock cost and mix benefits, and make the platform more “underwritable” at exit. The trade-off is time: serial programs lengthen hold with incremental MOIC gains may be offset by longer duration and integration complexity.

### MORE ACQUISITIVE PLATFORMS TEND TO SEE HIGHER RETURNS AND BOLT ON SMALLER ACQUISITIONS AS A SHARE OF ENTRY SIZE; MOIC CAGR PEAKS AT 2-5 ADD-ONS

MOIC by Number of Add-on Acquisitions During Holding Period

Deals Exited 2017 - Present (Q3, Median, Q1)



Source: Gain.pro, OC&C analysis

### Starting size shapes the program.

Serial strategies (6+ add-ons) typically begin with larger, higher-multiple platforms. These platforms have more capacity to absorb targets, more systems/process maturity, and a broader equity story that can support GP-driven multiple expansion as the business scales and de-risks.

### VALUE CREATION FROM HIGHER-VOLUME ADD-ON STRATEGIES ARE DRIVEN MORE BY REVENUE AND MARGIN GROWTH

		0 add-ons	1 add-on	2-5 add-ons	6+ add-ons
Entry Metrics	Revenue (\$m)	48m	50m	61m	99m
	Margin (%)	12%	15%	14%	14%
	Multiple (x)	10.2x	11.1x	10.7x	12.5x

Source: Gain.pro, OC&C analysis.

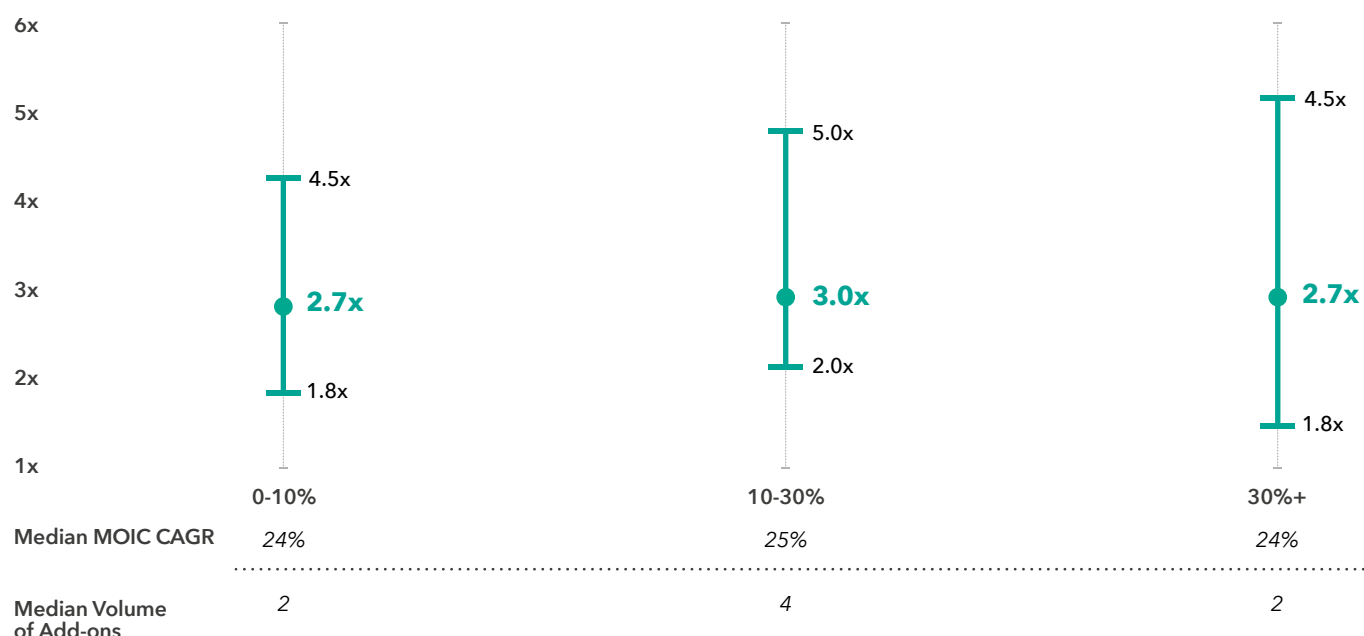
**Right-sized targets outperform.** Add-ons that are approximately 10-30% of platform size tend to balance impact with integration speed: big enough to matter, small enough to fold in without stalling the base.

Very small “nibbles” under-deliver on synergy density; very large bite-outs strain leadership bandwidth and slow the flywheel.

## ADD-ONS ROUGHLY 10-30% THE SIZE OF ENTRY PLATFORM SIZE TEND TO YIELD THE HIGHEST RETURNS

MOIC by Avg. Add-on EV as a % of Entry Platform EV During Holding Period

Deals Exited 2017 - Present (Q3, Median, Q1)



Methodology: averages are taken across all add-ons during the holding period; data is relatively sparse, and larger add-ons are more likely to have EV reported, which may skew outcomes.

Source: Gain.pro, OC&C analysis.

**Quantity ≠ quality:** the market is skeptical of roll-ups without logic. Two headwinds have raised the bar. First, coherence: buyers discount platforms that look like collections of parts, or where cross-sell, pricing harmonization, and systems convergence are still “to come.” Second, arbitrage is thinner: the valuation gap between platforms and targets has narrowed, and many sellers now want to be paid for the synergies the acquirer expects. In this context, the winning playbook is:

**Pick deliberately.** Every add-on should obviously advance the exit thesis – geographic coverage, capability expansion, entry into a higher-value segment, or densification that improves unit economics.

**Price with discipline.** Walk when the math breaks. If a target’s price embeds your synergy case, insist on earlier diligence access, seller rollover, or structure that shares risk.

**Integrate with a playbook.** Standardize the integration path – commercial (coverage, pricing, SKU/offer rationalization), product/tech roadmaps, data and systems, and people decisions. Measure early on leading indicators: pipeline lift, attach/upsell rates, gross-to-net price realization, and churn on integrated accounts.





## Pricing and operational improvements

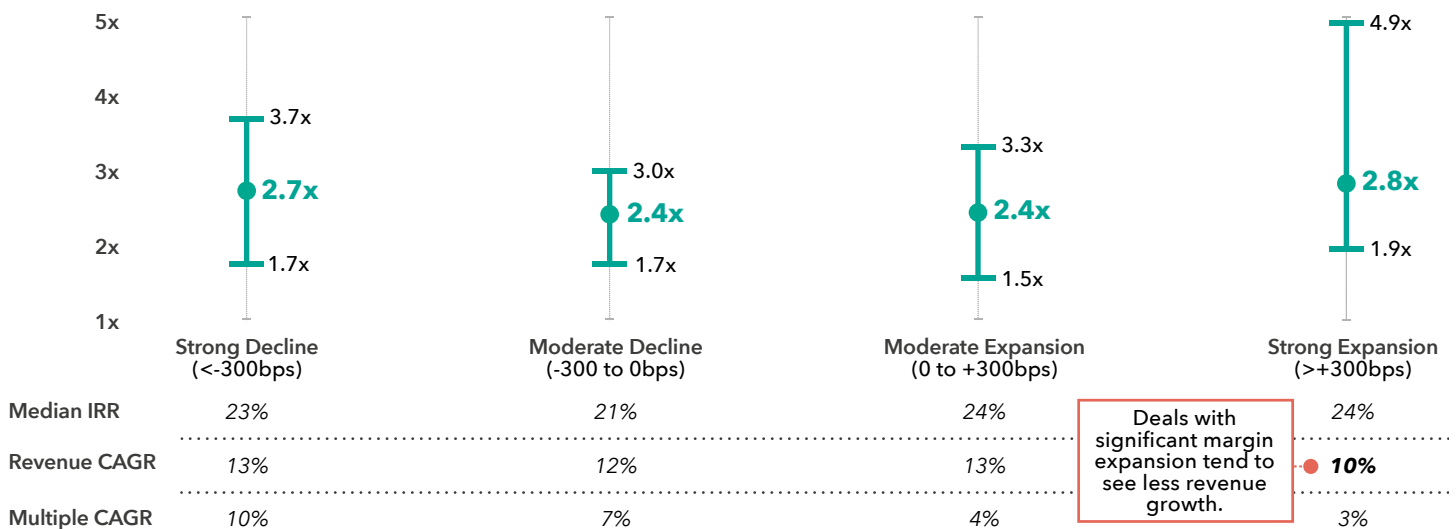
Margin expansion correlates with better outcomes, but it is not critical to achieving top-quartile returns. In our data, high-margin-expansion deals have roughly the same median MOIC as low-margin-expansion deals. Where margin programs do outperform, it's typically because they support growth and earnings quality.

Importantly, aggressive margin plays can backfire if they clip revenue momentum – many high-margin-expansion deals show slower revenue CAGR – so sequencing and scope matter. Sector and lifecycle shape the headroom: asset-heavy categories and public-to-privates often offer more operational slack than, say, software or services.

### DEALS ACHIEVING STRONG MARGIN EXPANSION DELIVER MODESTLY HIGHER MEDIAN RETURNS AND GREATER UPSIDE – BUT OFTEN SACRIFICE REVENUE GROWTH

MOIC by Margin Change Band

Deals Exited 2017 – Present (Q3, Median, Q1)

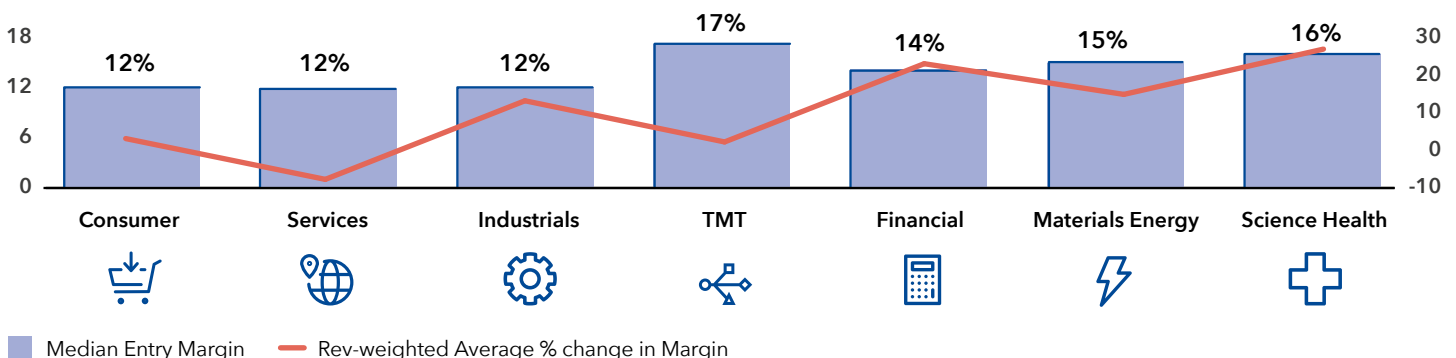


Source: Gain.pro, OC&C analysis.

**Sector and lifecycle matter.** Some sectors naturally lend themselves to bigger, faster margin uplift (e.g., asset-heavy businesses with fixed-cost leverage or procurement scale), while others are structurally constrained or more exposed to macro and tariff headwinds.

Even within a sector, asset starting points differ: carve-outs and public-to-private situations often have “organizational slack” to remove; mature roll-ups may need commercial reinvention more than cost pruning.

### MARGIN EXPANSION POTENTIAL VARIES WIDELY BY SECTOR AND DEAL TYPE



Four practical levers to lift margins:

1

**Revenue-side margin lift.** Precision pricing (fences, discount governance, indexation), and mix shifts toward higher-margin offerings or service-wrapped bundles. This is the cleanest path to durable margin lift when it's tied to proposition advantage and backed by frontline guardrails.

2

**Direct cost efficiency.** Strategic sourcing, vendor consolidation, and footprint rationalization that lower unit costs and compress cycle times.

3

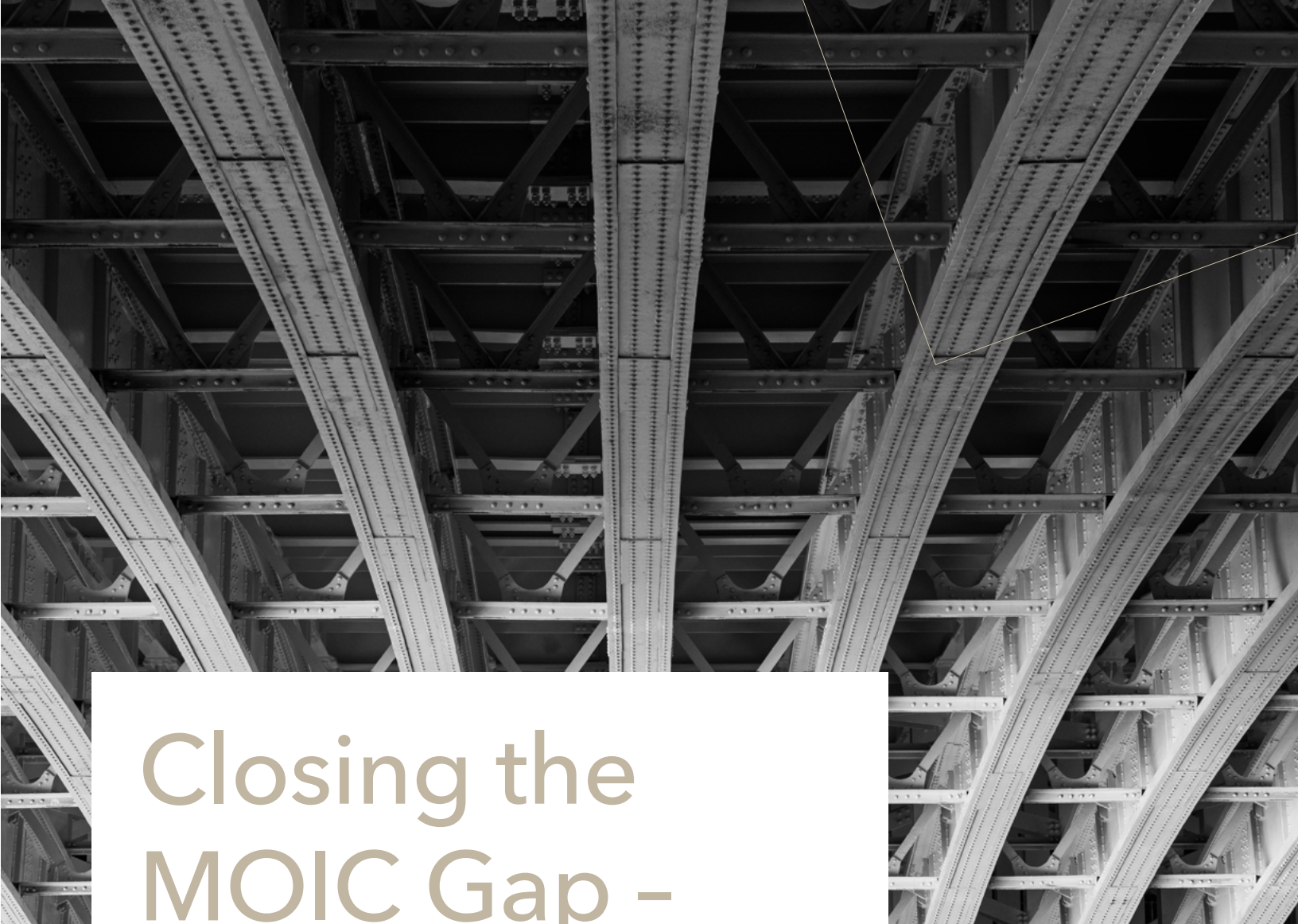
**SG&A productivity.** Workflow automation, shared services, and role redesign to free scarce talent for growth-critical work.

4

**Fixed-cost leverage and asset utilization.** Scale can help spread overheads more efficiently – but where that's not possible, shifting to asset-light models can turn fixed costs into variable ones, boosting flexibility and resilience.

**The themes reinforce each other.** Growth is the headline; margin is the force multiplier; buy-and-build is the accelerant – when it is thesis-led and executed with discipline. The strategic aim is not a long list of initiatives or acquisitions; it is a short list of moves that make the business larger, faster-growing, and easier to underwrite within 12-18 months. That is what buyers pay for and it is how GPs can close the MOIC gap in today's market.

*The themes reinforce each other. Growth is the headline; margin is the force multiplier; buy-and-build is the accelerant – when it is thesis-led and executed with discipline.*



# Closing the MOIC Gap – *Fund Performance*

PERFORMANCE ISN'T ONLY ABOUT WHAT HAPPENS INSIDE A SINGLE COMPANY. IT'S ALSO SHAPED BY HOW A FUND IS BUILT AND WHERE IT CHOOSES TO COMPETE. TWO DESIGN CHOICES MATTER MOST FOR TODAY'S ENVIRONMENT: THE MIX OF DEAL SIZE AND VOLUME YOU RUN THROUGH THE MACHINE, AND THE DEGREE OF SECTOR SPECIALIZATION IN THE TEAM THAT RUNS IT. BOTH INFLUENCE AVERAGE RETURNS AND THE VOLATILITY AROUND THEM - AND BOTH CAN BE TUNED TO YOUR OPERATING MODEL.





## Deal size & volume: upside vs. predictability

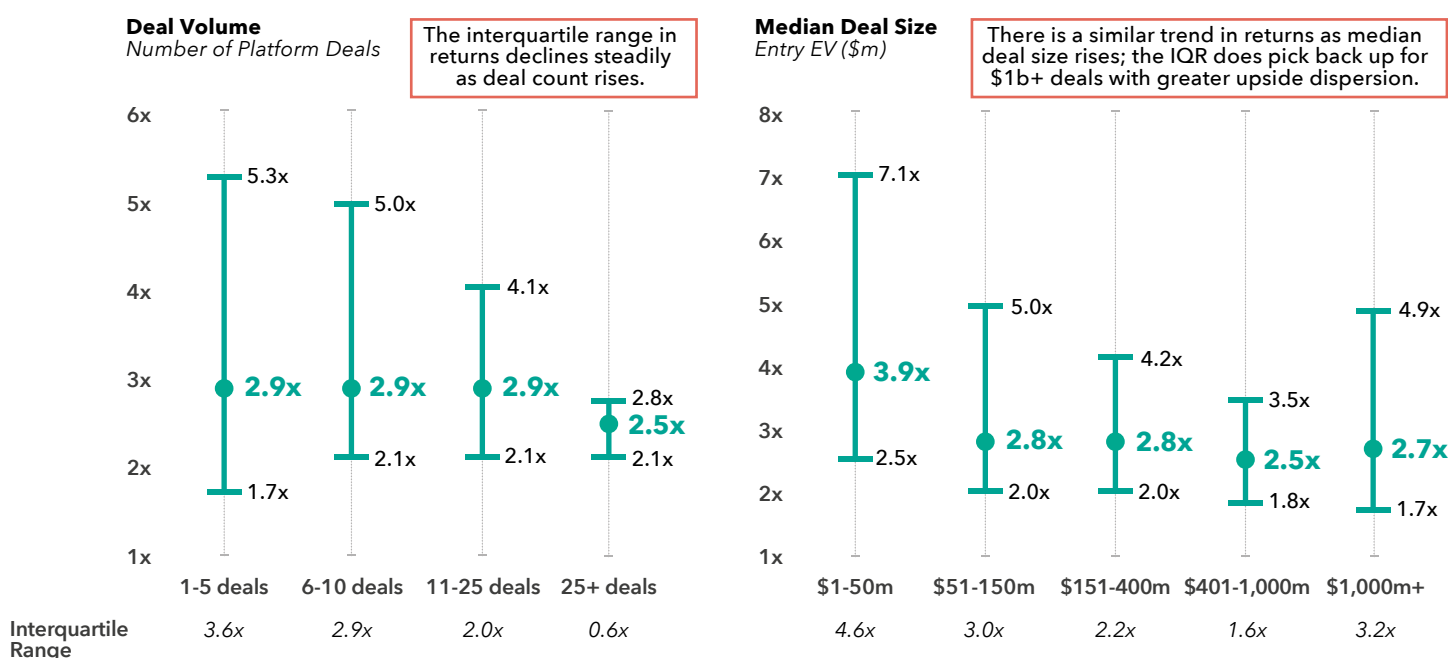
There's a clear trade-off between average return and certainty of outcomes as you move across median deal size and deal volume. Investors operating in the lower-market and executing fewer deals (10 and under) tend to show higher average returns but wider dispersion. The smaller end of the market is where "hidden gems" live – idiosyncratic situations with real mispricing or room for step-change improvement. But with less diversification comes more exposure to single-asset volatility.

At the other end, upper-market investors with higher deal counts (11 and up) deliver steadier outcomes with capped upside. Larger deals and a broader number of positions diversify idiosyncratic risk, smooth the program's return curve, and reduce the probability of a single deal driving fund-level underperformance. The same diversification also dampens the likelihood of outsized wins.

### LOWER-MARKET & VOLUME GPS OFFER HIGHER MEDIAN RETURNS WITH GREATER SPREAD; UPPER-MARKET & HIGHER-VOLUME GPS DELIVER STEADIER, LOWER-MEDIAN RETURNS

GP-Level MOIC by Deal Volume & Median Deal Size

Deals Exited 2017 - Present (Q3, Median, Q1)



Source: Gain.pro, OC&C analysis.

Two practical lessons follow. First, successful GPs adapt the mix to their operating model. Specialists with a genuine edge – unique sourcing angles, pattern recognition, or operating playbooks that bite hard – can lean smaller where that edge compounds.

Generalist platforms that prize repeatability across multiple sectors may prefer a steadier diet of larger deals and higher throughput, where scale mitigates blind spots and staffing constraints.

Second, for smaller and lower-market GPs, intentional value creation is non-negotiable. Fewer shots on goal and higher variance mean you need to be deliberate about the levers that steady returns: a crisp thesis at entry, early milestones that prove the growth engine, disciplined add-on selection and pricing, and a monthly operating cadence that turns plans into outcomes. Done well, firms doing 10 or fewer/smaller deals close roughly half of the MOIC gap on average, but less consistently than firms running greater volume and larger deal sizes. The right answer is not "small" or "large" – it's fit-for-model with eyes open to the dispersion you're choosing.



## GP sector specialization: focus with variance

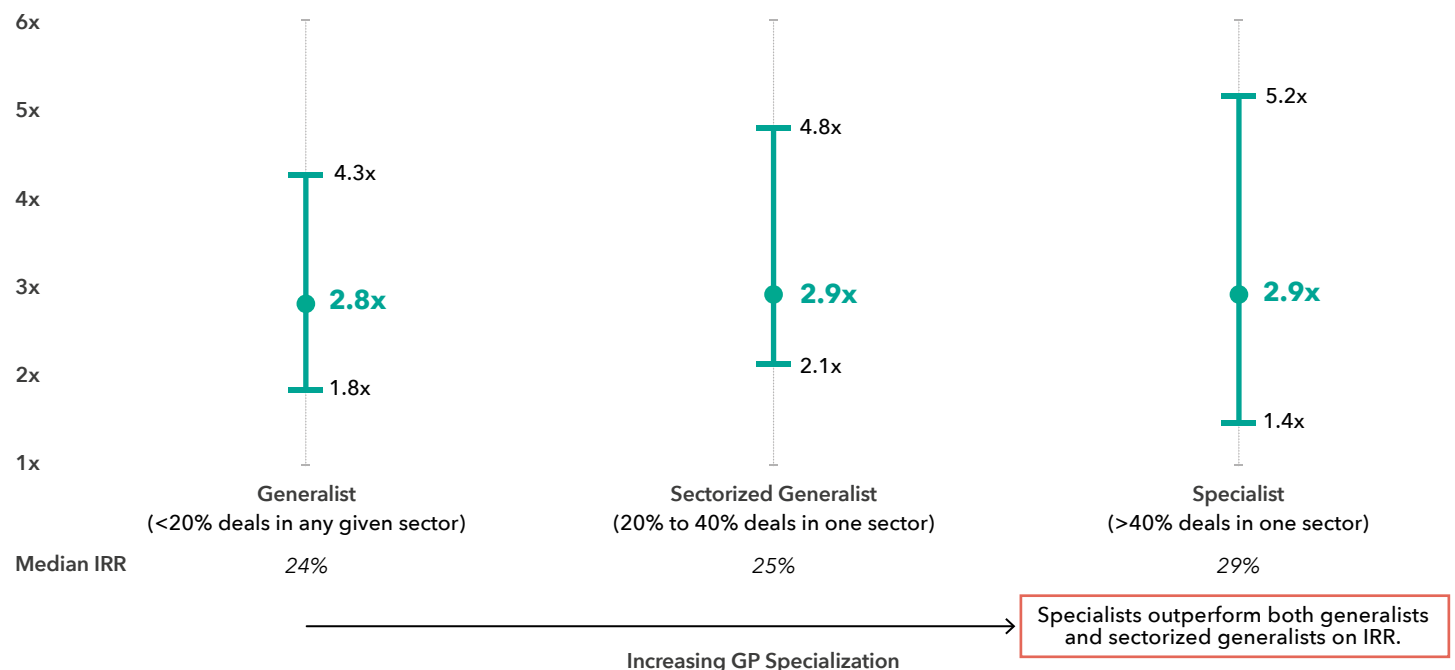
Specialists tend to outperform generalists, especially on IRR, but with higher dispersion. Focused sector teams typically move faster from signal to thesis, spot pattern breaks earlier, and execute repeatable playbooks that matter in their space.

Against sectorized generalists, specialists often deliver similar absolute MOICs over shorter hold periods, producing stronger time-weighted outcomes.

### SECTOR-FOCUSED GPS TEND TO OUTPERFORM GENERALISTS BUT WITH HIGHER DISPERSION

#### MOIC by GP Specialization

Deals Exited 2017 – Present (Q3, Median, Q1)



Source: Gain.pro, OC&C analysis.

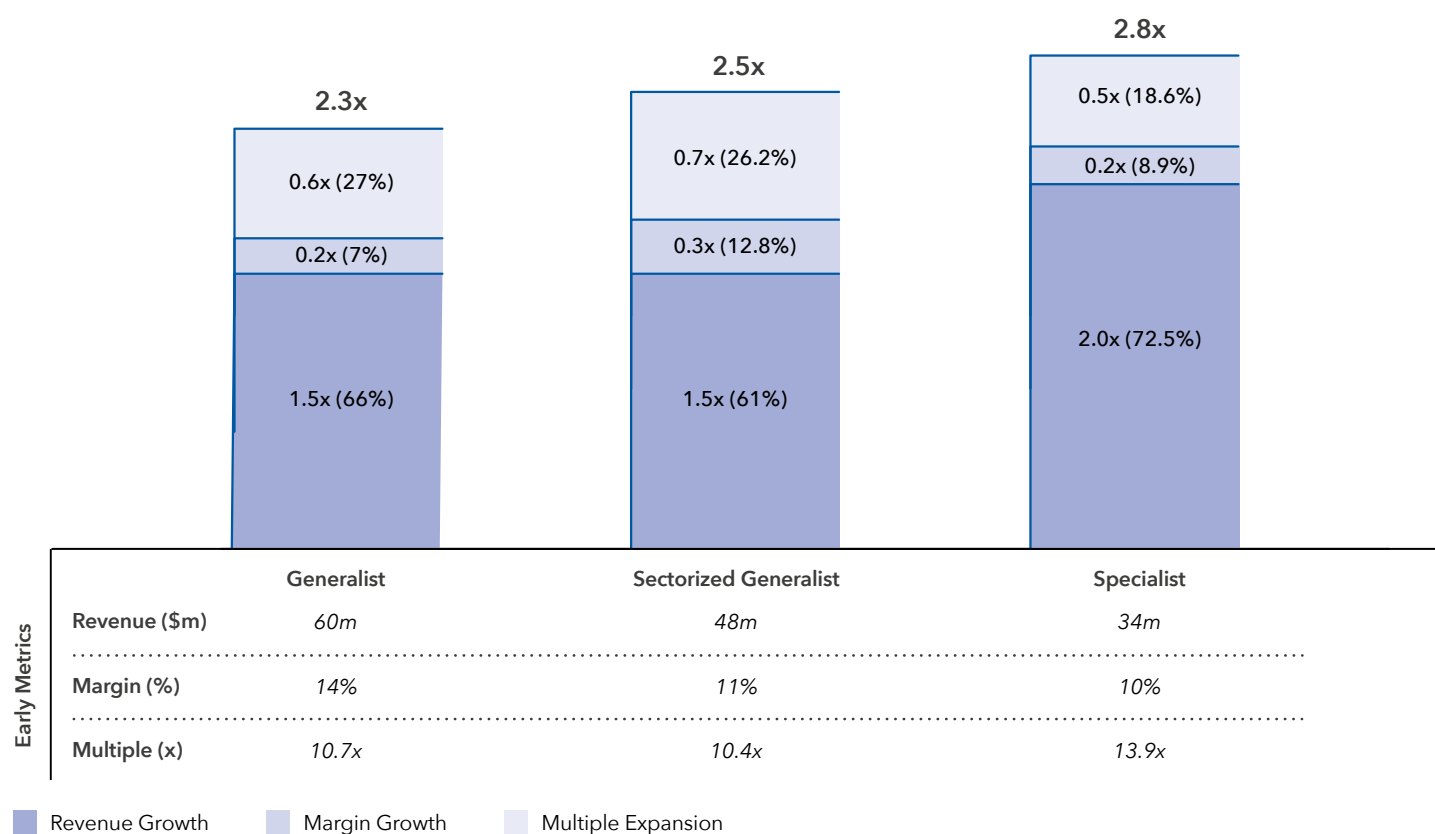
Where does the edge come from? Stronger revenue growth, often off a smaller base, is a big part of it. Specialists are better at selecting sub-segments with tailwinds, shaping propositions that win at a premium, and building go-to-market motions that fit the unit economics of the category. Margin work is still important, but growth and earnings quality do more of the lifting.

*Specialists are better at selecting sub-segments with tailwinds.*

## GPS RETURN EDGE OVER GENERALISTS STEMS MAINLY FROM STRONGER REVENUE GROWTH - THOUGH TYPICALLY OFF A SMALLER BASE

Value Creation Drivers by Level of GP Specialization

Deals Exited 2017 - Present (Absolute EV Growth, % Contribution to EV Growth)



Source: Gain.pro, OC&C analysis.



Specialization doesn't pay equally everywhere. The return gap between specialists and generalists is most pronounced when (1) sectors are highly technical or complex, for example, Financial Services or Health & Sciences – where expertise is hard to replicate, and (2) in the lower and lower-mid market, where information is scarcer and judgment matters more. In upper-market processes, where banker-run dynamics and sponsor familiarity compress informational advantage, the edge narrows – but credible sector focus still helps at exit.

Team focus matters more than labels. Generalists with scaled, sector-dedicated pods can replicate many of the specialist advantages:

- **Sourcing.** Tight industry networks and informed angles can surface proprietary or lightly intermediated opportunities.
- **Asset selection.** Research depth and pattern recognition help screen more effectively and avoid value-destructive bets.
- **Repeatable playbooks.** Sector-specific growth and margin levers (e.g., pricing fences in software, throughput and footprint logic in industrials, payer-mix and referral-pathway playbooks in healthcare) applied systematically across deals.
- **Exit positioning.** Sector credibility strengthens buyer trust in the thesis and supports higher exit multiples.

A practical takeaway for generalists: outcomes improve with thesis confidence and the ability to draw on deep expertise, even if it's not fully in-house. Operating partners, senior advisors, and targeted rotation can deliver much of the benefit without overhauling the firm.

The difference isn't destiny; it's a function of how often you can put the team in markets where it knows exactly what "good" looks like, and how quickly it can prove it.

*A practical takeaway for generalists: outcomes improve with thesis confidence and the ability to draw on deep expertise – even if it's not fully in-house.*



# Conclusion

THE LAST DECADE REWARDED FINANCIAL ENGINEERING AND MARKET BETA; THE NEXT CYCLE WILL REWARD BUSINESS BUILDING.

To close the MOIC gap, sponsors must:

- 1** Lead with revenue growth.  
.....
- 2** Drive your own multiple expansion as beta ebbs by creating a clear cohesive narrative.  
.....
- 3** Treat margin as a force multiplier rather than an end in itself.  
.....
- 4** Deploy buy-and-build when thesis-led and priced with discipline.  
.....
- 5** Shape funds that match their strengths.  
.....

None of this is novel, but the bar has moved. Diligence is sharper, financing is stricter, and buyers are choosier. In this environment, the firms that can articulate, and prove, why their businesses deserve a better multiple will win: clarity of thesis, speed to proof, and operating discipline. Those that internalize these habits will do more than navigate the current moment – they will set a higher baseline for the cycle that follows.

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