Vardis

Private Equity CEO Report

2025

www.vardis.com

Introduction

Overview

We are pleased to share our **2025 PE CEO Report**. During August and September 2025, we surveyed **1,200 CEOs** of private equity-owned companies. As in previous years, we asked for their perspective on compensation, governance, and the working relationship with their sponsors.

About Vardis

Vardis is an international executive search firm focused on portfolio company recruitment on behalf of Private Equity investors (CEO, CFO, COO, Board Directors, etc.). We also provide a range of Pre-Deal Services to support investor's diligence and team-building needs. We believe that access to current, objective data makes for better decisions for investors and executives. Our compensation surveys and original research are essential elements of our core recruiting process.

Contact

Should you want further information on this or Vardis' other surveys, please contact a Vardis consultant in any of our offices at www.vardis.com

NORTH AMERICA

John Hoagland
jhoagland@vardis.com

Josh King
jking@vardis.com

UK

Mark Mullen
mmullen@vardis.com

GERMANY

Christiane Doerner
cdoerner@vardis.com

Key Themes

1 CEO Compensation

- **Lucrative** – Our “average” respondent received a base salary of $488k and a bonus of $295k in 2025.
- **Lure of equity still essential** – The average respondent target payout now tops$10M at liquidity and “base case” achievement
- **Compensation Remains Flat** – the only segment where compensation grew was in companies over $500M revenue. Here, base salaries increased by 8% and target equity by 10%

2 CEO Role & Profile

- **Industry Experience continues to be the most important criteria in CEO recruitment** - 45% were recruited based on specific industry experience and another 24% were promoted from within.
- **PE Experience secondary for CEOs** - Only 31% cite their previous PE experience as key to their hiring and only 33% were experienced PE CEOs.
- **Compensation premium** – Compensation and equity grants are the same regardless of previous experience.

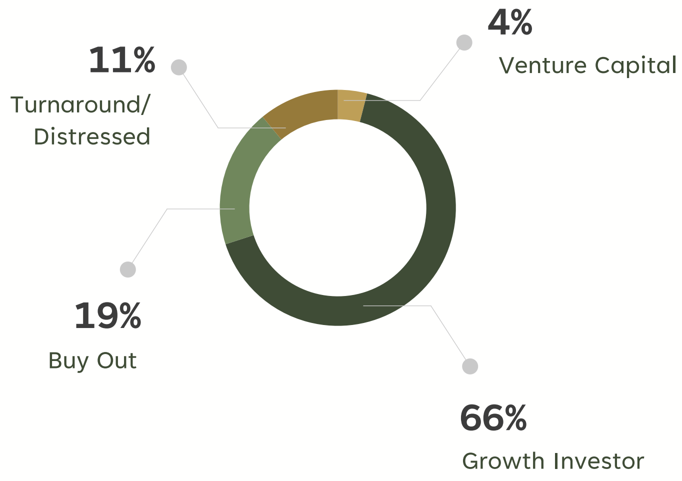
3 Company Performance & Headwinds

- **Company performance solid** - 70% of respondents indicate performance is “as expected” or better.
- **Performance not helping drive exits** – global exit activity remains slow. Through August, 2025 has seen the fewest exits since 2017 despite a 50% increase in the number of PE owned companies.
- **Interest Rates, Inflation & New Challenges**
  - Interest rates and inflation continue to be challenges, though without the same anxiety reflected in our 2024 survey.
  - Tariffs & Trade Issues are cited by one-third of CEOs as likely to have a “high impact” on their business.
  - Political uncertainty is cited by two-thirds of CEOs as a risk factor with one-quarter expecting it to have a “high impact” on their business, despite few of our respondents situated in markets where this is an election year.

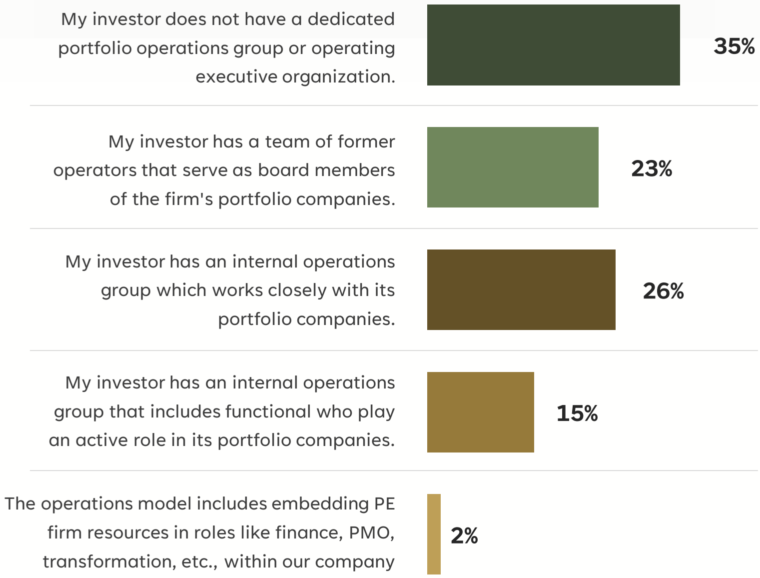
SURVEY RESPONSES

Survey Responses: Investor Profile

01 Your investor's investment style can best be described as

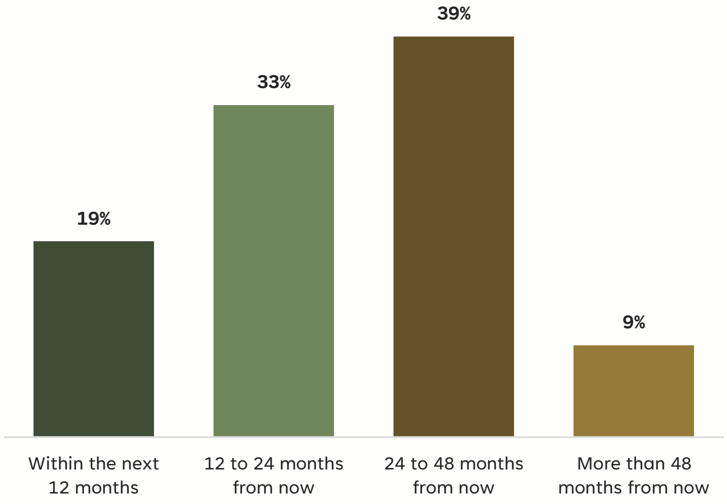


02 Which of these best describes your investor's operations model?

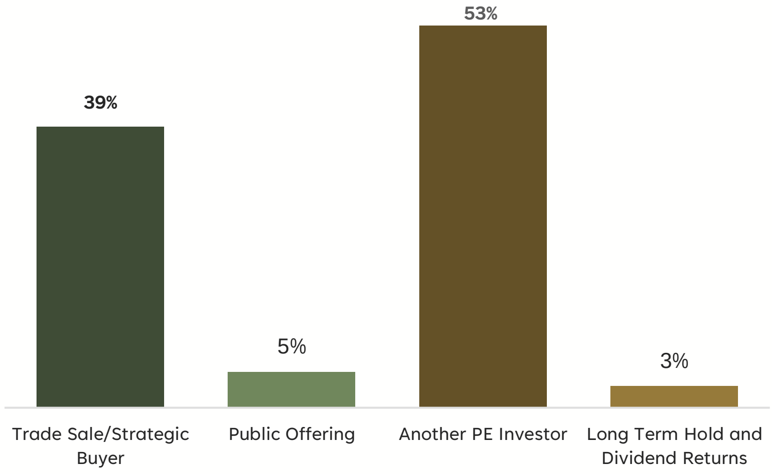


Survey Responses: Investor Profile

03 When do you anticipate an exit?

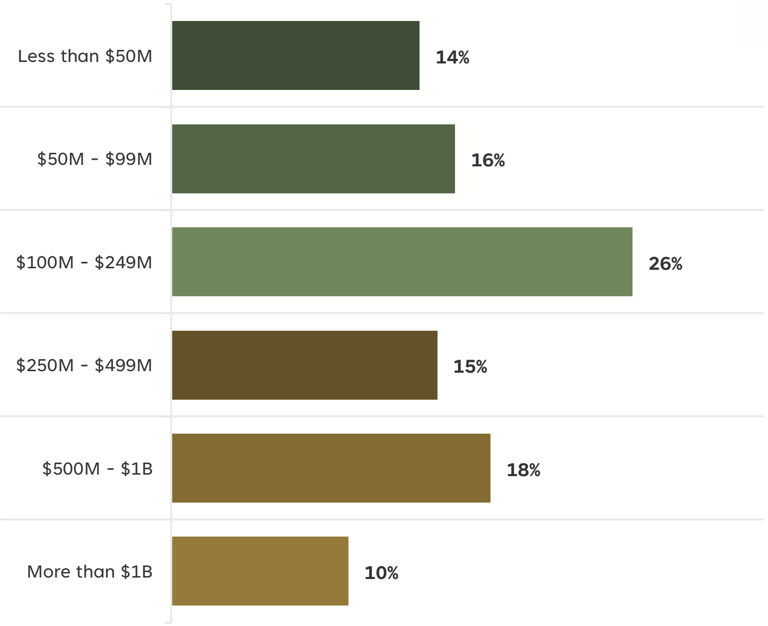


04 What is the most likely exit for your current investor?

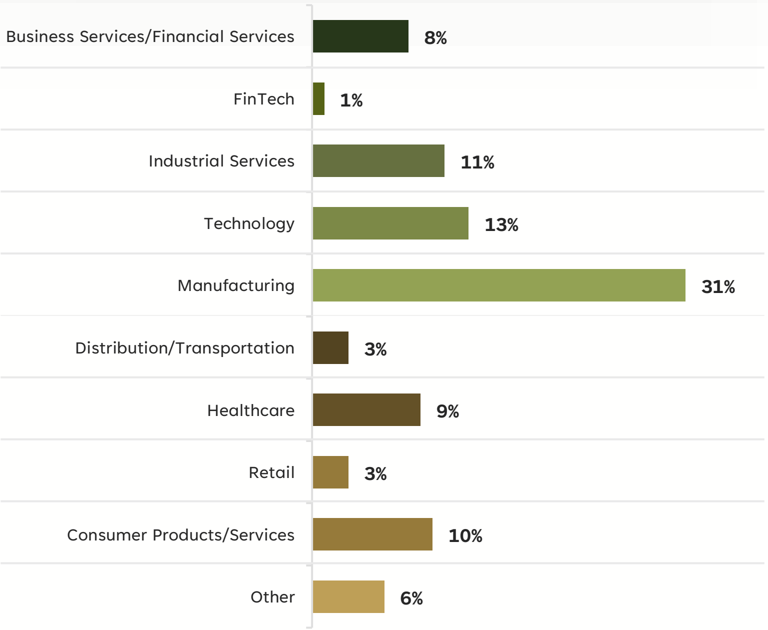


Survey Responses: Company Profile

05 What is your company's annual revenue?

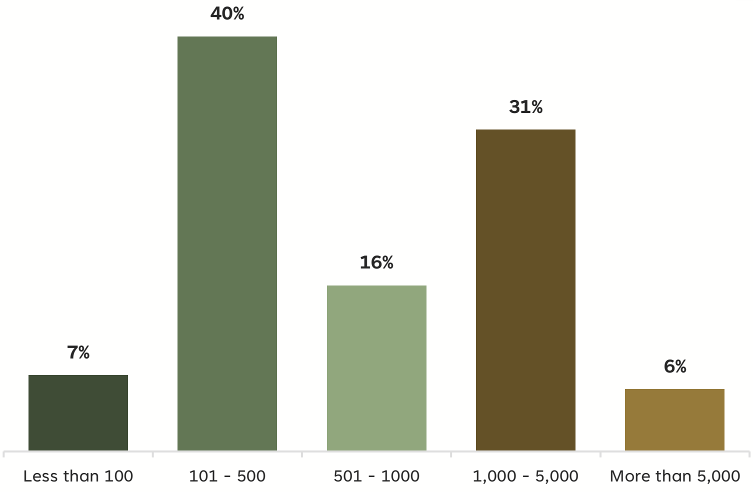


06 What industry best describes your company?

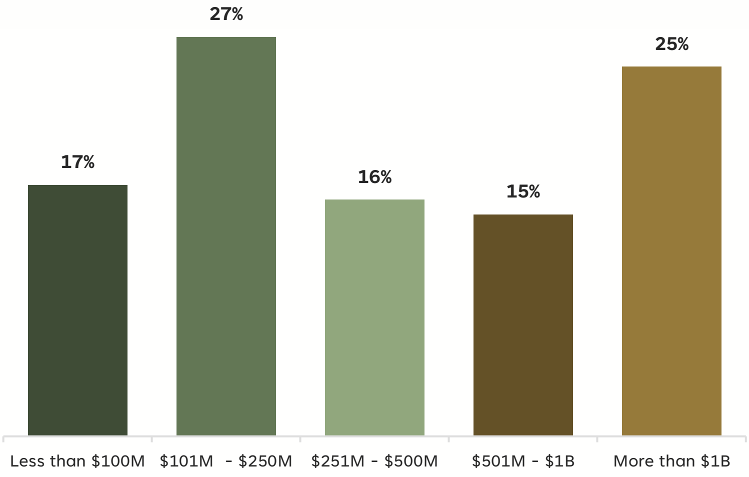


Survey Responses: Company Profile

07 How many employees at your company?

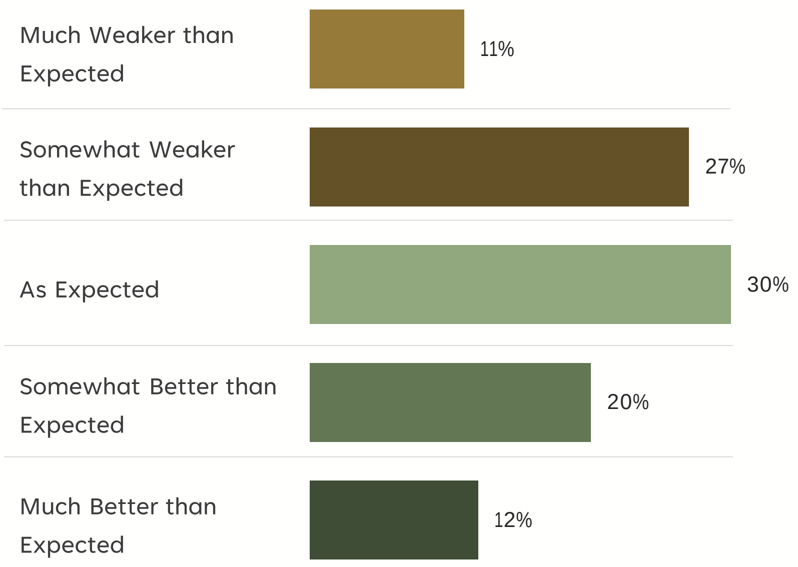


08 As of January 2025, what is your company's approximate enterprise value?



Survey Responses: Company Performance

09 How have operating results and value creation compared to the initial investment thesis?



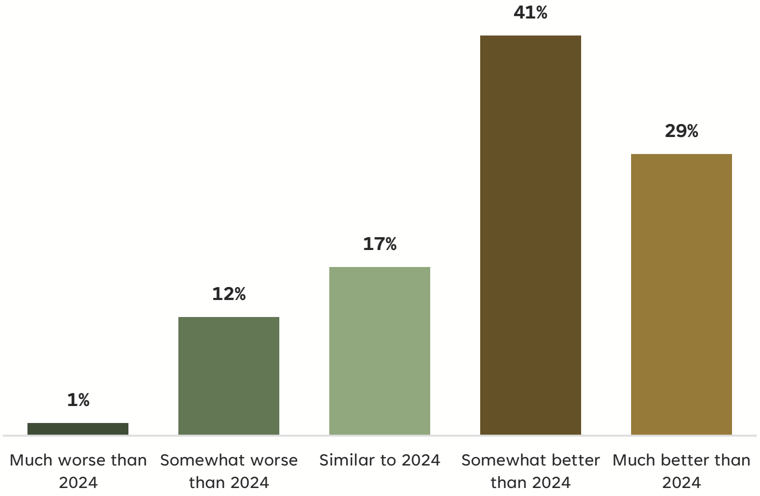
Overall distribution skews slightly to "somewhat weaker…"

Distribution not uniform - Companies under $250M underperform their peers

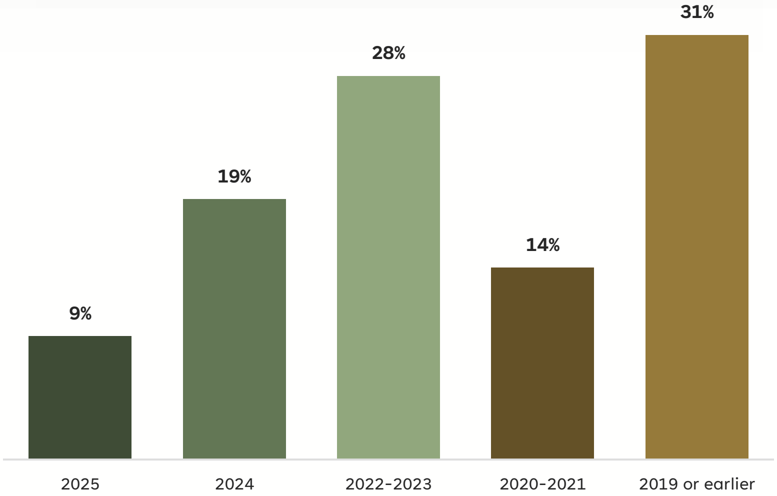
- 16% report "much weaker" vs. 6% for those larger than $250M…
- and 43% indicate "much" or "somewhat weaker…" versus 30% for those larger than $250M

Survey Responses: Company Performance

10 Looking at 2025, do you think operating results will be...

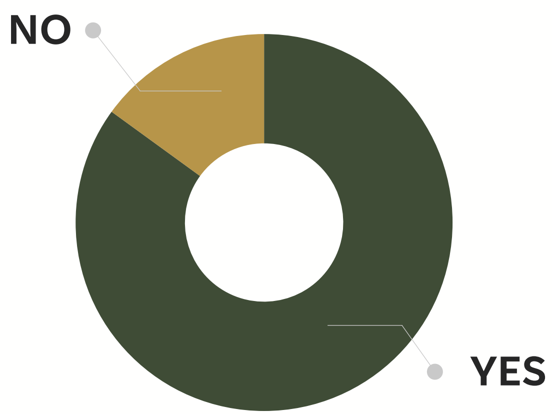


11 When did you assume your current role?

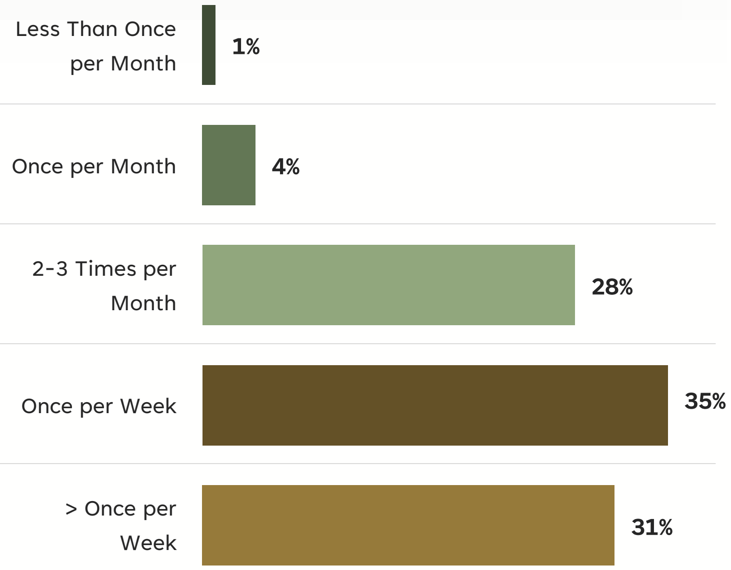


Survey Responses: CEO Role

12 Do you expect to remain in your role through exit?

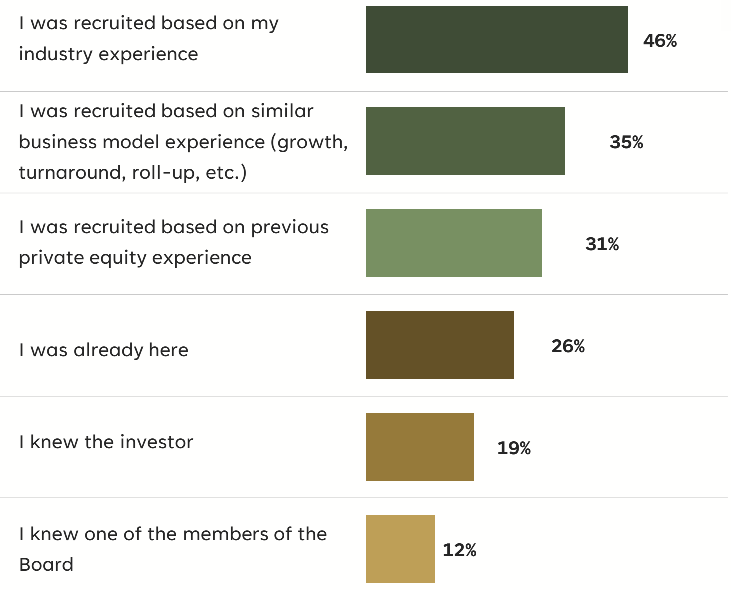


13 On average, about how often do you have contact with your investor?

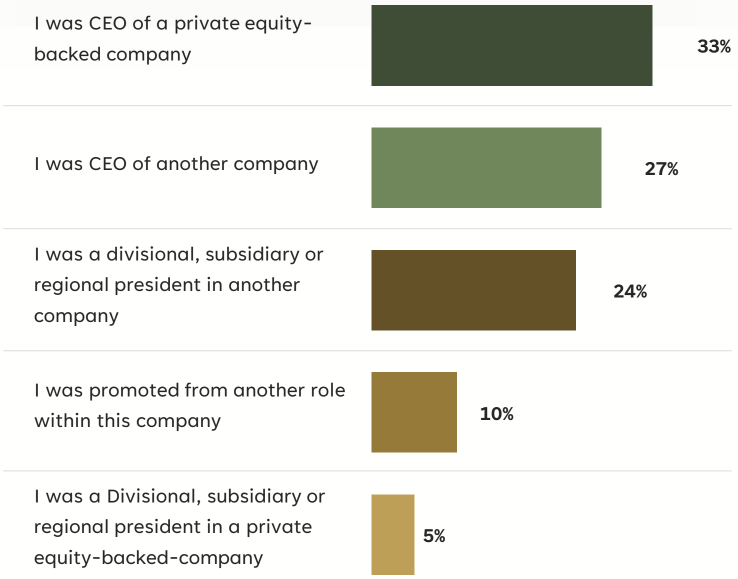


Survey Responses: CEO Hiring

14 What were the key factors in your hiring? (select all that apply)

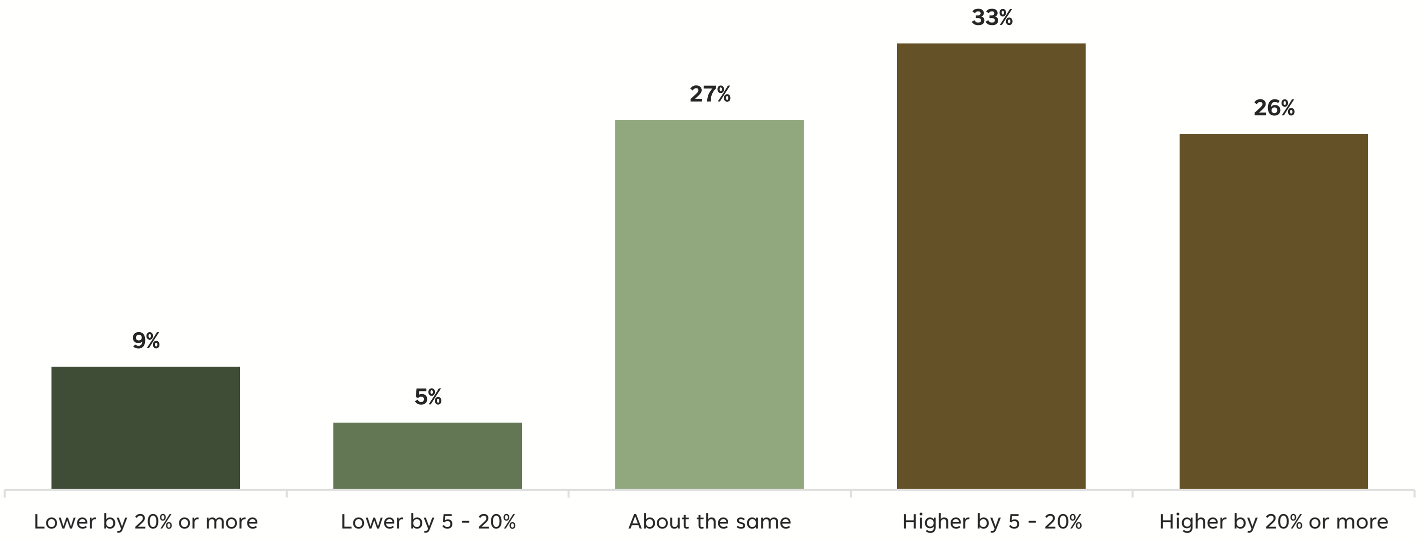


15 What best describes your previous experience?



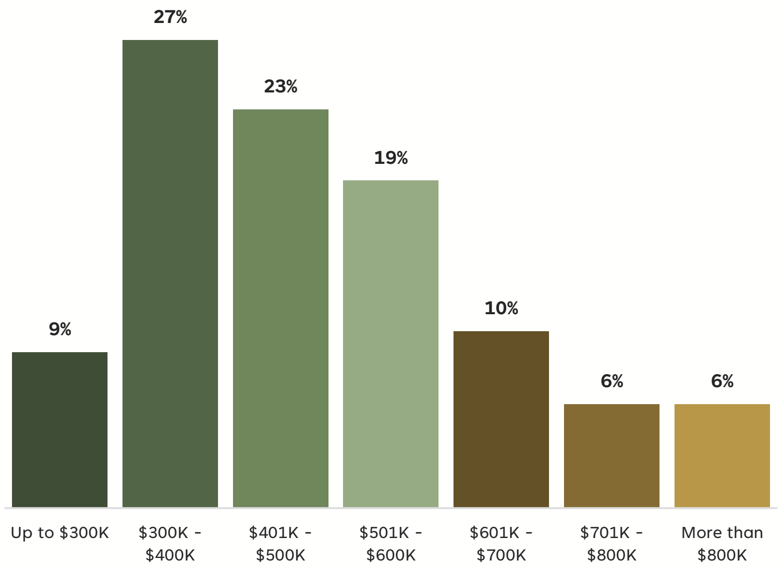
Survey Responses: Change in Cash Compensation vs. Prior Role

16 **How does your current cash compensation (base & target bonus) compare to your last role?**



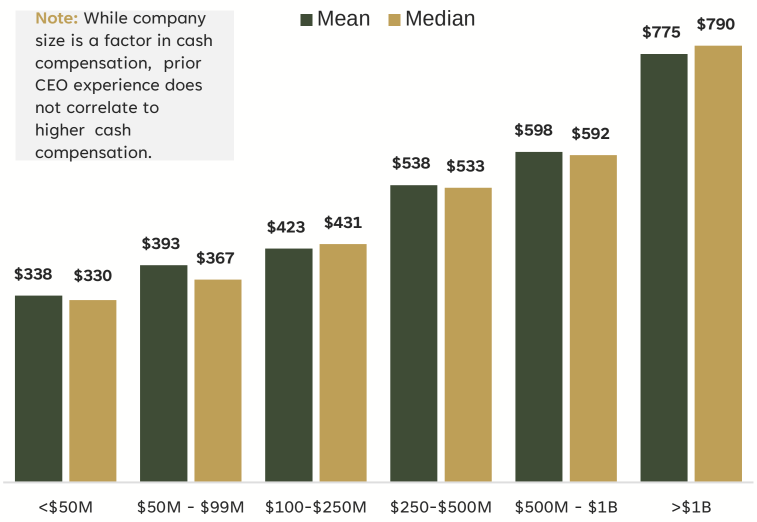
Survey Responses: Base Salary

17 **What is your current base salary? (Overall distribution and median/mean by revenue)**



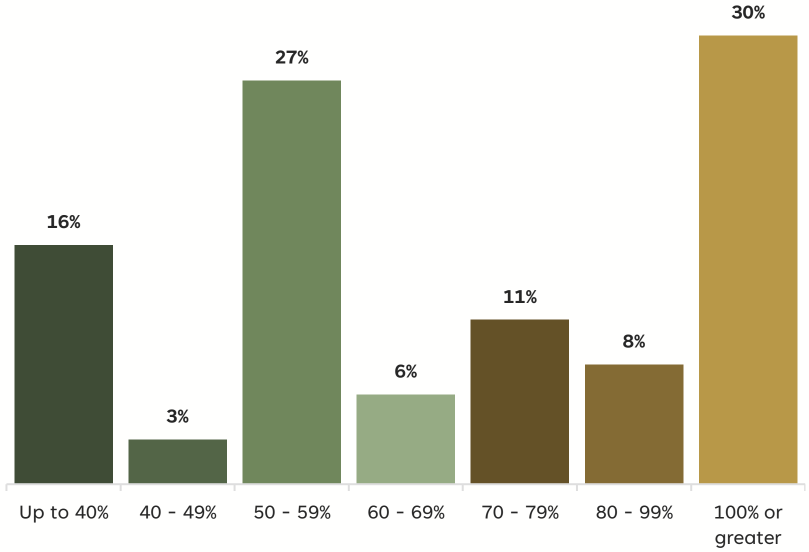
Current Base Salary (x 1,000) by Revenue

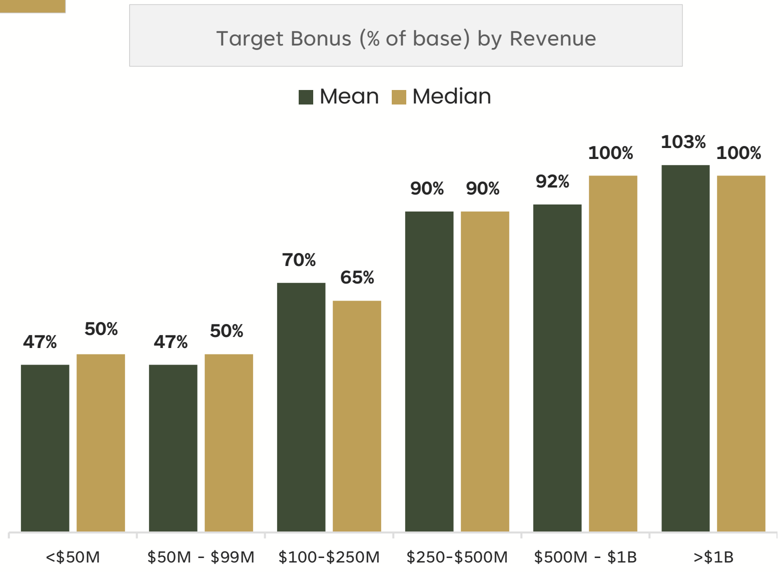
Note: While company size is a factor in cash compensation, prior CEO experience does not correlate to higher cash compensation.



Survey Responses: Annual Target Bonus (% of Base)

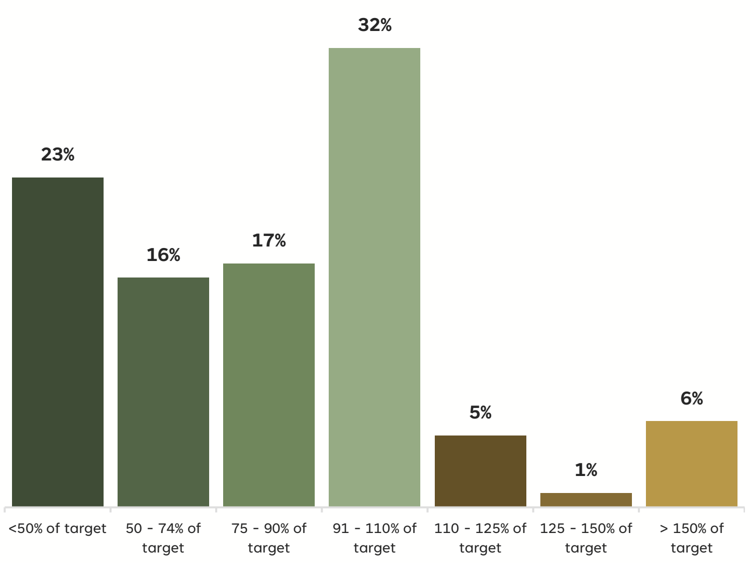
18 As a percentage of your base salary, what is your current target annual bonus? (Overall and by revenue.)

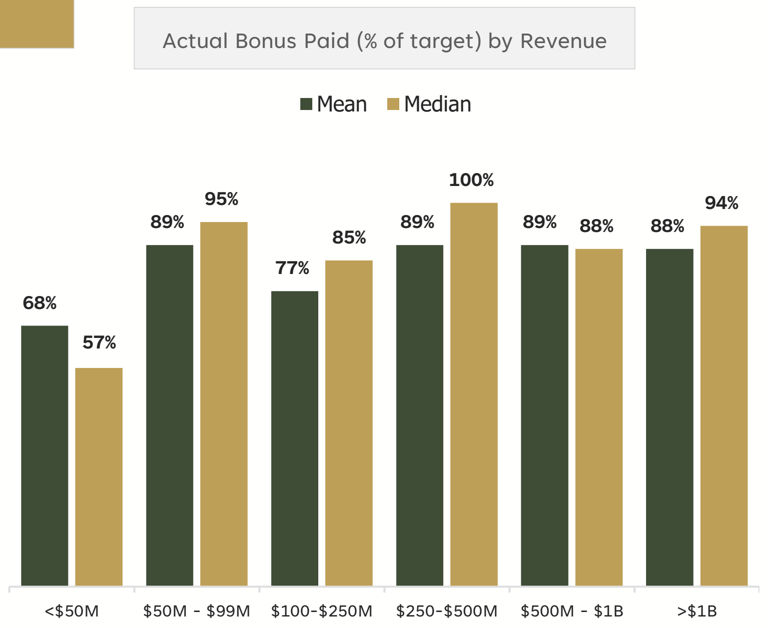




Survey Responses: Actual 2025 Bonus (% of Target and $USD)

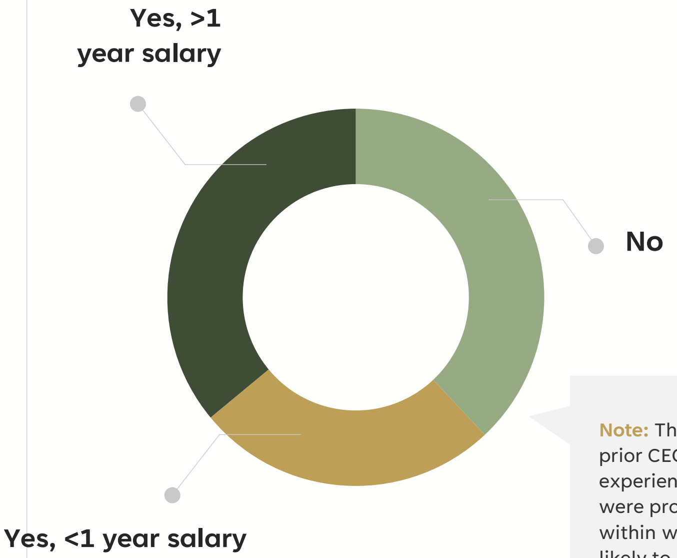
19 **What was your actual bonus paid as a percentage of target in 2025? (Overall and mean/median by revenue.)**





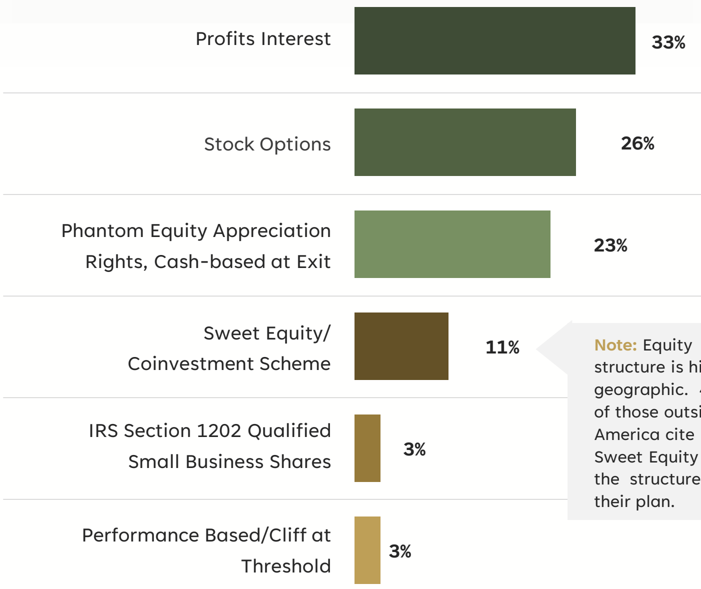
Survey Responses: Equity Participation

20 Did you invest your own capital alongside your investor?



Note: Those with prior CEO experience or who were promoted from within were twice as likely to coinvest

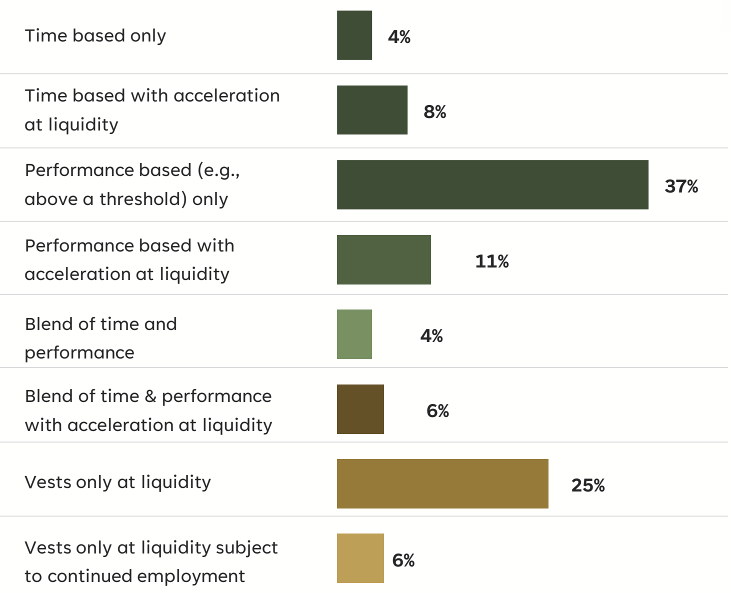
21 What is the basic structure of the equity plan?



Note: Equity structure is highly geographic. 43% of those outside N. America cite Sweet Equity as the structure of their plan.

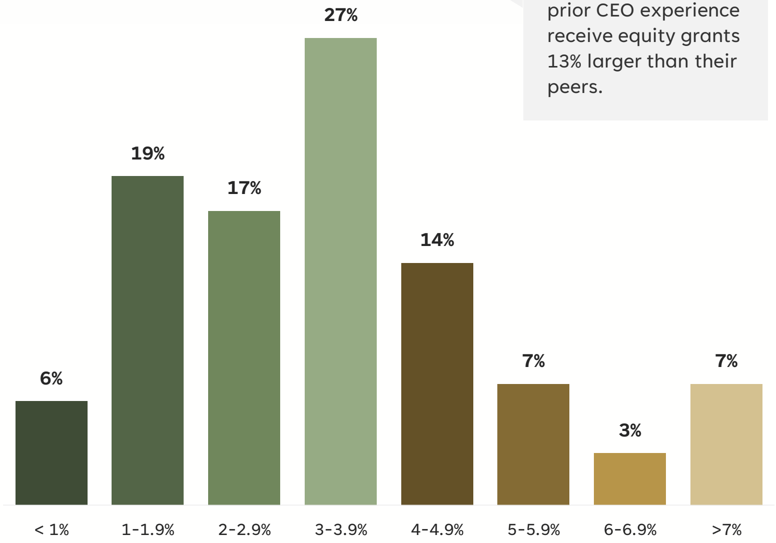
Survey Responses: Equity Participation

22 How does your equity vest?



23 What percentage of the fully diluted shares of your Company do you believe your equity grant represents?

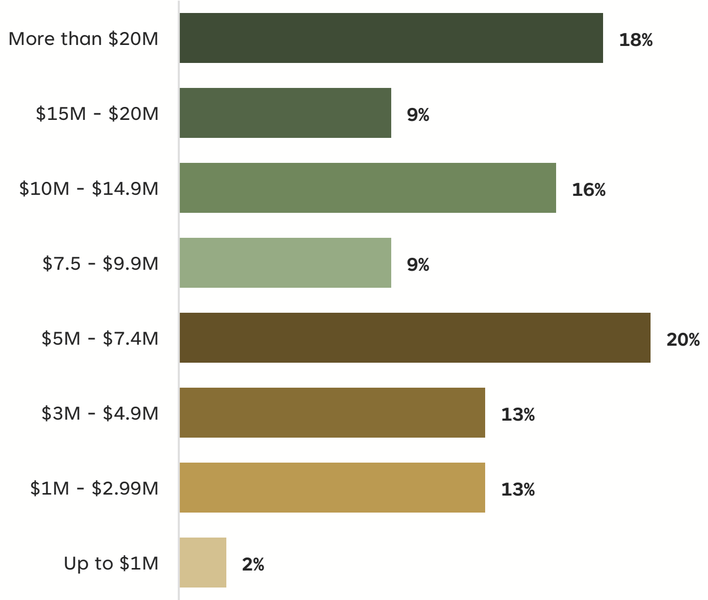
Note: Those with prior CEO experience receive equity grants 13% larger than their peers.

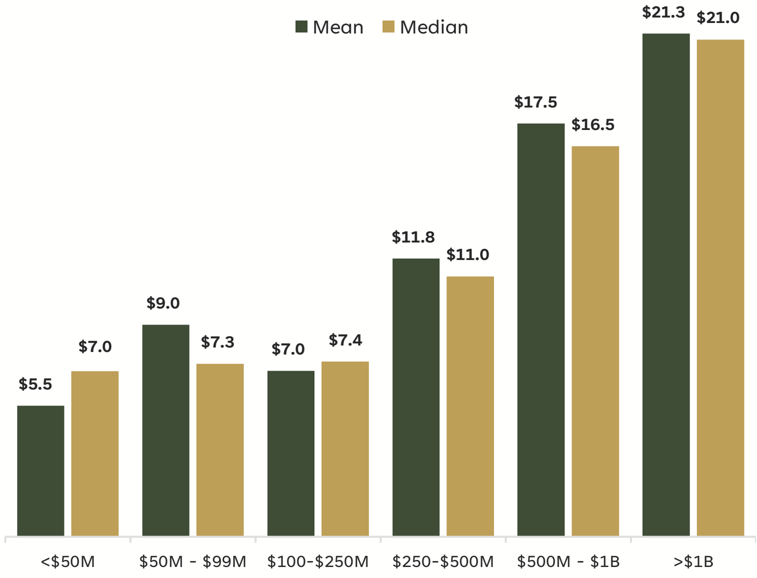


Survey Responses: Equity Base Case Value

24

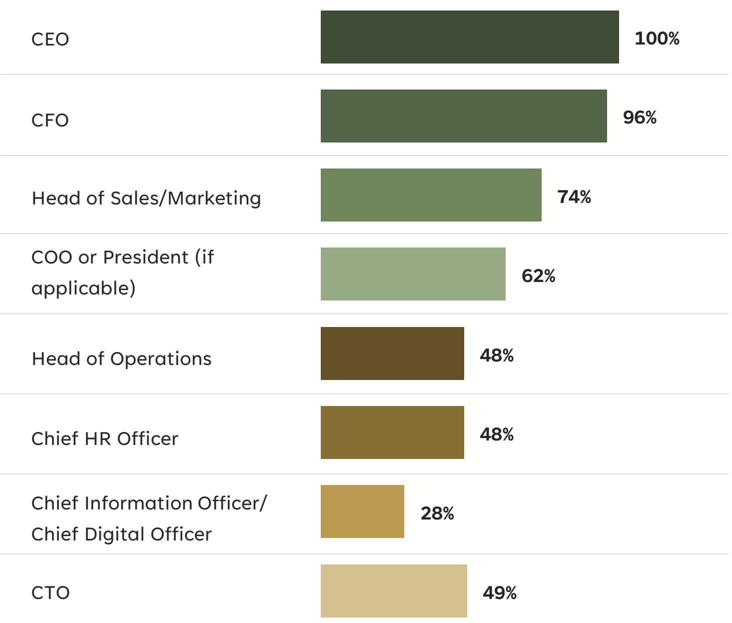
If your equity delivers against the expectation of the investment thesis, what gross proceeds ($ millions) do you expect at exit? (Overall and mean/median by revenue)



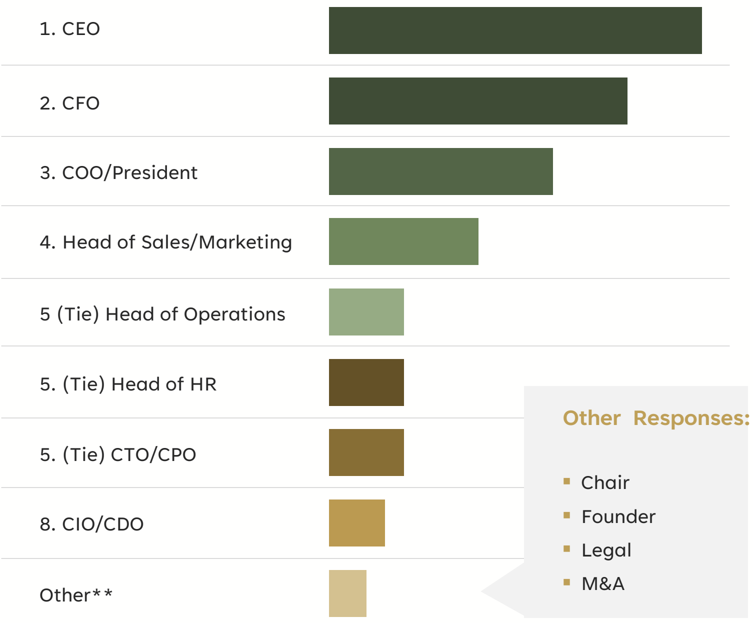


Survey Responses: Equity Pool Participants

25a Which 5 executives have the largest share of the equity pool? (Percentage of inclusion among responses)

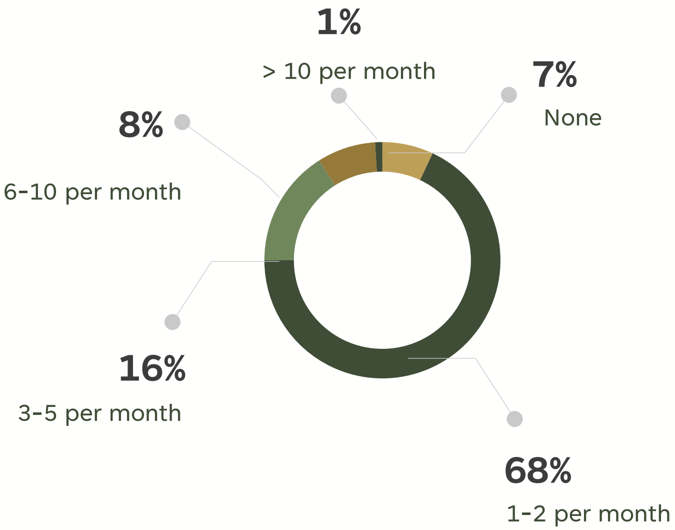


25b … and their ranking from most to least frequent

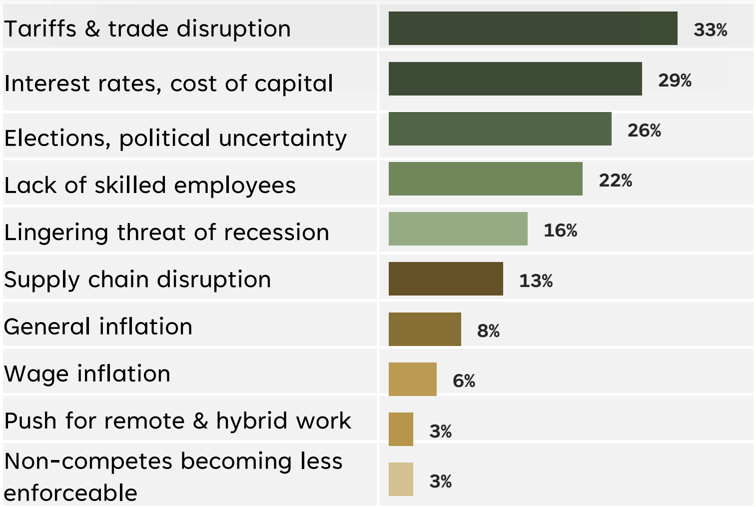


Survey Responses: Recruitment & Outlook

26 How many new CEO opportunities are presented to you by investors or recruiters in an average month?



27 Which of these factors will have a significant impact on your business in the next 12 months?



Vardis

BOSTON

1 Hollis St. Ste. 207
Wellesley, MA 02482
United States

+ 1 617 495 7656

DALLAS

1412 Main St. Ste. ES16
Dallas, TX 75202
United States

+1 617 281 5823

FRANKFURT

Schillerstrasse 27
60313 Frankfurt
Germany

+49 69 348 77 34 50

LONDON

The Gridiron Building
One Pancras Square
London, N1C 4AG
United Kingdom

+44 7771 506739

NEW YORK

Soundview Plaza
1266 E. Main St. #700R
Stamford, CT 06902
United States

+ 1 646 559 6776