

Brexit Could Spark Deals in Europe , Says Private Equity Giant KKR ; KKR & Co. co-chief executive Henry Kravis expects a wave of dealmaking opportunities in Europe

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HONG KONG—KKR & Co.'s co-chief executive Henry Kravis says the global private equity giant sees Brexit sparking a wave of dealmaking opportunities in Europe.

"I think Brexit is going to be a dislocation for a long time," Mr. Kravis said Wednesday at a Hong Kong event for The Women's Foundation. "I think you'll see it more in the next 12 to 24 months more than you'll see it today because so far nothing's really happened except real estate prices in the U.K. have started to come down pretty precipitously."

The comments by the private equity titan come on the heels of Japan's SoftBank Group Corp. agreeing to a \$32 billion deal to acquire Cambridge, U.K.-based chip designer ARM Holdings PLC. The U.K. government hailed the deal—the largest takeover of a British company by an Asian company—as a sign of confidence in the country after Britons voted last month to leave the European Union. The chip designer generates most of its revenue outside the U.K. Mr. Kravis gave a dimmer outlook for London's future as a global financial capital. He expects 20% of London's financial sector to relocate elsewhere "because they need that passport to operate on the continent."

He added that Ireland and Luxembourg will likely be the biggest beneficiaries of the financial sector job moves.

KKR, which was a pioneer of the private equity industry, is one of the world's largest asset managers with \$126 billion under management as of March. It has expanded into areas beyond traditional private equity, such as credit investing, capital markets advisory and real estate investing.

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