

2023

Private Equity–Backed Chief Executive Officer Compensation Survey



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A message from the authors

Welcome to our *2023 Private Equity–Backed Chief Executive Officer Compensation Survey*, which gathered data on these leaders' compensation in countries around the world. Together with our surveys of private equity investment and operating professionals and PE-backed chief financial officers, these reports help to create a comprehensive picture of the compensation that key executives are currently receiving in PE firms and portfolio companies.

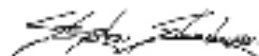
For this report, Heidrick & Struggles compiled compensation data from 650 CEOs around the world in a survey fielded in April and May 2023.

We hope you enjoy reading the report and we welcome suggestions, so please feel free to contact us with questions and comments.

With warmest regards,



Jeffrey Sanders
Global Managing Partner
CEO & Board Practice
jsanders@heidrick.com



Stephen Schwanhauser
Global Managing Partner
Private Equity Practice
sschwanhauser@heidrick.com

Methodology

In an online survey, we asked participants to provide their base compensation for 2023, as well as the value of cash bonuses and equity they received in 2022. CEOs also provided information on their companies, the PE firms backing them, and their own race and gender. All data collected is self-reported and has been aggregated.

All compensation figures in tables and charts are reported in USD thousands.

On confidentiality

The private equity–backed chief executive officer compensation survey, 2023, has been conducted on an anonymous basis, and all data is reported in aggregate.

Acknowledgments

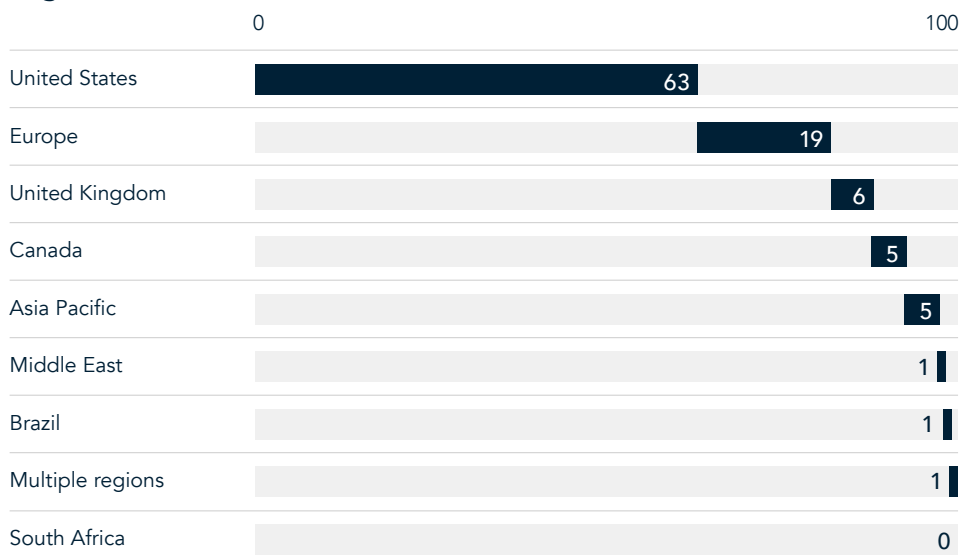
The authors wish to thank all those who participated in this survey.

Who are the CEOs?

The people

The CEOs who responded to the survey came predominantly from the United States. Asia Pacific, Europe, and the Middle East were also represented.

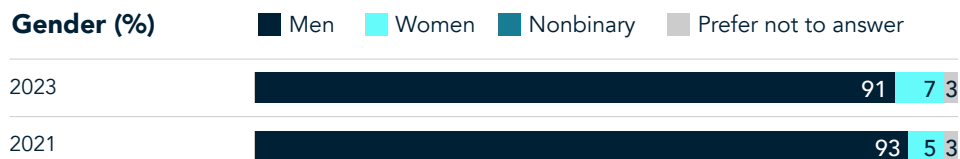
Region (%)



Note: Numbers may not total 100% due to rounding.
Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 650

And, as is typical across PE, the vast majority of CEOs were men. In Canada, the United Kingdom, and the United States, countries for which we have ethnicity data, the majority of respondents were white.

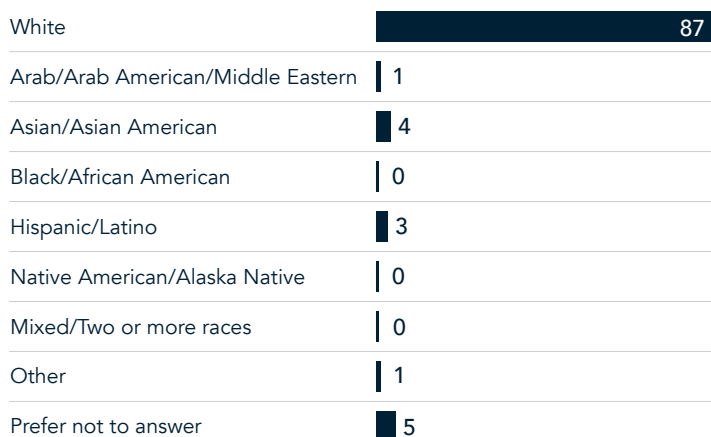
Gender (%)



Note: Numbers may not total 100% due to rounding.
Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 581

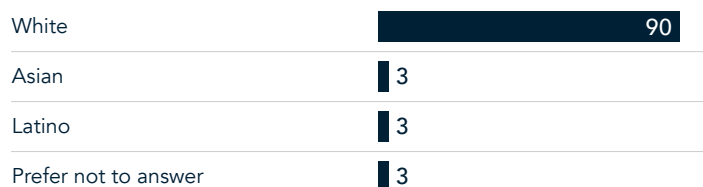
Ethnicity (%)

United States and Canada



Note: Numbers may not total 100% due to rounding.
Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 443

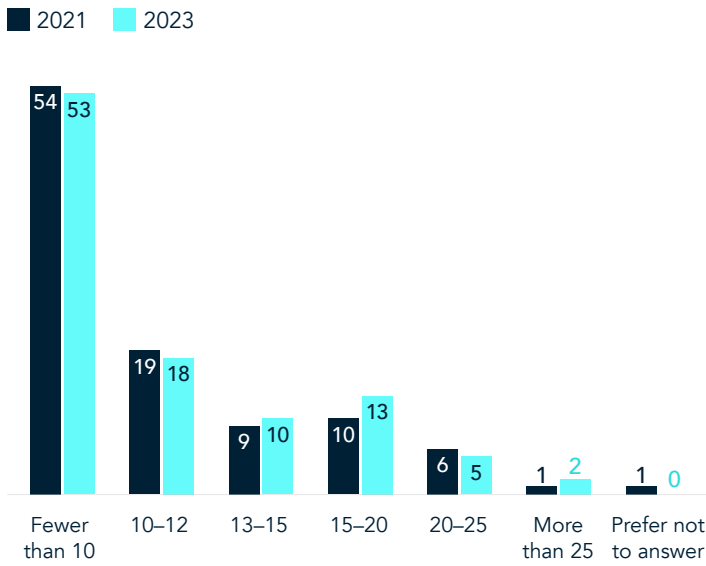
United Kingdom



Note: Numbers may not total 100% due to rounding.
Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 37

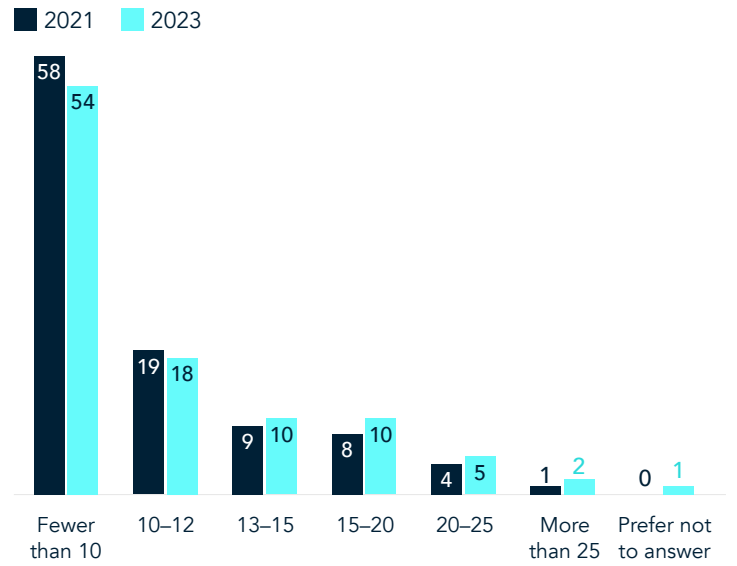
The CEOs most often had less than 10 years of experience in the CEO role, and in the private equity industry, though those shares have dropped slightly from our last survey, in 2021.

Total years of CEO experience (%)



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 649

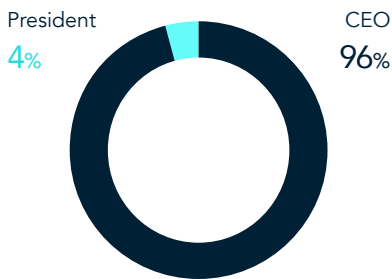
Years of experience working in PE-backed companies (%)



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 650

Most respondents hold a CEO title, though a small share are presidents. And the majority of respondents currently sit on their company's board.

Current role/function



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 650

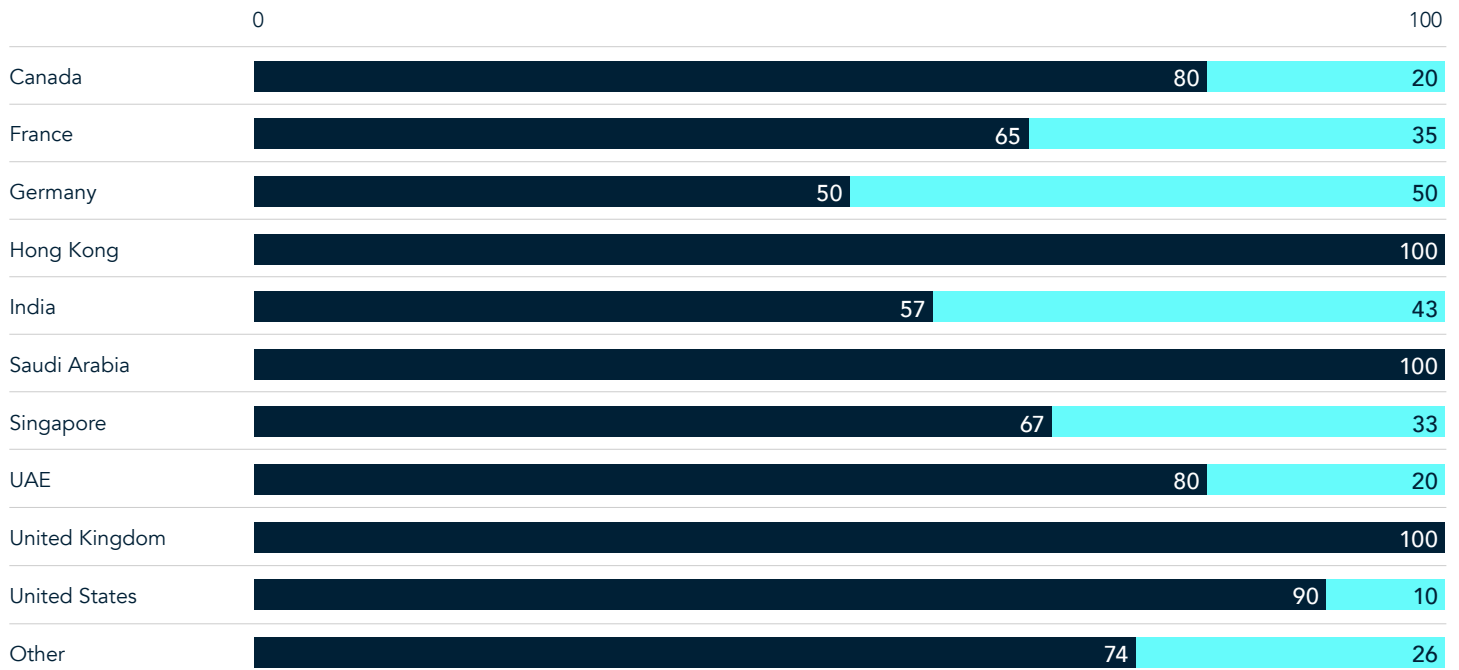
Currently sit on company's board



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 647

Currently sit on company's board, by country (%)

■ Yes ■ No



Note: Numbers may not total 100% due to rounding.

Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 647

Their companies

In terms of their backers, a strong majority of firms had direct investors. While those from Europe did have a buyout firm as a direct investor more often than those in Asia Pacific and the Middle East, the most common direct investor in Europe is still a growth firm, at 54%.

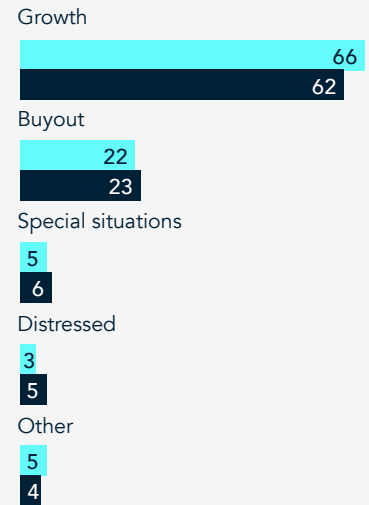
Which option best characterizes your company's financial investors? (%)

■ 2023 ■ 2021



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 649

What type of firm is your direct investor? (%)

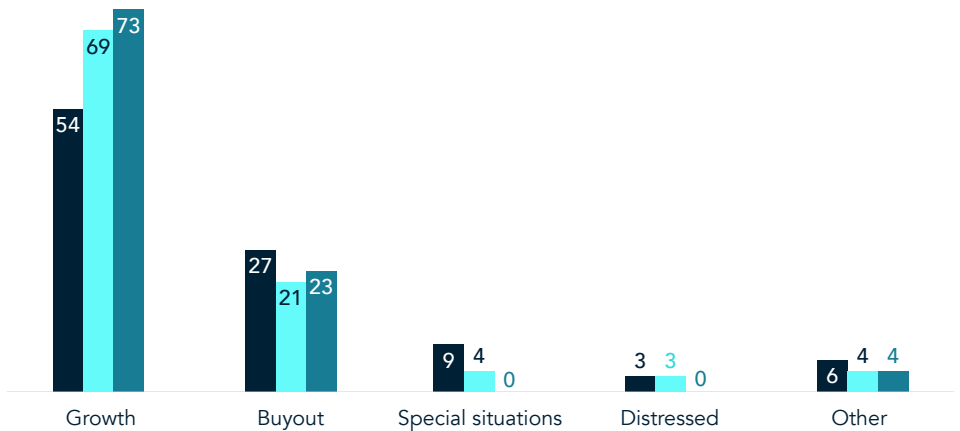


Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 546

Company investors, by region (%)

What type of firm is your direct investor?

■ Europe and Africa (includes the United Kingdom) ■ United States ■ Asia Pacific and the Middle East

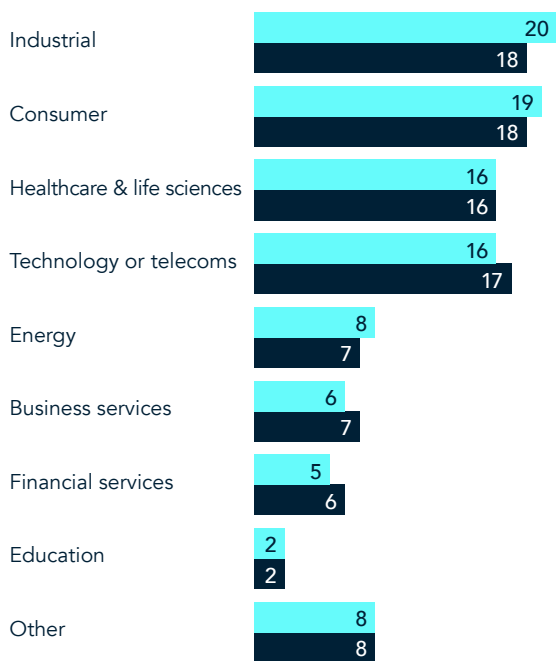


Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 129 respondents in Europe; Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 390 respondents in the United States; and Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 26 respondents in Asia Pacific and the Middle East

Respondents' companies ranged across industries and sizes.

Company industry (%)

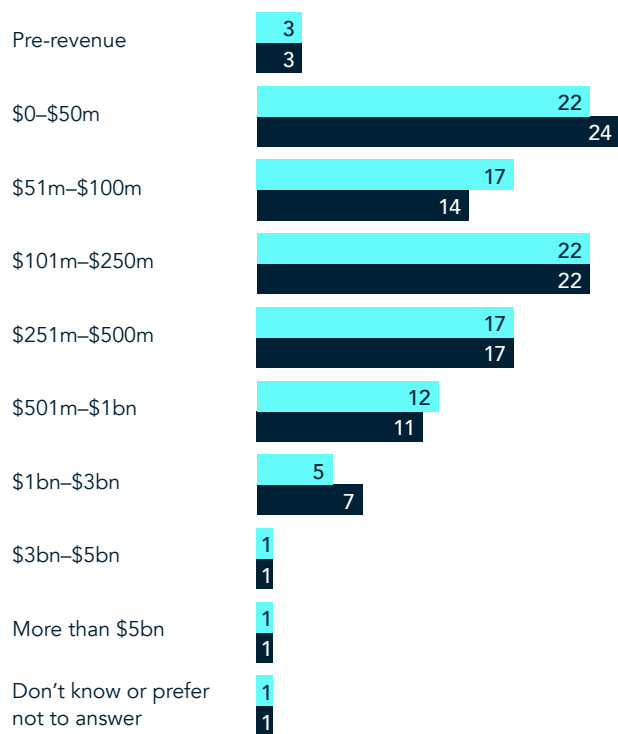
2023 2021



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 650

Company revenue (%)

2023 2021



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 580

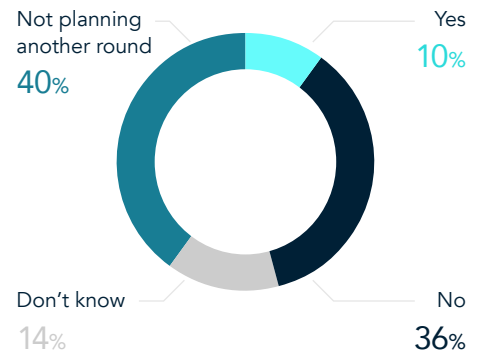
Company situations

As the PE market has wobbled along with global economies, financing at portfolio companies has been an ongoing effort, the survey suggests, and a majority of exits are still at least three years out.

Financing

Looking ahead, 60% of respondents are planning another round of financing, and most do not expect it to be a down round.

If you are planning another round of financing, do you expect it to be a down round?

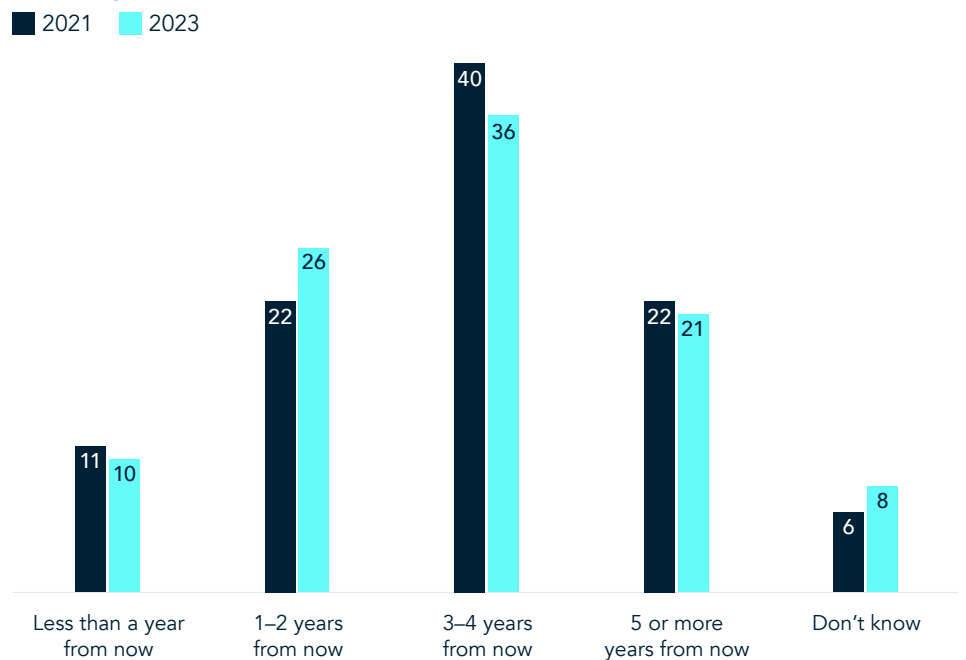


Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 643

Exit timelines

Financial investors' exit timelines have shortened slightly from expectations in 2021, and more than half say exit is at least three years away.

What is your financial investor's exit timeline? (%)



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 644

CEO compensation: United States

The average base compensation among US CEOs surveyed for this report was \$510,000 in 2023, and the average cash bonus received in 2022 was \$390,000, for a total average cash compensation of \$908,000. By company size, base, bonus, and total cash compensation all rise as revenue does, with total average cash compensation

coming in at \$1,427,000 at companies with revenue above \$500 million. By industry, CEOs in the consumer industry are paid the most, at \$1,050,000 in average total cash compensation. By region, respondents in the Northeast reported the highest average total cash compensation: \$1,068,000.

Thirty-nine percent of US CEOs indicated that they received no equity in 2023. Among those who did, the average value was 1.5 points. Respondents at technology and services companies reported the highest average long-term equity compensation, at \$12,433,000.

United States compensation (USD, thousands)

Percentile	n	Cash base compensation			Cash bonus (% of base)			Cash bonus value (\$)			Total cash compensation (base + bonus)			Equity points			Long-term equity compensation		
		25th	avg.	75th	25th	avg.	75th	25th	avg.	75th	25th	avg.	75th	25th	avg.	75th	25th	avg.	75th
Overall	361	360	510	600	46	69	88	182	390	510	582	908	1,092	0.4	1.5	2.0	4,150	9,804	15,000
Industry																			
Consumer	71	400	600	700	46	67	88	185	448	605	590	1,050	1,273	0.5	1.2	1.5	4,000	8,738	13,500
Healthcare & life sciences	67	350	519	600	46	60	88	164	356	442	542	879	1,001	0.2	1.7	2.0	5,000	9,766	15,000
Industrial	108	330	441	500	46	76	88	194	360	475	582	804	1,008	0.3	1.5	2.0	3,000	8,258	12,000
Technology and services	76	393	521	600	46	72	88	191	399	528	610	941	1,128	0.3	1.4	2.0	6,000	12,433	20,000
Revenue																			
\$50m or less	87	300	358	400	26	48	56	78	183	237	377	545	654	0.3	1.8	2.0	2,000	7,132	10,000
\$51m–\$100m	65	330	409	450	46	59	88	156	253	334	467	663	752	0.5	1.9	3.0	2,700	7,639	12,000
\$101m–\$250m	73	400	472	500	46	68	88	205	344	408	626	826	940	0.3	1.4	2.0	5,000	9,708	15,000
\$251m–\$500m	65	450	614	700	56	82	88	296	512	635	753	1,123	1,260	0.3	1.1	1.3	7,400	12,205	20,000
More than \$500m	70	550	737	800	88	92	113	451	684	898	977	1,427	1,704	0.2	1.2	1.9	8,500	13,212	20,000
Team size																			
Fewer than 10	203	380	514	600	46	70	88	182	398	510	582	914	1,092	0.3	1.3	1.7	5,000	9,860	15,000
10 or more	156	350	504	600	46	68	88	182	382	518	561	902	1,126	0.5	1.7	2.0	4,000	9,760	15,750
US region																			
Northeast	60	400	562	665	46	74	88	196	482	678	626	1,068	1,278	0.1	1.5	2.0	5,000	10,238	20,000
Mid-Atlantic	16	300	424	575	26	53	88	80	246	304	392	671	849	*	*	*	2,200	8,343	10,000
Southeast	76	383	517	600	46	68	88	182	384	528	582	905	1,128	0.2	1.8	2.0	5,000	10,826	20,000
Midwest	77	350	539	600	46	68	88	182	425	510	544	966	1,065	0.5	1.3	1.6	4,000	8,991	14,000
Southwest	63	330	492	600	46	70	88	191	362	510	564	861	1,034	0.3	1.3	2.0	4,000	8,998	12,000
Mountain West	17	350	442	450	56	74	88	185	349	392	554	803	845	0.2	1.8	3.3	5,000	8,900	13,000
West Coast	41	390	464	550	46	66	88	205	325	440	596	797	1,019	0.5	1.7	2.0	4,000	11,046	20,000

* Not shown due to small sample size.

Median year-over-year comparison

Median compensation dipped slightly—from \$799,000 in 2021 to \$752,000 in 2023. By industry, only respondents at business services and consumer firms saw an increase in median compensation, along with those at firms with revenue of more than \$1 billion.

United States compensation: Median year-over-year comparison (USD, thousands)

	n		Cash base		Bonus (%)		Bonus (\$)		Total cash compensation (base + bonus)	
	2023	2021	2023	2021	2023	2021	2023	2021	2023	2021
Overall	361	691	450	476	68	56	292	294	752	799
Industry										
Business services	19	49	450	426	88	56	351	265	860	725
Consumer	71	117	550	476	56	56	326	311	876	799
Energy	37	49	400	426	88	88	343	340	752	781
Financial services	10	35	510	526	*	78	*	383	*	1000
Healthcare & life sciences	67	129	430	476	56	56	213	323	672	800
Industrial	71	123	420	426	88	56	308	286	714	767
Technology or telecoms	57	124	450	476	62	68	282	311	733	800
Revenue										
\$100m or less	152	283	365	376	46	46	182	173	570	548
\$101m–\$500m	138	276	500	476	68	68	340	374	840	883
\$501m–\$1bn	45	71	630	626	88	88	528	517	1,180	1219
More than \$1bn	25	54	750	726	88	88	770	763	1,645	1639
Team size										
Fewer than 10	203	57	450	476	68	56	299	288	752	767
10 or more	156	70	450	476	68	68	280	330	742	800

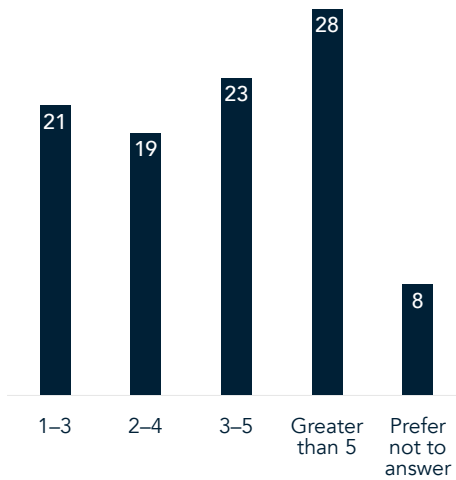
* Not shown due to small sample size.

Equity and severance

Just over half of respondents reported equity grants of 3 percentage points or more.

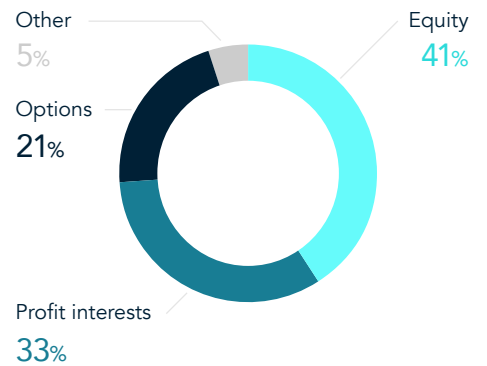
Equity structure, United States (%)

What is the value of your total long-term equity holding, in percentage?



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 403

Long-term equity structure

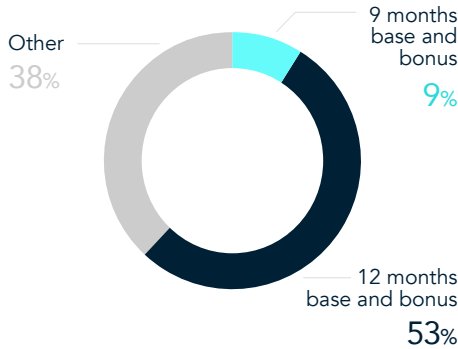


Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 405

Slightly more than half of respondents' severance is structured as 12-month base and bonus. Two-thirds of respondents do not have equity acceleration on their severance package.

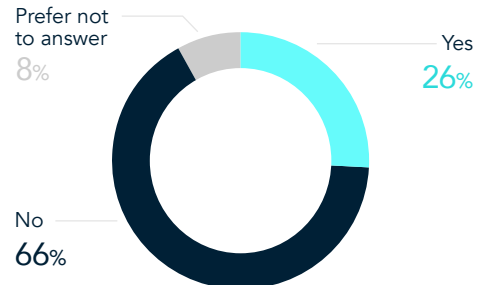
Severance, United States

How is severance structured in your contract?



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 401

Is there equity acceleration on severance?



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 404

CEO compensation: Europe

The average base compensation among European CEOs surveyed for this report was \$447,000 in 2023, and the average cash bonus received in 2022 was \$285,000, for a total average cash compensation of \$740,000. (Twelve percent of CEOs indicated they received no cash bonus in 2021.) Unlike in the United States, base, bonus, and total cash compensation do not

necessarily rise along with company revenue, with respondents at firms with \$50 million or less earning more than those at midsize companies.

As in the United States, respondents with smaller teams reported higher compensation. By industry, European respondents in healthcare and life sciences companies saw the highest

average total compensation, as well as the highest average long-term equity compensation.

Forty-six percent of European CEOs indicated that they received no equity in 2023. Among those who did, the average value was 0.7 points—lower than the United States' average of 1.5.

Europe compensation (USD, thousands)

Percentile	n	Cash base compensation			Cash bonus (% of base)			Cash bonus value (\$)			Total cash compensation (base + bonus)			Equity points			Long-term equity compensation		
		25th	avg.	75th	25th	avg.	75th	25th	avg.	75th	25th	avg.	75th	25th	avg.	75th	25th	avg.	75th
Overall	127	300	447	500	26	56	88	94	285	352	407	740	933	0.1	0.7	1.0	2,000	8,293	15,000
Industry																			
Consumer	22	300	475	550	36	52	88	107	290	333	462	789	940	0.1	0.9	1.5	2,000	9,062	20,000
Healthcare and life sciences	19	250	441	500	26	56	88	67	351	490	317	825	981	*	*	*	3,125	10,387	18,000
Industrial	38	300	419	500	26	54	88	71	270	278	381	685	778	0.1	0.5	1.0	950	5,368	8,000
Technology and services	34	300	459	550	26	64	88	135	290	455	504	755	1,065	0.1	0.9	1.5	5,000	8,733	12,000
Revenue																			
\$50m or less	34	260	436	420	26	56	88	77	250	264	351	698	684	0.1	1.0	1.5	2,000	7,556	10,000
\$51m–\$100m	22	250	345	400	26	33	36	54	123	141	314	477	622	*	*	*	2,000	8,905	15,000
\$101m–\$250m	26	350	469	500	46	55	88	123	286	418	503	762	930	0.1	0.7	1.0	4,000	10,837	20,000
\$251m–\$500m	21	300	404	500	36	61	88	127	255	326	407	660	778	*	*	*	700	5,898	6,000
More than \$500m	23	370	553	700	36	71	107	110	471	622	467	1,023	1,222	0.1	0.7	0.8	1,000	6,825	10,000
Team size																			
Fewer than 10	57	300	462	500	26	64	88	107	329	440	462	794	940	0.1	0.7	1.0	2,000	7,186	10,000
10 or more	70	280	436	550	26	49	56	77	247	326	377	693	894	0.1	0.7	1.0	2,000	9,096	20,000

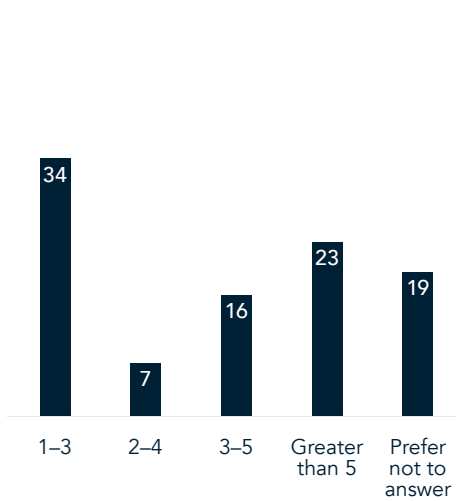
* Not shown due to small sample size.

Equity and severance

Just over a third of respondents reported equity grants of 3 percentage points or more.

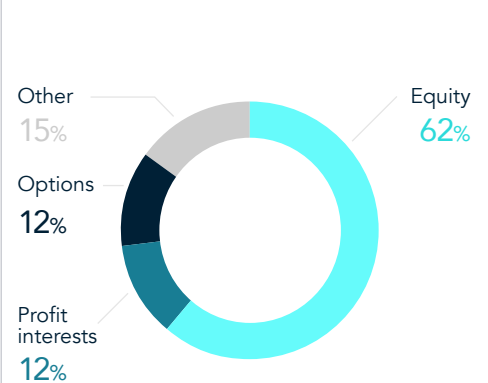
Equity structure, Europe (%)

What is the value of your total long-term equity holding, in percentage?



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 125

Long-term equity structure

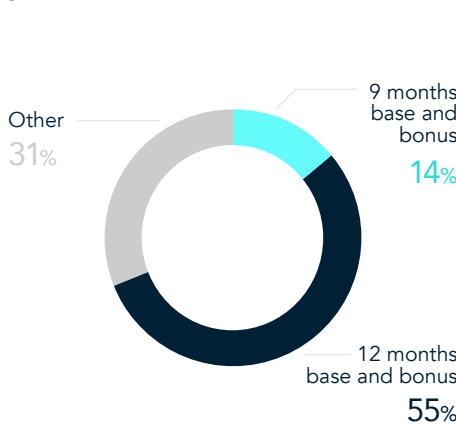


Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 129

More than half of respondents' severance is structured as 12-month base and bonus. As in the United States, two-thirds of respondents do not have equity acceleration on their severance package.

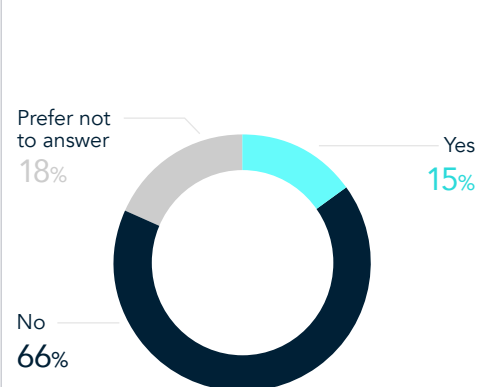
Severance, Europe

How is severance structured in your contract?



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 126

Is there equity acceleration on severance?



Source: Heidrick & Struggles' 2023 PE-backed CEO compensation survey, 2023, n = 131

CEO & Board of Directors Practice

Heidrick & Struggles' CEO & Board of Directors Practice has been built on our ability to execute top-level assignments and counsel CEOs and board members on the complex issues directly affecting their businesses.

We pride ourselves on being our clients' most trusted advisor and offer an integrated suite of services to help manage these challenges and their leadership assets. This ranges from the acquisition of talent through executive search to providing counsel in areas that include succession planning, executive and board assessment, and board effectiveness reviews.

Our CEO & Board Practice leverages our most accomplished search and leadership consulting professionals globally who understand the ever-transforming nature of leadership. This expertise, combined with in-depth industry, sector, and regional knowledge; differentiated research capabilities; and intellectual capital, enables us to provide sound global coverage for our clients.

Leaders of Heidrick & Struggles' CEO & Board Practice

Global

Bonnie Gwin
New York
bgwin@heidrick.com

Jeffrey Sanders
New York
jsanders@heidrick.com

Private Equity Practice

Heidrick & Struggles' global Private Equity Practice combines a deep understanding of private equity markets with world-class expertise across all major industries and functions to provide a broad range of value-adding services.

With more than 80 consultants in 50 offices around the world, our expertise shadows the private equity life cycle from pre-deal due-diligence support to pre- and post-acquisition executive search, leadership assessment, proactive introductions, and the construction of advisory boards for both private equity firms and their portfolio companies.

We pride ourselves on our work with private equity-backed portfolio companies to secure the leadership needed to deliver on tomorrow's strategies. Our consulting services enable us to develop long-term strategic partnerships that build winning leadership teams and create substantial value.

In addition, we are the leader in finding top private equity management talent by recruiting investment professionals, operating partners, and other essential senior managers who support financial growth.

Leaders of Heidrick & Struggles' Private Equity Practice

Global

Stephen Schwanhausser
Stamford
sschwanhausser@heidrick.com

Americas

Jonathan Goldstein
New York
jgoldstein@heidrick.com

Europe and Africa

Will Moynahan
London
wmoynahan@heidrick.com

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ONE LEADERSHIP TEAM AT A TIME®

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