



DEAL  
ORIGINATION  
BENCHMARK  
REPORT

# 2019 Market Coverage

All PE Firms & Peer Groups

Generated by SPS in  
September of 2019 using  
Last Twelve Months (LTM)  
deal data as of June 30, 2019

# Summary Table

## All PE Firms & Peer Groups

ALL PE FIRMS	MEDIAN	MAX	MIN	TOP QUARTILE
All Intermediaries <sup>1</sup>	18.8%	51.1%	2.7%	27.7%
Boutique Intermediaries <sup>2</sup>	9.8%	51.7%	0.8%	16.9%
Most Active Intermediaries <sup>3</sup>	21.2%	55.0%	3.0%	31.5%
<b>GENERALIST<sup>4</sup></b>				
Middle Market (50+ MM EV)	30.7%	41.8%	6.0%	32.3%
Lower Middle Market (10+)	12.3%	37.1%	2.7%	18.2%
<b>QUASI-GENERALIST<sup>5</sup></b>				
Middle Market (50+ MM EV)	29.7%	45.4%	11.0%	35.1%
Lower Middle Market (10+)	12.8%	25.3%	4.2%	20.0%
<b>SECTOR-FOCUSED<sup>6</sup></b>				
Middle Market (50+ MM EV)	28.3%	51.1%	13.5%	38.3%
Lower Middle Market (10+)	13.7%	29.7%	7.4%	22.3%
<b>DEAL SIZE ONLY</b>				
Upper Market (250+ MM EV)	24.4%	43.2%	8.4%	38.9%
Lower Market (10-49 only)	5.4%	12.5%	3.0%	8.9%

### Foot Notes

\* As of the LTM period ending June 2019, based on SPS' 144 clients that qualified for the annual Deal Origination Benchmark Report (DOBR).

<sup>1</sup> Percentage of completed deals with a PE buyer and sell-side advisor in relevant size ranges and sectors, that were reviewed by a PE firm.

<sup>2</sup> Mkt Cov of transactions in a PE firm's target market represented by sell-side advisors closing only 1-2 deals per year to a PE buyer.

<sup>3</sup> Mkt Cov of transactions in a PE firm's target market represented by sell-side advisors closing 3 or more deals per year to a PE buyer.

<sup>4</sup> Groups that consider 70%-100% of deals in their target size ranges to be in relevant industries.

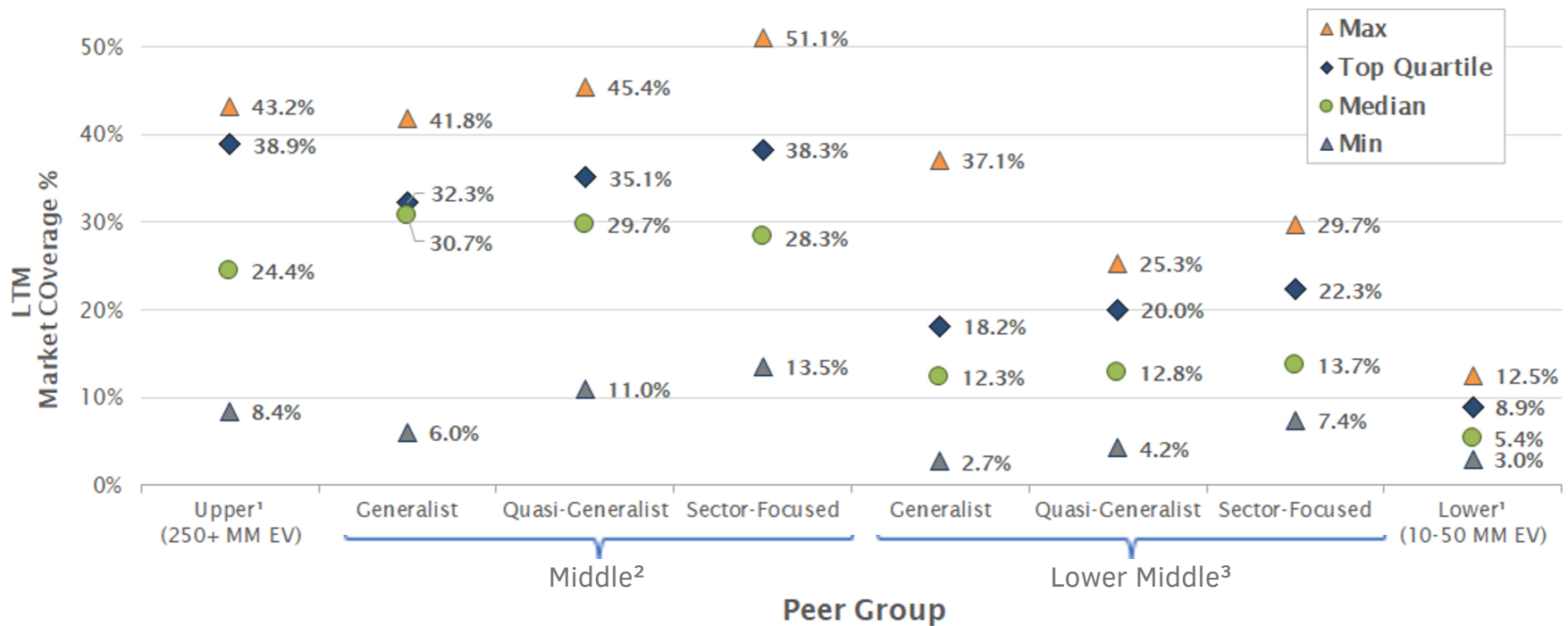
<sup>5</sup> Groups that consider 34%-69% of deals in their target size ranges to be in relevant industries.

<sup>6</sup> Groups that consider 0%-33% of deals in their target size ranges to be in relevant industries.



# Summary Chart

## Market Coverage by Peer Group



### Foot Notes

\* As of the LTM period ending June 2019, based on SPS' 144 clients that qualified for the annual Deal Origination Benchmark Report (DOBR)

<sup>1</sup> Groups defined solely by a PE firm's target deal size range.

<sup>2</sup> Groups that invest in various deal size ranges excluding 10-50 MM EV, further segmented by degree of industry focus.

<sup>3</sup> Groups that invest in various deal size ranges including 10-50 MM EV, further segmented by degree of industry focus.

# Deal Sourcing Metrics

## Generalist Peer Groups

### LOWER MIDDLE MARKET (10+ MM EV)

	MEDIAN	MAX	MIN
BD Professionals <sup>5</sup>	1	10	0
Pipeline Closing % <sup>6</sup>	34%	43%	10%
Annual Dealflow <sup>7</sup>	994	5,462	291
Unique Intermediaries <sup>8</sup>	238	596	102
Deals Sources Per Unique Intermediary <sup>9</sup>	3.2	3.5	3.2

### MIDDLE MARKET (50+ MM EV)

BD Professionals <sup>5</sup>	1	5	0
Pipeline Closing % <sup>6</sup>	39%	62%	24%
Annual Dealflow <sup>7</sup>	846	2,337	314
Unique Intermediaries <sup>8</sup>	203	437	93
Deals Sources Per Unique Intermediary <sup>9</sup>	3.6	4.6	2.5

#### Foot Notes

<sup>5</sup>Number of professionals spending a majority if not all of their time sourcing deals.

<sup>6</sup>Percentage of a sponsor's pipeline that successfully closes. Date Seen range lags 12 months to account for closing time.

<sup>7</sup>Number of deals logged per PE firm in the LTM period.

<sup>8</sup>Number of sell-side advisors in a PE firm's pipeline over the LTM period, that have closed at least 1 deal as per SPS data.

<sup>9</sup>Average # of deals sourced per unique intermediary.

# Deal Sourcing Metrics

## Quasi-Generalist Peer Groups

### LOWER MIDDLE MARKET (10+ MM EV)

	MEDIAN	MAX	MIN
BD Professionals <sup>5</sup>	1	7	0
Pipeline Closing % <sup>6</sup>	31%	47%	12%
Annual Dealflow <sup>7</sup>	787	2,702	201
Unique Intermediaries <sup>8</sup>	202	538	59
Deals Sources Per Unique Intermediary <sup>9</sup>	2.8	4.5	1.6

### MIDDLE MARKET (50+ MM EV)

	MEDIAN	MAX	MIN
BD Professionals <sup>5</sup>	1	3	0
Pipeline Closing % <sup>6</sup>	44%	60%	10%
Annual Dealflow <sup>7</sup>	657	3,445	367
Unique Intermediaries <sup>8</sup>	152	311	41
Deals Sources Per Unique Intermediary <sup>9</sup>	3.3	4.7	1.5

#### Foot Notes

<sup>5</sup>Number of professionals spending a majority if not all of their time sourcing deals.

<sup>6</sup>Percentage of a sponsor's pipeline that successfully closes. Date Seen range lags 12 months to account for closing time.

<sup>7</sup>Number of deals logged per PE firm in the LTM period.

<sup>8</sup>Number of sell-side advisors in a PE firm's pipeline over the LTM period, that have closed at least 1 deal as per SPS data.

<sup>9</sup>Average # of deals sourced per unique intermediary.

# Deal Sourcing Metrics

## Sector Focused Peer Groups

### LOWER MIDDLE MARKET (10+ MM EV)

	MEDIAN	MAX	MIN
BD Professionals <sup>5</sup>	1	5	0
Pipeline Closing % <sup>6</sup>	37%	49%	13%
Annual Dealflow <sup>7</sup>	304	1,656	137
Unique Intermediaries <sup>8</sup>	102	428	56
Deals Sources Per Unique Intermediary <sup>9</sup>	2.1	4.3	1.5

### MIDDLE MARKET (50+ MM EV)

BD Professionals <sup>5</sup>	1	3	0
Pipeline Closing % <sup>6</sup>	31%	58%	21%
Annual Dealflow <sup>7</sup>	398	1,547	181
Unique Intermediaries <sup>8</sup>	114	324	46
Deals Sources Per Unique Intermediary <sup>9</sup>	2.5	4.0	1.9

#### Foot Notes

<sup>5</sup>Number of professionals spending a majority if not all of their time sourcing deals.

<sup>6</sup>Percentage of a sponsor's pipeline that successfully closes. Date Seen range lags 12 months to account for closing time.

<sup>7</sup>Number of deals logged per PE firm in the LTM period.

<sup>8</sup>Number of sell-side advisors in a PE firm's pipeline over the LTM period, that have closed at least 1 deal as per SPS data.

<sup>9</sup>Average # of deals sourced per unique intermediary.



# Deal Sourcing Metrics

## Deal Size Only Peer Groups

### LOWER MARKET (10-49 MM EV)

	MEDIAN	MAX	MIN
BD Professionals <sup>5</sup>	0	2	0
Pipeline Closing % <sup>6</sup>	28%	53%	10%
Annual Dealflow <sup>7</sup>	436	2,378	86
Unique Intermediaries <sup>8</sup>	148	429	52
Deals Sources Per Unique Intermediary <sup>9</sup>	2.1	3.9	1.4

### UPPER MARKET (250+ MM EV)

BD Professionals <sup>5</sup>	1	3	0
Pipeline Closing % <sup>6</sup>	50%	66%	34%
Annual Dealflow <sup>7</sup>	383	957	118
Unique Intermediaries <sup>8</sup>	86	206	25
Deals Sources Per Unique Intermediary <sup>9</sup>	3.7	4.2	2.3

#### Foot Notes

<sup>5</sup>Number of professionals spending a majority if not all of their time sourcing deals.

<sup>6</sup>Percentage of a sponsor's pipeline that successfully closes. Date Seen range lags 12 months to account for closing time.

<sup>7</sup>Number of deals logged per PE firm in the LTM period.

<sup>8</sup>Number of sell-side advisors in a PE firm's pipeline over the LTM period, that have closed at least 1 deal as per SPS data.

<sup>9</sup>Average # of deals sourced per unique intermediary.

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## **Sutton Place Strategies, LLC**

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