



DEAL  
ORIGINATION  
BENCHMARK  
REPORT

# 2020 Market Coverage

All PE Firms & Peer Groups

Generated by SPS in September of 2020  
using Last Twelve Months (LTM) deal data  
as of June 30, 2020



# Summary Table

## All PE Firms & Peer Groups

ALL PE FIRMS	MEDIAN	MAX	MIN	TOP QUARTILE
All Intermediaries <sup>1</sup>	17.4%	57.4%	2.6%	<b>28.6%</b>
Boutique Intermediaries <sup>2</sup>	12.5%	56.0%	0.0%	<b>19.1%</b>
Most Active Intermediaries <sup>3</sup>	19.7%	60.5%	3.2%	<b>31.6%</b>
<b>GENERALIST<sup>4</sup></b>				
Middle Market (50+ MM EV)	29.7%	40.7%	12.5%	<b>32.1%</b>
Lower Middle Market (10+)	14.3%	36.1%	5.1%	<b>18.6%</b>
<b>QUASI-GENERALIST<sup>5</sup></b>				
Middle Market (50+ MM EV)	31.8%	43.8%	17.7%	<b>36.7%</b>
Lower Middle Market (10+)	12.2%	29.9%	3.0%	<b>17.8%</b>
<b>SECTOR-FOCUSED<sup>6</sup></b>				
Middle Market (50+ MM EV)	26.9%	38.4%	13.5%	<b>32.6%</b>
Lower Middle Market (10+)	14.3%	34.6%	6.4%	<b>25.2%</b>
<b>DEAL SIZE ONLY</b>				
Upper Market (250+ MM EV)	36.8%	57.4%	12.0%	<b>42.4%</b>
Lower Market (10-49 only)	5.9%	15.5%	2.6%	<b>10.0%</b>

### Foot Notes

\* As of the LTM period ending June 2020, based on SPS' 151 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.

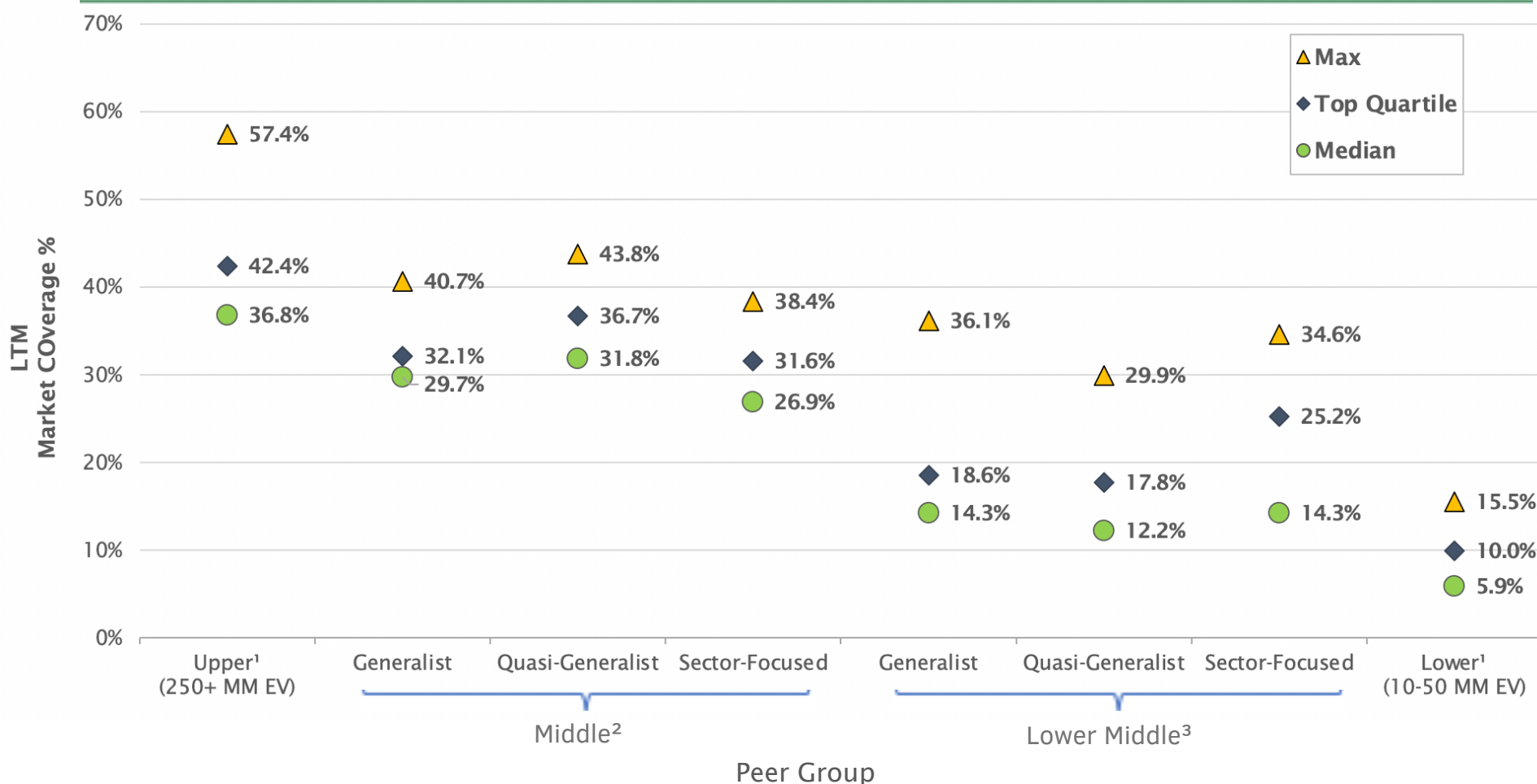
<sup>4</sup> Groups that consider 70%-100% of deals in their target size ranges to be in relevant industries.

<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 2020, based on SPS' 151 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 Lower Middle Mkt Peer Group (10+ MM EV)

## NEW INVESTMENTS

Platforms  
Addons

MEDIAN	MAX	MIN
2	7	0
1	20	0

## DEALFLOW METRICS

Pipeline Closing %<sup>5</sup>  
Annual Dealflow<sup>6</sup>  
Unique Intermediaries<sup>7</sup>  
Deals Sources Per Unique Intermediary<sup>8</sup>

29%	46%	10%
823	5,526	171
243	607	87
3.2	5.0	1.8

## MACRO METRICS

BD Professionals<sup>9</sup>  
Intermediary Fragmentation Ratio<sup>10</sup>  
Target Market Relevancy Percentage<sup>11</sup>

2	10	0
2.8	3.3	2.8
84%	99%	72%

### Foot Notes

<sup>5</sup>Percentage of a sponsor's pipeline that successfully closes. Date Seen range lags 12 months to account for closing time.

<sup>6</sup>Number of deals logged per PE firm in the LTM period.

<sup>7</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>8</sup>Average # of deals sourced per unique intermediary.

<sup>9</sup>Number of professionals spending a majority if not all of their time sourcing deals.

<sup>10</sup>For a PE firm's relevant Deal Size, the # of PE transactions closed per intermediary, in the DOBR LTM period.

<sup>11</sup>Percentage of deals in a PE Firm's target Deal Size that are considered "relevant" after applying industry and other criteria.



# Deal Sourcing Metrics

Generalist Middle Mkt Peer Group (50+ MM EV)

## NEW INVESTMENTS

Platforms  
Addons

MEDIAN	MAX	MIN
1	4	0
1	25	0

## DEALFLOW METRICS

Pipeline Closing %<sup>5</sup>  
Annual Dealflow<sup>6</sup>  
Unique Intermediaries<sup>7</sup>  
Deals Sources Per Unique Intermediary<sup>8</sup>

41%	62%	22%
660	2,131	227
168	409	92
3.4	4.3	2.2

## MACRO METRICS

BD Professionals<sup>9</sup>  
Intermediary Fragmentation Ratio<sup>10</sup>  
Target Market Relevancy Percentage<sup>11</sup>

1	5	0
3.0	3.5	2.6
83%	100%	73%

### Foot Notes

<sup>5</sup>Percentage of a sponsor's pipeline that successfully closes. Date Seen range lags 12 months to account for closing time.

<sup>6</sup>Number of deals logged per PE firm in the LTM period.

<sup>7</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>8</sup>Average # of deals sourced per unique intermediary.

<sup>9</sup>Number of professionals spending a majority if not all of their time sourcing deals.

<sup>10</sup>For a PE firm's relevant Deal Size, the # of PE transactions closed per intermediary, in the DOBR LTM period.

<sup>11</sup>Percentage of deals in a PE Firm's target Deal Size that are considered "relevant" after applying industry and other criteria.



# Deal Sourcing Metrics

Quasi-Generalist Lower Middle Mkt Peer Group (10+ MM EV)

## NEW INVESTMENTS

Platforms  
Addons

MEDIAN	MAX	MIN
1	7	0
1	19	0

## DEALFLOW METRICS

Pipeline Closing %<sup>5</sup>  
Annual Dealflow<sup>6</sup>  
Unique Intermediaries<sup>7</sup>  
Deals Sources Per Unique Intermediary<sup>8</sup>

29%	44%	12%
706	3,728	183
211	552	59
2.5	7.0	1.6

## MACRO METRICS

BD Professionals<sup>9</sup>  
Intermediary Fragmentation Ratio<sup>10</sup>  
Target Market Relevancy Percentage<sup>11</sup>

1	7	0
2.8	3.1	2.8
49%	68%	34%

### Foot Notes

<sup>5</sup>Percentage of a sponsor's pipeline that successfully closes. Date Seen range lags 12 months to account for closing time.

<sup>6</sup>Number of deals logged per PE firm in the LTM period.

<sup>7</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>8</sup>Average # of deals sourced per unique intermediary.

<sup>9</sup>Number of professionals spending a majority if not all of their time sourcing deals.

<sup>10</sup>For a PE firm's relevant Deal Size, the # of PE transactions closed per intermediary, in the DOBR LTM period.

<sup>11</sup>Percentage of deals in a PE Firm's target Deal Size that are considered "relevant" after applying industry and other criteria.



# Deal Sourcing Metrics

Quasi-Generalist Middle Mkt Peer Group (50+ MM EV)

## NEW INVESTMENTS

Platforms  
Addons

MEDIAN	MAX	MIN
1	3	0
2	9	0

## DEALFLOW METRICS

Pipeline Closing %<sup>5</sup>  
Annual Dealflow<sup>6</sup>  
Unique Intermediaries<sup>7</sup>  
Deals Sources Per Unique Intermediary<sup>8</sup>

36%	53%	20%
646	1,360	271
166	319	90
3.2	4.4	2.6

## MACRO METRICS

BD Professionals<sup>9</sup>  
Intermediary Fragmentation Ratio<sup>10</sup>  
Target Market Relevancy Percentage<sup>11</sup>

1	3	0
3.0	3.2	2.6
49%	67%	34%

### Foot Notes

<sup>5</sup>Percentage of a sponsor's pipeline that successfully closes. Date Seen range lags 12 months to account for closing time.

<sup>6</sup>Number of deals logged per PE firm in the LTM period.

<sup>7</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>8</sup>Average # of deals sourced per unique intermediary.

<sup>9</sup>Number of professionals spending a majority if not all of their time sourcing deals.

<sup>10</sup>For a PE firm's relevant Deal Size, the # of PE transactions closed per intermediary, in the DOBR LTM period.

<sup>11</sup>Percentage of deals in a PE Firm's target Deal Size that are considered "relevant" after applying industry and other criteria.



# Deal Sourcing Metrics

Sector Focused Lower Middle Mkt Peer Group (10+ MM EV)

## NEW INVESTMENTS

Platforms  
Addons

MEDIAN	MAX	MIN
0	8	0
0	11	0

## DEALFLOW METRICS

Pipeline Closing %<sup>5</sup>  
Annual Dealflow<sup>6</sup>  
Unique Intermediaries<sup>7</sup>  
Deals Sources Per Unique Intermediary<sup>8</sup>

32%	48%	12%
306	1,527	111
105	429	57
2.2	4.0	1.6

## MACRO METRICS

BD Professionals<sup>9</sup>  
Intermediary Fragmentation Ratio<sup>10</sup>  
Target Market Relevancy Percentage<sup>11</sup>

1	5	0
2.8	3.1	2.0
21%	32%	8%

### Foot Notes

<sup>5</sup>Percentage of a sponsor's pipeline that successfully closes. Date Seen range lags 12 months to account for closing time.

<sup>6</sup>Number of deals logged per PE firm in the LTM period.

<sup>7</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>8</sup>Average # of deals sourced per unique intermediary.

<sup>9</sup>Number of professionals spending a majority if not all of their time sourcing deals.

<sup>10</sup>For a PE firm's relevant Deal Size, the # of PE transactions closed per intermediary, in the DOBR LTM period.

<sup>11</sup>Percentage of deals in a PE Firm's target Deal Size that are considered "relevant" after applying industry and other criteria.





# Deal Sourcing Metrics

Sector Focused Middle Mkt Peer Group (50+ MM EV)

## NEW INVESTMENTS

Platforms  
Addons

MEDIAN	MAX	MIN
1	5	0
1	23	0

## DEALFLOW METRICS

Pipeline Closing %<sup>5</sup>  
Annual Dealflow<sup>6</sup>  
Unique Intermediaries<sup>7</sup>  
Deals Sources Per Unique Intermediary<sup>8</sup>

29%	59%	11%
434	1,030	181
103	291	66
2.7	3.9	1.7

## MACRO METRICS

BD Professionals<sup>9</sup>  
Intermediary Fragmentation Ratio<sup>10</sup>  
Target Market Relevancy Percentage<sup>11</sup>

1	3	0
3.0	3.5	2.6
21%	32%	6%

### Foot Notes

<sup>5</sup>Percentage of a sponsor's pipeline that successfully closes. Date Seen range lags 12 months to account for closing time.

<sup>6</sup>Number of deals logged per PE firm in the LTM period.

<sup>7</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>8</sup>Average # of deals sourced per unique intermediary.

<sup>9</sup>Number of professionals spending a majority if not all of their time sourcing deals.

<sup>10</sup>For a PE firm's relevant Deal Size, the # of PE transactions closed per intermediary, in the DOBR LTM period.

<sup>11</sup>Percentage of deals in a PE Firm's target Deal Size that are considered "relevant" after applying industry and other criteria.



# Deal Sourcing Metrics

Lower Market Peer Group (10-49 MM EV only)

## NEW INVESTMENTS

Platforms  
Addons

MEDIAN	MAX	MIN
0	6	0
0	3	0

## DEALFLOW METRICS

Pipeline Closing %<sup>5</sup>  
Annual Dealflow<sup>6</sup>  
Unique Intermediaries<sup>7</sup>  
Deals Sources Per Unique Intermediary<sup>8</sup>

26%	53%	12%
345	2,379	87
143	453	55
2.1	3.8	1.4

## MACRO METRICS

BD Professionals<sup>9</sup>  
Intermediary Fragmentation Ratio<sup>10</sup>  
Target Market Relevancy Percentage<sup>11</sup>

0	2	0
2.0	2.0	2.0
64%	100%	34%

### Foot Notes

<sup>5</sup>Percentage of a sponsor's pipeline that successfully closes. Date Seen range lags 12 months to account for closing time.

<sup>6</sup>Number of deals logged per PE firm in the LTM period.

<sup>7</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>8</sup>Average # of deals sourced per unique intermediary.

<sup>9</sup>Number of professionals spending a majority if not all of their time sourcing deals.

<sup>10</sup>For a PE firm's relevant Deal Size, the # of PE transactions closed per intermediary, in the DOBR LTM period.

<sup>11</sup>Percentage of deals in a PE Firm's target Deal Size that are considered "relevant" after applying industry and other criteria.



# Deal Sourcing Metrics

Upper Market Peer Group (250+ MM EV)

## NEW INVESTMENTS

Platforms  
Addons

MEDIAN	MAX	MIN
1	6	1
4	17	4

## DEALFLOW METRICS

Pipeline Closing %<sup>5</sup>  
Annual Dealflow<sup>6</sup>  
Unique Intermediaries<sup>7</sup>  
Deals Sources Per Unique Intermediary<sup>8</sup>

45%	70%	39%
445	694	65
94	154	18
3.7	5.1	1.7

## MACRO METRICS

BD Professionals<sup>9</sup>  
Intermediary Fragmentation Ratio<sup>10</sup>  
Target Market Relevancy Percentage<sup>11</sup>

1	3	0
2.7	3.0	2.2
81%	98%	22%

### Foot Notes

<sup>5</sup>Percentage of a sponsor's pipeline that successfully closes. Date Seen range lags 12 months to account for closing time.

<sup>6</sup>Number of deals logged per PE firm in the LTM period.

<sup>7</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>8</sup>Average # of deals sourced per unique intermediary.

<sup>9</sup>Number of professionals spending a majority if not all of their time sourcing deals.

<sup>10</sup>For a PE firm's relevant Deal Size, the # of PE transactions closed per intermediary, in the DOBR LTM period.

<sup>11</sup>Percentage of deals in a PE Firm's target Deal Size that are considered "relevant" after applying industry and other criteria.

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## **Sutton Place Strategies, LLC**

SPS is an award winning provider of actionable data and analytics for PE and M&A professionals to optimize their business development and deal sourcing efforts.

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