



PRIVATE EQUITY CAREER NEWS

PE Webinar: Trending Origination Strategies for 2024

Featured Speakers:

Clay Bryan, Senior Managing Director, Financial Sponsors Group, **B. Riley Securities**

Daniel Gajewski, Director, Sponsor Coverage Group, **Lazard**

Stephen Madsen, Managing Director, **Blue Wolf Capital**

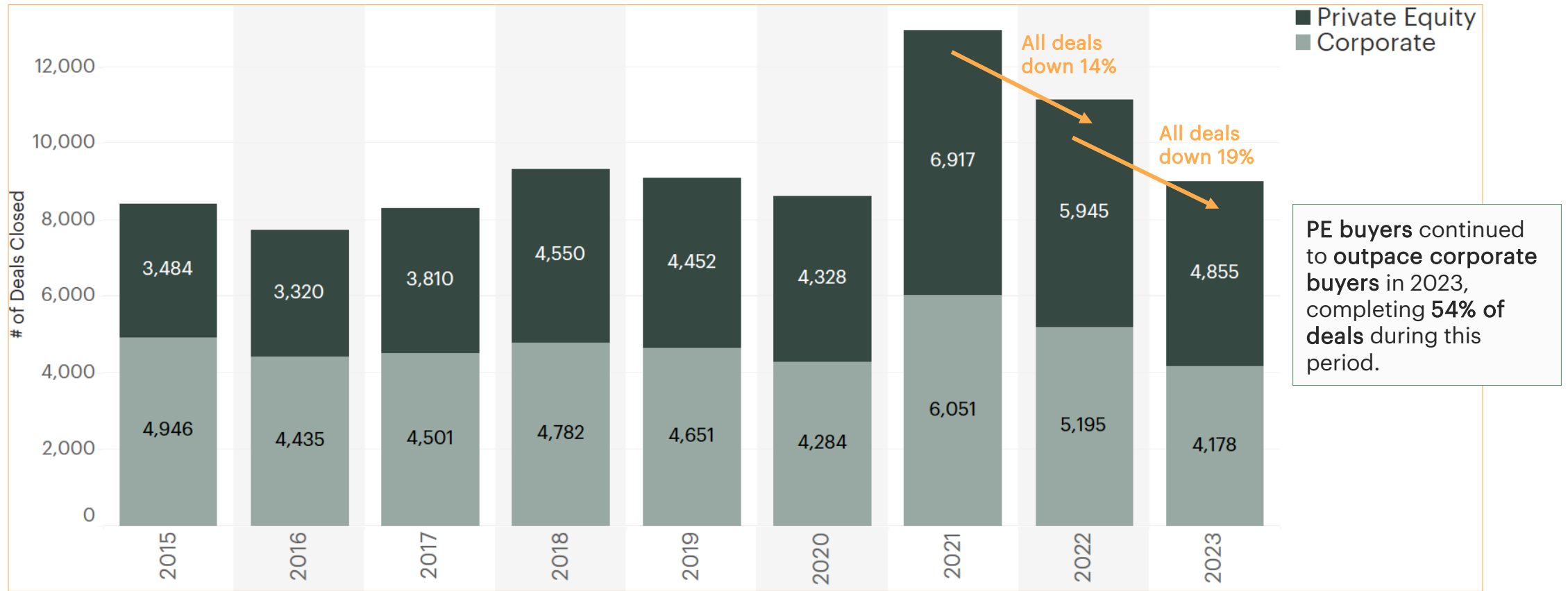
Nadim Malik, Founder & CEO, **SPS by Bain & Co**

Moderator: David M. Toll, Publisher, *Private Equity Career News*



State of the Market: PE vs. M&A Activity

Annual M&A Deal Volume – by Buyer Type



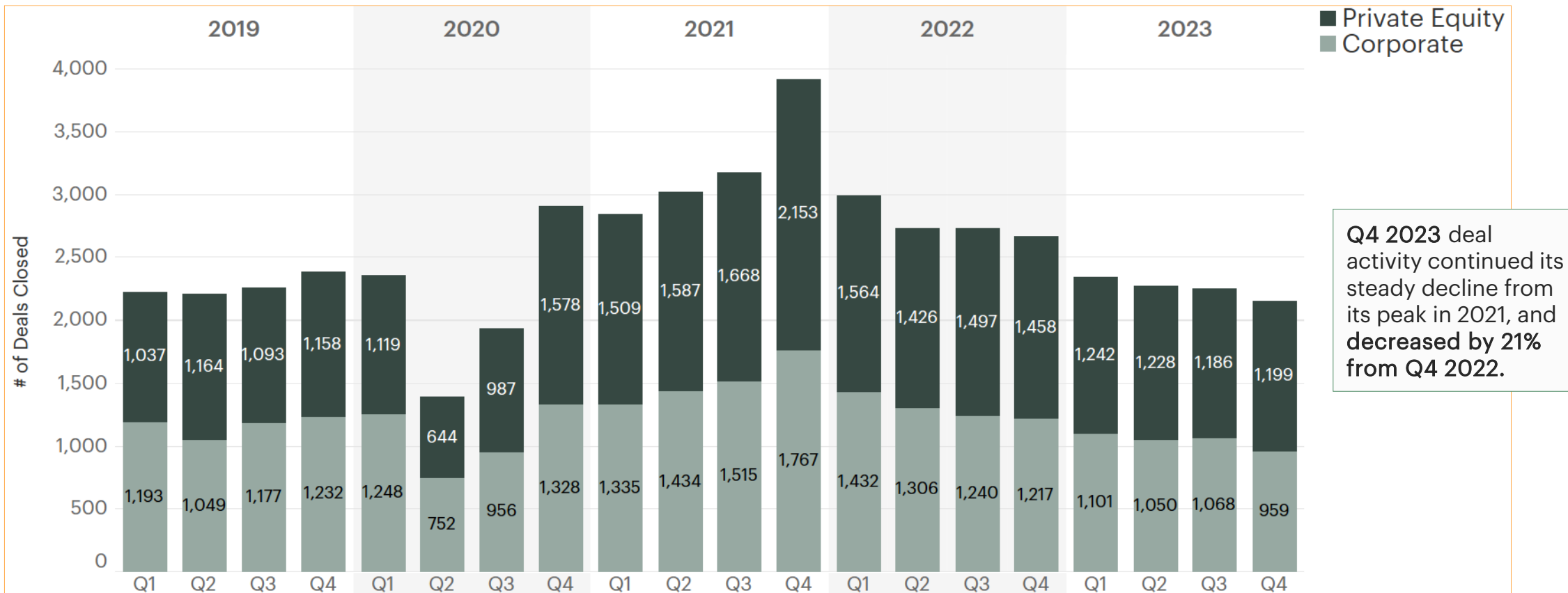
Footnotes

1 – Deals Closed across all industries, 10+ MM EV, based in North America, with private equity or strategic investors, 2015-2023.



State of the Market: PE vs. M&A Activity

Quarterly M&A Deal Volume – by Buyer Type



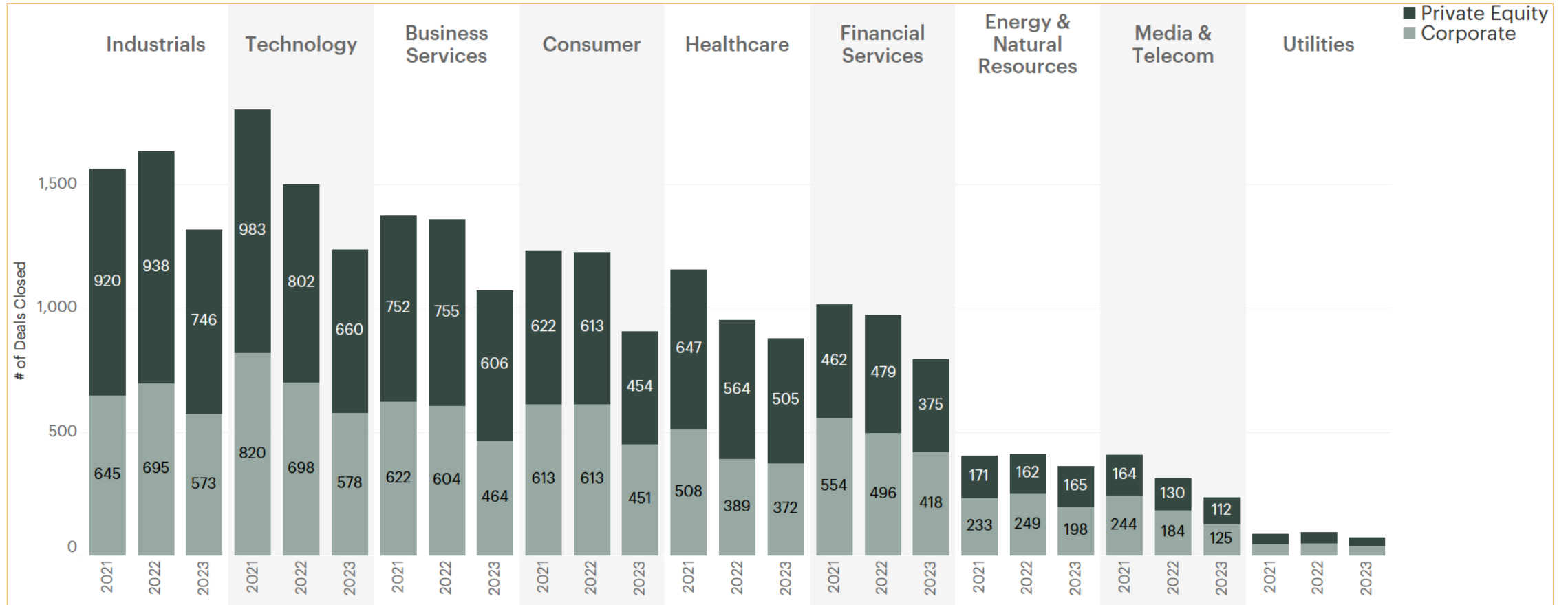
Footnotes

1 – Deals Closed across all industries, 10+ MM EV, based in North America, with private equity or strategic investors, 2019-2023.



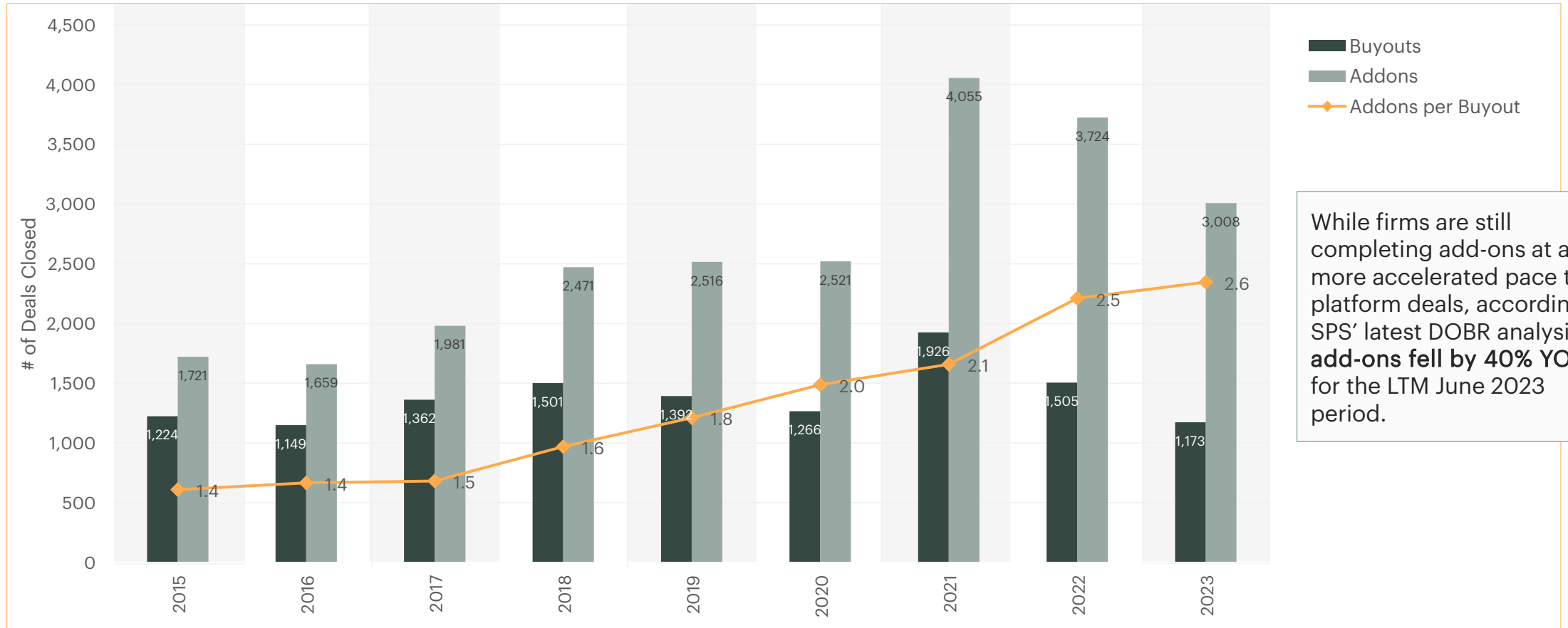
State of the Market: PE vs. M&A Activity

PE vs. Corporate – Deal Volume by Buyer Type YoY



Footnotes
 1 – Deals Closed by sector and size range, all sizes and types, comparing deal volume by PE and strategic buyers, 2021-2023.

YoY Sponsor Buyouts vs. Add-ons

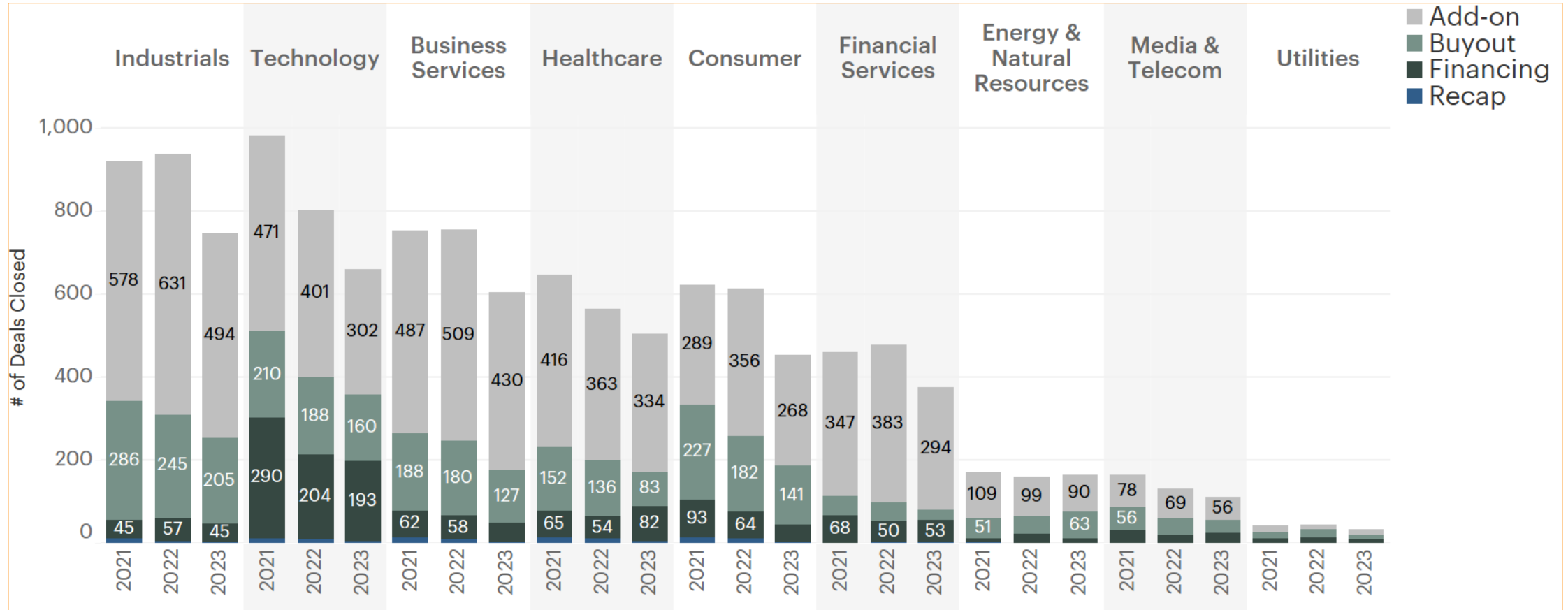


While firms are still completing add-ons at a more accelerated pace than platform deals, according to SPS' latest DOBR analysis, **add-ons fell by 40% YOY** for the LTM June 2023 period.

Footnotes

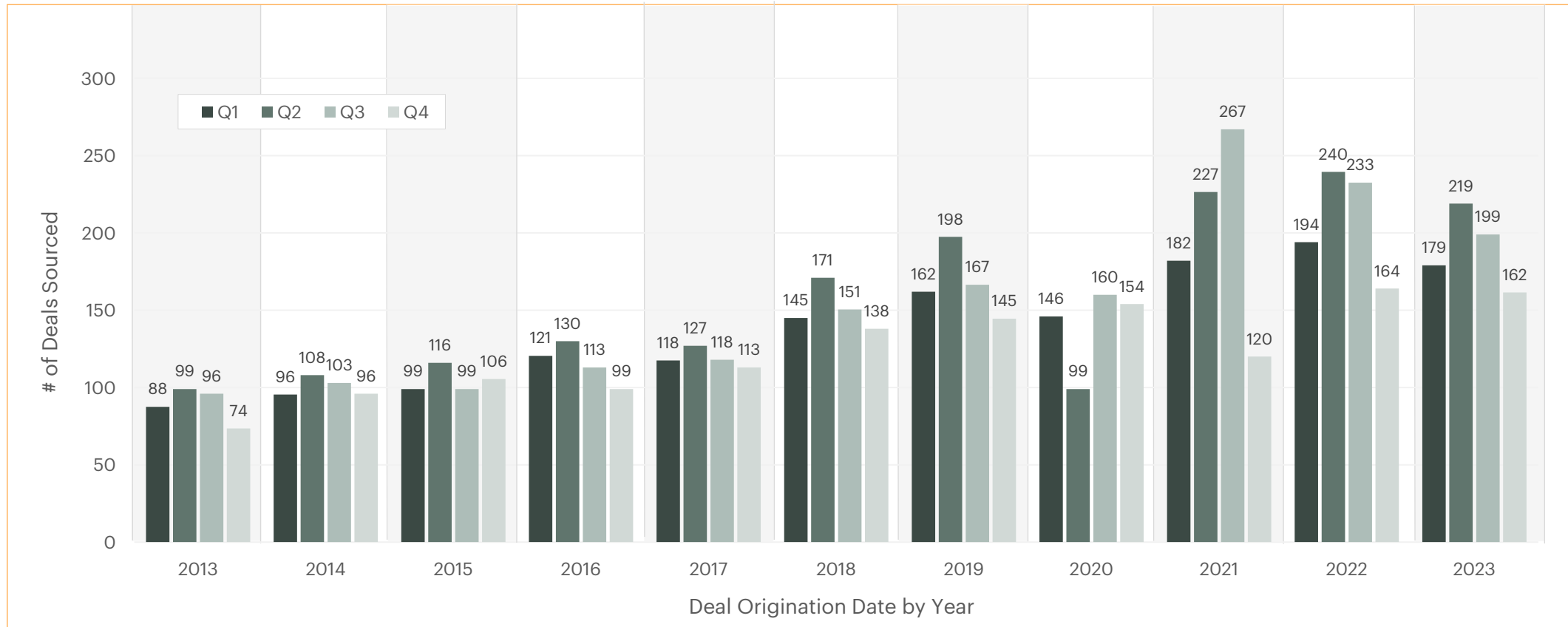
1 - New platforms and add-ons, all industries, 10+ MM EV, based in North America, with private equity buyers, 2015-2023.

Sector Overview by Deal Type - YoY



Footnotes
1 - Deals Closed by PE buyers only, all sizes, comparing Deal Type by Sector from 2021-2023.

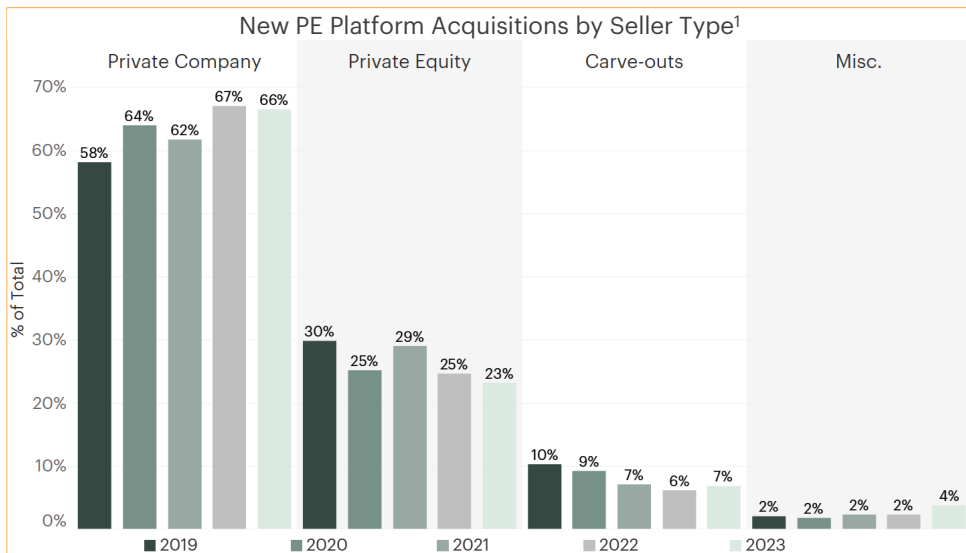
Median Sponsor Deal Flow – by Quarter



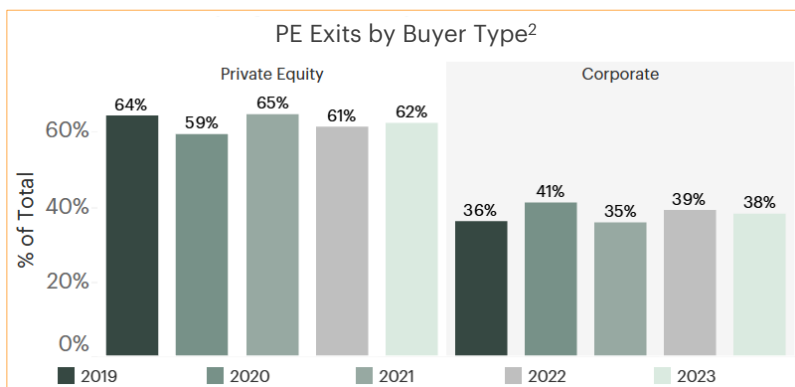
Footnotes

1 - Median # of Deals Originated in Q1, Q2, Q3, and Q4 between 2013-2023, by private equity firms.

Who do sponsors buy from?



Over the past 5 years, new sponsor platforms acquired from private equity sellers have decreased from 30% in 2019 to 23% in 2023.



As a proportion of sponsor exits, secondary buyouts (SBO) have slightly increased from 2022 to 2023.

Closed 5+ New Platforms
KKR & Co.
Salt Creek Capital Management
Alpine Investors
Argosy Capital
Arlington Capital Partners
Gemspring Capital
Incline Equity Partners
Audax Group
Blackstone Group
Garnett Station Partners
Gauge Capital
H.I.G. Capital
Hillcore Group
Kohlberg & Co.
Madison Dearborn Partners
Oaktree Capital Management
Thoma Bravo
Trinity Hunt Partners

Exited 5+ Platforms
Carlyle Group
Apollo Global Management
H.I.G. Capital
Bain Capital
Advent International Corp.
EnCap Investments
Vista Equity Partners
KKR & Co.
Oaktree Capital Management
Audax Group
Blackstone Group
Dubin Clark & Co.
Industrial Growth Partners
Madison Dearborn Partners
Ontario Teachers' Pension Plan

Footnotes
 1 – New North American platforms with private equity buyers, all industries, 10+ MM EV.
 2 – North American transactions with private equity sellers, all industries, 10+ MM EV.



Top Intermediaries for PE in 2023

\$10-49 MM EV
Generational Equity
Sica Fletcher
Benchmark International
Canaccord Genuity
Raymond James
Piper Sandler Cos.
Marsh, Berry & Company
Capstone Partners
America's Growth Capital
Dowling Hales
Houlihan Lokey
Lincoln International
Provident Healthcare Partners
Robert W. Baird
Stout Risius Ross
Edgemont Capital Partners
FOCUS Investment Banking
Cherry Tree
Corum Group
Founders Investment Banking

\$50-499 MM EV
Houlihan Lokey
Lincoln International
Robert W. Baird
Raymond James
Piper Sandler Cos.
William Blair & Co.
Jefferies & Co.
Harris Williams
Evercore Partners
BMO Capital Markets
Lazard
Moelis & Company
TD Cowen
Brown Gibbons Lang & Co.
Bank of America Merrill Lynch
Canaccord Genuity
Guggenheim Partners
RBC Capital Markets
Stifel, Nicolaus & Co.
Capstone Partners

\$500+ MM EV
Goldman Sachs
Evercore Partners
J.P. Morgan Chase
Morgan Stanley
Bank of America Merrill Lynch
Houlihan Lokey
Jefferies & Co.
Barclays Capital
Centerview Partners
Citigroup
Lazard
Qatalyst Partners
Raymond James
RBC Capital Markets
Guggenheim Partners
Harris Williams
Perella Weinberg Partners
William Blair & Co.
Deutsche Bank Securities
Liontree LLC

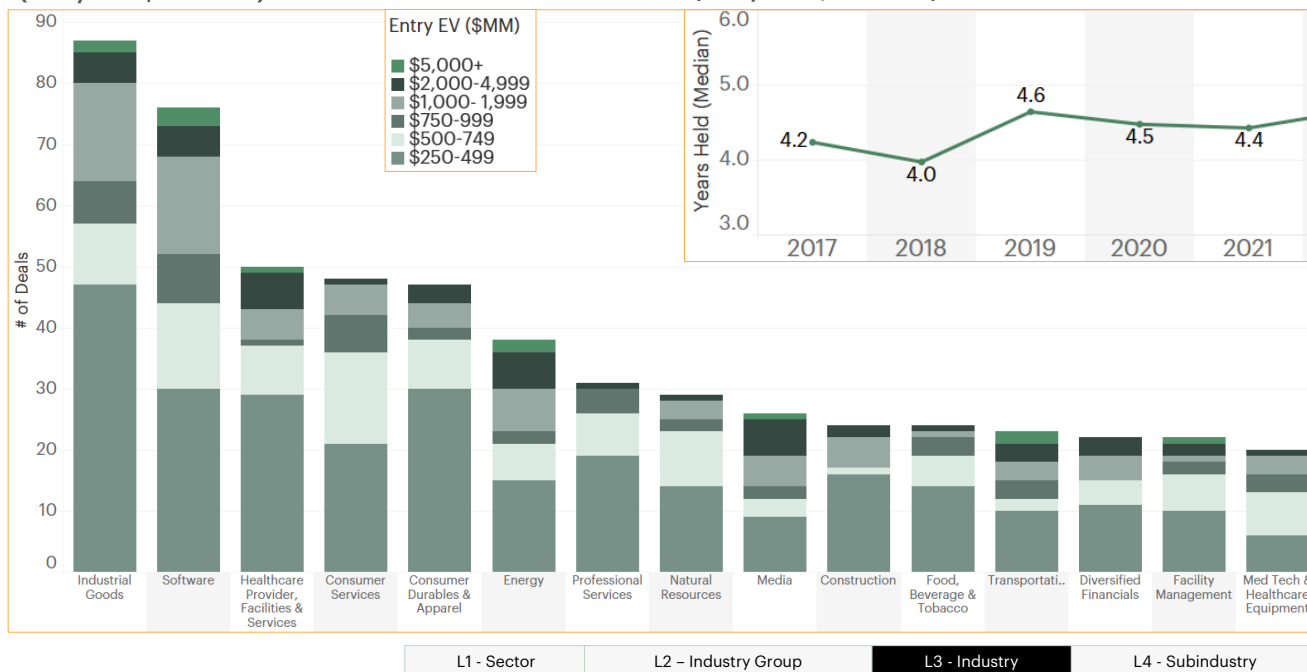
Footnotes

1 - Closed deals across all industries, 10+ MM EV, based in North America, with private equity investors and confirmed sell-side financial advisors.

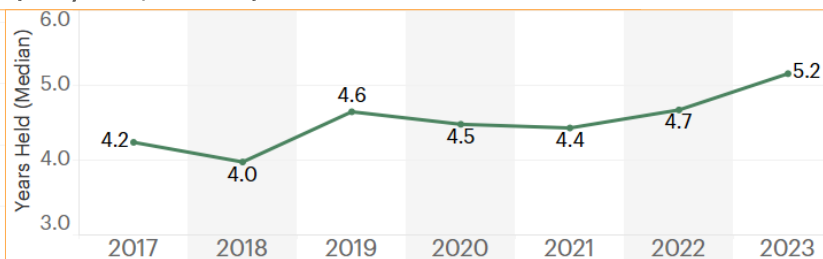
Track larger assets likely to come to market soon

With large assets being relatively scarce, Upper Market focused-funds must proactively identify new platform opportunities. Historic PE holding periods for larger PortCos are trending upward, indicating a surge of relevant target acquisitions in the months and years ahead.

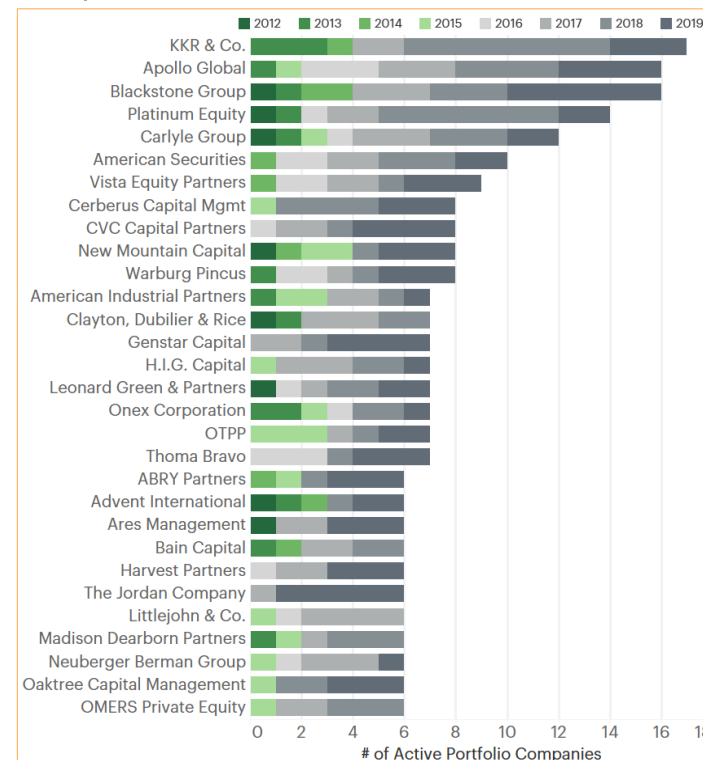
Active PortCos by Industry (Entry EV: \$250MM+)¹



Median Holding Period for Assets by PE Exit Year (Entry EV: \$250MM+)



Top Sponsors with Active PortCos by Acquisition Year (Entry EV: \$250MM+)¹



Footnotes
1 – Active PortCos in North America acquired by PE firms between 2012-2019 in the \$250MM+ EV range, in all sectors.

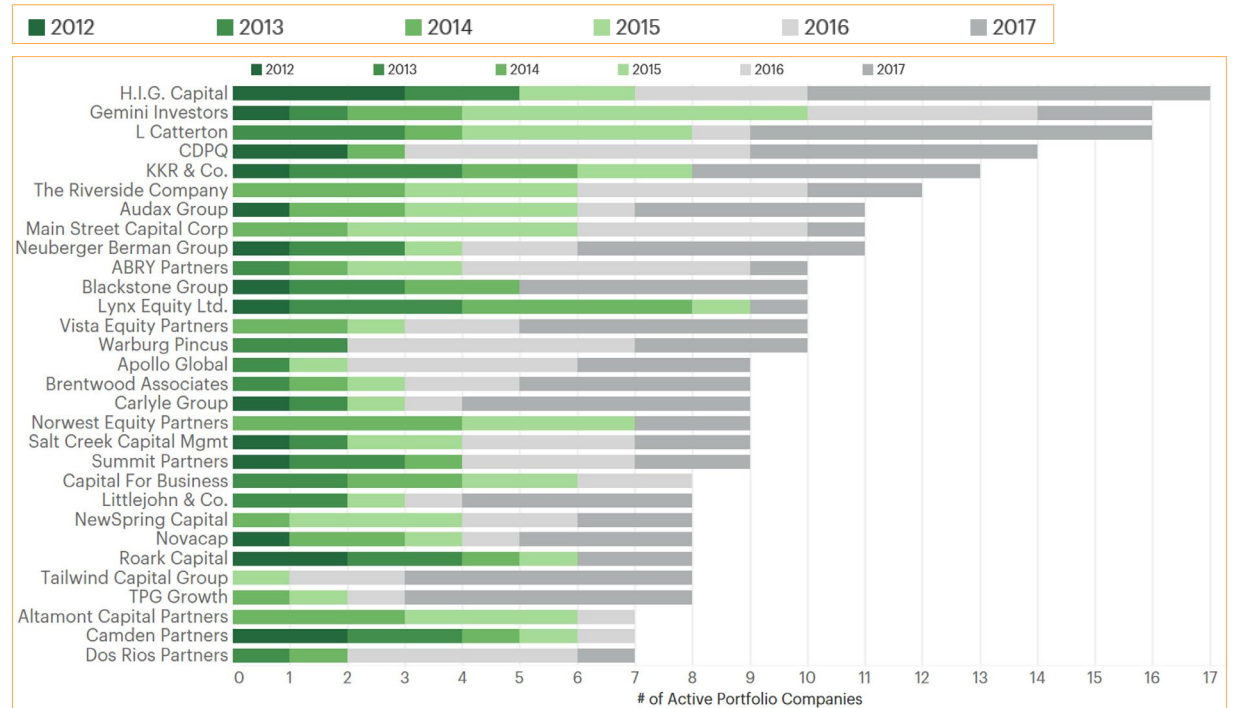
Identify PE PortCos held 6+ years for unique opportunities

Dwindling quality of deal flow demands that firms get creative in their sourcing tactics, such as taking stock of active companies being held for an above-average period.

Active PortCos by Industry Group and Acquisition Year¹



Top Sponsors with Active PortCos by Acquisition Year¹



Footnotes

1 – Active PortCos in North America acquired by PE firms between 2012-2017, in all size ranges and sectors.



The Source Newsletter

Source Talks: Sourcing strategies from top deal originators at leading firms

Market trends from industry experts

The latest data insights, outlooks, & reports

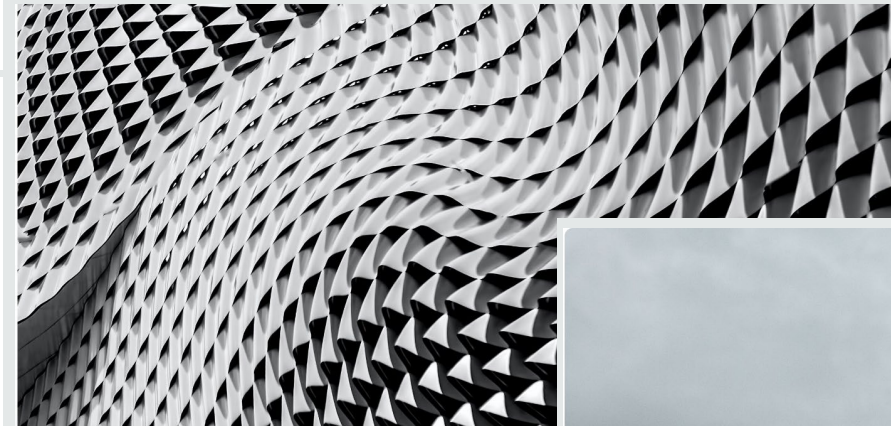
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Scott Erickson
Partner, Head of
Business Development

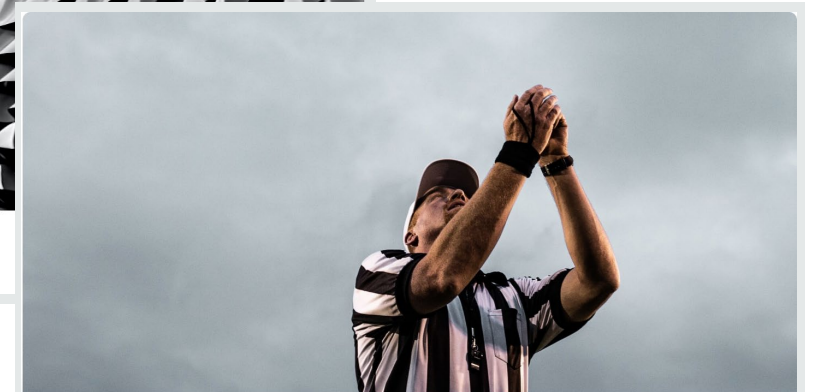
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How is Deal Activity Trending into 2024?



New rules of the game — Dealmaking in the Fed's new regime

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