



PRIVATE EQUITY CAREER NEWS

PE Webinar: Adapting Deal Sourcing Strategies to Thrive in 2024

Featured Speakers:

John Caple, Partner, **Hidden Harbor Capital Partners**

Andrew Collina, Managing Director, Head of Middle, Lower-Middle-Market Sponsor Coverage, **Stifel**

Sash Rentala, Partner, Head of Financial Sponsors, **Solomon Partners**

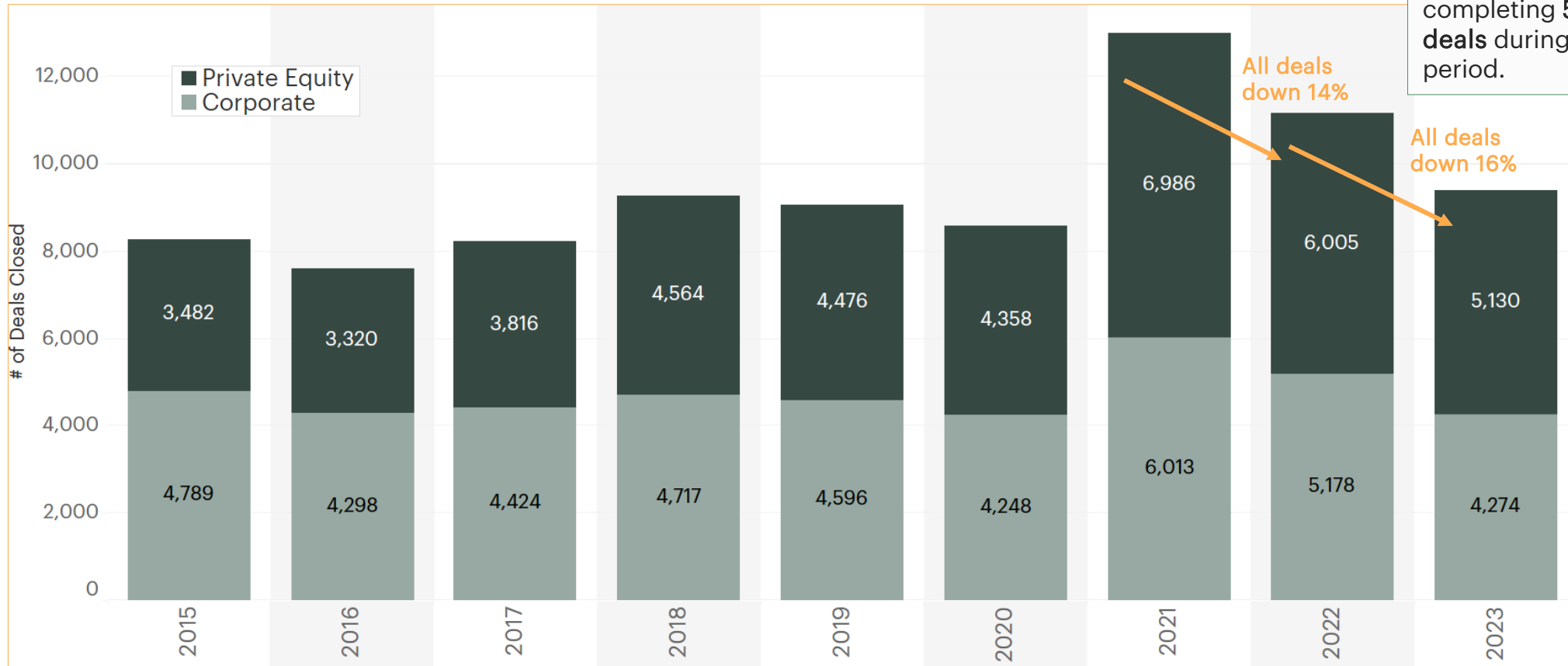
Nadim Malik, Founder & CEO, **SPS by Bain & Co**

Moderator: David M. Toll, Founder, **Private Equity Career LLC**



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

Annual M&A Deal Volume – by Buyer Type



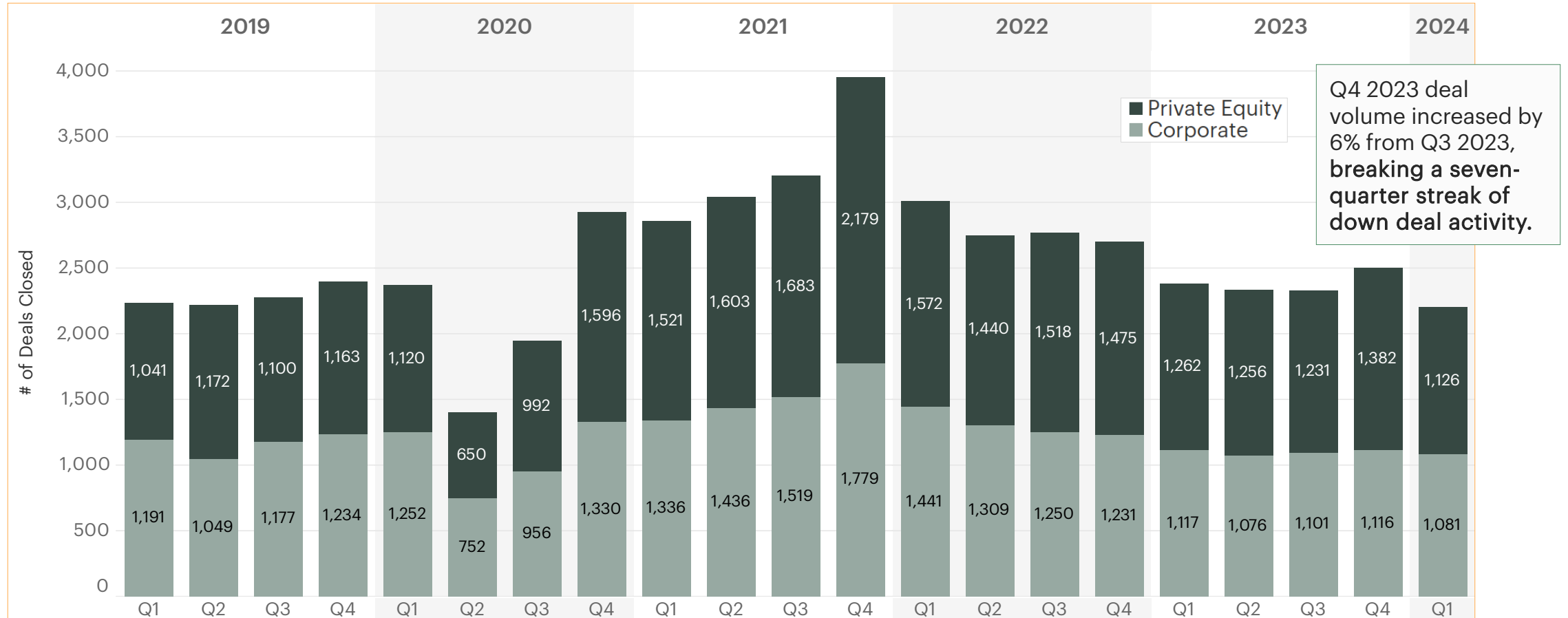
PE buyers continued to outpace corporate buyers in 2023, completing 55% of deals during this period.

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



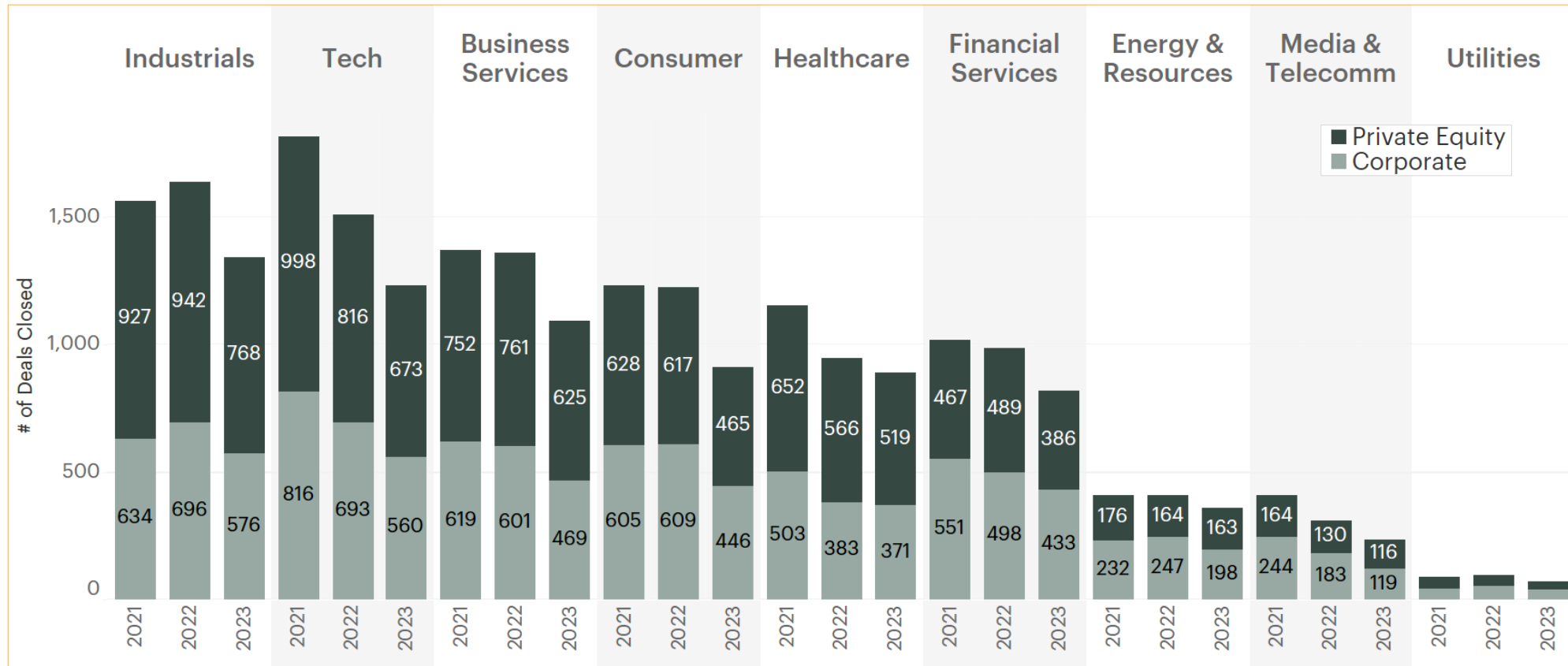
Q4 2023 deal volume increased by 6% from Q3 2023, breaking a seven-quarter streak of down deal activity.

Footnotes
 1 – Deals Closed across all industries, 10+ MM EV, based in North America, with private equity or strategic investors, 2019-2024.



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

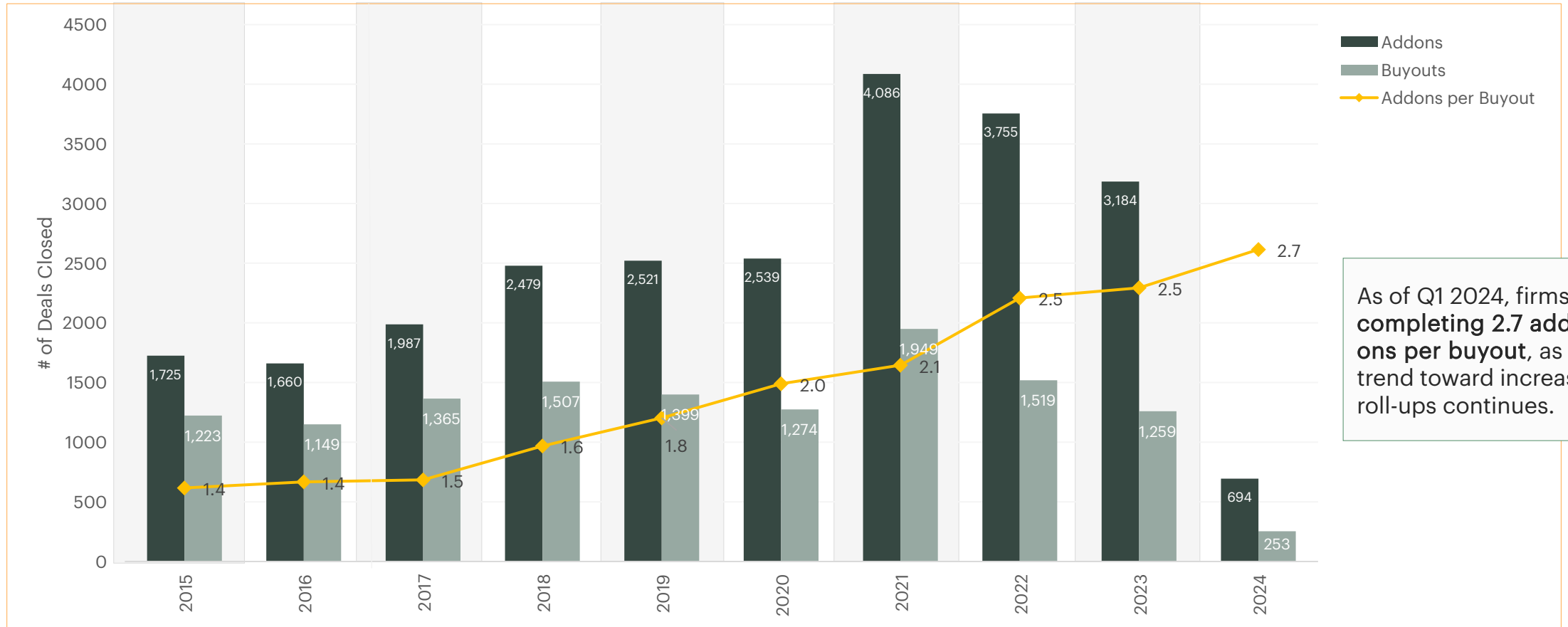
PE vs. Corporate – Deal Volume by Buyer Type YoY



Footnotes

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

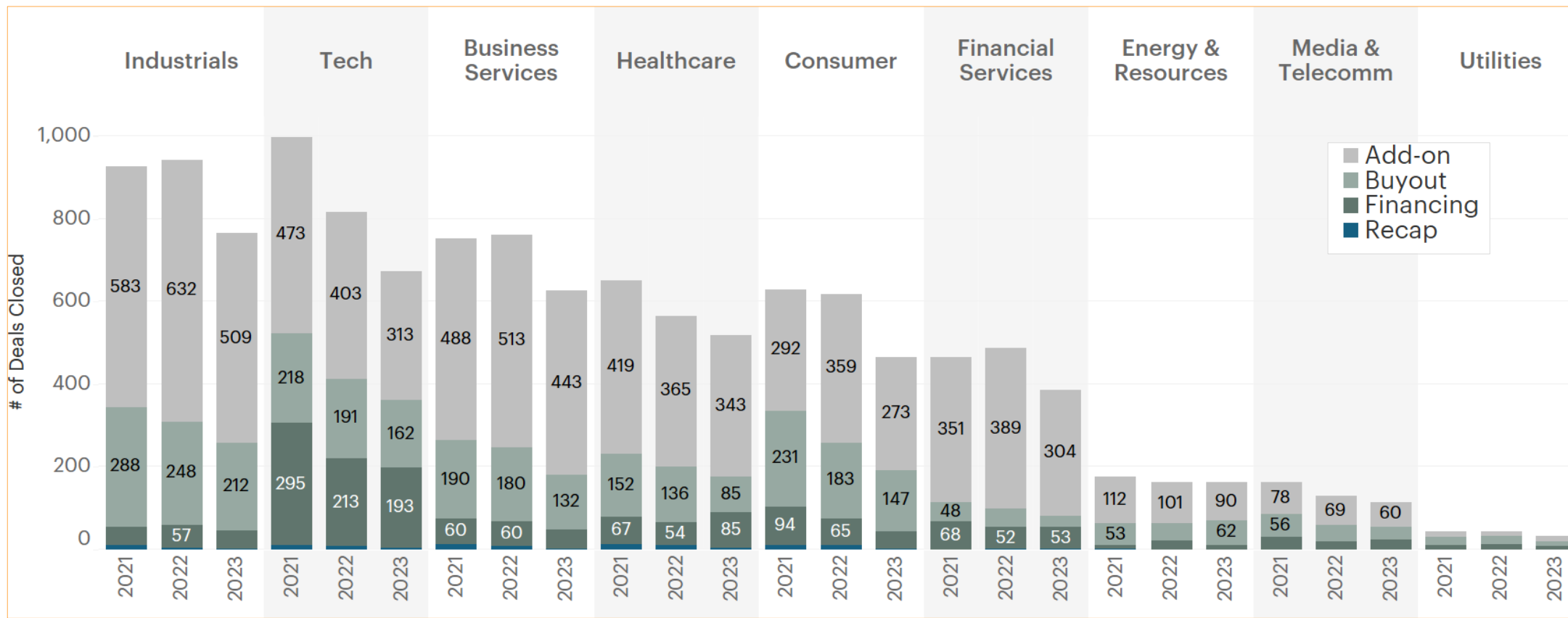
YoY Sponsor Buyouts vs. Add-ons



As of Q1 2024, firms are completing 2.7 add-ons per buyout, as the trend toward increasing roll-ups continues.

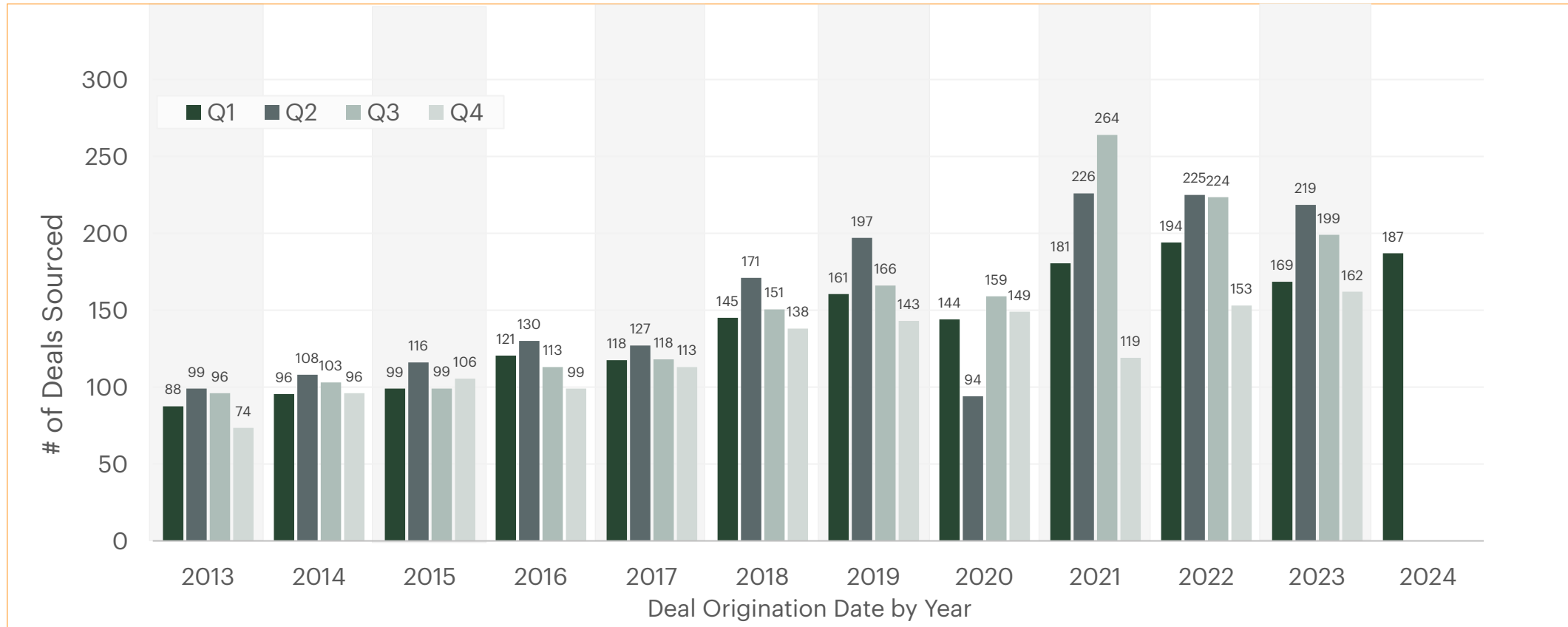
Footnotes
1 - New platforms and add-ons, all industries, 10+ MM EV, based in North America, with PE buyers, 2015-2024.

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 2013-2024, by private equity firms.



2023 Intermediary Breakdown

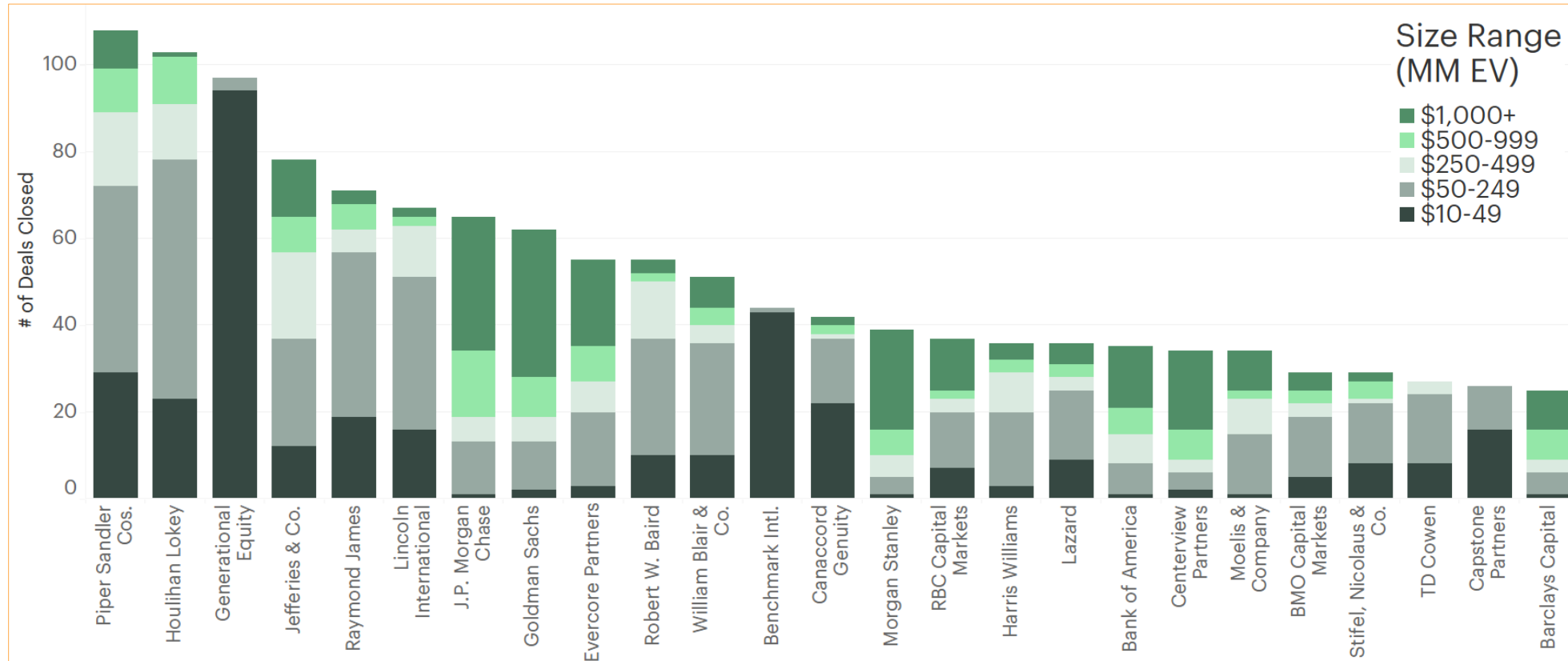
Of 880 active intermediaries in 2023, 73% closed 3 or less deals

- ↑ 143 firms sold a business for the first time in 2023
 - 11.2% closed 2 or more deals in their first year!
- ↓ 387 firms active in 2022 were NOT active in 2023
 - Due to firms doing one-off deals, I-bank consolidation, out of business
- ↻ ~530 firms – potential relationship churn, each year
 - How do you currently identify new firms and filter out inactive ones?

Top Sell-Side Intermediaries of 2023 Buyouts, PE Buyers only

Houlihan Lokey
Robert W. Baird
Goldman Sachs
Lincoln International
Harris Williams
Raymond James
William Blair & Co.
Piper Sandler Cos.
Jefferies & Co.
Evercore Partners
Morgan Stanley
Canaccord Genuity
Generational Equity
Lazard
RBC Capital Markets
Bank of America Merrill Lynch
BMO Capital Markets
Guggenheim Partners
FMI Capital Advisors
Moelis & Company
Stifel, Nicolaus & Co.
Bank Street Group
Benchmark International
Centerview Partners
Gulfstar Group
J.P. Morgan Chase
Solomon Partners
Stout Risius Ross
TD Cowen
Barclays Capital

2023 Top Intermediaries by Size Range



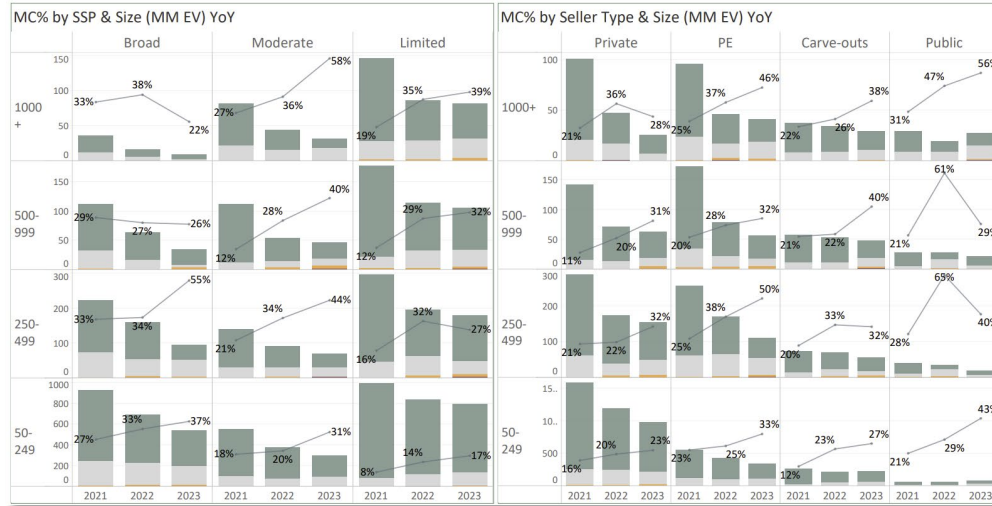
Footnotes

1 - Top 25 Sell-Side Intermediaries advising on Deals Closed by PE and corporate buyers, by Deal Size in 2023

SPS Prism - Target Market Trend Analysis

Client: Blue Steel Investors
 Target: All Sectors \$50-\$1,999 MM EV
 Data as of: 3/28/2024 3:13:14 PM

The SPS Prism is a premium report available exclusively to SPS clients, including various views into target market deal activity and clients' market coverage.



Mkt Cov % of Top 25 PE Buyers - YoY

Buyer	2021	2022	2023
Insight Partners	4%	5%	0%
KKR & Co.	28%	17%	28%
Audax Group	15%	38%	21%
Blackstone Group	18%	0%	9%
H.I.G. Capital	30%	28%	60%
TA Associates	11%	22%	33%
Clearlake Capital Group	4%	27%	40%
Bain Capital	20%	20%	33%
Carlyle Group	16%	19%	63%
General Atlantic	14%	14%	36%
TPG Capital	11%	7%	44%
Warburg Pincus	17%	0%	9%

Mkt Cov of Top 25 Intermediaries - YoY

Intermediary	2021	2022	2023
Houlihan Lokey	30%	31%	44%
William Blair & Co.	32%	27%	40%
Jefferies & Co.	24%	41%	55%
Piper Sandler Cos.	30%	43%	47%
Robert W. Baird	32%	37%	53%
Lincoln International	33%	37%	43%
Raymond James	30%	44%	44%
Goldman Sachs	19%	32%	53%
Harris Williams	35%	40%	64%
J.P. Morgan Chase	20%	38%	47%
Evercore Partners	31%	37%	38%
Lazard	31%	26%	54%
Moelis & Company	19%	39%	56%
Stifel, Nicolaus & Co.	38%	28%	35%
Bank of America Merrill Lynch	19%	54%	20%
RBC Capital Markets	26%	27%	35%
Morgan Stanley	23%	40%	43%
Canaccord Genuity	37%	31%	47%
TD Cowen	33%	35%	37%
Barclays Capital	16%	35%	50%
Guggenheim Partners	31%	22%	33%
Citigroup	23%	33%	69%
Credit Suisse	24%	56%	60%
BMO Capital Markets	32%	35%	59%
Centerview Partners	29%	21%	33%

Mkt Cov of Top 25 Intermediaries by Sector (L1)

Intermediary	Industrials	Tech	Consumer	Healthcare	Business Services	Financial Services	Energy & Resources	Media & Telecom	Utilities
Houlihan Lokey	62	34	40	47	56	34	10	12	3
William Blair & Co.	52	84	33	40	33	6	6	2	
Jefferies & Co.	45	34	41	23	11	33	4	2	
Piper Sandler Cos.	40	13	38	42	16	57	24	1	
Robert W. Baird	76	40	36	22	43	2	10	2	
Lincoln International	84	29	29	24	27	1	8	1	1
Raymond James	31	47	16	11	24	42	6	4	
Goldman Sachs	26	39	37	19	9	19	5	16	9
Harris Williams	40	18	36	29	27	6	3	2	
J.P. Morgan Chase	23	30	19	31	10	17	14	6	6
Evercore Partners	27	30	16	13	9	24	19	9	2
Lazard	25	27	15	16	5	5	14	12	8
Moelis & Company	15	12	21	27	15	11	9	16	1
Stifel, Nicolaus & Co.	33	19	17	10	15	1	9	4	
Bank of America Merrill Lynch	24	11	23	14	8	9	11	2	5
RBC Capital Markets	20	13	15	5	4	9	32	3	1
Morgan Stanley	17	20	15	15	3	17	8	4	2
Canaccord Genuity	1	21	8	9	32	3	7	4	
TD Cowen	21	13	14	22	7	2	2	2	2
Barclays Capital	9	17	3	15	3	14	15	2	4
Guggenheim Partners	7	30	5	16	14	4	1	2	2
Citigroup	18	9	3	7	2	4	13	4	5
Credit Suisse	5	11	15	7	5	4	8	1	4
BMO Capital Markets	16	1	9	2	6	6	18		
Centerview Partners	4	13	7	25	4	2	3		

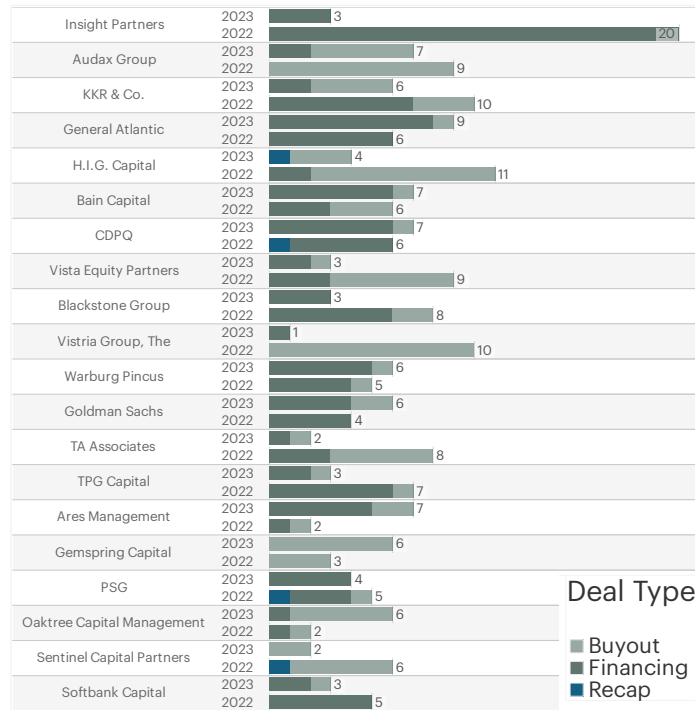
By evaluating YoY trends in target market activity against the effectiveness of client's deal sourcing function, Prism provides a deeper, more nuanced picture of the forces impacting dealmaking and opportunities to strike than raw data alone.



2024 SPS Deal Sourcing Databook

Middle Market (\$50-499MM EV) Activity Snapshot

Top PE Buyers, 2023
(Excluding add-ons)



Market Activity by Industry Group & Deal Size by Process, 2022 & 2023
(Including add-ons)

Industry Group	Limited	Moderate	Broad
Software	190	139	125
Industrial Goods	81	62	204
Healthcare Provider, Facilities & Services	42	53	117
Professional Services	47	41	110
Construction	35	28	101
Consumer Services	47	32	57
Food, Beverage & Tobacco	23	17	60
Facility Management	27	23	47
Consumer Durables & Apparel	16	15	49
Pharma & Biotech	39	14	22
Natural Resources	13	19	42
Energy	38	9	16
Med Tech & Healthcare Equipment	25	6	29
Media	27	17	13
IT Services	14	19	20

Top Intermediaries by Sector – 2022 vs. 2023
(Including add-ons)

Intermediary	Industrials		Tech		Consumer		Business Services		Healthcare		Financial Services		Energy & Resources		Media & Telecomm		Utilities	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Houlihan Lokey	9	11	7	3	10	5	8	15	8	8	6	5	2	1	1	1	1	1
Lincoln International	23	9	8	8	6	6	9	6	7	5			3	1			1	
William Blair & Co.	8	5	13	7	8		6	3	8	5	1	3		1	1	1		
Robert W. Baird	8	7	3	7	5	5	8	8	6	1	1	1	1	1				
Raymond James	9	5	5	13	2	2	5	3	2	2	5	4			1	1		
Piper Sandler Cos.	10	4	1	2	5	3	3	3	3	9	2	3	6	3				
Harris Williams	3	5	4	4	12	7	5	3	7	3			3					
Jefferies & Co.	8	2	4	2	5	7	1	2	4	5	2	2	3		1	1	1	1
Evercore Partners	4	2	6	5	1	2	1	1	1		3	3	1	2	2		1	
TD Cowen	6	5	5	2	5	1	3	1	1	3							1	
Lazard	1	2	8	3	3	3	1	1	1				1	2	2	2	1	1
Canaccord Genuity			4	2	1		9	7	2	1		1	1					
Stifel, Nicolaus & Co.	8	3	3	3	2	1	2	2	1						1			
Moelis & Company		1	2	2	5	1	2	1	1	3		2			2	3		
Goldman Sachs	1	1	4	2	7	2			1		2	1			2		1	
Guggenheim Partners	2		5	5		1	3		1	1	1	1	1			1		1
J.P. Morgan Chase	2	1	2	3	1	2		1	4			1	3				2	
RBC Capital Markets		2	4	3	2	1	1		1	1	1	1	1	1	1	1		
Brown Gibbons Lang	3	1			1		4	3		4				4				
BMO Capital Markets	3	6			1	3		3	1		1			1				

Footnotes

1 - Deals Closed across all industries, 50-499 MM EV, based in North America, with PE buyers only, 2022-2023.



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