



# Sector Dynamics Report

PE and M&A  
Industry Insights



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## Introduction - Section 1

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Private equity firms are increasingly adopting sector-focused strategies, recognizing that specialization can provide a crucial edge. As firms strive to outperform in a crowded market, the ability to generate top-tier returns is no longer confined to traditionally high-growth sectors. Instead, success hinges on the strategic alignment of a firm's unique strengths with the sectors where those capabilities will be most impactful.

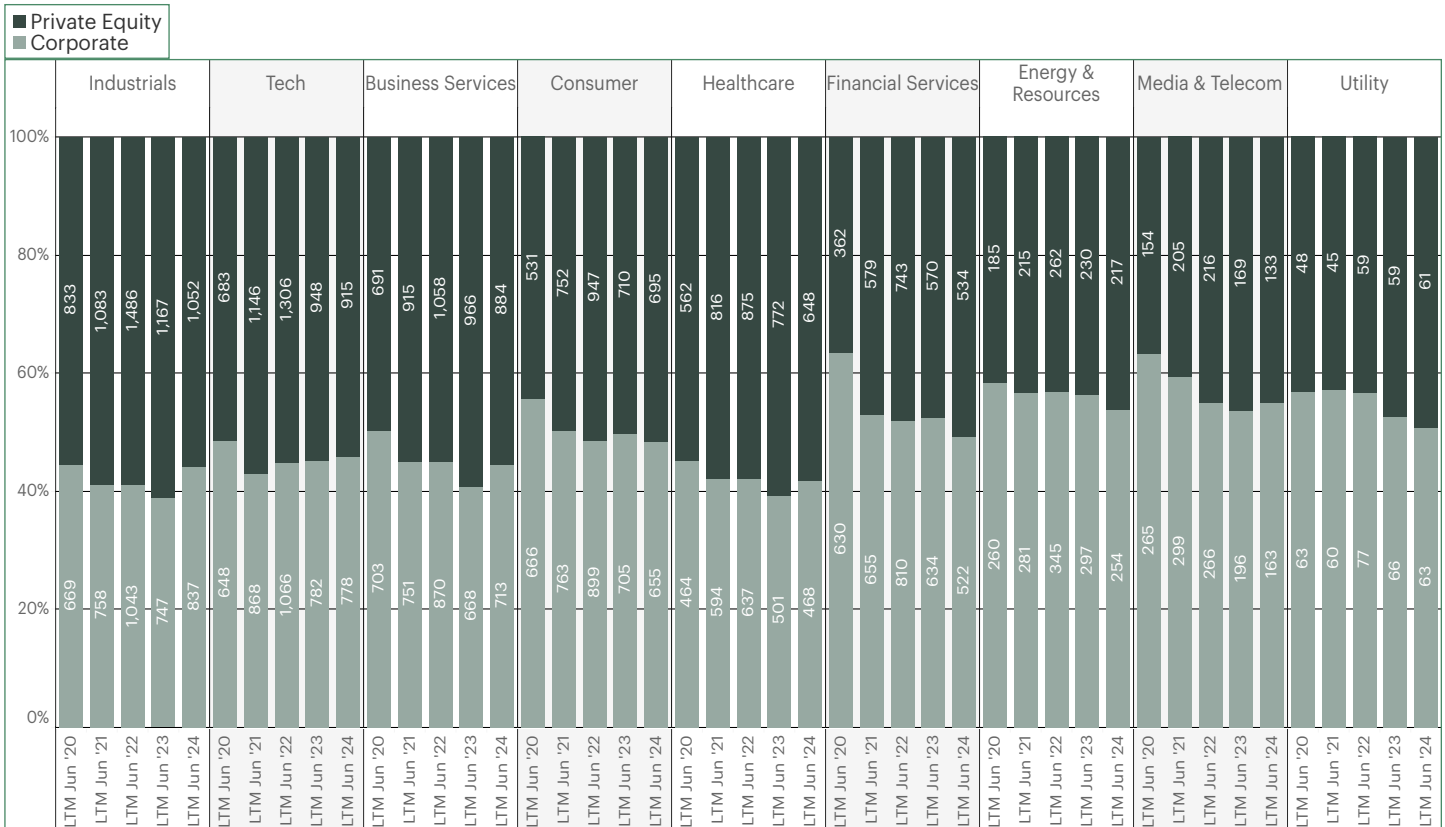
Historically, these strategic decisions have often been guided by intuition and experience. Today, the emergence of advanced data analytics tools is transforming this process, offering firms a fact-based approach to refining their sector focus. By leveraging data-driven insights, private equity firms can better navigate the complexities of sector and sub-industry dynamics, optimizing their investment strategies to achieve superior outcomes.

This report examines evolving M&A trends through sector and sub-industry analysis, demonstrating how data-driven strategies empower firms to identify opportunities, mitigate risks, and enhance their competitive positioning.

### 1.1 Market Activity by Buyer Type & Sector (L1) - Private Equity vs. Corporate Buyers

Deals Closed across all sectors, 10+ MM EV, based in North America, with private equity or corporate investors, 7/1/19-6/30/24.

L1 - Sector
L2 - Industry Group
L3 - Industry
L4 - Subindustry



**Figure 1.1** - At the sector level (L1), private equity investors have increasingly overtaken corporate investors in deal activity across most sectors in recent years. This trend is particularly pronounced in the **Consumer**, **Financial Services**, and **Healthcare** sectors, which have seen a notable year-over-year increase in private equity-backed deals since 2020.

In the three most active sectors—**Industrials**, **Technology**, and **Business Services**—private equity buyers have consistently surpassed corporate buyers in total deal volume over the last five years.

### 1.2 Top 25 PE Buyers by Sector (L1) & Industry Group (L2)

Deals Closed across all sectors, 10+ MM EV, based in North America, with private equity investors, 7/1/19-6/30/24.

L1 - Sector
L2 - Industry Group
L3 - Industry
L4 - Subindustry

	Total	Financial Services					Tech			Business Services				Industrials			Healthcare				Consumer					Energy & Resources		Media & Telecom		Utility	
		Insurance	Asset & Wealth Mgmt	Diversified Financials	Financial Tech & Payments	Banks	Software	IT Services	Hardware	Prof. Services	Facility Mgmt.	BPO	Logistics	Industrial Goods	Construct.	Transport	Provider, Facilities & Services	Pharma & Biotech	Med Tech & Equipment	Life Sciences Tools & Services	Services	Consumer Durables & Apparel	Food & Beverage	Household & Personal Products	Retail & Dist.	Natural Resources	Energy	Media	Telecom	All Utilities	
Audax Group	317	5	5	1		19	2	1	6	28	6	1	63	29	19	69	4	13		10	9	4			17	1	1	2	2		
Hellman & Friedman	297	173	38	2		2	16		1	38		3			1	5	1	5	2	8	1							1			
Genstar Capital	284	52	95	7		2	30		16	1	9		37	8		11	2	1	4	3	2						3	1			
KKR & Co.	283	33	2	1		1	50	3	4	18	26		1	28	5	4	25	7	5	11	16	3	2	3	2	7	4	14	3	5	
Carlyle Group	279	88	2	5			44	2	1	21	1	1	4	17	18	5	17	7	4	5	4	4	9	2		1		5	7	5	
TA Associates	225	2	61	3	4		113	6		10		6		1		5	1		1	5		4					3				
Huntsman Gay Global Capital	222	133	27	1		1	22		13		1			5		11				5			1				2				
Kelso & Co.	195	94	2	6			3	2		29	1	2		27	8		8	1				1	1		2	8					
Charlesbank Capital Partners	194	114	6	4		1	22	7		14		2	1	4	1	1	10	2			1	2	1	1							
Warburg Pincus	190	7	27	4	1	3	27		10	43	1		14	6		10	1		1	12	2	1			5	10	3		2		
Stone Point Capital	186	63	13	8	1	5	36	1		28	1	14			1	15															
Clearlake Capital Group	179	3	3	3			66	4	1	9	1		22	5			1	2		35	7	6		2	5		4				
Insight Partners	178	2		5	5	3	128	3		10		1		4		2	1		1	6	1			2		1	3				
New Mountain Capital	174	1	2	2	1		30		34	16	1		7	10		16	4	3	3	23	1	4			5	2	4		5		
The Riverside Company	172		1	1			40	9	2	20	15	4		4	29		7	4	1		17	8	6	1	2		1				
Aquiline Capital Partners	169	64	10	5			51	3		11	2	5	1		1	13				2							1				
Blackstone Group	164	3	4	3	2		36	2		20	1	5	2	7	13		6	7	4	3	13	5		2	1	7	10	3	5		
Alpine Investors	161	1		3			34	13		20	15			1	19		17			31	2	3						2			
Gryphon Investors	161						15		1	11	31	2	5	13	11	1	40		2		14	2	2	1	7			3			
Thoma Bravo	158	4	2	3	4		115	8		12		2		1		1				1							5				
H.I.G. Capital	149	1		1			14	5		29	2	1	5	29	8	2	20	3	1	1	5	3	1		1	12		4		1	
Madison Dearborn Partners	149	64	13	3	1		13	6		16		1		9	3		11	1	1		1						3	3			
GTCR Golder Rauner	145	39	6	2	3		26	5		7	2			7	5		5	8	8	2	12							8			
Bain Capital	137		1	2	1		26	3		5	1			12	19	1	11	3	2	1	2	7	6	2	3	27		2			
BHMS Investments	135	134								1																					
<b>Total</b>	<b>4,809</b>	<b>1,078</b>	<b>317</b>	<b>73</b>	<b>22</b>	<b>17</b>	<b>939</b>	<b>75</b>	<b>11</b>	<b>392</b>	<b>188</b>	<b>66</b>	<b>20</b>	<b>304</b>	<b>205</b>	<b>34</b>	<b>333</b>	<b>53</b>	<b>44</b>	<b>33</b>	<b>225</b>	<b>59</b>	<b>51</b>	<b>13</b>	<b>13</b>	<b>93</b>	<b>25</b>	<b>66</b>	<b>35</b>	<b>25</b>	

**Figure 1.2** - Deal activity among the most active sponsors is heavily concentrated in the top four sectors by deal volume. PE firms are particularly active within the **Financial Services** sector, driven by an increase in roll-up strategies over recent years.

### 1.3 Top 25 Intermediaries by Sector (L1) & Industry Group (L2)

Deals Closed across all sectors, 10+ MM EV, based in North America, with private equity and corporate investors and sell-side intermediaries, 7/1/19-6/30/24.

L1 - Sector
L2 - Industry Group
L3 - Industry
L4 - Subindustry

	Total	Industrials			Tech			Consumer					Healthcare					Business Services				Financial Services					Energy & Resources		Media & Telecom		Utility
		Industrial Goods	Construct.	Transport	Software	IT Services	Hardware	Food & Beverage	Services	Consumer Durables & Apparel	Retail & Dist.	Household & Personal Products	Provider, Facilities & Services	Pharma & Biotech	Med Tech & Equipment	Life Sciences Tools & Services	Prof. Services	Facility Mgmt.	BPO	Logistics	Banks	Insurance	Asset & Wealth Mgmt	Diversified Financials	Financial Tech & Payments	Energy	Natural Resources	Media	Telecom	All Utilities	
Houlihan Lokey	596	84	25	10	68	5	1	47	17	20	2	5	49	14	9	2	68	25	8	3	7	23	18	25	1	7	15	13	18	7	
Piper Sandler Cos.	528	35	14	5	44	3		27	34	11	5	11	12	19	36	3	13	17	3	2	111	38	21	10	2	25	20	3	1	3	
Goldman Sachs	481	50	11	9	94	6	2	25	24	14	2	8	17	29	10	2	12	7	2	1	11	15	23	12	5	16	11	28	15	20	
Jefferies & Co.	470	69	14	6	71	1	6	13	24	18	4	5	43	27	13	5	25	1	2	10	2	7	7	16	1	53	11	7	1	8	
William Blair & Co.	464	68	16	10	148	3	1	17	19	14	1	7	25	24	15	3	27	11	8	4		7	4	3	10		12	6	1		
Generational Equity	444	87	84	5	18	9	5	7	28	25	9		18	2	10	1	50	39	10	6		1		2	1	2	13	2	8	2	
Raymond James	429	33	27	6	115	6	1	8	10	6	1	4	19	8	7	1	23	16	10	4	27	10	36	15	10	10	4	8	2	2	
Robert W. Baird	410	99	22	4	67	12	5	7	21	36	2	2	15	7	14	5	51	15	4			1	1	2		1	12	5			
Lincoln Intl.	394	118	22	9	64	4	3	22	7	16	2	5	25	9	12	1	24	14	4	7	2	1		2	2	14	4			1	
J.P. Morgan Chase	390	31	12	10	64	8	8	10	24	6			16	23	18	3	14	4	3	6	9	17	9	6	6	26	17	12	6	16	
Evercore Partners	338	26	13	4	60	3	3	16	10	4	5	2	13	17	1	1	19	1	2	2	4	22	18	11	4	37	13	8	16	3	
Harris Williams	292	45	20	11	29	6	2	22	27	10	5	1	32	5	5	2	15	20	2	11			1		7	8	2	1	3		
Moelis & Company	269	13	11	4	20	4	1	11	17	7	6	4	26	11	8		20	13	1		1	3	11	10	3	9	13	31	5	6	
Morgan Stanley	267	22	4	13	53	3	4	9	13	4	1	2	7	18	6	3	8	1		3	4	20	13	4		11	13	12	6	10	
Lazard	263	36	7	3	36	5	5	13	6	10	4	3	8	17	1	2	8	5	4	1	3	4	7	3	1	15	17	13	12	14	
RBC Capital Markets	239	29	17	6	19	6		17	3	4	3	2	3	6			6	2		2	5	4	13	9	2	43	16	4	6	12	
Bank of America	232	24	13	8	29	2	4	11	13	8	5		13	15	6	1	5	6	2	1	2	9	6	4	4	9	12	5	3	12	
Stifel, Nicolaus	218	40	15	5	32	3	5	11	3	17	4		4	13	4		15	11	2	8			2		5	8	4	6	1		
Canaccord Genuity	211	13			69	5	1	10	5	3		1	2	13	2		62	2						3	1	11	8				
Guggenheim Partners	182	12	4		44	13		1	3	6	2	3	20	11	10		24	2	1	2		1		3	1	4	3	6		6	
TD Cowen	177	30	9	1	24	5	4	12	10	7	5		5	23	3	5	4	5	4	1	1			2	6	1	3	1	4	2	
Centerview Partners	172	3	4	3	19	1	2	11	4	5	3		15	68	3	2	8	2			1	1	1	4	2		1	3	2	4	
Barclays Capital	171	12	6	5	29	4	3	4	2	5	1		18	6		1	4	3			2	10	4	6	1	20	8	4	4	9	
Capstone Partners	167	23	20	3	28	3	2	6	7	8	6	1	9	2	2	1	17	6	3	3		3		2		8	1	2	1		
Citigroup	167	26	13	3	17	8		2	5	3	1	1	10	4	3	1	4			1	1	4	2	2	6	2	21	8	5	3	11
<b>Total</b>	<b>7,156</b>	<b>920</b>	<b>365</b>	<b>123</b>	<b>1,131</b>	<b>114</b>	<b>60</b>	<b>320</b>	<b>311</b>	<b>243</b>	<b>74</b>	<b>65</b>	<b>382</b>	<b>326</b>	<b>181</b>	<b>37</b>	<b>490</b>	<b>209</b>	<b>72</b>	<b>71</b>	<b>188</b>	<b>178</b>	<b>175</b>	<b>135</b>	<b>58</b>	<b>282</b>	<b>237</b>	<b>178</b>	<b>107</b>	<b>124</b>	

**Figure 1.3** - The most active intermediaries consistently operate across several sectors and industry groups. Effective intermediary coverage requires that PE firms build relationships with specific industry teams within advisory firms.



### 1.4 Market Activity by Sector (L1) & Industry Group (L2) & Deal Type

Deals Closed across all sectors, 10+ MM EV, based in North America, with private equity or corporate investors, 7/1/19-6/30/24.

L1 - Sector
L2 - Industry Group
L3 - Industry
L4 - Subindustry

Deal Type	
■ Addons	
■ Buyouts	
■ Financing	

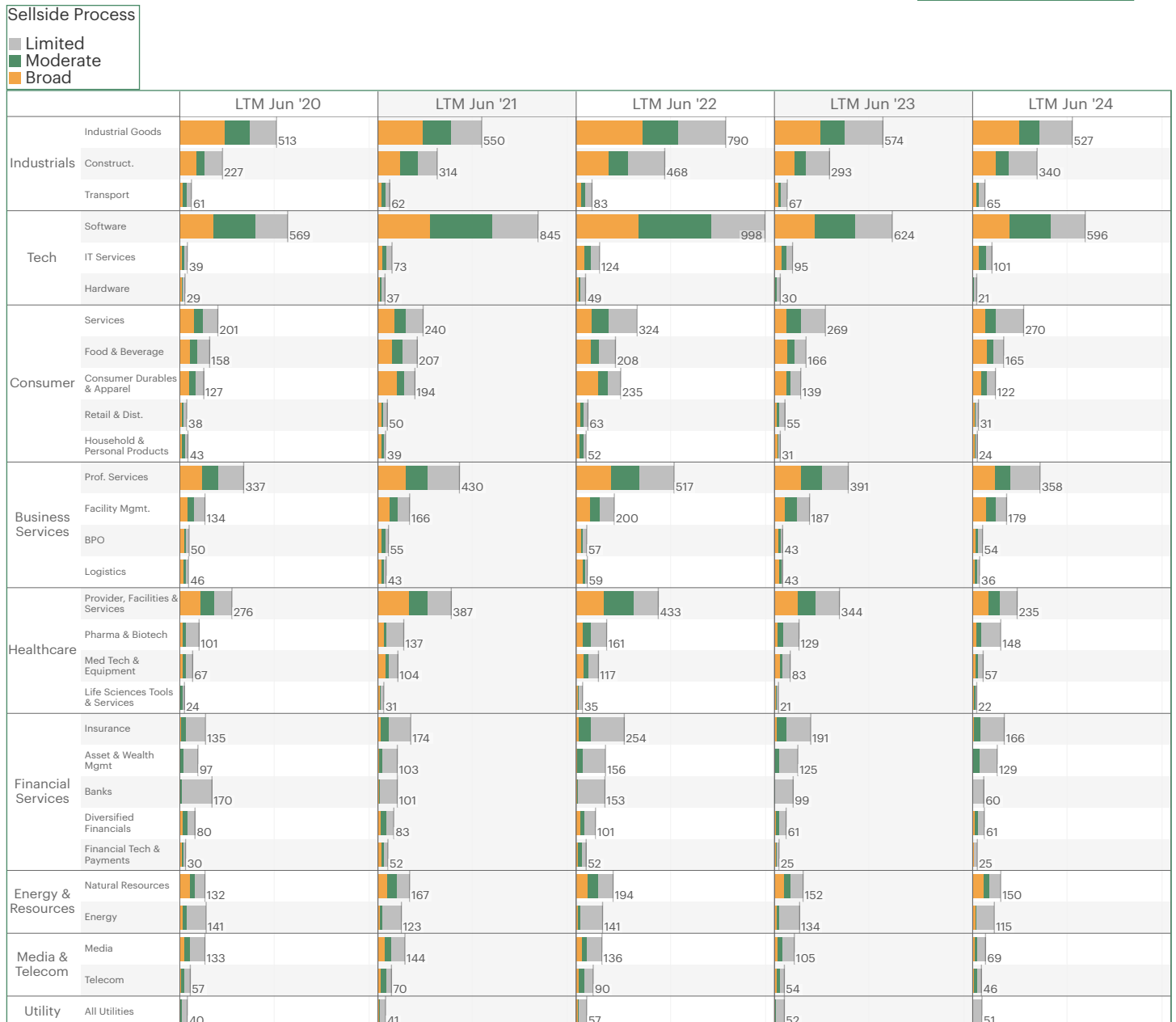
		LTM Jun '20	LTM Jun '21	LTM Jun '22	LTM Jun '23	LTM Jun '24
Industrials	Industrial Goods	902	1,044	1,453	1,146	1,032
	Construct.	485	660	919	625	714
	Transport	115	137	157	143	143
Tech	Software	1,139	1,753	2,049	1,435	1,407
	IT Services	121	183	226	228	224
	Hardware	71	78	97	67	62
Business Services	Prof. Services	872	1,053	1,156	945	950
	Facility Mgmt.	292	378	494	450	427
	BPO	131	141	147	146	140
	Logistics	99	94	131	93	80
Consumer	Services	506	630	839	712	709
	Food & Beverage	322	399	436	321	291
	Consumer Durables & Apparel	221	325	383	242	231
	Retail & Dist.	73	89	109	92	76
	Household & Personal Products	75	72	79	48	43
Healthcare	Provider, Facilities & Services	604	837	911	785	589
	Pharma & Biotech	201	272	290	239	301
	Med Tech & Equipment	149	221	239	178	172
	Life Sciences Tools & Services	72	80	72	71	54
Financial Services	Insurance	322	484	623	494	429
	Asset & Wealth Mgmt	219	291	379	346	324
	Diversified Financials	179	202	233	160	146
	Banks	219	159	196	142	95
	Financial Tech & Payments	53	98	122	62	62
Energy & Resources	Natural Resources	232	278	346	288	267
	Energy	213	218	261	239	204
Media & Telecom	Media	307	342	333	262	203
	Telecom	112	162	149	103	93
Utility	All Utilities	111	105	136	125	124

**Figure 1.4** - The shift toward a sector-focused approach and the rise in roll-up strategies have driven significant add-on activity in niche industry groups. Financings have continued to grow as a prominent investment strategy in **Technology - Software**, while **Industrials** - the most active sector - experiences a balanced blend of buyout and add-on activity.

### 1.5 Market Activity by Sell-Side Process

Deals Closed across all sectors, 10+ MM EV, based in North America, with private equity or corporate investors, with sell-side intermediaries, 7/1/19-6/30/24.

L1 - Sector
L2 - Industry Group
L3 - Industry
L4 - Subindustry



**Figure 1.5** - During the 2021-2022 deal flow boom, heightened competition led to broader auction processes in active sectors like **Consumer**, **Technology**, and **Business Services**. However, some of these sectors have since reverted to pre-pandemic levels, with more limited and moderate sell-side processes.

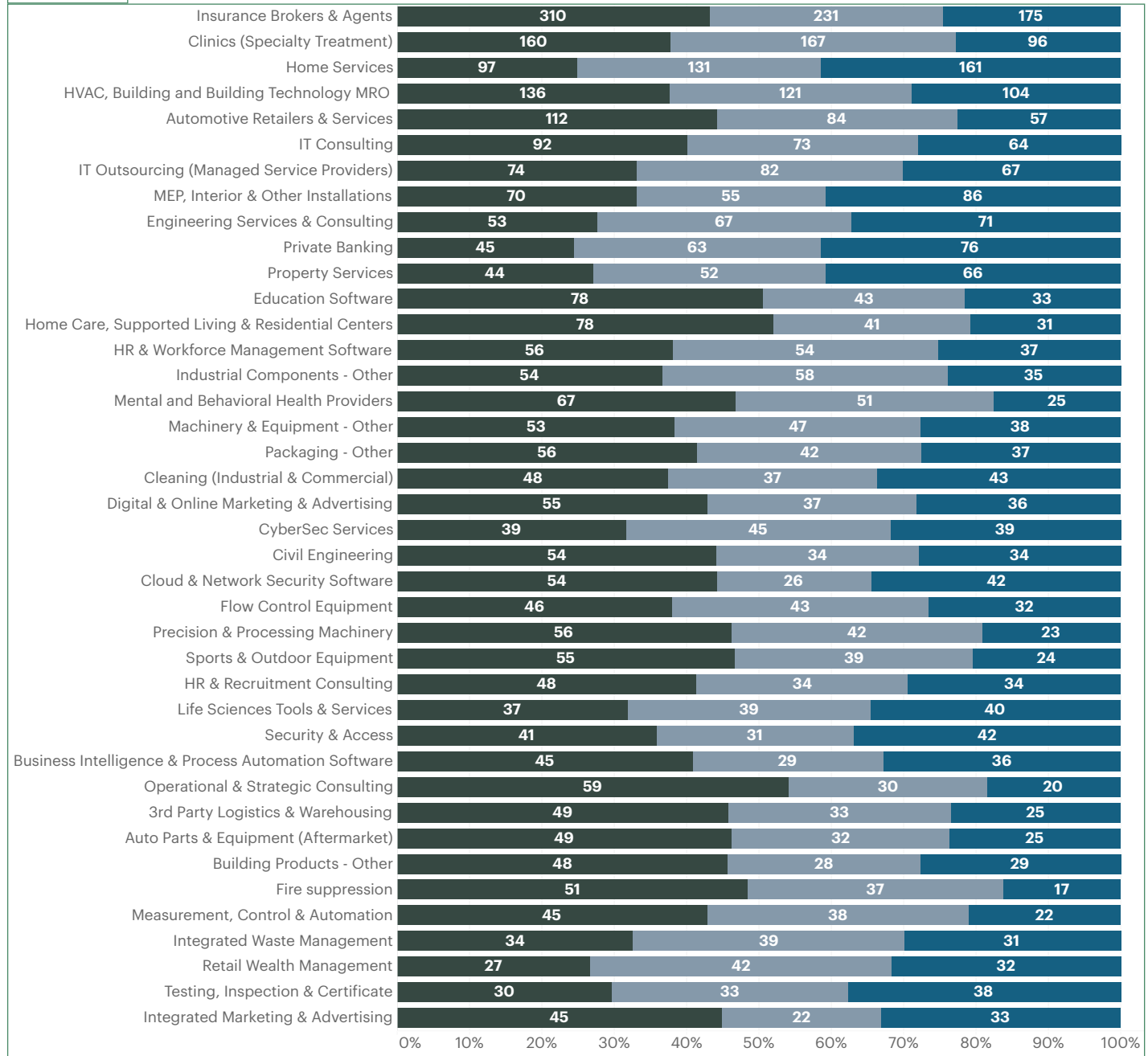


### 1.6 YoY Deal Activity in Top 40 Subindustries (L4)

Deals Closed across all sectors, 10+ MM EV, based in North America, with private equity or corporate investors, 7/1/21-6/30/24.

L1 - Sector
L2 - Industry Group
L3 - Industry
L4 - Subindustry

Closed Date
■ LTM Jun '24
■ LTM Jun '23
■ LTM Jun '22



**Figure 1.6** - As firms have honed their specialized investment theses, niche and high-growth industries have become prime opportunities for private equity. **Engineering Services & Consulting, Property Services, and Private Banking** have seen an increased concentration of deal activity in the LTM 2024 period. Meanwhile, other verticals like **HVAC, Homecare, Supported Living, & Residential Centers** and **Education Software** have experienced a slowdown during this period.

## Section 2: Subindustry Deep Dives

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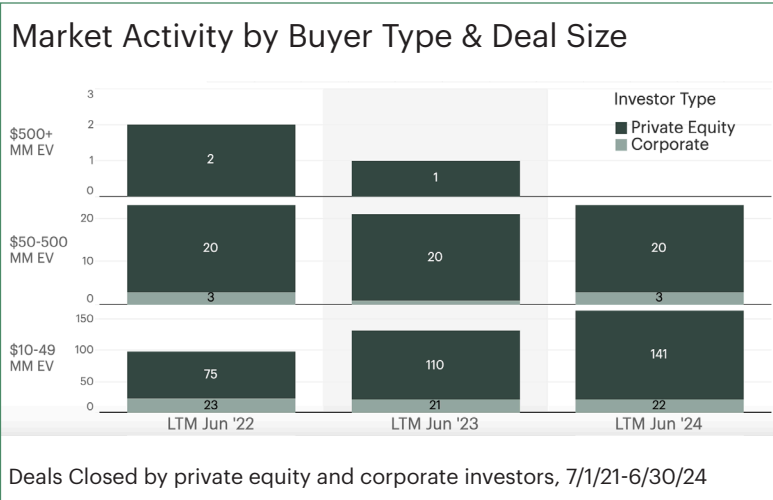
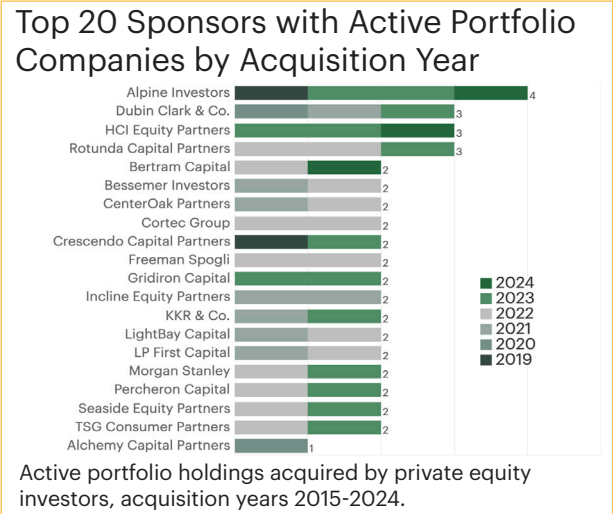
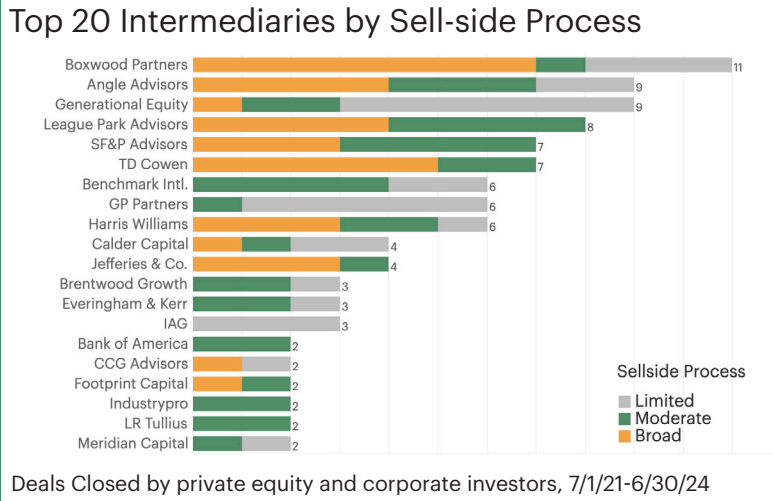
In this section, we delve into four key sub-industries to uncover granular trends within these sectors. We analyze market activity drilling down into the most active intermediaries, investor types, geographic trends, and sponsor portfolio holdings by vintage.

These insights are vital for firms looking to optimize their sourcing strategies within target sectors. Firms can use advanced analytics to achieve this level of detail to gain a deep understanding of the deal landscape, identify key players, and streamline their processes for more effective deal origination.

### 2.1 Subindustry Deep Dive: Home Services

Deals Closed in the *Home Services* subindustry, 10+ MM EV, based in North America, with private equity and corporate investors.

L1 - Sector
L2 - Industry Group
L3 - Industry
L4 - Subindustry



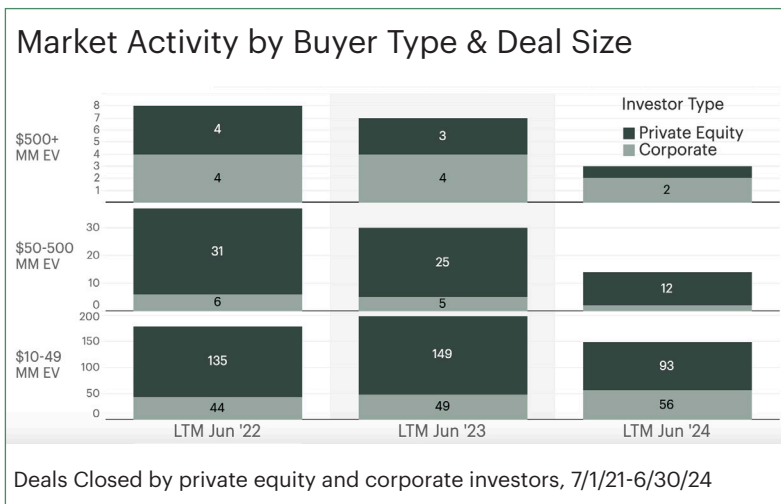
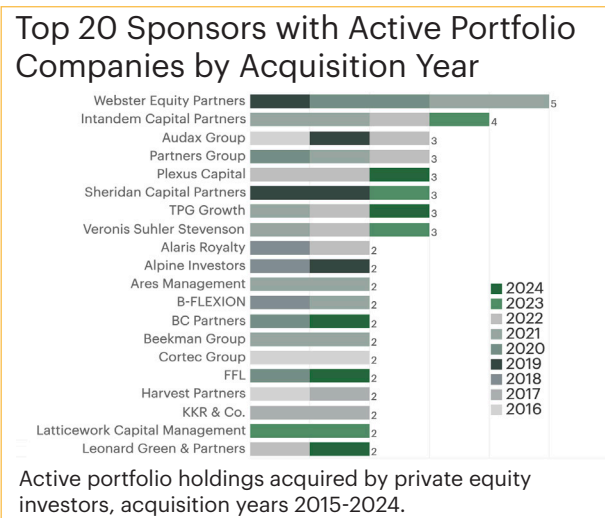
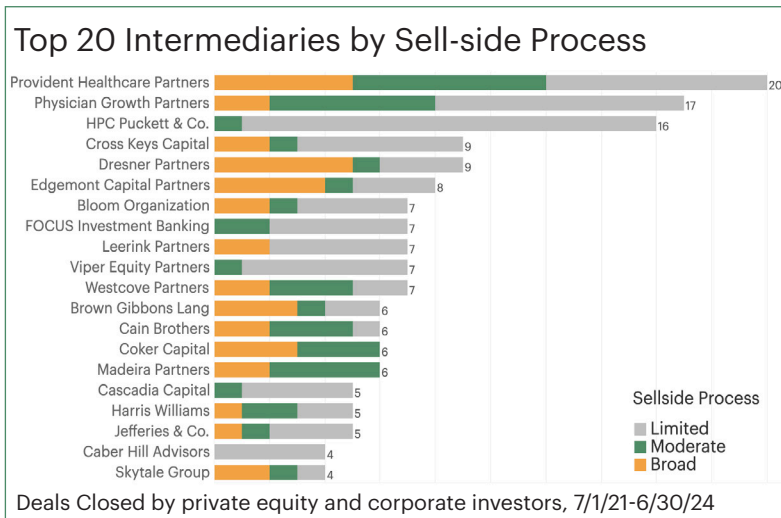
**Figure 2.1** - According to **Figure 1.6**, deal volume in the **Home Services** subindustry has surged by 35% and 16% year-over-year in the past two LTM periods ending June 30, respectively. Private equity buyers dominate in deal activity across all enterprise value (EV) ranges, and target company locations are widely dispersed geographically.

The **Top Sponsors with Active Portfolio Companies by Acquisition Year** league table in the top right quadrant leverages the SPS Private Equity Harvest suite of capabilities to analyze the most active sponsor portfolio holdings by vintage.

### 2.2 Subindustry Deep Dive: Specialty Clinics

Deals Closed in the *Speciality Clinics - Treatment and Speciality Clinics - Diagnostics* subindustries, 10+ MM EV, based in North America, with private equity and corporate investors.

L1 - Sector
L2 - Industry Group
L3 - Industry
L4 - Subindustry

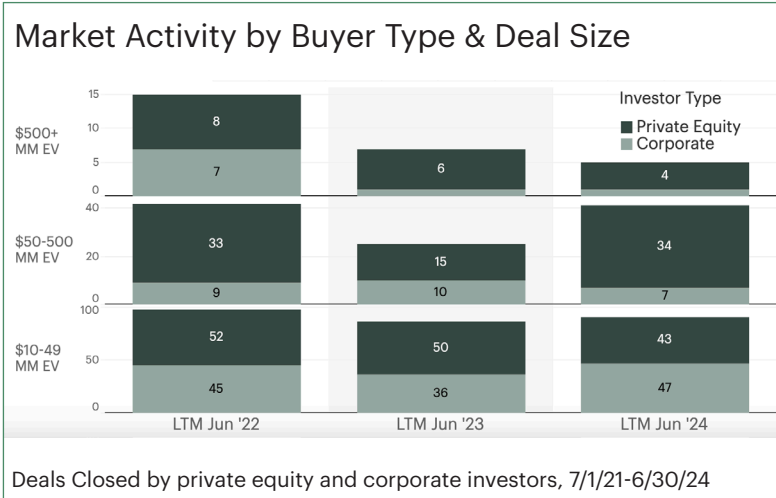
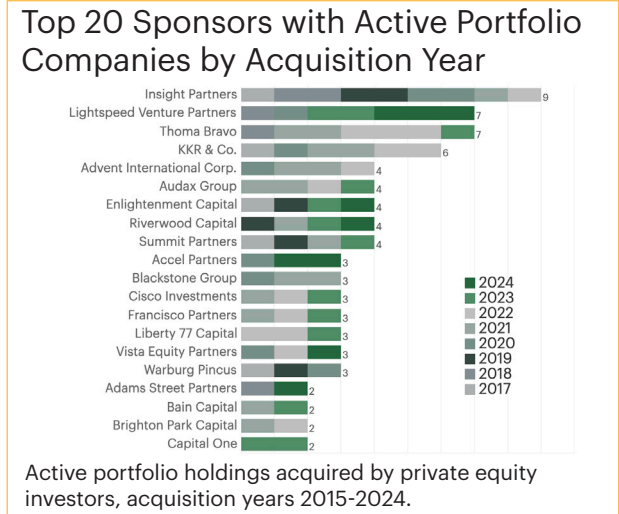
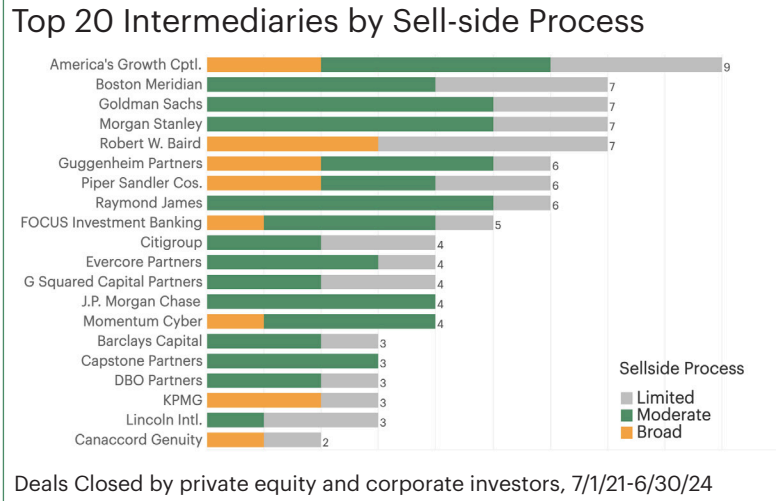


**Figure 2.2** - Deal activity in this subindustry is highly concentrated among a few most active advisors completing a substantial number of deals. With corporate buyers participating across all enterprise value (EV) ranges, there is a relatively high occurrence of deals with limited processes. Private equity has been actively investing in this vertical over the past decade, with many sponsor-held assets having been acquired in 2016-2017.

### 2.3 Subindustry Deep Dive: Cybersecurity

Deals Closed in the *Cloud & Network Security Software* and *Cybersecurity Services* subindustries, 10+ MM EV, based in North America, with private equity and corporate investors.

L1 - Sector
L2 - Industry Group
L3 - Industry
L4 - Subindustry



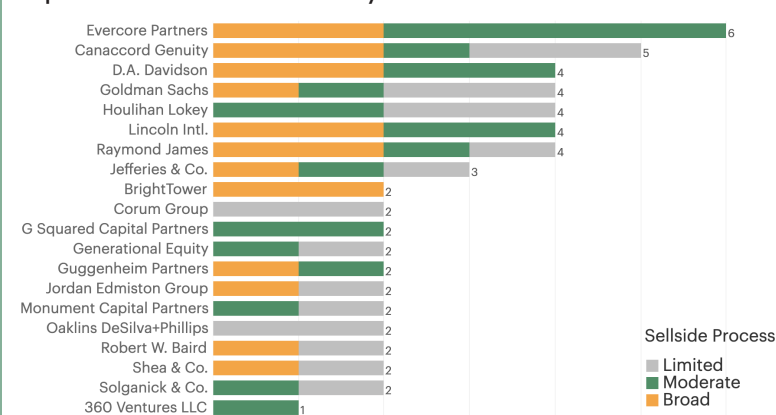
**Figure 2.3** - In the **Cybersecurity Services & Cloud & Network Security Software** subindustries, corporate investors are notably active in the lower market segment (\$10-49MM EV), intensifying competition for private equity. Conversely, corporate buyers are less involved in the middle market segment (\$50-500MM EV). This vertical experiences a relatively high level of moderate auction processes and target companies are predominantly concentrated on or near the coasts.

### 2.4 Subindustry Deep Dive: Business Intel & Data

Deals Closed in the *Business Intelligence, Data Providers & Business Information Services*, and *Rating Agencies, Credit Bureaus, & Data Providers* subindustries, 10+ MM EV, based in North America, with private equity and corporate investors.

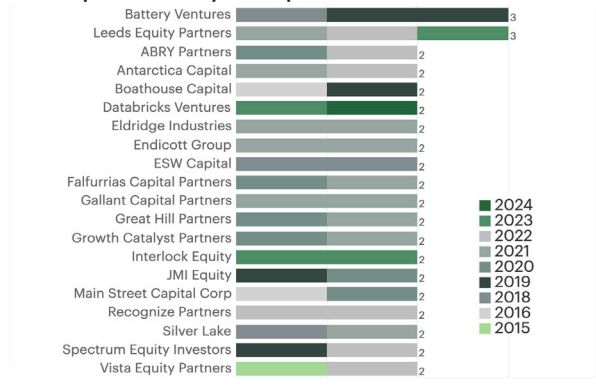
L1 - Sector
L2 - Industry Group
L3 - Industry
L4 - Subindustry

#### Top 20 Intermediaries by Sell-side Process



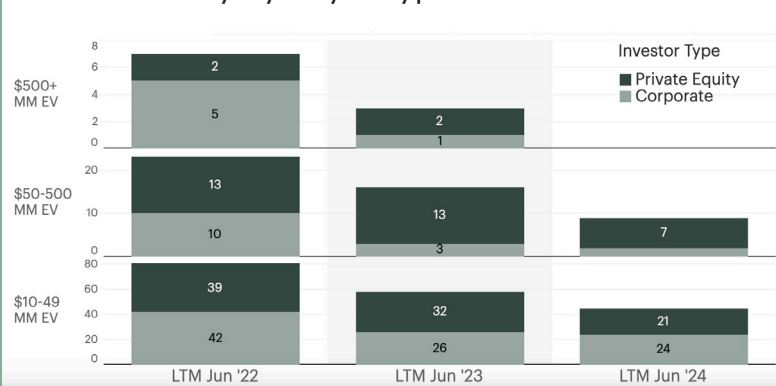
Deals Closed by private equity and corporate investors, 7/1/21-6/30/24

#### Top 20 Sponsors with Active Portfolio Companies by Acquisition Year



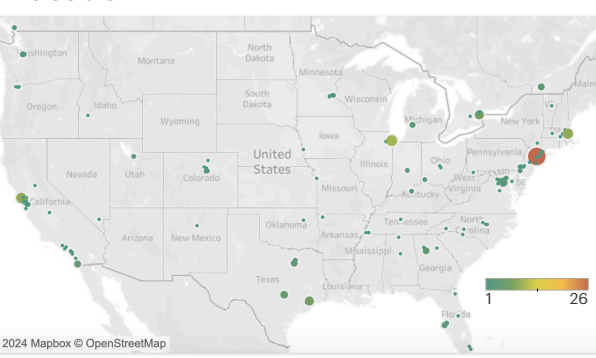
Active portfolio holdings acquired by private equity investors, acquisition years 2015-2024.

#### Market Activity by Buyer Type & Deal Size



Deals Closed by private equity and corporate investors, 7/1/21-6/30/24

#### Closed Deals by Target Company Location



Deals Closed by private equity and corporate investors, 7/1/21-6/30/24

**Figure 2.4** - The Business Intelligence & Data Providers subindustries see broader sell-side processes, driven by increased competition among private equity firms for niche companies. Active portfolio holdings in this space date back to acquisitions made as early as 2015.



## Disclaimer

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