



Private Equity

U.S. Private Equity Market Recap

Activity and Trends

ROPES & GRAY

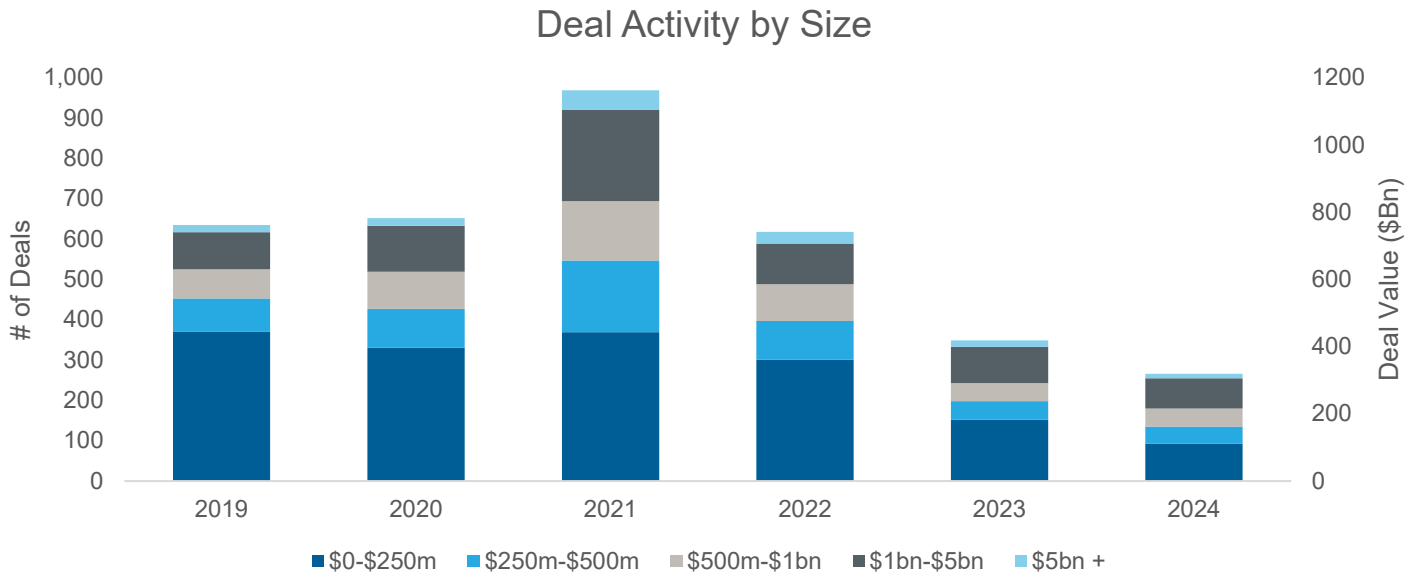
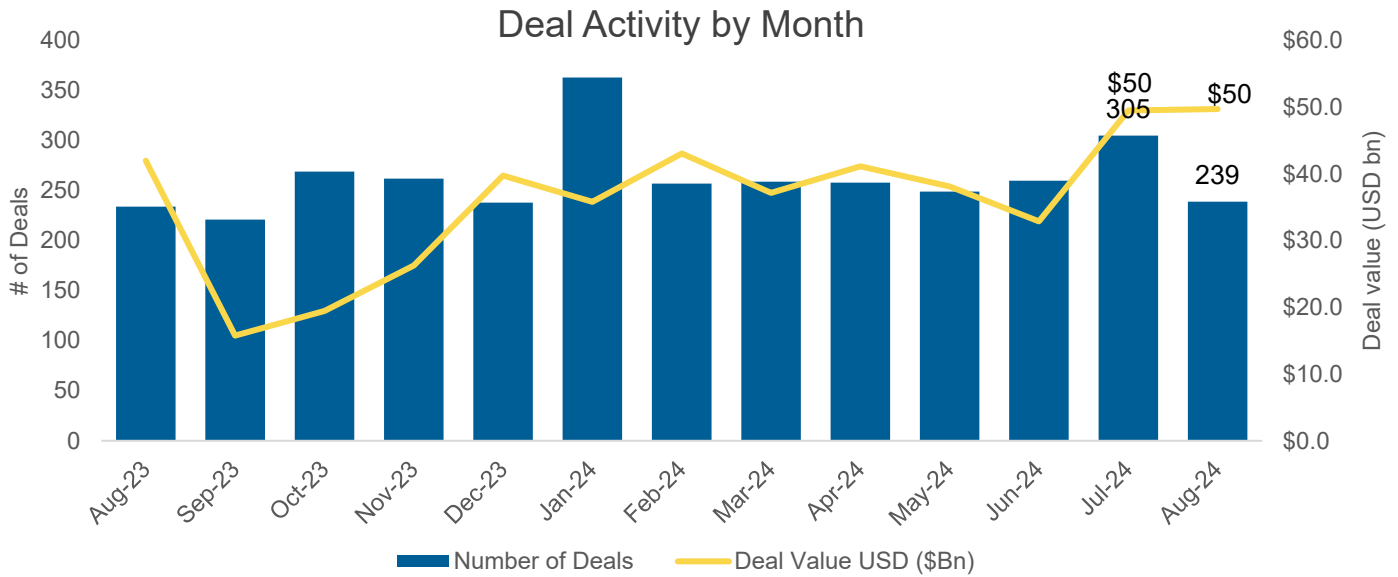
September 2024

Monthly transactional trends and other developments in the private equity industry

U.S. PE DEAL ACTIVITY	TAKE-PRIVATE ACTIVITY	CROSS-BORDER ACTIVITY	PE FUNDRAISING TRENDS	U.S. LEVERAGED LOAN ISSUANCE	A LOOK AHEAD	SELECTED ROPES & GRAY PE DEALS
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U.S. PE Deal Activity

- **Deal count is down but value is up:** Deal count is down on both a MoM and YTD basis by 22% and 4%, respectively. Deal value continued to come in strong and is up 10% YTD after reaching its highest level over the past twelve months in August
- **Deal size trending up:** Deal size has been increasing over the past five years with deals \$500m+ making up 49% of deals in 2024 YTD, up from only 28% of deals in 2019



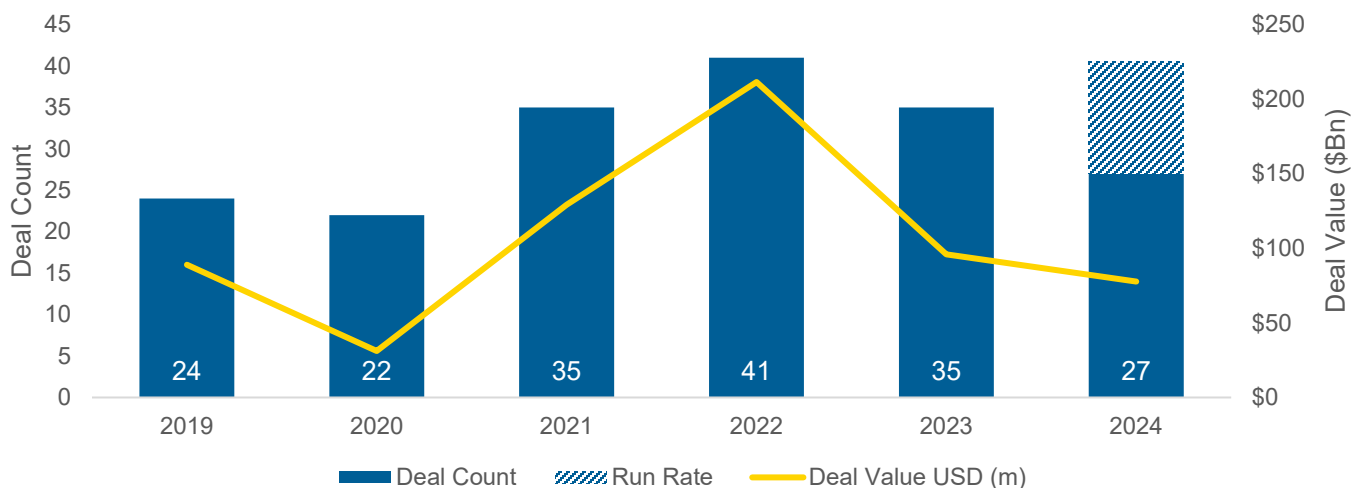
Source: Dealogic, U.S. Only, Deal Announced/Completed through 08/31/2024

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Take-Private Activity

- **Increase in take-private deals:** 2024 has seen an uptick in take-private deals with 27 deals YTD
- **Growing popularity:** Large take-private deals have been popular in 2024 as PE shops continue to seek opportunities to deploy high levels dry powder

U.S. Take Private Deal Activity



Top U.S. Take Private Deals YTD 2024

Rank	Deal Date	Target	Acquiror	Deal Size (\$Bn)	Industry
1	02-Apr-24	Endeavor Group Holdings Inc	Silver Lake Group	\$13.0	Leisure & Recreation
2	08-Apr-24	Apartment Income REIT Corp	Blackstone	\$10.0	Real Estate/Property
3	01-Aug-24	R1 RCM Inc	TowerBrook Capital Partners, Clayton Dubilier & Rice	\$8.9	Computers & Electronics
4	13-May-24	Squarespace Inc	Permira	\$7.2	Computers & Electronics
5	06-May-24	ALLETE Inc	Canada Pension Plan Investment Board, Global Infrastructure Partners	\$6.2	Utility & Energy
6	07-Jun-24	PowerSchool Holdings Inc	Bain Capital LP	\$5.6	Computers & Electronics
7	25-Jul-24	Instructure Holdings Inc	KKR & Co Inc Dragoneer Investment Group LLC	\$4.8	Computers & Electronics
8	11-Jul-24	Envestnet Inc	Bain Capital, Reverence Capital, BlackRock, Fidelity Investments, Franklin Templeton, State Street	\$4.5	Computers & Electronics
9	05-May-24	Perficient Inc	EQT	\$3.0	Computers & Electronics
10	25-Apr-24	AssetMark Financial Holdings	GTCR	\$2.7	Computers & Electronics

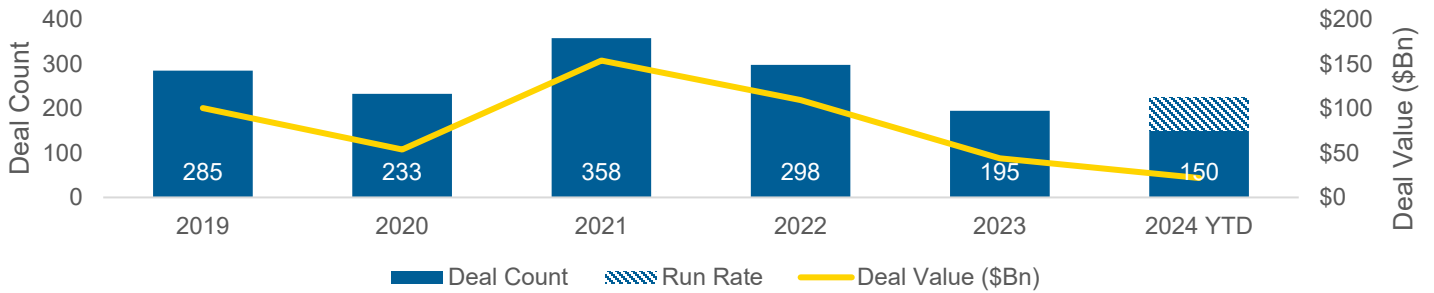
Source: Dealogic data through 8/31/2024

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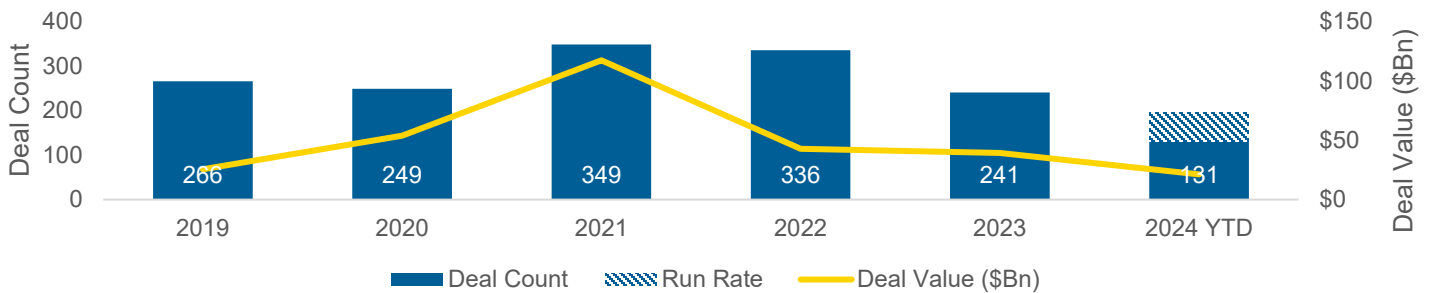
Cross-Border Activity

- **Cross-border investments are rising in U.S.:** The U.S. continues to attract cross-border investments from acquirors outside of the country; 2024 cross-border activity is tracking higher than 2023 levels
- **UK and Germany popular targets:** The most common targets in Europe are the UK and Germany, accounting for 41% and 15% of deals in 2024 YTD, respectively

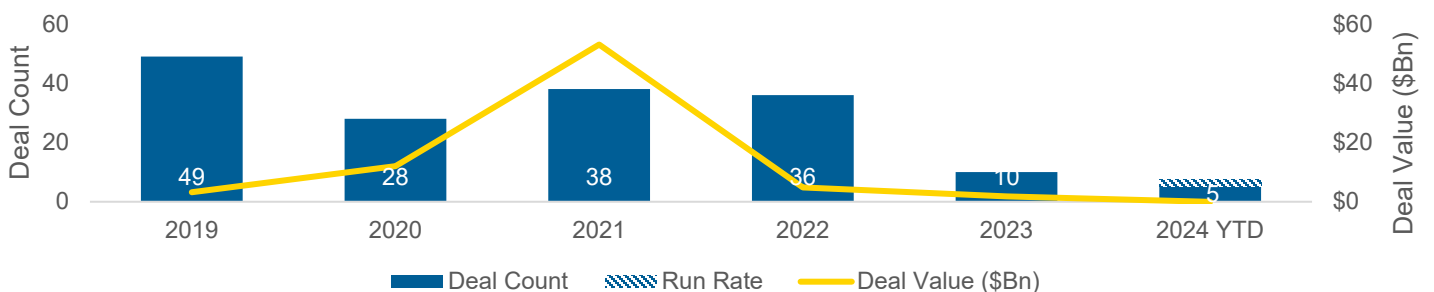
Cross-Border Activity – U.S. Target



Cross-Border Activity – U.S. Acquiror, Europe Target



Cross-Border Activity – U.S. Acquiror, Asia Target

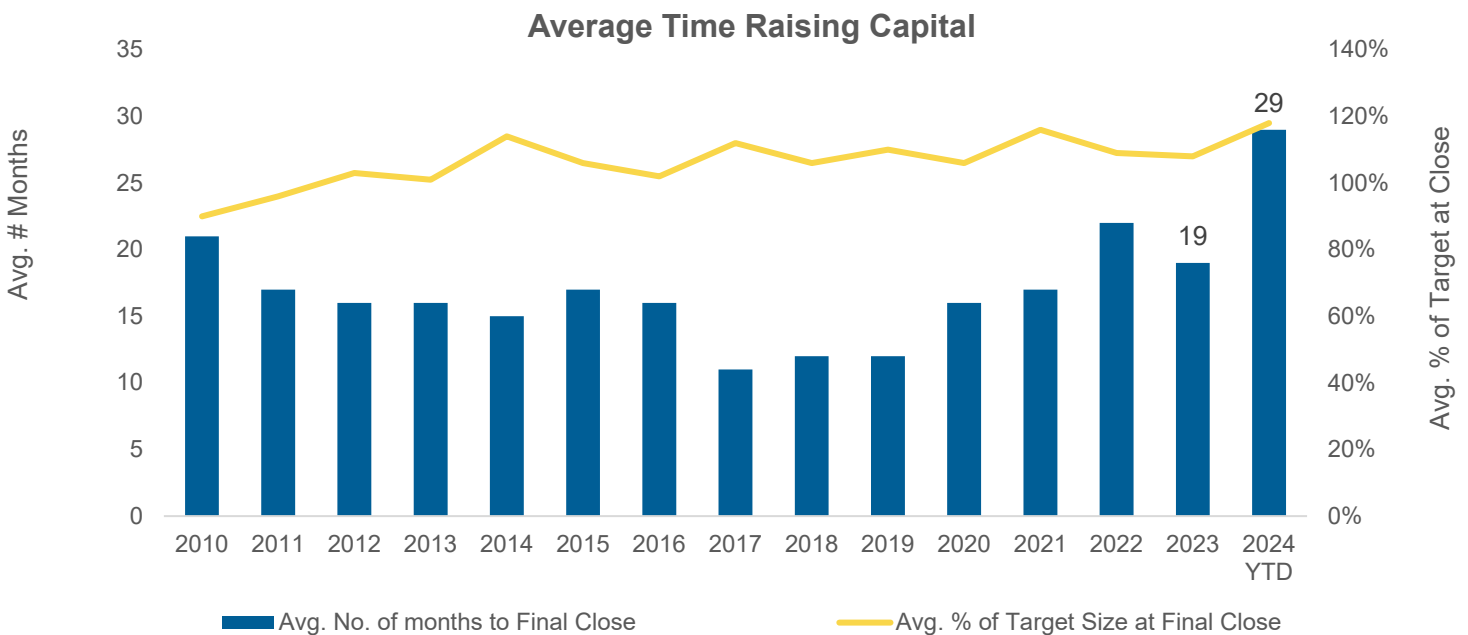
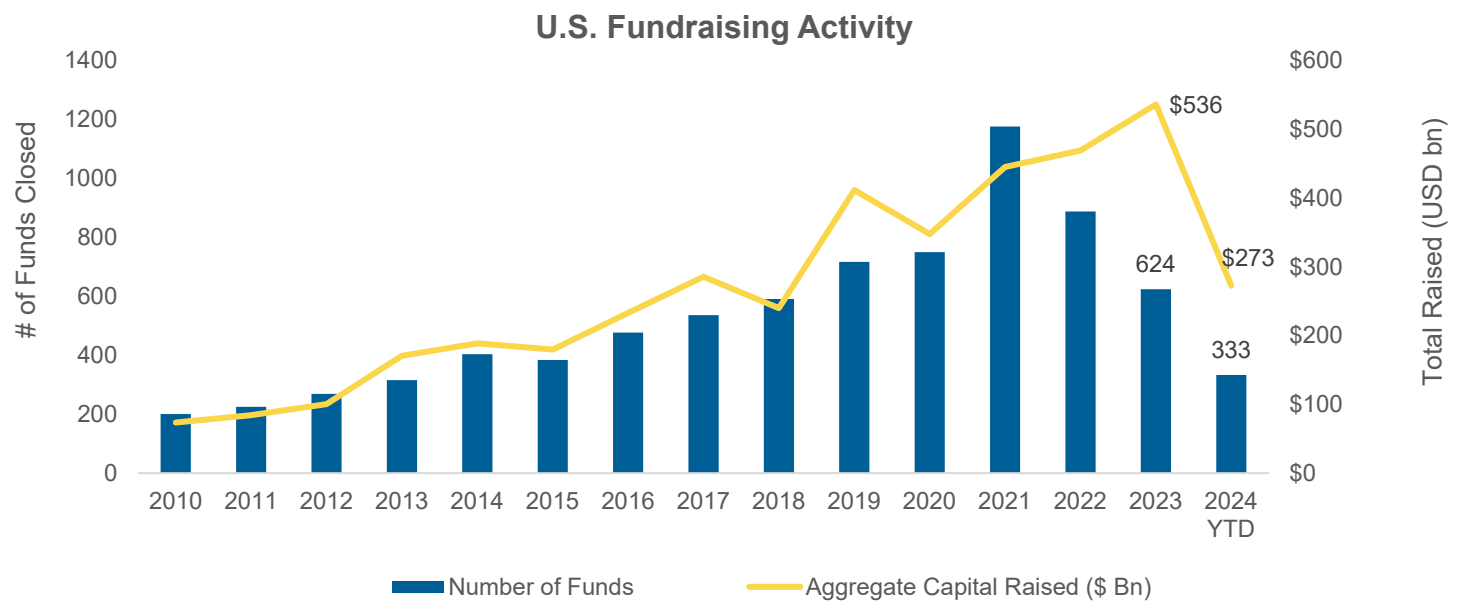


Source: Dealogic data through 8/31/2024

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PE Fundraising Trends

- **Fundraising still down:** Fundraising remains down on both a fund count and capital raised basis, and the funds closing continue to be concentrated among larger and established managers
- **Time fundraising:** It is taking PE firms a record high of 29 months to fundraise in 2024 YTD, up from 19 months in 2023



Source: Preqin, Data as of 09/01/2024, Excludes VC dry powder

U.S. PE DEAL ACTIVITY

TAKE-PRIVATE ACTIVITY

CROSS-BORDER ACTIVITY

PE FUNDRAISING TRENDS

U.S. LEVERAGED LOAN ISSUANCE

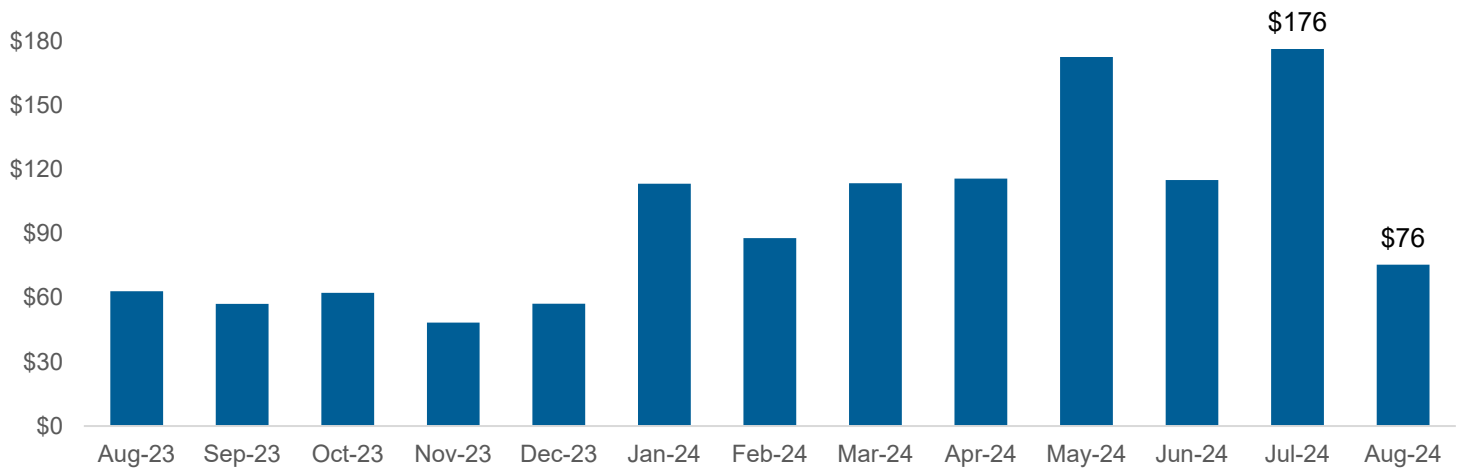
A LOOK AHEAD

SELECTED ROPES & GRAY PE DEALS

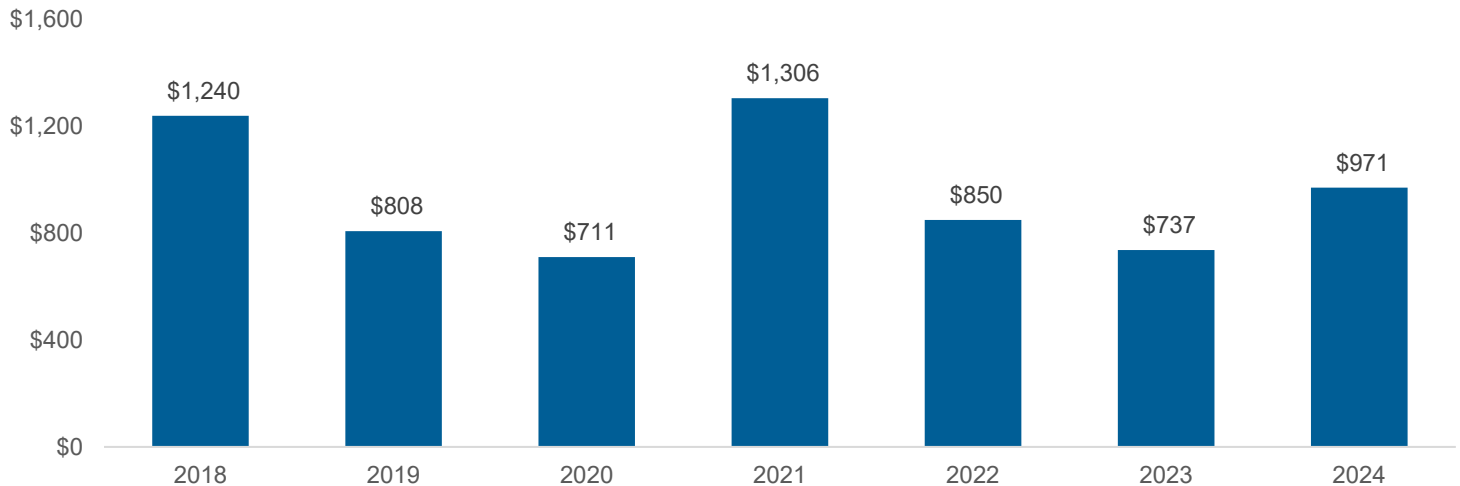
U.S. Leveraged Loan Issuance

- **Summer slowdown:** Monthly issuance levels decreased to \$76 billion in August, down 57% from the \$176 billion issued in July
- **Volatile market:** The leveraged loan market experienced a wave of volatility in August as investor demand cooled amid withdrawals from retail loan funds

Monthly Leveraged Loan Value (\$ Bn)



Annual Leveraged Loan Value (\$ Bn)



Source: Refinitiv LPC, data through August 2024

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DEALS

A Look Ahead

- **IPO market outlook shifts:** Recent market volatility has led dealmakers to shift their expectations of an IPO recovery to 2025
 - Many companies with plans to IPO are increasingly deciding to wait until next year, citing concerns over recent volatility, uncertainty around the upcoming presidential election, and how much the Fed will cut rates this year
 - Despite a few bright spots in the IPO market this year, many post-IPO companies haven't been performing well, with a majority of those that have debuted in the last 2 ½ years trading below their IPO prices
- **Sports sector continues to entice:** The sports industry continues to offer a growing scope of investment opportunities available for PE firms
 - The NFL was the last major sports league to open itself to institutional investors after team owners voted in August to allow for PE investment in franchises. They have initially named only a select group of firms as preferred buyers
 - Women's, youth, and amateur sports are all subsectors within sports that share the same attractive demand drivers of men's professional sports, but are in earlier growth phases, offering high potential upside
- **PE exit activity yet to fully rebound:** Many GPs continue to wait in hopes for a better exit climate, resulting in low distribution rates back to LPs despite strong returns in the public markets
 - PE firms continue to seek and evaluate liquidity alternatives such as continuation funds, NAV loans, partial sales, and dividend recaps to provide liquidity and distribute capital back to LPs
- **Anticipated rate cuts to drive activity:** PE executives are gearing up for a dealmaking comeback with rate cuts from the Fed expected later this month

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DEALS

Selected Ropes & Gray Private Equity Deals from July and August 2024

Deal	Industry
▪ Represented HarmonyCares in a capital raise	Health Care
▪ Advised American Industrial Partners on acquiring Aker Biomarine's Feed Ingredients Business	Agriculture
▪ Advised Avista Capital Partners in its sale of significant equity interest in Cosette Pharmaceuticals	Life Sciences
▪ Advised H.I.G. Infrastructure in the acquisition of Best Trash	Waste Management
▪ Represented Bain Capital in a definitive agreement to acquire Envestnet	FinTech
▪ Represented Genstar Capital in a significant investment in AffiniPay	FinTech
▪ Advised Gauge Capital and its platform Soleil Collective in acquiring a majority stake in Coco & Eve	Consumer
▪ Represented The Vistria Group in its recapitalization of Ora	Life Sciences
▪ Advised Riveron , a business advisory firm backed by Kohlberg & Company, in the acquisition of Yantra	Business Services
▪ Advised Genstar Capital in its acquisition of Docupace	Tech
▪ Represented TSG Consumer Partners in its investment in Summer Fridays	Consumer
▪ Represented Dragoneer Investment Group in its investment into a JV with KKR to acquire Instructure	EdTech
▪ Advised Berkshire Partners in its investment in Vital Care	Health Care
▪ Represented American Industrial Partners in acquiring Veolia's Sulfuric Acid Regeneration Business	Industrial
▪ Advised Duration Capital Partners' portfolio company Rand Logistics in the acquisition of Andrie	Transportation
▪ Represented Dragoneer Investment Group and SkyKnight Capital in the joint acquisition of a majority stake in Simplicity Group	Financial Services
▪ Advised EQT Private Equity Asia in its acquisition of WSO2	Tech
▪ Represented Gauge Capital in its strategic growth investment in AGT Robotics	Manufacturing
▪ Advised Audax Private Equity and portfolio company Chartis in a definitive agreement to receive a majority investment from Blackstone	Healthcare Services
▪ Represented EQT Private Capital Asia on its agreement to acquire PropertyGuru	Tech
▪ Represented Audax Private Equity in its acquisition of the Clinical Services business of Avantor Inc	Life Sciences
▪ Advised Audax Private Equity in the sale of United Urology Group (UUG) to OneOncology	Healthcare
▪ Represented YA Group and CIVC Partners in connection with THL Partners majority investment in YA	Business Services
▪ Represented Legends in its acquisition of ASM Global	Entertainment
▪ Advised Backcountry in its sale to CSC Generation Enterprise	Retail / Consumer

How We Can Help

Our clients get unsurpassed counsel throughout the life cycle of their private equity transactions from one of the largest and most sophisticated private equity practices in the world, focusing on both private equity funds and transactions.

Ropes & Gray’s lawyers routinely advise leading large and middle-market clients in multiple industries on every aspect of their largest and most complex global transactions. Our 40-year track record in the industry allows us to anticipate issues that might derail deals and get them back on track to close. We guided clients in 800-plus private equity transactions from 2021-2023.

RECENT RECOGNITION



The American Lawyer
“Law Firm of the Year” (2022)



U.S. News Best Lawyers
Recognized six times as “Law Firm of the Year” for leveraged buyouts and private equity



Law360
Eight-time winner of “Private Equity Group of the Year”



Chambers USA 2024
Nationwide Band 1 Private Equity Buyouts, Mid-Market Ranking
New York Band 1 Corporate / M&A Highly Regarded Ranking
Massachusetts Band 1 Corporate / M&A Ranking



2022 Impact Deal of the Year (Pfizer’s \$11.6b acquisition of Biohaven Pharmaceuticals)
2022 M&A Firm of the Year

BROAD CLIENT BASE

60+

Of the Top 100 Biggest Private Equity Firms on the 2023 PEI 300 List

80+

Middle-Market Firms

125

Private funds in transactional and other matters

Our Commitment

350+
Adjacent-practice lawyers

250+
M&A lawyers

150+
Years of practice history

14
Offices to support deals

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