



**Private Equity**

# **U.S. Private Equity Market Recap**

Activity and Trends

**ROPES & GRAY**

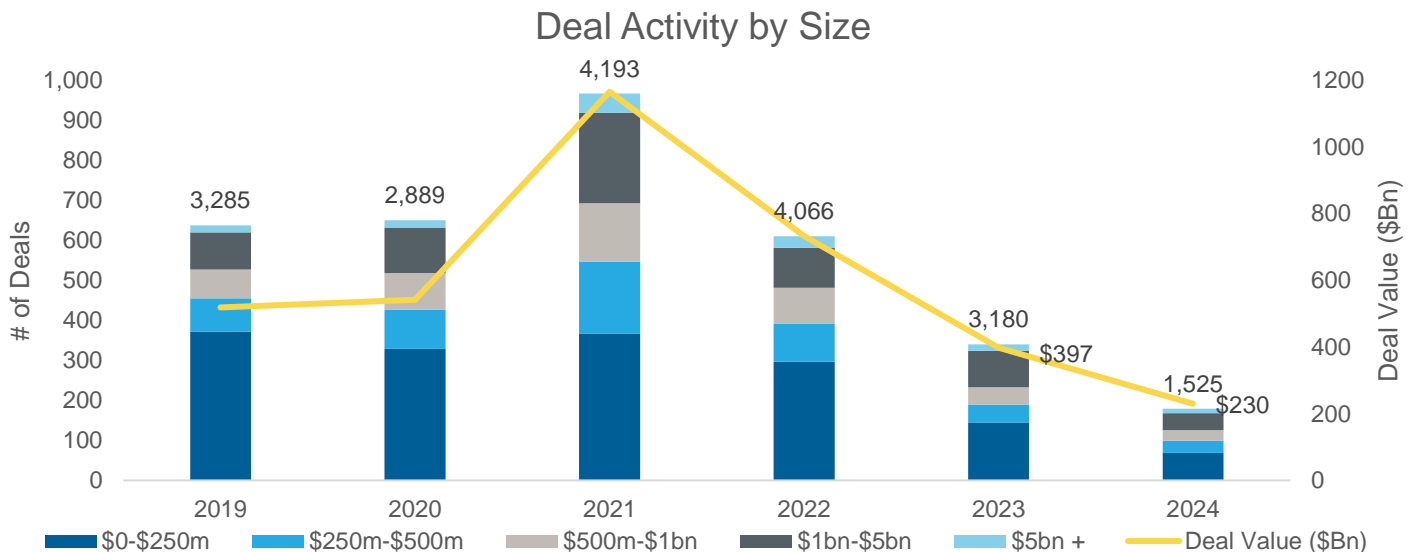
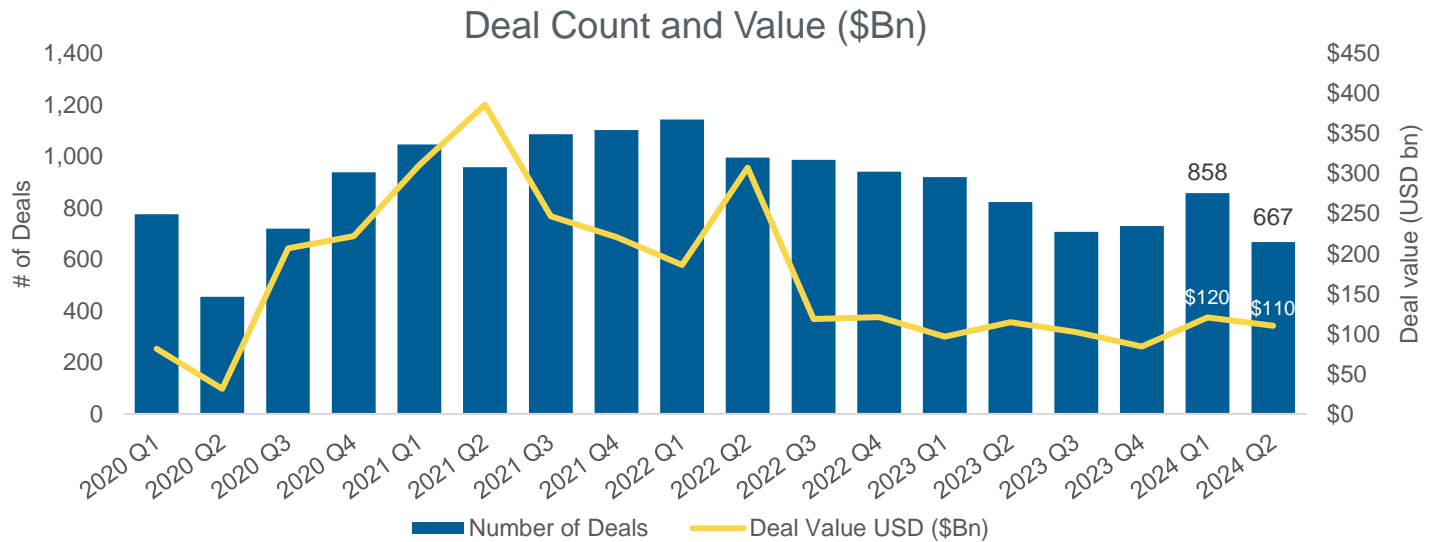
July 2024

Monthly transactional trends and other developments in the private equity industry

<b>U.S. PE DEAL ACTIVITY</b>	TOP U.S. PE DEALS	PE DRY POWDER & FUNDRAISING TRENDS	TOP U.S. PE FUNDS RAISED	PE DEAL MULTIPLES & EXIT ACTIVITY	U.S. LEVERAGED LOAN ISSUANCE	A LOOK AHEAD	SELECTED ROPES & GRAY PE DEALS
------------------------------	-------------------	------------------------------------	--------------------------	-----------------------------------	------------------------------	--------------	--------------------------------

## U.S. PE Deal Activity

- Decrease in activity:** Q2 2024 U.S. PE deal activity dropped by ~22% QoQ and ~19% compared to Q2 2023. June deal activity fell by ~18% MoM and had the lowest number of deals in a month since May 2020
- Deal count and value diverge:** H1 '24 deal count is tracking down 13% compared to H1 '23, while deal value increased by ~9% as average PE deal sizes are increasing
- Dealmakers are optimistic:** Dealmakers expect strong M&A activity throughout the second half of the year, with H1 '24 deal counts up 6% compared to H2 '23



Source: Dealogic, U.S. Only, Deal Announced/Completed through 06/30/2024

U.S. PE DEAL  
ACTIVITYTOP U.S.  
PE DEALSPE DRY POWDER  
& FUNDRAISING  
TRENDSTOP U.S. PE  
FUNDS RAISEDPE DEAL  
MULTIPLES &  
EXIT ACTIVITYU.S. LEVERAGED  
LOAN ISSUANCE

A LOOK AHEAD

SELECTED  
ROPES & GRAY  
PE DEALS

## Top U.S. PE Deals by Deal Size

- **Largest June 2024 deal:** Bain Capital's \$5.6 billion take private of PowerSchool was the largest deal in June and 10<sup>th</sup> largest deal YTD
- **YTD stats:** There have been 53 deals of \$1 billion+ in 2024, down 4% from the same period in 2023, and 11 deals of \$5 billion+, outpacing the same period last year by 22%

### Top U.S. PE Deals in June 2024

RANK	DEAL DATE	ACQUIROR	TARGET	DEAL SIZE (\$Bn)	PRIMARY INDUSTRY
1	07-Jun-24	Bain Capital LP	PowerSchool Holdings Inc (100%)	\$5.6	Computers & Electronics
2	17-Jun-24	BlueTriton Brands Holdings Inc	Primo Water Corp (100%)	\$4.7	Food & Beverage
3	06-Jun-24	Blackstone, ADIA, GIC	Copeland LP (40%)	\$3.5	Construction/Building
4	16-Jun-24	Advent, ADIA	Fisher Asset Management LLC (19.61%)	\$2.5	Finance
5	25-Jun-24	KKR & Co Inc	Property Portfolio (18 multifamily assets)	\$2.1	Real Estate/Property
6	12-Jun-24	Matador Resources Co	Oil & Gas Assets	\$1.9	Oil & Gas
7	20-Jun-24	Honeywell International Inc	Cobham Advanced Electronic Solutions (100%)	\$1.9	Telecommunications
8	10-Jun-24	Cognizant Technology	Belcan LLC (100%)	\$1.3	Professional Services
9	27-Jun-24	TPG Capital LP	Altimetrik Corp (Maj%)	\$0.9	Computers & Electronics
10	11-Jun-24	KKR & Co Inc	Quick Quack Car Wash Holdings (Min%)	\$0.9	Professional Services

### Top U.S. PE Deals YTD 2024

RANK	DEAL DATE	ACQUIROR	TARGET	DEAL SIZE (\$Bn)	PRIMARY INDUSTRY
1	28-Mar-24	Home Depot Inc	SRS Distribution Inc (100%) (Berkshire Partners and Leonard Green & Partners)	\$18.3	Construction/Building
2	02-Apr-24	Silver Lake, Mubadala, DFO Management, Lexington Partners, Goldman Sachs Asset Management	Endeavor Group (89.35%)	\$14.9	Leisure & Recreation
3	12-Jan-24	BlackRock Inc	Global Infrastructure Management LLP (100%)	\$12.5	Finance
4	20-Feb-24	Stone Point Capital, Clayton Dubilier & Rice, Mubadala	Truist Insurance Holdings Inc (79.6%)	\$12.3	Insurance
5	14-Feb-24	KKR & Co Inc, Veritas Capital	Cotiviti Holdings Inc (100%)	\$10.0	Computers & Electronics
6	08-Apr-24	Blackstone	Apartment Income REIT Corp (100%)	\$9.4	Real Estate
7	09-Jan-24	Digital Bridge Group, Silver Lake Group	Vantage Data Centers	\$9.2	Computers & Electronics
8	13-May-24	Permira Ltd, Spaceship Purchaser Inc	Squarespace Inc (100%)	\$7.0	Computers & Electronics
9	06-May-24	Canada Pension Plan Investment Board, Global Infrastructure Management, Alloy Parent LLC	ALLETE Inc (100%)	\$5.8	Utility & Energy
10	07-Jun-24	Bain Capital LP	PowerSchool Holdings Inc (100%)	\$5.6	Computers & Electronics

Source: Dealogic, U.S. Only, Deal Announced/Completed through 06/30/2024

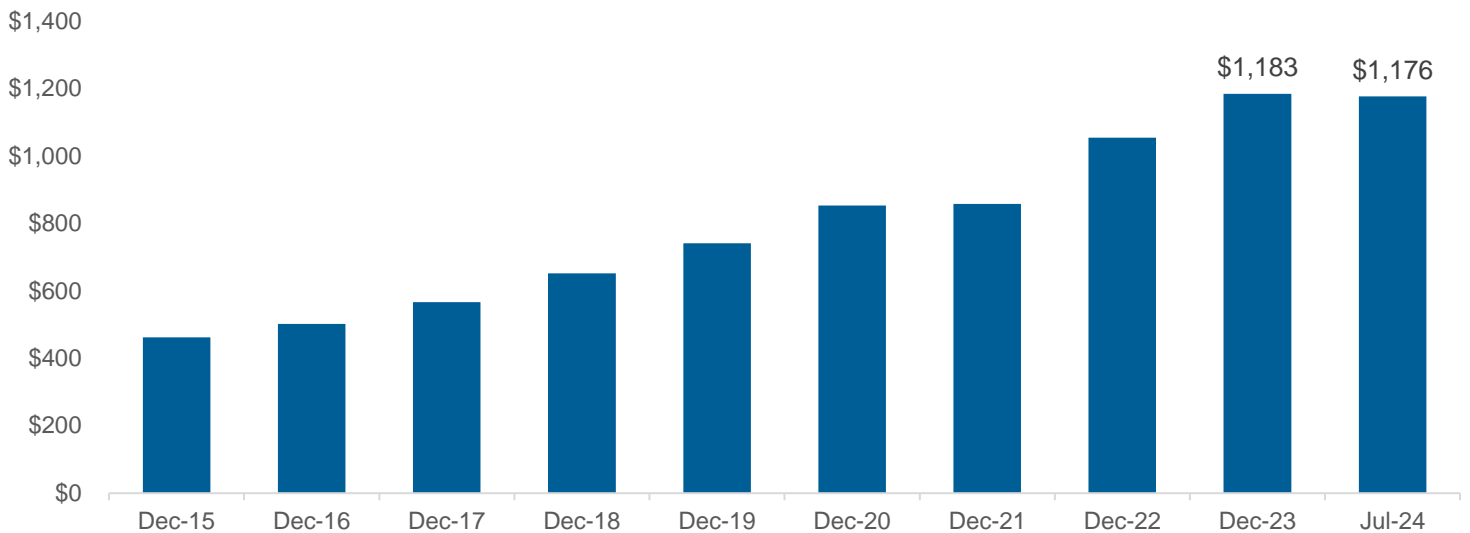


U.S. PE DEAL ACTIVITY	TOP U.S. PE DEALS	<b>PE DRY POWDER &amp; FUNDRAISING TRENDS</b>	TOP U.S. PE FUNDS RAISED	PE DEAL MULTIPLES & EXIT ACTIVITY	U.S. LEVERAGED LOAN ISSUANCE	A LOOK AHEAD	SELECTED ROPES & GRAY PE DEALS
-----------------------	-------------------	---	--------------------------	-----------------------------------	------------------------------	--------------	--------------------------------

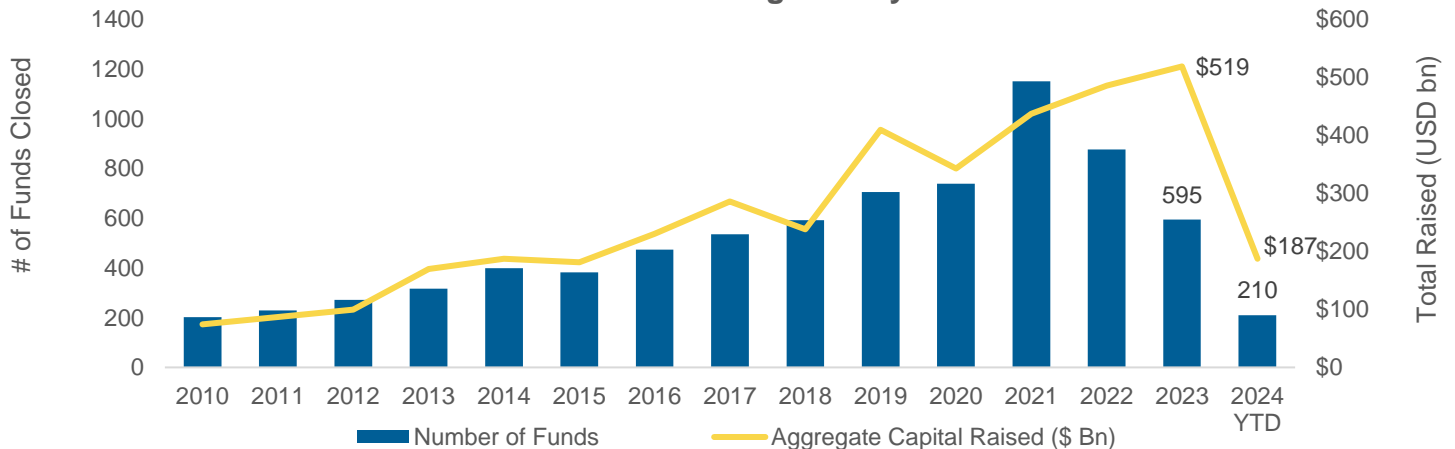
## PE Dry Powder & Fundraising Trends

- **Elevated dry powder:** Dry powder has inched down over the last two months but remains over \$1.1 trillion
- **Weak fundraising:** Q2 2024 saw a slight uptick in the number of funds closed and capital raised compared to the historically low levels seen in Q1, but 2024 is tracking far below 2023 levels
- **Fundraising dynamics:** A decreasing number of funds are closing as LPs are focusing new commitments on a subset of large and established managers

U.S. PE Dry Powder (\$ bn)



U.S. Fundraising Activity



Source: Preqin, Data as of 07/01/2024, Excludes VC dry powder  
ropesgray.com

U.S. PE DEAL  
ACTIVITYTOP U.S.  
PE DEALSPE DRY POWDER  
& FUNDRAISING  
TRENDSTOP U.S. PE  
FUNDS RAISEDPE DEAL  
MULTIPLES &  
EXIT ACTIVITYU.S. LEVERAGED  
LOAN ISSUANCE

A LOOK AHEAD

SELECTED  
ROPES & GRAY  
PE DEALS

## Top U.S. PE Funds Raised by Size

- **Largest June 2024 fund:** Hamilton Lane closed its largest secondary fund to date at \$5.6 billion, exceeding its \$5 billion target—secondaries remain an attractive strategy for investors
- **Total June fund stats:** 15 funds of \$100 million+ and 8 funds of \$500 million+ closed in June

### Top U.S. PE Funds Closed June 2024

Rank	Fund	Fund Type	Close Date	Fund Size (\$ Bn)	Investor
1	Hamilton Lane Secondary Fund VI	Buyout	18-Jun-2024	\$5.6	Hamilton Lane
2	Kinderhook Capital Fund 8	Buyout	18-Jun-2024	\$2.8	Kinderhook Industries
3	Aquiline Financial Services Fund V	Buyout	06-Jun-2024	\$2.3	Aquiline Capital Partners
4	Charlesbank Technology Opportunities Fund II	Buyout	18-Jun-2024	\$1.3	Charlesbank Capital Partners
5	Aquiline Financial Services Continuation Fund	Buyout	06-Jun-2024	\$1.1	Aquiline Capital Partners
6	THL Automation Fund II	Buyout	14-Jun-2024	\$0.9	Thomas H. Lee Partners
7	InTandem Capital Partners Fund III	Buyout	11-Jun-2024	\$0.7	InTandem Capital Partners
8	270 Life Sciences Private Capital Master Fund I	Buyout	13-Jun-2024	\$0.5	JP Morgan Asset Management
9	Invision Capital III	Buyout	10-Jun-2024	\$0.3	Invision Capital
10	MFG Partners Fund I	Buyout	04-Jun-2024	\$0.3	MFG Partners

### Top U.S. PE Funds Closed YTD 2024

Rank	Fund	Fund Type	Close Date	Fund Size (\$ Bn)	Investor
1	Silver Lake Partners VII	Buyout	08-May-2024	\$20.5	Silver Lake
2	Vista Equity Partners Fund VIII	Buyout	18-Apr-2024	\$20.0	Vista Equity Partners
3	BDT Capital Partners Fund 4	Buyout	12-Jan-2024	\$14.0	BDT & Company
4	TPG Partners IX	Buyout	13-Feb-2024	\$12.0	TPG
5	The Resolute Fund VI	Buyout	31-Jan-2024	\$6.9	The Jordan Company
6	Hamilton Lane Secondary Fund VI	Buyout	18-Jun-2024	\$5.6	Hamilton Lane
7	TPG Asia Fund VIII	Buyout	09-May-2024	\$5.3	TPG
8	Arctos Sports Partners Fund II	Growth/Expansion	03-Apr-2024	\$4.1	Arctos Partners
9	Mercer Private Investment Partners VII	Buyout	26-Apr-2024	\$3.9	Mercer
10	TPG Healthcare Partners II	Buyout	13-Feb-2024	\$3.6	TPG

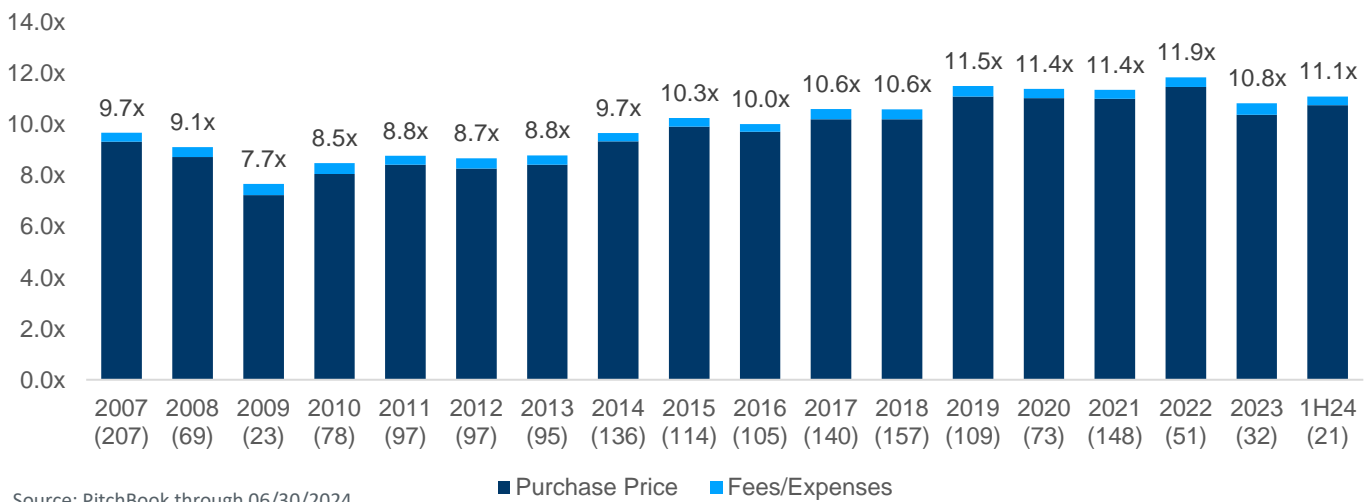
Source: PitchBook, PE Funds with firms headquartered in the U.S.

U.S. PE DEAL ACTIVITY	TOP U.S. PE DEALS	PE DRY POWDER & FUNDRAISING TRENDS	TOP U.S. PE FUNDS RAISED	<b>PE DEAL MULTIPLES &amp; EXIT ACTIVITY</b>	U.S. LEVERAGED LOAN ISSUANCE	A LOOK AHEAD	SELECTED ROPES & GRAY PE DEALS
-----------------------	-------------------	------------------------------------	--------------------------	--	------------------------------	--------------	--------------------------------

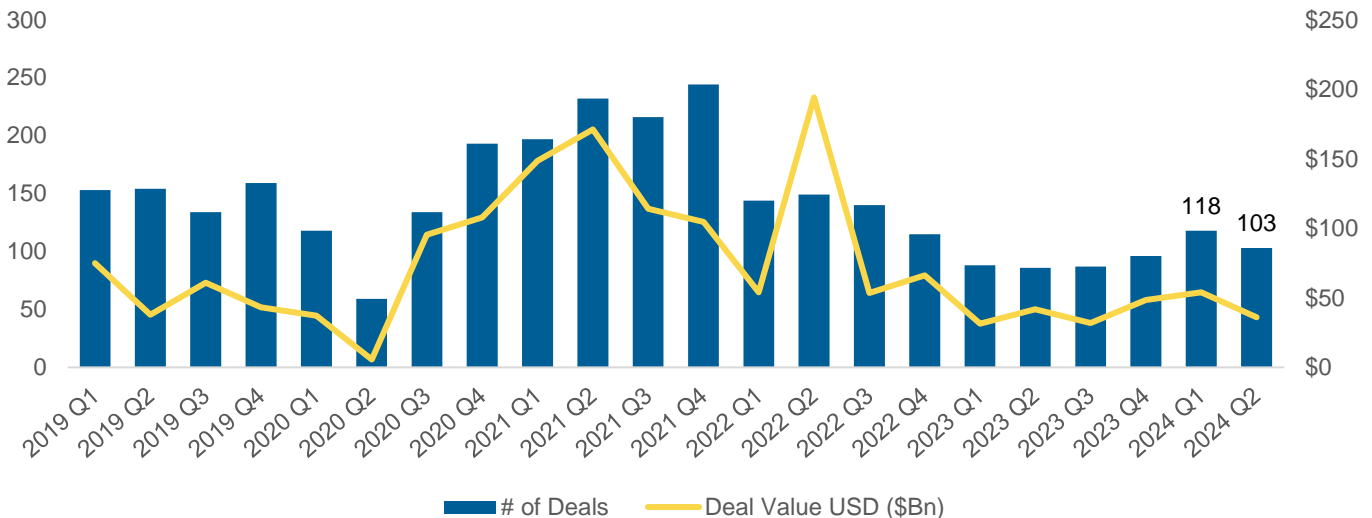
## PE Deal Multiples & Exit Activity

- LBO purchase price multiples tick up:** The average EV / EBITDA multiple for LBO deals ticked up to 11.1x in H1 2024, but remains below the five-year average of 11.4x
- Exit activity shows signs of recovery:** H1 2024 saw a pickup in exit activity compared to both H2 2023 and H1 2023, indicating a positive sign for the industry
- Pressure to exit:** Firms continue to face pressure to return investor capital; the industry may see more forced selling if deal activity doesn't naturally drive up exits in the coming months

### U.S. LBO Purchase Price Multiples



### U.S. Sponsor Exit Activity

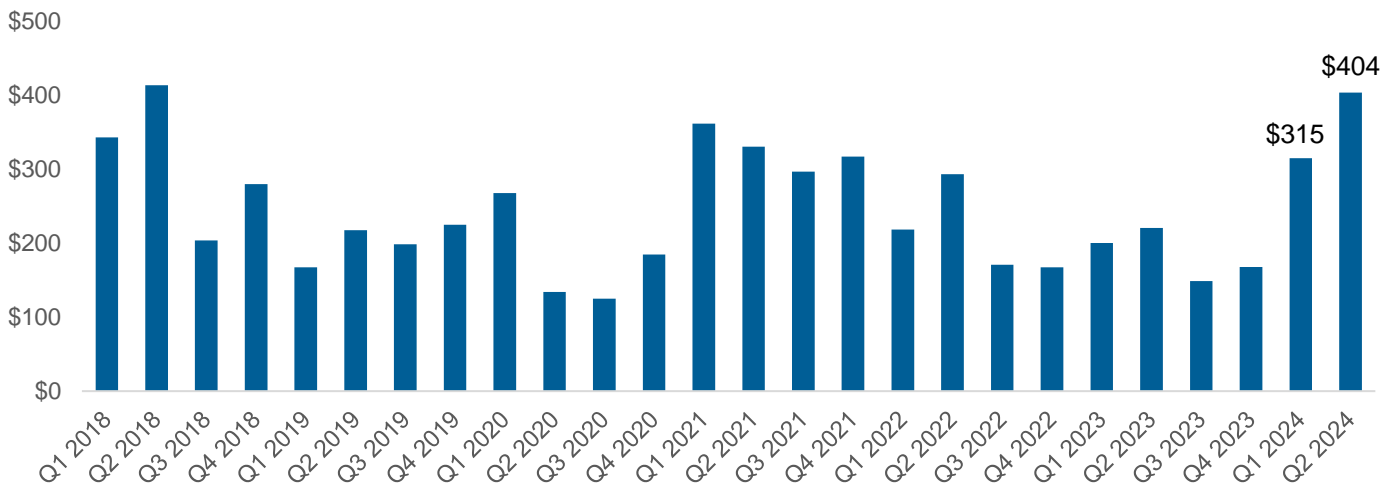


U.S. PE DEAL ACTIVITY	TOP U.S. PE DEALS	PE DRY POWDER & FUNDRAISING TRENDS	TOP U.S. PE FUNDS RAISED	PE DEAL MULTIPLES & EXIT ACTIVITY	U.S. LEVERAGED LOAN ISSUANCE	A LOOK AHEAD	SELECTED ROPES & GRAY PE DEALS
-----------------------	-------------------	------------------------------------	--------------------------	-----------------------------------	------------------------------	--------------	--------------------------------

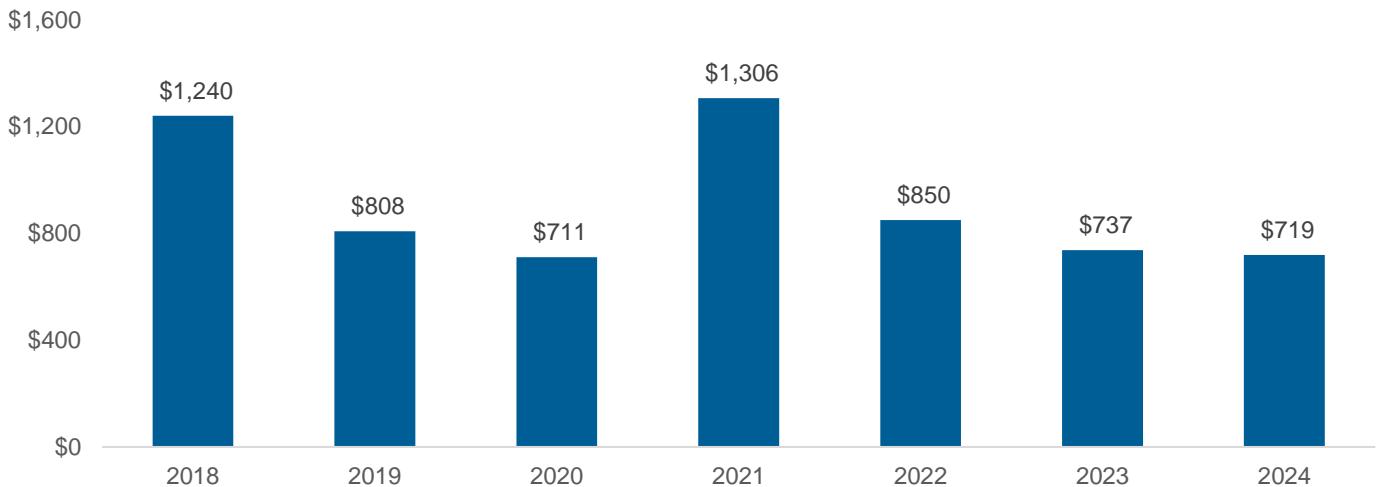
## U.S. Leveraged Loan Issuance

- **Strong quarterly issuance levels:** \$404 billion of leveraged loans were issued in Q2 2024, up 83% from \$221 billion issued in Q2 2023; H1 2024 issuance was up 71% compared to H1 2023
- **High institutional volume:** Q2 2024 issuance was split between \$145 billion of pro-rata volume, down 9% YoY, and \$259 billion of institutional volume, up 316% YoY

Quarterly Leveraged Loan Value (\$ Bn)



Annual Leveraged Loan Value (\$ Bn)



Source: Refinitiv LPC, data through June 2024

U.S. PE DEAL  
ACTIVITYTOP U.S.  
PE DEALSPE DRY POWDER  
& FUNDRAISING  
TRENDSTOP U.S. PE  
FUNDS RAISEDPE DEAL  
MULTIPLES &  
EXIT ACTIVITYU.S. LEVERAGED  
LOAN ISSUANCE

A LOOK AHEAD

SELECTED  
ROPES & GRAY  
PE DEALS

## A Look Ahead

- **Midyear check-in:** Many of the macroeconomic and market trends from 2023 have carried over through the first half of this year, and the private equity industry continues to work through the challenges created by the ongoing disrupted flow of capital
- **Dealmaking recovery:** Signs are creating optimism around a rebound in deal activity throughout the second half of year, including stable macroeconomic conditions, high levels of dry powder and an expected rate cut
- **Opportune time for investors in secondaries:** The current exit environment continues to provide secondaries investors the opportunity to step in and provide much needed liquidity solutions
  - There remains a large disparity between capital available for GP-led secondaries and the amount needed to support expected distributions, leaving firms with capital to invest in secondary solutions in a strong position
- **Getting creative with distributions:** Firms are relying on alternative methods to distribute capital back to investors, while traditional exit activity remains muted, such as partial asset sales, continuation funds, dividend recaps and NAV loans
- **Stabilizing valuations:** While gaps persist between bid and ask prices and multiples remain below historical averages, entry multiples are not expected to drop materially lower
  - Lower entry multiples may act as a headwind for future returns as it is more difficult for firms to achieve multiple expansion in high interest rate environments
- **IPO market falls short of expectations:** The strong growth experienced by public equities this year has not translated into the large IPO comeback investors were hoping for



U.S. PE DEAL  
ACTIVITYTOP U.S.  
PE DEALSPE DRY POWDER  
& FUNDRAISING  
TRENDSTOP U.S. PE  
FUNDS RAISEDPE DEAL  
MULTIPLES &  
EXIT ACTIVITYU.S. LEVERAGED  
LOAN ISSUANCE

A LOOK AHEAD

SELECTED  
ROPES & GRAY  
PE DEALS

## Selected Ropes & Gray Private Equity Deals from May and June 2024

Deal	Industry
<ul style="list-style-type: none"> <li>Represented <b>Bain Capital</b> in its sale of a minority stake in Douzone Bizon</li> </ul>	Tech
<ul style="list-style-type: none"> <li>Advised <b>EQT Private Equity Asia</b> on its acquisition of WSO2</li> </ul>	Tech
<ul style="list-style-type: none"> <li>Represented <b>Dessert Holdings</b>, a <b>Bain Capital</b> portfolio company, in its acquisition of Kenny's Great Pies</li> </ul>	Consumer
<ul style="list-style-type: none"> <li>Advised <b>IGC</b> on its investment in Law Business Research</li> </ul>	Information Services
<ul style="list-style-type: none"> <li>Advised <b>Bain Capital</b> on the sale of TeachTown</li> </ul>	EdTech
<ul style="list-style-type: none"> <li>Represented <b>Valeas Capital Partners</b> in a strategic investment in Baker Tilly</li> </ul>	Financial Services
<ul style="list-style-type: none"> <li>Represented <b>Solarity</b> and <b>BV Investment Partners</b> in a strategic growth investment from TA Associates</li> </ul>	Healthcare
<ul style="list-style-type: none"> <li>Advised <b>H.I.G. Capital</b> and its portfolio company <b>Oxford Global Resources</b> on an add-on acquisition</li> </ul>	Business Services
<ul style="list-style-type: none"> <li>Represented <b>Altamont Capital Partners</b> in its sale of Alamo Drafthouse Cinema</li> </ul>	Entertainment
<ul style="list-style-type: none"> <li>Represented <b>Mill Point Capital</b> in its acquisition of iQor</li> </ul>	Business Services
<ul style="list-style-type: none"> <li>Advised <b>Cove Hill Partners</b> in its sale of Kalkomey</li> </ul>	EdTech
<ul style="list-style-type: none"> <li>Represented <b>Genstar Capital</b> in its sale of 2-10 Home Buyers Warranty</li> </ul>	Insurance
<ul style="list-style-type: none"> <li>Advised <b>Bain Capital</b> on its sale of a stake in Beat Capital Partners</li> </ul>	Asset Management
<ul style="list-style-type: none"> <li>Represented <b>Bain Capital</b> in its acquisition of PowerSchool Holdings</li> </ul>	EdTech
<ul style="list-style-type: none"> <li>Advised <b>Advent International</b> in its minority investment in Fisher Investments</li> </ul>	Asset Management
<ul style="list-style-type: none"> <li>Represented <b>American Industrial Partners</b> in its investment in Austin Powder</li> </ul>	Manufacturing
<ul style="list-style-type: none"> <li>Advised <b>Partners Group</b> on its investment in Fairjourney Biologics</li> </ul>	Life Sciences

## 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

These materials are proprietary to Ropes & Gray LLP and may not be reproduced, transmitted or otherwise utilized in any media, in whole or in part, without the prior written authorization of Ropes & Gray LLP.

This publication is a service to our clients and friends of the firm. This publication is not intended to be comprehensive or to provide financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, and it should not be acted on or relied upon or used as a basis for any investment or other decision or action that may affect you or your business. Before making any such decision you should consult a suitably qualified professional adviser. While reasonable effort has been made to ensure the accuracy of the information contained in this publication, this cannot be guaranteed and neither Ropes & Gray LLP nor any other related entity shall have any liability to any person or entity that relies on the information contained in this publication, including incidental or consequential damages arising from errors or omissions. Any such reliance is solely at the user’s risk.

© 2023 Ropes & Gray LLP. All rights reserved.

ROPES & GRAY

BOSTON | CHICAGO | DUBLIN | HONG KONG | LONDON  
LOS ANGELES | NEW YORK | SAN FRANCISCO | SEOUL | SHANGHAI  
SILICON VALLEY | SINGAPORE | TOKYO | WASHINGTON, D.C.