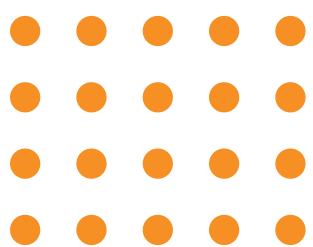


2024 DEALMAX TAKEAWAYS

The Private Equity Playbook Has Evolved





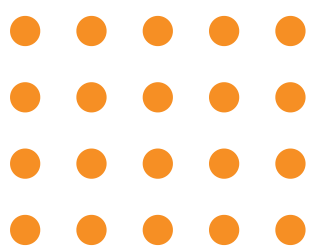
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Higher for Longer or The New Normal?

While no one knows where the Fed will take interest rates, the prevailing sentiment is that the current environment will remain, requiring a revaluation of portfolio positions, prospective deals, and financing options. Instead of waiting for conditions to improve, sponsors are embracing the current environment and preparing to deploy capital.

01





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02



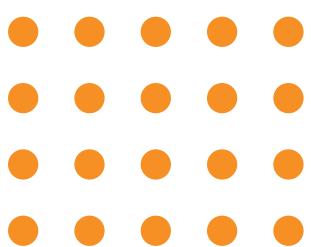
On the Upswing.

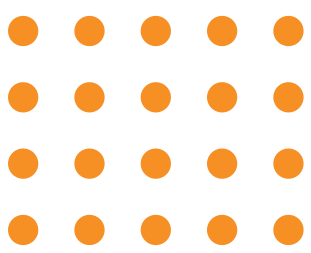
Despite the uncertainty in the current credit environment M&A deal activity is picking up. Sponsors report an increase in deal quantity and quality in Q2 compared to the last four quarters. There is a flight to quality and businesses with stable forecastable performance are finding optionality. Owners are more willing to transact especially if financial performance has outlasted market scarcity.



Aligned Debt & Equity Objectives Create Buyer-Seller Parity

Both sponsors and credit fund managers are keen to deploy capital. This shared objective of putting money in motion benefits borrowers looking to buy (or sell) with more flexible and favorable terms and sellers, given the more acquisitive atmosphere. That being said, both sponsors and credit funds alike are more willing to deploy capital in industries and sectors where their funds have historically performed.





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04

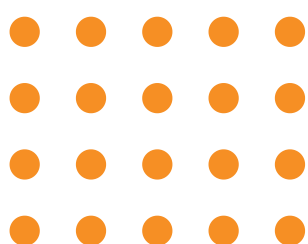


The “amend and extend” era is over as sponsors face the challenge of generating returns against a looming maturity wall. In addition to assessing portfolio company exit strategies, sponsors are looking to refinancing options like dividend recaps, suggesting an increasingly important role for capital markets advisors.

The Pressure to Return Capital is Real.

An Incremental Approach to Value Creation

Sponsors are sticking to their knitting and leaning into core industries where they have had historical success. While there is a flight to quality, there is also a more significant need moving forward to focus on marginal arbitrage through corporate carve-outs, operational improvements, and add-on acquisitions. The playbook to generate returns is evolving with the market.



QUESTIONS?

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