



# US Middle Market Private Equity

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John Gabbert, Founder & CEO

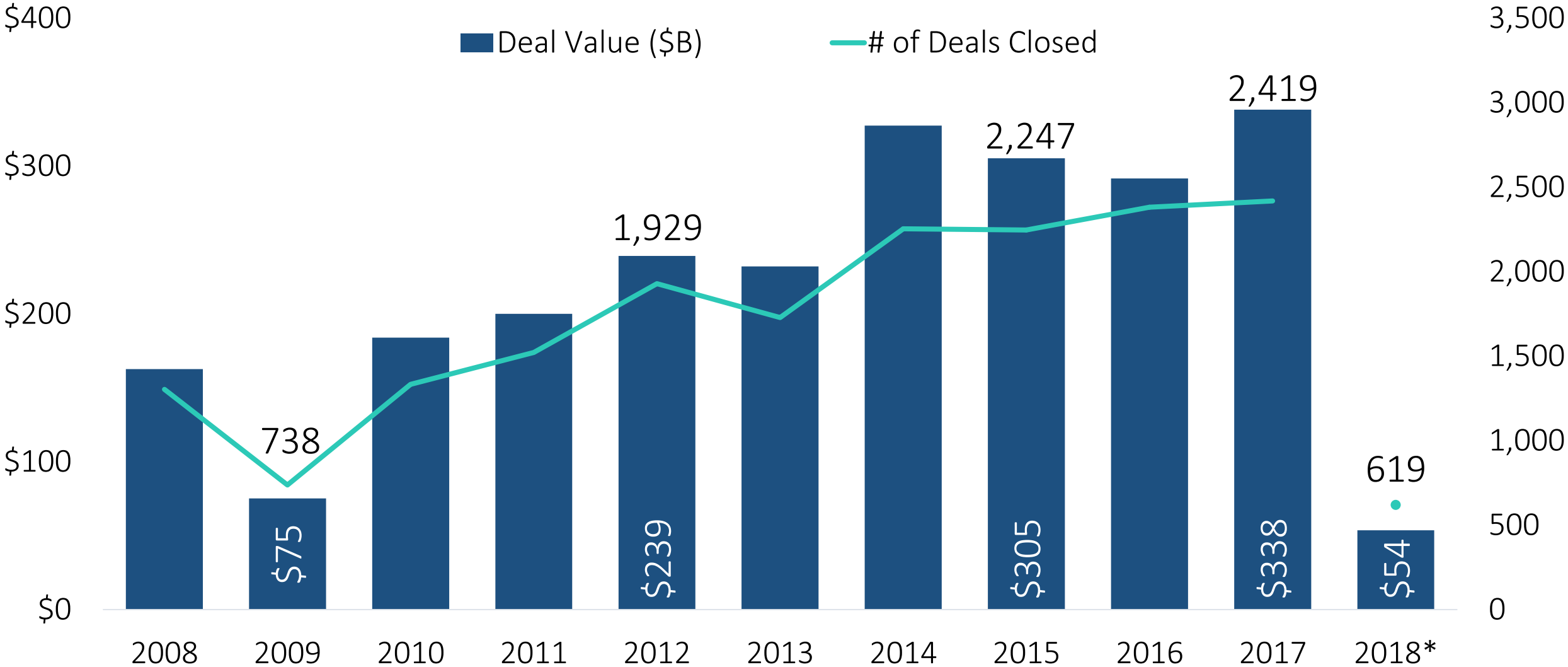
InterGrowth 2018

# US Middle Market PE

An update on deal flow, secondary buyouts and add-on activity

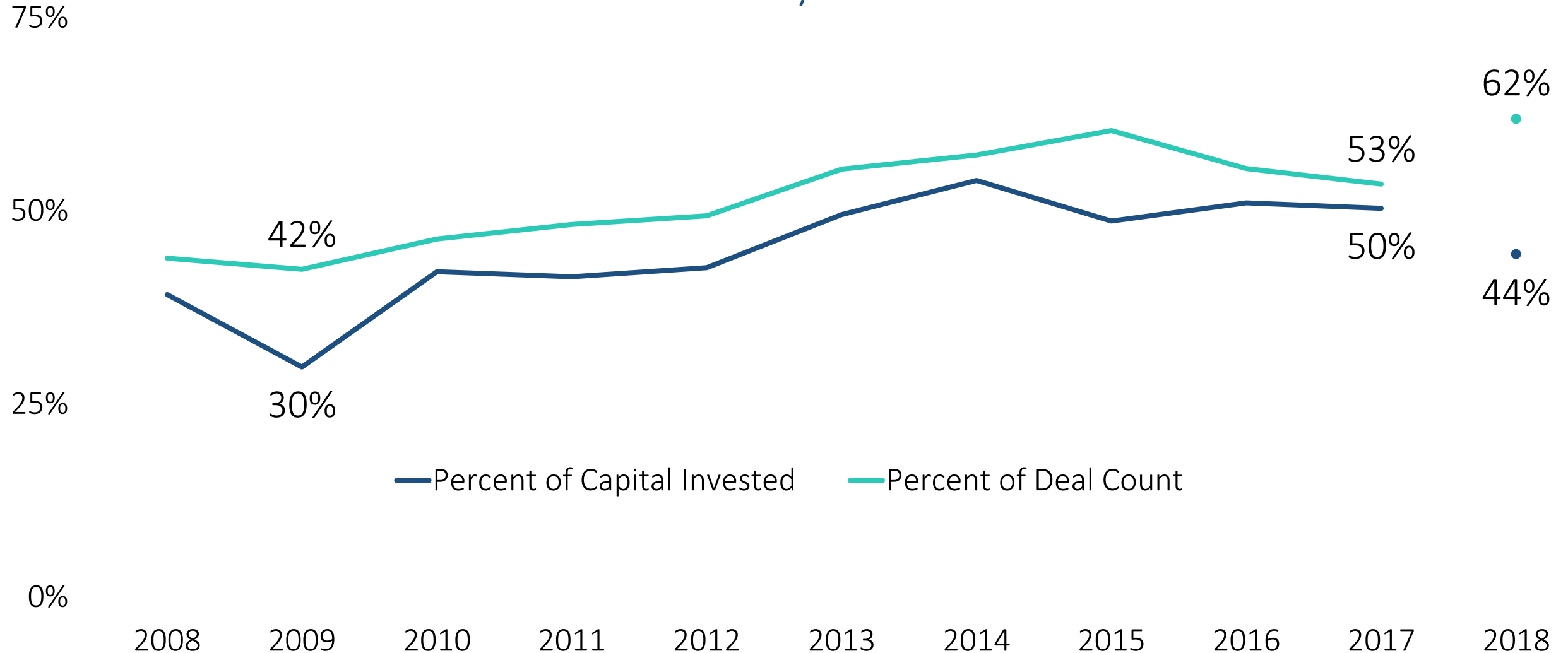
# MM deal activity rose to a decade high in 2017

## US MM PE Deal Flow



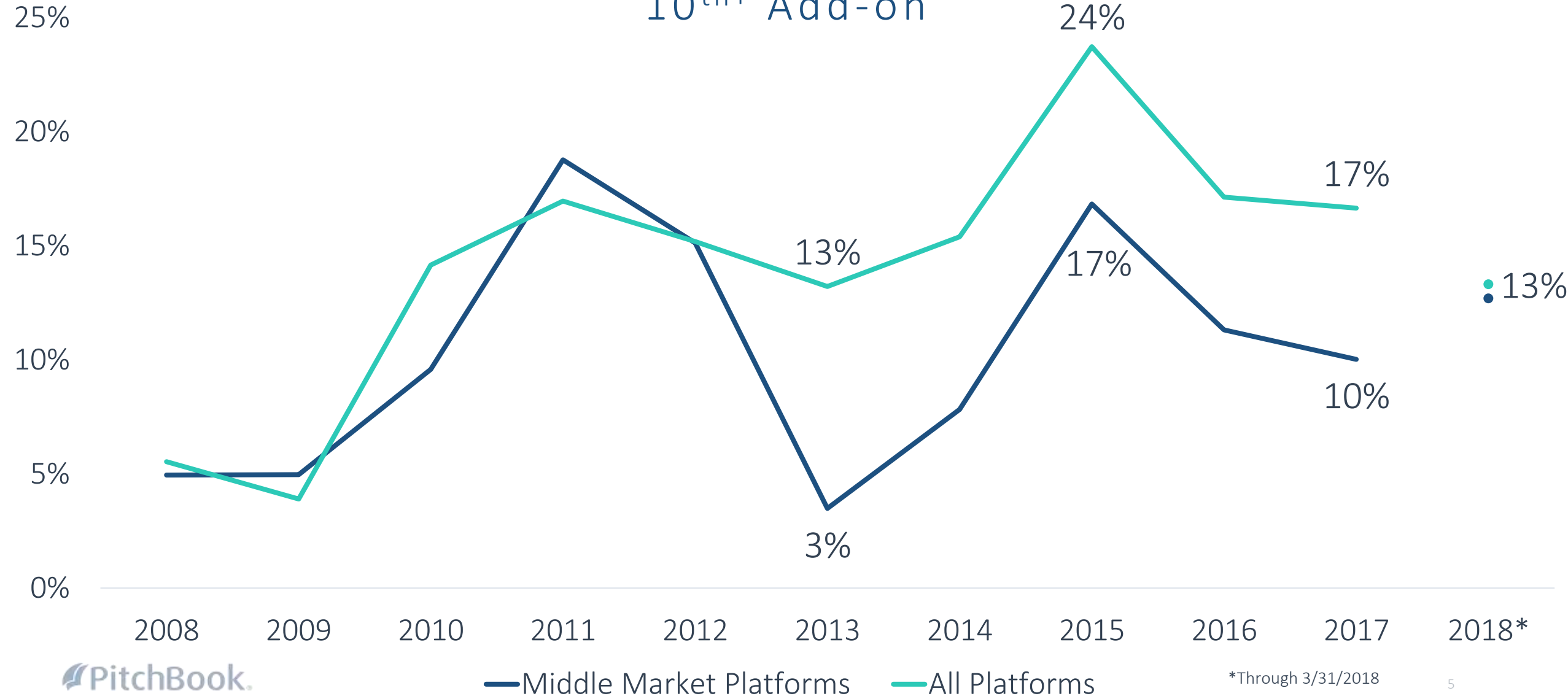
# Add-ons remain an integral aspect of the market

## US MM Add-on Activity as a % of Deal Flow



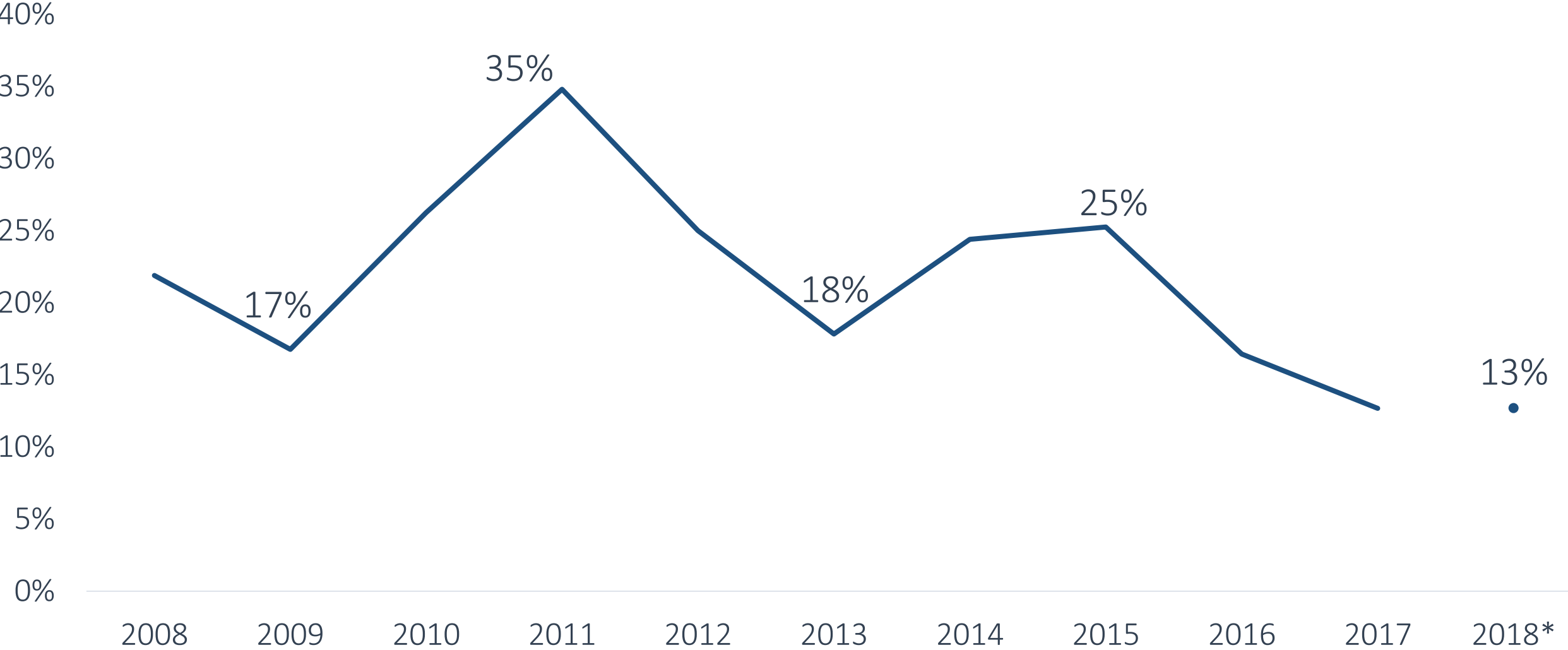
# Prolific buyers drive add-on activity

% of Add-ons (#) That Were At Least the Platform's  
10<sup>th</sup>+ Add-on



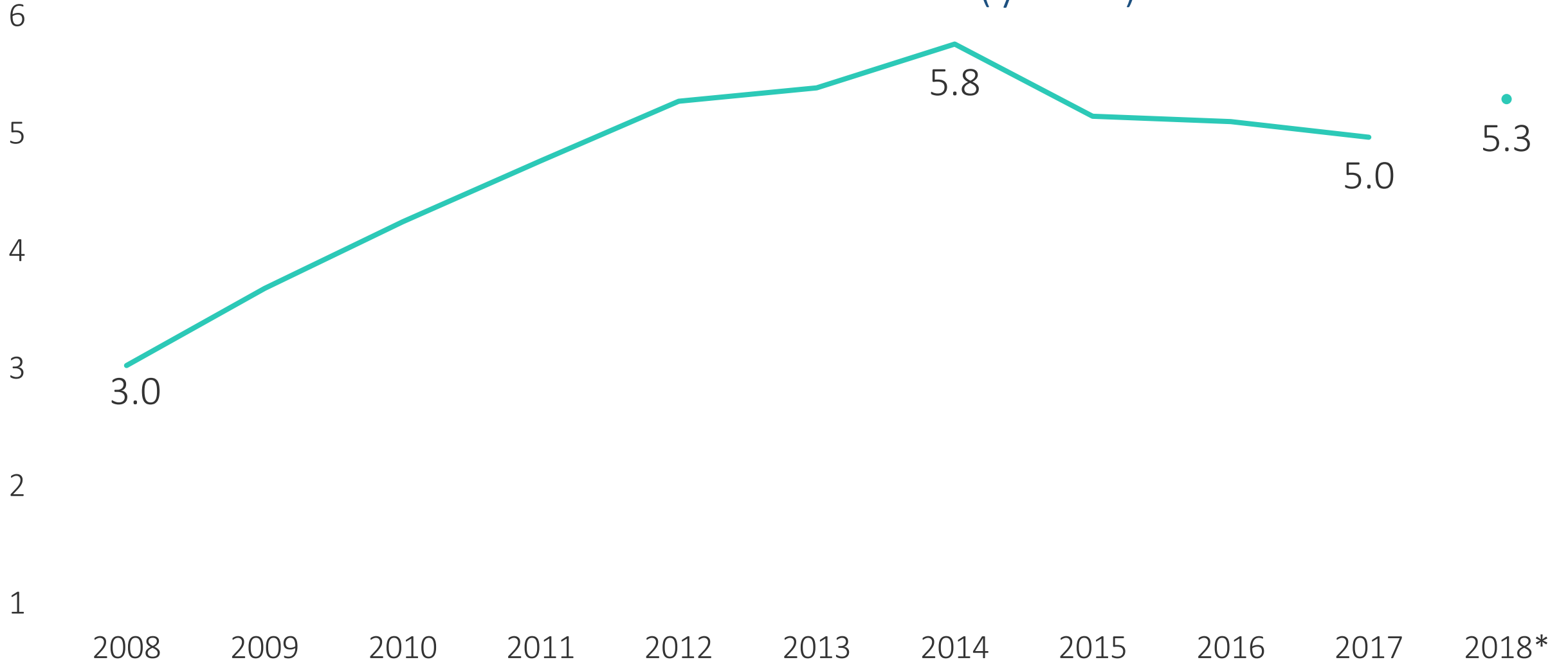
# Growing count of firms completing bulk add-ons

% of Add-ons Completed by “Super Platforms”



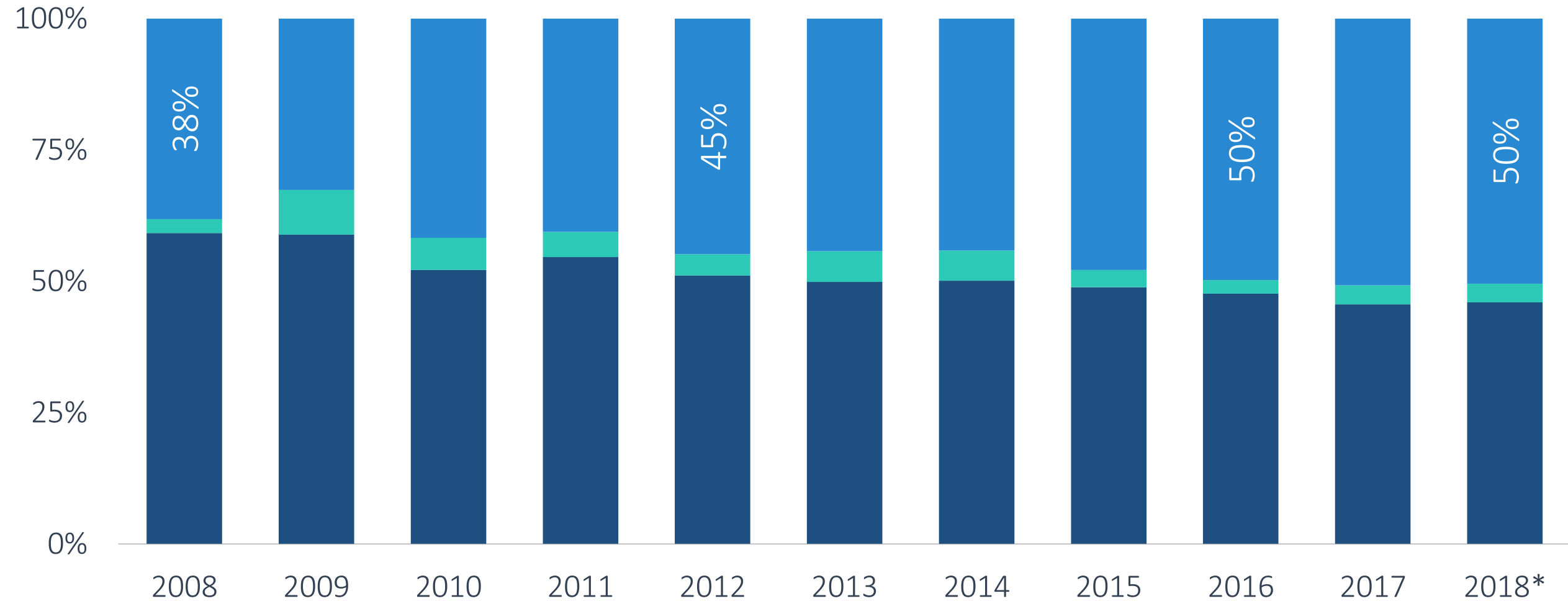
# Hold times remain elevated

US MM PE Hold Period (years)



# Secondary buyouts now main exit route

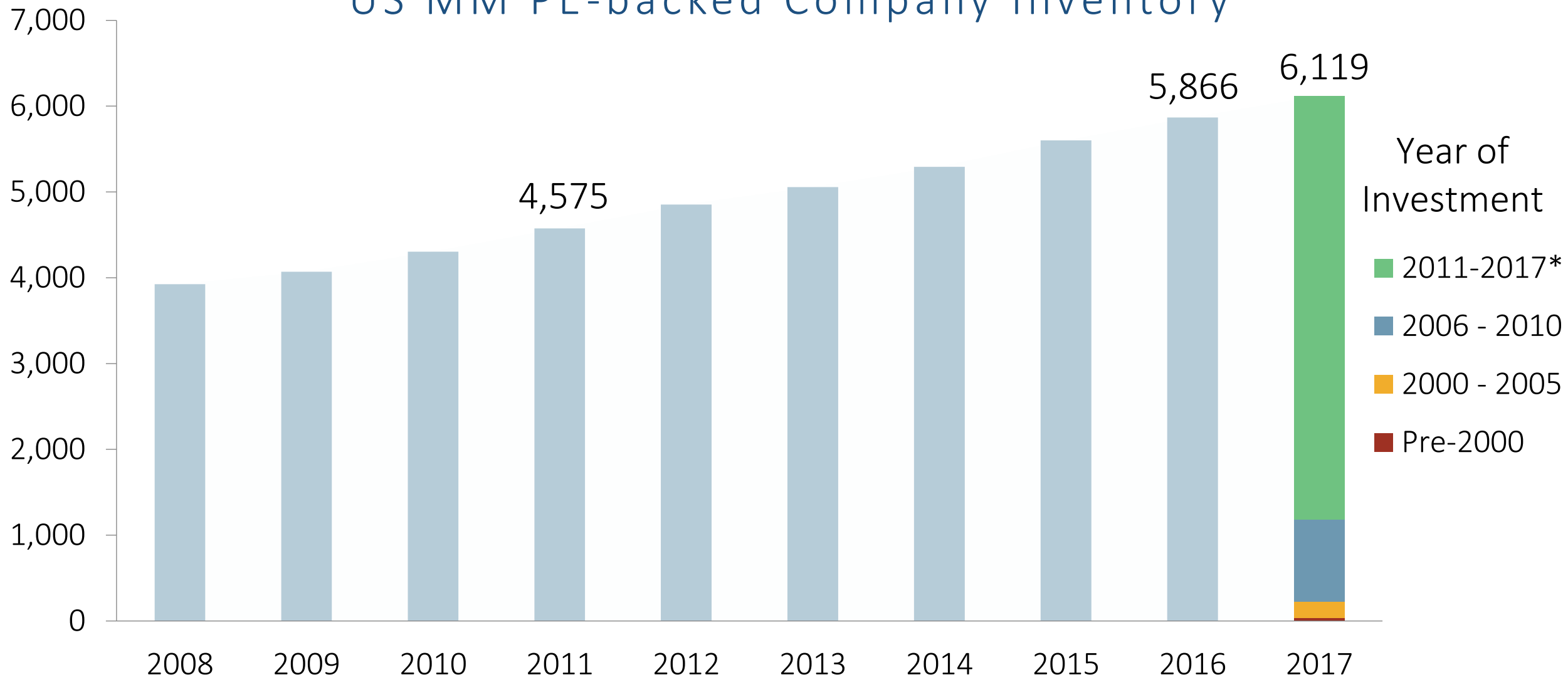
## US PE-backed MM Exits (#) by Type





# PE-backed inventory at all-time high

## US MM PE-backed Company Inventory





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# Shrinking Corporate Market

## Business Establishment Counts: 12-Year Trend



Employee Size	2006	2017	Difference	% Change
1	1,791,391	1,881,851	90,460	5%
2-19	9,849,217	10,113,328	264,111	3%
20-99	1,098,046	1,101,475	3,429	0%
100-249	155,856	148,279	-7,577	-5%
250-499	35,383	31,144	-4,239	-12%
500-999	13,666	11,626	-2,040	-15%
1000+	9,020	7,636	-1,384	-15%
Totals	12,952,579	13,295,339	342,760	3%

# Cash Conversion Cycle & Productivity Implications

Cash Conversion Cycle & Sales/Employee  
All U.S. Publicly Traded Firms

