MM exits off to a slow start

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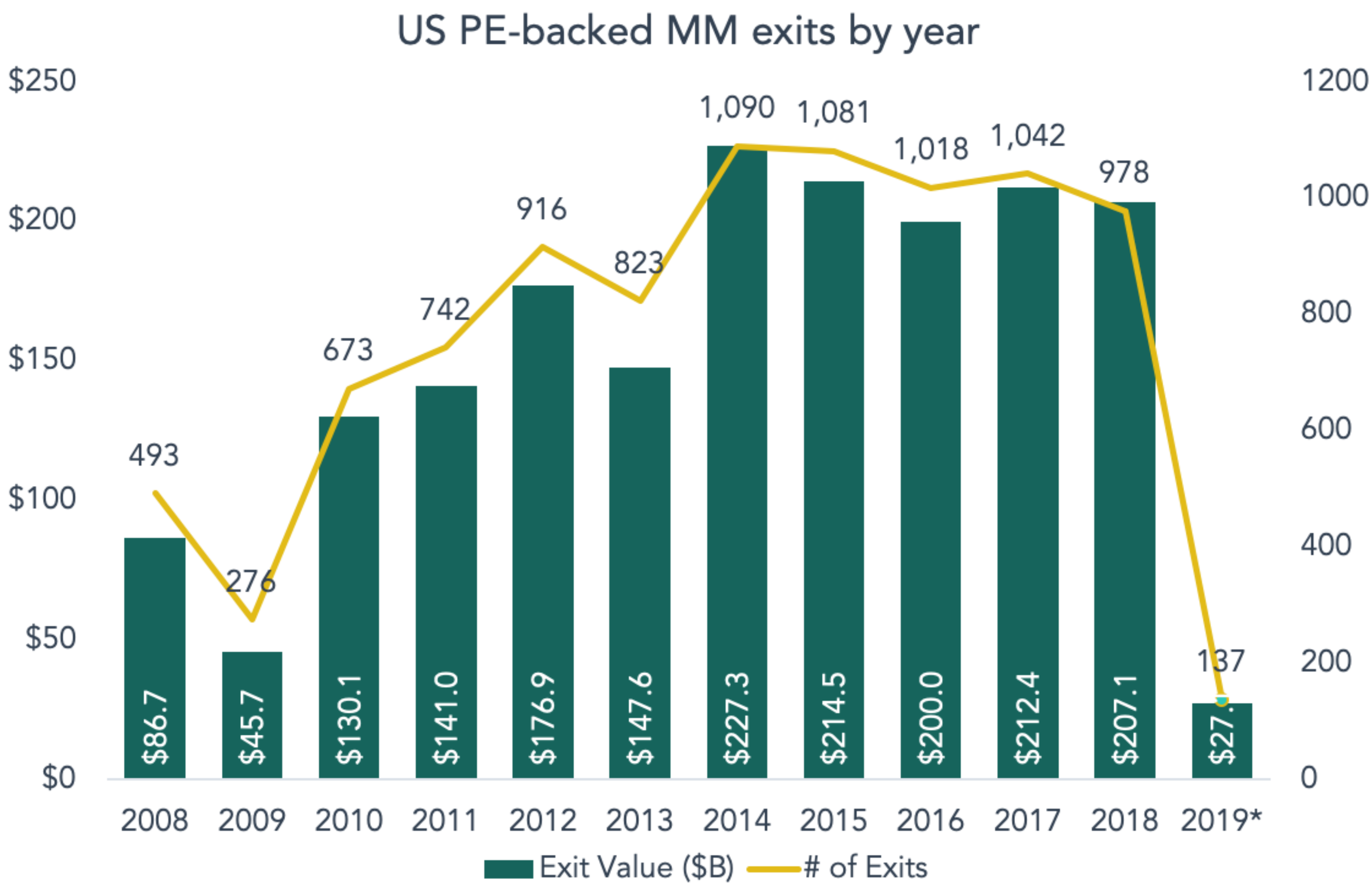

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It's early still, but middle market exits are off to a historically slow start in 2019. Just $27 billion worth of sales were inked in the first quarter off of 137 exits. On a quarterly basis, both were low marks going back to 2010, when the industry was still in rebound mode. It's possible that this seller's market took a breather in Q1 and that exits will ramp back up as we progress through the year. If nothing else, the slow start highlights how reliably strong things have been for five years now. Between 2014 and 2018, at least $200 billion worth of exits have been done on comparatively consistent volume. The exit boom coincided with the middle market's gradual rise in popularity among LPs, which prompted a similarly strong fundraising boom over the same five year period. It's been a good run so far. We may yet see a sixth consecutive year of similar numbers, and appetite for PE portfolio companies remains strong. But this past quarter might serve as a useful reminder that seller's markets and fundraising streaks don't last forever.