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Small bounce back in Q3

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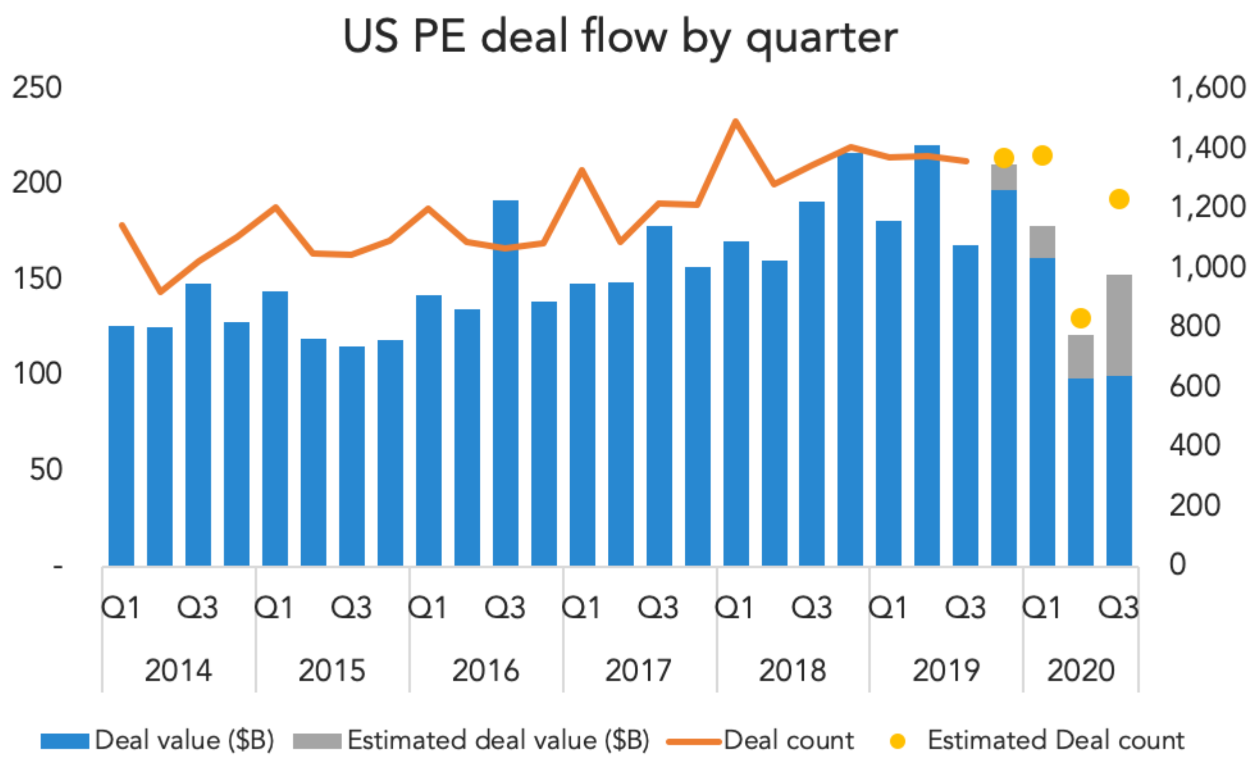

PitchBook's latest US PE Breakdown Report will be in tomorrow morning's newsletter (sign up here for a free subscription and a copy of the report). Q3 numbers show moderate rebounds in both estimated count and value, clearing a very low bar set in Q2. Estimated deal volume was about 48% higher last quarter, but overall remains woefully low compared to 2019. With a quarter left, 2020 deal volume stands at 3,444 transactions compared to 5,484 deals in 2019. Combined value is pegged at $435.2 billion through Q3 compared to $781.5 billion last year.

One big discrepancy showing up is deal type. Buyout volume hit 2,217 through Q3, still less than half of the buyout activity seen last year (4,489). Buyout deal value is even further behind, with $316.6 billion so far this year versus $713.2 billion in 2019. Growth/minority transactions are a different story. 536 have been done so far—still a ways off from 933 deals last year—but combined value is creeping higher. The $43.0 billion worth of minority transactions through Q3 actually puts 2020 on a respectable pace. $55.2 billion was done in 2019, so a strong Q4 will put 2020 on solid ground. It's not exactly a sign of market health to see that, but it does highlight the preference for minority stakes over majority ones.

Secondary buyouts have gone out of favor. 110 SBOs have been done so far in 2020, accounting for 17.9% of all buyout volume. 341 were done last year and made up 24.4% of volume. Here again, other deal types are growing in relative popularity. Add-ons now make up 72% of all buyout volume, up from 68.4% last year, while corporate carveouts now account for 9.3% of all activity, up from 8.4% last year.