2021 on a record-setting pace

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PitchBook’s latest PE Breakdown Report, which will publish this Monday, shows a record-setting pace through the second quarter. Both volume and value figures are well above average at this point of the year. Q2 was especially active—we’re estimating the second biggest quarter on record, trailing only Q4 of last year. The activity is coming from the high end ($1B+) and in the middle market, where the same dynamics—a continued recovery, still-cheap debt, and lots of dry powder—are at play. Fueling the frenzy even more is the specter of a capital gains tax hike, spurring investors and business owners to realize profits if the current proposal (39.6%) comes to pass. The same concern is also impacting the sell-side, where exit numbers are also on record-breaking pace.

Frenzied as they are, both the buy-side and sell-side are making for long nights at investment banks and law firms. We’re hearing reports of teams being overwhelmed by the workload, and some bankers are passing on deals they would have normally vied for if their pipelines weren’t so full already. Keep an eye out for Monday’s PitchBook newsletter, which will include full updates on deal activity, exits and fundraising numbers through Q2.