Dealmaking steady, fundraising slows

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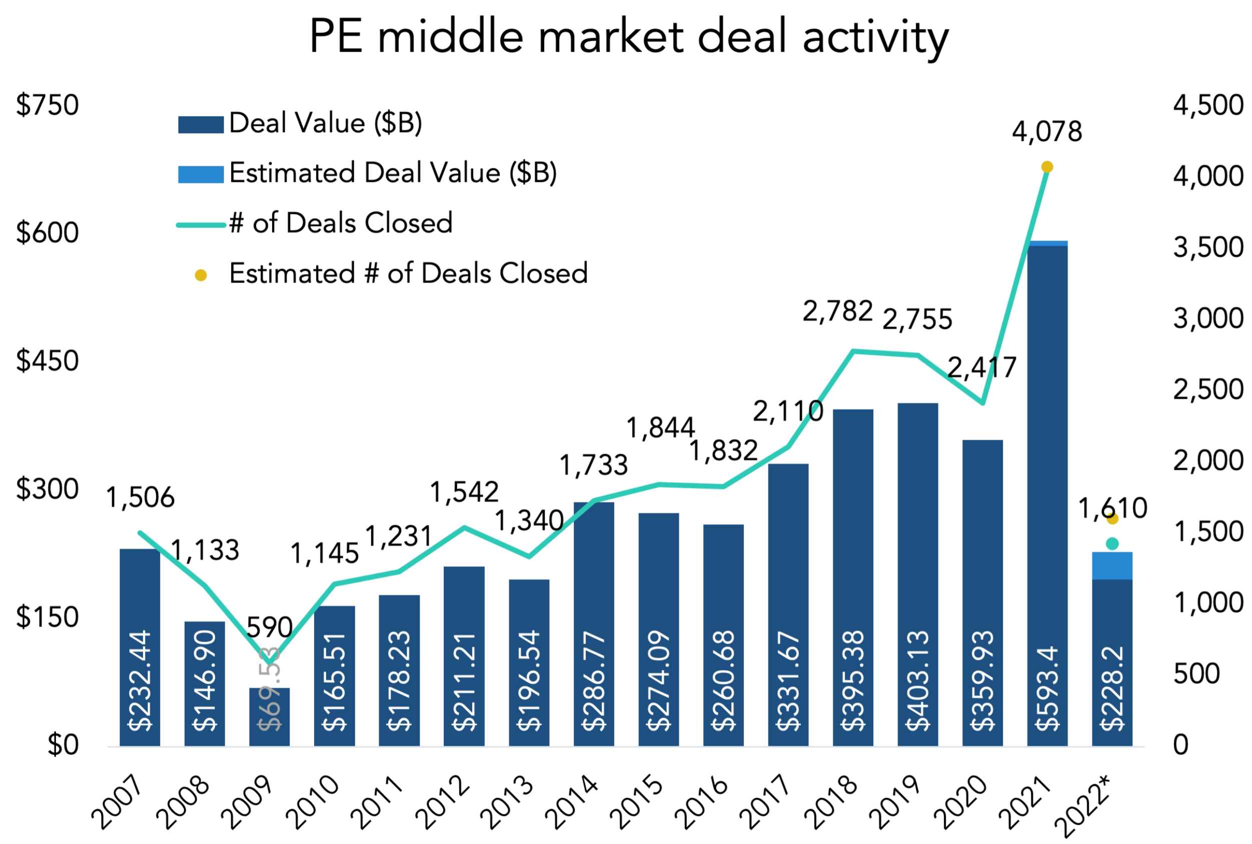

Download PitchBook's Report here.

PitchBook's Q2 2022 US PE Middle Market Report is now available. All things considered, dealmaking was stout in H1. Over 1,600 transactions were finished, with $228.2 billion invested in the process. Both figures are strong relative to prior years, except 2021. At this pace, the middle market is racing toward its second strongest year on record. In fact, the first and second quarters of 2022 were in the ballpark of the quarterly figures seen last year. Most of this year's strength is in the middle- and lower-middle-market segments, while upper-middle-market activity has slowed considerably. Deal sizes are down as a result: The median deal size so far is $126.7 million, down from $175.0 million last year. At the moment, the $126.7 million median is the lowest since 2012, but there's still six months left to go.

Fundraising is a different story. Only 70 middle-market funds have closed this year, far off the 186 that closed in 2021. The dollar amounts are also down, with $55.6 billion collected versus $139.4 billion last year. For the past four years, middle-market funds have accounted for at least half of all capital raised in the PE market. Not so this year—about 40% of all capital raised has gone to mid-market funds. That's not surprising, given LP preferences for larger funds in the current environment.

(Past performance is no guarantee of future results.)