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10% of industries account for 60% of add-ons

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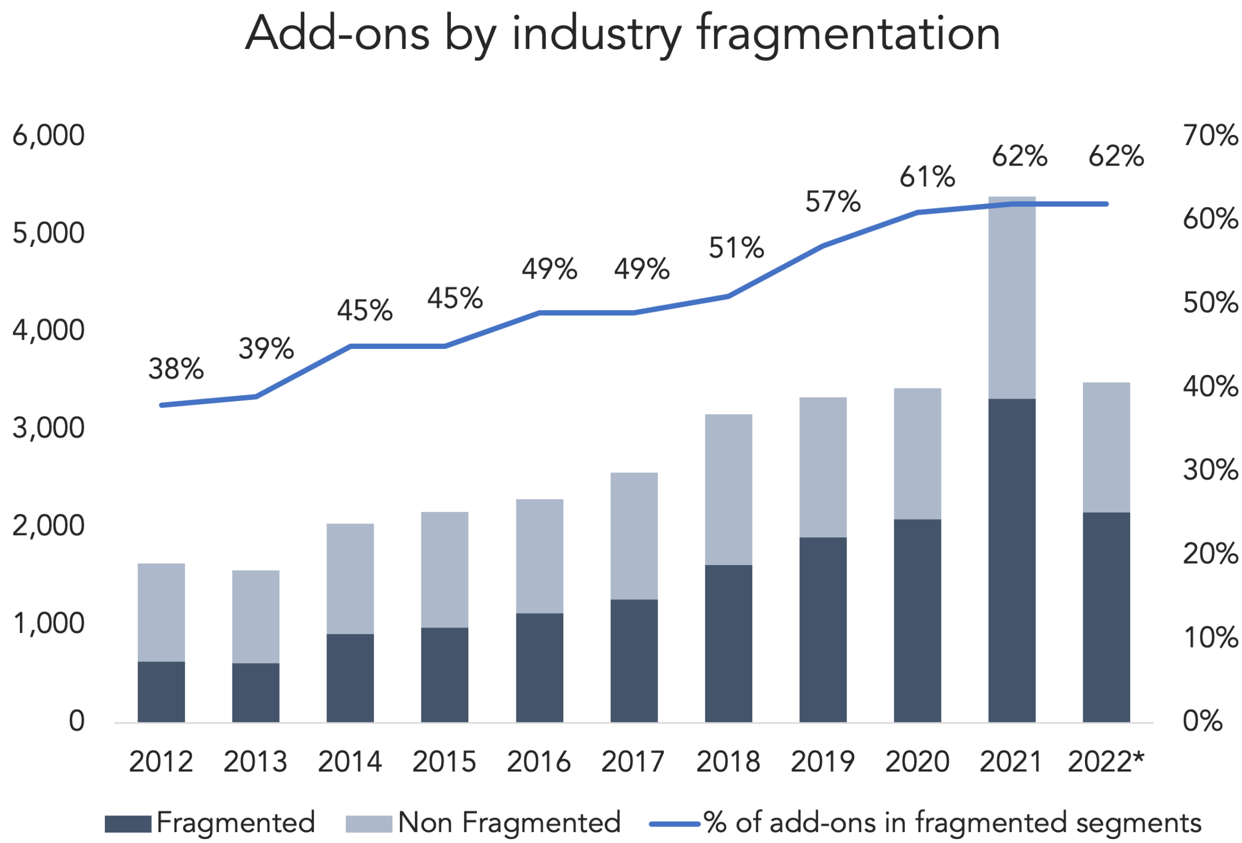

Download PitchBook's Report here.

An upcoming project unearthed an interesting trend around add-ons: Over 60% of them are done by 10% of the industry codes tracked by PitchBook. Sectors like insurance and healthcare clinics are severely fragmented, which gives PE investors an opportunity to put the buy-and-build model into overdrive. When that playbook is used, it's easy to pile up ten or more add-ons per platform, which boosts the overall add-on numbers. Aside from insurance brokerages and healthcare clinics, buy-and-build is prevalent in waste management, landscaping, consulting, advertising, marketing, pest control, fire protection and elevator services, among others. PitchBook's add-on-to-LBO metric is now 77.9%, according to the Q3 US PE Breakdown, but that high percentage is fueled by about a dozen industries that, acquisition-wise, punch well above their weight.

(Past performance is no guarantee of future results.)