A Disappointing Q3

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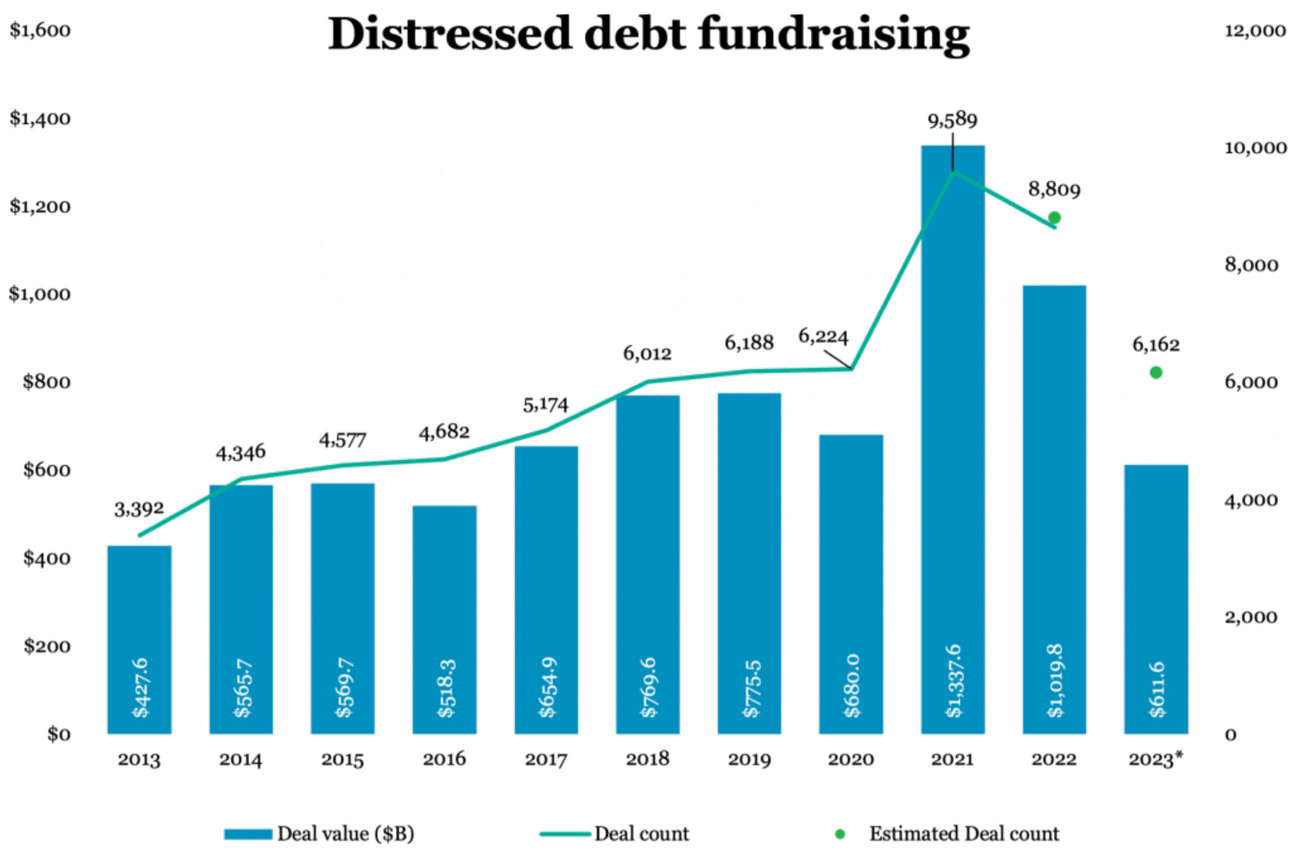

Download PitchBook's Report here.

The first half of the year showed teasingly positive trends for private equity, at least from a data perspective. The third quarter didn't live up to those expectation. PitchBook's Q3 US PE Breakdown saw a decline in dealmaking activity—below the $200 billion mark for the first time since COVID—and deal value overall is trending toward a six-year low. Deal flow is also heading downhill. A major factor for both decreases is due to leverage-sensitive platform deals, which fell 21% in value from Q2. YTD the decrease is now 43%.

Helping stanch the bleeding at least a little is growth equity, which gained a little over 4% QoQ. By value, growth investments now account for 15% of all US PE activity, more that twice the ratio it accounted for as recently as Q2 2022. As a sign of the times, growth equity investments are on pace to outnumber platform buyouts for the first time ever. As the report puts it, the "all-equity minority structure and penchant for investing in fast-growing late-stage companies is a good fit for the present debt- and growth-starved macro environment."

(Past performance is no guarantee of future results.)