A big drop in mega-buyouts

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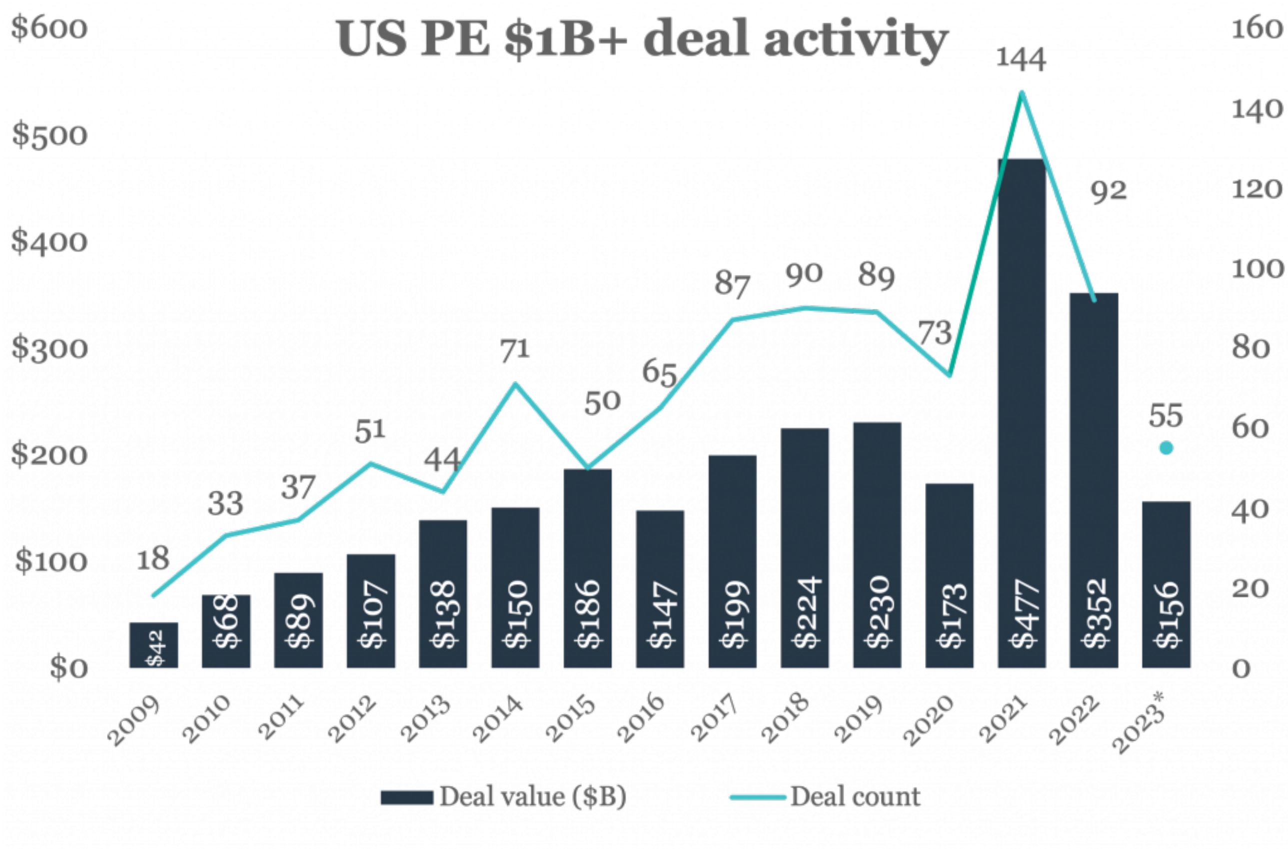

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$1B+ deals are set for a big decline this year, according to PitchBook's Q3 US PE Breakdown. Through Q3, about $156 billion has been invested via billion-dollar deals, a far cry from the $352 billion seen last year. It's an even further drop compared to 2021, when almost half a trillion was invested in $1B+ deals alone. Moreover, the market has seen just 55 of them this year, down from 92 in 2022. Given the difficulty in finding lenders for the biggest deals right now, it's possible that 2023 will see the fewest mega-buyouts in many years.

In similar news, PitchBook LCD data, for the first time, shows US equity contributions breaching the 50% threshold. That percentage only includes syndicated loans, but those are the types of packages used to finance the biggest transactions. Interest rate increases have made debt expensive enough to reach this point, and they're likely having an impact on whether big transactions happen or not, as well.

(Past performance is no guarantee of future results.)