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Deals with nonbacked companies as targets as a share of all PE buyouts by quarter

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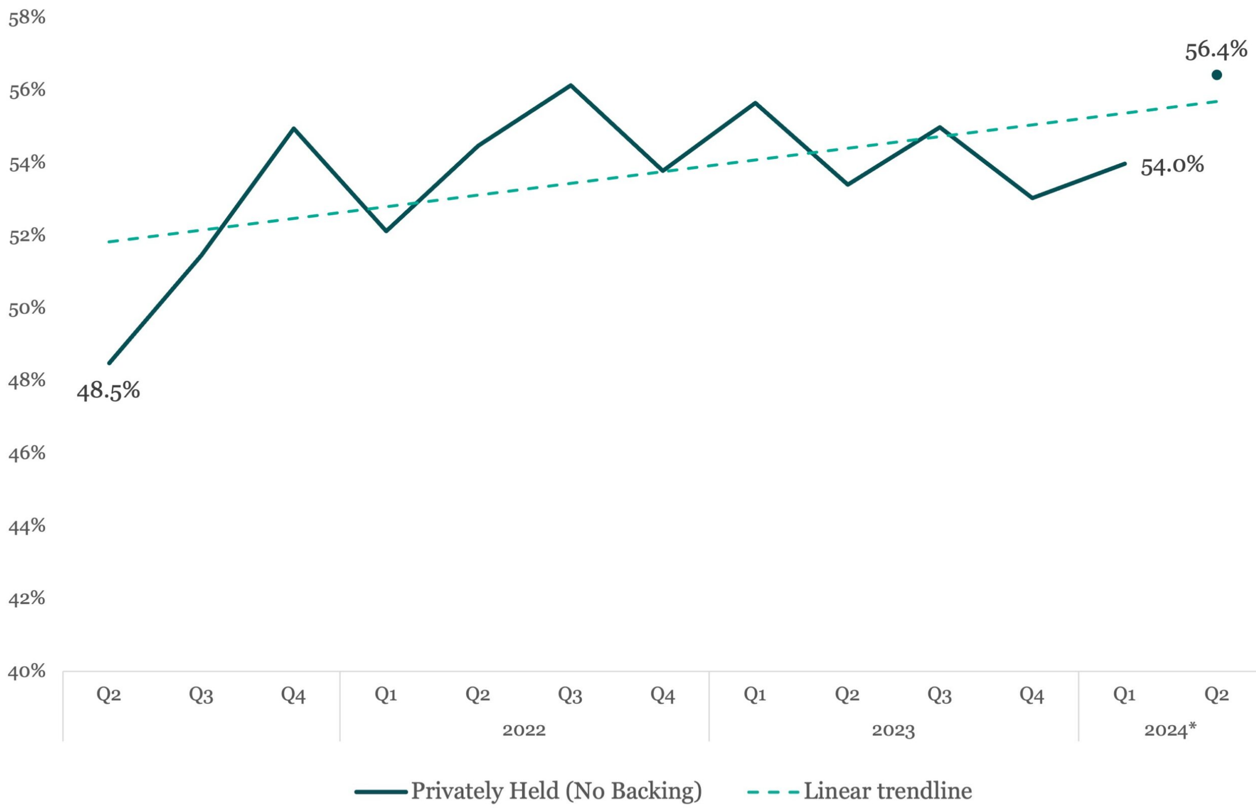

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Borrowing costs remain elevated and will likely stay that way for the remainder of 2024. As a result, PE firms continue to look further down market at companies with lower, more favorable purchase prices to compensate for the lack of leverage. When looking further down market, the number-one seller that sponsors have found is nonbacked companies, also known as founder-owned businesses, that have never accepted outside capital. Additionally, US PE firms continue to sit on elevated levels of dry powder, which currently totals $965.0 billion and needs to be put to work in a limited universe of sellers. As a result, we expect nonbacked businesses to continue to take up a growing percentage of all US PE deal activity.

(Past performance is no guarantee of future results.)