

M&A Market Pulse Survey Results

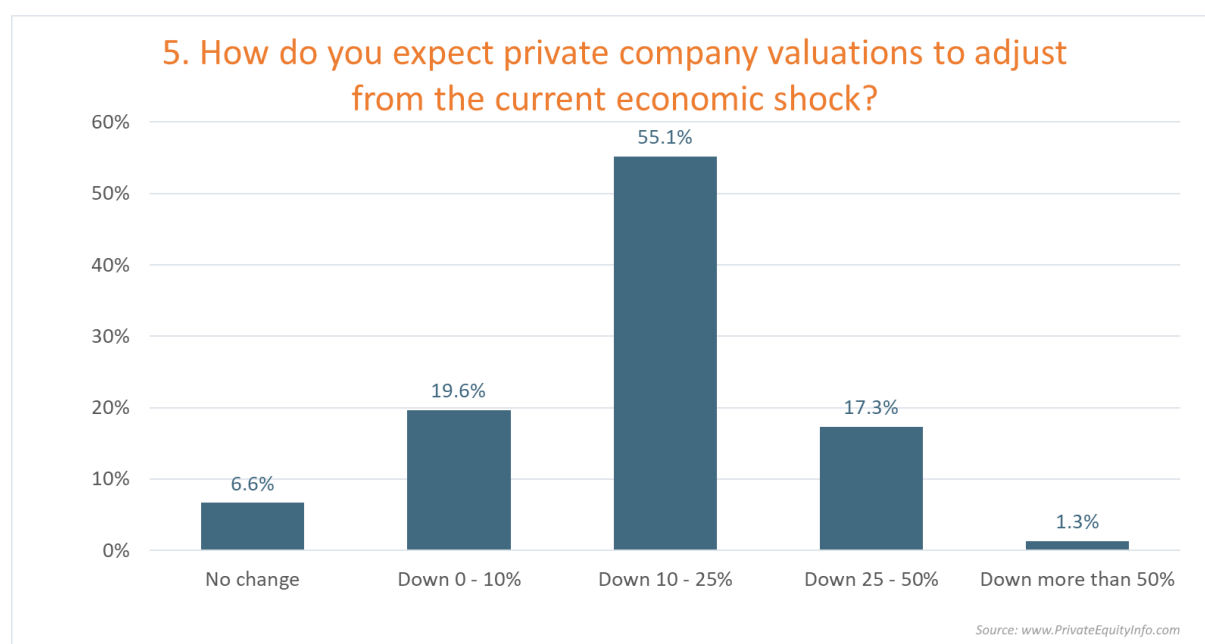
PRIVATE EQUITY INFO

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We surveyed private equity firms, investment banks and mezzanine lenders to get a pulse on the overall market sentiment surrounding M&A. We wanted to solicit the wisdom-of-the-crowd to report on current conditions and to capture what industry participants collectively think about likely future outcomes.

300 M&A professionals representing 267 unique firms completed the survey that was open for 24 hours – 78% from M&A investment banks and 10% from private equity firms.

There is significant uncertainty in the market as evidenced by the range of responses for many of the questions. We provided survey participants with the resulting graphs and statistics. For example, this graph...



Key Takeaways from the Survey

1. 82% of respondents are seeing fewer or significantly fewer deals in the pipeline.
2. About half of the deals that were expected to close are on hold.
3. Bank terms remain unchanged for almost half of the deals that are closing. Lenders changing terms are requiring additional equity more than interest rate increases.
4. There is great uncertainty around when private company financial projections are expected to solidify.
5. The consensus seems to center around a 10 – 25% drop in private company valuations.
6. Private equity firms are clearly in the “wait-and-see mode” with respect to new investments.
7. Most senior lenders are not calling in their lines of credit (yet). We suspect banks are also in “wait-and-see” mode before they move forward with definitive actions.
8. Most mezzanine lenders are hesitant to fund new deals.