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2020 buoyed by fourth quarter

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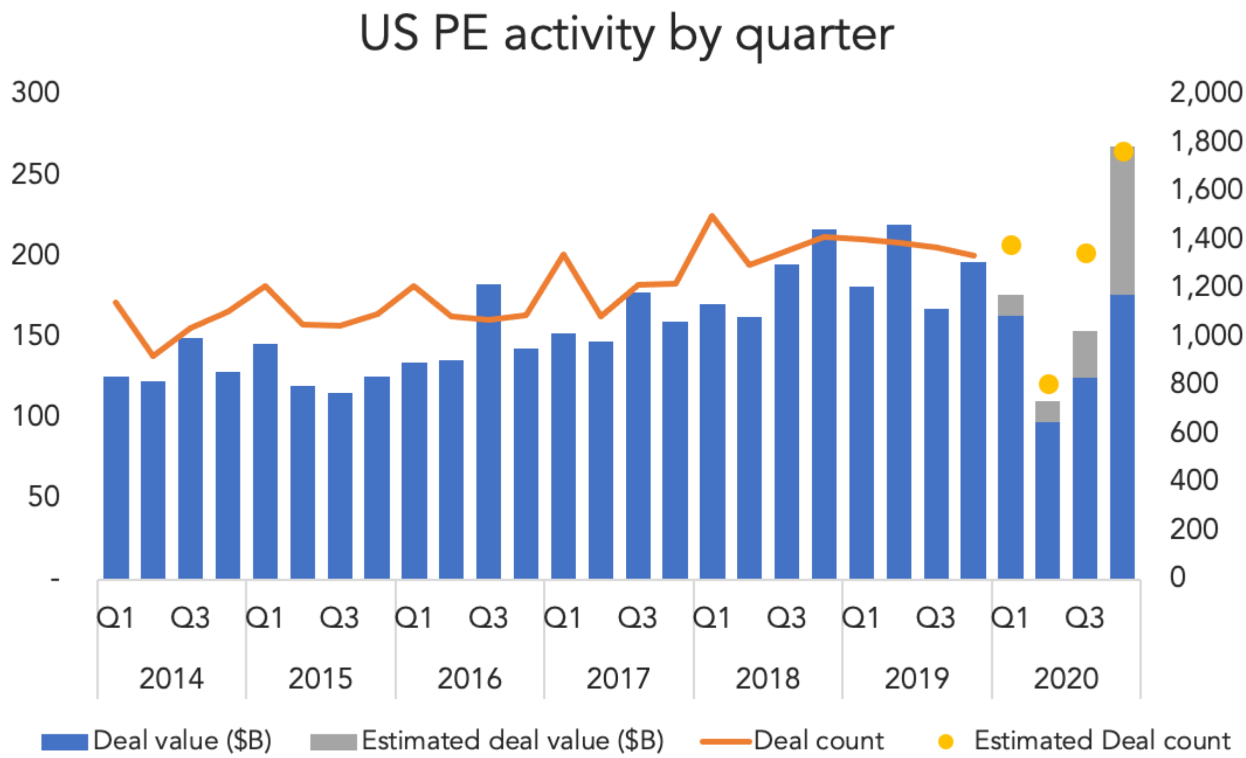

PitchBook's latest US PE Breakdown is around the corner. Our numbers suggest a massive jump in Q4 activity, bringing 2020 closer to 2019 numbers than many expected. In all, we're estimating 5,309 deals were done in 2020 totaling $708.4 billion. Respectively, those totals are -3% and -7% off 2019 numbers. A fourth quarter sprint helped buoy those stats: We're estimating 1,770 deals on $267.8 billion in Q4, which would translate to 31% and 74% increases, respectively, over Q3 estimates.

The other major boost was growth/minority transactions. While volume was down 14%, combined value was actually up this year, +8.8%. Classic growth targets are family-owned with organic growth potential and proven business models. Investors who were wary of full ownership found plenty of these opportunities last year. Many were at the top end of the market, and PE firms took advantage of COVID-related shifts in demand. One example was Lineage Logistics, a cold storage company that enjoyed soaring demand due to vaccine distribution, raising $1.6 billion in September. Albertson's was another example, taking in $1.75 billion from Apollo and others in May at the height of the lockdowns. Public companies took in similarly sized PIPEs in late spring and early summer, including The Cheesecake Factory, Expedia, Eventbrite and US Foods.

Enthusiasm at the top end of the market didn't translate into mega-deals of $1B+. Between 2019 and 2020, $1B+ deal volume fell 37% by count and 32% by value. The stock market's quick recovery probably had much to do with that, and the window of opportunity closed much quicker in the upper MM compared to the lower end.

Keep an eye out for the upcoming US PE Breakdown, which will publish next Tuesday before our next Lead Left. Please consider subscribing to our newsletter if you're looking for an easy New Year's resolution ahead of next week's report.