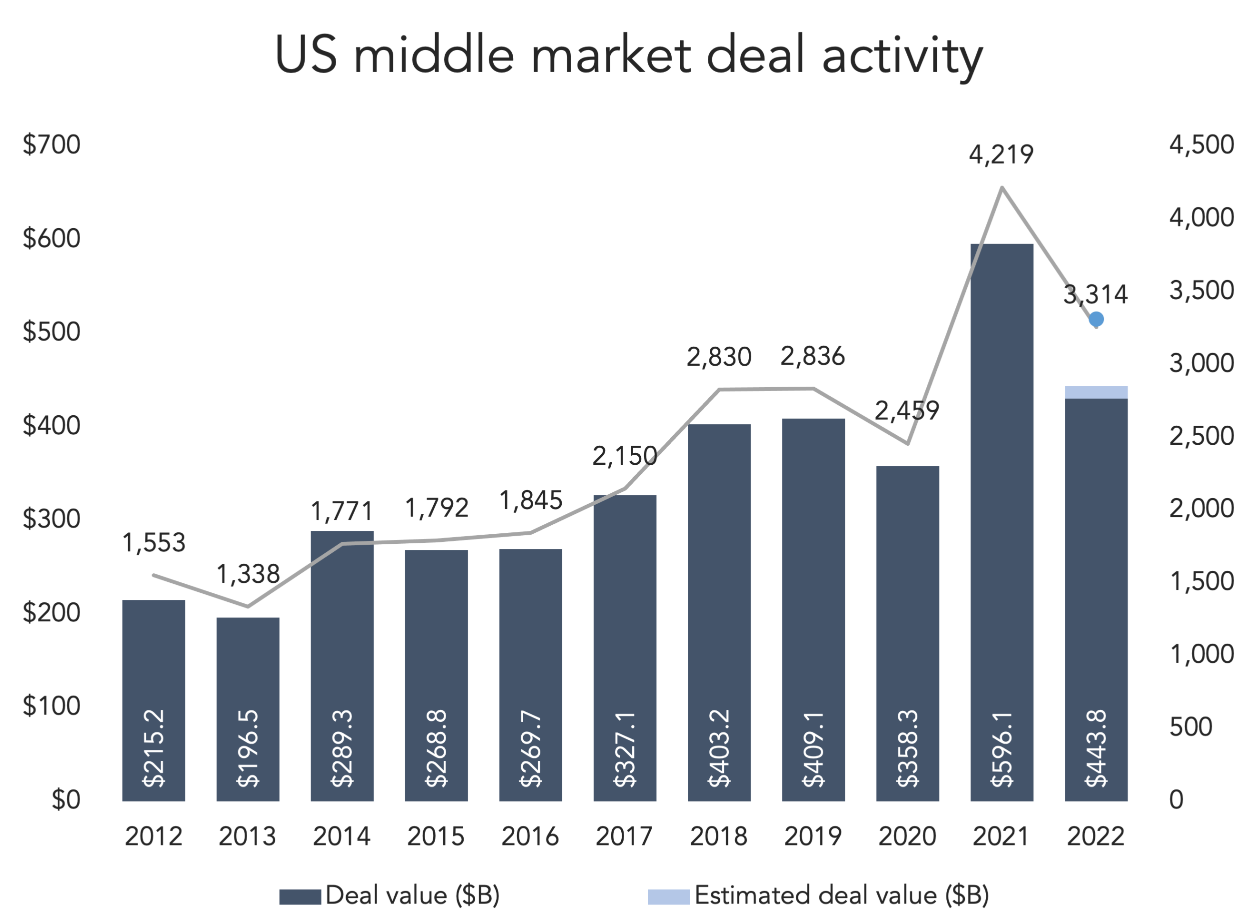
Middle-market above pre-Covid levels

PitchBook | March 16, 2023



Download PitchBook's Report here.

Middle-market activity came in at $443.8 billion in 2023, according to PitchBook's just-released US PE Middle Market Report. That represents a 26% decline from 2021 levels, while deal flow declined by a smaller 21% to 3,314. Despite the declines, both deal flow and value remained above pre-pandemic levels—compared to annual average deal activity between 2017 and 2019, 2022 was 17% higher by deal value and 27% higher by volume. Buyer-seller disconnects at the high end are pushing more investors to middle-market opportunities, which are also easier to finance as debt becomes more expensive.

Unlike other parts of the private markets, the middle market isn't experiencing a roller coaster ride by quarter. In fact, quarterly activity was remarkably consistent between Q1 and Q4, hovering around $100 billion in each period. That means, contrary to the broader market, the middle market wasn't on a downward trend heading into

2023, which could bode well for this year's numbers.

(Past performance is no guarantee of future results.)