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# A decent start in the middle market

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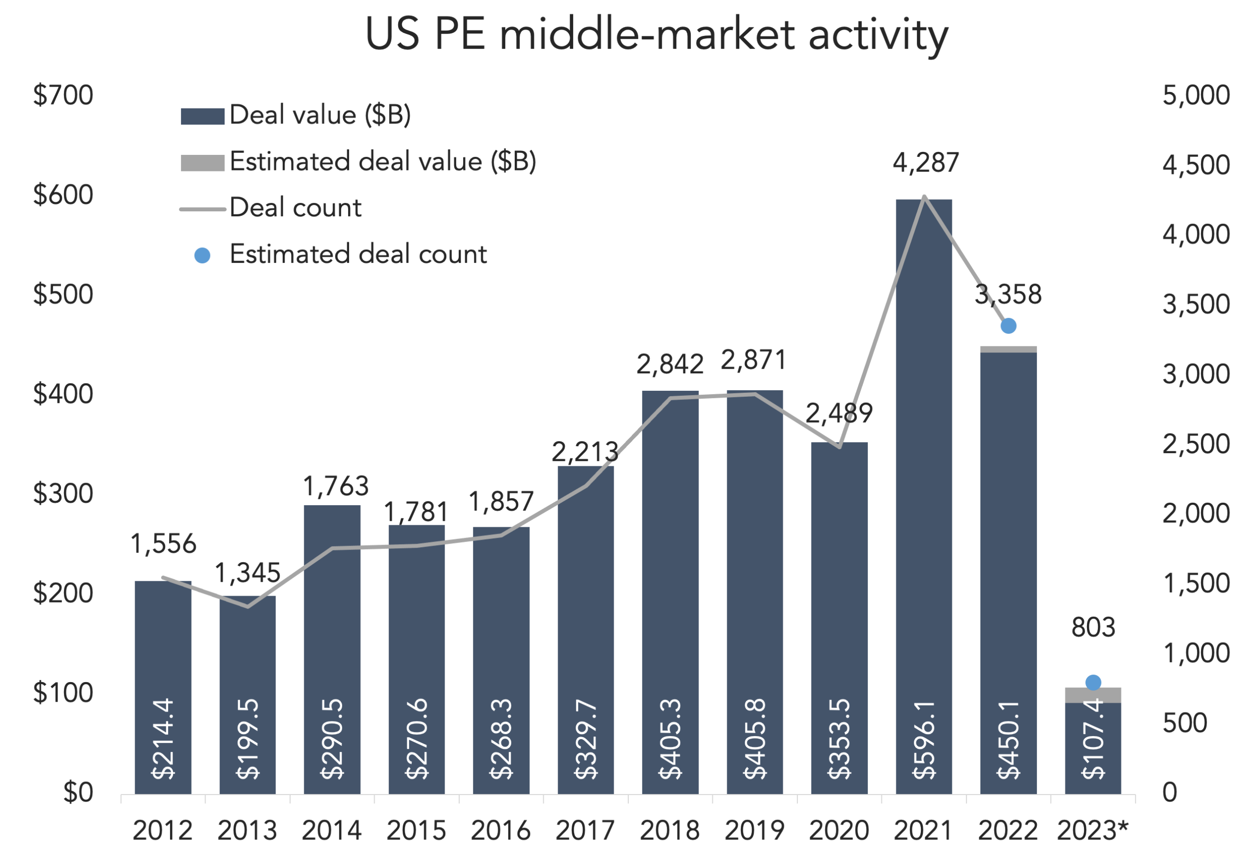


Download PitchBook's Report here.

The middle market got off to a decent start in 2023, though quarterly activity has mostly stalled since the 2021 boom. PitchBook's just-released US PE Middle Market Report registered $107 billion in Q1 investments, continuing a smooth trend of about ~$110B per quarter since Q4 2021. Deal volume trends are treading water in a similar way.

Stall aside, the middle market is doing better than the overall buyout market. For the past two quarters, the middle market's share of buyout activity has been above 75%, the highest back-to-back readings in five years. A big part of that has been a slowdown in megadeals. Debt packages to support LBOs are difficult to put together above the $2 billion mark, while the opposite is happening below that ceiling. Lenders are courting the middle market instead, where more than 800 direct lending funds are roaming around with combined a combined AUM of $614 billion, nearly double from just three years ago.

*(Past performance is no guarantee of future results.)*