A welcome bump in exits

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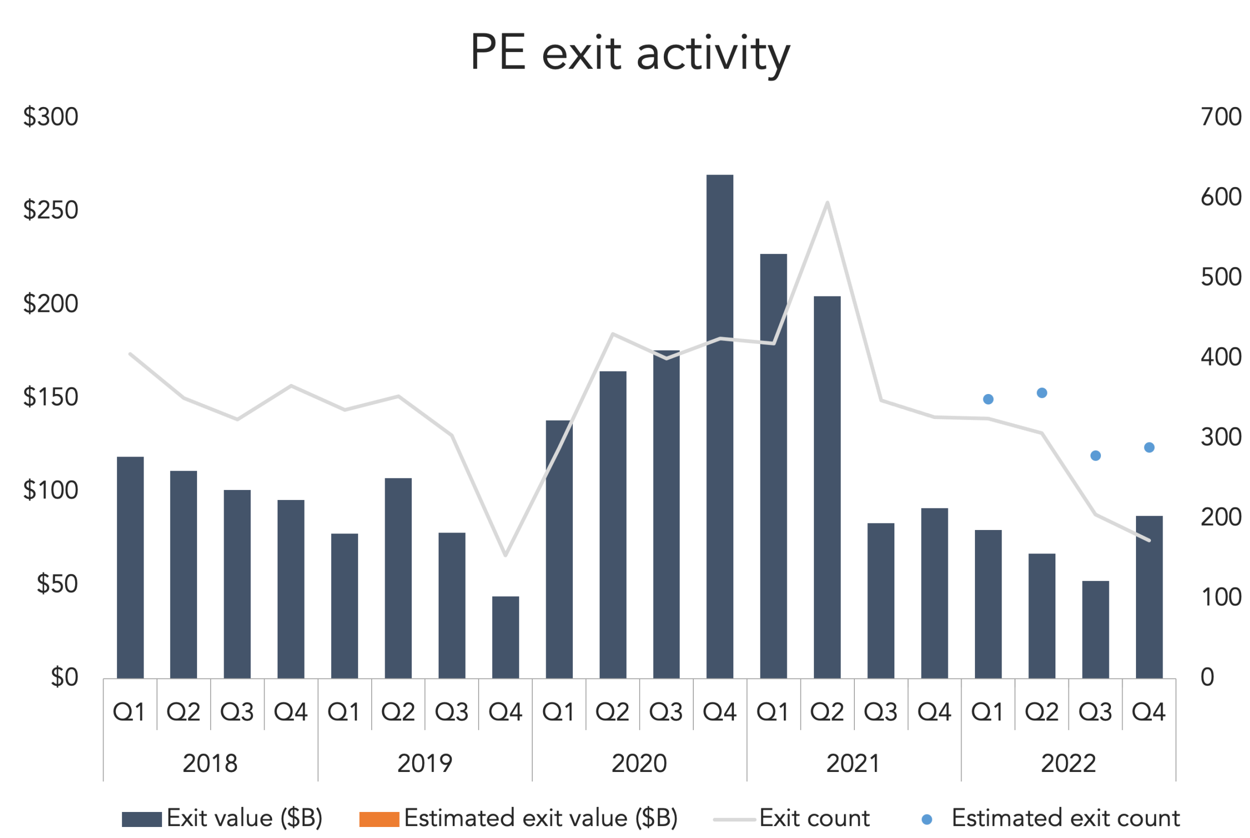

Download PitchBook's Report here.

Exit activity rose in Q2 and stopped a four-quarter slide, according to PitchBook's just-released US PE Breakdown. It wasn't exactly a resurgence, but was welcome news nonetheless. Exits came to a standstill in Q1, registering just $52.3 billion in total. Except for Q4 2019, that was the lowest quarterly total in over ten years. This past quarter saw $87.3 billion worth of exits, a 67% boost. That's nowhere near the post-Covid exit bonanza, which topped out at $269.9 billion in Q2 2021. Even so, it was an almost healthy quarter by pre-Covid standards, though still below the averages we saw between 2017-2019. Plus, the Q2 number was aided by a handful of large exits, so we're not seeing an industry-wide recovery just yet.

Last week we covered PE's "impending maturity wall," which is still approaching. Even if exit activity suddenly reverted to pre-Covid levels, we still expect PE firms will be behind on their exit timelines. Exit activity will likely remain below historical norms for the foreseeable future, which means "the pressure is building for GPs to find solutions to a rising liquidity concern and to do so quickly."

(Past performance is no guarantee of future results.)