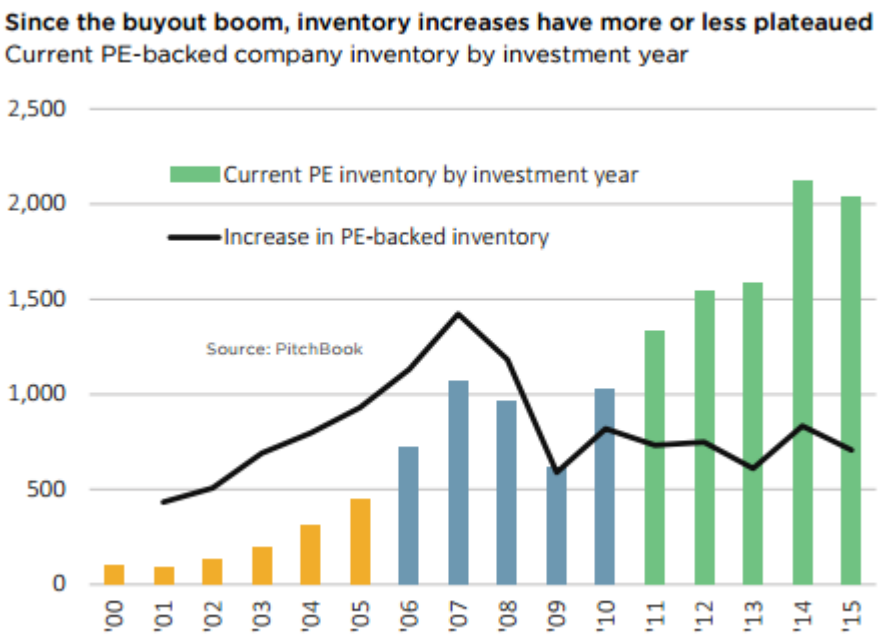
THE LEAD
https://theleadpc.com/the-pulse-of-private-equity-2292016/

The Pulse of Private Equity – 2/29/2016

PitchBook | March 1, 2016

PE's Other Overhang

For several years now, t America and Europe has essentia buyout boom era, this trend can evated deal multiples and a competi amount of



aged inventory already. PE firms have been putting their money to work in other ways than strict buyouts, such as taking minority stakes, looking to reduce the industry's other overhang of undeployed capital. As investment strategies have diversified, accordingly, it's worthwhile to wonder if inventory will ever increase again at even half the rate seen last decade. If fears of an oncoming economic malaise if not outright recession are proved true, PE firms could take advantage of growing distress across more sectors than just, say, energy, where investors are anticipated to ramp up activity soon. That could produce a boost of sorts to the inventory. Yet by and large, the seller's market may well counterbalance the company inventory, simply as PE firms seek to liquidate the most elderly of their holdings, in what could be the waning stages of an M&A boom cycle.

Contact: Garrett Black
garrett.black@pitchbook.com