

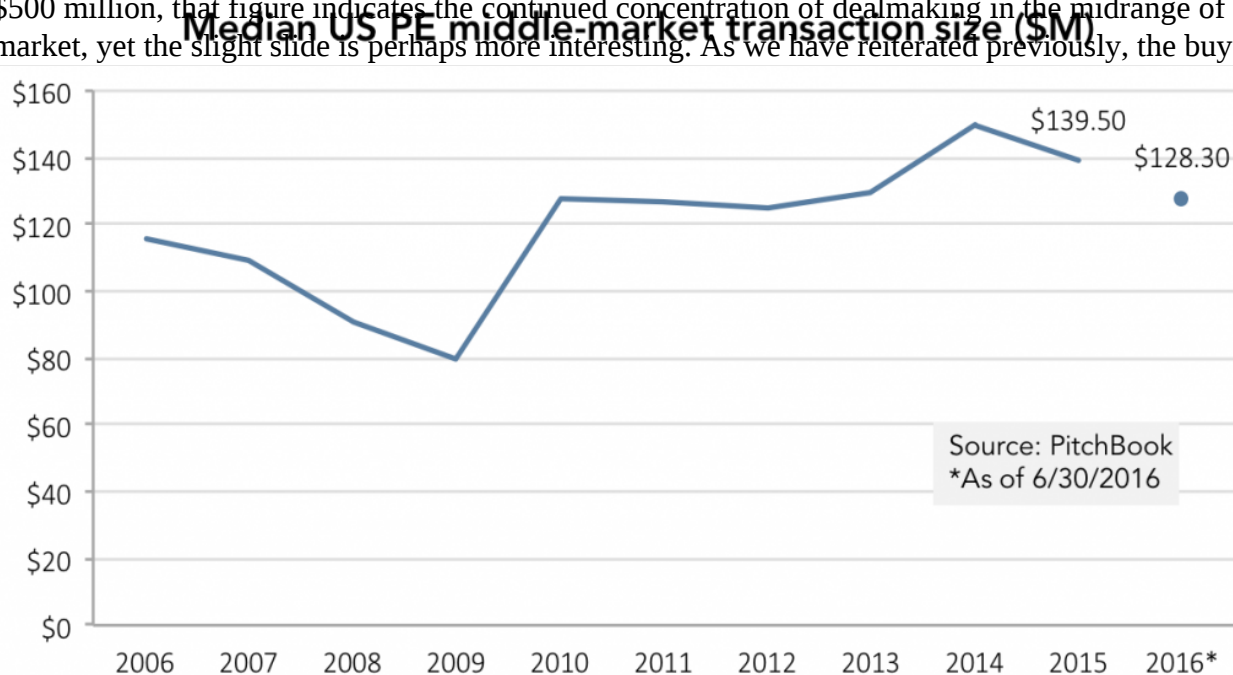
The Pulse of Private Equity – 8/1/2016

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US MM Transaction Sizes Indicate Concentration in the Core

In the first half of 2016, the median size of buyouts in the US middle market declined slightly to \$128.3 million, a slide of just over \$11 million. Given PitchBook's methodology of classifying the core middle market as transactions sized between \$100 million and

\$500 million, that figure indicates the continued concentration of dealmaking in the midrange of the US middle market, yet the slight slide is perhaps more interesting. As we have reiterated previously, the buyout cycle is



Regardless of

whether the pipeline of deals is refilling, there exists an uneasy equilibrium between the quality of the typical company in the market, the pressure of capital overhang, and perceived political and economic volatility. Hence the gradual decline in both overall activity and the median transaction size, even in the core middle market. Investors can still pay up, but they aren't as frequently as they used to. Whether that's purely a matter of timing or not remains unclear—a resumption of dealmaking would suggest that timing is the culprit, and investors' fears can be assuaged, while a new normal of subdued activity would indicate the buyout cycle is still slowly diminishing and dealmakers have by and large accepted that for the time being.

Read PitchBook's 2Q 2016 U.S. PE Middle-Market Report [here](#).

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