



# CALABASAS CAPITAL

## 1<sup>st</sup> Quarter 2021 Private Equity M&A Update

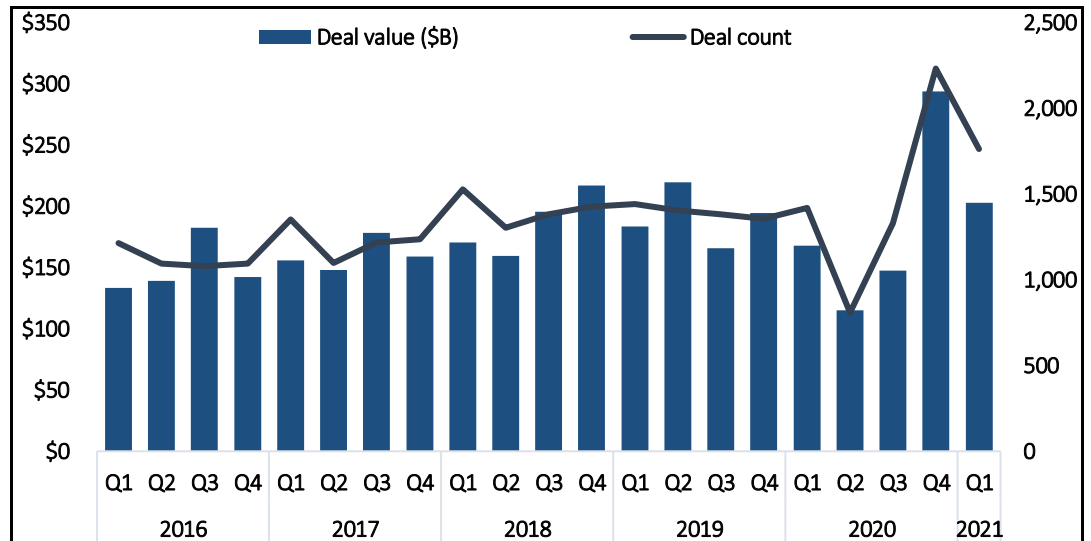
### About Us

Calabasas Capital is a boutique investment banking firm focused on serving lower middle-market privately held companies, including many family-held businesses, and their owners. We specialize in sell-side and buy-side mergers, sales and acquisitions and we raise private equity and debt capital.

### Private Equity M&A Momentum Continues

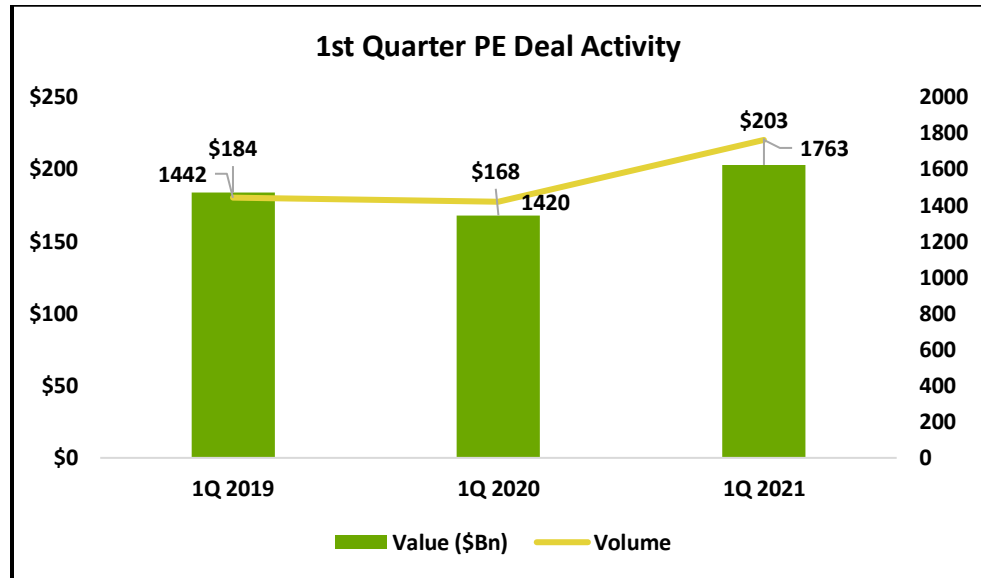
According to PitchBook Data, private equity acquisitions in 1Q 2021 dropped sequentially from the strong 4<sup>th</sup> quarter of 2020 by 31% in terms of value and 21% in terms of volume but was still the second strongest quarter since 2Q 2019 with 1,763 transactions representing \$203 billion in deal value.

#### U.S. Private Equity M&A Activity (\$Bns)\*

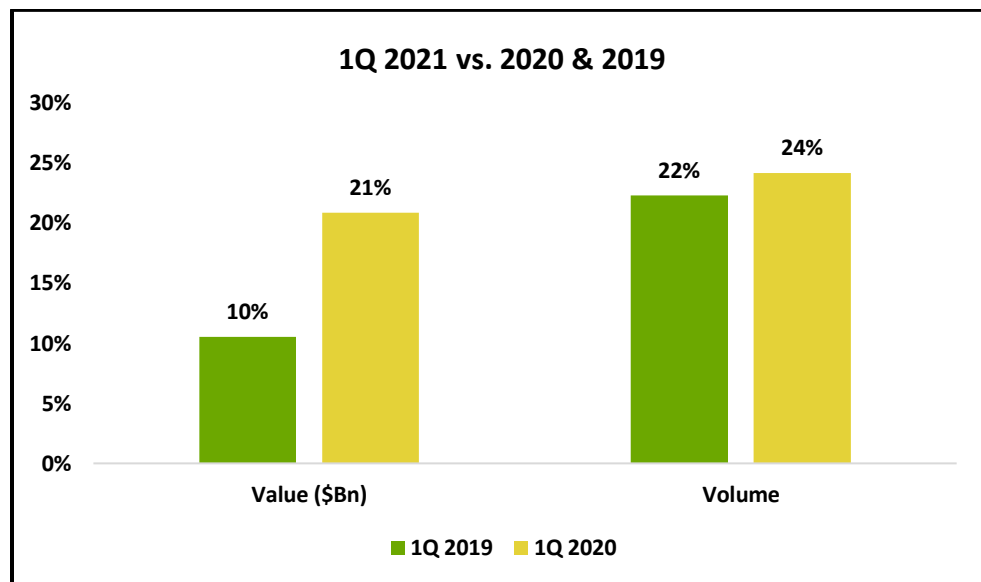


Although private equity deal activity in the 1<sup>st</sup> quarter of 2021 was down from the robust 4<sup>th</sup> quarter of 2020, it was still strong especially as compared to the Covid-impacted 1<sup>st</sup> quarter of 2020 and the pre-Covid 1<sup>st</sup> quarter of 2019.

\*Source: PitchBook Data 1<sup>st</sup> Quarter 2021 Private Equity Report.

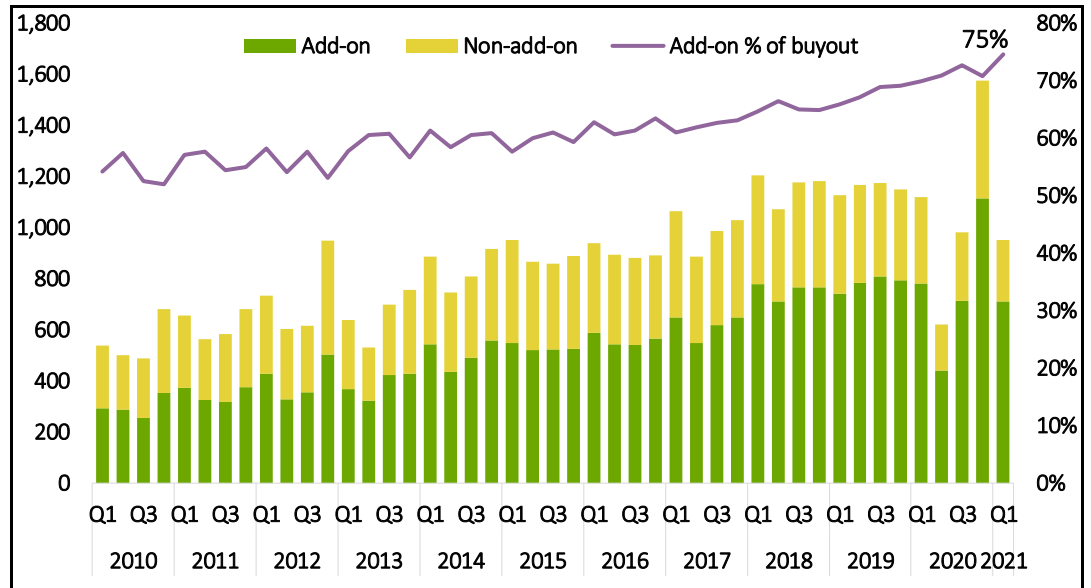


Deal volume in 1Q 2021 was up 24% over Covid-impacted 1Q 2020 and more impressively was up 22% over pre-Covid 1Q 2019.



\*Source: PitchBook Data 1st Quarter 2021 Private Equity Report.

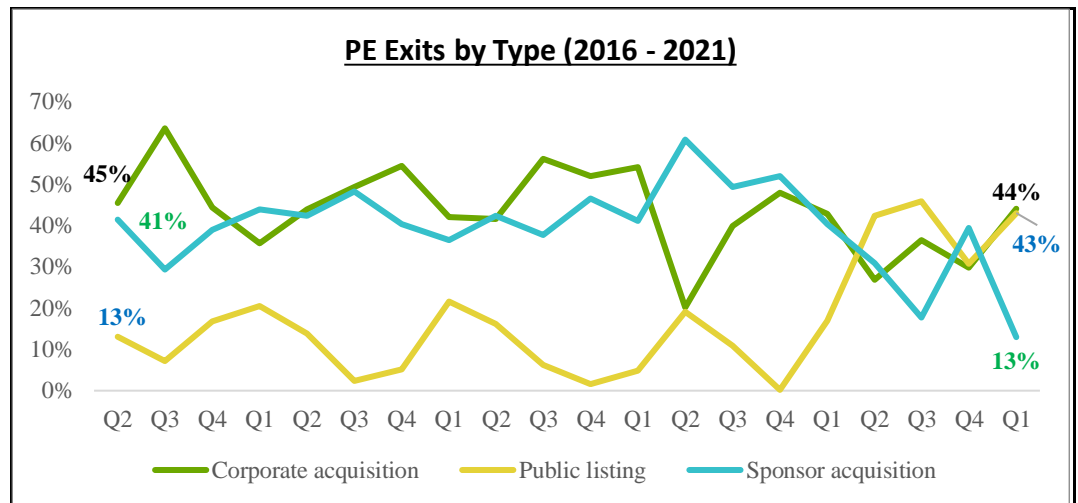
## Add-Ons More of a Focus Than Ever



According to PitchBook Data, the percentage of private equity deals representing add-on acquisitions by existing portfolio companies as compared to acquisitions of accelerated to a record 75% in 1Q 2021. With valuations remaining very high, there are only so many platform acquisitions a PE firm can afford to make each year so most of the PE deals being done in terms of volume remain in the form of tuck-ins.

## Richly Valued Public Markets Increasing as an Exit Option

Over the past five years, the share of private equity exits to the public markets has increased significantly from 13% in 1Q 2016 to 43% in 1Q 2021. The strong public market valuations and abundance of SPACs are the main causes of this trend. At the same time, the opposite trend has developed in terms of PE exits to other sponsors. No surprise there as sponsors know when their brethren are selling high!



\*Source: PitchBook Data 1<sup>st</sup> Quarter 2021 Private Equity Report.

## Calabasas Capital

Our comprehensive services include:

- Sell-Side and Buy-Side Mergers & Acquisitions Advisory
- Private Equity & Debt Capital Raising
- Acquisition Financing
- Financial Restructuring

Our industries of expertise include:

- Consumer Products & Services
- Business Services
- Aerospace & Defense
- Software & Ecommerce
- Industrial Manufacturing & Distribution

## Contact Us

### Team

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