

May 15, 2019

Slow Start in 2019 for Mergers and Acquisitions

BUSINESS ADVISORS, MERGERS AND ACQUISITIONS, PRIVATE EQUITY
BY SCHNEIDER DOWNS PROFESSIONAL

According to Pitchbook's Q1 2019 U.S. Private Equity (PE) Breakdown, there was a total of 993 deals during the first quarter of 2019, down 27.9% from the first quarter of 2018. Total value of these deals was also down 26.7% in the first quarter from 2018, coming in at \$121.4 billion.

It is believed the volatility in the markets at the end of the year and into early 2019 factored into the declines. With the extent of price uncertainty, firms elected to wait on entry and exit deals for a more favorable environment. In fact, the report noted just one private equity-backed initial public offering during the quarter, the lowest since 2009. The month-long government shutdown also likely played a role in the low number of initial public offerings.

The purchasing of add-on companies to previously acquired platform companies accounted for a record 71.0% of total deals in the quarter. This has become a popular strategy for many firms, particularly with companies in industries with prime opportunities for consolidation, including healthcare and financial services.

The 2018 year was strong for the overall mergers and acquisitions market. With the economy rebounding thus far in 2019, it will be interesting to see if deal activity reverts back to 2018 levels or if the first quarter declines will continue.

If your plans for 2019 include the possibility of a deal, learn more about Schneider Downs' experience in advising clients throughout the course of a merger or acquisition by contacting Joel Rosenthal at 412.697.5387 or jrosenthal@schneiderdowns.com.

You've heard our thoughts... We'd like to hear yours

The Schneider Downs Our Thoughts On blog exists to create a dialogue on issues that are important to organizations and individuals. While we enjoy sharing our ideas and insights, we're especially interested in what you may have to say. If you have a question or a comment about this article – or any article from the Our Thoughts On blog – we hope you'll share it with us. After all, a dialogue is an exchange of ideas, and we'd like to hear from you. Email us at contactSD@schneiderdowns.com.

Material discussed is meant for informational purposes only, and it is not to be construed as investment, tax, or legal advice. Please note that individual situations can vary. Therefore, this information should be relied upon when coordinated with individual professional advice.

© 2024 Schneider Downs. All rights-reserved. All content on this site is property of Schneider Downs unless otherwise noted and should not be used without [written permission](#).