

PRIVATE MARKET UPDATE – HEARD ON THE STREET

In light of recent market volatility, Bridgepoint is providing another real time update of what we are hearing from our close private market relationships

“Most of the bankers we’re talking to are slowing down, putting deals on hold. Some people pushing through, some being more cautious. We’re proceeding business as usual, would like to see more deal flow than we are. Still interested in seeing deals and excited to put money to work for the right situations. Definitely willing to put our new fund to work and will put in the work.” – *Private Equity Fund*

“We continue to pursue several acquisition opportunities. There will be varying levels of impact, based on the discipline. We are starting to see some pullback in credit, so that could impact our ability to close at elevated multiples. In general, we understand the markets in which we invest and plan to proforma the impact of the current situation as best we can.” – *Private Equity Fund*

“Nothing we’re working on will be closing in the next month or two due to market volatility. I would be surprised if any deals in market will close at their previously indicated valuation. Healthcare, generally speaking, is more protected than other sectors. Elective procedures and business are going away or will be seriously curtailed next few months.” – *Business Development Company*

“We perform primarily elective procedures. As such, we are concerned that patients will delay procedures. We are also prepared to suspend elective procedures if necessary, to assist in serving the community’s need to treat Coronavirus patients. Anticipating a slowdown, we have drawn down on our line of credit and are being prudent in conserving cash.” – *Physician Practice*

“We are really coordinating with our customers. We haul mostly foodstuff and consumer packaged goods and they are in really high demand right now. So we are working with our customers to ensure that we are safely delivering our goods and getting products where they are needed to keep America moving. We are seeing peak demand higher than we see in Christmas and it looks like that will hold true for the foreseeable future.” – *Transportation Company*

“Most of our transportation clients are saying that freight volumes continue to remain high, but are cautiously waiting as the news changes rapidly. The most concerning aspect of the current markets for our clients is the potential impact of the China shutdown, as that will impact supply chain which ultimately trickles down to the freight shippers. Also, everyone is upbeat about the price of diesel; we see that diesel volumes continue to increase while unleaded volumes continue to decrease.” – *Money Center Bank*

“Our management views this as a huge opportunity to put a lot of capital to work for companies that can’t get what they need from their banks.” – *Private Equity and Debt Fund*

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Currently, in the U.S. we are seeing mixed levels of activity for transactions given the uncertainty in the public markets and related to the macro outlook. The reality is delays and re-pricing are likely over the near-term on many deals in the M&A market, and the extent, if any, relates to sector and quality of business. We’re continuing to receive bids on companies and deal processes are largely pushing forward albeit with some hesitation. We’re open for business and, particularly on the capital side of our business, provide capital solutions throughout the capital structure which only will be more important to bolster liquidity for our clients. We’re seeing leading, proactive companies and boards accelerate their capital plans and processes with us during this time and providing capital and solutions to others in a pinch.

*Matt Plooster, Managing Director
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Source: DAT Industry Trends

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