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TRANSACTIONS

Private equity market dips

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Despite a year rife with transactions, the 2015 private equity market dipped in both volume and value, especially in the fourth quarter when leveraged buyouts dropped close to 40 percent, according to a recent report from PitchBook Data Inc.

Last year saw 3,602 deals worth just under \$606 billion — an 8.2 percent and 4.8 percent slide in volume and value, respectively, compared to 2014. While the slowdown has some legal experts contemplating a more sluggish private equity market this year, 2015 remains the second most active 12

months since leveraged buyouts hit a high of \$938 billion in 2007, according to PitchBook.

We had really great year in 2015 that continued into the fourth quarter,” said Jared G. Jensen, partner with Goodwin Procter LLP. “But we understand that we are having an experience not consistent with the market as a whole.”

Aggressive valuations also influenced buyout activity in 2015 with several deals over \$2.5 billion totaling roughly \$135 billion — the most in years, according to the report.

The largest U.S. deals, according to Thomson Reuters Corp., were Carlyle Investment Management LLC’s pur-

chase of a Symantec Corp. division and Blackstone Group LP’s buyout of BioMed Realty Trust Inc., both involving California companies and valued at roughly \$8 billion each.

“We’ve had a great run the last couple of years — a robust cycle,” said C. Thomas Hopkins, partner with Cooley LLP. “Private equity has been incredibly active since the downturn.”

Entering 2016, however, several factors could trigger more volatility and push activity down further, he said. The recent hike in interest rates, China’s unpredictable market patterns and even the presidential election cycle are all variables to consider, Hopkins said.

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