

MERGERS&ACQUISITIONS

Dealflow Continues to Drop, But Some are Optimistic for a Bounceback This Fall

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Middle market M&A continued to stall in August, **as it has all year**, according to data from **Refinitiv**. But experts say we may be hitting bottom and activity could pick up by the fourth quarter.

There were 42 middle-market deals worth about \$14.2 billion in August. By comparison, there were 89 deals worth approximately \$28.1 billion in August 2022. The Refinitiv data is based on North American deals valued between \$100 million and \$1 billion.

The technology and healthcare sectors continue to carry the load with 109 and 96 deals announced so far this year, respectively. Another sector that is picking up in deal activity **is energy** which has 50 deals announced so far this year. One notable energy deal in August was **Earthstone Energy's** \$1 billion acquisition of **Novo Oil & Gas Holdings**.

While the dealmaking community has been crying in their beers for some time now, one banker sees a bright road ahead. "I believe that M&A will pick up for the last four months of the year as it has already started to," says **Cassel Salpeter & Co.** Chairman and co-founder **James Cassel**. "With interest rates beginning to stabilize, and the sentiment that they are not going to go down quickly, companies that have been waiting to go to market are reconsidering their strategy and considering going to market presently and not waiting."

With this new reality, Cassel says, high valuations will be reset, and private equity's need to deploy capital will push deals forward.

In league table tallies, **JP Morgan**, **Goldman Sachs** and **Bank of America** hold the top three spots respectively in market share so far this year. Out of those three, Goldman has advised on the most deals with 28.

A notable performance in 2023 has been **Evercore Partners** which has jumped from 11th place last year to eighth place this year, while seeing its market share increase from 2.7 to 3.6 percent. The firm helped advise on **Crestwood Equity Partners' [\\$7.1 billion sale](#)** to **Energy Transfer LP** last month.

With a stabilized economy, Cassel is optimistic. "There is still substantial money sitting on the sidelines, with strategic acquirers and PE firms looking to deploy capital and buy good companies," he says.

[See the full list of August's biggest middle-market deals here.](#)

[DEAL FLOW](#)