



# Where Have All the Good Times Gone?

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# Moderator

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# Panelists

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**Nick Russell** – Tuckerman Capital



**Drew Brantley** – Frisch Capital



**Nick Barker** – Longhouse Partners

# Agenda

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- State of Acquisitions in 2023
- The Road Ahead for Independent Sponsors
- Raising Capital in 2023 and Beyond

# State of Acquisitions

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- M&A dealmakers recorded their second-best year ever in 2022, riding a wave of momentum off the industry's record breaking performance in 2021.
- Spiking inflation and interest rates combined with the pandemic hangover and decline in positive sentiment have prompted a decline in deals, exits and fund-raising during the year's second half.
- While the higher cost of taking on debt makes acquisitions more challenging, investors have an unprecedented amount of dry powder in their reserves.

# The Road Ahead for Independent Sponsors

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- An important and evolving deal flow channel.
- Independent Sponsor led deals remain attractive for the following reasons
  - More control over investment decisions
  - No fees on uncommitted capital
  - Lack of restrictions on time horizons

# Raising Capital in 2023 and Beyond

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- Generally acknowledged soft market right now for fund raising from institutional LPS for funds. Has this been felt by Independent Sponsors?
- How are different capital providers reacting to market conditions?
- How are higher interest rates impacting capital structures and who is interested in participating in transactions?



# State of Acquisitions and Dispositions

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- Have current economic conditions impacted exit timing for existing investments? Is this influencing strategic planning within your portfolio companies?
- How do you think about deal sourcing differently in an environment where fewer sellers may be coming to market?
- Do you see the valuation gap between buyers and sellers narrowing?

# Should I stay or go: Remaining as a sponsor vs moving to a fund vehicle

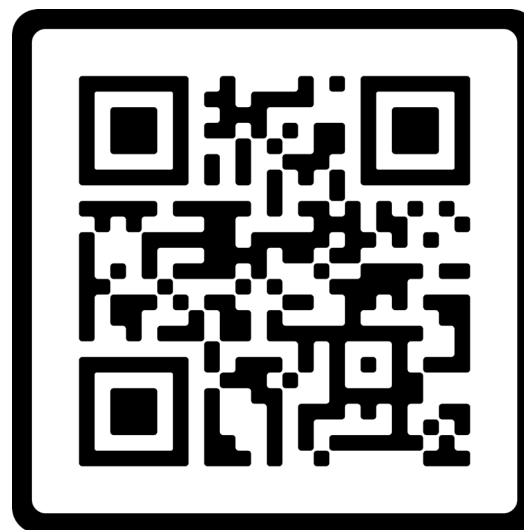
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- What are the main considerations for the phase change to a Fund from an independent sponsor What are the characteristics of groups that have done this successfully?
- How is the independent sponsor market “segmenting” as the ecosystem matures?
- How do non-economic considerations factor into this decision? (Running a firm vs being an investor, flexibility, no junior support)

# Questions

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Sadis - M&A Insights and Deal Terms





**THANK YOU**

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