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## **High hopes for Global, MidMarket M&A**

September 18th, 2007, filed by [Michael Flaherty](#)

While large-cap private equity firms are licking their wounds, a brighter picture has emerged from another section of the M&A community: the midmarket.

Indeed, private equity executives and bankers—large and small—say the midmarket is [where it's at](#) these days. So does Grant Thornton, which says in a recent survey that 75 percent of mid-market companies expect to engage in international M&A at least once in the next 12 months.

According to the survey, the U.S., Canada and U.K. are the markets most open to cross-border deals, with more than half of respondents saying North American companies were the most accommodating for international transactions.

As Bank of America Securities analyst Michael Hecht pointed out in a recent [research](#) note on Blackstone, that firm is finding that it can still get funding for deals up to \$1 billion, but anything beyond that is a stretch. More than \$10 billion? Fuggaddaboutit.

That means the already crowded mid-market private equity field is about to get a lot more crowded. That may appear to be bad on the surface, but Wall Street is looking to the mid-market as light at the end of this long dark tunnel that is the credit crunch. The Street is hoping that it's the midmarket scene that gets the buyout frenzy going again. Buyout shops in the midmarket [are hoping so](#) too.

The Grant Thornton release offers the following quote from **Giles McNamee, managing director at investment bank McNamee Lawrence & Co.** “We’re continuing to see increasing amounts of cross-border M&A activity in the tech sector as undervalued assets at home find value overseas. There are nearly 30,000 software companies in the U.S. and Europe and the markets tend to focus on only a fraction of them. There is a vast field of undervalued and underappreciated software companies in the marketplace that offer plenty of M&A opportunity.”