



## DealCloud Dealmaker Pulse Survey uncovers recession-driven opportunities for dealmakers amid market uncertainty

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- 59% believe valuations in the coming 6 months will be lower than current levels
- 61% are concerned about overlooked or increased risk as a pricing obstacle
- Yet 73% anticipate the same or higher volume of deal closings

PALO ALTO, Calif., Nov. 16, 2022 (GLOBE NEWSWIRE) -- [Intapp](#) (NASDAQ: INTA), a leading provider of cloud-based software for the global professional and financial services industry, today released the [Autumn 2022 DealCloud Dealmaker Pulse Survey report](#). This biannual survey explores trends, challenges, and expectations among private equity professionals regarding deal activity, pricing, and fundraising. The autumn survey finds that 66% of dealmakers say recession-driven opportunities will change their investment strategies in the coming 6 months.

"Amid market dislocation, it's important to remember that private equity has historically outperformed after recessionary periods," said Ben Harrison, President of Financial Services at Intapp. "The current market volatility, denominator effect, and overallocation to private equity relative to other asset classes could reduce the industry's dry powder. Still, many dealmakers are ready to go on offense to acquire high-quality companies at deeper discounts, positioning them well for recovery."

### The pulse

- Despite this economic environment, as well as increased due diligence stalling deals (up from 7% in spring to 14%), most dealmakers (89%) successfully closed deals and 73% expect to close the same or higher volume of deals than they have in the previous 6 months. Though competition for these deals shows increasing signs of plateauing, 80% believe competition for assets will remain at the same level or increase.
- More than half (59%) of dealmakers said pricing/valuation fluctuations represented their biggest challenge in the last 6 months. The same percent expect valuations to drop in the coming months, and 61% (up from 52%) are concerned that overlooked or increased risk will be a pricing obstacle.
- During the coming 6 months, 44% of dealmakers project that their primary focus will be acquiring new companies (down from 58% from the spring survey). Another 15% of dealmakers say that add-on acquisition activity will be a primary focus, while 20% of respondents will focus on improving portfolio company operations and margins — up from 12%. Among portfolio concerns, more than half (53%) of survey respondents noted that their firms' most significant talent-related challenges are staffing issues faced by portfolio companies.

"The private equity market dynamics spent the last 6 months shifting toward heightened risk and market uncertainty," said Harrison. "Inflationary pressures, rising interest rates, market volatility, and geopolitical unrest reducing visibility on pricing have caused a significant gap between the buyer and seller, making investments more challenging and, in turn, affecting the volume of deal closings."

### Investor activity

Fundraising has been driven by large and middle-market firms, with the average target fund size of \$1.6 billion for those surveyed.

- 54% percent indicate that they will be raising their largest fund to date. This capital-raising activity, combined with private equity commitments made in 2021, gives firms some cushion.
- Yet 64% of dealmakers have seen greater emphasis on risk management and mitigation from investors.

### Shifting Strategies

By far, the most prevalent trend currently affecting investment strategy is the search for recession-driven opportunities. In order of priority, trends affecting investment plans include:

- 1 Recession-driven opportunities
- 2 Climate change and sustainability
- 3 Cybersecurity
- 4 Harvesting exits sooner than expected
- 5 Remote work
- 6 Web3 and the metaverse

The Autumn 2022 Dealmaker Pulse Survey Report is available at [dealcloud.com/pulse](https://dealcloud.com/pulse).

The report marks the sixth edition of the DealCloud Dealmaker Pulse Survey and 3 full years of survey data on private equity attitudes about dealmaking, fundraising, competition, and future challenges and opportunities. The survey captures a cross-section of industry viewpoints. Respondents represent large, midmarket, and boutique firms with a global view, investing primarily in North America as well as Latin America, Europe, and Asia.

**About Intapp**

Intapp makes the connected firm possible. We provide cloud software solutions that address the unique operating challenges and regulatory requirements of the global professional and financial services industry. Our solutions help more than 2,150 of the world's premier private capital, investment banking, legal, accounting, and consulting firms connect their most important assets: people, processes, and data. As part of a connected firm, professionals gain easy access to the information they need to win more business, increase investment returns, streamline deal and engagement execution, and strengthen risk management and compliance. For more information, visit [intapp.com](http://intapp.com) and connect with us on [Twitter \(@intapp\)](#) and [LinkedIn](#).

**Contact**

Ali Robinson  
Global Media Relations Director, Intapp  
[press@intapp.com](mailto:press@intapp.com)  
678-909-0703