



Antares Capital

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Antares Capital Middle Market Dealmakers Survey Indicates Stable Confidence in the Face of Looming Concerns

CHICAGO — May 16, 2019 — Confidence in the U.S. economy appears to be holding up, but concerns over trade tensions and the economic cycle continue to loom, according to a new survey of middle market dealmakers by Antares Capital.

Of all survey respondents, 35% said they are more (33%) or much more (2%) confident in the outlook for the US economy than they were at the beginning of 2019. Twenty-seven percent were less (25%) or much less (2%) confident, with 38% of survey respondents indicating their confidence remains unchanged. This overall modest 8% uptick in confidence was primarily reflected by responses from investment banks and other service providers, such as accountants and consultants. In contrast, both equity providers and lenders are modestly less confident, with 33% being less confident than at the beginning of 2019 versus 24% who were more confident.

While generally upbeat about the U.S. economy and merger and acquisition activity – 52% expect modest (3%-9%) growth in M&A/LBO activity, survey respondents are apprehensive about the impact of trade tension and the prospects of a recession. A majority (64%) are either somewhat (51%) or very (13%) concerned that rising trade tariffs or a potential trade war could impact portfolios. Fifty-four percent believe a recession is somewhat (43%) or very (11%) likely in the next 18 months. Interestingly, almost three quarters of respondents expect leveraged loan spreads to be flat to modestly wider (0-50bps). Likewise, most expect loan terms to stay the same (48%) or to tighten modestly (46%) over the balance of 2019.

“Optimism over prospects for M&A related deal activity appears to have picked up since our Compass survey findings in January, which aligns with the robust uptick we’ve seen of late in our deal pipeline,” said Dave Brackett, CEO of Antares. “There are also clear signs of apprehension around the global economy and its impact on the health of the U.S. middle market as trade negotiations carry on without a clear path to near-term resolution and tensions with the Middle East continue to escalate.”

The Antares Middle Market Dealmakers survey was conducted May 6th – 8th at the ACG InterGrowth conference in Orlando, FL. The 100 respondents represent a variety of investment professionals, limited partners, advisors, senior lenders, junior lenders, intermediaries and private



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equity firms. Further insight on the health and outlook of the middle market can be found in the 3rd annual [Antares Compass](#) report, a survey of middle market private equity borrowers, sponsors and loan investors. The report is available at <https://www.antares.com/compass-report/>

About Antares

With approximately \$24 billion of capital under management and administration as of December 31, 2018, Antares is a private debt credit manager and leading provider of financing solutions for middle-market private equity-backed transactions. In 2018, Antares issued nearly \$25 billion in financing commitments to borrowers through its robust suite of products including first lien revolvers, term loans and delayed draw term loans, 2nd lien term loans, unitranche facilities and equity investments. Antares world-class capital markets experts hold relationships with over 400 banks and institutional investors allowing the firm to structure, distribute and trade syndicated loans on behalf of its customers. Since its founding in 1996, Antares has been recognized by industry organizations as a leading provider of middle market private debt, most recently being named the 2018 Lender of the Year by ACG New York. The company maintains offices in Atlanta, Chicago, Los Angeles, New York and Toronto. Visit Antares at www.antares.com or follow the company on Twitter at www.twitter.com/antarescapital. Antares Capital is a subsidiary of Antares Holdings LP., collectively (“Antares”).

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