

John McGowan, Jennifer Wisinski in Law360: PE Attys Must Stay on Top of These 6 Trends in 2020

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PRACTICES Corporate, Private Equity

Law360 quoted Haynes Boone Partners [John McGowan](#) and [Jennifer Wisinski](#) in an article about the six trends private equity attorneys need to be aware of in 2020.

Here are excerpts:

People are Anxiously Anticipating a Potential Recession

It's no secret that the U.S. economy has been steadily expanding since the end of the last recession a decade ago, and market watchers have expressed worry that another downturn could be looming. That hasn't stopped those in the PE world from staying active, but they are taking the potential for there to be a recession into consideration as they plan to make deals and raise funds.

"It's something people are talking about," said Jennifer Wisinski, a partner at Haynes Boone and chair of the firm's business transactions department. "There's definitely some uncertainty right now."

Sky-High Prices Usher in the Age of the Add-On

The fierce competition for assets has led to companies being sold for higher multiples than ever before, which is forcing private equity fund managers to think twice before paying big bucks for a platform acquisition. Instead, many in the industry have turned their focus to add-on, or bolt-on acquisitions, which are smaller transactions that serve to bolster a firm's portfolio without necessarily shelling out for huge multiples.

"You may pay a little more for a platform deal," said John McGowan, a partner in Haynes Boone's corporate practice group. "The metrics are better for smaller add-on deals."

Tech and Health Care Companies Continue to be Highly Coveted

Whether a potential portfolio company is focused on artificial intelligence, software as a service, data collection or something less complex, private equity clients are focused on anything tech. If it has a tech component and is also related to the health care industry, it will be even more highly sought after, as those two industries are the cream of the crop for PE right now.

"A lot of private equity funds I work with are adding health care pieces," said Haynes Boone's McGowan. "There's a lot going on in health care and it's trending up. It provides nice recurring revenue, and there's a lot you can do with technology in the space."

To read the full article, click [here](#). (Subscription required)