

Dick Wynne Discusses Middle Market Outlook

DECEMBER 6, 2018

Winston & Strawn Partner Dick Wynne is quoted extensively in the *Texas Lawbook* article titled “Does an Unexpected Mid-Market Low Mean Trouble for M&A? Maybe. Maybe Not.” As the publication reports, mergers and acquisitions involving middle and lower middle market Texas businesses were down in the first three quarters of 2018. Mid-market dealmaking for Texas companies is expected to be even lower in the fourth quarter.

Noting the softer fourth quarter, Dick says it could be attributed to a recent commodity price drop. “Even though crude prices have been off over the last month, middle market companies—particularly in the oilfield service space—have posted much-improved operating results,” he said. “As a result, I am seeing a shift toward an increase in sell-side activity for next year.”

Energy-focused private equity firms are experiencing longer holding periods for their portfolio companies as a result of the collapse of the commodity prices. Dick explains that these firms need to have liquidity events and “are ready to take a few chips off the table.”

According to Dick, infrastructure service companies may prove to be a hot market on both the buy and sell-side next year given the buildout of needed pipelines to transport crude from the Permian to the Gulf Coast. He also notes that traditional oilfield services-centric private equity firms are testing the waters in downstream service companies in an effort to lessen the volatility caused by commodity price swings.

Dick is based in Winston’s Houston office and focuses his practice on mergers and acquisitions, private equity, securities, and representing management groups.

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