



Mike Blankenship Discusses Surge in Carve Outs for Middle Market Dealmakers with *Octus Deal Origination*

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Winston & Strawn partner Mike Blankenship was quoted in an Octus Deal Origination article highlighting the revival of activity in the second half of 2025 for middle market dealmakers expected to be driven by a surge in carve-outs. Increasing borrowing costs, narrowing margins, and a risk-off mood are pushing firms to cash out less central business units and the lack of certainty regarding tariffs for executing large deals presents an opportunity for more of these transactions in the second half of the year.

Without large platforms coming to market as frequently because of macro uncertainty, sponsors have limited deal flow but the pressure to deploy capital still remains. As dealmakers seek to execute deals in this environment, service businesses and other asset-light investments are where buyers want to deploy their capital.

“What we are seeing is a pivot, especially from corporates, toward strategic divestitures and carveouts,” said Mike. “Many of these companies are shifting to a more ‘asset-light’ operating model and simplifying their balance sheets in anticipation of future market moves or capital deployment opportunities.”

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