Grant Thornton

Making smarter private equity investments in a dynamic business environment

Doubling down on mid-market opportunities with a global network that helps you act with speed, precision and performance

Click here to begin

Private equity firms are seeing an abundance of opportunity for deal making and value creation in the middle market. But navigating the nuances of this market requires agility, strategic insight and robust support systems. Speed of execution, deep sector expertise and disciplined value creation are paramount.

Throughout the Grant Thornton network, we are committed to empowering private equity firms to move faster, invest smarter and exit stronger. Our global reach, combined with our deep understanding of mid-market dynamics, allows us to offer comprehensive services that support the entire investment lifecycle.

Additionally, our culture of collaboration, relationship-driven approach and focus on building effective partnerships empower us to maintain high service quality through the ongoing involvement of senior advisors. This ensures expert guidance, pragmatic advice and continuity across every engagement.

From deal sourcing to value creation and exit readiness, we stand ready to help you seize the opportunities that lie ahead. Find out more about what you can achieve by choosing to work with the Grant Thornton network in the following pages.

“Unlocking the full potential of the mid-market requires not just speed and expertise, but an advisor who understands the nuances of your journey and is committed to driving transformative success.”

Marc Chase

Global head of private equity
and national managing principal

‘Grant Thornton’ refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

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Understanding the themes impacting the mid-market

Growing amid tough competition

Identifying investment opportunities

Mid-market fragmentation makes it hard to identify 'hidden gems'. Since identifying and securing investment opportunities typically relies on personal networks, firms need strong relationships with intermediaries, entrepreneurs, founders and management teams.

In some cases, the quality of financial and operational information may be suboptimal. Target companies may also lack experience with deal negotiations or have inflated valuation expectations. This can lead to challenges reaching an acceptable valuation for a buyer and seller.

Private equity firms must navigate this landscape to source better value opportunities, assessing companies' growth potential, scalability and leadership strength. Moving quickly and confidently is key for capitalising on them effectively.

De-risking transactions

Compressed deal timelines are common in the mid-market, due to factors including competitive pressure and resource constraints. This means firms have less time to uncover hidden risks.

As a result, due diligence processes for the mid-market can be hard. These companies can lack formal accounting compliance processes and mature technology or cybersecurity infrastructure, leading to operational blind spots. Cross-border operations add tax, legal and regulatory complexity into the mix.

Private equity firms must ensure they have access to the tools and expertise required to ensure due diligence rigour, validate the sustainability of earnings and structure deals to minimise downside risk.

Creating value, faster

Investing in mid-market companies can involve shorter hold periods than large cap investing. This means private equity firms must achieve EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) growth quickly.

Realising this growth often depends on enhancing a company's internal capabilities. Integration risk is significant, as add-ons must become a seamless part of the core business to realise these synergies. Digital transformation is also critical for scaling operations but is often underfunded or underestimated.

Private equity firms must accelerate operational improvements post-close, including finance modernisation, technology upgrades and margin expansion. Bolt-on acquisition strategies must be executed efficiently to create value effectively.

Realising the potential of transformed assets

Private equity firms often need to consider multiple exit scenarios. Whether exiting via IPO (Initial Public Offering) or planned sales to strategics or secondaries, market volatility creates unpredictability. Buyer scrutiny is intense, with sophisticated buyers and investors expecting detailed, audited and transparent information. Tax efficiency is crucial for structuring exits to minimise tax leakage across jurisdictions. Sustainability and compliance expectations are also increasingly important for buyers.

Private equity firms must prepare their assets for multiple exit pathways, such as strategic sales, secondary buyouts or IPOs. This entails maximising valuation multiples through strong financials, compliance and positioning, while timing exits to market conditions for optimal pricing and undertaking sell-side diligence to minimise surprises.

It's a strong time to invest in the mid-market. But speed, precision and performance are necessary to minimise risk while maximising returns. That's why you need an advisor with deep knowledge of the mid-market that can offer end-to-end support, global reach and local expertise to help you navigate it successfully.

Navigate the mid-market with speed, precision and performance

Source smarter, scale faster, exit stronger

In a market defined by rising competition and pressure to deliver liquidity, private equity firms of all sizes are doubling down on mid-market transactions where speed, precision and performance matter most.

With a specialist services model tailored to mid-market deal dynamics, the Grant Thornton network goes beyond transaction support to help you source smarter, scale faster and exit stronger.

We support the full investment lifecycle – from upfront due diligence on the commercials, financials and tax affairs of new acquisitions to post-close value creation, operational transformation and exit preparation. Our sell-side due diligence, leading M&A capabilities and tax structuring expertise empower firms to maximise profits when exiting an investment.

Why Grant Thornton?

From pre-deal strategy and due diligence to post-close integration, value creation and exit readiness, the Grant Thornton network is the go-to advisor for successfully investing in the mid-market. Global and agile, specialist and scalable, strategic and close.

Why Grant Thornton?

Here is why many leading private equity firms trust Grant Thornton:

Built for the mid-market

Leverage our collaborative culture and relationship-led approach to achieve sharp, expert-led execution in every service line. We bring the global scale, sector experience and technical expertise private equity firms demand, with the speed and specialisation mid-market deals require.

Global reach, local expertise

Grant Thornton member firms operate in more than 150 markets. This allows our cross-border teams to deliver seamless execution and local and sector-specific insights – whether you're consolidating regionally or scaling internationally.

Lifecycle-ready services

Our end-to-end service portfolio is fully integrated to support value creation from deal sourcing to due diligence, to business transformation, to exiting your investments efficiently and successfully.

A consistent approach across your portfolio

We bring a scalable and collaborative approach that ensures consistency across your funds and portfolio companies. We build strong client relationships and maintain high service quality through the ongoing involvement of senior advisors – ensuring expert guidance, pragmatic advice, and continuity across every engagement.

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Go beyond with Grant Thornton

In the mid-market, where deal velocity is high, teams are lean and portfolio complexity increases quickly, a fragmented service model becomes a growth bottleneck.

That's why the world's leading private equity firms choose Grant Thornton to invest, to help realise their mid-market ambitions.

More than transactional support, we act as an advisor that can scale with you across platforms, regions and value levers. By treating the fund and its portfolio as one integrated client, we deliver consistent service quality, faster onboarding and actionable insight that spans the entire investment lifecycle.

In the next section, we will demonstrate the value we offer in three areas:

1. STRENGTHENING INVESTMENT FUNDAMENTALS

   how we support platform and bolt-on deals, giving you confidence in your decision-making, sharper insights and strategic clarity.

2. UNLOCKING A CLEARER PATH TO PROFITABILITY

   how we bring the strategic and operational firepower that drives sustainable performance.

3. DE-RISKING MID-MARKET TRANSACTIONS

   how we help you to identify hidden risks and value drivers, and accelerate post-close integration.

Statistics include services provided by both the parent business and its subsidiaries globally.

69%

of the US-based PEI 300 are clients of Grant Thornton[1]

92%

of our private equity clients plan to engage us again

1,600+

The number of private equity-backed portfolio company clients we serve

600+

The number of private equity firm relationships we have

[1] Grant Thornton, Private equity, 2025

01

STRENGTHENING INVESTMENT FUNDAMENTALS

Building a strong foundation for smarter investing

Build your fund with clarity, confidence and control

Setting up a fund is more than a legal process. It's the foundation for everything that follows, your strategy, your investor relationships and your ability to grow and exit with confidence.

At Grant Thornton, we help you build that foundation with care and precision. Our member firm experts work closely with you to shape the fund structure, define governance, and make sure your operations are set up to scale. From day one, we focus on clarity, compliance and control, so you can move quickly and make smarter decisions.

We support you across the full setup process. That includes internal audit and tax services, policy development, and regulatory filings. We also carry out due diligence on fund participants to help you maintain transparency and trust.

Beyond the basics, we help you make strategic choices that shape the future of your fund. We guide you through business and fee structuring, help you define your investment focus, and identify the industries or sectors that best match your ambitions. Whether you're launching a new fund or expanding an existing one, we bring the insight, experience and global reach to help you do it right.

Our services include:

- Fund formation and structuring
- Governance and compliance support
- Audit and tax services
- Investor due diligence and structuring
- Compensation and benefits planning
- Investment strategy development
- Sector and industry targeting

Services used: technology modernisation services, technology advisory services.

Valuations

Reliable valuations are essential for making smarter investment decisions and stronger returns. In a market where transparency is limited, valuation gaps can limit returns and derail negotiations.

Our member firm industry experts help private equity firms assess platform and add-on opportunities with clarity. Our valuations specialists tailor their methodologies to reflect the operations and market realities of mid-sized businesses, ensuring accurate assessments of value and performance.

Our work goes beyond pre-deal diligence to support portfolio valuation updates, audit compliance, tax reporting and exit preparation. Whether it's establishing fair value for a fast-moving acquisition, supporting purchase price allocations, or optimising post-deal restructuring strategies, our technical experts ensure every valuation withstands investor scrutiny and accelerates your path to value creation.

We give you a reliable foundation to price confidently, invest intelligently and position assets for successful exits – knowing that every transaction is backed by solid financial and strategic rationales.

M&A and sell-side due diligence

In a competitive mid-market environment, finding, structuring and executing the right deals demands more than transaction support – it requires proactive, strategic consultation.

Grant Thornton collaborates with private equity firms to drive smarter investments across the transaction lifecycle. We help you identify proprietary opportunities, qualify targets to ensure alignment with your investment thesis, structure transactions for maximum value and manage negotiation processes with precision.

When every deal counts, Grant Thornton helps you find the right opportunities – and get them done. Our lead M&A team's reputation and deep relationships with clients and entrepreneurs alike create a pipeline of deal opportunities to accelerate platform acquisitions, bolt-ons and roll-up strategies. They can also lead exit processes for our private equity clients.

Distressed mid-market opportunities require a playbook built on speed, creativity and precision. Grant Thornton's M&A specialists for distressed situations help private equity firms unlock value in time-sensitive acquisitions. We help you identify viable distressed targets, assess financial and operational risks quickly, structure transactions to protect downside and navigate complex negotiations. If necessary, our restructuring experts can also help you transform target organisations for improved profitability.

How we go beyond

An integrated approach combining operations and strategic consultancy

Because we move with you through the middle market, we leverage the industry knowledge and deal insights gained from each acquisition to accelerate subsequent transactions and maximise portfolio value.

9/10

on average, clients rated us a 9/10 for understanding their needs

90%

of clients scored us highly for discovering what's important to them.

Based on 12,000 global client responses in 2024.

02

UNLOCKING A CLEARER PATH TO PROFITABILITY

Helping portfolio companies grow and perform better

Unlocking a clearer path to profitability

Outdated processes, limited reporting capabilities and inefficient structures plague many private equity-backed portfolio companies in the mid-market. Transforming their finance and technology functions can smooth the path to profitability.

Grant Thornton's **financial transformation** team modernises finance organisations, optimising working capital and building real-time forecasting capabilities. Whether through implementing new planning and reporting systems, streamlining processes or upskilling finance teams, we help portfolio companies move from reactive to strategic. This strategic shift turns finance into a driver of insight, providing better visibility into portfolio performance and preparing companies for future exits.

Meanwhile, our **technology transformation** team modernises tech infrastructure, aligning it with strategic goals to enhance operational resilience and data-driven decision-making. We integrate technology initiatives into broader value creation plans to ensure faster operational improvements and greater scalability. Whether enabling digital finance transformation, enhancing supply chain visibility or integrating technology across bolt-on acquisitions, we position your portfolio companies for growth and exit readiness.

How we go beyond

Enable rapid business transformation with cross-functional expertise

At the core of our approach is the ability to build solid, senior professional-led relationships, aligning closely with management and sponsors to drive sustainable change across finance and digital teams.

This dual approach improves efficiency and positions portfolio companies for stronger exit readiness. Through financial and technology modernisation advisory, we bring the strategic and operational firepower that drives sustainable performance.

68%

of private equity firms agree that digital transformation has significantly improved the performance of their portfolio companies.[2]

2. Grant Thornton, Private equity outlook, 2025

03

DE-RISKING MID-MARKET TRANSACTIONS

Reducing risks and improving deal outcomes

Due diligence

Risk management is a complex challenge for mid-market transactions due to financial, tax, operational and technological uncertainties. Private equity firms need an integrated view across tax, operational and commercial functions to ensure rigorous and effective due diligence. Grant Thornton's comprehensive due diligence services connect these areas to provide you with clear insights and actionable recommendations.

Our **financial due diligence** team turns financial complexity into clear recommendations for confident deal making. We help private equity firms ensure exit readiness on the sell-side, while supporting buy-side diligence by delivering reliable insights into 'quality of earnings' adjustments, working capital needs and off-balance sheet risks. Meanwhile, our **tax structuring and due diligence** team uncovers any hidden tax exposures or inefficiencies, ensuring tax efficiency and avoiding costly post-close surprises.

Our **IT and cybersecurity due diligence** team evaluates technology systems for risks, providing insights into integration challenges and investment needs. Meanwhile, **operational and commercial due diligence** offers a clear view of a target's operational health, helping firms validate assumptions and uncover hidden risks. This gives you the operational and market clarity needed to invest smarter, negotiate better and build faster post-close.

Risk and debt advisory

In the mid-market, governance gaps, regulatory exposures and operational vulnerabilities are common. Mitigating these risks and ensuring portfolio companies have the right capital structures are essential for realising and maximising returns.

Grant Thornton's **risk advisory** team assesses and mitigates risks across compliance, governance, internal controls and sustainability. We conduct pre-deal risk assessments, control environment evaluations, and post-close remediation planning to safeguard investments. With scalable frameworks tailored to company size, industry and geography, we help you protect value, improve oversight and build a strong foundation for portfolio growth.

Meanwhile, our **debt advisory** team helps you to optimise financing strategies for each deal – from platform acquisitions to bolt-ons. We provide independent advice on debt sizing, structuring covenant negotiations, refinancing options and lender introductions.

With access to a broad network of mid-market lenders and private credit providers, we help you secure flexible, cost-effective financing that supports growth strategies while protecting downside. Smarter financing translates directly into stronger profitability and scalable platform development.

How we go beyond

Expert guidance from senior leaders

Our senior-led teams bring expert guidance, pragmatic advice and continuity across every engagement.

This lets us build strong client relationships and maintain high service quality through ensuring expert guidance, pragmatic advice and continuity across every engagement. The result: execution excellence that helps you to move faster, manage risks and optimise outcomes.

72%

of private equity firms are using AI in their investment analysis and decision-making processes, reflecting a recognition of the need for sophisticated tools to manage risks, especially in the nuanced landscape of mid-market transactions.[3]

3. Grant Thornton, Private equity outlook, 2025

Stories of success with Grant Thornton

CASE STUDY

Ensuring exit readiness for private equity holding companies and funds

Achieving optimal exit prices through strategic improvements

Client challenge

Private equity holding companies and funds often face significant challenges when preparing for an exit opportunity. They need to ensure that unresolved issues within portfolio companies don't diminish their exit prices. This goal necessitates maximising cost savings and efficiency during investment holding periods.

Client outcome and benefits

Implementing Grant Thornton Germany's 'exit readiness' service has helped private equity holding companies to achieve increased exit revenues. The service establishes cost savings and efficiency improvements, ensuring that exit prices are in line with, or potentially higher than, these firms' plans.

Meeting the challenge by going beyond

- Grant Thornton Germany established the 'Exit Readiness Grant Thornton Project Management Office' as a central hub for services throughout the private equity lifecycle
- This office acts as an in-road for services including audit and assurance, advisory, legal and tax. These are tailored to address specific challenges portfolio companies face
- The project management office, coordinated by a lead partner, serves as the key contact for the management of the private equity holding/fund, ensuring a streamlined and effective approach to exit readiness.

Services used: technology modernisation services, technology advisory services.

CASE STUDY

Supporting a PE-backed insurance distributor to become fully independent in record time

Driving cost optimisation and operational clarity through expert-led transformation

Client challenge

The client, a prominent wholesale insurance distributor, was acquired by a private equity firm following a separation from it's parent bank. The client needed to quickly become a fully independent business. This transition meant setting up everything from scratch: finance, HR, procurement, and real estate while keeping operations running and preparing for future growth. The client faced four key challenges: building core business functions from the ground up, setting up a new ERP system to manage finance and HR, creating new vendor contracts and systems, and designing tailored operating models for each function.

Client outcome and benefits

The client became a fully independent entity in record time. In fact, the fastest such transition within the PE Group's portfolio. The transformation enabled our client to achieve targeted cost reductions, primarily through strategic vendor negotiations and ERP-driven operational efficiencies.

Grant Thornton US successfully delivered a complex transformation programme including:

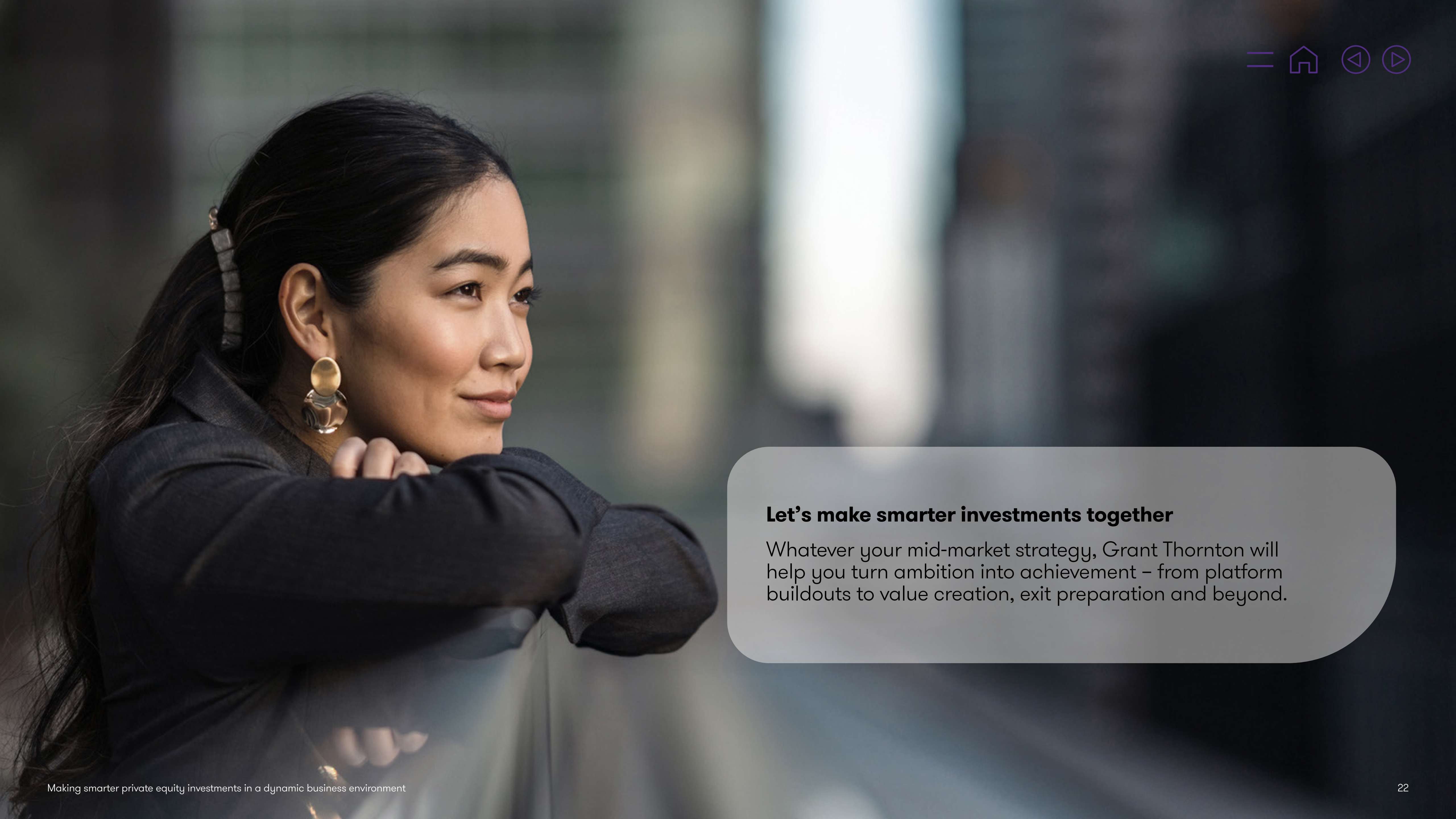
- Setting up a new ERP system with training and support
- Building procurement processes and leading vendor negotiations
- Designing scalable operating models
- Supporting a clean separation from the parent company
- Creating frameworks for future acquisitions

Meeting the challenge by going beyond

By going beyond the immediate scope, Grant Thornton US not only enabled operational independence but also positioned the client for sustained growth and strategic expansion.

Our approach combined deep insurance sector expertise, disciplined execution, and cross-functional collaboration to deliver exceptional results:

- Fastest full separation in the PE firm's portfolio
- USD30M savings by exiting TSA five months early
- 1,000+ vendors consolidated into the new ERP
- 150+ job aids and process maps created
- Re-engaged for two divestitures and three acquisitions within 12 months



Let’s make smarter investments together

Whatever your mid-market strategy, Grant Thornton will help you turn ambition into achievement – from platform buildouts to value creation, exit preparation and beyond.

Get in touch with our member firms to explore how we can help you

Get in touch with our member firms to talk about how we can go further for your clients

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We are Grant Thornton.
Going beyond business as usual, so you can too.

Grant Thornton is an award-winning, globally recognised professional services network – and one of the world's leading organisations of independent assurance, tax and advisory firms. We invest in listening, building relationships and understanding your concerns to deliver an experience that's more personal, agile and proactive. We work at the pace that matters: yours. That's why we celebrate fresh thinking and diverse perspectives to find better solutions. We don't predict the future; we help you shape it.

We embrace what makes each market unique. On a global scale.

Grant Thornton network has more than 76,000 people in Grant Thornton member firms in 150 markets with a common goal – to help you realise your ambitions. Which is why our network combines global scale and capability with local insights and understanding. So, whether you're growing in one market or many, looking to operate more effectively, managing risk and regulation or realising stakeholder value, our member firms have the assurance, tax and advisory capabilities you need with the quality you expect. Visit **grantthornton.global** today to find out how we can help you.

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