

## Goodwin's private equity leaders survey practice growth, and look ahead to Biden era

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RALEIGH, NC (Reuters) - Private equity markets took a major blow in the spring, as the pandemic froze deal making and fund managers took time to survey an altered landscape. But the second half of the year brought a rebound that promises to continue into 2021.

As Goodwin Procter's clients adjusted over the course of the year, the firm made at least nine lateral hires to its private equity practice, with plans to add more by the end of December.

The group, with 48 partners in the U.S., achieved a nearly 10% year-over-year increase in revenue growth during Goodwin's fiscal year ended Sept. 30 and has advised on more than 370 private equity-backed deals this year, according to the firm.

Goodwin's sector strength in life sciences, health care and technology has helped to keep its lawyers busy. Recent examples include the firm's work advising Quantum Health in an investment by Warburg Pincus and representing private equity-backed workflow startup Workfront in its \$1.5 billion acquisition by Adobe Inc.

Looking ahead to issues facing private equity investors next year, Michael Kendall, who co-leads the practice with partner John LeClaire, said cross-border investing and U.S.-China trade relations could remain tense under President-elect Joe Biden.

"He seems to have toughened his stance along with many others during the Trump administration, but it's unlikely he'll be as bellicose as Trump has been," Kendall said. "A somewhat softer stance would make cross-border investing easier under a Biden administration and perhaps generally drive more global trade."

Reuters spoke with Kendall and LeClaire earlier this month about the firm's growth and what's

ahead. The interview has been edited for length and clarity.

REUTERS: Do you expect the 2020 election results to have any major impact on your practice?

LECLAIRE: It's unlikely to be seismic, at least in the first two years, at least if the Republicans hold onto a Senate majority.

If the Senate stays Republican, it's unlikely that laws affecting key areas like capital gains rates, carry tax, HSR or CFIUS policy, health care policy, Big Tech, debt markets or the like will change, or change much.

At an administrative level, it all depends on which Biden America gets. The historical Biden has been reasonably business-friendly, especially for Delaware businesses. However, the Democratic party has a fundamental potential fracture between the traditional liberal wing, which is friendly to Wall Street and Silicon Valley, and the [Bernie]Sanders/[Alexandria Ocasio-Cortez] wing, which is decidedly not.

We'll need to watch the administrative appointments as the first sign of which way the administration will be leaning in this regard, and depending on who sets administrative policy, there could be a reasonably different business environment on any number of points, even if the Senate blocks major legislative changes.

REUTERS: How has the pandemic affected Goodwin's private equity practice?

LECLAIRE: Goodwin has been very strong. Middle market activity was very strong, particularly in healthcare and technology, which are two feature sectors of ours.

Objectively, having double-digit growth in a pandemic, barely keeping up with the deal volume and racing to put in the teams we need to keep up shows just a very robust year so far for us.

REUTERS: Given the demand you're seeing, are there plans for additional private equity hires for the rest of the year and into 2021?

LECLAIRE: The simple answer is yes. There will be announcements before the end of the calendar year that will be very impactful. We continue to have a lot of dialogue with people who want to come for the right reasons.

KENDALL: The firm is very established, but it is not a finished product. That's what makes it

really exciting for a lot of young people coming up who are able to take and develop their piece to grow and build.

REUTERS: Is there a particular region where you are looking to grow?

LECLAIRE: In the midst of a pandemic, it was reinforced to us that in our business, if you have a laptop and a cell phone, you can really effectively do your job.

Even before the pandemic, geography was becoming a lot less relevant. We're trying to grow globally in addition to the U.S., but we are a lot less focused on where growth happens.

We have folks out hunting for people right now in every geography where we are and in some where we're not yet.

REUTERS: How have your clients been coping with the disruptions of the pandemic and the election uncertainties?

LECLAIRE: They're proceeding with business as usual by executing activities that have been rolling out over the last nine months. They continue to focus on buying really good companies.

KENDALL: Smart investors figure out how to make money through all election cycles and legal changes because there will always be winners and losers, no matter what. People out there building companies and investing in them are very focused; they anticipate and adapt.

## References

[ADOBE INC](#); [QUANTUM HEALTH GROUP LTD](#); [WARBURG PINCUS LLC](#)

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