

Independent Sponsor Trends in Private Equity: What Dealmakers Are Seeing Now



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What Are Some of the Latest Independent Sponsor Trends?

- According to [Citrin Cooperman's 2026 Independent Sponsor Report](#), "What was once viewed as [an] emerging corner of private equity has become a respected and enduring part of the private equity ecosystem."
- According to [Axial's 2026 Independent Sponsor Report](#), [65% of M&A advisors](#) include independent sponsors in their outreach, with operating experience/industry expertise being the most compelling attributes.
- \$2M to \$10M of earnings before interest, taxes, depreciation, and amortization (EBITDA) remains the sweet spot for most independent sponsor deals in lower middle market private equity.
- An independent sponsor's ability to convince a seller of the value of [rollover equity](#) can be a true differentiator (plus the potential [Qualified Small Business Stock \(QSBS\)](#) exemption from capital gains tax).
- Deal processes continue to take more time, as buyers conduct intense private equity due diligence on financial and legal matters, and everyone (capital partners included) wants to remove as much uncertainty as possible.
- We're seeing [representations and warranties insurance \(RWI\)](#) continue to appear in more deals (especially more

often in the \$25M to \$50M enterprise value range).

- Real estate sale-leasebacks, where the business sells its property and leases it back, are appearing in slightly more deals.
- As they build a track record over time, more independent sponsors are able to raise a decent sum of capital from their own [high-net-worth and small family office networks](#), alongside traditional capital providers.

For questions about this topic and others that relate to private equity, the independent sponsor model, [family offices](#), and other corporate law items, contact [John J. Koeppe](#), Lippes Mathias partner and leader of the firm's [private equity](#) and [independent sponsor](#) practice teams.

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