

# Partnering to Survive Today - and Thrive Tomorrow

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The record levels of dry powder at the beginning of 2020 led to predictions of robust M&A activity. However, COVID-19 has thrown investors and businesses a curveball.

Debt financing is proving harder to access during COVID-19. Many businesses entered the pandemic already highly leveraged. New, more expensive debt is less attractive. Many transactions in progress were underpinned by pre-COVID-19 forecasts that now look like works of fiction. Some deals are being delayed, some threatened altogether. Businesses are seeking alternative solutions. We believe that partnering should be considered alongside other, more typical solutions.

## PARTNERING OPPORTUNITIES DIFFER, DEPENDING ON COMPANY SCALE AND SITUATION:

**Near-Term Capital Need:** A partnership with a strategic could provide much-needed liquidity, but also potential access to non-financial benefits (a salesforce, distribution channels or a robust supply chain).

**Positive alternative to going “on hold”:** A technology company putting an exit on hold until valuations stabilize could boost the speed of value recovery by partnering intelligently with the right corporation.

**Access to Previously Out of Reach Opportunities:** Corporates keen to extend technology capabilities have been reluctant to invest while valuations were sky-high. Now, in return for valuable cash and cooperation, formerly unwilling sellers may consider the right partnering deal.

**“Essential” and “non-essential” business partnerships:** Working together now could provide a lifeline and generate competitive advantage as we emerge from the crisis.

**Partially liquidating non-core assets:** Releasing cash through a partial stake sale to a company whose long-term commitment could generate faster value recovery post-Covid-19.

**Cost- and resource-saving consortia:** Looking at ways to share manufacturing, distribution or property infrastructure—though this might prove complex to execute at speed.

Done thoughtfully and well, such options can provide an antidote to current challenges and create a platform for speedier recovery and growth. Lincoln International is the only global investment bank offering specialist partnering advice from experienced experts. These expert services are offered to all Lincoln’s clients alongside our broader capabilities, including [M&A](#), [Debt Advisory](#), [Valuations & Opinions](#), and [Restructuring Services](#).

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- [Better Together: How JVs and Partnerships Should Contribute to Business Goals](#)
- [Better Together: Critical Early Steps Towards JV and Partnership Success](#)
- [Spotlight on Joint Ventures and Partnering](#)

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