



VICTORY PARTNERS

MIDDLE MARKET INSIGHT | What Business Owners Need To Know

OIL PRICES

INCREASED OVER 50% THIS YEAR

Goldman Sachs: Expect Oil Prices to Surge to \$140 a Barrel This Summer

- Goldman Sachs commodity analysts, using the Brent crude international benchmark (BRNOO), are predicting oil prices to rise to \$140 per barrel in the coming months. However, due to limited capacity at refineries producing gas and jet fuel, American consumers are likely to feel the impact of oil trading at \$160 a barrel as early as this summer.
- In its June meeting, the Organization of the Petroleum Exporting Countries (OPEC) agreed to accelerate drilling to 648,000 barrels per day in July and August, which may help alleviate the American consumer's pocketbook. Even so, an uptick in global oil production may take months to implement considering losses from Russian production and missed benchmarks from OPEC members.
- The lack of capacity to boost production will restrict OPEC members' ability to support Europe as it attempts to cut back on Russian crude dependency.

US AVERAGE

GAS PRICE \$5/GALLON

OPEC+

TO BOOST OIL PRODUCTION

PE Firms See the Light in the Sunshine State

60+ PE FIRMS

LOCATED IN MIAMI

- West Palm Beach and Miami have been attracting private equity investors like Levine Leichtman Capital Partners and GTCR since the onset of the pandemic. Attributes such as economic benefits, lack of state income tax and healthier work/life balance are driving this shift.
- Miami's maturing tech hub is drawing other potential buyers to South Florida. Tech companies needing to raise additional capital fuels opportunity for PE firms to serve a conventionally overlooked market.
- Mayor Suarez is openly engaging with tech entrepreneurs to position Miami as a tech hotspot. There is a growing network of incubators, accelerators and angel investors supporting new tech entrepreneurs to assemble the resources they need.

THOMA BRAVO,

A LEADING TECH PE FIRM, LAUNCHED OFFICE IN MIAMI

MIAMI: TOP 5

CITIES FOR EMERGING TECH

\$8 BILLION

SALE OF KOHL'S

Franchise Group Getting Unconventional Apollo Loan to Buy Kohl's

- Apollo Global Management is planning to loan \$2 billion to the Franchise Group to finance the sale of Kohl's (KSS), a Wisconsin based retailer. Franchise Group, owner of The Vitamin Shoppe and other retailers, has bid \$60 a share for the sale. Kohl's rejected a \$9 billion offer at the beginning of this year and did not receive any higher bids thereafter.
- Franchise Group will sell Kohl's real estate and lease it back to the retailer as the main source of financing. Wisconsin Senator, Tammy Baldwin, sent a letter to Kohl's in March, detailing her concerns about the buyout and its impact on Kohl's workers in the state, stating she, "rejects any offers that propose a sale-leaseback, increase the risk of bankruptcy or imperil the jobs ... of Wisconsin workers"
- Retail experts expressed concern over Apollo's loan, stating that inflation's impact has nearly shut the lending market for retailers.

APOLLO

IS LENDING AT LESS THAN 3x EBITDA TO FUND THE BUYOUT

KOHL'S STOCK

UP 10% TO \$45.55 ON TUESDAY

Sources: www.marketwatch.com | www.themiddlemarket.com | www.nypost.com