



US LMM – The Fragmented Opportunity:

More supply than demand – structural mismatch

July 2026

The Fragmented Opportunity

200,000+ Addressable Businesses. Less Than 20% of PE Capital. A Structural Mismatch.

99.9% of U.S. businesses are classified as small businesses with <500 employees. The vast majority have never received institutional capital — creating a deep, persistent opportunity set for specialized LMM investors.

SUPPLY VS. CAPITAL: THE STRUCTURAL MISMATCH

ADDRESSABLE BUSINESSES

200,000+

U.S. companies with \$10M-\$150M revenue

Majority are founder-led, have never received institutional capital

PE CAPITAL TARGETING THEM

<19%

of PE dry powder in funds <\$1B

81% (\$774B) concentrated in funds >\$1B chasing larger deals

WHY THE GAP PERSISTS

01 Too Small for Large Funds

A \$10M EBITDA company is below the minimum check size for most funds >\$1B

02 Less Efficient Markets

Proprietary sourcing, limited auction processes, fewer competing bidders

03 Operational Complexity

Requires hands-on integration and value creation — not just financial engineering

04 First Institutional Capital

Founder-led businesses without, scope to professionalize

6-9x

LMM Entry
Multiple

vs.

12-15x

Large-Cap
Entry (2024)

The fragmentation is the moat. Complexity, information asymmetry, and operational intensity create a durable barrier to entry that large-cap capital cannot easily arbitrage away.



Toronto Office:
TD Canada Trust Tower, 161 Bay St.
27th Floor, P.O. Box 508
Toronto, ON, M5J 2S1

Calgary Office:
Suite 300, 4954 Richard Road SW
Calgary, AB, T3E 6L1

Montreal Office:
3 Place Ville Marie, Suite 3190
Montreal, QC H3B 2E3
www.omnigenceam.com

DISCLAIMER

Our reports, including this paper, express our opinions which have been based, in part, upon generally available public information and research as well as upon inferences and deductions made through our due diligence, research and analytical process. The information contained in this paper includes information from, or data derived from, public third-party sources including industry publications, reports and research papers. Although this third-party information and data is believed to be reliable, neither Omnigence Asset Management nor its agents (collectively "Omnigence") have independently verified the accuracy, currency or completeness of any of the information and data contained in this paper which is derived from such third party sources and, therefore, there is no assurance or guarantee as to the accuracy or completeness of such included information and data. Omnigence and its agents hereby disclaim any liability whatsoever in respect of any third-party information or data, and the results derived from our utilization of that data in our analysis. While we have a good-faith belief in the accuracy of what we write, all such information is presented "as is," without warranty of any kind, whether express or implied. The use made of the information and conclusions set forth in this paper is solely at the risk of the user of this information. This paper is intended only as general information presented for the convenience of the reader and should not in any way be construed as investment or other advice whatsoever. Omnigence is not registered as an investment dealer or advisor in any jurisdiction and this report does not represent investment advice of any kind. The reader should seek the advice of relevant professionals (including a registered investment professional) before making any investment decisions. The opinions and views expressed in this paper are subject to change or modification without notice, and Omnigence does not undertake to update or supplement this or any other of its reports or papers as a result of a change in opinion stated herein or otherwise.