PitchBook

Q2 2025

US PE Breakdown

PitchBook

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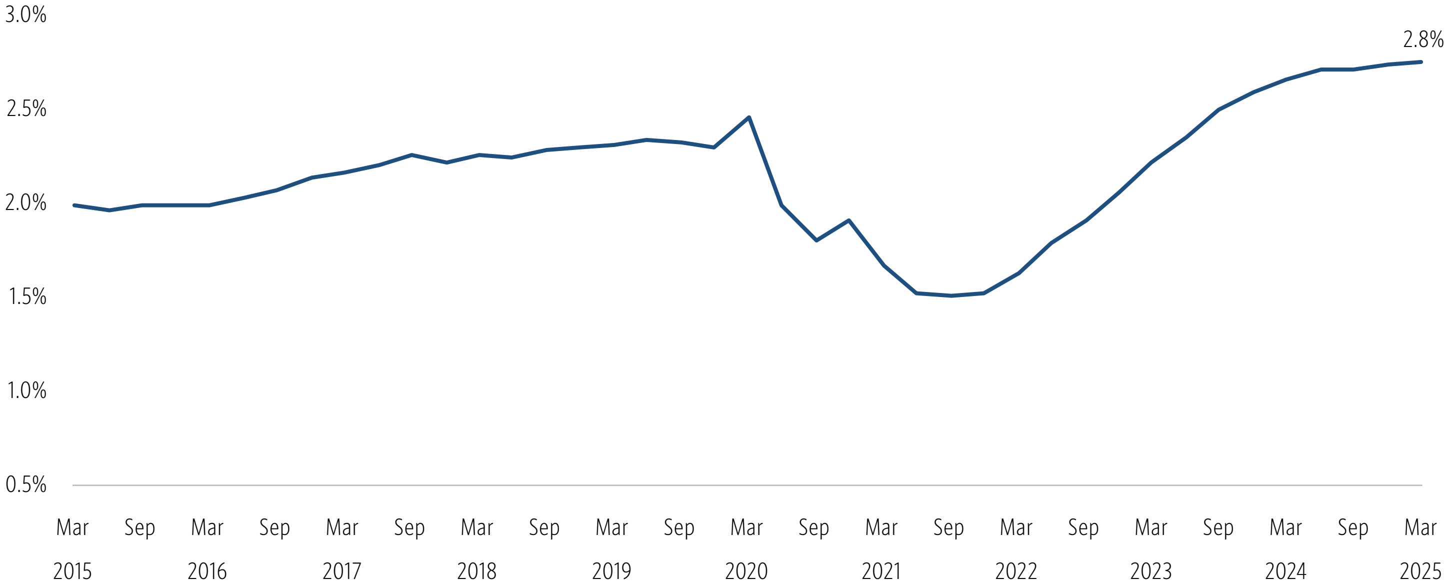
EXECUTIVE SUMMARY

Are we so back?

Consumer loan delinquency rates



Source: Federal Reserve • Geography: US • As of March 31, 2025

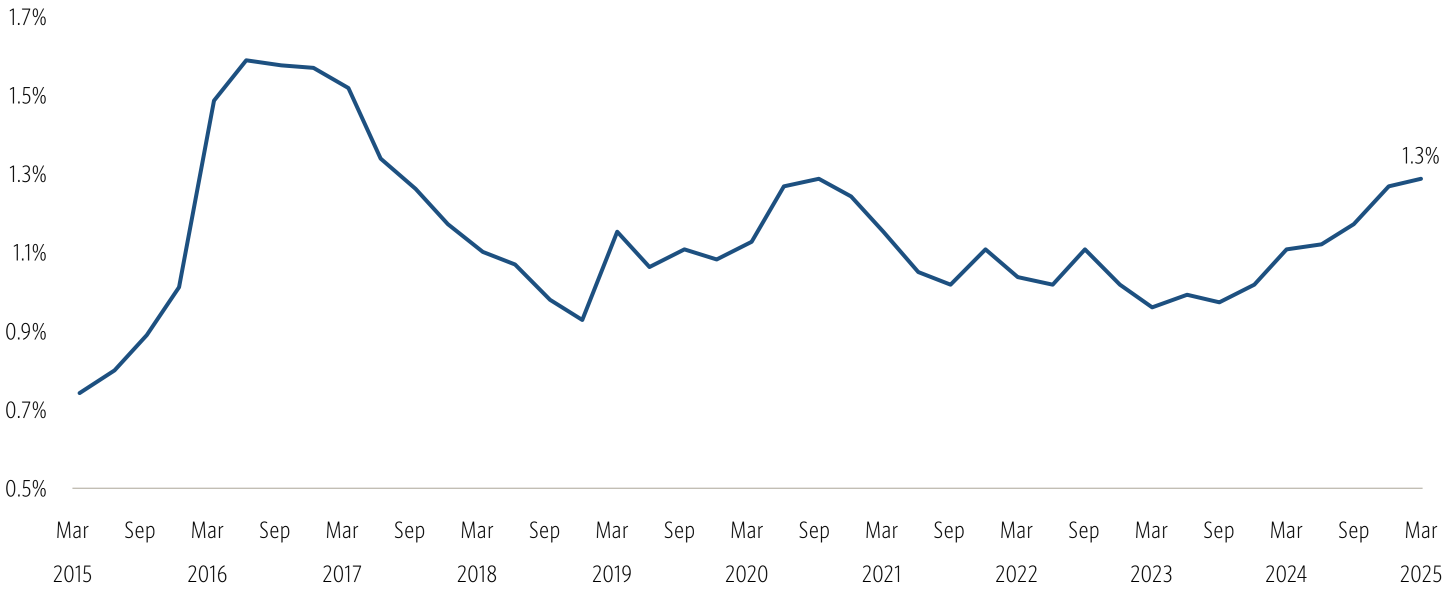
At the halfway mark of 2025, the exuberance that greeted the new year has cooled, yet a risk-on appetite is slowly re-emerging. Tariff concerns are shifting to the rear-view mirror, and animal spirits are being revived. Many are expecting potential tariff-driven inflation to be a one-off and still expect the Federal Reserve (the Fed) to cut rates this year. Public markets are back to a risk-on posture, and private-market participants closed big deals in the quarter amid the uncertainty. Still, beneath the surface, we see mounting structural risks in credit quality that warrant close attention.

In a best-case scenario, PE would benefit from a finely balanced environment with clear trade policy, stable commodity and energy costs, subdued inflation, and declining interest rates. This would enable GPs to exit older holdings at favorable valuations. However, this outcome requires an alignment of variables that feels aspirational rather than probable.

A more likely trajectory involves moderate tariff-driven inflation, a deceleration in growth, and persistent uncertainty—resulting in a "sideways" market. This would bring lower levels of deal activity and reduced investment exits. While not catastrophic, it would certainly fall short of initial expectations investors held at the start of the year.

The downside case envisions a recession triggered by federal austerity, diminished investment confidence, and production constraints due to tariff-disrupted inputs. Under such conditions, asset price dislocations could present opportunistic buying windows for PE firms flush with dry powder. However, exit activity would be severely constrained. LPs are increasingly eager for distributions, and those exits—delayed though they may be—will eventually need to materialize, even if they come in the form of dividend recaps or continuation funds. Regardless of the path forward, PE is positioned to adapt.

Business loan delinquency rates



Source: Federal Reserve • Geography: US • As of March 31, 2025

Our largest concern is deteriorating credit quality in both business loans and consumer loans. Banks will need to start provisioning for loan losses with consumer credit delinquency rates at decade highs, stifling earnings power and credit expansion capacity. And now student loan defaults are front and center. We estimate that there was a shadow stimulus of $150 billion to $160 billion annually between March 2020, when student loan repayments were paused, and October 2023, when repayments started. The Department of Education holds wage-garnishment authority, and with over 25% of borrowers now delinquent, forced collections appear inevitable.[1] It could be a challenging year for consumer discretionary companies and subprime lenders with consumer exposure. We note that approximately 19% of PE-backed companies held between five to 12 years are in the consumer sector.

1: "U.S. Department of Education To Begin Federal Student Loan Collections, Other Actions To Help Borrowers Get Back Into Repayment," US Department of Education, April 12, 2025.

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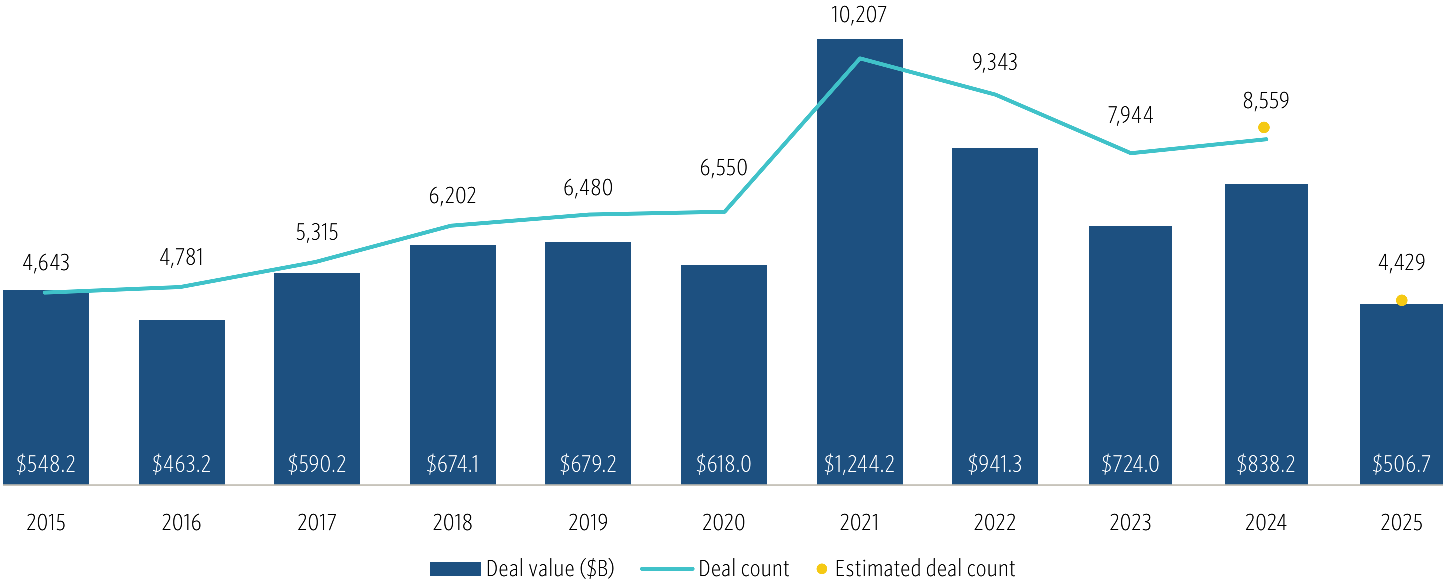
Deals

PE deal activity



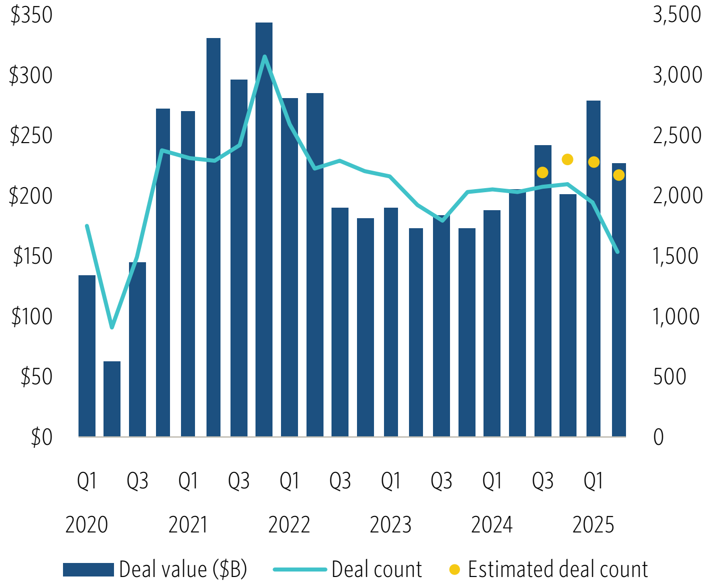
Source: PitchBook • Geography: US • As of June 30, 2025

Overview

Deal flow cooled quarter-on-quarter but still outpaced last year. Q2 2025 closed with 2,158 announced and estimated transactions—down 5% QoQ, yet up 6.3% YoY. Meanwhile, aggregate deal value settled at $227.7 billion—including estimates for late-reporting and undisclosed deal values—an 18.4% QoQ pullback that still registers a 10.7% YoY gain. YTD through Q2, deal value reached $506.7 billion—including estimates for late-reporting and undisclosed deal values—pacing for an increase of 28.7% YoY and bolstered by a surge in megadeals. On the basis of count, there were 4,429 deals, including estimates for late reporters, for an increase of 8.2% YoY. The lull in April and May, triggered by tariff-policy friction, gave way to a June rebound as visibility improved, particularly around the US–China trade dialogue.

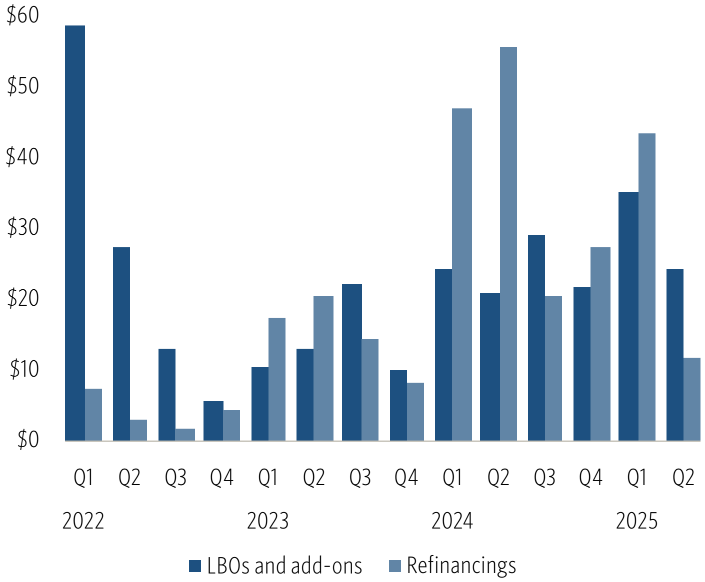
Prediction markets kept recession odds near a coin flip for most of the quarter, and that ambient caution slowed sequential momentum in PE early in the quarter. Public market investors now appear to be pricing in a "Goldilocks" scenario—growth resilient enough to support earnings, but cool enough to restrain rates—yet the path to that equilibrium remains uncertain.

PE deal activity by quarter



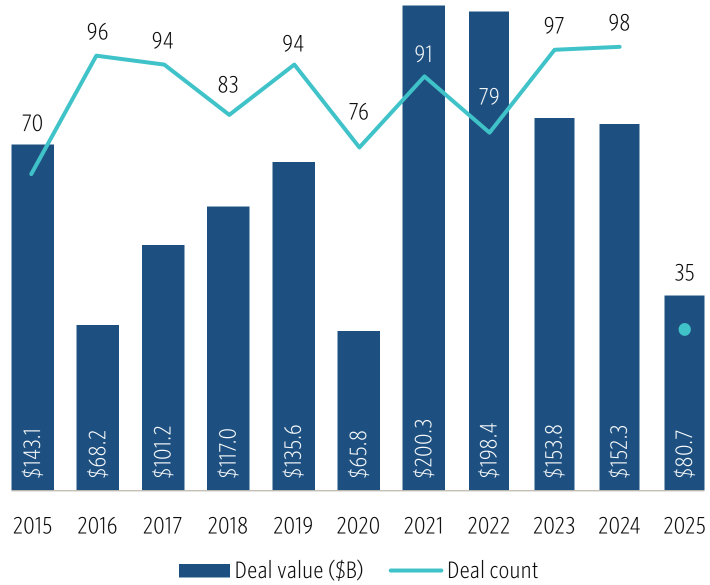
Source: PitchBook • Geography: US • As of June 30, 2025

Quarterly BSL-funded loan value ($B) to PE borrowers by type



Source: PitchBook | LCD • Geography: US • As of June 30, 2025
Note: This chart includes institutional capital only. Pro rata tranches are excluded.

PE take-private deal activity



Source: PitchBook • Geography: North America and Europe • As of June 30, 2025

The economic outlook for the balance of the year spans a wide band of outcomes. Much will depend on sector-specific performance and further clarity on trade policy. We expect mounting pressure on the consumer segment as households confront tighter conditions, whereas B2B could fare better as supply chain knots loosen and tariff risks recede.

There were notable shifts in the share of deal value by region in Q2. The West Coast share increased to 24.6%, about 890 basis points above the five-year annual average. Several megadeals bolstered the West Coast figures, including Skechers at $9.4 billion, Moss Adams at $7 billion, and Altera at $4.5 billion, highlighted below. The Mountain region share climbed to 12.3%, about 330 basis points over trend, bolstered by the quarter's largest deal, TXNM Energy at $11.5 billion. Conversely, the South's share slipped to 10%, falling 510 basis points below its five-year norm, and the Mid-Atlantic settled at 15.3%, about 330 basis points below trend.

Spotlighting the technology and B2B sectors, deal data lends further support to the view that capital deployment remains resilient. During the first half of 2025, the technology sector booked $98.7 billion in deal value—enough to project 3.2% YoY growth when annualized. It is worth noting that at the sector level, we do not include estimates for the value of late-reporting deals, so this is a conservative view of the annual pace. We only estimate the value of late-reporting deals for the comprehensive PE-universe level view, which encompasses all sectors in aggregate. Volume trends include estimates for late-reporting deals and tell a stronger story, with 806 transactions YTD. This implies a 19% YoY increase in deal count when annualized.

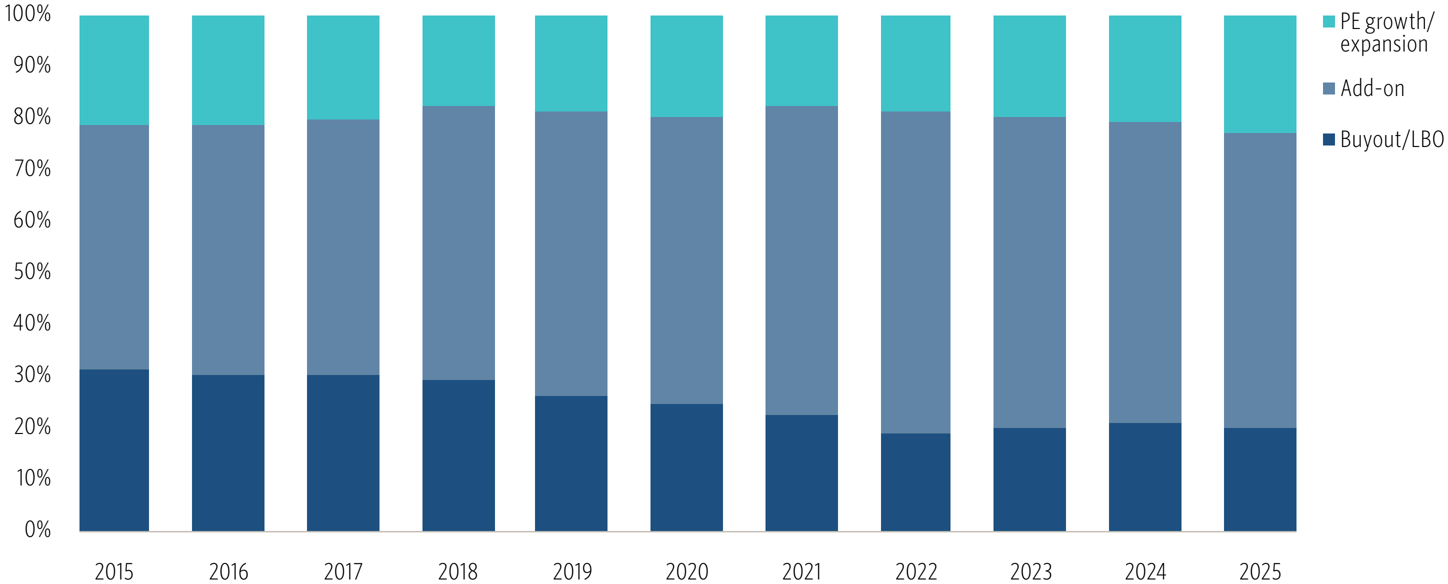
Over the same horizon, B2B has logged $127.9 billion in aggregate deal value, which is on track for a low-single-digit YoY gain when annualized. Deal volume totaled 1,851 transactions YTD, again inclusive of late-reporting estimates, indicating a 5.8% YoY rise. That stability—despite tariff pressures and supply chain recalibration—speaks to the sector's resilience and the willingness of GPs to underwrite B2B companies and take a longer-term view on value creation potential.

Take-privates

PE take-private activity hit the brakes in Q2 2025, as value sank to $29.8 billion, a decline of 41.4% QoQ and 58.4% YoY, even as deal count rose to 20—up 33.3% QoQ but still 35.5% below last year's tally. GPs focused on smaller-scale transactions, while public markets made new highs in June.

As we move into H2 2025, equity indexes sit near record highs, creating a higher underwriting hurdle, especially when factoring in financing costs. PE firms are likely to

Share of PE deal count by type



Source: PitchBook • Geography: US • As of June 30, 2025

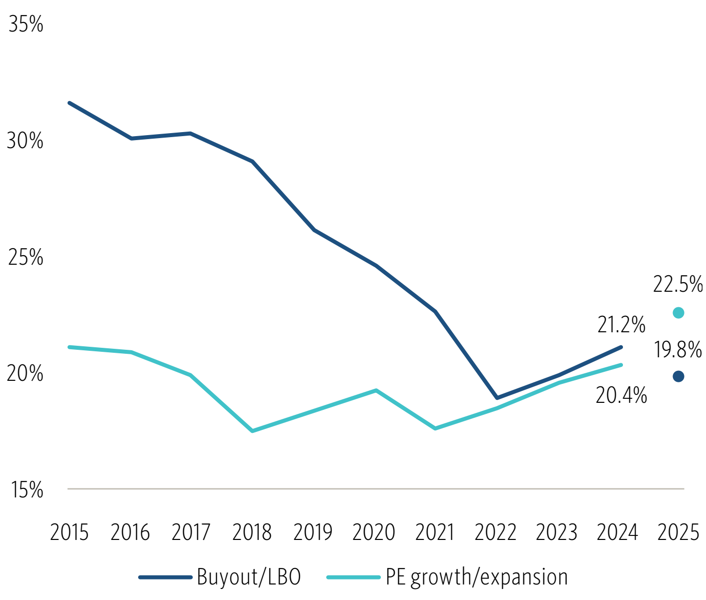
attempt take-privates only when entry prices are compelling. Opportunities will be highly selective: Consumer companies wrestling with weak demand and supply chain snarls may be mispriced, while steady business-services franchises with limited disruption risk face an easier underwriting hurdle. In short, 2025 should reward GPs who hold out for good entry points and can distinguish temporary setbacks from deeper structural flaws.

The standout take-private transaction of the quarter was the buyout of Dun & Bradstreet (DNB) by Clearlake Capital Group. In the $7.7 billion transaction, DNB shareholders will receive $9.15 per share in cash. Clearlake will work with the existing management team to evolve DNB's data and analytics tools, including the rollout of AI-powered solutions. Private credit lenders provided a $5.5 billion financing to support the transaction—the largest direct-lender-led LBO to date, according to PitchBook data.

Growth equity

PE growth investment activity continues to be an important category, making up 22.3% of all PE deals in Q2, down 30 basis points from the prior quarter. This is modestly above the five-year average of 19.2%. With growth equity check sizes much smaller than buyout check sizes, growth equity's share of overall PE deal value is always lower. In Q2, the share was quite low at only 8.3%, the lowest since Q2 2022 and 350 basis points under the five-year average of 11.8%. This

Platform LBO and growth equity deals as a share of all PE deals



Source: PitchBook • Geography: US • As of June 30, 2025

shift was driven by the large-scale add-on transactions in the quarter, as further discussed below. These segments can be lumpy, and we expect to see a bounce back in the second half of the year.

Growth equity's distinctive playbook—favoring all-equity structures and steering clear of leverage—targets companies in growth mode. By injecting scale capital without saddling the balance sheet with debt, sponsors seek to further top-line growth and widen margins through operational rather than financial leverage. In a market that favors EBITDA accretion and disciplined cost control, that model remains compelling.

Add-ons

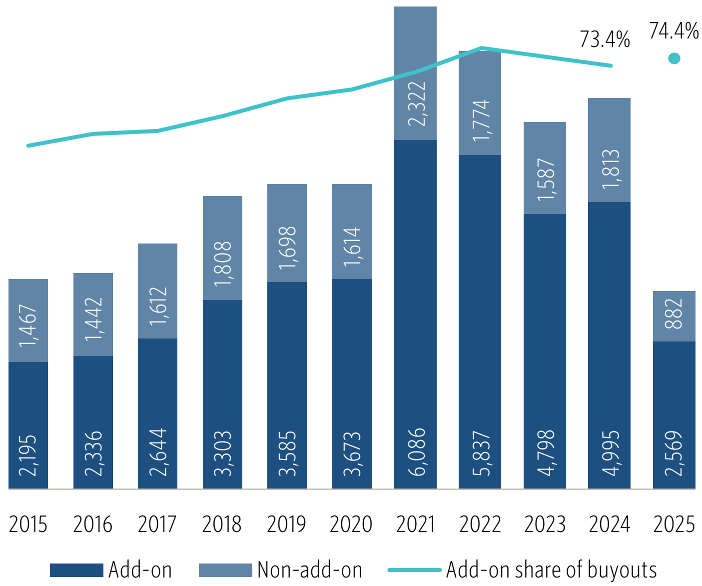
Amid the recession anxieties that defined Q2 2025, one might guess that PE was looking down market at lower-middle-market tuck-in deals. But the opposite was true, with some of the largest add-on transactions seen in recent memory, as PE sponsors favored mega add-on deals of a scale that, under the Biden administration, would have invited antitrust scrutiny. In the current, more business-forward policy climate, firms are clearly pressing that advantage, pursuing combinations designed to amplify strategic positioning, unlock operating leverage, sharpen pricing power, and widen margins.

Measured by volume, add-ons accounted for 75.9% of all buyout activity in Q2 2025—up 250 basis points versus the previous quarter and 150 basis points YoY. Relative to the five-year annual average of 72.5%, the category is running 340 basis points ahead. Looking into the second half of the year, we see limited scope for this share to expand and expect it to hover near present levels. The numbers underscore a persistent drive to scale. Sponsors want the better unit economics and negotiating heft that come from moving up the size curve.

The thesis is straightforward: In a world of unsettled global-trade regimes, scale serves as both shield and sword. A combined entity that commands greater purchasing power can solve a supply chain bottleneck more efficiently and propagate the benefit across a broader revenue base. The same heft confers financial flexibility in a downturn and, where competitive intensity has thinned, the ability to employ pricing power to drive margins.

Three notable transactions from the quarter occurred in the B2B, financial, and consumer sectors. Moss Adams, a regional accounting firm based in Seattle, agreed to combine with Baker Tilly in a $7 billion deal backed by Hellman & Friedman. The combined firm will become the sixth-largest advisory CPA firm in the US, enhancing collaboration among employees,

Add-ons as a share of all PE buyouts



Source: PitchBook • Geography: US • As of June 30, 2025

and expanding expertise and the capacity for servicing middle-market clients.[2] Churchill Management Group, a Los Angeles-based wealth management firm with $9.6 billion of AUM, agreed to be acquired by Focus Partners Wealth. The transaction will materially bolster Focus Partners' scale and enable Churchill clients to access a broader suite of services.[3]

Shifting to consumer, Chef Boyardee, a packaged food company founded in 1928, was acquired by Hometown Food Company via its financial sponsor Brynwood Partners in a $600 million all-cash transaction. This was also a spinout transaction, with Conagra Brands as the majority seller. The deal includes a manufacturing facility in Milton, Pennsylvania, as well as all assets and operations related to the shelf-stable products. Conagra will retain production of select frozen stock-keeping units and will license the brand for those products moving forward.[4] The transaction equates to approximately 1.3x enterprise value (EV)/sales. We view this as opportunistic timing for such a transaction, as wheat prices—a key input for these products—spiked at over $11.77 per bushel in 2022 and have since mean-reverted to around $5.28 per bushel;[5] so the company is benefiting from stability in input costs.

2: "Baker Tilly and Moss Adams To Combine To Create an Industry-Defining Advisory and Accounting Firm in a Strategic Merger Backed by Hellman & Friedman," Moss Adams, April 21, 2025.
3: "Focus Partners Wealth Expands With First External Acquisition Since Rebrand," Business Wire, May 29, 2025.
4: "Conagra Brands Enters Into Definitive Agreement With Hometown Food Company, a Brynwood Partners Portfolio Company, To Divest the Chef Boyardee® Brand," Conagra Brands, May 1, 2025.
5: "Wheat," Trading Economics, n.d., accessed June 27, 2025.

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Carveouts

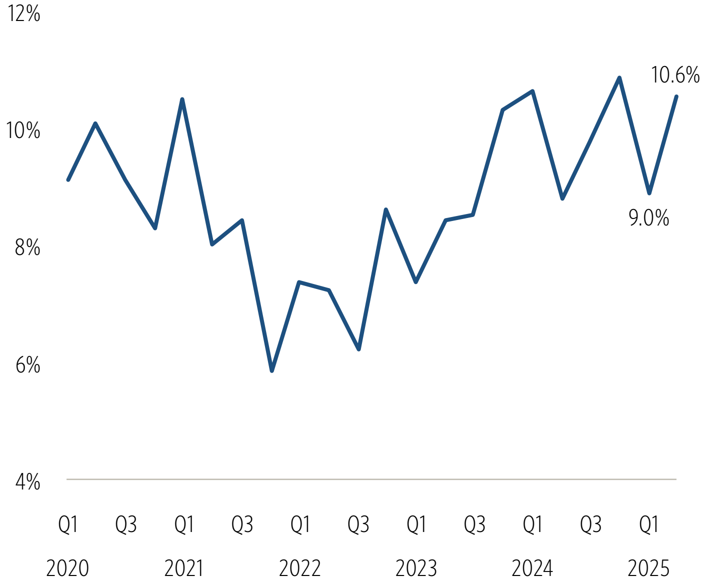
Carve-out transactions are running at 10.6% of all buyout deals in 2025, which is comfortably above the five-year average of 8.7% and last year's 10.1%. Still, we are hearing that sellers are opting to wait out the current volatility caused by tariff-driven supply chain gyrations rather than divest into volatility. Examples include companies that are unable to economically provision process inputs or finished goods, and are waiting for clarity on US tariff policy and broader trading relationships before green-lighting spinouts—which could set the stage for a stronger second half as public-equity indexes hover near their recent highs and valuation confidence returns.

We therefore expect carve-out activity to re-accelerate once the initial wave of regulatory and policy shifts under the new Trump administration settles into something like a steady state. As uncertainty around trade abates, corporate boards will revisit strategic road maps, identifying assets that no longer align with their forward-looking growth vectors and opting to divest those units. For the parent, the logic is clear: shed noncore or underperforming divisions, sharpen the narrative, and redeploy capital toward high-conviction initiatives. For GPs, these divestitures offer fertile ground—whether as fresh platform investments or as bolt-on additions that enable capital deployment at scale. Further, they typically benefit from ready access to financing with audited financial statements and operational histories spanning multiple business cycles.

Ultimately, the interplay of improved policy visibility, rising public market multiples, and ample dry powder on the buy side suggests a healthy carve-out pipeline building into next year. Sponsors who position early—and who can underwrite supply chain complexities with confidence—stand to secure high-quality assets at pricing that still reflects an uncertainty discount, setting themselves up for solid returns when normalcy resumes.

Several marquee transactions punctuated the quarter. Boeing agreed to sell portions of its digital aviation solutions business—including its Jeppesen, ForeFlight, AerData, and OzRunways assets—to Thoma Bravo in an all-cash transaction valued at $10.6 billion. The transaction enables Boeing to bolster its balance sheet, prioritize its investment-grade

Carveouts/divestitures as a share of all PE buyouts by quarter



Source: PitchBook • Geography: US • As of June 30, 2025

credit rating, and focus on its core business.[6] The buyout is supported by a $4 billion private cash flow unitranche loan led by Apollo, and includes Blackstone Credit, JPMorgan Private Credit, Golub Capital, KKR, Oak Hill, Ares, Blue Owl, PSP, and Thoma Bravo Credit Fund.[7]

Wells Fargo agreed to divest its rail equipment assets to a newly formed joint venture—majority-owned by Brookfield Infrastructure and managed by minority investor GATX, which holds a future buyout option. The package includes the bank's entire $4.4 billion book of rail operating leases along with its rail finance-lease portfolio. Wells Fargo management expects no material impact on capital or earnings. The deal will enable the bank to focus on its core business now that the long-standing asset cap has been lifted, opening fresh growth avenues.[8]

6: "Boeing To Sell Portions of Digital Aviation Solutions to Thoma Bravo for $10.55 Billion," Boeing, April 22, 2025.
7: "Boeing Asset Sale, Including Jeppesen, to Thoma Bravo Backed by Private Credit," PitchBook, Abby Latour, April 22, 2025.
8: "Wells Fargo Enters Into Agreement To Sell Rail Equipment Assets," Wells Fargo, May 29, 2025.

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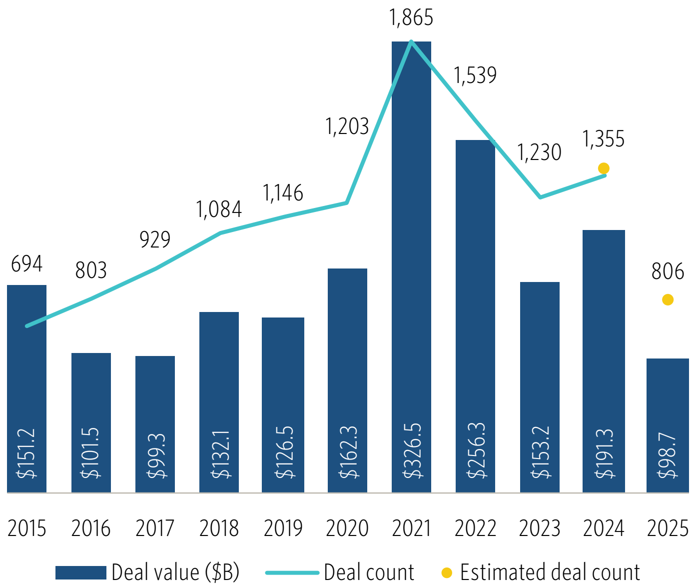
Top deals and sector highlights

Top PE deals in Q2 2025

Company	Announcement date	Acquirer(s)	Deal value ($B)	Industry sector
TXNM Energy	May 19	Blackstone	$11.5	Holding companies
Digital Aviation Solutions Business	April 2	Thoma Bravo	$10.6	Aerospace & defense
Skechers USA	May 5	3G Capital	$9.4	Footwear
Colonial Pipeline	April 3	Brookfield Infrastructure Partners	$9.0	Energy transportation
Moss Adams	April 21	Baker Tilly, Hellman & Friedman, Valeas Capital Partners	$7.0	Accounting, audit & tax services
Digital Global Systems	June 23	Casa Del Fuego Family Office & Trust	$5.0	Business/productivity software
Altera	April 14	Silver Lake	$4.5	General purpose semiconductors
Rail Operating Leasing Business	May 29	Brookfield Infrastructure Partners, GATX	$4.4	Rail
HealthEdge	April 8	Ardan Equity, Bain Capital	$2.6	Enterprise systems
AvidXchange Holdings	May 6	Corpay, TPG	$2.2	Financial software

Source: PitchBook • Geography: US • As of June 30, 2025

Technology PE deal activity



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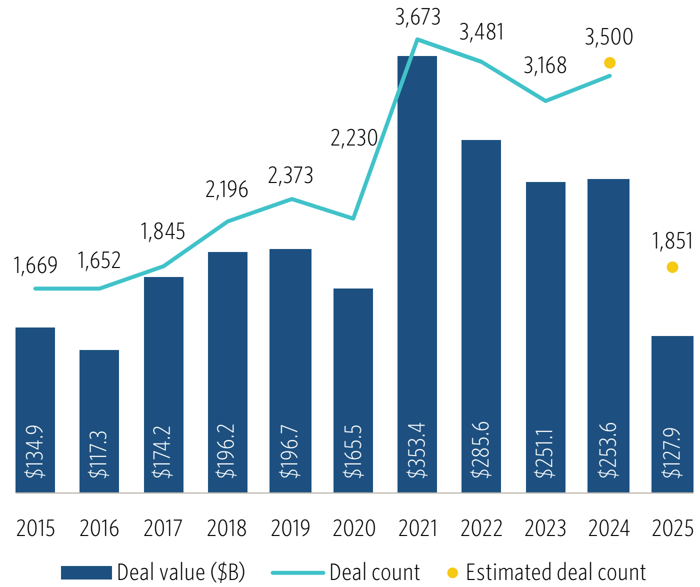
B2B PE deal activity



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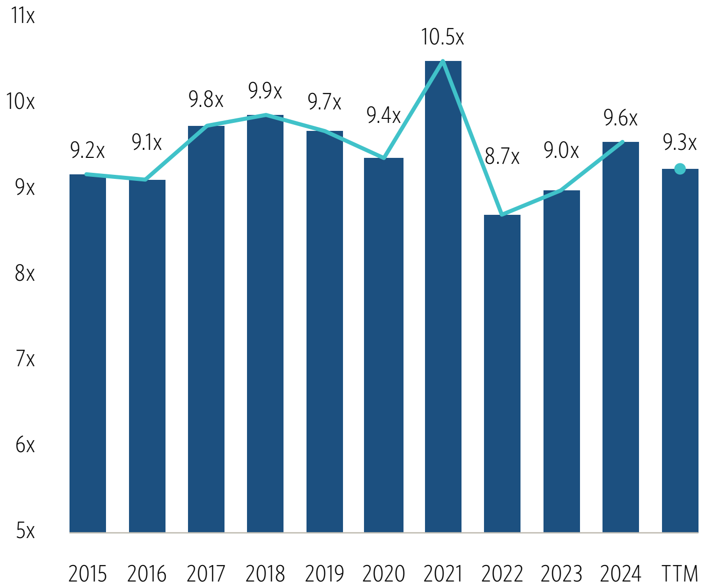
Valuations

Valuation multiples are mostly up relative to recent troughs and are generally consistent with the 2017-2019 norms, excluding the pandemic-era outliers. The 2024 and trailing 12-month (TTM) figures as of Q2 2025 reflect generally better financing conditions and aligned valuation expectations between buyers and sellers.

We include our global M&A multiples because they draw on the largest deal-level sample—covering a wide range of transaction sizes and involving both PE and corporate buyers. We also assume that PE firms participate in bidding on most deals, even when a strategic buyer ultimately prevails. This matters because in 2022 to 2023, strategic buyers were more active, making their influence especially pronounced, as PE faced tight credit availability and wider spreads. The TTM EV/EBITDA multiple for global M&A is 9.3x, just below 2024 and ahead of the 8.7x trough of 2022. This is below the 2017-2019 range, and the decade-annual average of 9.5x. With 2024 data featuring an outsized mix of technology deals commanding higher multiples, it could mark the near-term top, as we are now seeing a broader range of companies transacting in 2025. Shifting to the lens of EV/revenue multiples, the global median figure sits at 1.5x in the TTM period, slightly below 2024. This is in line with 2017-2019 levels, and materially below the outlier highs of 2021 and 2022. Note that our EV/revenue multiples typically have an 80% larger sample size relative to EV/EBITDA multiples, causing differences in trends, so we recommend running sector-specific analysis.

For comparison, we also include multiples for PE buyouts only, noting that sample sizes are lower than those for the above figures, particularly for EV/EBITDA metrics. The EV/EBITDA multiple for PE buyouts stood at 11.7x for the TTM period ended June 30, 2025. This is comfortably above the recent trough of 10.3x in 2023, yet below the 12.3x registered in 2024. Compared with the 2017-2019 period, where multiples ranged from 10.8x to 11.4x, the current TTM value is on the higher end of historical norms. The recovery from the dip in 2023 reflects better credit availability, less concern around inflation and the outlook for rates, and higher-quality companies in the mix of transactions. For EV/revenue multiples within PE buyouts, the TTM figure is 2x, just below the 2.1x in the 2023-2024 period. This multiple also exceeds the 2017-2019 average range of 1.7x to 1.8x.

Global M&A EV/EBITDA multiples



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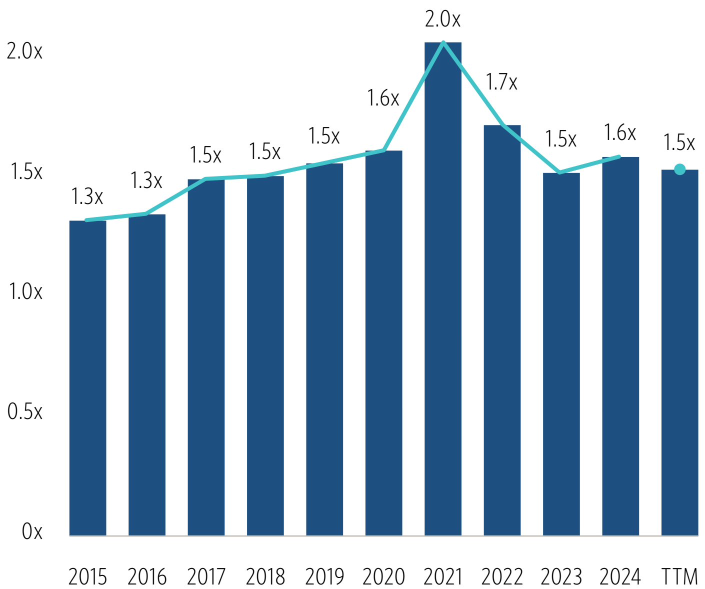
Global M&A EV/revenue multiples



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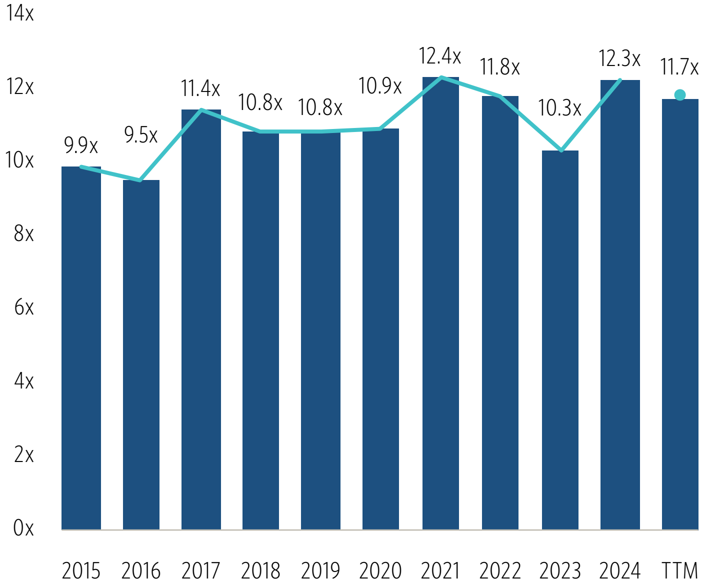
Deal valuation metrics

Global buyout EV/EBITDA multiples



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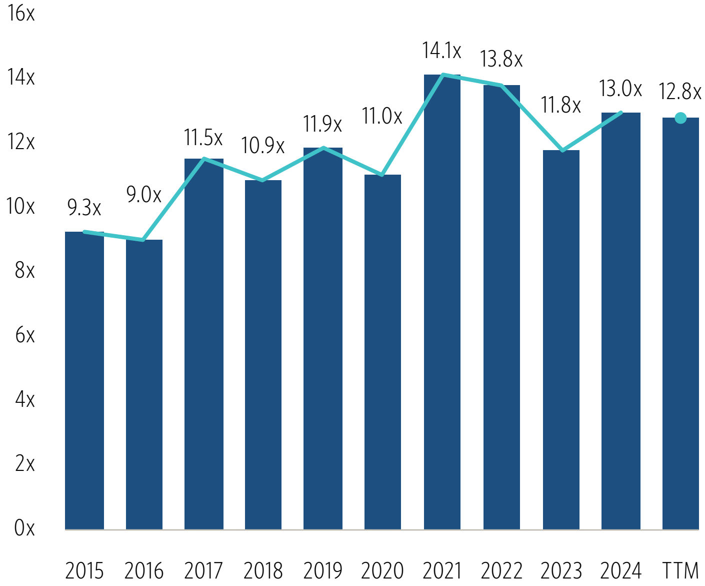
US buyout EV/EBITDA multiples



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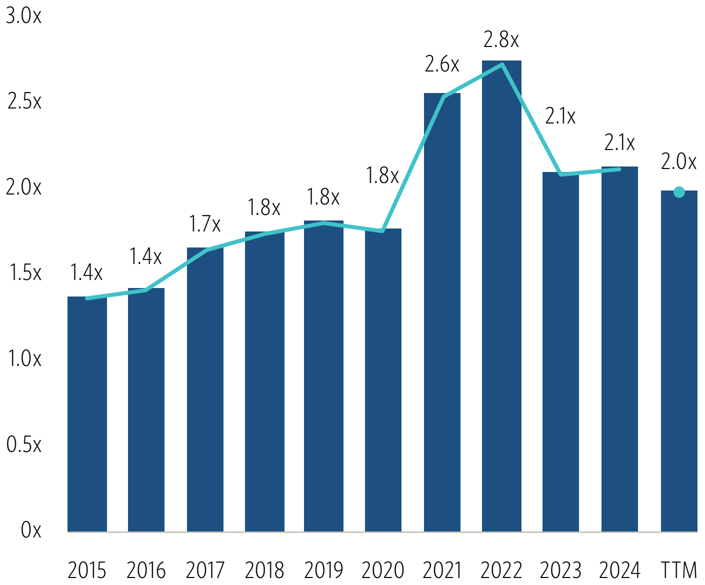
Global buyout EV/revenue multiples



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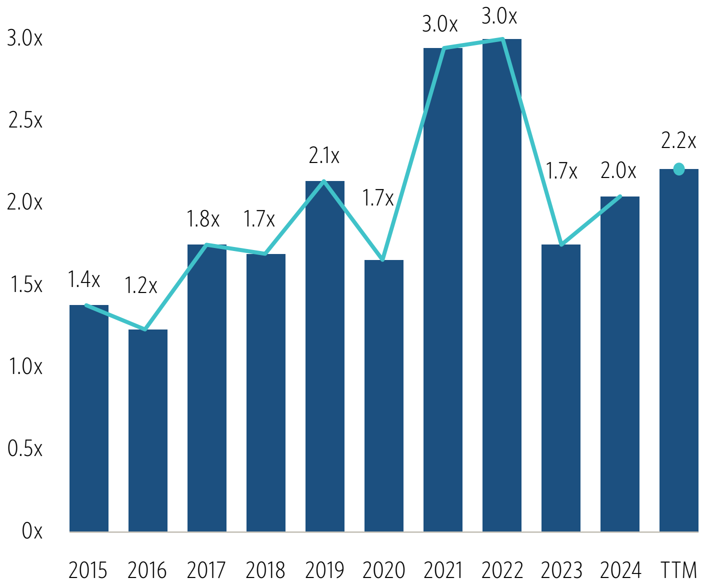
US buyout EV/revenue multiples



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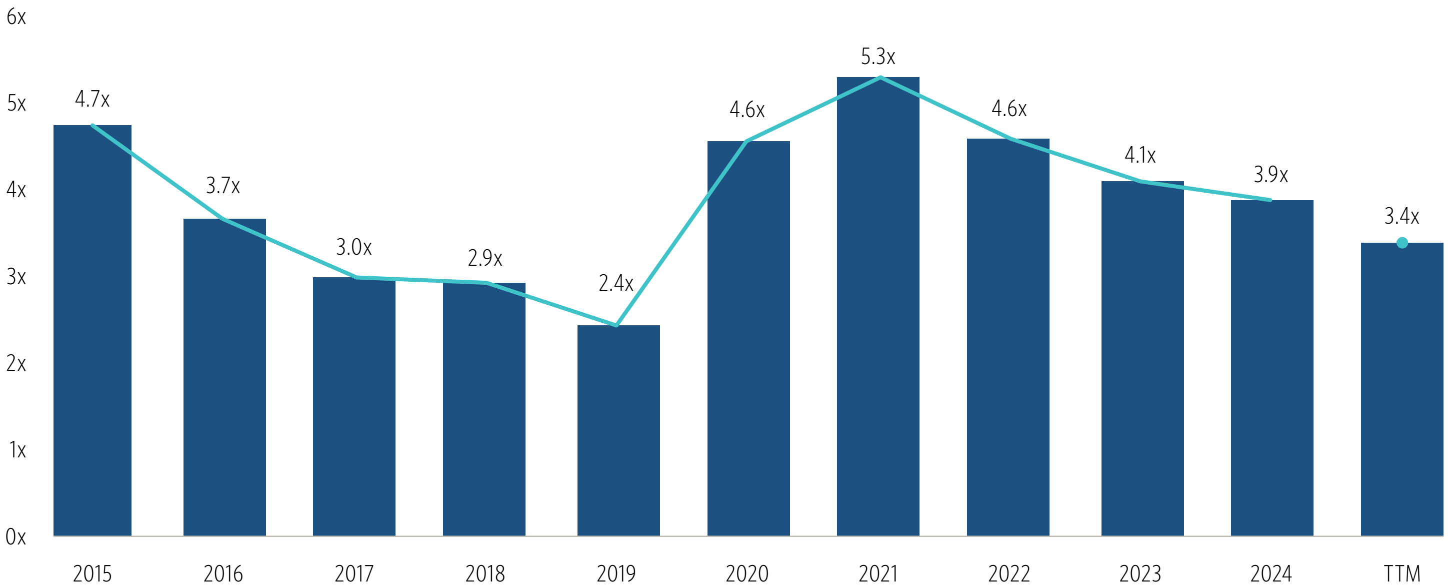
Median EV/revenue multiples on buyout deals of $2.5 billion or more



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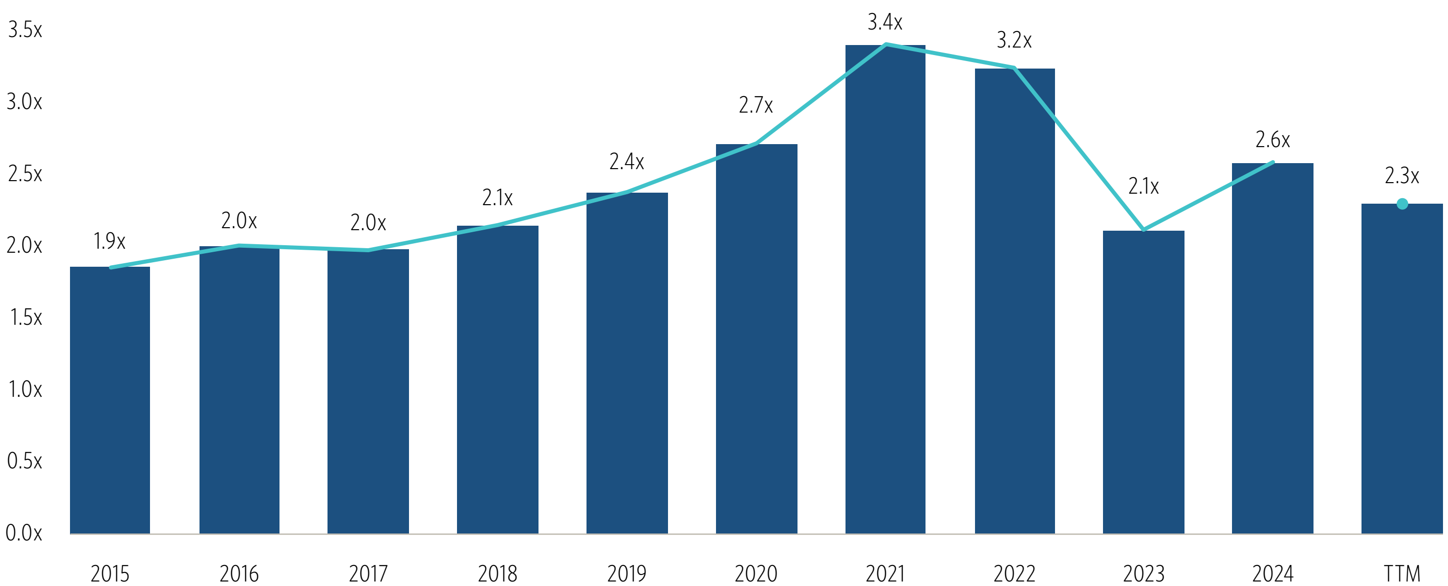
Median EV/revenue multiples on buyout deals of $100 million to $500 million



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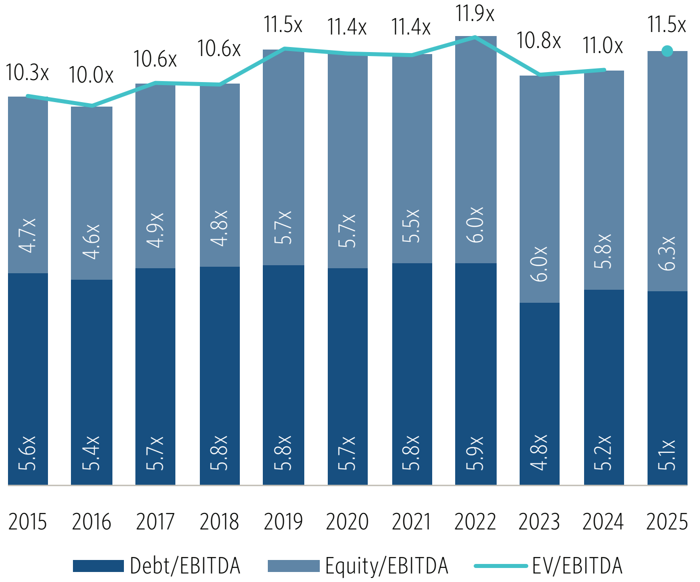
Deal financing metrics

Multiples on BSL-funded deals



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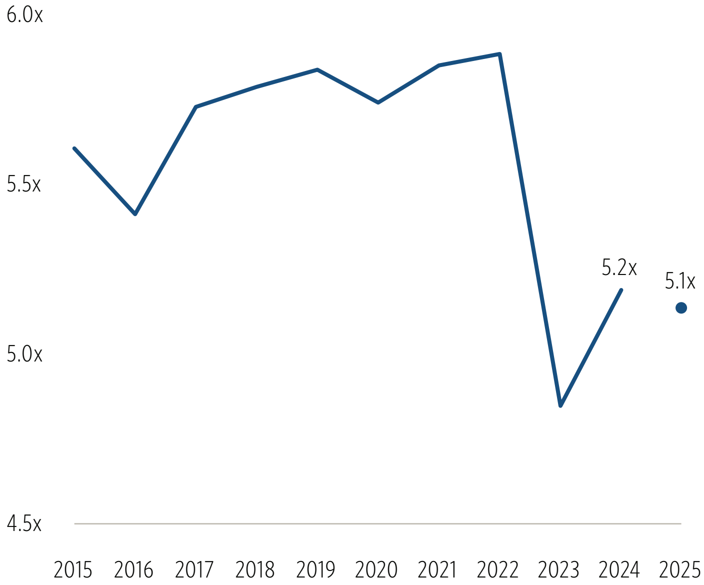
Debt/EBITDA multiple on BSL-funded deals



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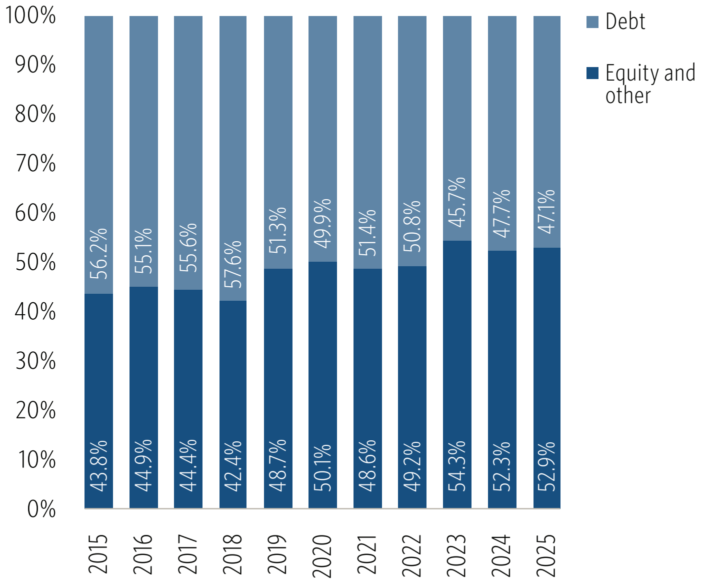
Share of BSL-funded deal value by source



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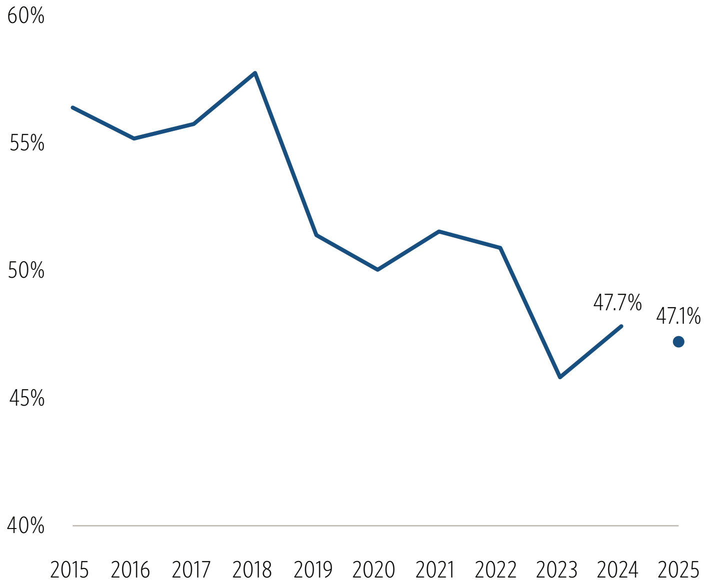
Debt/EV ratio on BSL-funded deals



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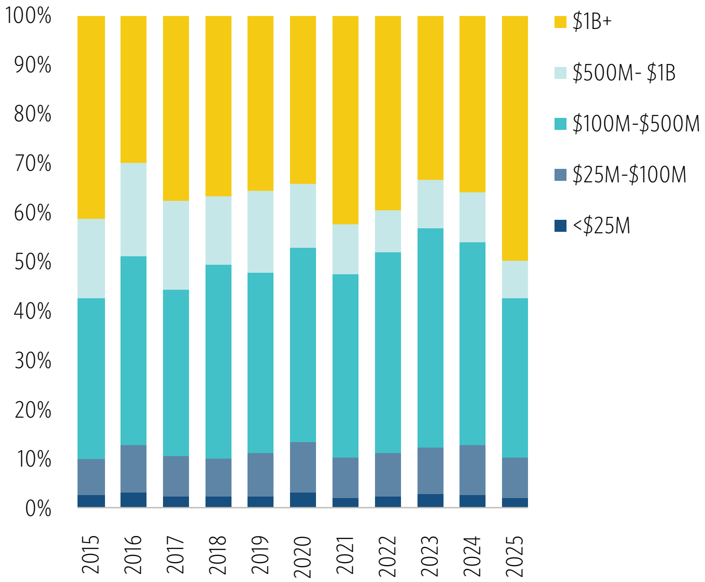
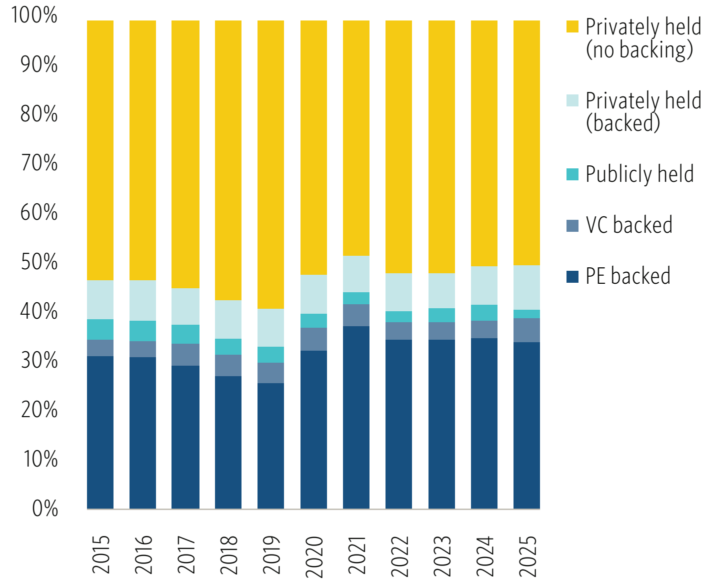
Deals by size, backing type, and sector

Share of PE deal value by size bucket



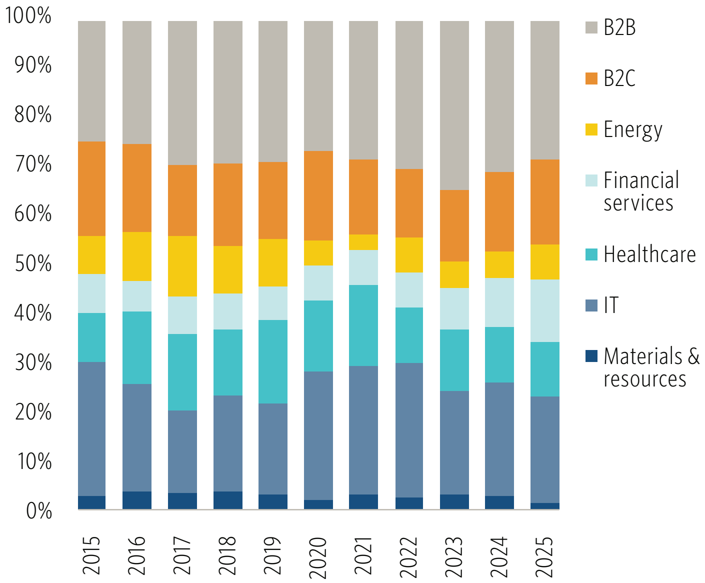
Source: PitchBook • Geography: US • As of June 30, 2025

Share of PE deal count by backing type



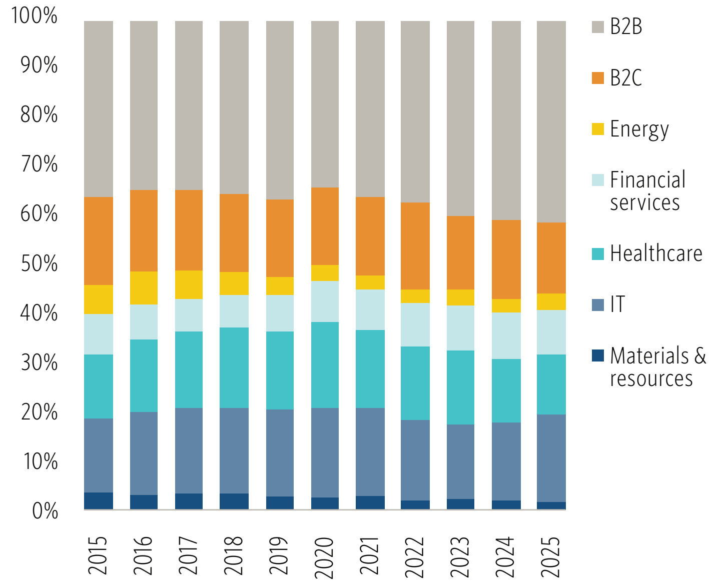
Source: PitchBook • Geography: US • As of June 30, 2025

Share of PE deal value by sector



Source: PitchBook • Geography: US • As of June 30, 2025

Share of PE deal count by sector



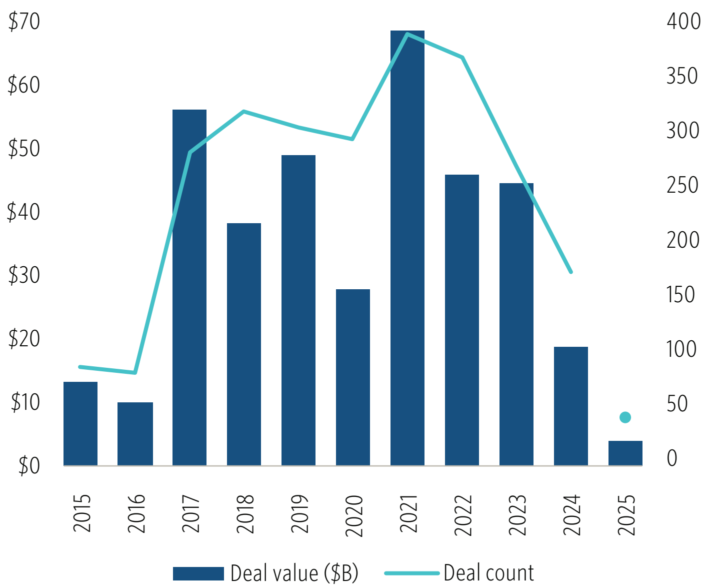
Source: PitchBook • Geography: US • As of June 30, 2025

SPOTLIGHT

Launch Report: Transportation & Logistics

Note: This spotlight is abridged from our Q1 2025 Launch Report: Transportation & Logistics. Please see the full report for additional analysis on trends in our new PE coverage area, transportation & logistics.

Transportation & logistics PE deal activity



Source: PitchBook • Geography: Global • As of March 31, 2025

Vertical overview

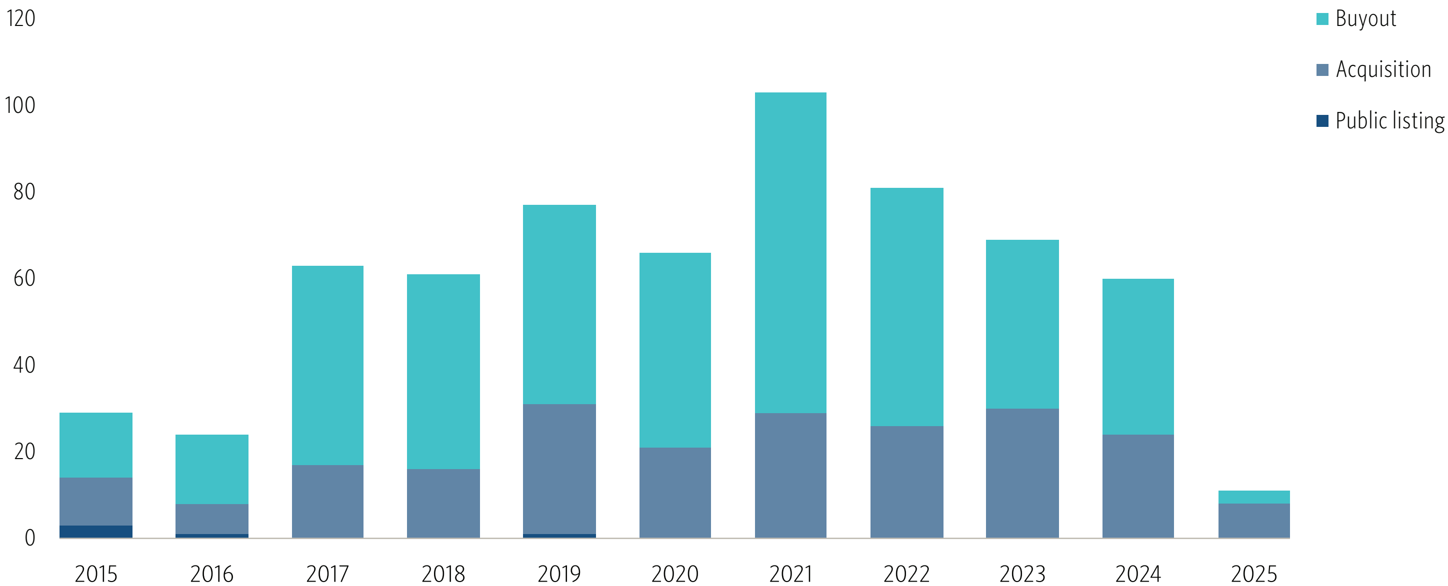
The transportation & logistics industry is in a phase of rapid evolution, influenced by shifting global trade dynamics, technological innovation, and heightened customer expectations. Global supply chains are becoming more diversified as companies adapt to geopolitical tensions, regional disruptions, and post-pandemic reevaluations of risk. Nearshoring and reshoring strategies are increasingly common as businesses seek to improve resilience and reduce dependency on single-source suppliers. These structural changes are placing new demands on transportation networks, prompting a shift toward more agile, responsive, and technology-integrated logistics systems.

Digitization continues to reshape the industry, with widespread adoption of technologies such as AI, Internet of Things, digital freight platforms, and autonomous systems. Real-time visibility, predictive analytics, and warehouse automation are no longer luxuries—they are becoming essential capabilities for competitive logistics operations. At the same time, e-commerce growth is driving major investments in last-mile delivery infrastructure, microfulfillment centers, and hybrid delivery models. Logistics providers and carriers are responding with increased reliance on data-driven tools and collaboration platforms that enhance operational efficiency and customer service.

Sustainability has also emerged as a central challenge and opportunity for the sector. Regulatory pressure and investor scrutiny are pushing logistics firms to cut emissions, reduce waste, and adopt greener technologies. Electric and hydrogen-powered trucks, carbon accounting platforms, and modal shifts toward rail and sea are gaining traction, especially in regions with ambitious climate goals. However, the industry still faces labor shortages, rising fuel costs, and infrastructure bottlenecks, which complicate efforts to maintain profitability and service levels. The transportation & logistics sector in 2025 stands at the intersection of disruption and innovation—where adaptability and strategic investment are critical to long-term success.

PE deal activity across transportation & logistics peaked in 2021 with 388 deals valued at $68.3 billion in aggregate. Subsequent years saw a decline to 172 deals in 2024 valued at a combined $18.7 billion. For Q1 2025, the 2025 run rate appears to be lifting due to greater interest and scrutiny of supply chain activity with heightened trade and tariff uncertainty. Q1 2025 deal value totaled $3.7 billion across 43 deals. Exits have followed a similar pattern with a peak in 2021 of 103 exits valued at a combined $46.3 billion. Following three years of steady declines, the 2025 run rate of exit activity is trending higher. Across segments, marine and air freight saw the greatest deal values in Q1, while trucking and warehousing had the most deals. Trade and economic uncertainty in the quarters ahead could result in increased

Transportation & logistics PE exit count by type



Source: PitchBook • Geography: Global • As of March 31, 2025

deal activity as smaller firms seek shelter from economic headwinds. Conversely, the potential for higher rates in the face of mounting inflation and lender caution could stymie deal flow.

Macroeconomic indicators

In recent quarters, concerns over changing tariffs and trade have whipsawed the transportation & logistics industry. Tariff barriers rose during the first Donald Trump presidency, and many remained in place and even expanded through former President Joe Biden's four years in office, signaling a shift away from the decadeslong pursuit of lowering trade barriers and expanding global trade. With heightened rhetoric over trade imbalances in the 2024 presidential campaign and President Trump's subsequent victory, global supply chain activity has reached new levels of volatility. Concerns over the potential for higher tariffs in the US led importers to pull forward orders, resulting in a surge in activity in Q4 2024 and Q1 2025. Blanket tariffs, as well as specific punitive tariffs against global trading partners announced by the US in the beginning of Q2 2025, sent financial markets and the logistics industry reeling.

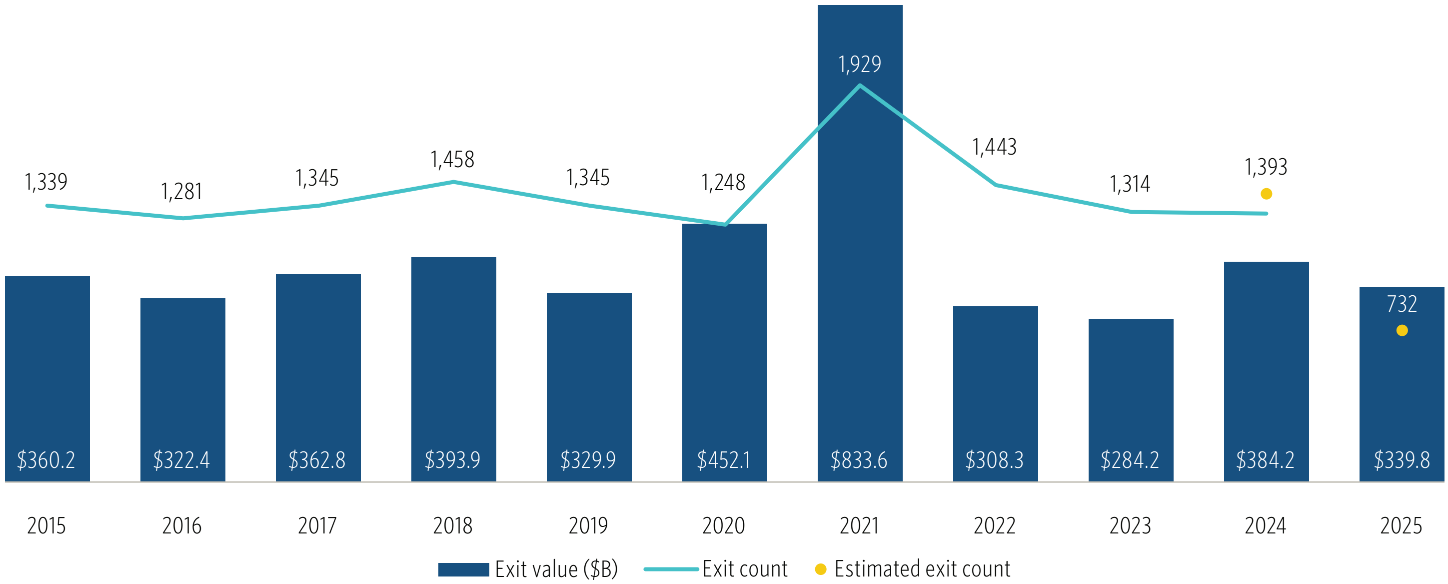
Subsequent reversals of policy and one-to-one negotiations with partners eased some financial market concerns, but the lagged effect on global goods shipments continues to reverberate.

The Port of Los Angeles, one of the largest inbound destinations for freight in the US, saw a 9.4% YoY increase in container volume in April, and volume surged 15.6% at the nearby Port of Long Beach as importers rushed to bring in goods. Inbound shipments to the Port of Los Angeles declined by as much as 30% in the first part of May, however, as the impact of tariffs—particularly against China—took hold.[9] Now, with a three-month truce in the US-China trade war, shipping container rates have surged by 50%-plus as importers work to get orders in before what is typically the peak season between July and October.[10] Trucking and rail shipments from the ports and across the US will subsequently see the lagged shipping volatility, which will ripple down the line with warehouse activity and to customer deliveries and retailers' shelves. The ultimate impact on global trade patterns remains to be seen.

9: "LA Port Shipments Fell 30% in Early May After Trump Tariffs," Bloomberg, Laura Curtis, May 19, 2025.
10: "Shipping Rates Rise as U.S.-China Trade Truce Drives Import Surge," The Wall Street Journal, Costas Paris, May 15, 2025.

Exits

PE exit activity

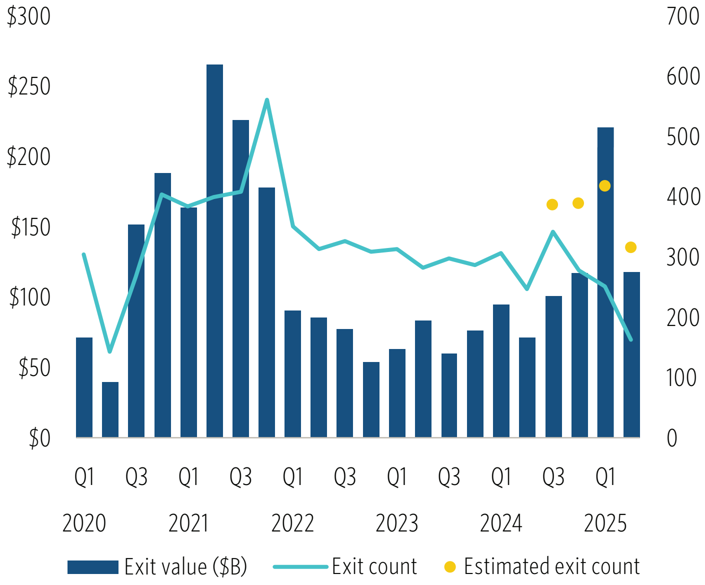


Source: PitchBook • Geography: US • As of June 30, 2025

Overview

The downward pressure on US PE exits finally reared its head, with Q2 2025 data reversing from the recent steady rebound in exit activity seen through Q1 2025. Q2 exit count hit its lowest mark in the last 12 months, with an estimated 314 exits for an aggregate of $118.5 billion. QoQ, this represents a 46.4% decrease in exit value and a 24.9% decline in count. Q1 2025 exit activity was buoyed by the public listing of Venture Global LNG—which was valued at an outlier size of $58.7 billion—but the QoQ exit value decline remains at 27.1% when excluding this IPO. Furthermore, the sizable QoQ decline in exit count is an alarming signal about the state of the PE exit landscape. Both exit value and exit count dipped below the pre-pandemic quarterly averages once again, with exit count dropping roughly 10% below the "old normal." On a brighter note, the PE industry is still on pace for a decent year in exits when annualizing H1 activity. 2025 exit activity is projected to surpass that of 2024, thanks to the momentum that carried through Q1 2025, even when excluding the outlier Venture Global exit. The same can be said when comparing the first half of 2025 with the first half of 2024. Exit value is up an impressive 69.3% when excluding Venture Global, and a staggering 104.6% when including it. For exit count, the first half was up a more modest 18.3% YoY.

PE exit activity by quarter

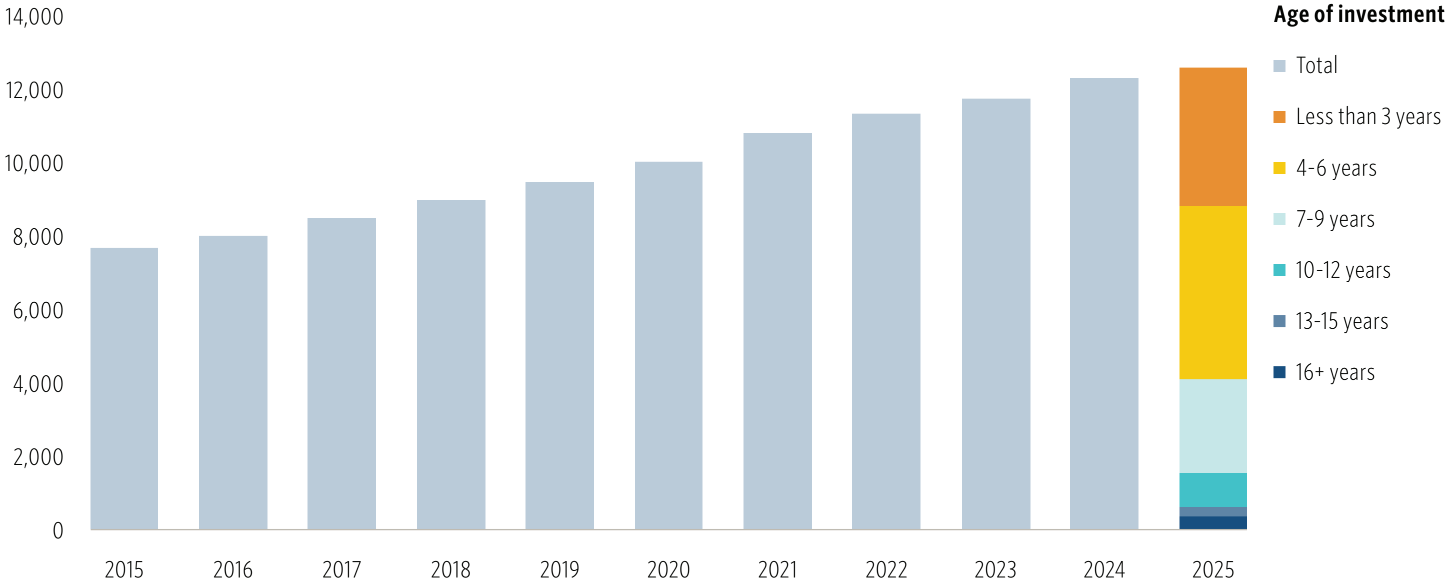


Source: PitchBook • Geography: US • As of June 30, 2025

Exit count continues to trail behind exit value, as few high-quality assets are able to secure attractive sales while the larger swath of PE portfolio companies has yet to achieve exits. The median exit size increased through 2023 and 2024

PitchBook

PE-backed company inventory by deal year

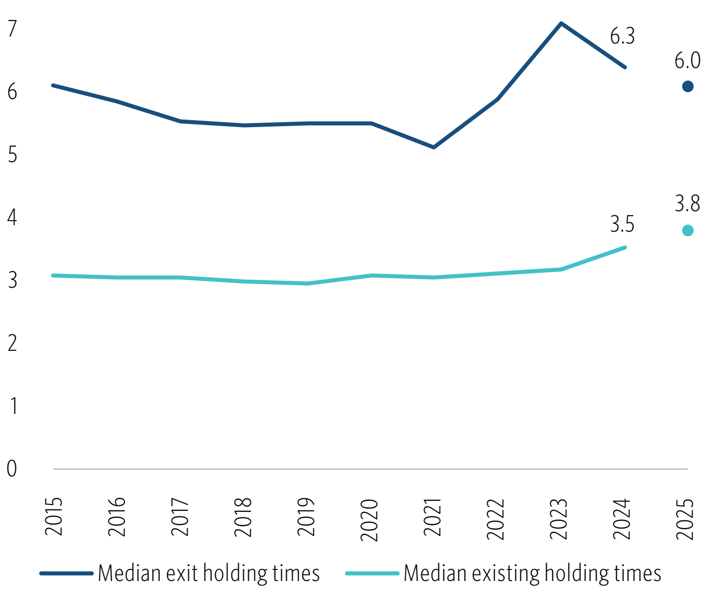


Source: PitchBook • Geography: US • As of June 30, 2025

despite a strained exit environment and is still on an upward trend through Q2 2025. The US PE company inventory has grown to 12,552 companies through Q2 2025, translating to a nine-year inventory at the observed pace of exits in 2024, or an 8.5-year inventory at the annualized pace of exits in H1 2025. Improvement in exit markets must be sustained and broadened to lesser-quality assets so that the PE industry can effectively wind down its inventory of assets. Still, the headwinds in 2025 are unlikely to support the acceleration in exits the industry needs to make up for lost time.

The data for median hold times for PE-backed companies in the US continues its downtrend, though it remains above historical norms. The median hold time of exited companies peaked in 2023 at seven years and has since decreased by a year to a median hold time of six years through the first half of 2025, although it remains above the pre-pandemic median of 5.2 years. As for companies still being held, the median hold time now sits at 3.8 years, its highest point since 2011. Both of these elevated hold time metrics make one thing clear: The current inventory of PE-backed assets is getting older as exit activity struggles. Furthermore, this exemplifies the need for PE firms to start exiting their aging portfolio companies to restart the PE flywheel. However, to regain the momentum seen in the first quarter, the market needs more clarity around these new headwinds, and it needs it soon to see healthy exit activity in the back half of 2025; otherwise, the exit window may not fully reopen until next year.

Median PE company holding times (years)

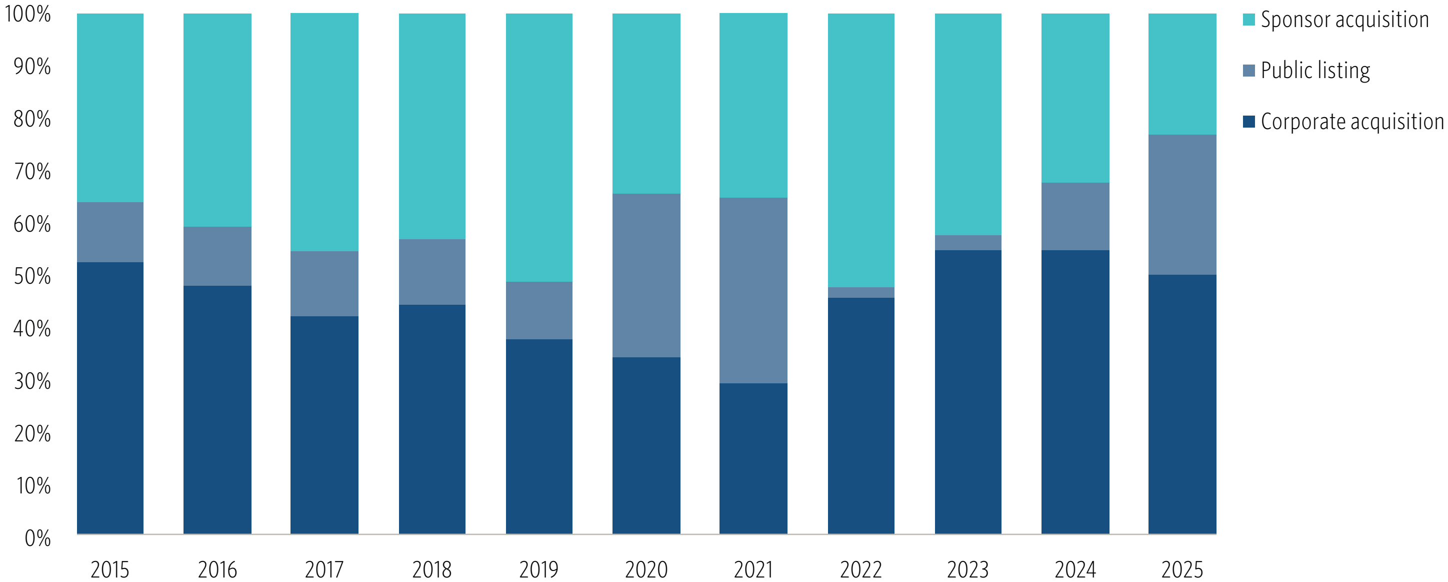


Source: PitchBook • Geography: US • As of June 30, 2025

Exits to corporates

Exits to corporates continued to make up the majority of exit value in Q2 but faltered QoQ on an absolute basis. With 88 exits to corporates for an aggregate of $63.9 billion, exit count decreased by 34.8% and exit value by 29.7% QoQ. Despite the decline, exits to corporates made up an impressive 61.1%

Share of PE exit value by type

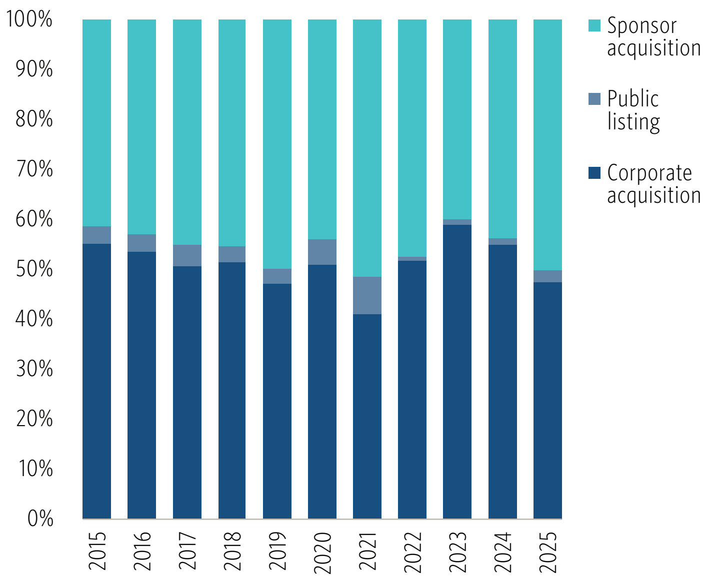


Source: PitchBook • Geography: US • As of June 30, 2025

of the quarter's exit value, demonstrating strength over sponsor-to-sponsor exits for seven consecutive quarters. In exit count, however, corporates made up 46.8% of PE exits—its lowest share since Q4 2021. Exit value is firmly ahead of pre-pandemic quarterly averages, while exit count is roughly 50% below those levels, again reflecting the need for a broader recovery in the exit market instead of a small group of winners. Although M&A remains an important growth strategy for companies, corporations are likely waiting for further clarity on how tariffs, policy changes, and inflation will impact their operations. 54% of those surveyed in the recent EY CEO Outlook Global Report responded that they have delayed a planned investment as a result of geopolitical or trade policy changes.[11] Corporate strategies will be more cautious about pursuing PE-backed assets in the near term as companies continue to navigate market uncertainty.

Despite the broader slowdown in exit activity, several large-scale transactions took place in the exits-to-corporates type in Q2. Moreover, the tech sector saw a few substantial exits to corporates, as detailed in the "Technology" section below. Notable deals in the second quarter included CPP Investments' sale of US oil & gas firm Encino Acquisition Partners to EOG Resources for $5.6 billion in a deal that will strengthen EOG's position in the Utica shale basin of Ohio, offering access to an additional 675,000 net core acres and more than 1 billion barrels of undeveloped net resources. Elsewhere in the energy sector, Blackstone sold Olympus Energy's energy exploration business to EQT Production for $1.8 billion. The acquisition by EQT will help strengthen its presence in the Marcellus region in the US.

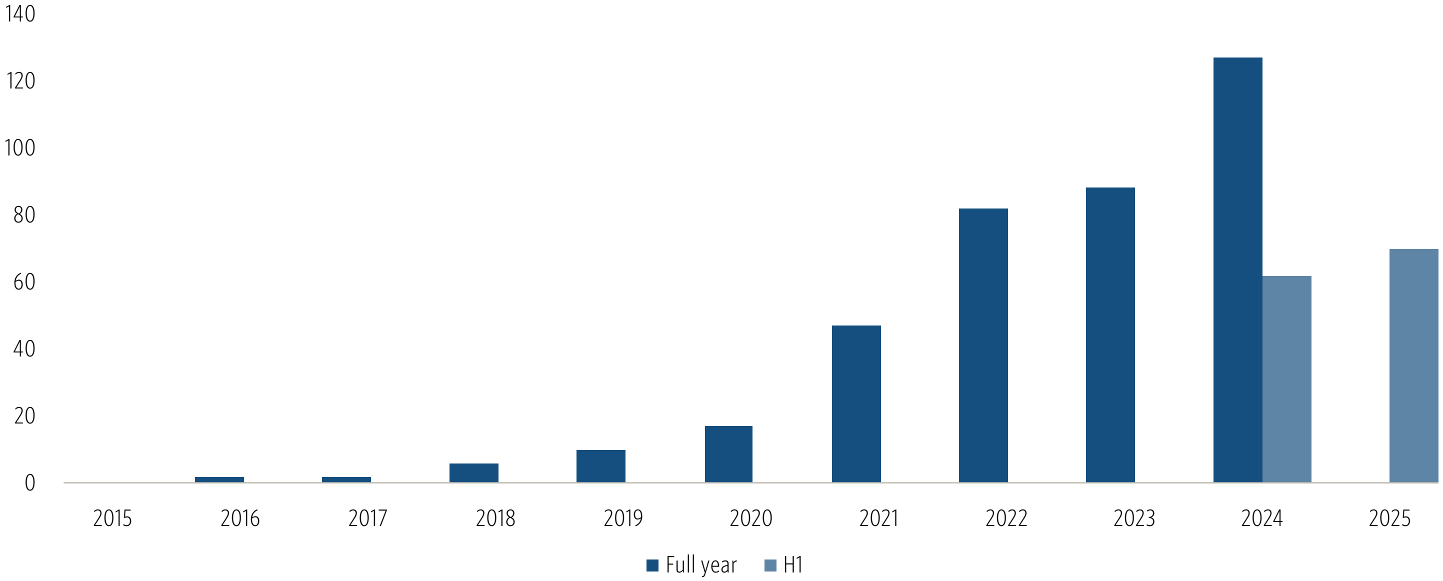
Share of PE exit count by type



Source: PitchBook • Geography: US • As of June 30, 2025

11: "How Do CEOs Chart a Path to Growth When the Map Keeps Changing?" EY Parthenon, Andrea Guerzoni, Nadine Mirchandani, and Barry Perkins, May 5, 2025.

Notable continuation-fund-related exit count YTD



Source: PitchBook • Geography: North America and Europe • As of June 30, 2025

Sponsor-to-sponsor exits

Sponsor-to-sponsor exit activity dipped on an absolute basis but is taking up a greater share of total exit activity than seen in recent quarters. There were 96 exits for an aggregate of $33.4 billion in Q2, a QoQ decline of 30.9% and 14.2%, respectively. The quarterly uptick in the sponsor-to-sponsor share of exit value was skewed by mega-sized IPO activity in Q1. Excluding public listings, sponsor-to-sponsor exits are trending downward as a share of PE exit value. In exit count, sponsor-to-sponsor exits accounted for 51.3% of YTD PE exits when excluding public listings—its greatest share since 2021, when it last made up the majority of the US PE exit count.

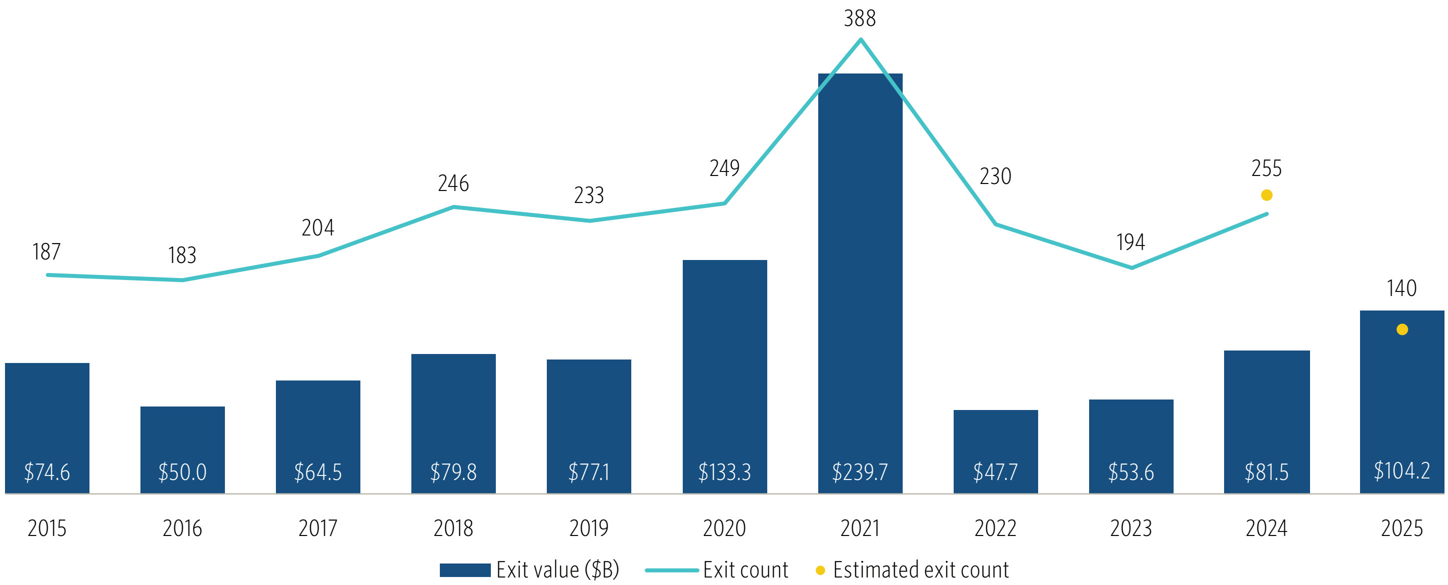
The largest sponsor-to-sponsor exit came when Brookfield Infrastructure Partners acquired Colonial Pipeline from a consortium of sponsors, including KKR and CDPQ, for $9 billion. Colonial operates the largest fuel pipeline in the US, and the acquisition builds on Brookfield's global pipeline portfolio and continues the trend of investors targeting essential infrastructure assets. Other notable sponsor-to-sponsor activity included Blackstone's $2.6 billion sale of HealthEdge to Bain Capital and Ardan Equity. These two noteworthy transactions took place in early April, when the uncertainty around tariffs flooded the market, proving that the market volatility did not deter the exit activity of high-quality companies. HealthEdge, which provides administrative processing software, and Colonial, which is in the oil & gas sector, showcase that portfolio companies that are relatively insulated from tariffs will continue to see successful exits.

Exits to continuation funds

With exit activity faltering following the robust rebound seen in 2024, many sponsors may once again look to continuation funds, also known as GP-led secondaries, as a path to give LPs a chance at liquidity while also giving themselves more time to create additional value within their portfolio companies. LPs that need liquidity can choose to cash out, and GPs that need more time to work out of assets on a more profitable basis also receive that. This has resulted in the exponential growth of these vehicles—which have been increasing annually for the better part of a decade—reaching an all-time high of 127 exits to continuation funds in 2024. This activity is now pacing slightly ahead of the record activity seen last year; and should the exit shortage continue in the back half of the year, driven primarily by market uncertainty, 2025 could cement a new record year, with more continuation fund-related exits likely to follow.

PitchBook tracked 29 exits to continuation funds in Q1 2025 and another 41 in Q2, which were disclosed for an aggregate value of $22.1 billion. This is slightly above the pace seen in the first two quarters of 2024, during which we tracked 63

Technology PE exit activity



Source: PitchBook • Geography: US • As of June 30, 2025

continuation fund-related exits, and also surpassed 2024's first half total exit value of $15.3 billion. We are also starting to see a potential new trend: a sponsor rolling a portfolio company into a continuation vehicle for a second time. No such transactions have been completed yet, but they are at the early stages of raising a continuation fund. Accel-KKR is reportedly considering such a transaction with portfolio company iSolved, which was part of a $1.4 billion continuation fund deal that closed in 2019. Similarly, PAI Partners is seeking to run a similar play on portfolio company Froneri, which was moved into a continuation fund in 2020.

During the second quarter, the industry closed several multi-asset continuation funds, including Banner Capital Management, which rolled eight portfolio companies in a continuation fund valued at $400 million. In April, Hidden Harbor Capital Partners rolled four portfolio companies into a continuation fund, valuing the transaction at $850 million. On the single-asset continuation fund side of the business, the largest such exit came via Vista Equity Partners finalizing its $5.6 billion continuation fund for portfolio company Cloud Software Group—the owner of Citrix and TIBCO—in a deal that saw Vista raise $2.7 billion of fresh capital, including capital raised from two of the firm's flagship buyout funds.[12] Other notable single-asset continuation fund-related exits included OceanSound Partners rolling portfolio company SMX into a standalone vehicle in a transaction worth $1.2 billion.

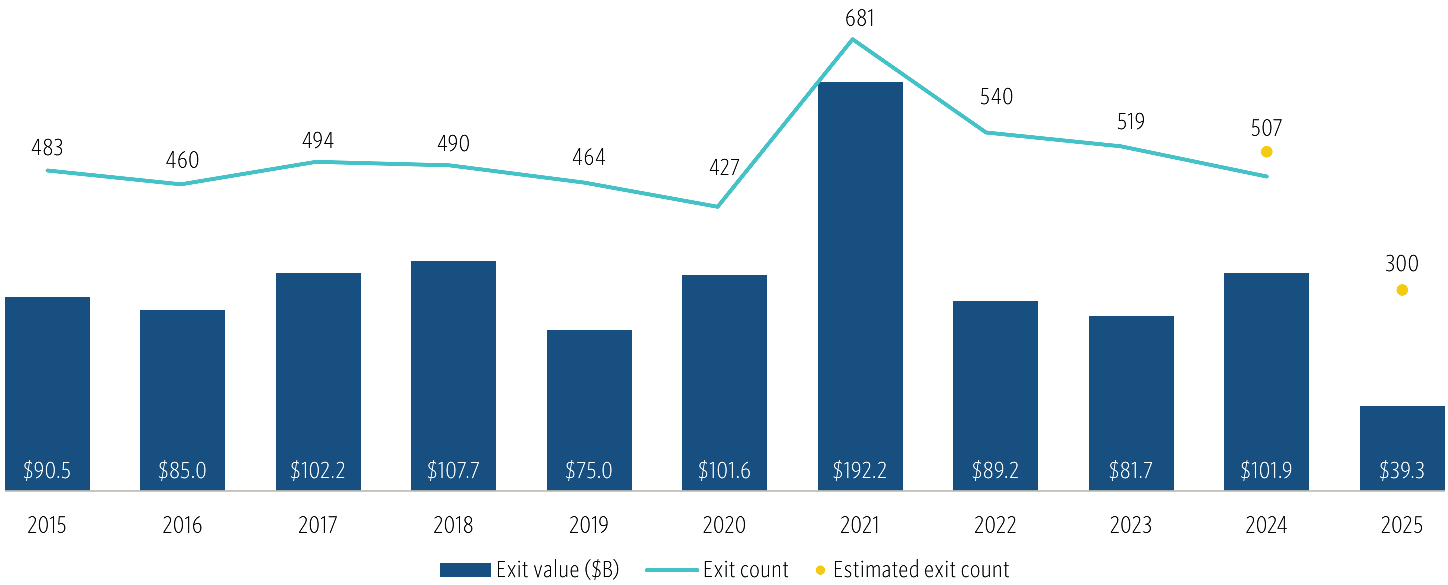
Technology

Although several sectors—including B2B, which is detailed below—saw QoQ declines in exit activity in Q2, the IT sector was the opposite, showing strength across several large-scale exits in what was the best quarter of exit activity for the sector since Q3 2021. While not immune to second- and third-order tariff impacts, tech is not likely to be as impacted by the proposed tariffs as several other sectors; and as a result, deal and exit activity is expected to remain healthy for the remainder of the year. Moreover, the growth opportunities, scalability, and high-margin profile that companies in the space offer continue to make the tech sector attractive for investors and should act as a tailwind for exits in the space going forward.

Q2 saw the technology space hold three exits of $5 billion or more, including the mammoth $24.3 billion sale of Worldpay by GTCR and FIS to Global Payments. The deal represents the fourth-largest PE-backed exit in the tech sector ever and the largest since the $26.8 billion IPO of AppLovin in 2021. The acquisition will allow Global Payments to better focus on merchant services in the crowded payments market. As part of the deal, Global Payments sold its issuer solutions unit, which offers card processing and account services, to FIS for $13.5 billion. Other notable tech deals in the quarter included Insight Partners' sale of Dotmatics to Siemens for $5.1 billion and TJC's sale of Silvus Technologies to Motorola Solutions for $5 billion.

12: "Vista Raises $5.6 Billion for Cloud Software Continuation Fund," Bloomberg, Allison McNeely, Laura Benitez, and Preeti Singh, June 25, 2025.

B2B PE exit activity



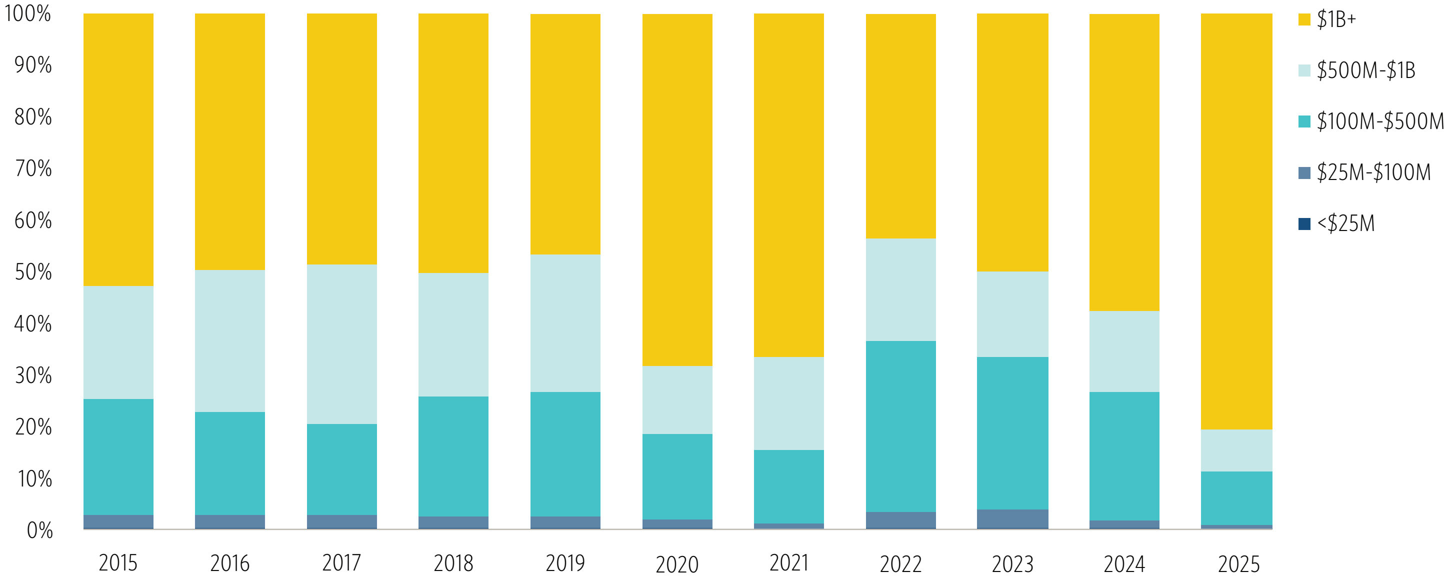
Source: PitchBook • Geography: US • As of June 30, 2025

B2B

As expected, with the uncertainty driven by the announcement of tariffs by the Trump administration, exits in the B2B sector faltered in the second quarter, which is in line with the asset class as a whole. The B2B sector is more prone to the potential impact of these tariffs, as many businesses in the space have greater exposure to global supply chains, which could result in higher input and production costs and possible supply chain bottlenecks. This concern for the industry has led to fewer exits, totaling an estimated 126 exits in the second quarter, or 36.2% of all exits, down from 40.4% in Q1. The sector saw a similar QoQ decline in exit value as well. Until there is greater clarity surrounding the tariffs, sectors like B2B will likely see reduced activity as sponsors and their portfolio companies wait and see what the next few months have in store.

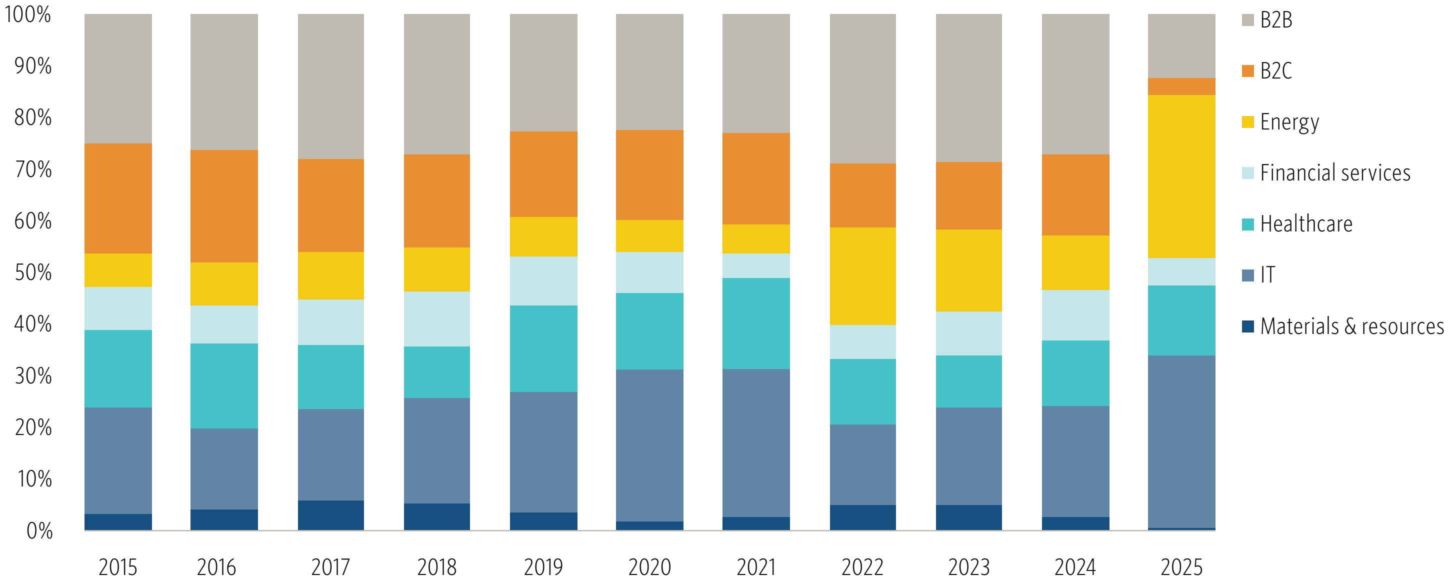
What was notable about the decline in B2B exit activity in Q2 was the lack of meaningful exits. Only one B2B exit in the second quarter was over $1 billion. Moreover, it was the only exit over $500 million for the B2B sector in Q2. That exit belonged to The Sterling Group and its $1.3 billion sale of Artisan Design Group (ADG)—a provider of design, distribution, and installation services for flooring, cabinets, and countertops—to Lowe's. The acquisition of ADG allows Lowe's, and its Lowe's Pro business tailored to professional contractors and businesses, a new distribution channel within a highly fragmented market.

Share of PE exit value by size bucket



Source: PitchBook • Geography: US • As of June 30, 2025

Share of PE exit value by sector

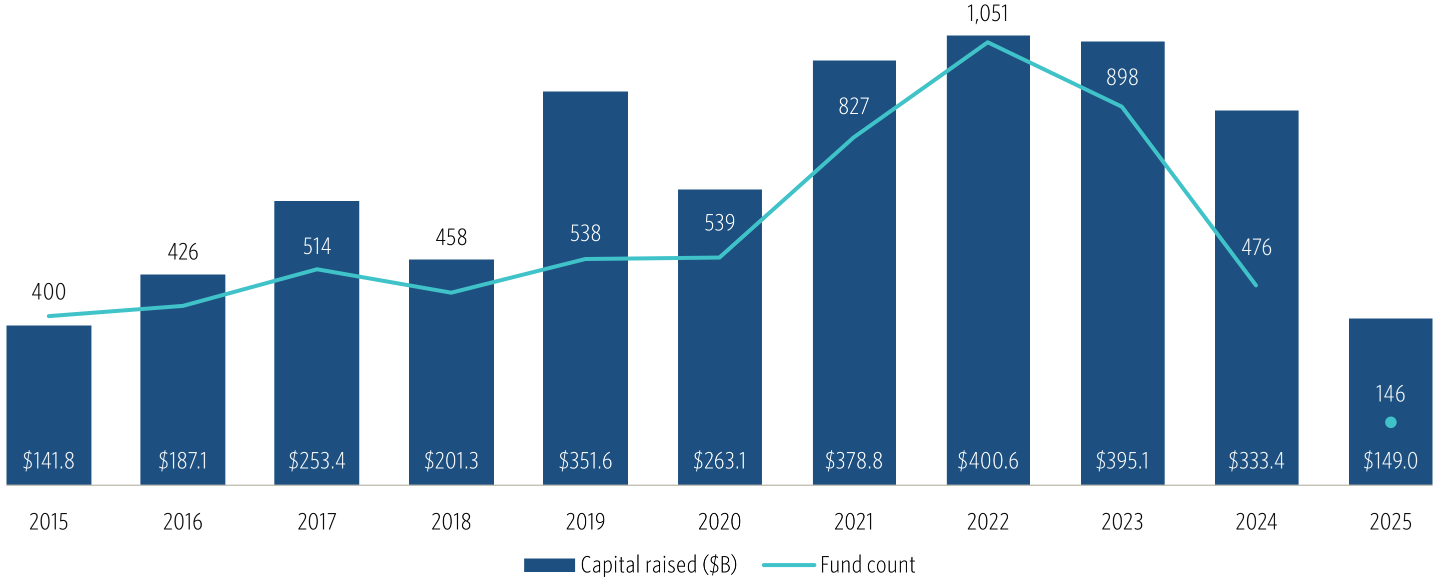


Source: PitchBook • Geography: US • As of June 30, 2025

PitchBook

Fundraising

PE fundraising activity



Source: PitchBook • Geography: US • As of June 30, 2025

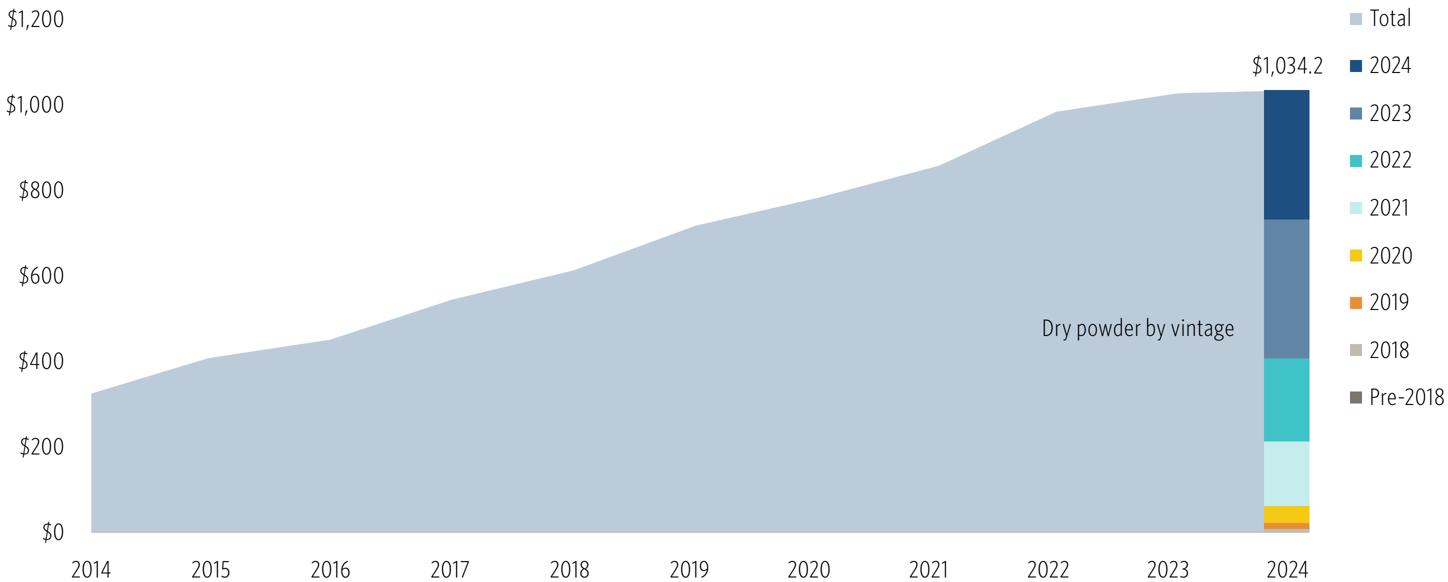
Overview

The rosy outlook that the PE ecosystem entered 2025 with has disappeared. Unlike deals and exits, fundraising did not enter the year with momentum, but rather on a trend of deceleration that will likely shape up as a second consecutive year in declining fundraising activity. We laid out this prediction in our outlooks at the beginning of the year, which we recently updated to evaluate how the first half fared. Fundraising continued to cool in the second quarter. While fundraising figures look relatively healthy, the closing of two Thoma Bravo funds worth a combined $32.4 billion made the quarter's activity appear better than reality.

With the exit environment very much in a wait-and-see mode, this has not helped provide any further clarity to the fundraising side of the industry. Instead, it has instilled that fundraising will remain lower, and with an uptick in exits not expected in the near term, fundraising will continue to falter. However, should the market gain clarity around new market headwinds, exit activity could pick up, and the asset class could see improving fundraising outlooks toward the year end, potentially setting up the ecosystem for a better year of capital raising in 2026.

Halfway through the year, many fundraising trends remain the same, with no signs of a revival of exit activity in the next few months. The current environment remains more challenging in raising capital, especially for newer managers, such as emerging or first-time managers. Through the first six months of 2025, 146 PE funds have raised $149 billion, and when annualized, including late-reporting funds, total fundraising is set to fall below the $333.4 billion raised in 2024 and fall well below the 463 funds that held a final close.

PE dry powder ($B)



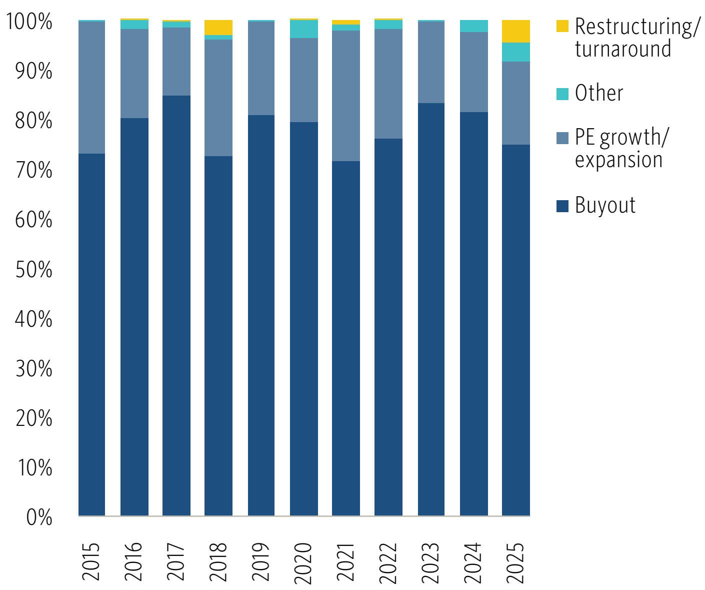
Source: PitchBook • Geography: US • As of September 30, 2024

AUM and dry powder

Approaching the end of 2024, US PE AUM reached $3.7 trillion, which is tracking to be the 16th consecutive year of AUM growth for the asset class. AUM comprises invested assets—net asset value (NAV)—and uncalled capital, also known as dry powder. While the asset class has continued to grow, its pace slowed in 2024 to just 5.3% YoY. Ongoing growth for the remaining value portion of AUM (NAV) leaves dry powder as the main factor behind the slowdown in AUM growth. Additionally, the continued accumulation of portfolio companies, sitting at a record of 12,552 in the US, further exemplifies this growth. Should the asset class see a much-needed pickup in exit activity, the NAV portion of AUM could join the flattened dry powder as a culprit of slowed AUM growth.

Dry powder, on the other hand, is on track to remain over $1 trillion for its second straight year—though the growth of dry powder has slowed as deal activity has increased over the past couple of years at a pace equal if not greater than that of fundraising. And with fundraising expected to slow while deal activity keeps increasing, dry powder is seemingly set to decline in the quarters ahead. This may be a good sign for the asset class, as managers are finally putting this capital to work and accelerating the deployment facet of the business. Dry powder's share of AUM now sits at 28.2%, its lowest reading ever, as it has flattened out while portfolio company NAV has continued to see healthy growth.

Share of PE capital raised by type



Source: PitchBook • Geography: US • As of June 30, 2025

Megafunds

Headlining the megafund fundraising activity in the second quarter was Thoma Bravo with the close of its latest flagship buyout fund XVI at $24.3 billion, making it one of the largest buyout funds ever raised. All the more impressive is the fact that the firm did it in a more challenging environment. Additionally, the firm held the final close on its middle-market strategy, Thoma Bravo Discover Fund V, at $8.1 billion.

Notable open PE megafunds

Fund	Fund type	Close date	Fund target ($M)	Raised amount ($M)
KKR North America Fund XIV	Buyout	June 24, 2024	$20,000.0	$14,000.0
Clearlake Capital Partners VIII	Buyout	June 20, 2023	$15,000.0	$13,000.0
Veritas Capital Fund IX	Buyout	May 13, 2024	$13,300.0	$13,331.9
Blue Owl GP Stakes VI	PE growth/expansion	June 16, 2023	$13,000.0	$7,300.0
Bain Capital Fund XIV	Buyout	June 26, 2024	$10,000.0	$170.0
Trident X Fund	Buyout	May 6, 2024	$9,000.0	$4,987.7
TPG Rise Climate II	Buyout	January 1, 2024	$8,000.0	$5,420.0
Thomas H. Lee Equity Fund X	Buyout	August 19, 2024	$6,250.0	$4,966.4
Providence Equity Partners IX	Buyout	November 24, 2021	$6,000.0	$2,287.8
AEA Investors Fund VIII	Buyout	March 28, 2022	$5,250.0	$3,385.0

Source: PitchBook • Geography: US • As of June 30, 2025

Notable closed PE funds YTD

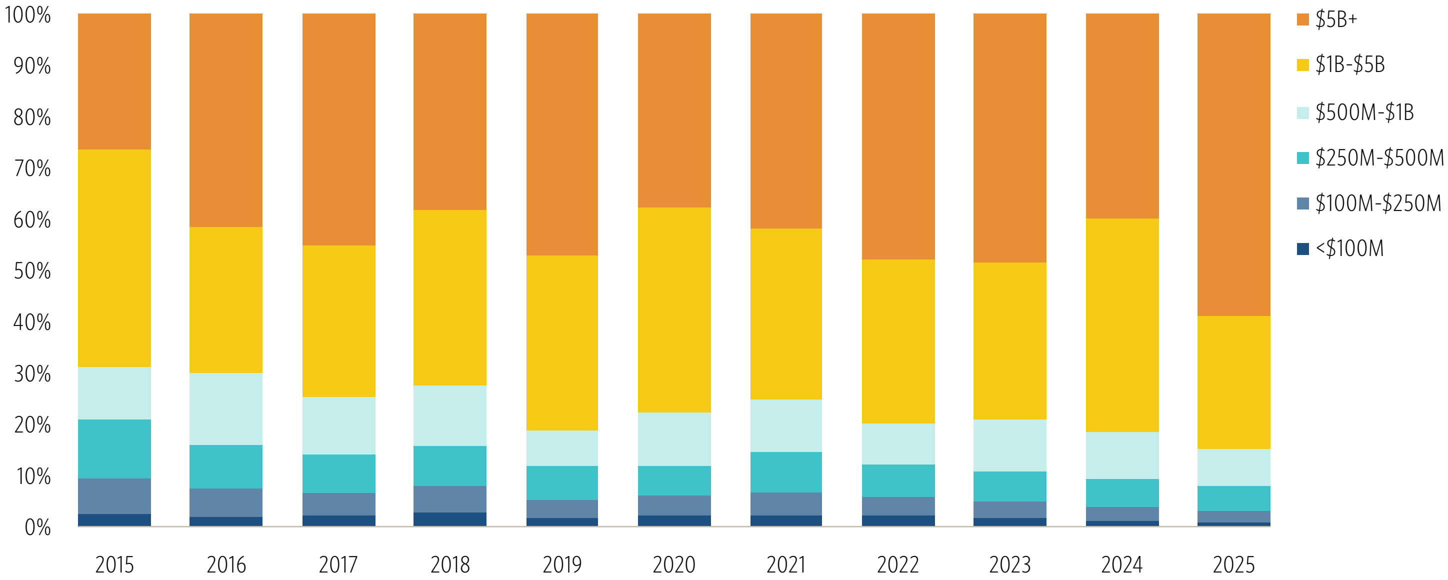
Fund	Fund type	Close date	Fund target ($M)	Raised amount ($M)
Thoma Bravo Fund XVI	Buyout	June 3	$20,000.0	$24,300.0
Blackstone Capital Partners IX	Buyout	March 31	$20,000.0	$21,703.8
Insight Partners XIII	Buyout	January 16	$12,500.0	$10,000.0
Thoma Bravo Discover Fund V	Buyout	June 3	$7,000.0	$8,100.0
Atlas Capital Resources V	Restructuring/turnaround	May 5	$6,450.0	$6,450.0
Providence Strategic Growth VI	PE growth/expansion	February 12	$6,500.0	$6,000.0
Blackstone Energy Transition Partners IV	Diversified PE	February 26	$5,600.0	$5,847.0
Linden Capital Partners VI	Buyout	April 15	$4,500.0	$5,400.0
NB Strategic Capital Fund II	Buyout	June 5	$2,500.0	$4,000.0
GTCR Strategic Growth Fund II	PE growth/expansion	February 20	$2,750.0	$3,600.0

Source: PitchBook • Geography: US • As of June 30, 2025

Two other megafunds held final closes in the second quarter. The first belonged to Atlas Holdings and its Atlas Capital Resources V, holding a final close at $6.5 billion. The firm specializes in complex environments, including bankruptcies, restructurings, reorganizations, and challenging corporate spin-offs. The second belonged to Linden Capital Partners, which had a final close on its sixth flagship buyout fund at $5.4 billion and will invest across the healthcare sector.

There will likely be a handful of megafunds that hold a final close in the back half of the year, with several managers, including KKR, Clearlake Capital, and Veritas Capital, approaching their fund target if they have not already exceeded it. Despite the healthy list of open and raising megafunds, many will remain open until 2026 based on the amount of capital raised to date compared with their targets, coinciding with the more challenging fundraising environment.

Share of PE capital raised by size bucket



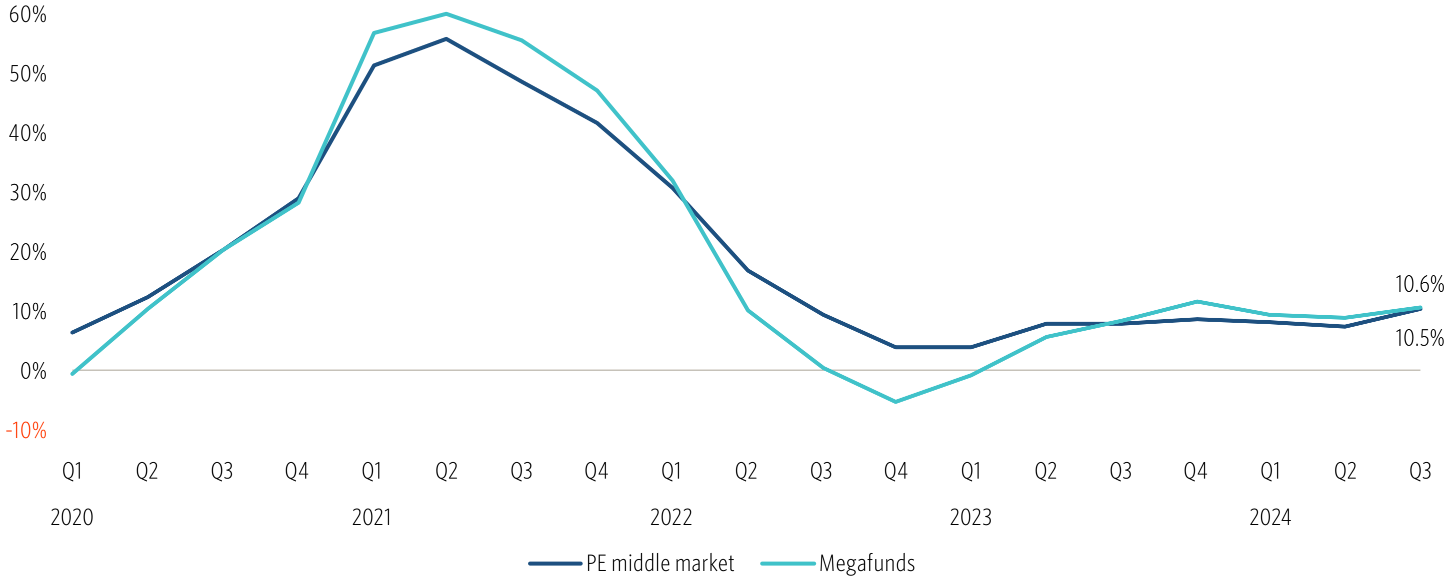
Source: PitchBook • Geography: US • As of June 30, 2025

Middle-market funds

Middle-market fundraising followed the broader fundraising trend seen in PE last year and declined after three years of robust activity. Middle-market funds are those that raise between $100 million and $5 billion. Through the first half of 2025, middle-market managers closed 74 funds worth $59.9 billion. Furthermore, middle-market managers accounted for a mere 40.2% of the total capital raised in the first half of 2025. This is well below the five-year average of 54.9%. Should this trend continue, 2025 would see middle-market managers account for the lowest share of total capital raised since the global financial crisis, emphasizing the more challenging fundraising environment. In the past few years, with higher interest rates and other headwinds, GPs were forced down market to deploy capital, which allowed many middle-market GPs to see successful fundraises. Now that those headwinds are easing, it remains to be seen how middle-market managers will fare amid the changing conditions.

Performance

Quarterly rolling one-year PE fund performance by size

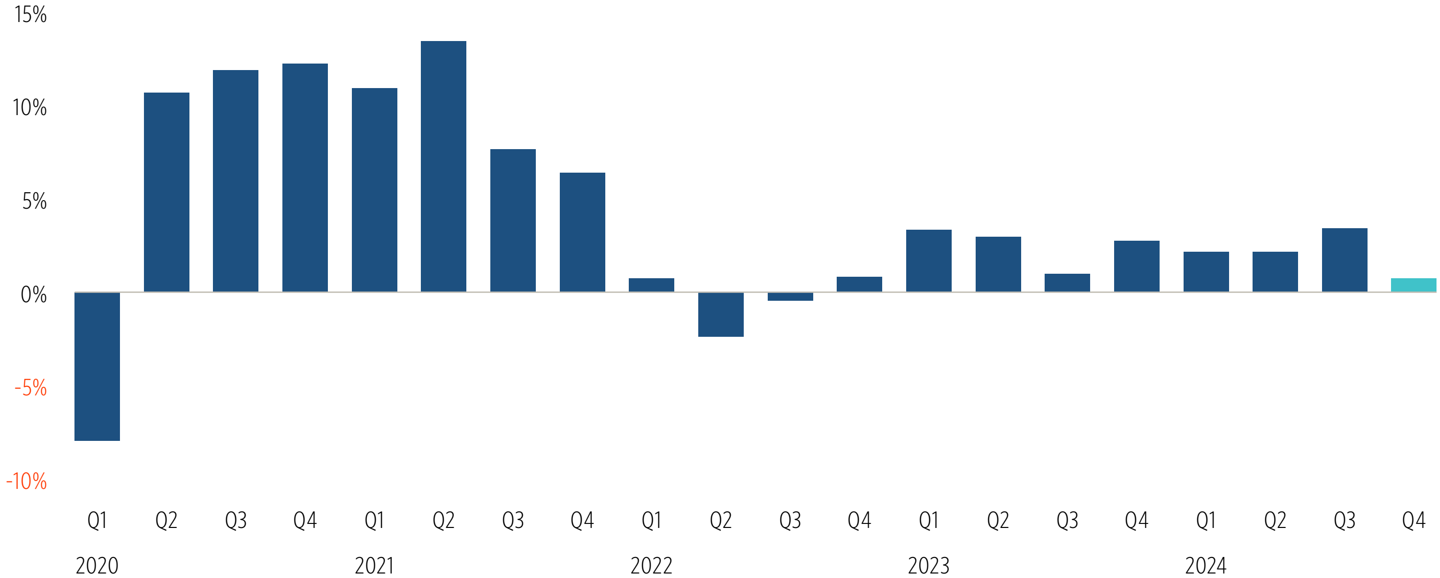


Source: PitchBook • Geography: US • As of September 30, 2024

Recent fund performance witnessed US PE returns step back into double-digit territory in Q3 2024. The lag in fund performance data is due to late reporting from GPs and LPs. While this performance data looks at all PE strategies, when looking at just buyout fund performance, returns have also reached double-digit territory. The same can be said for global PE returns, highlighting that the asset class and its returns are finally on the mend. As performance continues to trek upward, it does so while exit activity remains muted, once again reiterating the importance of an increase in exit activity to sustain these increasing returns. PE recently regained the top performance spot across all private market strategies; however, PE still lags the public markets by a healthy margin, even with the recent volatility seen in the public markets, which has seemingly recovered from the dip seen in early April. PE returns will trail the public market through the remainder of 2024, which could also be the case for most, if not all, of 2025.

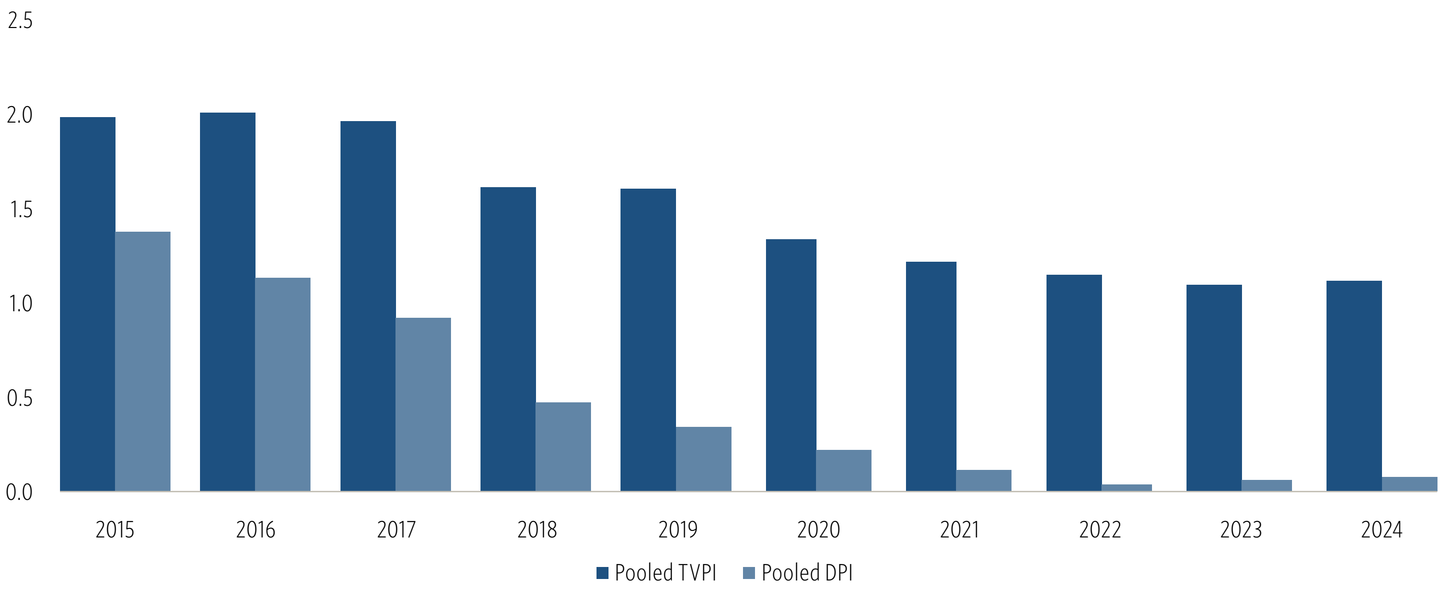
Looking ahead to PE returns in 2025, the outlook is unclear. PE entered 2025 with strong momentum from the robust rebound in exit activity seen in 2024, which looked to be a positive sign for the asset class—specifically for returns and distributions back to LPs that would allow the PE flywheel to kick back into gear. That momentum echoed through Q1 but halted in Q2 amid the market uncertainty surrounding tariffs. More market clarity is needed to see exit activity ramp back up, which will help boost PE returns to levels investors are accustomed to seeing. Moreover, additional rate cuts from the Fed should prove to be an additional tailwind and allow for increased activity, strengthening deals and exits and boding well for the asset class's near- and long-term returns.

PE funds IRR by quarter



Source: PitchBook • Geography: US • As of September 30, 2024
Note: Q4 2024 data is preliminary.

Total value to paid-in (TVPI) and distributions to paid-in (DPI) capital returns by fund vintage

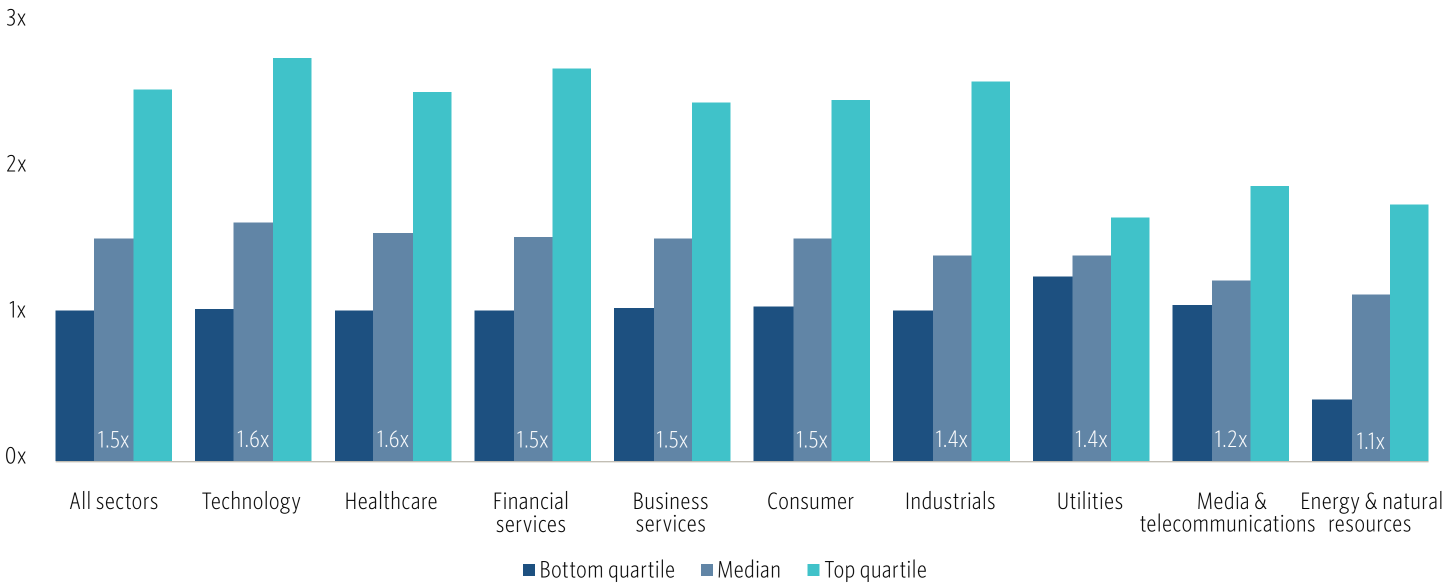


Source: PitchBook • Geography: US • As of September 30, 2024

Deal performance benchmarks from DealEdge

PitchBook has entered into a joint market report agreement with DealEdge and its partner owners Bain & Company and CEPRES, pursuant to which PitchBook and DealEdge will collaborate on certain reports and data initiatives. DealEdge is a private equity analytics platform for benchmarking sector performance and overall PE asset-class performance at the deal level. Please inquire at www.dealedge.com for more information on the DealEdge analytics platform.

Multiple on invested capital (MOIC) returned by sector (2018-2025)



Source: DealEdge • Geography: US • As of June 30, 2025
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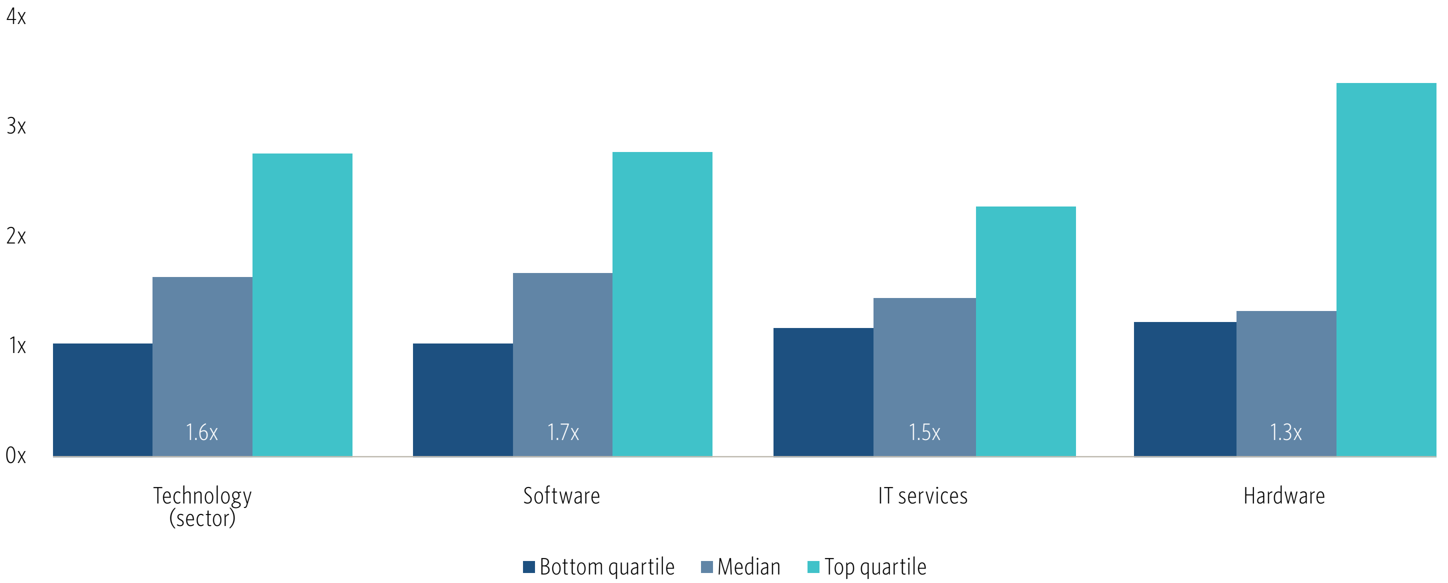
Technology MOIC by subsector (2018-2025)



Source: DealEdge • Geography: US • As of June 30, 2025
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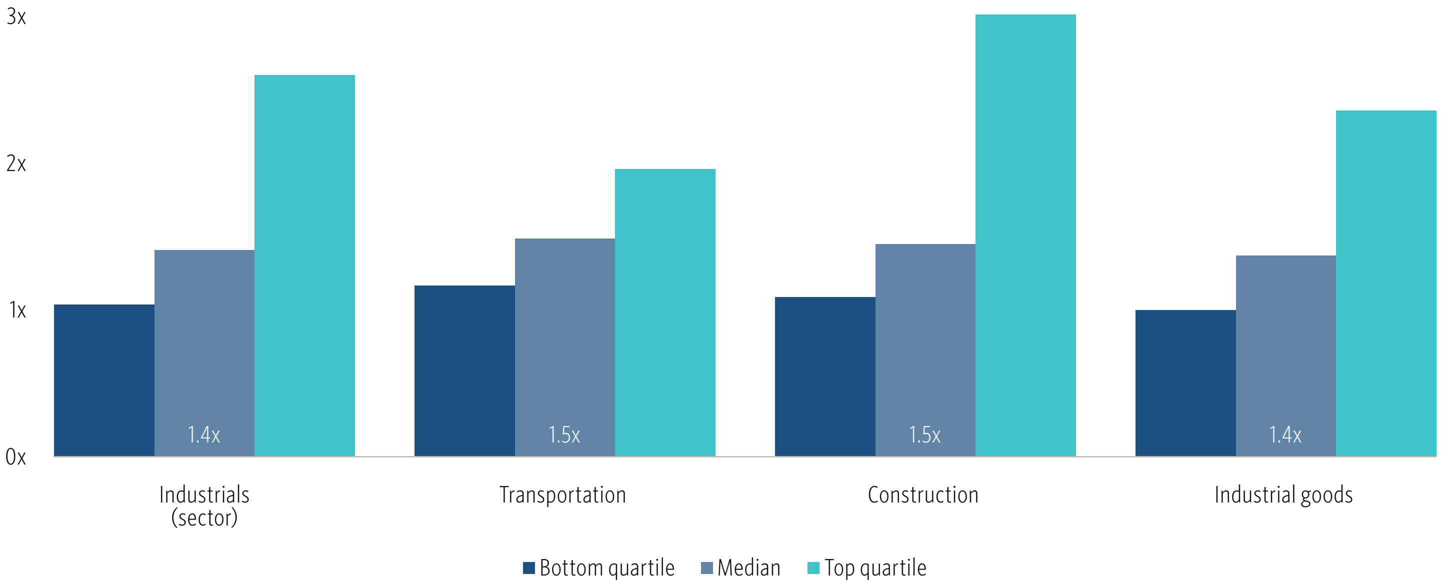
Industrials MOIC by subsector (2018-2025)



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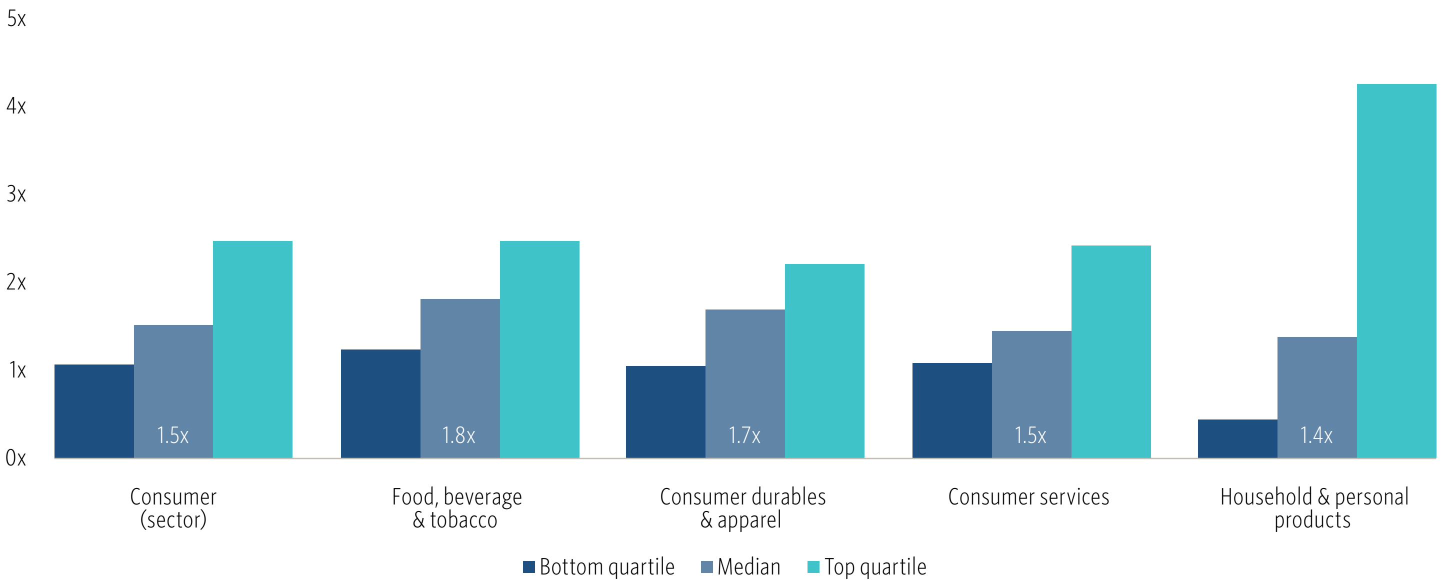
Consumer MOIC by subsector (2018-2025)



Source: DealEdge • Geography: US • As of June 30, 2025
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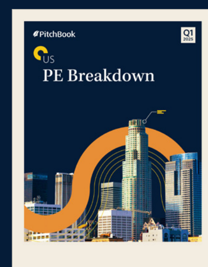
Additional research

Private markets

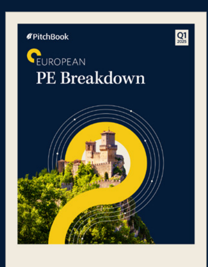
2025 US Private Equity Outlook: Midyear Update

Download the report here



Q1 2025 US PE Breakdown

Download the report here



Q1 2025 European PE Breakdown

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Q1 2025 US PE Middle Market Report

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