



PE Breakdown



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Click [here](#) for PitchBook's report methodologies.

EXECUTIVE SUMMARY

Recession? Fuggetaboutit

PE activity overview

PE deal activity						
	Values (\$B)			Growth metrics		
	YTD	Q3 2025	Pacing	YTD 2024	QoQ	Q3 YoY
Deal value (\$B)	\$869.4	\$331.1	\$1,159.2	36.6%	28.0%	38.0%
Buyout/LBO	\$451.0	\$190.7	\$601.3	49.5%	58.6%	68.1%
Add-on	\$266.5	\$75.6	\$355.4	11.9%	-26.7%	-13.1%
PE growth/expansion	\$83.0	\$25.0	\$110.7	-14.0%	46.4%	-36.7%

	Count			Growth metrics		
	YTD	Q3 2025	Pacing	YTD 2024	QoQ	Q3 YoY
Deal count	6,862	2,347	9,149	9.7%	3.7%	11.7%
Buyout/LBO	1,173	333	1,564	-8.9%	-19.8%	-22.9%
Add-on	3,300	954	4,400	-10.1%	-17.8%	-23.4%
PE growth/expansion	1,241	389	1,655	-4.3%	0.0%	-8.5%

PE exit activity						
	Values (\$B)			Growth metrics		
	YTD	Q3 2025	Pacing	YTD 2024	QoQ	Q3 YoY
Exit value (\$B)	\$516.2	\$125.5	\$688.3	92.9%	-29.6%	18.7%
Corporate acquisition	\$224.3	\$41.6	\$299.1	66.9%	-58.1%	-22.8%
Sponsor acquisition	\$143.5	\$44.4	\$191.4	42.5%	-23.4%	2.6%
Public listing	\$104.4	\$20.5	\$139.2	222.4%	184.6%	136.6%

	Count			Growth metrics		
	YTD	Q3 2025	Pacing	YTD 2024	QoQ	Q3 YoY
Exit count	1,251	464	1,668	23.0%	22.4%	18.1%
Corporate acquisition	417	143	556	-27.6%	14.4%	-36.4%
Sponsor acquisition	401	130	535	-6.1%	8.3%	-19.8%
Public listing	20	9	27	42.9%	80.0%	50.0%

Source: PitchBook • Geography: US • As of September 30, 2025
 Note: Top line data includes estimates, while deal by type data does not.

As we approach the end of the year, public markets are tilting decisively toward a risk-on posture. The Federal Reserve's (the Fed's) recent cuts have bolstered equities, while inflation remains a watchpoint, leaving PE investors increasingly optimistic. The balance between risk-on and risk-off, which was tenuous at midyear, now appears firmly in the former camp as market participants acclimate to an environment of steady growth, moderating prices, and gradually expanding opportunity sets. Within this backdrop, the private equity ecosystem is contending with the ascent of deal activity, the headwinds of fundraising, and the halting recovery of fund performance that together define the near-term trajectory of the asset class.

Q3 2025 closed with 2,347 announced and closed deals, including estimates for late-reporting transactions, up 3.7% sequentially and 11.7% from the prior year. Aggregate deal value totaled \$331.1 billion (including estimates for late-reporting and undisclosed values), a sizable 28% increase QoQ and even more impressive 38% growth YoY. The "air pocket" in Q2 suggested a pause, not a reversal, as GPs held back amid valuation frictions and awaited clarity on financing conditions. That air pocket has since dissipated as sponsors continue to branch out in the deals they undertake. Sector divergences persisted: Technology transactions YTD have already exceeded last year's total in terms of deal value, and B2B deals remain equally resilient, underscoring sponsors' confidence in companies positioned for operational durability. Carveouts climbed above their five-year trend, reflecting renewed corporate willingness to shed noncore units. Taken together, the data depicts improving dealmaking sentiment, where optimism and increased risk-appetite define the GP strategy heading into 2026.

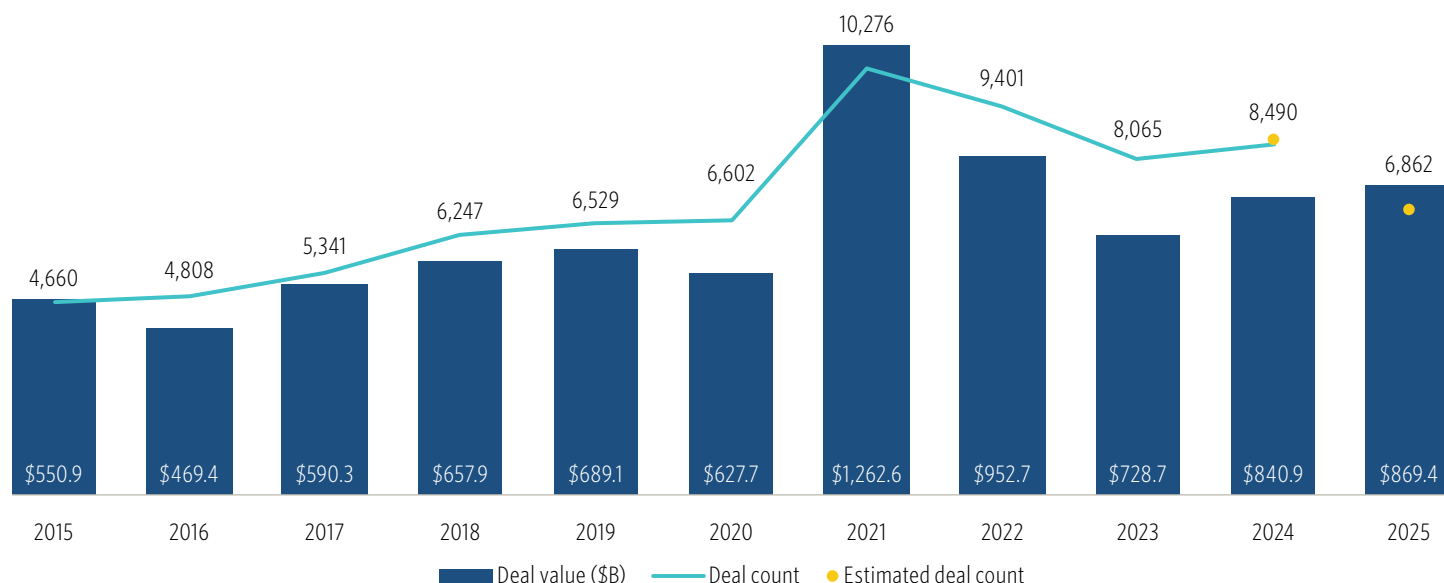
Exit activity slowed further in Q3 2025, with exit value declining for the third straight quarter and dropping nearly 40% from Q1 levels. Despite this decline, exit counts rose by 22.4% QoQ—the first such increase since 2021—indicating that more assets are beginning to move through the system. On an annualized basis, exit count is expected to surpass that of 2024, securing another year of exits. Despite the quarterly hiccup in exit value, the PE industry has already surpassed 2024 levels. Mega-sized exits played a critical role, driving the majority of value and already surpassing full-year 2024 levels, which has helped push 2025 exit value ahead of the prior year. IPO activity also showed renewed momentum in Q3, with multiple listings across industries reflecting stronger investor sentiment. However, the government shutdown that began in October has paused IPO approvals, stalling what had been a fragile recovery in this segment.

The fundraising environment remained subdued, weighed down by muted exit activity and weaker distributions back to LPs. Through the first three quarters, 244 US PE funds closed, raising \$214.4 billion, a mixed bag compared with the first three quarters of 2024. Fund count was up, but capital raised was down. The slowdown highlights a broader structural recalibration. LPs, constrained by allocation pressures, are committing to fewer managers and concentrating capital with established relationships, particularly among megafunds—PE funds that raise \$5 billion or more in committed capital. Even so, some resilience is evident. Roughly 76.2% of funds closed YTD exceeded the size of their predecessor vehicles, with a median step-up of 43.4%—the strongest in years. Median fund size reached a record \$183 million, highlighting the divergence between larger, successful closes and the struggles of many smaller or emerging managers. Dry powder, which topped \$1 trillion in 2023, has since eased to just under that mark, as deal activity absorbed more capital, leaving dry powder at its lowest share of AUM on record at 27.8%. While this suggests healthier deployment dynamics, the overall fundraising picture is still challenged and will likely remain so into 2026 absent a sharp revival in exit flows.

Fund performance is gradually climbing back toward durable double-digit territory, with US PE funds posting a one-year IRR of 9.7% through year-end 2024. Growth equity funds outpaced buyouts modestly, returning 9.9% compared with 9.5%, though both hovered just below the 10% mark. The recovery has taken place despite slow exit activity, underscoring the degree to which sponsors have selectively sold only their strongest assets. Looking forward, the rebound in public market volatility post-Liberation Day in Q2 2025, combined with the Fed's mid-September rate cut, have set the stage for stronger relative returns as the exit window reopens. If exits accelerate in the final quarter of 2025, PE could close the gap with public markets and restore the flywheel of distributions, fundraising, and reinvestment that sustains the asset class.

Deals

PE deal activity



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

Overview

Deal activity increased in Q3 2025, marking both a QoQ uptick and a YoY acceleration. The risk-on sentiment of investors has returned to the market, with more substantial deals taking place, aided by lower borrowing costs and greater market clarity. With public market benchmarks climbing, private buyers are looking for an acceleration in activity of their own, issuing an “all clear” as more capital is put to work, likely aided in Q4 with the anticipation of another rate cut or two from the Fed. The uncertainty seen in Q2 created a brief air pocket in activity, though that turbulence has since dissipated, in what we expect to be a strong close to 2025—YoY growth in deal value has already been cemented, with deal count pacing for the same.

Q3 2025 closed with 2,347 announced and closed deals, including estimates for late-reporting transactions—up 3.7% sequentially and 11.7% from the prior year. Aggregate deal value totaled \$331.1 billion (including estimates for late-reporting and undisclosed values), a sizable 28% increase QoQ and even more impressive 38% growth YoY. Moreover, YTD deal value reached \$869.4 billion, up 36.6% YoY on the strength of megadeals (PE deals worth \$1 billion or more), with 6,862 transactions announced or completed—a 9.7% increase in volume from the same period in 2024. The

elevated mix of billion-dollar deals and a very strong Q3 that built on the momentum seen in the robust first quarter of the year have been key drivers of YTD growth in value.

The macroeconomic backdrop is still somewhat mixed, but promising signs are there. Recession risk projections for 2025 remain below 10% in prediction markets, and the Fed’s modest rate cuts have helped push the S&P 500, Dow Jones, and Russell 2000 to new highs, reinforcing a risk-on sentiment. Yet, higher equity markets may embolden sellers to hold out for richer valuations, complicating negotiations. In this environment, we expect PE firms to remain disciplined—selective on new entries and increasingly focused on harvesting exits as sentiment for realizations improves.

Public markets are currently priced for a “Goldilocks” scenario—growth strong enough to support earnings upside but soft enough to restrain interest rates. Even so, inflation remains a live risk that could inject volatility, especially as the full impact of tariffs is not yet fully known. The outlook for the balance of 2025 is highly sector dependent. Consumer segments face mounting stress as credit defaults reach levels near decade highs; meanwhile, B2B businesses could benefit from easing supply chain constraints and less volatility from rapidly shifting tariff policies seen midyear.

PE deal activity by quarter



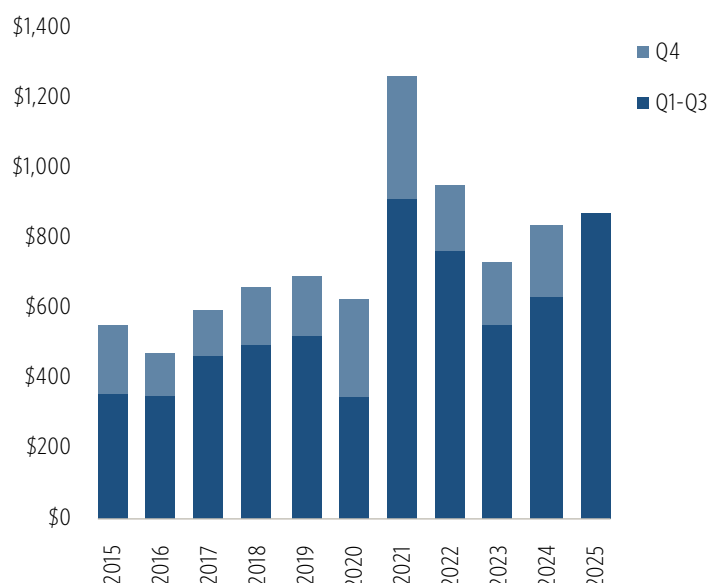
Source: PitchBook • Geography: US • As of September 30, 2025

Q3 saw notable shifts in regional deal value shares. The West Coast rose to 25.4%, nearly 1,000 basis points above its five-year annual average, supported by several large transactions, including the \$28.2 billion take-private of Air Lease by a consortium that included Apollo and Brookfield, and KKR's \$10 billion buyout of Sempra Infrastructure. The Great Lakes also gained share, climbing to 17.6%—about 226 basis points over trend—on the back of Thoma Bravo's \$12.3 billion take-private of Dayforce. By contrast, the Southeast slipped to 14.1%, falling 217 basis points below its five-year norm, underscoring the uneven geographic distribution of activity.

Sector trends highlight technology and B2B as relative standouts, reinforcing the view that capital deployment remains resilient even amid macro uncertainty. In 2025 YTD through Q3, technology generated \$221.3 billion in deal value, already surpassing the \$188.5 billion in deal value last year, in large part thanks to the massive [\\$55 billion take-private of Electronic Arts \(EA\)](#). By volume, the story is just as compelling: 1,193 transactions YTD, including late-reporting estimates, imply an 18.7% YoY increase in count when annualized.

B2B activity has been similarly steady. The sector recorded \$235.2 billion in deal value YTD, putting it on track for 18.5% annualized YoY growth. Deal volume reached 2,864, inclusive

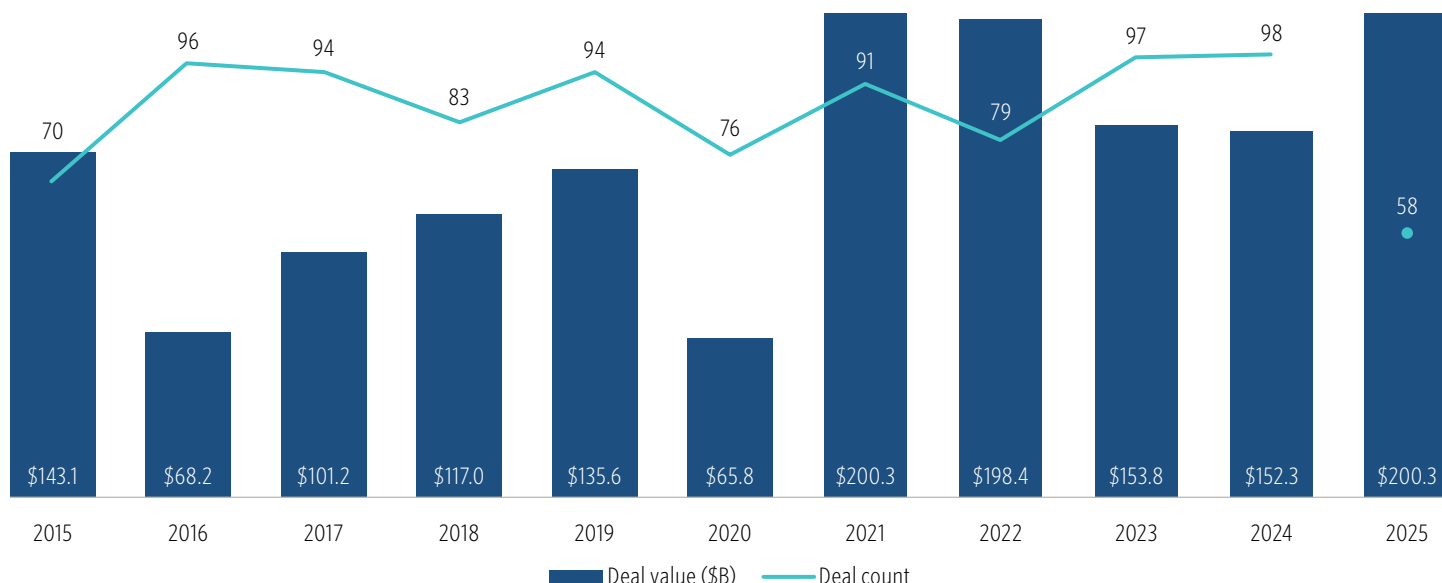
PE deal value (\$B)



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

of late-reporting estimates, for a 10.1% annualized YoY. The sector's durability—despite tariff headwinds and ongoing supply chain recalibration—underscores GPs' willingness to underwrite B2B companies and commit to long-term value creation strategies.

PE take-private deal activity



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

Take-privates

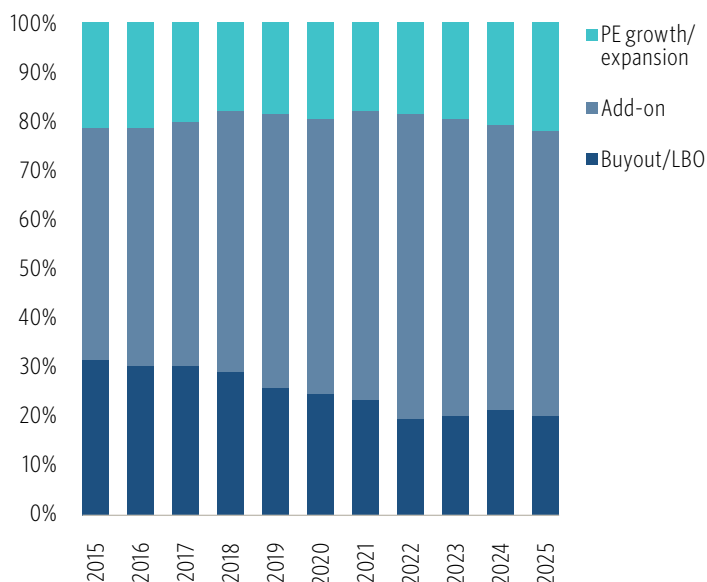
While take-private deal count remains subdued compared with last year, buyers are making up for it with robust deal value as bigger take-privates take shape. For instance, the median deal size of the 23 such transactions in Q3 was \$1.8 billion, a significant jump from the median deal size of \$678.2 million in Q2 2025 and \$684.4 million in Q3 2024. Once again, this signals more of a risk-on appetite from sponsors, who are more willing to participate in large deals as credit conditions improve. Additional tailwinds, such as further rate cuts in the remainder of the year, are likely to aid such activity. YTD, there have been 58 take-privates, which is all but sure to fall below the 98 and 97 seen in 2024 and 2023, respectively. However, those 58 deals are worth an aggregate value of \$195.3 billion, pacing to end as the second-highest year on record for take-private activity. Only the \$381.3 billion in deal value in 2007—amid the global financial crisis (GFC)—outdid this year.

Notable deals included Thoma Bravo's \$12.3 billion take-private of human resources software provider Dayforce, which included \$5.5 billion in financing provided by a syndicate led by Goldman Sachs. The transaction marks the largest LBO for a B-/B3-rated company—the lowest end of the speculative-grade spectrum typically seen in the new-

issue leveraged loan market—since the Fed began raising rates in early 2022. Moreover, including the Dayforce take-private, Thoma Bravo was the most active sponsor within the deal type in Q3, with four total, including its take-private of restaurant software-as-a-service (SaaS) platform Olo for \$1.7 billion, the acquisition of Verint Systems by its portfolio company Calabrio for \$1.7 billion, and its \$1.4 billion acquisition of PROS Holdings, a provider of AI-powered SaaS pricing and selling solutions. Meanwhile across the pond, KKR made a splash with its \$6.5 billion take-private after an extensive bidding process with Advent International that included multiple sweetened offers.

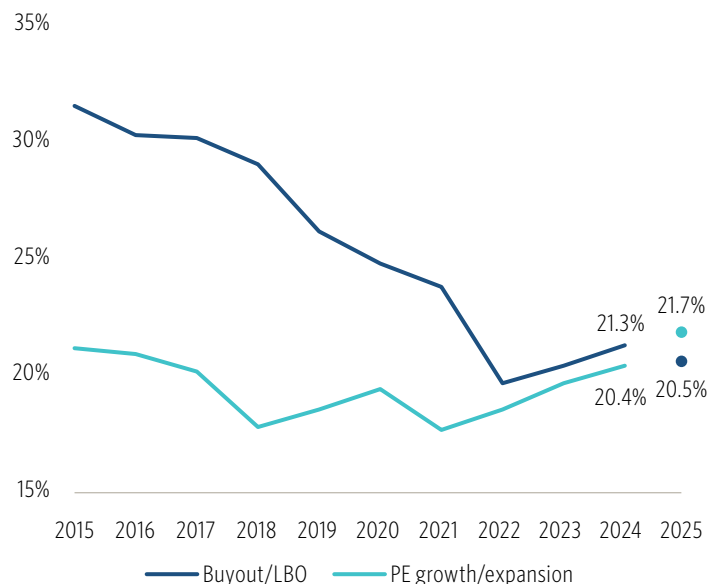
Right before the end of the quarter, take-private activity had a significant boost as PIF, Silver Lake, and Affinity Partners announced the [take-private of EA at an enterprise value \(EV\) of \\$55 billion](#). The deal is the largest LBO ever recorded and will see the three sponsors contribute \$36 billion in equity, including the outstanding 9.9% stake owned by PIF. Moreover, JPMorgan committed \$20 billion in debt financing. Alongside the other sizable take-privates seen this year, the green flag has officially been waved on sponsors resuming megadeal transactions following several years of fishing for opportunities down market due to market headwinds, such as higher borrowing costs.

Share of PE deal count by type



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

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



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

Growth equity

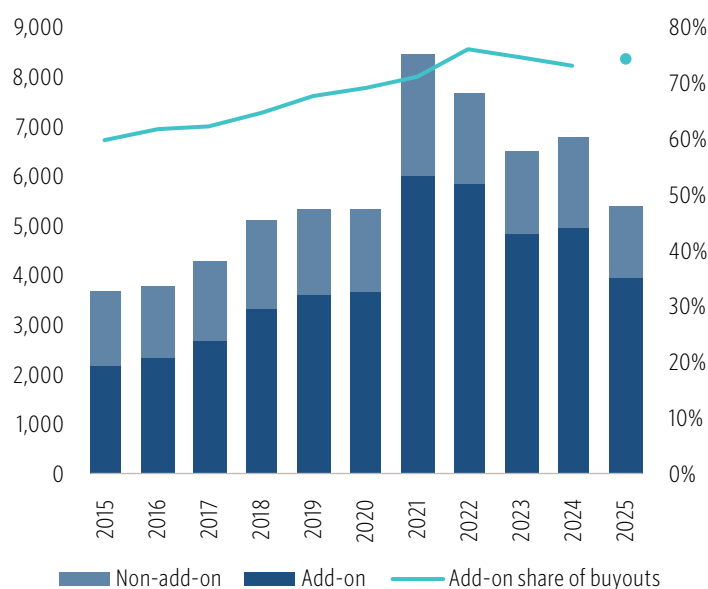
PE growth investment activity bounced back after a notably soft showing in the prior quarter, increasing 46% based on deal value. Growth equity deal count, despite remaining flat QoQ, increased as a share of PE deals, reaching 23.2% in Q3. This places the mix well above the five-year quarterly average of 19.1%. With growth equity check sizes much smaller than buyout check sizes, growth equity's share of overall PE deal value is always lower. In Q3, the share was 8.6%, up from 7.1% in the prior quarter but still below the five-year average of 11.5%.

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

Measured by volume, add-ons accounted for 74.1% of all buyout transactions in Q3—essentially unchanged QoQ and YoY. Relative to the five-year annual average of 72%, the category is running 210 basis points ahead. Looking toward the end of the year, we see limited room for further expansion and expect the share to remain near current levels.

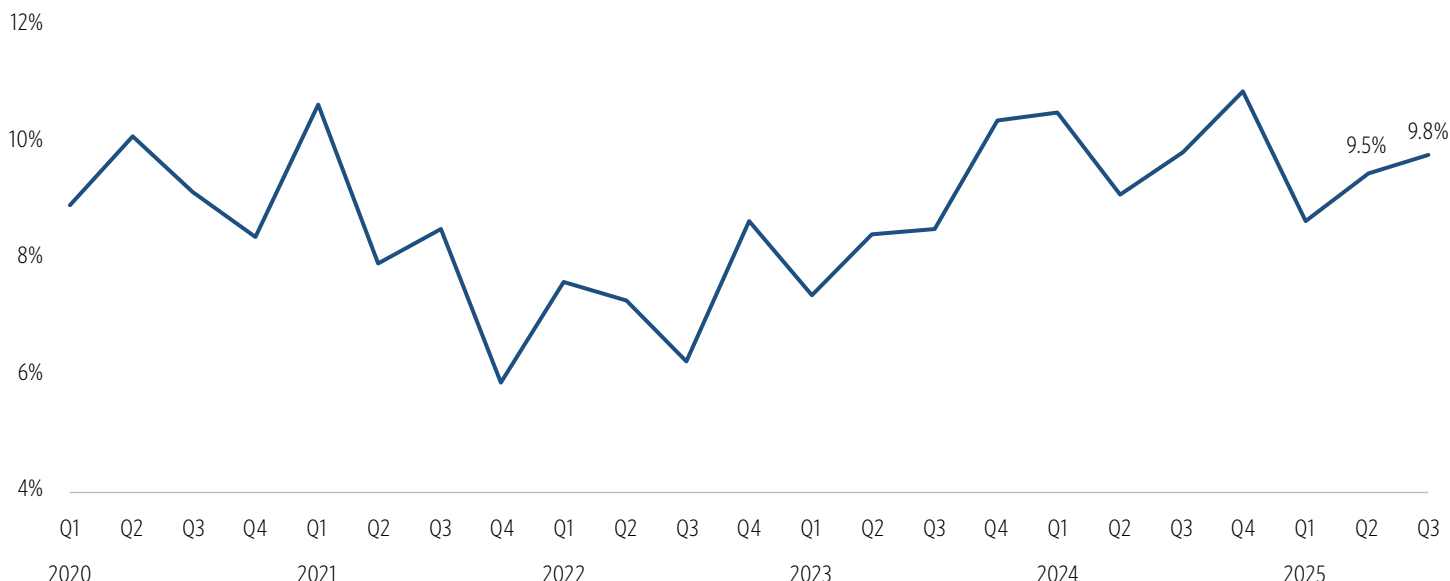
Add-ons as a share of all PE buyouts



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

The rationale behind this above-trend activity is straightforward. Larger combined entities, bolstered by add-on deals, benefit from greater purchasing power, allowing them to resolve supply chain challenges more efficiently and distribute those gains across a broader revenue base. Scale also provides financial flexibility in downturns and, in less competitive environments, the ability to exercise pricing power to support margins.

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



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

Several notable transactions from the quarter occurred in the B2C sector, including the largest add-on of the quarter, which belonged to Marlo portfolio company Ferrero's \$3.1 billion acquisition of WK Kellogg. The transaction will allow Ferrero to grow in North America and expand the company's reach across more consumption brands. Elsewhere in the sector, Authentic Brands acquired Guess? for \$1.4 billion, backed by a large consortium of PE firms. The acquisition of Guess? will see it become Authentic's second-largest brand, bringing its portfolio-wide annual retail sales to \$38 billion globally.¹

Carveouts

Carveout transactions are running at 9.8% of all buyout deals in Q3 2025, above the five-year quarterly average of 8.6% and last quarter's 9.5%. We expect an elevated level of deals in the coming quarters, as corporates have been delaying such transactions amid the volatility earlier in 2025. Now that the volatility and recession risk have faded and a risk-on sentiment has emerged, we will likely see more deals announced. As uncertainty around trade policy abates, corporate boards will revisit strategic roadmaps, 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

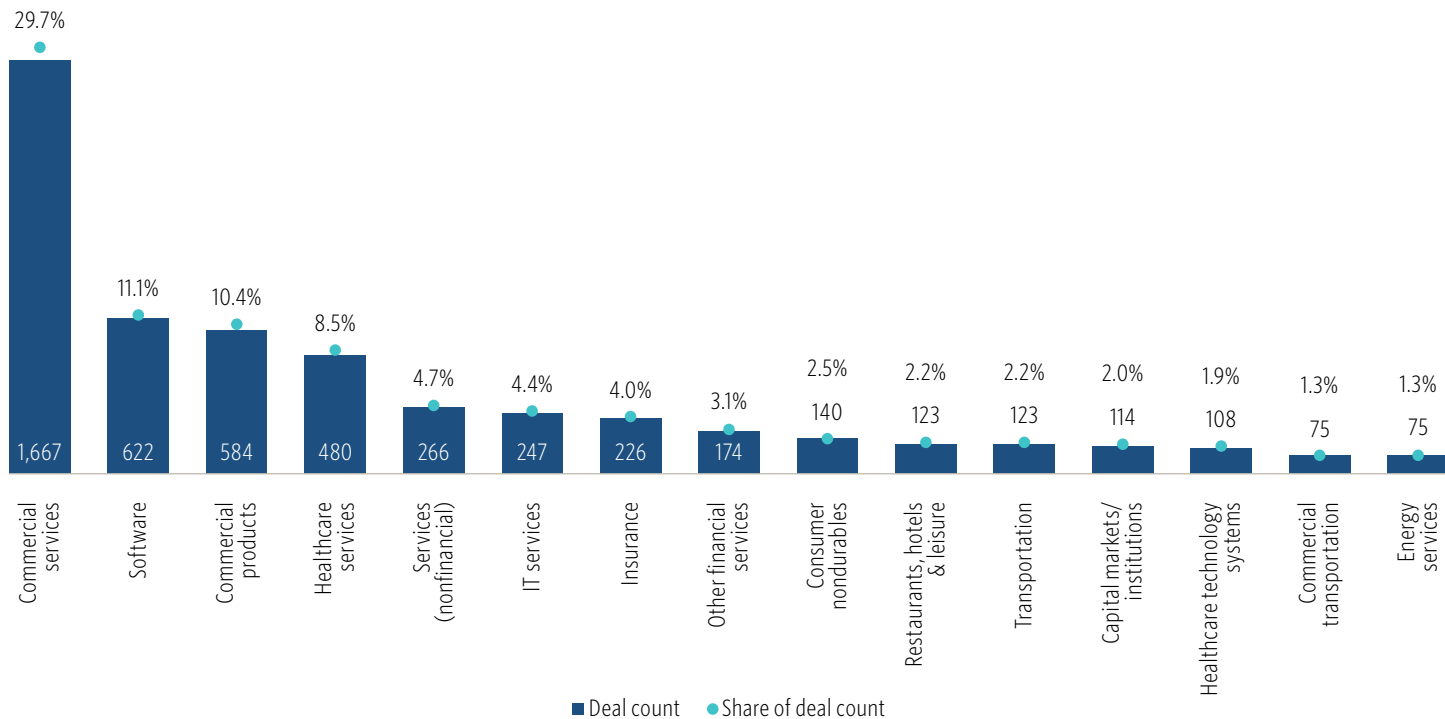
GPs, these divestitures offer fertile ground—whether as fresh platform investments or as bolt-on additions that enable capital deployment at scale. Further, they typically benefit from ready access to financing with audited financial statements and operational histories spanning multiple business cycles.

Ultimately, the interplay of improved policy visibility, rising public market multiples, and ample dry powder on the buy side suggests a healthy carveout pipeline building into next year. Sponsors who position early—and 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. Notable transactions in the quarter included DuPont's sale of its Aramids business to Arclin, a portfolio company of TJC, for \$1.8 billion. The sale allows DuPont to enhance its strategic focus on its portfolio, while increasing its growth and margin profile. In August, American Industrial Partners agreed to acquire International Paper's Global Cellulose Fibers (GCF) business for \$1.5 billion. GCF operates pulp mills and facilities that produce pulp products for consumer applications, including hygiene products and tissues. The deal allows International Paper to become a pure-play packaging company, focusing on sustainable packaging solutions.

¹: "Authentic Brands Group To Acquire Majority Stake in Guess? Intellectual Property," Authentic Brands, August 20, 2025.

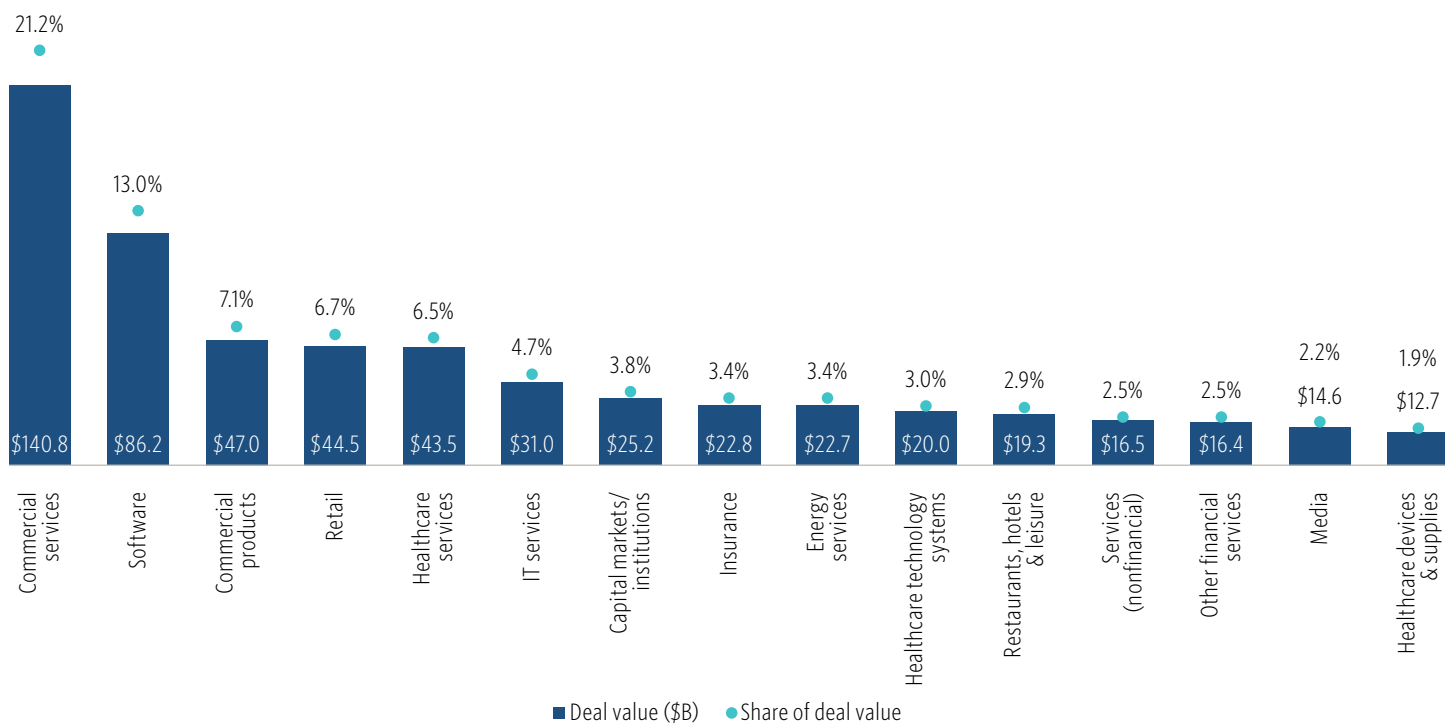
Sector highlights

Top 15 industry groups by PE deal count in 2025



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

Top 15 industry groups by PE deal value in 2025



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

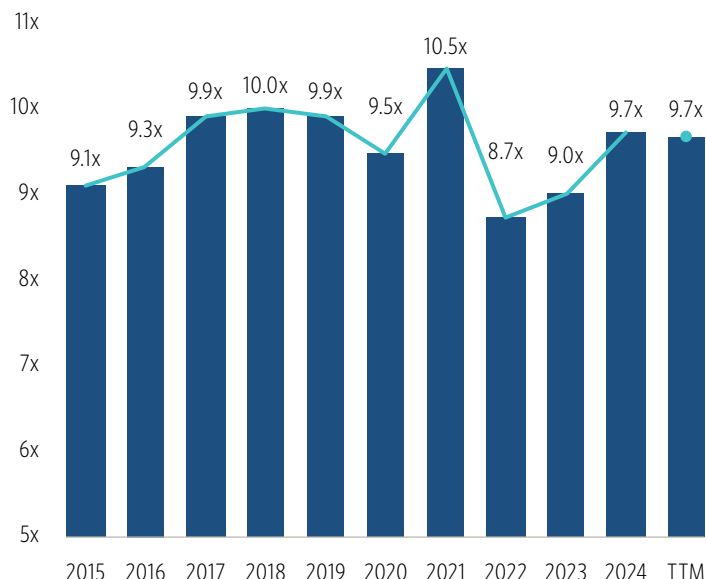
Valuations

Valuation multiples have rebounded from recent lows and are now broadly consistent with pre-pandemic norms observed between 2017 and 2019, aside from the extreme outliers of 2020 to 2022. Both 2024 and trailing 12-month (TTM) figures through Q3 2025 reflect improved financing conditions and greater alignment between buyers and sellers on valuation expectations, supporting stronger deal activity.

We highlight global M&A multiples because they are derived from the broadest dataset, capturing transactions of all sizes and involving both PE and corporate acquirers. PE firms are assumed to participate in bidding across most deals, even when strategics prevail, which is notable given that strategic buyers were especially active from 2022 to 2023 as tight credit conditions constrained PE activity. The global M&A TTM EV/EBITDA multiple stands at 9.7x, which is consistent with 2024 and above the 8.7x trough of 2022. While modestly below the 2017-2019 range, it is nearly identical to the long-term decade average of 9.6x. On an EV/revenue basis, the global median multiple holds at 1.6x, close to 2024 levels and broadly aligned with 2017-2019 norms, though still materially below the highs of 2021 to 2022. Because EV/revenue multiples draw on a sample roughly 70% larger than EV/EBITDA, trends differ, reinforcing the value of sector-specific analysis.

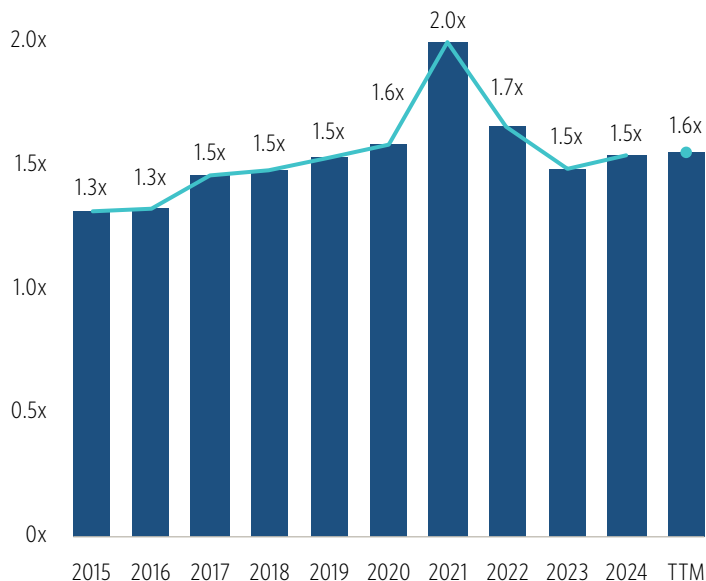
PE buyout multiples tell a similar but more pronounced story. The TTM EV/EBITDA multiple stands at 12x, well above the 2023 trough of 10.2x but shy of the 12.8x recorded in 2024. Compared with the 2017-2019 range of 10.9x to 11.5x, the current level is on the higher end of historical norms, reflecting a mix of improved credit availability, easing inflation pressures, lower base rates, and higher-quality companies in the deal sample. On an EV/revenue basis, the buyout multiple stands at 2.1x, which is consistent with 2023, nearly matches 2024, and is above the 2017-2019 average of 1.7x to 1.8x.

Global M&A EV/EBITDA multiples



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

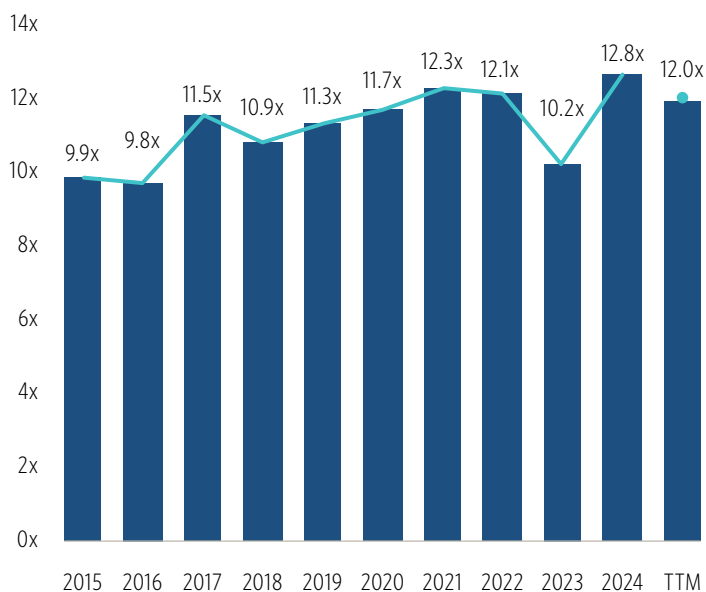
Global M&A EV/revenue multiples



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

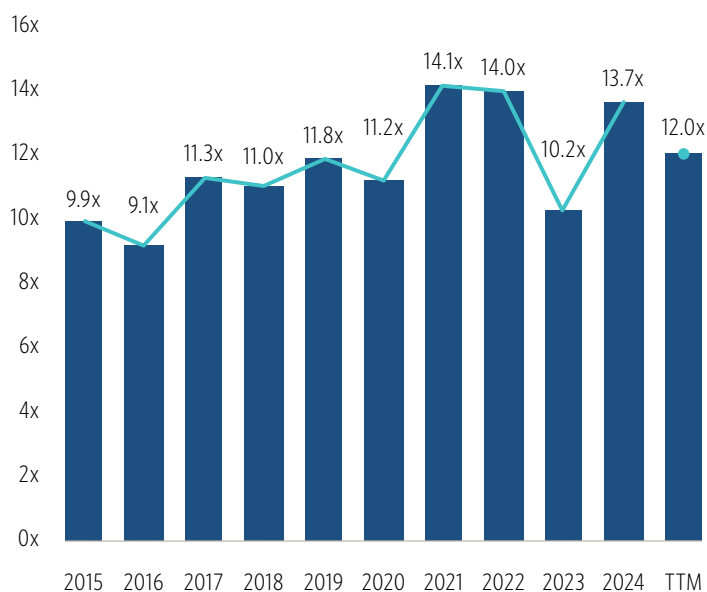
Deal valuation metrics

Global buyout EV/EBITDA multiples



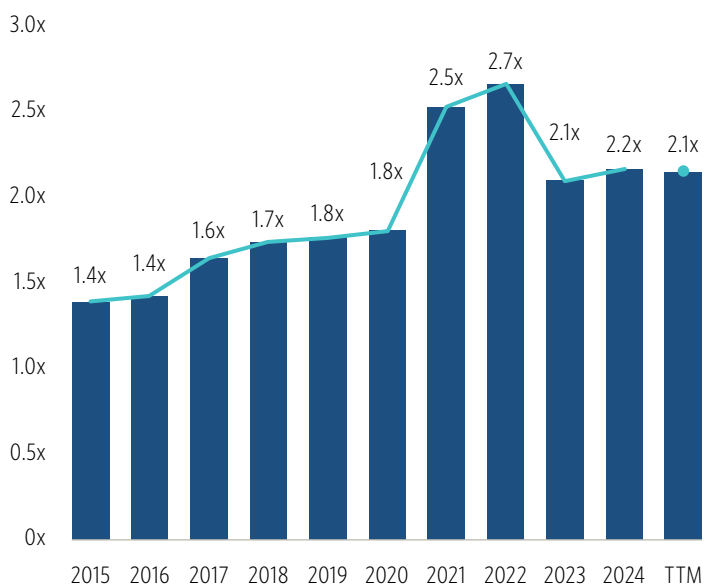
Source: PitchBook • Geography: North America and Europe • As of September 30, 2025

US buyout EV/EBITDA multiples



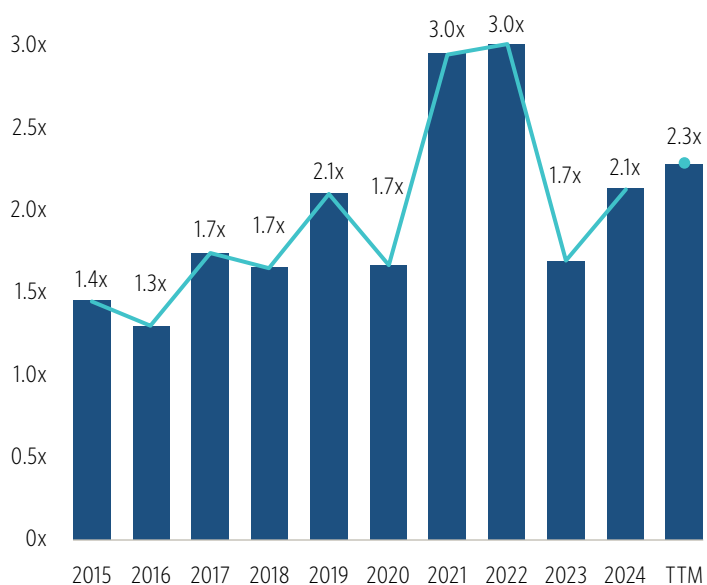
Source: PitchBook • Geography: US • As of September 30, 2025

Global buyout EV/revenue multiples



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

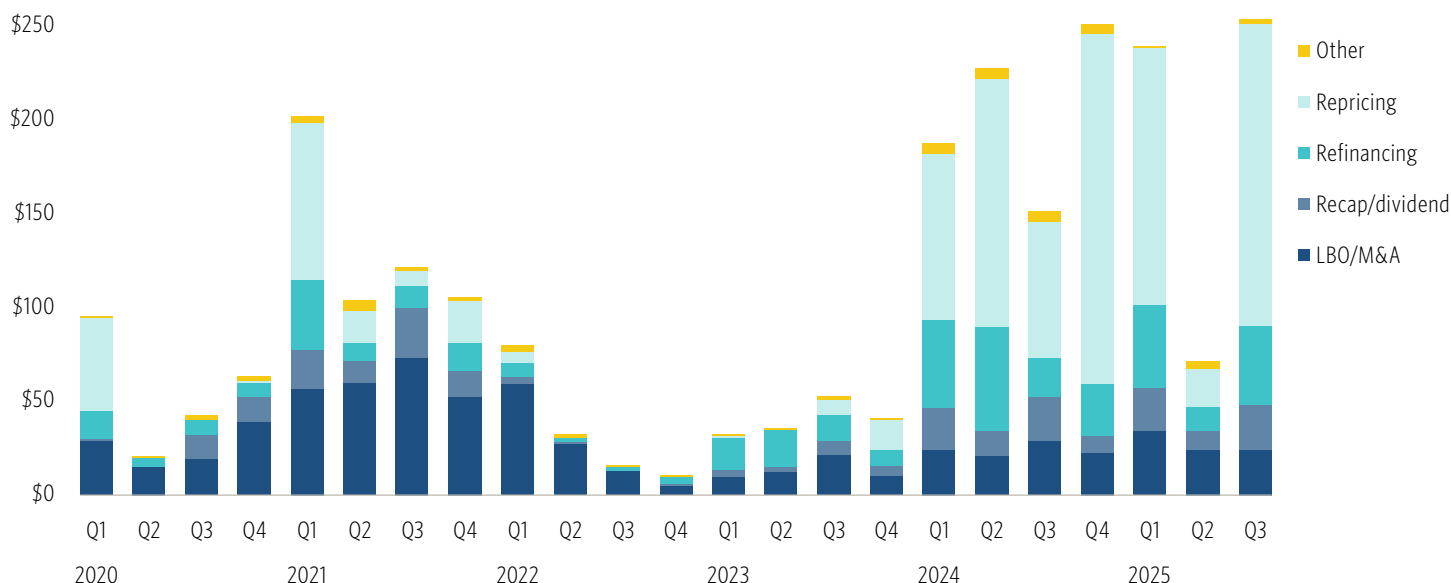
US buyout EV/revenue multiples



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

Credit market conditions

Institutional PE-backed loan deal value (\$B)



Source: PitchBook | LCD • Geography: US • As of September 30, 2025
 Note: This chart reflects repricings done via an amendment process only.

Credit markets remain active for PE-sponsored companies, although slow M&A activity persists as sponsors, for the most part, continue to delay exits due to portfolio companies' stressed valuations and cash flow constraints arising from the sustained levels of high interest rates over the past three years. Despite a series of interest rate cuts totaling 1% by the Fed in late 2024 that triggered a short rebound in Q1 exit activity, this year's anticipated first-half interest rate cuts were scrapped by economic uncertainty following the Trump administration's tariff policy announcements in April. This exacerbated inflationary pressures and shook global trade, resulting in a significant drop in Q2 transaction activity.

Issuance: fast on the surface, slow at the core

The turbulence of Q2 brought issuance to a standstill, but Q3 saw a sharp resurgence as technicals favored borrowers.

Broadly syndicated loan (BSL) activity to support PE-sponsored companies increased 3.5x QoQ, reaching \$253 billion and resulting in the busiest quarter on record by this metric. Despite these headline numbers, however, repricings—whereby a borrower lowers the spread on the loan via an amendment process—made up almost two-thirds of this loan volume, with refinancings contributing another 16%. Issuance to support LBOs and other types of M&A, which represents net supply for loan investors, dropped to the slowest pace since 2024, at roughly \$24 billion. The widening gap between supply and demand reopened the door for opportunistic activity—such as dividend recaps, which surged to \$24.7 billion in Q3, one of the highest tallies on record—as the exit environment continues to challenge PE sponsors. Since the beginning of 2024, PE-backed companies have raised \$125.2 billion in the BSL market to support dividend payouts, the highest level for any two-year period on record.

Are loans getting cheaper? Lowest average spreads since before the GFC

Favorable Q3 spread compression opened meaningful opportunities for borrowers to reprice or refinance. Spreads averaged down to 316 basis points for BSL deals for the quarter, which is 57 basis points lower than a year ago and 180 basis points lower than the five-year high of 495 basis points in Q3 2022. This is the lowest level since 2007. On top of the Fed's mid-September quarter-point reduction in the federal funds rate, this overall lower cost of debt capital could help borrower cash flows and encourage new M&A activity. Tighter spreads are counterbalanced by lower leverage, with higher rates curbing debt capacity and forcing greater equity contributions.

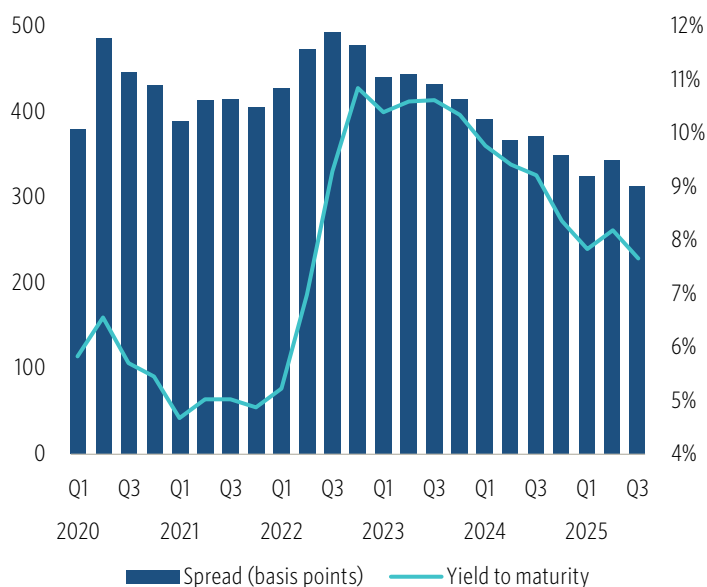
High interest rates and the resulting reduction in debt capacity have pressured sponsors to deploy more equity capital to fund their portfolio investments, as evidenced by lower average BSL LBO transaction leverage (debt/EBITDA), decreasing by a full turn (1x) to 4.9x as of YTD August 31, 2025, from relative peak levels achieved in 2022. These BSL LBO transactions over the past three months (as of August 31) averaged at an even lower 4.5x due to fewer megadeals in the sample; although, transaction multiples have also plummeted from 2024 by almost a full turn to 10x.

Equity capital has continued to make up 55% of total transaction capital, as it has done since 2023, following the Federal funds rate rising sharply in 2022, when equity capital averaged 49%. This higher proportion of equity to debt has, in part, contributed to the lower average returns (approximately 10% in 2024). See the ["Performance"](#) section for more on this topic.

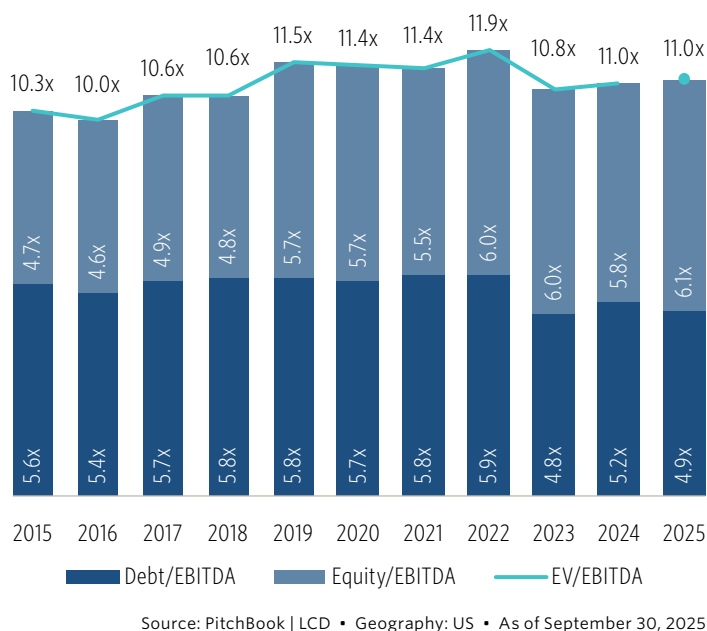
Credit markets battle for the pendulum: BSL or direct lending

Strong competition for paper continues between the BSL and direct lending markets, which means established and well-performing portfolio companies not only have choices between lenders but also to either take the BSL route or the direct lending route. Both markets have unique benefits, so depending on a borrower's current situation and credit standing, the preference for various credit terms and pricing would be the differentiators here. Smaller companies without the debt capacity to borrow well over \$100 million would likely tap the direct lending market, as it primarily caters to middle-market companies. Recently, however, direct lending

Average spread and yield to maturity of PE-backed loans



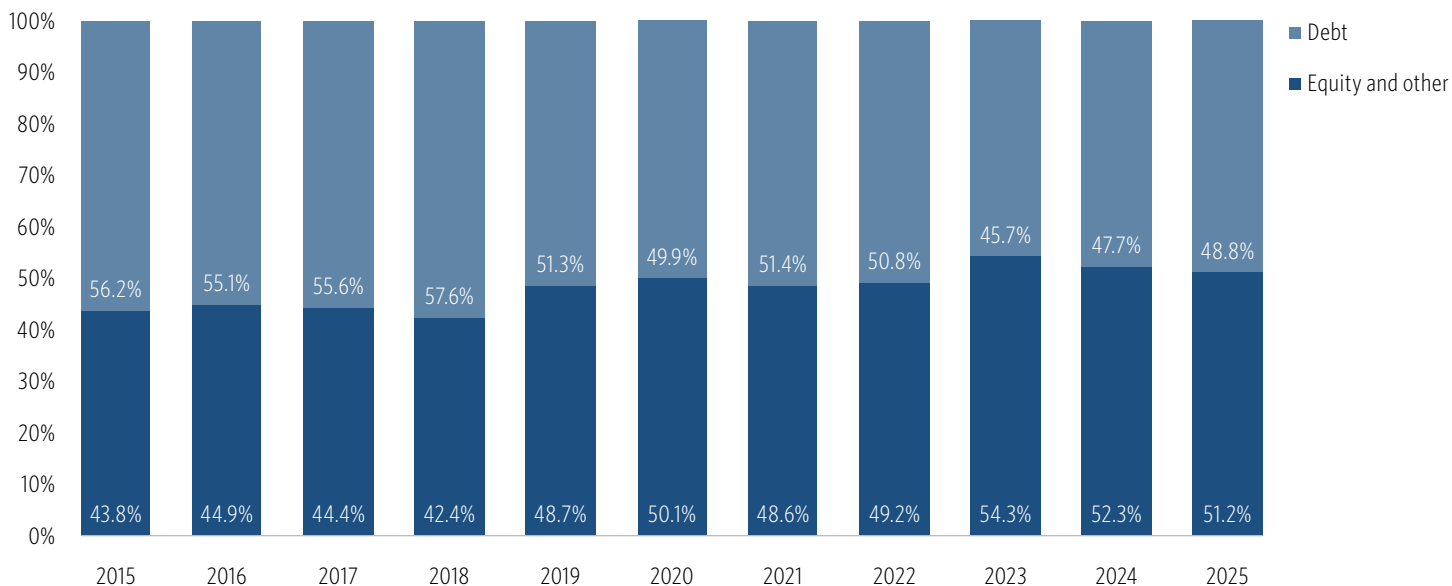
Multiples on BSL-funded LBOs



has taken on multibillion-dollar transactions and can compete in the BSL market on the larger ticket deals.

BSL recaptured a large slug of market share from direct lenders over the past year or so as spreads compressed to multiyear lows. More recently, on a YTD basis as of

Share of BSL-funded LBO value by source



Source: PitchBook | LCD • Geography: US • As of September 30, 2025

September 30, BSL replaced direct lending deals on \$25.9 billion of loan volume. On the other side, direct lenders replaced BSL debt on \$26 billion in loans during the same period, which was essentially a wash in terms of market share gains.

Alternative financing solutions

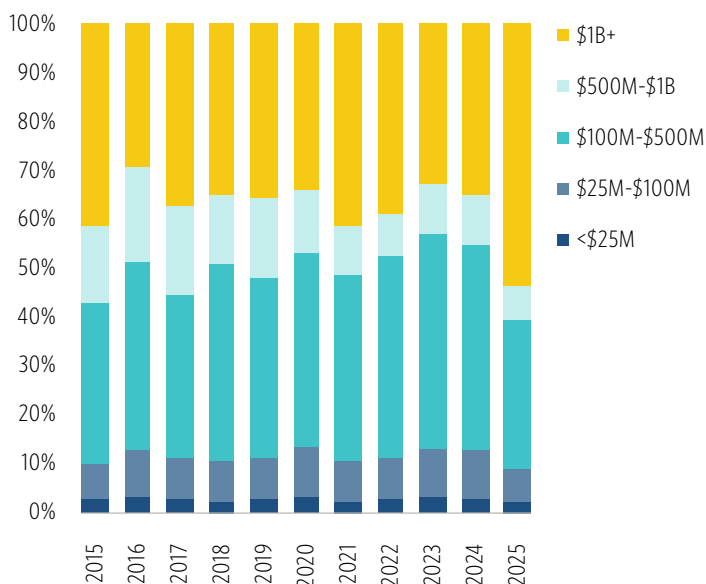
Paid-in-kind (PIK) loans have become an increasingly popular debt product offered by direct lenders over the past few years as an alternative source of funding for portfolio companies that are either scaling up their business or managing through cash flow issues. Business development company (BDC) lenders, in particular, have grown their PIK loan products significantly, with double-digit increases in PIK interest income, which [surpassed \\$1 billion](#) on a rolling four-quarter basis for the top 15 BDCs (traded). These PIK loans allow borrowers to accrue a portion or all of their interest into the principal balance instead of paying in cash, thus providing cash flow flexibility.

Outlook

Cautiously speaking—minding ongoing economic uncertainty and inflationary pressures, tariff policies, and geopolitical upheaval—we see opportunities for PE sponsors to tap the credit markets. This could be through repricing, or if sponsors anticipate holding on to their investments for longer, then refinancings and dividend recapitalizations, which have picked up steam, may come into play more, albeit at lower dividend amounts than in years past. The key driver for more activity comes from spread compression, as current spreads for companies with B- or better credit quality have become favorable enough for portfolio companies to tap the market despite ongoing debt capacity constraints. September's quarter-point drop in the Fed's funds rate also partially alleviates total interest costs. To the extent credit standards do not tighten up, we could expect transaction leverage to eventually rebound to the 5x context and potentially see more lending activity for sponsored companies.

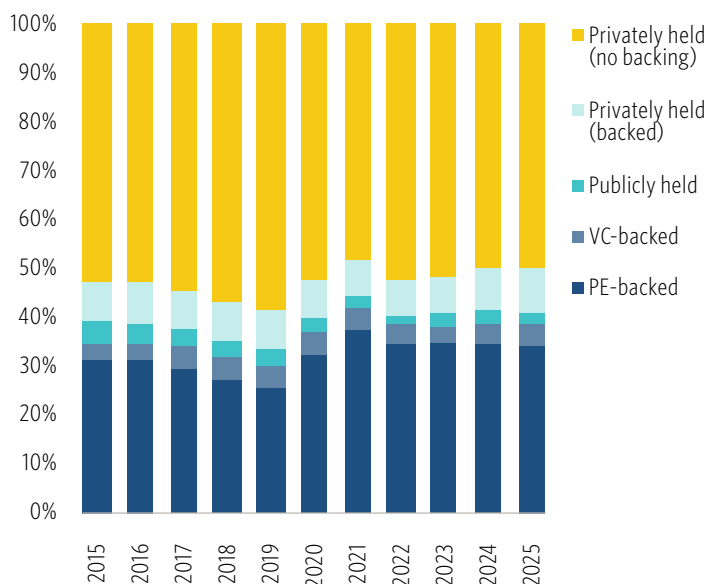
Deals by size, backing type, and sector

Share of PE deal value by size bucket



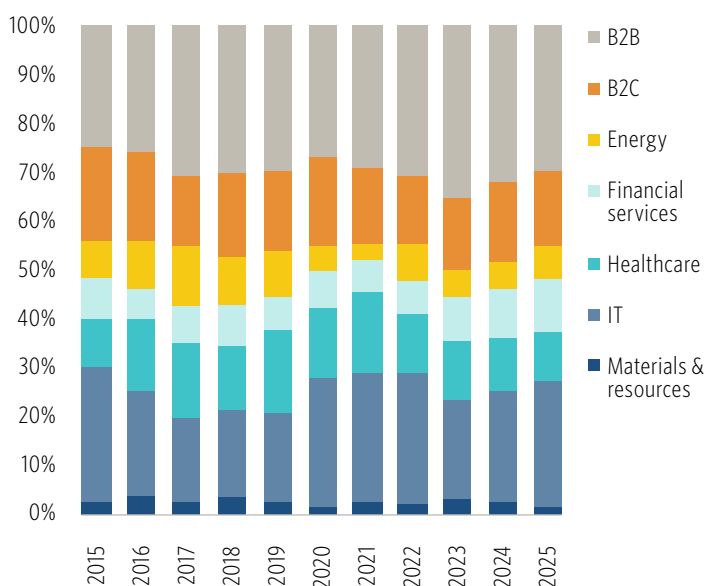
Source: PitchBook • Geography: US • As of September 30, 2025

Share of PE deal count by backing type



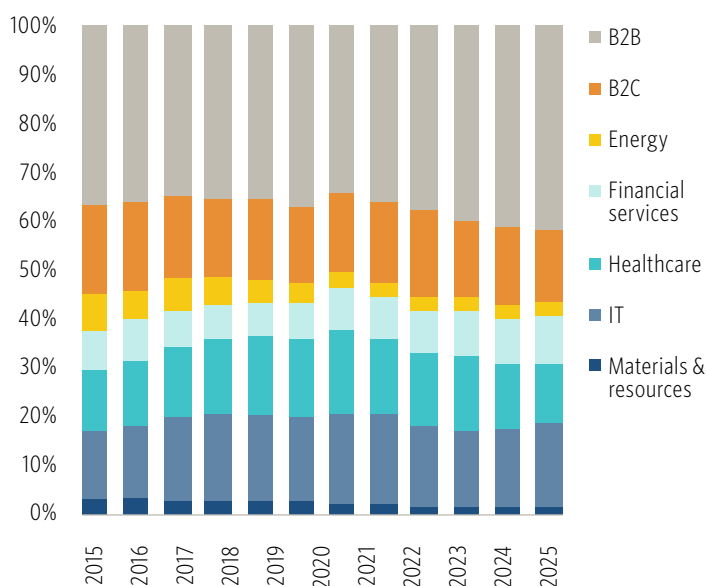
Source: PitchBook • Geography: US • As of September 30, 2025

Share of PE deal value by sector



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

Share of PE deal count by sector

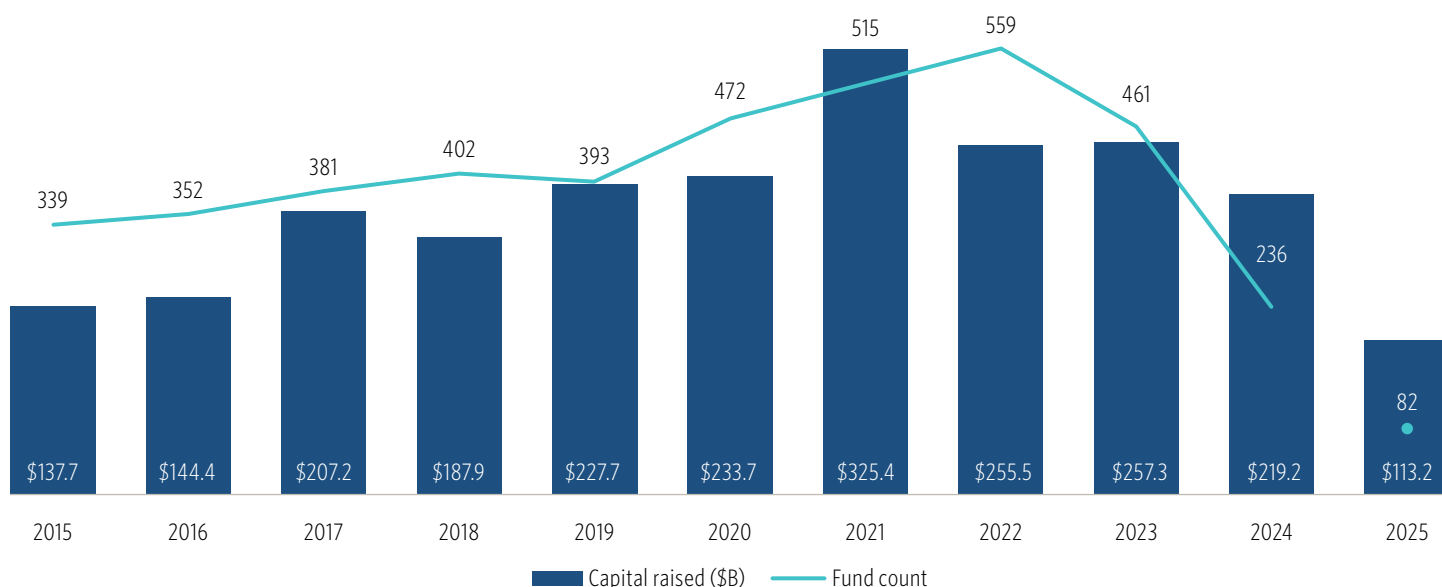


Source: PitchBook • Geography: US • As of September 30, 2025

SPOTLIGHT

H1 2025 Global Private Debt Report

Private debt fundraising activity



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

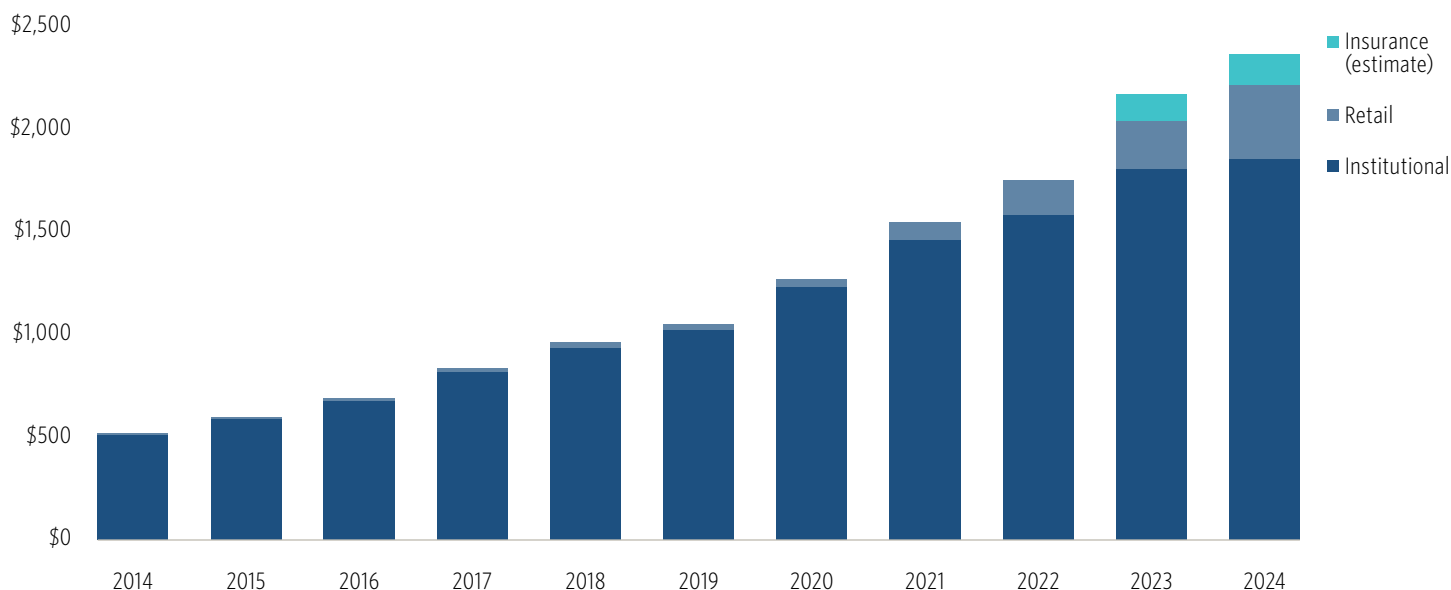
Note: This spotlight is abridged from our [H1 2025 Global Private Debt Report](#). Please see the full report for additional analysis on the private debt ecosystem.

Global private debt fundraising activity is pacing to achieve another strong year, continuing the momentum seen in the past six years of \$200 billion or more in capital raised. As a reminder, our fundraising data counts solely equity capital and upon final closing only. Through the end of June 2025, the asset class saw 82 funds raised for an aggregate of \$113.2 billion. Private debt funds continue to draw interest from investors looking to diversify their portfolios and gain exposure to a relatively consistent return profile in alternative assets. Private debt funds remain compelling, offering higher yields driven by illiquidity and complexity premiums, alongside tighter covenant protections, portfolio diversification, and reduced mark-to-market volatility compared with BSLs and high-yield bonds. Furthermore, robust demand for financing from companies staying private

for longer, and the growing set of financing strategies such as asset-backed lending and infrastructure debt, point to more opportunities in the private debt market. On an annualized basis, we expect the year to end slightly above the capital raised in 2024.

In terms of fund count, it appears we are in for the third consecutive year of decline. Fundraising activity is currently on pace to fall 30% short of the levels in 2024 and hit the lowest number of funds closed in over a decade. The number of funds closed peaked in 2022 with 559 funds and has more than halved to 236 funds closed just two years later as two trends play out simultaneously: Fund sizes are getting larger, and capital is flowing to more experienced managers. The median debt fund size has grown significantly in the past two years, climbing from \$208.6 million in 2022 to \$310 million by the end of 2024. The median fund size for H1 2025 was pushed further up to \$375 million, as 80% of those funds were closed at sizes larger than their predecessor funds.

Private debt AUM (\$B) by channel



Source: PitchBook • Geography: Global • As of December 31, 2024
 Note: Retail and insurance figures are as of June 30, 2025.

Perpetual vehicles for the private wealth investor, also known as semi-liquid or evergreen funds, raised \$86.4 billion in the first half of 2025, a YoY increase of more than 50% from the \$57.4 billion raised through June 2024.² We estimate that 55% of that fundraising has flowed to private debt strategies ranging from nontraded BDCs to interval funds with broader mandates to tender offer funds with more opportunistic or specialty credit approaches. This puts the category in line to have raised approximately \$47.5 billion in the first half of 2025 for various private debt strategies.

Fundraising for retail-oriented vehicles such as nontraded BDCs, interval funds, and tender offer funds continues to increase as more vehicles come to market. Since 2019, PitchBook has tracked over 250 private market funds launched across these three vehicle types, targeting the private wealth channel. Moreover, nontraded BDCs continued to command significant capital and remained the “top selling” category among alternative investments in H1 2025, once again eclipsing nontraded REITs as the real estate fundraising market continues navigating a more challenging environment.

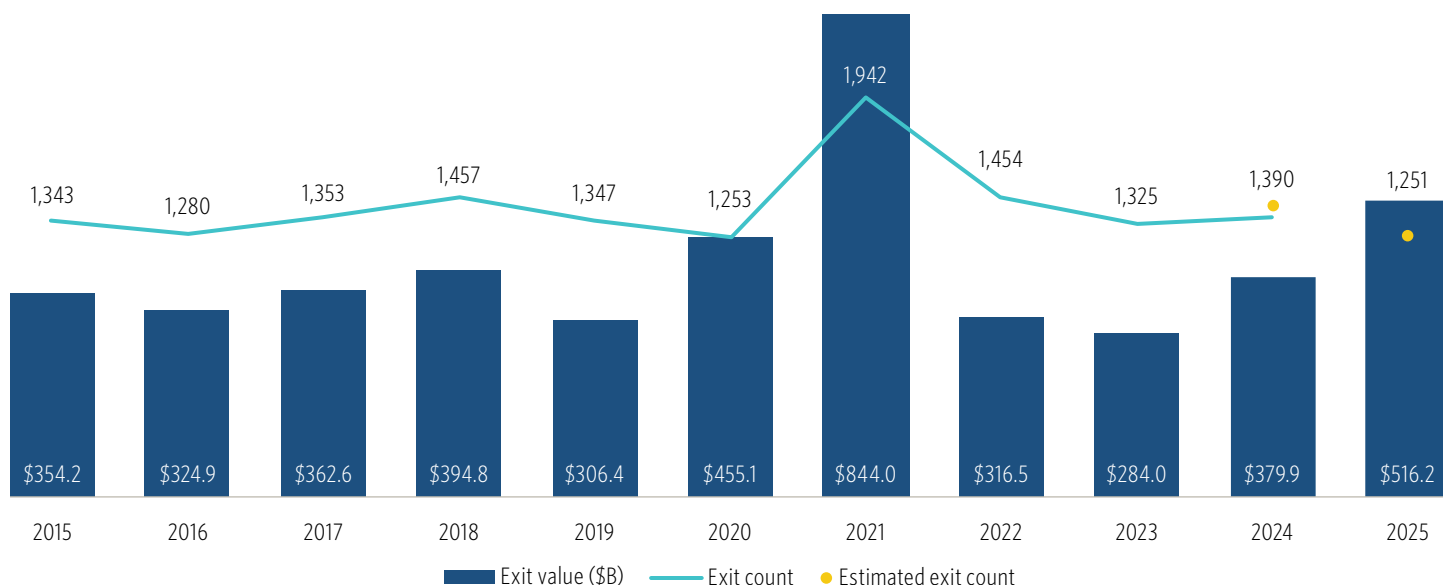
While private credit does not account for 100% of AUM in these products, it is a standout. Nonlisted BDC AUM is unsurprisingly the exception, consisting of only private credit capital, while interval and tender offer funds span multiple asset classes. Moreover, of the more than 250 funds, 75.9% of the launches were in private-credit-related strategies, showcasing the demand for these products.

Like the wealth channel, insurance has increasingly become a vital source of inflows for many private credit managers as they continue scaling their credit strategies and permanent capital bases. Pairing insurance managers and alternative asset managers—private credit, specifically—is mutually beneficial: The longer duration required for private market strategies aligns with the long-term outlook of insurance managers and their investment thesis. Within the insurance segment, where capital is often managed in separately managed accounts or rate feeder funds for regulatory control purposes, flows to private debt have been substantial and are continuously growing.

²: “Led by BDCs, Annual Alts Equity Raise Up 50% Through June 2025,” AltsWire, Mari Nicholson, July 23, 2025.

Exits

PE exit activity



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

Overview

US PE exit activity continued to dwindle, with exit value falling for the third consecutive quarter. There were an estimated 464 exits for an aggregate of \$125.5 billion in Q3. Exit value fell 41% from its recent high point in Q1. Activity levels remained slightly above those in the second half of 2024 when the PE industry experienced the long-awaited rebound in exits. While the decline in quarterly exits shows the persistent challenges that remain, the quarter ending above H2 2024 exit levels still shows improved exit activity following the recent troughs. Furthermore, 2025 exit value has already surpassed 2024 levels, thanks to a greater number of mega-sized exits. Through Q3, mega-exits attributed to \$365.4 billion of exit value, far above the \$210.2 billion mega-exits accounted for in all of 2024. Even without the outsized IPO of Venture Global LNG in Q1, which had a pre-money valuation of \$58.7 billion, mega-exits account for 77% of YTD exit value. On an annualized basis, US PE exit count is also on pace to surpass 2024 levels, securing another year of recovery for exits.

Q3 saw exit count tick up 22.4% QoQ, a rare occurrence of exit count trudging ahead while exit value falters. In the recent exit slowdown of the past three years, exit value recovered more quickly than exit count, as a smaller group of high-

PE exit activity by quarter



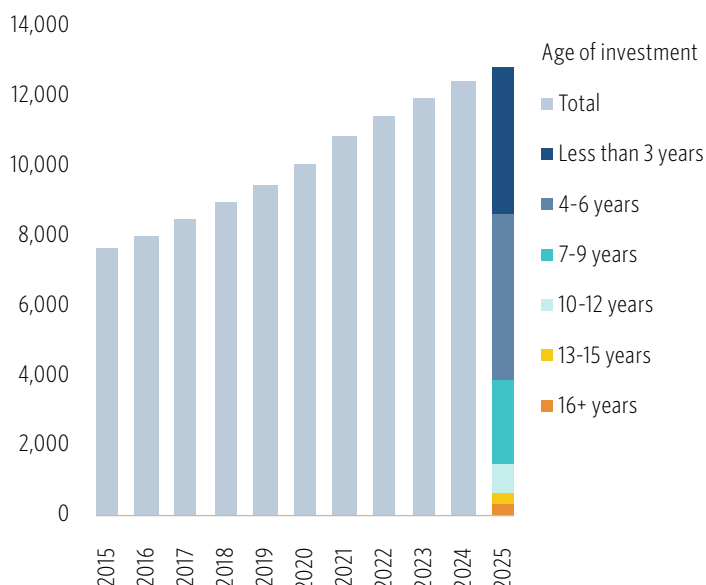
Source: PitchBook • Geography: US • As of September 30, 2025

quality assets secured favorable sales, while the majority of assets were still held by their PE firms. For the first time since Q4 2021, exit count experienced QoQ growth while exit value dipped 29.6% QoQ. The growth in exit count is welcomed, as exit recovery needs to broaden out to go through the backlog of PE-backed assets nearing maturity. As of Q3 2025, the US PE inventory has grown to over 12,899 companies. At the pace of exits seen in 2024, this translates to over a nine-year inventory. When annualizing the pace YTD, the backlog of PE assets is cycled sooner at 7.7 years, which is already an improvement from the 8.5 years we calculated last quarter using the H1 2025 exit pace. It is too early to see if growth in exit count will be maintained, especially considering that the market is exposed to sudden policy risk. However, the increase in exit count is an encouraging sign of more robust recovery in the exit environment.

Median hold times for US PE-backed companies continues to trend downward from its 2023 peak when it recorded a seven-year median. Since then, it has fallen to a median hold time of six years as exit activity has improved, but it remains above the pre-pandemic median of 5.2 years. As for companies still being held by their PE firms, the median hold time has climbed to 3.8 years—its highest point since 2011. This data point reveals that the current inventory of PE-backed assets is getting older. PE firms are holding on to their portfolio companies for longer as exit activity stalls, even as the assets capable of securing exits are doing so sooner than those that were able to exit just two years ago. The narrowing gap between the median hold times of exited companies and existing companies reflects characteristics of the recent exit recovery—concentrated around a few high-quality assets while a larger swath of assets still struggles. The winning assets are securing exits more quickly in an improved market, driving exit recovery, while those that remain continue to age.

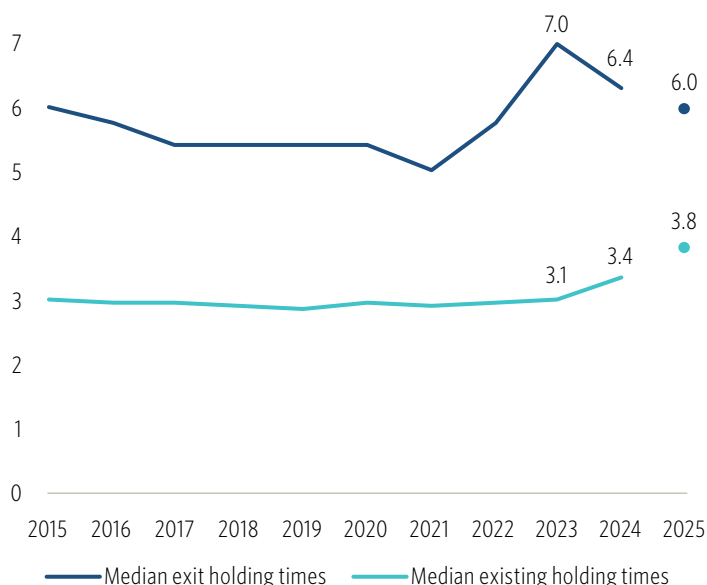
B2B accounted for a whopping 45% of the quarter's exit value, significantly above the previous five-year quarterly average of 26.7%. There were 12 mega-sized exits from the sector in Q3, accounting for \$36.7 billion of the quarter's exit value. The largest exit was American Securities and Clayton, Dubilier & Rice's sale of Foundation Building Materials (FBM) to Lowe's for \$8.8 billion. Lowe's acquisition of FBM, a building product distributor, strengthens its push into the professional builder and contractor customer base. It also follows its earlier purchase of Artisan Design Group—a design, distribution, and installation service provider for construction markets—from the Sterling Group for \$1.3 billion, completed in June in a similar play. While B2B encompasses a wide

PE-backed company inventory by deal year



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

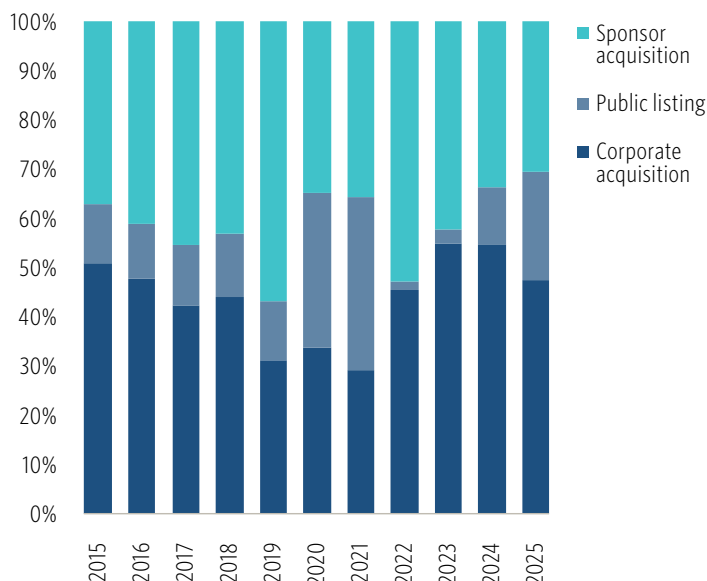
Median PE company holding times (years)



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

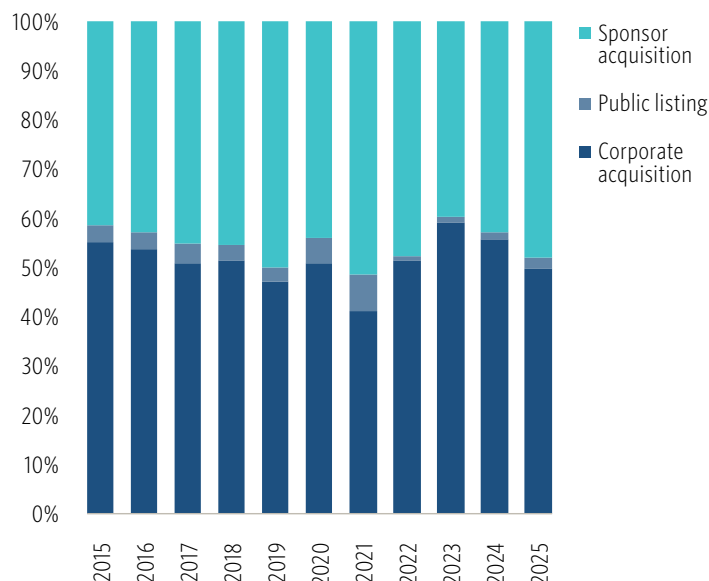
range of subsectors, the growth in exit activity in the space demonstrates the continued interest in business services and industrials to optimize business operations, refine positioning for long-term growth, and enhance technological capabilities. Four of the quarter's public listings were also from B2B companies: NielsenIQ, Pattern Group, Legence, and WaterBridge Infrastructure.

Share of PE exit value by type



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

Share of PE exit count by type



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

Public listings

PE-backed IPO activity remains healthy through Q3, with the IPO window seemingly reopened despite having a slower restart. There have been 20 PE-backed IPOs YTD, ahead of the 18 seen last year. Eight occurred in Q3, ranging across various industries such as consumer data, education, and financial services. The largest IPO of the quarter was NielsenIQ, which went public in July at a pre-money valuation of \$5.1 billion. A subsidiary of the Nielsen Company, it was initially acquired by Advent International in 2021. Also in July, McGraw Hill was publicly listed for a pre-money valuation of \$2.8 billion. Although activity remains below pre-pandemic averages, the IPO market experienced momentum driven by renewed investor optimism after the initial volatility from tariff and macro uncertainties.

Momentum appears to be short-lived, however, with the US government shutdown starting on October 1. With the Securities and Exchange Commission no longer processing IPOs, the government shutdown throws a wrench into an IPO revival that had been gaining steam after three years of minimal activity. PE sponsors that would have likely taken advantage of a more supportive IPO market will now have to delay their plans to monetize their portfolio companies or seek new exit paths. Government shutdowns have been short-lived historically, but IPO activity will freeze as long as the shutdown lasts. This creates another headwind for an already challenged PE environment.

Exits to corporates

Exits to corporates suffered a more drastic decline relative to other exit types QoQ, ceding majority share of total US PE exit value. With 143 exits to corporates for an aggregate of \$41.6 billion, exit count increased by 14.4%, while exit value decreased by a whopping 58.1% QoQ. Exits to corporates accounted for 39% of total exit value in Q3, compared with 60.3% in Q2, losing shares to public listings and exits to sponsors. Even when excluding public listings, the balance between exits to corporates and exits to sponsors flipped from the trend seen over the previous seven quarters, when exits to corporates held a strong lead in its share of PE exit value. Excluding public listings, exits to corporates accounted for 48.3% of PE exit value. Meanwhile, exit count recovered from its Q2 blip and maintained majority share of total exit count. Still, exit count remains below pre-pandemic levels, reflecting the PE trend of exit value recovering more quickly than exit count. The greater volatility in quarterly exit value than in exit count reflects market participants' caution in pursuing large acquisitions amid macro uncertainty, while still seeking M&A as a business growth strategy. Reports of a busy summer for dealmakers suggest that a strong pipeline is being built for PE-backed assets to be potentially acquired by corporations in Q4.³ Improved market sentiment, strong public market rally, and greater confidence in corporate earnings set the stage for more active corporate dealmaking, which will hopefully translate to sales of PE portfolio companies to corporate strategies.

3: "It's a Scorching Hot Summer for Deals on Wall Street. Vacation Can Wait." The Wall Street Journal, Lauren Thomas and Ben Glickman, August 3, 2025.

Sponsor-to-sponsor exits

Sponsor-to-sponsor exit activity also strengthened in exit count while experiencing a drop in exit value, matching the trend seen in overall exit activity. There were 130 exits to sponsors for an aggregate of \$44.4 billion in Q3, an increase of 8.3% in count and decrease of 23.4% in value. Despite the decline in absolute exit value, exits to sponsors accounted for 41.7% of the quarter's exit value—a meaningful jump from 35.3% in Q2. When excluding public listings, sponsor-to-sponsor exits accounted for 51.7% of PE exit value, taking lead against exits to corporates. Despite quarterly volatility, sponsor-to-sponsor exits remain robust, already surpassing 2024 levels in terms of exit value. It is also on pace to exceed 2024 exit count by the end of the year.

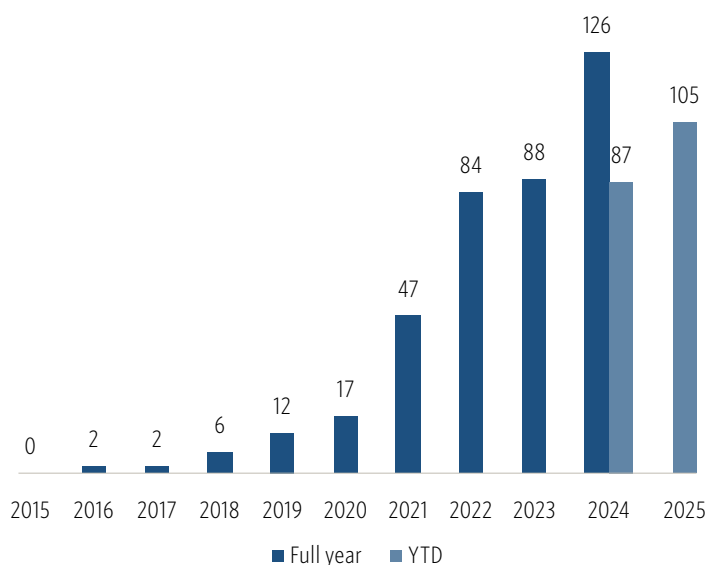
The largest sponsor-to-sponsor exit during the quarter was Onex's \$7 billion sale of a majority stake in OneDigital to Stone Point Capital and CPP Investments. Onex will remain as a significant minority shareholder. The next-largest sponsor-to-sponsor exit was Hellman & Friedman's sale of energy data company Enverus to Blackstone for \$6.5 billion in August. Blackstone stated that Enverus is well positioned to navigate the growth in AI-driven electricity demand with its analytics solutions.⁴ The company was initially acquired by Hellman & Friedman in 2021 for \$4.3 billion. B2B, IT, and healthcare companies made up the top 10 sponsor-to-sponsor exits in Q3, mirroring the sectors we believe to have long-term growth potential and resilient demand in the current market volatility.

Exits to continuation funds

Exits through continuation funds are becoming a more prominent exit solution as sponsors seek to provide LPs liquidity while also giving themselves more time to create additional value within their portfolio companies. Continuation fund-related exits are pacing ahead of the record activity seen in 2024 and could cement a new record year in 2025 should exit activity through traditional sales paths fail to gain significant traction in the last quarter of the year. PitchBook tracked 105 exits to continuation funds through Q3, which have an aggregate value of \$61.5 billion, including estimates for nondisclosed continuation fund-related exits. This is above the pace seen in the first three quarters of 2024, during which we tracked 76 continuation fund-related exits. Continuation funds remain a small portion of sponsor-to-sponsor exit activity, but the strategy has become an increasingly mainstream tool in just a few years, during a slowed exit market, for GPs to extend the time needed to unlock value.

Last quarter, we wrote about a potential new trend of sponsors rolling a portfolio company into a continuation vehicle for a second time. At the time, no such transactions had been completed yet, with Accel-KKR and PAI Partners reportedly considering the play on their respective portfolio companies. Since then, Accel-KKR successfully raised \$1.9 billion to roll its iSolved investment into a second continuation fund, following a \$1.4 billion continuation fund deal that closed in 2019. This trend appears to be gaining traction. In July, it was reported that CapVest was considering moving Curium Pharma into another continuation fund, after rolling the company into a \$1 billion single-asset continuation fund in 2020. Norvestor also raised a \$2.9 billion multi-asset continuation fund in July, which includes Sperre Air Power from its previous continuation fund that closed in 2022. However, this new strategy is not without criticism. When met with LP pushback, Revelstoke reportedly scrapped its plans to extend its ownership of Fast Pace Health through a second continuation fund.⁵ GPs' usage of multiple continuation funds instead of pursuing an exit through a sale or IPO could further frustrate LPs, who have been dealing with delayed exits and reduced liquidity for the past couple of years. While continuation funds can offer some liquidity and prevent an unfavorable exit, the PE industry needs to see more successful outcomes following these funds to avoid the perception that GPs are simply kicking the can down the road to postpone dealing with more fundamental issues.

Notable continuation-fund-related exit count

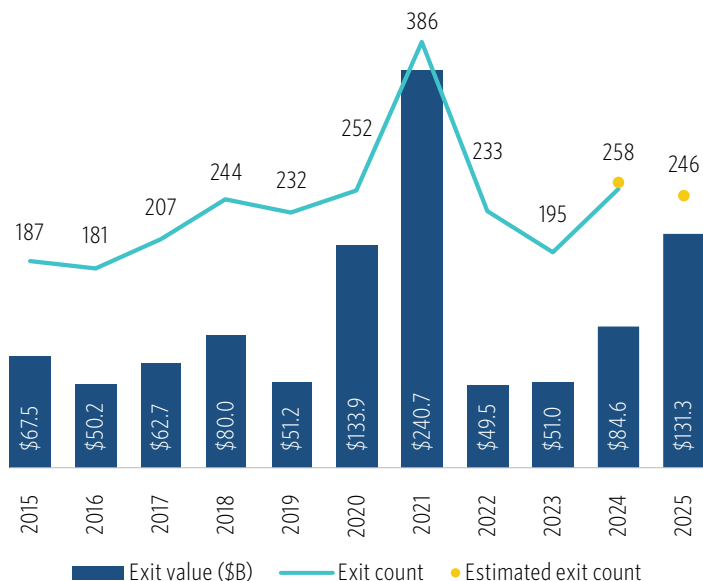


Source: PitchBook • Geography: North America and Europe • As of September 30, 2025

4: "Blackstone Announces Agreement To Acquire Enverus," Enverus, August 6, 2025.

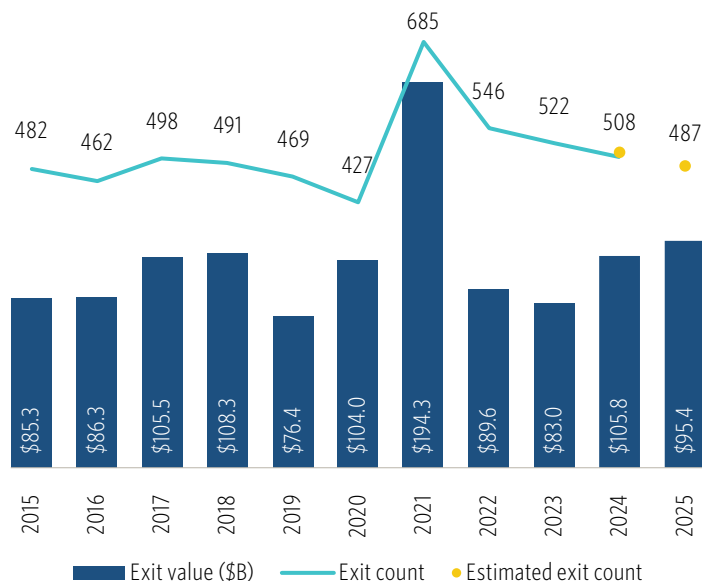
5: "Private Equity Turns to Continuation Funds as Exit Options Narrow," TradeAlgo, John Liu, August 13, 2025.

Technology PE exit activity



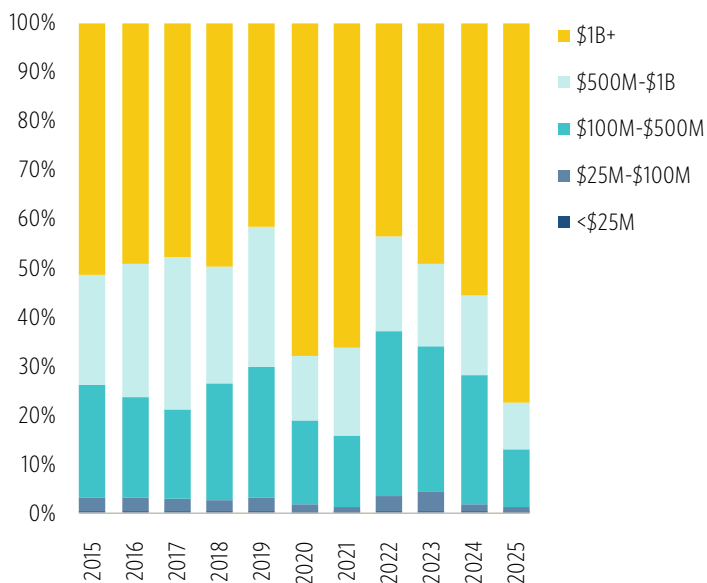
Source: PitchBook • Geography: US • As of September 30, 2025

B2B PE exit activity



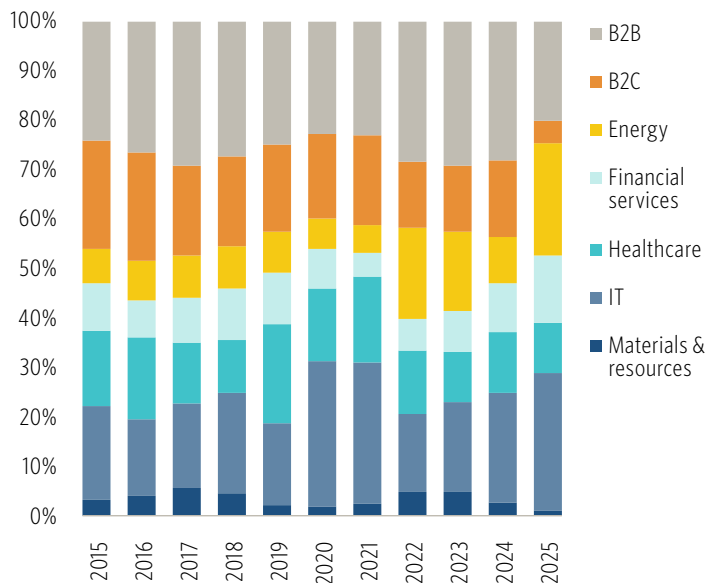
Source: PitchBook • Geography: US • As of September 30, 2025

Share of PE exit value by size bucket



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

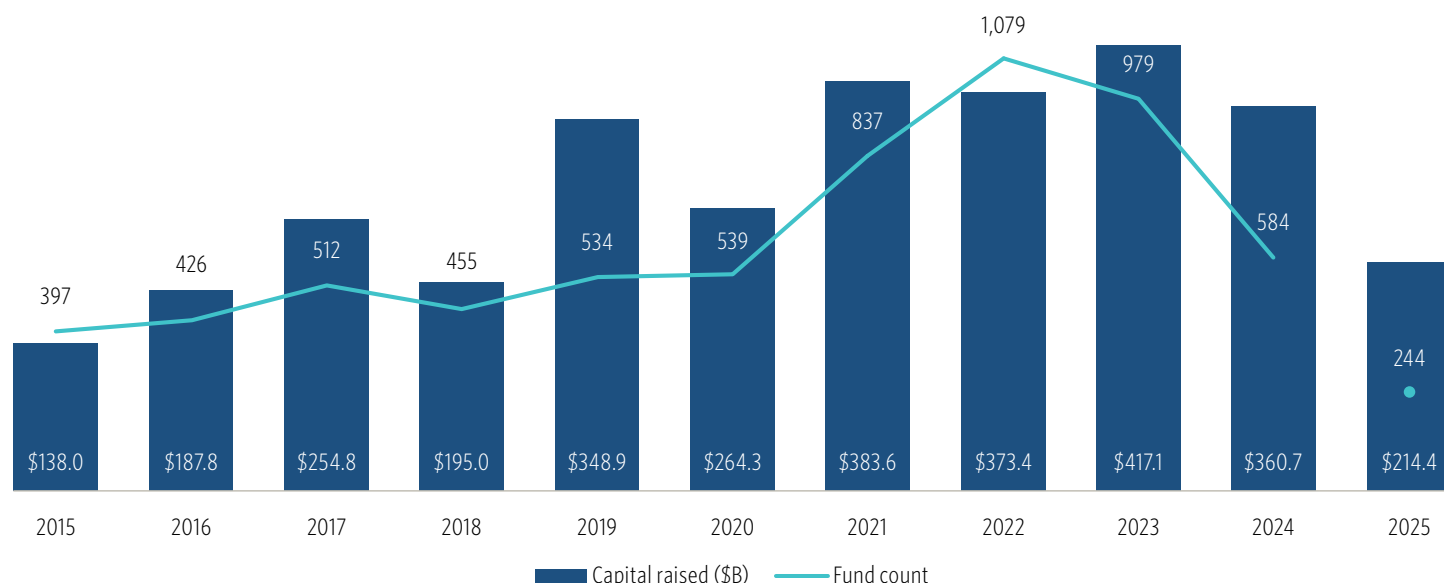
Share of PE exit value by sector



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

Fundraising

PE fundraising activity



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

Overview

The US PE fundraising environment remains weaker in the face of sustained weak exit activity and distributions back to LPs. Through the first nine months of 2025, 244 funds have achieved a final close for a total aggregate value of \$214.4 billion. When comparing 2025's YTD activity with 2024, which saw 220 funds close on a collective \$236.3 billion, activity presents a mixed bag, with lower capital raised despite fund count being slightly ahead. Moreover, this sustained sluggish fundraising activity will likely persist through the end of the year, as it remains unlikely for exit activity to accelerate in the last three months of 2025 at a pace that would allow the capital formation process to buoy the lackluster activity seen thus far. If exit activity begins to pick up meaningfully, this could bode well for fundraising efforts in 2026. However, 2025 will surely be the second consecutive year with fundraising declines on a fund count and capital raised basis.

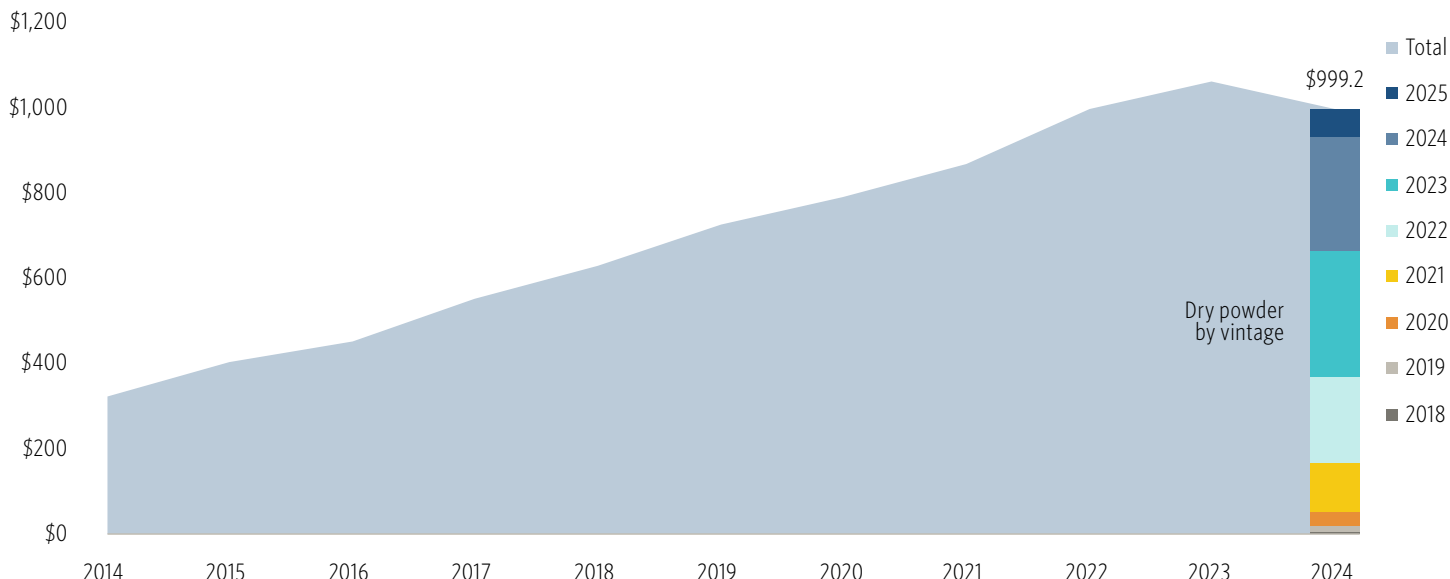
Moreover, with less capital available to allocate, many LPs are consolidating the number of managers they commit capital to, often siding with managers they have longer-standing relationships with, which tends to be larger megafund managers or a select few in the middle markets. This means that many firms are taking longer to reach final closes, if they

reach final closes. Exits are the flywheel that keeps the asset class rolling. With increased exit activity comes increased distributions to LPs, which are then typically recycled into new fund vintages. The few managers that have had success are exemplified by the fact that 76.2% of PE funds that have closed YTD have done so with a raise greater than their predecessor fund, with a median step-up of 1.4x—the asset class's highest point since 2022. With fewer funds holding final closes, and while capital raised remains slightly healthier, the median size of a PE fund through Q3 reached its highest point ever at \$183 million, highlighting the success of the few and the challenges of the many.

AUM and dry powder

The US PE ecosystem saw its AUM reach \$3.6 trillion at the end of 2024, in what is now 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 4.6% YoY, the lowest YoY growth in over a decade. Sustained growth for the remaining value portion of AUM (NAV) leaves dry powder as the main factor behind the slowdown in AUM growth. Moreover, the number of US PE-backed companies has continued to grow, reaching a

PE dry powder (\$B)



Source: PitchBook • Geography: US • As of December 31, 2024

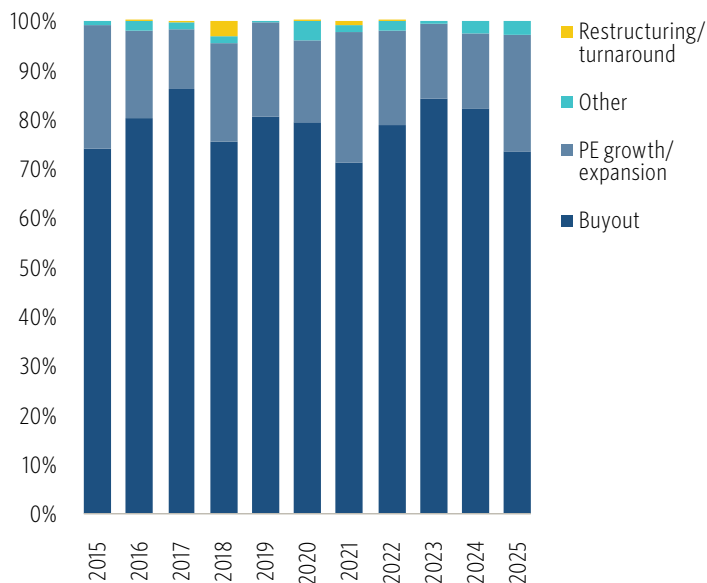
new record of 12,899 through Q3 2025, supporting the growth of the NAV portion of AUM. However, should the ecosystem see the much-needed pickup in exit activity, the NAV portion of AUM could join the flattened dry powder as a culprit of slowed AUM growth.

Dry powder topped \$1 trillion in 2023 amid robust fundraising activity and slower deployment pacing, allowing the asset class to stockpile dry powder. However, the tables have turned, with fundraising seemingly stalling out while deal activity is ascending, which has resulted in dry powder dipping just below the \$1 trillion mark at the end of 2024 to \$999.2 billion. This decline, primarily driven by the acceleration of deal activity, is likely a good sign for the asset class that dealmaking conditions are now more favorable. It has allowed many sponsors to put capital to work rather than further compound the dry powder pile. Dry powder's share of AUM now sits at 27.8%, its lowest reading ever, as it has flattened out while portfolio company NAV has seen healthy growth.

Megafunds

US PE megafund activity—PE funds that raise \$5 billion or more in committed capital—has been split evenly through the first three quarters of 2025, with each quarter seeing the successful final close of three megafunds. The three in Q3 were headlined by Veritas Capital's final close of its ninth flagship buyout fund on \$14.4 billion after more than 2.5 years

Share of PE capital raised by type



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

in the market. In July, Stone Point Capital closed its flagship buyout Trident X Fund on \$11.5 billion and, like the rest of the fund family, will focus on the financial services industry. The final megafund that closed belonged to Great Hill Partners and its ninth growth equity fund, which closed on \$7 billion. Moreover, Great Hill has now raised over \$19 billion in commitments since 1998.

With the closings of Veritas Capital's and Stone Point's recent funds, the list of open and raising megafunds has shrunk slightly. That being said, a handful of megafunds could close in the final quarter, including KKR and Clearlake, both of whom are closing in on fund targets for their respective flagship buyouts. However, even if the fourth quarter follows the trend seen in the first nine months of the year, with another three

megafunds holding a final close, the fundraising environment has been so much more challenging for managers that additional megafund closings will unlikely be enough to buoy overall capital raised to the levels seen in any of the previous four years. Furthermore, this potential lackluster finish to 2025 fundraising for megafunds inevitably pushes the close date for many into 2026.

Notable open PE megafunds

Fund	Fund type	Open date	Fund target (\$M)	Raised amount (\$M)
Advent International GPE XI	Buyout	January 1, 2025	\$26,000.0	\$20,000.0
KKR North America Fund XIV	Buyout	June 24, 2024	\$20,000.0	\$15,881.0
Clearlake Capital Partners VIII	Buyout	June 20, 2023	\$15,000.0	\$13,000.0
Blue Owl GP Stakes VI	PE growth/expansion	June 16, 2023	\$13,000.0	\$7,300.0
TPG Rise Climate II	Buyout	December 1, 2023	\$8,000.0	\$6,241.6
General Atlantic Investment Partners 2025	PE growth/expansion	June 12, 2024	\$8,000.0	\$2,687.7
Blackstone Growth II	PE growth/expansion	May 5, 2022	\$7,000.0	\$4,260.0
Thomas H. Lee Equity Fund X	Buyout	August 19, 2024	\$6,250.0	\$4,966.4
Providence Equity Partners IX	Buyout	November 23, 2021	\$6,000.0	\$3,208.0
AEA Investors Fund VIII	Buyout	March 28, 2022	\$5,250.0	\$3,385.0

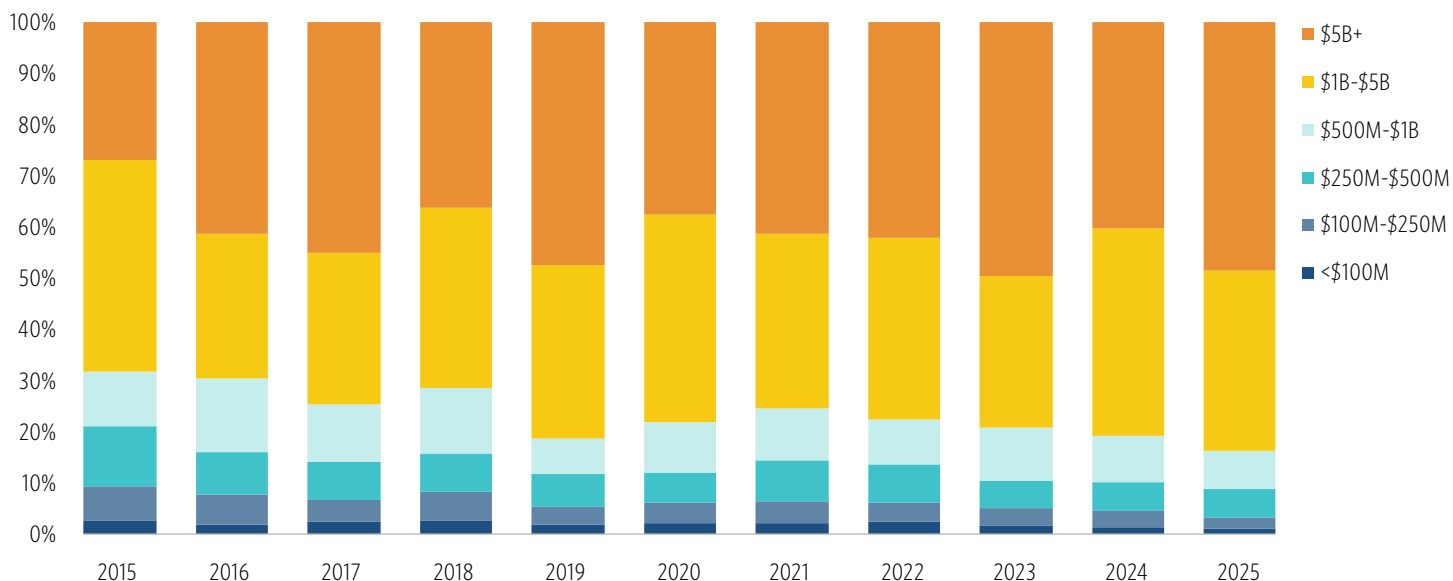
Source: PitchBook • Geography: US • As of September 30, 2025

Notable closed PE funds YTD

Fund	Fund type	Close date (2025)	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
Veritas Capital Fund IX	Buyout	September 10	\$13,000.0	\$14,400.0
Trident X Fund	Buyout	July 14	\$9,000.0	\$11,500.0
Thoma Bravo Discover Fund V	Buyout	June 3	\$7,000.0	\$8,100.0
Great Hill Equity Partners IX	PE growth/expansion	September 3	\$5,000.0	\$7,000.0
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
TPG Growth Fund VI	PE growth/expansion	August 6	\$4,000.0	\$4,800.0

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

Share of PE capital raised by size bucket



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

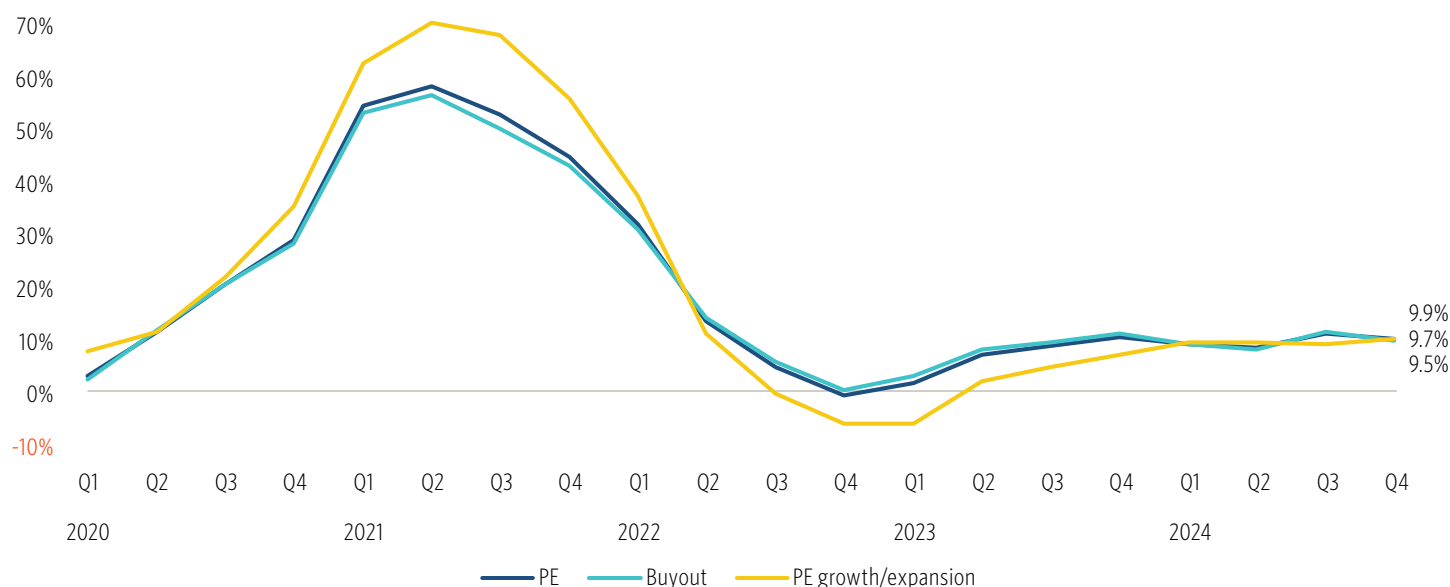
Middle-market funds

Middle-market fundraising followed the broader PE fundraising trend seen 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 year's first nine months, middle-market managers closed 119 funds worth \$108 billion. Through the first half of 2025, middle-market managers accounted for a mere 40.2% of total capital raised, which improved to 50.4% through Q3. While that remains

below the five-year average of 55.8%, it is a significant improvement from what had been the middle market's lowest percentage since the GFC. The fundraising environment for middle-market managers, as well as the broader PE ecosystem, remains more challenging, with LPs constrained in allocating to a mass of funds. They are instead forced to prioritize certain relationships, typically at the expense of middle-market managers, including emerging managers—defined as those raising funds one through three—which often call the middle markets home.

Performance

Quarterly rolling one-year PE fund performance by type

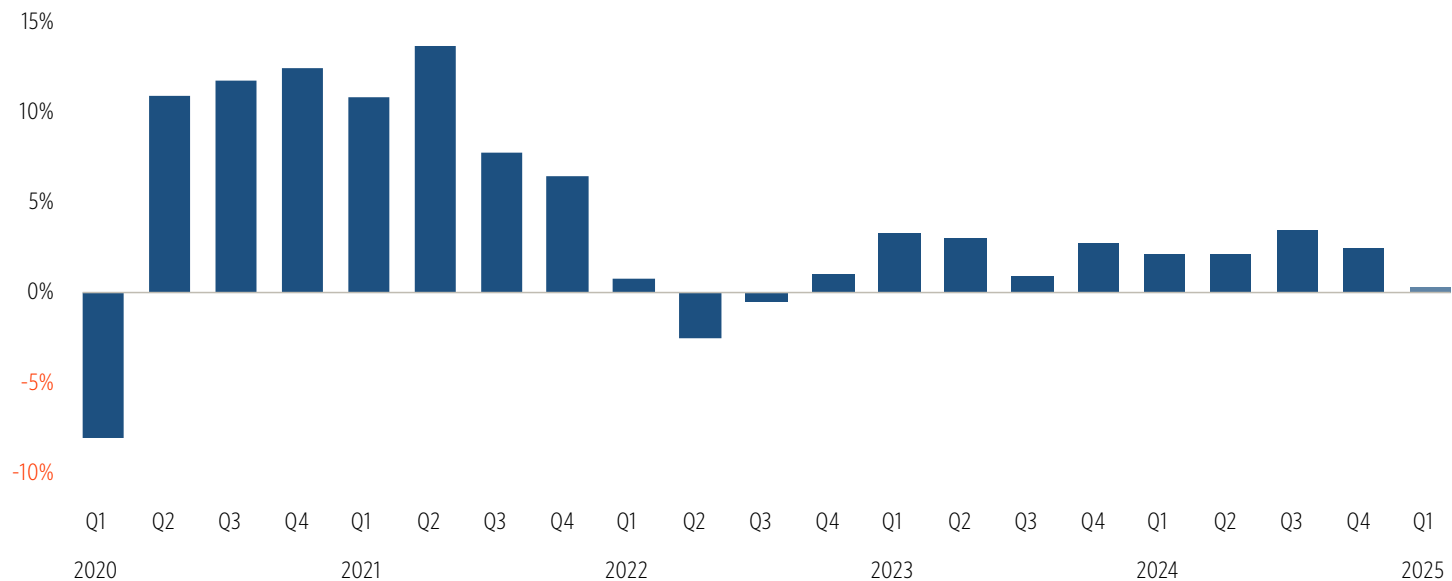


Source: PitchBook • Geography: US • As of December 31, 2024

Through the end of 2024, US PE fund performance teetered on the edge of double-digit territory, posting a one-year IRR of 9.7%. The lag in fund performance data is due to late reporting from GPs and LPs. While this fund performance looks at all PE strategies, when broken down by fund strategy, growth equity posted a one-year return of 9.9% through the end of 2024. This compares with a buyout fund performance of 9.5% for the same time period, once again sitting on the cusp of double-digit performance. As performance continues to inch its way back up, it has done so while exit activity has been slower, reiterating the need for exit activity to broaden out all different qualities of PE-backed companies as opposed to sponsors only selling their best assets—as has been seen over the past year and a half. Moreover, PE fund performance in 2024 lagged that of the public markets by a significant margin, which is likely to continue into the first quarter of 2025.

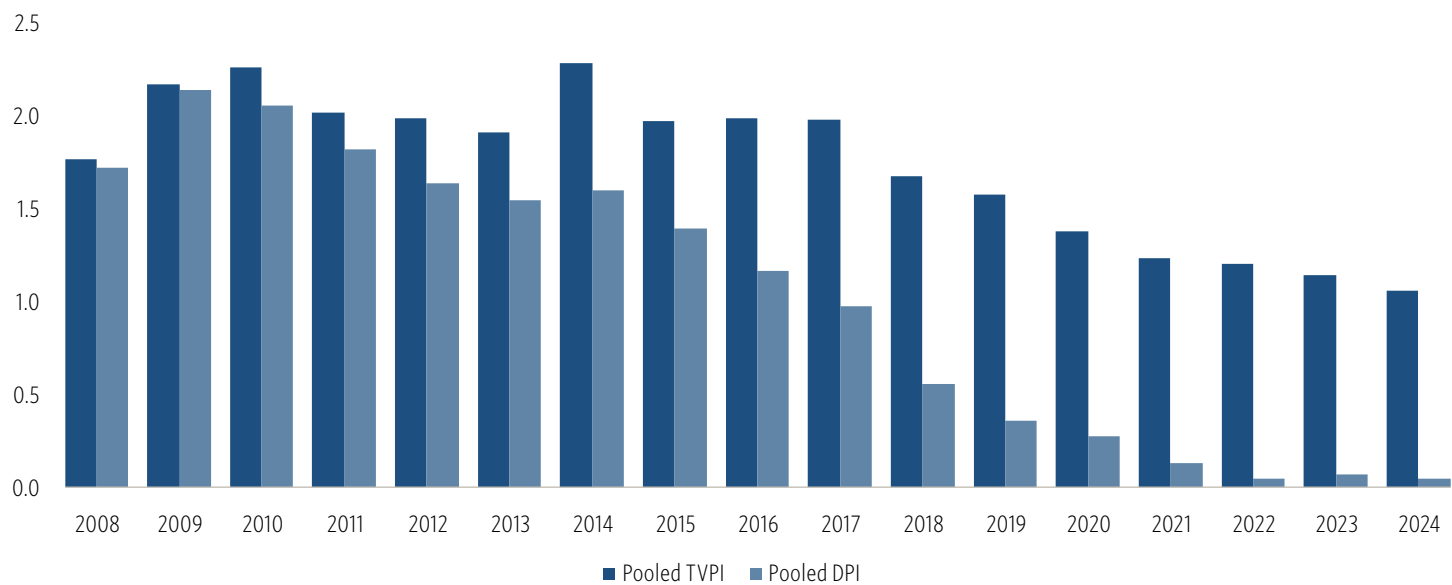
However, the broad market volatility seen post-Liberation Day in early Q2 2025 could set up PE returns to better compete with its public market peers in 2025; however, much of this performance hinges on the expected pickup of exit activity in the back half of 2025, which would be a positive sign for the asset class—specifically for returns and distributions back to LPs that would allow the PE flywheel to kick back into gear. The markets are also getting more clarity around headwinds, such as tariffs and interest rates, which is needed to see exit activity ramp back up. This will help boost PE returns to levels that investors are accustomed to seeing. This pickup in activity is potentially aided by the Fed’s rate cut in mid-September, with the potential for one or two more rate cuts in the remainder of the year. Further rate cuts would act as an additional tailwind, strengthening deal and exit activity and boding well for PE’s near- and long-term returns.

PE funds IRR by quarter



Source: PitchBook • Geography: US • As of December 31, 2024
Note: Q1 2025 data is preliminary.

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



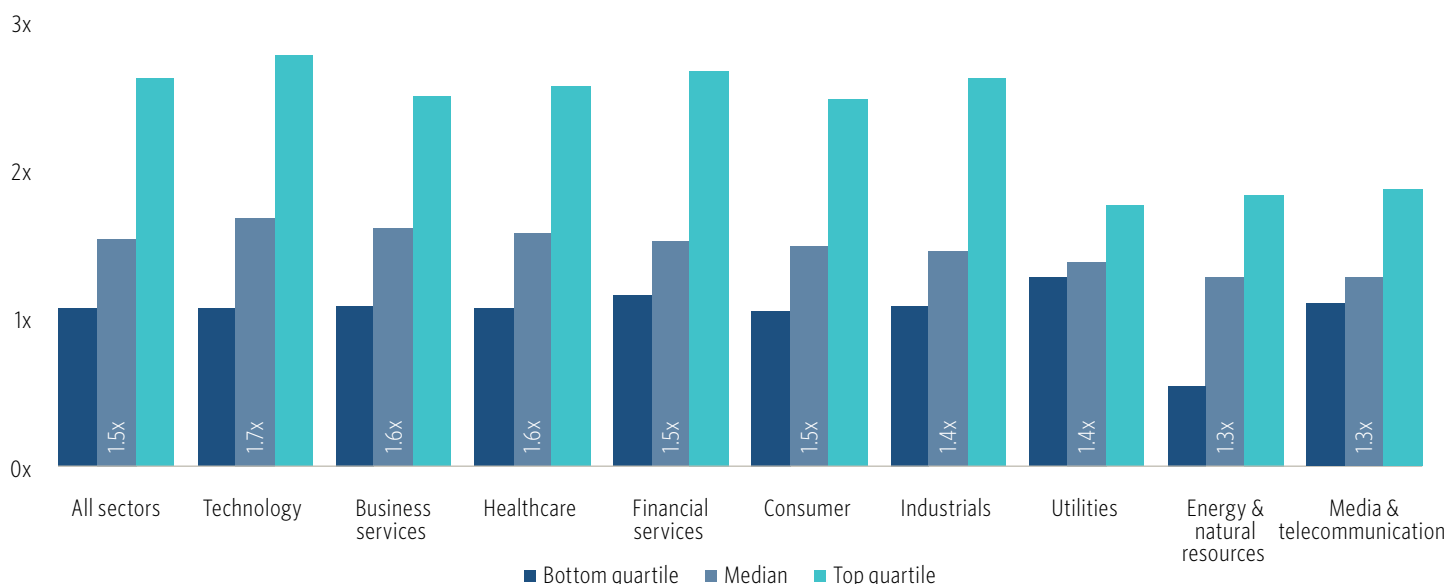
Source: PitchBook • Geography: US • As of December 31, 2024

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.

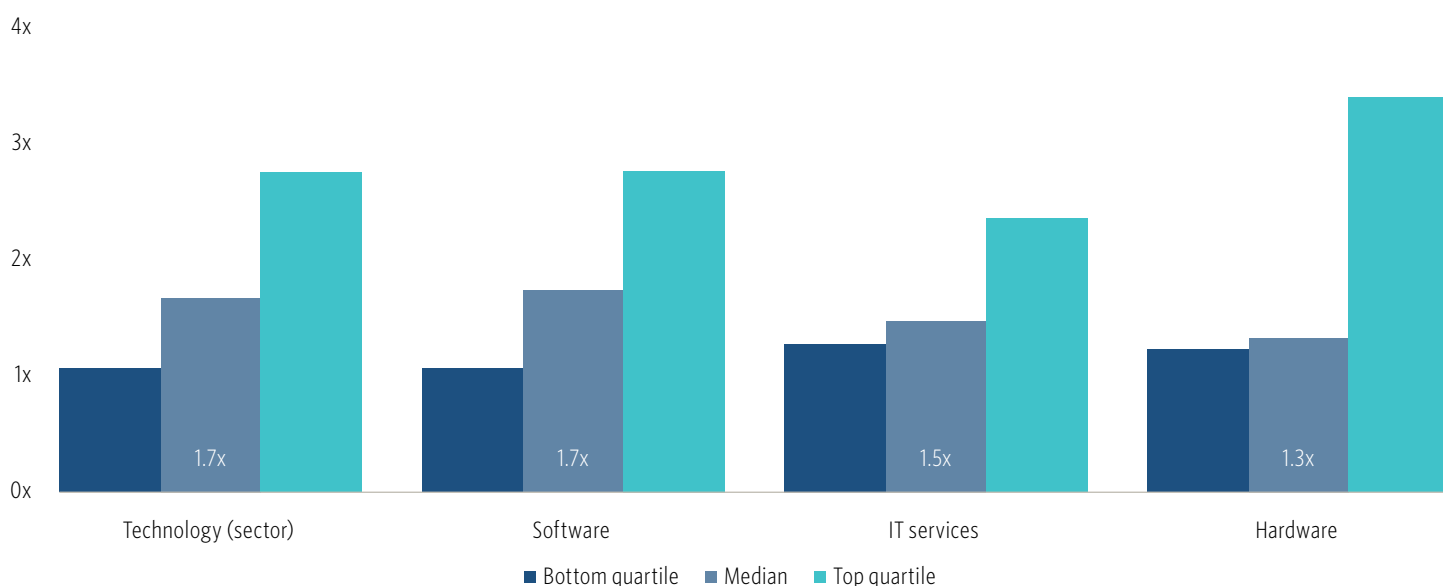
Multiple on invested capital (MOIC) returned by sector (2018-2025)



Source: DealEdge • Geography: US • As of September 30, 2025

Note: Usage of DealEdge data outside this context, especially further publication or reprint, requires the permission of Bain & Company.

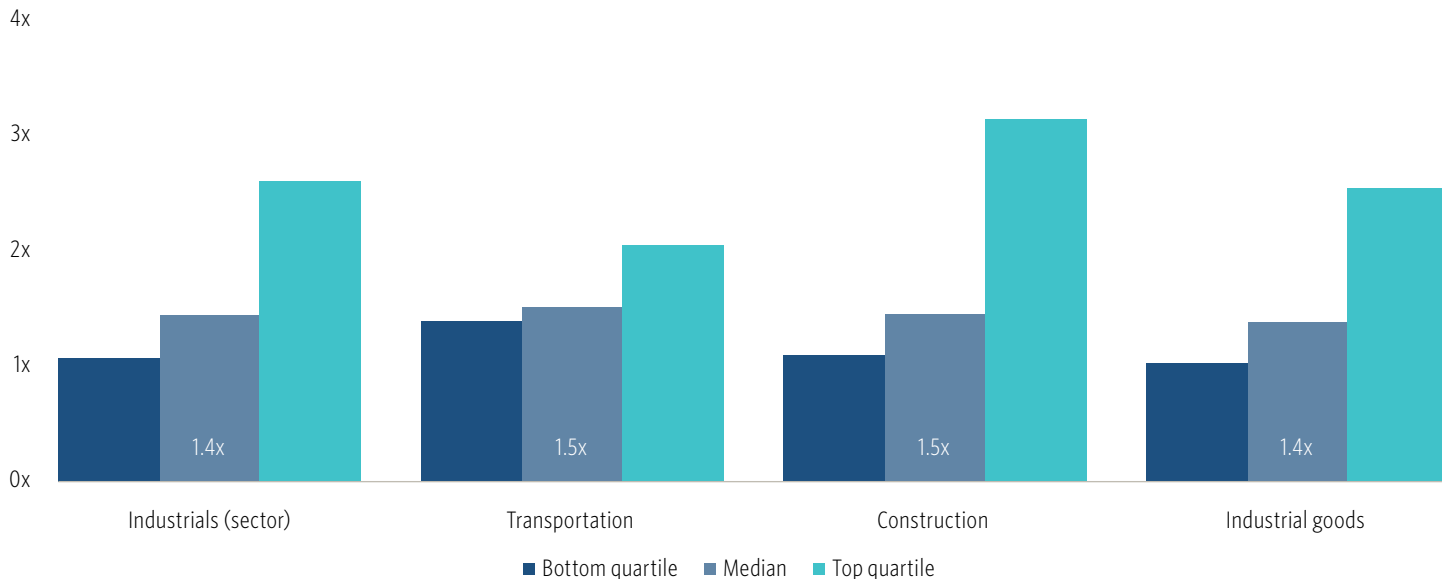
Technology MOIC by subsector (2018-2025)



Source: DealEdge • Geography: US • As of September 30, 2025

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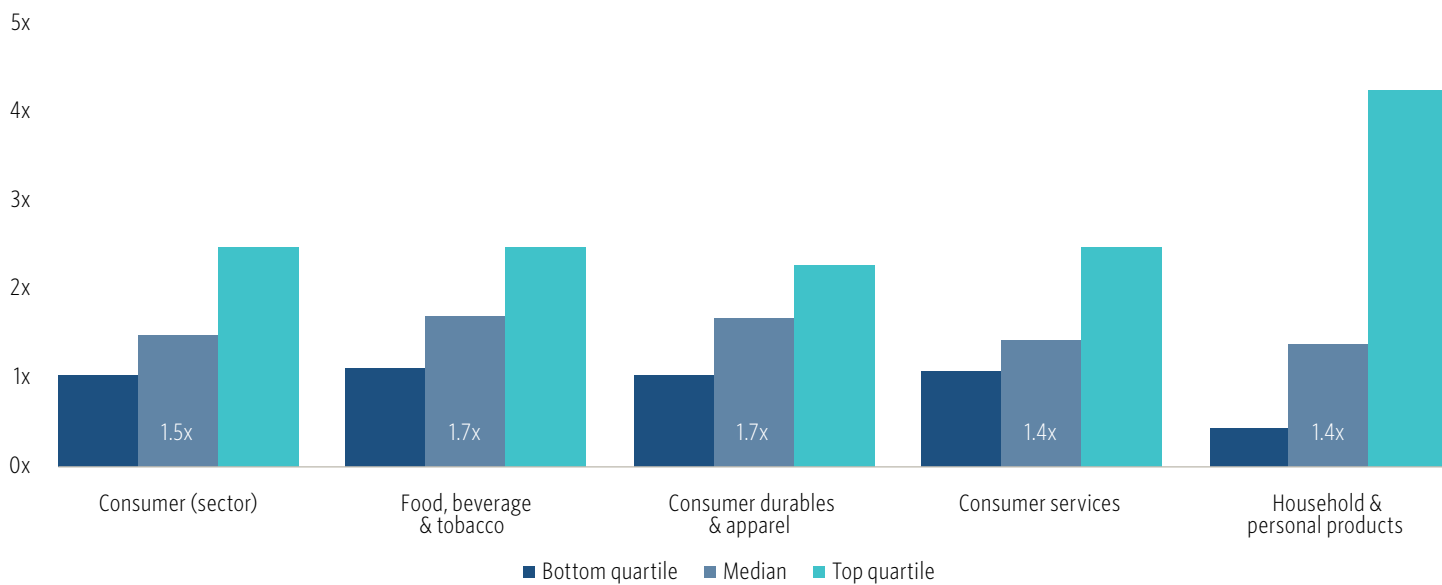
Industrials MOIC by subsector (2018-2025)



Source: DealEdge • Geography: US • As of September 30, 2025

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Consumer MOIC by subsector (2018-2025)

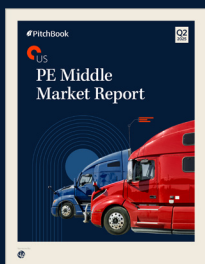


Source: DealEdge • Geography: US • As of September 30, 2025

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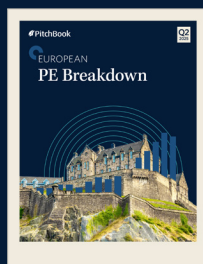
Additional research

Private markets



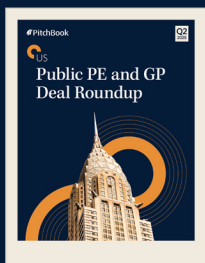
Q2 2025 US PE Middle Market Report

Download the report [here](#)



Q2 2025 European PE Breakdown

Download the report [here](#)



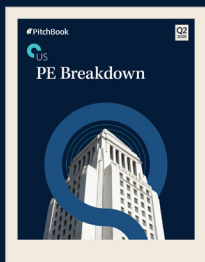
Q2 2025 US Public PE and GP Deal Roundup

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Q2 2025 Global M&A Report

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Q2 2025 US PE Breakdown

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Q3 2025 Analyst Note: From Peak to Pivot: Sponsor Equity Eases as Lenders Loosen Up

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