Pulse of Private Equity Q1'25

A KPMG quarterly analysis of global private equity activity.

Executive Summary

April 2025

Kpmg.com/PulseofPE

Global insights

Quieter start to Q1’25 than expected, with deal count softer than anticipated

While there was a strong sense of optimism heading into 2025, actual deals activity was more muted; proposed PE deployment fell from $463.8 billion across 4,958 deals in Q4’24 to $444.9 billion across 3,762 deals in Q1’25. A diversity of issues caused global PE investors to become more cautious, including concerns about trade flows, pricing volatility, interest rates, US tariff policies, and the potential for trade wars. Despite the uncertainty, global PE investors continued to focus on sectors with long-term growth potential and predictable upsides.

Americas attracts largest share of PE investment in Q1’25

The Americas accounted for the largest share of proposed PE deployment in Q1’25, with $287.1 billion in funding across 1,868 deals. In the EMA region, both deal value and deal count fell — to $109.1 billion across 1,555 deals — in Q1’25, driven in part by a number of major elections as well as a challenging economic environment across key markets such as the UK, Germany and France.

Of the $37.5 billion in PE announced deal value seen in the ASPAC region during Q1’25, Japan accounted for
$20.2 billion — nearly eclipsing its 2024 annual total of $22.8 billion — as ongoing regulatory pressures and cultural shifts continued to make carve-outs and major restructuring more socially acceptable creating
a new avenue to PE investors. By comparison, PE investment in China was very slow, with activity amounting to just $4 billion across 36 deals.

Infrastructure remains a key focus of PE investment

Infrastructure continued to be a very large play for PE investors globally in Q1’25 — including both traditional infrastructure (e.g., energy transportation and storage) as well as IT and AI infrastructure — likely given the sector’s ability to provide long-term stable sets of cash flows. During Q1’25, PE investors showed interest in data centers, likely driven by growing recognition of the huge demand for processing capacity to address the needs of AI and generative AI in the years to come.

Number of PE funds globally shrinking as biggest funds attract the bulk of investment

Q1’25 saw the launch of 19 new private equity funds globally in the $500 million to $1 billion range — a notable surge compared to the 65 funds of that size raised during all of 2024. This uptick reflects a broader trend of capital consolidation, with limited partners (LPs) increasingly allocating capital to a smaller pool of asset managers. The beneficiaries of this trend are primarily well-established firms with proven track records, as well as high-performing niche funds with differentiated strategies. Large PE firms continue to expand — both by raising larger funds, by diversifying their strategic offerings and increasing investment flexibility. Meanwhile, smaller and emerging funds face mounting pressure, struggling to deliver strong returns amid market volatility and limited exit opportunities. Despite these challenges, the global PE industry continues to grow, with assets under management rising steadily as investors maintain long-term confidence in the asset class.

Global insights

Corporate restructuring and carve-outs driving opportunities for PE investors

Globally, many corporates have recognized the need to transform their businesses to become more efficient given the current business environment and have put a major focus on protecting their core operations and assets. In some jurisdictions, companies have undertaken carve-outs, giving PE firms potential acquisition opportunities; in others, companies have started to seriously consider sales to PE firms to improve their long-term viability. This trend has been particularly noteworthy in countries like Japan which have historically not been receptive to PE buyouts.

In India, PE firms have also seen their investment opportunities evolve. Historically, most PE deals in India were minority investments, while in recent quarters majority investments have become more popular — even the norm.

Value creation driving PE investment; tech-enablement increasingly key

Over the last couple of years, the PE industry globally has shifted away from a focus on financial engineering and multiple arbitrage and towards one more attuned to value creation. This evolution has accelerated in recent quarters, with tech-enablement now being seen as an increasingly critical draw for deal-making. This has led to PE firms becoming more active investors in a wide range of tech-enabled areas, including regtech, fintech, and insurtech; even in the industrials space, PE investors are increasingly focused on tech plays able to drive unique value creation opportunities.

Global IPO market remains dry; energy and industrials see strongest exit deal flow in Q1'25

The IPO market globally remained quiet in Q1'25, despite expectations of a pickup in activity heading into the quarter. Evolving geopolitical uncertainties and turbulence in the public markets led many prepared companies to pause or delay their IPO plans. That said, PE funds will likely continue to look at dual track exits, choosing private sales to strategics or other PE funds should there be an agreeable price.

It wasn't all bad news on the exit front; the global energy sector saw exit deal flow reach $119.7 billion in Q1'25 — surpassing it's 2024 annual total of $111.9 billion. The global industrials manufacturing sector also saw strong exit value in Q1'25 ($110.8 billion), compared to $182.8 billion during all of 2024.

Take-privates continue to attract attention

Q1'25 saw a resurgence in large take-private transactions, signaling renewed confidence in the credit markets. Notable deals included the proposed $23.7 billion take-private of Walgreens Boots Alliance by Sycamore Partners in the US[7], and the $5.2 billion proposed acquisition of Shinko Electric Industries in Japan by a consortium comprising JIC Capital, Mitsui Chemicals, and Dai Nippon Printing.[8] While deal sizes were substantial, the underlying strategies focused on long-term value creation; PE firms saw significant upside in acquiring underperforming and undervalued public companies and rebuilding their foundations to unlock sustainable growth

PE firms embracing flexible investment structures

Private equity firms globally are increasingly embracing more flexible investment structures and creative funding strategies than in years past. These approaches range from taking minority stakes in attractive assets to partnering with other PE firms, sovereign wealth funds, or family offices to co-invest in larger deals. This growing openness to non-traditional structures reflects a strategic shift, as firms look to expand their toolkit for capital deployment amid a more complex dealmaking environment. By diversifying their approaches, PE firms can access a broader range of opportunities and manage risk more effectively, even in uncertain market conditions.

Global insights

Trends to watch for in Q2'25

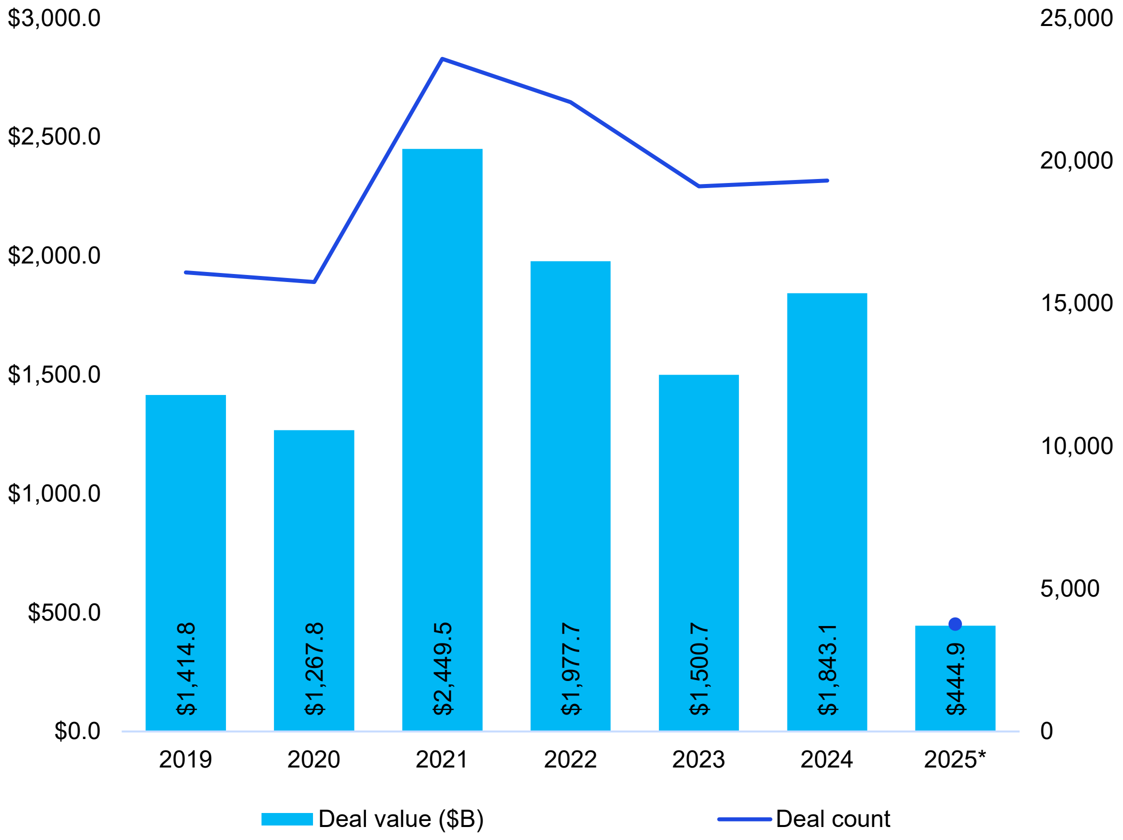
As Q2'25 begins, lingering tariff uncertainties, reciprocal trade actions, and broader geopolitical tensions are expected to weigh on global private equity deal activity. While this environment may lead to a slowdown in transactions, it could also present opportunistic buying opportunities for PE investors willing to navigate volatility. In the near term, deal flow is expected to concentrate in sectors more resilient to tariff shocks — such as business services, infrastructure, healthcare, and domestically focused businesses.

Once there is greater clarity around government policies, investor confidence is likely to rebound, potentially setting the stage for a recovery in dealmaking in the second half of 2025. Until then, many investors may remain cautious.

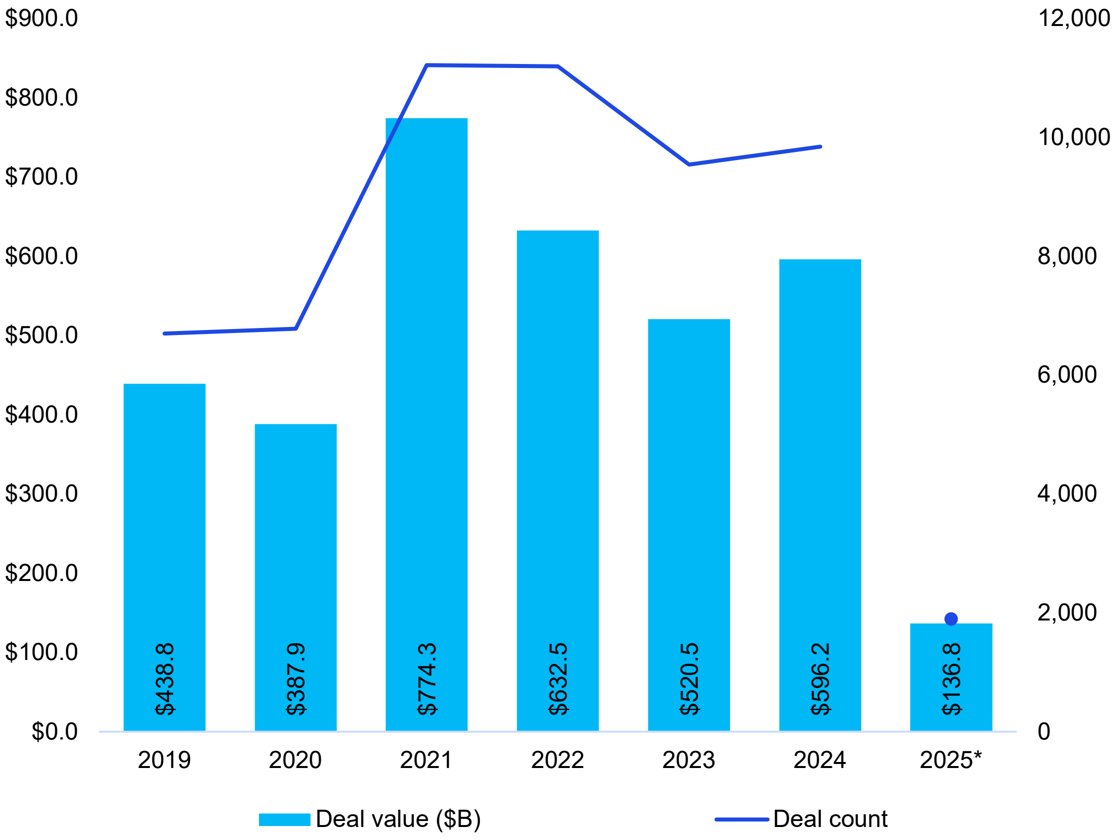
Meanwhile, the exit market remains a critical area of focus. While demand for exits is rising across all regions, continued market turbulence — particularly in the IPO space — will likely keep public listings subdued through mid-year. Mounting pressure from LPs to return capital could result in forced exits at less-than-ideal valuations, particularly for funds nearing the end of their investment horizon. Longer term, PE investors are expected to show increasing investment flexibility as they continue striving to deploy capital.

PE dealmaking sees moderate start

Global PE deal activity



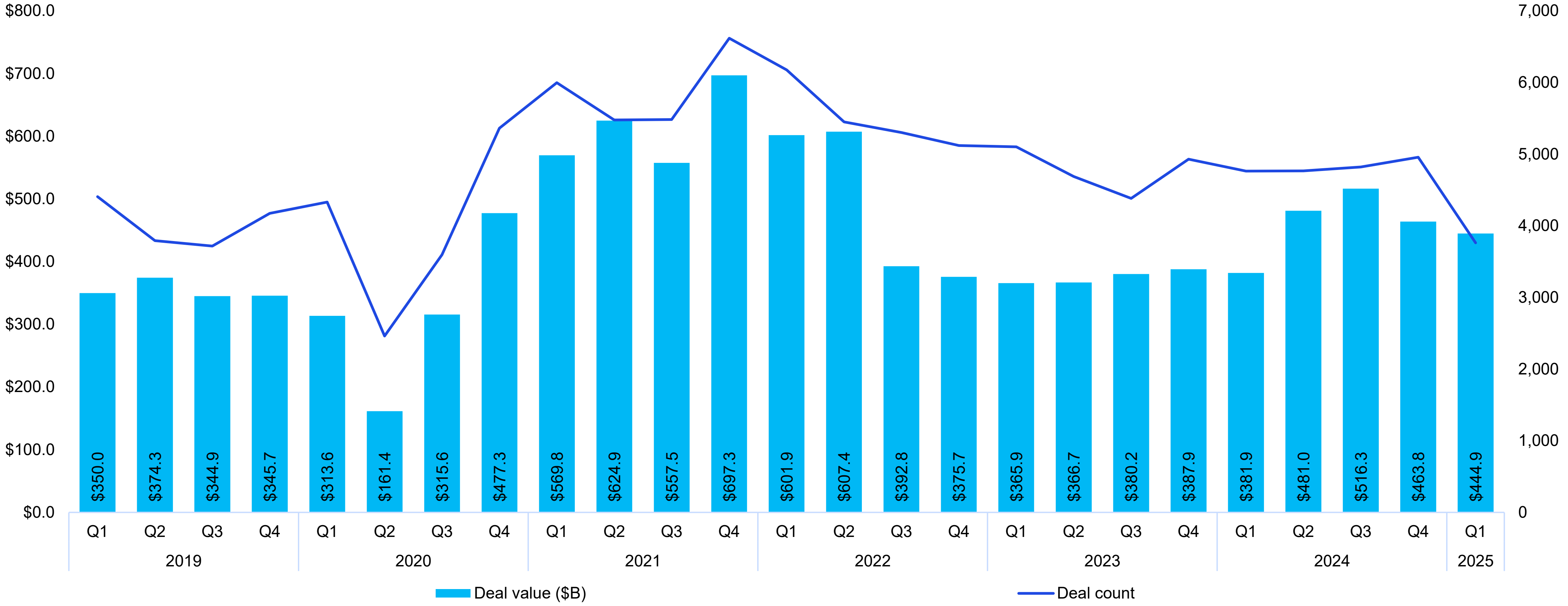
Global PE add-on/bolt-on activity



*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Momentum slows

Global PE deal activity



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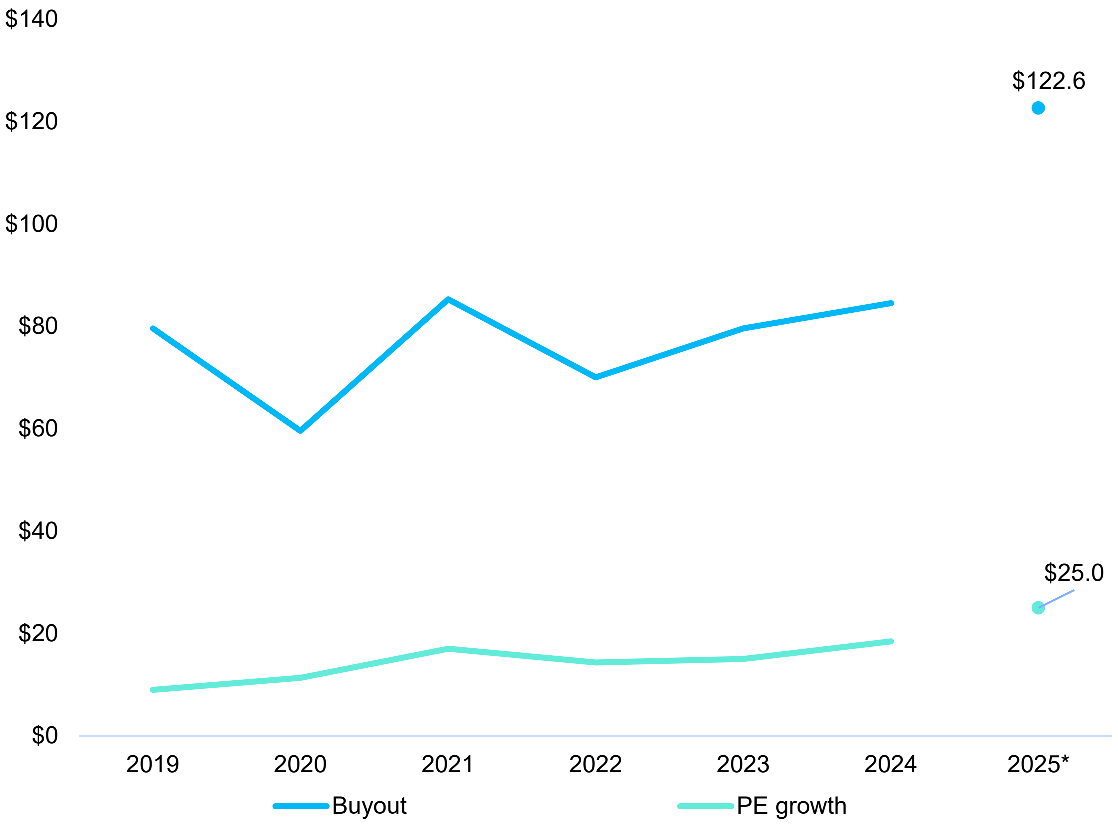
Buyout sizes surge

Global median PE deal size ($M) by type



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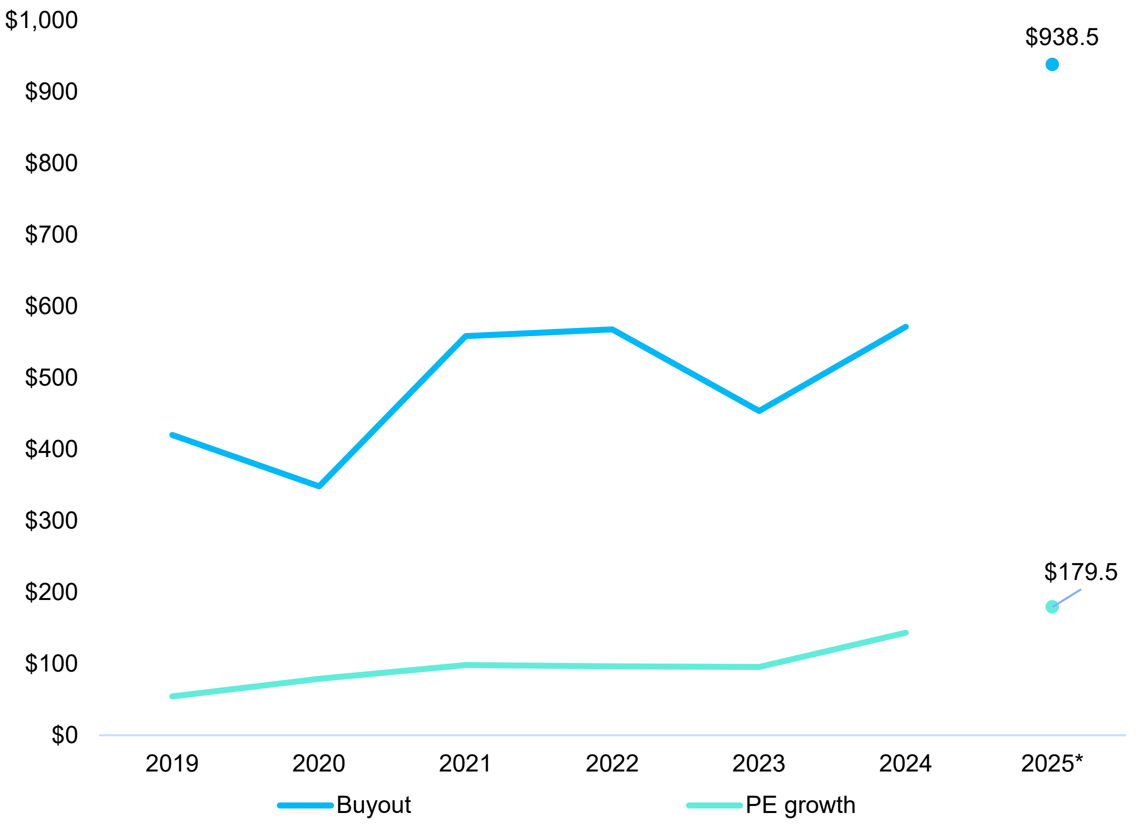
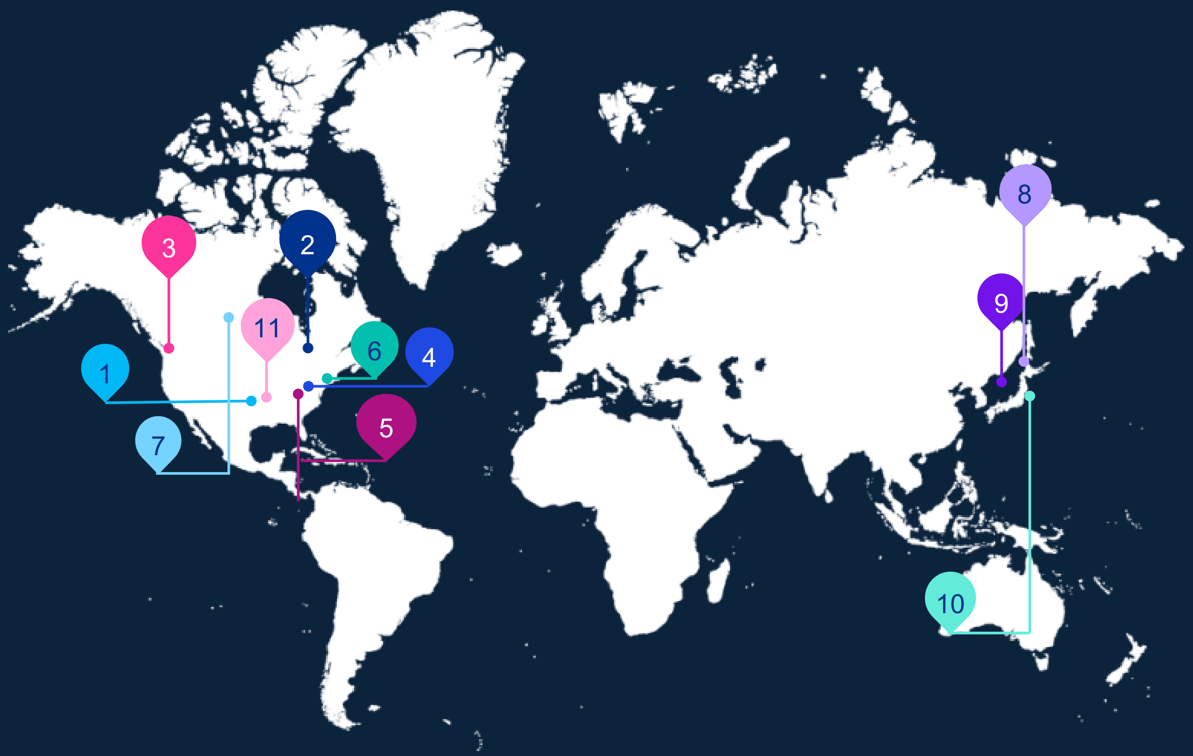


*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Global insights

Top 10 global deals announced in Q1 2025



1. **Panama Ports*** - $22.8B, Panama City, Panama - Buyout, *Logistics*
2. **Beacon Roofing Supply -** $11B, Herndon, US – M&A, *Distributors/wholesale*
3. **Mr. Cooper Group -** $9.4B, Coppell, US – Add-on, *Financial services*
4. **Crown Castle Intl. Fiber -** $8.5B, Houston, US – Add-on, *Communications & networking*
5. **Dun & Bradstreet -** $7.7B, Jacksonville, US – Take-private, *Information services*
6. **Safe Harbor Marinas -**$5.65B, Dallas, US – Corporate divestiture, *Marine*
7. **GFL Environmental Svcs. Unit** - $5.5B, Vaughan, Canada – Corporate divestiture, *Environmental services*
8. **York Holdings Company** - $5.4B, Tokyo, Japan – Buyout, *Financial services*
9. **Shinko Electric Industries** - $5.2B, Nagano City, Japan – Take-private, *Materials*
10. **Mitsubishi Tanabe Pharma** - $4.7B, Osaka, Japan – Corporate divestiture, *Pharmaceuticals*

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*Note: The most prominent parts of the deal are the two Panama ports that are included as part of the transaction, but 40+ other ports are included as well.

Regional insights

US insights

Mix of headwinds and tailwinds affecting US market

Private equity investment and deal activity remained relatively steady in the US during Q1’25, with a notable increase from Q4’24. Investment rose from $210 billion across, 2,113 deals in Q4’24 to $234 billion across 1,670 deals this quarter — reflecting a strong start to the year.

However, momentum in the latter half of the quarter was tempered by rising concerns over newly implemented tariffs on imported goods and the potential for retaliatory counter-tariffs. Despite these emerging headwinds, several supportive factors — such as ongoing deregulation efforts and lower energy costs — are expected to provide some balance and could help sustain PE investor confidence in the months ahead.

Large PE firms raising bigger funds as smaller funds struggle

In Q1’25, US private equity funds raised $66.8 billion across 80 deals — a slight dip compared to the same period last year. While overall fundraising was marginally lower, the quarter reinforced a key trend: fund sizes in the US continue to grow, driven primarily by the largest and most established PE firms with a track record of positive returns.

This expansion in fund size has contributed to an uptick in megadeals, as firms seek to effectively deploy record levels of dry powder. However, this cycle of consolidation and scale has made the fundraising environment increasingly difficult for smaller and mid-market players —especially first-time fund managers. Many have faced significant headwinds in securing commitments, as LPs concentrate capital with firms that offer broader platforms, proven track records, and perceived lower risk.

Value creation becoming a critical focus for PE firms

When interest rates were very low, many PE firms in the US focused primarily on add-ons and roll-ups as a key means to grow company scale and reach in order to lift valuations. As capital grew more expensive, this focus has shifted quite dramatically; currently, many PE firms are prioritizing real value creation over scale growth, including applying superior management techniques and technologies to operations in order to improve efficiencies, lower costs, enhance value outputs, and drive corporate revenue. While add-ons have remained a tool in the PE firm toolkit, many add-ons in the current market have been smaller in size and focused on opportunities to use the add-on to drive more value within a business rather than simply to provide scale.

Interest in energy transition and transport continues to surge

The Americas energy sector continued to attract strong interest from private equity investors in Q1’25, driven by soaring energy demand and a wave of large-scale transactions. PE investment in the sector reached $35.7 billion versus $94.4 billion in all of 2024. While deal count remained roughly in line with last year’s pace, the sharp rise in deal value reflects the presence of several outsized deals.

Investor focus within the sector has shifted notably in recent quarters. While enthusiasm for renewable energy assets such as wind and solar has cooled, interest in traditional energy sources — particularly natural gas and LNG — has gained significant momentum. Additionally, PE firms ramped up investment in energy transportation and storage infrastructure, positioning themselves to capitalize on the growing need for reliable energy distribution and backup capacity.

US insights

Industrials see renewed interest from PE investors

Despite being among the sectors most exposed to tariff-related risks, US industrials saw renewed private equity interest in Q1'25. This counterintuitive trend may be linked to the sector's evolution in response to pandemic-era disruptions. The challenges of COVID-19 pushed many industrial businesses to redesign their supply chains — making them more flexible, diversified, and resilient.

As a result, select companies in the sector are now better equipped to navigate geopolitical uncertainty and trade-related volatility. Their operational adaptability and proactive risk management have allowed them to gain a competitive edge, making them attractive targets for PE firms seeking value in sectors that can weather shifting macroeconomic conditions.

Exits remain very dry in US

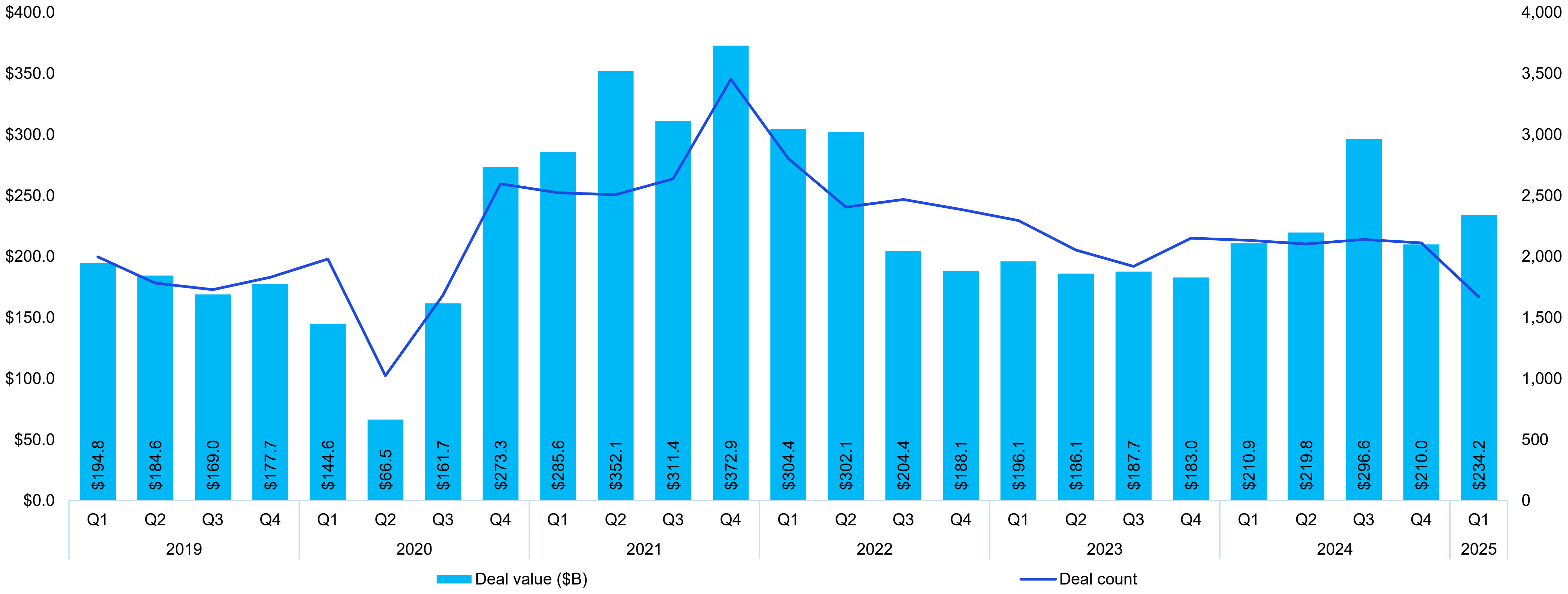
Heading into 2025, there was widespread optimism that the IPO window would finally reopen, marking the end of a multi-year drought in public exits. However, renewed geopolitical tensions and macroeconomic uncertainty in Q1'25 once again delayed those plans. Many companies postponed IPOs, opting to wait for more favorable market conditions.

Private exits also remained soft during the quarter, largely due to persistent valuation mismatches between buyers and sellers. This ongoing gap has significantly extended holding periods for many PE funds, complicating portfolio management and return timelines. There were some notable exceptions — particularly in the industrial manufacturing, energy, and healthcare sectors — where a handful of outsized deals did occur.

Still, overall exit volume across the US remained subdued. As pressure from LPs continued to build, a growing number of PE funds began exploring alternative liquidity strategies, including rolling assets into continuation vehicles to generate partial returns and maintain control of high-potential assets.

Q1 2025 is robust in historical terms

US PE deal activity



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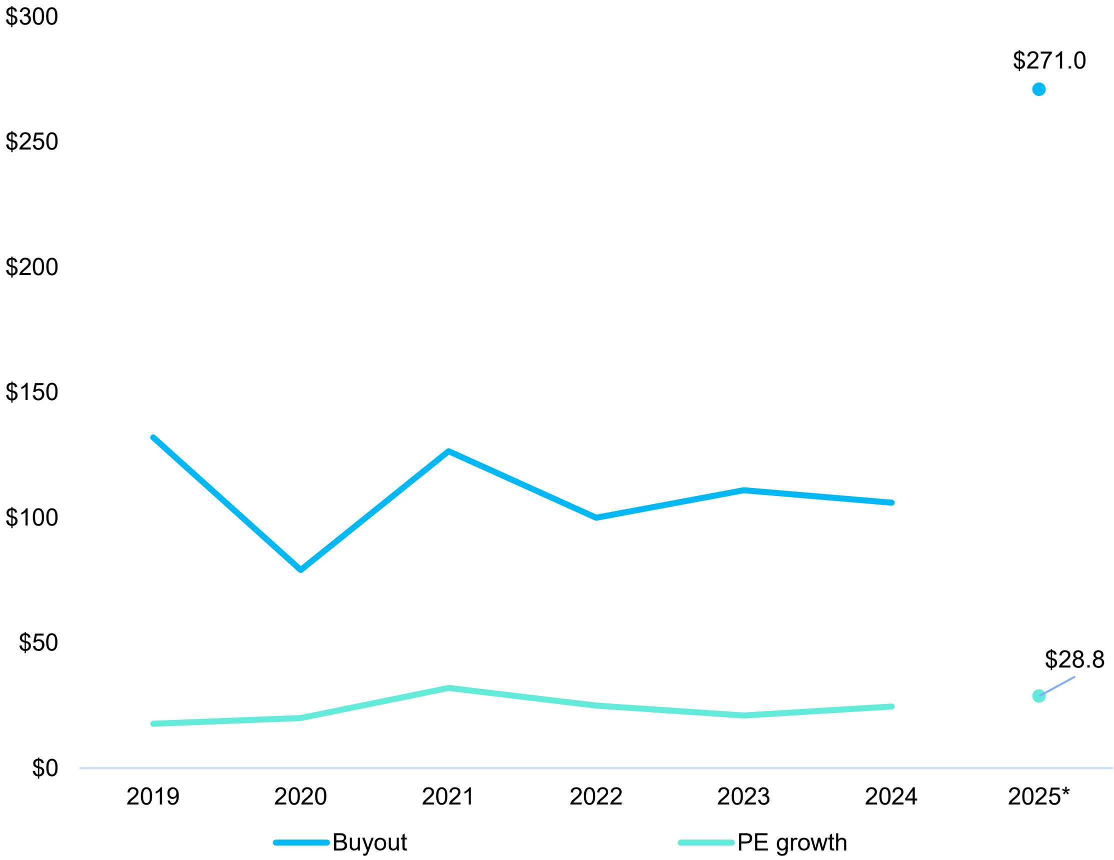
Deal sizes on the upswing

US median PE deal size ($M) by type



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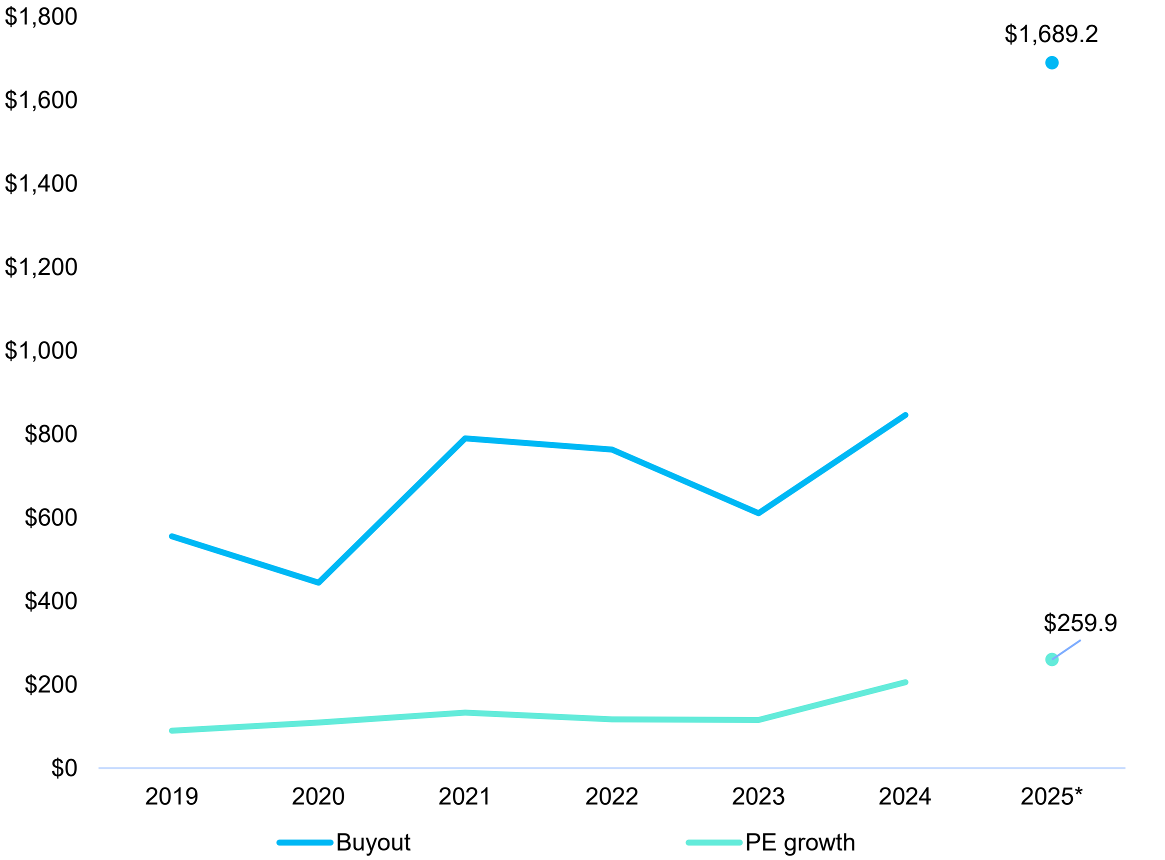


Source: PitchBook, data as of March 31, 2025. Note: The 2025* figures for M&A are based on a population size of n < 30.

Americas insights

PE market in Americas facing increasing headwinds

2024 was one of the strongest years on record for private equity investment and deal activity — second only to the record-breaking highs of 2021. This performance underscored the ongoing strength and resilience of the PE market across the Americas. While the US captured the lion's share of activity, other jurisdictions also saw significant momentum. Canada, notably, reached a new all-time high in PE deal value in 2024.

That strength continued into Q1'25, with the Americas recording $287 billion in PE investment. Canada stood out once again, attracting $26.3 billion in PE capital during the quarter — an exceptional figure relative to historical norms.

However, despite the solid investment totals, overall deal count across the region fell short of 2024's pace. Much of the decline can be attributed to growing concerns over escalating trade tensions, particularly tariffs between the US and key trading partners such as Canada, Mexico, and others in the region. These uncertainties have led many PE firms to adopt a more cautious stance as they evaluate new opportunities.

PE investors increasingly embracing minority deals

Within the Americas, but particularly in the US, several of the large PE funds have begun to make inroads into the private wealth space — making their funds available to smaller, high-net worth investors and family offices. This has led such "retail funds" to embrace more diversified investment approaches, including minority investments where they are not actively involved in value creation directly but want to open the door to specific investment opportunities for their retail investors.

Minority investments have also increasingly come into play in cases where PE funds in the Americas may have invested in a business based on a value creation thesis but then realized that the opportunity was not quite what they expected. In these cases, PE funds have become far more proactive about selling part of their stake to a PE fund with relevant expertise to mitigate risks and drive returns for both funds.

Energy sector sees strong PE investment in Q1'25, in addition to B2B

The energy sector was particularly active across the Americas in Q1'25, with $35.7 billion in PE investment — already representing over a third of the $94.4 billion invested in the space during all of 2024. While deal count was slightly below last year's pace, the quarter featured several high-value transactions. Notable proposed deals included CDPQ's $10 billion agreement to acquire Canada-based Innergex Renewable Energy,[9] the $2.8 billion sale of a stake in AEP's transmission companies to the KKR-PSP consortium,[10] Brookfield's $1.7 billion acquisition of National Grid's onshore renewables business,[11] and Blackstone's $1 billion deal to acquire Potomac Energy Centre.[12]

The B2B sector also saw strong momentum during Q1'25. Major transactions included BlackRock's $22.8 billion investment in Panama Ports,[13] QXO's $11 billion acquisition of Beacon Roofing Supply,[14] Clearlake Capital's planned $7.7 billion acquisition of Dun & Bradstreet,[15] and the $3 billion acquisition of Triumph Group by Warburg Pincus and Berkshire Partners.[16]

[9] BNN Bloomberg, "Quebec pension fund manager to buy Innergex Renewable Energy in deal valued at $10 billion," 25 February 2025.
[10] BNN Bloomberg, "KKR and PSP to Buy AEP Transmission Stake for $2.8 Billion," 9 January 2025.
[11] Financial Post, "Brookfield makes $1.7 billion renewables bet on increasing AI, data power needs," 24 February 2025.
[12] Reuters, "Blackstone to buy $1 billion Virginia power plant near data centers," 24 January 2025.
[13] Reuters, "BlackRock to buy Hong Kong firm's Panama Canal port stake amid Trump pressure," 4 March 2025.
[14] Reuters, "Beacon Roofing agrees to $11 billion QXO buyout, ending takeover battle," 20 March 2025.
[15] Clearlake, "Dun & Bradstreet Enters Into a Definitive Agreement To Be Acquired by Clearlake Capital Group," 24 March 2025.
[16] Reuters, "Aero parts maker Triumph to go private in $3 billion deal," 3 February 2025.

Americas insights

PE firms targeting essential support sectors in AI and other hot areas

Interest in AI solutions continued to accelerate across the Americas during Q1'25, and private equity firms increasingly shifted their focus to industries that support and enable the broader AI ecosystem. Rather than competing for high-valuation core AI assets, many firms pursued opportunities in adjacent sectors. Data centers, in particular, emerged as a hotspot for PE investment during the quarter, given their foundational role in powering AI infrastructure. Similarly, PE investors targeted undervalued companies operating one or two tiers down the value chain — businesses providing essential services such as hardware support, cloud infrastructure, data connectivity, and analytics — viewing them as strategic plays to gain exposure to AI-driven growth without the premium price tags.

Strong quarter of PE investment in Canada, but uncertainties loom

Building off a record-breaking year for private equity investment in 2024, Canada began 2025 on solid footing, recording $26.3 billion in PE investment during Q1. However, total deal count declined compared to Q4'24, reflecting growing investor caution amid evolving trade tensions with the United States. A series of tariff announcements from both governments during the quarter likely dampened market sentiment, introducing new layers of complexity to cross-border deals.

This cautious tone is expected to carry into Q2'25, as PE investors take a more measured approach while awaiting greater clarity on trade policy. Many are pausing to assess the implications of new tariffs and to incorporate potential risks into their due diligence processes before moving forward with new transactions.

Within Canada, the energy sector stood out as a bright spot for PE activity in Q1. The quarter was led by CDPQ's proposed landmark $10 billion agreement to acquire Canada-based Innergex Renewable Energy,[17] signaling continued investor appetite for assets tied to long-term infrastructure and energy transition themes.

Brazil and Mexico driving PE investment in Latin America

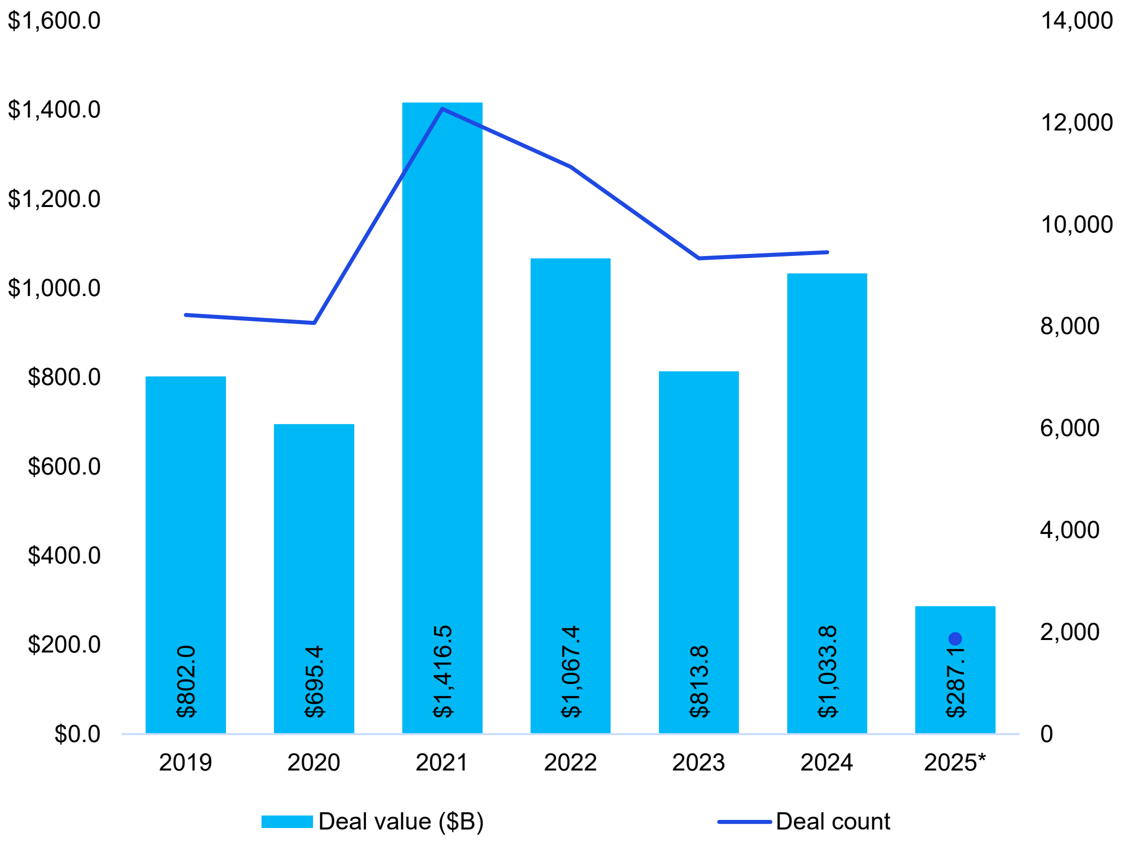
Brazil and Mexico continued to attract the largest share of PE investment in Latin America, followed distantly by Columbia and Chile — although Mexico has seen PE investment slow significantly over the last quarter as a result of shifting US tariff policies. While the US has continued to be a key source of investment in Latin America — with many large US firm setting up dedicated LATAM funds to make local investments — wealthy families in the region have also established family offices that are acting much like PE firms. These family offices have picked up some of the slack as international investors have pulled back. Brazil-based funds are also growing and making more investments in other parts of Latin America.

At a sector level, both fintech and tech more broadly are attractive areas for PE investment in Brazil. Renewable energy and mining are also seeing interest from PE investors, in addition to infrastructure — ranging from ports and logistics to telecom infrastructure and data centers. In Brazil, agriculture and ag tech are also starting to see some PE interest.

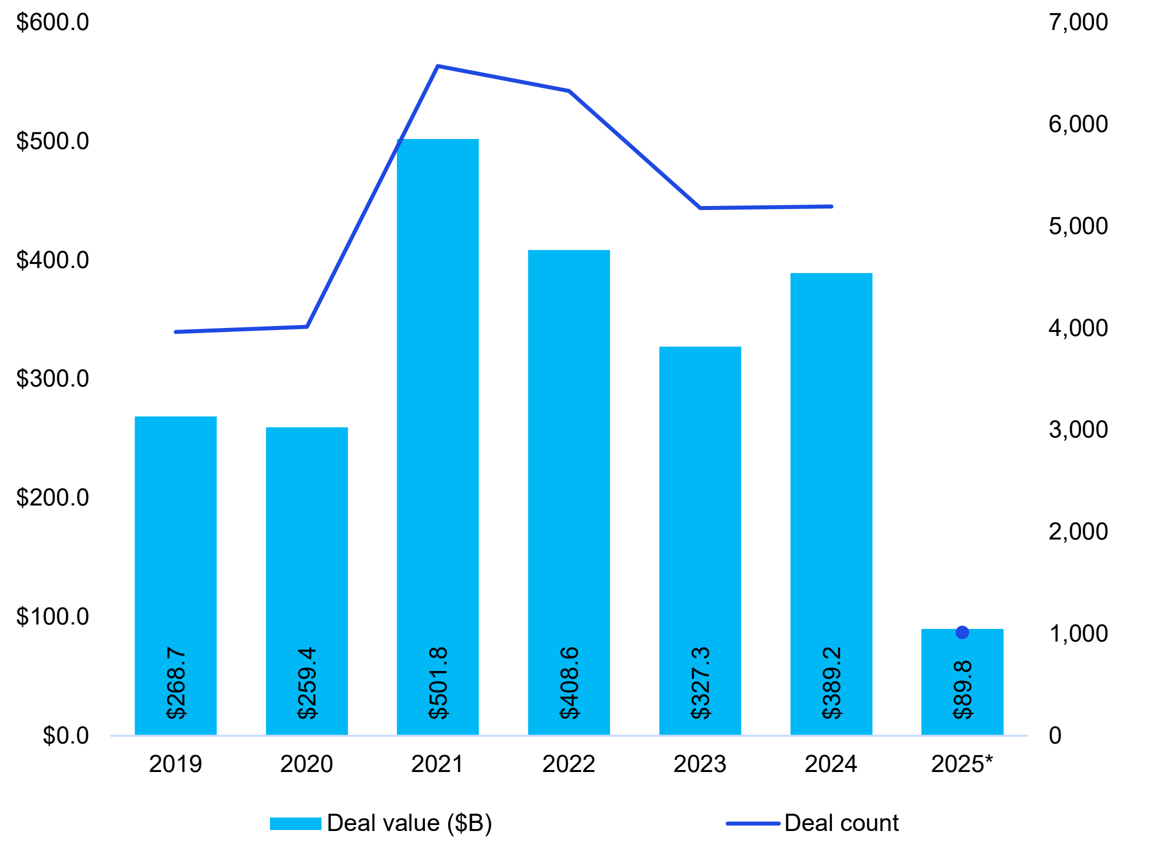
US tariff policies will be critical to watch in Q2'25, in addition to their related impact on currencies — both the US dollar and currencies within Latin America. Should interest rates rise in the region, PE investment will likely be affected.

Add-ons help boost volume

Americas PE deal activity



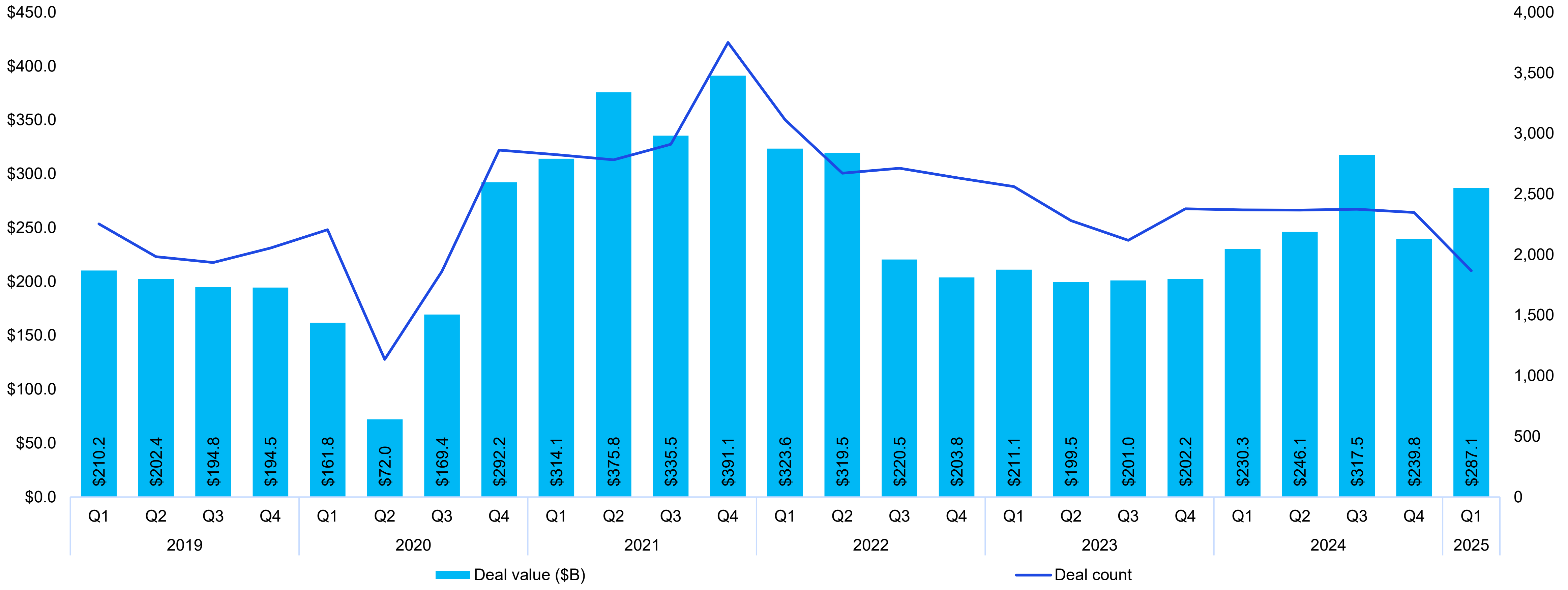
Americas PE add-on/bolt-on activity



*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Q1 sees historically robust value tally

Americas PE deal activity



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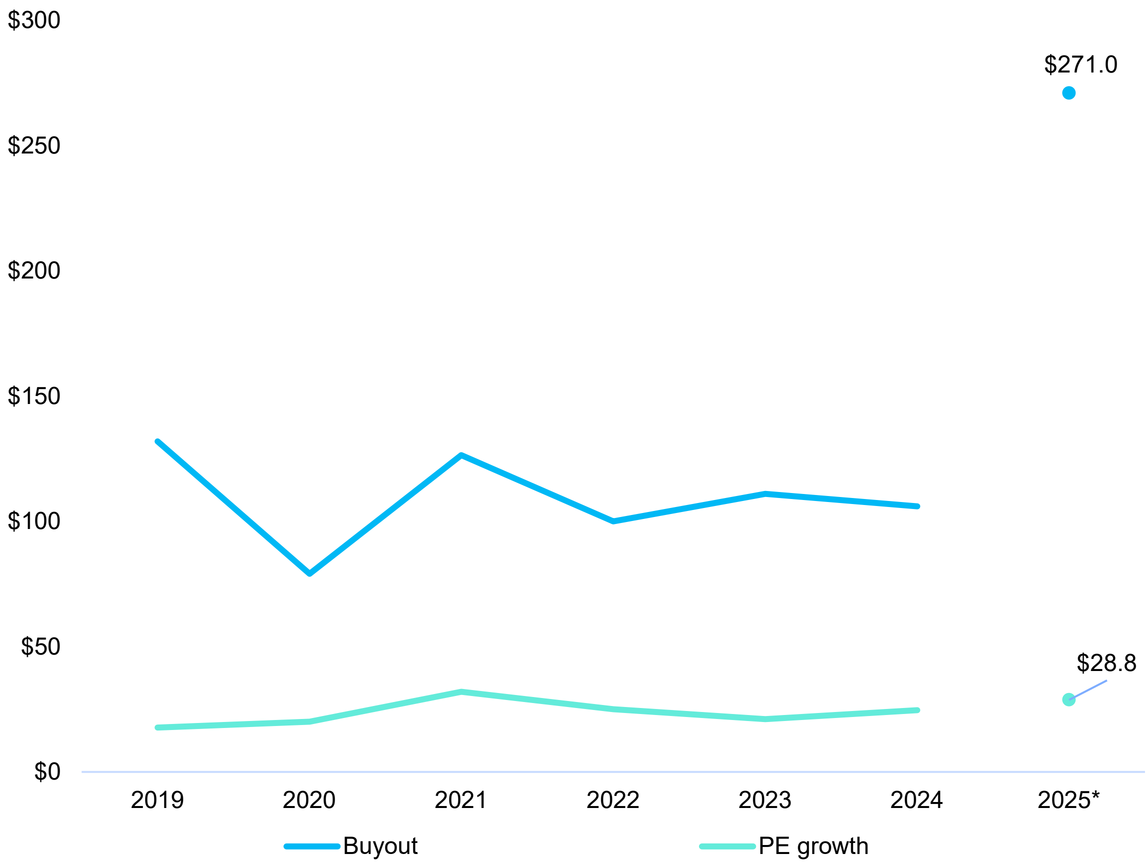
Confident increases in deal sizes

Americas median PE deal size ($M) by type



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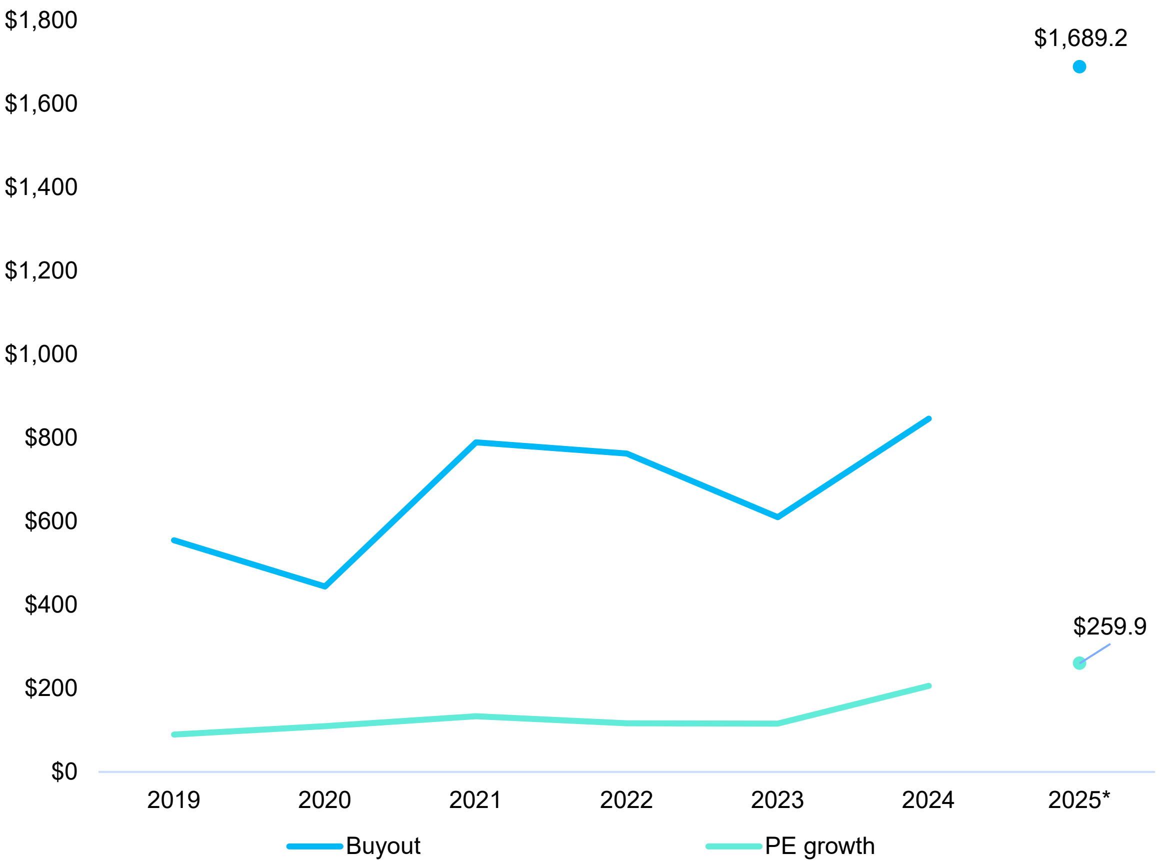
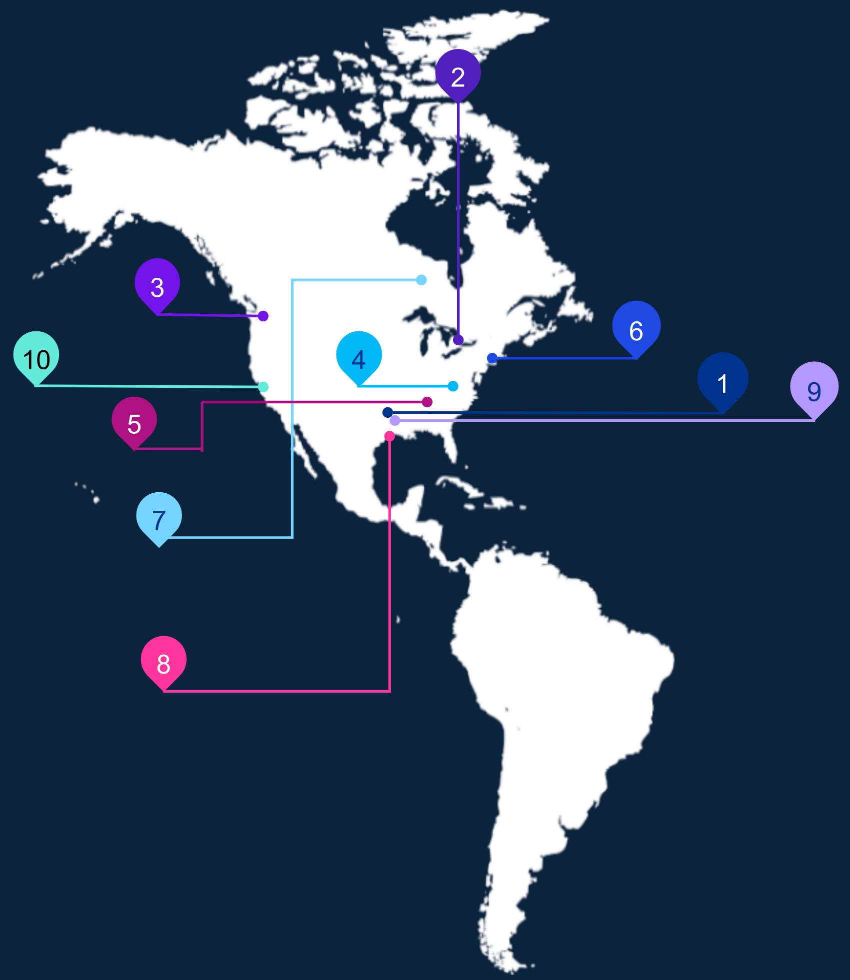


Source: PitchBook, data as of March 31, 2025.

Americas

Top 10 Americas deals announced in Q1 2025



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6. **Safe Harbor Marinas -**$5.65B, Dallas, US – Corporate divestiture, *Marine*
7. **GFL Environmental Svcs. Unit** - $5.5B, Vaughan, Canada – Corporate divestiture, *Environmental services*
8. **Crown Castle Small Cells Solutions -** $4.25B, Houston, US – Corporate divestiture, *Communications & networking*
9. **Edifecs** - $3.05B, Bellevue, US – Add-on, *Business software*
10. **Triumph Group** - $3B, Radnor, US – Take-private, *Aerospace & defense*

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*Note: The most prominent parts of the deal are the two Panama ports that are included as part of the transaction, but 40+ other ports are included as well.

EMA insights

Slower start to the year for PE investment in EMA region

During Q1'25, the EMA region announced $109.2 billion in private equity investment across 1,555 deals —both figures falling well short of the pace set in early 2024. The slowdown likely reflects a combination of macroeconomic and political headwinds, including general elections in Germany in February 2025 and France in the second half of 2024, sluggish economic conditions in the UK, and growing uncertainty surrounding US trade policy, which weighed on investor sentiment toward the end of the quarter.

PE investors in UK show more caution in Q1'25 compared to 2024

During the second half of 2024, PE activity in the UK was reasonably strong, driven in part by the Bank of England's transparency around cuts to interest rates, in addition to PE interest rising in both business services and IT services — two sectors where the UK has long been seen as a regional leader. Q1'25 saw the tide turn as PE investors grew more cautious because of weakening economic conditions in the UK and growing concerns over US trade policies. During the quarter, the UK saw just $23.2 billion invested across 324 deals, marking a significant decline from the previous year. Despite the decline, the UK saw a number of good-sized PE deals, including the buyout of Metaphysic by Brahma for $1.4 billion[18] and a $750 million investment in Bute Energy by Copenhagen Infrastructure Partners.[19]

PE investment in Germany drops after stellar Q4'24

After reaching a significant high of $39.9 billion of investment across 278 deals in Q4'24, announced PE investment in Germany fell to $18.5 billion across 184 deals in Q1'25. Highlights of Q1'25 deal activity included Bain Capital's $4.2 billion acquisition of Apleona from PAI Partners[20] and PAI's $2.9 billion acquisition of a majority stake in Motel One.[21]

Deal activity was starting to pick up late in Q1'25 following the country's federal election in February and subsequent passing of a law loosening the country's debt brakes related to security and defense spending and creating a $547 billion infrastructure fund.[22]

The new funding is expected to catalyze improvements in infrastructure, defense, healthcare and a number of other critical sectors. Given the substantial level of funding, it will likely spur deals in a number of sectors over time; as Germany begins to recover and gain stability, the country could also attract additional interest from foreign PE investors.

Within Germany, mid-market owners and family businesses used to be quite opposed to PE; this sentiment has shifted, with PE firms increasingly seen as reliable partners and highly professional problem-solvers by both family businesses and large corporates. This is leading more mid-market owners to sell to PE than has been seen historically.

[18] Businesswire, "Brahma Announces Acquisition of Metaphysic to Turbocharge Development of AI-Native Product Suite," 18 February 2025.
[19] Bute Energy, "Major boost to green energy as £600m invested in Welsh companies," 26 February 2025.
[20] Bain Capital, "Bain Capital Announces Strategic Investment in Apleona," 14 February 2025.
[21] Pai Partners, "PAI Partners enters partnership with Motel One to accelerate international growth," 3 March 2025
[22] BBC, "Germany votes for historic boost to defence spending," 18 March 2025.

EMA insights

India gaining attention as investors shift focus from China

In India, the rapid growth of the middle class has driven a major uptick in demand in sectors well-aligned with PE investment, including consumer products, e-commerce, healthcare, education, and banking. As China has lost traction with global PE investors, India has gained ground — with more PE firms looking at the country for investment opportunities. Over time, PE investment in India is expected to grow.

Increasing focus on tech-driven opportunities

At a sector level, PE investors across the EMA region showed an increasing focus on tech-driven opportunities, including in areas like software, industrial-tech, health-tech, med-tech and fintech during Q1'25.

At a jurisdictional level, the professional and IT services space in the UK saw a significant amount of PE deal activity — even more so than tech-driven deals. In Germany and France, the industrials space continued to see solid activity; as large industrial players have embraced transformation and modernization, a number have looked to separate out some of their non-core and underperforming assets.

PE interest in healthcare space undergoing fundamental shift

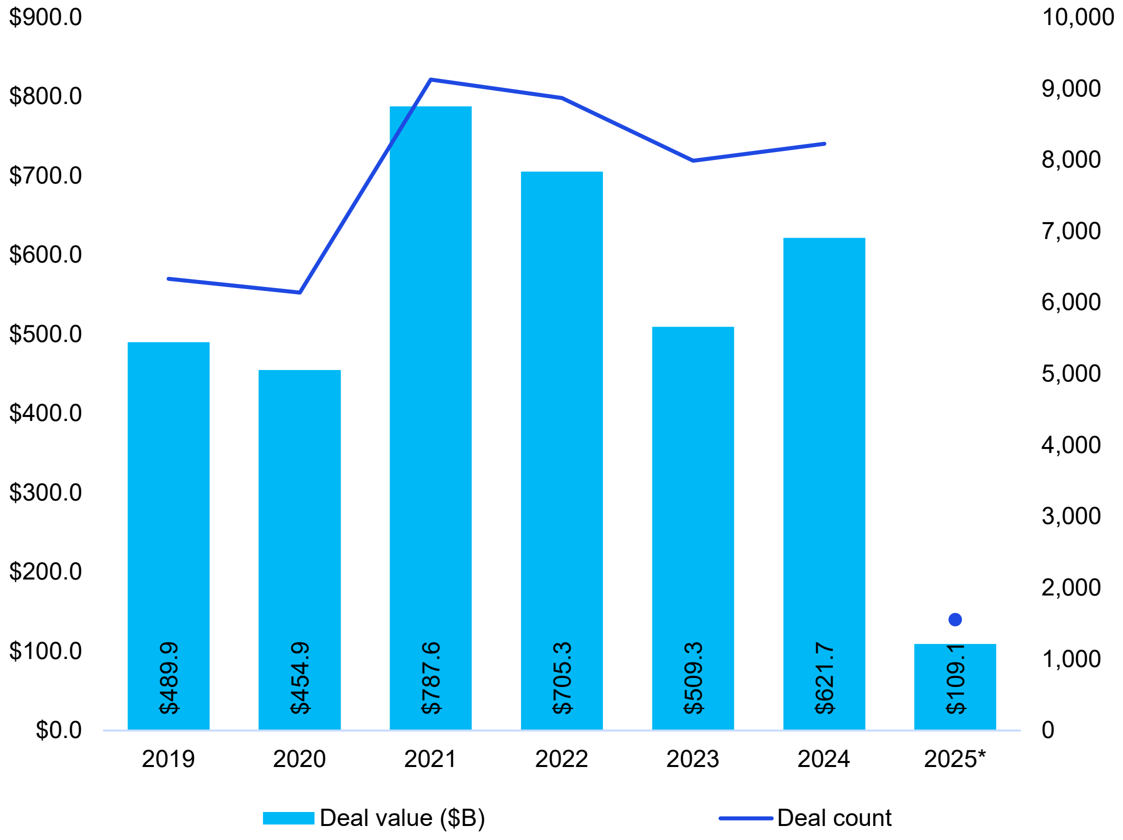
Healthcare has long been a focus for PE investors, with interest historically centered around hospital chains, elder care facilities, and related infrastructure where scale efficiencies were seen as key opportunities in markets without significant regulatory barriers. In recent quarters, interest in the healthcare space shifted considerably, with PE investors increasingly focused on medtech and healthtech given the major upside associated with applying technology to historically manual processes — from health monitoring and reporting to ordering processes and medical record keeping.

Add-ons remain a key contributor to PE activity

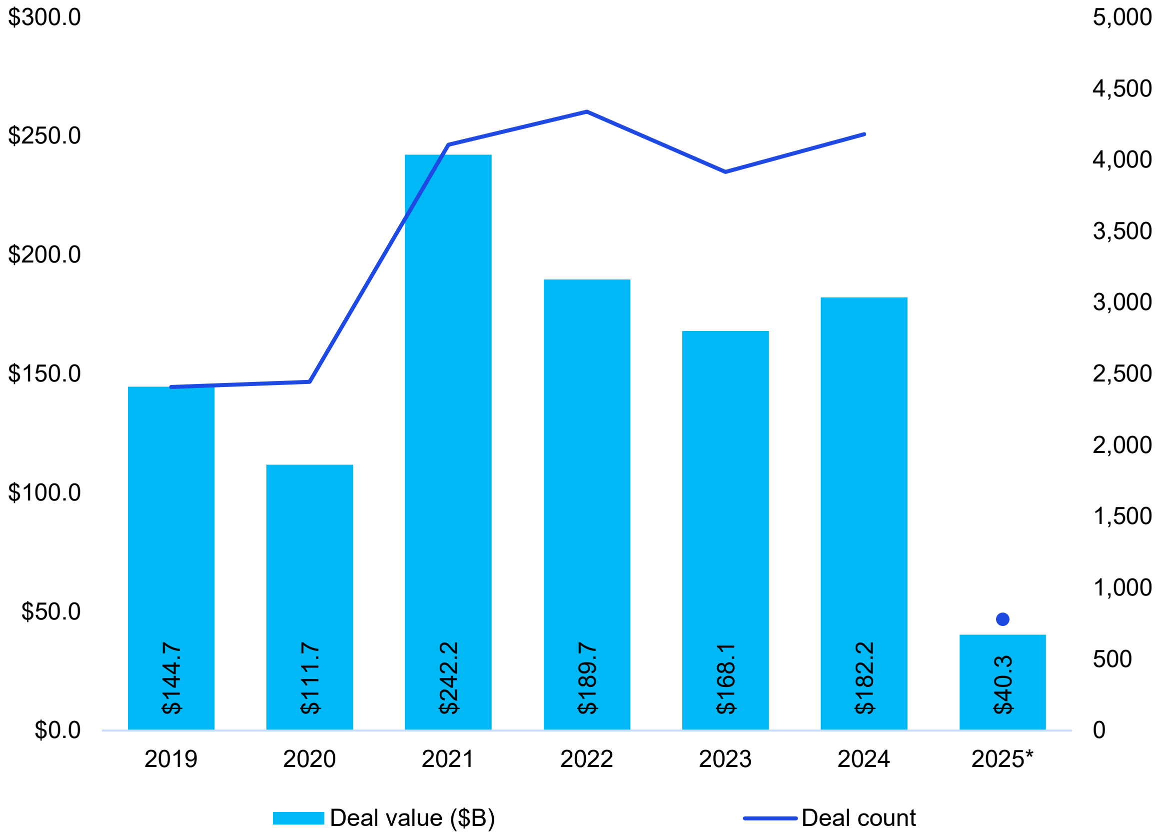
While activity slowed significantly from levels seen in previous years, PE investors in the EMA region have continued to focus on add-ons as a means to enhance growth synergies and market presence. These have occurred both through in-country consolidation plays and as cross-boarder plays focused on neighboring countries rather than overseas markets. Within the add-on sphere, key sectors of focus in Q1'25 included professional services, value management, and healthcare. AI also attracted some activity — primarily as small tuck-in deals aimed at enriching a portfolio's products or processes using AI.

EMA sees slowing volume to start 2025

EMA PE deal activity



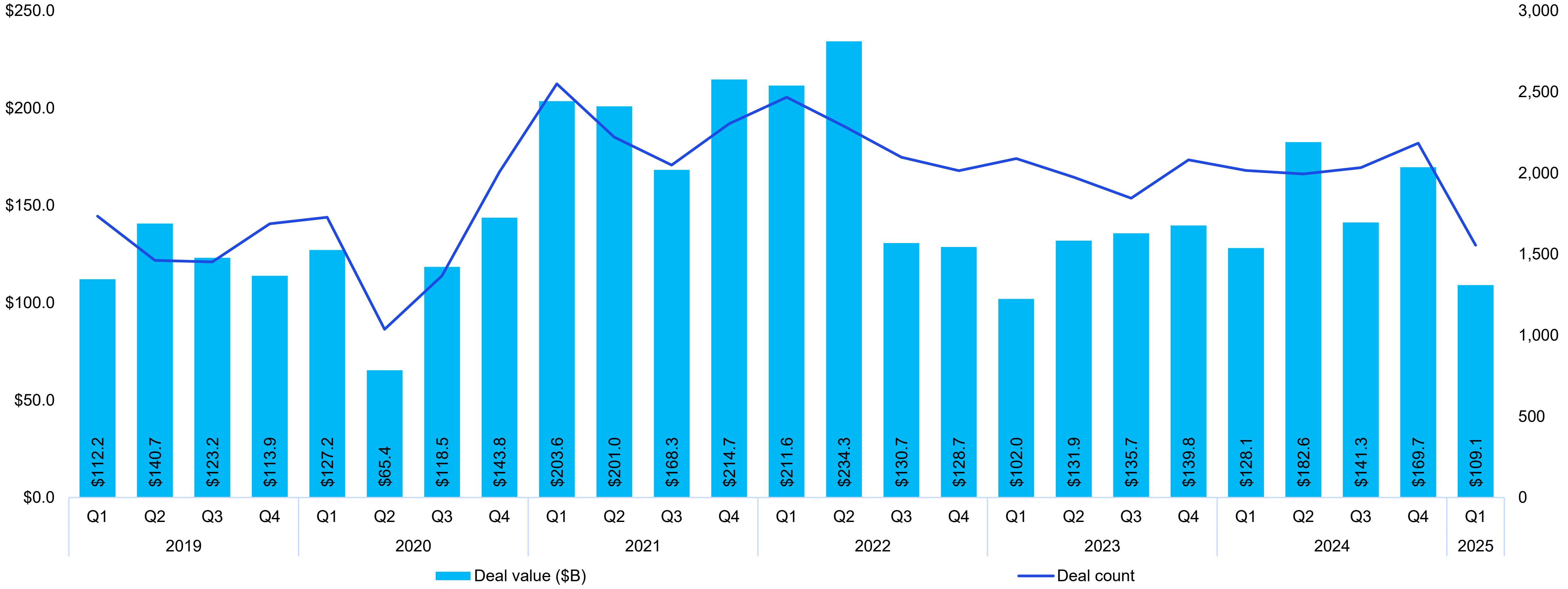
EMA PE add-on/bolt-on activity



*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Dealmaking begins to falter

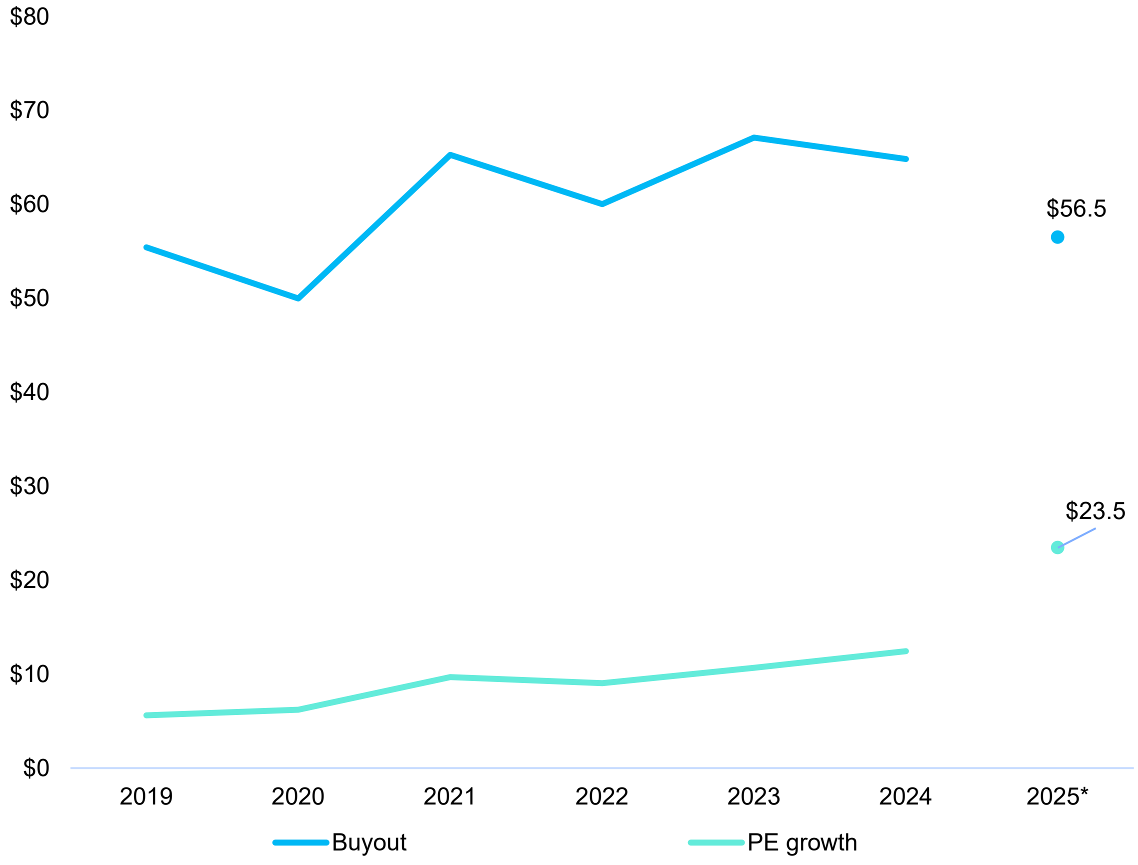
EMA PE deal activity



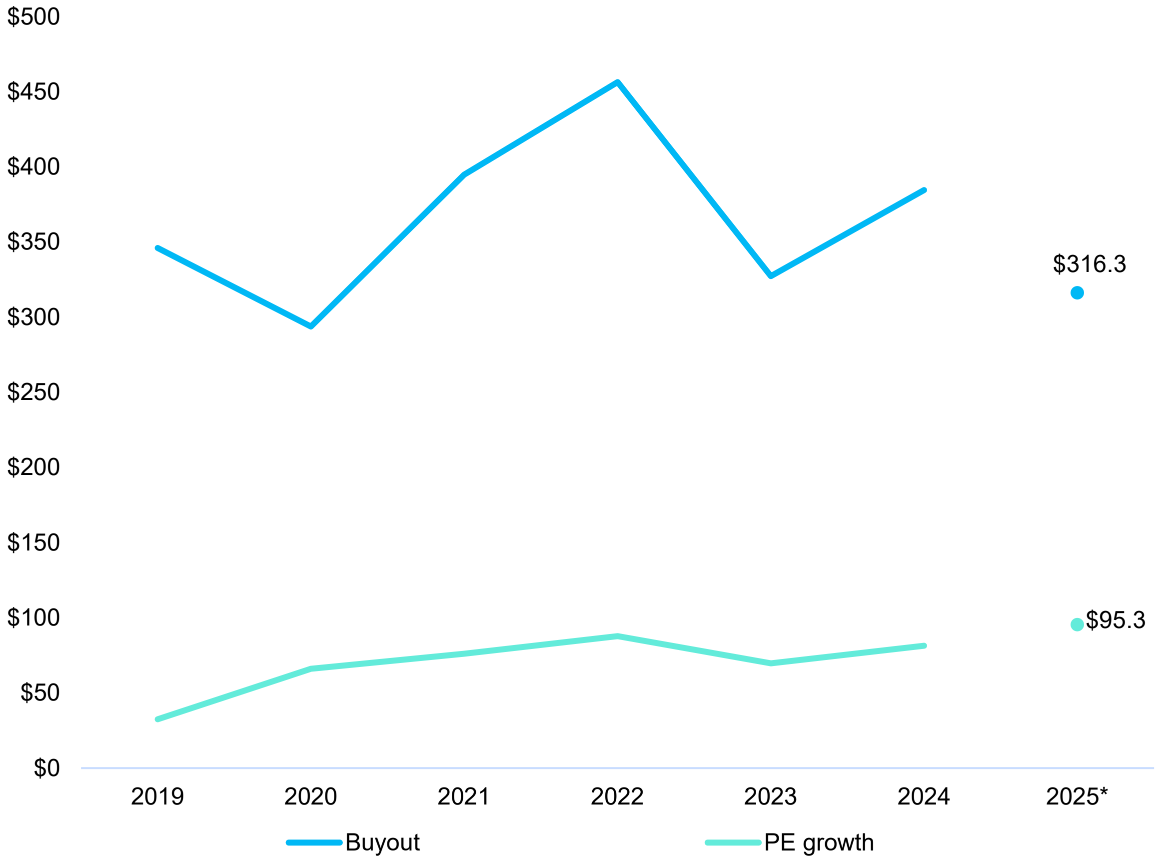
Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Deal sizes hold steady, mostly

EMA median PE deal size ($M) by type



EMA average PE deal size ($M) by type



Source: PitchBook, data as of March 31, 2025. Note: The 2025* figures for M&A are based on a population size of n < 30.

EMA

Top 10 EMA deals announced in Q1 2025

1. **Apleona -** $4.1B, Neu-Isenberg, Germany – Secondary buyout, *Commercial services*
2. **Motel One -** $2.9B, Munich, Germany – Buyout, *Hotels & resorts*
3. **OEG Offshore -** $1.1B, Kintore, UK – Secondary buyout, *Energy equipment*
4. **Akuo Energy -** $1B, Paris, France – Buyout, *Energy exploration*
5. **Clanwilliam Group -** $450M, Dublin, Ireland – Buyout, *Healthtech*
6. **HealthCare Global Enterprises -** $400M, Bengaluru, India – Secondary buyout, *Healthcare services*
7. **IMO Car Wash Group -** $385M, High Wycombe, UK – Corporate divestiture, *B2C services*
8. **Tietoevry Tech Services -** $321.1M, Espoo, Finland – Corporate divestiture, *IT services*
9. **B&K Securities -** $218.8M, Mumbai, India – Buyout, *Brokerage*
10. **OrderYOYO -** $165.7M, Copenhagen, Denmark – Take-private, *Information services*

Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

ASPAC insights

PE investment in Japan helps buoy ASPAC results in Q1’25

The Asia-Pacific region saw $37.5 billion in announced private equity investment during Q1’25 — a relatively strong start to the year despite a modest deal count of just 226 transactions. Japan led the region, accounting for the largest share of capital with $20 billion invested, underscoring sustained investor confidence in its stable, domestic-focused economy and ongoing wave of corporate restructuring and transformation.

In contrast, China experienced a quiet quarter, with only $4 billion invested across 36 deals, as persistent regulatory uncertainty and sluggish economic performance continued to weigh on sentiment. Australia also underperformed, attracting just $5.3 billion across 69 deals, significantly below its 2024 pace.

By sector, automotive manufacturing, energy, and industrial manufacturing were standout performers in Q1’25. Over $2.2 billion was invested in the automotive sector, marking a strong quarter as electrification and supply chain reshoring gained momentum. The energy sector saw a strong start as well, attracting $9.4 billion —already well on its way to surpassing the 2024 full-year total of $14.2 billion. Industrial manufacturing also drew heightened interest, with $11.9 billion invested in Q1’25 alone, putting the sector on pace to significantly exceed its 2024 annual total of $23 billion.

The quarter featured several high-profile transactions that helped drive overall deal value. Key deals included Bain Capital’s $5.4 billion acquisition of York Holdings’ headquarters and retail operations,[23] the take-private of Shinko Electric Industries by a consortium including JIC Capital, Mitsui Chemicals, and Dai Nippon Printing,[24] and Bain Capital’s $4.6 billion acquisition of Mitsubishi Tanabe Pharma.[25]

Energy remains big focus for PE investors in ASPAC; digital infrastructure emerging as area of interest

In recent quarters, PE investors in the ASPAC region have shown increasing interest in digital infrastructure opportunities. Interest has run a gamut from pure digital infrastructure and the data centers required to enable large AI plays to logistics businesses providing warehousing, transportation, and delivery of e-commerce packages — areas where PE firms see significant opportunities to maximize efficiencies and drive value creation.

Rising middle class a major driver of PE investment in ASPAC

Rising income levels and the rapid growth of the middle class in many parts of ASPAC — particularly in Southeast Asia, India, and China — has driven an enormous increase in demand for all types of solutions and services, including education, healthcare, banking, consumer products, and e-commerce. Given the alignment with sectors typically favored by PE firms, it’s not surprising that global PE firms have increasingly focused their funds in these high-growth sectors in the region. While investment in China has waned in recent quarters, this macro trend will likely continue to drive the focus of PE investors in other parts of the ASPAC region in Q2’25 and beyond.

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[23] Pai Partners, “PAI Partners enters partnership with Motel One to accelerate international growth,” 3 March 2025.
[24] Pitchbook, “KKR wins Fuji Soft bidding war in $4.1B deal,” 20 February 2025.
[25] Bain Capital, “Bain Capital to Acquire Mitsubishi Tanabe Pharma Corporation,” 7 February 2025.

ASPAC insights

ASPAC exit activity slows further as continuation funds gain ground

Exit activity in the ASPAC region had a notably slow start to 2025, continuing the downward trend seen in recent years. Achieving high-quality exits has remained a persistent challenge for PE funds in the region — and globally — for more than two years. Over recent quarters, many ASPAC-focused funds have come under increasing pressure from LPs to return capital, particularly those nearing the end of their fund lifecycle.

In response, a growing number of PE firms have turned to continuation vehicles — structures that allow them to transfer portfolio companies from maturing funds into new vehicles. These vehicles offer a way to deliver liquidity to investors while avoiding rushed or suboptimal exits in challenging market conditions.

The increasing use of continuation funds has also sparked broader strategic shifts. Some firms in the region are beginning to rethink their investment time horizons, with a few launching permanent capital vehicles that allow them to retain high-quality assets indefinitely — free from the pressures of fixed fund timelines and forced exits.

Japan's PE market the brightest star on the horizon

The PE market in Japan was the hottest private equity market in the ASPAC region in Q1'25, attracting $20.1 billion in PE investment; this amount was only slightly shy of the total level of investment seen during all of 2024 ($22.8 billion) in Japan. A number of factors have combined in recent years to catalyze Japan's PE market. In particular, shifting cultural norms have made it more socially acceptable for corporates to sell off non-core divisions or underperforming assets and to undertake restructuring activities and productivity improvements. This sea change in business thinking is creating myriad PE opportunities that did not generally exist in the Japan previously.

Interest rates in Japan have also remained extraordinarily low, allowing banks to loan money at terms not available anywhere else in the world —thus providing the fuel needed to support robust deal activity. Adding fuel to the fire, has been the Japanese government's increasing focus on companies trading below their book value, and Tokyo Stock Exchange stock reforms which have enhanced scrutiny and demands on such companies against the risk of being delisted. These changes have created an environment much more conducive to buyouts.

Many multinational PE firms view Japan as one of the strongest PE growth markets globally at present and are currently working to build up their Japan teams in order to better understand and take advantage of the country's potential opportunities.

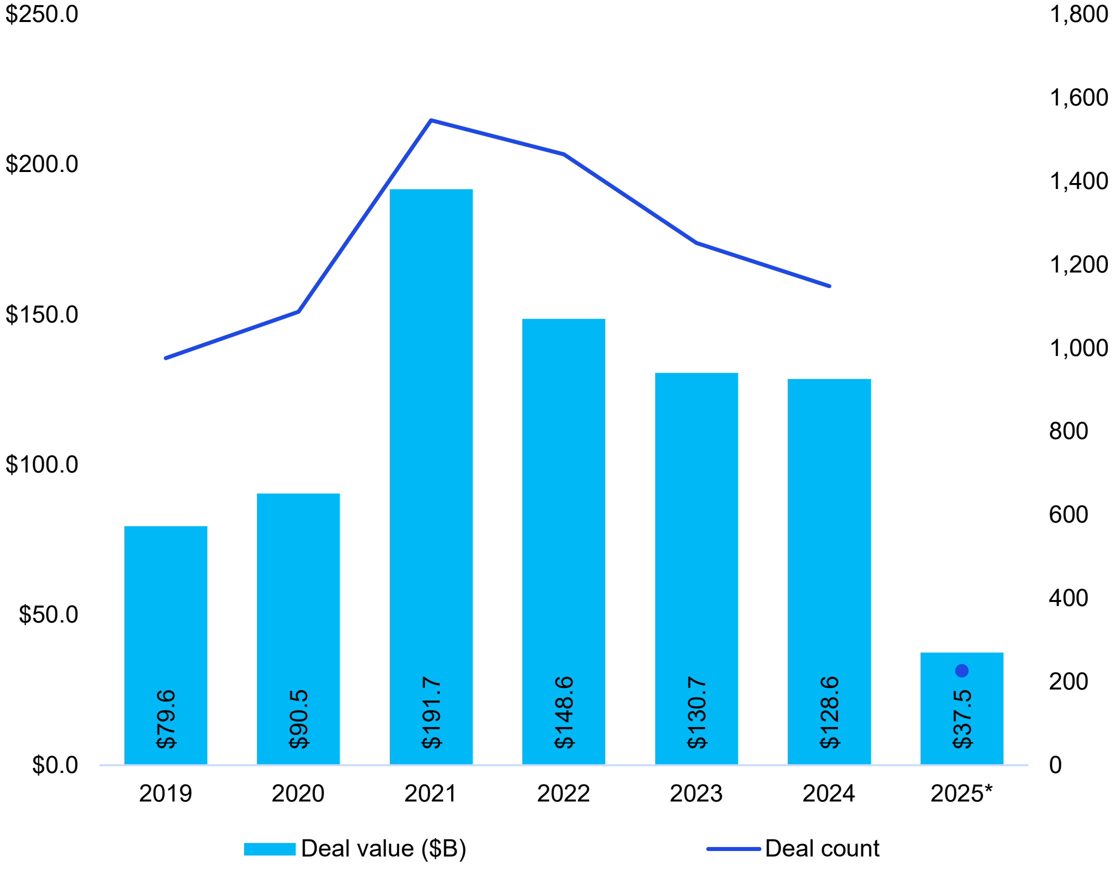
PE activity declines in China as international investors pivot towards India

China experienced a notably soft quarter for private equity investment in Q1'25, recording just $4 billion across 36 deals. The slowdown reflects a continued retreat by global PE investors, who remain cautious amid regulatory uncertainty, macroeconomic headwinds, and persistent geopolitical and trade tensions. Most of the PE activity during the quarter was driven by domestic funds, with limited participation from international investors.

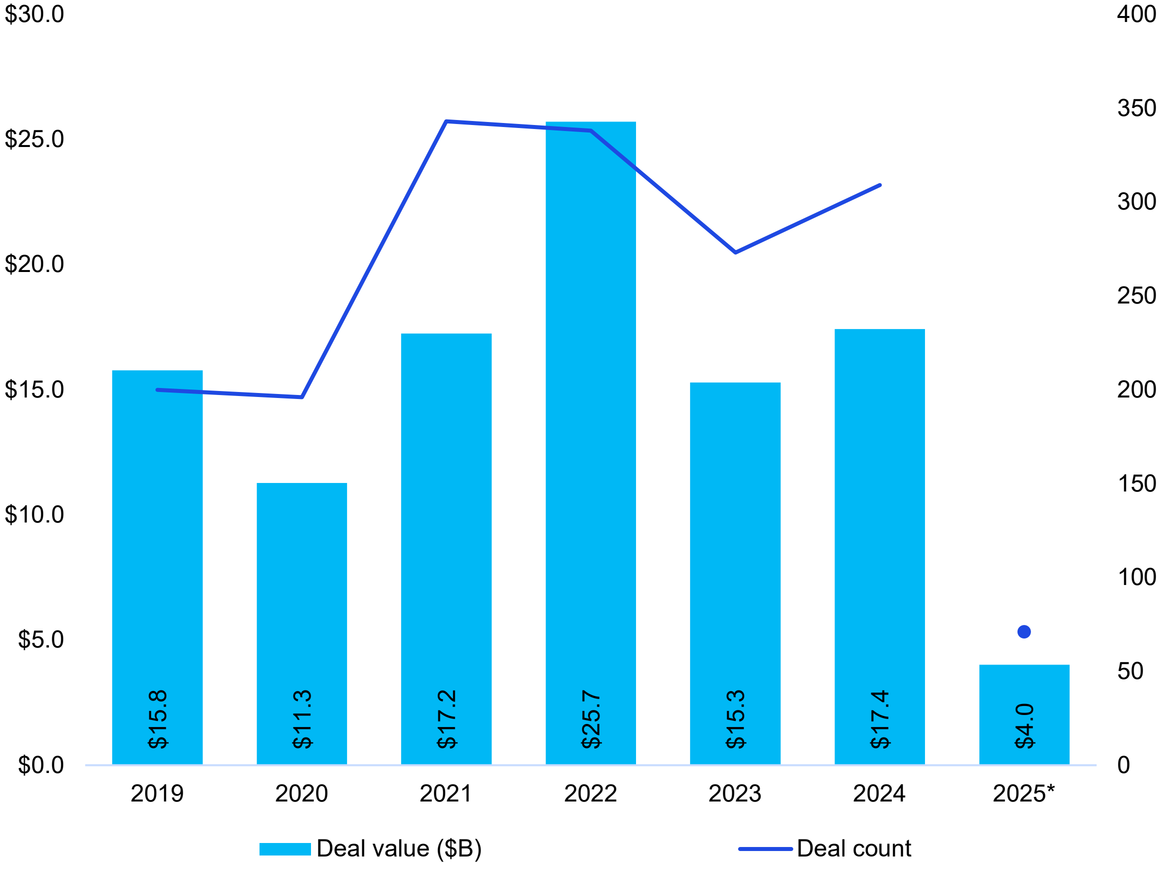
As PE activity in China has declined, India has picked up some of slack in terms of attracting PE capital; other jurisdictions within Southeast Asia have also seen a spillover effect as major funds looked to deploy funds in the region.

Q1 slows after 2024 add-on rebound

ASPAC PE deal activity



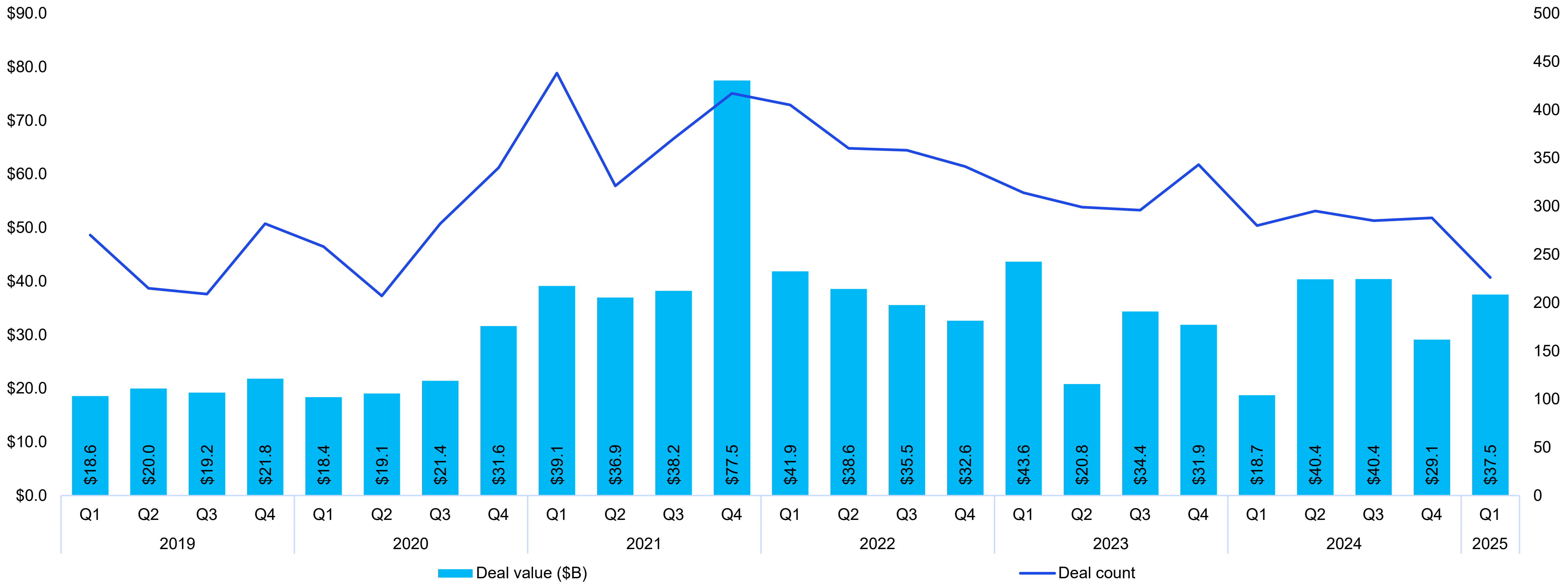
ASPAC PE add-on/bolt-on activity



*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Q1 sees average deal value total

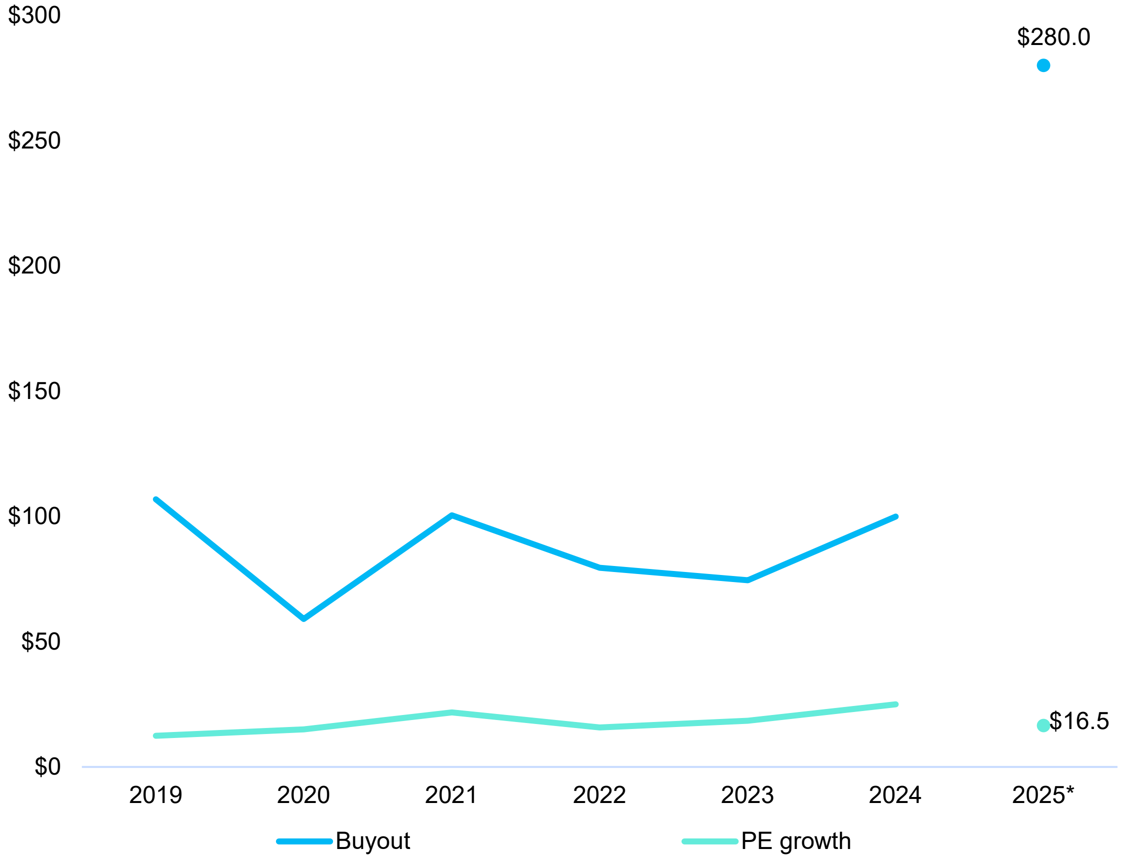
ASPAC PE deal activity



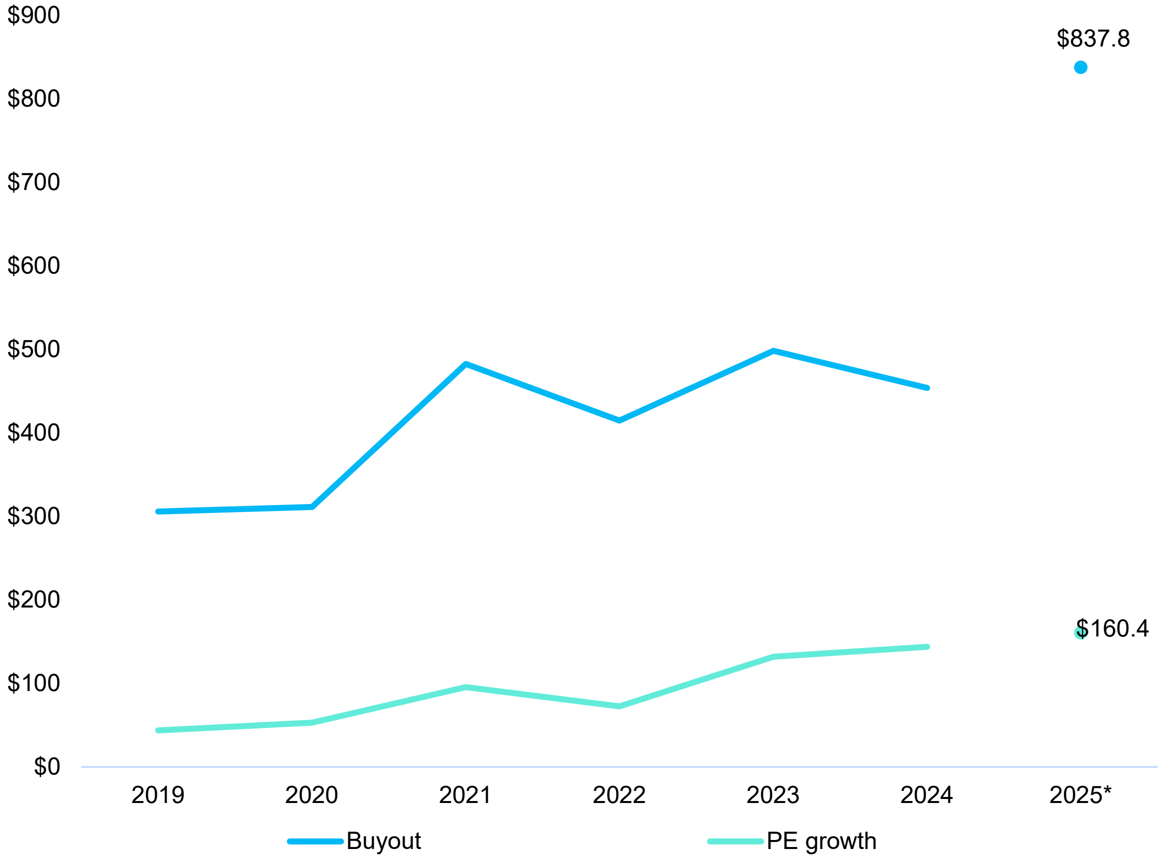
Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

A handful of deals skew tallies thus far

ASPAC median PE deal size ($M) by type



ASPAC average PE deal size ($M) by type



Source: PitchBook, data as of March 31, 2025. Note: The 2025* figures are based on a population size of n < 30.

ASPAC

Top 10 ASPAC deals announced in Q1 2025

1. **York Holdings Company** - $5.4B, Tokyo, Japan – Buyout, *Financial services*
2. **Shinko Electric Industries** - $5.2B, Nagano City, Japan – Take-private, *Materials*
3. **Mitsubishi Tanabe Pharma** - $4.7B, Osaka, Japan – Corporate divestiture, *Pharmaceuticals*
4. **LOTTE Rental -** $1.1B, Seoul, South Korea – Buyout, *Automotive*
5. **Yinson Production -** $1B, Singapore – PE growth, *Energy*
6. **GreenSquareDC -** $756.1M, Sydney, Australia – Buyout, *IT services*
7. **FICT -** $639M, Nagano, Japan – Secondary buyout, *Electrical equipment*
8. **Jamco -** $634M, Tokyo, Japan – Take-private, *Aerospace & defense*
9. **Mayne Pharma Group -** $430M, Salisbury, Australia – Take-private, *Drug discovery*
10. **Blackstone Logistics Units -** $372.3M, Foshan/Dongguan, China – Asset acquisition, *Logistics*

Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

KPMG Private Equity practice

KPMG Asset Management and Private Equity (AM/PE) practice, are integrated, cross-functional and focused on serving private equity firms and their portfolio companies.

KPMG experienced professionals understand the dynamic nature of the private equity marketplace—domestically and in investment centers around the world—and its growth potential. We appreciate the issues that private equity firms face on local, national, and global levels.

KPMG member firms aim to offer a fresh approach to the issues that can challenge private equity clients through their entire lifecycle, from structuring funds to realizing value.

KPMG Asset Management and Private Equity professionals

4,200+
Professionals

920+
Partners

Deep industry experience

How KPMG can help

KPMG Private Equity services are strategically designed to support clients throughout the entire investment lifecycle, ensuring they effectively navigate the complexities of the private equity market. By leveraging its broad global resources and knowledge, KPMG member firms assist clients with various aspects of their investments. This includes fund structuring, where KPMG helps design tailored investment vehicles to meet specific goals, along with comprehensive due diligence that can assess potential risks and opportunities related to acquisitions or investments. In addition, KPMG places a strong emphasis on performance improvement initiatives aimed at enhancing the value of portfolio companies. By leveraging advanced technology and market insights, KPMG professionals equip clients to adapt to changing market conditions and seize growth opportunities across various sectors.

KPMG's strategic approach is characterized by a deep understanding of the dynamic nature of the private equity marketplace, as noted by KPMG's experienced professionals. Their knowledge can position clients to make informed investment decisions and capitalize on the growth potential in a rapidly evolving economy. KPMG member firms' focus on technology-driven solutions further enhances its ability to support firms in navigating investment strategies effectively, thus enriching the value provided throughout the investment lifecycle.

About the report

Methodology and data set descriptions

The datasets in this report sourced to PitchBook were pulled per the methodology below, along with the other details noted hereafter. Geographic assignation is based on the headquarters of the target company in each transaction, e.g. a PE buyout firm headquartered in the UK buying a company based in France would see that transaction credited to France based on company headquarters.

Deals

This report series utilizes a methodology and list of datasets by combining the following: PitchBook PE deal types, PitchBook M&A with at least one primary firm type participant designated as PE, other PE deal types (growth/expansion, PIPE, investor buyout by management, GP stakes), asset acquisitions with at least one PE participant or company backed in part by a PE firm. Announced/in-progress deals are combined with completed deals due to the nature of the M&A and PE dealmaking cycle, wherein a transaction may take years to complete and thus is captured by including such announced/in-progress transactions. Announced dates are used in favor of completed dates for deal timing purposes.

Exits

PitchBook defines exits as any sale of a PE- or VC-backed company that results in a change in majority ownership or listing on a public exchange. Public listings include IPOs and reverse mergers. For the purpose of reporting aggregate exit activity, we use the completion date for IPOs and the announced date for buyouts, M&A and reverse mergers. PitchBook only tracks announced or completed exits, not rumored transactions. Exit value, like deal value, includes exit amounts that were not collected by PitchBook but have been extrapolated using a multivariable regression model. Regardless of the extrapolated exit value, exits of unknown size are subsequently distributed into deal size buckets below 1 billion USD or EUR, based on the corresponding proportion of known deal sizes and exit activity capture estimation rates. Unless otherwise noted, initial public offering (IPO) sizes are based on the pre-money valuation of the company at the time of IPO. PitchBook excludes exits in which the only PE backing was a PIPE.

Fundraising

PitchBook's fund returns data is primarily sourced from individual LP reports, serving as the baseline for our estimates of activity across an entire fund. For any given fund, return profiles will vary for LPs due to a range of factors, including fee discounts, timing of commitments and inclusion of co-investments. This granularity of LP-reported returns — all available on the PitchBook Platform—provides helpful insight to industry practitioners but results in discrepancies that must be addressed when calculating fund-level returns.

To be included in pooled calculations, a fund must have: (i) at least one LP report within two years of the fund's vintage, and (ii) LP reports in at least 45 percent of applicable reporting periods. To mitigate discrepancies among multiple LPs reporting, the PitchBook Benchmarks (iii) determine returns for each fund based on data from all LP reports in a given period. For periods that lack an LP report, (iv) a straight-line interpolation calculation is used to populate the missing data; interpolated data is used for approximately 10 percent of reporting periods, a figure that has been steadily declining.

Beginning with PitchBook Benchmarks featuring data as of Q4 2019, datasets were expanded to include funds with a reported IRR, even if the fund's cash flow data does not meet the pooled calculation criteria. In our Q2 2021 report, additional improvements were made to the inclusion criteria for reported IRRs, which caused some shifts in vintage year data counts compared with prior iterations.

Due to lag in reporting for some funds and liquidation causing older funds to no longer report returns, PitchBook pulls forward cash multiples and IRR information from previous quarters under the following stipulations: (i) extend cash multiples and IRR after five years since fund inception if reported NAV was less than 5 percent of commitments. (ii) If NAV is unknown or is greater than 5 percent after five years, extend cash multiples and IRR if the fund is older than eight years as of the last known data. (iii) For funds less than five years or are less than eight years with NAV greater than 5 percent, extend cash multiples and IRRs from the prior quarter if available. All returns data is net of fees and carry.

Unless otherwise noted, PE fund data includes buyout, diversified PE, growth and restructuring/turnaround funds. PitchBook defines middle-market funds as PE investment vehicles with between 100 million and 5 billion USD or EUR in capital commitments. PitchBook defines private debt funds as pools of capital raised for the purpose of lending to private companies, including those held by PE funds, VC funds (referred to as 'venture debt'), real estate funds (referred to as 'real estate debt') and infrastructure funds (referred to as 'infrastructure debt'). These different types of debt funds are consolidated into the private debt category for our fundraising reports, but in asset class reports such as the Global Real Estate Report and Global Real Assets Reports, the related type of private debt is included in fundraising figures (i.e. real estate debt in the Global Real Estate Report and infrastructure debt in the Global Real Assets Report).

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