Pulse of Private Equity Q1'25

KPMG. Make the Difference.

A KPMG quarterly analysis of global private equity activity.

April 2025

Welcome message

Welcome to the first edition of KPMG's *Pulse of Private Equity.*

Our *Pulse of Private Equity* series seeks to provide quarterly insights into the private equity market globally and in major regions around the world. Our methodology aims to go beyond buyouts to capture the full gamut of major PE deals activity; we also share perspectives into the market factors influencing key investment trends and look at how key trends might evolve over time.

Entering 2025, the sentiment of PE investors was cautiously optimistic, driven in part by an uptick in global PE deals activity to a seven-quarter-high of 4,958 deals in Q4'24. Many investors believed that macroeconomic uncertainties were beginning to stabilize, and that the pressure for distribution to paid-in capital (DPI) would pave the way for an increasingly active investment environment. The reality, however, was much more subdued, with the deal count dropping to 3,762 in Q1'25. Total PE investment also dropped quarter-over-quarter, from $463.8 billion in Q4'24 to $444.9 billion in Q1'25 — although it was substantially higher than in Q1'24 ($381.9 billion).

The Americas attracted more than half of all globally announced PE activity, accounting for $287.1 billion of investment across 1,868 deals during Q1'25, including the $23.7 billion proposed take-private of Walgreen Boots Alliance[1] and BlackRock's $22.8 billion proposed investment in approximately 45 ports owned by CK Hutchinson's.[2] The EMA region saw $109.1 billion in announced deployment across 1,555 deals during the quarter, led by Bain Capital's $4.2 billion proposed acquisition of Germany-based property management firm Apleona from PAI Partners[3] and PAI Partners' $2.9 billion proposed acquisition of an 80 percent majority stake in Germany-based Motel One.[4] The ASPAC region saw $37.5 billion in announced deals, more than half of which occurred in Japan ($20 billion); the largest deals in ASPAC included Bain Capital's $5.4 billion proposed acquisition of York Holdings' headquarters, subsidiary operations, and specialty and supermarket businesses[5] and the $5.2 billion proposed take-private of Shinko Electric Industries.[6]

> "Over the next quarter, I believe that the exit market globally will be a key area to watch. LPs are putting a lot of pressure on PE funds to return capital and current tariff uncertainties aren't changing that given how protracted the exit drought has been. The reality is that we could start to see a number of forced exits at lower than planned valuations, particularly if the tariff uncertainties linger well into Q2'25."

Gavin Geminder
Global Head of Private EquityKPMG International

[1] Walgreens Boots Aliance, "Walgreens Boots Alliance Enters into Definitive Agreement to Be Acquired by Sycamore Partners," 6 March 2025.
[2] Reuters, "BlackRock to buy Hong Kong firm's Panama Canal port stake amid Trump pressure," 4 March 2025.
[3] Bain Capital, "Bain Capital Announces Strategic Investment in Apleona," 14 February 2025.
[4] Pai Partners, "PAI Partners enters partnership with Motel One to accelerate international growth," 3 March 2025.
[5] Bain Capital, "Bain Capital Agrees to Acquire Supermarket & Specialty Stores Businesses from Seven & i Holdings," 6 March 2025.
[6] Pitchbook, "KKR wins Fuji Soft bidding war in $4.1B deal," 20 February 2025.

Welcome message

The first days of Q2'25 have already highlighted the ripple effects of newly implemented US tariff policies. Rising concerns about their impact — along with the potential for retaliatory counter-tariffs — are likely to stifle global dealmaking activity in the absence of greater clarity on where things will eventually shake out. Private equity investors are being particularly cautious in sectors sensitive to tariff disruptions, such as manufacturing, life sciences, and consumer goods and retail. As a result, PE deal activity may be underwhelming through Q2, with firms adopting more of a wait-and-see approach, especially the finalization of any trade deals struck during the 90-day extension. Sectors more insulated from tariff impacts may draw increased interest. These include business services, healthcare, and companies with a strong domestic market focus.

In this quarter's edition of the Pulse of Private Equity, we examine these and a number of other global and regional trends, including:

01 The evolving trade tensions, including concerns around tariffs

02 The further delay in expected IPO exits

03 The laser focus on value creation and tech-enablement

04 The continued focus on take-private deals and carve-outs

We hope you find this first edition of *Pulse of Private Equity* insightful. If you would like to discuss any of the results in more detail, please contact a KPMG professional in your area.

Note: Throughout this report we refer to "announced deals." This encompasses announced/in-progress deals and 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. Unless otherwise noted, all figures quoted in this report are based on data provided by PitchBook as of 31 March 2025. See page 94 for detailed methodology. All currency amounts are in US$ unless otherwise specified.

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About the authors

Gavin Geminder
Global Head of Private Equity

Gavin is the Global Head of Private Equity at KPMG International and US PE Advisory Leader. Over his nearly 30-year career, he has worked in London, Hong Kong and the US, giving him extensive experience in the private equity space globally. At KPMG, Gavin is responsible for driving the KPMG firm's private equity strategy. Gavin previously served as the Lead Partner for KKR for 15 years, overseeing global teams and key relationships.

Glenn Mincey
US Head of Private Equity

Glenn serves as the Head of Private Equity at KPMG in the US. With over 20 years of experience advising on private equity transactions globally, Glenn leads client service teams focused on delivering strategic insights, operational improvements, and value creation. Glenn has deep experience in the use of partnerships and limited liability companies in domestic and cross-border M&A, financing transactions, and restructurings.

Tilman Ost
Global Private Equity Advisory Leader

Tilman leads KPMG's Private Equity practice in both the EMA region and Germany and is the Global PE Advisory Leader for KPMG International. He has over 25 years of experience advising financial investors on major transactions and transformation projects both nationally and internationally. He specializes in large buyouts and has worked with a number of the largest PE firms in the field.

Andrew Thompson
Asia Pacific Head of Private Equity

Andrew is based in Singapore and brings over 25 years of experience working around the world, including in London, New York, and Sydney. Andrew has acted as the Lead Partner for KPMG on more than 350 high-value transactions, totaling over $200 billion, specializing in complex M&A and IPOs, particularly in the energy and industrial sectors.

01

In Q1'25, global PE announced deals amounted to $444.95B across 3,762 transactions

Global overview

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.

> “The biggest headwind right now is lack of clarity. PE investors can easily cope with a degree of uncertainty; the challenge at the moment is not only the level of uncertainty, however, but also the fact that the issues driving it — namely the US administration’s tariff policies and counter-tariff strategies — are changing very rapidly, which has an impact on various facets of geopolitical risks. Many global PE investors are at something of a standstill, waiting for more clarity. Should the tariff issues get resolved quickly, we could get back to the level of activity we were anticipating heading into 2025.”

Gavin Geminder
Global Head of Private Equity
KPMG International

Global overview

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.

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.

> “When it comes to private equity investments globally these days, there's almost always a technological angle. Investors are not necessarily buying an industrial asset for the sake of buying an industrial asset; rather, they are considering the integration of sensors, automation, digitalization, and similar innovations. It's not a surprise that there's a lot of interest in infrastructure globally as well, particularly given the government-backed infrastructure spending that we're seeing.”

Gavin Geminder
Global Head of Private Equity
KPMG International

Global overview

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.

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[7] Walgreens Boots Aliance, "Walgreens Boots Alliance Enters into Definitive Agreement to Be Acquired by Sycamore Partners," 6 March 2025.
[8] Pitchbook, "KKR wins Fuji Soft bidding war in $4.1B deal," 20 February 2025.

Global overview

Trends to watch for in Q2'25

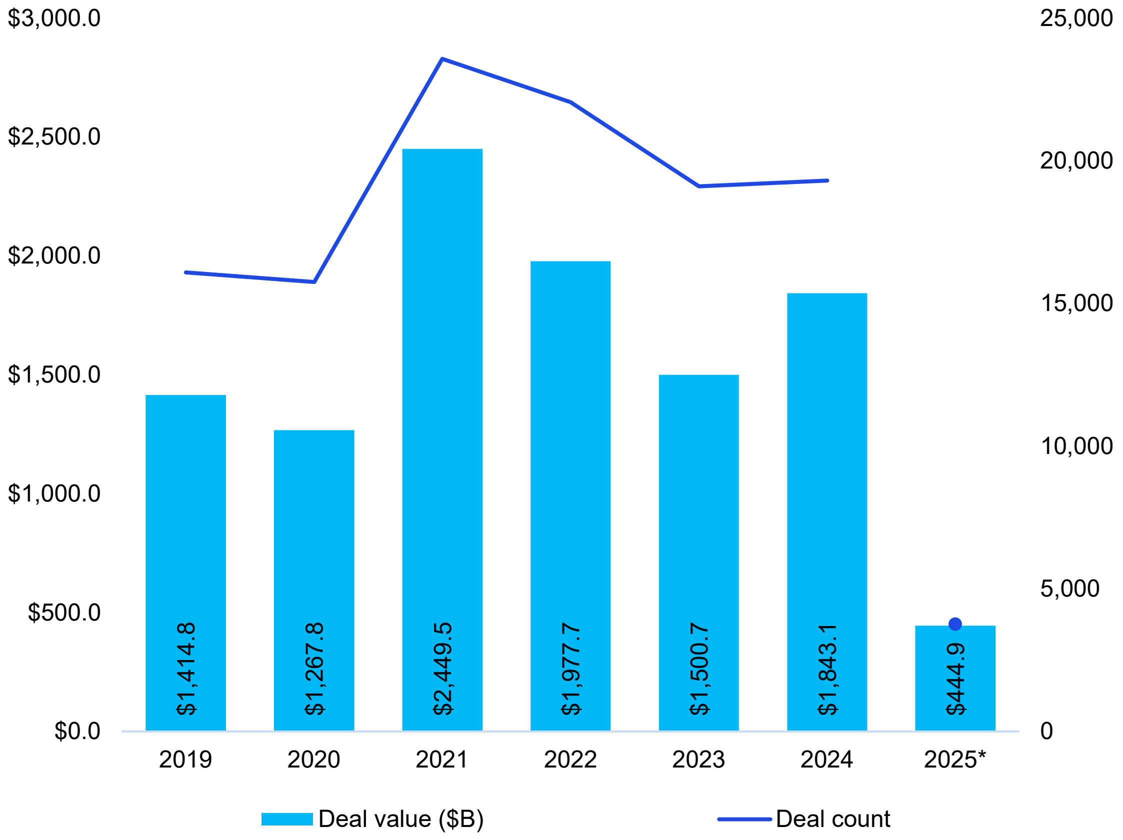
As Q2'25 begins, lingering tariff uncertainties, reciprocal trade actions, and broader geopolitical tensions are expected to weigh on global private equity deal activity. While this environment may lead to a slowdown in transactions, it could also present opportunistic buying opportunities for PE investors 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.

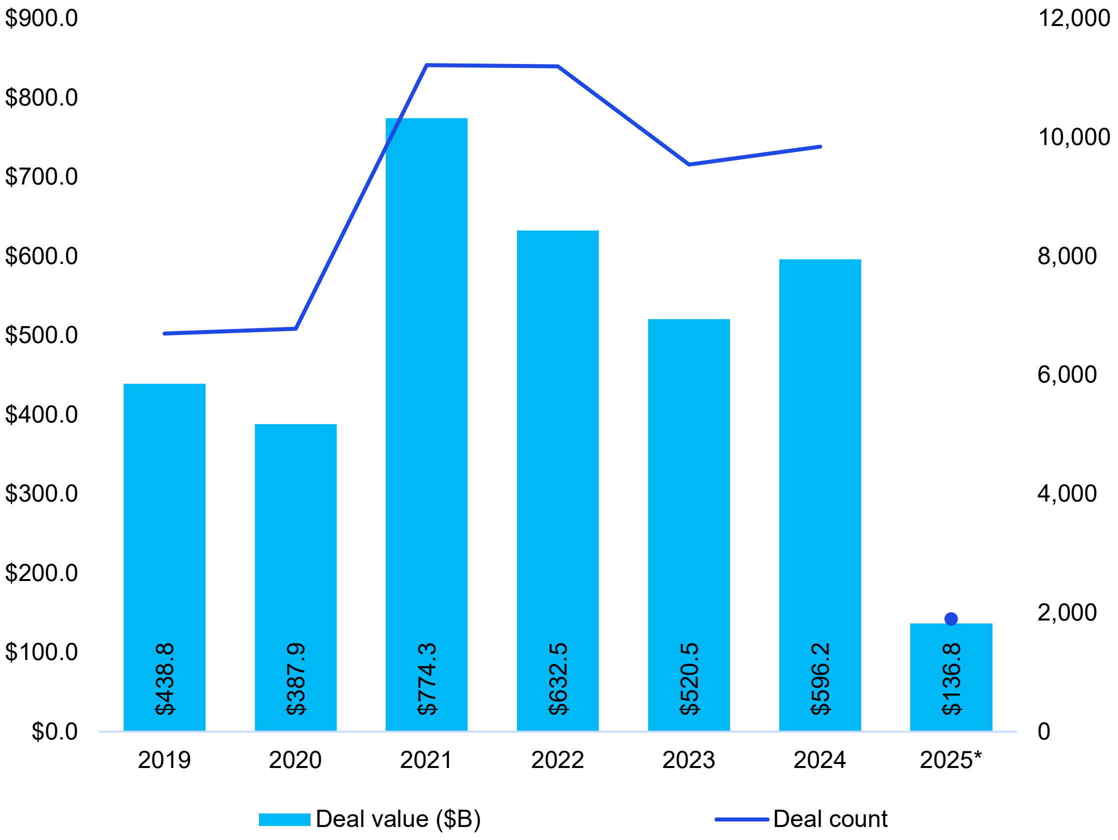
Meanwhile, the exit market remains a critical area of focus. While demand for exits is rising across all regions, continued market turbulence — particularly in the IPO space — will likely keep public listings subdued through mid-year. Mounting pressure from LPs to return capital could result in forced 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



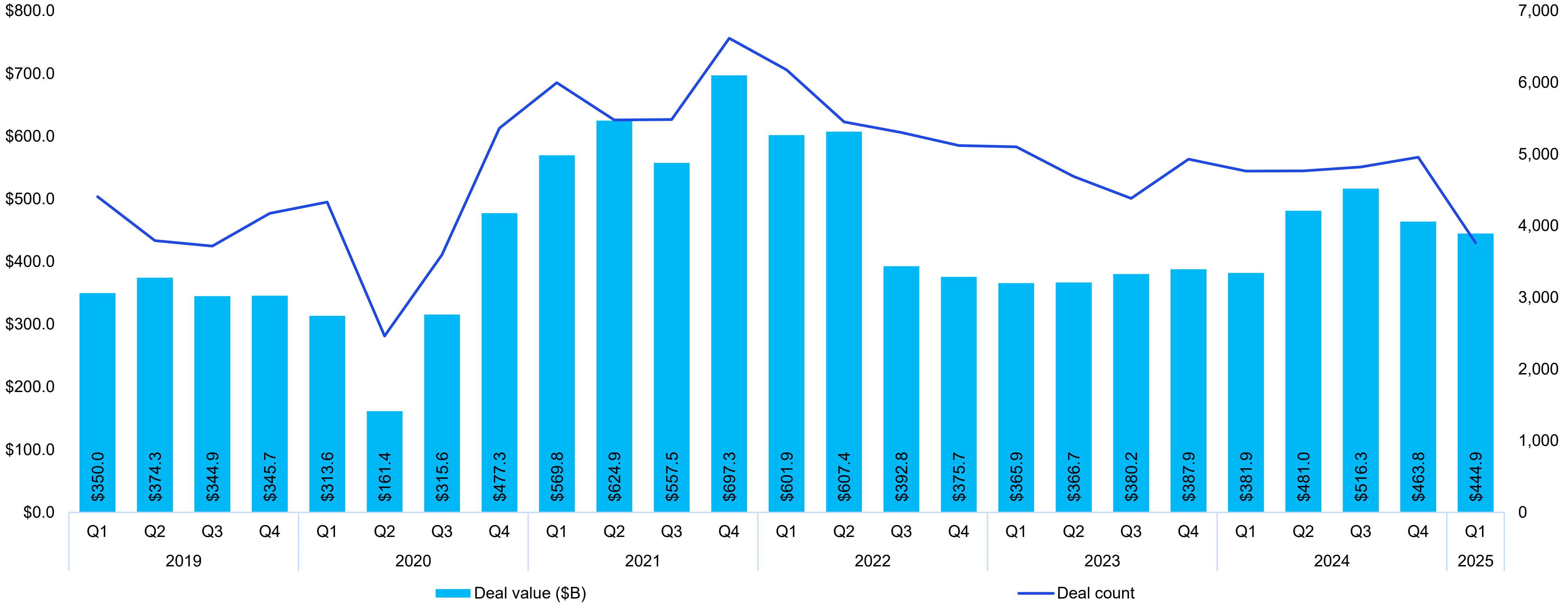
Global PE add-on/bolt-on activity



*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

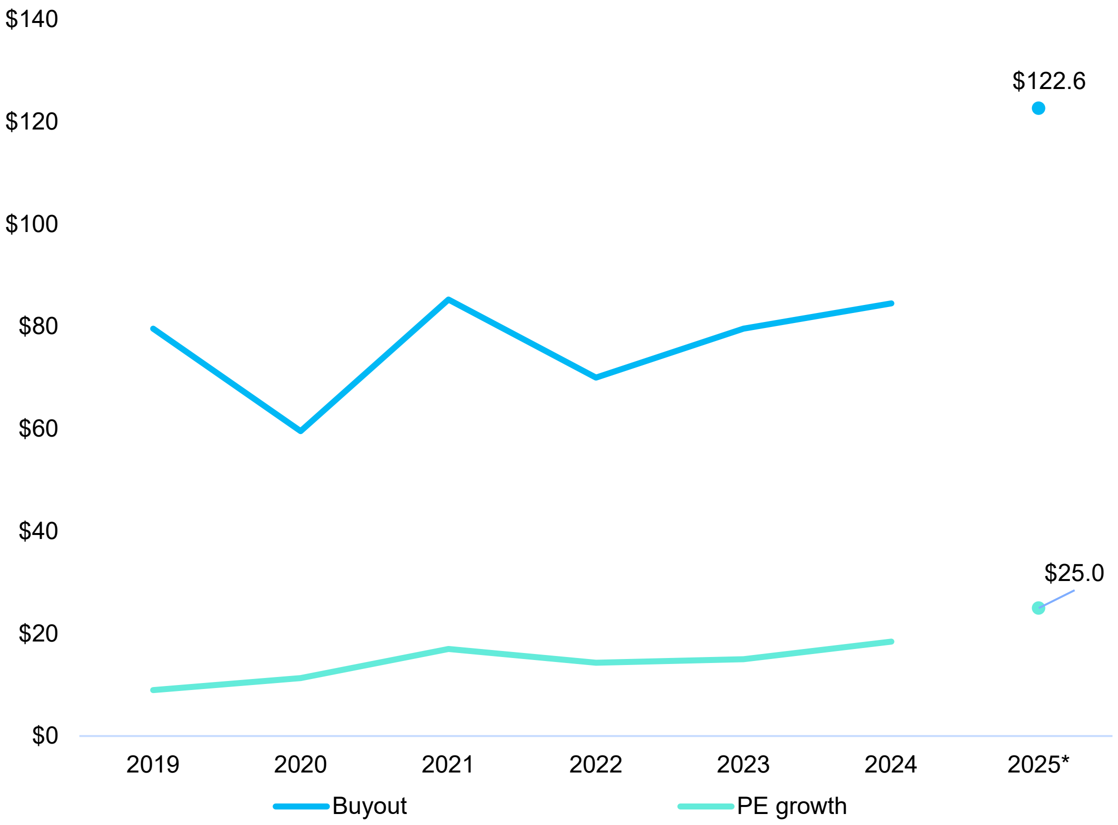
Global PE deal activity



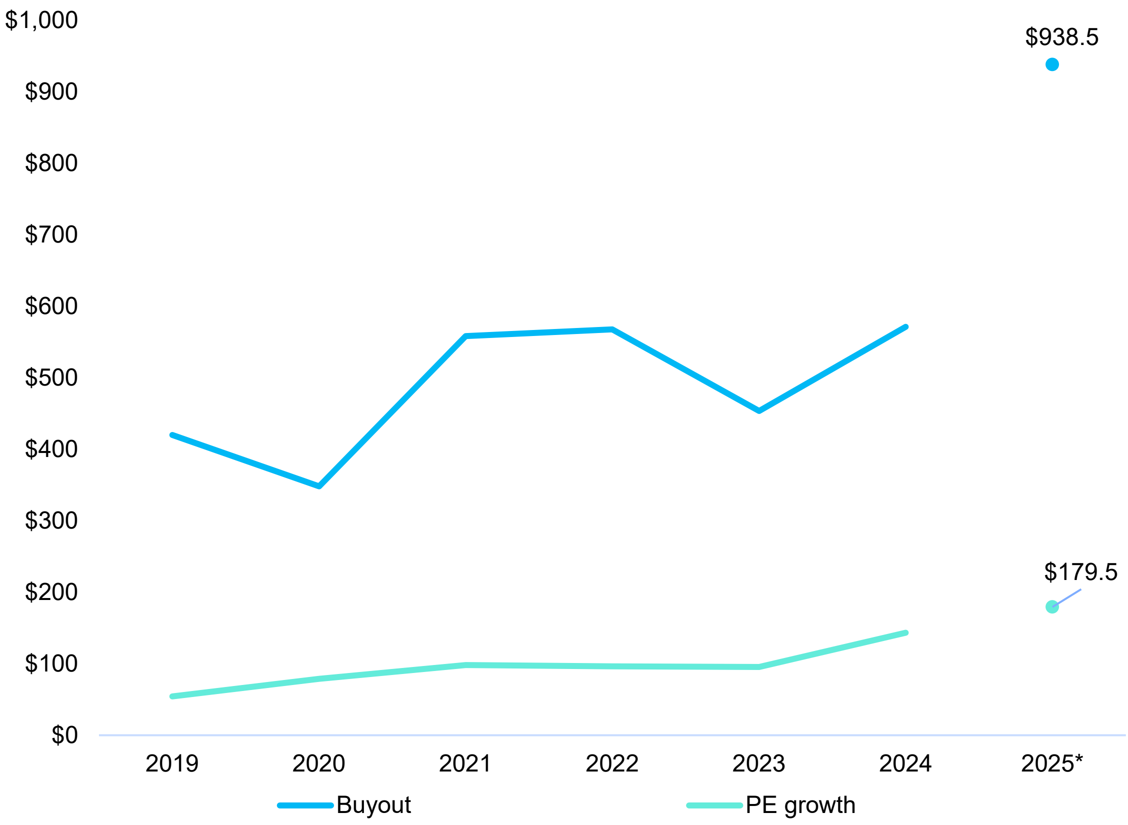
Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Buyout sizes surge

Global median PE deal size ($M) by type



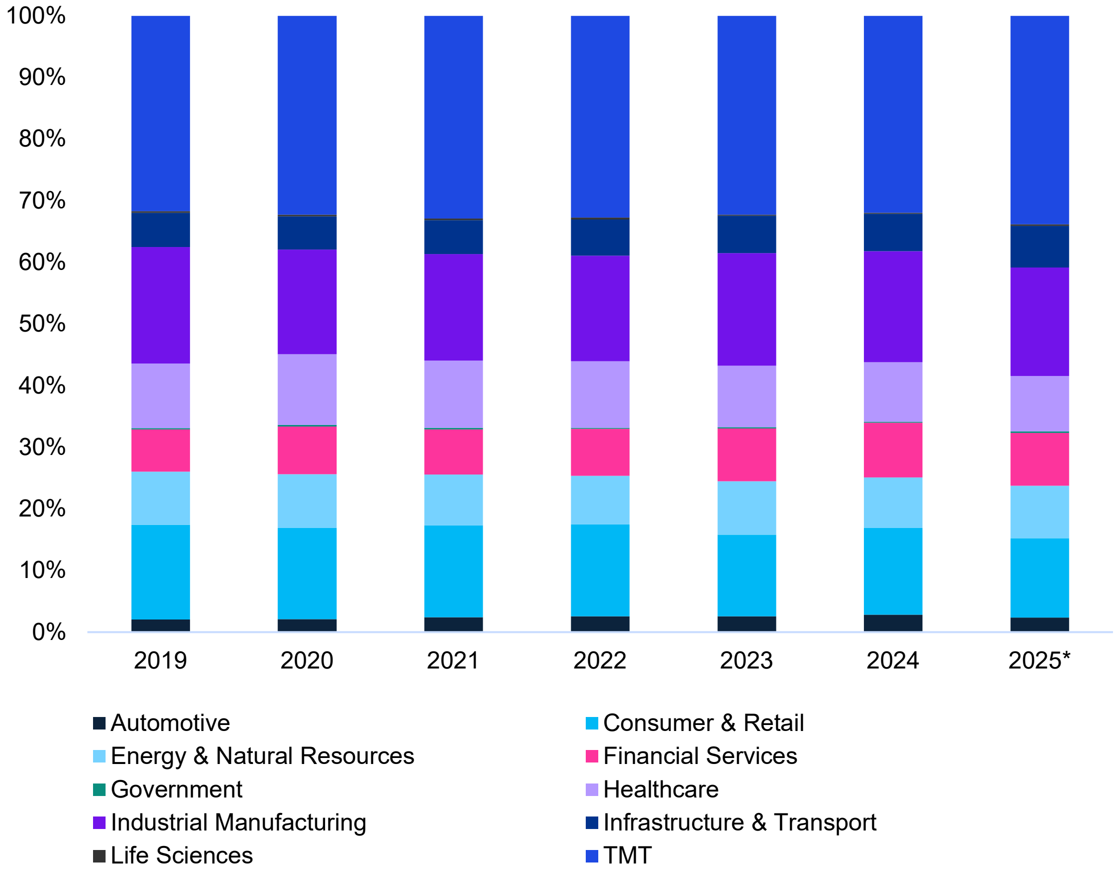
Global average PE deal size ($M) by type



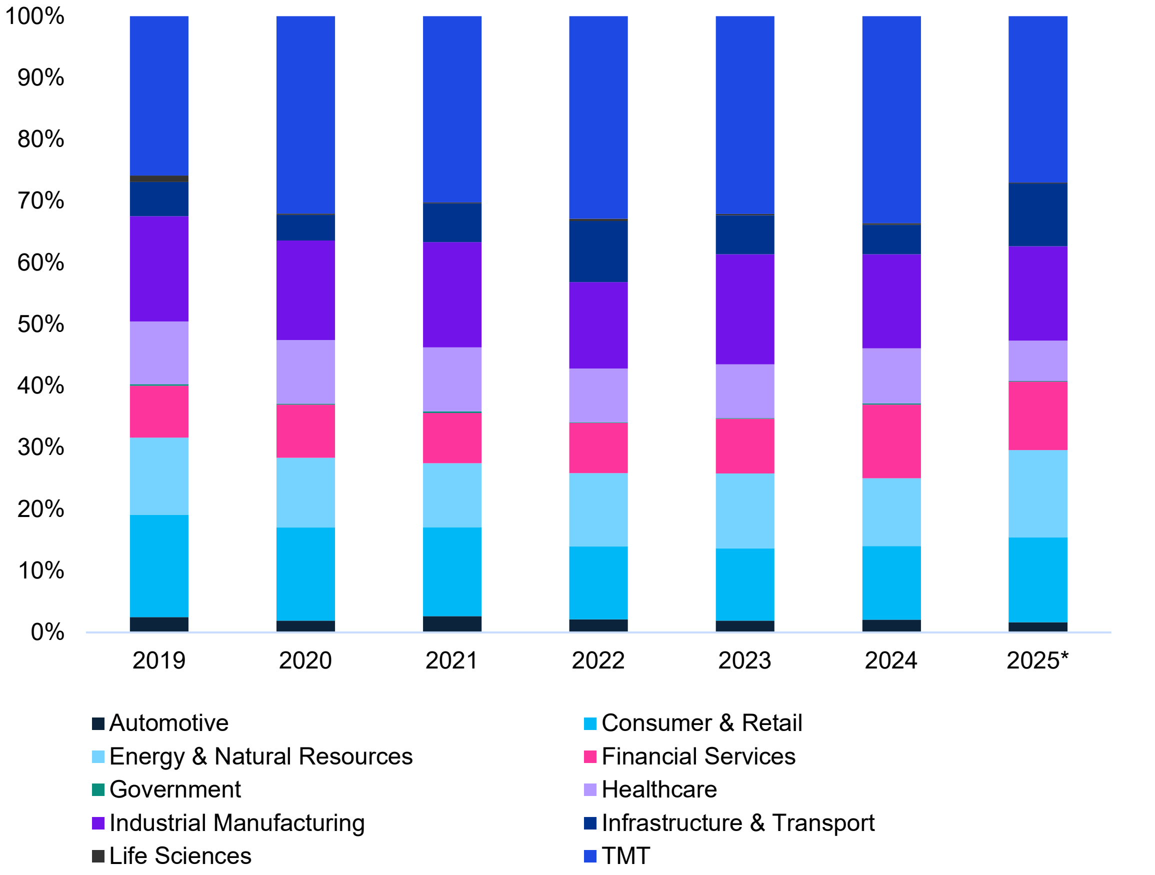
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

TMT still outdraws other sectors

Global PE deal activity (#) by sector



Global PE deal activity ($B) by sector



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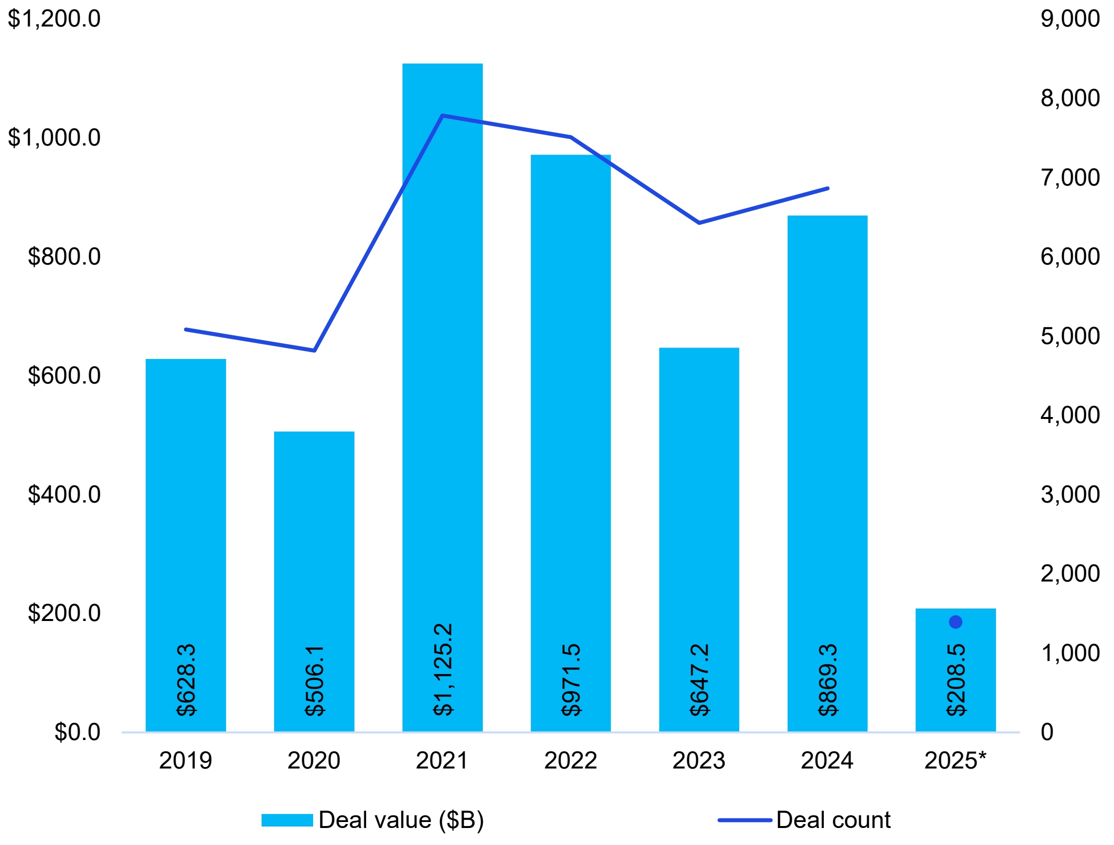
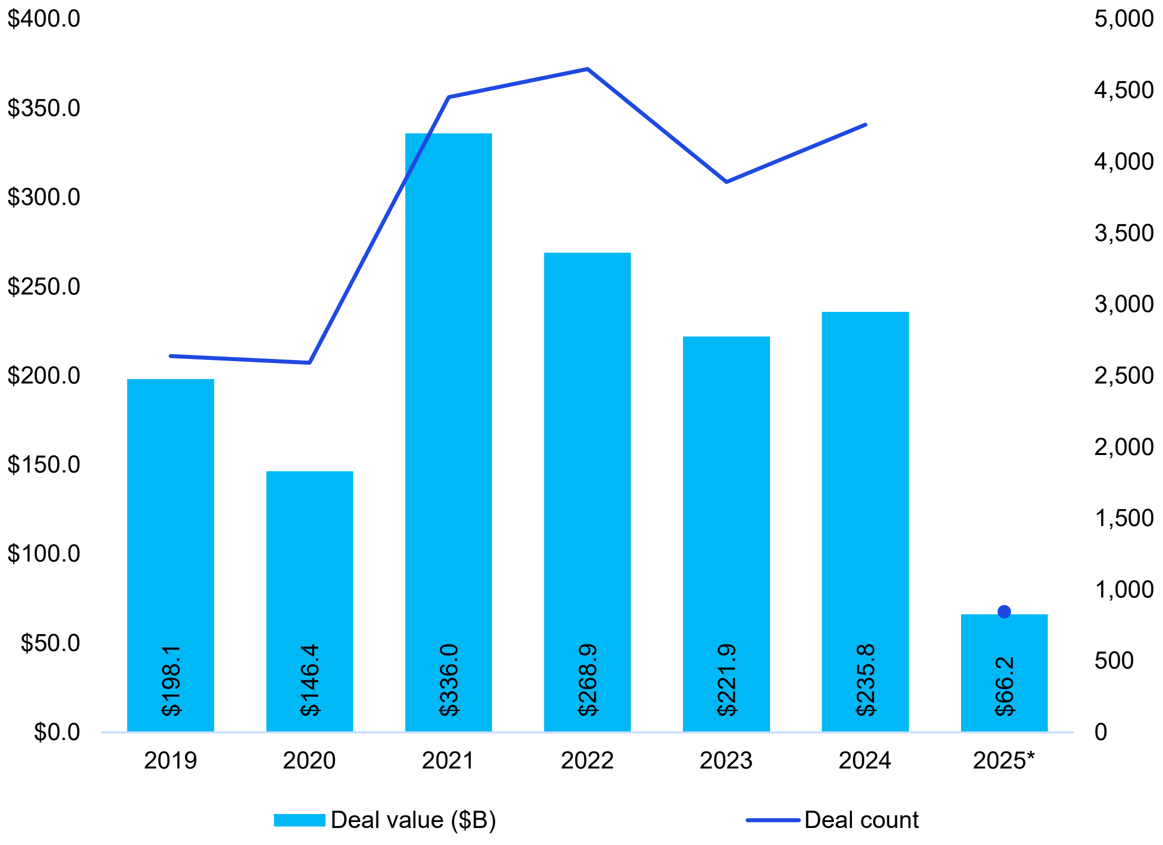
Add-ons boost cross-border activity

Global cross-border PE deal activity



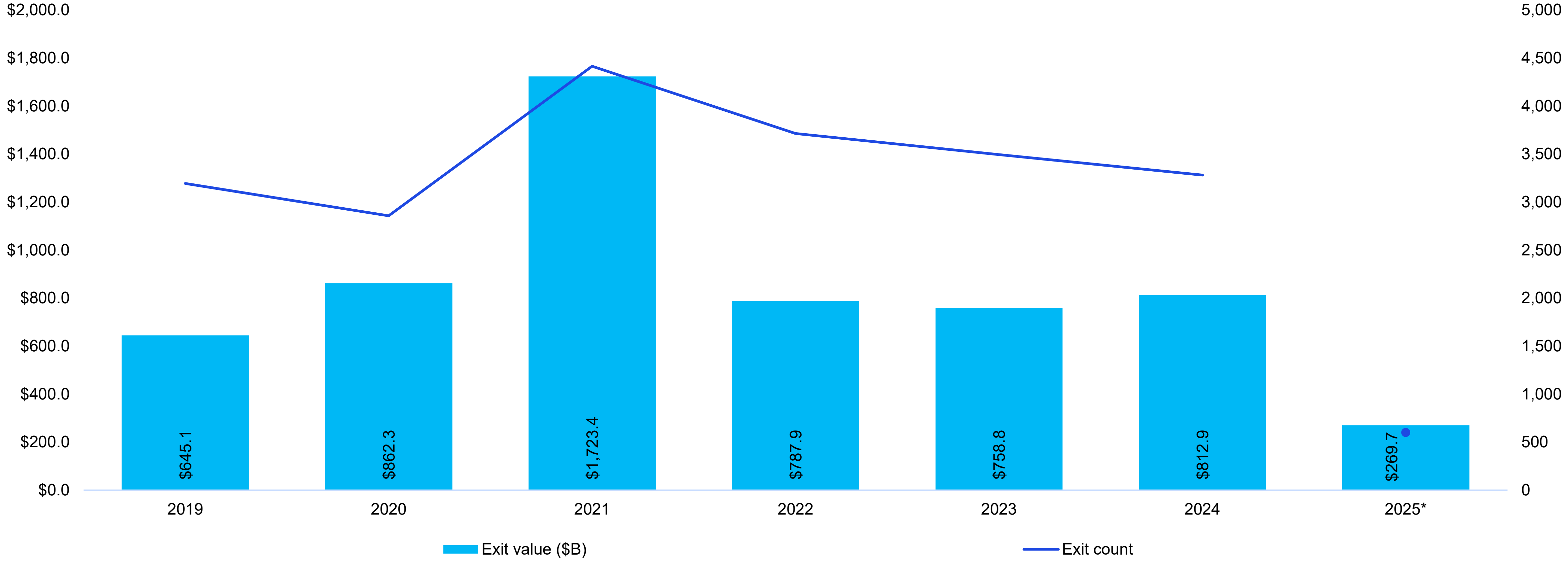
Global cross-border PE add-on/bolt-on activity



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

Exits proceed at a moderate pace

Global PE-backed exit activity



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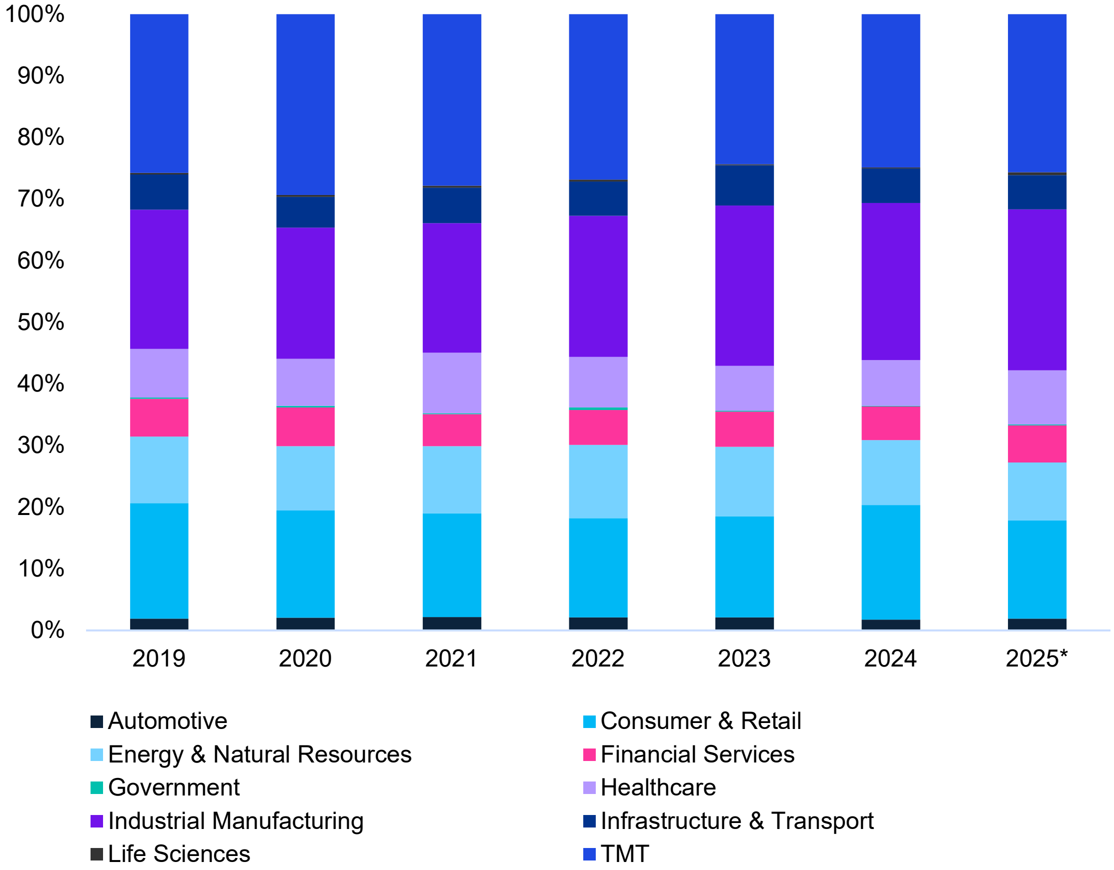
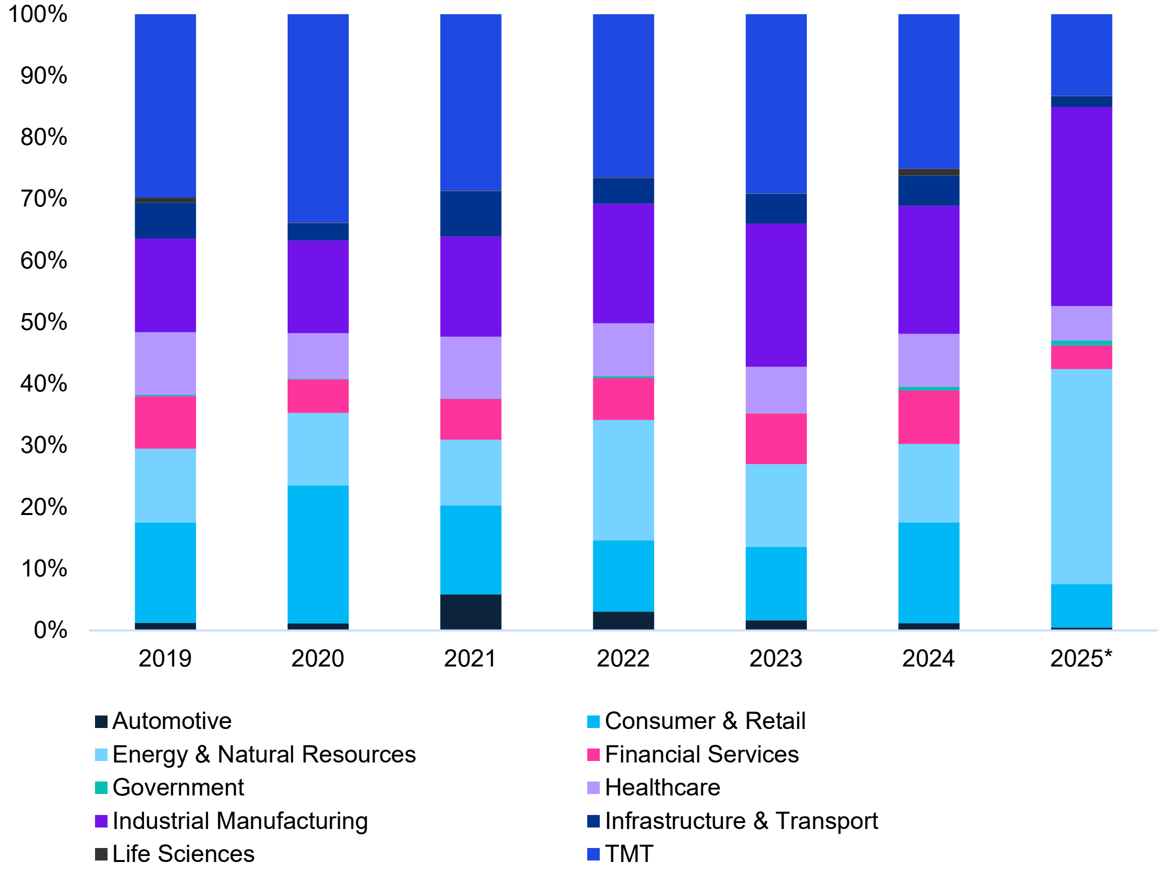
Exit values skew toward industrials

Global PE exit activity (#) by sector



Global PE exit activity ($B) by sector



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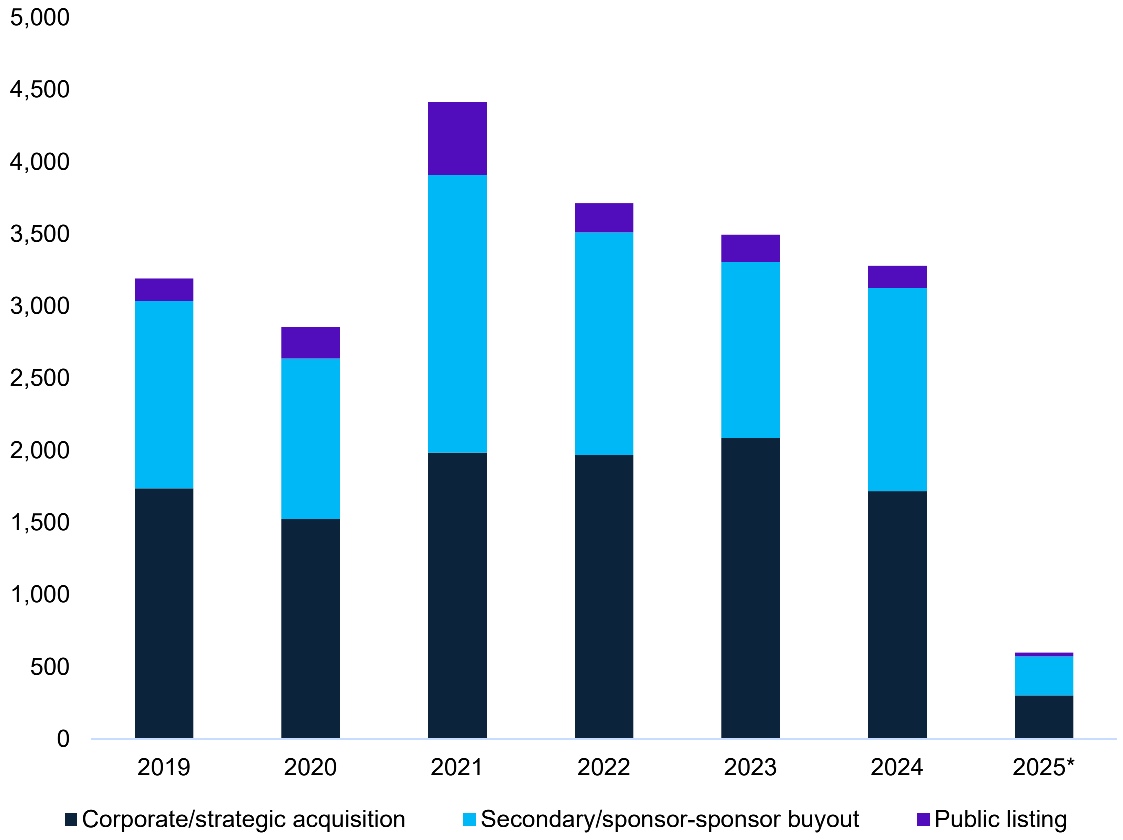
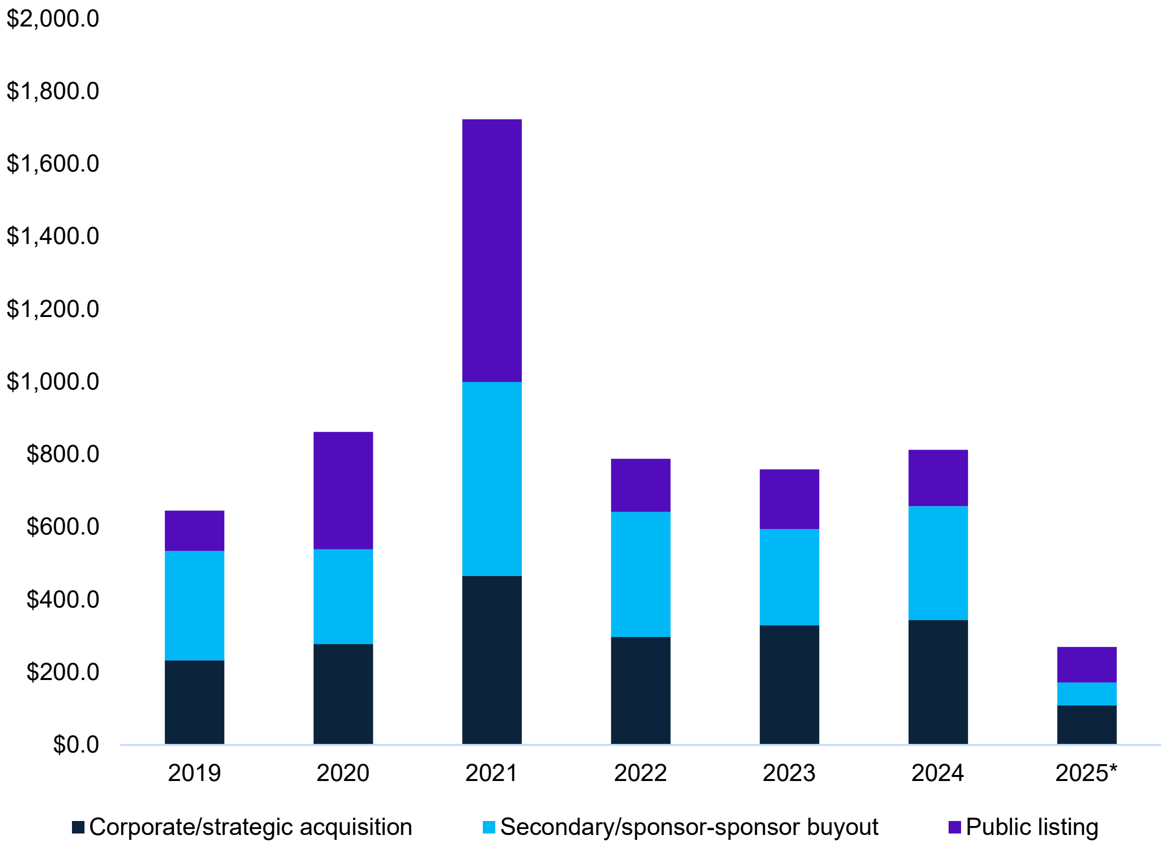
Public listings boost exit value

Global PE-backed exit activity (#) by type



Global PE-backed exit activity ($B) by type



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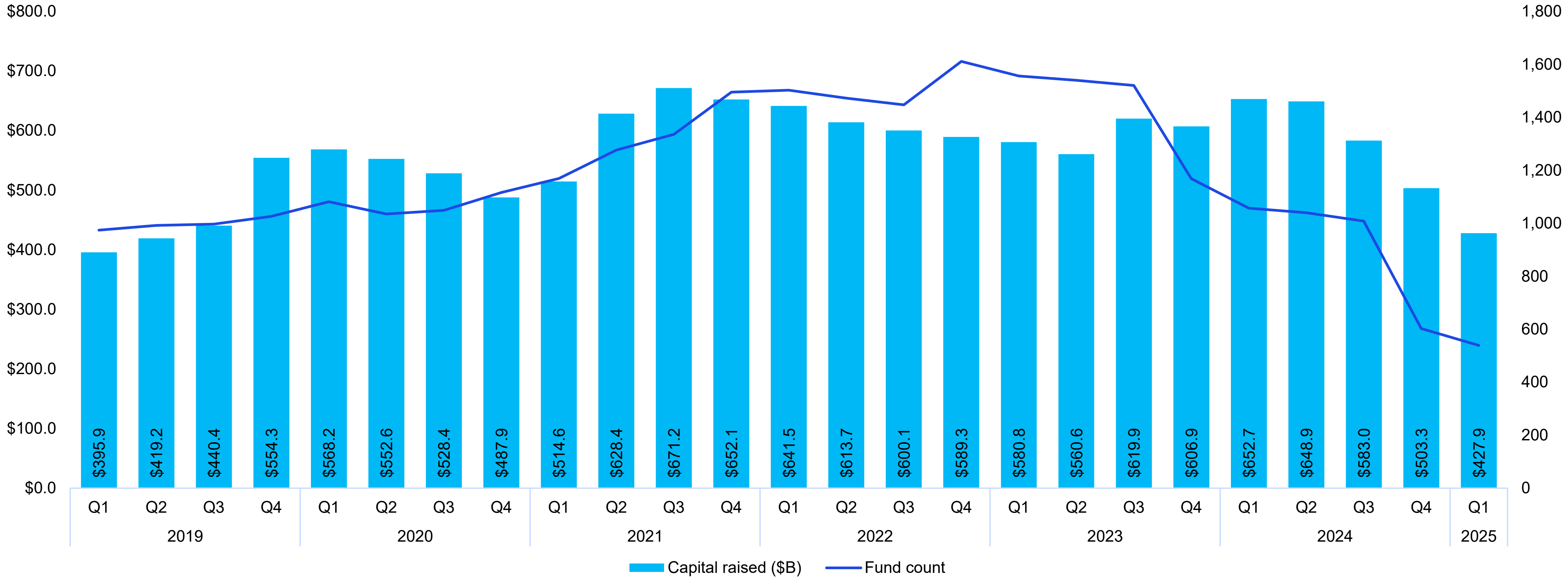
Fundraising enters a downswing

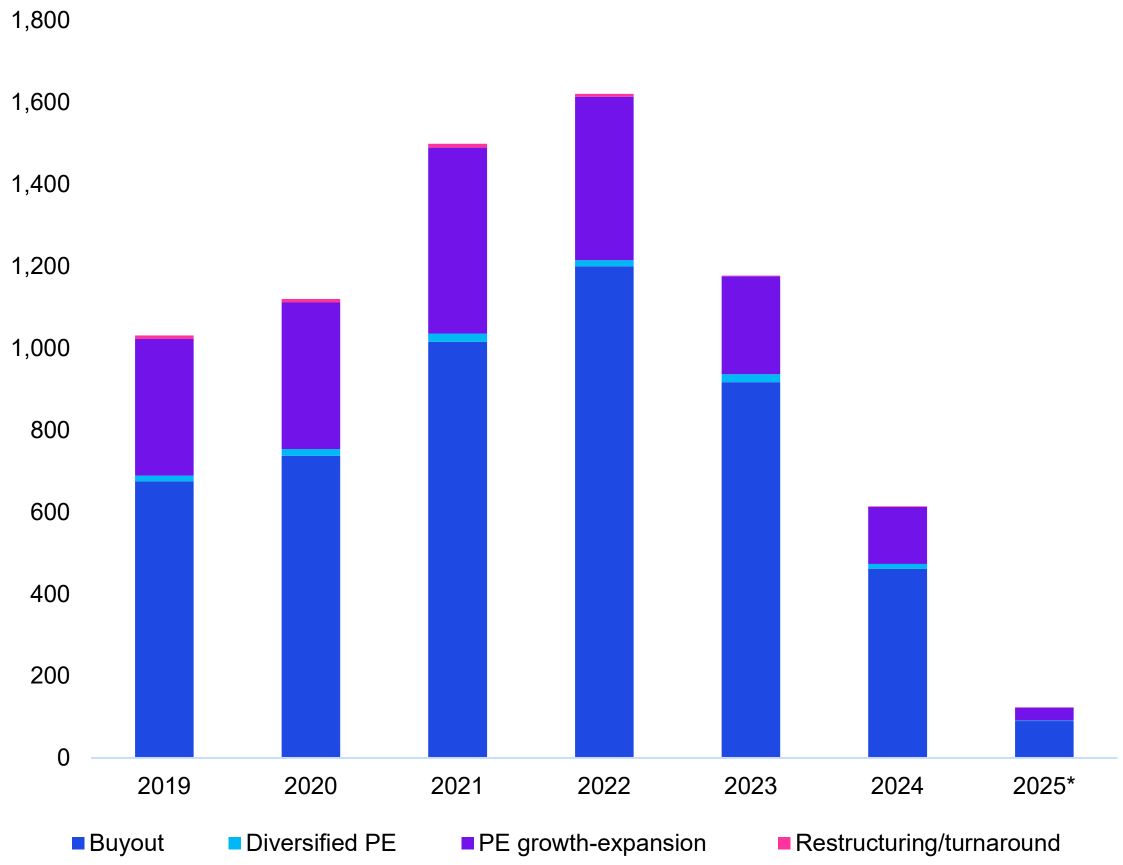
Global PE fundraising activity (rolling 12-month)



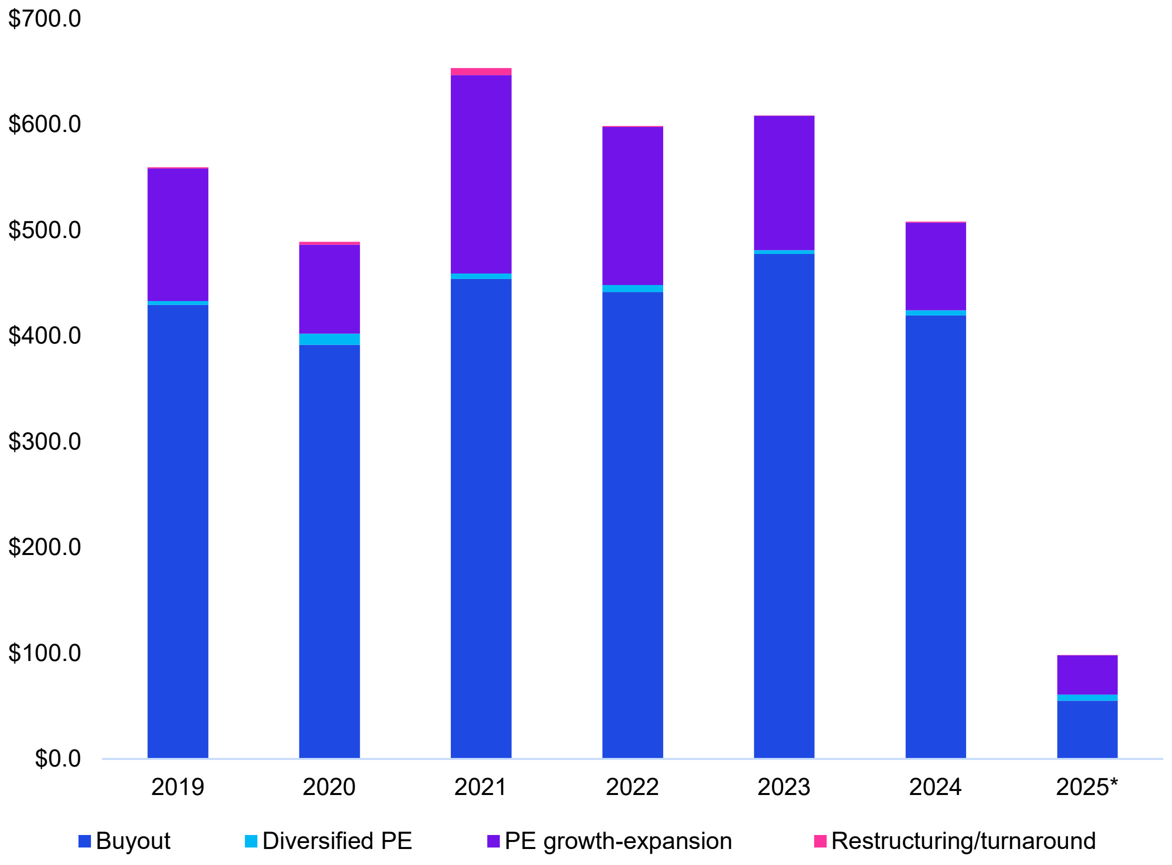
Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Buyout and growth balance in value

Global PE fundraising activity (#) by type



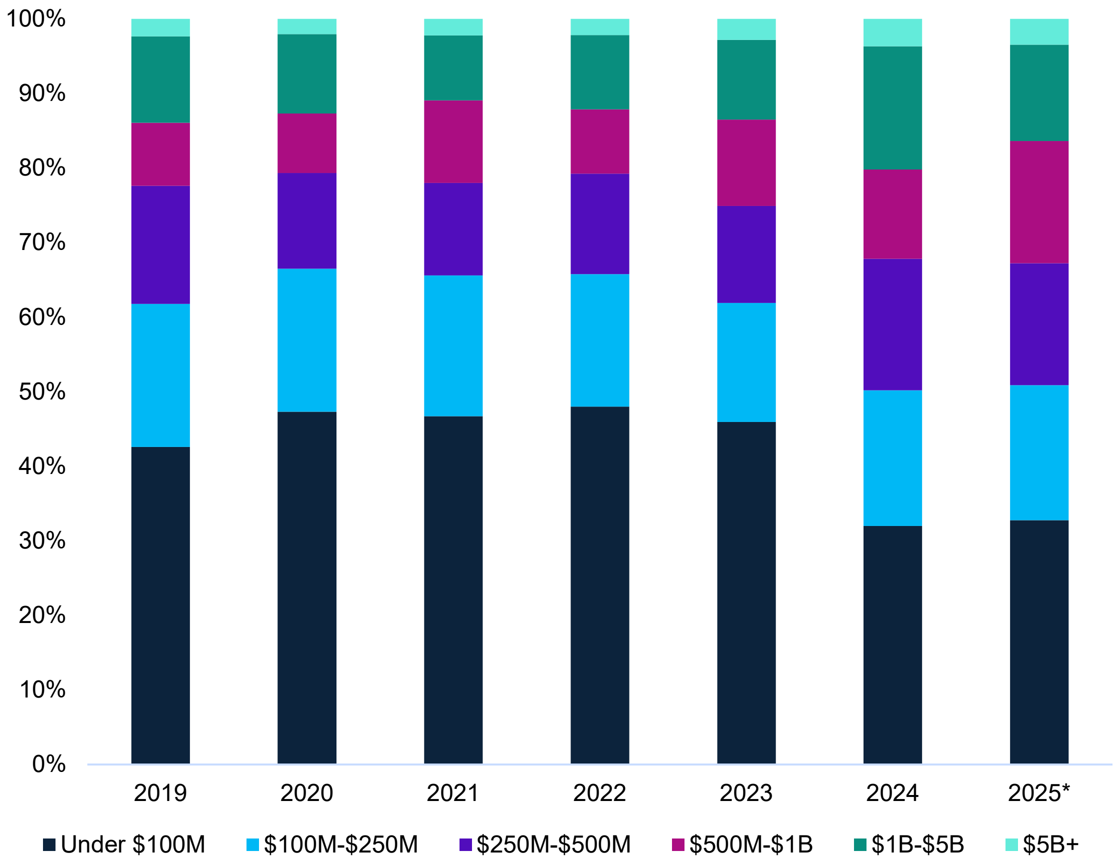
Global PE fundraising ($B) by type



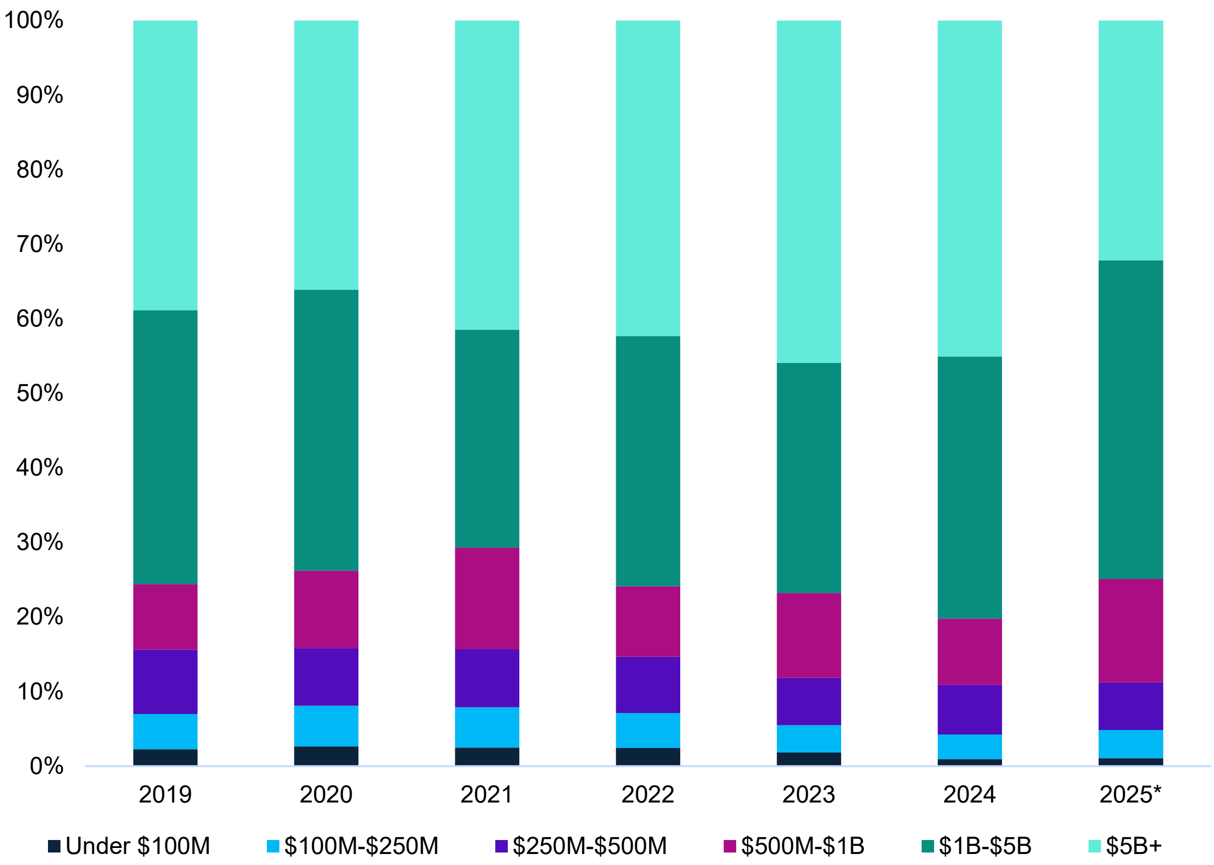
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Midsized vehicles surge in capital share

Global PE fundraising activity (#) by size



Global PE fundraising ($B) by size



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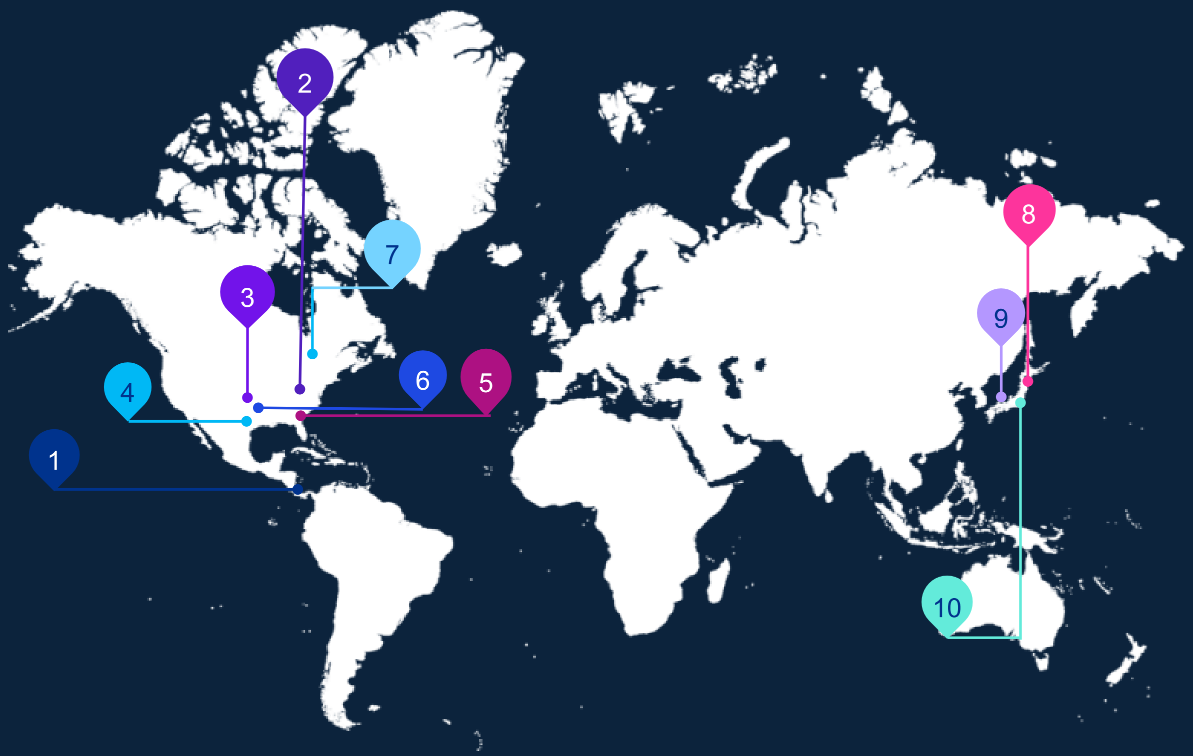
Global insights

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*

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

02

In Q1'25, US PE announced deals amounted to $234.2B across 1,670 transactions

US overview

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.

> "We're going to see exits ramping up here in the US, partly because they have to given the enormity of exit pressure facing PE funds. And, because it's easier to explain tariff mitigation to a sophisticated buyer than it is to explain it to the public, private sales will probably begin to pick up a lot sooner than IPO exits — before the end of the year, most likely."

Glenn Mincey
US Head of Private Equity
KPMG in the US

US overview

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.

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.

> "Three or four years ago, when interest rates were low and money was cheap, add-ons were the way for PEs here in the US to really grow a company. Now, it's all about value creation. It's getting back to the nuts and bolts of what the company was supposed to be doing all the time — and applying superior management techniques to add value to the company rather than simply bolting new pieces on."

Glenn Mincey
US Head of Private Equity
KPMG in the US

US overview

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.

Trends to watch for in Q2'25

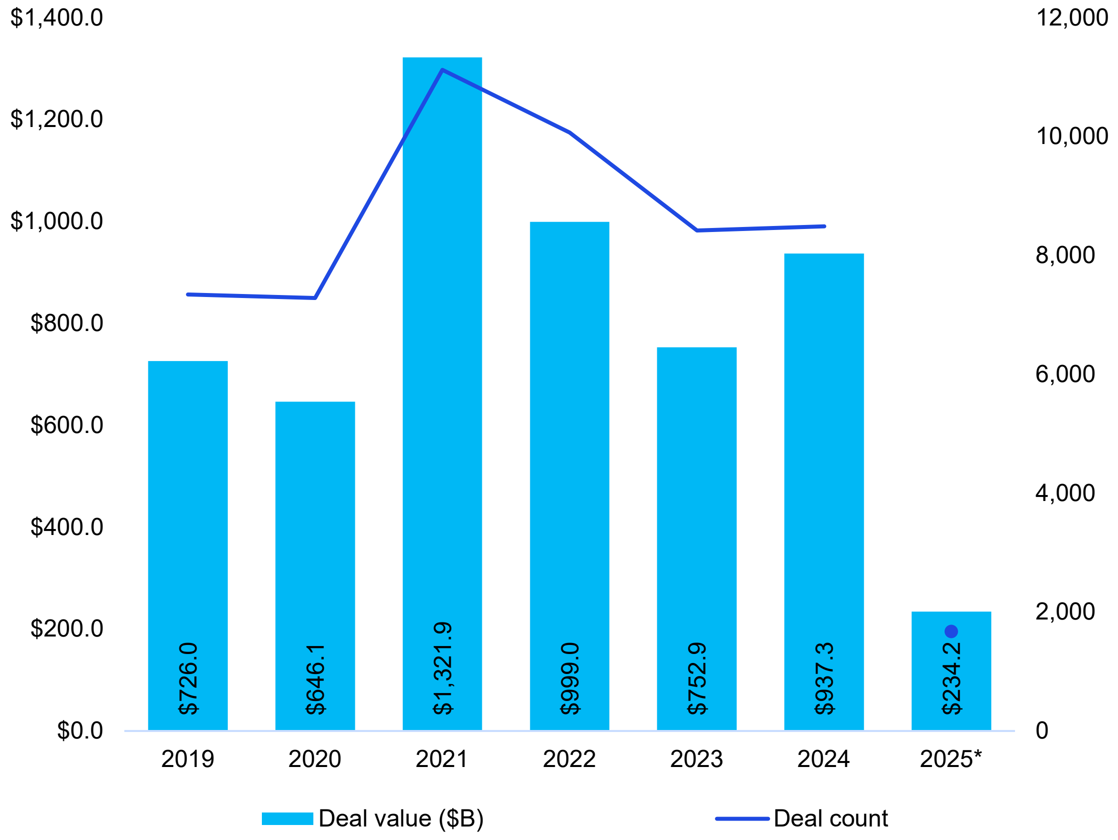
Private equity investment in the US is expected to remain subdued through Q2'25, as investors continue to grapple with market uncertainties. Although the early days of the quarter brought increased clarity around US tariff policy, questions remain regarding the responses from other jurisdictions and the pace of potential negotiations. If significant progress is made on the trade front during Q2, the second half of 2025 could see a rebound in deal activity. Until then, the uncertain policy environment is likely to weigh on investor confidence and constrain deal flow.

In this environment, PE firms are expected to concentrate activity in tariff-resilient sectors such as technology, business services, financial services, and healthcare — industries perceived as better positioned to weather global trade volatility. Even within sectors that are particularly viewed as tariff-sensitive, companies that learned and built upon the lessons of supply chain resilience in 2020 and 2021 may see perceived value above their competitors.

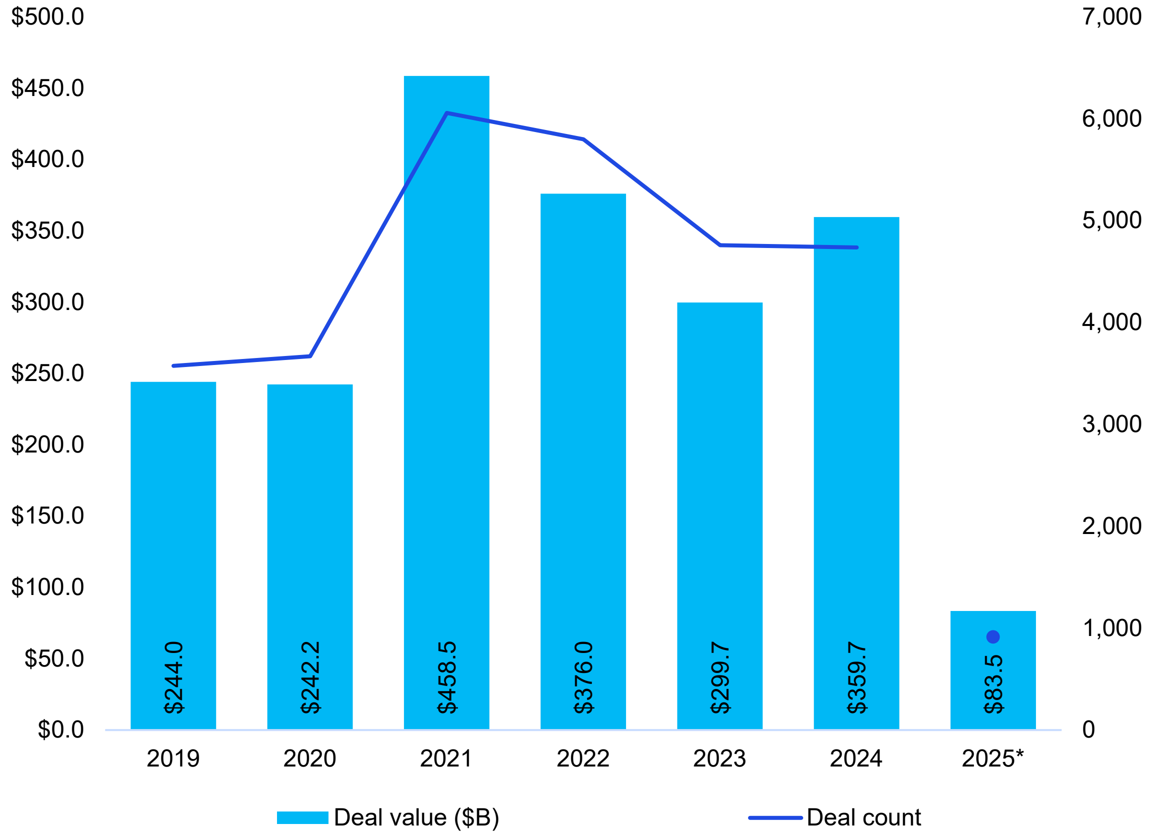
At the same time, recessionary concerns in the US may further widen the valuation gap between buyers and sellers, posing challenges for private sales. Still, intensifying pressure from LPs to deliver liquidity could force exits in Q2'25, even at valuations below PE firms' expectations.

US builds off of stronger 2024

US PE deal activity



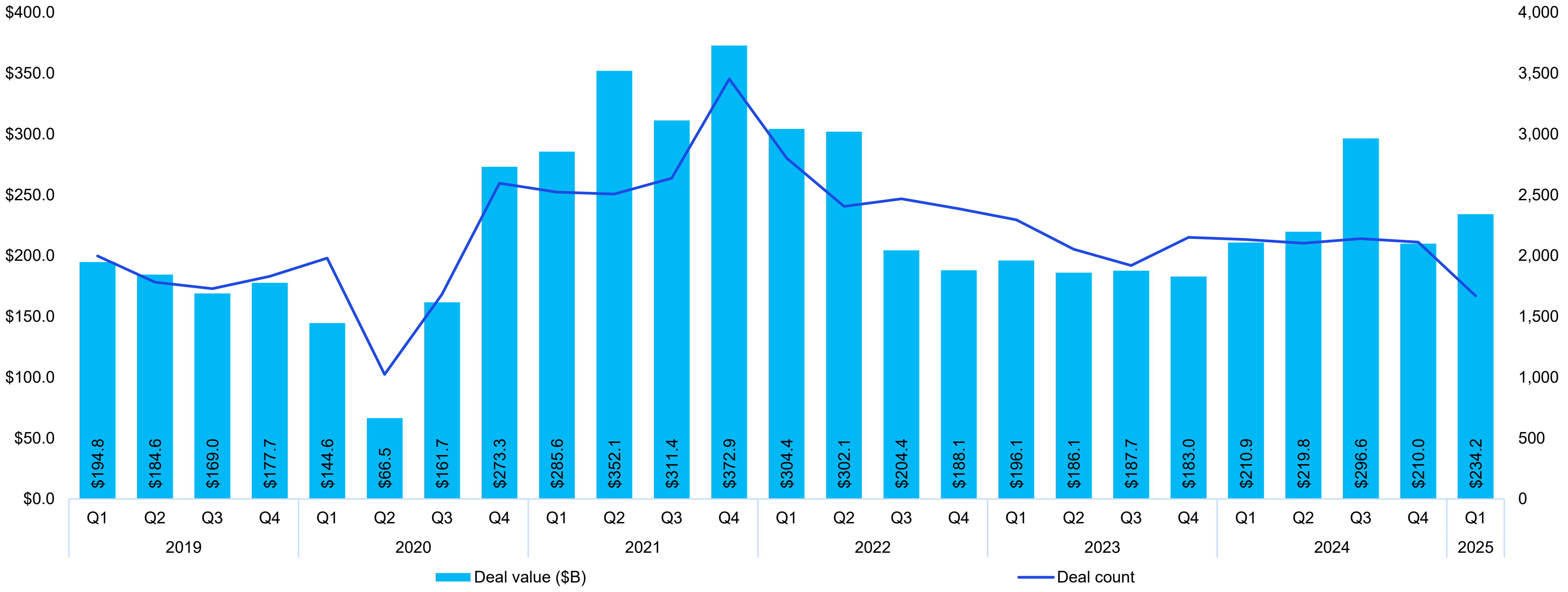
US PE add-on/bolt-on activity



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

Q1 2025 is robust in historical terms

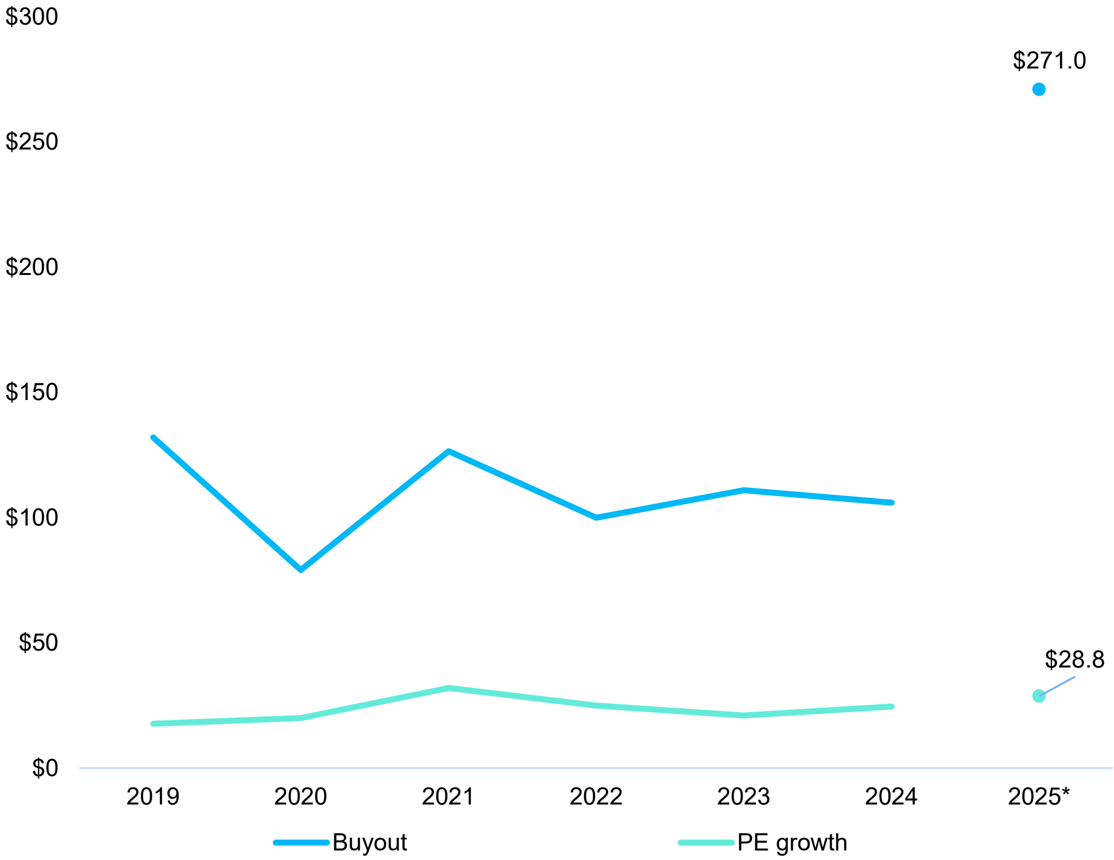
US PE deal activity



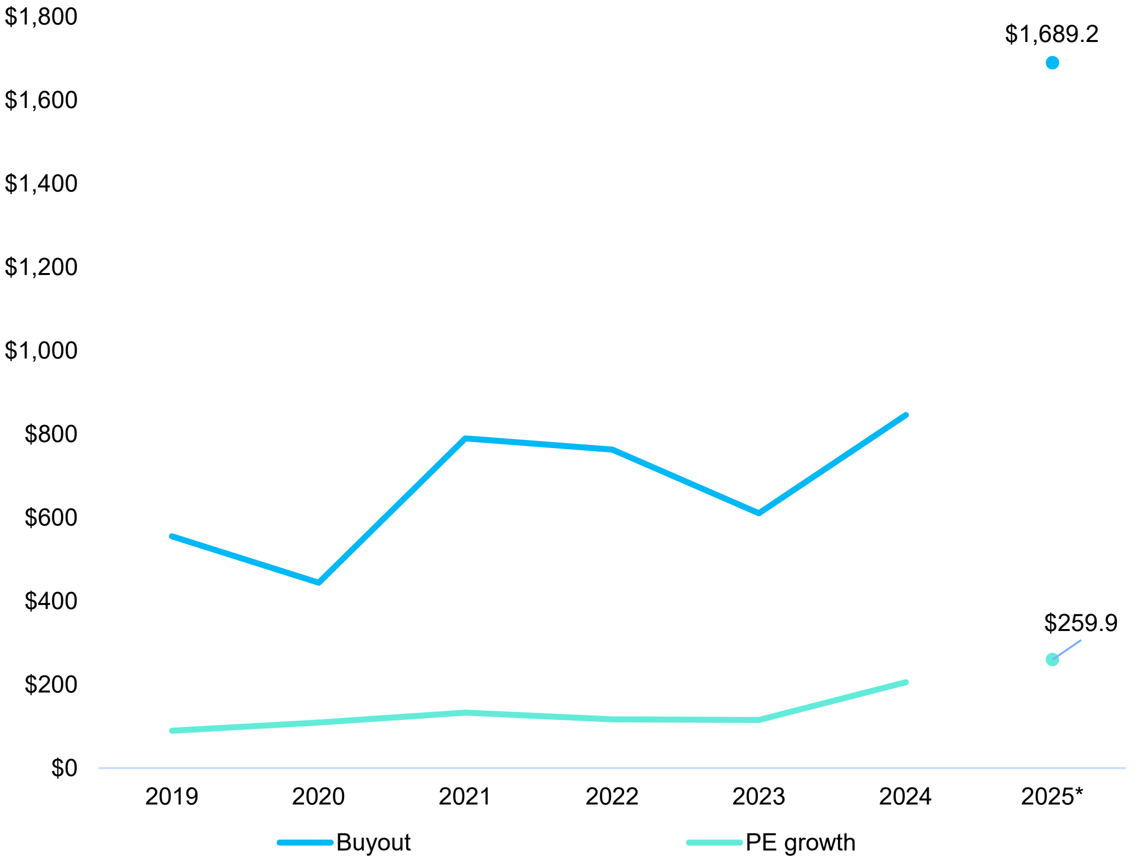
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Deal sizes on the upswing

US median PE deal size ($M) by type



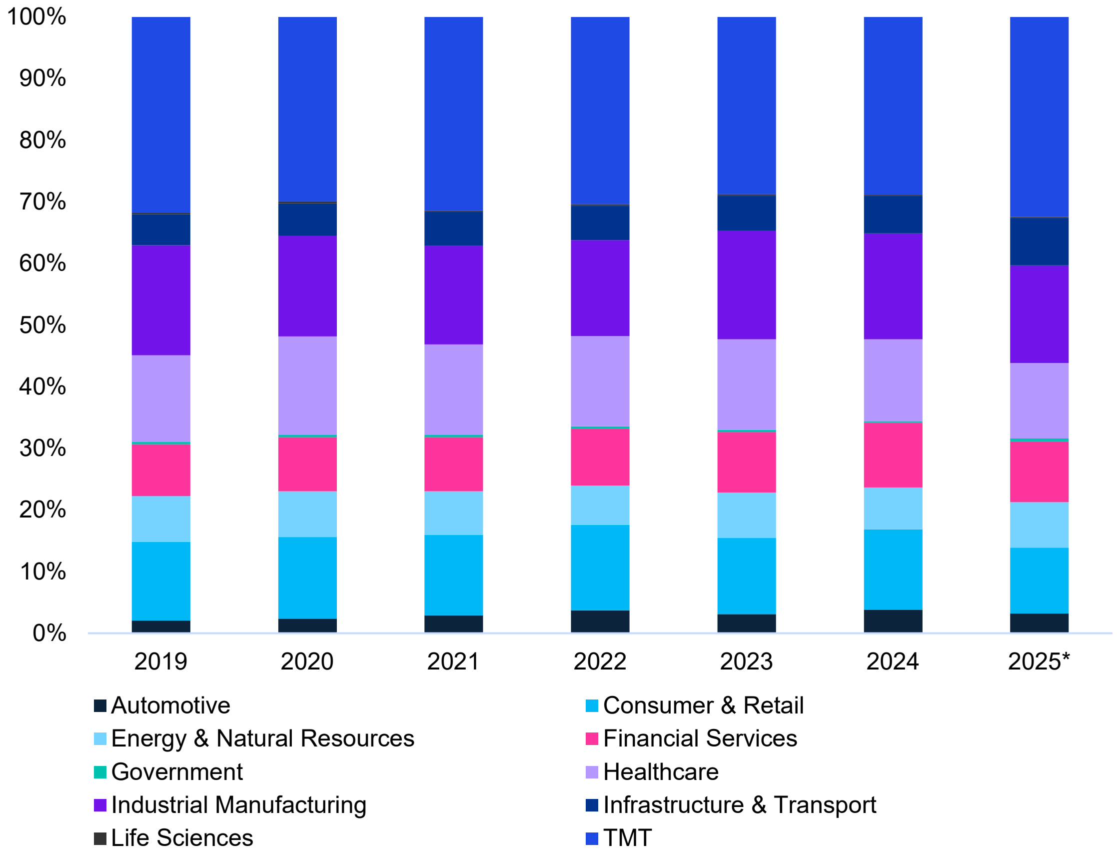
US average PE deal size ($M) by type



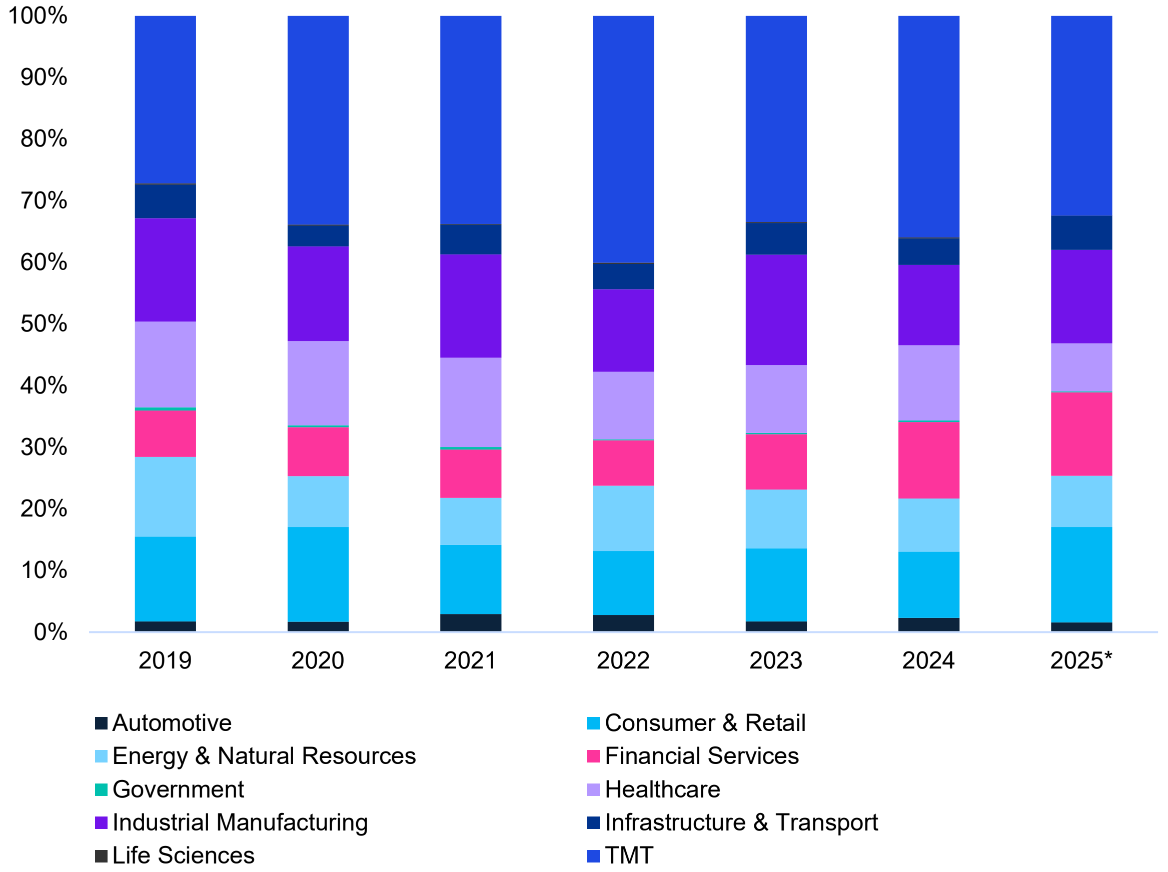
Source: PitchBook, data as of March 31, 2025. Note: The 2025* figures for M&A are based on a population size of n < 30.

TMT holds plurality for now

US PE deal activity (#) by sector



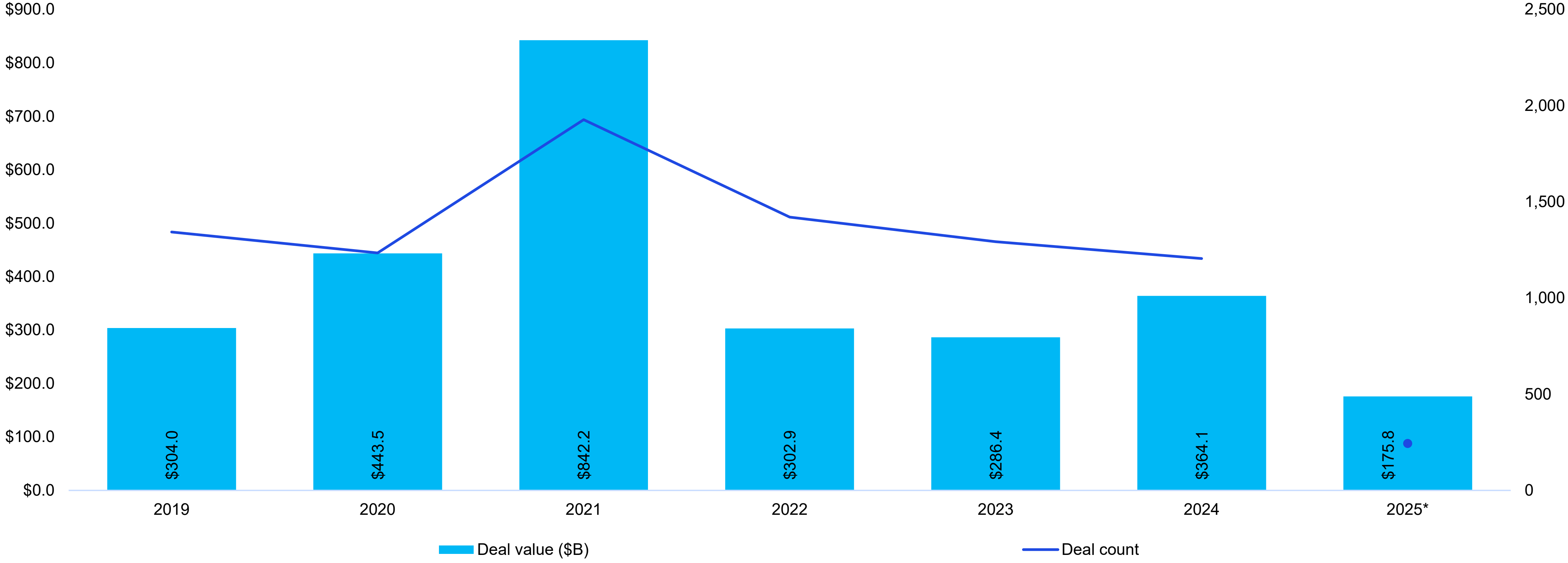
US PE deal activity ($B) by sector



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

Exits surge to start the year

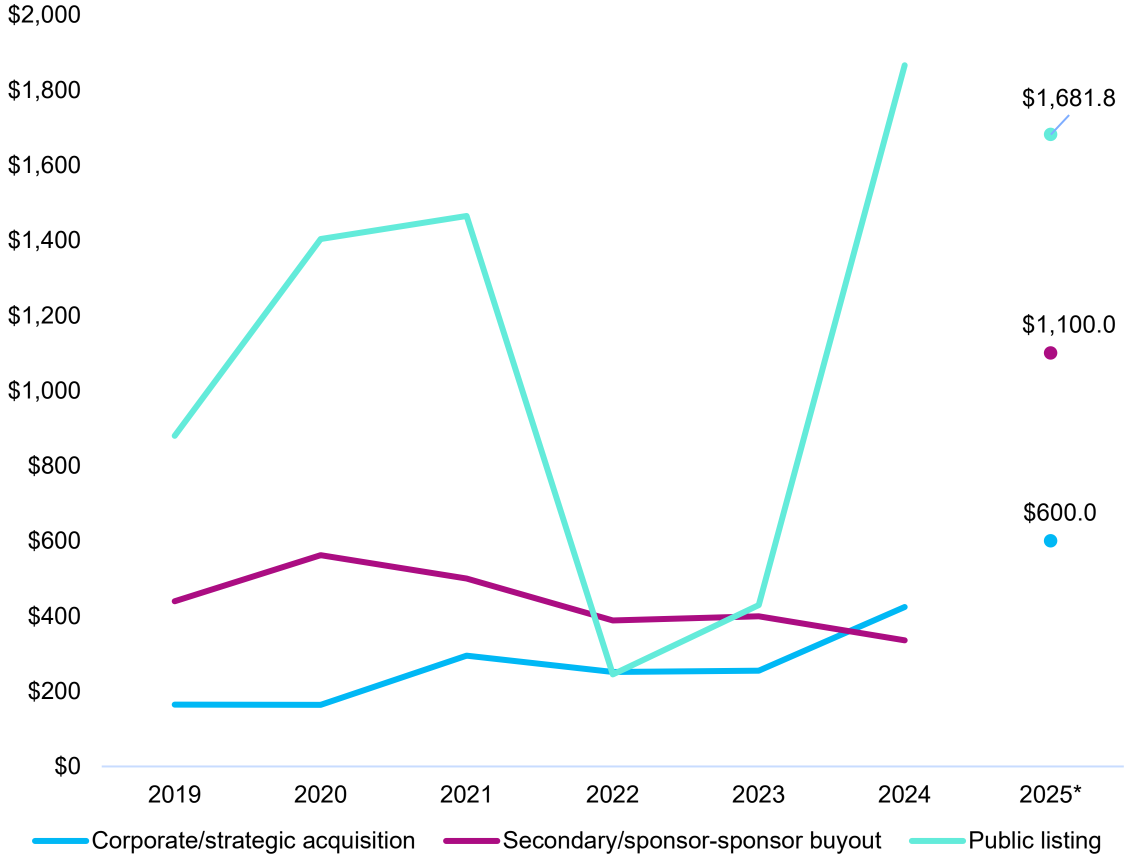
US PE-backed exit activity



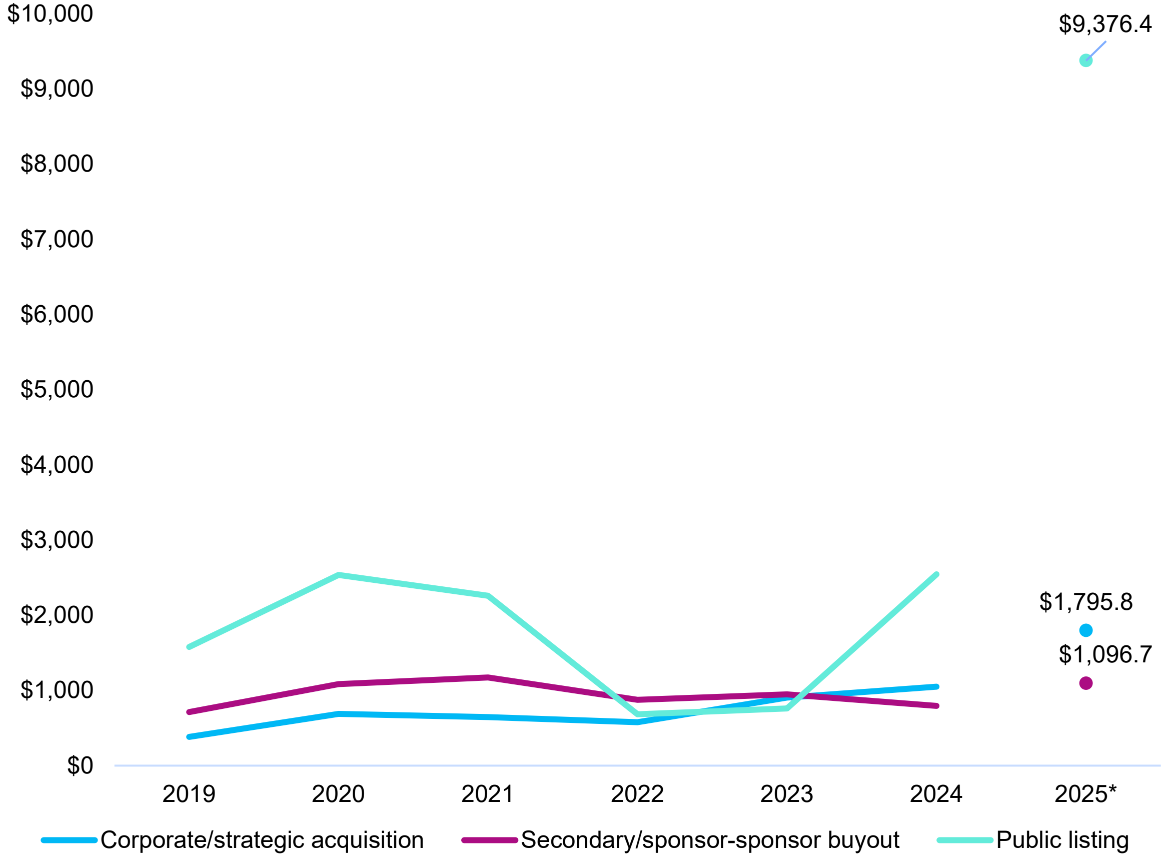
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Exit sizes surge in sign of confidence

US median PE exit size ($M) by type



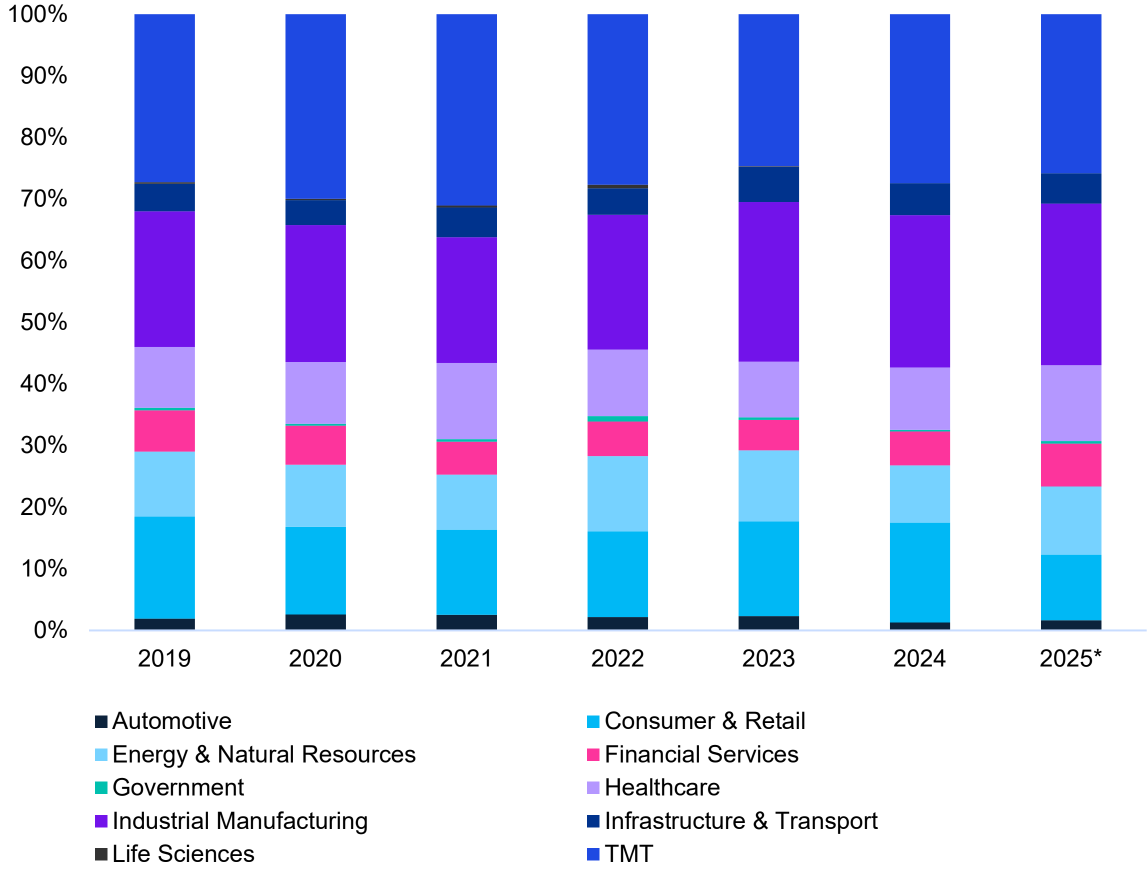
US average PE exit size ($M) by type



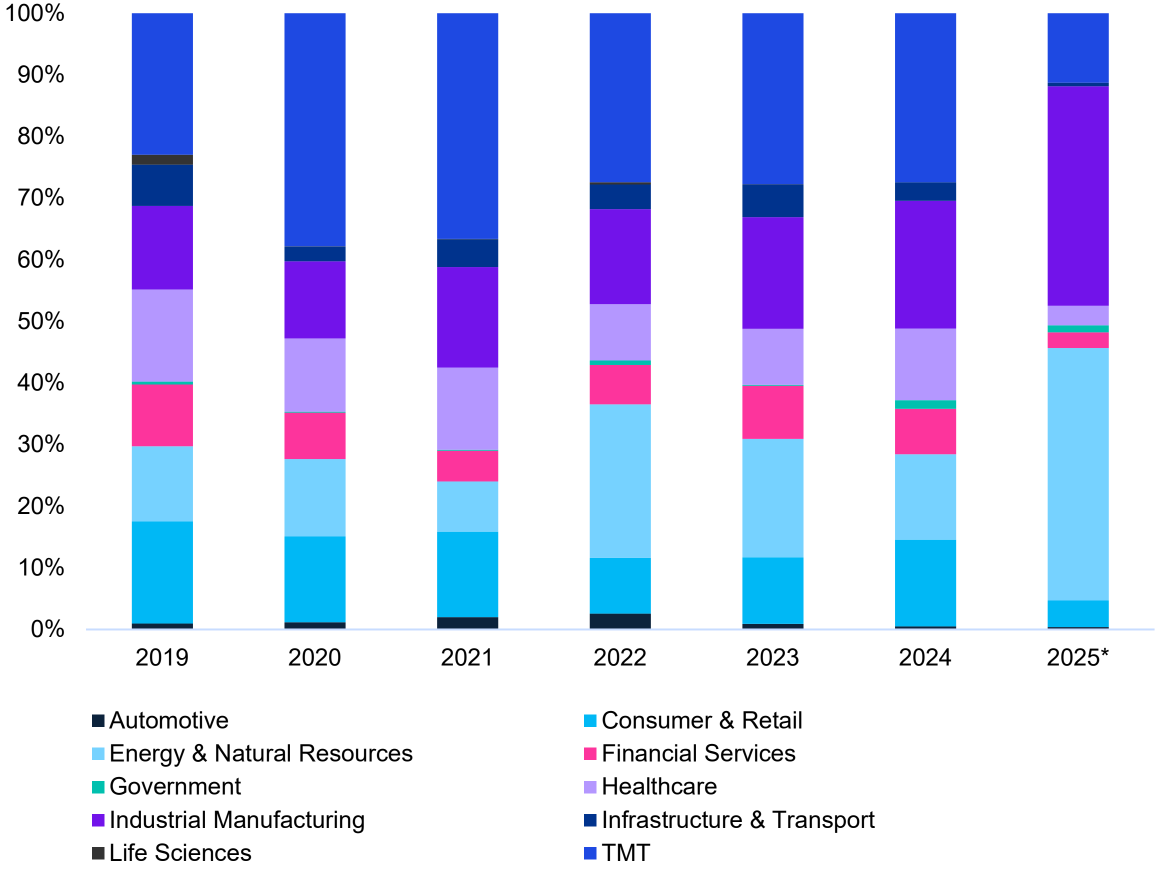
Source: PitchBook, data as of March 31, 2025. Note: The 2025* figures for secondary buyouts and public listings are based on a population size of n < 30.

Industry, materials see blockbusters

US PE exit activity (#) by sector



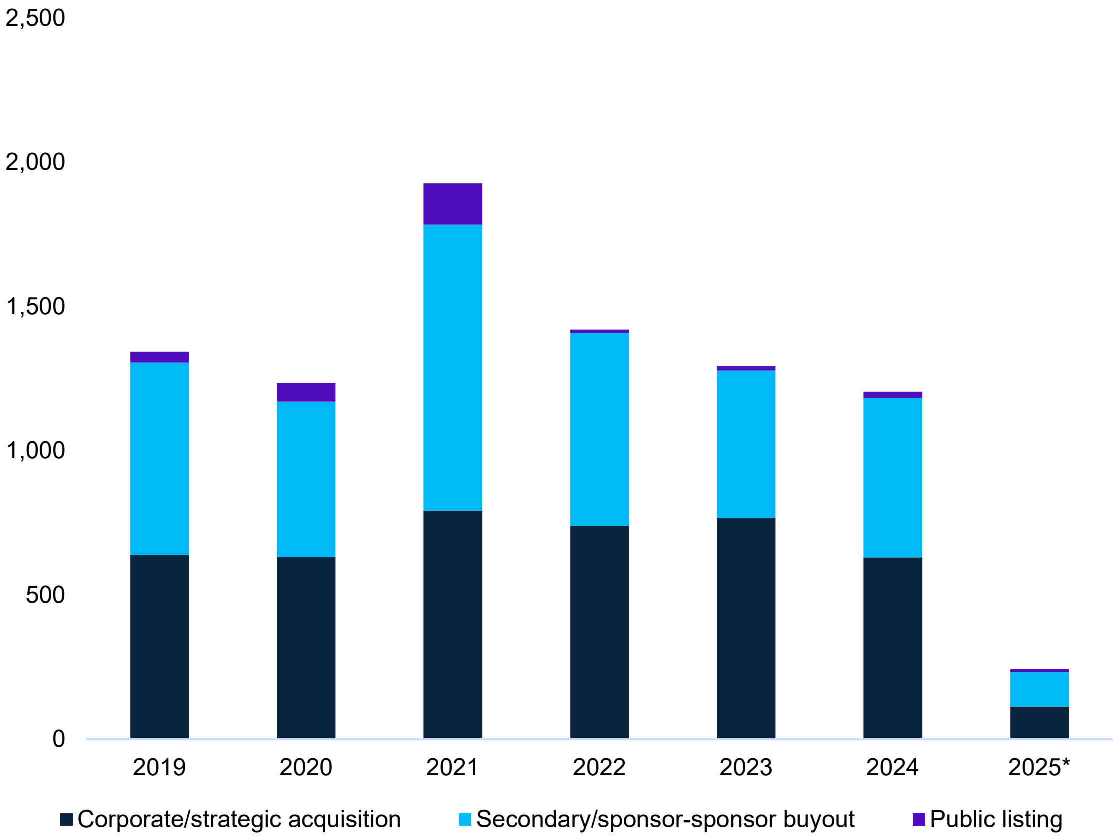
US PE exit activity ($B) by sector



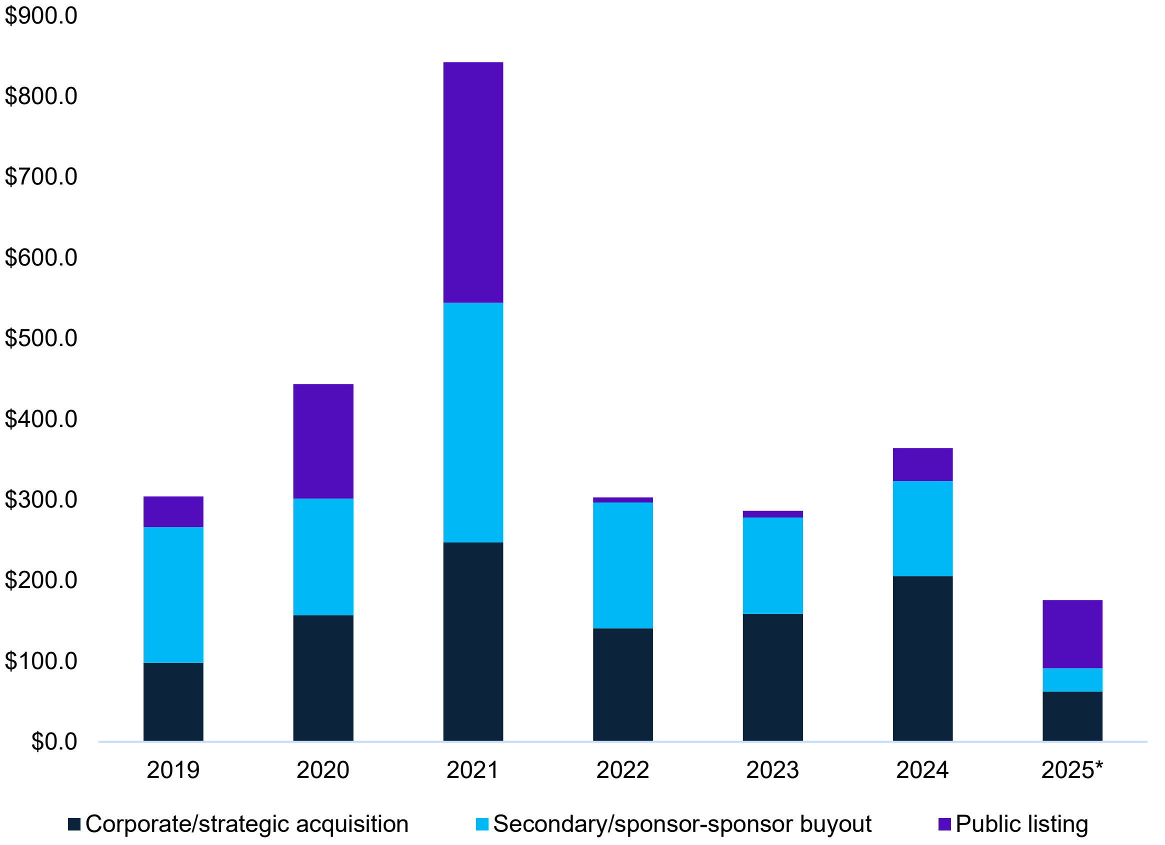
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Public listings boom for first time in years

US PE-backed exit activity (#) by type



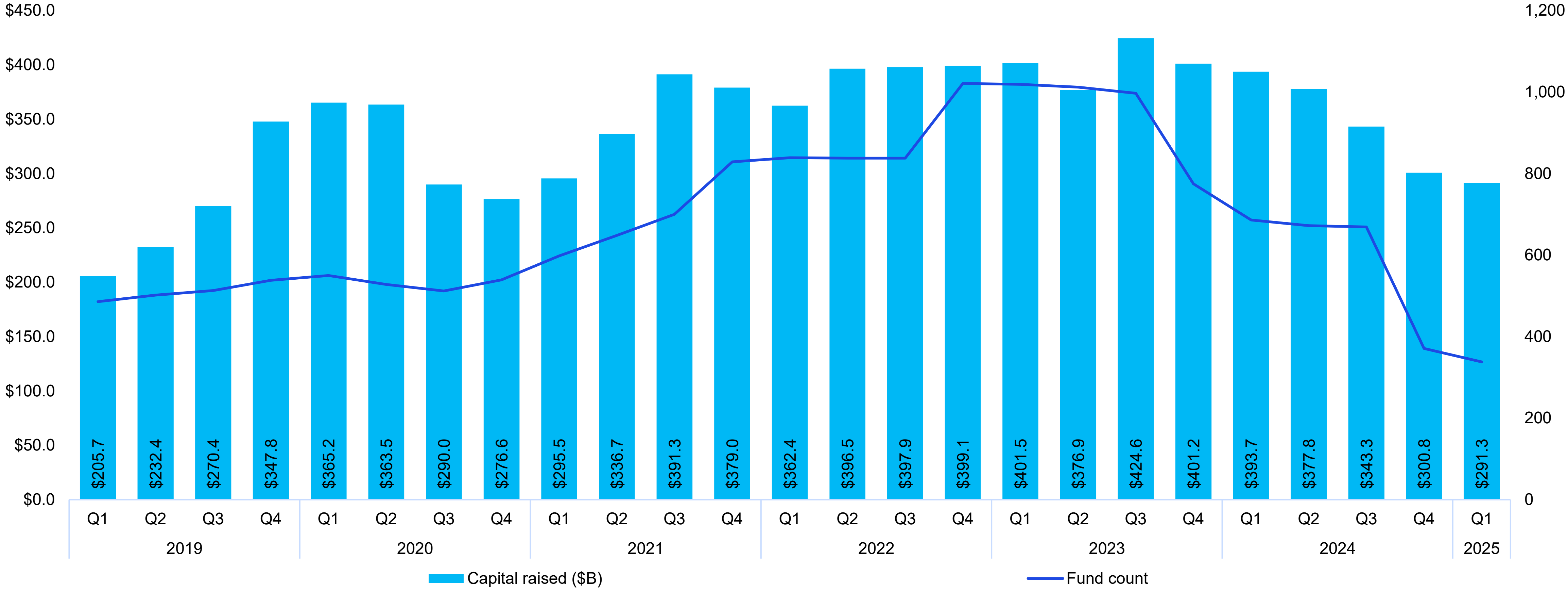
US PE-backed exit activity ($B) by type



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

Fundraising cycle enters downswing

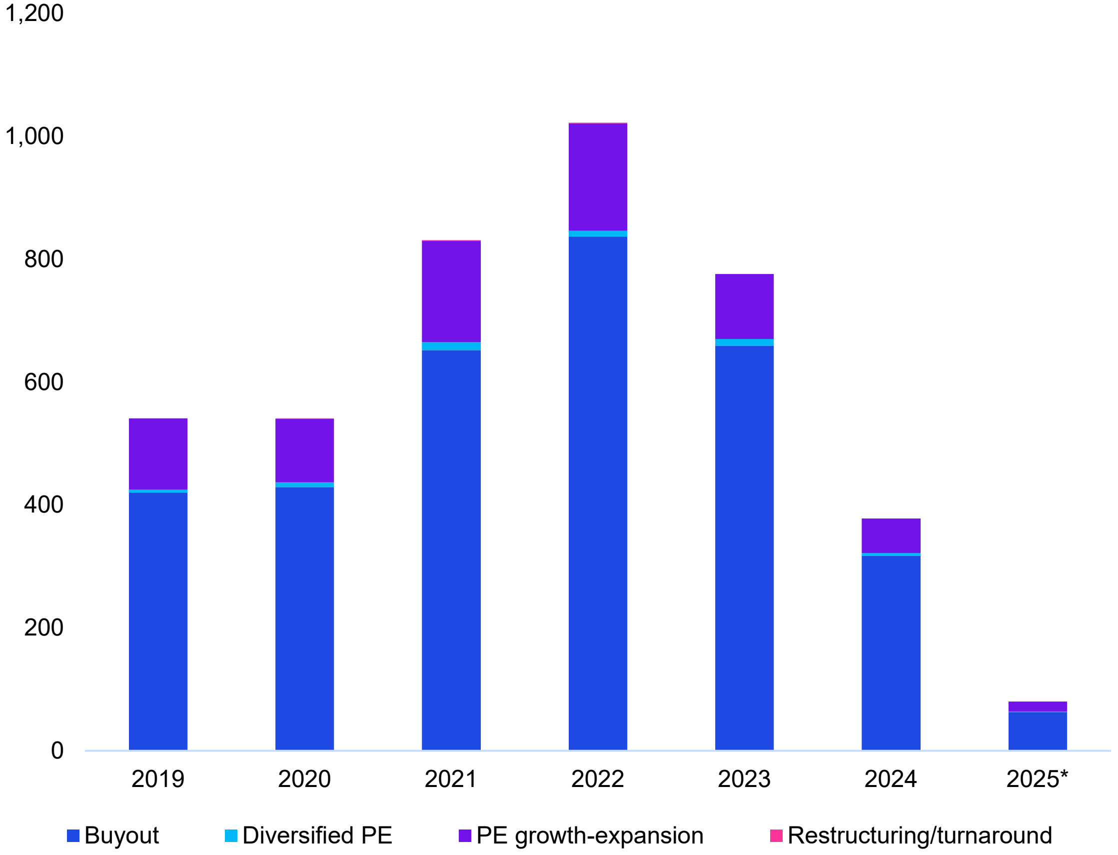
US PE fundraising activity (rolling 12-month)



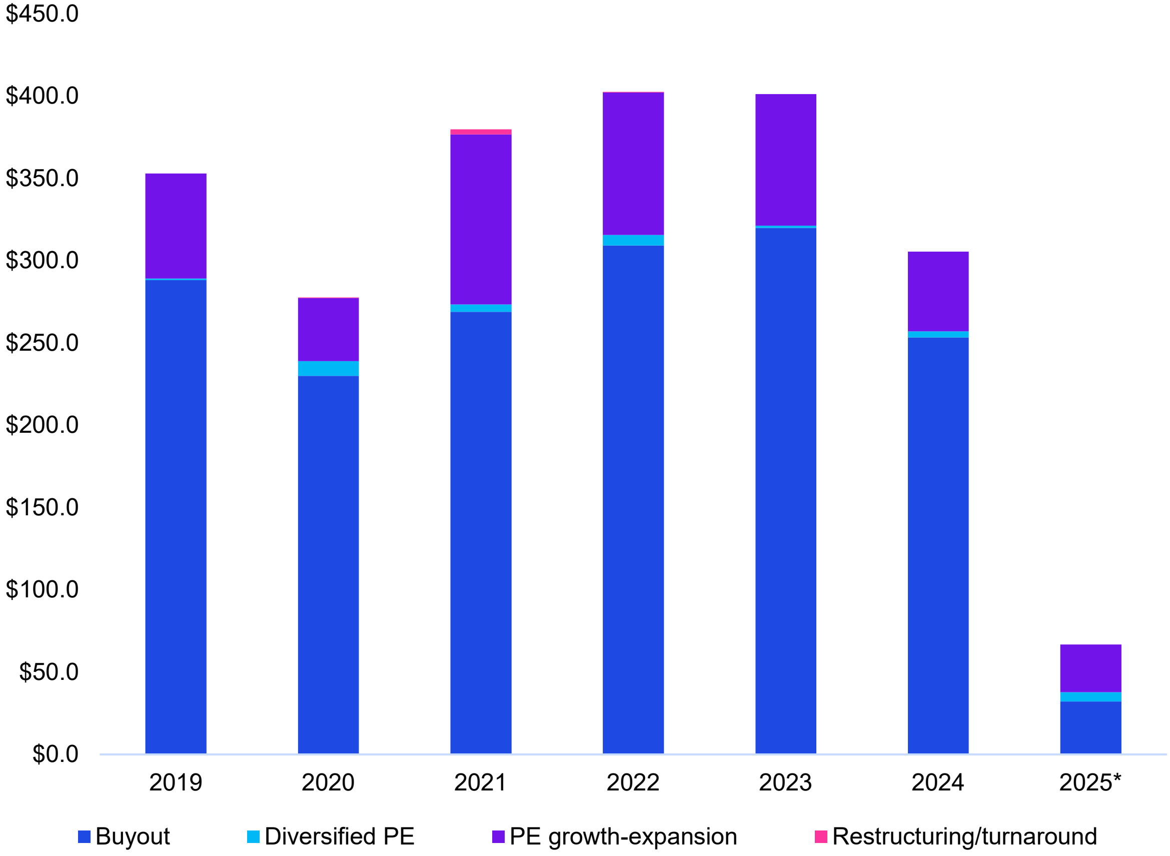
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Buyout vehicles are most popular

US PE fundraising activity (#) by type



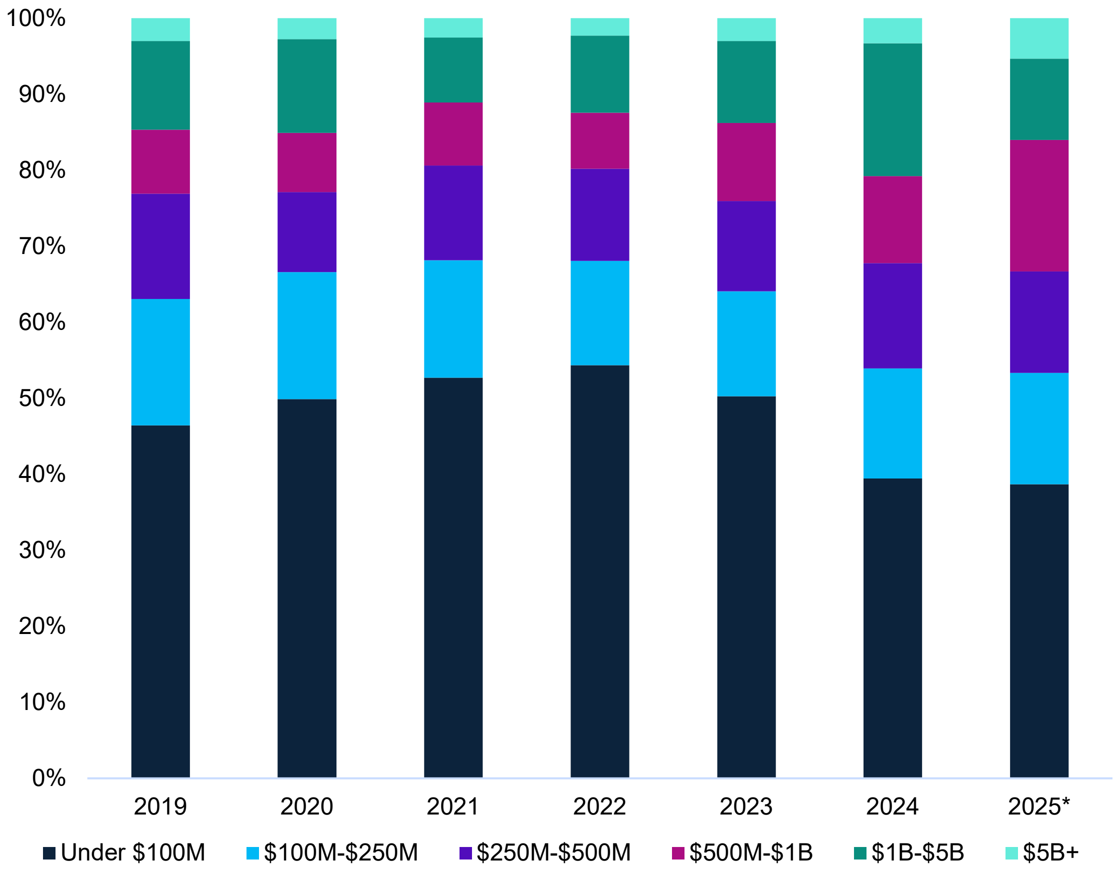
US PE fundraising ($B) by type



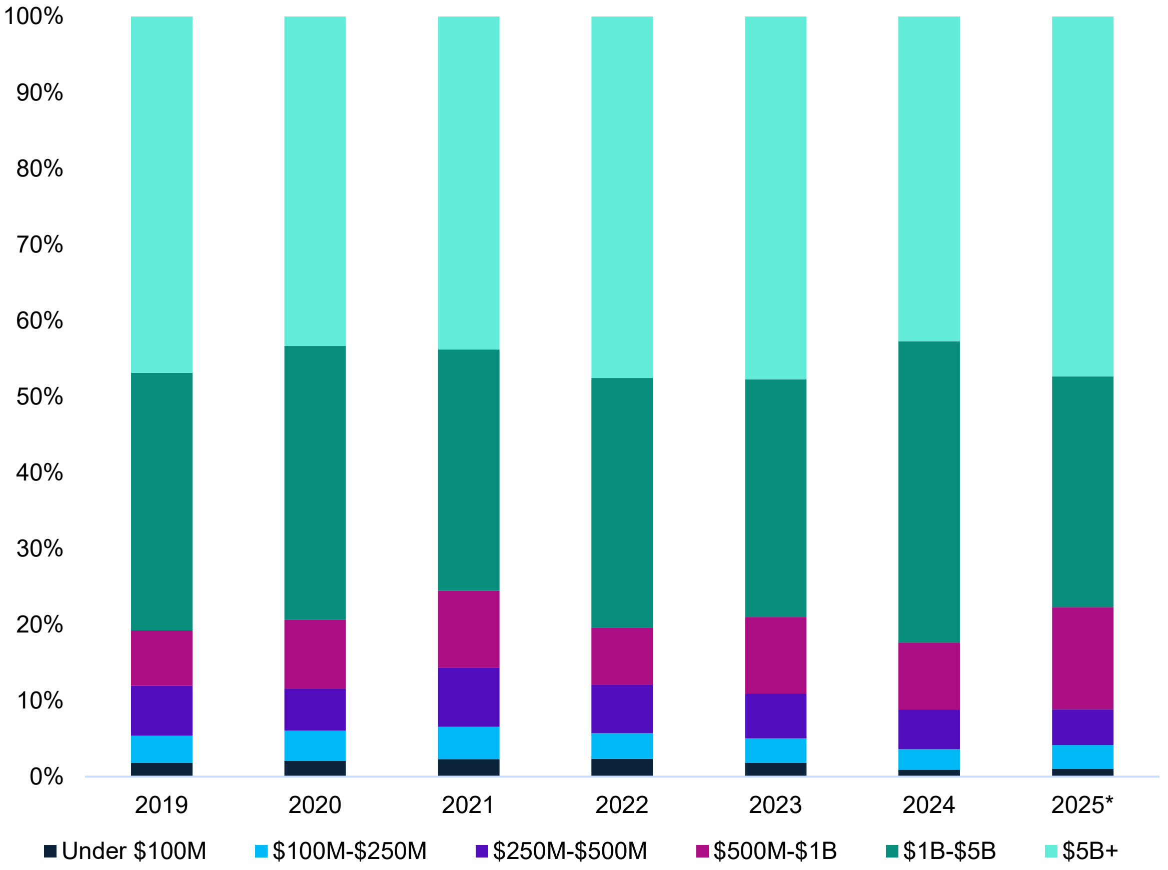
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Mid-market vehicles draw large sums

US PE fundraising activity (#) by size



US PE fundraising ($B) by size



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

03

In Q1'25, Americas PE announced deals amount to $287.1B across 1,868 transactions

Americas overview

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.

> "Last year was a pretty robust year for PE activity here in the US, except in comparison to 2021. I think once the tariff conflicts start to die down, I think we'll start to see that activity come back. Yes, tariffs and sticky inflation are major headwinds, but there are a lot of tailwinds here in the US as well, including deregulation and lower energy costs."

Glenn Mincey
US Head of Private Equity
KPMG in the US

Americas overview

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]

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.

"Tariff uncertainties seem to have impacted all industries in Mexico frankly. We're also seeing more companies across Latin America facing challenges in their supply chains, particularly those businesses that are more dependent on international trade. Given the uncertainty, the industries where PE investors are looking for opportunities right now are ones that primarily serve the local market, such as agriculture and TMT, as these areas will have the greater amount of resilience in the current environment."

Jean-Pierre Trouillot
Partner, Advisory Leader for Latin America
KPMG in the US

[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 overview

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.

[17] BNN Bloomberg, "Quebec pension fund manager to buy Innergex Renewable Energy in deal valued at $10 billion," 25 February 2025.

Americas overview

Trends to watch for in Q2’25

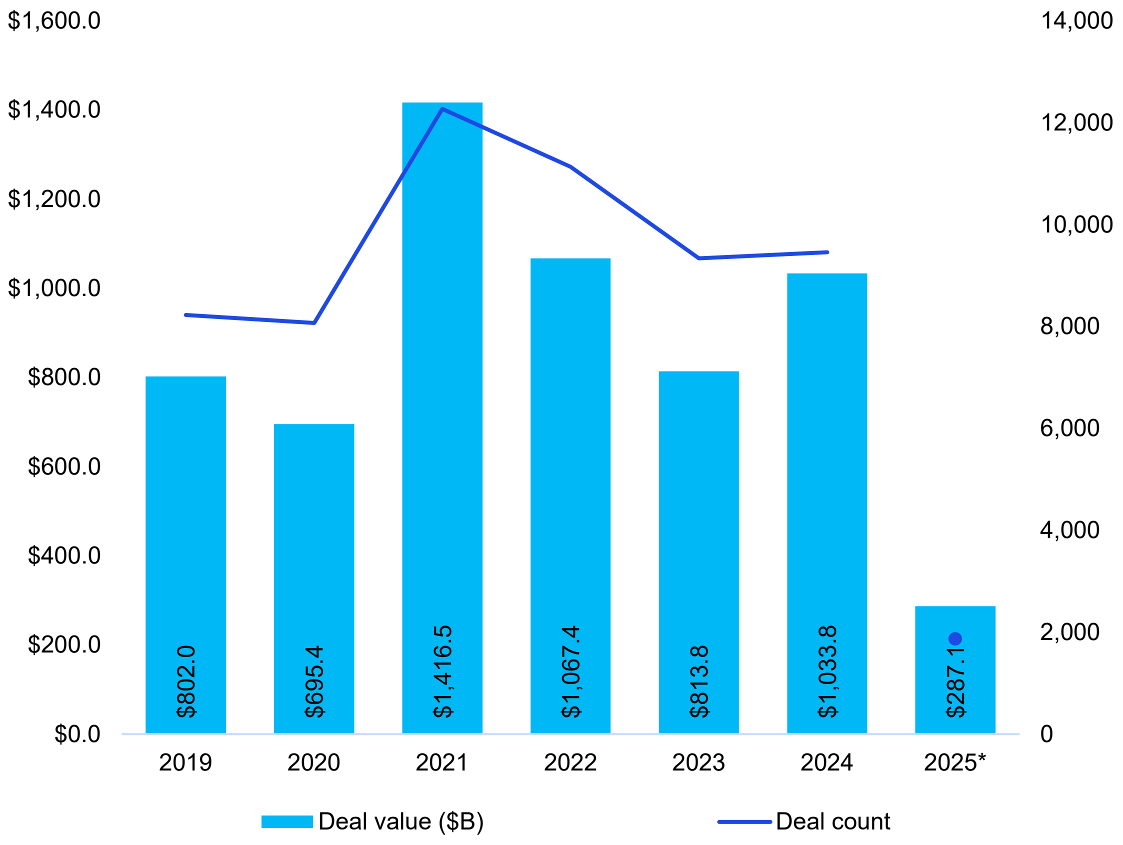
As Q2’25 begins, private equity investment across the Americas is expected to remain somewhat subdued, with investors showing growing hesitation — particularly outside of the US — amid ongoing trade and tariff tensions. Until there is greater policy clarity, many PE firms are likely to remain on the sidelines, carefully evaluating potential risks before deploying capital.

However, if trade disputes are resolved or de-escalated during the quarter, the stage could be set for a strong rebound in investment activity in the second half of 2025. In the meantime, sectors less affected by tariff pressures — such as information technology, business services, financial services, infrastructure, and healthcare — are expected to attract the bulk of investor interest. Conversely, tariff-sensitive sectors like manufacturing, consumer goods, and industrials may see PE activity decline sharply until the policy environment stabilizes.

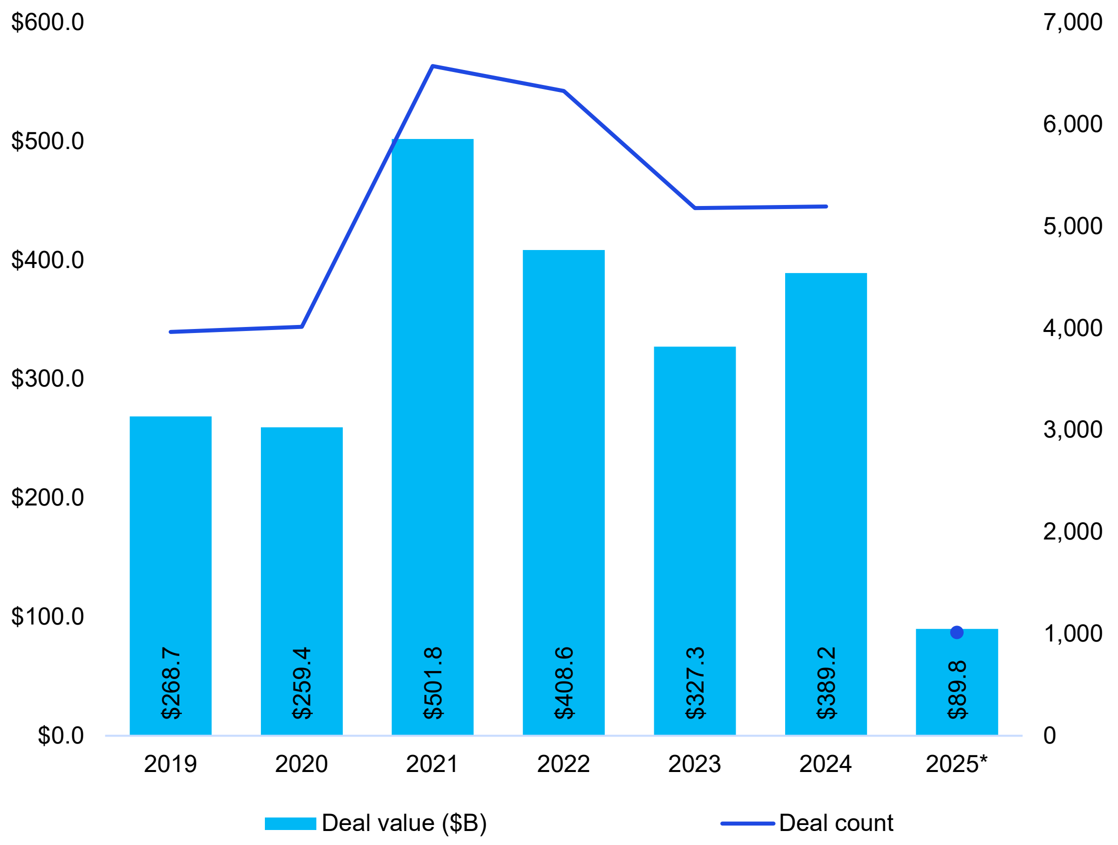
Private equity activity in the Americas and the US in particular is expected to remain focused on middle-market add-ons and bolt-ons to build larger, more scalable platforms as well as continued vertical integration of portfolio companies to create unified, end-to-end offerings.

Add-ons help boost volume

Americas PE deal activity



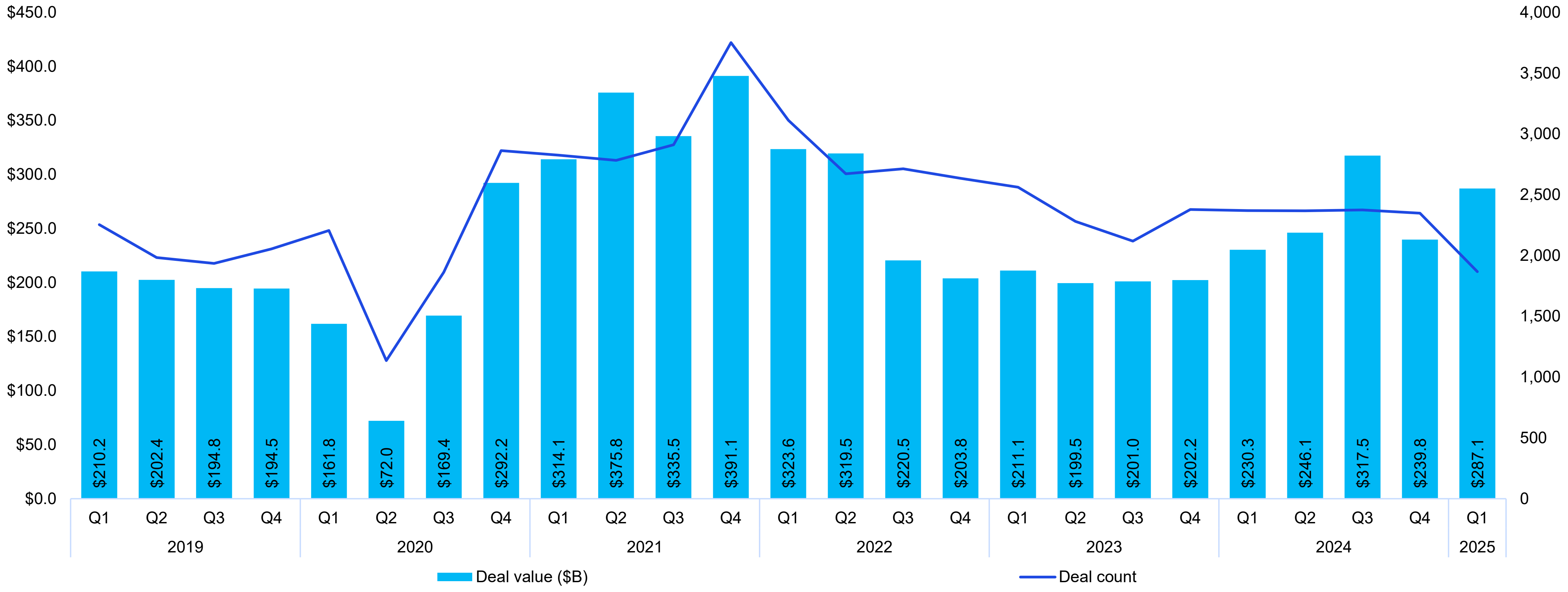
Americas PE add-on/bolt-on activity



*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

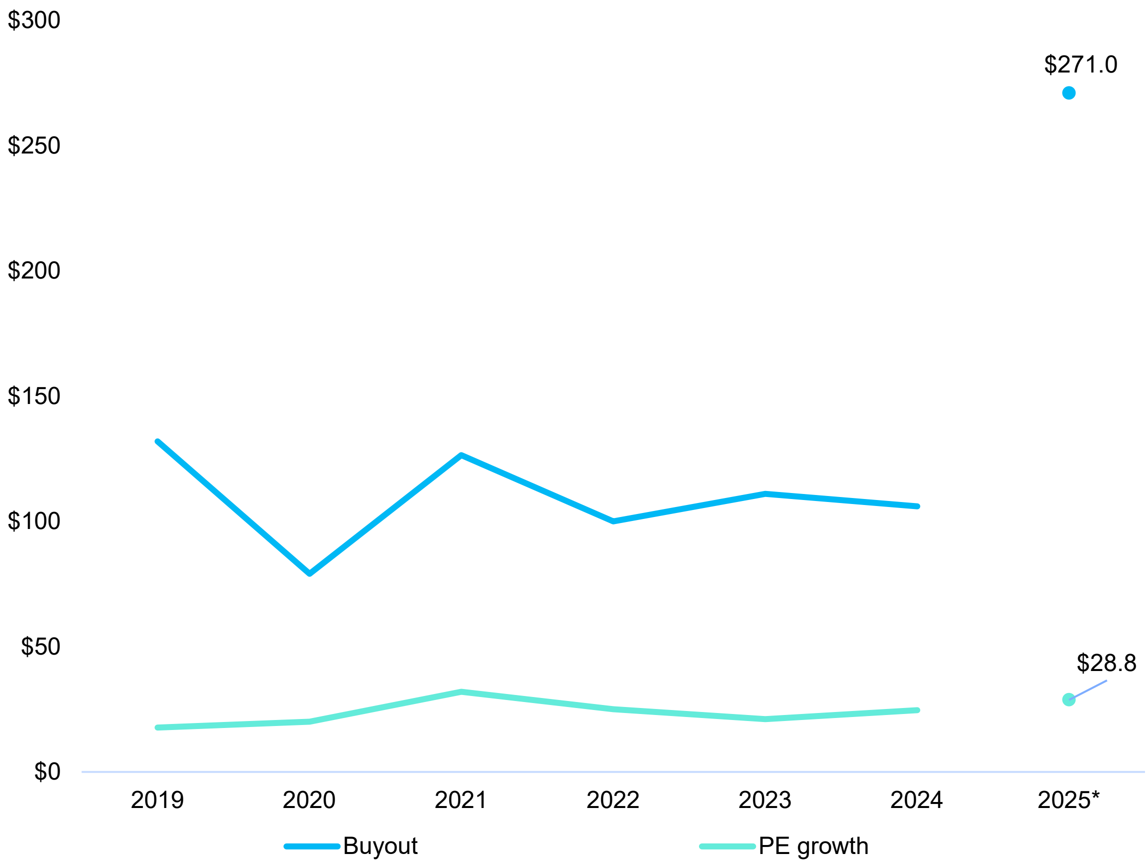
Americas PE deal activity



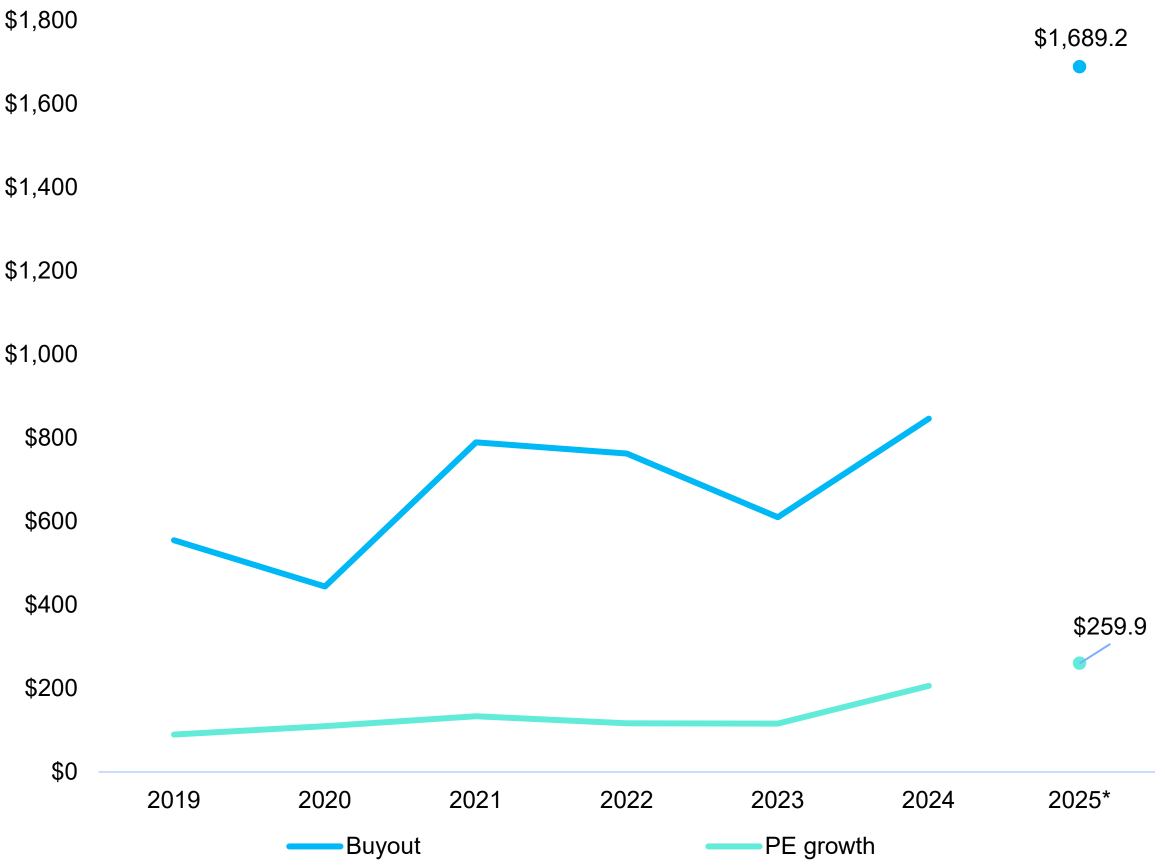
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Confident increases in deal sizes

Americas median PE deal size ($M) by type



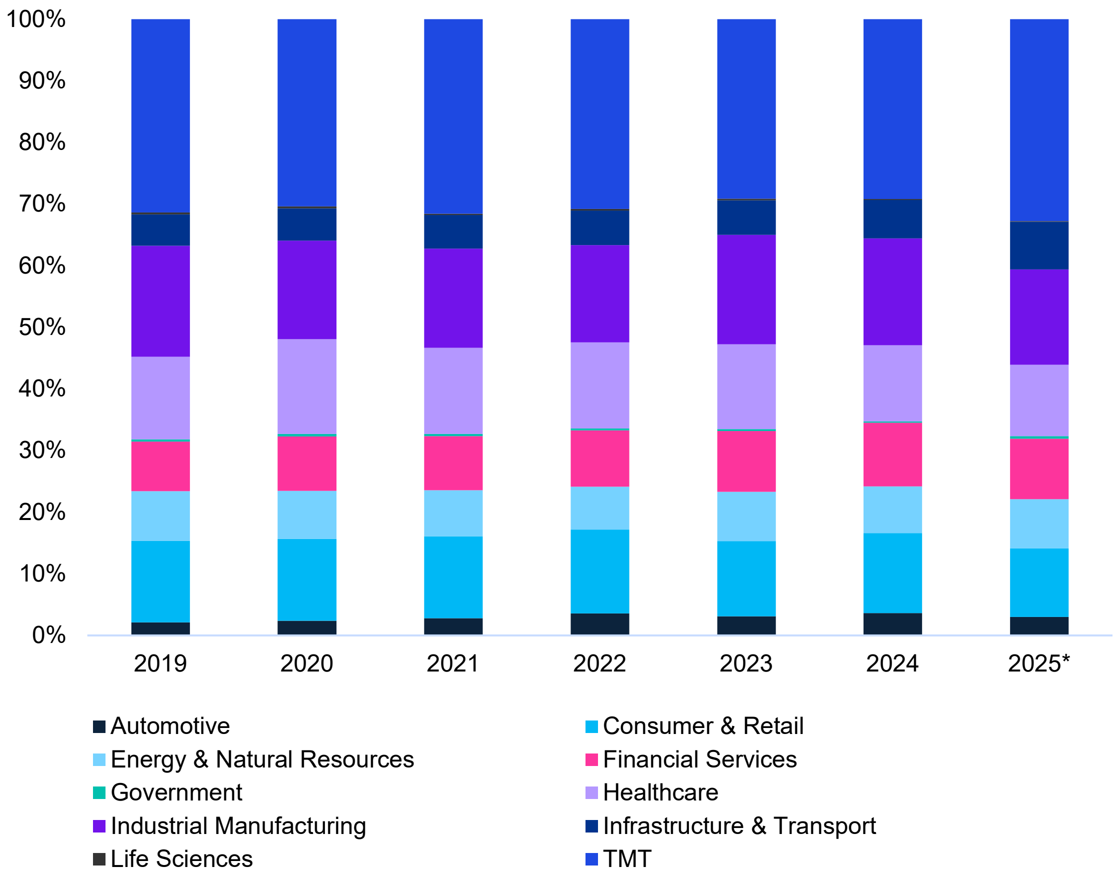
Americas average PE deal size ($M) by type



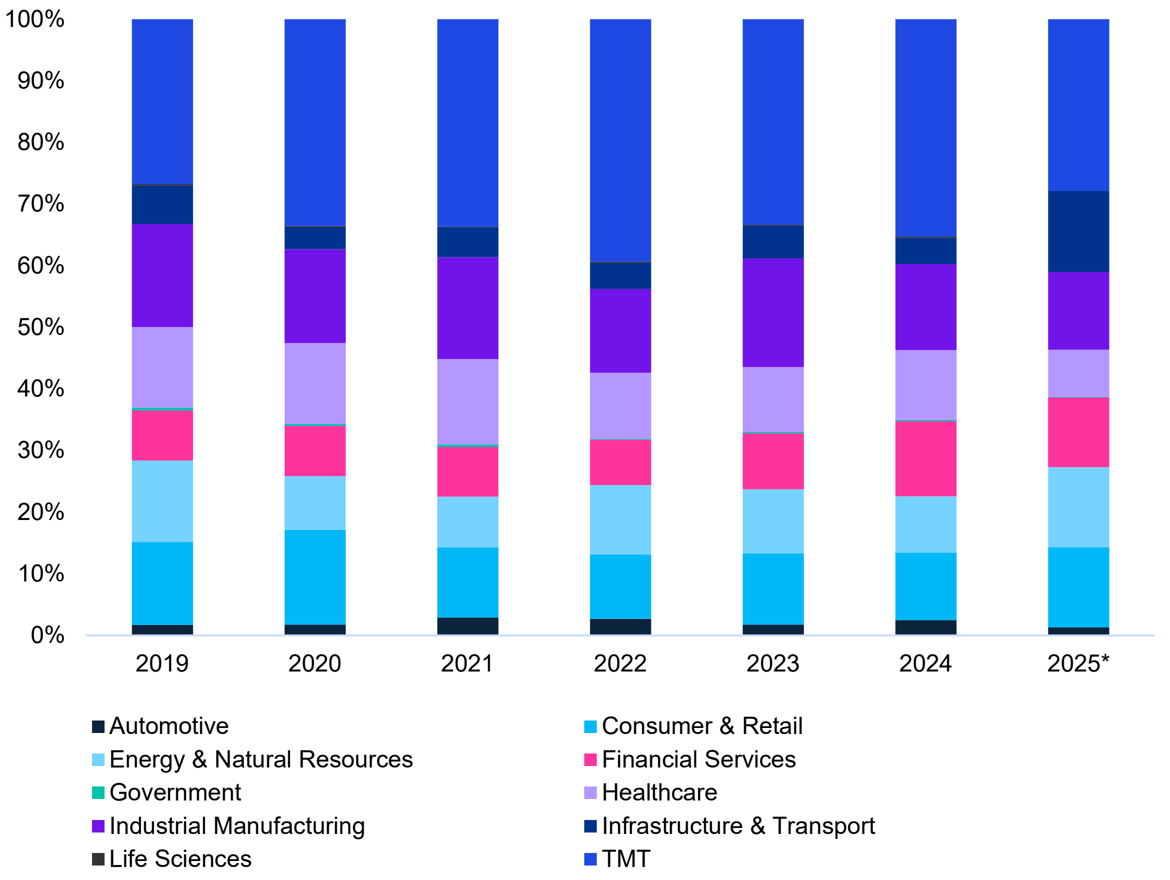
Source: PitchBook, data as of March 31, 2025.

Both value & count tilt toward TMT

Americas PE deal activity (#) by sector



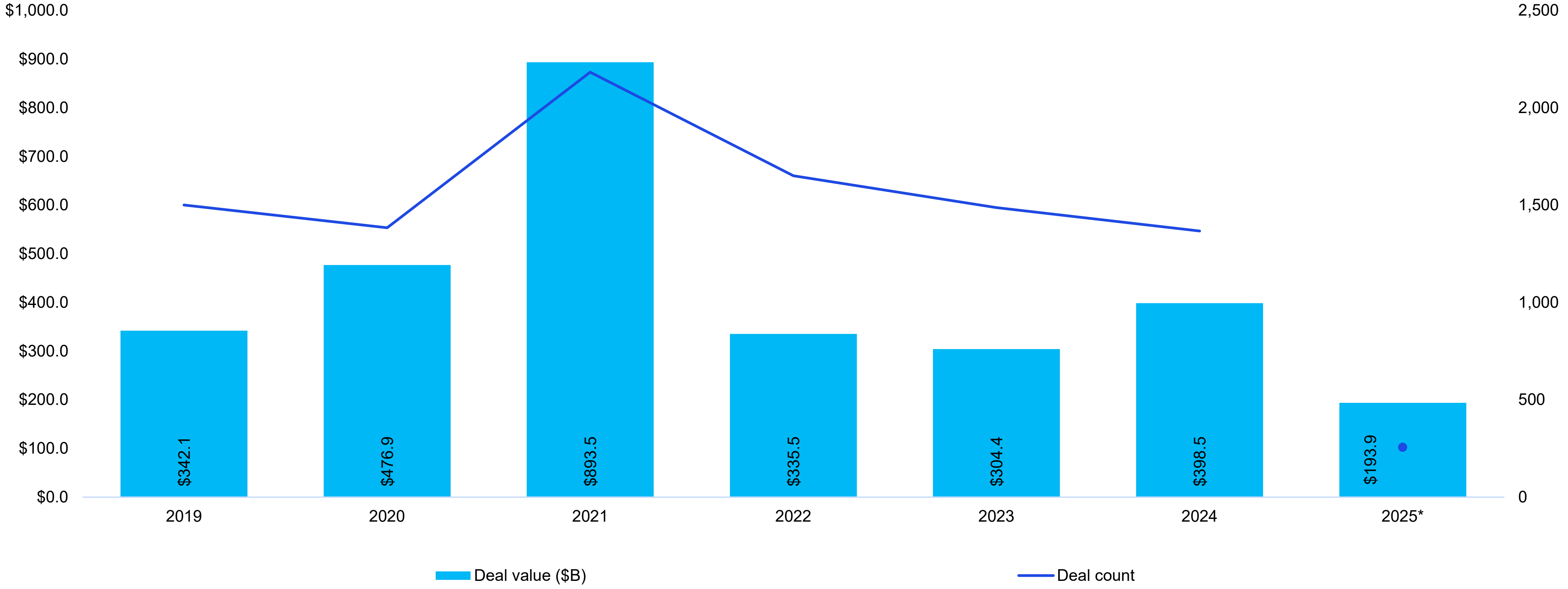
Americas PE deal activity ($B) by sector



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

Exits surge at start of year

Americas PE-backed exit activity

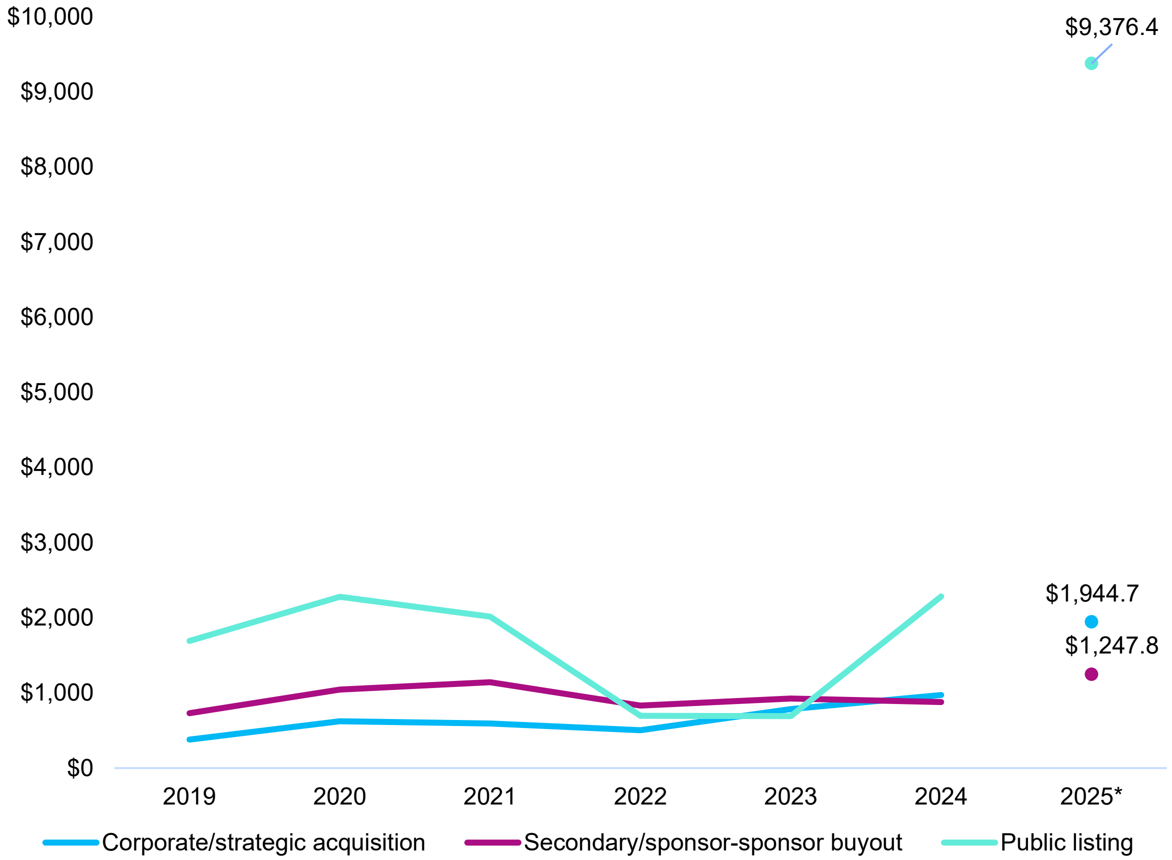


*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Small sample sizes and outliers help skew

Americas median PE exit size ($M) by type

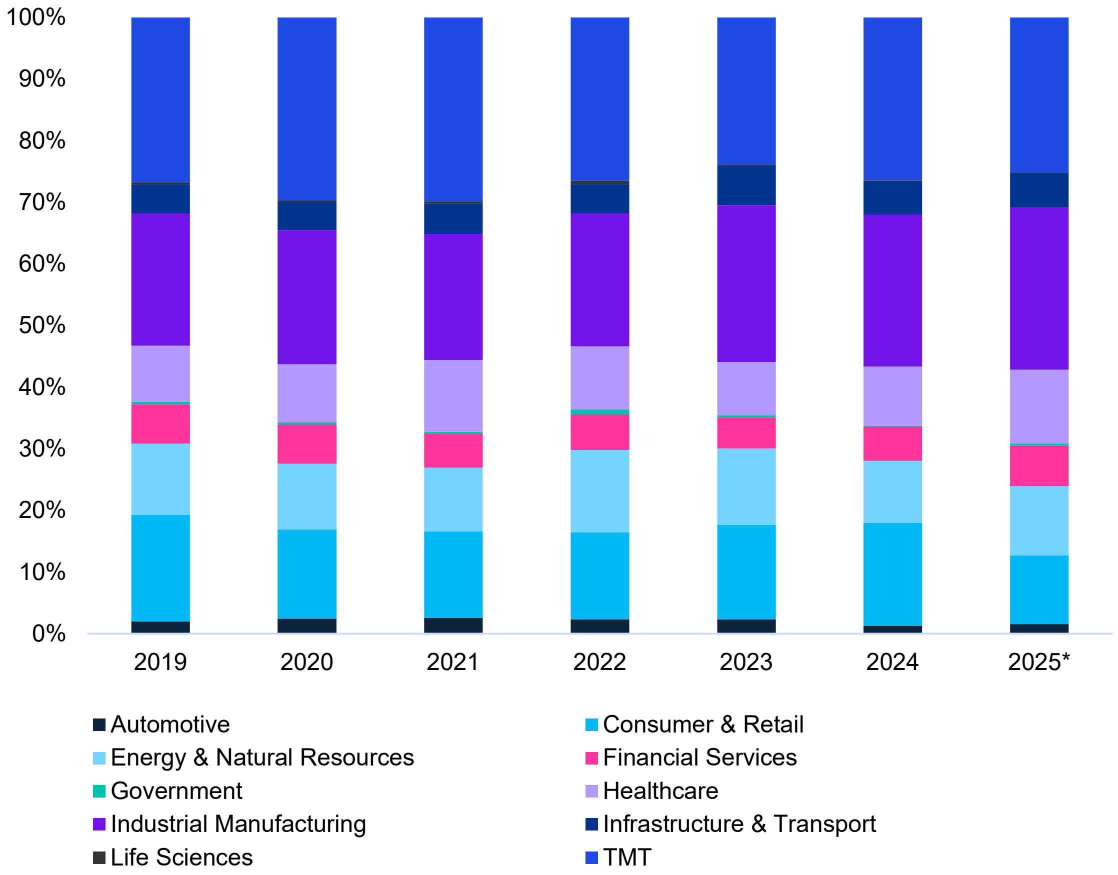
Americas average PE exit size ($M) by type



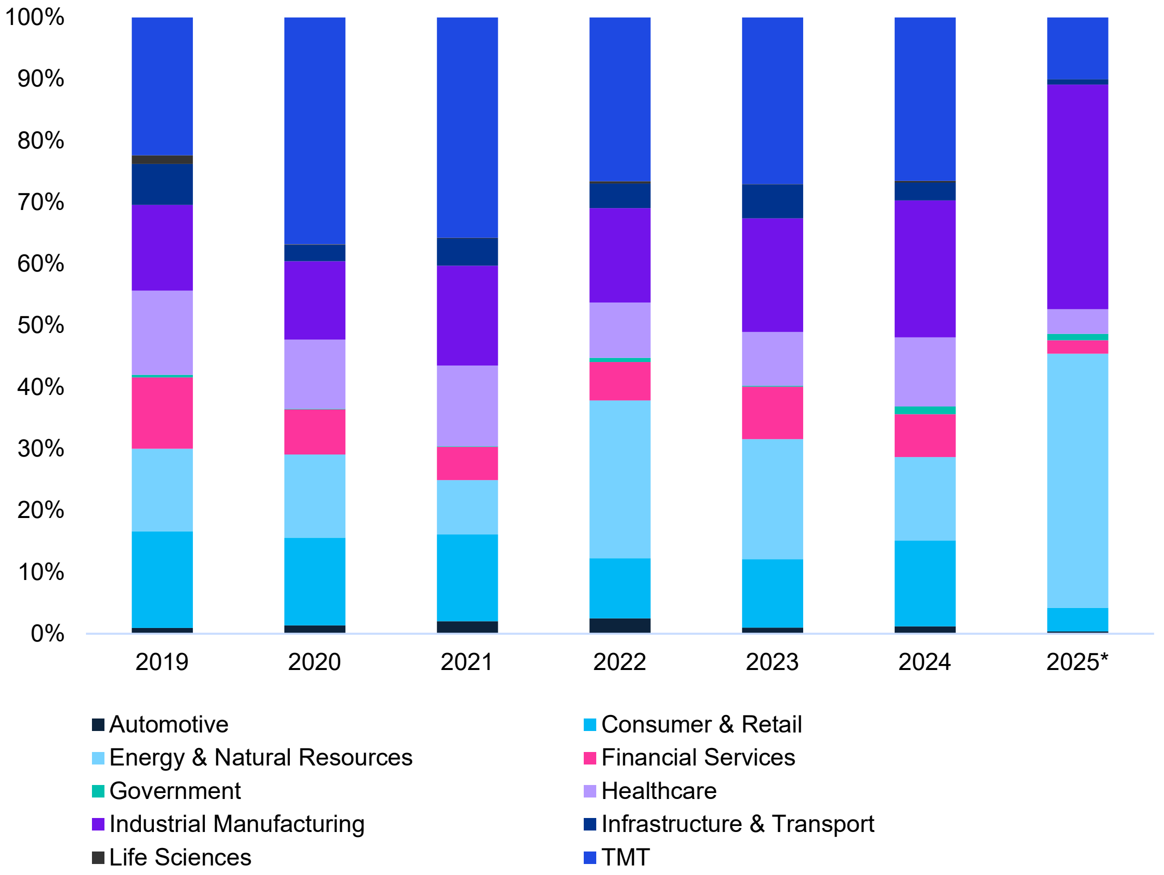
Source: PitchBook, data as of March 31, 2025. Note: The 2025* figures for secondary buyouts and public listings are based on a population size of n < 30.

A handful of exits push up industry

Americas PE exit activity (#) by sector



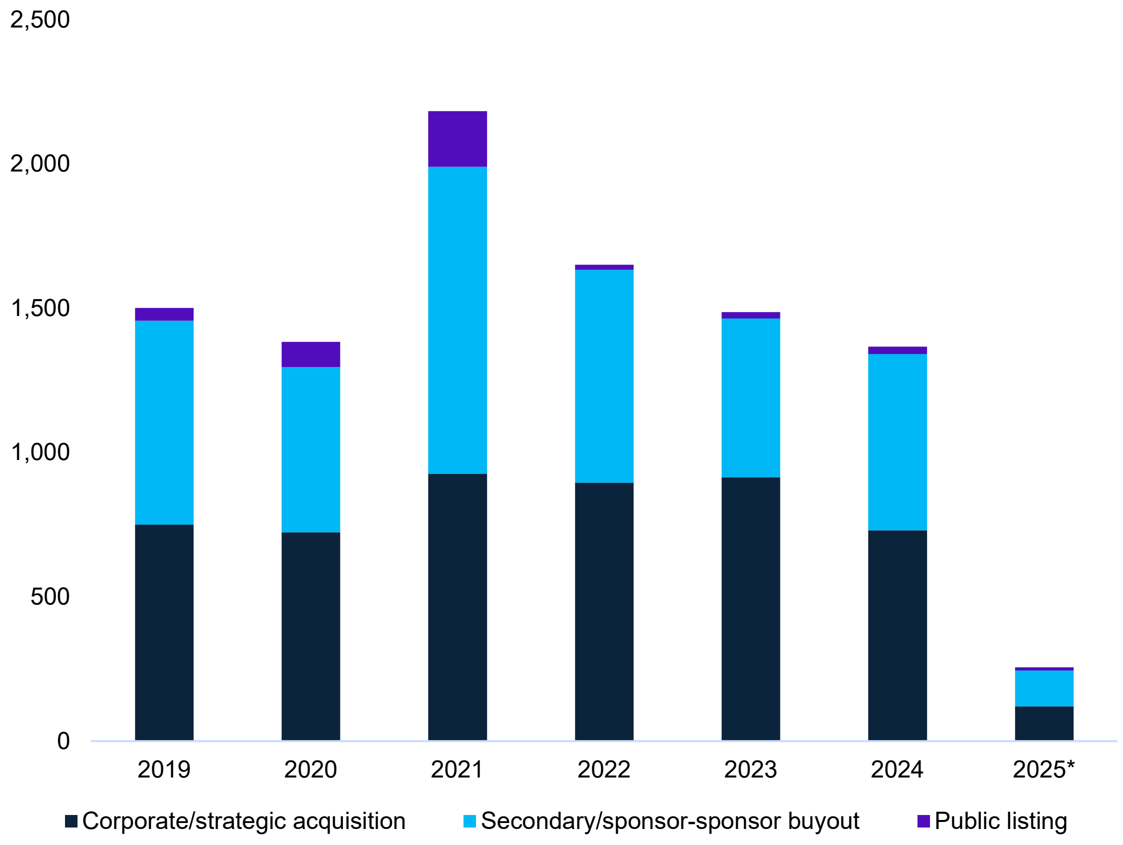
Americas PE exit activity ($B) by sector



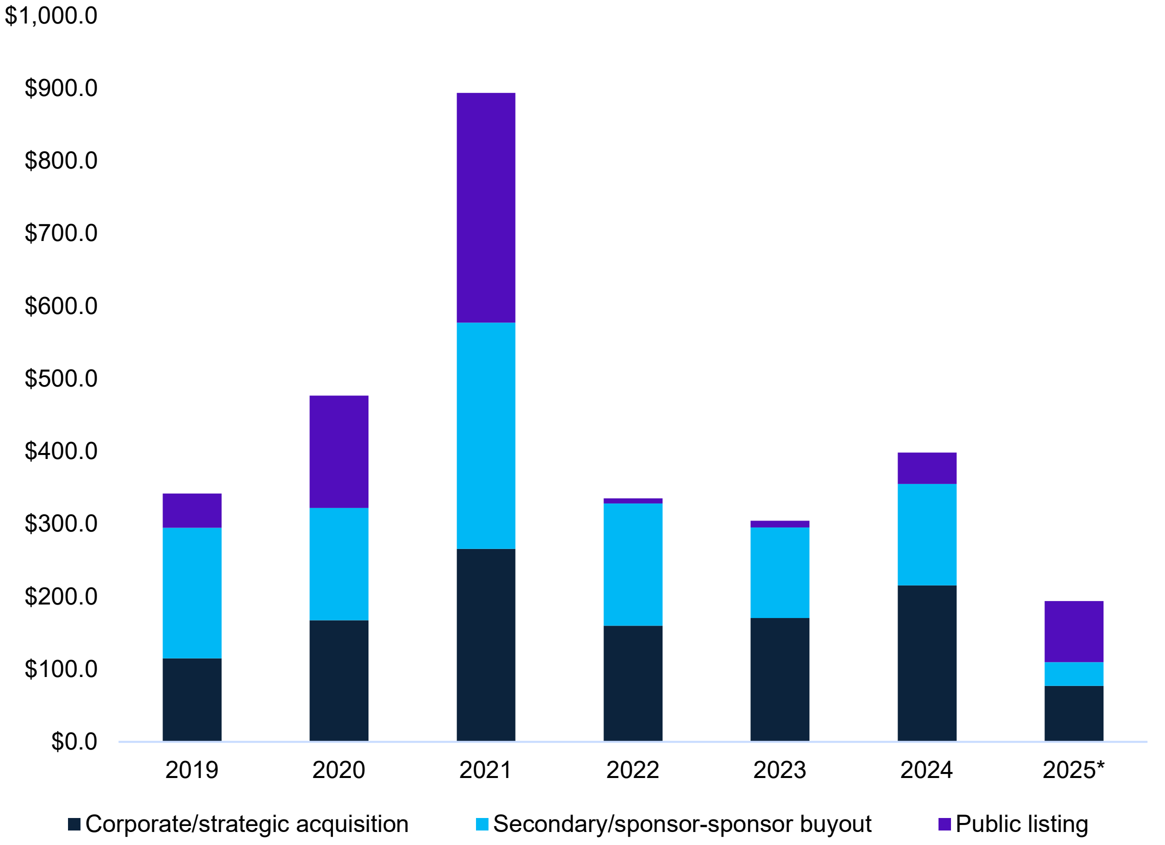
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Public listings' value surges anew

Americas PE-backed exit activity (#) by type



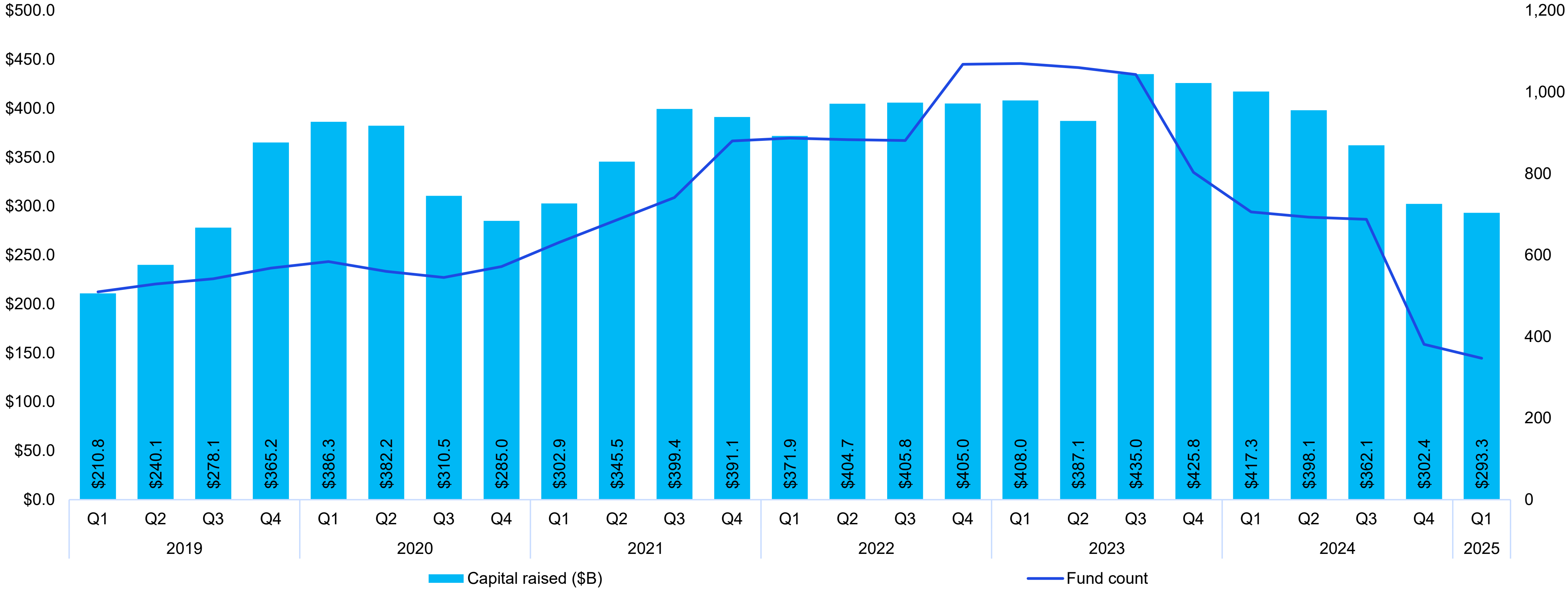
Americas PE-backed exit activity ($B) by type



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

LPs pull back in likely cyclical fashion

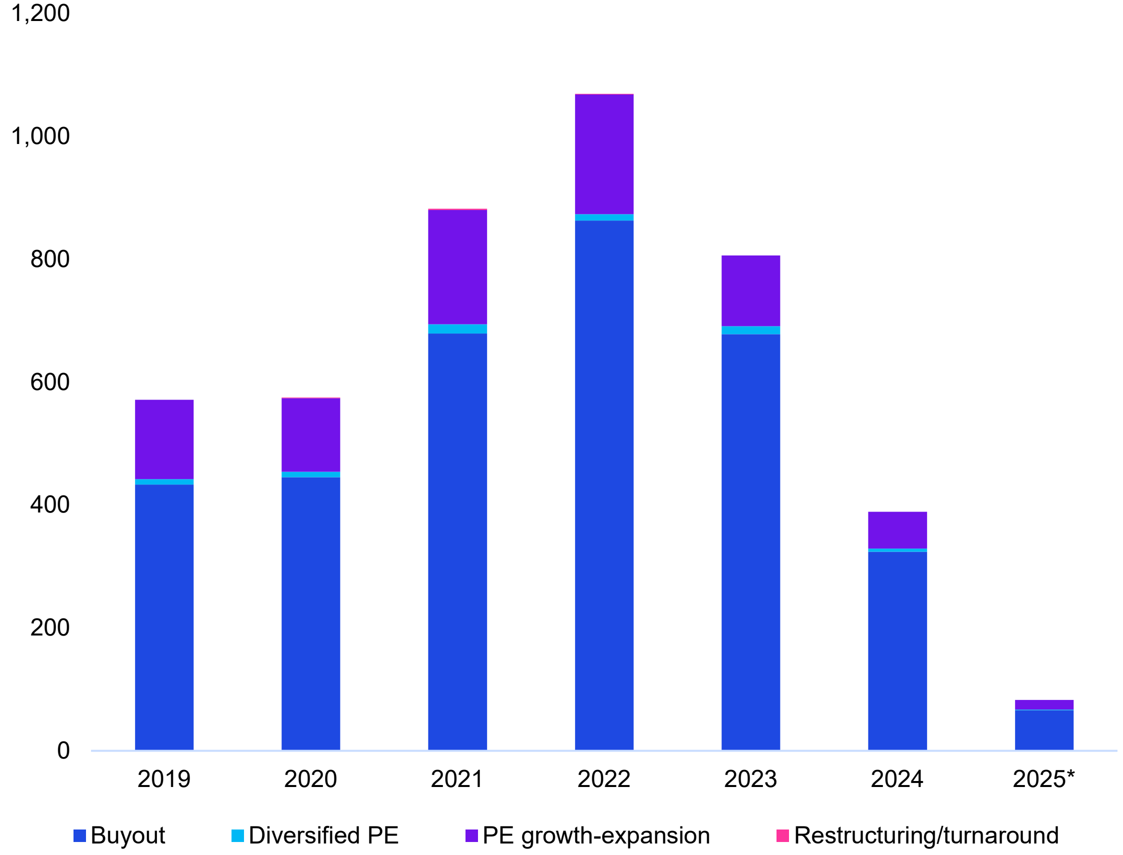
Americas PE fundraising activity (rolling 12-month)



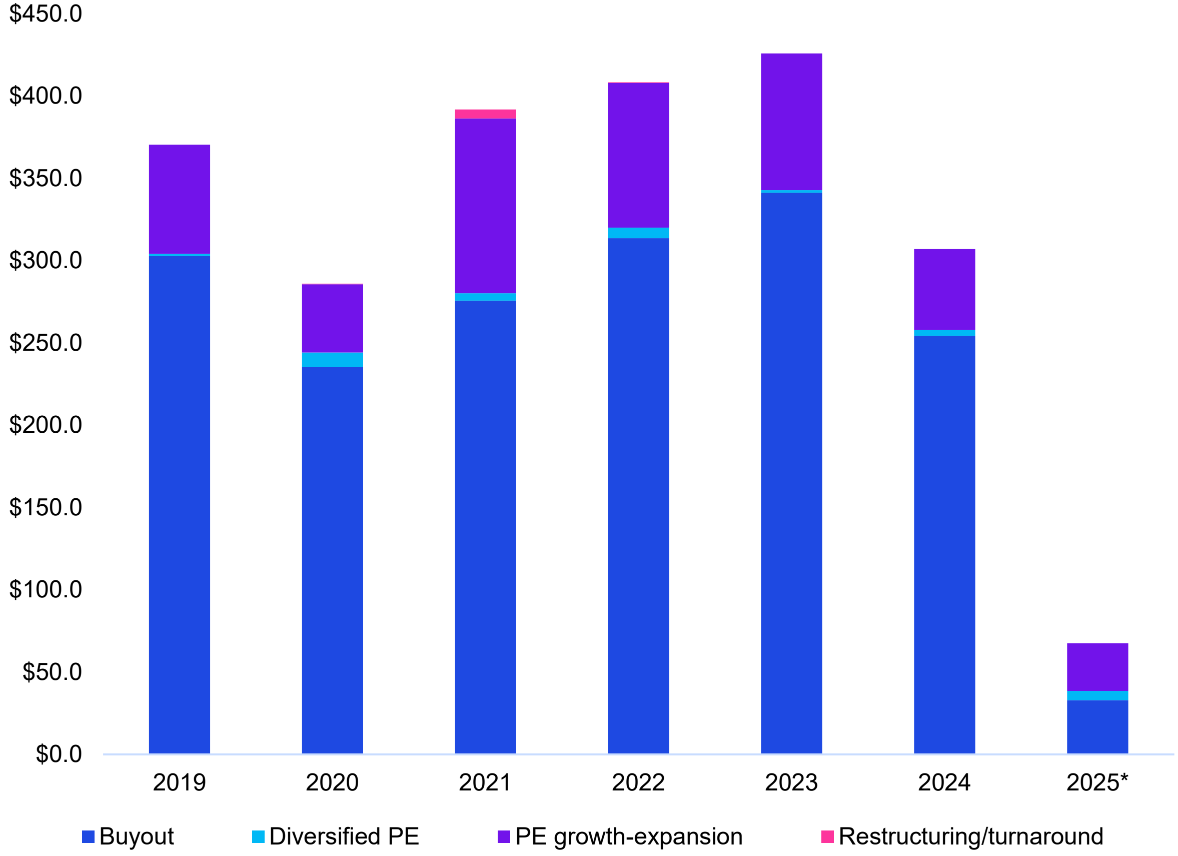
Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

A handful of growth-focused funds close

Americas PE fundraising activity (#) by type



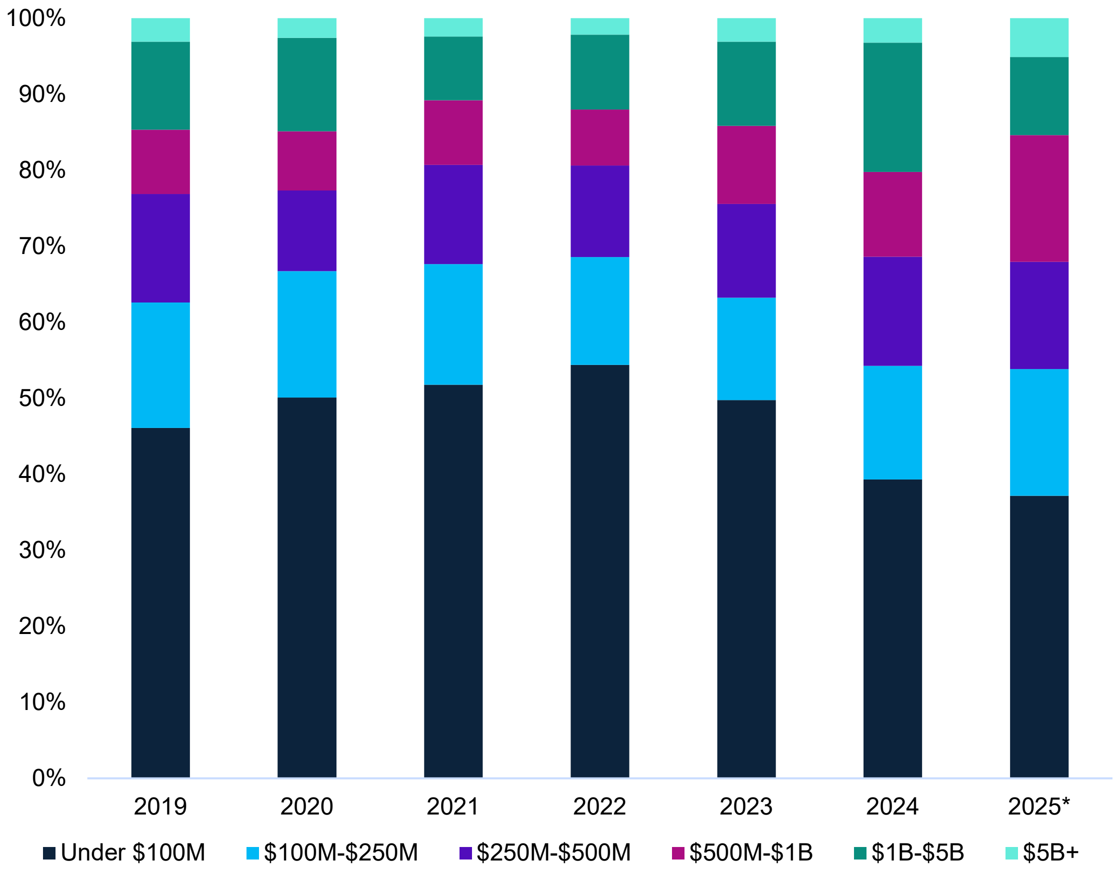
Americas PE fundraising ($B) by type



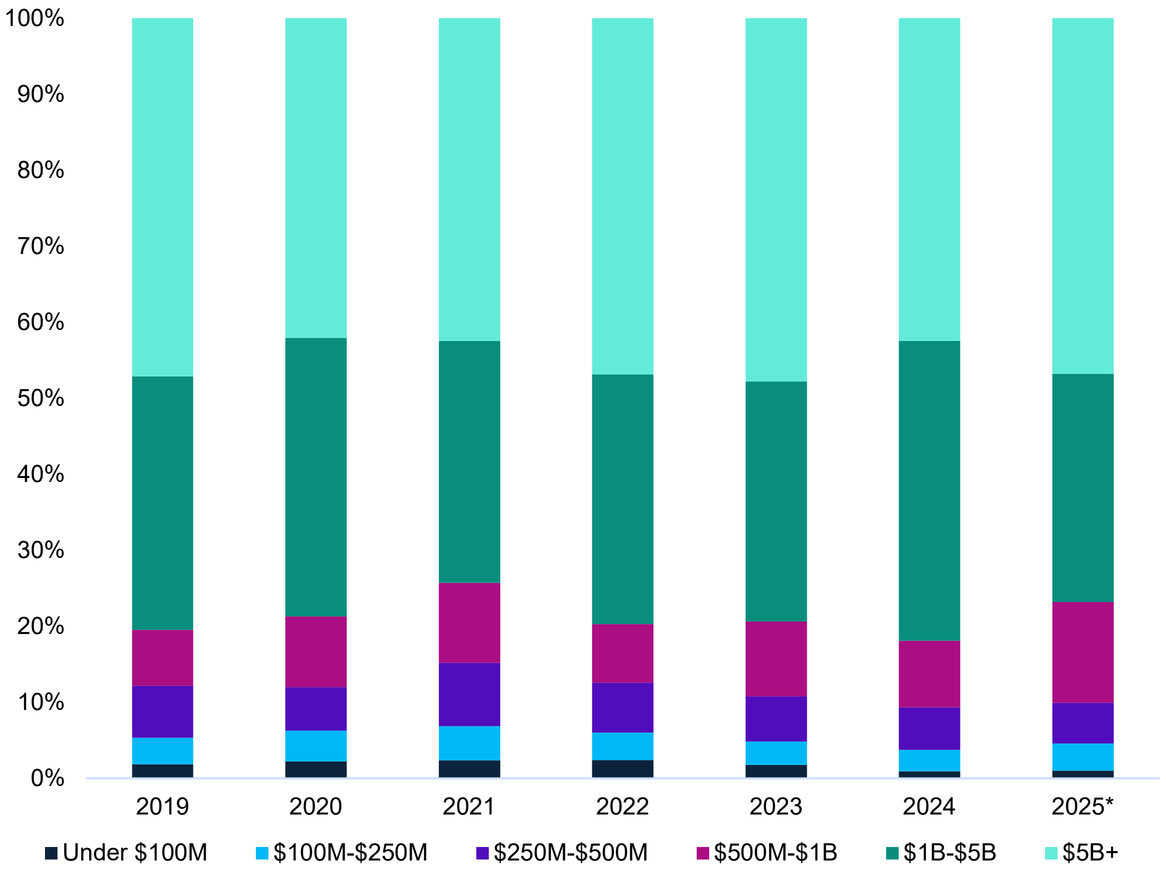
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

PE firms target middle markets

Americas PE fundraising activity (#) by size



Americas PE fundraising ($B) by size



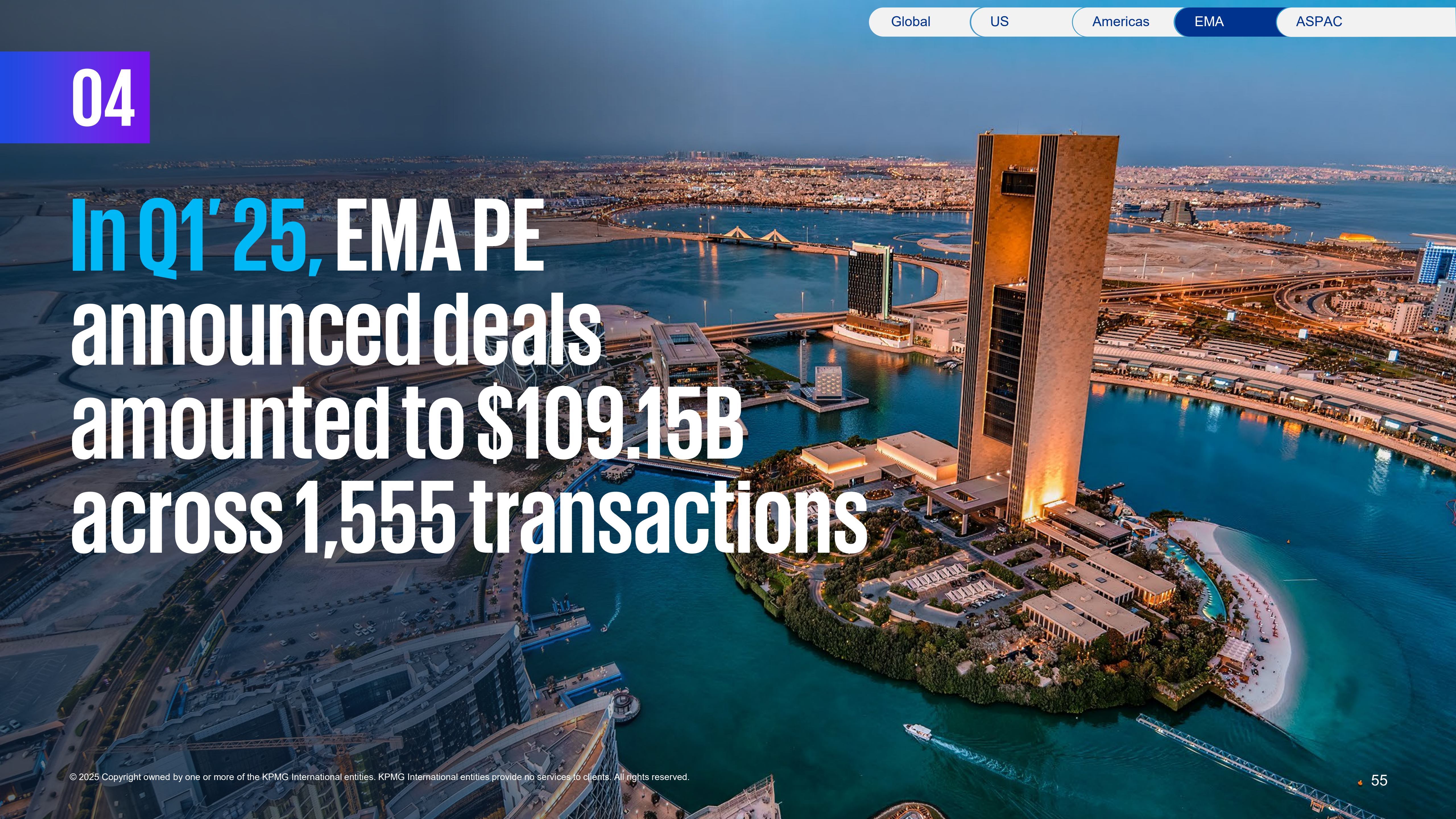
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Americas

Top 10 Americas 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. **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*

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



04

In Q1'25, EMA PE announced deals amounted to $109.15B across 1,555 transactions

EMA overview

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]

> “In the EMA region, there’s been quite a significant shift, with PE investors increasingly looking at all sorts of tech-driven themes — including healthtech, fintech, medtech, and industry-specific tech. There’s also been quite a significant shift into business services. While right now things might be at a bit of a standstill due to geopolitical uncertainty, longer term those areas are going to continue to gain traction.”

Tilman Ost
Global Private Equity Advisory Leader
KPMG in Germany

[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 overview

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.

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.

> "There's been a real mindset shift in the EMA region when it comes to making investments in the defense sector. The view has shifted away from the idea that investing in defense equals being aggressive; now, there's growing recognition that investing in defense is about ensuring that you can defend your own country in an overall more aggressive and divisive world. This has led PE funds that wouldn't have touched the sector in the past to start looking at it as a real opportunity."

Tilman Ost
Global Private Equity Advisory Leader
KPMG in Germany

EMA overview

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.

Trends to watch for in Q2'25

Looking ahead to Q2'25, private equity investment across the EMA region is expected to remain somewhat subdued as geopolitical tensions and concerns surrounding US tariffs continue to cloud investor sentiment. In the near term, PE activity is likely to center on domestic-oriented businesses — particularly in resilient sectors such as business services, tech, and healthcare.

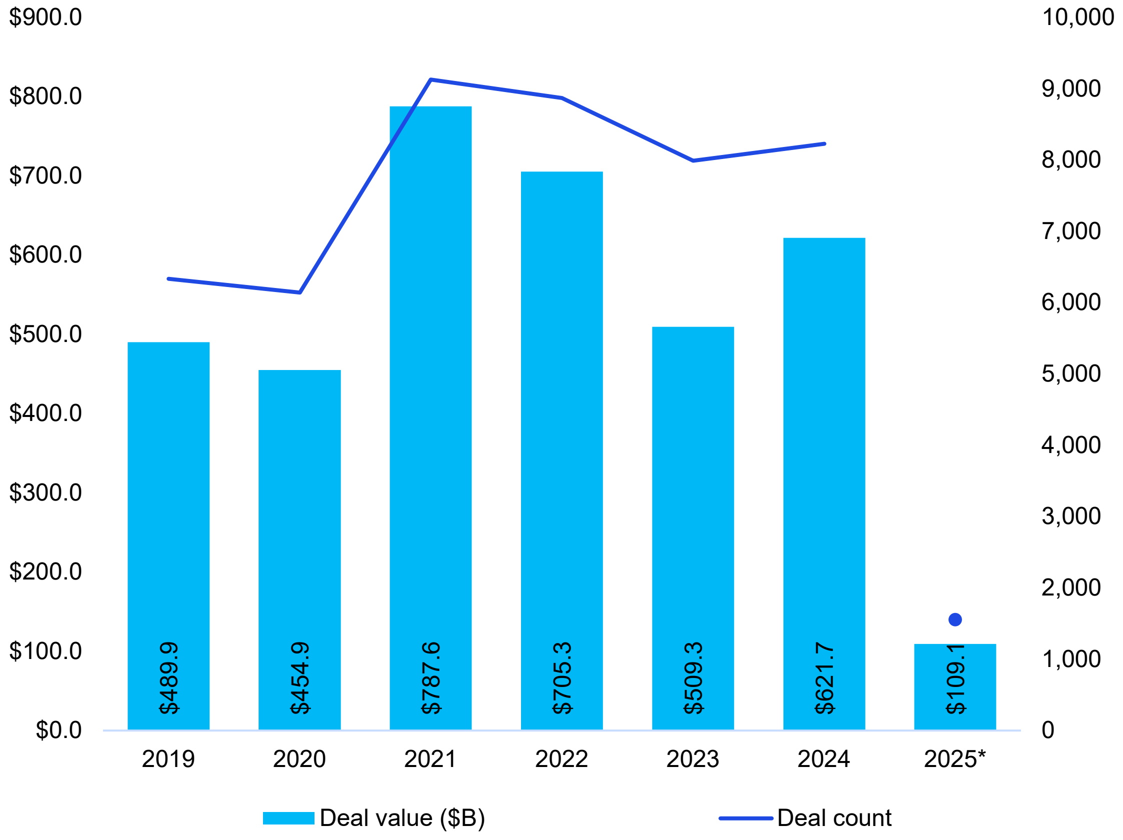
However, if trade-related uncertainties begin to ease, the longer-term outlook is more optimistic. A combination of improving interest rate environments, government funding commitments to strategic sectors, and a robust pipeline of transformative corporate restructuring efforts could help reignite deal flow in the second half of the year.

Exits are also expected to take on greater importance in Q2'25. While IPO activity will likely remain muted due to persistent market volatility, private sales may pick up as funds seek liquidity. Pressure from LPs to return capital could further drive this trend.

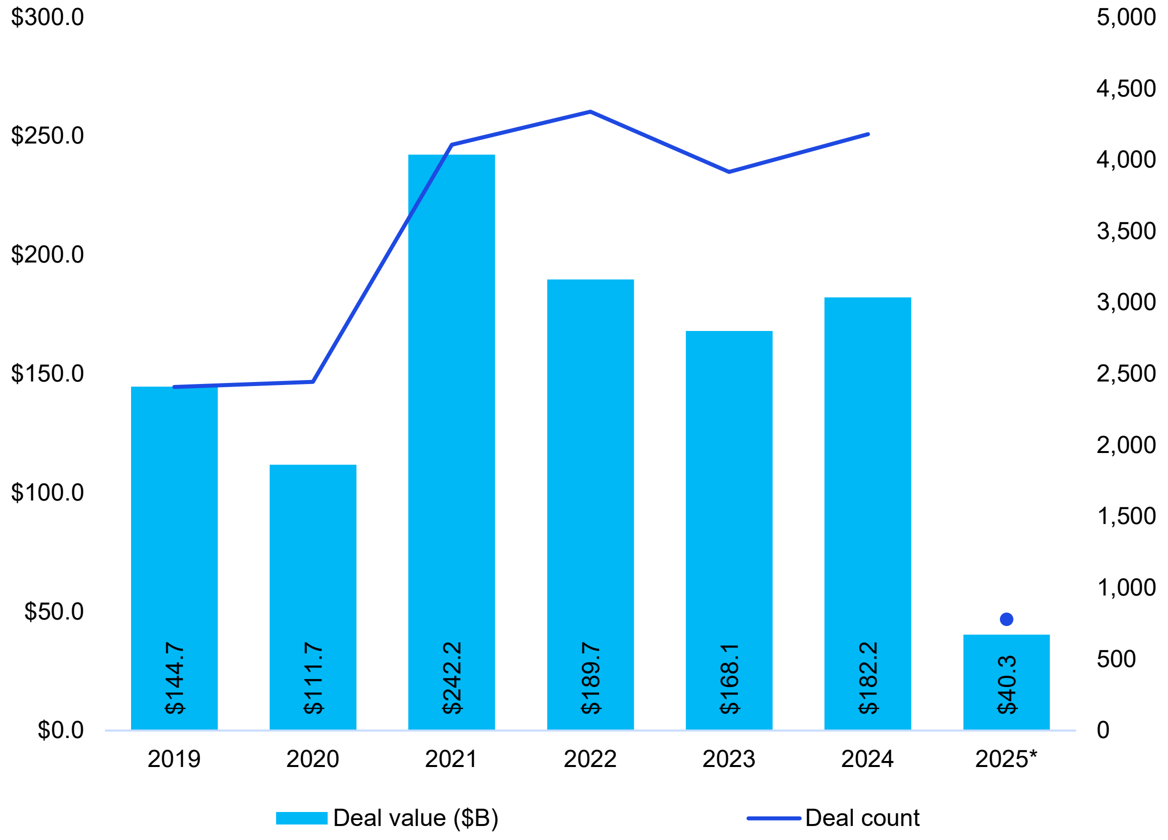
On the investment side, sectors such as energy, health-tech and med-tech, and AI infrastructure — particularly data centers — are likely to continue drawing strong interest. Platform deals could also stage a comeback as firms look to build scalable growth strategies in more stable verticals. Meanwhile, defense-tech is emerging as a sector to watch, with PE investors increasingly viewing it as a strategic opportunity rather than a risk — reflecting the shifting nature of global security and government procurement priorities.

EMA sees slowing volume to start 2025

EMA PE deal activity



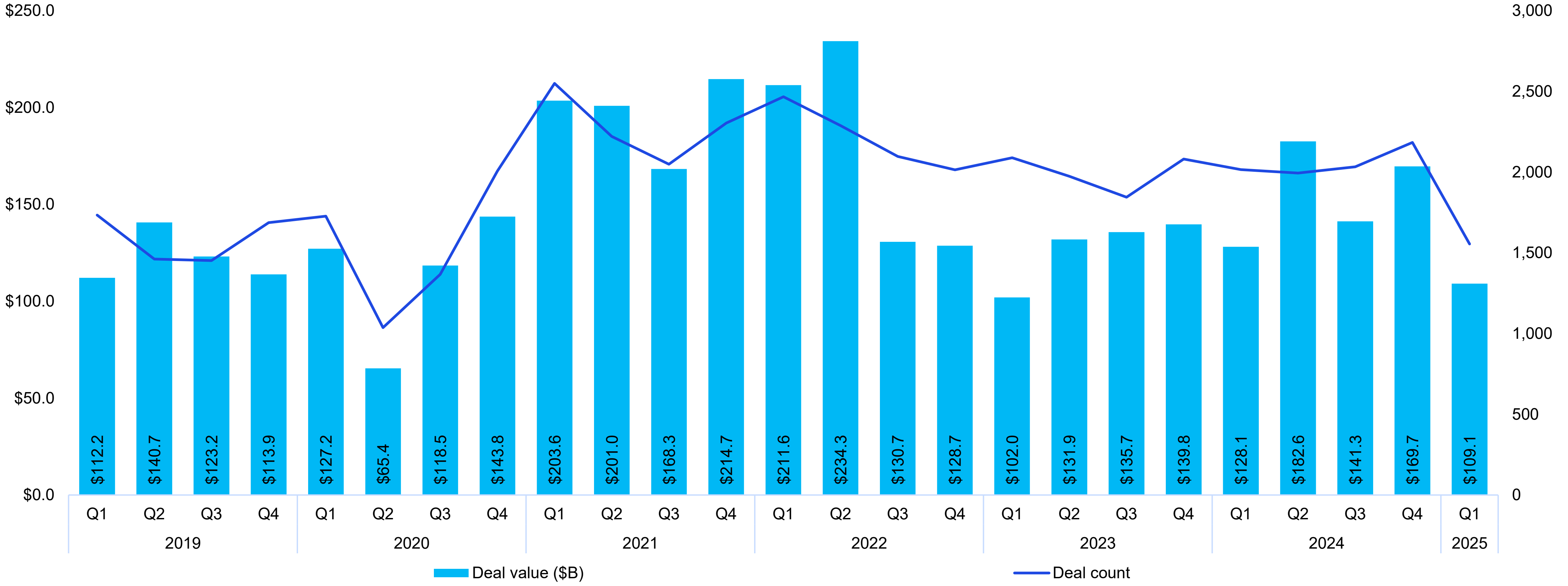
EMA PE add-on/bolt-on activity



*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

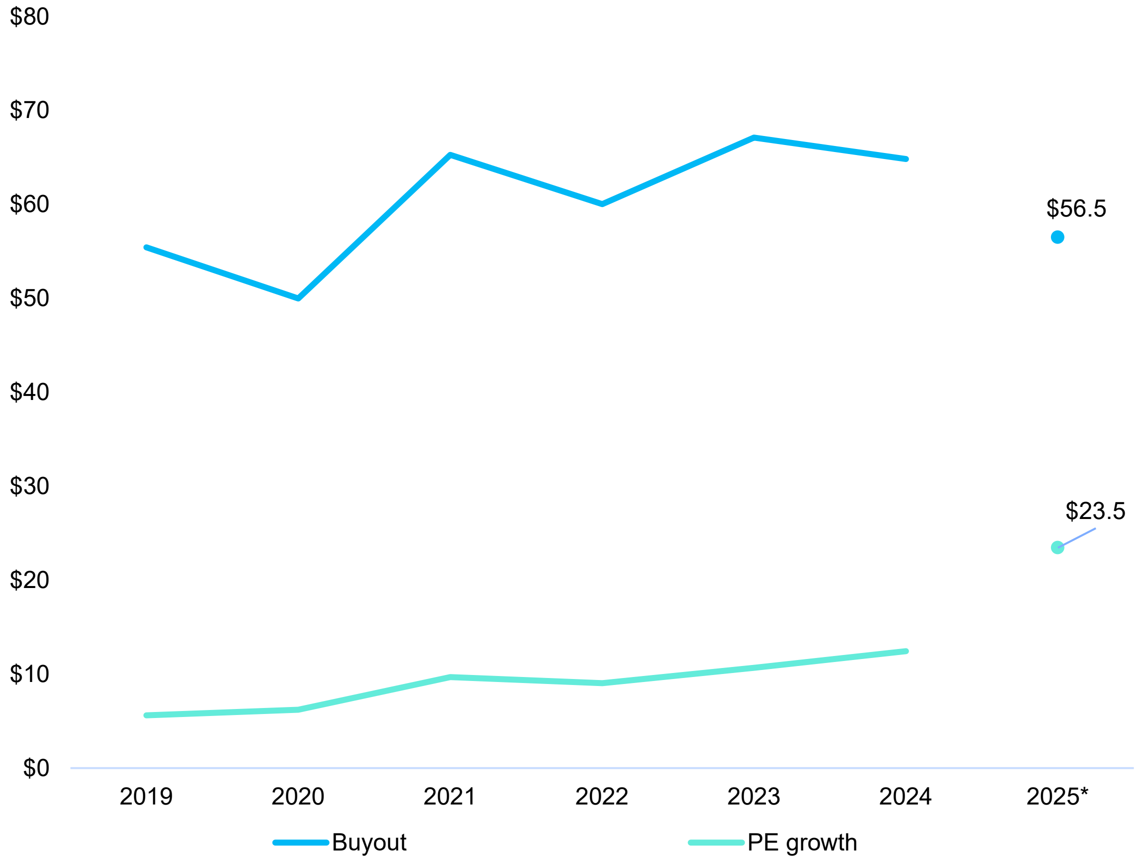
EMA PE deal activity



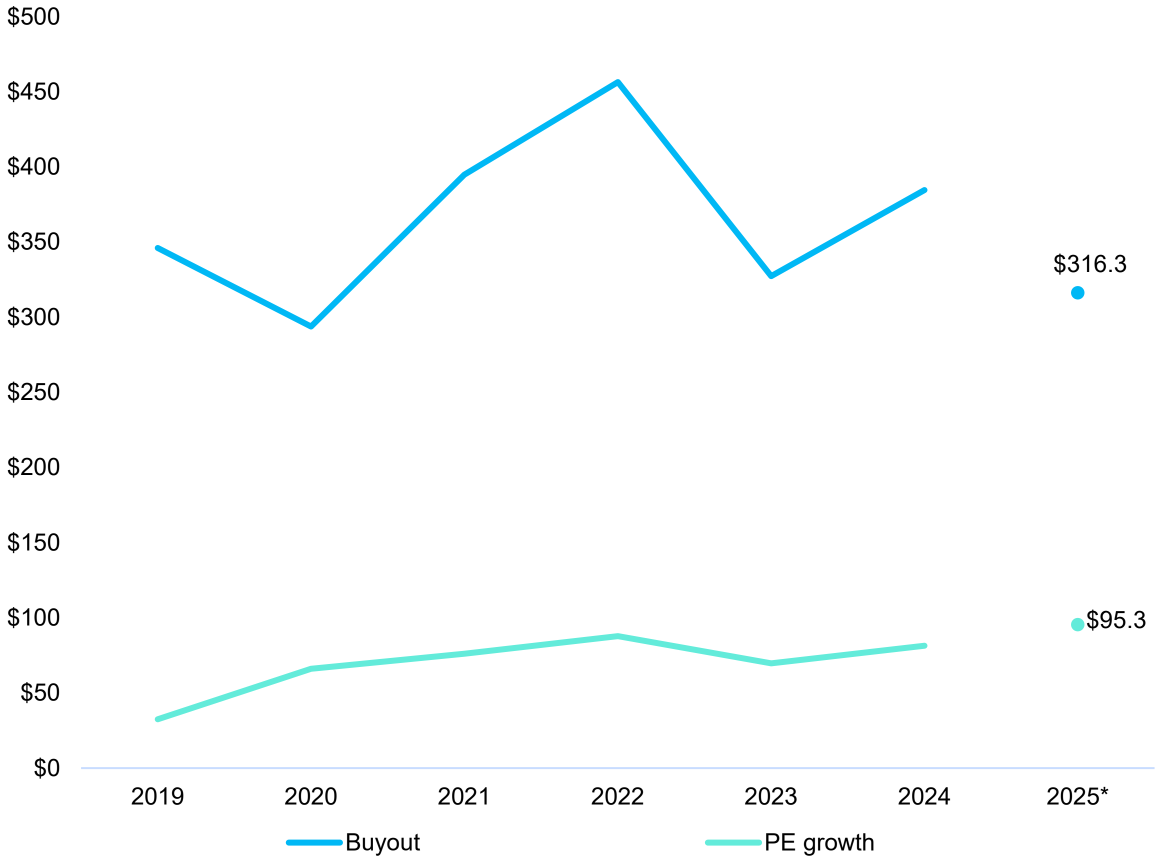
Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Deal sizes hold steady, mostly

EMA median PE deal size ($M) by type



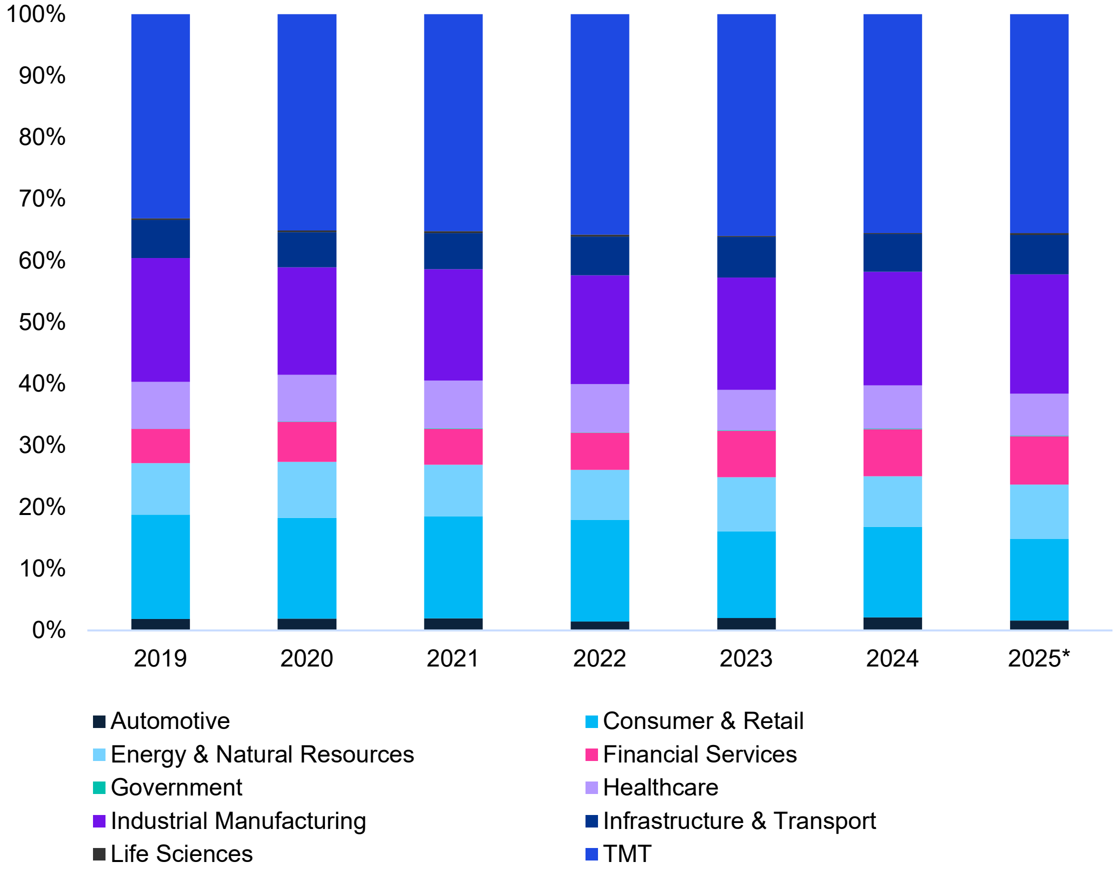
EMA average PE deal size ($M) by type



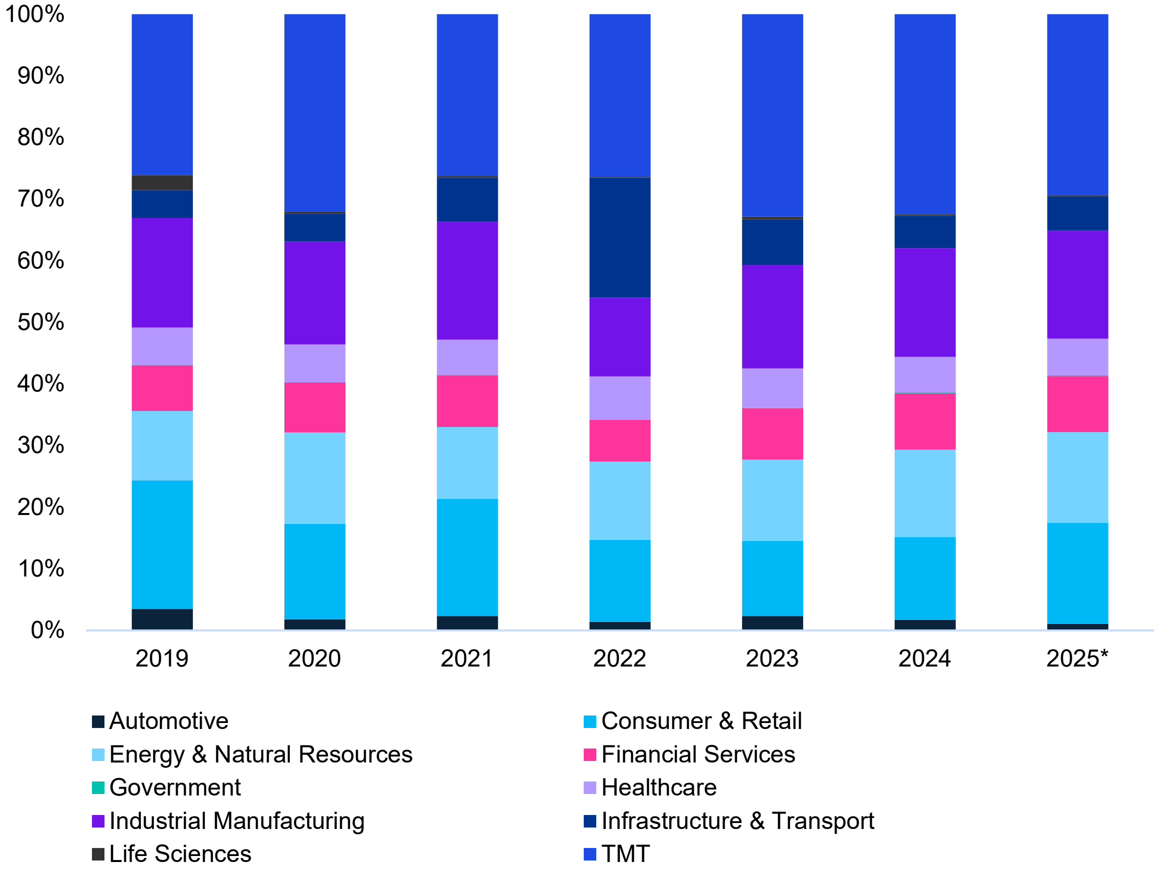
Source: PitchBook, data as of March 31, 2025. Note: The 2025* figures for M&A are based on a population size of n < 30.

EMA deal flow still tilts to software

EMA PE deal activity (#) by sector



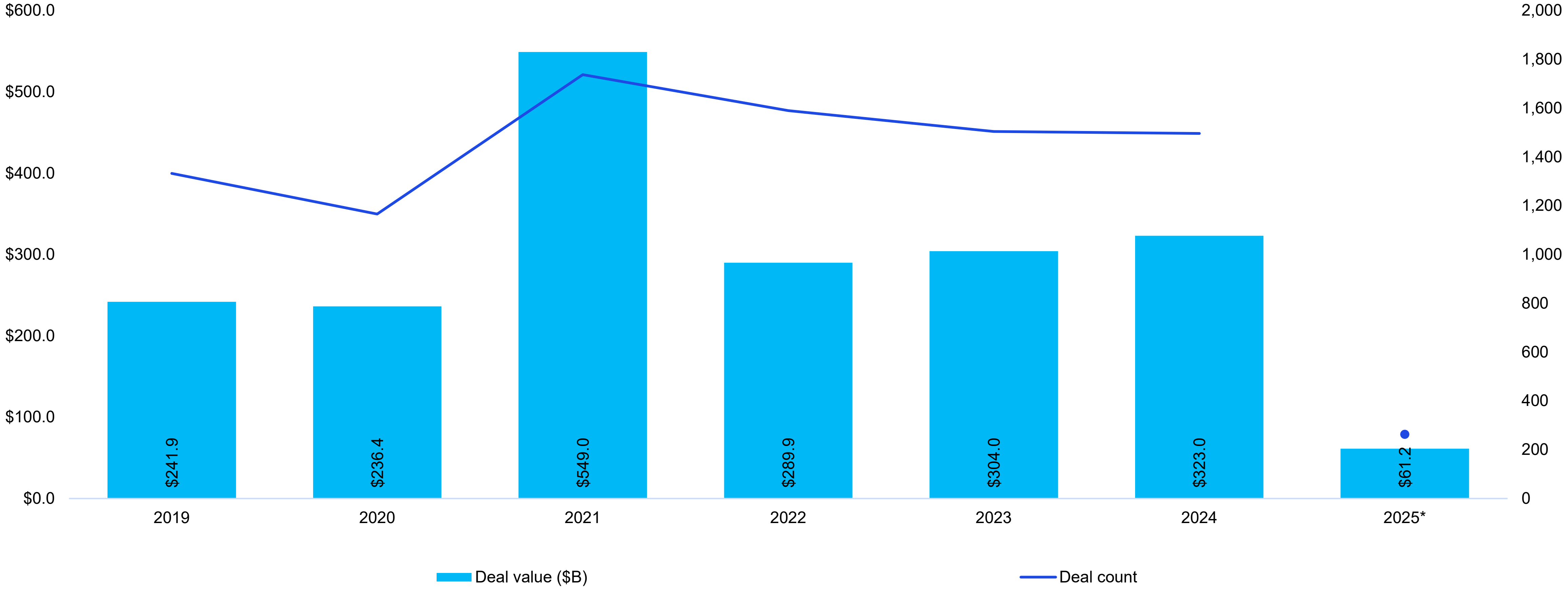
EMA PE deal activity ($B) by sector



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

Exits remain sluggish, but do not collapse

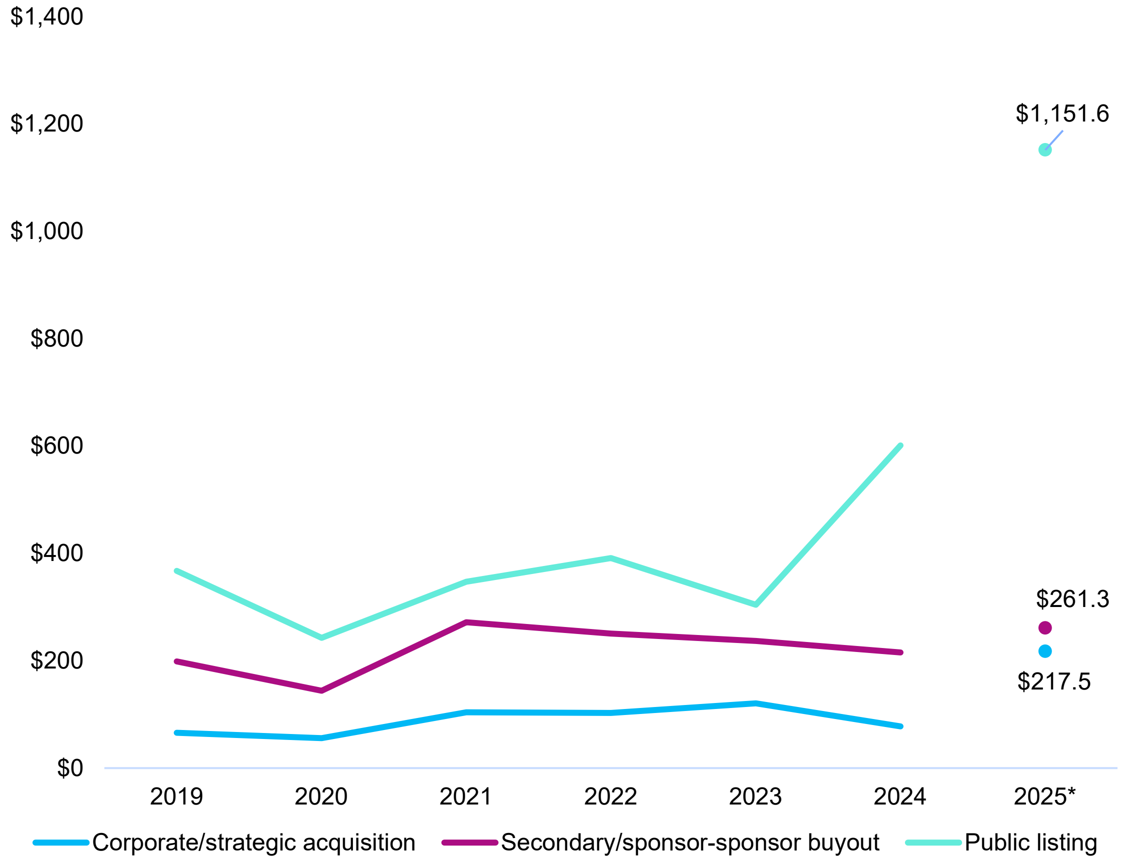
EMA PE-backed exit activity



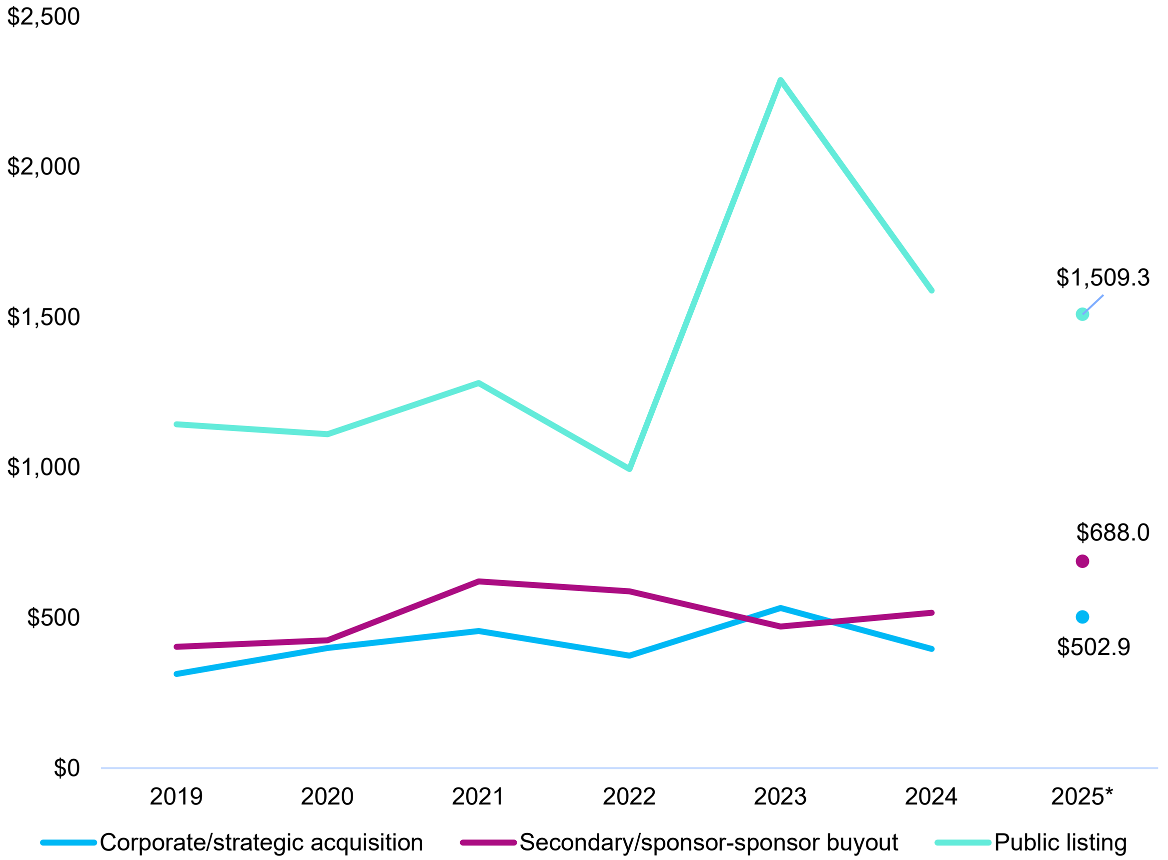
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Exit sizes are skewed amid volatility

EMA median PE exit size ($M) by type



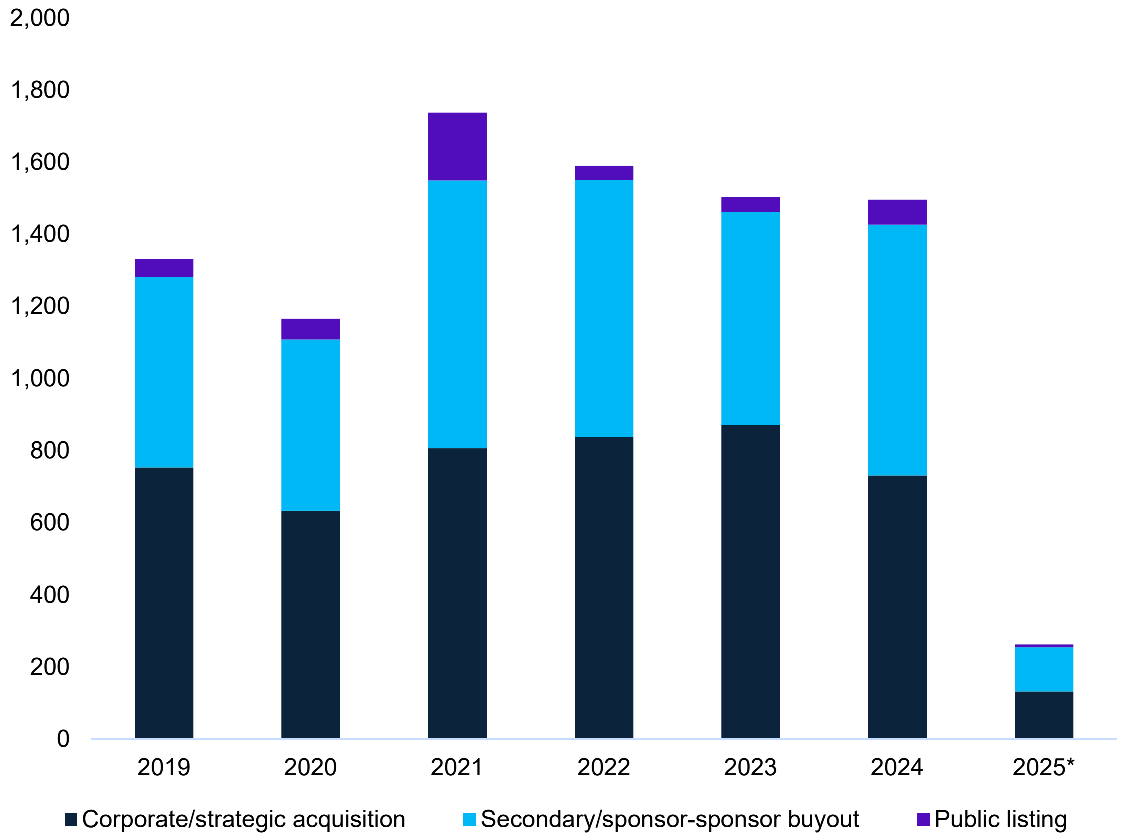
EMA average PE exit size ($M) by type



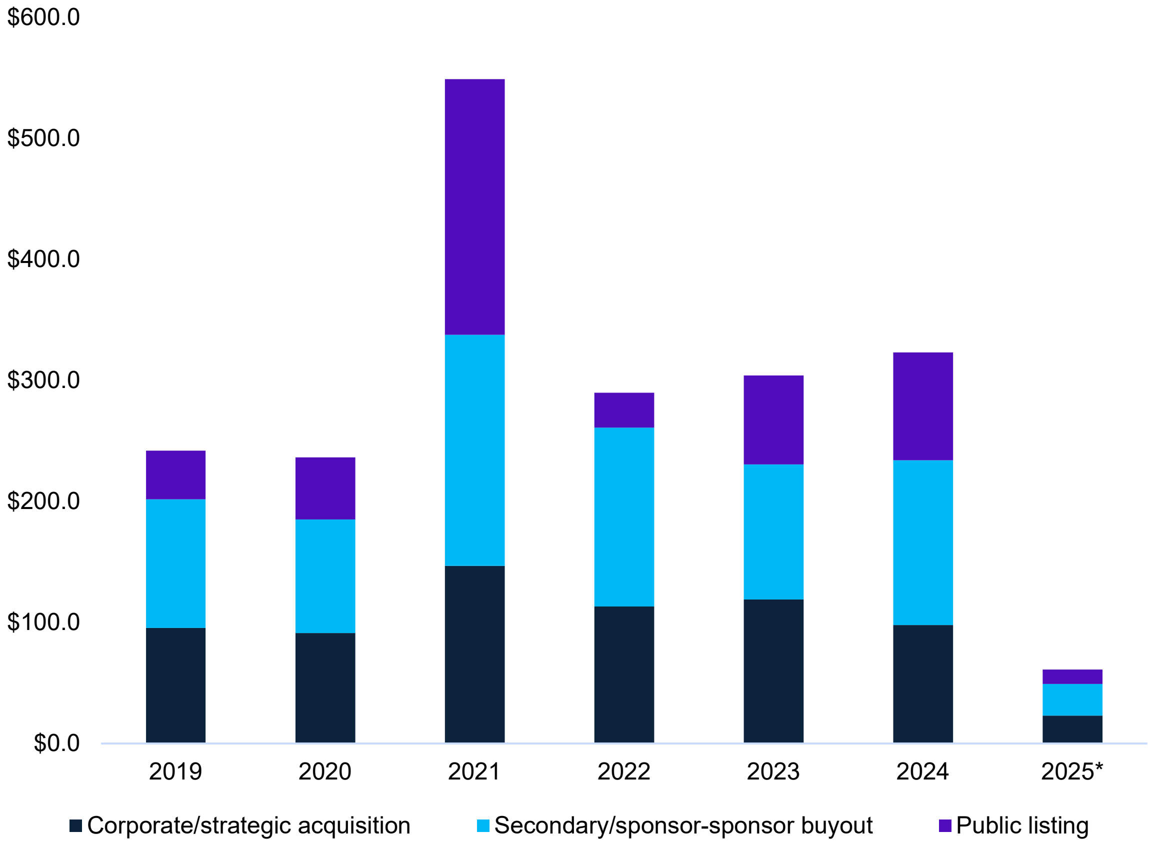
Source: PitchBook, data as of March 31, 2025. Note: The 2025* figures for secondary buyouts and public listings are based on a population size of n < 30.

Fellow PE sponsors remain key

EMA PE-backed exit activity (#) by type



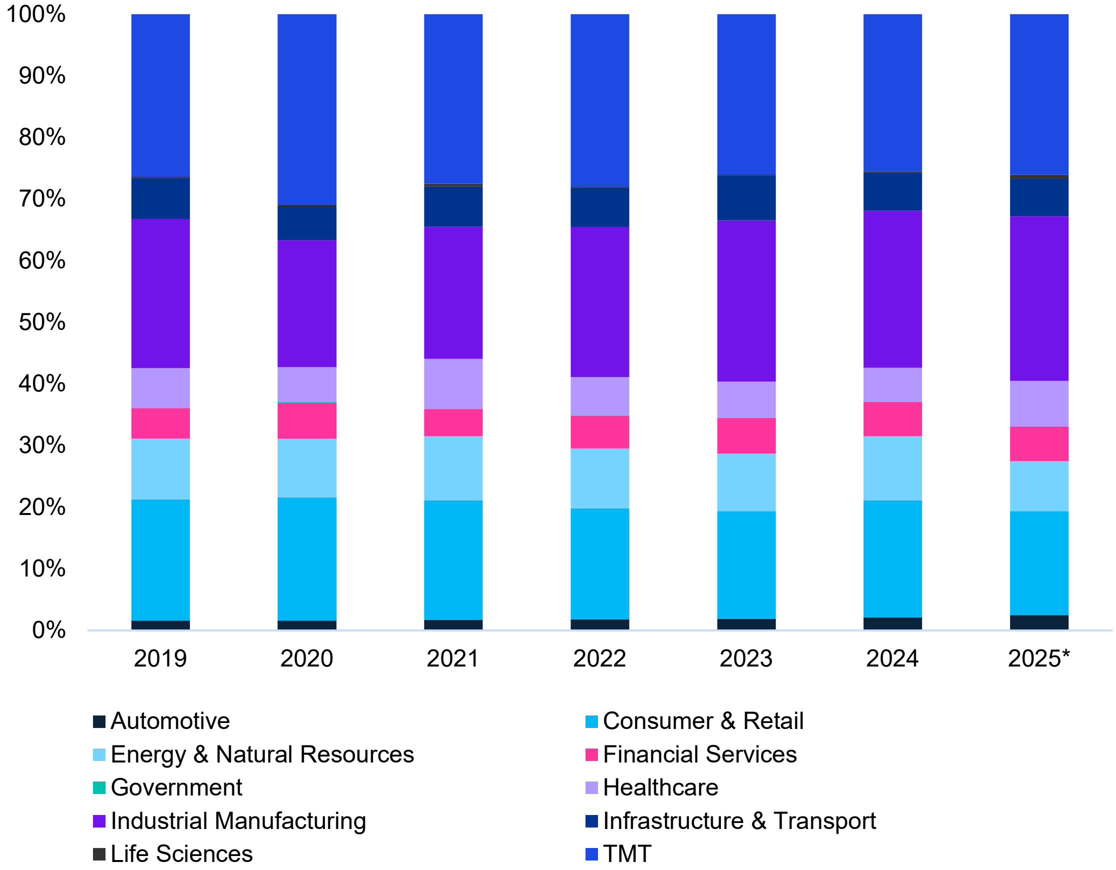
EMA PE-backed exit activity ($B) by type



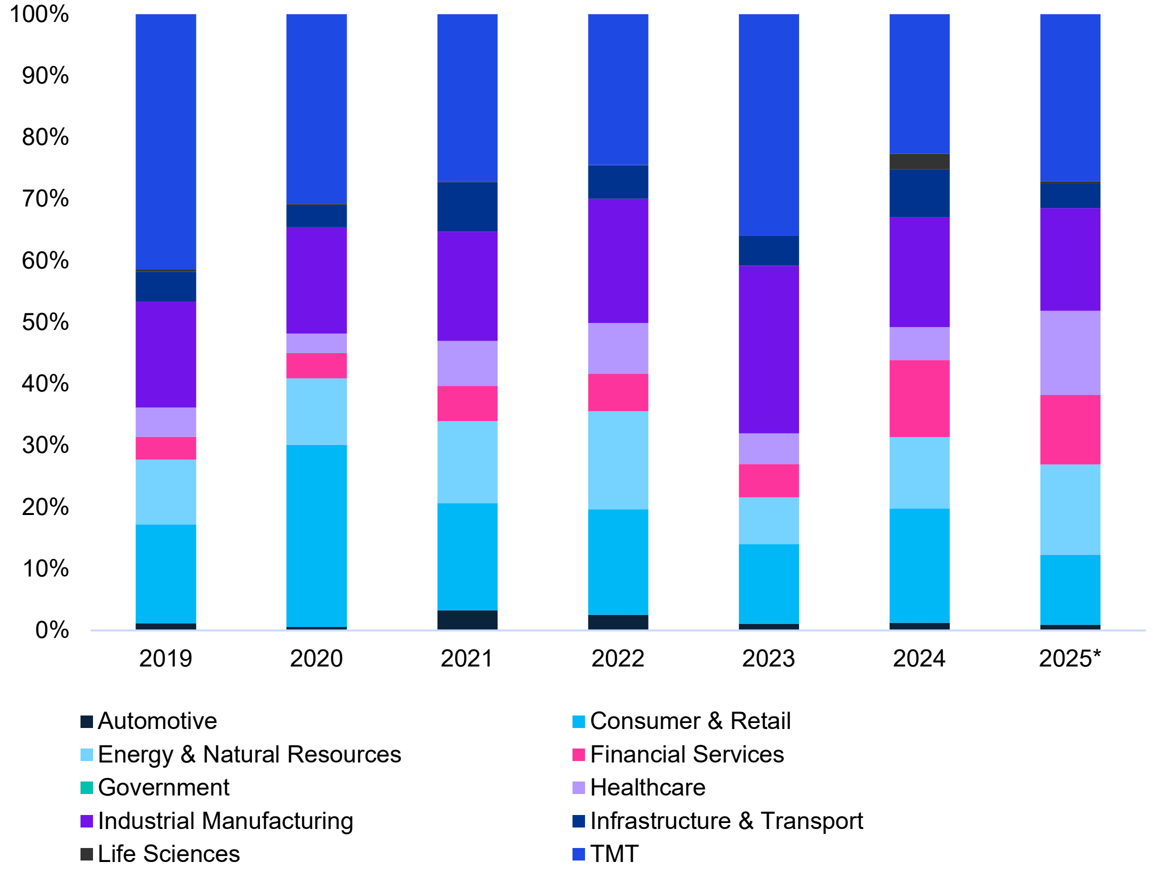
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Exits concentrate in tech

EMA PE-backed exit activity (#) by sector



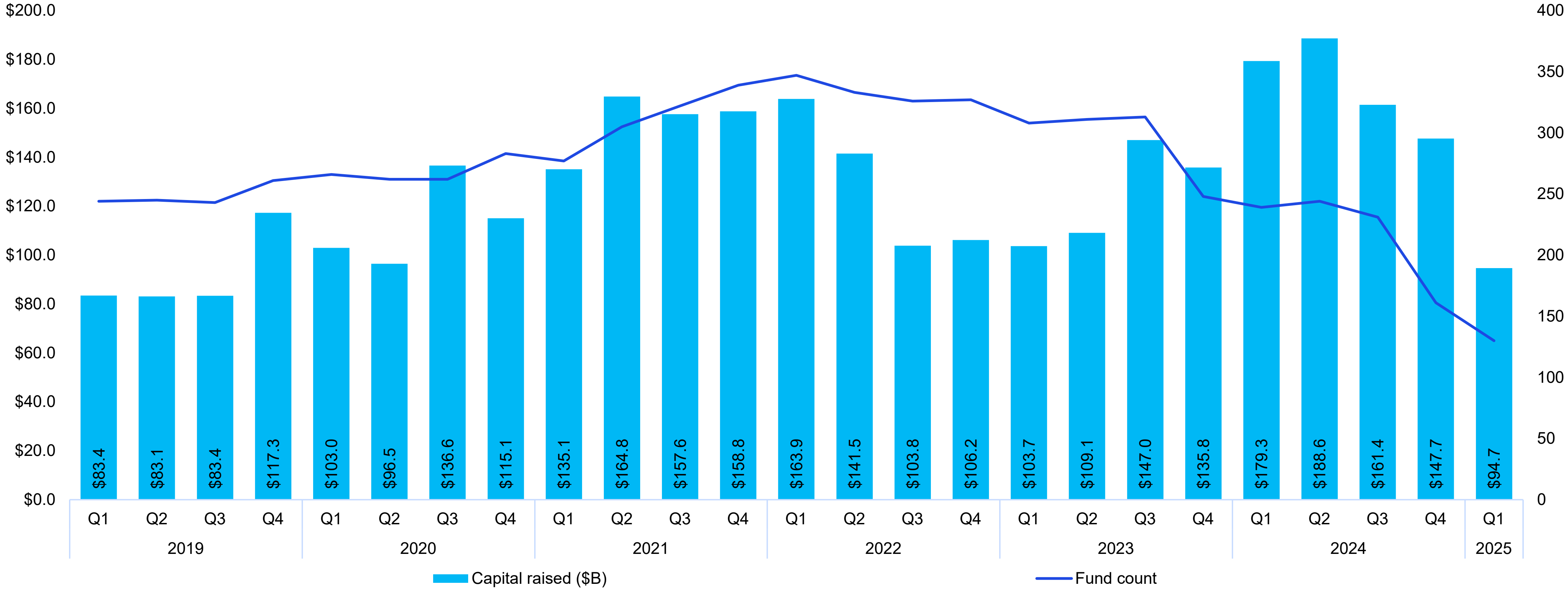
EMA PE-backed exit activity ($B) by sector



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

After a booming 2024, a natural ebb

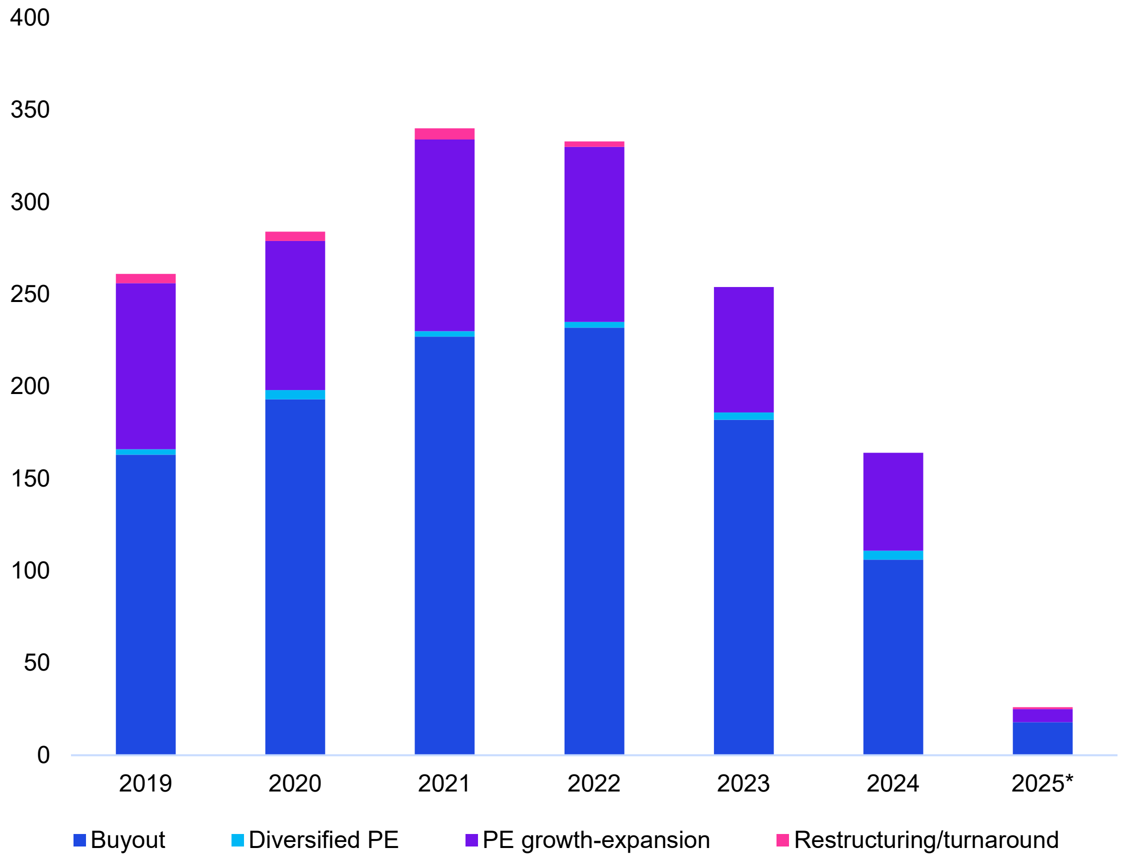
EMA PE fundraising activity (rolling 12-month)



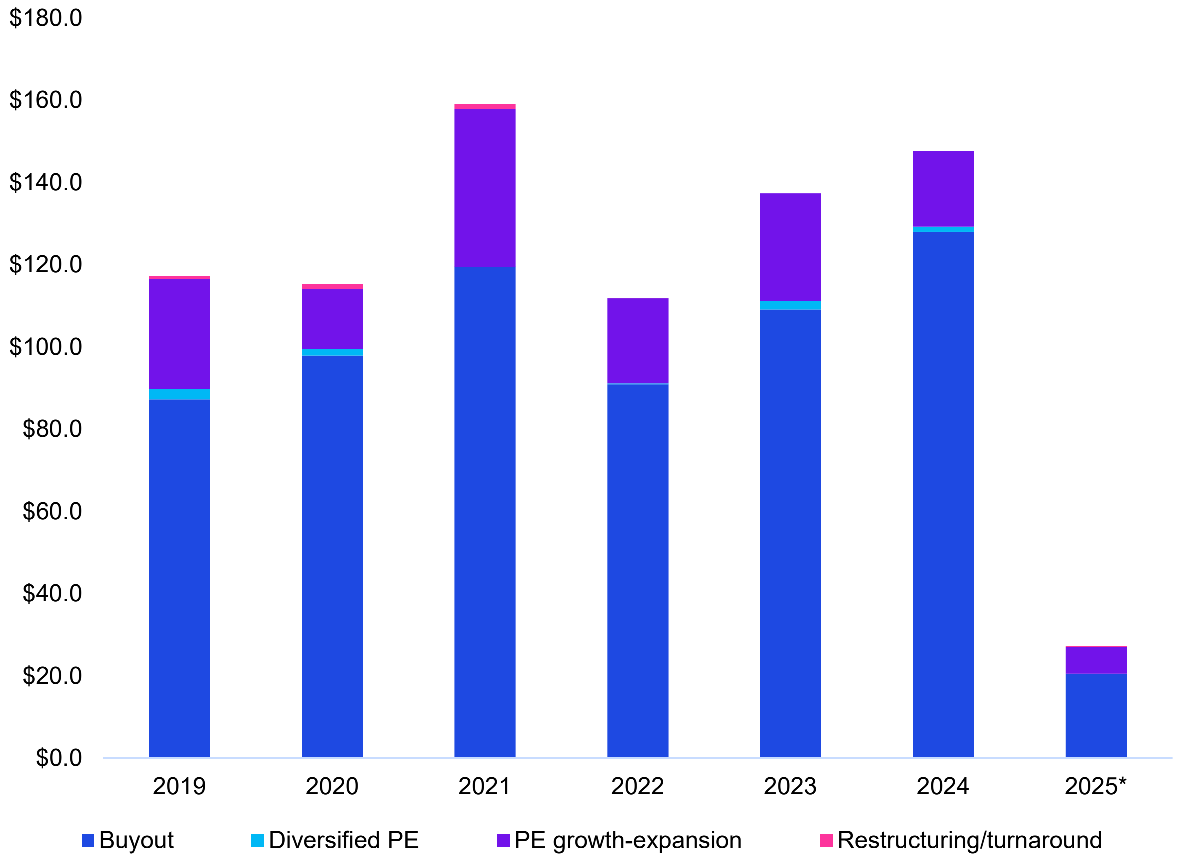
Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Buyout funds benefit from mid-market focus

EMA PE fundraising activity (#) by type



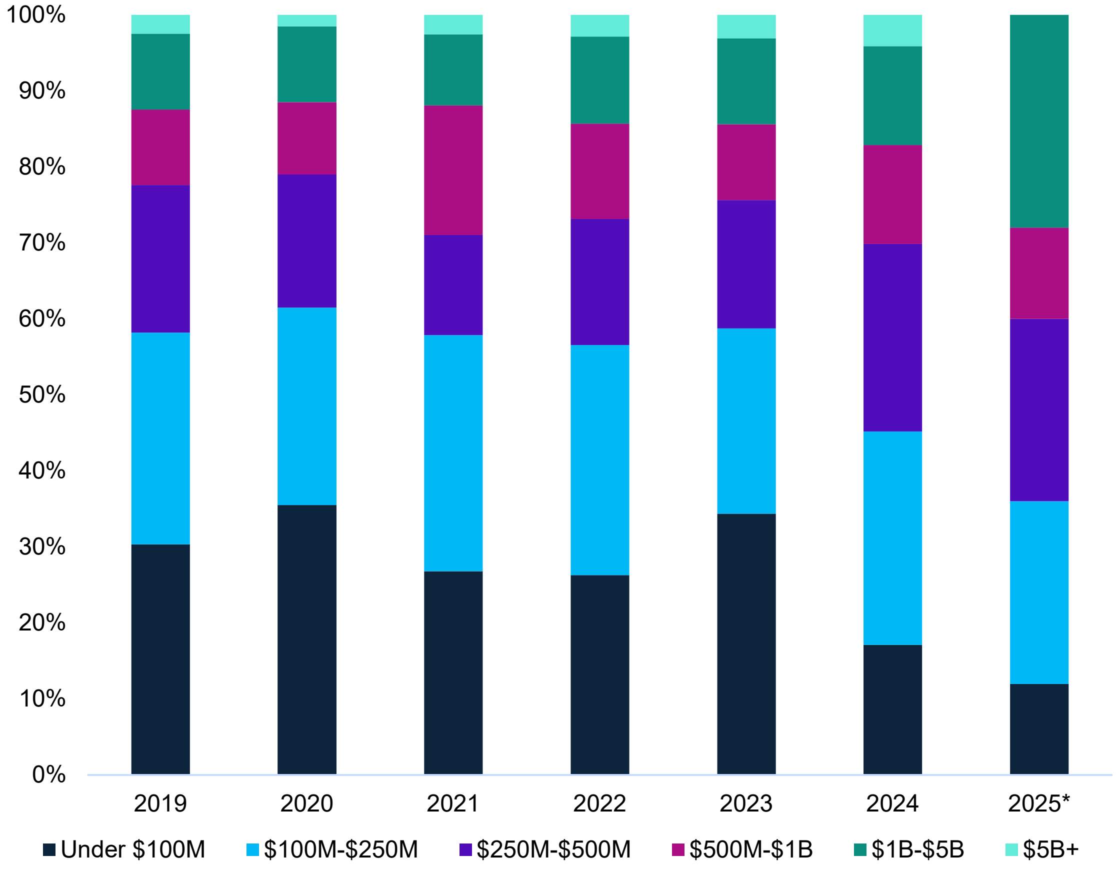
EMA PE fundraising ($B) by type



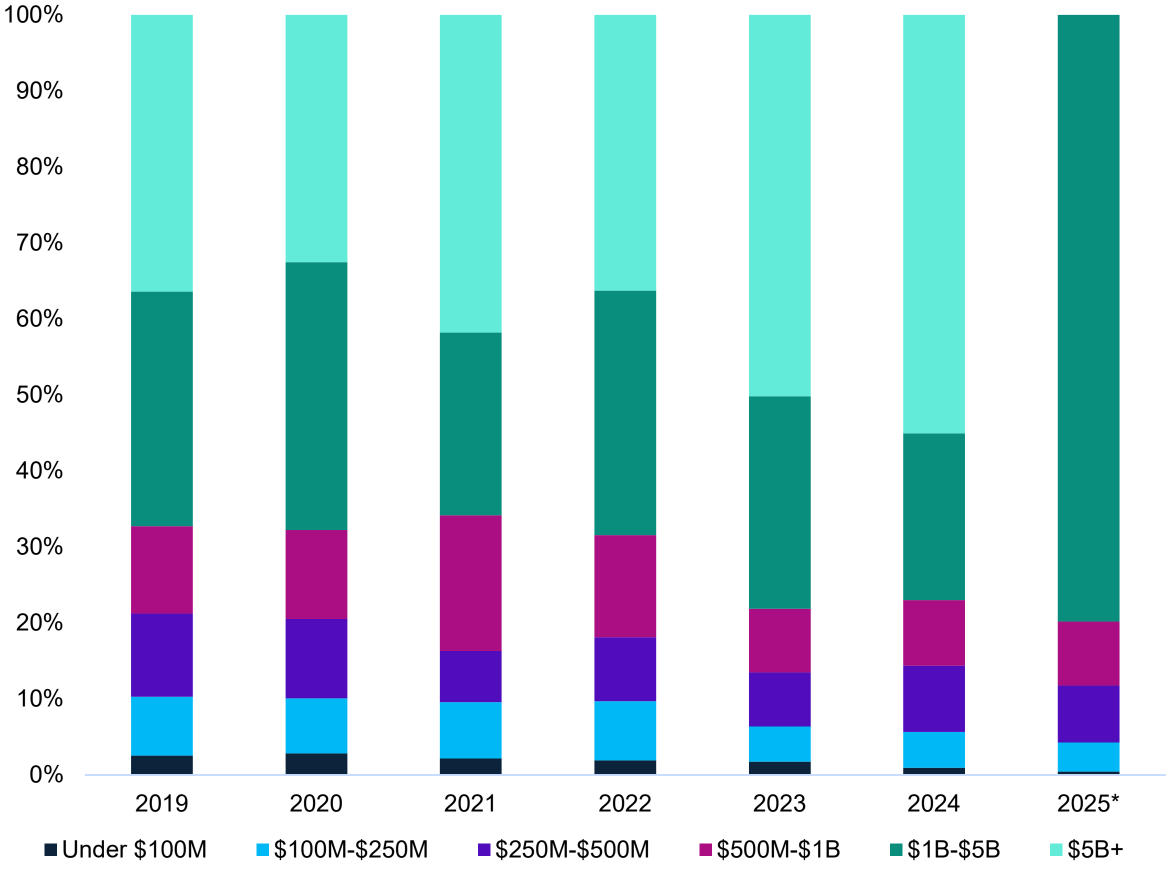
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Mega-funds take a breather

EMA PE fundraising activity (#) by size



EMA PE fundraising ($B) by size



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

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.

05

In Q1'25, ASPAC PE announced deals amounted to $37.5B across 266 transactions

ASPAC overview

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.

> “ASPAC — and I’m including India in there — has two-thirds of the world’s population and two-thirds of the world’s growth. It’s a very dynamic region with billions of people whose lives are shifting. More and more people are joining the middle class, driving up demand for everything. They want healthcare. They want financial services. They want consumer products. They want education. They want e-commerce. This growth is a major macro trend when it comes to PE investment in the region.”

Andrew Thompson
Partner, Asia Pacific Head of Private Equity
KPMG in Singapore

[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 overview

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.

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.

> "Digital infrastructure is getting a lot of attention from PE investors in ASPAC right now. But PE funds generally don't want to own the gold mine; they want to sell shovels to the miners. So, we're seeing PE investors looking at the supporting infrastructure businesses. And that goes beyond basic digital infrastructure and data centers; it also extends to areas like the logistics businesses handling critical aspects of e-commerce — package handling handing, transportation, warehousing — infrastructure."

Andrew Thompson
Partner, Asia Pacific Head of Private Equity
KPMG in Singapore

ASPAC overview

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.

ASPAC overview

Trends to watch for in Q2'25

Private equity investment in Japan will be a key area to watch in Q2'25, as the country continues to offer compelling opportunities tied to domestic corporate restructuring and transformation. While occasional slowdowns may occur — largely due to resource constraints and a limited pool of professionals fluent in both Japanese and private equity dealmaking — any pullbacks are expected to be modest. Over the long term, Japan is well-positioned for a significant acceleration in PE activity, particularly as succession planning and operational modernization remain top priorities for many domestic firms.

Across the ASPAC region more broadly, geopolitical considerations are expected to play a defining role in shaping investment decisions in Q2'25. US tariff policies in particular are a major concern; the constantly shifting policies are seen as more of a challenge than the implementation of a clear, stable, and predictable tariff regime that could be priced and valued accordingly.

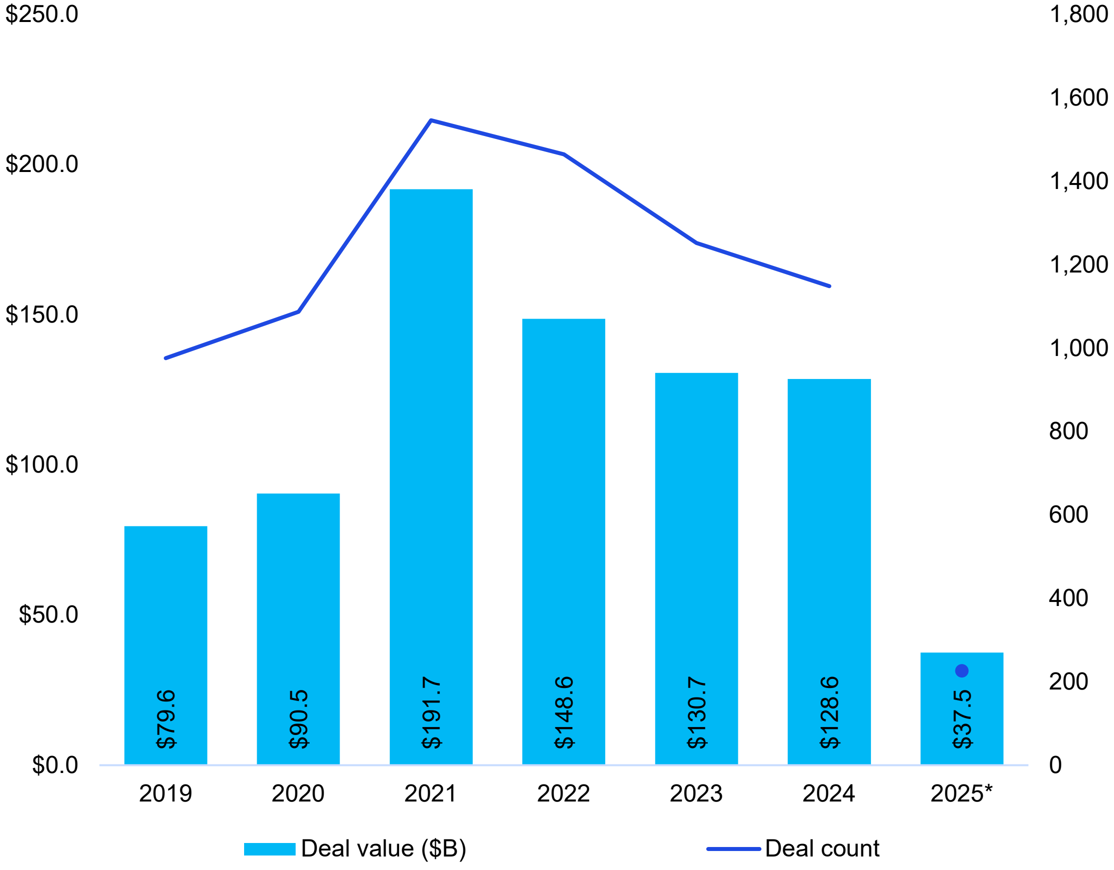
In response to the lack of clarity, PE investors are reviewing their existing portfolios to assess potential impacts and determine mitigation strategies. Many are also putting pending deals with any significant US import or export angle on hold until there is more certainty. In some cases, exit activities are also being delayed until conditions improve.

A number of announced deals have included MAC clauses, which can be triggered based on adverse impacts. Other ASPAC deals are being repriced due to perceived losses or benefits — primarily the former. Should the US tariffs on China remain substantial or volatile, other jurisdictions in the ASPAC region could benefit from increased deal flow. As businesses face increasing distress as a result of the tariff environment and uncertainties, there could be increasing opportunities for PE investors to pick up distressed assets.

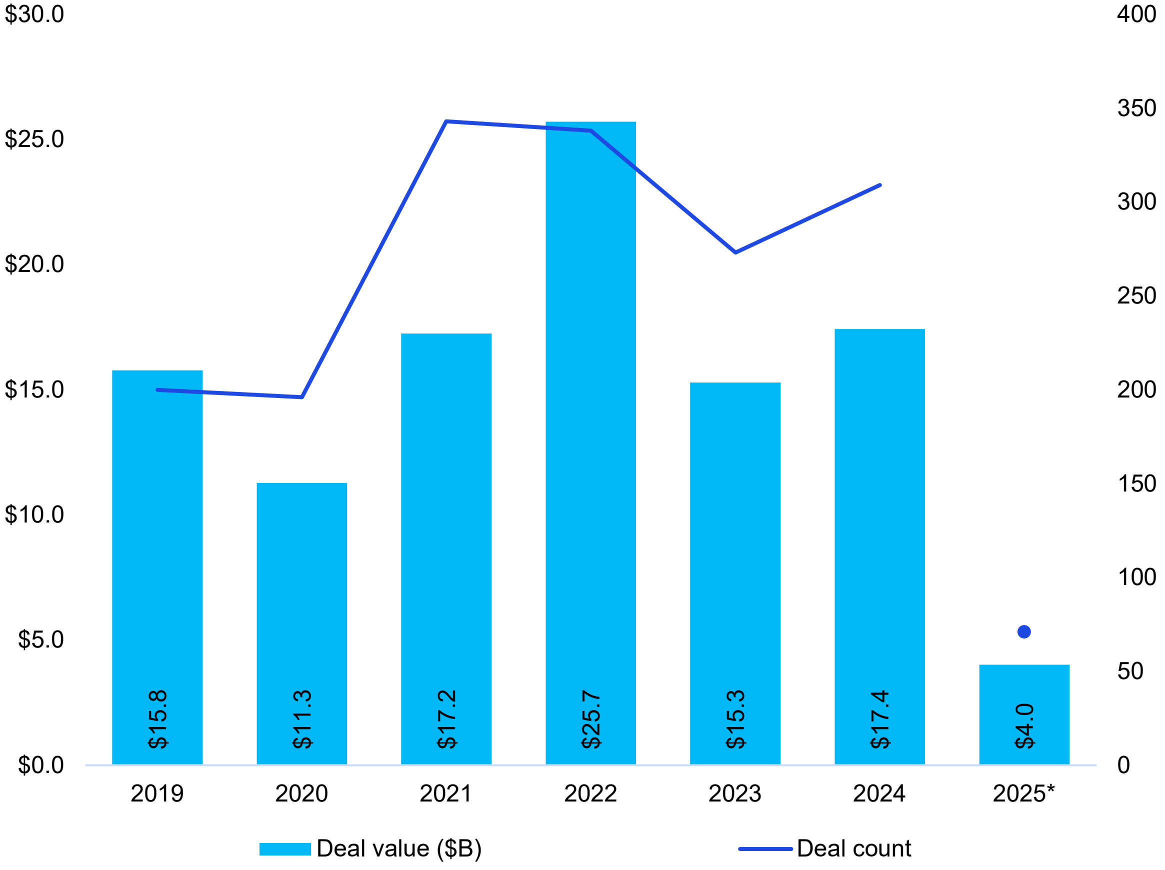
Until there is more certainty around tariffs, PE investors in the region are likely to prioritize sectors that are more insulated from geopolitical risk. Areas such as digital infrastructure (including data centers and connectivity platforms) and healthcare are expected to attract increasing attention as firms look to deploy capital into resilient, future-oriented industries.

Q1 slows after 2024 add-on rebound

ASPAC PE deal activity



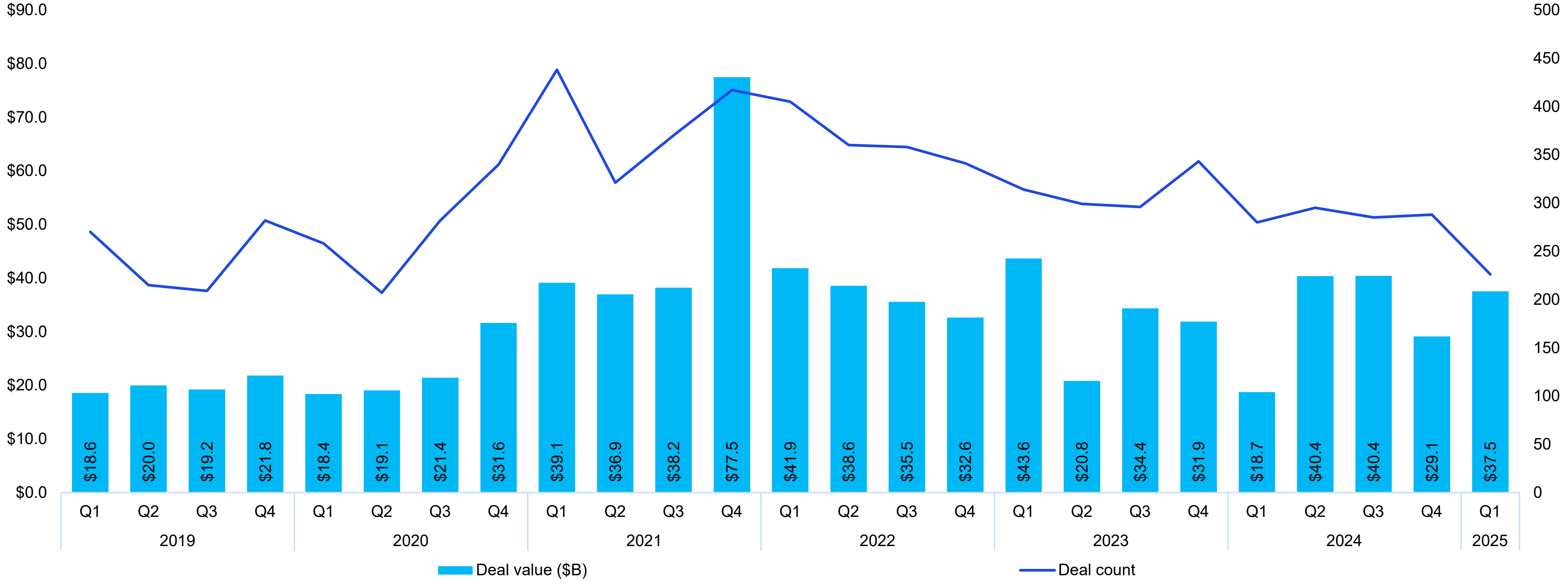
ASPAC PE add-on/bolt-on activity



*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

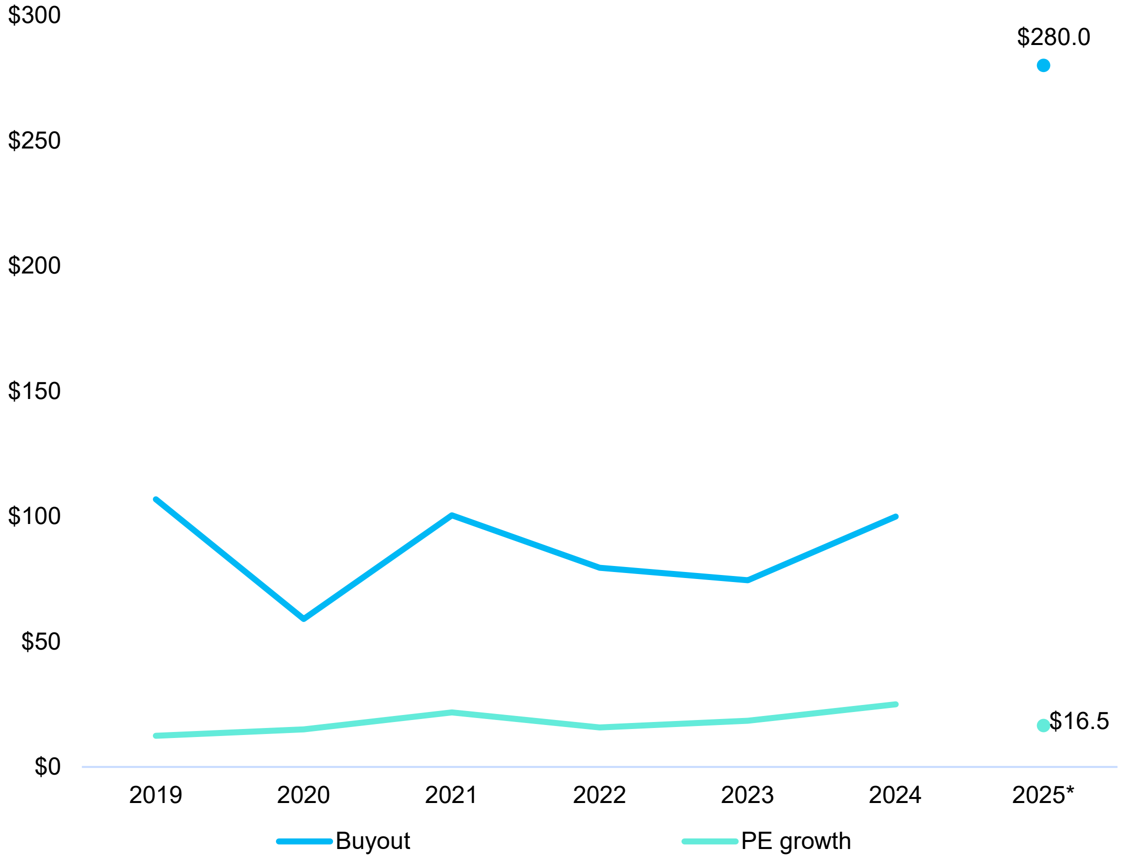
ASPAC PE deal activity



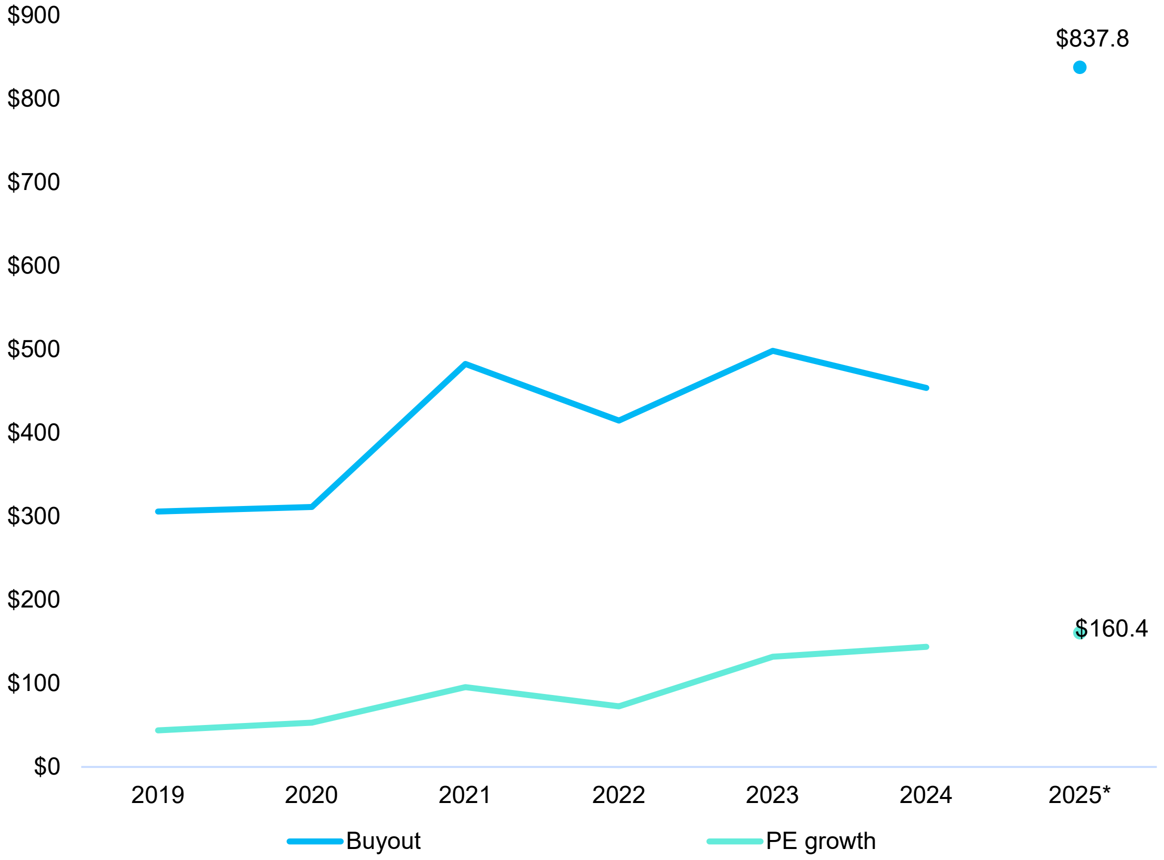
Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

A handful of deals skew tallies thus far

ASPAC median PE deal size ($M) by type



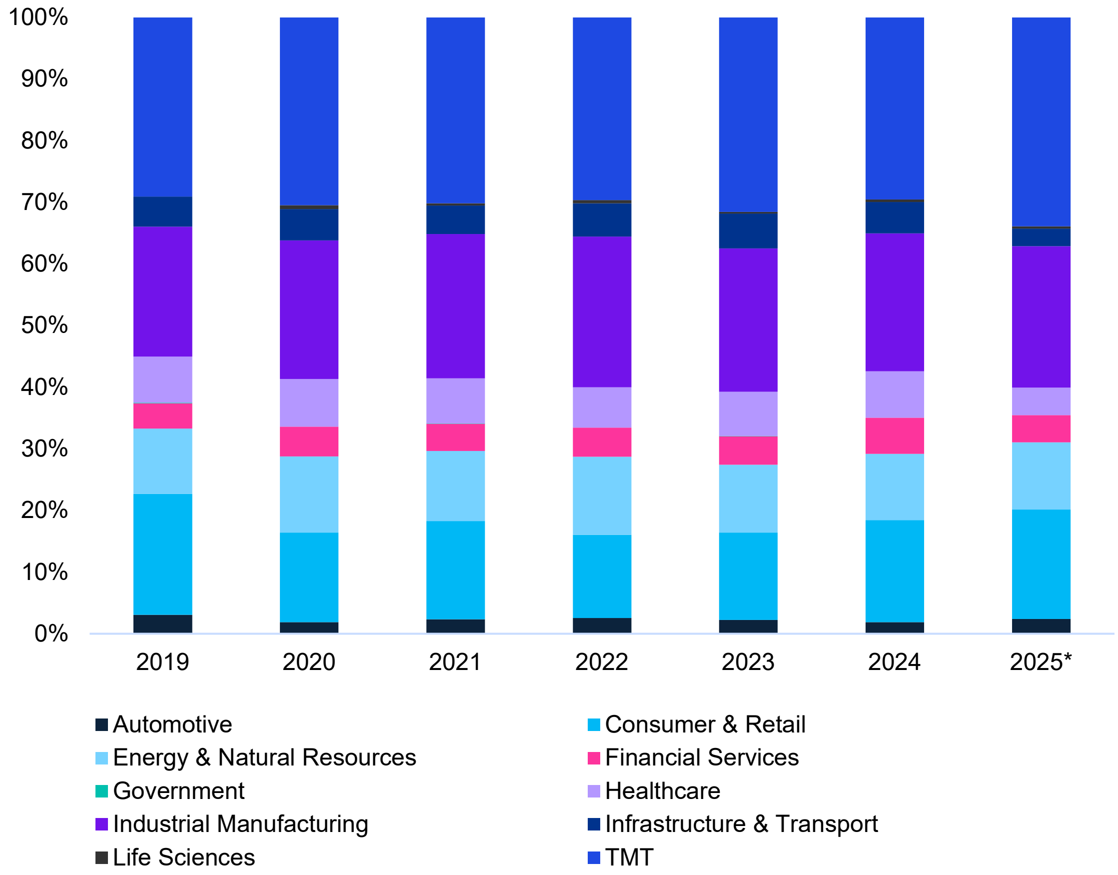
ASPAC average PE deal size ($M) by type



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

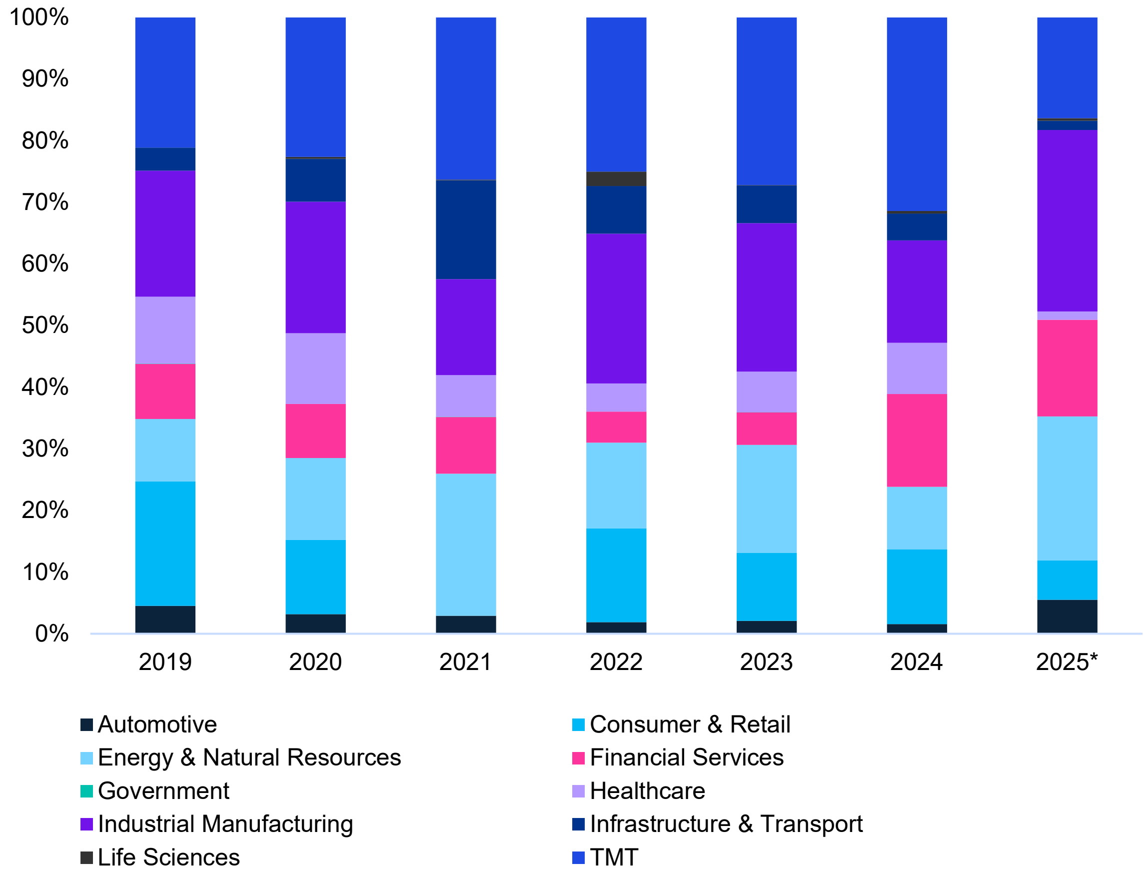
A diverse set of sectors powers deal value

ASPAC PE deal activity (#) by sector



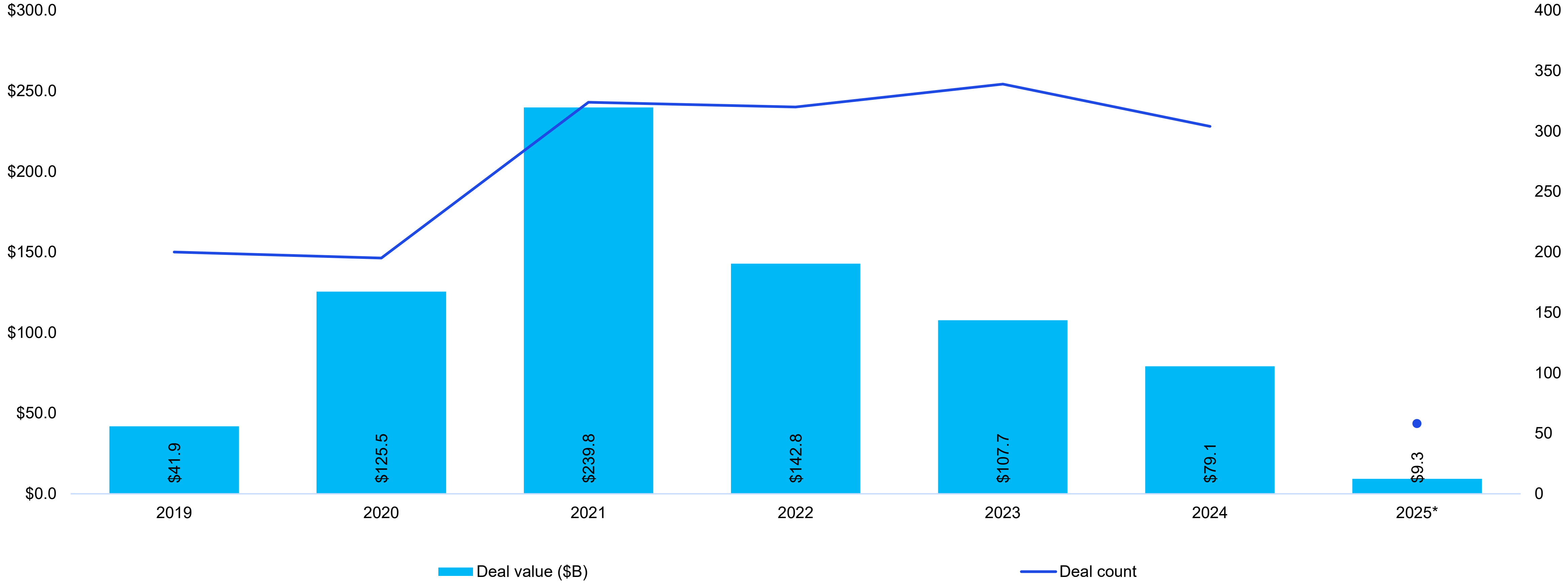
Source: PitchBook, data as of March 31, 2025

ASPAC PE deal activity ($B) by sector



Exits have a sluggish Q1

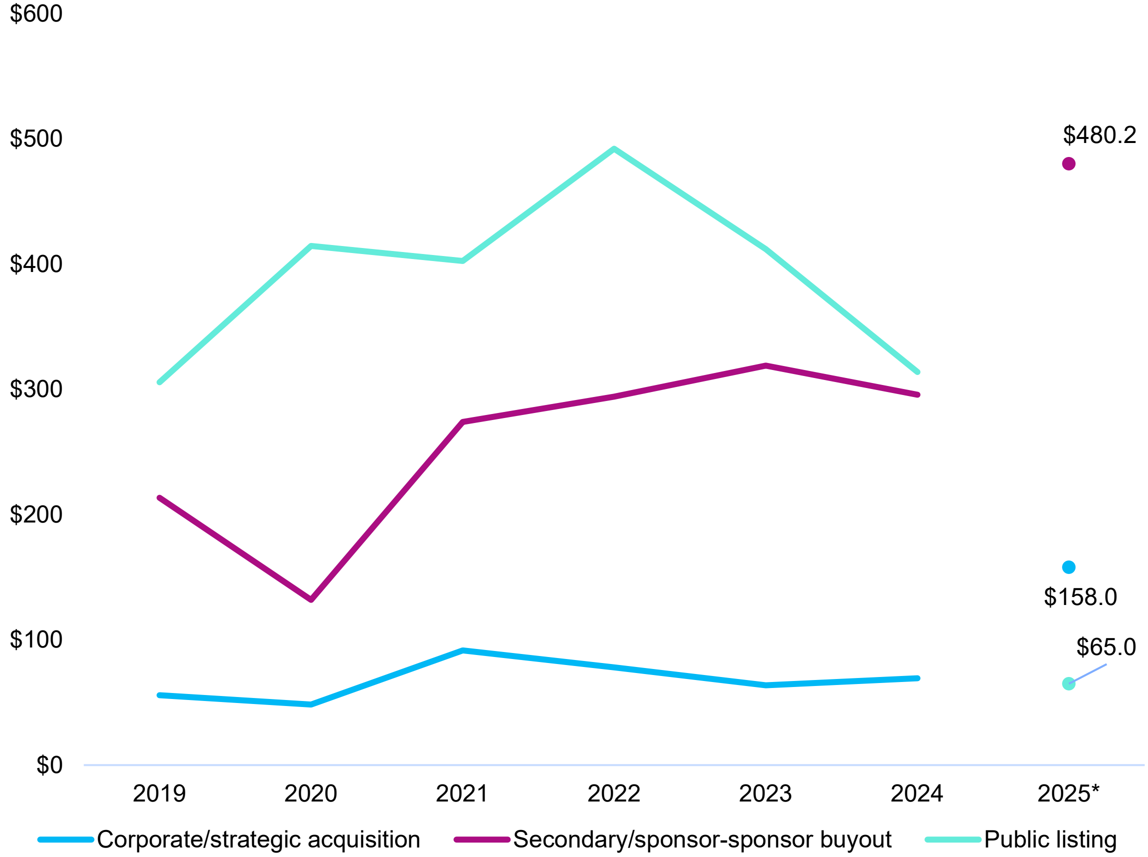
ASPAC PE-backed exit activity



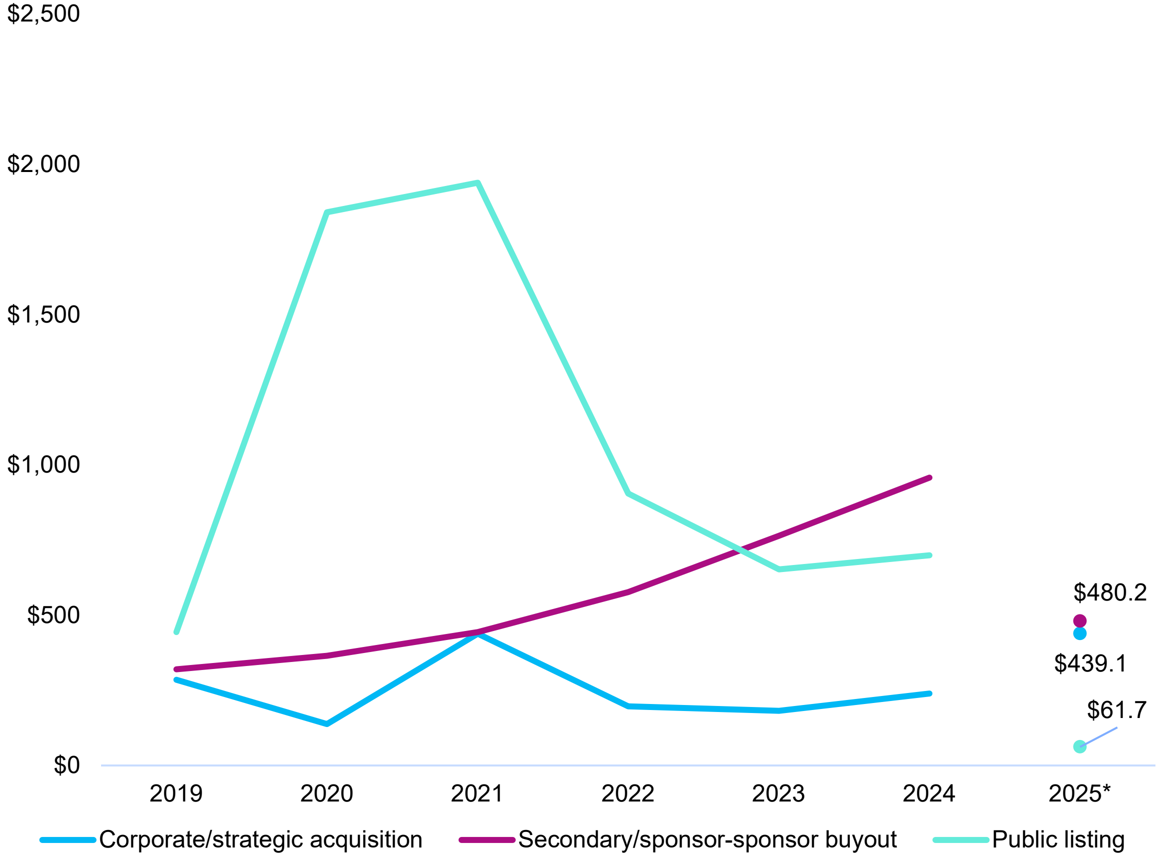
Source: PitchBook, data as of March 31, 2025

Slumps amid downbeat sentiment

ASPAC median PE exit size ($M) by type



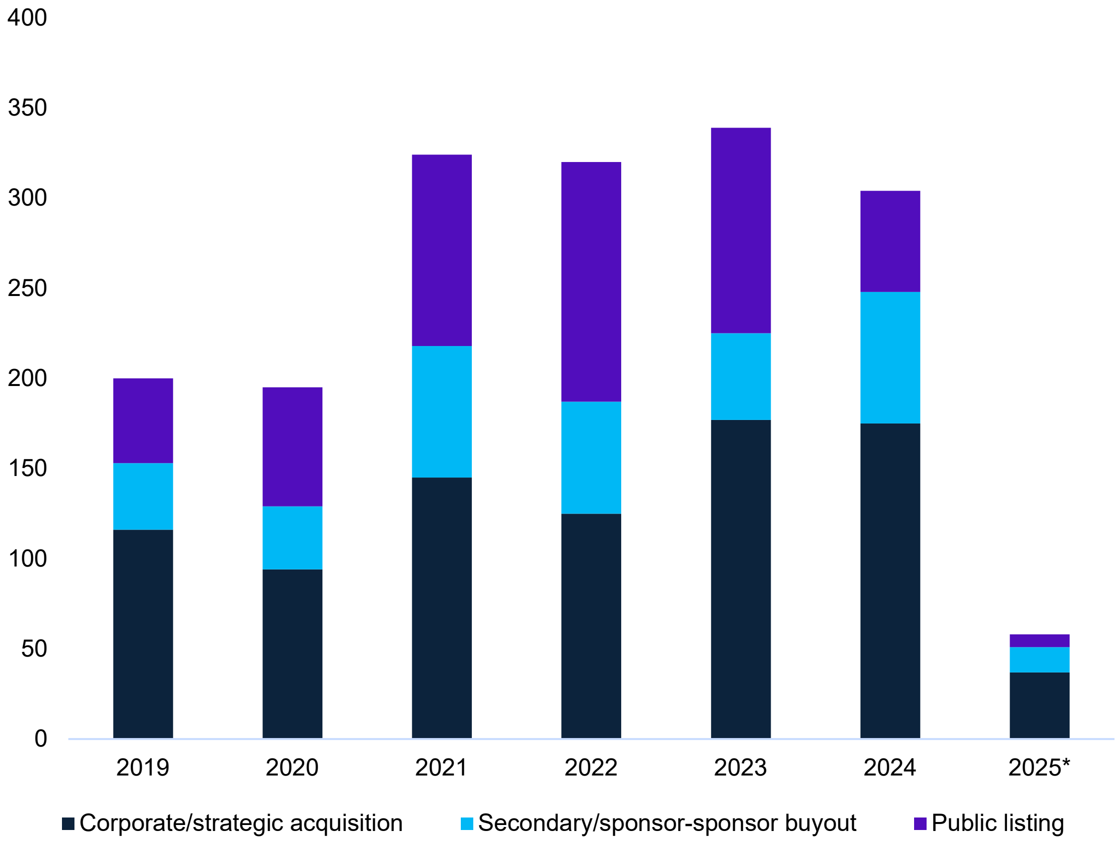
ASPAC average PE exit size ($M) by type



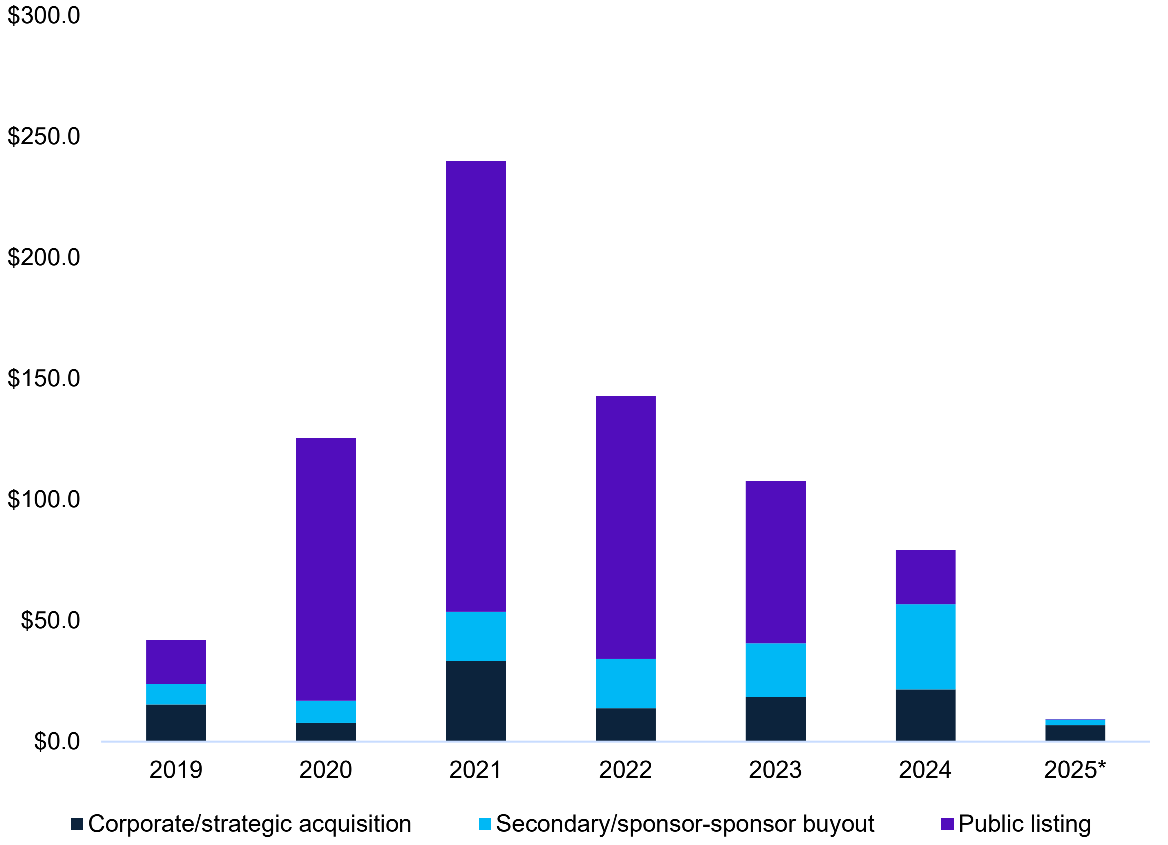
Source: PitchBook, data as of March 31, 2025. Note: The 2025* figures are based on population sizes of n < 30..

M&A turns opportunistic

ASPAC PE-backed exit activity (#) by type



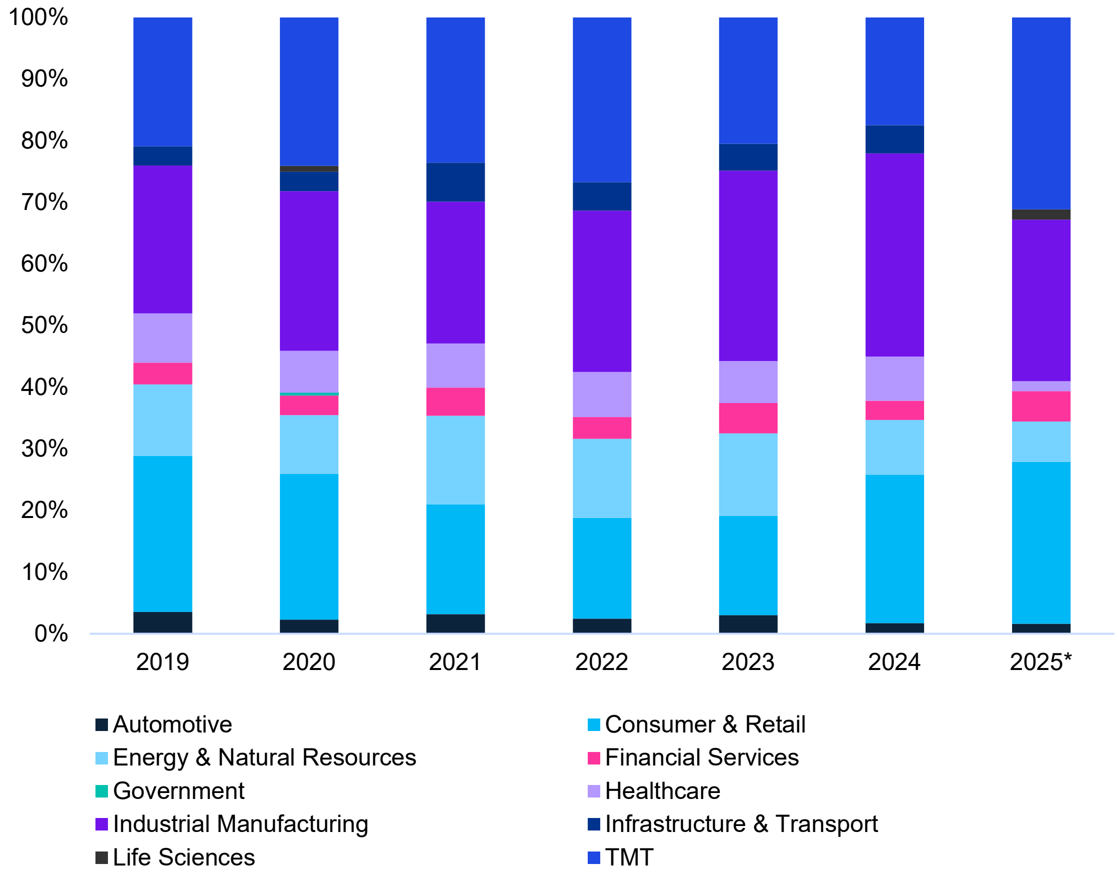
ASPAC PE-backed exit activity ($B) by type



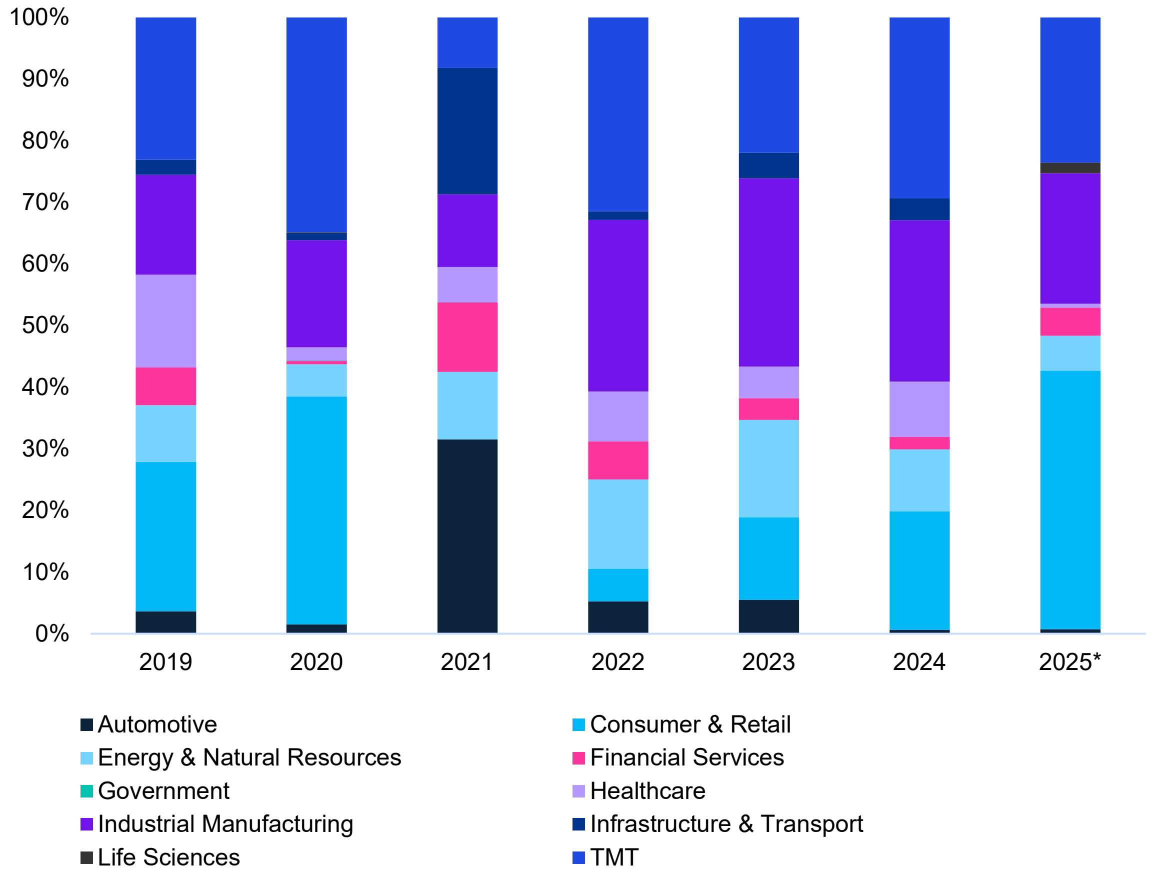
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Software predominates

ASPAC PE-backed exit activity (#) by sector



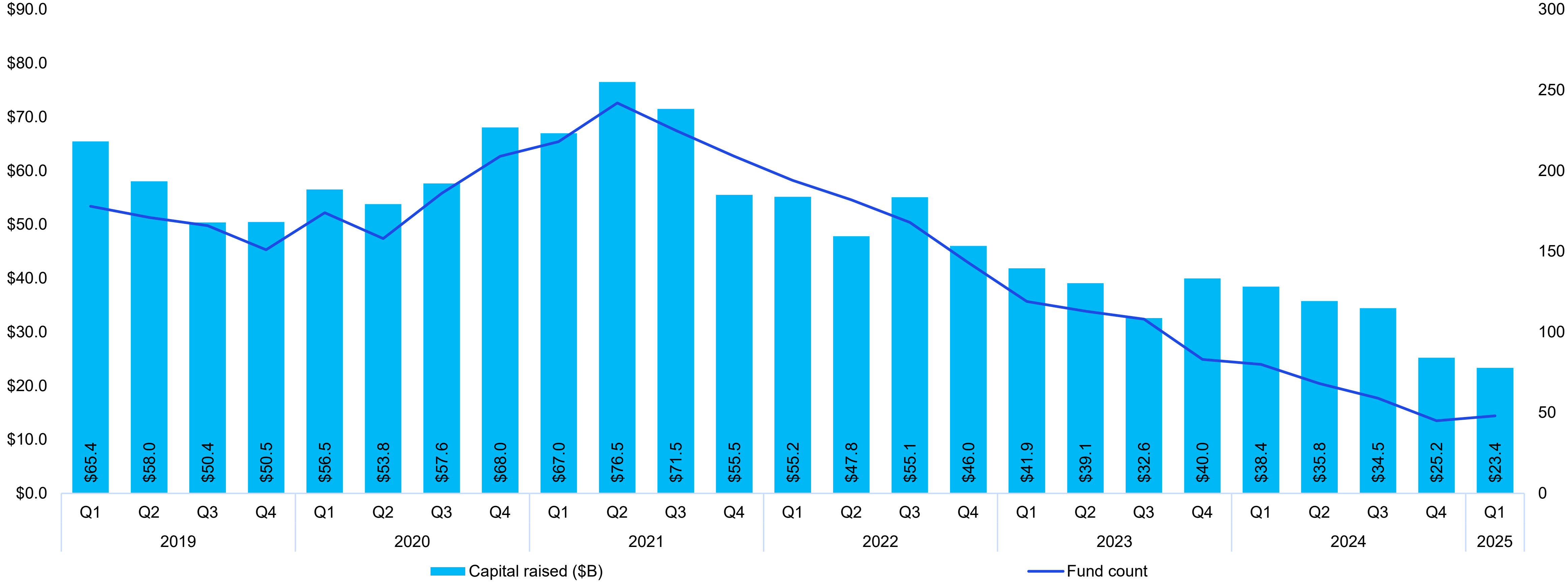
ASPAC PE-backed exit activity ($B) by sector



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

Fundraising continues historic decline

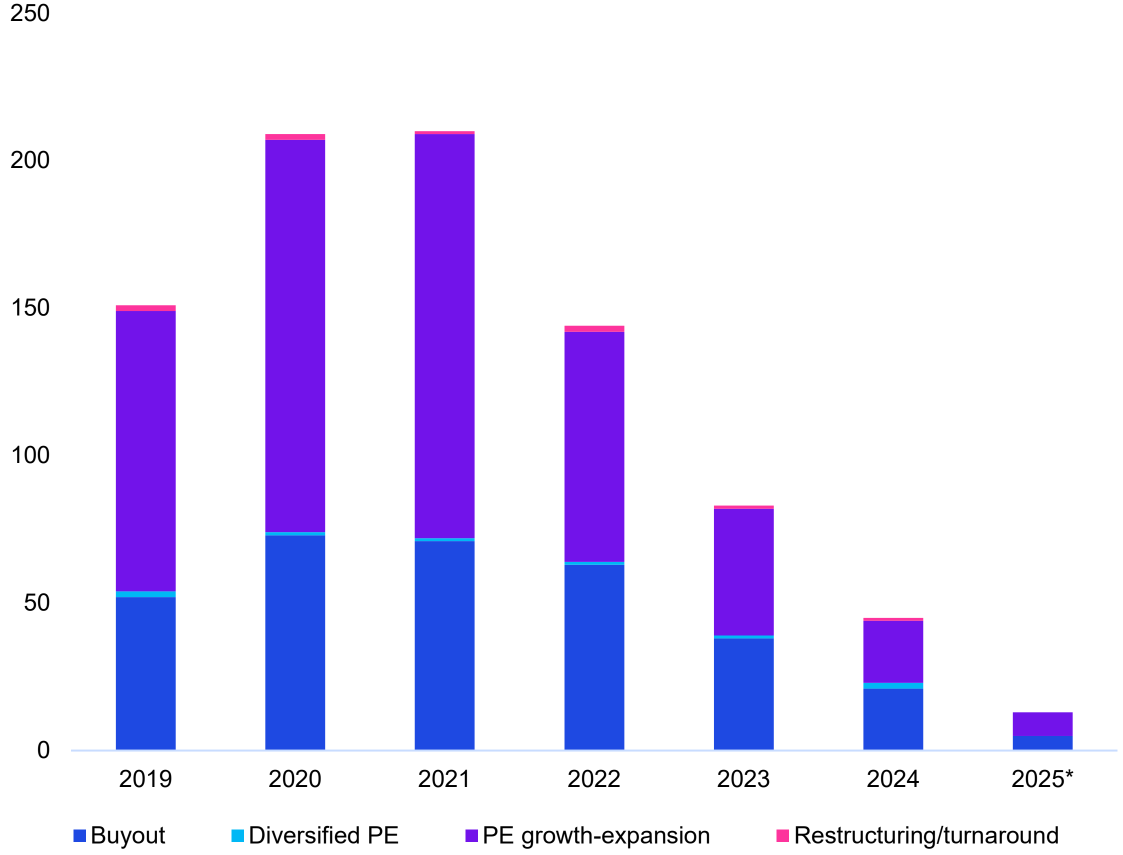
ASPAC PE fundraising activity (rolling 12-month)



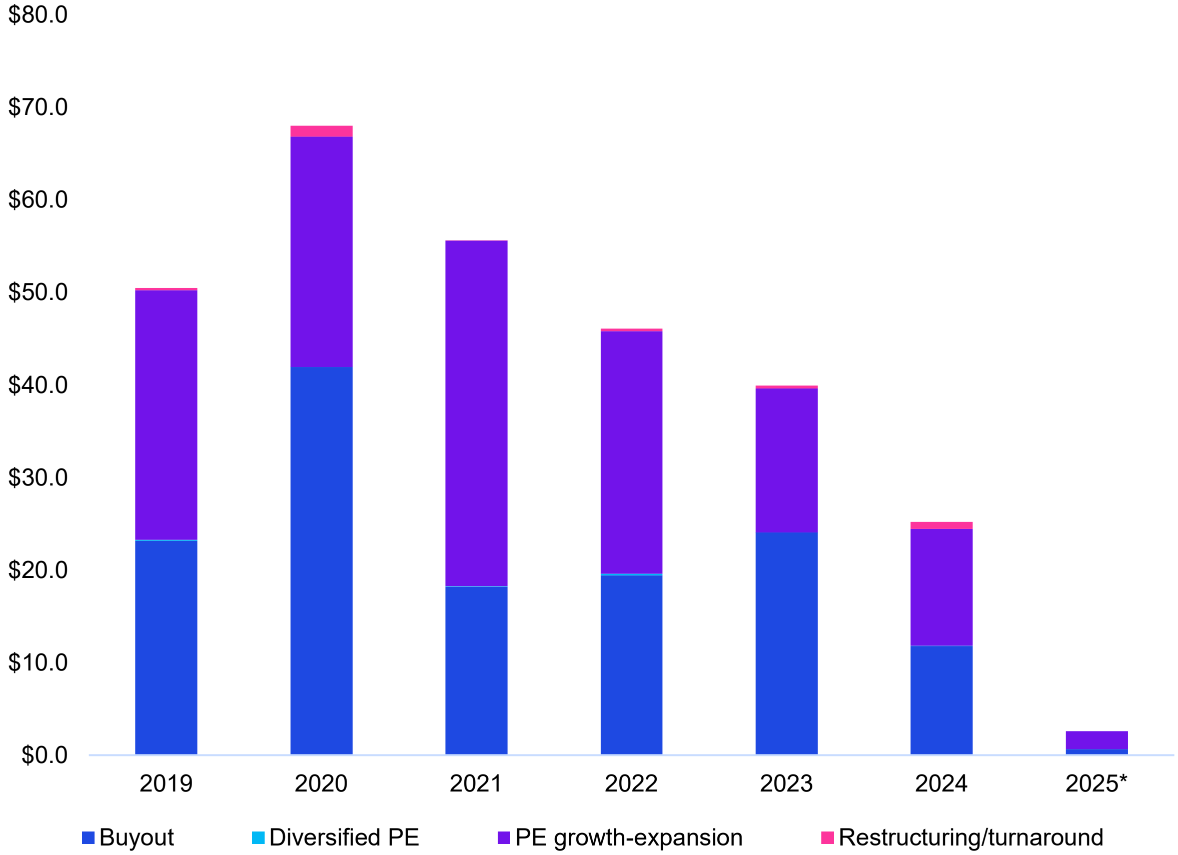
Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

PE firms shift toward growth

ASPAC PE fundraising activity (#) by type



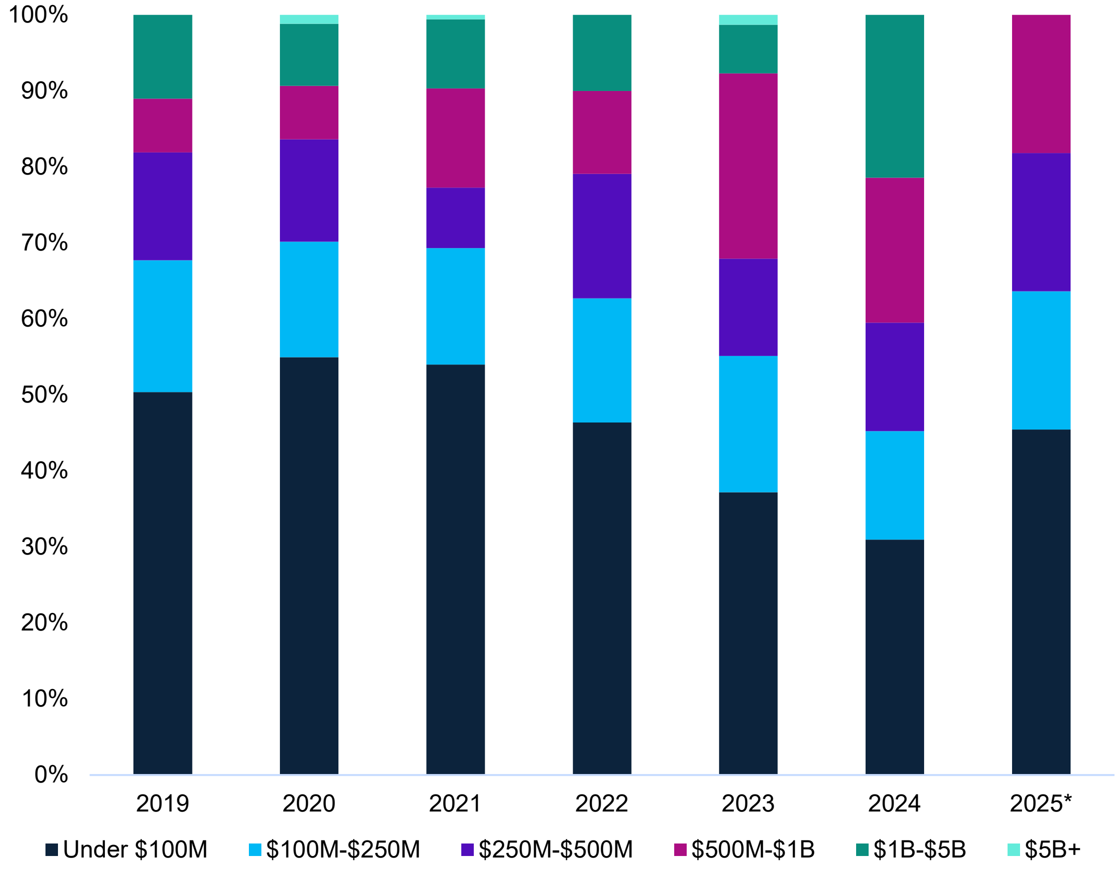
ASPAC PE fundraising ($B) by type



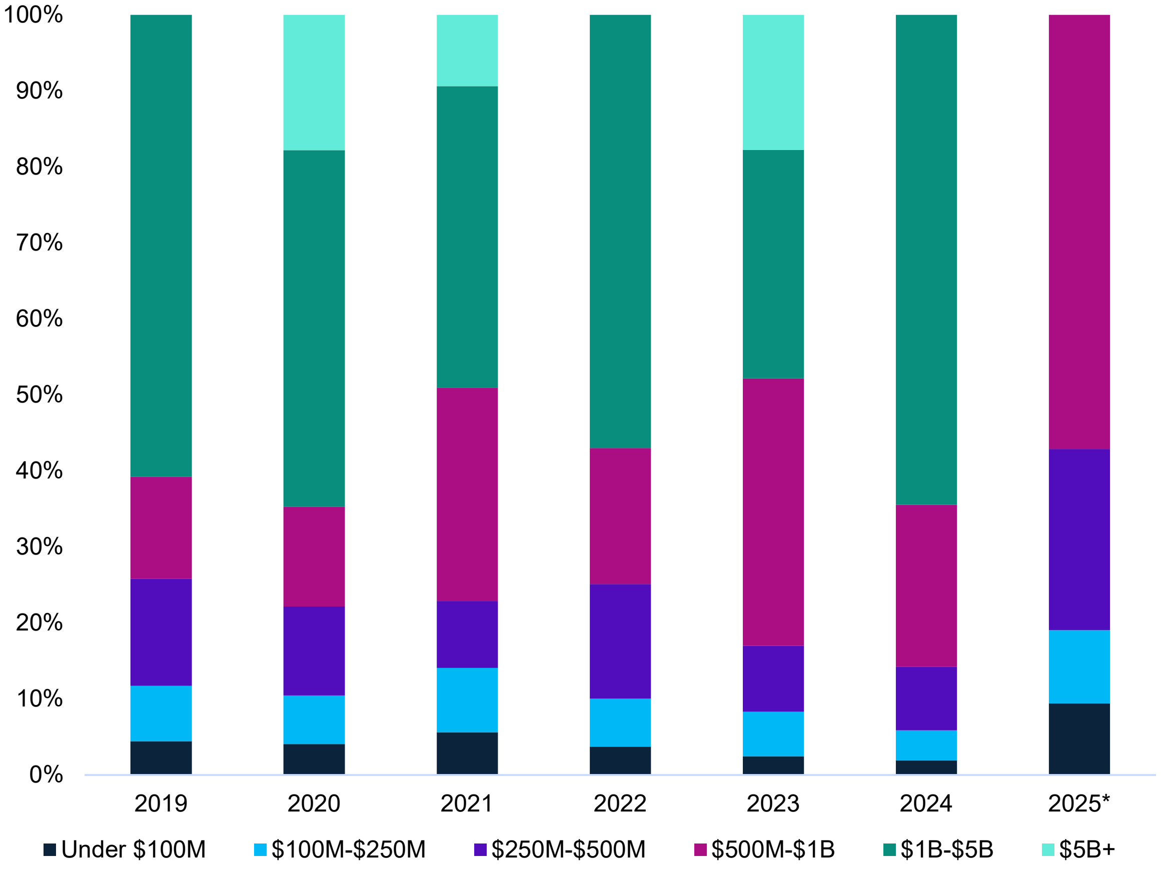
*Source: Pulse of Private Equity Q1'25 KPMG analysis of global private equity activity as of March 31, 2025. Data provided by PitchBook.

Fund sizes exhibit caution

ASPAC PE fundraising activity (#) by size



ASPAC PE fundraising ($B) by size



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

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).

Contacts

Gavin Geminder
Global Head of Private Equity
KPMG International
E: ghgeminder@kpmg.com

Glenn Mincey
US Head of Private Equity
KPMG in the US
E: gmincey@kpmg.com

Tilman Ost
Global Private Equity Advisory Leader
KPMG in Germany
E: tilmanost@kpmg.com

Andrew Thompson
Asia Pacific Head of Private Equity
KPMG in Singapore
E: andrewthompson8@kpmg.com.sg

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