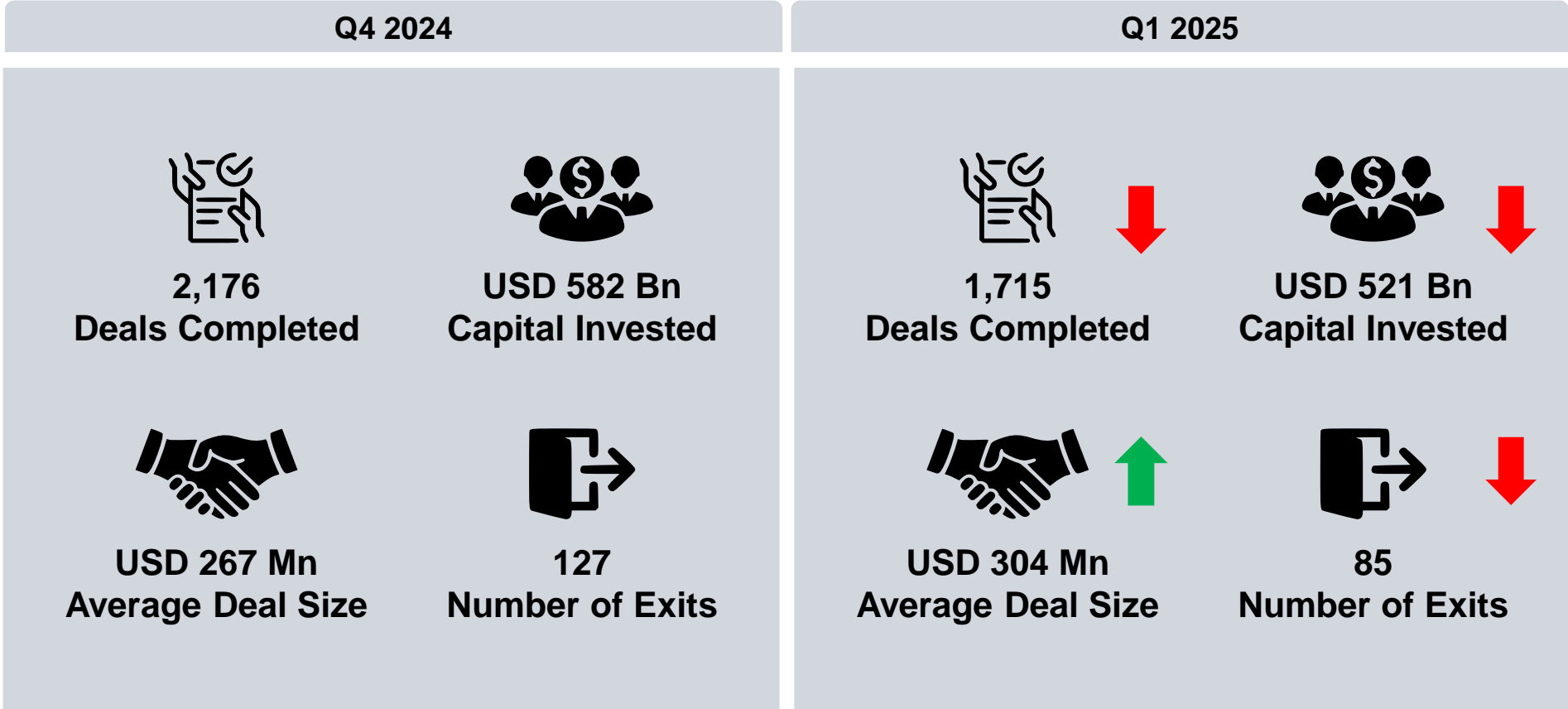


Special Report

# Private Equity Factbook – Q1 2025

Focus: Global

Private equity (PE) investments dipped in Q1 2025 amid growing concerns over inflation, geopolitical tensions, rising tariffs, and tighter credit conditions



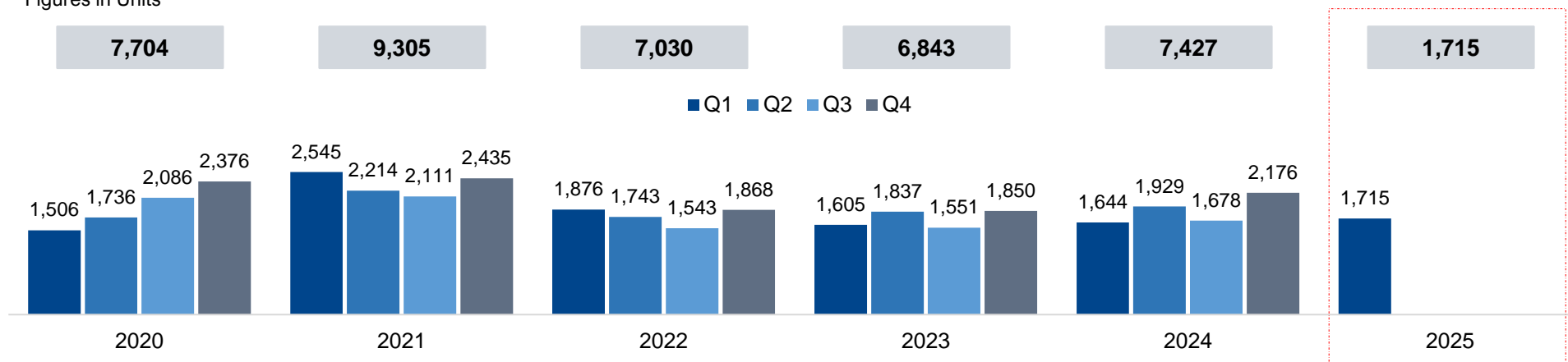
Source: Pitchbook, Aranca Analysis

Note: Quarter represents the calendar year.

# PE activity dropped 21% QoQ in Q1 2025, reflecting a slowdown in PE deal-making and investment activities across markets

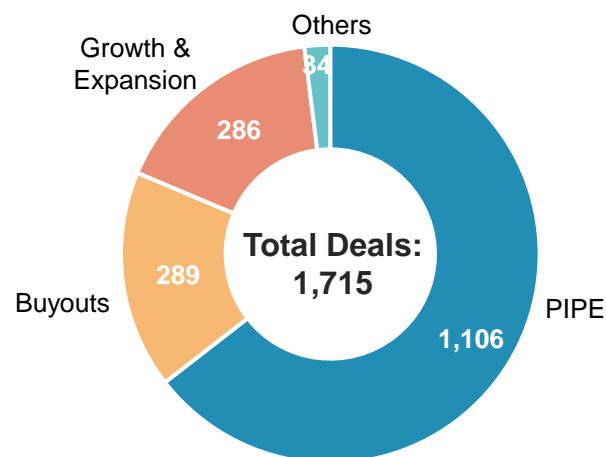
## Number of Deals

Figures in Units



## Type of Deals – Q1 2025

Indicates annual/YTD deals completed



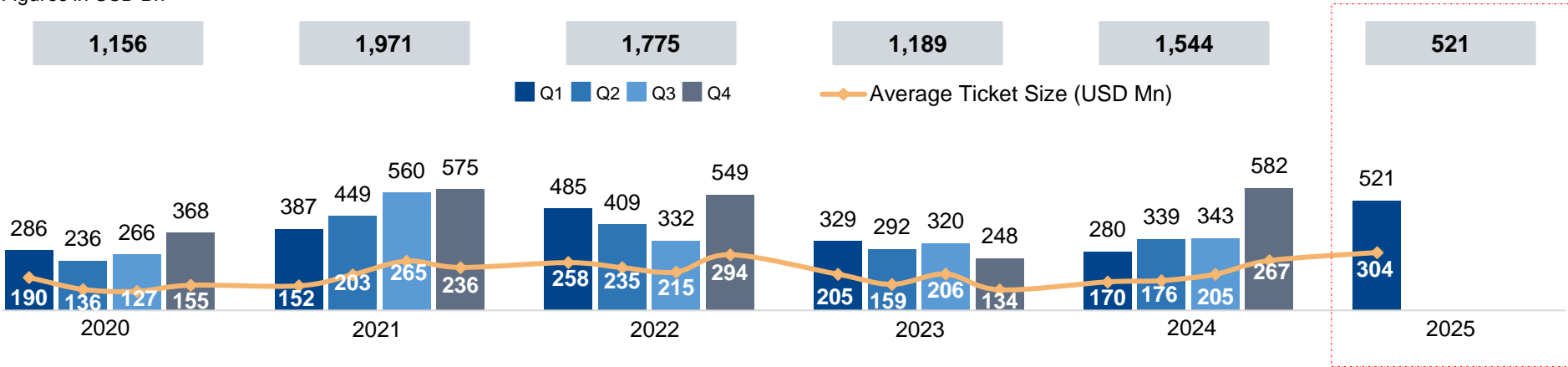
- PE dealmaking began on a strong note in early 2025, supported by ample dry powder and accessible credit. However, signs of a shifting economic environment—such as rising loan delinquencies, potential federal budget cuts, and sweeping tariffs (introduced by the US President Donald Trump)—have destabilized global markets and heightened volatility.
- This uncertainty prompted investors to adopt a more cautious stance, slowing deal activity in Q1 2025. Persistent inflation and valuation gaps between buyers and sellers further hindered transactions.
- This decline was primarily driven by private investment in public equity (PIPE) deals, buyouts, and growth/expansion transactions, which fell by 19%, 30%, and 16%, respectively.

Source: Pitchbook, Aranca Analysis

PE investments also declined 11% while average ticket size increased by 14% due to a few large high-value transactions

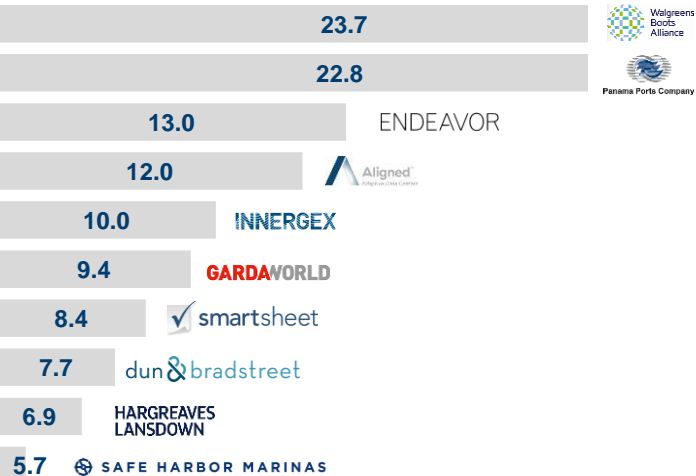
Capital Invested

Figures in USD Bn



Top 10 Deals – Q1 2025

Deal Value in USD Bn



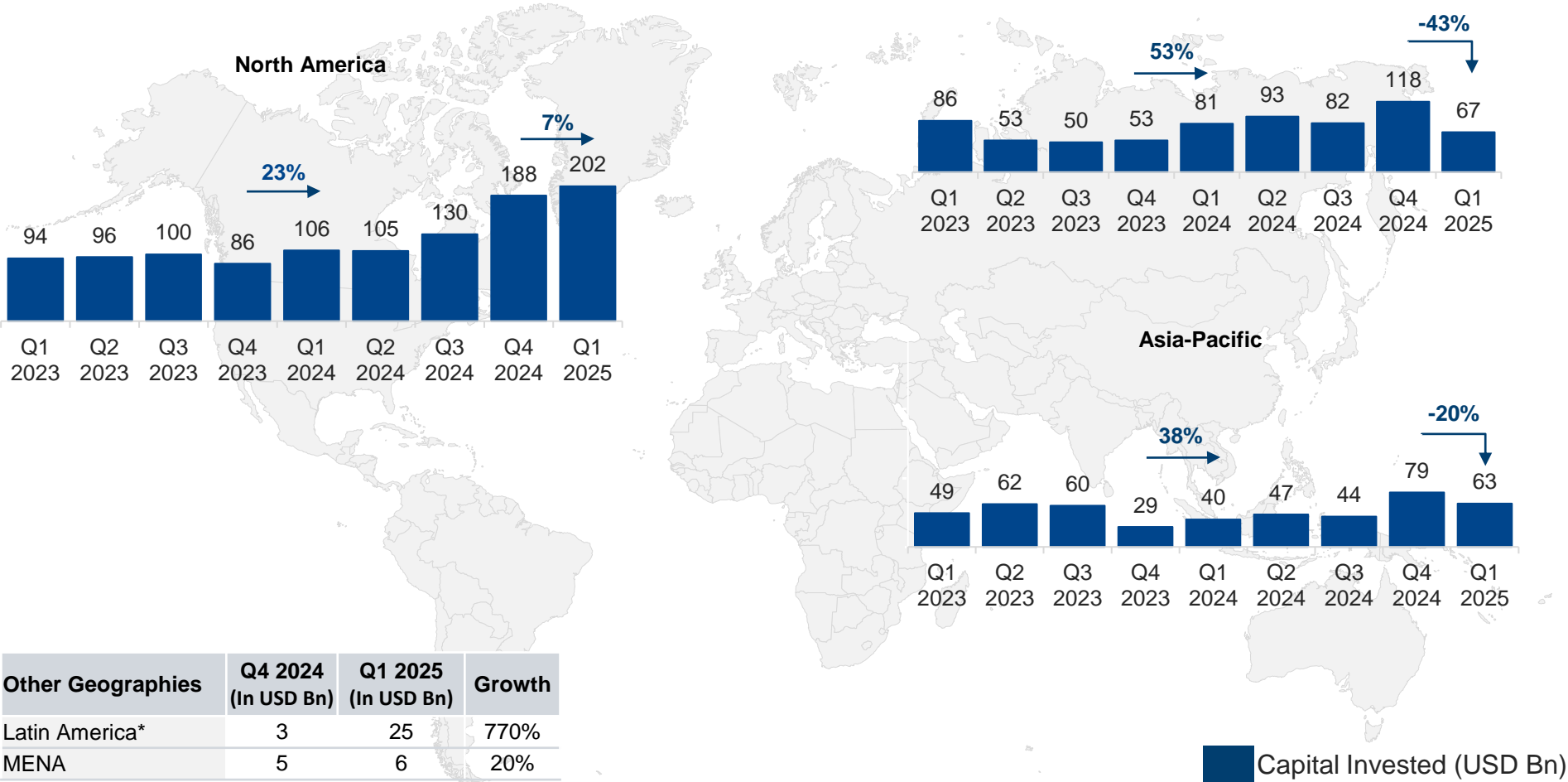
Indicates annual/YTD capital invested

- The ongoing concerns over rising tariffs, market volatility, and the prevailing interest rate environment led to reduced capital investment, hindering the execution of large-scale deals due to lower leverage thresholds. As a result, both buyers and sellers encountered challenges in reaching mutually agreeable valuations.
- These challenges, coupled with liquidity pressures on limited partners and increased regulatory scrutiny—particularly in Europe—further slowed deal momentum.
- PE firms experienced an 11% drop in invested capital, with secondary buyouts and PIPE deals declining 61% and 33%, respectively. Conversely, capital invested in growth/expansion deals rose notably, with transaction value surging 31% compared to the prior period.

Source: Pitchbook, Aranca Analysis

PE investments in North America soared 7%, while investments declined in Europe and Asia-Pacific (APAC) regions

Key Geographies

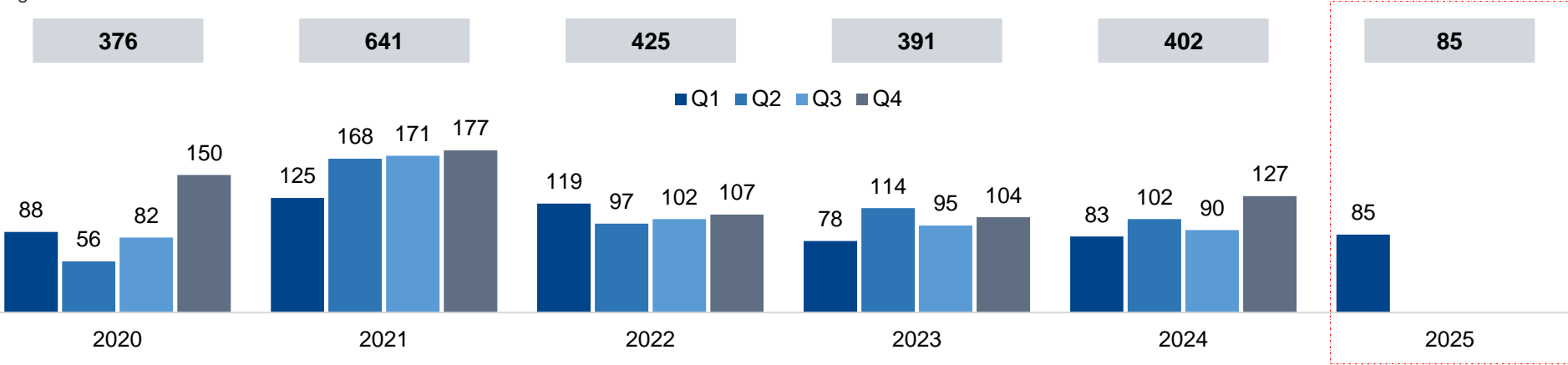


\*Note: The rise in investments in Latin America was largely driven by investment in Panama Ports Company  
Source: Pitchbook, Aranca Analysis

2025 witnessed a slow start, with ~85 exits, signaling a 33% decline from the previous quarter and reflecting ongoing market volatility

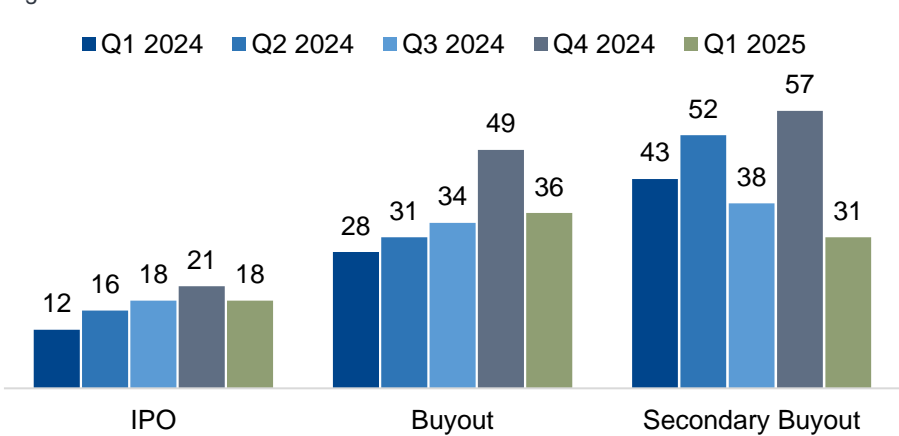
Number of Exits

Figures in Units



Key Exit Routes

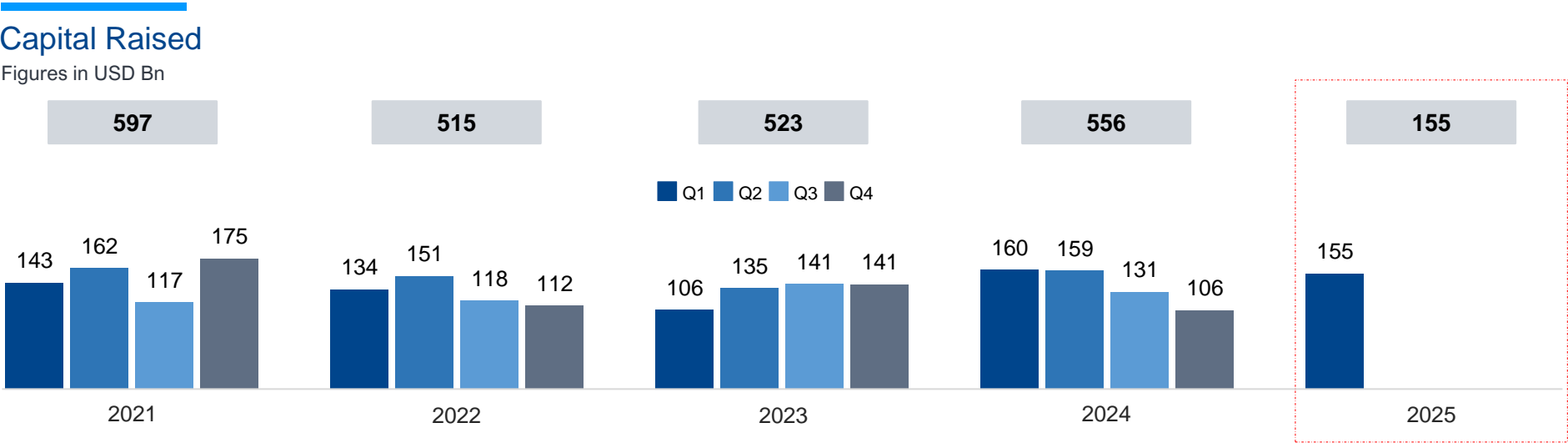
Figures in Units



- PE firms are increasingly holding onto portfolio companies amid a sharp decline in sponsor-to-sponsor and corporate mergers and acquisitions (M&A) activity, contributing to the overall drop in exit volume.
- Persistent public market instability, regulatory uncertainty, and a growing backlog of aging assets have further dampened exit prospects.
- In response, continuation funds have emerged as a popular alternative to traditional exits.

Source: Pitchbook, Aranca Analysis

# In Q1 2025, fundraising levels remained strong, with buyout funds leading in the resilient PE market



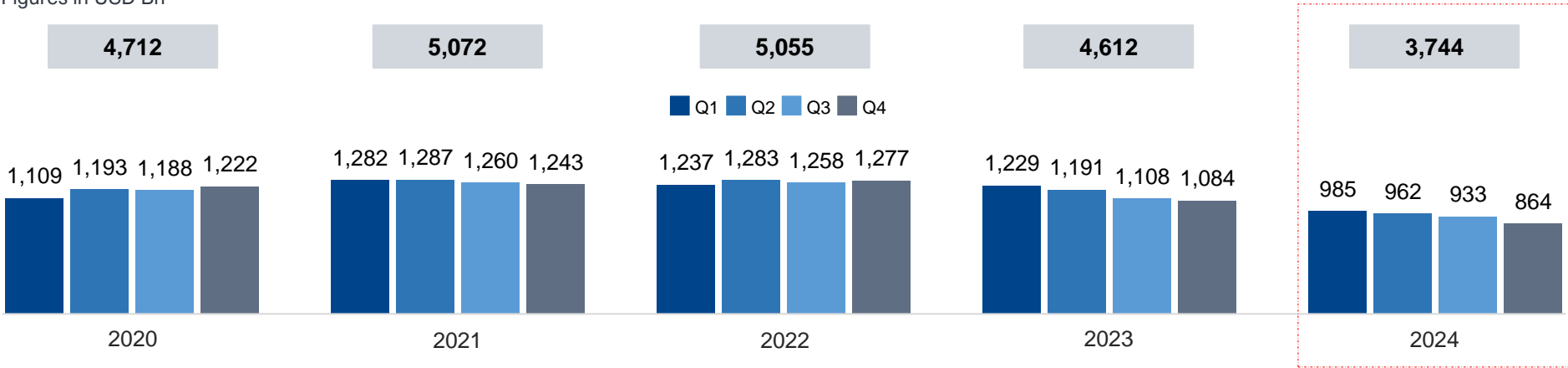
- In Q1 2025, despite subdued PE deal activity, the total capital raised by PE firms increased compared to the previous quarter.
- Buyout funds have emerged as the primary source of capital acquisition, indicating their dominance in fundraising efforts. Additionally, growth equity funds saw a notable rise, with deal volume surpassing platform leveraged buyouts (LBOs) during the quarter.
- Looking ahead, stronger buyout activity is expected in 2025, driven by favorable credit conditions. Liquidity pressures have led limited partners (LPs) to seek secondary market solutions, while alternative exits have gained traction amid market volatility.
- Investors are concentrating their capital on a select group of large, established PE firms, limiting funding opportunities for smaller managers. This has intensified competition, leading to higher valuations in the market.

Source: Pitchbook, Aranca Analysis

# Dry powder availability with global PE firms declined by 7% QoQ despite an uptick in fundraising

## Dry Powder\*

Figures in USD Bn



- The decline in dry powder can be attributed to companies finalizing deals despite challenging market conditions, largely driven by subdued deal activity over the past several quarters.
- As a result, PE firms are increasingly engaging in buyouts, as they face growing pressure from general partners to close deals, optimize portfolios, and deliver returns on their investments.

“We are seeing strong performance in our private equity and credit businesses, with USD 6.5 Bn in asset sales this quarter. Despite market uncertainties, we remain confident in our ability to navigate the complex environment.”

– Chief Executive Officer, Blackstone

“By 2025, we’ll have at least as many sellers bringing portfolios to sell. On the secondary market, we’re still undercapitalized, but we can make transactions. The expectations between what sellers want and what buyers can pay are narrowing.”

– Co-Head of Secondaries & Primaries, Ardan

\*Note: Dry powder data is as of December 2024  
Source: Pitchbook, Aranca Analysis



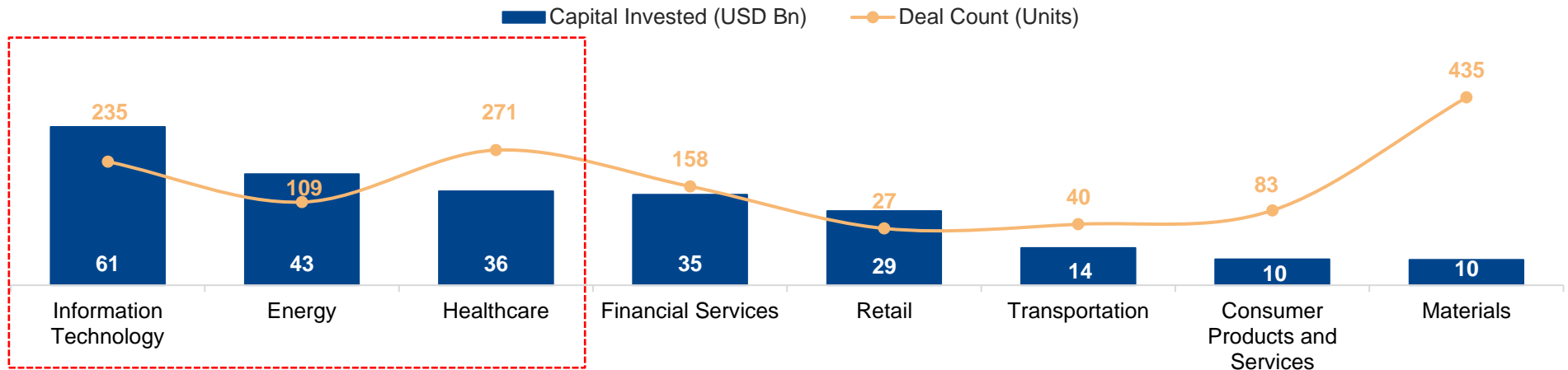
## Top 15 PE firms (based on available dry powder) *(Illustrative)*

Investors	Geography	Dry Powder (USD Bn) <small>As of Dec 2024</small>	Last Investment			Investments (Last 6 Months)	Investment Targets
			Target	Deal Value (USD Bn)	Date		
Blackstone	The US	168.6	Tidwell & Hilburn Insurance	-	Apr 2025	47	Real estate, public debt, infrastructure, life sciences, and growth equity
Kohlberg Kravis Roberts	The US	71.2	Datagroup	0.5	Apr 2025	49	B2B, B2C, energy, financial services, semiconductors, and infrastructure
Ardian	France	71.0	2PACE	-	Apr 2025	35	Food value chain, food & beverage, ingredients, agribusinesses, food safety, healthcare, and life science services
EQT	Sweden	69.6	Musinsa	-	Apr 2025	33	Healthcare, technology, services, and industrial tech sectors
SINO-IC Capital	China	57.5	Shanghai Precision Measurement	-	Mar 2025	4	Integrated circuit companies
Apollo Global Management	The US	56.2	TI Automotive	2.0	Apr 2025	19	PE, credit, and real estate sectors
The Carlyle Group	The US	43.7	Blansegur	-	Apr 2025	34	Aerospace, government services, consumer, media, retail, financial services, aviation finance, and energy sectors
TPG	The US	42.6	24 Hour Fitness USA	-	Apr 2025	26	Consumer, healthcare, business services, internet, digital media & communications, software, and enterprise technology sectors
Thoma Bravo	The US	38.1	PCMI	-	Mar 2025	16	B2B, financial services, healthcare, information technology (IT), infrastructure & cybersecurity sectors
AlpInvest Partners	Netherlands	34.2	myOrthos	-	Mar 2025	4	Aerospace & defense, B2B, B2C, media, retail, non-financial services, transportation, and financial services
Hellman & Friedman	The US	30.3	Employee Benefit Associates	-	Apr 2025	16	Consumer services, retail, energy, industrials, financial services, technology, information, content, business services, healthcare, and insurance
HPS Investment Partners	The US	30.1	Letton Percival	-	Apr 2025	7	Companies through syndicated leveraged loans, high-yield bonds, privately negotiated senior secured debt, subordinated debt, preferred equity, and PE
Bain Capital	The US	29.9	InfraStripe	-	Apr 2025	37	B2B, B2C, retail, non-financial services, transportation, energy, healthcare, IT, and cybersecurity
Intermediate Capital Group	The UK	29.2	Speak 33	-	Apr 2025	12	A PE investment firm
Partners Group	Switzerland	26.5	DTS Software	-	Mar 2025	24	PE, infrastructure, real estate, private credit, and royalties' investments

Source: Pitchbook, Aranca Analysis

# IT, energy, and healthcare service sectors account for ~37% of the total capital invested by PE firms

## Top Sectors\* – Q1 2025



Note: \*Only includes deals for which sector-level information is available. Deals include those completed and announced.

*“The strong PE interest in healthcare services companies is a highly credible indicator of the multi-decade growth potential inherent in the sector.”*

**– A publication firm**

*“While IPOs struggle with poor conditions and low investor confidence, private capital continues to offer opportunities, especially as financially motivated buyers and private credit investors remain active.”*

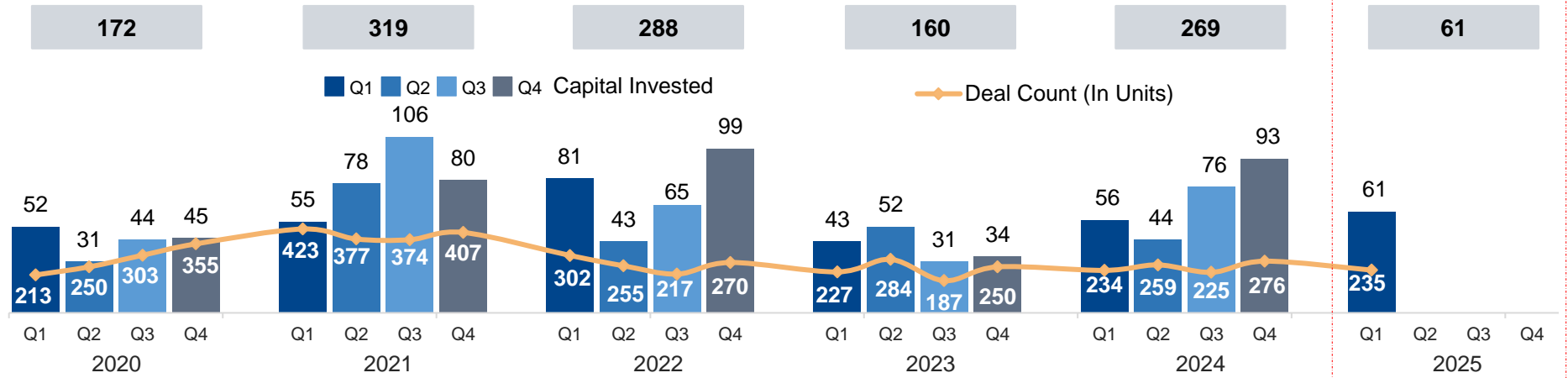
**– A publication firm**

Source: Pitchbook, Aranca Analysis

Investments in the IT sector declined by 34% QoQ in deal value and 15% QoQ in deal volume, with most investments concentrated on software deals

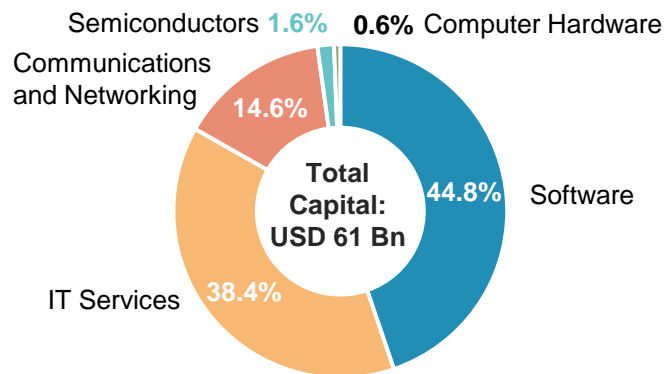
## Top Sectors – IT

Figures in USD Bn



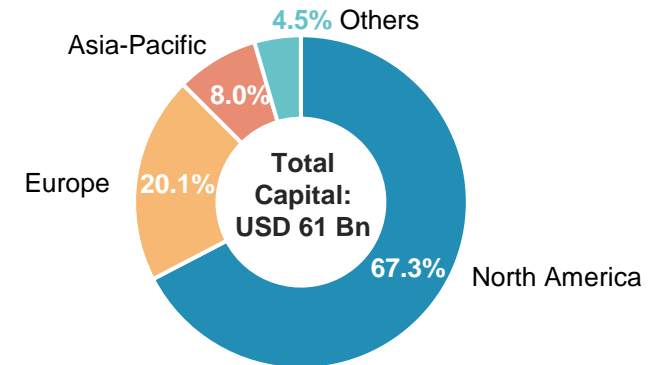
## IT by Primary Sectors in Q1 2025

Figures in Percentage and USD Bn



## IT by Geography in Q1 2025

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

## Top PE investments in the IT sector in Q1 2025 *(Illustrative)*

IT Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD Mn)	Deal Type	Investors
IT Services	IT consulting and outsourcing and systems and information management	Aligned Data Centers	Provider of modular data center and mechanical cooling infrastructure systems	The US	12,000	PE Growth/Expansion	CenterSquare Investment Management, Macquarie Asset Management, PATRIZIA
		DataBank (Dallas)	Provider of managed IT services	The US	2,850	PE Growth/Expansion	Allstate Investments, Ardian, AustralianSuper, Edgewater Services, Equity Investment Group, Freeman Group, Swiss Life Asset Management, Teachers Insurance and Annuity Association of America, TJC
Software	Business/productivity software	Smartsheet	Provider of collaborative work management software	The US	8,400	Buyout/LBO	Abu Dhabi Investment Authority, Blackstone, Vista Equity Partners
		Anaqua	Developer of intellectual property (IP) management software	The US	2,500	Buyout/LBO	Nordic Capital
Communications and Networking	Other communications and networking	Crown Castle	Operator of a digital infrastructure company	The US	4,250	Buyout/LBO	EQT
	Telecommunications service providers	WOM Chile	Provider of telecommunication and broadband services	Chile	1,600	Buyout/LBO	Amundi, BlackRock, Moneda Asset Management
Semiconductor	Production	Yandong Microelectronics	A semiconductor company integrating chip design, wafer manufacturing, and packaging	China	554	PIPE	-
	Application specific semiconductors	Black Sesame Technologies	An automotive-grade computing SoC and SoC-based intelligent vehicle solution provider	China	160	PIPE	-
Computer Hardware	Automation/workflow software, computers, parts and peripherals	UBTECH	Engaged in design, production, of smart service robotic products	China	112	PIPE	-
	Business/productivity software, computers, parts and peripherals	Quantum Computing	An integrated photonics and quantum optics technology company	The US	100	PIPE	-

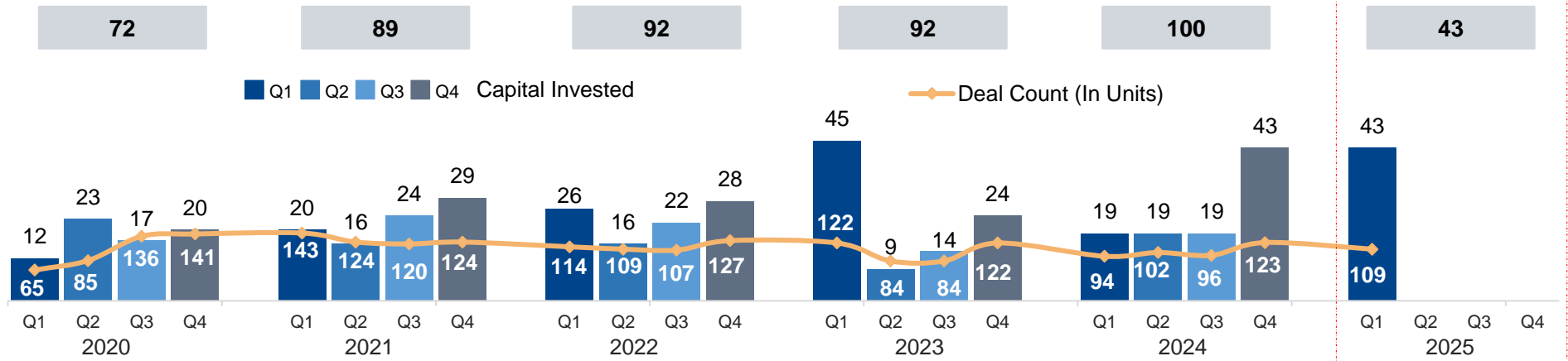
Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

PE Investments in the energy sector remained consistent with the previous quarter, despite an 11% QoQ decline in deal count

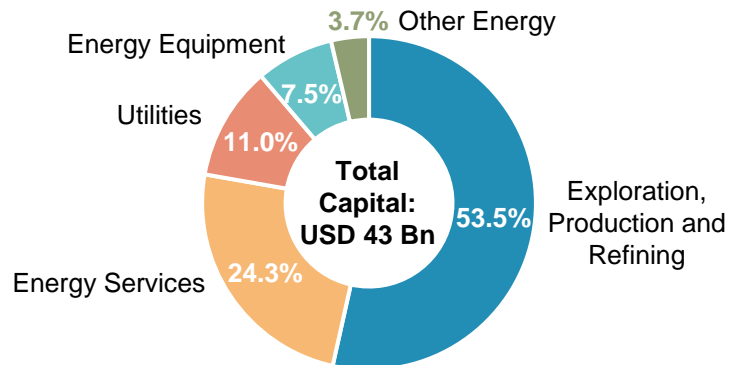
## Top Sectors – Energy

Figures in USD Bn



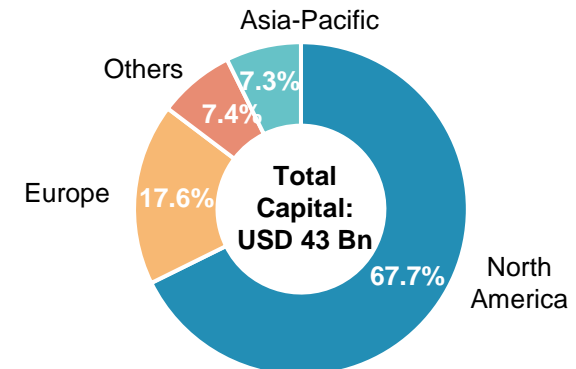
## Energy by Primary Sectors in Q1 2025

Figures in Percentage and USD Bn



## Energy by Geography in Q1 2025

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

## Top PE investments in the energy sector in Q1 2025 *(Illustrative)*

Energy Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD Mn)	Deal Type	Investors
Exploration, Production and Refining	Energy production	Innergex Renewable Energy	An independent Canadian renewable power producer	Canada	10,007	Buyout/ LBO	Caisse de dépôt et placement du Québec
	Energy refining	ADNOC Gas	An integrated gas processing company	UAE	2,840	PIPE	-
Utilities	Electric utilities	AEP Ohio	Distributor of electricity intended to serve retail and wholesale clients	The US	2,820	PE Growth/ Expansion	Kohlberg Kravis Roberts, Public Sector Pension Investment Board
	Electric utilities and energy transportation	Elia Group	A utility company that owns and develops electric grids in Central Europe	Europe	889	PIPE	ATLAS Infrastructure Partners, BlackRock, CPP Investments, NextGrid Holding, Publilio, The Future Fund
Energy Services	Energy infrastructure, other energy services	National Grid Renewables	Provider of renewable electricity generation services	The US	1,735	Buyout/ LBO	Brookfield Asset Management
	Energy infrastructure	D.E. Shaw Renewable Investments	Operator of renewable energy projects	The US	1,725	PE Growth/ Expansion	Macquarie Asset Management
Energy Equipment	Machinery, oil and gas equipment	OEG Offshore	Manufacturer of offshore cargo-carrying units and equipment	The UK	1,100	Buyout/ LBO	Apollo Global Management
	Industrial supplies and parts, oil and gas equipment	Yinson Production	Operator of an offshore equipment manufacturing company	Singapore	1,000	PE Growth/ Expansion	Abu Dhabi Investment Authority, British Columbia Investment Management, RRJ Capital
Other Energy	Buildings and property, other energy	Haynesville Shale E&P	A portfolio of natural gas assets located in Haynesville, Louisiana	The US	1,200	Buyout/ LBO	Citadel Enterprise Americas
		Lucero Energy	An independent oil company focused on the development, and production of oil-weighted assets	Canada	222	Buyout/ LBO	Vitesse Energy

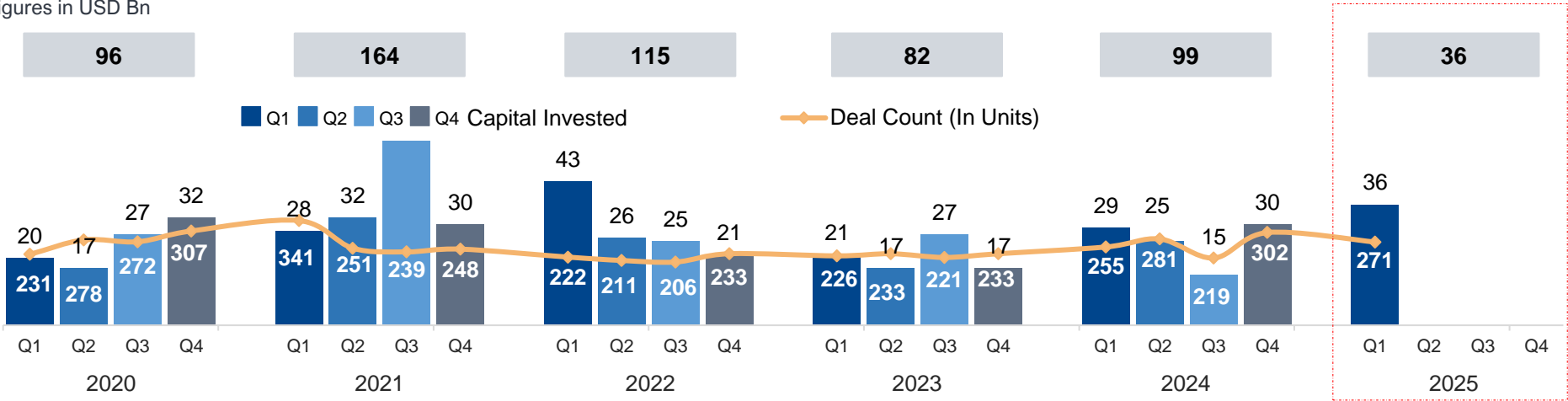
Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

# PE firms injected significant capital into healthcare deals in Q1 2025, driven by investments in healthcare services and healthcare technology systems

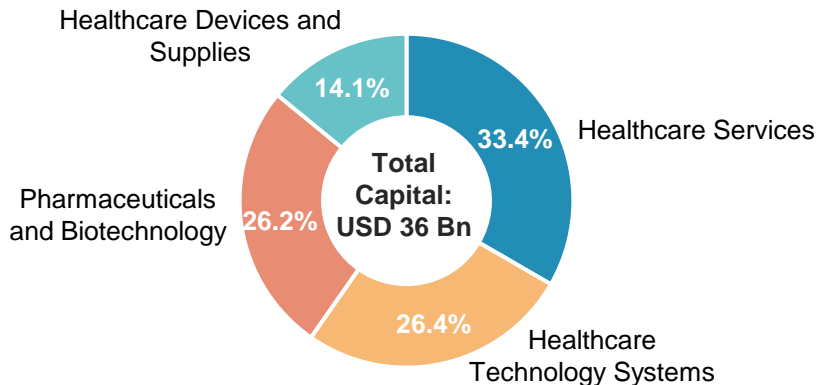
## Top Sectors – Healthcare

Figures in USD Bn



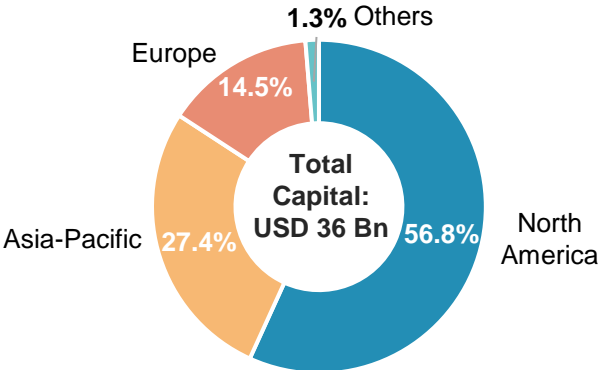
## Healthcare by Primary Sectors in Q1 2025

Figures in Percentage and USD Bn



## Healthcare by Geography in Q1 2025

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

## Top PE investments in the healthcare sector in Q1 2025 *(Illustrative)*

Healthcare Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD Mn)	Deal Type	Investors
Healthcare Technology Systems	Enterprise systems (healthcare)	Modernizing Medicine	Developer of healthcare software designed for dermatology, gastroenterology	The US	5,300	Buyout/LBO	Clearlake Capital Group
	Other healthcare technology systems	Access Healthcare	Provider of revenue cycle management services	The US	1,450	Buyout/LBO	New Mountain Capital
Pharmaceuticals and Biotechnology	Other pharmaceuticals and biotechnology	Mitsubishi Tanabe Pharma	Manufacturer of pharmaceuticals	Japan	4,686	Buyout/LBO	Bain Capital
	Biotechnology	Biokin Pharmaceutical	A chemical drug and biological drug-based company	China	536	PIPE	-
Healthcare Services	Therapeutic devices	Vantive	Provider of kidney care services intended to serve patients with chronic kidney disease or other vital organ conditions	The US	3,800	Buyout/LBO	The Carlyle Group
	Other healthcare	Amica Senior Lifestyles	Provider of premium, private-pay retirement residences	Canada	3,212	Buyout/LBO	Welltower
Healthcare Devices and Supplies	Electronic equipment and Instruments	Topcon	Provider of ophthalmic instruments, medical equipment, and machine control and GPS-related systems	Japan	1,877	Buyout/LBO	EQT, Japan Investment Corporation, Kohlberg Kravis Roberts
	Therapeutic devices	BVI Medical	Manufacturer of surgical devices intended for patients affected by cataracts, refractive error, glaucoma, retinal disease, and dry eye	The US	1,000	PE Growth/Expansion	TPG

Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced



## Aranca View

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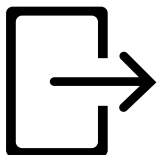
- PE dealmaking in 2025 remains restrained, with deal pipelines slow to refill amid ongoing seller caution and continued valuation gaps



- PE firms still hold record levels of dry powder, intensifying pressure to deploy capital—particularly as fundraising slows and LPs become more selective



- ESG integration is anticipated to be a core consideration in deal-making, with growing interest in sectors such as renewable energy, sustainable agriculture, and green tech



- With IPO markets remaining uncertain, exits via secondary sales, strategic acquisitions, and continuation funds are anticipated to become more prominent

Source: Aranca Analysis



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