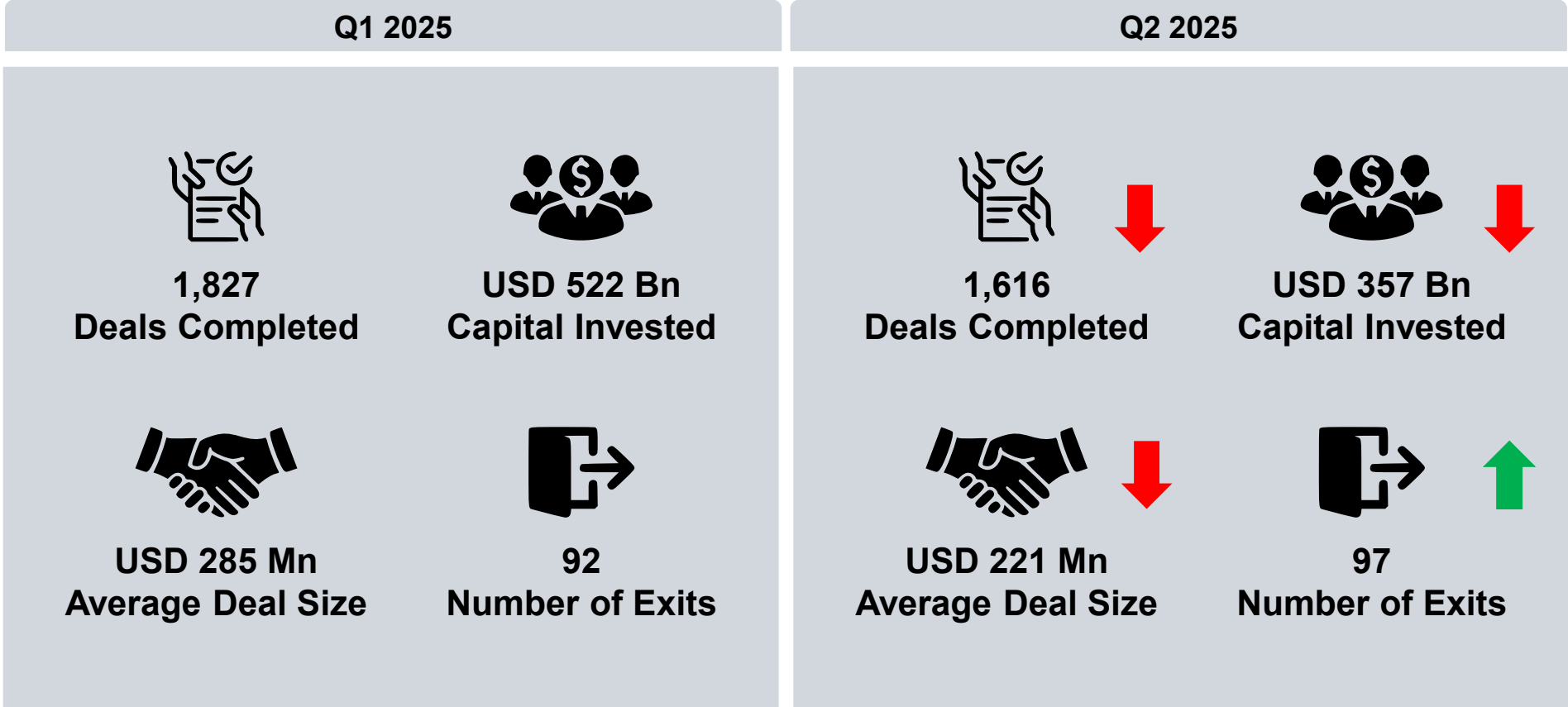


Special Report

# Private Equity Factbook – Q2 2025

Focus: Global

Private equity (PE) investments declined in Q2 2025 amid concerns over inflation, geopolitical tensions, tariff pressures, and tight credit conditions



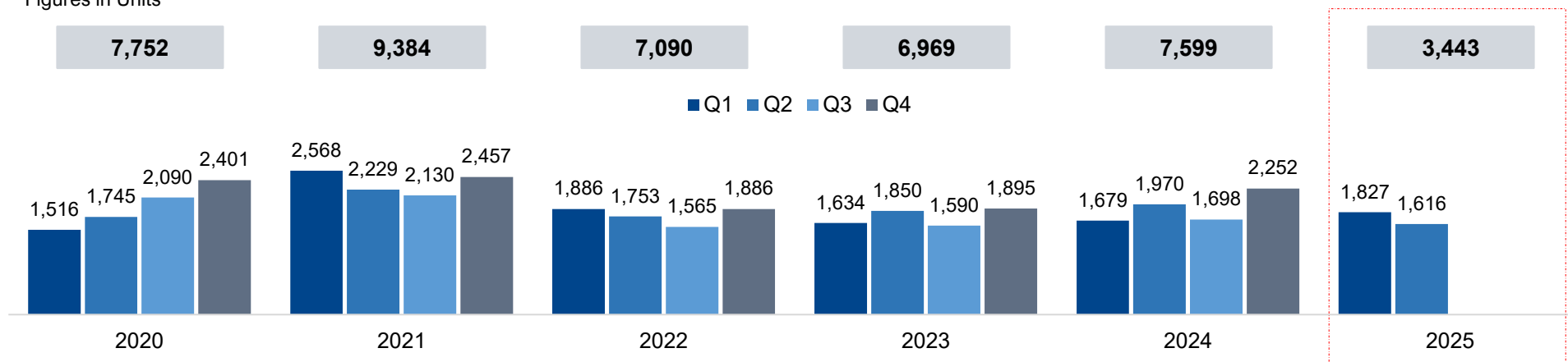
Source: Pitchbook, Aranca Analysis

Note: Quarter represents the calendar year.

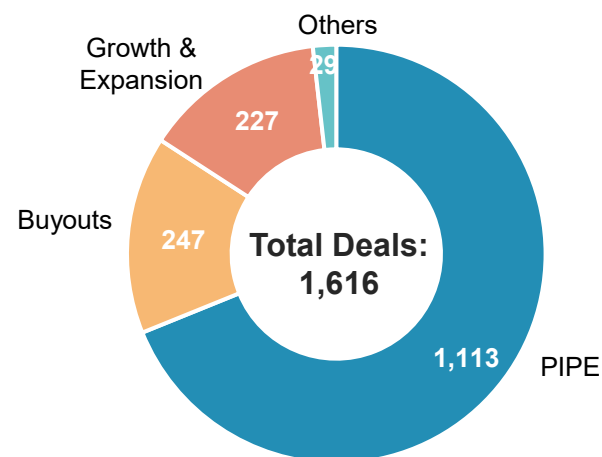
# PE deal activity contracted in Q2 2025, driven by a decline in buyouts and growth deals

## Number of Deals

Figures in Units



## Type of Deals – Q2 2025



Indicates annual/YTD deals completed

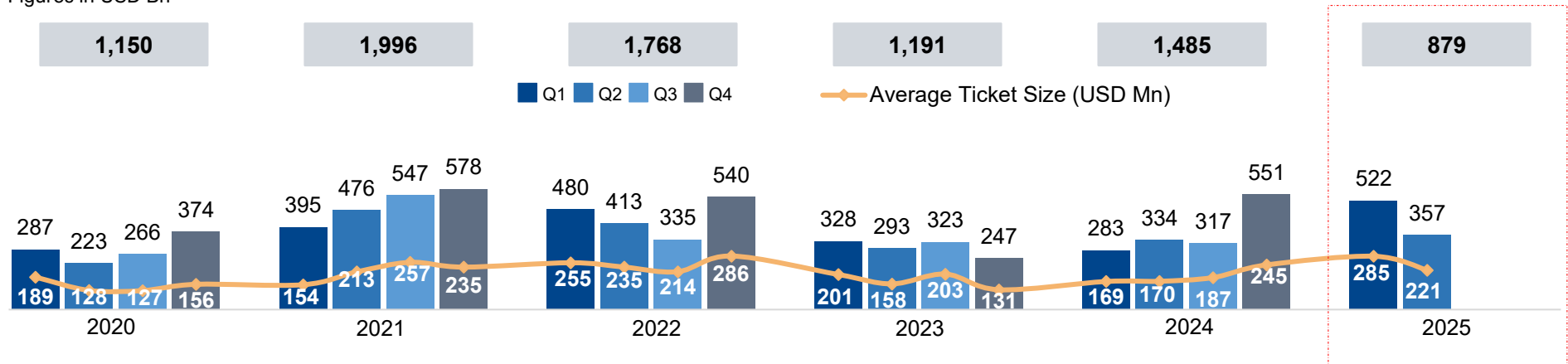
- In Q2 2025, PE deal activity fell by 11.5% over the previous quarter, reflecting a sharp slowdown in April and May amid tariff uncertainty and escalating US-China tensions.
- Elevated interest rates continued to weigh on dealmaking, as high financing costs pushed sponsors to rely heavily on equity, tightening internal rate of return (IRR) thresholds and limiting deal activity.
- This uncertainty prompted investors to adopt a more cautious approach. Deal activity was further hindered by persistent inflation and wide valuation gaps between buyers and sellers.
- This decline was mainly driven by a sharp pullback in buyouts and growth/expansion deals, which fell by 23% and 32%, respectively.

Source: Pitchbook, Aranca Analysis

# PE investments fell by 32%, with average ticket size down 22% due to high financing costs and investor caution

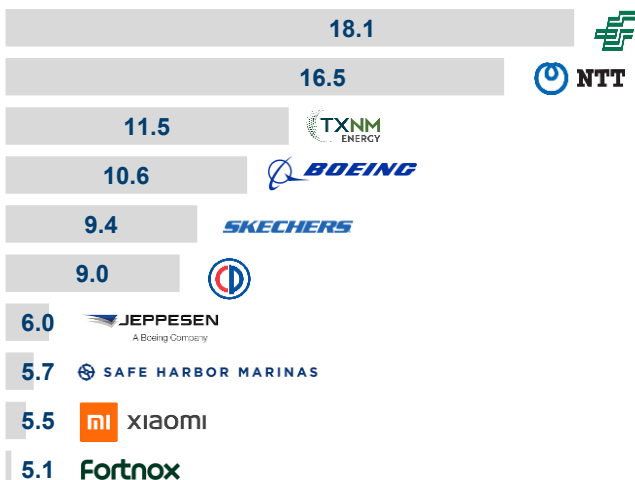
## Capital Invested

Figures in USD Bn



## Top 10 Deals – Q2 2025

Deal Value in USD Bn



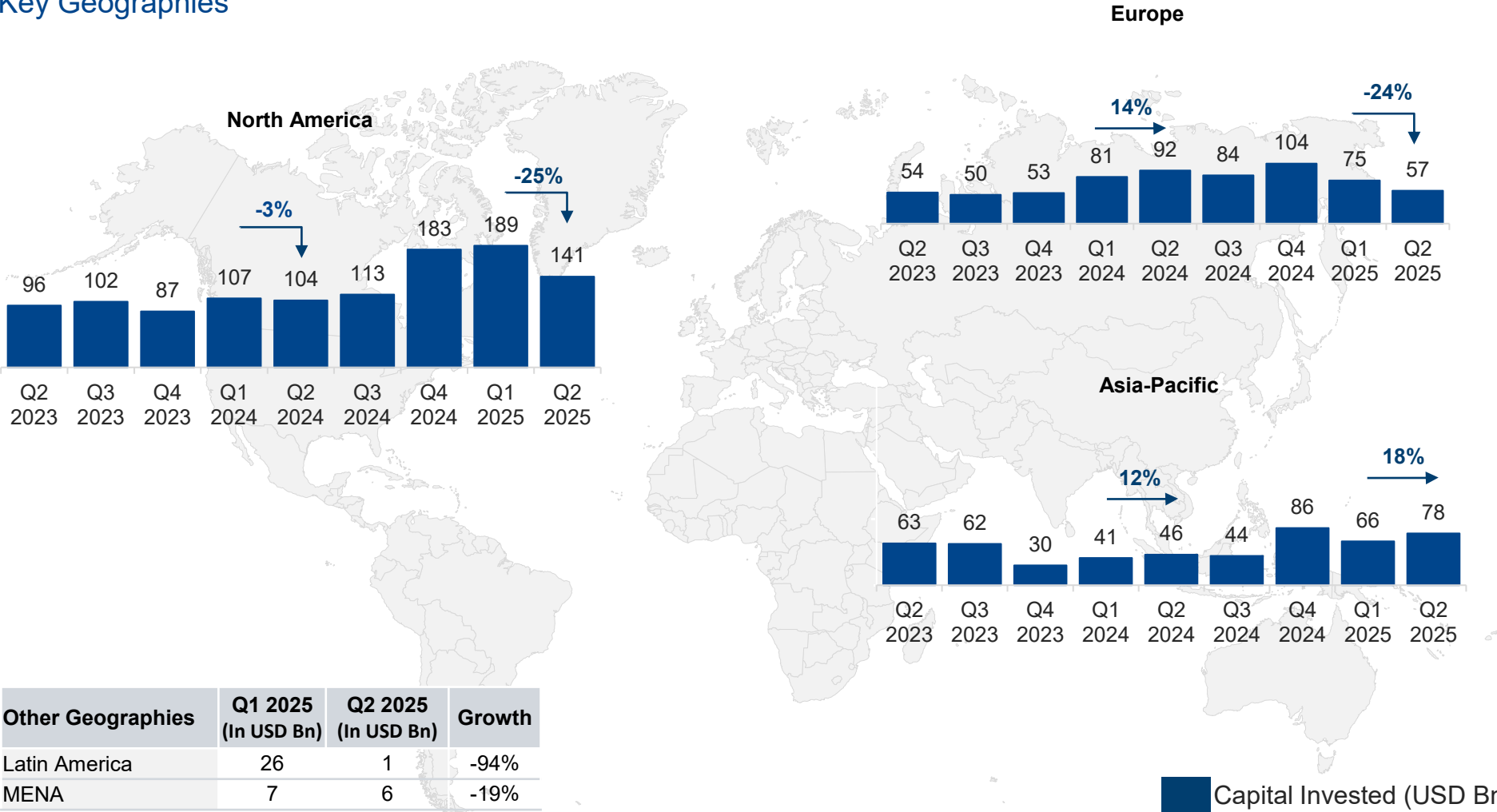
Indicates annual/YTD capital invested

- Ongoing tariff threats and rising geopolitical tensions made pricing and valuations challenging, particularly in trade-sensitive sectors, rendering public companies too expensive for PE buyers.
- High interest rates increased borrowing costs and reduced leverage thresholds, hindering the execution of large-scale deals. At the same time, persistent recession fears, reflected in prediction markets showing a 50/50 probability, further dampened investor confidence, prompting a more cautious stance in Q2 compared to that in Q1.
- Transaction values for public to private and growth/expansion deals declined by 58% and 50%, respectively. Conversely, capital invested in secondary buyouts rose notably, with transaction value increasing by 12.5% compared to the previous quarter.

Source: Pitchbook, Aranca Analysis

PE investments in the Asia Pacific region soared by 18%, while those in North America and Europe declined

Key Geographies

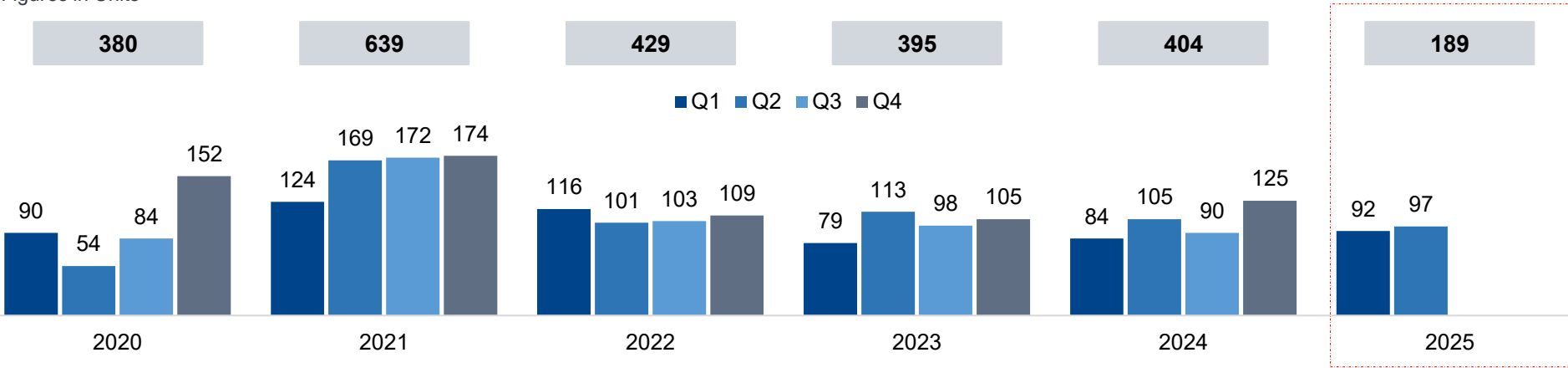


Source: Pitchbook, Aranca Analysis

A slow start in 2025, with approximately 97 exits, only a 5% increase over the previous quarter

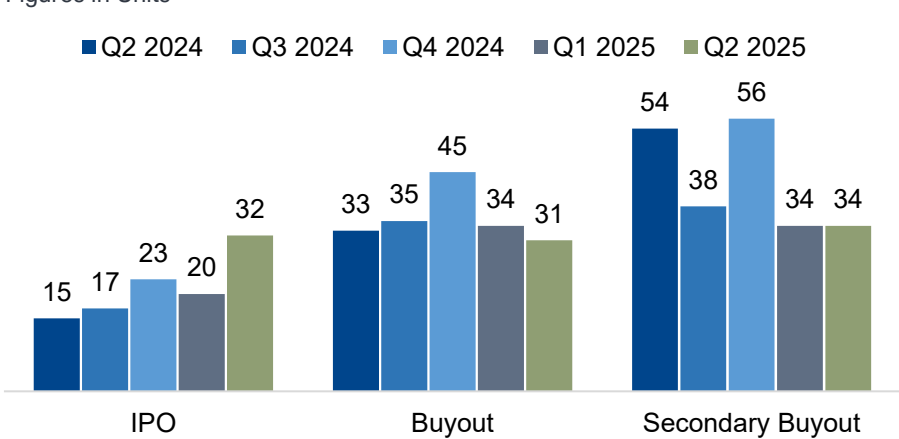
Number of Exits

Figures in Units



Key Exit Routes

Figures in Units



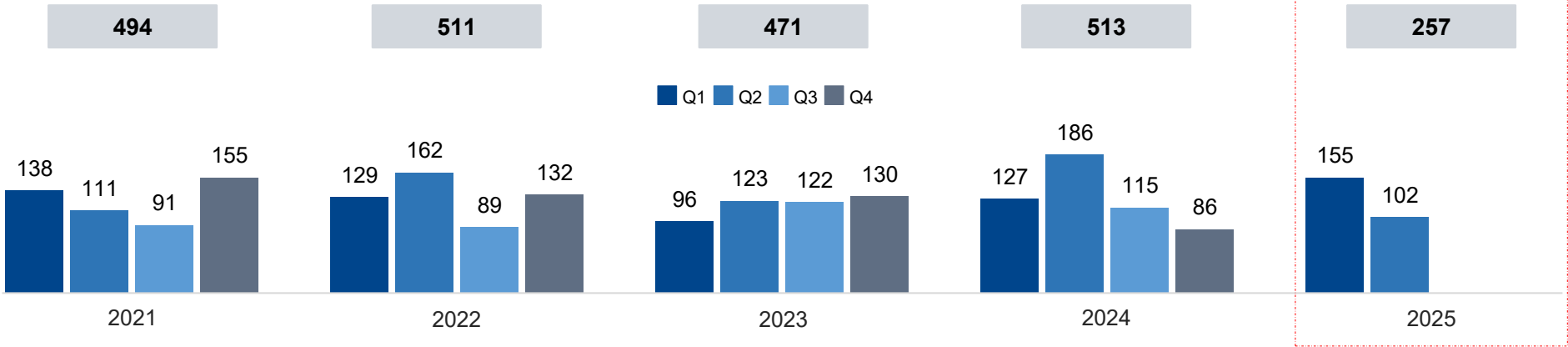
- Exit activity remained steady in Q2 2025, with 97 exits, a modest 5% increase over the previous quarter, reflecting stable but subdued investment realizations for investors.
- The subdued pace persisted despite supportive factors such as the growing use of continuation funds, selective activity from mega-corporate buyers, and a favorable environment for secondary investors.
- Notably, secondary buyouts regained prominence, accounting for the majority (35%) of PE exits during the quarter.

Source: Pitchbook, Aranca Analysis

# Capital raised by PE firms dropped by 34% in Q2, continuing the cycle of muted fundraising following the uptick in previous years

## Capital Raised

Figures in USD Bn



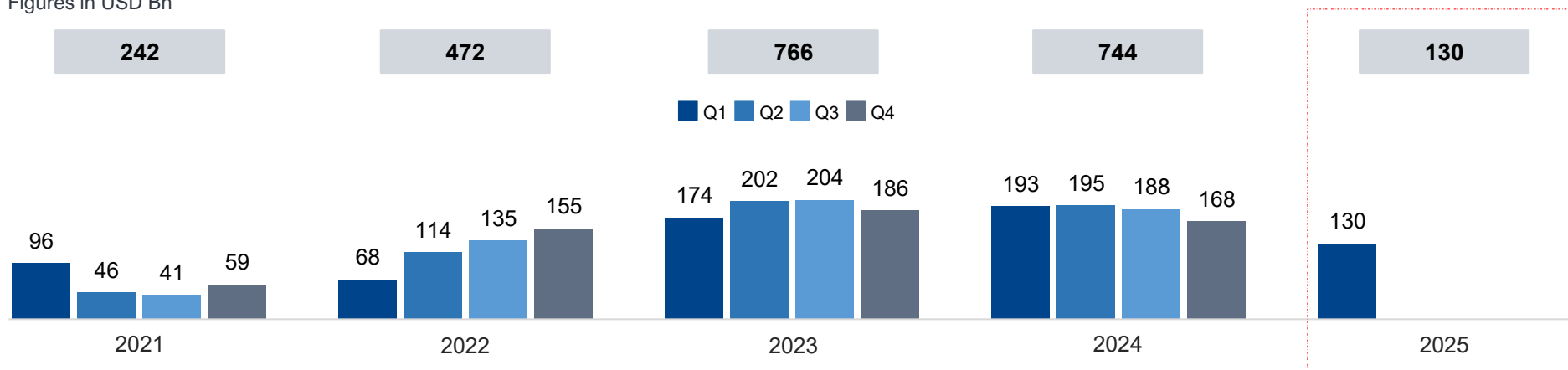
- Fundraising momentum weakened further in Q2 2025, continuing the downward trend.
- Persistent market uncertainty, muted exit activity, and limited cash distributions made limited partners (LPs) more cautious, particularly toward first-time and emerging managers.
- Economic headwinds and elevated levels of dry powder further dampened fundraising, with LPs hesitant to commit additional capital amid slow deployment.
- Despite the broader slowdown, established managers like Thoma Bravo remained resilient, with the firm closing its USD 24.3 Bn Fund XVI, one of the largest buyout funds ever raised, highlighting LPs' preference for proven managers in uncertain times.

Source: Pitchbook, Aranca Analysis

# Dry powder availability with global PE firms declined by approximately 23%, driven by subdued fundraising activity

## Dry Powder\*

Figures in USD Bn



- The decline in dry powder was primarily driven by increased pressure to deploy aging capital, along with a weak fundraising activity.
- A significant portion of the capital raised during peak fundraising years had surpassed the typical 4–5-year deployment horizon, prompting general partners (GPs) to accelerate investments.
- At the same time, new fundraising slowed due to LP fatigue and economic uncertainty, while existing reserves were increasingly used for non-traditional investments such as continuation funds and secondary transactions.

*“We are well positioned to navigate the current environment with USD 177 Bn of dry powder to deploy and a resilient, capital-light business model.”*

**– Chairman and Chief Executive Officer, Blackstone**

*“KKR intends to tap its USD 116 Bn of dry powder to keep investing when others are scared.”*

**– Co-Chief Executive Officer, KKR**

\*Note: Dry powder data is as of March 2025

Source: Pitchbook, Aranca Analysis



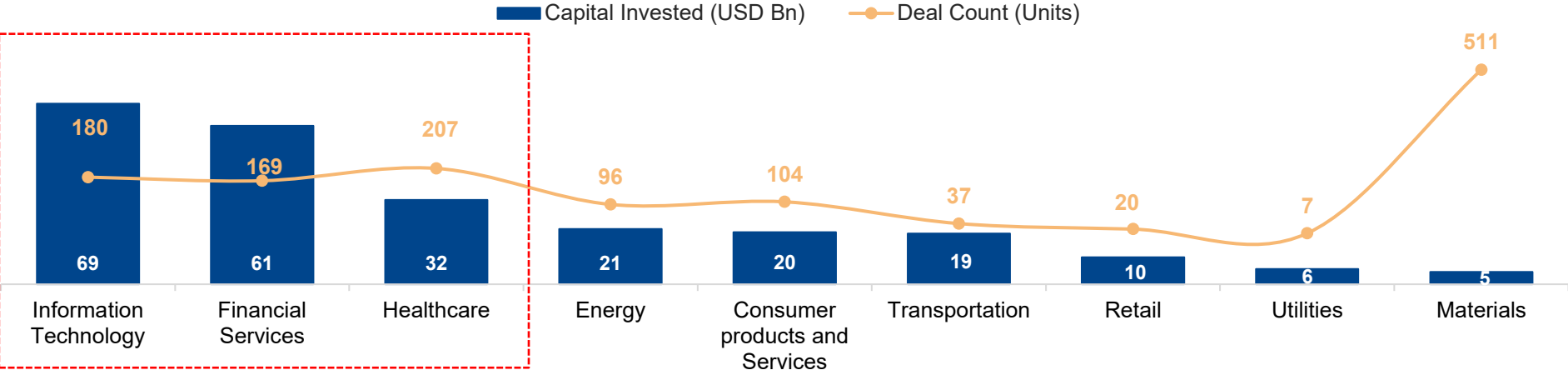
## Top 15 PE firms (based on available dry powder) *(Illustrative)*

Investors	Geography	Dry Powder (USD Bn) As of Mar 2025	Last Investment			Investments (Last 6 Months)	Investment Targets
			Target	Deal Value (USD Bn)	Date		
Blackstone	The US	143.3	Fairbanks Solar Energy Center	-	Jul 2025	54	Real estate, public debt, infrastructure, life sciences, and growth equity
Kohlberg Kravis Roberts	The US	65.5	Jentner Wealth Management	-	Jul 2025	34	B2B, B2C, energy, financial services, semiconductors, and infrastructure
Ardian	France	63.4	Heathrow Airport Holdings	1.2	Jul 2025	31	Food value chain, food & beverage, ingredients, agribusinesses, food safety, healthcare, and life science services
EQT	Sweden	55.3	Duvhällen Wind Farm	-	Jul 2025	19	Healthcare, technology, services, and industrial tech sectors
Apollo Asset Management	The US	44.1	Lynx Legal Services	-	Jul 2025	31	Global alternative asset management firm
Thoma Bravo	The US	43.4	Accusoft	-	Jul 2025	18	B2B, financial services, healthcare, information technology, infrastructure and cybersecurity sectors
TPG	The US	41.5	SynXis	1.1	Jul 2025	28	Consumer, healthcare, business services, internet, digital media, software, and enterprise technology sectors
Intermediate Capital Group	The UK	40.2	Beach Retreats Holidays	-	Jul 2025	28	A PE firm
The Carlyle Group	The US	36.7	Lynx Legal Services	-	Jul 2025	25	Aerospace, government services, consumer, media, retail, financial services, aviation finance, and energy sectors
Hellman & Friedman	The US	26.3	ClicData	-	Jul 2025	22	Consumer services, retail, energy, industrials, financial services, technology, information, content, business services, healthcare, and insurance
Bain Capital	The US	25.4	Jacob William Advisory	-	Jul 2025	37	B2B, B2C, retail, non-financial services, transportation, energy, healthcare, IT, and cybersecurity
HPS Investment Partners	The US	24.3	Apex Insurance	-	Jul 2025	5	A PE firm
Clayton, Dubilier & Rice	The US	24.3	DAN Distribution	-	Jul 2025	10	Consumer/retail, financial services, and healthcare. industrials and technology sectors
Clearlake Capital Group	The US	23.1	AMN Healthcare Services	0.1	Jul 2025	8	Small and medium-sized companies operating in technology, industrials, and consumer sectors
Partners Group	Switzerland	23.1	Infinity Fincorp Solutions	0.2	Jul 2025	11	PE, infrastructure, real estate, and private credit

Source: Pitchbook, Aranca Analysis

IT, financial services, and healthcare services together accounted for approximately 57% of the total capital invested by PE firms

Top Sectors\* – Q2 2025



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

*“Both LPs and FAs identify technology and healthcare as the most promising sectors for private markets investments.”*  
– An investment management firm

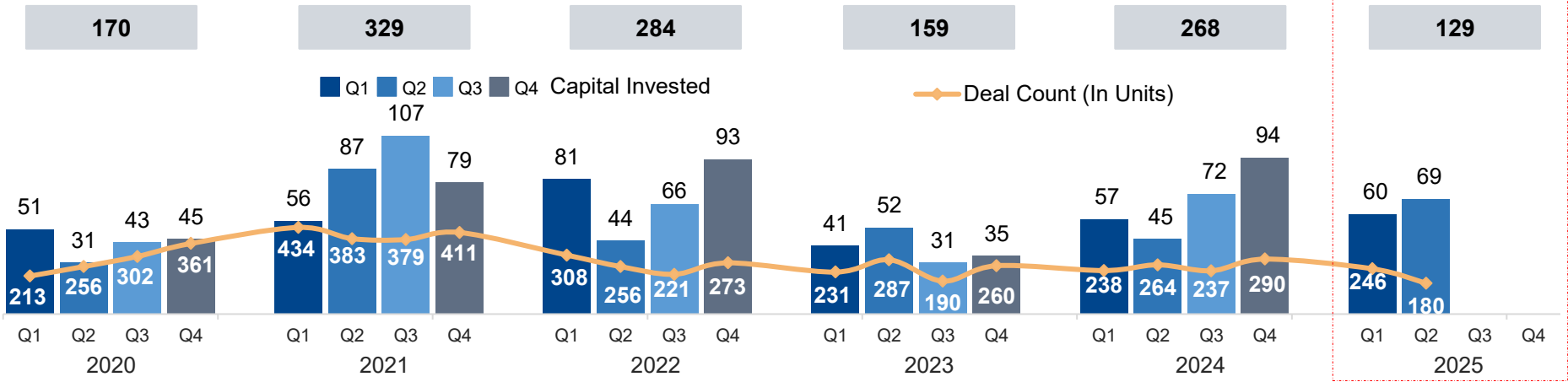
*“The software sector, which is more insulated from the impact of President Donald Trump’s aggressive tariff policy than some other industries, has proven to be a relative bright spot for dealmaking as wider mergers and acquisitions activity has slowed.”*  
– A publication firm

Source: Pitchbook, Aranca Analysis

Investments in the IT sector surged by 15% QoQ in deal value but declined by 27% in deal volume, with most investments focused on software deals

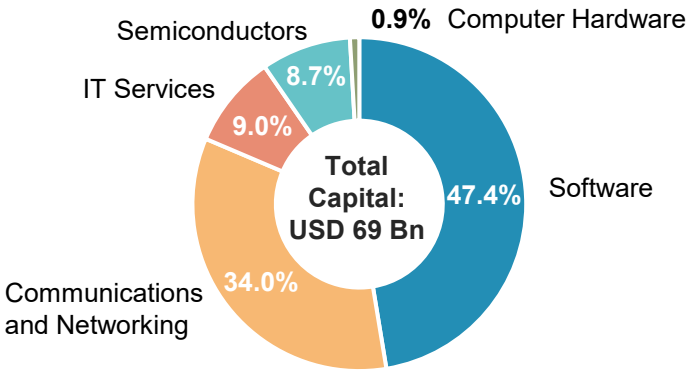
Top Sectors – IT

Figures in USD Bn



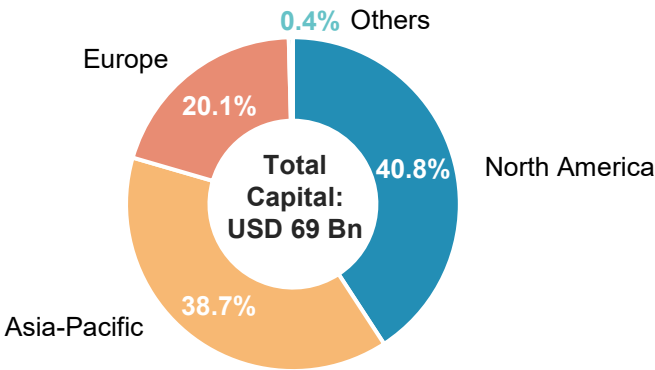
IT by Primary Sectors in Q2 2025

Figures in Percentage and USD Bn



IT by Geography in Q2 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 Q2 2025 *(Illustrative)*

IT Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD Mn)	Deal Type	Investors
Communications and Networking	Telecommunications Service Providers	Nippon Telegraph & Telephone	Provider of IT and communications systems	Japan	16,449	PIPE	Nissan Motor
		Xiaomi Technology	A technology product and services company	China	5,467	PIPE	-
Software	Business/productivity software	Fortnox	Provides internet-based business applications	Sweden	5,125	Buyout/LBO	EQT, First Kraft
		Digital Global Systems	Developer of a spectrum monitoring platform	The US	5,000	Buyout/LBO	Casa Del Fuego Family Office & Trust
Semiconductor	General Purpose Semiconductor	Altera	Developer of programmable logic solutions catering to system and semiconductor companies	The US	4,460	Buyout/LBO	Silver Lake
		Cambricon Technologies	Engaged in designing and selling artificial intelligence core chips	China	685	PIPE	-
IT Services	IT Consulting and Outsourcing	Hewlett Packard Enterprise	An information technology vendor that provides hardware and software to enterprises	The US	1,500	PIPE	Elliott Investment Management
		SMX	Provider of IT, cloud, intelligence, surveillance, and reconnaissance services	The US	1,150	Buyout/LBO	Aeterna Capital Partners, OceanSound Partners
Computer Hardware	Business/Productivity Software	Quantum Computing	An integrated photonics and quantum optics technology company	The US	200	PIPE	-
	Computers, Parts and Peripherals	Star Micronics	Engaged in the manufacture and sale of machinery, electronic components, machine tools and precision parts	Japan	168	PIPE	TPP Group

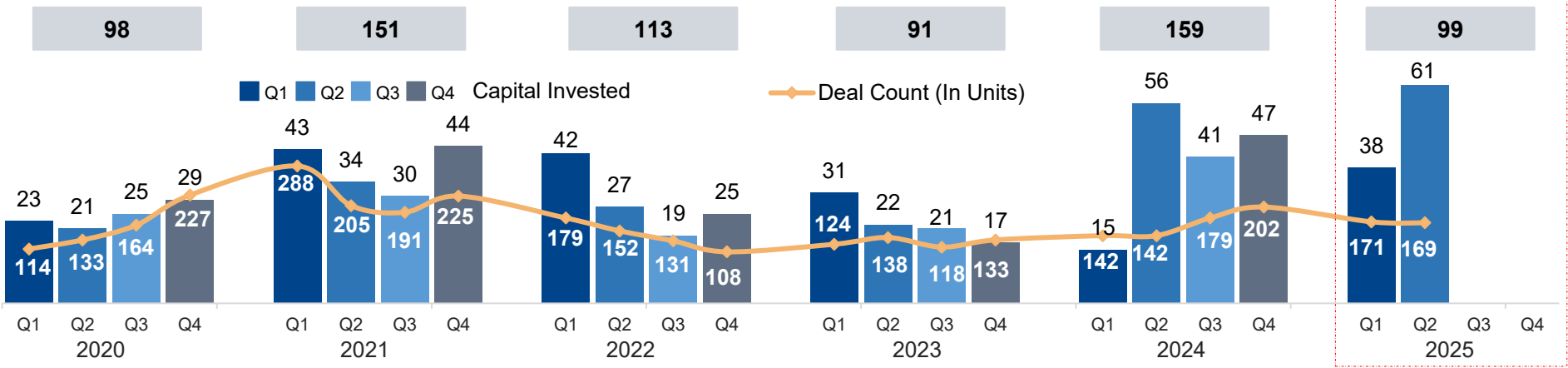
Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

Investments in the financial services sector surged by 61% QoQ in deal value, with commercial bank deals comprising 32% of the total

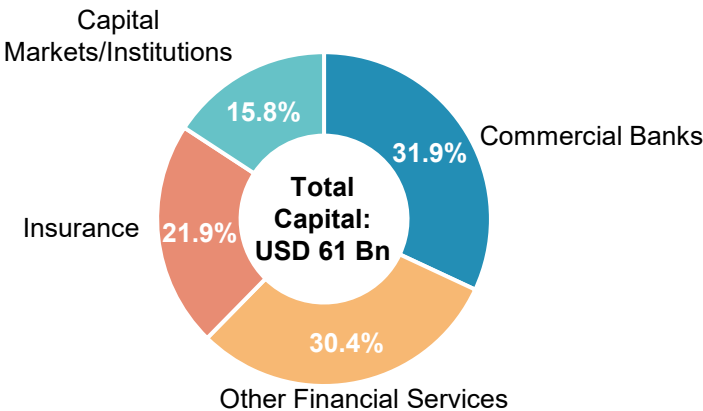
Top Sectors – Financial Services

Figures in USD Bn



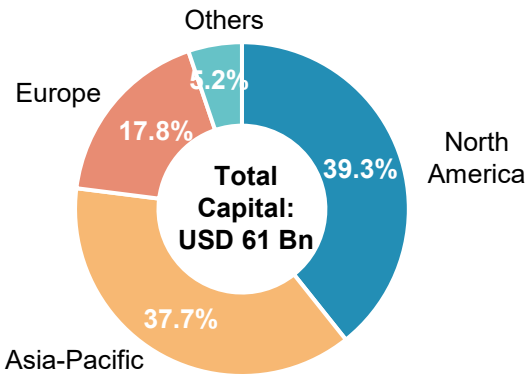
Financial Services by Primary Sectors in Q2 2025

Figures in Percentage and USD Bn



Financial Services by Geography in Q2 2025

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

## Top PE investments in the financial services sector in Q2 2025 *(Illustrative)*

Financial Services Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD Mn)	Deal Type	Investors
Commercial Banks	National Banks	Postal Savings Bank of China	A commercial bank in China	China	18,058	PIPE	China Mobile, China Shipbuilding Industry, Ministry of Finance People's Republic Of China
		IDFC First Bank	Provides banking services including lending to individuals, providing loans, non-fund facilities, and transaction services	India	873	PIPE	Abu Dhabi Investment Authority, Warburg Pincus
Other Financial Services	Electric utilities	TXNM Energy	Owns regulated utility companies providing energy to houses and businesses	The US	11,500	Buyout/ LBO	Blackstone
	Consumer Finance	Guild Holdings	Growth-oriented mortgage company	The US	1,300	Buyout/ LBO	Bayview Asset Management
Insurance	Insurance Brokers	Acrisure	Provider of insurance brokerage services	The US	3,905	PE Growth/ Expansion	Apollo Asset Management, Bain Capital, BDT & MSD Partners, Fidelity Management & Research Company, Gallatin Point Capital
		The Ardonagh Group	Provider of insurance brokerage services	The UK	2,500	PE Growth/ Expansion	Stone Point Capital
Capital Markets/ Institutions	Asset Management	Mubadala Capital	Operator of an investment firm based in Abu Dhabi	United Arab Emirates	2,500	GP Stakes	TWG Global
	Other Capital Markets/Institutions	Finastra	Provider of treasury and capital market services	The UK	2,000	Buyout/ LBO	Apax Partners

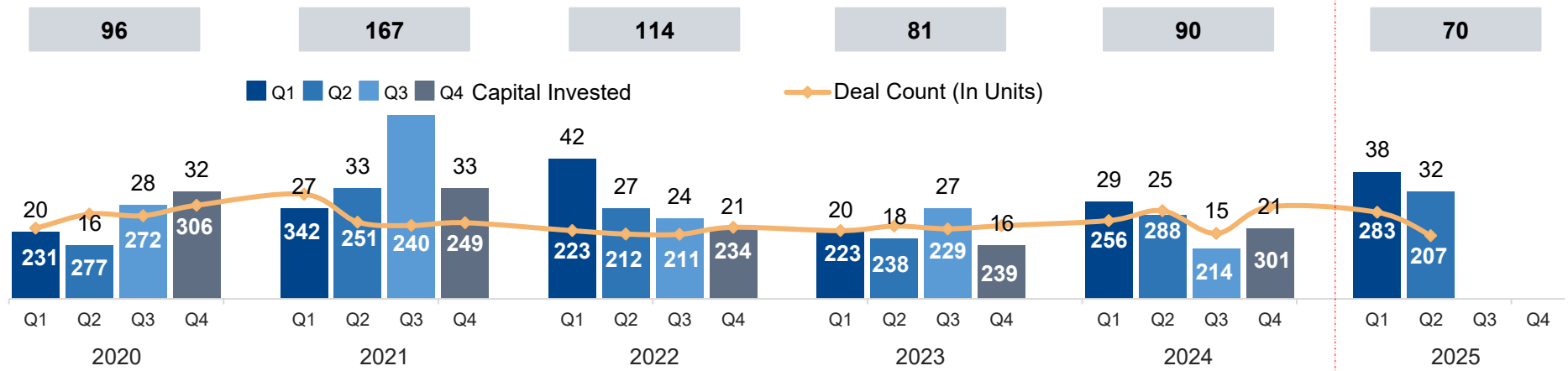
Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

Investments in the healthcare sector declined by approximately 16% QoQ to USD 32 Bn, with most investments concentrated on pharmaceuticals and biotechnology deals

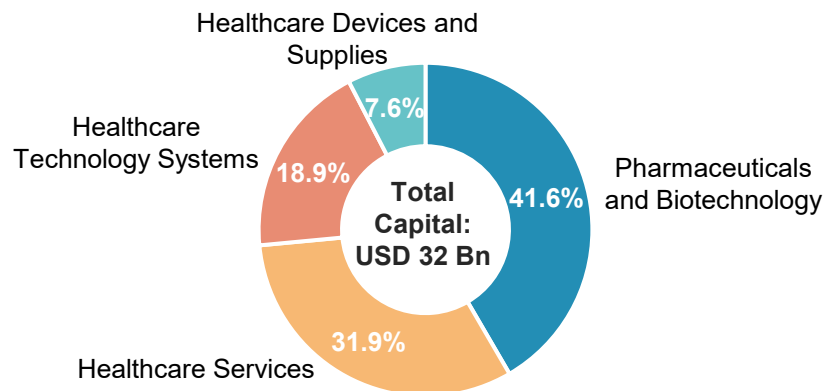
## Top Sectors – Healthcare

Figures in USD Bn



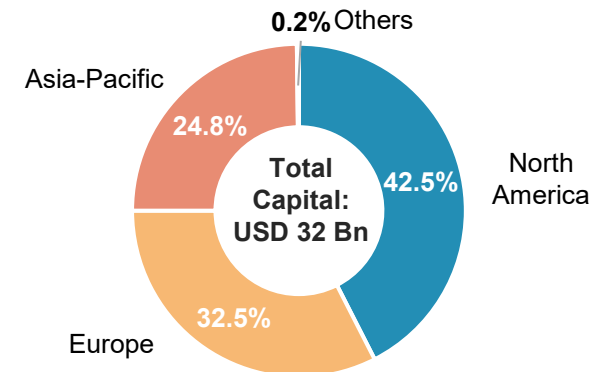
## Healthcare by Primary Sectors in Q2 2025

Figures in Percentage and USD Bn



## Healthcare by Geography in Q2 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 Q2 2025 *(Illustrative)*

Healthcare Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD Mn)	Deal Type	Investors
Healthcare Services	Other Commercial Services	Patterson Companies	A dental distributor and wholesaler of consumable products and equipment	The US	4,100	Buyout/LBO	Patient Square Capital
		Aveo Group	Operator of a network of retirement communities	Australia	3,500	Buyout/LBO	AustralianSuper, Charter Hall Group, Scape
Pharmaceuticals and Biotechnology	Pharmaceuticals	Karo Healthcare	Manufacturer of over-the-counter (OTC) products and prescription medicines	Sweden	2,829	Buyout/LBO	Kohlberg Kravis Roberts
	Pharmaceuticals	Synthon International Holding	Operator of a pharmaceutical company intended to specialize in developing and manufacturing quality generic medicines	Netherlands	2,388	Buyout/LBO	Goldman Sachs Asset Management
Healthcare Technology Systems	Enterprise Systems	HealthEdge	Developer of an integrated financial, administrative, and clinical software	The US	2,600	Buyout/LBO	Ardan Equity, Bain Capital
	Other Healthcare Technology Systems	VaxCare	Developer of a healthcare platform designed to help medical professionals	The US	1,700	Buyout/LBO	Blackstone
Healthcare Devices and Supplies	Medical Supplies	Antylia Scientific	Manufacturer and distributor of scientific laboratory equipment, therapeutics, vaccines, and supplies	The US	1,340	Buyout/LBO	Brookfield Asset Management, Caisse de dépôt et placement du Québec
	Other Devices and Supplies	Viol	Engaged in manufacturing and marketing of medical devices for skincare treatment and recovery	South Korea	380	PE Growth/Expansion	VIG Partners

Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced



## Aranca View

---



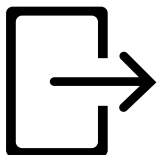
- PE dealmaking is likely to remain sluggish through H2 2025, as inflation concerns, tariff headwinds, tight credit, and recession risks continue to weigh on deal activity



- PE firms continue to hold record dry powder, heightening pressure to deploy as fundraising slows and LPs grow more selective



- Technology is expected to continue being a dominant investment focus, with software platforms driving a strong deal momentum



- Exits are expected to rebound gradually, driven by sponsor-to-sponsor deals and selective strategic sales, while IPOs remain limited amid valuation and market headwinds

Source: Aranca Analysis



**500+**

Strong team of professionals  
across multi-disciplinary domains

**2500+**

Global clients

**120+**

Sectors and sub-sectors  
researched by our analysts

**80+**

Countries where we have  
delivered projects

## ABOUT ARANCA



### Growth Advisory

CXOs in Strategy, SBUs, Sales, Marketing, CI/MI, Innovation



### Technology | IP Research & Advisory

R&D, Tech Scouting, Open Innovation, IP Teams, Product Development



### Valuation & Financial Advisory

CFOs in Startups, PE/VC Firms, Corporate M&A Teams, Mid-market Companies



### Investment Research & Analytics

Brokerage, Hedge Funds, IRPs, I-Banks, AMCs, Investor Relations



GROWTH  
ADVISORY



INVESTMENT RESEARCH  
& ANALYTICS



FIXED INCOME  
RESEARCH & ANALYTICS



VALUATION  
ADVISORY



TECHNOLOGY &  
IP RESEARCH



PROCUREMENT & SUPPLY  
CHAIN INTELLIGENCE

This material is exclusive property of Aranca. No part of this presentation may be used, shared, modified and/or disseminated without permission.  
All rights reserved.