

KPMG 2025 MID-YEAR M&A PULSE SURVEY

June 2025

Objectives & Methodology



Objectives

- Assess the current deal market to understand how market conditions are impacting deals and the degree to which corporate and private equity firms are currently executing M&A deals.
- The research also looks at planning for the remainder of 2025 and beyond, including what those deals will look like, the impact of actions by the current US administration, and the use of generative and agentic AI.
- The analysis identifies differences between corporate and private equity firms throughout the report.



Methodology

- Online survey of n=303 M&A dealmakers in the US.
- Dealmakers were screened for the following:
 - Relevant C-Suite titles
 - Participate directly in or provide input on M&A deal decisions, including responsibility for strategy, due diligence, negotiation, closing deals, etc.
 - Employed at a public company, private company that is not private equity owned, or a
 private company that is private equity owned. Referred to as "corporate" throughout
 the report (n=150)
 - Employed at a private equity company (n=153)
- All had to be working for organizations with \$1B or more in revenue (corporate) or \$500M or more in fund size (private equity)
- The survey was fielded 5/9/2025 5/28/2025.



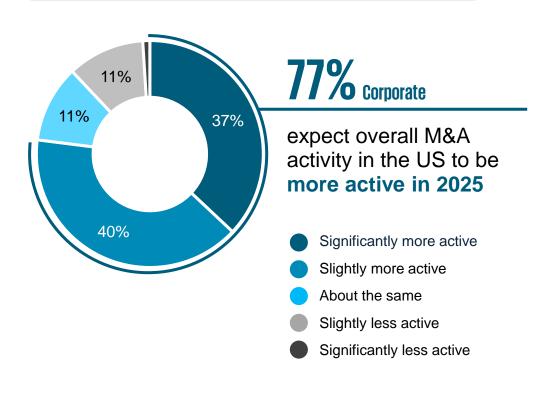
Detailed Findings

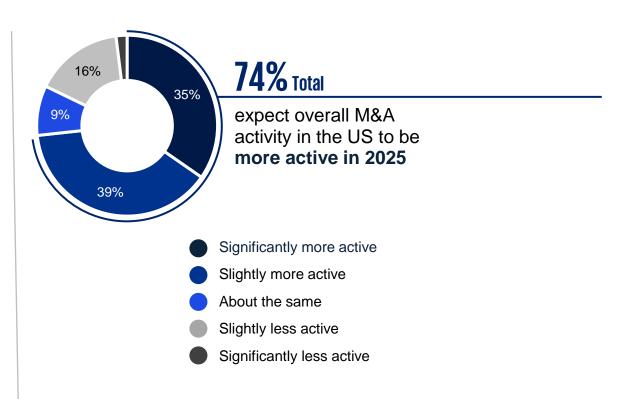
Corporate M&A Dealmakers

Nearly eight in ten (77%) corporate dealmakers expect more M&A activity in 2025 (compared to 2024).



US M&A Expectations for 2025



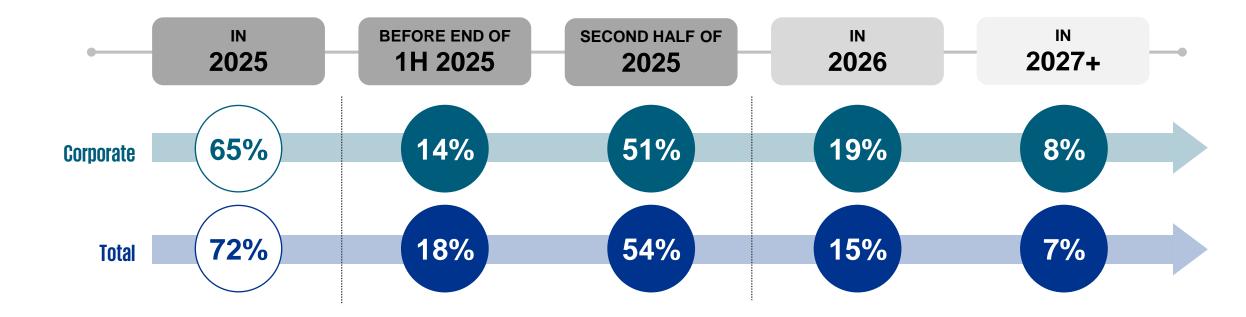


Q1. Beyond your own activity, what is your expectation for overall M&A activity in the US in 2025?



Two-thirds (65%) of corporates expect their next deal will occur in 2025, most often during the second half of this year.





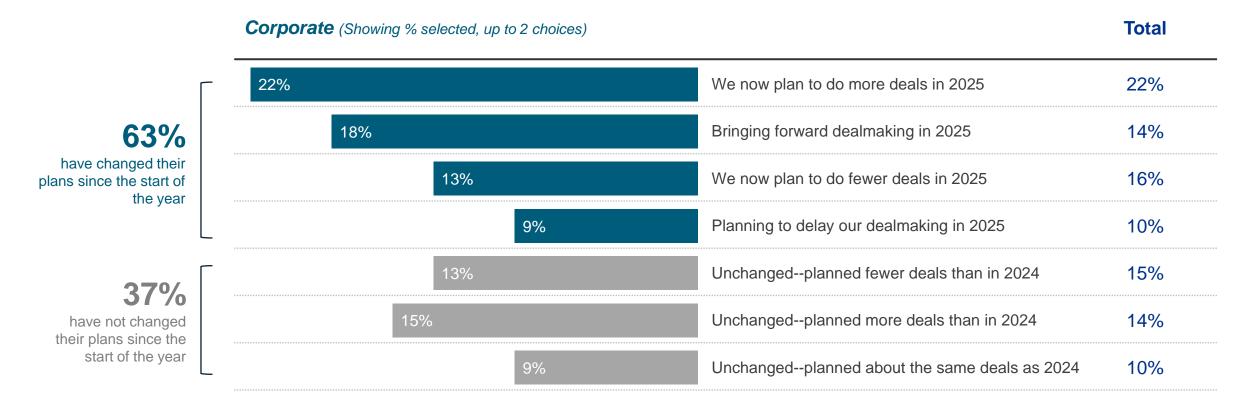
Q4. When do you expect to proceed with your next deal?



6 in 10 (63%) corporates have changed their deal plans since the start of the year, with most (40%) planning more or bringing deals forward.

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How M&A Plans Have Changed Since Start of 2025



Q6. How have your plans for M&A in 2025 changed since the start of the year?

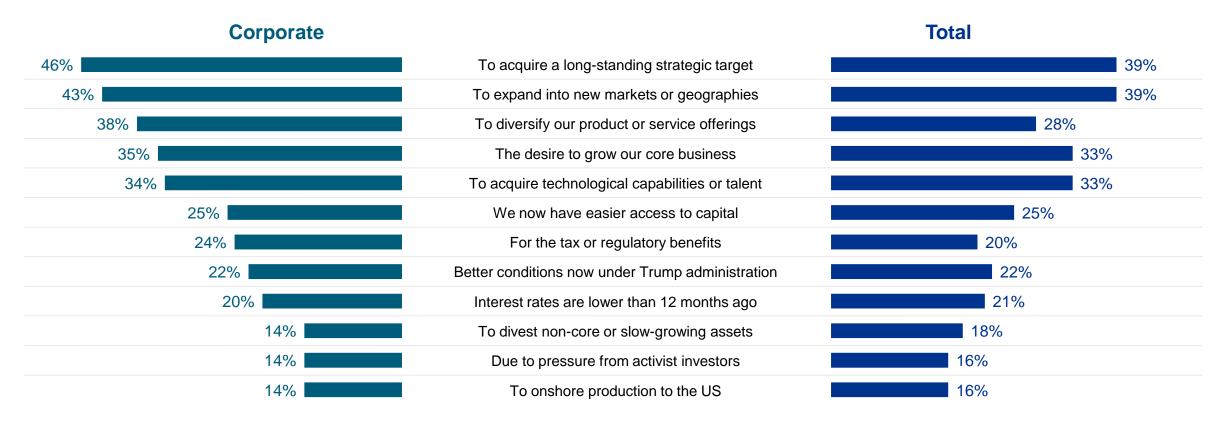


Acquiring strategic targets and expanding into new markets are top drivers for corporate M&A activity; diversifying also stands out, as does growing core business and acquiring tech capabilities/talent.



Reasons for Increased M&A Plans

(Reduced base (n=79): Asked of respondents expecting increased M&A plans in 2025)

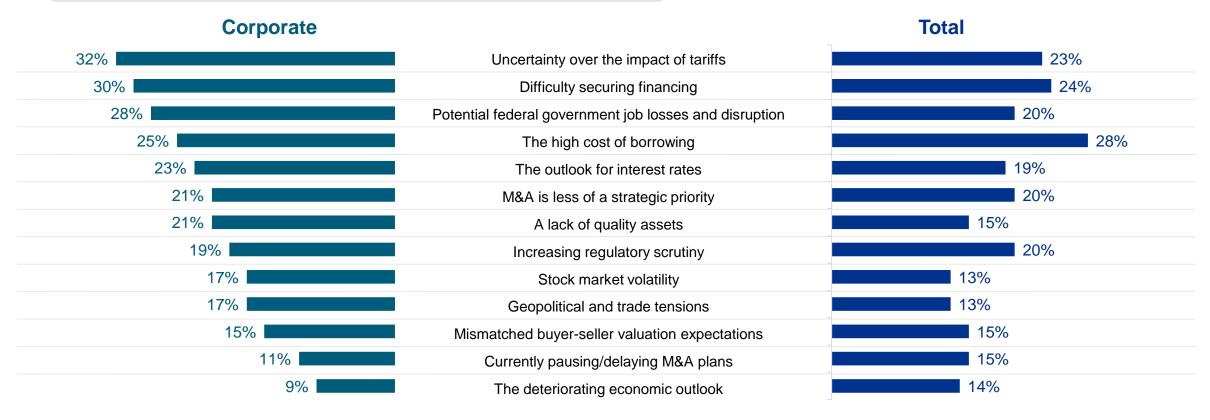


Q7. What are the reasons for your now increased plans for M&A activity?



Corporates that have reduced M&A activity are holding back because of tariff uncertainty, the financing environment and outlook for interest rates.





Q8. What are the reasons for your now reduced plans for M&A activity?

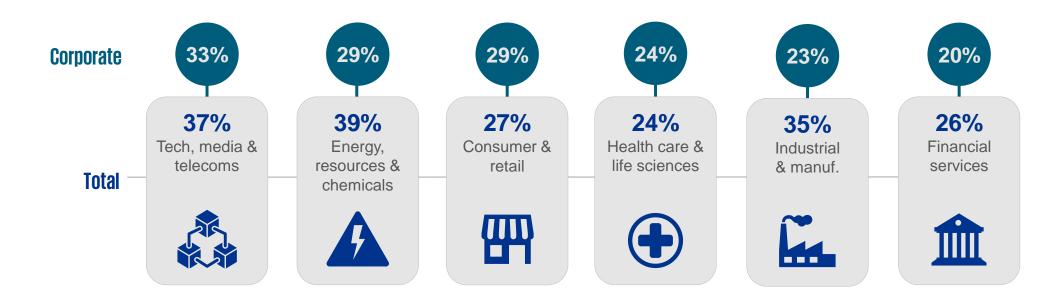


Corporates are selective about the industries they will invest in, with half (53%) targeting just one for M&A deals; most often in TMT.



of industries
Corporates
plan to invest in

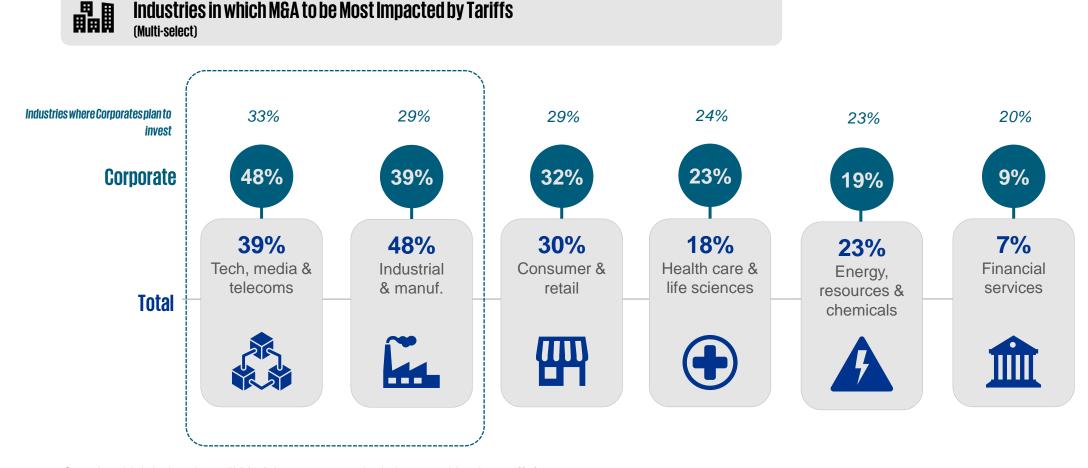
1 industry 53%
2 industries 35%
3 industries 11%



Q9. In which industries are you planning to pursue M&A deals?



Corporates also say that the industries where they are most likely to invest will also be most negatively impacted by tariffs.

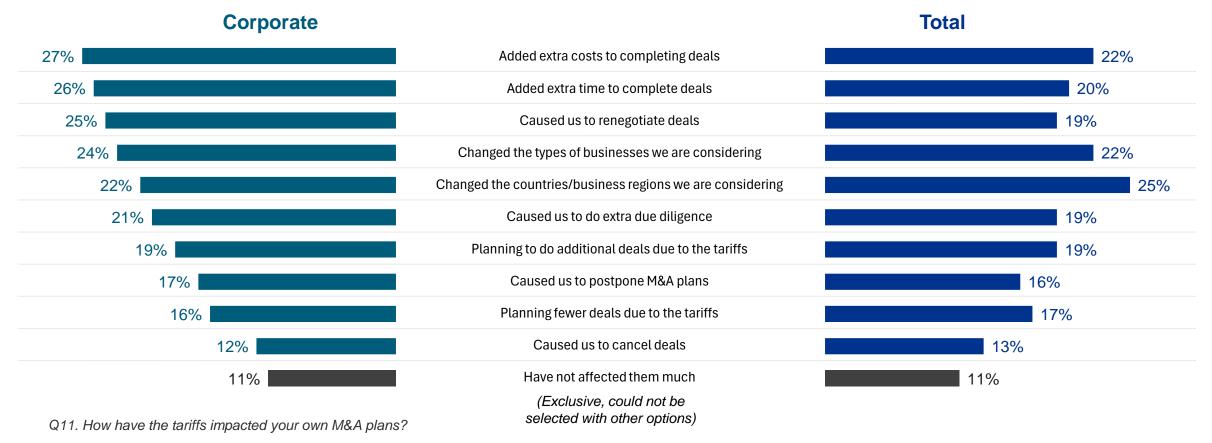


Q10. In which industries will M&A be most negatively impacted by the tariffs?



Almost all (89%) corporates say that tariffs are impacting their deals and, in many cases, adding extra costs and time and forcing renegotiation.





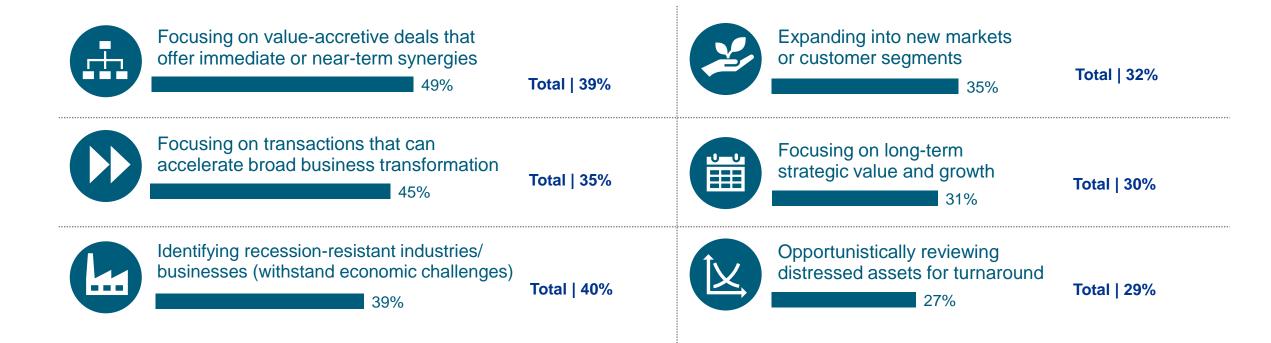


Corporates are focusing on M&A deals that will deliver immediate synergies, accelerate business transformation, and withstand economic challenges



Primary Investment Theses for New Deals

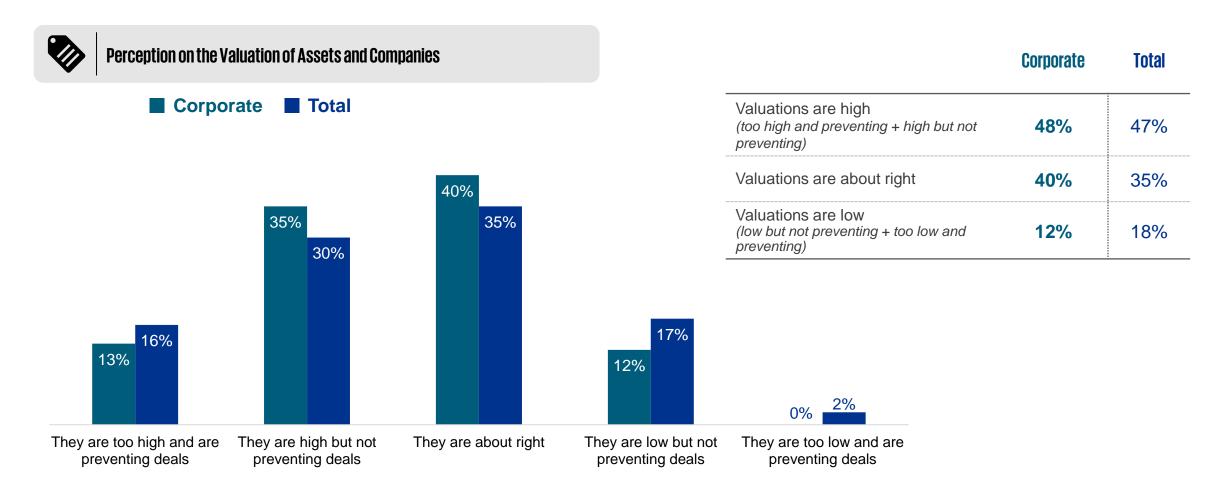
(Multi-select)



Q13. What are the primary investment theses of the deals that you are considering?



4 in 10 corporates say valuations of assets and companies are about right; nearly half say they are high

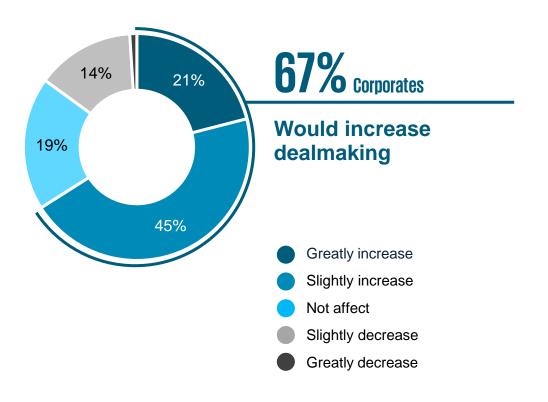


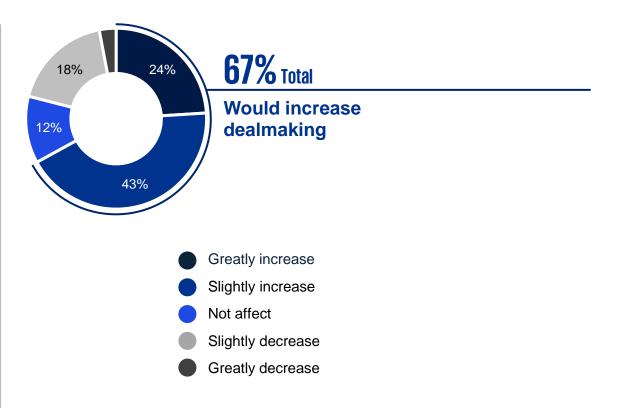
Q15. What is your opinion on the valuation of assets and companies?



Two-thirds of corporates would increase dealmaking with a 50 bps decrease in interest rates.





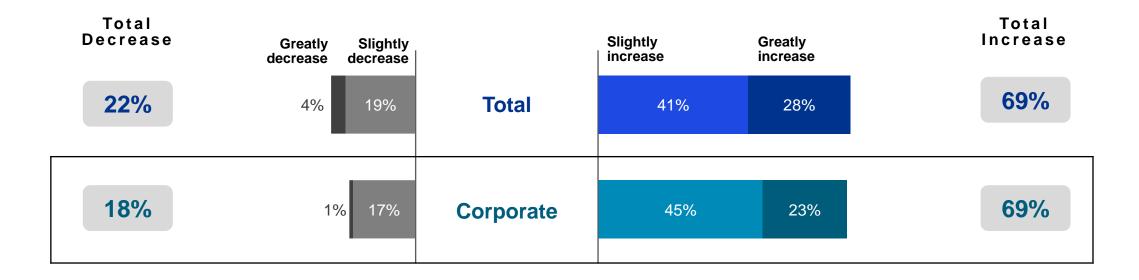


Q16. How would a hypothetical 50 bps decrease in interest rates affect your dealmaking?



Most corporates say that the Trump administration has increased their appetite for M&A.



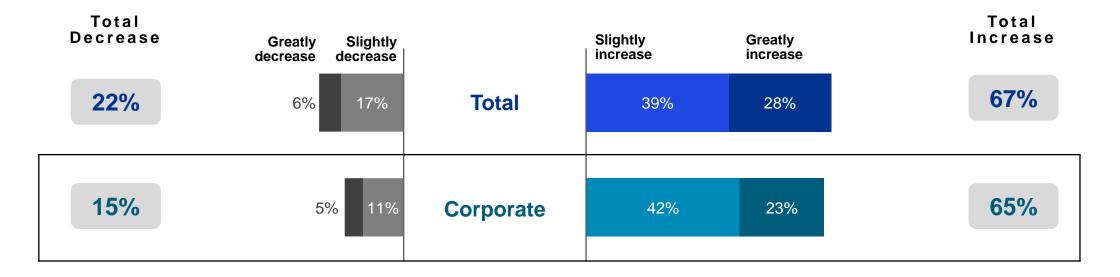


Q18. How have the actions so far of the Trump administration affected your appetite for M&A?



Trump's tax policy changes are likely to increase appetite for corporate M&A deals.





Q19. How do you think potential corporate tax policy changes (outside of the tariffs) to be made by the Trump administration will affect your appetite for M&A?

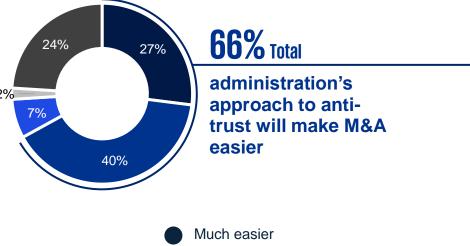


Most corporates agree that the Trump Administration's anti-trust approach will make M&A deals easier.

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Trump Administration's Perceived Approach Toward Anti-Trust





Slightly easier

Slightly more difficult

Much more difficult

Not affect

Q20. What do you think will be the approach of the Trump administration toward anti-trust?



The majority are currently using GenAl and Agentic Al as part of their M&A processes, with increased use since dealmakers were last surveyed in 2024.





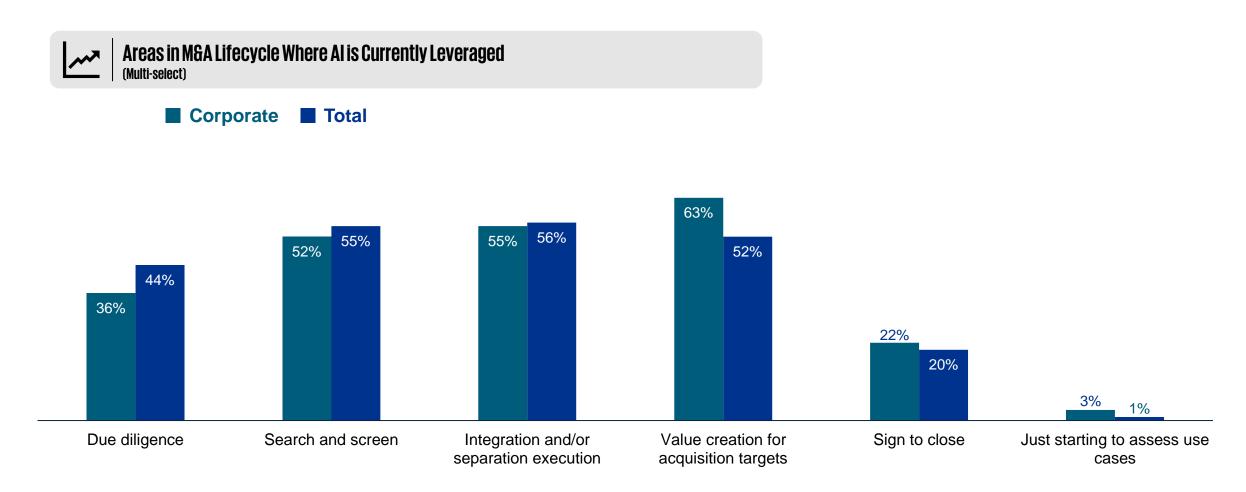
	Total	Corporate
We are already using it	86%	80%
Not yet, plan to use soon	14%	19%
No plans to use	1%	1%

	Total	Corporate
We are already using it	83%	81%
Not yet, plan to use soon	16%	18%
No plans to use	1%	1%

Q21. Are you using Generative AI in your M&A processes? / Q22. Are you using Agentic AI in your M&A processes?



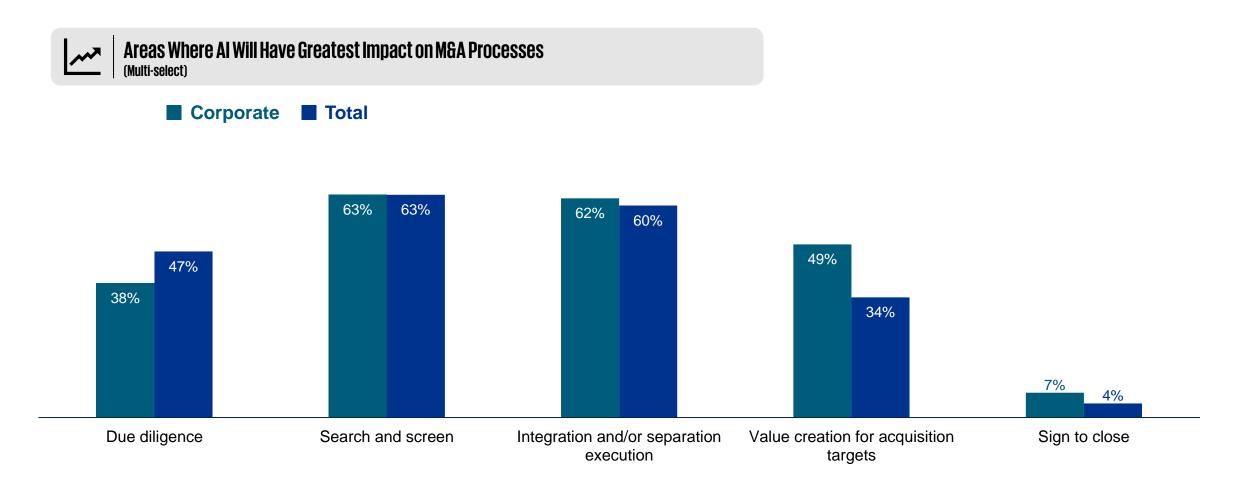
Al is being leveraged most often for value creation, integration and/or separation, and search & screen M&A processes.



Q24. Where along the M&A life cycle is your organization using Generative AI or Agentic AI?



Al is expected to have the biggest impact on search & screen and integration and/or separation; less so on diligence and sign to close.



Q23. Where do you see AI having the greatest impact on your M&A processes?



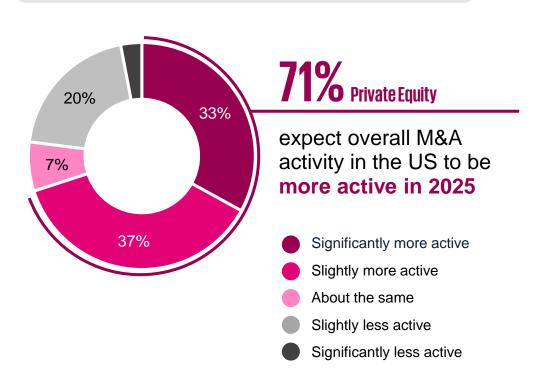
Detailed Findings

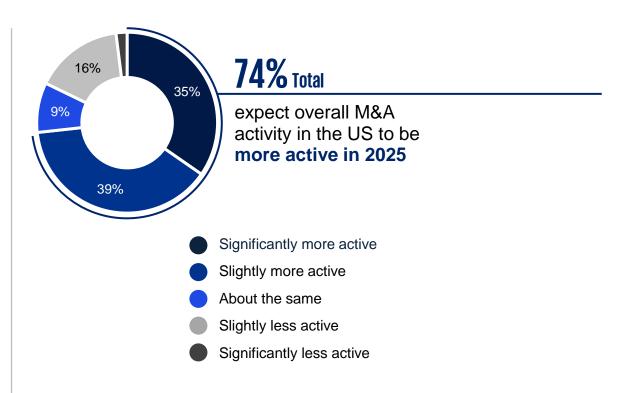
Private Equity M&A Dealmakers

Seven in ten (71%) private equity dealmakers expect more M&A activity in 2025 (compared to 2024).



US M&A Expectations for 2025



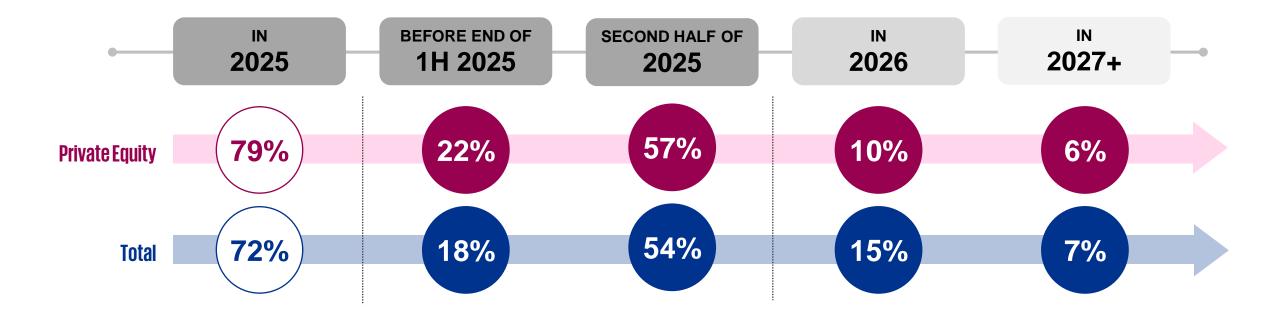


Q1. Beyond your own activity, what is your expectation for overall M&A activity in the US in 2025?



Most (79%) private equity dealmakers expect to proceed with their next deal in 2025, most often (57%) in second half of this year.





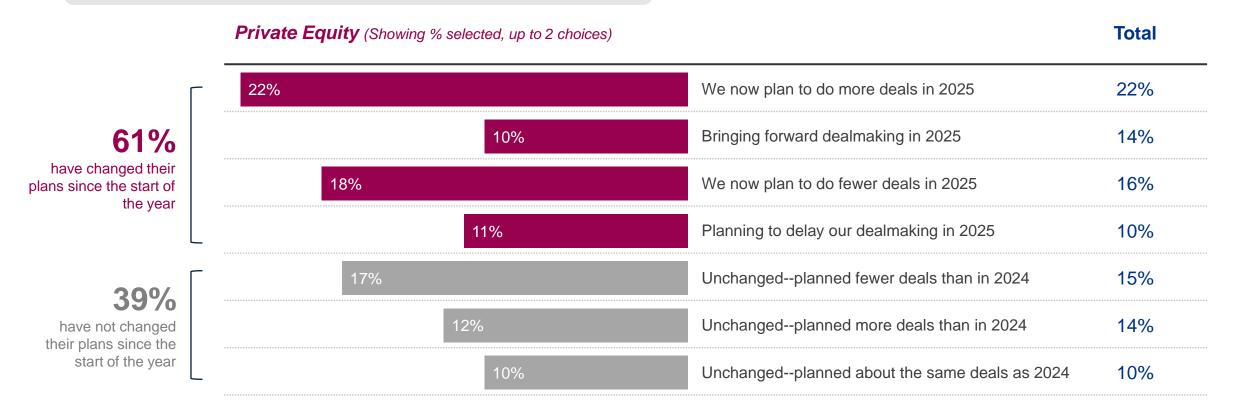
Q4. When do you expect to proceed with your next deal?



6 in 10 (61%) of private equity have changed their deal plans since the start of the year, with roughly an even split of PE planning to do more or bring forward dealmaking vs. pulling back on their plans.



How M&A Plans Have Changed Since Start of 2025



Q6. How have your plans for M&A in 2025 changed since the start of the year?



Expanding into new markets, acquiring strategic targets and technological capabilities are top drivers for private equity's increasing activity.





Q7. What are the reasons for your now increased plans for M&A activity?



Private equity activity is being held back by the high cost of borrowing.





Q8. What are the reasons for your now reduced plans for M&A activity?

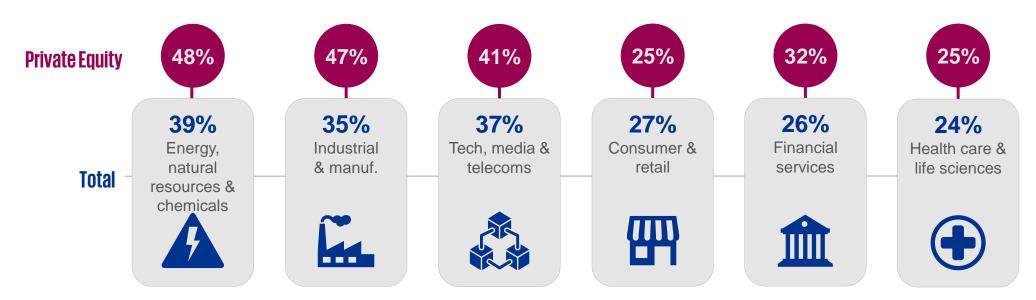


Most private equity dealmakers are planning to pursue multiple industries, led by ENRC, IM and TMT.



of industries
Private Equity
plans to invest in

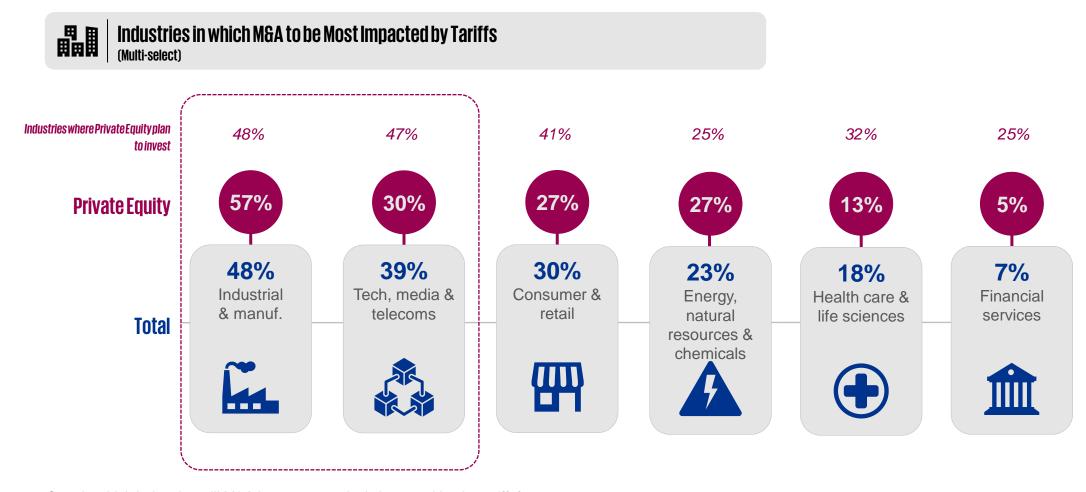
1 industry 11%
2 industries 63%
3 industries 24%



Q9. In which industries are you planning to pursue M&A deals?



Almost 6 in 10 (57%) private equity dealmakers believe that industrials are more likely to be impacted by tariffs compared to other sectors.

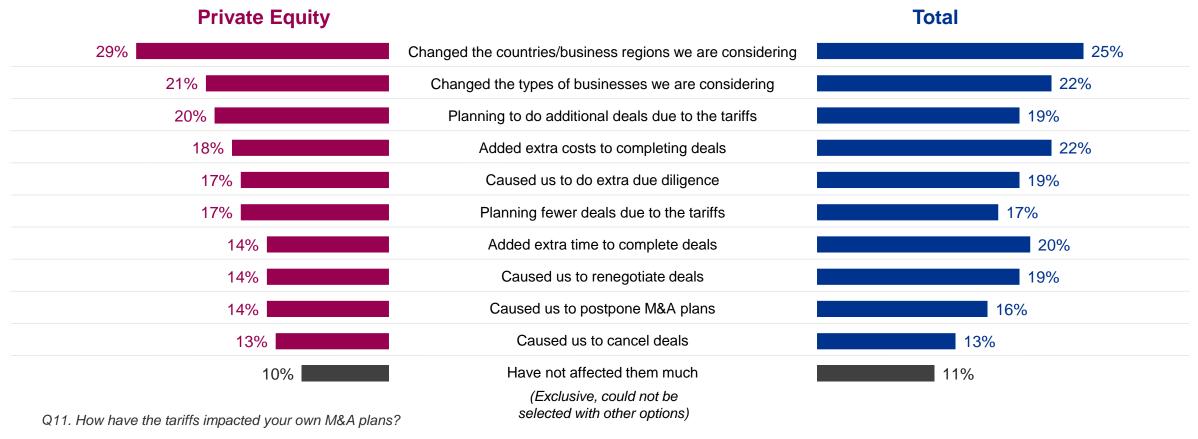


Q10. In which industries will M&A be most negatively impacted by the tariffs?



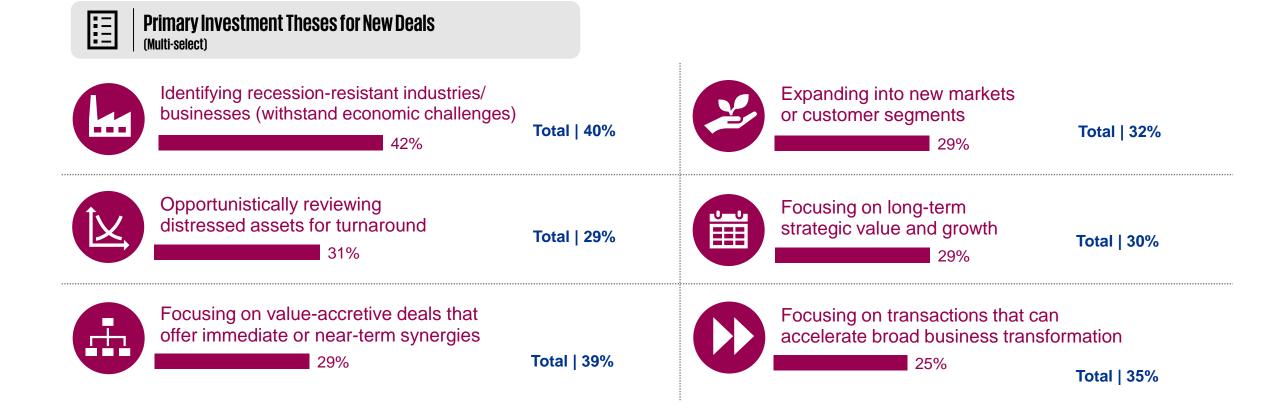
Almost all (90%) private equity dealmakers say that tariffs are impacting their deals; changing region was the top impact.







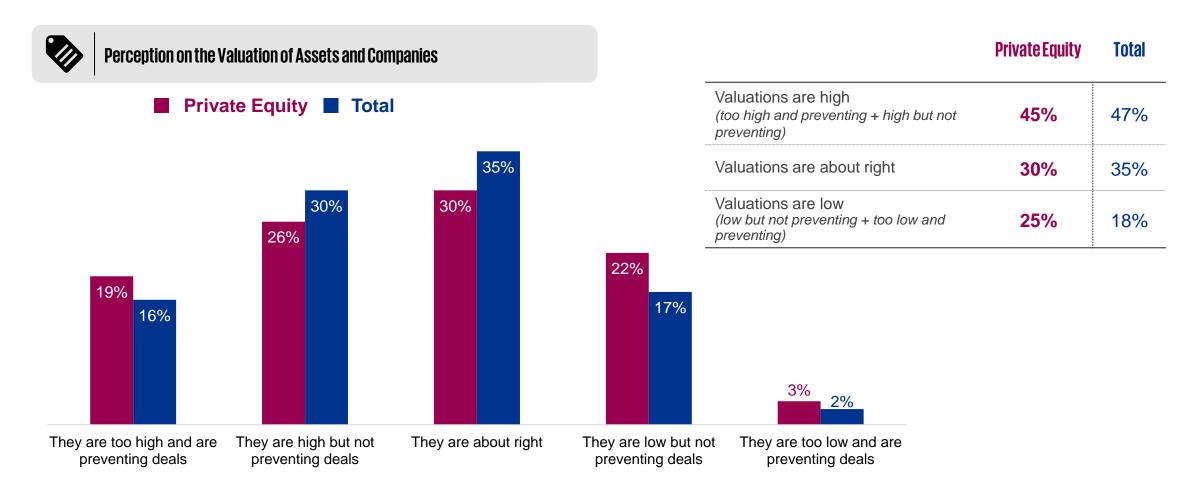
The plurality of private equity dealmakers are leaning towards M&A deals with industries that can better withstand economic challenges.



Q13. What are the primary investment theses of the deals that you are considering?



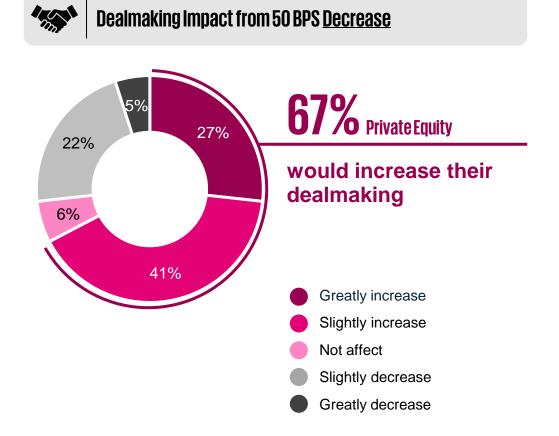
Nearly half (45%) say that valuation of assets and companies are high, but 3 in 10 say they are about right

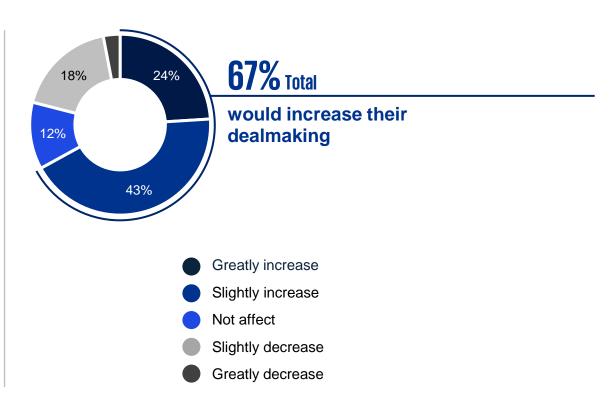


Q15. What is your opinion on the valuation of assets and companies?



Two-thirds of private equity dealmakers would increase dealmaking with a 50 bps decrease in interest rates.



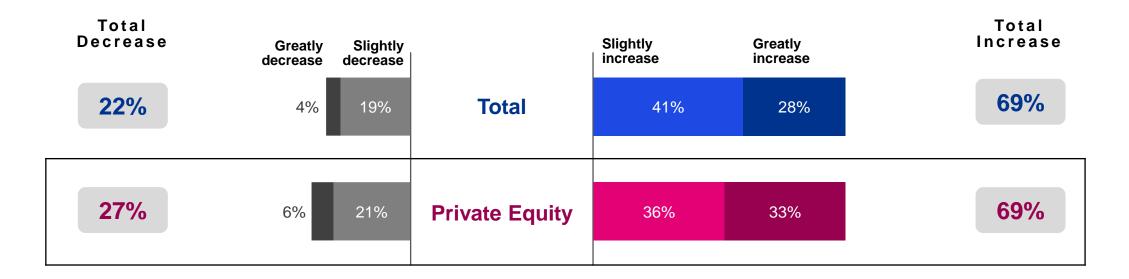


Q16. How would a hypothetical 50 bps decrease in interest rates affect your dealmaking?



Most private equity dealmakers say that the Trump administration has increased their appetite for M&A.



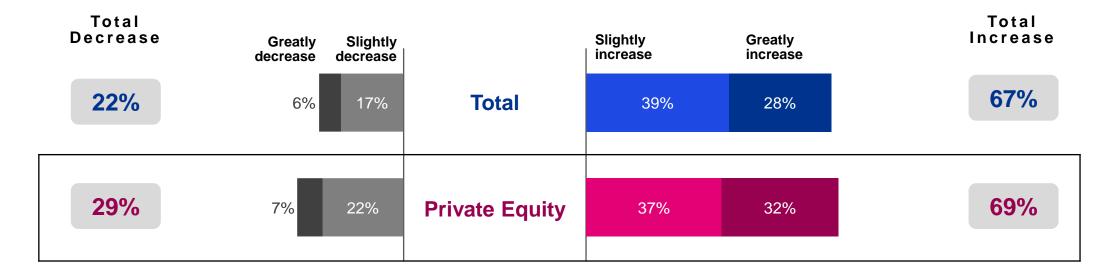


Q18. How have the actions so far of the Trump administration affected your appetite for M&A?



Trump administration tax policy changes are likely to increase appetite for private equity M&A deals.





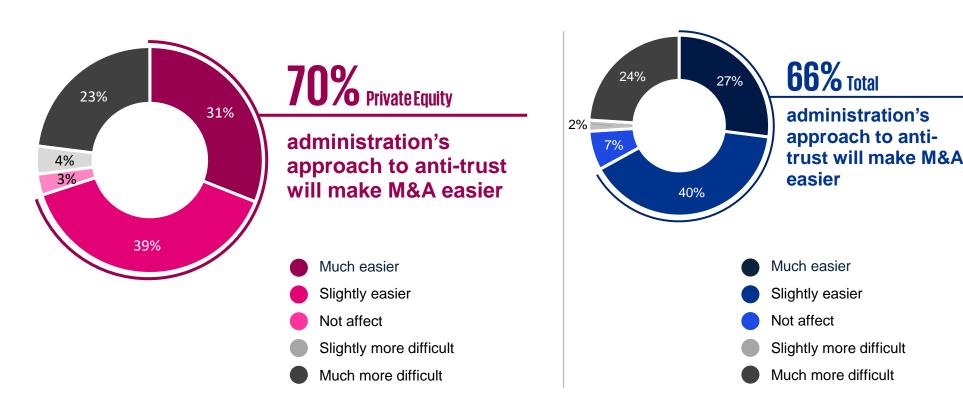
Q19. How do you think potential corporate tax policy changes (outside of the tariffs) to be made by the Trump administration will affect your appetite for M&A?



Most private equity dealmakers agree that the Trump Administration's anti-trust approach will make M&A deals easier.

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Trump Administration's Perceived Approach Toward Anti-Trust



Q20. What do you think will be the approach of the Trump administration toward anti-trust?



About 9 in 10 private equity dealmakers are currently using GenAl and/or Agentic Al as part of their M&A processes, notably higher than the usage rate for corporates.





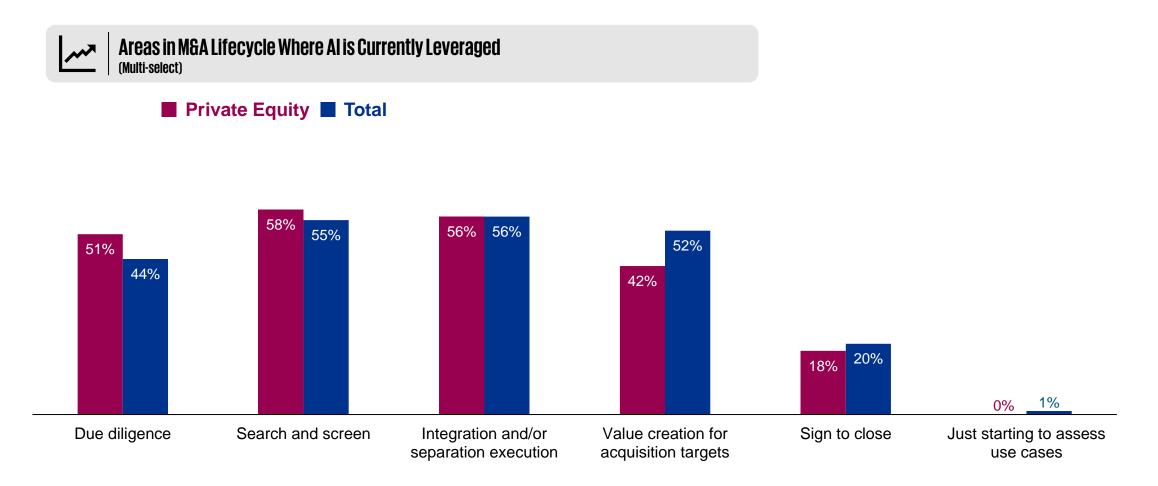
	Total	Private Equity
We are already using it	86%	92%
Not yet, plan to use soon	14%	8%
No plans to use	1%	_

	Total	Private Equity
We are already using it	83%	86%
Not yet, plan to use soon	16%	14%
No plans to use	1%	-

Q21. Are you using Generative AI in your M&A processes? / Q22. Are you using Agentic AI in your M&A processes?



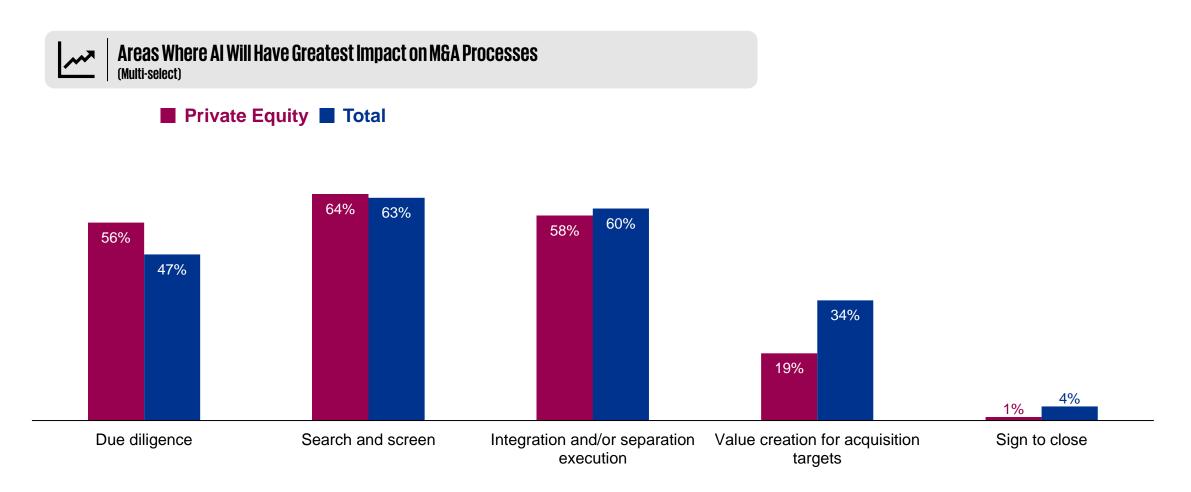
Al is being leveraged most often for search & screen, integration and/or separation and due diligence in M&A processes.



Q24. Where along the M&A life cycle is your organization using Generative AI or Agentic AI?



Al is expected to have the biggest impact on search & screen, integration and/or separation, and due diligence.



Q23. Where do you see AI having the greatest impact on your M&A processes?

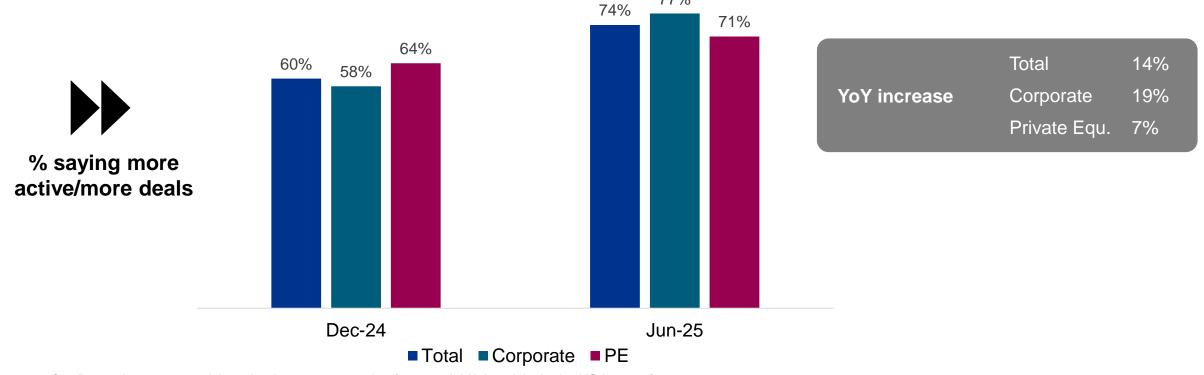


Detailed Findings

Trends Over Time

Expectations for 2025 M&A deal activity are up from where they were in December 2024.





Q1. Beyond your own activity, what is your expectation for overall M&A activity in the US in 2025?



Both corporate and private equity dealmakers have increased their use of Gen AI in their M&A processes since the end of 2024.



	Total		Corporate		Private Equity	
	Dec. '24	June '25	Dec. '24	June '25	Dec. '24	June '25
We are currently using Gen AI in M&A processes	77%	86%	74%	80%	83%	92%
Not yet using Gen AI, but plan to	19%	14%	23%	19%	11%	8%
No plans to use Gen Al	4%	1%	4%	1%	6%	-

Significant increase YoY

Q21. Are you using Generative AI in your M&A processes?



Al use in due diligence processes has nearly doubled while use has dropped for value creation since December of 2024.



Areas in M&A Lifecycle Where Al is Currently Leveraged

	Total		Corporate		Private Equity	
	Dec. '24	June '25	Dec. '24	June '25	Dec. '24	June '25
Integration and/or separation execution	66%	56%	65%	55%	68%	56%
Search and screen	62%	55%	66%	52%	52%	58%
Value creation for acquisition targets	71%	52%	75%	63%	63%	42%
Due diligence	23%	44%	25%	36%	19%	51%
Sign to close	26%	20%	26%	22%	24%	18%

Significant increase YoY

Significant decrease YoY

Q24. Where along the M&A life cycle is your organization using Generative AI or Agentic AI?



Appendix

Organization Profile

Type of Company	Corp.	Private Equity
Publicly traded	60%	
Private – not private equity owned	24%	
Private – equity owned	16%	
Private equity		100%
Size by Revenue/Vol.	Corp. (annual revenue)	Private Equity (fund size)
Size by Revenue/Vol. \$1B - \$4.9B / \$500M - \$999M	(annual	Equity
	(annual revenue)	Equity (fund size)
\$1B - \$4.9B / \$500M - \$999M	(annual revenue)	Equity (fund size) 39%

Sector	Corp. (operations)	Private Equity (investment)
Consumer & Retail	17%	24%
Industrial & Manufacturing	17%	27%
Energy, Natural Resources, & Chemicals	17%	18%
Technology, Media & Telecoms	18%	33%
Health Care & Life Sciences	17%	19%
Financial Services	17%	22%

Q. Please select the sector[s] in which your fund invests in. (multi-select) | Q. What is your company's annual revenue? | Q. What is your fund size?



Q. Please specify the type of company for which you work. | Q. Please select the sector in which your company operates. (multi-select) |

Business Leader Profile

Organizational Role	Corp.	Private Equity
CEO	10%	7%
CFO	9%	13%
COO	14%	10%
Head of Corporate Development	15%	17%
CSO/ Head of Strategy/Growth	21%	22%
Investment professional	21%	18%
Private equity operating partner	11%	13%

M&A Decision Making	Corp.	Private Equity
Participate directly in deal decisions	91%	73%
Provide input into deal decisions	9%	27%
Active Participation in M&A Operations	Corp.	Private Equity
Deal strategy	95%	94%
Post-close value creation and deal execution	87%	90%
Post-close strategy and design	96%	88%
Deal structuring	85%	84%
Deal closing and day 1 planning and execution	92%	88%
Negotiation	91%	87%
Diligence	93%	95%

Q. Which of the following titles best describes your role in the company? | Q. Please describe your level of involvement in dealmaking decisions. |

Q. Please indicate your degree of participation across the following operations. (Showing % total active participation – "very active" or "active" participation)

