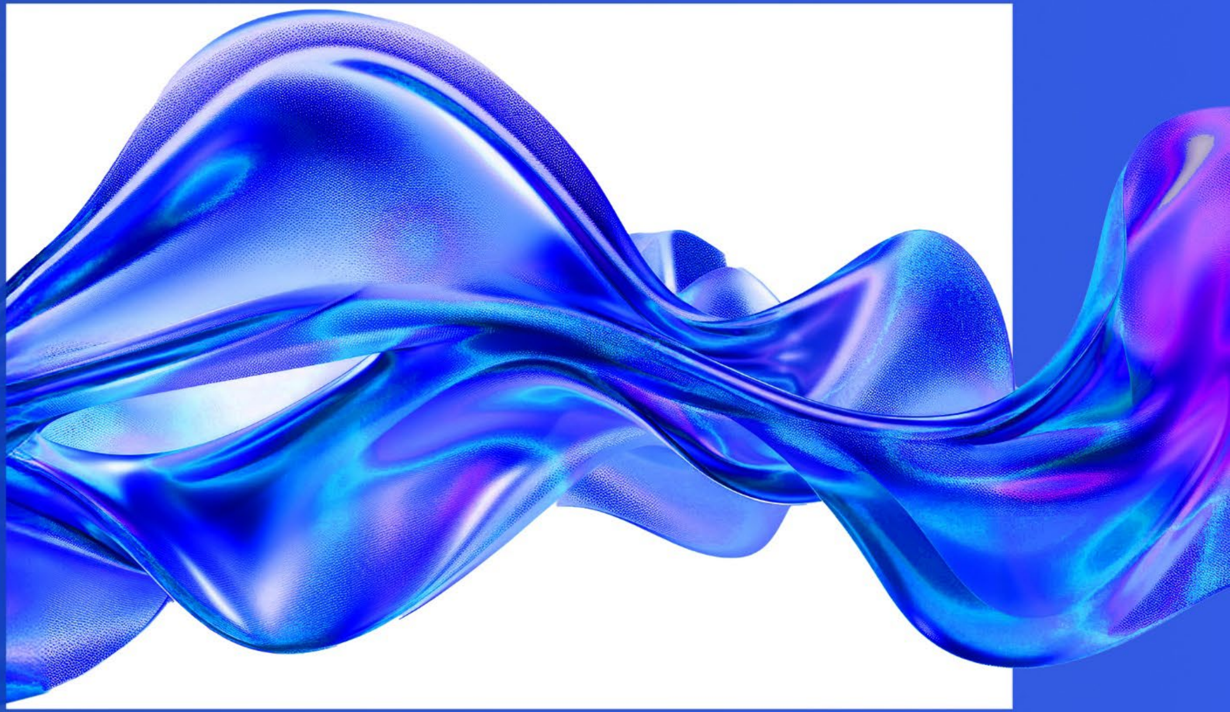
Pulse of private equity Q4'25

A KPMG quarterly analysis of global private equity activity.



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January 2026

Welcome

Welcome to the Q4’25 edition of KPMG’s Pulse of private equity.

Our Pulse of private equity series provides you with quarterly insights into the private equity market globally and in major regions around the world. Our unique methodology goes 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.

Global PE investment rose to the second highest level ever seen ($2.1 trillion) in 2025, despite deal volume falling to a five-year low of 19,093. The Americas accounted for over half of this total ($1.2 trillion across 9,118 deals), while the EMA region saw $729.8 billion across 8,278 deals, and the ASPAC region accounted for $144.8 billion across 1,162 deals.

Investors focused on making larger, high-quality deals during 2025. The deals announced in Q4’25 reflected this trend, led by two US-based public-to-private transactions — the $18.3 billion take private of medical device company Hologic by Blackstone and TPG[1] and the take private of food packaging company Sealed Air by CD&R for $10.3 billion.[2]

At the same time, overall company inventory held by private equity firms continued to rise year over year, while global PE assets under management reached an all-time high in 2025, surpassing $6 trillion — underscoring the industry’s growing scale and capital intensity despite muted deal volumes.*

PE investors globally were particularly keen on the infrastructure sector during 2025, with investment in the space rising from $99.7 billion to $154.2 billion year-over-year. Energy and natural resources also saw a strong pick-up from $213.3 billion to $276.4 billion. The growth in these two sectors aligns well with the rapidly growing interest in AI assets and AI-enabling infrastructure that we’ve seen globally over the last year.

While exit value also rose to the second highest level in over a decade in 2025 ($1.2 trillion), exit volume remained subdued at 3,162 exits — highlighting the continued struggle to return capital to investors and unlock the funds the PE market. forward to 2026, there is optimism that increasing exits — including IPO activity — will help boost investor confidence and begin to drive a renewal in PE investment.

Looking forward, it is quite clear that there is still plenty of dry powder available for high-quality assets. And with macro tailwinds, including cuts in interest rates expected to drive higher multiples, the dealmaking environment should become a bit more friendly over the next six months. Don’t miss our Spotlight section on pages 6-10 offering an overall outlook for 2026 based on an analysis of the past 12 years of global private equity transaction data.

Gavin Geminder
Global Head of Private Equity
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* See page 27
[1] cnbc.com, “Hologic to go private in up to $18.3 billion deal backed by Blackstone, TPG,” 21 October 2025.
[2] www.cdr.com,” Sealed Air to be Acquired by CD&R for $10.3 Billion,” 17 November 2025.

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Welcome

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 increasing interest in AI infrastructure, including energy

02 The continued focus on large, high-quality deals

03 The soft fundraising environment across regions

04 The slowdown in exit volume despite strong exit value

05 The outlook for PE investment in 2026

We hope you find this edition of the 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 this 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 December 2025. See page 92 for detailed methodology. All currency amounts are in US$ unless otherwise specified.

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Gavin is the Global Head of Private Equity at KPMG International and the Global Lead Partner for one of KPMG's largest and most premier global private equity clients in KPMG in the US. Over his nearly 30-year career, he has worked in London, Hong Kong (SAR), China 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 US Sector Leader for private equity.

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Don is the US Sector Leader for Private Equity and the Global Lead Partner for one of KPMG's largest and most premier global private equity clients. Don also serves as the Managing Partner of the Providence, RI office and serves on KPMG's US Board of Directors. Don spent six years in the audit practice followed by 20 years in the Deal Advisory & Strategy (DAS) practice, holding several national DAS leadership roles, including co-leading the Financial Due Diligence practice and leading the Industrial Markets sector.

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Tilman leads KPMG's Private Equity practice in both the EMA region and Germany and is the Global Private Equity 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 private equity firms in the field.

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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 in Singapore 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.

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Spotlight:
Outlook for the global private equity market in 2026

Spotlight: Outlook for the global private equity market in 2026

At the end of our first year of the Pulse of private equity, we wanted not only to reflect on the trends that shaped 2025, but also to look ahead and assess how the private equity market may evolve in 2026. To support this forward-looking view, KPMG — working with PitchBook — developed a 2026 Global private equity forecast grounded in more than a decade of historical data and informed by both macroeconomic and structural market dynamics.

The forecast is based on an analysis of 12 years of global private equity transaction data and applies a hybrid analytical framework that combines multivariate regression analysis with key macroeconomic indicators, including interest rates, high-yield spreads, GDP growth, and business confidence, alongside structural forces within the PE market. Using this approach, we modelled three scenarios for 2026 (low, medium, and high cases), differentiated primarily by macroeconomic assumptions.

Importantly, the model incorporates a structural floor for private equity activity. Regardless of broader macroeconomic conditions, the industry is operating with record levels of dry powder and an elevated inventory of portfolio assets. The growing need to monetize assets and return capital to LPs creates a degree of inventory pressure that helps offset macroeconomic headwinds. In addition, the forecast reflects the inherent stickiness of private equity deal pipelines, which tend to sustain transaction momentum even during periods of uncertainty.

We use this outlook to help bring to life our expectations for the global private equity market in 2026.

Here is what we're expecting in 2026:

Investment growth will outpace growth in deal volume

There was a record $1.7 trillion in dry powder sitting in the global private equity market at the end of 2025. With interest rates improving, financing pressures easing, and a significant inventory of assets that need to be exited, PE funds are going to be looking for opportunities to put this capital to work. This is likely to help keep PE investment strong over the next year.

Our forecast supports this. Over the past eight quarters, the private equity market has seen a sustained improvement in aggregate deal value, even as deal volume has remained relatively flat — and softened modestly in the most recent quarters. This divergence suggests pricing power is improving and that transaction sizes are growing, not that the underlying health of the market is eroding. Even under the most pessimistic scenario, deal value is expected to grow year-over-year as PE investors remain very focused on top-of-the-market, high-quality assets. Large megadeals will continue to account for a large share of market activity.

Deal volume isn't likely to keep pace with the growth in investment given the focus on top-end deals. But given current market dynamics, there's little room for them to fall further; our forecast suggests that the number of deals globally will hold steady or rise at a relatively modest pace over the next year — with the strength of the rise mostly contingent on macroeconomic factors.

> "2026 is well-positioned to be a good year for the PE market globally. Our forecast shows total deal value growing across scenarios as PE investors continue to make very large deals at the top end of the market. Deal volume will likely remain soft to start the year given the amount of capital locked in aging assets, although the improving exit environment should help shake things out. While exit value has improved considerably this year, we'll be watching for a much greater volume of exits in 2026. If that materializes, we'll likely start to see deal volume growth across the market as capital begins to turn over."

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Spotlight: Outlook for the global private equity market in 2026

Macroeconomic conditions will stabilize or improve in many regions, supporting more aggressive dealmaking

Globally, many jurisdictions expect macroeconomic conditions to improve in 2026. For many, interest rates have already dropped considerably from recent highs and — in some cases — are expected to nudge down a bit farther. Credit spreads have improved, which has allowed for more liquidity and favorable financing terms. This will likely enable sponsors to transact more aggressively over the next year. In regions where high interest rates are the norm, investor sentiment will likely not be affected as PE investors in these regions have learned to be comfortable with these conditions.

Exits will rise — by hook or by crook

2026 is going to involve more exits because there's not going to be a choice. There's a significant amount of capital locked up in PE funds and a large inventory of aging assets. PE funds are under significant pressure to show that they can return capital to their investors. Exit pressure has also been mounting from LPs very weary of continuation vehicles — and with somewhat more stability in the market, improving macros in many regions, and better financing conditions, that pressure is only going to become more marked in 2026.

On the M&A front, the combination of improved access to financing allowing buyers to spend a bit more and some sellers softening their expectations given exit pressures will likely help encourage exit volume. Many PE funds are already working closely with their aging portfolio companies on positioning.

The IPO market will be a key area to watch in 2026. During 2025, the US IPO market opened — at least for high-quality assets well positioned to create value. Outside of the US, IPO exits will likely come into the mix again as an option; it may take a few successful IPOs in the region before IPO activity really ramps up.

Increasing focus on infrastructure and energy opportunities

In 2026, signals suggest that infrastructure and energy will remain hot sectors of investment globally. The surge in interest in AI within the wider market will likely keep PE firms focused on identifying enablement and ecosystem plays — both in terms of AI infrastructure and the energy required to support the delivery of AI capabilities. Government funding commitments in the AI and infrastructure space — in addition to defense — will likely also help drive interest among PE firms.

Soft, highly concentrated fundraising activity

Fundraising activity is expected to remain soft in 2026 in part because of the record level of dry powder within the market, but also because of the need to prove to LPs that funds can return capital. Until the capital already in the market gets freed up, fundraising will likely remain soft. Funds that are raised during 2026 will likely be concentrated at the top end of the market — among PE firms with more diverse offerings and flexibility. Some small funds will likely struggle to raise funds or follow-on vehicles which could, over time, lead to zombie funds.

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Spotlight: Outlook for the global private equity market in 2026

Forecast methodology and scenario design

- **Forecast horizon:** Q1 2026–Q4 2026
- **Historical basis:** 12 years of global private equity transaction data (2012–2025)
- **Scenario framework:** low, medium, and high cases, differentiated primarily by macroeconomic assumptions such as interest rates, high-yield spreads, GDP growth, business confidence, and more.
- **Growth mechanics:** Continuous compounding to capture realistic deal-flow persistence
  - High Case: +2.25 percent quarterly growth (capped below 2021 peaks due to correction from any relatively recent overly bullish environments).
  - Medium Case: +1.50 percent quarterly growth.
  - Low Case: +0.25 percent quarterly growth (structural floor)

The primary determinant of variance across the low, medium, and high scenarios is the macroeconomic environment, with a particular emphasis on:

- **Interest-rate movements:** Lower or stabilizing rates support higher transaction volumes and larger deal sizes, while persistently elevated rates constrain financing capacity and dampen risk appetite. For example, the high case above anticipates two rate cuts in 2026 (June and September). The medium and low cases assume zero rate cuts.
- **Credit spreads:** Tight spreads signal abundant liquidity and favorable financing terms, enabling sponsors to transact more aggressively. Wider spreads increase all-in financing costs and selectively suppress deal execution, particularly for highly leveraged transactions. Per the above, the high case assumes spreads tighten by 10 percent (even further easing conditions), while the low case models a 25 percent widening due to a credit crunch, most likely driven by a recession.
- **GDP growth:** Stronger GDP growth supports multiple expansion and sponsor willingness to transact, while slower growth environments tend to favor fewer, more selective deals with a bias towards defensive sectors.

Collectively, these variables drive financing feasibility, valuation alignment, and sponsor confidence, which in turn dictate the pace and scale of private equity transactions. As a result, the spread between the low and high scenarios reflects macro sensitivity rather than structural uncertainty.

Importantly, the model incorporates a structural floor for activity. Regardless of macro conditions, the private equity industry is operating with record levels of dry powder and elevated portfolio inventory. The need to monetize assets and return capital to LPs creates a degree of forced deal activity (‘inventory pressure’) that partially offsets macroeconomic headwinds.

Finally, the forecast reflects the inherent stickiness of private equity deal pipelines. Transactions do not halt abruptly in response to macro shocks; instead, activity adjusts gradually as capital structures, diligence processes, and exit timelines evolve. This persistence reinforces the model’s use of continuous compounding growth and limits downside volatility in projected deal activity. A 15 percent step-up adjustment was applied to Q1 2026 deal count forecasts in the high and medium cases as a result to prevent any artificial downturn erroneously produced by any lag in reporting for Q4 2025 deal counts, as a result.

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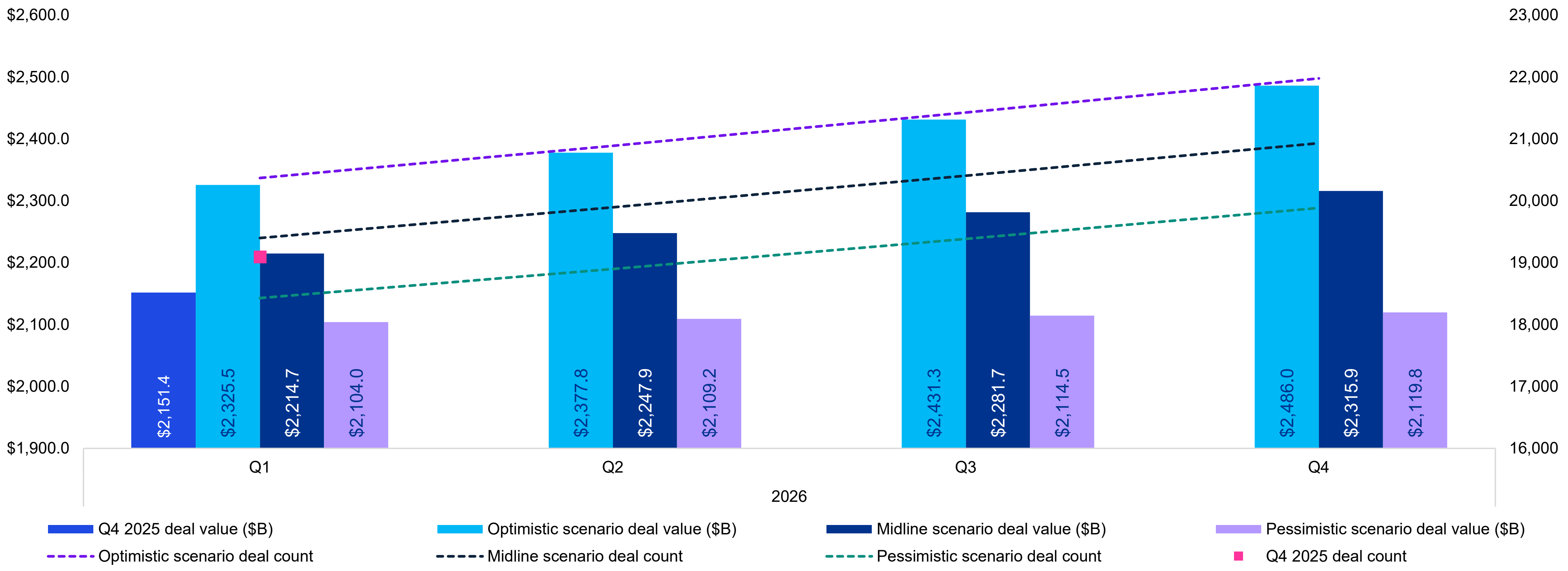
Spotlight: Amid volatility, modest growth is assured

Global PE deal activity forecasts



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In Q4'25, global PE-announced 19,093 transactions amounting to $2.1T

Global overview

Global PE deal value rises to $2.1 trillion despite soft volume

PE investment globally rose from $1.8 trillion to a four-year high of $2.1 trillion in 2025 despite a decline in deal volume from 20,836 deals to 19,093. The contrast reflects how PE investors across regions prioritized large, high-quality deals over deal quantity throughout the year. Global private equity net cash flows remained positive for a second consecutive year, reflecting improved distributions, even as firms continue to face pressure to deploy elevated levels of dry powder.*

Americas sees over half of global PE funding in 2025, with the US accounting for the majority

PE investment in the Americas accounted for more than half of the total seen globally, with $1.2 trillion invested across 9,118 deals Total investment in the region came quite close to the peak of $1.4 trillion seen during 2021 — a year previously viewed as a major outlier — despite deal volume falling to a five-year low. The US alone accounted for $1.1 trillion of this investment and for 8,232 deals.

The EMA region came a distant second, attracting a very robust $729.8 billion across 8,278 PE deals during 2025 — a solid uptick compared to the $646.3 billion seen in 2024 despite a significant decline from 8,922 deals to 8,278 deals year-over-year. At the same time, the ASPAC region saw PE investment rise slightly from $142.1 billion across 1,318 deals in 2024 to $144.8 billion across 1,162 PE deals in 2025.

A number of jurisdictions attract large PE deals in Q4'25

During Q4'25, the US accounted for a majority of the largest announced PE deals, including the $18.3 billion take private of US-based medical device company Hologic by Blackstone and TPG[3] and the take private of food packaging company Sealed Air by CD&R for $10.3 billion.[4] In the EMA region, the largest deals announced in Q4'25 included the $9 billion buyout of a majority stake of Germany-based surface coatings solutions company BASF Coatings by The Carlyle Group and the Qatar Investment Authority[5] and the buyout of UK-based Utmost Life & Pensions' bulk purchase annuity business to Jab Insurance, part of JAB PE holding company, for $6.6 billion.[6] In the ASPAC region, the largest PE deal during the fourth quarter was the announced sale of a 65 percent stake in Japan-based vehicle lubricants company BP Castrol to Stonepeak for $6 billion.[7]

Among the top ten announced deals during the fourth quarter, one deal came from outside the three spotlight regions — the $7 billion buyout of specialty insurer Convex Insurance by Onex and AIG.[8]

> "Despite softer volumes, 2025 demonstrated that private equity capital is still very much at work - just more focused. With exit markets reopening, financing conditions improving, and significant dry powder on the sidelines, we expect 2026 to mark a gradual re-acceleration in activity, led by large deals in infrastructure, energy, and other high-conviction sectors."

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*See page 20
[3] cnbc.com, "Hologic to go private in up to $18.3 billion deal backed by Blackstone, TPG," 21 October 2025.
[4] cdr.com, "Sealed Air to be Acquired by CD&R for $10.3 Billion," 17 November 2025.
[5] money.usnews.com, "BASF Sells Majority of Coatings Business to Carlyle, Qatar Investment Authority," 10 October 2025.
[6] lse.co.uk, "Utmost Group announces the sale of its BPA business, Utmost Life and Pensions, to JAB Insurance," 22 December 2025.
[7] bp.com, "bp agrees to sell a 65% shareholding in Castrol to Stonepeak at an enterprise value of $10 billion," 24 December 2025.
[8] bnnbloomberg.ca, "Onex and AIG buying insurance company Convex Group in US$7B deal," 30 October 2025.

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Global overview

TMT sector attracts largest share of PE funding, but infrastructure alone sees uptick in deal volume

The technology, media, and telecom (TMT) sector attracted the largest share of PE investment globally in 2025, with a solid pick-up from $617.2 billion in 2024 to $654 billion in 2025, despite a dip in deal volume from 6,373 to 6,061. Industrial manufacturing came in second with $327.5 billion of PE investment in 2025, up from $305 billion in 2024, despite a decline in deal volume from 3,663 to 3,173.

In terms of deal volume, only the infrastructure and transport sector saw an increase year-over-year globally — from 1,253 in 2024 to 1,360 in 2025 — a total that matched the sector's record high for deal volume set in 2021. Total PE deal value in the space also rose considerably year-over-year — from $99.7 billion to $154.2 billion. This growth likely reflects the rapidly growing interest in the AI infrastructure space both within the PE market and beyond during 2025.

The energy and natural resources sector also saw a substantial pick-up in investment — from $213.3 billion across 1,676 deals in 2024 to $276.4 billion across 1,588 deals in 2025, in addition to the cleantech sector — from $49.7 billion across 386 deals to $59.1 billion across 341 deals. These sectors likely also benefited from investors at investments across the entire AI ecosystem, including energy developments to power AI's full potential.

Global exit volume at five-year low despite four-year high in exit value

Global exit value rose to a four-year high of $1.2 trillion in 2025, second only to 2021's peak of $1.7 billion, as exits focused primarily around large, high-quality exits. This was reflected in growing median deal sizes across exit types, with the median deal size for acquisitions increasing from $151.4 million to $164.2 million between 2024 and 2025, the median deal size for buyouts rising from $250 million to $454.5 million, and the median deal size for public listings rising to a record high of $723 million.

The opening of the IPO door in the US — if not as wide as hoped at the beginning of the year — improving interest rates in many jurisdictions, growing confidence around value creation and asset valuations, and stronger financing options likely contributed to the large exits seen during the year.

While deal values were high during 2025, deal volume painted a more concerning picture — falling to a five-year low of 3,162. The protracted slowdown in exit volume is notable given the growing inventory of aging assets within PE investor portfolios and the amount of capital locked up in assets ready for exit.

Global fundraising activity falls to nine-year low

Global PE fundraising fell to a nine-year low of $407.6 billion in 2025, while the number of PE funds raised fell to 543 — the lowest total seen in over a decade. The number of funds raised fell across all deal sizes year-over-year. Funds under $100 million and over $5 billion saw the sharpest declines — with the former falling from $9.3 billion across 335 funds in 2024 to $4.3 billion across 165 funds in 2024 and the latter falling from $259.3 billion across 23 funds to $142.2 billion across 48 funds.

The decline in fundraising activity reflects a number of factors, including the significant amount of dry powder within the market ($1.7 trillion), the strong pressure on PE funds to return capital to investors prior to raising new funds, and the growing concentration on large PE firms with more flexibility and multiple funds and on highly successful niche and specialized funds. Within this environment, the largest global PE firms have shown markedly greater resilience in fundraising, supported by established LP relationships, diversified product offerings, and the ability to raise successor and adjacent funds even as smaller and first-time managers face heightened pressure.*

As exit activity increases and more PE funds are able to prove their ability to realize value for their investors, there will likely be a renewal of fundraising activity — although such a renewal will likely take time to materialize.

Sovereign wealth funds increasingly participating in PE deals globally

Globally, sovereign wealth funds are becoming more active in the deployment of private capital, with some of the biggest PE deals of 2025 supported by sovereign wealth capital. While US-based deals saw the largest share of interest, sovereign wealth funds have become increasingly interested and engaged in deals in all major regions. While historically sovereign wealth funds have primarily acted as passive investors, this trend is beginning to change with funds increasingly like typical private equity investors and becoming more actively engaged in investments than they have in the past. Some have also begun undertaking direct investments.

*See page 26

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Global overview

Trends to watch for in Q1’26

Heading into 2026, private equity sentiment is cautiously optimistic. As valuation gaps continue to narrow and the U.S. IPO market - while selective - shows openness to high-quality, resilient assets, exit volumes are expected to gradually improve. Stronger exit activity should, in turn, help rebuild investor confidence and support increased investment levels.

With a record $1.7 trillion in dry powder at the end of 2025, easing financing conditions, and a growing inventory of assets needing to be exited, PE firms will be under pressure to deploy capital. Investment activity is expected to remain strong, particularly across AI-related infrastructure and energy, as well as healthcare and financial services. Continued government funding in AI, infrastructure, and defense is likely to further reinforce these trends.

Fundraising, however, is expected to remain subdued in 2026. The significant capital already in the market and ongoing pressure to return capital to LPs will likely limit new fund formation, with capital increasingly concentrated among larger, more diversified firms. Smaller funds may face growing challenges raising follow-on vehicles, increasing the risk of prolonged capital stagnation across parts of the market.

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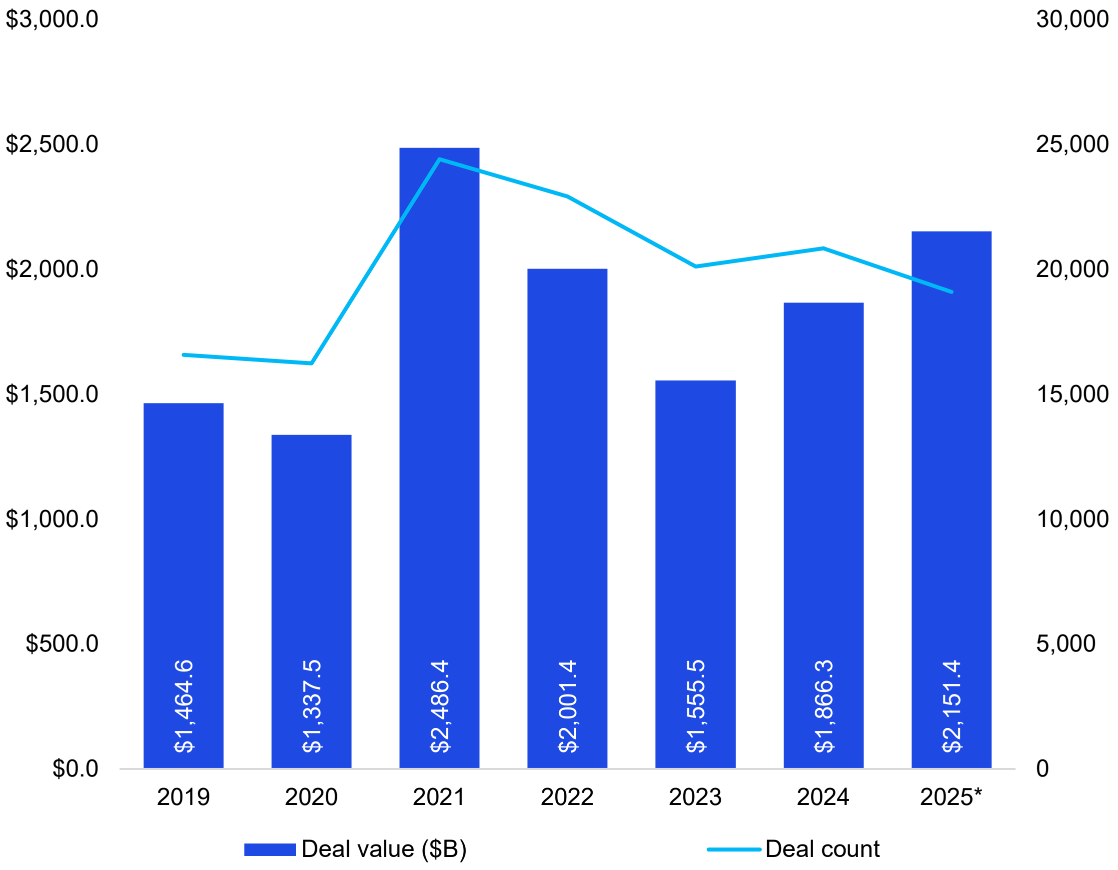
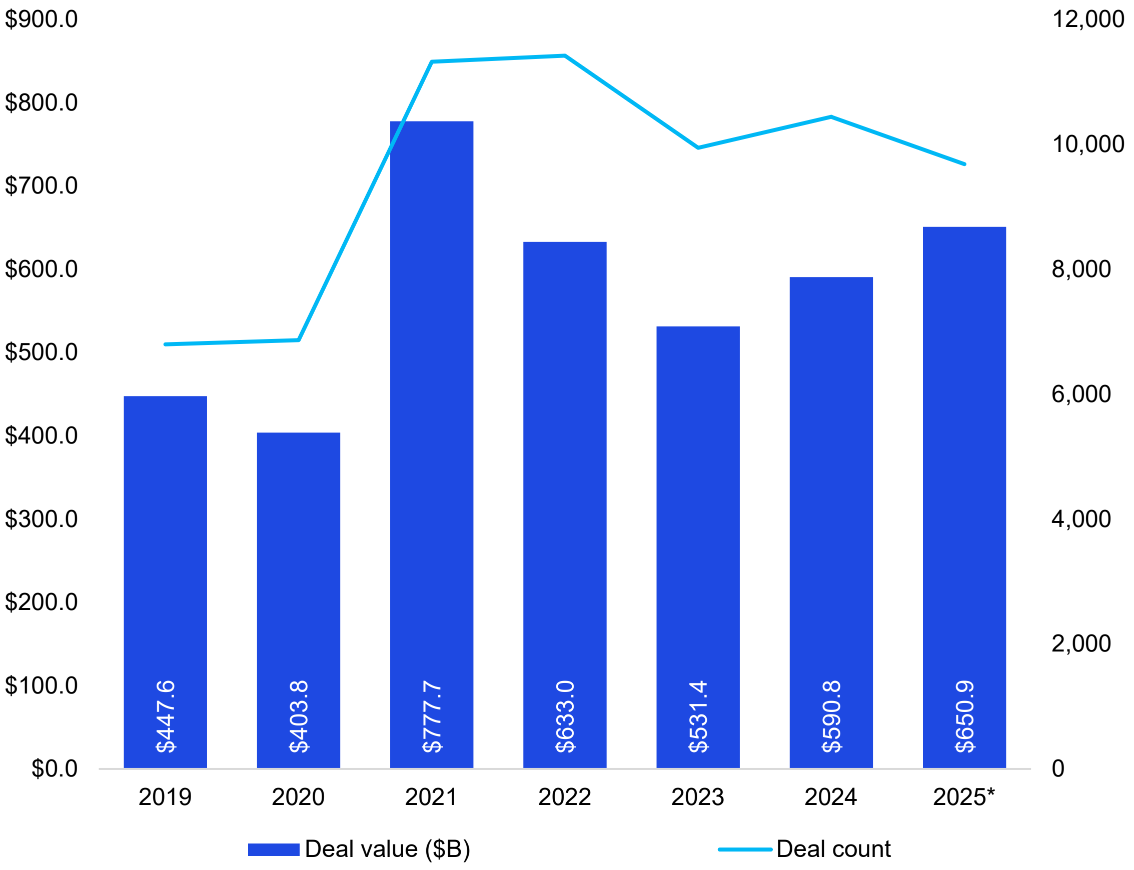
2025 notches second-best year in deal value ever

Global PE deal activity



Global PE add-on/bolt-on activity



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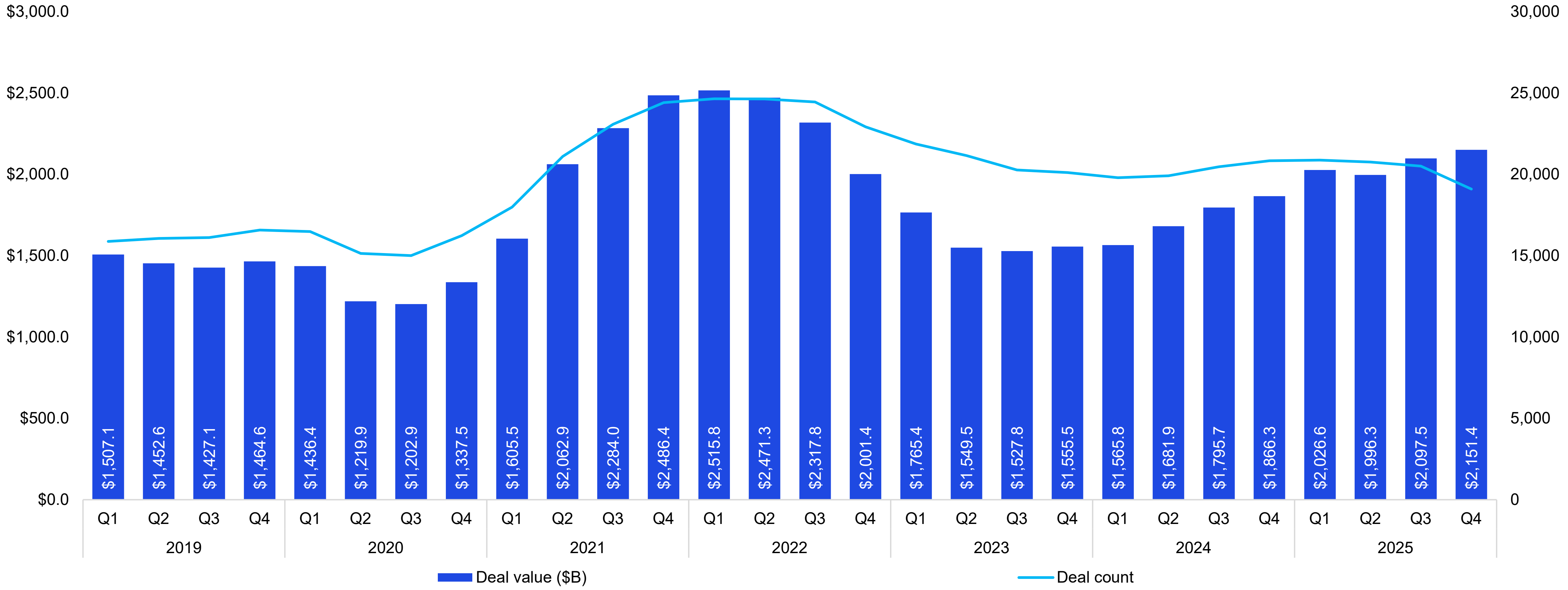
Dealmaking momentum indicates moderate optimism

Global PE deal activity (rolling 4-quarter sum)



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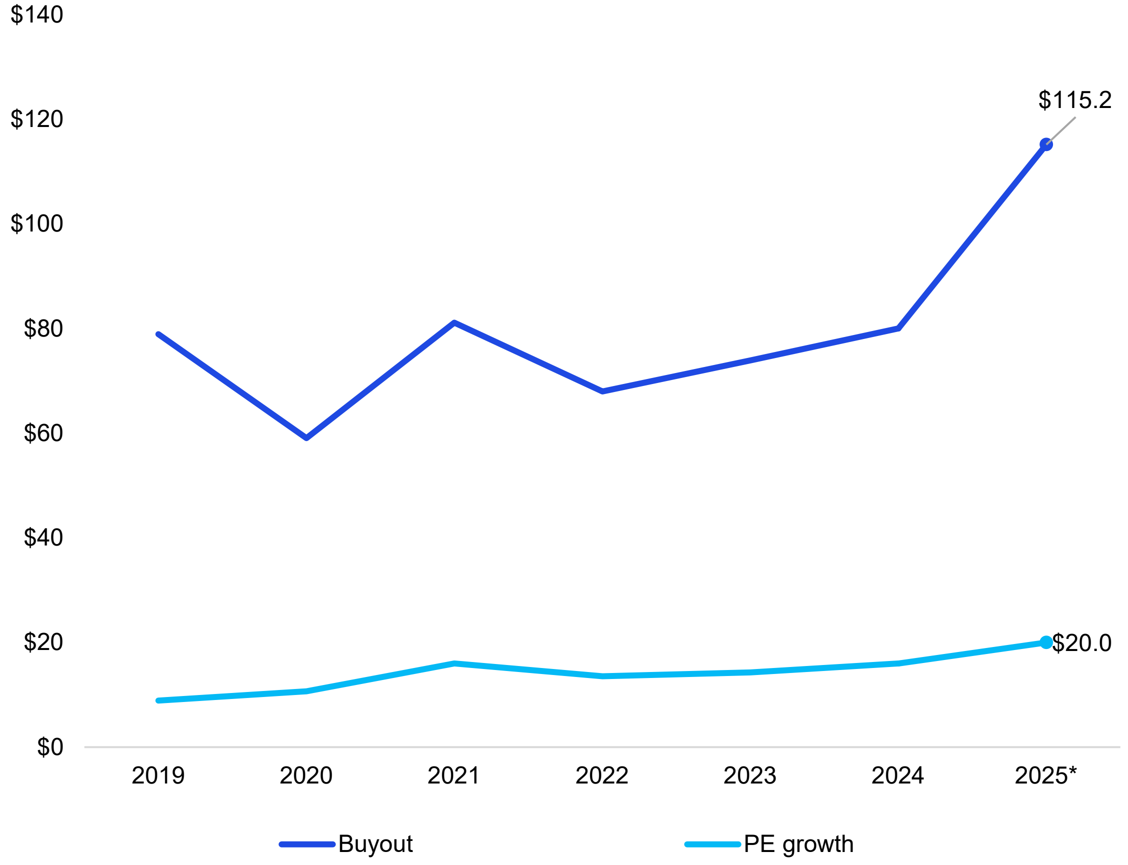
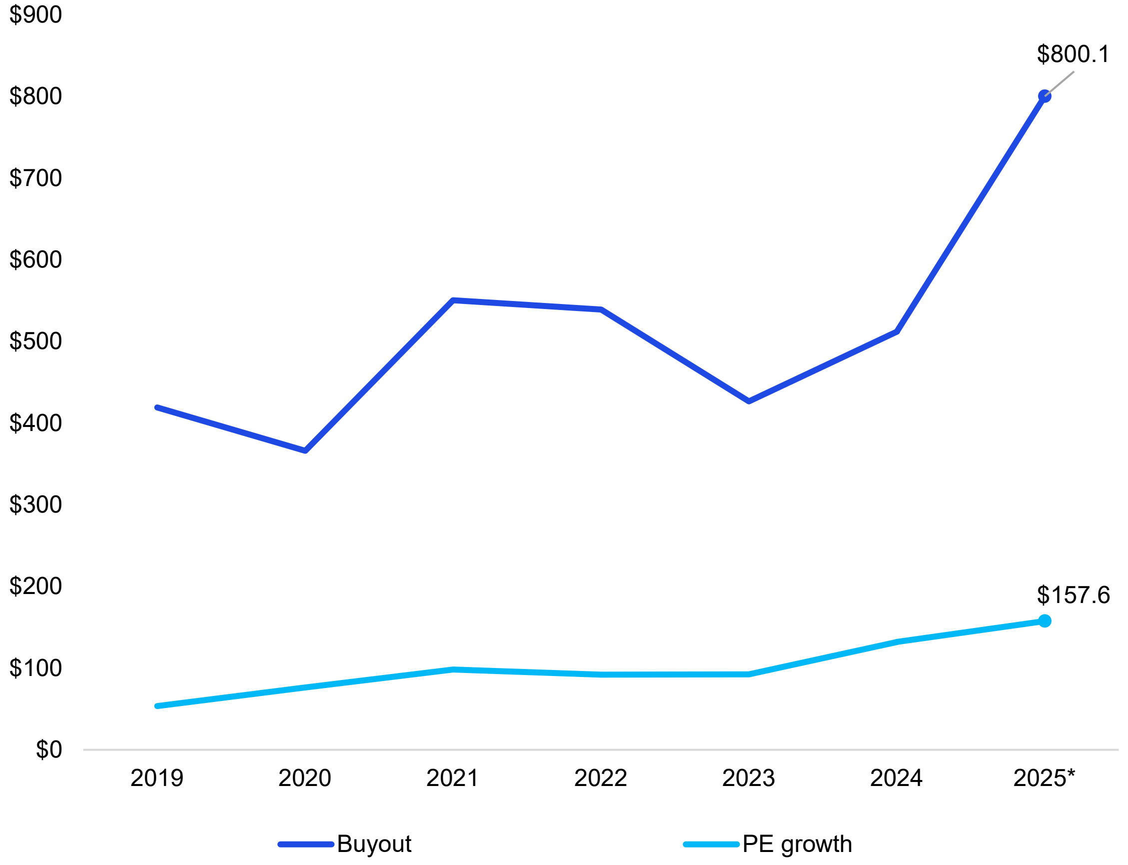
Elevated capital overhang underpins record sizes

Global median PE deal size ($M) by type



Global average PE deal size ($M) by type



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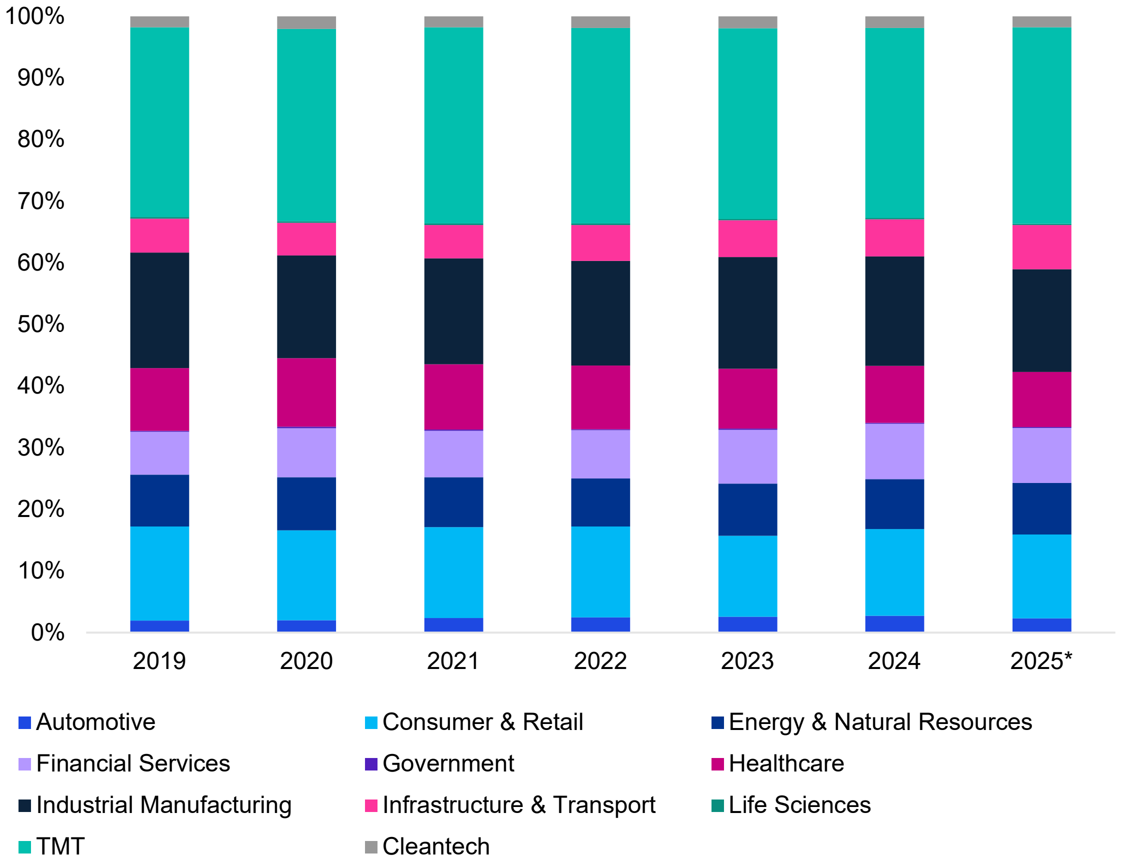
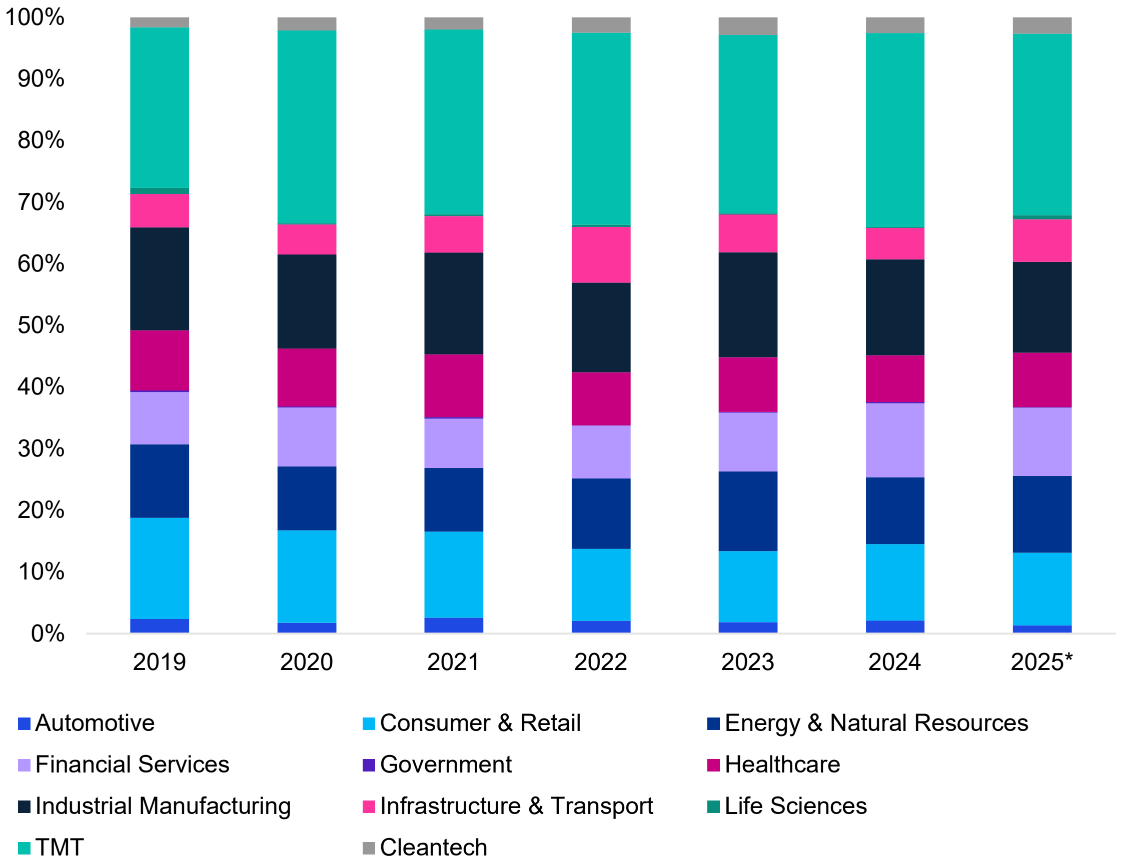
Consumer & retail deal value hits highest level since 2021

Global PE deal activity (#) by sector



Global PE deal activity ($B) by sector



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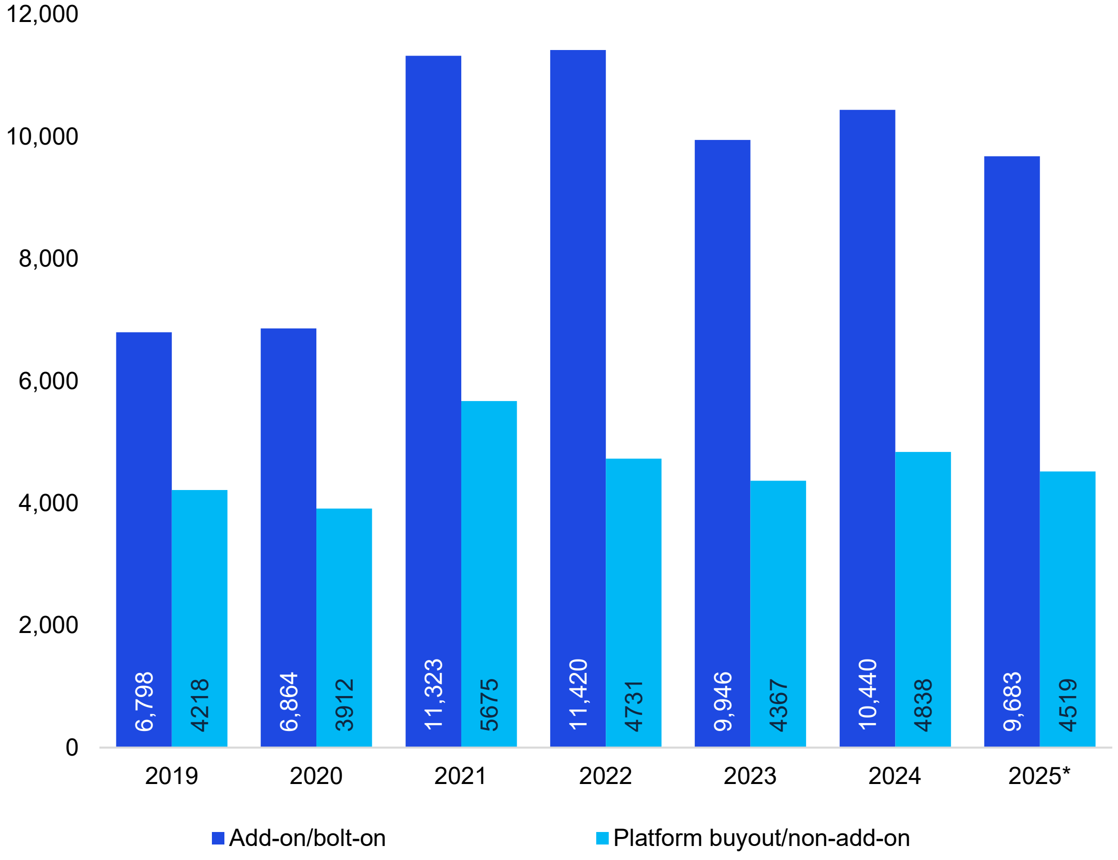
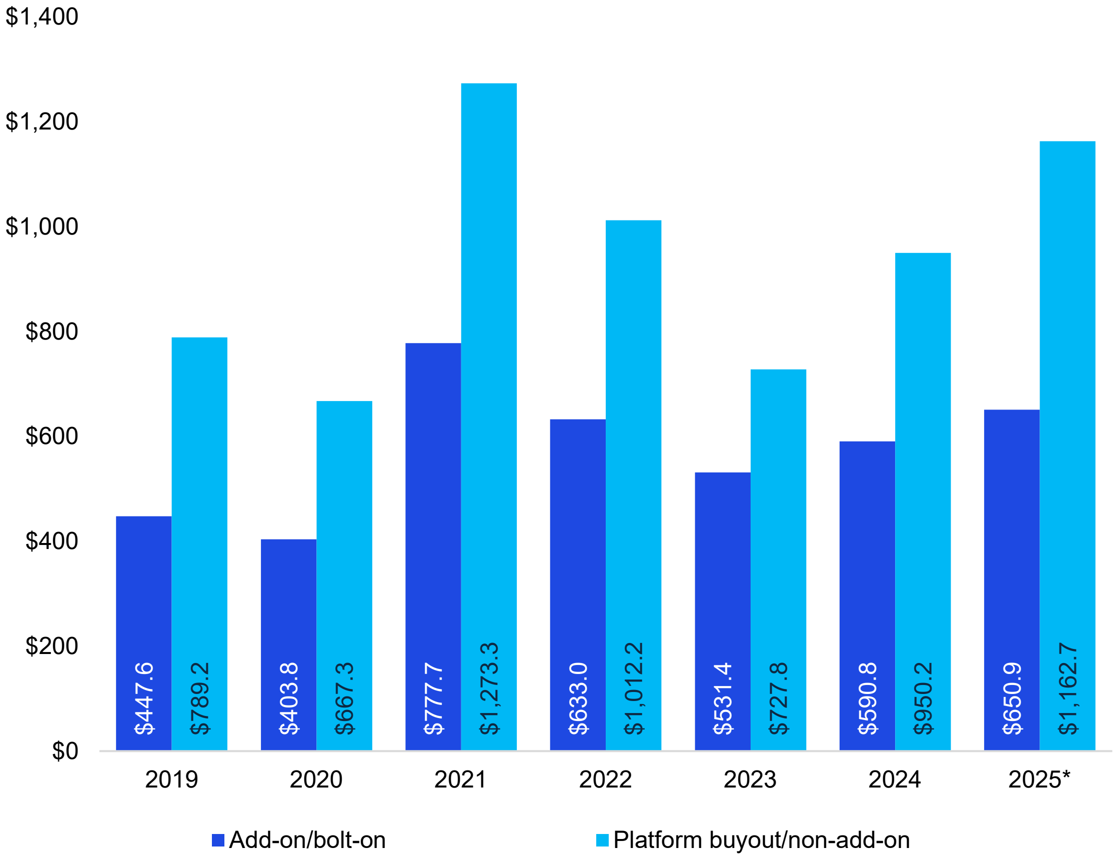
PE firms are paying up for platforms

Global PE buyouts (#) by buyout type



Global PE buyouts ($B) by buyout type



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.

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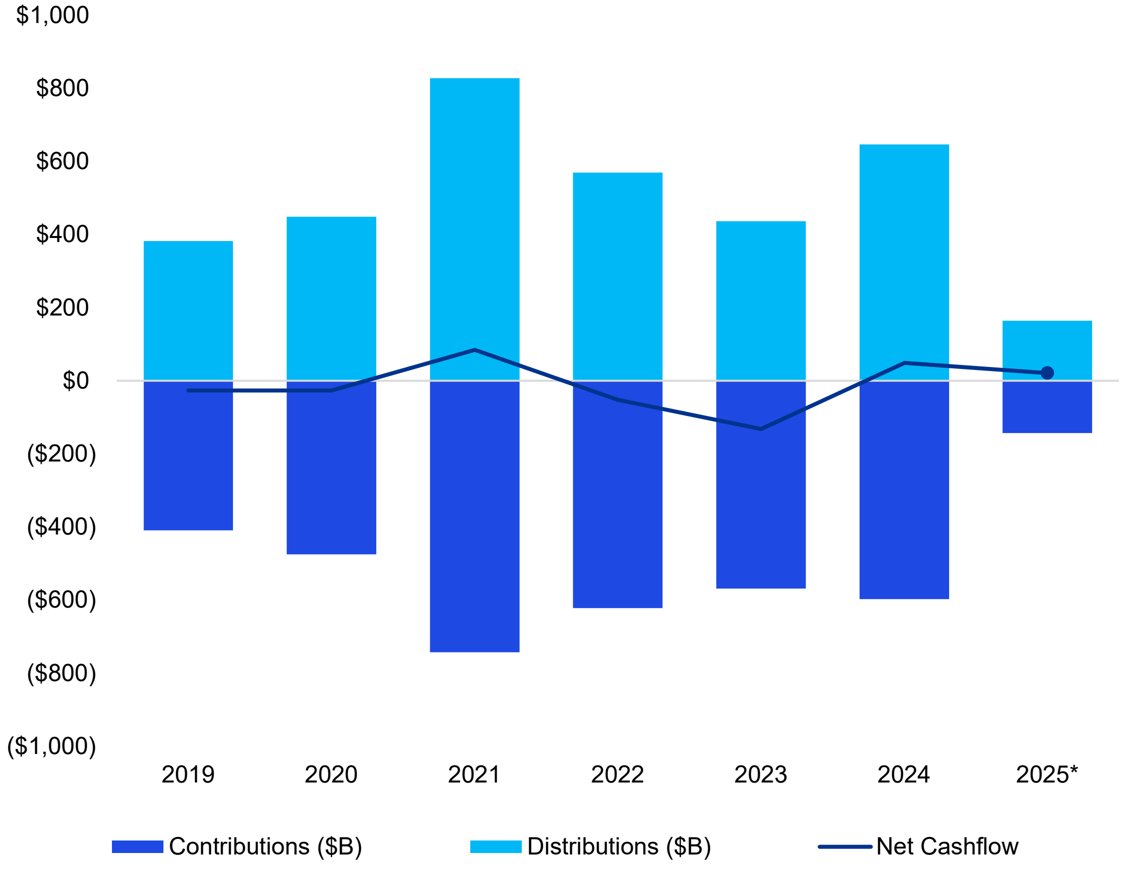
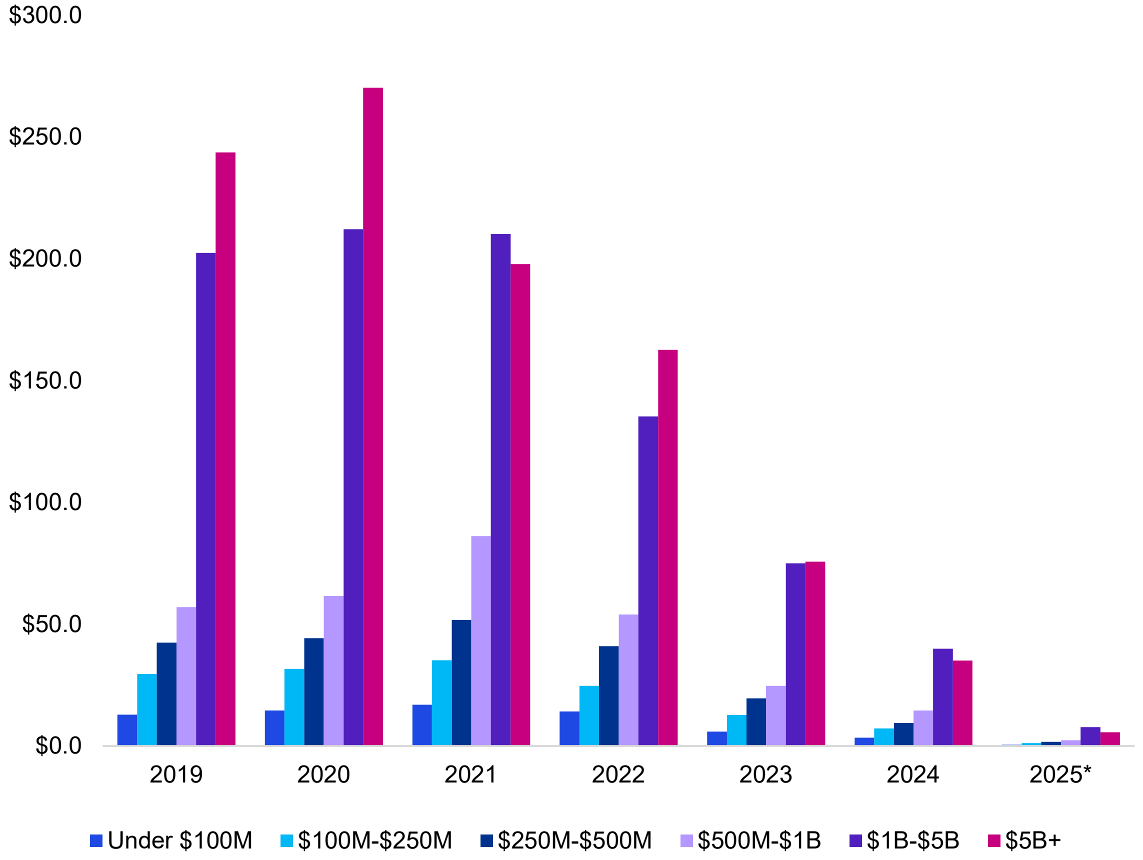
Cashflows turn positive but pressure to deploy remains

Global PE net cashflows



Global PE capital overhang



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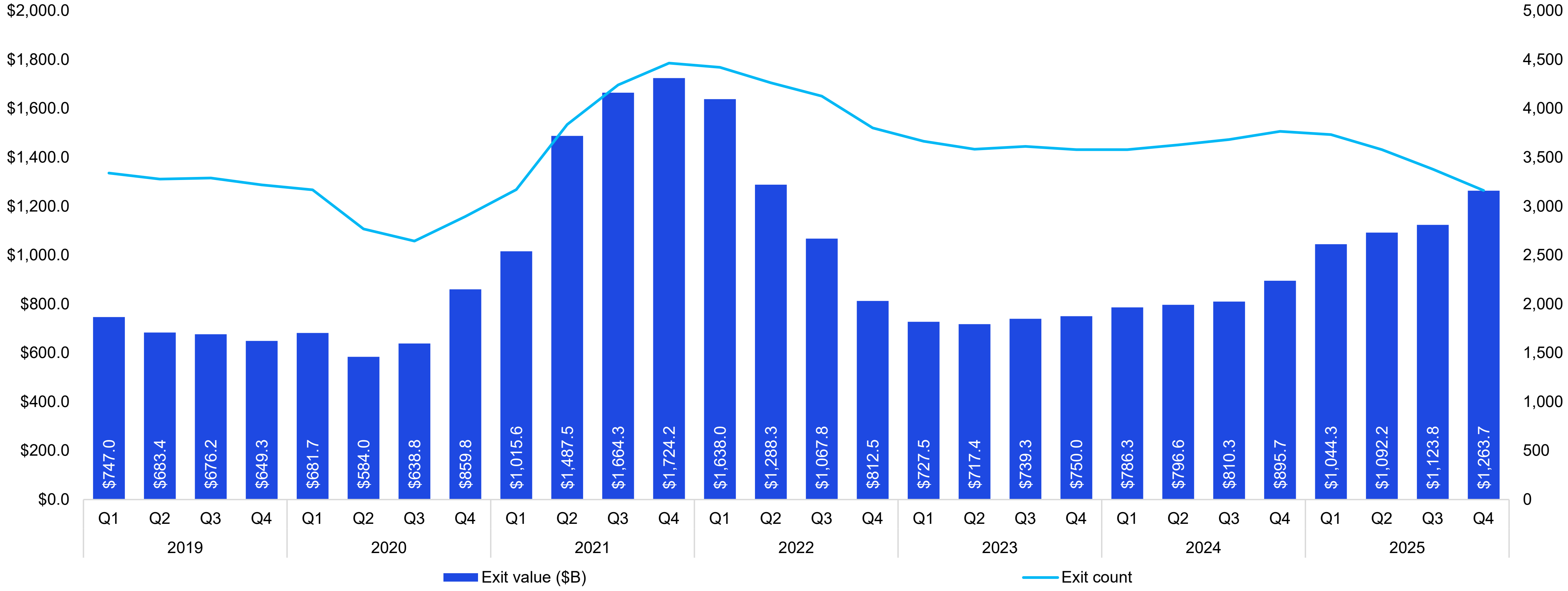
Exit value recovers; pressure remains given low volume

Global PE-backed exit activity (rolling 4-quarter sum)



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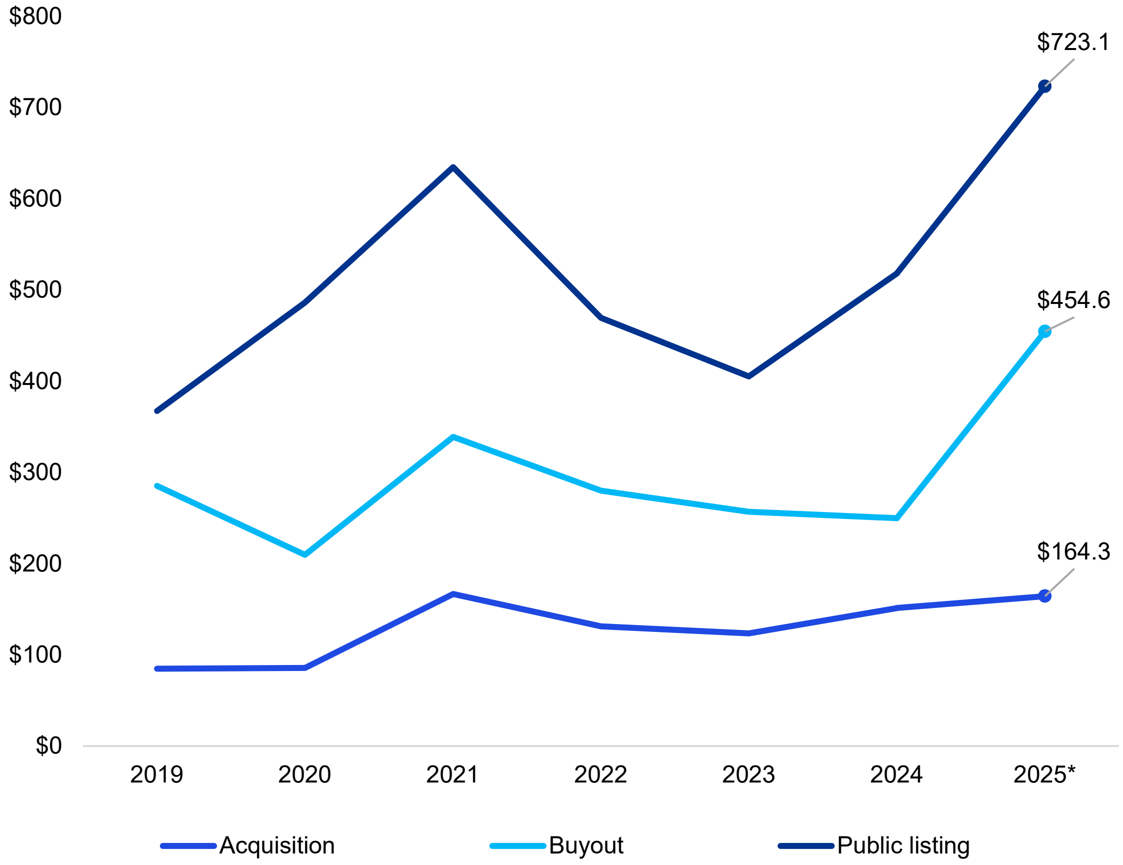
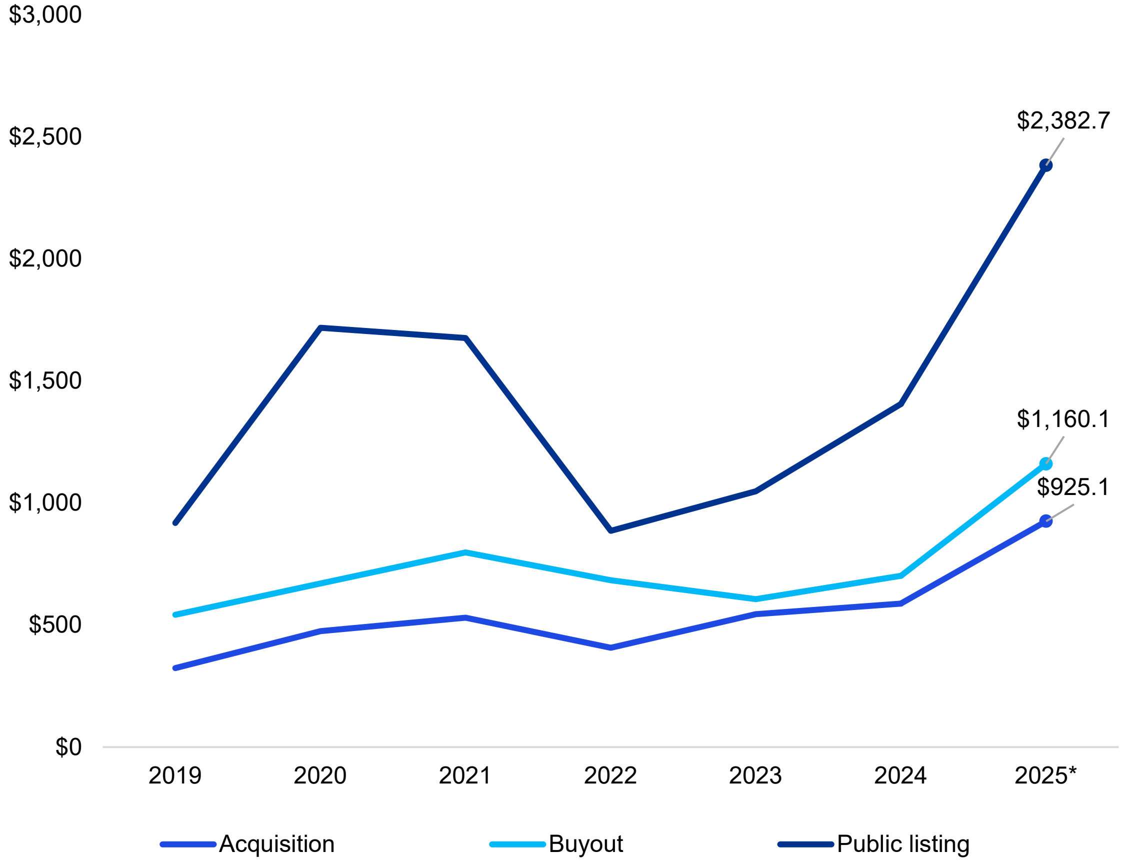
Listings surge to a new high amid market demand

Global median PE exit size ($M) by type



Global average PE exit size ($M) by type



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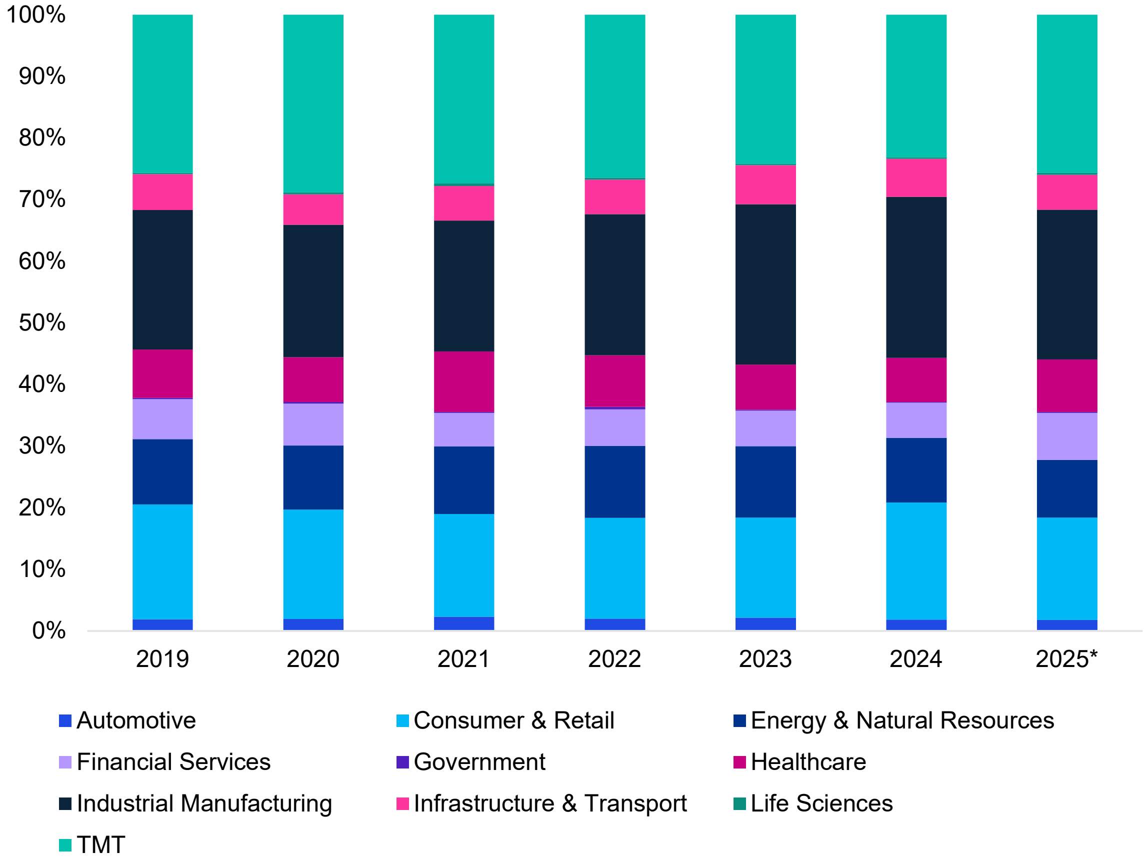
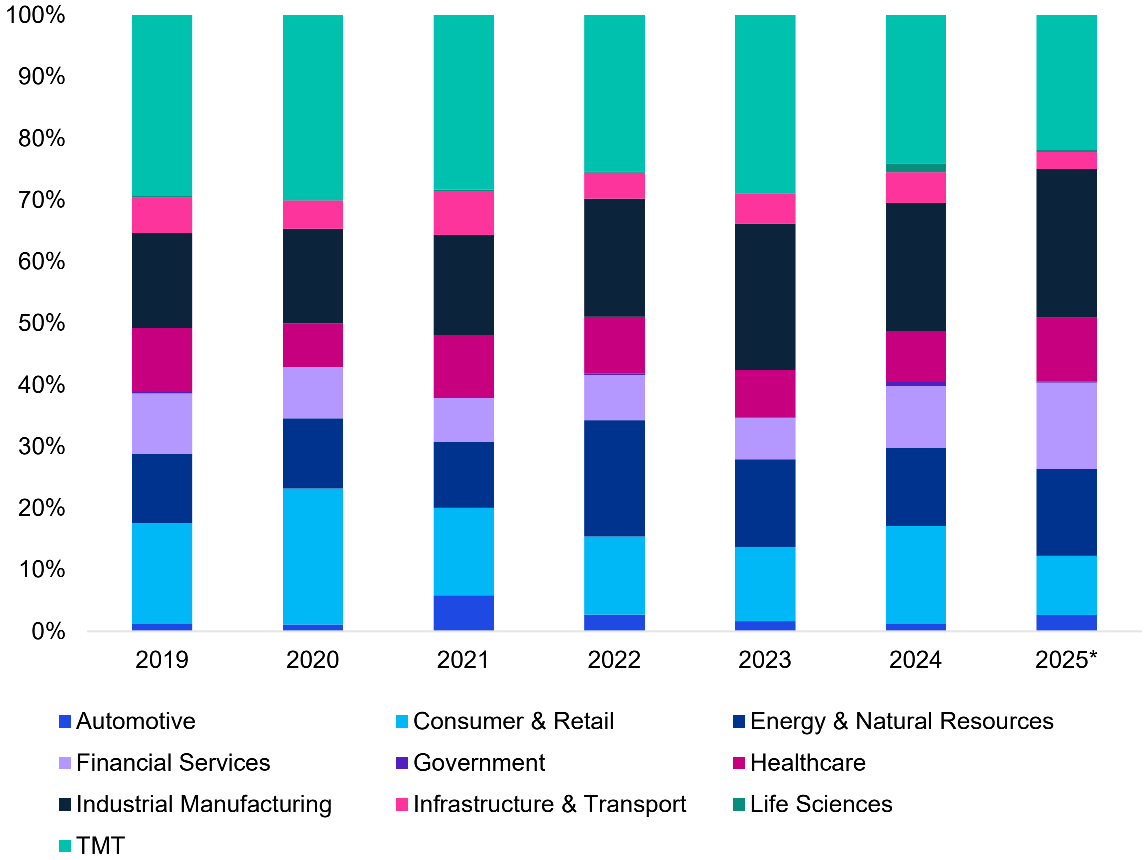
Financials and manufacturing drive exit value

Global PE exit activity (#) by sector



Global PE exit activity ($B) by sector



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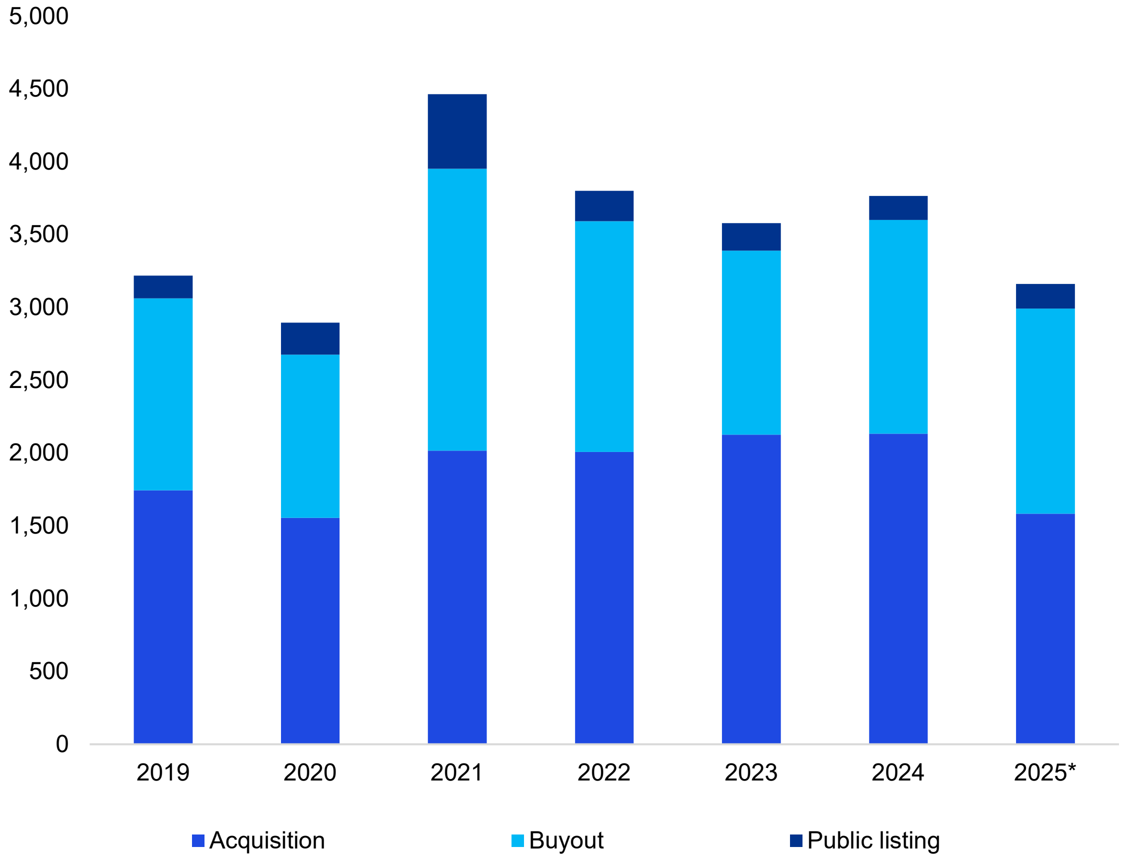
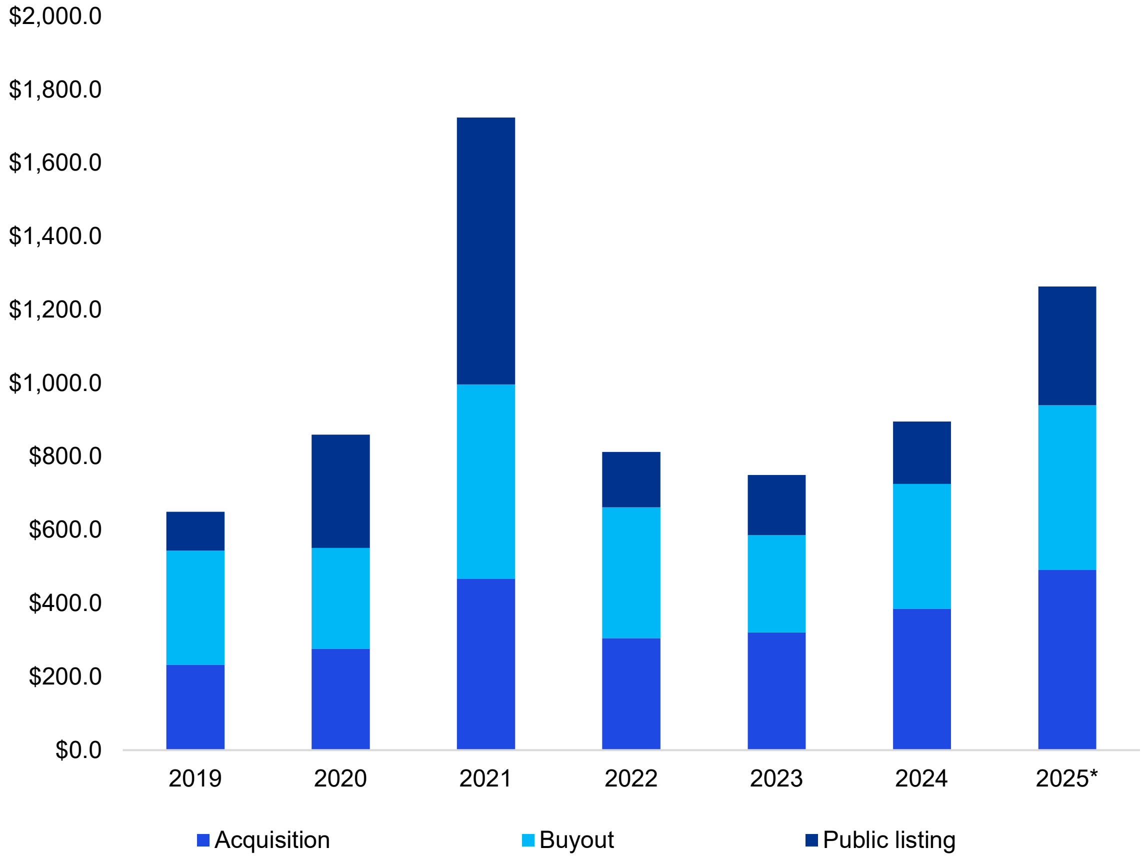
Sales to strategics hit second-highest value ever

Global PE-backed exit activity (#) by type



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



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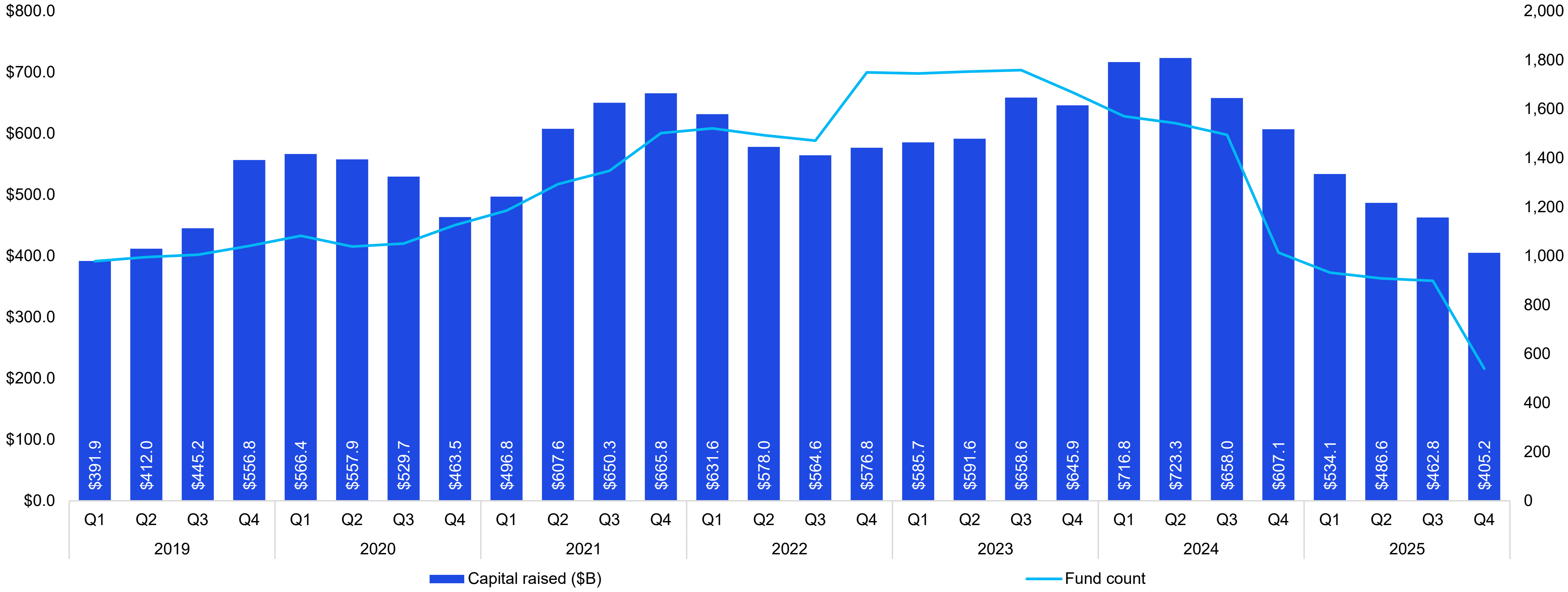
Fundraising suffers a significant slowdown

Global PE fundraising activity (rolling 12 month)



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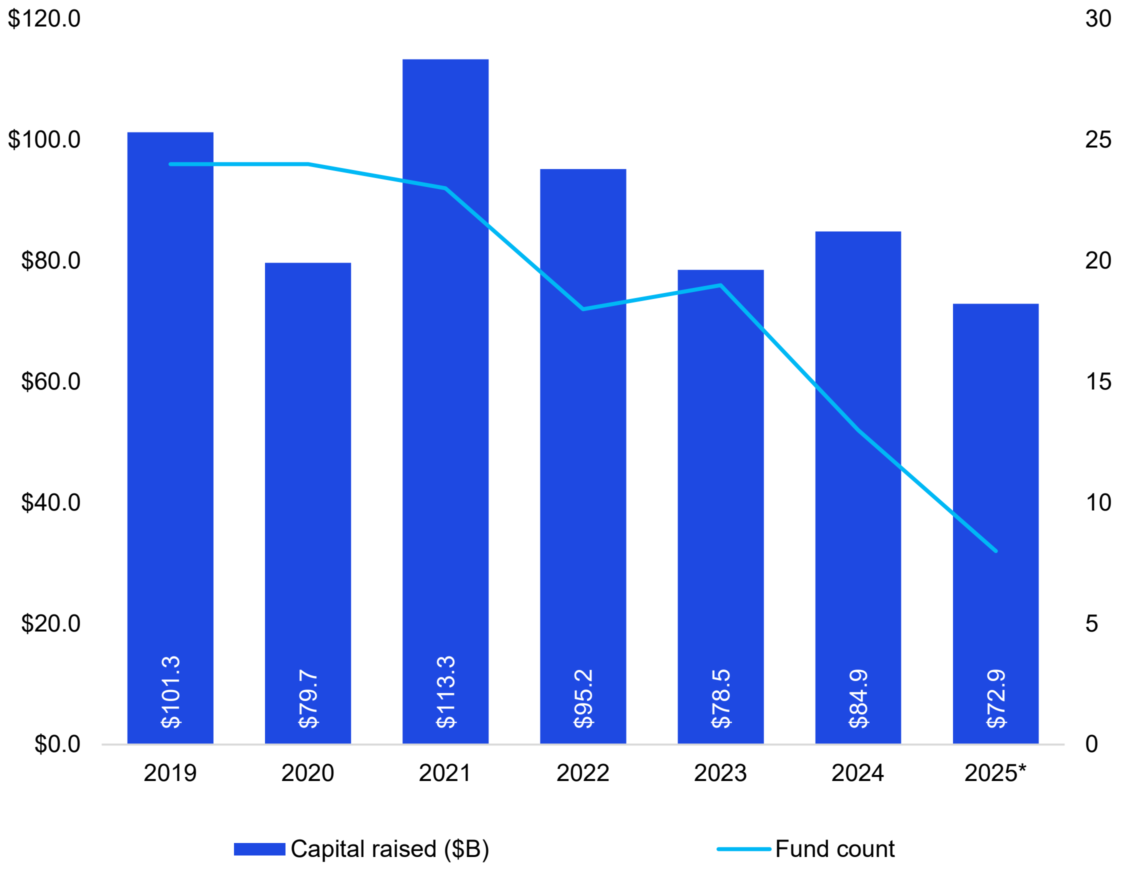
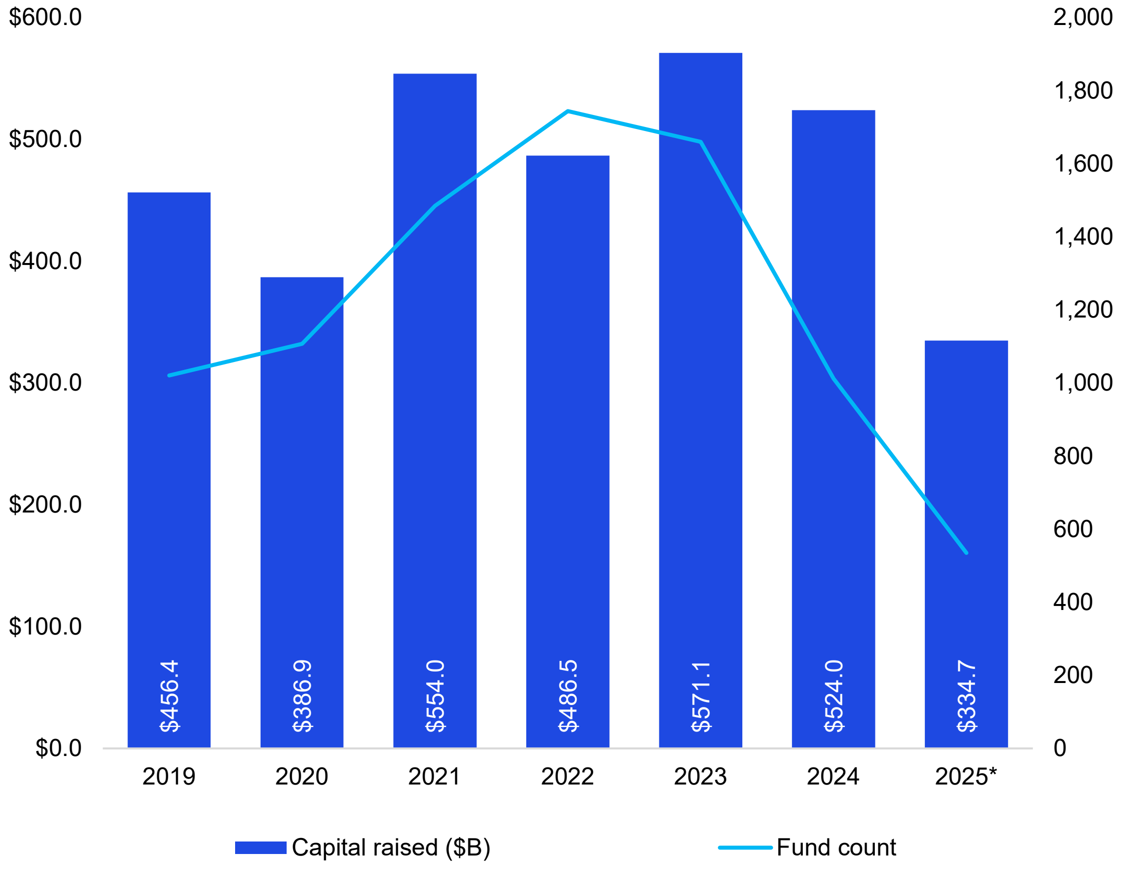
Top firms see more resilience in fundraising

Global PE fundraising activity by top 10 firms based on AUM*



Global PE fundraising activity by all other PE firms



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.
Note: The top 10 firms by AUM are based on the most recently available or updated AUM figure as recorded in the PitchBook platform.

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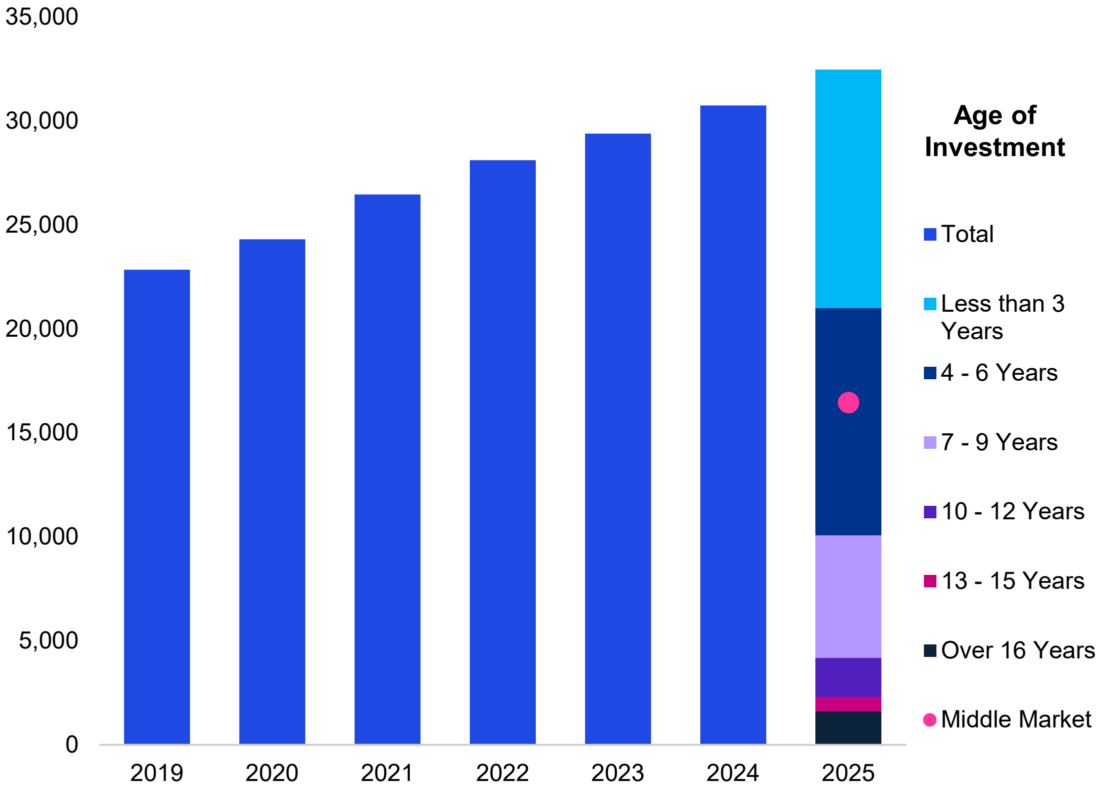
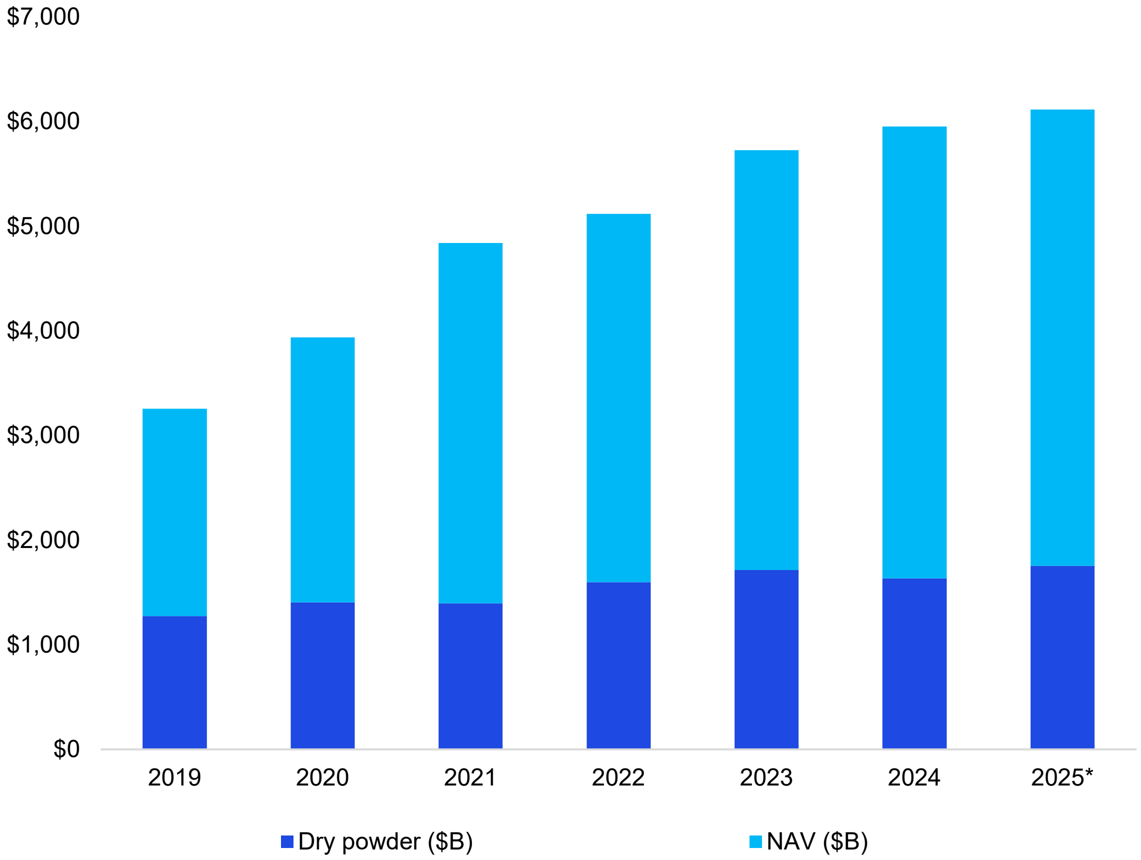
Company inventory, AUM hit all-time highs

Global PE company inventory



Global PE AUM



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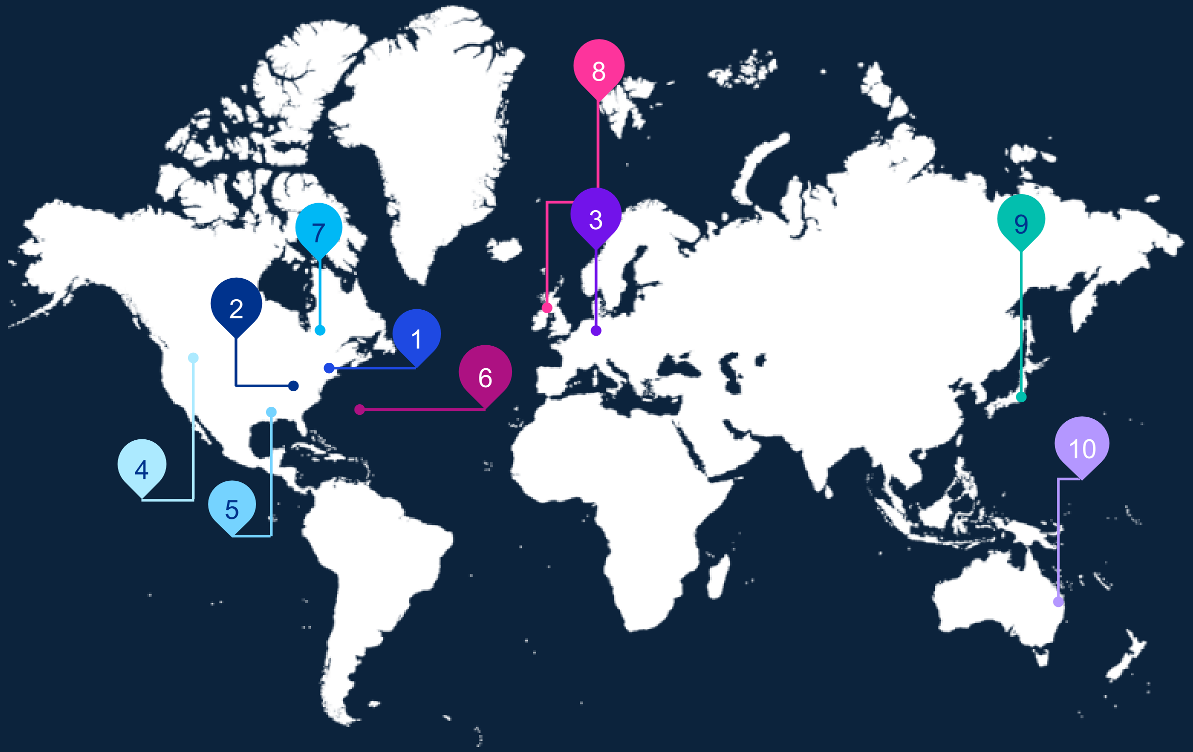
Global insights

Top 10 global deals announced in Q4 2025



1. **Hologic** — $18.3B, Marlborough, US — Public-private, *Healthcare*
2. **Sealed Air** — $10.3B, Charlotte, US — Public-private, *Containers & packaging*
3. **BASF Coatings** — $9B, Muenster, Germany — Corporate divestiture, *Industrial supplies*
4. **Clearwater Analytics Holdings** — $8.4B, Boise, US — Public-private, *Financial software*
5. **Citgo Petroleum** — $7.3B, Houston, US — Corporate divestiture, *Energy refining*
6. **Convex Insurance** — $7.1B, Hamilton, Bermuda — Buyout, *Insurance*
7. **Press Ganey Associates/Forsta** — $6.75B, South Bend, US — Add-on, *Healthcare services*
8. **JTC Group** — $6.6B, Saint Helier, UK — Buyout, *Asset management*
9. **BP Castrol** — $6B, Tokyo, Japan — Buyout, Specialty chemicals
10. **National Storage** — $4.4B, Brisbane, Australia — Public-private, *Logistics*

Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 30 December 2025. Data provided by PitchBook.

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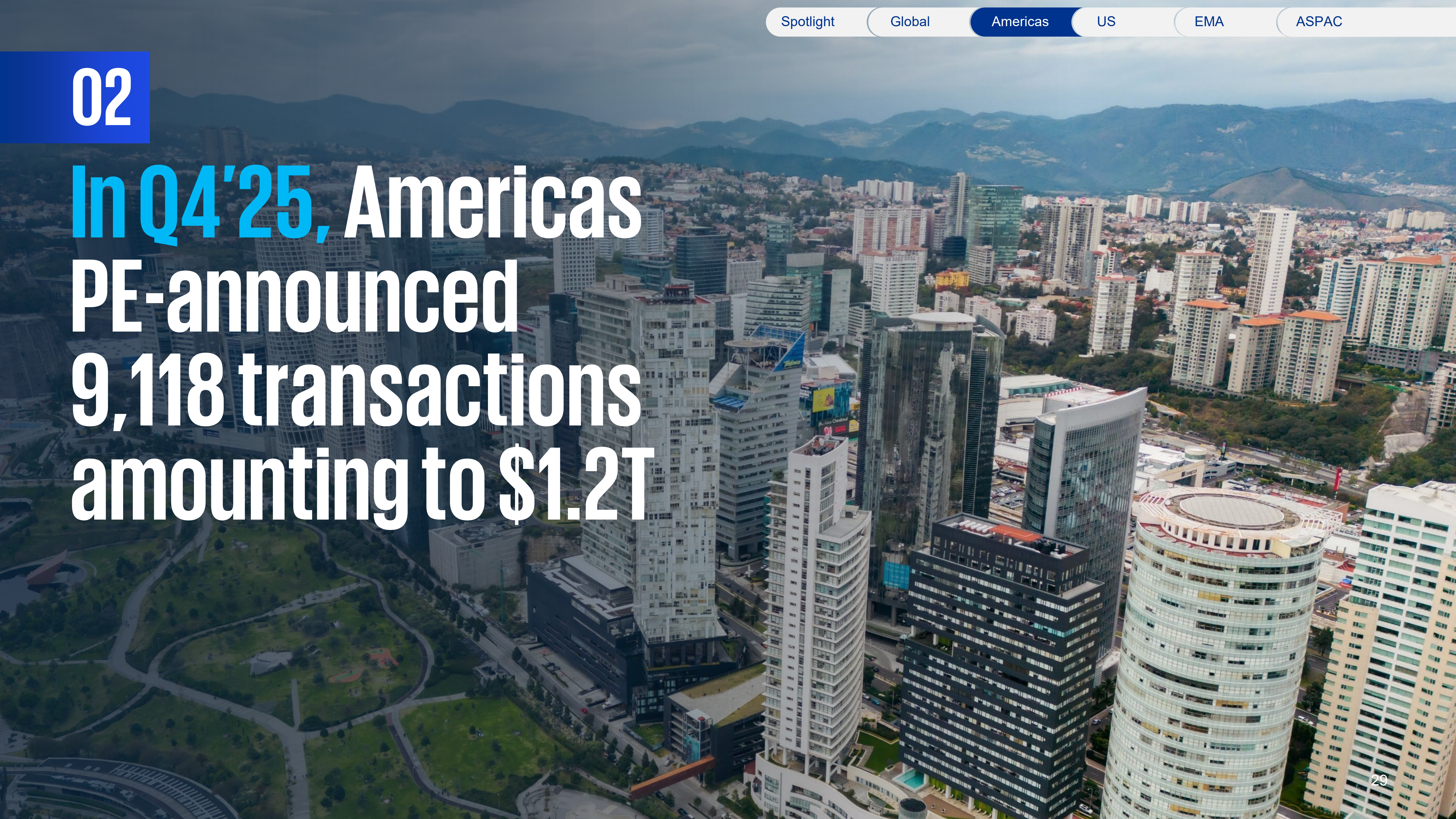

02

In Q4'25, Americas PE-announced 9,118 transactions amounting to $1.2T

Americas overview

PE deals volume in the Americas falls to five-year low despite investment growth

PE deal volume in the Americas fell from 10,082 in 2024 to a five-year low of 9,118 in 2025 despite PE investment strengthening to $1.2 trillion. The US accounted for the bulk of this activity, attracting $1.1 trillion in PE investment across 8,232 deals.

US accounts for 9 of the 10 largest deals in the Americas during Q4'25; Brazil attracts one

The US attracted many of the largest announced PE deals in the Americas in Q4'25, led by three public-to-private transactions: the $18.3 billion take private of Hologic by Blackstone and TPG,[9] the $12.1 billion take private of Sealed Air by CD&R,[10] and the take private of Clearwater Analytics by an investor group led by Permira and Warburg Pincus.[11] Brazil attracted the largest deal outside of the US — the $3.3 billion acquisition of aesthetic medical device company Medsystems by South Korea-based, Bain Capital-backed Classys.[12]

PE investors in Canada making fewer but bigger deals

After rising to a record high of $76.2 billion in 2024, PE investment in Canada fell off slightly in 2025 — although the $63.7 billion in PE funding remained high compared to historical norms despite deal volume falling to 596 — the lowest level since 2020. Building momentum was a key theme throughout the year, with increasing confidence in the market, growing deal activity, and larger deal sizes. Canada has also seen growing interest and participation in the PE market, including by large corporates and Middle Eastern sovereign wealth funds.

PE market in Latin America shows resilience

While the PE market in Latin America was a bit rocky in 2025, investors in the region have long been accustomed to managing high-interest rate environments, foreign currency fluctuations, and inflation. As such, investors in the region were not as tentative as those in jurisdictions less used to challenging market dynamics. Q4'25 saw increasing PE dealmaking in the region, driven primarily by interest in sectors like infrastructure and natural resources. Telecom infrastructure was of particular interest to PE investors, especially given the rapidly growing demand for AI capabilities. Jurisdictions like Brazil and Argentina have also encouraged foreign investment in the infrastructure space through improved regulations and incentives.

> "It's been the year of infrastructure in Latin America. We've seen tremendous interest in the space. A number of PE firms have raised large infrastructure funds — not just in Brazil, but also in jurisdictions like Colombia, Paraguay, and Mexico. We've also seen a lot of interest in dealmaking — with a big focus on tech and telecom infrastructure. We expect that to continue to grow in 2026."

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

[9] cnbc.com, "Hologic to go private in up to $18.3 billion deal backed by Blackstone, TPG," 21 October 2025.
[10] cdr.com, "Sealed Air to be Acquired by CD&R for $10.3 Billion," 17 November 2025.
[11] bloomberg.com, "Permira, Warburg Agree to Buy Clearwater Analytics for $8.4 Billion," 21 December 2025
[12] koreabiomed.com, "Classys acquires Brazil's JL Health to strengthen leadership in global medical aesthetics," 24 October 2025.

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Americas overview

Add-on deals becoming increasingly strategic and capital intensive

Add-on deals continued to be a key focus for PE investors in the Americas given their strong ability to increase value. During 2025, the tenor of add-on deals shifted, with PE investors focusing primarily on scale step-change acquisitions — like vertical integration or the acquisition of significant new capabilities or geographic reach — rather than on the small tuck-in acquisitions that have been predominant in the market in recent years. While small tuck-ins are expected to remain a core part of PE value creation, high value strategic add-ons will likely remain a PE investment focus in 2026.

Infrastructure and transport sector sees PE investment double as deal volume hits four-year high

The TMT sector continued to attract the largest share of PE funding ($408.6 billion) in the Americas in 2025, although the infrastructure and transport sector saw the most notable changes year-over year. PE investment in the space more than doubled from $48.4 billion to $107.6 billion year-over-year, while deal volume rose from 600 to 670 — just shy of the peak seen in 2021.

The energy sector also saw a rise in deal value from $95.3 billion to $141.4 billion. Both sectors are expected to remain hot in 2026, driven by growing hunger for AI ecosystem assets and increasing energy transition and grid modernization activities. Healthcare and life sciences also saw strong investment in the Americas 2025, attracting $109.8 billion and $4.3 billion, respectively.

Exit activity evolving in Latin America as PE firms look to take maturing companies to next level

Exit activity strengthened in Latin America during 2025, driven in part by growing interest in VC to PE transactions. The significant flow of VC into the region over the last decade has led to businesses that have grown, achieved scale, and become profitable. With the market maturing, an increasing number of PE firms are now becoming active in the region, at opportunities to take these businesses to the next level. Secondary exits have also become more prevalent in the region, primarily in the form of continuation vehicles.

> “Private equity investment in Canada reached $63.8 billion in 2025. While lower than the prior year due to slower deal volume, average deal size increased and deal velocity increased in the back half of the year. Infrastructure and energy stood out as clear areas of strength, attracting both domestic and foreign capital. Looking ahead to 2026, we expect that momentum to continue.”

John Cho
National Private Capital Leader in Canada, Head of Deal Advisory for KPMG in the Americas region
KPMG in Canada

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Americas overview

Alignment between government and business expected to drive opportunities in Canada

During 2025, Canada saw growing alignment on investment priorities between the business community, policy makers and the government. In particular, infrastructure — including technology, AI and defense — and energy gained a lot of attention, attracting strong government funding commitments and interest from the private sector. This alignment is expected to make Canada an increasingly attractive place for private capital investment — including foreign capital — heading into 2026.

Trends to watch for in Q1’26

Forward to 2026, PE investment is expected to grow across the Americas. Infrastructure and energy are expected to be the most attractive sectors for investment, while sectors like financial services and healthcare will likely also continue to attract attention.

In Canada, momentum is expected to keep building in the PE market heading into 2026 — with more deals, larger deals, and a growing number of exits. In particular, 2026 will likely see aging portfolio companies owned by PE coming out to market.

While there is optimism that PE investment will continue to grow in Latin America, particularly in the infrastructure space, uncertainties related to trade relations and upcoming elections could have an impact on deal activity.

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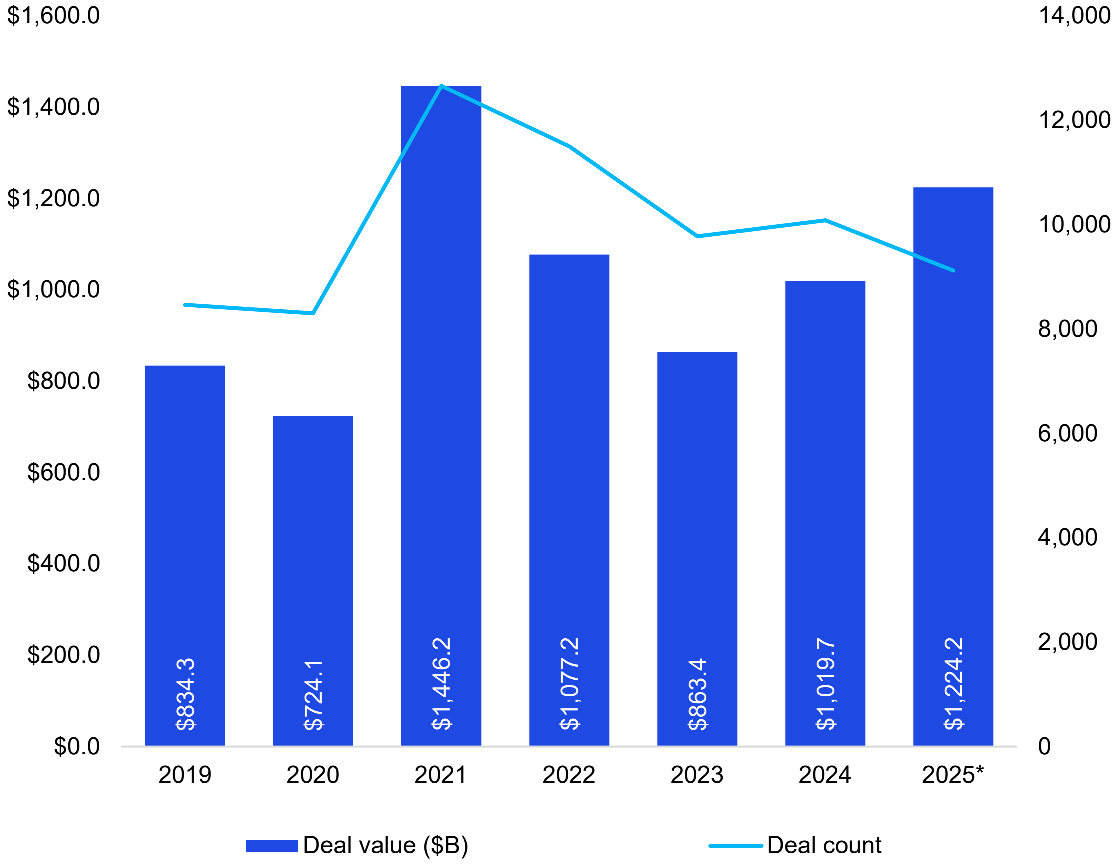
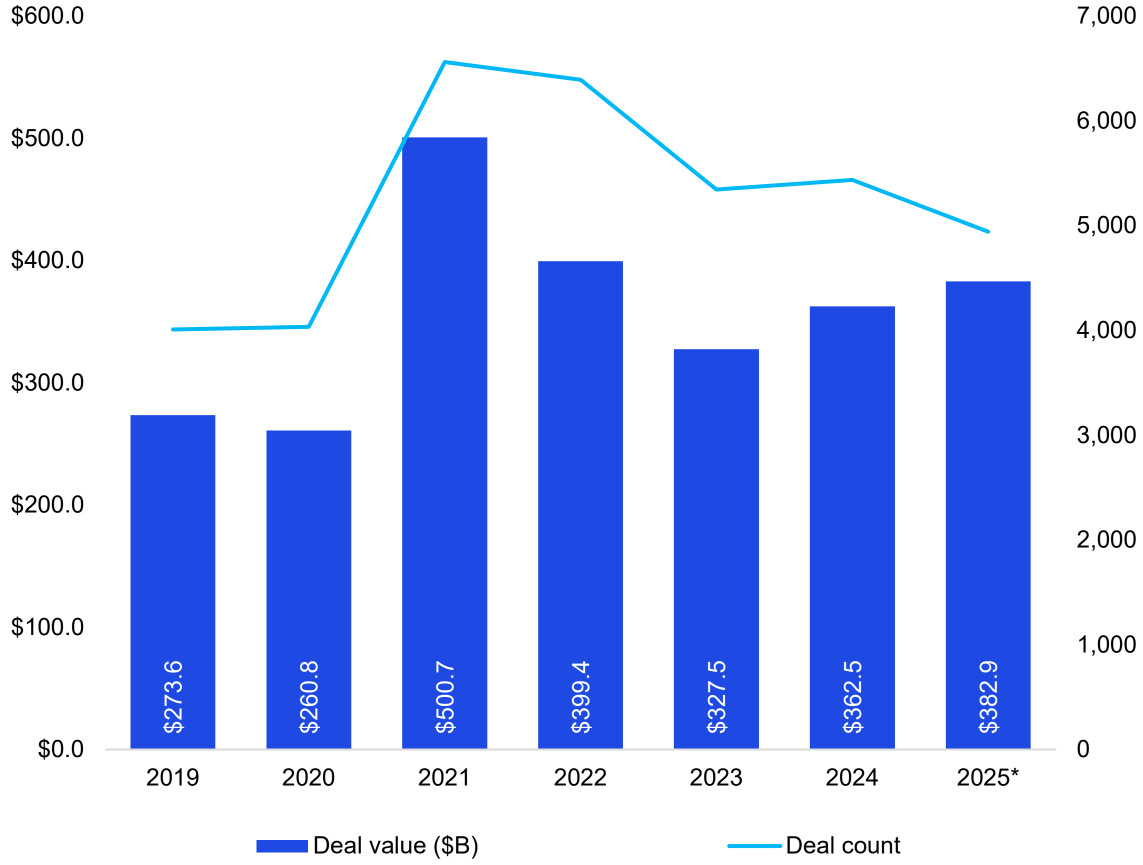
Deal value resurges to near-record level

Americas PE deal activity



Americas PE add-on/bolt-on activity



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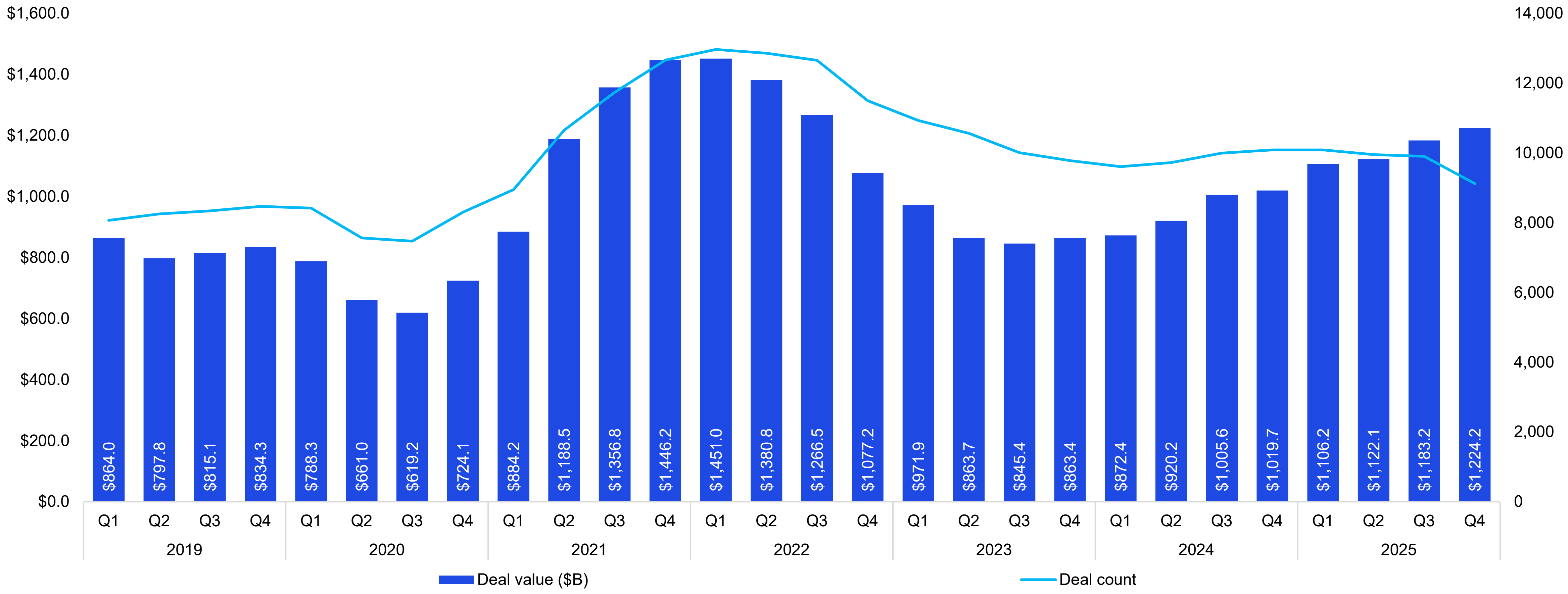
Momentum builds in a sign of PE confidence

Americas PE deal activity (rolling 4-quarter sum)



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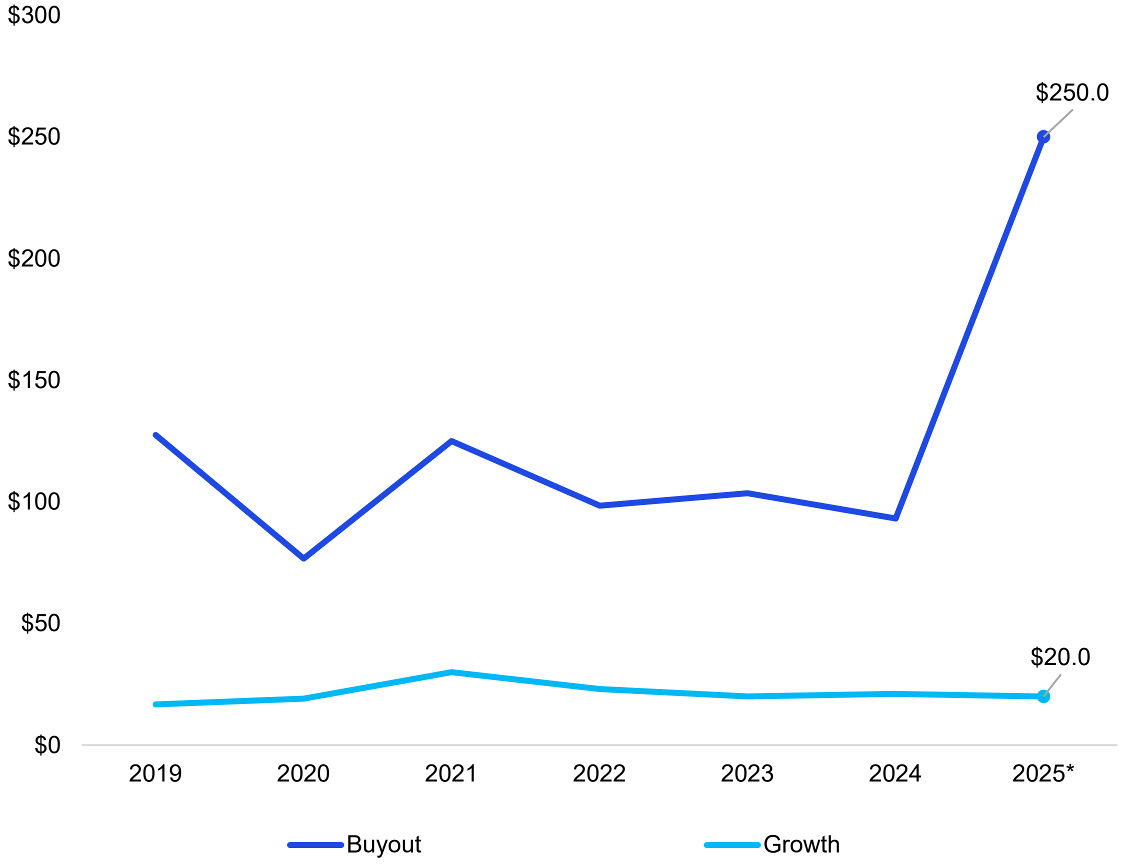
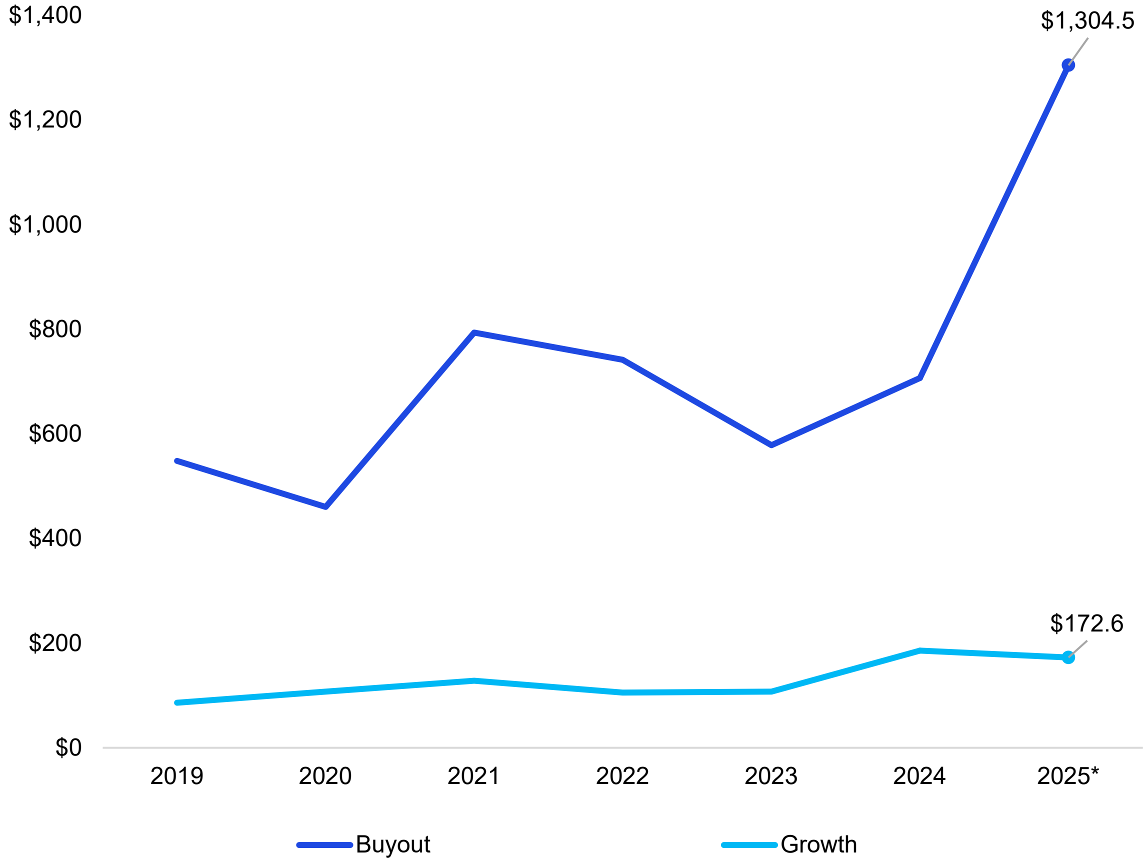
Opportunistic firms push average deal size to $1.3B

Americas median PE deal size ($M) by type



Americas average PE deal size ($M) by type



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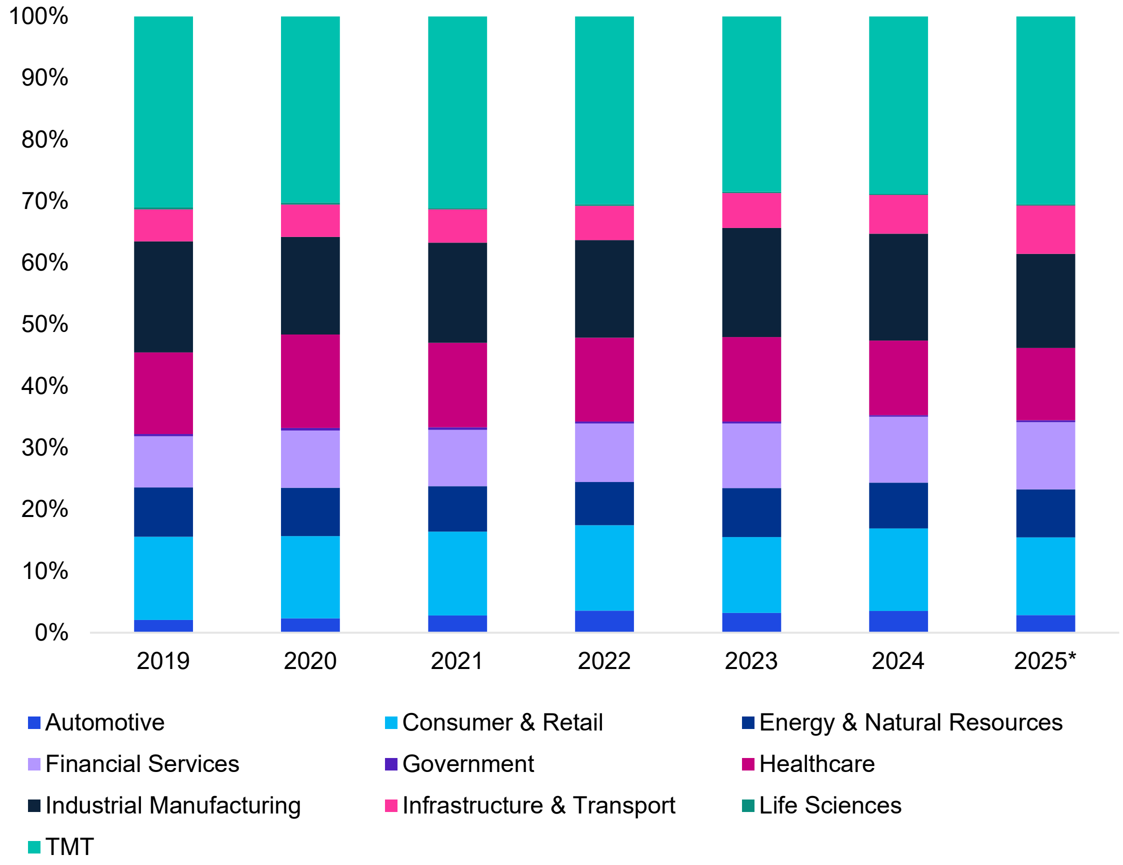
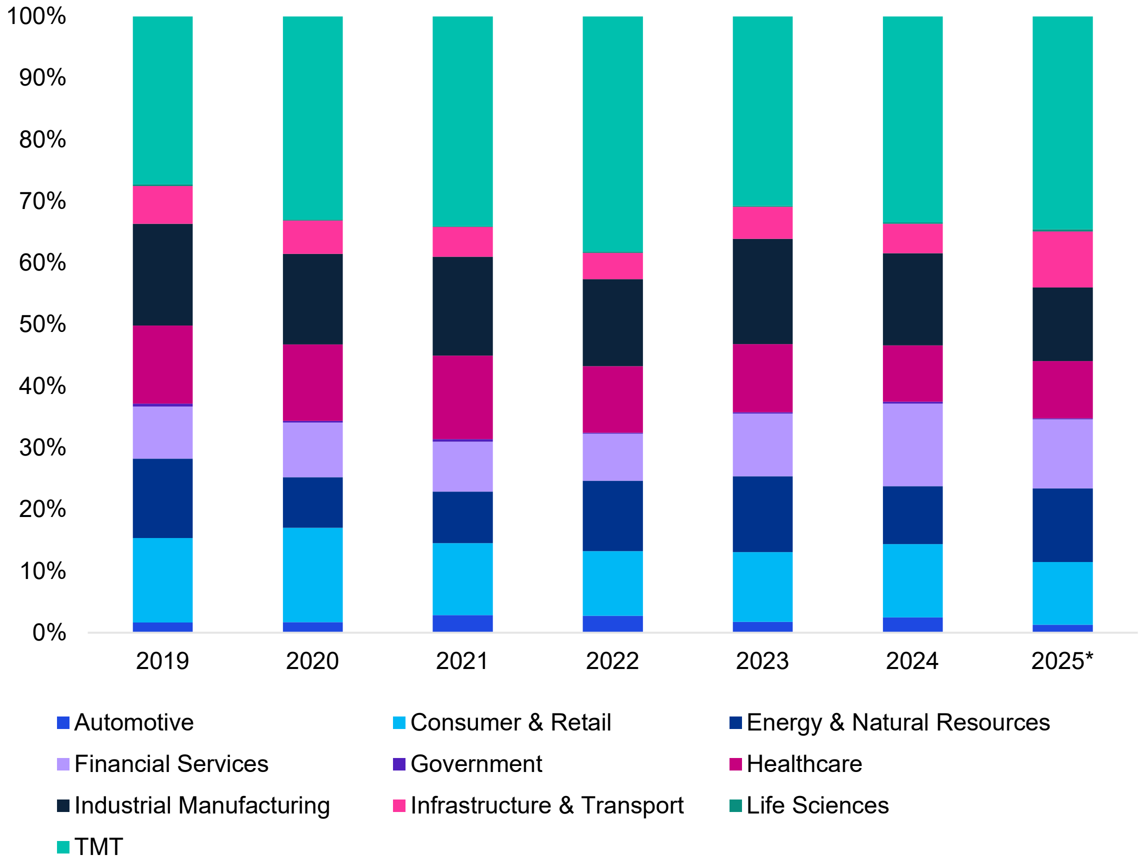
Software remains a key focus amid strong infra figures

Americas PE deal activity (#) by sector



Americas PE deal activity ($B) by sector



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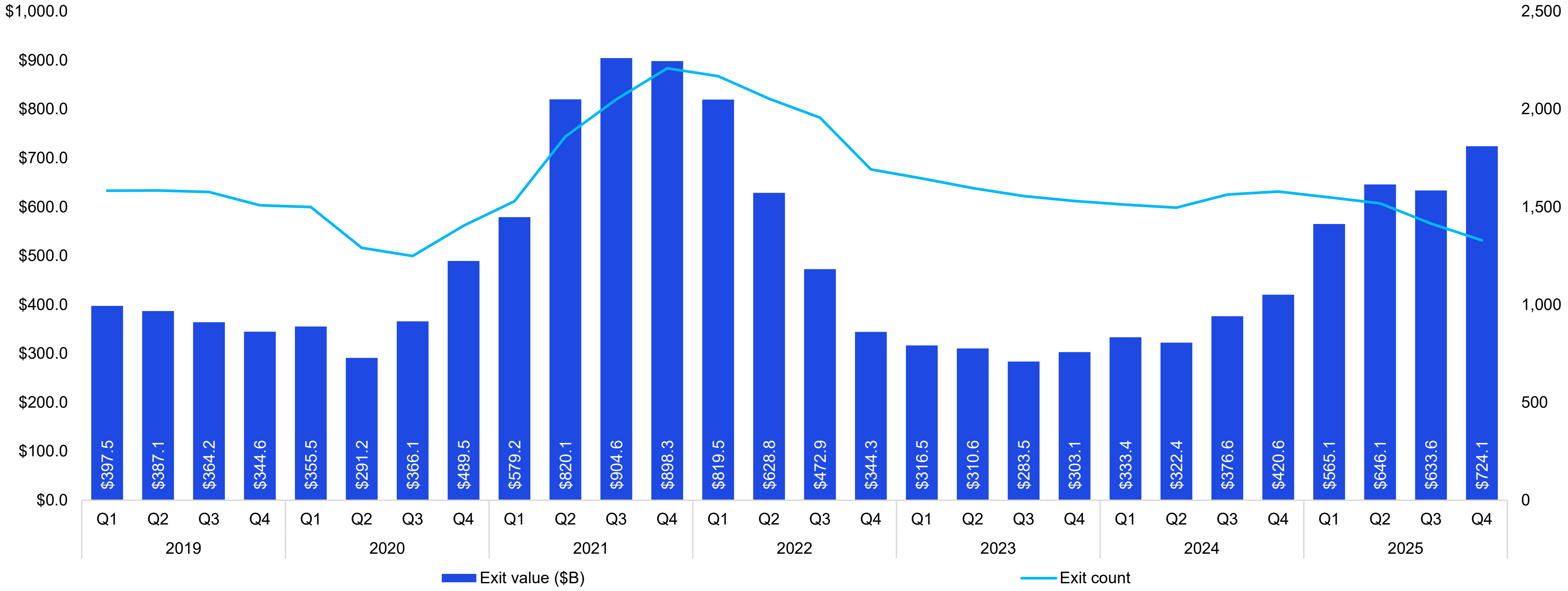
Exits make a comeback, with more poised to come

Americas PE-backed exit activity (rolling 4-quarter sum)



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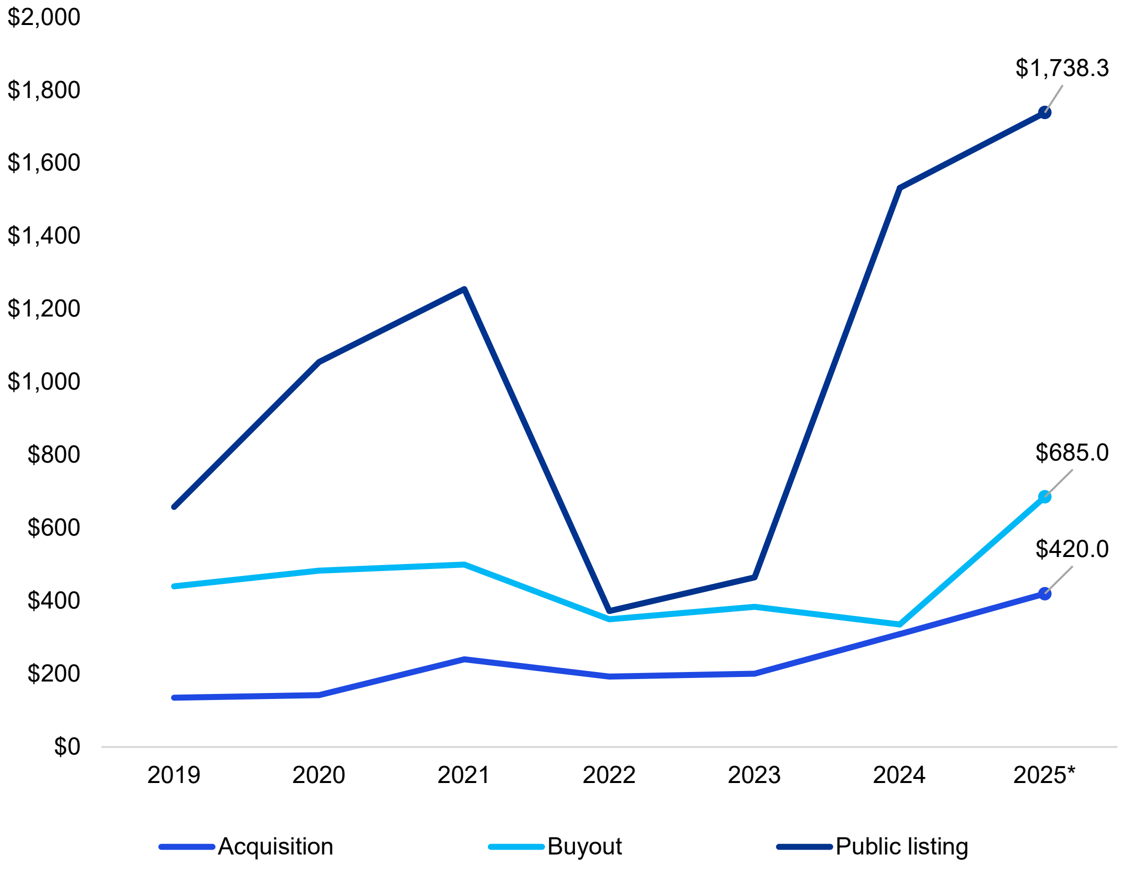
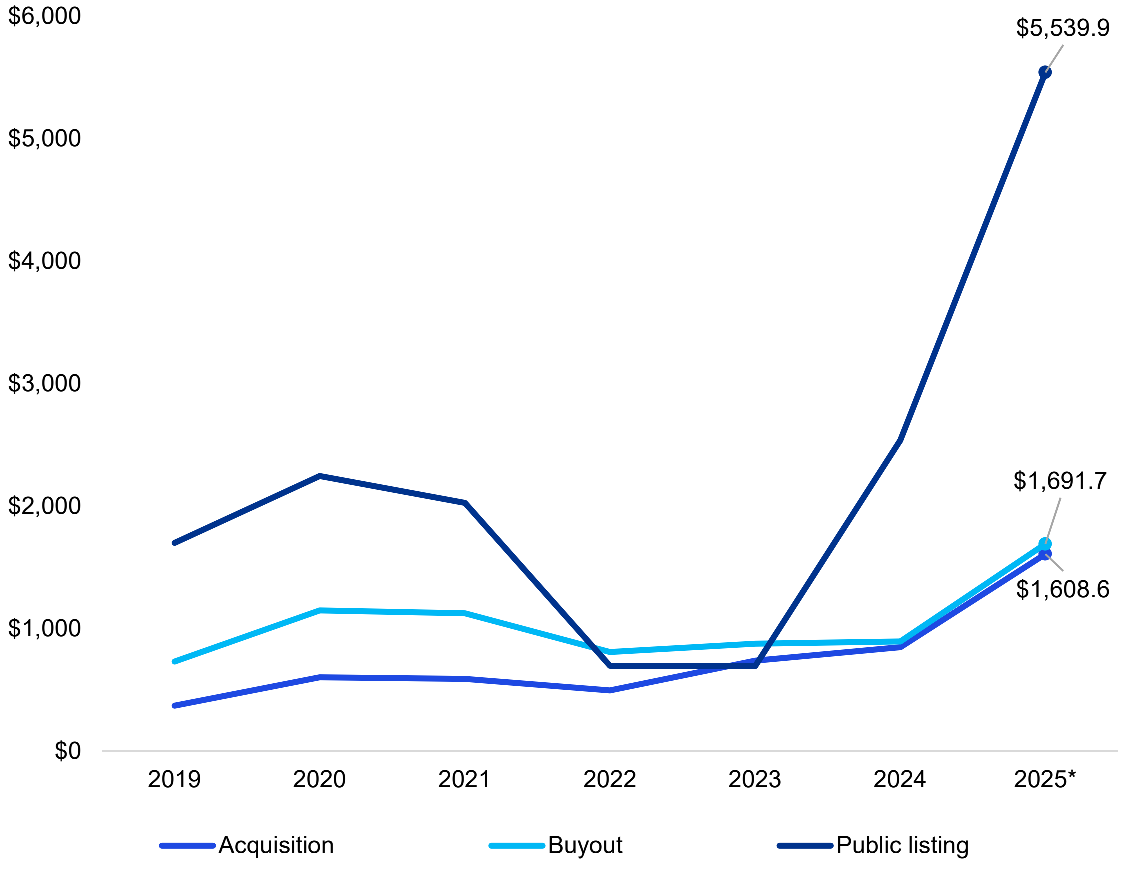
Exit sizes rise across the board

Americas median PE exit size ($M) by type



Americas average PE exit size ($M) by type



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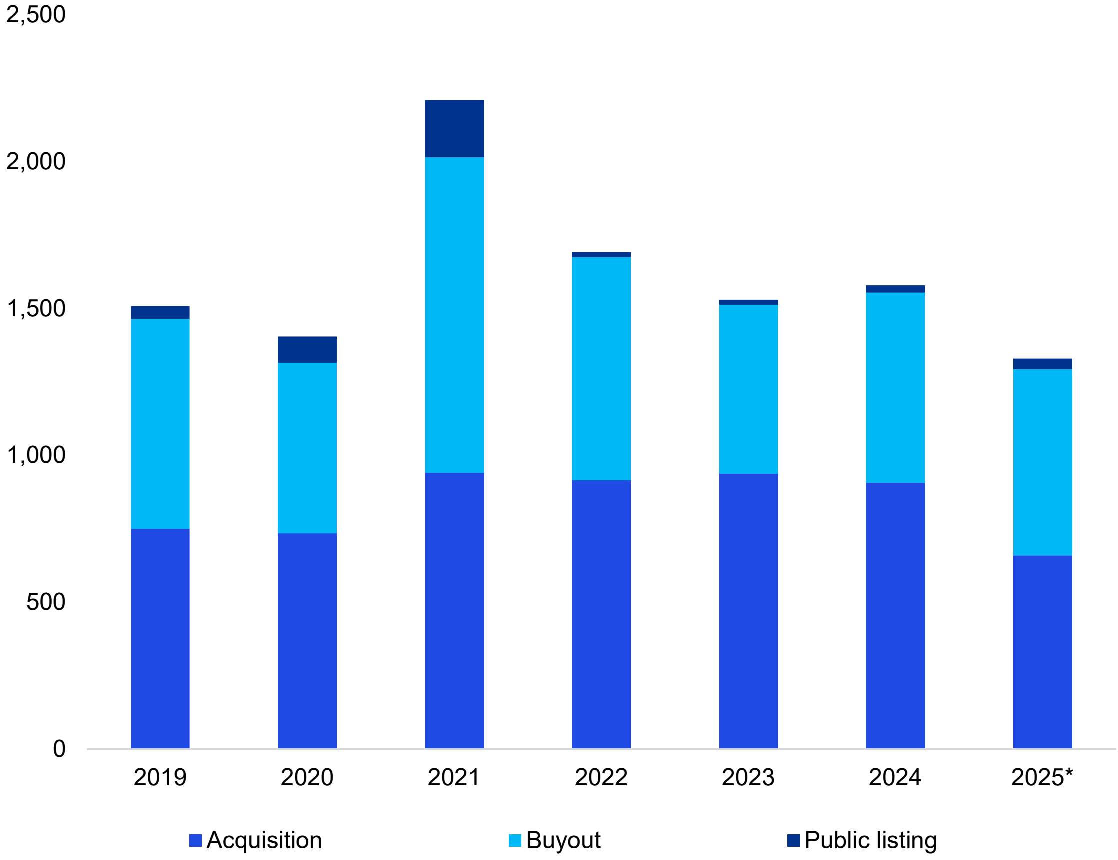
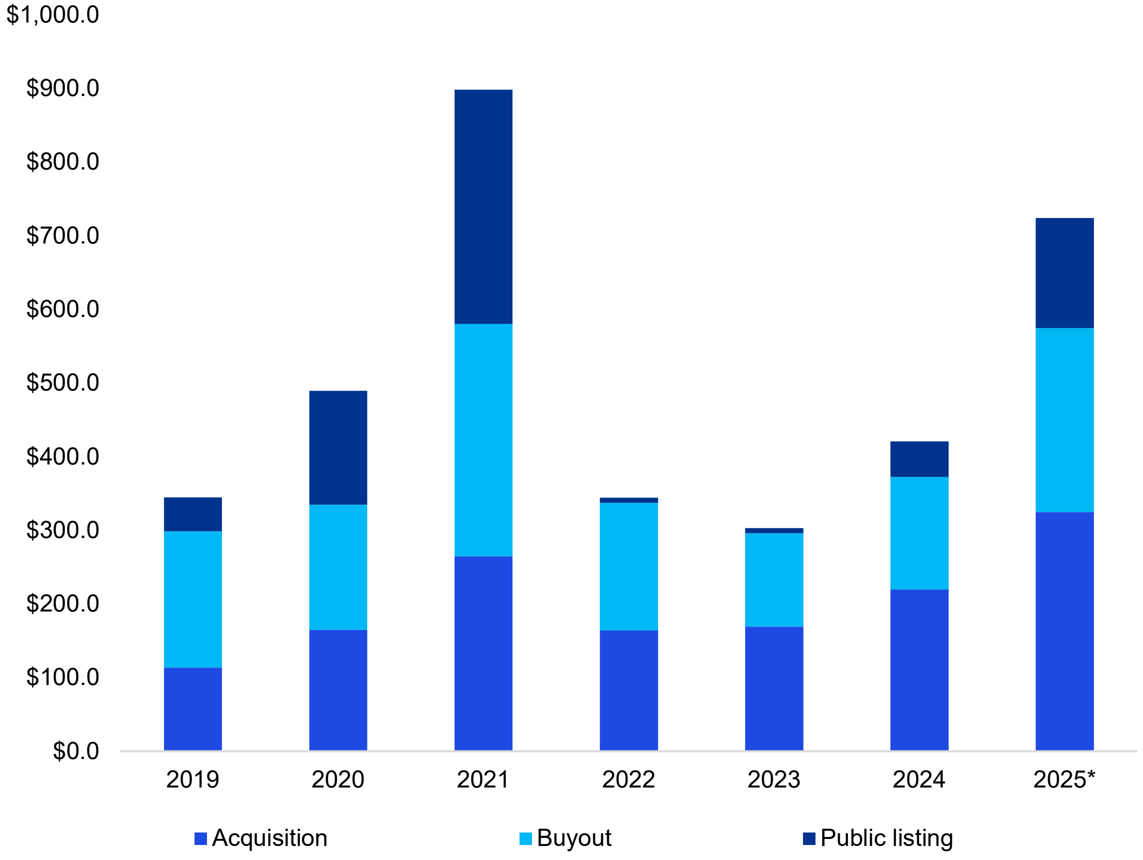
M&A and a handful of listings propel exit resurgence

Americas PE-backed exit activity (#) by type



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



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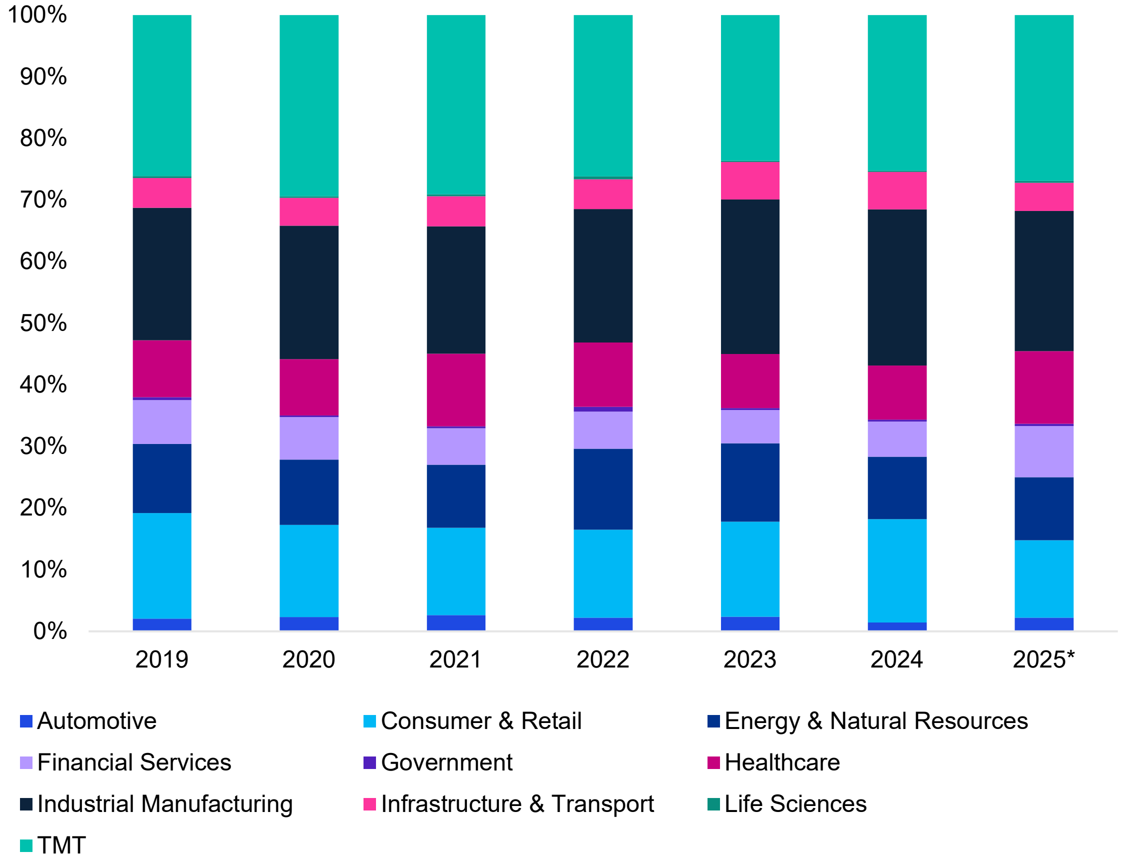
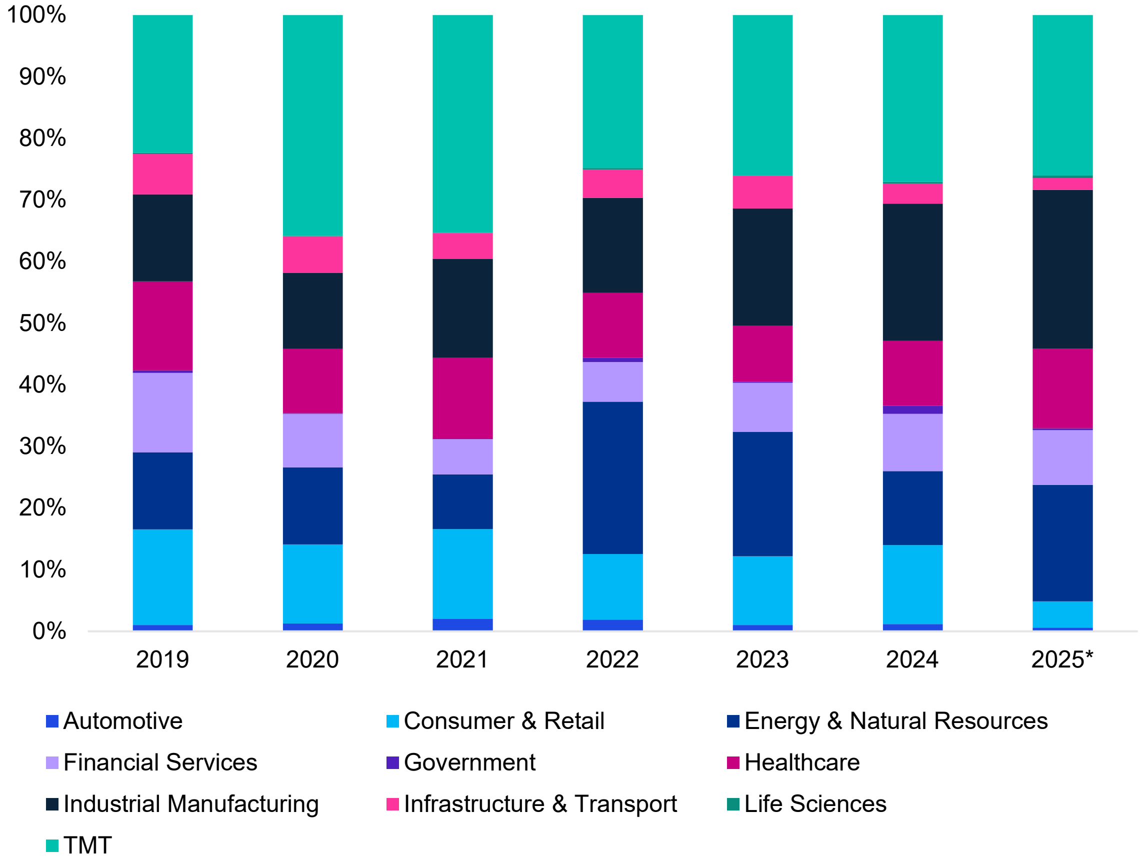
Manufacturing, TMT underpin exit surge

Americas PE exit activity (#) by sector



Americas PE exit activity ($B) by sector



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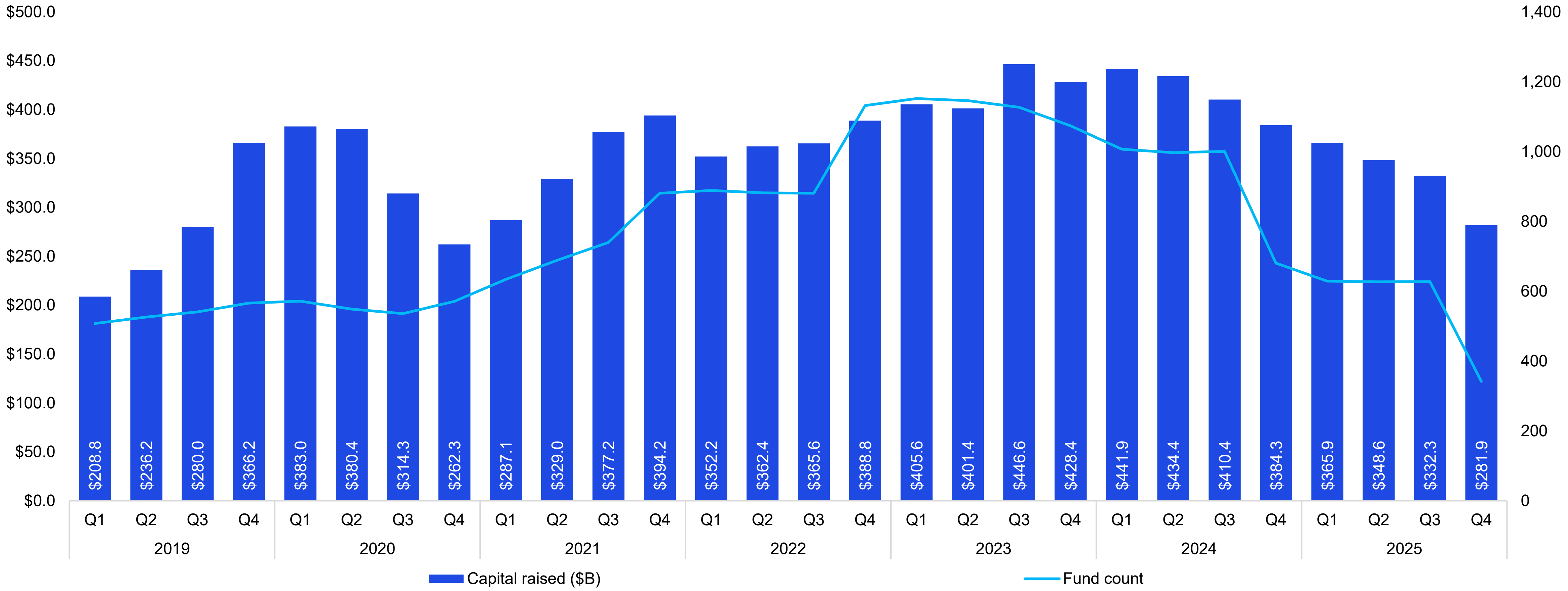
Allocators pull back for the time being

Americas PE fundraising activity (rolling 12 month)



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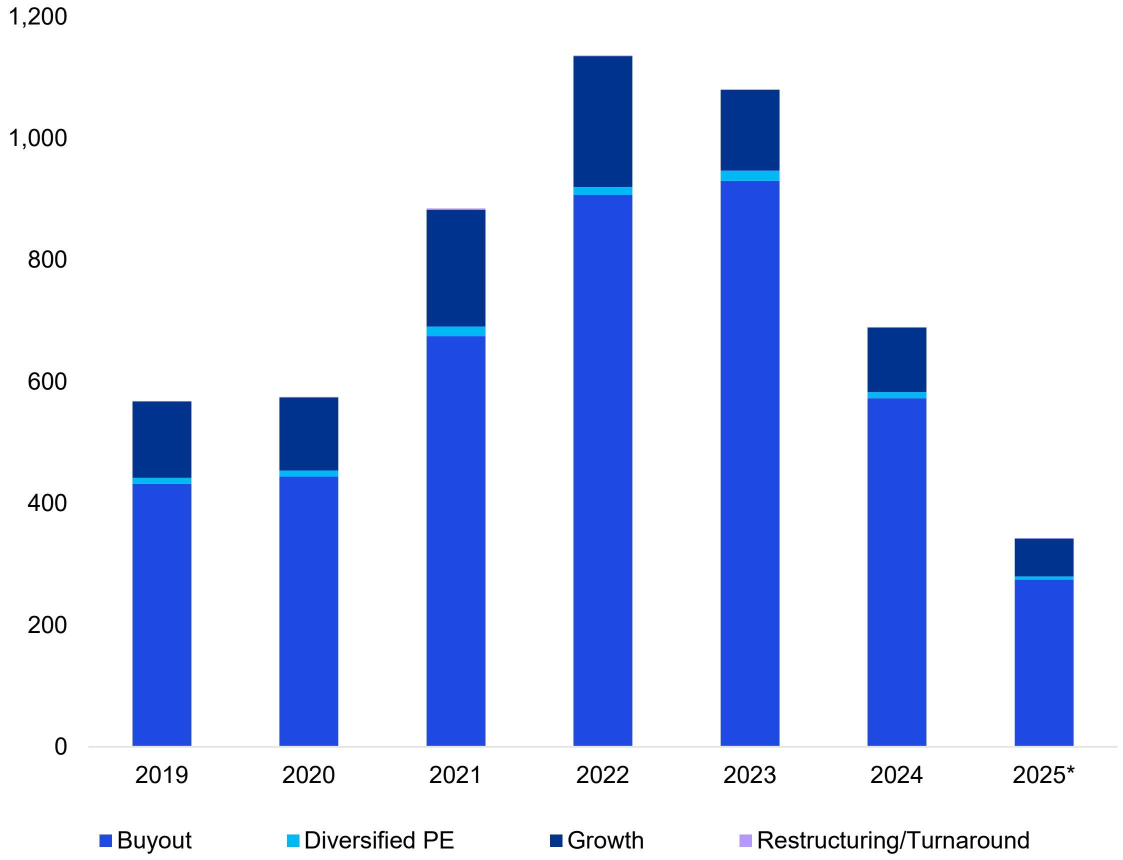
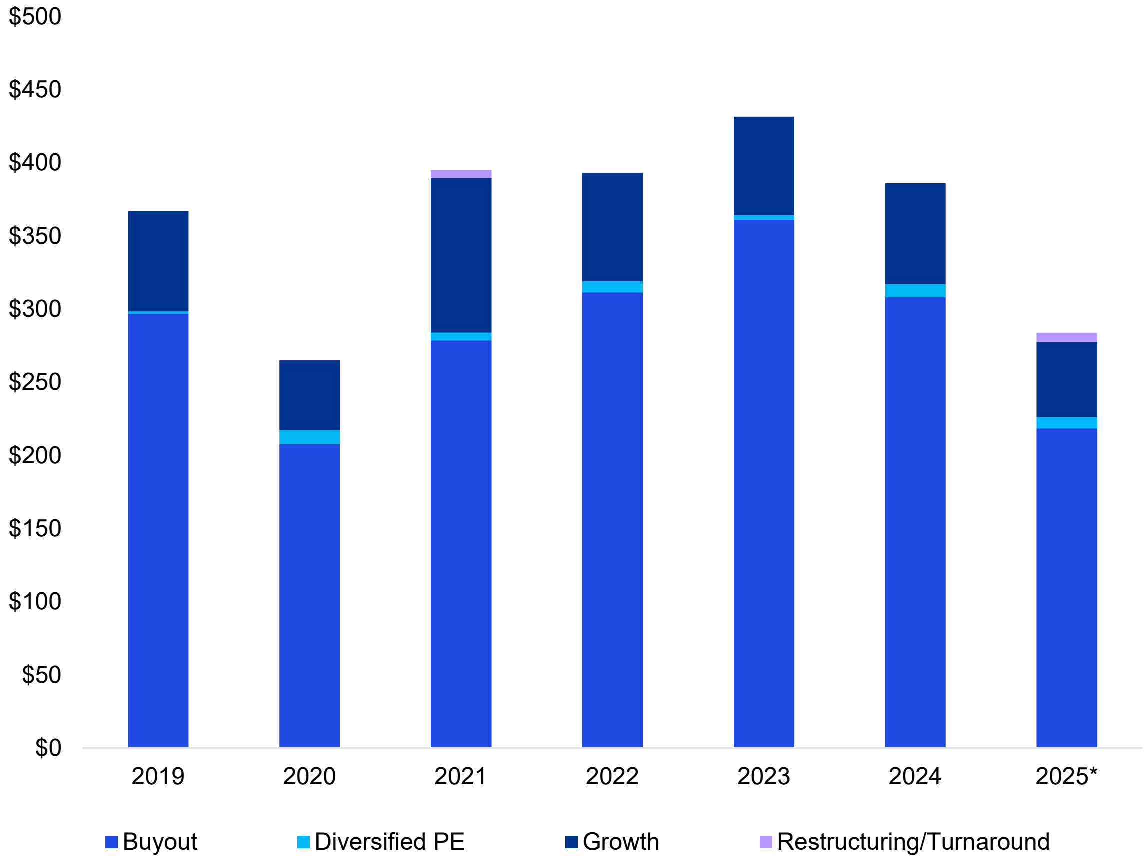
LPs prioritize larger, experienced buyout managers

Americas PE fundraising activity (#) by type



Americas PE fundraising ($B) by type



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.

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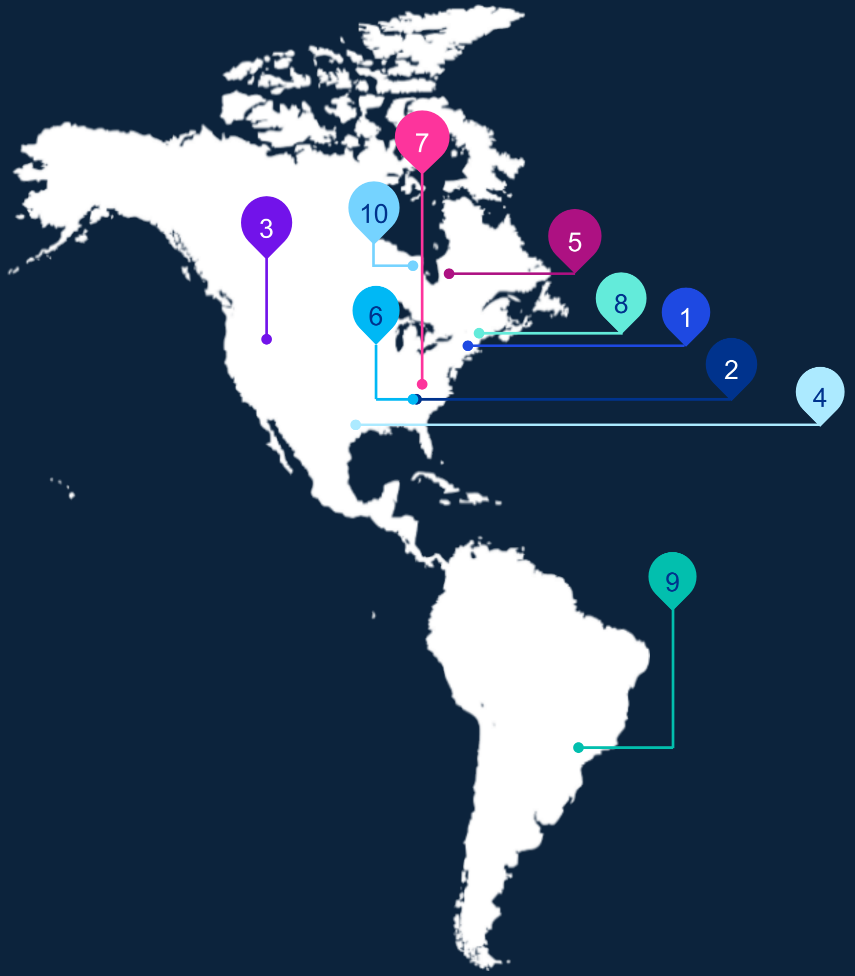
Americas

Top 10 Americas deals announced in Q4 2025



1. **Hologic** — $18.3B, Marlborough, US — Public-private, *Healthcare*
2. **Sealed Air** — $10.3B, Charlotte, US — Public-private, *Containers & packaging*
3. **Clearwater Analytics Holdings** — $8.4B, Boise, US — Public-private, *Financial software*
4. **Citgo Petroleum** — $7.3B, Houston, US — Corporate divestiture, *Energy refining*
5. **Press Ganey Associates** — $6.75B, South Bend, US — Add-on, *Healthcare services*
6. **Brighthouse Financial** — $4.1B, Charlotte, US — Public-private, *Insurance*
7. **MacLean Power Systems** — $4B, Fort Mill, US — Add-on, *Industrial supplies*
8. **Mercury Systems** — $3.6B, Andover, US — Buyout, *Aerospace & defense*
9. **Medsystems** — $4.4B, Moncoes, Brazil — Corporate acquisition, *Distributors/wholesale*
10. **TreeHouse Foods** — $2.9B, Oak Brook, US — Public-private, *Food products*

Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.

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03

In Q4'25, US PE-announced 8,232 transactions amounting to $1.1T

US overview

PE investment in US accounts for half of PE deal value globally

PE investment in the US was very strong in 2025, accounting for $1.1 trillion dollars — the second highest level of PE investment ever — and close to 2021's peak high of $1.3 trillion. While the level of investment was robust, the number of PE deals dropped considerably — from 9,054 deals in 2024 to 8,232 deals in 2025.

PE investors in US very selective with their dealmaking in 2025

The strong increase in PE funding amid a drop in deal volume highlights the selectivity PE investors in the US showed with their dealmaking in 2025. Sponsors concentrated on making a smaller number of larger, more strategic deals — right at the top end of the market. Investment committees maintained strong financial discipline, increasingly focusing on issues like debt margin resilience and asking questions around pricing power given macroeconomic factors like inflation. Investor selectivity will likely continue into 2026, with capital continuing to flow into higher conviction opportunities with strong margin resilience and exit visibility.

Value growth over volume growth helped by record dry powder, and private capital

A combination of pent-up demand and a record level of dry powder helped drive PE investment in the US during 2025.

Private credit also continued to scale during the year, giving sponsors the financial leverage needed to complete more complex transactions. These factors, combined with an improving financing environment and syndicated markets opening, helped spur higher value deals.

Carve-outs remain a big driver of PE deals activity as corporates reshape their portfolios

Carve-outs remained one of the most consistent and resilient segments of the U.S. private equity M&A market in 2025.. This was driven by a number of factors, including the acceleration of corporates reshaping their portfolios in order to free up the cash flow needed to transform their businesses for the future. Many corporates rethought their strategic business thesis, refocusing on their core business activities and shedding non-core and underperforming divisions to drive better financial positioning.

Stabilizing macroeconomic factors — including the interest rate environment — gave corporates more confidence in their ability to divest assets in 2025, while also giving PE firms more confidence in asset valuations and their ability to create meaningful value. The willingness of private credit to deliver larger, more flexible deal structures able to meet the needs of PE firms likely also played a role in deal activity. In 2026, large carve-outs will likely remain robust as corporates continue to focus on the simplification of their businesses and on their capital efficiency.

> “In 2025, we saw the release of essentially two years of pent-up demand. That's led to clearer rate expectations, narrower valuation gaps, and a return of investor confidence. That's not really translating to more volume because much of the capital being deployed is being accelerated by the large funds and deals are focusing on high-value, top-of-the-market deals. Going forward, pricing dynamics are going to impact that higher end of the market, with higher entry multiples to get into those deals. We're going to see a lot of competition of those deals — and more club deals.”

Donald Zambarano
US Head of Private Equity
KPMG in the US

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US overview

PE fundraising remains soft, concentrated on larger funds

PE fundraising activity in the US was very weak in 2025; while funds raised fell to a five-year low of $278 billion, the number of funds plummeted more than 50 percent year-over-year — to a level not seen in over a decade. The funds that were raised likely reflected LPs consolidating their relationships and prioritizing their investments into bigger funds with multi-strategy offerings given their more consistent performance, co-investing opportunities, and institutional infrastructure. Many larger funds have increasingly diversified — effectively becoming asset management funds offering a combination of buy-up growth, credit, real assets, and infrastructure. This diversification allows LPs to access a broader range of asset classes through a single investment relationship.

Exit value reaches highest level since 2021 while exit volume plummets to more than decade low

During 2025, exit value climbed from $420.6 billion in 2024 to $725.1 billion in 2025 — second only to 2021's total of $898.3 billion. While a positive sign, the continued decline in exit volume was quite concerning — with the number of PE-backed exits (1,329) the lowest level seen in over a decade. There is optimism that 2026 will see exit volume rise substantially given improving market conditions, intense pressure on PE firms to return capital, a shrinking of the valuation gap, and the opening of the US IPO market — at least for high-quality assets.

Trends to watch for in Q1'26

Heading into 2026, it's clear that the momentum in the PE market is real. High-quality deals will likely continue at a healthy pace. There will likely be an increasing number of megadeals — particularly in sectors like infrastructure and energy given the significant focus on AI enablement and the energy transition. Tech enabled services and healthcare will likely also be strong as PE firms target value creation. Growing deal sizes and increasing competition at the top end of the market will likely lead to more club deals — deals where private equity firms come together to undertake a large acquisition.

Fundraising activity is expected to remain subdued and focused on the higher end of the market until DPI improves and LPs regain allocation flexibility. Should the concentration on the top end of the market continue to dominate the capital being deployed, there could be an impact on smaller funds over the long-term — with emerging fund managers struggling to raise funds and smaller funds increasingly unable to raise follow-on vehicles — creating more 'zombie' funds.

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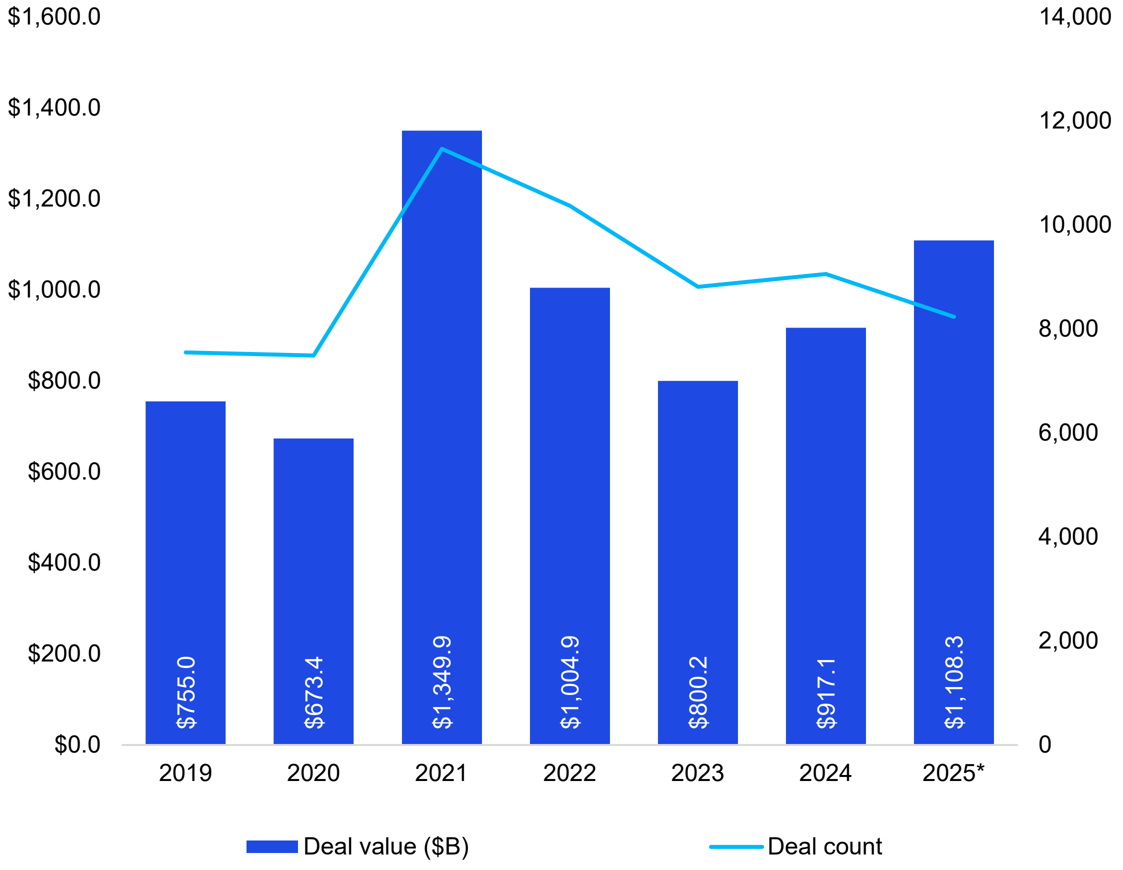
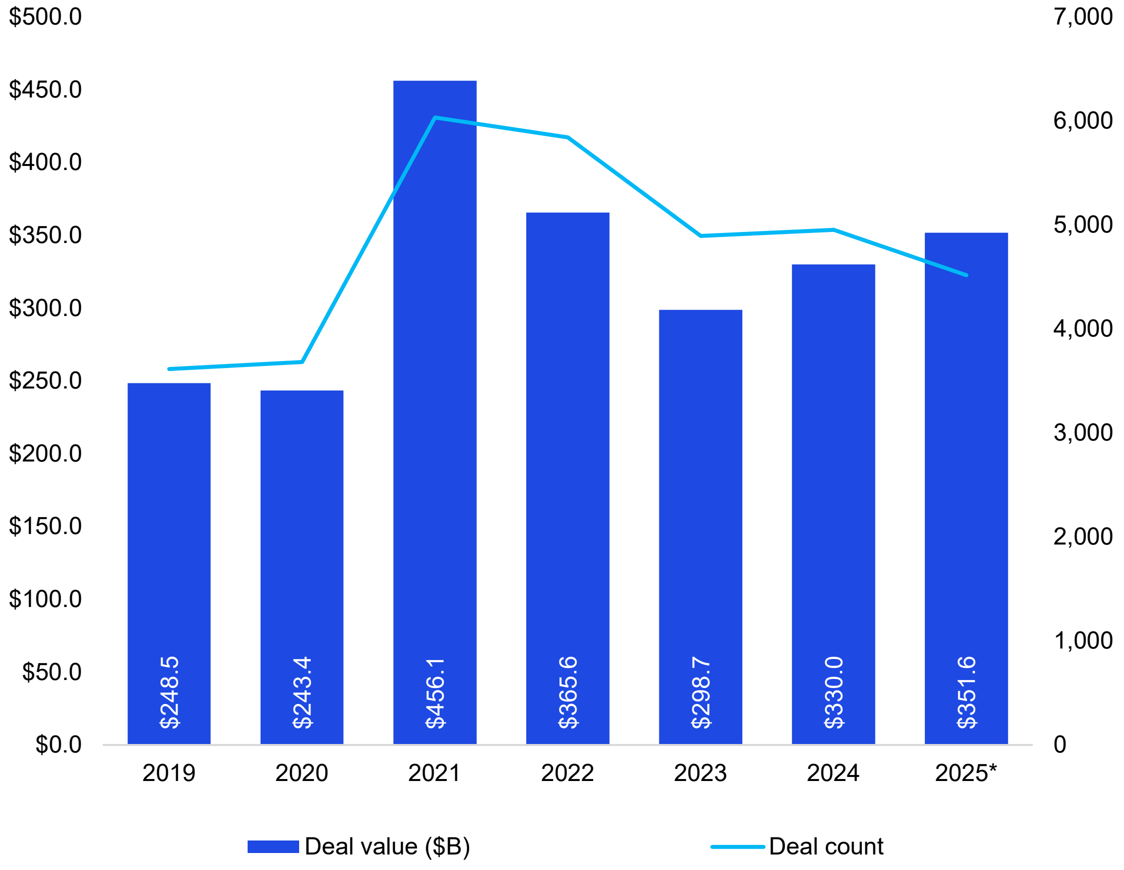
Add-ons proliferate to support $1.1T in deal value

US PE deal activity



US PE add-on/bolt-on activity



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.

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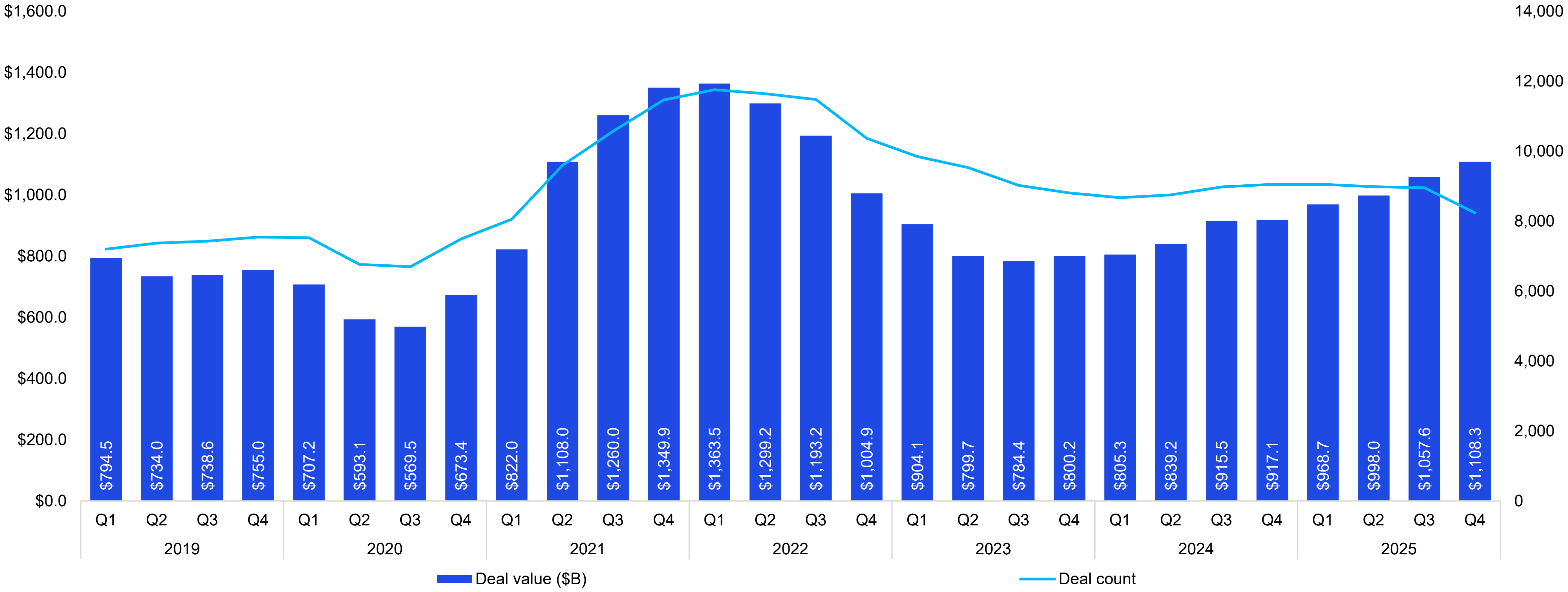
Dealmaking momentum rises

US PE deal activity



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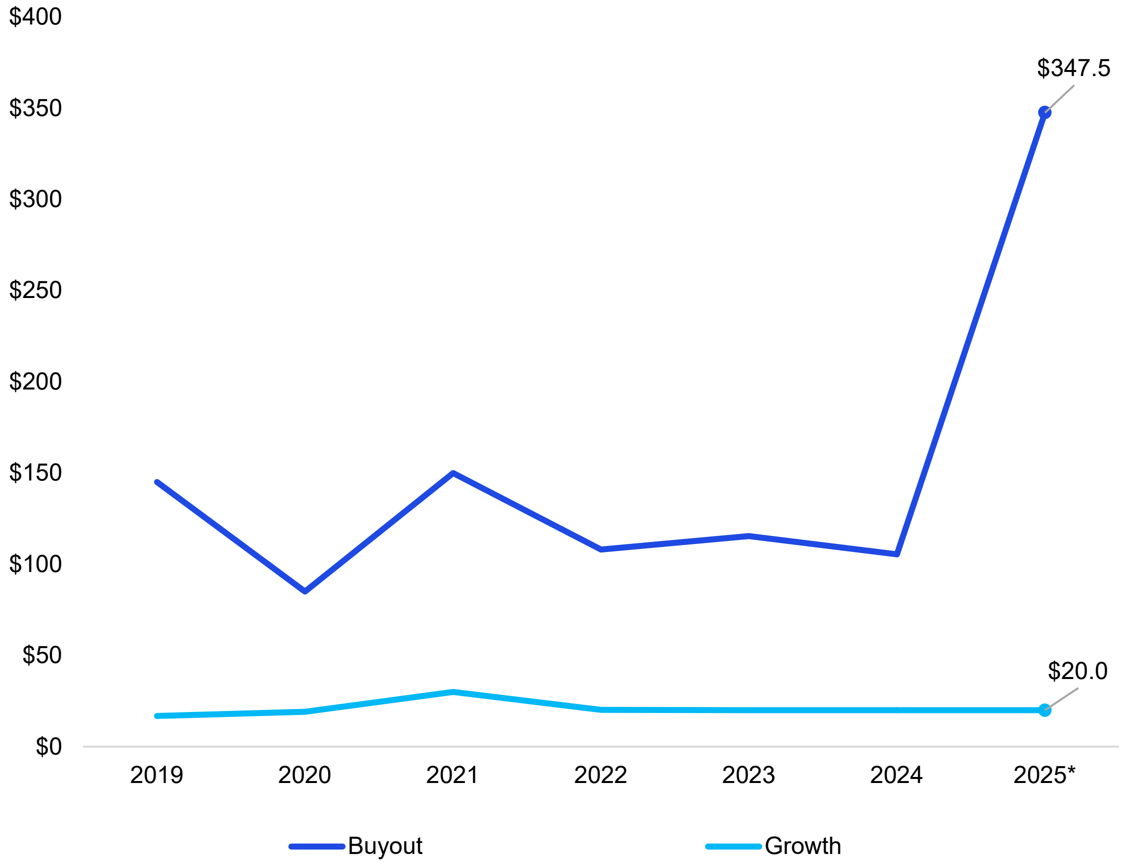
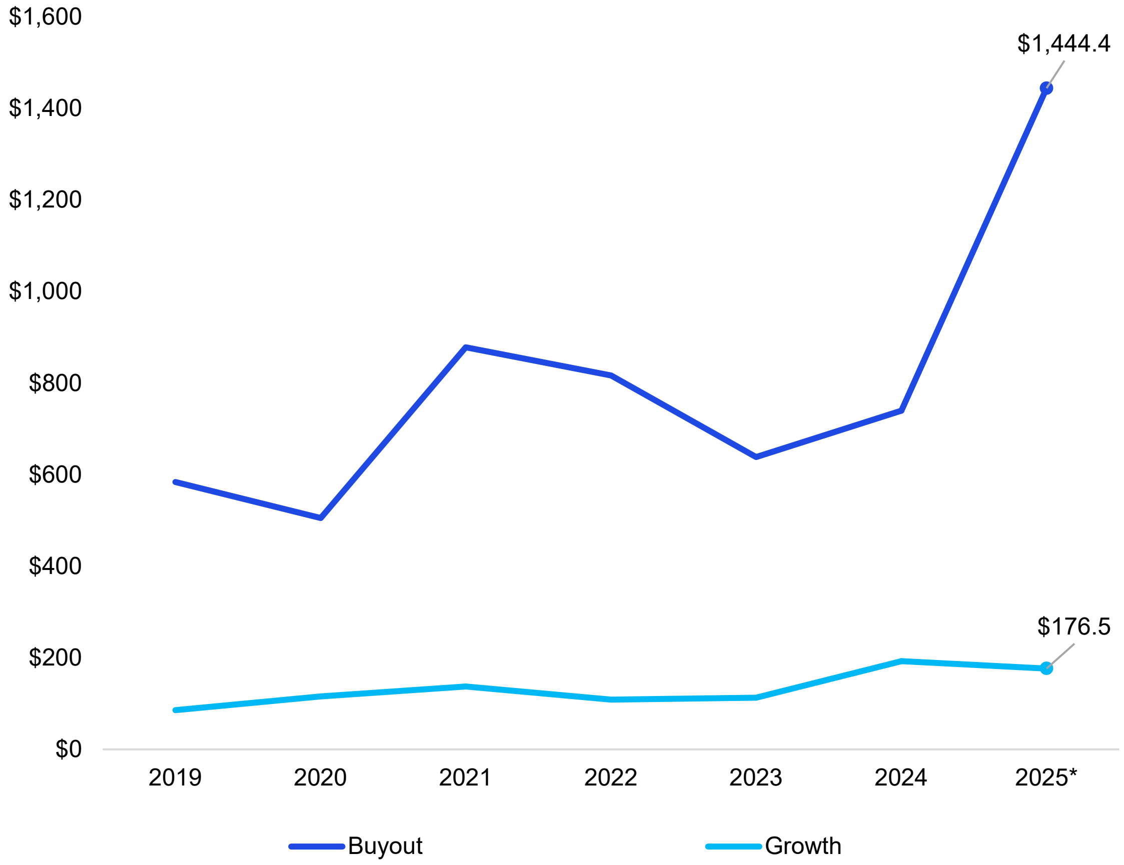
Record-breaking tallies suggest impact of demand

US median PE deal size ($M) by type



US average PE deal size ($M) by type



Source: PitchBook, data as of 31 December 2025.

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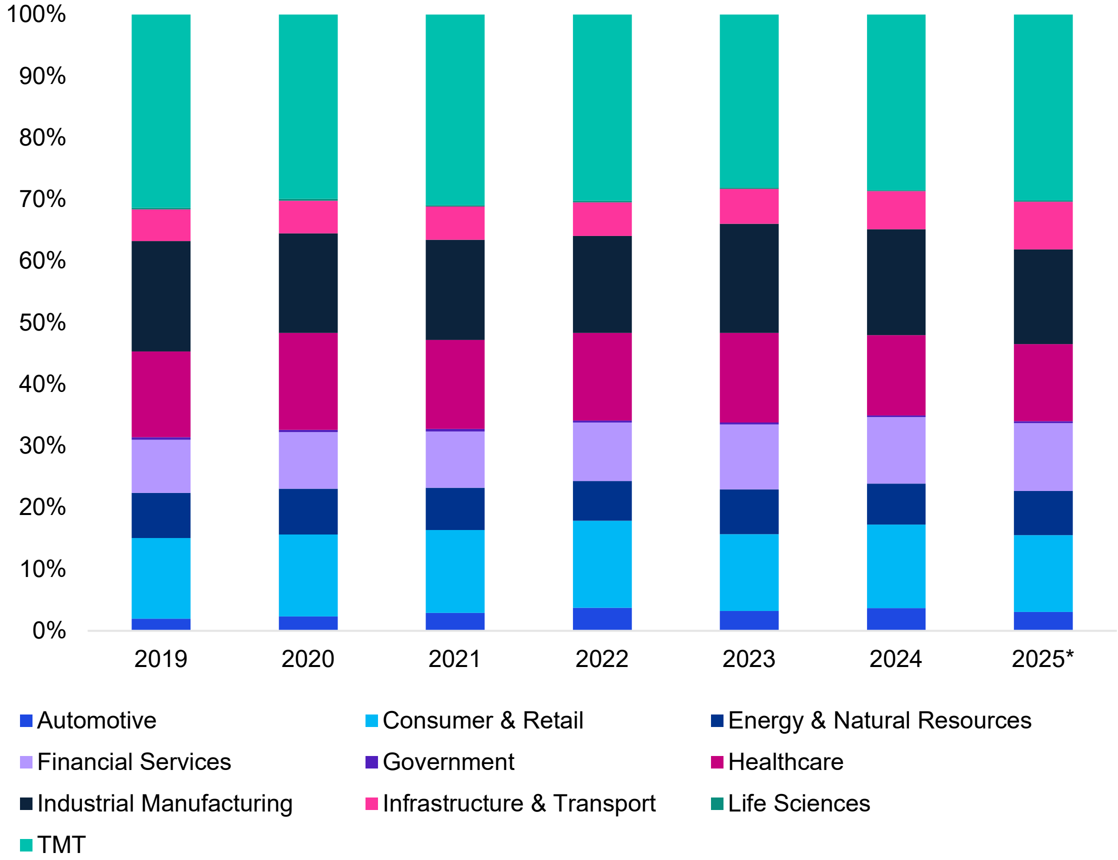
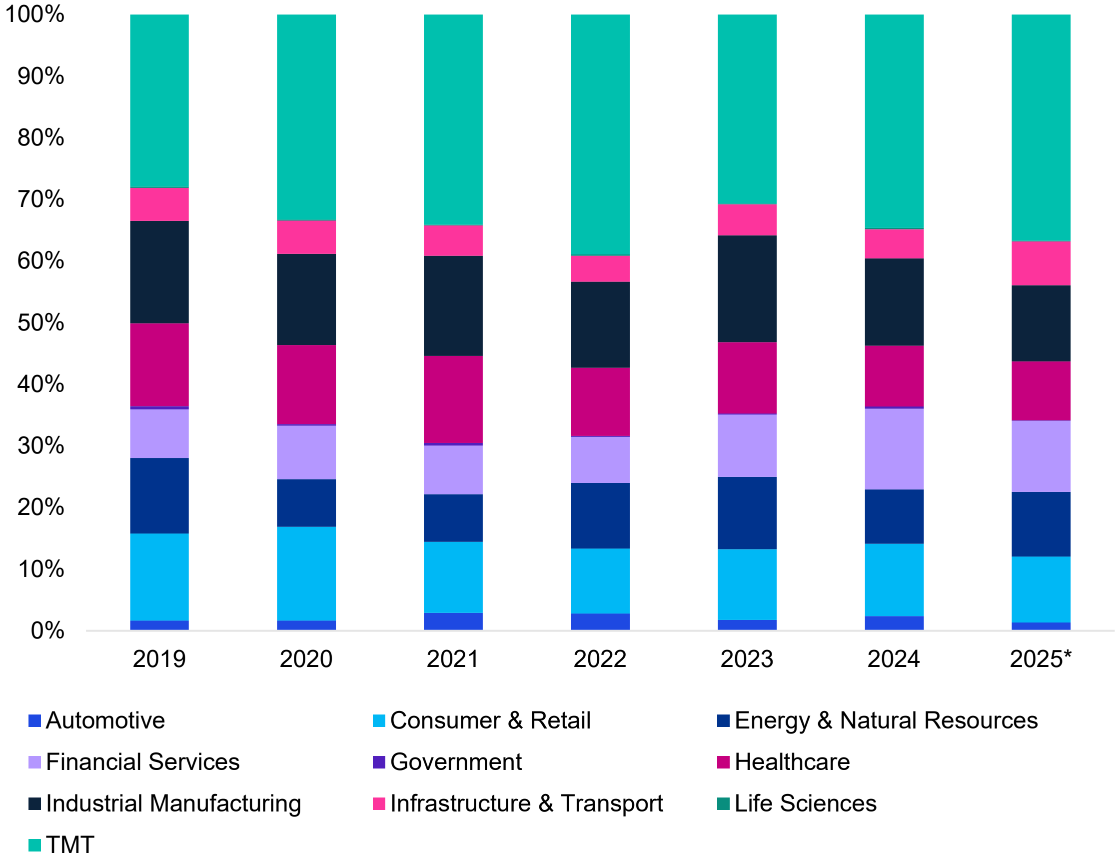
Software remains a focal point

US PE deal activity (#) by sector



US PE deal activity ($B) by sector



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.

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Exit value booms in promising sign

US PE-backed exit activity

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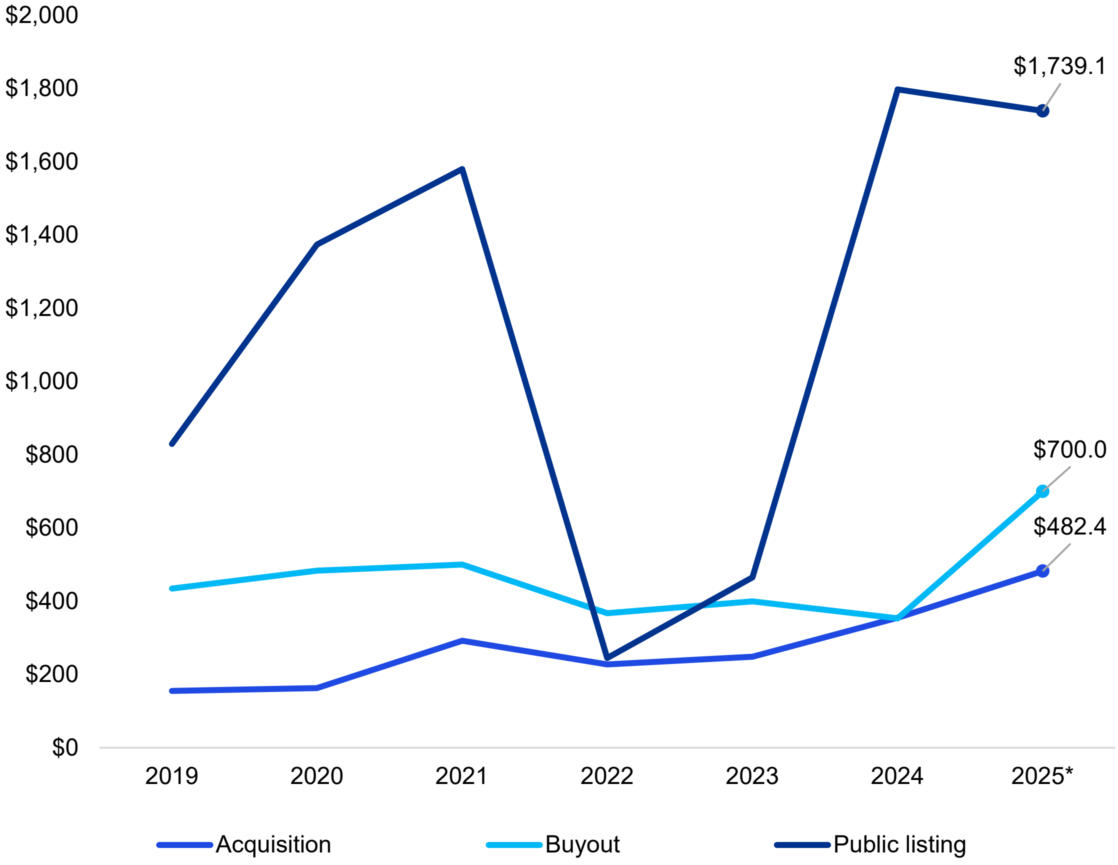
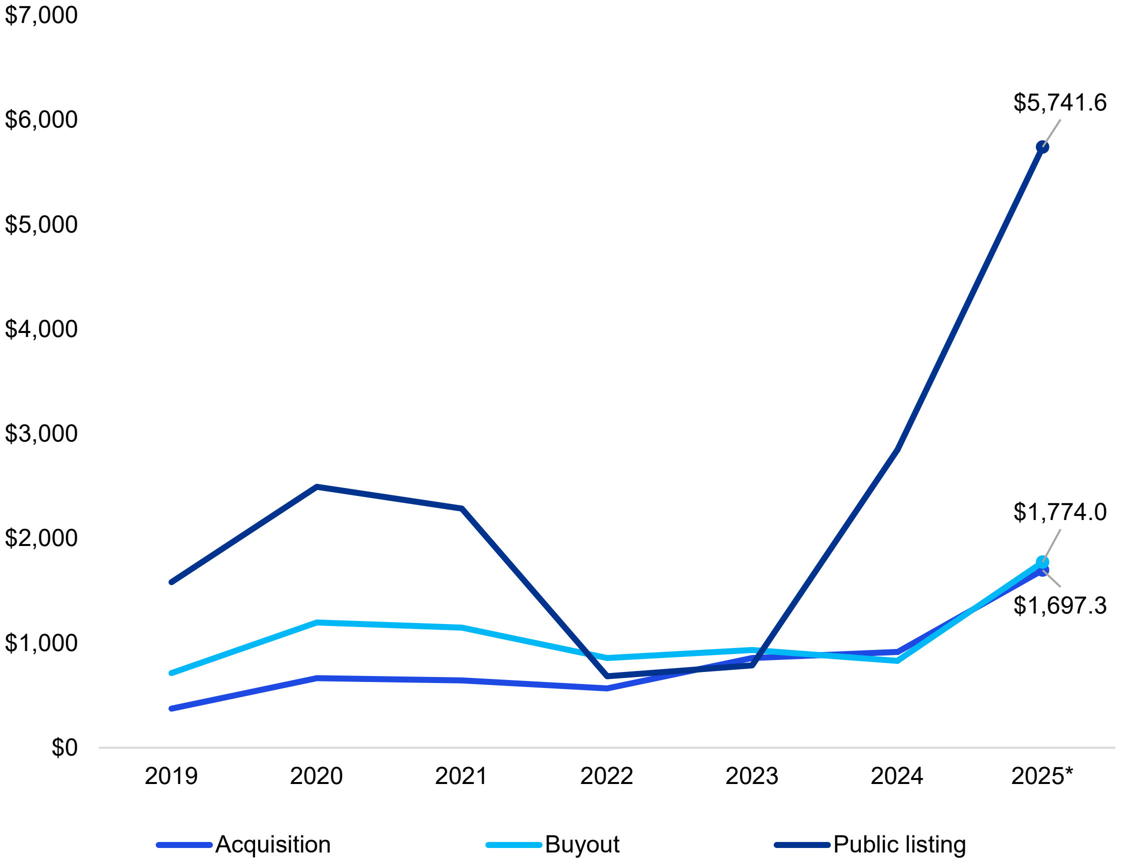
Strength across major exit channels boosts overall value

US median PE exit size ($M) by type



US average PE exit size ($M) by type



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.
Note: The 2019, 2022-2025* figures for public listings are based on a population size of n < 30.

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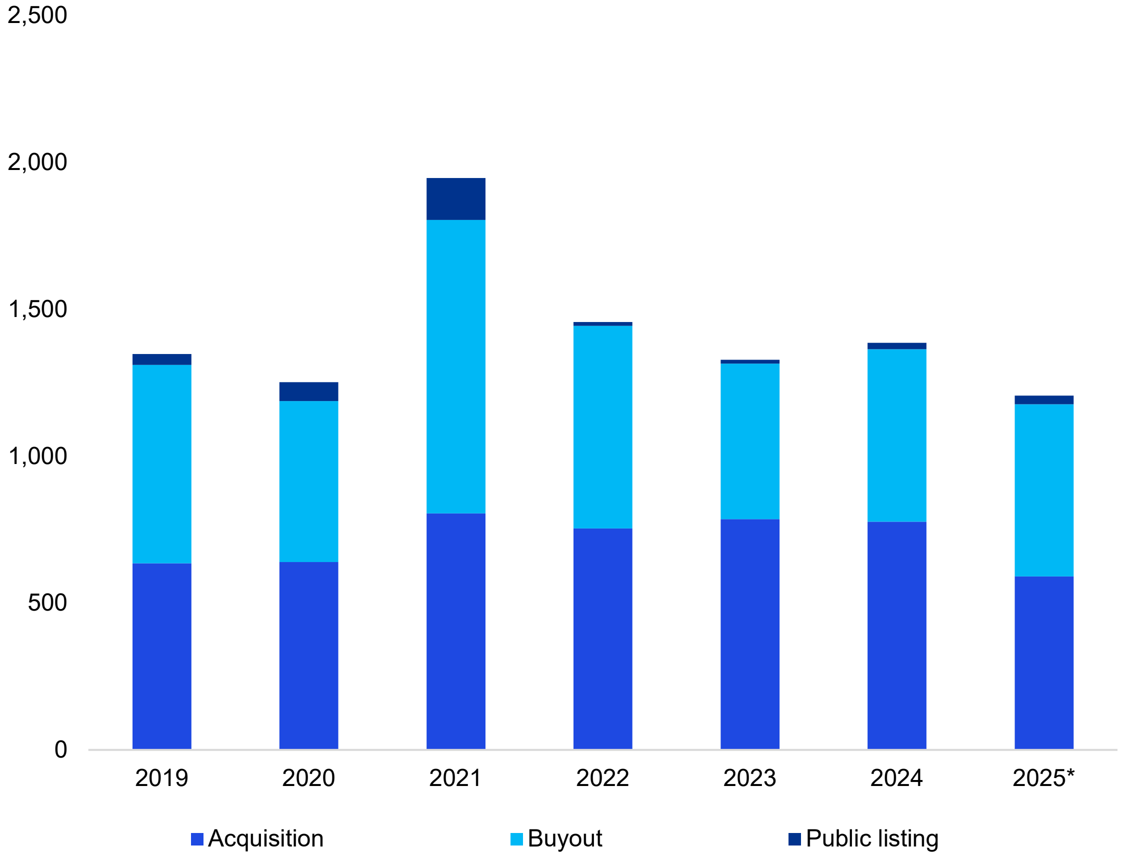
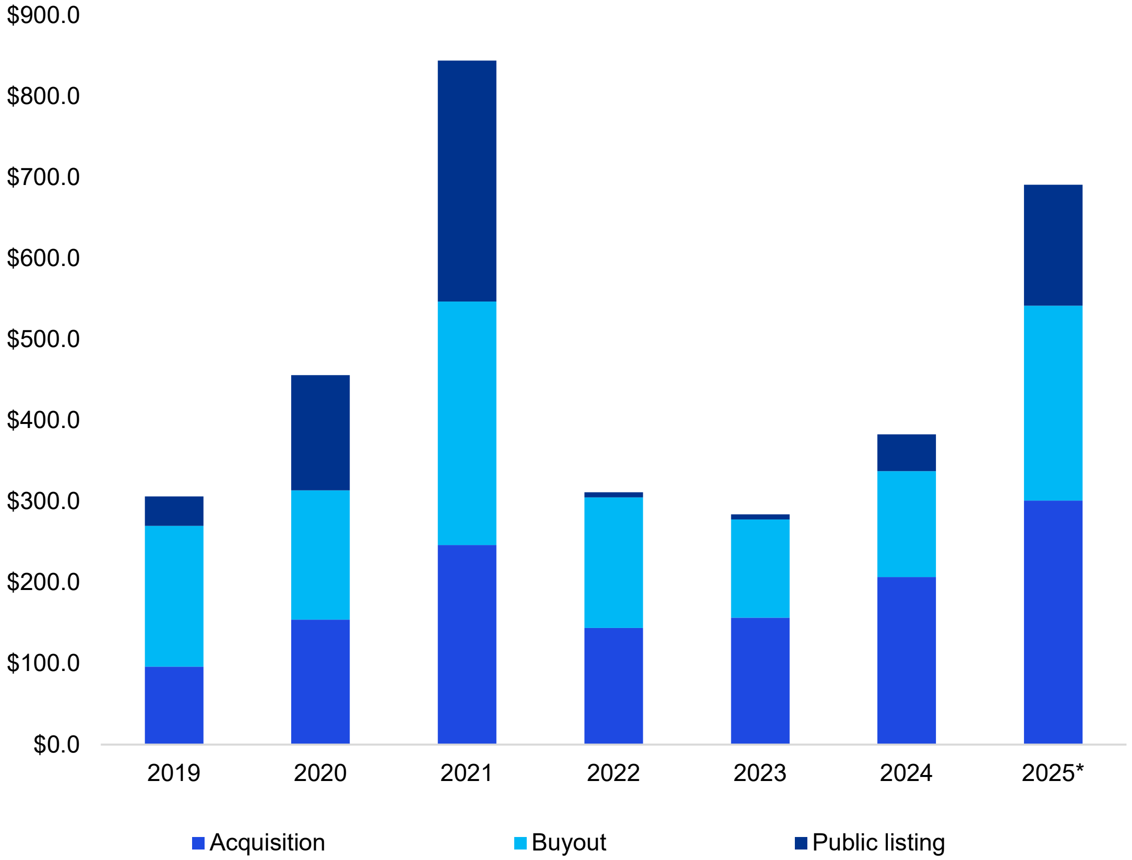
Largest M&A exit value tally in years

US PE-backed exit activity (#) by type



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



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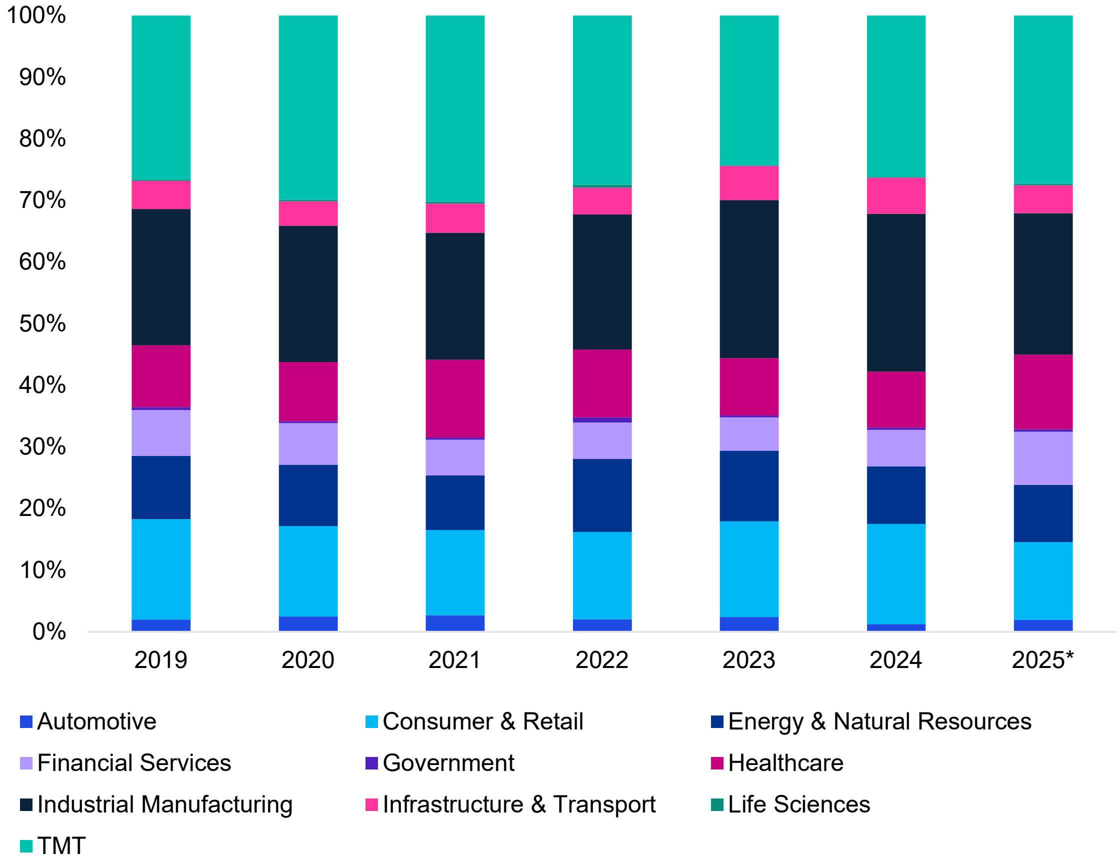
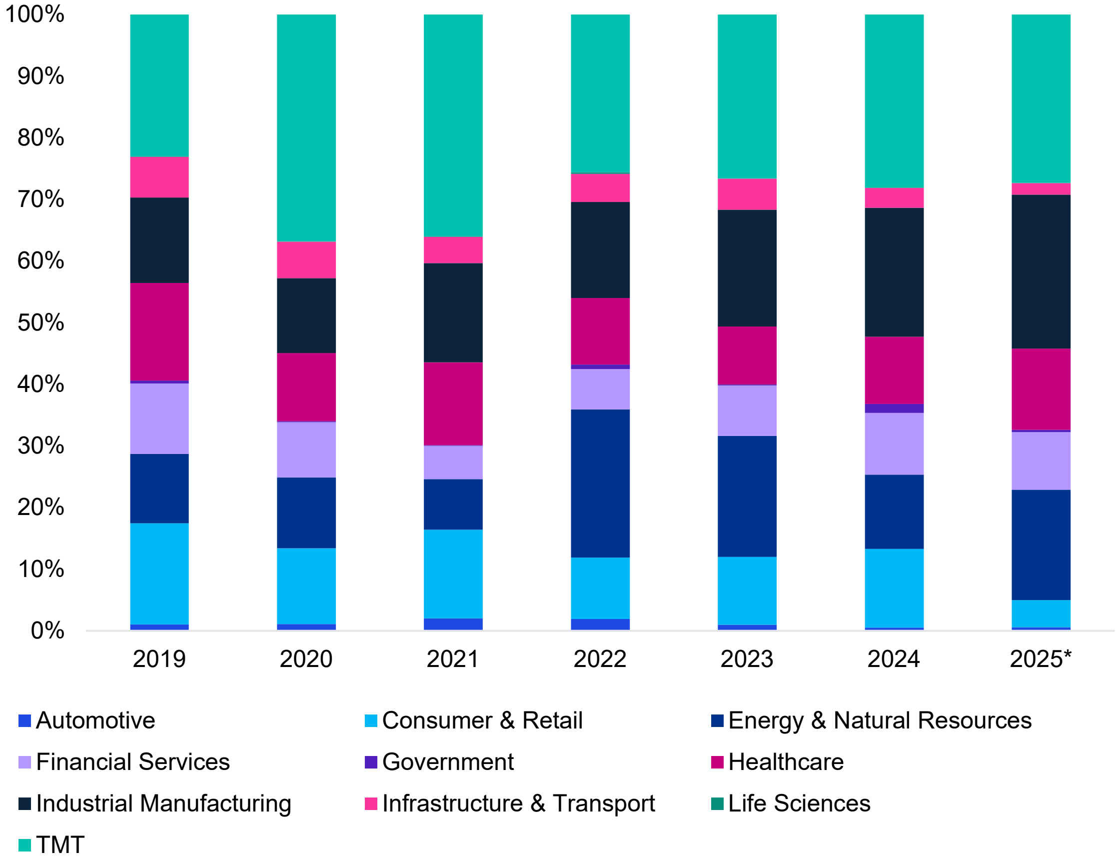
Manufacturing, energy boost exit values

US PE exit activity (#) by sector



US PE exit activity ($B) by sector



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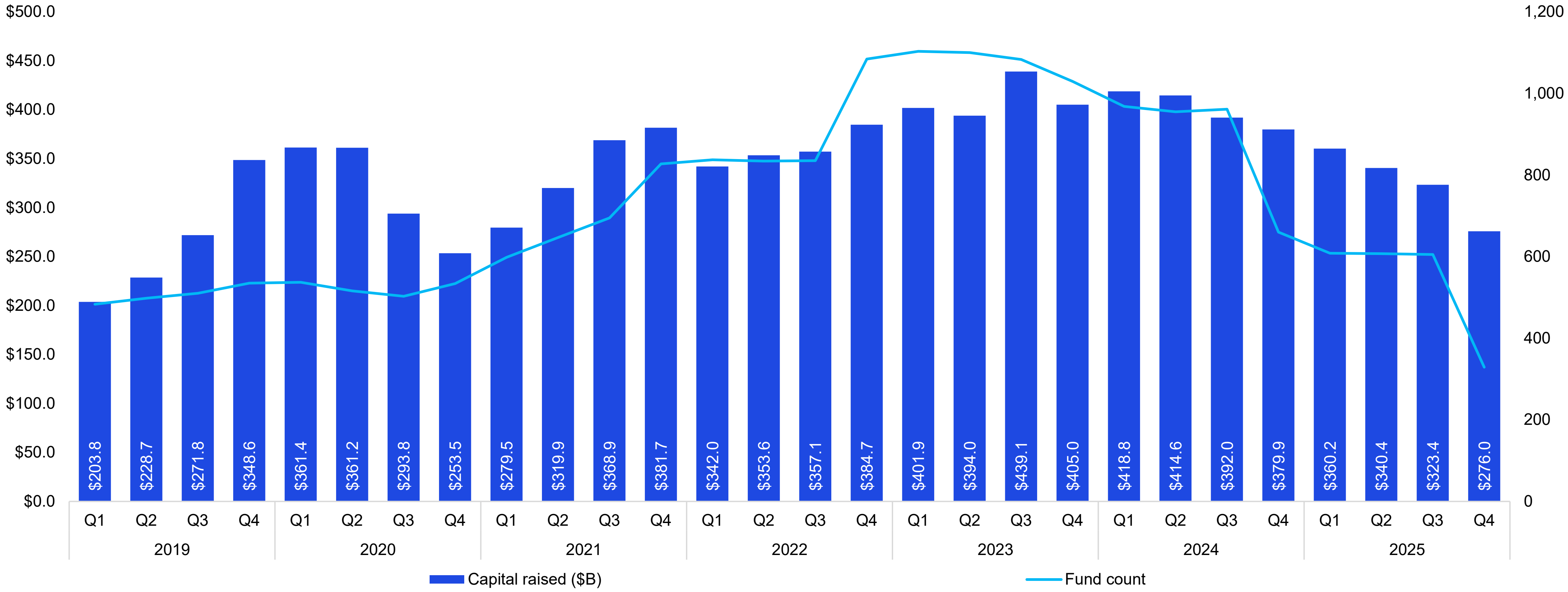
Fundraising counts slide as capital concentrates

US PE fundraising activity (rolling 12-month)



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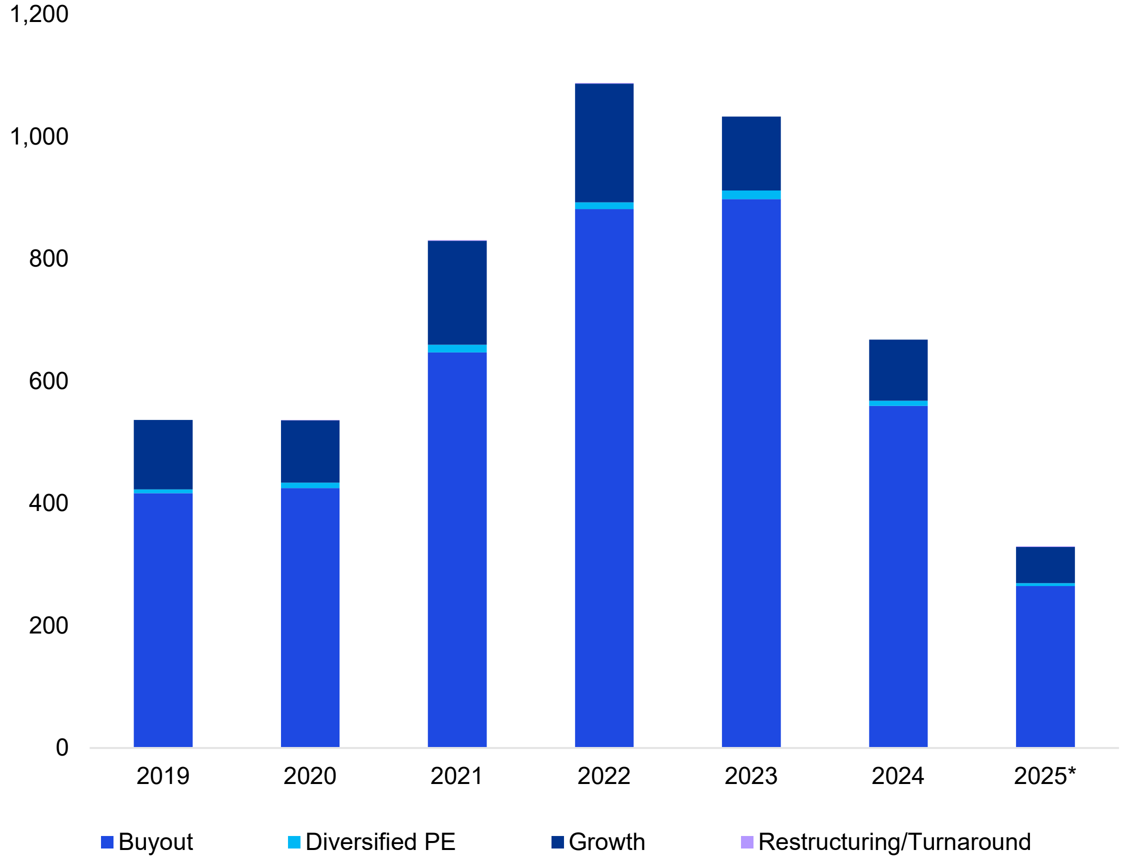
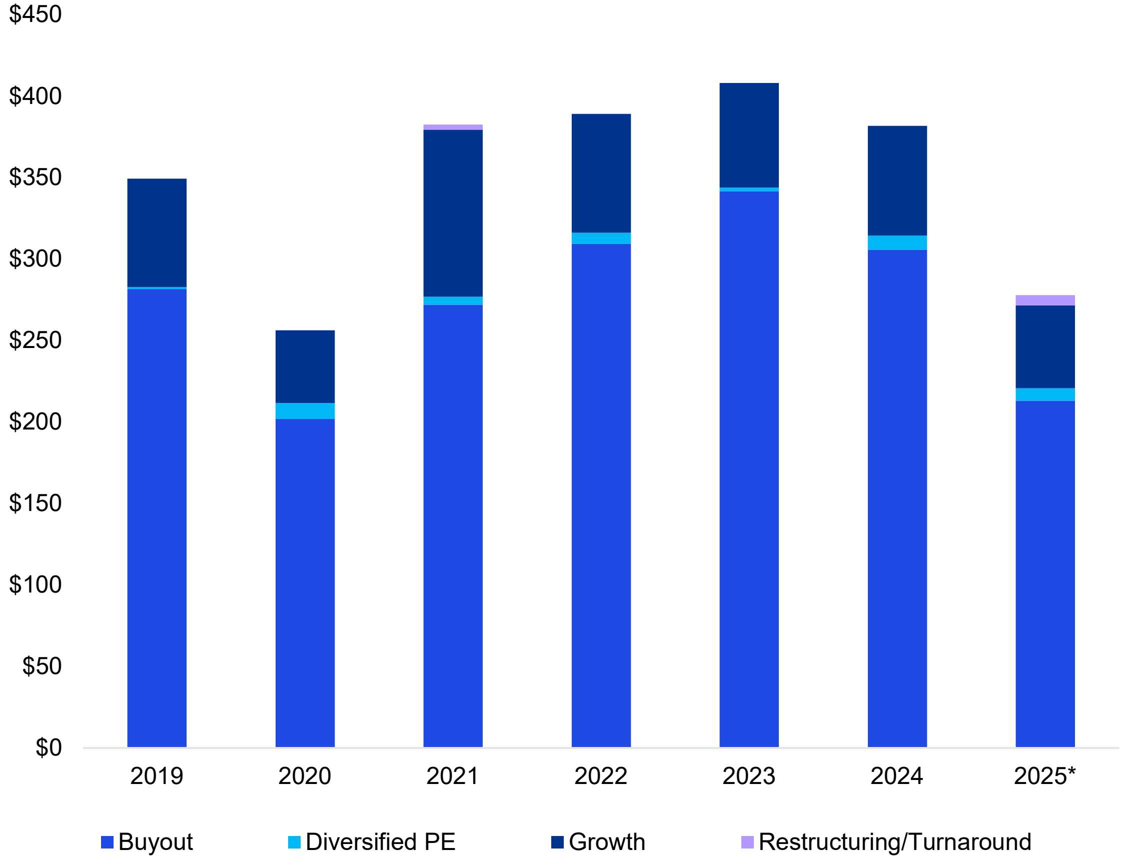
LPs whittle down focus to select buyout funds

US PE fundraising activity (#) by type



US PE fundraising ($B) by type



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04

In Q4'25, EMA PE-announced 8,278 transactions amounting to $729.9B

EMA overview

EMA region sees $729.8 billion in PE investment in 2025

PE investment in the EMA region rose from $649.3 billion in 2024 to $729.8 billion in 2025, despite the number of deals falling from 8,922 to 8,278. The strong investment highlights that while PE investors in the region remained very cautious with their capital, they continued to be willing to invest large sums to acquire high-quality assets.

UK sees largest share of PE investment in EMA, while Italy and India see deal volume increase

The UK accounted for the largest share of both PE investment and deal volume in the EMA region during 2025, attracting $204.6 billion across 1,862 deals. Germany came a distant second with $84.9 billion across $858 deals, followed by France with $84 billion invested across 1,009 deals.

Notably, deal value rose in the UK, Germany, France, Spain and India during 2025, while deal volume dropped in all of these jurisdictions except India — which saw deal volume rise from 291 to 310 year-over-year. Italy also saw deal volume increase from 630 to 672 deals year-over-year despite investment falling from $69.6 billion to $58.4 billion.

India delivers a record-breaking year for private equity

Private equity investment in India had a standout year, reaching a new record with $30.9 billion invested across 310 deals, marking highs for both deal value and deal volume. Activity was supported by a notable increase in average deal sizes, pushing total investment beyond the previous peak set in 2021. Exits were also particularly strong, climbing to $68.3 billion, up significantly from $50.4 billion in 2024, underscoring improving market liquidity and growing investor confidence in the Indian PE market.

Buy-and-build strategies driving strong PE interest in add-ons

Within the EMA region, add-ons remained a very healthy part of the PE market in 2025 — contributing a four-year high of $236.5 billion in investment across 4,219 deals. While add-on deal volume fell from the record high of 4,494 deals seen in 2024, it remained solidly in line with levels seen over the past five years. The continued focus on add-ons reflects PE investors continuing to use buy-and-build strategies to drive revenue growth and value creation — with larger, more strategic add-ons taking the priority during 2025.

The financial services space saw a significant number of add-ons during 2025, particularly in the wealth management and insurance broker spaces. The healthcare and professional services spaces also saw strong add-on activity.

> “In 2026, exit activity is going to improve in the EMA region — it has too. Funds can’t always go with continuation vehicles or dividend recaps and just sit back and wait and wait and wait. It worked for a while, but LPs are done with it. Now that financing is becoming more affordable, buyers can afford to pay slightly higher prices. Intensifying pressure to sell will also see sellers moderating their expectations somewhat. These two factors combined can help close the valuation gap and help drive renewed exit volume. And that’s essential because PE firms need to prove they can return capital.”

Tilman Ost
Global Private Equity Advisory Leader, KPMG International,
EMA Head of Private Equity
KPMG in Germany

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EMA overview

UK sees the largest share of big deals in Q4'25, but Germany sees largest deal

While the UK accounted for the largest share of the top 10 deals announced during Q4'25 in the EMA region, led by the $6.6 billion buyout of the bulk purchase annuity business of Utmost Life & Pensions by Jab Insurance and the $2.3 billion buyout of fund administration services company JTC Group by Permina,[13] Germany attracted the largest deal of the quarter: the $9 billion buyout of a majority stake of surface coatings solutions company BASF Coatings by Carlyle Group and the Qatar Investment Authority.[14] Deal activity is increasingly spreading across the region, including the Nordics, as illustrated by Silver Lake–owned Qualtrics' $6.75 billion acquisition of Sweden-based health-tech and analytics firm Press Ganey Forsta. Italy, Spain and Belgium also saw $2 billion+ PE deals, highlighting the geographic breadth of PE investment in the region.

Industrial manufacturing, healthcare and financial services see increasing PE investment; infrastructure sees rise in deal volume

The TMT sector attracted the largest share of PE investment in the EMA region in 2025, although both deal value ($197.8 billion) and deal volume (2,924) were down year-over-year. Comparatively, several sectors saw large increases in investment while seeing declines in deal volume, including industrial manufacturing ($156.3 billion across 1,527 deals), healthcare ($64.7 billion across 544 deals), and financial services ($86.5 billion across 646 deals). Increasing interest in the defense space likely contributed to the growth in investment in industrial manufacturing. The continued decline in deal volume likely reflects the significant focus on large scale add-on transactions — particularly in the financial services space.

Infrastructure and transport was the only sector to buck the downward trend in deal volume in the region, with the number of deals growing from 551 in 2024 to 590 in 2025 — a total just shy of the record seen in 2022. While PE deal value in the space was soft ($30.6 billion) during the year, the growth in deal activity is a notable sign of how interest and activity in the space is increasing. With a number of governments in the region committing enormous funds to infrastructure — AI, defense and energy infrastructure in particular — this is a sector very well positioned for growth heading into 2026.

Exit value continues to creep up in EMA region, but exit volume very soft as valuation gap persists

The EMA region saw PE exit value creep up for the third straight year in 2025, with $367 billion in exit value; the volume of exits remained very subdued, however, with just 1,415 deals in 2025 — a low not seen since 2020. The exit environment continued to be affected by a number of issues, including the uncertain geopolitical and trade environment, the significant valuation gap, the lack of high-quality assets to exit, and a dry IPO environment. Pressure started to really mount for PE firms to exit aging investments over the course of the year. That, combined with an improving financing environment and sellers beginning to reduce their valuations expectations is expected to help improve exit volume heading into 2026.

EMA region attracting significant interest from US PE investors for value

The EMA region continued to attract significant interest from global PE investors, particularly those in the US for more affordable assets during 2025. The multiple arbitrage between the US and Europe, and the inflow of US PE investment into Europe continued to be driven by the perceived value of assets in Europe compared to similar assets in the US.

[13] https://www.ft.com/content/72dc6f50-c3f4-479e-a165-7b6513872483
[14] hmoney.usnews.com, "BASF Sells Majority of Coatings Business to Carlyle, Qatar Investment Authority," 10 October 2025.

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EMA overview

Trends to watch for in Q1'26

Looking ahead to 2026, there is considerable optimism for private equity investment in the EMA region. Interest rates have improved and are expected to decline further, while the impact of tariffs has been more muted than initially anticipated across many jurisdictions. At the same time, there is a significant inventory of assets that need to be exited, increasing pressure on PE firms to return capital to investors. An important additional driver of activity continues to be corporate carve-outs, which remain a key focus for PE firms across Europe and are expected to support deal volume into 2026.

At a sector level, healthcare and fintech are expected to remain particularly attractive to PE investors in the EMA region. As governments continue to ease regulations and increase spending on infrastructure and defense, investor interest in these areas is also expected to grow, although this may take time to translate into completed transactions.

There is further optimism that exit activity will improve in 2026, driven by mounting pressure on PE funds to return capital and unlock capital currently tied up in portfolios. The IPO market will be an important area to watch; a handful of successful listings could help reopen the exit window and catalyze broader activity.

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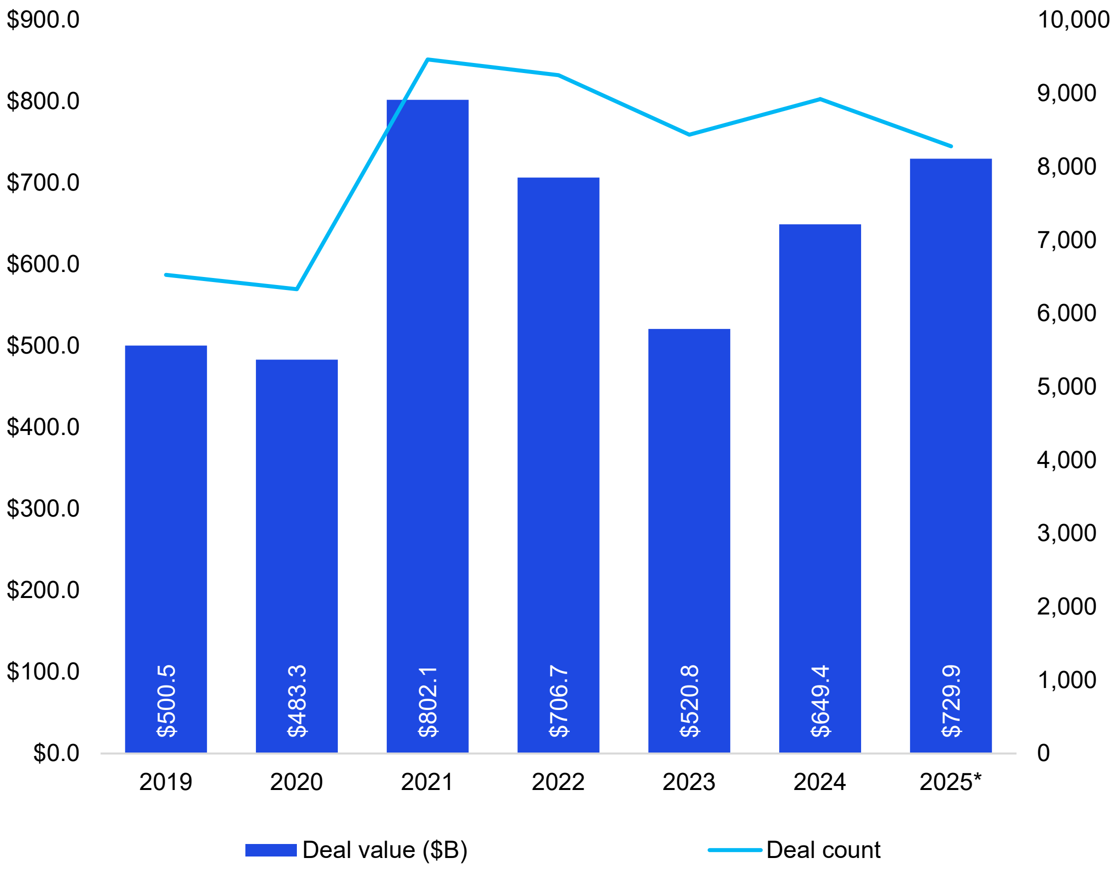
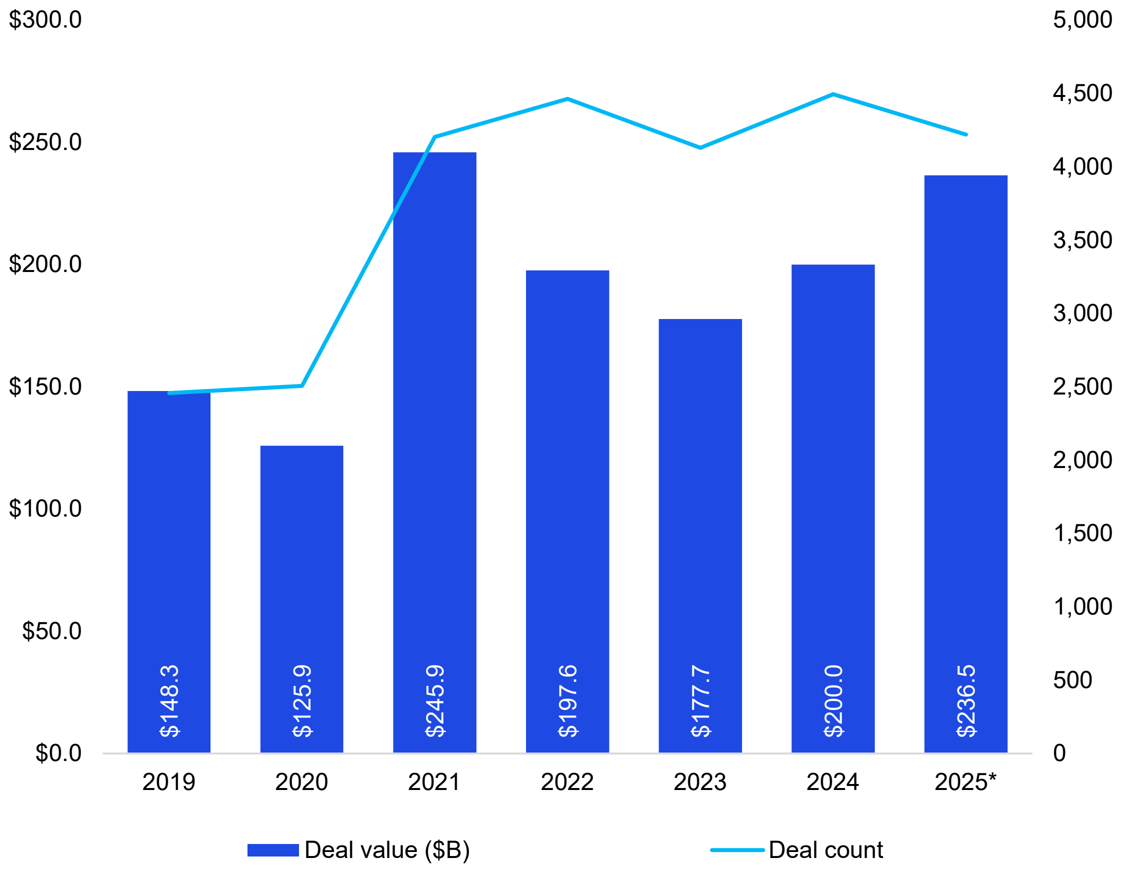
2025 sees significant recovery in deal value

EMA PE deal activity



EMA PE add-on/bolt-on activity



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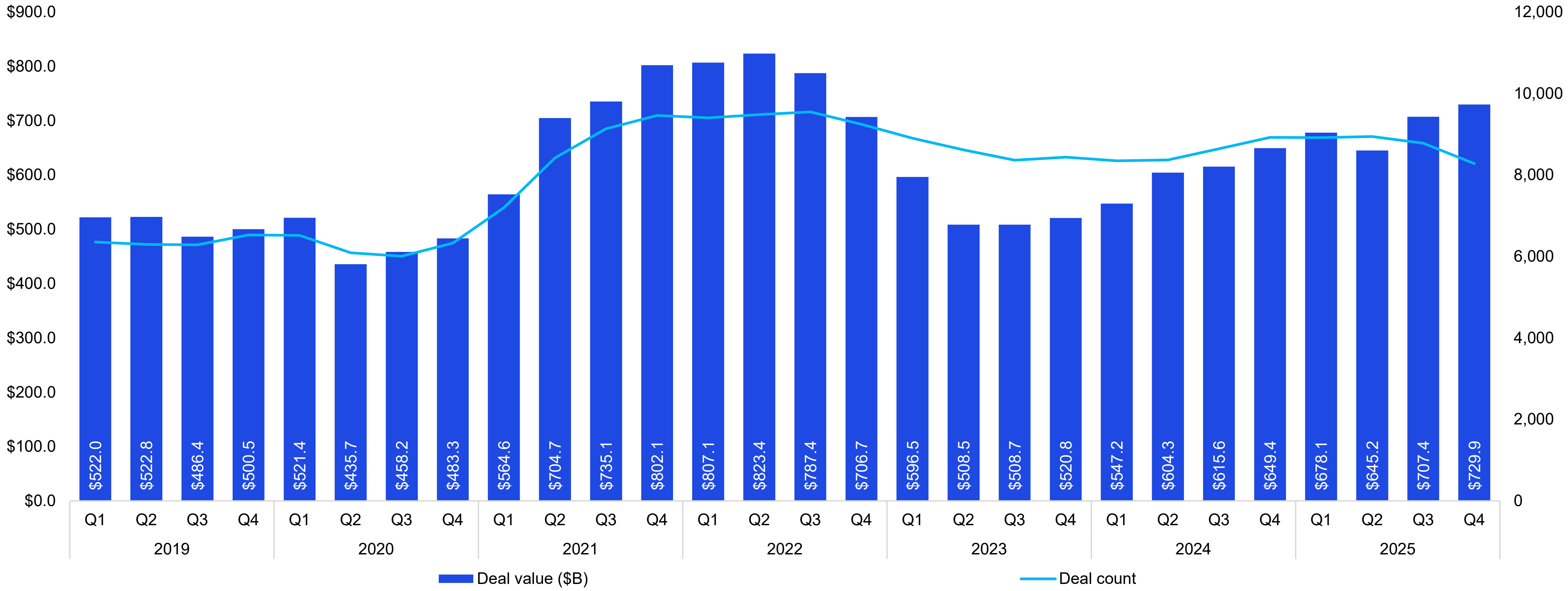
Mega-deals lead to strongest Q4 in years

EMA PE deal activity



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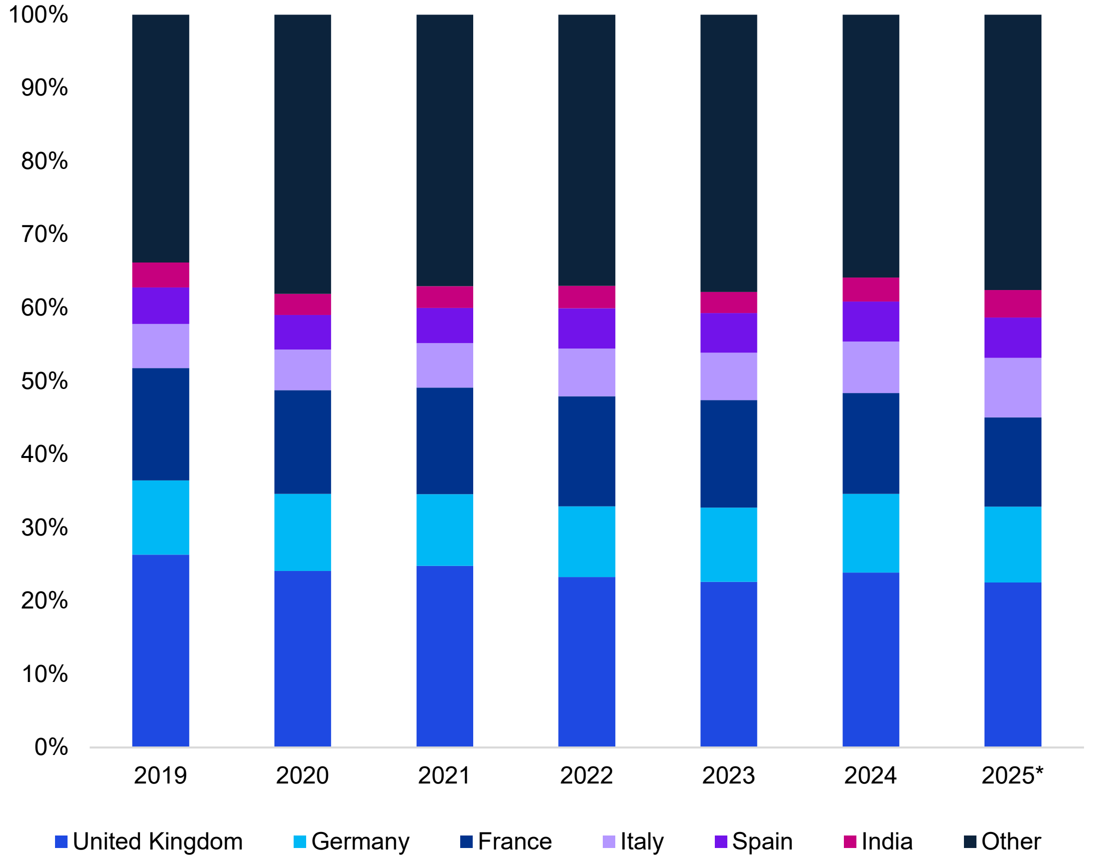
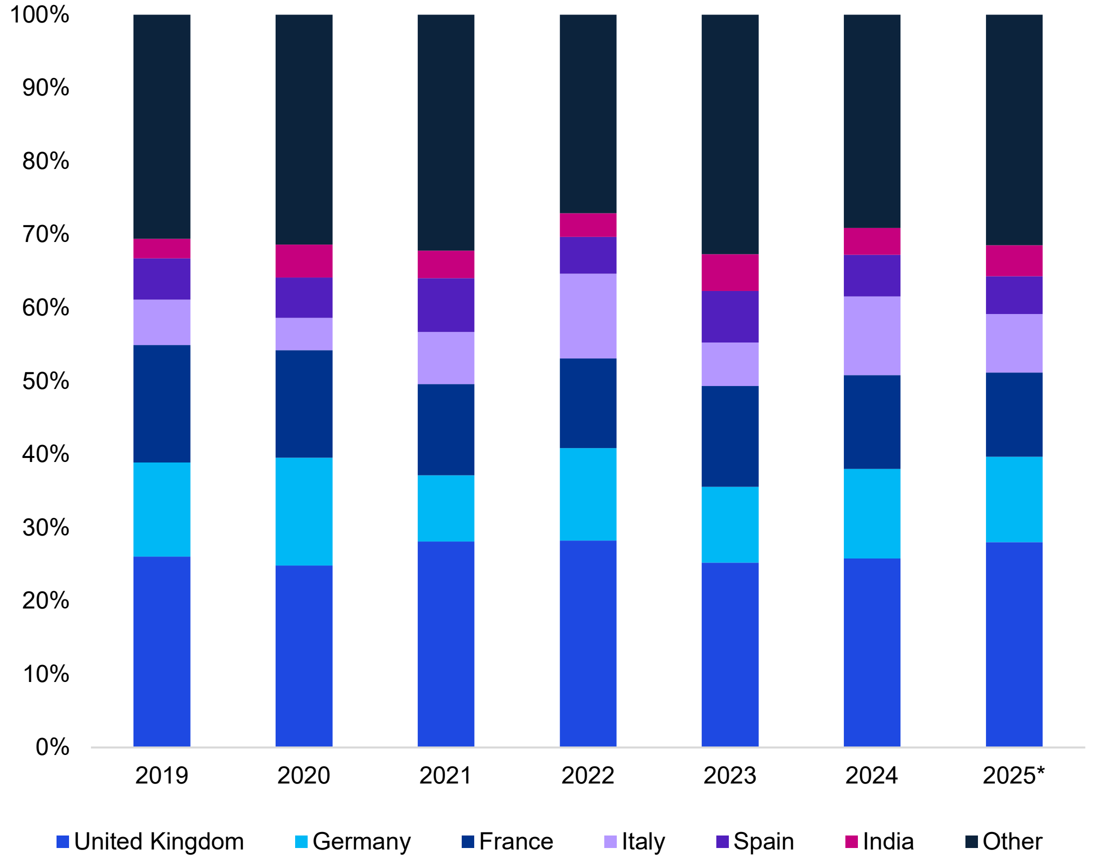
India sees all-time high in PE deal value at $30.9B

EMA PE deal activity (#) by select countries



EMA PE deal activity ($B) by select countries



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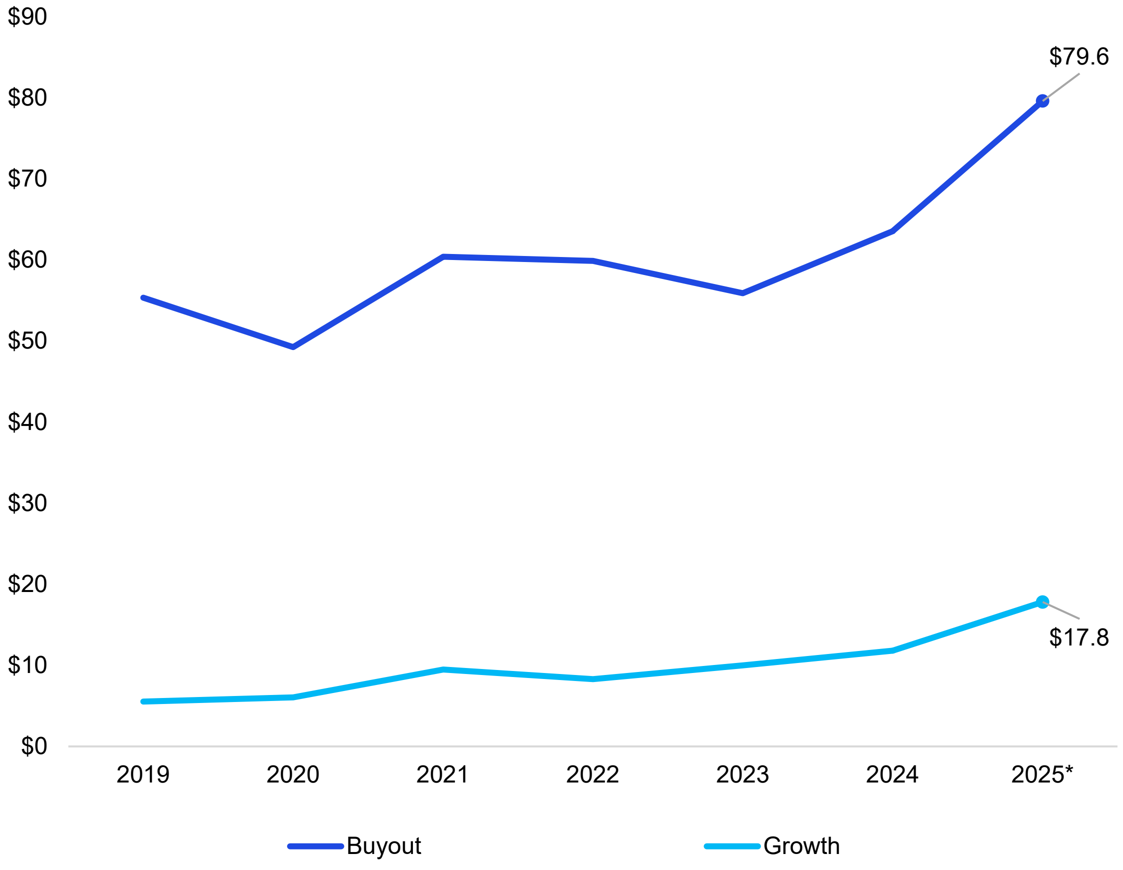
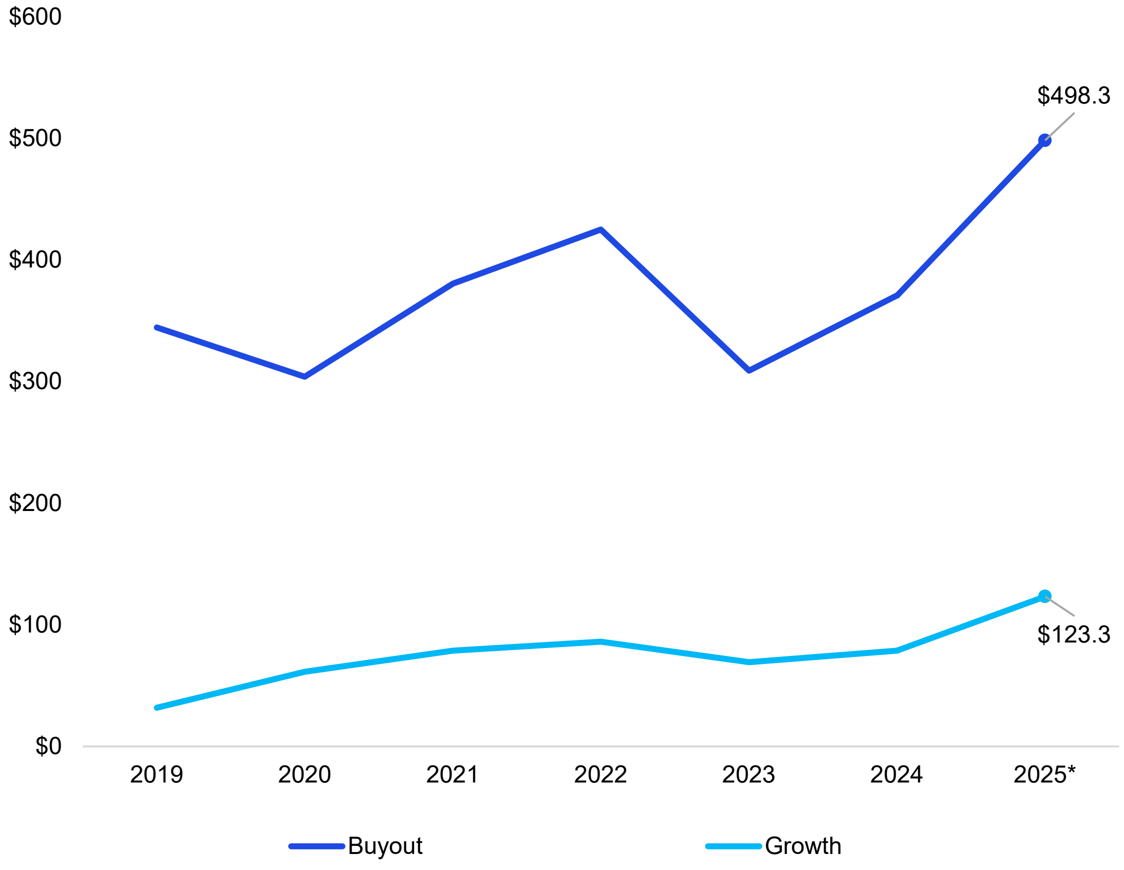
2025 notches all-time highs

EMA median PE deal size ($M) by type



EMA average PE deal size ($M) by type



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

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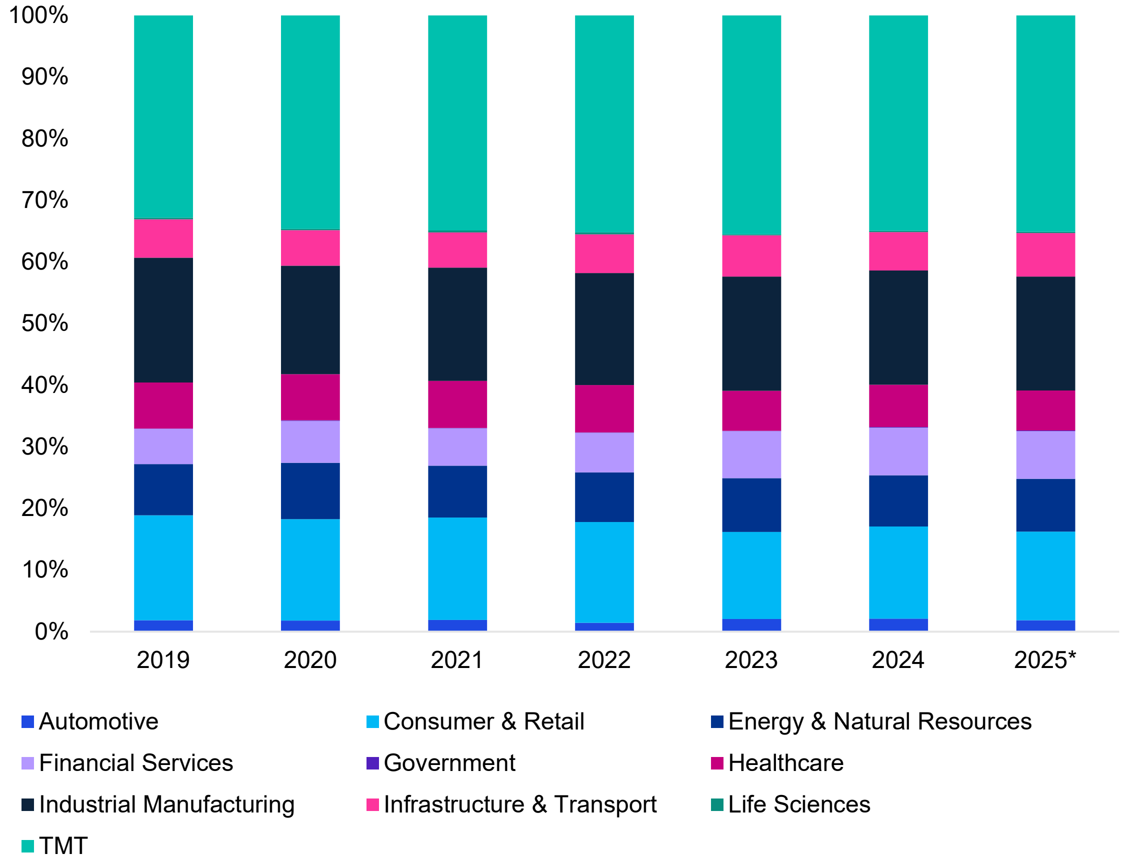
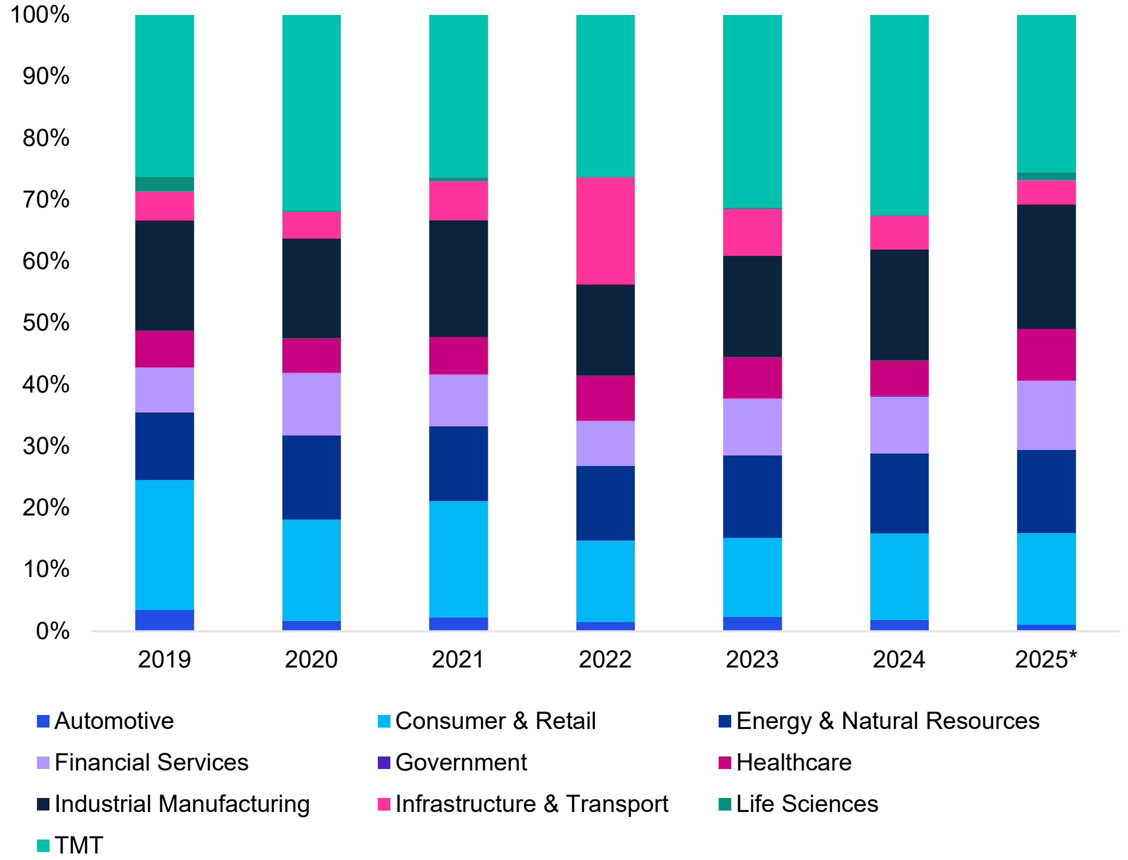
Manufacturing, industrials surge in value

EMA PE deal activity (#) by sector



EMA PE deal activity ($B) by sector



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.

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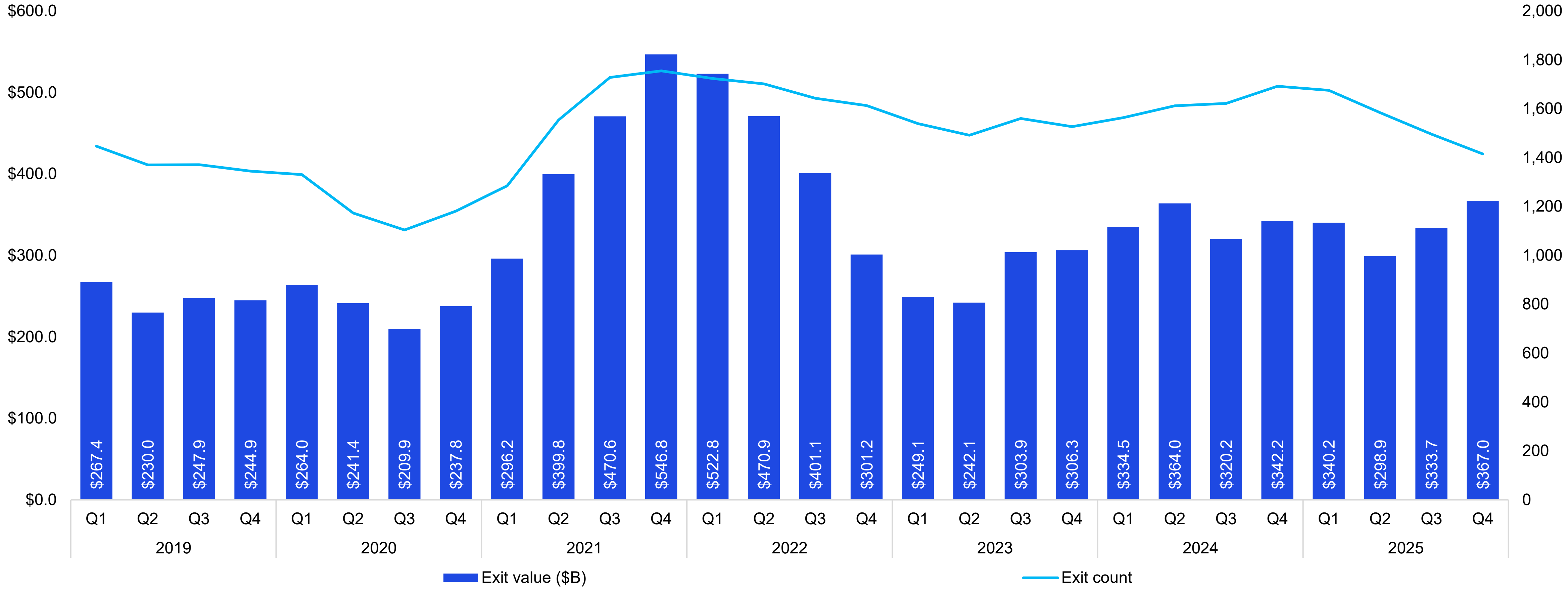
Exit values grow, but volumes slide further

EMA PE-backed exit activity



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.

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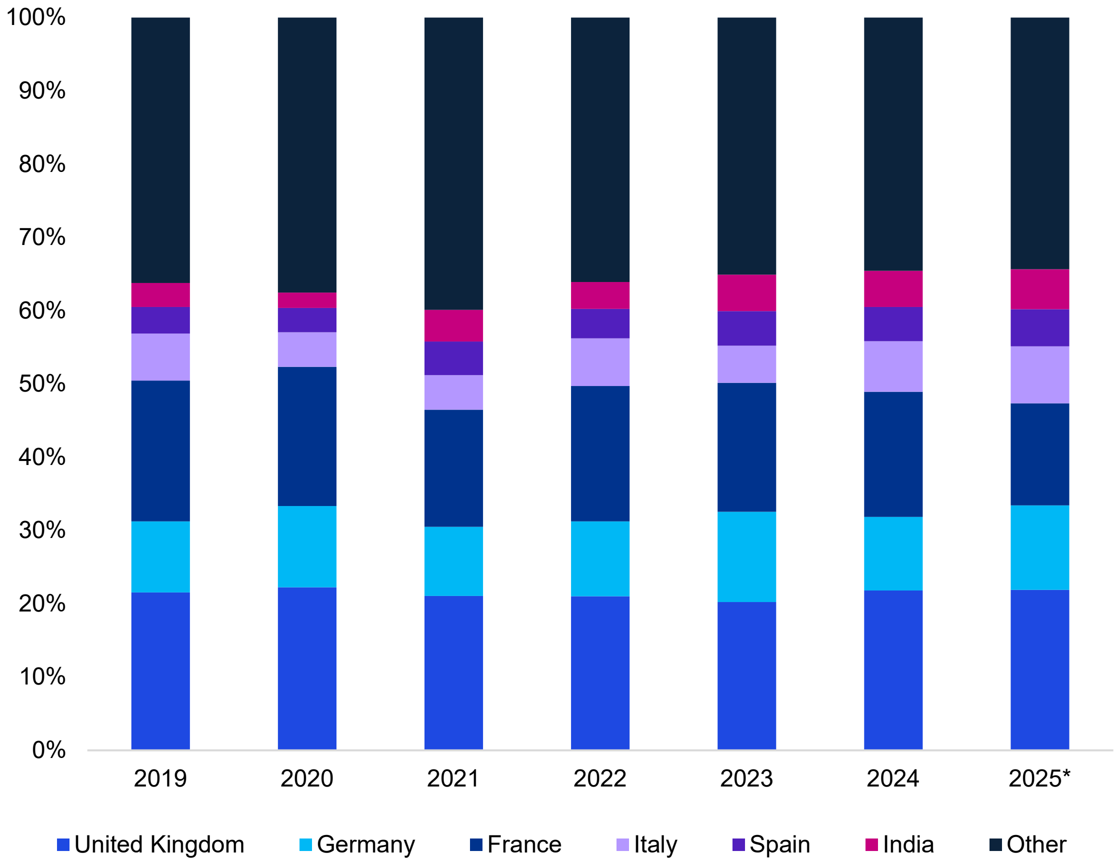
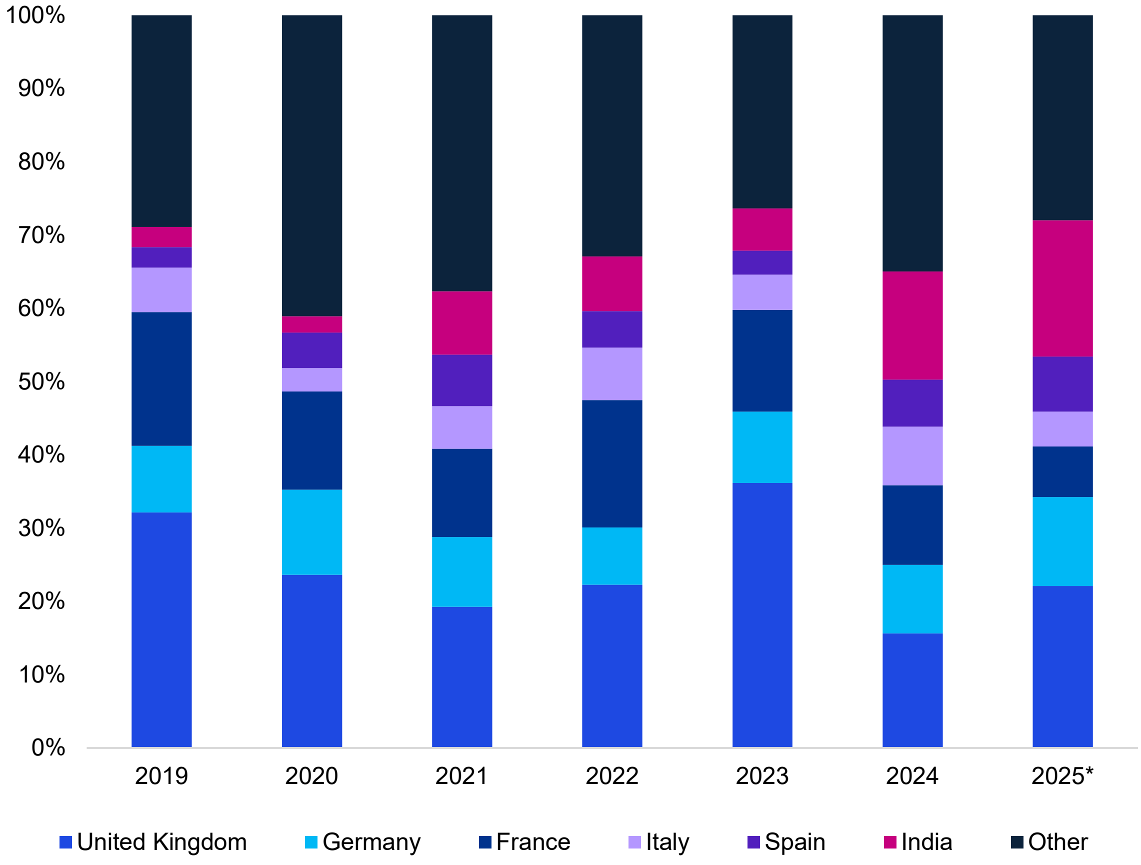
India hits record exit value; Germany rebounds to $44.6B

EMA PE-backed exit activity (#) by select countries



EMA PE-backed exit activity ($B) by select countries



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.

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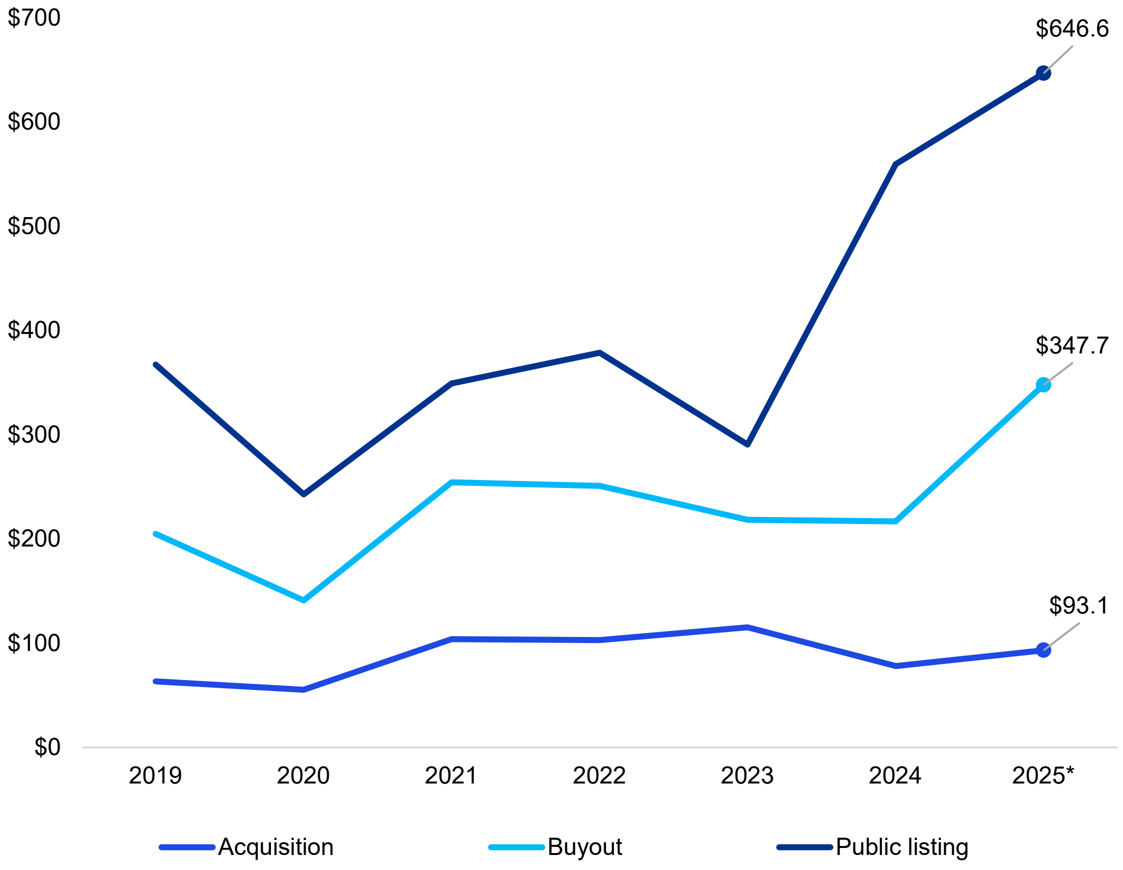
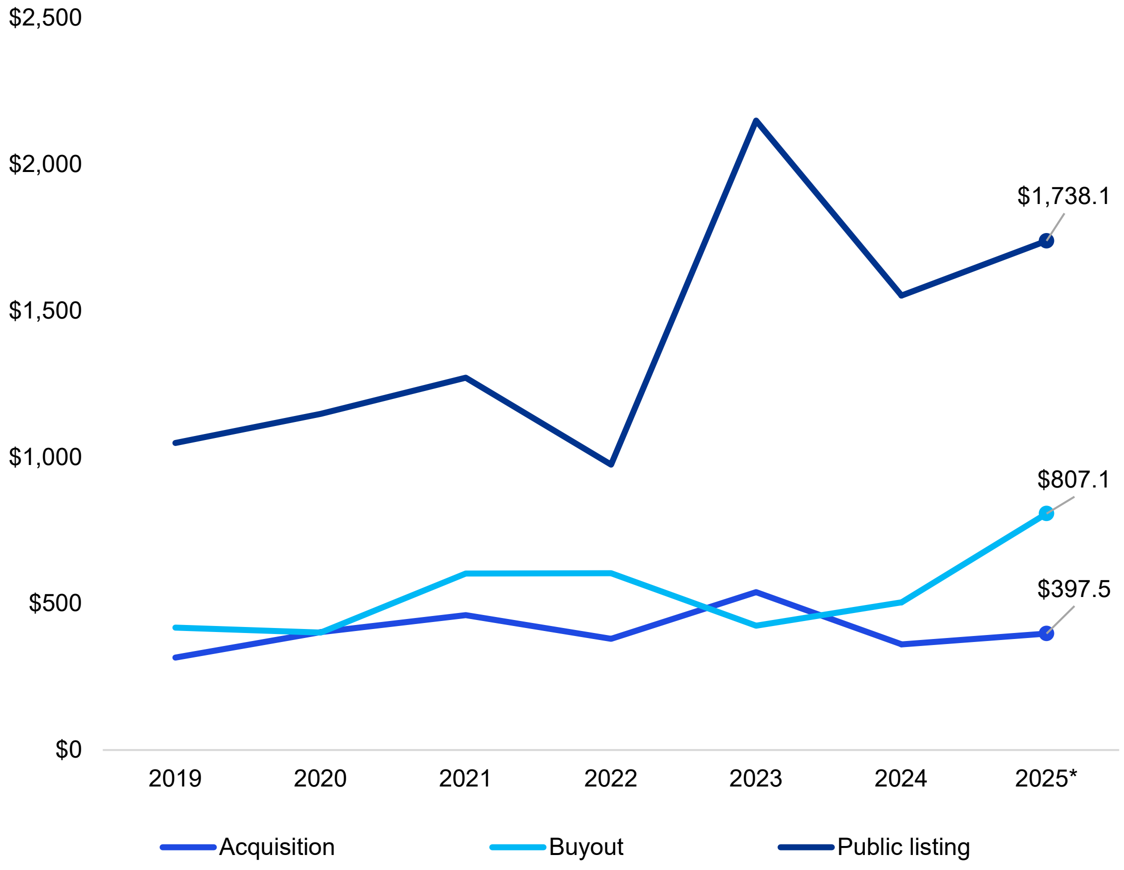
Median exit values surge to new highs

EMA median PE exit size ($M) by type



EMA average PE exit size ($M) by type



Source: PitchBook, data as of 31 December 2025. Note: The 2025* figure for public listings is based on a population size of n < 30.

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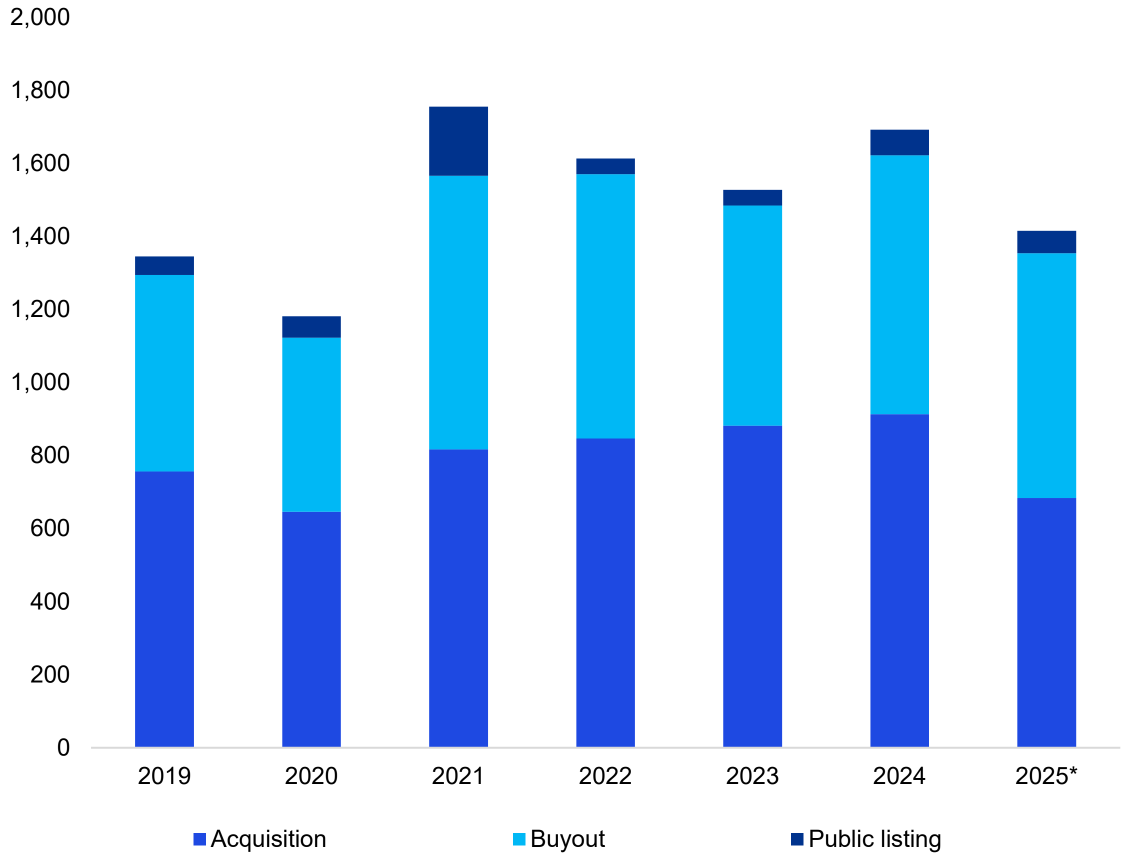
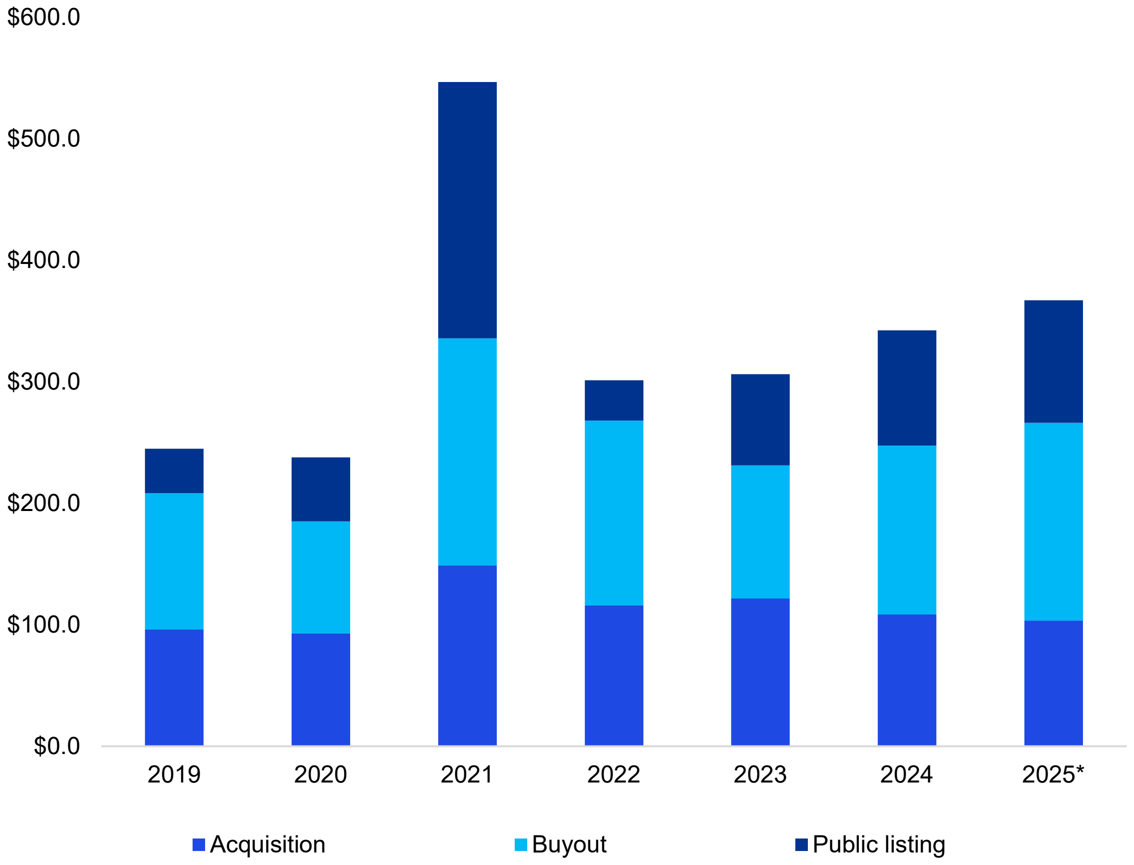
Fellow PE sponsors power liquidity

EMA PE-backed exit activity (#) by type



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



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.

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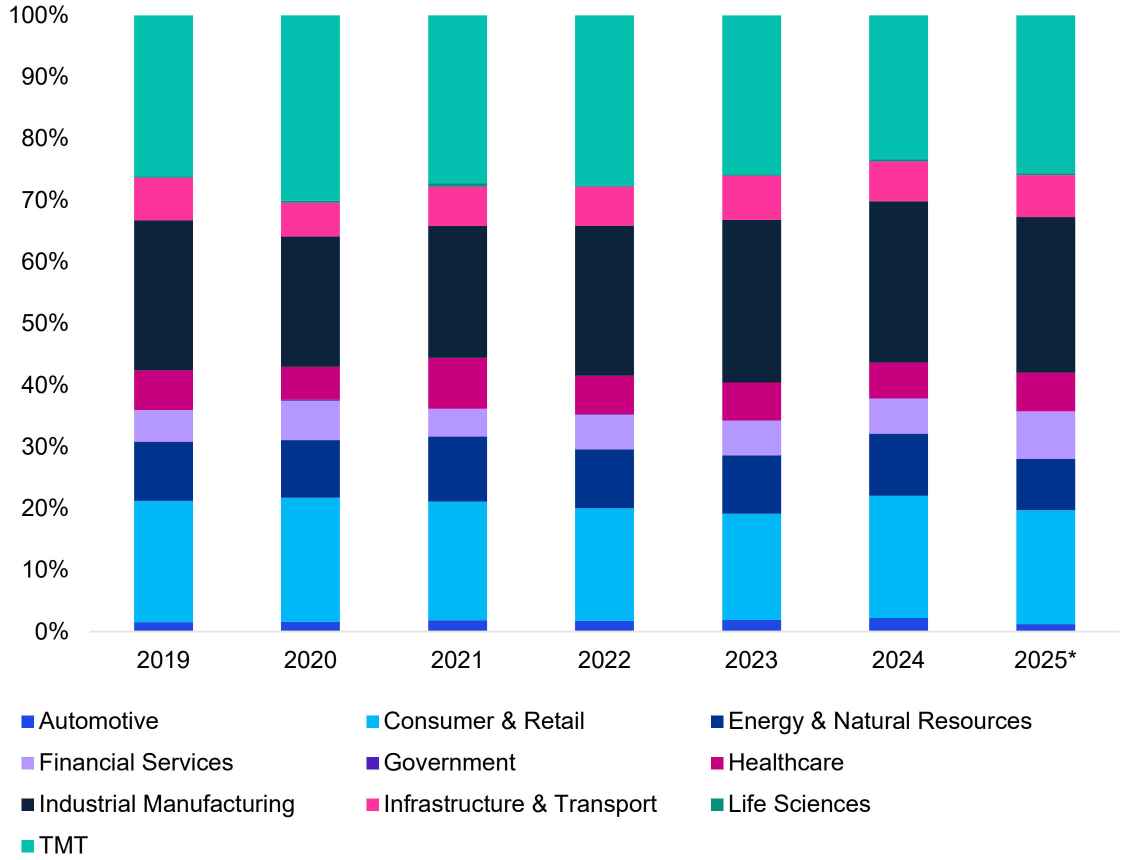
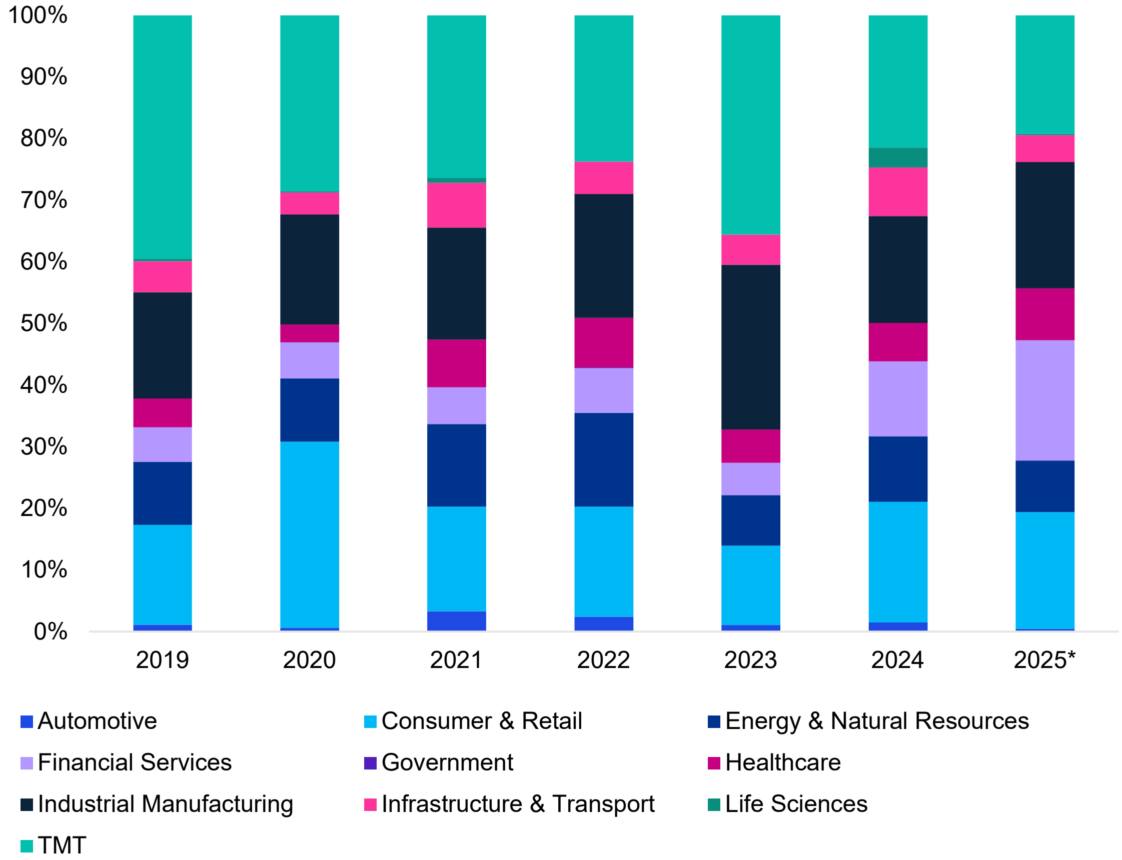
Financials, manufacturing power liquidity surge

EMA PE-backed exit activity (#) by sector



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



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.

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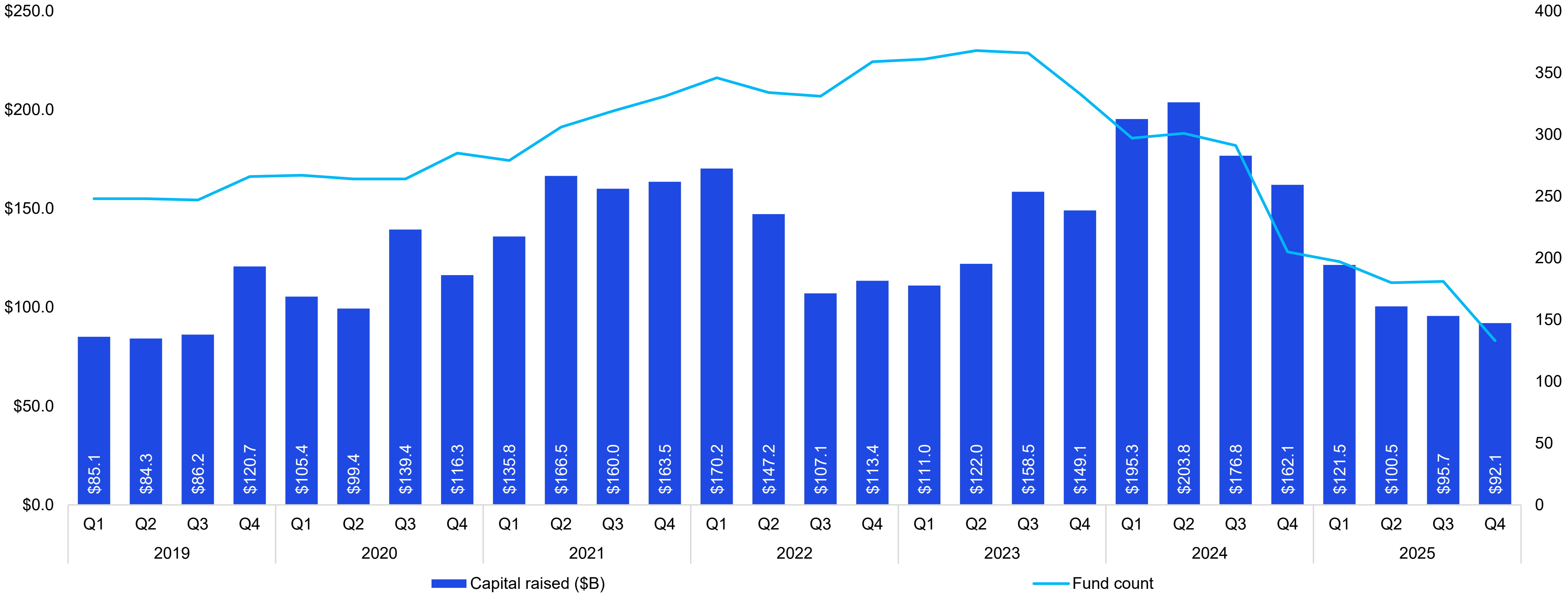
The fundraising cycle continues to subside

EMA PE fundraising activity (rolling 12-month)



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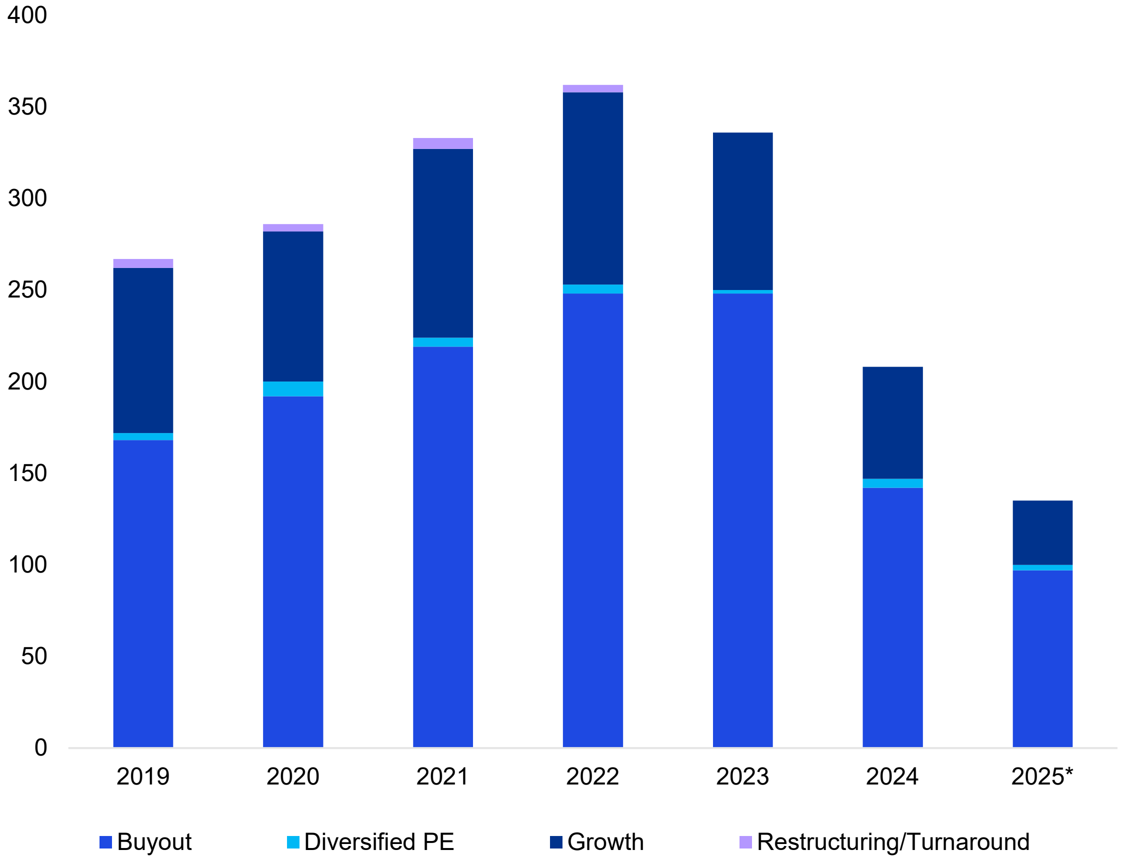
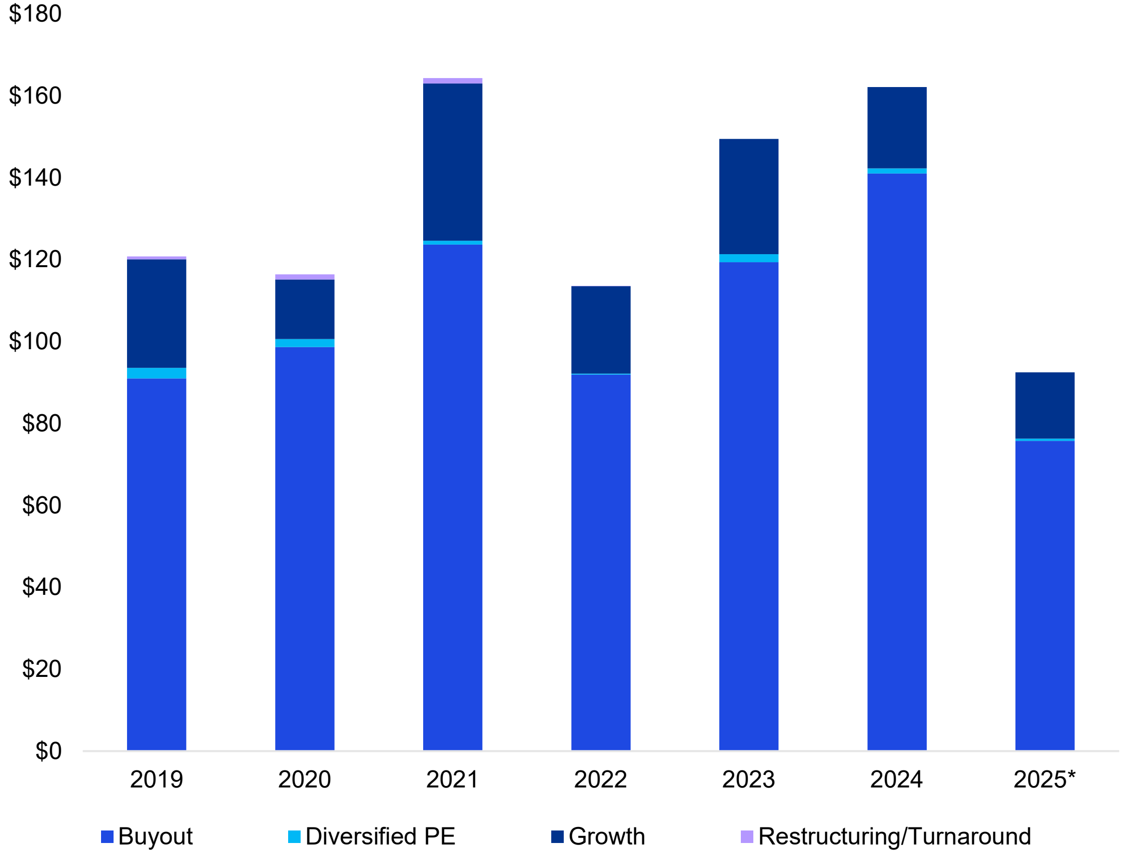
Allocators keep proportions roughly even

EMA PE fundraising activity (#) by type



EMA PE fundraising ($B) by type



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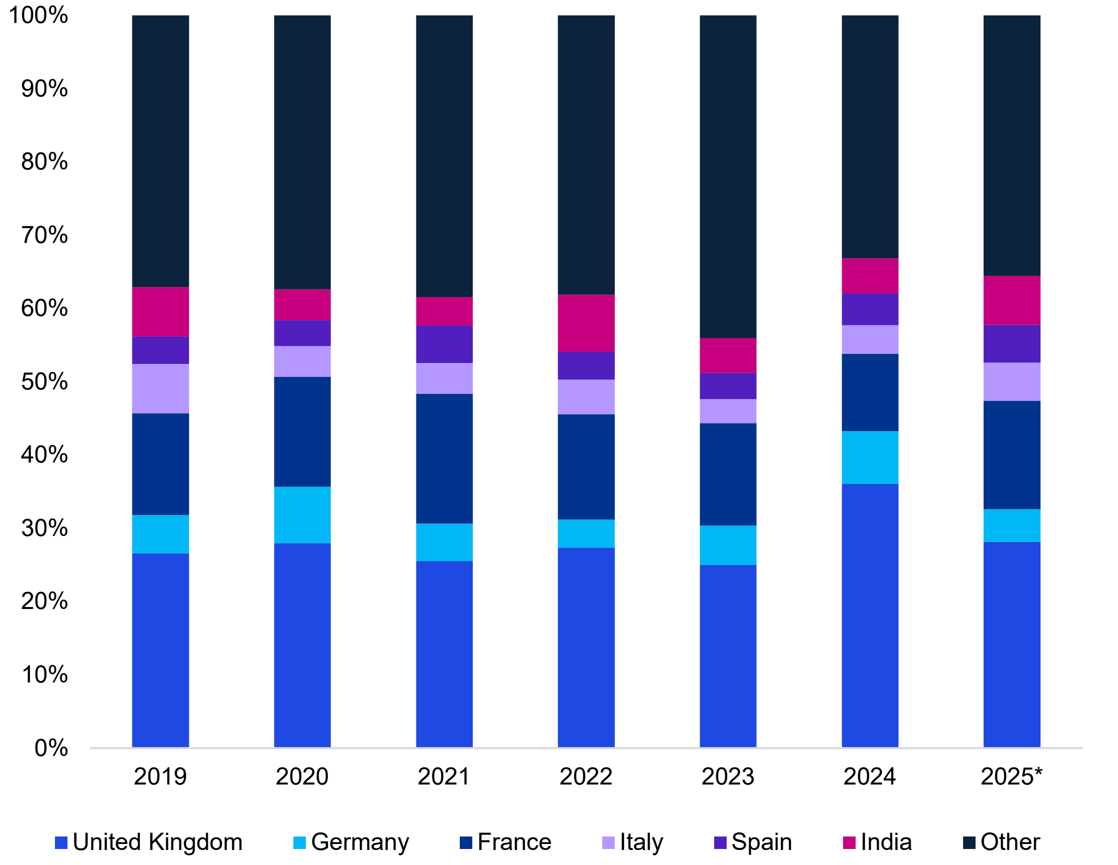
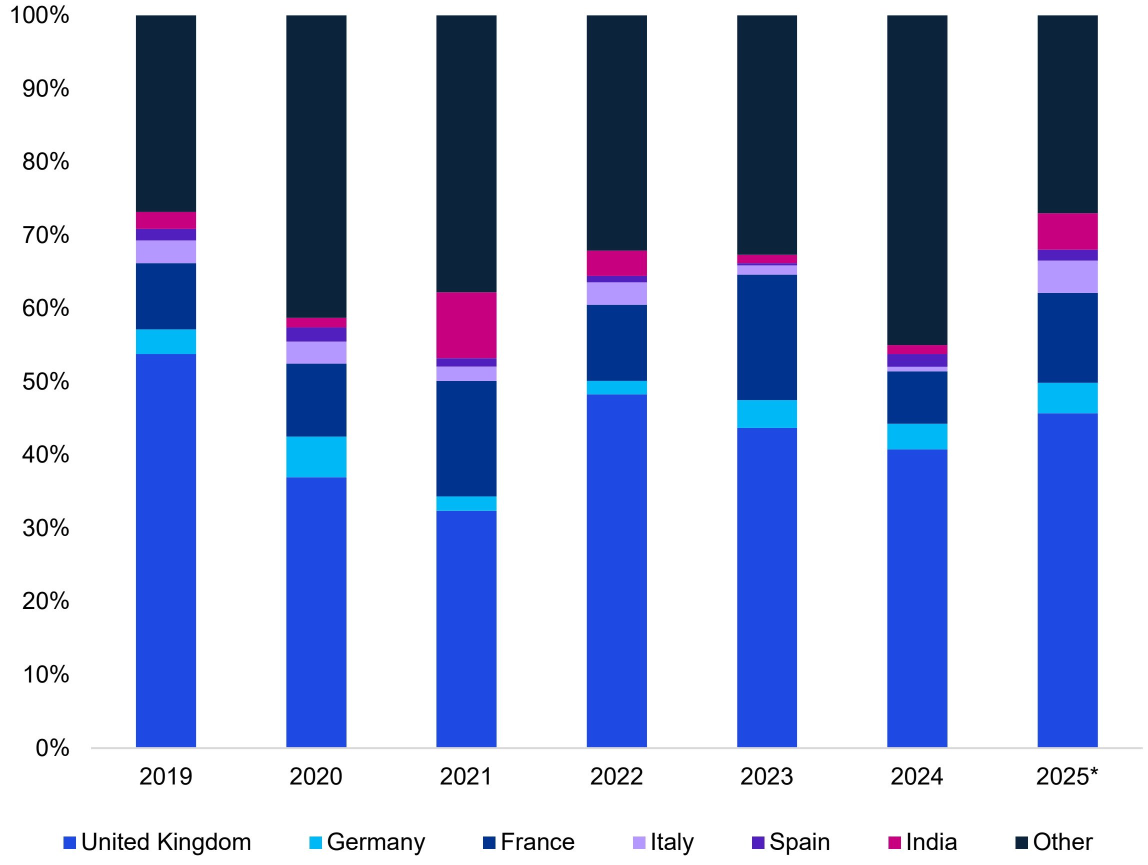
LPs focus on major domestic markets

EMA PE fundraising activity (#) by select countries



EMA PE fundraising ($B) by select countries



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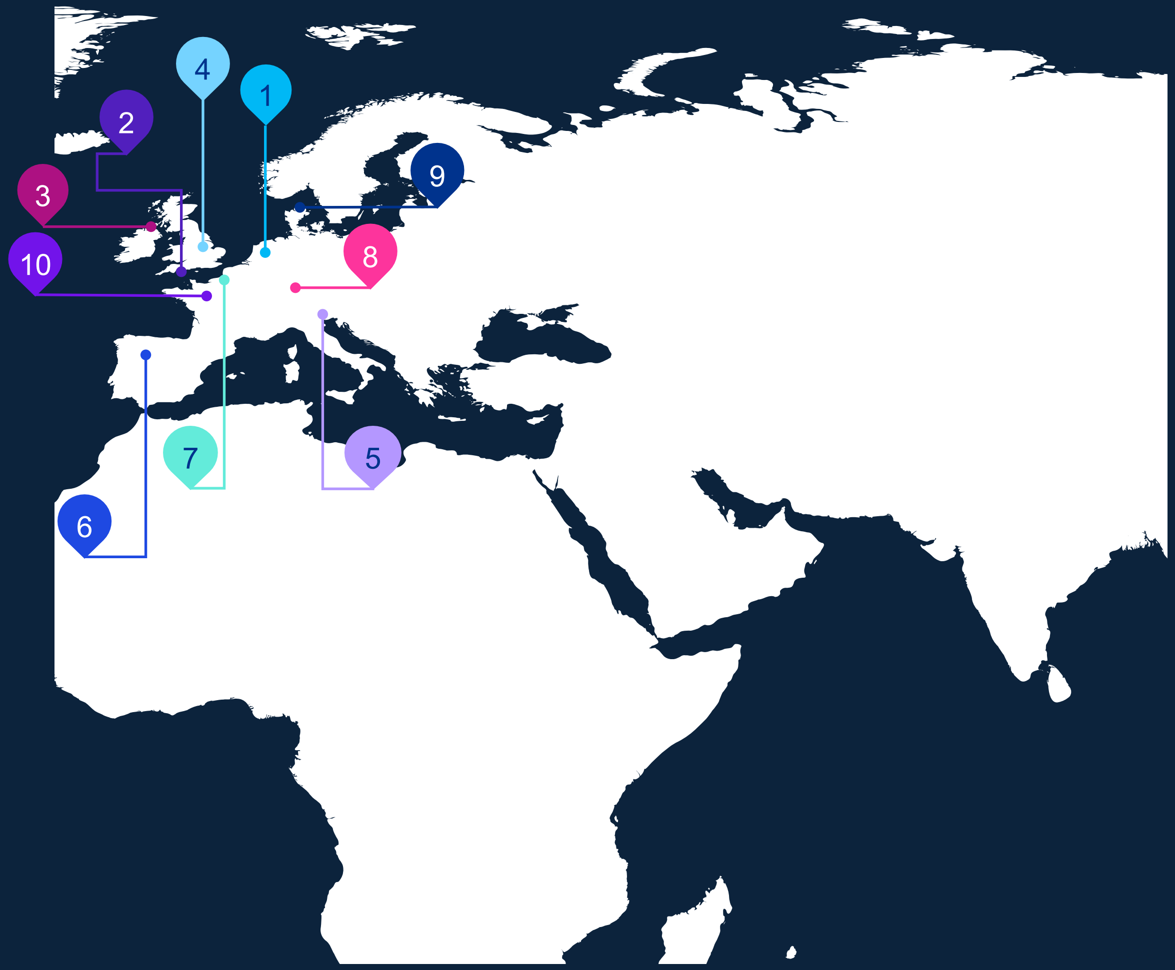
EMA

Top 10 EMA deals announced in Q4 2025



1. **BASF Coatings** — $9B, Muenster, Germany — Corporate divestiture, *Industrial supplies*
2. **JTC Group** — $6.6B, Saint Helier, UK — Buyout, *Asset management*
3. **Energia Group** — $2.9B, Belfast, UK — Secondary buyout, *Utilities*
4. **Smiths Detection** — $2.6B, London, UK — Corporate divestiture, *Security services*
5. **Save (Holding Companies)** — $2.5B, Tessera-Venezia, Italy — Secondary buyout, *Financial services*
6. **Universidad Alfonso X El Sabio** — $2.3B, Madrid, Spain — Secondary buyout, *Education & training*
7. **Desotec** — $2.3B, Roeselare, Belgium — Secondary buyout, *Environmental services*
8. **Swixx Biopharma** — $1.7B, Baar, Switzerland — PE growth, *Biotechnology*
9. **Shine** — $1.55B, Copenhagen, Denmark — Buyout, *Financial software*
10. **Cyrus Herez** — $1.4B, Paris, France — Management buyout, *Wealth Management*

Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.

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05

In Q4'25, ASPAC PE-announced 1,162 transactions amounting to $144.9B

ASPAC overview

PE investment in ASPAC holds steady, driven by record investment in Japan

During 2025, the ASPAC region saw $144.8 billion in PE investment across 1,162 deals. While the level of investment remained relatively steady year-over-year, the total number of PE deals dropped for the fourth consecutive year — driven primarily by a continued slowdown in deal activity in China. The steady investment was buoyed by an over 50 percent increase in PE funding in Japan.

PE investors in ASPAC take a wait-and-see approach amid uncertain geopolitical environment

PE deal volume was noticeably soft in the ASPAC region throughout 2025 as PE investors in a number of jurisdictions held back from making deals given the significant degree of geopolitical and trade uncertainty in the market. The focus of PE investors in the region largely pivoted away from export driven opportunities and towards domestic-oriented sectors like healthcare, financial services, education, and digital infrastructure.

Healthcare-focused PE investment rises to over 10-year high

While deal volume dropped across all key sectors in the ASPAC region year-over-year, deal value rose in several sectors. Healthcare in particular saw a notable increase in PE investment — from $13 billion across 106 deals in 2024 to $18.2 billion across 90 deals in 2025 — the strongest level of investment the sector has seen in over 10 years.

Despite declines compared to 2024, TMT continued to attract the largest share of both PE investment and deal volume in the ASPAC region during 2025, with $34.3 billion invested across 374 deals. Industrial manufacturing came in second with $25.4 billion invested across 241 deals, followed very closely by the energy and natural resources sector — which saw $24.3 billion invested across 140 deals.

> “Exits are a huge issue globally, but I think it’s an even more acute issue here in ASPAC given the mismatch between capital in versus capital out and the fact that secondary markets here are much less developed than in the US and Europe. We’re seeing more and more pressure from LPs on DPI — they want the cash returns. That’s leading to a reality check around pricing with some large funds having to sell assets at lower-than-expected multiples.”

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

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ASPAC overview

Exit activity in the ASPAC region remains soft throughout 2025

PE exit activity remained soft in the ASPAC region during 2025; while exit value remained steady for the third straight year at $111 billion, the number of exits fell to a five-year low of 310. The soft exit activity was driven by a continued mismatch between money flowing into the private markets — including private equity, private credit, real estate, and infrastructure — and the money flowing out. While this trend mirrored exit challenges seen globally, the lack of mature secondary markets in the ASPAC region created an additional challenge for PE firms in the region. Given increasing pressure from LPs to return capital, 2026 will likely see an increasing number of exits, although there could be some concerns over exit multiples related to forced exits.

PE investment in Japan doubles in 2025 amid steady deal volume

PE investment in Japan more than doubled year-over-year — from $23.3 billion across 282 deals in 2024 to a record of $51.8 billion across 279 deals in 2025. The surge in PE investment highlights the growth in deal sizes in Japan over the course of the year. In Q4'25, Japan accounted for half of the top 10 deals announced in the region, including the $6 billion buyout of a 65 percent stake in vehicle lubricants company BP Castrol by Stonepeak for $6 billion,[15] the buyout of Sapporo Real Estate from Sapporo Holdings for $3 billion by PAG and KKR,[16] the take private of medical fabrics company Hogy Medical by The Carlyle Group for $897 million,[17] and the buyout of a majority stake of AI-powered engineering industry talent platform company Forum Engineering for $689 million by KKR.[18]

China sees both PE investment and deal volume drop year-over-year

PE investment in China remained very subdued in 2025, falling from $32.6 billion across 299 deals in 2024 to $18.2 billion across 168 deals in 2025 — a more than 10-year low in deal volume. A challenging domestic economy combined with geopolitical and trade tensions likely kept many PE investors holding back — waiting for investment conditions to improve. Despite the extended softness in China's PE market, the long-term outlook remains positive given it's the world's second largest economy. There is cautious optimism that PE market conditions have bottomed out and that China is poised for a cautious recovery heading into 2026.

Australia sees steady volume of PE deals in 2025, despite decline in investment total

In Australia, PE deal activity remained very stable year-over-year despite total PE investment falling from $51.2 billion in 2024 to $42.1 billion in 2025. Australia continued to be one of the safest PE markets in the ASPAC region, with total investment second only to Japan in 2025. During Q4'25, Australia attracted four of the region's 10 largest deals, led by the take private of National Storage REIT by Brookfield and GIC in the largest recorded takeover of an Australia-based real estate company.[19]

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[15] bp.com, "bp agrees to sell a 65% shareholding in Castrol to Stonepeak at an enterprise value of $10 billion," 24 December 2025.
[16] ca.investing.com, "PAG and KKR to acquire Sapporo's real estate business in staged deal," 24 December 2025.
[17] jakotaindex.com, "Carlyle to Take Hogy Medical Private in ¥150 Billion Tender Offer," 15 December 2025.
[18] inforcapital.com, "KKR Takes Majority Control of Forum Engineering," 26 December 2025.
[19] pe-insights.com, "Brookfield and GIC agree $2.65bn takeover of National Storage in Australia's largest real estate buyout," December 2025.

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ASPAC overview

Trends to watch for in Q1'26

Heading into Q1'26, PE activity in the ASPAC region is expected to remain subdued, although jurisdictions like Japan and Australia will likely continue to show some resilience. PE investors are watching market conditions in the region carefully; given the amount of dry powder, should geopolitical tensions stabilize, there will likely be a significant uptick in PE deal activity.

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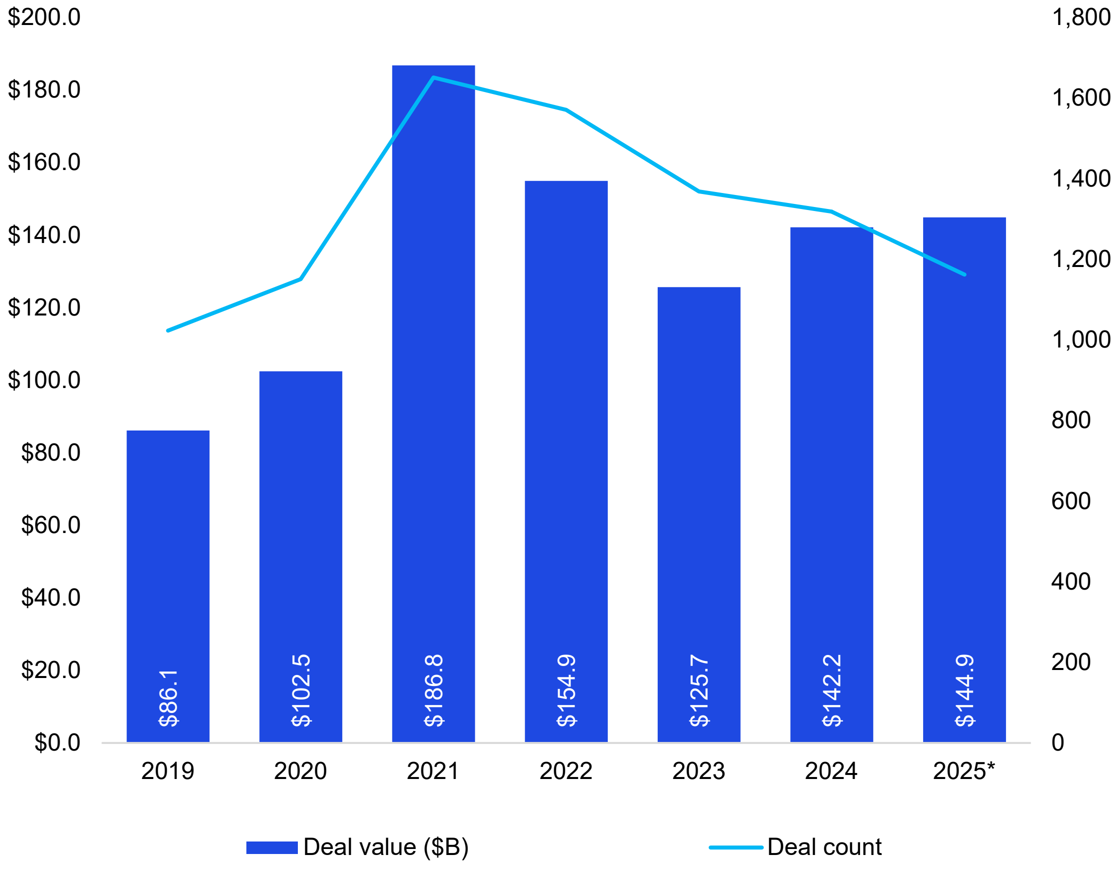
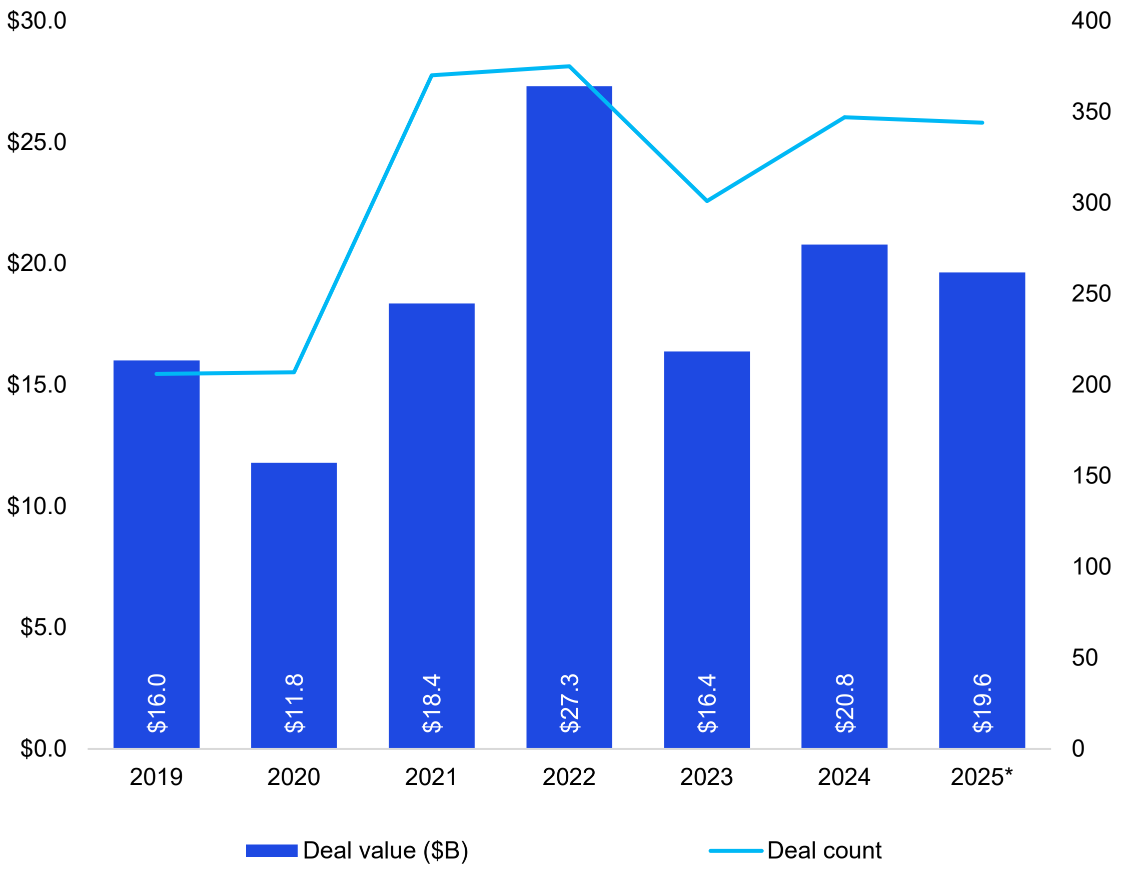
Activity slows somewhat

ASPAC PE deal activity



ASPAC PE add-on/bolt-on activity



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.

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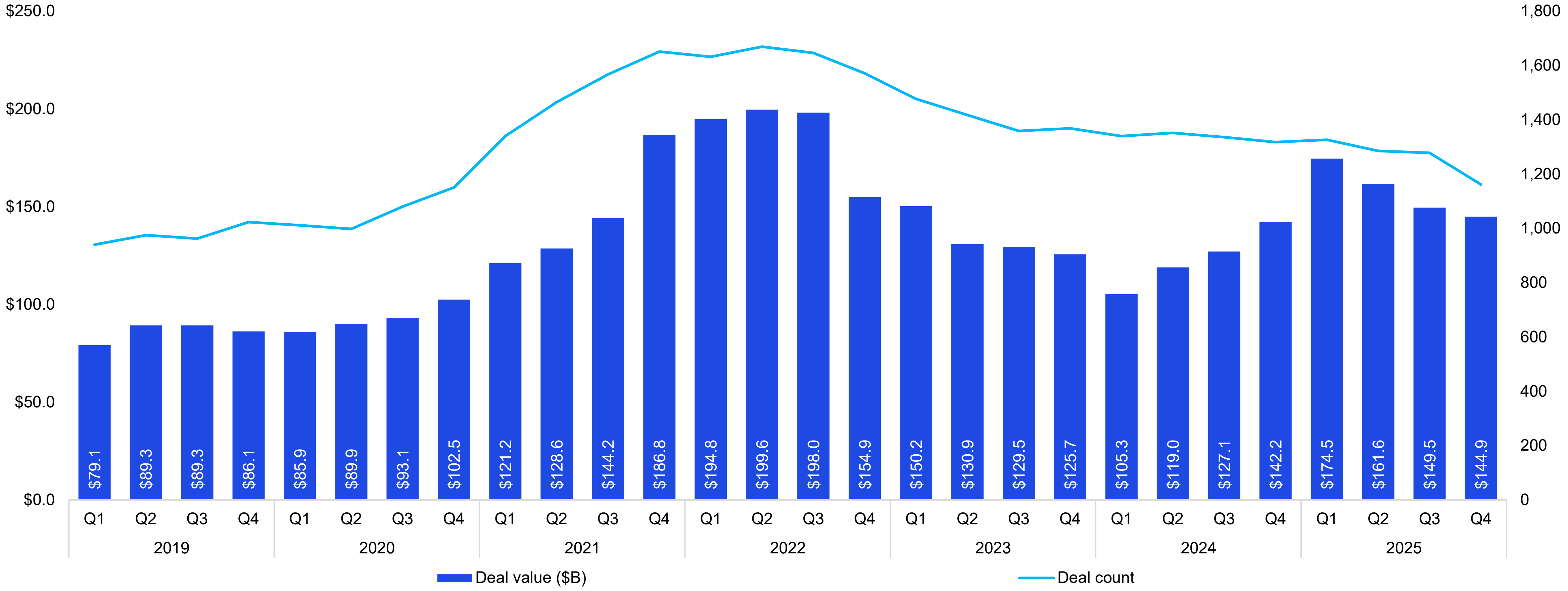
Q3 exhibits modest recovery in deal value

ASPAC PE deal activity



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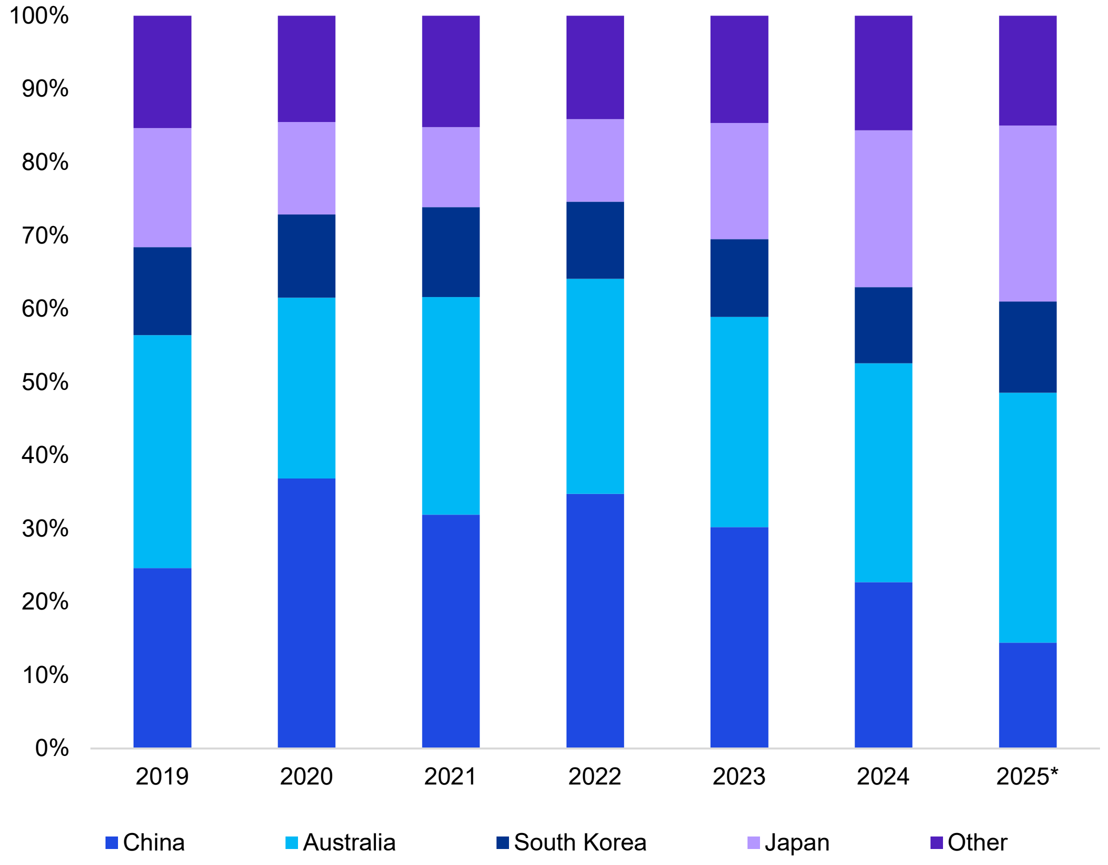
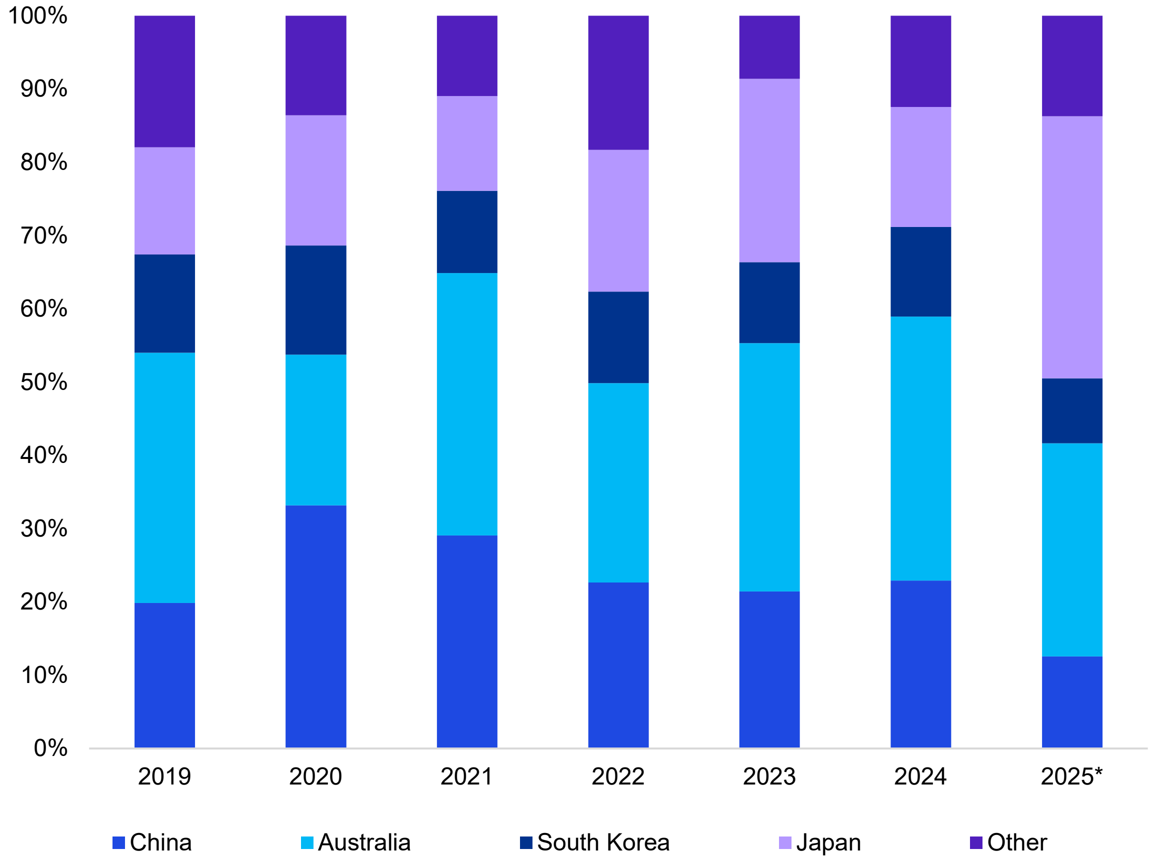
Activity slows somewhat

ASPAC PE deal activity (#) by select countries



ASPAC PE deal activity ($B) by select countries



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.
TTM stands for trailing 12 months.

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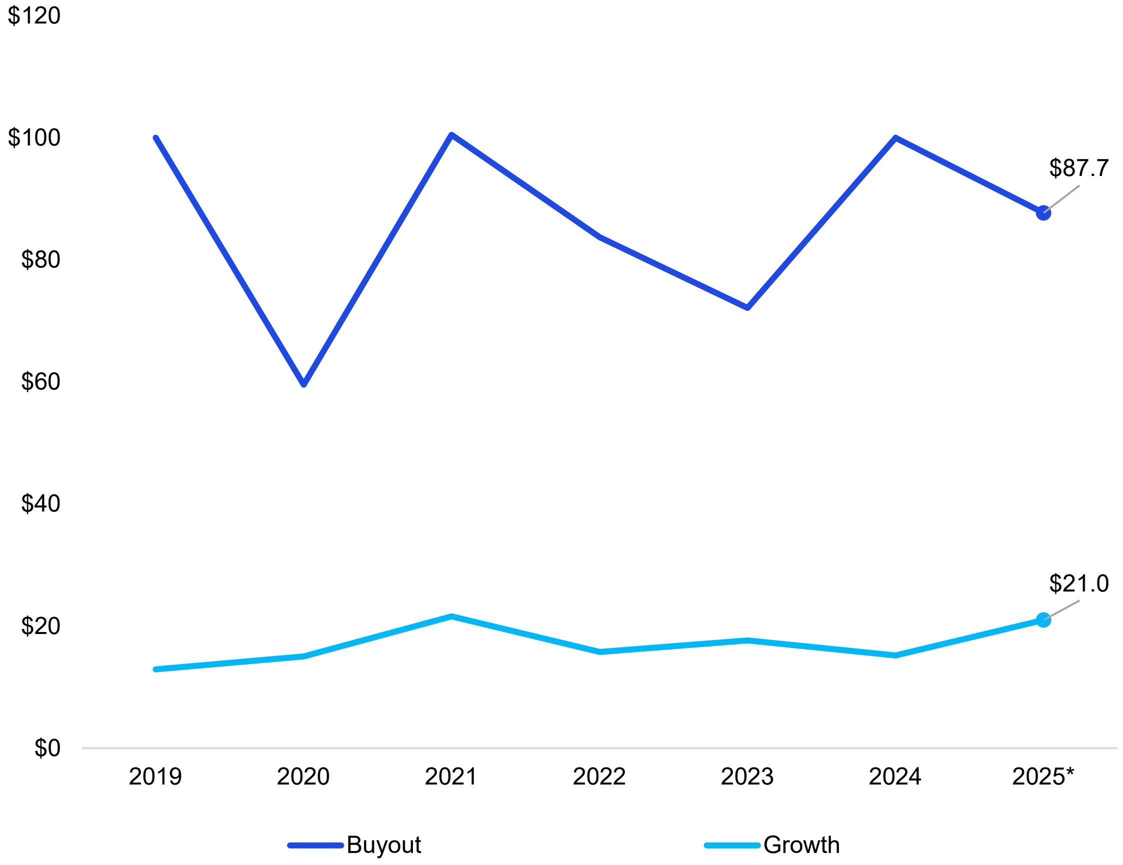
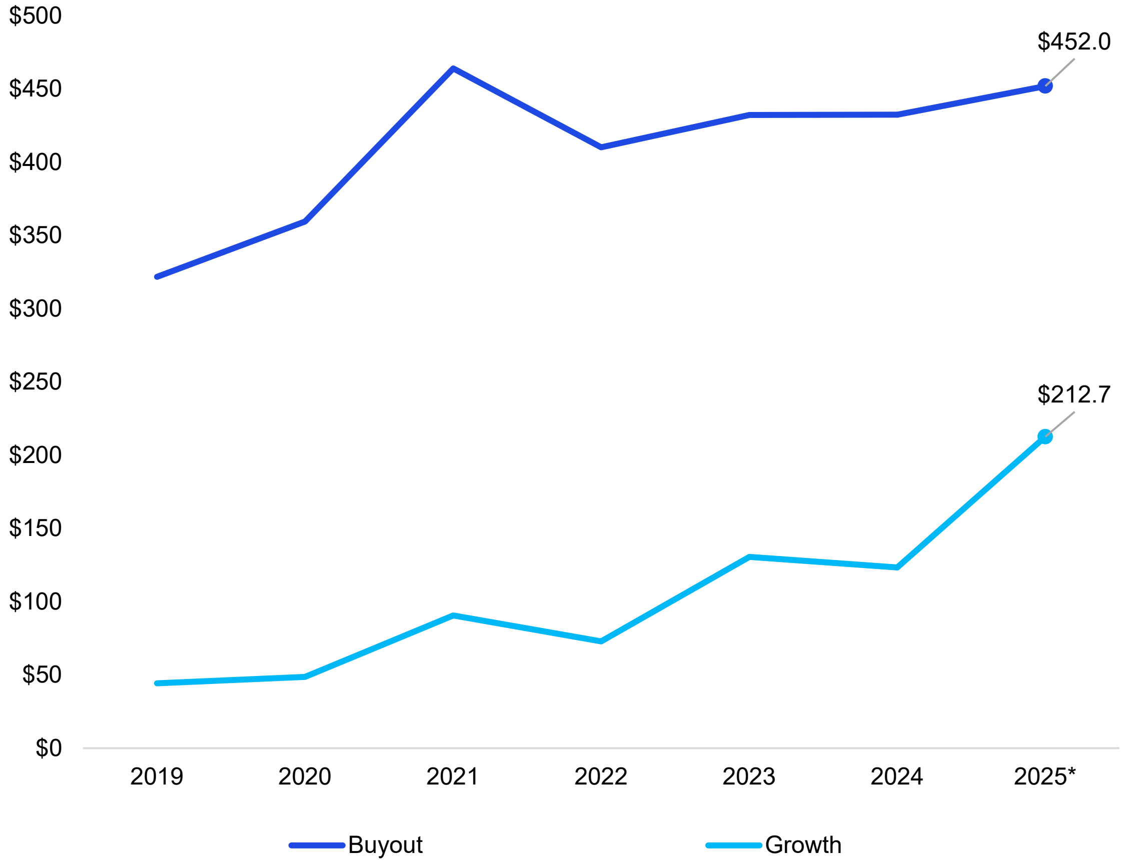
Median buyout size slides

ASPAC median PE deal size ($M) by type



ASPAC average PE deal size ($M) by type



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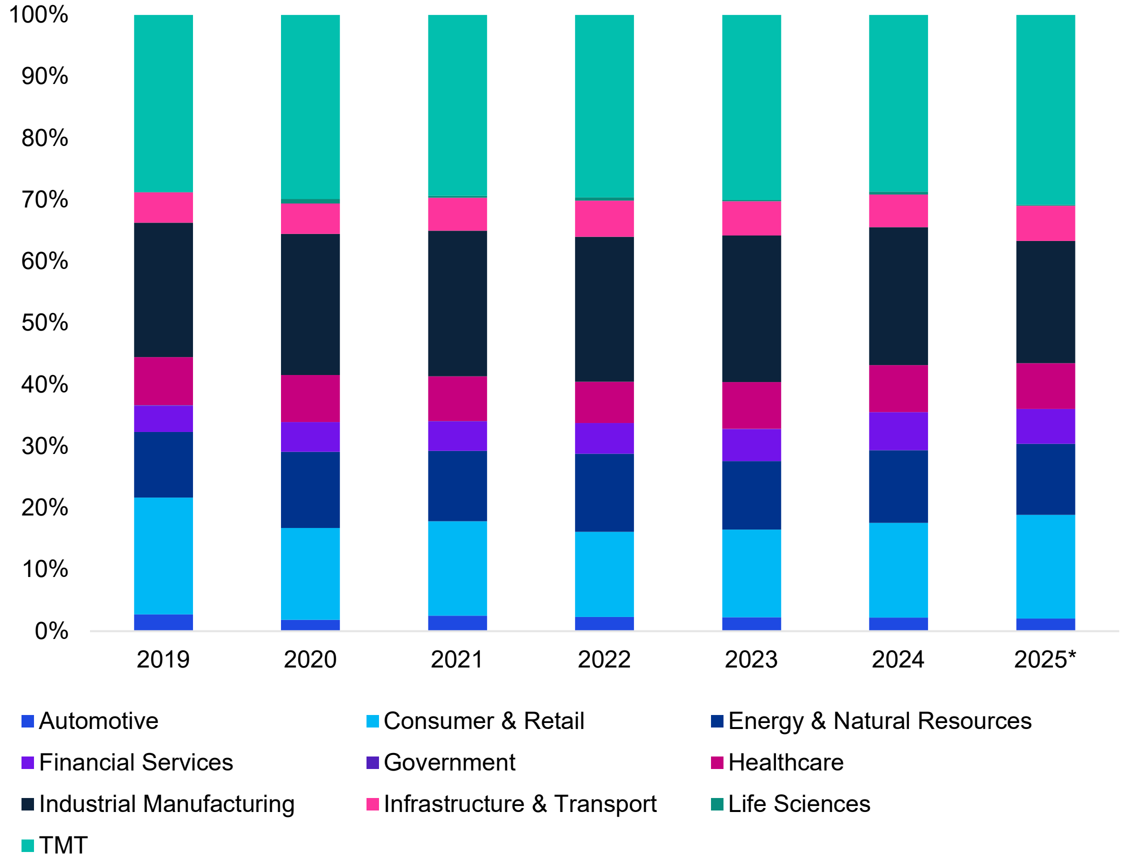
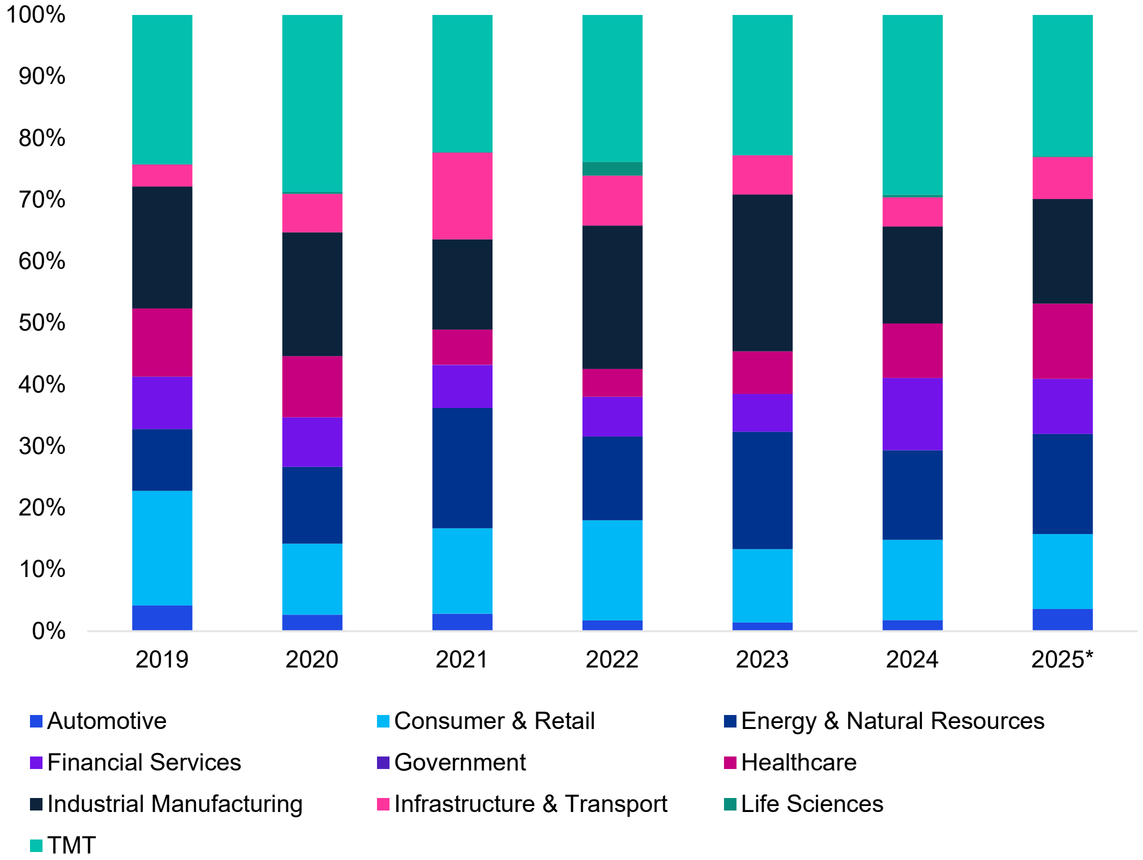
TMT exit counts grow proportionally

ASPAC PE deal activity (#) by sector



ASPAC PE deal activity ($B) by sector



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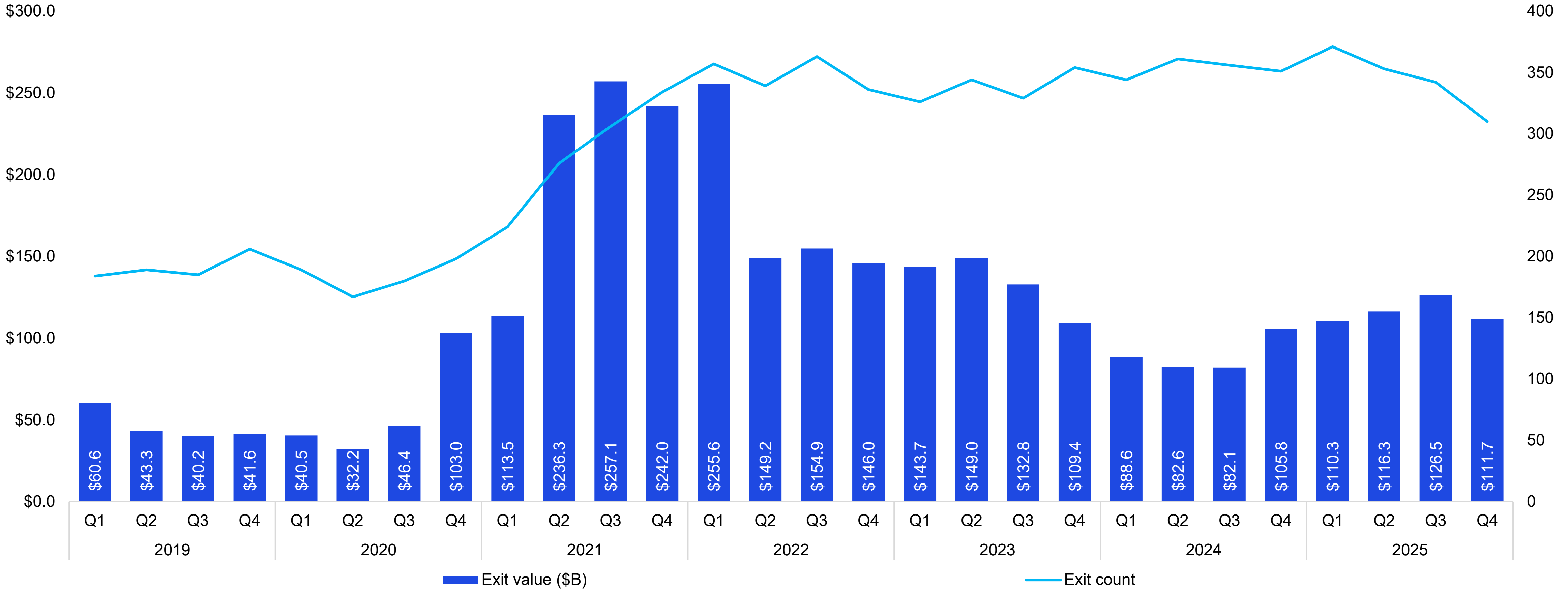
Exit values could overtake 2024 tally

ASPAC PE-backed exit activity



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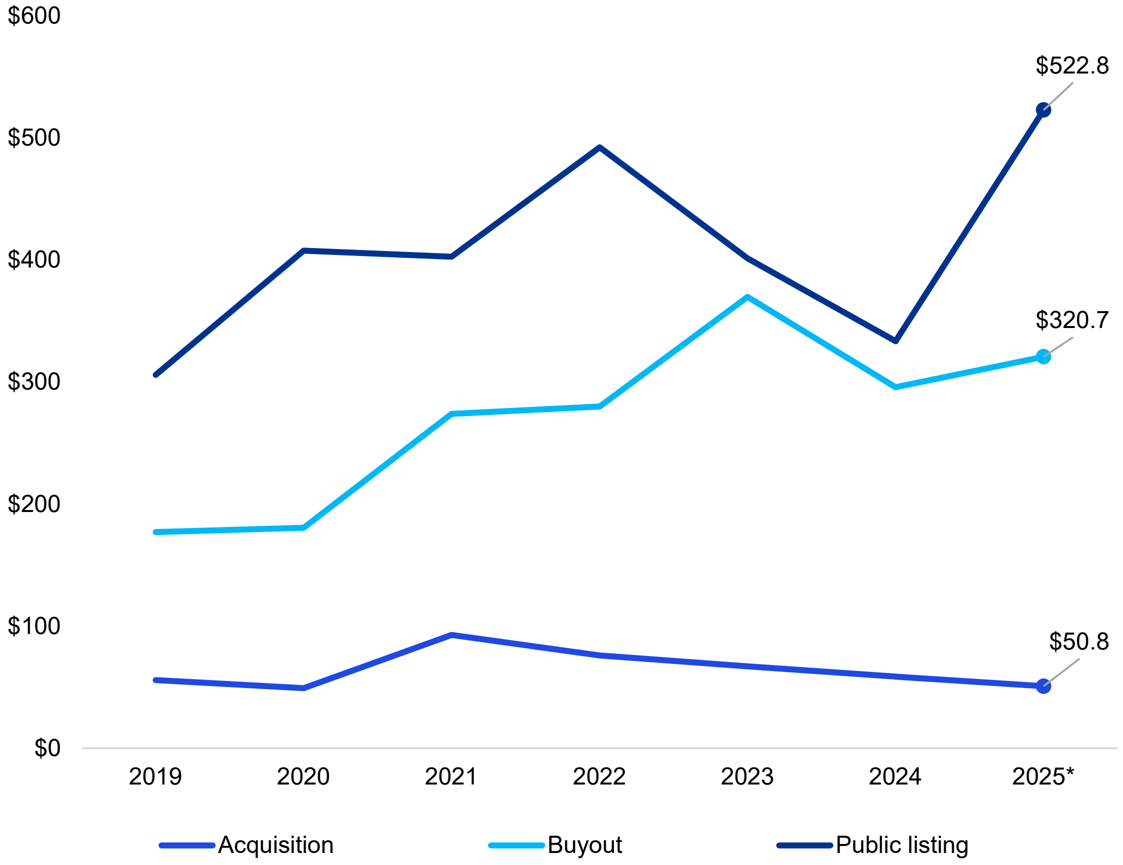
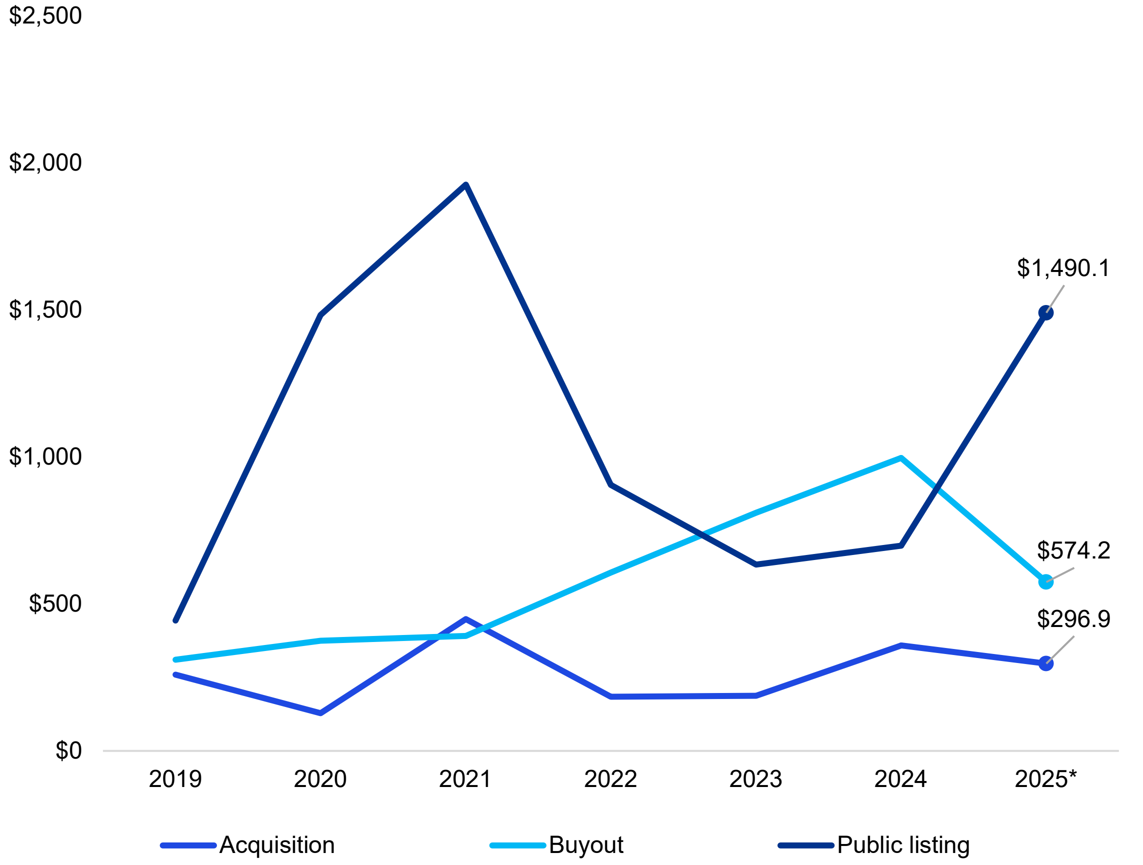
Fellow PE sponsors target smaller enterprises

ASPAC median PE exit size ($M) by type



ASPAC average PE exit size ($M) by type



Source: PitchBook, data as of 31 December 2025. Note: The 2019-2020, 2023 and 2025* figures for secondary buyouts are based on population sizes of n < 30.

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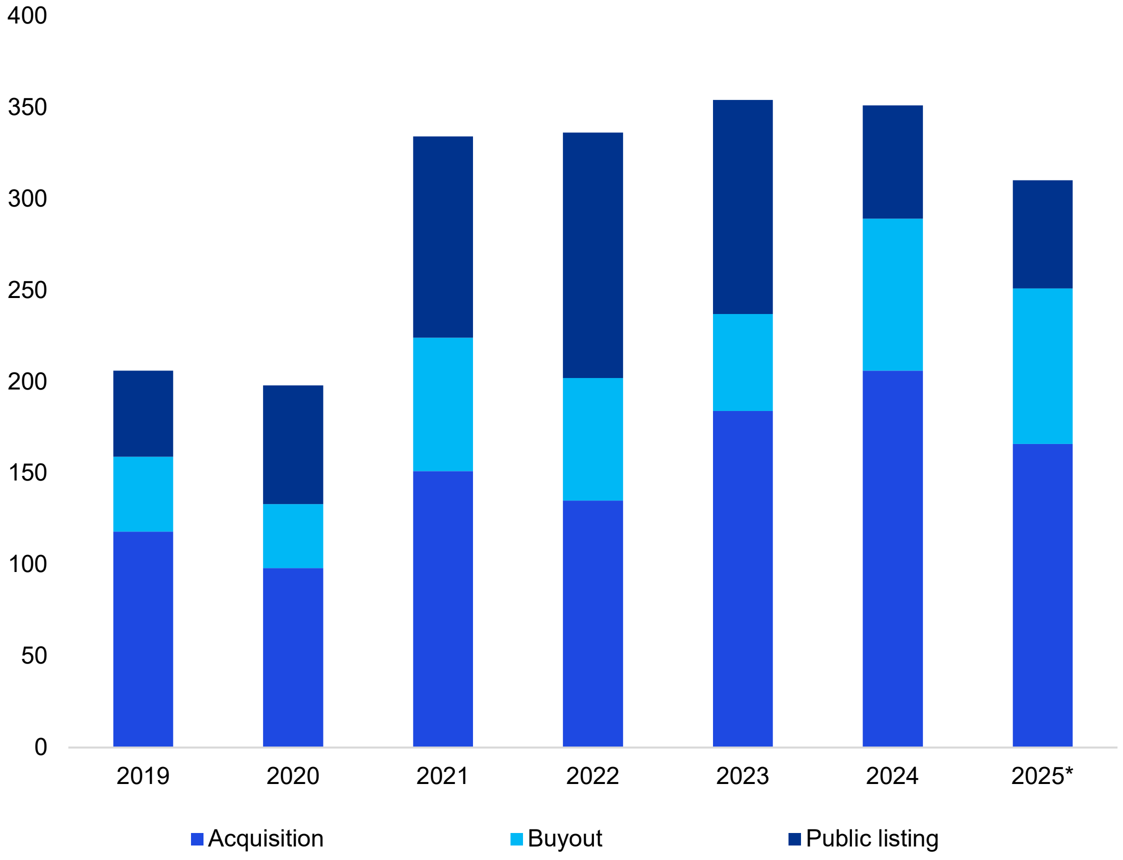
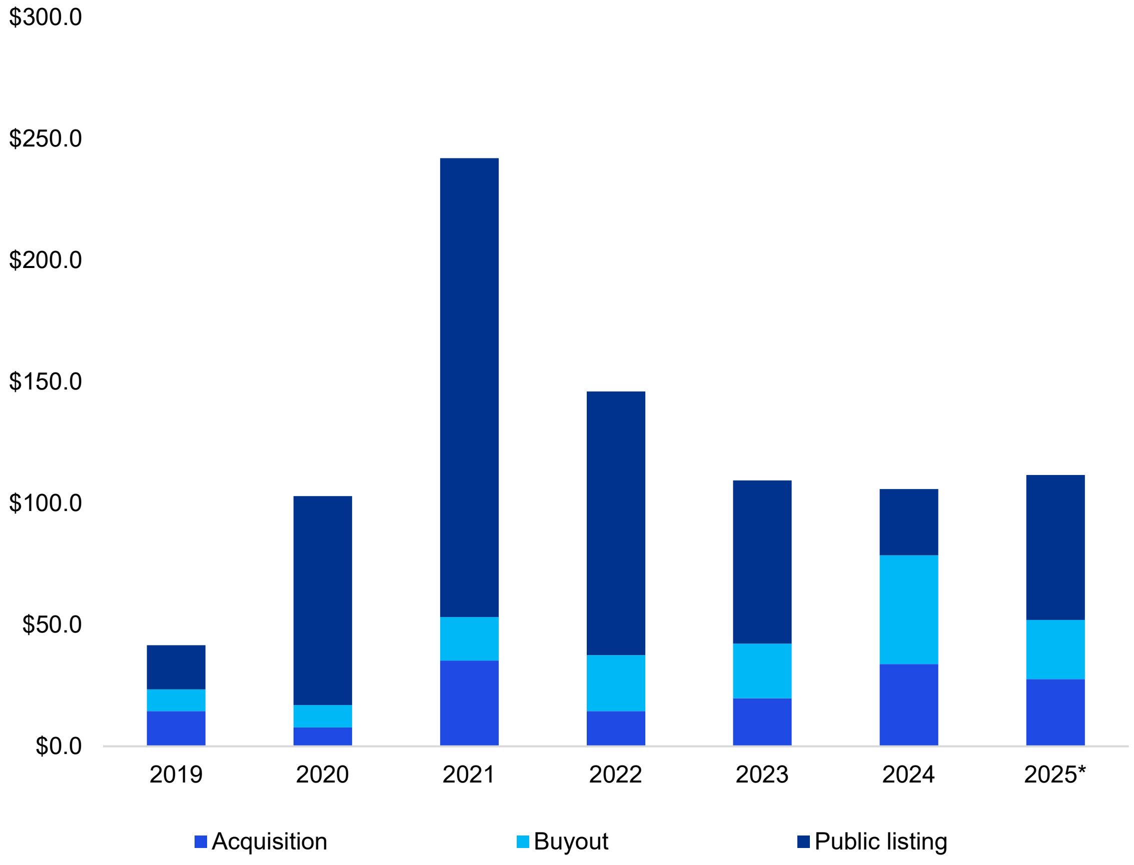
Public listings' value remains robust

ASPAC PE-backed exit activity (#) by type



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



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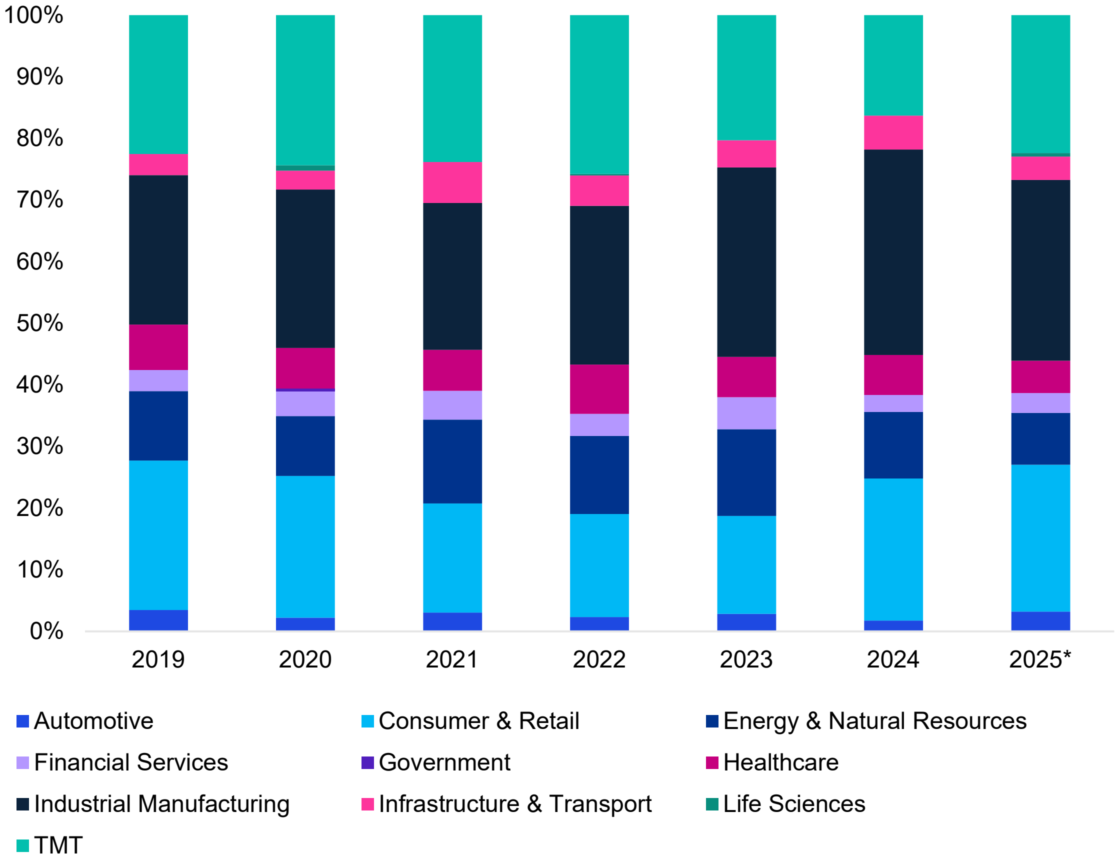
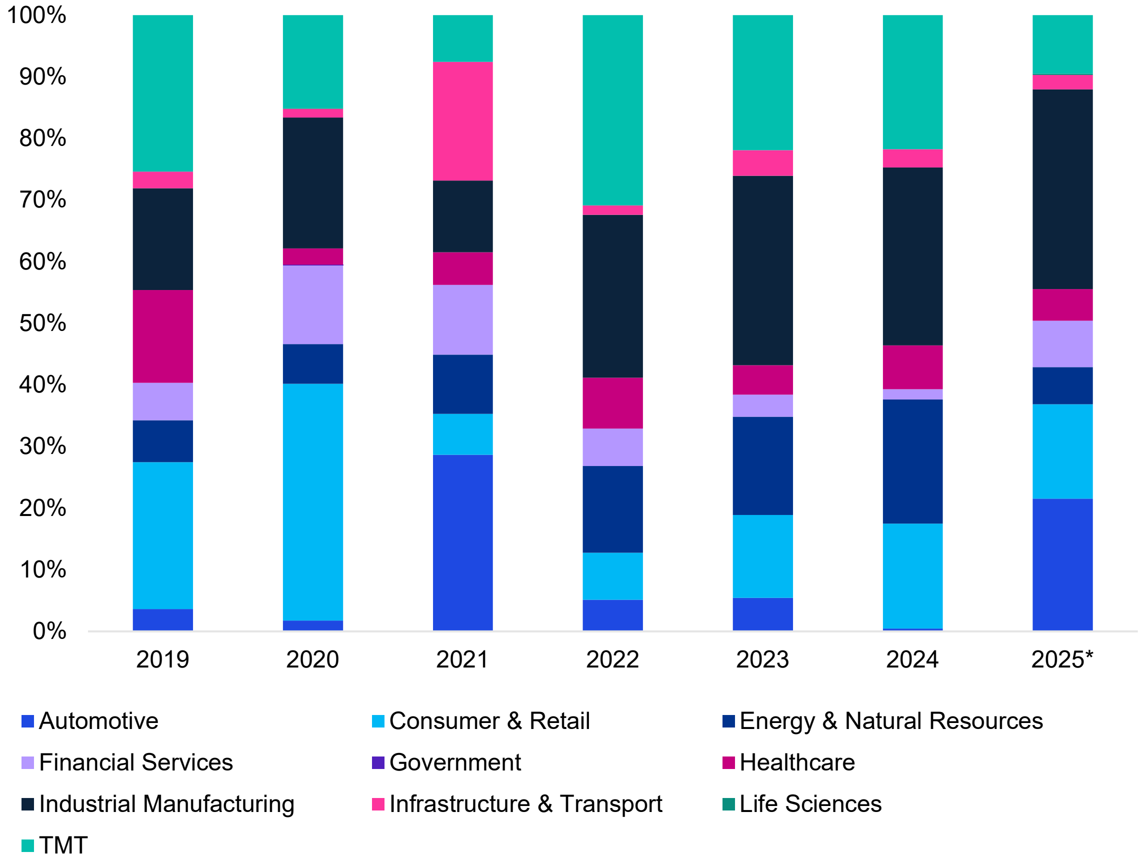
Automotive, industrials push liquidity forward

ASPAC PE-backed exit activity (#) by sector



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



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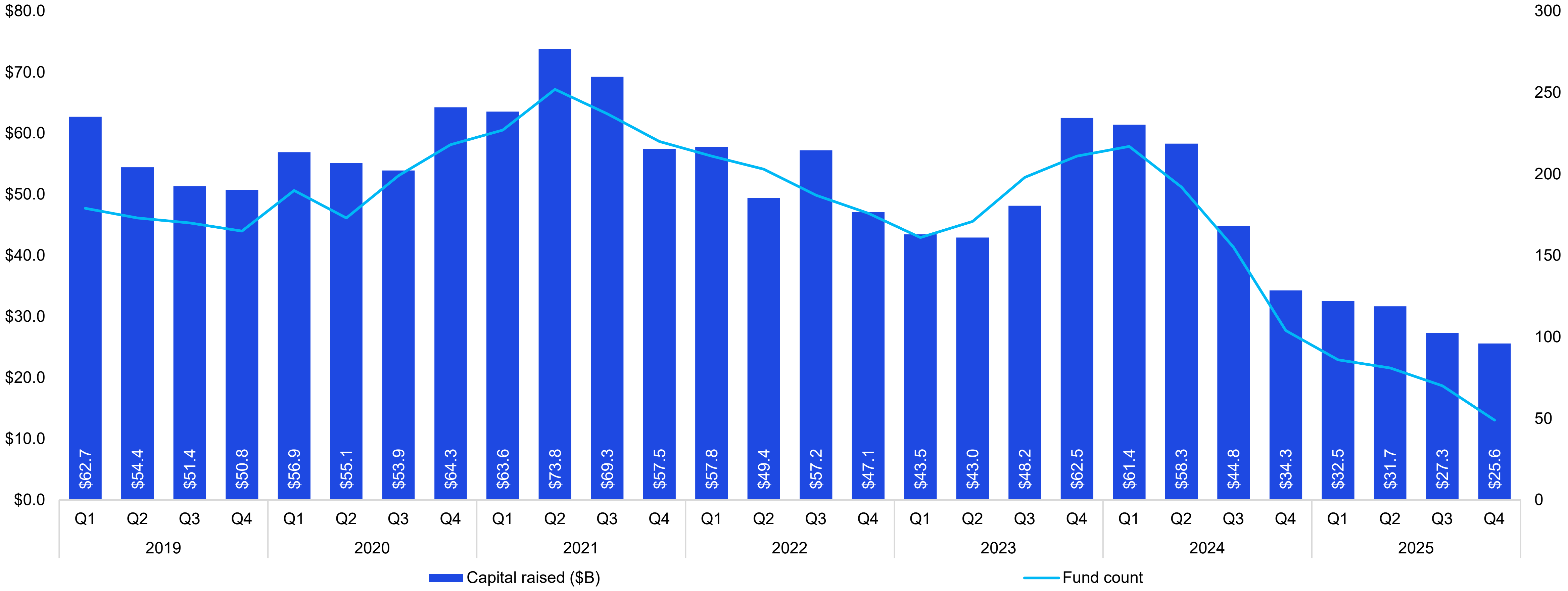
Fundraising slides into unprecedented lows

ASPAC PE fundraising activity (rolling 12-month)



*Source: Pulse of private equity Q4'25 KPMG analysis of global private equity activity as of 31 December 2025. Data provided by PitchBook.

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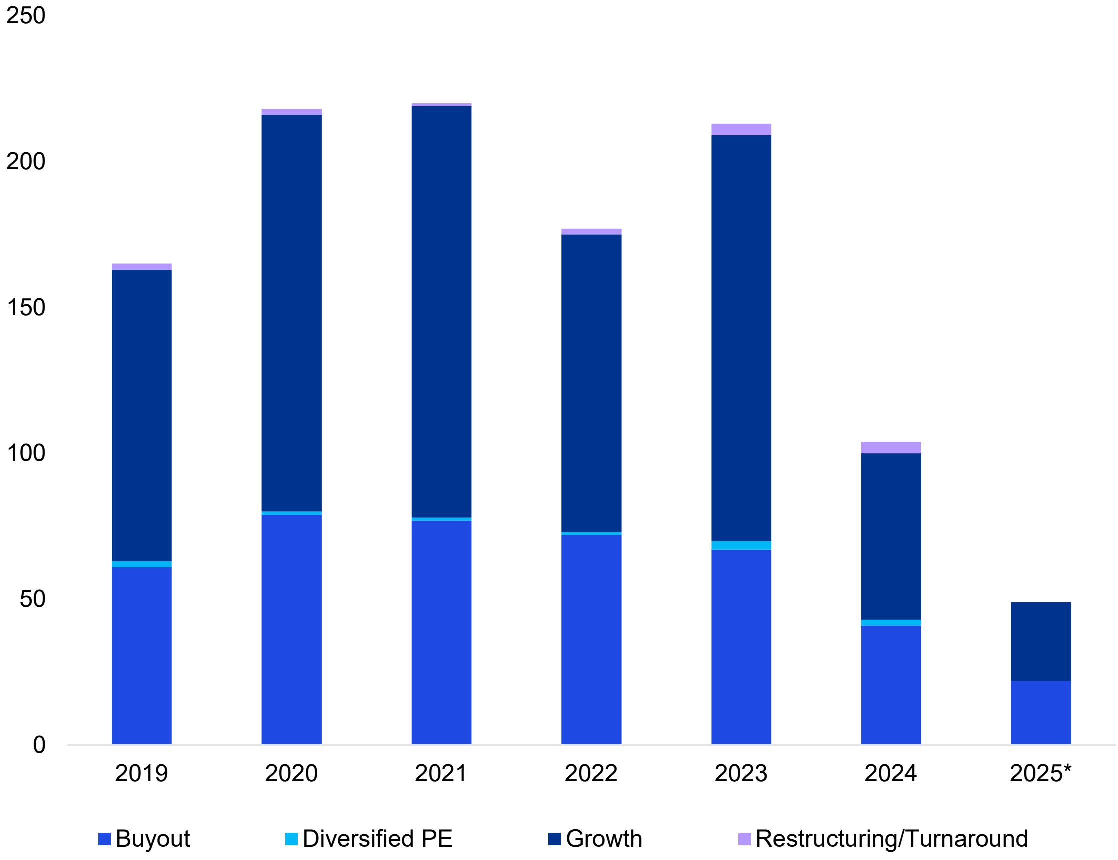
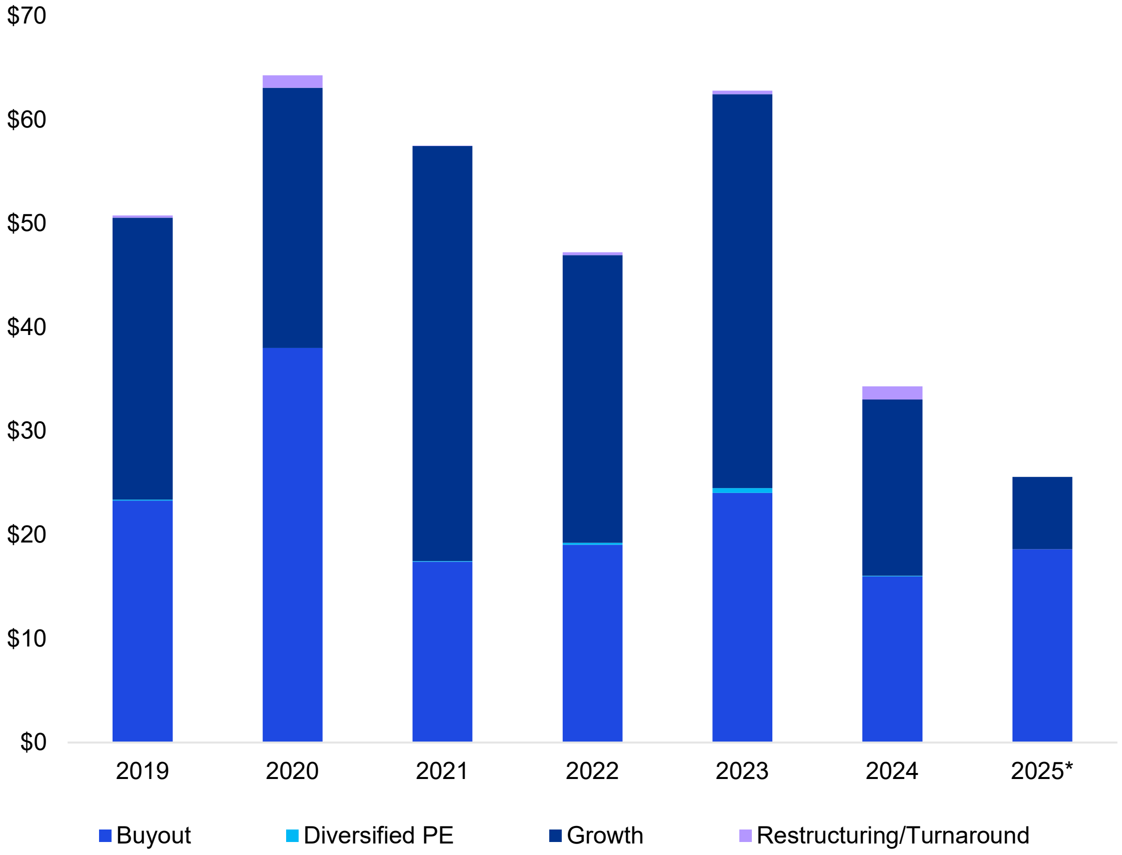
PE firms prioritize growth funds in volatile environment

ASPAC PE fundraising activity (#) by type



ASPAC PE fundraising ($B) by type



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ASPAC

Top 10 ASPAC deals announced in Q4 2025

1. **BP Castrol** — $6B, Tokyo, Japan — Buyout, *Specialty chemicals*
2. **National Storage** — $4.4B, Brisbane, Australia — Public-private, *Logistics*
3. **Sapporo Real Estate Development** — $3B, Tokyo, Japan — Corporate divestiture, *Real estate services*
4. **Kinetic Group Services** — $2.6B, Melbourne, Australia — Secondary buyout, *Automotive*
5. **Western Australia Iron Ore** — $2B, Western Australia — PE growth, *Iron & steel mining*
6. **Hamilton Island** — $1.2B, Queensland, Australia — Secondary buyout, *Hotels & resorts*
7. **Hogy Medical** — $897.7M, Tokyo, Japan — Public-private, *Medical supplies*
8. **Forum Engineering** — $600M, Tokyo, Japan — Buyout, *Human capital services*
9. **Korea Environment Technology** — $476.3M, Ulsan, South Korea — Secondary buyout, *Environmental services*
10. **BK Japan Holdings** — $456.3M, Tokyo, Japan — Secondary buyout, *Restaurants*

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KPMG private equity practice

KPMG firms' private equity practice is 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 private equity professionals

4,200+ professionals

920+ KPMG partners

Deep industry experience

How KPMG can help

KPMG private equity services are strategically designed to support clients throughout the entire investment lifecycle, helping ensure 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 detailed 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 the ability to support firms in navigating investment strategies effectively, thus enriching the value provided throughout the investment lifecycle.

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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 at least one LP report within two years of the fund's vintage, and LP reports in at least 45 percent of applicable reporting periods. To mitigate discrepancies among multiple LPs reporting, the PitchBook Benchmarks determine returns for each fund based on data from all LP reports in a given period. For periods that lack an LP report, 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 cashflow 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 a 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; and (iii) for funds less than five years or are less than eight years with NAV greater than 5 percent, extend cash multiples and IRRs from the prior quarter if available. All returns data is net of fees and carry.

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

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