



**Private Equity**

# **U.S. Private Equity Market Recap**

Activity and Trends

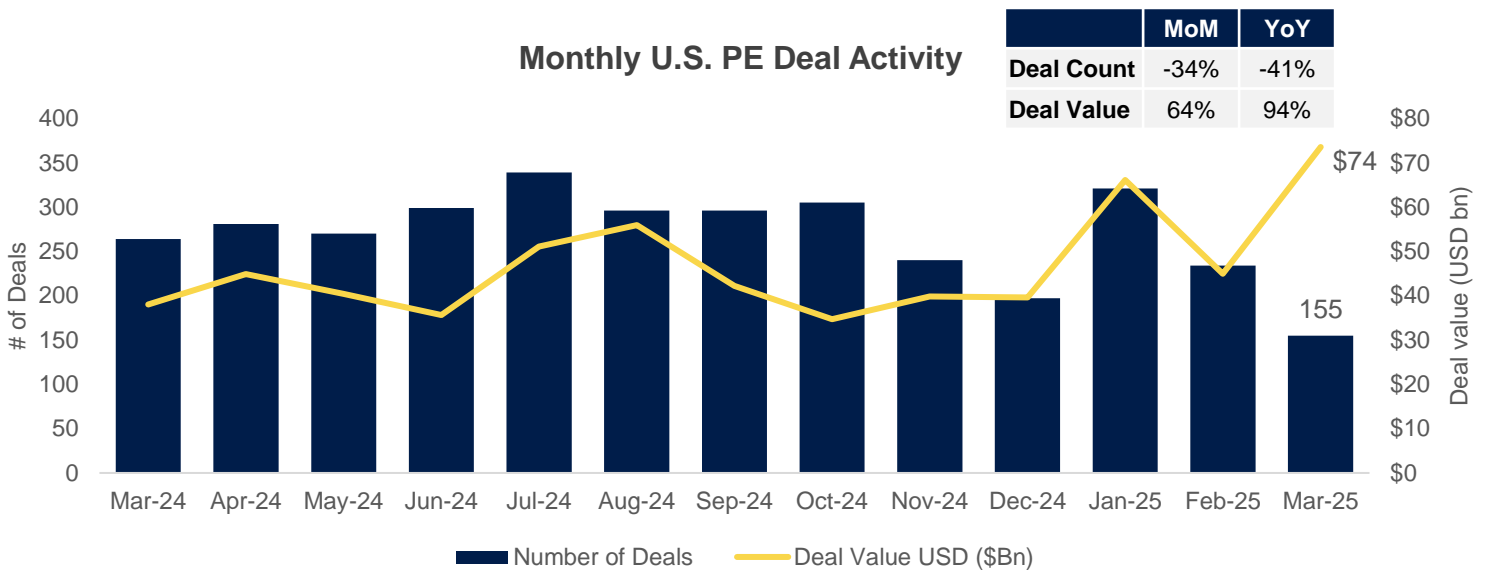
**ROPES & GRAY**

April 2025

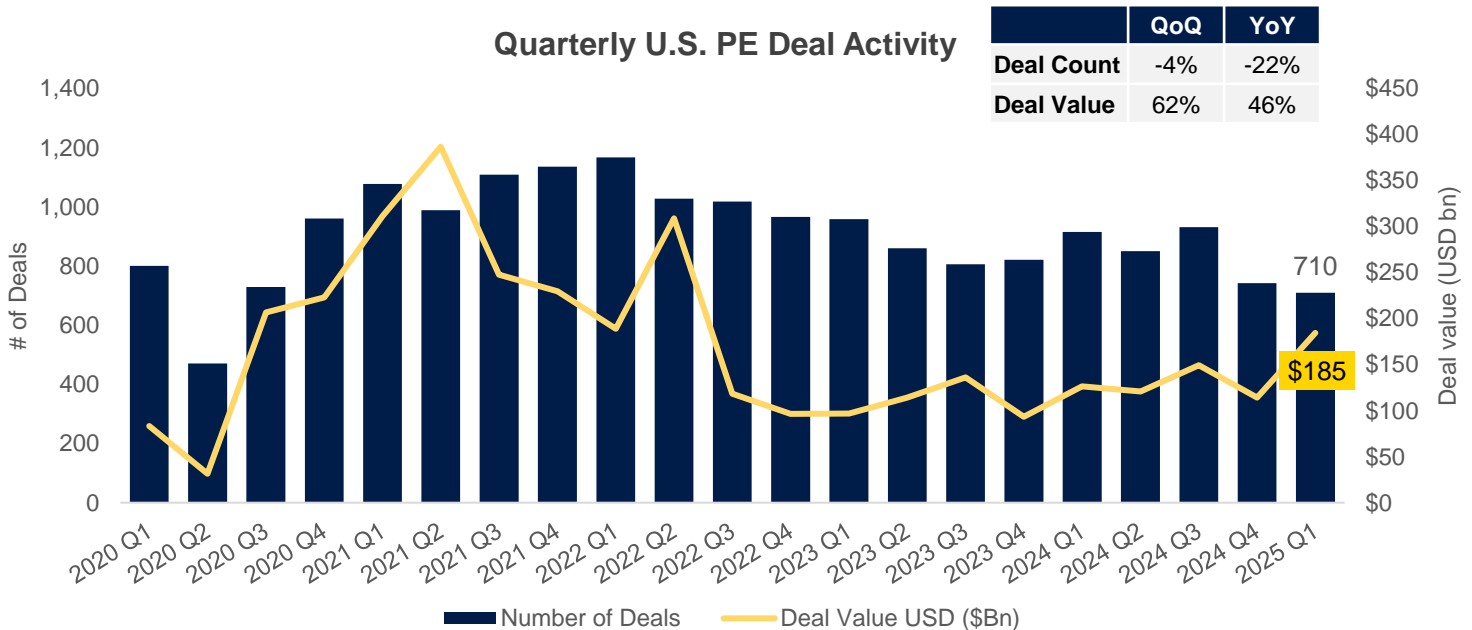
### U.S. PE Deal Activity

- Deal count:** March deal count dropped dramatically, pushing Q1 2025 deal count to the lowest level since the onset of the pandemic in Q2 2020. Q1 2025 deal count fell on both a QoQ and YoY basis.
- Deal value:** While deal count fell, deal value jumped in both March and Q1 2025. The first quarter of the year had the highest deal value since Q2 2022.

Monthly U.S. PE Deal Activity



Quarterly U.S. PE Deal Activity



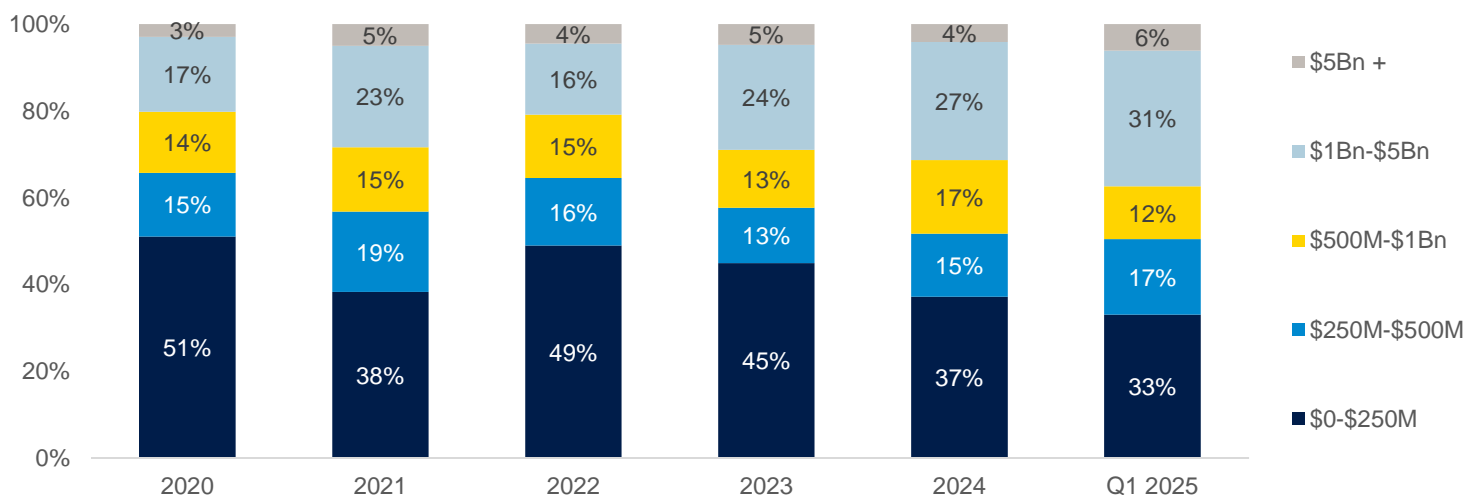
Source: Dealogic, U.S. Only, Deals Announced/Completed through 03/31/2025.

<b>U.S. PE DEAL ACTIVITY</b>	FUNDRAISING TRENDS	EXIT ACTIVITY	IPO ACTIVITY	LBO ACTIVITY	LEVERAGED LOANS	A LOOK AHEAD	SELECTED ROPES & GRAY PE DEALS
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## U.S. PE Deal Size

- **Deal size:** Larger deals made up a larger proportion of PE deals in the first quarter of 2025. Q1 2025 saw the share of \$1Bn+ deals increase to 37%, compared to 31% for FY 2024.
- **\$1Bn+ deals:** Q1 2025 saw 43 deals over \$1Bn, an increase of 34% from the 32 \$1Bn+ deals in Q4 2024 and 48% from the 29 \$1Bn+ deals in Q1 2024.

U.S. PE Deal Value Breakdown by Deal Size



## Top 10 U.S. PE Deals by Size in Q1 2025

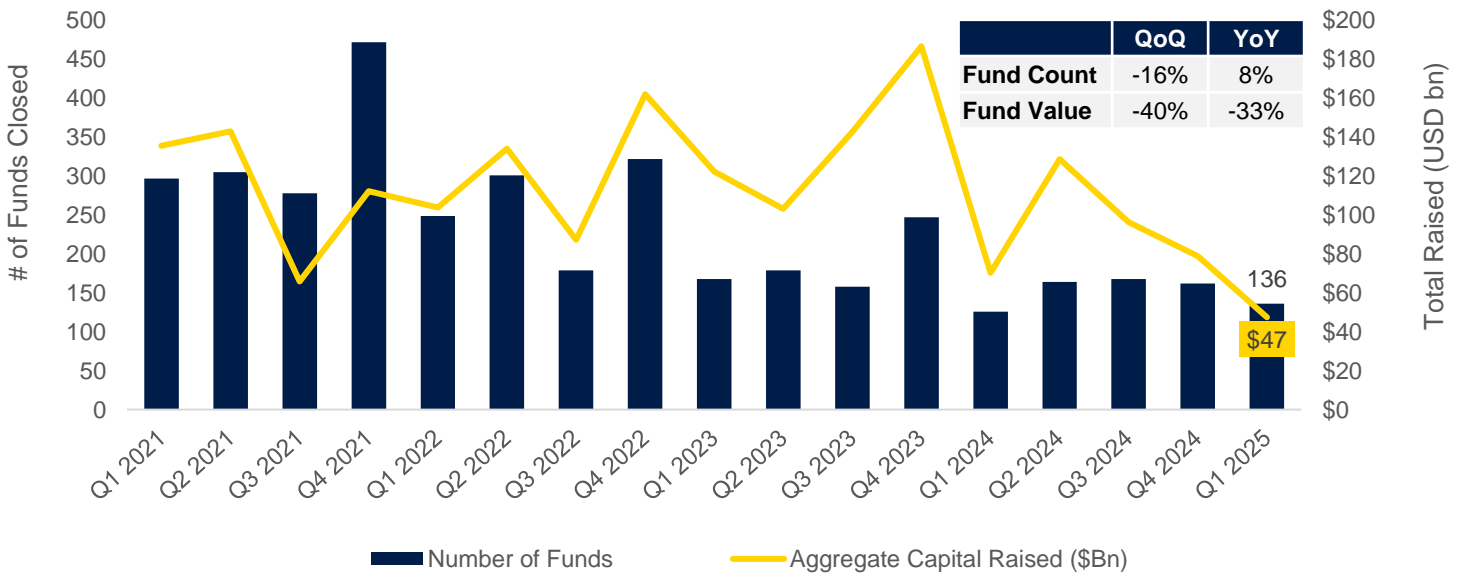
Date	Acquiror	Target	Deal Value (\$Bn)	Industry
Jan-25	Constellation Energy Corp	Calpine Corp (CPP Investments, ECP)	\$29.4	Utility & Energy
Mar-25	Sycamore Partners LP	Walgreens	\$23.7	Retail
Mar-25	ClearLake Capital Group LP	Dun & Bradstreet	\$7.5	Tech
Mar-25	SoftBank Group Corp	Ampere Computing Holdings (Carlyle)	\$6.0	Tech
Feb-25	Blackstone Inc	Safe Harbor Marinas	\$5.7	Transportation
Jan-25	Bain Capital LP	Surgery Partners	\$5.2	Healthcare
Jan-25	Macquarie Asset Management	Aligned Data Centers	\$5.0	Tech
Mar-25	ClearLake Capital Group LP	Modernizing Medicine (Warburg Pincus)	\$4.8	Healthcare
Feb-25	Turn/River Capital Inc	SolarWinds Corp (Silver Lake, Thoma Bravo)	\$4.5	Tech
Mar-25	EQT AB	Crown Castle Inc (Small Cells Solutions business)	\$4.3	Telecom

Source: Dealogic, U.S. Only, Deals Announced/Completed through 03/31/2025.

### Fundraising Trends

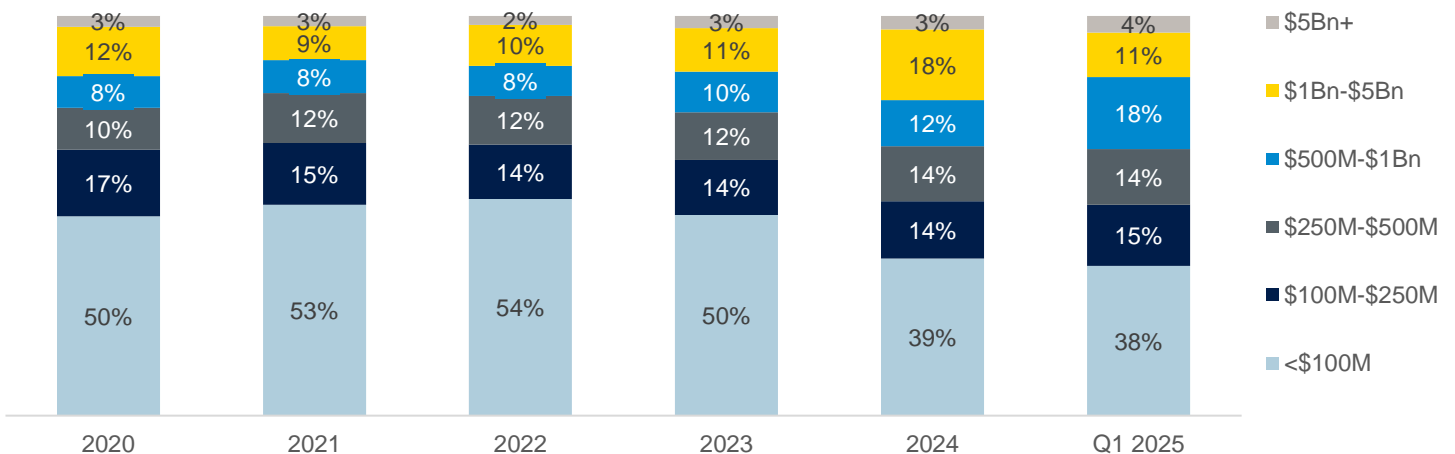
- **Fundraising:** U.S. PE fundraising activity declined in Q1 2025, as capital raised fell for the third consecutive quarter.
- **Fund size:** Pitchbook data shows that Q1 2025 saw an increase in the number of funds raised between \$500M–\$1Bn, with that range comprising 18% of PE fund count, compared to 12% in 2024.

Quarterly U.S. PE Fundraising Activity



Source: Preqin. Data through 3/31/2025, U.S. Managers, Excludes VC.

U.S. PE Fund Count by Size Bucket

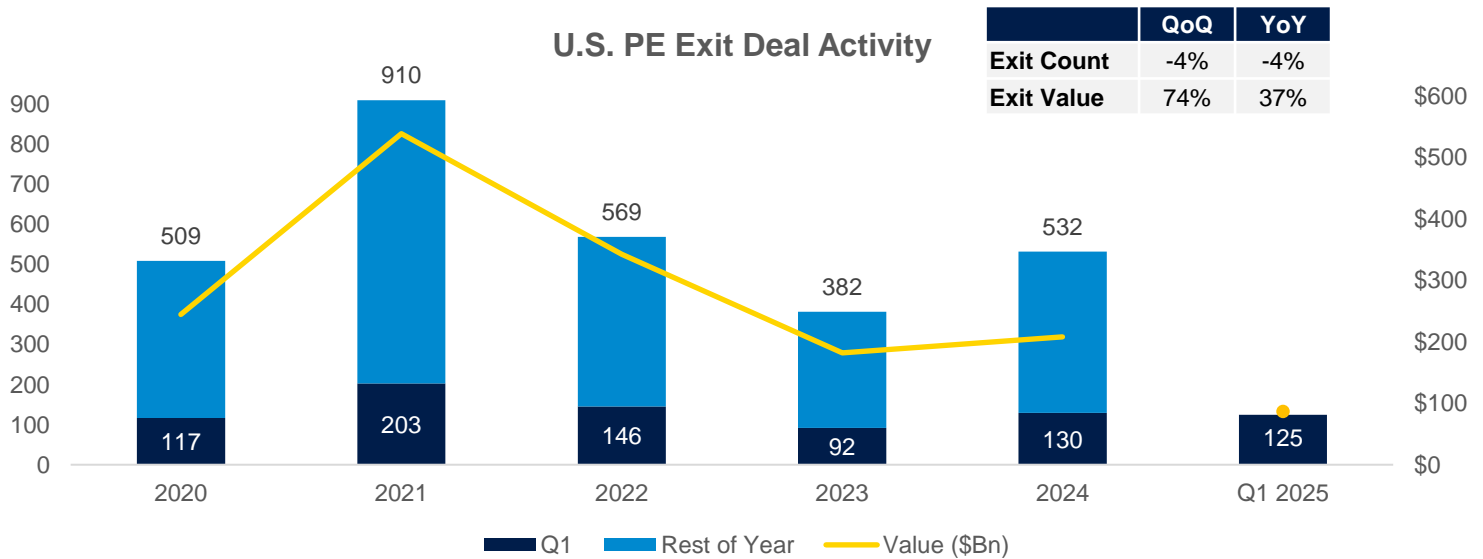


Source: Pitchbook.  
ropesgray.com

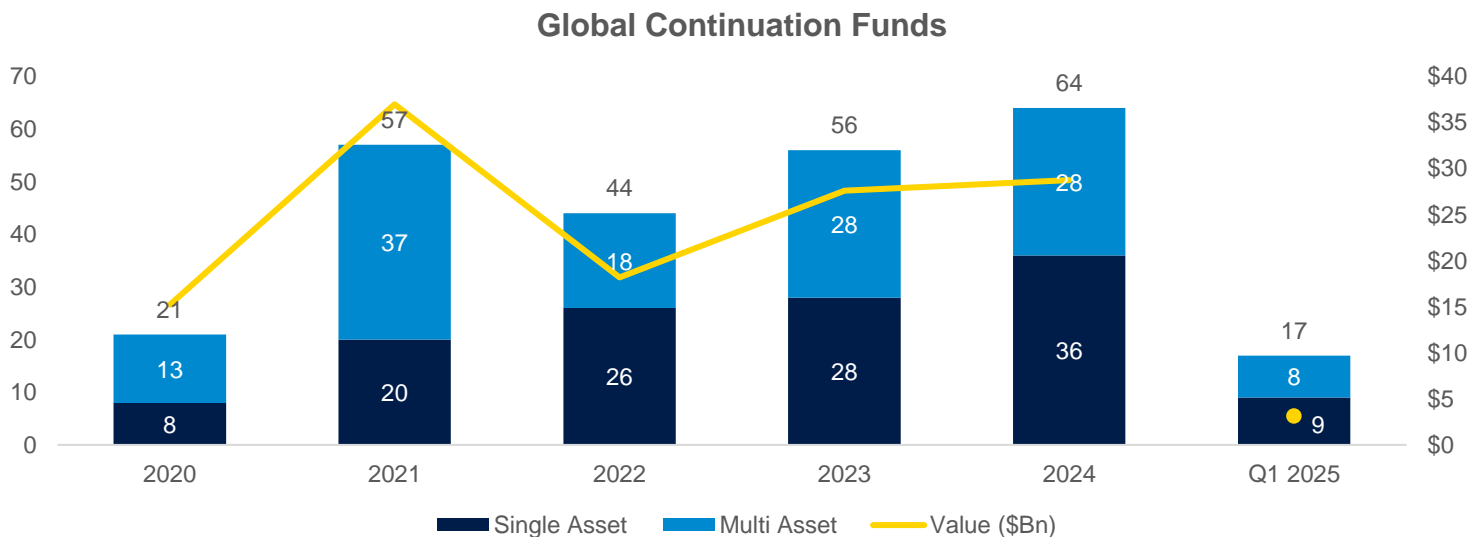
U.S. PE DEAL ACTIVITY	FUNDRAISING TRENDS	<b>EXIT ACTIVITY</b>	IPO ACTIVITY	LBO ACTIVITY	LEVERAGED LOANS	A LOOK AHEAD	SELECTED ROPES & GRAY PE DEALS
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## Exit Activity

- **Exit activity:** After exits started to pick up in 2024, Q1 2025 saw exit count fall on both a QoQ and YoY basis. However, exit value was up considerably in Q1 compared to both Q4 2024 and Q1 2024.
- **Continuation funds:** As GPs look to return investor capital, continuation funds are becoming a more popular exit strategy to provide LPs with liquidity. Q1 2025 saw more continuation funds than in the first quarter of the previous 5 years.



Source: Dealogic, U.S. Only, Deals Announced/Completed through 03/31/2025.



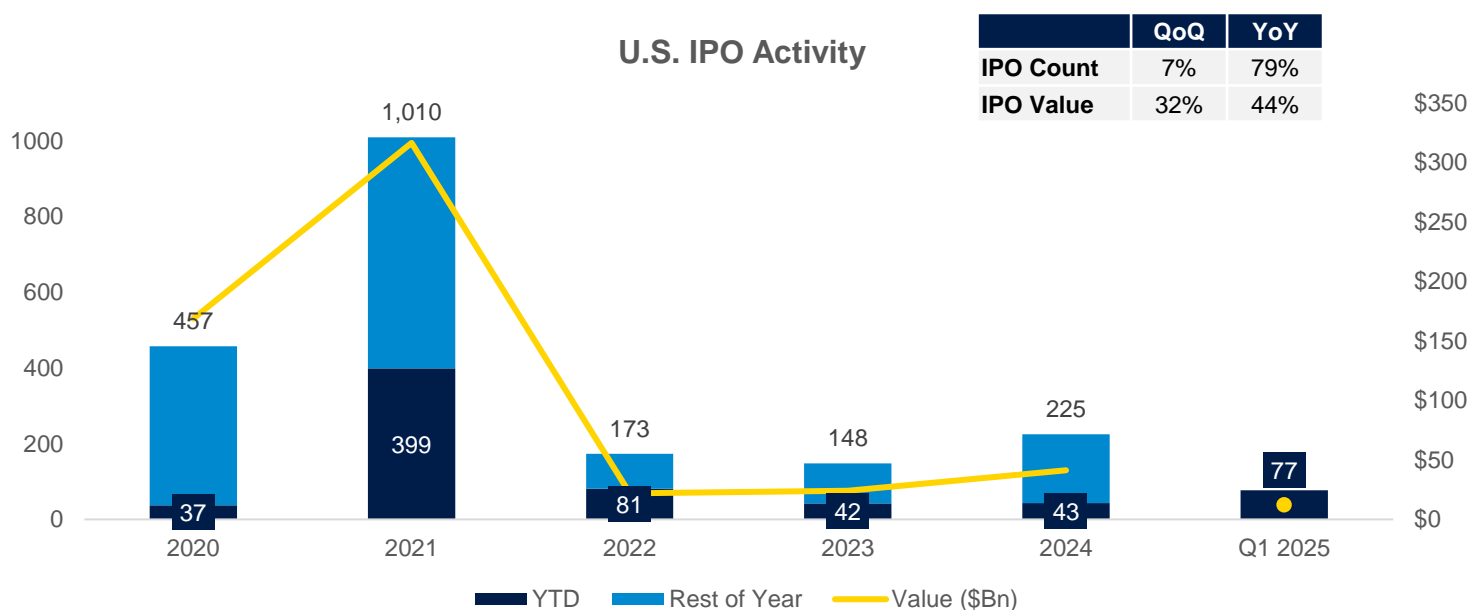
Source: Preqin. Data through 3/31/2025.

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## IPO Activity

- **IPO activity:** Momentum in IPO activity continued in Q1, with the number of IPOs increasing for a fifth consecutive quarter.
- **PE-backed IPOs:** PE firms capitalized on openings in the IPO market in Q1 2025, and the first quarter saw a strong start to the year for PE-backed IPOs. However, recent volatility in public markets has paused many IPO launch plans.

U.S. IPO Activity



Source: Dealogic, U.S. Only, Deals Priced through 03/31/2025.

## Q1 2025 PE-Backed IPOs

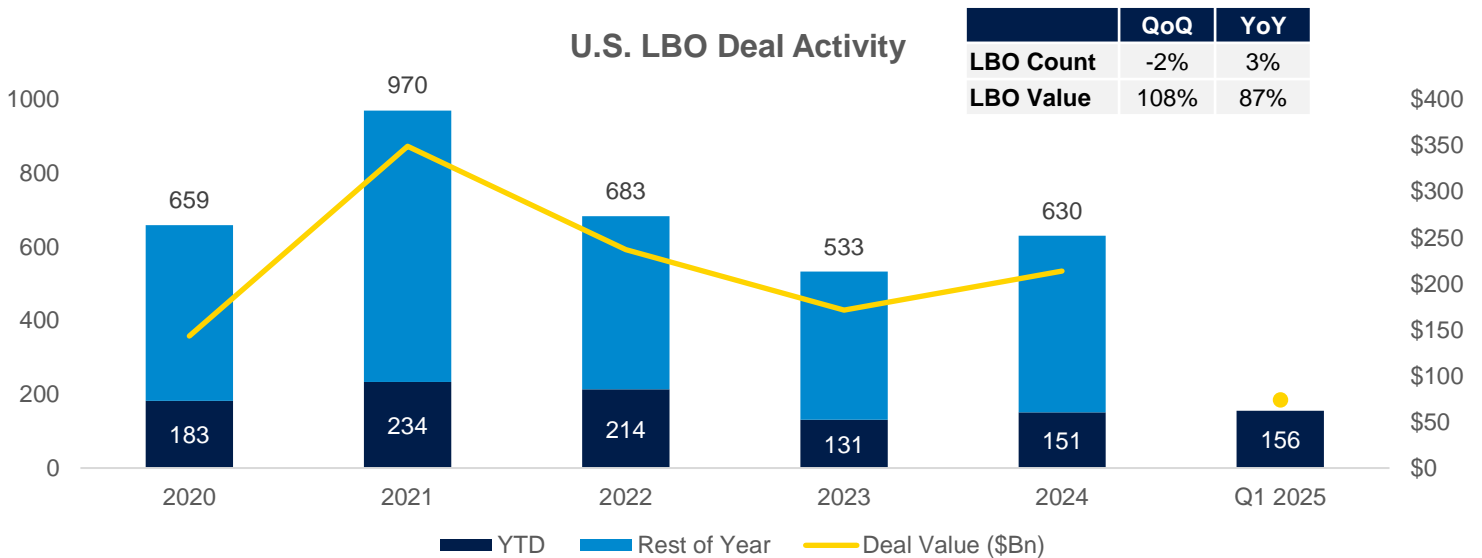
IPO Date	Company	Sponsor	Offering Size (\$M)	Industry
3/5/2025	Kestra Medical Technologies Ltd	Bain Capital	\$232	Healthcare
2/13/2025	Northpointe Bancshares Inc	Castle Creek Capital	\$151	Finance
2/12/2025	SailPoint Inc	Thoma Bravo LP	\$1,380	Tech
2/12/2025	Karman Holdings Inc	Trive Capital	\$582	Aerospace
1/30/2025	Infinity Natural Resources Inc	NGP, Pearl Energy Investments	\$305	Oil & Gas
1/23/2025	Venture Global Inc	I Squared, Stonepeak	\$1,750	Oil & Gas
1/15/2025	Flowco Holdings Inc	GEC, White Deer Energy	\$491	Oil & Gas

Source: Dealogic, Deal Point Data, Cap IQ.

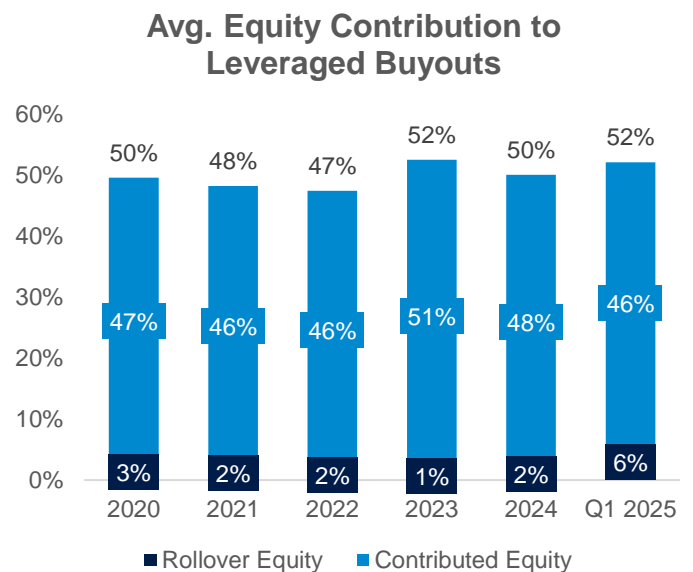
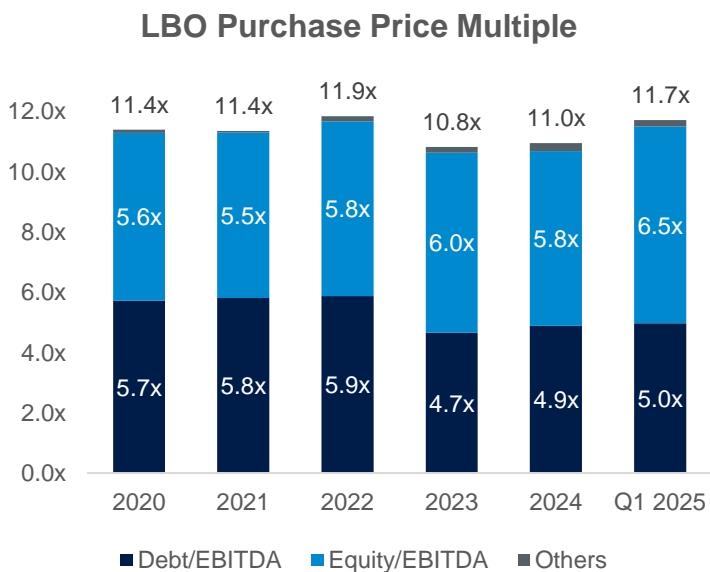


## LBO Activity

- LBO activity:** The number of LBOs was relatively flat on a QoQ and YoY basis. In line with broader trends in PE deal value, LBO deal value also saw a significant jump in the first quarter.
- LBO multiples:** LBO EBITDA purchase price multiples rose to 11.7x in Q1, up from 11.0x in 2024.
- Equity contribution:** The average equity continuation in LBOs rose slightly in Q1 2025 to 52%, up from 50% in 2024. Average rollover equity contribution was 6% in Q1, higher than the 1–3% seen in the previous five years.



Source: Dealogic, U.S. Only, Deals Announced/Completed through 03/31/2025.



Source: Pitchbook.

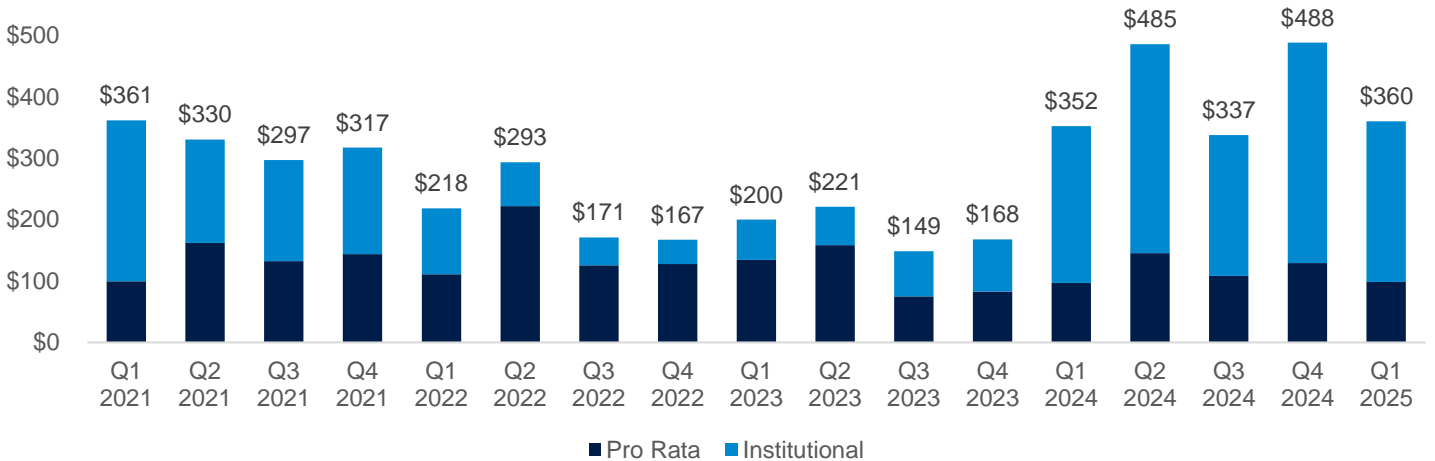
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## Leveraged Loans

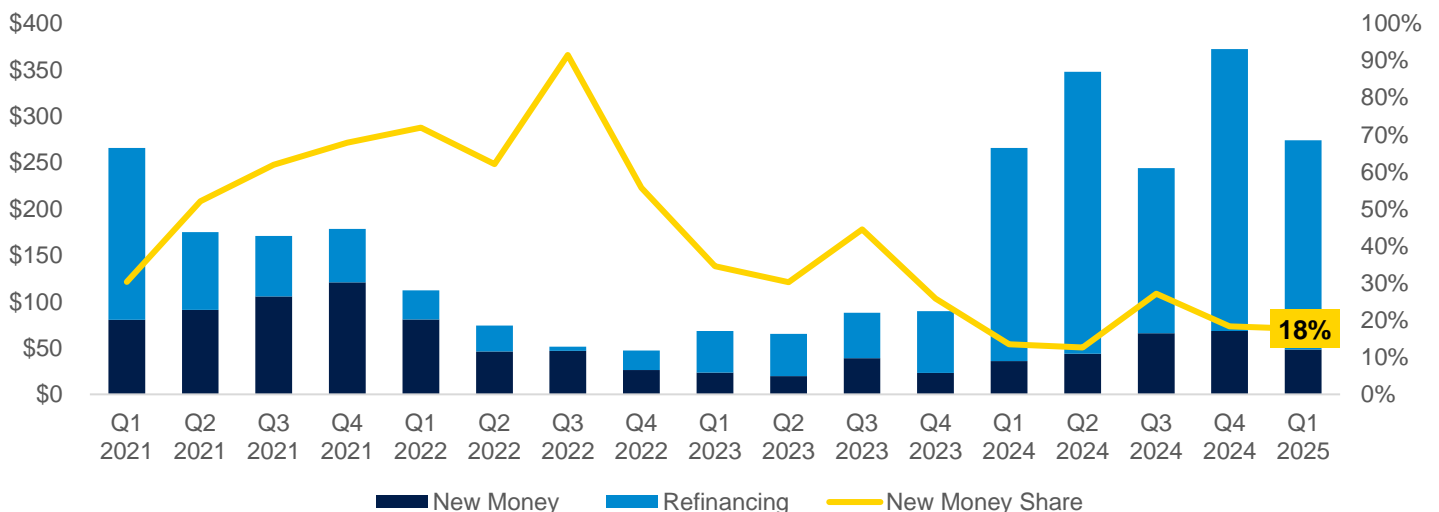
- Leveraged loans:** Q1 2025 U.S. leveraged loan issuance dropped compared to last quarter but was in line with Q1 2024 issuance levels. Product mix has been very consistent, with institutional loans holding ~70–75% share over the last two quarters.
- U.S. institutional loan breakdown:** New money issuance in Q1 2025 was down ~30% from Q4 2024, but up ~35% from Q1 2024. The share of new money loans in Q1 2025 was below 20% for the second consecutive quarter.

**U.S. Leveraged Loan Issuance (\$Bn)**

	QoQ	YoY
Value	-26%	2%



**U.S. Institutional Loan Issuance (\$Bn)**



Source: Refinitiv LPC, Data through 03/31/2025.



U.S. PE DEAL  
ACTIVITYFUNDRAISING  
TRENDS

EXIT ACTIVITY

IPO ACTIVITY

LBO ACTIVITY

LEVERAGED  
LOANS

A LOOK AHEAD

SELECTED  
ROPES & GRAY  
PE DEALS

## A Look Ahead

- **M&A dealmaking outlook:** Public and private markets are experiencing volatility, and dealmaking may face ongoing periods of choppiness over the coming months. Dealmakers are hoping macroeconomic clarity will emerge, and have shifted expectations for a pickup in M&A activity to the second half of the year.
- **IPO outlook:** Amid the recent market havoc, many IPO plans have hit pause. High levels of IPO activity are unlikely to return until public markets stabilize, and while the VIX fell from previous highs on April 8<sup>th</sup>, it remains elevated from levels seen throughout Q1 2025.
  - **IPOs as exits:** PE and VC firms may choose alternative exit paths instead of waiting for equity markets to normalize to exit through an IPO.
- **Strategy spotlight:** Amid the current macroeconomic backdrop, certain strategies in private capital are attracting investor attention.
  - **Growth equity:** In the current cycle, financial engineering will be difficult, and value creation will be achieved by maximizing EBITDA margins and growth, which bodes well for growth strategies.
  - **Special situations:** Strategies that mix elements of debt and equity and have a broad mandates are well suited for the current market backdrop.
- **Tariff implications:** PE firms will need to navigate the impact tariffs will have on both dealmaking and portfolio company operations.
  - **Existing portfolio companies:** Firms will need to understand and manage tariff exposure across their portfolio.
  - **Due diligence:** Extended timelines are expected as buyers will want to take a deeper dive on the impact tariffs may have on supply chain dynamics.
  - **New asset sales:** Pricing may become more challenging as tariffs complicate forward EBITDA projections.
  - **Opportunities:** Dislocation also creates opportunities that firms will seek in an attempt to put money to work amid this market volatility.

U.S. PE DEAL  
ACTIVITYFUNDRAISING  
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A LOOK AHEAD

SELECTED  
ROPES & GRAY  
PE DEALS

## Selected Ropes &amp; Gray Private Equity Deals from February and March 2025

Deal	Industry
▪ Represented <b>Silver Lake</b> as a shareholder in SolarWinds in connection with Turn/River Capital's take-private of SolarWinds	Tech
▪ Advised <b>Rubicon Founders</b> in its majority investment in Horizon Infusions	Healthcare
▪ Represented <b>Audax Private Equity</b> in its sale of Proud Moments ABA	Healthcare
▪ Represented <b>McNally Capital</b> in its investment in Jewett Automation	Manufacturing
▪ Advised <b>Planview</b> , a portfolio company of TPG Capital and TA Associates, in its add-on acquisition of Sciforma	Tech
▪ Represented <b>BBH Capital Partners</b> in its sale of DynaGrid Holdings	Construction
▪ Advised <b>Cosette Pharmaceuticals</b> , a portfolio company of Avista Healthcare Partners, in its acquisition of Mayne Pharma	Life Sciences
▪ Represented <b>American Industrial Partners</b> in its investment in Tenneco	Manufacturing
▪ Represented <b>GI Partners</b> and <b>TA Associates</b> in a strategic growth investment in Egnyte	Tech
▪ Represented <b>Aquiline</b> in a definitive agreement to acquire SEI's Family Office Services Business	Finance
▪ Advised <b>ELIQUENT Life Sciences</b> , a <b>GHO Capital</b> portfolio company, in its acquisition of Azzur Group's consulting business	Healthcare
▪ Represented <b>FairJourney Biologics</b> in its acquisition of the South San Francisco site from Charles River Laboratories	Life Sciences
▪ Advised <b>Park Square Capital</b> in relation to the acquisition by its portfolio company <b>Cleanova</b> of Micronics	Manufacturing
▪ Represented <b>American Industrial Partners</b> and its portfolio company, <b>EnTrans</b> , in the sale of EnTrans	Transportation
▪ Represented <b>1315 Capital</b> in its sale of a minority stake to Navigator Global Investments	Asset Management
▪ Represented <b>Medalogix</b> and <b>The Vistria Group</b> in the merger of Medalogix with Forcura	Health Tech
▪ Advised <b>Law Business Research (LBR)</b> and <b>ICG</b> on LBR's strategic merger with ALM	Media
▪ Advised <b>Patient Square Capital</b> and <b>Eargo</b> in Eargo's completed merger with hearX	Health Tech
▪ Represented <b>Audax Private Equity</b> in its majority stake investment in Lanter Delivery Systems	Transportation

## How We Can Help

Our clients get unsurpassed counsel throughout the life cycle of their private equity transactions from one of the largest and most sophisticated private equity practices in the world, focusing on both private equity funds and transactions.

Ropes & Gray lawyers routinely advise leading large and middle-market clients in multiple industries on every aspect of their largest and most complex global transactions. Our 40-year track record in the industry allows us to anticipate issues that might derail deals and get them back on track to close. We guided clients in 1,200+ U.S. private equity transactions in the past five years (2020–2024).

## RECENT RECOGNITION



**The American Lawyer**  
“Law Firm of the Year” (2022)



**U.S. News Best Lawyers**  
Recognized six times as “Law Firm of the Year” for leveraged buyouts and private equity



**Law360**  
Nine-time winner of “Private Equity Group of the Year”



**Chambers USA 2024**  
Nationwide Band 1 Private Equity Buyouts, Mid-Market Ranking  
New York Band 1 Corporate / M&A Highly Regarded Ranking  
Massachusetts Band 1 Corporate / M&A Ranking



2022 Impact Deal of the Year (Pfizer’s \$11.6bn acquisition of Biohaven Pharmaceuticals)  
2022 M&A Firm of the Year

**PRIVATE EQUITY WIRE** 2024 Law Firm of the Year: Overall

## BROAD CLIENT BASE

**60+**

Of the 100 largest private equity firms on the 2024 PEI 300 list

**80+**

Middle-Market Firms

**125**

Private funds in transactional and other matters

## Our Commitment

**350+**  
Adjacent-practice lawyers

**250+**  
M&A lawyers

**150+**  
Years of practice history

**15**  
Offices to support deals

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