



Private Equity

U.S. Private Equity Market Recap

Activity and Trends

ROPES & GRAY

June 2025

U.S. PE DEAL
ACTIVITY

FUNDRAISING
TRENDS

TARIFFS AND
CROSS-BORDER

GROWTH
EQUITY

ECM ACTIVITY

Q1 EARNINGS

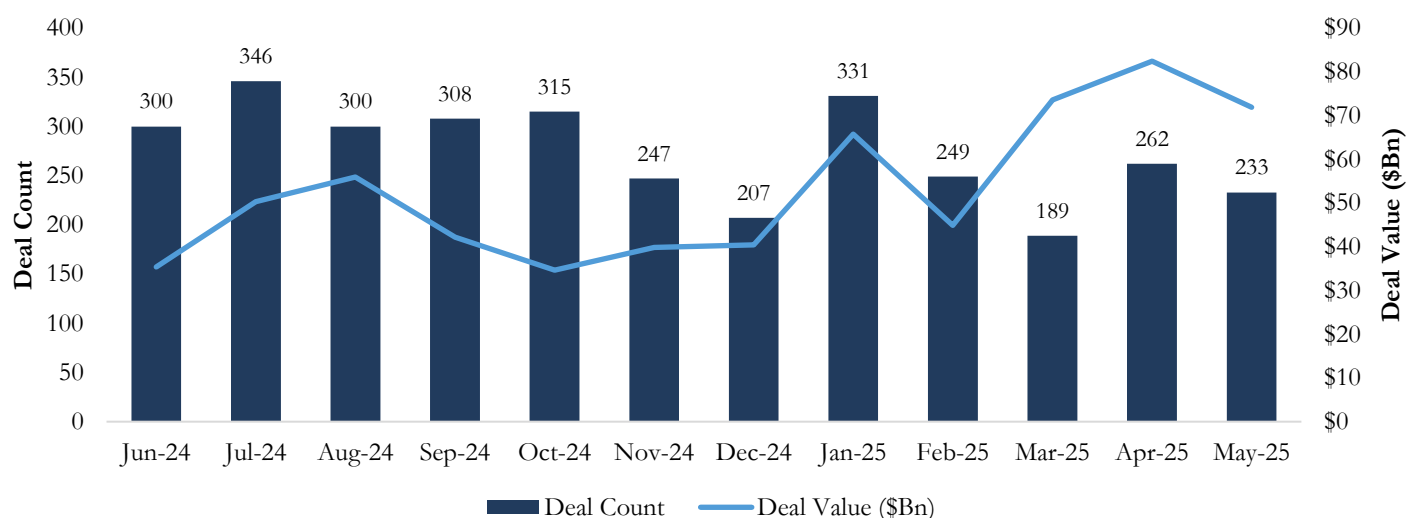
A LOOK
AHEAD

SELECTED
ROPES & GRAY
PE DEALS

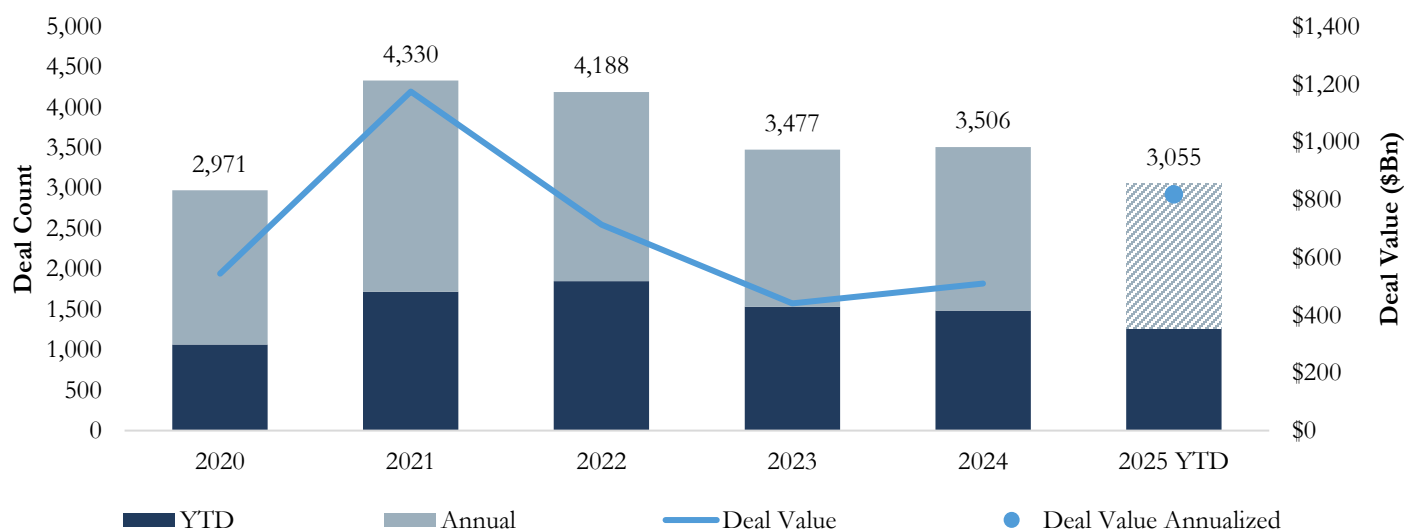
U.S. PE Deal Activity

- **Deal count:** After a strong January, U.S. PE deal activity has been choppy as investors continue to grapple with geopolitical and macroeconomic uncertainties.
- **Deal value:** While market uncertainty is impacting deal count, investors are doing larger deals and value is up significantly in 2025. YTD deal value is up 61% vs. the same period last year.

Monthly U.S. PE Deal Activity



Annual U.S. PE Deal Activity

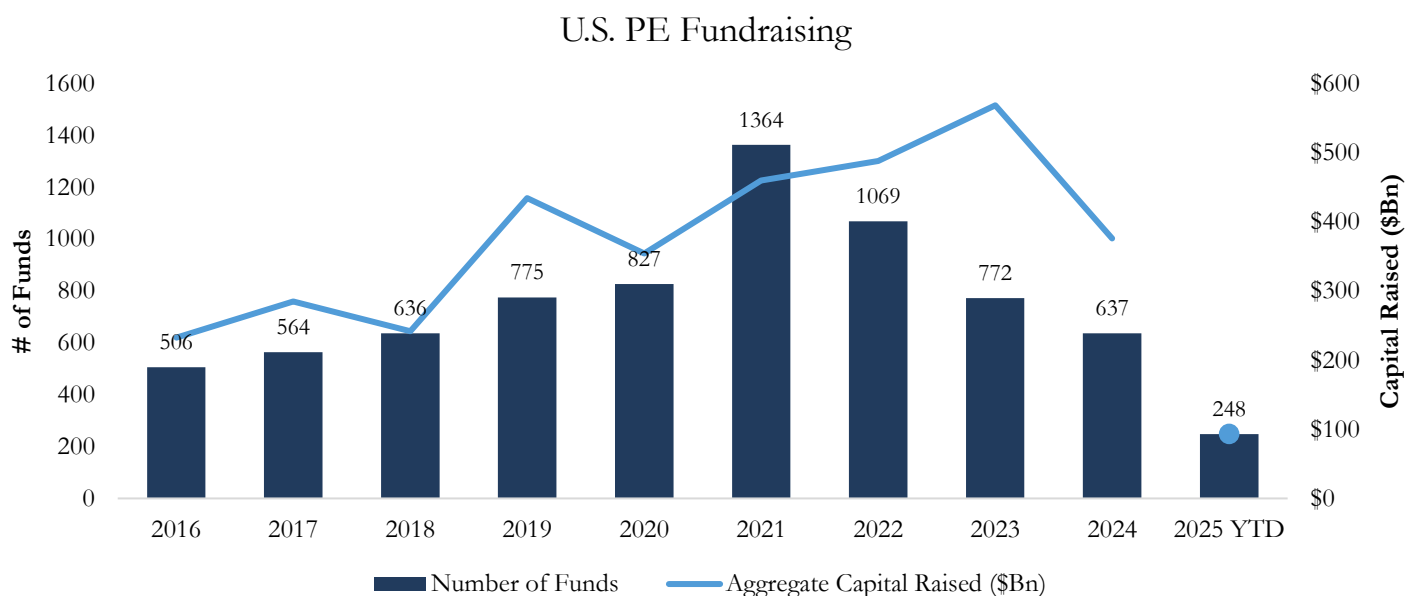


Source: Dealogic, U.S. only, announced through 5/31/2025. Data pulled 6/4/2025.

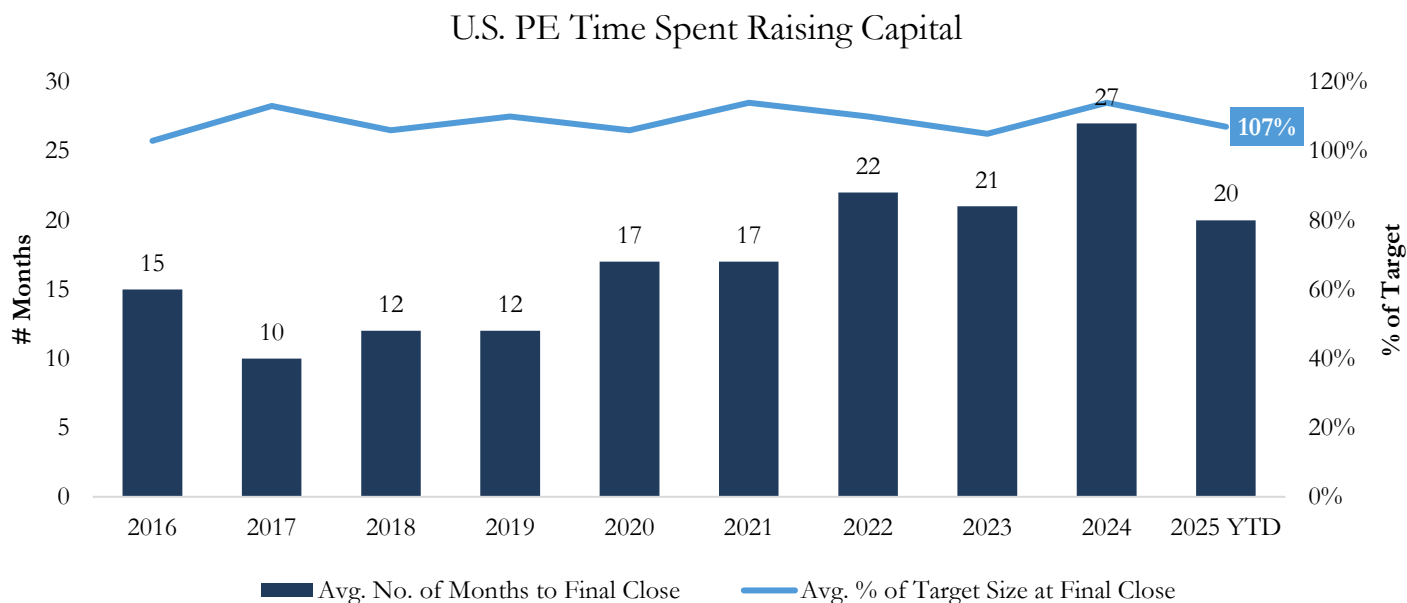
U.S. PE DEAL ACTIVITY	FUNDRAISING TRENDS	TARIFFS AND CROSS-BORDER	GROWTH EQUITY	ECM ACTIVITY	Q1 EARNINGS	A LOOK AHEAD	SELECTED ROPES & GRAY PE DEALS
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Fundraising Trends

- **Fundraising:** U.S. PE fundraising activity remains low in 2025. As of the end of May, both fund count and capital raised are tracking to finish down in 2025, -6% and -40%, respectively.
- **Fundraising momentum:** On a positive note, of the funds that have closed so far in 2025, the average time to close has dropped from 2024 averages and fund targets continue to be exceeded.



Source: Preqin. Data as of 06/02/2025, U.S. managers, excludes VC.



Source: Preqin. Data as of 06/02/2025, U.S. managers, excludes VC.

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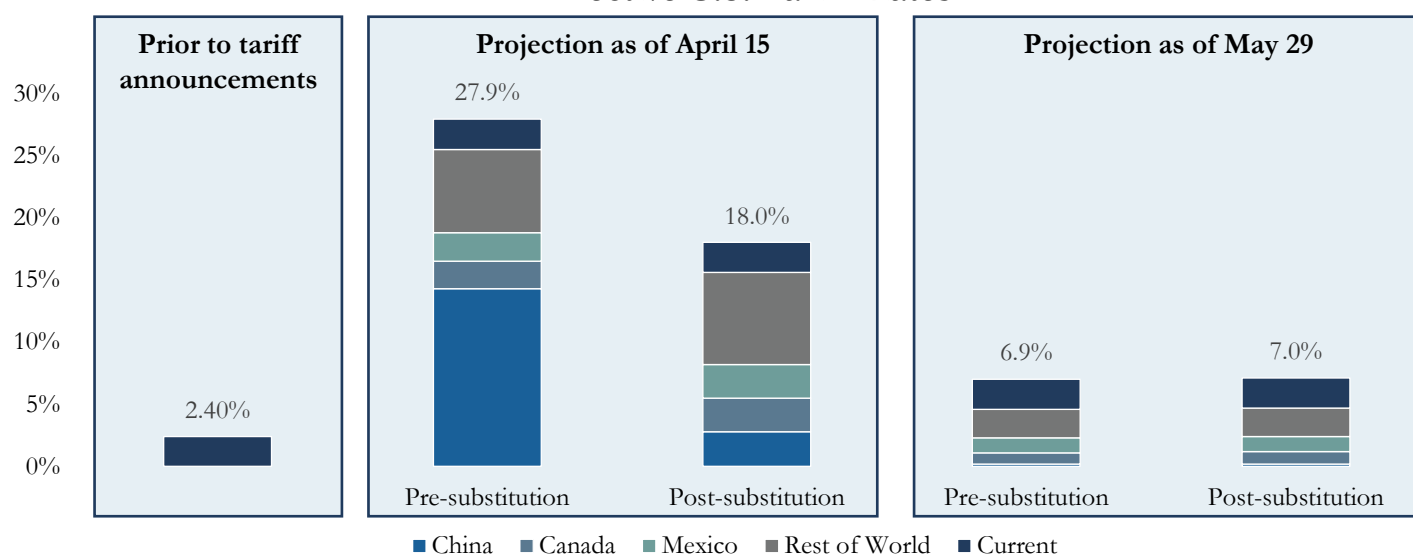
A LOOK AHEAD

SELECTED ROPES & GRAY PE DEALS

Tariffs and Cross-Border Deals

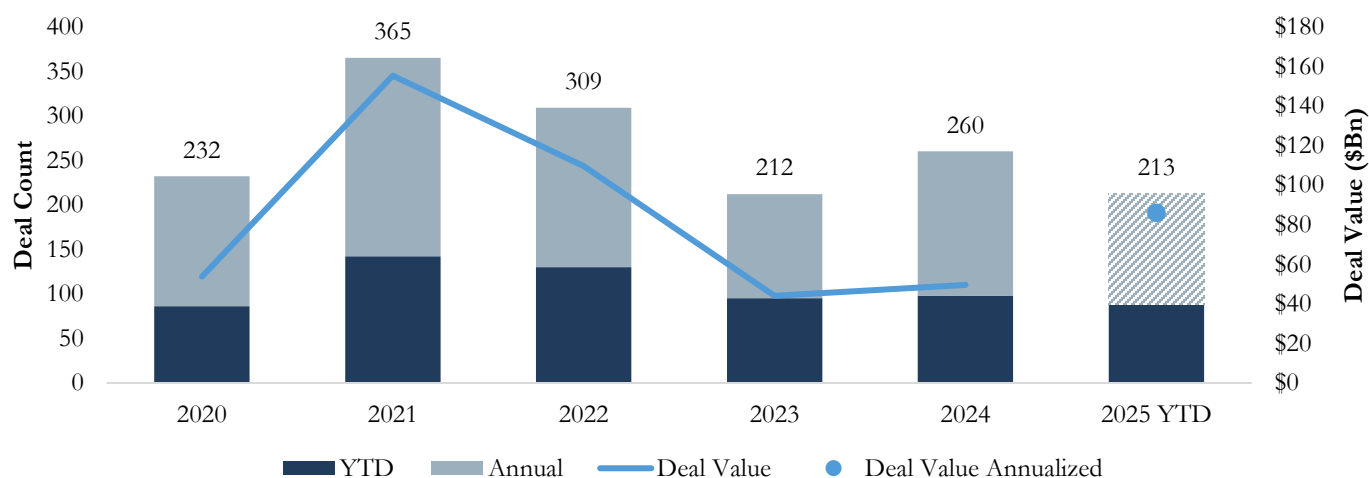
- **Tariffs:** Over the past two months, tariff policies have evolved and continue to do so, contributing to broader investor uncertainty. As of April 15, the Budget Lab projected pre-substitution tariff rates to be almost 28%, a projection that was lowered to 7% as of May 29.
- **Cross-border deals:** U.S. cross-border PE deal activity is down 10% YTD compared to the same period last year. At its current pace, cross-border deal activity is on track to finish down 18% vs. 2024.

Effective U.S. Tariff Rates



Source: The Budget Lab.

U.S. PE Cross-Border Deals



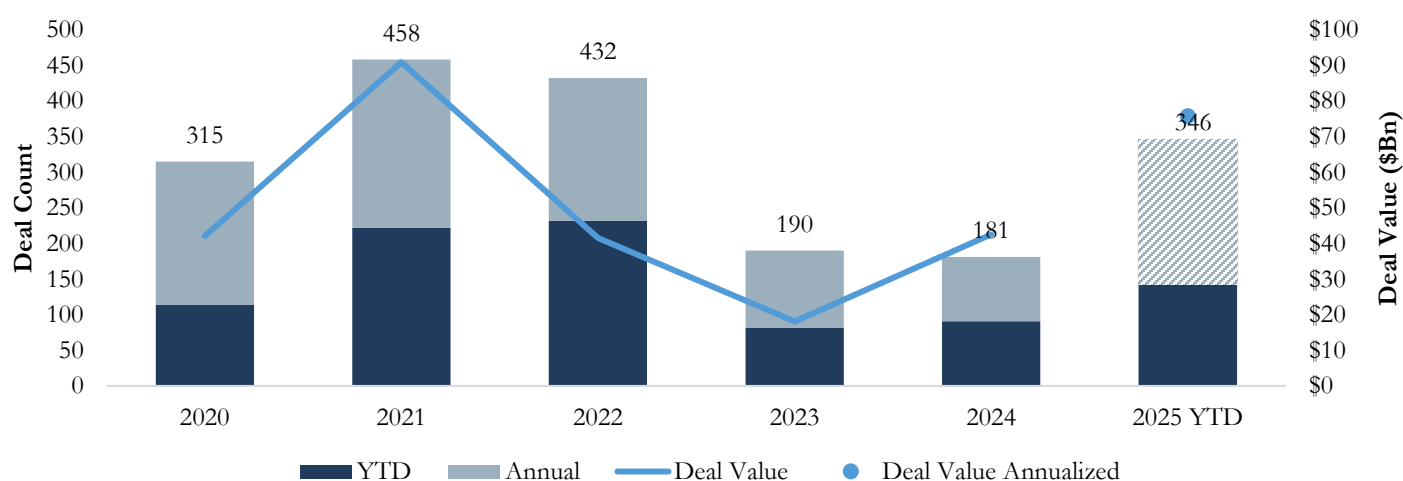
Source: Dealogic, U.S. only, cross-border on a target / acquiror basis, announced through 05/31/2025. Data pulled 6/4/2025.

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Growth Equity

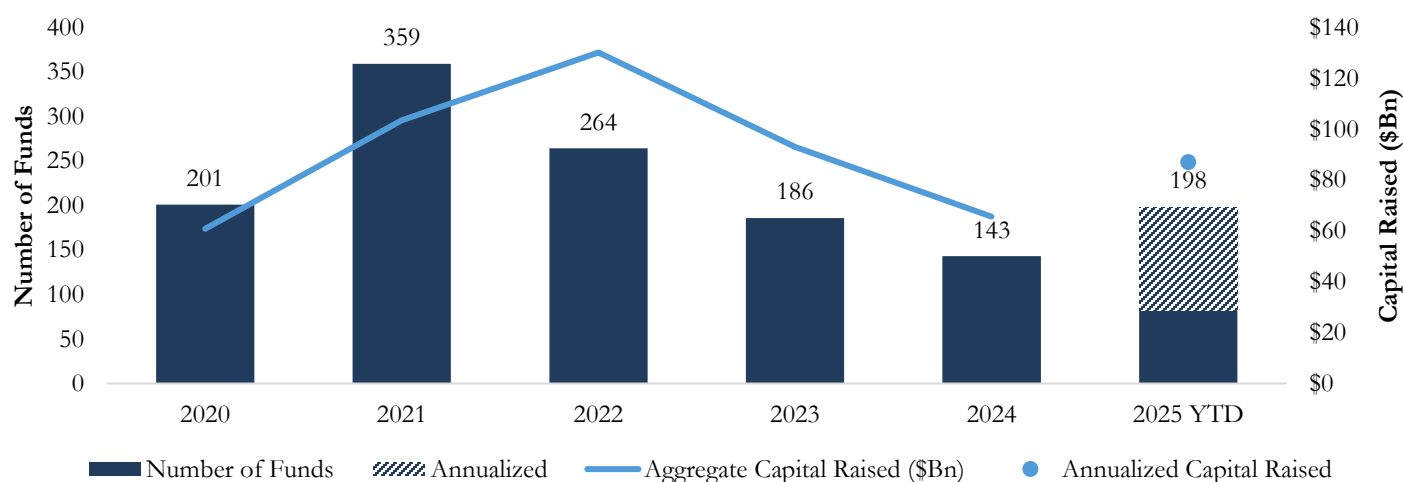
- **Deal activity:** Growth has been a bright spot in the PE deal market in 2025. YTD, growth equity deal count and value are up 57% and 63%, respectively.
- **Fundraising:** Growth is experiencing a more active fundraising environment than U.S. PE more broadly. Growth strategies are on track to close more funds and raise more capital in 2025 than in each of the past two years.

U.S. PE Growth Investment Activity



Source: Dealogic, U.S. only, announced through 05/31/2025. Data pulled 6/4/2025.

U.S. PE Growth Fundraising



Source: Preqin. Data as of 06/02/2025, U.S. managers.

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ECM Activity

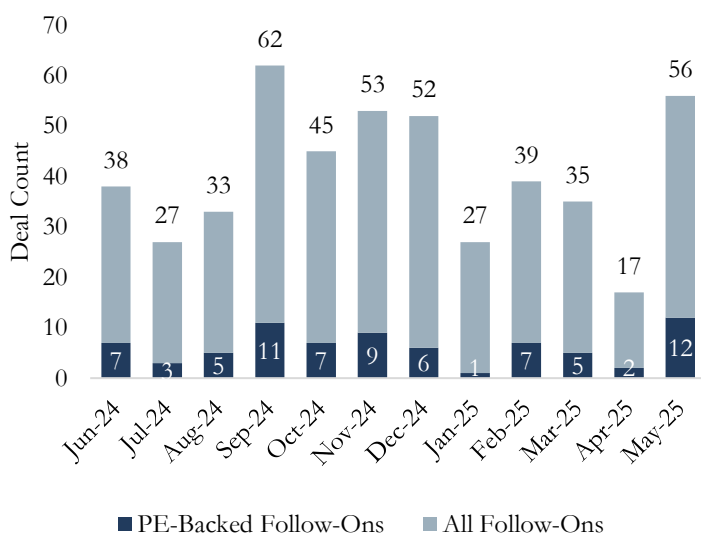
- **May PE-related ECM activity:** While May only saw one PE-backed IPO, follow-on activity reached more normalized levels after a choppy start to the year.
- **SPACs:** SPAC activity YTD is already approaching 2024 levels, and 2025 is on track to be the most active year since 2021.

May 2025 PE-Related ECM Activity

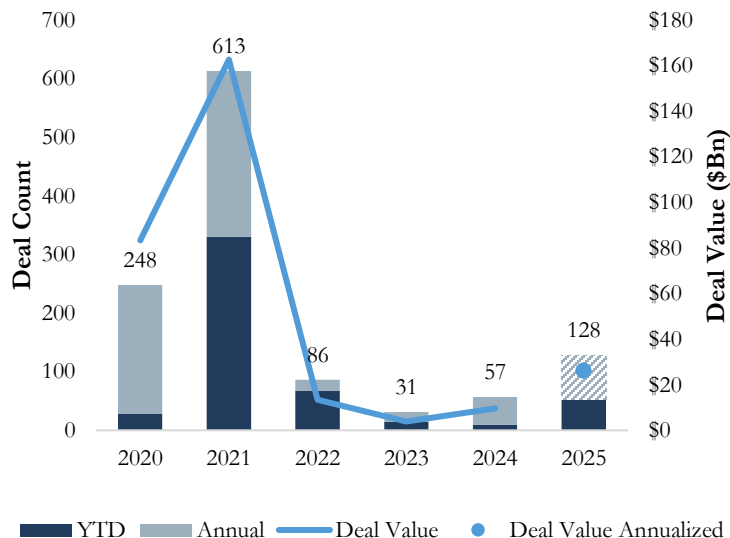
	Date	Company	Sponsor	Offering Size (\$M)	Industry
IPO	7-May-25	Aspen Insurance Holdings Ltd	Apollo	\$457	Insurance
Follow-On	29-May-25	TAT Technologies Ltd	FIMI	\$108	Aerospace
	28-May-25	Amer Sports Inc	FountainVest Partners	\$1,302	Consumer
	28-May-25	Birkenstock Holding plc	L Catterton	\$845	Consumer
	28-May-25	Marex Group plc	JRJ Group	\$226	Finance
	27-May-25	Viking Cruises	CPP; TPG Capital	\$1,350	Leisure & Recreation
	21-May-25	StandardAero Inc	Carlyle; GIC	\$966	Aerospace
	16-May-25	V2X Inc	American Industrial Partners	\$98	Defense
	14-May-25	Savers Value Village Inc	Ares Management Corp	\$118	Retail
	14-May-25	Waystar Holding Corp	Bain Capital; CPP; EQT	\$557	Tech
	14-May-25	Klaviyo Inc	Summit Partners	\$373	Tech
	8-May-25	Primo Brands Corp	One Rock Capital Partners	\$1,530	Food & Beverage
	1-May-25	Keurig Dr Pepper Inc	JAB Holding Co SARL	\$2,509	Food & Beverage

Source: Dealogic, U.S. only, PE-related, priced through 05/31/2025.

U.S. Follow-On Issuance



U.S. SPAC IPO Activity



Source: Dealogic, U.S. only, priced through 05/31/2025.

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Public PE Firms Q1 2025 Earnings Highlights

- **Uncertainty:** Executives across the firms acknowledged the period of market volatility and underlying uncertainties during their Q1 earnings calls but reaffirmed belief in underlying opportunities in private markets.
- **Deployment:** Overall, PE deployment was up QoQ and YoY as firms sought opportunities in market dislocations amid the volatility.
- **Realizations:** Dropping in Q1, realizations will likely continue to face headwinds. Blackstone CFO Michael Chae shared, “We expect realization activity in the near term to be affected by policy-driven uncertainty and market volatility.”

Q1 Earnings Commentary

Blackstone

“**Uncertainty around tariffs and the potential impact on economic growth and inflation has dramatically impacted investor sentiment.** ... Importantly, the economy entered this period in a fundamentally strong position. Productivity has increased significantly over the past several years, and technological innovation is accelerating, which are powerful tailwinds. ... **Our experience through many economic and market downturns has taught us some of the best times to deploy capital are in a risk-off world when sentiment is most negative.**”

– Stephen Schwarzman, CEO and Co-Founder

CARLYLE

“We ended the year with a very high level of market optimism and very high expectations. The markets were fully risk on. Of course, as we saw, **the recently announced trade policies very quickly impacted investor sentiment and risk appetite.** ... **Although we are going through this period of uncertainty, the macro trends driving demand for private capital remain strong, and likely will be reinforced over the coming years.** Over the past two decades, the number of public companies in the U.S. has been cut nearly in half, while the number of private companies has increased more than fivefold. For investors looking to drive returns and capture the next generation of market growth, private market access has never been more important.”

– Harvey Schwartz, CEO



“**We’ve witnessed a dramatic shift in the market environment over the last few months.** Coming into 2025, there was broad-based strength across the economy, and confidence levels were near record highs. The market was anticipating meaningful earnings growth, accelerated M&A activity and rising equity valuations. **Several factors, including tariffs and general policy uncertainty, have upended the environment and created significant volatility. As a result, we’re seeing unusual market correlations, renewed fears of inflation and concerns around slowing economic growth.** ... **Looking ahead, as we’ve seen in prior periods of uncertainty, overall deal volume across the industry may moderate.** However, currently our pipelines remain robust.”

– Jon Winkelried, CEO

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A Look Ahead

- **Slow capital flow persists:** The PE flywheel remains sticky amid a subdued deal market and the slowdown in distributions.
- **Need for liquidity:** The demand for distributions over the coming years is expected to significantly exceed the market's current pace, according to a Pitchbook analysis.
 - **LP preferences:** A Bain poll of Institutional Limited Partners Association webinar participants showed 60+% of LPs would prefer conventional exits over other liquidity alternatives, even at valuations below recent marks, if necessary.
 - **Secondaries:** Notable LPs, including Harvard, Yale, and the New York City pension system, are exploring and taking advantage of secondary market opportunities to cash out of current PE positions.
- **Sector spotlights:** Investors maintain favorable outlooks in sectors with strong tailwinds and growth prospects.
 - **Tech:** The tech sector remains popular and leads U.S. PE investment count and value so far in 2025.
 - **AI deal strategy:** Some VC firms are experimenting with PE-style AI roll-ups, acquiring mature and people-intensive businesses and then scaling them with AI.
 - **Energy:** PE firms have rapidly grown investments in the energy sector this year, with deal value YTD through May already surpassing FY 2024 value.
- **Outlook:** Market uncertainty is unlikely to dissipate in the near term, but firms should be ready to jump on opportunities.
 - **Exits:** It will take time for the industry to work through its backlog of aging portfolio companies, making it important for firms to prioritize exits sooner than later.
 - **Long-term optimism:** While recent sentiment has shifted from high expectations heading into the year, industry players maintain long-term conviction.

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Selected Ropes & Gray Private Equity Deals from April and May 2025

Date	Industry
Represented Freeman Spogli in the combination of its portfolio company, Integrated Supply Network, with National Oak Distributors	Automotive
Advised ELIQUENT Life Sciences and GHO Capital , in its strategic acquisition of Truliant Consulting	Professional Services
Represented Summit Partners -backed Thrive Skilled Pediatric Care in its sale to Aveanna Healthcare Holdings	Healthcare
Advised Pixelle Specialty Solutions , a portfolio company of H.I.G. Capital , in a definitive agreement to sell its Stevens Point facility	Manufacturing
Advised New Mountain Capital in its growth investment in Office Ally	Health Tech
Represented General Atlantic in its significant growth investment in U.S. Urology Partners	Healthcare
Represented Fisica , a portfolio company of Kanders & Company , in its acquisition of Space Vector	Aerospace & Defense
Advised Bain Capital in its agreement to acquire a 9.9% ownership stake in Lincoln Financial	Insurance
Advised CIVC Partners in its significant investment in Cary Street Partners Financial	Wealth Management
Represented New Mountain Capital in its investment in SmarterDx	Health Tech
Advised Lyric, a portfolio company of TPG Capital , in its add-on acquisition of ClaimShark	Health Tech
Represented Genstar Capital and its portfolio company Flourish Research in an add-on acquisition of Center for Advanced Research & Education	HC/LS
Represented Baillie Gifford as an investor in Rippling's \$450 million Series G funding round	Tech
Advised TSG Consumer Partners in the acquisition of EoS Fitness	Leisure
Represented Cressey & Company in its new partnership with Paradigm Health	Healthcare
Advised Boomi , a TPG portfolio company, in a definitive agreement to acquire Thru, Inc.	Tech
Represented Cressey & Company in its growth investment in ProgenyHealth	Healthcare
Represented Charlesbank Capital Partners and Lido Advisors in a strategic partnership with HPS investment partners	Asset Management
Represented H.I.G. Growth Partners in its investment in AgileBlue	Tech
Advised Littlejohn & Co. in its acquisition of RailPros	Construction

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 last five years (2020-2024).

Recent Recognition

THE
AMERICAN LAWYER

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
AND PARTNERS

Chambers USA 2025

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



LIFE SCIENCES

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 Biggest 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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