

Activity and Trends

US Private Equity Market Recap



US PE DEAL
ACTIVITY

INDUSTRY
TRENDS

EXITS

LBO ACTIVITY

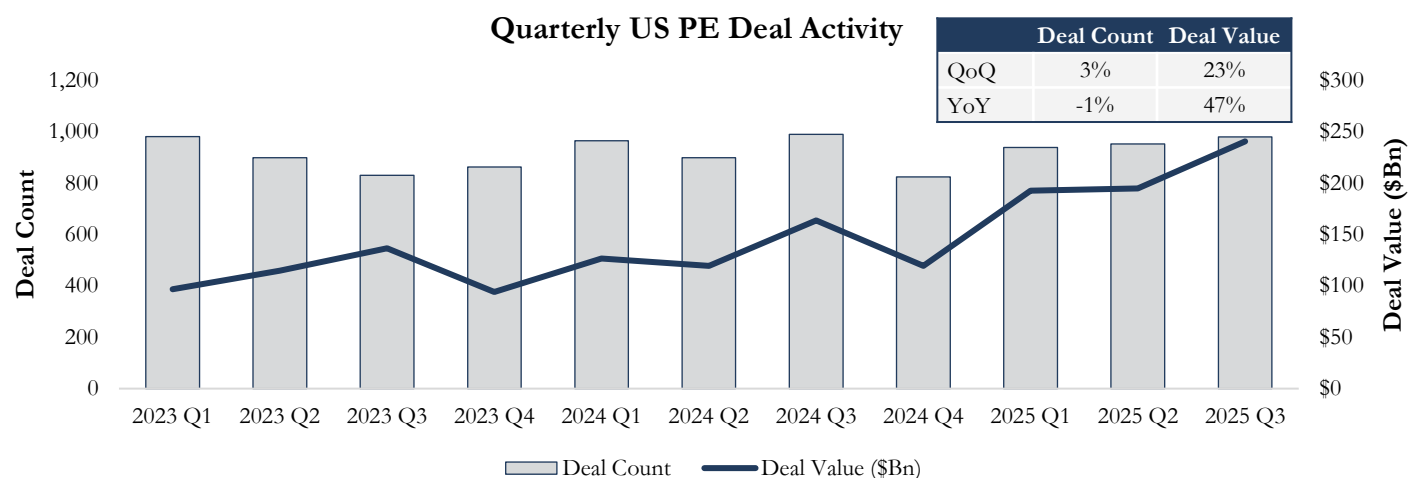
FUNDRAISING
TRENDS

A LOOK
AHEAD

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ROPES & GRAY
PE DEALS

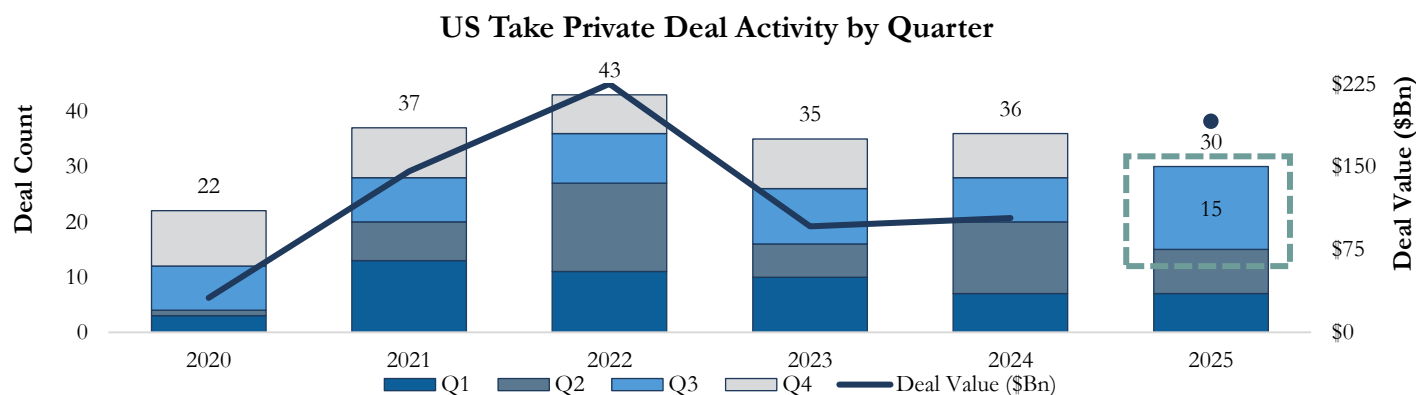
US PE Deal Activity

- **Q3 deal activity:** US PE deal activity increased for the third consecutive quarter in Q3 2025. However, deal counts are slightly down YoY compared to Q3 2024.
- **Deal value:** Deal value continued to climb in Q3 2025 and benefited from the \$56 billion EA take private deal, the largest PE buyout deal in history.
- **Take privates:** Q3 2025 saw a bump in take privates, reaching the most take-private deals in a quarter since Q2 2022. Deal value for YTD take privates has already surpassed full year values in each of the prior two years.



Top 5 Largest Q3 2025 US PE Deals

Date	Acquiror	Target	Value (\$Bn)	Industry	Deal Type
Sep-25	PIF, Silver Lake, Affinity Partners	Electronic Arts	\$56.6	Tech	Take private
Sep-25	Sumitomo, Apollo, Brookfield, SMBC	Air Lease	\$27.5	Finance	Take private
Sep-25	KKR, CCP	Sempra Infrastructure (45%)	\$19.5	Energy	Entry
Aug-25	Thoma Bravo, ADIA	Dayforce	\$12.7	Tech	Take private
Aug-25	Lowe's Companies Inc	Foundation Building Materials	\$8.8	Construction	Exit



Source: Dealogic, US only, announced through 9/30/2025. Data pulled on 10/14/2025.

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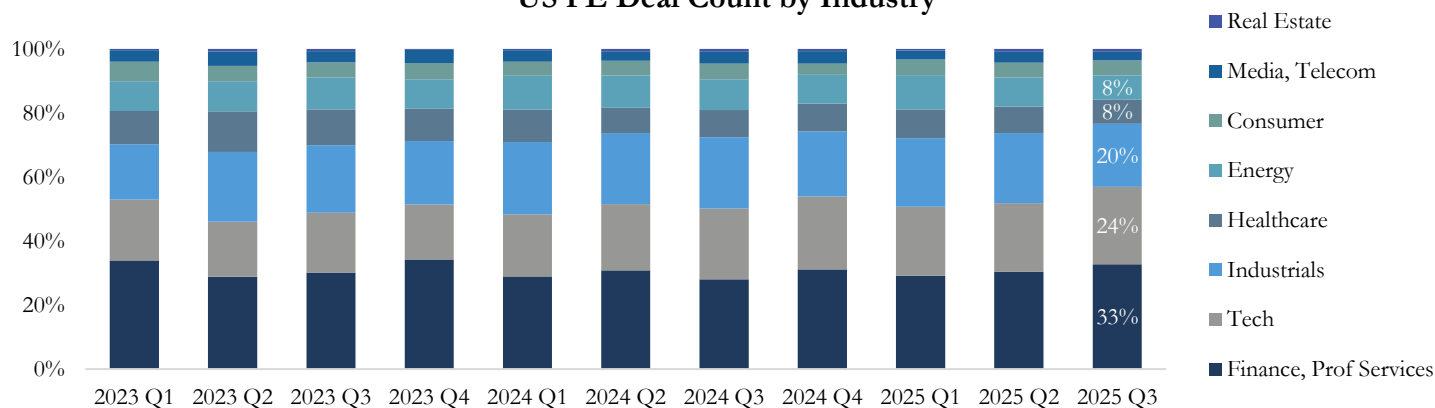
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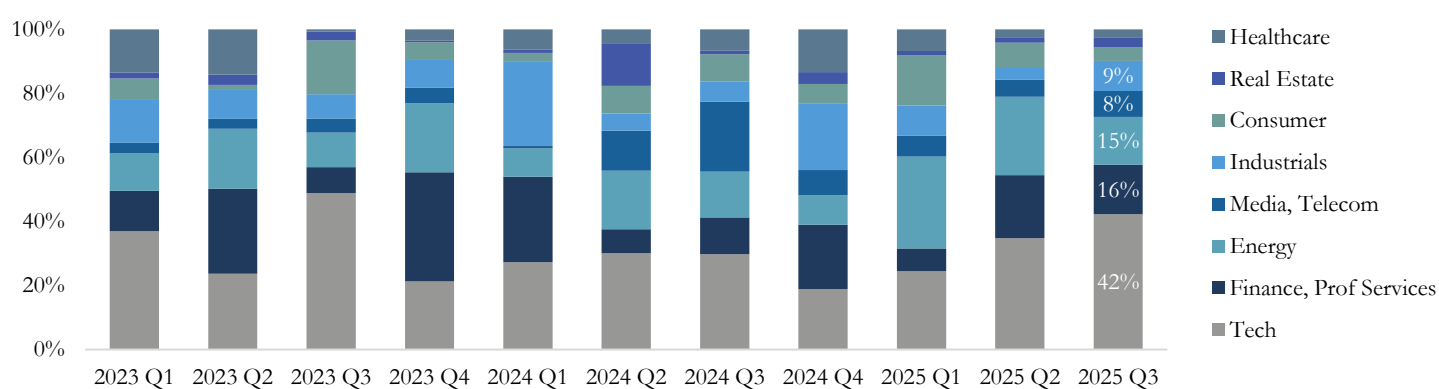
Industry Trends

- Most active:** Finance and tech continue to have the highest levels of deal activity, making up over 50% of US PE deal counts this year.
- Highest value:** Tech US PE deal value has climbed over the last three quarters, reaching over \$100 billion in Q3 alone. On a YTD basis, the energy sector has seen the largest growth in deal value, jumping almost 150% from YTD 2024.
- Decliners:** Media and telecom along with consumer have experienced the largest YTD declines in deal activity, at 13% and 10%, respectively.

US PE Deal Count by Industry



US PE Deal Value by Industry



Change in US PE deal activity across industries (YTD 2025 vs. YTD 2024)

	Finance, Prof Services	Tech	Industrials	Healthcare	Consumer	Energy	Media, Telecom	Real Estate
Deal Count	6%	9%	-5%	-6%	-10%	3%	-13%	10%
Deal Value	48%	84%	-1%	1%	100%	149%	-17%	-31%

Source: Dealogic, US only, announced through 9/30/2025. Data pulled 10/15/2025.

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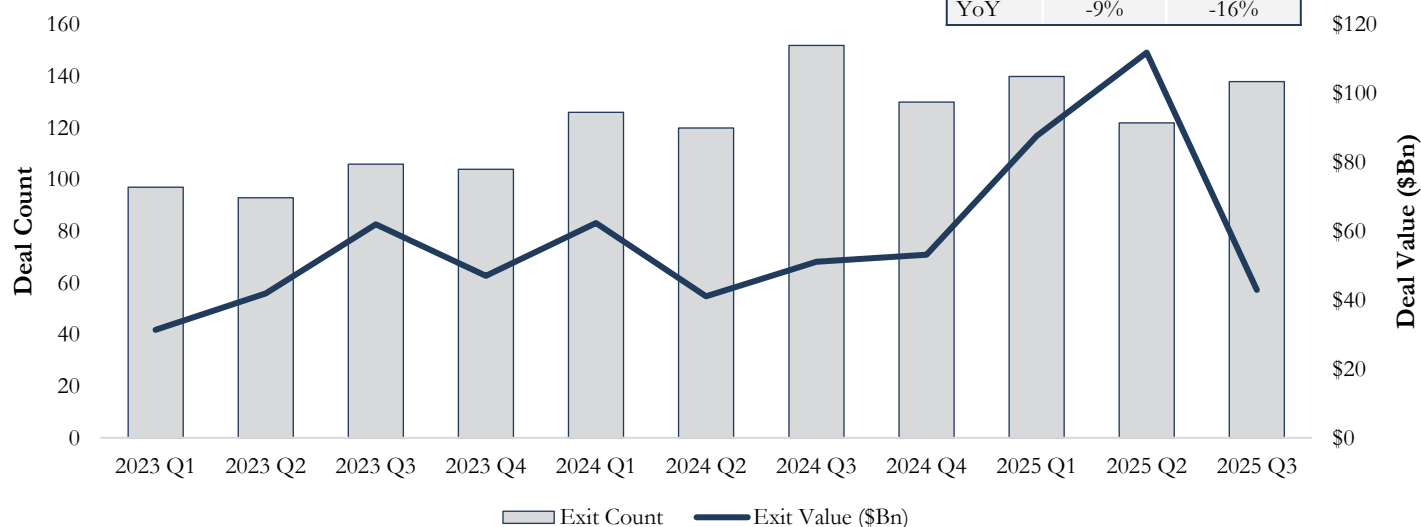
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Exits

- **Exits:** The number of PE exits increased in Q3 2025 after dropping last quarter and YTD exits are in line with last year.
- **Exit value:** US PE exit value dropped in Q3 with only two exits over \$5 billion, down from eight exits over \$5 billion in Q2. On a positive note, YTD exit value is up almost 60% from 2024 YTD.
- **Unsold assets:** The number of unsold assets slightly increased in Q3 by ~3% as investments outpaced exits. As of the end of the quarter, US assets made up 43% of global unsold assets.

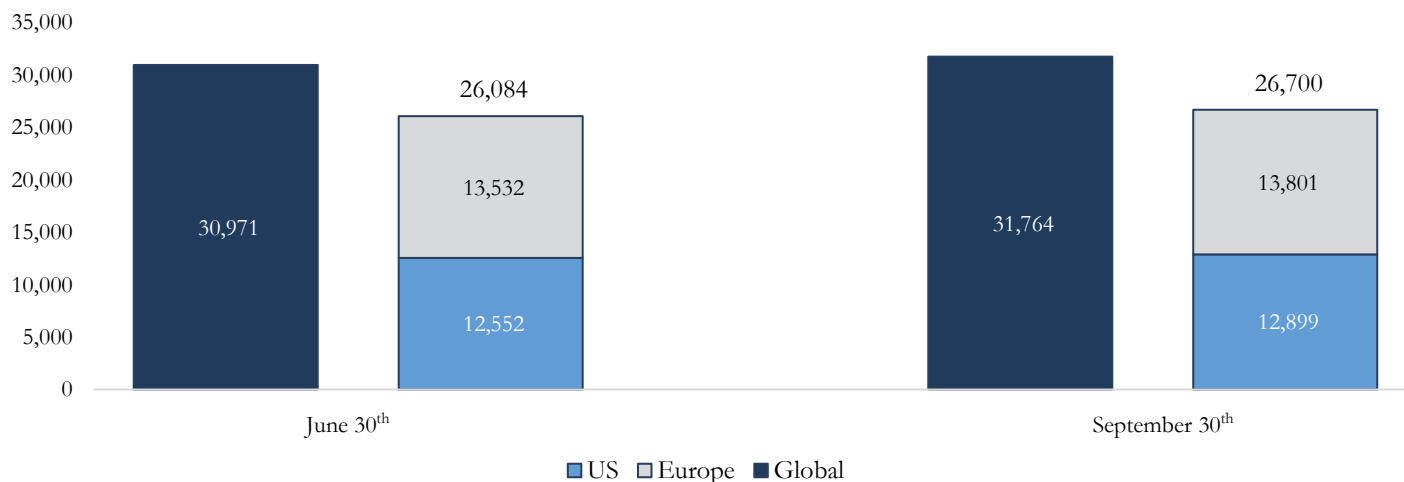
US PE Exit Activity by Quarter

	Deal Count	Deal Value
QoQ	13%	-62%
YoY	-9%	-16%



Source: Dealogic, US only, announced through 9/30/2025. Data pulled 10/15/2025.

Backlog of Unsold Assets



Source: Wall Street Journal, Pitchbook Data.

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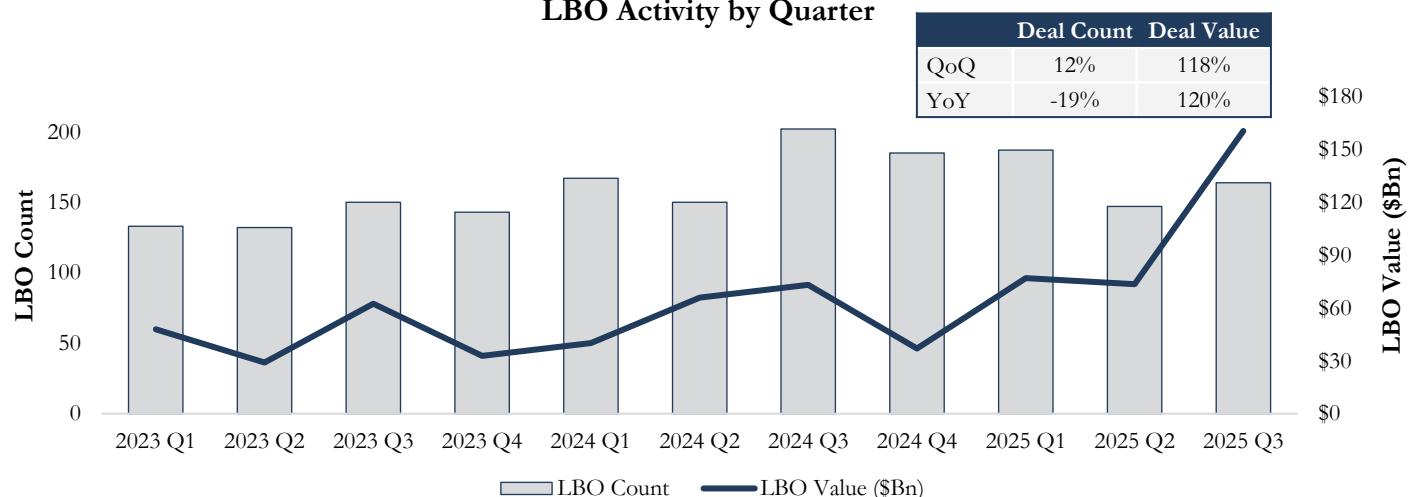
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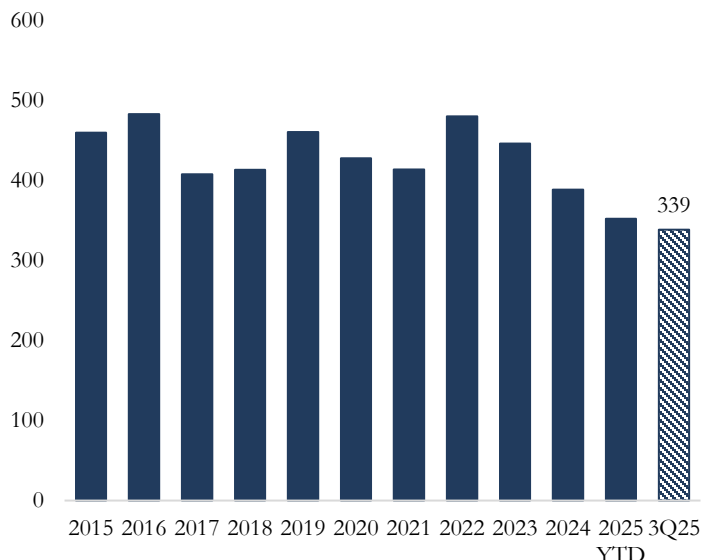
- **LBOs:** Q3 2025 LBO activity increased compared to the prior quarter for both deal count and value. Value jumped to historic highs with the EA deal being the largest LBO in history.
- **Spreads:** The third quarter saw further spread compression for institutional LBO loans. Declining spreads combined with Fed rate cuts should help spur deal activity.
- **Equity contribution:** As the cost of debt falls, US LBO equity contributions also continue to tick down. However, equity contributions remain above the norms of ~40% seen from 2015-2018.

LBO Activity by Quarter

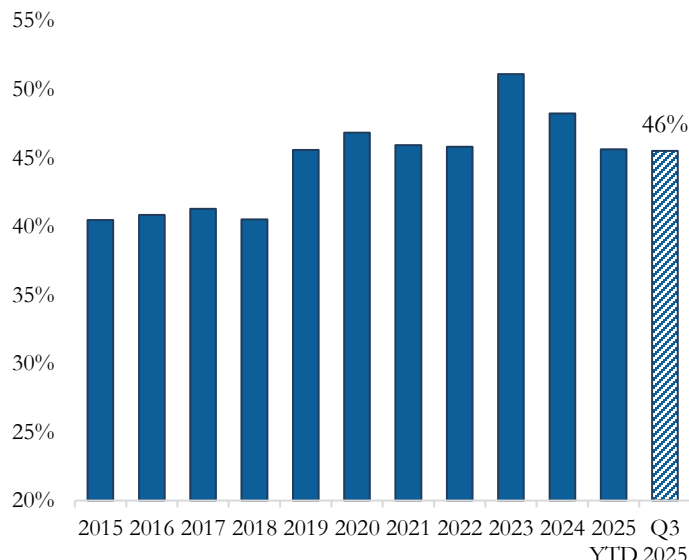


Source: Dealogic, US only, announced through 9/30/2025. Data pulled 10/17/2025.

LBO Institutional Spreads



Equity Contributions



Source: Pitchbook US LBO Debt Quarterly Trend Lines.

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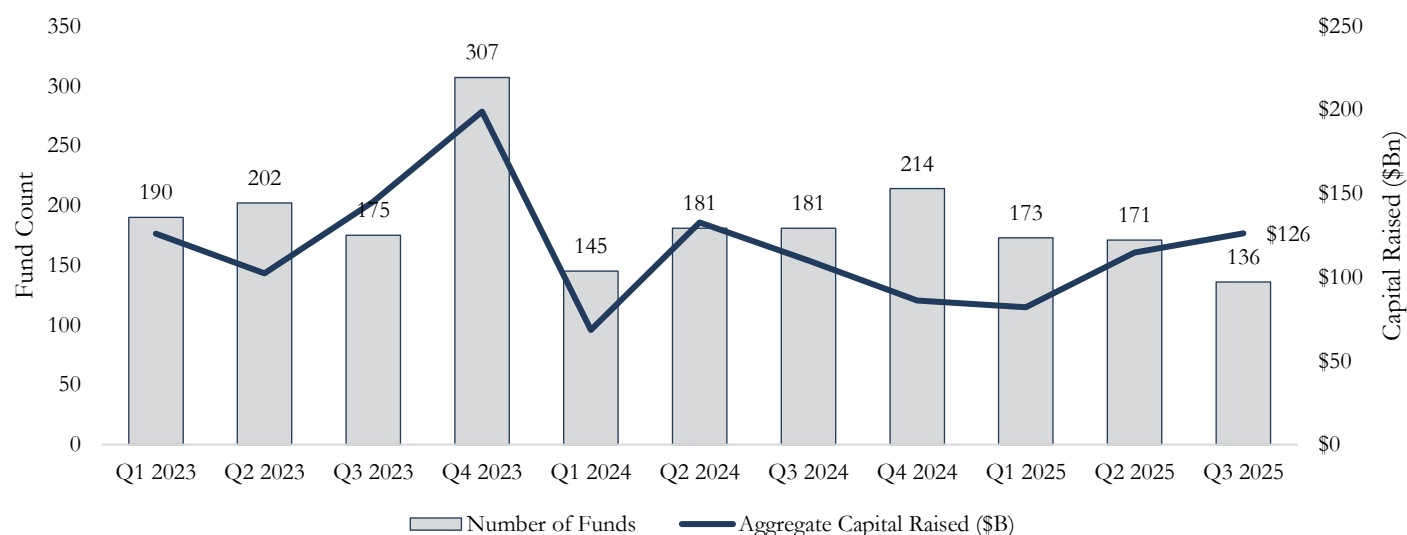
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Fundraising Trends

- **PE fundraising:** In Q3, the number of closed funds fell while the amount of capital raised increased to its highest since Q2 of last year. This marks the third consecutive quarter of fewer funds closed and higher capital raised, reflecting an ongoing trend of capital consolidation among larger funds.
- **Top 10 Q3 funds:** Buyout strategies led, making up a majority of the top 10 largest US PE funds closed in Q3. All the largest funds in Q3 were closed by experienced managers, with funds on their 4th vintage or greater.

US PE Fundraising by Quarter



Source: Preqin. Data as of 10/01/2025, US managers, excludes VC.

Top 10 Q3 2025 US PE Funds Closed

Fund	Fund Size (\$Bn)	Fund Type	Close Date	Investor
Veritas Capital Fund IX	\$14.4	Buyout	Sep-25	Veritas Capital
Trident X	\$11.5	Buyout	Jul-25	Stone Point Capital
Great Hill Equity Partners IX	\$7.0	Balanced	Sep-25	Great Hill Partners
TPG Growth VI	\$4.8	Growth	Aug-25	TPG
Ridgemont Equity Partners V	\$4.0	Buyout	Sep-25	Ridgemont Equity Partners
Levine Leichtman Capital Partners VII	\$3.6	Buyout	Jul-25	Levine Leichtman Capital Partners
PPC Fund IV	\$3.4	Buyout	Aug-25	Pritzker Private Capital
One Equity Partners IX	\$3.3	Buyout	Sep-25	One Equity Partners
JMI Equity Fund XII	\$3.1	Growth	Aug-25	JMI Equity
NB Strategic Co-Investment Partners V	\$2.8	Co-Investment Multi-Manager	Jul-25	Neuberger Berman

Source: Preqin, Pitchbook.

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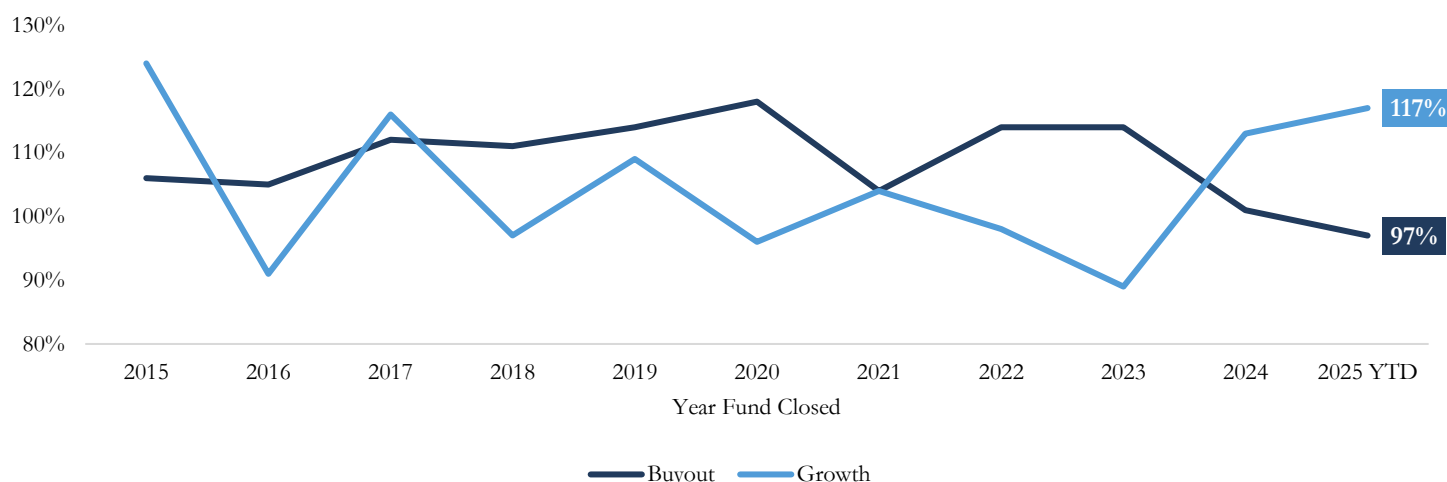
Fundraising Trends

- **Time spent fundraising:** US PE funds closed in 2025 YTD have taken an average of 18 months to close, down from 32 months for funds closed in 2024.
- **PE fundraising momentum:** Despite a challenging fundraising environment, US PE funds have been able to exceed targets in 2025 YTD through Q3. However, there is a bifurcation between buyout and growth strategies:
 - **Buyouts:** As of early October, closed US buyout funds raised only 97% of their targets on average. This is the lowest since 2010, which is also the last time when the average fund closing was less than its target size.
 - **Growth:** Conversely, closed US growth funds have found success. These funds are reaching 117% of targets on average, the highest for the strategy since 2015.

Average Number of Months to Final Close: All US PE Funds



Average % of Target Size at Final Close: US Buyouts vs. US Growth



Source: Preqin. Data as of 10/02/2025, US managers, excludes VC.

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A Look Ahead

- **Rates:** The Fed announced a 25-basis point rate cut at their September meeting and rates are expected to drop another 50 basis points by the end of the year.
 - The anticipated rate cuts improve outlook for private markets activity with lower costs of capital and improved deal economics.
 - PE is expected to see an increase in both investment and exit activity because of the rate cuts.
- **Secondaries:** On a recent Goldman Sachs Exchange podcast, industry players shared they expect secondaries growth to accelerate from its current 15% pace. Verdun Perry, Global Head of Blackstone Strategic Partners, predicts that secondaries will reach \$220 billion in 2025 and \$400 billion by 2030.
 - Future growth will be driven by the large amounts of capital raised in private markets and need for liquidity, expansion into asset classes outside of private equity, including private credit, infrastructure, and real estate, and various retail market offerings.
 - The continued growth of the secondary market has the potential for broad market implications. While secondaries are seen as a net positive in alternative asset space, they may also impact public markets by enabling companies to stay private for longer.
- **Sports:** Private equity ownership of major US sports teams continues to rise.
 - S&P Global Market Intelligence data shows through mid-October, PE and VC firms increased over \$6 billion in sports-related transactions this year, the highest value in at least eight years.
 - Sports continues to attract attention from the private capital industry, with a growing number of firms launching strategies or raising sports-related funds.
- **AI:** A recent Deloitte survey found that AI adoption continues to accelerate within M&A.
 - 86% of respondents have integrated GenAI into M&A workflows and daily activities, of which about three quarters adopted these tools within the last year.
 - This investment into AI is meaningful, with 88% of PE firms investing \$1+ million in AI for their M&A teams. A majority expect investment to increase over the coming year.
 - Currently, GenAI use is skewed toward pre-signing and early deal stages, including market assessment, target screening, and due diligence. Looking forward, these technologies will likely expand to post-deal stages with performance monitoring and operational improvements.

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Selected Ropes & Gray Private Equity Deals from Q3 2025

Deals	Industry
▪ Represented Harvest Partners in its acquisition of The Learning Experience	Education
▪ Advised Welsh, Carson, Anderson & Stowe in its majority investment in AIA Contract Documents	Tech
▪ Represented Datavant , a portfolio company of New Mountain Capital and Ardan Equity, in its acquisition of Action	Health Tech
▪ Represented Partners Group in its exit from its initial investment in PCI Pharma Services and its reinvestment as a part of a transaction in which a consortium will acquire a majority stake in PCI Pharma Services	Life Sciences
▪ Advised Tukios , a TSG Consumer Partners portfolio company, in its acquisition of Batesville's funeral home website hosting services	Tech / Services
▪ Represented Real Chemistry , a portfolio company of New Mountain Capital , on the acquisition of Greater Than One	Tech
▪ Advised TSG Consumer in its acquisition of PHLUR	Consumer
▪ Represented Audax Private Equity in its sale of Liquid Environmental Solutions	Waste Management
▪ Represented Audax Private Equity in the sale of Stout	Financial Services
▪ Represented EQT and CPP Investments in a definitive agreement to acquire NEOGOV	Tech
▪ Represented New Mountain Capital and its portfolio company Machinify on Machinify's entry into a definitive agreement to acquire Performant Healthcare, Inc.	Tech
▪ Represented Evident , a Bain Capital portfolio company, in its agreement to acquire Pramana, Inc.	Health Tech
▪ Advised BV Investment Partners in its majority investment in the Millennium Alliance	Businesses Services
▪ Represented CCMP Growth Advisors in its acquisition of Airo Mechanical	Construction
▪ Represented Audax Private Equity in the completed sale of GovOS	Tech
▪ Represented Aquiline Capital Partners and ABC Legal in the sale of ABC Legal	Business Services
▪ Represented Gauge Capital and its portfolio company CENTEGIX® in a growth equity investment by Charlesbank Capital Partners	Tech
▪ Advised GI Partners on the simultaneous closing of a single-asset continuation vehicle and a strategic investment by GI Data Infrastructure in Flexential	Digital Infra
▪ Advised Gauge Capital in its acquisition of APHIX	Maintenance
▪ Represented Partners Group in acquiring a significant minority stake in restor3d	Life Science
▪ Advised Advent International in a definitive agreement to acquire PatientPoint, Inc.	Health Tech
▪ Advised members of William Chisholm's investor group in its acquisition of the Boston Celtics	Sports
▪ Represented Gridiron Capital and Leaf Home in Leaf's acquisition of Erie Home	Manufacturing
▪ Advised Park Place Technologies , in an agreement for Warburg Pincus, with a group of minority investors including Temasek, to make a majority investment in Park Place Technologies	Digital Infra
▪ Represented TPG in a binding agreement with GE Vernova Inc. to acquire its Proficy® manufacturing software business	Tech
▪ Represented GHO Capital Partners in a definitive agreement to acquire Scientist.com	Life Sciences / Tech
▪ Advised Cohere Capital in its strategic growth investment in Leverage	Tech
▪ Represented QHP Capital in its investment in Vector Clinical Trials	Life Sciences

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+ US private equity transactions in the last five years (2020-2024).

Recent Recognition

THE
AMERICAN LAWYER

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



US 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 \$11.6B 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

16

Offices to support deals

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