

Activity and Trends

U.S. Private Equity Market Recap



U.S. PE DEAL ACTIVITY

INDUSTRY TRENDS

EXIT ACTIVITY

DEAL DYNAMICS

FUNDRAISING TRENDS

A LOOK AHEAD

SELECTED ROPES & GRAY PE DEALS

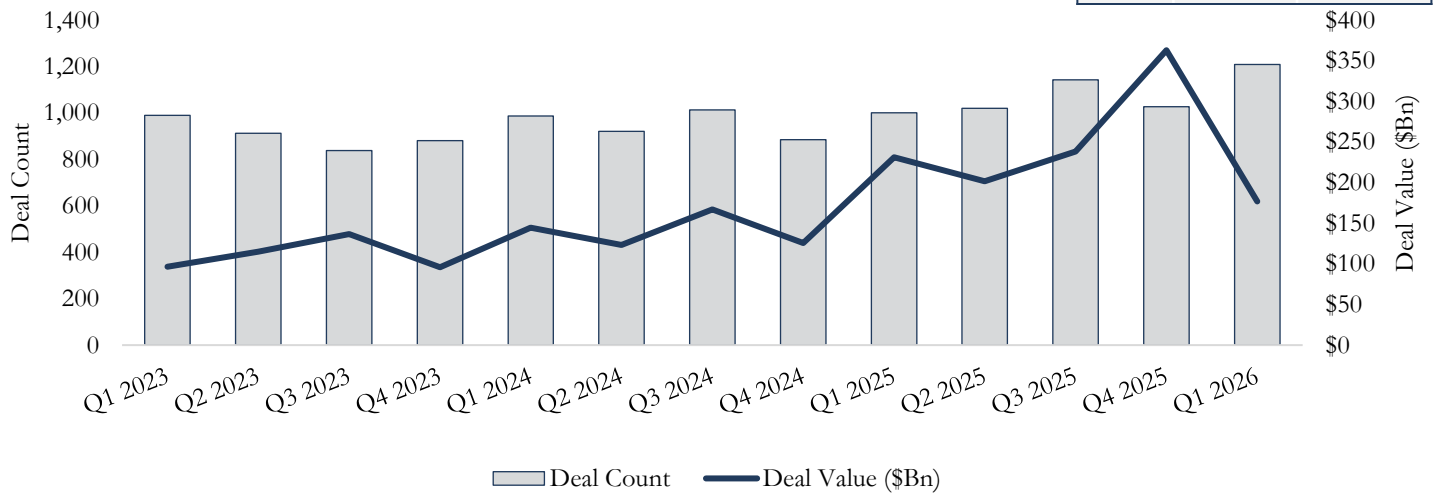
U.S. PE Deal Activity

Strong start, more selective finish: U.S. PE entered 2026 with real momentum, driven by improving financing conditions, a backlog of delayed processes, and sustained demand for scaled, high-conviction assets. But activity became more selective as the quarter wore on due to various headwinds. Public-market volatility among SaaS companies affected valuation in the tech sector, geopolitical uncertainty tied to the war in Iran made buyers increasingly disciplined on timing and price, and the stress in the private credit markets reshaped deal economics due to tighter financing.

Mega deals are masking a narrower market underneath: While headline activity remained solid, much of the market’s resilience continues to be driven by the top end. Large, differentiated assets can still attract capital, but the broader market remains bifurcated, with traditional software, cyclical businesses and harder-to-underwrite stories facing a higher bar to clear.

Q1 Activity Stayed Strong Despite Rising Selectivity

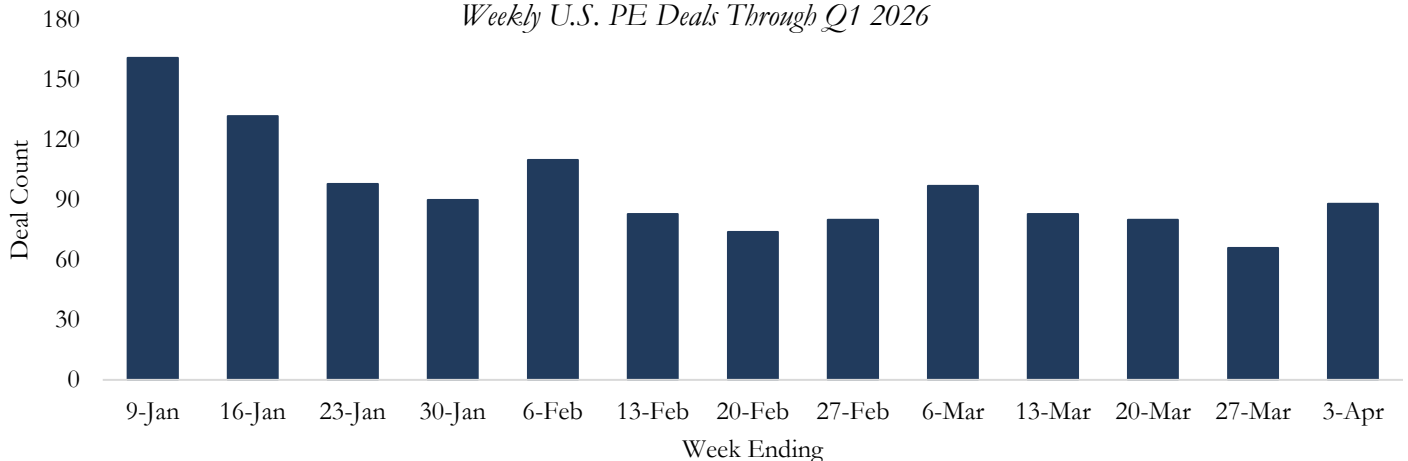
Quarterly U.S. PE Deal Activity



Note: Q4 2025 deal value was elevated by Paramount’s \$40+ billion acquisition of Warner Bros. Discovery, backed by RedBird Capital Partners.

Deal Pace Slowed as the Quarter Progressed

Weekly U.S. PE Deals Through Q1 2026



Source: Dealogic, U.S. deals only, based on filing / announcement date. Data pulled on 4/14/2026.

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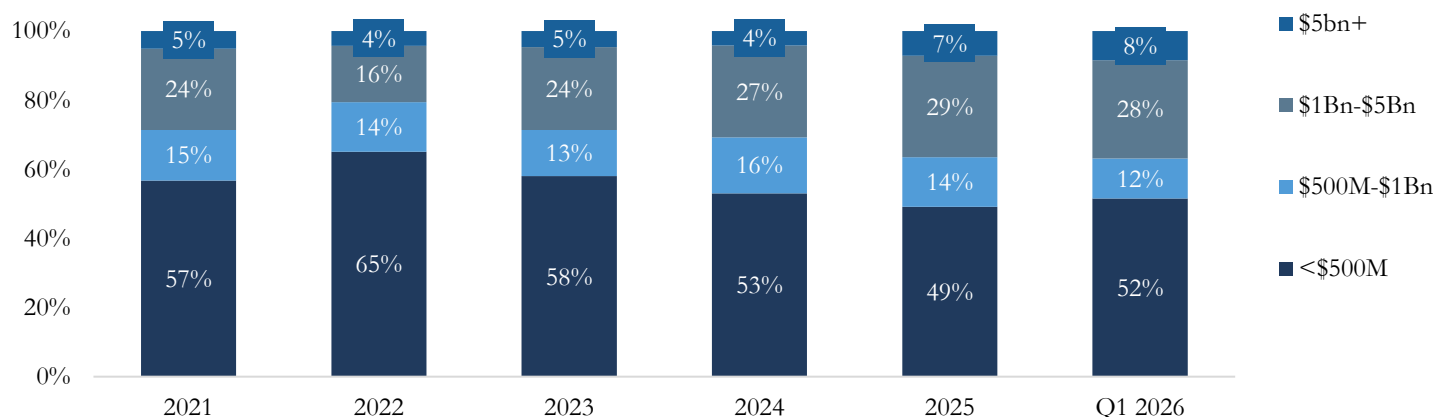
U.S. PE Deal Activity

Mega-deal activity remains concentrated in scarce, financeable assets: The continued rise in \$5Bn+ transactions underscores that capital is still available for scaled businesses with durable cash flows, strategic relevance or infrastructure-like characteristics, even if the broader market remains more selective.

Large deal mix skews to exits and energy: The largest announced deals were primarily exits and take-privates, with energy-related assets accounting for four of the top 10 transactions and totaling over \$55 billion.

Share of \$5Bn+ Deals Is Rising in a Narrower Market

U.S. PE Deals By Size Bucket



Top 10 Largest Q1 2026 U.S. PE Deals

Date	Acquiror	Target	Value (\$Bn)	Industry	Deal Type
Mar-26	GIP, EQT, CalPERS, QIA	AES	\$38.4	Utility & Energy	Take private
Mar-26	Sysco Corp	Restaurant Depot (Leonard Green)	\$29.1	Retail	Exit
Mar-26	Eli Lilly & Co	Centessa Pharmaceuticals (General Atlantic)	\$9.0	Healthcare	Exit
Feb-26	Mubadala Capital, TWG Global	Clear Channel Outdoor Holdings	\$7.8	Professional Services	Take private
Jan-26	Mitsubishi Corp	Aethon (OOTP, RedBird Capital)	\$7.5	Oil & Gas	Exit
Jan-26	HgCapital, General Atlantic, Tidemark	OneStream (KKR)	\$6.4	Tech	Take private
Mar-26	Thoma Bravo	WWEX Group (Providence Equity Partners, PSG, Ridgmont)	\$5.0	Transportation	Exit / Secondary buyout
Mar-26	LS Power Equity Advisors	PJM Interconnection	\$5.0	Utility & Energy	Divestiture
Jan-26	Vistra Corp	Cogentrix Energy (Quantum Energy Partners)	\$4.7	Utility & Energy	Exit
Feb-26	Covetrus Inc	MWI Veterinary Supply	\$3.5	Healthcare	Portfolio

Source: Dealogic, U.S. deals only, based on filing / announcement date. Data pulled on 4/14/2026.

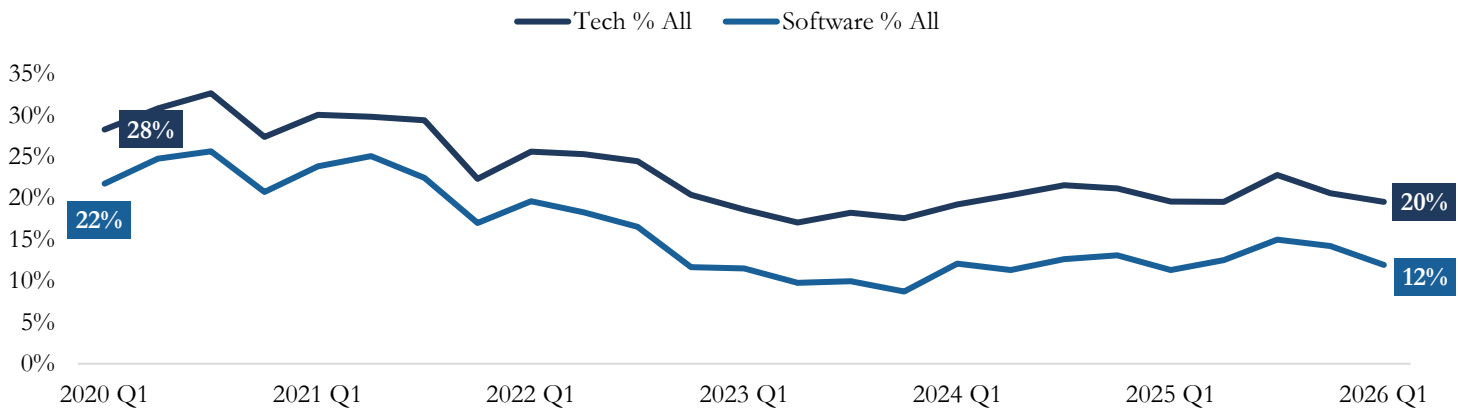
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Industry Trends

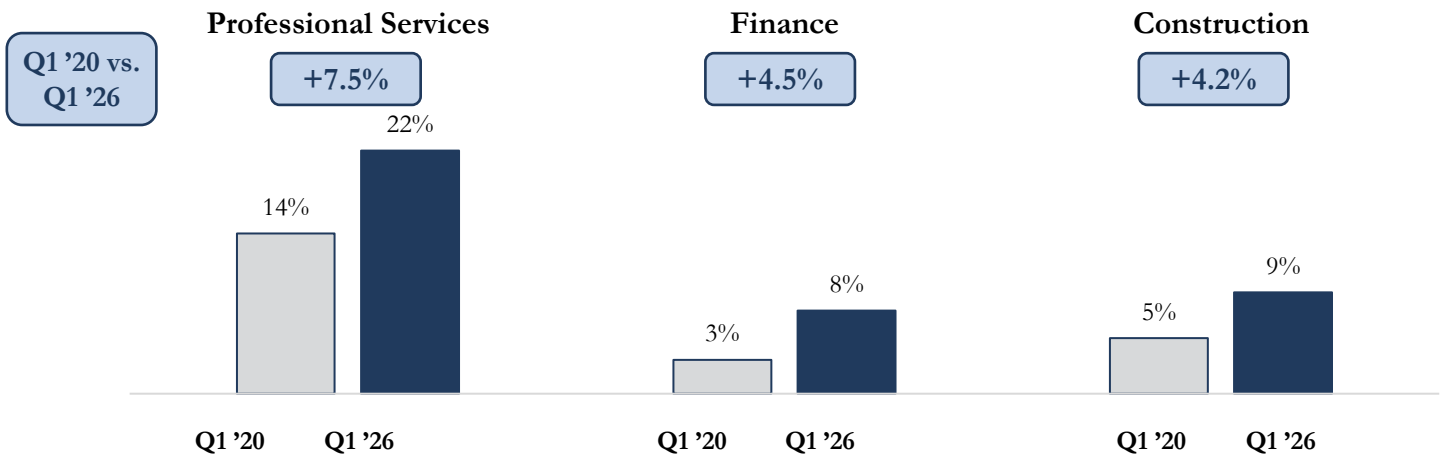
Software’s share of buy-side activity continues to reset: Relative to the 2020–2021 peak, sponsors are underwriting software more cautiously as investors reassess how AI will reshape product differentiation, pricing power and customer stickiness across application-layer businesses.

Capital is rotating toward sectors with more visible cash flows and lower disruption risk: Professional services, financials and construction have gained share over the last six years as sponsors favor businesses tied to outsourcing, compliance, infrastructure spending and mission-critical execution, which are areas that can offer more predictable demand than sectors still working through the broader software reset.

Tech and Especially Software Are Losing Share
Tech and Software as a Percent of U.S. PE Buy-Side Deals



Capital Is Rotating Toward Professional Services, Finance, and Construction
Industries Increasing Share of U.S. PE Buy-Side Deals Since 2020



Source: Dealogic, U.S. deals only, based on filing / announcement date. Data pulled on 4/14/2026.

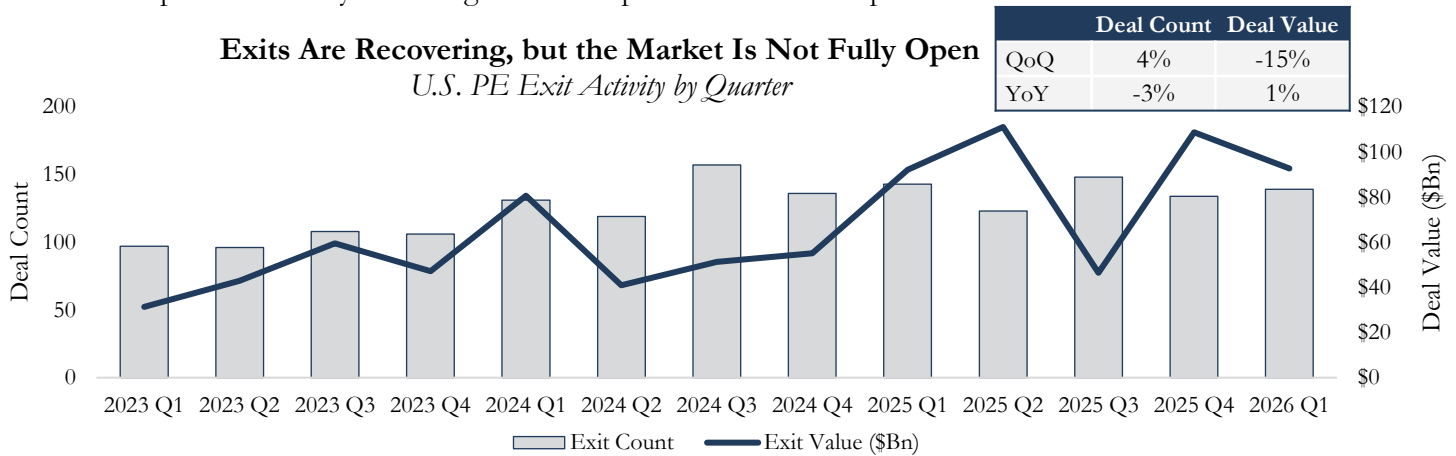
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Exit Activity

Exit market is improving, but it is not fully reopened: Sponsors have more pathways than they did in 2023, but a meaningful valuation gap persists in many sectors and buyers remain highly selective. The market is reopening first for premium assets and tailored processes, rather than through a broad-based normalization of exits.

IPO window reopened selectively, then narrowed again: Early-quarter issuance suggested improving receptivity, but late-quarter volatility and renewed geopolitical tension quickly reinforced that public exits remain selective.

Continuation vehicles remain a useful tool, not a substitute for a broader exit recovery: Sponsors continue to use single-asset vehicles to hold onto their strongest companies for longer, but lower Q1 volumes suggest that continuation capital is not fully offsetting the slower pace of traditional sponsor exits.



Source: Dealogic, U.S. deals only, based on filing / announcement date. Data pulled on 4/14/2026.

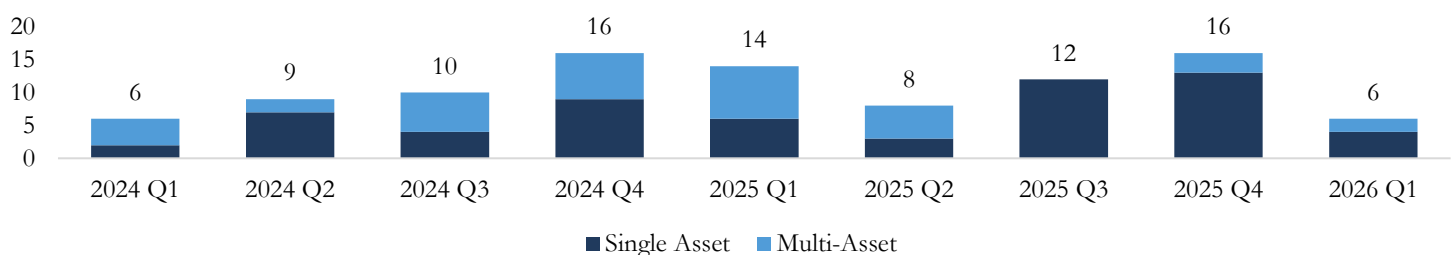
Q1 2026 U.S. PE-Backed IPOs

Date	Company	Sponsor	Deal Value (\$Bn)	Industry
10-Feb-26	SOLV Energy Inc	American Securities LLC	\$513	Construction/Building
4-Feb-26	Bob's Discount Furniture Inc	Bain Capital LP	\$331	Retail
4-Feb-26	Forgent Power Solutions Inc	Neos Partners LP	\$1,512	Machinery
28-Jan-26	York Space Systems Inc	AE Industrial Partners LP	\$629	Aerospace

Source: Dealogic, U.S. Exchanges only, based on pricing date. Data pulled on 4/14/2026.

Continuation Vehicles Help, but They Are Not Replacing Traditional Exits

Continuation Vehicle Activity



Source: Preqin Data through 3/31/2026. Global Continuation Vehicles.

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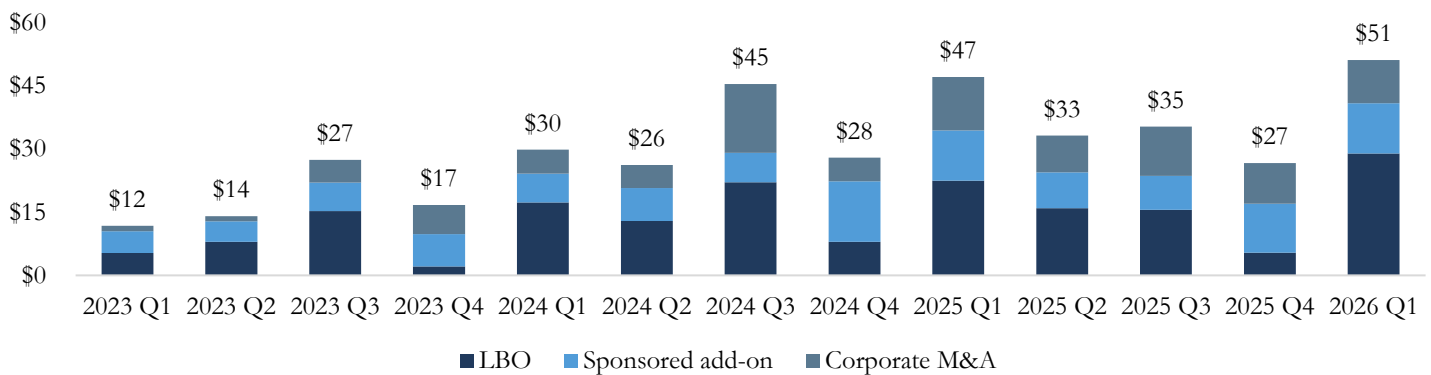
Deal Dynamics

Financing markets have reopened faster than valuation expectations: Credit has returned for high-quality sponsor-backed transactions, particularly at the upper end of the market, enabling processes to move forward even as equity underwriting remains cautious. Multiples have improved modestly, but not enough to fully close the gap between seller expectations and buyer return hurdles, especially in sectors exposed to earnings volatility or technology-led disruption.

The result is a bifurcated deal environment: High-quality assets with resilient cash flows, lender support and a clear value-creation story can still command competitive processes, while weaker credits or harder-to-underwrite businesses continue to face tighter structures and a smaller buyer universe.

Loan Markets Reopened for High-Quality Sponsor-Backed Deals

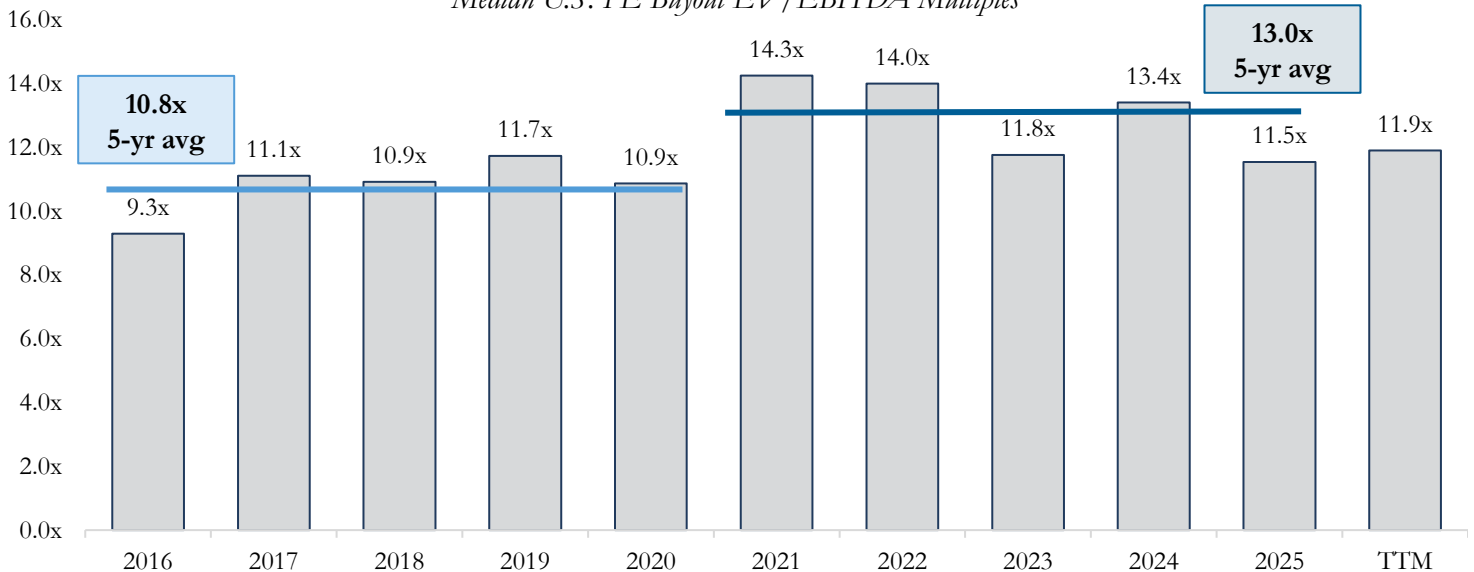
U.S. Institutional M&A Loan Issuance (\$Bn)



Source: Pitchbook U.S. PE Breakdown Q1 2026.

Multiples Improved, but Not Enough to Close the Valuation Gap

Median U.S. PE Buyout EV/EBITDA Multiples



Source: Pitchbook U.S. PE Breakdown Q1 2026.

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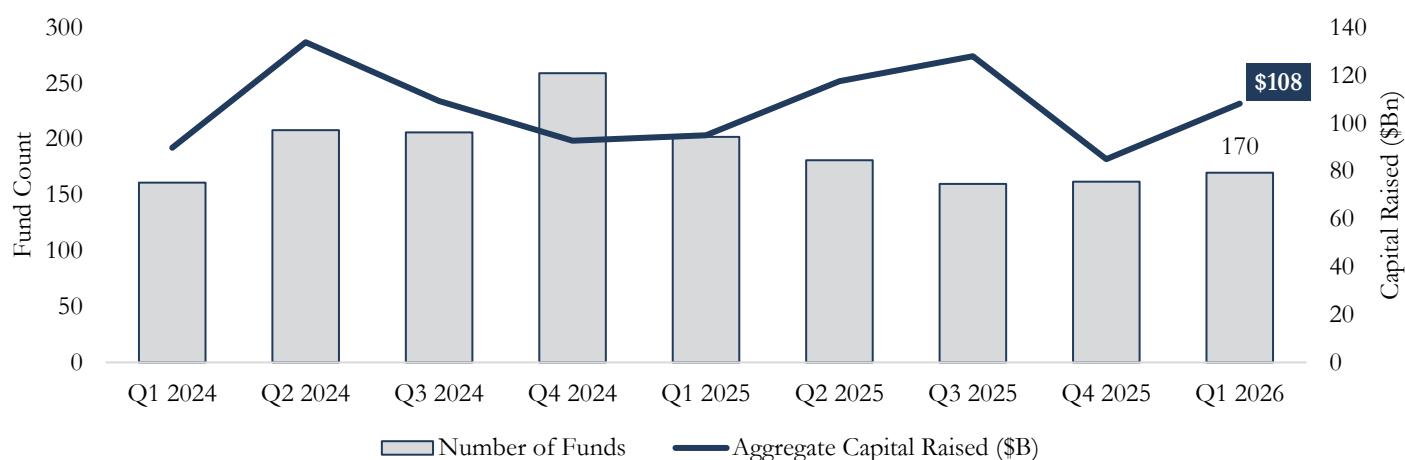
Fundraising Trends

Fundraising appears to be stabilizing, but it is not getting materially easier: Q1 suggests the market may be finding a floor, yet LPs remain selective and continue to prioritize managers with strong track records, differentiated sourcing, and a credible path to realizations.

Capital continues to consolidate around scale and specialization: The concentration of capital among the largest funds reflects an LP market that is still rewarding established platforms, while also favoring strategies such as growth and secondaries that can deploy capital more selectively in an uneven exit environment.

Fundraising Is Stabilizing Amid Continued LP Selectivity

U.S. PE Fundraising



Source: Preqin. Data through 3/31/2026, U.S.-based Managers, excludes VC.

Top 10 Q1 2026 U.S. PE Funds Closed

Fund	Fund Size (\$Bn)	Fund Type	Final Close Date	Sponsor
Blackstone Life Sciences VI	\$6.3	Buyout	Mar-26	Blackstone Group
Founders Fund Growth IV	\$6.0	Growth	Mar-26	Founders Fund
Greenbriar Equity Fund VII	\$5.4	Buyout	Feb-26	Greenbriar Equity Group
Lindsay Goldberg VI	\$4.9	Buyout	Jan-26	Lindsay Goldberg
Banner Ridge Secondary Fund VI	\$4.2	Secondaries	Jan-26	Banner Ridge Partners
Sage Equity Investors	\$3.6	Secondaries	Jan-26	Leonard Green & Partners
Lead Edge Capital VII	\$3.5	Growth	Mar-26	Lead Edge Capital
Bregal Sagemount V	\$3.5	Growth	Mar-26	Bregal Sagemount
HGGC Fund V	\$3.2	Buyout	Feb-26	HGGC
Blue Owl Strategic Equity Partners Fund	\$3.0	Secondaries	Feb-26	Blue Owl

Source: Preqin, Pitchbook. Based on PE Funds with U.S.-based Managers closed in Q1 2026.

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- **Growing Attraction of “HALO” Assets:** As AI continues to drive deal activity, investors are rotating toward tangible enablers such as data centers, power, semiconductors, and connectivity. Heavy-Asset, Low-Obsolescence (HALO) assets are becoming increasingly attractive in this environment, as they support AI deployment and offer more controllable value creation, visible demand and contracted, mission-critical revenues relative to asset-light models facing technological disruption.
- **Software underwriting is being recalibrated for an AI-native world:** Buyers are placing greater emphasis on workflow ownership, data advantages, and pricing durability as agentic AI begins to challenge traditional software interfaces and seat-based revenue models.
- **Defense, cybersecurity, and critical infrastructure are emerging as core private capital themes:** Heightened geopolitical tension is expanding focus on defense technology, aerospace, cyber resilience, and supply-chain security, with investors increasingly aligning around sectors linked to national security.
- **The Iran war is now influencing both the macro backdrop and deal execution:** The conflict has heightened volatility across energy and shipping markets, complicating the inflation and rates outlook and, in turn, affecting financing costs, valuation confidence, and transaction timing. In M&A, that has translated into slower processes, more diligence, and tighter buyer discipline, particularly in sectors exposed to commodity costs, supply chains, or cross-border risk.
- **Credit markets remain open, but underwriting is increasingly selective:** Lenders are constructive on stronger credits, but weaker businesses are facing wider spreads, tighter documentation, and a higher threshold for leverage.
- **Exit markets should continue to improve gradually rather than all at once:** Sponsors are still most likely to monetize high-quality assets with resilient earnings and scarcity value, while broader portfolio exits will depend on a more durable recovery in valuations and public market stability.

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Selected Ropes & Gray Private Equity Deals from Q1 2026

Deals	Industry
Advised Leonard Green & Partners on its acquisition of a majority stake in Topgolf	Leisure
Advised BV Investment Partners on its acquisition of Alacrity Solutions' Managed Repair Division	Insurance
Represented Audax Private Equity and Greenbriar Equity Group on the sale of Alliance Ground International	Transportation
Advised EQT on its landmark acquisition of Collier Capital	Asset Management
Represented TA Associates and its portfolio company Momentive Software in Momentive's acquisition of Personify	Tech
Represented Kohlberg and ENTRUST Solutions Group on the sale of ENTRUST Solutions Group	Construction
Advised CIVC Partners on the sale of digital marketing firm 829 Studios	Media
Advised PK Consumer Health , a portfolio company of Avista Healthcare Partners , on its acquisition of Puhdistamo	Healthcare
Advised Arcline on its sale of American Holt and Pride Engineering	Industrials
Represented Stonepeak on its joint venture with CMA CGM to launch United Ports LLC	Infrastructure
Advised TA Associates on its strategic partnership with The Forge Companies	Financial Services
Represented Taconic Biosciences , a portfolio company of Avista Healthcare Partners , in its acquisition of TransCure bioServices SAS	Life Sciences
Represented Gauge Capital on its strategic growth investment in Affordable American Insurance	Insurance
Advised GCM , a portfolio company of Avista Healthcare Partners , on its acquisition of Kettmann Machining	MedTech Manufacturing
Advised Audax Private Equity on the completed sale of Colony Hardware	Construction
Represented Silver Lake on Waymo's \$16 billion financing round	Tech
Represented Azuria Water Solutions , a New Mountain portfolio company, in the acquisition of Waterline Renewal Technologies	Water Services
Represented Erie Street Growth Partners and its portfolio company Trailer Park Group in the carve-out sale of Mutiny	Tech
Represented Welsh, Carson, Anderson & Stowe as a leading member of a consortium that has agreed to acquire Select Medical Holdings Corporation	Healthcare
Advised Kohlberg-backed Riveron on its strategic investment in Cuesta Partners	Tech
Represented Biocare Medical , a GHO Capital and Excellere Partners portfolio company, in its sale to Agilent	Life Sciences
Advised Lakeview Capital on its sale of MyMochi Ice Cream to Morinaga	Consumer
Advised Altamont Capital on its investment in corrugated box manufacturer Key Container	Manufacturing
Advised TA Associates on its strategic investment in Too Lost	Music Technology
Advised Audax Private Equity on its acquisition of AKAM	Financial Services
Advised Advent on its acquisition of Salt & Stone	Consumer
Represented Advent on its investment in defense tech company Shield AI	Defense Technology

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-cap and middle-market sponsors and asset managers 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 1,500+ private equity transactions in the last five years.

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 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



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



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

270+

M&A lawyers

150+

Years of practice history

16

Offices to support deals

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