

Private Equity Q2 Deal Numbers ‘Better Than Feared’: Report

A PitchBook report appears to indicate that the private equity and corporate M&A markets have weathered the tariffs volatility and could pick up even more by year’s end.

By **Justin Mitchell** | July 30, 2025

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Private equity mergers and acquisitions activity was “remarkably resilient” in the second quarter of this year, even amid the choppy markets in the wake of President **Donald Trump**’s tariffs policy. And that’s especially in North America, where several larger deals lifted the aggregate value of transacted capital, according to a new report from data provider **PitchBook**.

The quarter’s results showed relative steadiness compared to 2024 for both corporate and private equity M&A activity, with an estimated 12,605 deals in the second quarter and 24,793 deals through the halfway mark this year – both slightly ahead of last year’s pace. Both years, however, still are shy of the peak deals year of 2021.

After prediction markets placed the chances of a recession at around 50% as late as April and May, the 2025 results are “better than feared,” said **Garrett Hinds**, a PitchBook private equity analyst. While the report covers both corporate and private equity-backed mergers and acquisitions, private equity is tracking above last year despite and holding its own, even if the year has not met widespread expectations, he added.

When President **Donald Trump** announced his tariffs policy in April and then promptly paused it, private equity firms mostly kept their heads down and focused on how to handle the new environment, as reported. Now, there are signs that their approach is paying off.

“We’re seeing [private equity] confidently deploy capital into when there’s dislocation in areas where people are more willing to sell,” he said.

And while the second quarter saw a small decrease in M&A capital transacted from the first quarter, the two quarters each were still higher than any other quarter since 2022, according to PitchBook’s data.

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The PitchBook data also shows buyout deal multiples starting to decline, which may be a good sign that lower-quartile portfolio companies are beginning to transact in addition to the best assets. That’s a contrast to last year’s “flight to quality,” which could signal a broader opening of the market in the second half, Hinds said.

“We’re seeing a broader range of companies transacting,” he said.

Heading to the Exits

Corporate acquirers are still accounting for most deal activity, as opposed to private equity-backed acquirers. Of about 18,000 deals tracked by PitchBook this year, just over 6,000 have been executed by private equity funds or portfolio companies, or about 34.3%, staying steady with last year. Still, buyout fund sponsors account for about 42% of the total value of mergers and acquisitions activity for the year, again mostly keeping pace with last year.

In addition, many of the exits to corporate acquirers involve private equity firms. Six of the top 10 private equity transactions in the first half by deal value were with corporate buyers, according to a report from **S&P Global Market Intelligence**.

Private equity exits have begun to rebound globally, too, according to another new report from **KPMG**, which relied on PitchBook data. The aggregate value of exits is already closing in on the total for all last year, and should pass it "handily," according to the KPMG report.

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A bright spot around buyout fund exits this year is that the combined value of initial public offerings, or IPOs, is already almost double that of last year, standing at \$91.6 billion compared to \$47.9 billion for all last year, according to the report. IPO activity has been showing promising signs of a rebound for several months, as reported.

Private equity-backed IPOs raked in \$9 billion last quarter, the best number since the first quarter of 2024, according to the S&P Global Market Intelligence report.

Blackstone just executed its first IPO in several years, and the IPO market in general is re-opening, said CEO **Steve Schwarzman** during the \$1.1 trillion manager's second quarter earnings call last week.

"We are preparing a number of other companies for public offerings over the coming quarters," he said.

Later in the call, Blackstone President **Jonathan Gray** said the firm has its "largest forward IPO pipeline" since 2021.

Middle Market Standoff

In the middle market, while deal flow volume has been good, the quality of available transaction targets has been lacking, said **James Andersen**, managing partner and founder of **Clearview Capital**, a lower middle market private equity firm. This is due to continued questions over tariffs, the ramifications of developments in artificial intelligence technology and the higher interest rate environment in the U.S.

"There's less to choose from, so that means we're just not doing as many deals," he said. "The meeting the minds of buying buyers and sellers has been very difficult to find."

Many of the founder-owned businesses in the middle and lower middle market do not want to sell in a market environment they see as chaotic and uncertain, and buyers remain disciplined because they are already managing tariff-related issues in their portfolios, said **Michael Mufson**, a managing partner at investment bank **Mufson Howe Hunter**.

"There's a little bit of a standoff, and I think that is causing a lot of the slowness in the market," he said.

If the **Federal Reserve** were to lower rates like the **European Central Bank** has done, it could make a significant difference, he added.

Nevertheless, PitchBook data does indicate that private equity managers are lowering portfolio company valuations in the name of closing transactions, Hinds said.

"Firms are reflecting some of the uncertainty, and they're proceeding with sales below what they thought [companies] were worth in 2024," he said.

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