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Private equity weighs M&A risks; venture capital funding rounds fall

By Dylan Thomas and Karl Angelo Vidal

S&P Global Market Intelligence offers our top picks of global private equity news stories and more published throughout the week.

Private equity investment committees are treading cautiously this summer. They are still pursuing deals but keeping a close eye on the impact of US tariffs and an uncertain global macroeconomic outlook.

Global private equity and venture capital entry activity in July totaled \$52.59 billion across 911 deals, declining from both prior-month and prior-year totals, according to S&P Global Market Intelligence data. Even with the dip in July, the \$444.67 billion of entry deals recorded through the first seven months of the year was still running ahead of the \$403.13 billion total for the same period in 2024.

If the data is serving up mixed signals about the deal environment, it may have something to do with how differently sized private equity firms are digesting M&A risks, said Michael Mufson, managing partner of investment bank Mufson Howe Hunter & Co LLC.

Managers of the richest buyout funds are generally targeting larger, better-established acquisition targets — companies with the resources and management expertise to navigate macroeconomic turbulence. Those threats loom larger in the middle and lower-middle markets, Mufson said.

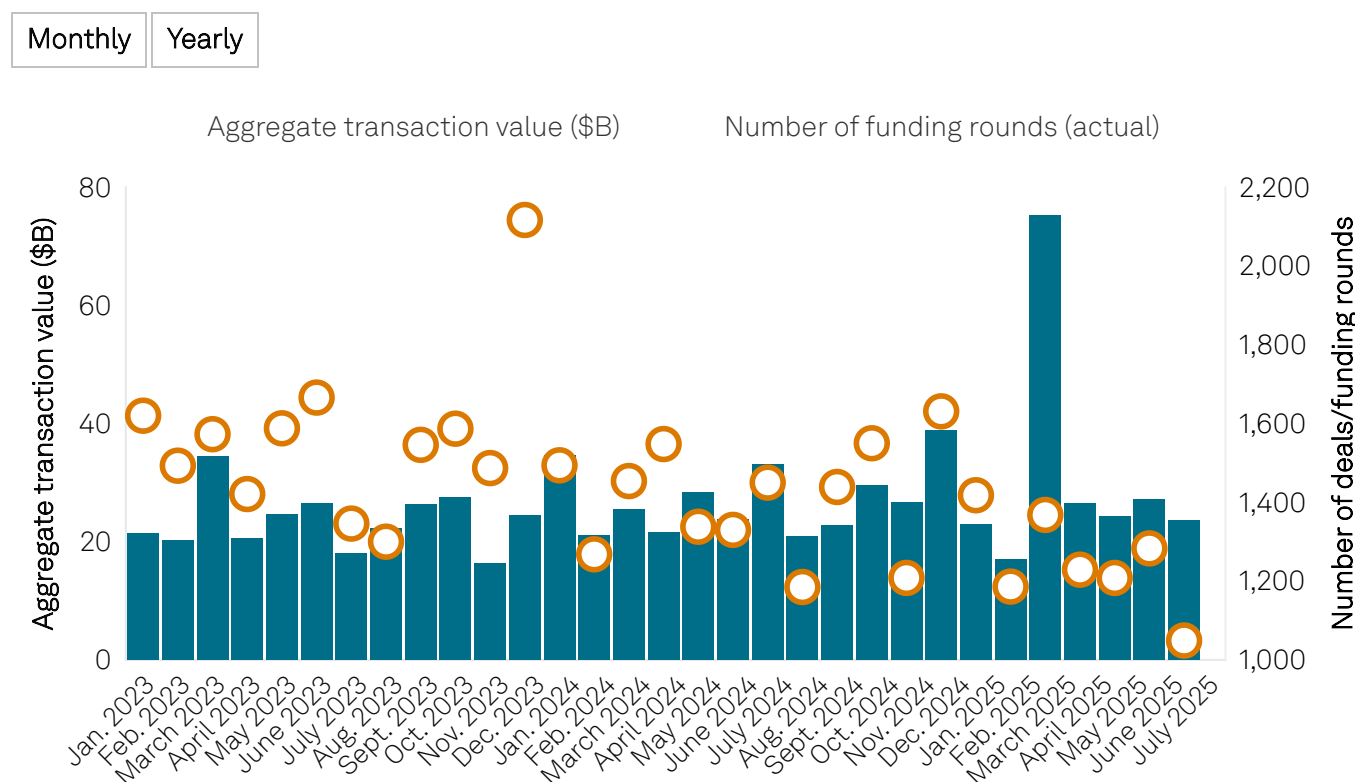
"All of that is magnified in the middle market when you're dealing with smaller acquisitions, smaller companies that could be rocked by the uncertainty [and] by the tariffs," Mufson said.

Read more about private equity and venture capital entry activity in July.

CHART OF THE WEEK: Venture capital rounds decline in July

Global PE/VC investments through rounds of funding

 To switch between time views, please click the buttons below



Data compiled Aug. 4, 2025.

PE/VC = private equity or venture capital.

* Year to date through July 31 of respective years.

Analysis includes global investments in rounds of funding announced between Jan. 1, 2023, and July 31, 2025, where the buyer/investor is or includes a private equity or venture capital firm.

Excludes terminated deals and debt funding rounds.

Source: S&P Global Market Intelligence.

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➤ The value of venture capital rounds announced in July totaled \$23.66 billion globally, declining 13% from \$27.25 billion in June, according to Market Intelligence data.

➤ The number of funding rounds also fell from the prior month, declining 18% to 1,049 rounds from 1,283 rounds.

➤ Amid the apparent slowdown in July, funding round activity remained on track for a year-over-year improvement in 2025, with \$217.03 billion in global deal value recorded between Jan. 1 and July 31 compared with \$188.05 billion in the year-ago period.

TOP DEALS

– Blackstone Inc., Blackstone Energy Transition Partners and Blackstone's private equity strategy agreed to acquire Enverus Inc. from Hellman & Friedman LLC and Genstar Capital LLC. The transaction, which could value Enverus at up to \$6.5 billion, according to a Reuters report, is expected to close by the end of 2025. RBC Capital Markets LLC was the financial adviser for Blackstone, with legal advice provided by Simpson Thacher & Bartlett LLP. Citi and Morgan Stanley & Co. LLC were financial advisers, and Kirkland & Ellis LLP provided legal advice to Enverus and Hellman & Friedman.

– In a separate deal, Blackstone private equity funds and vehicles intend to make a tender offer for all interests in TechnoPro Holdings Inc., a Japan-based technology staffing and services company, for approximately ¥510 billion. Blackstone said the transaction would be its largest investment in Japan across strategies. The deal is expected to result in TechnoPro becoming a subsidiary and being delisted by the end of 2025.

– Funds managed by Apollo Global Management Inc. agreed to acquire a majority stake in Stream Data Centers LP from Stream Realty Partners LP. Stream Data Centers is focused on building, leasing, managing and operating hyperscale datacenter campuses. The transaction is expected to close later in 2025. Goldman Sachs & Co. advised Stream Data Centers, with Akin Gump Strauss Hauer & Feld LLP serving as legal counsel. Moelis & Co. was the financial adviser to the Apollo funds, while Latham & Watkins LLP was the legal counsel.

– An investor group that includes Castle Harlan Inc. agreed to sell offshore drilling contractor Shelf Drilling Ltd. to Ades International Holding Ltd. for 3.9 billion Norwegian kroner. SpareBank 1 Markets AS is the financial adviser to Ades, with Advokatfirmaet Schjødt AS and Maples Group as legal advisers. Evercore Inc. provided financial advice and fairness opinion to Shelf Drilling, with Advokatfirmaet Thommessen AS, Conyers Dill & Pearman and Latham & Watkins as legal advisers.

TOP FUNDRAISING

- Painswick Capital Management LP held the final close for its first fund, Painswick Capital Fund I LP, with about \$1.5 billion in total commitments, surpassing its initial \$750 million target. The fund invests within the single-asset continuation vehicle market. Simpson Thacher and Bartlett LLP was legal counsel to Painswick for the fundraise.
- Dextra Advisors LLC, doing business as Dextra Partners, closed Dextra Co-investment Fund VII LP at its \$825 million hard cap, surpassing the initial \$650 million target. The fund focuses on direct equity coinvestments in North American middle-market companies, alongside leading private equity sponsors.
- Prelude Growth Partners Management Co. LLC, which invests in the consumer sector, closed its third fund at its \$600 million upper limit, Dow Jones Newswires reported. The fund, Prelude Growth Partners III, was significantly oversubscribed.
- Butterfly Equity, a California-based private equity firm focused on the food and beverage sector, closed on a \$527 million single-asset continuation fund to support and accelerate the growth of Qdoba Restaurant Corp., a fast-casual Mexican restaurant. Apollo's Sponsor and Secondary Solutions (Apollo S3) business led the oversubscribed transaction, with additional commitments from investors including Painswick Capital. Evercore was the financial adviser to Butterfly, with Kirkland & Ellis as legal counsel, while Weil Gotshal was the legal adviser to Apollo S3.

MIDDLE-MARKET HIGHLIGHTS

- BV Investment Partners LP acquired a majority stake in The Millennium Alliance LLC, a peer-to-peer sales enablement platform. Millennium Alliance specializes in C-suite executive assemblies and digital properties, aligning with BV's focus on technology-enabled business services. Ropes & Gray was the legal counsel to BV. BrightTower was the financial adviser to Millennium Alliance.
- Los Angeles-based Freeman Spogli Management Co. LP proposed to buy Philz Coffee Inc., a specialty coffee company, for approximately \$150 million, with cash consideration of \$145 million. Philz Coffee will continue to be led by CEO Mahesh Sadarangani. The transaction was expected to close Aug. 8. Morgan Lewis & Bockius LLP was legal counsel to Freeman Spogli. Piper Sandler & Co. was the financial adviser, and Kirkland & Ellis LLP was legal counsel to Philz Coffee.

– T Capital VI, managed by Tokyo-based T Capital Partners Co. Ltd., intends to acquire construction consulting firm Founder's Consultants Holdings Inc. for ¥9.6 billion, aiming to make it a subsidiary. The offer includes cash consideration of ¥1,420 per share, with a minimum purchase condition of 66.67% of shares. Mori Hamada & Matsumoto LPC was the legal adviser, and Nomura Securities Co. Ltd. was the financial adviser for T Capital Partners. Torikai Law Office provided legal advice, and Josui Consulting LLP offered financial advice to Founder's Consultants. Nomura Securities is the tender offer agent.

FOCUS ON: SPECIAL PURPOSE ACQUISITION VEHICLES

Privately held self-driving truck manufacturer Kodiak Robotics Inc.'s pending acquisition of Ares Acquisition Corp. II, made public in April, is among six private equity-linked special purpose acquisition company transactions announced so far in 2025, according to S&P Global Market Intelligence data.

The number of deals in 2025 is on track to exceed the total for full year 2024, when six SPAC deals with private equity involvement were announced with private equity firms as buyers or sellers.

However, SPACs have become more disciplined structures. The vehicles have been targeted for stronger **regulatory frameworks** and higher disclosure requirements since the frenzied activity in 2021. Additionally, reduced investor risk appetite and the muted IPO and M&A markets have slowed SPAC transactions.

For further private equity deals, read our latest "In Play" report, which looks at potential private equity-backed M&A, including rumored transactions, each week.

For private credit news, see our latest private credit newsletter issued twice per month.