

Deals, Dollars and Drivers

A Summary of Private Equity Transactions for the First Half of 2025



Welcome to the Age of Targeted Capital Deployment

This mid-year report reviews U.S. deals from January 1, 2025, through June 30, 2025 (1H 2025), revealing a trend towards increased strategic, value-driven capital deployment when compared to January 1, 2024 through June 30, 2024 (1H 2024).

Floyd Advisory has identified the following three key characteristics that distinguished market leaders in 1H 2025:

- **Strategic Concentration:** Capital focuses on fewer, larger, high-conviction deals aligned with long-term goals.
- **AI as a Value Multiplier:** AI-driven platforms are prioritized for automation, insights, and scale.
- **Resilience Engineering:** Investment favors firms built to absorb shocks and lead through disruption.

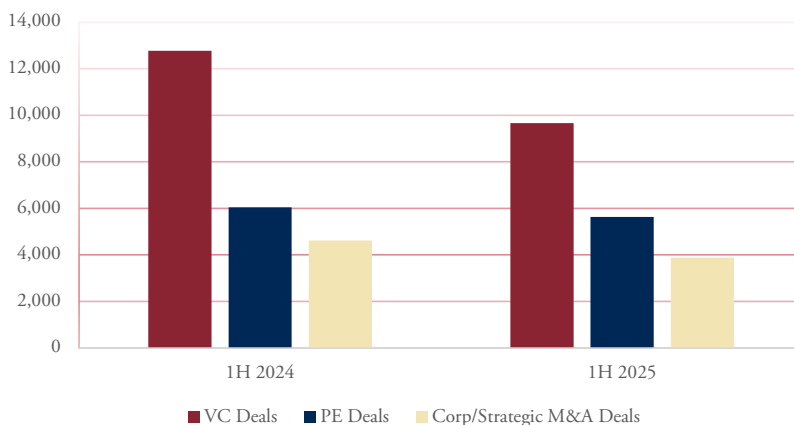
Throughout this report, we provide insights and commentary on current trends in the deal landscape, with indications on where we believe potential Private Equity (PE) and Venture Capital (VC) buyers are positioning themselves for success in 2025.

Deal Flow: What's Happening in 1H 2025 vs. 1H 2024? ¹

A. Overall Market Volume and Velocity

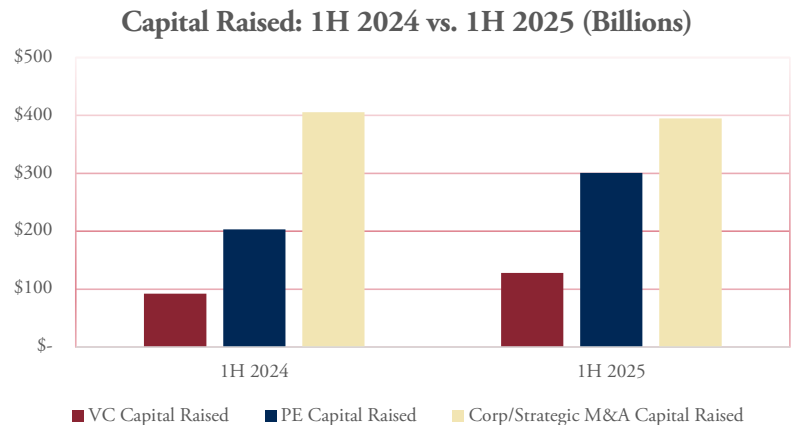
A comparison between 1H 2024 and 1H 2025 reveals evolving dynamics in deal activity and investment patterns. While the overall deal volume declined – from 23,423 deals in 1H 2024 to 19,182 deals in 1H 2025 (an 18% decrease) – total capital raised increased notably, rising from \$701 billion to \$824 billion (a 17% increase). This divergence was largely driven by private capital. Though deal volume declined, capital deployment by VC and PE surged, signaling heightened investor conviction and a shift toward larger, transformational investments.

Deal Count: 1H 2024 vs. 1H 2025



¹ See PitchBook Data, Inc. sorted by: Location: United States, Deal Date: 1/1/2024-6/30/2024 & 1/1/2025-6/30/2025, Deal Status: Completed and Deal Types: All VC Stages, M&A Control Transactions and All Buyout Types. Accessed August 6, 2025.

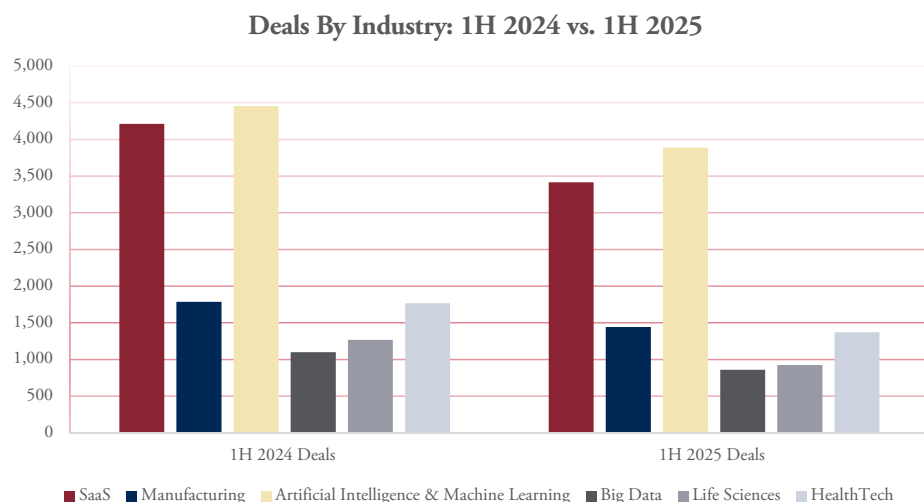
While VC deal volume – by number of transactions – declined by 24%, capital raised jumped from \$93 billion in 1H 2024 to \$128 billion in 1H 2025, driven by a small number of outsized transactions. Most notably, OpenAI’s \$40 billion investment in March 2025 accounted for nearly a third of all VC capital invested in 1H 2025. Without this investment, total capital across VC would have remained relatively flat, underscoring how a single transformative deal can reshape the investment landscape. PE followed a similar pattern. While the deal count fell 7%, capital raised rose by 48%.



Conversely, strategic M&A activity declined across both fronts. Deal count dropped 16% from 4,613 to 3,881 from 1H 2024 to 1H 2025, while capital raised dropped 3% from \$405 billion to \$395 billion. Although the average deal size has increased, this shift reflects a broader cooling of corporate appetite for acquisitions, driven by economic uncertainty and shifting corporate strategies.

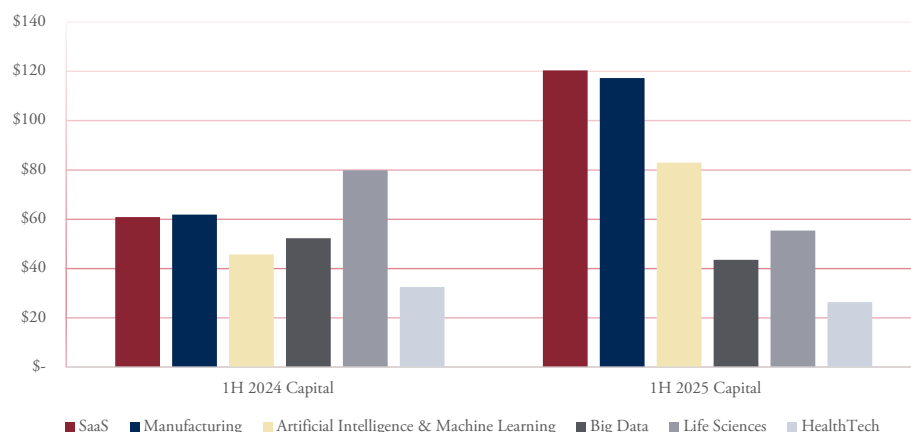
B. Noteworthy Industry Concentrations: Fewer Deals and Heavier Bets ²

This shift toward fewer but larger transactions in 1H 2025 can be seen in a multitude of verticals. Certain verticals show a particularly dramatic percentage increase in capital invested from 1H 2024 to 1H 2025, including Augmented and Virtual Reality, CloudTech, Gaming, and the Internet of Things, all industries aligned with software, innovation, and data. Software as a Service (SaaS), Manufacturing and Artificial Intelligence (AI) & Machine Learning are three large verticals that saw declines in deal volume but massive increases in amount of capital raised. SaaS, for example, saw deal count drop by 19% in 1H 2025, yet capital increased nearly 100%, rising from \$61 billion to \$120 billion. The major surge in total capital raised in the AI & Machine Learning vertical was in large part driven by OpenAI’s \$40B funding round, which seemingly confirms investors’ appetite for transformative technologies. Some industries bucked this trend, reporting fewer deals and less capital raised in 1H 2024 when compared to 1H 2025, including Big Data, Health Tech, and Life Sciences.



² See PitchBook Data, Inc. sorted by: Location: United States, Deal Date: 1/1/2024-6/30/2024 & 1/1/2025-6/30/2025, Deal Status: Completed and Deal Types: All VC Stages, M&A Control Transactions and All Buyout Types. Accessed August 6, 2025.

Capital Raised By Industry: 1H 2024 vs. 1H 2025 (Billions)



Top Deals: What Went Well and What Didn't^{3, 4, 5}

1H 2025 recorded a smaller number of completed large-scale M&A transactions and VC funding stages compared to the same period in 1H 2024. OpenAI's rise, along with Capital One's \$35 billion acquisition of Discover, signals a strong move toward scalable platforms in AI and financial services. The deal size / revenue multiples in 1H 2025 varied widely, from a 1.13x multiple for the acquisition of a roofing company to over 20x for Intracellular Therapies, a drug discovery company.

Top Deals 1H 2025					
Company	Vertical	Deal Size (Billions)	Revenue Multiple (Deal Size / Revenue)	Deal Type	Deal Date
OpenAI	AI & Machine Learning, Big Data, SaaS	\$ 40.00	10.81x	Late-Stage VC	Q1 2025
X (Social/Platform Software)	Social media, SaaS, Platform Software	\$ 33.00	12.22x	M&A	Q1 2025
Summit Materials	Industrials, Manufacturing	\$ 14.38	3.83x	M&A	Q1 2025
Endeavor Group Holdings	Social media, SaaS, Platform Software	\$ 13.00	1.83x	Buyout/LBO	Q1 2025
Altair Engineering	SaaS, TMT	\$ 10.60	15.92x	M&A	Q1 2025
Discover Financial Services	FinTech	\$ 35.30	1.96x	M&A	Q2 2025
Berry Global	Manufacturing	\$ 24.71	2.20x	M&A	Q2 2025
Scale AI	AI & Machine Learning, Big Data, SaaS	\$ 14.30	16.44x	Late-Stage VC	Q2 2025
Intracellular Therapies	Life Sciences	\$ 13.92	20.46x	M&A	Q2 2025
Beacon Roofing Supply	Industrials	\$ 11.00	1.13x	M&A	Q2 2025

Top Deals 1H 2024					
Company	Vertical	Deal Size (Billions)	Revenue Multiple (Deal Size / Revenue)	Deal Type	Deal Date
Splunk	Big Data, TMT	\$ 28.00	6.64x	M&A	Q1 2024
Karuna Therapeutics	Life Sciences	\$ 13.79	21,090.21x	M&A	Q1 2024
WorldPay	E-Commerce, FinTech	\$ 12.50	Unavailable on PB	Buyout/LBO	Q1 2024
Republic Bank	Financial Services, Banking	\$ 10.00	Unavailable on PB	M&A	Q2 2024
Pioneer Natural Resources	Oil & Gas	\$ 63.00	3.20x	M&A	Q2 2024
SRS Distribution	Industrials, Distribution	\$ 18.03	1.80x	M&A	Q2 2024
ShockWave Medical	HealthTech	\$ 13.10	16.63x	M&A	Q2 2024
CRC	Industrials, Distribution	\$ 12.40	3.58x	Buyout/LBO	Q2 2024
AIR Communities	Real Estate, REITs	\$ 10.00	12.44x	Buyout/LBO	Q2 2024
Subway	Restaurant Tech	\$ 9.55	0.96x	Buyout/LBO	Q2 2024

³ See PitchBook Data, Inc. sorted by: Location: United States, Deal Date: 1/1/2024-6/30/2024 & 1/1/2025-6/30/2025, Deal Status: Completed and Deal Types: All VC Stages, M&A Control Transactions and All Buyout Types. Excludes: Restart Angel, Restart Early Stage VC, Restart Later Stage VC and Grants. Accessed August 6, 2025.

⁴ See PitchBook Data, Inc. sorted by: Location: United States, Deal Date: 1/1/2024-6/30/2024 & 1/1/2025-6/30/2025, Deal Status: Failed/Postponed and Deal Types: All VC Stages, M&A Control Transactions and All Buyout Types. Accessed August 6, 2025.

⁵ Karuna's 21,090.21x multiple is due to a low reported revenue.

In 1H 2024, the strategic priority of the largest deal was different. ExxonMobil's \$63 billion acquisition of Pioneer Natural Resources, completed in May 2024, highlights how energy security and expanding domestic production were key strategic priorities, according to ExxonMobil's official announcement.⁶

By highlighting these deal multiples alongside the transaction sizes, we see how valuation discipline varies across sectors and deal types. High multiples tend to indicate investor willingness to pay for growth, innovation, and/or strategic value, while lower multiples point to deals driven by steady cash flows and operational consolidation. Understanding these nuances provides deeper insight into how capital is being deployed in 2025's evolving deal landscape.

But alongside successful closings, not all deals were completed without resistance. In 1H 2024, JetBlue's proposed merger with Spirit Airlines was blocked by a federal judge over concerns that it would reduce competition and eventually lead to higher fares for customers.⁷ Just a year later, U.S. Steel's planned sale to Nippon Steel ran into resistance, not because of the business case, but due to national security concerns, political pressure, and a broader backlash against foreign ownership of U.S. assets.⁸ Although the deal ultimately went through, the companies "have entered into a National Security Agreement with the U.S. government, and U.S. Steel will issue a Golden Share to the U.S. Government."⁹ Financially sound deals can be derailed by government interference, whether from regulators, courts, or lawmakers. These outcomes highlight the fact that even well-structured transactions can be delayed, altered, or fall apart if they conflict with policy goals or antitrust enforcement.

For dealmakers, it's becoming increasingly clear that success now depends not only on valuation and strategy, but how a deal plays in Washington, D.C.

Lessons from the Market

As our analysis illustrates, market leaders in 1H 2025 aren't only reacting to market conditions; they're also strategically positioning themselves to extract value from fewer deals. For PE, that means refining acquisition criteria to prioritize resilience, integration efficiency, and upside scalability. For VC, it means focusing on transformative technologies while demanding stronger operational rigor. And for strategic buyers, M&A success now hinges on alignment with long-term business strategies and goals. Overall, our findings support a simple truth: performance now favors precision.

Our Process and Methodology

Using data available through PitchBook,¹⁰ we evaluated transactions involving PE firms and VC firms as well as mergers and acquisitions (M&A) in the U.S. in 1H 2025 and 1H 2024. We examined deal formation, industry sector, and deal size to identify emerging patterns and shifts in market behavior. Our analysis highlights year-over-year trends across sectors, with a particular emphasis on how deal activity, capital allocation, and investment strategies have evolved over the past twelve months.

This report reflects our professional judgment, grounded in the data we collected and reviewed, and the broader economic context shaping today's M&A market.

6 See https://corporate.exxonmobil.com/news/news-releases/2024/0503_exxonmobil-completes-acquisition-of-pioneer-natural-resources.

7 See <https://apnews.com/article/jetblue-spirit-merger-court-airline-2d9a640e7f7ecb87d5f60c1cbffbc163>.

8 See <https://www.cbsnews.com/news/biden-us-steel-nippon-deal/#:~:text=President%20Biden%20announced%20Friday%20that%20he%20is%20blocking,the%20possible%20national%20security%20risks%20of%20the%20deal>.

9 See https://www.nipponsteel.com/common/secure/en/news/20250618_100.pdf.

10 See <https://pitchbook.com>.

About Floyd Advisory

Floyd Advisory works with CEOs, CFOs, counsel, boards of directors, and other stakeholders across a wide variety of industries, providing answers and expert opinions on wide-ranging strategy, finance and accounting, and other financial reporting matters. Our areas of expertise include SEC Reporting, Transaction Advisory, Investigations and Compliance, Valuation and Strategy, Data Analytics, and Litigation Services.

Our Transaction Advisory practice provides expert M&A advisory services, guiding buyers, sellers, and private equity sponsors through every stage of the deal with strategic insights, risk mitigation, and tailored financial solutions. Our dedicated team helps buyers and sellers navigate the complex world of M&A activity across the deal continuum. Our seasoned experts provide buy-side and sell-side services tailored to the unique challenges and opportunities of the M&A landscape.



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