

## *Deals, Dollars and Drivers*

*A Summary of Private Equity, Venture Capital, and Strategic and Corporate M&A Deals for the Second Half of 2025*



### *A Market Defined by Selectivity, Not Volume*

#### *2H 2025: What Changed and What Stayed the Same*

This report examines trends in U.S. deals completed in 2025 to assess whether trends that emerged in 1H 2025 continued, moderated, or shifted by year end. We focus on transactions completed from July 1, 2025, through December 31, 2025 (2H 2025), which we compare against the same period in 2024 (2H 2024) as the primary year-over-year benchmark. The data shows smaller deal volume but higher aggregate dollars, with capital clustering around a smaller number of transactions in tech-related sectors – AI & Machine Learning, Software as a Service (SaaS), Big Data, and CloudTech.

Floyd Advisory identified the following three key characteristics of the market in 2H 2025:

- 1. Capital Concentration in Technology:** Investors deployed more capital into fewer, larger deals, prioritizing technology verticals, which have grown beyond emerging growth targets.
- 2. Geopolitical Environment:** The perceived uncertainty in the political and regulatory environment both domestically and internationally in 2025 may have contributed to the lack of financial commitment in some industries.
- 3. Emphasis on Scale and Durability:** Larger transactions were increasingly driven by long-term strategic positioning with investors prioritizing scale, infrastructure, and durable operating assets.

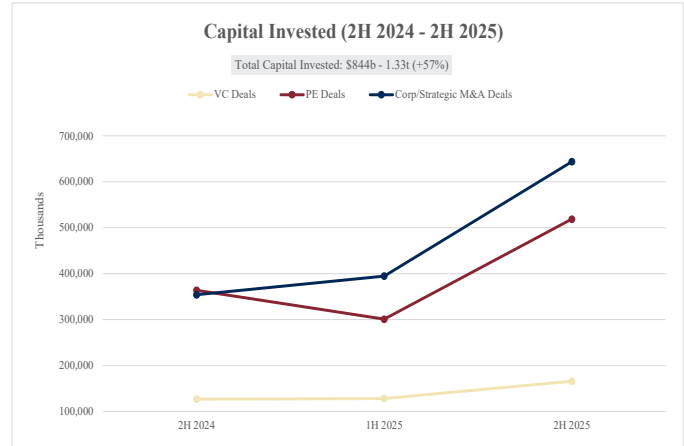
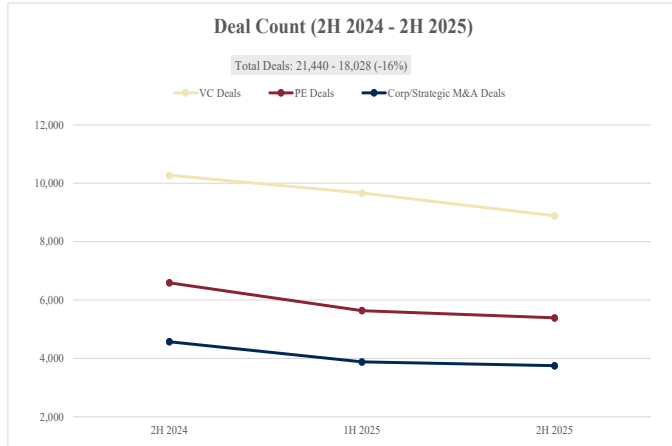
Throughout this report, we provide information, insights, and commentary on current trends in the deal landscape, with indications on where we believe potential Private Equity (PE) and Venture Capital (VC) buyers are positioning themselves for success in 2026.

Floyd Advisory

April 2026

## Market Snapshot: Deal Volume vs. Capital Deployed <sup>1</sup>

The figures below summarize changes in deal count and capital raised across VC, PE, and Corporate / Strategic M&A from 2H 2024 through 2H 2025.



From 2H 2024 through 2H 2025, the data reveals a continued divergence between deal activity and capital deployment.

- **Total deals** declined from 21,440 in 2H 2024 to 18,028 in 2H 2025 (a 16% decrease).
- **Total capital** invested increased from approximately \$0.84 trillion to \$1.33 trillion (a 58% increase).

This divergence was driven primarily by private capital, as investors concentrated capital into fewer, larger transactions, rather than distributing capital broadly across a high volume of smaller deals. This trend was consistent in VC, PE and M&A.

### Highlights by Buyer Type

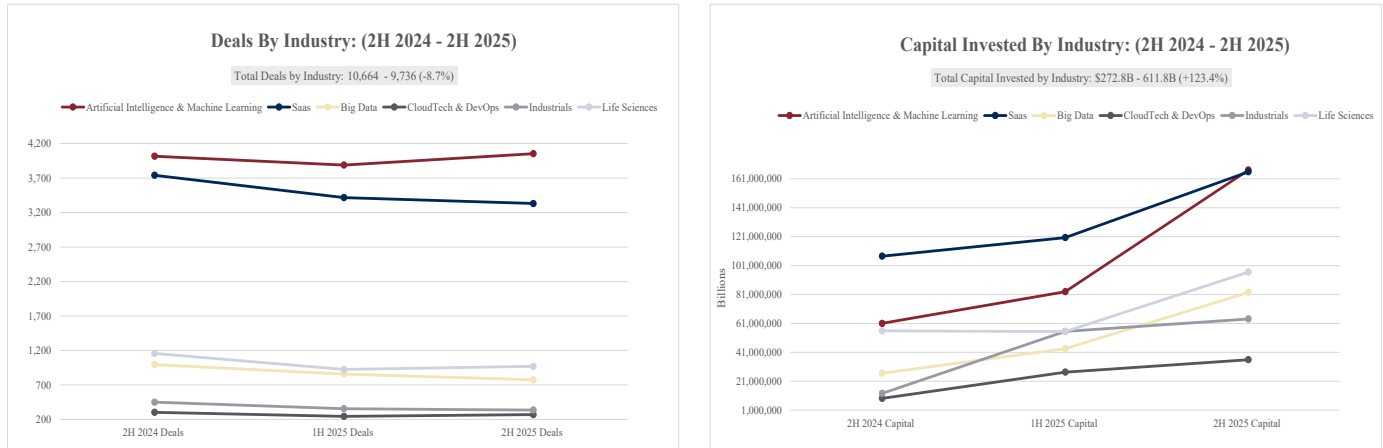
- **Venture Capital:** Deal count declined 14%, while capital invested increased 31% to \$165.6 billion, underscoring a continued shift toward capital concentration. Deployment skewed toward a smaller number of large, late-stage financings; particularly within AI-focused and core technology platforms.
- **Private Equity:** Deal count declined 18%, while capital invested increased 43% to \$518.6 billion. Financial commitment was driven in part by a limited number of large-scale transactions, including the \$40 billion leveraged buyout of Aligned Data Centers, which was announced in October 2025, supported by \$8.75 billion of debt financing, and is expected to close in the first half of 2026.<sup>2</sup>
- **Strategic and Corporate M&A:** Deal count also declined 18%, while capital invested increased 82% to \$643.8 billion, driven by a limited number of large-scale consolidation and infrastructure-oriented transactions, reflecting continued corporate emphasis on strategic portfolio expansion and capability acquisition. Activity was further characterized by a resurgence of transactions exceeding \$10 billion – across infrastructure, energy, and communications sectors, including several high-profile transactions announced in 2025.

<sup>1</sup> See PitchBook Data, Inc., sorted by Location: United States; Deal Date: July 1, 2024–December 31, 2025; Deal Status: Completed; Deal Types: All VC Stages, M&A Control Transactions, and All Buyout Types. Accessed January 13, 2026.

<sup>2</sup> See <https://www.datacenterdynamics.com/en/news/aligned-data-centers-sold-to-blackrock-and-mgx-in-record-breaking-40bn-deal/>.

### Industry Trends: Where Capital Concentrated<sup>3</sup>

The figures below illustrate deal activity and capital deployment by industry from 2H 2024 through 2H 2025, highlighting the divergence between deal volume and capital concentration across key verticals.



Across sectors, 2H 2025 was characterized by heavier capital commitments within fewer transactions. This dynamic was most visible in core technology verticals but was also evident in larger, established industries such as Industrials and Life Sciences.

### Technology and Data-Oriented Sectors

Technology-focused verticals exhibited some of the clearest divergences between deal activity and capital deployment:

- **Artificial Intelligence & Machine Learning:** Deal activity remained relatively flat year-over-year, increasing modestly from 4,016 to 4,053 transactions. In contrast, capital invested surged 174% to approximately \$167.1 billion.
- **Software as a Service:** Deal volume declined 11%, while capital invested increased 54% to approximately \$165.8 billion.
- **Big Data:** Deal count declined 22%, while capital invested increased 210% to approximately \$82.5 billion.
- **CloudTech & DevOps:** Deal count declined 11%, while capital invested increased 290% to approximately \$35.9 billion.

A closer review of deal-level data indicates that capital concentration within these sectors was driven by a small number of large transactions. In both Artificial Intelligence & Machine Learning and SaaS, the top ten deals accounted for approximately 47% of total capital invested within each respective sector in 2H 2025.

### Industrials and Life Sciences

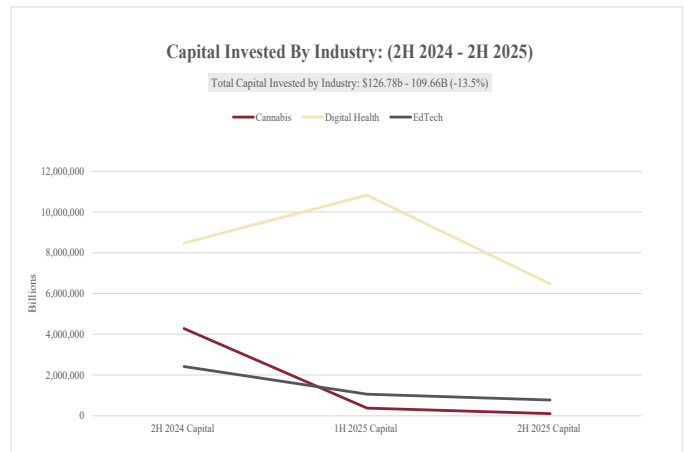
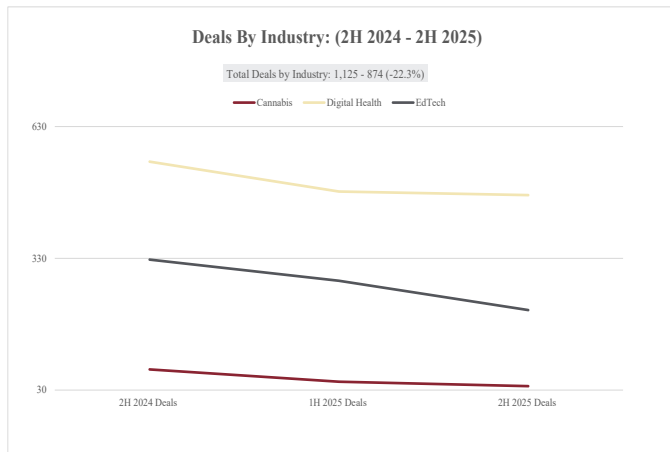
Outside of core technology sectors, Industrials and Life Sciences demonstrated comparable dynamics:

- **Industrials:** Deal count declined 25%, while capital invested increased more than fourfold to approximately \$64.1 billion.
- **Life Sciences:** Deal count declined 16%, while capital invested increased 73% to approximately \$96.5 billion.

Life Sciences exhibited even greater concentration than other sectors, with roughly 67% of total capital deployed attributable to the top ten transactions. Other verticals, including Autonomous Vehicles, FinTech, and CleanTech, showed similar patterns, where one or a handful of large transactions accounted for the majority of sector-level capital deployed.

<sup>3</sup> See PitchBook Data, Inc., sorted by: Location: United States; Deal Date: July 1, 2024–December 31, 2025; Deal Status: Completed; Deal Types: All VC Stages, M&A Control Transactions, and All Buyout Types. Accessed January 13, 2026.

## Trends in Other Sectors



While most verticals followed this trend, there were several industries for which capital raised fell precipitously.

- **Cannabis:** Uncertainty around federal cannabis rescheduling efforts, continued federal tax restrictions, and differences between federal and state cannabis laws contributed to reduced investment and transaction activity.<sup>4</sup>
- **Digital Health:** Following elevated activity in prior periods, capital deployment and transaction volume moderated as investors reassessed reimbursement models, regulatory oversight, and near-term growth expectations.<sup>5</sup>
- **Education Technology:** Rather than discrete negative catalysts specific to this industry, it appears instead that activity moderated as capital concentrated more heavily in other technology verticals.

## Deal-Level Comparison: Then vs. Now <sup>6</sup>

The tables that follow summarize the largest completed transactions in 2H 2025 and 2H 2024, respectively, providing deal-level context for the capital concentration observed at the market and sector levels.

Top Deals 2H 2025						
Rank	Company	Primary Sector	Deal Size (\$B)	Revenue Multiple (x)	Deal Type	Quarter
1	Hess	Oil & Gas	60.0	4.8	M&A	Q3 2025
2	Aligned Data Centers	Infrastructure / Cloud	40.0	266.7	Buyout	Q4 2025
3	Kellanova	FoodTech	35.9	2.8	M&A	Q4 2025
4	Ansys	Autonomous / TMT	35.0	13.6	M&A	Q3 2025
5	Walgreens Boots Alliance	Health / Retail	23.7	0.2	Buyout	Q3 2025
6	Exact Sciences	Life Sciences	21.0	6.8	M&A	Q4 2025
7	Groq	AI & ML	20.0	40.0	M&A	Q4 2025
8	Juniper Networks	AI & ML	14.0	2.7	M&A	Q3 2025
9	Mr. Cooper Group	FinTech / Mortgage Tech	14.2	6.4	M&A	Q4 2025
10	Interpublic Group	AdTech	13.5	1.3	M&A	Q4 2025

<sup>4</sup> See <https://www.lexology.com/library/detail.aspx?g=ae3d4356-583d-4adc-b0e8-f2342b5fb5a8>.

<sup>5</sup> See, for instance, <https://www.applause.com/blog/4-digital-health-trends-that-will-define-healthcare-in-2026/>.

<sup>6</sup> See PitchBook Data, Inc., sorted by Location: United States; Deal Date: July 1, 2024–December 31, 2025; Deal Status: Completed; Deal Types: All VC Stages, M&A Control Transactions, and All Buyout Types. Accessed January 13, 2026.

Top Deals 2H 2024						
Rank	Company	Primary Sector	Deal Size (\$B)	Revenue Multiple (x)	Deal Type	Quarter
1	Endeavor Energy Resources	Oil & Gas	26.0	Unavailable on PB	M&A	Q3 2024
2	Marathon Oil	Oil & Gas	22.5	3.5	M&A	Q4 2024
3	WestRock	Manufacturing	19.5	3.0	M&A	Q3 2024
4	FDIC CRE Portfolio	Real Estate Tech / Infrastructure	16.8	Unavailable on PB	Buyout	Q4 2024
5	Catalent	Life Sciences / Manufacturing	16.5	3.7	Buyout	Q4 2024
6	Global Infrastructure Partners	Infrastructure	12.5	Unavailable on PB	M&A	Q4 2024
7	CrownRock	Oil & Gas	12.4	Unavailable on PB	M&A	Q3 2024
8	Primo Brands	Consumer Products / Food & Beverage	12.0	2.48	Buyout	Q4 2024
9	Databricks	AI & ML	10.2	3.4	Later Stage VC	Q4 2024
10	Southwestern Energy	Oil & Gas	7.4	1.3	M&A	Q4 2024

### *Largest Transactions in 2H 2024*

In 2H 2024, the upper end of the market was defined by transactions in the \$7 to \$20 billion range, with limited activity above the \$20 billion threshold. Deal activity was more evenly distributed across sectors, and transactions were primarily driven by consolidation and operational efficiency. Notable examples included Endeavor Energy Resources, WestRock, and Catalent, each of which emphasized scale expansion, operational integration, and financial accretion in their respective press releases.<sup>7</sup> Databricks' \$10.2 billion later-stage financing served as an early indicator of rising investor appetite for data and AI infrastructure.

### *Largest Transactions in 2H 2025*

By contrast, 2H 2025 featured multiple transactions exceeding \$35 billion, reflecting a shift toward scale, durability, and long-term strategic positioning.

- **Chevron / Hess (\$60 billion, Q3 2025):** A portfolio-shaping acquisition emphasizing asset durability, strategic locations, and long-term free cash flow generation.<sup>8</sup> Although overall Oil & Gas investment moderated during the period, this transaction reflects the continuation of a multi-year consolidation trend.
- **Aligned Data Centers (\$40 billion, Q4 2025):** An infrastructure-scale investment aligned with long-term growth in AI and data-intensive computing.<sup>9</sup>
- **Groq (\$20 billion, Q4 2025):** A high-multiple AI transaction reflecting investor willingness to pay for scalable computing infrastructure.<sup>10</sup>

Revenue multiples varied across the transactions reviewed, reflecting differences in growth profile, capital intensity, and valuation framework. Consistent with observed capital concentration trends, technology & AI-driven platforms are frequently represented among higher-multiple transactions. However, premium valuations are not exclusive to these sectors, with select transactions across healthcare, industrials, and services also achieving elevated multiples.<sup>11</sup>

<sup>7</sup> See <https://www.diamondbackenergy.com/news-releases/news-release-details/diamondback-energy-inc-and-endeavor-energy-resources-lp-merge>. See also <https://ir.westrock.com/press-releases/press-release-details/2024/WestRock-Stockholders-Approve-Combination-with-Smurfit-Kappa/default.aspx>. See also <https://www.catalent.com/catalent-news/novo-holdings-completes-acquisition-of-catalent/>.

<sup>8</sup> See <https://www.chevron.com/newsroom/2025/q3/chevron-completes-acquisition-of-hess-corporation>.

<sup>9</sup> See <https://www.cnbc.com/2025/10/15/nvidia-microsoft-blackrock-aligned-data-centers.html?msockid=0ef8a72755656dff17a7b198544e6c8b>.

<sup>10</sup> See <https://www.reuters.com/business/ai-boom-drives-data-center-dealmaking-record-high-says-report-2025-12-19/>.

<sup>11</sup> See PitchBook Data, Inc. sorted by: Location: United States; Deal Date: 7/1/2025–12/31/2025; Deal Status: Completed; 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. Results further filtered and ranked by highest implied EV/revenue multiple. Accessed January 13, 2026.

## *What We Can Learn from Challenged Deals*

Not all strategically compelling transactions progressed as planned. A notable example was Warner Bros Discovery, where a proposed \$108.4 billion hostile takeover initially faced significant resistance due to concerns over deal structure, financing certainty, and execution risk.<sup>12</sup> Had the transaction closed at that stage, it would have represented the largest M&A deal of 2025 by a significant margin.

Subsequently, Paramount Global announced an agreement to acquire Warner Bros Discovery, highlighting how transaction dynamics can evolve over time despite initial setbacks.<sup>13</sup>

The proposed Warner transactions further underscore that large-scale media consolidation continues to attract antitrust scrutiny, with the Department of Justice reviewing both the Netflix withdrawal and Paramount's bid. Even in a regulatory environment generally perceived as more accommodative to M&A activity,<sup>14</sup> regulatory review and competitive considerations remained central to transaction structuring and timing.<sup>15</sup>

## *A Look Ahead*

Capital does not appear constrained, but remains selective, with investors prioritizing assets at the center of AI adoption, data infrastructure, and durable operating platforms. For now, selectivity remains the defining feature of the market.

## Our Process and Methodology

Using data available through PitchBook,<sup>16</sup> we evaluated transactions involving PE firms and VC firms as well as mergers and acquisitions (M&A) in the U.S. in 2H 2025 and 2H 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.

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12 See <https://www.reuters.com/legal/transactional/view-warner-bros-discovery-board-rejects-hostile-bid-paramount-2025-12-17/>. See also <https://www.gmanetwork.com/news/money/companies/973039/judge-won-t-speed-up-paramount-lawsuit-seeking-warner-bros-merger-details/story/>.

13 See <https://www.paramount.com/press/paramount-to-acquire-warner-bros-discovery-to-form-next-generation-global-media-and-entertainment-company>.

14 See <https://corpgov.law.harvard.edu/2025/01/22/mergers-and-acquisitions-what-awaits-in-2025/>.

15 Netflix formally confirmed it would not increase its bid, and the Department of Justice's review of both transactions extended beyond 2H 2025. See <https://www.forbes.com/sites/sabrinareed/2026/02/26/netflix-backs-out-of-warner-bros-deal-citing-paramounts-raised-offer/>.

16 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 and sellers, through every stage of the transaction.



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GREGORY E. WOLSKI, CPA is a Partner at Floyd Advisory. Greg retired in June 2019 from Ernst & Young LLP. Greg was a partner in EY's Forensic & Integrity Services practice and has over 40 years of experience in due diligence, litigation, accounting and auditing and other advisory services. He served as the firm's global practice leader for the Transaction Forensics practice (including purchase price disputes, Foreign Corrupt Practices Act and anti-bribery/anti-corruption due diligence, private equity anti-corruption compliance, transaction fraud and forensic due diligence). Greg also served as the Global Sector leader for all forensic services provided to private equity firms.

Greg specializes in the distribution and manufacturing industries focusing on accounting and financial issues and disputes including inventory, contract accounting and pricing, environmental costs and expenses, project management, purchase price disputes and financial statement accounting practices and procedures. Greg has served as an independent arbitrator or as an expert on over 500 mergers and acquisitions matters. He has managed over 400 FCPA and anti-bribery/anti-corruption due diligence engagements on behalf of strategic and private equity clients in over 75 countries involving targets in varied industries.



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WILLIAM SHEA, CPA, is a Partner at Floyd Advisory. He has an extensive range of experience covering accounting, advisory and investigation services, including post-acquisition and earn-out disputes, royalty audits and other specially-prepared calculation disputes, restatements, forensic accounting, valuation assignments, and special investigations. Mr. Shea also has worked on corporate monitorship engagement teams, focusing on compliance and internal control structures in the aftermath of disruptive events. He has worked with clients in various industries, including financial services, retail and consumer goods, pharmaceuticals, healthcare, construction, government and not-for-profits. He has experience working with major law firms, private equity firms, government agencies and executive management. Mr. Shea has also testified in front of a FINRA Dispute Resolution Arbitration Panel on damages.

Prior to joining Floyd Advisory, Mr. Shea was a Senior Consultant with FTI Consulting in their Forensic and Litigation Consulting Practice. He had previously worked within Huron Consulting Group's Accounting and Financial Consulting Practice. Prior to beginning his career, Mr. Shea graduated Cum Laude from the Honors Program at Boston College. ustries, providing answers and expert opinions on wide-ranging strategy, finance and accounting, and other financial reporting matters.

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