



2025 M&A Deal Market Study

Survey Report

February 2025



Objectives & Methodology



Objectives

- Assess the current deal market to understand how market conditions are impacting deals and the degree to which corporate and private equity firms are currently executing M&A deals.
- The research also looks ahead to the 2025 planning, including what those deals will look like, the availability of assets, the impact of the election, and whether deal makers plan to leverage generative AI.
- The analysis identifies differences between corporate and private equity firms throughout the report.



Methodology

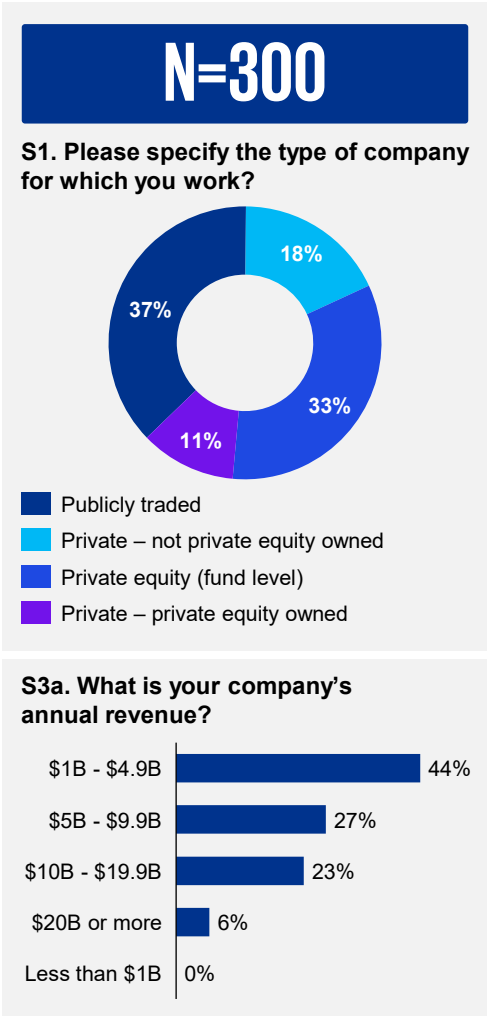
- Online survey of n=300 M&A deal makers in the US.
- Dealmakers were screened for the following:
 - Relevant C-Suite titles
 - Participate directly in M&A deal decisions, including responsibility for strategy, due diligence, negotiation, closing deals, etc.
 - Employed at a publicly traded company, private company that is not equity owned, or a private company that is equity owned. Referred to as “corporate” throughout the report (n=200)
 - Employed at a private equity company (n=100)
- All had to be working for organizations with \$1B or more in revenue/fund size
- The survey was fielded 11/18/24 – 12/6/24.



01

Demographics

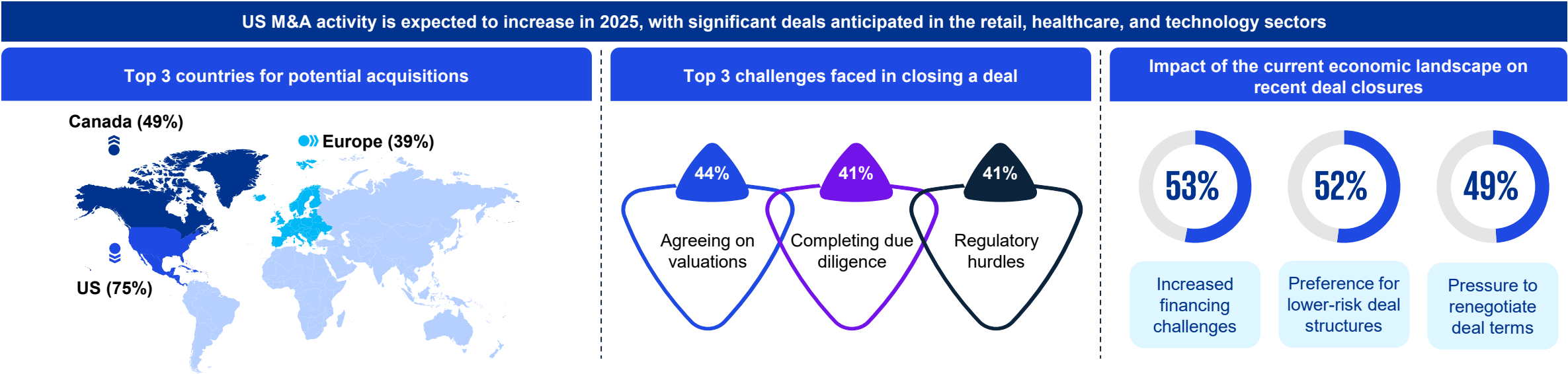
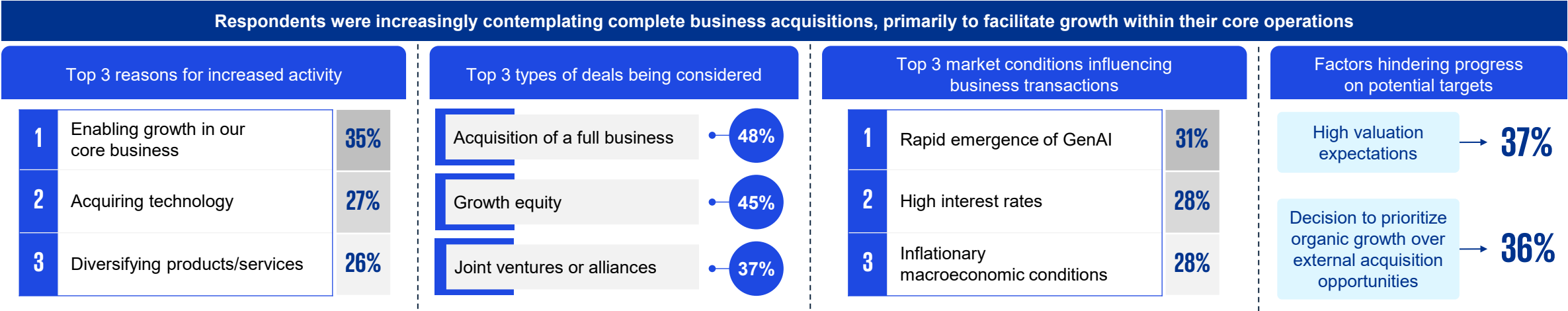
Demographics/Screeners^(a)



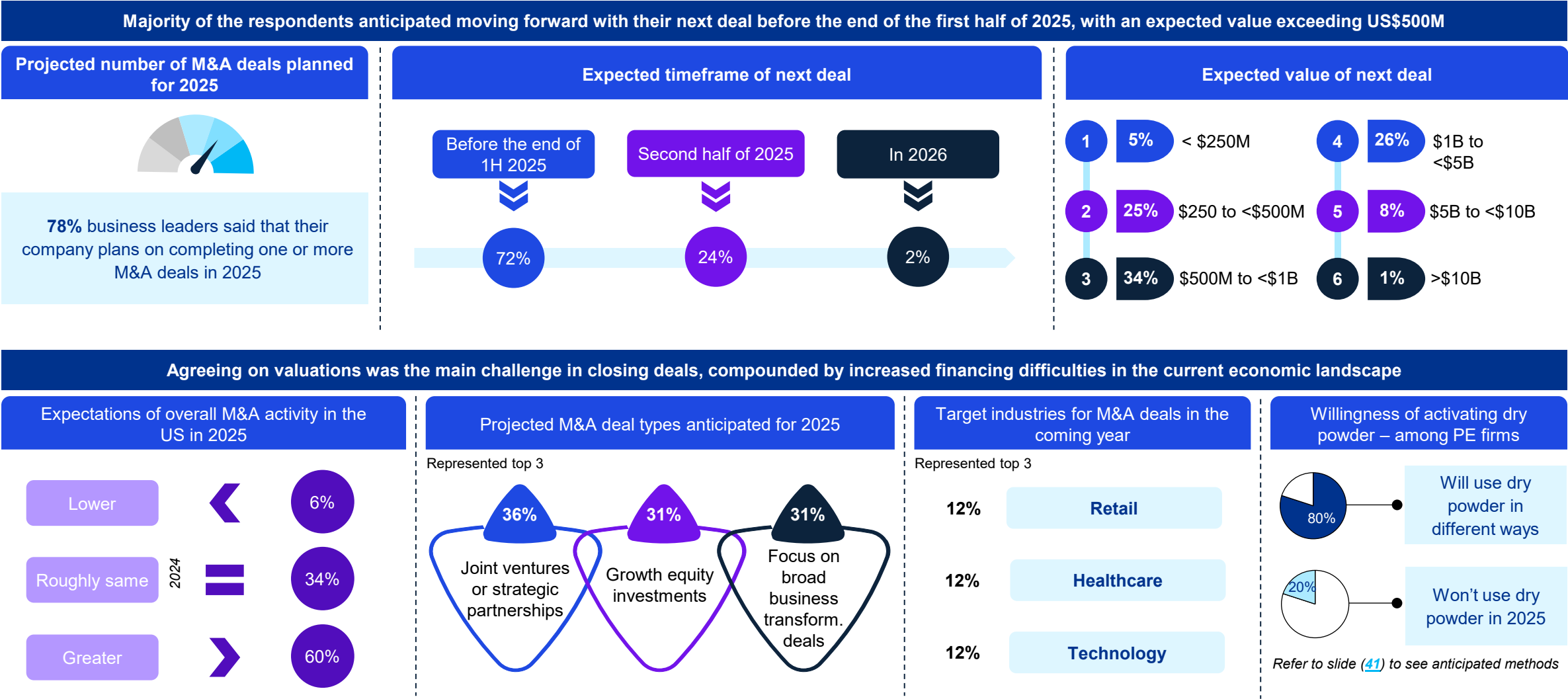
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Executive summary

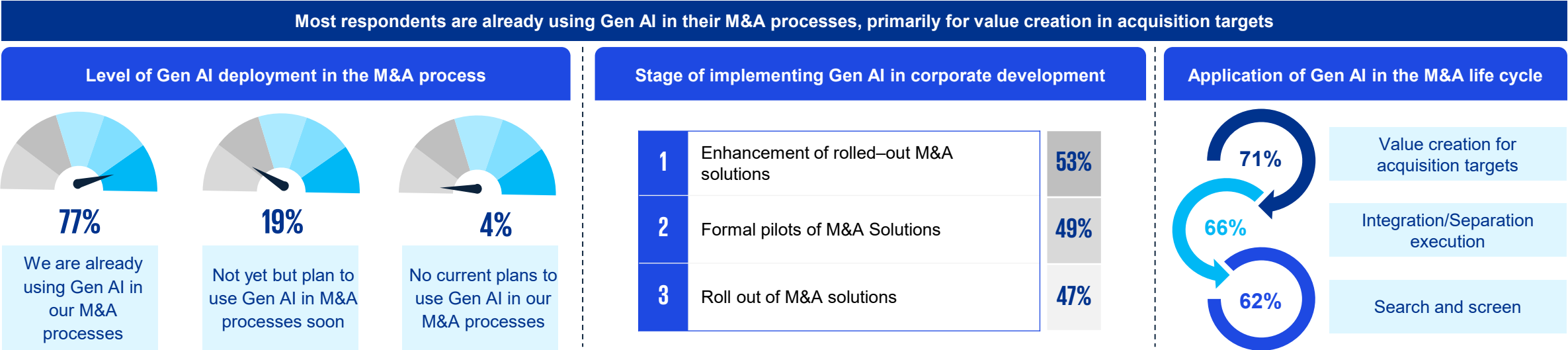
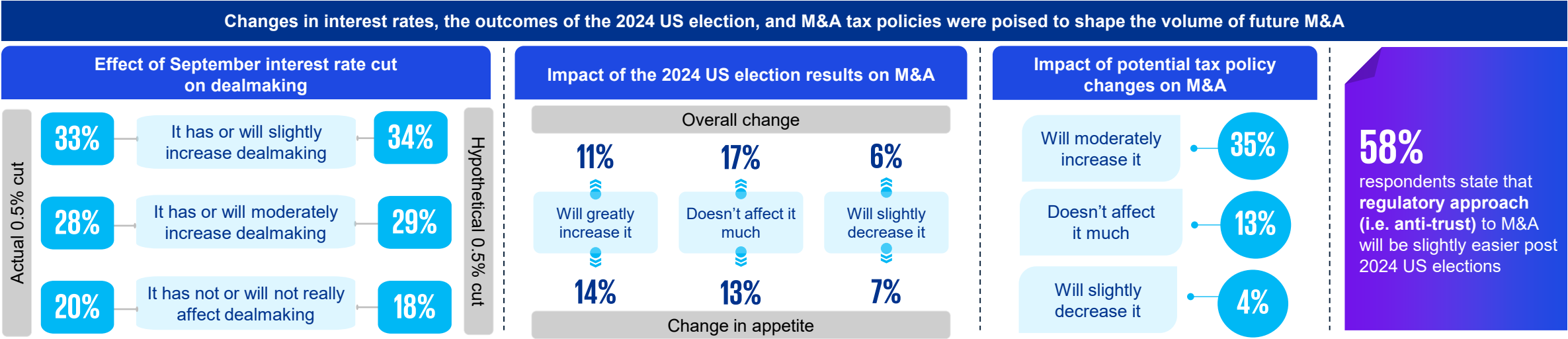
Executive summary - (1/3)



Executive summary – (2/3)



Executive summary – (3/3)



At a glance: Corporate & Private Equity findings

Market conditions



- A similar proportion of corporates (88%) and private equity firms (89%) were working on **closing deals**
- **Full business acquisitions** were the top deal type for both corporates (22%) and PE (20%). For corporates, **IPOs** were the second most common (15%). For PE, **carve-outs** and **joint ventures** tied for second most common (17% each)
- In 2024, 58% of corporates and 44% of PE reported being **more active** in dealmaking compared to 2023
- Historically, PE deals have been typically **larger in size**, with 51% exceeding US\$500mn, compared to corporate deals (44%)
- The **growth of core business** was a top choice for driving deal activity for corporates (38%) and PE (29%)

Analysis of dealmaking



- Corporates faced significant challenges in moving deals forward, with **high value expectations** and **elevated interest rates** being the biggest obstacles
- Economic issues such as **due diligence and risk assessment** (52%) and prolonged **time to close deals** (47%) were bigger challenges for corporates than for private equity firms, where (39%) and (33%), respectively, cited these same issues

Outlook for M&A



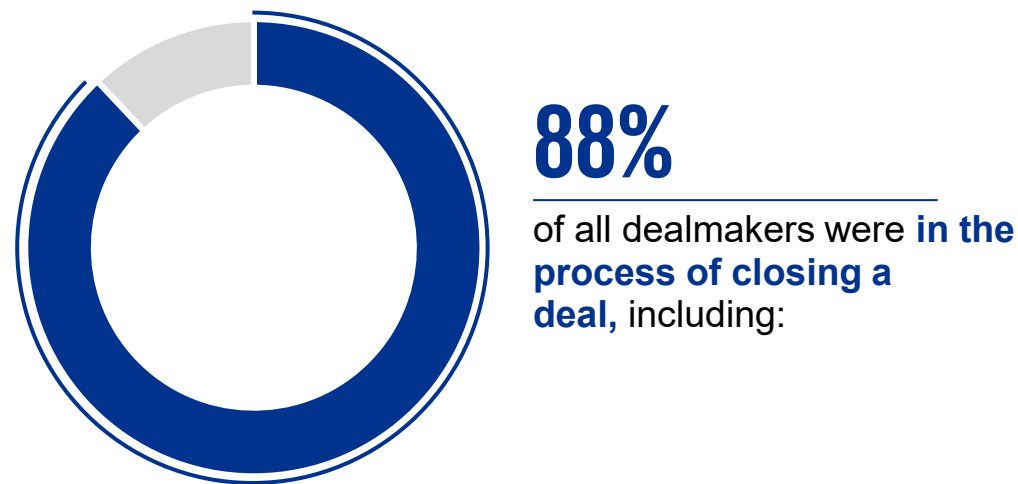
- Corporates and private equity had similar expectations for the **number of M&A deals** in 2025. They also believed that the number of deals in 2025 would be 'slightly greater' than in 2024.
- Private equity deals were anticipated to be **larger in value** than corporate transactions
 - In 2025, 8 in 10 (80%) of private equity deals were expected to exceed US\$500mn, compared to two-thirds (66%) of corporate deals
- Additionally, 8 in 10 (80%) private equity firms planned to use their '**dry powder**' in 2025
- Overall, three-quarters (76%) anticipated increased activity around M&As due to the **results of the election**. While all were optimistic, corporates were more likely to expect a positive impact (80%) than private equity firms (69%).

03

Deal Evaluation

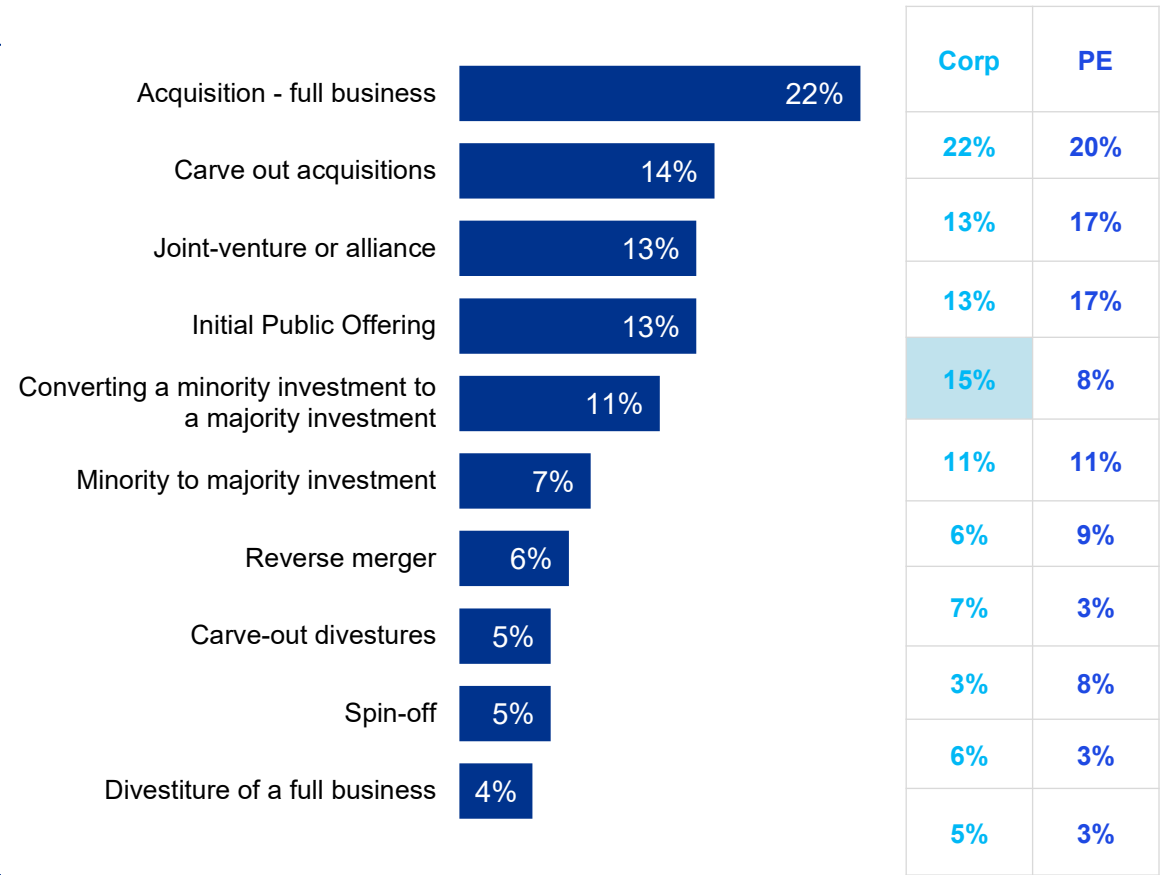
Nine in ten said they were currently working on closing a deal, with full business and carve-out acquisitions being the most common types.

In the process of closing a deal



Type of deal underway (Asked of those with deal in progress; n=264)

Among those currently doing a deal...

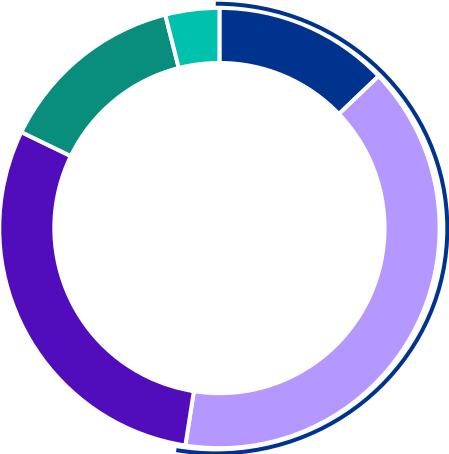


Q. Are you currently in the process of closing a deal? (Asked of all respondents) | Q. What type of a deal is it? (Asked of those in the process of closing a deal; n=264)

Around half reported being moderately more active in dealmaking in 2024 compared to 2023, with corporates being more engaged.



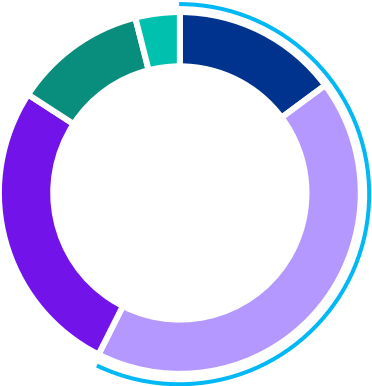
Dealmaking compared to 2023



53%

of all dealmakers were significantly or moderately **more active** compared to 2023

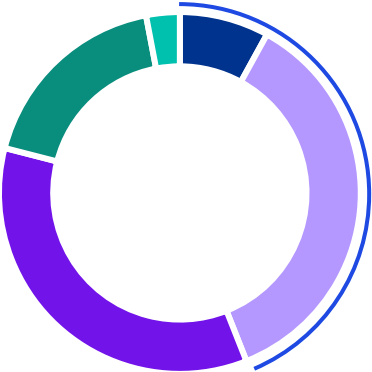
- Significantly more active (13%)
- Moderately more active (40%)
- Slightly more active (30%)
- About the same level of activity (14%)
- Slightly or moderately less active (3%)



58% Corporate

were significantly or moderately more active than in 2023

- Significantly more active (15%)
- Moderately more active (43%)
- Slightly more active (27%)
- About the same (12%)
- Slightly/mod. less active (4%)



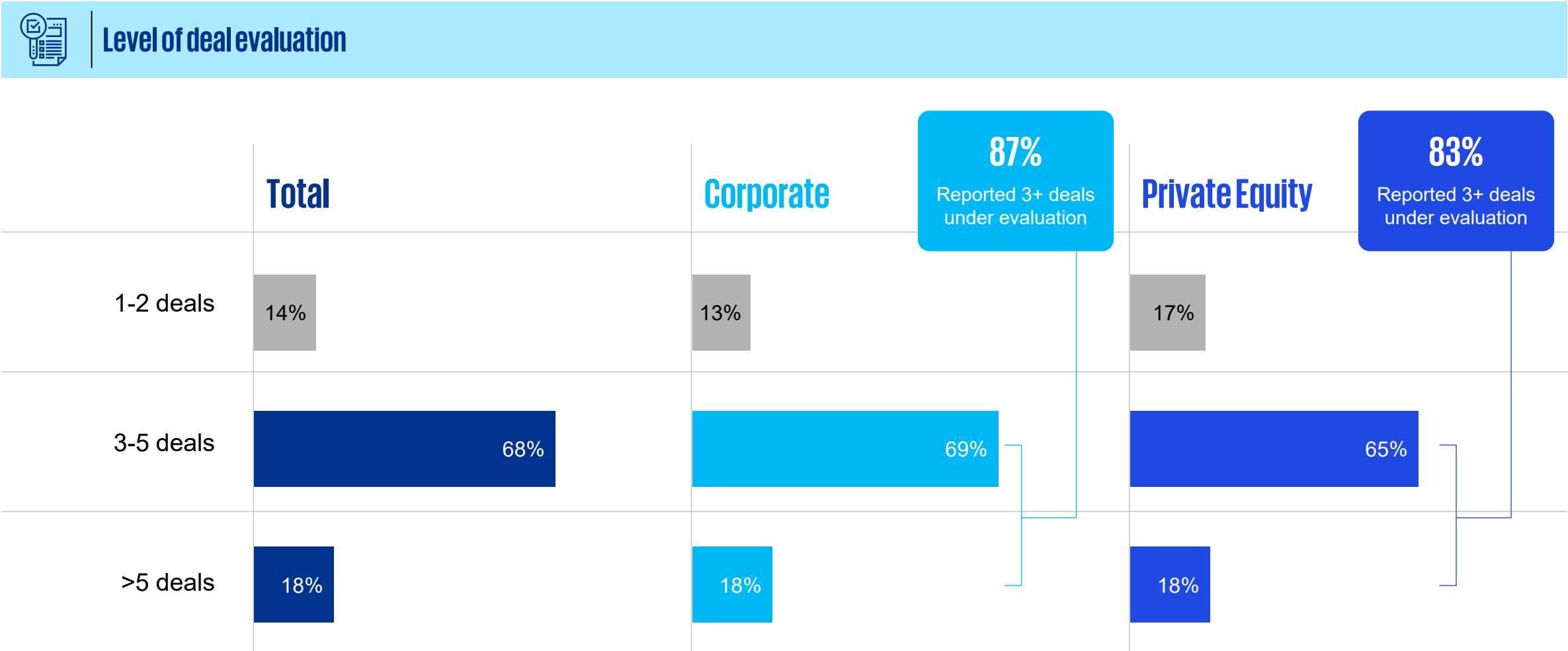
44% Private equity

were significantly or moderately more active than in 2023

- Significantly more active (8%)
- Moderately more active (36%)
- Slightly more active (35%)
- About the same (18%)
- Slightly/mod. less active (3%)

Q. Compared to 2023, how has your deal activity changed?

Nearly nine in ten (86%) were considering 3 or more deals, with almost seven in ten considering 3-5 deals.

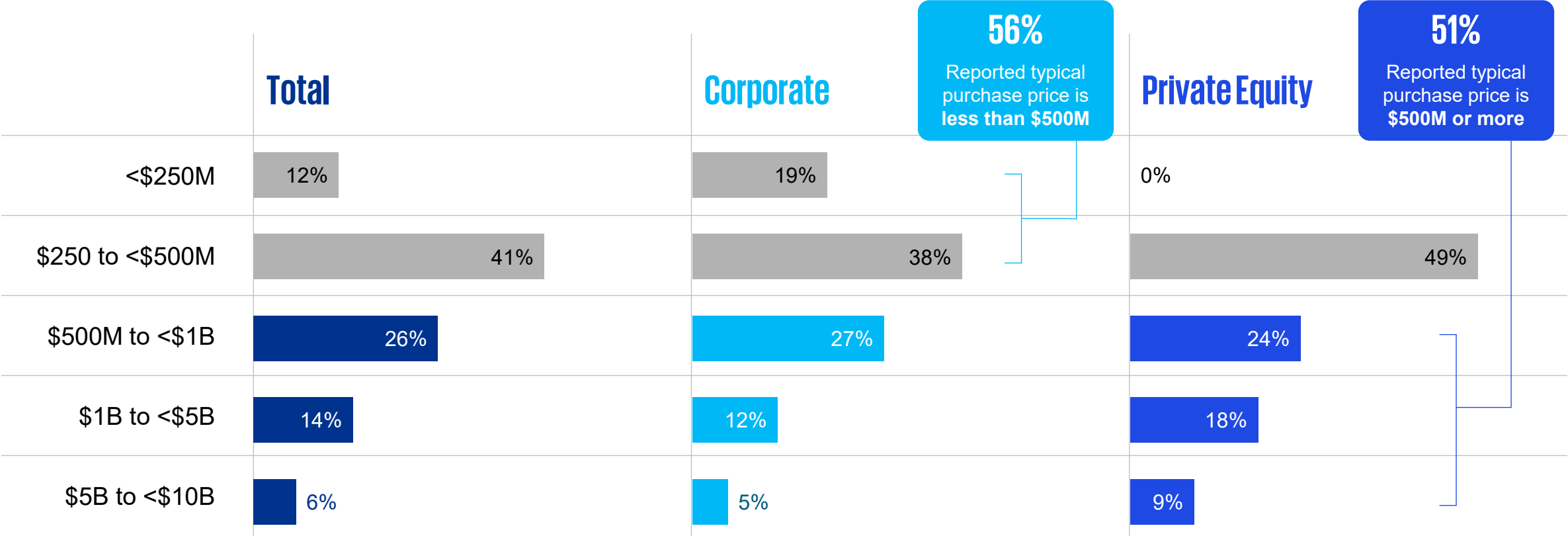


Q. How many deals are you evaluating currently?

Nearly half of respondents reported typical deal sizes over \$500M, with 20% exceeding \$1B.

PE deals have been larger in size than corporate transactions – 27% of PE deals exceed \$1B compared to 17% of corporates.

Typical purchase price of buy-side or sell-side deal

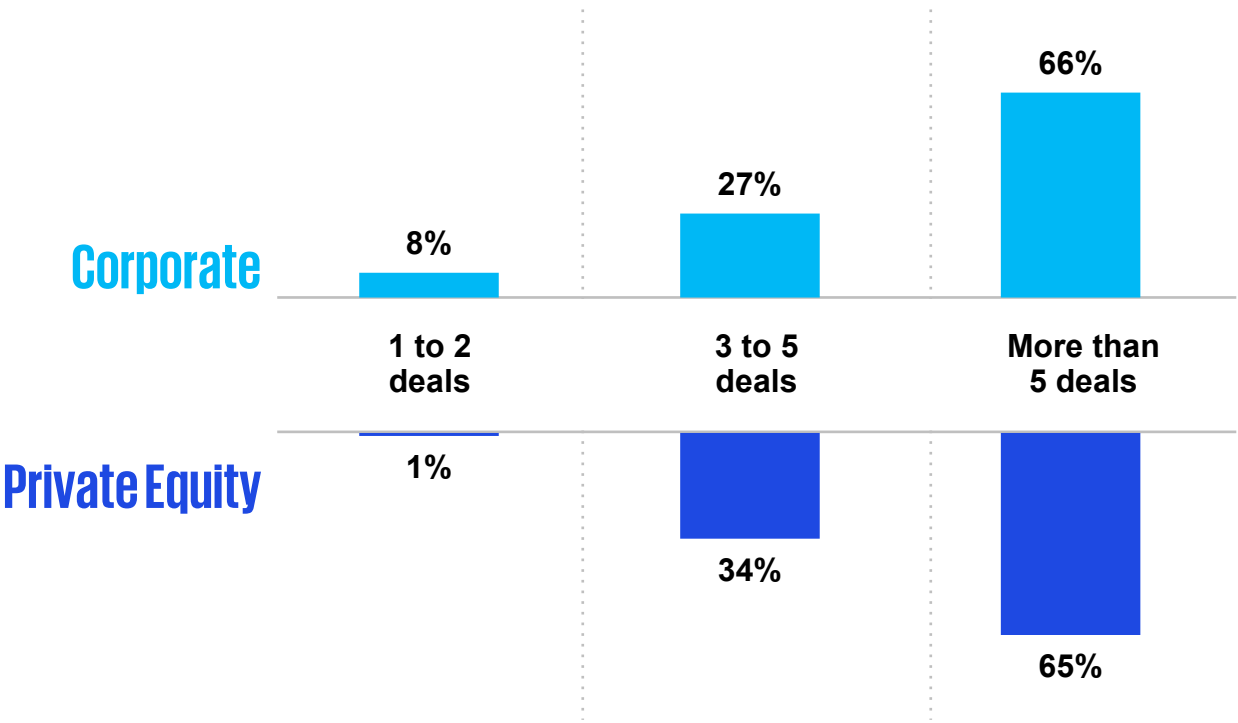
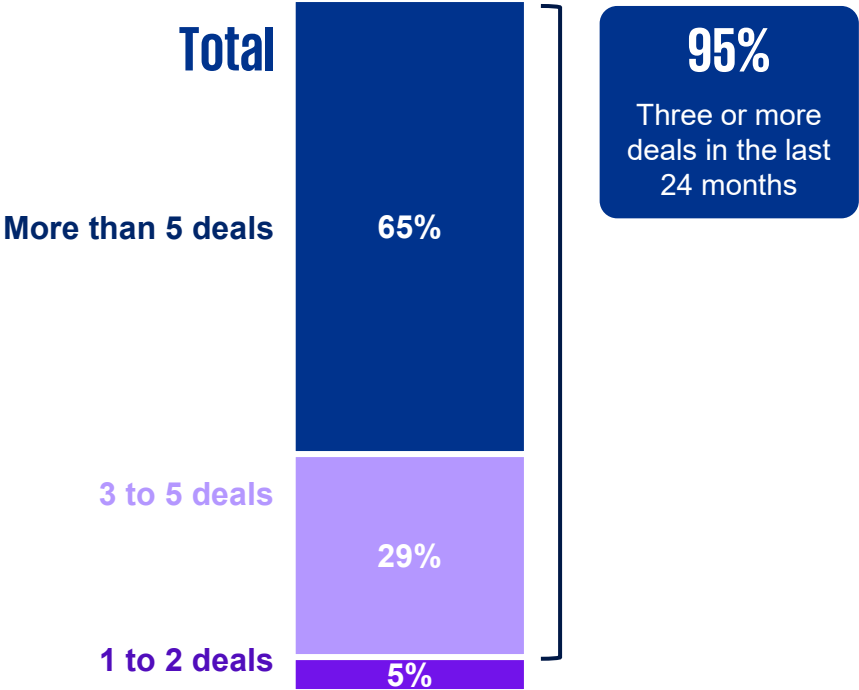


Q. Historically, what is the typical size (purchase price) of your buy-side or sell-side deal? (">\$10B" not selected by any respondents)

Two-thirds said they were in the process of integrating 5 or more deals from the past 24 months.



Number of deals – from the last 24 months – in the process of being integrated

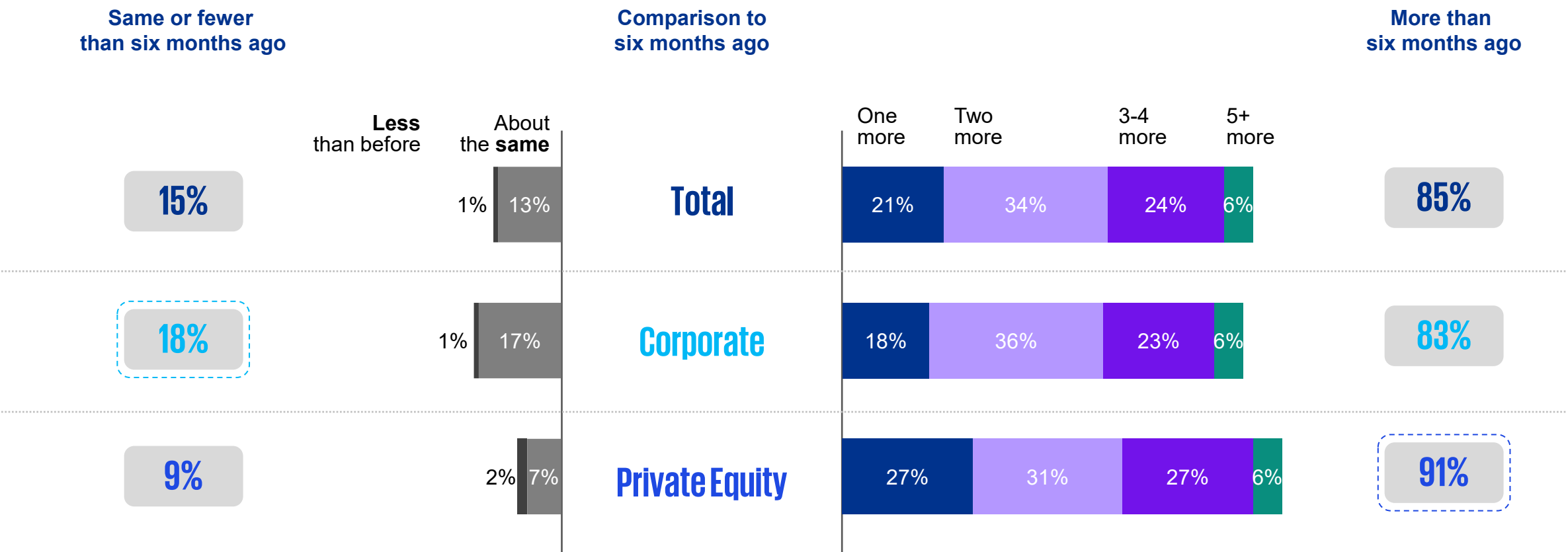


Q. How many deals is your company in the process of integrating from the past 24 months? (“0 deals” not selected by any respondents)

Nearly all were considering more deals than they were six months ago. Almost six in ten (55%) were considering 1 to 2 more deals, and three in ten were considering 3 or more deals.

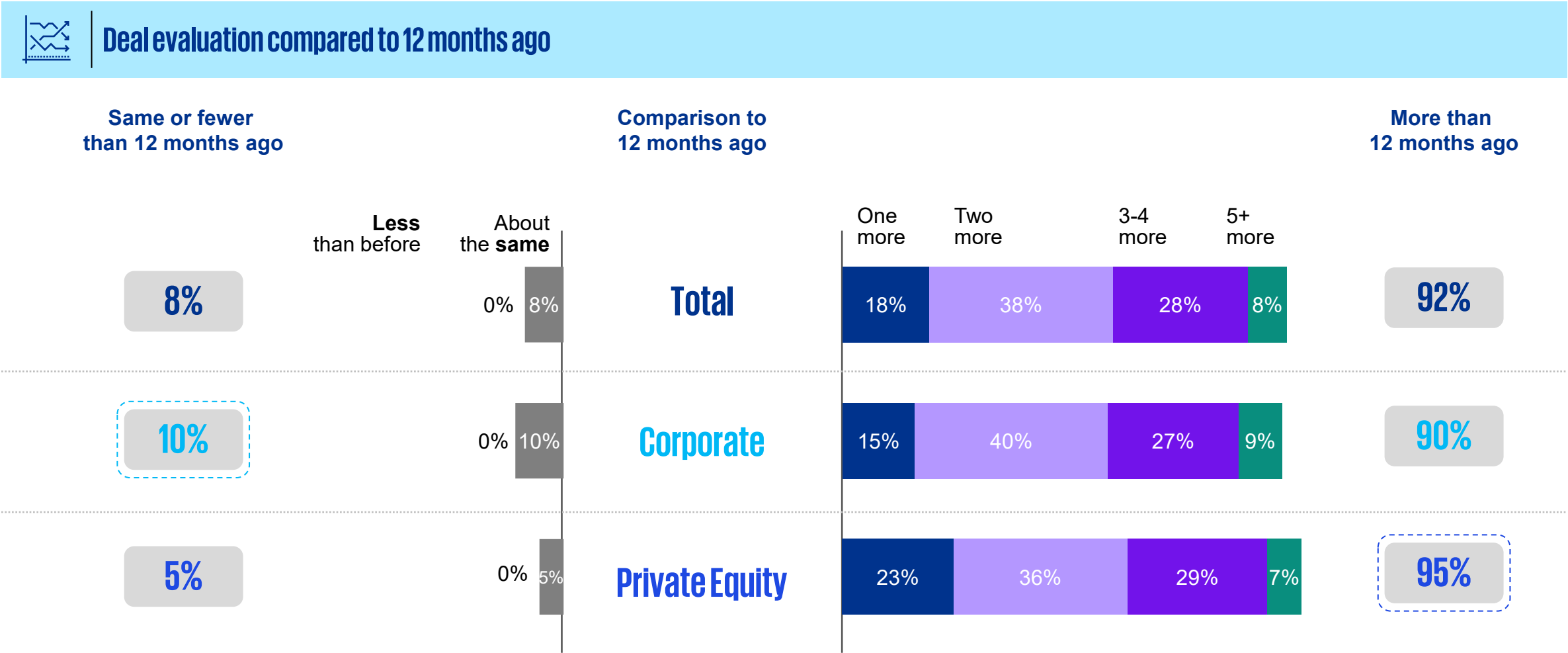
Private equity firms were considering more deals versus six months ago than corporates.

Deal evaluation compared to six months ago



Q. How many deals are you evaluating now versus six months ago?

Nearly all were considering more deals than they were 12 months ago, with about six in ten considering 1 to 2 more deals, and over one-third considering 3 or more deals.



Q. How many deals are you evaluating now versus 12 months ago? (“Less than before” not selected by any respondents)

04

M&A Market Conditions

Corporates and PE have unique strategic priorities in dealmaking.

Corporates aim to broaden services/products; while PE focus on capability enhancement and expansion into related areas



Drivers of increased deal activity

(Asked of those more active than in 2023; n=248)



Q. What are the reasons for your increased activity? Select up to 3 choices. (Asked of those who indicated they are more active than in the deal market of 2023; n=248)

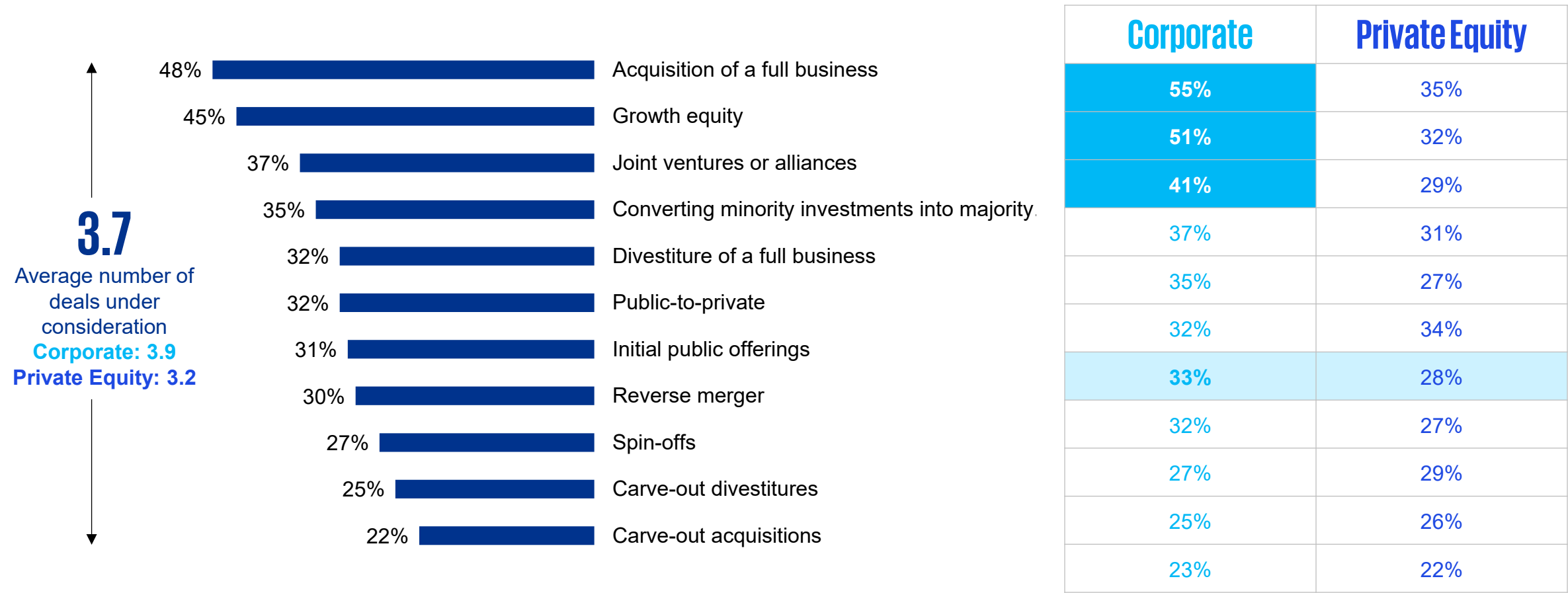
Dealmaking dynamics highlight corporate expansion and private equity’s balanced strategic investments.

IPOs were within the line of sight with corporates showing moderate interest and PE strategically positioning IPOs as a component of their investment strategy



Types of deals under consideration

(Multi-select; top deals shown)



Q. Currently, what are the types of deals that you’re considering? Select all that apply.

Corporates adopt diverse strategies for market resilience and growth, while PE takes a selective approach to maximize returns and strategic value.



Primary investment theses for new deals (Multi-select)



Identifying recession-resistant industries/
businesses (withstand economic challenges)



Corporate | 50%
Private Equity | 48%



Focusing on transactions that can accelerate
broad business transformation



Corporate | 54%
Private Equity | 39%



Focusing on value-accretive deals that offer
immediate or near-term synergies



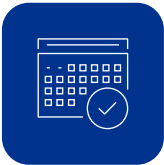
Corporate | 53%
Private Equity | 35%



Expanding into new markets or
customer segments



Corporate | 52%
Private Equity | 34%



Focusing on long-term strategic
value and growth



Corporate | 45%
Private Equity | 40%



Opportunistically reviewing distressed
assets for turnaround

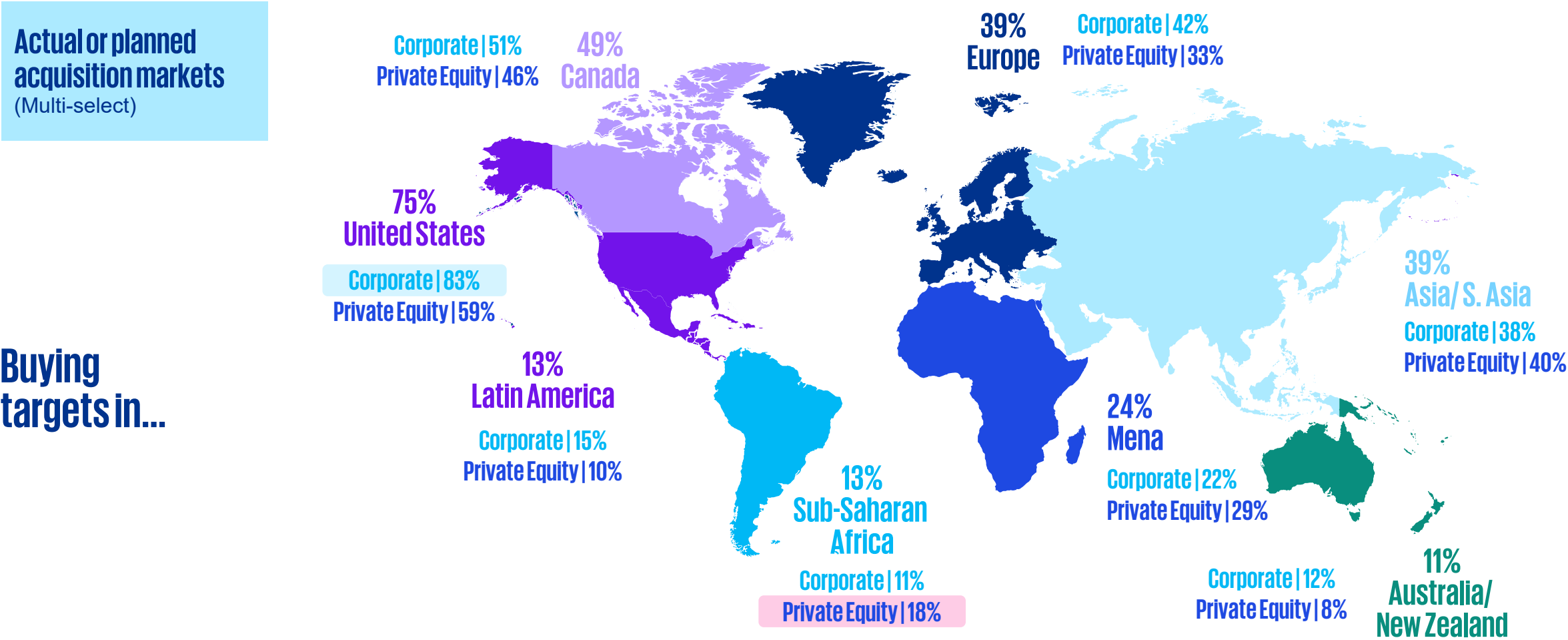


Corporate | 42%
Private Equity | 40%

Q. What are the primary investment theses being used when considering deals in this market? Select all that apply.

Most US-based dealmakers prioritize domestic transactions, with Canada being the next most significant non-domestic market.

Corporates (83%) are especially likely to make a deal in their home country market – private equity firms are more diverse in their target countries for acquisition although the ratio between private equity and corporates is similar.



Q. Where have you recently made or are planning to make acquisitions? Select all that apply

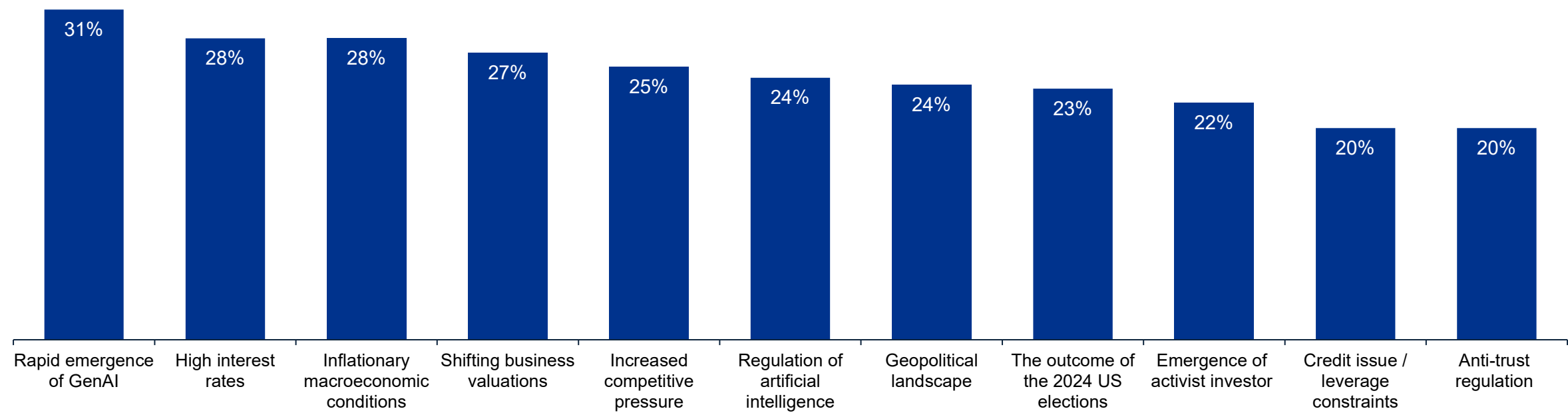
The rapid advancement of AI, sustained high interest rates and rising inflation emerged as top factors influencing dealmakers' interest in buying and selling businesses.



Top market conditions impacting desire to buy or sell

(Ranked top 3 conditions)

Showing: % ranked in top 3

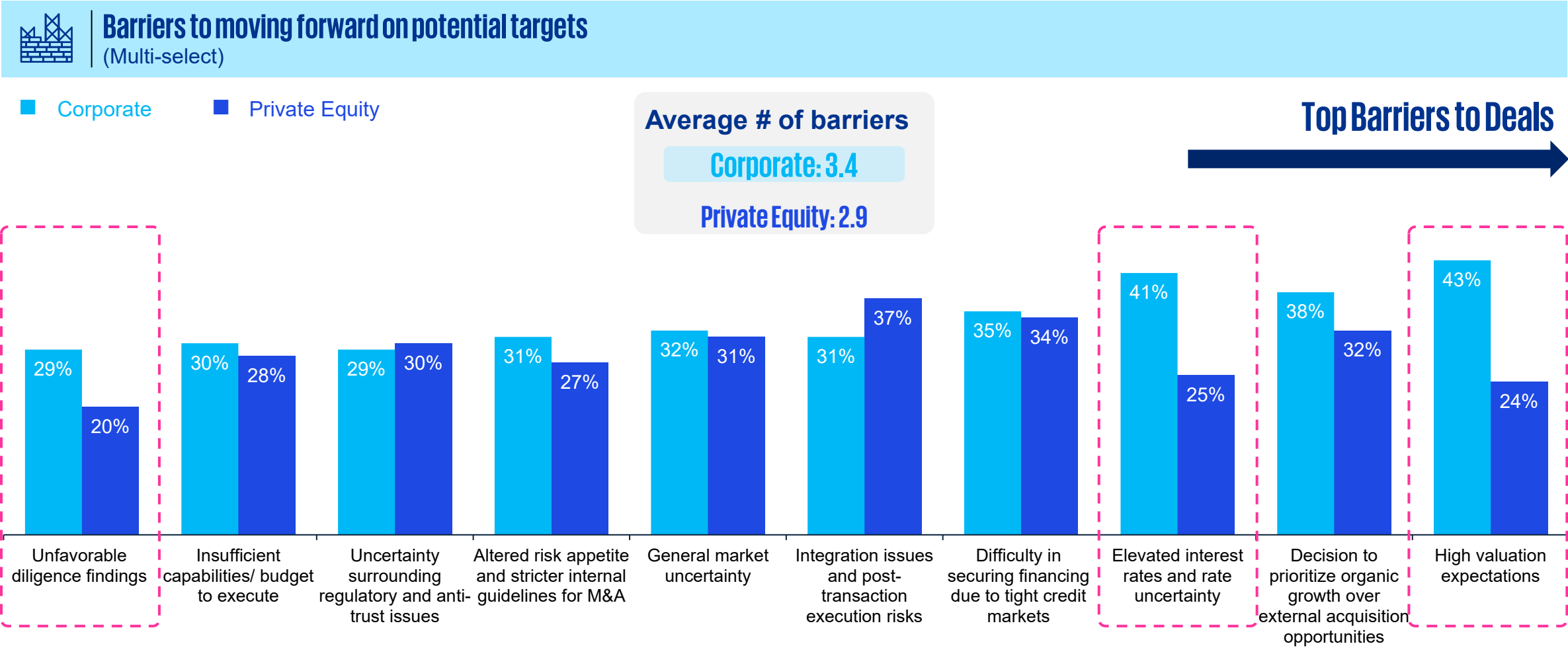


Q. What do you think are the market conditions impacting your current desire to buy and sell businesses?

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Analysis of Dealmaking

Corporates were dealing with more barriers to moving deals forward, especially with high value expectations and elevated interest rates.



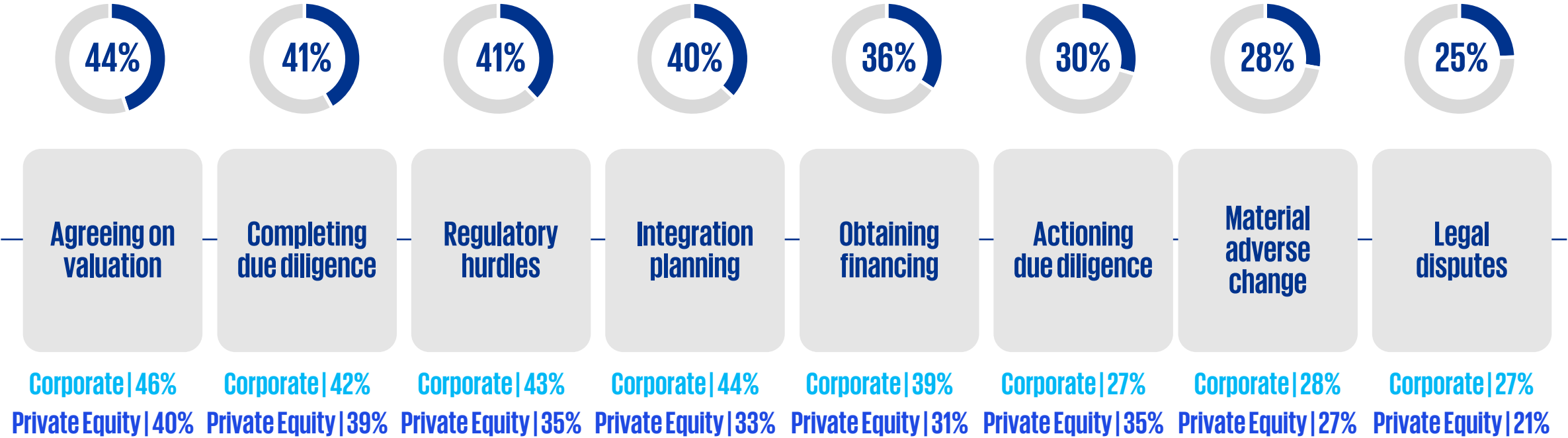
Q. What has prevented you and your team from moving forward on potential targets? Select all that apply. ("Not applicable, not considered targets," 3% corporate and 2% Private Equity)

Agreeing on valuation, due diligence, regulatory hurdles and integration planning were the top challenges to closing deals.



Top challenges to closing recent deals

(Multi-select)



Q. What challenges have you recently faced in closing a deal? Select all that apply

Financing costs and reducing financial exposure were the most common issues presented by the current economic landscape.

Due diligence and risk assessment and prolonged closing timelines are more a factor for corporates.

Impact of economic landscape on closing deals

(Multi-select)

		Corporate	Private Equity
53%	Increased financing challenges due to higher borrowing costs/ limited availability of funds	54%	51%
52%	Preference for deal structures that reduce financial exposure	52%	52%
49%	Pressure to renegotiate deal terms or valuations	52%	42%
47%	Heightened diligence and risk assessment	52%	39%
42%	Prolonged deal closing timelines	47%	33%
2%	Economic landscape has not impacted our deals	4%	--

Q. How has the present economic landscape affected the closing of a recent deal?

06

Value Realization

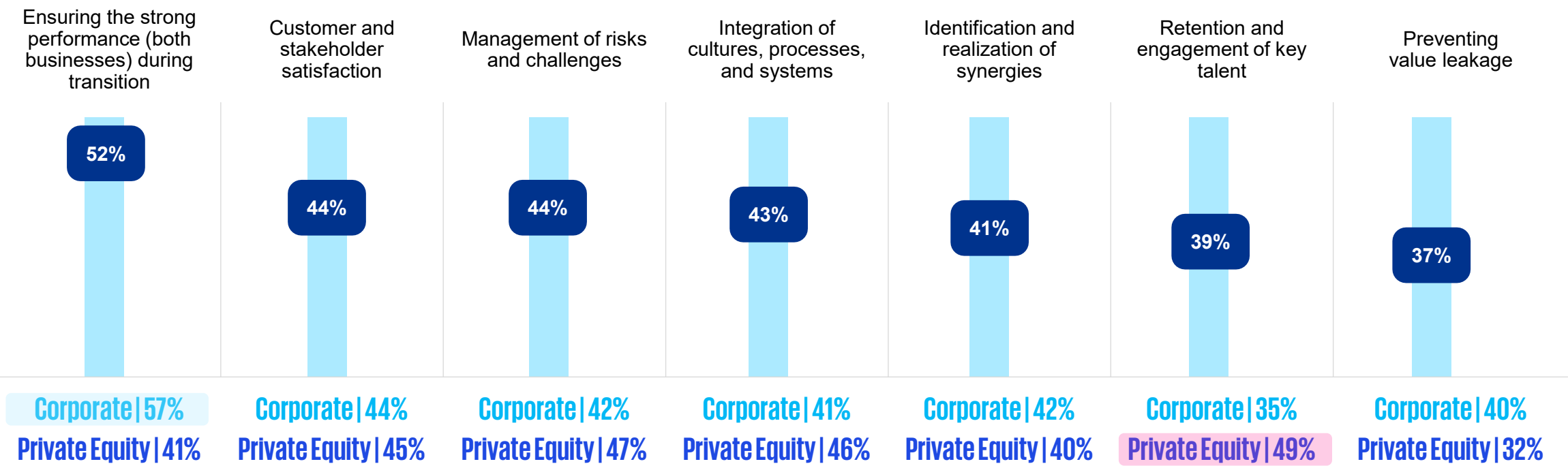
Ensuring strong performance during transition is a top focus for value realization for corporates, while retaining talent is the top focus area for private equity firms.



Primary focus areas for ensuring value realization

(ranked 1 to 7; asked of those conducting at least one deal in the last 24 months)

Showing: % ranked in top 3



Q. What are your primary focus areas for ensuring value realization? (Asked of those conducting at least one deal in the last 24 months; n=300)

Dealmakers are applying multiple approaches to ensuring value realization; whereas engagement with stakeholders is more common for corporates.



Approaches to ensuring value realization (ranked 1 to 7; asked of those conducting at least one deal in the last 24 months)

Showing: % ranked in top 3		Corporate	Private Equity
47%	Active management of integration plans and strategies	47%	48%
45%	Communications and engagement with key stakeholders	49%	39%
44%	Adjusting and optimizing business operations as needed	43%	46%
44%	Benchmarking against industry and market standards	43%	45%
42%	Deploying value creation teams focused on driving results	41%	44%
39%	Regular monitoring of financial performance metrics	40%	38%
39%	Regular assessments of risks and challenges	38%	40%

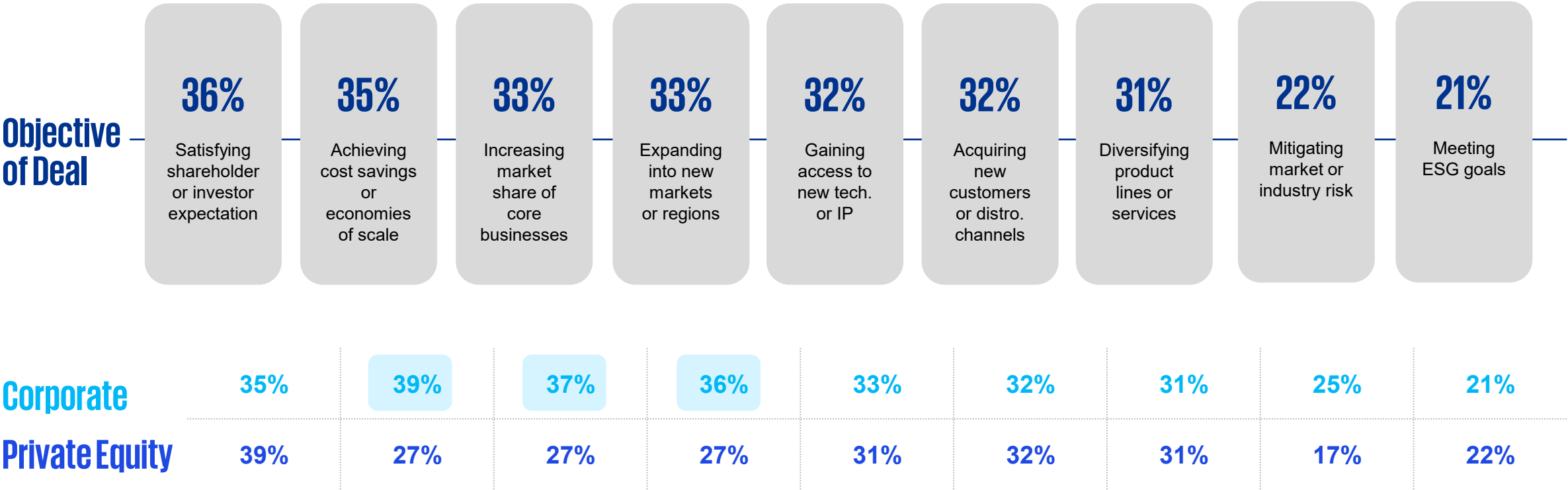
Q. What is your approach to ensuring that value is making its way to the bottom line? (Asked of those conducting at least one deal in the last 24 months; n=300)

Corporate targets cost efficiency and market growth while PE prioritizes tech innovation and customer acquisition.

Satisfying shareholder and investor expectations is equally important for corporate and private equity dealmakers.



Main objectives of last deal



Q. What are the main objectives of your last deal? (Asked of those conducting at least one deal in the last 24 months; n=300)

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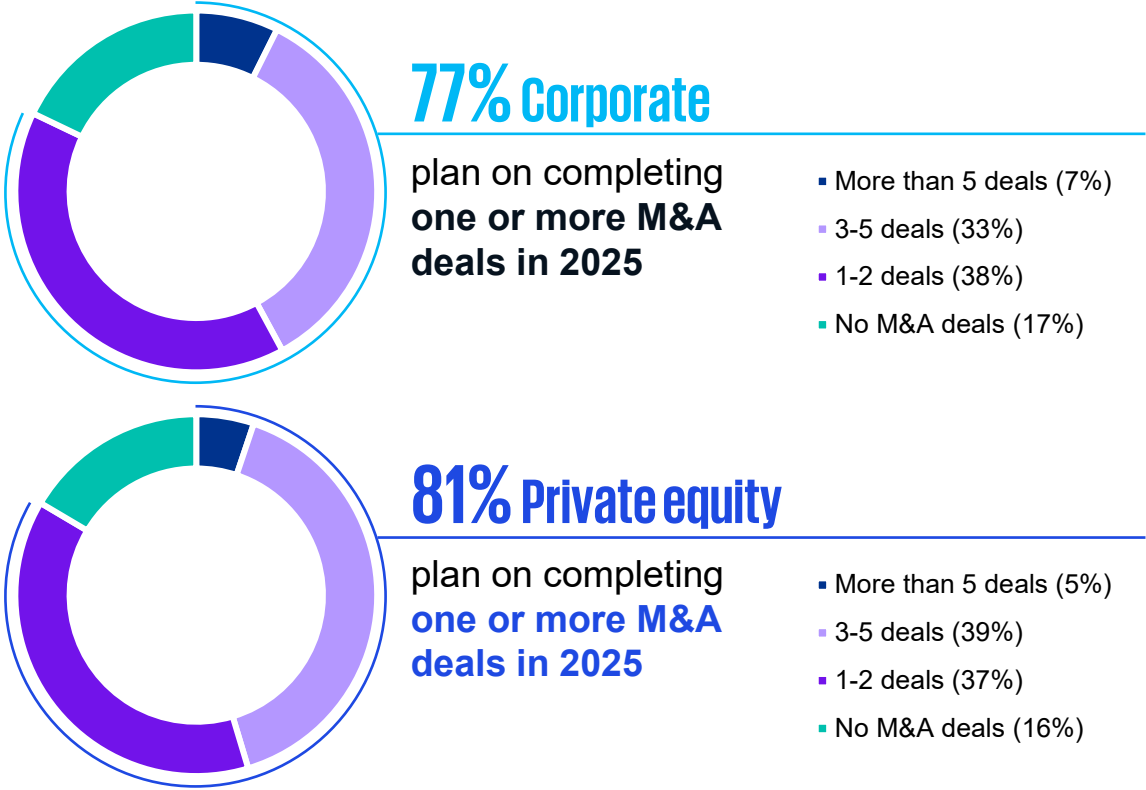
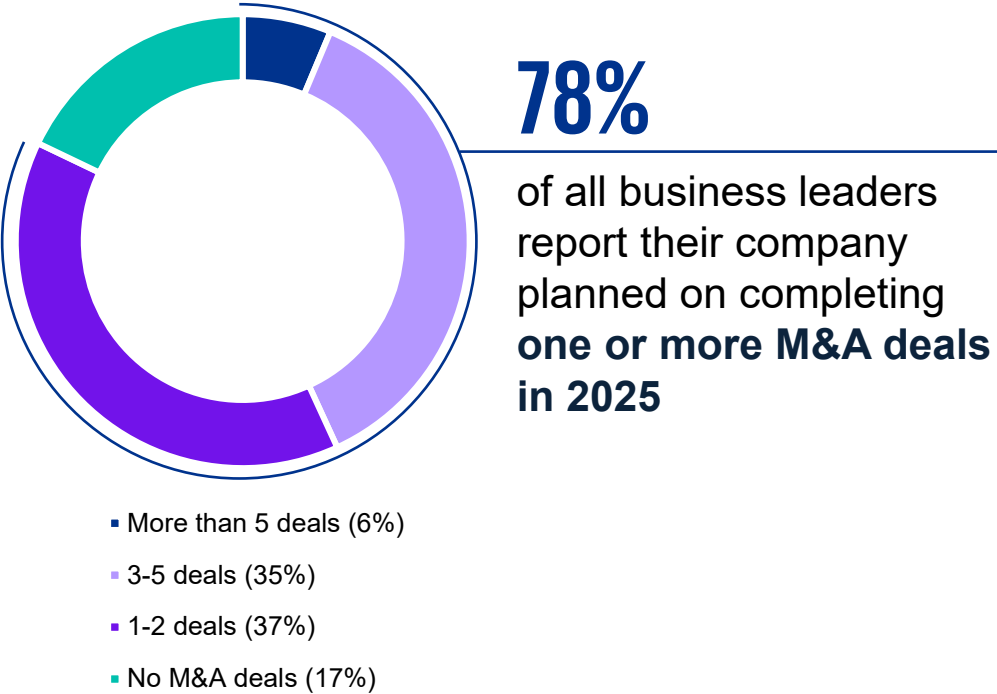
Outlook for M&A

More than 3 in 4 were planning at least one M&A deal in 2025 with one- third anticipating anywhere from 3-5 deals.

Corporates and private equity had similar expectations in the number of M&A deals in 2025.

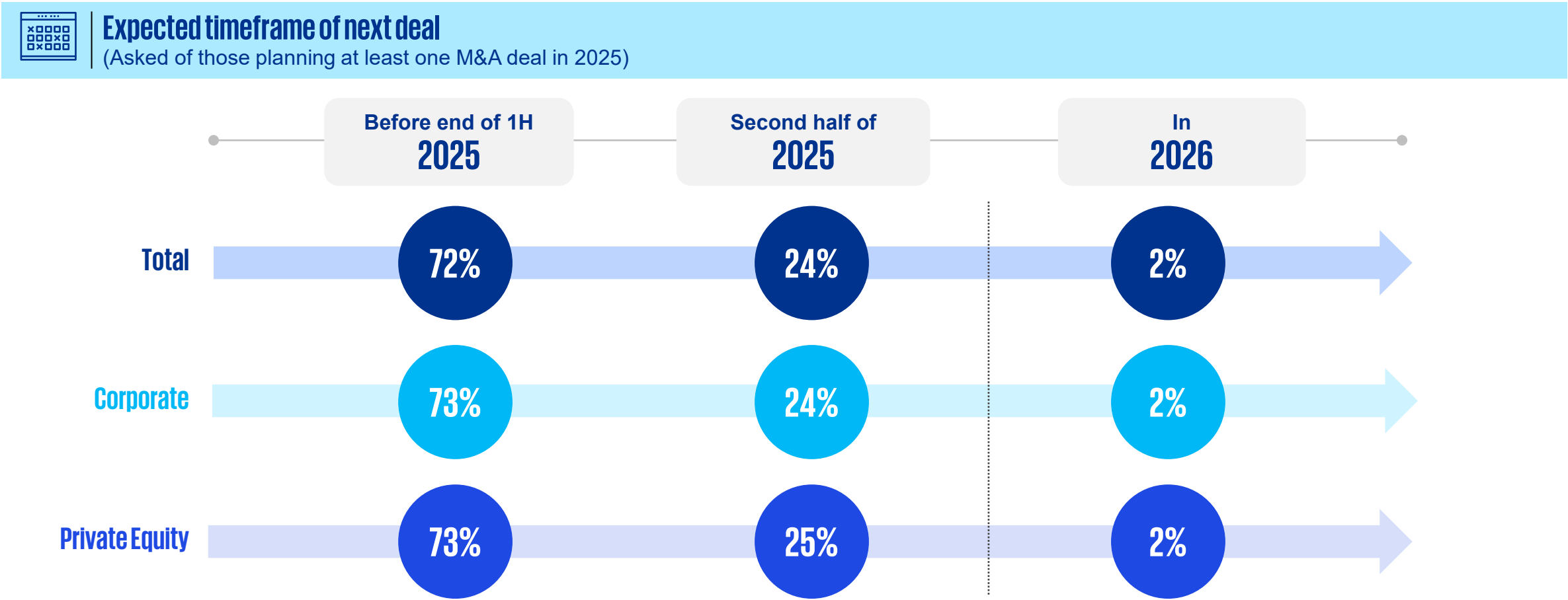


Planned M&A deals for 2025



Q. How many M&A deals does your company plan on doing in 2025? (Not shown: "Unsure," 5% total, 6% corporate, and 3% private equity.)

About three-quarters (72%) of deals were expected to occur before the end of the first half of 2025, while a quarter were likely in the second half of the year.



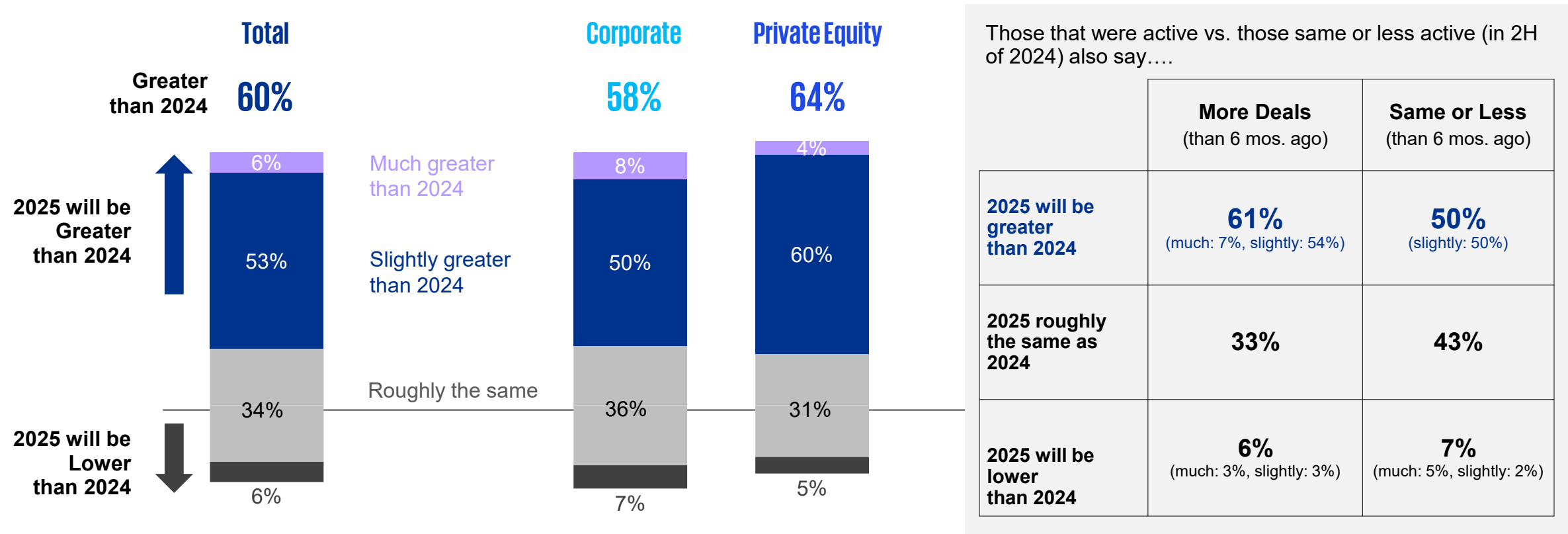
Q. When do you expect to proceed with your next deal? (Asked of those planning at least one M&A deal in 2025; n=250)
Note: Sum of percentages may not add up to 100 due to rounding

M&A activity was expected to be slightly greater in 2025 compared to 2024.

About a third of both corporates and private equity felt that activity would be roughly the same as 2024. Those that had less M&A activity in 2024 were more likely to say that 2025 will be ‘much’ or ‘slightly’ more active.



Expectations of overall M&A activity in the US in 2025 (Comparison to 2024)



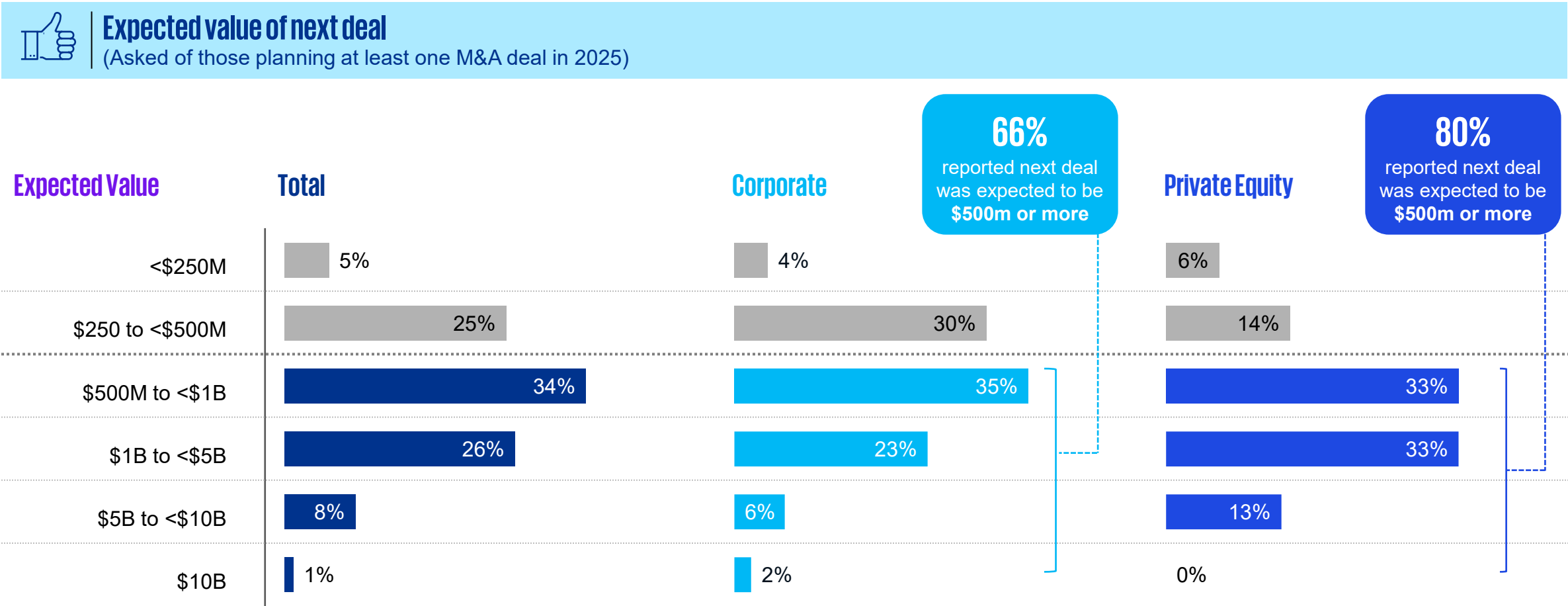
Those that were active vs. those same or less active (in 2H of 2024) also say....

	More Deals (than 6 mos. ago)	Same or Less (than 6 mos. ago)
2025 will be greater than 2024	61% (much: 7%, slightly: 54%)	50% (slightly: 50%)
2025 roughly the same as 2024	33%	43%
2025 will be lower than 2024	6% (much: 3%, slightly: 3%)	7% (much: 5%, slightly: 2%)

Q. Beyond your own activity, what is your expectation for overall M&A activity in the US in 2025?

Most anticipated that the value of their next deal would surpass \$500m, particularly for those transactions planned by PE firms.

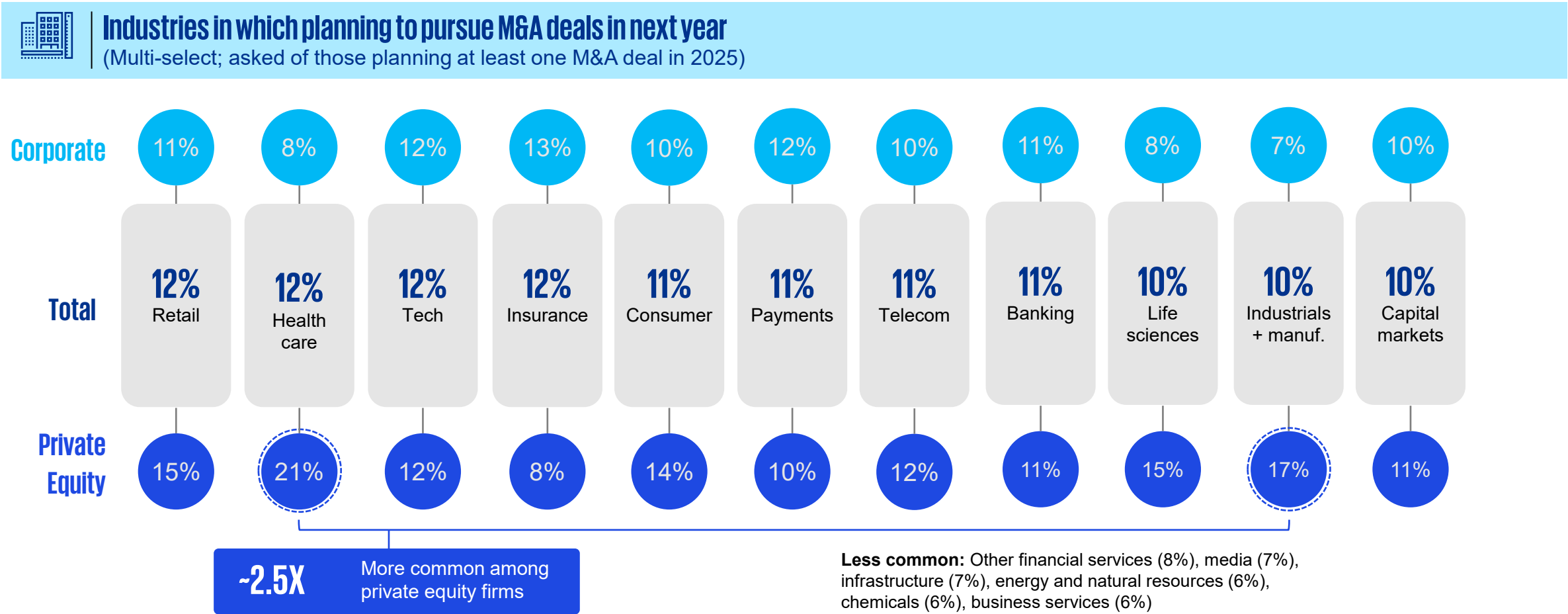
8 in 10 private equity (80%) expected their next deal to be above \$500m in value – versus two-thirds (66%) of corporates in this same range.



Q. What is the expected value of your next deal? (Asked of those planning at least one M&A deal in 2025; n=250)

Most plan to pursue deals across industries, with corporates targeting insurance and tech, and PE firms focusing on healthcare and manufacturing.

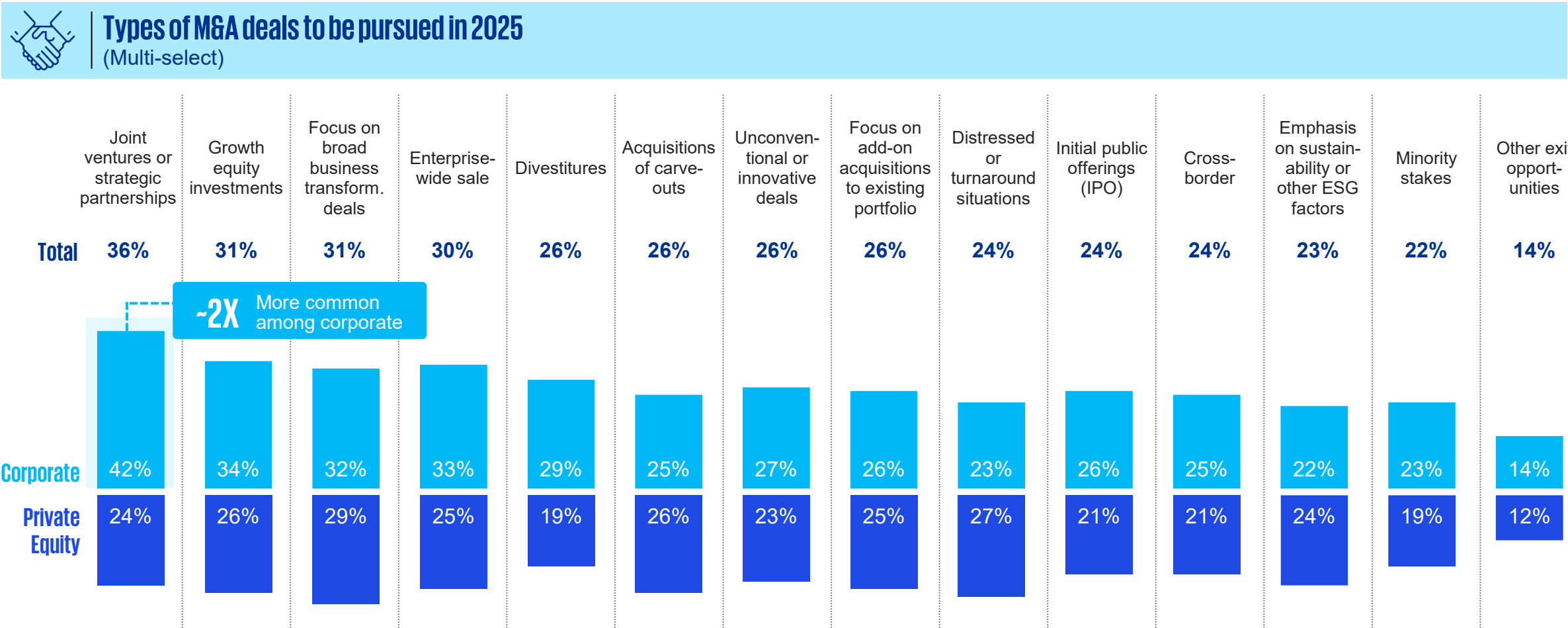
Corporate firms are balanced across industries with insurance, tech and payments slightly outpacing others. Private equity firms are more distinctive with healthcare, industrials & manufacturing and retail leading their expected deals.



Q. In which industries are you planning to pursue M&A deals in the next year? Select all that apply. (Asked of those planning at least one M&A deal in 2025; n=250)

Joint ventures, growth equity investment, business transformation and enterprise-wide sales were the top M&A deals to pursue in 2025.

Joint ventures or strategic partnerships were twice as common among corporate firms. Divestitures were also more prevalent among corporates. Distressed/turnaround situations was more likely to be pursued by private equity firms.



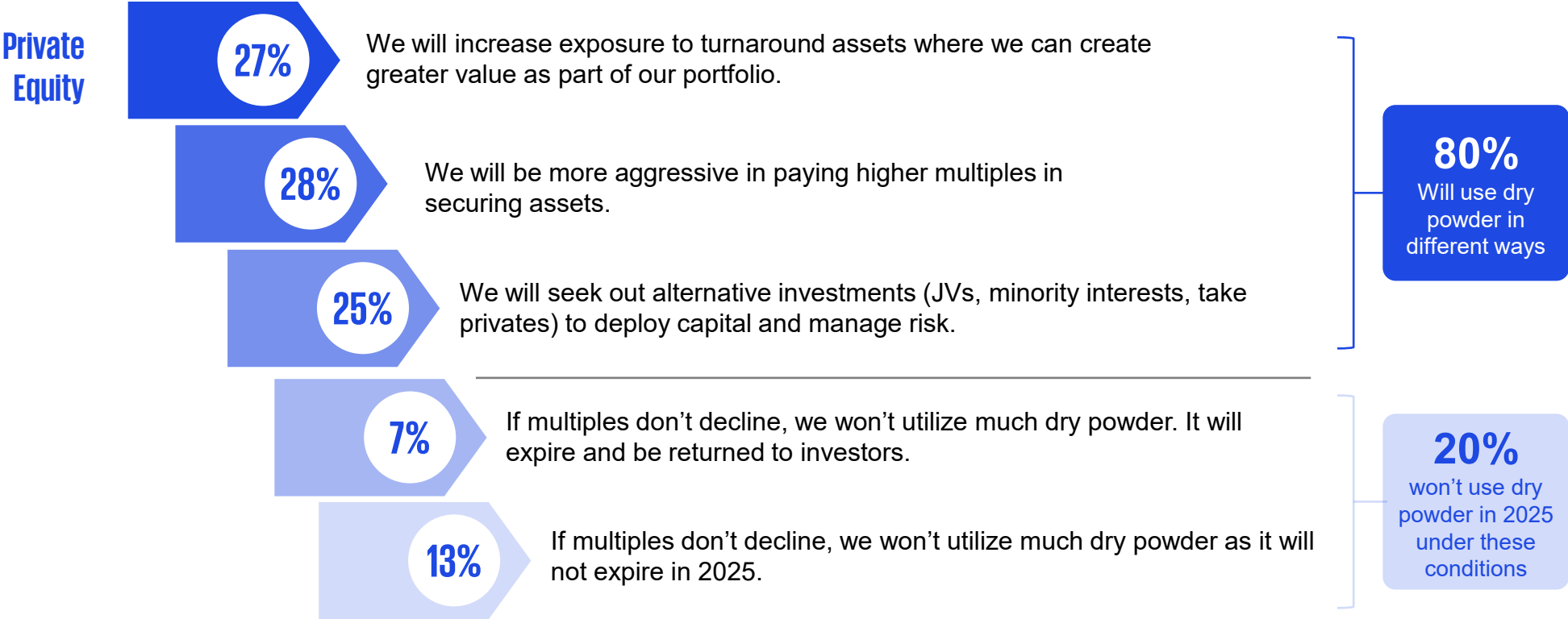
Q. What types of M&A deals do you anticipate pursuing in 2025? Select all that apply. (Asked of those planning at least one M&A deal in 2025; n=250)

Eight out of ten PE firms planned to utilize their dry powder in various ways in 2025, such as increasing investments in turnaround assets, paying higher multiples, or exploring alternative investments.



Anticipated methods of activating dry powder – among private equity

(Only asked of private equity firms)



Q. Based on your anticipated changes in the credit markets in 2025, how do you anticipate activating your dry powder?
(Asked of private equity firms; n=100)

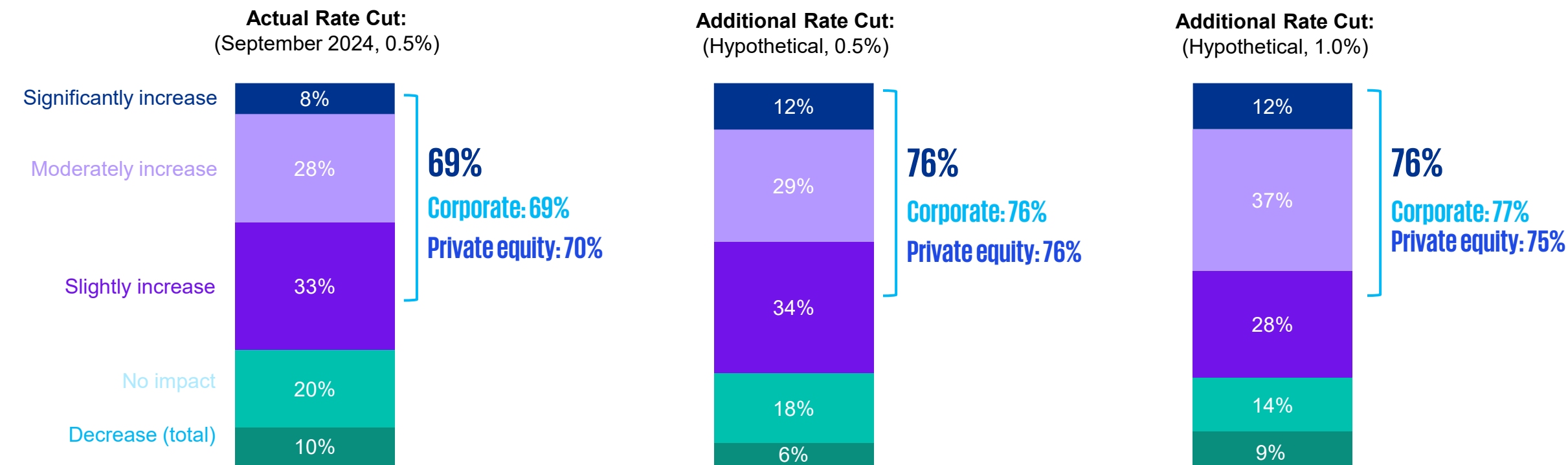
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Credit Markets & Asset Valuation

The majority viewed the September interest rate cut as a positive for M&A.

Seven in ten indicated the rate cut would at least slightly increase dealmaking.

Impact of the interest rate cut on dealmaking



Q. How has the 0.5% cut in interest rates in September 2024 affected your dealmaking? (Not shown: "Unsure," <0.5%)

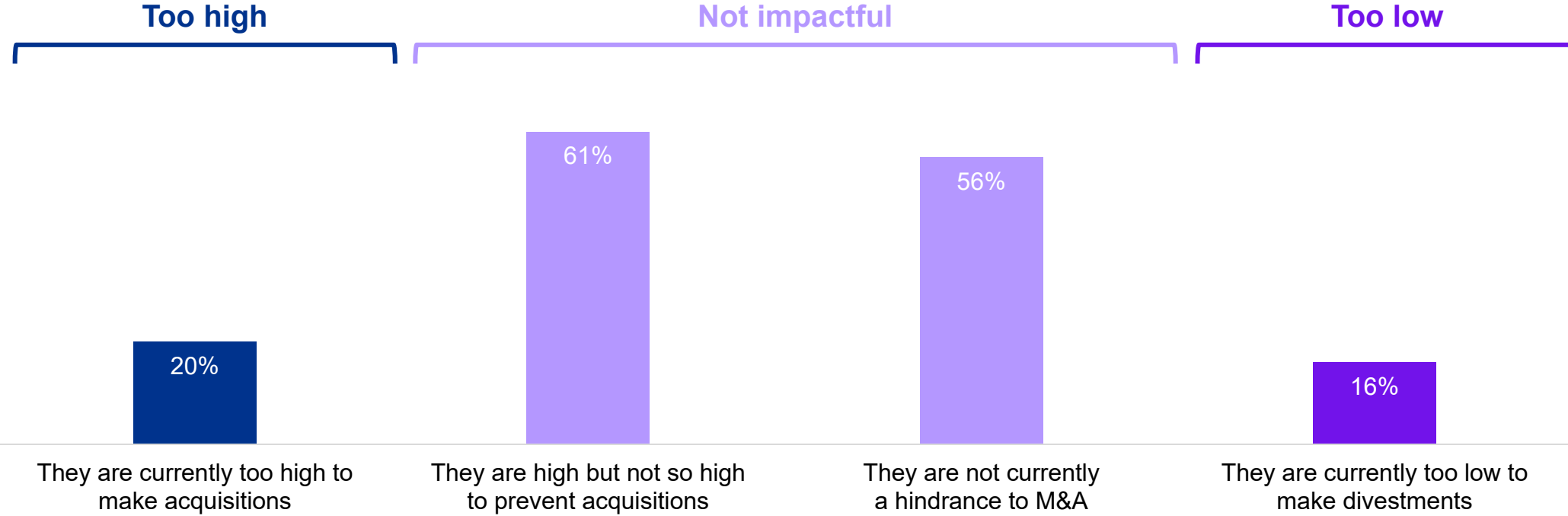
Most private equity firms believed deal multiples were either not a hinderance or were high but not enough to prevent acquisitions.

About one in five felt multiples were on the extreme ends, either too high to make an acquisition or too low to make divestments.



Perspective on the impact of deal multiples among private equity

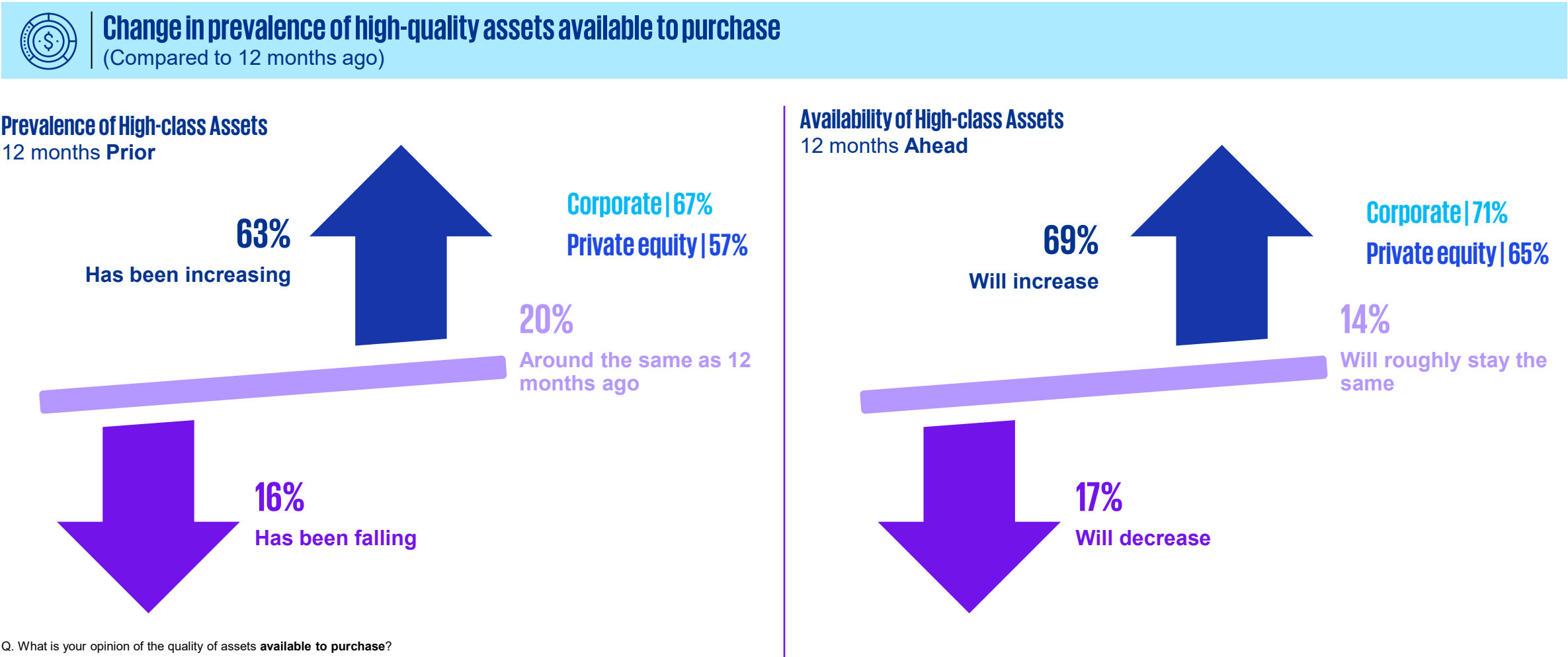
(Multi-select, only asked of private equity firms)



Q. What is your view of current deal multiples? Select all that apply. (Asked among private equity firms, n=100; Not selected: "They are low but not too low to make divestments")

Both corporate and private equity firms agreed that the quality of assets available to purchase is increasing compared to 12 months ago.

Similarly, both agreed that the prevalence of high-class assets is expected to increase in the next 12 months.



Around half see high and low-class asset values remaining the same, though four in ten also say these assets have been on the rise.

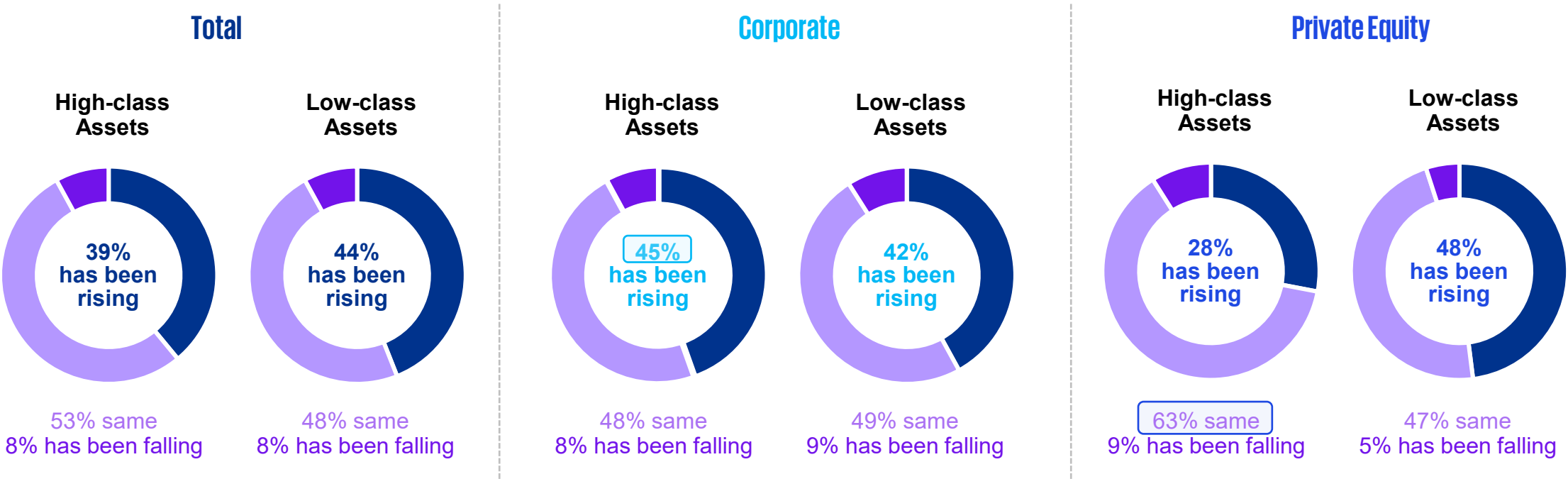
Corporates were more likely to view high-class assets as increasing (45%) vs. private equity firms (28%). Opinions of low-class asset valuations were consistent among corporate and private equity firms.



Perception of change in valuations of assets

(Past perspective)

Past Perspective



Q. What is your opinion on the valuation of assets?

A similar portion, four in ten, believe that high class asset valuation will rise in the next 12 months.

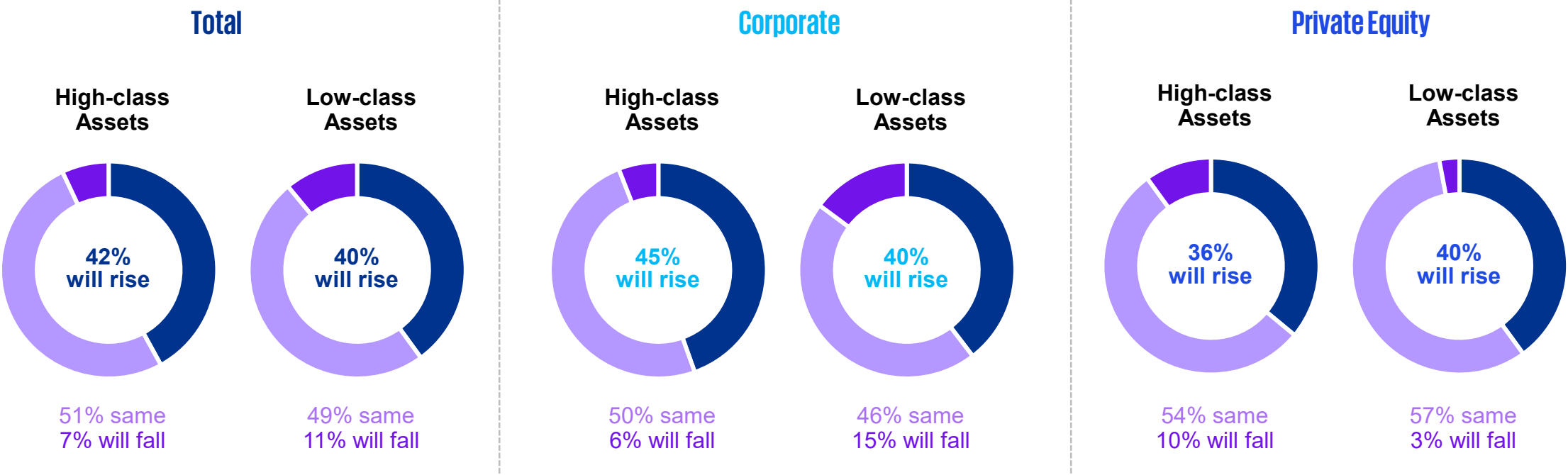
Again, corporates appear more optimistic of high-class assets with 45% anticipating an increase in the next 12 months versus only 36% among private equity firms.



Expected future change in valuations of assets

(Next 12 months)

Future Perspective: Change in Next 12 Months



Q. How do you think valuations of assets will change in the next 12 months?

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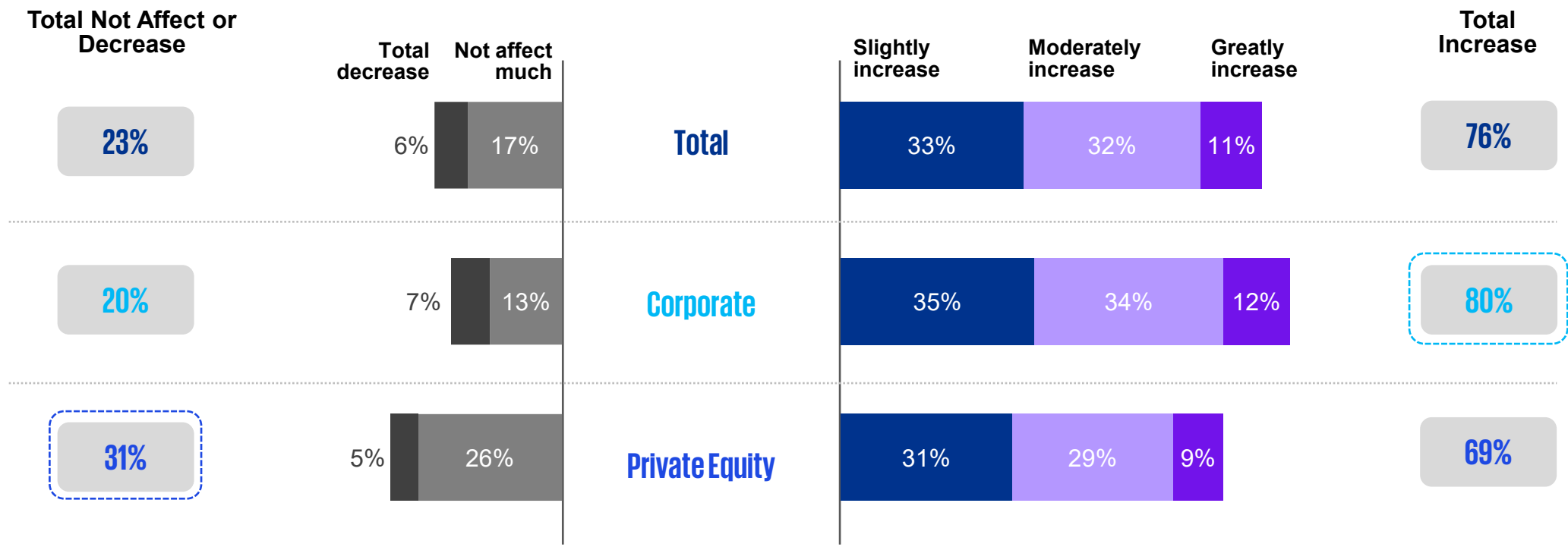
Post Election Perspective

The results of the 2024 US elections were expected to have a positive impact on overall M&A activity.

Overall, three-quarters (76%) anticipated increased activity around M&A due to the results of the election. While all were optimistic, corporates were more likely to expect a positive impact (80%) than private equity firms (69%).



Impact of the 2024 US election results on overall M&A activity

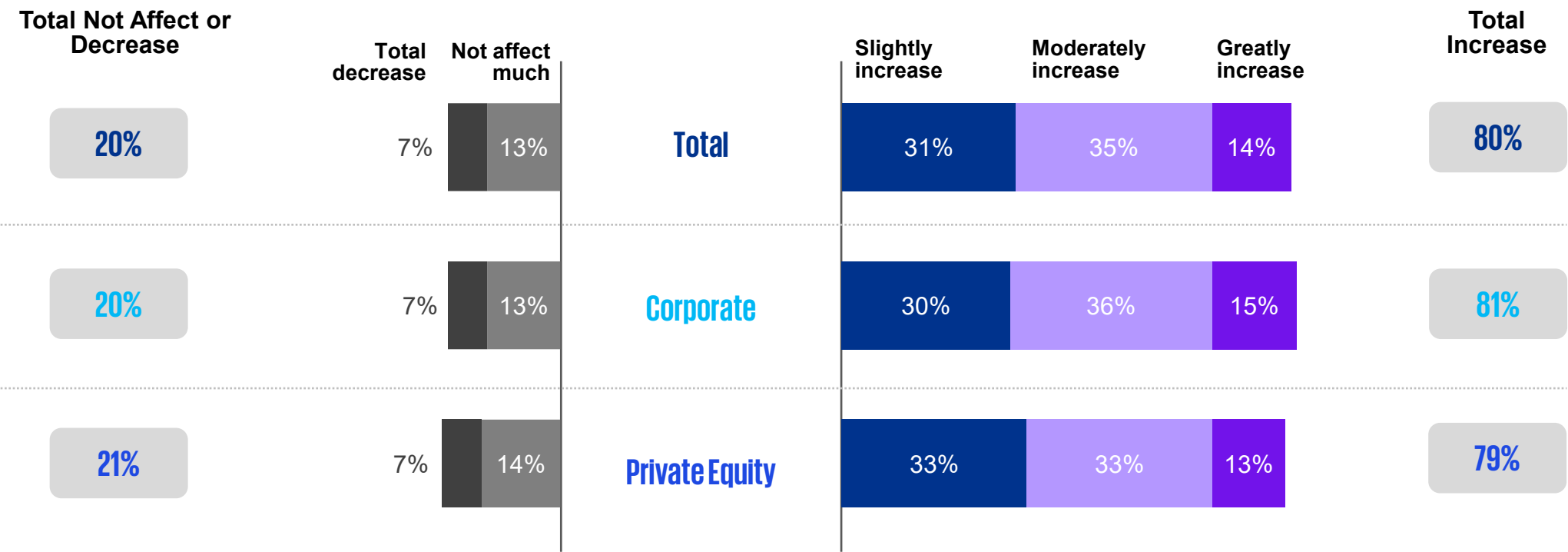


Q. How do you think the results of the 2024 US elections will affect overall M&A activity in the US?

Results of the 2024 US elections also increased the 'appetite' for M&A in the US.

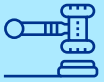
Corporate and private equity were similarly looking to increase M&A activity after the election.

Impact of the 2024 US election results on appetite for M&A

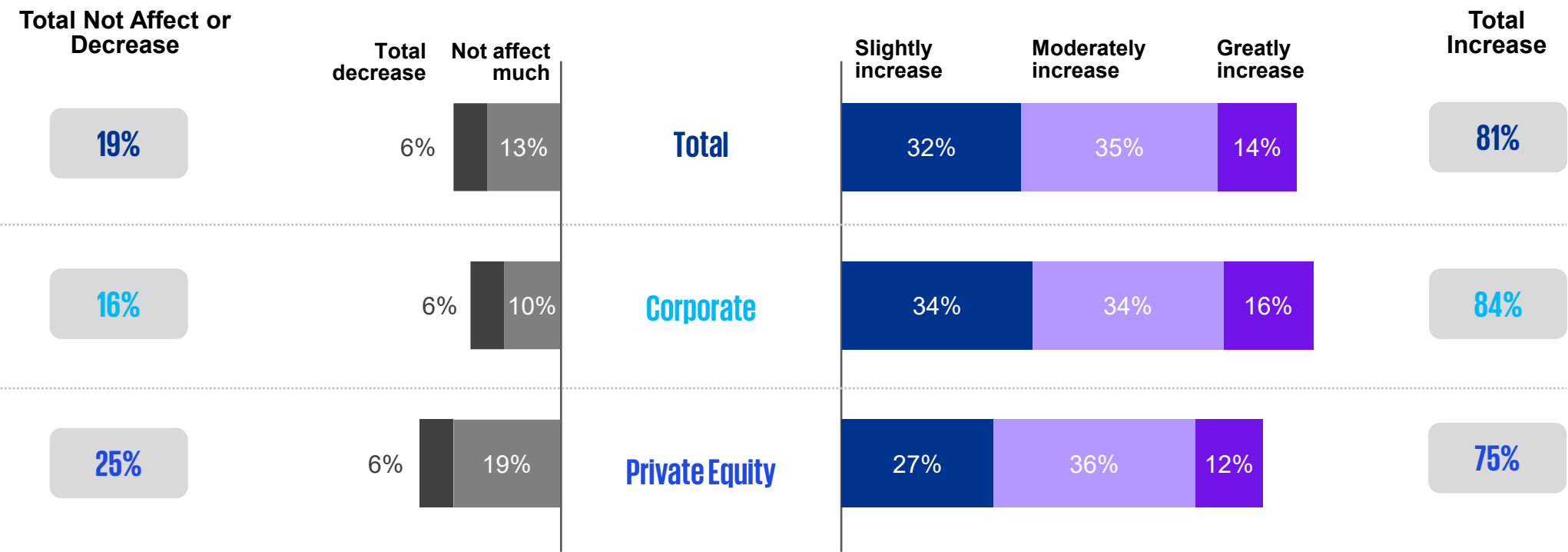


Q. How do the results of the 2024 US elections **change your appetite for M&A** in the US?

Following the US elections, tax policy changes were expected to boost the appetite for M&A deals



Impact of potential tax policy changes on appetite for M&A

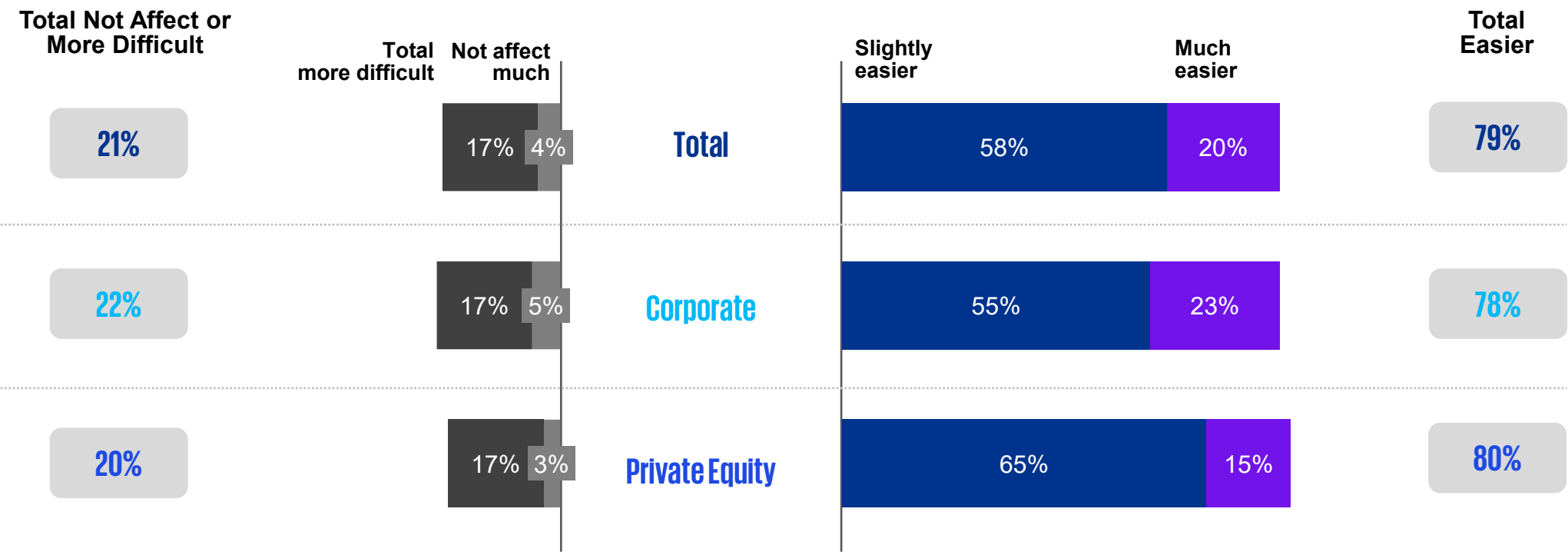


Q. How will potential tax policy changes after the 2024 US elections affect your appetite for M&A in the US?

The regulatory environment for M&A is poised to benefit from the US election results.

Anti-trust approach to M&A is anticipated to become easier.

Impact of 2024 US election results on regulatory environment for M&A



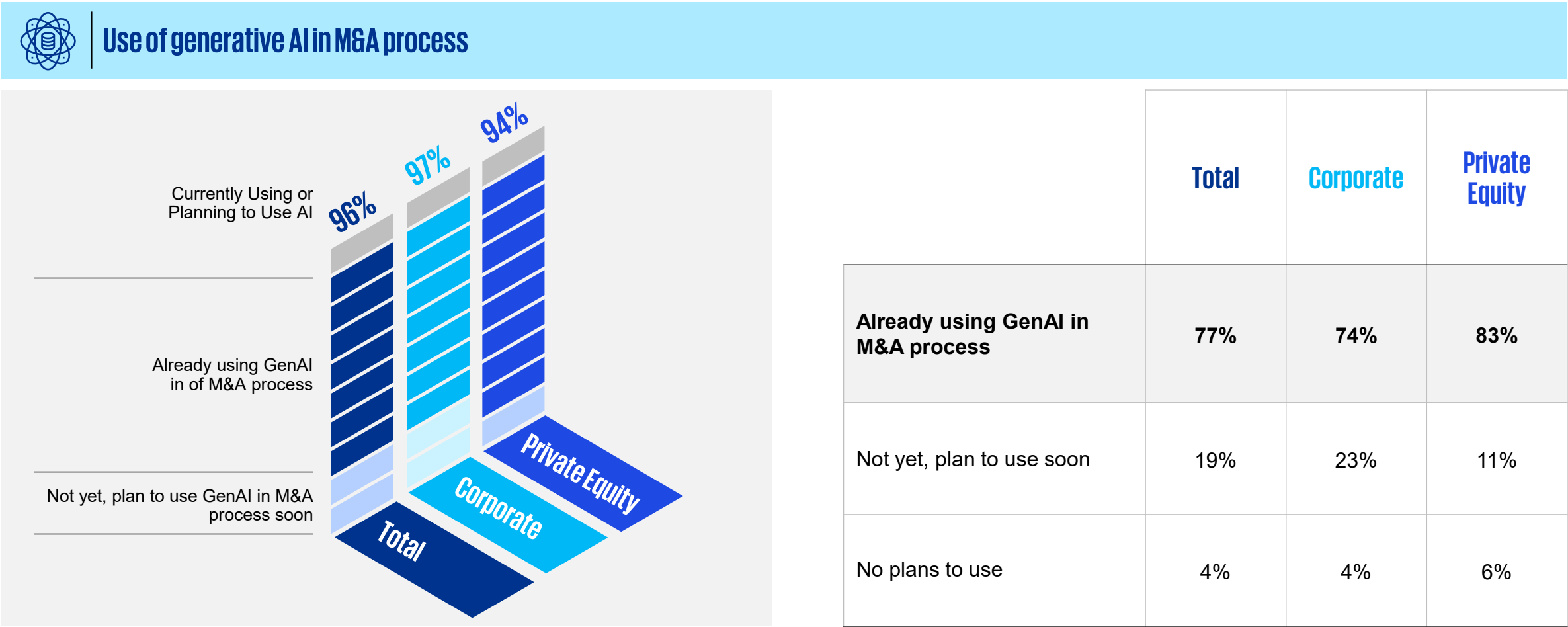
Q. How will the results of the 2024 US elections affect the regulatory (i.e. anti-trust) approach to M&A in the US?

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AI Use In M&A

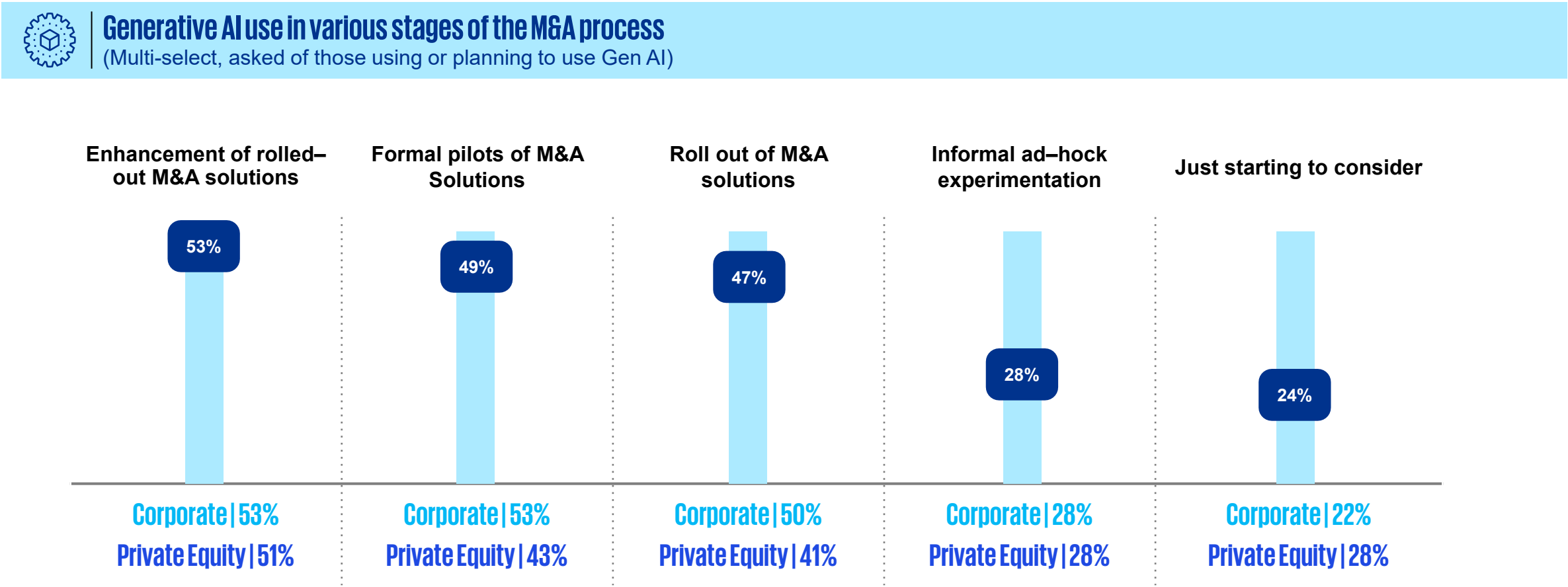
Most respondents are either currently using or planning to use GenAI in the M&A process.

Corporate firms slightly lag private equity firms in current use.



Q. Are you actively deploying Generative AI in your M&A process?

GenAI is most likely to be used in the pilot, rollout and enhancement stages of M&A solutions and less so in the early development stages.



Q. At what stage is your organization in the journey of implementing Generative AI in the Corporate Development function? Select all that apply.
(Asked of those using or planning to use generative AI in the M&A process; n=287)

GenAI is most likely to be used at value creation, integration/ separation and search & screen stages of the M&A lifecycle.

Corporate firms are leveraging GenAI at a higher rate than Private Equity firms at the value creation and search & screen stages.



Use of genai

(Multi-select, asked of those using or planning to use Gen AI)

Value creation for acquisition targets

71%

Integration/Separation execution

66%

Search & Screen

62%

Sign to close

26%

Diligence

23%

Corporate

75%

Private Equity

63%

65%

68%

66%

52%

26%

24%

25%

19%

Q. Where along the M&A life cycle is your organization using Generative AI? Select all that apply.
(Asked of those using or planning to use generative AI in the M&A process; n=287; Not shown above: "none of these areas," 3%)

Contact Us



Dean Bell

US Deal Advisory and Strategy Leader
and Lead Board Director, KPMG US

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Appendix

Organization Profile

Type of Company	Corp.	Private Equity
Publicly traded	56%	--
Private – not private equity owned	27%	
Private – equity owned	17%	
Private equity	--	100%

Size by Revenue/Vol.	Corp. (annual revenue)	Private Equity (fund size)
\$1B - \$4.9B	44%	36%
\$5B - \$9.9B	27%	29%
\$10B - \$19.9B	23%	22%
\$20B+	6%	13%

Sector	Corp. (operations)	Private Equity (investment)
FS: Banking/ insurance/ capital markets/ payments/ other financial services	30%	20%
TMT: Technology/ media/ telecoms/ business services	29%	19%
IM: Industrials/ manufacturing/ infrastructure	13%	18%
C&R: Consumer/ retail	15%	20%
HCLS: Healthcare/ life sciences	11%	21%
ENRC: Energy/ natural resources/ chemicals	9%	8%

Q. Please specify the type of company for which you work. | Q. Please select the sector in which your company operates. (multi-select) |
 Q. Please select the sector[s] in which your fund invests in. (multi-select) | Q. What is your company's annual revenue? | Q. What is your fund size?

Business Leader Profile

Organizational Role	Corp.	Private Equity
CEO	9%	15%
CFO	9%	14%
COO	12%	13%
Head of Corporate Development	11%	20%
CSO/ Head of Strategy/Growth	21%	18%
Investment professional	27%	6%
Private equity operating partner	14%	14%

M&A Decision Making	Corp.	Private Equity
Participate directly in deal decisions	79%	86%
Provide input into deal decisions	22%	14%

Participation in M&A Operations	Corp.	Private Equity
Deal strategy	93%	99%
Post-close value creation and deal execution	86%	93%
Post-close strategy and design	85%	90%
Deal structuring	85%	89%
Deal closing and day 1 planning and execution	84%	96%
Negotiation	82%	90%
Diligence	81%	89%

Q. Which of the following titles best describes your role in the company? | Q. Please describe your level of involvement in dealmaking decisions. |
 Q. Please indicate your degree of participation across the following operations. (Showing % total active participation – “very active” or “active” participation)



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