



According to a recently published report by GF Data, a database of private company transactions involving Private Equity investors, 2025 was a textbook "recalibration" year that never quite found its footing. While headline pricing remained remarkably steady at a full-year average of 7.2x EBITDA, transaction volume fell 23% to just 297 completed deals. Even with a late Q4 rebound to 84 transactions, valuations slipped to 6.9x in the final months. It was a year where dealmakers were effectively trading water, waiting for a financing environment that didn't fully materialize until the eleventh hour.

Tale of the Tape

2024 - 2025 by Quarters

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
# of Deals	97	107	84	100	62	84	67	84
TEV/ EBITDA	6.9x	7.3x	7.2x	7.3x	7.6x	6.8x	7.5x	6.9x
Total Debt/ EBITDA	3.7x	3.6x	3.6x	4.0x	4.0x	3.8x	3.3x	3.5x
Sr Debt/ EBITDA	3.0x	3.2x	2.9x	3.3x	3.2x	3.1x	2.7x	2.8x

Source: GF Data®, an ACG® Company

The real "robustness" was hidden in the sector and quality divergence. Business Services defied the gravity of the broader market, commanding a record-tying 7.4x multiple, while Manufacturing slumped to 6.6x under the weight of margin pressure. Most notably, the "quality premium" evaporated to its lowest level in history—just 3%. Buyers aggressively bid up non-average financial performing assets with sturdy margins to a record 7.0x, signaling a desperate pivot toward defensive cash flows over pure top-line growth.

As we close out Q1 2026, the tide is finally turning from defense to deployment. The compression in size premiums seen late last year—where the spread between small and large platforms narrowed to 2.3x—has sparked a significant exit wave for larger assets. With senior debt pricing hitting multi-year lows of 7.9%, the defensive recapitalizations that defined 2025 are being traded for aggressive platform acquisitions. We are seeing the "pent-up demand" from 2025 finally flood the market as valuations and credit conditions reach a new, more active equilibrium.

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