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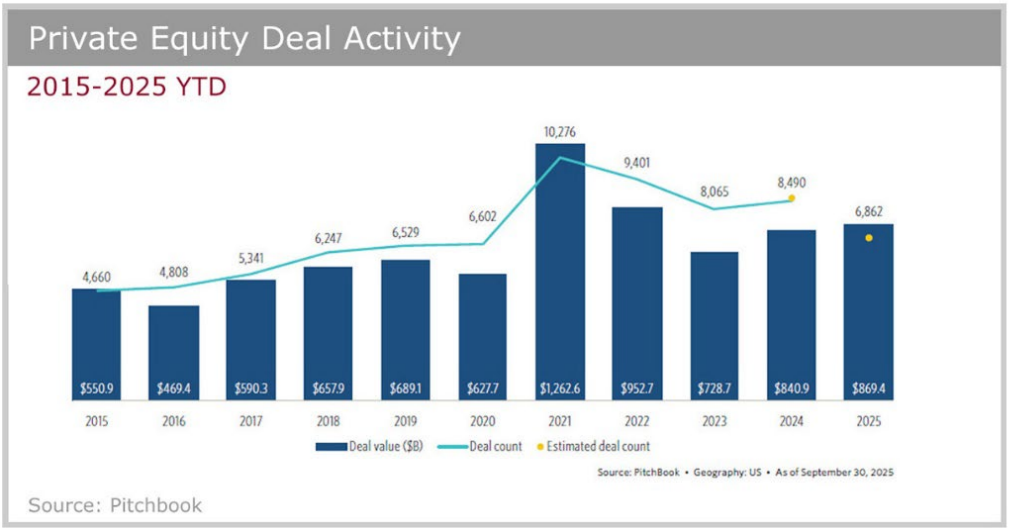
Middle Market Pulse

EXECUTIVE BRIEFING *Mergers, Acquisitions and Capital Resources Since 1956* November 2025



According to a recently published report from Pitchbook, a database of private company transactions, following a brief slowdown in Q2, the deal market showed significant strength in Q3. We've seen a clear return to a risk-on environment, which has resulted in major upticks in both deal volume and aggregate value. This isn't just a minor recovery; it's a major acceleration. Year-to-date, deal value is up over 36%, powered by a resurgence of the megadeal. With lower borrowing costs and a clearer macro picture, the "all clear" has been signaled, and capital is aggressively being put to work.

Public market strength is a double-edged sword. While new highs across the major indices fuel confidence, they're also emboldening sellers to hold out for richer valuations, which complicates negotiations. Nonetheless, the momentum is undeniable, and we expect a very strong close to 2025, especially with the market anticipating further rate cuts from the Fed. For private equity, the game is shifting. While remaining disciplined on new entries, the real focus is now on harvesting exits as the realization environment rapidly improves.

According to Pitchbook, we're operating in a "Goldilocks" environment, but it's not without its risks. Stubborn inflation and tariff impacts remain wildcards that could inject volatility. This backdrop demands a highly sector-specific approach. The consumer segment looks stressed, with credit defaults near decade highs. The smarter money is focused on B2B businesses, which are poised to benefit from easing supply chain constraints and a more stable policy landscape.

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