

Australia Private Equity Quarterly Update

Q1 2026

Private equity (PE) activity in Australia demonstrated relative resilience in Q1 2026, particularly on a value basis, against a backdrop of subdued global dealmaking. Aggregate deal value increased 2.3x year-on-year, while deal volumes rose a more moderate 28%, indicating a market characterized by selective underwriting rather than broad-based recovery. Australia accounted for ~20% of total APAC PE deal value, a sharp increase from ~7% in Q1 2025, underscoring its growing relevance as a capital deployment market within the region.

In Q1 2026, there were a total of 23 deals deploying over US\$11.1b in capital. Deal value was heavily skewed, with a single mega-deal (Macquarie's acquisition of Qube Holdings for US\$8.3b in the Infrastructure sector), accounting for approximately 75% of total quarterly value. There has been a shift in sector activity with 1Q26 seeing more activity in the financial (22% of volume) and industrial (17% of volume) sectors. Technology - which has historically represented c.30% of deal volume in Australia saw a decline in activity in 1Q26 (17% of volume), driven by the AI-driven reset in software valuations and mis-matches in seller and buyer expectations.

Exit activity remains to be slow - exacerbating the backlog of exits expected for the remainder of the year. The region recorded seven exits, generating US\$1.4b in realized proceeds. IPO activity remained muted, consistent with broader public market volatility.

Fundraising for Australia-based PE funds remained muted in Q1 2026, reflecting a cautious limited partner (LP) approach in line with a sharp global slowdown driven by heightened geopolitical uncertainty linked to the Middle East conflict. Across the broader APAC region, only six APAC-based funds closed in Q1 2026, raising US\$2.4b, compared with 28 APAC-based funds raising US\$8.9b in Q1 2025.

Note:

Data used in this report is sourced from Dealogic and Pitchbook. Deals include both announced and closed PE deals; analysis does not include M&A, venture capital and add-on transactions.

Q1 2026: numbers in focus

US\$11.1b

Capital deployed across
23 deals

US\$1.4b

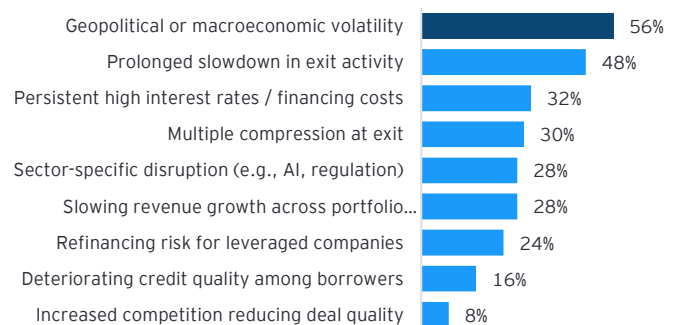
in PE-backed exits
across 7 deals

Impact of Middle East conflict yet to fully flow through to Australian deal activity

Uncertainty across global markets increased during the quarter following the escalation of conflict in the Middle East, contributing to higher energy prices, renewed inflation concerns, and tighter financial conditions. Against this backdrop, global PE activity softened significantly in Q1 2026.

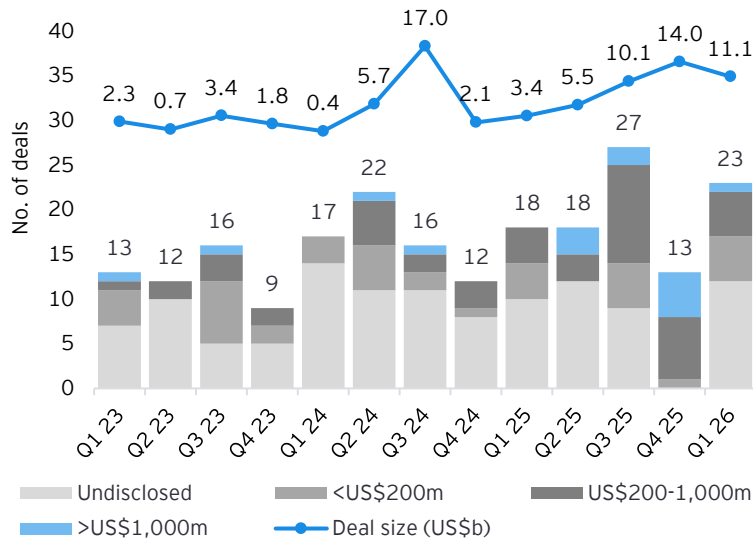
The EY Global PE Pulse Survey for Q1 2026 reveals that geopolitical and macroeconomic volatility remains the top concern for general partners (GPs), with 56% citing it as the greatest risk to portfolio performance over the next 12-24 months.

EY PE Pulse Survey 2026: Which factors represent the greatest risk to PE portfolio performance over the next 12-24 months?

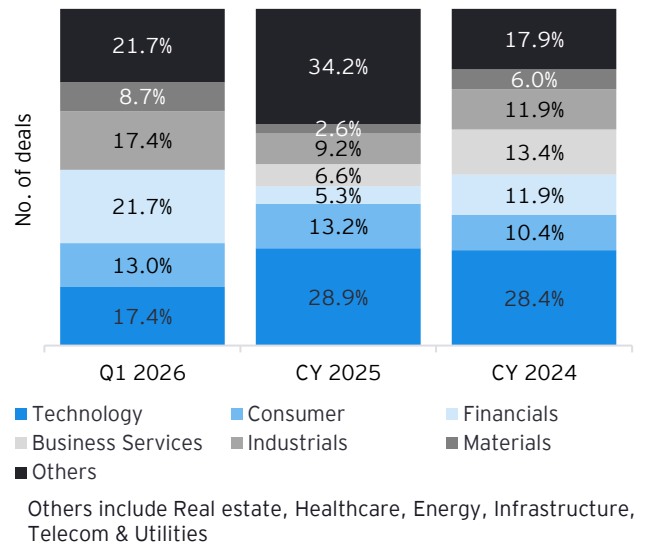


In Australia, while the impact of Middle East conflict has already weighed on fundraising sentiment, its broader impact on underlying deal activity is yet to be seen. Q1 2026 activity has been supported by continued participation from APAC-based investors and 'closures' of deals signed in 4Q25. Near-term impacts are expected to be more visible in fundraising timelines, exit pacing, and portfolio valuation normalization.

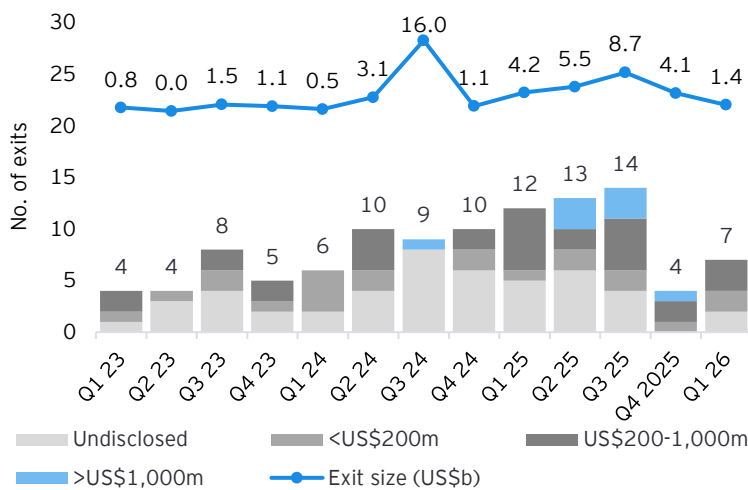
PE investments in Australia



PE investment volume by sectors



PE-backed exits in Australia



“ Australian PE market enters 2026 with cautious optimism on deal flow and a pragmatic approach to value creation. Given the shifting geopolitical landscape, GPs should reassess exit timing and pathways, strengthen portfolio resilience through tighter risk and liquidity management, and deploy capital selectively to capture dislocation-driven opportunities while maintaining disciplined underwriting.

Top PE investments in Q1 2026 (US\$m)

Target	Sector	Investor	Deal value
Qube Holdings	Infrastructure	Macquarie Asset Management	8,300
Aura Australia Holdings Pty Ltd	Real Estate	Stonepeak Partners LP	711
Barrenjoey Capital Partners Group	Financial	Magellan Financial Group	637
HMC Capital Ltd (Energy Transition Platform)	Energy	KKR	420
Perpetual PWM Services	Financial	Bain Capital	384

Top PE-backed exits in Q3 2025 (US\$m)

Target	Sector	PE seller	Exit value
QMS Media	Media	Quadrant Private Equity	598
ClearView Wealth	Financial	Crescent Capital Partners	290
FTR Group (For The Record)	Technology	Bison Capital Asset Management	258
Enviropacific Services	Business Services	Next Capital	156
Eptec Pty Ltd (Defence division, 100%)	Business Services	Next Capital	106

Note:

Data used in this report is sourced from Dealogic and Pitchbook. Deals include both announced and closed PE deals; analysis does not include M&A, venture capital and add-on transactions.

Contact us to explore these trends and discuss the implications for you.

Key contacts



Miles Tam
EY-Parthenon Strategy - Deals Strategy
Sydney
miles.tam@parthenon.ey.com



Chris Paxton
EY-Parthenon Strategy - Managing Partner
Sydney
chris.paxton@parthenon.ey.com

Contributors



Saurabh Yadav
EY Private Equity Analyst
EYGBS (India) LLP
Saurabh.Yadav@gds.ey.com



Gazal Trehan
EY Private Equity Analyst
EYGBS (India) LLP
gazal.trehan@gds.ey.com



Australia Quarterly Private Equity Update

This quarterly update looks at the private equity deal activity across Australia and provides analysis and insights on market trends and developments.

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2025 Ernst & Young Corporate Finance Pte Ltd. All Rights Reserved.
EYG no. 001127-24Gbl. ED None

UEN 199702967E

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.