

Australia Private Equity Quarterly Update

Q3 2025

Private equity (PE) activity in Australia showed a marked improvement in Q3 2025 compared to recent quarters. Deal volume increased by 50% year-on-year, however the deal value declined by 17% due to the absence of mega deals.

In Q3 2025, there were a total of 24 deals deploying over US\$8.5b in capital. The uptick was supported by the highest deal volume since 2022 and the presence of seven large-ticket investments (valued above US\$500m), contributing approximately 80% of total deal value during the quarter. Encouragingly, deal volume remained well above pre-pandemic levels, suggesting that the regional market maintained structural depth even as the zero-rate era ended.

Despite high interest rates continuing to weigh on overall deal activity, Australia remains attractive for investors given its relative stability and market maturity, positioning it as a lower-risk bet within the region.

Financials sector accounted for 31% of total deal value, followed by industrials (18%) and consumer (17%). In terms of deal volume, technology (29%) led investment activity followed by consumer (21%) and financials (13%).

The region recorded 14 exits, generating US\$11.5b in realized proceeds. Exit values were largely driven by four large transactions (valued above US\$1b) contributing more than 75% of total exit value. While IPO activity remained muted, secondary transactions continued to gain traction contributing approximately 80% of overall exit value.

In terms of fundraising activity, only one Australia-based PE fund (Anacacia V fund valued at US\$183m) closed in the last quarter, bringing the total to four fund closures in the first nine months of 2025.

As the operating environment is reshaped by global macro and trade pressures, PE fund managers in Australia are focused on increasing their supply chain resilience and strengthening value creation initiatives. Funds are prioritising margin improvement, cost

Q3 2025: numbers in focus

US\$8.5b

Capital deployed across 24 deals

US\$11.5b

in PE-backed exits across 14 deals

optimisation and revenue resilience measures within their value creation plans. Buy-and-build strategies, remain a core part of the value-creation playbook across the region. In the first nine months of 2025, add-on transactions accounted for 58 deals valued at US\$4b (an increase of more than 100% y-o-y by value) in the region, as sponsors pursued smaller bolt-on acquisitions to build scale and enhance operational leverage.

Australia-focused funds outperformed their global peers in terms of IRR

Despite a challenging backdrop of geopolitical uncertainty, inflationary pressures, and slower fundraising and deal activity in 2024, Australia-focused funds offered an attractive risk/return profile, with a median net IRR¹ of 13.8% for vintages between 2014 and 2021, outperforming peers in North America (12.4%), Europe (12.0%), Asia (11.7%), and Rest of World (9.8%). Alongside higher returns, these funds also demonstrated lower variability in performance, offering investors an attractive and relatively stable risk/return profile.

Australia PE market gains global investor confidence

Despite domestic superannuation funds channelling much of their capital overseas, Australia-focused PE funds are drawing rising interest from international Limited Partners (LPs). Foreign capital is playing a growing role in shaping local PE activity, reflecting the region's strategic appeal and competitive positioning. A key driver is the absence of a large concentration of mega-funds, while domestic PE firms have expanded, the market lacks multibillion-dollar vehicles. This creates room for international investors to pursue cross-border strategies, especially in sectors ripe for roll-ups and product expansion, without competing against a dense field of domestic giants.

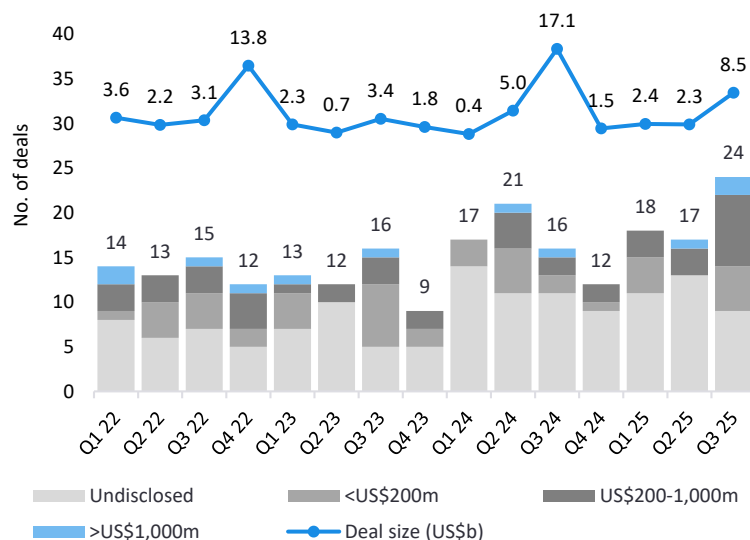
Note:

¹No worries for Australian private equity, Private Equity International, Sep 2025

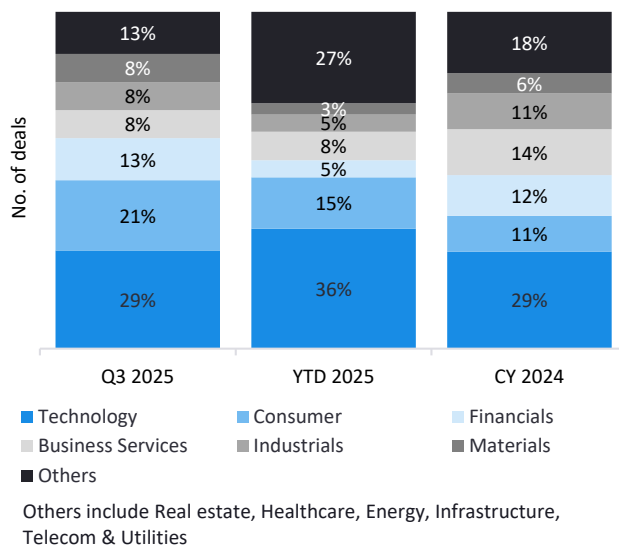
Data used in this report is sourced from Dealogic and Pitchbook.

Deals include both announced and closed PE deals; analysis does not include M&A, venture capital and add-on transactions.

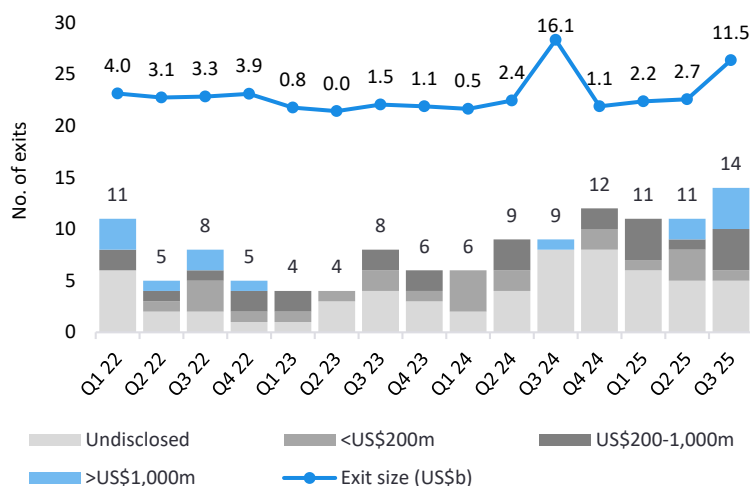
PE investments in Australia



PE investment volume by sectors



PE-backed exits in Australia



“Australia’s PE market has witnessed a renewed momentum in Q3 2025, and the outlook remains constructive despite persistent global headwinds. The combination of stabilizing interest rates, rising international investor participation, healthy deal activity, and strong relative returns underscores the market’s resilience.”

Top PE investments in Q3 2025 (US\$m)

Target	Sector	Investor	Deal value
Insignia Financial	Financials	CC Capital, One Investment Management	2,156
AIP MC Holdings	Industrials	Tega Industries, Apollo Asset Management	1,500
ProTen	Consumer	Kohlberg Kravis Roberts	855

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

Target	Sector	PE seller	Exit value
Aveo Group	Healthcare	Brookfield Corporation	3,850
Insignia Financial	Financials	Australian Retirement Trust, Citicorp Finance, First Sentier Investors, Hostplus Superannuation Fund, Mitsubishi UFJ Financial Group, State Street, Tanarra Capital, Vanguard Products	2,156
AIP MC Holdings	Industrials	American Industrial Partners	1,500

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

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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.

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EYG no. 001127-24Gbl. ED None

UEN 199702967E

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