

APOLLO

Private Equity outlook for the second half of 2025

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Apollo Global Management

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Unless otherwise noted, information as of June 2025.

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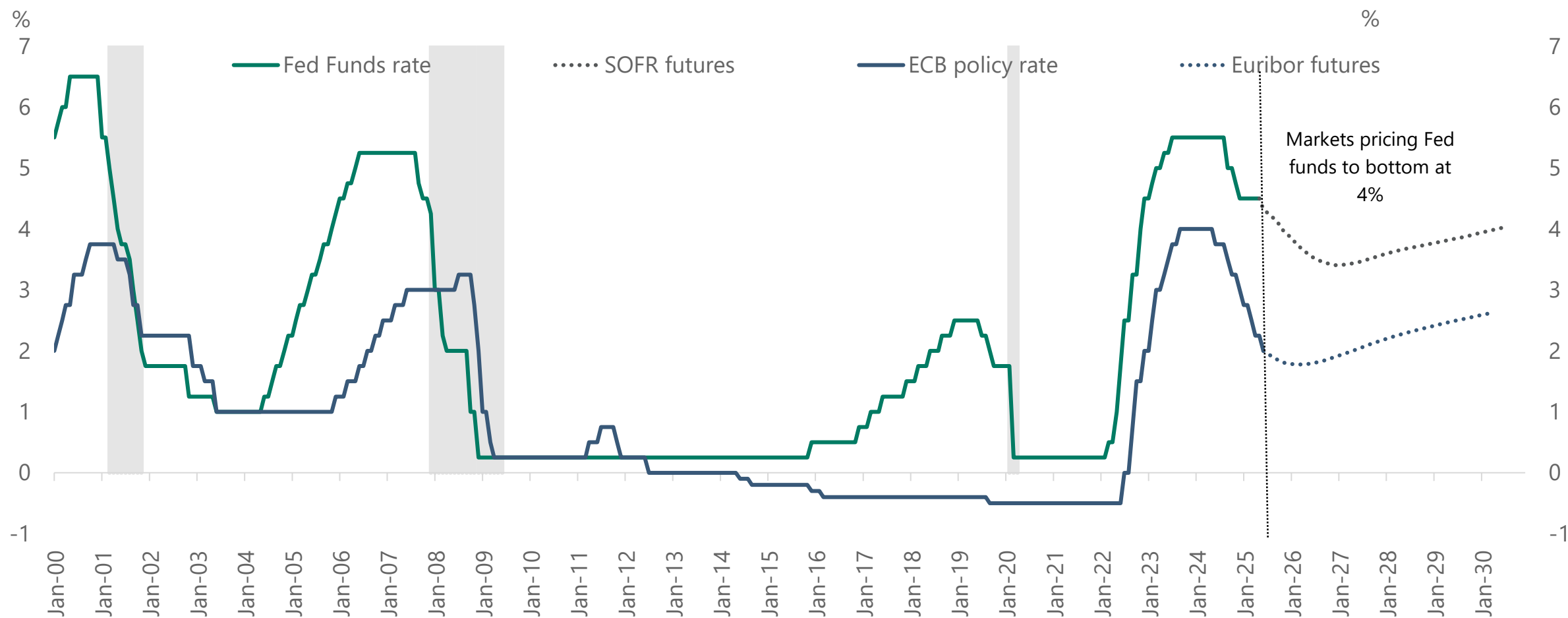


Overview

1. If the Fed decides to cut interest rates later this year, we could see a new wave of deals as, on the one hand, sponsors seek to deploy capital raised in the past three years and, on the other, managers may be willing to part with existing investments as cheaper borrowing costs may bolster valuations.
2. We believe the secondaries market can offer excess return per unit of risk when compared to other private market strategies due to a variety of factors, including a rapidly evolving secondary investment landscape.
3. There is plentiful demand for hybrid solutions, including M&A financing and capital for growth, re-equitization of over-levered balance sheets, owner and sponsor liquidity solutions, and financing to support public company growth initiatives.

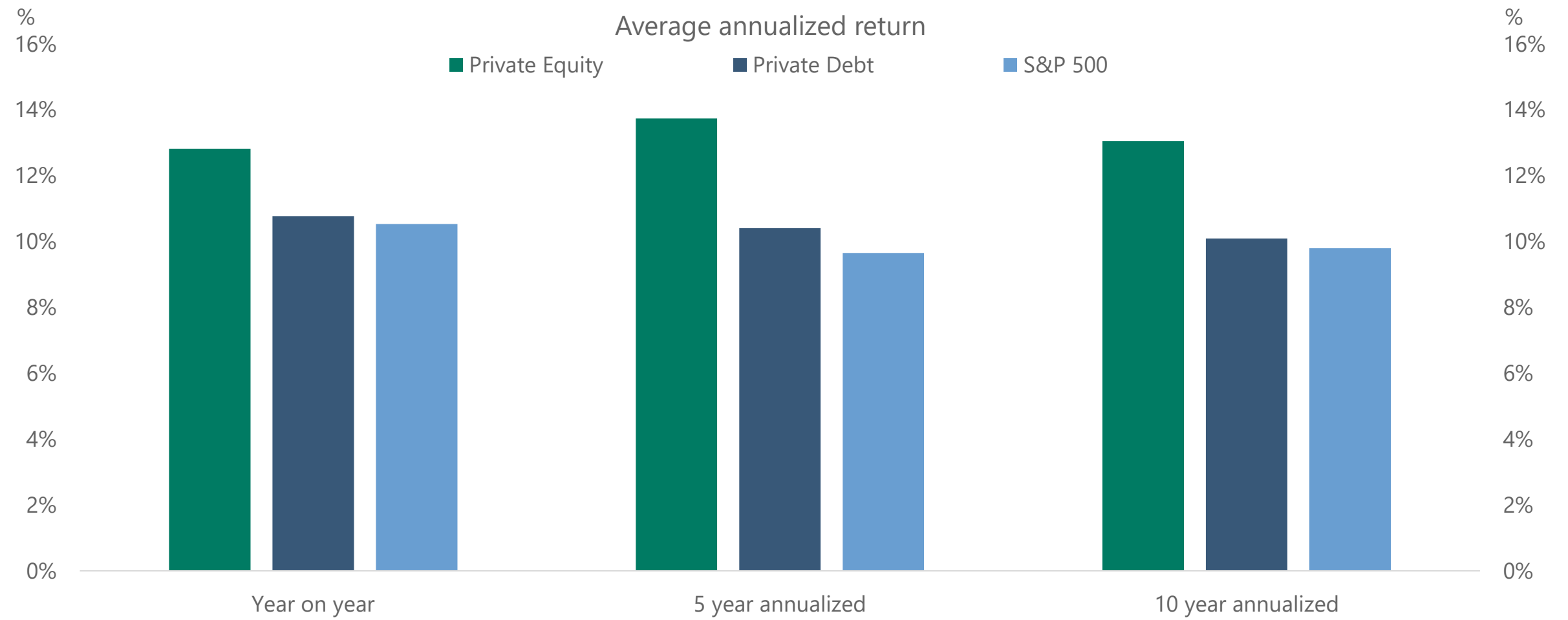
For more discussion, see [here](#)

The market expects the next Fed move to be a cut



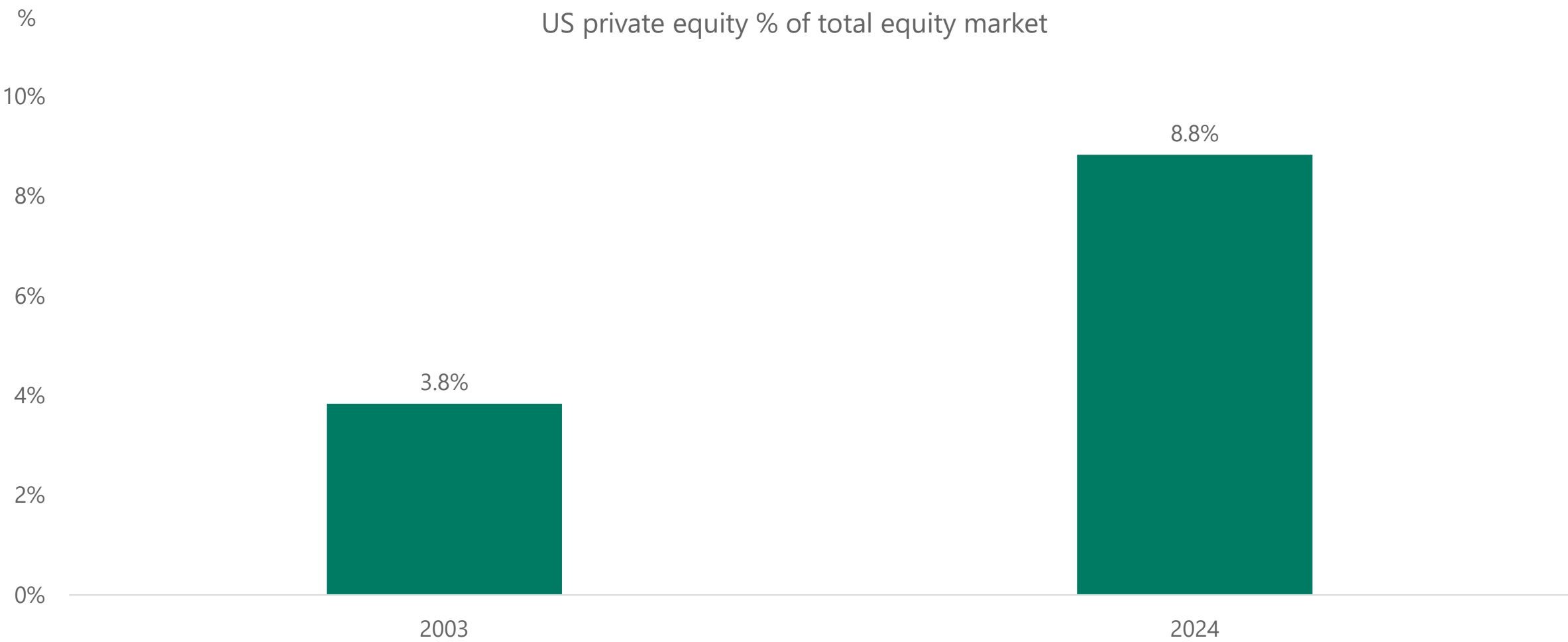
Overview

Private equity and private credit outperforming the S&P 500 at all horizons



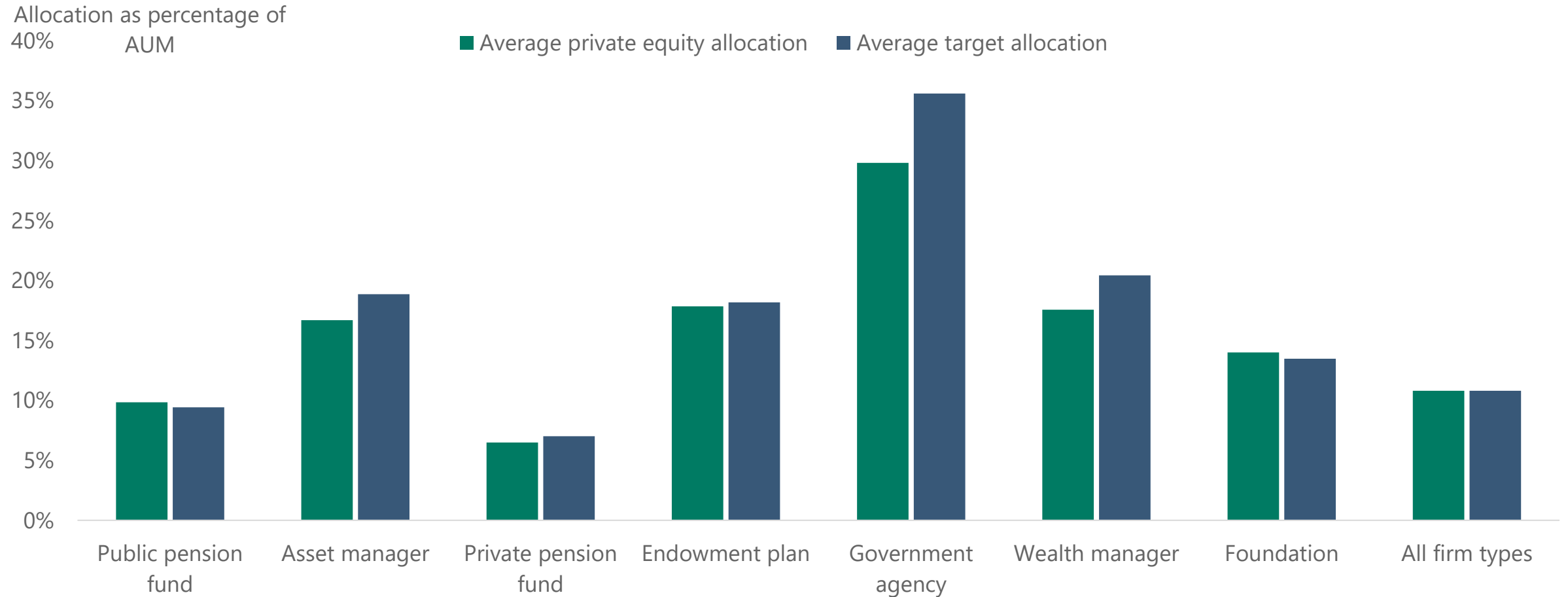
Source: Preqin, Apollo Chief Economist. Note: The calculation takes 5-year annualized and 10-year annualized returns for every 5-and 10-year window with sample starting in 2000 and ending in 2024 and averaging rolling returns over time.

Private equity as a percentage of the public equity market

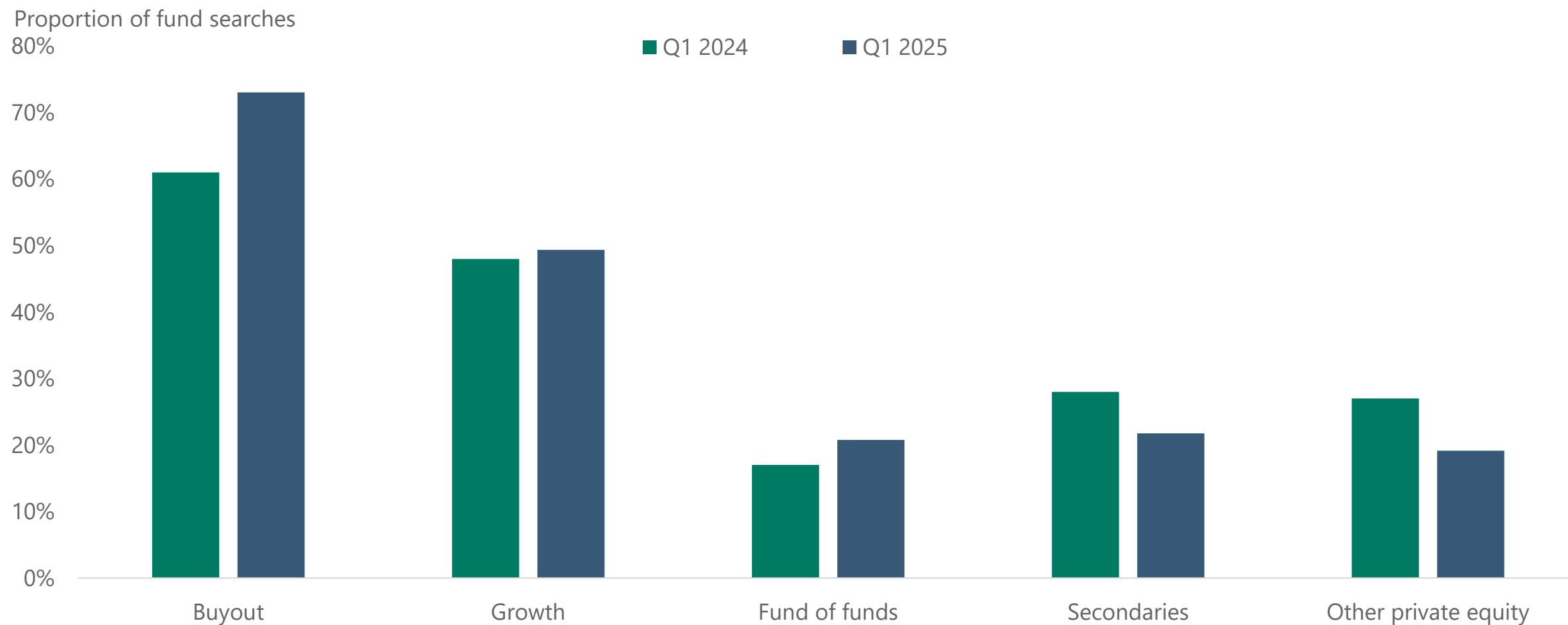


Source: Bloomberg, Preqin Pro, Apollo Chief Economist

Average current and target private equity allocations by investor type, ranked by aggregate AUM of investors by type, Q1 2025

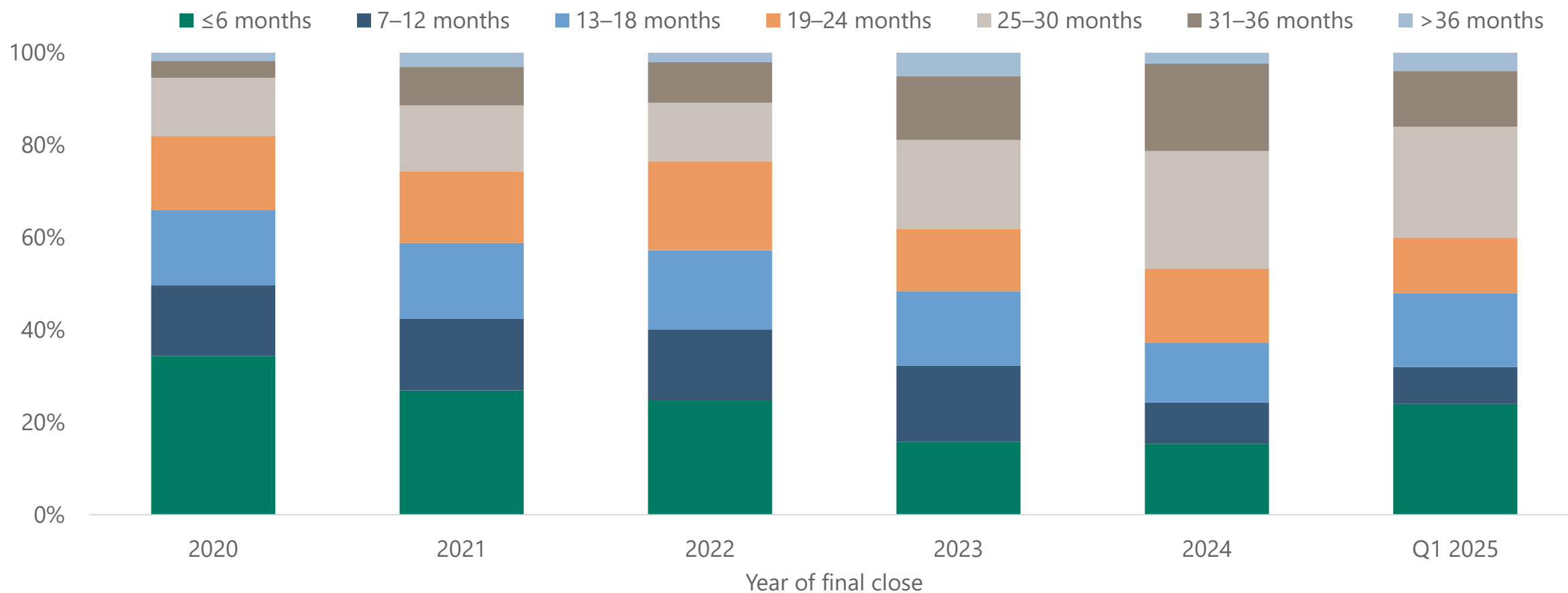


Strategies targeted by investors over the next 12 months vs. Q1 2024

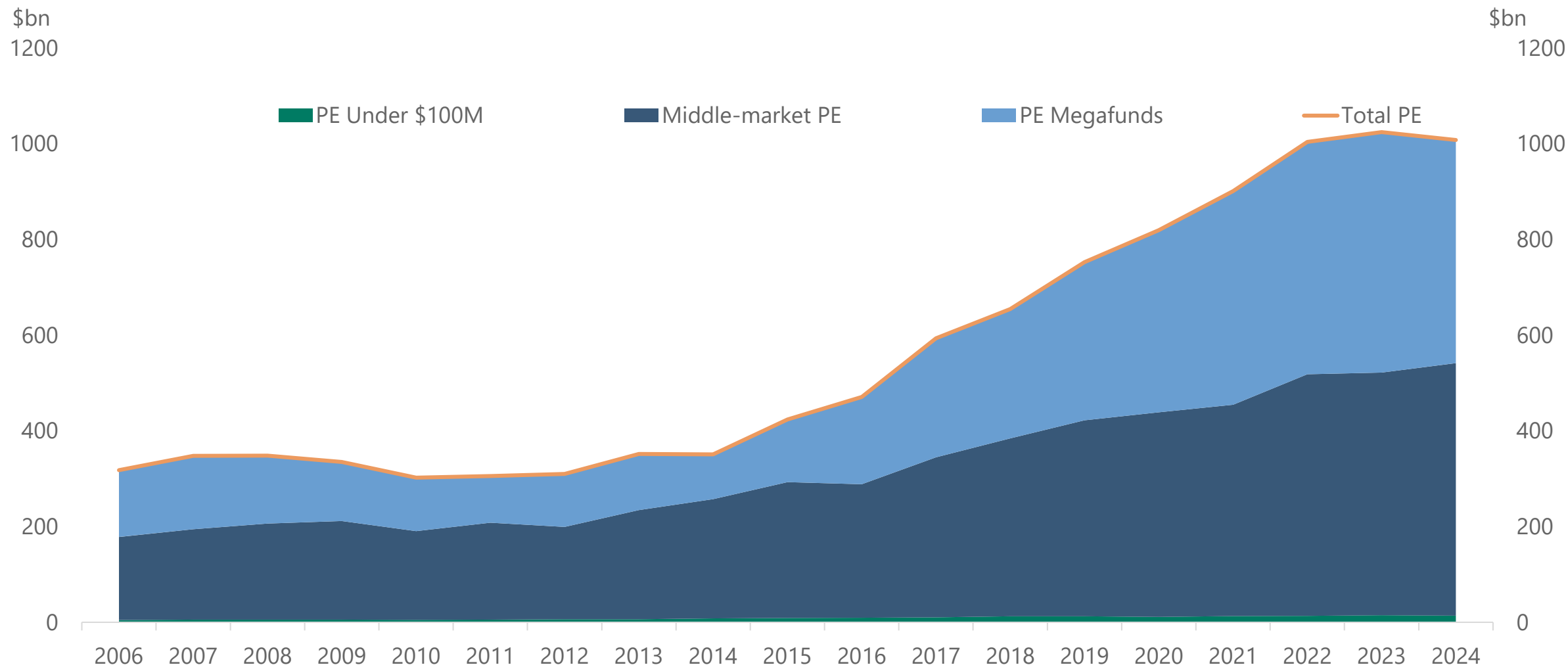


Private equity funds closed, by time spent in market

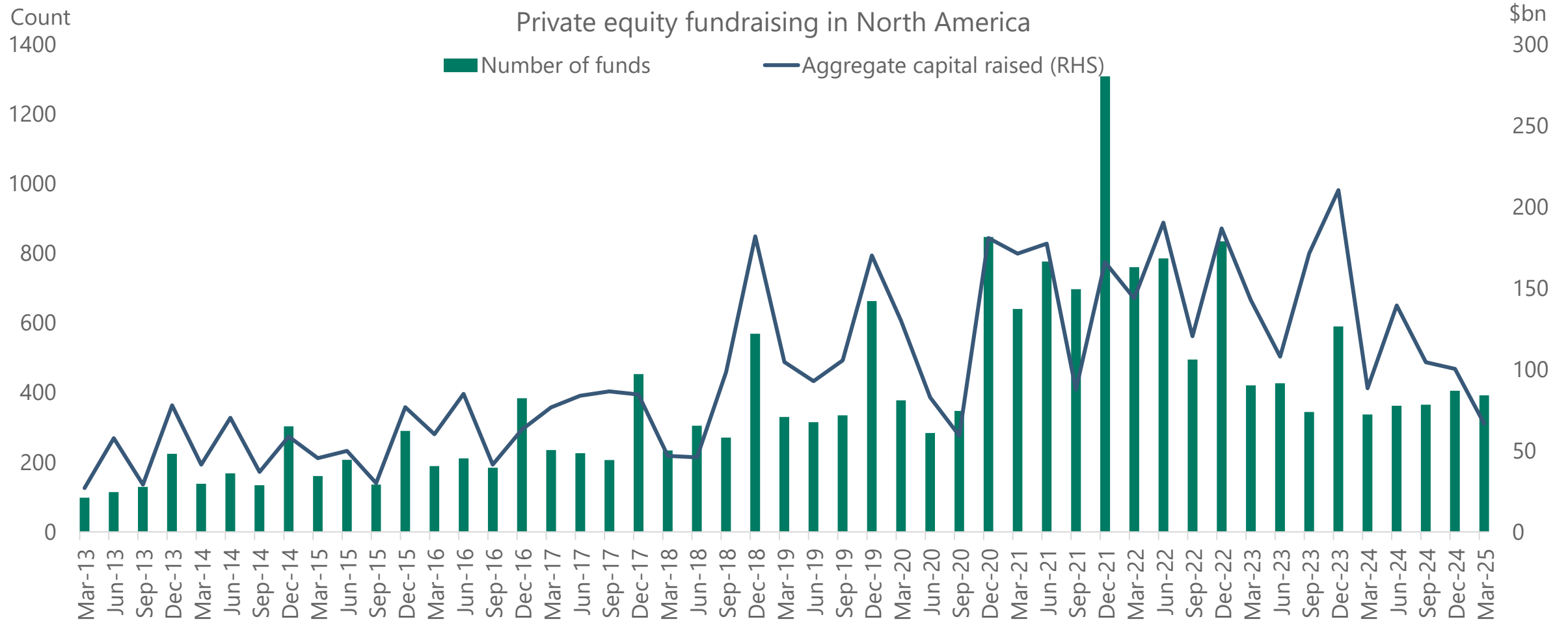
Proportion of funds closed



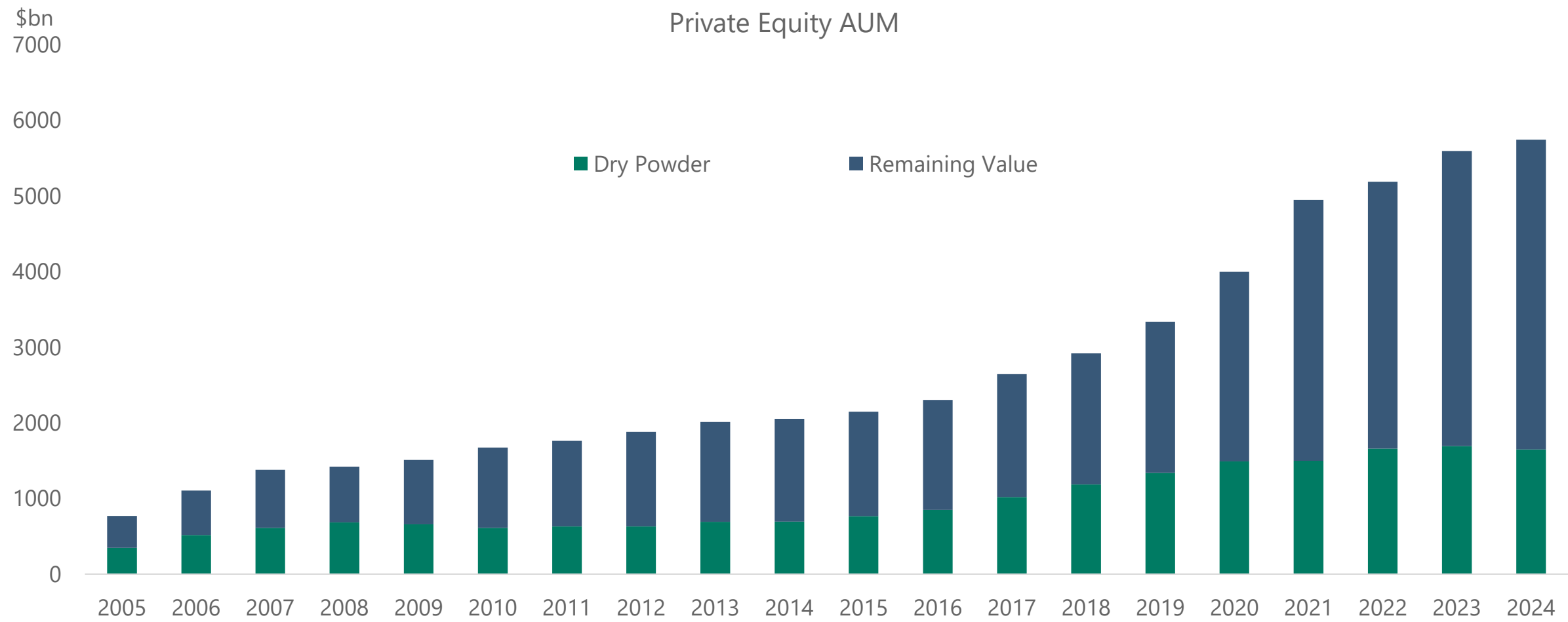
The composition of PE dry powder



Private equity fundraising

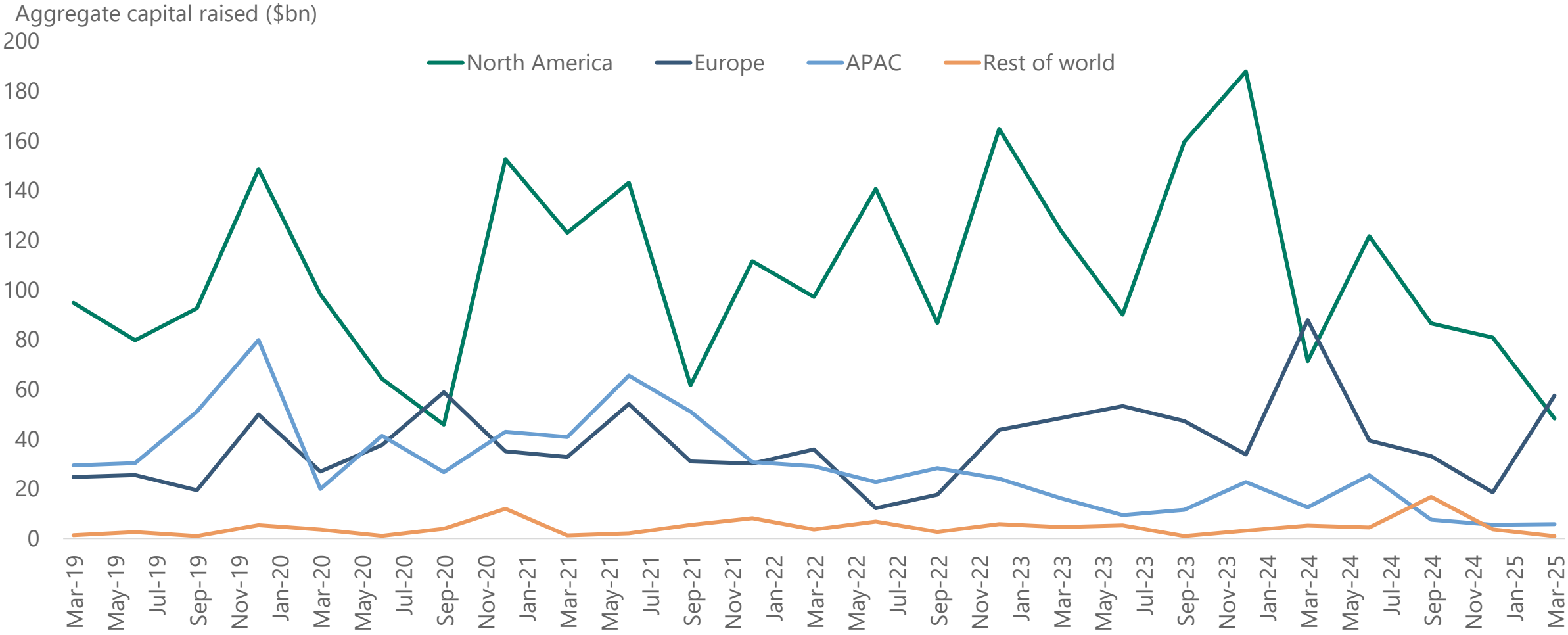


Global private equity AUM: \$6trn



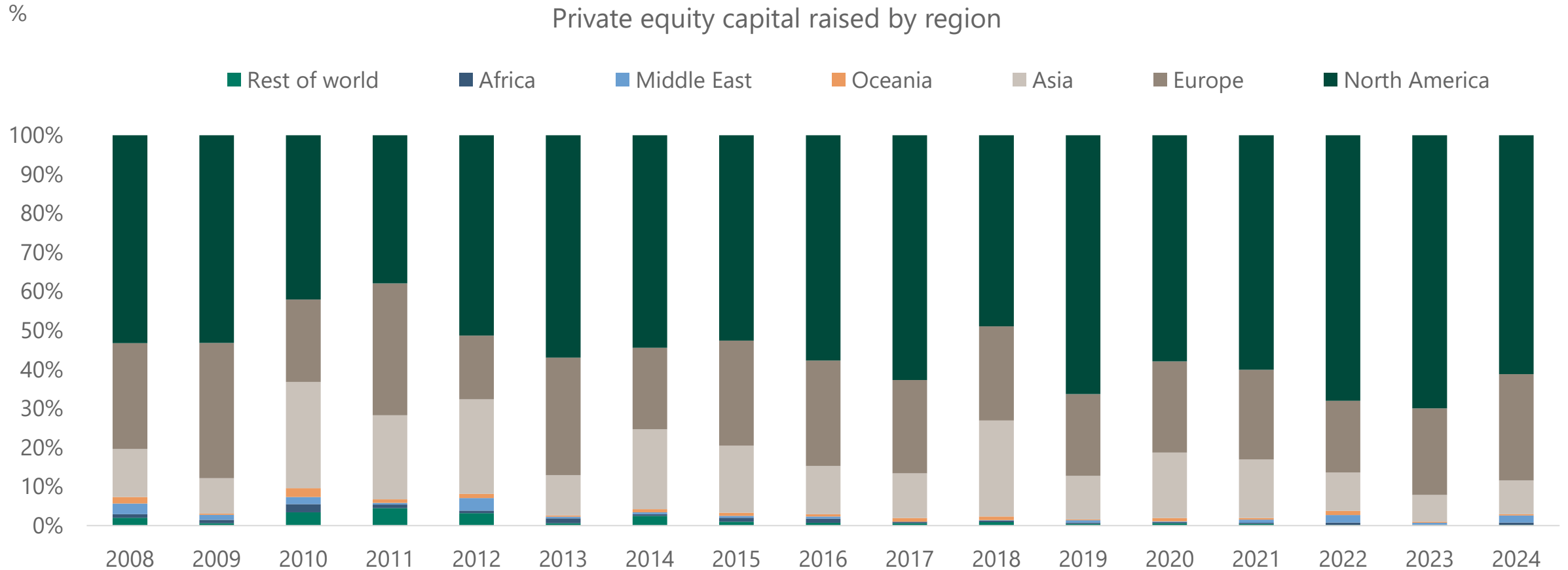
Source: PitchBook, Apollo Chief Economist. Note: Data as of 30th June 2024

PE fundraising by region



Source: Preqin Pro, Apollo Chief Economist

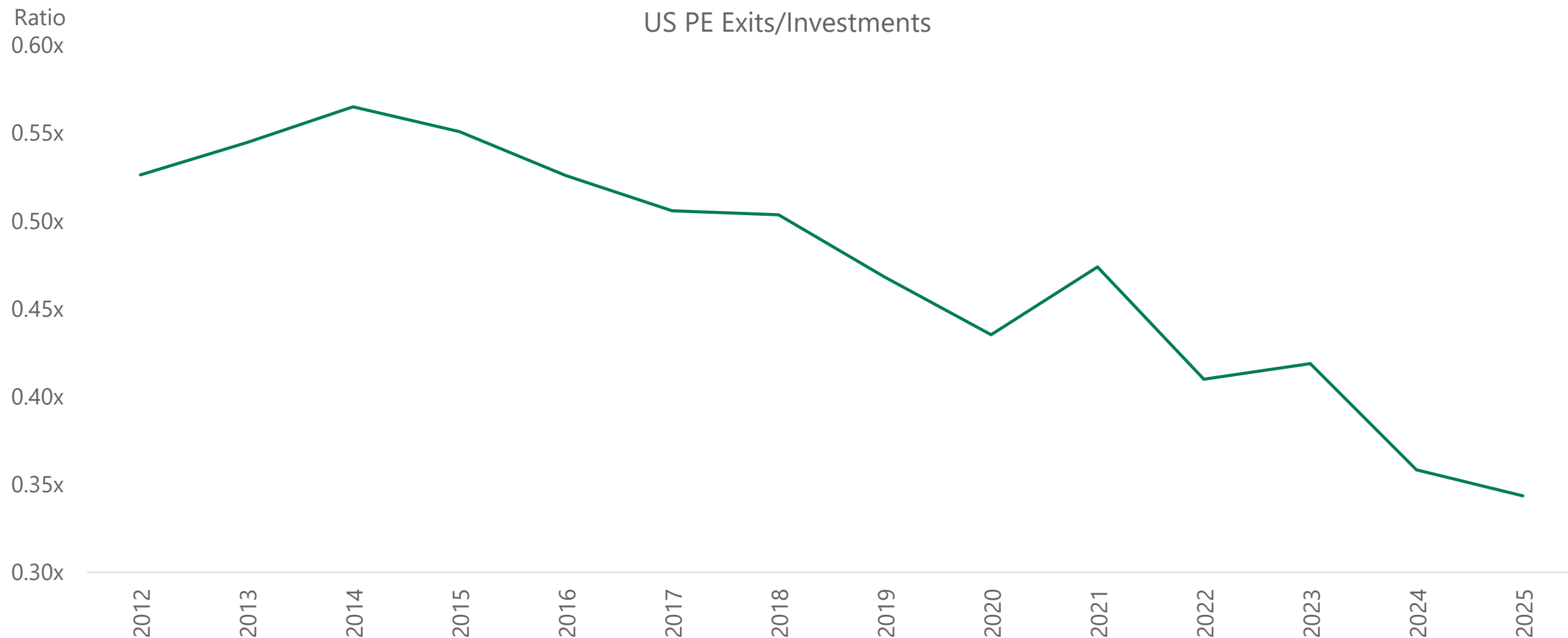
59% of global private equity capital is raised in North America



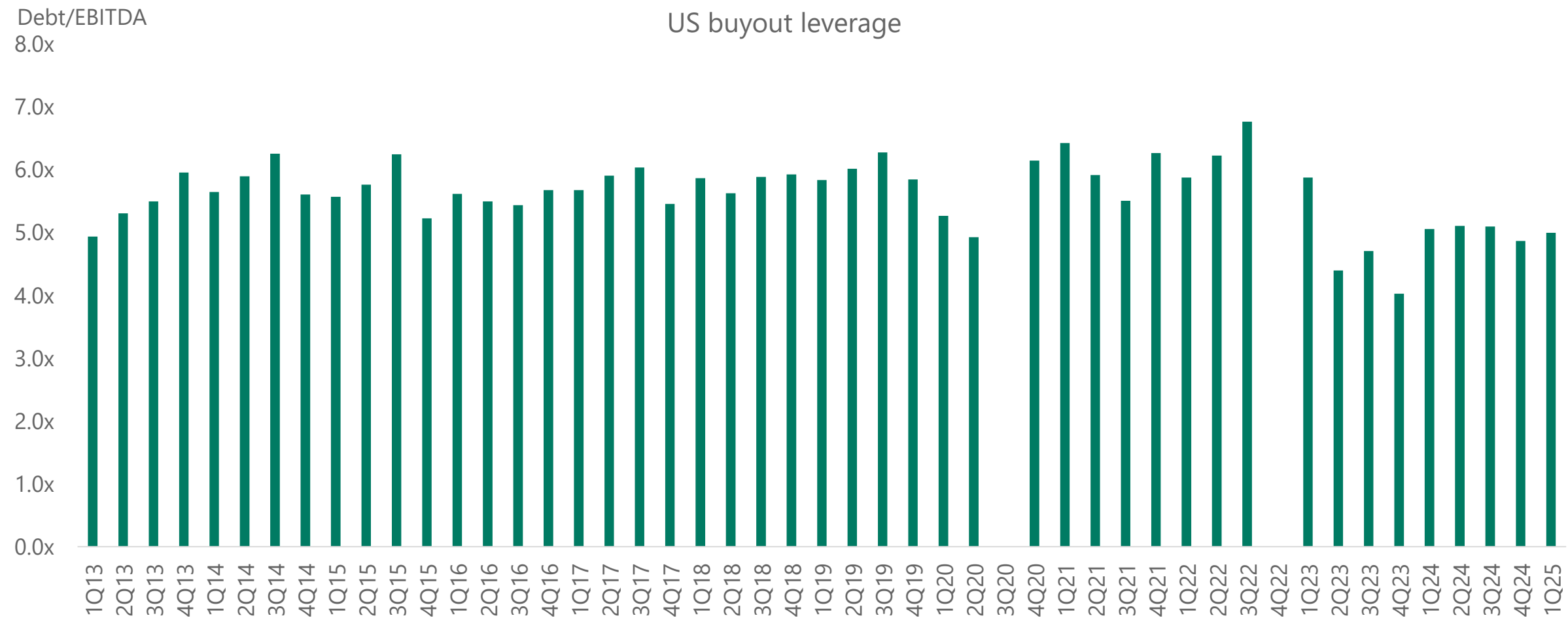
Recent PE deal activity



The exits-to-investments-ratio is declining

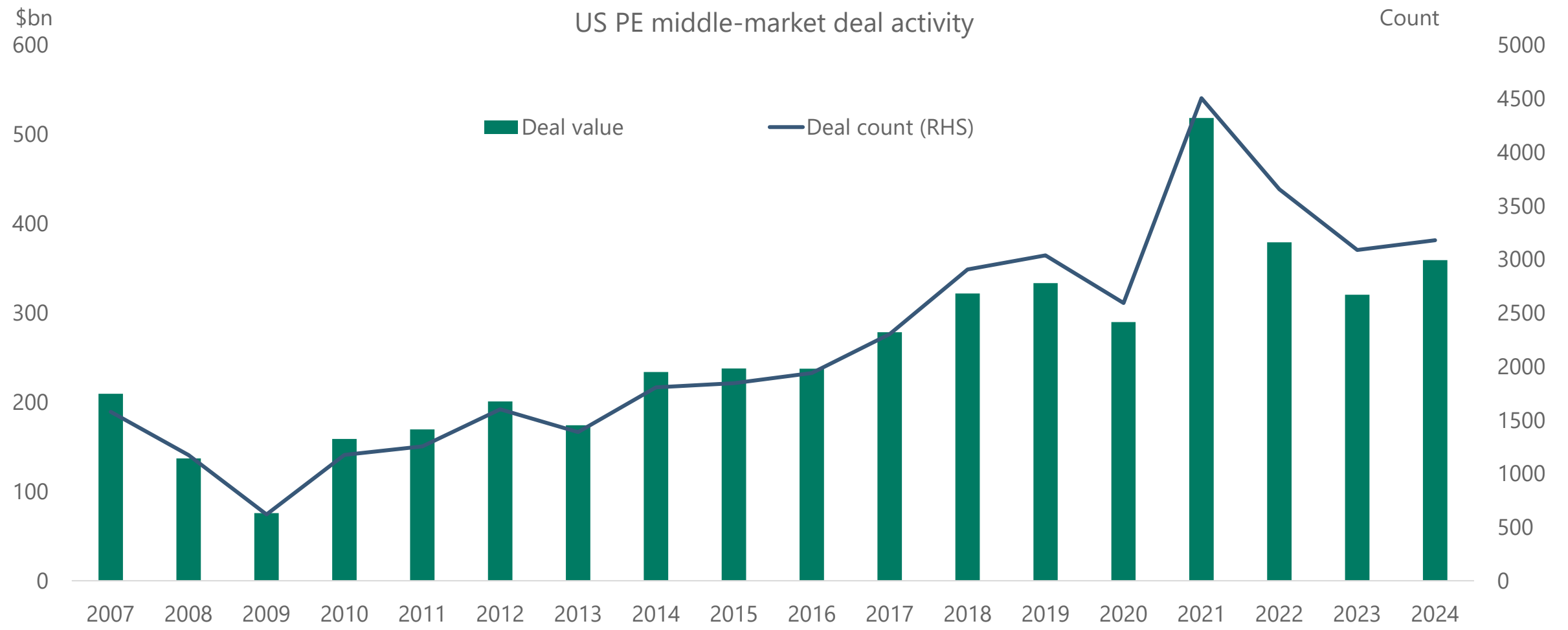


Median Debt/EBITDA declined after the Fed started raising rates in 2022



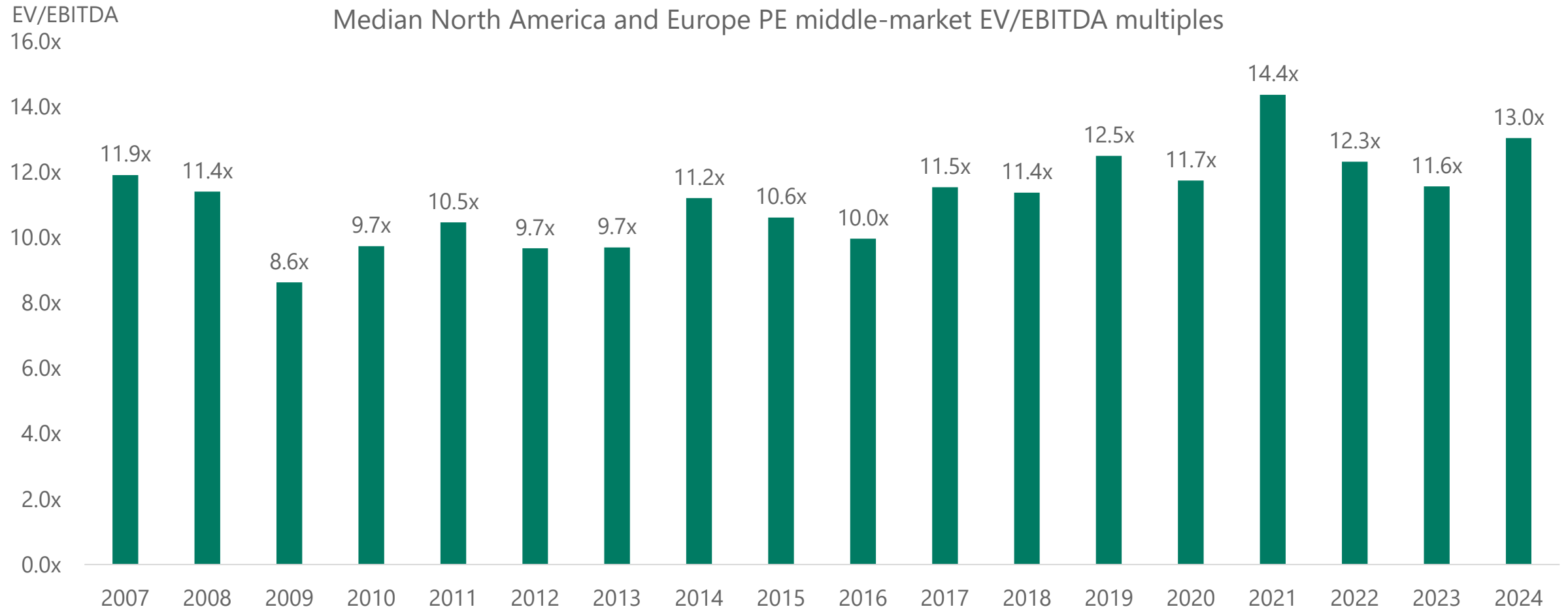
Source: PitchBook, Apollo Chief Economist. Note: Data as of 30th September 2024

US PE middle market deal activity



Source: PitchBook, Apollo Chief Economist. Note: Data as of 31st December 2024

Median North America and Europe PE middle-market EV/EBITDA multiples





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Torsten Slok joined Apollo in August 2020 as Chief Economist and he leads Apollo's macroeconomic and market analysis across the platform.

Prior to joining, Mr. Slok worked for 15 years as Chief Economist on the sell-side where his team was top ranked in the annual Institutional Investor survey for a decade. Mr. Slok has also worked at the IMF in Washington, DC and at the OECD in Paris.

Mr. Slok has a Ph.D in Economics and studied at the University of Copenhagen and Princeton University.