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Global Mid-Market Private Equities Market Report H1 2026

A publication of Altius

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Preface

The Global Mid-Market Private Equities[1] report for the first half of 2026 analyzes the market trends in Private Equity (PE) Merger & Acquisition (M&A) deals, in the Mid-Market, through H1 2026. A publication of Altius[2], the report highlights how PE deals and operations teams differentiate themselves from their peers to generate higher returns through operational excellence. The report analyzes different Mid-Market (MM) sub-segments by region, fund-type, industry segment and deal economics.

H1 2026 Mid-Market Deals at a Glance

- Total PE Deals (including non-MM): **3,019** deals
- Total Mid-Market deals: **924** deals
  - Lower Mid-Market: **517** deals
  - Core Mid-Market: **281** deals
  - Upper Mid-Market: **126** deals
- Consortium Mid-Market Deals: **447** deals
- Average Deal Size (MM): **$1,006 Million**
- Average Days to Close (MM): **11.2 days**
- Most Active Region (MM): **Americas (551)**
- Most Active Industry (MM): **Software and Services (195)**
- Most Active PE Firm (MM): **Bain Capital (7) and KKR & Co. (7)**

[1] Globally, the Mid-Market segment is categorized based on annual revenue of portfolio companies, with three distinct tiers. The **Lower Mid-Market (LMM)** is companies with revenues between $25 million to $100 million. The **Core Mid-Market (MM)** ranges from $100 million to $500 million, and **Upper Mid-Market (UMM)** ranges from $500 million to $2 billion.

[2] **Altius** is a Mid-Market private equity advisory firm, with offices in US, UK and India. Established in 2019, the firm focuses on funds and Mid-Market portfolio companies globally, working with deals and operations teams to deliver EBITDA.

Key Take-Aways (H1 2026)

- **Overall Deal Market**

  The first half of 2026 had a total of 3,019 PE deals. Of these, Mid-Market deals (924) represented 31% of overall PE deal activity.

- **Geographic Performance**

  Regionally, Americas (551) and EMEA (268) continued to lead in Mid-Market activity.

- **Top Industry Performance**

  The leading industries in the Mid-Market were Software and Services (195), Commercial and Professional Services (95), and Capital Goods (88).

- **Mid-Market Deal Volumes**

  Total Mid-Market Deals (H1 2025 vs H2 2025 vs H1 2026)
  - H1 2025 – 688
  - H2 2025 – 859
  - H1 2026 – 924

- **Most Active Sponsors**

  The contribution of Top Five Sponsors to overall Mid-Market deal volume in H1 2026 was as follows:
  - 31 Mid-Market deals, accounting for **3%** of overall Mid-Market deals.
  - Deal breakdown – Bain Capital (7), KKR & Co. (7), Blackstone Group (6), Warburg Pincus (6), General Atlantic (5)

H1 2026 Summary

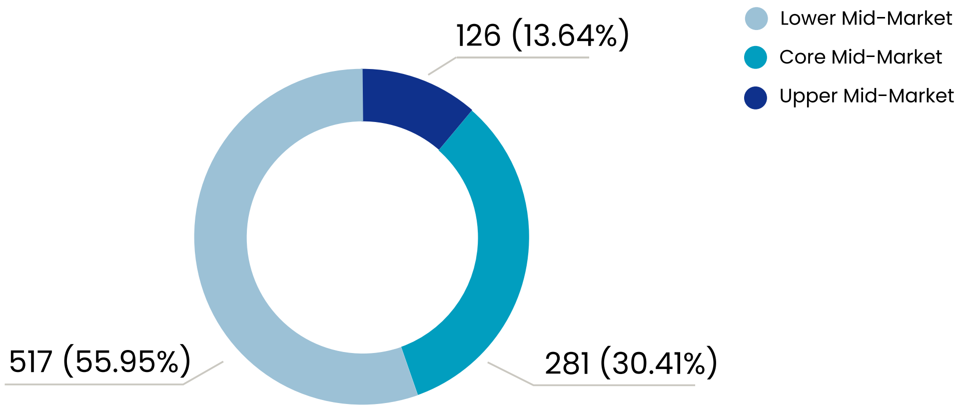


Figure 1: Deals by Segment (H1 2026)

The PE Mid-Market emerged from 2025 with an improvement in exit environments, which initially boosted global investor sentiment. However, unexpected conflicts in the Middle-East triggered fresh anxieties about oil prices, inflation and potential interest rate hikes. The uncertainty around the current valuation of conventional SaaS companies, in light of AI disruption, further slowed down deal activity.

Nevertheless, global PE deal activity in the first half of 2026 remains well above historic levels but the strength seems to be front-loaded. As the year progressed, month-over-month Mid-Market deal volume gradually softened in 2026 (see Figure 2).

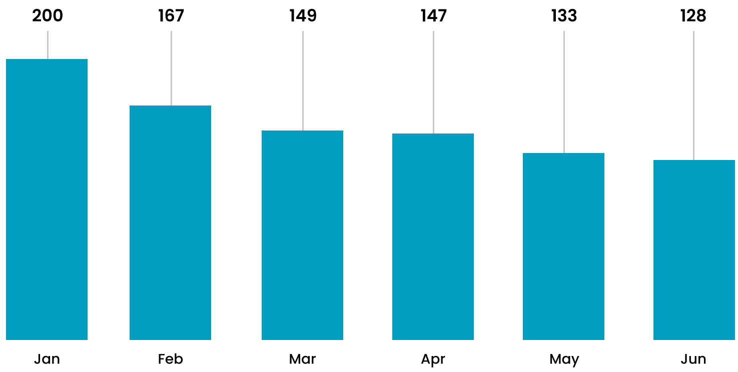


Figure 2: Deals by Month (H1 2026)

Average deal sizes continued to trend upward, with the average Mid-Market deal rising to approximately $1,006 million, the highest we've seen in the last three years (see Figure 3). Consortium activity hit a record high too, accounting for 48% of all Mid-Market deals (up by 7 percentage points). It indicates that sponsors continue to pool capital and share risk as activity shifts towards big ticket transactions.

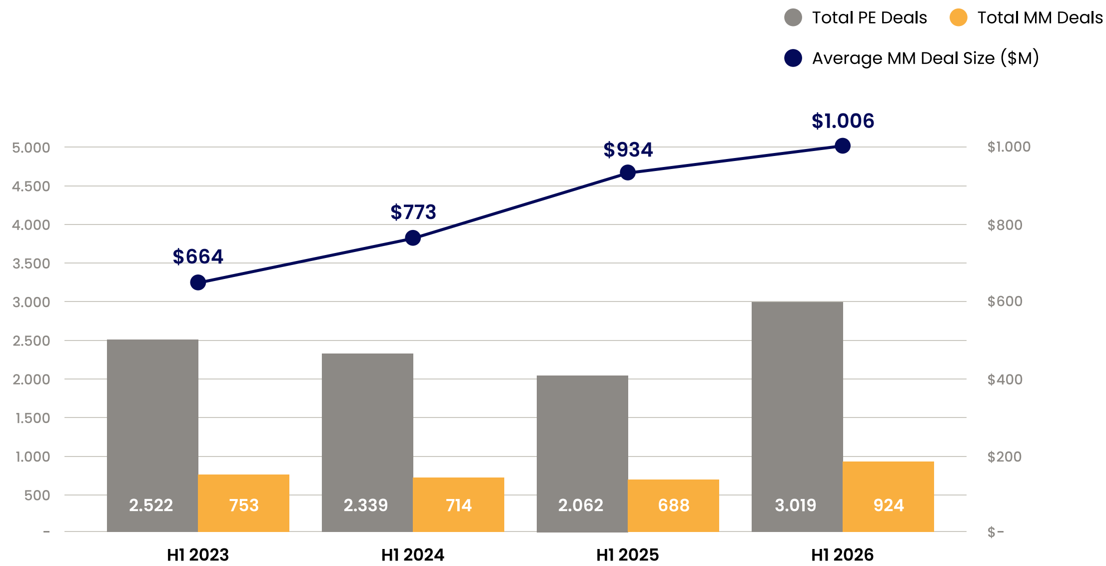


Figure 3: PE and Mid-Market Deal Activity by Year (H1 2023-H1 2026)

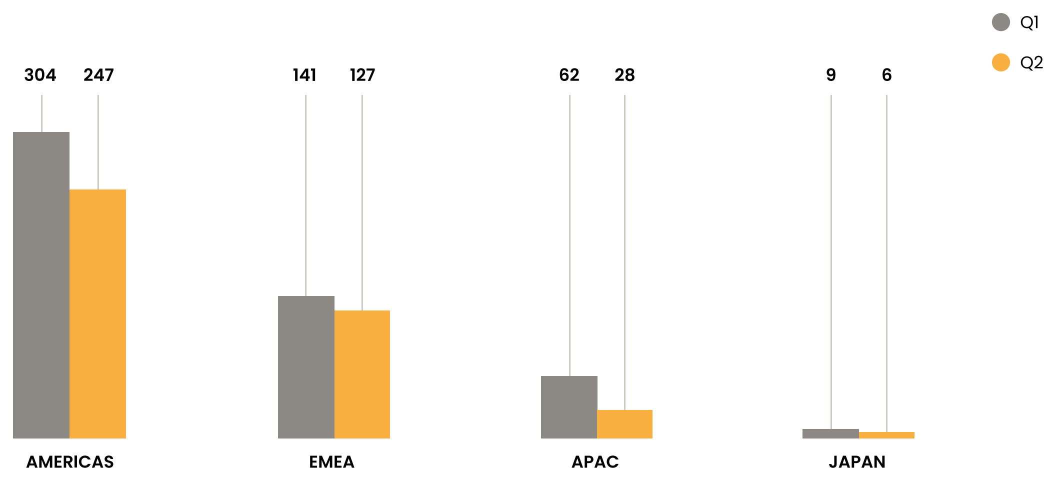


Figure 4: Deals by Region (Q1 2026 v Q2 2026)

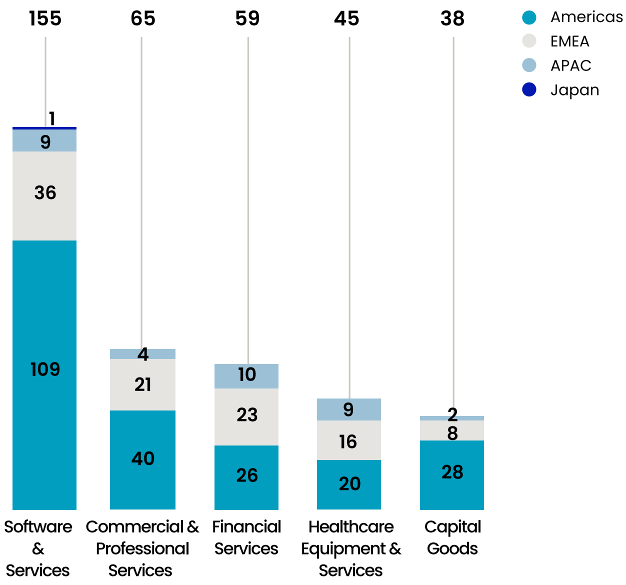
Geographically, the Americas retained the top position with a 60% share of the overall Mid-Market. EMEA accounted for 29%, down from 32% in H1 2025, while APAC continued a steady multi-year decline from 15% in H1 2023 to 10% in H1 2026. Japan retains a small share (2%) of global Mid-Market volume.

Software and Services remained the dominant sector in volume with 21% of Mid-Market deals (195). By deal size, REITs ($1,069M), Software and Services ($915M), and Banks ($807M) posted the highest average deal values. Bain Capital and KKR & Co. tied for the most active sponsor with 7 deals each. Overall, H1 2026 presented a Mid-Market defined by larger, syndicated and more selective transactions, with a longer 11.2-day average close indicating deeper diligence.

YoY: H1 2025 vs H1 2026

Although there was a significant 46% increase in overall PE deal volume from H1 2025 (2062) to H1 2026 (3019), the Mid-Market segment continued to represent a similar proportion of the overall deal volume. Notably, the average deal size increased 8% year-over-year, from $934 M in H1 2025 to $1,006 M in H1 2026.

Over both time periods, the Lower Mid-Market segment dominated deal activity, representing 55% in H1 2025 and 56% in H1 2026. While all three segments saw a net increase in deal volume, the proportions they represented in the Mid-Market landscape remained similar. The 23% increase in closing time for Mid-Market deals could be indicative of multiple factors such as increasing hesitation with investors, more competitive and detailed pre-deal evaluations, or more complex deals.



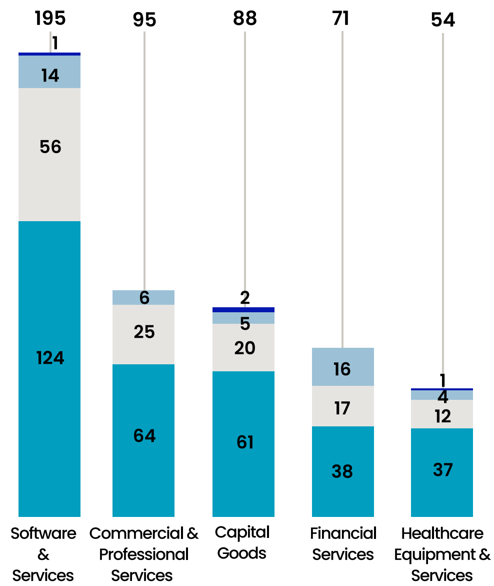


Figure 5: Deals by Industry and Region (H1 2025)

Figure 6: Deals by Industry and Region (H1 2026)

Although the top two industries (Software & Services and Commercial and Professional Services) stayed consistent through both time periods, Capital Goods broke into the top three industries in H1 2026, with 88 Mid-Market deals, outpacing the growth of the other top industries, with a 132% increase in deals from H1 2025 (38).

Regionally, the most notable growth was in Japan's Mid-Market, moving from 4 deals in H1 2025 to 15 deals in H1 2026. At first glance, this 275% increase stands out over other regions with less than 50% growth, but it's largely biased by a low deal volume.

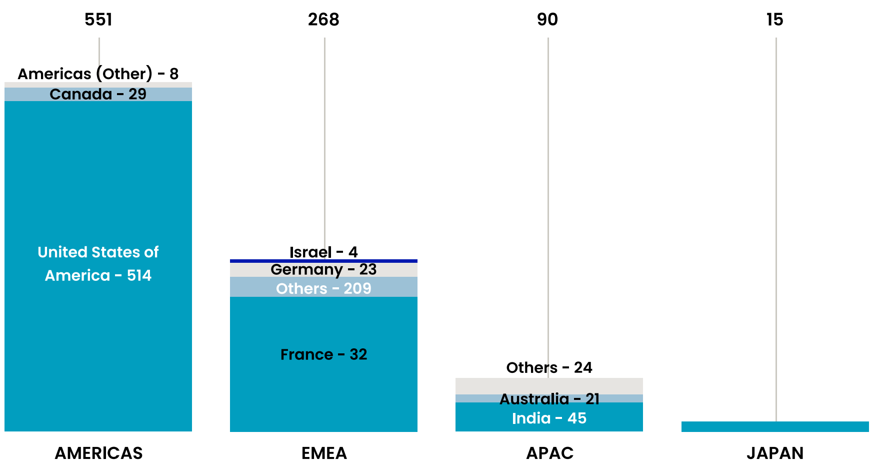


Figure 7: Deals by Region (H1 2026)

Overall, most trends remained stable year-over-year, with growth primarily driven by the increase in deal volumes. The first half of 2025 (H1 2025) presented a more efficient deal environment than in H1 2024, but this pattern has flipped over the course of the year, as the average days to close increased. The lack of deal certainty may be driven by multiple factors. In combination with slightly higher average deal value, it's an interesting shift to track over the next year.

Sequential: H2 2025 vs H1 2026

Between H2 2025 and H1 2026, there was minimal growth in overall PE deals (3%), with the Mid-Market segment growing by 8%. While there were minimal changes in overall deal volume, the growth rates of certain segments stand out. The Upper Mid-Market, in particular, expanded by 27%, while the Core and Lower segments both grew by less than 10%.

Consortium deals represented 48% of the overall Mid-Market space in H1 2026, an increase of nearly 7 percentage points from H2 2025. Taking into account that average deal sizes skyrocketing by 74%, this may indicate the tendency for firms to lean on consortium deals to spread the risk across higher value deals. Deal complexity and the partner ecosystem will be worth tracking over the rest of 2026 as well.

While the top regions remained consistent with the Americas and EMEA, it is important to note that both EMEA and APAC saw a decline in deal volume, while Americas and Japan continued to grow from H2 2025 to H1 2026. The growth from these two regions outweighed the decline in EMEA and APAC, driving the overall net growth in the Mid-Market segment.

In both time periods, KKR & Co. and Warburg Pincus were in the Top Five Sponsors, with TPG Capital dropping out of the mix from H2 2025 to H1 2026. Blackstone Group and Bain Capital featured more prominently in H1 2026.

From the close of 2025 to the start of 2026, the same patterns prevailed, with minimal shifts in the Mid-Market space. Overall, investors showed much more certainty and closed bigger deals faster.

Fund Level Analysis

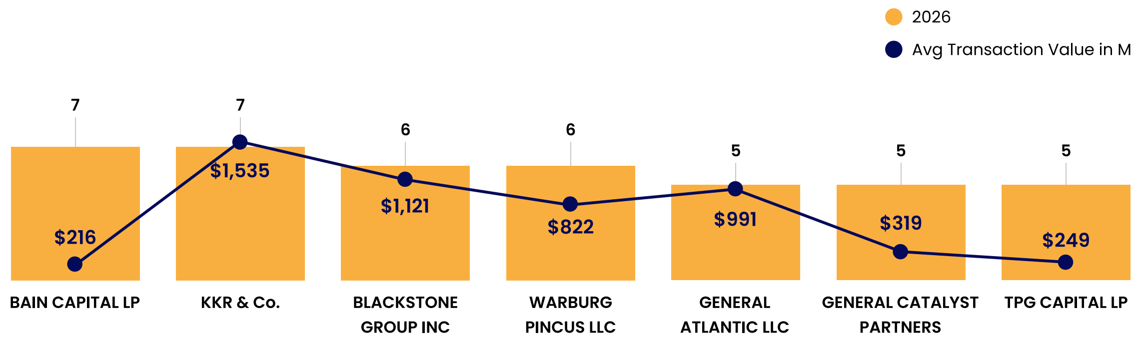


Figure 8: Most Active Sponsors

The first half of 2026 witnessed some very impactful decisions made by some leading sponsors. The deal activity was reflective of larger trends in the industry as well as a look into the deal preferences of PE firms in a changing market. Warburg Pincus, Blackstone Group and KKR & Co. made some extremely strategic decisions in their deal activity.

In January, Warburg Pincus[3] closed its Financial Sector III fund, and was able to do so by beating its $2.5 B target, by half a billion USD. The priority to successfully close this fund emphasized the continued interest in the Financial Sector, and why it has continued to stay in the top 5 sectors in recent quarters. During uncertain times, firms are still backing investment in the financial sector and expecting successful turnaround of their investments.

By May, KKR & Co.[4] expanded its footprint in the sports industry by acquiring Arctos, a professional sports investment firm with a global footprint. With this definitive move, they established KKR Solutions, a secondaries business that KKR has been focused on expanding. This move also represented the diverse interests of PE sponsors, beyond leading industries such as Commercial and Professional Services or Software and Services.

Finally, AI has continued to be a hot topic in the Private Equity space, and two deals made in March 2026 have further shown that sponsors intend to support its growth. Blackstone Group[5] entered an agreement to acquire a majority stake in Advanced Cooling Technologies, a company focused on technology to cool data centers. Their products are centered around solving data center temperatures and energy efficiency, an important bottleneck in the growth of AI. By backing this solution, Blackstone has ramped up the importance of solving these challenges and continues to inject confidence in the continued growth of AI.

The actual applications of AI go beyond just the technology space. Warburg Pincus[6] became a growth investor in TheGuarantors, a company in the real estate industry. Their work in the rental house market is focused on AI-powered underwriting, leveraging AI to evaluate renter default risk. By utilizing the latest technology, the company is able to allow owners to mitigate multiple risks. This allows for more resilience and security in a volatile industry like real estate.
From sports to financial services and AI, PE sponsors continue to have an appetite for diverse investments that echo market trends and drive future deal patterns.

[3] https://warburgpincus.com/2026/01/07/warburg-pincus-closes-on-3-0-billion-financial-services-fund/
[4]https://www.businesswire.com/news/home/20260504956768/en/KKR-Closes-Acquisition-of-Arctos-Partners
[5]https://www.prnewswire.com/news-releases/blackstone-energy-transition-partners-announces-agreement-to-acquire-majority-stake-in-advanced-cooling-technologies-302711030.html
[6]https://warburgpincus.com/2026/03/18/theguarantors-announce-growth-investment-from-warburg-pincus/

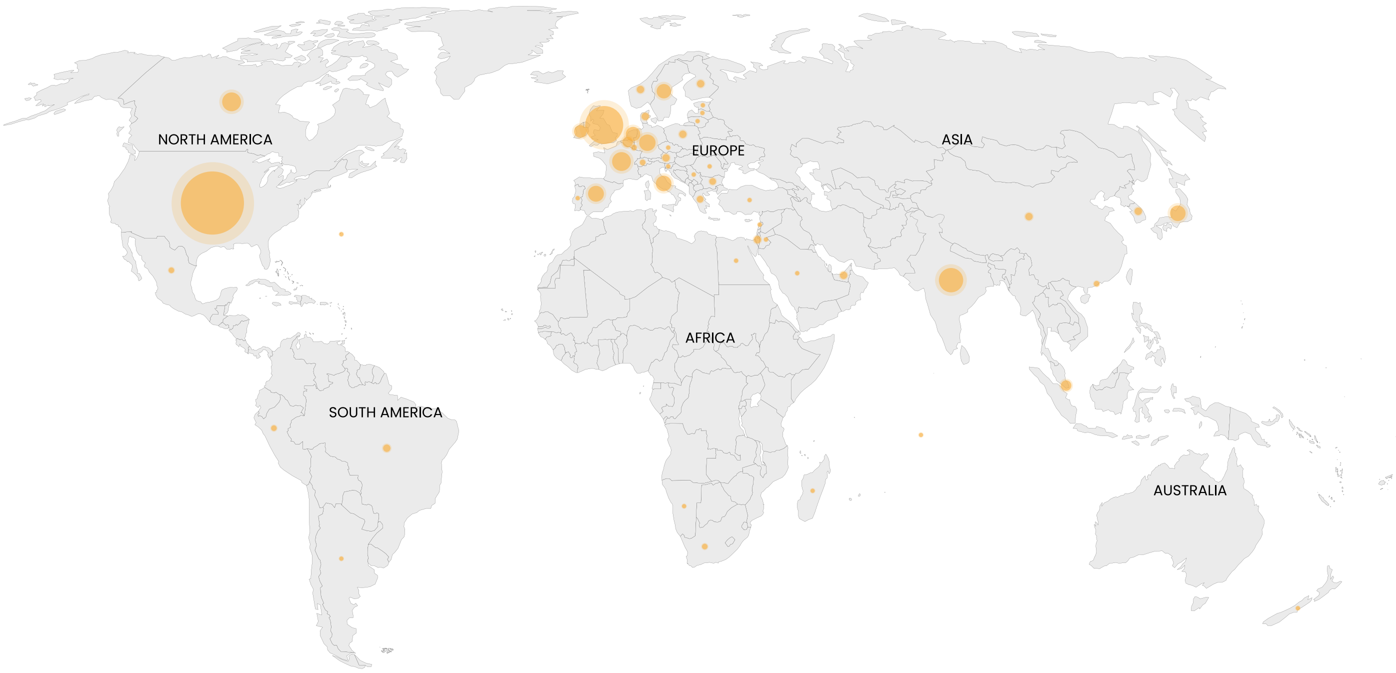


Figure 9: H1 2026 – Deals by Geography

Looking Ahead

With volumes higher across segments and regions, the near-term question shifts from whether the Mid-Market can recover to whether the pace is sustainable into H2 2026.

Geopolitics and interest rates continue to shape the PE Mid-Market as we enter the second half of the year. Recent spikes in oil prices, due to re-escalation in the Middle East conflict, renewed U.S.-China trade friction, an AI-driven repricing of software, as well as increased stress in parts of private credit have all weighed on confidence. Inflation remains above target as we enter H2 2026, and some forecasters are now pushing cuts from the US Federal Reserve into 2027, yet the broader economy has held up and both deal size and volume are at record levels.

The old model of easy credit, expanding multiples and broad buyout rallies is over. The path forward runs through specialized deals, proven growth engines and disciplined underwriting rather than market tailwinds.

AI Trends in the Industry

H1 2026 marks a broader shift in AI – from an emerging theme to a core capability across the Private Equity ecosystem. AI started as a tool for enhancing productivity. Gen AI now runs across the investment lifecycle, from sourcing and diligence through value creation and exit planning. Companies who want the AI advantage will achieve it by operationalizing AI in measurable portfolio performance which matters most in the Mid-Market and not just by using AI.

External mid-year research corroborates this shift. McKinsey characterizes 2026 as the year Private Equity's AI 'fog' lifted to reveal a tougher, more technical terrain in which returns are driven by 'operational alpha' - the primary engine of returns in a maturing market.[7] EY's Q1 2026 Private Equity Pulse points the same way: expectations for earnings growth and revenue sit near the mid-point of its 1–100 scale while multiple-expansion expectations have fallen to 39, indicating that returns are likely to be driven more by underlying business performance.[8] PwC frames AI as the catalyst the Mid-Market has been missing, describing an emerging playbook in which sponsors partner with AI companies to transform Mid-Market portfolio companies quickly.[9] An AI-driven "SaaSpocalypse" has compressed software valuations and narrowed exit windows for legacy software assets. The same force cuts both ways. AI enters diligence as both a value-creation lever and an asset-level risk.[10]

Specifically in the Mid-Market, AI represents an opportunity to accelerate value creation at a scale previously unavailable to smaller portfolio companies. The next generation of successful PE firms will likely be defined less by their ability to identify attractive assets and more by their ability to systematically transform those businesses through AI-enabled operating models.

[7] https://www.mckinsey.com/industries/private-capital/our-insights/global-private-markets-report/private-equity
[8] https://www.ey.com/en_us/insights/private-equity/us-private-equity-ai-insights
[9] https://www.pwc.com/us/en/services/consulting/deals/outlook.html
[10] https://www.bain.com/insights/private-equity-midyear-report-2026/

Conclusion

H1 2026 paints a selective, but strong, PE Mid-Market landscape. In the past few years there has been a significant uptick in deal volumes, as well as average deal sizes.

H1 2026, in particular, recorded the highest average Mid-Market deal sizes in the past 3 years, demonstrating the strength and resilience of the PE Mid-Market.

AI continues to be the key differentiator for successful firms. Beyond having AI capabilities, a firm's AI readiness and implementation are crucial to their success. Investors look for ways to directly utilize AI in the entire dealmaking cycle, from due diligence to exit preparation. The speed and analytical abilities that AI provides allow sponsors to make quicker decisions, evaluate multiple strategies and mitigate risks better. With significant global growth in deal volume and strong trends in leading industries, it remains to be seen how sustainable these growth trends are in the second half of the year.

Appendix

Mid-Market

- Globally, the Mid-Market segment is categorized based on the annual revenue of portfolio companies, with three distinct tiers.
  - The Lower Mid-Market (LMM) comprises companies with revenues between $25 million and $100 million
  - The Core Mid-Market (CMM) ranges from $100 million to $500 million
  - The Upper Mid-Market (UMM) ranges from $500 million to $2 billion.

Currency

- All financial data in the report is denominated in US Dollars (USD). Data aggregated from international sources, and reported in non-USD currencies, have been converted using spot rates to equivalent USD.

Reporting Period

- Quarters (Q1, Q2, Q3, Q4) and Halves (H1, H2) of the given year, for example:
  - Q1 – January through March
  - H1 – January through June

Sources

- Revenue: ZoomInfo[11] – last updated July 16th, 2026
  - About 5.5% of deals in H1 2026 did not have revenue information. We excluded them from Mid-Market deals, and categorized them as "Others"
- Deal Data: MergerLinks[12] – last updated July 7th, 2026
- Industry Classification: GICS Industry Standards[13] – last updated August 2024
- Fund Level Analysis (sources cited in footnotes of respective pages)
- AI Trends in the Industry (sources cited in footnotes of respective pages)

Notes

- Elements with insufficient or unavailable data were omitted from the graphs to ensure accurate analysis.
- All percentages in the report were rounded to whole numbers.

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[11] https://www.zoominfo.com/

[12] https://mergerlinks.com/

[13] https://www.msci.com/our-solutions/indexes/gics

About Altius

Founded in 2019, by Big Four management consultancy professionals, Altius is a premier global advisory firm to Private Equity funds and their portfolio companies in the Mid-Market. From due diligence to value creation and from strategy through execution, Altius delivers sustained impact with velocity, precision and expertise at every stage of the M&A lifecycle. We are thought leaders in carve-outs, integration and value creation using levers such as Global Capability Centers, Global Business Services, Zero-Based Design and Digital Transformation. We support PE Deal and Operations teams from due diligence to exits, across asset-intensive and information-intensive industries in America, Europe, and Asia with a global footprint of practitioners.