

## Which Deal Size Drives the Highest Private Equity Returns? The Data Says \$25M-\$100M



By John J. Koepfel

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What deal size (EV) is driving the highest returns for private equity and independent sponsors in the middle market?

**ANSWER:** with 39% IRR and 3.3x multiple, the \$25M to \$100M segment is the winner. Interestingly, this segment even has slightly fewer poor outcomes than the largest segments (roughly 1 in 5 are not returning 100% of capital plus an 8% preferred return).

- This lower middle market segment is where most independent sponsors thrive:
  - Plenty of attractive targets (with add-on potential for the initial platform)
  - More reasonable entry valuations (hence, multiple arbitrages still exist)
  - Potential ability to structure as QSBS (meaningful capital gains tax benefits)
  - Deep layers of equity and debt providers backing these deal sizes.

John J. Koepfel's commentary on "[Smaller Checks are Winning in the Middle Market—and With Less Risk.](#)" By Steven Buibish, June 12, 2026, *Pitchbook*

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