

New Zealand Private Equity

Trends, deals & outlook



1 April 2026

2026 Outlook for Private Equity

At the start of the year, we expected positive M&A momentum to continue, supported by an improving domestic economy and gradually strengthening fundamentals. Instead, recent geopolitical disruptions – including heightened conflict risk, trade fragmentation and energy market volatility – have injected renewed uncertainty into global dealmaking, complicating what had been shaping up as a more constructive outlook for 2026.

Even so, those conditions can create a distinct opportunity for private equity. As an asset class underpinned by committed capital, private equity is structurally positioned to deploy through volatility – particularly where uncertainty constrains balance sheets, risk appetite or execution capacity elsewhere.

Against that backdrop, New Zealand’s relative stability stands out. As global uncertainty intensifies, the qualities that make New Zealand attractive to private capital – its rules-based legal system, transparent regulation, low sovereign risk and resilient business cashflows – are exactly what investors seek when the world becomes less predictable. While renewed uncertainty may slow the pace of domestic recovery and create short-term pressures, sponsors taking a medium-term view will continue to see New Zealand as something genuinely scarce in the current environment: a stable platform from which to deploy capital with confidence.



Dry powder and disciplined deployment

From a capital perspective, deployment pressure remains strong, with private equity funds continuing to hold significant undeployed capital reserves. In fact, private capital across Australia and New Zealand enters 2026 with a record NZD42B of dry powder. However, we are unlikely to see what Bain’s Global Private Equity Report 2026 dubbed “2021’s orgy of dealmaking”.

Instead, we expect to see capital being deployed in a disciplined and selective manner, with sponsors prioritising assets where conviction can be established early and underwriting risk is clear. This environment favours businesses with defensive earnings, strong cash generation and proven management teams, as well as assets aligned to long term structural themes such as healthcare, digital infrastructure, energy transition and essential services.



Regulatory reform as a tailwind but caution still required

Regulatory reform provides a constructive tailwind. Ongoing changes to the overseas investment regime—particularly faster consent pathways and clearer national interest framing—are improving transaction certainty for offshore investors. While discretion remains, the overall direction of travel is increasingly aligned with attracting high quality private investment, reinforcing confidence in New Zealand as an investable market heading into 2026.

One point worth keeping in mind is that the current treatment of profits on exit as non-taxable capital gains is not guaranteed to continue. We believe Inland Revenue will look harder at this position going forward in relation to local fund participants who do not benefit from treaty relief.



Asset maturity and capital recycling

A further structural driver for 2026 is asset maturity and capital recycling. A growing cohort of New Zealand PE backed assets is approaching traditional hold horizons over the next 12–24 months, which is expected to support increased exit activity. This is likely to manifest through sponsor to sponsor transactions, partial exits and structured liquidity solutions, rather than a wholesale shift toward new platform investments, with GP led secondary transactions continuing to play an important role.

While continuation funds are becoming increasingly common overseas, we are unlikely to see them become a common feature in the New Zealand market in the immediate future, given the prevalence of evergreen and more flexible fund structures by local sponsors.



NZ continues to offer great value

New Zealand continues to offer a compelling value proposition for private equity, with entry multiples for high quality assets typically materially below those seen in Australia and other comparable markets. This reflects market scale rather than asset quality, creating opportunities to acquire institutional grade businesses at more conservative entry pricing.

That valuation advantage is reinforced by the quality of the investment environment. New Zealand businesses operate within a stable political and regulatory framework, a transparent legal system and exceptionally low levels of corruption, and are often characterised by strong governance, defensible positions and resilient cashflows. Together, these factors position New Zealand as a rare combination of value and institutional certainty.

Offshore investor sentiment

Based on a survey of 90 international investors who invested in NZ in the past 5 years:

78%

of offshore investors said global uncertainty had strengthened their intention to invest in New Zealand, reinforcing its position as a relative safe haven for private capital

49%

of respondents said they were considering an investment in New Zealand within the following 12 months, the highest level recorded since the survey began in 2018

99%

of respondents said they were considering an investment in New Zealand within the following 5 years

New Zealand rated as the top destination in Asia-Pacific for ease of doing business and quality investment opportunities.

See [Simpson Grierson Expanding Horizons Report 2025](#) for more details.



Review of 2025 - key takeaways



Certainty, not speed, defined successful transactions

Certainty was the dominant execution theme. Sponsors increasingly sought to minimise deal risk through reduced conditionality, a preference for locked box pricing to eliminate post completion price uncertainty, and the routine use of W&I insurance to facilitate clean exits and limited recourse structures.



High quality assets continued to attract strong competition

While sponsors were disciplined in auctions, premium assets with scale and clear fundamentals continued to draw significant PE and strategic interest. Outside these situations, sponsors generally favoured bilateral or limited party processes with early exclusivity, accepting longer execution timelines in return for greater certainty of outcome.



Secondary transactions provided exit opportunities

Asset recycling through partial exits and sponsor to sponsor deals became a key deployment and liquidity pathway, particularly for scaled assets. Secondary private equity buyers—particularly offshore funds—were prepared to underwrite scaled New Zealand assets where earnings visibility was strong, sector dynamics were well understood and credible pathways to further value creation existed.



Sector concentration remained

Activity continued to cluster around healthcare, consumer brands, financial services, infrastructure adjacent assets and technology enabled businesses. This reflects sponsor preference for defensive characteristics, structural growth themes and data driven operating models.



Strategic buyers led overall deal volumes

Strategic acquirers outpaced financial sponsors for much of 2025, reflecting their greater willingness to underwrite market and industry risk within existing operating platforms, justify pricing through revenue and cost synergies unavailable to standalone private equity, and take a longer term view of value creation given their existing exposure to the sector.

2025 in numbers

Private Equity Deals

26 of 157 announced deals involved PE (~16.6%)

17 of 180 announced deals involved PE (~9%)

2024 2025



GDP Q4 2025 0.2%
(up from -0.3% in Q4 2024)



Inflation Q4 2025 3.1%
(up from 2.2% in Q4 2024)



OCR Q4 2025 2.25
(down from 4.25 in Q4 2024)



Unemployment Q4 2025 5.4%
(up from 5.1% in Q4 2024)

Sourced from: PwC Quarterly Updates, Stats NZ, RBNZ

i 2025 Deal Highlights

Mercury Capital – sale of Tāmaki Health to TPG

A high profile sponsor exit in healthcare, demonstrating continued offshore appetite for scaled, defensive New Zealand platforms.

Adamantem Capital – merger of forestry management companies PF Olsen and Forest360

A roll-up of two leading players in the Forest Management sector with Adamantem coming in as an investment partner.

Direct Capital – minority stake sale in AS Colour to Quadrant Private Equity

A structured partial exit balancing liquidity with continued exposure to a globally scalable consumer brand.

BGH Capital – sale of CyberCX to Accenture

A high value sponsor exit by trade sale in the cyber and technology sector, demonstrating sustained strategic buyer appetite for PE built platforms operating in sensitive, highly regulated environments.

Brookfield – acquisition of Clarus from Igneo Infrastructure Partners

A landmark sponsor to sponsor infrastructure transaction highlighting global demand for regulated energy platforms.

Spark – sale of 75% of its data centre business to Pacific Equity Partners

A cornerstone digital infrastructure investment reflecting PE appetite for long-duration assets.

Vista Group – sale by Potentia Capital of a 19.19% stake

An underwritten \$140m secondary block trade exit, demonstrating continued investor appetite for high quality NZ-based global technology assets.

Craigs Investment Partners – 50% acquisition by TA Associates

A high profile offshore PE entry into the New Zealand wealth management sector, reinforcing sector concentration trends.

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