

# L.A. Dealmakers Having a Busy Year

**FINANCE:** Various movers and shakers in the M&A world discuss 2025 so far and what the future of dealmaking might hold.

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The year 2025 has proven to be a tough one for mergers and acquisitions. Ongoing geopolitical tensions and President Donald Trump's wavering legislation surrounding tariffs and trade policies dampened what was expected to be a bounce-back year for companies.

Nonetheless, the Los Angeles private equity and finance dealmakers are getting restless. Years of slow dealmaking amid the Covid-19 pandemic and ongoing economic uncertainty have left private equity firms with a lot of capital that's ready to be spent.

Leading up to 2025, it has led to an eventful moment for M&A deals and the dealmakers in Los Angeles. In partnership with ACG Los Angeles, the Los Angeles Business Journal hosted its inaugural 2025 M&A Awards this month, highlighting the standout transactions, investors and professionals that shape the industry in L.A.

For the program, the Business Journal acknowledged the deals of the year, including the top deal at \$1 billion or more and breakthrough deal of the year. The dealmakers of the year were also recognized, such as the M&A Industry Icon Award, given to Lloyd Greif, chief executive of downtown investment banking firm Greif & Co.

"For the majority of our clients, this is the first and maybe only deal



Lauren Greif accepts M&A Industry Icon Award on behalf of her father Lloyd Greif from LABJ publisher Josh Schimmels.

they will do in their lifetimes,” Greif said in his speech. “That makes us equal parts educator, therapist, strategic, operations and financial consultant, and trusted adviser – in a word, *consigliere*.”

While a 2022 M&A market waited patiently for economic factors to stabilize, the 2025 M&A market is choosing to navigate – cautiously – through uncertain waters that show no signs of balancing out.

“There remains a lot of dry power in the private equity space that needs to be deployed,” said Matt Kiel, senior counsel at downtown Los Angeles-based Foley & Lardner; Kiel received the Business Journal’s Emerging Leader of the Year Honoree. “Buyers and sellers are just looking for the right pricing. I think that with a little bit cheaper capital due to the potential (interest rate) cuts coming up, I think that could really loosen things up,” he said.

The U.S. Federal Reserve on Wednesday cut interest rates by an expected 25 basis points, citing the nation’s weak job market. During a press conference, Fed Chairman Jerome Powell said the central bank’s decision highlights a move to keep the economy in check.

“You can think of this, in a way, as a risk management cut,” Powell said.

### **A spate of deals**

M&A dealmaking involving L.A.-area firms run the gamut from commercial and enterprise-focused to everyday consumer products – a sign that the M&A market is market-agnostic when it comes to hunting down good deals.

“I would say (no industry is) necessarily hot,” said Ryan Clark, a broker at Veld Mergers & Acquisitions. “People like EBITDA, people like return on investment, they want cash flow. I would say all industries can be attractive if they’re a well-run business.”

In 2024, SRS Distribution Inc. was acquired by The Home Depot Inc. in an all-cash deal that

was valued at \$18.25 billion – the fourth largest private equity exit to ever be conducted, according to PitchBook. Sawtelle-based Leonard Green & Partners invested in SRS Distribution back in 2018, when it was a huge distributor of roofing products.

The deal – which won the Business Journal’s deal of year at \$1 billion-plus – highlighted Home Depot’s ongoing quest to expand its customer base beyond home improvement and further into professional services.

On the other hand, Oakland-based E.l.f. Beauty acquired Hailey Bieber’s beauty brand Rhode in a \$1 billion deal. E.l.f. long had ambitions to grow itself into a conglomerate and compete with the likes of L’Oréal Group to build a beauty empire that could flex with rapidly changing consumer demographics, expectations and behaviors.

“(Companies) were hanging around the hoop, so to speak, and still talking and active, but just couldn’t actually close the transaction until later,” said Christian Schiller from Cascadia Capital. “That’s the good news – a lot of deals actually did get done. They just took longer to get done. So, the execution cycles are taking longer.”

E.l.f.’s acquisition of Rhode received the Business Journal’s deal of the year for those between \$250 million and \$1 billion.

### **Uncertain future**

Despite private equity investors’ hunger to facilitate more M&A deals, several industries are still in limbo as companies pore over the risks of several changing federal trade policies and legislation.

“Industrials – after the tariffs were announced earlier in the year, there was a big pause on that,” said Roy Bezakistny, the director at Prime Finance, a real estate credit management firm. “We’re waiting to see if the Supreme Court strikes down the tariffs. And I think if that happens, you’ll start to see more activity in industrials, either

sales or refinances or just leasing in general.”

Renewable energy deals in the works are also largely on pause due to cuts made in the One Big Beautiful Bill Act, a tax and spending statute signed into law in July.

“We’re seeing the intersection between renewable energy and the tech sector is pretty hot. And so, we’re seeing a lot of energy infrastructure companies and kind of surrounding data centers, and a lot of other energy related startups feeding into this energy demand to fuel AI,” Kiel said. “Ironically, a lot of companies that had deals in the pipeline essentially went on pause when the Big Beautiful Bill was passed, which did admittedly take a hit (and) just disrupted a lot of plans for renewables companies.”

Dealmakers are moving slowly and more strategically than they were pre-pandemic due to shifting priorities, and private equity firms have to put in more work to coax M&A deals out of the market, Clark said.

“I would say, coming out of the pandemic, there’s still a lot of feeling things out and risk mitigation, just people being cautious. People are learning to navigate the transition out of the pandemic, navigate higher interest rates, navigate inflation,” he said. “There’s a lot more prep work going on. You can’t fly by the seat of your pants and hope for the best anymore. Now it’s about being prepared well, positioning yourself really well, and giving you the best opportunity to be successful for playing an exit.”

The future of M&A dealmaking is still uncertain. But it will come back in a big way, Schiller said.

“We are in one of the longest M&A downturns since World War II. 2021 was the last hot year,” Schiller said. “But there’s been so much pent-up demand, it’s kind of like a rubber band. The more you pull it at, the more pent-up demand there is, and the longer (you do that), the faster it shoots out.”