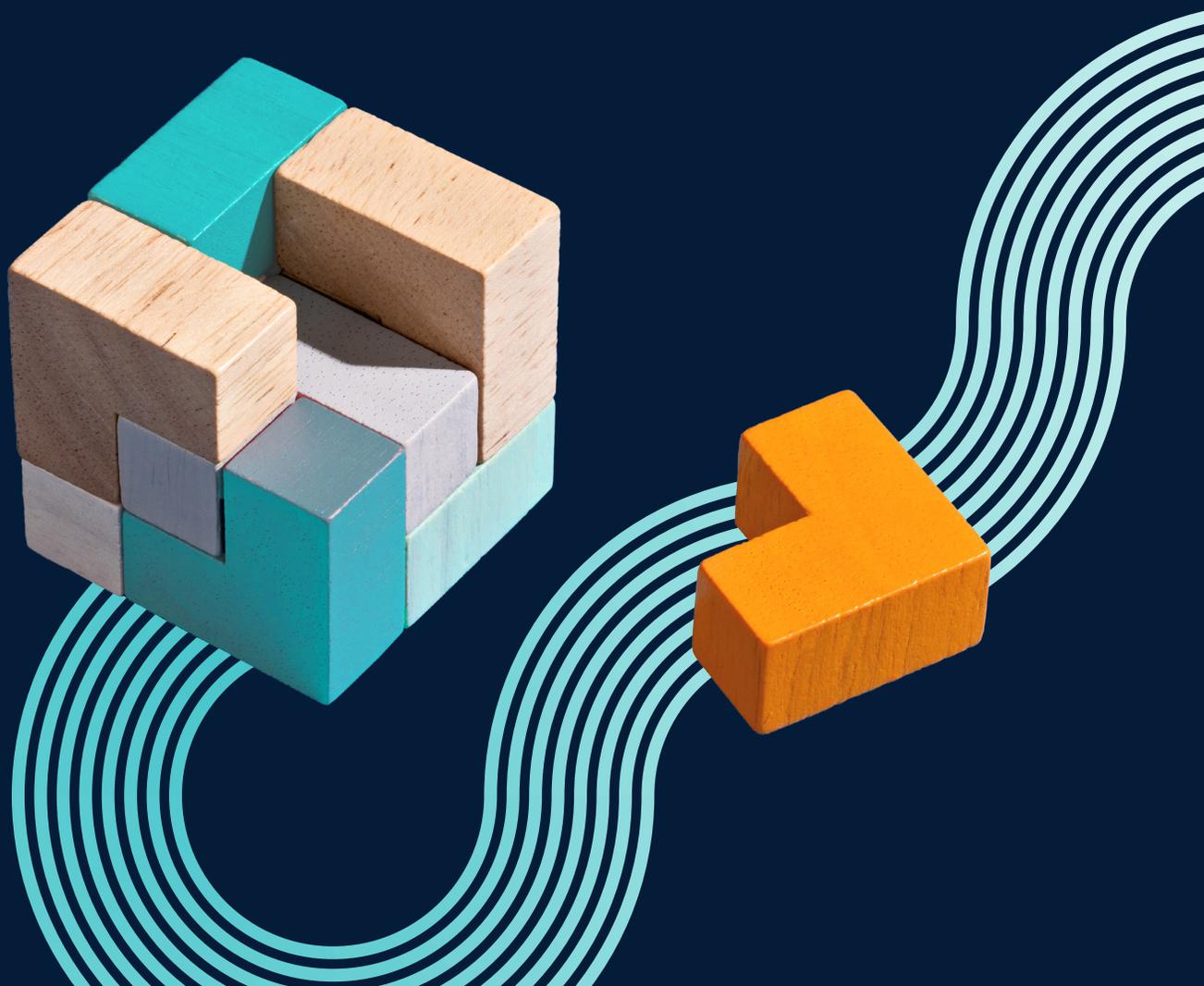


 GLOBAL
M&A Report



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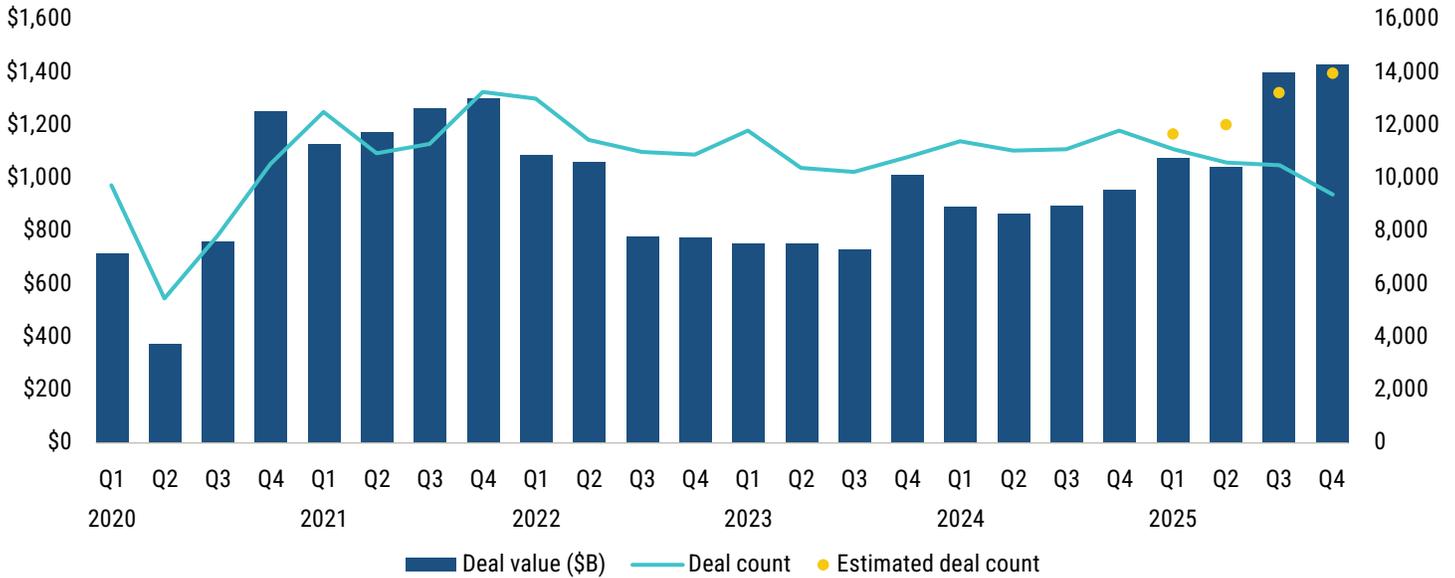


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Overview

M&A activity by quarter



Source: PitchBook • Geography: Global • As of December 31, 2025

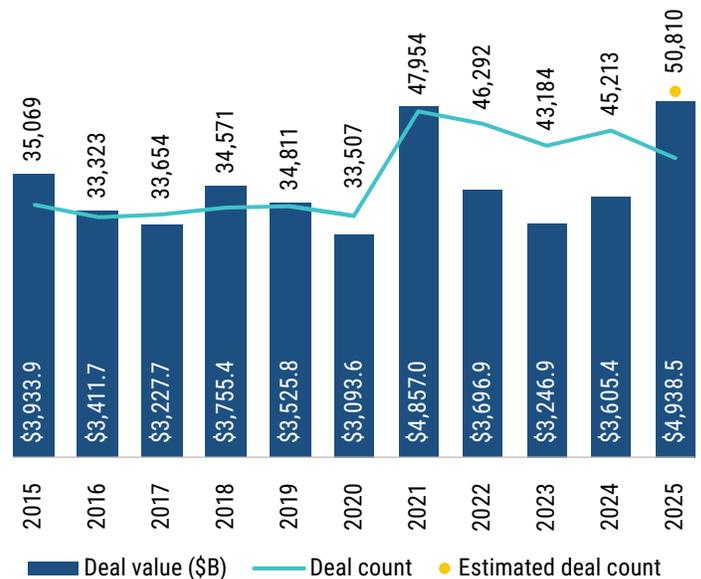
Jinny Choi

Senior Research Analyst, Private Equity

Global M&A activity reached new heights in 2025, setting records in both M&A count and value and surpassing 2021 as the most active year of M&A. Including estimates for late-reporting and nondisclosed deals, there were 50,810 deals totaling nearly \$5 trillion in what was a stronger-than-expected year despite disruptions by macroeconomic headwinds at the beginning. While market participants were optimistic going into 2025, the pace at which M&A activity forged ahead was surprising: M&A count exceeded 50,000 deals for the first time, and M&A value was less than 125 basis points away from crossing the \$5 trillion mark for the first time as well. M&A count increased 12.4% YoY while deal value was up by 37%. After one quarter of flat activity in Q2, global M&A regained momentum, and Q3 and Q4 M&A value set records. 2025 ended on a high note, with Q4 estimated to be the strongest quarter ever in both deal count and value.

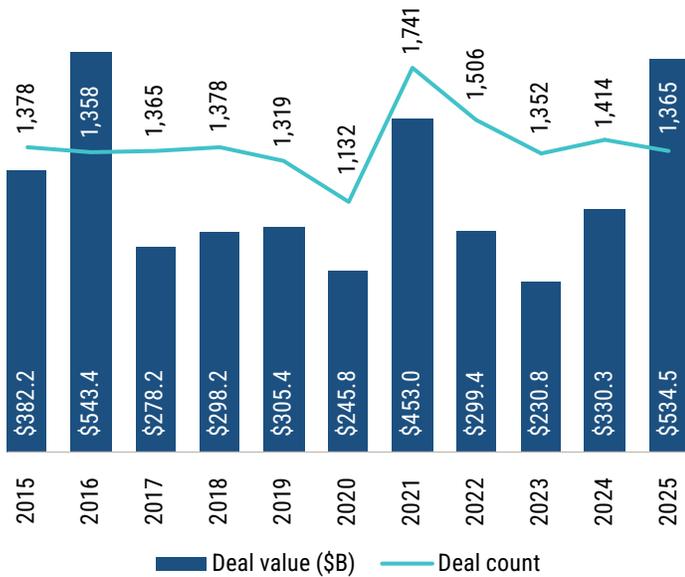
A key driver of the impressive growth in global M&A activity was the surge in megadeals, or transactions of \$1 billion or more. There were 617 megadeals in 2025, accounting for 1.5% of total M&A transactions. The growth rate of megadeals far outpaced that of smaller transaction sizes, growing 28% in

M&A activity



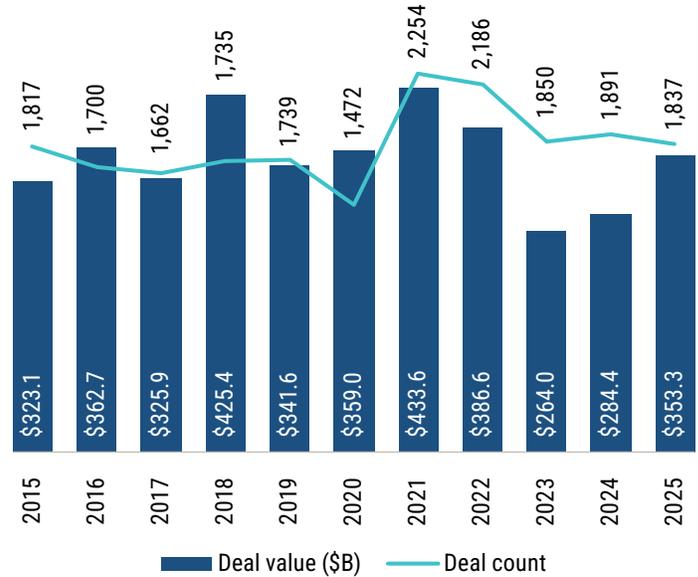
Source: PitchBook • Geography: Global • As of December 31, 2025

North American M&A activity with non-North American acquirer



Source: PitchBook • As of December 31, 2025

European M&A activity with non-European acquirer



Source: PitchBook • As of December 31, 2025

count YoY while smaller transaction sizes declined YoY or increased by single digits. Not only were there more megadeals in 2025, but those deals also got larger, with M&A value from megadeals increasing 62.3% YoY. Megadeals drove a whopping \$2.6 trillion in value in 2025, accounting for 56.6% of total global M&A value for the year. Dealmakers pursued scale, strategic realignment, and innovation through M&A, and multiple interest rate cuts by the US Federal Reserve and European central banks helped support both the financing and risk appetite needed for large acquisition targets.

Heading into 2026, the global M&A market is poised to continue its momentum thanks to ample public and private capital, easing borrowing costs, booming growth opportunities in AI and adjacent tech and infrastructure, and continued market confidence. While macro challenges such as slowed economic growth and tariff uncertainty linger, the M&A activity roaring through the volatility in 2025 is a sign that it takes a lot more to knock the M&A market off its feet.

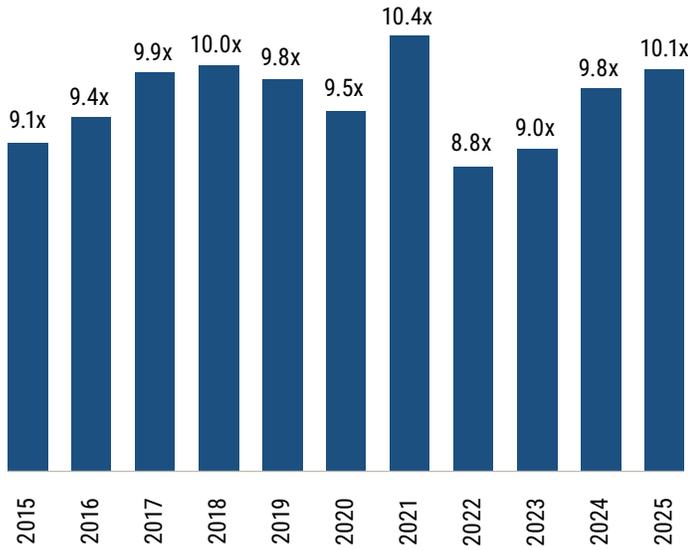
Cross-border M&A flows between North America and Europe were mixed in 2025. In terms of capital deployed, the balance favored North America, with net capital inflow into North American markets from European acquirers totaling \$61.4 billion. This marked a break from an eight-year streak of net capital outflow from North American buyers into European markets, a notable reversal given the tariff volatility caused by the US in 2025. In terms of the number of transactions, European targets still secured more North American buyers than North American companies attracted European buyers. There were 405 more deals by North American buyers in Europe than European buyers in North America, which is comparable to the average of 450 more deals in the past five years. European buyers made larger investments in North American markets this year, while North American buyers continued to pursue more transactions in Europe. European buyers were willing to pay high prices for growth-oriented or innovative areas such as pharmaceuticals and drug discovery, with the healthcare sector accounting for five of the top 10

largest North American companies acquired by European buyers. This discrepancy between M&A deal size and volume was partly supported by the euro strengthening against the dollar—starting near parity at the beginning of 2025 and reaching a peak of \$1.19 in September before settling at \$1.17 in December. At the same time, lower multiples in Europe have made the region attractive to North American investors, even without the advantage of a stronger currency, driving M&A activity into the region.

When examining cross-border M&A more broadly, North American companies attracted more nondomestic capital thanks to larger deal sizes. Cross-border M&A value increased a whopping 61.8% YoY while count declined by 3.5%. 82 megadeals in North America had nondomestic investor involvement, totaling \$440.7 billion, led by London-based Anglo American's \$70 billion acquisition of mining and development company Teck Resources. Although the number of cross-border deals decreased slightly alongside the YoY dip in total global M&A deals when excluding estimations, cross-border activity increased as a share of total M&A activity. The number of North American deals involving nondomestic acquirers made up 3.3% of total global M&A count in 2025, up slightly from 3.1% in the past two years, and European deals with nondomestic acquirers made up 4.4% of total M&A count compared with 4.2% in 2024. While the figures are still below the pre-pandemic averages, they indicate a recovery from the recent slowdown in cross-border M&A activity.

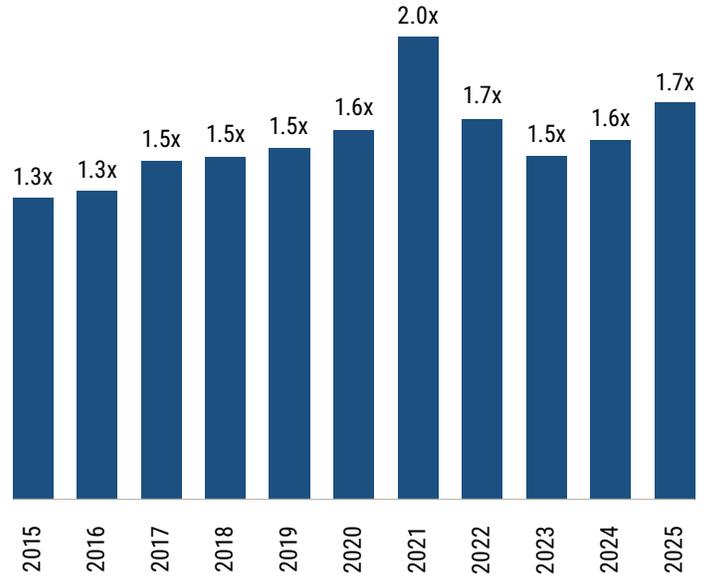
Valuation metrics

Median M&A EV/EBITDA multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Median M&A EV/revenue multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

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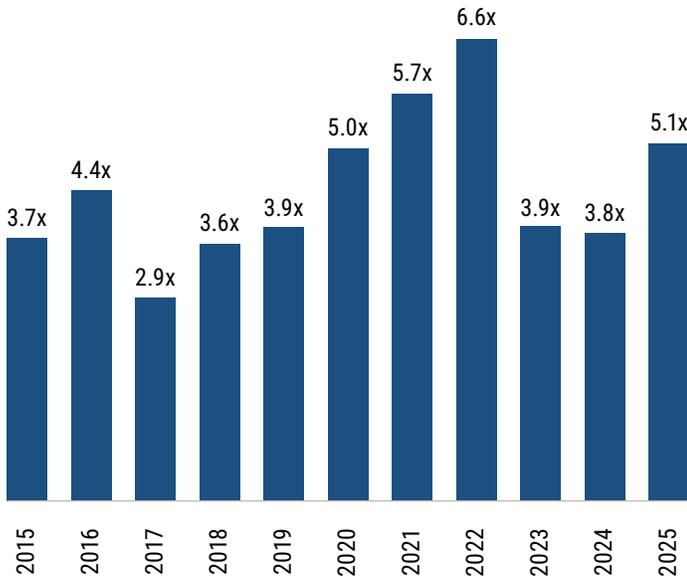
In 2025, deal multiples in North America and Europe continued to recover, exceeding the multiples seen in 2024. The median enterprise value (EV)/EBITDA multiple for M&A transactions announced or closed in 2025 improved to 10.1x from 9.8x in 2024, climbing steadily from the trough in 2022. The median EV/revenue multiple also ticked up slightly from 1.6x in 2024 to 1.7x in 2025.

Median M&A multiples are still 3% to 14% removed from 2021’s all-time peak of 10.4x EV/EBITDA and 2x EV/revenue, but the steady pace of improvement and alignment with the 2017-2019 average of 9.9x for EV/EBITDA and 1.5x for EV/revenue indicates that the recovery in valuations is complete and stable. Although we hoped the rebound in M&A activity would broaden to include more value-oriented deals with lower multiples, resulting in flattening multiples, the recent surge in megadeal activity is putting upward pressure on median multiples. If dealmakers’ fervor for megadeals softens or if the PE ecosystem offloads its sizable backlog of aged holdings, the rising valuation trend could reach a ceiling before settling.

In the US, the median EV/EBITDA multiple settled at 11.2x in 2025, decreasing from 11.6x the year before. The median EV/revenue multiple increased to 2.2x from 1.8x, nearing the record high of 2.3x in 2021, driven by high-growth prospects in sectors such as IT and healthcare securing high valuations once again. European valuation multiples continued to trade at a discount to those in the US, with the European median EV/EBITDA multiple at 9.6x and EV/revenue multiple at 1.4x. Europe’s median EV/EBITDA multiple is steadily improving from the sharp decline seen in 2022 and remains below the pre-pandemic average of 10x. The median EV/revenue multiple has been flat at 1.4x for three consecutive years.

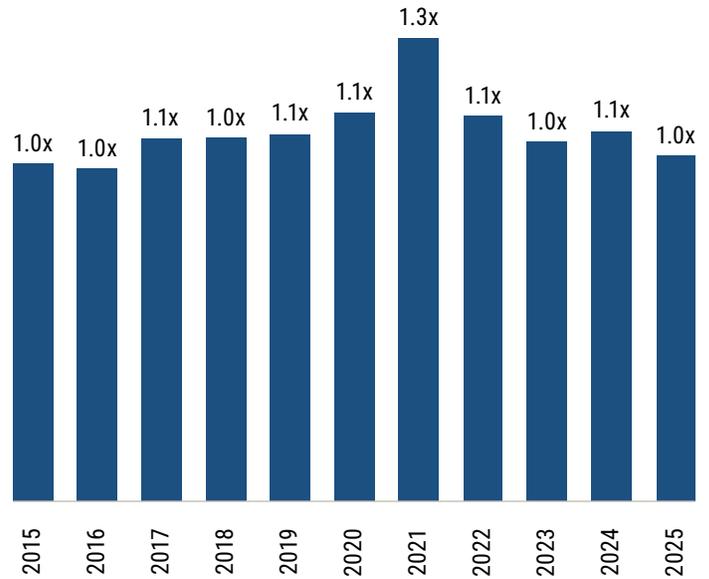
We compare trading multiples on the S&P 500 with deal multiples in the broader M&A market as a rough proxy for judging whether public and private markets are moving apart or converging. It is also a good proxy for viewing valuation trends between large and micro-cap companies. Approximately 95% of all M&A acquirees are private companies, and roughly 70% of all fully disclosed M&A deals are below \$100 million in size. The latest data shows that the two markets continue to move sideways while maintaining a near-historic gap. We expect private company multiples to be propelled higher as investors increasingly take advantage of the relatively more attractive entry point.

Median M&A EV/revenue multiple on deals of \$5 billion or larger



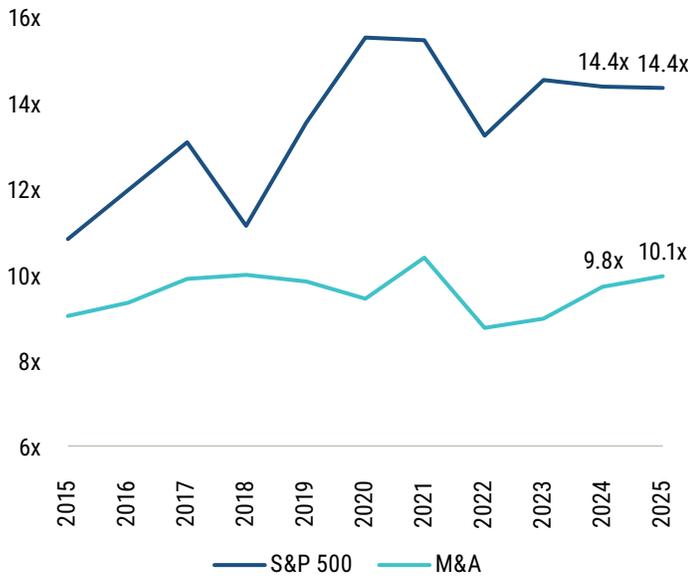
Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Median M&A EV/revenue multiple on deals below \$100 million



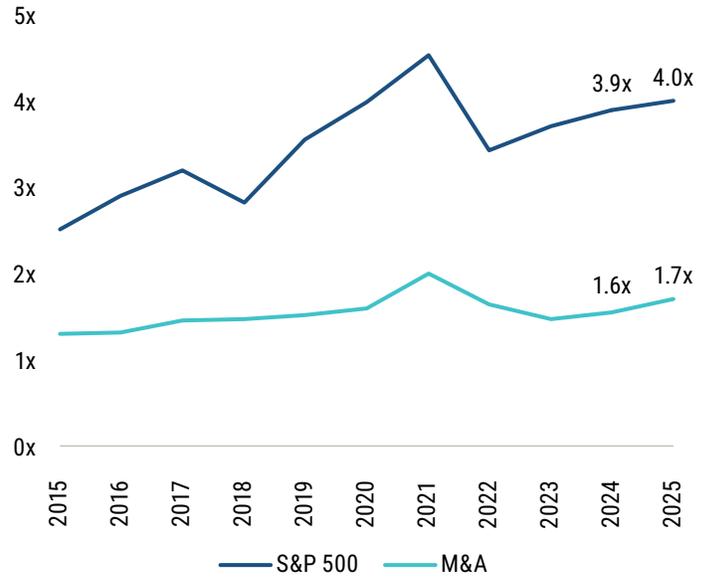
Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Median EV/EBITDA multiple for S&P 500 and M&A



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

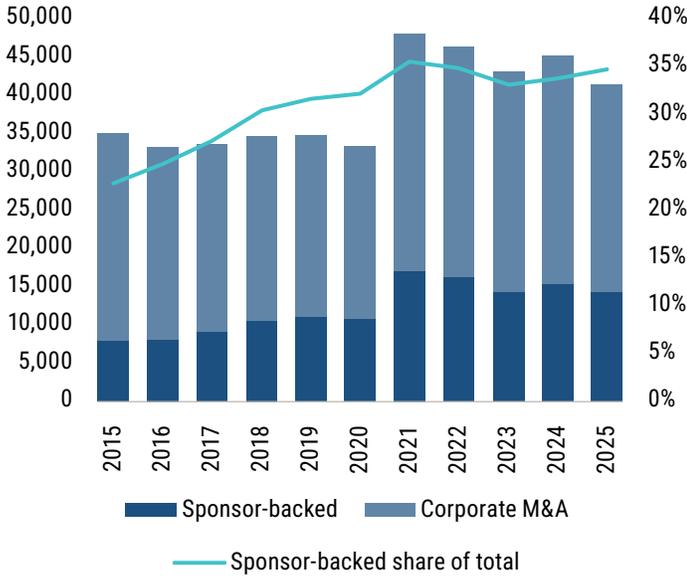
Median EV/revenue multiple for S&P 500 and M&A



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

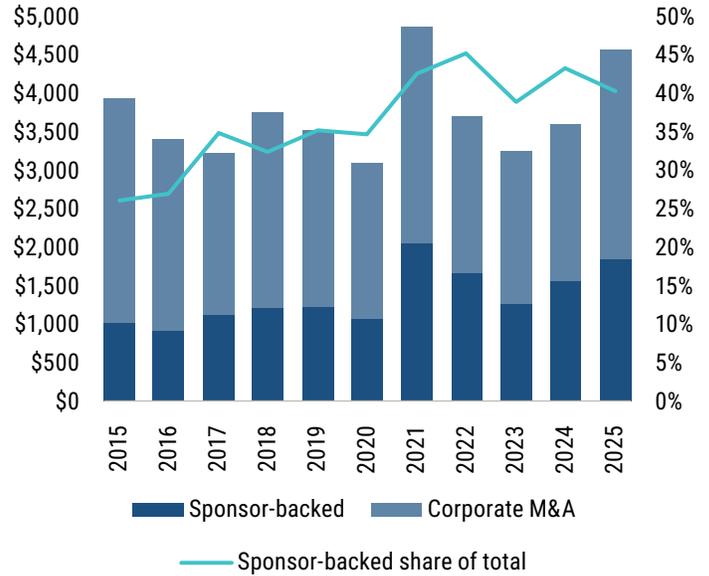
Deal metrics

M&A count by acquirer type



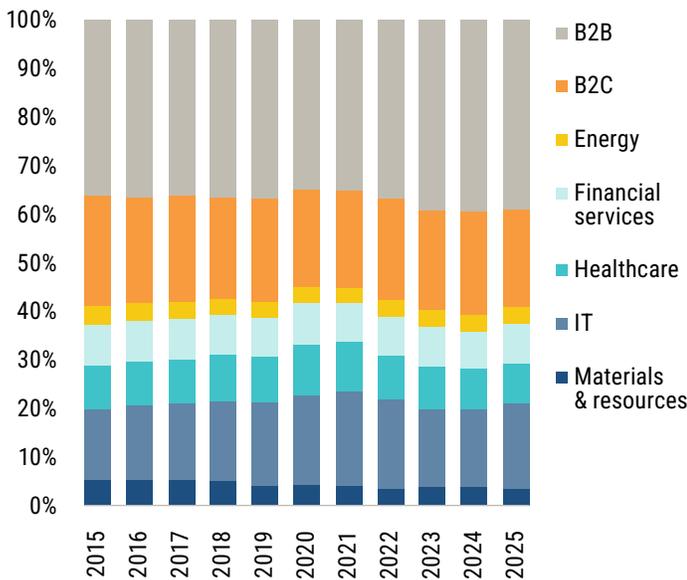
Source: PitchBook • Geography: Global • As of December 31, 2025

M&A value (\$B) by acquirer type



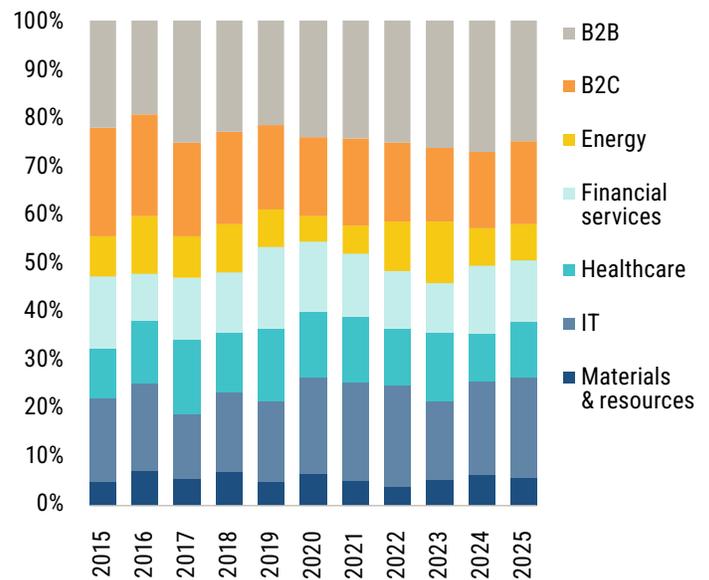
Source: PitchBook • Geography: Global • As of December 31, 2025

Share of M&A count by sector



Source: PitchBook • Geography: Global • As of December 31, 2025

Share of M&A value by sector



Source: PitchBook • Geography: Global • As of December 31, 2025

A WORD FROM LIBERTY GTS

Global M&A 2026: Activity returns, but complexity remains

Following two hesitant years, signs of returning confidence in global M&A are now emerging. Activity is largely concentrated in established markets such as the US and Europe, while Asia-Pacific (APAC) is recovering more slowly and Latin America remains a niche market. Deals are therefore returning, yet the broader picture is nuanced and complex. Geopolitical uncertainty continues to disrupt supply chains and energy markets, while AI is increasingly being used in due diligence, reshaping how risk is assessed. Additionally, investors must navigate ongoing economic volatility and unknown or unforeseeable risks beyond the scope of even the most robust due diligence.

Despite these challenges, lower borrowing costs and a modest recovery in investor confidence have helped kick-start deals, particularly in the US. As capital flows back, transactions are becoming larger yet also more complex and more exposed. For insurers, this creates both opportunities and challenges. Insurers continue to see claims increasing, reflecting the elevated risk, requiring them to be extra-vigilant in assessing individual risks and adapt traditional models to reflect current economic and technological realities. At a portfolio level, it is also essential to maintain balance and not become overweight in one area, which can create volatility and drive losses. While premiums may be higher as a result, in this environment, insurance is not optional but increasingly essential for companies, their backers, and investors looking to expand safely and sustainably.

Geographic nuance

Macroeconomic uncertainty and geopolitical conflicts continue to shape global dealmaking. In Europe, for example, ongoing issues with energy supply, particularly Russia's control of gas flows, have materially affected energy-intensive businesses, reducing deal viability in certain sectors. By contrast, US markets are comparatively resilient with domestic activity remaining strong. Europe, which largely relies on the success of the US economy, is benefiting accordingly.



Rowan Bamford
President, Liberty GTS

Rowan is president of the Liberty Global Transaction Solutions (GTS) M&A insurance team, a position he has held since 2015.

This global M&A insurance unit of Liberty Mutual offers transactional risk insurance products, such as representations and warranties insurance and tax liability insurance. He now oversees a team of more than 90 specialists spread across nine countries.

APAC presents a more varied picture. China's subdued economic environment continues to dampen activity across Southeast Asia, and this is unlikely to change in 2026. Despite this, China remains an enormous market that still presents opportunities for investors and insurers, as does Vietnam, with its high penetration of private equity investment. Singapore remains the leading consumer of M&A insurance, though adoption rates remain lower than in the US or Europe. Across Asia, cultural diversity and the need for market education create additional barriers to adoption outside Singapore. Reports of APAC megadeals may appear eye-catching, sometimes cited as increasing 275% year on year,¹ but this increase is relative to much lower deal volumes in recent years, as absolute volumes remain small.

Most M&A insurance sold in Latin America is tied to cross-border transactions governed by US or English law rather than purely domestic deals. Domestic Latin American M&A insurance is limited due to regional uncertainty. Political and economic volatility requires underwriters to adhere to strict underwriting guidelines to ensure long-term sustainability in the market.

1: "2026 Global M&A Outlook," Goldman Sachs, Stephan Feldgoise, et al., December 2025.

More megadeals

One of the clearest signs of positive momentum is the return of larger transactions. Megadeals are increasing in frequency, particularly in the US and Europe, where improved funding conditions and investor confidence are helping to fuel bigger transactions. In APAC, the apparent surge is partly due to low prior-year deal volumes.

Scale is increasingly viewed as a competitive advantage. Across all sectors, investors are seeking businesses with broad customer bases, extensive datasets, and technology platforms that allow them to integrate AI effectively. Acquisitions are no longer just about incremental growth but also about leveraging data and technology to strengthen competitive positioning and long-term advantages over rivals. The financial services sector, including insurance itself, is experiencing similar consolidation for exactly these reasons.

AI and the diligence challenge

AI is being used to rapidly conduct diligence at scale, and bidders are increasingly relying on it instead of hundreds of hours of human review. For insurers, this creates uncertainty because there is no historical data indicating whether AI is more or less accurate than humans. Insurers must now assess diligence conducted by AI and decide how it should influence underwriting decisions. Those that will be successful in the insurance market are those that can grasp the implications of this and fully understand the different ways AI is being applied.

Sector-specific demand

Technology and AI-linked businesses continue to drive activity, yet investors are also seeking infrastructure assets to provide more predictable revenue streams. These include datacenters, transport networks, logistics hubs, and other assets with long-term relevance. Energy, both next-generation and traditional, remains in demand as nations focus on energy security and, in some cases, green-transition strategies.

Healthcare continues to attract interest, particularly in markets where private-sector provision is expanding to complement public healthcare. Consolidation in healthcare is seen as

creating potential for synergies and scale, and insurers are seeing sustained demand in this area. Across all sectors, insurance is central to enabling deals that heighten opportunity yet carry an elevated risk.

More activity, more complexity

While M&A volumes are returning, executing deals successfully remains challenging. Geopolitical conflicts, supply chain disruption, and rapid technological adoption continue to create uncertainty. Businesses may underperform after acquisition due to sudden changes in markets or competitive pressures, such as supply chain shocks, regional economic turbulence, or rapid technological adoption by competitors, meaning even the most well-planned deals can encounter surprises. These factors increase the likelihood of claims, further highlighting the importance of insurance in managing risks that even the most robust due diligence is unable to mitigate.

Insurers are adapting their pricing and risk management accordingly. Premiums may rise, but this will reflect both the increased risk being accepted by insurers and the value of protection in a much more complex environment.

Looking ahead

Global M&A activity in 2026 will likely be stronger than in the previous two years, though with the environment fundamentally more uncertain, it is not a simple cyclical recovery, making deals more complex and exposed. Activity will be uneven and concentrated in markets with stable legal and financial frameworks. US and European deals are expected to remain dominant, APAC will see selective growth, and Latin America will likely remain a niche market. Large, scale-driven transactions, AI-driven diligence, and sector-specific demand will further shape the market in 2026, with insurance increasingly an underpinning of deal execution.

Success for investors and insurers will depend on understanding both opportunity and risk, navigating complex markets carefully, embracing technological change, and recognizing that while deals are returning, certainty remains limited.

European M&A

M&A activity



Source: PitchBook • Geography: Europe • As of December 31, 2025

Nicolas Moura, CFA, CAIA

Senior Research Analyst, EMEA Private Capital

2025 was a standout year for European M&A, marking a record high in the number of deals closed. Including estimations, nearly 21,000 transactions were announced or completed, representing \$1.3 trillion in deal value, just shy of the \$1.4 trillion record set in 2021. Activity accelerated meaningfully over the course of the year, with deal value in H2 up 31.4% from the H1 figure as macroeconomic conditions stabilized. Inflation has now returned to target levels in the eurozone, and the European Central Bank signaled that the current cycle of monetary easing may be nearing its end. 2025 marked the third consecutive year in which Europe recorded higher M&A volumes than North America. The gap widened further during the year as capital flowed from North America into Europe, driven by weaker markets, more favorable valuations, and the appeal of geographic diversification.

In Q4, deal value increased QoQ in both the IT and financial services sectors, rising 63.3% and 1.1%, respectively. Financial services delivered a record year for deal value, supported by the largest transaction of the year, announced late in Q4: Janus Henderson, the New York Stock Exchange-listed

asset manager, agreed to be taken private by Nelson Peltz’s Trian Fund Management alongside a group of investors led by General Catalyst for \$7.4 billion. Throughout the year, consolidation continued across the sector, spanning banks, insurers, asset managers, and brokers. The IT sector, by contrast, finished the year with lower deal activity YoY, though momentum accelerated in H2. In Q4, PE-backed Qualtrics agreed to acquire Press Ganey Forsta for \$6.8 billion to enhance its AI capabilities.

A key driver of elevated M&A activity in 2025 was the significant firepower of PE. Over the past decade, PE’s share of total European M&A value has risen materially, increasing from 32.1% to 50.7% in 2025, reflecting the continued expansion and institutionalization of the asset class, as outlined in our [2025 Annual European PE Breakdown](#). This growth has been supported by the maturation of the European ecosystem, including deeper financing markets, more sophisticated operating capabilities, and a growing stock of sponsor-owned assets. As a result, PE has assumed an increasingly central role in large-cap and megadeal activity, which was historically dominated by strategic buyers, and has demonstrated a greater willingness and ability to pay premium valuations.

By contrast, M&A activity in the energy and materials & resources sectors softened YoY in 2025. In energy, dealmaking was constrained by increased investor selectivity following elevated activity in prior years, particularly across renewables, alongside continued policy and regulatory uncertainty around the pace and structure of the energy transition. In materials & resources, softer demand expectations, commodity price normalization, and a greater emphasis on capital discipline limited appetite for large-scale transactions.

Looking ahead to the rest of 2026, we remain bullish on the outlook for European M&A. More stable macroeconomic conditions, combined with lower financing costs, should support continued dealmaking by both PE firms and corporates. Most notably, we expect an increase in megadeal activity.

North American M&A

M&A activity



Source: PitchBook • Geography: North America • As of December 31, 2025

Jinny Choi

Senior Research Analyst, Private Equity

In 2025, North American M&A activity pushed forward with incredible momentum, achieving a record year in deal value and falling just \$10 billion short of crossing the \$3 trillion threshold for the first time. Including estimates for late-reporting deals and undisclosed deals, there were 19,503 announced or completed deals totaling \$3 trillion in 2025. Even when excluding estimates, deal value surpassed the previous record set in 2021, a year of frenzied M&A activity. The year's deal count, while the third highest, is squarely above the pre-pandemic averages seen from 2017 and 2019 and increased 9.6% YoY, marking 2025 as a year of robust M&A recovery.

Record deal value was driven by activity in the second half of the year. Despite a solid start in Q1 2025, M&A activity was flat in Q2 due to unpredictable tariffs and still-high interest rates. By Q3, risk-on appetite returned and dealmaking roared back, posting quarterly deal values at levels not seen before. Both Q3 and Q4 deal values surpassed \$800 billion, a new record, exceeding the previous peak of \$735.4 billion in Q4 2021 by 16.6% and 19.4%, respectively. Including estimates, Q4 deal value reached \$878.3 billion, increasing 2.4% QoQ.

The surge in deal value reflects greater investor confidence in the market. The US Federal Reserve's implementation of three interest rate cuts throughout the year, along with the improved cost of financing from narrowing spreads, supported dealmaking's shift toward megadeals in the second half of the year. In H2, there were 194 megadeals contributing \$1.2 trillion in M&A value, compared with 378 megadeals totaling \$1.9 trillion for the full year. In 2024, there were 272 megadeals totaling \$1 trillion.

Corporate acquirers held a greater share of North American M&A activity than PE sponsors, accounting for 63.2% of the region's M&A value in 2025. Although corporate acquirers have historically accounted for the majority of M&A activity, they have stepped back in after losing around 5% of their share to PE buyers in 2024. Nine out of the 10 largest M&A deals in North America in 2025 were from corporate buyers. Greater risk-on sentiment and \$1 trillion of PE dry powder in the US alone suggests PE buyers will take on a greater role in outsized deals in 2026.

IT surpassed B2B as the sector with the largest share of North American M&A value, accounting for 24.9%, while B2B accounted for 22.8%. IT deals made up five of the largest M&A deals of the year, with the \$55 billion takeover of Electronic Arts (EA) leading the charge. In Q4, healthcare and B2C experienced the greatest growth in M&A value, increasing 102.2% and 58.1% QoQ, respectively. The jump in the healthcare sector was driven by 18 megadeals announced or closed in Q4 alone, whereas the bump in B2C can be attributed to the planned acquisitions of Warner Bros. Discovery and Kenvue, which together account for \$131.4 billion.

Antitrust M&A update

Jinny Choi

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Kyle Walters

Research Analyst, Private Equity

In the US, 2025 marked the first full year under the second Trump administration. Heading into the year, it was widely expected that the change in administration would bring forth a much more relaxed stance on antitrust-related scrutiny, and thus far, that has proved to be the case, with the number of transactions that were approved following regulatory review significantly outweighing the number of transactions that were blocked and subsequently terminated. This was due in part to negotiated outcomes. For example, several deals were approved in 2025 pending certain divestment requirements, signaling a regulatory environment more receptive to negotiation than litigation.

The return of megadeals at a scale not seen since 2021 has tested the current administration's favor of M&A and criticism of the previous administration's antitrust scrutiny. Case in point are two acquisitions over \$80 billion: Netflix's \$82.7 billion acquisition of Warner Bros. Discovery and Union Pacific's \$89.2 billion purchase of Norfolk Southern. On January 16, the Surface Transportation Board (STB) deemed the application for Union Pacific and Norfolk Southern's merger incomplete, finding it lacked necessary documents and sufficient information on the proposed combined company's projected market share. However, the railroad regulator welcomed the companies to revise and resubmit the application. The decision does not result in the dismissal of the merger, but it adds a

hurdle to what was already expected to be a lengthy review process. Moreover, despite the pushback from competing railroads, President Trump expressed support for the merger, citing the anticompetitive nature of the transaction and marking a stark shift from the previous administration's concerns about rail industry consolidation. On the flip side, Trump voiced concerns about the Warner Bros. Discovery acquisition, signaling closer regulatory scrutiny may be underway. Even without this political dimension, the deal is far from closing. The proposed acquisition has drawn criticism from competitors, with Paramount launching several takeover bids, filing a lawsuit, and initiating a proxy fight.

On the European front, in May, the European Commission launched a consultation to revise its core merger control guidelines, aiming to modernize how the EU assesses mergers and potentially incorporate broader economic and societal factors. The European Commission (EC) published the main themes of possible reform in October and plans to publish draft guidelines in the first half of 2026. While not part of EU law, the UK Competition and Markets Authority (CMA), one of the primary agencies in Europe, reviewed and cleared all 36 mergers examined without prohibitions for the first time since 2017. The change was born out of political pressure: Previous CMA chair Marcus Bokkerink was removed in January 2025 over criticism that he was impeding the Labour Party's pro-growth agenda, and since then, the CMA has adopted a softer approach to merger assessments. Notable deals approved in the UK in 2025 included Vodafone Group's \$3.7 billion acquisition of Three UK and Carlsberg's \$4.2 billion purchase of Britvic.

Noteworthy pending deals

Deal target	Deal acquirer	Last update	Agency	Action	Deal value (\$M)	Deal announcement date	Elapsed time (years)
Norfolk Southern	Union Pacific	January 16, 2026	STB	The STB, which handles railroad mergers, rejected the merger application, finding it incomplete because it lacked sufficient information on the merger and its projected market share. However, the STB welcomes a resubmission of the application with additional information.	\$89,240.0	July 29, 2025	0.5
CyberArk Software	Palo Alto Networks	January 9, 2026	FTC/EC	The Federal Trade Commission (FTC) completed its initial review without requiring further investigation, and the companies are now seeking approval from other regulatory bodies, including in Germany.	\$26,219.2	July 30, 2025	0.4
Warner Bros. Discovery	Netflix	January 7, 2026	DOJ	While the deal has yet to receive formal antitrust scrutiny, the announced merger is widely anticipated to trigger a review by the Department of Justice (DOJ).	\$82,700.0	December 5, 2025	0.1
Cox Communications	Charter Communications	December 5, 2025	DOJ/FCC	The announced merger is under review by the DOJ and Federal Communications Commission (FCC), though no formal lawsuit to block the deal has been filed.	\$34,500.0	May 16, 2025	0.6

Source: PitchBook • Geography: US and Europe • As of January 16, 2026

Noteworthy pending deals (continued)

Deal target	Deal acquirer	Last update	Agency	Action	Deal value (\$M)	Deal announcement date	Elapsed time (years)
Downtown Music Publishing	Universal Music Group	November 23, 2025	EC	The EC objected to the merger on November 23, 2025, after an in-depth investigation on July 22, 2025, to assess concerns that the transaction would reduce competition in the wholesale market for the distribution of recorded music in Europe. Universal Music Group has proposed to divest Downtown Music Publishing's Curve platform. The EC has until February 6, 2026, to reach a final decision on the investigation.	\$775.0	December 16, 2024	0.9
Wiz	Alphabet	November 5, 2025	DOJ/EC	The DOJ cleared Alphabet's planned acquisition of Wiz in November 2025, but the EC will provide its review by February 10, 2026.	\$32,000.0	March 18, 2025	0.6

Source: PitchBook • Geography: US and Europe • As of January 16, 2026

Noteworthy canceled deals

Deal target	Deal acquirer	Latest update	Agency	Action	Deal value (\$M)	Deal announcement date	Elapsed time (years)
JenaValve Technology	Edwards Lifesciences	January 9, 2026	FTC	The acquisition was terminated following a US District Court's granting of the FTC's preliminary injunction to block the deal, citing reduced competition in the transcatheter aortic valve replacement market for aortic regurgitation.	\$945.0	July 24, 2024	1.5
Acculynx	Verisk Analytics	December 29, 2025	FTC	Verisk Analytics terminated the acquisition after the FTC did not complete its review of the transaction by the termination date set forth in the agreement.	\$2,350.0	July 29, 2025	0.4
Albertsons Companies	Kroger	December 10, 2024	FTC and nine state attorneys general	A US judge blocked the pending merger of the two grocery chains, ruling it would be anticompetitive.	\$25,000.0	October 13, 2022	2.2
Capri Holdings	Tapestry	November 14, 2024	FTC	Capri and Tapestry mutually agreed to terminate the merger agreement, as US regulatory approvals were unlikely to be met by the merger agreement date of February 10, 2025.	\$8,500.0	August 10, 2023	1.3
Air Europa	International Consolidated Airlines Group	August 1, 2024	EC	In the beginning of August 2024, International Consolidated Airlines Group announced it was terminating the proposed takeover.	\$538.7	February 23, 2023	1.2
Specialty Products and Insulation	TopBuild	April 22, 2024	DOJ	The deal was terminated after the DOJ moved to block it and TopBuild elected not to challenge it.	\$960.0	July 27, 2023	0.7

Source: PitchBook • Geography: US and Europe • As of January 16, 2026

Noteworthy completed deals

Deal target	Deal acquirer	Latest update	Agency	Action	Deal value (\$M)	Deal announcement date	Elapsed time (years)
Kellanova	Mars	December 11, 2025	FTC/EC	The deal closed following final approval by the EC.	\$35,900.0	August 14, 2025	1.3
Covestro	Abu Dhabi National Oil Company (ADNOC)	December 10, 2025	EC	The deal closed following the German Federal Ministry for Economic Affairs and Energy's final outstanding regulatory approval on November 21, 2025, after the EC's conditional approval on November 14.	\$16,330.0	October 1, 2024	1.2
Interpublic Group	Omnicom Group	November 26, 2025	FTC	The deal closed following the receipt of regulatory approvals and other closing conditions.	\$13,500.0	December 9, 2024	1.0
Surmodics	GTCR BC Holdings	November 21, 2025	FTC	The deal closed following a federal judge's denial of the FTC's challenge that the acquisition lessens competition in the market.	\$627.0	May 24, 2024	1.5
Amedisys	UnitedHealth Group	August 14, 2025	DOJ	The deal successfully closed following a settlement with the DOJ that saw UnitedHealth divest 164 hospice and home health locations.	\$3,300.0	June 26, 2023	2.1
Ansys	Synopsys	July 17, 2025	DOJ	The deal has received merger clearance in every jurisdiction required, contingent on planned divestitures of certain assets that received final approval on October 10.	\$35,000.0	January 16, 2024	1.5
Viterra	Bunge	July 2, 2025	EC	Canada, the EC, and China have all approved the acquisition.	\$18,000.0	June 13, 2023	2.1
Juniper Networks	Hewlett Packard Enterprise	June 30, 2025	EC/DOJ	The DOJ and Hewlett Packard Enterprise (HPE) have settled their lawsuit. The combined company agreed to divest HPE's Instant On wireless networking business and license the source code for Juniper's Mist AI software used in Juniper's wireless LAN products.	\$14,000.0	January 9, 2024	1.5

Source: PitchBook • Geography: US and Europe • As of January 16, 2026

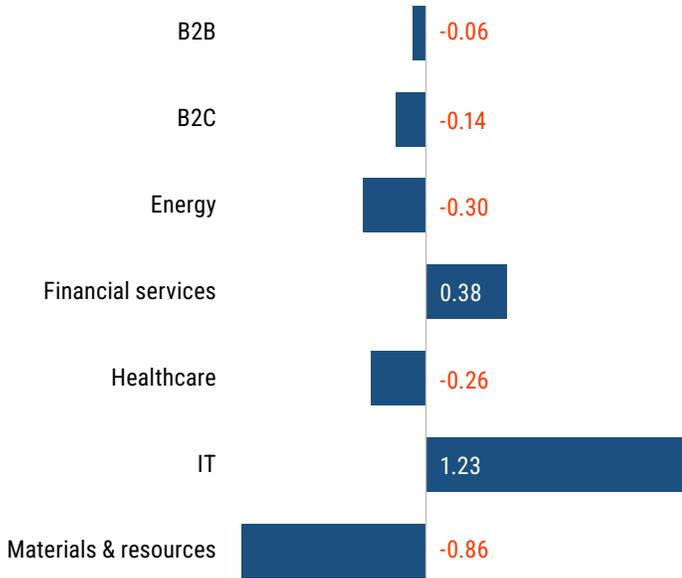
Noteworthy completed deals (continued)

Deal target	Deal acquirer	Latest update	Agency	Action	Deal value (\$M)	Deal announcement date	Elapsed time (years)
Dorna Sports	Liberty Media	June 23, 2025	EC	The EC granted unconditional approval for the deal.	\$4,570.0	April 1, 2024	1.2
US Steel	Nippon Steel	June 18, 2025	DOJ	The US Steel merger with Nippon Steel was finalized after receiving approval from President Trump via an executive order.	\$14,900.0	December 18, 2023	1.5
Three UK	Vodafone Group	June 2, 2025	CMA	The CMA approved the combination of Vodafone and Three UK, subject to legally binding commitments to invest in a combined 5G network across the UK.	\$3,660.0	June 14, 2023	2.0
Discover Financial Services	Capital One	May 18, 2025	DOJ	Capital One received approval from the DOJ and US banking regulators.	\$35,300.0	February 16, 2024	1.3

Source: PitchBook • Geography: US and Europe • As of January 16, 2026

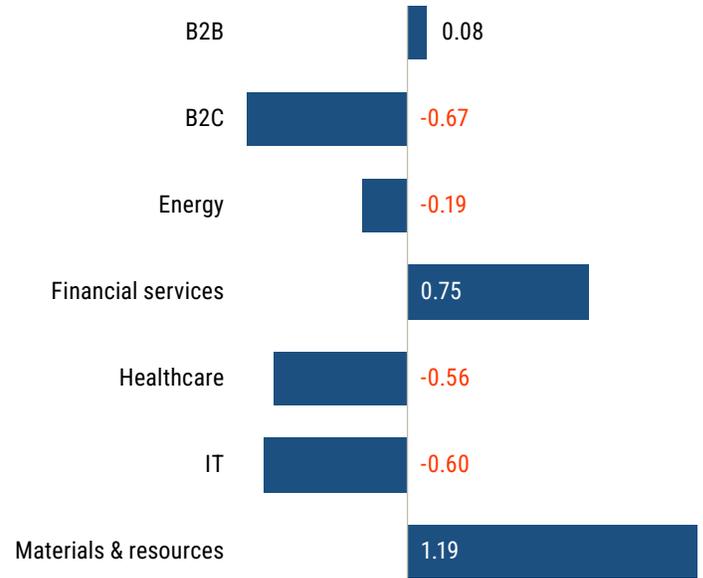
Sector metrics

Deal momentum score



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Valuation momentum score



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Kyle Walters

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Methodology

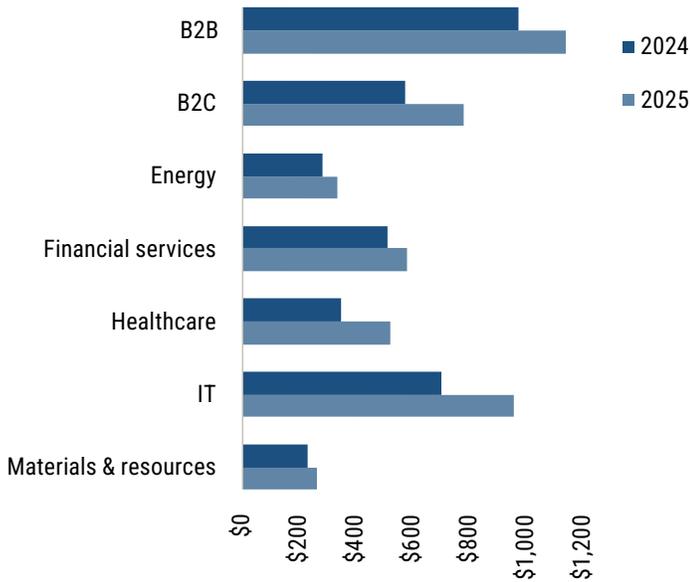
Our cross-sector momentum scores provide insight into how changes in M&A deal activity and median valuations compare across sectors. The scores range from -2.0 to 2.0 and establish a relative evaluation for each sector. The basis of these scores is the percentage change over the prior quarter and trailing 12-month (TTM) period, which are equally weighted. In the case of the valuation score, just the TTM change is considered instead of the change from the prior calendar year, using both EV/EBITDA and EV/revenue multiples. The deal momentum scores encompass both deal count and volume, which are also equally weighted. Prior to the calculation of deal volume growth rates, the data is winsorized—meaning it is clipped—at the 98th percentile to mitigate the impact of outliers. To establish the final sector momentum scores, we employ Z-score calculations using the mean and standard deviation of the cross-sector growth rates.

Sector overview

As detailed earlier, our deal momentum scores reflect each sector’s relative strength against overall M&A deal flow using three-month and 12-month rates of change (in deal count and deal value).

In Q4, deal momentum saw a meaningful reversal in only one sector: materials & resources. After the sector boasted a score of 0.35 in Q3, ranking third highest, the script completely flipped: The sector posted a score of -0.86, by far the lowest of all sectors. The change was driven by a relatively subdued fourth quarter for the space compared with several other industries that saw Q4 reach levels not seen since the prior M&A peaks in 2021. Moreover, materials & resources posted a very robust Q3, with the sector’s highest-ever quarterly deal value of \$122.6 billion, another driver of the significant QoQ decline.

Sector rank by M&A value (\$B)

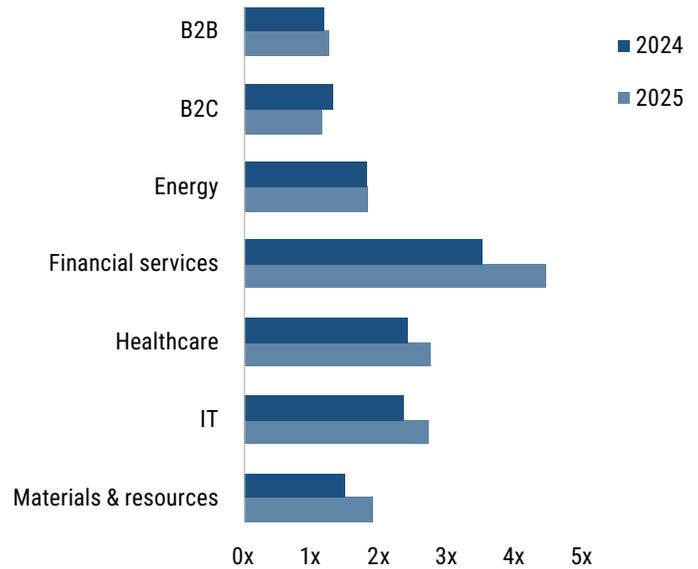


Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Three other sectors had positive deal momentum scores in Q3: energy, financial services, and IT. By the end of Q4, financial services and IT maintained those positive scores, though financial services saw its score decline from 0.55 in Q3 to 0.38, driven primarily by some softness in commercial banks and other financial services subsectors in the last three months of the year. IT posted the largest score increase, rising from 0.34 in Q3 to 1.23 in Q4. The strength in IT was driven by robust deal activity in the software and semiconductor segments over the past three months. Energy was the only sector to see its deal momentum score flip from positive to negative QoQ, from 0.40 to -0.30, driven by weaker activity in the energy services and exploration, production & refining industries.

For B2B, B2C, and healthcare, all three sectors retained negative deal momentum scores QoQ. However, all improved in Q4, inching closer to positive scores. B2B made the largest jump, going from -0.61 to -0.06 QoQ, driven by enhanced activity across most subsegments, but it was still weighed down by significant declines in the “other business products & services” subindustry. In the B2C sector, improving deal flow in the apparel & accessories and transportation subsectors helped the sector’s score improve from -0.47 to -0.14. However, weakness persisted in the media and consumer nondurables spaces, keeping the sector in negative territory. Finally, the healthcare sector’s score more than halved QoQ, going from -0.56 to -0.26. Driving the improvement were sizable swings in

Sector rank by median M&A EV/revenue multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

the healthcare devices & supplies and healthcare technology strategies, but the sector remained in the red due to lackluster momentum in healthcare services and biotech & pharma.

Our valuation momentum scores reflect each sector’s relative strength against overall M&A multiple trends using TTM rates of change from the prior year (for both EV/EBITDA and EV/revenue). Most sectors saw their valuation momentum score change slightly from Q3 to Q4, with none of the sectors flipping between positive and negative scores. B2B, financial services, and materials & resources were the only three sectors with positive valuation momentum scores.

Deal and valuation scores can also be analyzed together to discern trends in market sentiment. For example, sponsors and corporates have been able to take advantage of the lower valuations across the tech sector to get deals done. Moreover, the sustained lower momentum in healthcare has seemingly led to lower valuations and could set the sector up for better deal flow in the coming quarters as investors look to take advantage of lower purchase prices. Meanwhile, the rising valuations in materials & resources led to deal momentum slowing drastically relative to other sectors.

Industry metrics

M&A heatmap

Segment	Subsegment	Deal value momentum		Deal count momentum		Combined score
		3 months	12 months	3 months	12 months	
Materials & resources	Agriculture	27.7%	-25.2%	110.1%	-61.8%	0.13
	Chemicals & gases	-118.1%	28.6%	-72.2%	-47.5%	-0.52
	Construction (nonwood)	-170.1%	-9.3%	-205.9%	1.1%	-0.96
	Containers & packaging	-37.5%	180.7%	-11.0%	-63.9%	0.17
	Forestry	-42.8%	-64.0%	-39.0%	-92.4%	-0.60
	Metals, minerals & mining	-146.4%	2.9%	-143.1%	-55.6%	-0.86
	Other materials	N/A	N/A	N/A	N/A	N/A
	Textiles	-70.4%	126.0%	-0.6%	100.1%	0.39
Technology	Communications & networking	19.7%	215.4%	46.8%	-27.4%	0.64
	Computer hardware	7.7%	38.2%	15.0%	-0.7%	0.15
	IT services	-33.6%	18.3%	36.9%	25.0%	0.12
	Other IT	N/A	N/A	N/A	N/A	N/A
	Semiconductors	276.8%	-81.6%	162.4%	30.4%	0.97
	Software	32.5%	49.6%	122.8%	61.7%	0.67
Healthcare	Healthcare devices & supplies	208.5%	42.1%	54.5%	-20.6%	0.71
	Healthcare services	-31.9%	-38.4%	-10.6%	-43.1%	-0.31
	Healthcare technology systems	91.5%	88.6%	1.7%	111.6%	0.73
	Other healthcare	N/A	N/A	N/A	N/A	N/A
	Biotech & pharma	106.8%	-143.1%	62.5%	-25.8%	0.00
Financial services	Capital markets/institutions	86.7%	87.7%	50.2%	53.7%	0.70
	Commercial banks	-132.3%	276.8%	146.4%	109.5%	1.00
	Insurance	15.0%	-49.8%	-2.1%	-19.6%	-0.14
	Other financial services	131.9%	21.9%	-59.6%	-12.0%	0.21

Source: PitchBook • Geography: Global • As of December 31, 2025
 Note: "N/A" indicates an insufficient sample size.

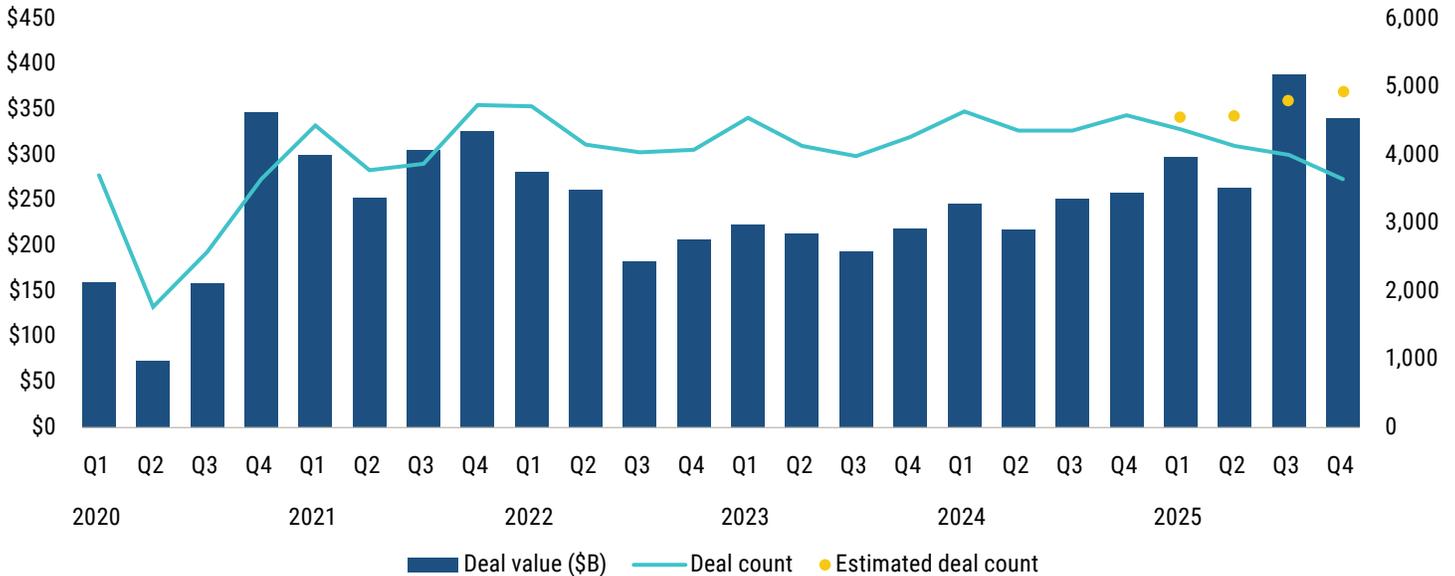
M&A heatmap (continued)

Segment	Subsegment	Deal value momentum		Deal count momentum		Combined score
		3 months	12 months	3 months	12 months	
Energy	Energy equipment	83.7%	5.5%	166.2%	-60.7%	0.49
	Energy services	15.8%	-31.7%	-130.8%	-50.7%	-0.49
	Exploration, production & refining	177.3%	-127.8%	56.8%	-137.2%	-0.08
	Other energy	46.6%	-61.6%	197.6%	-65.0%	0.29
	Utilities	N/A	134.1%	-117.9%	87.9%	N/A
B2C	Apparel & accessories	46.3%	-9.5%	106.4%	-36.2%	0.27
	Consumer durables	-37.3%	14.4%	-21.4%	43.7%	0.00
	Consumer nondurables	-62.1%	-31.0%	-38.6%	-35.8%	-0.42
	Media	-29.0%	-42.1%	64.1%	-70.5%	-0.19
	Other consumer products & services	N/A	N/A	N/A	N/A	N/A
	Restaurants, hotels & leisure	-24.8%	-16.5%	15.3%	50.4%	0.06
	Retail	29.5%	-10.1%	-10.5%	-33.5%	-0.06
	Services (nonfinancial)	-29.6%	-11.3%	-10.6%	12.1%	-0.10
	Transportation	55.4%	-5.9%	17.0%	58.6%	0.31
B2B	Commercial products	-14.6%	-20.8%	10.1%	-38.1%	-0.16
	Commercial services	-14.1%	-3.8%	32.3%	3.6%	0.04
	Commercial transportation	-85.0%	-41.4%	37.0%	2.1%	-0.22
	Other business products & services	-131.2%	-153.6%	-164.9%	-217.6%	-1.67

Source: PitchBook • Geography: Global • As of December 31, 2025
 Note: "N/A" indicates an insufficient sample size.

B2B

B2B M&A activity by quarter



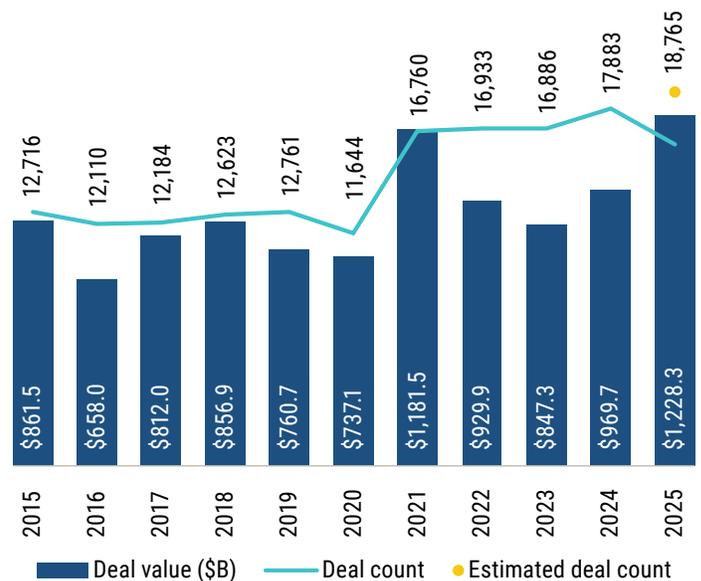
Source: PitchBook • Geography: Global • As of December 31, 2025

Jinny Choi

Senior Research Analyst, Private Equity

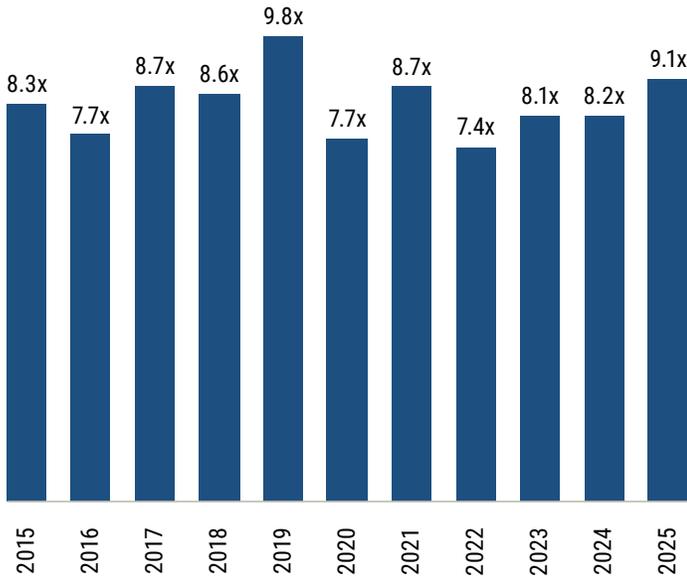
B2B M&A activity beats its own record: The sector ended 2025 with an incredible feat, achieving the best year in both deal count and value when including estimates for late-reporting deals. With an estimated 18,765 deals for an aggregate of \$1.2 trillion, M&A activity was 4% to 5% higher than the previous records seen in 2024 for deal count and 2021 for deal value. B2B maintained the largest share of total global M&A activity, accounting for 38.8% of M&A count and 24.9% of M&A value, but the sector’s share declined by single digits YoY as other sectors such as IT saw greater momentum in M&A activity. Still, B2B M&A managed to push forward in a year that faced headwinds from tariff risk and geopolitical volatility, posting stronger activity in H2 2025 than at the beginning of the year. While M&A activity in Q2 faltered in the uncertain macro landscape, dealmakers came back in the second half of the year with increased confidence and willingness to pay premiums for high-conviction acquisition targets. In H2 2025, there were 70 megadeals driving \$306.9 billion in M&A value, compared with 64 deals totaling \$197.1 billion in H1 2025 and 99 deals totaling \$305.9 billion in full-year 2024.

B2B M&A activity



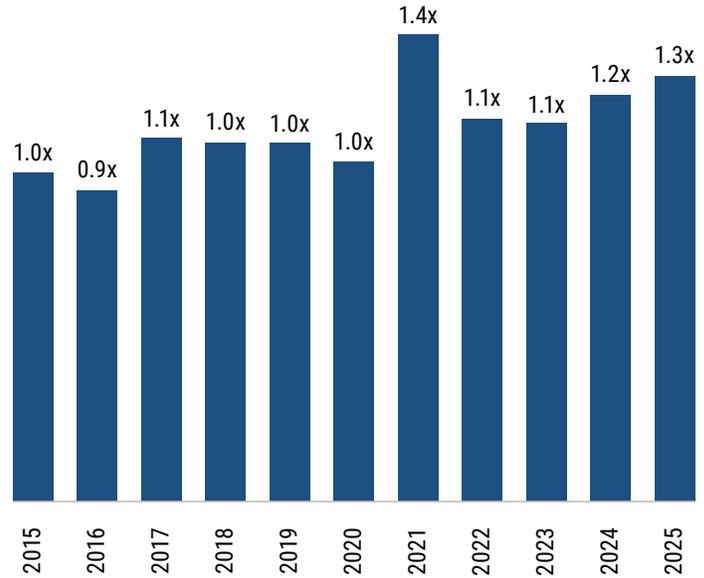
Source: PitchBook • Geography: Global • As of December 31, 2025

Median B2B M&A EV/EBITDA multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Median B2B M&A EV/revenue multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Multiple investment themes are in play: Dealmakers were drawn to the B2B sector through various subsector opportunities: continued investment in industrials and supply chain capacity, investment in aging infrastructure and the increased digitalization of assets, robust defense funding and commercial interest in aerospace and defense, and the rise of datacenter construction to support AI. For example, Beacon Roofing Supply and Foundation Building Materials were acquired for \$11.3 billion and \$8.8 billion, respectively, as building materials distributors sought to strengthen their positions in the industrials space through consolidation. In May, tech-focused PE firm Thoma Bravo acquired the Digital Aviation Solutions business carveout from Boeing for \$10.6 billion. The entity launched as Jeppesen ForeFlight, a standalone digital aviation company, and will provide an integrated digital platform across flight planning, dispatch, and crew management, leveraging AI for future growth.²

²: "Jeppesen ForeFlight Launches as a Standalone Company to Redefine the Future of Aviation Software," Thoma Bravo, November 3, 2025.

B2C

B2C M&A activity by quarter



Source: PitchBook • Geography: Global • As of December 31, 2025

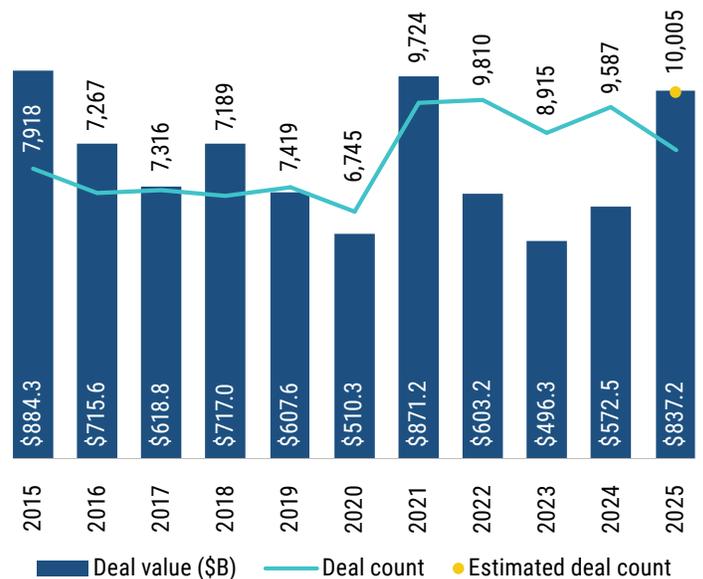
Jinny Choi

Senior Research Analyst, Private Equity

B2C sees a record number of M&A deals: With an estimated 10,005 announced or closed deals worth an aggregate of \$837.2 billion, 2025 marked the highest number of deals ever seen in the B2C sector. The year also had the third-highest deal value for the sector, only 5.3% below the record set in 2015. B2C M&A activity grew steadily throughout the year, with three consecutive quarters of growth in deal value and two consecutive quarters of growth in deal count. Q4 2025 saw a 23.2% increase in deal value and a 3.7% decrease in deal count QoQ. In 2025, dealmakers navigated an uncertain consumer market shaped by persistent inflation, tariff-related costs to consumers, and slowing economic growth. Although consumer spending remains high, shifts in consumer trends—especially in discretionary spending—will continue to impact M&A opportunities in B2C. Buyers will need to carefully evaluate business realignment and portfolio optimization to meet the evolving demands of consumers.

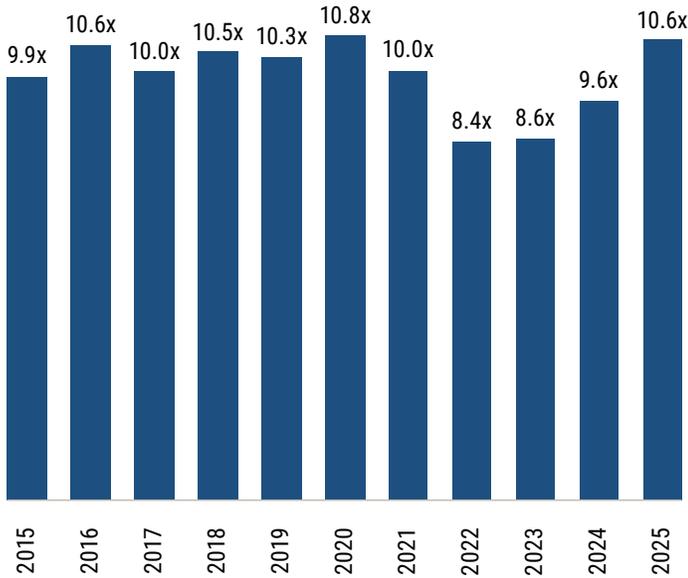
Megadeals drive up deal value: In 2025, there were 81 megadeals for an aggregate of \$403.7 billion compared with 79 megadeals for an aggregate of \$193.7 billion in 2023. The five largest B2C deals of 2025 alone accounted for over

B2C M&A activity



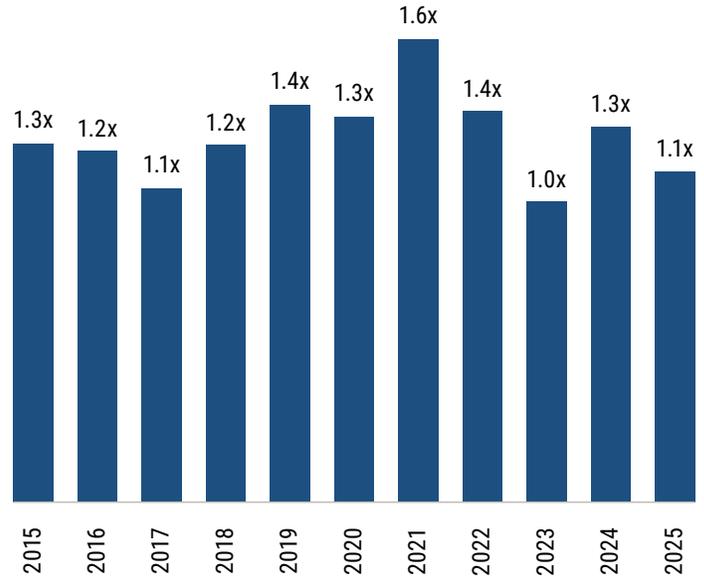
Source: PitchBook • Geography: Global • As of December 31, 2025

Median B2C M&A EV/EBITDA multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Median B2C M&A EV/revenue multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

\$212 billion. It is important to note that Netflix’s planned acquisition of a subset of Warner Bros. Discovery for \$82.7 billion is included in our dataset as an announced M&A deal. The deal has faced antitrust scrutiny and backlash since its announcement in early December, such as Paramount’s \$108 billion hostile bid for all of Warner Bros. Discovery’s portfolio the same month and Paramount’s lawsuit against Warner Bros. Discovery for more financial disclosure in January. Even without this pending deal, B2C M&A value was up a whopping 31.8% YoY thanks to other gargantuan deals such as the \$48.7 billion acquisition of Johnson & Johnson consumer spinout Kenvue by Kimberly-Clark and the \$35.9 billion acquisition of iconic food manufacturer Kellanova by Mars.

Food products take center stage: Along with Kellanova, several other food product brands were snapped up in outsized mergers in 2025. In April, JDE Peet’s was acquired by Keurig Dr Pepper for \$21.5 billion, and in July, Ferrero Group acquired WK Kellogg for \$3.1 billion, bringing iconic cereals such as Frosted Flakes into Ferrero’s portfolio.

Energy

Energy M&A activity by quarter



Source: PitchBook • Geography: Global • As of December 31, 2025

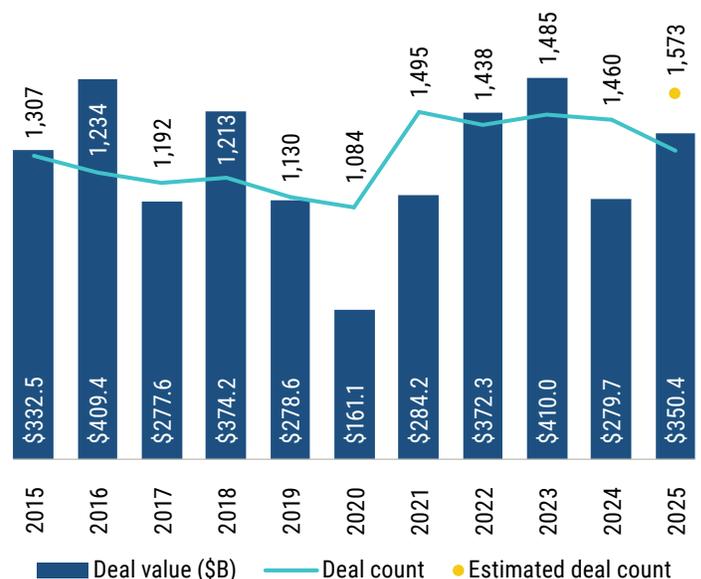
Kyle Walters

Research Analyst, Private Equity

The energy sector experienced a healthy rebound in the second half of the year: The back half of 2025 saw energy M&A that nearly surpassed \$190 billion across more than 800 deals, outdone only by the back half of 2022 and 2023, respectively. 2023 was aided by a fourth quarter that saw \$223.8 billion in deal value. Still, the deal count for H2 2025 set a record for the space. The sector concluded 2025 with an estimated 1,573 deals announced or completed, worth a total of \$350.4 billion, representing annual increases of 7.7% and 25.3%, respectively. Moreover, while deal value remained above the five-year average for the sector, the nearly 1,600 deals seen across the sector in 2025 represent a record for the industry.

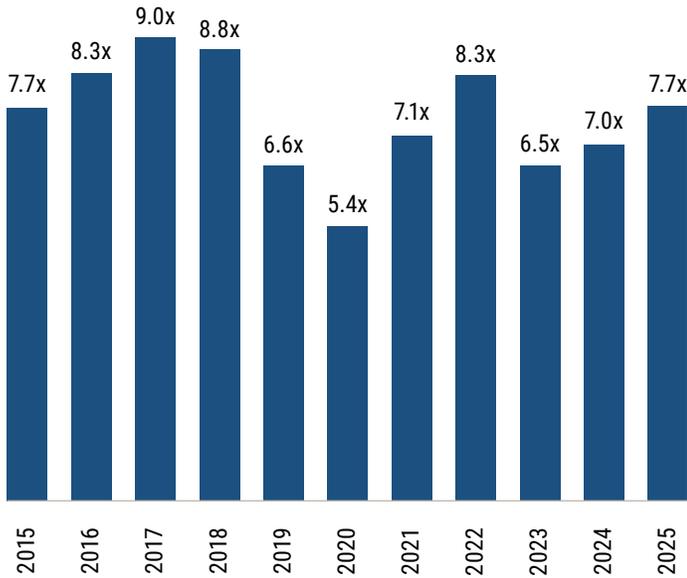
Carveouts buoy M&A activity in the exploration, production & refining industry: Carveouts are a staple transaction that sees interest from both sponsors and corporations seeking to acquire what could be deemed “albatross” assets that have suffered from a lack of time or resource investment, allowing the buyer to complement existing businesses or pull growth levers at the acquiree. In November, CITGO announced the sale of its petroleum business to PE-backed business Amber Energy for \$7.3 billion. The deal was the result of a court-ordered

Energy M&A activity



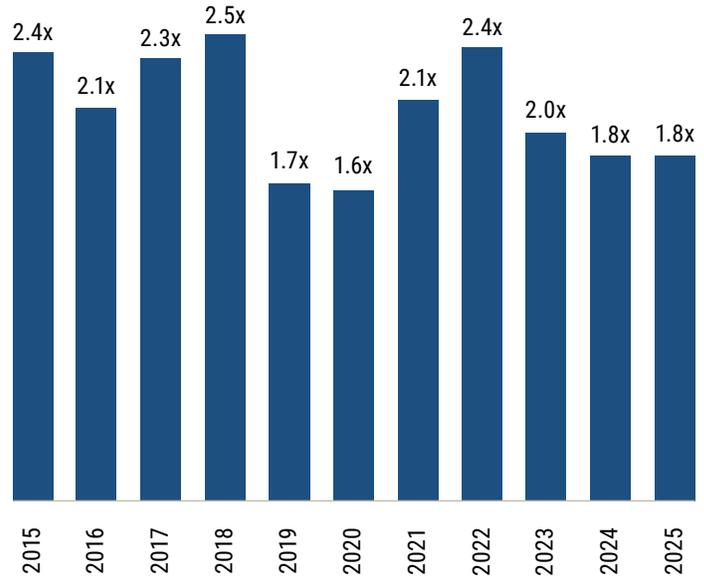
Source: PitchBook • Geography: Global • As of December 31, 2025

Median energy M&A EV/EBITDA multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Median energy M&A EV/revenue multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

auction in which Amber Energy received approval from a US federal judge. The auction stemmed from billions of dollars in debt owed by Venezuela, the owner of CITGO’s petroleum business. In December, Semcorp Industries agreed to acquire Australian energy retailer and generator Alinta Energy for \$4.3 billion. The transaction will combine Alinta’s expertise in Australia with Semcorp’s global renewables capabilities to help accelerate renewables growth in Australia.³

Corporate M&A propelled the energy sector in Q4: While M&A is typically split between corporates and sponsors, Q4 activity in the energy sector was marked by corporates being acquisitive, capitalizing on market opportunities. The largest deal of the quarter belonged to SM Energy’s \$12.8 billion

acquisition of Civitas Resources, an exploration & production company focused on oil and natural gas. The combined company will operate a portfolio of approximately 823,000 net acres across US shale basins, immediately transforming the combined entity into one of the top 10 US independent oil-focused producers.⁴ In the energy services space, Alphabet, the parent company of Google, announced it would acquire Intersect, which provides datacenter and energy infrastructure solutions, for \$4.8 billion. Google already owns a minority stake in Intersect from a prior funding round. The acquisition “will enable more data center and generation capacity to come online [...] while accelerating energy development and innovation.”⁵

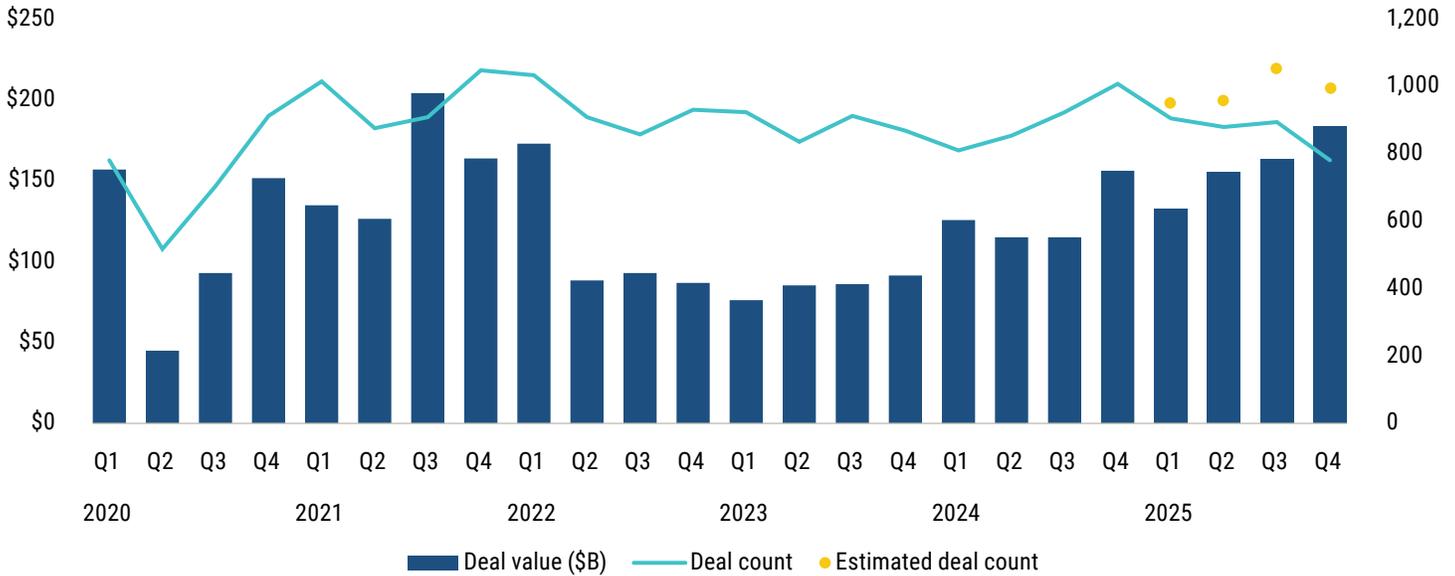
3: “Semcorp Industries to Acquire Alinta Energy,” Alinta Energy, December 11, 2025.

4: “SM Energy and Civitas Resources to Combine in \$12.8 Billion Transformational Combination Delivering Superior Stockholder Value,” SM Energy, November 3, 2025.

5: “Alphabet Announces Agreement to Acquire Intersect to Advance U.S. Energy Innovation,” Alphabet, December 22, 2025.

Financial services

Financial services M&A activity by quarter



Source: PitchBook • Geography: Global • As of December 31, 2025

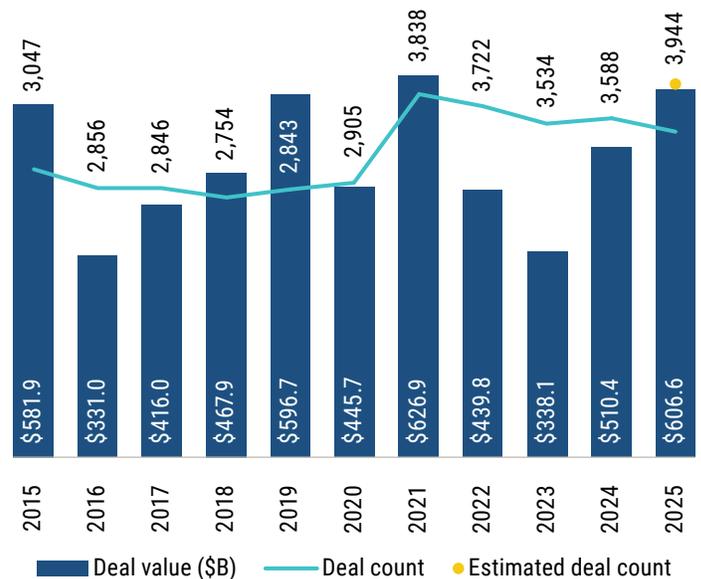
Kyle Walters

Research Analyst, Private Equity

Quarterly financial services M&A activity ends the year on a high note: Financial services M&A activity saw quarterly deal value increase sequentially throughout the year, ending the year on a high note with an estimated 993 deals worth \$171.3 billion in Q4. On an annual basis, the strong fourth quarter propelled the full year to the second-highest levels ever recorded, surpassed only by the 2021 peak. Financial services M&A saw an estimated 3,944 deals worth an aggregate value of \$606.6 billion, representing YoY increases of 9.9% and 18.8%, respectively.

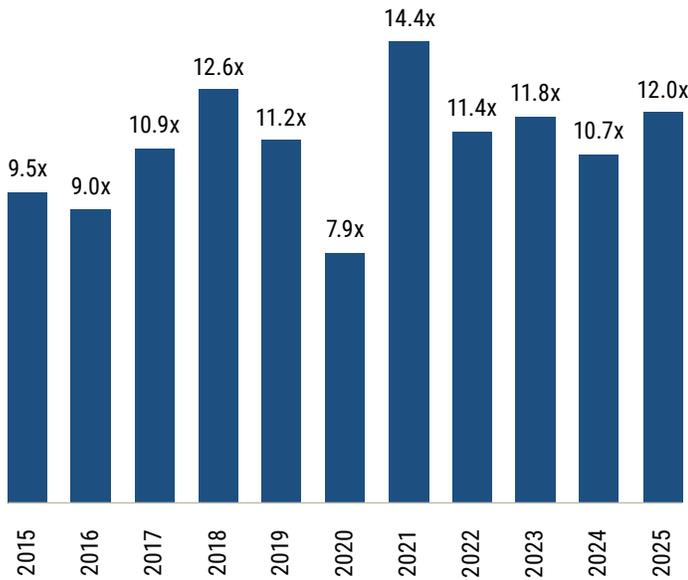
More banks trade hands, signaling continued strength and improving market conditions: The mini-wave of consolidation among regional and national banks was a trend that persisted throughout the year, with Q4 seeing continued activity in this space. Conditions that facilitated these transactions included a less stringent regulatory environment, eased capital requirements, and, as always, the benefits associated with economies of scale. Early in Q4, Fifth Third Bank announced it would be acquiring Comerica for \$10.9 billion in a deal that would create the ninth-largest US bank. Later in October, Huntington Bancshares announced its acquisition

Financial services M&A activity



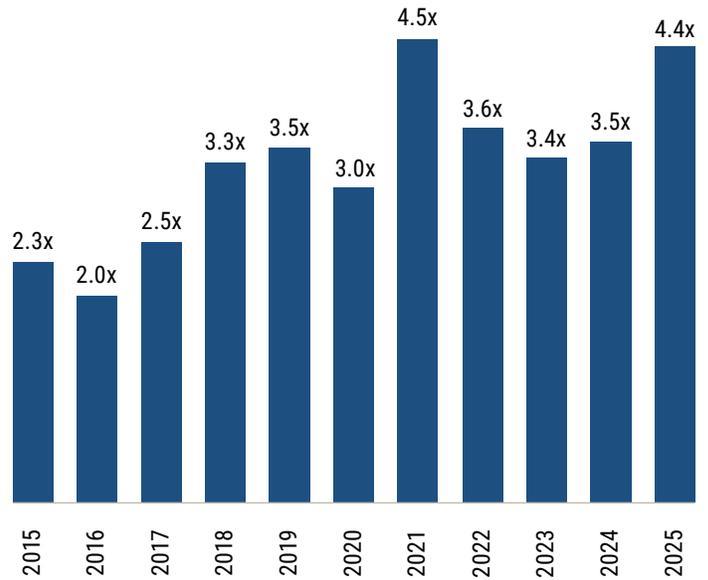
Source: PitchBook • Geography: Global • As of December 31, 2025

Median financial services M&A EV/EBITDA multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Median financial services M&A EV/revenue multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

of Cadence Bank, a \$53 billion regional bank headquartered in Houston, Texas, and Tupelo, Mississippi, for \$7.4 billion. The acquisition gives Huntington the eighth-largest deposit market share in Texas and makes it the number one bank in Mississippi by deposits.⁶

Insurance M&A remains a hotbed for the financial services sector: Like in prior quarters, several large-scale insurance transactions occurred in Q4 as the insurance space continued to attract investor appetite, whether it was corporates looking to expand their geographic presence or sponsors looking to capitalize on the consolidation taking shape. The largest insurance deal of the quarter belonged to American International Group's (AIG's) \$7 billion acquisition of a 35%

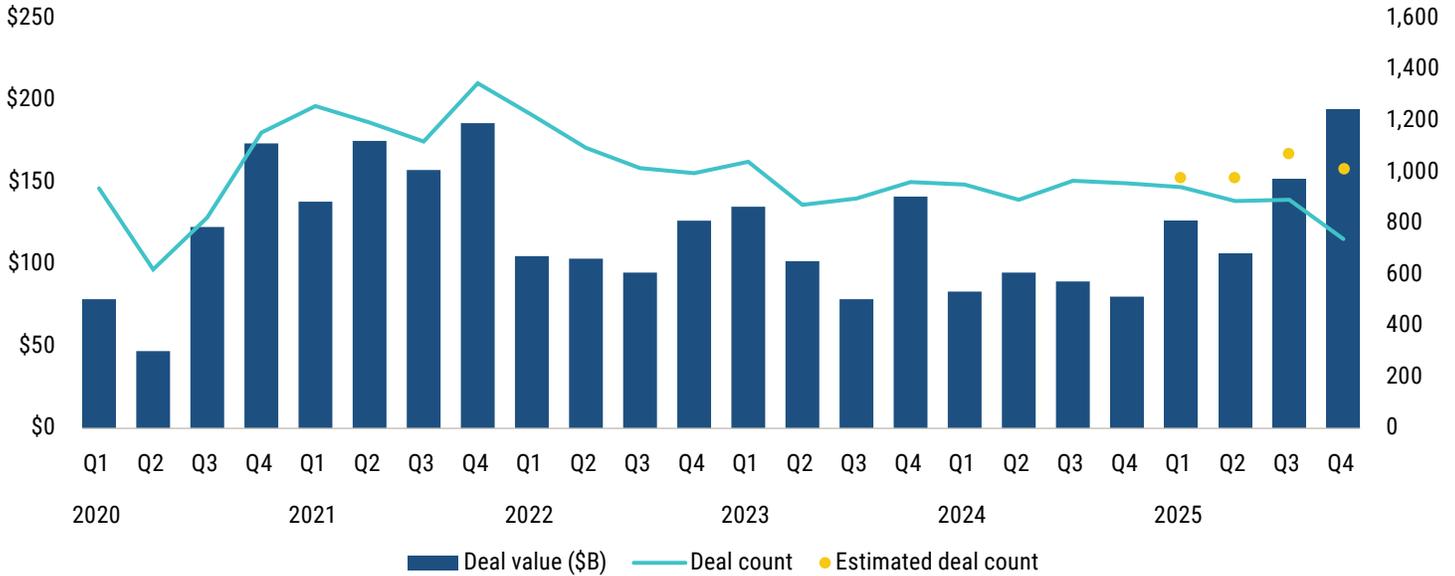
stake in Convex Insurance from Onex Partners, which will also see Onex reinvest as a majority shareholder by retaining a 63% stake. The transaction initiates a new long-term strategic relationship with AIG, in which AIG will participate directly in Convex's underwriting portfolio. Additionally, AIG will commit \$2 billion to Onex's PE and private credit strategies over the next three years,⁷ taking advantage of opportunities presented by the alternative assets industry and exemplifying the increased participation of insurers in the space. In December, JAB Insurance announced its acquisition of Utmost Life & Pensions (ULP) for \$6.6 billion. ULP is a UK life and pensions platform, and its acquisition provides JAB with a strong foothold in the UK market and aligns with JAB's long-term investment horizon.

6: "Huntington Bancshares Incorporated to Acquire Cadence Bank," Huntington Bank, October 27, 2025.

7: "Onex Announces Transformational Investment and Relationship to Drive Growth and Shareholder Value," Onex, October 30, 2025.

Healthcare

Healthcare M&A activity by quarter



Source: PitchBook • Geography: Global • As of December 31, 2025

Ben Riccio

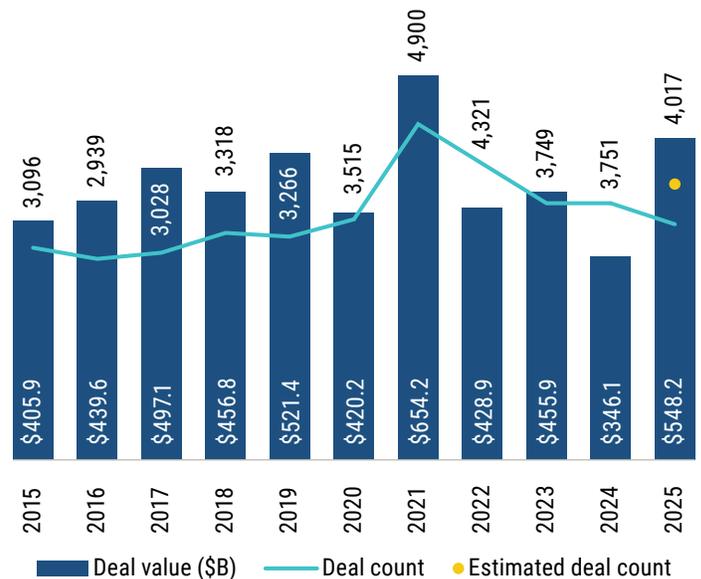
Research Analyst, Healthcare

Second-half deal surge propels healthcare M&A to multiyear high:

Healthcare M&A activity picked up sharply in H2, driven by a frenzied biopharma acquisition environment and sustained interest in healthcare technology. In Q4, healthcare deal value rose 127.1% YoY and 26.8% QoQ, reaching \$180.5 billion. Full-year volume totaled an estimated 4,017 deals with an aggregate value of \$548.2 billion. This marks the second-best year for healthcare M&A in the decade, behind only 2021. Still, healthcare’s share of total M&A count remained at a decade-low 8.3% as overall investment continued to be driven by fewer, larger deals. The top deals of the quarter included Abbott’s \$21 billion acquisition of blood-based cancer diagnostics company Exact Sciences and the \$18.3 billion take-private of Hologic by Blackstone and TPG.

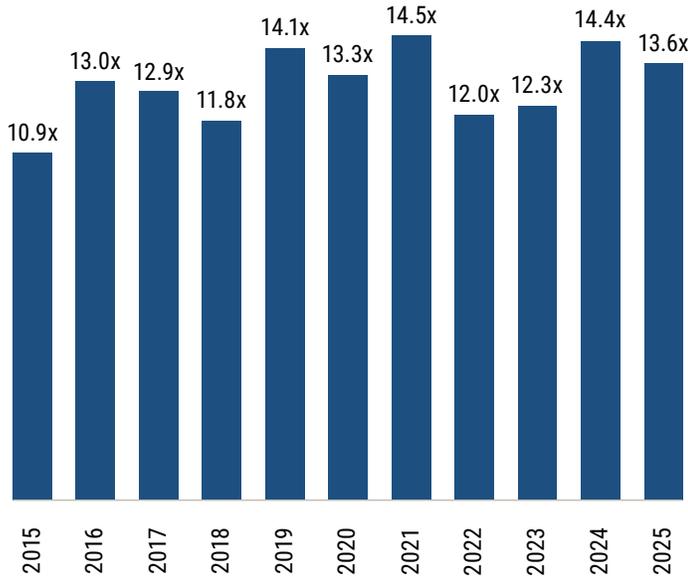
Pharmaceuticals and biotech rebound: As incumbents seek to strengthen their pipelines ahead of the 2030 patent cliff, biopharma M&A activity has rebounded sharply from 2024’s decade low. Deal value for the subsector reached \$203.3 billion in 2025, up 102.7% YoY. With 11 megadeals in Q4, activity has been heavily concentrated in large-scale transactions. Buyers are demonstrating a willingness to

Healthcare M&A activity



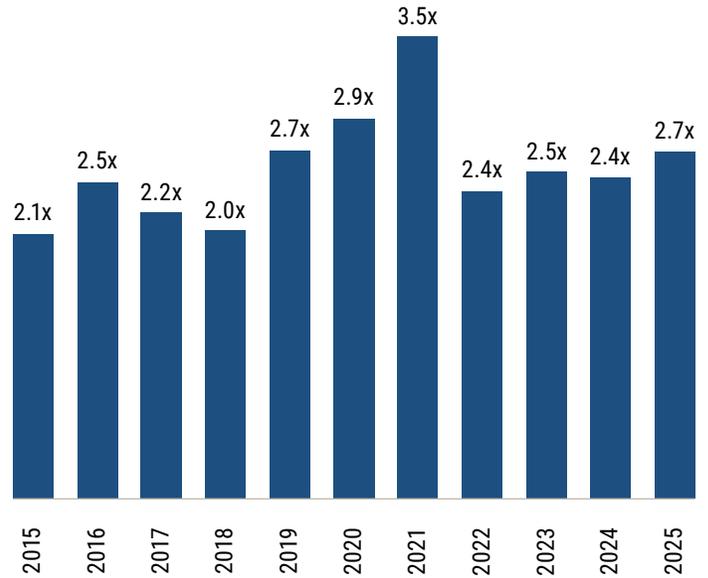
Source: PitchBook • Geography: Global • As of December 31, 2025

Median healthcare M&A EV/EBITDA multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Median healthcare M&A EV/revenue multiple



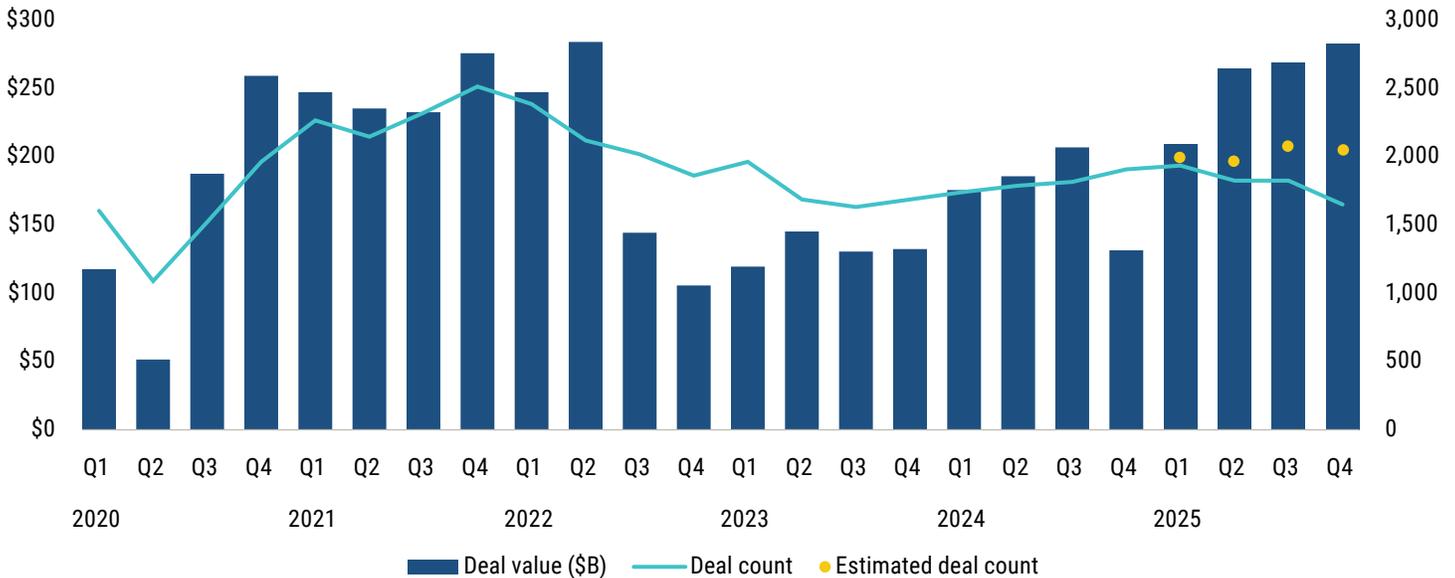
Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

pay a premium for late-stage clinical assets with strong therapeutic differentiation. The largest deal of the quarter was Novartis' purchase of Avidity Biosciences for \$12 billion, a 46% premium to the preannouncement share price. After an extended bidding war with Novo Nordisk, Pfizer completed its \$10 billion acquisition of clinical-stage weight-loss drug developer Metsera. The resulting 160% price premium (including contingent value rights) underscores the intensifying competition in the GLP-1 space.

Healthcare services activity remains flat: Despite heightened activity in other healthcare subsectors, M&A in healthcare services remained subdued in 2025. Full-year deal value for the space totaled \$158.3 billion, just a 1% uptick from 2024. Regulatory uncertainty stemming from the One Big Beautiful Bill Act—including anticipated Medicaid cuts, stricter eligibility rules, and the elimination of premium rebate tax credits—contributed to muted buyout activity. With a policy framework now established and a significant portion of assets running up on extended holding times, we expect deal activity to pick up in 2026.

IT

IT M&A activity by quarter



Source: PitchBook • Geography: Global • As of December 31, 2025

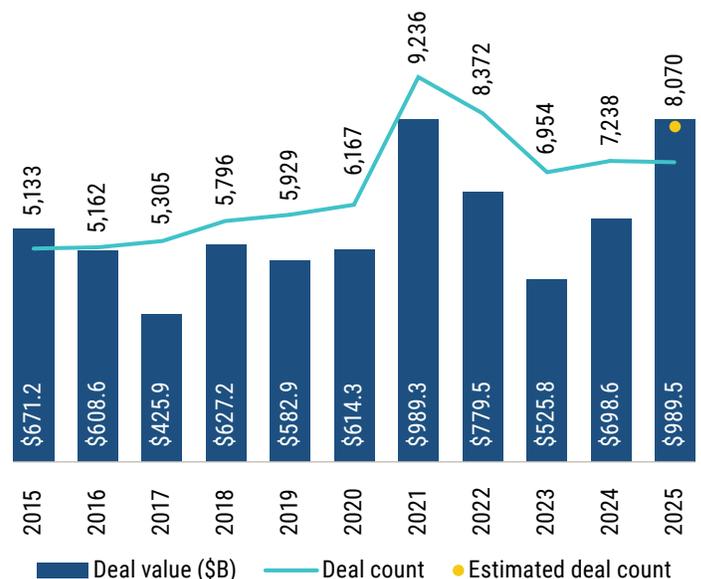
Jinny Choi

Senior Research Analyst, Private Equity

IT M&A nearly hits \$1 trillion milestone: The IT sector experienced a record year of M&A activity, practically reaching \$1 trillion in deal value in 2025. With an estimated 8,070 announced or closed deals worth a total of \$989.5 billion, deal value increased 41.6% YoY and was two basis points higher than the previous record of \$989.3 billion set in 2021. As for deal count, there were 11.5% more IT deals in 2025 than in the year before, and 2025 marked the third-highest year in terms of M&A count. The investor push into AI and datacenters, as well as continued robust opportunities in cybersecurity and the digitalization of operations and supply chains, has driven IT M&A activity to new levels. 111 IT megadeals contributed over \$600 billion in deal value in 2025.

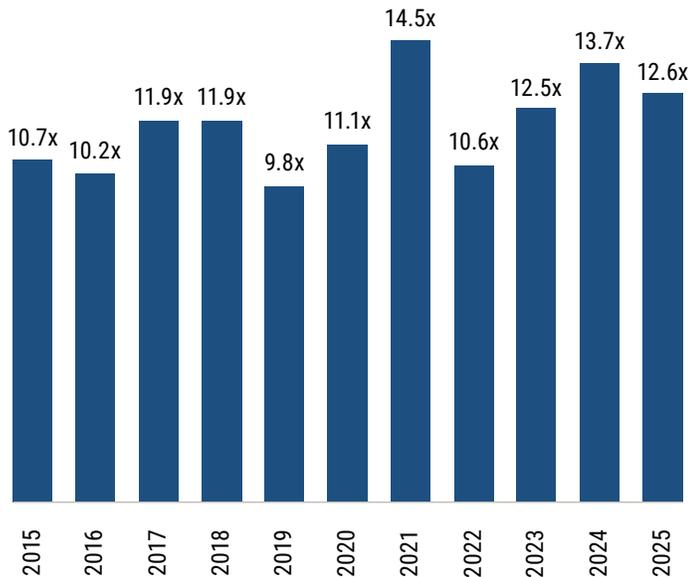
Demand for AI infrastructure drives capital: The largest IT deal in Q4 was the \$40 billion acquisition of Aligned Data Centers by a BlackRock-led consortium that includes Microsoft and NVIDIA. Aligned Data Centers designs and operates datacenters, with a planned capacity of 50 data campuses across the US and Latin America. The acquisition is a major bet on the infrastructure needed to support the growing demand for AI computing power. Microsoft, Amazon, Meta, and

IT M&A activity



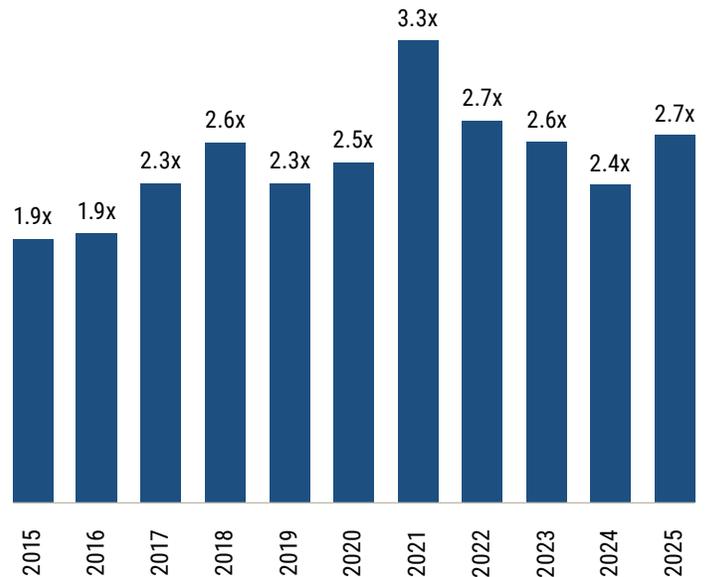
Source: PitchBook • Geography: Global • As of December 31, 2025

Median IT M&A EV/EBITDA multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Median IT M&A EV/revenue multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Alphabet are expected to spend a combined \$380 billion in the 2025 fiscal year, focused primarily on AI efforts,⁸ while key AI chip producer Taiwan Semiconductor Manufacturing Company stated it will spend up to \$56 billion in 2026 and expand factories in the US,⁹ suggesting the AI boom will continue to significantly influence dealmaking trends in IT.

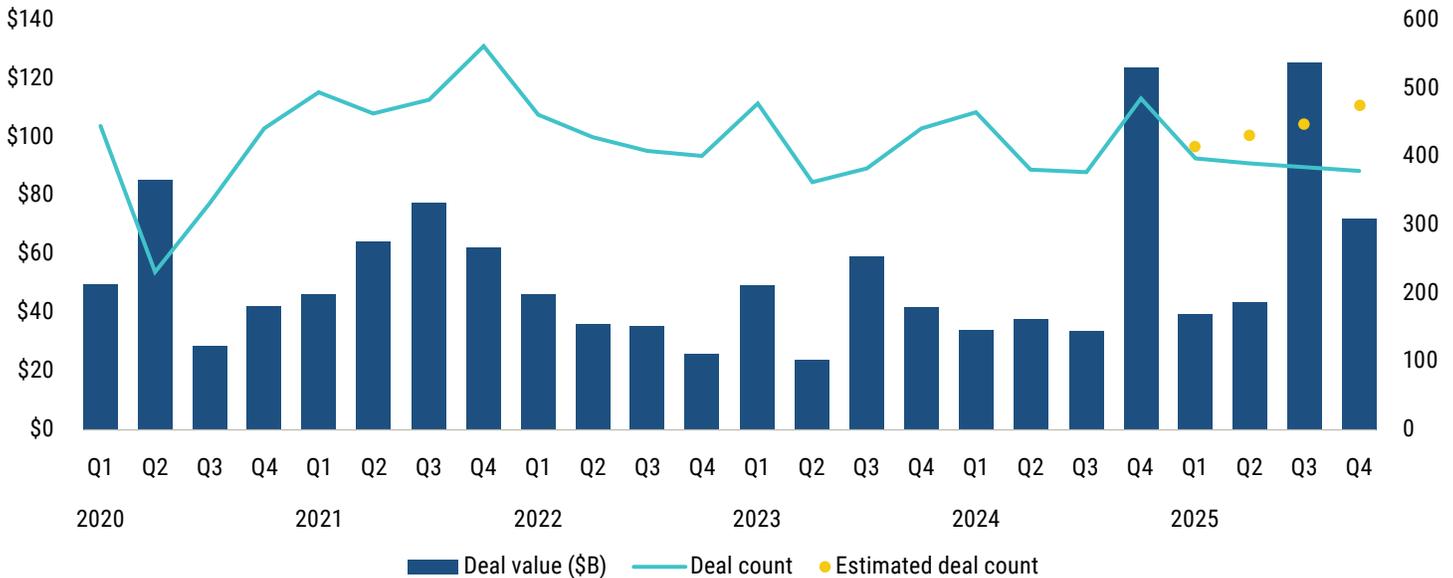
PE buyers target large take-private opportunities: With a higher risk-on appetite and ample dry powder on hand, PE buyers continued to take on outsized take-private deals. The largest IT deal of 2025 was the \$55 billion take-private of EA in Q3, which was also the largest LBO ever. The acquisition by Affinity Partners, Silver Lake, and Saudi Arabia’s Public Investment Fund is expected to reduce quarterly earnings pressure on EA and reflects the high price acquirers are willing to pay for premium companies. Also in Q3, Thoma Bravo took human resources software provider Dayforce private for \$12.4 billion in what was the PE firm’s largest take-private deal ever. In Q4, it was announced that investment management software company Clearwater Analytics Holdings would be taken private by Permira, Francisco Partners, and Temasek Holdings for \$8.4 billion.

8: "Tech's \$380 Billion Splurge: This Quarter's Winners and Losers of the AI Spending Boom," CNBC, Ari Levy, October 31, 2025.

9: "TSMC Smashes Forecasts With Record Profit, Flags More US Factories," Reuters, Wen-Yee Lee, Faith Hung, and Ben Blanchard, January 15, 2026.

Materials & resources

Materials & resources M&A activity by quarter



Source: PitchBook • Geography: Global • As of December 31, 2025

Kyle Walters

Research Analyst, Private Equity

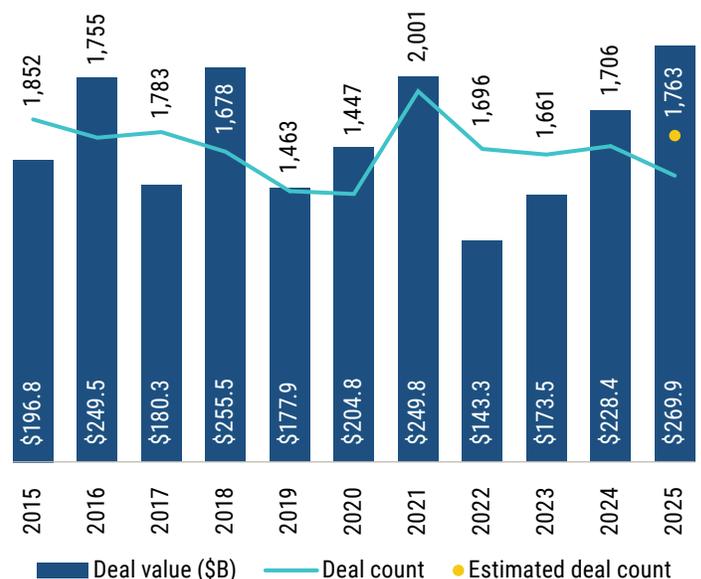
Materials & resources see sequential increases in deal count throughout 2025:

Deal value saw a similar story, increasing sequentially from Q1 to Q3, and aided by a strong Q4, 2025 well surpassed 2024 in deal value at \$269.9 billion, even with 2024 supported by the \$123.7 billion in activity seen in Q4. Deal volume barely edged out 2024's total of 1,706, reaching an estimated 1,763 deals announced or completed, its highest point since the 2021 peak of more than 2,000 deals. While deal value was down significantly QoQ, in large part due to the gargantuan Q3 \$70 billion merger of equals between Anglo American and Teck Resources, Q4 managed to be the second-best quarter of the year. Additionally, deal count continued its upward trajectory through all four quarters.

Containers and packaging M&A activity sees several notable transactions:

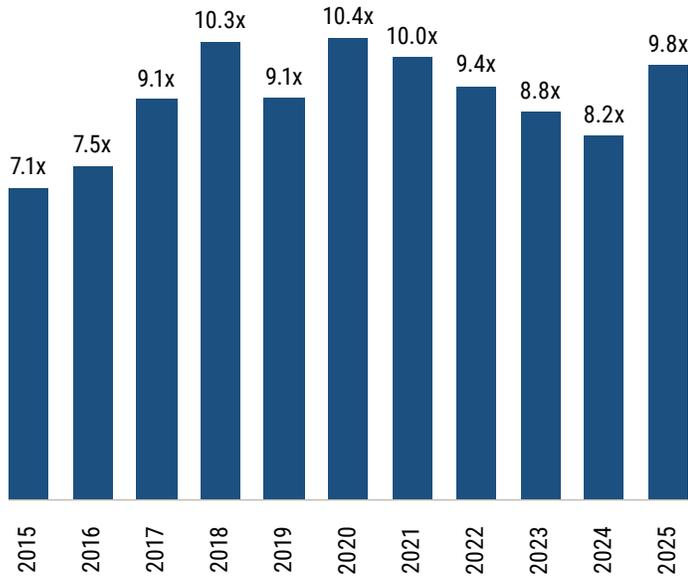
The sector's largest deal in Q4 belonged to the containers and packaging subsector, with CD&R's \$10 billion take-private of Sealed Air in November. Sealed Air is a provider of food and protective packaging solutions. The partnership with CD&R will enable Sealed Air to further enhance its ability to invest in its expanding food and protective packaging businesses. In October, Coca-Cola Hellenic Bottling Company

Materials & resources M&A activity



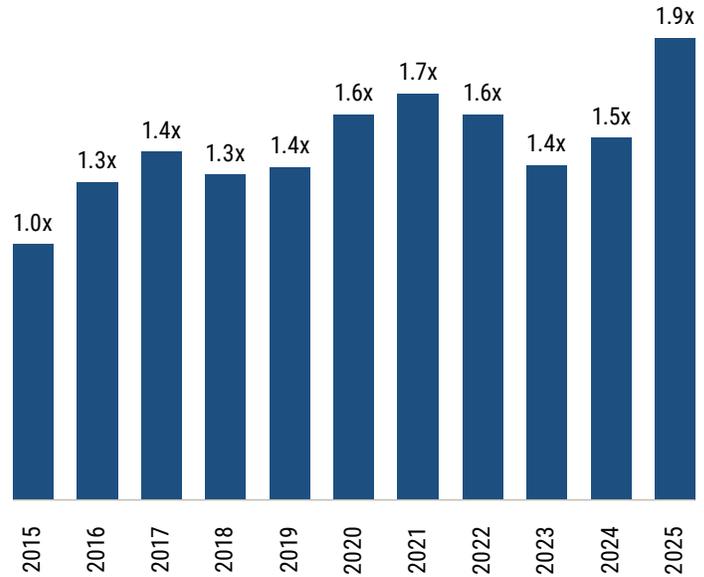
Source: PitchBook • Geography: Global • As of December 31, 2025

Median materials & resources M&A EV/EBITDA multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

Median materials & resources M&A EV/revenue multiple



Source: PitchBook • Geography: North America and Europe • As of December 31, 2025

(HBC) announced its acquisition of Coca-Cola Beverages Africa for \$2.6 billion, creating the second-largest Coca-Cola bottling partner by volume globally. Moreover, the acquisition materially expands Coca-Cola HBC’s presence in Africa, unlocking additional growth opportunities. Coca-Cola HBC also intends to pursue a secondary listing on the Johannesburg Stock Exchange to “underpin its commitment to South Africa and the African continent.”¹⁰

Chemicals and gases nab some of the top deals in Q4: The chemicals and gases subsector of materials & resources typically sees healthy deal activity, as it spans various chemical options, ranging from agricultural chemicals to industrial chemicals and more. The largest chemicals transaction of the quarter occurred in early October when Occidental divested its chemical business, OxyChem, to Berkshire Hathaway

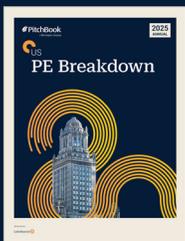
for \$9.7 billion. The sale will help to strengthen Occidental’s balance sheet and allow it to focus on its oil & gas portfolio. Prior to the deal, Berkshire Hathaway was already a substantial investor in Occidental, holding a 28.2% stake. In December, infrastructure and real asset manager Stonepeak agreed to acquire a 65% stake in BP’s lubrication business, Castrol, for \$6 billion. Castrol manufactures and markets engine oils, industrial fluids, and greases. Additionally, BP retained a 35% minority stake in Castrol, allowing it to benefit from the company’s future growth.

¹⁰: “Acquisition of Coca-Cola Beverages Africa, Bringing Together Two Leading Bottlers in Africa to Drive Sustainable, Profitable Growth,” Coca-Cola HBC, October 21, 2025.



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