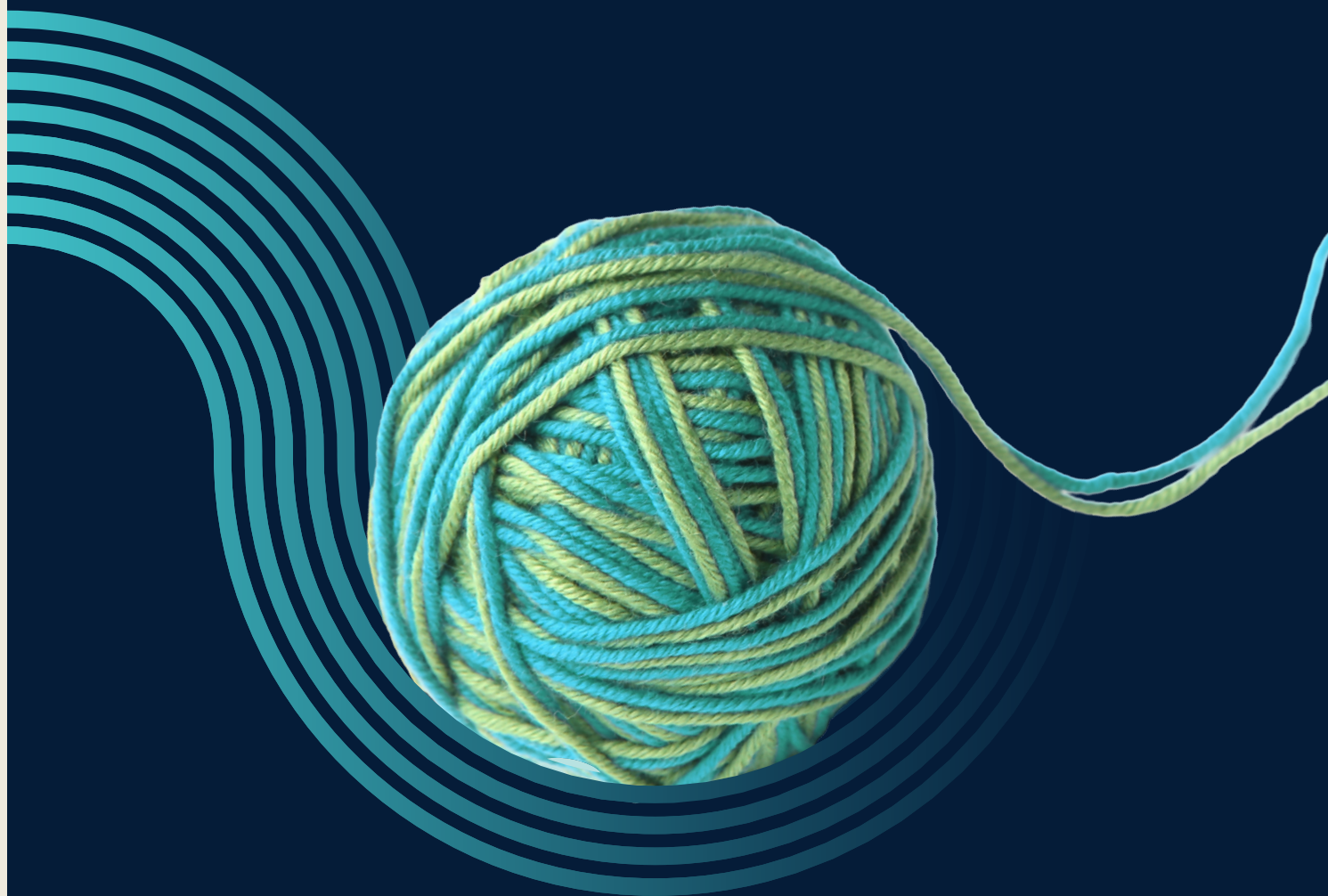


 GLOBAL
M&A Report



Contents

Overview	4
Valuation metrics	6
A word from Liberty GTS	9
Deal metrics	11
European M&A	12
North American M&A	13
A word from RSM	14
Antitrust M&A update	16
Sector metrics	21
Industry metrics	23
B2B	26
B2C	27
Energy	28
Financial services	29
Healthcare	30
IT	31
Materials & resources	32
References	33

Institutional Research Group



Steven Buibish, CFA
Director, US Private Equity
steven.buibish@pitchbook.com



Jinny Choi
Senior Research Analyst,
Private Equity
jinny.choi@pitchbook.com



Garrett Hinds
Senior Research Analyst,
Private Equity
garrett.hinds@pitchbook.com



Nicolas Moura, CFA, CAIA
Senior Research Analyst,
EMEA Private Capital
nicolas.moura@pitchbook.com

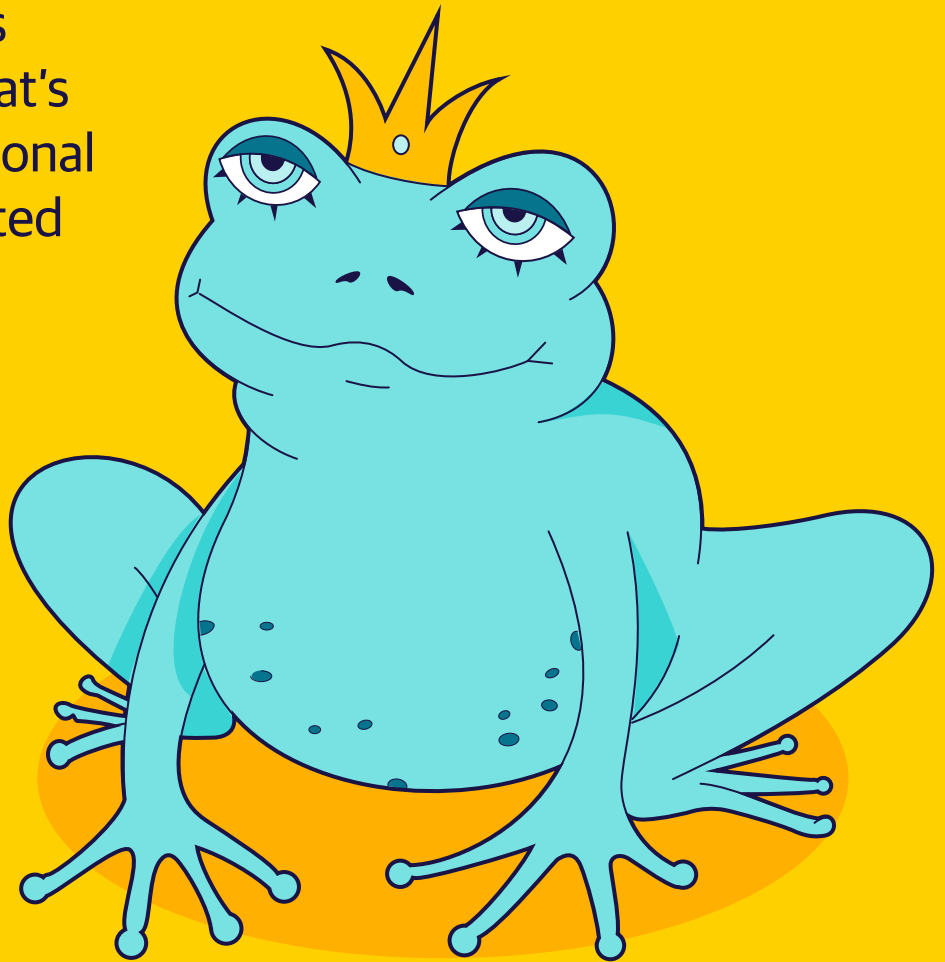
Harrison Waldock
Senior Data Analyst

pbinstitutionalresearch@pitchbook.com

Published on July 9, 2026

Not every frog is a Prince

Savvy deal-makers know that stories don't always have happy endings. That's why they need transactional risk insurance from trusted advisers. Kiss wisely.



Your world is our world
www.libertygts.com

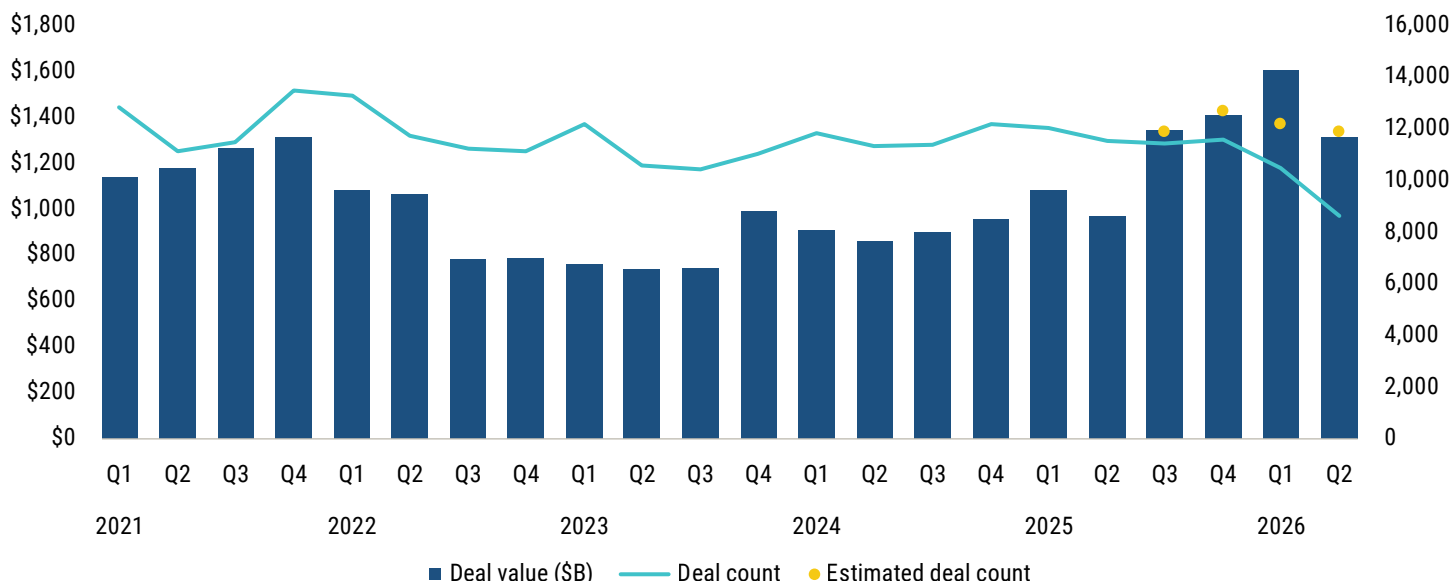


Liberty
Global Transaction
Solutions™

Liberty Global Transaction Solutions (GTS) is a trading name of the Liberty Mutual Insurance Group (LMIG). Policies are underwritten by LMIG companies or our Lloyd's syndicate. When we offer insurance products we will state clearly which insurer will underwrite the policy. Any description of cover in this document does not include all terms, conditions and exclusions of any cover we may provide, which will be contained in the policy wording itself. For policies issued in USA, some policies may be placed with a surplus lines insurer; surplus lines insurers generally do not participate in state guaranty funds and coverage may only be obtained through duly licensed surplus lines brokers. © 2024 Liberty Mutual Insurance, 175 Berkeley Street, Boston, MA 02116.

Overview

M&A activity by quarter



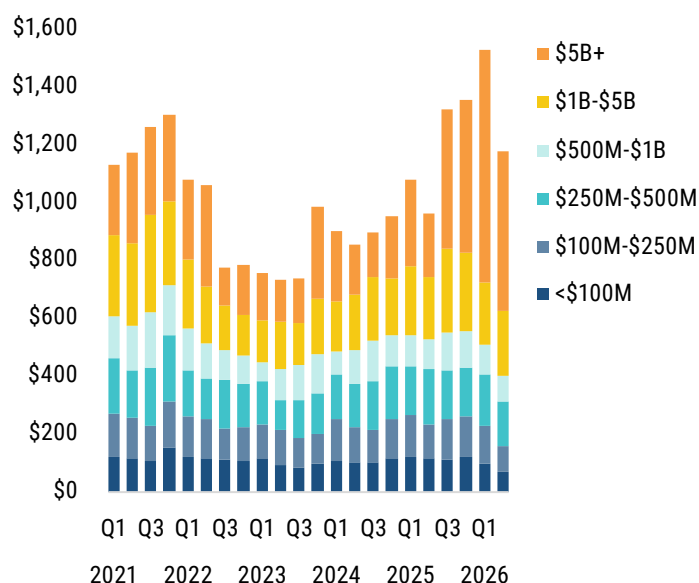
Source: PitchBook • Geography: Global • As of June 30, 2026

Softer market masked by megadeals

Global M&A in Q2 2026 represented an extremely top-heavy market led by strategic acquirers. Total deal value reached an estimated \$1.3 trillion, down sharply from the first quarter though still a remarkably strong quarter by historical standards. At the same time, deal count barely moved, which signals a relatively steady—if not slightly weakening—broader market as total value is driven overwhelmingly by a few very large deals.

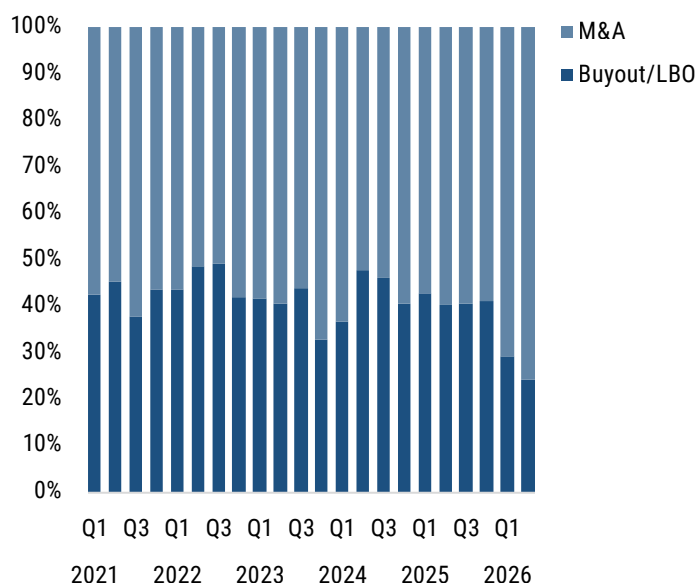
The estimated \$1.3 trillion in global M&A value was up 35.3% against \$965.7 billion recorded in the same quarter of 2025 but down 18.4% from Q1 2026's \$1.6 trillion. Deal count, including estimates for late-reporting transactions, held broadly steady at 11,880—up 3.4% YoY and down just 2.4% QoQ. The reconciliation of those two signals lies in the very largest transactions: Deals of \$5 billion or more accounted for \$553 billion of value across just 34 transactions, close to 42% of the total M&A value for the quarter. This demonstrates a market where value pooled at the top while the underlying deal base stayed intact, with higher-for-longer financing weighing most heavily on the deals that depend on debt.

Quarterly M&A value (\$B) by size bucket



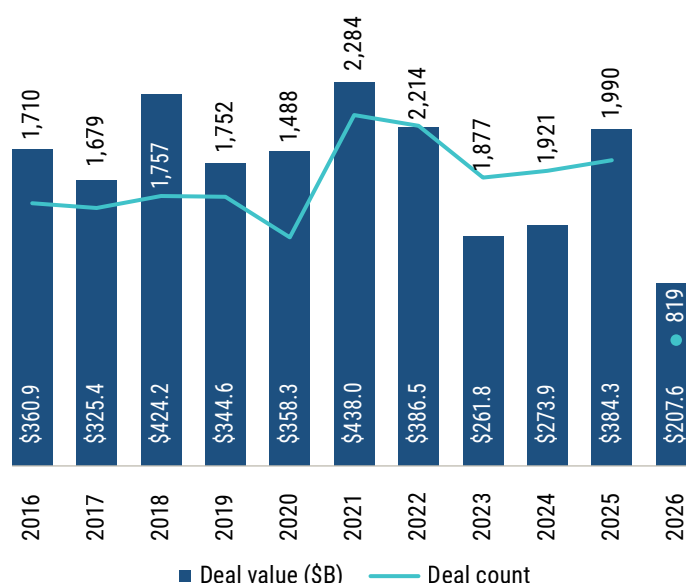
Source: PitchBook • Geography: Global • As of June 30, 2026

Quarterly share of M&A value by type



Source: PitchBook • Geography: Global • As of June 30, 2026

European M&A activity with non-European acquirers



Source: PitchBook • Geography: Europe • As of June 30, 2026

Strategics step up as sponsors retreat

The widening gap between strategic and financial acquirers was another key theme in Q2, with private equity (PE) retreating as volatility picked up and inflation became a growing concern. The Federal Reserve held its policy rate as rate expectations increased between the March and June meetings, and the European Central Bank reversed course to hike rates for the first time since 2023.^{1,2} Together, those moves made the math underpinning leveraged buyouts harder to pencil out, and sponsors leaned toward smaller add-ons rather than transformational platform bets. Strategics filled the vacuum, executing several transactions above \$10 billion and pushing strategic deal value well ahead of sponsor activity. Corporate buyers appear to have read a more permissive antitrust posture as an invitation to pursue scale, moving on deals that would have drawn greater regulatory resistance in prior years.³

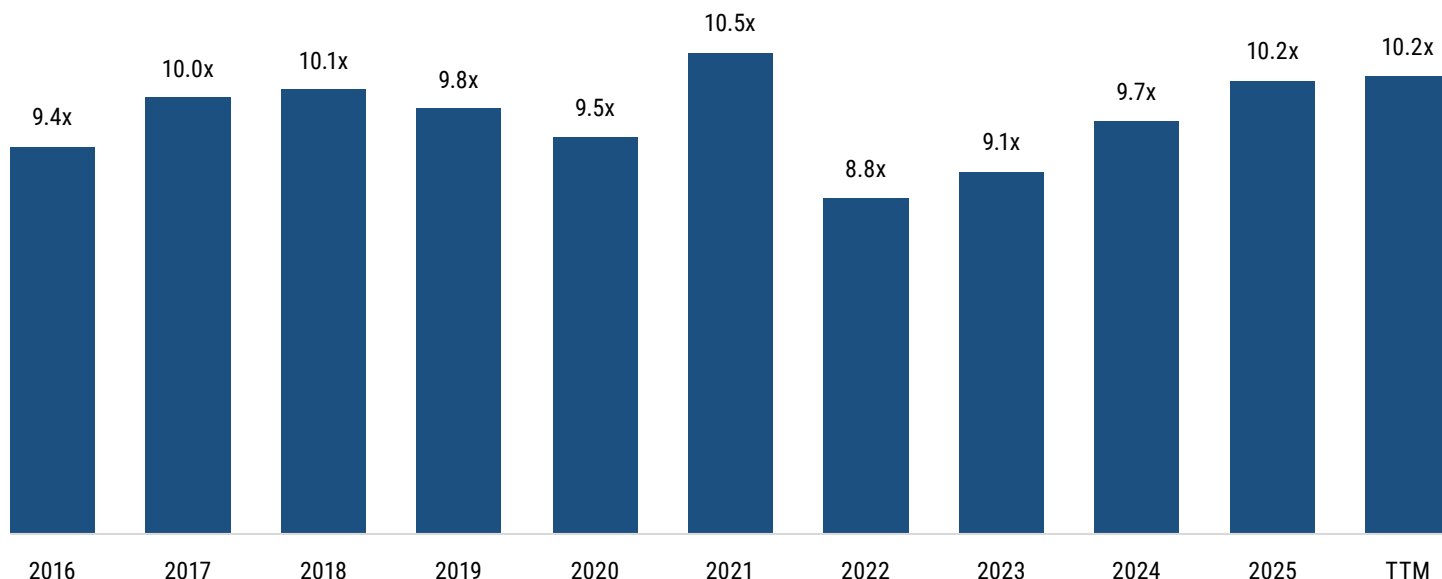
Buyout value fell to \$287.3 billion, down 35.7% QoQ and well below its cycle peak. Strategic M&A value held up far better at \$892.7 billion. Sponsors had shown an appetite for large

deals as recently as the Electronic Arts take-private in Q3 2025 and the AES utility acquisition in Q1 2026, but conditions did not support such an appetite in Q2. The result was a period in which corporates, funding deals from balance sheets and stock, held a structural advantage over sponsors dependent on credit markets.

Cross-border flows continued to tilt toward North America even as the region's own activity declined. On a YTD basis, North American targets acquired by non-North American buyers drew \$276.7 billion across 645 deals, while European targets acquired by non-European buyers attracted \$207.6 billion across 819 deals. North America remains the primary magnet for global capital, a status reinforced by the concentration of large US strategic transactions in Q2. The May 2026 implementation of the US-EU tariff framework, which caps most US duties on EU goods at 15% while eliminating EU tariffs on US industrial goods, has reduced one source of transatlantic uncertainty even as it introduces new compliance considerations for acquirers modeling supply-chain exposure.⁴

Valuation metrics

Median M&A enterprise value (EV)/EBITDA multiple



Source: PitchBook • Geography: North America and Europe • As of June 30, 2026

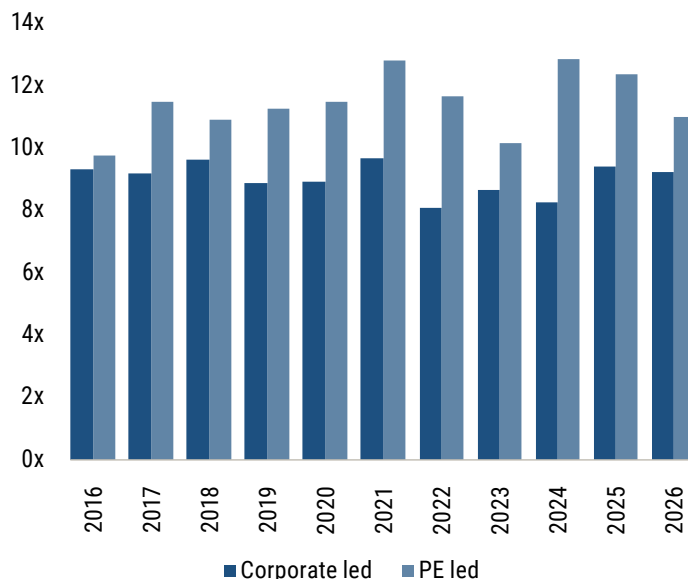
Deal count falls in the quarter, but pricing remains steady

The most striking aspect of the quarter's valuation data is what did not happen with it. Even as aggregate deal value was lifted by a handful of megadeals in Q2, the median EV/EBITDA multiple held at 10.2x on a trailing 12-month (TTM) basis, well within its long-run range. In hindsight, the 2021-to-2023 period marked a temporary shift—initially up, then reversing below the mean—and the market now looks like it is back to a steady state on pricing. The stability suggests that sellers are refusing to reprice downward and buyers are transacting only where they can justify entry multiples, a discipline that keeps overall pricing intact. The YTD average EV/EBITDA multiple of 14.5x, skewed by larger transactions, sits well above the YTD median and further demonstrates how pricing power is concentrated in the biggest deals.

Gap between corporates and sponsors continues to close

Beneath the flat TTM aggregate lies a narrowing gap between sponsors and corporate acquirers. On a TTM basis, the median buyout EV/EBITDA multiple ran at 12.2x against 9.3x for corporates, a gap of roughly three turns. That premium reflects both the larger, more mature targets that sponsors pursue and their willingness to underwrite operational improvement,

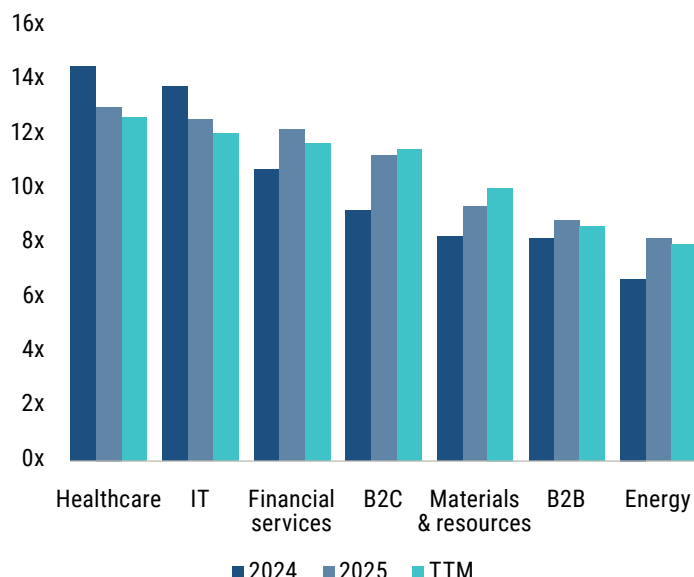
Median M&A EV/EBITDA multiple by type



Source: PitchBook • Geography: North America and Europe • As of June 30, 2026

although with debt costs elevated, the math on entry is tightening. Nonetheless, the gap has narrowed from 4.6 turns in 2024 as corporate multiples solidified and buyout multiples eased from their 2024 peak of 12.9x, evidence of more disciplined sponsor underwriting.

Median M&A EV/EBITDA multiple by sector

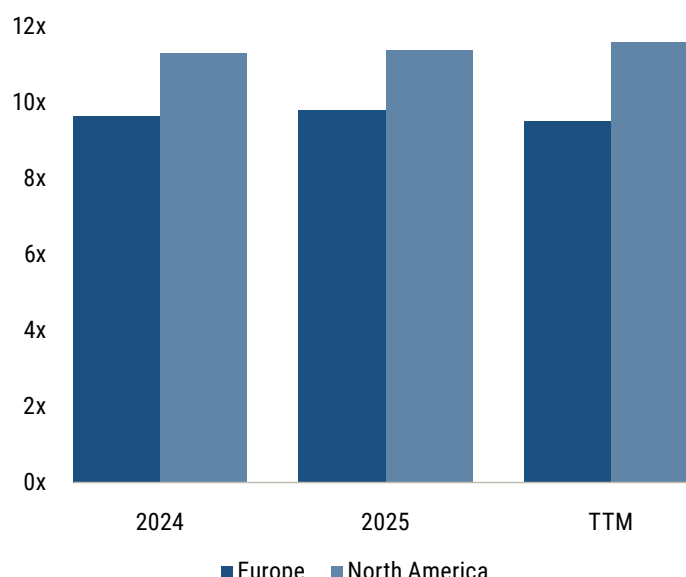


Source: PitchBook • Geography: Global • As of June 30, 2026

Sector dispersion is wider still. Healthcare carried the highest median multiple of any sector at 12.6x on a TTM basis, and its average of 20.4x is the highest level in 20 years, a reflection of intense competition for de-risked clinical assets. Information technology (IT) followed at 12x and financial services at 11.7x, with B2C close behind at 11.4x, a fresh high for the sector.

At the other extreme, energy remained the lowest-priced sector at a TTM median of 8x, roughly 10% below its prior peak, as buyers pressed cost discipline despite a surge in energy deal value. B2B sat just above this at 8.6x, and IT, though second highest among sectors, still ran about 17% below its 2021 peak as the software repricing of recent quarters continued to bite. The divergence between the resilience in healthcare and the discipline in energy is the clearest evidence that Q2 represented a sector rotation rather than a uniform contraction.

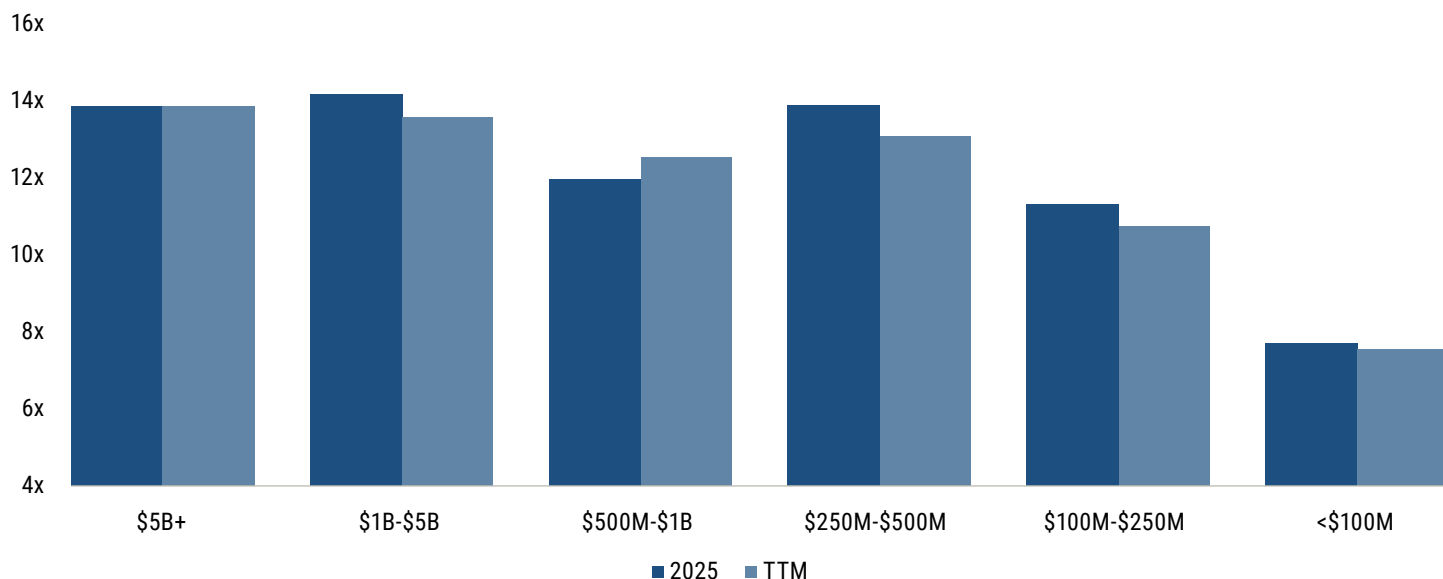
Median M&A EV/EBITDA multiple by region



Source: PitchBook • Geography: Europe and North America • As of June 30, 2026

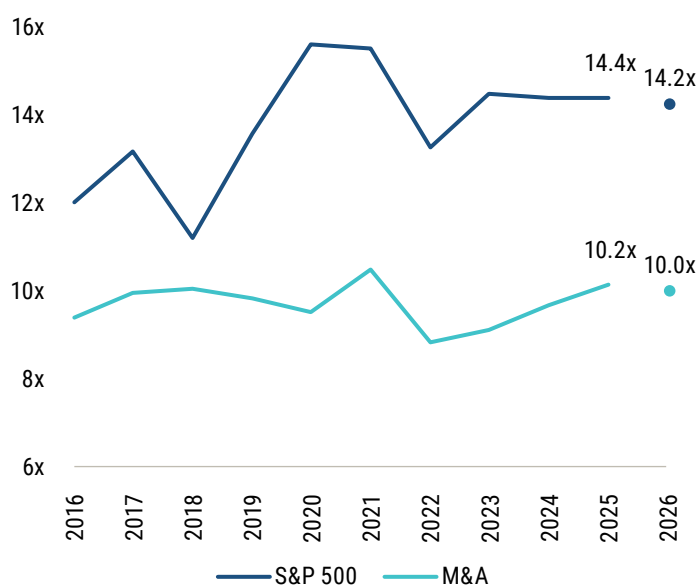
The gap between private-market and public-market valuations frames the strategic backdrop. Compared with the 10.2x TTM median M&A EV/EBITDA multiple, the S&P 500 traded at a trailing price/earnings ratio near 24.7x and a forward ratio around 20x at quarter-end, sitting at historically full valuations. That divergence keeps public equities expensive relative to the private transactions clearing at more disciplined multiples, and it pressures the take-private math: Acquirers must pay a control premium on top of already-elevated public prices. The EV/revenue split by acquirer type reinforces the sponsor premium, with buyouts at a median 2.2x multiple against a median of 1.4x for corporate deals on a TTM basis. Whether public multiples compress toward private-market discipline or private multiples re-rate upward will shape the take-private pipeline heading into the second half of the year.

Median M&A EV/EBITDA multiple by size bucket



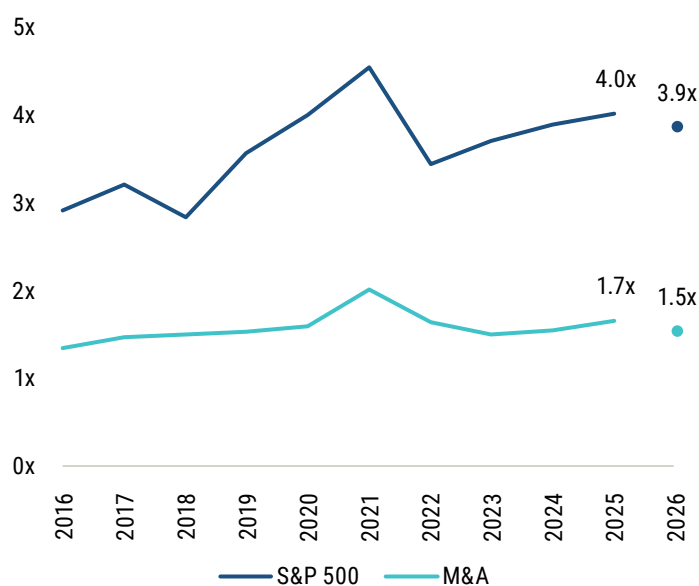
Source: PitchBook • Geography: North America and Europe • As of June 30, 2026

S&P 500 versus M&A median EV/EBITDA multiple



Source: PitchBook • Geography: North America and Europe • As of June 30, 2026

S&P 500 versus M&A median EV/revenue multiple



Source: PitchBook • Geography: North America and Europe • As of June 30, 2026

A WORD FROM LIBERTY GTS

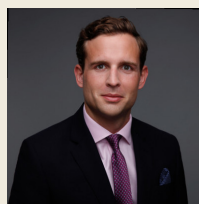
AI in M&A due diligence: An insurer's perspective

Experimentation with AI tools continues apace, whether ancillary to or a critical component of a business's core proposition. In the world of mergers & acquisitions, AI is increasingly being employed in the transactional due-diligence process, becoming in some respects a staple of the work underpinning deal analysis. Advisors are deploying AI tools to quickly extract and organize critical data from large volumes of information at scale—work normally requiring significant time and human resources. With AI considered to be more efficient and cost-effective than humans when undertaking certain tasks, law firms and other advisors have invested heavily in their AI capabilities. Yet for counterparties and the M&A insurers underwriting these transactions through warranty & indemnity (W&I)/representations & warranties (R&W) policies, clarity is needed around how AI tools are used, what their limitations are, and how their outputs are validated.

Client and advisor demand for cost and efficiency savings will continue to drive AI innovation in the due-diligence space, raising questions about how much diligence work AI will eventually handle and whether current systems are deployed in a transparent, controlled manner and subject to expert human judgment. From an insurer's perspective, the fundamental considerations fit into two categories: (1) how we can confidently support an AI-driven due-diligence approach, and, closely related, (2) the extent to which AI is used and relied upon by target companies themselves.

The advantage of AI in due diligence

AI in its current form is most effective when analyzing large volumes of information—such as contracts, emails, and reports—to identify and/or summarize irregularities and patterns that manual reviews can miss. In addition to performing specific due-diligence tasks, AI tools are being used effectively by commercial advisors to assess a target company's strategic positioning, product-market fit, competitive dynamics, and—increasingly—the potential for AI itself to disrupt the target's business model. Using AI to screen counterparties against sanctions lists, politically exposed person databases, and regulatory records is also increasingly common; this work has traditionally required significant



Thomas Rainey
*Underwriting Manager, UK,
CEE & MEA, Liberty Global
Transaction Solutions*

Tom is the underwriting manager for the Liberty GTS UK, CEE, and MEA team, joining the company in

2021. Prior to this, Tom worked as a senior associate for Philadelphia-based law firm Duane Morris LLP, specializing in M&A transactions across multiple jurisdictions and sectors and advising institutional investors, corporates, and management teams. Tom has a Bachelor of Laws from Newcastle University and a Master of Laws from Edinburgh University and took the Legal Practice Course at the London College of Law.

manual effort by internal or external legal functions. Overall, AI is allowing some advisors to conduct broader diligence in shorter time frames, in some cases enabling more thorough exploration, with (in theory) no material increase in cost or head count.

And the disadvantages

Overreliance on flawed AI systems may lead to AI-generated mistakes or omissions, creating exposure that has the potential to become systemic. There are also ethical concerns, with autonomous tools requiring careful compliance oversight to prevent unethical or erroneous decision-making. AI-specific procedures, processes, and guardrails are necessary to address inherent risks such as intellectual property breaches, algorithmic bias, and ongoing compliance with evolving AI regulations. Serious issues may arise from the AI processing of sensitive or proprietary data, which, if robust safeguards are not in place, could be vulnerable to third-party misuse.

Potential disruption issues and ethical concerns must therefore be carefully evaluated and managed by advisors using AI in

their diligence work. Also, given the speed with which AI has become embedded in many processes, it remains unclear in all cases whether an advisor's professional indemnity insurance, which covers errors, omissions, and/or negligence, will cover liabilities relating to AI-generated work.

Conditions for insurer support

Early engagement with M&A insurers is a critical factor in their ability to confidently support a heavily AI-informed due-diligence approach. They need to know how AI was used, to what extent, and in which areas of review, all of which the scoping/basis-of-preparation sections of due-diligence reports should expressly confirm. The details of the AI technology providers involved and the advisors' experience with using the tools being deployed are other important factors, with assurances needed that AI outputs will, in any event, be verified by a qualified expert.

While proficient in processing and summarizing large volumes of information, AI is less capable of tasks requiring judgment, interpretation, or critical analysis. There is a broad consensus that AI is, at present, unsuitable for complex, technical areas of review where subjective interpretation is necessary, such as typically scoped tax diligence, financial diligence, or specialist areas of legal due diligence. To support an AI-assisted due-diligence process, M&A insurers therefore need advisors to provide a clear, coherent rationale for what AI was used for. AI should be employed in a demonstrably logical and supplementary capacity: to assist a review, not to lead it.

With AI now a relevant factor in almost every deal, the extent to which AI is used and relied upon by the target company is a second key consideration for M&A underwriters, the main issues being how central it is to the business's operations and the risks that arise from that level of reliance. From an underwriting perspective, this requires a combination of legal and technical analysis, including scrutiny of data

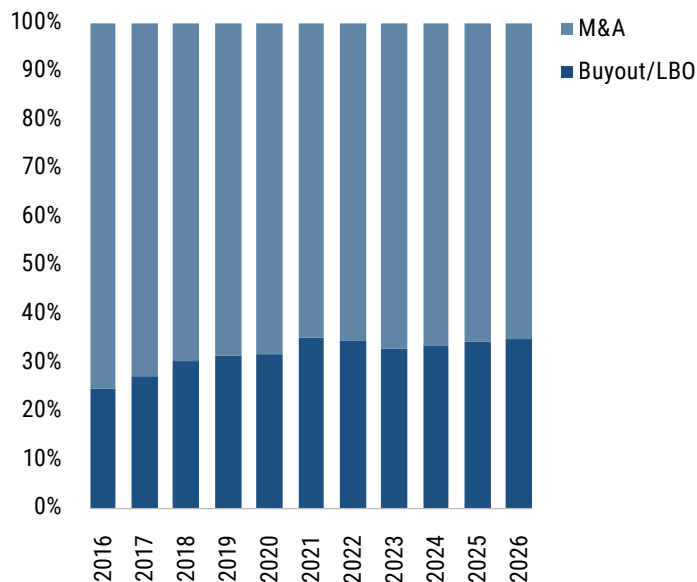
rights, intellectual property ownership, regulatory and data protection compliance, and potential exposure to cyber risks. In addition, attention needs to be paid to how AI systems are developed and maintained, including any third-party licensing arrangements and the extent to which expertise is concentrated in key individuals and/or teams. AI is an increasingly significant factor in assessing both value and risk, with the depth of inquiry ultimately driven by how material AI is to a given target company and the extent to which the target actually owns elements of the tools it uses.

In light of the fact that AI in its current guise remains a relatively nascent tool for many business sectors as well as professional advisors, historical claims data directly related to its usage is limited. However, the potential for AI-related W&I/R&W claims is a live concern for insurers, with future losses potentially stemming from an AI hallucination or miscalculation at a fundamental level. This could give false readings about critical aspects of a business's health or data, upon which wider (inaccurate) due-diligence assumptions could be based.

Generally, insurers are supportive of AI-assisted due-diligence processes, provided advisors can demonstrate how the relevant tools were used and that the process was robustly governed. Caution remains around the extent to which this evolving technology is used, with AI expected to support rather than replace established diligence processes, and with a clear emphasis on transparency, defined scope, intent, and expert human oversight. As AI tools develop and their use becomes more embedded and standardized, these parameters will likely evolve, informed partly by claims experience, as and when it emerges. Over time, there is huge potential for AI to provide broader and more comprehensive insights than current, manual-only due-diligence processes can feasibly deliver. For now, confidence will depend on the same fundamentals that underpin any diligence exercise: clarity of approach, accountability for outcomes, and the reliability of the work on which risk is ultimately assessed.

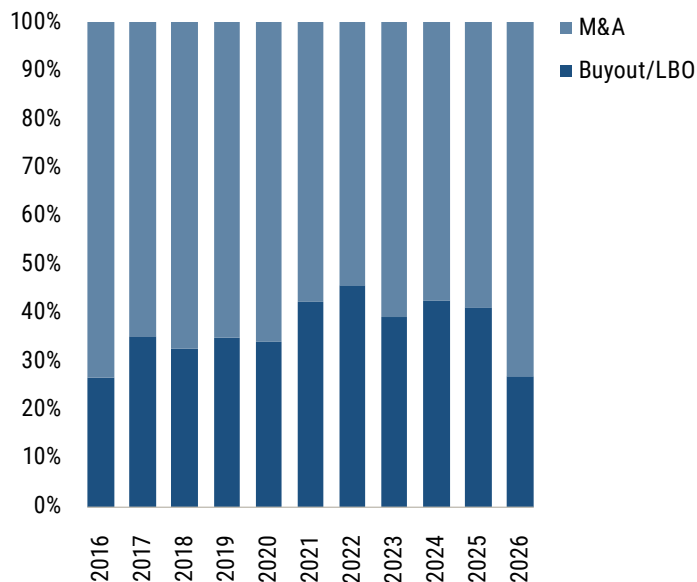
Deal metrics

Share of M&A count by type



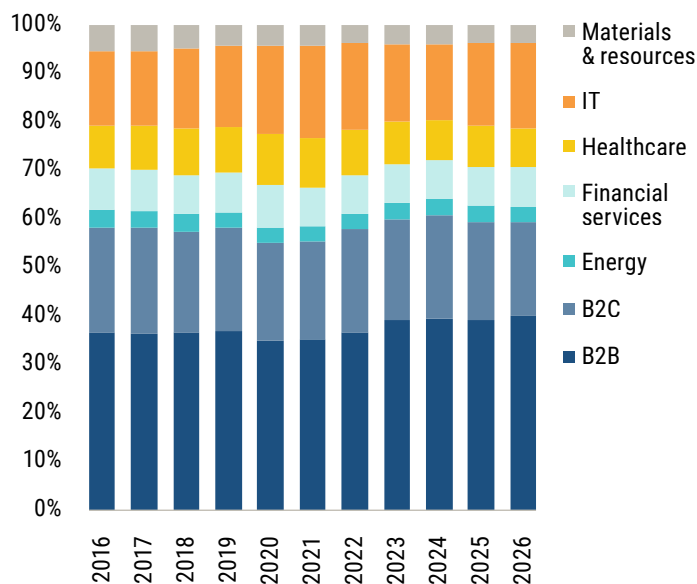
Source: PitchBook • Geography: Global • As of June 30, 2026

Share of M&A value by type



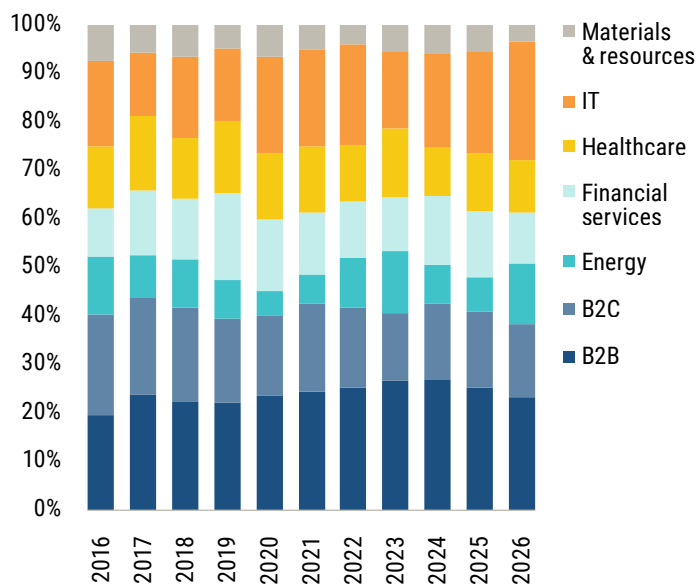
Source: PitchBook • Geography: Global • As of June 30, 2026

Share of M&A count by sector



Source: PitchBook • Geography: Global • As of June 30, 2026

Share of M&A value by sector



Source: PitchBook • Geography: Global • As of June 30, 2026

European M&A

M&A activity by quarter



Source: PitchBook • Geography: Europe • As of June 30, 2026

Nicolas Moura, CFA, CAIA

Senior Research Analyst, EMEA Private Capital

In Q2 2026, European M&A activity slowed after three consecutive quarters of growth. Geopolitics showed up in the data, with the conflict in the Middle East leaving dealmakers uncertain about whether inflation and interest rates would rise as a result. Deal value fell 6.4% QoQ in Europe, a more modest decline than the 24.3% drop recorded in North America. Deal count ticked up 0.9% QoQ in Europe, whereas it declined by 7.3% in North America on an estimated basis.

This relative resilience has been a year in the making, as sponsors and corporates alike have increasingly looked to Europe for alpha generation. Europe is fragmented, requires localized specialization, and has lower entry multiples than North America. Many European countries, such as Italy and Spain, also still have large family-owned-business bases that remain underpenetrated by PE. At the SuperReturn International conference in June, Rob Lucas, CVC Capital Partners' CEO, said that the US and Europe have delivered broadly similar PE returns over the past decade; however, in Europe, roughly one-third of that return is genuine alpha, whereas in the US, it is almost entirely beta. European companies are also 10 to 15 years behind the US on corporate IT spending per employee,

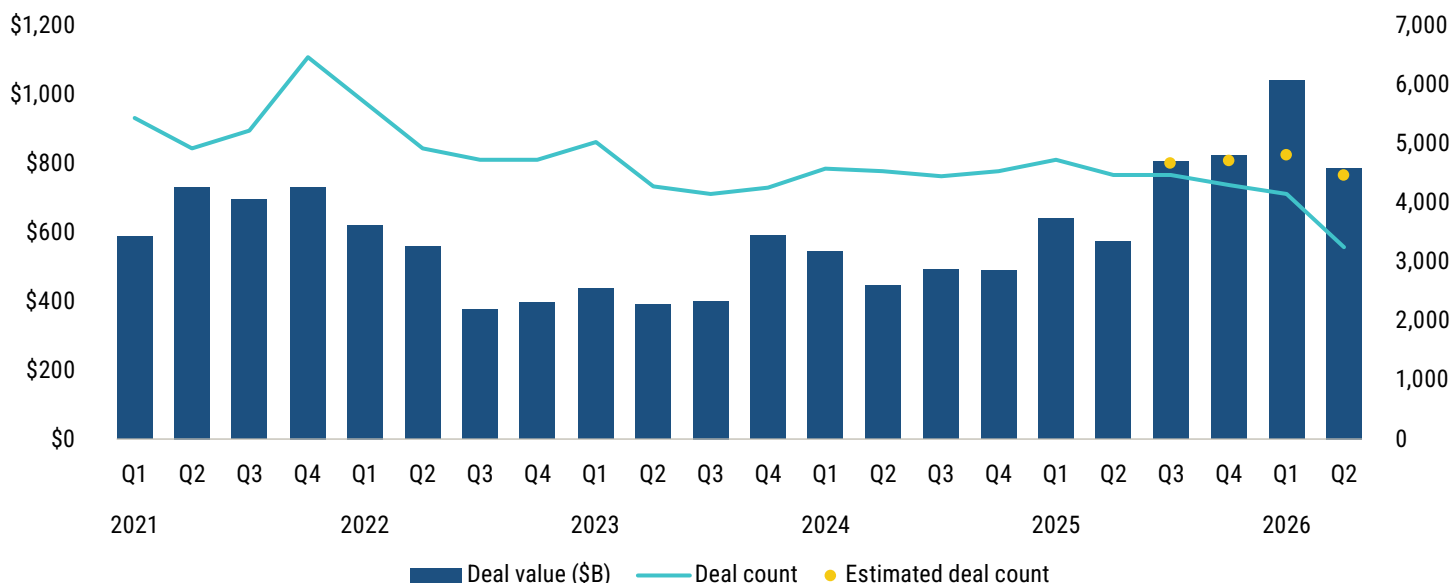
creating both a larger gap to close and a greater alpha opportunity for GPs that can drive digital and AI adoption.⁵ As such, in Q2, M&A deal value in the European IT sector increased 51.1% QoQ.

The B2B sector in Europe had its strongest quarter ever in terms of deal value, which rose 35.6% QoQ. Two megadeals accounted for roughly a third of European B2B deal value in Q2. Finnish elevator maker Kone agreed to buy German rival TK Elevator for \$34.3 billion. If the deal closes, it will create the world's largest elevator maker, overtaking US rival Otis. The other megadeal saw product-testing firm Intertek taken private by EQT for \$14.6 billion, representing a 62% premium on the listed shares.⁶ The common denominator of these two deals is PE: TK Elevator was sold by PE firms, while Intertek was bought by one.

In June, the European Central Bank (ECB) became the first G7 central bank to raise interest rates in response to the energy shock stemming from the conflict in the Middle East. European M&A remains healthy, but monetary policy tightening and geopolitical uncertainty will determine whether this holds in H2.

North American M&A

M&A activity by quarter



Source: PitchBook • Geography: North America • As of June 30, 2026

North American M&A led the global megadeal story in Q2 while its aggregate deal value declined, a combination that captures the quarter's essential tension. Regional deal value reached \$787 billion, down 24.3% from the first quarter. The aggregate value was propped up by a rare concentration of very large transactions. Deals of \$5 billion or more generated \$424.4 billion of North American value, meaning single transactions carried an outsized share of the region's total. Two deals dominated: the acquisitions of Dominion Energy at \$118.5 billion and Cursor at \$60 billion. Strip those two from the total and the picture softens considerably, underscoring the concentration of the quarter's value in a few names.

Beneath the megadeals, the sector mix revealed its own strengths and weaknesses. Energy dealmaking ran far above its five-year quarterly average, consistent with a structural shift in deal appetite tied to power demand rather than a cyclical change. Healthcare and IT also ran comfortably above their five-year norms, suggesting that strategic buying in those sectors has outgrown its historical pace rather than simply

mean-reverting after a strong first quarter. Financial services and materials & resources, by contrast, sat well below their five-year averages, while B2B and B2C deal flow held roughly in line with trends, neither sector doing much to move the quarter's story in either direction.

PE stayed on the sidelines, and the largest deals fell almost exclusively to corporate acquirers—the balance-sheet buyers favored by this quarter's financing math. The Dominion Energy and Cursor deals were funded largely with stock, an advantage for public companies using the purchasing power afforded to them by elevated share prices, a tool that sponsors lack. That dynamic, and its antitrust dimension, is explored in more detail in the following section. We expect North American activity in the second half of 2026 to hinge on the trajectory of interest rates and the materialization of a fresh wave of \$10 billion-plus strategic transactions; without a positive outcome for at least one of these factors, the region's aggregate value would likely lose much of the quarter's megadeal-driven gain.

A WORD FROM RSM

Functional readiness: The predictability premium that drives IPO success

Why you need to operate like a public company before going public

If your private company is considering a public offering, finance alone will not carry the transition. PitchBook notes that three mega-IPOs in 2026 could absorb over \$100 billion in public market capital, leaving the broader IPO pipeline razor-thin.⁷

To attract attention in this environment, your leadership team must be well prepared to connect strategy, operations, and financial outcomes—a public company capability that requires enterprise-wide functional readiness across people, processes, and technology. Master this, and auditor and investor confidence in your current numbers and your company's future will dramatically increase.

Functional readiness is often elusive

Your private company operating models are engineered for growth, not repeatability or scrutiny. Your teams are lean, systems evolve in real time, and critical functions—IT, HR, and investor relations—often lag the pace of expansion.

The result is a subtle but consequential gap: Your company performs well yet is unable to consistently articulate why, especially under the heightened demands of an IPO process. This gap translates into a perceived higher risk that can influence your valuations, pricing, and demand.

Based on our work with companies preparing for IPOs and strategic exits, inconsistencies in data, process, or accountability are often the culprits. These inflection points surface early, often, and in largely predictable ways, such as during a first audit, a transition from AICPA to Public Company Accounting Oversight Board (PCAOB) standards, or initial conversations with bankers or diligence teams. Each moment applies to a different lens, but the underlying signal is the same: Functional maturity has not kept pace with enterprise ambition.

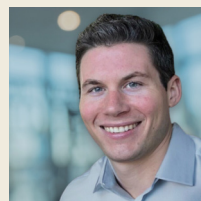
Managed reactively, these gaps create friction and delay. But addressed early, they become a source of advantage, allowing you to enter the market not just prepared, but differentiated.



David Kim, CPA, CA
Director, RSM Canada LLP

David Kim is a director in RSM's financial consulting practice, specializing in cross-border transactions and technical accounting advisory. He co-leads

the AFC practice in Canada, advising on IPO readiness, acquisition accounting, and framework conversions including International Financial Reporting Standards and US generally accepted accounting principles (GAAP), with over 12 years of experience across audit and financial advisory services.



Doug Schmid, CPA
Director, RSM US LLP

Doug Schmid is a director in RSM's deal services practice, advising CFOs and finance leaders on complex accounting, M&A, and capital markets transactions.

He brings a combination of Fortune 500 leadership and consulting experience, guiding clients through audit readiness, GAAP reporting, and strategic transactions while partnering with executive teams to drive scalable, high-impact financial solutions.

A framework for early investments in functional readiness

Derived from real-world execution under IPO-level scrutiny, the following framework is our best practical lens for navigating the pressure points that will undoubtedly emerge as you move from private company operating norms to public market expectations.

Numbers you can defend

Even if your company isn't short on results, the accounting story behind those results may not withstand sustained scrutiny. Indeed, finance and accounting functions are often the first

areas to show signs of weakness, such as inconsistently applied accounting policies, a lack of clear documentation, or insufficient evidence to support management explanations. You may also have limited experience supporting judgments under PCAOB audit standards. Early functional readiness efforts can focus on establishing codified accounting policies with documented positions for judgment areas, forecast-to-actual variance analysis that explains why (not just what), and explicit linkage between operating drivers and reported financial results.

Guidance you can hit

Forecasts that change methodology from period to period, inconsistent or ad hoc explanations for misses and beats, or limited transparency into assumptions and sensitivities can all signal a lack of forecasting muscle and a need to establish repeatable, explainable, trusted forecasts. Key building blocks for predictability and improved performance visibility include a consistent forecasting cadence with standardized assumptions, clear ownership of key drivers and variance explanations, and strong alignment between operational key performance indicators (KPIs) and financial guidance.

Data you can trust

Signs that your management team's confidence exceeds your systems' reliability include overreliance on spreadsheets and manual work-arounds, informal practices for financially significant systems, unclear data origins, and underdeveloped cybersecurity protocols. If you are an early-stage IPO candidate, start by identifying and instilling confidence in critical systems rather than jumping to implementing an enterprise-wide Sarbanes-Oxley Act compliance program. Priorities may include basic access governance and change controls, clear data ownership, and sufficient documentation to support financial statement audit requirements.

Processes you can prove

If critical processes depend on individuals rather than institutional ownership, decision rights are unclear, or you lack documentation to support disclosures and judgments, it's time to focus on accountability and governance. Start by building institutional ownership of processes, metrics, and controls. Focus on aligning governance structures with a predictable operating cadence and developing better documentation that supports disclosures, judgments, and conclusions.

Leaders who hold up

Leadership credibility erodes when explanations shift by audience, internal reporting and external messaging don't align, or management has difficulty articulating why results changed. Conversely, management that performs credibly and consistently under scrutiny is the ultimate test of functional readiness. That capability starts with a unified performance narrative anchored in shared KPIs, a reporting infrastructure that supports accuracy and consistency, and leadership accountability for performance drivers and outcomes.

A consistent performance narrative is the key to auditor and investor confidence

A late-stage, venture-backed life sciences company discovered firsthand on the path to an IPO that financial reporting and disclosure processes built for private capital did not withstand public market scrutiny. Management understood the business operationally but struggled to translate performance into a clear, repeatable management discussion and analysis—one that could endure the rigor of regulators and investors alike. The gap widened as advisors and auditors began asking "public company" questions, focusing not only on what changed—but why. Without a disciplined model for analysis and reporting, each cycle introduced new inefficiencies and incremental risk.

Working with RSM, the company implemented greater structure where it had previously relied on instinct, establishing a repeatable flux analysis framework, aligning disclosures with financial results, and strengthening reporting governance. The shift focused on developing processes and instilling discipline, including management's ability to explain performance consistently and with precision.

It's never too early to invest in your predictability premium

Your management team's ability to share the details behind your company's performance is as important as the performance itself. Building public-company-caliber systems and processes that connect the "what" with the "why" empowers your leadership team to tell a consistent, coherent, and credible story to auditors, investors, and any other stakeholder who asks.

As our experience has proven time and again, when you invest early in explainable performance, you'll spend less time defending results and more time building trust. This positions you to go public and to operate consistently with the discipline and transparency that the public markets demand.

Antitrust M&A update

Both the US and Europe have recently taken steps to modify their approach to antitrust regulations. In the US, the Trump administration has loosened the process for deal review: The Federal Trade Commission (FTC) and the Department of Justice (DOJ) resumed granting early termination of the standard waiting period for deals with no competitive concerns, and in February, a federal court vacated the 2024 Hart-Scott-Rodino rule, which expanded premerger filing requirements. The overall posture is more permissive, and transactions that would have faced steeper headwinds under the prior administration are now more likely to be brought to market.

The antitrust environment in Europe is more nuanced. Regulators are showing greater openness to large-scale consolidation as progrowth policy goals make authorities more receptive to deals that previously faced significant competition barriers, particularly in sectors such as energy, financial services, and telecommunications, where the push for European market leaders is encouraging intraregional expansion. In April 2026, the European Commission (EC) published a draft of revised merger control guidelines, which seek to modernize how the EU assesses mergers and take

into account the benefits of scale, innovation, and global competitiveness. The final guidelines are expected later this year. In the UK, a former Amazon executive was appointed as the new chair of the Competition and Markets Authority (CMA) in February, signaling a more business-friendly regulator.

As for the industries of interest, utility and power consolidation, exemplified by the largest transactions of the quarter, sits at the intersection of antitrust and national-resilience policy, with high-profile technology, semiconductor, AI infrastructure, and healthcare deals expected to remain central to enforcement attention. Cross-border M&A adds a layer of multijurisdictional complexity, as merging parties face industrial policy and protectionist considerations in antitrust scrutiny. Clearance timing, rather than outright prohibition, is the more relevant risk for deals, and early engagement with agencies and well-crafted concessions will likely be crucial in determining which deals can cross the finish line. For sponsors, the practical takeaway is a friendlier clearance backdrop that still rewards early engagement over speed.

Noteworthy pending deals

Deal target	Deal acquirer	Deal value (\$M)	Last update	Deal announcement date	Elapsed time (years)	Agency	Action
Warner Bros. Discovery	Paramount Skydance	\$110,000.0	July 1, 2026	February 26, 2026	0.3	DOJ	The DOJ signed off on the deal in June after determining it was not likely to harm competition or US consumers, but state-level attorneys general are expected to sue to block the merger. The European Commission (EC) is anticipated to approve the deal after Paramount offered concessions. The UK government stated it will likely challenge the merger.
Norfolk Southern	Union Pacific	\$89,240.0	May 29, 2026	July 29, 2025	0.8	STB	The Surface Transportation Board (STB), which handles railroad mergers, accepted the revised merger application but proceedings, including an environmental review, have been put on hold. The STB requested additional information by July 27, 2026.

Source: PitchBook • Geography: US and Europe • As of July 6, 2026

Noteworthy pending deals (continued)

Deal target	Deal acquirer	Deal value (\$M)	Last update	Deal announcement date	Elapsed time (years)	Agency	Action
Teck Resources	Anglo American	\$50,700.0	March 18, 2026	September 8, 2025	0.5	EC	The merger between Anglo American and Teck Resources has received Canadian approval and secured EU antitrust clearance. Final regulatory approvals in other jurisdictions are expected around year-end.
Allina Health	Sutter Health	\$26,000.0	March 17, 2026	March 17, 2026	0.0	DOJ	While no formal investigation has started, the proposed merger creates a \$26 billion nonprofit health system that is expected to face regulatory scrutiny.
Cox Communications	Charter Communications	\$34,500.0	February 27, 2026	May 16, 2025	0.8	DOJ/FCC	The Federal Communications Commission (FCC) approved the deal on February 27, 2026, referencing Charter Communications' plans to invest in upgrading its network in the rural US and onshore job functions within 18 months of the transaction.
Anglo American (Brazil nickel business)	MMG	\$500.0	November 25, 2025	February 18, 2025	0.8	EC	The EC paused its antitrust investigation of Anglo American's proposed sale of its Brazilian nickel assets to Hong Kong-listed MMG because the parties failed to provide requested information in a timely fashion. MMG extended its deadline to complete the deal amid the review.

Source: PitchBook • Geography: US and Europe • As of July 6, 2026

Noteworthy canceled deals

Deal target	Deal acquirer	Deal value (\$M)	Last update	Deal announcement date	Elapsed time (years)	Agency	Action
JenaValve	Edwards Lifesciences	\$945.0	January 9, 2026	July 24, 2024	1.5	FTC	The acquisition was terminated following a US District Court granting the FTC's preliminary injunction to block the deal, citing reduced competition in the transcatheter aortic valve replacement market for aortic regurgitation.
AccuLynx	Verisk Analytics	\$2,350.0	December 29, 2025	July 29, 2025	0.4	FTC	Verisk terminated the acquisition because the FTC had not completed its review of the transaction by the termination date set forth in the agreement.
Albertsons Companies	Kroger	\$25,000.0	December 10, 2024	October 13, 2022	2.2	FTC and 9 state attorneys general	A US judge blocked the pending merger of the two grocery chains, ruling it would be anticompetitive.
Capri Holdings	Tapestry	\$8,500.0	November 14, 2024	August 10, 2023	1.3	FTC	Capri Holdings and Tapestry mutually agreed to terminate the merger agreement, as US regulatory approvals were unlikely to be obtained by the merger agreement date of February 10, 2025.
Air Europa	International Consolidated Airlines Group (IAG)	\$538.7	August 1, 2024	February 23, 2023	1.4	EC	At the beginning of August 2024, IAG announced it was terminating the proposed takeover.
Specialty Products and Insulation	TopBuild	\$960.0	April 22, 2024	July 27, 2023	0.7	DOJ	The deal was terminated after the DOJ moved to block it and TopBuild elected not to challenge the DOJ.

Source: PitchBook • Geography: US and Europe • As of July 6, 2026

Noteworthy completed deals

Deal target	Deal acquirer	Deal value (\$M)	Last update	Deal announcement date	Elapsed time (years)	Agency	Action
Kimberly-Clark IFP	Suzano	\$3,400.0	July 1, 2026	June 5, 2025	1.1	EC/CMA	On May 10, 2026, the EC unconditionally approved wood pulp producer Suzano's acquisition of Kimberly-Clark IFP, Kimberly-Clark's international tissue business. Following the CMA approval on June 1, 2026, the deal was completed on July 1, 2026.
Xella	Holcim	\$2,140.0	June 19, 2026	October 20, 2025	0.7	EC	On June 11, 2026, the EC approved building material manufacturer Holcim's acquisition of walling supplier Xella, conditional on Holcim's compliance with its concession to divest its autoclaved aerated concrete blocks plant in Romania. The acquisition was completed June 19, 2026.
Wiz	Alphabet	\$32,000.0	March 11, 2026	March 18, 2025	1.0	DOJ	On March 11, 2026, the deal was closed following unconditional EU antitrust approval in February.
Downtown Music Publishing	Universal Music Group (UMG)	\$775.0	February 12, 2026	December 16, 2024	1.2	EC	The EC approved the deal on February 12, 2026, conditional upon the full divestment of Downtown Music Publishing's royalty accounting platform Curve Royalty Systems. Virgin Music Group, a subsidiary of UMG, completed its acquisition of Downtown Music Publishing later, on February 20.
CyberArk Software	Palo Alto Networks	\$26,219.2	February 11, 2026	July 30, 2025	0.5	FTC/EC	On February 11, 2026, Palo Alto Networks completed its acquisition of CyberArk Software after securing unconditional clearances in more than a dozen merger control and nondomestic investment jurisdictions.
Kellanova	Mars	\$35,900.0	December 11, 2025	August 14, 2024	1.3	FTC/EC	The deal closed following final approval by the EC.

Source: PitchBook • Geography: US and Europe • As of July 6, 2026

Noteworthy completed deals (continued)

Deal target	Deal acquirer	Deal value (\$M)	Last update	Deal announcement date	Elapsed time (years)	Agency	Action
Covestro	Abu Dhabi National Oil Company (ADNOC)	\$16,330.0	December 10, 2025	October 1, 2024	1.2	EC	The deal was 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, 2025.
Spirit AeroSystems	Boeing	\$8,495.0	December 8, 2025	July 1, 2024	1.4	FTC/EC	Boeing's acquisition of Spirit AeroSystems was completed on December 8, 2025, following the EC's approval of the deal on October 13, subject to conditions. On February 17, 2026, the FTC finalized the consent order requiring Boeing to divest several Spirit assets in order to proceed with the deal.
Interpublic Group	Omnicom Group	\$13,500.0	November 26, 2025	December 9, 2024	1.0	FTC	The deal was closed following receipt of regulatory approvals and other closing conditions.
Surmodics	GTCR BC Holdings	\$627.0	November 21, 2025	May 24, 2024	1.5	FTC	The deal closed following a federal judge's denial of the FTC's challenge that the acquisition lessened competition in the market.

Source: PitchBook • Geography: US and Europe • As of July 6, 2026

Sector metrics

Methodology

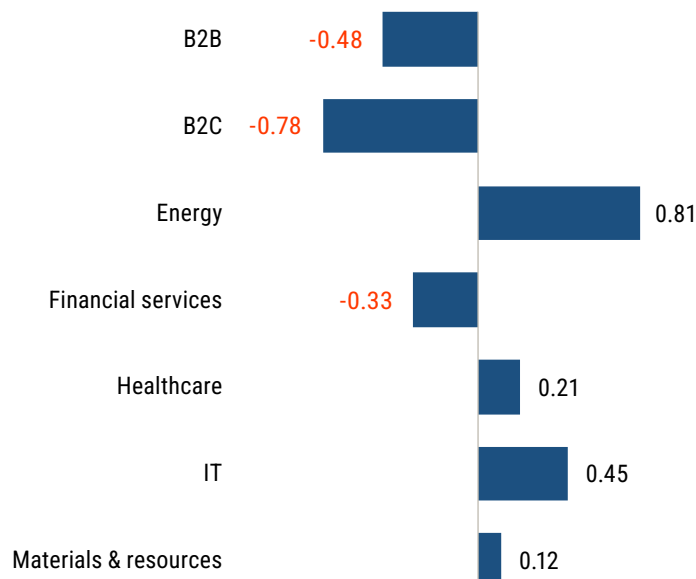
Our cross-sector momentum scores provide insight into how changes in M&A deal activity and median valuations compare across sectors. The scores range from -2 to 2 and establish a relative evaluation for each sector. The basis of these scores is the percentage change over the prior quarter and TTM period, which are equally weighted. In the case of the valuation score, only 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 calculating deal volume growth rates, the data is winsorized, or 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 above, our deal momentum scores reflect each sector's strength relative to overall M&A deal flow using three-month and 12-month rates of change (in deal count and deal value). The takeaway from Q2 was that momentum rotated toward energy and healthcare and away from financial services, tracking where deal value concentrated.

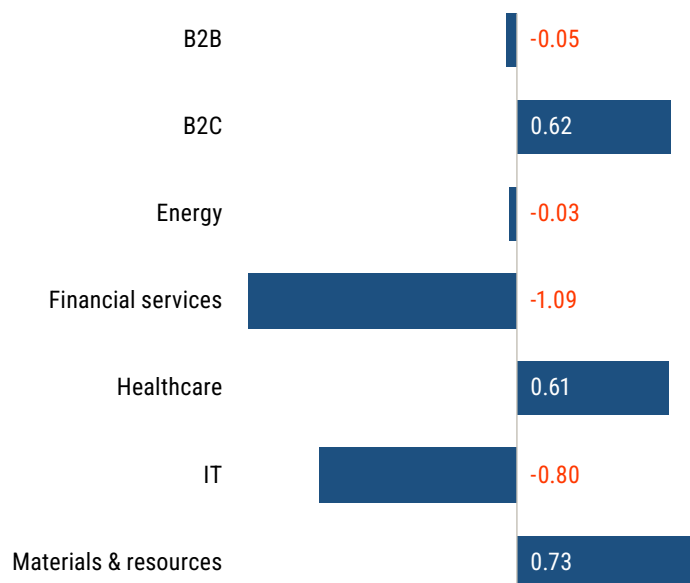
Energy had the highest deal momentum score in Q2, driven by strong momentum over the previous quarter on both a deal count and deal value basis. After the sector trudged behind the group with the second-lowest score of -0.57 in Q1, the script completely flipped, as the sector was propelled to first place with a score of 0.81. Although deal count momentum was a weak spot for the energy sector, Q2 M&A activity was robust enough relative to other sectors for energy to clinch the first-place spot. Energy saw the greatest QoQ increase in M&A value, improving 61.7% when including estimates for late-reporting deals, and M&A count also increased 3.8% QoQ. Q2 deal value was also 385.5% greater than that of Q2 2025. Energy services and exploration, production & refining were the two subsectors that drove the sector's overall deal momentum.

M&A deal momentum score by sector



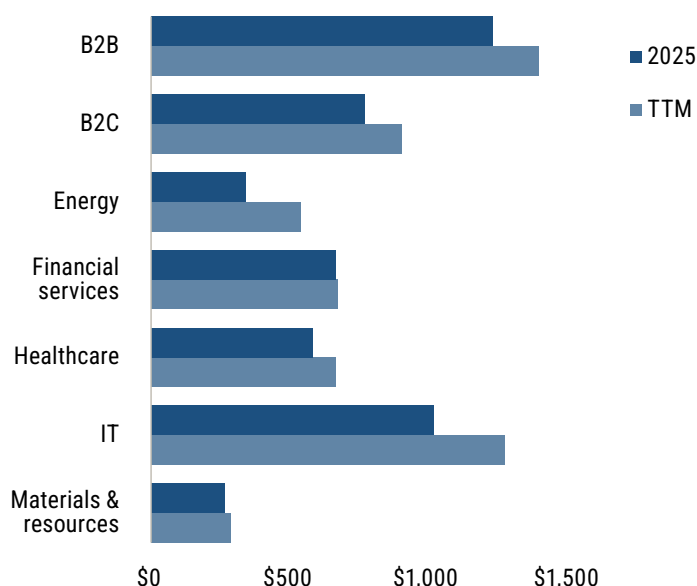
Source: PitchBook • Geography: Global • As of June 30, 2026

M&A valuation momentum score by sector



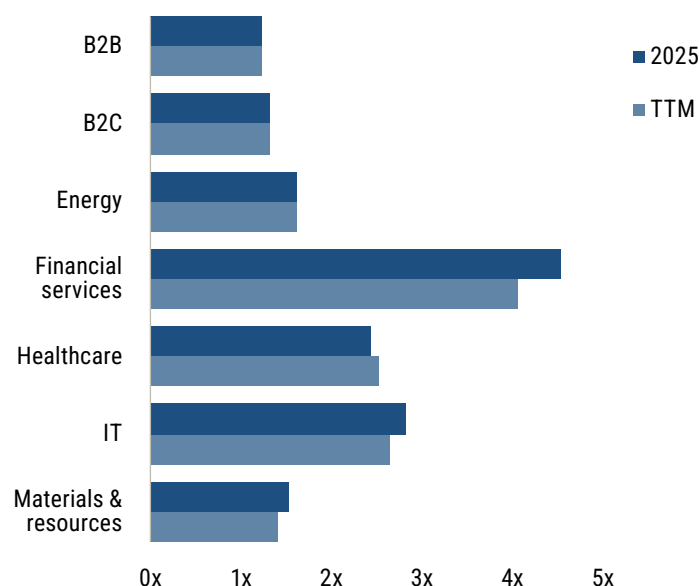
Source: PitchBook • Geography: North America and Europe • As of June 30, 2026

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



Source: PitchBook • Geography: Global • As of June 30, 2026

Sector rank by median M&A EV/revenue multiple



Source: PitchBook • Geography: North America and Europe • As of June 30, 2026

IT followed in second place with a deal momentum score of 0.45, an improvement from its previous score of 0.23 in Q1. IT's strength was in its deal count momentum, which fared better than that of other sectors. Deal value momentum was negative on both a quarterly and yearly basis, demonstrating the period of valuation adjustments that the sector is currently undergoing.

Healthcare maintained positive deal momentum despite falling from 0.48 in Q1 to 0.21 in Q2. The sector experienced a greater decline in deal count momentum than in deal value momentum as weaker activity in the past 12 months dragged down the sector's score. The pharmaceuticals & biotechnology subsector drove positive momentum scores across all fronts, while the healthcare services subsector was the opposite, notching negative momentum scores on a quarterly and yearly basis.

There were two meaningful reversals in deal momentum scores: financial services and B2B. Financial services was in the lead for two consecutive quarters, anchored by strong TTM M&A activity and a relatively stable deal count in Q1. The sector fell from the first-place deal momentum score of 0.49 in Q1 to -0.33 in Q2, driven by negative deal count and value momentum during the quarter. M&A activity in financial services declined more sharply than in other sectors, and the sector is expected to see a QoQ decrease even when estimates are included. B2B, whose deal momentum score dropped from 0.21 in

Q1 to -0.48 in Q2, also had a similar experience with harsh momentum declines in the past quarter, impeding the sector's overall score.

Materials & resources was the only sector with a positive reversal, improving from -0.19 to 0.12. The sector's Q2 M&A value increase and a relatively resilient TTM M&A count helped boost the sector's momentum score for the quarter.

Our valuation momentum scores reflect each sector's strength relative to overall M&A multiple trends using TTM rates of change from the prior year (for both EV/EBITDA and EV/ revenue multiples). Energy and healthcare were the only two sectors that saw their valuation momentum scores flip between positive and negative: energy from 0.49 in Q1 to -0.03 in Q2 and healthcare from -0.07 in Q1 to 0.61 in Q2. The energy sector saw a slight YoY decrease in both EV/EBITDA and EV/ revenue multiples. For healthcare, the improvement in its EV/ revenue multiple helped boost its valuation momentum.

Deal and valuation momentum scores can also be analyzed together to discern trends in market sentiment. For instance, a negative valuation momentum score, concurrent with a high deal momentum score, in the energy sector suggests that lower valuations could have spurred more deal activity, as sponsors and corporates took advantage of favorable valuations and pursued targets at more attractive prices.

Industry metrics

M&A heatmap

	Deal value momentum		Deal count momentum		Combined score
	3 months	12 months	3 months	12 months	
Agriculture	-61.4%	-54.3%	-55.4%	-26.3%	-0.49
Chemicals & gases	-0.3%	-13.2%	-56.6%	125.9%	0.14
Construction (nonwood)	-84.0%	-95.1%	-42.5%	-34.9%	-0.64
Containers & packaging	5.4%	-88.8%	5.1%	60.7%	-0.04
Forestry	N/A	N/A	-113.2%	N/A	N/A
Metals, minerals & mining	202.6%	113.2%	-32.2%	137.0%	1.05
Other materials	N/A	N/A	N/A	N/A	N/A
Textiles	-31.7%	259.6%	6.0%	-10.5%	0.56
Communications & networking	387.6%	35.8%	17.6%	104.3%	1.36
Computer hardware	-52.5%	-64.7%	-44.2%	-5.3%	-0.42
IT services	5.7%	-49.1%	-20.8%	26.1%	-0.10
Other IT	N/A	N/A	N/A	N/A	N/A
Semiconductors	-73.6%	N/A	66.9%	240.4%	N/A
Software	41.7%	-24.4%	11.1%	56.2%	0.21
Healthcare devices & supplies	-8.6%	66.8%	37.9%	35.1%	0.33
Healthcare services	-21.9%	-57.0%	-48.3%	-62.4%	-0.47
Healthcare technology systems	57.1%	-36.3%	13.8%	15.9%	0.13
Other healthcare	N/A	N/A	N/A	N/A	N/A
Pharmaceuticals & biotechnology	224.0%	249.4%	7.3%	101.8%	1.46
Capital markets/institutions	-115.3%	-20.9%	-38.0%	47.6%	-0.32
Commercial banks	-64.1%	202.3%	-24.4%	24.3%	0.35

Source: PitchBook • Geography: Global • As of June 30, 2026
 Note: N/A indicates an insufficient sample size.

M&A heatmap (continued)

	Deal value momentum		Deal count momentum		Combined score
	3 months	12 months	3 months	12 months	
Insurance	-33.6%	-52.4%	-34.7%	-84.4%	-0.51
Other financial services	50.0%	77.4%	-36.3%	45.1%	0.34
Energy equipment	N/A	240.1%	258.5%	22.5%	N/A
Energy services	31.3%	37.1%	-29.1%	56.6%	0.24
Exploration, production & refining	15.7%	4.0%	24.7%	36.0%	0.20
Other energy	-83.9%	-91.2%	-66.9%	-4.3%	-0.62
Utilities	N/A	N/A	-64.3%	-164.5%	N/A
Apparel & accessories	38.7%	-43.7%	-15.7%	-128.7%	-0.37
Consumer durables	28.4%	-70.9%	29.2%	-126.4%	-0.35
Consumer nondurables	-54.6%	-25.6%	-41.0%	-10.8%	-0.33
Media	-110.0%	56.9%	-38.3%	50.1%	-0.10
Other B2C	N/A	N/A	N/A	N/A	N/A
Restaurants, hotels & leisure	44.4%	-29.2%	-3.6%	31.6%	0.11
Retail	8.9%	-88.1%	-3.4%	-83.2%	-0.41
Services (nonfinancial)	-13.6%	-50.0%	-12.3%	-59.4%	-0.34
Transportation	-27.7%	-34.5%	-52.8%	-1.7%	-0.29
Commercial products	17.0%	-12.1%	-27.3%	-6.3%	-0.07
Commercial services	-21.3%	-31.1%	-38.0%	49.0%	-0.10
Commercial transportation	-108.3%	3.1%	-99.6%	16.1%	-0.47
Other B2B	N/A	N/A	N/A	-285.8%	N/A

Source: PitchBook • Geography: Global • As of June 30, 2026
 Note: N/A indicates an insufficient sample size.

In a deal market this **complex**, confidence comes from **clarity**.

Every deal tells a story—but only the right insights and actions reveal the ending. **RSM delivers both.**

1,100+

Transactions
completed annually

850+

Deal consultants

Connect with RSM's Deal Services



B2B

B2B M&A activity by quarter



Source: PitchBook • Geography: Global • As of June 30, 2026

B2B makes up the largest share of the quarter's M&A count:

B2B held up as one of the more resilient corners of the market, accounting for 39.4% of the estimated total M&A count. There were an estimated 4,678 deals in the quarter, around 7% lower than the prior quarter and 4.4% higher than in Q2 of the year before. In addition to the single-digit QoQ change, the sector's relative strength is evident in its maintaining the largest share of total global M&A count for the quarter. This was the same on a value basis, even as activity declined 3% QoQ from \$355.6 billion to \$344.9 billion. B2B deal value accounted for 26.4% of the quarter's total deal value as investors' focus on defensive and sustained growth opportunities funneled capital into the sector. The value resilience was concentrated in Europe, which accounted for \$129 billion of the quarter's B2B deal value, or 37.4%, up 35.6% QoQ and the region's strongest sector during the quarter.

Megadeals lift deal activity: Q2 deal value was 43% higher than the previous dip in Q2 2025 while deal count was just 4.4% higher YoY. The contrast between a shallower count improvement and steeper value rise shows that while fewer

transactions are clearing, the ones that do skew larger. There were 34 megadeals in Q2, totaling \$166.6 billion, which is higher than the 34 megadeals totaling \$156.5 billion in Q1. Megadeals as a share of deal count increased in Q2 as buyers concentrated on scale assets in manufacturing, industrials, and commercial services. The largest deal for the sector in Q2 was the \$34.3 billion acquisition of TK Elevator by Kone, announced in April. The Finnish elevator manufacturer will acquire its German competitor to create the world's largest elevator company, strengthening its European position while gaining a footing in North America.⁸

Larger carveouts boost M&A value: Carveout activity within B2B reached \$53.2 billion in Q2, jumping 55.4% QoQ, as diversified industrials continued to divest noncore units to sharpen their focus. While M&A value from carveout deals increased, the number of carveout deals declined 20.2% QoQ. This trend, along with the above-average value levels, suggests that higher-quality assets are being prioritized in this current period of carveout activity.

B2C

B2C M&A activity by quarter



Source: PitchBook • Geography: Global • As of June 30, 2026

B2C value falls as consumers face an uncertain outlook:

B2C M&A value fell 44.5% QoQ but rose 9.2% YoY, with the first-quarter comparison inflated by the \$110 billion Warner Bros. Discovery deal. Deal count was essentially flat YoY and QoQ at an estimated 2,386, so the value drop reflects a lighter mix of large deals, not a thinner market. With that context, the quarter reads better than the headline suggests: North American consumer activity proved comparatively sturdier, with regional value roughly flat YoY, consistent with the resilient US consumer demand of recent years.

Even with that underlying resilience, the consumer backdrop will weigh more heavily on the sector going forward. US consumer confidence inched up only marginally to 91.2 in June as falling oil prices offered modest relief, while the net consumer view of the labor market worsened.⁹ Survey evidence from EY-Parthenon pointed to households cutting back on travel, dining, and entertainment as financial confidence softened and nearly two-thirds of consumers expected a recession, with rising transportation and gas costs forcing sharper trade-offs across discretionary categories.¹⁰ That environment makes acquirers cautious on cyclical consumer names and helps explain the softer midmarket activity, even as a small number of transformational transactions sustained the aggregate value.

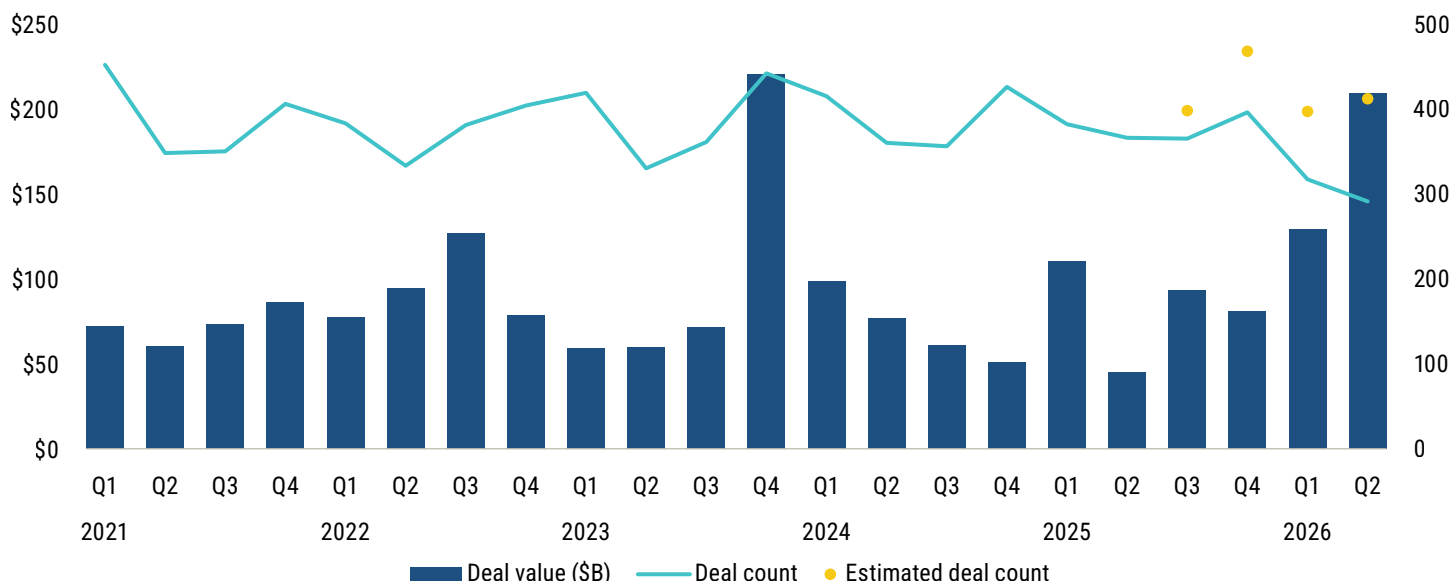
Megadeals have powered recent deal activity:

Those marquee deals illustrate the barbell. This year's deal activity has been propped up by outsized media and staples consolidation: The acquisition of Warner Bros. Discovery, at \$110 billion, stood as the largest consumer transaction, alongside the acquisition of Caesars Entertainment in the leisure category at \$31.2 billion. In adjacent recent activity, the acquisitions of Kenvue at \$48.7 billion and Kellanova at \$35.9 billion in late 2025 demonstrate that strategic buyers remained willing to write very large checks for scale assets in packaged goods in addition to media restructuring, even as the broader deal count stayed flat.

Meanwhile, consumer valuations held up better than most: The median EV/EBITDA multiple stood at 11.4x on a TTM basis, a fresh high for the sector, suggesting that sellers of quality consumer brands retained pricing power even as the mix of large deals thinned. The reading going into the second half of the year is cautious. Until confidence stabilizes and financing eases, consumer dealmaking will likely remain concentrated among the largest strategic transactions as the midmarket stays subdued.

Energy

Energy M&A activity by quarter



Source: PitchBook • Geography: Global • As of June 30, 2026

Second-highest quarter on record: Energy M&A value reached an estimated \$217 billion in Q2, up 385.5% against the same quarter last year and up 61.7% from the first quarter of 2026, powered in large part by the emerging structural demand story from AI datacenters. That surge left the sector within striking distance of its prior peak of \$220.3 billion in Q4 2023. Deal count rose 12.7% YoY to an estimated 409, so the value surge was led by a handful of very large transactions atop a modestly broader base. North American energy value alone reached \$166.9 billion, a 68.4% sequential increase, and transactions of \$5 billion or more supplied roughly \$169 billion of the sector's global value.

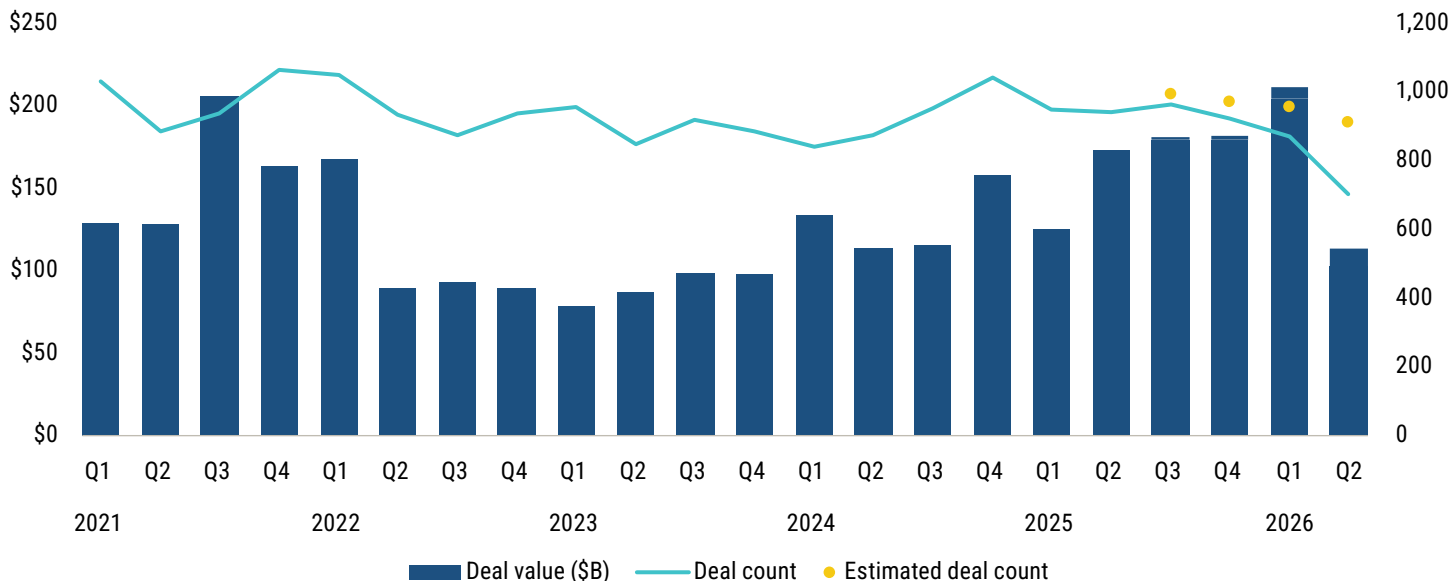
Historic utility consolidation: The anchor was the Dominion Energy and NextEra Energy merger at \$118.5 billion. This deal builds on the theme of power-generation and utility consolidation, and its rationale traces directly to electricity

demand. US datacenter grid-power demand is projected to rise to 75.8 gigawatts in 2026 and continue climbing through 2030, a load-growth surge that has turned utility scale into a strategic asset.¹¹ Power availability, not capital, has become the principal constraint on datacenter development, and acquirers are paying up for control of generation and transmission capacity.

PE's pause: Energy is the sharpest illustration of the strategic-over-sponsor tilt. The AES deal in Q1 2026 was a rare instance of PE reaching into \$10 billion-plus energy-deal territory; in Q2, the largest energy transactions were all strategic. We expect energy to remain among the more active large-cap sectors as long as datacenter demand outpaces grid capacity, although the pace of dealmaking depends on whether power-demand projections hold and how regulators treat further utility consolidation.

Financial services

Financial services M&A activity by quarter



Source: PitchBook • Geography: Global • As of June 30, 2026

Financial services M&A value hits a two-year low: In Q2, there were an estimated 910 deals for an aggregate of \$101.7 billion, QoQ declines of 4.7% and 50.1%, respectively. The sector's M&A value, in particular, fell sharply against a robust Q1 that was driven by elevated megadeal activity. 24 financial services megadeals accounted for \$118.9 billion in Q1, while megadeal activity came down to 19 deals in Q2 for a total of \$46.4 billion, closer to historic norms. YoY, deal count declined 3.1% while deal value declined 41.1%. The steep value decline reflects the pullback of the bank and insurance consolidation wave that drove M&A activity in prior periods. A narrower set of large acquisitions in Q2 brought down the sector's M&A value below the pre-pandemic quarterly average of \$128.4 billion, even as the deal count remained above the pre-pandemic average of 715. Q2 data revealed that the financial services sector was vulnerable to swings in megadeal timing rather than supported by a durable base of midmarket activity.

Both PE and corporate buyers showed caution in Q2: In Q2, there were 434 corporate-led M&A deals for an aggregate of \$59.6 billion, QoQ declines of 21% and 62.6%, respectively. PE-led deals fared somewhat better with 265 deals totaling \$30.9 billion, representing QoQ declines of 16.4% and 15.6%,

respectively. Tougher geopolitical and macroeconomic conditions are suppressing investor appetite, and concerns about loan quality and valuation resets are affecting how investors view financial services companies.

Real estate takes center stage: The quarter's largest deals were dominated by real estate investment trusts (REITs), with the four largest deals all REIT acquisitions. The quarter's activity was led by the \$6.6 billion acquisition of First Capital REIT and the \$6.2 billion merger of equals of Equity Residential. In April, Choice Properties REIT and KingSett Capital announced plans to acquire the Toronto-based First Capital REIT, which will solidify the newly merged company's retail and commercial portfolio and capitalize on the growth momentum in the Canadian real estate market.¹² As for Equity Residential, its planned merger with AvalonBay Communities will enhance operational capabilities across the larger company and strengthen its position as a leading US company in new rental housing.¹³ Looking ahead, the rebound in financial services M&A hinges on whether the bank and insurance consolidation wave resumes; without a return of large platform deals, the sector's value will likely stay range-bound through the second half of the year, even as REIT activity continues.

Healthcare

Healthcare M&A activity by quarter



Source: PitchBook • Geography: Global • As of June 30, 2026

Healthcare M&A activity up on both value and count:

Healthcare was the quarter's clearest growth story, advancing on both value and count rather than on megadeals alone. Healthcare M&A value reached an estimated \$164.99 billion in Q2 2026, up 71.6% YoY and 11.7% QoQ. Deal count climbed in step to an estimated 1,070, up 13% YoY and 5.7% QoQ, exhibiting broad-based buying, not a handful of large transactions.

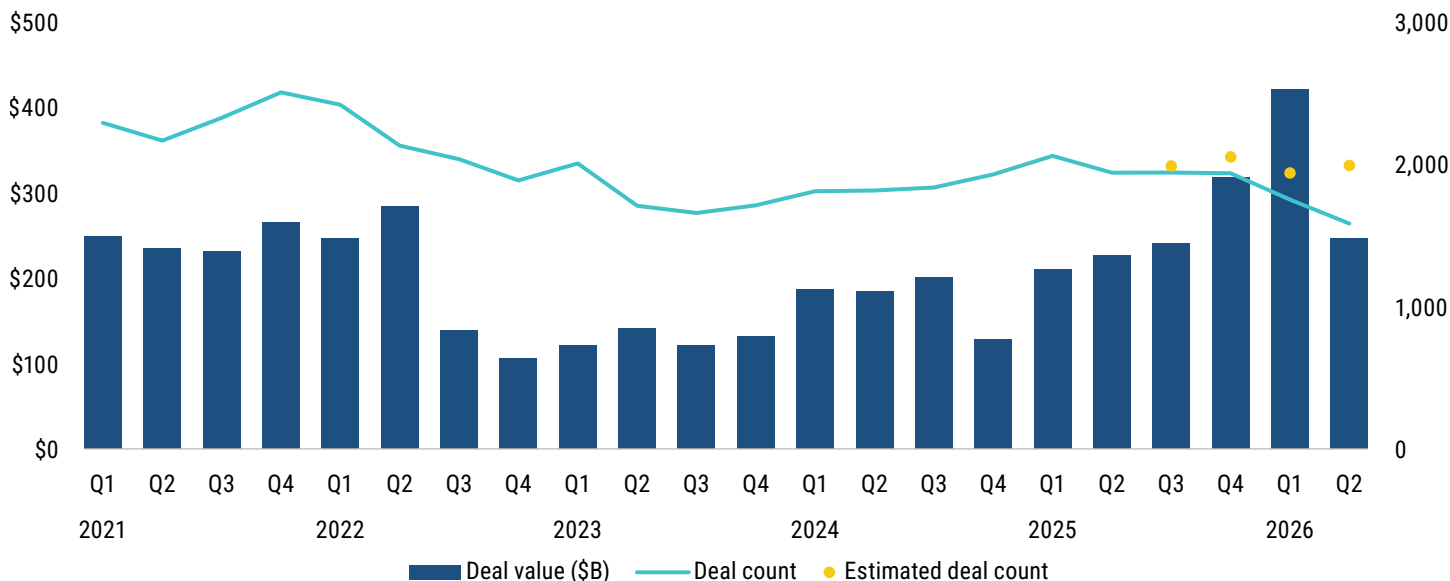
Patent cliff drives strategic M&A: An oncoming wave of blockbuster patent expirations through 2030 is forcing large drugmakers to acquire late-stage, de-risked assets to replace revenue lost to expiring exclusivity, with practitioners describing one of the strongest deal environments in years.¹⁴ That urgency, coupled with recovering biotech valuations, has kept strategic buyers active even as financing costs have risen. The composition of healthcare activity confirms the strategic tilt: Corporate M&A value reached \$114.9 billion, up 105.9% QoQ, while buyout value fell to \$33.8 billion, down 16.2% from the first quarter and 61.7% below its Q2 2021 peak, as sponsors ceded ground to strategics. Deals between \$1 billion and \$5 billion, the bolt-on range that pharma favors, numbered 24, up 26.3% YoY.

Regionally, North American healthcare value surged, up 80.5% from the first quarter. Transactions of \$5 billion or more within the sector contributed \$63.4 billion, including four transactions above \$10 billion: the acquisitions of Organon (\$12.3 billion), Bio-Techne (\$11.7 billion), Nuvalent (\$10.6 billion), and Apogee Therapeutics (\$10.1 billion).

Healthcare valuations have sustained a premium: The TTM median EV/EBITDA multiple held at 12.6x, the highest by industry, while the average of 20.4x approached record territory, evidence that acquirers are paying up for scarce, differentiated assets. Looking forward, sustained strength in healthcare M&A depends on whether antitrust posture toward pharma consolidation becomes less friendly and whether the patent-cliff urgency broadens beyond the largest acquirers and into the midmarket, where activity is already building.

IT

IT M&A activity by quarter



Source: PitchBook • Geography: Global • As of June 30, 2026

The great bifurcation: IT captured the quarter's central bifurcation more clearly than any other sector. Strategic AI-driven megadeals dominated the headlines while sponsor-led software buyouts collapsed. Aggregate IT value reached an estimated \$262.2 billion, down 38.7% from an exceptionally strong first quarter but up 16.1% against the same quarter a year earlier, while deal count rose 2.6% YoY to an estimated 1,990. Strategic IT value held firm at \$213.6 billion, buoyed by AI and software consolidation, while sponsor IT value cratered to \$32.5 billion, down 60.5% from the prior quarter and 78.7% below its cycle peak.

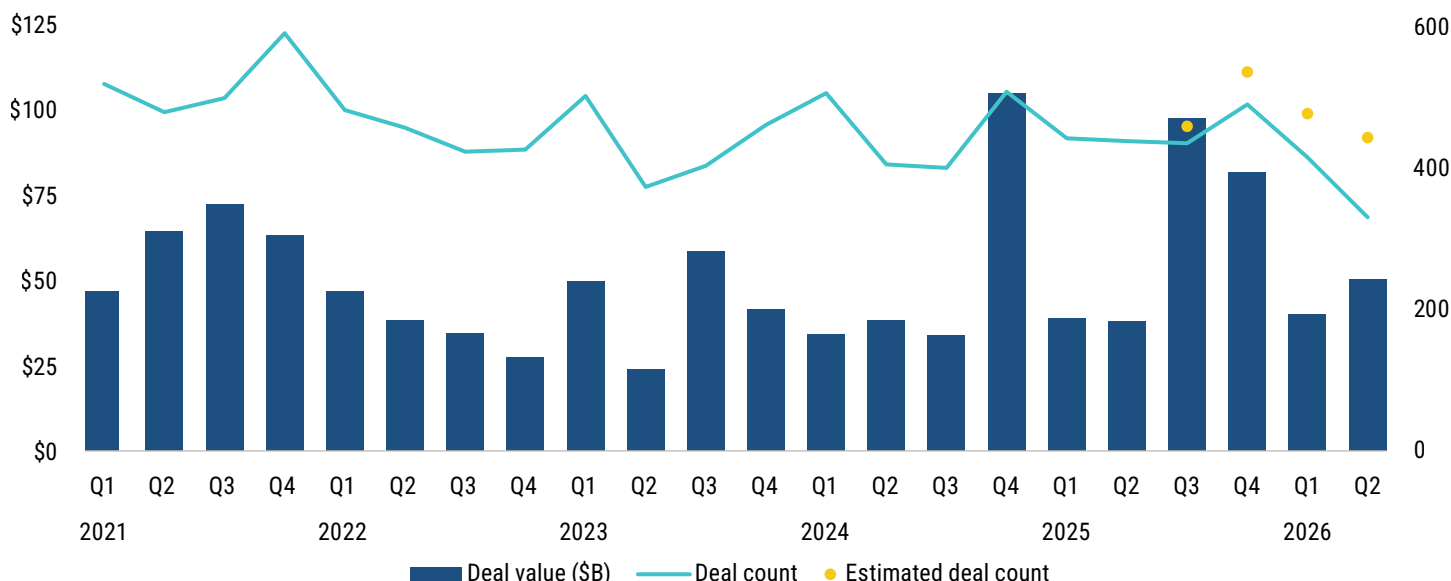
Damaged goods without a replacement: The marquee transaction was Cursor's acquisition at \$60 billion, occurring in the same year as the historic \$250 billion xAI transaction. Strategic appetite for AI assets remains intense. But legacy software is now damaged goods, and its replacement is not obvious. PE had shown it could still anchor a software megadeal as recently as Q3 2025, taking Electronic Arts private in what turned out to be the peak quarter for legacy software buyouts. AI's progress accelerated so quickly in the following quarters that it upended the investment case for legacy software altogether, and sponsor activity has since gone quiet—so quiet that it is unclear when, or if, it will return.

The harder question to answer is whether a broader set of AI-native companies will emerge from the VC universe to feed PE portfolios with the kind of economics and returns that GPs once expected from legacy software by retooling as agentic-as-a-service platforms, or whether the equity value of AI software will simply consolidate into the handful of platforms already at scale, such as the top five AI companies. Until that question is settled, sponsors have little basis for underwriting a turnaround, and lenders have little basis for pricing one. Instead of providing an answer, Q2 only heightened the stakes.

A friendlier antitrust wind: The antitrust backdrop matters here as well. The current administration's lighter merger review posture has given strategic technology acquirers more room to pursue scale, even as regulators continue to monitor competition in AI inputs such as semiconductors, computing power, and datacenters.¹⁵ With sponsors sidelined by uncertainty and regulators being more accommodating, strategics have had both the motive and the clearance to consolidate. We expect the bifurcation to persist until the software question is resolved.

Materials & resources

Materials & resources M&A activity by quarter



Source: PitchBook • Geography: Global • As of June 30, 2026

M&A activity improves from its dip: Materials & resources value rebounded in Q2 to an estimated \$54.7 billion, up 28.5% QoQ and 44.5% YoY, although a YTD total of \$97.3 billion still trails the \$181.9 billion booked in the second half of 2025. Deal count came in at an estimated 437, roughly flat YoY (up 1.2%) but down 7.2% from the first quarter of 2026.

With a backdrop of volatile commodities markets, it is no surprise that dealmaking slowed dramatically from the second half of 2025. Oil prices swung violently throughout the quarter as the Iran war and accompanying Strait of Hormuz disruptions threatened supply, with Brent crude falling to around \$78 per barrel in mid-June and US benchmarks dropping below \$70 late in the quarter as shipping traffic recovered.¹⁶ That volatility, alongside disruptions to sulfuric acid and fertilizer flows that rippled into mining inputs, complicated valuations for materials assets and helped explain why volume softened even as a few large transactions lifted value.

Mining was a bright spot in the quarter, with eight of the top nine transactions being in the metals, minerals & mining industry group. Gold and coal mining were the primary drivers, as elevated gold prices and an acute demand for power provided a tailwind to each group, respectively. Australia had a strong presence in the top deals, representing four of the nine transactions (Vault Minerals, Anglo American, Kestrel Coal Resources, and European Lithium).

Materials & resources valuations held broadly steady on a relative basis: The TTM median EV/EBITDA multiple stood at 10x while the TTM median EV/revenue multiple was 1.4x. The path forward hinges on commodity-price stabilization and whether critical-minerals and energy-transition demand can reignite midmarket volume; for now, materials & resources remains a market where multiples have held their range and value has rebounded, even as deal count has stayed roughly flat.

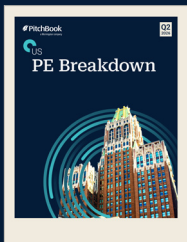
References

- 1: ["Federal Reserve Issues FOMC Statement," Board of Governors of the Federal Reserve System, June 17, 2026.](#)
- 2: ["Monetary Policy Decisions," European Central Bank, June 11, 2026.](#)
- 3: ["Trump Administration Signals New Era in Antitrust Enforcement," Bloomberg Law, Aleksandr Livshits and Lexi Michaud, January 20, 2026.](#)
- 4: ["U.S.-EU Tariffs and Trade Framework Agreement," Congress.gov, Shayerah I. Akhtar, September 18, 2025.](#)
- 5: ["The Next Wave of Value Creation – Building European Champions With AI," SuperReturn International, Stuart Gent, June 10, 2026.](#)
- 6: ["Recommended Final Cash Acquisition of Intertek Group Plc by Isotope Bidco Limited," Intertek, June 18, 2026.](#)
- 7: ["Mega IPOs Could Threaten 2026 IPO Class," PitchBook, Kyle Stanford, March 18, 2026.](#)
- 8: ["Kone Strikes \\$34 Billion Deal to Buy TKE and Create World's Largest Lift Maker," Reuters, Anne Kauranen and Soren Jeppesen, April 29, 2026.](#)
- 9: ["US Consumer Confidence Inched Up in June," PR Newswire, The Conference Board, June 30, 2026.](#)
- 10: ["EY-Parthenon Consumer Sentiment Survey Finds Americans Pulling Back on Summer Travel and Leisure Spending as Financial Confidence Weakens and Geopolitical Concerns Rise," EY, June 9, 2026.](#)
- 11: ["Data Center Grid-Power Demand to Rise 22% in 2025, Nearly Triple by 2030," S&P Global, Garrett Hering and Susan Dlin, October 14, 2025.](#)
- 12: ["First Capital REIT Enters Into Agreement to Be Acquired by KingSett Capital and Choice Properties REIT in \\$9.4 Billion Transaction," Business Wire, First Capital, April 16, 2026.](#)
- 13: ["AvalonBay Communities and Equity Residential Announce Merger of Equals, Creating One of the Country's Leading Real Estate Companies," AvalonBay Communities, May 21, 2026.](#)
- 14: ["Pharmas Write Big M&A Checks Again as Patent Urgency Seizes C-Suites," BioSpace, Annalee Armstrong, December 17, 2025.](#)
- 15: ["One Year Into Trump 2.0, Enforcement Agenda of U.S. Antitrust Agencies Continues to Evolve," Hogan Lovells Cadwalader, January 23, 2026.](#)
- 16: ["Global Oil Prices Fall to Lowest Level Since Before the US-Iran War," CNN, June 25, 2026.](#)



PitchBook provides actionable insights across the global capital markets.

Additional research:



Q2 2026 US PE Breakdown

Download the report [here](#)



Q2 2026 US Evergreen Fund Landscape

Download the report [here](#)

[PitchBook Insights](#) is an online compendium of in-depth data, news, analysis, and perspectives that shape the private capital markets.

PitchBook subscribers enjoy exclusive access to a comprehensive suite of private market insights, including proprietary research, news, data, tools, and more on the [PitchBook Platform](#).

Nizar Tarhuni

Executive Vice President of Research and Market Intelligence

Marina Lukatsky

Senior Director, Global Head of Research, Credit and US Private Equity

Report created by:

Steven Buibish, CFA

Director, US Private Equity

Jinny Choi

Senior Research Analyst, Private Equity

Garrett Hinds

Senior Research Analyst, Private Equity

Nicolas Moura, CFA, CAIA

Senior Research Analyst, EMEA Private Capital

Harrison Waldock

Senior Data Analyst

Megan Woodard

Senior Graphic Designer

Chloe Ladwig

Graphic Designer

Learn more about [PitchBook's Institutional Research team](#).

Click [here](#) for PitchBook's report methodologies.

COPYRIGHT © 2026 by PitchBook Data, Inc. All rights reserved. No part of this publication may be reproduced in any form or by any means—graphic, electronic, or mechanical, including photocopying, recording, taping, and information storage and retrieval systems—without the express written permission of PitchBook Data, Inc. Contents are based on information from sources believed to be reliable, but accuracy and completeness cannot be guaranteed. Nothing herein should be construed as any past, current or future recommendation to buy or sell any security or an offer to sell, or a solicitation of an offer to buy any security. This material does not purport to contain all of the information that a prospective investor may wish to consider and is not to be relied upon as such or used in substitution for the exercise of independent judgment.