Corporate &
Investment Banking

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M&A Market Pulse:
Record M&A Volume Driven By Mega-Deals

2Q 2026

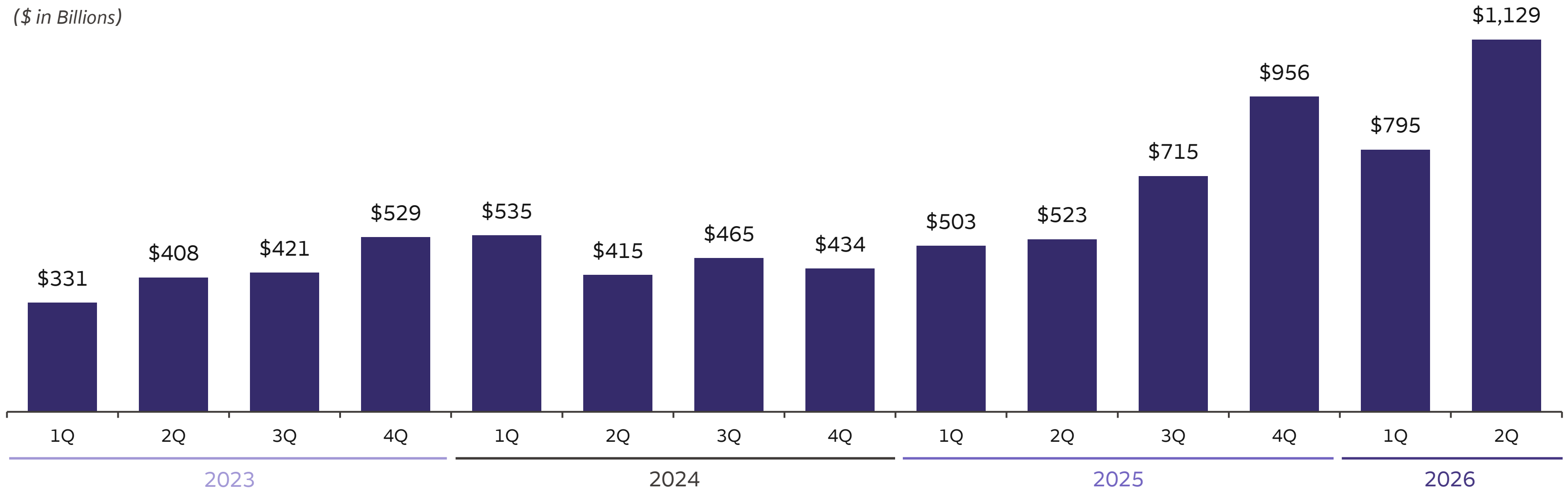
The Stats That Matter (2Q 2026)

Global Announced M&A		
$1.6 Trillion	+64% vs. 2Q 2025 +27% vs. 1Q 2026
26 $10 Billion+ Deals	+63% vs. 2Q 2025 +18% vs. 1Q 2026

U.S. Announced M&A		
$1.1 Trillion	+116% vs. 2Q 2025 +42% vs. 1Q 2026
22 $10 Billion+ Deals	+120% vs. 2Q 2025 +38% vs. 1Q 2026

2Q 2026 U.S. M&A Volume Sets New Record

($ in Billions)



Source: LSEG | Note: Data based on announcement date as of June 30, 2026; U.S. announced M&A reflects transactions involving U.S.-based targets or acquirers.

M&A Market Pulse | Current State And Outlook

Record 2Q and 1H U.S. M&A Volume:

- Mega-deals propel M&A volumes higher, fueled by AI and strategic consolidation reshaping industries
- U.S. M&A represents 69% of the global total, up from 54% in 1H 2025
- At the current pace, 2026 will be the most active year ever for U.S. M&A

Tailwinds for continued M&A momentum:

- **Macro Environment:** Markets are pricing a return to geopolitical stability, as are boards which are looking past near-term uncertainty and headwinds and using M&A to ideally position corporations for long-term success
- **Supportive Capital Markets:** Buoyant equity markets and ample private and public capital fuel continued activity
- **AI & Megatrend Exposure:** Surging AI investment is reshaping demand for compute, data centers and energy infrastructure, prompting acquirers to use M&A to build out capabilities
- **Focused Scale & Portfolio Streamlining:** Corporates pursue scale while carving out non-core assets to sharpen focus and unlock value
- **Private Equity:** Continued pressure to deploy capital
- **Activist Pressure:** Activist pressure continues to spur M&A and portfolio reshaping via spin-offs and divestitures

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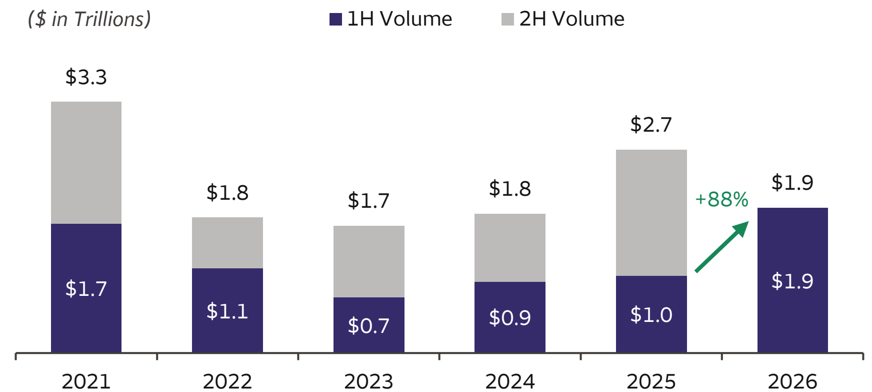
U.S. M&A Market Overview

Observations

U.S. M&A volume reached a record $1.9TN in 1H 2026 driven by a 3.4x increase in deals > $10BN

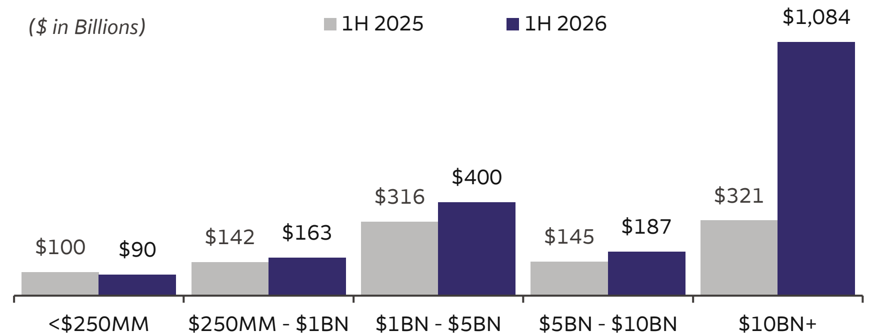
- Deals over $10BN represented 56% of total 1H 2026 volume
  - Volume more than tripled YoY to over $1TN, with deal counts more than doubling (38 vs. 17) relative to 1H 2025
  - For comparison, deals > $10BN represented 31% of total volume in 1H 2025
- In the $1BN - $5BN range, volumes and deal counts increased 27% and 38% respectively, as narrowing valuation gaps reignited previously stalled transactions
- Deal counts increased across all size ranges in 1H 2026 vs. 1H 2025, except for deals below $250MM

Rising U.S. M&A Volumes



1H # Deals	2021	2022	2023	2024	2025	2026
	4,650	3,851	4,150	2,903	2,763	2,702

Deals Over $10 Billion Driving Activity

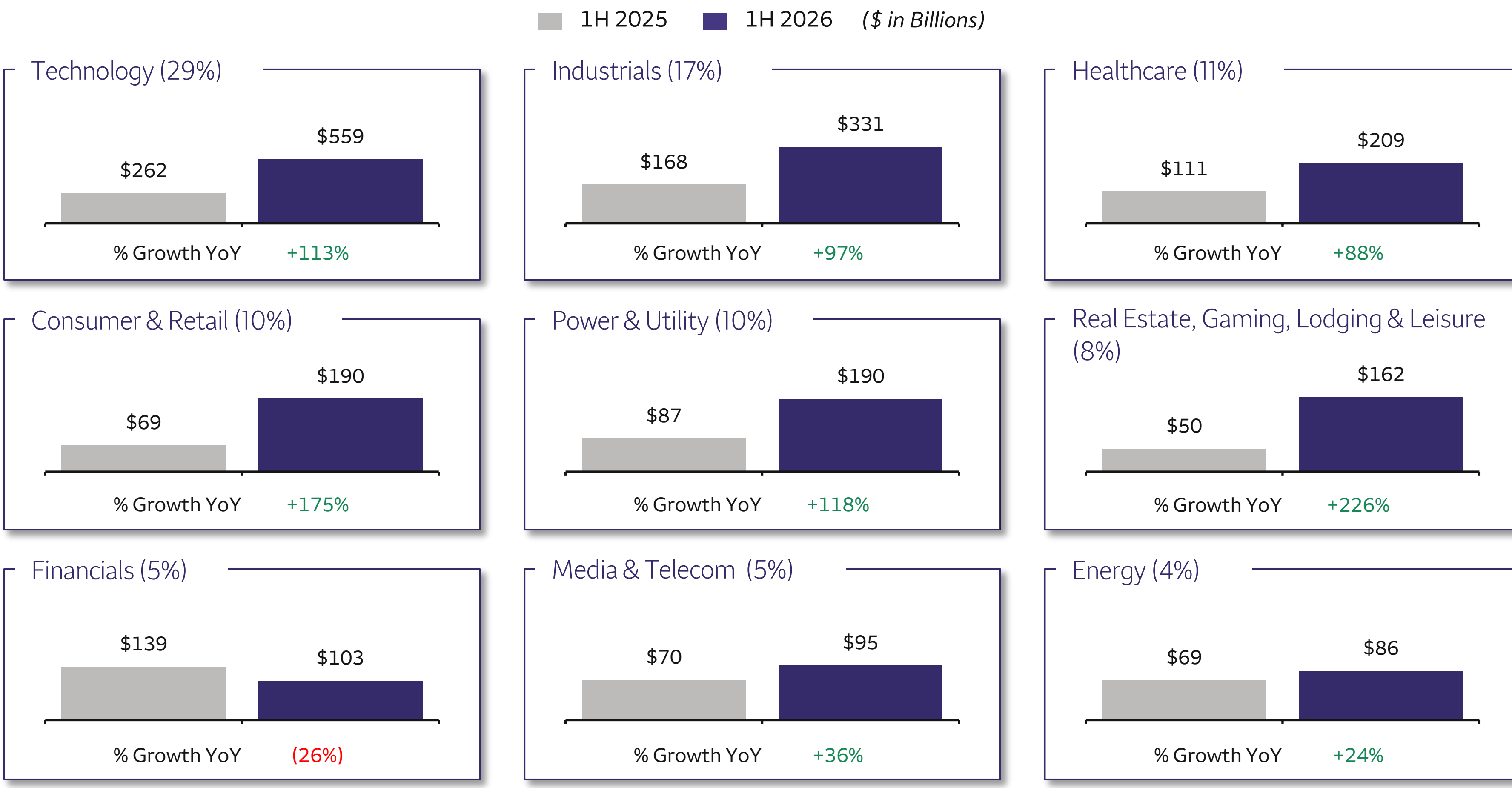


# Deals	<$250MM	$250MM - $1BN	$1BN - $5BN	$5BN - $10BN	$10BN+
1H ‘25	2,277	298	150	21	17
1H ‘26	2,097	332	207	28	38

Source: LSEG | Note: Data based on announcement date as of June 30, 2026; U.S. announced M&A reflects transactions involving U.S.-based targets or acquirers; Number of deals excludes deals with undisclosed value.

U.S. M&A Market – Total Announced Volume By Sector

- Uptick in M&A activity is widespread with every sector except Financials up meaningfully relative to 1H 2025
- Consumer & Retail and Real Estate, Gaming, Lodging & Leisure posted the largest increases in volume
- NextEra's $119BN combination with Dominion Energy accounted for 63% of Power & Utility volume



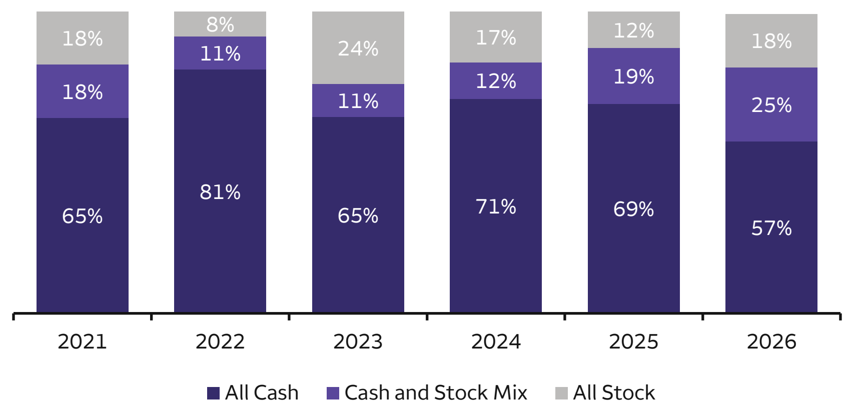
Source: LSEG | Note: Data based on announcement date as of June 30, 2026; U.S. announced M&A reflects transactions involving U.S.-based targets or acquirers.

U.S. M&A Metrics Of Note

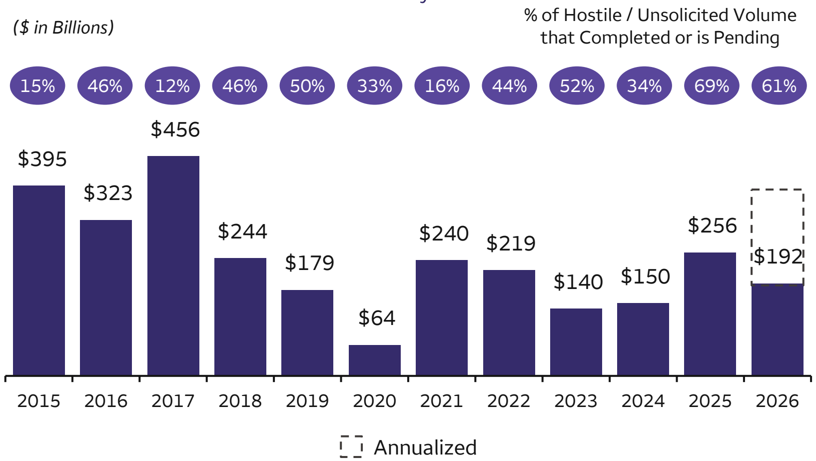
Observations

- Rising equity markets (S&P 500 +9% YTD) supported an increased use of stock as acquisition currency
- Deals utilizing stock or cash and stock consideration rose to 43% of announced volume, as acquirers pursued larger deals while preserving balance sheet flexibility
- Average 1-week premiums hovered around the 3-year average (30%) in 1H 2026, as rising valuations continued to reinforce buyer price discipline

U.S. Consideration Mix (% of Announced Volume)

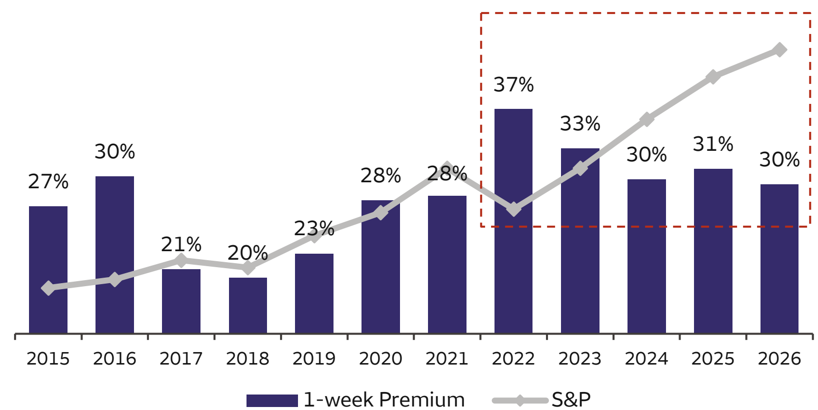


Hostile / Unsolicited M&A Activity



U.S. Premiums Paid

Premiums vs. Share Price (1-Week Pre-Announcement)



Source: LSEG | Note: Data based on announcement date as of June 30, 2026; U.S. announced M&A reflects transactions involving U.S.-based targets or acquirers.

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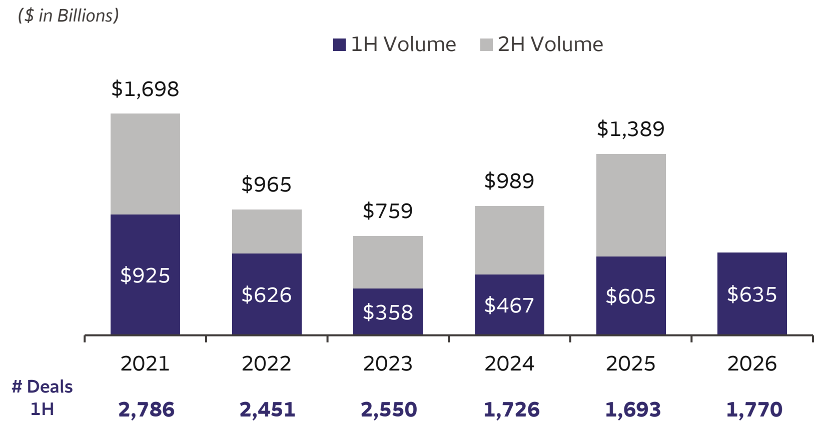
Sponsor M&A Activity

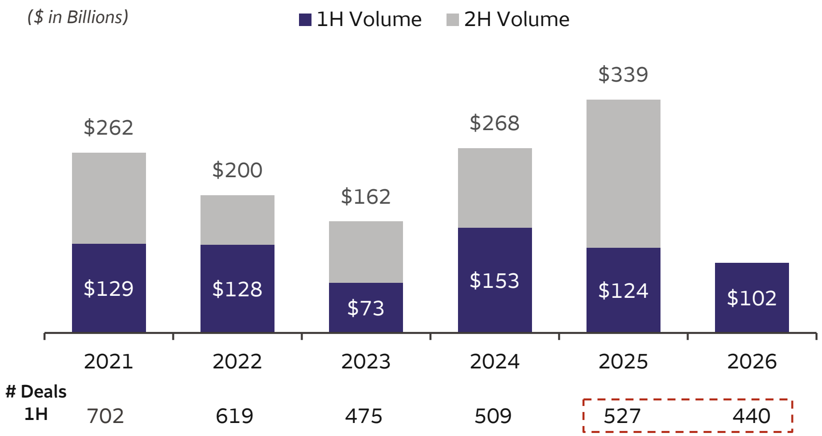
Observations

- Overall, volume of sponsor deals remains subdued
- That said, deals continue to get done in the $500MM - $5BN range, with volumes and deal counts up 25%
- Slower sponsor activity is driving a shift toward creative capital deployment

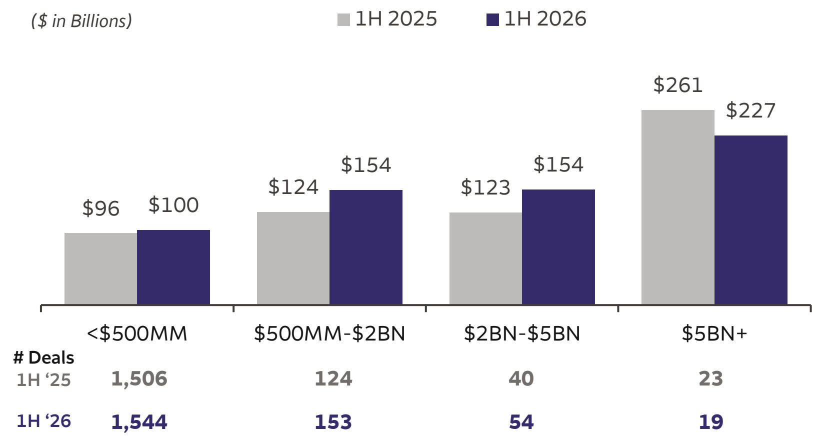
U.S. Sponsor M&A Deal Volume



U.S. LBO Volume by Year



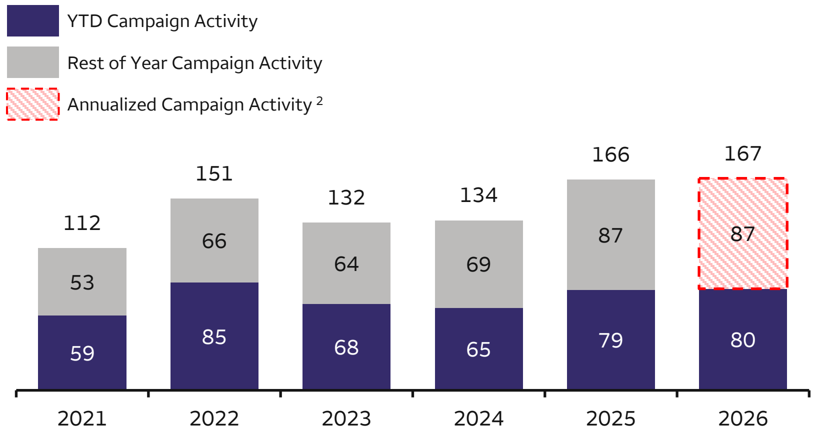
U.S. Sponsor M&A Volume by Deal Size



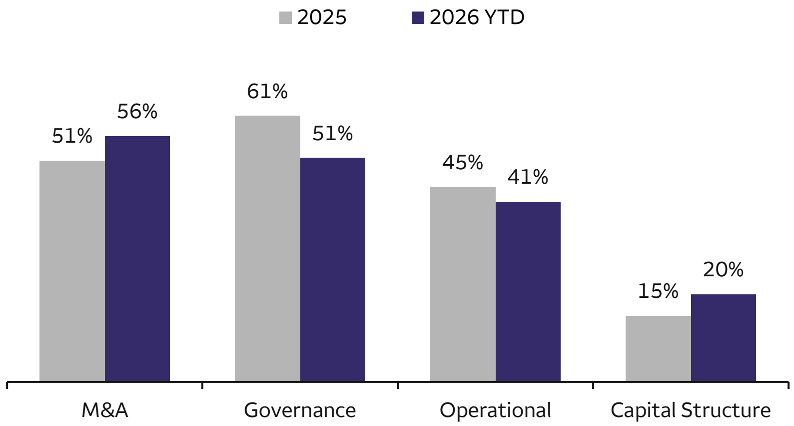
Source: LSEG | Note: Data based on announcement date as of June 30, 2026; Reflects transactions involving U.S.-based targets or acquirers; Number of deals excludes deals with undisclosed value, except LBO data. Sponsor data excludes structured minority AI investments.

Shareholder Activism

U.S. Activism Remains At Record Levels [1]



Activist Demands as Percentage of Total Campaigns [3]



Observations

- **Activism activity in 2Q building off record 1Q**
  - High correlation with robust M&A environment
  - Demands for break-up, portfolio review and strat alts represent 50%+ of campaigns; highest risk-rewards strategy for activists
  - Activism no longer anchored to proxy cycle
- **Blue-chip institutional investors remain supportive of activists**
  - 81% of investors believe activism adds value [4]
  - Investors are a collection of perspectives that can shift quickly
- **Market volatility creates entry point opportunities**
  - Timing is critical for activism, as the entry point is an important determinant of returns
  - Despite record S&P 500 levels, wide valuation disparities exist within each sector
- **"Prepare to prevent" is table stakes**
  - Preparation = reviewing vulnerabilities, anticipating issues, informing board
  - Prevention = refining narratives, addressing issues, going on the offensive

Source: FactSet, Bloomberg, Diligent | Note: Data as of June 30, 2026. (1) Data based on companies that had a market cap of >$500MM at time of attack and excludes gadflies, company affiliates, individuals and group investors, as well as other non-institutional investors; data includes 13D filings and rumored campaign activity. (2) Annualized based on prior year campaign activity YTD. (3) Each activist campaign can have more than one demand. (4) Brunswick 2026 U.S. Investor Survey.

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Wells Fargo's M&A Leadership

#4
Ranked Advisor (YTD 2026)
Up From #14 In 2021

17
$10BN+ Transformational Deals Announced (since 2025)

896bps
Largest Share Gain (2021 – YTD 2026)

115+
M&A Practitioners Across 11 Offices

Advisor on Leading, Industry-Defining Transactions

NextEra Energy
$118.8BN combination with
Dominion Energy
Financial Advisor to NextEra Energy
May 2026

Union Pacific
$85.0BN acquisition of
Norfolk Southern
Financial Advisor to Union Pacific
July 2025

Cox
$34.5BN combination with
Charter Communications
Financial Advisor to Cox
May 2025

AES
$33.4BN sale to
Global Infrastructure Partners, EQT, CalPERS, QIA
Financial Advisor to AES
March 2026

Chart
$13.6BN sale to
Baker Hughes
Exclusive Financial Advisor to Chart
July 2025

Schroders
$13.5BN sale to
nuveen A TIAA Company
Lead Financial Advisor to Schroders
February 2026

TXNM Energy
$11.5BN sale to
Blackstone
Lead Financial Advisor to TXNM Energy
May 2025

Public Storage
$10.5BN acquisition of
National Storage Affiliates
Financial Advisor to Public Storage
March 2026

Source: Dealogic, public announcements, company filings.
Notes: Volume, rank and share based on U.S. announced transactions as of June 30, 2026. Market share growth compares YTD 2026 announced volume market share of each financial advisor versus that of 2021.

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