

# M&A Market Pulse: *2025: A Banner Year for Dealmaking*

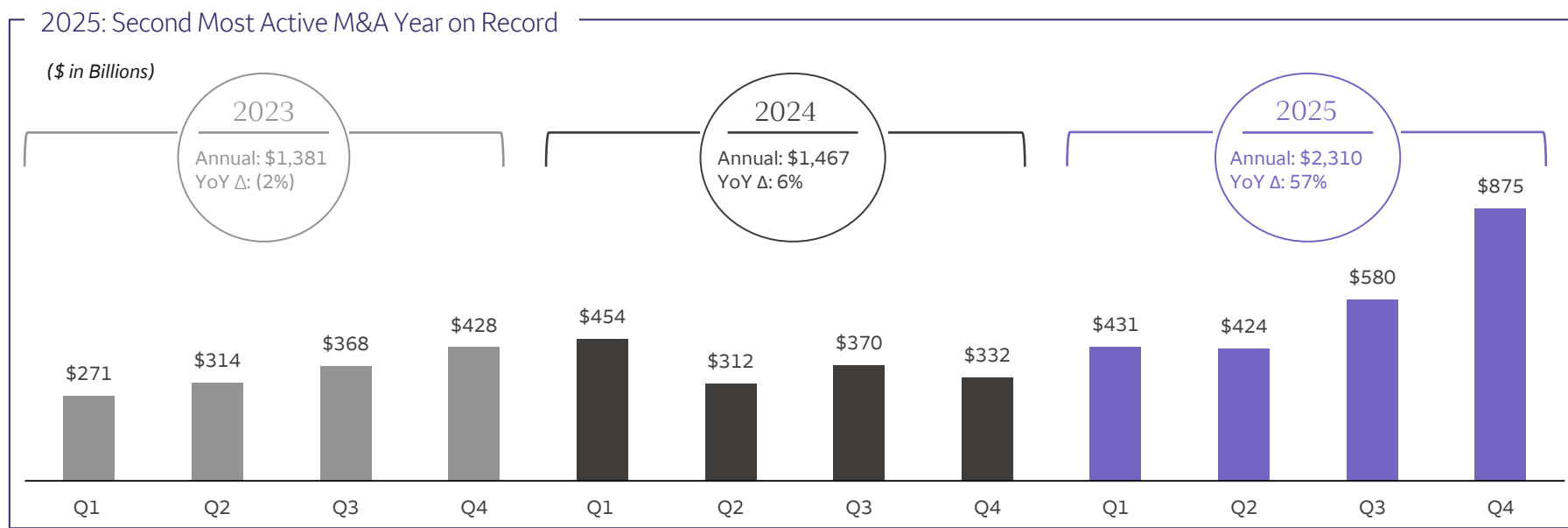
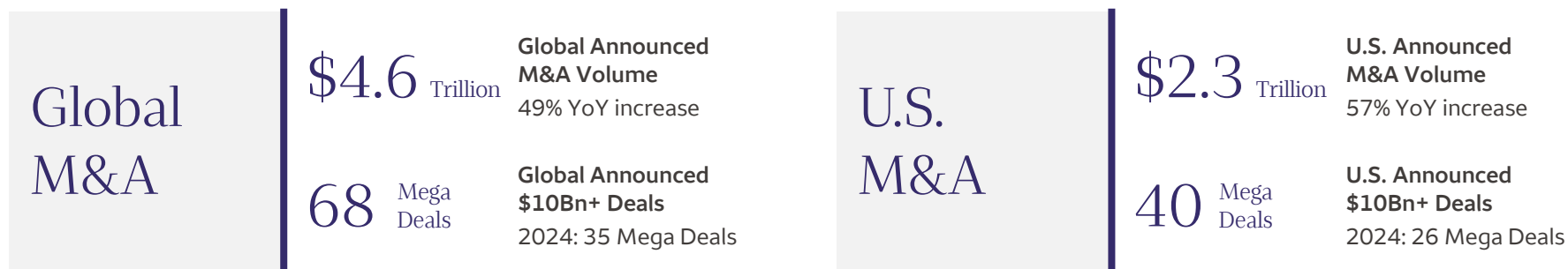
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January 2026

**Bank of the Year**  
by International Financing Review



# M&A Market Pulse | The Stats that Mattered in 2025



Source: LSEG | Note: Data based on announcement date as of December 31, 2025

# M&A Market Pulse | Current State and 2026 Outlook

- 2025 was **dominated by large, industry-defining transactions**
- Corporations took advantage of **buoyant capital markets**, a **more relaxed regulatory environment**, and used M&A to add focused scale and pursue **highly synergistic and strategic transactions**
- Large take-privates drove sponsor activity, PE firms looked to **deploy large amounts of dry powder** and benefit from **declining interest rates**
- **Activist investors** continued to **push for change**, driving companies to use M&A to **actively manage portfolios via spin-off and divestitures**
- **M&A momentum to continue into 2026**, drivers include:
  - **Macro Environment:** While geopolitical risks remain, a generally healthy macro environment allows for more normalized operating conditions and greater CEO confidence
  - **Supportive Capital Markets:** Equity markets at all-time highs, readily available private and public capital, and moderating debt financing costs provide ample acquisition firepower
  - **Focused Scale:** Scale is an important driver of value for investors and a strategic benefit for management teams
  - **Megatrend Exposure:** Corporates and sponsors will focus on ensuring adequate exposure to prevailing megatrends, especially AI, infrastructure and data centers
  - **Private Equity Acceleration:** Sponsors face continued pressure to deploy and return capital, driving competitive sponsor-led deal flow which will be aided by narrowing bid-ask spreads, and declining financing costs
  - **Activist Pressure:** Activists remain well funded and will be aggressive in pushing M&A as a tool to drive shareholder value

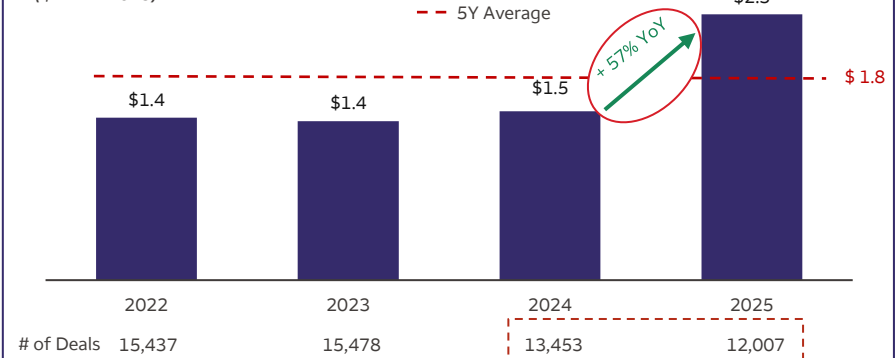
# U.S. M&A Market Overview

## Observations

- 2025 set **record highs** for announced U.S. M&A volume
  - \$2.3 trillion**, the **#2 year in deal volume**, trailing only **2021**
  - Large-cap transactions driving M&A growth, with deals exceeding **\$5 billion** accounting for **59%** of volume
  - Yet the number of transactions continues to fall, down 11% in 2025
- Consolidation has been occurring across several industries** as companies look to realize the benefits of strategic scale
- A more constructive regulatory environment for M&A** has corporate boards reconsidering transformational opportunities **previously thought unattainable**
- Rapid adoption of **artificial intelligence has been reshaping industries** as companies pursue acquisitions to secure AI capabilities, talent, and infrastructure

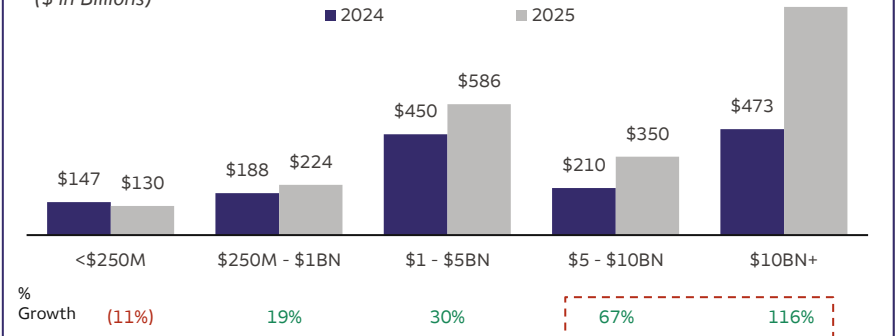
## 2025 Volume Outpaces Historical Norms

(\$ in Trillions)



## Larger (> \$5 Bn) Deals Driving Growth

(\$ in Billions)



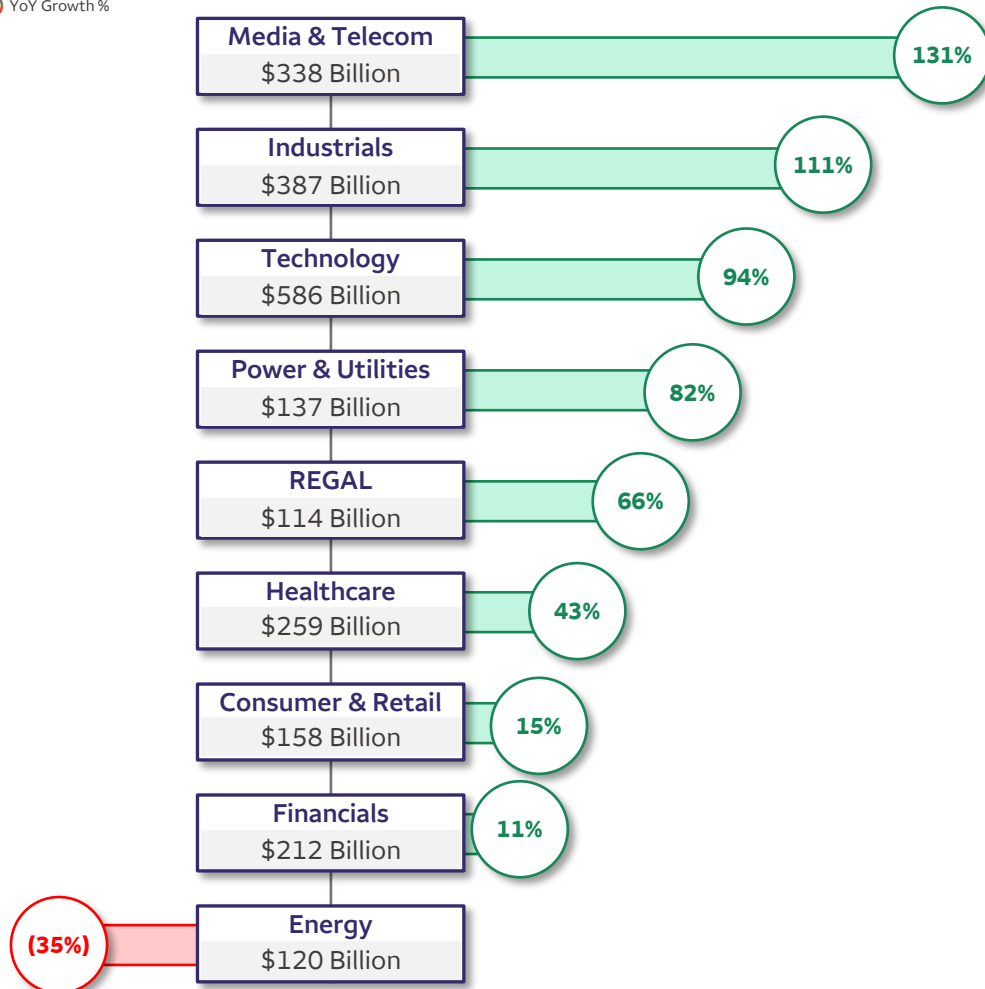
Source: LSEG | Note: Data based on announcement date as of December 31, 2025

# U.S. M&A Market by Industry

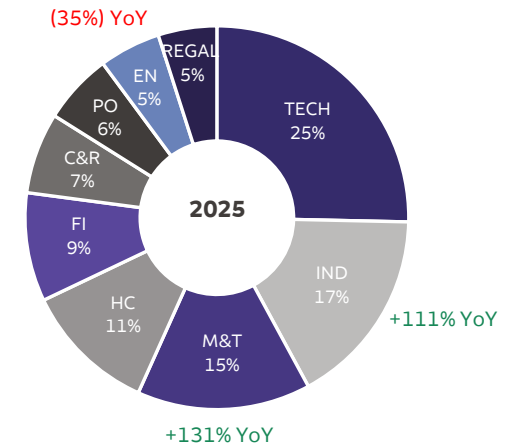
## Announced M&A Volume Increased YoY Across Eight of Nine Industries

(2025 U.S. M&A Volumes, by Target Sector)

○ YoY Growth %



## U.S. M&A Volume by Sector



- **Media & Telecom:** Powered by big-ticket deals
  - Netflix / Warner Bros; Charter / Cox
- **Industrials:** Driven by strategic buyers pursuing automation, infrastructure scale, and technological capabilities
  - Union Pacific / Norfolk Southern; Baker Hughes / Chart
- **Energy:** Lower energy prices, policy uncertainty, and energy transition volatility curbed activity relative to a very active 2024

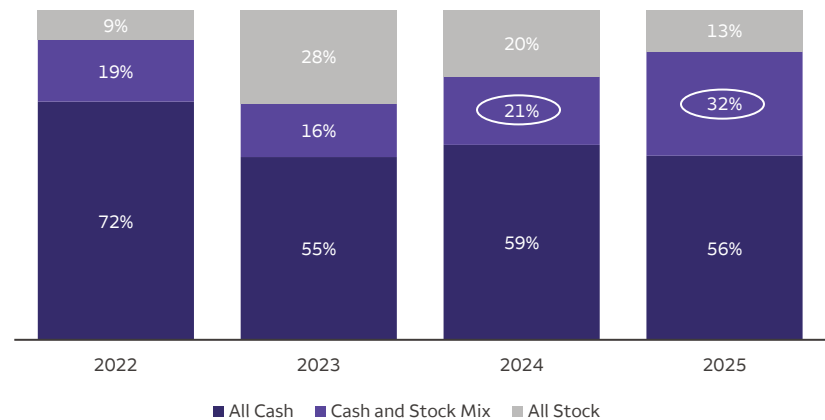
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# U.S. M&A Metrics of Note

## Observations

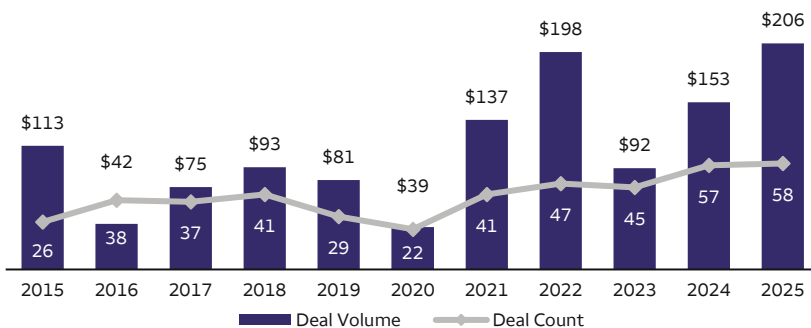
- The prevalence of larger deals pushed more acquirors to both use stock as a strong acquisition currency and retain balance sheet flexibility post-closing. Additionally, we saw a decrease in large all stock mergers
- Number of take-privates was flat to last year; however, bigger take-privates have been more common, driving total deal value up
- Average take-out premiums have increased ~6% since 2024, signaling stronger competition for targets

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



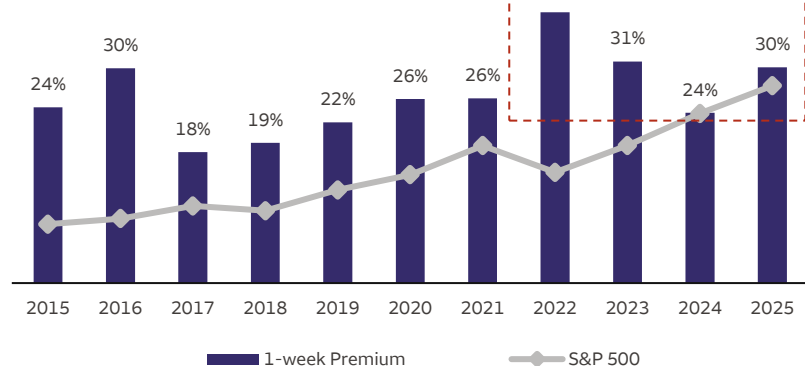
## U.S. Sponsor Take-Private Deal Activity

Deal Volume (\$ in Billions) | Deal Count (# of Deals)



## U.S. Premiums Paid

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



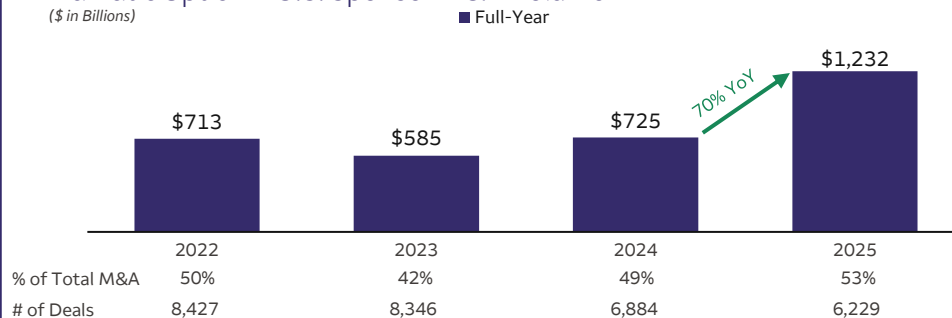
Source: LSEG | Note: Data based on announcement date as of December 31, 2025

# U.S. Sponsor Activity

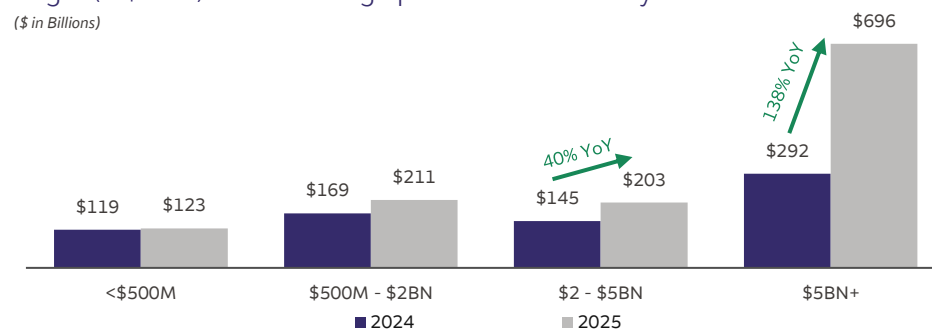
## Observations

- Sponsor activity has returned to historical levels and continues to outpace overall M&A
- \$1.2 Trillion in deal value (+70% YoY)** and 6,229 deals (-10% YoY)
- Sponsors making bigger bets – **47 deals above \$5 billion**, volume up over 138% YoY
- Larger deals signal more of a risk-on mindset, sponsors are more willing to participate in mega-deals (e.g., BASF)
- With dry powder still near all time highs, **sponsors are looking for innovative approaches to deploying capital** (e.g., GTCR / Worldpay)
- Increased momentum** in sponsor activity in 2026 will be driven by:
  - lower financing costs
  - narrowing bid-ask spreads
  - sustained pressure** to both **return and deploy capital**

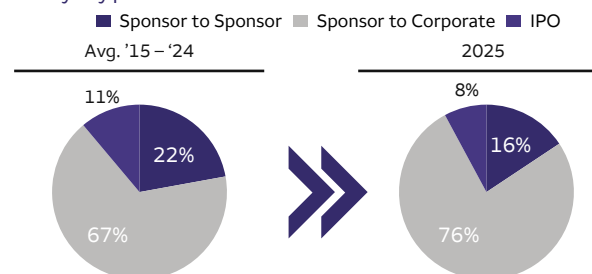
## Dramatic Uptick in U.S. Sponsor M&A Volume



## Larger (> \$5 Bn) Deals Driving Sponsor M&A Activity



## U.S. Exit Volume by Type



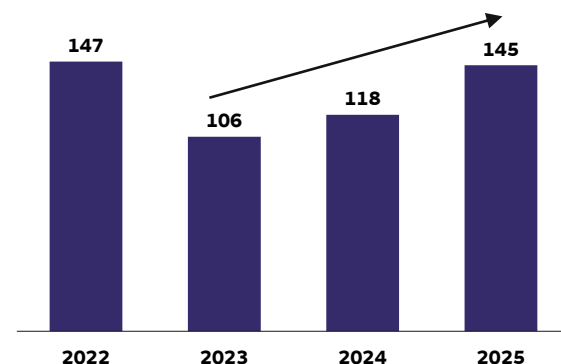
Source: LSEG, Pitchbook | Note: Data based on announcement date as of December 31, 2025

# U.S. Activism Activity

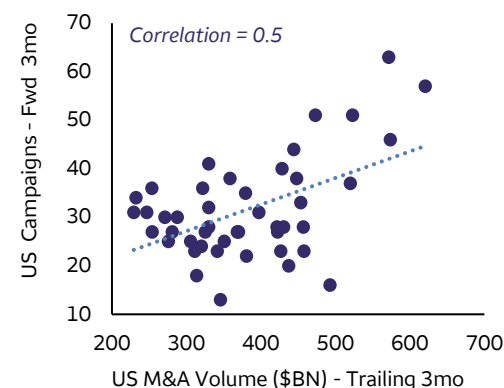
## Observations

- **Campaign activity has increased over 20%** in 2025 and rebounded to near 2022 highs
  - 4Q 2025 up over 60% vs 4Q 2024
  - No sector or market cap is immune
- **M&A volumes are a strong indicator for continued growth of activism campaigns in 2026**
  - Campaigns focused on break-ups and strategic alternatives will remain a core focus
- **Increase of ‘occasional’ activists** continues as investor activism becomes more mainstream
  - Being prepared (and focusing on prevention) remains the best practice to managing risk of activism
- Substantial majority of campaigns now end in settlement, often agreeing to board refreshment
  - As dissidents recruit more qualified candidates, circumventing a prolonged public campaign can be the appropriate path
  - Nevertheless, apply caution: **rate of CEO, CFO and Chairman turnover is 2x higher following settlements** to refresh board
- **Ongoing changes in the proxy advisory and institutional investor landscapes reinforce importance of understanding and engaging with shareholders**

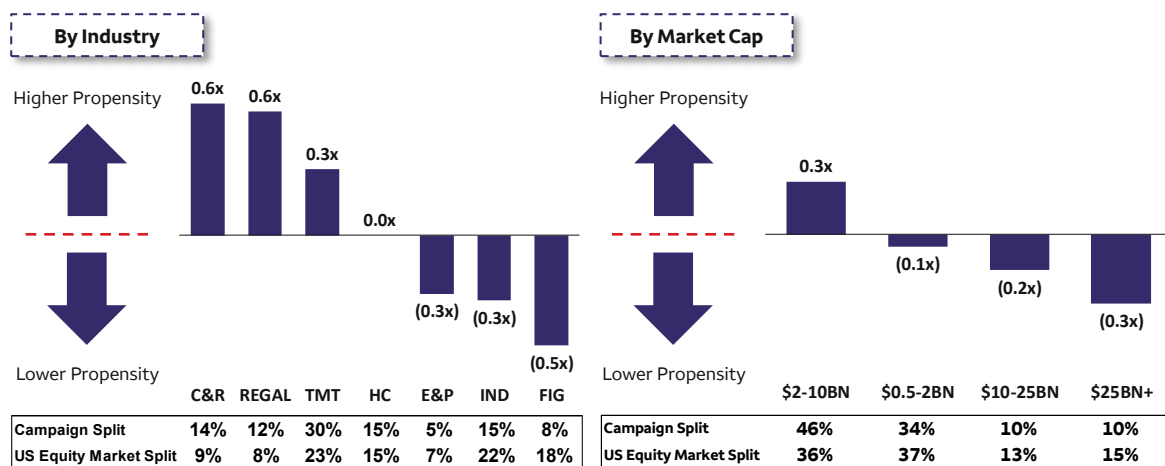
## U.S. Activist Campaigns <sup>1</sup>



## U.S. Activism vs. M&A Volumes <sup>2</sup>



## Propensity To Face Activism, By Sector and Market Cap <sup>3</sup>



Source: FactSet, Bloomberg, Diligent | Market data as of December 31, 2025 | <sup>1</sup> Data based on companies that had a market cap of >\$500M at time of attack and excludes gadflies, company affiliates, individuals and group investors, as well as other non-institutional investors | <sup>2</sup> US Campaign and M&A activity aggregated on a rolling 3mo basis starting as of January 1, 2021 | <sup>3</sup> Sector and market cap proportions across all public US companies with market cap >\$500M



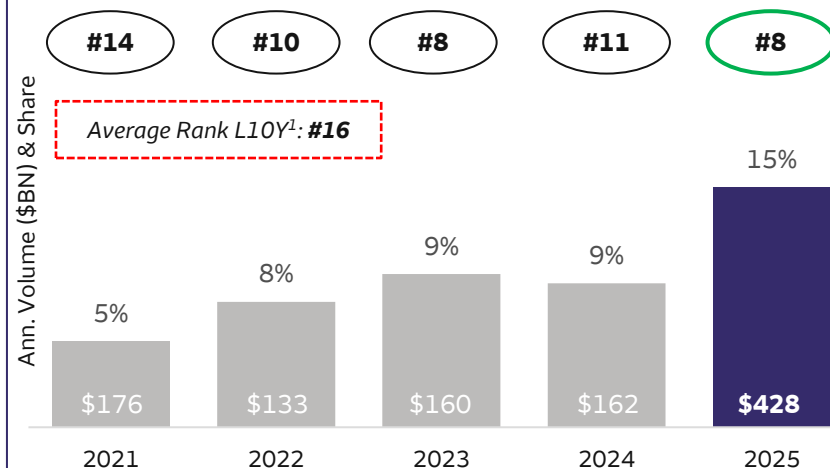
# Wells Fargo's M&A: Top Ten Firm with Highest Level of Share Gain

## Top Gainer in Announced M&A Share

(\$ in Billions)

Rank	Advisor	2025		
		Volume	Share (%)	Share (Δ%, vs 2021)
1	Goldman Sachs	\$1,089	37%	(2%)
2	JPMorgan	1,005	34%	3%
3	Morgan Stanley	765	26%	(0%)
4	BofA Securities	626	21%	3%
5	Citi	533	18%	1%
6	Evercore	492	17%	5%
7	Centerview Partners	448	15%	9%
<b>8</b>	<b>Wells Fargo</b>	<b>428</b>	<b>15%</b>	<b>9%</b>
9	Barclays	382	13%	(2%)
10	Jefferies	210	7%	2%

## Significant Increase in Volume Share and Rank



## Advisor on Industry Defining Transactions

**NETFLIX**

Advisor on the  
**\$82.7B** acquisition of

**WB**

Announced  
December 2025

**UNION PACIFIC**

Advisor on the  
**\$85.0B** acquisition of

**NS**  
NORFOLK SOUTHERN

Announced  
July 2025

**CHART**

Advisor on the  
**\$13.6B** sale to

**Baker Hughes**

Announced  
July 2025

**COX**

Advisor on the  
**\$34.5B** business combination with

**Charter**  
COMMUNICATIONS

Announced  
May 2025

**TXNM**  
ENERGY

Advisor on the  
**\$11.5B** sale to

**Blackstone**

Announced  
May 2025

**worldpay**

Advisor on the  
**\$24.3B** sale to

**globalpayments**

Announced  
April 2025

Source: Dealogic as of December 31, 2025 | <sup>1</sup> Average from 2015 – 2024

# Corporate & Investment Banking

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