

M&A Market Pulse:
*Constructive M&A Backdrop
Despite 3Q Slowdown*

3Q 2026

The Stats That Matter (3Q 2026)

Global Announced M&A

\$983 Billion (14%) vs. 3Q 2025
+27% vs. YTD 2025

10 \$10 Billion+ Deals (38%) vs. 3Q 2025
+24% vs. YTD 2025

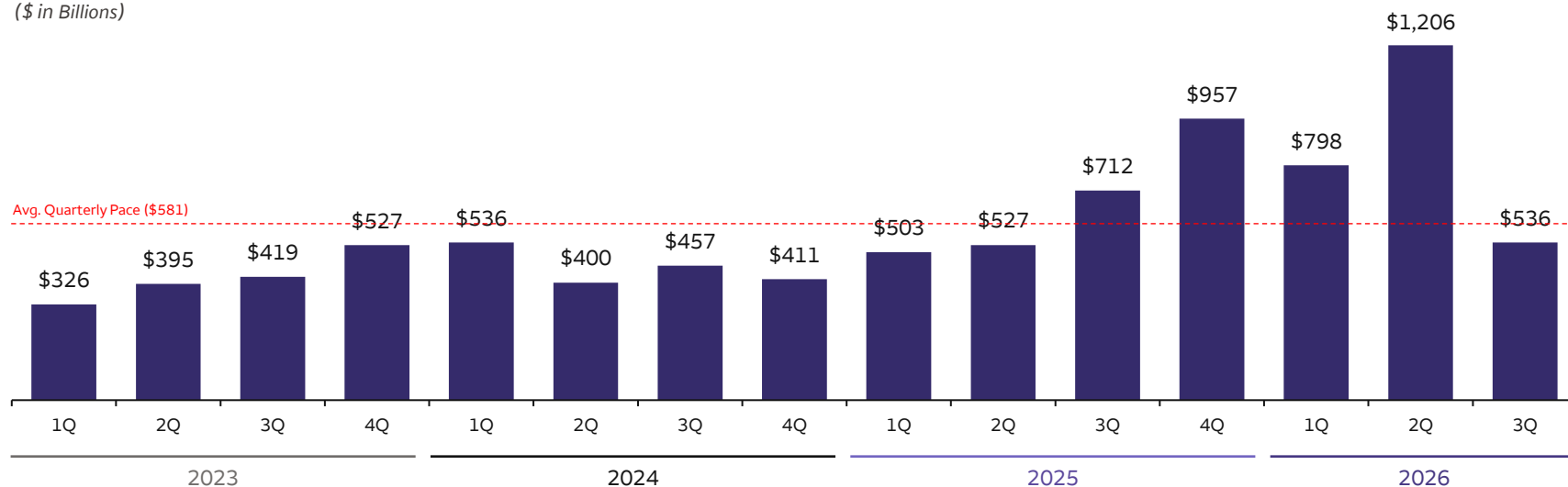
U.S. Announced M&A

\$536 Billion (25%) vs. 3Q 2025
+46% vs. YTD 2025

4 \$10 Billion+ Deals (67%) vs. 3Q 2025
+45% vs. YTD 2025

Strong 1H 2026 Drives YoY Growth Despite 3Q Decline

(\$ in Billions)



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

M&A Market Pulse | Current State And Outlook

- After five consecutive quarters of YoY growth, U.S. M&A volume declined 25% from \$712BN in 3Q 2025 to \$536BN in 3Q 2026
 - 56% sequential decline represents largest QoQ decline since the financial crisis
- Yet overall activity levels remain consistent with a healthy M&A market
 - Decline was driven by less activity in > \$10BN mega-deals, which drove volume growth in 2025 and the first half of 2026
 - Activity remained robust for deals in the \$1BN - \$10BN range, with YoY volume and deal count rising 28% and 23%, respectively
- YTD volume reached \$2.5TN, still on pace for a record year
- Sponsor activity accelerated as funds looked to monetize long-held assets benefiting from growth tailwinds and bid aggressively for attractive businesses in select sectors
- As we look forward, the dealmaking environment remains constructive, underpinned by:
 - High degree of CEO and investor confidence
 - Ongoing strategic consolidation across industries as corporates seek to enhance competitive positioning and accelerate long-term growth
 - Continued investment activity driven by AI-related opportunities
 - Strong equity market performance and ample availability of public and private capital
- While largely looking past near-term risks, CEOs and Boards remain focused on risks that could impact 2027, including:
 - Geopolitical events, mainly the Middle East conflict
 - Consumer health and confidence, and employment
 - Trajectory of interest rates and inflation

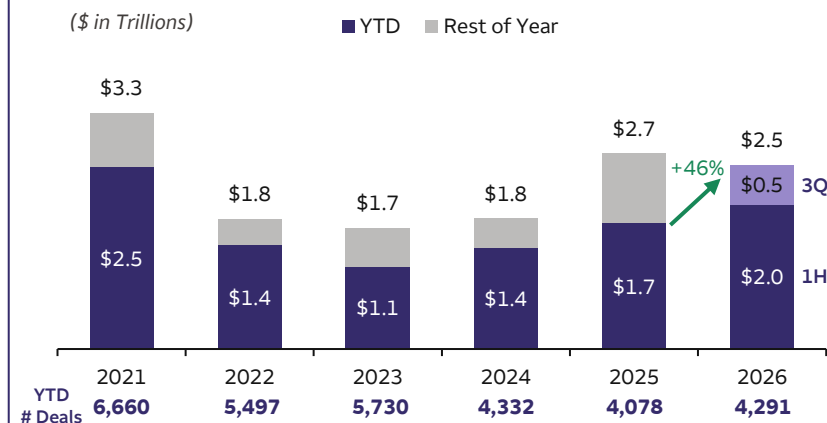
Source: LSEG | Note: Data based on announcement date as of September 30, 2026; U.S. announced M&A reflects transactions involving U.S.-based targets or acquirers.

U.S. M&A Market Overview

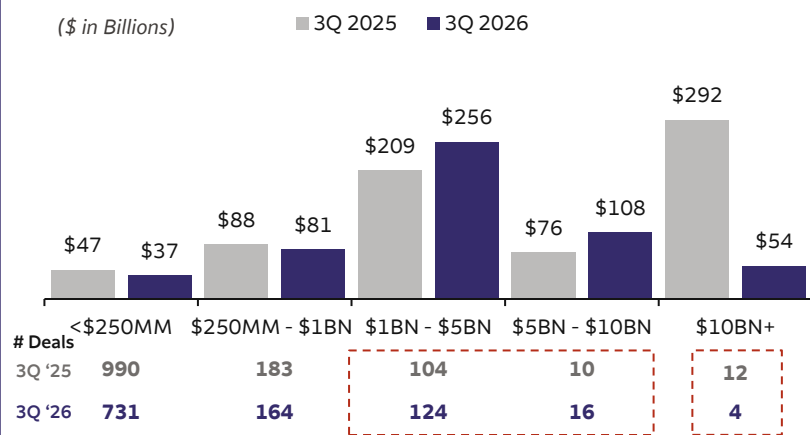
Observations

- YTD U.S. M&A volume rose to \$2.5TN, up 46% YoY and only 6% below full year 2025, despite a decline in 3Q 2026
 - Deals > \$10BN represented 46% of total YTD volume
- For the quarter, volume declined 25% to \$536BN compared to 3Q 2025 due to fewer mega-deals (4 in 3Q 2026 vs. 12 in 3Q 2025)
- Activity accelerated for deals \$1BN - \$10BN measured by both volume and deal count
 - Volume / deal counts increased 28% / 23% vs. 3Q 2025

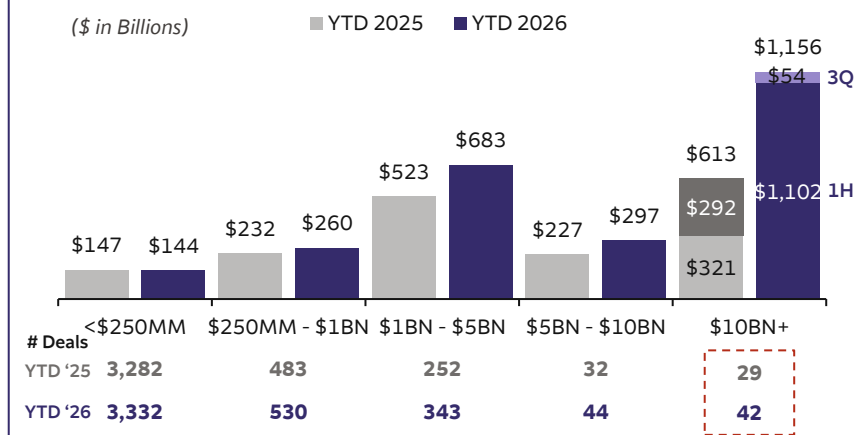
YTD Volume Approaching Full Year 2025 Levels



Increased \$1-10BN Activity in 3Q 2026, Fewer Mega-Deals



1H 2026 Mega-Deals Drive YTD Volume Growth

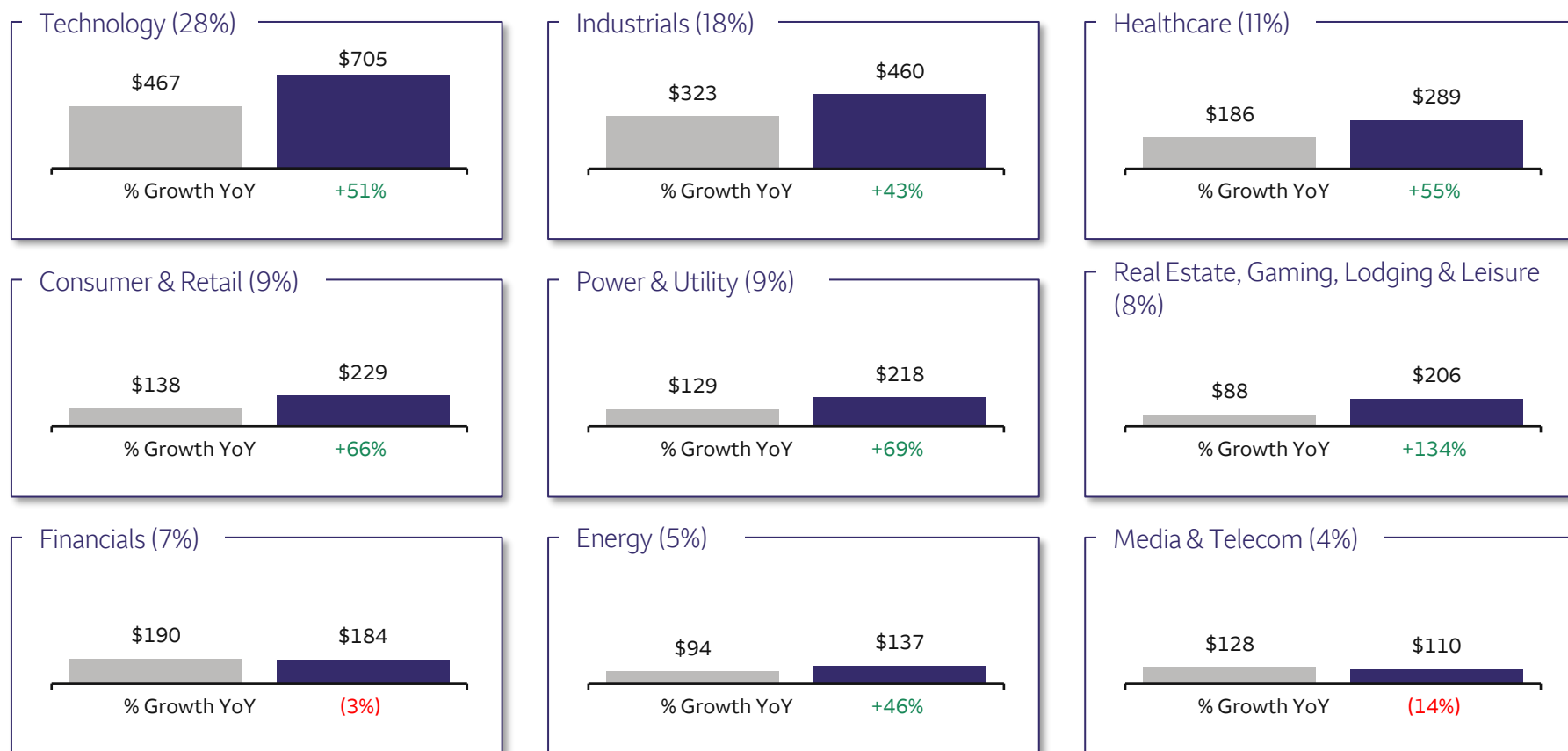


Source: LSEG | Note: Data based on announcement date as of September 30, 2026; U.S. announced M&A reflects transactions involving U.S.-based targets or acquirers; Number of deals excludes deals with undisclosed value.

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

- Seven of nine sectors grew, with Tech, Industrials and Real Estate, Gaming, Lodging & Leisure delivering \$494BN, or 62% of the \$797BN increase in YTD volume
- Financials and Media & Telecom were the only sectors to decline, while Real Estate, Gaming, Lodging & Leisure posted the strongest increase, growing 134%
- NextEra's \$119BN combination with Dominion Energy accounted for 54% of Power & Utility volume

\$ in Billions ■ YTD 2025 ■ YTD 2026 (% of total volume)



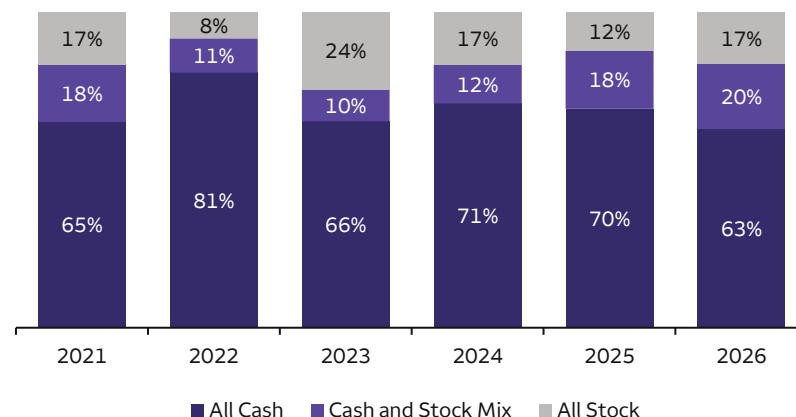
Source: LSEG | Note: Data based on announcement date as of September 30, 2026; U.S. announced M&A reflects transactions involving U.S.-based targets or acquirers.

U.S. M&A Metrics Of Note

Observations

- Rising equity markets (S&P 500 +12% YTD) supported an increased use of stock as acquisition currency, as acquirers continue to pursue large transactions while preserving balance sheet flexibility
- 1-week premiums have held near 30% since 2024 with acquirers maintaining price discipline amid favorable equity market conditions
- Hostile / unsolicited volume continues to rise, highlighting continued acquirer confidence and Boards becoming increasingly receptive to well-supported proposals

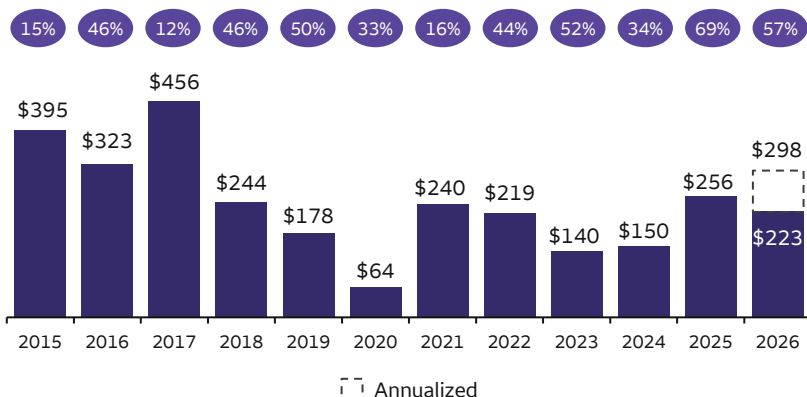
U.S. Consideration Mix (% of Announced Volume)



Hostile / Unsolicited M&A Activity

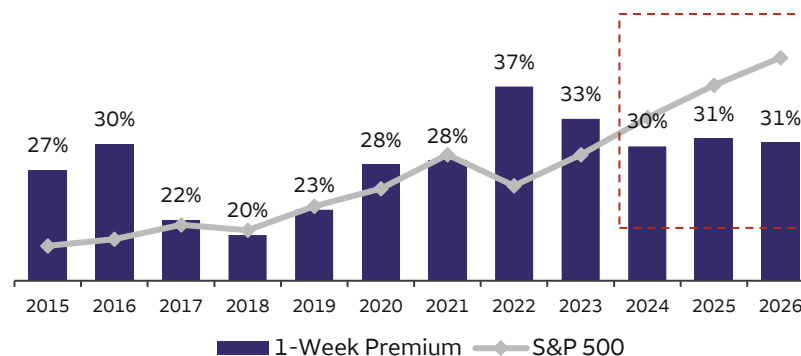
(\$ in Billions)

% of Hostile / Unsolicited Volume that Completed or is Pending



U.S. Premiums Paid

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



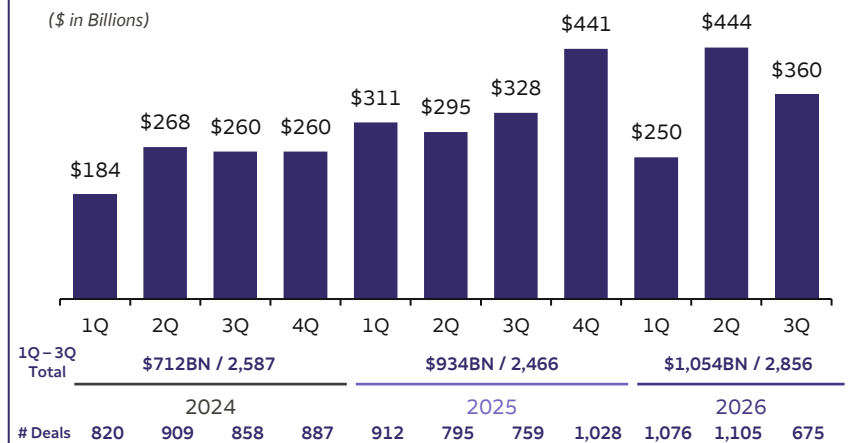
Source: LSEG | Note: Data based on announcement date as of September 30, 2026; U.S. announced M&A reflects transactions involving U.S.-based targets or acquirers.

Sponsor M&A Activity

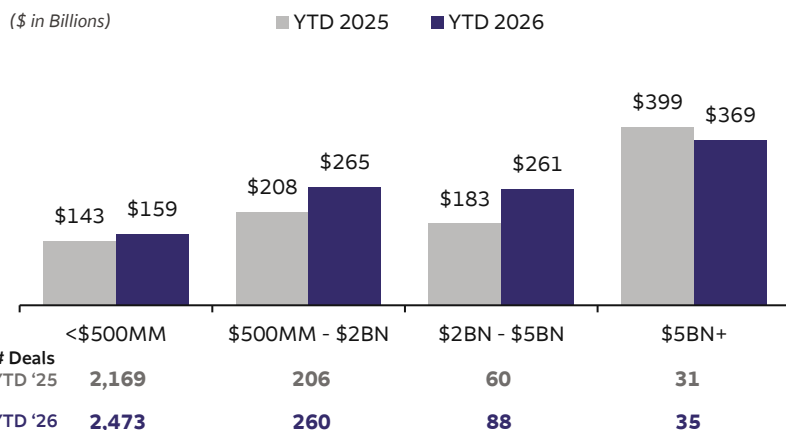
Observations

- Recent resurgence in sponsor activity with volume exceeding \$1.0TN YTD, up 13% YoY on 16% more deals (2,856 vs. 2,466)
- Momentum is concentrated in deals \$500MM - \$5BN, where volume is up 34% on 30% more deals
- However, traditional LBO volume of \$161BN is down 36% across 17% fewer deals and is just 15% of sponsor volume, down from 27%

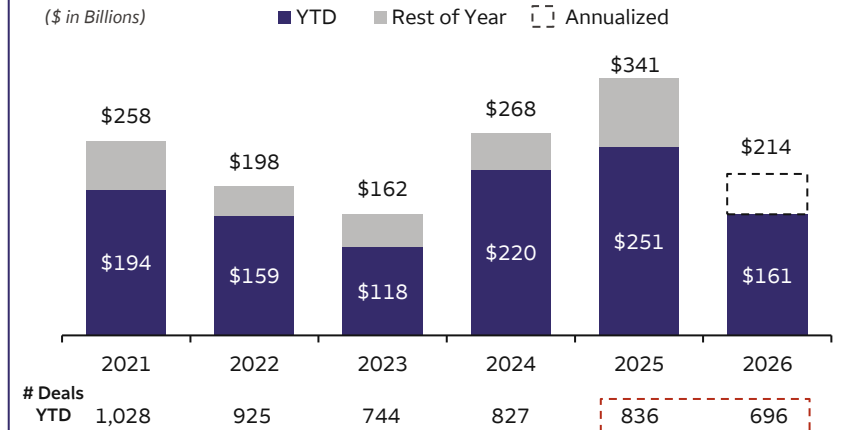
U.S. Sponsor M&A Deal Volume



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



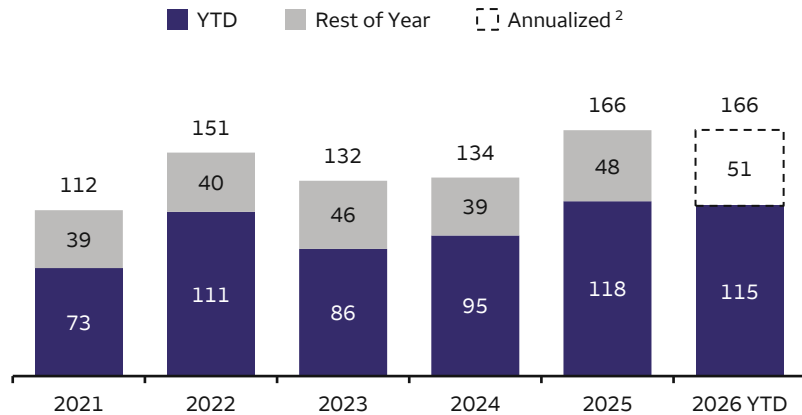
U.S. LBO Volume by Year



Source: LSEG | Note: Data based on announcement date as of September 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

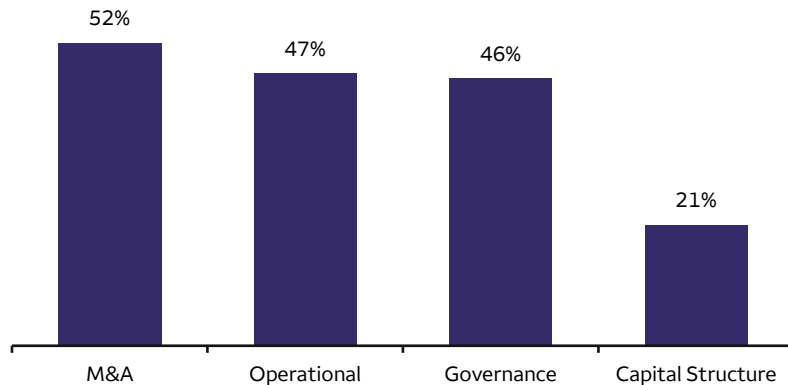
U.S. Activism Remains At Record Levels ¹



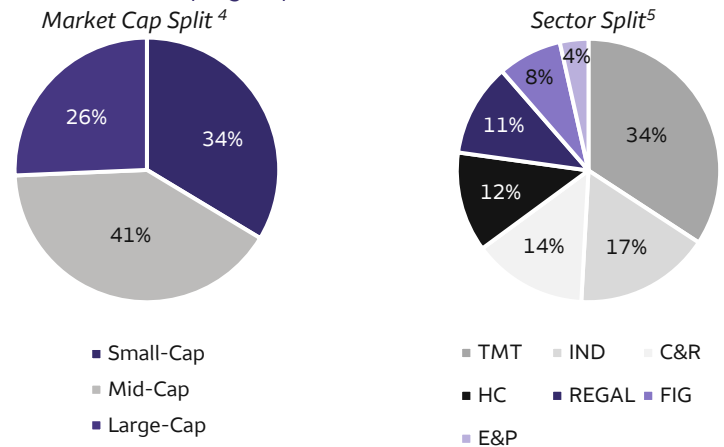
Observations

- Activism activity on pace with 2025's record high
 - High correlation with robust M&A environment
 - Demands for break-up, portfolio review and strategic alternatives represent 50%+ of campaigns; highest risk-reward strategy for activists
- Shifting trends leading to more growth of activism being conducted in private
 - Only 4 campaigns¹ made it to a proxy fight so far in 2026, with only 1 director successfully nominated via proxy
 - Meanwhile, ~50 directors were added via private settlements so far this year
- “Prepare to prevent” is table stakes
 - Preparation = reviewing vulnerabilities, anticipating issues, informing board
 - Prevention = refining narratives, addressing issues, going on the offensive

2026 YTD Demands as a Percent of Total Campaigns ³



2026 YTD Campaign Splits



Source: FactSet, Bloomberg, Diligent | Note: Data as of September 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 2021 – 2025 campaign activity YTD. (3) Each activist campaign can have more than one demand. (4) Market Cap: Small-Cap: \$500MM - \$2,000MM; Mid-Cap: \$2,000MM - \$10,000MM; Large-Cap: >\$10,000MM. (5) TMT = Technology, Media, & Telecom; IND = Industrials; C&R = Consumer & Retail; HC = Healthcare; FIG = Financials; REGAL = Real Estate, Gaming, Lodging & Leisure; E&P = Energy & Power.

Wells Fargo's M&A Leadership

#6

Ranked Advisor
Up From #14 In 2021

17

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

~640bps

Largest Share Gain
(2021 – YTD 2026)

135+

M&A Practitioners
Across 11 Offices

Advisor on Leading, Industry-Defining Transactions



\$118.8BN
combination with



Financial Advisor
to NextEra Energy

May 2026



\$85.0BN
acquisition of



Financial Advisor
to Union Pacific

July 2025



\$34.5BN
combination with



Financial Advisor
to Cox

May 2025



\$33.4BN
sale to



Financial Advisor
to AES

March 2026



\$13.6BN
sale to



Exclusive Financial Advisor
to Chart

July 2025



\$13.5BN
sale to



Lead Financial Advisor
to Schroders

February 2026



\$11.5BN
sale to



Lead Financial Advisor
to TXNM Energy

May 2025



\$10.5BN
acquisition of



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 September 30, 2026. Market share growth compares YTD 2026 announced volume market share of each financial advisor versus that of 2021.

Corporate & Investment Banking

WELLS
FARGO

This document and any other materials accompanying this document (collectively, the “Materials”) are provided for general informational purposes. By accepting any Materials, the recipient thereof acknowledges and agrees to the matters set forth below in this notice.

Wells Fargo Corporate and Investment Banking (CIB) makes no representation or warranty (express or implied) regarding the adequacy, accuracy or completeness of any information in the Materials. Information in the Materials is preliminary and is not intended to be complete, and such information is qualified in its entirety. Any opinions or estimates contained in the Materials represent the judgment of CIB at this time and are subject to change without notice. Interested parties are advised to contact CIB for more information.

The Materials are not an offer to sell, or a solicitation of an offer to buy, the securities or instruments named or described herein. The Materials are not intended to provide, and must not be relied on for, accounting, legal, regulatory, tax, business, financial or related advice or investment recommendations. No person providing any Materials is acting as fiduciary or advisor with respect to the Materials. You must consult with your own advisors as to the legal, regulatory, tax, business, financial, investment and other aspects of the Materials.

Wells Fargo Corporate & Investment Banking (CIB) and Wells Fargo Securities (WFS) are the trade names used for the corporate banking, capital markets, and investment banking services of Wells Fargo & Company and its subsidiaries, including but not limited to Wells Fargo Securities, LLC, member of NYSE, FINRA, NFA, and SIPC, Wells Fargo Prime Services, LLC, member of FINRA, NFA and SIPC, and Wells Fargo Bank, N.A., member NFA and swap dealer registered with the CFTC and security-based swap dealer registered with the SEC, member FDIC. Wells Fargo Securities, LLC and Wells Fargo Prime Services, LLC, are distinct entities from affiliated banks and thrifts.

Notwithstanding anything to the contrary contained in the Materials, all persons may disclose to any and all persons, without limitations of any kind, the U.S. federal, state or local tax treatment or tax structure of any transaction, any fact that may be relevant to understanding the U.S. federal, state or local tax treatment or tax structure of any transaction, and all materials of any kind (including opinions or other tax analyses) relating to such U.S. federal, state or local tax treatment or tax structure, other than the name of the parties or any other person named herein, or information that would permit identification of the parties or such other persons, and any pricing terms or nonpublic business or financial information that is unrelated to the U.S. federal, state or local tax treatment or tax structure of the transaction to the taxpayer and is not relevant to understanding the U.S. federal, state or local tax treatment or tax structure of the transaction to the taxpayer.

All information provided in this presentation represents the views of CIB's Banking team, and not the independent views of our Research Analysts. CIB has adopted policies and procedures designed to preserve the independence of our Research Analysts, whose views may differ from those presented herein.

If you require an accessibility accommodation, please notify your CIB contact

©2026 Wells Fargo & Company. All rights reserved.