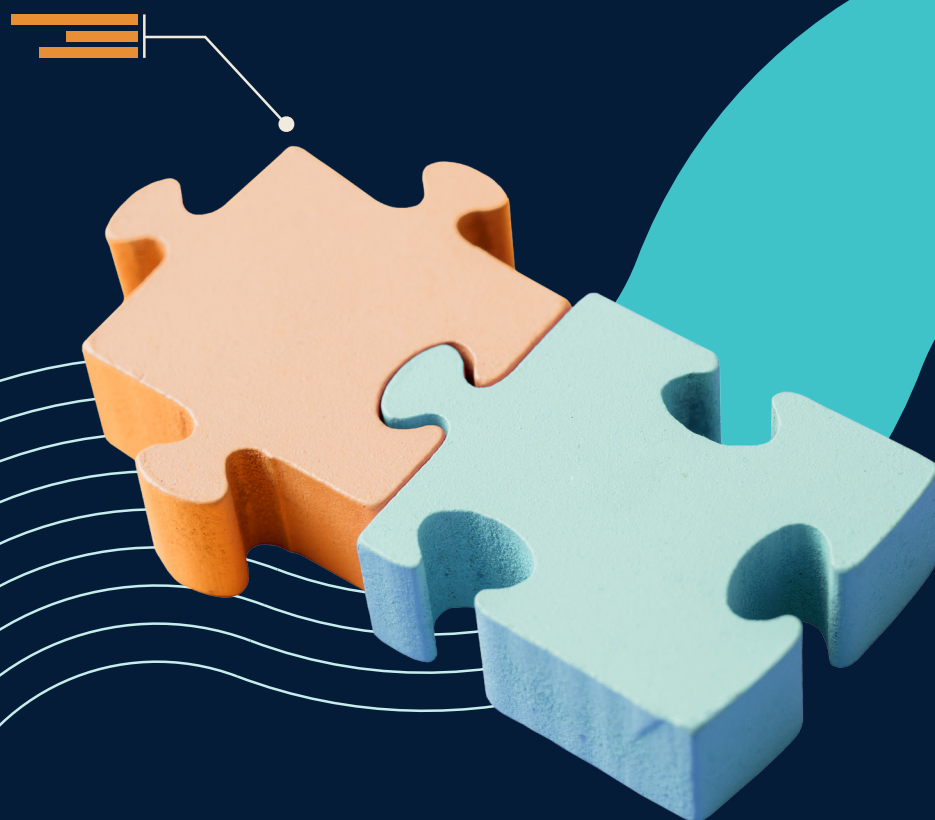


GLOBAL
M&A Report



Sponsored by



Contents

Overview	4
Valuation metrics	7
Deal metrics	9
A word from Liberty GTS	10
European M&A	12
North American M&A	14
A word from RSM	16
Antitrust M&A update	18
Sector metrics	22
Industry metrics	24
B2B	26
B2C	28
Energy	30
Financial services	32
Healthcare	34
IT	36
Materials & resources	38

PitchBook Data, Inc.

Nizar Tarhuni Executive Vice President of Research and Market Intelligence

Marina Lukatsky Global Head of Research, Credit and US Private Equity

Institutional Research Group

Analysis



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



Kyle Walters
Research Analyst, Private Equity
kyle.walters@pitchbook.com



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



Brian Wright
Lead Research Analyst, Healthcare
brian.wright@pitchbook.com

Data

Charlie Farber
Manager, Data Analysis

pbinstitutionalresearch@pitchbook.com

Publishing

Report designed by **Adriana Hansen**

Published on October 29, 2025

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

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 September 30, 2025

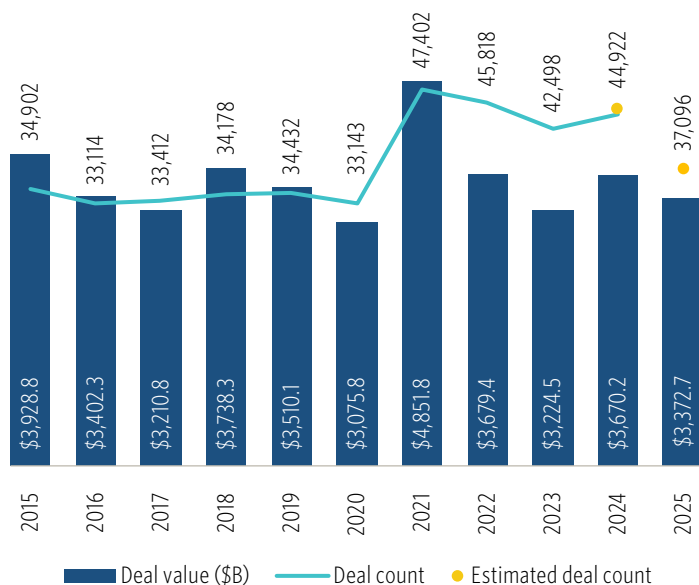
Jinny Choi

Senior Research Analyst, Private Equity

After one brief quarter of steady activity, global M&A forged ahead with greater fervor. Q3 activity increased by 25.6% in M&A value and 3.8% in deal count as buyers jumped back into the market after momentum was disrupted earlier in the year by macroeconomic headwinds. Q3 2025 marked the strongest activity since Q4 2021, which was a record-breaking year for global M&A fueled by strong investor appetite supported by booming public markets and abundant capital. Year to date, there have been 37,096 M&A transactions for an aggregate of \$3.4 trillion. With one quarter remaining in the year, 2025 M&A activity is on track to surpass the total number of transactions in 2021 and establish a new record, highlighting renewed investor confidence. Deal value is projected to fall short of 2021 levels but will come in second to that historically frenzied year.

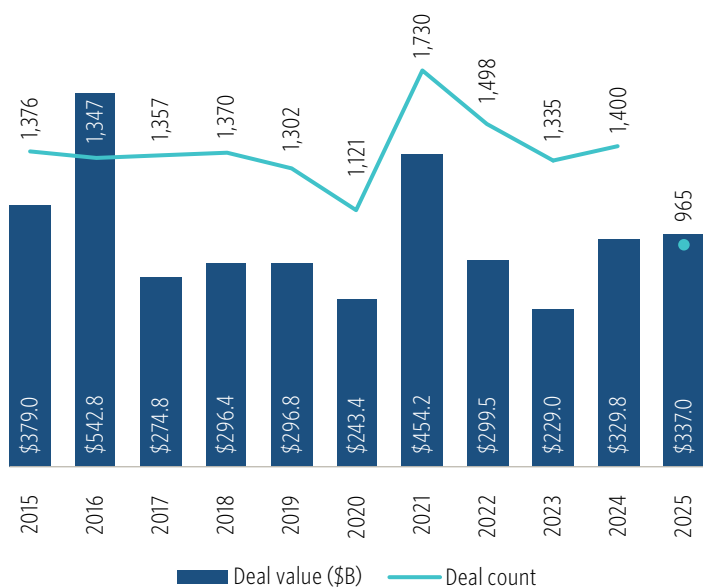
2025 is shaping up to be an incredible year for global M&A despite the backdrop of geopolitical volatility, stubborn inflation, and a slowing global economy. Dealmakers have embraced uncertainty and are pushing ahead with M&A activity to pursue innovation and strategic realignment. The US Federal Reserve's recent interest-rate cut and numerous

M&A activity



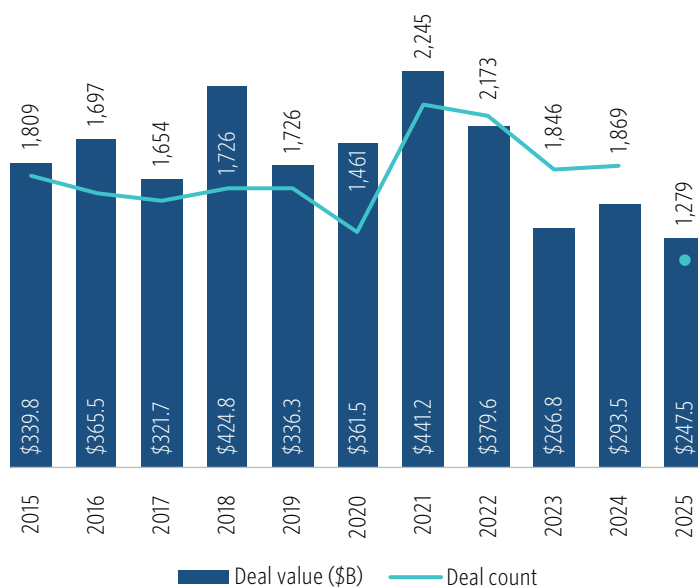
Source: PitchBook • Geography: Global • As of September 30, 2025

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



Source: PitchBook • Geography: North America • As of September 30, 2025

European M&A activity with non-European acquirer



Source: PitchBook • Geography: Europe • As of September 30, 2025

rate cuts from European central banks are also easing financing pressures and boosting dealmaking appetite, especially in large transactions. While macro challenges remain, the global M&A market is positioned to carry its momentum through the year's end, supported by easing borrowing costs, dealmakers returning to their acquisition pipelines that may have been paused or delayed earlier in the year, and PE buyers with ample capital to deploy from the last few years of strong fundraising success.

A key driver in the impressive global M&A activity is the surge of megadeals, or transactions of \$1 billion or larger. There have been 435 megadeals through Q3 2025, accounting for 1.5% of total M&A transactions. The share of megadeals is above its previous five-year average of 1.1% as the rate of growth in megadeals far outpaces that of smaller transaction sizes. Improved investor appetite, combined with the wave of consolidation to achieve competitive market positioning, is pushing dealmakers toward larger acquisitions. In terms of deal value, megadeals have driven a whopping \$1.7 trillion of value so far this year, already surpassing the levels seen in each of the last three years. Megadeals made up 54.8% of total M&A value YTD. The largest deal of the quarter and of the year was Union Pacific's \$89 billion acquisition of railroad operator Norfolk Southern announced in July. The deal, if approved, would create the first transcontinental rail network in the US and would be the largest railroad acquisition in US

history. US President Donald Trump expressed support for the deal, highlighting the reduced antitrust scrutiny under his administration compared with that of the previous Biden administration, which is another factor driving increased megadeal activity.

Cross-border M&A

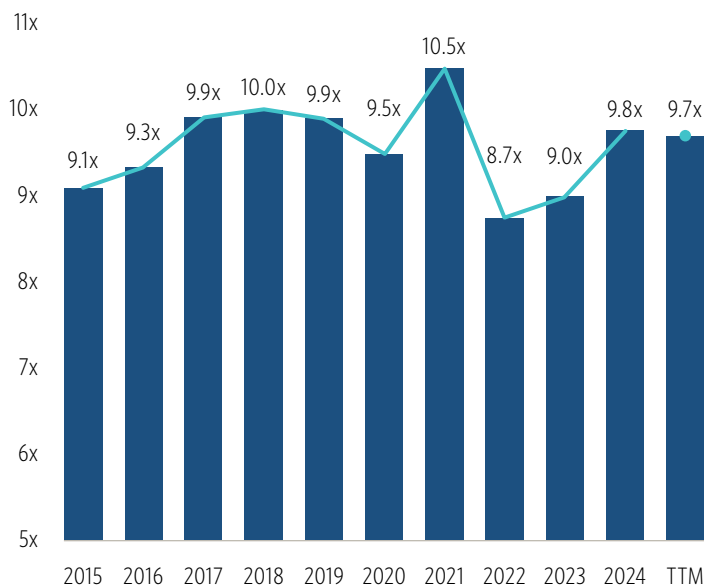
Cross-border M&A flows between North America and Europe present a mixed picture. In terms of capital deployed, the balance favors North America, with net capital inflow into North American markets from European acquirers amounting to \$22.6 billion through Q3 2025. This marks a break from a long period of net capital outflow from North American buyers into European markets, a notable reversal given the political volatility in the US this year. In terms of the number of transactions, European targets are still securing more North American buyers than North American companies are attracting European buyers. YTD, North American acquirers have announced 952 European acquisitions, which is 275 more than the 677 deals by European buyers in North America. European buyers are making larger investments and funneling capital into North American markets, while North American buyers are doing more transactions and driving a greater number of deals in Europe. This discrepancy between M&A size and volume is partly driven by the euro strengthening against the dollar—starting near parity at

the beginning of the year and reaching a peak of \$1.19 in September. At the same time, lower multiples in Europe have made the region attractive to North American investors, even without the advantage of a stronger currency, driving M&A activity in the region.

When examining cross-border M&A more broadly, North American companies continue to attract more nondomestic capital, already surpassing the M&A value generated by nondomestic investors in 2024. This growth is primarily driven by larger deals, as the overall number of transactions has slowed down and is expected to fall short of 2024 levels on an annualized basis. There have been 55 megadeals in North America with nondomestic investor involvement this year, totaling \$268.1 billion, notably including the \$54.7 billion take-private of Electronic Arts (EA) by a consortium including Saudi Arabia's Public Investment Fund. Although the number of cross-border deals has decreased slightly, the number of North American deals involving nondomestic acquirers makes up 3.3% of total global M&A count YTD, which is slightly higher than the figures from the past three years. The same trend is occurring in Europe, where M&A activity with nondomestic acquirers represents 4.4% of total M&A count. While the figures are still below the pre-pandemic averages, they indicate a recovery from the recent slowdown in cross-border M&A activity.

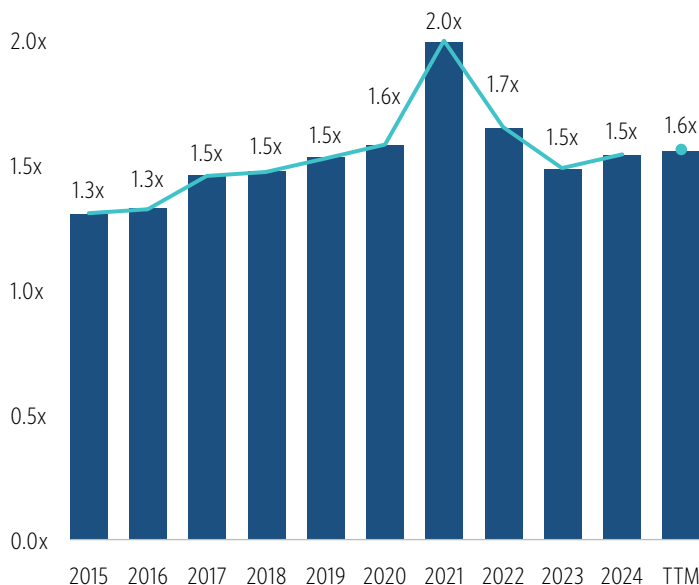
Valuation metrics

Median M&A EV/EBITDA multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Median M&A EV/revenue multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Valuations

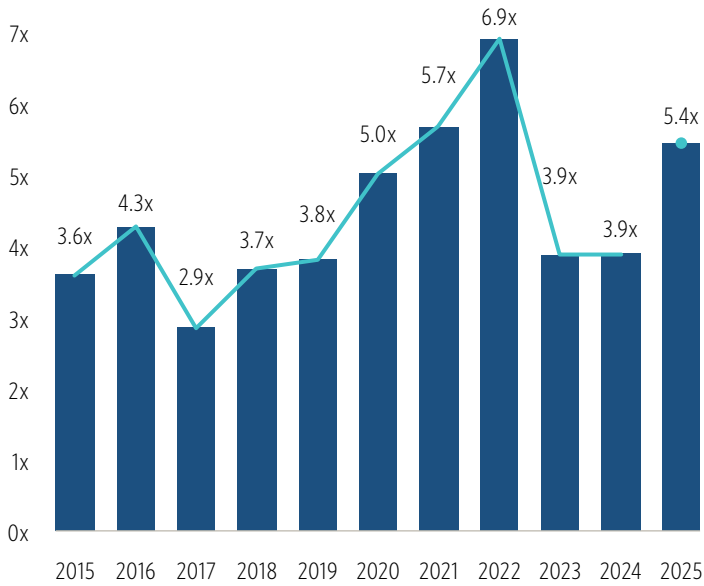
In Q3 2025, TTM deal multiples in North America and Europe ticked up slightly to meet or exceed 2024 multiples. The median enterprise value (EV)/EBITDA multiple for M&A transactions announced or closed in TTM improved to 9.7x from 9.3x on a TTM basis earlier in the year. Meanwhile, EV/revenue multiples rose slightly to 1.6x.

While M&A multiples are still 8% to 22% removed from 2021’s all-time peak of 10.5x EBITDA and 2x revenue, the recent consistency indicates that the recovery in valuations is complete and stable. Valuation multiples are up from recent troughs and are generally consistent with the 2017-2019 average of 9.9x EBITDA and 1.5x revenue. While we hoped to see more value-oriented deals with lower multiples as M&A activity broadens out, resulting in flattening multiples, the surge in megadeal activity is putting upward pressure on median multiples. If the PE ecosystem can work through its sizable backlog of aged holdings, this could put a ceiling on the rising valuation trend.

European valuation multiples continue to trade at a discount to those in the US, with the TTM median EBITDA multiple at 9.3x compared with 10.6x for the US. The median EBITDA multiple for European M&A transactions announced or closed YTD 2025 is lower at 8.9x, suggesting a greater divergence in recent deals across regions. Meanwhile, EV/revenue multiples for US M&A deals have increased to 2.2x, nearing the record high of 2.3x in 2021, indicating that high-growth companies in the US are once again securing attractive sales.

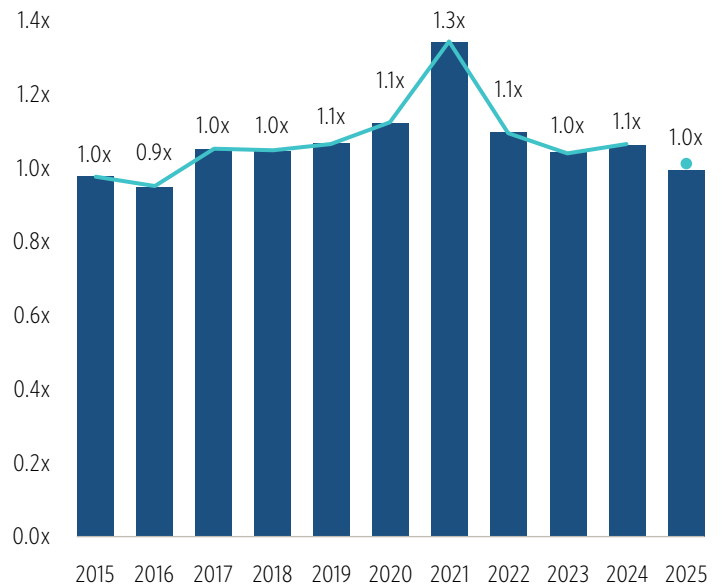
We compare trading multiples on the S&P 500 with deal multiples in the broader M&A market as a rough proxy for judging whether public and private markets are moving apart or converging. It is also a good proxy for viewing valuation trends between large and micro-cap companies. Approximately 95% of all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

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



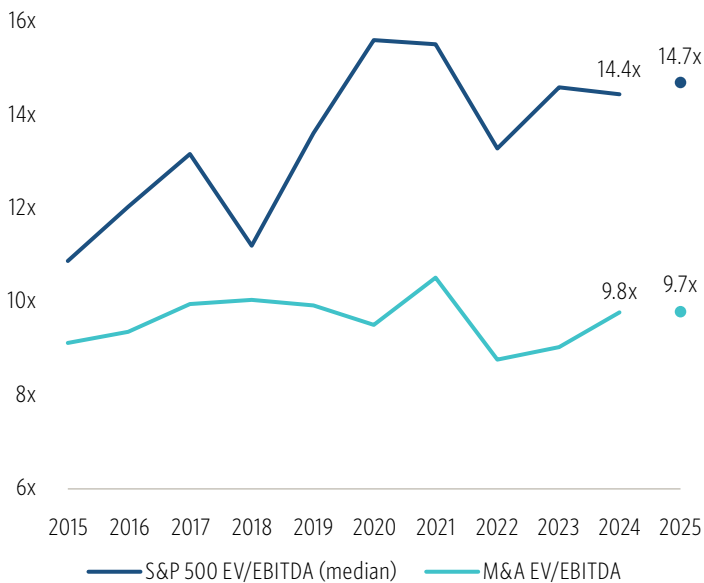
Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

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



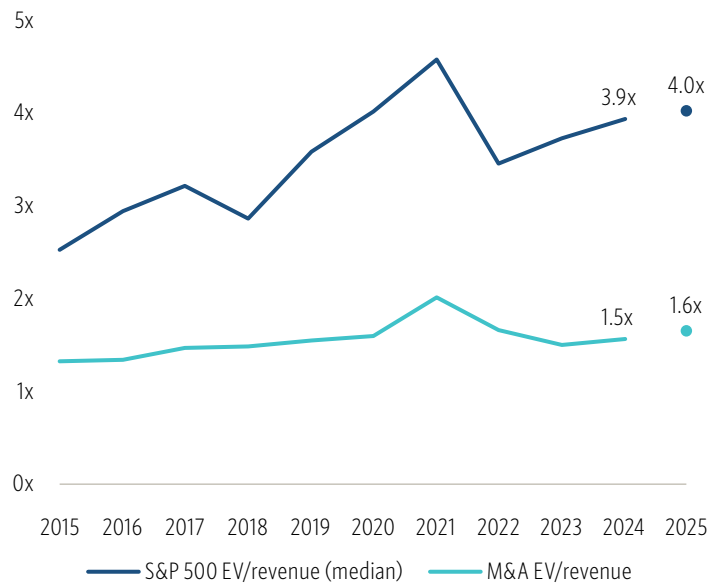
Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Public company trading multiples versus M&A multiples (EV/EBITDA)



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

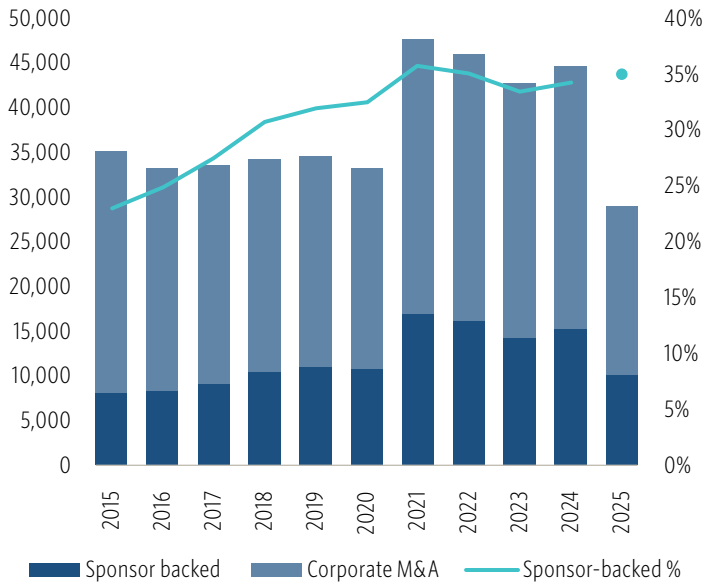
Public company trading multiples versus M&A multiples (EV/revenue)



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

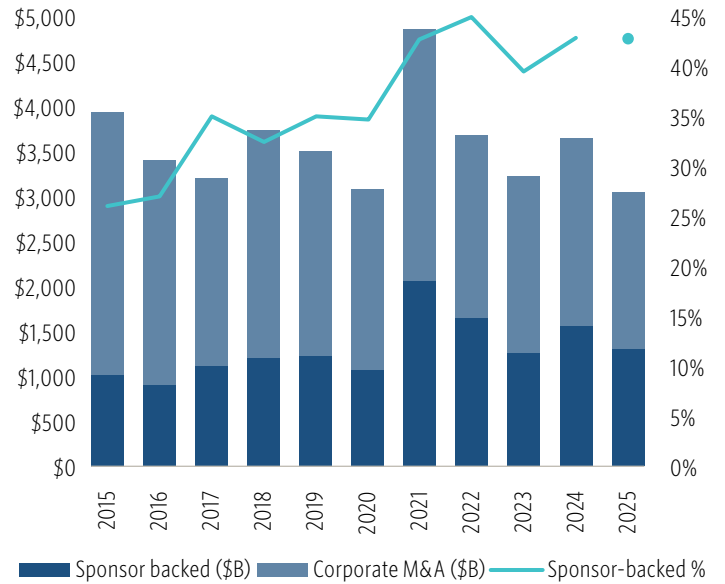
Deal metrics

M&A count by acquirer type



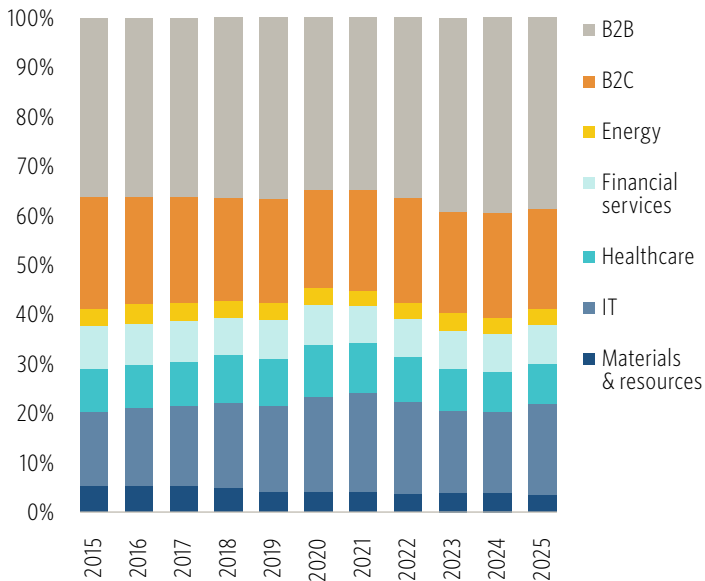
Source: PitchBook • Geography: Global • As of September 30, 2025

M&A value by acquirer type



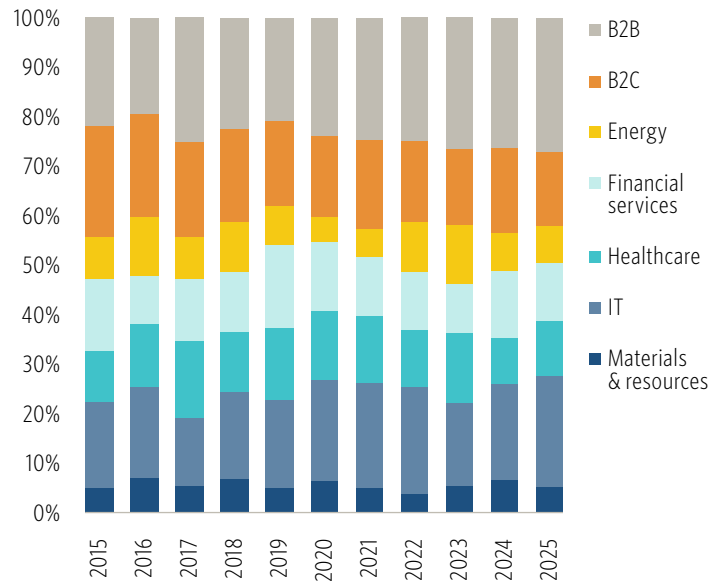
Source: PitchBook • Geography: Global • As of September 30, 2025

Share of M&A count by sector



Source: PitchBook • Geography: Global • As of September 30, 2025

Share of M&A value by sector



Source: PitchBook • Geography: Global • As of September 30, 2025

A WORD FROM LIBERTY GTS

In the face of more large limit losses, the representations & warranties market needs to review the breadth of its coverage and pricing

An active year for claims in the transactional liability insurance market in 2024 has increased the focus of insurers and reinsurers on pricing for representations and warranties insurance (RWI) business, prompting carriers to begin a concerted push on rates.

Although underlying M&A activity softened in the first half of 2025, upward rating momentum persisted. However, despite sustained focus on rate adequacy and market-wide price increases, there has been too little discussion about coverage scope and how towers are constructed.

Over the past two years, RWI coverage in the US has become increasingly broad, such that a course correction is now needed if the market is to remain profitable.

Broadening cover and large losses

One major concern about the current breadth of coverage in relation to the sustainability of US RWI business is the recent upward trend in large limit losses. It seems likely that a significant factor in this increase in large claims is that carriers have failed to learn the lessons from recent claims history and have continued to offer ever broader coverage options.

Multibillion-dollar M&A deals typically have very large RWI towers, where the pricing on the excess layers doesn't always appropriately reflect the level of risk being assumed. There have been a few full-limit losses in the market recently that have burned through those excess layers, resulting in market-wide losses.

On these larger deals, where large RWI towers are being built, the capacity of many of the carriers involved is typically in the "red zone," attaching well below 10% of enterprise value. However, the pricing of these layers doesn't always reflect the reality of the exposure (which is more akin to primary in nature on these largest deals).



Hilary Weiss

Head of Americas
Liberty GTS

Hilary Weiss is Head of Americas, Liberty GTS. Hilary has extensive experience of structuring, underwriting and negotiating transactional insurance and joined Liberty

GTS from XL Catlin, where she was a transaction insurance underwriter, having previously been a M&A Insurance Specialist at AIG. Hilary received her J.D. from Brooklyn Law School and is admitted to practice in New York and New Jersey (inactive).

Applying steep increased limit factors (ILFs) on these towers doesn't appropriately compensate carriers for the risk they are taking on. Moreover, while carriers generally view their participation in higher excess layers as being well insulated against loss, we have seen several full-limit losses hit the market recently showing that, on these large deals, the potential for high severity losses is a real risk.

A recently reported settlement involving a large private equity firm buying a multibillion dollar US telecoms business—said to have been resolved in the \$300 million to \$400 million range for a condition-of-assets breach that implicated the full tower—highlights the point. When a large claim triggers every layer in the tower and the alleged loss approaches or exceeds the tower's total limit, an attachment point is effectively irrelevant in a settlement: All insurers across the tower will be drawn into contributing to the settlement. It is questionable whether current excess pricing adequately reflects the fact that ventilation and high attachment points offer no protection in these scenarios.¹

Separately, another large deal involving the acquisition of an e-cigarette/vaping company by a tobacco company ran into an ongoing patent infringement lawsuit, which has threatened to hit the buyer's R&W policy with a \$300 million full-limit loss if the plaintiff's case is successful.

¹: "TL Carriers Face Potential \$300mm Loss From Altria-NJOY Patent Dispute," Insurance Insider, Ayesha Vankataraman, February 20, 2025.

At the same time, we have seen an increase in carriers offering six-year coverage on all representations in transaction agreements. Rather than solely offering this on fundamental representations, insurers are offering six-year cover for representations that have long tails of exposure, including data privacy, artificial intelligence, intellectual property, healthcare, and environmental—sometimes for no or nominal additional premium, despite the significant change these extensions can make to the overall risk profile.

In light of the above trends, Liberty GTS has been more conservative in its approach than some of our peers in coverage for the condition of assets and intellectual property. As we noted in our [2024 Claims Briefing](#), claims of this type have increased and, while they only account for 7% of our claims paid, the average claims payment/reserve cost is the third highest of all breach types.

At this stage in the evolution of the RWI product, when carriers are able to access a much higher volume of risk data, we have a real opportunity to inform our underwriting based on claims activity.

A number of carriers and brokers now publish RWI claims studies and, while we all have different portfolios of risks and books of business, the market should be able to pool this knowledge for our collective benefit.

It is encouraging to see more of a focus on rates, but, for the benefit of all those with an interest in the long-term stability of the transactional liability market, the conversation also must focus on coverage as well as protecting the sanctity of the policy and what it is intended to cover.

Deal volume is picking up

While underlying M&A deal volume in H1 2025 has been down compared with previous years, with the first quarter seeing the lowest volume of deals for the past decade, activity is now picking up and submissions for RWI have increased year over year and also month over month. Market participants generally anticipate a strong second half of the year for RWI business.

Compared with the beginning of the year, when competition in the market intensified, now that deal volumes and submissions are increasing, carriers can afford to be more thoughtful about coverage positions and, in contrast to the position taken by some market participants, take a firmer line on terms and conditions.

Meanwhile, recent reinsurance renewals have indicated a strong focus from reinsurers on RWI line size management. If carriers are to continue offering the kind of larger limits brokers and insured parties are looking for, with ceded risks that remain attractive to the reinsurance sector, it is important that the scope of coverage and level of pricing is appropriate, reflecting the risk that carriers and reinsurers are assuming.

We have seen steep ILF discounts applied to some of the excess layers though there is an increasing possibility of full-limit losses. Without more account taken for the true risk of sitting excess within the “burn layer” and the increasing frequency of severe losses implicating entire towers, the RWI market has opened itself up to claims that may not have been sufficiently well reserved for. This runs the risk that, after a loss, some carriers may need to withhold capacity from excess layers, thus reducing the available capacity in the market for these larger deals.

Liberty GTS will continue to take a thoughtful and measured approach to limit deployment, while being a reliable partner in our commitment to pay claims. We are focused on longevity, having built a book that is here for the long haul, ensuring we can serve our brokers and clients for years to come.

European M&A

M&A activity by quarter



Source: PitchBook • Geography: Europe • As of September 30, 2025

Nicolas Moura, CFA

Senior Research Analyst, EMEA Private Capital

M&A in Europe boomed last quarter, with Q3 deal value reaching its highest level since Q1 2021. Total M&A deal value rose 37.8% QoQ, while deal count hit a five-year quarterly high as investors brushed off the tariff concerns that had weighed on activity in Q2. This rebound was supported by further rate cuts from major European central banks, which reduced borrowing costs and boosted sponsors’ firepower for dealmaking. European interest rates remain below those in the US, helping explain why more M&A deals have closed in Europe than in North America over the past two years—an inversion of the historical norm. This momentum reflects a broader influx of capital into Europe in 2025, as noted in our [Q3 2025 European PE Breakdown](#).

The increase in Q3 M&A deal value was broad-based across sectors such as healthcare (up 78.4% QoQ), information technology (up 48.9% QoQ), and financial services (up 128.9% QoQ). However, financial services stood out, with the sector on track for a record year of M&A activity in Europe. This reflects an ongoing consolidation wave driven by structural and cyclical factors. On one hand, the “higher-for-longer” interest-rate environment has compressed margins for smaller banks and insurers, prompting them to seek scale and efficiency through

mergers. On the other hand, regulatory pressures, rising digitalization costs, and the need for technological investment, particularly in areas such as AI, cybersecurity, and compliance, are encouraging institutions to combine forces. In Q3 alone, major deals underscored this consolidation trend: Banca Monte dei Paschi di Siena acquired Mediobanca Group for €16 billion, BPER Banca purchased Banca Popolare di Sondrio for €4.3 billion, and Aviva acquired Direct Line Insurance Group in the UK for €4.4 billion.

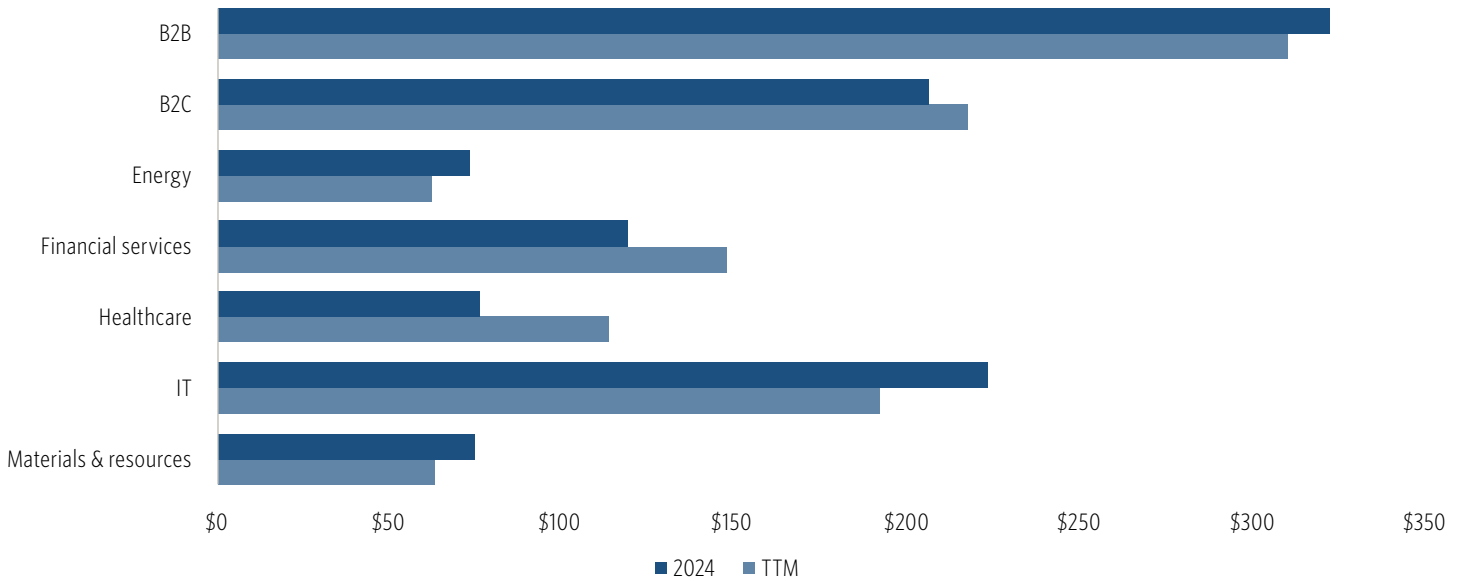
Conversely, M&A activity was less buoyant in B2B and B2C, sectors more exposed to exogenous pressures such as trade tariffs and inflation. These headwinds have prompted a more cautious stance from sponsors, as discussed in our analyst note [The Impact of Tariffs on European PE](#).

While overall European valuation multiples continue to trade at a discount to those in North America, we still observe a divergence between what PE sponsors are willing to pay and what strategic corporates are willing to pay. Sponsors remain aggressive bidders for quality assets, supported by abundant dry powder and competition for scale platforms, whereas corporates have shown more pricing discipline amid mixed macro visibility. This dynamic has further reinforced PE’s dominance in middle-market European M&A.

Looking ahead, the European M&A market appears poised to remain active through year-end, supported by lower financing costs, ample dry powder, and a growing pipeline of strategic

consolidation opportunities. While macro risks persist, Europe's relative rate stability and renewed investor confidence position the region for sustained M&A momentum into 2026.

M&A deal value (\$B) by sector



Source: PitchBook • Geography: Europe • As of September 30, 2025

North American M&A

M&A activity



Source: PitchBook • Geography: North America • As of September 30, 2025

Jinny Choi

Senior Research Analyst, Private Equity

In Q3 2025, North American M&A activity gained momentum after a flat Q2, with deal count increasing by 5% QoQ and deal value rising by 23%, including estimates for late-reporting and nondisclosed deals. With 5,066 announced or completed deals totaling \$762.2 billion, Q3’s deal value set a new quarterly record, surpassing the previous high of \$723.1 billion in Q4 2021, achieved during a year of frenzied M&A activity. Quarterly deal count is also the highest it has been since Q1 2022. With one quarter remaining in the year, M&A value is less than 100 basis points below that of full-year 2024, and is pacing to end the year at \$2.7 billion on an annualized basis, surpassing the previous five-year average of \$2 billion and cementing 2025 to be another year of growth for North American M&A.

Although macroeconomic uncertainty caused by changing tariff announcements, low consumer and business confidence, and still-high interest rates led to some hesitation among investors in Q2, markets recovered by Q3 and bounced

back strongly with more deals at larger sizes. Reports of last summer being one of the busiest for dealmaking,² as investor appetite improved after the aforementioned setbacks, are reflected in the stronger Q3 numbers. The long-awaited interest-rate cut by the US Federal Reserve in September also supports the risk-on stance investors are increasingly returning to and is likely to boost the revival of dealmaking activity through the end of the year.

B2B was a significant driver of Q3 M&A activity, accounting for more than 25% of total North American deal count and 29% of deal value. B2B deal value jumped nearly 70% QoQ despite a quarterly decline in deal count as investors pursued megadeals (deals of \$1 billion or more) with greater fervor against an improved macroeconomic backdrop. Megadeals drove \$159.6 billion of B2B M&A value in Q3 compared with \$60.3 billion in Q2. The largest deal in North America was a B2B deal: The \$89 billion acquisition of railroad operator Norfolk Southern announced in July.

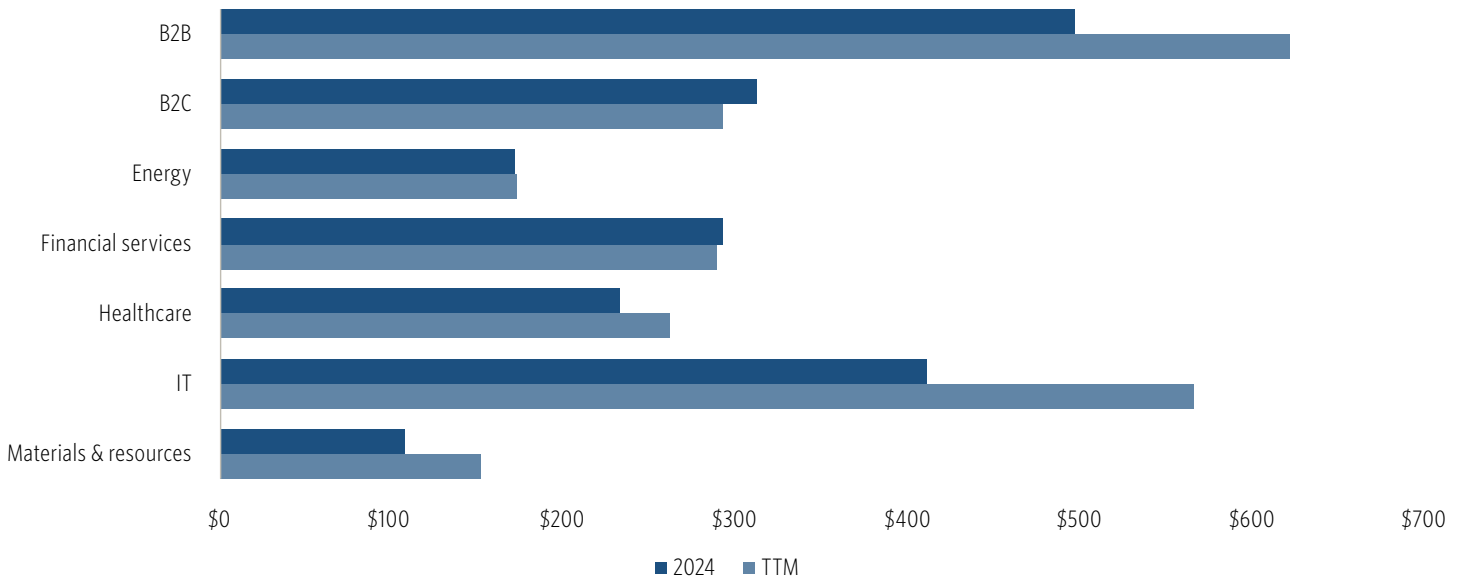
The surge of megadeal activity across several sectors is indicative of the greater risk appetite currently present in

2: "It's a Scorching Hot Summer for Deals on Wall Street. Vacation Can Wait." The Wall Street Journal, Lauren Thomas and Ben Glickman, August 3, 2025.

the market. The materials & resources and energy sectors experienced a massive pop in Q3, with deal value jumping 207% and 149%, respectively, QoQ. At the same time, the number of energy deals increased by 7% from Q2, while

materials & resources had 17% fewer deals than the previous quarter. The largest materials & resources deal of the quarter was the \$27 billion acquisition of Teck Resources, a rare case of a Canadian deal cracking the top-five largest deals list.

M&A deal value (\$B) by sector



Source: PitchBook • Geography: North America • As of September 30, 2025

A WORD FROM RSM

Building a narrative: Carveout numbers are the easy part—it's the story that sells

In today's mergers & acquisitions environment, deals involving carveouts continue to be of critical importance for both buyers and sellers. And while the financials matter, they're no longer enough to drive a deal to completion. To maximize success, sellers must pair the numbers with demonstrable separation readiness to provide a holistic narrative that resonates with buyers.

The rise of carveouts—and why sellers often miss the mark

Carveouts are no longer just about shedding noncore assets. Increasingly, they're strategic moves to unlock hidden value, streamline portfolios, respond to activist shareholder pressure, or pursue transformation. Private equity firms are drawn to carveouts for their untapped potential and opportunities for operational improvement. Strategic buyers view them as bolt-on additions to accelerate growth. Yet despite this rising popularity, sellers often miss the mark where it matters most—positioning.

Too many carveouts come to market with robust data rooms and scrubbed financials, yet fall short when it comes to addressing critical separation and operational matters that can make or break the value and timing of a transaction. In many cases, the seller assumes the value is self-evident. But buyers aren't interested in just deciphering your spreadsheets—they want to be sold a vision. And when that vision is absent or unclear, even the most financially sound assets can struggle to gain traction in the market or attract discounted offers.

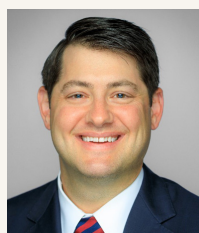
Operational readiness: The proof behind the pitch

If the story is the pitch, operational readiness is the proof. Buyers want to see what is being done to separate the business and that the seller understands the hard work to make that happen. This is where many deals falter.

Preparing for separation requires sellers to think operationally and be clear about what buyers will and will not get in the deal. Three key matters to contemplate are the deal perimeter, the separation plan, and the transition service agreements (TSA).

**Scott Barcroft***Partner, RSM US LLP*

Scott Barcroft is a partner at RSM US LLP and leads the firm's Value Creation practice. With over 20 years of experience, he has advised on more than 300 transactions, focusing on synergies, integrations, standalone, and separation analysis, and EBITDA/working capital optimization. His background spans Big Four audit and deal consulting as well as Fortune 500 operational leadership.

**Jonathan Brown***Principal, RSM US LLP*

Jonathan Brown is a principal in RSM US LLP's Integration and Separation practice with over 20 years of industry and consulting experience. He partners with Fortune 500, middle-market, and private equity clients on buy-side and sell-side deals, including complex carveouts. His work spans diligence, integration and separation, synergy planning, and operating model design to drive lasting value.

Setting a clear perimeter is the starting point. Buyers need to know exactly what's in scope, what's excluded, and what shared services may still be entangled with the parent. Ambiguity around the deal perimeter creates friction, increases perceived risk, and complicates integration planning.

Once the perimeter is clear, sellers need to demonstrate that separation matters are being thoughtfully addressed. While sellers may not always carve out or provide back-office support, they should be prepared to show that core business functions—finance, human resources, information technology, legal, and operations—can be separated and stood up on their own if necessary from Day 1. This means demonstrating that the right people, systems, processes, and governance models are either in place or can be transitioned smoothly to minimize disruption and support business continuity.

And finally, sellers need to make it clear what transition services may or may not be provided. While transition service agreements can help ease a separation, they should be structured as short-term solutions—not long-term dependencies. Buyers favor arrangements that are appropriate in duration, well-defined in scope, and supported by clear exit plans.

The details that matter to buyers

From the supporting materials and diligence requests we see every day, it's clear that buyers are getting increasingly sophisticated—and specific. They're asking for bottom-up cost builds rather than high-level allocations. They expect functional-level assessments of head count, IT architecture, and key personnel. They want to see one-time cost estimates for critical stand-up investments such as core systems (enterprise resource planning, human resources information, and customer relationship management), cybersecurity infrastructure, rebranding efforts, and legal entity formation. And they're placing a premium on clean, sequenced exit strategies and TSA support that won't become deal blockers down the line.

Without this level of operational visibility, even the strongest story can begin to unravel. Credibility hinges on a seller's ability to connect the dots between narrative and execution.

Blind spots that can derail value

Despite best intentions, sellers often overlook key challenges that can materially affect deal value. The best separation plans help mitigate risks around IT, talent, and change management.

IT disentanglement is a common issue. Shared systems are often more deeply embedded than anticipated, and separation delays can disrupt timelines, increase costs, or even tank buyer confidence.

Talent retention cannot be ignored. When key employees aren't informed, incentivized, or aligned, they may leave—taking institutional knowledge with them. Buyers notice this instability, and it can influence both their offer price and their willingness to proceed.

And change management often tends to be an afterthought. Separation creates uncertainty, and without a communications plan and leadership alignment, business performance can suffer. Just as important, sellers need to demonstrate not only that they have a plan for their own organization, but also that they can align with the buyer's change management approach. A coordinated, cohesive message to employees across both organizations builds confidence, reduces disruption, and signals that both sides are committed to a smooth transition.

And perhaps most critically, sellers often craft a compelling story that isn't fully supported by the underlying data. If the narrative promises growth but the key performance indicators say otherwise, buyers start to doubt everything else they're being told.

The takeaway: Story plus substance equals value

Carveouts are complex by nature. They require strategic positioning, functional disentanglement, and stakeholder coordination—all under tight timelines with high stakes. But they're also full of opportunity. The best outcomes occur when sellers combine a compelling narrative with credible execution—when story and substance work together to create belief and reduce risk.

So, if you're preparing to divest a business, ask yourself: Does your carveout have a story worth believing in? Have you done the work to back that story with operational readiness? Have you viewed the deal through the buyer's lens—not just your own?

Because in today's market, polished numbers and pretty decks aren't enough. They never were. What sells a carveout is a vision buyers can trust—and a plan that proves it's achievable.

Antitrust M&A update

Pending deals

Last update (2025)	Agency	Action	Deal target	Deal acquirer	Deal value (\$M)	Deal announcement date	Elapsed time (years)
October 7	FTC/EC	The FTC has approved the acquisition. Mars is set to win unconditional approval from the EU in the coming weeks.	Kellanova	Mars	\$35,900.0	August 14, 2025	1.1
September 30	FTC	The regulatory approval process has been completed in all required jurisdictions other than Mexico and the EU. We expect the acquisition will close by December 31, 2025.	Interpublic Group	Omnicom Group	\$13,500.0	December 9, 2024	0.8
September 30	FTC	The FTC is challenging GTCR BC Holdings' acquisition of Surmodics, alleging that the deal, which seeks to combine the two largest manufacturers of critical medical device coatings, is anticompetitive.	Surmodics	GTCR BC Holdings	\$627.0	May 24, 2024	1.3
July 27	EC	The EC has opened an in-depth investigation to assess the acquisition of Covestro by ADNOC, with preliminary concerns that the foreign subsidies granted by the UAE could distort the EU internal market.	Covestro	Abu Dhabi National Oil Company (ADNOC)	\$16,330.0	October 1, 2024	0.8
July 21	EC	The EC has opened an in-depth investigation to assess concerns that the transaction would reduce competition in the wholesale market for the distribution of recorded music in Europe.	Downtown Music Publishing	Universal Music Group	\$775.0	December 16, 2024	0.6
June 13	DOJ	The DOJ is currently reviewing Google's planned acquisition of Wiz.	Wiz	Alphabet	\$32,000.0	March 18, 2025	0.2

Source: PitchBook • Geography: US and Europe • As of October 15, 2025

Canceled deals

Last update (2024)	Agency	Action	Deal target	Deal acquirer	Deal value (\$M)	Deal announcement date	Elapsed time (years)
December 10	FTC and 9 state AGs	A US judge blocked the pending merger of the two grocery chains, ruling that it would be anticompetitive.	Albertsons Companies	Kroger	\$25,000.0	October 13, 2022	2.2
November 14	FTC	Capri and Tapestry mutually agreed to terminate the merger agreement, as US regulatory approvals were unlikely to be met by the merger agreement's date of February 10, 2025.	Capri Holdings	Tapestry	\$8,500.0	August 10, 2023	1.3
August 1	EC	In the beginning of August, IAG announced it was terminating the proposed takeover.	Air Europa	International Consolidated Airlines Group (IAG)	\$538.7	February 23, 2023	1.2
April 22	DOJ	The deal was terminated after the DOJ moved to block it and TopBuild elected not to challenge.	Specialty Products and Insulation	TopBuild	\$960.0	July 27, 2023	0.7

Source: PitchBook • Geography: US and Europe • As of October 15, 2025

Completed deals

Last update (2025)	Agency	Action	Deal target	Deal acquirer	Deal value (\$M)	Deal announcement date	Elapsed time (years)
August 14	DOJ	The DOJ rejected Amedisys' proposed divestiture that was aimed to address the DOJ's antitrust concerns. The case is set to go to a mediation conference on August 18.	Amedisys	UnitedHealth Group	\$3,300.0	June 26, 2023	2.1
July 17	DOJ	The deal has received merger clearance in every jurisdiction required, contingent on planned divestitures of certain assets that received final approval on October 10, 2025.	Ansys	Synopsis	\$34,760.0	January 16, 2024	1.5
July 2	EC	Canada, the EC, and China have all approved the acquisition.	Viterra	Bunge	\$18,000.0	June 13, 2023	2.1
June 30	EC and DOJ	The DOJ and Hewlett Packard Enterprises (HPE) have settled the relevant lawsuit. The combined company agreed to divest HPE's Instant On wireless networking business and license the source code for Juniper's Mist AI software used in Juniper's WLAN products.	Juniper Networks	Hewlett Packard Enterprises	\$14,000.0	January 9, 2024	1.5
June 23	EC	The EC granted unconditional approval for the deal.	Dorna Sports	Liberty Media	\$4,570.0	April 1, 2024	1.2
June 18	DOJ	The US Steel merger with Nippon Steel has been finalized after receiving approval from President Trump via an executive order.	United States Steel	Nippon Steel	\$14,900.0	December 18, 2023	1.5
June 2	CMA	The CMA approved the combination of Vodafone and Three in the UK, subject to legally binding commitments for investment in a combined 5G network across the UK.	Three UK	Vodafone Group	\$3,660.0	June 14, 2023	2.0
May 18	DOJ	Capital One received approval from the DOJ and US banking regulators.	Discover Financial Services	Capital One	\$35,000.0	February 16, 2024	1.3

Source: PitchBook • Geography: US and Europe • As of October 15, 2025

The **changing world** is complex.
But the **numbers are simple**.

1,100+

Transactions
completed annually

850+

M&A Consultants

2,900+

PE and VC
client relationships

Choose a **trusted M&A leader** to support **every stage**
of your transaction.

Take charge of change



Sector metrics

Kyle Walters

Research Analyst, Private Equity

Methodology

Our cross-sector momentum scores provide insight into how changes in M&A deal activity and median valuations compare across sectors. The scores range from -2.0 to 2.0 and establish a relative evaluation for each sector. The basis of these scores is the percentage change over the prior quarter and TTM period, which are equally weighted. In the case of the valuation score, just the TTM change is considered versus 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—meaning it is clipped—at the 98th percentile to mitigate the impact of outliers. To establish the final sector momentum scores, we employ Z-score calculations using the mean and standard deviation of the cross-sector growth rates

Sector overview

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

There were two meaningful reversals in deal momentum scores from Q2 2025 to Q3 2025. The energy sector saw the largest change, going from the worst score last quarter of -1.25 to a positive score of 0.40 in Q3, only trailing that of financial services. This considerable rebound was driven by momentum in the energy services and other energy subsectors. Conversely, B2C saw its score drop from 0.16 in Q2 to -0.47 in Q3, driven primarily by the decline in the consumer nondurables space and the apparel & accessories substrategies.

While the deal momentum scores for IT and materials & resources remain positive, they both saw QoQ declines. Financial services was the only sector that saw positive

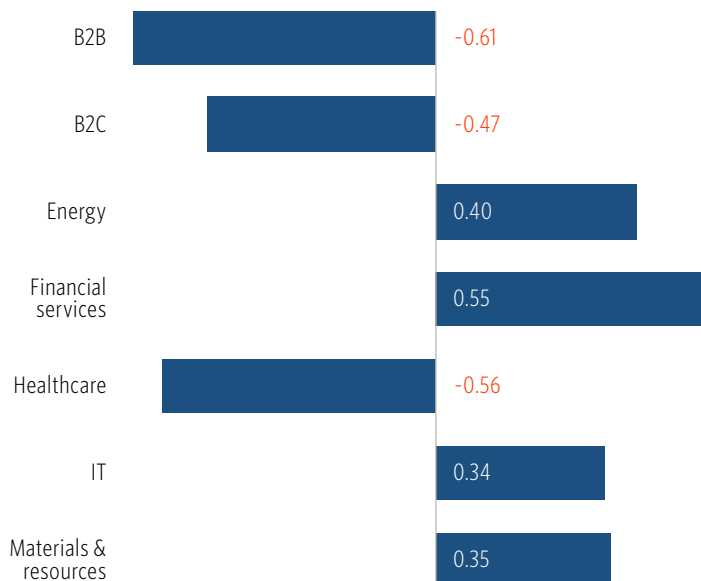
momentum in Q2, and its momentum score grew further in Q3, increasing from 0.30 in Q2 to 0.55 through Q3, the best score of any sector. The sustained success in financial services was anchored by strong YoY growth in the capital markets/institutions subsectors and QoQ growth in other financial services.

Two sectors ended Q2 with negative momentum and remained there in Q3: B2B and healthcare. B2B saw its score decline for the second consecutive quarter, dropping from -0.11 in Q2 to -0.61 in Q3. The sector saw worsening momentum in the commercial products and transportation strategies. However, unlike B2B, healthcare saw its score improve despite remaining in negative territory. This slight improvement in the healthcare space was driven by momentum in the healthcare technology systems space and improvement in the healthcare devices & supplies substrategy.

Our valuation momentum scores reflect each sector's relative strength to overall M&A multiple trends using TTM rates of change to the prior year (for both EV/EBITDA and EV/revenue). Financial services was the only sector that saw its valuation momentum scores flip from negative in Q2 to positive in Q3. At the same time, materials & resources improved its valuation momentum score QoQ. Most other sectors saw downward pressure as their valuation momentum scores crept lower.

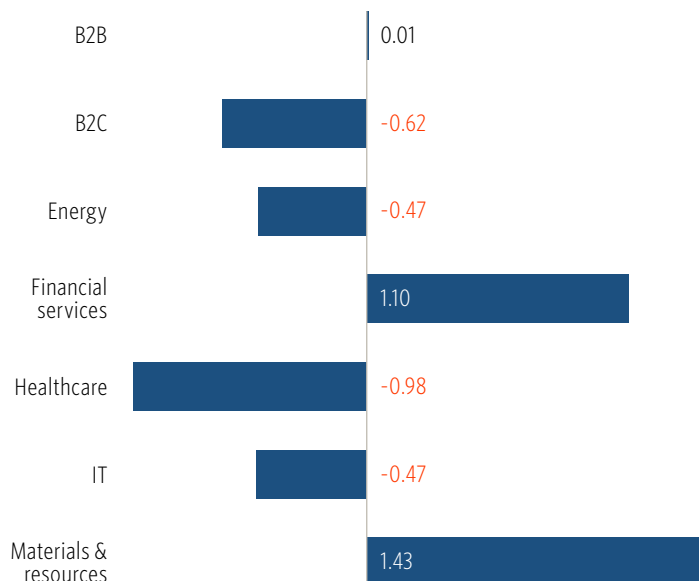
Deal and valuation scores can also be analyzed together to discern trends in market sentiment. For example, the lower valuations across both the tech and energy sectors allowed sponsors and corporates to take advantage of favorable valuations and get deals done. Moreover, the sustained lower momentum in healthcare has seemingly led to lower valuations and could set the sector up for better deal flow in the coming quarters as investors look to take advantage of lower purchase prices.

Deal momentum score



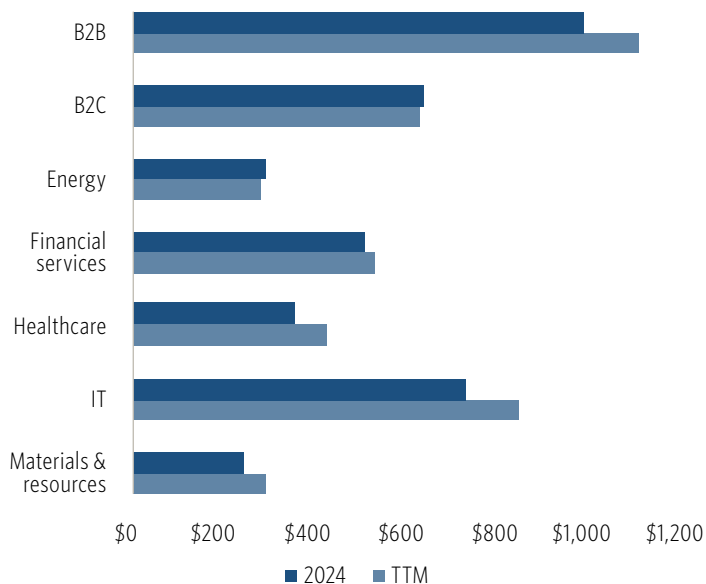
Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Valuation momentum score



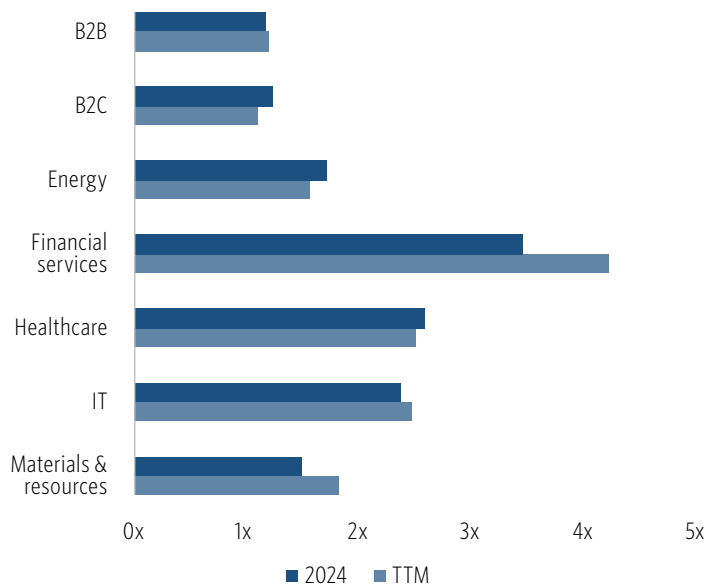
Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Sector rank by deal value (\$B)



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Sector rank by deal multiples (EV/revenue)



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Industry metrics

M&A heatmap

Segment	Subsegment	Deal value momentum		Deal count momentum		Score
		Three months	12 months	Three months	12 months	
Materials	Agriculture	2.7%	88.0%	-38.3%	3.8%	0.14
	Chemicals & gases	50.4%	147.6%	21.3%	41.1%	0.65
	Construction (nonwood)	-26.3%	22.3%	-61.4%	-68.6%	-0.34
	Containers & packaging	131.7%	163.0%	-35.8%	40.8%	0.75
	Forestry	N/A	-7.4%	125.7%	-107.0%	N/A
	Metals, minerals & mining	-42.0%	44.6%	-5.7%	-29.3%	-0.08
	Other materials	N/A	N/A	N/A	N/A	N/A
	Textiles	N/A	N/A	13.8%	228.4%	N/A
Technology	Communications & networking	-167.9%	-9.2%	15.8%	-60.1%	-0.55
	Computer hardware	-94.6%	-44.3%	-12.8%	79.7%	-0.18
	IT services	-6.9%	-25.4%	22.0%	20.9%	0.03
	Other IT	N/A	N/A	N/A	N/A	N/A
	Semiconductors	-192.5%	89.1%	-40.1%	170.6%	0.07
	Software	-6.5%	57.7%	-8.7%	99.9%	0.36
Healthcare	Healthcare devices & supplies	152.1%	-21.3%	9.5%	-4.1%	0.34
	Healthcare services	-13.1%	-43.9%	-46.2%	-29.1%	-0.33
	Healthcare technology systems	64.9%	135.0%	53.2%	168.4%	1.05
	Other healthcare	N/A	N/A	N/A	N/A	N/A
	Biotech & pharma	82.8%	-31.8%	-3.8%	-2.3%	0.11
Financial services	Capital markets/institutions	-76.0%	176.9%	14.7%	104.7%	0.55
	Commercial banks	N/A	-3.1%	-46.6%	31.5%	N/A
	Insurance	-95.8%	-20.2%	-3.2%	11.0%	-0.27
	Other financial services	148.2%	104.4%	7.5%	60.5%	0.80

Source: PitchBook • Geography: Global • As of September 30, 2025
 Note: N/A indicates insufficient sample size.

M&A heatmap (continued)

Segment	Subsegment	Deal value momentum		Deal count momentum		Score
		Three months	12 months	Three months	12 months	
Energy	Energy equipment	N/A	102.1%	-40.5%	-24.6%	N/A
	Energy services	71.8%	-28.4%	-16.1%	-29.9%	-0.01
	Exploration, production & refining	N/A	-133.1%	131.5%	-55.0%	N/A
	Other energy	126.3%	-11.2%	97.8%	-3.4%	0.52
	Utilities	N/A	29.0%	-45.3%	63.5%	N/A
B2C	Apparel & accessories	70.6%	52.6%	-58.6%	-29.5%	0.09
	Consumer durables	45.9%	33.3%	15.1%	80.9%	0.44
	Consumer nondurables	-78.4%	-13.4%	-22.7%	-9.5%	-0.31
	Media	223.5%	49.3%	18.3%	20.8%	0.78
	Other B2C	N/A	N/A	N/A	N/A	N/A
	Restaurants, hotels & leisure	72.3%	71.3%	1.6%	61.1%	0.52
	Retail	7.1%	-15.8%	-46.2%	-57.6%	-0.28
	Services (nonfinancial)	-71.5%	-31.0%	-59.3%	-21.0%	-0.46
	Transportation	-22.7%	11.0%	-17.3%	49.1%	0.05
	B2B	Commercial products	-59.8%	-41.5%	-27.9%	-15.4%
Commercial services		-29.1%	5.4%	-20.1%	29.0%	-0.04
Commercial transportation		-19.3%	69.8%	-30.8%	42.4%	0.15
Other B2B		-29.5%	-169.0%	-100.1%	-126.6%	-1.06

Source: PitchBook • Geography: Global • As of September 30, 2025
 Note: N/A indicates insufficient sample size.

B2B

B2B M&A activity by quarter



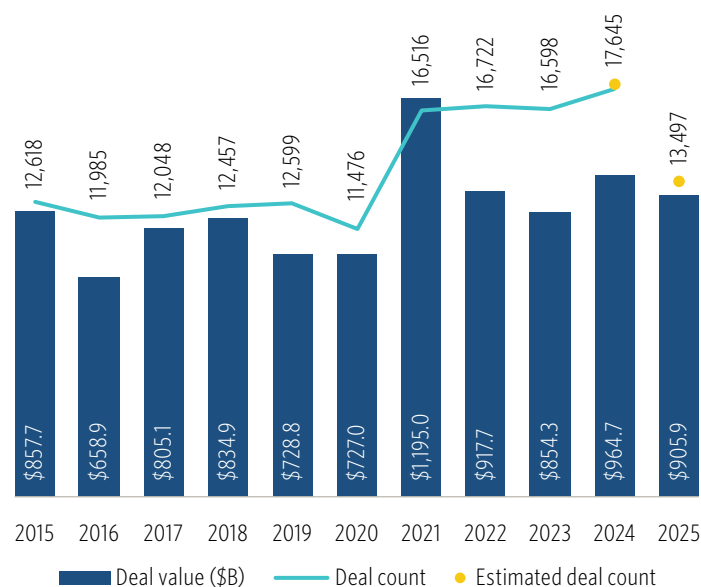
Source: PitchBook • Geography: Global • As of September 30, 2025

Jinny Choi

Senior Research Analyst, Private Equity

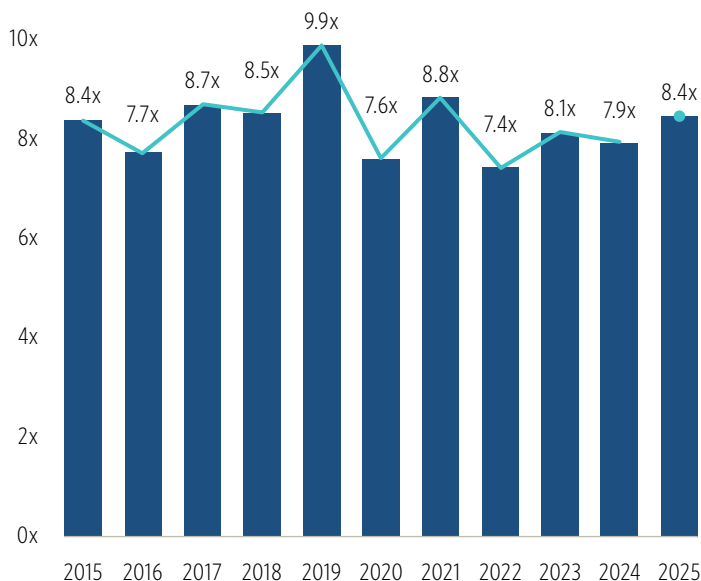
B2B activity pushes ahead thanks to outsized deals: B2B M&A activity delivered a mixed bag of results in Q3, with deal value improving by 47.7% QoQ while deal count dipped by 3.3%. YTD, the B2B sector saw an estimated 13,497 deals take place worth an aggregate value of \$905.9 billion, representing YoY increases of 3.6% and 28.3%, respectively. The diverging trend in M&A value and count is more pronounced when examining the data on a longer time horizon: There were an estimated 4,433 deals announced or closed in the quarter, which was a new low point since Q3 2024. Meanwhile, the aggregate value of \$371.7 billion of B2B deals in Q3 was the greatest quarterly M&A value ever for the sector, closely beating out \$348.4 billion transacted in Q4 2020. B2B M&A volume faltered in the face of tariff risks and geopolitical volatility, which tend to have a greater impact on the broad industrials space that falls under the B2B umbrella. At the same time, buyers are willing to pay premiums for high-conviction acquisition targets that offer long-term growth potential and innovation to strengthen market resilience. There have been 92 megadeals so far this year, driving \$384.5 billion of B2B M&A value compared with 97 megadeals in 2024, totaling \$295.5 billion.

B2B M&A activity



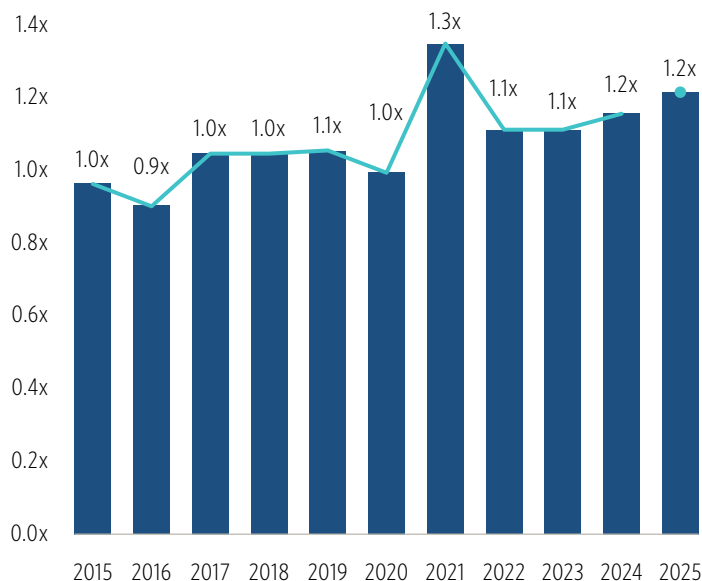
Source: PitchBook • Geography: Global • As of September 30, 2025

B2B M&A EV/EBITDA multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

B2B M&A EV/revenue multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Consolidation in commercial transportation drives up deal

value: The largest deal of the quarter and of the year was Union Pacific's \$89 billion acquisition of railroad operator Norfolk Southern announced in July. The deal, if approved, would create the first transcontinental rail network in the US and form a giant position against competitors. President Trump expressed support for the merger, marking a shift from the previous administration's concerns about rail industry consolidation. In aircraft, a group led by Sumitomo and SMBC Aviation Capital agreed to a \$28.2 billion take-private of aircraft lessor Air Lease. The company's assets

will be managed by SMBC, adding significant scale to SMBC and lifting its position to become the world's second-largest aircraft lessor.³ The deal is part of a wave of consolidation in the aircraft space as companies seek to reduce costs through economies of scale. The deal better positions SMBC against the current market leader AerCap, which achieved a greater market position through its \$30 billion acquisition of GE Capital Aviation Services in 2021. In the automotive space, Tata Motors announced a \$4.4 billion acquisition of Iveco Group, bringing together two vehicle manufacturers with different geographical footprints.

3: "SMBC-Backed Group Bags Air Lease in New Jet Finance Shake-Up," Reuters, Nathan Gomes, Padraic Halpin and Tim Hephher, September 2, 2025.

B2C

B2C M&A activity by quarter



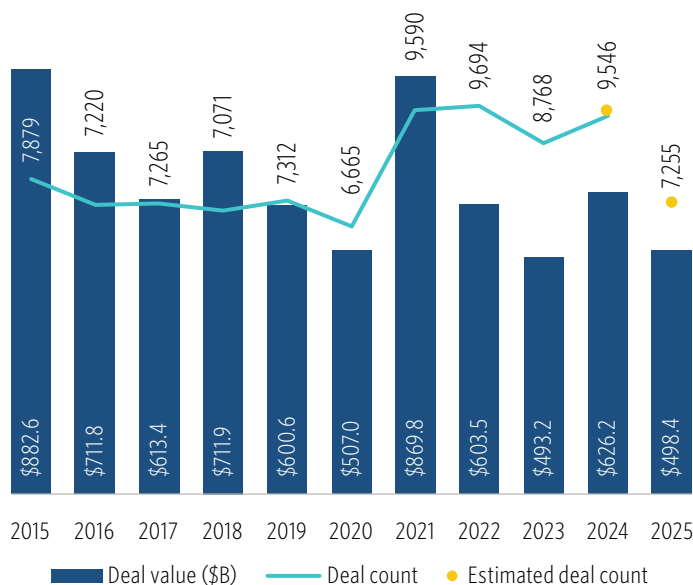
Source: PitchBook • Geography: Global • As of September 30, 2025

Jinny Choi

Senior Research Analyst, Private Equity

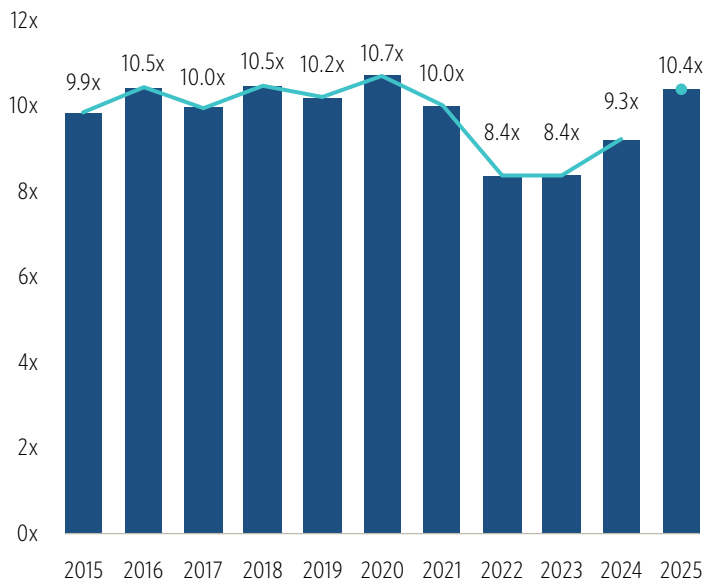
M&A activity remains steady and on pace for another year of growth: The B2C sector has seen a consistent level of M&A activity throughout the year, with quarterly activity sitting slightly below that of the recent peak seen in H2 2024. In Q3, there were an estimated 2,404 deals announced or closed worth an aggregate value of \$158.9 billion, representing a decrease of 4% in deal count and a decrease of less than 1% in deal value. The B2C sector has been weighed down by persistent inflation, slowing economic growth, and the resulting decline in consumer sentiment. Tariff uncertainty continues to loom as a headwind for B2C dealmaking, as any tariff costs will further impact consumer spending, and shifting consumer trends will create additional challenges for companies to navigate. Still, on an annualized basis, M&A activity for the sector is expected to surpass 2024 levels in both the number and value of deals, as buyers pursue strategic opportunities for consolidation, portfolio optimization, business realignment, and capacity building. M&A activity marches on for the B2C sector, just at a more subdued pace relative to other sectors, as indicated by the dip in the B2C's share of total global M&A activity.

B2C M&A activity



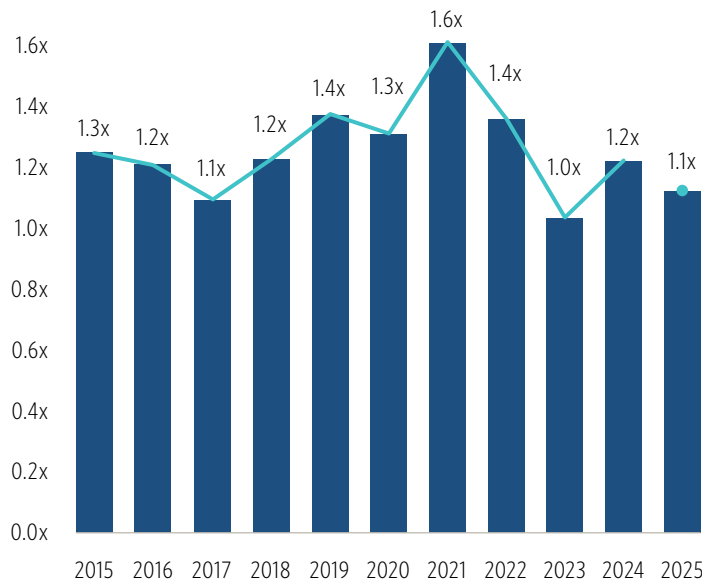
Source: PitchBook • Geography: Global • As of September 30, 2025

B2C M&A EV/EBITDA multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

B2C M&A EV/revenue multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Restaurants, hotels & leisure continue to attract private capital:

Amid evolving consumer interests, the restaurants, hotels & leisure group continues to attract investments, making up five of the top 10 largest B2C deals in Q3. Sports and entertainment deals, in particular, continue to trade hands at attractive prices. In September, Bahrain's sovereign wealth fund and Abu Dhabi-based CYVN Holdings acquired full ownership of McLaren Racing, which owns the reigning Formula One world champion team, for \$4.7 billion. The deal reflects the growing popularity of Formula One racing, as well as the recent surge of private investment in sports.⁴ In July, Intralot acquired Bally's International Interactive business for \$3.1 billion, merging it with its own gaming and lottery operations.

The media space sees multiple \$1 billion-plus deals:

The largest media deal in Q3 was Nexstar Media Group's \$6.2 billion acquisition of TENGA, which is set to establish the largest local broadcasting company in the US. In South Africa, French media group Canal+ acquired South African pay-TV operator MultiChoice Group in a \$2 billion deal that was approved after a lengthy assessment process and with conditions designed to preserve local investor access.⁵

4: For more analysis, please refer to our [Q2 2025 Analyst Note: Private Capital in Sports: PE Is Up to Bat](#).

5: "Canal+ Completes MultiChoice Takeover and Confirms JSE Listing Plan," [Broadband TV News](#), Julian Clover, October 13, 2025.

Energy

Energy M&A activity by quarter



Source: PitchBook • Geography: Global • As of September 30, 2025

Kyle Walters

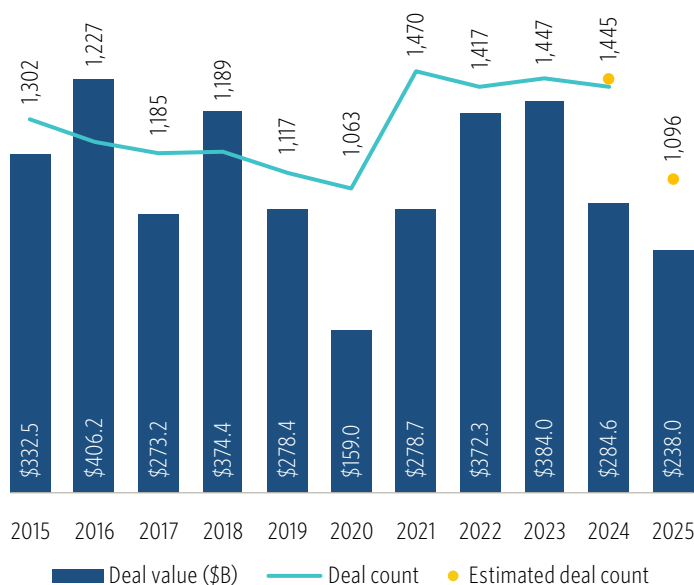
Senior Research Analyst, Private Equity

The energy sector's volatile 2025 continues: M&A activity in the energy sector has bounced around in 2025 compared with the sequential declines seen in 2024. Q1 and Q3 saw activity above 2024 levels, while Q2 faltered amid greater market uncertainty and the lowest oil prices since 2021. While oil prices have hovered around the lows seen in May, that has allowed certain buyers with strong balance sheets to be acquisitive, potentially sparking some consolidation. Thanks to the more vigorous activity seen in the first and third quarters of the year, Energy M&A activity is pacing for YoY growth in both deal count and value. The third quarter saw an estimated 375 deals worth \$90.2 billion transpire, bringing the YTD total for energy M&A to 1,096 deals worth an aggregate value of \$238 billion.

Two \$10 billion-plus deals propel energy M&A activity forward in Q3:

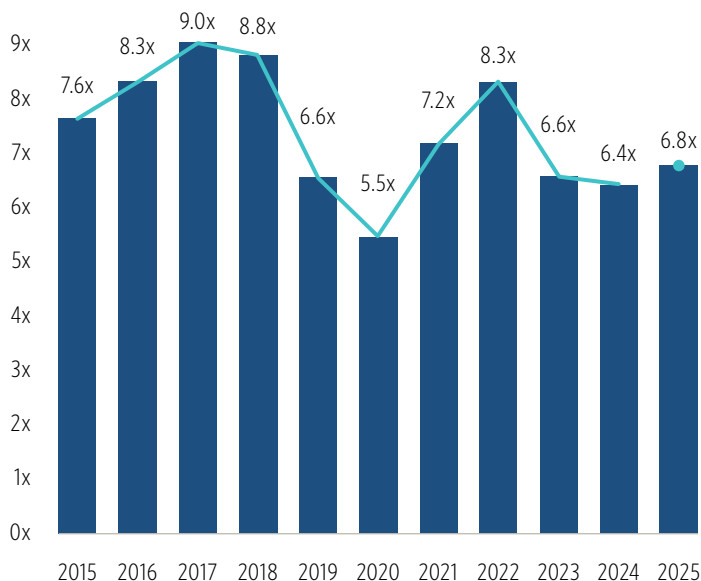
Unlike Q2, which saw no deals topping \$10 billion, Q3 saw two, matching the same number of \$10 billion-plus transactions as Q1. The quarter's largest deal belonged to Baker Hughes and its \$13.6 billion acquisition of Chart Industries. Chart manufactures engineered equipment for the

Energy M&A activity



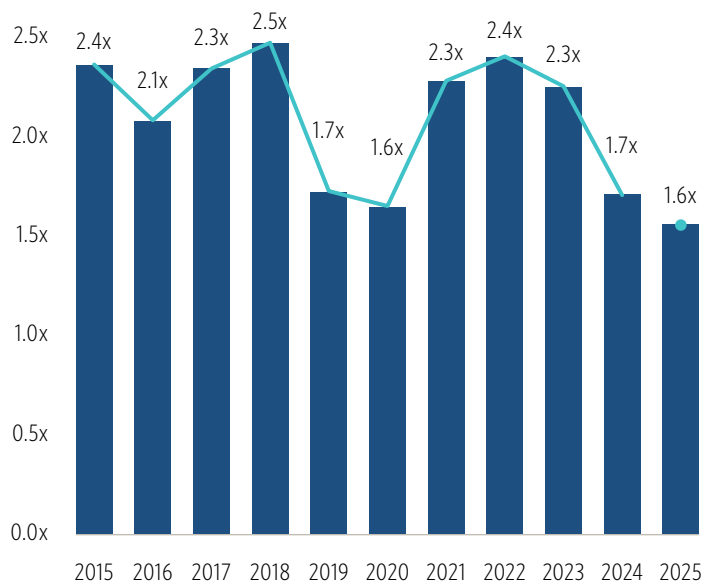
Source: PitchBook • Geography: Global • As of September 30, 2025

Energy M&A EV/EBITDA multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Energy M&A EV/revenue multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

industrial and energy gases market, and the acquisition will allow Baker Hughes to better deliver end-to-end solutions for energy infrastructure projects and capitalize on secular tailwinds for the industry, including liquified natural gas, datacenters, and new energy. The other sizable deal belonged to the KKR-led consortium's buyout of Sempra Infrastructure from Sempra. The consortium will hold a 65% equity stake, adding the newly acquired 45% to KKR's existing 20% stake, while Sempra will retain a 25% interest alongside the Abu Dhabi Investment Authority's 10% stake. The sale allows Sempra to simplify its business model, reduce risk, and improve financial performance.

Corporate M&A in the energy production space sees significant activity: The constant back-and-forth of oil & gas production companies and renewable energy production companies has been a battle that has allowed the space to

see increased deal flow, and one where the pendulum can swing in one side's favor in terms of where deal activity frequents. In Q3, the pendulum swung in favor of oil & gas, headlined by the \$5.8 billion acquisition of MEG Energy by fellow Calgary-based Cenovus Energy. Despite a potential bidding war, the deal would create one of Canada's largest oil sands companies, producing nearly 750,000 barrels daily.⁶ In August, Crescent Energy announced it would acquire Vital Energy for \$5.5 billion. The transaction will strengthen the combined balance sheet, giving a line of sight to an investment-grade credit rating. It will also create a top 10 independent oil producer in the US.

6: "Cenovus Announces Agreement to Acquire MEG Energy," Cenovus, August 22, 2025.

Financial services

Financial services M&A activity by quarter



Source: PitchBook • Geography: Global • As of September 30, 2025

Kyle Walters

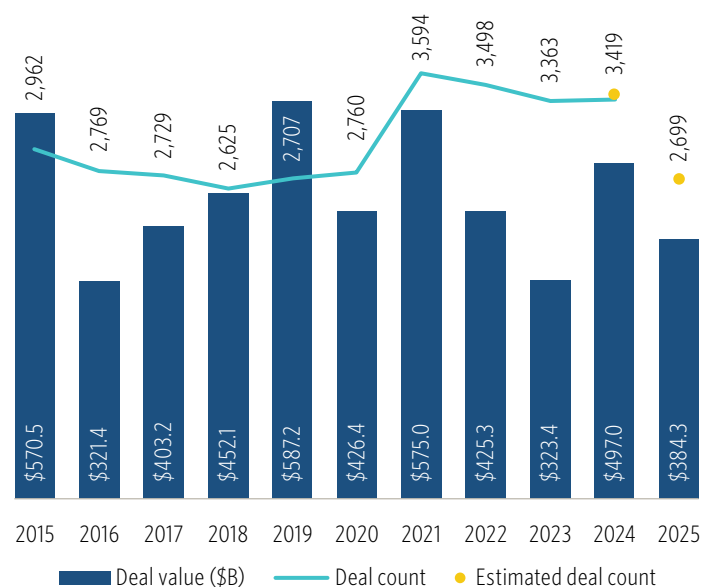
Senior Research Analyst, Private Equity

Financial services M&A has been a “steady Eddie” for M&A activity: In 2025, financial services M&A activity followed the robust momentum seen at the end of last year and has been riding that wave ever since, with stable, elevated deal activity at the highest level the sector has seen since 2021. Through the end of September, there have been an estimated 2,699 deals worth a total value of \$384.3 billion YTD, with 909 deals worth \$127.2 billion occurring in Q3. The stable and healthy deal flow within the sector has proved that sponsors and corporates alike are equally opportunistic as global market conditions continue improving, setting the stage for more and bigger deals. Moreover, fiscal uncertainty has dissipated, and a more business-friendly environment has allowed financial institutions to recalibrate their positions, with more M&A likely in the pipeline.

National banks trade hands amid the improving market outlook:

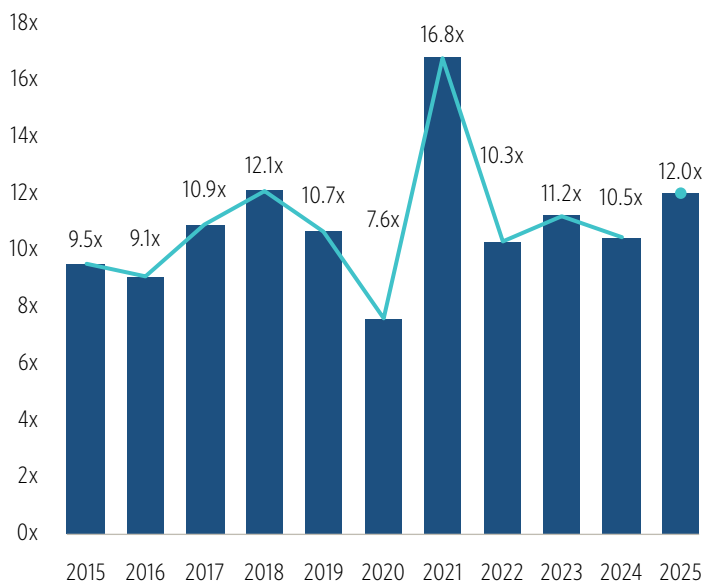
There has seemingly been a mini wave of regional and national bank consolidation in recent months, including a splash in early Q4 with Fifth Third Bank acquiring Comerica for \$10.9 billion in a deal that would create the ninth-largest US bank. Conditions that would aid such transactions

Financial services M&A activity



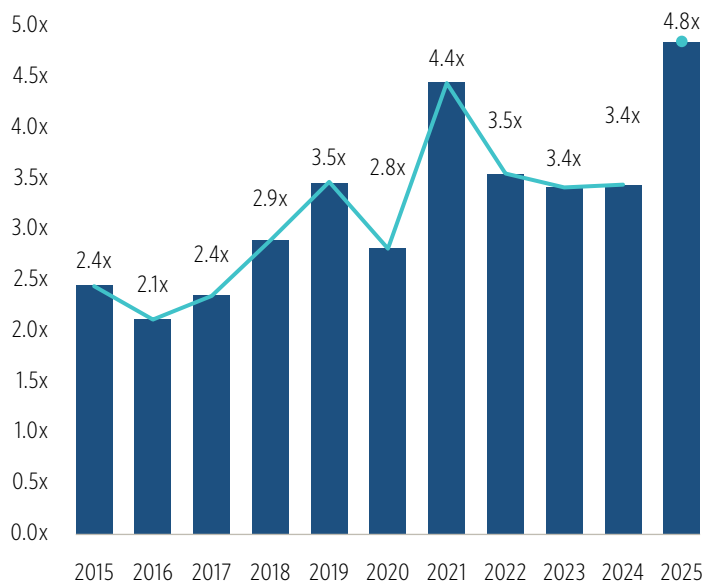
Source: PitchBook • Geography: Global • As of September 30, 2025

Financial services M&A EV/EBITDA multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Financial services M&A EV/revenue multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

include the less-strict regulatory environment, easing capital requirements, and, as always, the benefits related to economies of scale. In Q3, Pinnacle Financial Partners announced it would acquire Synovus Financial for \$8.6 billion, which will create an even stronger footprint in the southeast US, one of the fastest-growing markets in the US, with headquarters located in Nashville, Tennessee, and Atlanta, Georgia, respectively. In September, PNC agreed to acquire FirstBank for \$4.1 billion. The transaction will see PNC significantly grow its footprint across Colorado and Arizona, making Colorado one of PNC's largest markets nationwide.

Insurance consolidation fuels financial services deal

activity: Several large-scale insurance transactions took place in Q3 as the insurance space continues to see investor interest, whether it be corporates looking to expand their

geographic presence or a sponsor looking to capitalize on the consolidation taking shape. The biggest deal in the space belonged to Apollo's European-based insurance business, Athora, and its \$7.7 billion acquisition of Pension Insurance Corporation (PIC). Athora, with \$59 billion in AUM, will see it add another \$88.5 billion in AUM with the acquisition of PIC. Athora, domiciled in the Netherlands, will considerably expand its presence in the UK. PIC made its own splash in Q3, with its \$5.8 billion acquisition of Rolls-Royce's UK pension fund, where PIC specializes in defined benefit pension schemes, also known as bulk annuities. Elsewhere in the insurance space, Sompo announced it would acquire Aspen Insurance Holdings for \$3.5 billion, providing Sompo access to the complex reinsurance markets in the Americas, Europe, and the Asia-Pacific region.

Healthcare

Healthcare M&A activity by quarter



Source: PitchBook • Geography: Global • As of September 30, 2025

Brian Wright

Lead Analyst, Healthcare

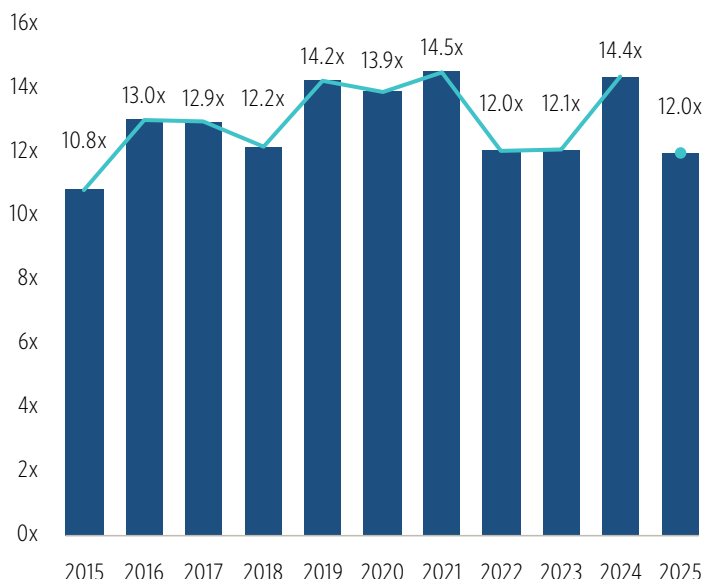
Fewer larger deals drive Q3 in healthcare: Regulatory policy uncertainty continued to weigh on healthcare M&A deals in Q3 as healthcare technology deal activity remained robust and green shoots appeared in biopharma. Total healthcare deal counts increased 2.9% YoY and 1.8% QoQ. The value of healthcare deals increased 57.5% from Q3 2024 and 43.3% sequentially to \$140.7 billion as large deal activity occurred across most healthcare sectors. Healthcare’s contribution to total global deal count remained near decade lows at 8% and down compared with Q3 2024’s 8.7% of global deal count. Financially, the most consequential transaction was Waters Corporation’s \$17.5 billion bid to acquire Becton, Dickinson and Company’s Biosciences & Diagnostics Solutions business. The monster life sciences, tools, and diagnostics deal even surpassed Merck & Co.’s \$10 billion acquisition of Verona Pharma, which marked a thawing in the biopharma M&A market.

Healthcare M&A activity



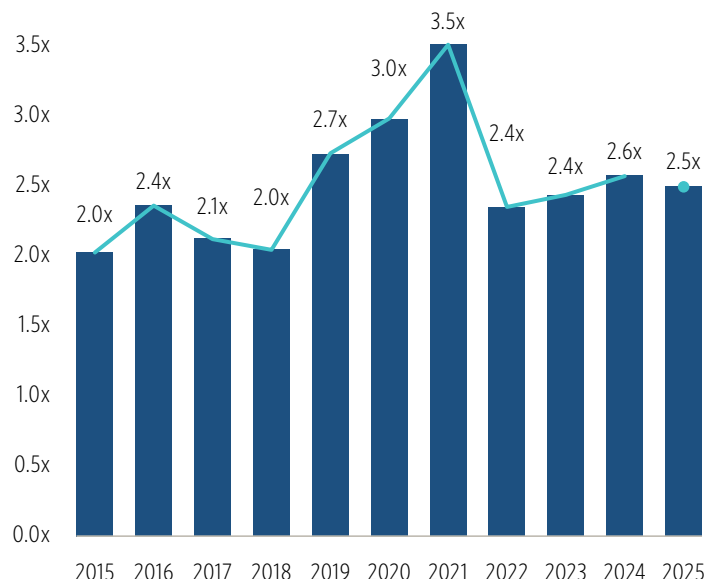
Source: PitchBook • Geography: Global • As of September 30, 2025

Healthcare M&A EV/EBITDA multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Healthcare M&A EV/revenue multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Healthcare technology deal strength continues as

biopharma thaws: M&A count in healthcare technology increased by a modest 3.4% QoQ and 9.6% YoY with deal values up a whopping 196.1% QoQ and 103.8% YoY. Biotech & pharma deal count was down 8.7% sequentially and 22.8% versus Q3 2024. However, biopharma deal values improved 44.8% QoQ from the abysmal levels in Q2, and have shot up by 164.5% compared to Q3 2024. Even in the current depressed environment, biopharma continues to account for the bulk of top deals, accounting for seven of the largest deals in healthcare. Other top biopharma deals include the \$8 billion acquisition of Merus by Genmab and the \$5.2 billion acquisition of the China-based Argo Biopharma by Novartis, continuing the trend of interest in more reasonably priced Chinese assets. Biopharma acquirers continue to favor late-stage assets and are utilizing contingent value rights

(CVRs) in deal terms. Two healthcare services deals made the top 10 in healthcare with the \$2.6 billion LBO of Premier by Patient Square Capital and the \$2.4 billion LBO of Dentalcorp Holdings by GTCR.

Pharma thaw includes CVR valuation component for early-stage assets:

Policy uncertainty has played a significant role in depressed biopharma activities, and valuation multiples reflect an uncertainty discount with average EV/EBITDA in 2025 thus far at 15x compared with 25x in 2024. Deals with noncommercial stage assets have seen contingent value rights based on milestone completion as a significant component of deal values. For example, \$1.1 billion, or 31.4% of 89bio's \$3.5 billion deal value in its acquisition by Roche consisted of nontradable contingent value rights.

IT

IT M&A activity by quarter



Source: PitchBook • Geography: Global • As of September 30, 2025

Jinny Choi

Senior Research Analyst, Private Equity

IT M&A activity stays strong in Q3: The IT sector experienced another active quarter of M&A activity that matched the flurry of activity in Q2. With an estimated 2,036 deals announced or closed worth a total of \$260.4 billion, Q3 deal value is less than 10% below the previous high point in Q2 2022. The return to M&A levels seen during the boom period in 2021 and the first half of 2022 is driven by the trend toward larger deals observed in the broader M&A markets and an investor focus on tech-oriented growth opportunities such as building resilient supply chains and advancements in AI. YTD IT M&A value has surpassed levels seen in 2024, and 2025 is shaping up to be the second-best year for IT M&A activity after 2021, indicating the robust opportunity set fueling investor interest.

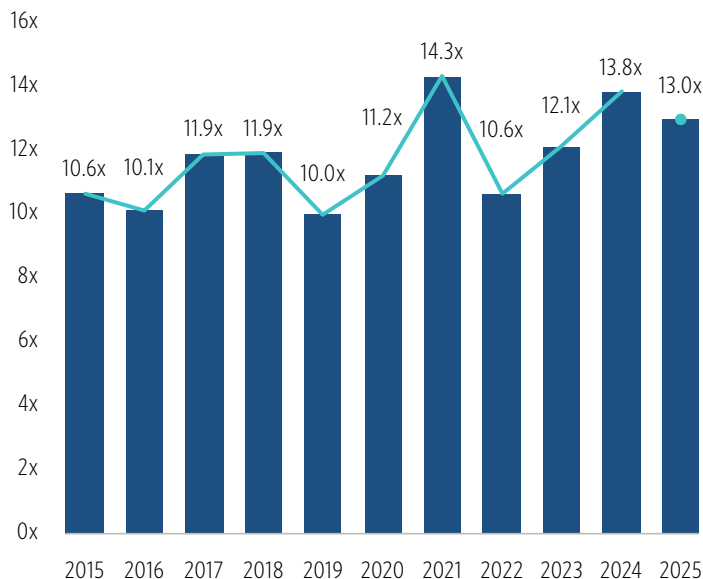
Two blockbuster deals drive \$80 billion of capital: 31% of the IT sector’s quarterly M&A value was from two outsized deals for EA and CyberArk Software. In September, EA announced it would be taken private by Affinity Partners, Silver Lake, and Saudi Arabia’s Public Investment Fund for \$54.7 billion,

IT M&A activity



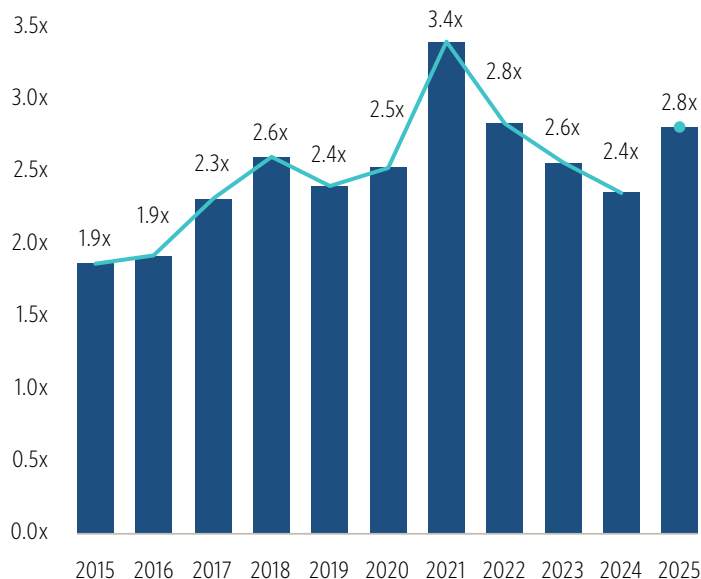
Source: PitchBook • Geography: Global • As of September 30, 2025

IT M&A EV/EBITDA multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

IT M&A EV/revenue multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

becoming the largest LBO ever seen.⁷ Larger take-private deals reflect a greater risk-on sentiment from sponsors, which are more willing to participate in large deals as credit conditions improve. In July, CyberArk Software agreed to be acquired by Palo Alto Networks for \$25 billion. The acquisition is intended to create an end-to-end security platform that better meets AI systems' needs.

Dealmakers pick up carveout transactions: As corporations look to shed noncore assets that no longer align with their strategic roadmaps, investors are seizing the opportunity

to enhance their own tech capabilities. The largest was Amphenol's \$10.5 billion acquisition of CommScope's Connectivity and Cable Solutions business. The deal adds products for AI and datacenter applications to Amphenol's existing portfolio of fiber optic product solutions.⁸ In July, Cadence acquired Hexagon's Design & Engineering business for \$3.1 billion, expanding its existing system analysis portfolio in the automotive and aerospace industries.⁹ It also adds capabilities that will better equip Cadence in the emerging field of physical AI.¹⁰

7: For more analysis, please refer to our [Q4 2025 Analyst Note: EA's Buyout](#).

8: "Amphenol Corporation to Acquire Connectivity and Cable Solutions Business From CommScope," Amphenol Corporation, August 4, 2025.

9: "Cadence to Acquire Hexagon's Design & Engineering Business, Accelerating Expansion in Physical AI and System Design and Analysis," Cadence, September 4, 2025.

10: Ibid.

Materials & resources

Materials & resources M&A activity by quarter



Source: PitchBook • Geography: Global • As of September 30, 2025

Kyle Walters

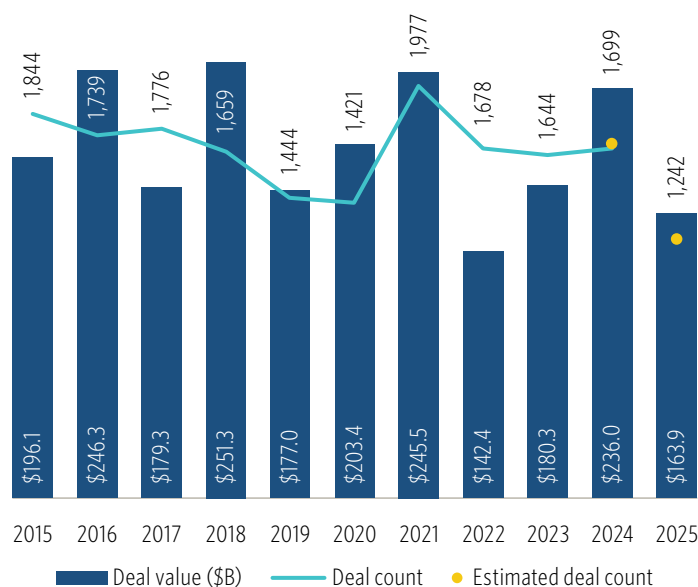
Senior Research Analyst, Private Equity

Materials & resources sees the highest quarterly activity since the end of last year: Following a rowdy Q4 2024, which proved to be the sector’s best quarter ever, activity came back to reality and sat more within the bands of historical activity. However, while deal count remained relatively flat with the first two quarters of the year, Q3 jumped to \$81.9 billion across an estimated 404 deals. YTD, the sector has seen an estimated 1,242 deals announced or closed for a combined \$163.9 billion, likely to fall below the activity seen in 2024. However, as the materials & resources sector is quite cyclical in nature, this follows the pattern seen over the years where activity ebbs and flows. The Q3 rebound was led primarily by one megadeal; however, the sector saw numerous worth more than \$1 billion.

Metals, minerals, and mining continue to grab the top deals:

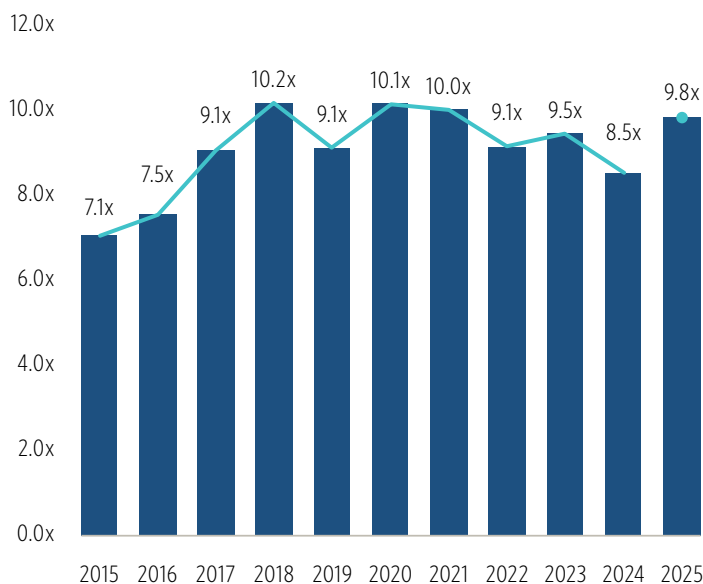
The metals, minerals, and mining subsector saw the fourth-largest M&A deal of the quarter across all sectors. The deal was a \$27.1 billion merger of equals between Anglo American

Materials & resources M&A activity



Source: PitchBook • Geography: Global • As of September 30, 2025

Materials & resources M&A EV/EBITDA multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Materials & resources M&A EV/revenue multiples



Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

and Teck Resources to form Anglo Teck. The combined company will be more than \$50 billion in size, and the deal is the largest mining deal in the past decade. Moreover, Anglo Teck will be one of the world's largest copper producers, with six copper-producing operation assets alongside its iron ore and zinc businesses. Elsewhere in the mining world, South Africa's Gold Fields acquired Australian-based Gold Road Resources for \$3.3 billion at the end of September. The deal will allow Gold Fields to consolidate ownership of the Gruyere Gold Mine in Western Australia, which it operates under a joint venture with Gold Road.

The chemicals and gases subindustry sees sustained investor interest: Like metals, minerals, and mining, the chemicals and gases subsector of materials & resources

typically sees healthy deal activity, as it spans various chemical options, ranging from agricultural chemicals to industrial chemicals and more. The largest chemicals deal of the quarter belonged to Inversiones Bioagro Candelaria's acquisition of Ecoline Agrícola in an agreement that strengthens Inversiones Bioagro Candelaria's presence in the agro-industrial sector and expands its portfolio of solutions for Colombian agricultural productivity. On the industrial chemicals side, South Korean-based DIG Airgas was acquired by France-based Air Liquide for \$3.3 billion in a deal that will significantly expand Air Liquide's presence in Asia, and South Korea specifically, which is the fourth-largest industrial gas market, marking a significant opportunity for the French group.

Additional research

Private markets



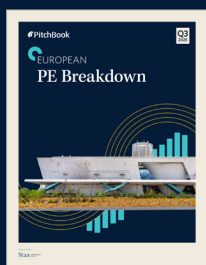
Q3 2025 US PE Breakdown

Download the report [here](#)



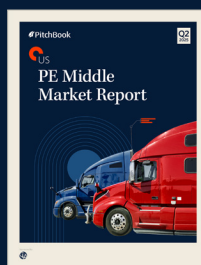
Q3 2025 Analyst Note: From Peak to Pivot: Sponsor Equity Eases as Lenders Loosen Up

Download the report [here](#)



Q3 2025 European PE Breakdown

Download the report [here](#)



Q2 2025 US PE Middle Market Report

Download the report [here](#)



H1 2025 Global Private Debt Report

Download the report [here](#)



Q2 2025 Global M&A Report

Download the report [here](#)

More research available at pitchbook.com/news/reports

PitchBook, a Morningstar company

COPYRIGHT © 2025 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.