

# HORIZONS

BDO'S GLOBAL VIEW OF MID-MARKET DEAL ACTIVITY

MERGERS&ACQUISITIONS

ISSUE 1 | 2026

## MID-MARKET M&A FALLS IN 2025, BUT RESILIENCE AND HIGH LEVELS OF CASH TO INVEST PAINT A HOPEFUL PICTURE IN 2026

### Regional view

Views from around the Globe



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### BDO GLOBAL DEAL ADVISORY

**1,835**  
COMPLETED  
DEALS IN 2025

**40%** PRIVATE  
EQUITY  
DEAL  
INVOLVEMENT

**5%** OF OUR  
DEALS ARE  
**5** CROSS  
**2** BORDER

**ONE OF THE MOST**  
ACTIVE ADVISERS GLOBALLY\*  
**115** COUNTRIES PROVIDING DEDICATED  
DEAL ADVISORY SERVICES  
**3,000** DEAL ADVISORY  
PROFESSIONALS

1st Financial Advisor Globally – Factset league tables 2025

1st most active Advisor & Accountant Globally – Pitchbook league tables 2024

2nd leading Financial Due Diligence provider Globally – MergerMarket global accountant rankings 2025

# Welcome

Welcome to the first edition of horizons in 2026, written by our own BDO M&A professionals around the world.

We start the year looking back at 2025 to help us draw the perspectives for the year ahead. The overall data shows the activity in the mid-market has suffered a drop in volume among a turmoil of geopolitical tension, which has not helped executives plan for the long term.

The number of rumoured transactions for the months ahead hovers close to 6,000, which is similar to the previous 2 years and we expect North America to continue being the hotspot of activity.

With geopolitical tensions and tariffs still being the key themes of our current environment, we approach 2026 with caution, but with hope, due to the high levels of available cash to invest and the inherent resilience of the mid market.

[www.bdohorizons.com](http://www.bdohorizons.com)

## John Stephan & Susana Boo



**JOHN  
STEPHAN**

HEAD OF GLOBAL M&A

[john.stephan@bdo.co.uk](mailto:john.stephan@bdo.co.uk)



**SUSANA  
BOO**

SENIOR DIRECTOR,  
GLOBAL DEAL ADVISORY

[susana.boo@bdo.global](mailto:susana.boo@bdo.global)

# Global view

Deal volume falls in the second half of the year but aggregate deal value is up

In our publications of Horizons last year, we commented on the impact that US tariffs were having on global mid-market deal activity. Initially it created uncertainty and that has not gone away, with the threat of fresh tariffs for European countries in relation to US interest in Greenland. Coupled with continuing geopolitical tensions around the world, we continue to see an impact on deals.

Against that backdrop, global mid-market deal activity fell by around 10% in the second half of 2025 (and was also down 10% on H2 2024). In contrast, aggregate deal value increased by 3% in the same period, which was a more positive sign for the markets.

As the chart below shows, the level of M&A activity fell back to 2021 deal levels but was still ahead of 2020 figures. Looking at the mix of trade and private equity, trade deal volume was down by around 9% in H2 2025 and private equity deal activity was down by just under 12%.

The aggregate value of those trade deals rose by nearly 5%, whereas private equity fell by less than 1%. Private equity activity accounted for one in three of all deals.

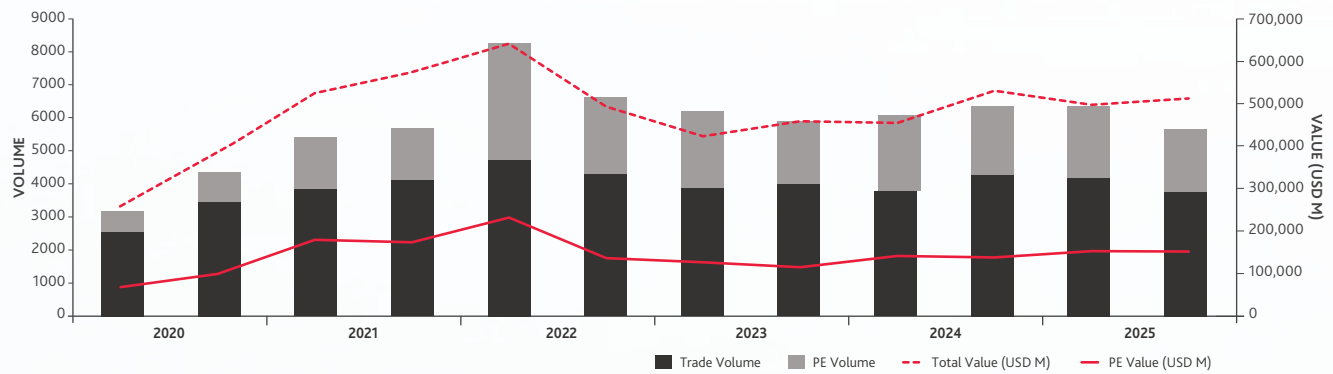
The desire to stimulate economies has seen some reduction in interest rates, which is helpful for private equity returns and its activity levels. There are huge amounts of capital available to invest and we see that as being very important for the M&A market.

With respect to the pricing of deals, we believe that multiples have stabilised, but it varies by sector and type of business.

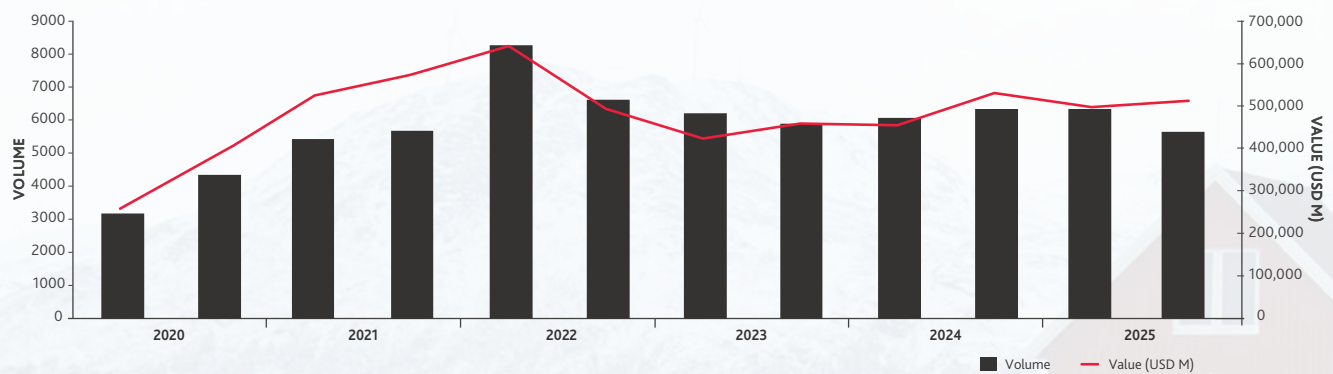
One of the most positive signs was the Global capital markets recovering strongly in 2025, with the FTSE and NYSE trading well above 2024 levels.

In terms of sectors, deal activity was down in most sectors apart from Leisure, which saw a 14% increase in H2 2025 and Financial Services' deal numbers remained the same as in H1 2025. Real Estate and TMT saw the largest falls of 19% and 17% respectively, with Business Services falling by just over 13%.

## GLOBAL MID MARKET M&A



## GLOBAL MID MARKET M&A



### Global heat chart by region and sector

	TMT	Industrials & Chemicals	Pharma, Medical & Biotech	Business Services	Consumer	Financial Services	Energy, Mining & Utilities	Leisure	Real Estate	TOTAL	%
North America	496	262	253	352	229	113	109	57	23	1,894	32%
Greater China	114	198	42	82	38	18	30	15	5	542	9%
CEE	75	96	58	25	50	41	29	23	6	403	7%
Southern Europe	99	111	90	48	78	35	48	22	8	539	9%
India	31	29	41	38	16	30	13	7	2	207	4%
Latin America	40	18	48	16	28	31	35	16	1	233	4%
Nordic	64	36	12	17	24	8	17	3	3	184	3%
UK/Ireland	82	35	55	26	81	38	26	28	6	377	6%
Australasia	25	32	41	26	4	22	33	10	4	233	4%
DACH	98	127	55	56	36	7	15	9	5	408	7%
Other Asia	25	42	27	15	13	13	5	8	1	149	3%
South East Asia	37	36	27	21	35	27	30	8	6	227	4%
Japan	8	29	19	9	4	8	11	3	2	93	2%
Middle East	9	9	4	4	17	11	4	1	3	62	1%
Africa	6	8	2	2	4	9	14		2	47	1%
Benelux	16	23	12	10	24	12	2	6	2	107	2%
Israel	48	20	13	17	10	8	3	5	7	131	2%
<b>TOTAL</b>	<b>1,273</b>	<b>1,111</b>	<b>799</b>	<b>764</b>	<b>727</b>	<b>431</b>	<b>424</b>	<b>221</b>	<b>86</b>	<b>5,836</b>	

\* Percentage figures are rounded up to the nearest one throughout this publication.

**Note:** The Intelligence Heat Charts are based on 'companies for sale' tracked by Mergermarket in the respective regions between 1 July and 30 December 2025. Opportunities are captured according to the dominant geography and sector of the potential target company. Mergermarket's Heat Chart of predicted deal flow is based on the intelligence collected in our database relating to companies rumoured to be for sale, or officially up for sale in the respective regions. It is therefore indicative of areas that are likely to be active in the months to come. The intelligence comes from a range of sources, including press reports, company statements and our own team of journalists gathering proprietary intelligence from M&A across the regions. The data does not differentiate between small and large transactions, nor between deals that could happen in the short or long-term.

Looking around the world, deal activity was down in the majority of regions. There were some bright spots however, looking to the Far East with a 19% increase in South East Asia, a 5% increase in Japan and a 4% increase in Australasia. China was only marginally down on overall deal activity. The greatest reduction in deals was recorded in the CEE and Israel, where conflict played a large part.

### Outlook remains at lower levels than last year

The number of rumoured transactions is just under 6,000, which is similar to H1 2025 and H1 2024. North America is expected to be the main hotspot, along with Southern Europe and in terms of sectors, TMT is predicted to be the hottest sector, followed by Industrials & Chemicals.

### Global themes influencing M&A

We believe that tariffs, geopolitical tension and conflict will continue to have an adverse impact on deal activity. However, both trade and private equity buyers have high levels of cash to invest. Finally, we continue to expect the global megatrends of digitisation and decarbonisation to be key drivers of future M&A activity.



**JOHN STEPHAN**

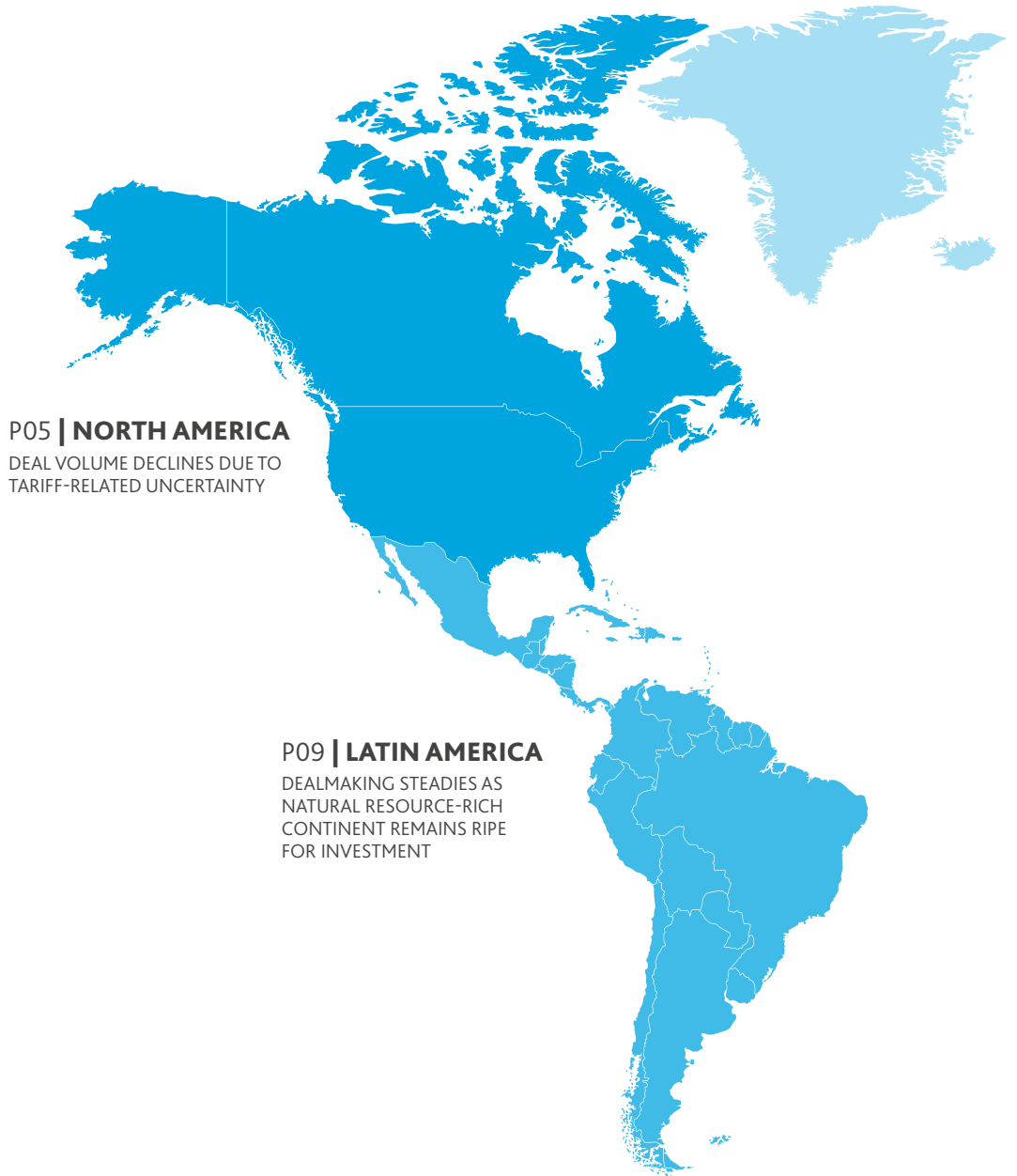
HEAD OF GLOBAL M&A

[john.stephan@bdo.co.uk](mailto:john.stephan@bdo.co.uk)



# Global

5,836 rumoured transactions



Key % movement						
■ -20% to -11%	■ -10% to -1%	■ 0%	■ 1% to 10%			
■ 11% to 20%	■ 21% to 30%	■ 31-40%				

**Note:** The colouring illustrates the movement of expected transactions compared to the expected transactions in the previous quarter.

**P13 | UNITED KINGDOM & IRELAND**

MID-MARKET M&A DEMONSTRATES RESILIENCE AND GROWTH

**P25 | BENELUX**

DEAL NUMBERS AND VALUE SLOW IN H2 2025

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DEAL ACTIVITY SOFTENS AS STRATEGIC BUYERS PAUSE AND SPONSORS ADAPT

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MARKET RECALIBRATES WITH FEWER, LARGER DEALS AND MORE SELECTIVE DECISION-MAKING

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M&A DEAL ACTIVITY SLOWS BUT IS EXPECTED TO PICK UP IN 2026

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RESILIENT YEAR FOR M&A DESPITE CHALLENGES

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FEWER DEALS AND BIGGER TICKETS SUPPORT M&A VALUE

**P61 | AUSTRALASIA**

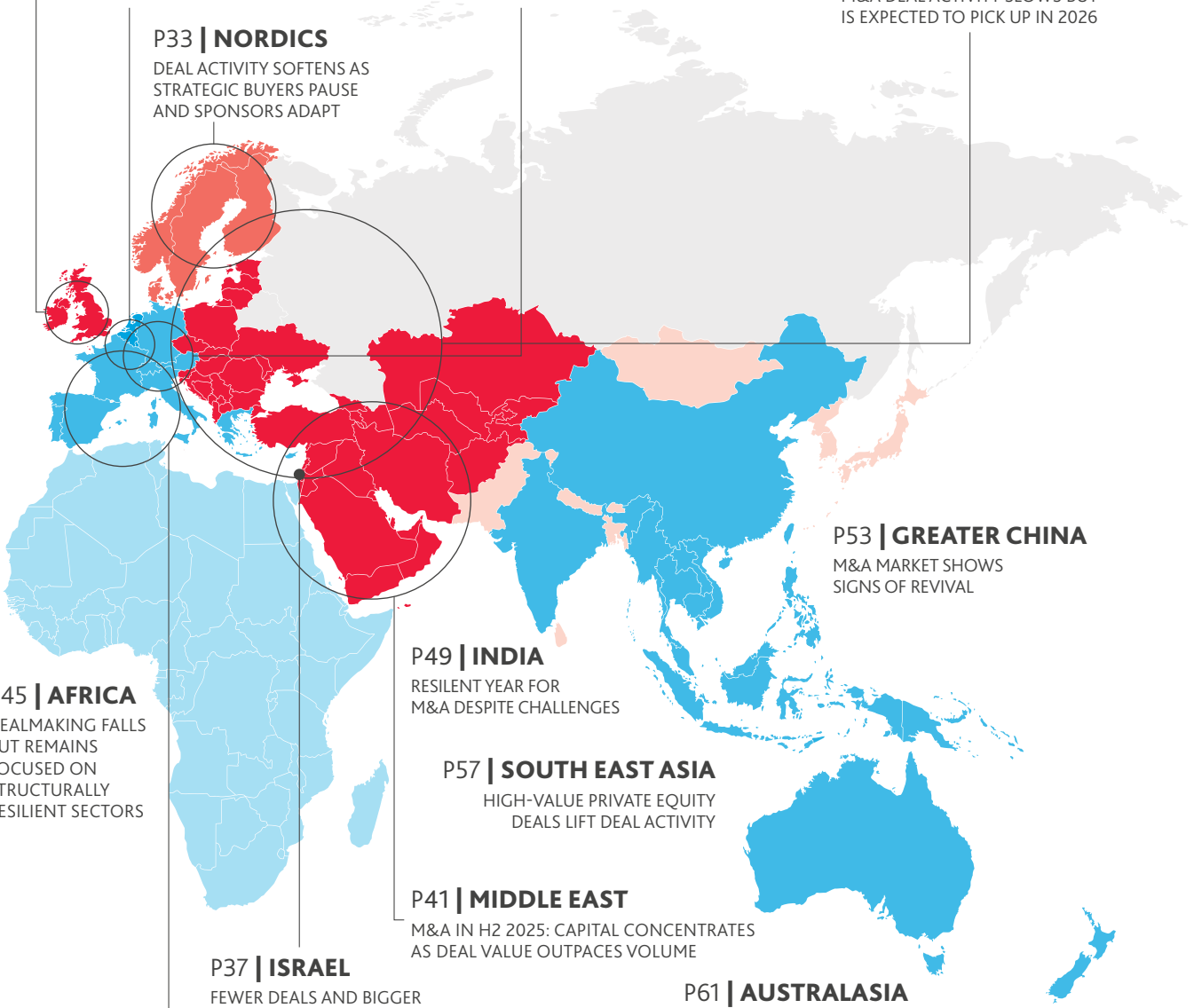
MID-MARKET M&A CONTINUES TO IMPROVE DESPITE TRADE AND ECONOMIC UNCERTAINTY

**P45 | AFRICA**

DEALMAKING FALLS BUT REMAINS FOCUSED ON STRUCTURALLY RESILIENT SECTORS

**P21 | SOUTHERN EUROPE**

DEALMAKING HOLDS FIRM AS MARKET STABILISES



# North America

## DEAL VOLUME DECLINES DUE TO TARIFF-RELATED UNCERTAINTY



### BIG PICTURE

- Deal volume dropped by 12.8% in H2 2025 compared to H1 2025 while deal value rose 6.5% across the same period, driven largely by sizable transactions from strategic buyers
- private equity deal volume fell by 20% in H2 2025 compared to the first half of the year
- Trade relations between the US and Canada negatively impacted M&A activity
- TMT, Pharma, Medical & Biotech and Industrial & Chemicals led sector activity in H2 2025, accounting for 26%, 19% and 14% respectively of total deal numbers
- Looking ahead, government initiatives and changing demographics are shaping M&A trends in North America. Buyers are likely to remain selective, focusing on synergistic investments, roll-up strategies and the safest investment cases.

North American deal volume declined by 12.8% from H1 2025 to H2 2025. This followed a pick-up in deal volume from H2 2024 to H1 2025. Initially, during H1 2025, the North American M&A market showed signs of stabilisation. However, due to broad economic uncertainty, geopolitical tensions and increased isolationism, the M&A market was cautious in H2 2025. Despite lower transaction volumes, the mid-market generated a higher aggregate deal value in 2025. Deal values were up 6.5% from H1 to H2 2025 and up 3.2% from 2024 to 2025. The growth in deal value was driven largely by sizable transactions from strategic buyers.

Dealmaking in the second half of the year reflected a divided environment between financial and strategic acquirers. The slowdown was primarily driven by private equity buyers, with deal volumes declining by nearly 20% in H2 2025 compared to H1, with aggregate private equity deal value falling by approximately 4%.

In contrast, strategic deal volumes declined by less than 5%, while aggregate strategic deal value increased by approximately 16%.

This divergence reflected differing responses to heightened macroeconomic and geopolitical uncertainty: financial sponsors exercised caution, whereas larger strategic acquirers remained active, leveraging their size, their balance sheets and access to lower costs of capital to consolidate and diversify.

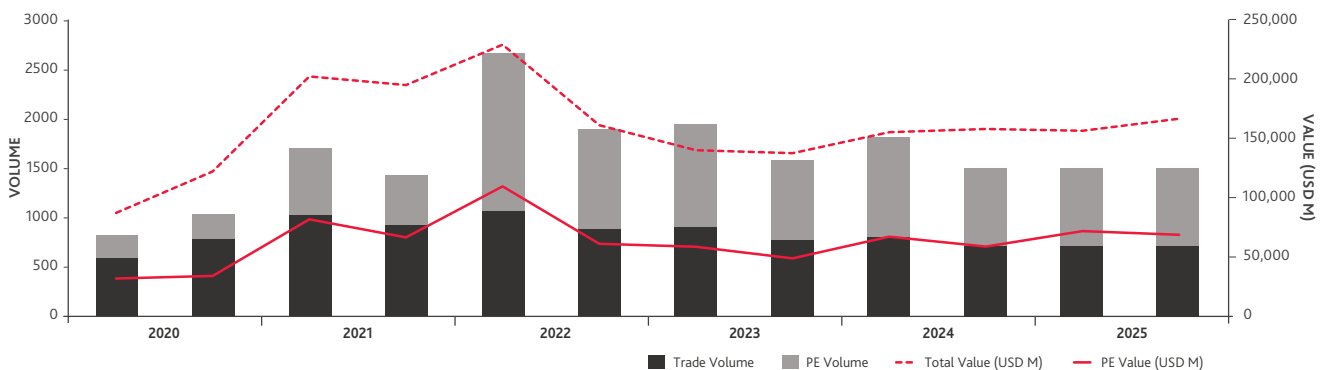
### M&A THEMES IN H2 2025

The word 'selectivity' defines the common themes that represented M&A activity in H2 2025. While it was initially expected that there would be a rebound in activity in H1 2025, this did not occur due to new political and economic trends causing uncertainty in the market. In H2 2025, as a result of trade policy-driven uncertainty, buyers were selective in the deals they chose to pursue.

During the last few months of the year, financial buyers were very selective in the deals they assessed and pursued. There was an emphasis on roll-up strategies and less on deploying capital on new platforms. There was a also focus on companies with steady demand, predictable cash flows, limited tariff exposure and a clear growth story leading to exit visibility.

Strategic buyers are actively managing risk as they pursue growth opportunities and supply chain diversification.

### PE/TRADE VOLUME & VALUE



### FRICION BETWEEN LONG-STANDING ECONOMIC PARTNERS

Trade relations between Canada and the US had a meaningful impact on North American mid-market M&A in H2 2025. Despite the trilateral CUSMA trade agreement between Canada, the US and Mexico, the US federal government implemented increased sector-specific tariffs on Canada, primarily affecting steel, aluminium, autos and lumber, among other sectors. According to the Bank of Canada, the average effective tariff rate on Canadian goods exported rose sharply from approximately 0.1% at the start of 2025 to 5.9% by October 2025.

These measures heightened uncertainty around corporate investment and strategic planning, negatively impacting M&A activity across the countries. Elevated policy uncertainty is also expected to drive a shift away from cross-border investment and cross-border M&A, with companies increasingly prioritising near-shoring and domestic consolidation strategies.

In response, Canadian acquirers are placing greater emphasis on tariff-resilient sectors and businesses with limited cross-border revenue exposure, potentially resulting in valuation pressure for Canadian companies with significant US exposure.

At the same time, foreign buyers may view American acquisitions as an effective means of securing access to local markets. However, heightened regulatory scrutiny, particularly in technology, defence and critical infrastructure, has emerged as a material execution risk, adding complexity, uncertainty and extended timelines to cross-border transactions.

### TRANSACTION DYNAMICS

Tariff-driven uncertainty not only impacted M&A activity but also deal timelines, valuations, and complexity.

Middle- and lower-middle market deals are experiencing longer timelines as buyers expand the depth and scope of diligence, particularly around tariff exposure, supply chain resilience and margin sustainability. Forecasting assumptions have been more measured, with buyers increasingly underwriting deals based on conservative assumptions. Lenders have mirrored this caution, requiring lower leverage levels and stricter covenants. The resulting valuation gaps between buyers and sellers have prompted a reliance on creative deal structuring, such as equity rollovers, earn-outs and deferred consideration. Such mechanisms have enabled buyers to mitigate risk and align incentives with sellers in an economy where short-term performance is uncertain.

As previously mentioned, there were more material declines in deal volume from financial buyers compared to strategic buyers.

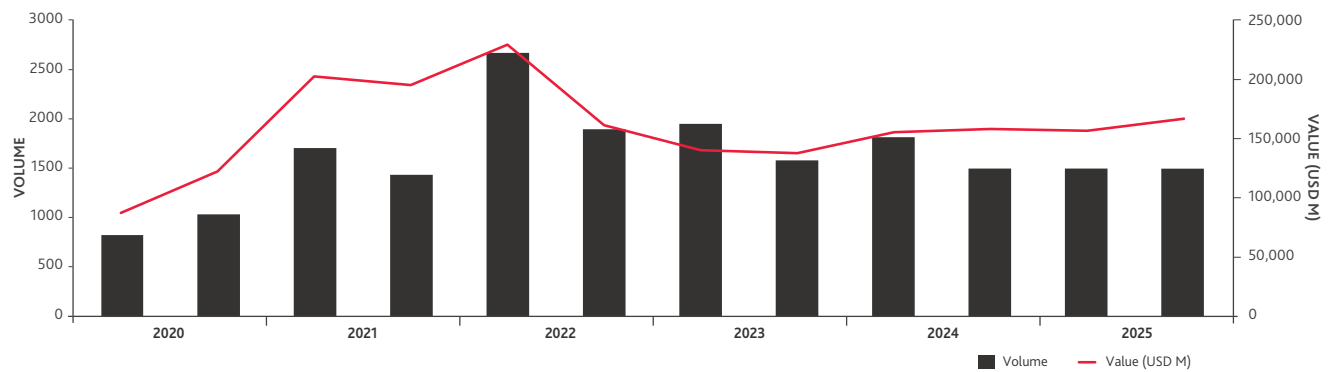
Strategic buyers focused on high-value acquisitions to achieve growth and realise synergies. There were fewer deals, but at higher valuations. Financial buyers faced tougher headwinds due to the credit environment, economic uncertainty and fewer opportunities to exit investments. They were cautious due to longer holding periods on existing portfolio companies that were bought during the pandemic-era M&A boom.

Strategic buyers were able to leverage synergistic premiums to meet valuations, whereas financial buyers who had debt-heavy purchase prices remained more diligent.

Strategic buyers were also able to leverage their balance sheets and existing cash funds to limit exposure to current borrowing costs. Financial buyers leaned on deal structuring to limit debt loads required.

Strategic buyers acquired businesses to help meet strategic growth goals, especially in sectors where scale is a key competitive advantage. Financial buyers limited their acquisitions of new platforms and focused on roll-up strategies to continue scaling up and making operational improvements in preparation for eventual exits.

### PE/TRADE VOLUME & VALUE



## INTEREST RATES

Canadian and US monetary policy provided incremental support to M&A conditions in 2025. The Bank of Canada reduced policy rates by a total of 100 basis points during 2025 to 2.25%, while the US Federal Reserve cut rates by 75 basis points during 2025, to 3.75%. In general, lower borrowing costs support higher valuation multiples and enable more competitive deal structuring. However, ongoing trade tensions between the two countries are expected to weigh on Canada's economic growth, employment, and household spending, potentially widening credit spreads and partially offsetting the benefits of lower rates.

Rates are expected to remain relatively stable in the coming year. In Canada, most bank economists anticipate a wait-and-see approach from the Bank of Canada, with policy rates likely to remain near 2.25% through 2026 amid slower projected growth, sticky inflation and a weak Canadian dollar. In the US, sticky inflation is limiting the Federal Reserve's flexibility,

with one or two additional rate cuts currently anticipated in 2026. In this environment, larger strategic buyers and well-capitalised sponsors retain a meaningful advantage in the mid-market, benefiting from strong balance sheets and access to capital through existing banking relationships.

## KEY SECTORS AND DEALS

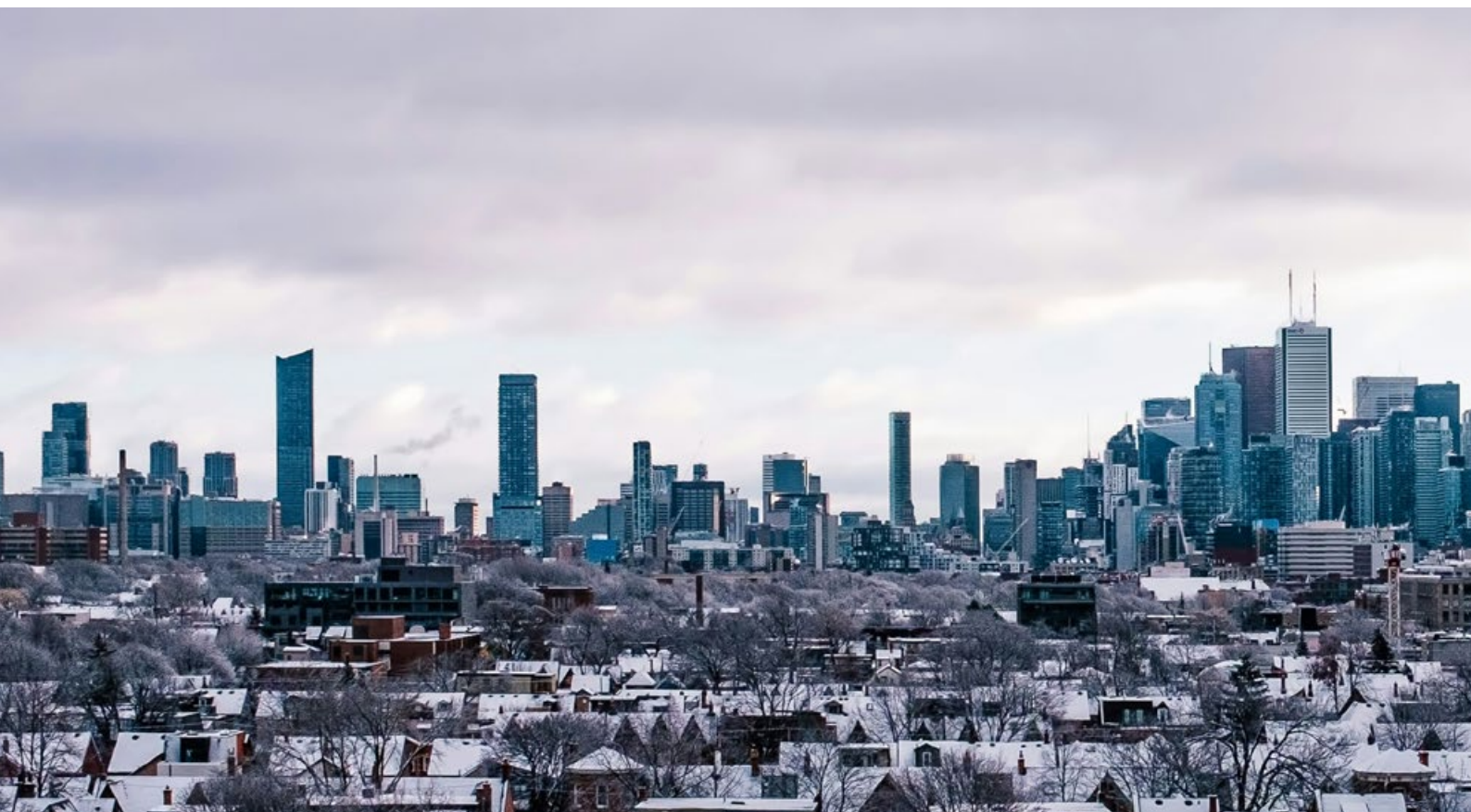
In H2 2025, sector activity remained broadly consistent with the trends observed over the past five years. Activity was led by TMT, Pharma, Medical & Biotech and Industrial & Chemicals, which accounted for 26%, 19%, and 14% of deals respectively.

Notable large mid-market deals in H2 2025 included: Generous Brands' USD 500m acquisition of kombucha brand Health-Ade (announced in July 2025); Mach Natural Resources' USD 500m acquisition of Sabinal Energy's oil and gas assets in the Permian Basin in Texas (announced in July 2025); and WisdomTree's USD 500m acquisition of farmland investment manager Ceres Partners (announced in July 2025).

Of the top 20 deals, eight were in the TMT space, three were in Pharma, Medical & Biotech and three were in Financial Services. These sectors remain active spaces for larger-scale M&A due to their growth potential, steady consumer demand and limited tariff exposure.

Looking ahead, government initiatives and changing demographics are shaping M&A trends in North America. Geopolitical uncertainty has shifted the Canadian government's focus toward economic development and defence, resulting in significant public investments in defence spending, AI infrastructure and domestic critical minerals. At the same time, generational wealth transfer continues to redirect capital toward financial services, fintech and wealth management platforms, supporting sustained transaction activity and enabling roll-up strategies in these sectors.

Overall, the current sector trends are expected to persist, with deal activity increasingly influenced by geopolitical developments and demographic shifts.



### LOOKING AHEAD

Deal volume declined in 2025 amid tariff-related uncertainty, leading many transactions to slow or pause. Importantly, a meaningful portion of this activity was deferred rather than cancelled, with a significant number of business owners choosing to remain on the sidelines.

Looking ahead to 2026, sellers should continue to expect longer transaction timelines, elevated diligence standards and more creative deal structures. As clarity around international trade improves and macroeconomic uncertainty recedes, a more constructive environment may emerge, providing an opportunity for business owners to initiate sale processes.

Many sellers are waiting until political tensions subside. It is expected that the US,

Canada and Mexico will renegotiate their trilateral trade agreement in 2026, and this will provide greater certainty to business owners and buyers moving forward.

Buyers will remain selective and focus on synergistic investments, roll-up strategies and the safest investment cases. There are many financial buyers who have ageing investments and must sell to create liquidity for their investors. Potential growth in continuation funds and secondaries may generate more M&A in H1 2026.

Deal structuring will continue to be a common method to bridge valuation gaps and lower buyer risk in uncertain economic conditions.



**RYAN FARKAS**  
PARTNER

rfarkas@bdo.ca



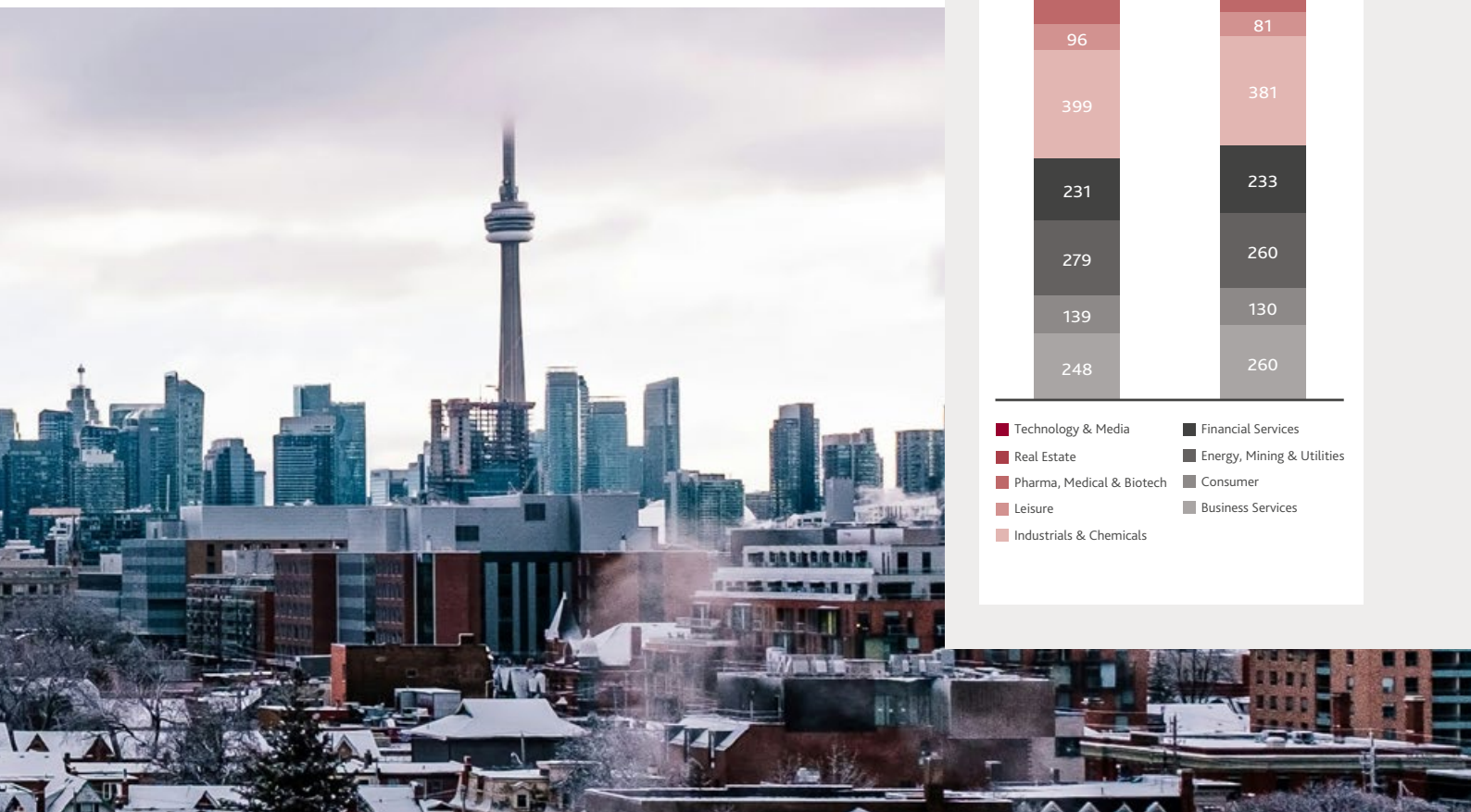
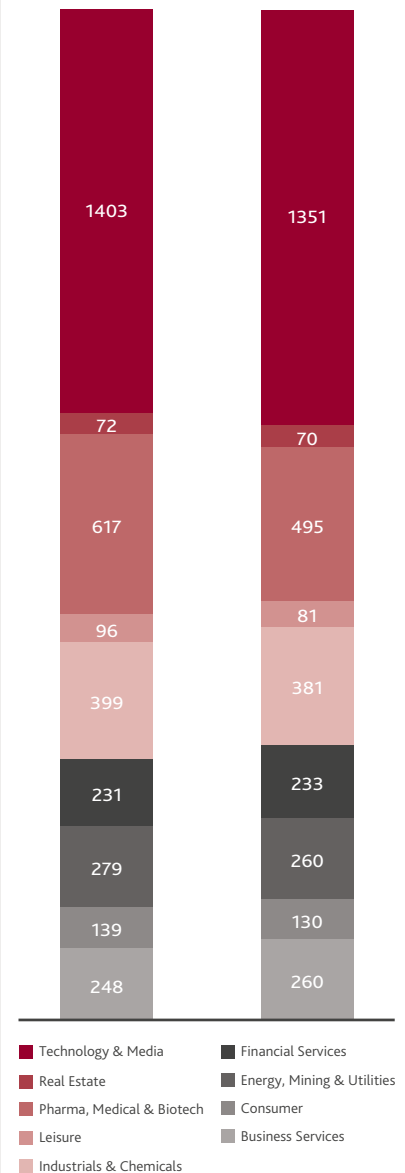
**ALEXANDER STERN**  
DIRECTOR

astern@bdo.ca

### NORTH AMERICA HEAT CHART BY SECTOR

TMT	496	26%
Pharma, Medical & Biotech	352	19%
Industrials & Chemicals	262	14%
Consumer	253	13%
Business Services	229	12%
Financial Services	113	6%
Energy, Mining & Utilities	109	6%
Leisure	57	3%
Real Estate	23	1%
<b>TOTAL</b>	<b>1,894</b>	

### NORTH AMERICA MID-MARKET VOLUMES BY SECTOR



# Latin America

DEALMAKING STEADIES AS NATURAL RESOURCE-RICH CONTINENT REMAINS RIPE FOR INVESTMENT



The Latin America mid-market M&A segment recorded 223 deals worth USD 22,728m in H2 2025, an increase of around 13.2% in overall deal value compared to H1 2024 and a slight reduction in deal volume of 3.9%. Compared to H2 2024, these figures represented a small decrease in overall deal volume of 2.2%, while overall deal value increased by 3.8%. In addition, compared to both H1 2025 and H2 2024, the average deal value increased.

## BIG PICTURE

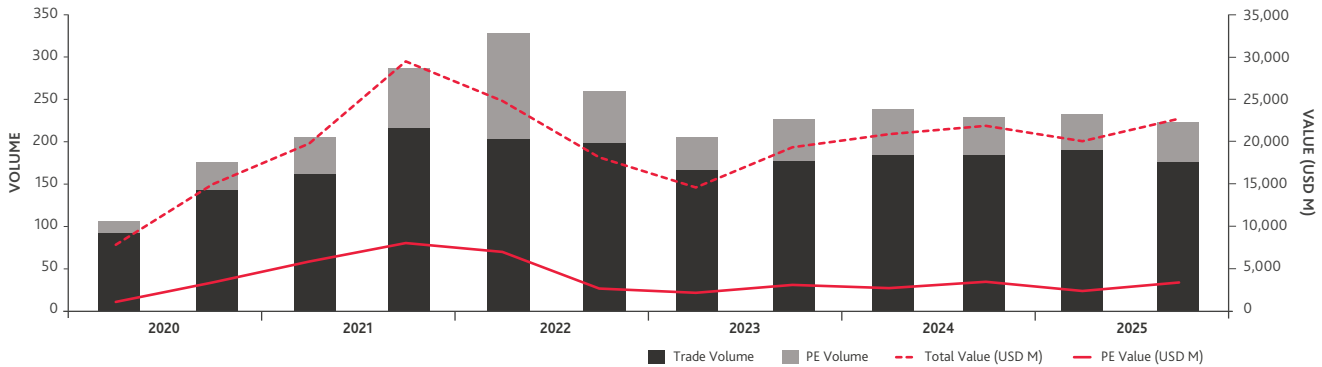
- In H2 2025, with 223 deals worth USD 22,728m, overall deal value increased compared to H1 2025, with an accompanying increase in the average deal value compared to both H1 2025 and H2 2024
- Energy, Mining & Utilities, TMT, Business Services and Financial Services were the most active sectors, with 43, 42, 33 and 32 deals respectively
- Brazilian companies were involved in 11 of the top 20 deals, representing 53.5% of the top 20's total deal value.

The biggest deal was the USD 500m acquisition of oil and gas assets in Argentina by YPF SA

- Latin America's outlook remains uncertain as low productivity, high financing costs and US tariffs weigh heavily on growth, despite investor optimism regarding upcoming elections in the region. Geopolitical events, including the US intervention in Venezuela and potential actions in Mexico and Colombia, are leading to volatility and unpredictability in the short-term.

With 46 deals, private equity dealmaking rose by 9.5% compared to H1 2025, representing 20.6% of overall deal volume. However, private equity deal value grew significantly by 41.8% compared to H1 2025. Finally, compared to H2 2024, private equity total deal volume rose slightly by 2.2%, while total deal value fell by just 2.3%.

## PE/TRADE VOLUME & VALUE



The top 20 deals in H2 2025 totalled USD 7,918m, which represented 34.8% of the region's overall value, but only 9.0% of the overall deal volume.

Looking at the last 12 months, deal volume recorded a slight decrease of 2.6% from the 467 deals completed in 2024 compared to 455 in 2025. Overall value, however, remained stable, from USD 42,805m in 2024 to USD 42,804m in 2025.

**KEY SECTORS AND DEALS**

Energy, Mining & Utilities, TMT, Business Services and Financial Services led sector activity in H2 2025 with 43, 42, 33 and 32 deals respectively, accounting for approximately 67.3% of all deals. They were followed by Industrials & Chemicals, with 27 deals, Real Estate (16 deals), Consumer (14), Pharma, Medical & Biotech (11) and Leisure (5).

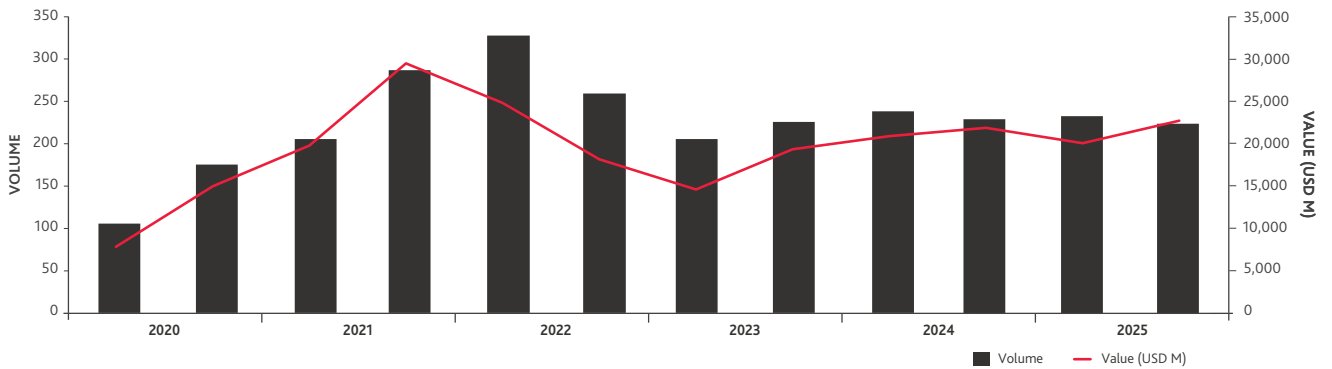
In the top 20 deals, Brazil was the most targeted country, with 11 deals and these accounted for 53.5% of the top 20's combined value.

The region's biggest deal was the USD 500m acquisition of a 45% stake in oil and gas assets by Argentina-based YPF SA, sold by TotalEnergies. According to YPF, the assets include fracking licenses valid through 2051, which are expected to be a key contributor to the company's growth strategy.

As previously mentioned, Energy, Mining & Utilities accounted for the biggest number of deals in the region. Latin America remains one of the world's most mineral-rich areas, playing a central role in the global supply of iron ore, copper, and lithium – critical inputs for several industries.

Looking ahead, 2026 will be a pivotal election year in Latin America, particularly in Brazil and Peru, where a regional shift toward right-of-centre leadership could potentially reshape mining regulation. This shift could usher in a more pro-investment environment in the sector if permitting processes and regulatory frameworks are eased. Nevertheless, despite the growing investment opportunities, political uncertainty – especially in Brazil and Peru – remains the most significant short-term risk for the sector.

**PE/TRADE VOLUME & VALUE**



## POLITICAL AND ECONOMIC CONTEXT

Latin America continues to face challenging growth prospects, constrained by persistently low productivity and high financing costs, both of which weigh heavily on the region's economic performance. In 2025, these pressures were further exacerbated by tariffs imposed by the United States. At the same time, the region is undergoing a right-leaning political shift, which has boosted investor expectations given the emphasis on deregulation and proposed structural reforms.

However, regional stability remains fragile. The recent US intervention in Venezuela has heightened geopolitical uncertainty, which may increase the external perception of market volatility. This perception may temporarily slow trade flows and broader economic activity in the region.

Moreover, it remains unclear whether other countries - such as Mexico and Colombia - may face additional US interventions, adding another layer of unpredictability to the regional outlook.

Brazil, the largest economy in Latin America, confronted several challenges in 2025. These included US-imposed tariffs and reduced investor confidence - particularly due to high government spending - and an elevated risk-free rate. Brazil's GDP growth was expected to decelerate to around 2.3% in 2025, compared with 3.4% in 2024. Despite the US government's decision to revoke the additional 40% tariff on several Brazilian products in November 2025, Brazilian exports to the US still declined by 6.6% for the year.

Concerns over high levels of government spending may intensify ahead of the country's upcoming elections, further reducing the likelihood of fiscal consolidation from a government whose policy stance has historically prioritised revenue expansion over spending restraint. On the monetary front, the Central Bank of Brazil increased the risk-free rate throughout 2025. Meanwhile, lower unemployment levels kept inflation above its target level, preventing the initiation of an easing cycle.

Given this environment, GDP growth in Brazil is expected to decline again in 2026 to around 2.0%. Even so, certain sectors - such as mining - may continue to perform positively, supported by strong external demand. For 2027, the United Nations expects expansion to accelerate again in the country, growing at 2.3% under a new government.



**LOOKING AHEAD**

Latin America represents approximately 4% of the global M&A mid-market, with 233 deals announced or in progress, as shown in the BDO Heat Chart. The Consumer sector is expected to lead the way with 48 deals, followed by TMT (40), Energy, Mining & Utilities (35) and Financial Services (31).

In 2026, the region faces a challenging macroeconomic outlook driven by both global and domestic pressures, as countries continue to balance low growth, elevated inflation and interest rates and high levels of public debt.

The recently approved European Union-Mercosur trade agreement will create the world's largest free trade zone, granting Mercosur (a South American trade bloc) broader access to the European market, comprised of 31 countries with 722 million consumers, with gradual tariff reductions on most goods. However, politically sensitive products like beef, sugar and ethanol will face export quotas, and safeguard mechanisms allow the EU to reintroduce tariffs if European producers are harmed. Environmental requirements and technical barriers may also limit competitiveness for some Mercosur products in the short term. For Brazil, the deal strengthens its position as a global supplier, especially for coffee, juices, fruits and vegetable oils, which will benefit from tariff cuts and improved market predictability.

Early estimates indicate that the agreement may elevate Brazilian GDP by 0.5% from now until 2040.

As previously mentioned, Brazil is expected to continue facing difficulties stemming from high government spending, an elevated risk-free rate and inflation being above its target. However, the conclusion of the EU-Mercosur agreement could attract investment into Brazil's critical minerals supply chain. The country holds the world's second-largest rare earth reserves, positioning it as a strategic supplier at a time when the EU remains heavily dependent on China, which is increasingly restricting rare earth exports. This context strengthens the potential for greater investment in Brazil's mining sector as Europe seeks to diversify its supply sources.

As for the broader region, 2025 marked a pronounced shift toward right-leaning governments, a trend that may create more favourable conditions for investors through expectations of pro-market reforms, deregulation and stronger fiscal discipline. In terms of investment opportunities, Latin America continues to offer attractive prospects in natural-resource-linked sectors, particularly mining and oil and gas, which are poised to benefit from sustained external demand.



**ROMINA LIMA**  
CORPORATE FINANCE  
AND ADVISORY PARTNER

romina.lima@bdo.com.br



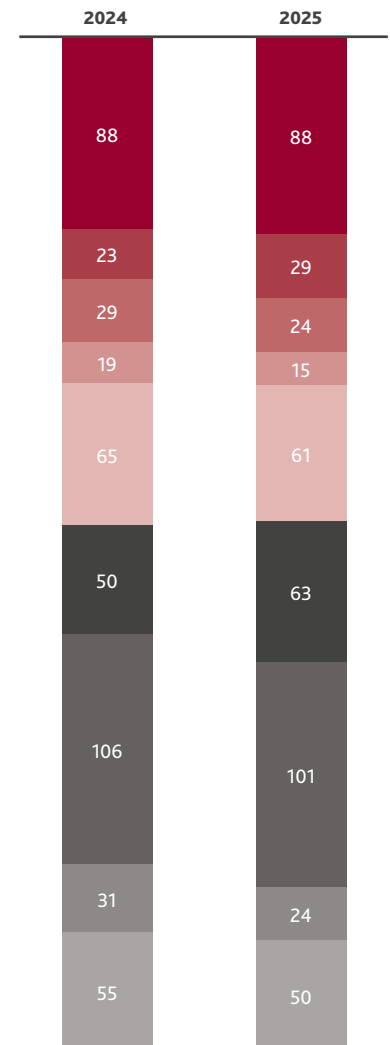
**ADRIANO CORREA**  
CORPORATE FINANCE  
AND ADVISORY PARTNER

adriano.correa@bdo.com.br

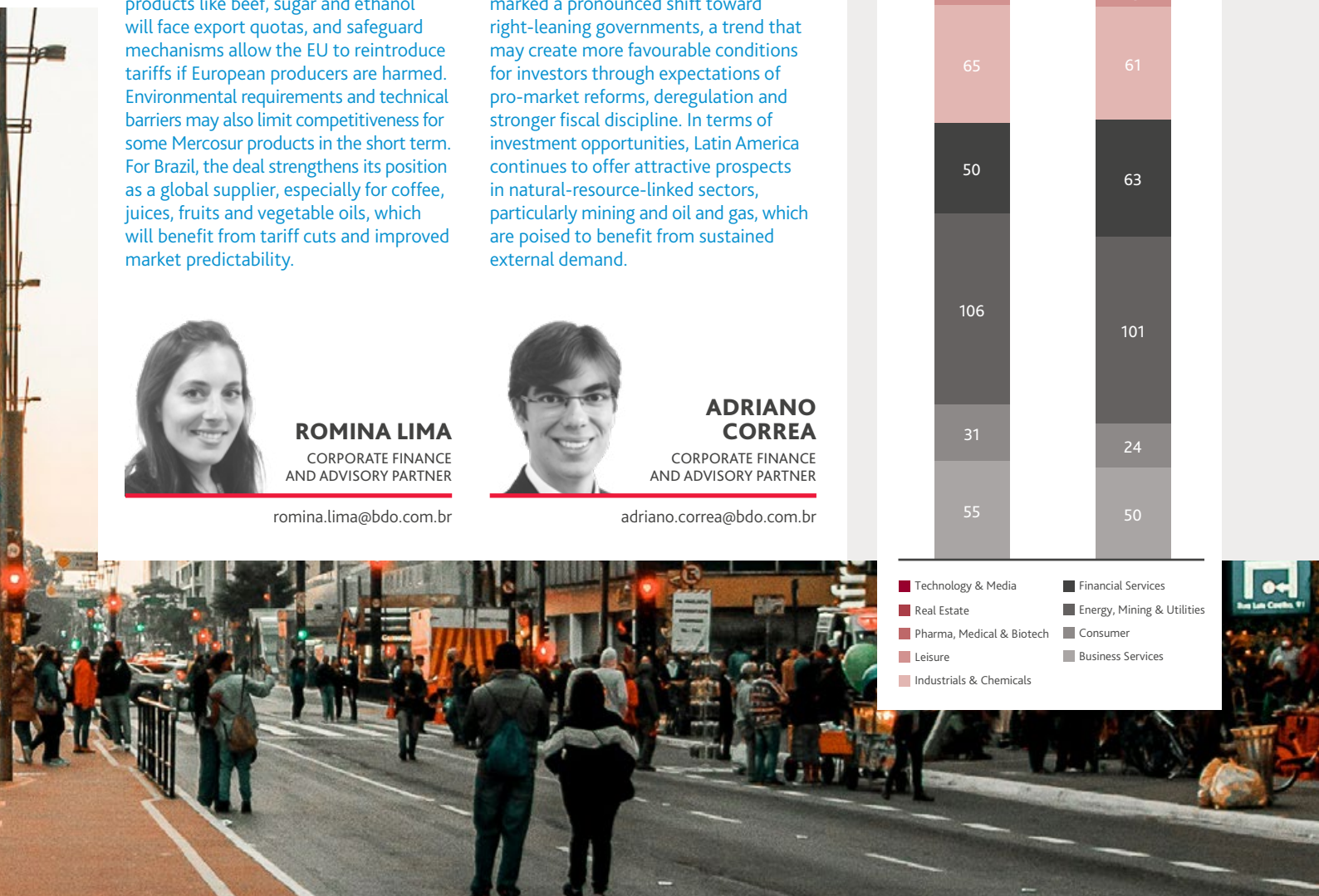
**LATIN AMERICA  
HEAT CHART BY SECTOR**

Consumer	48	21%
TMT	40	17%
Energy, Mining & Utilities	35	15%
Financial Services	31	13%
Business Services	28	12%
Industrials & Chemicals	18	8%
Pharma, Medical & Biotech	16	7%
Leisure	16	7%
Real Estate	1	0%
<b>GRAND TOTAL</b>	<b>233</b>	

**LATIN AMERICA  
MID-MARKET VOLUMES BY SECTOR**



- Technology & Media
- Financial Services
- Real Estate
- Energy, Mining & Utilities
- Pharma, Medical & Biotech
- Consumer
- Leisure
- Business Services
- Industrials & Chemicals



# United Kingdom & Ireland

## MID-MARKET M&A DEMONSTRATES RESILIENCE AND GROWTH



### BIG PICTURE

- Deal volume remained robust with 739 transactions across 2025, down 12% compared to 2024. Deal value increased to USD 68bn, 7% up on the previous year
- Total private equity deal numbers fell compared to 2024 but its share of overall deal value held firm
- Half of the top 20 deals involved US buyers
- TMT was the leading sector with 213 deals across the year, accounting for 29% of overall deal volume
- UK & Ireland remains attractive for international buyers and the TMT and Business Services sectors are expected to drive future deal activity.

**Mid-market M&A in UK & Ireland showed strong resilience and growth during 2025, driven by inbound investment, private equity deployment and consolidation in sectors such as Financial Services and TMT.**

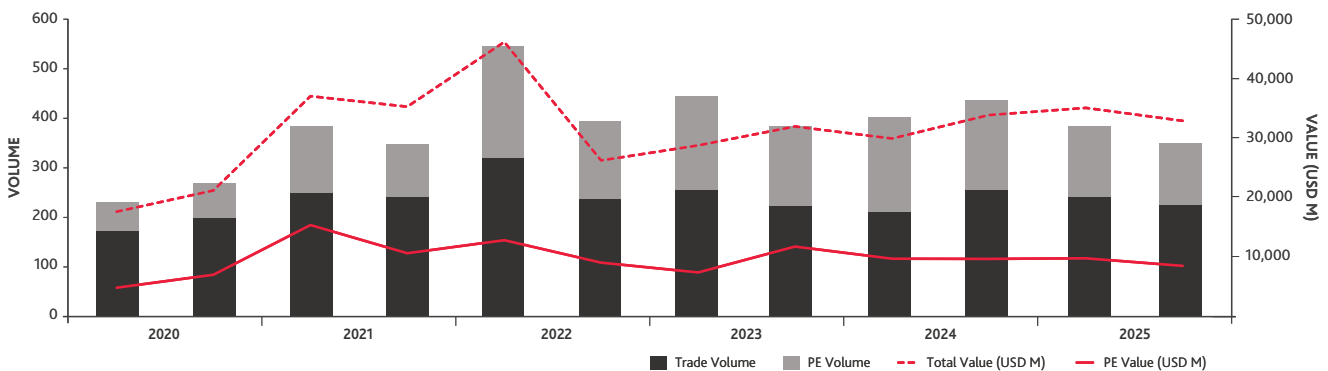
Despite global economic uncertainty, deal volumes were robust, with 739 transactions reported at the time of writing, which was 12% lower than the total deal count for 2024. However, aggregate deal value increased by 7%, rising from USD 64bn in 2024 to USD 68bn in 2025. Although this was lower than the post-COVID M&A boom of USD 72bn in 2022, there was a clear trend of a more targeted approach to dealmaking, with bidders prioritising strategic fit over broad sectoral momentum.

Although Trump's tariffs initially created a challenging, uncertain environment for mid-market M&A, dealmakers adapted with innovative structures, while policy adjustments and specific deals helped the market rebound by late 2025.

Both UK & Ireland experienced significant inbound activity from the US, with half of the top 20 mid-market transactions being US-led, including the USD 500m acquisition of AI software developer for self-driving cars Wayve Technologies by NVIDIA and TA Associates' USD 485m purchase of Clanwilliam Group, a healthcare technology provider. European buyers also featured strongly with the German Lauman Group acquiring Epwin Group plc, a manufacturer and supplier of energy efficient building products, under scheme of arrangement while the Dutch firm Wolters Kluwer's snapped up the Irish Legal-tech company Brightflag for USD 500m.

Private equity involvement also changed in 2025 with 266 mid-market transactions compared to 371 in 2024. While private equity participation in terms of volume dropped from 44% in 2024 to 36%, its share of deal value decreased only slightly, from 31% to 27%, with the aggregate value of private equity deals consistently held between USD 18bn-USD 19bn over the last three years. This indicates that private equity firms remain focused on strategic acquisitions rather than pursuing volume alone.

### PE/TRADE VOLUME & VALUE



### KEY SECTORS AND DEALS

The most active sector continues to be TMT, which accounted for 213 deals or 29% of overall volume, which was lower than the 273 deals reported in 2024. SaaS, AI, cybersecurity and data security were the hottest areas for investment with both trade and financial buyers competing for prize assets. Consolidation in digital transformation saw i-Tracing acquire Bridewell Consulting USD 377m and Exponent purchase Hippo Digital ( USD 200m) while US social media platform Sprout Social bought Irish AI media monitoring firm NewsWhip for cUSD 67m.

Business Services saw an uptick with 99 transactions, representing 14% of the market, with notable transactions including the sale of environmental consultancy APEM Group to the Spanish buyer Applus+ for USD 450m.

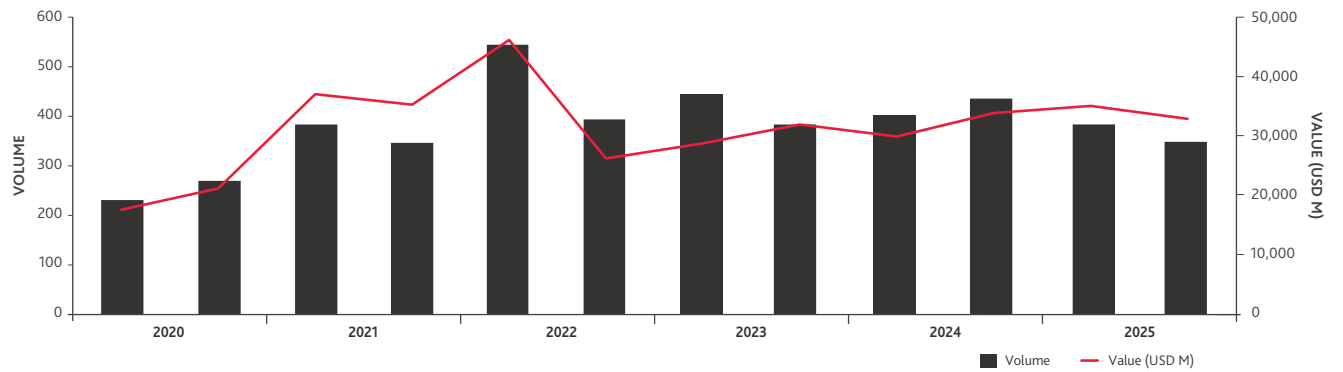
Financial Services remained a steady deal contributor, with 9% of total activity, as private equity-backed consolidation continued to drive M&A across insurance and private wealth managers, led by the likes of Howden and Fairstone. This is expected to continue throughout 2026 as smaller operators seek to crystallise value in exiting to these invested platforms.

The Industrials & Chemicals sector reported 99 deals in 2025, down from the 128 transactions seen in 2024 as the sector struggled to adapt to the threat of tariffs and supply chain disruption, resulting in number of processes being delayed or paused. However, sustainability remains a long-term theme, with industrial businesses involved in the green transition, such as heat pump and solar installations, seeing high demand and continued consolidation.

Transactions in Pharma, Medical & Biotech were also down on the prior year as large corporates paused M&A activity pending the evolution of US trade policies.

Despite the economic uncertainty, both the Consumer and Leisure sectors experienced a slight increase in activity with 48 and 44 deals respectively. Travel M&A returned as private equity firms looked to consolidate high-growth areas such as luxury travel and specialist tour operators; deals included the sale of Great RailTours to Vitruvian while LDC sold Iglu.com to the Australian-listed Flight Centre Travel Group.

### PE/TRADE VOLUME & VALUE



### LOOKING AHEAD

As we look to the future, it's no surprise that the BDO Heat chart identifies TMT and Business Services as the most active sectors. With AI and Cybersecurity at the top of the boardroom agenda, there will be plenty of buyers seeking to acquire AI, cloud security and digital infrastructure. Business Services and Financial Services will continue to drive M&A activity, owing to their defensive nature, reliable revenue streams and opportunities for industry consolidation.

Overall the mid-market M&A outlook for 2026 is cautiously optimistic given the availability of private equity funding, the stabilising of interest rates and the strategic need for digital transformation.

UK & Ireland remain attractive for international buyers, however dealmakers will need to ensure companies are prepared for thorough due diligence processes while providing innovative strategies to bridge valuation differences and manage regulatory changes.



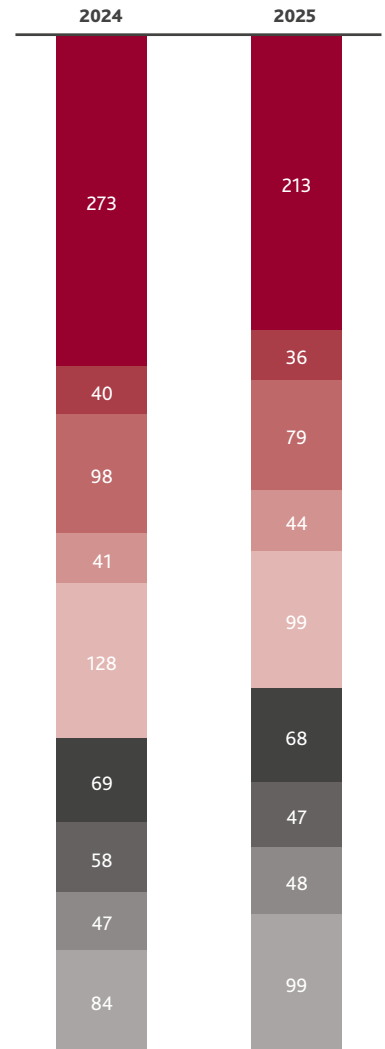
**KATHARINE BYRNE**  
PARTNER

kbyrne@bdo.ie

### UNITED KINGDOM & IRELAND HEAT CHART BY SECTOR

TMT	82	22%
Business Services	81	21%
Consumer	55	15%
Financial Services	38	10%
Industrials & Chemicals	35	9%
Leisure	28	7%
Energy, Mining & Utilities	26	7%
Pharma, Medical & Biotech	26	7%
Real Estate	6	2%
<b>TOTAL</b>	<b>377</b>	

### UNITED KINGDOM & IRELAND MID-MARKET VOLUMES BY SECTOR



- Technology & Media
- Real Estate
- Pharma, Medical & Biotech
- Leisure
- Industrials & Chemicals
- Financial Services
- Energy, Mining & Utilities
- Consumer
- Business Services



# Central and Eastern Europe

M&A DEAL ACTIVITY SLOWS BUT IS EXPECTED TO PICK UP IN 2026



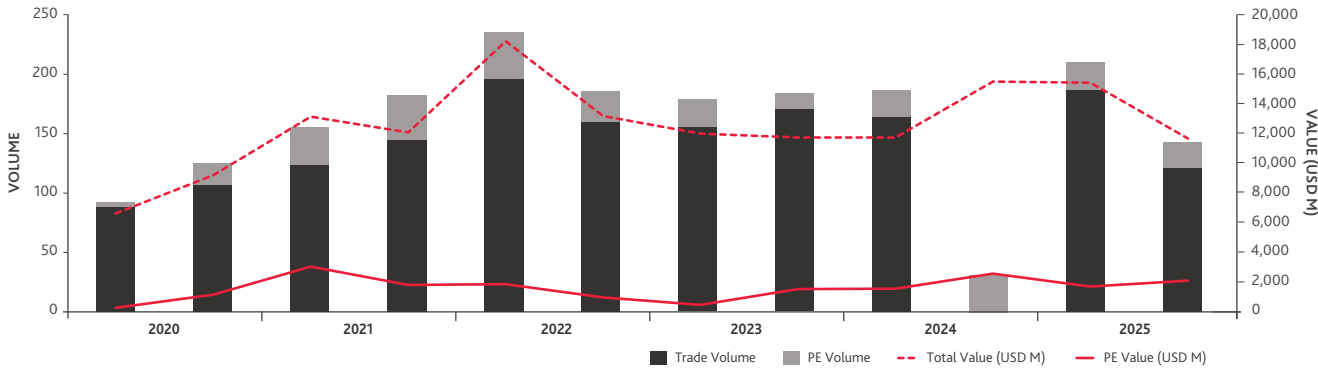
M&A mid-market deal activity in Central and Eastern Europe continued to slow in H2 2025, with the lowest half-year deal volume recorded since COVID-19. The increased geopolitical risks in the region, combined with unfavourable access to deal financing, have led to a more selective approach by investors with a focus on quality and strategic sectors.

There were 142 deals completed in H2 2025, compared to 189 deals in H2 2024, a 25% fall. Compared to H1 2025, deal numbers decreased by 32%. However, the average deal size in H2 2025 climbed to USD 82m, the highest seen since H1 2021.

## BIG PICTURE

- M&A activity continued to slow in H2 2025, with deal volume falling by 32% compared to H1 2025 and by 25% compared to H1 2024
- Private equity's proportion of dealmaking increased to 14.8% of overall volume and 18.1% of deal value
- The top 20 transactions accounted for 51% of total deal value
- Industrials & Chemicals and TMT continue to dominate sector activity, each accounting for c23% of total deal numbers
- Pipeline suggests there are 403 deals planned or in progress, with Industrials & Chemicals predicted to lead the way with 96 deals.

## PE/TRADE VOLUME & VALUE



private equity's share of overall deal volume rose to 14.8%, with the average deal size exceeding USD 100m, the highest average private equity deal size recorded since H2 2023.

Looking at the region's annual figures, total deal volume in 2025 decreased by 8% compared to 2024, with total deal value declining by just 0.5%.

**KEY SECTORS AND DEALS**

In H2 2025, the most active sectors were Industrials & Chemicals and TMT. With a total of 64 deals, these two sectors accounted for c45% of all deal volume in the period.

Looking at 2025 overall, there was a 14% increase in the number of transactions in Industrials & Chemicals compared to the previous year.

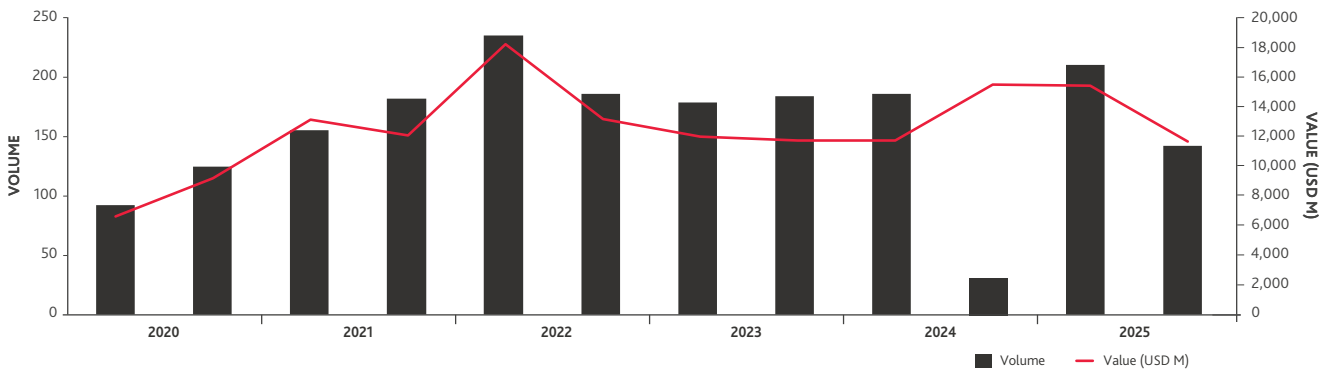
The biggest annual decline in deal volume was seen in the Leisure and Real Estate sectors, each dropping by 30% during 2025.

The total value of the top 20 deals in H2 2025 was USD 5,958m, with deals ranging from USD 202m to USD 493m and an average deal value of USD 298m. Half of the top 20 deals involved a domestic buyer and accounted for 56% of the top 20's value. It is also worth noting that the top 20 deals accounted for 51% of the CEE's total deal value in the second half of the year.

Geographical analysis of the top 20 deals revealed that Poland and Russia, with five deals each, were the most active markets, contributing 26% of the CEE's total deal value in the half-year period.

One of the region's biggest deals, valued at USD 493m, involved Turkey's HRK Holding's acquisition of a group of apparel retail companies from the Turkish Savings Deposit Insurance Fund.

**PE/TRADE VOLUME & VALUE**



### LOOKING AHEAD

Analysts are optimistic that H1 2026 could see a recovery in CEE M&A activity. The BDO Heat Chart indicates that there are currently 403 deals planned or in progress, a notable increase from H1 2025 when 300 prospective deals were identified.

Industrials & Chemicals is expected to continue leading the way, with 96 prospective deals. The BDO Heat Chart also shows that TMT dealmaking is picking up, with 75 planned deals (compared to 37 in H1 2025). Together, these two sectors are predicted to account for 42% of total deal volume in the near future. Real Estate remains the least active sector, accounting for just 1.5% of future deal volume.

A resolution of the Russia-Ukraine conflict would most likely lead to much greater deal activity in this particular sector, but it is difficult to foresee when this will happen despite the more intense recent efforts.



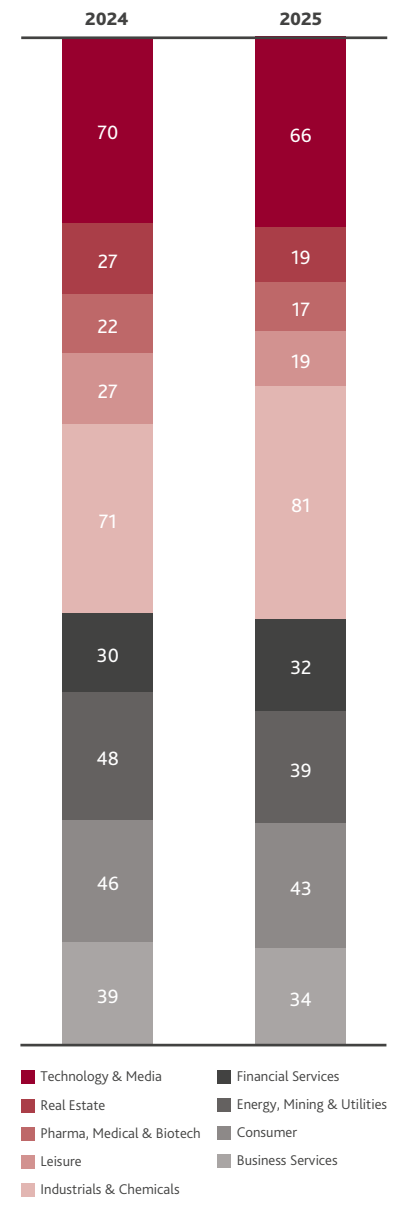
**UROS CAMILOVIC**  
PARTNER,  
DEAL ADVISORY

Uros.camilovic@bdo.co.rs

### CENTRAL AND EASTERN EUROPE HEAT CHART BY SECTOR

Industrials & Chemicals	96	24%
TMT	75	19%
Consumer	58	14%
Business Services	50	12%
Financial Services	41	10%
Energy, Mining & Utilities	29	7%
Pharma, Medical & Biotech	25	6%
Leisure	23	6%
Real Estate	6	1%
<b>GRAND TOTAL</b>	<b>403</b>	

### CENTRAL AND EASTERN EUROPE MID-MARKET VOLUMES BY SECTOR





# Southern Europe

## DEALMAKING HOLDS FIRM AS MARKET STABILISES



### BIG PICTURE

- Deal flow was robust during 2025, with 501 deals in H1 2025 and 439 in H2
- Deal value across 2025 reached USD 82.8bn and was split evenly across the two half-year periods
- Private equity continues to play central role in region's dealmaking, accounting for c37% of total value in 2025
- Deal activity was concentrated in a core number of sectors – Industrials & Chemicals, TMT, Consumer and Business Services.

**In 2025, Southern Europe recorded a sustained level of mid-market M&A activity, reflecting a stabilisation of the market following the volatility of previous years, while still operating in the context of cautious investor behaviour and selective capital deployment.**

Over the year, the region saw 940 completed transactions, split between 501 deals in H1 2025 and 439 deals in H2 2025. This represented a 12% decline in deal volume between the first and second half of the year, indicating a slight moderation of activity in the second half rather than a slowdown. Overall, deal flow remained robust across the full year, with Southern Europe continuing to rank among the most active regions in Europe in terms of volume.

In value terms, the Southern Europe market showed a high degree of resilience. Aggregate deal value reached USD 82.8bn in FY 2025, with USD 41.7bn in H1 2025 and USD 41.1bn in H2 2025. Despite the lower number of transactions in H2, total value remained broadly stable between the two periods, resulting in a higher average deal size in the second half of the year and

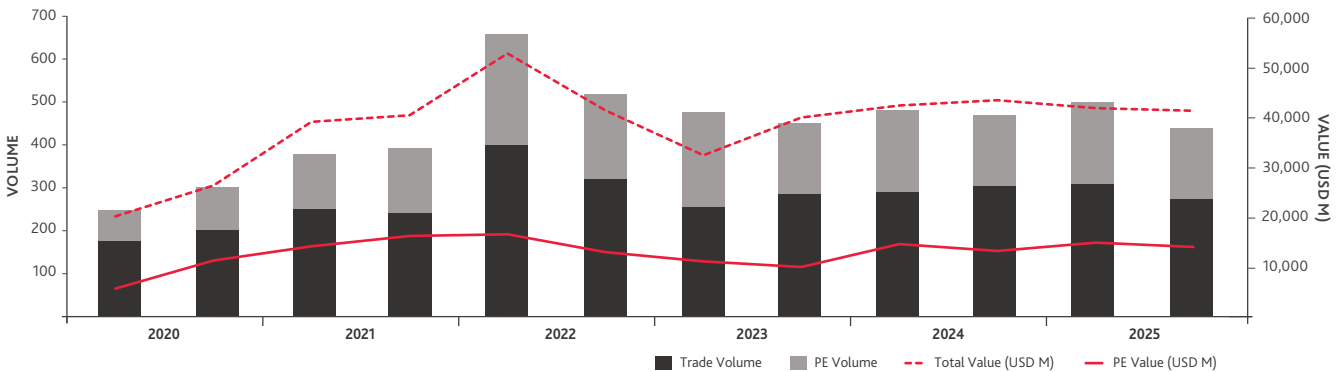
the execution of a number of sizeable mid-market and upper mid-market transactions.

Private equity continued to play a central role in Southern European M&A in 2025. private equity buyouts accounted for 191 transactions in H1 2025 and 163 transactions in H2 2025, i.e. 354 deals over the full year, representing approximately 38% of total deal volume in H1 2025 and 37% in H2. These figures confirm that private equity firms maintained a high share of dealmaking activity, even as financial sponsors remained disciplined in pricing and execution.

In value terms, private equity transactions reached USD 14.8bn in H1 2025 and USD 13.9bn in H2 2025 - a total of USD 28.7bn over the year. The similarity between the two periods mirrored the overall market trend and highlighted investors' continued focus on high-quality assets with strong cash-flow visibility and resilient business models.

Overall, 2025 confirmed Southern Europe's ability to generate a significant amount of M&A activity, both in terms of volume and value, with private equity confirming its status as a key contributor alongside strategic buyers.

### PE/TRADE VOLUME & VALUE



### KEY SECTORS AND DEALS

From a sector perspective, M&A activity in 2025 was concentrated in a limited number of core sectors, which together accounted for the majority of the region's transactions.

Industrials & Chemicals was the most active sector, with 111 transactions over the year. The sector confirmed its structural importance in Southern Europe, supported by ongoing consolidation dynamics, industrial optimisation strategies and continued interest from both industrial groups and financial sponsors.

TMT followed closely behind, with 99 transactions. Activity in this sector was driven by software, IT services and digital solutions, with deal flow reflecting selective re-engagement from investors.

The Consumer sector also saw a high level of activity, with 90 transactions. M&A in this segment continued to be supported by defensive consumption patterns, premium positioning strategies and consolidation plays, particularly in domestic Southern European markets.

The Business Services sector maintained its position as another key pillar of regional M&A, with 78 transactions completed in 2025. The sector continued to attract strong interest due to its asset-light models, recurring revenue profiles and suitability for buy-and-build strategies.

A second tier of sectors included Pharma, Medical & Biotech and Energy, Mining & Utilities, each with 48 transactions, reflecting the steady consolidation in healthcare-related activities and a sustained deal flow in energy and infrastructure-related assets.

At the lower end of deal activity, Financial Services recorded 35 transactions, while Leisure accounted for 22 transactions. Real Estate deal activity remained limited, with eight transactions, reflecting the continued impact of financing conditions and valuation gaps on deal execution.

Overall, M&A activity in Southern Europe across 2025 was concentrated in Industrials & Chemicals, TMT, Consumer and Business Services, which accounted for the majority of deals. This sectoral distribution underlines the market's focus on resilient, scalable and cash-generative business models.

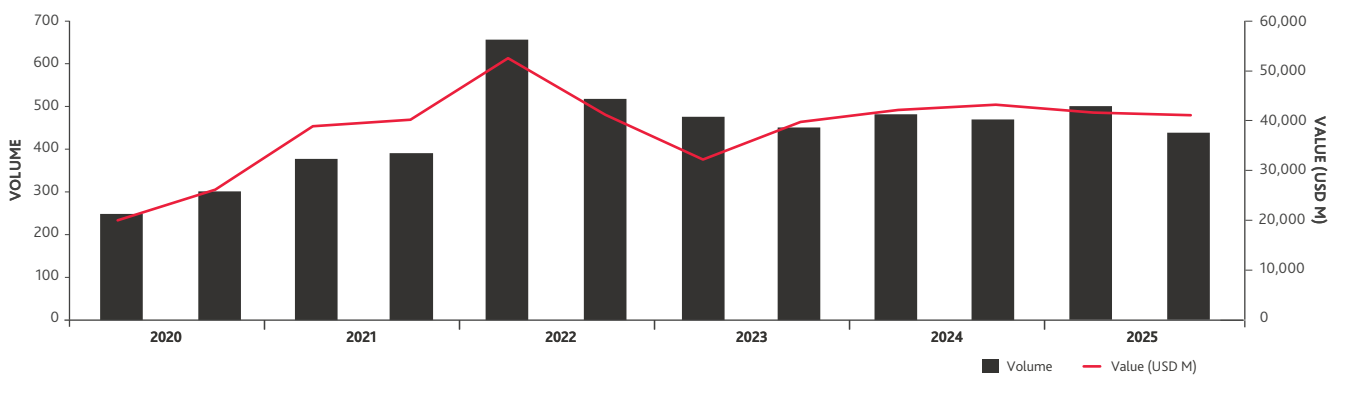
The top 20 deals in H2 2025 illustrated the continued depth of the region's upper mid-market, with individual deal values ranging from USD 352m to USD 494m.

The region's largest transaction was the acquisition of Italy-based EG Group Ltd's fuel distribution network by a consortium of Italian buyers, for a total value of USD 494m.

In second place was the acquisition of a 69.6% stake in Wallapop SL, the Spanish online marketplace, by Naver Corp, for USD 482m. The third largest transaction was a Real Estate deal which involved the acquisition of a portfolio comprising Italian companies Marangi Immobiliare Srl, Franciacorta Retail Srl and Valdichiana Propco Srl, by Frey SA and Cale Street Partners LLP, for USD 479m.

Other significant transactions included the acquisition by Magellan Partners of selected France-based Mobility & e-Transactional Services activities of Worldline SA for USD 474m, the acquisition of the French Marignan property portfolio by Bain Capital LP and Revcap Advisors Ltd for USD 472m, and the acquisition of Spanish company Swiftair SA by a consortium led by Antin Infrastructure Partners for USD 470m.

### PE/TRADE VOLUME & VALUE



Looking at the geographic distribution of targets within the top 20 deals, French companies appeared 12 times, confirming the country's leading position in the region's mid-market, with a deal presence in the TMT, Business Services, Financial Services, Consumer and Pharma, Medical & Biotech sectors. Spanish companies were represented four times, notably in TMT, Business Services and Consumer-related transactions. Italian companies appeared three times, in Consumer, Real Estate and Industrials & Chemicals. The remaining transaction involved a Portuguese healthcare company, acquired through a minority stake investment.

Finally, looking at sector activity within the top 20, TMT led the way with four transactions. Business Services, Financial Services, Consumer, Real Estate and Pharma, Medical & Biotech all accounted for three transactions, while Industrials & Chemicals was represented with one transaction. This deal distribution reflects a broad sectoral mix, with no single sector dominating the rankings in the region's top 20 deals in H2 2025.

### LOOKING AHEAD

The region is set to be the second leading hotspot of M&A activity in the next few months, just behind North America.

Sectors expected to lead activity in the region are led by Industrials & Chemicals, followed by TMT, Consumer and Business Services.



**THIBAUT BAPTISTE**  
M&A PARTNER

thibaut.baptiste@bdo.fr



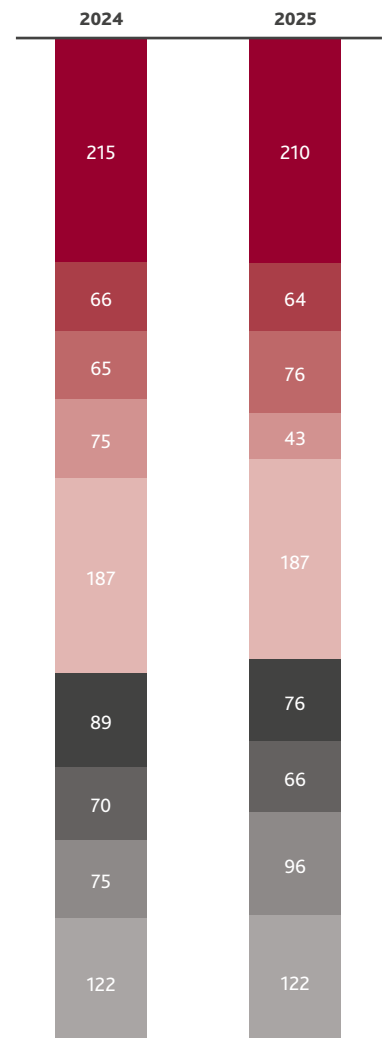
**EDGARD COHEN**  
DIRECTOR

edgard.cohen@bdo.fr

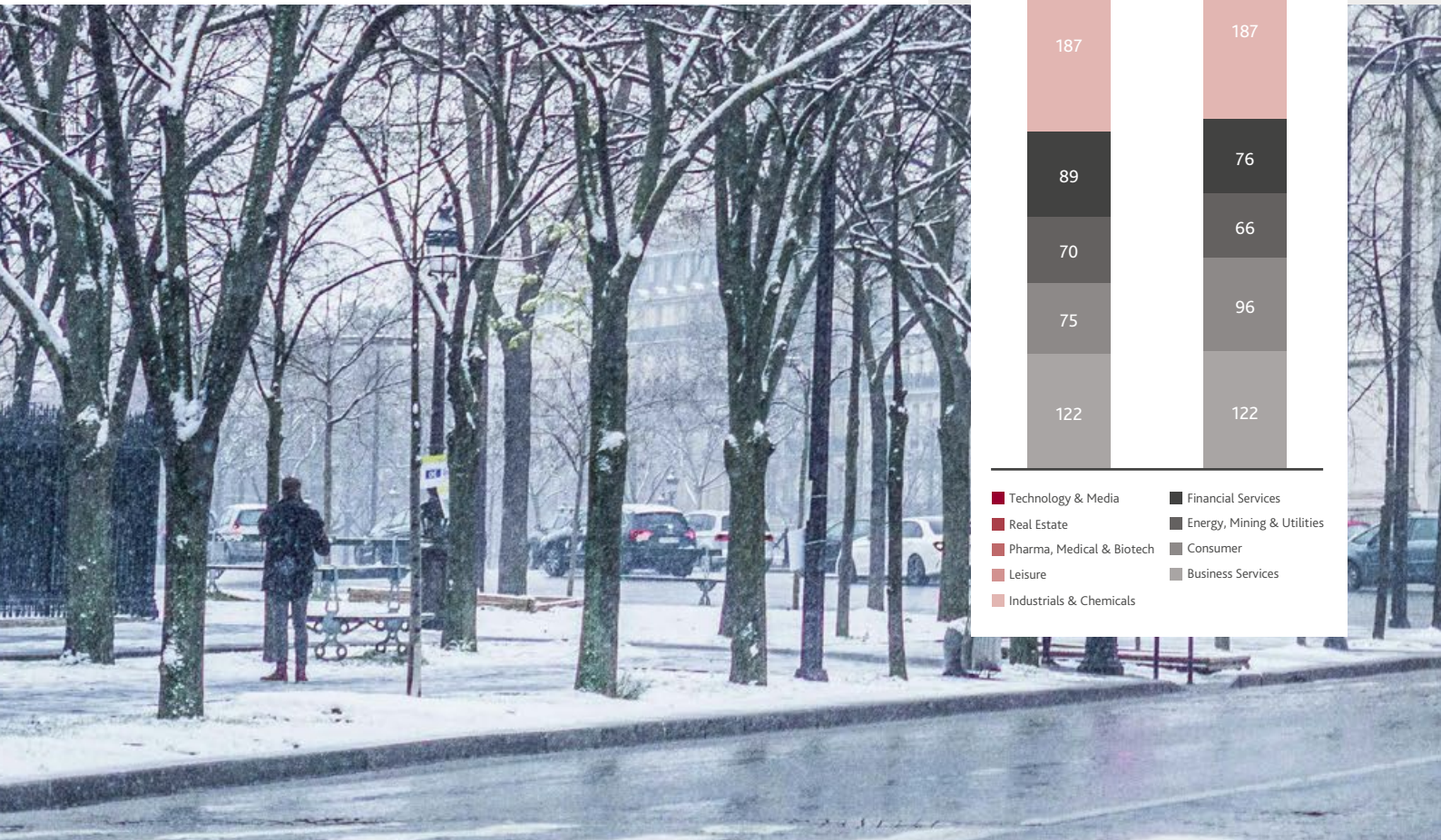
### SOUTHERN EUROPE HEAT CHART BY SECTOR

Industrials & Chemicals	111	21%
TMT	99	18%
Consumer	90	17%
Business Services	78	14%
Energy, Mining & Utilities	48	9%
Pharma, Medical & Biotech	48	9%
Financial Services	35	6%
Leisure	22	4%
Real Estate	8	1%
<b>GRAND TOTAL</b>	<b>539</b>	

### SOUTHERN EUROPE MID-MARKET VOLUMES BY SECTOR



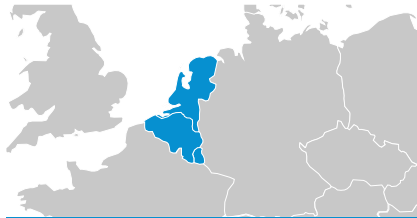
- Technology & Media
- Real Estate
- Pharma, Medical & Biotech
- Leisure
- Industrials & Chemicals
- Financial Services
- Energy, Mining & Utilities
- Consumer
- Business Services





# Benelux

## DEAL NUMBERS AND VALUE SLOW IN H2 2025



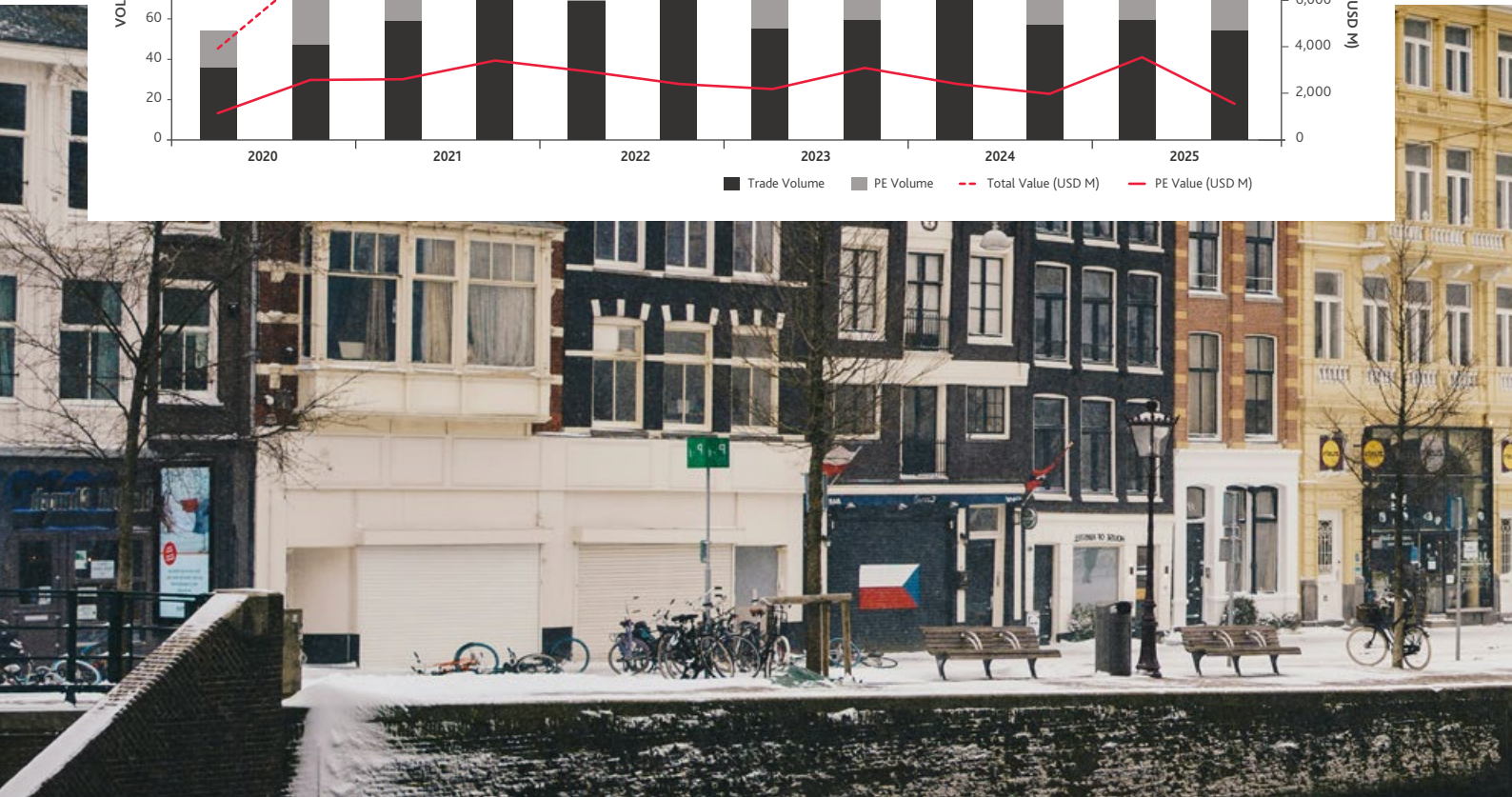
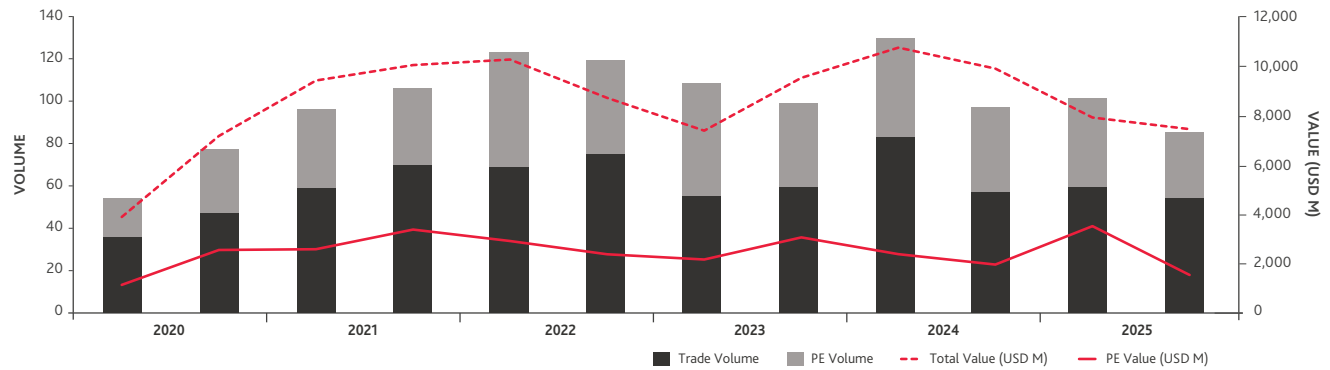
### BIG PICTURE

- M&A mid-market activity in the Benelux recorded declines in both deal value and volume during the second half of 2025, a trend that was reflected in the full-year figures, with total deal value falling by 26% compared to 2024
- Private equity players' involvement in deals decreased in H2 2025, accounting for 57% of total deal volume and 20% of total deal value. The number of private equity buyouts in full-year 2025 was 18% lower than in 2024
- Industrial & Chemicals was the most active sector in both H2 2025 and full-year 2025, closely followed by TMT.

M&A mid market activity in the Benelux cooled in the second half of 2025. Deal value declined from USD 7.895m in H1 to USD 7.423m in H2, while overall deal volume fell from 101 to 85 transactions. This trend was reflected in the region's full year dealmaking activity. Deal value fell by approximately 26% from USD 20.606m in 2024 to USD 15.317m in 2025, while deal volume declined by around 18% from 228 to 186 over the same period.

Private equity activity followed the same pattern: a strong and value rich first half (42 deals with a total value of USD 3.491m), followed by a more selective second half of the year (31 deals with a total value of USD 1.512m). The results represented declines of approximately 18% in both private equity deal volume and deal value in 2025 compared to 2024.

### PE/TRADE VOLUME & VALUE



### KEY SECTORS AND DEALS

Industrials & Chemicals (43 deals) and TMT (42 deals) remained the dominant sectors in the Benelux mid-market in 2025 as a whole, together accounting for 46% of all deal volume. They were followed by Business Services (31 deals), Pharma, Medical & Biotech (24) and Consumer (13).

These numbers were consistent with the top two sectors' performance in 2024, when TMT accounted for 57 deals and Industrials & Chemicals 48 deals.

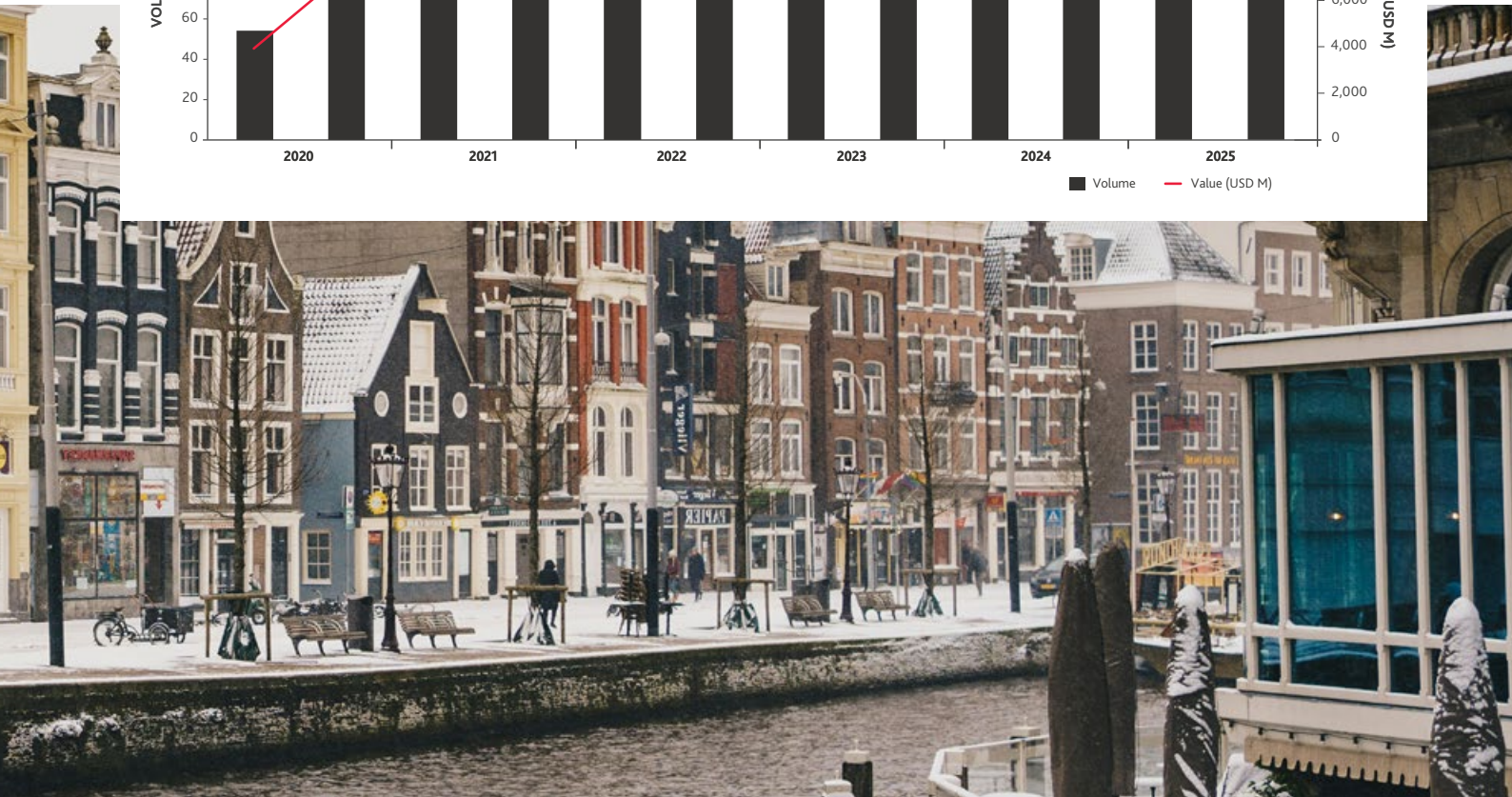
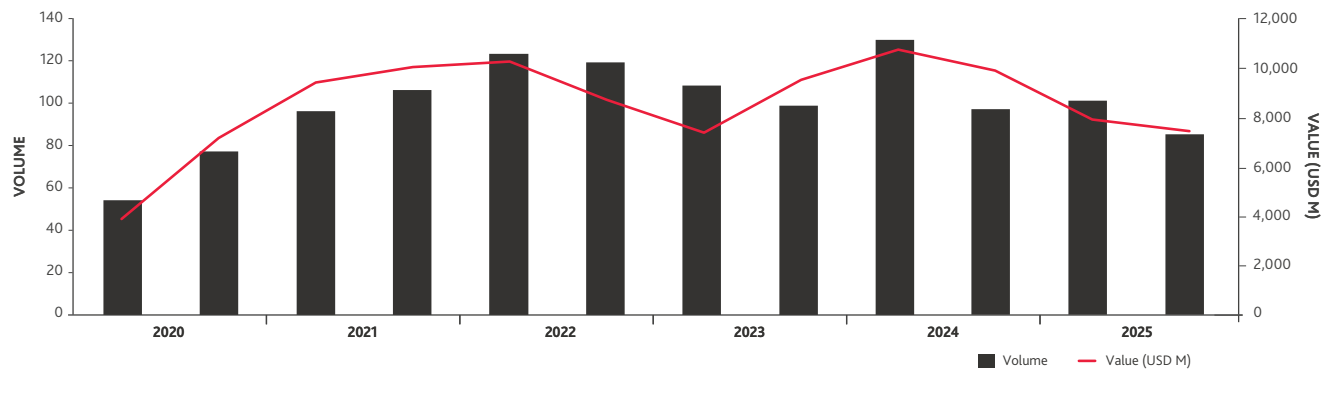
Industrials & Chemicals was the most active sector during H2 2025, with 25 deals closed. TMT was in second place with 23. Pharma, Medical & Biotech and Business Services recorded 12 deals each in H2 2025.

In H2 2025, the total value of the top 20 deals in the Benelux was USD 5,149m, with an average deal value of USD 257m, compared to USD 5,516m in 2024, which saw an average deal value of USD 276m.

Looking more closely at the top 20 deals, ten involved a domestic buyer, while the others were all cross-border transactions, accounting for approximately 48% of total value. The region's largest deal involved the sale of an 18.04% stake in Azelis Group SA/ NV, which was owned by EQT AB. Azelis is a leading global distributor and innovation service provider in specialty chemicals and food ingredients. The stake was sold to existing shareholders Temasek Holdings (Pte) Ltd, First Pacific Advisors LP and JNE Partners LLP for approximately USD 498m, allowing them to increase their ownership and reinforce their commitment to the business.

As previously mentioned, private equity activity in the Benelux continued to soften in H2 2025. Despite the lower levels of dealmaking compared with 2024, private equity activity maintained a stable share of the overall market, accounting for 73 of the 113 total deals completed in 2025. Compared with 2024 (when private equity accounted for 89 out of 139 deals), this highlights a more selective, value driven private equity environment within a contracting M&A landscape.

### PE/TRADE VOLUME & VALUE



**LOOKING AHEAD**

The Benelux BDO Heat Chart shows that there are currently 107 deals planned or in progress.

Most of the transactions in the pipeline relate to Business Services (24 deals, 22% of the total) together with Industrials & Chemicals (23, 21%) and TMT (16, 15%).



**ALEXI VANGERVEN**  
M&A PARTNER

alexi.vangerven@bdo.be



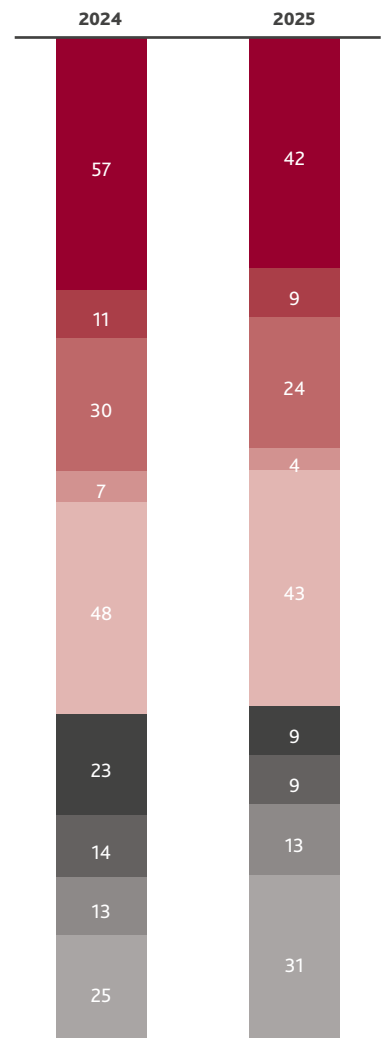
**JOOST COOPMANS**  
M&A PARTNER

joost.coopmans@bdo.nl

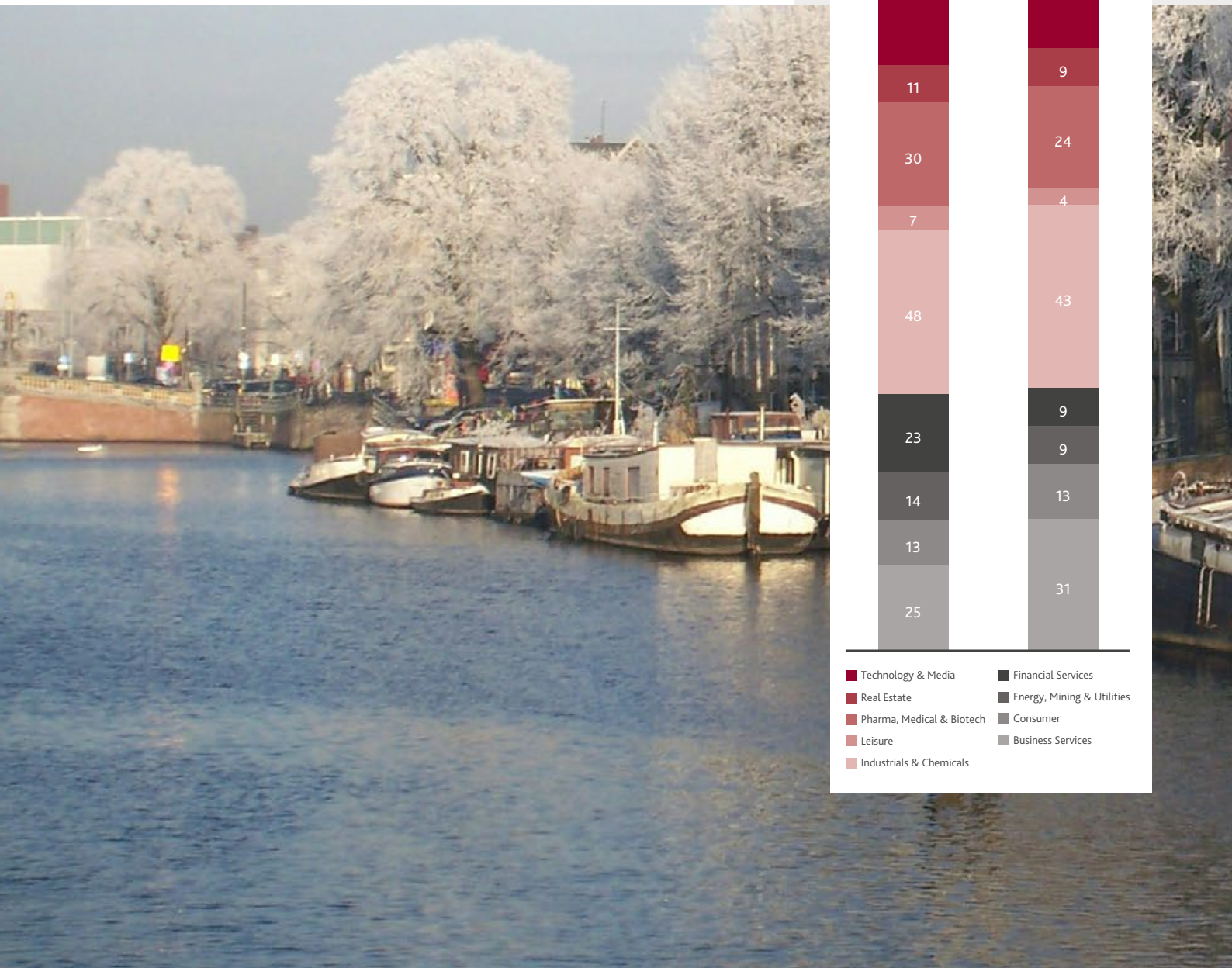
**BENELUX HEAT CHART BY SECTOR**

Business Services	24	22%
Industrials & Chemicals	23	21%
TMT	16	15%
Consumer	12	11%
Financial Services	12	11%
Pharma, Medical & Biotech	10	9%
Leisure	6	6%
Real Estate	2	2%
Energy, Mining & Utilities	2	2%
<b>GRAND TOTAL</b>	<b>107</b>	

**BENELUX MID-MARKET VOLUMES BY SECTOR**



- Technology & Media
- Real Estate
- Pharma, Medical & Biotech
- Leisure
- Industrials & Chemicals
- Financial Services
- Energy, Mining & Utilities
- Consumer
- Business Services





# DACH

## MARKET RECALIBRATES WITH FEWER, LARGER DEALS AND MORE SELECTIVE DECISION-MAKING



### BIG PICTURE

- Deal activity slowed but remained resilient with 158 transactions in H2 2025, with a total value of USD 15.9bn. Compared with H1 2025 this represented a 24% decline in volume and a 12% decrease in value, reflecting tighter financial conditions and increased selectivity
- Strategic acquirers accounted for the majority of deals, while the 62 private equity-backed buyouts represented 39% of total volume and 31.9% of total value, confirming private equity's continued relevance despite a more cautious investment approach
- Industrials & Chemicals, TMT and Pharma, Medical & Biotech remained the most active sectors, highlighting the region's enduring appeal for technology-driven, high-quality assets even in a challenging macroeconomic environment.

The second half of 2025 saw a further moderation in DACH mid-market M&A activity, reflecting higher financing costs, longer decision-making processes and increased valuation discipline. While deal volume declined compared with previous periods, dealmaking activity remained resilient in value terms, supported by high-quality assets and continued interest from strategic and financial investors.

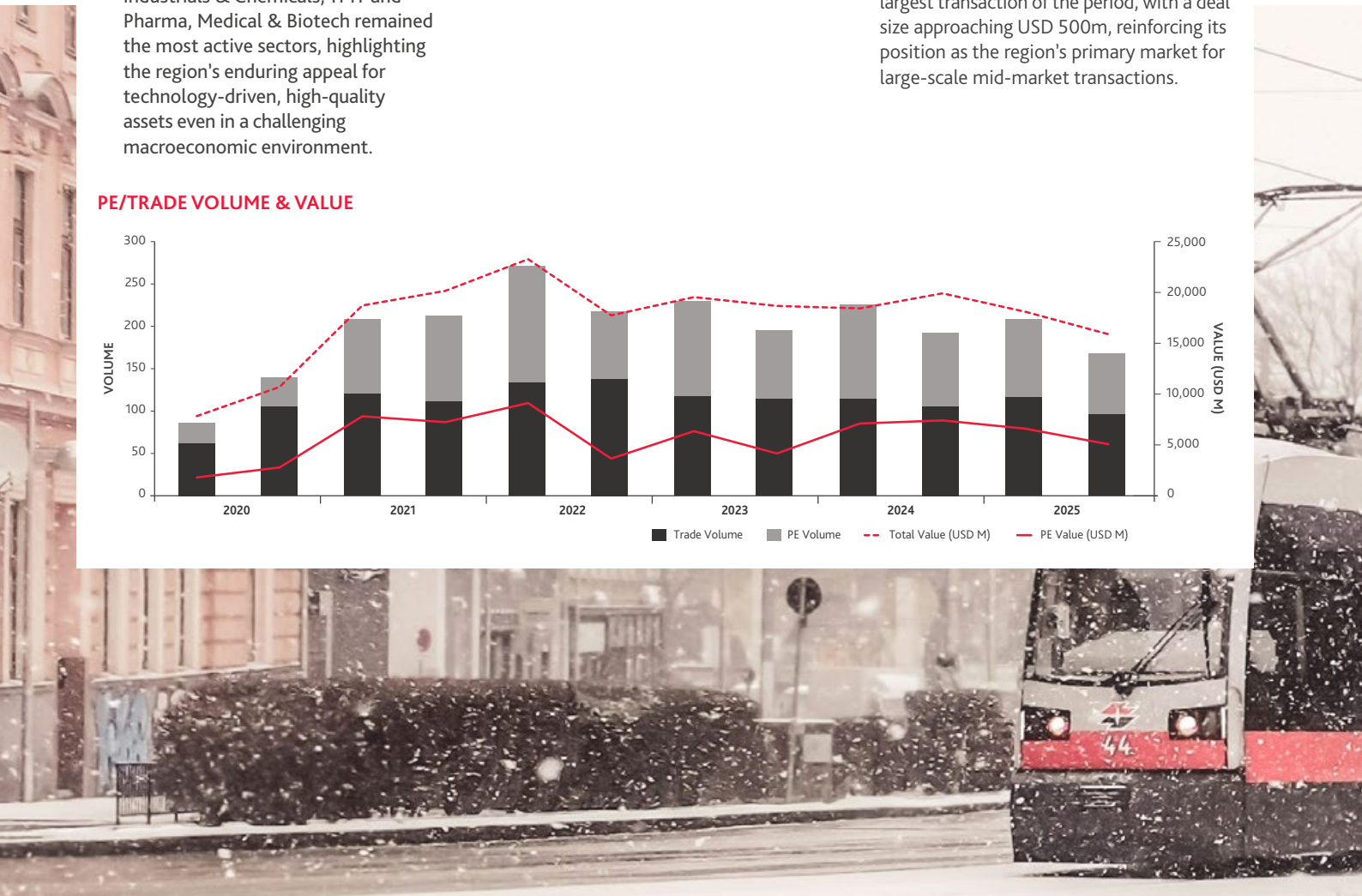
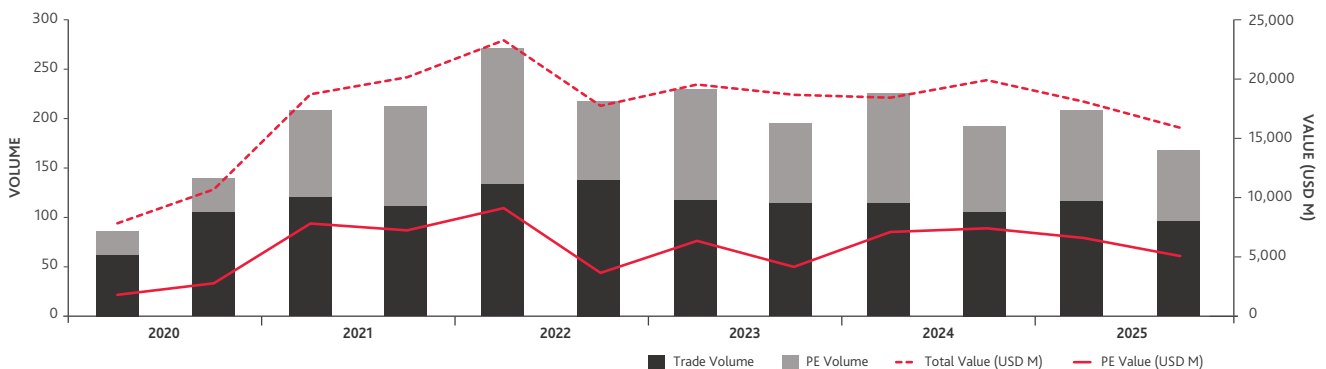
Rather than signalling a structural slowdown, the H2 2025 data points to a market undergoing recalibration. Buyers are increasingly prioritising execution certainty, cash flow stability and strategic fit over volume-driven expansion. This shift has reinforced the DACH region's position as a core European M&A market, particularly for industrial and technology-focused assets with strong fundamentals and defensible competitive positions.

### KEY SECTORS AND DEALS

In H2 2025, DACH mid-market M&A activity was increasingly concentrated around fewer, but materially larger transactions, reflecting a clear shift from volume-driven activity towards capital-intensive and strategically anchored deals. Industrials & Chemicals formed the backbone of the market, accounting for 33 transactions and a significant share of the aggregate deal value. Several transactions in the sector exceeded the USD 200m threshold, underscoring sustained strategic demand despite a more selective market environment.

The sector's resilience was illustrated by transactions such as KME Group SpA's acquisition of Cunova GmbH for approximately USD 299m and Samvardhana Motherson International Ltd's purchase of Nexans autoelectric GmbH for around USD 243m, highlighting continued international interest in German industrial and automotive technology assets. On a country level, Germany recorded the single largest transaction of the period, with a deal size approaching USD 500m, reinforcing its position as the region's primary market for large-scale mid-market transactions.

### PE/TRADE VOLUME & VALUE



The overall moderation in deal volume largely reflected valuation discipline and limited asset availability, rather than reduced buyer appetite.

TMT maintained its position as the region's leading sector with 52 transactions in H2 2025 and also accounted for several high-value deals. Notable transactions included Grab Holdings' acquisition of Vay Technology GmbH for approximately USD 350m and Check Point Software Technologies' acquisition of Lakera AI AG for USD 300m, illustrating sustained investor appetite for software, AI and cybersecurity capabilities with strategic relevance.

In Pharma, Medical & Biotech, deal volume dropped to 25 transactions, but the sector continued to generate substantial deal value. Landmark deals such as Landsteiner Scientific's acquisition of Xlife Sciences' project portfolio for approximately USD 450m and Ardian's investment in Horizon Home Care Holding AG for around USD 360m demonstrated that capital remained available for healthcare platforms with scale, late-stage assets and clear operational visibility.

Switzerland's biggest transaction in H2 2025 fell into the mid-USD 400m range, reflecting the country's ongoing relevance for healthcare- and technology-driven M&A.

Across all sectors, Germany continued to account for the biggest share of high-value transactions, while Switzerland remained a focal point for technology- and healthcare-driven deals. Austria, by contrast, did not feature among the top 20 deals in H2 2025, suggesting a more selective market environment and structurally smaller average deal sizes, although it continued to attract capital into specialised industrial and services assets.

**CROSS-BORDER AND PRIVATE EQUITY TRENDS**

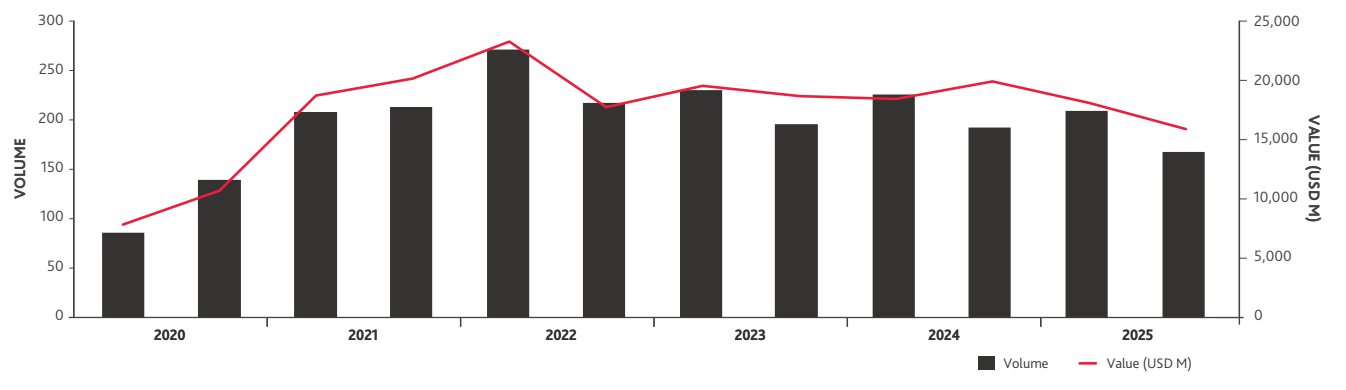
Cross-border transactions were a defining feature of the DACH market's biggest deals in H2 2025. The majority of the top 20 deals involved international bidders, including acquirers from the United States, France, Italy, Mexico, Singapore, Israel and India, underlining the region's global relevance. High-profile examples included Artisan Partners' USD 487m investment in Brenntag SE

and doValue SpA's USD 454m acquisition of coeo group GmbH, highlighting sustained inbound interest in German business services and data-driven platforms.

Private equity deal activity remained selective but influential. In H2 2025, 62 private equity-backed buyouts accounted for 39% of total deal volume and 31.9% deal value, equivalent to approximately USD 5.1bn. Private equity activity was particularly visible in healthcare and technology-enabled business models, supported by transactions such as Ardian's investment in Horizon Home Care Holding AG.

Notably, the biggest transactions in the DACH region involved both strategic acquirers and financial sponsors, reinforcing a broader market trend: capital deployment remained available, but was increasingly focused on assets with scale, defensibility and clear value creation pathways, rather than leverage-driven return profiles.

**PE/TRADE VOLUME & VALUE**



## LOOKING AHEAD

The DACH mid-market is entering 2026 in a post-volume M&A environment. The second half of 2025 suggests that the market has moved beyond cyclical hesitation into a phase where dealmaking is becoming more selective. Capital is available, but it is no longer deployed to test valuations – it is being deployed to secure strategic relevance.

Rather than a broad-based recovery, M&A activity is expected to be shaped by value concentration. A limited number of transactions will continue to account for a disproportionate share of total deal value, as seen in H2 2025, where the top 20 deals represented more than USD 6.5bn. This dynamic favours assets with scale, pricing power and clear integration logic.

In sector terms, Industrials & Chemicals will likely remain the primary beneficiary of this shift, followed by TMT assets positioned as infrastructure rather than growth stories. In Pharma, Medical & Biotech, selectivity is becoming structural, with capital increasingly directed towards platforms capable of absorbing complexity rather than innovation risk.

At the same time private equity's role in the mid-market is evolving. The focus is moving away from leverage-driven expansion towards ownership with operational intent, using add-on strategies and industrial logic to build value over time.

In this environment, future success in DACH M&A will be less about timing the cycle and more about understanding which assets have become non-optional for strategic buyers.



**CHRISTOPH ERNST**

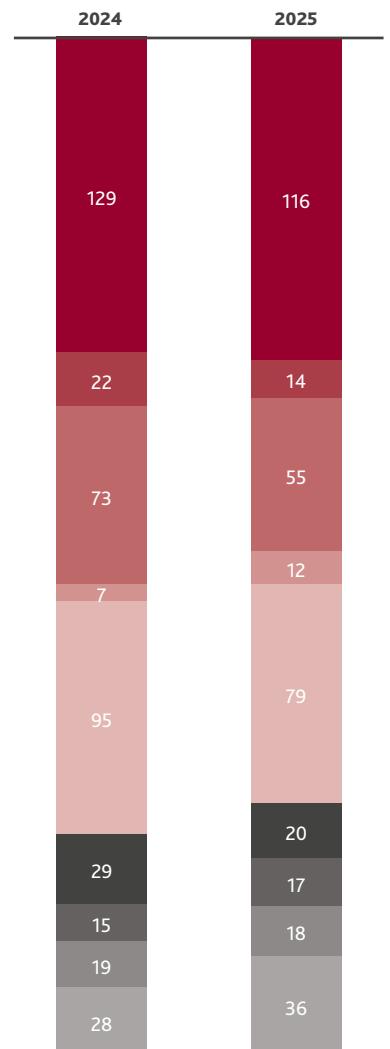
PARTNER DEAL ADVISORY – M&A

christoph.ernst@bdo.at

## DACH HEAT CHART BY SECTOR

Industrials & Chemicals	127	31%
TMT	98	24%
Pharma, Medical & Biotech	56	14%
Consumer	55	13%
Business Services	36	9%
Energy, Mining & Utilities	15	4%
Leisure	9	2%
Financial Services	7	2%
Real Estate	5	1%
<b>GRAND TOTAL</b>	<b>408</b>	

## DACH MID-MARKET VOLUMES BY SECTOR



- Technology & Media
- Real Estate
- Pharma, Medical & Biotech
- Leisure
- Industrials & Chemicals
- Financial Services
- Energy, Mining & Utilities
- Consumer
- Business Services





# Nordics

## DEAL ACTIVITY SOFTENS AS STRATEGIC BUYERS PAUSE AND SPONSORS ADAPT



Nordic M&A activity softened further in the final quarter of the year, with deal volumes falling noticeably. However, the data suggests that this reflects a greater selectivity in the market rather than a lack of capital.

### BIG PICTURE

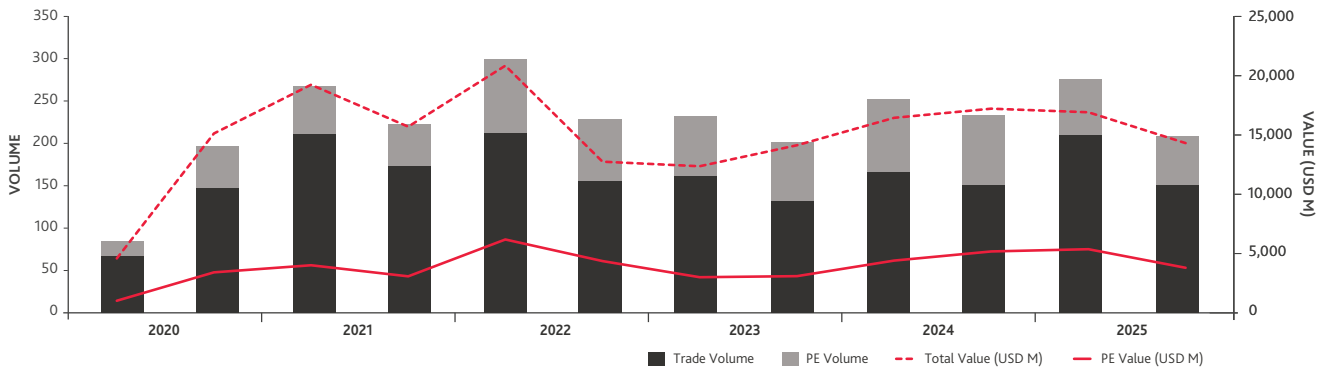
- Mid-market M&A volume declined by approximately 24% compared with the previous half-year, a sharper fall than many other European regions
- Total deal value decreased by around 15%, indicating that the contraction was less severe than the drop in volume
- Average deal size rose by approximately 12%, reflecting to a shift toward fewer but bigger transactions
- Strategic and industrial buyer activity declined by approximately 28%, compared with a 12% decline in private equity-backed deals
- The Nordic deal pipeline remains focused on the TMT (~35% of expected deals), Industrials & Chemicals (~20%), and Business Services (~13%) sectors.

Despite a fewer number of transactions, the increase in average deal size shows that deals are still being done where there is a clear strategic fit, a strong underlying performance, or a good alignment between buyer and seller. Overall, the Nordic market remains active, but decision-making has become more deliberate, with longer processes and higher approval thresholds.

### STRATEGIC AND PRIVATE EQUITY BUYERS: DIFFERENT RESPONSES TO UNCERTAINTY

One of the clearest developments in the Nordic mid-market is the different ways in which strategic buyers and private equity sponsors are responding to the current dealmaking environment.

### PE/TRADE VOLUME & VALUE



Activity by strategic and industrial buyers recorded a sharp decline in the final quarter of the year, with trade-led deal volumes down by approximately 28%. Private equity fell by a more moderate 12%, increasing private equity sponsors' relative share of the market even though the overall deal numbers were lower.

This divergence reflects differing priorities:

- Strategic buyers have become more cautious. Many are focused on protecting margins, managing costs and preserving balance sheet strength. As a result, acquisitions are proceeding mainly where they are clearly strategic, defensive or critical to long-term positioning.
- Private equity sponsors, while facing higher financing costs, have remained more active. The need to deploy capital, combined with a focus on operational improvements and add-on acquisitions, has supported continued deal activity – particularly where pricing expectations have adjusted.

Rather than a return to aggressive competition, this dynamic reflects a market where corporates are completing fewer, larger deals, while private equity firms are focusing on smaller, tightly defined transactions.

**KEY SECTORS AND DEALS**

Nordic M&A continues to be concentrated in a limited number of sectors. Forward-looking deal intelligence shows that activity will be focused on the following sectors:

- TMT: accounting for around 35% of all future deals
- Industrials & Chemicals: around 20%
- Business Services: around 13%; and
- Pharma, Medical & Biotech and Energy, Mining & Utilities: with each sector expected to account for around 9% of deals.

The Consumer, Real Estate and Leisure sectors all remain less active.

While this concentration of sector activity can lead to swings in deal volumes, it also supports strong international interest in Nordic assets linked to digitalisation, automation and productivity.

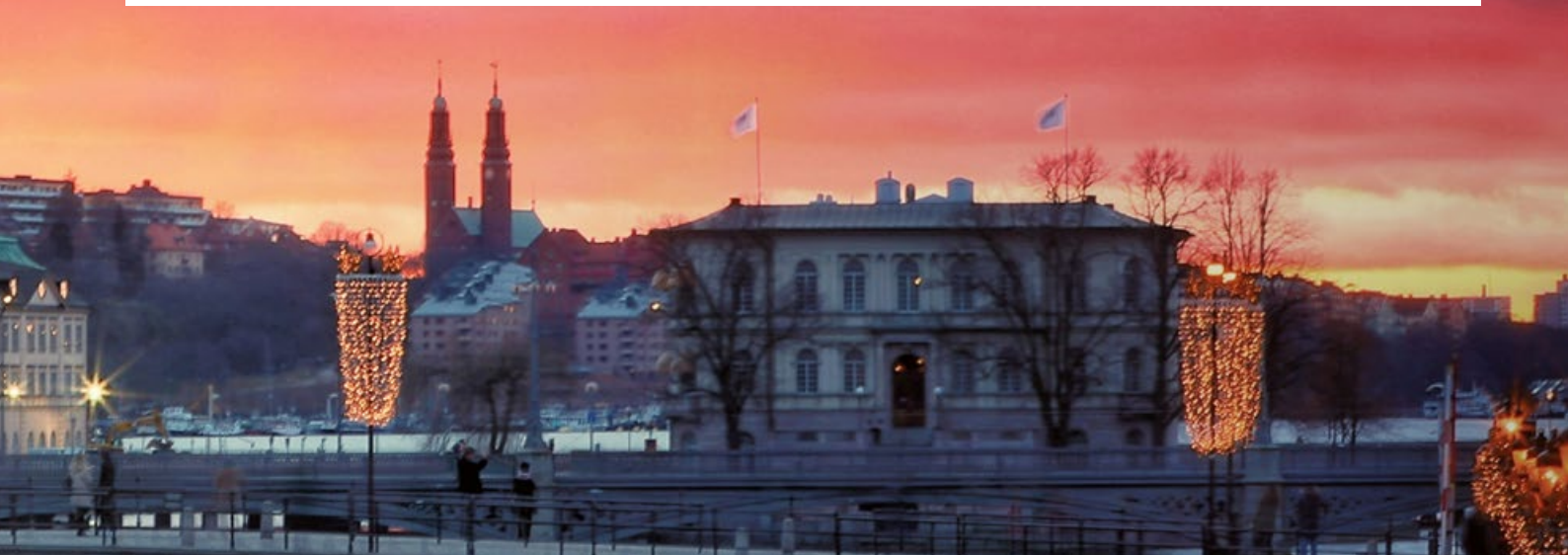
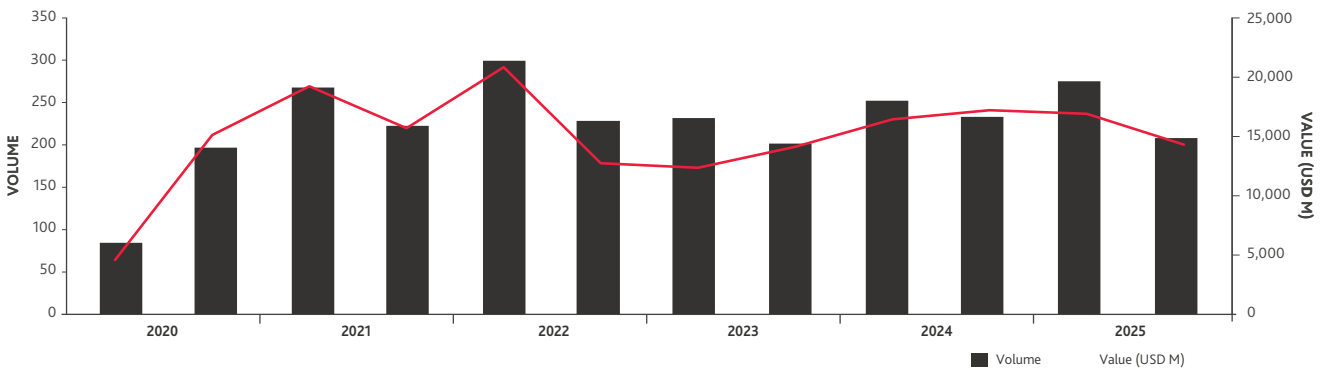
Although valuation multiples are not directly visible, the relationship between deal volume and value suggests that pricing has settled at more realistic levels, rather than rebounded.

The deals completed in Q4 2025 increasingly included:

- Earn-outs or deferred consideration;
- Minority reinvestments by sellers; and
- Tighter completion terms to manage risk.

Assets priced to peak-cycle expectations were largely absent from the market, while the completed deals tended to reflect more cautious growth assumptions.

**PE/TRADE VOLUME & VALUE**



**LOOKING AHEAD**

The outlook for Nordic M&A remains one of cautious optimism. Capital is available, but buyers are taking a disciplined approach.

Private equity is likely to remain relatively active in the near term, particularly in the lower-mid market. Strategic buyers are expected to return selectively as confidence improves and earnings visibility strengthens.



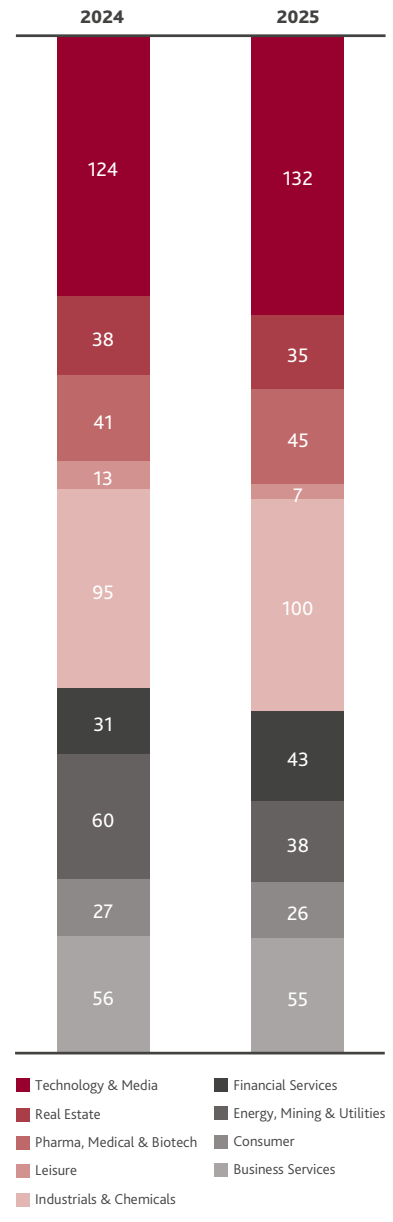
**CLAES NORDEBÄCK**  
PARTNER

claes.nordebäck@bdo.se

**NORDICS**  
HEAT CHART BY SECTOR

TMT	64	35%
Industrials & Chemicals	36	20%
Business Services	24	13%
Pharma, Medical & Biotech	17	9%
Energy, Mining & Utilities	17	9%
Consumer	12	7%
Financial Services	8	4%
Real Estate	3	2%
Leisure	3	2%
<b>GRAND TOTAL</b>	<b>184</b>	

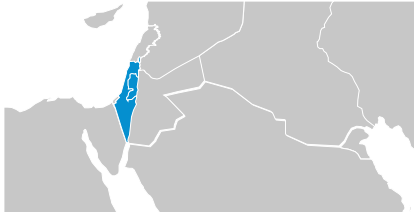
**NORDICS**  
MID-MARKET VOLUMES BY SECTOR





# Israel

## FEWER DEALS AND BIGGER TICKETS SUPPORT M&A VALUE



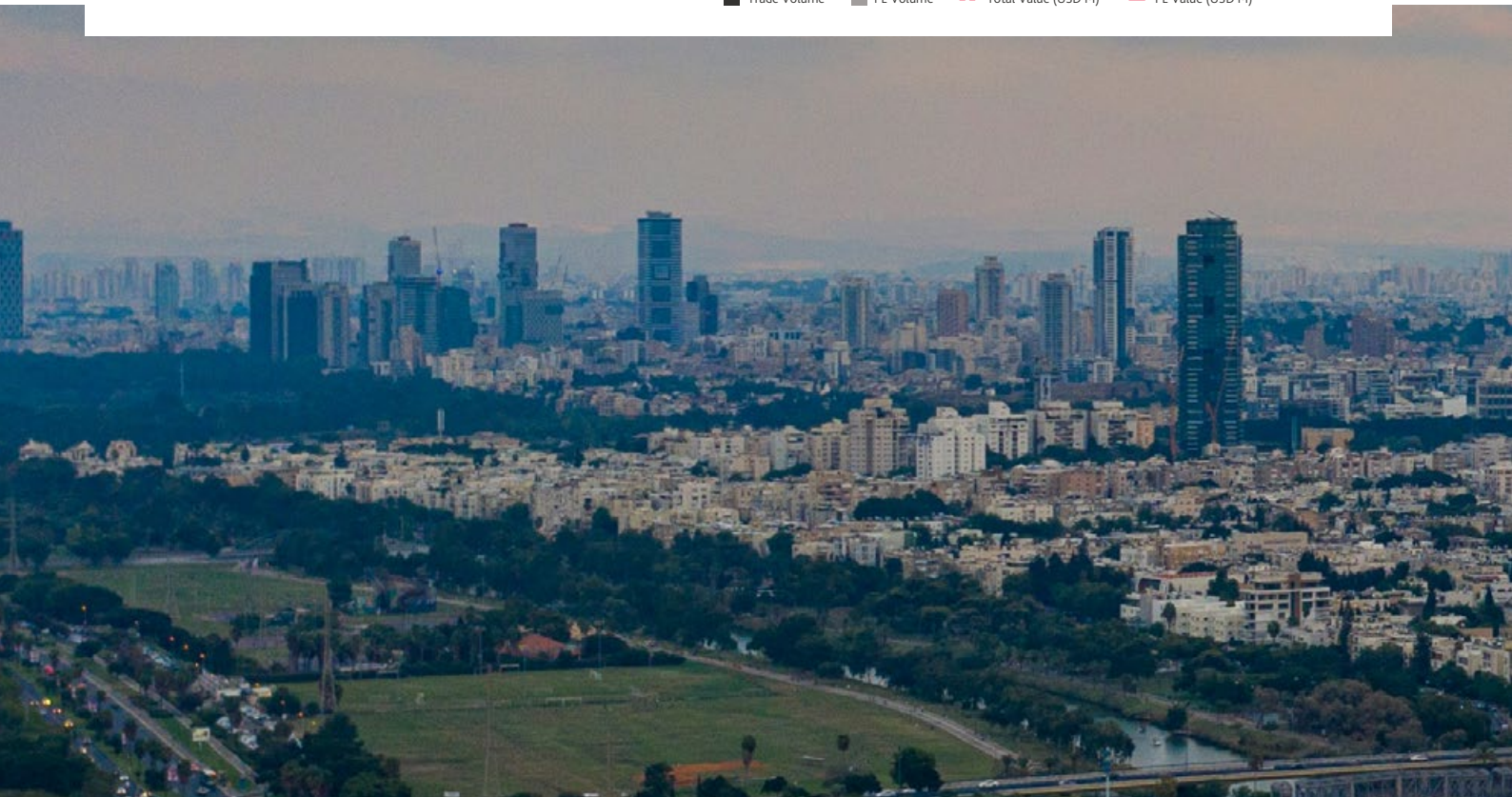
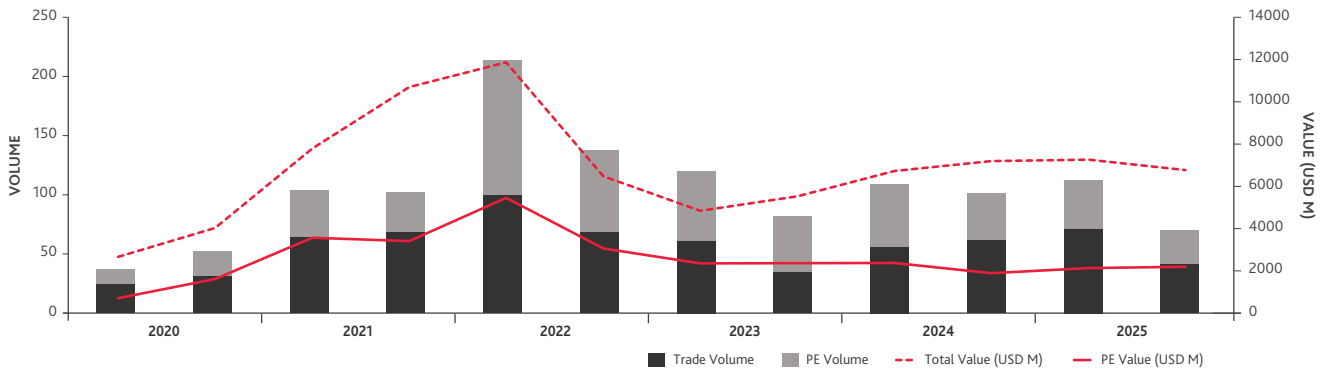
### BIG PICTURE

- Total deal volume falls 38% in H2 2025 to 70, the lowest recorded since H2 2020, with total deal value declining 7% from USD 7.3bn to USD 6.8bn
- Private equity deal numbers drop by 32% in H2 to 28, the lowest since H2 2020
- Average deal size rises 49% to USD 96.7m, the highest in four years
- TMT sector accounts for around 49% of all deals
- The BDO Heat Chart shows 131 potential deals, suggesting a pick-up in activity lies ahead.

Despite the significant drop in deal volume in mid-market M&A transactions from 112 deals to 70 in H2 2025, total deal value remained relatively high compared to past data, declining by 7% to USD 6.8bn. Average deal size rose sharply in the final half of the year by 49% to USD 96.7m, the highest recorded in four years and 39% higher than the five-year average.

Even though private equity buyout transactions decreased by 32% to 28 deals, the total deal value recorded a slight increase of 3% to USD 2.2bn due to higher average deal sizes.

### PE/TRADE VOLUME & VALUE



Private equity average deal size increased materially in H2 2025 by 51% to USD 78.4m, the highest average deal size in the last four years and 28% higher than the five-year average.

This divergence suggests a more selective deal environment, where fewer transactions are being completed but capital is concentrated in larger, higher-conviction deals, particularly in TMT and infrastructure-related assets.

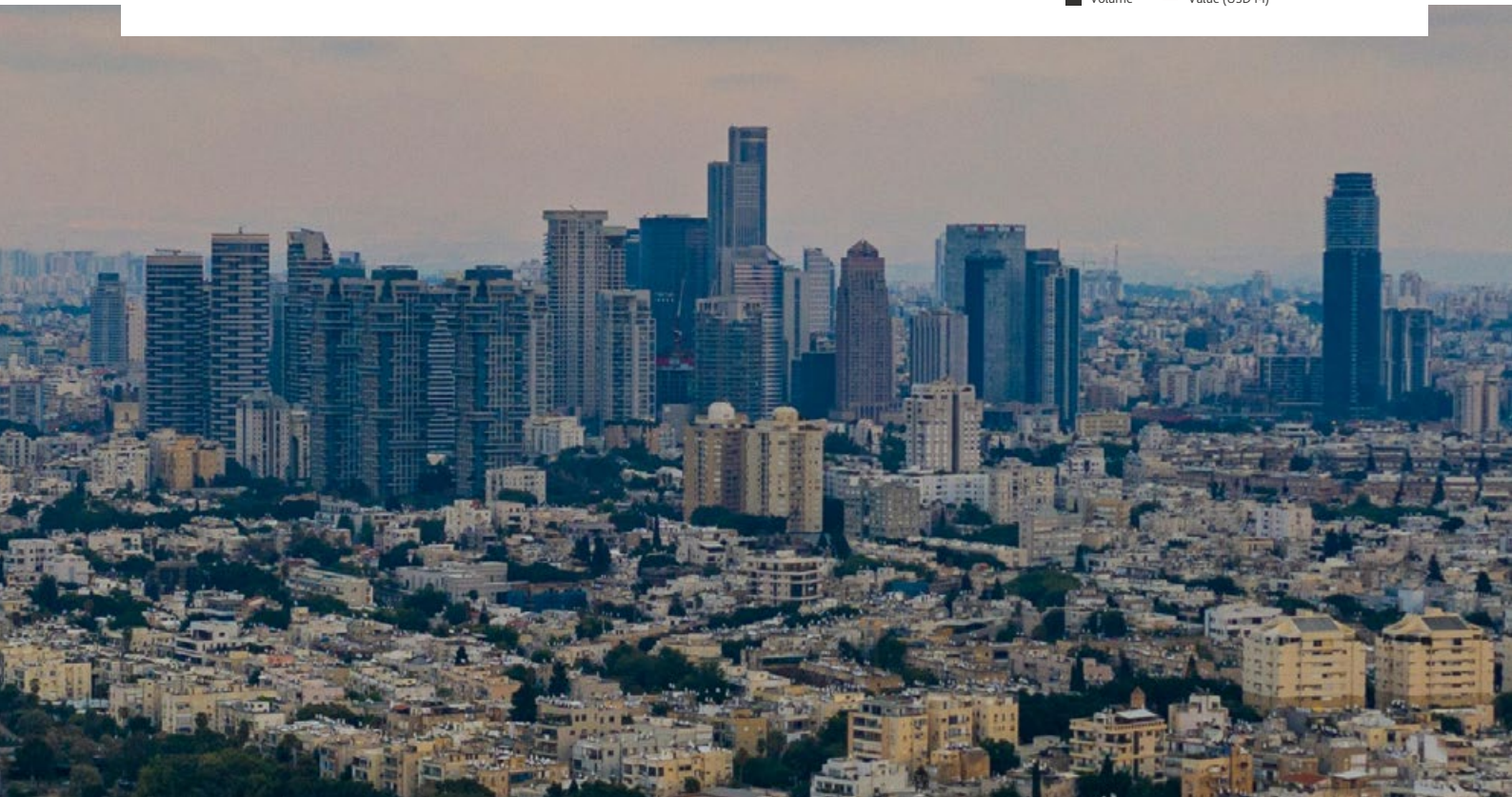
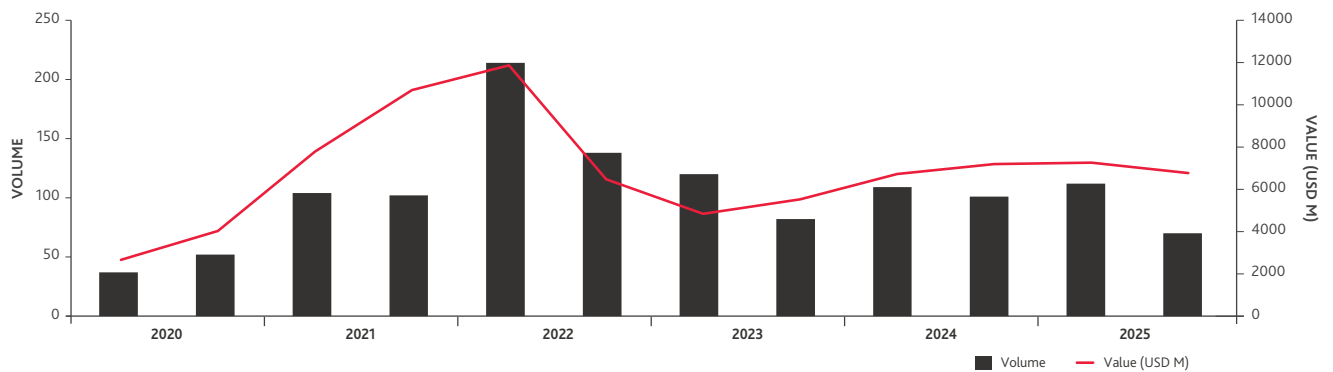
**KEY SECTORS AND DEALS**

Israel's top 10 deals in H2 2025 had an aggregated value of USD 2.93bn, which represented 43% of the total transaction value.

The top three transactions in H2 2025 totaled approximately USD 1.1bn and all took place in the TMT space. The largest transaction was a USD 400m acquisition of a 4.44% stake in Cyera Ltd. by US-based Blackstone Inc. A full acquisition of Orbit Technologies Ltd. was completed by another US-based bidder, Kratos Defense & Security Solutions Inc., for a total value of USD 356m. Completing the top three transactions, a Hong Kong-based firm, Diginex Ltd., acquired 100% of IDRRR Cyber Security Ltd. for USD 325m, showcasing Israel's continued cross-border appeal.

The top three performing sectors accounted for approximately 80% of the total transactions, reflecting a large concentration of desired firms in a small number of industries. The TMT sector accounted for 34 transactions, representing about 49% of all deals. Industrials & Chemicals saw 11 transactions, around 16% of all deals. Completing the top three, the nine deals that took place in the Consumer sector represented 13% of all transactions.

**PE/TRADE VOLUME & VALUE**



### LOOKING AHEAD

Forecasts indicate a growing optimism in Israeli firms, supported by an improving sentiment and expectations of a stabilisation in macro conditions.

According to the BDO Heat Chart, there are 131 deals planned or in progress in Israel. The last time Israel saw more transactions in a single half-year was in H2 2022, after the pent-up demand materialised post-COVID lockdowns.

On another positive note, the industry diversification for future transactions is expected to improve, with TMT's share of total deal volume expected to fall from around 50% to around 37%. Notably, the Pharma, Medical & Biotech sector is predicted to account for around 13% of all future deals, replacing Consumer as one of the country's top three performing sectors.



**ARIEL ELROY**  
CONSULTING AND  
ACCOMPANYING  
TRANSACTIONS

ariele@bdo.co.il



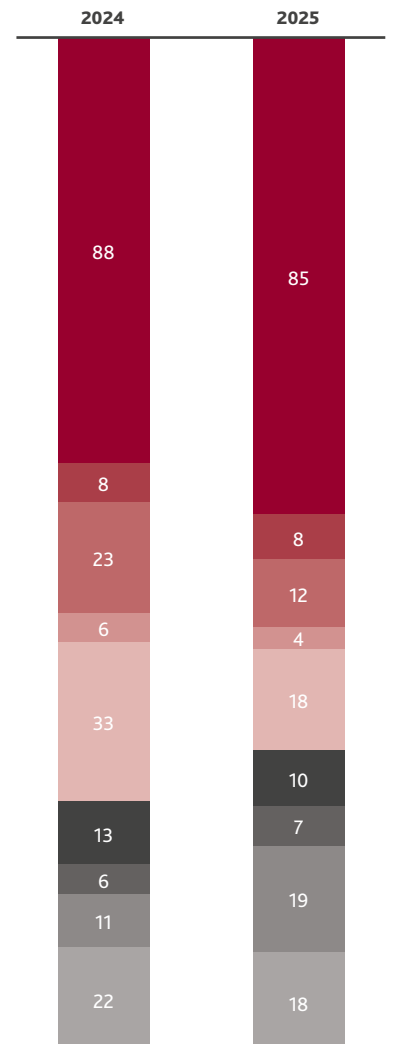
**MOTI DATTELKRAMER**  
PARTNER, HEAD OF  
DEAL ADVISORY

claes.norbeck@bdo.se

### ISRAEL HEAT CHART BY SECTOR

TMT	48	37%
Industrials & Chemicals	20	15%
Pharma, Medical & Biotech	17	13%
Consumer	13	10%
Business Services	10	8%
Financial Services	8	6%
Real Estate	7	5%
Leisure	5	4%
Energy, Mining & Utilities	3	2%
<b>GRAND TOTAL</b>	<b>131</b>	

### ISRAEL MID-MARKET VOLUMES BY SECTOR



- Technology & Media
- Financial Services
- Real Estate
- Energy, Mining & Utilities
- Pharma, Medical & Biotech
- Consumer
- Leisure
- Business Services
- Industrials & Chemicals





# Middle East

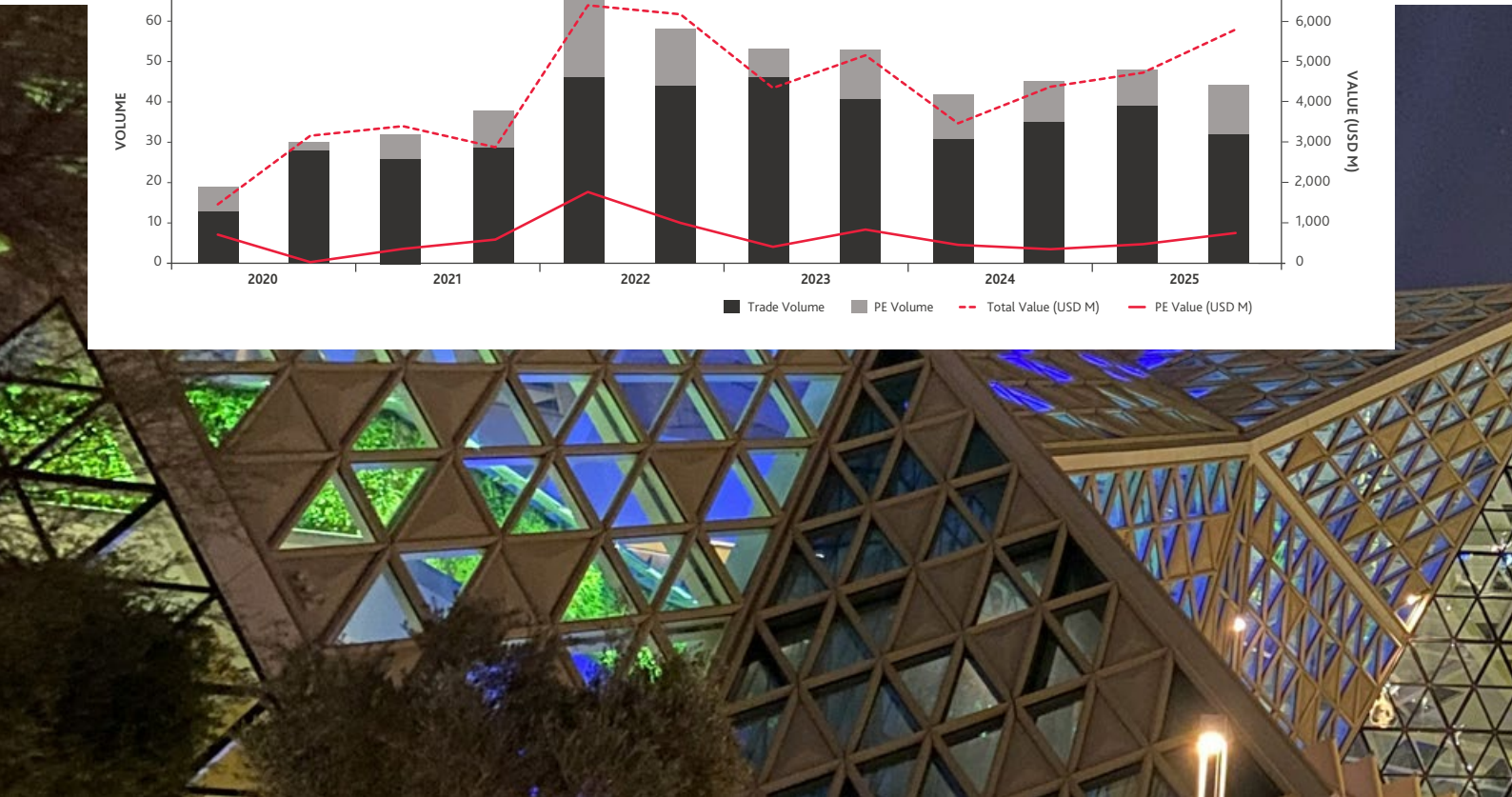
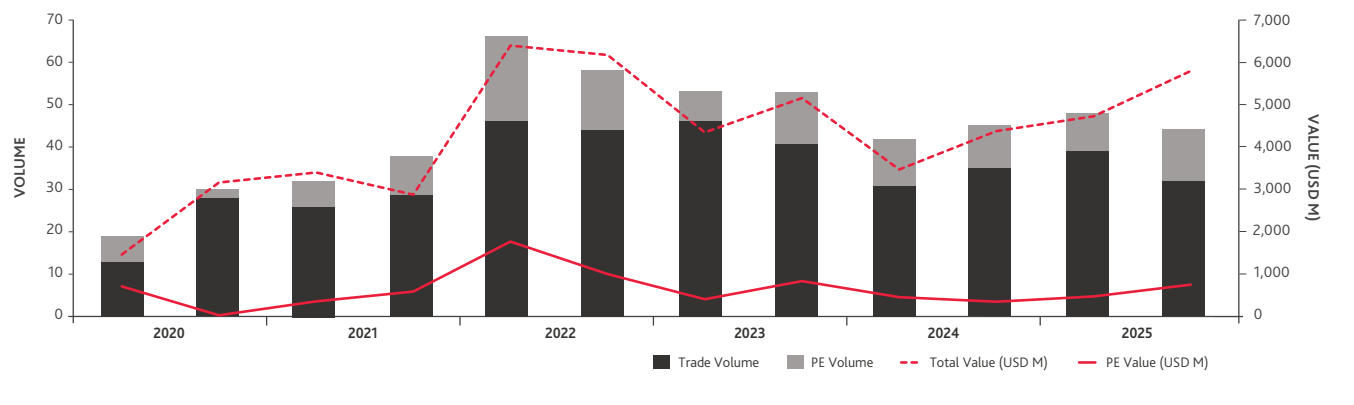
## M&A IN H2 2025: CAPITAL CONCENTRATES AS DEAL VALUE OUTPACES VOLUME



### BIG PICTURE

- M&A activity in the Middle East demonstrated renewed conviction in H2 2025, with dealmakers prioritizing scale, certainty, and strategic alignment over sheer transaction volume
- H2 2025 marked a shift in dealmaking behaviour: fewer transactions, but greater conviction, as investors prioritised larger platforms over incremental or opportunistic activity
- Private Equity participation rebounded in the second half of the year, reflecting improved pricing discipline, greater execution confidence, and a return to platform-building strategies
- Sovereign Wealth Funds (SWFs) remained selective but influential, concentrating on strategic transactions aligned with national transformation priorities rather than broad-based capital deployment as reflected in recent reports of major SWFs tightening investment activity to emphasize high-impact commitments.
- Business Services, Financial Services, TMT, and Industrials & Chemicals accounted for most deal activity in H2 2025. This reflects investors' increasingly deliberate capital allocation toward sectors that provide operational strength and strategic scalability, a trend visible in recent reports of major funds narrowing their investment focus amid tighter liquidity and heightened selectivity.
- For example, Saudi Arabia's Public Investment Fund has been reported to limit new investments to prioritise strategic commitments.
- IPO markets across the GCC remained active and well-supported. In 2025, the Saudi Arabian Initial Public Offering (IPO) market continues to lead the Gulf Cooperation Council (GCC) region, but it faces selective liquidity pressures, with some IPO-focused investment funds experiencing significant declines. While Saudi Arabia saw USD 4.1 billion raised through 13 IPOs on the main market (Tadawul) and 30 on the Nomu parallel market, high oversubscription in some areas contrasted with limited liquidity and negative performance for others.

### PE/TRADE VOLUME & VALUE



**M&A activity across the Middle East in H2 2025 reflected a clear recalibration from the cautious tone observed in H1 2025. Deal volume declined from 48 transactions in H1 2025 to 44 transactions in H2 2025, representing a moderation in activity levels. In contrast, total disclosed deal value increased significantly from USD 4.7 billion to USD 5.8 billion over the same period, highlighting a decisive shift toward larger and more strategic transactions.**

This divergence between volume and value signals a market increasingly focused on execution certainty, asset quality, and long-term strategic relevance. Investors demonstrated a willingness to commit capital to fewer opportunities where alignment with national priorities, sector fundamentals, and scalability was clear.

The United Arab Emirates continued to anchor regional deal activity, accounting for a substantial share of high-value transactions, particularly in TMT, Industrials, Energy, and Financial

Services. Saudi Arabia also remained a key contributor, with activity concentrated in technology, financial services, and business services platforms aligned with Vision-led initiatives. Additional notable transactions were recorded in Oman, Qatar, Bahrain, Kuwait, and Iraq, reflecting sustained cross-border interest in strategic assets across the region.

A review of the Top 20 Mid-Market transactions in H2 2025 further underscores the market's evolution, with deal sizes clustering between USD 100 million and USD 500 million spanning a diverse mix of sectors, geographies, and investor types. These transactions highlight the growing maturity of the region's mid-market and its increasing comparability with developed global markets.

Mid-market M&A activity in the Middle East has continued to demonstrate resilience despite a more volatile global backdrop. While transaction volumes moderated in H2 2025 compared to H1, total deal value increased materially, driven by a higher concentration of larger transactions. This divergence between volume and value

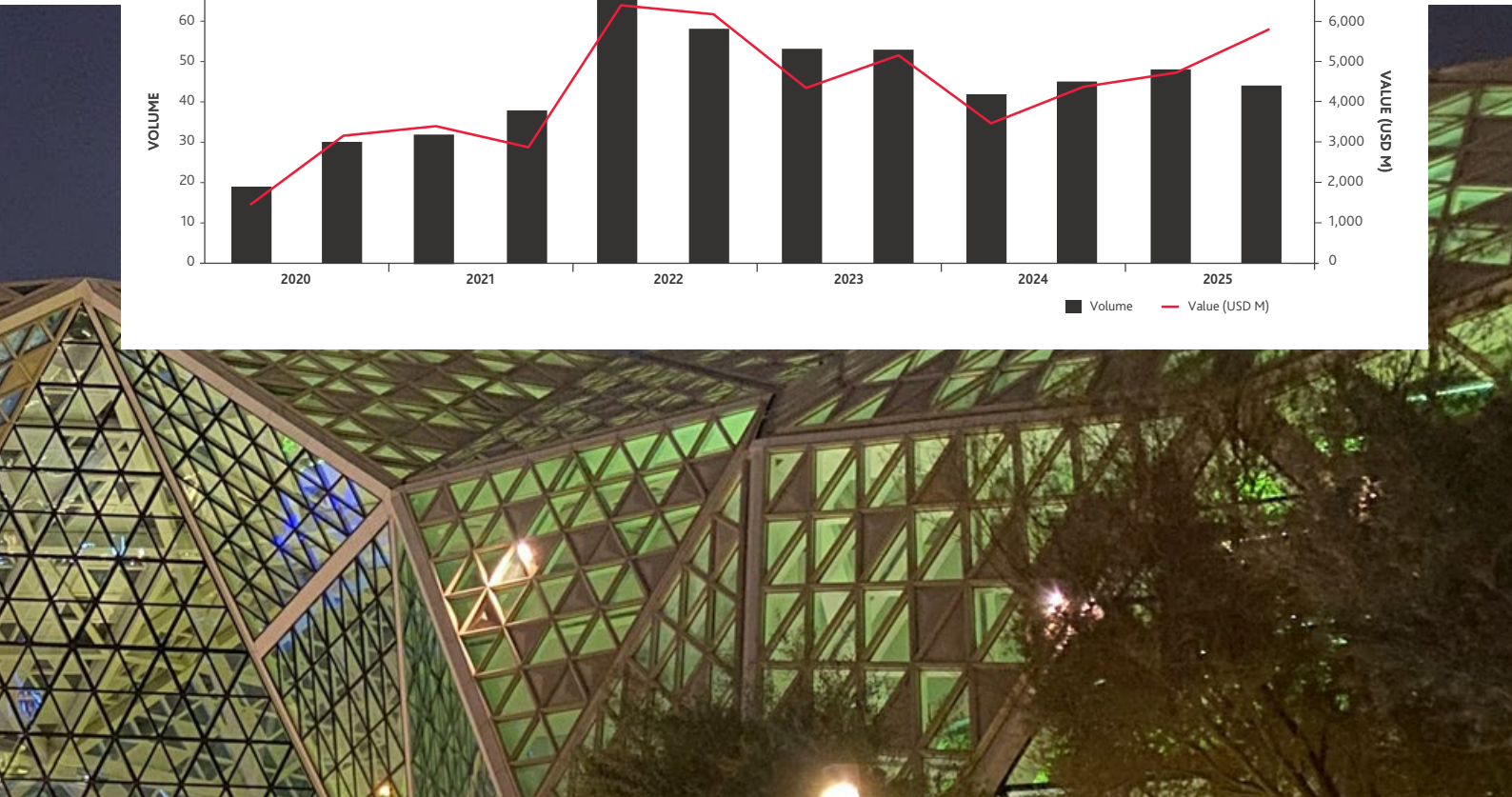
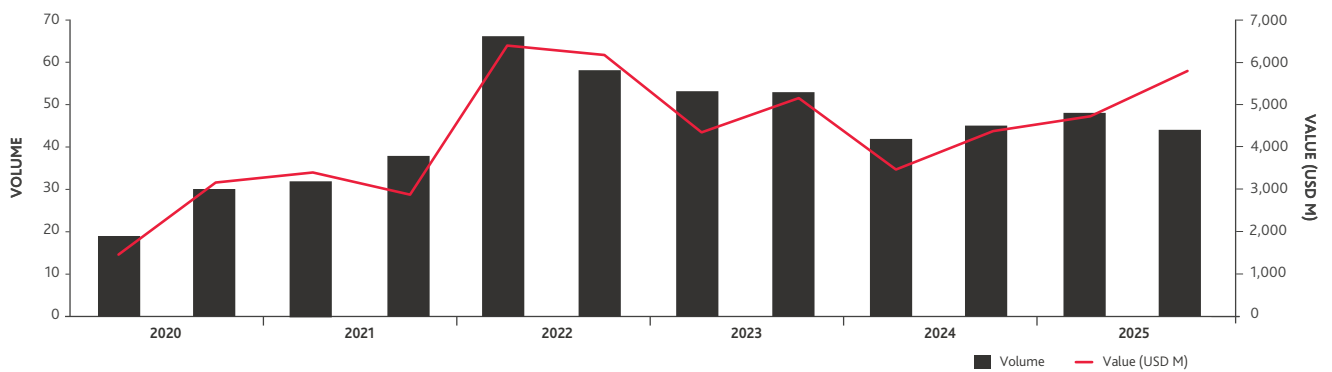
reflects a more selective deal environment, with investors shifting toward fewer, higher-conviction opportunities rather than broad-based activity.

Some key transactions were as follows:

- SOFAZ acquiring a 49% stake in Abu Dhabi Future Energy Company's solar power portfolio (UAE, Energy, Mining & Utilities) for USD 500 million, highlighting continued investment in energy transition assets.
- International Holding Company PJSC and Alpha Dhabi Holding PJSC increasing their stake in NMDC Group PJSC (UAE, Industrials & Chemicals) through a transaction valued at approximately USD 436 million.
- Multiply Group PJSC acquiring a minority stake in Ghitha Aeroinvest Holding RSC Ltd (UAE, Financial Services) in a transaction valued at USD 390 million.

These transactions reflect the diversity of investor participation and the continued depth of mid-market activity across strategic sectors and geographies in the region.

**PE/TRADE VOLUME & VALUE**



## PRIVATE EQUITY

Private Equity activity strengthened in H2 2025, with sponsors re-engaging in the mid-market through a higher number of transactions and increased aggregate investment value. Activity reflected improving alignment between buyer and seller expectations, alongside clearer visibility on value creation in selected sectors. Private equity interest spanned a broad range of industries, with a consistent emphasis on scalable platforms, resilient cash flows, and regional expansion potential. Key private equity-backed transactions in H2 2025 included:

- Equipo IVI SL acquiring ART Fertility Clinics' Middle East operations (UAE, Pharma, Medical & Biotech) for approximately USD 400 million, highlighting continued private equity interest in defensive healthcare platforms
- TPG Capital, alongside co-investors including QED Investors and regional venture funds, investing in Halalah Trading Co (Saudi Arabia, TMT) in a transaction valued at approximately USD 157 million, supporting regional technology scale-up strategies
- Opportunity Venture Asia Ltd acquiring a minority stake in Xpanceo Research on Natural Science LLC (UAE, Business Services) for approximately USD 250 million, reflecting private equity appetite for innovation-led platforms
- Paribu Teknoloji AS acquiring CoinMENA BSC (Bahrain, Financial Services) in a transaction valued at approximately USD 240 million, underscoring sustained private equity and growth capital interest in digital financial services
- United Gulf Holding Co BSC acquiring a 49% stake in Al Rawabi United Holding Company KSCC (Kuwait, Financial Services) for approximately USD 133 million, demonstrating continued private equity participation in regional financial services consolidation.

## SOVEREIGN WEALTH FUNDS

Sovereign Wealth Funds (SWFs) maintained an influential but measured presence in H2 2025, engaging through a limited number of strategically aligned transactions rather than broad market participation. Activity during the period was characterised by co-investment structures and a clear emphasis on long-term economic relevance over deal volume.

In 2025, Abu Dhabi's Mubadala Investment Company was the world's most active sovereign wealth fund for the second consecutive year, completing 40 transactions valued at USD 32.7 billion, heavily focused on technology, AI, and digital infrastructure.

### Sovereign Wealth Fund (SWF) Deals

- Public Investment Fund (PIF)-led investment in Noon AD Holdings Ltd (UAE, TMT), valued at approximately USD 500 million
- Public Investment Fund (PIF) participating alongside financial sponsors in Halalah Trading Co (Saudi Arabia, TMT) in a transaction valued at approximately USD 157 million
- Mubadala participated in a USD 1.3 billion investment in STT GDC in 2025.

## SECTOR PERFORMANCE

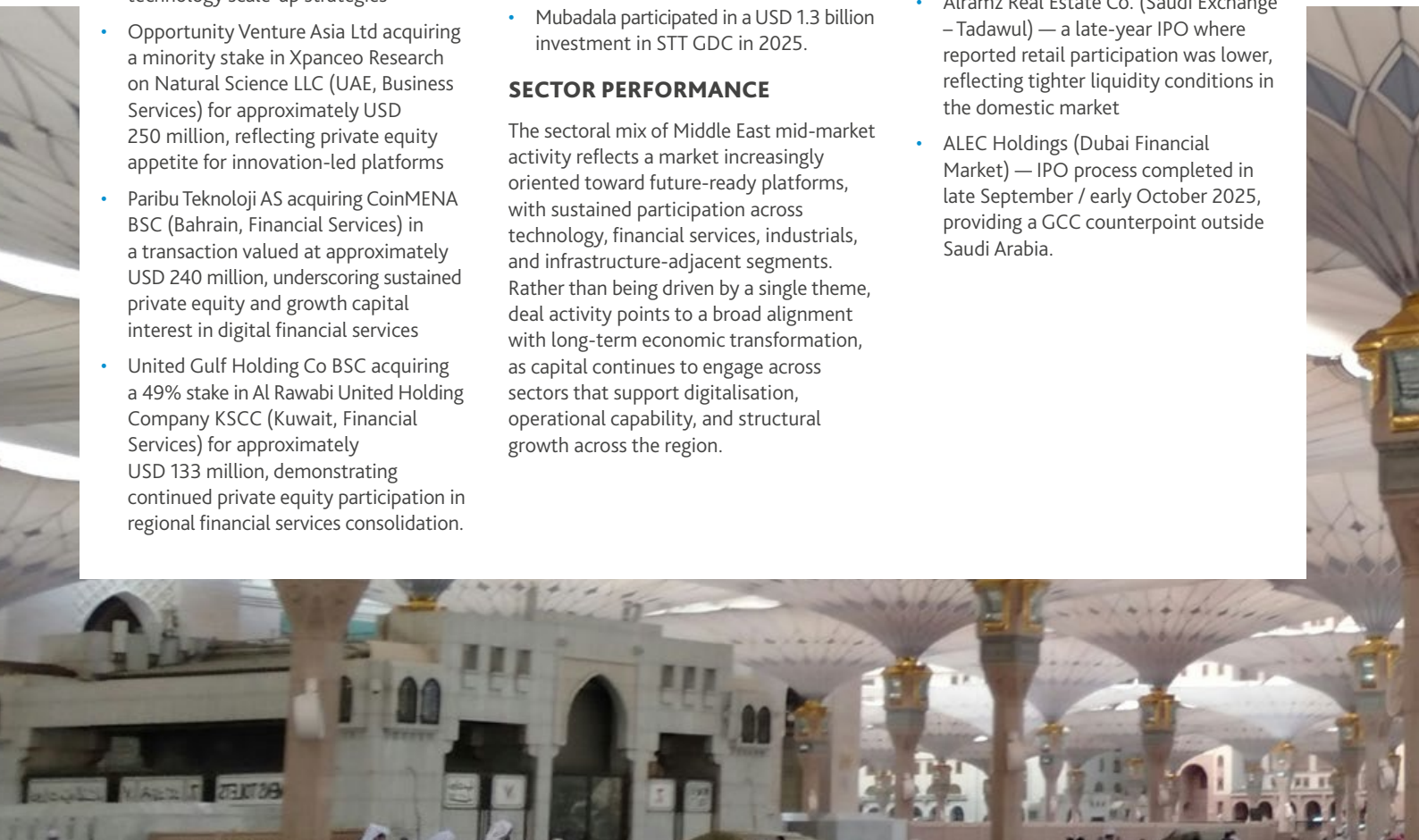
The sectoral mix of Middle East mid-market activity reflects a market increasingly oriented toward future-ready platforms, with sustained participation across technology, financial services, industrials, and infrastructure-adjacent segments. Rather than being driven by a single theme, deal activity points to a broad alignment with long-term economic transformation, as capital continues to engage across sectors that support digitalisation, operational capability, and structural growth across the region.

## IPOs

IPO activity across the GCC continued in H2 2025; however, conditions in Saudi Arabia tightened noticeably toward the end of the year. Liquidity constraints and higher investor selectivity in Q4 2025 contributed to weaker retail participation in some late-year offerings, with market coverage indicating a sharp decline in retail demand in the final IPOs of the year. Some of the notable IPOs in KSA that were cancelled in H2 2025 were Rawabi Marketing International Co. (RMI), Alwazn Almithaly and Lavenco.

Some of the key IPOs were the following:

- Almasar Alshamil Education (Saudi Exchange – Tadawul) — retail subscription ran 1820 November 2025, with trading commencing in early December 2025
- Cherry Trading Co. (Saudi Exchange – Tadawul) — retail subscription took place on 12–13 November 2025
- Consolidated Grunenfelder Saady Holding (CGS) (Saudi Exchange – Tadawul) — listed in December 2025, with trading commencing on 9 December 2025
- Alramz Real Estate Co. (Saudi Exchange – Tadawul) — a late-year IPO where reported retail participation was lower, reflecting tighter liquidity conditions in the domestic market
- ALEC Holdings (Dubai Financial Market) — IPO process completed in late September / early October 2025, providing a GCC counterpoint outside Saudi Arabia.



### LOOKING AHEAD

H2 2025 marked a clear shift in the Middle East deal environment, with market sentiment turning more cautious toward the end of the year. In Saudi Arabia in particular, liquidity conditions tightened noticeably in Q4 2025, most visibly in public markets, where IPO retail participation weakened compared to earlier periods. This change signalled a transition away from the more expansive conditions seen earlier in the cycle and toward a more restrained investment backdrop.

Sovereign capital appears more disciplined, with market commentary and reporting pointing to more selective capital allocation by large government linked investors.

Looking ahead, these dynamics are likely to shape dealmaking behaviour across both private and public markets. Higher financing costs, more constrained liquidity, and a recalibration of government and Public Investment Fund related spending are expected to reinforce valuation discipline and investor selectivity.

As a result, deal activity into 2026 is likely to favour transactions with clear strategic rationale, strong cash flow visibility, and realistic execution frameworks, rather than broad based expansion or headline driven deal volume. Collectively, this points to a more measured and disciplined phase of market development, influenced as much by macro and funding conditions as by underlying sector fundamentals.



**MUHAMMAD ASSAD BUTT**

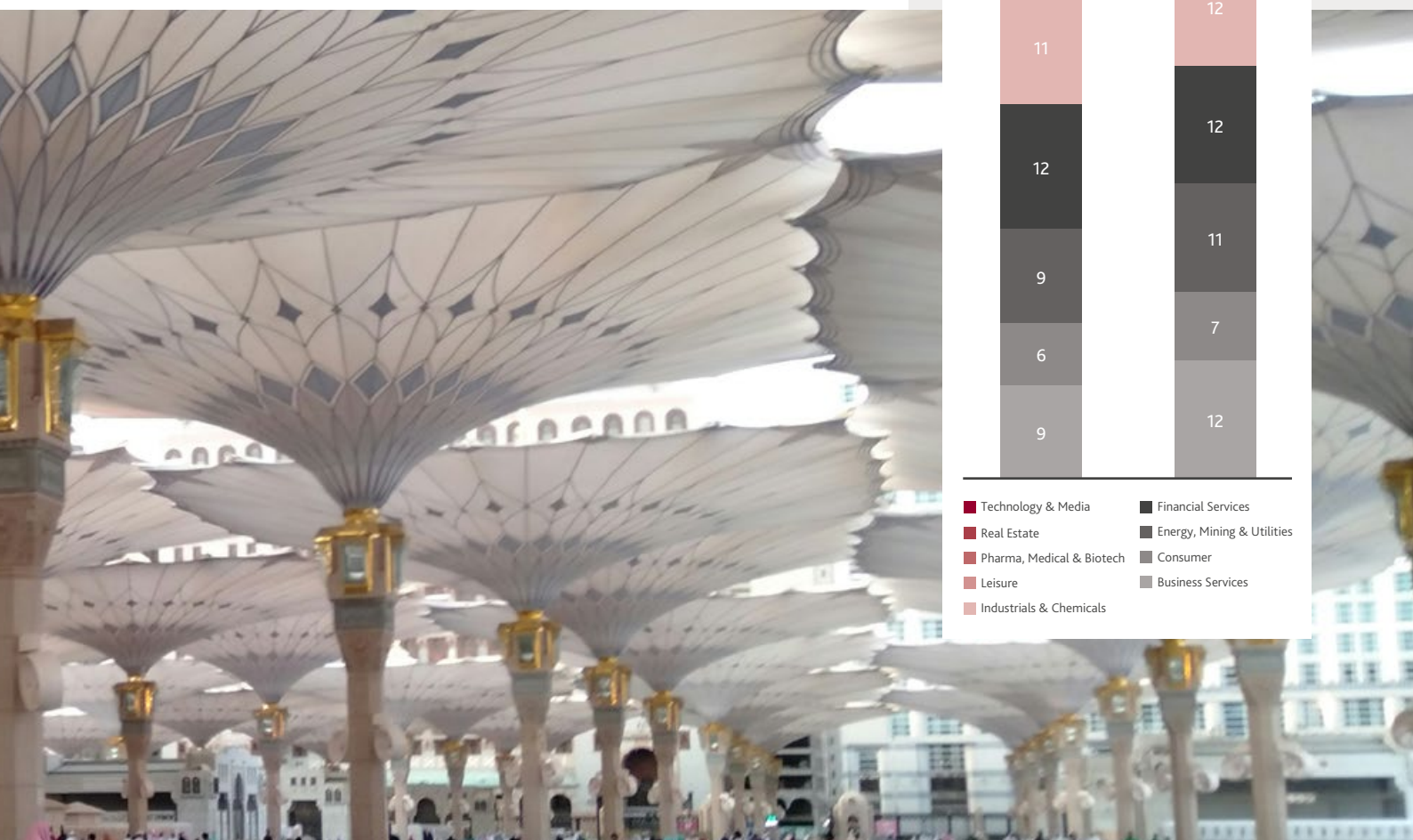
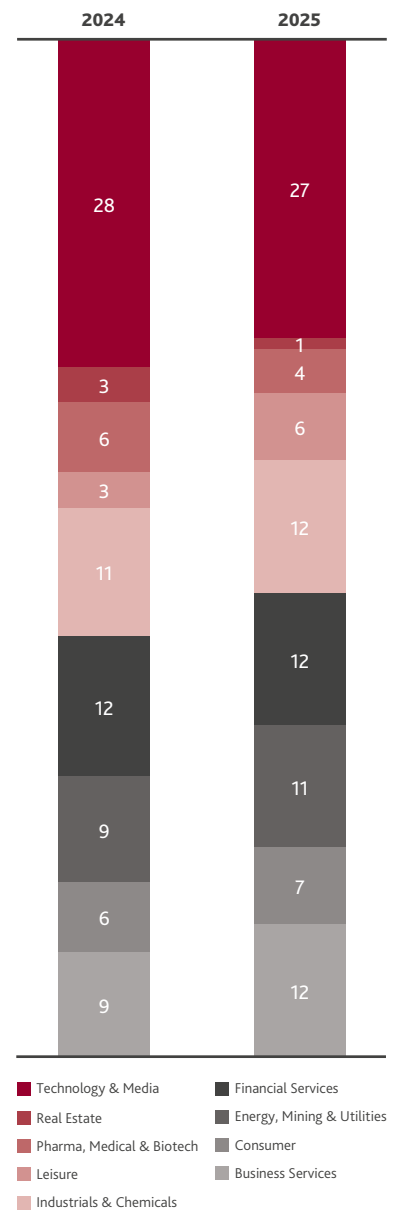
HEAD OF DEAL ADVISORY SERVICES

m.butt@bdoalamri.com

### MIDDLE EAST HEAT CHART BY SECTOR

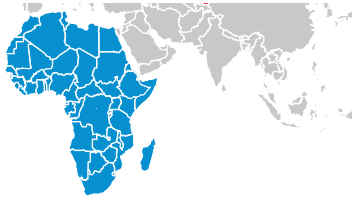
Business Services	17	27%
Financial Services	11	18%
TMT	9	15%
Industrials & Chemicals	9	15%
Energy, Mining & Utilities	4	6%
Consumer	4	6%
Pharma, Medical & Biotech	4	6%
Real Estate	3	5%
Leisure	1	2%
<b>GRAND TOTAL</b>	<b>62</b>	

### MIDDLE EAST MID-MARKET VOLUMES BY SECTOR



# Africa

## DEALMAKING FALLS BUT REMAINS FOCUSED ON STRUCTURALLY RESILIENT SECTORS



### BIG PICTURE

- Total deal numbers dropped to 34 in H2 2025 compared to 67 in H1 2025 while total value fell by c23% to USD 3.8bn compared to USD 4.9bn
- Private equity dealmaking remained stable, accounting for 21% of total deal volume and c17% of total deal value
- Energy, Mining & Utilities maintained its position as the continent's leading sector for deal activity
- Improving macroeconomic conditions are expected to support a gradual recovery in dealmaking activity.

**Global M&A activity remained relatively resilient in the second half of 2025, with total deal value increasing modestly by c.3% from H1 2025 to approximately USD 512bn, despite a decline in deal volumes of c.10%. This continued the trend observed over the past two years, where dealmakers have remained selective, prioritising strategic transactions over volume-driven activity.**

Globally, the deal volume of private equity buyouts declined slightly during H2 2025, while deal value remained broadly stable, reflecting pricing discipline, cautious deployment of capital and extended deal execution timelines.

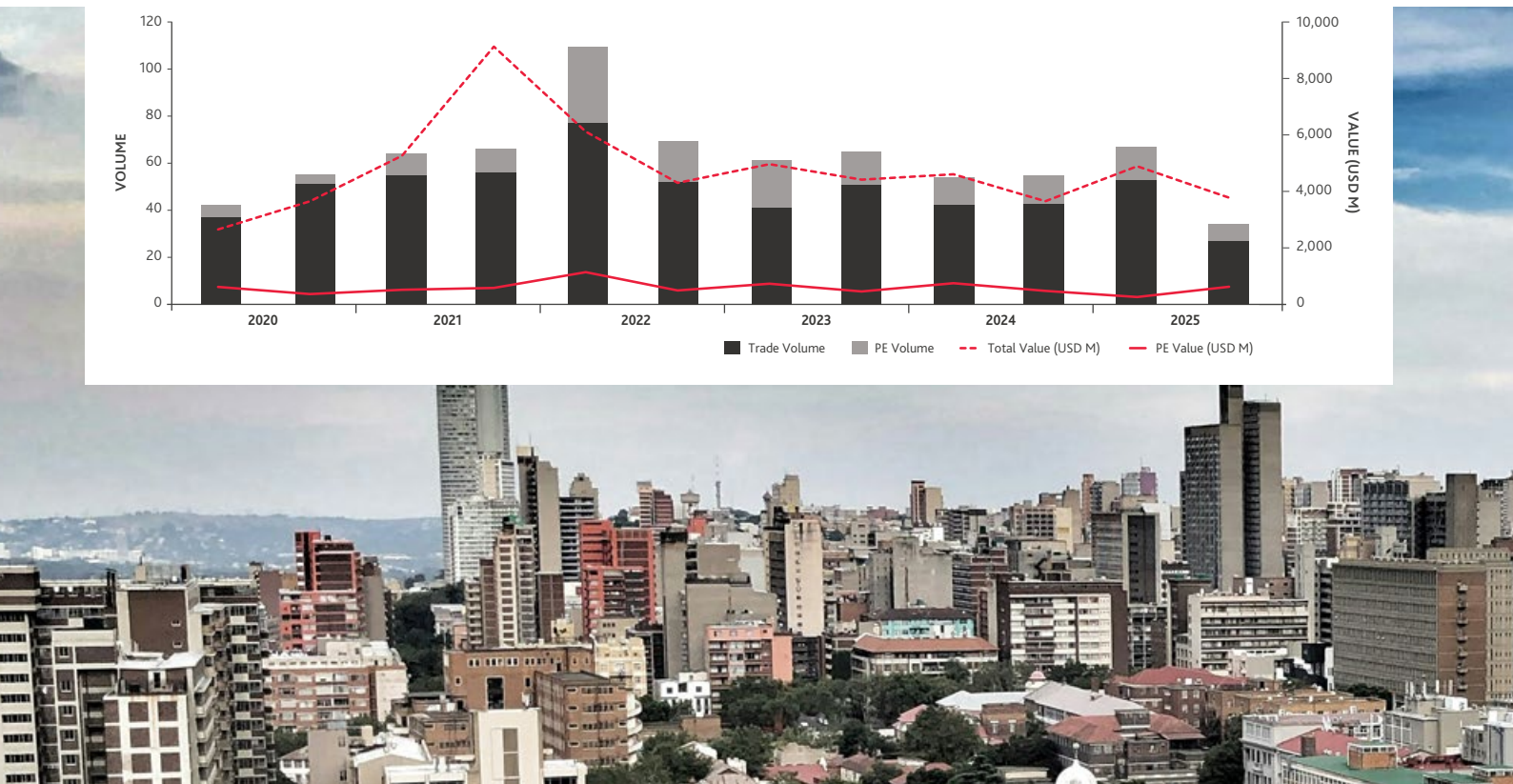
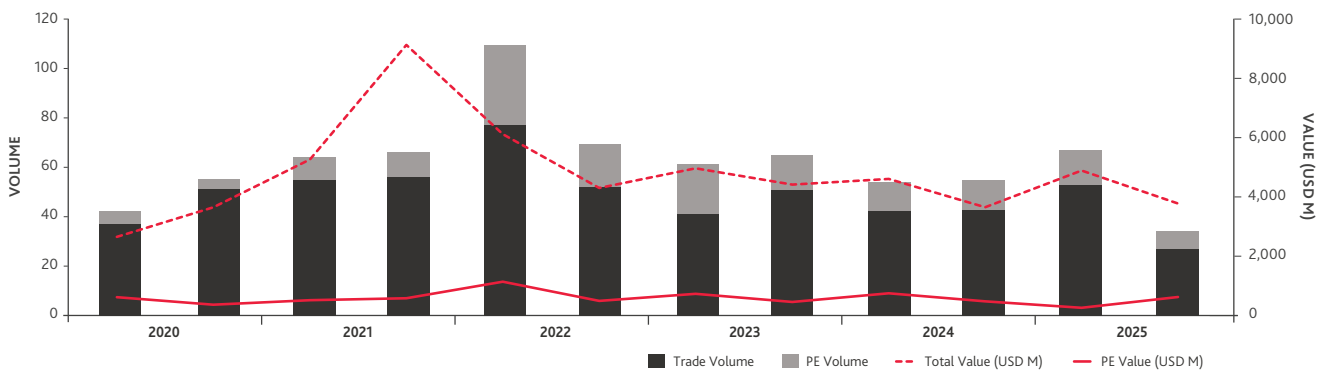
African M&A activity followed a similar trend of reduced volume and lower aggregate deal value. Deal volume declined from 67 deals in H1 2025 to 34 deals in H2 2025, well below the historical half-year average of approximately 60–65 deals recorded between 2021 and 2024. Total deal value in Africa declined by c.23%, from approximately USD 4.9bn in H1 2025 to USD 3.8bn in H2 2025, reflecting

a slowdown in overall mid-market M&A activity despite the completion of several notable mid-market transactions.

Private equity dealmaking activity in Africa remained broadly stable on a proportional basis, with seven private equity buyout deals concluded in H2 2025, accounting for approximately 21% of total deal volume and c.17% of total deal value. While private equity activity remains subdued in absolute terms, the higher relative contribution to total deal value compared to earlier periods suggests a continued focus on fewer, larger and more selective investments.

From a macroeconomic perspective, several of the headwinds that have constrained dealmaking in prior periods continue to ease. Inflationary pressures have fallen across key African economies, interest rate environments have stabilised, and the reliability of power supply (particularly in South Africa) has improved. While financing costs remain elevated relative to pre-2022 levels, improved earnings visibility, easing monetary conditions and increased confidence in economic fundamentals are expected to support a gradual recovery in M&A activity across the continent.

### PE/TRADE VOLUME & VALUE



### KEY SECTORS AND DEALS

Despite the lower deal volumes recorded in H2 2025, deal activity remained concentrated in a number of structurally resilient sectors.

Energy, Mining & Utilities saw the highest level of activity in 2025, supported by continued investment into energy security, renewables and critical infrastructure. This was followed by the TMT, Financial Services, Business Services and Industrials & Chemicals sectors, all of which continued to benefit from structural growth drivers, consolidation strategies and sustained cross-border investment interest.

Compared to H1 2025, deal activity in the Consumer sector declined, reflecting continued pressure on discretionary spending and margin sensitivity in consumer-facing businesses. Business Services activity recorded a modest increase, with seven deals in H2 2025, supported by demand for outsourced, asset-light and efficiency-driven business models. Pharma, Medical & Biotech activity also improved during H2 2025, underpinned by resilient healthcare demand fundamentals and increased interest from international strategic and financial investors.

Deal activity in Real Estate remained subdued, with limited transaction volumes reflecting ongoing valuation gaps and cautious lender sentiment, while the Leisure sector continued to record minimal activity, consistent with the trends seen over the past two years.

Overall, the sector dynamics in H2 2025 highlight a continued investor preference for defensive, infrastructure-linked and cash-generative businesses, with more cyclical sectors remaining under pressure amid ongoing macroeconomic uncertainty.

South Africa continued to dominate the continent's mid-market dealmaking in H2 2025, contributing a significant share (c. USD 1bn) of the top 20 deals by value, followed by Egypt, Morocco, Ivory Coast and Kenya. Cross-border participation remained robust, with several transactions involving strategic and financial investors from Europe, the Middle East and North America.

The largest transaction in H2 2025 was Premier Group Ltd's acquisition of South African food producer RFG Holdings Ltd (c. USD 381m). The share-swap deal is structured such that RFG shareholders receive one Premier share for every seven RFG shares, representing a meaningful

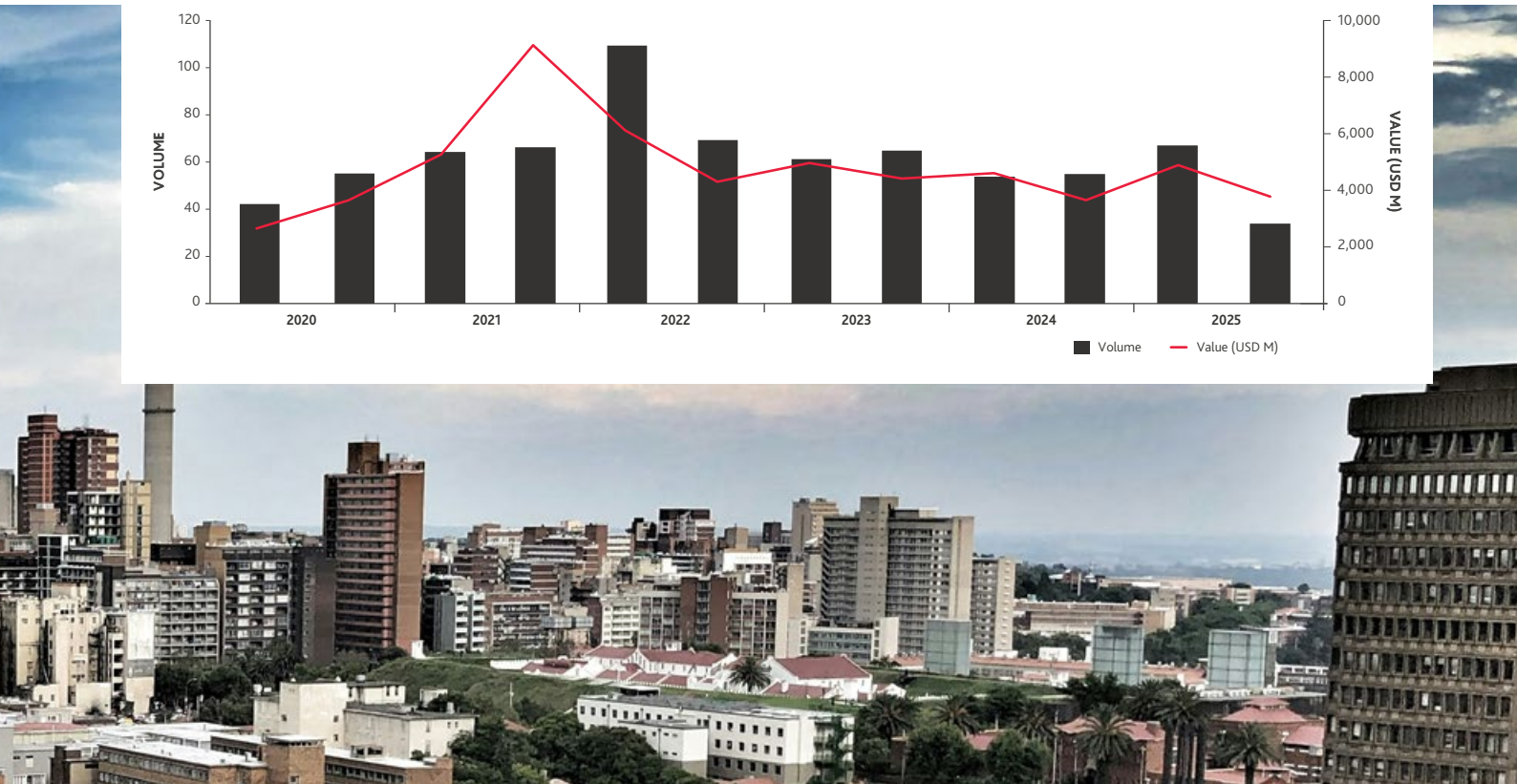
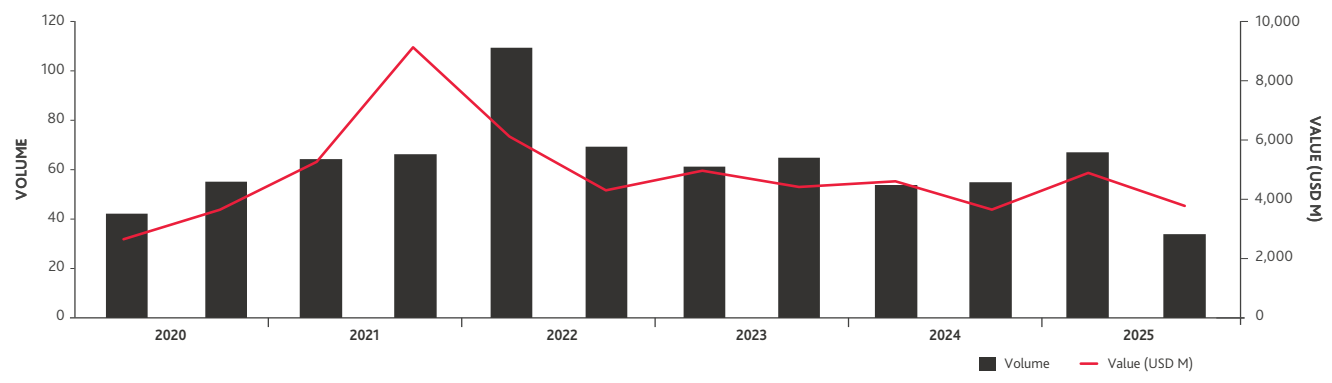
premium for sellers and creating a combined food sector entity generating nearly R1.7bn (USD 106m) in after-tax profit.

Investor sentiment was immediately positive following the RFG deal announcement, with RFG Holdings shares surging over 38% on market reaction, underscoring confidence in the strategic merits of the transaction.

The second-largest deal involved the management-led buyback of a 65% stake in Moroccan global outsourcing company Intelcia Group (Morocco) (c. USD 376m), returning majority ownership to its executive shareholders. This transaction marks a pivotal strategic reset for the outsourcing and customer experience platform, which employs c.40,000 people across 19 countries. The deal is a signal of Intelcia's management confidence in the group's continuing expansion into Europe, Latin America and North America as part of its next growth phase.

Another notable deal was Atlantic Group SA's acquisition of mining assets in Côte d'Ivoire (c. USD 305m) from a major global resource player, reflecting sustained strategic interest in natural resource portfolios in the African continent with long-term production prospects.

### PE/TRADE VOLUME & VALUE



### LOOKING AHEAD

According to the BDO Africa Heat Chart, Energy, Mining & Utilities is expected to remain the most active sector, accounting for approximately 30% of anticipated deal activity, supported by continued investment into energy security, renewables and critical infrastructure across the continent. This is followed by the Financial Services (c.19% of predicted deals) and Industrials & Chemicals (c.17%) sectors, both of which are expected to benefit from ongoing consolidation, balance sheet optimisation and demand for scale and operational resilience.

TMT is expected to remain an important contributor to deal activity (c.13%), driven by digitalisation, data infrastructure investment and platform-led expansion strategies, albeit with a continued focus on select assets and proven business models.

Business Services is expected to make a more modest contribution to overall deal volume (c.9%), reflecting the demand for asset-light, outsourced service offerings and efficiency-driven solutions.

The remaining sectors (Real Estate, Consumer and Pharma, Medical & Biotech) are expected to account for a smaller share of near-term activity (c.4% each), with dealmaking likely to remain opportunistic rather than broad-based.

Overall, while M&A deal volume may remain below historical averages in the near term, improving macroeconomic stability, easing financing conditions and growing investor familiarity with African markets are expected to support a gradual recovery in deal activity over the medium term.

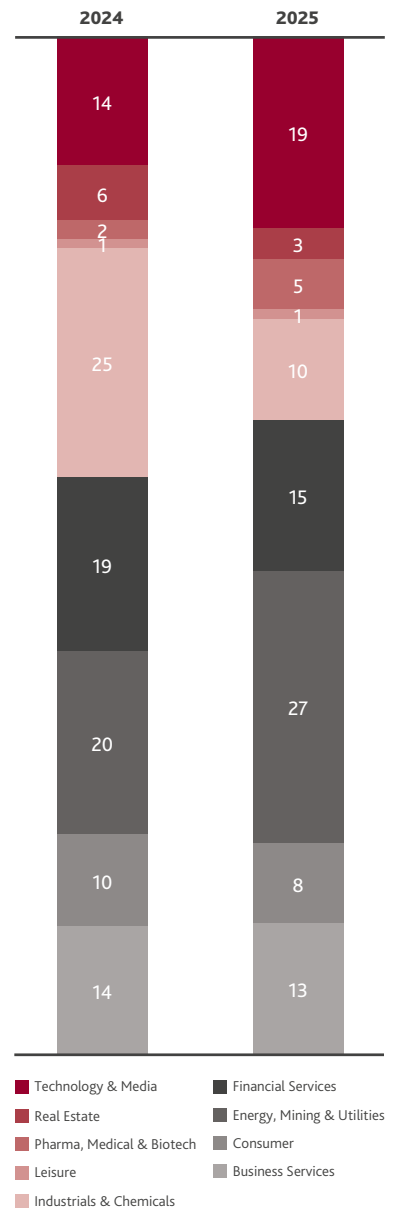


**GUY STEELE**  
HEAD OF M&A  
gsteele@bdo.co.za

### AFRICA HEAT CHART BY SECTOR

Energy, Mining & Utilities	14	30%
Financial Services	9	19%
Industrials & Chemicals	8	17%
TMT	6	13%
Business Services	4	9%
Real Estate	2	4%
Consumer	2	4%
Pharma, Medical & Biotech	2	4%
Pharma, Medical & Biotech	2	2%
<b>GRAND TOTAL</b>	<b>47</b>	

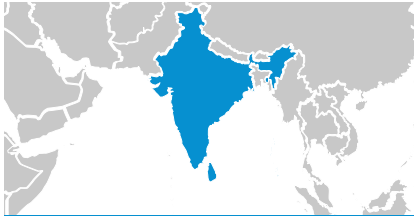
### AFRICA MID-MARKET VOLUMES BY SECTOR





# India

## RESILIENT YEAR FOR M&A DESPITE CHALLENGES



### BIG PICTURE

- M&A dealmaking experiences slight contraction in 2025 but investors retain confidence in Indian market
- Private equity-backed deals represented 41% of total volume and 36% of value in across 2025
- TMT led the way in sector activity, followed by Industrials & Chemicals and Consumer
- Outlook remains positive as market fundamentals support increased deal activity.

**India's M&A landscape remained robust despite global economic uncertainty, buoyed by solid domestic demand and continued investor confidence. The market was largely driven by domestic consolidation, particularly in sectors such as Energy, Mining & Utilities, Pharma, Medical & Biotech, Financial Services and TMT. Indian corporates increasingly used M&A to gain scale, strengthen supply chains and acquire strategic capabilities, while foreign investors continued to view India as one of the more attractive and stable markets.**

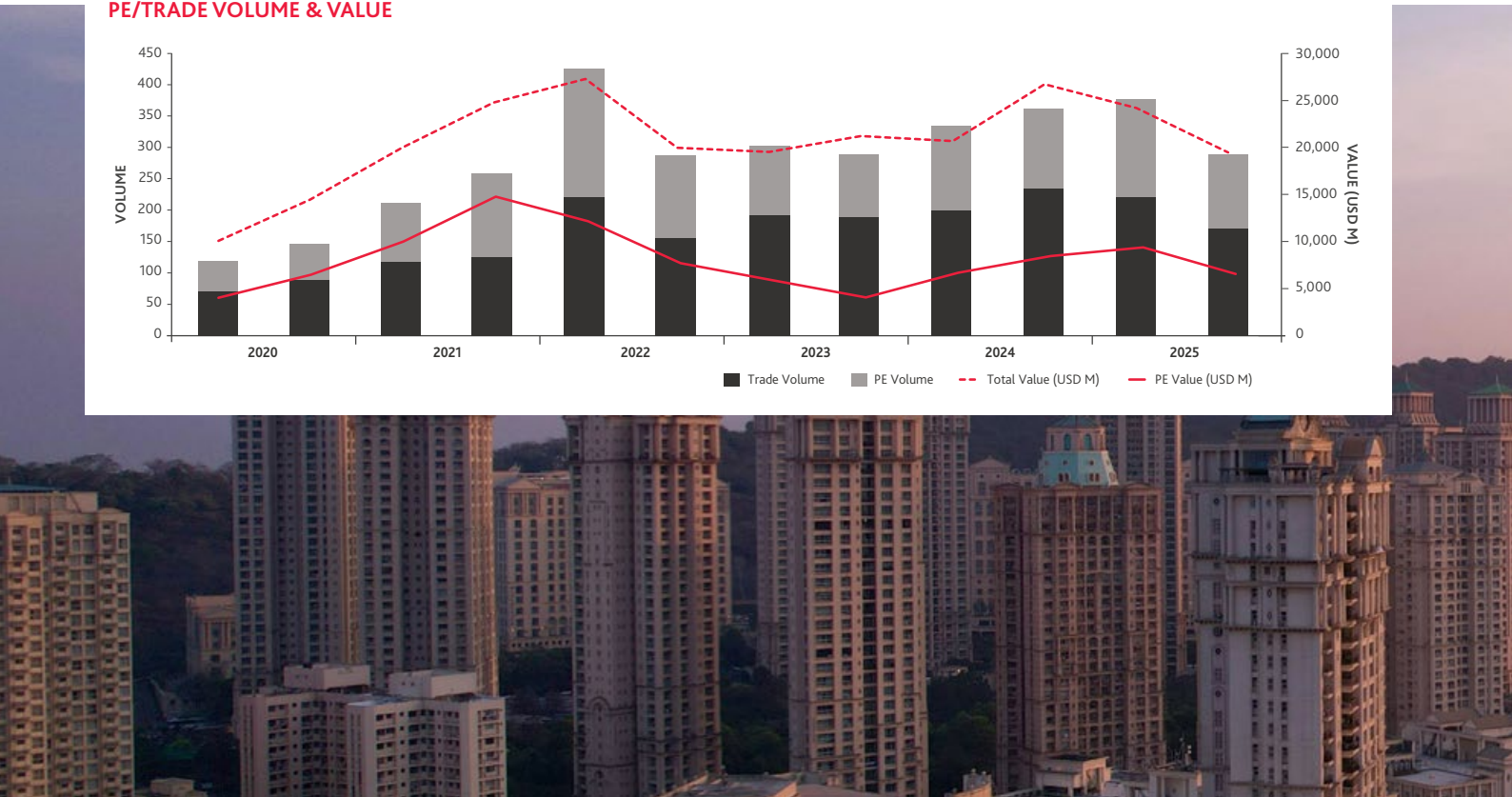
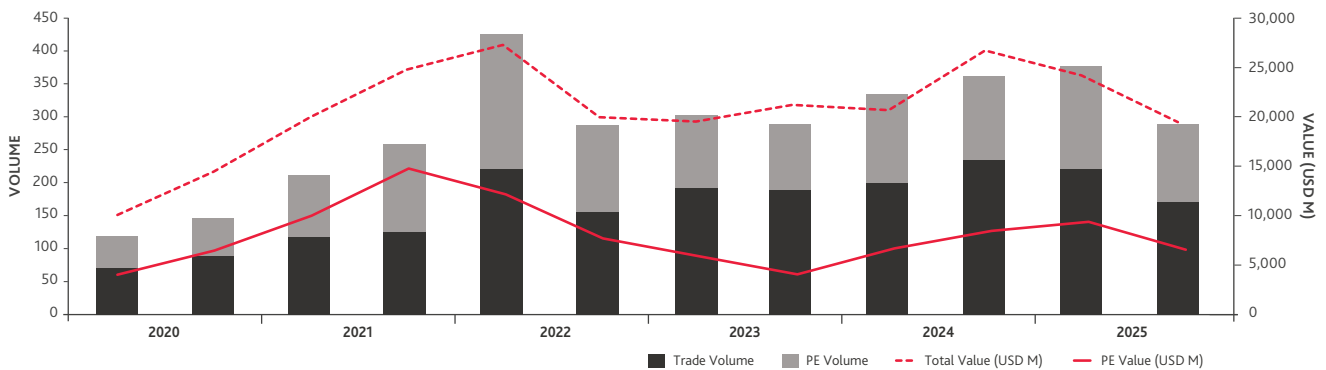
India's private equity market in 2025 showed renewed investor confidence, underpinned by solid macroeconomic conditions and a positive long-term growth trajectory. Although the year experienced a slight decrease in the volume of private equity deals and investors continued to be selective, the year also witnessed an increase in big ticket transactions – reflecting a shift towards control and buyout deals instead of minority investments. private equity firms are placing greater emphasis on hands-on ownership, operational enhancement and the creation of scalable platform companies.

Overall, the mix pointed to a clear shift toward a smaller number of larger, more mature deals, as a robust primary-market pipeline sustained investor interest, while caution persisted around early-stage investments.

Public markets mirrored this recalibration. After a record-breaking run in 2024, Equity Capital Markets' (ECM) activity cooled in 2025. IPOs remained central to the market but were fewer in number, increasingly representing milestones for mature companies rather than default liquidity events. This reinforced longer holding periods for private investors and a more deliberate approach to exits.

In 2025, overall mid-market deal activity experienced a modest contraction, with momentum largely supported by high-value transactions. The total number of mid-market deals declined across FY25 to 666, recording a 5% year-on-year decrease, while aggregate deal value fell by 9% to USD 43.6bn compared to the previous year. Private equity transactions accounted for a significant share of activity, accounting for 41% of total deal volume and 36% of total value across the year.

### PE/TRADE VOLUME & VALUE



## KEY SECTORS AND DEALS

### PHARMA, MEDICAL & BIOTECH

Healthcare continued to see robust investor interest. Investors are increasingly favouring single-specialty platforms that benefit from scalable, asset-light business models. Notably, growth is extending beyond major metropolitan areas into India's Tier-II and Tier-III cities, highlighting a stronger focus on improving access and affordability to healthcare. Multi-specialty hospital chains are focusing on consolidation and brownfield expansion to enhance operating efficiency and cater to the rising demand in urban markets.

### ENERGY, MINING & UTILITIES

India's energy and infrastructure M&A market remained resilient throughout 2025 despite global economic uncertainties. Deal activity improved from the prior year with a shift toward strategic, high-value transactions, especially in renewable energy (solar, wind, green hydrogen), oil & gas, and sustainable mobility. India's policy commitments toward a green energy transition – for example its COP26 pledge to meet 50 % of energy

demand from renewables by 2030 – and pro-business reforms attracted significant inbound investment. Large-scale solar, wind and green hydrogen projects are key growth areas.

Overall in 2025 there were 171 deals in the TMT sector, which contributed ~26% of total deal volume, followed by Industrials & Chemicals and Consumer, with 150 and 77 deals respectively.

Some of the year's key mid-market deals included the following:

#### Energy, Mining & Utilities

- Jhajar Power Ltd (JPL), Apraava Energy's wholly-owned subsidiary, one of India's first supercritical coal-fired plants, was acquired by Jindal Power Limited for USD 425m.
- Macquarie Asset Management raised USD 405m for Vertelo, its India-focused fleet electrification platform, through a blended finance structure led by USD 200m from the Green Climate Fund and USD 205m from institutional investors, which is aimed at accelerating the adoption of electric commercial vehicles.

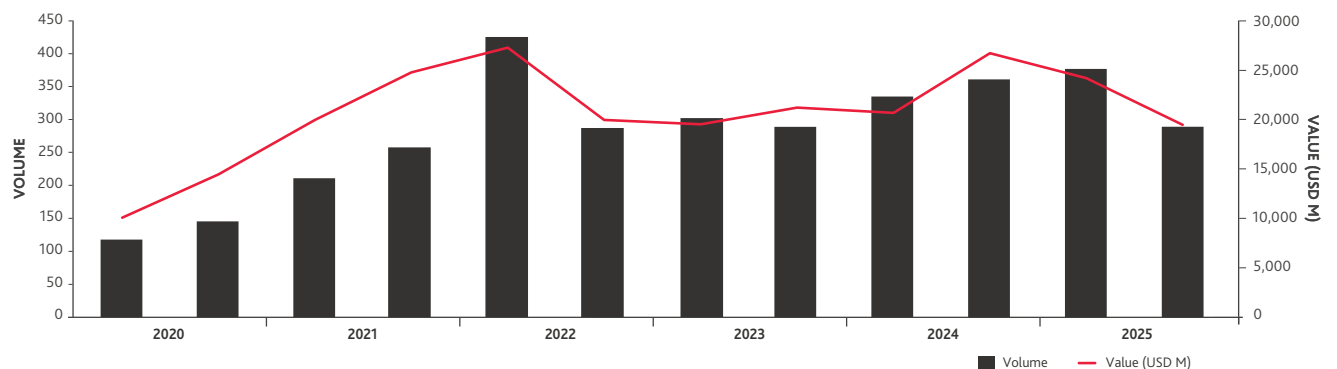
#### Real Estate

- Brookfield Asset Management and Singapore's sovereign wealth fund GIC struck a strategic pan-India partnership to jointly own and manage about 5.5m sq ft of Grade-A office assets across Mumbai, Bengaluru and Hyderabad in a deal valued at roughly USD 1bn, with GIC taking a stake in the Equinox Business Park near BKC, Mumbai, and contributing other key properties from its portfolio while Brookfield manages the combined assets.

#### Consumer

- Theobroma Foods, one of India's leading baking chains, was acquired by ChrysCapital with a 90% stake for USD 280m.
- Tilaknagar Industries acquired the Imperial Blue whisky business from Pernod Ricard India in a deal valued at about USD 432m, marking a major strategic expansion for the company into India's whisky segment, as it seeks to broaden its traditionally brandy-focused portfolio.

## PE/TRADE VOLUME & VALUE



### LOOKING AHEAD

Mid-market M&A in India enters 2026 on a stronger footing: easing rate pressures and improved capital availability have already begun to revive deal momentum, while private equity dry powder and strategic buyers' elevated cash positions will sustain active competition for quality targets.

Domestic consolidation across Consumer, Healthcare and technology-enabled services will remain the primary M&A drivers as incumbents seek scale, supply-chain resilience, and rapid digital/AI adoption to lift margins – creating attractive carve-outs and bolt-on opportunities for mid-market sponsors. Improving exit pathways (a more active IPO window and selective trade exits) will make the risk-return equation more compelling for sponsors.

The key risks to monitor are global geopolitics, potential Foreign Institutional Investor (FII) liquidity swings, pockets of macro volatility and regulatory/tax changes that could compress multiples or slow cross-border capital flows.



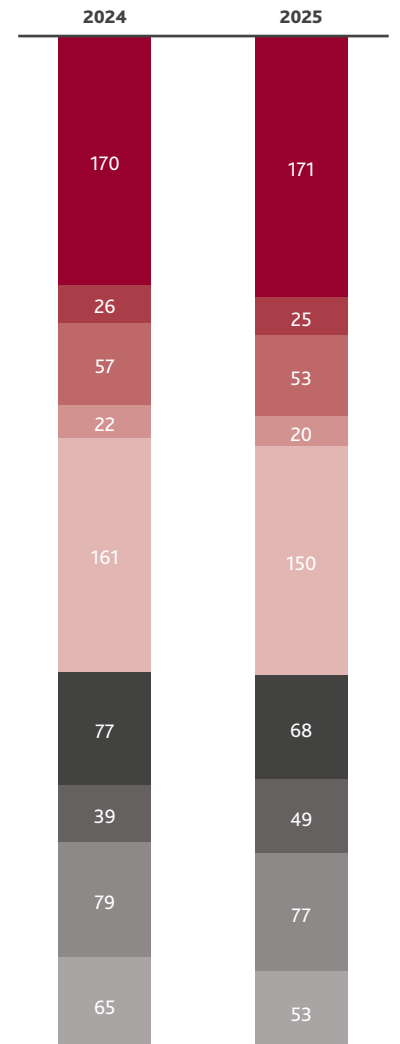
**SAMIR SHETH**  
PARTNER

samirsheth@bdo.in

### INDIA HEAT CHART BY SECTOR

Consumer	41	20%
Pharma, Medical & Biotech	38	18%
TMT	31	15%
Financial Services	30	14%
Industrials & Chemicals	29	14%
Business Services	16	8%
Energy, Mining & Utilities	13	6%
Leisure	7	3%
Real Estate	2	1%
<b>GRAND TOTAL</b>	<b>207</b>	

### INDIA MID-MARKET VOLUMES BY SECTOR



- Technology & Media
- Financial Services
- Real Estate
- Energy, Mining & Utilities
- Pharma, Medical & Biotech
- Consumer
- Leisure
- Business Services



# Greater China

## M&A MARKET SHOWS SIGNS OF REVIVAL



### BIG PICTURE

- Mid-market dealmaking in the Greater China region slowed in H2 2025. Year-on-year deal volume decreased by 13.5% from 1,216 deals in H2 2024 to 1,052 deals in H2 2025. Overall deal value also fell by 9.1% from USD 89.3bn in H2 2024 to USD 81.2bn in H2 2025
- Compared with the first six months of the year, deal value increased by 12.9% from USD 71.9bn in H1 2025 to USD 81.2bn in H2 2025, with deal numbers falling by just 0.4% compared to 1,056 deals in H1 2025
- The proportion of private equity buyouts to total mid-market deal volume rose from 13.4% in H1 2025 to 15.7% in H2 2025. private equity deal value also grew from 14.0% in H1 2025 to 18.0% in H2 2025.

**China's M&A market showed clear signs of a revival in the second half of 2025, after several years of volatility driven by global macroeconomic uncertainty, geopolitical rifts, trade tensions and domestic structural reforms.**

### FDI LOOKS SET TO STABILISE IN EARLY 2026

In December 2025, China's Ministry of Commerce announced that China's foreign direct investment (FDI) fell by 7.5% from USD 106.22bn to USD 98.25bn in the first 11 months of 2025. Despite the decrease in total FDI, FDI in November 2025 increased by 26.1% year-on-year. FDI in the service sector reached USD 73bn during the period. The high-tech and manufacturing sectors attracted FDI of USD 31.9bn and USD 24.7bn respectively over this period. Investments from Switzerland, the United Arab Emirates and the United Kingdom grew by 67.0%, 47.6% and 19.3% respectively.

Overall, the H2 2025 figures indicated that China's M&A market remains attractive to foreign countries and investors in specific sectors.

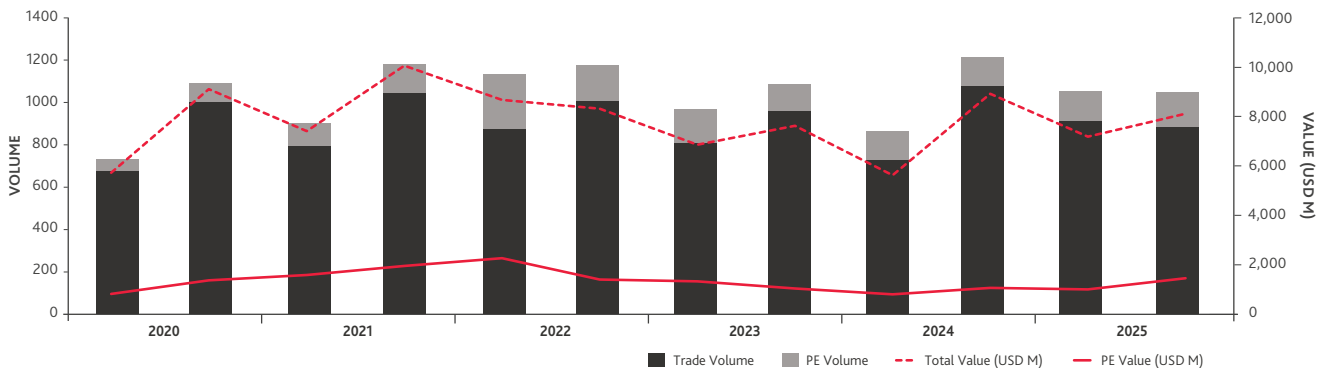
In addition, investments from key economies have continued to rise, reflecting strengthening global confidence in China's long-term M&A prospects in selective sectors. These positive shifts, alongside sustained inflows into high-tech industries and services, suggest that while challenges remain, China's investment environment is gradually stabilising and generating momentum heading into 2026.

### ENCOURAGED INDUSTRIES CATALOGUE SIGNALS EFFORTS TO ATTRACT FOREIGN INVESTORS

China's National Development and Reform Commission and Ministry of Commerce announced the 2025 Encouraged Industries Catalogue in December 2025, detailing new initiatives for strengthening foreign investment inflows.

The Encouraged Catalogue for Foreign Investment, effective from February 2026, significantly expands the scope of industries open to foreign companies' participation, adding 205 new items and revising 303 items compared with the previous 2022 version. The updated catalogue strengthens support for advanced manufacturing, modern services, high-tech industries, energy conservation and environmental protection, with newly

### PE/TRADE VOLUME & VALUE



encouraged areas including pharmaceuticals, high-end medical equipment, robotics components, smart energy systems, marine engineering equipment and various modern service sectors such as shared technology platforms, shipping services, virtual power plant operations, tourism services, and internet-enabled healthcare. The policy also focuses on attracting investment to China's central, western, and northeastern regions and Hainan, aiming to enhance industrial and supply-chain development and promote balanced regional development. Foreign investors in encouraged sectors will be able to access to preferential policies, including tariff exemptions on imported equipment, priority land supply, more flexible land-use terms and tax incentives, reflecting China's broader strategy to support foreign investment and reinforce the high-level opening-up of its targeted sectors in the updated Encouraged Catalogue.

**GLOBAL BRANDS TURN TO CHINESE PRIVATE EQUITY IN PIVOTAL M&A DEALS**

In November 2025, Starbucks revealed plans to offload 60% of its China operations to Boyu Capital, a China-focused private equity firm. Meanwhile CPE Capital, a Beijing-based private equity firm, announced the purchase of an 83% stake in Burger King China in December 2025.

These high-profile transactions highlight broader implications for China's M&A landscape. Firstly, it signals a growing trend of foreign multi-nationals divesting to or partnering majority stakes in China subsidiaries with local private equity firms for better local adaptation and competitiveness. And it also signifies a revival of private equity dealmaking activities in China, with domestic funds deploying capital into stable, cash-generating consumer or retail assets amid dealmaking recovery, contributing to optimistic projections of future M&A growth, despite the ongoing geopolitical and economic headwinds.

The Starbucks-Boyu and Burger King-CPE deals also underscore a strategic shift toward more localised control for sustained growth in China's competitive market, boosting private equity's role in inbound consumer M&A and encouraging more foreign divestments and partnerships in the sector. Similar transactions are expected to take place in the future as both domestic and international companies consider adjusting their portfolios and pursuing strategic deals.

Overall, the positive signs from recent FDI and revived private equity dealmaking activities reflect a gradual strengthening of China's dealmaking environment. The updated 2025 Encouraged Catalogue for Foreign Investment is expected to attract

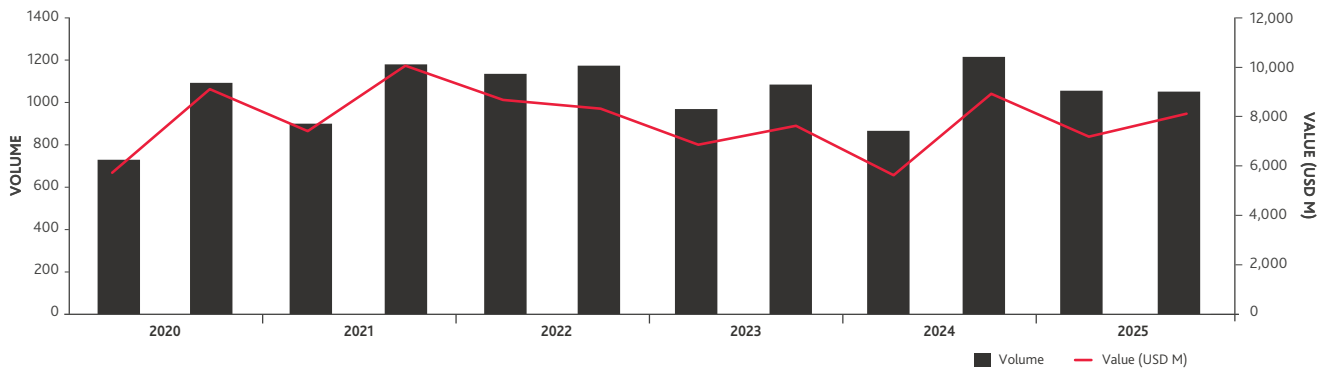
further foreign investments and fundraising activities. Despite ongoing headwinds, targeted policy support and increased local partnerships by global brands suggest a more constructive and opportunity-rich M&A outlook heading into 2026.

**TOP DEALS AND SECTORS**

The biggest mid-market deals in H2 2025 took place across a range of sectors including TMT, Real Estate, Consumer, Industrials & Chemicals, Financial Services, Pharma, Medical & Biotech, Energy, Mining & Utilities, Business Services and Leisure. The top three deals were as follows:

- GSK plc acquired a 100.0% stake of Jiangsu Hengrui Pharmaceuticals Co at a consideration of USD 500m – announced in July 2025
- Mianyang Fulin Precision Co Ltd and Contemporary Amperex Technology Co Ltd acquired a 61.0% stake of Jiangxi Shenghua New Material Co Ltd at a consideration of USD 500m – announced in September 2025; and
- Hangzhou Xinyu Enterprise Management Co Ltd acquired a 20.7% stake of GCL Energy Technology Co Ltd from Golden Concord Group Ltd at a consideration of USD 488m – announced in September 2025.

**PE/TRADE VOLUME & VALUE**



### LOOKING AHEAD

The latest BDO Global Heat Chart shows that the Greater China region is predicted to be the second most active region with 542 deals announced or in progress. 198 (36.5%) of future deals are expected to take place in the Industrials & Chemicals sector, followed by 114 (21.0%) in TMT and 82 (15.1%) in Pharma, Medical & Biotech.



**ERIC PAT**  
DIRECTOR

ericpat@bdo.com.hk



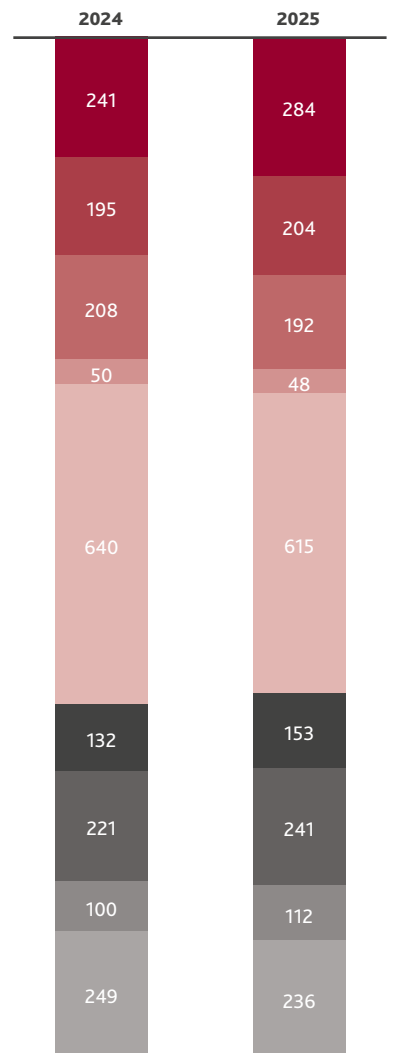
**KENNETH WONG**  
PRINCIPAL

kennethwong@bdo.com.hk

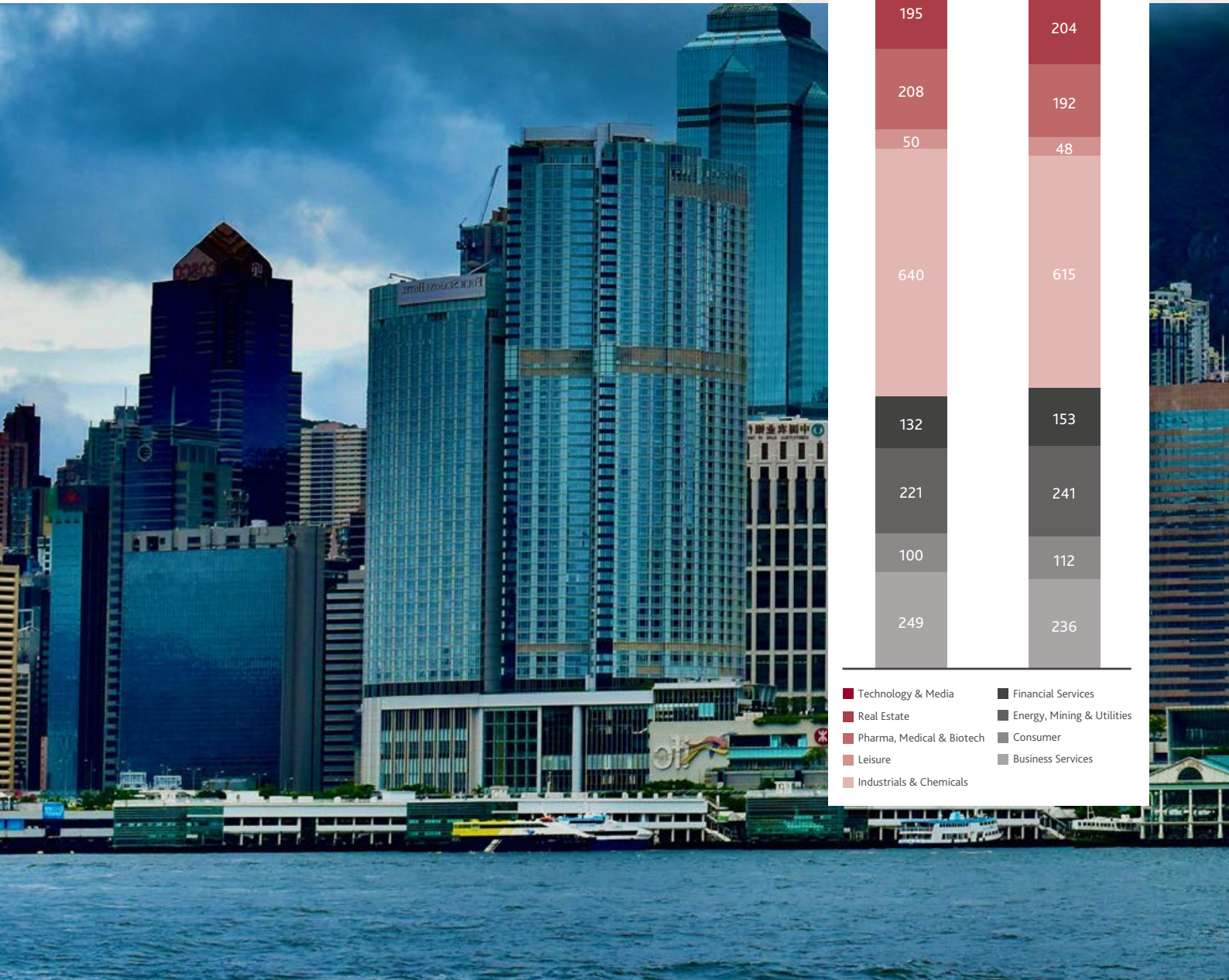
### CHINA HEAT CHART BY SECTOR

Industrials & Chemicals	198	37%
TMT	114	21%
Pharma, Medical & Biotech	82	15%
Consumer	42	8%
Business Services	38	7%
Energy, Mining & Utilities	30	6%
Financial Services	18	3%
Leisure	15	3%
Real Estate	5	1%
<b>GRAND TOTAL</b>	<b>542</b>	

### CHINA MID-MARKET VOLUMES BY SECTOR



- Technology & Media
- Real Estate
- Pharma, Medical & Biotech
- Leisure
- Industrials & Chemicals
- Financial Services
- Energy, Mining & Utilities
- Consumer
- Business Services





# South East Asia

## HIGH-VALUE PRIVATE EQUITY DEALS LIFT DEAL ACTIVITY



### BIG PICTURE

- Deal numbers rise to 220 in H2 2025 from 185 in H1 2025 and deal value also climbs to USD 20.1bn compared to USD 14.4bn in H1 2025
- Private equity deal numbers fall in 2025 compared to the previous year but total deal value records a huge rise, reflecting a sustained focus on much bigger deals
- Industrials & Chemicals, TMT and Energy, Mining & Utilities are the region's best performing sectors
- Outlook is challenging but the region remains attractive to dealmakers.

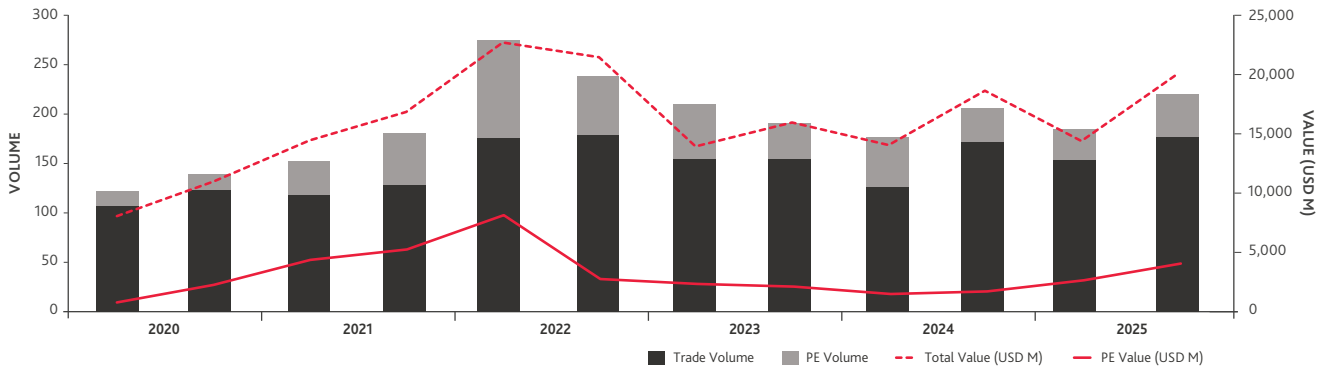
**M&A dealmaking activities recorded an improvement in H2 2025 with a total of 220 deals compared to 185 deals transacted in H1 2025. In 2025 overall, total deal numbers were also up on the previous year with 405 deals compared to 386 in 2024.**

Similarly, total deal value also increased in H2 2025 to USD 20.1bn compared to USD 14.4bn in H1 2025. Across 2025, total deal value also recorded a small rise to USD 34.5bn compared to USD 32.7bn in 2024. The average deal size remained about the same for both years at approximately USD 84.7m in 2024 and USD 85.2m in 2025 respectively.

While deal volume and value both improved in 2025 compared with 2024, dealmaking activity did not recover to the levels achieved in 2022, which saw 420 deals with a total value of USD 44.2bn.

Although total deal numbers for private equity-backed transactions fell to 74 in 2025 versus 85 in 2024, it was noteworthy that total private equity deal value increased by 106.15% to USD 6.8bn in 2025 from USD 3.13bn in 2024. The significant uplift in value meant that the average private equity deal value climbed to USD 91.9m in 2025 compared to USD 38.8m in 2024. The trend of more big-ticket private equity transactions will be closely monitored in subsequent periods to see if it continues.

### PE/TRADE VOLUME & VALUE



### KEY DEALS AND SECTORS

On a yearly basis, Industrials & Chemicals emerged as the top performing sector for M&A activities in 2025, recording the highest deal volume amongst all other sectors under review. In the previous three years, TMT was the leading sector.

The top three sectors in South East Asia in H1 and H2 2025 were as follows:

H2 2025 (top three sectors)		H1 2025 (top three sectors)	
1	Indrials & Chemicals - 52 deals (24%)	TMT - 42 deals (23%)	
2	TMT - 37 deals (17%)	Indrials & Chemicals - 36 deals (19%)	
3	Energy, Mining & Utilities - 35 deals (16%)	Financial Services - 20 deals (11%)	

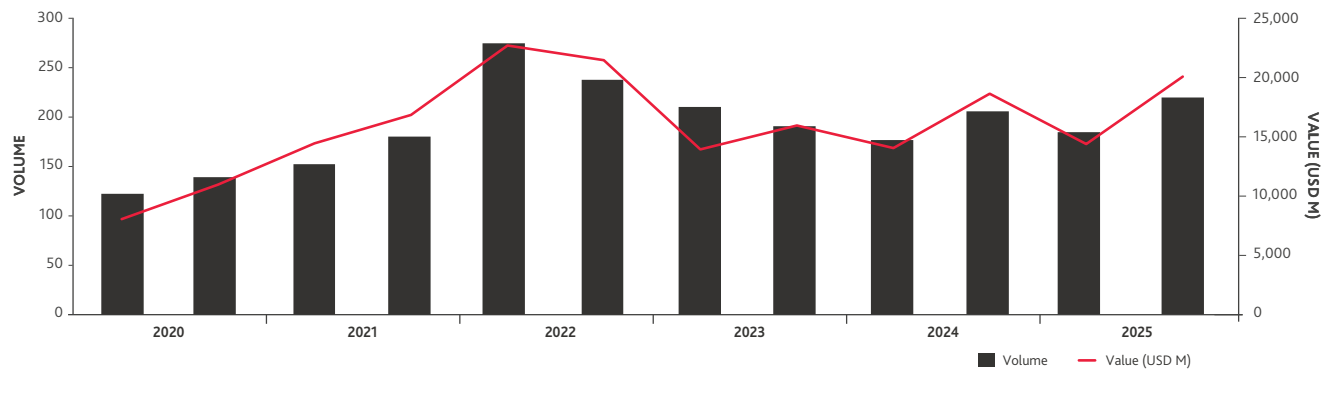
The three biggest deals in the region in H2 2025 were as follows:

- An Industrial & Chemicals deal saw the acquisition of a 98.44% stake in Bionexus Gene Lab Corp in Malaysia (purchase consideration: USD 500m)
- A TMT deal saw the acquisition of a 55% stake in PT Indosat Tbk in Indonesia (purchase consideration: USD 479m)
- An Energy, Mining & Utilities deal saw the acquisition of a 100% stake in Hess International Oil Corp in Thailand (purchase consideration: USD 450m).

The total value for the region's top 20 deals in H2 2025 was USD 7.2bn (versus USD 7.0bn in H1 2025), which accounted for 35.8% of the half-year's overall deal value of USD 20.1bn.

Looking at the top 20 deals in South East Asia, it is noteworthy that Singaporean companies were the top targets, accounting for 50% of the top 20 in H2 2025. We can also observe that South East Asia remains an attractive region for international investors, with 45% of the top 20 deals involving overseas buyers from outside the region.

### PE/TRADE VOLUME & VALUE



### LOOKING AHEAD

While there were slight improvements in M&A mid-market activities in 2025 compared to 2024, the outlook remains challenging due to the uncertainties caused by ongoing geopolitical tensions and economic policies, which have made investors more selective when considering cross-border deals. Investors need to evaluate investment returns, investment risk and alternative investment options, all of which can delay M&A processes.

Notwithstanding the challenging outlook, South East Asia is still attractive for M&A dealmakers as companies look to diversify and re-direct their supply chain to the region for global trade. The region's favourable demographics, due to its growing population, allied with it being less affected by ongoing geopolitical tensions, are also positive factors.

For 2026, it remains to be seen whether M&A dealmaking continues to improve. Moving forward, the direction of trade and economic policies will likely play a major role in investors' M&A decisions in South East Asia. Finally, any unexpected escalation of geopolitical tensions may also affect dealmaking in the region.



**WONG WING SEONG**

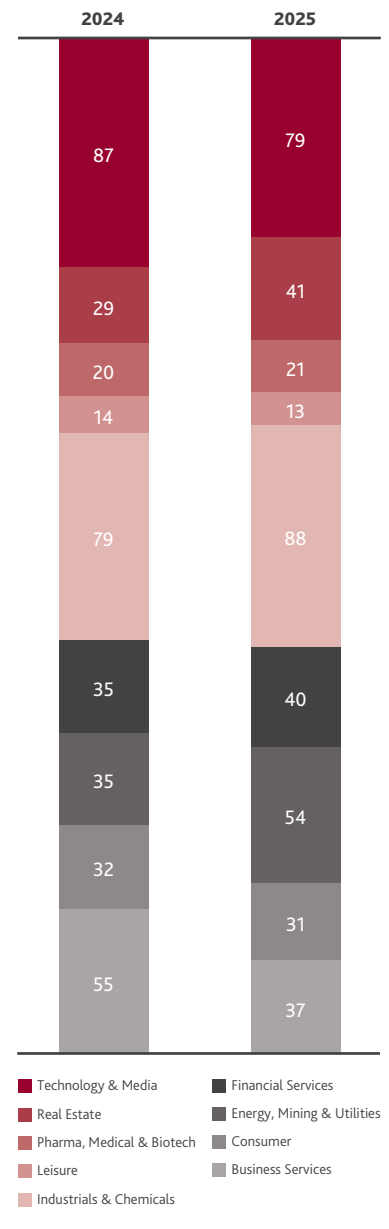
EXECUTIVE DIRECTOR,  
ADVISORY

ws Wong@bdo.my

### SOUTH EAST ASIA HEAT CHART BY SECTOR

TMT	37	16%
Industrials & Chemicals	36	16%
Business Services	35	15%
Energy, Mining & Utilities	30	13%
Financial Services	27	12%
Consumer	27	12%
Pharma, Medical & Biotech	21	9%
Leisure	8	4%
Real Estate	6	3%
<b>GRAND TOTAL</b>	<b>227</b>	

### SOUTH EAST ASIA MID-MARKET VOLUMES BY SECTOR





# Australasia

## MID-MARKET M&A CONTINUES TO IMPROVE DESPITE TRADE AND ECONOMIC UNCERTAINTY

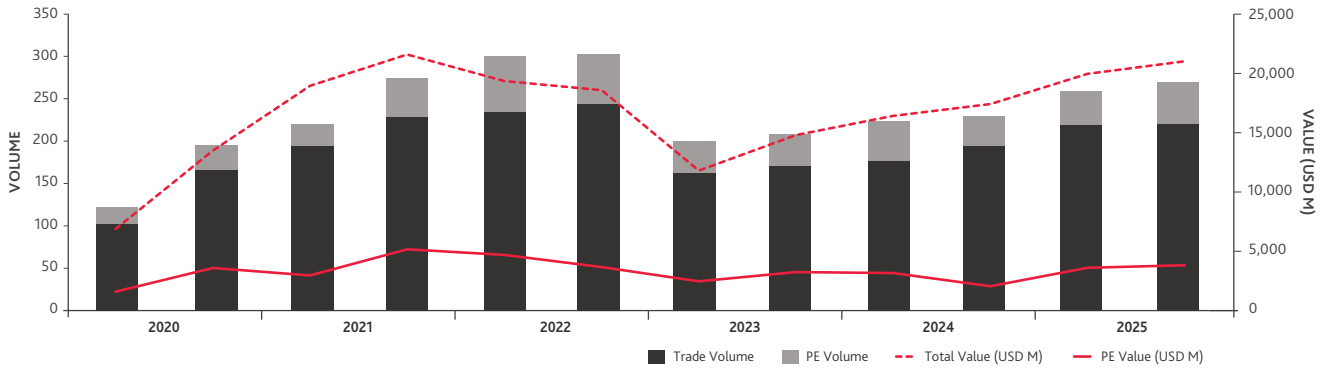


### BIG PICTURE

- Total deal value increased by 21% to USD 21.0bn in H2 205 from USD 17.4bn in H2 2024. Overall deal volume was up by 18% across the same period
- Private equity total deal value rose by 86% compared to H2 2024 and deal volume was up 40%
- Foreign investment in Australasia remains strong, with overseas buyers involved in nine of the top 20 deals (five of which were US-based investors)
- The BDO Heat Chart indicates there is strong dealmaking interest in 2026 with 233 Australasian deals in the pipeline.

The Australasian M&A market continues to improve despite trade uncertainties, economic challenges and global political uncertainty. A total of 270 deals were completed in H2 2025 with a combined value of USD 21.0bn, representing a 18% increase in deal volume and a 2% increase in average deal value compared to H2 2024. Global political uncertainty remained elevated during the period, however Australia's new compulsory merger regime requirements which were enacted on 1 January 2026, spurred a flurry of dealmaking activity ahead of the deadline.

### PE/TRADE VOLUME & VALUE



The total value of private equity-backed transactions in H2 2025 increased by 86% to USD 3.8bn, compared to USD 2.1bn in H2 2024. The increase was driven by a 40% uplift in total deal volume (49 deals in H2 2025 compared to 35 deals in H2 2024) and a 33% increase in average deal value (USD 78.0m in H2 2025 compared to USD 58.6m in H2 2024). Across the full year, 89 private equity-backed transactions were completed, representing 20% of total transactions, a slight decline from 21% in 2024.

**KEY SECTORS AND DEALS**

The most active sectors were Energy, Mining & Utilities (55 deals), TMT (45) and Business Services (37). The least active sector was Consumer (13), followed closely by Real Estate (15) and Financial Services (16).

The Leisure and Pharma, Medical & Biotech sectors saw the largest proportional increase in deal volume compared to H2 2024, increasing by 127% and 100% respectively. Consumer and Real Estate saw the largest proportional declines in deal volume, falling by 38% and 17% respectively.

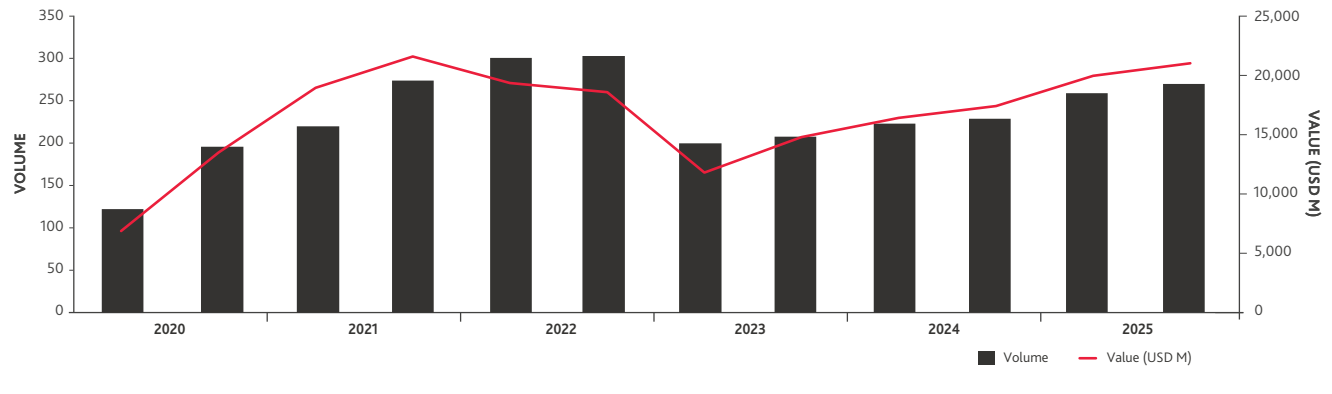
The region's biggest transaction in H2 2025 involved the sale of a 19.9% stake in privately-owned Tilt Renewables to the Future Fund (Australia's sovereign wealth fund) and Queensland Investment Corporation, for USD 489.5m. The deal consolidates 99.9% of Tilt Renewable's ownership with the two entities, while the seller, AGL Energy, retains a 0.1% stake.

The second largest transaction was Advent International's purchase of 100.0% of Automic Group, the leading investor administration and services company in Australia, for USD 473.6m.

The acquisition expands on Advent's global business and financial services interests, and this was its first local acquisition following the opening of its Sydney-based Australian office in July 2024.

Finally, the third largest transaction involved Dexus' acquisition of a 25.0% interest in Westfield Chermside from Scentre Group, for USD 454.9m. This follows Dexus' initial purchase of 25.0% in July 2025 for USD 449.6m. The deal provides Scentre Group with capital to pursue strategic opportunities while Dexus' stake in the joint venture partnership increases to an equal 50.0%.

**PE/TRADE VOLUME & VALUE**



### LOOKING AHEAD

In line with the same period last year, local M&A dealmaking is expected to remain relatively stable in the first half of 2026. The BDO Heat Chart shows there were 233 deals in the pipeline at the end of H2 2025, compared to 219 deals at the end of H2 2024.

The most active sectors are expected to be Consumer (41 deals), Business Services (40) and Energy, Mining & Utilities (33). In contrast, the least active sectors are expected to be Real Estate (4), Leisure (10) and Financial Services (22), echoing the sector-specific activity levels seen in H2 2025.

While M&A activity continued to improve in H2 2025, deal volume remained below the COVID-period peak reached in H2 2022 of 303 deals. Economic and monetary conditions were reasonably accommodative, with the Reserve Bank of Australia (RBA) reducing the cash rate by 25 basis points and the Reserve Bank of New Zealand (RBNZ) reducing the cash rate by 100 basis points.

Transaction timing was critical in H2 2025 ahead of Australia's new merger regime taking effect on 1 January 2026, with any deal closing after that date being captured under the new regulations.

This drove accelerated activity in the market, contributing to a 20% rise in deal volume compared to H1 2025 (225 deals), while average deal value increased by only 1% (USD 77.1m in H1 2025).

Looking ahead, we do not expect to see the continued loosening in local interest rate settings during 2026. Australia's headline inflation rate remained elevated in December 2025 at 3.8%, which is outside of the RBA's target range of 2%-3%. The RBA raised the cash rate by 25 basis points at its February meeting, following through on its earlier warning that inflationary pressures may require an increase in the cash rate to be considered in 2026. Despite this, monetary policy in the region is likely to remain relatively accommodative for dealmaking activity in the year ahead.



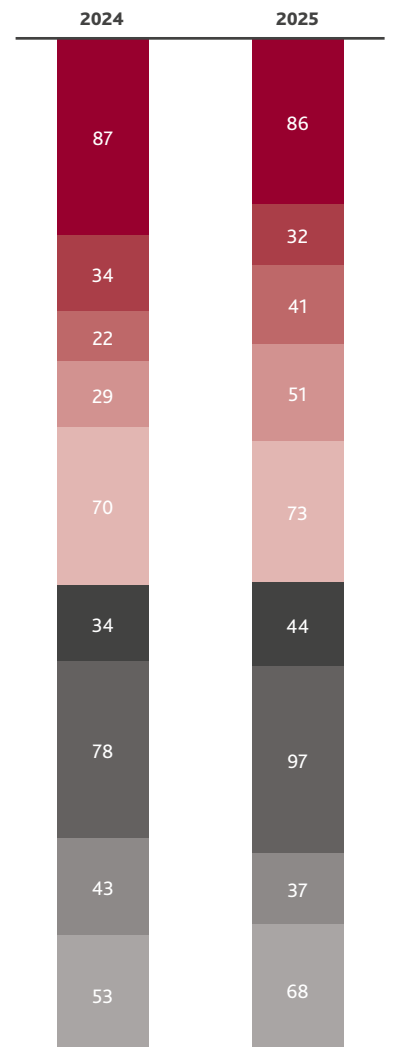
**SEBASTIAN STEVENS**  
PARTNER,  
CORPORATE FINANCE

sebastian.stevens@bdo.com.au

### AUSTRALASIA HEAT CHART BY SECTOR

Consumer	41	18%
Business Services	40	17%
Energy, Mining & Utilities	33	14%
Industrials & Chemicals	32	14%
Pharma, Medical & Biotech	26	11%
TMT	25	11%
Financial Services	22	9%
Leisure	10	4%
Real Estate	4	2%
<b>GRAND TOTAL</b>	<b>233</b>	

### AUSTRALASIA MID-MARKET VOLUMES BY SECTOR



- Technology & Media
- Real Estate
- Pharma, Medical & Biotech
- Leisure
- Industrials & Chemicals
- Financial Services
- Energy, Mining & Utilities
- Consumer
- Business Services



# Some of our recently completed deals

**ergon**

BDO Deal Advisory team acted as the lead advisor to the shareholders of Ergon Informatik AG in the sale of their shares to Afinum PE.

**DECEMBER 2025  
SWITZERLAND**



BDO Deal Advisory acted as financial advisor to the sellers of Sellukem AB.

**DECEMBER 2025  
SWEDEN**



BDO's M&A and Capital Markets team advised on the sale of Canadian Organic Spice & Herb Co. Inc. (operating under the Splendor Garden brand).

**DECEMBER 2025  
CANADA**

**APEX DIGITAL**

Advisor to Apex Digital on the acquisition of PHB laboratory, a dental laboratory.

**DECEMBER 2025  
FRANCE**

**BETRONIC GROUP**

BDO acted as lead advisor to Betronic Group on their acquisition of Smart Electronics Ltd.

**DECEMBER 2025  
IRELAND**

**DANTRA A/S**

BDO acted as exclusive financial adviser to the shareholder of Dantra Group in connection with the sale to HOYER Group.

**DECEMBER 2025  
DENMARK**

**ZOTEFOAMS**

BDO acted as financial advisor and provided financial due diligence to ZoteFoams Plc in the acquisition process of 100% share capital of Overseas Konstellation Company.

**NOVEMBER 2025  
SPAIN**

**ADCAMP, INC.**

BDO served as exclusive financial advisor to Adcamp, Inc., a premier full-scope asphalt manufacturer and commercial paving company, its sale to Capital Alignment Partners and Enclave Capital Partners.

**NOVEMBER 2025  
USA**

**APTIBLE, INC.**

Aptible, Inc, a leading Platform as a Service serving the digital health space, has been acquired by Opti9 Technologies, a portfolio company of Crest Rock. BDO acted as financial advisor.

**NOVEMBER 2025  
USA**



Magirus GmbH, a portfolio company of Mutares SE & Co. KGaA, acquires 100% of the shares in Franz Achleitner Fahrzeugbau und Reifenzentrum GmbH. BDO provided sell side assistance to Achleitner.

**OCTOBER 2025  
AUSTRIA**

**VEGA DOO VALJEVO**

Vega acquires Phoenix Group's wholesale and retail operations in Bosnia & Herzegovina, Montenegro and North Macedonia.

**OCTOBER 2025  
SERBIA**



Our M&A and Capital Markets team is pleased to announce the acquisition of BARR Plastics Inc. by Omax Investments Ltd.

BDO acted as the exclusive financial advisor to BARR Plastics throughout the divestiture process.

**OCTOBER 2025  
CANADA**

**TURICUM  
PRIVATE BANK**

BDO acts as exclusive financial adviser to Turicum Private Bank on its partnership with Hassium Asset Managemnet.

**OCTOBER 2025  
UNITED KINGDOM**

**CoCEPTIO**

BDO assisted the Management in framework of LBO operation (Finance + Tax & Legal).

**OCTOBER 2025  
BELGIUM**

**LOHMANN & RAUSCHER  
INTERNATIONAL  
GmbH & CO**

BDO acted as financial advisor and provided financial and tax due diligence to Lohmann & Rauscher GmbH in the acquisition process of 49% share in Albino Dias de Andrade Group.

**OCTOBER 2025  
SPAIN**



BDO Deal Advisory acted as exclusive financial advisor to the owners of Adestia in the divestment to Reledo.

**JULY 2023  
ISRAEL**



BDO acted as lead advisor to the owners of Effektivt Renhold in the sale to Reledo.

**SEPTEMBER 2025  
NORWAY**

**HEEMSKERK  
FLOWERS**

BDO acted as Lead Advisor to Heemskerk. Heemskerk Flowers is a leading international family business that offers a wide range of flowers, plants and accessories online.

**SEPTEMBER 2025  
NETHERLANDS**



BDO's Healthcare Services M&A team advised Select Health Care Limited on the sale of Select Health Care General Limited and Select Health Care Specialist Limited to Foundation Partners and Deer Capital.

**SEPTEMBER 2025  
UNITED KINGDOM**

**KALEVA**

BDO acted as Kaleva's main financial and tax advisor in the arrangement.

**SEPTEMBER 2025  
FINLAND**

**SAINT-GOBAIN  
DISTRIBUTION  
DENMARK A/S**

BDO Deal Advisory has acted as exclusive financial advisor to Saint-Gobain Distribution Denmark A/S in the connection with the sale of BD Smart Forsyning to Kamstrup A/S.

**SEPTEMBER 2025  
DENMARK**

**CADYST**

BDO advised Cadyst Group on the acquisition of SGMC (Cameroon), formerly subsidiary of Somdia (subsidiary of the French Castel Group).

**AUGUST 2025  
FRANCE**

**WKS DRUCKHOLDING  
GmbH**

Advisor to WKS Druckholding GmbH in their acquisition of Print Media Group GmbH.

**AUGUST 2025  
GERMANY**

**CLINIQUE EUROPÉENNE  
DE CASABLANCA**

BDO in Morocco has assisted successfully Clinique Europeenne de Casablanca in opening its capital to a new shareholder. BDO has performed vendor due diligence, valuation, financial and tax advisory to the seller as well as negotiations with the buyer.

**JULY 2025  
MOROCCO**

FOR MORE INFORMATION:

**SUSANA BOO**

SENIOR DIRECTOR,  
GLOBAL DEAL ADVISORY

susana.boo@bdo.global

Data compiled by Acuris.

We focus on the middle market, defined as deals with a value from \$5m to \$500m in US Dollars.

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