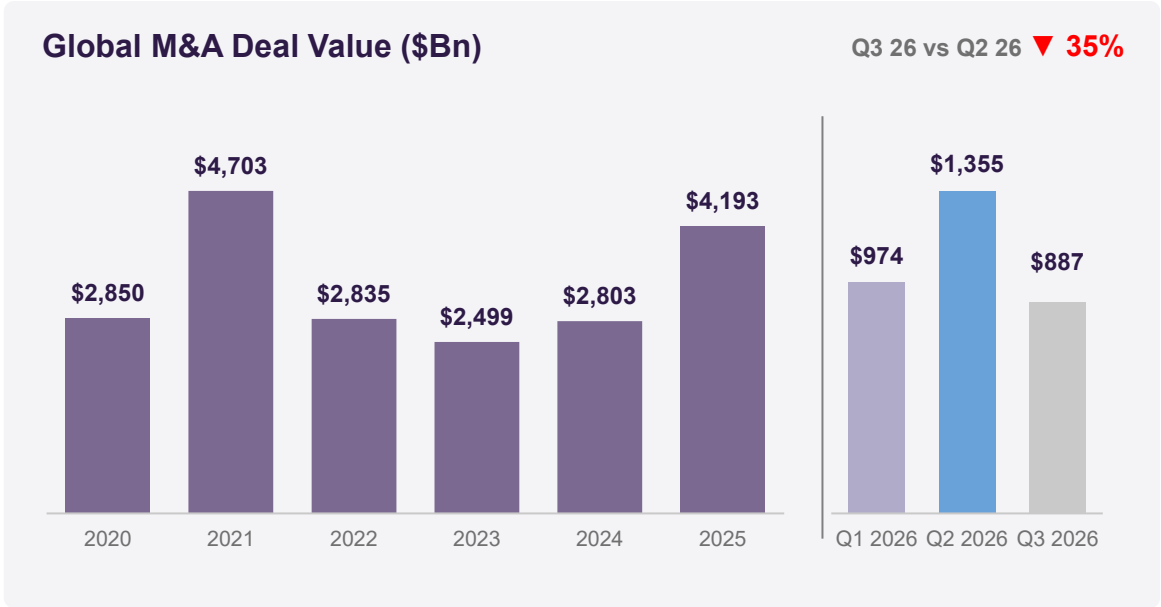


THIRD QUARTER 2026

M&A Outlook and Market Update

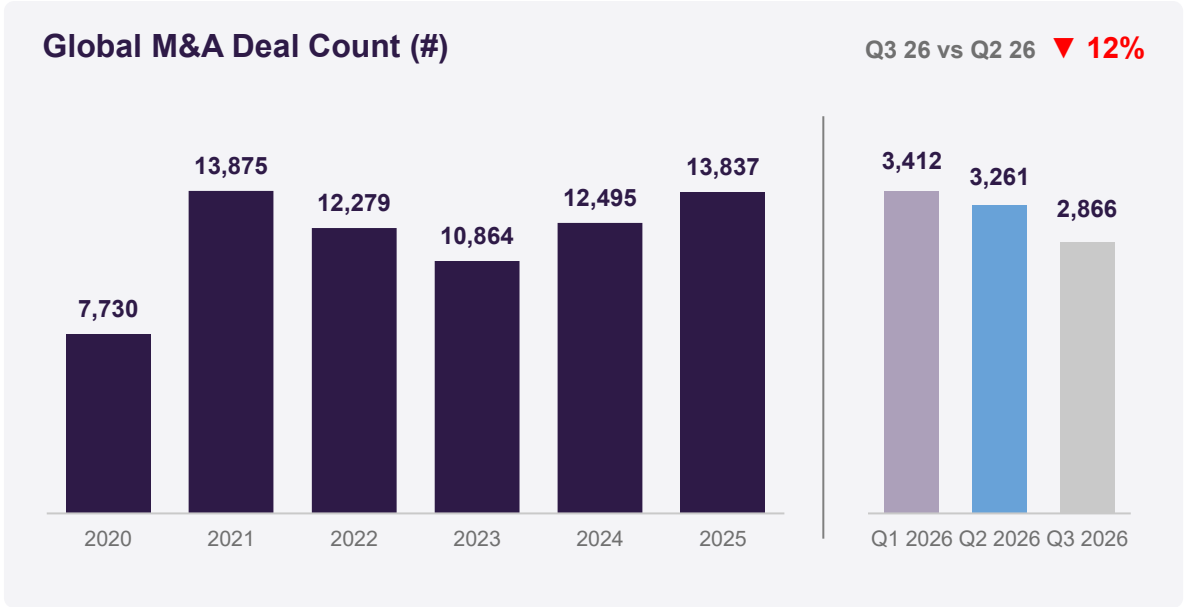




\$3,217_{Bn}
YTD 2026 global deal value

▲ 14%
YTD 2026 vs YTD 2025

- Global M&A activity has been strong in the first nine months of 2026, continuing the momentum from late 2025, with the strongest nine-month volume since 2021.
- Activity has been front-loaded, with record first half volume and a sharp slowdown in the third quarter, which was down 35% from the prior quarter and represented the slowest quarter of the year.



9,539
YTD 2026 global deal count

\$337mm
YTD 26 Average Deal Size

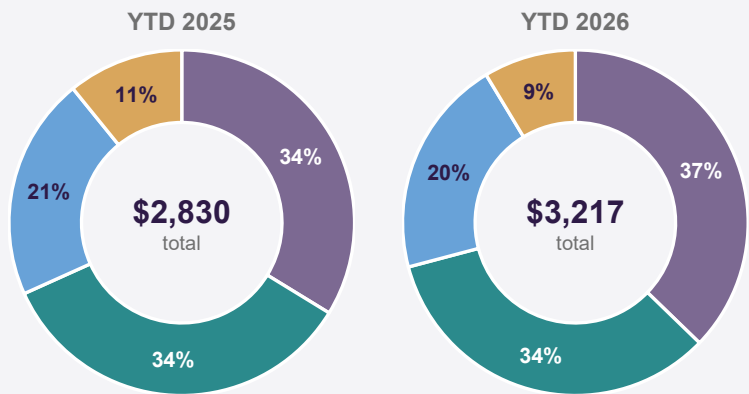
- M&A transactions by deal count in the first nine months of 2026 have fallen from the same period in 2025, underscoring that transaction size has been increasing, particularly in the second quarter, with average deal size increasing by 20% to \$337 million.
- Corporate dealmakers have prioritized long-term strategic decisions in the face of geopolitical and macroeconomic headwinds, and while private equity-led and mid-sized transactions trailed in the first half, they made up ground in third quarter.

Source: Dealogic.

Corporate vs. Private Equity Activity (\$Bn)



Transaction Size (\$Bn)

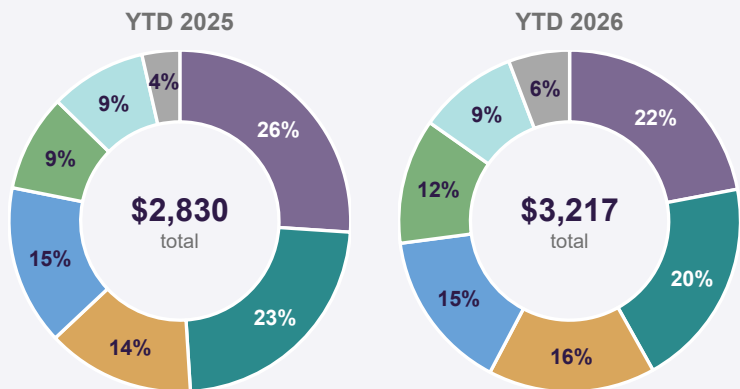


	YTD 2025	YTD 2026	YoY	Share Δ
■ \$10Bn+	\$955	\$1,198	▲ 26%	+4 pts
■ \$2Bn – \$10Bn	\$977	\$1,082	▲ 11%	-1 pts
■ \$500mm – \$2Bn	\$591	\$659	▲ 11%	—
■ < \$500mm	\$307	\$278	▼ 10%	-2 pts

- Strategic, corporate activity drove the market in the first nine months of 2026, growing 21% and accounting for nearly 65% of M&A volume.
- Large strategic, synergistic transactions, mergers-of-equals and portfolio rationalization by sellers all drove activity as corporates pursued long-term strategic objectives despite market volatility.
- Private equity firms were more cautious in the first half, but activity rebounded with the YTD PE volume jumping nearly 68% in the third quarter alone, as decision makers grew more comfortable with the economic environment and the visibility to strong returns.
- Megadeals (\$10+ billion) led the market, up significantly over 2025 and accounting for 37% all M&A activity, but the megadeal wave receded in the third quarter, with the contribution down from 45% at midyear.
- Upper middle market transactions (\$500mm - \$2Bn) had their best performance of the year in the third quarter and caught up to the growth rate in the large cap (\$2Bn - \$10Bn) segment, with confidence returning and valuation gaps more easily bridged.

M&A Market Breakdown

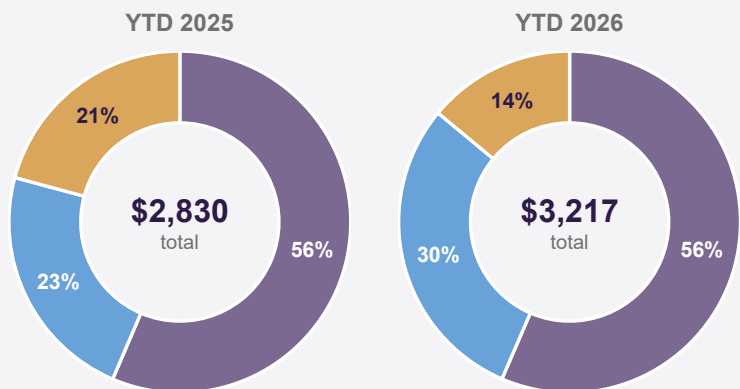
Global Industry Breakdown (\$Bn)



	YTD 2025	YTD 2026	YoY	Share Δ
TMT	\$737	\$708	▼ 4%	-4 pts
Industrials & Svcs	\$650	\$639	▼ 2%	-3 pts
Energy	\$396	\$509	▲ 29%	+2 pts
FIG	\$428	\$489	▲ 14%	—
Healthcare	\$260	\$381	▲ 47%	+3 pts
Consumer & Retail	\$258	\$304	▲ 18%	—
Real Estate	\$101	\$186	▲ 84%	+2 pts

- TMT continues to lead the M&A market among major industries, though volume has softened as AI-driven concerns about disruption to software business models slowed activity.
- Volume in Industrials & Services (I&S) also declined but, as a broad industry grouping with many diverse subsectors, maintained the second largest share of M&A activity.
- Energy increased significantly due to the NextEra/Dominion transaction, and a significant upswing in large pharma acquiring biotechnology companies drove strong growth in Healthcare.
- Activity contracted in the APAC region while volume surged across EMEA as pent-up demand released following subdued volume in the region in 2024 and 2025.

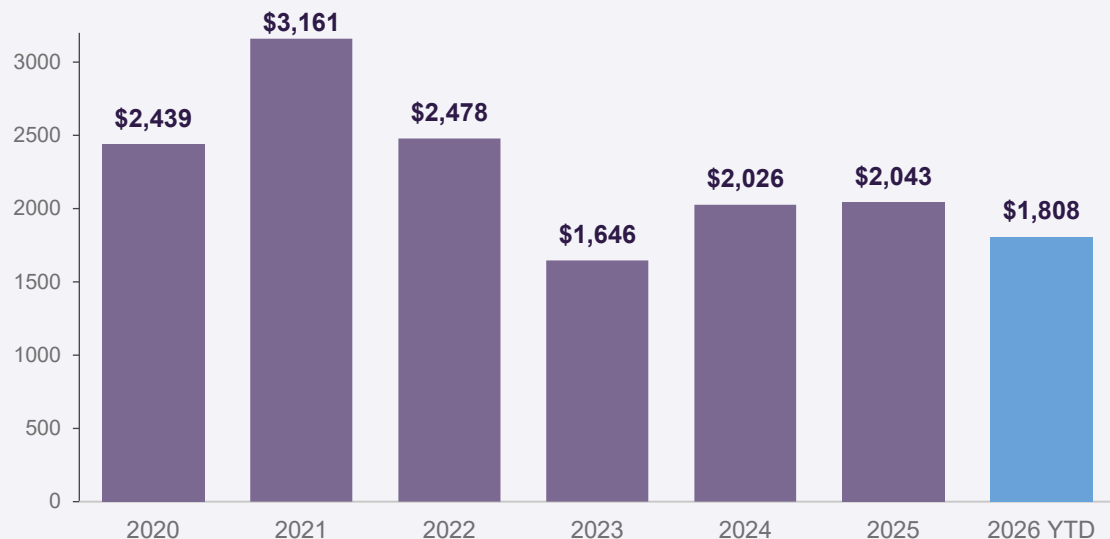
Global Geographic Breakdown (\$Bn)



	YTD 2025	YTD 2026	YoY	Share Δ
Americas	\$1,597	\$1,817	▲ 14%	—
EMEA	\$644	\$950	▲ 48%	+7 pts
APAC	\$589	\$450	▼ 24%	-7 pts

Private Equity Drivers

Global PE Deal Value (\$Bn)



- Private equity firms entered the year cautious about the environment and the uncertain geopolitical backdrop, with some AI-driven sector reassessment.
- Hold periods for assets have extended in many cases with PE firms hesitant to pursue an exit until valuations recover and they are more certain about achieving their return objectives.
- While sponsor activity in the first half reflected these concerns and was slightly down year over year, the third quarter saw a surge in activity, with certain transactions (take privates and secondaries) leading the way.

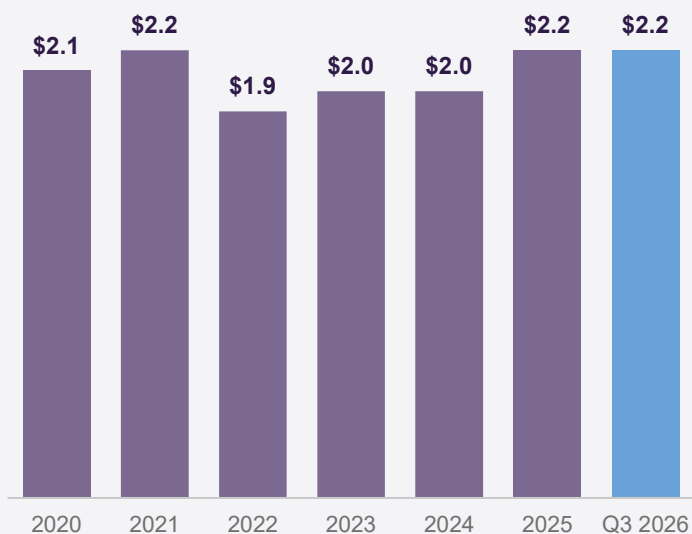
Global Buyout Dry Powder (\$Bn)



- With a backlog of portfolio companies and limited partners that are pressing for return of capital, private equity exits should remain robust.
- Ample dry powder will continue to drive acquisitions of new platforms, though a hawkish Fed, the start of a tightening cycle, and a back-up in bond yields and borrowing costs could dampen activity.

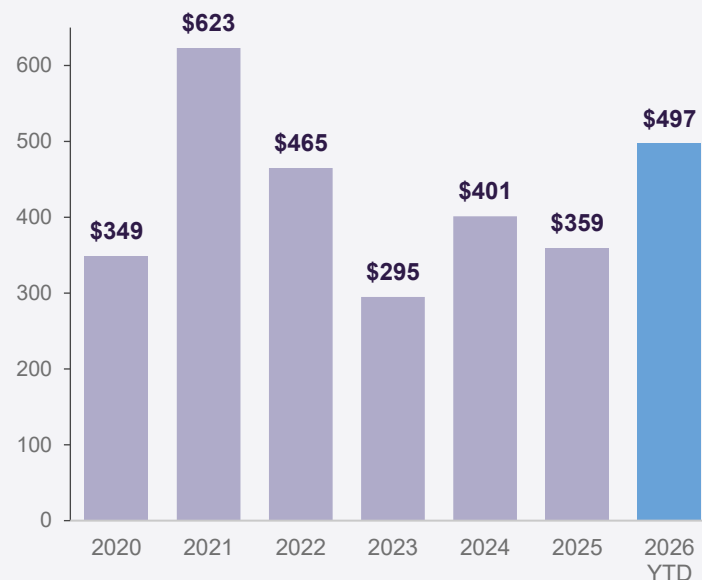
Source: PitchBook; Preqin.

S&P 1500 Cash Balances (\$Trn)



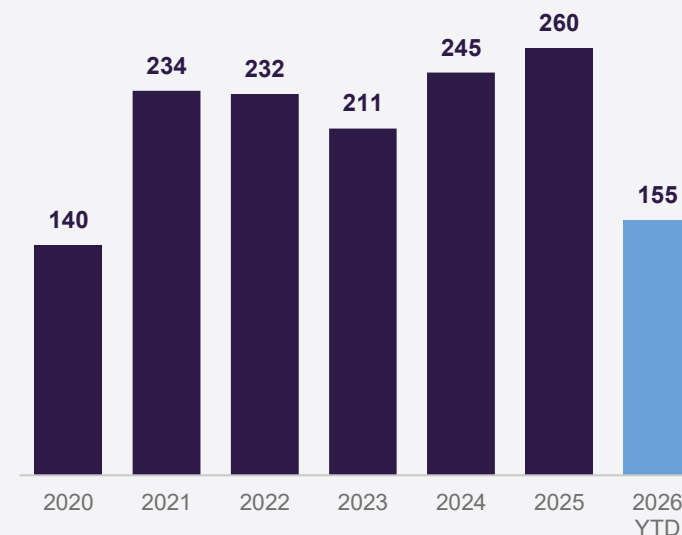
- Corporate balance sheets remain strong, with near-record cash levels and S&P 500 operating cash flow up 13% to \$2.7 trillion, enabling large, strategic transactions used to gain access to new markets, new technologies or enhanced operating capabilities.

Carve-Out Deal Value (\$Bn)

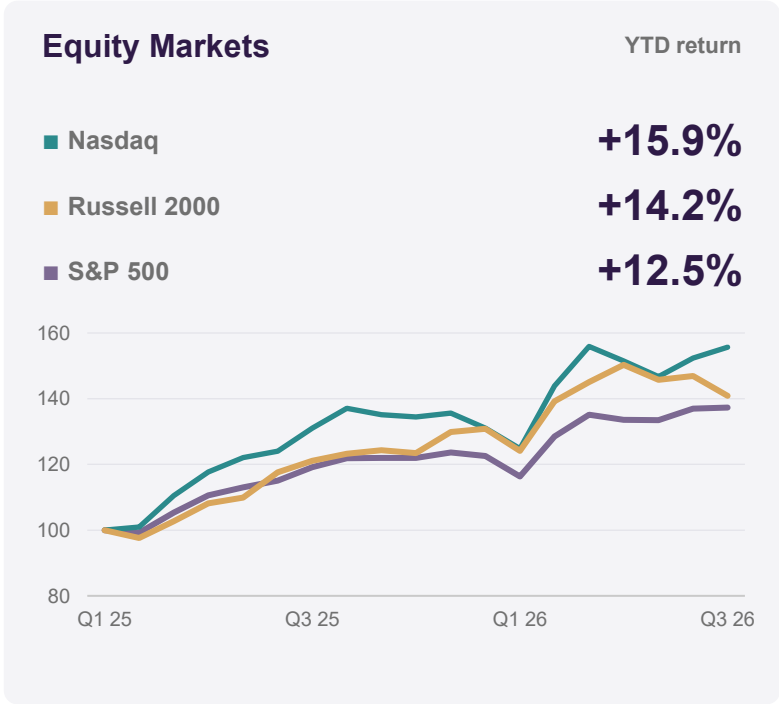


- Corporates also continue to reposition their portfolios, unlocking capital or reducing complexity by divesting or spinning off non-core business lines.
- Carve-outs provide sponsors and other acquirers access to attractive, often underinvested, non-core assets.

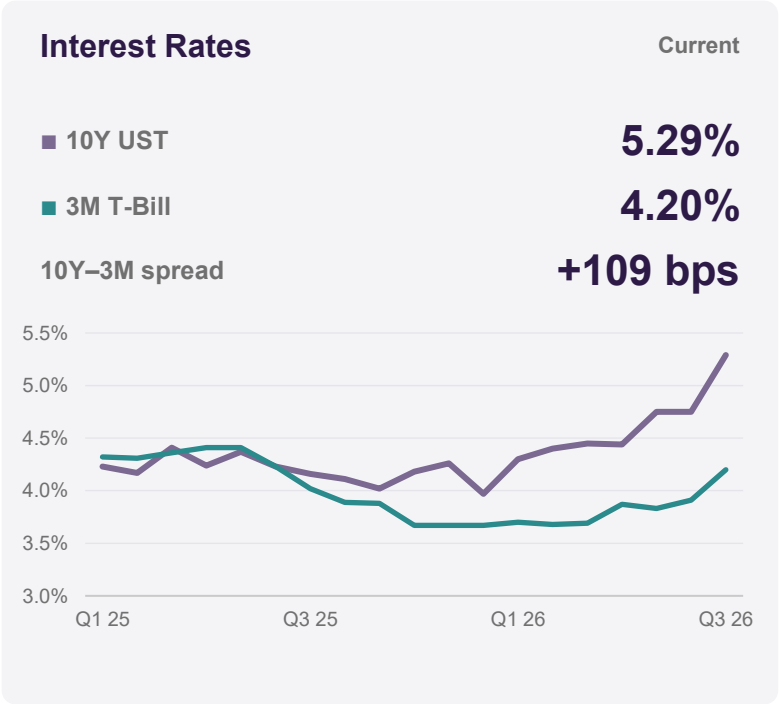
Spin-Offs (#)



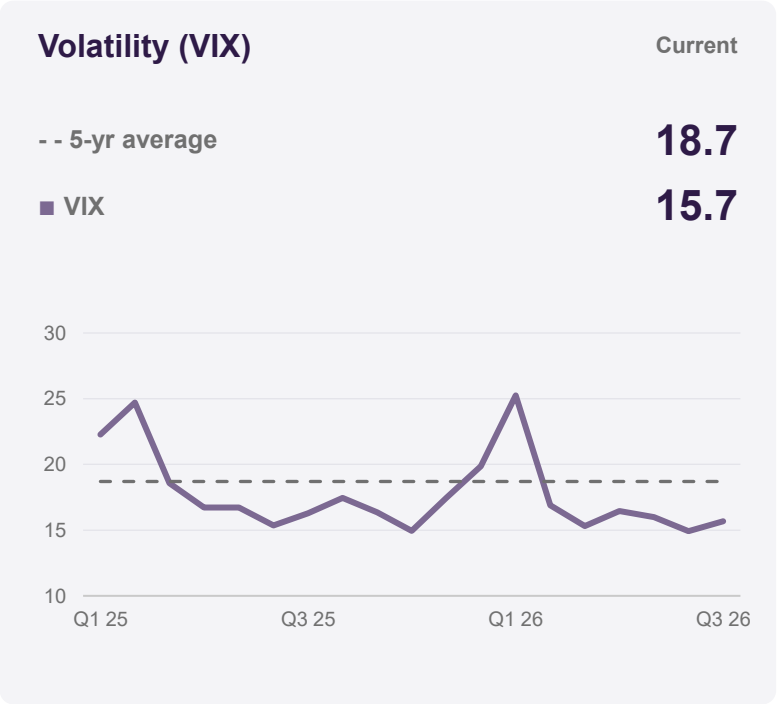
- Following a spin-off, newly independent companies often become active acquirers or targets, feeding follow-on M&A.
- Spin-off count in 2026 is running behind the pace of the last five years as many corporates have been more focused on strategic acquisitions this year.



- While equities sit near all-time highs, which supports deal confidence and equity-funded transactions, indices were mixed in Q3, and breadth was weak, suggesting concerns may be present underneath the strong headlines.



- Treasuries were notably weak across the yield curve, with the 10-year and 30-year yields reaching their highest level since 2002, which may become a headwind to sustained M&A activity.



- Volatility has remained below long-term averages for most of the last two years.



Other Factors

Supportive factors of M&A activity include a constructive regulatory/antitrust policy from the current administration and strong IPO activity (up ~351% through YTD 2026 vs YTD 2025 in deal value) which provides many acquirers confidence as to exit optionality.

Source: Dealogic; Yahoo Finance. Indices rebased to 100 at March 31, 2025 base.

Key Drivers



Momentum sustains

Strong M&A market expected to sustain through the remainder of the year, with volume potentially coming in as the second-best year behind 2021 record activity; emerging headwinds should only impact M&A activity over longer timeframe.



Strong corporate earnings

Corporate earnings growth has been a highlight in 2026, and expected earnings growth rate for Q3 is nearly 30%, which emboldens decision makers and will support continued corporate M&A to build scale or improve strategic position.



AI (r)evolution

The ongoing AI evolution (or revolution) remains a dominant theme across the landscape of nearly all markets, with rising capex, and robust demand and implementation impacting nearly all businesses and forcing companies to consider M&A to ensure they are well positioned.

Potential Headwinds



Hawkish Fed & rising rates

September rate hike has highlighted a newly more hawkish Fed and growing expectations for a tightening cycle, amid sustained inflation and elevated oil prices, with a sharp rise in Treasury yields adding to concerns.



Continuing geopolitical instability

While markets have adjusted to the escalate/de-escalate cycle of hostilities in the Middle East, the continued uncertainty, strong rhetoric and oil prices that may not recover quickly could take a toll, especially if the environment deteriorates or other surprise flare-ups emerge.



Mid-term election volatility

US mid-term election volatility could slow activity in mid-Q4 and possibly longer.

Select Truist Securities 2026 M&A Engagements

\$1,800,000,000



has agreed to be acquired by



Buy-Side Advisor

September 2026

~\$5,500,000,000



has agreed to be acquired by



Buy-Side Advisor

August 2026

~\$600,000,000



assets acquired by



Buy-Side Advisor

July 2026

~\$350,000,000



has agreed to be acquired by



Sell-Side Advisor

July 2026

~\$2,400,000,000



has been acquired by



Buy-Side Advisor

April 2026

\$372,000,000



has been acquired by



Buy-Side Advisor

March 2026

Undisclosed



has been acquired by



Sell-Side Advisor

February 2026

\$620,000,000



has been acquired by

TriArtisan Capital Advisors,
Treville Capital Group and
Yadav Enterprises

Sell-Side Advisor

January 2026

Sources

Dealogic

Global and U.S. announced M&A volume, deal counts, sector, size and geographic mix, 2020 to 2026 YTD.

PitchBook

Take-private / privatization transactions, and strategic-versus-sponsor split, 2020 to 2026 YTD.

Preqin

Global private equity dry powder.

Company filings & press releases

Publicly announced transaction values and advisory roles shown on the engagements page.

Basis of preparation

- Market statistics reflect announced transactions unless otherwise noted. 2026 figures are year-to-date through September 30, 2026. Deal values are as disclosed and rounded. Market-backdrop indices are rebased to 100 at March 31, 2025.
- Third-party market commentary reflects published M&A and macro-outlooks from McKinsey, PwC, Bain, BCG, S&P Global, EY and SS&C Intralinks (2025 to 2026), used for qualitative context only.

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