

Year of the Megadeals

M&A Highlights 2025

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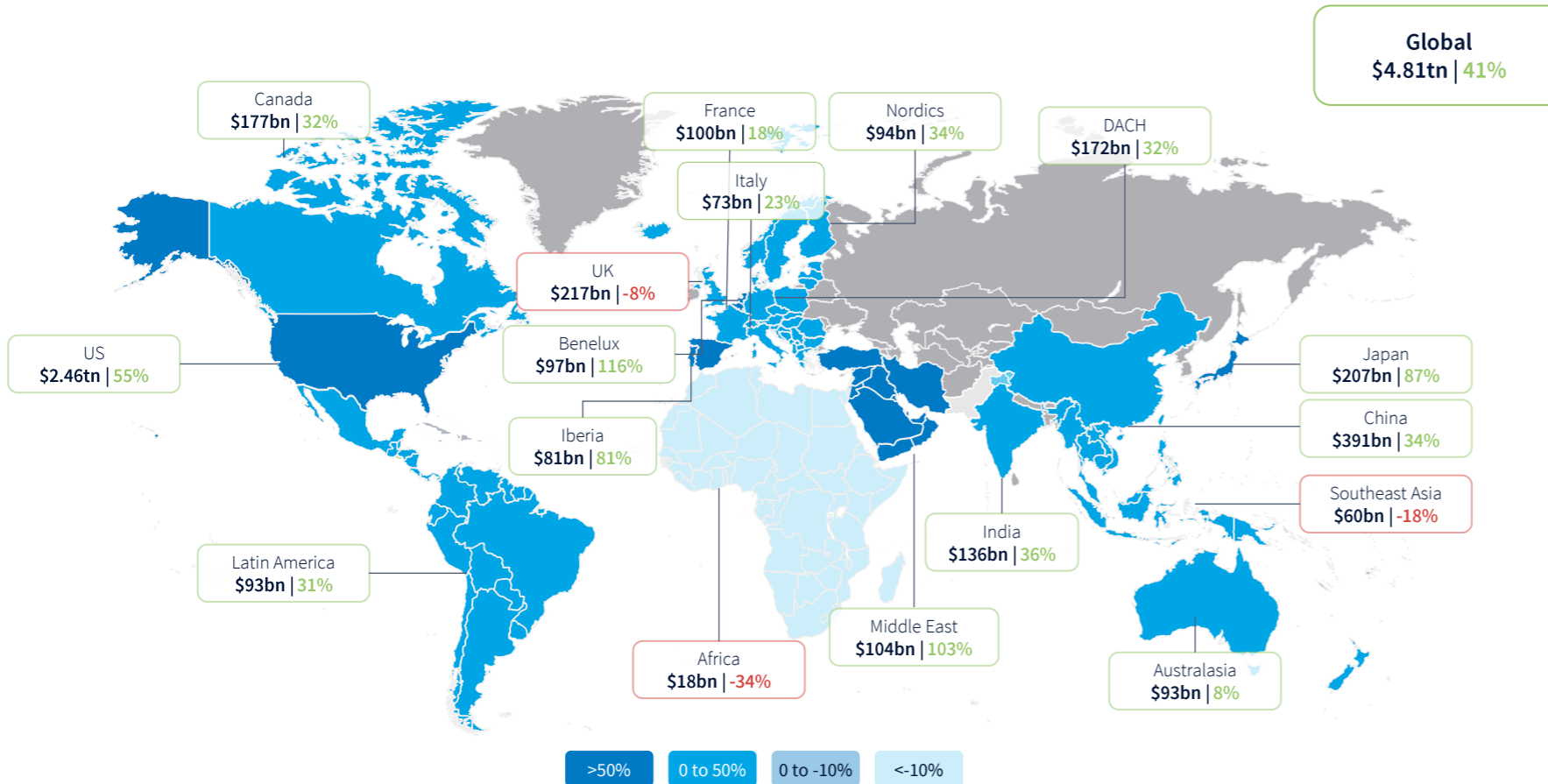
Table of contents

Global M&A	
Key trends	4
Activity	5
Megadeals count	6
Top deals – 2025	7
Top-performing sectors	8
Outlook 2025	9
Financial Sponsors	
Key trends	10
Global buyouts activity	11
Global exits activity	12
Continuation funds and outlook	13
Americas M&A	
Key trends	14
North America M&A activity	15
US M&A cross-border activity	16
Top performing sectors	17
Financial Sponsors rebound	18
North America pipeline	19

EMEA M&A	
Key trends	20
Activity	21
Inbound activity	22
Valuation gap	23
Cross-border activity	24
Top-performing sectors	25
Pipeline	26
APAC M&A	
Key trends	27
Activity	28
Top deals	29
Top-performing sectors	30
Cross-border activity	31
Outlook	32

Key trends

Percentage change in deal volume year-on-year



Global M&A jumped 41% YoY to USD 4.81tn, second highest on record



Record 70 megadeals over USD 10bn added USD 1.53tn to totals



Technology M&A rose 66% to hit USD 1.08tn, fuelled by AI



EA's USD 56.6bn purchase by Saudi-led group was largest buyout ever

Source: Mergermarket, data correct as at 15-Dec-25; All figures in USD

Activity

Global M&A surges 41% to USD 4.81tn, fuelled by USD 10bn+ blockbusters

A surge in megadeals since the summer has renewed optimism among dealmakers that mid-market activity will follow, setting the stage for a stronger 2026.

After-deal momentum stalled earlier in the year amid post-Liberation Day uncertainty; the second half of 2025 saw strategics and private equity firms make bold moves to position themselves for the future.

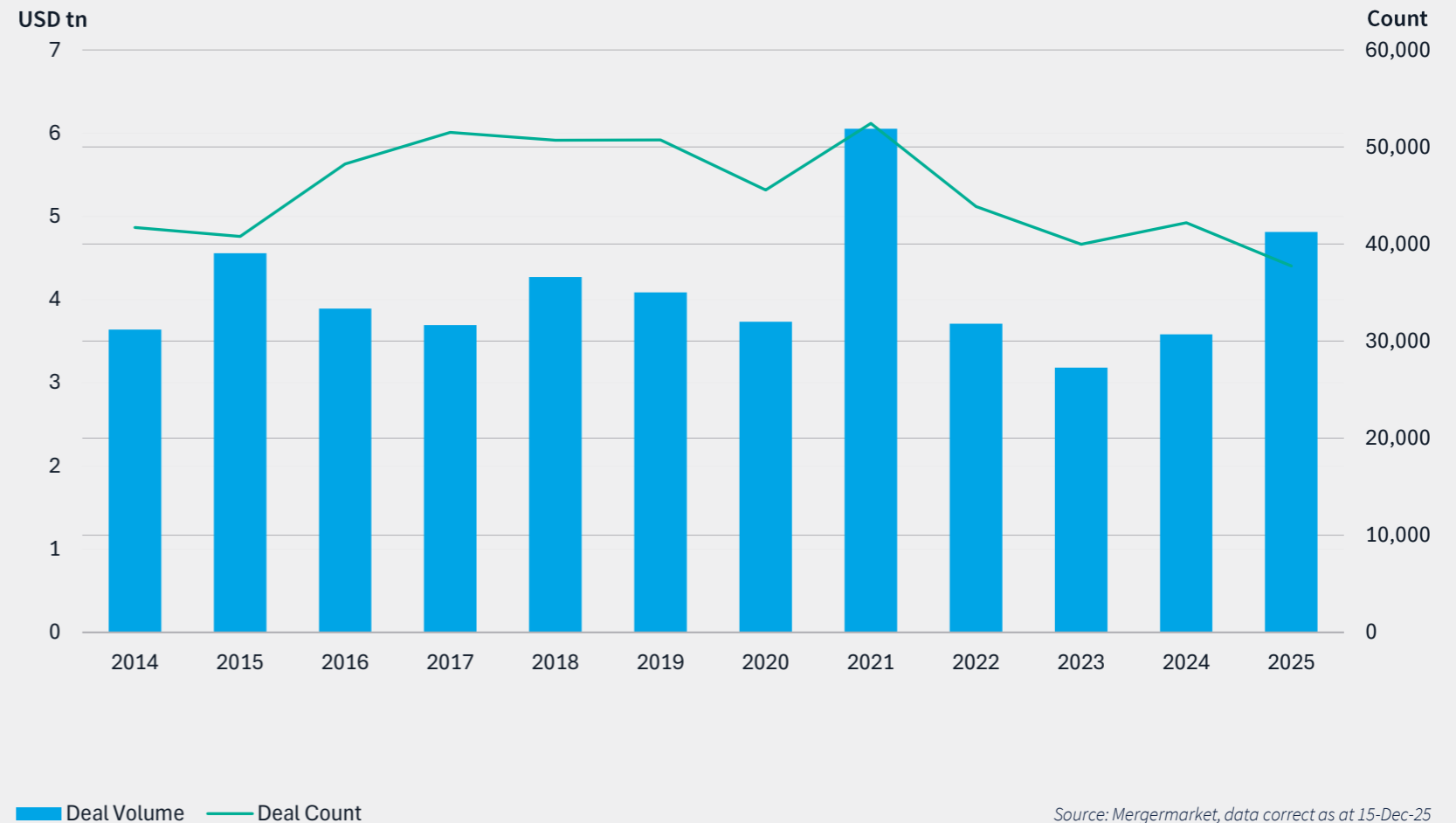
Expectations of a lighter-touch regulatory environment, alongside inflationary pressures and a fast-evolving industrial landscape, spurred large-cap corporates and sponsors to place long-term bets on assets with thematic resilience.

This trend led to a wave of record-breaking deals, including Paramount's largest all-cash bid to date and the largest leveraged buyout on record for Electronic Arts.

As a result, global M&A jumped 41% year-over-year to USD 4.81tn in 2025, the second-highest total on record after 2021. A record 70 megadeals, each valued at more than USD 10bn, drove the rebound and contributed USD 1.53tn, while a further 367 transactions in the USD 2bn–10bn range added another USD 1.46tn.

Global M&A activity

Global M&A volume jumps to USD 4.81tn – the second highest on record

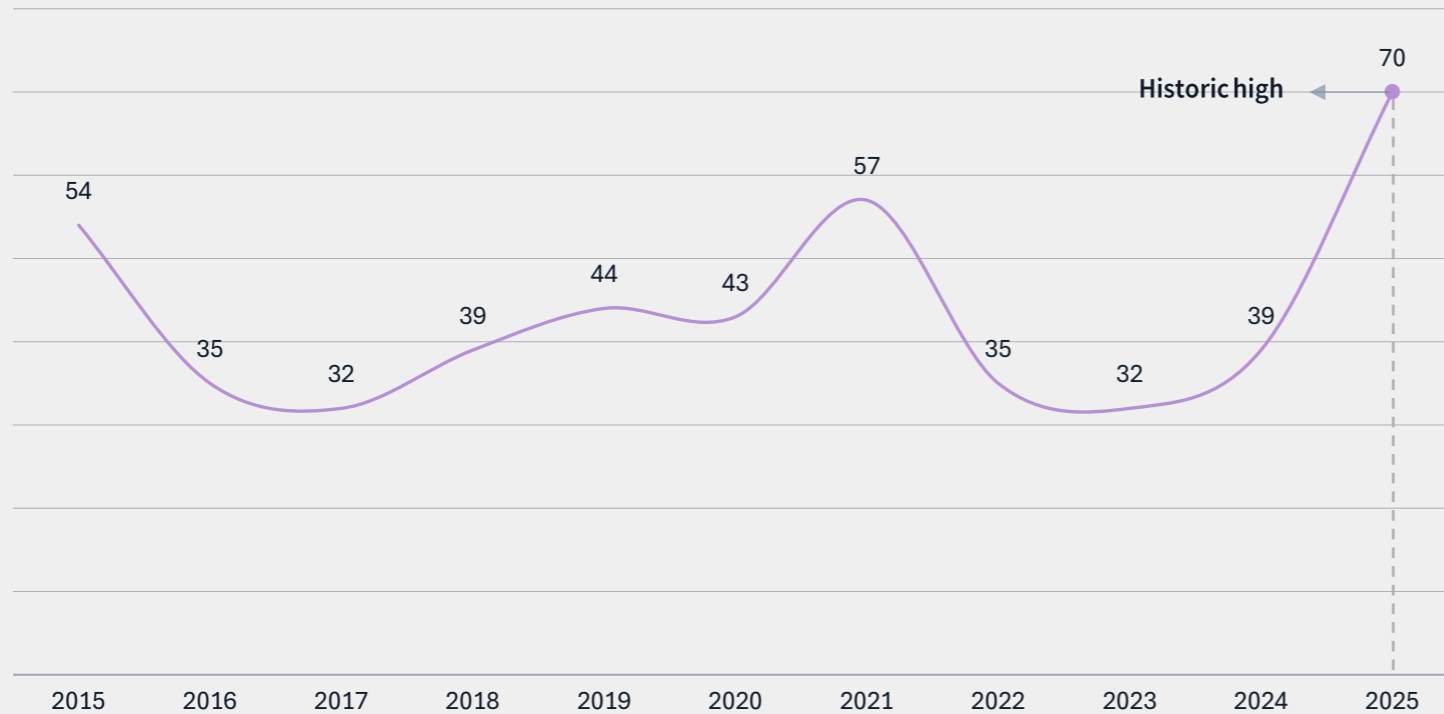


Source: Mergermarket, data correct as at 15-Dec-25

Megadeals count

Megadeals count

Megadeals stand at a total of 70 deals – the highest tally ever recorded



Source: Mergermarket, data correct as at 15-Dec-25

Drivers and outlook

Dealmakers have adapted to tariffs, geopolitical tensions, and elevated interest rates. With the US Federal Reserve cutting rates by 25 bps on 10 December and further reductions expected in 2026, optimism is building for a risk-on environment that could further narrow valuation gaps.

“I’m cautiously optimistic M&A will be better in 2026 than in 2025, but not at 2021 levels,” said Paul Aversano, global practice leader at Alvarez & Marsal. “The vortex of volatility swirling around the world is starting to calm down and people are coming back to market. The large deals are happening first and then we will see more activity from the middle market.”

More sensitive to volatility than megacaps, mid-market companies have mostly stayed on the sidelines, but there are signs that they are returning to the dealmaking table.

“The middle market is picking up in our day-to-day work,” said Kevin Desai, PwC’s US and Mexico deals leader. “We need middle-market corporates to get more active to unlock the private equity logjam.”

Top deals – 2025

Anatomy of the bounce

While dollar volume surged, deal count lagged in 2025, though a rebound is expected. “Deal velocity in 2026 will be at more normalised, historical levels, barring any black swan events,” Aversano said.

After a strong 1Q25 fuelled by optimism over President Donald Trump’s pro-business stance, April’s Liberation Day tariff announcement choked activity before a summer reacceleration. Headline deals included:

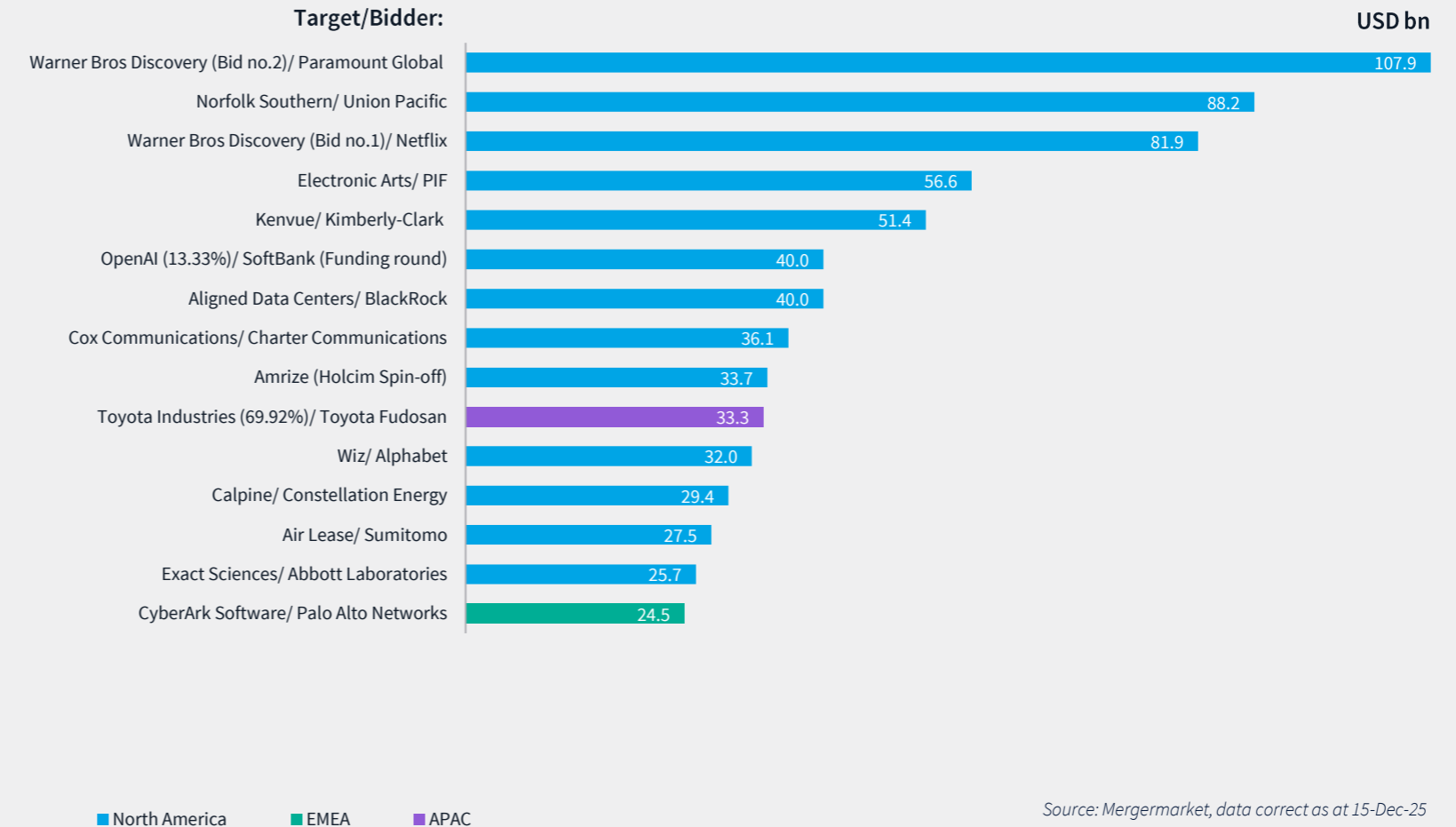
- Paramount Global’s USD 107.9bn [hostile bid](#) for Warner Bros. Discovery in December, aimed at disrupting Netflix’s USD 81.9bn [agreement](#) to buy Warner’s film and streaming assets.
- Union Pacific’s USD 88.2bn [purchase](#) of freight railroad Norfolk Southern in July, highlighting the critical importance of US supply chains and infrastructure.
- Electronic Arts’ USD 56.6bn [take-private](#) in September by a consortium led by Saudi Arabia’s Public Investment underscored Middle-Eastern sovereign funds’ push to diversify from oil.

North America dominated, with USD 2.65tn in volume – a 52% YoY jump – accounting for 55% of global totals. EMEA captured 22% and APAC captured 21%, with APAC up 33% and EMEA rising 24 % from 2024.

Only one top-10 deal came from outside the US – Toyota Industries’ USD 33.3bn take-private – highlighting Japan’s appeal amid regulatory reforms, succession challenges, and a weak yen.

Top deals 2025 – Global

Thirteen of this year's top-15 deals have featured targets in the US

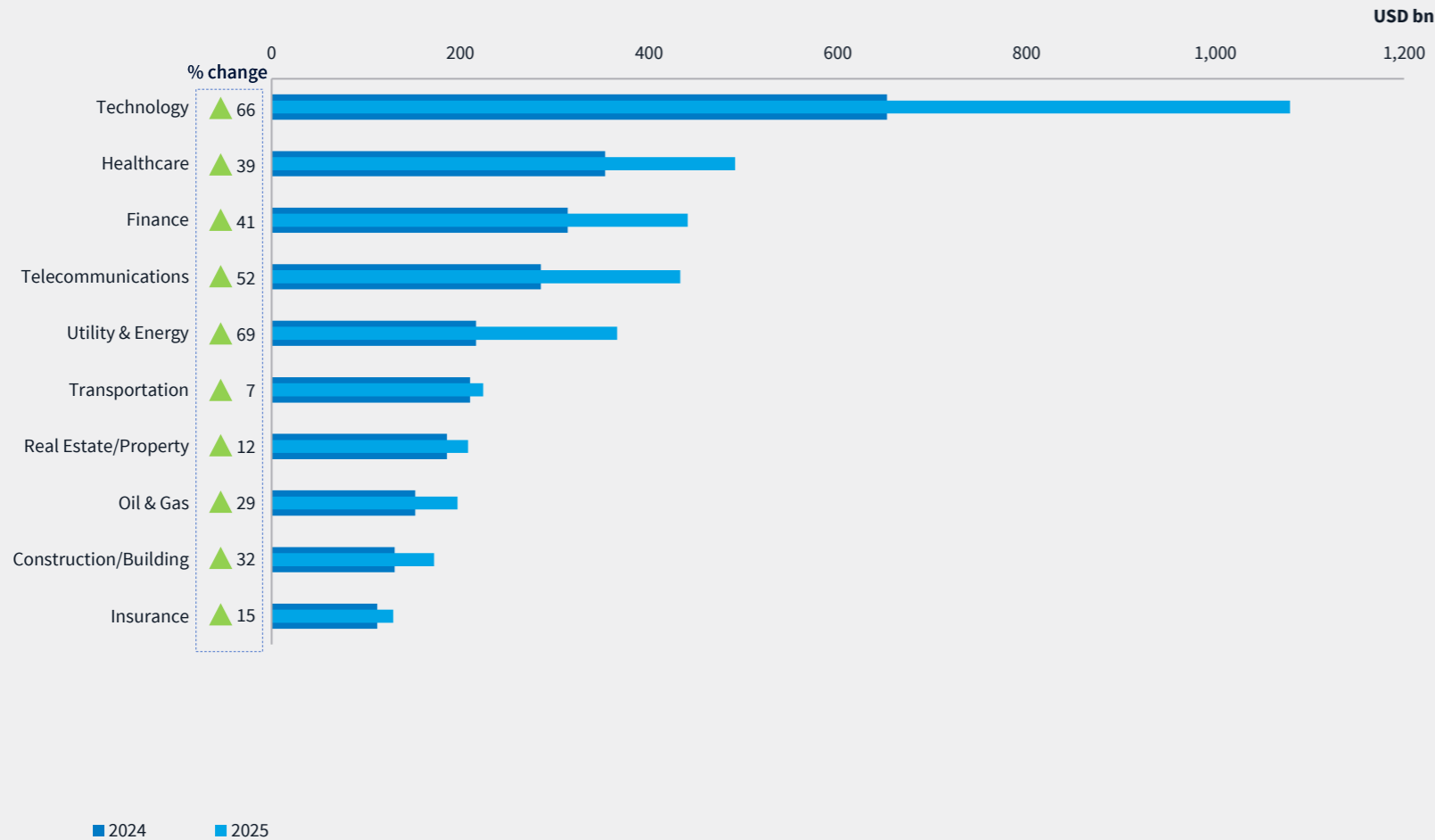


Source: Mergermarket, data correct as at 15-Dec-25

Top-performing sectors

Top-performing sectors (2024 vs 2025)

Technology M&A jumps 66% to USD 1.08tn in 2025, led by AI and cybersecurity



Source: Mergermarket, data correct as at 15-Dec-25

Sector trends

Technology led with USD 1.08tn (up 66% YoY), driven by the race for global AI dominance. Deal flow was characterised by the build out of AI infrastructure, the quest for talent through ‘acqui-hires’, and the growing need for improved cybersecurity.

Funding rounds outstripped M&A deal volume, further adding to the interlocking network of AI investment. The US government stepped up its backing for this critical infrastructure and involvement in the ecosystem, with deals such as its USD 8.9bn investment in Intel, as well as the smaller-scale USD 150m investment in lithography startup xLight.

The eye-watering valuations – with average AI deal size more than 2.3x higher than in 2024 – coupled with concerns over the scale of capital investment in the AI infrastructure, led to questions over whether this is the emergence of a new market architecture or a return to 1999–2000-style exuberance. “It’s the sign of a whole new construction of the market, but it could also be the sign of a bubble,” said Louis Lehot, partner at Foley & Lardner.

Healthcare followed with USD 491bn, buoyed by Exact Sciences’ USD 25.7bn takeout. Beyond Technology and AI, dealmaking momentum is expected in healthcare, energy, infrastructure, warehouses, and data centres, Aversano said.

Outlook 2025

Private equity gets creative as exit pressure mounts

Despite abundant private credit, sponsors faced longer hold periods and valuation disconnects. “There’s still a huge backlog of assets in private equity,” said Brian Wheeler, partner at Foley & Lardner.

Creative structures became standard, with the use of earnouts, dividend recaps, and continuation vehicles (CVs) surging. A shift towards GP-led secondaries has occurred while major sovereign wealth and pension funds are increasingly acting on the buy-side. “Given the backlog of companies, people will continue to have to be creative to get money back to their investors,” Wheeler said.



Paul Aversano

Global practice leader at Alvarez & Marsal



The vortex of volatility swirling around the world is starting to calm down and people are coming back to market. The large deals are happening first and then we will see more activity from the middle market.

Tailwinds and risks for 2026

With more Fed cuts expected in April and June, dealmakers anticipate sustained momentum heading into 2026.

LP pressure to convert paper gains into cash will catalyse exits, while US antitrust regulators have shifted from a ‘no’ to ‘yes, but’, enabling negotiated remedies, Lehot noted.

Still, macro risks persist, including a ballooning US deficit, inflation uncertainty, midterm politics, private credit jitters, and a potential AI bubble. On top of that, following the US government shutdown, in an increasingly politicised environment there are a number of megadeals that could be prime candidates to test merger enforcers’ appetite to litigate transactions.

“While all the conditions could be there for a great year, there are lots of dark clouds on the horizon,” Lehot warned.

For now, expectations for 2026 are pragmatic and measured. “I do think it will be a solid year,” Wheeler said.



Louis Lehot

Partner at Foley & Lardner



LP pressure to convert paper gains into cash will catalyse exits, while US antitrust regulators have shifted from a ‘no’ to ‘yes, but’, enabling negotiated remedies.

Key trends



Buyout volume rises by 39% to USD 852bn



13 mega buyouts recorded this year, double 2024's total



North America drives buyout growth as volume jumps 69% to USD 501bn



Exit volume surges 43% to USD 633bn

Source: Mergermarket, data correct as of 15-Dec-2025

Global buyouts activity

Global buyouts in 2025 jumped 39% year-over-year to USD 852bn, up from USD 613bn in 2024.

The number of mega-buyouts – deals valued at USD 10bn-plus each – more than doubled to 13 in 2025 compared to six a year earlier.

The standout transaction was the USD 56.6bn proposed buyout of Electronic Arts by Saudi Arabia’s Public Investment Fund (PIF), Silver, Lake and Affinity Partners – the largest buyout on Mergermarket record. Another landmark was Aligned Data Centres’ USD 40bn acquisition by a BlackRock-led group from Macquarie Asset Management in October, ranking among the top-five buyouts on Mergermarket record.

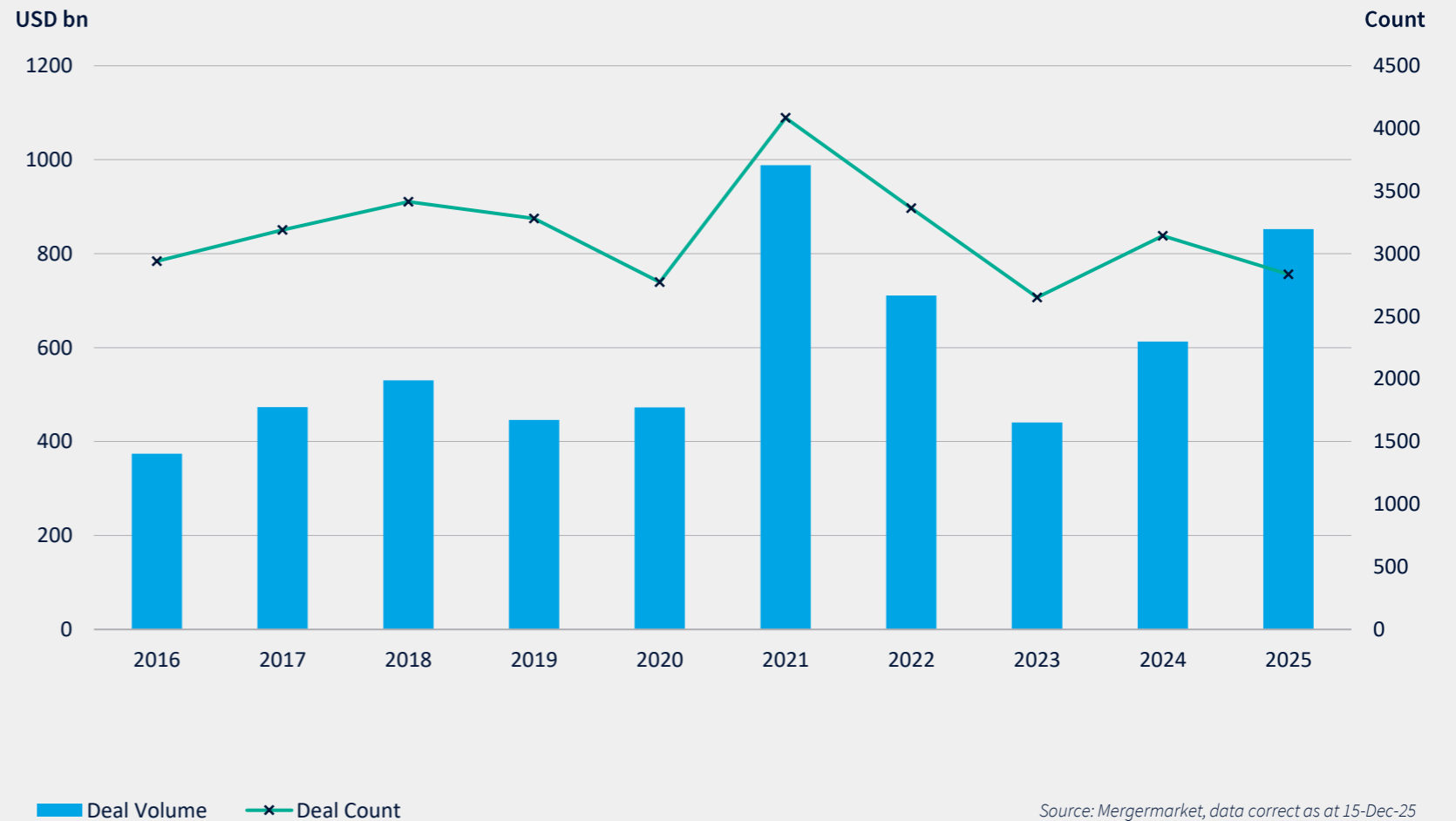
North America led the charge, with buyout volume soaring 69% to USD 501bn in 2025, compared to USD 296bn a year earlier.

Led by Japan, Asia-Pacific posted a 19% increase in buyout volume to USD 123.5bn, alongside an almost at-par deal count of 400 transactions. Tokyo-listed companies have faced regulatory pressure to show capital returns to investors, leading to an increase in take-privates, noted Alvarez & Marsal’s Paul Aversano. Combined with the low yen, Japan has emerged as a hotbed. “Japan has become more receptive to control buyouts.”

Europe saw a modest 3% rise in buyout volume to USD 210bn.

The Technology sector dominated in 4Q25, with buyouts worth USD 57bn or 28% of the global total. For 2025, tech buyouts hit USD 249bn, maintaining a 29% global share.

Global buyouts
2025 buyout volume up 39% to USD 852bn

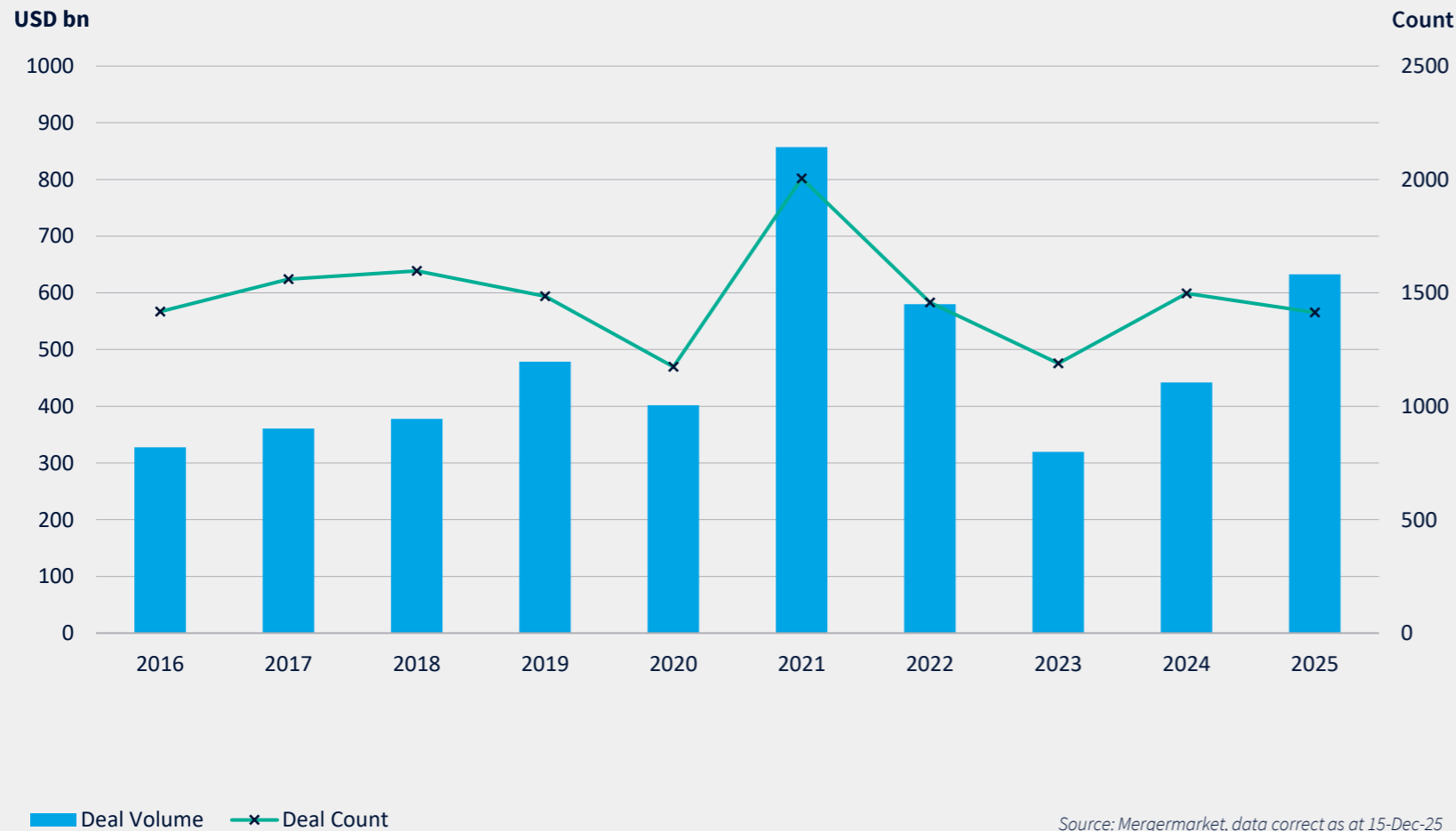


Source: Mergermarket, data correct as at 15-Dec-25

Global exits activity

Global exits

2025 exit volume up 43% to USD 633bn



Source: Mergermarket, data correct as at 15-Dec-25

Exits

Exit activity is also on the upswing, rising 43% to USD 633bn in 2025, compared to USD 442bn a year earlier.

Trade sales remained the preferred exit route for financial sponsors, comprising 62% of exit volume, while secondary buyouts accounted for 35%.

IPOs were an active exit route for sponsors, with 42 public listings so far in 2025, up from 35 in the same period last year.

Continuation funds and outlook

Continuation funds

Continuation funds (CVs) remain a key strategy for managing aging assets, as limited partners push for distributions and sponsors look to deploy substantial dry powder.

According to *Mergermarket* data, 71 companies sold to CVs in 2025, up from 54 a year earlier.

Recent examples include Amulet Capital's move of a stake in [US Fertility](#) into a CV, CapVest's [new vehicle](#) for Curium, Montagu's [EUR 2bn CV](#) for Wireless Logic; and 7RIDGE's [USD 835m](#) single-asset CV for Trading Technologies.



Brian Wheeler

Foley & Lardner partner



There are deals that just need to happen and people accept this is our new normal.

Outlook

Foley & Lardner partner Brian Wheeler expects a modest improvement in exits in 2026. “It will continue to get a little bit better.”

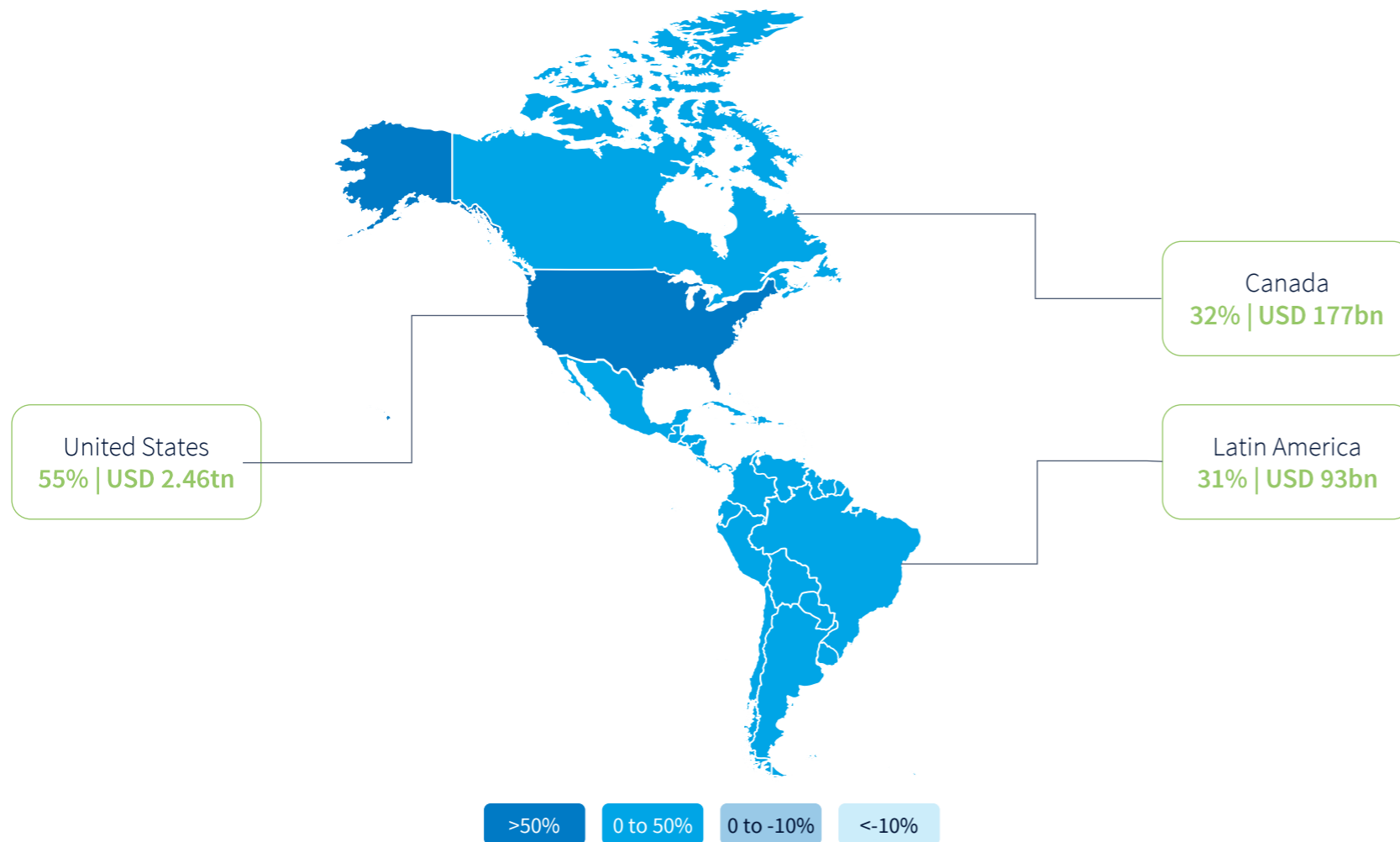
Key drivers included declining interest rates, increasing pressure from LPs to accelerate exits, and a greater acceptance of geopolitical uncertainty.

“There are deals that just need to happen and people accept this is our new normal,” Wheeler said.

Upcoming transactions to watch, according to *Mergermarket*'s auction coverage, include KKR's [dual-track](#) sale and IPO process for Atlantic Aviation, TJC's [auction](#) for AIT Worldwide Logistics, and 3i Infrastructure's [sale effort](#) for airport ground equipment handler TCR.

Key trends

Percentage change in deal volume year-on-year



NorthAm volume rockets

M&A volume jumps 52% to USD 2.65tn

Big bucks

Top 10 deals in NorthAm accounts for 21% of total M&A volume

NorthAm buyouts rally

Transaction volume surpasses USD 500bn+ milestone

AI scaling up

AI accounts for 22% of Tech sector activity

Record megadeals

A total of 47 ten-billion-plus deals recorded in NorthAm

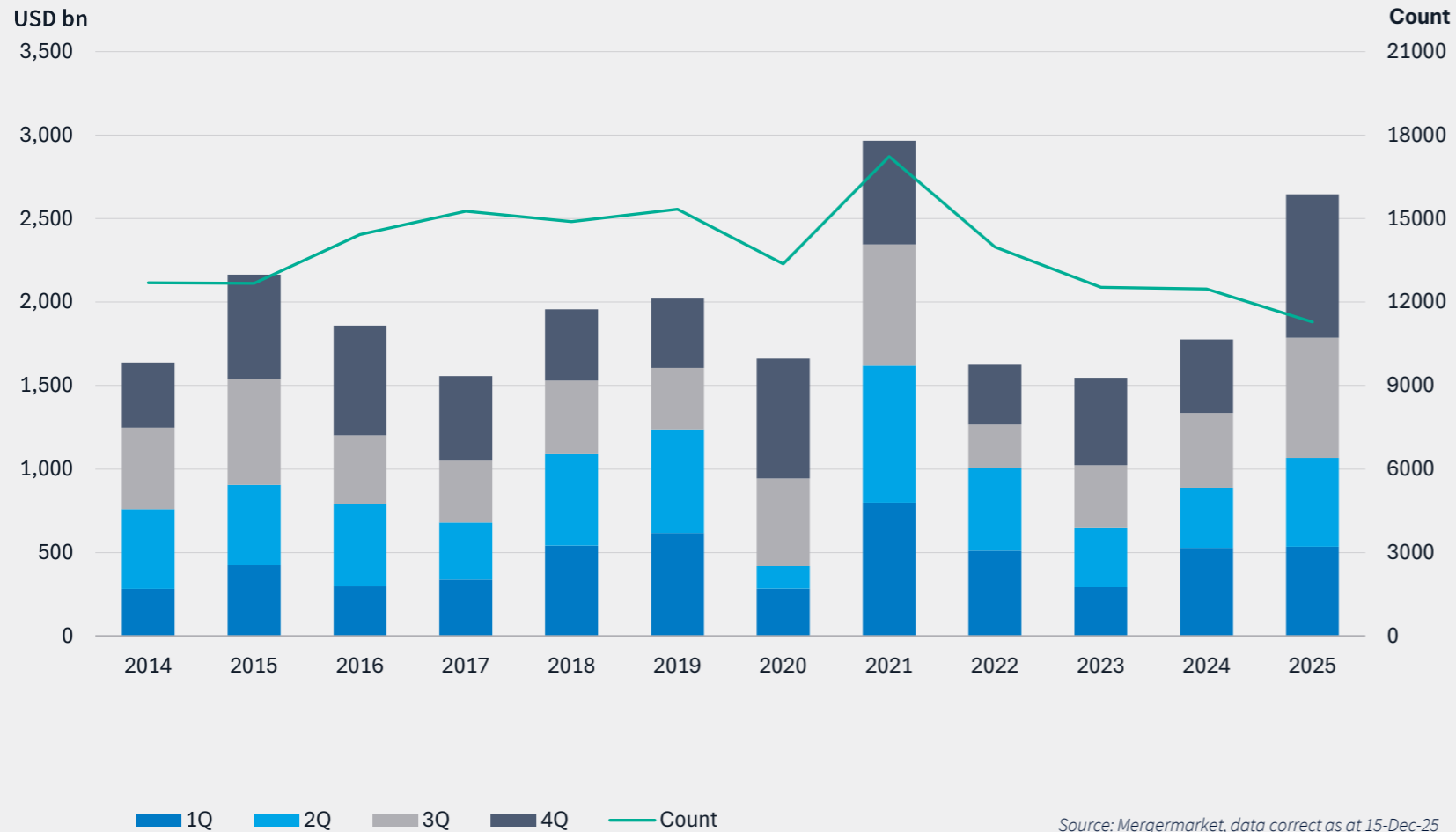
US in-house M&A

US domestic M&A hits USD 2.11tn, up 58%

North America M&A activity

North America M&A activity – Quarterly

4Q25 sets new record for M&A activity in NorthAm



Source: Mergermarket, data correct as at 15-Dec-25

Big-ticket deals push M&A near record levels

North American M&A activity recorded a strong performance in 2025. Total year-to-date deal volume rose 52% year-over-year to USD 2.65tn, the second-best year on record after 2021's high of USD 2.86tn.

A wave of recent megamergers signalled heightened confidence among dealmakers, supported by easing trade frictions and three consecutive interest rate cuts since September.

The top-10 transactions accounted for 21% of total volume. These included the USD 81.8bn [bid](#) for Warner Bros. by Netflix and a competing all-cash [bid](#) of USD 107.9bn from Paramount, the USD 88bn [bid](#) for Norfolk Southern by Union Pacific in July, and the USD 56.6bn [buyout](#) of Electronic Arts by PIF, Silver Lake, and Affinity Partners in September.

Despite early-year policy disruptions, market confidence rebounded mid-year and held firm. The fourth quarter is the best-ever on *Mergermarket* record, led by the ongoing bidding for Warner Bros. Discovery, putting 2025 volume just 11% below the full-year 2021 record.

US M&A cross-border activity

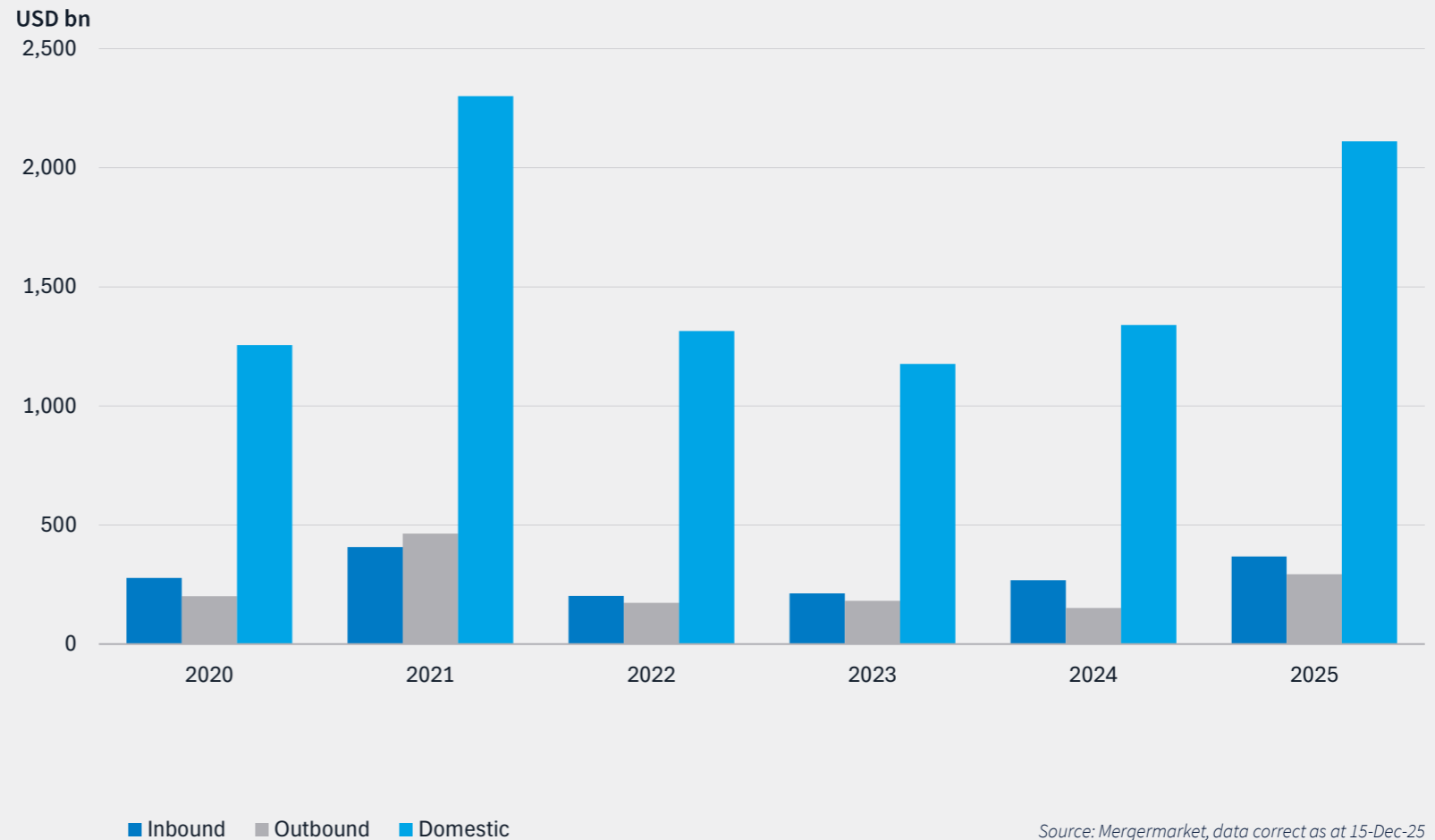
US domestic M&A surges as cross-border deals rebound

Domestic M&A hit USD 2tn for the second time on record, driven by tariff uncertainty and a retreat in interest rates. Activity was predominantly led by strategic buyers, featuring a high-profile bidding war for Warner Bros., Union Pacific's USD 88bn takeover of Norfolk Southern, and Kimberly-Clark's USD 48.7bn [acquisition](#) of Kenvue in November.

The push to invest in America also benefited inbound M&A. Japanese investors poured more than USD 100bn across 118 deals, whereas Saudi Arabia invested USD 61bn across eight deals. Top inbound deals include Saudi PIF's USD 56.6bn buyout of Electronic Arts in September, SoftBank's USD 40bn [funding](#) of OpenAI in March, and Sumitomo's USD 27.5bn deal for Air Lease in September.

US M&A cross-border activity

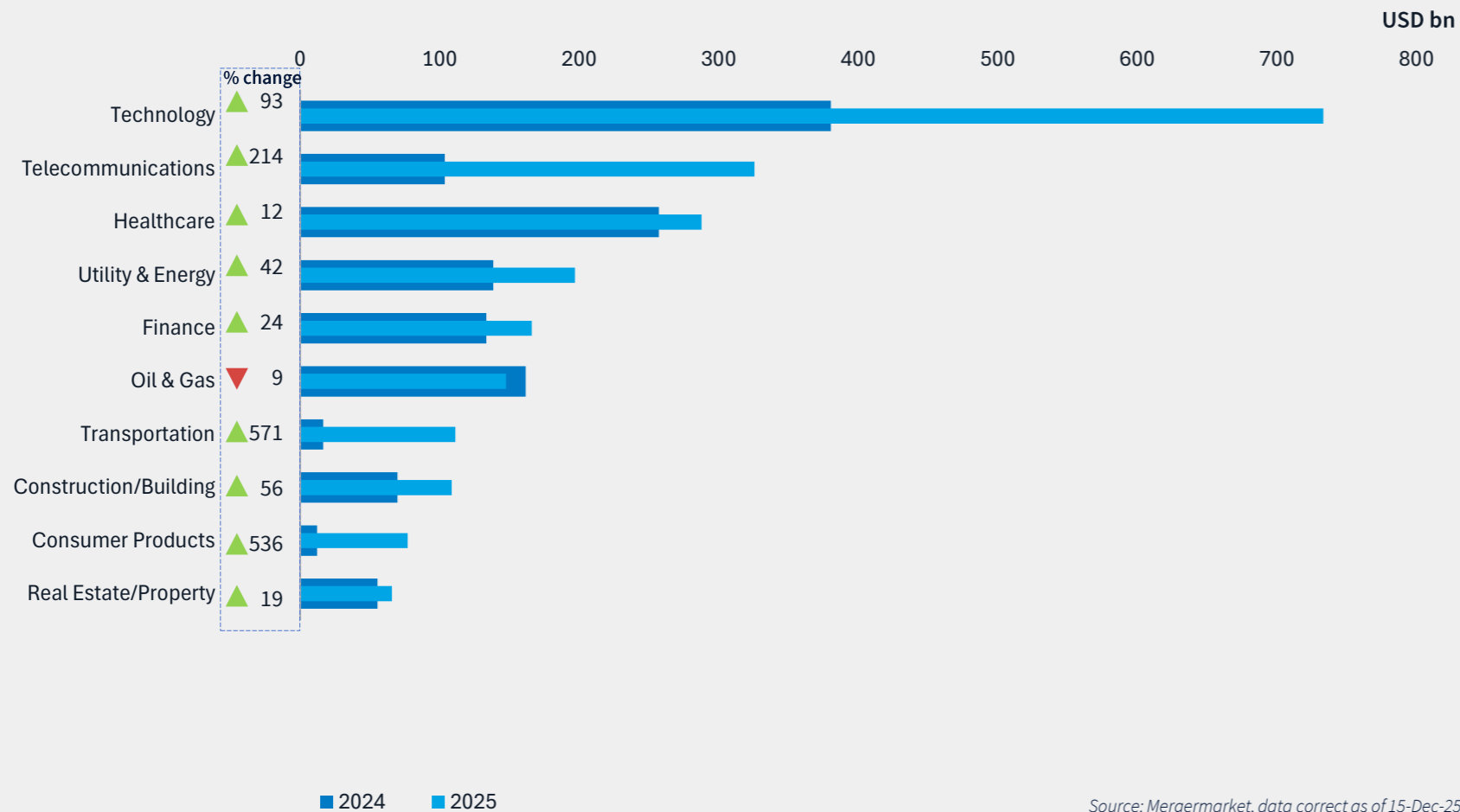
2025 marks the strongest domestic deal volume since 2021



Top-performing sectors

North America top-performing sectors

Technology M&A jumps 93% in 2025 led by AI



Source: Mergermarket, data correct as of 15-Dec-25

Big bet on AI revolution spurs M&A across sectors

AI is reshaping corporate strategy, fuelling a wave of M&A across technology, data-centre infrastructure, and energy.

Tech giants are racing to secure AI talent and platforms, leading to consolidation among software firms and chipmakers. Technology led all sectors with USD 735.7bn worth of deals this year, a 93% surge compared to 2024, and accounting for 28% of total North American volume. Among those technology deals, USD 161bn – representing 22% of total value – was driven by AI-related transactions. In November, NVIDIA and Microsoft [poured](#) USD 15bn for a 4.29% stake in Anthropic. In June, Meta [injected](#) USD 14.3bn into Scale AI, securing a 49% stake.

Other landmark deals and funding rounds in tech included OpenAI's USD 40bn financing round, Google's USD 32bn [bid](#) for Wiz in March, Qnity Electronics' USD 23.6bn [spin-off](#) by DuPont de Nemours in November, and Anthropic's USD 13bn [fundraising](#) in September. They highlighted buyer appetite for automation, analytics, cybersecurity, and semiconductor capabilities.

Rising AI workloads are also fuelling demand for data centres, driving acquisitions in cloud infrastructure and colocation services. Led by the USD 40bn Aligned Data Centres [deal](#) in October, 2025 recorded the best ever volume for data-centre dealmaking with 33 deals worth USD 49.9bn.

AI's growing electricity demand is bringing energy companies into sharper focus too, as firms move to secure power assets and enhance grid capacity.

The Utilities and Energy sector surged 42% year-over-year to USD 196.8bn. Notable deals included Constellation Energy's USD 29.4bn [acquisition](#) of Calpine in January and Baker Hughes' pending USD 13.8bn [purchase](#) of Chart Industries in July.

However, the AI boom comes with challenges. According to Louis Lehot, a partner at Foley & Lardner's Silicon Valley office, AI adoption has yet to deliver efficiency gains, cost reductions, or revenue growth, raising concerns over whether returns will justify investments or precipitate a market correction.

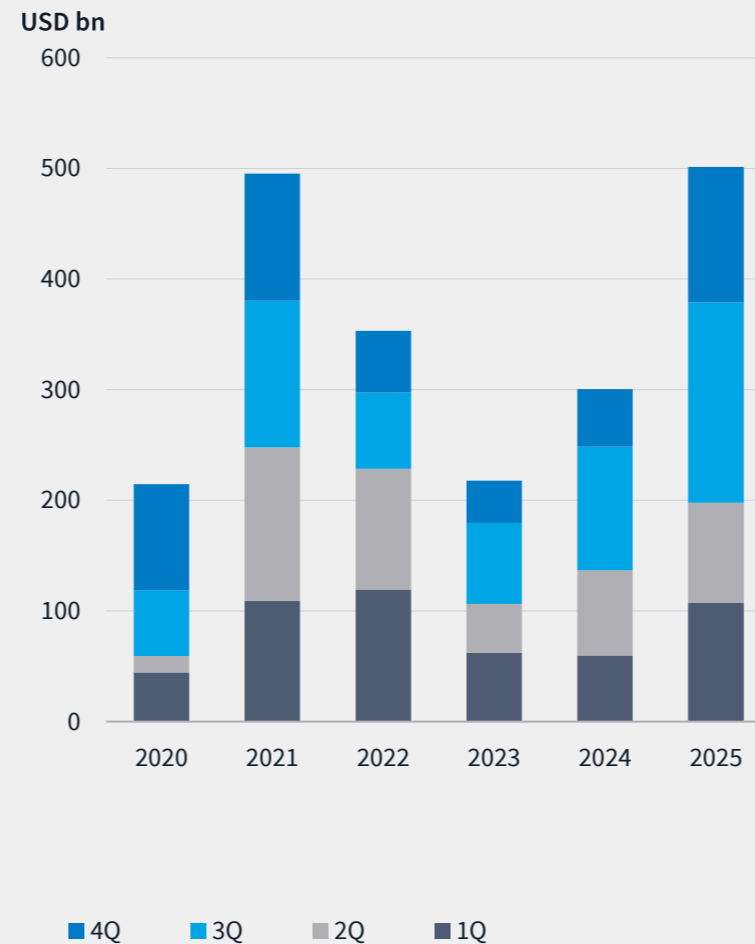
Financial Sponsors rebound

Record private equity activity was driven by the availability of over USD 2tn in dry powder, a narrowing of valuation bid-ask spreads, and three interest rate cuts.

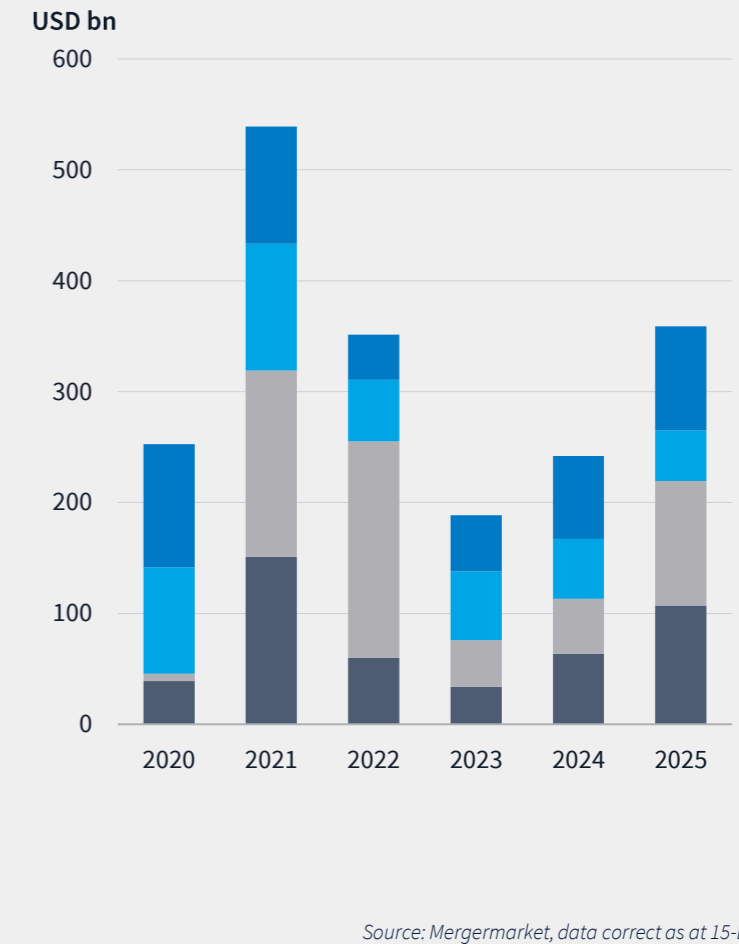
Buyouts posted a record year, totalling USD 501.2bn – a 69% year-over-year surge – driven largely by high-value transactions. The top-10 deals accounted for 46% of total volume, led by the USD 56.6bn Electronic Arts deal, the USD 40bn Aligned Data Centres deal, and Air Lease’s USD 27.4bn buyout by Sumitomo, Apollo, and Brookfield.

Exits climbed 51% year-over-year to USD 358.7bn, driven by Macquarie Asset Management’s exit of Aligned Data Centres to a group of investors led by Blackrock, Energy Partners’ sale of Calpine to Constellation Energy in January, and GTCR’s USD 17.6bn [sale](#) of a 55% stake in Worldpay to Global Payments in April.

North American buyouts up 69% in 2025



North American exits up 51% in 2025



Source: Mergermarket, data correct as at 15-Dec-25

North America pipeline

Sale pipeline signals strong year-end

North America's sale pipeline remains robust. In the US, *Mergermarket* has identified [1,486 asset sale](#) situations flagged as 'Missing in Auction', meaning the process has gone silent. Some of these are likely targets for continuation vehicles as their financial sponsors seek alternative ways for gaining partial liquidity. An additional [556 active auctions](#) are also being tracked.

Notable sale processes include:

- Yum! Brands [launched](#) a sale process for the Pizza Hut brand, which is marketed off around USD 300m EBITDA and could fetch around 10x EBITDA;
- Rio Tinto's plan to sell its US boron [assets](#) worth up to USD 2bn;
- EQT eyeing a USD 1bn [exit](#) for a 40% stake in software company CitiusTech.

These transactions suggest sustained momentum heading into 2026.



Nigel Wellings

Partner & joint head of corporate,
Europe, Clifford Chance



Sarah Jones

Partner & global head of corporate,
Clifford Chance



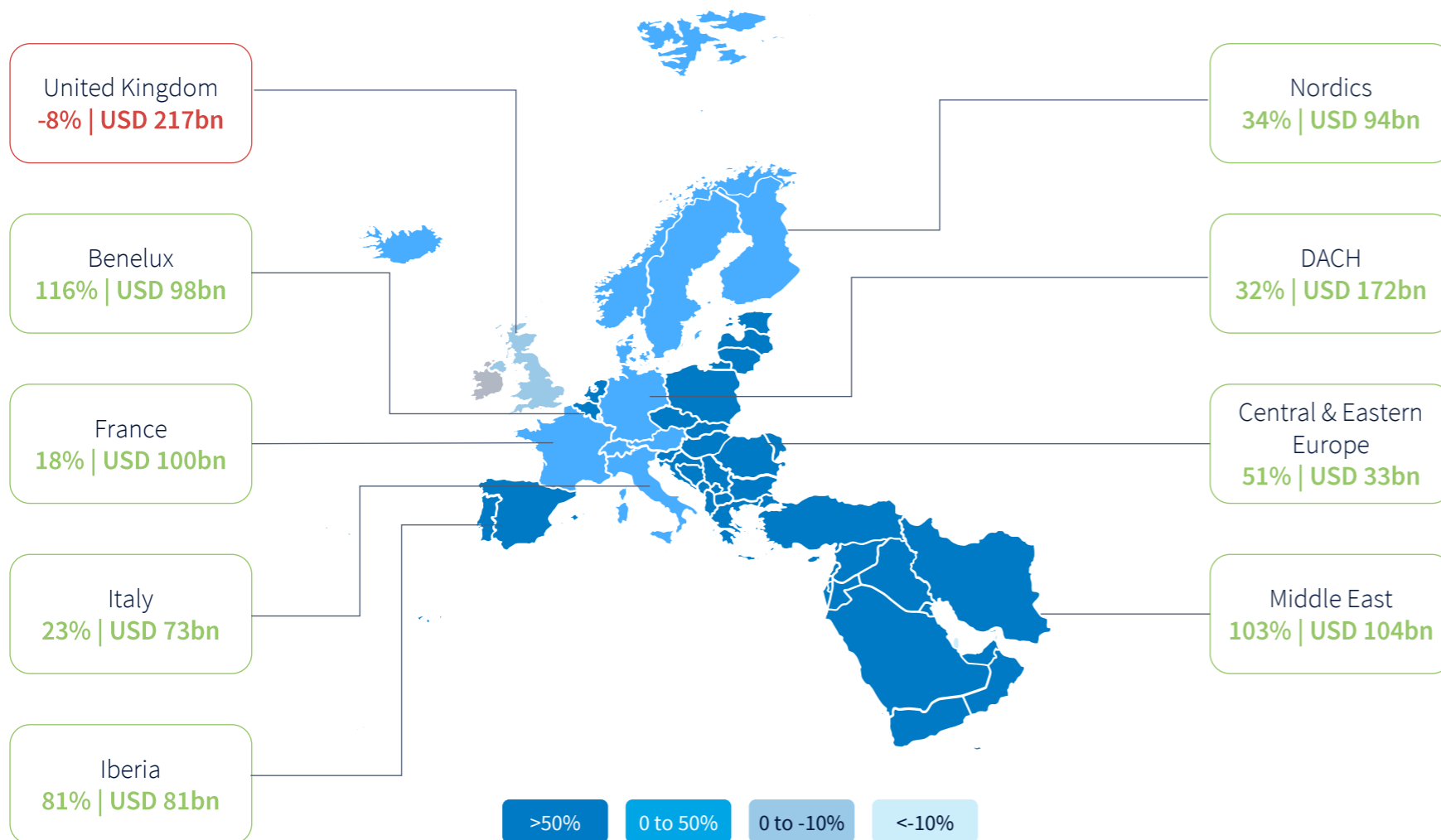
The US–European corridor is the main investment corridor globally, but there remain calls for Europe to do more to implement pro-growth policies and reduce regulations and thereby support more international investment.



We're seeing an uptick, but it would be unrealistic to say we're going to see a tsunami of deals in January and it's going to be the best year ever, but 2026 will continue to see activity, and it will continue to grow.

Key trends

Percentage change in deal volume year-on-year



New milestone

EMEA M&A up 24% to USD 1tn despite Q4 slowdown

UK slump

UK dealmaking slips 8% to USD 217bn

Middle East spree

Outbound dealmaking from Gulf buyers rockets 80% to USD 94.4bn

US influence

US acquirers take 70% share of EMEA inbound M&A in 2H25

Megadeal

Sponsor-led buyouts double to USD 143.8bn in 2H25

Healthcare strength

Big-ticket deals drive 151% YoY spike in volume

Activity

Dealmaking across Europe, the Middle East and Africa (EMEA) cemented its resurgence in 2025, putting the region in a strong position to challenge historic highs in the coming year.

M&A volume jumped 24% year-over-year to USD 1tn in 2025 from USD 844.7bn in 2024, even as momentum cooled in the final quarter. Activity in 4Q25 fell 10% to USD 281.3bn versus 3Q25, lagging growth in other regions.

Top deals in the region were characterised by a regional bifurcation in the market, with Middle-East activity surging, while European transactions faced a backdrop of challenging economic and geopolitical conditions. Growing interest in resilient strategic assets is driving inbound demand from corporates and private equity, attracted by Europe's perceived valuation discount compared to US peers.

The region's top deals demonstrated these themes, including Palo Alto Networks' USD 24.5bn all-stock bid for Israel-based CyberArk Software, Keurig Dr Pepper's USD 23bn bid for JDE Peet's, OMV's and Borealis' USD 16.5bn bid for a 64% stake in Abu Dhabi-based petrochemical manufacturer Borouge, and Carlyle and QIA's USD 9bn acquisition of BASF's coatings business.

"Deals are definitely getting done," said Sarah Jones, Clifford Chance's global head of corporate. "But there is still some caution for many deals at these slightly lower valuation levels, which is resulting in interesting financing solutions and flexible deal structures to try to bridge the valuation uncertainty."



Sarah Jones

Partner & global head of corporate,
Clifford Chance



Deals are definitely getting done, but there is still some caution for many deals at these slightly lower valuation levels, which is resulting in interesting financing solutions and flexible deal structures to try to bridge the valuation uncertainty.

Inbound activity

Inbound surge

Overseas buyers drove a significant share of activity, lured by Europe’s real assets amid concerns over currency debasement.

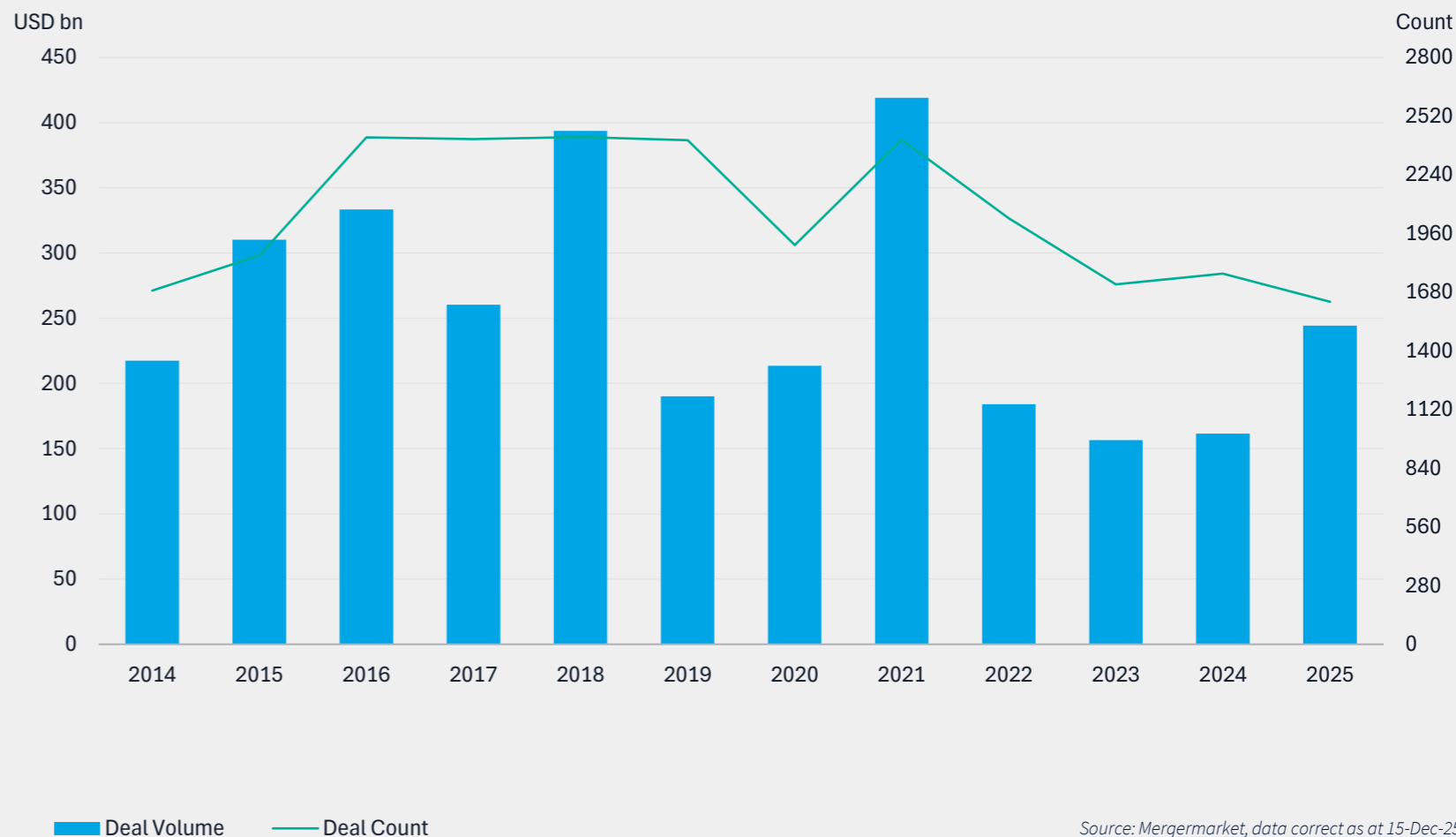
Inbound M&A involving buyers from outside the region hit USD 169.4bn in 2H25, accounting for 28% of EMEA’s total deal volume, its highest half-yearly share since 2H21.

US buyers dominated, accounting for 70% (USD 117.5bn) of total inbound dealmaking in 2H25. Notable deals included the [acquisition](#) of Israel-based cybersecurity specialist CyberArk Software by Santa Clara, California-based Palo Alto Networks in July, and the [acquisition](#) of Amsterdam-listed coffee maker JDE Peet’s by Burlington, Massachusetts-based Keurig Dr Pepper in August.

Announced in November, the [merger of equals](#) between Amsterdam-listed AkzoNobel and New York-listed Axalta, to create a paint and chemicals company with an enterprise value of USD 25bn, also illustrated the strength of transatlantic dealmaking.

“The US–European corridor is the main investment corridor globally,” said Nigel Wellings, Clifford Chance’s joint head of corporate, Europe. “But there remain calls for Europe to do more to implement pro-growth policies and reduce regulations and thereby support more international investment.”

EMEA inbound M&A activity
Inbound M&A activity rebounds post-2021 dip



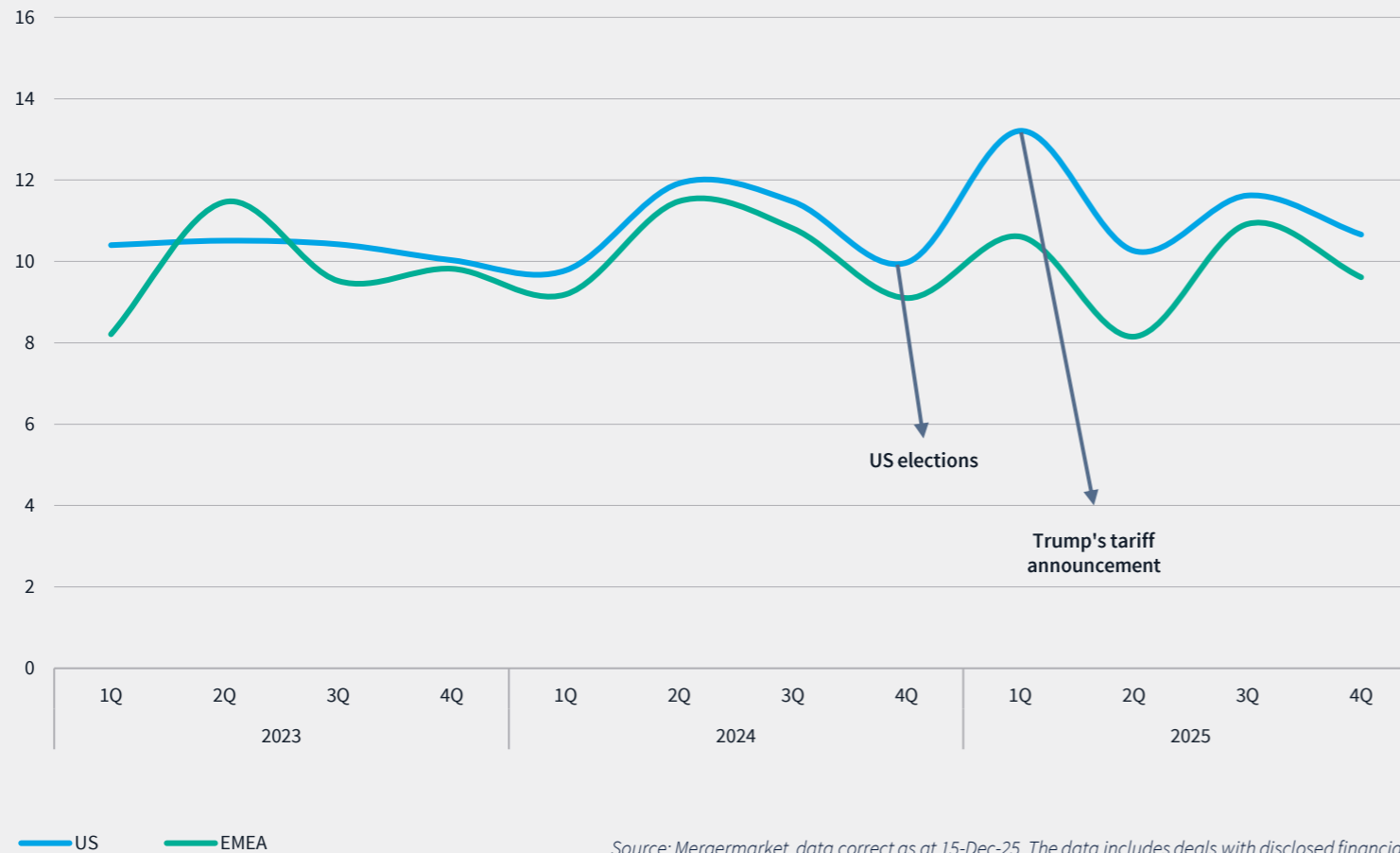
Source: Mergermarket, data correct as at 15-Dec-25

Valuation gap

EV/EBITDA multiples

US vs EMEA pricing gap narrows

EBITDA Multiple (in x)



Source: Mergermarket, data correct as at 15-Dec-25. The data includes deals with disclosed financials.

Valuation gap

Europe’s discount – fuelled by a lag in tech innovation, political jitters in France, and the Russia-Ukraine conflict – has given buyers room to strike in the past year.

Thanks in part to the European Central Bank’s (ECB) accommodative monetary policy, the valuation gap is narrowing. In 1Q25, when Trump assumed office and began introducing steep tariffs on imports, EMEA-based companies traded at a median EV/EBITDA multiple of 10.6x versus 13.2x for US peers. By 3Q25, EMEA multiples tightened to 10.9x versus 11.6x for US targets. Early 4Q25 data show EMEA targets valued at 9.6x versus 10.7x for US targets.

Cross-border activity

Within Europe, national governments focused on growth agendas, and the European Commission set out its path to grow over the next five years. Against that backdrop, domestic cross-border activity across the continent was up 46% year-on-year, with the UK, Germany and Spain the top targets, and France, the UK, and the Netherlands the top acquiring nations.

The UK retained its position as EMEA’s largest M&A market but was the only European nation in the top 20 to post a YoY decline. Deal volume fell 8% to USD 217.2bn in 2025 from USD 237.3bn in 2024, as uncertainty around the Autumn Budget and the Bank of England’s decision to maintain interest rates well above Eurozone levels dented dealmaker confidence.

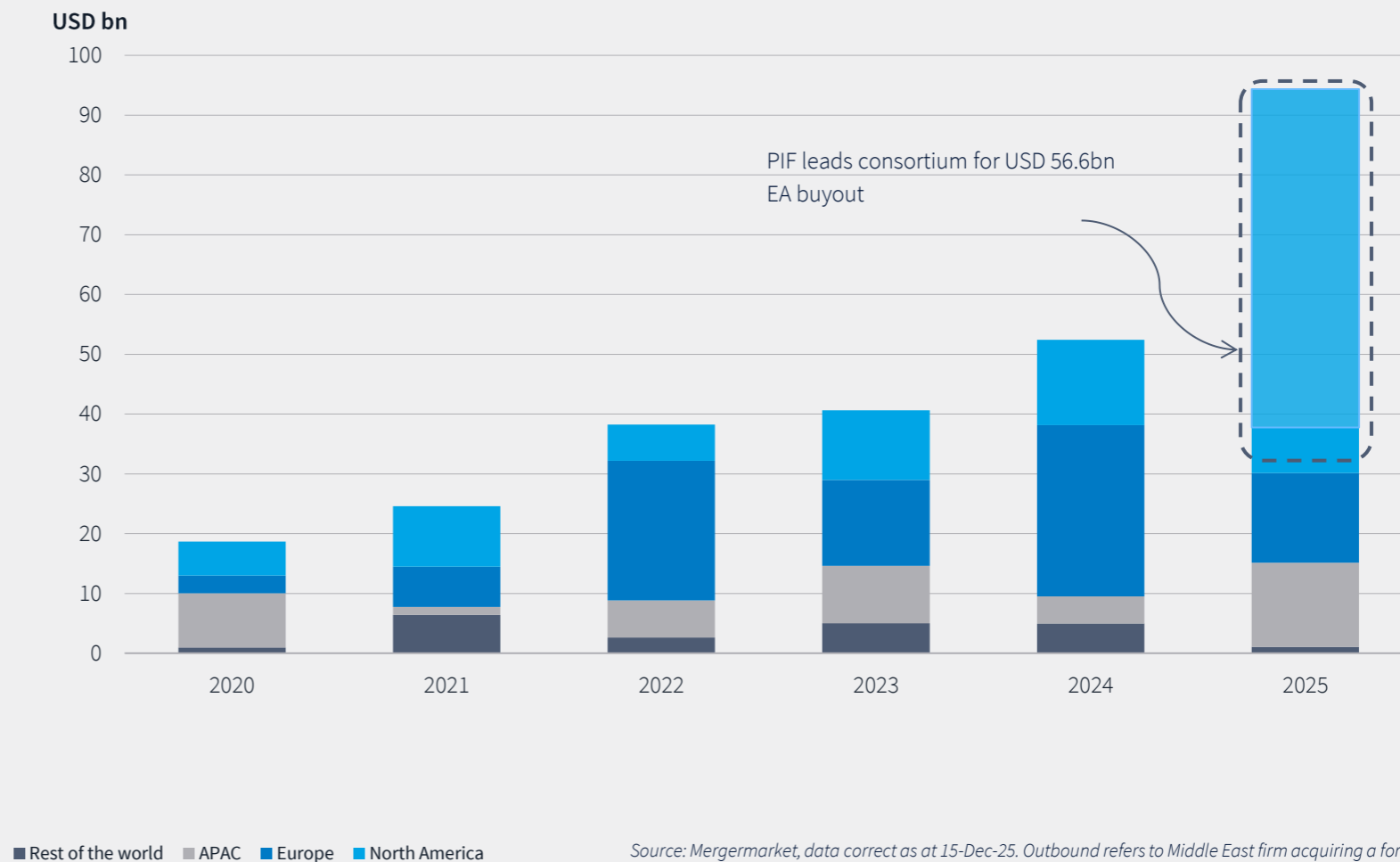
“It doesn’t take much,” Wellings said. “Uncertainty about the budget could easily have put UK deals back by 6–8 weeks.”

Elsewhere, there were pockets of resilience.

Dealmaking in France was boosted in 4Q by a late surge of large-cap activity led by the [recapitalisation](#) of Curium Pharma via a new continuation vehicle (CV) that valued the radiopharmaceuticals producer at USD 7bn; and the pending EUR 6.5bn [MoU](#) signing by Airbus, Leonardo and Thales to merge their space activities into a new entity. However, deal execution has been slow overall in France because of political headwinds and trade risks.

Middle East outbound M&A activity

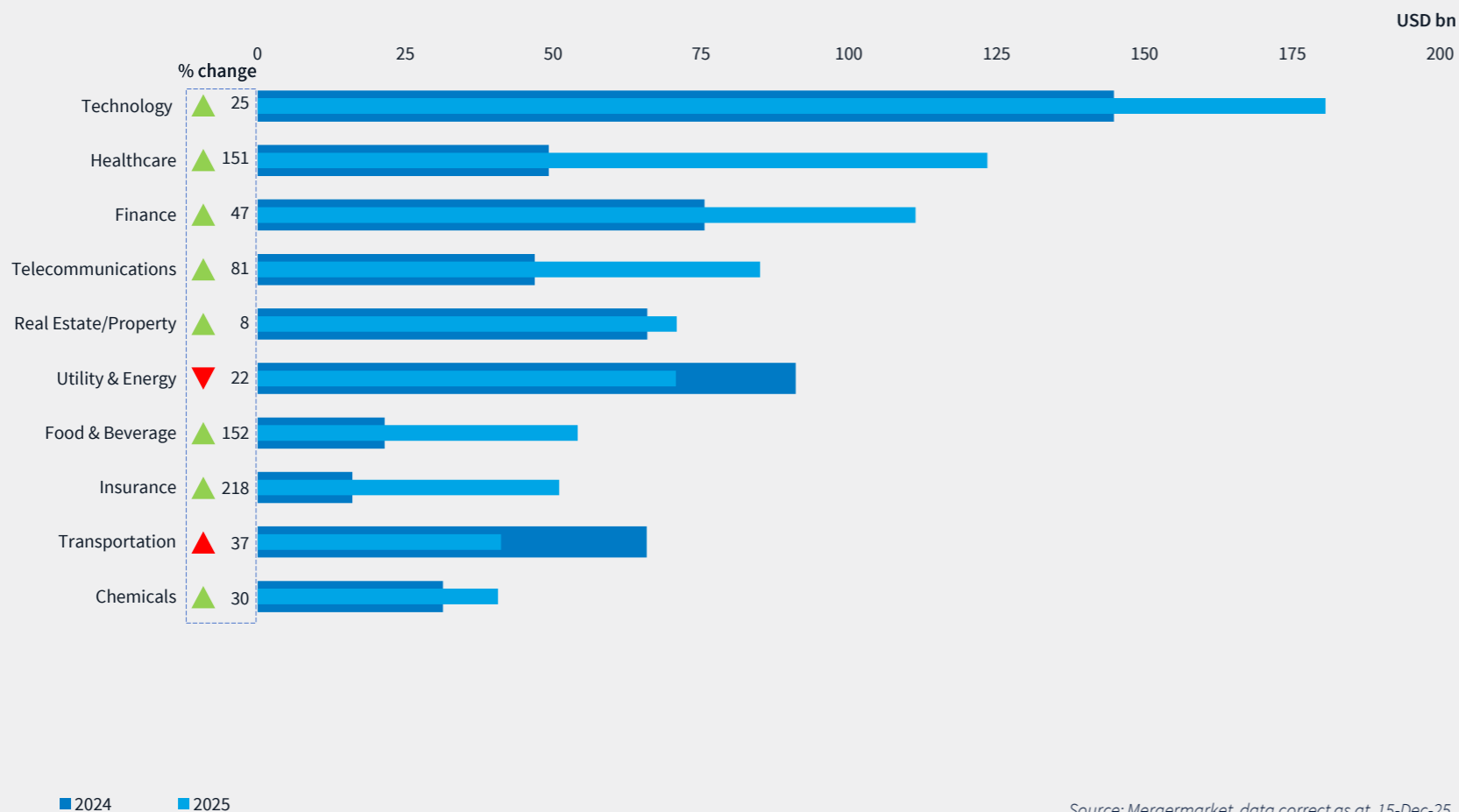
North America takes the lead for Middle-Eastern buyers, fuelled largely by EA’s USD 56.6bn buyout



Top-performing sectors

Top-performing sectors – EMEA

Tech continues to lead, but Healthcare steals the spotlight with a 151% jump driven by robust licensing activity



Source: Mergermarket, data correct as at 15-Dec-25

Inflation-hedging

Sectors that provide a hedge against inflation or can pass rising costs to customers saw increased M&A activity.

“Very few sectors are not in the market, which is driving the overall numbers,” Wellings said. “Alongside larger M&A deals, clients are active on other transactions such as joint ventures, or a carve-out deal, plus alternative exits in private capital such as secondary deals.”

Healthcare posted a 151% YoY increase to USD 123.4bn, buoyed by major deals such as Merck’s USD 11bn [acquisition](#) of UK-based Verona Pharma in July, CapVest’s EUR 10bn (USD 11.7bn) [buyout](#) of German pharmaceutical group Stada Arzneimittel, and Genmab’s USD 8bn [takeover bid](#) for Dutch drugmaker Merus, both announced in September.

Telecoms also saw strong momentum, with the two largest deals in 4Q25 lifting sector volume 81% YoY to USD 84.9bn. In October, Bouygues Telecom, Free-Iliad Group, and Orange submitted a EUR 17bn bid for SFR, which was [rejected](#) by its owner, Altice. Later that month, Orange [reached](#) a non-binding agreement with Lorca to acquire full ownership of its Spanish joint venture, MasOrange, for EUR 4.25bn in cash, valuing the business at USD 19.4bn including debt.

While in Financial Services, M&A was boosted by [Banca Monte dei Paschi di Siena](#)’s all-share USD 15bn bid for [Mediobanca](#) that marked the culmination of the long-running Italian banking saga.

Pipeline

2026 pipeline

Private equity sponsors doubled buyout volume to USD 143.8bn in 2H25 from USD 74.3bn in 1H25. They are expected to remain highly active in the months ahead, underpinned by sustained institutional fundraising momentum across Europe.

As confidence returns, sale processes will materialise, and previously deferred transactions will re-enter the market. Dealmakers have told *Mergermarket*, that they are already seeing better-quality assets hit the auction pipeline for 2026.

There are 452 active auctions tracked by *Mergermarket* that are in the [pre-launch phase](#) in EMEA including 152 in the Technology sector, 76 in Consumer and Retail, 66 in Business Services and 53 in Industrials.

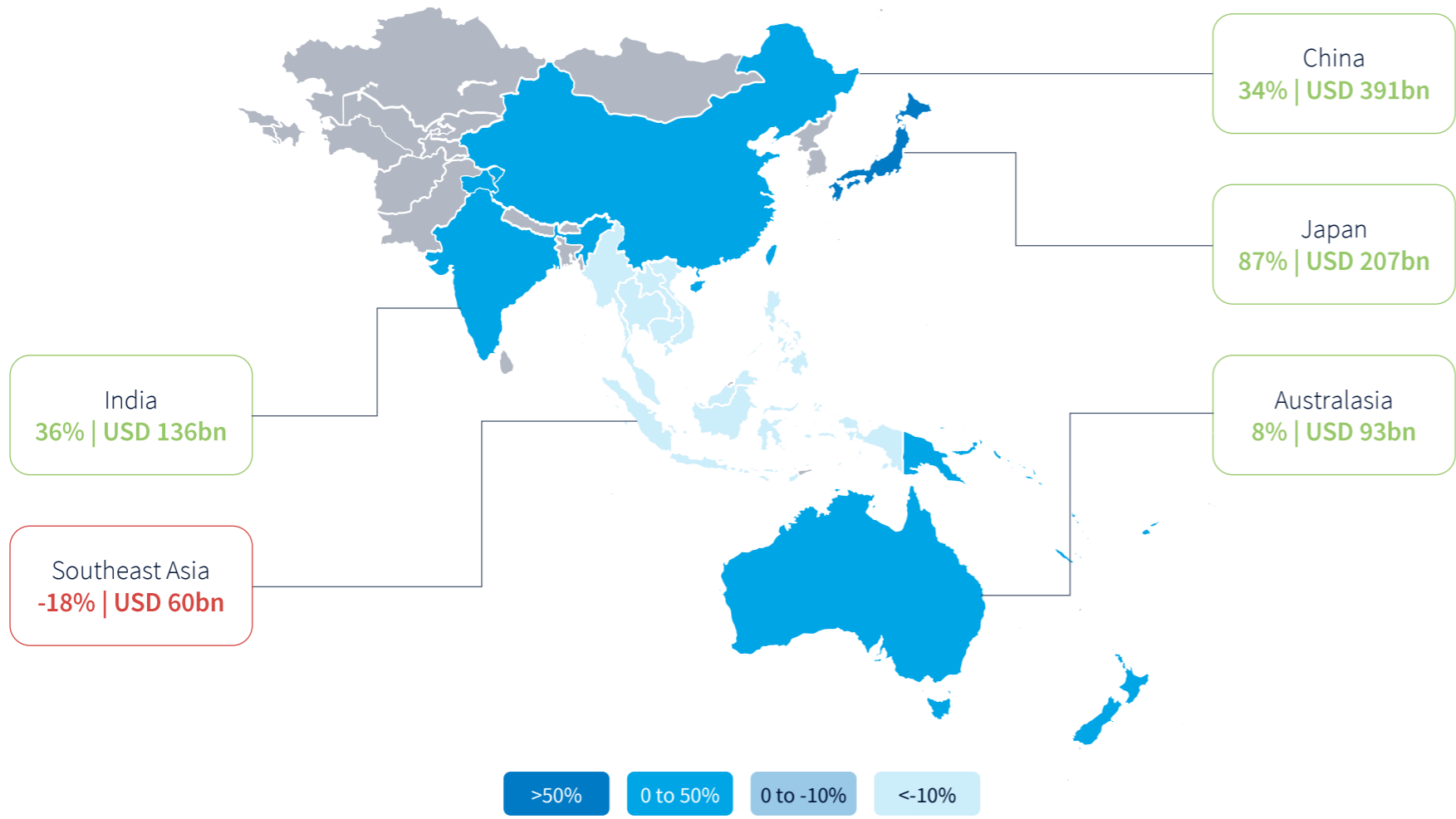
Upcoming sale processes include:

- Pierre & Vacances–Center Parcs (PVCP), the listed France-based holiday resort operator, which has attracted strong interest following a strategic review earlier this year, as [reported](#) in December.
- Portuguese packaging group Logoplaste is being prepared for launch in early 2026 by Ontario Teachers' Pension Plan (OTPP), as consolidation in the US plastic packaging sector intensifies.
- Paris-listed Bureau Veritas' fuel testing business, which has attracted offers from several private equity sponsors, as [reported](#) in November.
- Panini, an Italy-based collectibles producer, which has appointed Citi to explore a sale that could value the company at between EUR 2.5bn and EUR 3bn, including debt, as [reported](#) in October.

“We’re seeing an uptick, but it would be unrealistic to say we’re going to see a tsunami of deals in January and it’s going to be the best year ever,” Jones said. “But 2026 will continue to see activity, and it will continue to grow.”

Key trends

Percentage change in deal volume year-on-year



Volume boom

M&A volume in APAC crosses USD 1tn milestone, up 33% from last year

Big-ticket deals surge

Region sets new record with 13 megadeals

Buyouts bounce back

Buyouts post second-highest volume on record

Chinese outbound slump

Chinese investments in US hit 16-year low

Activity

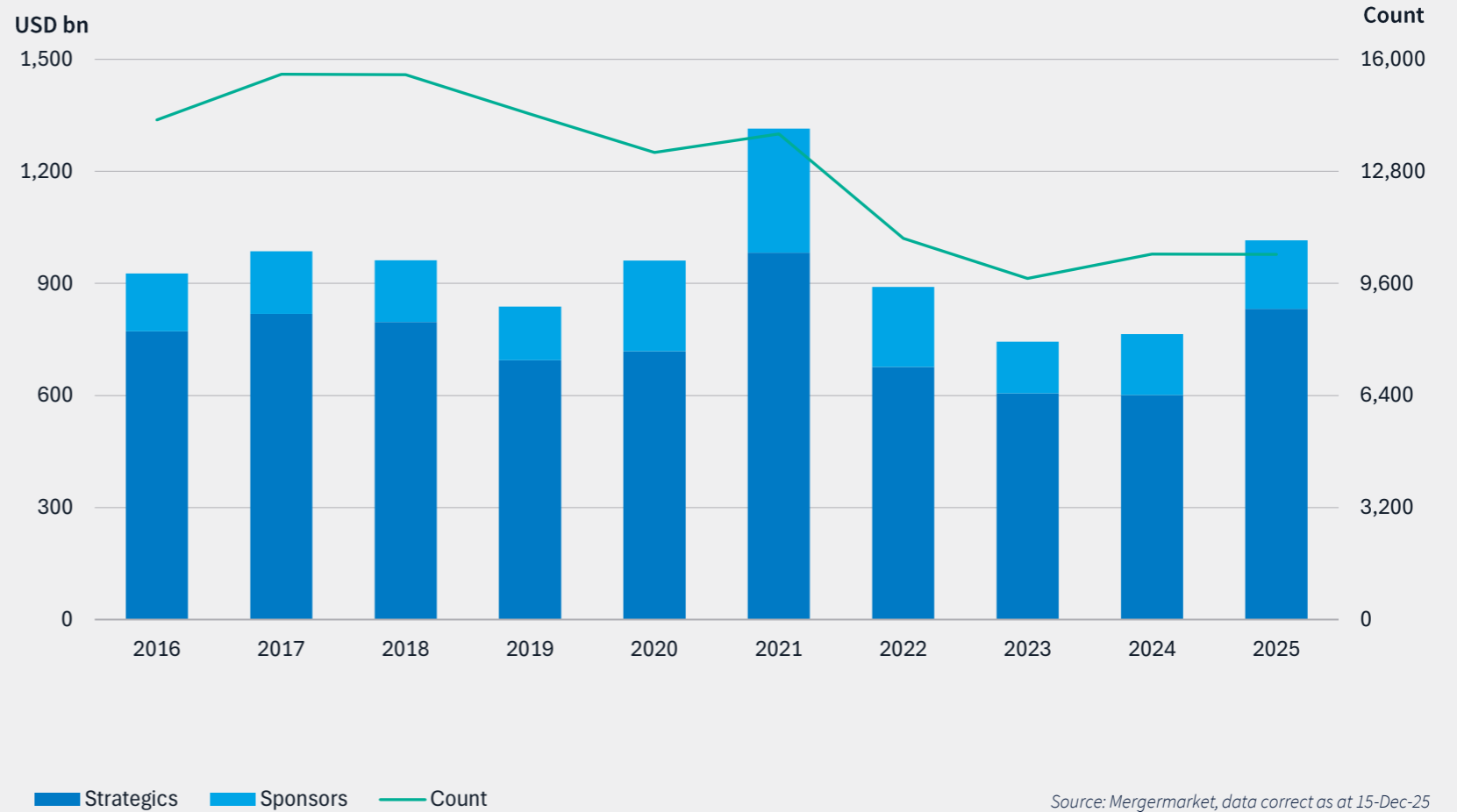
Strategic repositioning and megadeals deliver third-highest volume on record

Asia-Pacific (APAC) deal volume surged 33% year-on-year in 2025 to USD 1tn, marking the region’s third-highest year-to-date total after 2021 and 2015.

Strategics drove activity, accounting for 82% of all M&A, alongside an unprecedented 13 megadeals worth USD 211bn – the highest ever recorded. Many, including Naver’s USD 10.3bn acquisition of crypto exchange Dunamu, involved portfolio repositioning for an AI age.

APAC M&A activity

2025 sees a 33% rise in M&A volume, 82% contributed by strategics

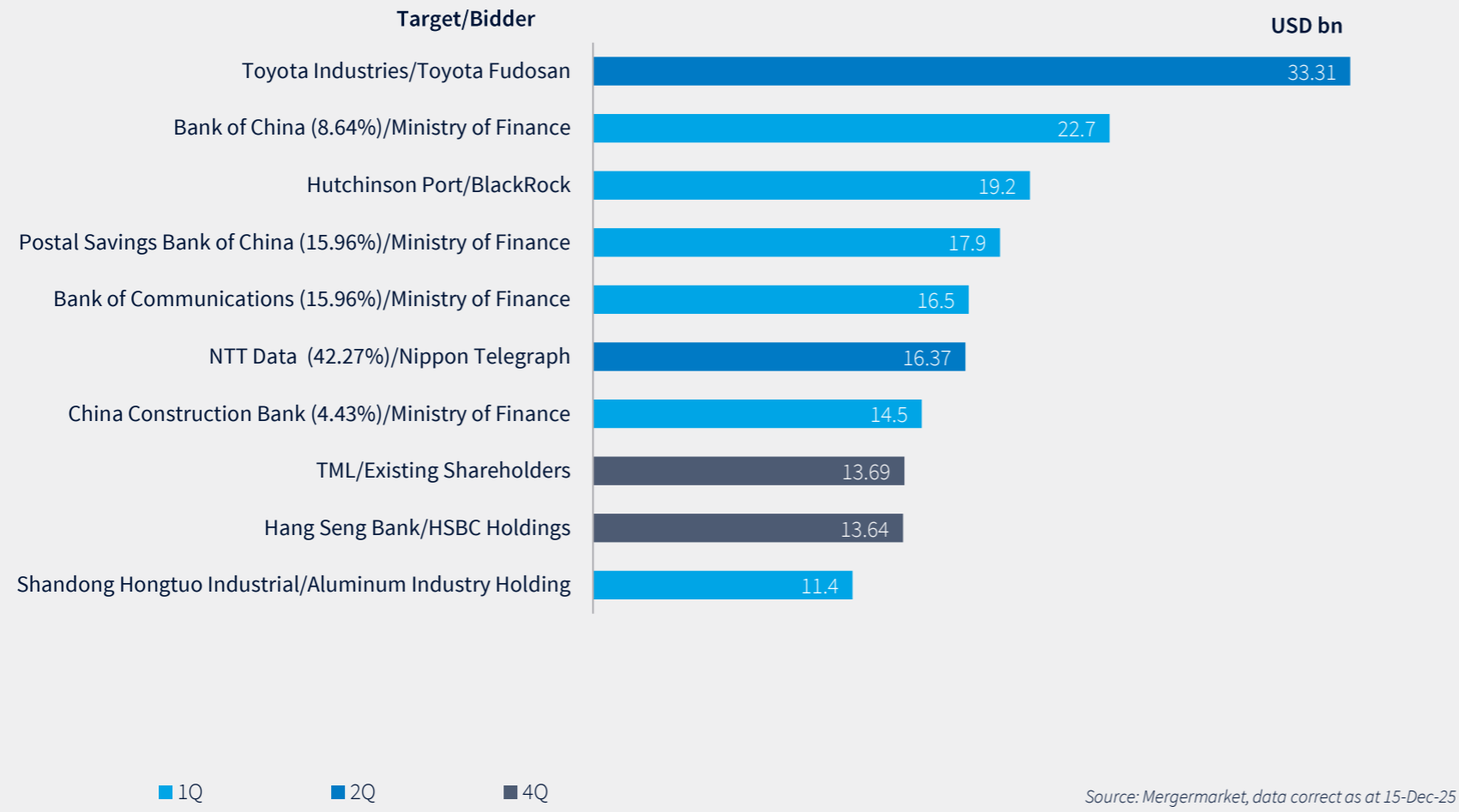


Source: Mergermarket, data correct as at 15-Dec-25

Top deals

Top-10 deals in APAC – 2025

Six out of ten deals were recorded in 1Q25



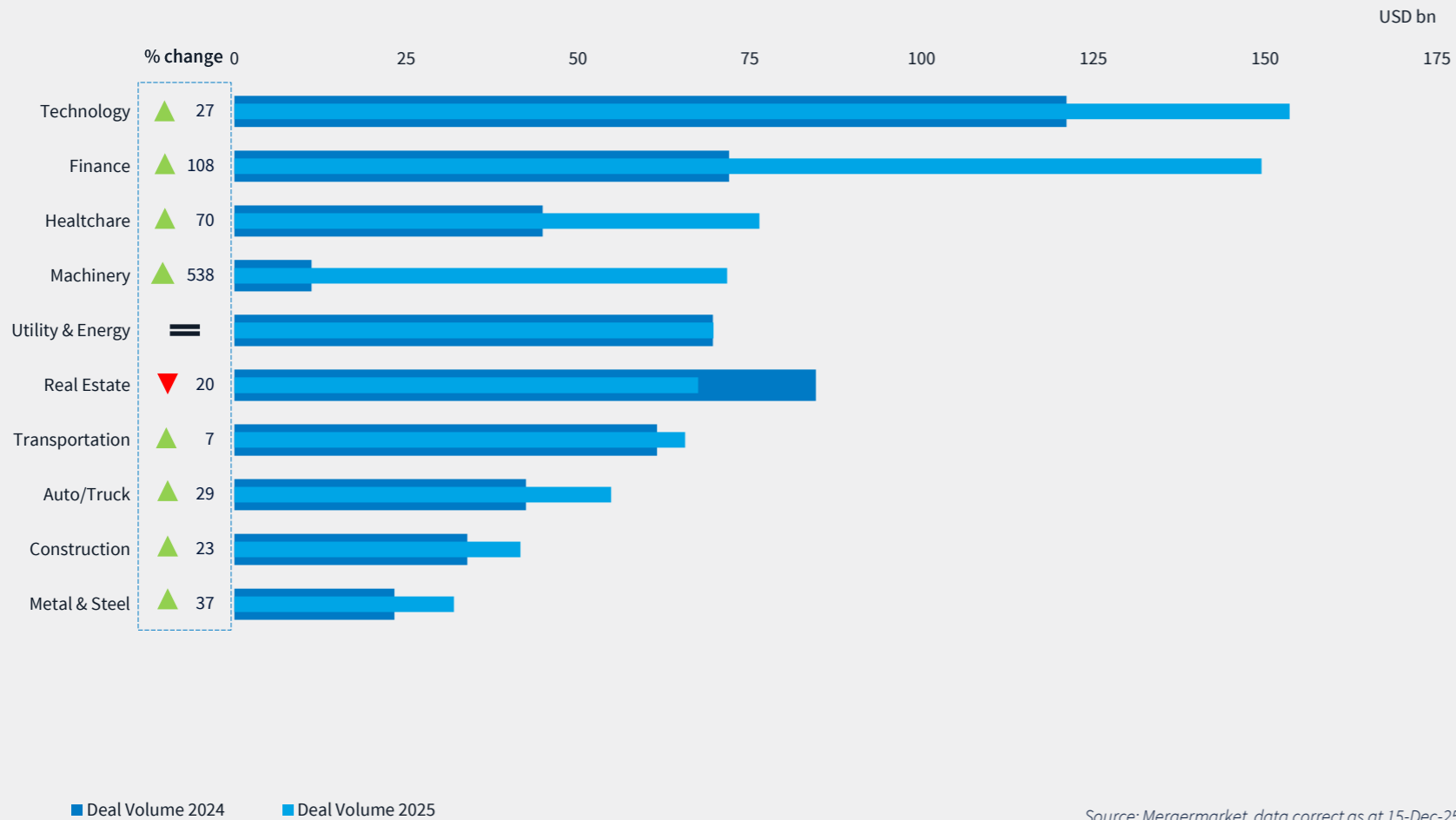
It was not all smooth sailing – some megadeals face uncertainty heading into 2026 due to geopolitical risks and shareholder activism. High-profile collapses this year included Abu Dhabi National Oil Company’s USD 18.7bn bid for Santos and Hygon’s USD 16.1bn acquisition of Sugon.

The largest announced deal is Toyota Fudosan’s USD 33bn [buyout](#) of Toyota Industries, though activists led by Elliott Management are [contesting](#) the offer price – a hallmark of Japan’s booming take-private trend.

Top-performing sectors

Top-performing sectors – APAC

Finance and Healthcare jump spots to reach top three in 2025



Source: Mergermarket, data correct as at 15-Dec-25

In terms of sectors, Technology retained its leading position with USD 153.6bn worth of deals, up 27%. Financial Services more than doubled to USD 149.5bn, with HSBC’s USD 13.7bn Hang Seng Bank [buyout](#) a standout. Healthcare climbed 70% to USD 76.4bn to take third place. These sectors made up 37% of total activity, underscoring focus on digital transformation, financial consolidation, and healthcare innovation.

Sponsors regain momentum

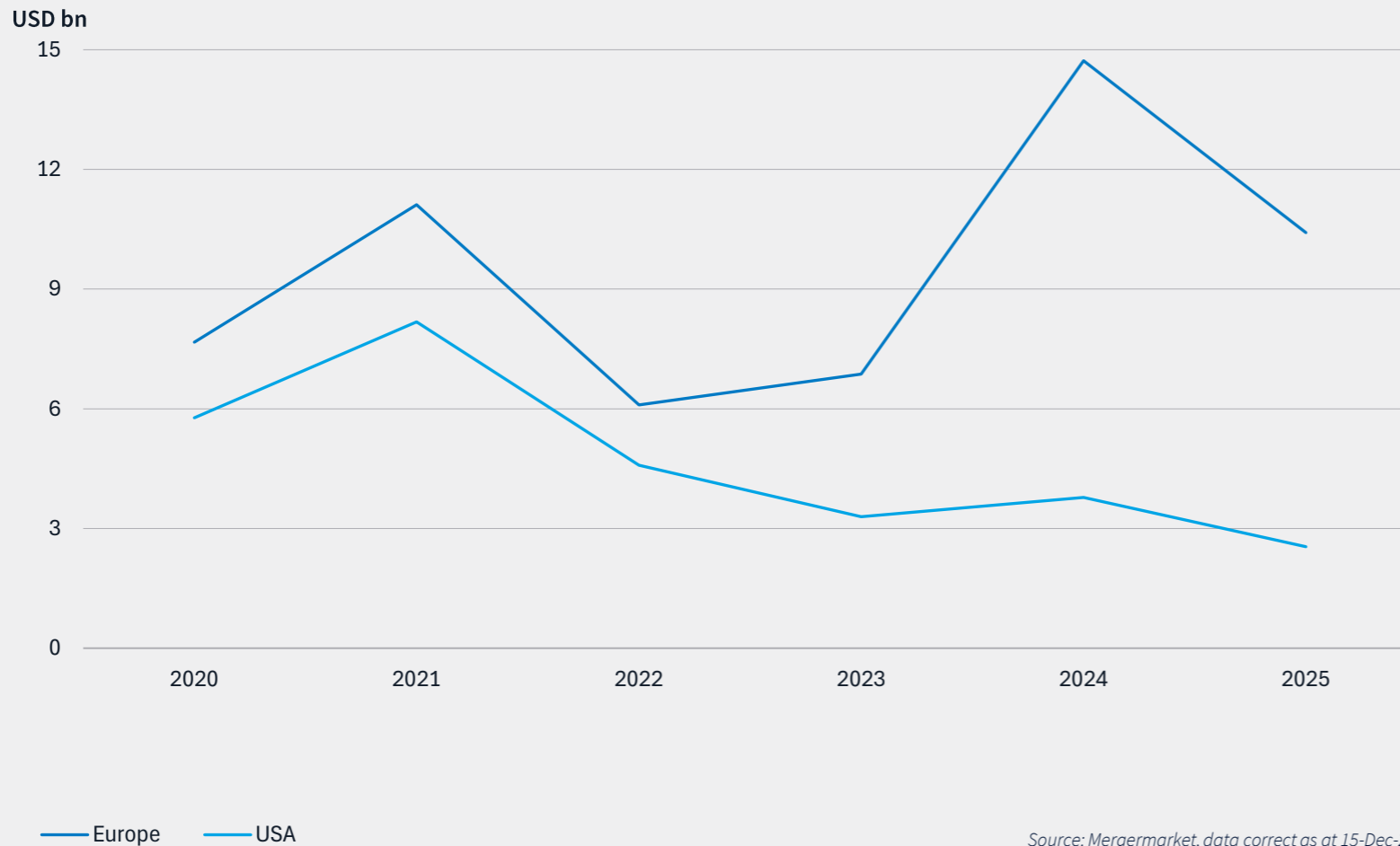
Private equity buyouts rebounded 19% to USD 123.5bn, the second highest on record. Japan led, but India saw rising activity buoyed by a Business Services sector less exposed to tariff shocks. India’s buyout volumes rose 27% to USD 9.7bn and are [expected](#) to hit USD 60bn annually in the next five years.

Despite optimism around APAC’s relatively healthy IPO markets, exits fell 19% to USD 55.8bn; the largest was Temasek’s USD 6.4bn [sale](#) of its 35% Schneider Electric India stake.

Cross-border activity

Chinese outbound investments in Europe and USA

Chinese outbound volume to US falls to lowest level in 16 years



Source: Mergermarket, data correct as at 15-Dec-25

Cross-border deal flow hits historic highs

APAC inbound investment surged 2.4x year-on-year as global investors targeted growth markets like India and energy plays in Australia. The region’s largest inbound deal was the tentatively [announced](#) USD 22.8bn bid by the Blackrock TiL consortium for Hong Kong based Hutchison Port Holdings’ international assets. The deal offers Blackrock world-class infrastructure and will allow CK Hutchison to overhaul its portfolio, though regulatory risks loom amid US-China tensions.

Outbound deals rose 49% to USD 191.7bn, with APAC corporates pursuing global growth. Examples of this include Softbank’s [investment](#) in OpenAI’s USD 40bn financing round and Tata Motors’ USD 4.36bn [acquisition](#) of Italian truck maker Iveco.

China and Japan power growth

Chinese M&A jumped 40% to USD 437.4bn, aided by strategic sector support and cheaper valuations early in the year. Buyouts doubled to USD 40.6bn, while inbound hit a record USD 56.6bn, a fourfold increase. Outbound fell 22% to USD 27.3bn amid Western foreign investment screening, though JD.com’s [acquisition](#) of Ceconomy showed opportunities remain in non-sensitive sectors.

Japan remained highly active, recording USD 207.3bn in M&A – nearly double last year’s volume – driven by non-core divestitures and take-privates as corporate governance reforms pushed managers to prioritise shareholder value. India stood third with USD 135.7bn in M&A, marking a near 40% rise in volume from 2024.

Outlook

APAC enters 2026 with strong tailwinds

With record megadeals, robust cross-border flows, and sectoral diversification, APAC heads into 2026 with momentum. Shareholder activism in Japan, policy-driven consolidation in China, and accelerating inbound interest in India, point to another year of high-stakes dealmaking.

Mergermarket's APAC auction database shows [314 active auctions](#) worth an estimated value of USD 185bn are already underway.

Upcoming sale processes include:

- Kestrel Coal Resources potential sale an Indonesian suitor, as [reported](#) in December. EMR owns a 52% stake in Kestrel. The Australian coal miner was earlier anticipated to sell for around USD 3bn.
- Singapore's UTAC Holdings potential sale, which had bidders shortlisted by Wise Road Capital, as [reported](#) in September. The semiconductor assembly and services company bidders include Sinar Mas, TCL Technology and United Nova Technology. UTAC was expected to fetch a valuation of more than USD 3bn.
- Affinity Equity Partners' potential sale of its stake in Plaza Premium, a Hong Kong-based airport hospitality company, as [reported](#) in December. Plaza Premium could fetch a valuation of around USD 1bn.
- South Korea's SK Group's sale of a 49% stake in its Ulsan Artificial Intelligence (AI) data center, as [reported](#) in December. SK Group is aiming to raise between USD 1.02bn to USD 1.36bn.

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