

# Quarterly M&A Report

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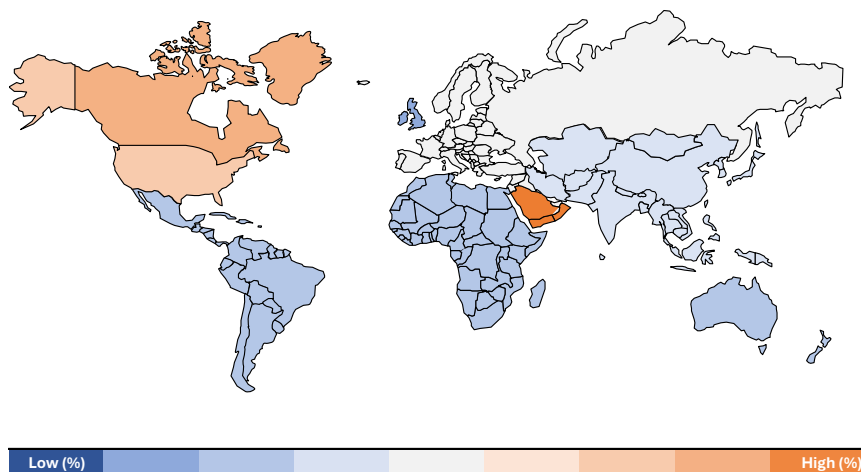
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## Description of Report

This report provides geographic data, industry data, and our proprietary view on global activity in the Mergers & Acquisitions (“M&A”) space. The purpose of this report is to analyze trends in geographical regions and industries, both globally and in the U.S., and to provide insight into changes in pricing as a result of those trends. We further strive to provide up-to-date information on attractive markets to help navigate our clients’ M&A efforts.

The primary source for the data contained in this report is S&P Global Market Intelligence. Reported deal value and volume are based on transactions that have closed within the respective quarter. BRG does not take any responsibility for the data presented and bases its conclusions solely on the information obtained. This material is intended merely to highlight market developments and is not intended to be comprehensive and does not constitute investment, legal or tax advice.

## Global M&amp;A Activity by Number of Transactions (QoQ)



## Contents

Global Industry Trends .....	3
Global and Domestic Pricing Trends .....	4
Deal Volume by Market Capitalization and Industry .....	5
U.S. Carveout Transaction Trends and Challenges .....	6
About BRG .....	7

## General Market Trends

While the last quarter of 2024 saw an uptick in M&A activity, Q1 2025 did not exhibit the same trend due to increased market volatility and economic uncertainty driven by the introduction of extensive U.S. tariffs. The M&A market may remain subdued in the near term as companies take a more cautious approach to deal-making amid geopolitical tensions, inflationary pressures, and shifting regulatory environments.

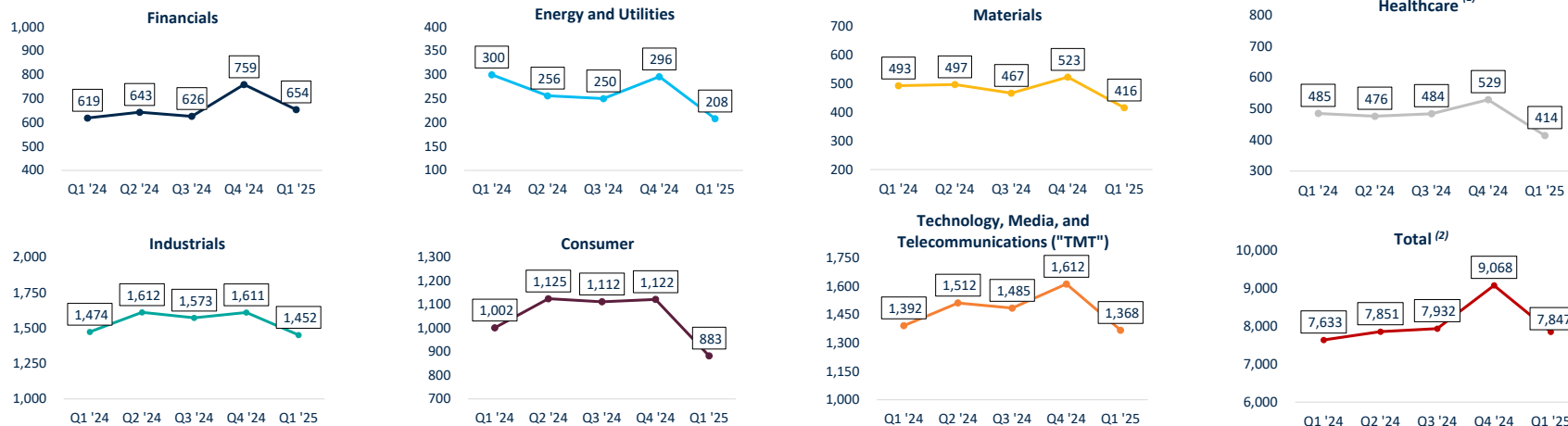
Following a strong fourth quarter in 2024, Q1 2025 saw an overall global transaction volume decrease of 13.5% quarter-over-quarter (“QoQ”). The U.K. saw the greatest decline in transaction volume, decreasing 36.7% QoQ due to tax hikes and political uncertainty following the country’s general election. Meanwhile, the Middle East exhibited the highest quarterly growth at 14.9% from active sovereign wealth funds and cross-border investments in high-growth sectors including technology and renewable energy. Deal volume in the U.S. decreased 6.9% QoQ led by a 20.1% contraction in the financials industry.

## Geographical Trends

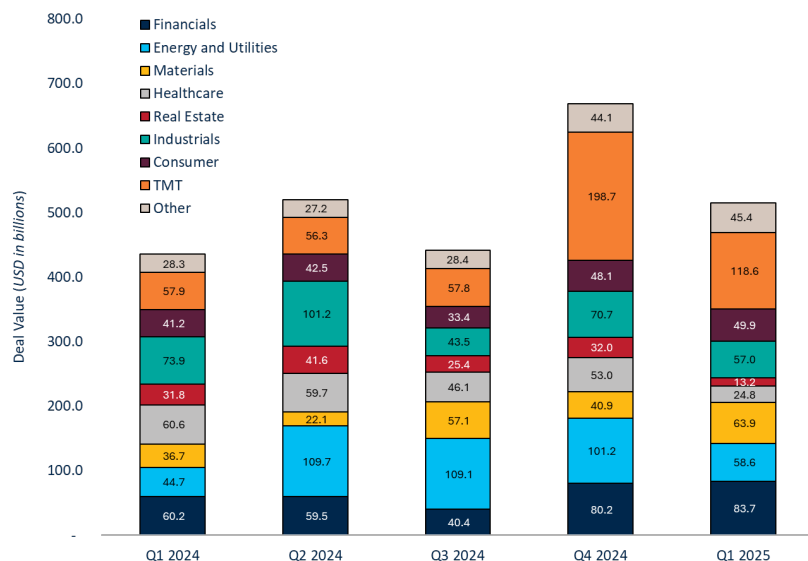
	Q1 2025 Volume	QoQ Growth	YoY Growth
Africa	72	-31.4%	-18.2%
Asia	1,088	-18.9%	3.3%
Australia and New Zealand	198	-31.7%	-16.1%
Europe (incl. Russia, excl. U.K.)	1,896	-8.9%	5.6%
Latin America	136	-29.2%	-17.1%
Middle East	108	14.9%	13.7%
North America (excl. U.S.)	420	-0.5%	-6.7%
United Kingdom	648	-36.7%	-12.2%
United States	3,281	-6.9%	8.9%

# Global Industry Trends

## Number of Transactions – Key Industries (Global)



## Total Deal Value by Industry (Global)



## Commentary

Despite general optimism for increased 2025 deal activity, global deal activity was suppressed across all industries in Q1 2025. Overall, M&A volume declined 13.5% QoQ. The industry exhibiting the largest decline this quarter was energy and utilities, which contracted 29.7% on a volume basis, attributed to the expected conclusion of the U.S. shale consolidation wave. Healthcare and consumer sectors followed closely, decreasing at 21.7% and 21.3%, respectively. While growth was not exhibited across any industry, industrials witnessed the smallest decline at 9.9% QoQ due to ongoing supply chain normalization and infrastructure-related spending.

Q1 2025 total global deal value decreased 23.0% QoQ, from \$668.7 billion in Q4 2024 to \$515.0 billion in Q1 2025. In addition, the average value per transaction ("AVPT") decreased 11.0%, from \$73.7 million in the prior quarter to \$65.6 million. The healthcare sector witnessed the largest decline in AVPT, dropping by 40.2% due to regulatory uncertainty and a shift toward smaller-sized deals and fewer mega-deals. In contrast, the materials sector saw a significant boost in AVPT, growing 96.7% QoQ. This increase was driven by International Paper's \$13.4 billion acquisition of DS Smith in the U.K. and Quikrete's \$11.5 billion acquisition of Summit Materials in the U.S., reflecting heightened consolidation activity within the packaging and construction materials sub-sectors. While deal count was down broadly, these large-scale transactions suggest that strategic acquirers remain active in pursuing high-value opportunities.

# Global and Domestic Pricing Trends

## EV/EBITDA Multiples <sup>(1)</sup>

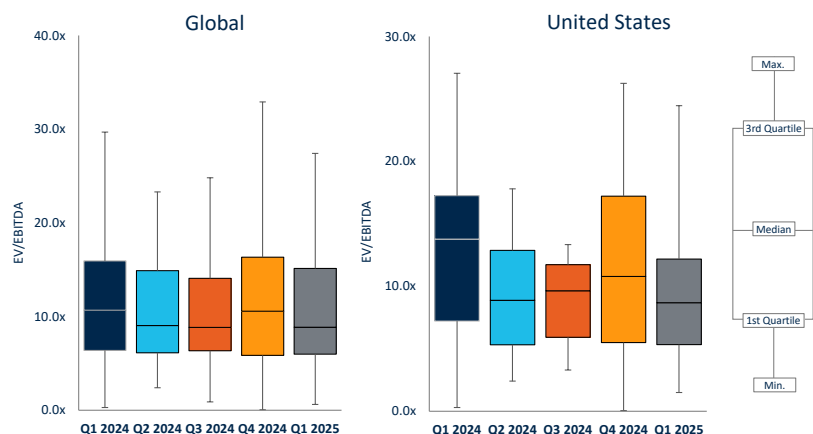
\$ in millions

	Q1 2024			Q2 2024			Q3 2024			Q4 2024			Q1 2025		
	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count
<b>Global</b>															
Consumer	11.8x ▲	\$ 400 ▲	25	9.9x ▼	\$ 355 ▼	21	9.3x ▼	\$ 233 ▼	34	11.1x ▲	\$ 53 ▼	34	8.4x ▼	\$ 64 ▲	26
Energy and Utilities	4.7x ▲	283 ▲	4	7.0x ▲	4,406 ▲	5	10.1x ▲	1,140 ▼	17	5.4x ▼	594 ▼	22	8.6x ▲	148 ▼	9
Healthcare <sup>(2)</sup>	10.4x ▼	550 ▲	11	13.7x ▲	166 ▼	9	7.8x ▼	147 ▼	20	13.9x ▲	161 ▲	30	18.4x ▲	265 ▲	17
Industrials	7.6x ▲	306 ▲	18	8.3x ▲	205 ▼	23	9.1x ▲	108 ▼	24	8.0x ▼	75 ▼	24	7.3x ▼	120 ▲	29
Materials	8.5x ▲	301 ▼	15	9.0x ▲	293 ▲	11	8.2x ▼	163 ▼	23	7.9x ▲	97 ▼	27	9.6x ▲	364 ▲	27
TMT	15.2x ▲	155 ▼	19	11.7x ▼	153 ▲	26	8.6x ▼	75 ▼	41	14.1x ▲	58 ▼	57	16.0x ▲	166 ▲	39

	Q1 2024			Q2 2024			Q3 2024			Q4 2024			Q1 2025		
	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count
<b>United States</b>															
Consumer	10.8x ▼	\$ 1,551 ▲	6	9.9x ▼	\$ 1,397 ▲	7	10.0x ▲	\$ 520 ▼	9	11.1x ▲	\$ 790 ▲	13	11.6x ▲	\$ 693 ▼	4
Energy and Utilities	5.4x ▼	373 ▼	1	7.1x ▲	5,712 ▲	4	5.9x ▼	1,868 ▼	7	4.9x ▼	1,200 ▼	5	7.8x ▲	525 ▼	4
Healthcare <sup>(2)</sup>	14.5x ▲	550 ▲	3	18.5x ▲	570 ▲	4	7.8x ▼	271 ▼	14	42.1x ▲	532 ▲	11	9.4x ▼	694 ▲	7
Industrials	8.1x ▼	733 ▼	6	8.3x ▲	400 ▼	11	10.6x ▲	1,025 ▲	7	10.1x ▲	144 ▼	4	6.9x ▼	174 ▲	8
Materials	12.2x ▼	2,120 ▲	2	4.4x ▼	180 ▼	3	6.7x ▲	41 ▼	5	11.2x ▲	1,200 ▲	3	8.2x ▼	1,797 ▲	6
TMT	35.3x ▲	900 ▲	5	9.2x ▼	141 ▼	6	7.2x ▼	113 ▼	12	13.3x ▲	207 ▲	14	119.9x ▲	1,000 ▲	14

## EV/EBITDA Multiples <sup>(3)</sup>



## Commentary

Globally, we have seen QoQ increases in pricing multiples across four sectors and decreases in two. Consumer experienced the largest decrease, moving from 11.1x in the prior quarter to 8.4x in Q1 2025 from U.S. trade tariffs and elevated inflation rates. Domestically, three sectors experienced multiple expansion, and three sectors witnessed multiple contraction. In the U.S., healthcare experienced the largest decrease in multiples QoQ due to the elevated regulatory, financial, and economic uncertainties from shifting political factors. The TMT sector, on the other hand, experienced the largest increase in EBITDA multiples, growing from 13.3x in Q4 2024 to 119.9x in Q1 2025 due to strong AI investments and strategic mergers. This spike is skewed driven by the closing of previously announced acquisitions of Brightcove and Innovid at 271.8x and 171.2x, respectively. Excluding these two acquisitions, the median EBITDA multiple for the TMT sector is 46.7x in Q1 2025.

On a global scale, median EVs were up in all sectors except energy and utilities. The global energy and utilities sector declined in Q1 2025 due to escalating trade tensions and tariffs that reduced oil demand forecasts and heightened market volatility that greatly affected investor confidence. Materials saw the largest increase driven by several high value deals. In the U.S., four industries saw increases in median values while two saw median valuations decline QoQ. The materials sector has had extreme growth in median EVs due to the large-cap acquisitions of Glatfelter (\$1.4 billion) and Orora Packaging Solutions (\$1.2 billion).

Pricing information is based on publicly available data as of Q1 2025 end as obtained from S&P Global Market Intelligence and evaluated by BRG. Pricing trends exclude Real Estate and Financials.

(1) Changes in EBITDA multiples of 0.5x and less are characterized as not significant. Changes in Enterprise Value of 10% and less are characterized as not significant. Median Enterprise Value is in USD millions; (2) Healthcare industry includes healthcare equipment, services, pharmaceuticals, biotechnology, and life sciences; (3) Graphed data excludes any multiples above the 90th percentile and the 85th percentile for the global and U.S. markets. BRG deemed these multiples as outliers and not representative of the market. Source: S&P Global Market Intelligence as of 4/3/2025.

# Deal Volume by Market Capitalization and Industry

## Number of Q4 2024 and Q1 2025 Deals by Market Capitalization and Industry

Global	\$0-500M		\$500M-\$1B		\$1B+		United States	\$0-500M		\$500M-\$1B		\$1B+	
	Q4 2024	Q1 2025	Q4 2024	Q1 2025	Q4 2024	Q1 2025		Q4 2024	Q1 2025	Q4 2024	Q1 2025	Q4 2024	Q1 2025
Consumer	228	180	7	4	12	7	Consumer	54	37	3	2	7	3
Energy and Utilities	120	76	13	8	18	13	Energy and Utilities	25	24	3	4	9	4
Financials	133	122	11	11	13	18	Financials	39	27	7	7	6	7
Healthcare (1)	147	91	9	6	9	5	Healthcare	37	26	3	3	8	5
Industrials	241	208	9	6	11	7	Industrials	39	31	4	2	7	1
Materials	265	184	9	8	8	13	Materials	25	24	2	1	1	4
TMT	312	220	10	12	23	20	TMT	81	55	5	7	10	12

## Select M&A Transactions

Closed January 2025



has acquired

For \$4.3B  
Energy and Utilities

Closed February 2025



has acquired

For \$5.0B  
Consumer

Closed March 2025



has acquired

For \$10.0B  
TMT

Announced March 2025



has announced the acquisition of

For \$10.0B  
Consumer

Announced March 2025



has announced the acquisition of

For \$32.0B  
TMT

Announced March 2025



has announced the acquisition of

For \$11.3B  
Industrials

## Select Bankruptcy Filings

Filed January 2025

has filed for Chapter 11  
Bankruptcy protectionAssets: \$1.0B  
Liabilities: \$1.0B  
Telecommunications

Filed January 2025

has filed for Chapter 11  
Bankruptcy protectionAssets: \$1.0B  
Liabilities: \$1.0B  
Retail

Filed March 2025

has filed for Chapter 11  
Bankruptcy protectionAssets: \$1.0B  
Liabilities: \$1.0B  
Telecommunications

## Deal Commentary

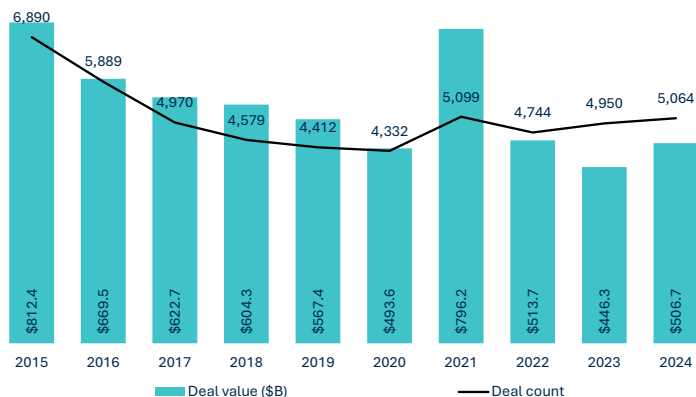
- ONEOK has acquired Enlink Midstream and taken the company private, aiming to enhance its integrated midstream capabilities. The acquisition strengthens ONEOK's growth strategy by combining assets, improving operational efficiency, and reducing leverage. Through this transaction, ONEOK expands its control across key segments of the energy supply chain, including oil gathering and processing.
- Tempur Sealy has acquired Mattress Firm and will rebrand as Somnigroup international. Mattress Firm will operate as a decentralized business unit within the company. The acquisition is intended to expand retail services and accelerate omni-channel strategy.
- Silver lake has acquired 100% of Endeavor Group Holdings outstanding shares, taking the company private. The acquisition aims to expand intellectual property and brands, while prioritizing long-term value creation for clients. Endeavor's entertainment assets were thought to be undervalued by public markets.
- Sycamore announced that it would take Walgreens private. Following years of struggles including declining sales, store closures, and substantial losses from its investment in VillageMD clinics, Sycamore aims to support Walgreen's turnaround strategy while maintaining its brands and retail presence.
- Google has announced its largest acquisition to date to buy cybersecurity firm Wiz in an all-cash deal. The fast growing privately held startup will uplift Google's security offerings and enhance competitiveness with Amazon and Microsoft. The deal is still subject to regulatory approval.
- QXO has announced its acquisition of Beacon Roofing Supply in an all-cash deal. The transaction is intended to accelerate QXO's entry into the building products distribution industry, positioning the company for rapid growth through future acquisitions and operational enhancements.
- Ligado Networks, a satellite communications company, filed for Chapter 11 bankruptcy in January after U.S. government agencies blocked the planned expansion of its mobile 5G network, causing major financial losses and leaving the company unable to pay its debt. The filing aims to cut the company's debt, secure new funding, and allow Ligado to continue to operate during the restructuring process.
- Joann, a U.S.-based fabric and craft retail chain, filed for Chapter 11 bankruptcy in January due to declining sales from shifting consumer behavior post-pandemic. The filing will allow the company to close underperforming stores and streamline operations.
- Mitel Networks, a Canadian telecommunications company, filed for Chapter 11 bankruptcy in March due to challenges adapting to the shift toward remote and hybrid work environments. The filing aims to eliminate debt and reduce annual interest expenses.

# U.S. Carveout Transaction Trends and Challenges

## Carveouts as a Strategic Focus

- In 2024, carveout activity remained a significant component of global activity representing 13.5% of total deal volume, as companies continued to use carveout divestures as a strategy to streamline operations and focus on their core business.
- The trend of carveouts is expected to continue in 2025, driven by ongoing economic uncertainties, evolving regulatory landscapes, and a growing emphasis on strengthening core or high-performing segments, often with the added goal of reducing debt.

## Global Carveout Activity



## U.S. Private Equity Carveout Activity



## Trends in U.S. Private Equity Carveout Activity

- Carveout transactions continue to be an attractive asset for private equity firms, as they acquire non-core businesses to focus on operational efficiencies and growth.
- In 2024, the number of U.S. private equity carveouts increased to the second highest number of deals in the last 10 years, accounting for 8.1% of all U.S. private equity deals.
- A recent notable carveout transaction was the sale of Carrier Global's Industrial Fire Business to Sentinel Capital Partners for \$1.425 billion.

## Common Financial Due Diligence Challenges

- The objective of carveout financial statements in a transaction is to present the financial performance of the carveout entity of a standalone, historical basis. It is critical for both buyer and seller to align on what constitutes standalone performance, as this forms the basis for valuation and purchase price. Expense allocations, such as rent, corporate personnel, and other shared services, must be carefully evaluated to ensure they reflect a realistic standalone cost structure.
- Additional adjustments may be necessary to account for changes in customer contracts, pricing arrangements, rebates, and other business relationships.
- Standalone working capital and balance sheets may also present challenges as financial data may be comingled with the parent company or other business segments. It is important to focus on identifying and defining the assets and liabilities necessary to operate the standalone business.
- Carveouts can also lead to complex valuation as synergies may make up a large portion of the value of the deal, complicating the valuation process and adding uncertainty.

## Carveouts as a share of U.S. Private Equity Deals



# About BRG

## BRG Corporate Finance

BRG's Corporate Finance group is a leader in providing multidisciplinary services to lenders, companies, investors, and attorneys through our core practice areas:

- Transaction Advisory
  - o Valuation Services & Opinions
  - o Transaction Tax Advisory
- Performance Improvement
  - o Finance Excellence
  - o Transition & Interim Management
- Turnaround and Restructuring
  - o Bankruptcy Administration
  - o Company Advisory
  - o Interim & Crisis Management
  - o Lender Advisory
  - o Unsecured Creditors' Committee (UCC) Advisory

## BRG Transaction Opinion Services

BRG serves as an independent advisor by providing transaction opinions to help companies, their boards of directors, and other stakeholders fulfill their fiduciary duties in connection with a proposed transaction. Our services also provide a valuable and independent aid to decision-making. We provide:

- Solvency opinions
- Fairness opinions
- Capital adequacy opinions
- Valuation opinions
- Strategic support

Visit our [website](#) to learn more about the services we provide.

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## BRG Value Add Continuum

Evaluate opportunities	Realize synergies	Build value		Maximize return
PRE-ACQUISITION	TRANSACTION EXECUTION	OPERATIONS		EXIT
Market studies	Buy-side diligence	Acquisition integration	Operational effectiveness	Sell-side diligence
Business plan assessment	Quality of earnings, cash flows	Interim/surge resources	Transaction readiness	Carve-out stand up
Tax structuring alternatives	Transition services agreement	FP&A, liquidity	Fairness & solvency opinions	Fairness & solvency opinions
	Fair market value opinions	Transformation management	Tax and financial reporting valuations	
	Fairness & solvency opinions	IT/systems		
	Purchase price allocation	Financial reporting		

## Our Professionals



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Chau Hoang has over 18 years of corporate finance experience, specializing in valuations and transaction-related opinions for special situations and reporting purposes. She advises middle-market clients across industries on mergers, spinoffs, recapitalizations, and foreign investments. Her expertise includes solvency and fairness opinions, intangible asset valuations, and fair value analyses for tax and financial reporting.



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William "Wick" Smith has more than 25 years of corporate finance experience and specializes in transaction-related opinions and valuations related to comply with tax and financial reporting requirements. He has worked with public and private companies across industries like healthcare, tech, manufacturing, and retail. His expertise includes valuing intellectual property and intangible assets such as patents, tradenames, and customer-based assets.



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Jerry Chang has over 25 years of corporate finance and valuation experience, specializing in valuing businesses, equity and partnership interests, intangible and tangible assets, professional services, compensation arrangements, and stock options. He has worked with clients across various industries, including healthcare, aerospace and defense, manufacturing, retail, distribution, technology, media, and financial services.



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Robin Samples has 20 years of mergers and acquisitions, restructuring, investigations, and financial advisory experience. She has worked on hundreds of transactions across industries including manufacturing and distribution, restaurant, retail, construction, professional services, and technology. She has provided both buy- and sell-side financial due diligence to private equity and strategic clients.



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