Quarterly M&A Report

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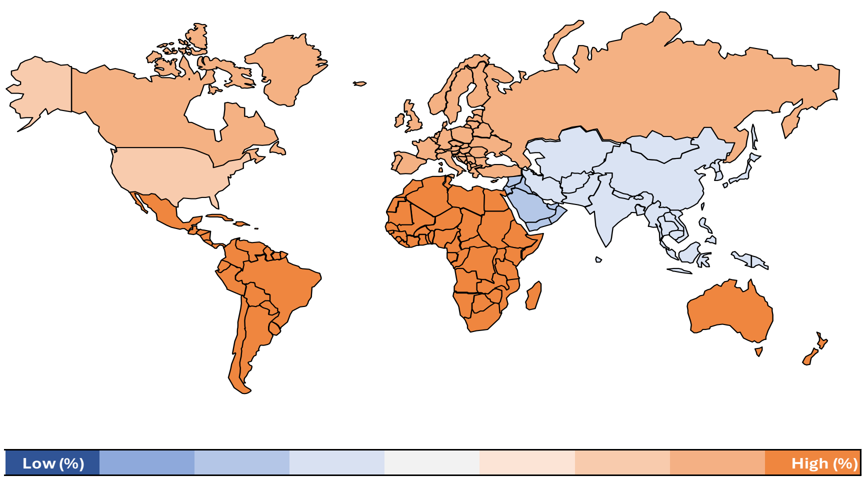
Description of Report

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&A Activity by Number of Transactions (QoQ)



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General Market Trends

After a turbulent prior quarter, the Q2 2025 M&A market shows early signs of recovery. Many firms have advanced previously announced deals as participants accepted market uncertainty and acknowledged that rate cuts were unlikely under the evolving macro environment. The new U.S. administration also provided modest relief by decreasing domestic regulations. Nonetheless, deal flow remained restrained as geopolitical tensions, ambiguous policy changes, and ongoing market volatility undermined investor confidence.

In Q2 2025, global M&A activity increased by 5.4% quarter-over-quarter ("QoQ") in transaction volume. Latin America recorded the greatest increase at 108.1% QoQ, driven by strengthening U.S. trade relations. The U.S. saw a 27.4% QoQ rise primarily due to reduced tariff concerns following trade agreements with the U.K. and China. European M&A volume increased as the European Central Bank continued to cut interest rates and consolidation rose within the financial sector. In contrast, the Middle East experienced a decline of 4.6%, attributed to its ongoing geopolitical uncertainty.

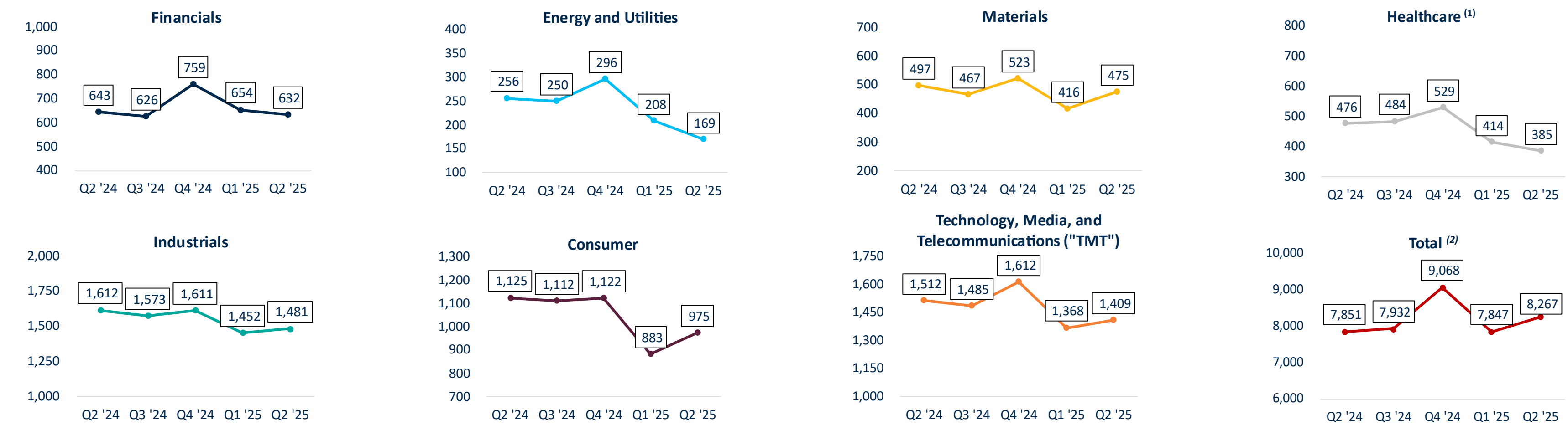
Geographical Trends

	Q2 2025 Volume	QoQ Growth	YoY Growth
Africa	147	104.2%	41.3%
Asia	1,105	1.6%	13.9%
Australia and New Zealand	380	91.9%	37.2%
Europe (incl. Russia, excl. U.K.)	2,700	42.4%	47.8%
Latin America	283	108.1%	73.6%
Middle East	103	-4.6%	9.6%
North America (excl. U.S.)	656	56.2%	47.7%
United Kingdom	957	47.7%	27.1%
United States	4,181	27.4%	29.6%

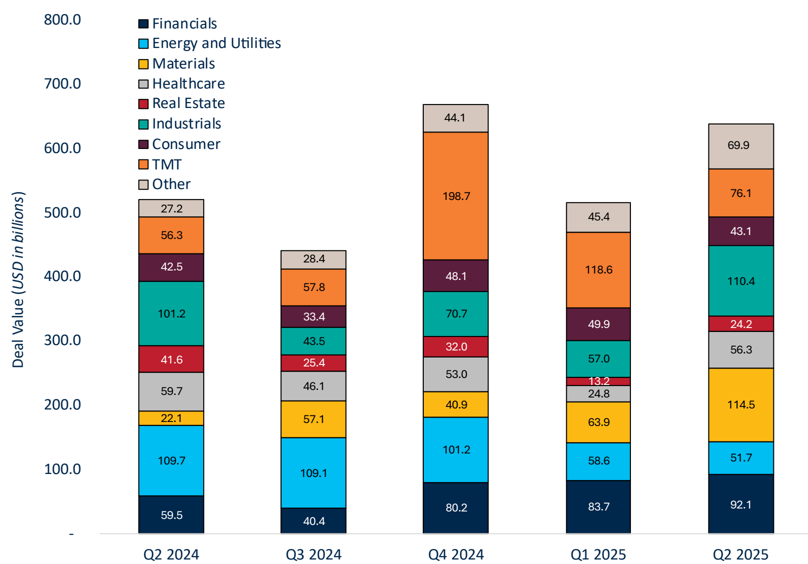
Source: S&P Global Market Intelligence as of 7/8/2025.

Global Industry Trends

Number of Transactions – Key Industries (Global)



Total Deal Value by Industry (Global)



Commentary

Despite a tumultuous start to the quarter from President Trump's announced import duties, we observed mixed performance in the globally tracked industries. During Q2 2025, M&A transaction volume increased 5.4% as five industries demonstrated growth while three exhibited declines. This quarter's largest industry decline was energy and utilities, falling 18.8% on a volume basis as the capital-intensive sector faced M&A headwinds from the high interest-rate environment and policy shifts away from sustainable energy. This left renewable companies hesitant to pursue aggressive investments, while traditional players remain heavily consolidated. Concurrently, the materials sector experienced the most considerable growth of 14.2% QoQ in transaction volume as companies attempt to mitigate uncertainty in trade and secure global supply chains.

Total global deal value increased 24.0% QoQ, from $515.0 billion in Q1 2025 to $638.4 billion in Q2 2025. In addition, the average value per transaction ("AVPT") increased 17.7%, from $65.6 million in the prior quarter to $77.2 million. The healthcare sector witnessed the highest growth in deal value, up 127.4% in Q2, with AVPT increasing 144.6%, driven by the high-value acquisitions of Opella Healthcare Group ($11.4 billion) and Intra-Cellular Therapies ($13.7 billion). The industrials sector also saw a significant boost in AVPT, growing by 90.1% QoQ driven by QXO's $11.5 billion acquisition of Beacon Roofing Co. in the U.S. and Canada's ABC Technologies' $2.3 billion acquisition of TI Fluid Systems in the U.K. Deal flow recovery in the M&A market was driven by private equity backed companies and large players able to withstand the challenging borrowing environment and seeking to expand their services lines.

Transaction information based on publicly available data as of Q2 2025 end as obtained from S&P Global Market Intelligence and evaluated by BRG.
(1) Healthcare industry includes healthcare equipment, services, pharmaceuticals, biotechnology, and life sciences.
(2) Total is inclusive of real estate industry transactions and transactions uncategorized by S&P Global Market Intelligence.
Source: S&P Global Market Intelligence as of 7/8/2025.

Global and Domestic Pricing Trends

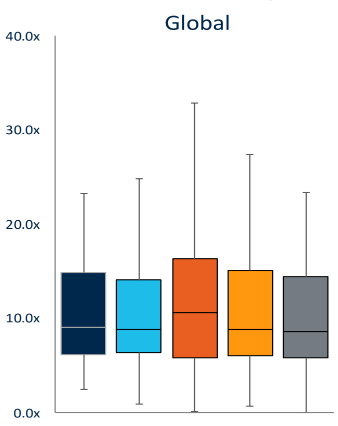
EV/EBITDA Multiples (1)

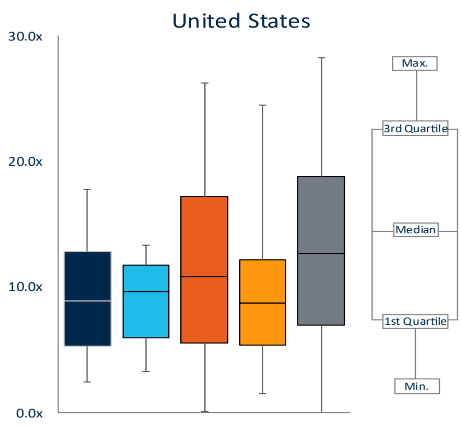
$ in millions

Global	Q2 2024			Q3 2024			Q4 2024			Q1 2025			Q2 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
Consumer	9.9x ▼	$ 355 ▼	21	9.3x ▼	$ 233 ▼	34	11.1x ▲	$ 53 ▼	34	8.4x ▼	$ 64 ▲	26	10.3x ▲	$ 144 ▲	41
Energy and Utilities	7.0x ▲	4,406 ▲	5	10.1x ▲	1,140 ▼	17	5.4x ▼	594 ▼	22	8.6x ▲	148 ▼	9	7.8x ▼	2,409 ▲	9
Healthcare (2)	13.7x ▲	166 ▼	9	7.8x ▼	147 ▼	20	13.9x ▲	161 ▬	30	18.4x ▲	265 ▲	17	11.8x ▼	276 ▬	22
Industrials	8.3x ▲	205 ▼	23	9.1x ▲	108 ▼	24	8.0x ▼	75 ▼	24	7.3x ▼	120 ▲	29	8.0x ▲	184 ▲	23
Materials	9.0x ▲	293 ▬	11	8.2x ▼	163 ▼	23	7.9x ▬	97 ▼	27	9.6x ▲	364 ▲	27	7.5x ▼	293 ▼	23
TMT	11.7x ▼	153 ▬	26	8.6x ▼	75 ▼	41	14.1x ▲	58 ▼	57	16.0x ▲	166 ▲	39	10.8x ▼	62 ▼	38

United States	Q2 2024			Q3 2024			Q4 2024			Q1 2025			Q2 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
Consumer	9.9x ▼	$ 1,397 ▬	7	10.0x ▬	$ 520 ▼	9	11.1x ▲	$ 790 ▲	13	11.6x ▲	$ 693 ▼	4	20.4x ▲	$ 542 ▼	10
Energy and Utilities	7.1x ▲	5,712 ▲	4	5.9x ▼	1,868 ▼	7	4.9x ▼	1,200 ▼	5	7.8x ▲	525 ▼	4	16.5x ▲	1,300 ▲	2
Healthcare (2)	18.5x ▲	570 ▬	4	7.8x ▼	271 ▼	14	42.1x ▲	532 ▲	11	9.4x ▼	694 ▲	7	9.6x ▬	309 ▼	13
Industrials	8.3x ▬	400 ▼	11	10.6x ▲	1,025 ▲	7	10.1x ▬	144 ▼	4	6.9x ▼	174 ▲	8	10.9x ▲	314 ▲	9
Materials	4.4x ▼	180 ▼	3	6.7x ▲	41 ▼	5	11.2x ▲	1,200 ▲	3	8.2x ▼	1,797 ▲	6	7.5x ▼	6,901 ▲	5
TMT	9.2x ▼	141 ▼	6	7.2x ▼	113 ▼	12	13.3x ▲	207 ▲	14	119.9x ▲	1,000 ▲	14	16.7x ▼	919 ▬	6

EV/EBITDA Multiples (3)





Commentary

On a global scale, we have seen QoQ decreases in pricing multiples across four sectors and increases in two. Healthcare experienced the largest decrease, from 18.4x in the prior quarter to 11.8x in Q2 2025 as a result of uncertainty with future government regulations and financial support for public healthcare. Domestically, three sectors experienced multiple expansion, two witnessed multiple contraction, and one remained flat. In the U.S., TMT experienced a significant decline from 119.9x in Q1 to 16.7x in Q2, following a correction from the previous quarter's surge of investment activity in AI. The TMT multiple moderation reflects more caution from investors as the initial excitement of AI has given way to more disciplined capital allocation. On the other hand, the U.S. consumer sector experienced a notable increase in EBITDA multiples, growing from 11.6x in Q1 to 20.4x in Q2, due to an elevated interest in gambling services, notably through the acquisitions of PlayAGS Inc. and GAN Ltd.

Globally, median EVs were up in all sectors except TMT, materials, and healthcare. The global energy and utilities sector rebounded from earlier market volatility, driven by easing tariff concerns and investor optimism on upcoming trade negotiations and oil supply forecasts projected to exceed demand. In the U.S., median EVs increased in three industries, declined in two, and one remained flat QoQ. The materials industry recorded the largest growth in median EVs, primarily driven by two landmark large-cap acquisitions: U.S. Steel Co. ($17.6 billion) and Berry Global Group ($15.9 billion).

Pricing information is based on publicly available data as of Q2 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 7/8/2025.

Deal Volume by Market Capitalization and Industry

Number of Q1 2025 and Q2 2025 Deals by Market Capitalization and Industry

Global

	$0-500M			$500M-$1B			$1B+		
	Q1 2025		Q2 2025	Q1 2025		Q2 2025	Q1 2025		Q2 2025
Consumer	180	▲	205	4	▲	9	7	▲	11
Energy and Utilities	76	▼	56	8	▲	9	13	▼	11
Financials	122	▼	114	11	▼	5	18	▼	14
Healthcare (1)	91	▼	84	6	▲	8	5	▲	11
Industrials	208	▼	200	6	▲	13	7	▲	17
Materials	184	▲	213	8	▬	8	13	▲	15
TMT	220	▲	240	12	▼	10	20	▼	11

United States

	$0-500M			$500M-$1B			$1B+		
	Q1 2025		Q2 2025	Q1 2025		Q2 2025	Q1 2025		Q2 2025
Consumer	37	▼	35	2	▲	4	3	▲	6
Energy and Utilities	24	▼	12	4	▲	5	4	▬	4
Financials	27	▼	25	7	▼	2	7	▲	9
Healthcare	26	▲	27	3	▲	6	5	▲	8
Industrials	31	▼	26	2	▬	2	1	▲	11
Materials	24	▼	18	1	▲	2	4	▲	6
TMT	55	▲	71	7	▼	4	12	▼	9

Select M&A Transactions

Closed April 2025
Johnson & Johnson
has acquired
Intra-Cellular Therapies
For $13.7B
Healthcare

Closed April 2025
amcor
has merged with
Berry
For $15.9B
Materials

Closed May 2025
Whitecap Resources Inc
has acquired
veren
For $6.0B
Energy and Utilities

Closed May 2025
Capital One
has acquired
DISCOVER
For $50.8B
Financials

Closed May 2025
NIPPON STEEL
has acquired
United States Steel
For $17.6B
Materials

Announced May 2025
Charter Communications
has announced a merger with
COX
For $36.7B
TMT

Select Bankruptcy Filings

Filed April 2025
Global clean energy
has filed for Chapter 11 Bankruptcy protection
Assets: $1.6B
Liabilities: $1.6B
Agriculture

Filed June 2025
MARELLI
has filed for Chapter 11 Bankruptcy protection
Assets: $1.0B
Liabilities: $1.0B
Automotive

Filed June 2025
Wolfspeed
has filed for Chapter 11 Bankruptcy protection
Assets: $7.6B
Liabilities: $6.7B
Semiconductors

Deal Commentary

- Johnson & Johnson completed its acquisition of Intra-Cellular Therapies, adding CAPLYTA, the first and only FDA-approved treatment for bipolar I/II related depressive episodes. With this acquisition, Johnson & Johnson aims to accelerate sales growth and expand its neuroscience outreach.
- Amcor has completed its all-stock merger with Berry Global Group, a global manufacturer of plastic packaging goods. The merger aims to expand the company's global footprint, enhance innovation and R&D capabilities, and deliver consistent growth.
- Whitecap Resources Inc. finalized its acquisition of Veren Inc. to become Canada's seventh largest oil producer and a major shale player. The deal is poised to provide strength to navigate political upheaval and the macro environment, while the company aims to meet future daily barrel production goals.
- Capital One acquired Discover Financial Services in an effort to become the largest credit card issuer in the country and expand its digital banking presence. As Discover's capabilities grow, the resulting entity will likely create more market competition in the credit payment network space.
- Nippon Steel's acquisition of U.S. Steel Co. closed after clearing regulatory and political obstacles. The deal contains U.S. government oversight of labor provisions and manufacturing, while Nippon Steel plans to invest over $11 billion by 2028 through a greenfield project and upgrades to plants nationwide.
- Charter Communications entered a definitive agreement to merge with Cox Communications to expand its mobile and broadband services. The merger aims to strengthen the company's marketability while the industry faces fierce competition from wireless providers and streaming services.

- Global Clean Energy Holdings, Inc., a renewable fuel producer, filed for Chapter 11 bankruptcy in April due to unexpected delays and additional costs associated with constructing a new refinery. Through the filing, the company is being forced to reduce debt by transitioning control of the business to its lenders and CTCI Americas Inc.
- Marelli Automotive Lighting USA LLC, a manufacturer of automobile parts and supplier of Nissan, filed for Chapter 11 bankruptcy in June due to creditor uncertainty and worsening liquidity from increased tariffs. The filing aims to eliminate 100% of the company's secured debt, ensure the continuation of current operations, and maintain its relationship with Nissan.
- Wolfspeed Inc., a developer and manufacturer of semiconductor technology, filed for Chapter 11 bankruptcy in June due to increasing operational losses and excessive debt. After the filing, the firm appointed a new CFO and reached a restructuring agreement aiming to reduce its debt levels by 70%.

Deal size information is based on publicly available data as of Q2 2025 end as obtained from S&P Global Market Intelligence and evaluated by BRG.
(1) Healthcare industry includes healthcare equipment, services, pharmaceuticals, biotechnology, and life sciences.
Source: S&P Global Market Intelligence as of 7/8/2025, S&P Capital IQ, Forbes, Reuters, Company Press Releases

Bespoke Continuation Vehicles: The Next Wave

Private Markets Update

In 2025, continuation vehicles (CVs) are leading the GP-led secondaries market, especially in credit, where they now represent over 70% of transaction volume. This growth aligns with the broader expansion of the secondaries market, which **reached $160 billion in 2024 and is projected to hit $200 billion in 2025.**

According to Pitchbook, the secondaries market is projected to grow at **a 9.2% CAGR, reaching over $950 billion in drawdown funds by 2029.** The rise of CVs is fueled by slower traditional exits, growing demand for tailored exposure, and attractive returns.

As the market matures, CVs are becoming more sophisticated, with stronger governance, valuation transparency, and regulatory oversight shaping their evolution.

1H 2025 Key Highlights

44% **GP-led Volume** **(+3% v. YE24)**

55% **SACV of total GP-led deals** **(flat v. YE24)**

Bespoke CVs on the Rise

Bespoke CVs are custom fund structures tailored to meet the specific needs of select investors—typically large institutions or family offices—by optimizing the economics and governance around a particular asset or portfolio.

Examples of Bespoke Features

- **Preferred Equity Tranches**: Offering downside protection to new investors
- **Deferred Management Fees**: Aligning GP compensation with performance
- **Hybrid Structures**: Combining CVs with NAV-based credit lines or co-investment sleeves
- **Thematic CVs**: Sectors like AI infrastructure, energy transition, or healthcare roll-ups

Why Valuation Matters?

In bespoke CVs—especially single-asset deals — valuation advisors play a critical role with providing objective, third-party assessments of the asset being transferred.

Five ways BRG can support bespoke CV transactions:

1. **Independent Valuation**: Deliver unbiased valuations to mitigate conflicts of interest
2. **Fairness Opinions**: Issue formal opinions confirming financial fairness to LPs, enhancing trust and legal defensibility
3. **Custom Structuring Support**: Evaluate the impact of tailored features like preferred equity, tiered carry, or deferred fees
4. **Scenario & Sensitivity Analysis**: Model how changes in assumptions (e.g., growth rates, exit multiples) affect valuation outcomes
5. **Stakeholder Communication**: Clearly explain valuation methodologies to LPs and LPACs, improving transparency, and facilitating execution

Source: PEI - May 2025, Pitchbook - May 2025

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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
  - Valuation Services & Opinions
  - Transaction Tax Advisory
- Performance Improvement
  - Finance Excellence
  - Transition & Interim Management
- Turnaround and Restructuring
  - Bankruptcy Administration
  - Company Advisory
  - Interim & Crisis Management
  - Lender Advisory
  - 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.

BRG

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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Carl Losito is a key member of BRG's Portfolio Valuation practice, specializing in valuations of alternative investments including private equity, private credit, hedge funds, real estate, and infrastructure. He concentrates on portfolio valuations of General Partner (GP) and Limited Partner (LP) interests. Industries of focus include healthcare, energy, technology, media and telecommunications, infrastructure, and GP stakes.

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Angie Smith has over 20 years of experience providing valuation and consulting services and specializes in transaction-related valuation opinions for clients in the healthcare provider industry. With her extensive healthcare valuation expertise, she has performed valuation analyses involving numerous types of healthcare provider entities, including dialysis centers, hospitals, ambulatory surgery centers, physician practices, and urgent care centers.

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