Q3 2026

Quarterly M&A Report

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BRG

BRG QUARTERLY M&A REPORT – Q3 2026

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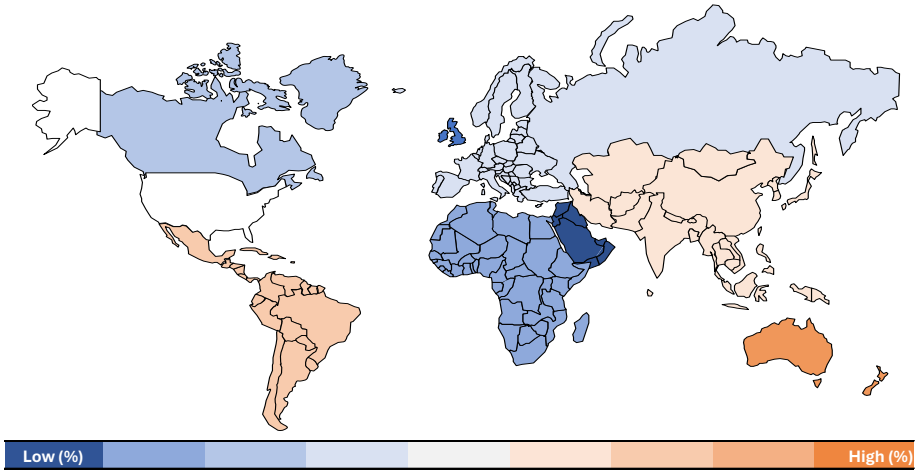
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Description of Report

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&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
Credit Remains Available but PE Liquidity is Harder to Unlock 6
About BRG 7

General Market Trends

In Q3 2026, global M&A transaction volume declined 3.8% quarter-over-quarter ("QoQ"), the second consecutive quarterly decrease. A 25-basis point increase to already high interest rates, volatility in the energy markets, and geopolitical uncertainty paired with heightened valuation scrutiny constrained activity. Across every analyzed regions, M&A transaction volume was below the prior year's activity, as buyers acted primarily on clear strategic fits and exercised valuation discipline. At the same time, bond market concerns over developed economies' fiscal patterns pressured long-term yields, creating liquidity and valuation stresses.

Due to the evolving military conflict, transaction volume in the Middle East dropped by 27.7% QoQ. As trade disputes continue across the Western Hemisphere and Europe, Asia and the larger Pacific region provided deal-making stability, improved by a stronger M&A environment in Hong Kong. Additionally, Australia and New Zealand recorded the highest quarterly growth at 14.3%, primarily due to a resurgence in M&A activity within Australia's mining sector and increased global attention on rare and specialty mineral supplies.

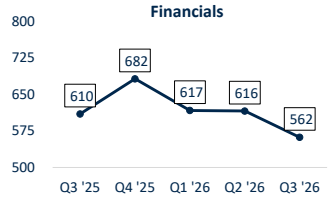
Geographical Trends

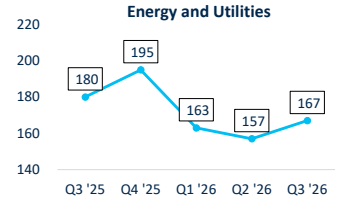
	Q3 2026 Volume	QoQ Growth	YoY Growth
Africa	66	-16.5%	-22.4%
Asia	1,070	1.0%	-6.3%
Australia and New Zealand	255	14.3%	-10.8%
Europe (incl. Russia, excl. U.K.)	1,567	-4.8%	-21.6%
Latin America	140	4.5%	-20.5%
Middle East	73	-27.7%	-29.8%
North America (excl. U.S.)	350	-9.1%	-1.1%
United Kingdom	650	-20.7%	-5.9%
United States	3,332	-0.6%	-3.6%

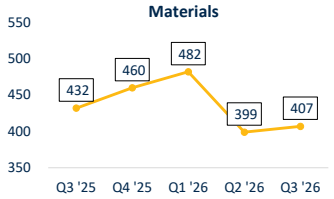
Source: S&P Global Market Intelligence as of 10/5/2026.

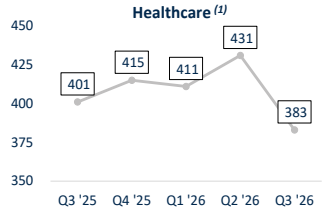
Global Industry Trends

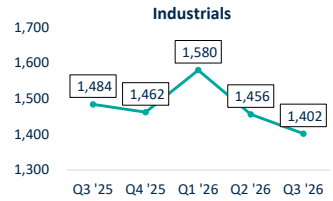
Number of Transactions – Key Industries (Global)

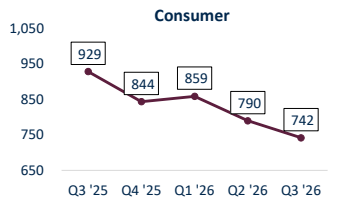


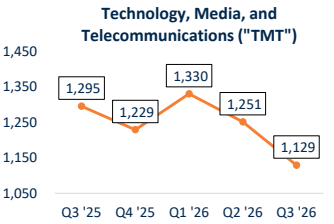


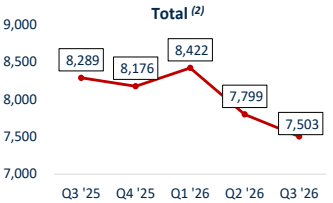




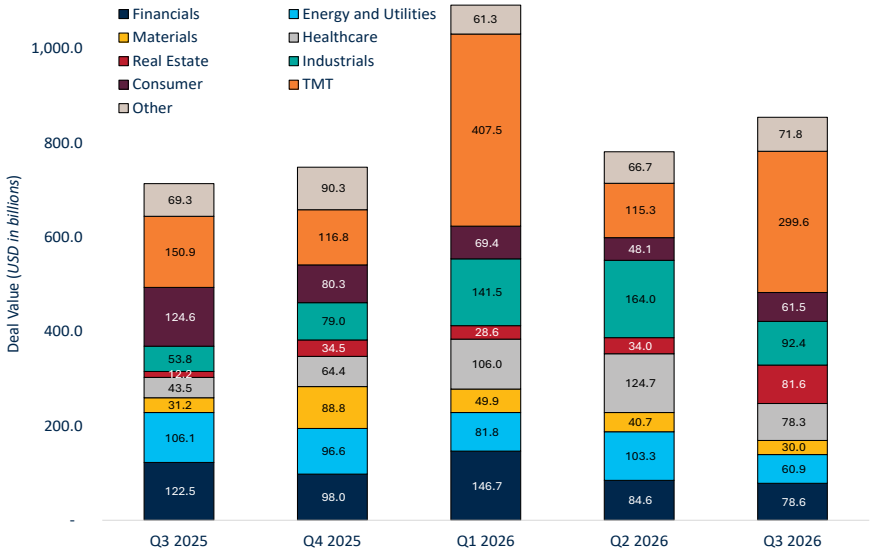








Total Deal Value by Industry (Global)



Commentary

In Q3 2026, we observed weak performance in the globally tracked industries, aligning with the global M&A deal volume decline of 3.8%. Of the seven tracked industries, five reported lower transaction volume, while two industries grew QoQ. Healthcare experienced the steepest decline, with volume decreasing 11.1% QoQ, symbolizing a cooldown from the strong pharmaceutical deal flow seen last quarter and weaker target fundamentals to act upon. Conversely, Energy and Utilities recorded the strongest growth, with an uptick of 6.4% QoQ, supported by elevated oil prices that strengthened oil producers' cash flows and acquisition capacity, alongside investments to navigate AI-fueled power demand, enhance energy stability, and overcome grid constraints through renewable and conventional means.

While global deal volume declined, total global deal value rose 9.3% QoQ, from $781.6 billion in Q2 2026 to $854.7 billion in Q3 2026, driven by the TMT sector witnessing a 159.8% QoQ increase in deal value. In addition, the average value per transaction ("AVPT") increased 13.7%, from $100.2 million in Q2 2026 to $113.9 million in Q3 2026, again largely due to TMT's AVPT surging 187.9% QoQ. This outsized growth in deal value and AVPT was driven by a concentration of large transactions tied to artificial intelligence and cloud infrastructure such as the high-value acquisitions of Electronic Arts Inc. for $54.0 billion and Aligned Data Centers for $40.0 billion. Leading these acquisitions were various investor groups who sought to capitalize on rising AI compute demand and the supporting infrastructure required for scaling that could generate strong future returns. In contrast, deal value in the Industrial sector saw another quarter of suppressed deal value, falling 43.7%, due to capital deployments confined to medium-sized transactions in power equipment and automation businesses. The Industrial sector continues to struggle with offsetting the effects of macroeconomic stress that has become a lingering feature in the industry.

Transaction information based on publicly available data as of Q3 2026 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 10/5/2026.

Global and Domestic Pricing Trends

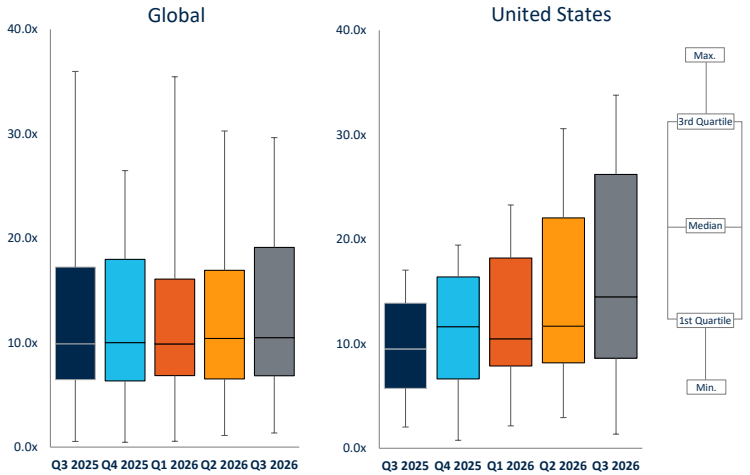
EV/EBITDA Multiples (1)

$ in millions

Global	Q3 2025 Median Multiple	Q3 2025 Median EV	Q3 2025 Count	Q4 2025 Median Multiple	Q4 2025 Median EV	Q4 2025 Count	Q1 2026 Median Multiple	Q1 2026 Median EV	Q1 2026 Count	Q2 2026 Median Multiple	Q2 2026 Median EV	Q2 2026 Count	Q3 2026 Median Multiple	Q3 2026 Median EV	Q3 2026 Count
Consumer	10.0x	$ 98	30	10.7x	$ 239	36	10.2x	$ 232	31	10.9x	$ 652	38	12.4x	$ 79	26
Energy and Utilities	10.0x	1,534	13	6.9x	1,646	13	6.8x	3,100	5	5.1x	28,258	5	6.2x	276	9
Healthcare (2)	13.7x	272	15	9.5x	645	10	17.4x	471	24	13.2x	683	21	16.4x	561	24
Industrials	9.1x	164	29	9.6x	182	34	8.1x	757	28	10.0x	950	27	8.3x	97	29
Materials	9.3x	671	11	14.5x	465	13	10.1x	363	22	9.9x	2,112	7	7.8x	62	19
TMT	17.2x	923	21	15.0x	648	27	7.8x	128	35	9.6x	190	22	11.5x	54	34

United States	Q3 2025 Median Multiple	Q3 2025 Median EV	Q3 2025 Count	Q4 2025 Median Multiple	Q4 2025 Median EV	Q4 2025 Count	Q1 2026 Median Multiple	Q1 2026 Median EV	Q1 2026 Count	Q2 2026 Median Multiple	Q2 2026 Median EV	Q2 2026 Count	Q3 2026 Median Multiple	Q3 2026 Median EV	Q3 2026 Count
Consumer	9.9x	$ 1,190	10	10.3x	$ 689	11	10.2x	$ 885	9	11.8x	$ 425	12	12.5x	$ 1,471	7
Energy and Utilities	7.1x	5,200	5	4.0x	2,632	5	7.6x	7,490	3	5.1x	28,258	1	5.8x	338	2
Healthcare (2)	9.3x	1,115	4	19.0x	705	4	73.2x	737	12	19.5x	3,664	10	19.9x	1,332	13
Industrials	9.3x	245	11	11.9x	923	7	8.0x	2,700	9	10.0x	1,243	11	8.9x	105	9
Materials	8.5x	1,486	3	10.5x	438	2	9.3x	877	4	8.8x	5,769	2	11.5x	6,475	2
TMT (3)	17.2x	2,182	5	17.1x	1,796	9	8.6x	352	9	69.0x	859	2	19.3x	865	10

EV/EBITDA Multiples (4)



Commentary

Globally, EBITDA pricing multiples have increased QoQ across four sectors and decreased in two. Materials experienced the largest decrease, from 9.9x in the prior quarter to 7.8x in Q3 2026, as deal caution persisted from unpredictable trade flows, lopsided material demand, and the majority of deals in Q3 excluding lucrative specialty mineral businesses. Energy and Utilities, on the other hand, experienced the largest increase, as nations aim to bolster supply and reliability to meet the growing energy demands of businesses and households, a trend compounded by AI use. Domestically, three sectors experienced multiple expansion, two sectors witnessed multiple contraction, and one sector remained flat. In the U.S., TMT experienced the largest decrease in multiples QoQ, returning to more normal levels as last quarter's result was influenced by the 132.5x multiple of Semrush Holdings, Inc.'s transaction, reducing the reliability of the observed change. The U.S. Materials sector, on the other hand, experienced the largest increase in EBITDA multiples, growing from 8.8x in Q2 to 11.5x in Q3 as targets such as Lhoist North America were acquired for $12.8 billion under the backdrop of more regulatory deal-making support in an industry becoming a national security component and focal point of the U.S. government.

On a global scale, median EVs appear to have declined across all sectors; however, the change is primarily due to a strong prior quarter. The apparent drop in median EV for the Energy and Utilities sector was due to few transactions and an abnormally large transaction in Q2 2026. However, in Q3 2026, the sector saw a wide deal value range from $11.9 million to the $16.6 billion acquisition of ARC Resources by Shell Canada. In the U.S., median EVs declined in three industries, increased in two, and one remained flat QoQ. The Consumer industry recorded the largest growth in median EVs, primarily driven by the $14.8 billion acquisition of TopBuild Corp. by QXO, Inc. and the $8.5 billion acquisition of Taylor Morrison Home Corporation by Berkshire Hathaway.

Pricing information is based on publicly available data as of Q3 2026 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) Semrush's elevated multiple was driven by lower EBITDA in the transaction period.
(4) 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 10/5/2026.

Deal Volume by Market Capitalization and Industry

Number of Q2 2026 and Q3 2026 Deals by Market Capitalization and Industry(1)

Global	$0-500M		$500M-$1B		$1B+	
	Q2 2026	Q3 2026	Q2 2026	Q3 2026	Q2 2026	Q3 2026
Consumer	166	155	11	10	5	13
Energy and Utilities	42	52	14	9	11	10
Financials	83	89	14	9	24	18
Healthcare (2)	85	94	8	14	27	16
Industrials	208	210	12	10	13	14
Materials	179	174	2	2	9	5
TMT	201	188	8	23	17	27

United States	$0-500M		$500M-$1B		$1B+	
	Q2 2026	Q3 2026	Q2 2026	Q3 2026	Q2 2026	Q3 2026
Consumer	47	38	9	4	2	6
Energy and Utilities	8	9	7	3	6	3
Financials	22	28	10	5	10	6
Healthcare (2)	25	23	5	11	20	12
Industrials	30	43	5	5	12	8
Materials	20	22	1	1	2	2
TMT	49	46	3	11	7	19

Select M&A Transactions

Closed July 2026
Baker Hughes has acquired CHART
For $27.7B
Industrials

Closed August 2026
SPACEX has acquired CURSOR
For $60.0B
Technology

Closed August 2026
Charter COMMUNICATIONS has acquired COX
For $36.7B
TMT

Closed September 2026
abbvie has acquired APOGEE THERAPEUTICS
For $9.6B
Pharmaceuticals

Announced August 2026
AON an acquisition of USI
For $17.0B
Insurance

Announced September 2026
NVIDIA an acquisition of Hugging Face
For $11.9B
Technology

Select Bankruptcy Filings

Filed July 2026
ALKEGEN has filed for Chapter 11 Bankruptcy protection
Assets: $1.0B+
Liabilities: $0.5B+
Materials

Filed August 2026
Braskem has filed for Chapter 11 Bankruptcy protection
Assets: $1.0B+
Liabilities: $1.0B+
Chemicals

Filed September 2026
airBaltic has filed for Chapter 11 Bankruptcy protection
Assets: $1.0B+
Liabilities: $1.0B+
Transportation

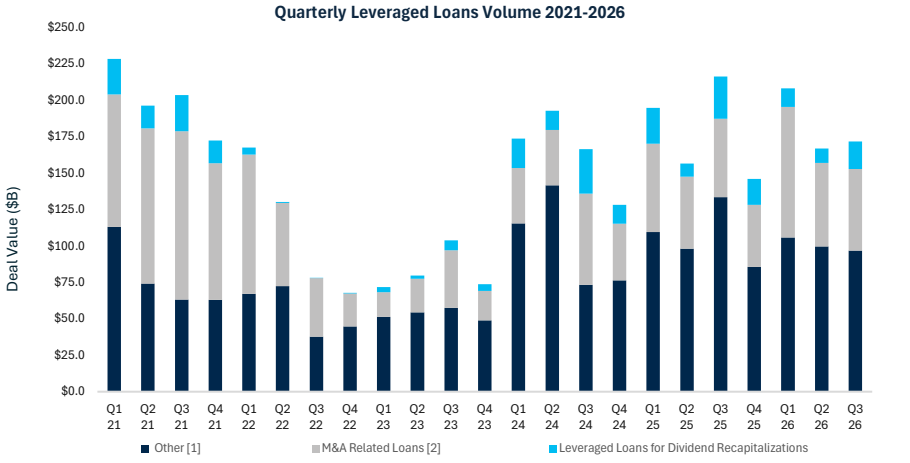
Deal Commentary

- Baker Hughes acquired Chart Industries, adding air and gas handling, thermal management, and aftermarket services to its industrial technology portfolio. The combination of energy equipment and services is expected to boost recurring revenue and $325.0 million in annualized cost synergies by year three after close.
- SpaceX acquired Anysphere, the developer of AI coding platform Cursor, in an all-stock transaction. The acquisition combines Cursor's coding tools with SpaceX's computing infrastructure, supporting development of more capable, cost-efficient AI models within the Grok ecosystem in order to compete further with rivals like Anthropic and OpenAI.
- Charter Communications completed its merger with Cox Communications after clearing regulatory and state political obstacles. The merger expands its broadband, video, and mobile footprint, strengthening the operating scale and network investment to better compete across connectivity and streaming services.
- AbbVie acquired Apogee Therapeutics to strengthen its leadership in immunology and expand its drug pipeline. The acquisition adds long-acting antibody candidates targeting atopic dermatitis and asthma, enhancing AbbVie's intellectual property in an industry where new drugs are key to sustainable success.
- Aon announced the acquisition of USI for approximately $17.0 billion, expanding its U.S. middle-market insurance brokerage platform. Building on its 2024 acquisition of NFP for $14.0 billion, this transaction broadens access to 'excess and surplus' insurance markets and strengthens Aon's ability to serve midsized businesses with coverage and analytics.
- NVIDIA agreed to acquire Hugging Face for approximately $11.9 billion, with a separate employee-retention program of up to $1.0 billion. The acquisition would expand NVIDIA's developer ecosystem by supporting Hugging Face's platform for building, sharing, and deploying open-source AI models and applications.
- Alkegen (ASP Unifrax Holdings), a specialty materials manufacturer, filed for Chapter 11 protection to implement a prepackaged restructuring targeting approximately $3.1 billion in debt reduction. The plan, confirmed in September, is intended to strengthen its capital structure while maintaining ordinary-course operations, supported by $315.0 million in new-money debtor-in-possession financing.
- Braskem Idesa, a Mexican polyethylene producer, filed for Chapter 11 protection amid liquidity constraints and ethane supply disruptions that restricted production. Its September confirmed plan targets a reduction in senior debt from approximately $2.5 billion to $1.6 billion while preserving operations, although a Brazilian court separately suspended new parent-company funding.
- Air Baltic Corporation AS, Latvia's flag carrier, filed for Chapter 11 protection amid liquidity constraints and rising jet-fuel costs linked to the Iran war. The restructuring reduces debt and aircraft commitments while maintaining scheduled flights, supported by €350.0 million in debtor-in-possession financing commitments.

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(1) Deal volume and size information based on publicly available data as of Q3 2026 end as obtained from S&P Global Market Intelligence and evaluated by BRG.
(2) Healthcare industry includes healthcare equipment, services, pharmaceuticals, biotechnology, and life sciences.
Source: S&P Global Market Intelligence as of 10/5/2026, S&P Capital IQ, Company Press Releases

Credit Remains Available but PE Liquidity is Harder to Unlock



Leveraged Loans[3]

In the related US leveraged loan market, activity remained within the 2021 peak of $800.9 billion and 2023 low of $329.7 billion. The market recovered slowly in 2024 with $660.3 billion and $721.3 billion of issuances in 2025. However, through September 2026, issuances were $546.8 billion, down 5.0% from the comparable YTD 2025 period. While Q3 2026 issuances rose 2.9% to $171.8 billion, quarterly activity remained 20.6% below Q3 2025.

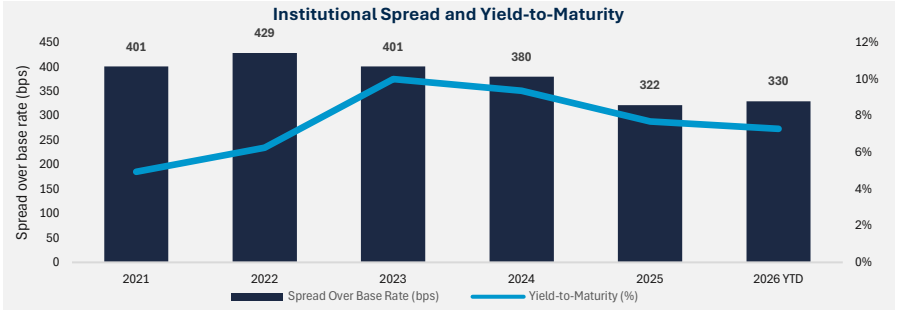
Through Q3 2026, leveraged loan trends often diverged by borrowing purpose as institutional acquisitions and LBO financing increased 13.9%, while the larger refinancing segment declined 21.8%. Though needless to say, weaker shareholder-payout issuance did not represent a uniform withdrawal of credit across the leveraged loan market. Both markets continue to be active as financial institutions seek flexibility for deal-making.

Dividend Recapitalization

Dividend recapitalizations continued to provide sponsors with an alternative source of liquidity amid constrained exits. US sponsored institutional loan issuances for shareholder payouts reached $73.2 billion in 2021 before contracting to $5.8 billion in 2022 and $18.2 billion in 2023. Activity subsequently recovered in 2024 and 2025 to $72.2 billion, approaching the 2021 high. Dividend recapitalizations in 2026 have been defined by a particular group of companies as lenders exhibit selective underwriting.

Activity was primarily concentrated in large transactions. The Carrix ($5.5B), Morton Salt ($4.8B), and Mister Car Wash ($2.0B) dividend transactions accounted for over 50.0% of Q3 2026 issuances. Despite modestly wider spreads, overall pricing appeared more favorable for borrowers with financing yields of approximately 7.3%, compared with 7.7% in full-year 2025. Still, the cost of borrowing remains high, and while Q3 activity was strong at $19.0 billion, quarterly issuances were still 34.5% below Q3 2025, as many sponsors may lack the leverage flexibility required by lenders.

A major factor is lenders' increased caution toward businesses exposed to AI disruption, such as software, with leveraged loans increasingly issued to EBITDA growing firms with reliable runway. For instance, the dividend recapitalization of Golden State Foods raised $125 million of incremental term debt in July, after the company's EBITDA increased from the low $200 million range at acquisition to nearly $300 million. Post-transaction net leverage remained in the mid-4.0x range, approximately its buyout level, illustrating how earnings growth can support distributions without materially increasing leverage. The emerging trend of restored leverage to original underwriting levels, due to dividend recapitalization, is consistent with average Debt/EBITDA remaining near 5.2x in 2026.



[1] Excluding Dividend Recaps and M&A Related Loans.
[2] M&A Related Loans include Acquisitions, LBOs, Leveraged Buildups, MBOs, Mergers, and Spinoffs.
[3] Leveraged Loans include Corporate Purposes, DIP, Exit Financing, Capex, M&A Related Loans, Project Financing, Dividend Recaps, General / Equity Infusion Recaps, IPO / ISD Recaps, Stock Repurchase Recaps, Refinancing, Working Capital / Inventory / Receivables Line, and Working Capital / Trade Financing.
Source: PitchBook - October 2026, PitchBook Articles, Press Releases

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
  - Transaction Opinions and Valuation Services
  - Transaction and 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

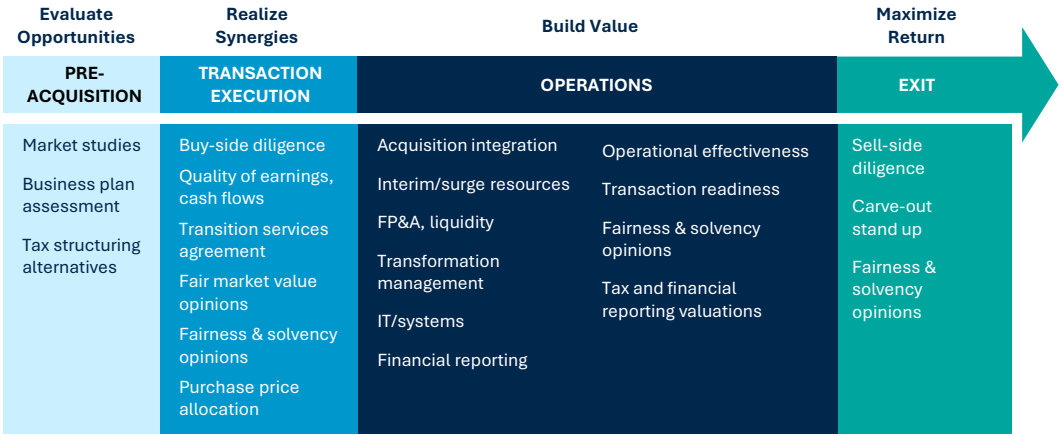
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BRG Value Add Continuum



Our Professionals



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Chau Hoang has 20 years of corporate finance experience, specializing in transaction-related opinions and valuations 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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Bruce Bingham has over 30 years of experience in business valuation and financial advisory services, specializing in financial feasibility, litigation consulting, investigative due diligence, and strategic planning. He has advised clients on solvency matters, transactions, private equity and hedge fund valuations, and restructuring-related engagements, and has testified as an expert witness in federal, state, civil, and bankruptcy proceedings across a wide range of industries.



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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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Elena Missiti has over four years of corporate finance experience, providing valuations for fairness and solvency opinions, financial and tax reporting, and litigation support. Her valuation experience specializes in valuing complex equity securities, debt instruments, and derivatives using Monte Carlo simulations, Black-Scholes, lattice models, and other option pricing methods.



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