PANORAMIC

PUBLIC M&A 2026

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Panoramic guide (formerly Getting the Deal Through) enabling side-by-side comparison of local insights into public M&A issues worldwide, including types of business combination; principal laws and regulations; cross-border and sector-specific considerations; governing laws; filing and disclosure requirements; duties of directors and controlling shareholders; shareholder approval and appraisal rights; hostile transactions; break-up fees and frustration of additional bidders; government influence; conditional offers; financing; minority squeeze-outs; waiting and notification periods; tax; labour and employee benefits; restructuring, bankruptcy or receivership; anti-bribery, anti-corruption and sanctions issues; and recent trends.

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Global overview

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Building on the momentum gained in 2024, global M&A activity experienced a pronounced recovery in 2025. With a total of US$4.6 trillion deals announced during the year, dealmaking rose 49% year-to-year, marking the strongest showing since the post-pandemic peak in 2021. Easing regulatory scrutiny helped restore market confidence, while lower borrowing costs narrowed the persistent valuation gap between buyers and sellers. Together, these dynamics removed key impediments to execution and set the stage for a broad-based resurgence in 2025.

Notwithstanding the breadth of the recovery, the M&A deal landscape felt uneven, with activities skewed towards large-scale transactions. In line with our observation last year, mega deals continued to act as the driving force. While overall deal count slipped 3% compared to the 2024 level to just over 52,000 announced deals, 2025 marked the most active year for mega deals by volume since the record began in 1980. With 68 headline deals totalling US$1.5 trillion, transactions north of US$10 billion in value more than doubled in 2025.

While it is never easy to read the tea leaves of dealmaking, the outlook for 2026 suggests a continuation of the upward momentum. Mega deals are poised to be at the epicentre as businesses scale up to ride the innovation waves while lining the bulwark against shifting regulatory tides and geopolitical undercurrents. The AI boom will continue to serve as the major catalyst for dealmaking. Meanwhile, a rejuvenated IPO market will stir vitality for businesses that have been waiting to unlock public capital for growth. Private equity sponsors, rather than retreating, will continue to operate alongside public markets in fuelling the broader resurgence of M&A activities in 2026.

2025 in focus

Having turned the corner in 2024, global M&A sustained its upward trajectory into 2025. Dealmaking surpassed the US$1 trillion benchmark in each of the final three quarters, with aggregate deal value rising sequentially quarter-on-quarter. The second half of 2025 proved to be an inflection point: the total value of announced deals rose 33% relative to the first half, accompanied by a 17% increase in overall deal count. On a year-over-year basis, M&A activities in the second half of 2025 soared 64% compared to the same period in 2024, underscoring rekindled market confidence worldwide.

As in the previous year, mega deals remained the primary driver of growth. While the number of deals announced year-round fell to a new low, just 68 mega deals accounted for about one-third of global M&A activities. During the first half of 2025, 32 blockbuster deals were announced, totalling US$606.9 billion, representing a 78% increase year-over-year. While the number of mega deals announced had been nearly evenly split between the two halves of the year (32 and 36 deals, respectively), the second half of the year featured bigger deals, with aggregate deal value rising 47% compared to the first half. At the other end of the market, transactions with a value below US$500 million lagged. The aggregate value of announced deals for sub-US$500 million transactions reached US$866 billion for the year, up by 6% in value while down by 6% in volume compared to the previous year, which further demonstrates a continued bifurcation in market dynamics, with capital increasingly concentrated on large-scale transactions.

The United States reasserted its dominance in global dealmaking in 2025. Transactions involving a US target reached US$2.3 trillion in 2025, a 57% increase compared to the 2024 level and the highest in the previous four years. As regulatory conditions became more business-friendly and borrowing costs declined, the appetite for US assets strengthened markedly. US dealmaking accounted for half of global M&A value, up from 48% the prior year and the highest share since 1998. Notably, this expansion was driven by deal size rather than volume: the number of deals involving US targets fell by 11% compared to 2024, highlighting a market defined by scale, including Paramount Skydance's US$103.6 billion bid and Netflix's US$99.1 billion bid for Warner Bros Discovery, Norfolk Southern and Union Pacific's merger of approximately US$85 billion, Kimberly-Clark's acquisition of Kenvue for approximately US$50 billion and the take-private of Electronica Arts of approximately US$50 billion.

Beyond the United States, the revival in global M&A gained traction across key regions. In Europe, M&A activities reached US$819.9 billion in 2025, a 23% increase compared to 2024 and a three-year high, signalling a steady normalisation despite ongoing geopolitical tensions and trade uncertainties. In Asia Pacific, M&A dealmaking totalled US$869.3 billion, representing a 47% increase and the strongest period for M&A in the region since 2021. In Japan, a total of US$220.4 billion M&A deals were announced in 2025, representing a striking 135% increase in deal value compared to 2024. The Middle East recorded one of the most pronounced comebacks. With 996 deals announced in 2025 reaching a total of US$95.2 billion in value, M&A activities in the region represented a 123% increase in overall value and a 20% increase in deal count on the previous year.

By sector, technology, industrial and financial M&As led the charge. Technology M&A reinforced its prominence with US$843.3 billion of transactions announced year-round. Compared to 2024 levels, technology M&A witnessed a 67% surge, accounting for 18% of deal activities worldwide. As businesses have been actively reconfiguring their supply chains in response to geopolitical friction and labour scarcity, industrial M&A doubled its activity level compared to a year ago. Financial M&A also recorded a meaningful uptick. Driven by regulatory receptivity, interest rate cuts and the desire for digital transformation, financial deals reached a total of US$615.6 billion, representing a 41% increase year-to-year.

Private equity-backed M&A reemerged with notable force in 2025. Overall deal value reached US$918.9 billion, underscoring a 30% increase compared to 2024 and the most robust dealmaking period in three years. The revival reflected more than a cyclical rebound. Thawing financing conditions and substantial dry powder restored sponsors' capacity and willingness to move off the sidelines and further up the risk curve. At times when public companies are experiencing turbulence in the stock market due to macroeconomic uncertainties, sponsors also capitalise on opportunities to pursue take-private transactions, making 2025 the third-largest year for private equity-backed M&A since the record started in 1980.

Cross-border M&A staged a strong resurgence in 2025, reaching a four-year high. After several muted years, businesses and sponsors demonstrate willingness to underwrite geopolitical, regulatory and execution risk in pursuit of strategic expansion. With a combined deal value of US$1.4 trillion, cross-border M&A saw a 40% hike in deal activities compared to the previous year level. Mirroring broader global trends, deal flows concentrated in technology, financial services, and energy and power, which accounted for about half of total deal value combined (46%).

Perspective: 2026

While 2025 marked the defrosting of a previously constrained deal environment, early contours of 2026 suggested a deal market advancing with renewed purpose. The prevailing sentiment across boardrooms and investment committees is generally bullish, supported by optimism for regulatory lenience and improved financing conditions.

A reopening of the IPO market is expected to serve as a critical release valve. In 2026, more businesses will be turning to the public market as a viable avenue for securing growth capital. For private equity sponsors, a more active IPO environment will facilitate exits, while public market volatilities will inspire them to pursue more take-private transactions.

Mega deals are expected to remain in the driver's seat in 2026. In a deal environment shaped simultaneously by technological leap-forward and geopolitical fragmentation, scale is increasingly viewed as the solution to capture synergies, sustain transformation and absorb volatility.

AI-powered technology thrust will remain central to the dealmaking agenda. AI companies have been positioning themselves for potential public listing, and the spillover effect is expected to ripple far beyond. Given the capital-intensive nature of AI assets, AI-related deals will likely take the form of multi-billion-dollar transactions while demanding intricate financing solutions to accommodate the long value creation horizons.

Headwinds such as geopolitical tensions and trade uncertainties will likely persist. As energy price hikes and inflation fears intensify, central banks' monetary easing may prove to be more constrained than previously anticipated. Expectations of further rate cuts might be deferred, tempering the nascent optimism that has begun to take hold in early 2026. In a more measured environment, businesses might increasingly turn to spin-offs, carve-outs and targeted divestitures in order to reallocate resources, refine regional focus and enhance operational reliance in an increasingly fragmented world.

Note that all statistics are from LSEG Data & Analytics.

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