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Panoramic Next: M&A explores the most impactful recent developments in global mergers and acquisitions and how legal practitioners have responded to them. Through a series of interviews with seasoned experts in key jurisdictions, it offers useful insights across all stages of M&A transactions.

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Global Trends

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Eric Swedenburg is a partner at Simpson Thacher & Bartlett LLP, where he is the global head of the firm's mergers and acquisitions practice and a member of the executive committee. Eric focuses on representing companies in a wide range of mergers, acquisitions and divestitures, spin-offs, joint ventures and other significant corporate transactions. He also regularly counsels clients on shareholder activism, corporate governance and general corporate and securities law matters. In addition to his work with public companies and special committees of boards of directors, Eric has extensive experience in advising non-public corporations, private equity firms and financial advisers in both US domestic and cross-border M&A transactions across a number of industry verticals. Some of his recent transactions have included representing Paramount Global in connection with its merger with Skydance Media, LLC at a combined company enterprise value of approximately US$28 billion, Beacon Roofing in its sale to QXO for approximately US$11 billion, Karuna Therapeutics, Inc in its acquisition by Bristol-Myers Squibb Company for approximately US$14 billion, Change Healthcare in its US$13.8 billion sale to UnitedHealth Group, SiriusXM in its US$3.5 billion acquisition of Pandora, Mars in its strategic partnership with KIND, Genesee & Wyoming in its US$8.4 billion sale to affiliates of Brookfield Infrastructure and GIC, and The Mosaic Company in its US$2.5 billion acquisition of Vale Fertilizantes. Other clients of his have included Ingersoll Rand, AGCO, BellRing Brands, TransUnion, McKesson and Vodafone Group. Among other recognitions of his work, in 2009, *The American Lawyer* named him 'Dealmaker of the Year.' He is a frequent commentator on M&A issues.

Current state of play

Global M&A activities were on the rise in the first half after a fairly slow-moving year in 2024. Entering into 2025, the M&A market seemed ready for a breakout year – there was an enormous amount of pent-up optimism following 2024, a year of regulatory gridlock, macroeconomic whiplash, and geopolitical volatility. With a combined value of US$1.98 trillion during the first half of 2025, global M&A activities did surge by a third year over the year. Yet the optimism was not linear; a sudden flare-up in trade tensions and a cascade of tariff measures in early spring briefly brought deal flow to a near standstill. However, the thaw came fast. Dealmakers seem to have quickly adjusted to a new reality where uncertainty is no longer a hard deterrent, but a condition to be priced, managed and even embraced.

The first half of 2025 marked the strongest opening period since 2022 in terms of deal value. In the first quarter, worldwide M&A activity reached US$885.2 billion, a 6 per cent increase compared to the fourth quarter of 2024. The number of deals, however, was down during this same period and the second quarter lagged both in terms of deal value and the number of deals. Despite activity slowing in the second quarter, the first half of 2025 recorded an overall increase in deal value of roughly 33 per cent (US$1.98 trillion compared to US$1.5 trillion in the first half of 2024), coupled with a roughly 10 per cent decrease in terms of deal volume.

One of the defining highlights of the first half of 2025 is the renewed performance of blockbuster deals. The rise in total deal value, while there was a simultaneous decline in deal volume, underscores the reemergence of large-scale transactions. While we noted a similar trend in 2024, this pattern persisted into 2025. Backed by rising management and boardroom confidence, a more pragmatic antitrust enforcement approach, as well as other catalysts such as AI-related dealmaking, the first half of 2025 saw a record number of mega deals, making it the most active period by deal value since records began in 1980. Transactions exceeding US$10 billion jumped 78 per cent year over year – 32 deals of over US$10 billion totalling a combined value of US$606.9 billion were announced – driving the lion's share of activity across sectors and markets.

By region, the deal flows presented a more nuanced picture in the first six months. US target M&A activities reached US$857.5 billion in the first half of 2025, a 13 per cent increase compared to the first half of 2024. Yet deals involving a US target accounted for just 43 per cent of global M&A activity in the first half of 2025, the lowest share since early 2022. While US M&A activities have been steadily recovering, dealmaking in other parts of the world modestly outpaced it. European target M&A followed the pattern in the US, a brisk first quarter followed by a slowdown in the second quarter, ultimately registering a 4 per cent dip compared to year-ago levels. Asia Pacific dealmaking, however, reached a total of US$408.8 billion during the first half of 2025, an 82 per cent jump from the 2024 level and the strongest period for M&A in the region in three years. Japan similarly saw a high level of activity, with US$162.6 billion deals announced, a 376 per cent increase year-to-year. M&A activities in China also made a comeback, with US$232.5 billion deals announced, a 146 per cent increase compared to 2024 levels. Middle Eastern deal-making followed these notable upticks with US$54.1 billion deals announced within the region, representing a 167 per cent increase from the year ago.

Cross-border M&A, long a bellwether of confidence in geopolitics and regulatory regimes, totalled US$595.2 billion and climbed 26 per cent year over year, signalling that dealmakers today are adapting to today's world order rather than retreating from it. During the first quarter, cross-border deals reached US$277.7 billion, a 40 per cent spike compared to a year ago and the strongest first quarter for cross-border dealmaking in three years. While cross-border M&A activities are up, however, there are signs that dealmaking is increasingly reflecting a changing outlook. Current forces, both domestically and internationally, are pushing companies to hone in on delivering market-specific, tailored solutions. This trend has several implications, one of which is the continuing rise in de-conglomeration moves, such as Swiss cement company Holcim's US$33.7 billion spin-off of its North American business, now known as Amrize, in the second quarter of 2025. According to the companies, the separation will help each of them refine their respective regional strategies to better capture value within their home markets.

Breaking down by sectors, technology remains at the forefront of global M&A during the first half of the year. Totalling US$347.4 billion during the first half, technology M&A increased 28 per cent compared to 2024 levels and accounted for 18 per cent of overall deal value. This impressive performance is driven in no small part by AI-related transactions, such as Alphabet's US$32 billion acquisition of AI-powered cloud security start-up Wiz and

SoftBank's US$30 billion investment in OpenAI. Deals in the AI space collectively reveal a broader thesis: AI is no longer just a buzzword but a magnet for capital, talent and business combinations. Other sectors also experienced robust deal activities. Propelled by regional bank consolidation and fintech expansion, M&A deals in the financial services sector accounted for 17 per cent of first-half 2025 activity, which went up by 49 per cent compared to the first half of 2024. The energy and power sector was the other leader of the herd, with its level of activities increased by 19 per cent compared to a year ago. Amid ongoing geopolitical strife and supply chain disruption, energy security will likely remain a strategic priority for the rest of 2025. Additionally, the rapid expansion of AI and the growing need for data centres reinforced the market's demand for reliable, affordable and scalable energy solutions, which will continue to power the growth of deal activities in the energy and power space.

Sponsor-backed activities, while not yet firing on all cylinders, showed strength beneath the surface. PE-backed buyouts accounted for 21 per cent during the first half of the year, with a combined value reaching US$413.3 billion and a 24 per cent increase compared to year-ago levels. The first half of 2025 was the strongest opening half for private equity dealmaking in two years. Many believed that with interest rates still elevated, sponsor-backed activity would remain subdued. But private credit is increasingly stepping in to fill financing gaps left by traditional banks, providing sponsors with new avenues for execution.

Looking ahead

What we have been observing in the first half of 2025 is a recalibration: a global M&A market not driven by stability but instead powered by confidence in the ability to navigate through uncertainty that seems here to stay for the near term. Elevated interest rates (relative to the low interest rate environment that persisted until 2022), geopolitical risks and trade skirmishes will likely remain fixtures of the global backdrop in the short run, and dealmakers' appetite for transacting amid these uncertainties has rarely been stronger. Blockbuster deals are expected to remain the driving force of global M&A as companies continue to pursue large-scale strategic transformation. AI-driven dealmaking will likely continue to dominate the technology sector, whether through acquisitions aimed at gaining a competitive advantage or investments in infrastructure needed to support the data storage and computing capacity underlying AI applications. In parallel, sponsor-backed buyout might also gain further momentum. At a time of macroeconomic and regulatory turbulence, businesses will likely continue to amplify their presence within familiar or trusted markets, and more deals with a regional focus will likely ensue.

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