



Q4 2025

# NORTH AMERICAN M&A REPORT

A snapshot of the North American M&A Landscape  
in Q4 2025 followed by our 2026 Outlook.

## REPORT HIGHLIGHTS:

- ▶ **Q4 2025 Marked a Clear M&A Inflection Point,**  
Megadeals reignited momentum and drove a late-year  
surge in global deal value
- ▶ **Capital Is Abundant. Financing Is Supportive.** Neutral  
rate policy and ~\$3.2T of dry powder are fueling  
renewed transaction confidence
- ▶ **Valuations Are Firming Across the Market**  
Public market strength and tighter bid-ask spreads are  
reinforcing seller leverage
- ▶ **2026 Outlook: Constructively Active**  
Tech, AI, infrastructure, and resources positioned to  
lead continued deal momentum

## Q4 2025 North American M&A Landscape

Q4 2025 marked a clear inflection point for global M&A. After two years of uneven activity, the quarter delivered a late-year rebound led by megadeals, signaling renewed confidence among corporates and sponsors. While overall deal counts remained below prior peaks, aggregate deal value surged on the back of \$5B+ transactions, particularly in technology and AI, reinforcing the theme of strategic scale and digital transformation.

### Q4 Key Drivers:

#### Private Capital Availability:

Global private equity dry powder remained near record levels (~\$2.18T), creating deployment pressure and fueling take-private activity. Private credit markets deepened, offering speed and certainty for leveraged transactions as syndicated markets normalized.

#### Economic Conditions:

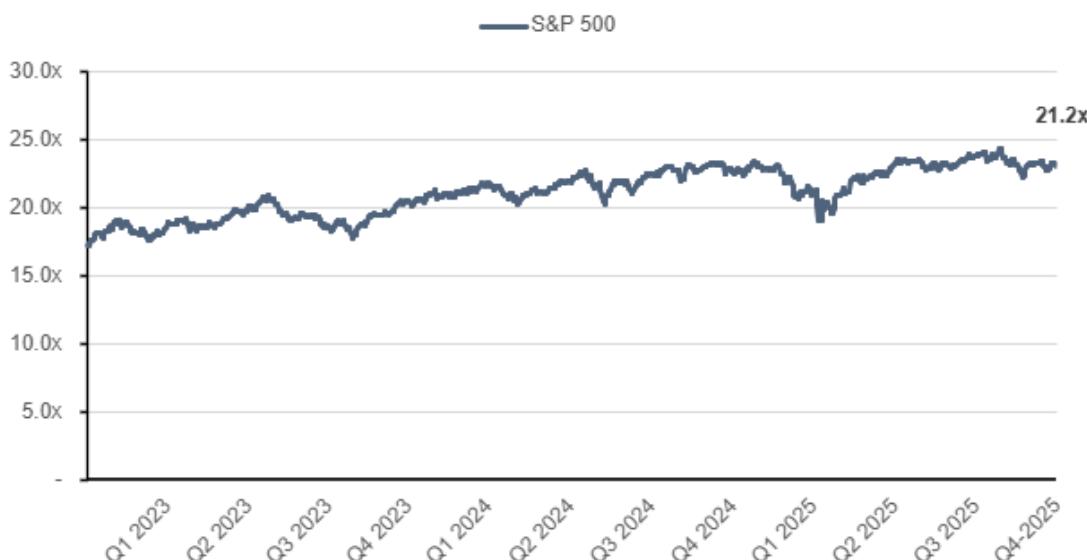
Global growth held resilient at ~3.2%, with disinflation trends and easing policy uncertainty improving board confidence. North America saw services outperform despite trade frictions, while tech and infrastructure sectors dominated deal flow. Q4 market conditions were shaped by ongoing tariff and Fx volatility, elevated financing costs, and geopolitical uncertainty, leading to extended diligence timelines.

#### Interest Rates:

Central banks shifted from restrictive to neutral stances. The Fed's December cut to 3.50–3.75%, the BoC's hold at 2.25%, and the ECB's steady 2.00% deposit rate provided a stable financing backdrop, reducing cost of capital and supporting large-cap deal execution.

In the current quarter, valuations in the Lower Middle Market are strengthening. Market sentiment has firmed as interest-rate stability and easing credit spreads create a more predictable financing environment. Large cash holdings by strategics and sponsor dry powder is leading to tighter bid-ask spreads and greater confidence among acquirers. Overall, the Lower Middle Market is entering 2026 with a noticeably firmer valuation footing and positive directional momentum. The greatest risk at this point remains political uncertainty especially in sensitive trade related sectors.

#### S&P 500 PE Valuations – 3 yr period



## 2026 North American M&A Outlook

The 2026 M&A landscape is shaping up as constructively active, supported by clearer macro conditions, strong public-market valuations, and robust private capital markets. Interest rates are expected to remain near neutral (~3.25–3.50% in the U.S. and ~2.25% in Canada), keeping financing conditions stable without encouraging excess leverage. Improved visibility on growth—alongside steady demand in tech, healthcare, infrastructure, and other resilient sectors—continues to support deal confidence. The resource sector has also re-emerged as a meaningful driver, with commodities such as copper, PGMs, and critical minerals at or near all-time highs. Meanwhile, more than \$3.2T in global dry powder is driving deployment pressure, fueling take-privates, carve-outs, and platform expansion across tech, industrials, and digitization-heavy verticals. Market rotation away from mega-cap concentration and lingering tariff uncertainty may create near-term volatility, but many companies have adapted, allowing strategic, fundamentals-driven M&A to move forward with renewed momentum.

### 6 Trends to Watch in North American Middle Market M&A

#### 1. Financing Conditions Have Turned Decisively Supportive

After two years of tightening, financing conditions have materially improved. Rate cuts, easing credit spreads, and a shift to neutral monetary policy have lowered the cost of capital and increased deal certainty. As noted in the Q4 report, central bank policy now provides a stable backdrop for acquisition financing, enabling more competitive and fully valued middle-market processes.

#### 2. Public Valuations Are Strong—and Private Markets Are Following

Equity markets have re-rated meaningfully, reinforcing a sellers' market across the middle tier of companies. The S&P 500 P/E expanded from ~28.2x (Jan 1, 2025) to ~31.2x (Jan 23, 2026), while the Russell 2000 remained elevated ~32.8x. These levels are high by historical standards and given that private valuations tend to follow public multiples, the backdrop entering 2026 is firmly supportive for seller pricing.

#### 3. Large-Cap Momentum Is Beginning to Cascade Downstream

The Q4 report highlights a late-year rebound driven by megadeals. Historically, surges in \$1B+ transactions precede increases in middle-market activity, and dealmakers now have clearer macro visibility and better financing tailwinds. As confidence recovers, more corporate acquirers are returning to strategic M&A, and private equity—buoyed by substantial dry powder—appears poised to broaden its target universe beyond only the highest-quality assets.

#### 4. Take-Privates Dominated in 2025 — But Watch the IPO Window In 2026

Strong private-capital availability and discounted public valuations have made take-privates a centerpiece of the past year. However, a growing backlog of IPO candidates could signal deepening liquidity in the public markets. A successful run of listings would create greater competition for premium middle-market companies and potentially further support valuation and liquidity options.

#### 5. Geopolitics Is the Largest Single Downside Risk

Geopolitics remains the most significant wildcard to dealmaking. Tariff uncertainty, politicization of regulatory scrutiny, and cross-border approval timelines have slowed, complicated and in some cases killed transactions. These risks are expected to persist into 2026 and represent the main factor that could upend otherwise highly constructive market momentum.

#### 6. Sector Leaders Will Continue to Outperform

Tech, AI-enabled services, infrastructure, and energy assets dominated Q4 activity and remain positioned for continued outperformance. These segments benefit from secular investment drivers, strong buyer competition, and clear strategic needs. They were central to the late-year strength and should remain a strong theme of middle-market M&A volume in 2026.

2025 was a standout year for Origin Merchant Partners, with the firm closing more than 20 transactions—the most in its history. This record level of activity reflects strong client demand, deep sector expertise, and consistent execution across mandates. Entering 2026, Origin carries meaningful momentum and a robust pipeline positioned to benefit from an increasingly constructive M&A environment.

### Origin's 2025 Deals

Quarter	Transaction	Transaction Type	Sector	Geography
Q4'25	Tornado Infrastructure Equipment Ltd.	Board Advisory	Industrials	Buyer:  Seller: 
Q4'25	CSN Collision	Sell-Side	Consumer	Buyer:  Seller: 
Q4'25	Terago	Financing	Technology	Investor:  Investor: 
Q4'25	The Clover School	Sell-Side	Education	Buyer:  Seller: 
Q4'25	Tetra Trust	Financing	Financial Services	Investor:  Investor: 
Q4'25	Brookfield Business Partners	Board Advisory	Financial Services	
Q3'25	Collectivfide	Financing	Financial Services	Investor:  Investor: 
Q3'25	Spence Diamonds	Sell-Side	Consumer	Buyer:  Seller: 
Q3'25	CMI Terminal	Sell-Side	Agriculture & Food	Buyer:  Seller: 
Q3'25	Brookfield Business Partners	Board Advisory	Financial Services	

## Origin's 2025 Deals continued...

Quarter	Transaction	Transaction Type	Sector	Geography
Q3'25	Closing the Gap Healthcare	Sell-Side	Healthcare	Buyer:  Seller:
Q2'25	Burgundy Asset Management	Sell-Side	Financial Services	Buyer:  Seller:
Q2'25	WonderFi Technologies	Board Advisory	Technology	Buyer:  Seller:
Q2'25	Marcy Laboratories	Sell-Side	Industrials	Buyer:  Seller:
Q2'25	Converge	Board Advisory	Technology	Buyer:  Seller:
Q2'25	INX Digital	Board Advisory	Technology	Buyer:  Seller:
Q1'25	Quadshift	Financing	Technology	Investor:  Investee:
Q1'25	GMCO	Sell-Side	Diversified	Buyer:  Seller:
Q1'25	Encore	Sell-Side	Financial Services	Buyer:  Seller:
Q1'25	Macro	Financing	Industrials	Buyer:  Seller:
Q1'25	POSS	Sell-Side	Industrials	Buyer:  Seller:
Q1'25	Mid-Range	Sell-Side	Technology	Buyer:  Seller:
Q1'25	Dustbusters	Sell-Side	Diversified	Buyer:  Seller:

 <p><b>\$279 million</b> Independent Financial Advisor to the Special Committee of Tornado Infrastructure Equipment on its sale to <b>TORO</b></p>	 <p>Exclusive Financial Advisor on its partnership with <b>ONCAP</b></p>	 <p><b>\$30.6 million</b> Term debt facility provided by funds managed by <b>EDGEPOINT</b></p>	 <p><b>\$5.3 million</b> Investment from a group of private investors</p>	 <p>Financial Advisor to the Special Committees on its amalgamation of BBU Units and BBUC Shares into one publicly traded Canadian Corporation</p>
 <p>Exclusive Financial Advisor on its sale to <b>globeducate</b></p>	 <p>Exclusive Financial Advisor on a strategic investment from <b>URBANA CONSOLIDATION</b>, <b>Wealthsimple Purpose</b>, <b>ATB Financial</b>, <b>Shopify</b>, <b>NATIONAL BANK</b></p>	 <p>A portfolio company of <b>TRIWEST CAPITAL PARTNERS</b></p> <p>Has received a majority equity investment from <b>TRIWEST CAPITAL PARTNERS</b></p>	 <p>Financial Advisor on the sale of its Crop Production Services business unit to <b>the Rack</b></p>	 <p>Financial Advisor to the Special Committees on its sale of <b>US\$690 million of assets</b> to seed a new evergreen private equity strategy</p>
 <p><b>\$620 million</b> Financial Advisor on its sale to <b>BMO</b></p>	 <p><b>\$250 million</b> Independent Financial Advisor to the Special Committee on its sale to <b>Robinhood</b></p>	 <p>Has received a significant investment from <b>LFMcapital</b></p>	 <p>Financial Advisor to the Special Committee of The INX Digital Company on its <b>US \$60 million</b> sale to <b>Republic</b></p>	 <p><b>\$75.5 million</b> Financial Advisor on its Sale to <b>Extendicare</b></p>
 <p>Exclusive Financial Advisor to <b>collectivfide</b> on its equity investment of <b>\$65 million</b> from <b>Farm Mutual Re</b></p>	 <p><b>\$1.4 billion</b> Independent Financial Advisor to the Special Committee on the acquisition by <b>HIG CAPITAL</b></p>	 <p>Exclusive Financial Advisor on its equity investment of up to <b>\$23 million</b> from <b>bdc</b> and <b>Celtic House</b></p>	 <p>Has been acquired by <b>Arthur J. Gallagher &amp; Co.</b></p>	 <p>Has been acquired by <b>DURAVANT</b></p>
 <p>Shareholders of Macro Industries Inc. completed a divestiture to a private group of buyers</p>	 <p>Has been acquired by <b>ENVIROTECH SERVICES INC.</b></p>	 <p>Has acquired <b>SERVICE EXPRESS</b></p>		

Visit Origin's website for our [full transaction history](#).

Please contact our Business Development Associate, [Adrienne Butler](#), to enquire about any of our current mandates by industry.

Watch our Q1/26 M&A review, coming in early spring.

\* Certain US professionals are registered representatives of, and securities transactions are conducted through Consensus Securities LLC, d/b/a Consensus Origin Securities LLC, Member FINRA/SIPC.

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