

Q1 2026

# NORTH AMERICAN M&A REPORT

*A snapshot of the North American M&A landscape in Q1 2026.*

THIS QUARTER'S HIGHLIGHTS:

- ▶ **Headlines were flattered by megadeals.** Global M&A hit a record \$1.6T in Q1, but a single \$250B deal drove ~30% of value while deal count fell ~30% YoY.
- ▶ **The lower middle market told a different story.** Quietly broad-based, financing supportive, and increasingly the steady engine of NA dealmaking, where well-prepared assets are clearing at firmer multiples.
- ▶ **North America is the relative safe harbor.** Tariff uncertainty, geopolitical disruption and slowing growth elsewhere are reinforcing capital flows into the more durable NA economy.
- ▶ **Origin's evidence: a record quarter.** Closings up 35% YoY, active mandates up ~35% YoY, and a pipeline at an all-time firm high entering Q2.

## Two Markets, One Quarter

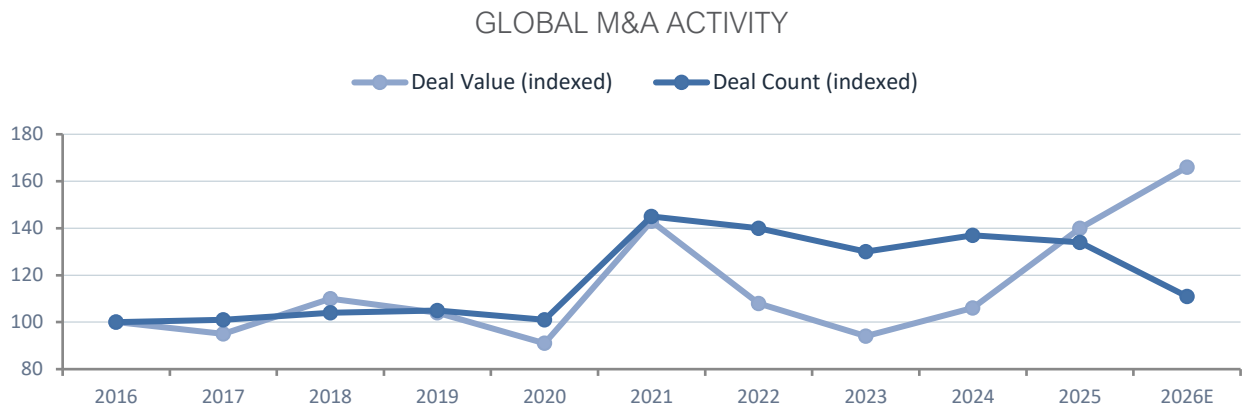
*Q1 2026 produced two divergent stories, one for the headline, one for the middle market.*

### The Q1 2026 Headline Numbers Were Spectacular, but Misleading

Global M&A reached an estimated \$1.6 trillion in deal value, a quarterly record and up 50.6% year-over-year. But a single related-party transaction, SpaceX's acquisition of xAI, accounted for roughly 30% of global Q1 value. Strip out the top handful of megadeals and the picture inverts: global deal count fell roughly 30% year-over-year and completed deal count in North America was flat-to-down versus Q1 2025.

### Global M&A: Deal Value Soars While Deal Count Diverges

*Indexed to 2016 = 100; 2026 reflects Q1 annualized*



*Source: PitchBook Q1 2026 Global M&A Report; S&P Global Market Intelligence.*

### A Sharply Bifurcated Market

Mega-cap consolidation continues to be concentrated in AI, energy, and large-scale industrial roll-ups. Meanwhile the broad middle market has been steady and deliberate. Buyers and sellers are transacting selectively, on better-prepared assets, in contested processes, at firmer multiples.

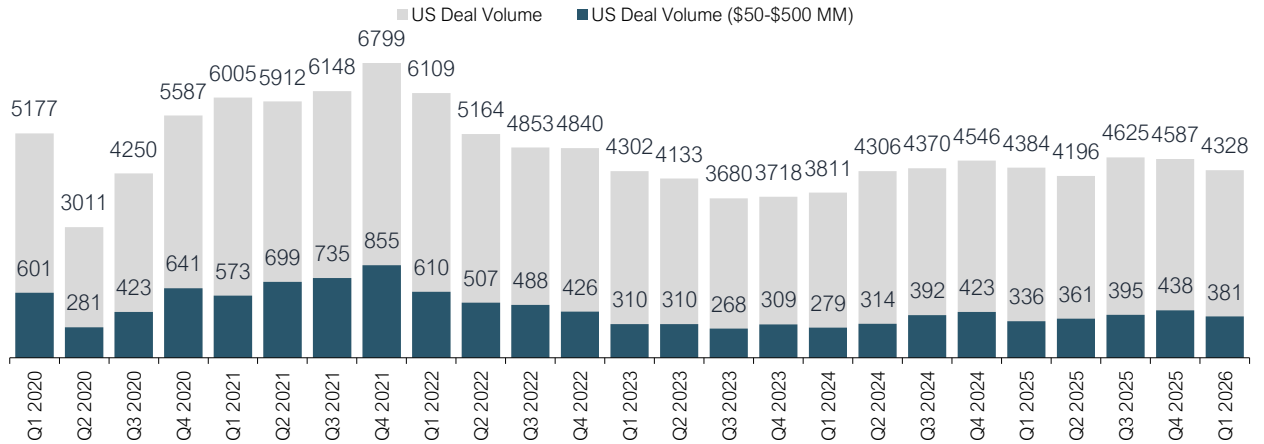
### Why Does This Matter for the Middle Market?

Mega-cap deals don't compete for lower middle market processes, but they do signal that capital is mobilising. The pattern of past cycles is clear: megadeal momentum cascades downstream, with the middle market following 1-2 quarters behind. Origin's leading indicators, including mandate count, pitch velocity, and bidder participation, support that expectation.

## Public middle-market data shows a slow start to 2026

In Q1 2026, completed North American transactions in the Lower Middle Market fell sharply with March 2026 the slowest month of the quarter. Reported reasons: persistent tariff uncertainty, elongated diligence timelines, and continued discipline on financing. Published data is also a lagging indicator. By the time a deal closes, it was typically under LOI two quarters earlier, meaning Q1 2026 completions largely reflect mandates won during the volatile mid-2025 environment rather than what is happening in the market today.

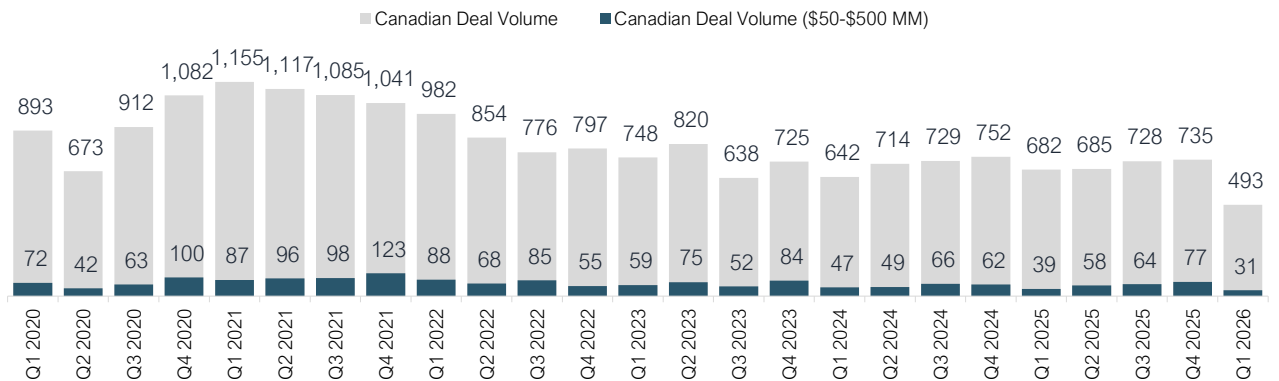
TOTAL US DEAL VOLUME (Q1 2020–Q1 2026)



Source: S&P CapitalIQ.

Canada saw more dramatic declines in deal activity than the US. Q1 2026 volume in the Middle Market fell to its lowest level since before the covid lockdowns. This is largely due to trade headwinds which increased into the second half of 2025.

TOTAL CANADIAN DEAL VOLUME (Q1 2020–Q1 2026)



Source: S&P CapitalIQ.

## Quiet on the Surface, Busier Underneath

*While published mid-market data lags, Origin's real-time indicators point toward growth.*

### +35%

Origin closings, YoY pace  
*vs. 2025 full-year*

### +35%

Active mandates, YoY  
*record level for the firm*

### Record

Pipeline entering Q2 2026  
*strongest in firm history*

### What Origin is Seeing in Real Time

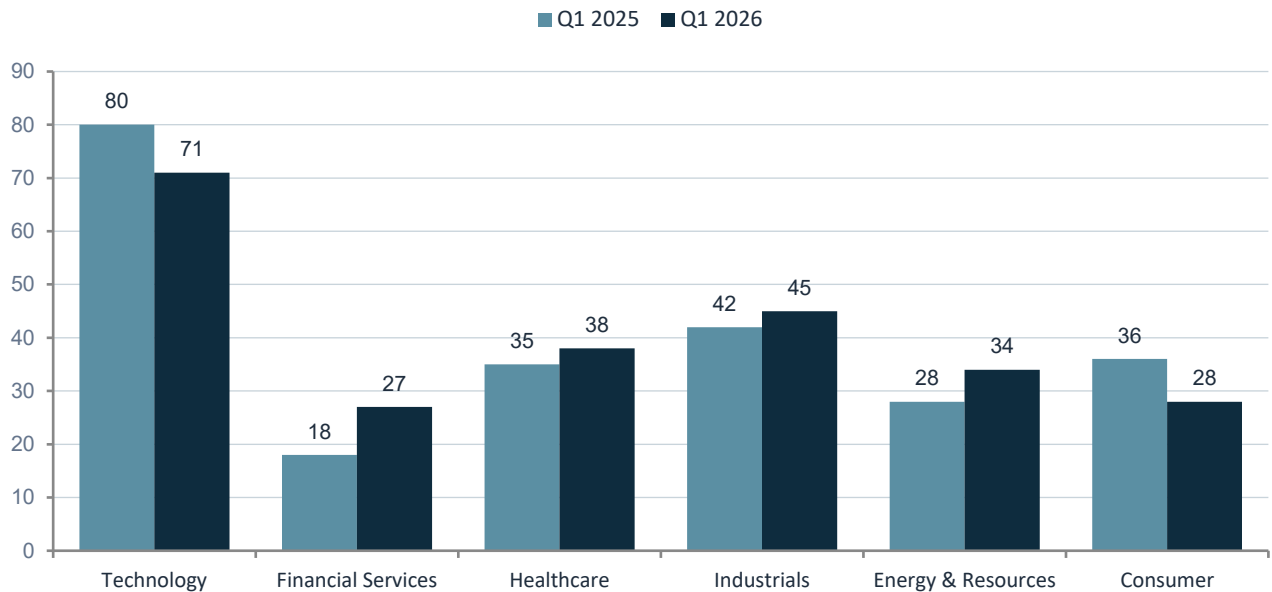
- **Bidder counts have widened.** Multiple-bidder situations are again the norm on well-prepared Lower Middle Market assets. This is a notable change from the bilateral-default environment of 2023-24.
- **Time from launch to LOI has shortened.** Diligence remains thorough, but decision velocity has improved across both strategic and sponsor buyer pools.
- **Financing math finally works.** The Fed's December cut to 3.50-3.75% and BoC's hold at 2.25% provide a stable backdrop for Lower Middle Market capital structures; private credit is more competitive at this tier than for jumbo software LBOs.
- **Strategic buyers have re-engaged.** After two years of dormancy, corporate acquirers are competing again — supported by balance-sheet repair and improved equity-market backdrops.

## Where is Capital Flowing?

There was a clear sector rotation in the Q1 2026 NA middle market, which was different from the AI-and-software dominance of recent years.

### NA mid-market deal activity — Q1 2026 vs. Q1 2025

Completed deal count by sector, \$100M-\$1B (LSEG, NA, Q1 each year)



Source: LSEG data via The Middle Market (themiddlemarket.com); Origin estimates for non-tech/financials sectors based on LSEG dataset.

#### LEADING

##### Industrials & Financials

Industrials sustained by infrastructure, electrification and reshoring. Financials consolidation accelerated. NA mid-market financials count +50% YoY. Resources back in play on near-record copper and critical minerals.

#### COOLING

##### Technology

Demand remains strong but valuations have reset sharply, widening bid-ask spreads. PitchBook reports IT deal value fell 52.5% QoQ ex-xAI. Catch-up expected as seller marks adjust and financing normalises in H2.

#### CHALLENGED

##### Consumer

Tariff exposure, weak consumer sentiment, and elongated holds at sponsor-owned platforms have kept activity subdued. Selective strength in staples and discount/value; broader discretionary remains cautious.

## Origin's Pitch Pipeline Shows the Same Rotation

Origin's overall pitch activity in Q1 2026 ran at similar volume to Q1 2025, but the sector mix has clearly shifted. In 2025, pitch flow concentrated in **Industrials, Technology, and Consumer**. In Q1 2026 it has pivoted to **Industrials, Financial Services, and Resources**. This is a real-time signal of where the Lower Middle Market transaction window is opening and a useful leading indicator of which categories will lead closed-deal data 2-3 quarters out.

## Our Three Takes

01

VIEW

### The Middle Market Lag is Closing, Not Waiting

Public Q1 data still trails Q1 2025 in completed transactions. But the leading indicators — pitch velocity, mandate count, bidder participation — say otherwise. Our active mandate book is up roughly 35% year-over-year, and we expect this to flow through to closed-deal statistics over the next 1-2 quarters. Sponsor exit pressure on 2019-2021 vintage funds is now acute; LP-driven liquidity demand will force more processes through 2026. Expect closed-deal middle-market activity to catch up to (and likely overtake) megadeal momentum by the second half of the year.

02

VIEW

### Tech Deal Flow Will Return in H2 as Valuations Reset

The decline in tech valuations since late 2025, particularly across high-multiple software and AI-adjacent assets, has stalled deal flow as much as financing has. Sellers anchored to 2021-vintage marks have been slow to clear, while buyers and lenders have repriced underwriting standards. The result has been a wider-than-usual bid-ask spread and a growing backlog of stalled mandates. As valuation expectations reset through 2026, and private credit underwriting on large software LBOs normalises in parallel, transaction activity should accelerate meaningfully in the second half. Lower middle market software, with simpler capital structures and less reliance on jumbo financing, is positioned to participate first.

03















VIEW

### North America's Relative Attractiveness is Structural, Not Cyclical

Tariff uncertainty creates absolute pain, but it disproportionately impacts cross-Atlantic and cross-Pacific dealmaking, not intra-NA activity. Combined with weak European growth, elevated Asia geopolitical risk, currency volatility elsewhere, and a comparatively durable US consumer and labour backdrop, North America's relative dealmaking attractiveness has structurally improved. Capital that would have been deployed cross-border into emerging markets in prior cycles is increasingly anchored in NA mid-market platforms instead. Expect this NA capital concentration to persist beyond the current cycle.

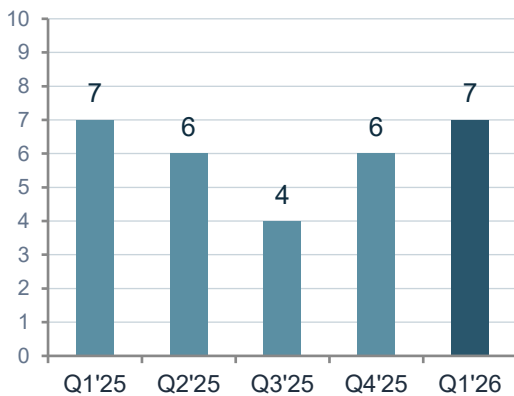
Q1 2026 was the strongest quarter in Origin's history. Seven mandates closed in the quarter, producing record quarterly revenue. The growth has been broad-based, not concentrated in a single sector or geography, and runs ahead of what published headline middle-market data would suggest. We see this as consistent with our broader view that lower middle market activity is meaningfully stronger than the closed-deal statistics show.

**Origin's 2026 Deals**

Quarter	Transaction	Transaction Type	Sector	Geography
Q1'26	Kitchen Partners	Sell-Side	Food & Agriculture	Buyer:  Seller: 
Q1'26	Producing Mining	Advisory	Mining	Buyer:  Seller: 
Q1'26	Rupert Resources Ltd.	Sell-Side	Mining	Buyer:  Seller: 
Q1'26	Thomas Precision Machining	Sell-Side	Industrial	Buyer:  Seller: 
Q1'26	DRC Heat Transfer	Sell-Side	Industrial	Buyer:  Seller: 
Q1'26	Arizona Sonoran Copper Company	Sell-Side	Mining	Buyer:  Seller: 
Q1'26	ET Group	Financing	Technology	Buyer:  Seller: 

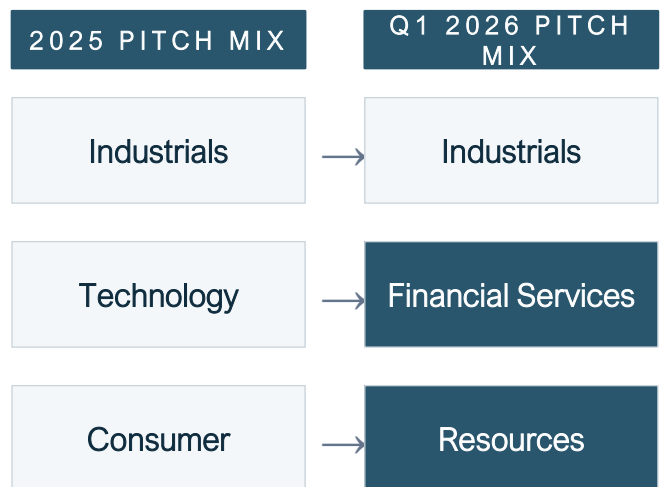
**Origin closings by quarter**

*Number of completed transactions*



**Origin pitch sector mix — 2025 vs. 2026**

*Top three sectors by pitch activity*



AND FROM ORIGIN'S ADVISORY PRACTICE...

<p><i>Confidential Producing Mining</i></p> <p><i>Financial Advisor to the Board of Directors on \$1 billion acquisition opportunity</i></p>	<p><b>KITCHEN PARTNERS</b><sup>®</sup></p> <p><i>Has been acquired by</i></p> <p><b>Roskam</b> FOODS</p> <p><i>A portfolio company of</i></p> <p><b>e2p</b></p>	<p> <b>RUPERT RESOURCES</b></p> <p><i>\$2.9 billion Advised the Special Committee on the acquisition by</i></p> <p> <b>AGNICO EAGLE</b></p>
<p><b>THOMAS</b> PRECISION</p> <p><i>Has been acquired by</i></p> <p> <b>RADIAL</b></p>	<p> <b>DRC</b> HEAT TRANSFER</p> <p><i>Has been acquired by</i></p> <p><b>smiths</b></p>	<p> ARTIZONA SONORAN COFFEE COMPANY</p> <p><i>\$2.1 billion Advised the Special Committee on the acquisition by</i></p> <p><b>HUDBAY</b></p>
<p> <b>ET GROUP</b></p> <p><i>Has been acquired by</i></p> <p><b>RICOH</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 out for our Q2 2026 M&A review, coming in early summer.

\* 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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