ORIGIN MERCHANT PARTNERS

Q3 2026

NORTH AMERICAN M&A REVIEW

A snapshot of the North American M&A landscape in Q3 2026.

THIS QUARTER'S HIGHLIGHTS:

- **Announcements fell, but completions and exits did not.** Global announced M&A fell 41% to about US$993 billion as megadeals paused, while sponsor exits reached US$462.9 billion, second only to Q2 2021.
- **Rates turned higher.** The Fed raised rates in September to 3.75% to 4.00%, its first increase since 2023, and the Bank of Canada followed on October 28 with a move to 2.50%. The 10-year Treasury yield reached 5.34%, its highest since 2002.
- **Canada has bottomed but not recovered.** Canadian deal volume rose 42% quarter over quarter but is still down 15% against Q3 2025. Defence and cross-border processes remain the clearest openings.
- **Origin's year to date.** 28 closings in 2026, up 40%, with transaction value up by more, and 56 new engagements, up 24%.

Announcements Fell, but Completions and Exits Did Not

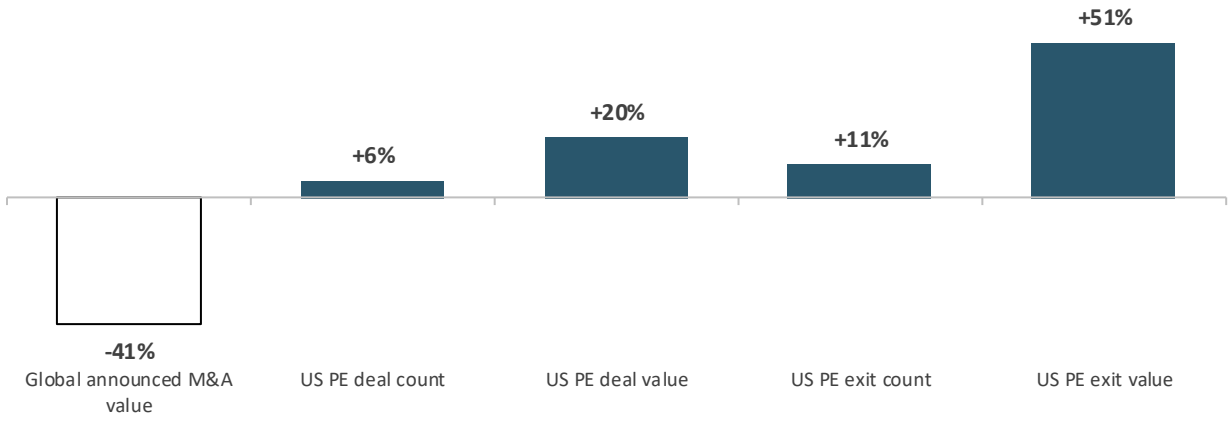
Announced deal value fell back below US$1 trillion in Q3 2026, but completed transactions and sponsor exits moved the other way.

Announced Value Fell as Megadeals Paused

Global announced M&A value fell 41% on the quarter to about US$993 billion, the first quarter below US$1 trillion since Q2 2025. The decline was concentrated at the top: 10 transactions above US$10 billion were announced, against 26 in Q2. Year to date, value is still up 28% at US$3.9 trillion, while deal count is down 8%.

Q3 2026: Announcements Fell While Sponsor Activity Rose

Change in Q3 2026 versus Q2 2026 (%)



Source: PitchBook Q3 2026 Global PE First Look (private equity); LSEG via Reuters (global announced value); WTW (completed transactions above US$10 billion).

Completions and Sponsor Exits Increased

Nine transactions above US$10 billion completed in Q3, against three in Q2. Sponsors realised US$462.9 billion of exits across 1,009 sales, the highest value since Q2 2021, although a handful of large realisations drove the total. In the US, private equity deal value rose 20% on the quarter and exit value 51%.

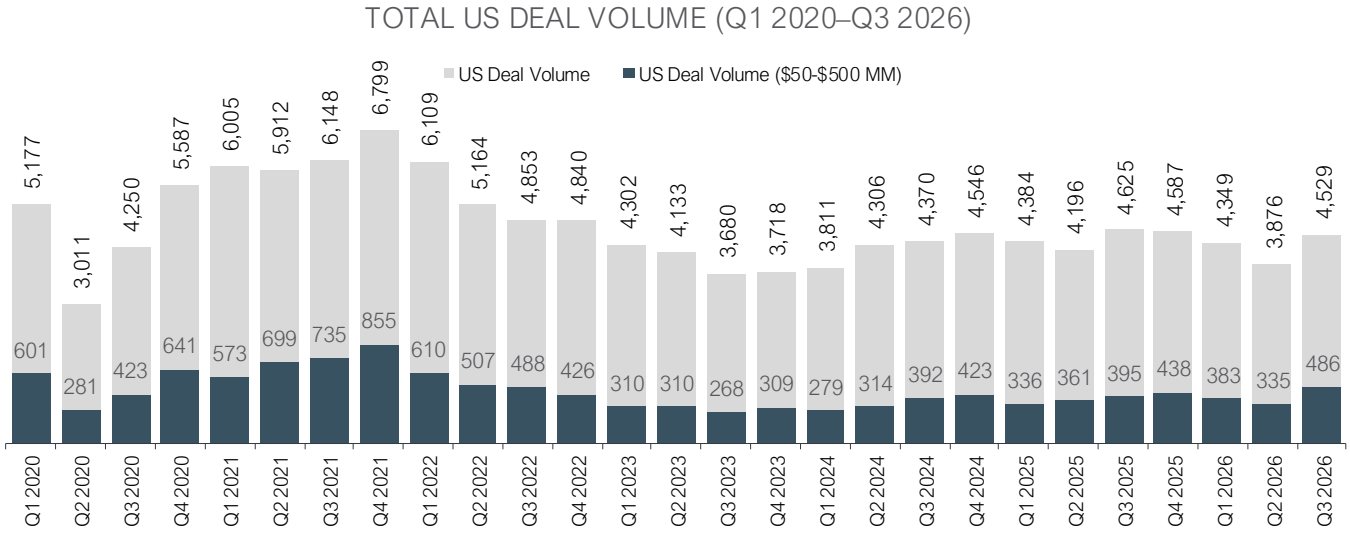
Why Does This Matter for Sellers?

Announcements show what was agreed in the quarter; completions show what closed, most of it agreed one or two quarters earlier. For an owner considering a sale, two points follow. Sponsors are selling: with fundraising about 10% below 2025, general partners need to return capital, and more sponsor-owned companies will compete for the same buyers. And rates now matter more: buyers are underwriting to a higher cost of capital, which favours prepared, cash-generative businesses and strategic acquirers, and makes certainty of close as important as price.

THE MIDDLE MARKET

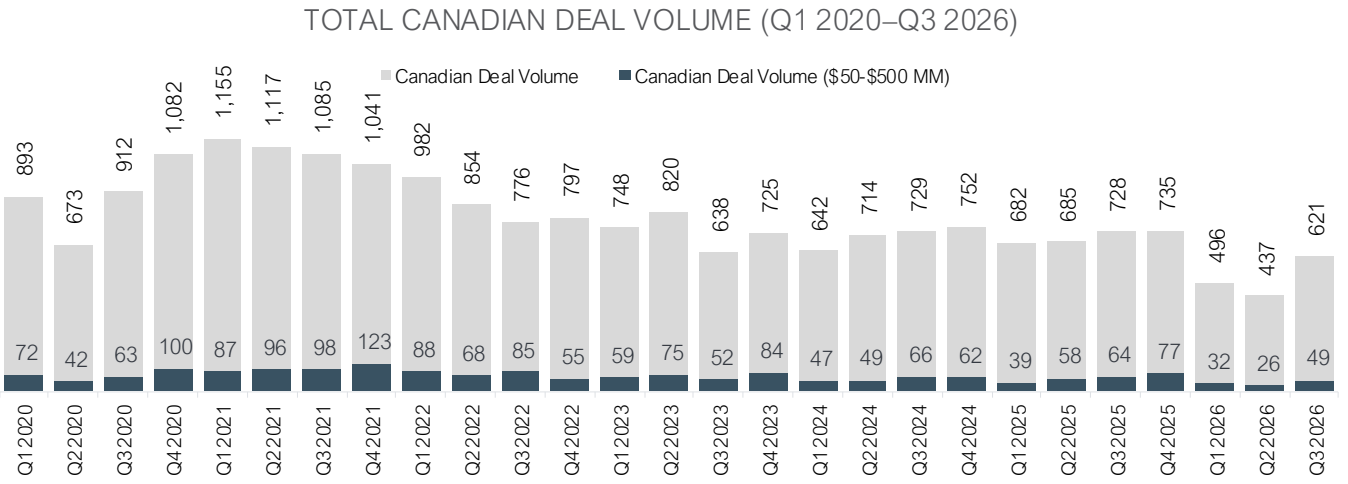
Public middle-market data: the Q3 2026 picture

In Q3 2026, US deal activity showed more strength, rising 17% quarter over quarter and roughly flat against Q3 2025, and Lower Middle Market transactions rose 45% over Q2 levels and 23% over Q3 2025 levels. The mid-June ceasefire eased the oil price shock that weighed on Q2. The Fed's September increase and a 10-year Treasury yield above 5% have since raised the cost of acquisition finance, but apparently not enough yet to dampen activity.



Source: S&P CapitalIQ.

Similarly, Canadian deal volume rose 42% quarter over quarter but is still down 15% against Q3 2025, suggesting that Canadian market activity has bottomed but not recovered. Middle Market volume rose 88% quarter over quarter but is still down 23% against Q3 2025. Total volume remains below every quarter from 2020 to 2025. Tariffs and the unresolved CUSMA review continue to weigh on activity.



Source: S&P CapitalIQ.

ORIGIN'S INSIGHTS

ORIGIN BY THE NUMBERS

28

CLOSINGS

Closed in 2026 to date, up 40%, with transaction value up by more

56

NEW ENGAGEMENTS

Mandates signed in 2026 to date, up 24% on the same point in 2025

$3.1B

SELL-SIDE TEV

Enterprise value of sell-side mandates engaged in 2026, up 47%

Origin Merchant Partners data to November 1, 2026, including the Consensus consumer team, compared with the same point in 2025 on the same basis.

WHAT WE'RE SEEING IN REAL TIME

VALUATION EXPECTATIONS

Higher rates have widened the gap between prepared and unprepared assets. Well-run businesses with recurring cash flow still clear at firm multiples in contested processes, while leveraged buyers have lowered bids and sellers anchored to 2021 values remain stuck.

BUYER APPETITE

Strategic acquirers remain the most active bidders, and higher rates have extended their advantage over leveraged sponsors. Cross-border interest is intact where the logic is clear.

FINANCING CONDITIONS

Credit is available but more expensive after the September and October rate increases. Lenders are pricing for higher rates, asking for more equity and tightening covenants. Origin saw the strength of the aerospace and defence sector with the closing of the ITPS Canada financing for the world's largest independent flight test training school.

LEADING AND LAGGING INDICATORS

Most of this year's closings began as engagements in late 2025, while new engagements point to increasing activity in 2027. We have seen a 24% increase in engagements in 2026 to date, and the enterprise value of our sell-side mandates is up 47%.

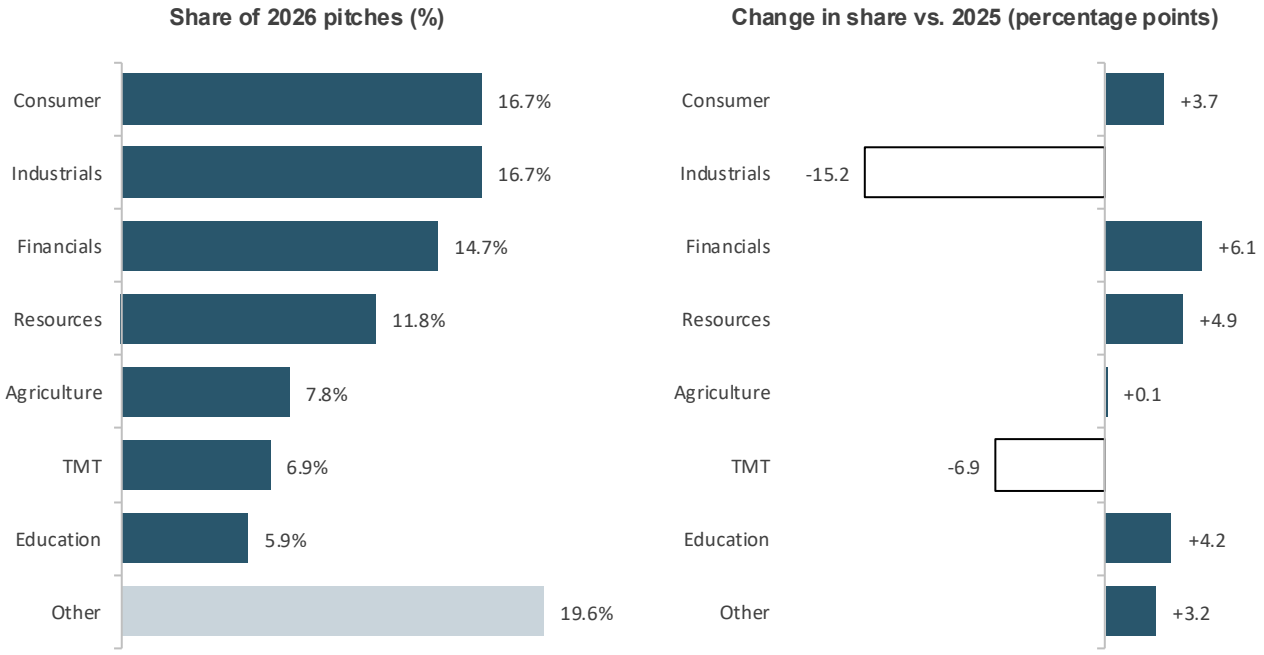
ACTIVITY BY SECTOR

Where is Capital Flowing?

Our pitch activity this year has moved toward Consumer, Financial Services and Resources, with less dominance from Industrials and Technology, an early signal of where activity is moving in the market.

Origin pitch activity by sector, 2026 year to date

All mandate types; share of pitches (left) and change in share against the same period of 2025 (right)



Source: Origin Merchant Partners, pitches Jan. 1 to Oct. 27 (102 in 2026, 116 in 2025). Other: Healthcare, Real Estate, P&U, Environmental, T&L.

GAINING

Consumer & Financial Services

Consumer and Financial Services are now 17% and 15% of our pitches. Financial Services' share is up six points on last year, led by consolidation among wealth and asset managers, as in our GFI Investment Counsel and Forthlane Partners mandates. Consumer's share is up four, partly reflecting the Consensus combination, which added a dedicated consumer and retail team.

GAINING

Resources

Resources has risen to 12% of our pitches from 7% a year ago, the second-largest gain in share after Financial Services. Producer consolidation is bringing more development-stage miners to market, as in our Special Committee mandates for Rupert Resources and Arizona Sonoran.

DECLINING

Industrials & Technology

Industrials fell from 32% to 17% of our pitches and Technology from 14% to 7%. Industrials remains a leading sector, with much of last year's pitch flow now in execution, while tariff uncertainty has slowed new processes. In Technology, buyers and sellers are still resetting valuation expectations, which has slowed new mandates.

AEROSPACE & DEFENCE

Spotlight on Aerospace & Defence

Rearmament has made defence one of the most active sectors in M&A, and Canada's Defence Industrial Strategy is directing capital toward domestic suppliers.

+13%	C$88.3B	70%	5%
Global defence deals	Deal value	Canadian content	NATO target
316 LTM Oct-26 vs. 280	*LTM Oct 2026*	*DIS procurement goal*	*incl. 3.5% core, by 2035*

Source: S&P CapitalIQ, global defence M&A, LTM to October 2026; Government of Canada Defence Industrial Strategy; NATO.

What We Are Seeing

Global defence M&A rose 13% to 316 transactions in the twelve months to October 2026, from 280 in 2025, with value of C$88.3 billion. Activity has continued: in September GE Aerospace agreed to acquire castings maker Consolidated Precision Products for US$11.75 billion, and in July Kraken Robotics completed its C$615 million acquisition of Covelya. Canada has committed with its NATO allies to 5% of GDP by 2035, including 3.5% on core defence, and its Defence Industrial Strategy directs a C$500 billion-plus budget toward Canadian suppliers. Strategic acquirers and allied primes lead, with sponsors active in the supply chain.

SOVEREIGN BUILD

Accelerating

Canada's Build-Partner-Buy framework favours domestic suppliers across ten sovereign capability areas, from sensors to uncrewed systems. Global primes are teaming with Canadian firms to qualify for programs.

SUPPLY CHAIN

Scarce

Record aerospace backlogs continue to outpace capacity in castings, forgings, machining and finishing. Buyers are paying for qualified capacity and secure, allied-only supply chains.

DUAL-USE TECH

Selective

Buyers give full credit only to technology deployed in multiple end markets and tied to active procurement programs. Pipelines build interest; contract conversion drives premium multiples.

Origin Transaction: ITPS Canada, C$90 Million Debt Financing

In August 2026, Origin acted as exclusive financial advisor to ITPS Canada on a C$90 million debt financing. ITPS runs the International Test Pilots School, the world's largest independent flight test training school, and the International Tactical Training Centre for advanced fighter training. Proceeds fund a new facility in North Bay and expansion in London, Ontario. Contact Darren Williams, Nick Newlin or any of our Managing Directors to discuss the sector.

ITPS CANADA

$90 million
Advised on its Debt Financing by

RBC EDC

CONSUMER UPDATE

Origin Combines with Consensus

Origin acquired Boston and New York-based Consensus in July, creating a dedicated consumer and retail division.

CONSENSUS CONSUMER
a division of ORIGIN MERCHANT PARTNERS

80+	3rd	7	20
Professionals	Origin acquisition	North American offices	Years in consumer
incl. 20 from Consensus	*in four years, 2nd in the US*	*Boston, Calgary, Chicago, Montreal, New York, Toronto, Vancouver*	*Consensus advising US and global consumer brands*

What Consensus Brings

Consensus has spent two decades advising US and global consumer brands on M&A, restructurings and capital solutions, including Nine West, Timex Group, Toys 'R' Us, Lenox and Kohl's, and more recently Carbon Beauty, Lionel and The Brandhouse Collective. Founder Mike O'Hara, a 30-year veteran of the US consumer sector, becomes Chair, Origin US. The two firms already worked together through The Terra Alliance, including the 2025 sale of a controlling interest in Spence Diamonds to TriWest Capital Partners.

CROSS-BORDER REACH

Expanded

M&A coverage across the US, Canada and globally, from Boston, Chicago and New York to Toronto, Calgary, Montreal and Vancouver.

SECTOR EXPERTISE

Deeper

Specialists in retail, branded consumer, beauty, food and beverage, apparel and footwear, luxury, restaurants and consumer health.

EXECUTION

Senior-led

More senior bankers and a larger team for complex, cross-border mandates, with the boutique service model clients value.

Consensus Great Brands Show

This year's Consensus Great Brands Show, an annual conference that connects rising consumer brands with the investors, lenders and executives who help them grow, was the largest in its history. 639 attendees, including representatives from 130+ investment firms, gathered in New York to hear the founders and leaders of 15 standout consumer brands share the stories behind their businesses, including a keynote address from Katy Perry and Morgan McLachlan, co-founders of the non-alcoholic apéritif brand De Soi.



Origin Transaction: Andrew Peller, C$579M Sale to Fairfax

In July 2026, Origin advised the Special Committee of Andrew Peller Limited, one of Canada's leading beverage alcohol businesses, on its take-private by Fairfax at an enterprise value of about C$579 million, with support from the Consensus team. Contact Mike O'Hara or any of our Managing Directors to discuss the consumer sector.

Advised the Special Committee of

ANDREW PELLER LIMITED

*on its **$579 million** sale to*

FAIRFAX FINANCIAL HOLDINGS LIMITED

AND FROM ORIGIN'S ADVISORY PRACTICE...

Including the Consensus consumer team, Origin has completed 28 transactions in 2026 to date, up 40% on the same point in 2025, and transaction value has grown faster than the number of closings.

Recently Announced Origin Deals

Qtr	Transaction	Type	Sector	Seller → Buyer
Q4'26	Fort Amherst Healthcare	Sell-Side	Healthcare	CA → CA
Q4'26	Equinor	Advisory	Energy & Resources	NO → UK
Q3'26	ITPS Canada	Financing	Aerospace & Defence	CA client
Q3'26	Beal University Canada	Sell-Side	Education	US → CA
Q3'26	Forthlane Partners	Buy-Side	Financial Services	CA → CA
Q3'26	Confidential Heritage Apparel Brand	Sell-Side	Consumer & Retail	US → US
Q3'26	Confidential Real Estate	Sell-Side	Real Estate	CA → CA
Q3'26	GFI Investment Counsel	Sell-Side	Financial Services	CA → CA
Q3'26	Safe Self Storage	Sell-Side	Real Estate	CA → CA
Q3'26	Andrew Peller	Financial Advisor	Consumer & Retail	CA → CA
Q2'26	Iovate Health Sciences	Sell-Side	Consumer & Retail	CA → CN
Q2'26	Kitchen Partners	Sell-Side	Food & Agriculture	CA → US
Q2'26	Rupert Resources Ltd.	Special Committee	Mining	CA → CA
Q2'26	DRC Heat Transfer	Sell-Side	Industrial	US → UK
Q2'26	Carbon Beauty	Advisory	Consumer & Retail	US → US
Q2'26	Thorlo	Advisory	Consumer & Retail	US → US
Q2'26	Glade Optics	Advisory	Consumer & Retail	US → US
Q2'26	Everlane	Advisory	Consumer & Retail	US → CN
Q2'26	Bed Bath & Beyond	Advisory	Consumer & Retail	US → US
Q1'26	Thomas Precision Machining	Sell-Side	Industrial	US → US
Q1'26	Arizona Sonoran Copper Company	Special Committee	Mining	CA → CA
Q1'26	Round 2	Buy-Side	Consumer & Retail	US → US
Q1'26	Kirkland's Home	Advisory	Consumer & Retail	US → US

ORIGIN DEAL ANNOUNCEMENTS 2026

Fort Amherst healthcare
Exclusive Financial Advisor on its sale to
Harbour Cove Residences Inc

equinor
Sold a 30% interest in the Bay du Nord project to
Shell

ITPS CANADA
$90 million Advised on its Debt Financing by
RBC EDC

GFI Investment Counsel Ltd.
has been acquired by
NATIONAL BANK

Beal University
has been acquired by
YORKVILLE UNIVERSITY

forthlane PARTNERS
Has acquired
JUNE INC

Confidential
Heritage Apparel Brand
Sale of brand and intellectual property

Confidential
Real Estate

Safe Self Storage
has been acquired by
STORAGEVAULT CANADA SELF STORAGE CENTRES

Advised the Special Committee of
ANDREW PELLER LIMITED
on its $579 million sale to
FAIRFAX FINANCIAL HOLDINGS LIMITED

CARBON
has been acquired by
FRONT ROW

THORLO
has been acquired by
GCE International, Inc.

GLADE
has been acquired by
DIGITALFUEL

EVERLANE
Has been acquired by
SHEIN

IOVATE
Financial Advisor through Sale and Investment Solicitation Process

KITCHEN PARTNERS
Has been acquired by
Roskam FOODS
A portfolio company of
e2p

BED BATH & BEYOND
Has been acquired by
THE BRAND HOUSE COLLECTIVE

RUPERT RESOURCES
$2.9 billion Advised the Special Committee on the acquisition by
AGNICO EAGLE

THOMAS PRECISION
Has been acquired by
RADIAL

Kirkland's Home
has received a strategic investment
BEYOND

ROUND 2
Has acquired
LIONEL SINCE 1900

DRC HEAT TRANSFER
Has been acquired by
smiths

ARIZONA SONORAN COPPER COMPANY
$2.1 billion Advised the Special Committee on the acquisition by
HUDBAY

Some confidential transactions are not reflected in these tombstones. 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 Q4 2026 M&A review, coming in early 2027.

* *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.*

ORIGIN'S TEAM

JIM MELOCHE
Co-Chair
jim.meloche@originmerchant.com

JIM OSLER
Co-Chair
jim.osler@originmerchant.com

MICHAEL A. O'HARA
Chair, Origin US
michael.ohara@originmerchant.com

ALAIN MIQUELON
Diversified; Head of Québec
alain.miquelon@originmerchant.com

ANDREW MUIRHEAD
Head of Food & Agriculture
andrew.muirhead@originmerchant.com

ARTEM KRYLOV
Automotive; Financial Services
artem.krylov@originmerchant.com

BILL FARRELL
Diversified; Food
bill.farrell@originmerchant.com

BILLY D. BUSKO*
Consumer
billy.busko@originmerchant.com

CATHY STEINER
Head of Healthcare
cathy.steiner@originmerchant.com

CHARLES PENNOCK
Diversified
charles.pennock@originmerchant.com

CHRIS WALLACE
Diversified
chris.wallace@originmerchant.com

DARREN WILLIAMS
Head of Canadian Industrials
darren.williams@originmerchant.com

GLENN SHYBA
Head of Real Estate
glenn.shyba@originmerchant.com

GREG MARTIN
Food; Consumer
greg.martin@originmerchant.com

HORACIO FACCA*
Head of US Technology
horacio.facca@originmerchant.com

JONATHAN BROER
Diversified; Environmental
jonathan.broer@originmerchant.com

KEN ADAMS
Debt Advisory
ken.adams@originmerchant.com

LINDSAY ADAM WEISS
Environmental; Diversified
lindsay.weiss@originmerchant.com

MARIO DI PIETRO
Head of Canadian Technology
mario.dipietro@originmerchant.com

MARK ERNST
Capital Raising; Diversified
mark.ernst@originmerchant.com

MARSHALL SCHLEIFMAN*
Consumer
marshall.schleifman@originmerchant.com

MATTHEW JENKINS
Power; Energy
matt.jenkins@originmerchant.com

MATTHEW ROME
Healthcare; HealthTech
matthew.rome@originmerchant.com

MICHAEL TUCCI
Diversified
michael.tucci@originmerchant.com

NICK NEWLIN*
Head of US Industrials
nick.newlin@originmerchant.com

ROB BIRD
Diversified
robert.bird@originmerchant.com

ROB PENTELIUK
Financials; Diversified
rob.penteliuk@originmerchant.com

ROBERT FEDROCK
Environmental; Diversified
robert.fedrock@originmerchant.com

SCOTT SIMS*
Industrials; HVACR
scott.sims@originmerchant.com

SHAUN QUENNELL
Education; Diversified
shaun.quennell@originmerchant.com

SUNNY MAHAL
Diversified
sunny.mahal@originmerchant.com

TARA FOLEY*
Consumer
tara.foley@originmerchant.com

ADRIENNE BUTLER
Business Development Associate
adrienne.butler@originmerchant.com

To learn more, please contact Adrienne Butler or reach out directly to any of our Managing Directors.

* *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.*


ORIGIN
MERCHANT PARTNERS
BOSTON | CALGARY | CHICAGO | MONTREAL | NEW YORK | TORONTO | VANCOUVER