



KPMG 2025 YEAR-END M&A STUDY

Prepared by Advisory Insights

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2025 Year-end

M&A study introduction

Background



Gathers insights from **300 M&A dealmakers** (150 Corporate and 150 Private Equity) across public and private organizations with revenue \$1B+ and PE fund values \$500m+

Purpose of the survey

The survey gauges:

01

Current sentiment and 2026 outlook

02

Deal drivers, deterrents and pipeline shifts

03

Sector and deal type priorities

04

Mitigation strategies

05

Impact of government policies and action

06

Use of GenAI in the M&A process

Key overall findings

01

Optimism for higher deal pipeline:

Two-thirds of respondents expect their 2026 deal pipeline volume to be higher than in 2025, reflecting strong optimism.

02

M&A growth via new markets:

Expanding into new markets or geographies, growing core business, and acquiring technologies are the primary reasons for increased M&A plans in 2026.

03

Full acquisitions dominate M&A plans:

74% are targeting complete business acquisitions, signaling bold growth strategies, while nearly 50% are exploring joint ventures/strategic partnerships (JVs).

04

Monetary policies and incentives drive interest:

Alongside monetary policy, domestic investment incentives are shaping M&A plans – tariffs remain a challenge but not a deal-breaker.

05

Shutdown stretched deal timelines, not momentum:

One-third tightened diligence, revised forecasts, and as a result delayed the process, with only 4% ending a deal process as a result.

06

GenAI boosts screening/due diligence:

GenAI most effectively reduces manual work in M&A by improving target screening and due diligence.

01

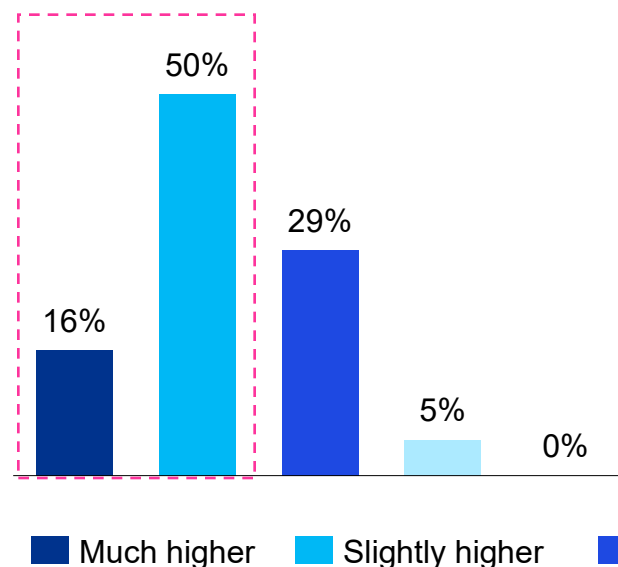
Overall survey findings

Deal makers expect an increase in the quality of targets and the volume of deal activity in 2026

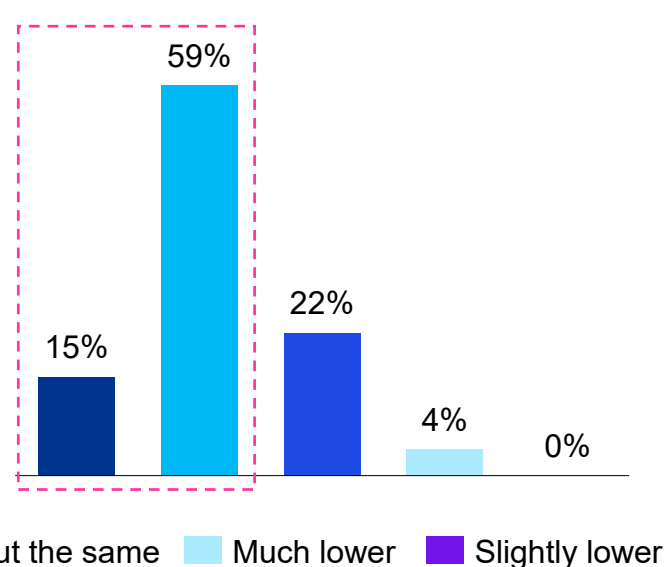


What are your expectations for your organization's M&A deal pipeline volume in 2026 compared to 2025?^(a) *Matrix;* (N=300)

Volume expectations in 2026 vs 2025



Quality of deal opportunities in 2026 vs 2025^(b)



- For volume expectations, **two-thirds** anticipate their 2026 deal pipeline to be higher than in 2025, **reflecting general optimism** for increased activity
- Regarding the quality of deal opportunities, **74%** expect them to be higher in 2026, compared to 2025.

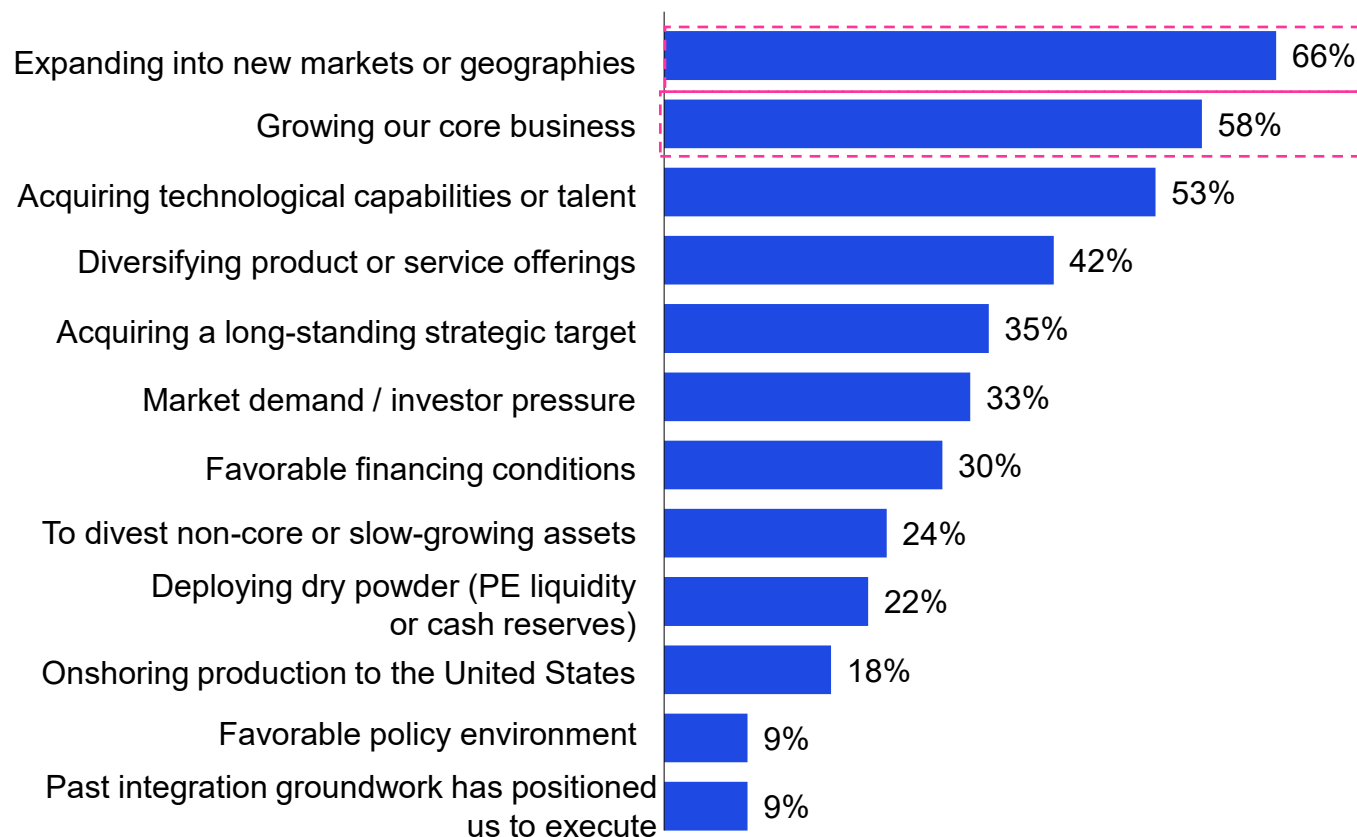
Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) "Quality of deal opportunities" are targets that are strategically aligned with thesis and markets; offers a financially attractive valuation, fundamentals, and value-creation levers

Source(s): KPMG M&A Survey – Year-end 2025

New-market expansion tops 2026 M&A plans — cited by 66% of respondents



What are the reasons for your increased plans for M&A activity in 2026?^(a) Multi select; (N=112); Logic: Ask if “higher” (1) or (2) is selected in the first option of Q4



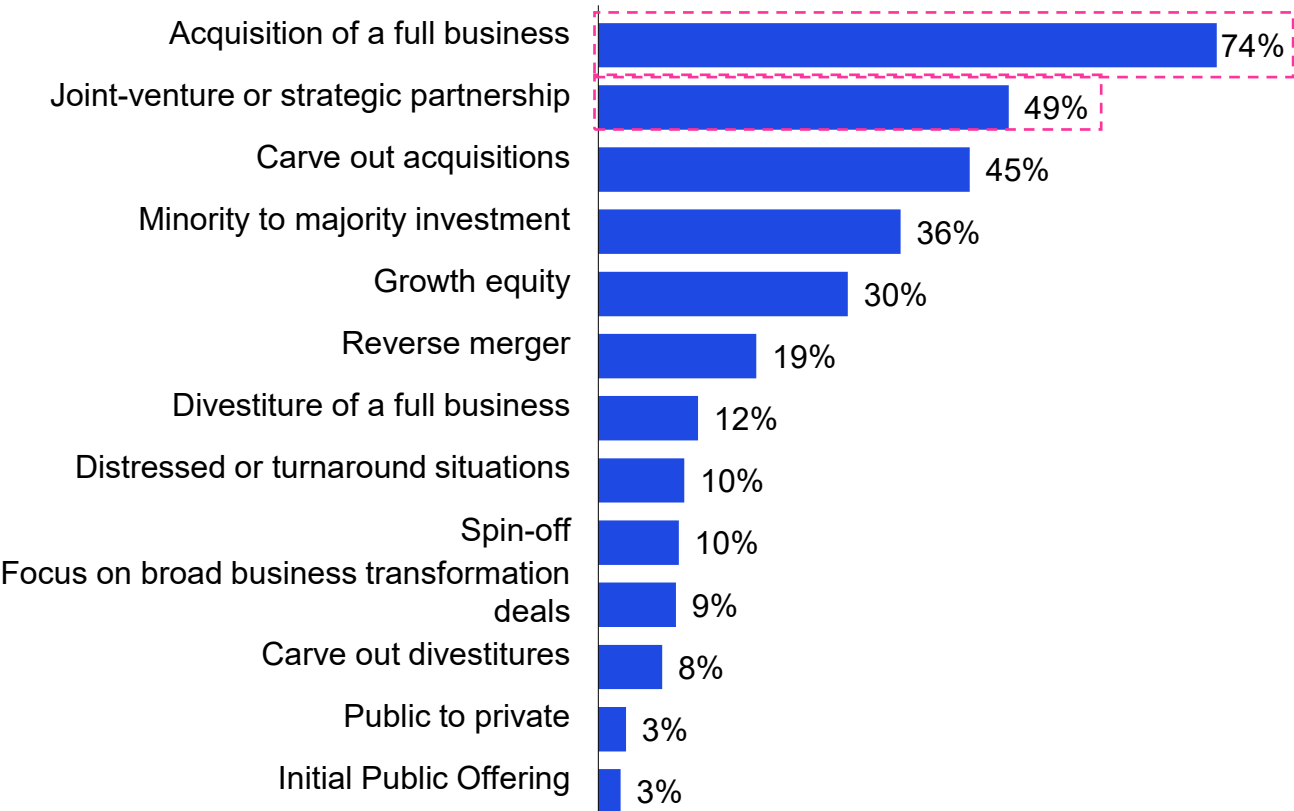
- The primary driver for increased M&A plans in 2026 is expanding into new markets or geographies, as cited by **66%** of respondents. This is followed by growing the core business (**58%**).
- These intentions are **growth-driven**, signaling confidence and a focus on adjacency/bolt-on deals to **scale core capabilities**.

Note(s): (a) Sum of percentages may not add up to 100 due to rounding;
Source(s): KPMG M&A Survey – Year-end 2025

Dealmakers are prioritizing full-business acquisitions and JVs/strategic partnerships



What type of deals
are you currently
considering?^(a)
Multi select; (N=300)



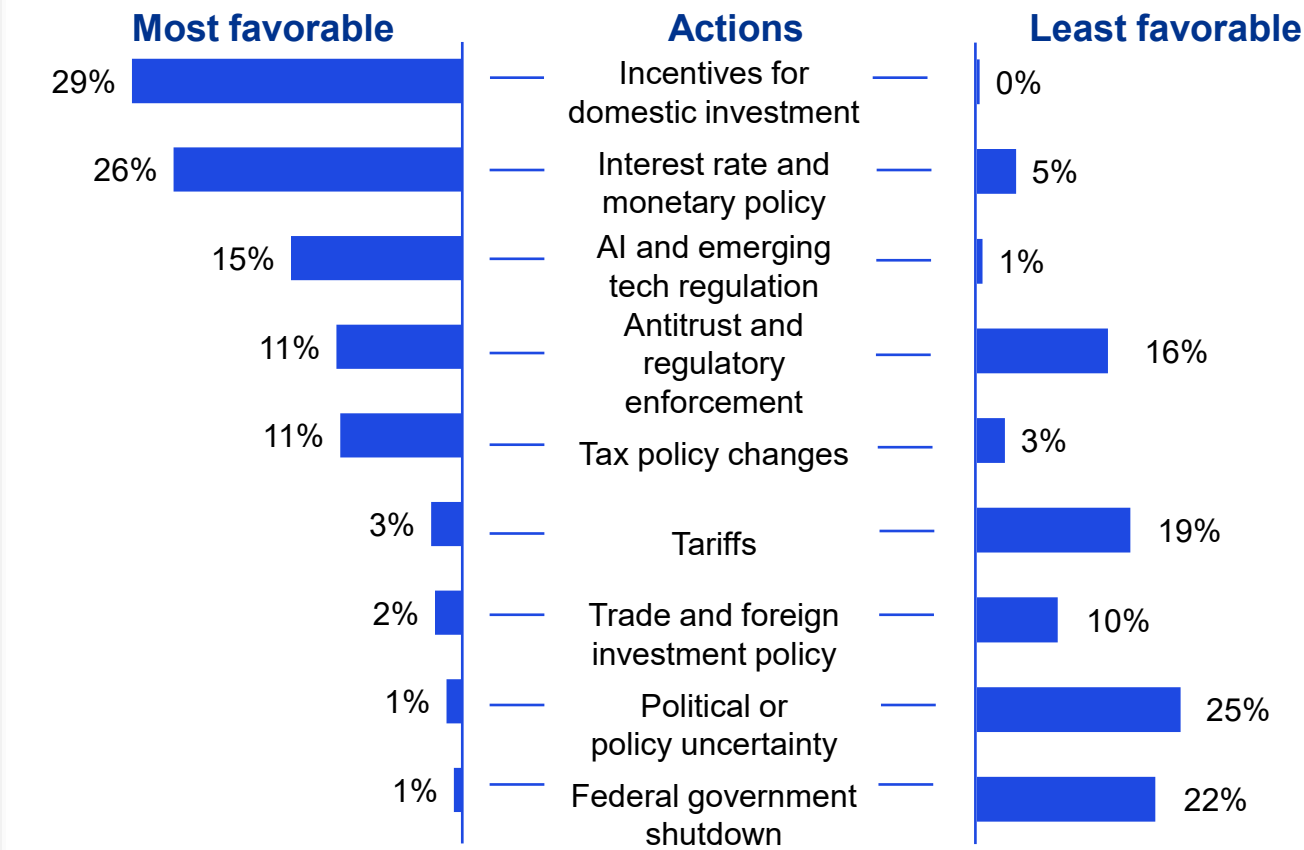
- Across all respondents, acquisition of a full business (**74%**) is the dominant deal type, underscoring a strong preference for complete control. Joint ventures/strategic partnerships (**49%**) were cited the second most frequently.
- Primary motivations to pursue JVs are to access new capabilities and technology, share risks, and enable agility and strategic flexibility.

Note(s): (a) Sum of percentages may not add up to 100 due to rounding
Source(s): KPMG M&A Survey – Year-end 2025

Even as tariffs pose uncertainty, incentives and monetary policy provide strong tailwinds for M&A



What US government actions have the greatest influence on your desire to pursue M&A?^(a) *Matrix;* (N= 296) Respondents selected **one** “most favorable” and **one** “least favorable” action



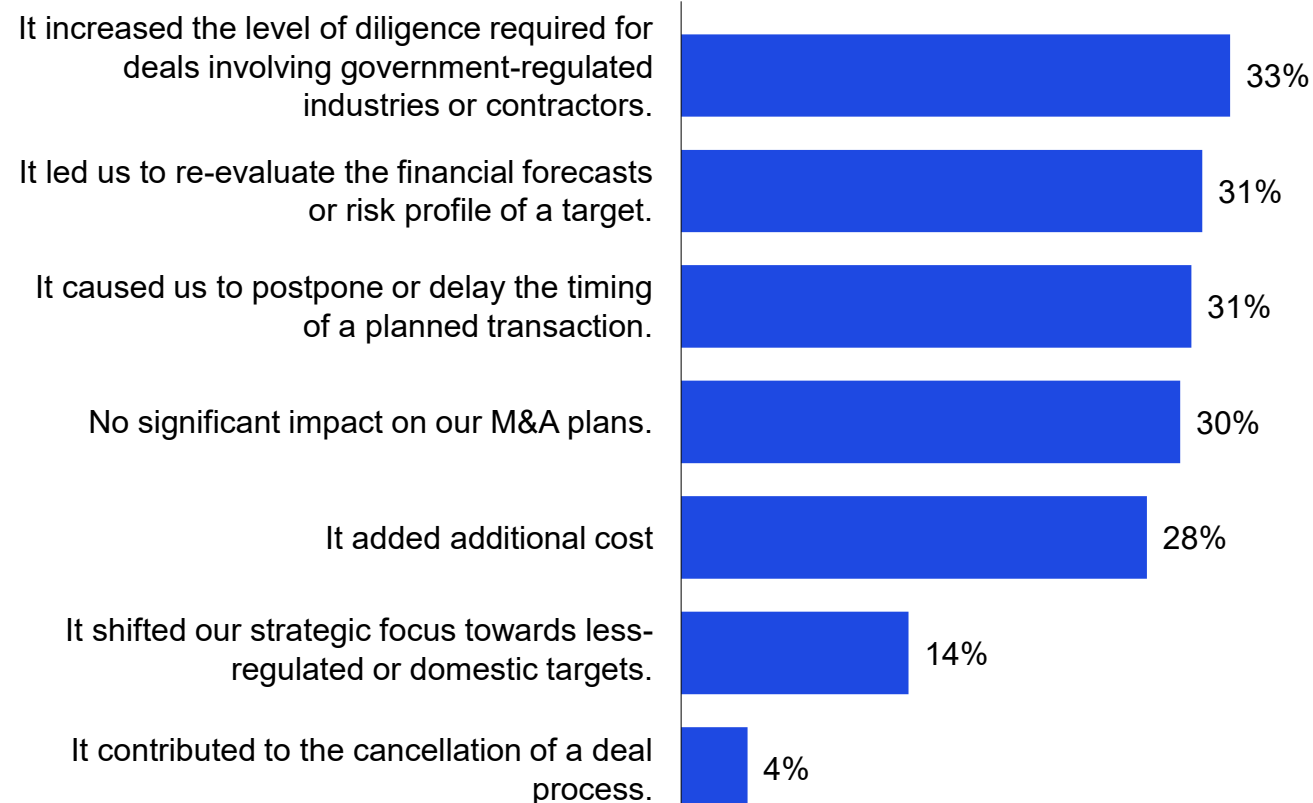
Note(s): (a) Sum of percentages may not add up to 100 due to rounding
Source(s): KPMG M&A Survey – Year-end 2025

- Incentives for domestic investment **(29%)** was the single most favorable factor driving the desire to pursue M&A.
- Political or policy uncertainty **(25%)**, was the single least favorable action.

The government shutdown slowed timelines and raised diligence



What impact did the recent government shutdown and the related negotiations have on your M&A plans?^(a) *Multi select;* (N=300)



Note(s): (a) Sum of percentages may not add up to 100 due to rounding.
Source(s): KPMGM&A Survey – Year-end 2025

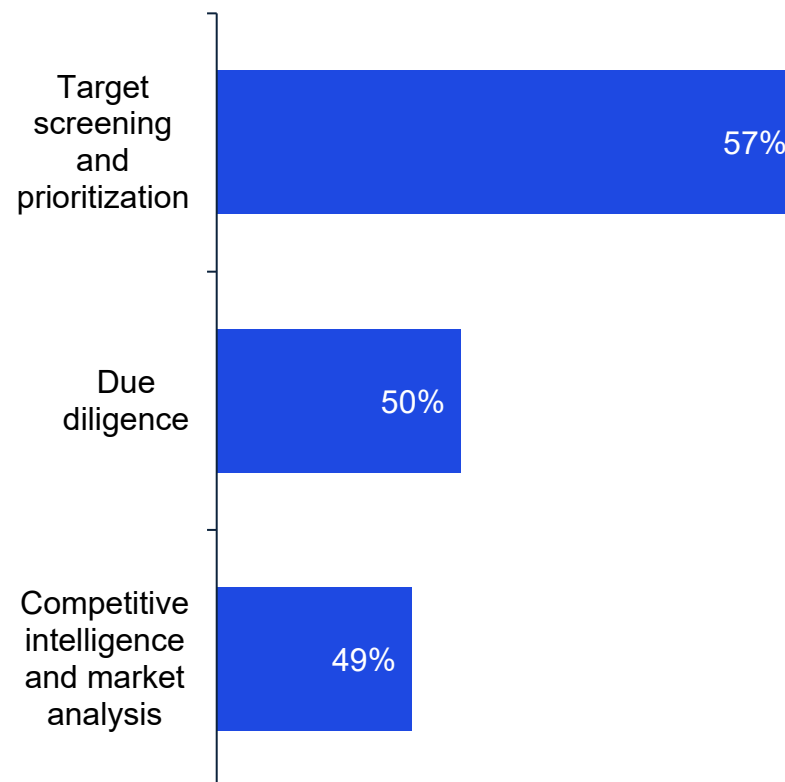
- **1/3rd** of respondents indicated that they had to increase the level of diligence required for deals involving government-regulated industries or contractors, due to the recent government shutdown
- Despite these challenges, only **4%** indicated that it contributed to the cancellation of a deal process.

GenAI offsets manual effort by 11-25% in target screening, due diligence, and competitive intelligence



To what extent has your organization used GenAI to offset manual effort in the following M&A processes?
Matrix; (N=300)

Top 3 processes with 11-25% efficiency gains



Source(s): KPMG M&A Survey – Year-end 2025

- **57%** report early efficiency gains (**11–25%**) in “target screening and prioritization”
- Efficiency gains were also seen in “due diligence” with **50%** reporting 11-25% efficiency gains.

02

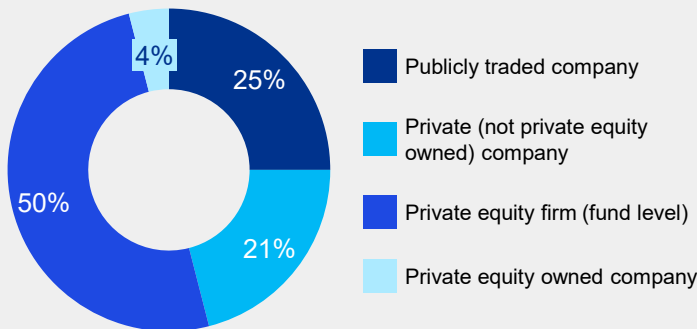
Demographics

Demographics/Screeners^(a)

(Overall) **N=300**

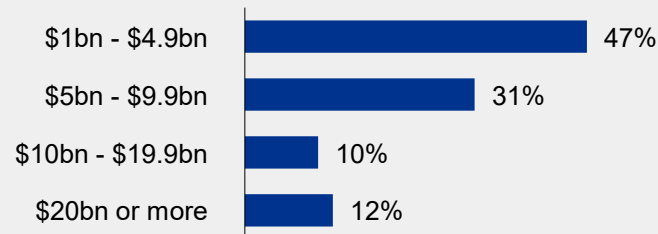
S1. Please specify the type of company for which you work?

N=300



S5a. What is your company's annual revenue?

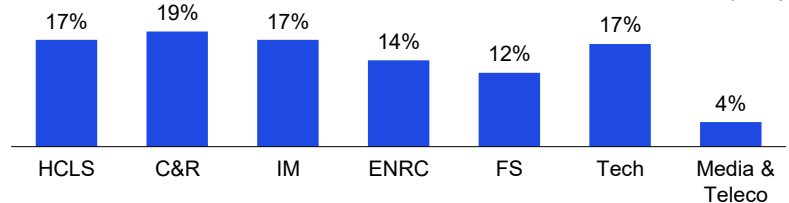
N=150 (Corp)



Note(s): (a) All screener questions are not covered on the slide
Source(s): KPMG M&A Survey – Year-end 2025

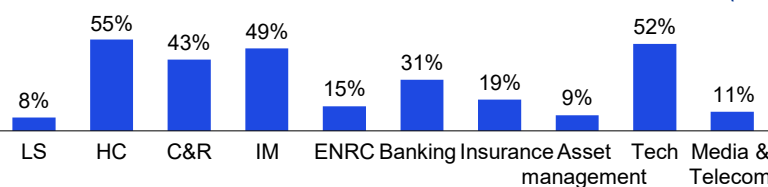
S3. Please select the industry in which your company operates

N=150 (Corp)



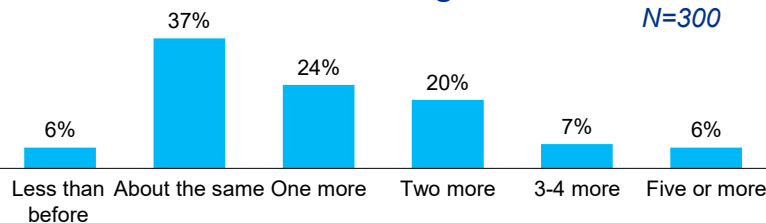
S4. Please select the industries in which your fund invests

N=150 (PE)



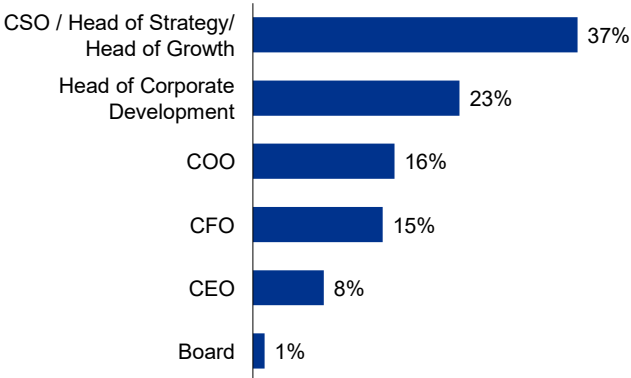
S9. How many M&A deals are you evaluating now versus twelve months ago?

N=300



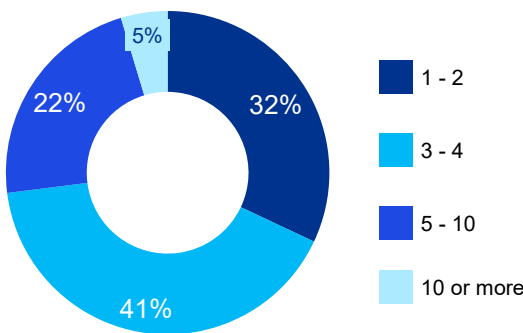
S2a. Which title best describes your role in the company?

N=150 (Corp)



S8. How many M&A deals does your company plan on doing in 2026?

N=300





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