



# KPMG 2026 M&A Deal Market Study

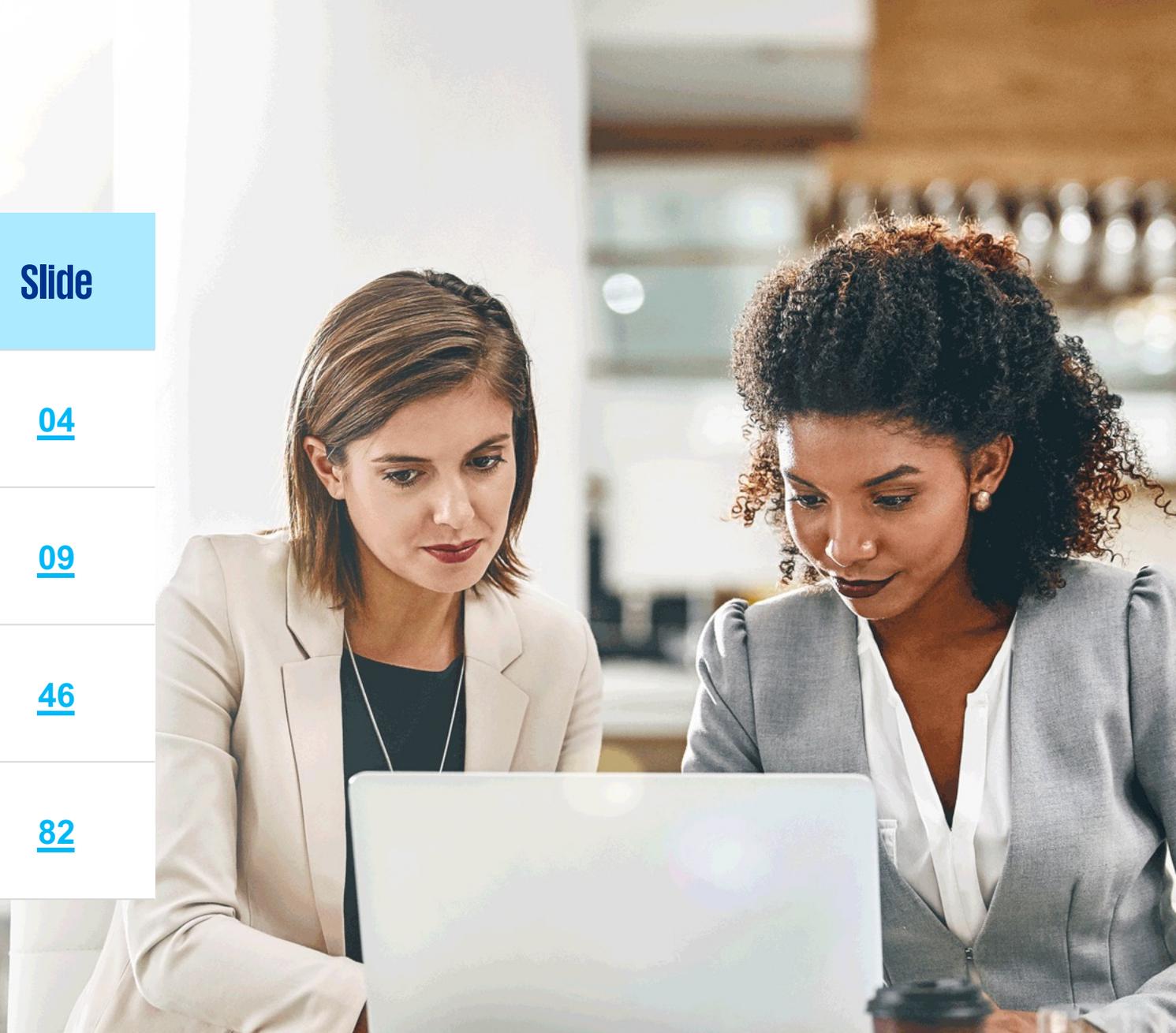
Survey Report

February 2026



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# Basis of presentation

## KPMG 2025 year-end survey: Introduction



### Background

Insights from 150 corporate and 150 PE dealmakers in the US, focusing on the M&A landscape



### Purpose of the survey

- Assess the current deal market to understand how market conditions are impacting deals and the degree to which corporate and PE firms are currently executing M&A deals
- Gauge the sentiment of M&A dealmakers for their 2026 plans, covering key topics like deal characteristics, asset availability and policy impacts
- For detailed methodology, please refer to [Slide 83](#)



**01**

# **Executive summary**

# At a glance: Corporate & PE findings

## M&A landscape and investment thesis

- Both corporates (**57%**) and PE (**75%**) anticipate higher overall M&A deal volumes in the US in 2026 compared to 2025, with PE being more bullish. While PE firms are more cautious than corporates about current administration policies, they are still more optimistic about 2026 deal volumes than corporates
  - In the 2025 mid-year survey, corporates anticipated a 77% and PE a 70% increase in 2025 deal activity compared to 2024
- Corporates and PE firms are open to inbound interest but only ~1/4<sup>th</sup> are actively seeking separation deals, showing a cautious approach
- Both groups share an identical investment thesis, with deals being primarily driven by the pursuit of **‘long-term strategic value and growth’** and **‘market and customer expansion’**

## Shifts in government policies

- Tax benefits under the current administration have elevated the desire and ability to increase M&A activity for both corporates (**64%**) and PE firms (**73%**)
- Corporates are more resilient in their perception of current antitrust environment compared to the previous administration, with only **19%** finding it harder to navigate. In contrast, about **40%** of PE firms feel it is more challenging than before
- PE firms require deeper levels of interest rate reduction to see a significant positive impact on the number of deals their organization completes— with **54%** needing a 100–150 bps cut versus **37%** of corporates

## Value realization dynamics

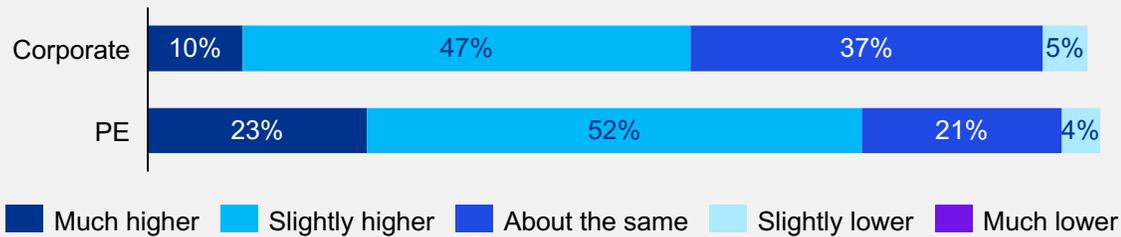
- There is strong alignment on value realization: both corporates and PE firms – who likely direct this focus toward their portfolio companies - cite **‘proper integration due-diligence’** and **‘identification and realization of synergies’** as top priorities
- **‘Achieving or exceeding synergy targets’** and **‘meeting the overall business case & financial model’** are considered as critical indicators of a successful acquisition by both corporates and PE respondents

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

# Dealmakers anticipate a slightly faster M&A pace in 2026 versus 2025, with a focus on deals below \$1 billion that provide long-term strategic value

## Slightly busier deal market expected for 2026 by both corporates and PE

### Expectation for overall M&A volume in the US in 2026 versus 2025



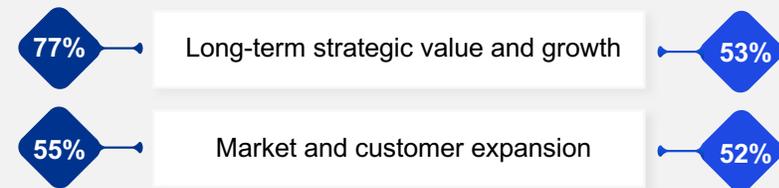
## Both groups are prioritizing long term strategic value and growth

### Primary investment thesis of the deals being considered

Top 2 responses

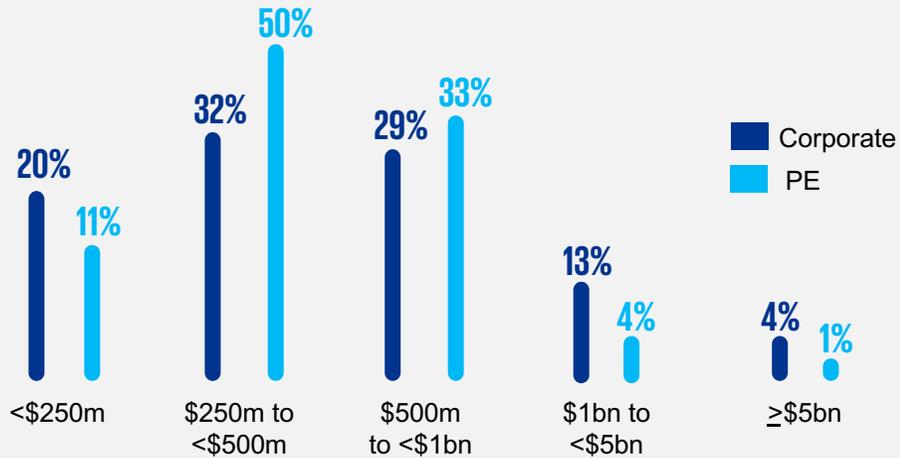
Corporate

PE



## Dealmakers are expected to pursue transactions below \$1 billion while exploring diverse deal strategies

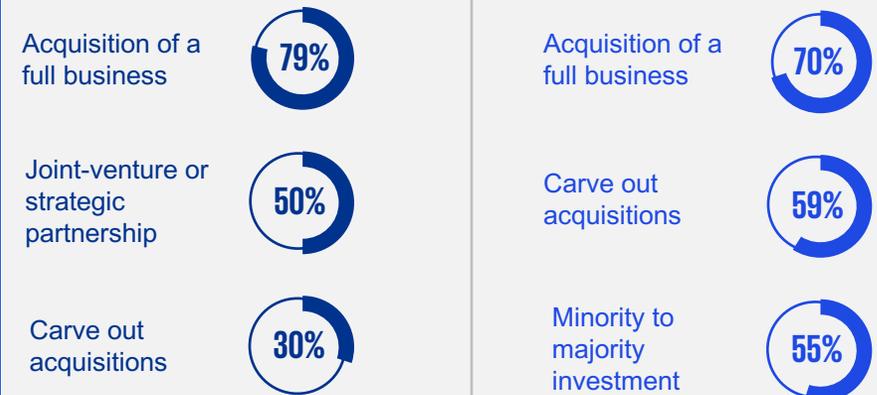
Deal value for the next M&A deal or deals



Top 3 types of deals being considered

Corporate

PE



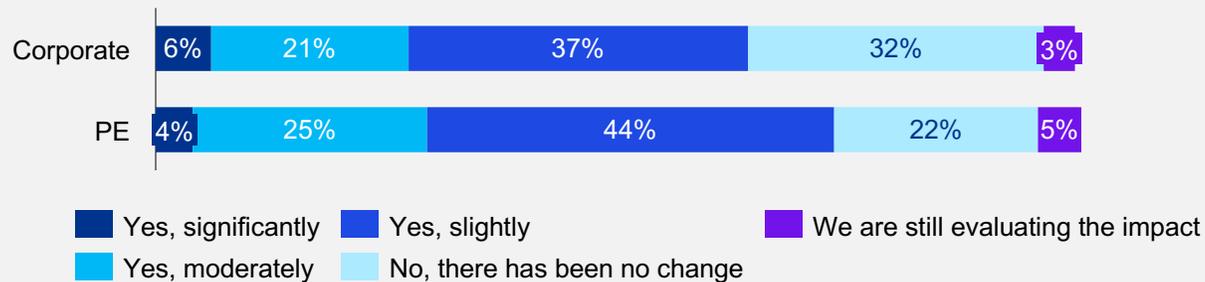
Source(s): KPMG M&A Survey – Year-end 2025

# Tax benefits have positively influenced both corporates and PE, however, while current policies remain neutral for corporates, they suggest caution for PE

Under the current administration, tax benefits have heightened the desire of both corporates and PE firms to increase M&A activity

## Impact of current administration's policies on M&A appetite

### The extent to which tax benefits influenced the desire of respondents to pursue more M&As



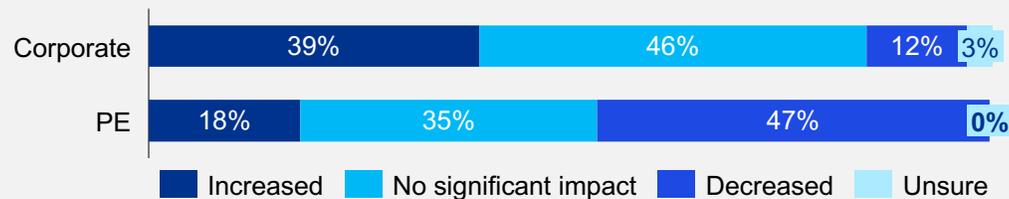
### Effects of recent shifts in the global tax landscape on cross-border M&A strategy

Top 3 responses

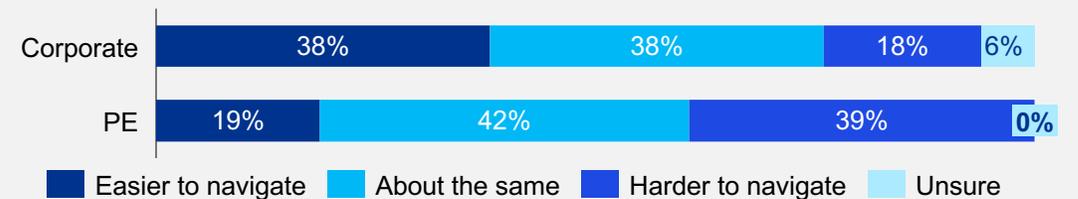


... meanwhile, the corporate M&A intentions appear resilient to the current administration's policies, whereas PE firms are expressing more caution

### Impact of current administration policies on the desire to pursue M&A



### Perception of current antitrust environment compared to previous administration



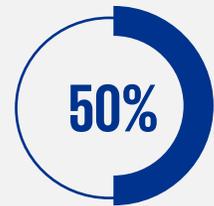
Source(s): KPMG M&A Survey – Year-end 2025

# Integration due-diligence emerged as a primary focus for ensuring value realization, with achieving synergy targets seen as a critical indicator of acquisition success

Proper integration due-diligence emerges as the most emphasized focus area for ensuring value realization across both groups

## Primary focus areas for ensuring value realization

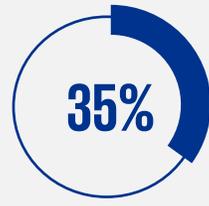
Represented top 3



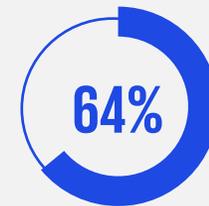
Proper integration due-diligence



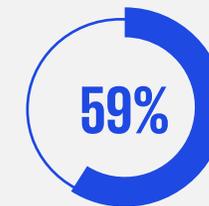
Identification and realization of synergies



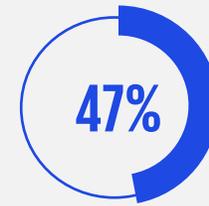
Retention and engagement of key talent



Proper integration due-diligence



Identification and realization of synergies



Integration of cultures, processes, and systems

Corporates identify leadership and culture misalignment as their primary post-merger challenge, while PE firms point to the loss of key talent. Both emphasize achieving synergy targets for success acquisitions

## Challenges during post-merger integration

Top 3 responses

### Corporate



### PE



## Critical indicators of a successful acquisition

Top 3 responses

### Corporate



### PE



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

02

# Sectional summary

Corporate M&A Dealmakers

# Summary of corporate findings: Key themes

## Corporates expect larger M&A pipeline

- **M&A on the rise:** Almost **3/5<sup>th</sup>** of corporates expect M&A deal volume in 2026 to be higher compared to 2025, with **82%** planning on executing 1-4 deals in 2026
- **Strategic focus:** Over **2/3<sup>rd</sup>** of corporates cite 'growing their core business' as the main reason for accelerating their M&A plans, followed by 'diversifying products or services' at **58%**
- **Optimism prevails:** Decreased focus on recession-resistant industries and distressed assets for turnaround indicates a more optimistic outlook, as companies anticipate economic stability and recovery

## Policy landscape seen as favorable for corporate M&A

- **Minimal policy impacts on M&A:** Corporate M&A intentions appear largely unaffected by the current administration's policies, as nearly half (**46%**) report no significant impact, while only **11%** note a slight decrease
- **Impact of tax benefits:** **64%** of corporate respondents report increased M&A enthusiasm due to tax incentives
- **Favorable antitrust perception:** Corporate perception of the antitrust environment is positive-to-neutral, with **76%** finding it either the same (**38%**) or easier to navigate (**38%**) than the previous administration

## Corporates prioritize proper integration due diligence for realizing value, aiming to achieve synergies for successful acquisitions

- **Integration-led value realization:** Corporates are considering integration due-diligence as the top priority (**50%**) for ensuring value realization
- **Post-merger integration hurdles:** For corporate respondents, leadership and culture misalignment (**52%**) and disruption to business momentum (**49%**) are the main challenges for post-merger integration
- **Acquisition success signals:** Achieving or exceeding synergy targets is deemed crucial by **53%**, while another **53%** view securing a stronger market position as key signs of a successful acquisition

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

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# M&A landscape and investment thesis

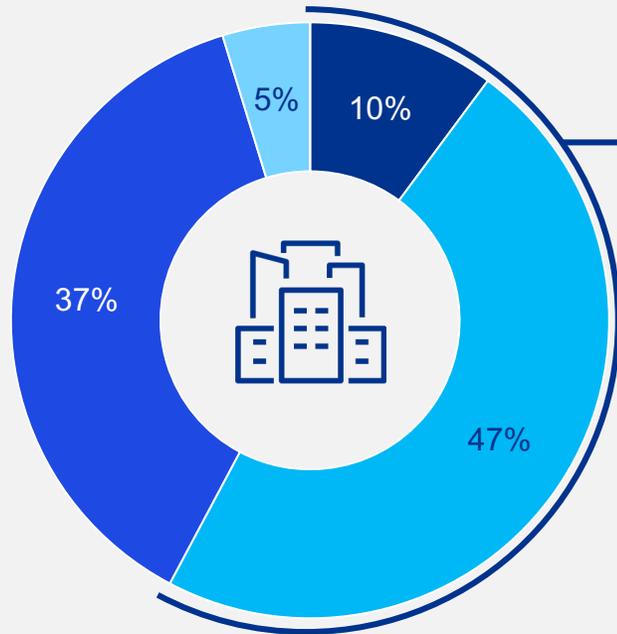
Corporate M&A Dealmakers



# Optimism prevails as over half of corporate dealmakers anticipate increased M&A activity in 2026, with 3/5th expecting an improvement in deal quality

Q. What are your expectations for your organization's M&A deal pipeline volume in 2026 compared to 2025?<sup>(a)</sup> Single select; N=150

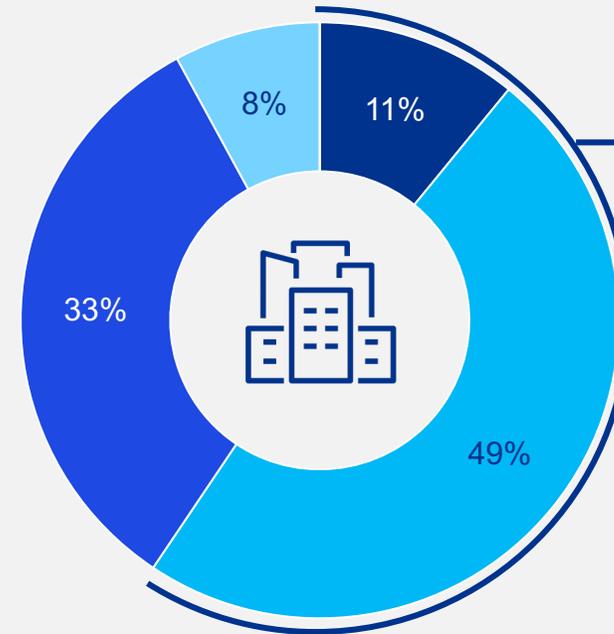
Volume expectations in 2026 vs 2025



**57% Corporate**

expect overall M&A deal volume in the US to be **higher in 2026 compared to 2025**

Quality of deal opportunities in 2026 vs 2025



**60% Corporate**

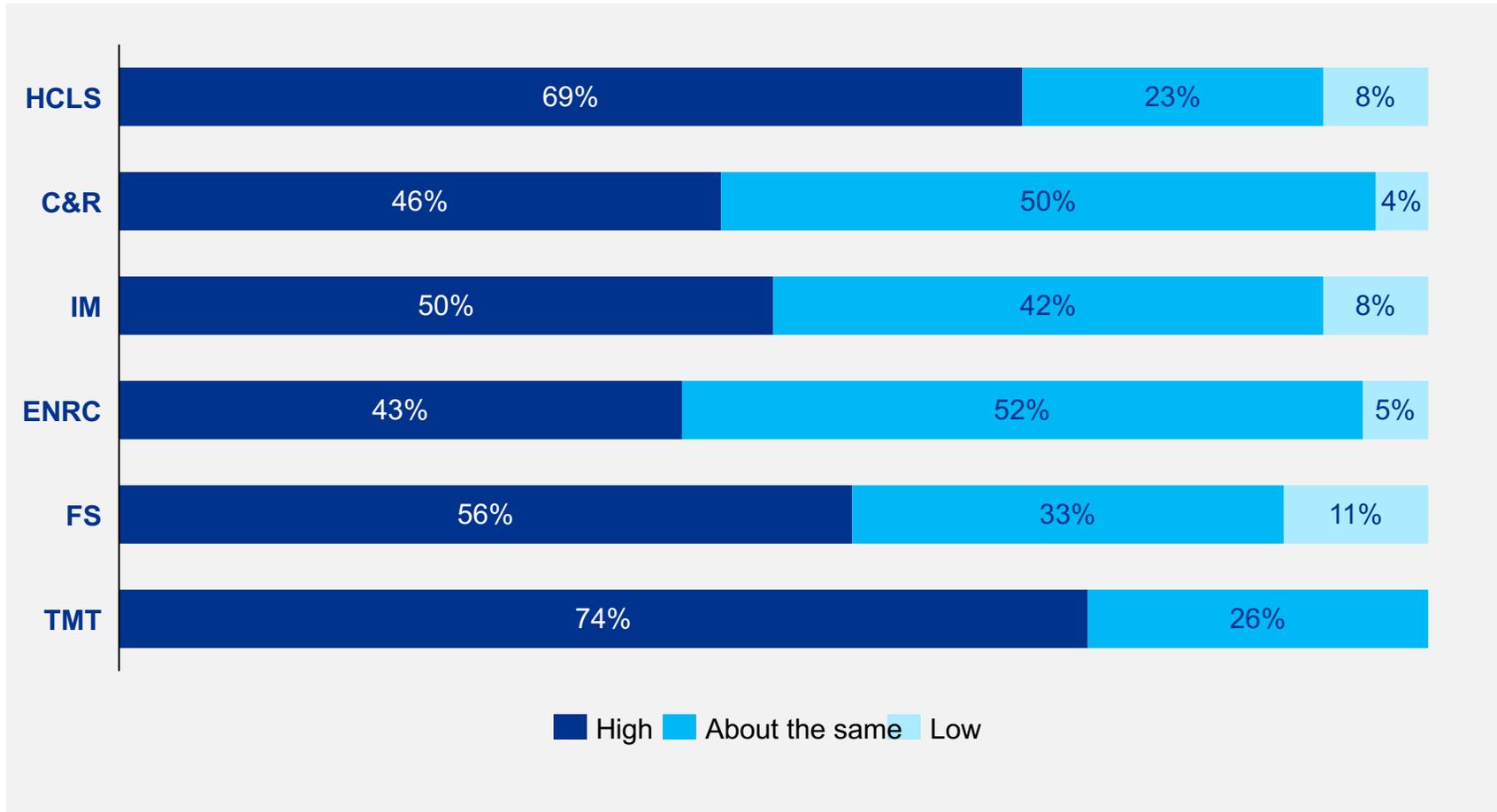
expect the deal quality to be **higher in 2026 vs 2025**

■ Much higher   ■ Slightly higher   ■ About the same   ■ Slightly lower

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

# TMT and HCLS sectors lead in M&A optimism for 2026 compared to 2025, while FS and IM show moderate confidence

Q. What are your expectations for your organization's M&A deal pipeline volume in 2026 compared to 2025?<sup>(a)(b)</sup> Single select; N=150



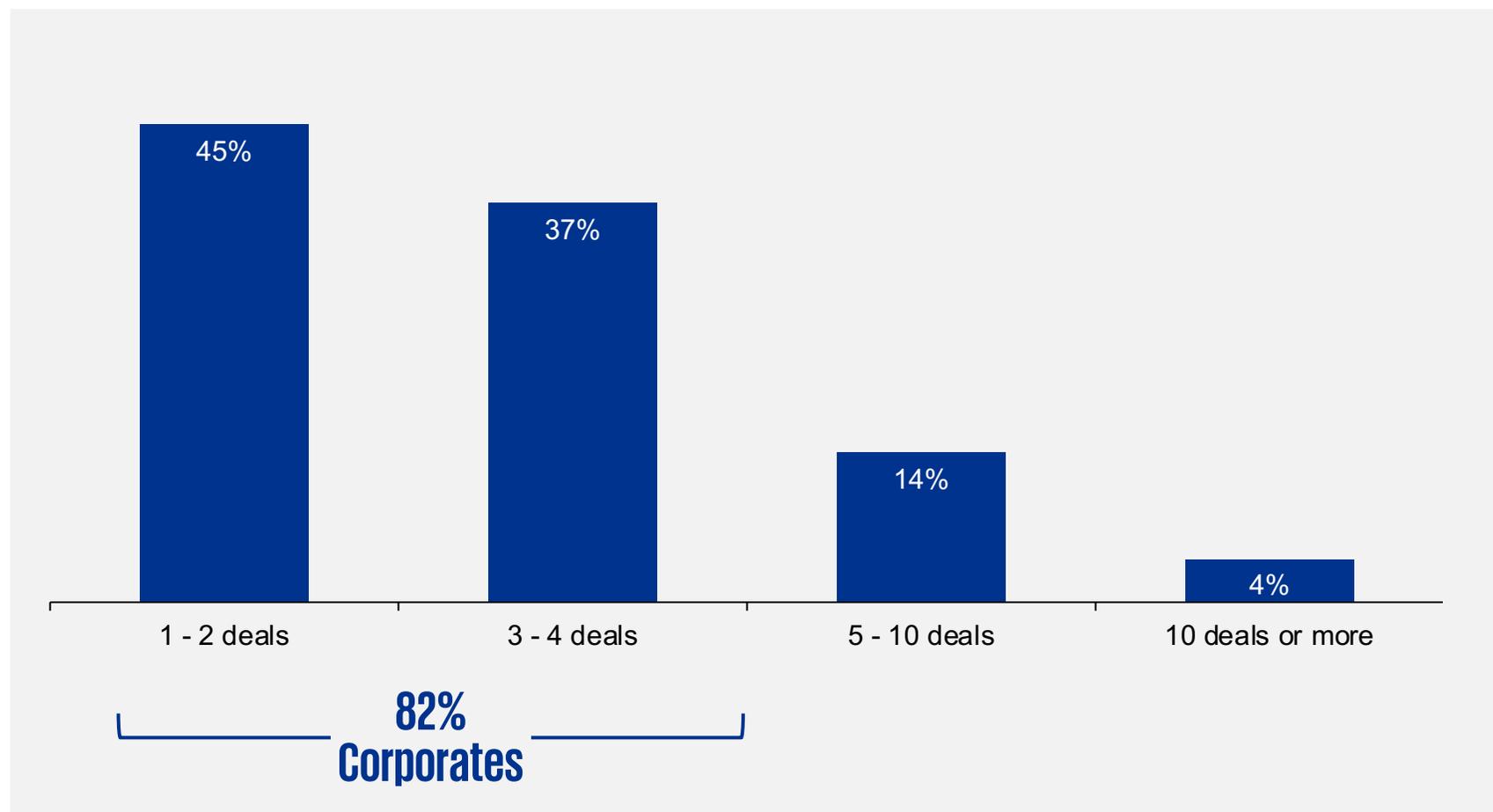
## Key observations

- Respondents from the **TMT (74%)** sector are most optimistic regarding high M&A volume in the coming year, followed by **HCLS** at **69%**
- The **FS** and **IM** sectors exhibit moderate optimism about M&A activity, whereas the **C&R** sectors remain more cautious, possibly due to tariffs. Similarly, the **ENRC** sector expresses caution, likely because of energy supply issues, such as high production and low oil and gas prices

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) Sum of "Much higher" and "Slightly higher" is shown as "High" and sum of "Slightly lower" and "Much lower" is shown as "Low"  
 Source(s): KPMG M&A Survey – Year-end 2025

# 82% of corporates are planning between 1-4 M&A deals this year prioritizing targeted, value-driven acquisitions

Q. How many M&A deals does your company plan on doing in 2026?<sup>(a)</sup> Single select; N=150



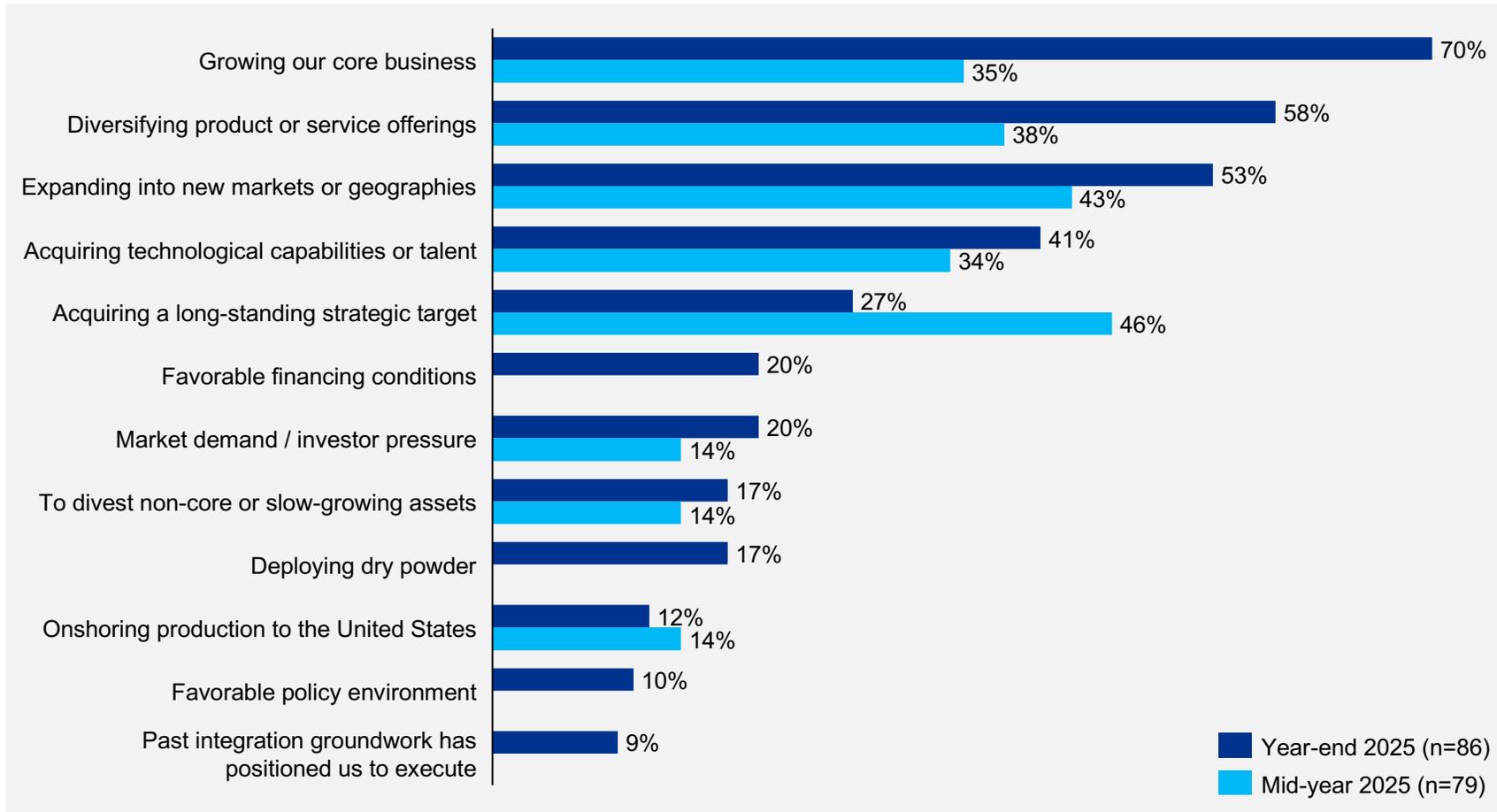
## Key observations

- A significant majority (**82%**) of corporations intend to pursue **1-4 M&A deals in 2026**, demonstrating a measured approach to using M&A to achieve business objectives

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

# Core growth, diversification, expansion into new markets and tech acquisitions are driving the increased M&A plans for corporates

Q. What are the reasons for your increased plans for M&A activity in 2026?<sup>(a)(b)</sup> Multi select; N=86



## Key observations

- Year-end 2025 data shows that ‘growing the core business’ has **an increased** importance, while ‘acquiring long-standing strategic targets’ has **decreased** in priority, when compared to Mid-year 2025 data
- Most corporate respondents cite **growth in their core business** and **diversifying product or service offerings** as the key reasons for their planned increase in M&A activity in 2026

Note: (a) Asked only to respondents expecting increased M&A volume in 2025 and 2026; (b) Few options in the Mid-year 2025 are blank because they were newly added to the year-end survey 2025 and weren't present in the mid-year 2025 survey  
 Source(s): KPMG M&A Survey – Year-end 2025

# Compared to our previous surveys, more corporates are pursuing M&A deals for long-term growth and market expansion; acquiring new technologies is also a priority

Q. What are the primary investment theses of the deals that you are considering? Multi select; N=150

	Year-end 2025	Mid-year 2025 <sup>(a)</sup>	Year-end 2024 <sup>(a)</sup>
 Long-term strategic value and growth	77%	31%	45%
 Market and customer expansion	55%	35%	52%
 New technologies or capabilities	43%	-	-
 Value-accretive deals with clear quick wins/synergies	33%	49%	53%
 Transactions that can accelerate broad business transformation	32%	45%	54%
 AI-native companies or AI-enabling technologies	14%	-	-
 Distressed assets for turnaround	11%	27%	42%
 Recession-resistant industries	9%	39%	50%
 New data for AI-related purposes	7%	-	-

## Key observations

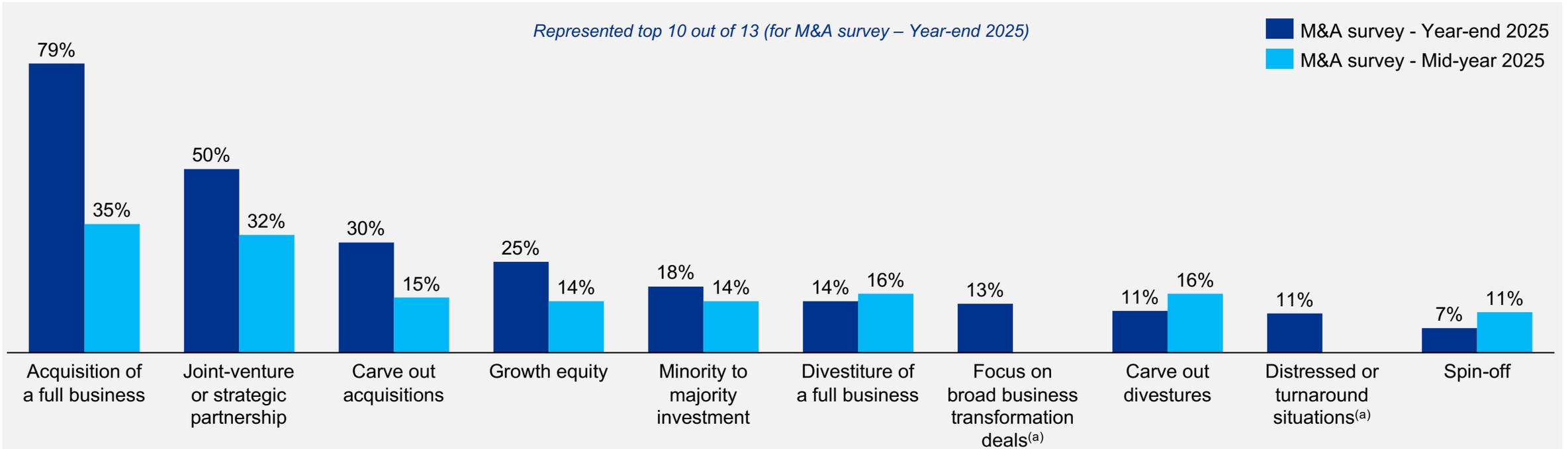
- Comparing these results to our 2025 M&A mid-year and 2024 M&A year-end surveys, **long-term strategic value and growth** have gained importance, suggesting a shift towards sustainable development and future-oriented strategies
- Decreased focus on recession-resistant industries and distressed assets for turnaround indicates a more optimistic outlook, as companies anticipate economic stability and recovery

Note: (a) Three options in the Mid-year 2025 and Year-end 2024 column are blank because they were newly added to the year-end survey 2025 and weren't present in the previous surveys  
 Source(s): KPMG M&A Survey – Year-end 2025; KPMG M&A Survey – Mid-year 2025; KPMG M&A Survey – Year-end 2024

# Corporates prioritize full acquisitions, with strategic partnerships and carve-outs as key secondary areas of focus

Q. What type of deals are you currently considering? Multi select; N=150

Represented top 10 out of 13 (for M&A survey – Year-end 2025)



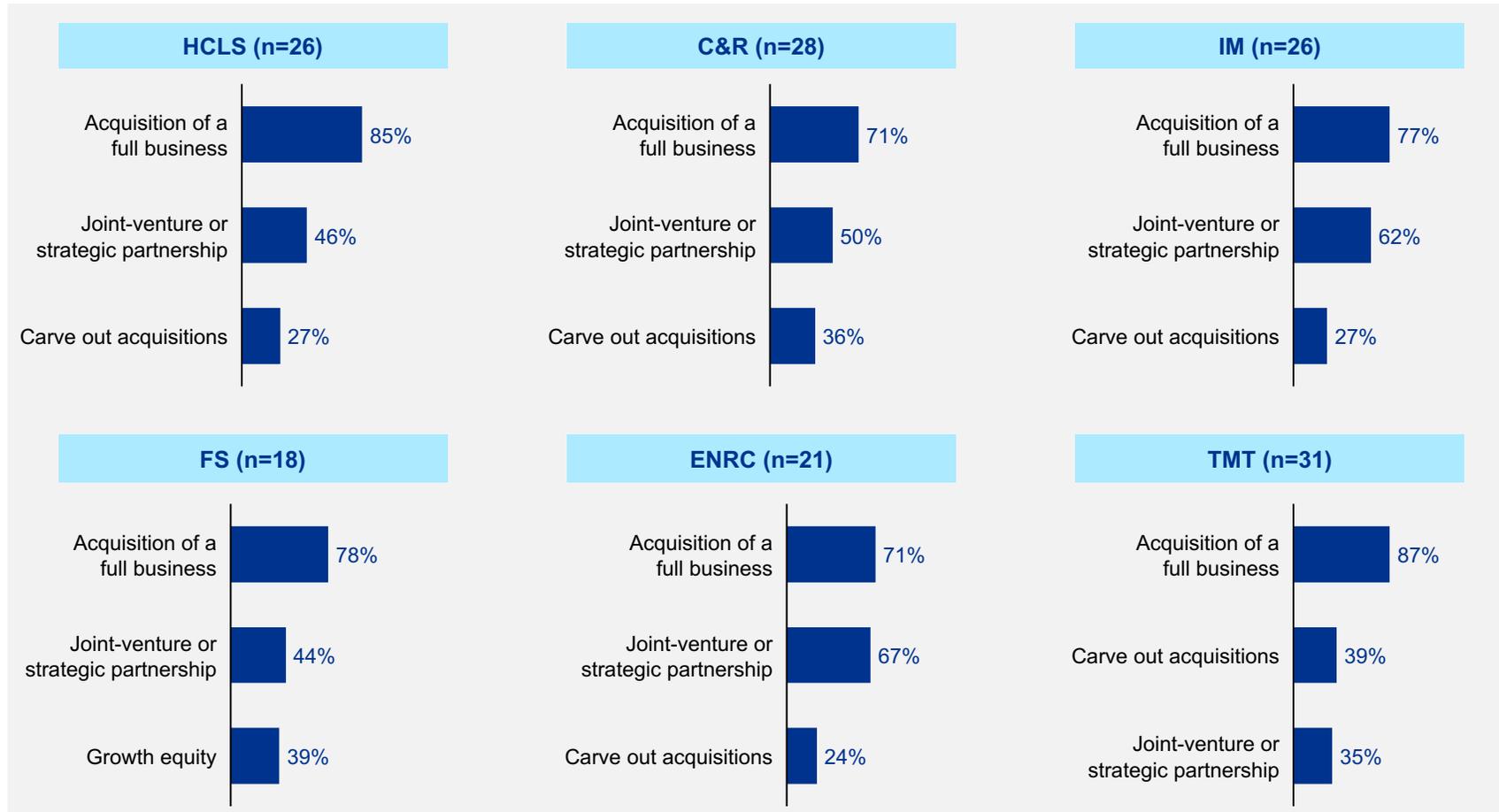
Comparing these results to our 2025 M&A mid-year survey, **acquiring a full business** continues to be the most preferred deal types among corporates, indicating a focus for end-to-end control

Note: (a) This option have been left blank for Mid year survey 2025 since these were newly added to the year-end 2025 survey and wasn't present in the Mid-year 2025 survey  
 Source(s): KPMG M&A Survey – Year-end 2025; KPMG M&A Survey – Mid-year 2025

# Among sectors, acquisition of full businesses is the most preferred deal type, particularly in the TMT sector

Q. What type of deals are you currently considering? *Multi select; N=150*

Represented top 3



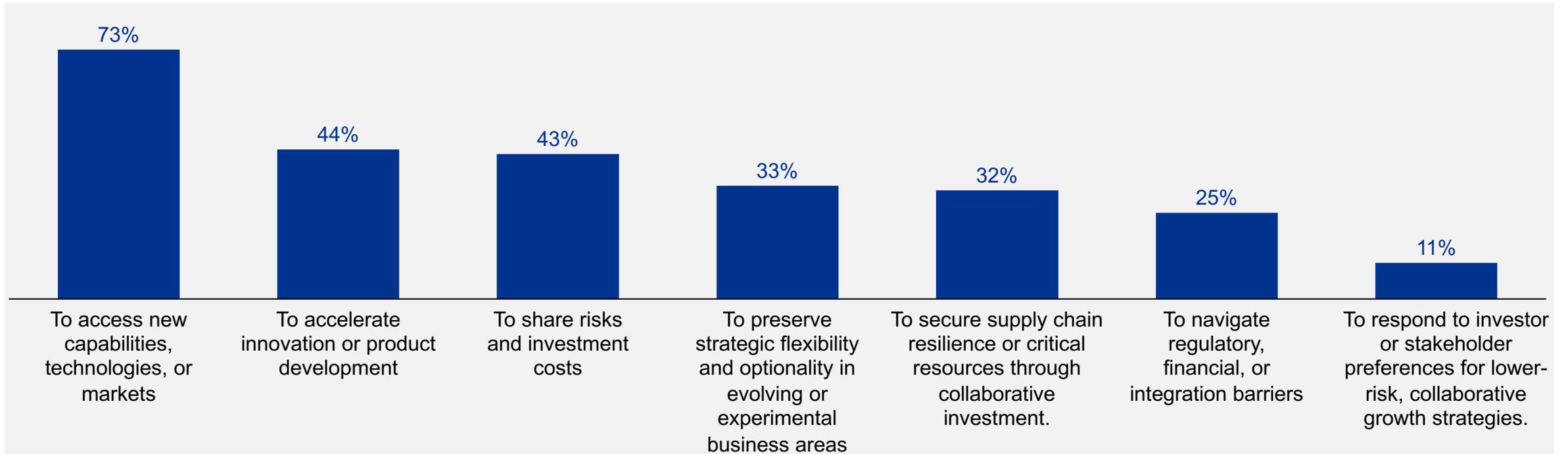
## Key observations

- The **TMT and HCLS** sectors had the highest concentration with **87% and 85%** of respondents, respectively, opting for acquisition of full business as the preferred deal type
- Significant respondents from **ENRC (67%)** and **IM (62%)** sectors are also considering **Joint venture or strategic partnership**, **TMT** also had a high concentration citing carve out acquisitions, with **39%** of respondents

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

# Corporates are pursuing joint ventures and partnerships primarily to access new capabilities, technologies or markets

Q. What are the primary reasons behind your joint-venture or strategic partnership?<sup>(a)</sup> Multi select; N=75

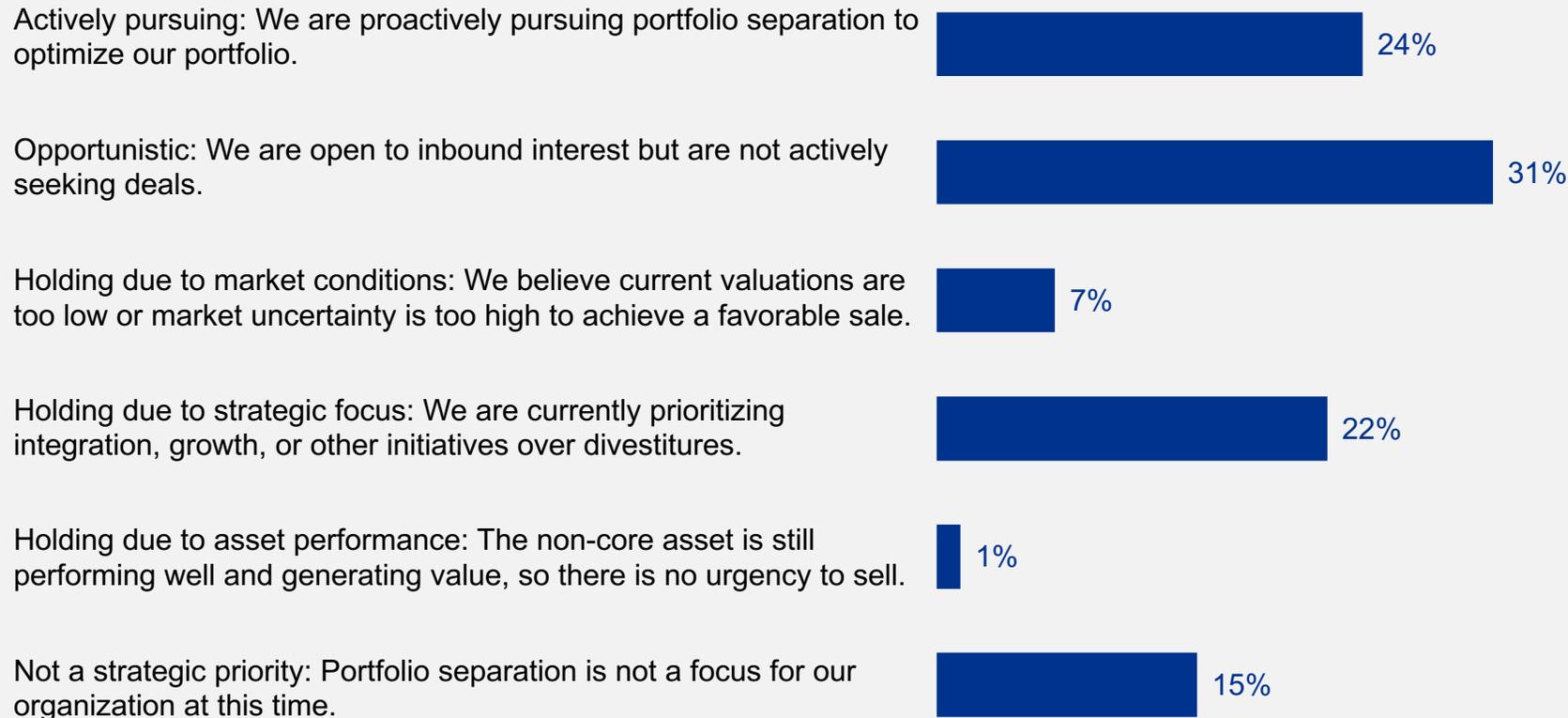


Most **corporates** primarily pursue joint ventures or partnerships to access new capabilities, technologies or markets (**73%**), reinforcing their focus on capability-building. Accelerating product development (**44%**), and sharing risk investment costs (**43%**) are other key drivers

Note: (a) Only asked to respondents considering joint ventures or strategic partnerships as their deals  
Source(s): KPMG M&A Survey – Year-end 2025

# Over 30% of corporates are open to inbound interest with another 24% actively seeking deals, showing a balanced approach

Q. What best describes your organization's current approach to portfolio separation (divestitures, carve-outs, or spin-offs)?<sup>(a)</sup> *Single select; N=150*



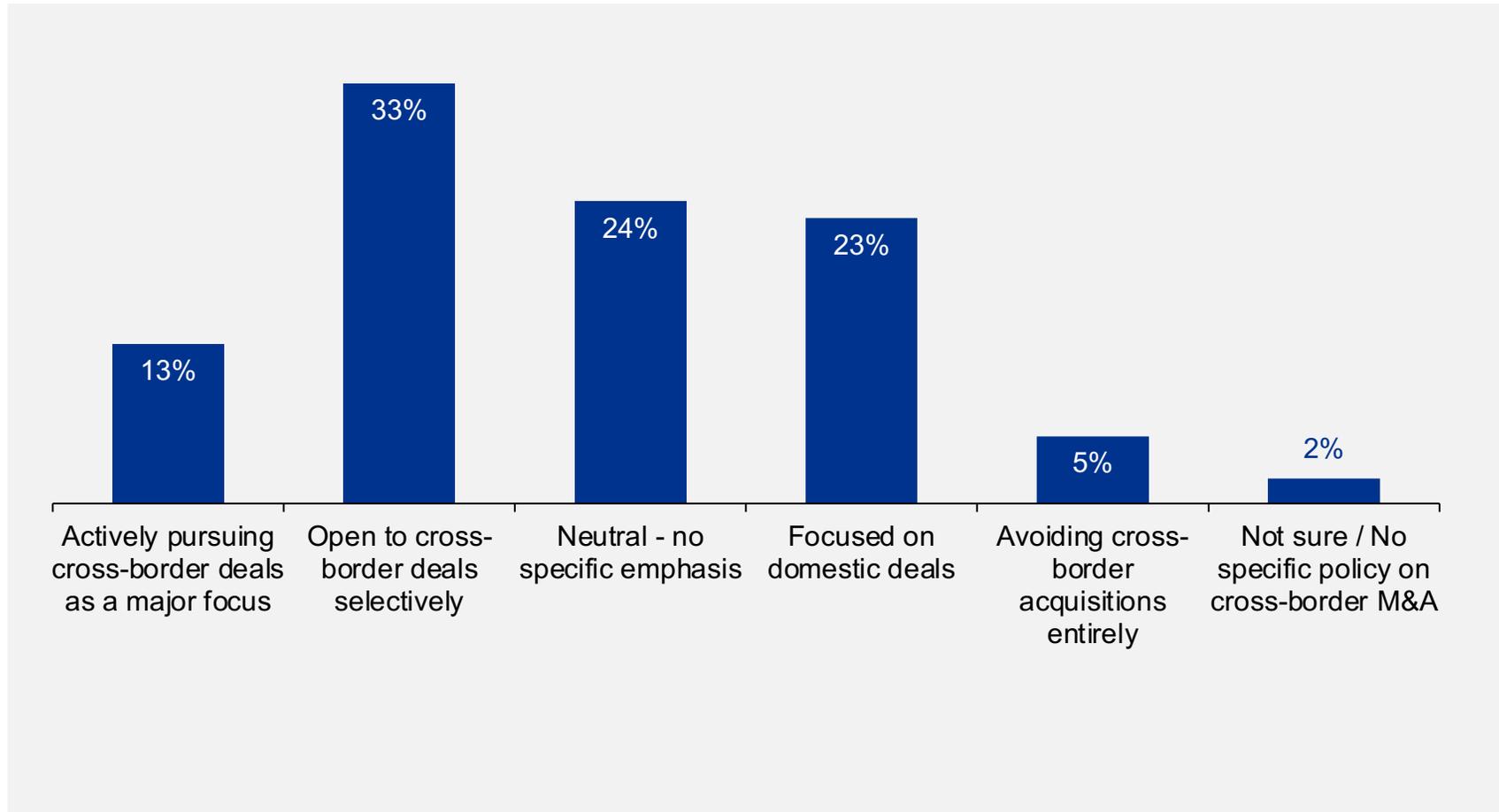
## Key observations

- **Corporates** lean toward opportunistic engagement (**31%**) when it comes to their current approach to portfolio separation, while only **24%** are actively seeking deals, reflecting a balanced approach. A notable **15%** indicate portfolio separation is not a strategic priority

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

# 1/3<sup>rd</sup> of corporates are selectively interested in cross-border deals, while 28% appear not to be interested in them

Q. Which statement best describes your approach to cross-border M&A in 2026?<sup>(a)</sup> *Single select; N=150*



## Key observations

- **Corporates** lean toward a selective approach (**33%**), with only another **13%** actively prioritizing cross-border deals. Meanwhile, **23%** of respondents also focus on executing domestic deals

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

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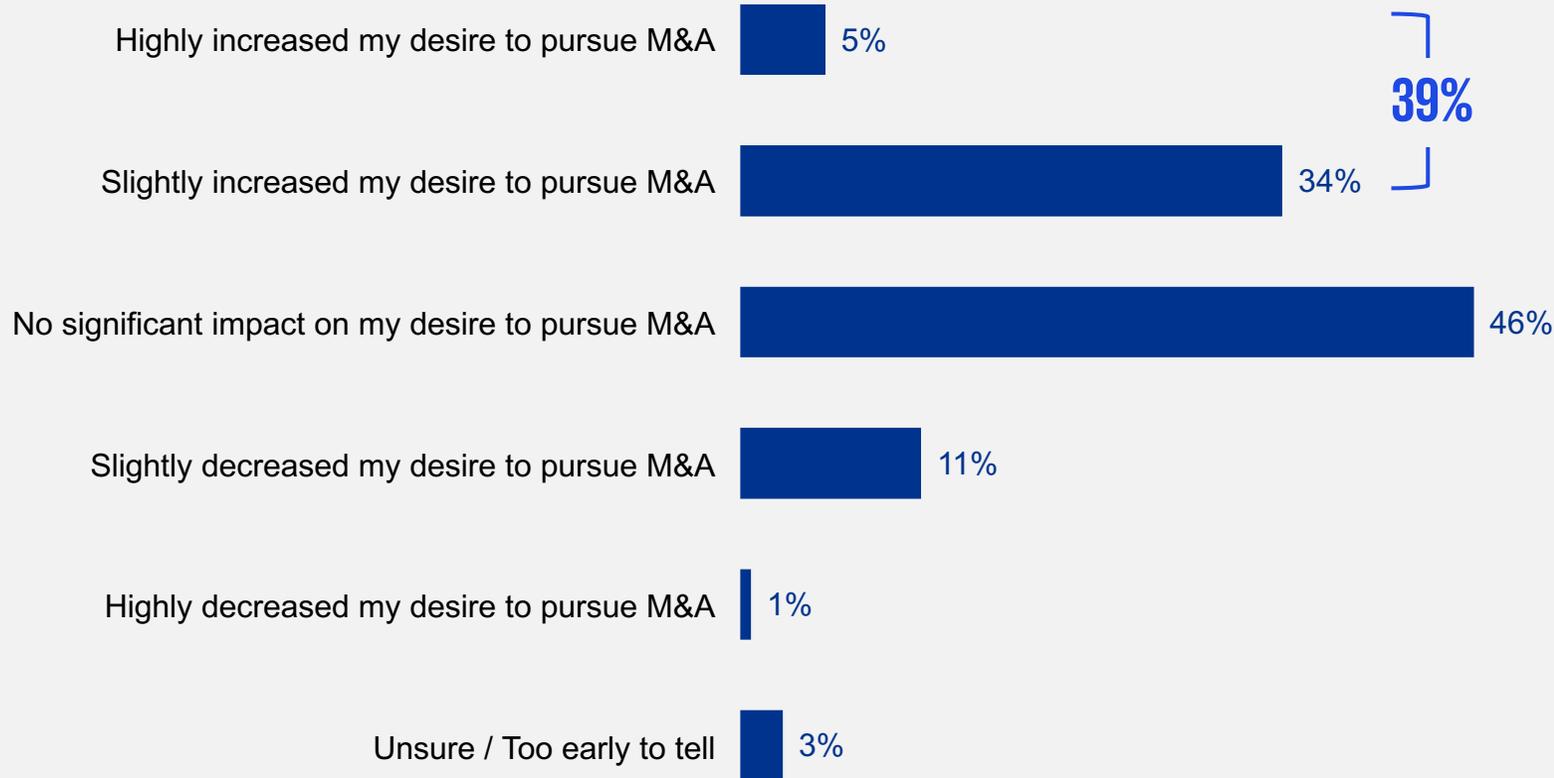
# Shifts in government policies

Corporate M&A Dealmakers



# Almost half of corporate respondents saw no impact from current policies on their M&A interest, 39% reported a positive effect

Q. How has the current administration's policies impacted your desire to pursue M&A?<sup>(a)</sup> Single select; N=150



## Key observations

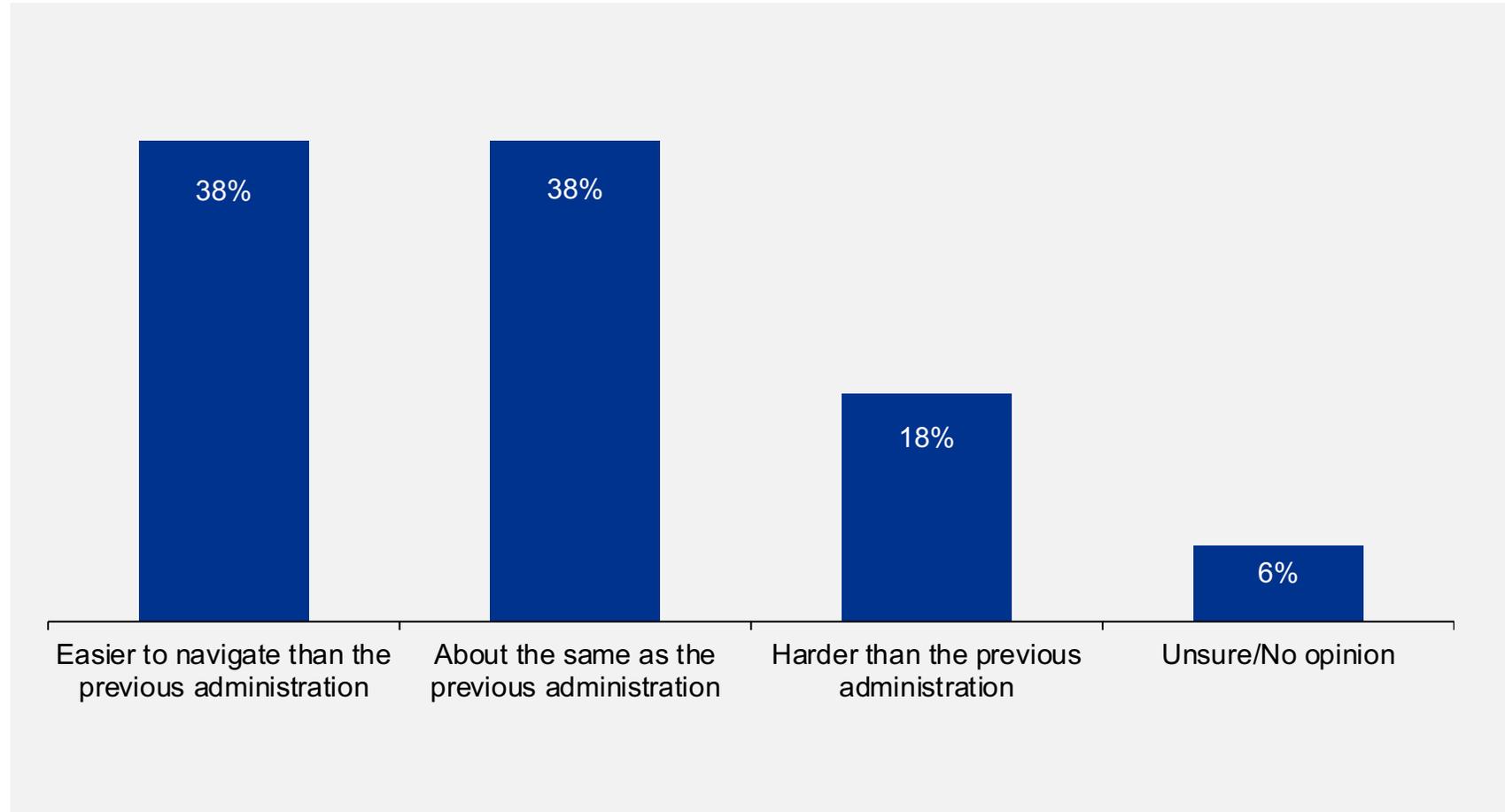
- The largest segment, **46%**, reported no significant impact from current policies on their M&A intentions
- Among **corporate** respondents, **34%** reported slight increase in their desire to pursue M&A due to the impact of current administration policies, while only **11%** experienced a slight decrease

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

# Nearly 2/5<sup>th</sup> of corporates said the antitrust environment is easier to navigate than during the previous administration, with the same amount perceiving it unchanged

Q. 10 months into the current administration, how do you perceive the antitrust environment compared to the previous administration?<sup>(a)</sup>

Single select; N=150



## Key observations

- Significant **corporate** respondents indicate a favorable perception pertaining to the antitrust environment, with **38%** finding it easier to navigate than the previous administration
- Another **38%** feel it remains about the same, while a smaller segment (**18%**) perceives it as harder

Note(s): (a) Sum of percentages may not add up to 100 due to rounding

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

# For almost half of corporations, OB3's regulatory certainty boosted their interest in domestic M&A but left cross-border M&A interest unchanged<sup>(a)</sup>

Q. How has the greater regulatory certainty provided by the One Big Beautiful Bill Act (OB3) impacted your organization's appetite for both domestic and cross-border M&A?<sup>(b)</sup> Single select; N=150

	Domestic	Cross-border
Increased	47%	7%
No change	36%	54%
Conditional - impact is limited to specific cases (e.g., only in certain regulated sectors).	14%	25%
Decreased	3%	14%

## Key observations

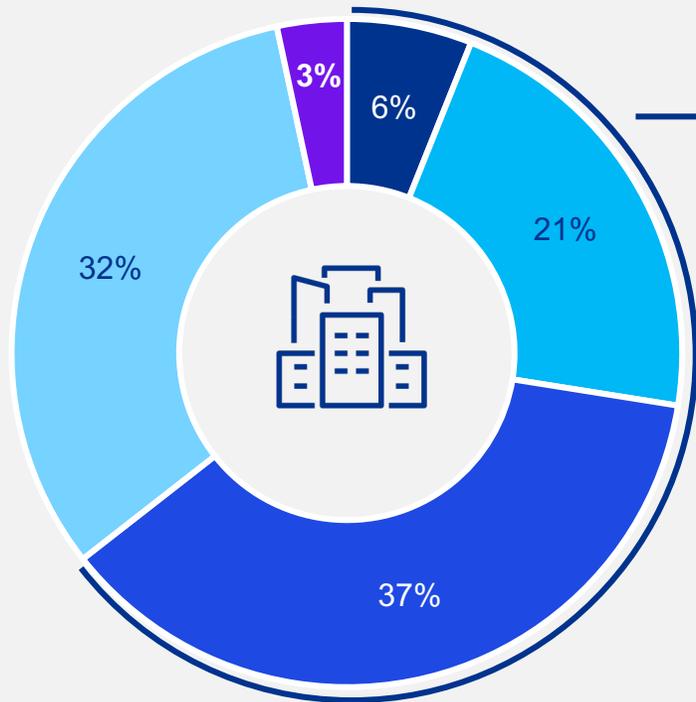
- Greater regulatory certainty provided by OB3 led to a **47%** increase in appetite of corporates for domestic M&As, with **36%** seeing no change
- For cross-border deals, **54%** reported no change in their appetite, indicating a stable approach internationally

Note(s): (a) OB3 = "One Big Beautiful Bill Act," formally: An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14 (b) Sum of percentages may not add up to 100 due to rounding  
 Source(s): KPMG M&A Survey – Year-end 2025

# Majority of corporates report increased deal desire driven by R&D spending and CapEx tax benefits

Q. Have the tax benefits related to increased research and development spending and CapEx under OB3 increased your desire and ability to increase M&A activity?<sup>(a)</sup> Single select; N=150

**64% Corporate**



- Yes, significantly
- Yes, moderately
- Yes, slightly
- No, there has been no change
- We are still evaluating the impact

## Key observations

- **64%** of **corporate** respondents report increased M&A enthusiasm due to tax incentives, while **35%** see no change or are still evaluating the impact

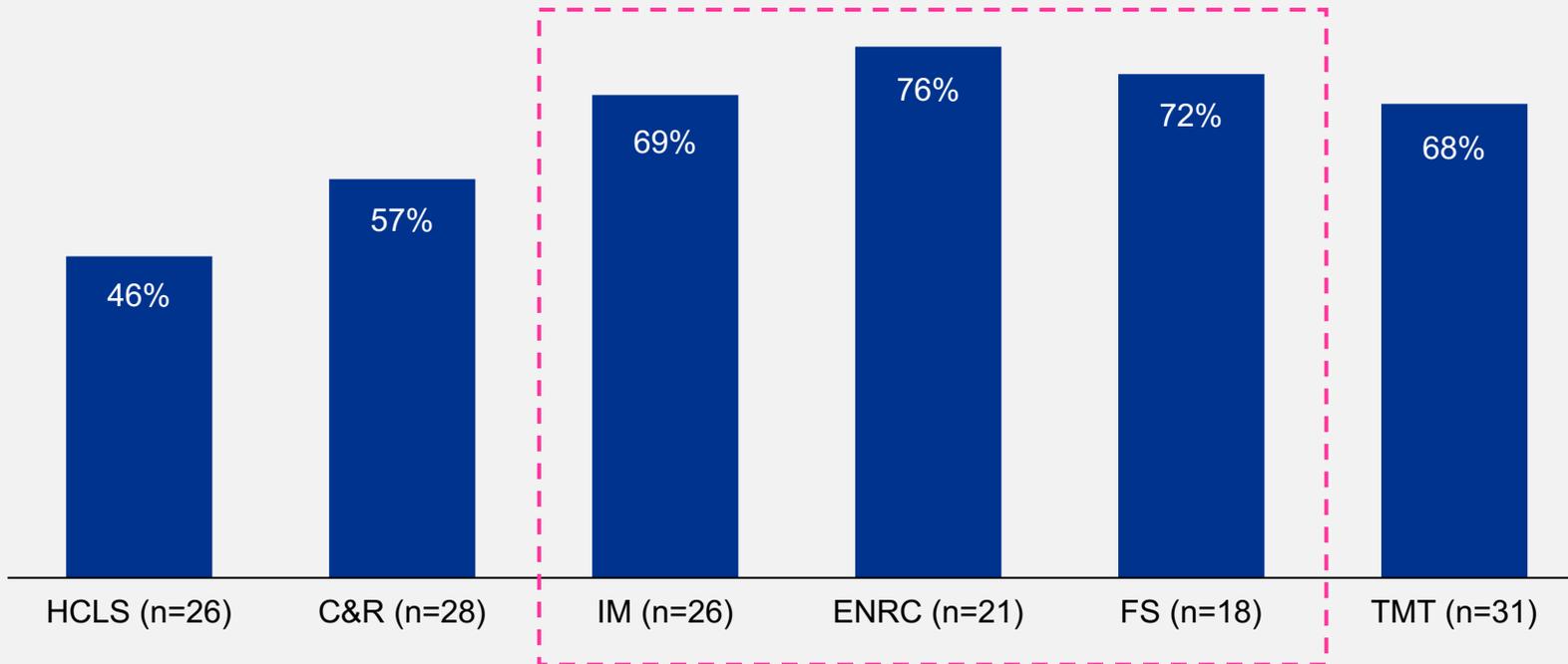
Note(s): (a) Sum of percentages may not add up to 100 due to rounding  
Source(s): KPMG M&A Survey – Year-end 2025

# Tax incentives for R&D and CapEx have fueled stronger M&A appetite across sectors, with ENRC and FS sectors showing the highest interest

Q. Have the tax benefits related to increased research and development spending and CapEx under OB3 increased your desire and ability to increase M&A activity?<sup>(a)</sup> Single select; N=150

## By corporate sector (n=150)

This graph represents corporate sector cut of respondents who have selected: “Yes, significantly”, “Yes, moderately” or “Yes, slightly”



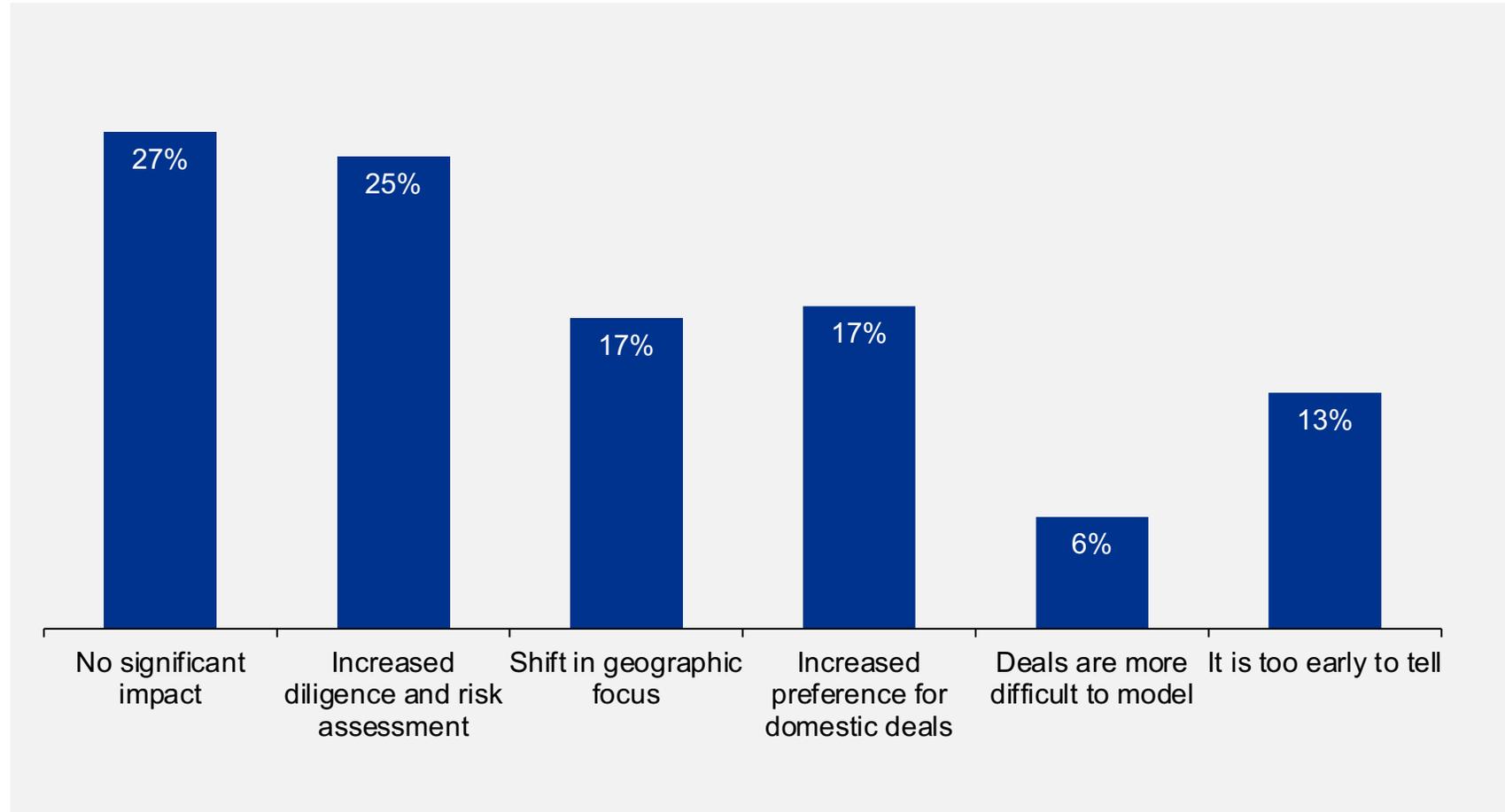
## Key observations

- Tax benefits have significantly boosted M&A appetite across sectors, with **IM (69%)**, **ENRC (76%)**, and **FS (72%)** showing the strongest positive impact. **TMT (68%)** sector also report high enthusiasm driven by R&D and CapEx incentives

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

# A divided M&A response to tax changes: Over a quarter of corporates see no impact, and another quarter are increasing diligence and risk assessment

Q. How have recent shifts in the global tax landscape (e.g., OECD Pillar Two, digital services taxes) impacted your organization's strategy for cross-border M&A?<sup>(a)(b)</sup> Single select; N=150



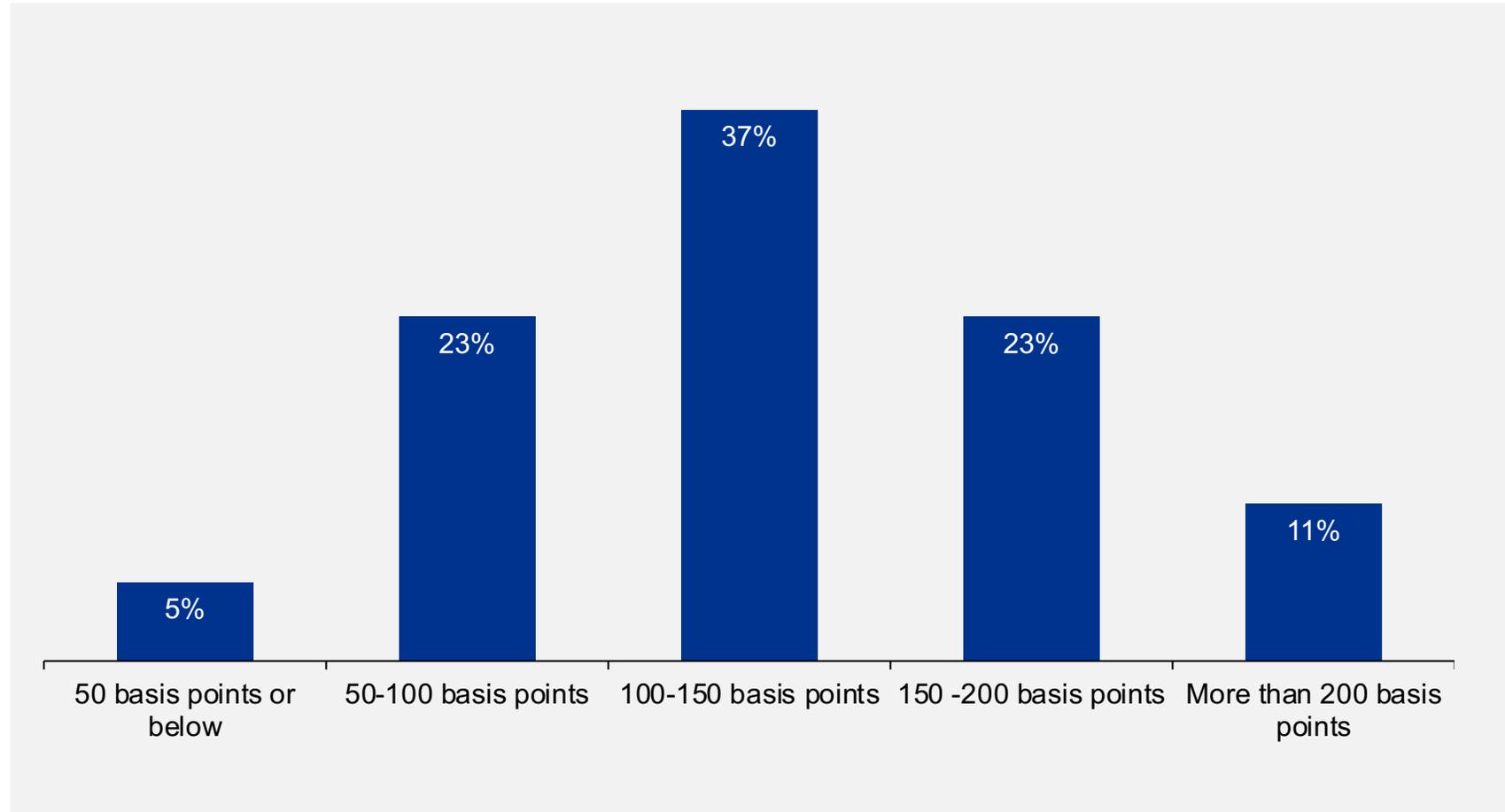
## Key observations

- Among corporate respondents, **27%** experienced no significant impact from global tax changes
- While **25%** have increased their diligence and risk assessment

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The "Not applicable" option is not represented due to low responses  
Source(s): KPMG M&A Survey – Year-end 2025

# ~2/5<sup>th</sup> of corporates believe a 100–150 basis point reduction in interest rates is needed to significantly boost deal volumes

Q. What level of interest rate reduction do you believe would be necessary to have a significant positive impact on the number of deals your organization completes?<sup>(a)</sup> Single select; N=150



## Key observations

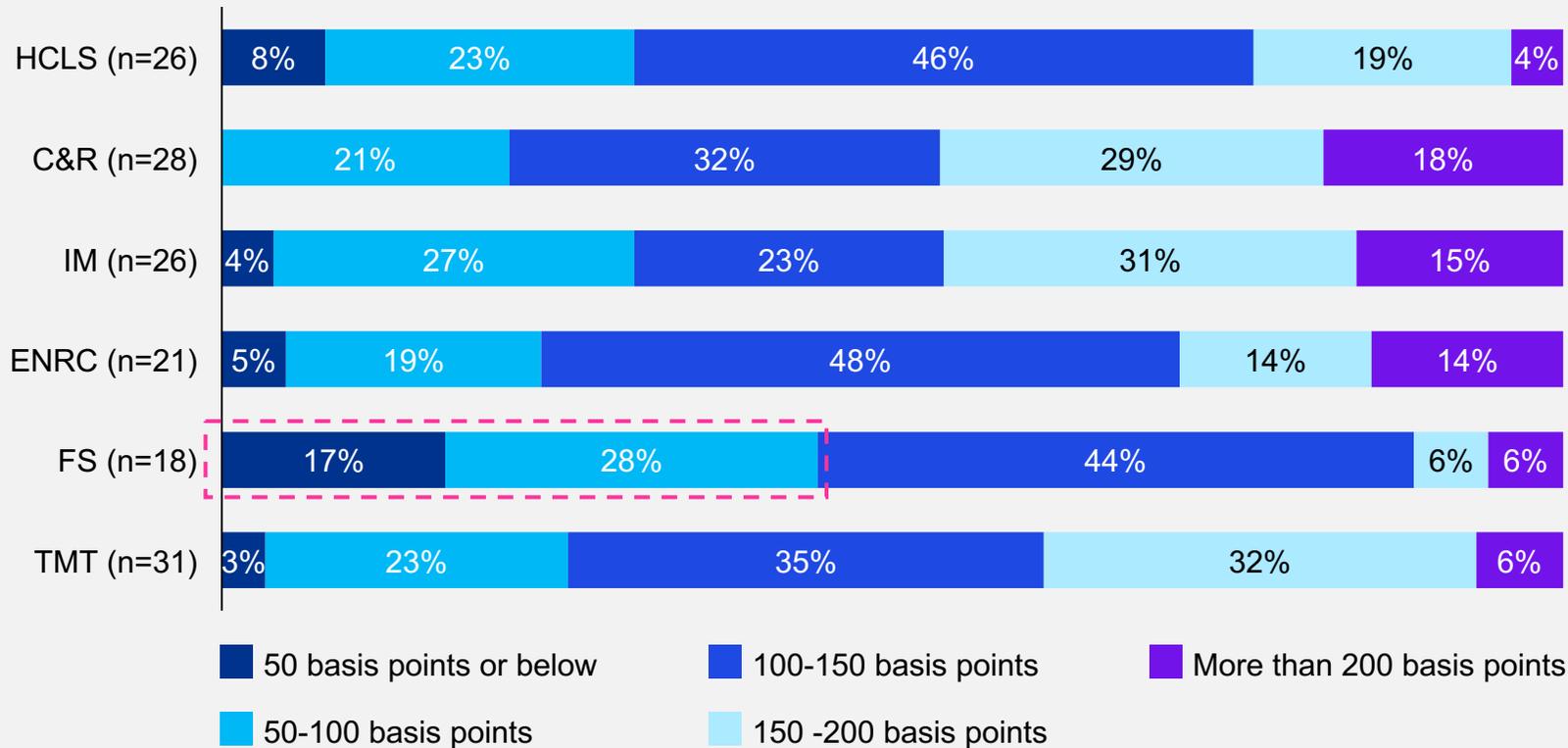
- ~2/5<sup>th</sup> of the corporates believe a 100–150 basis point reduction is necessary to meaningfully impact deal volumes, while 23% believes that a 150–200 bps cut would be required
- Only a small minority (28%) believes that a reduction of less than 100 basis points in interest rates would significantly boost the number of deals their organization completes

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

# While most sectors require deeper rate cuts to drive deals, FS manages with reductions up to 100 basis points only

Q. What level of interest rate reduction do you believe would be necessary to have a significant positive impact on the number of deals your organization completes?<sup>(a)</sup> Single select; N=150

## By corporate sector (n=150)



## Key observations

- Unlike other sectors, FS is uniquely positioned to benefit positively from interest rate reductions of up to 100 basis points

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

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# Integration & value realization

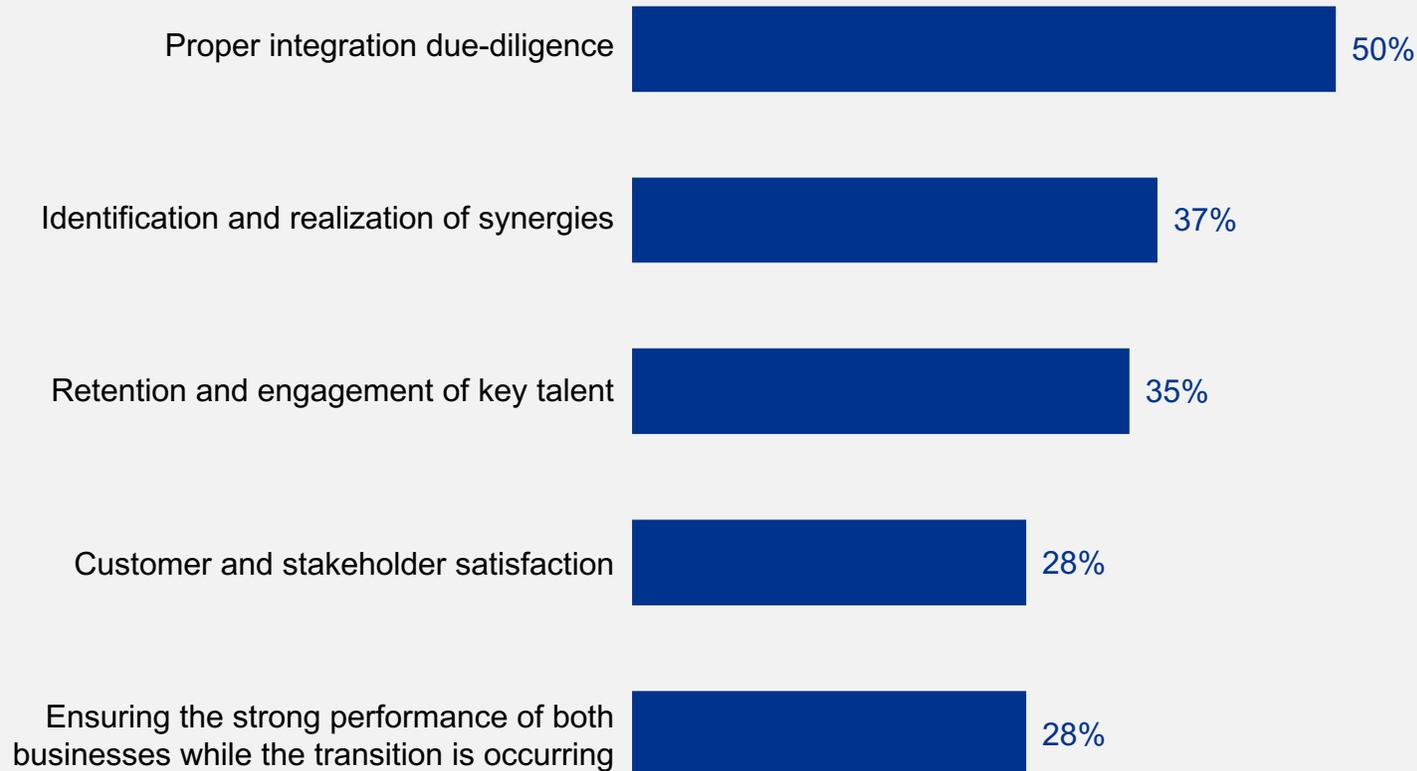
Corporate M&A Dealmakers



# Corporates' key focus areas for value realization revolve around integration due-diligence, synergies and key talent retention

Q. What are your primary focus areas for ensuring value realization? Multi select; N=150

Represented top 5 out of 11



## Key observations

- Integration due-diligence stands out as the top priority for **corporates (50%)**, indicating that organizations view rigorous pre- and post-integration assessment as the most critical driver of value realization in transactions
- Synergies (**37%**) and key-talent retention (**35%**) emerge as the next biggest focus areas

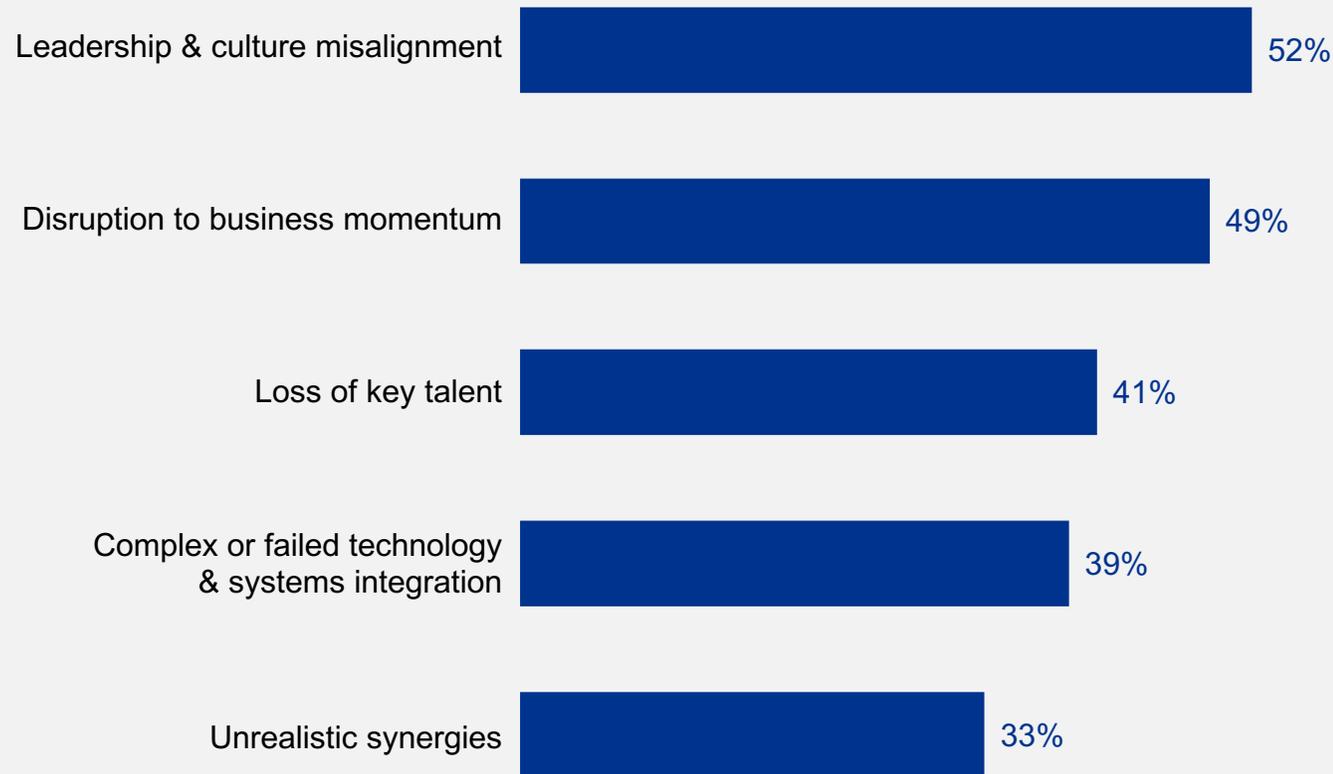
Source(s): KPMG M&A Survey – Year-end 2025

# For corporates, post-merger value realization is most challenged by leadership and culture misalignment with disruption to business momentum a close second

Q. When it comes to post-merger integration, which of these challenges has posed the greatest risk to value realization, in your experience?

Multi select; N=150

Represented top 5 out of 9



## Key observations

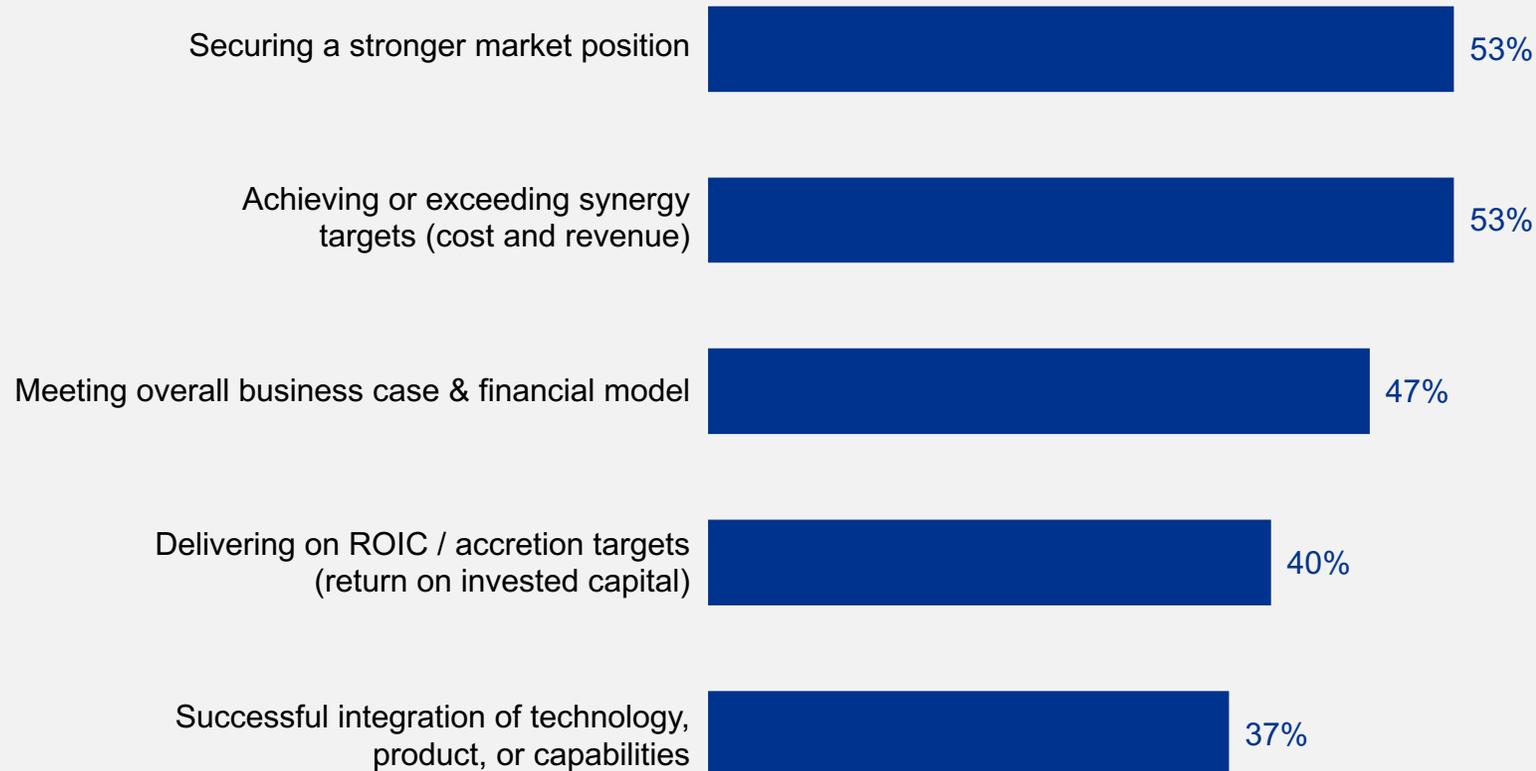
- For **corporate** respondents, leadership and culture misalignment (**52%**) and disruption to business momentum (**49%**) are the main challenges, when it comes to post-merger integration

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

# Most corporations view a successful acquisition as achieving a stronger market position, meeting synergy targets, and meeting business case and financial model

Q. Which of the following achievements have been the most critical indicators of a successful acquisition? Multi select; N=150

Represented top 5 out of 8



## Key observations

- Among corporate respondents, achieving or exceeding synergy targets is deemed crucial by **53%**, while another **53%** view securing a stronger market position as key signs of a successful acquisition

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

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# Additional survey insights

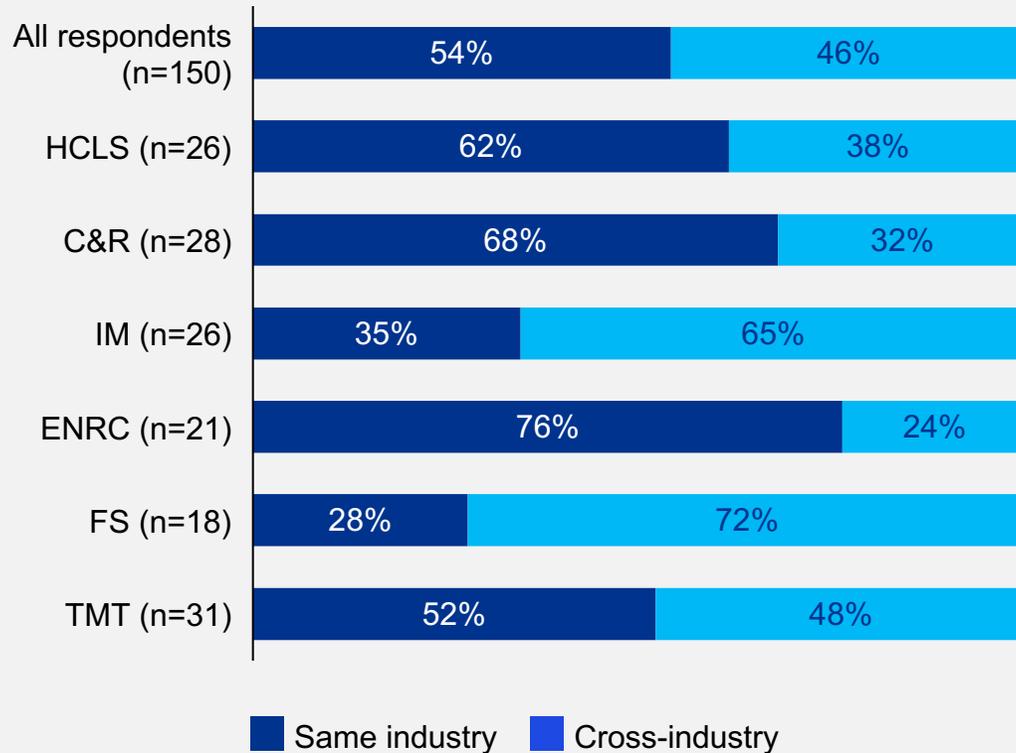
Corporate M&A Dealmakers



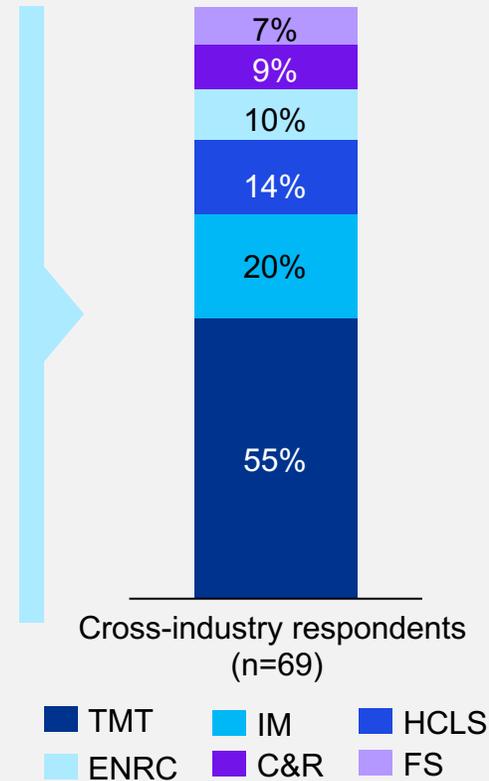
# 46% of corporate respondents plan to pursue cross-industry deals

Q. In which industries are you planning to pursue M&A deals? Multi select, N=150

## Corporate investment focus, same industry and cross-industry



## Cross-industry target industry focus<sup>(a)</sup>



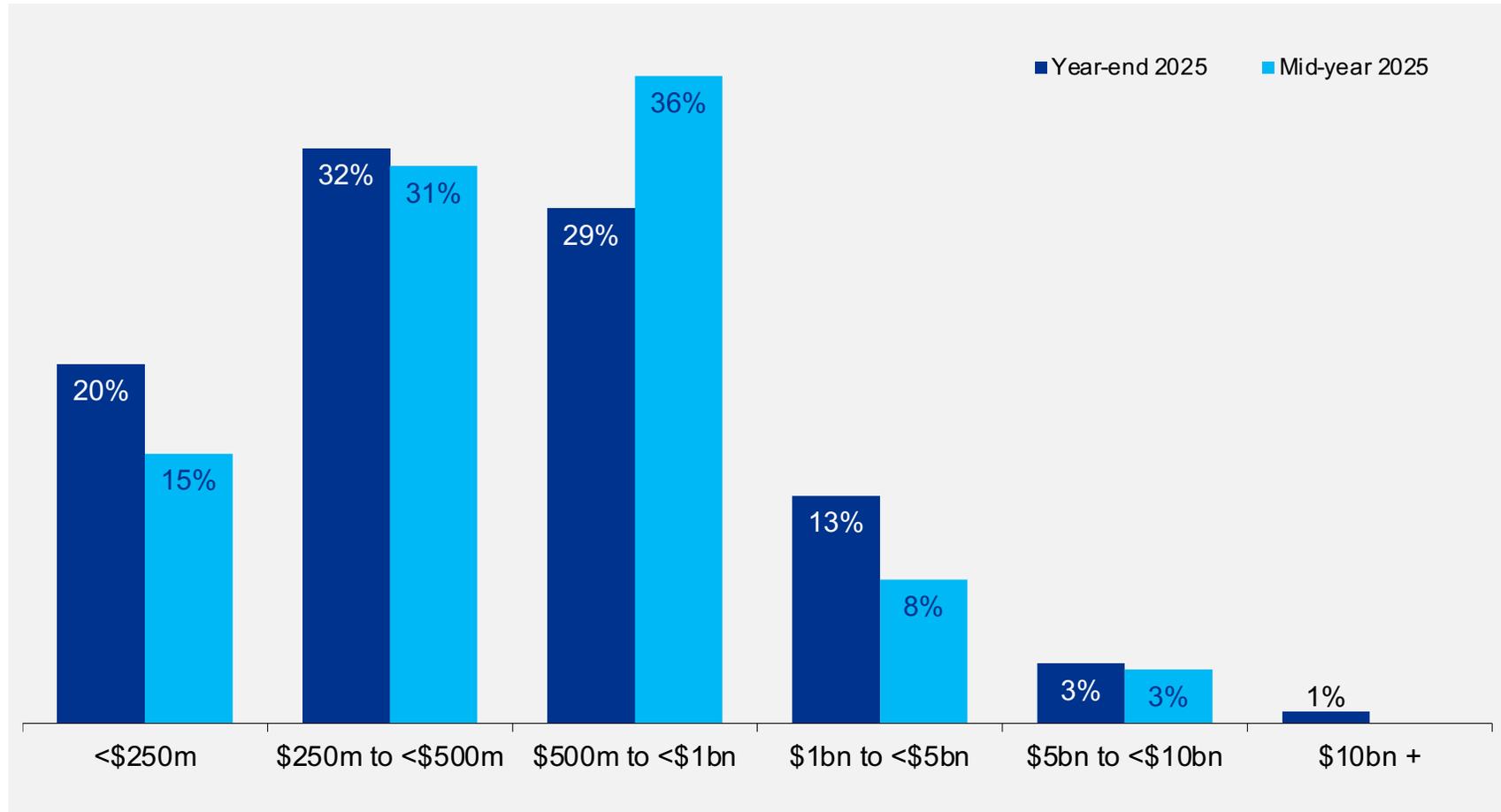
## Key observations

- Of the **46%** planning to pursue cross-industry deals, **55%** are seeking targets within the TMT sector
- **72%** of FS respondents plan to pursue deals outside their sector, while **65%** of IM respondents have similar intentions.
- Conversely, ENRC is predominately focused on their own industry, with only **24%** of respondents planning to do cross-industry deals

Note: (a) Percentages may not add up to 100 since this is a multi select question  
 Source(s): KPMG M&A Survey – Year-end 2025

# 29% of corporates expect their next M&A deal to be \$500M to \$1B, with 17% over \$1B

Q. What will be the estimated total deal value (excluding debt raise) of your next M&A deal transaction?<sup>(a)(b)</sup> Single select; N=150



## Key observations

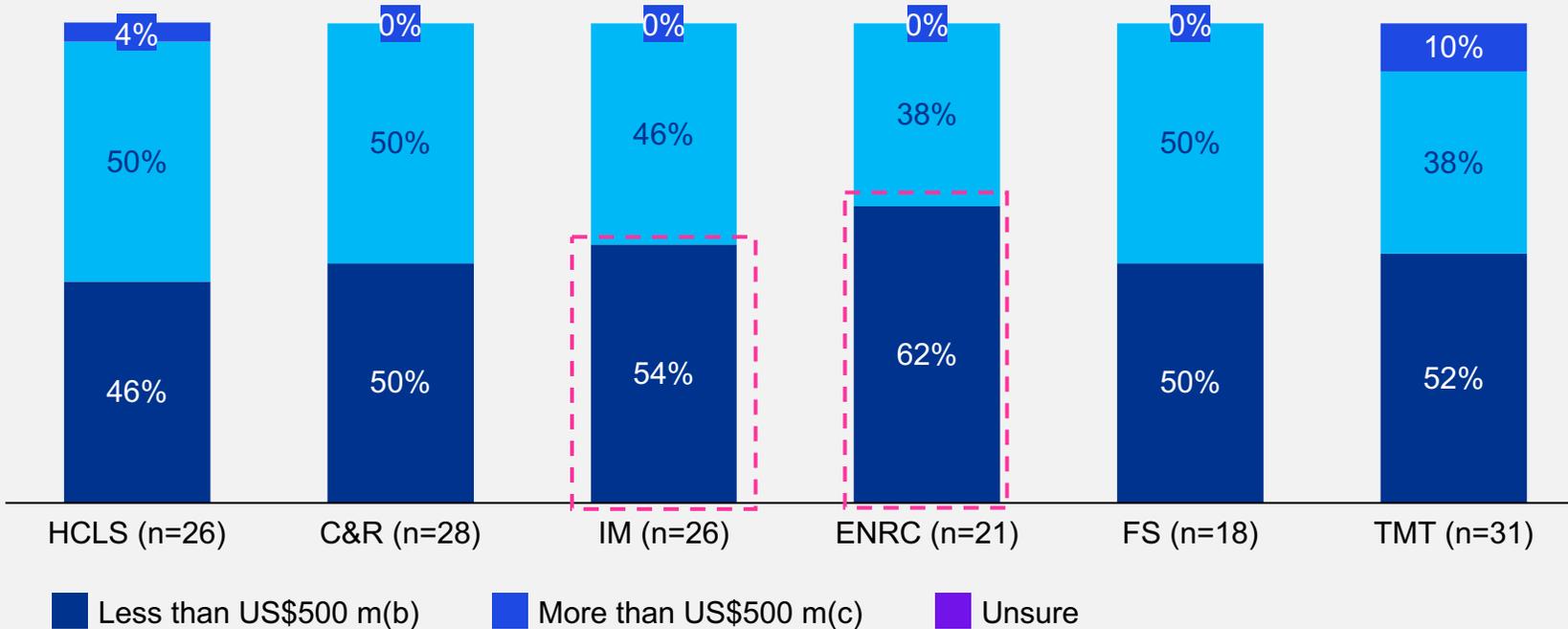
- 46% of corporates are expecting their next M&A deal to be >\$500 million in 2026 with 17% greater than \$1 billion

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The "Unsure" option is not represented due to low responses  
 Source(s): KPMG M&A Survey – Year-end 2025; KPMG M&A Survey – Mid-year 2025

# Majority of respondents from the ENRC, IM, and TMT sector expect their next M&A deal to be valued under \$500 million

Q. What will be the estimated total deal value (excluding debt raise) of your next M&A deal transaction?<sup>(a)</sup> Single select; N=150

## By corporate sector (n=150)



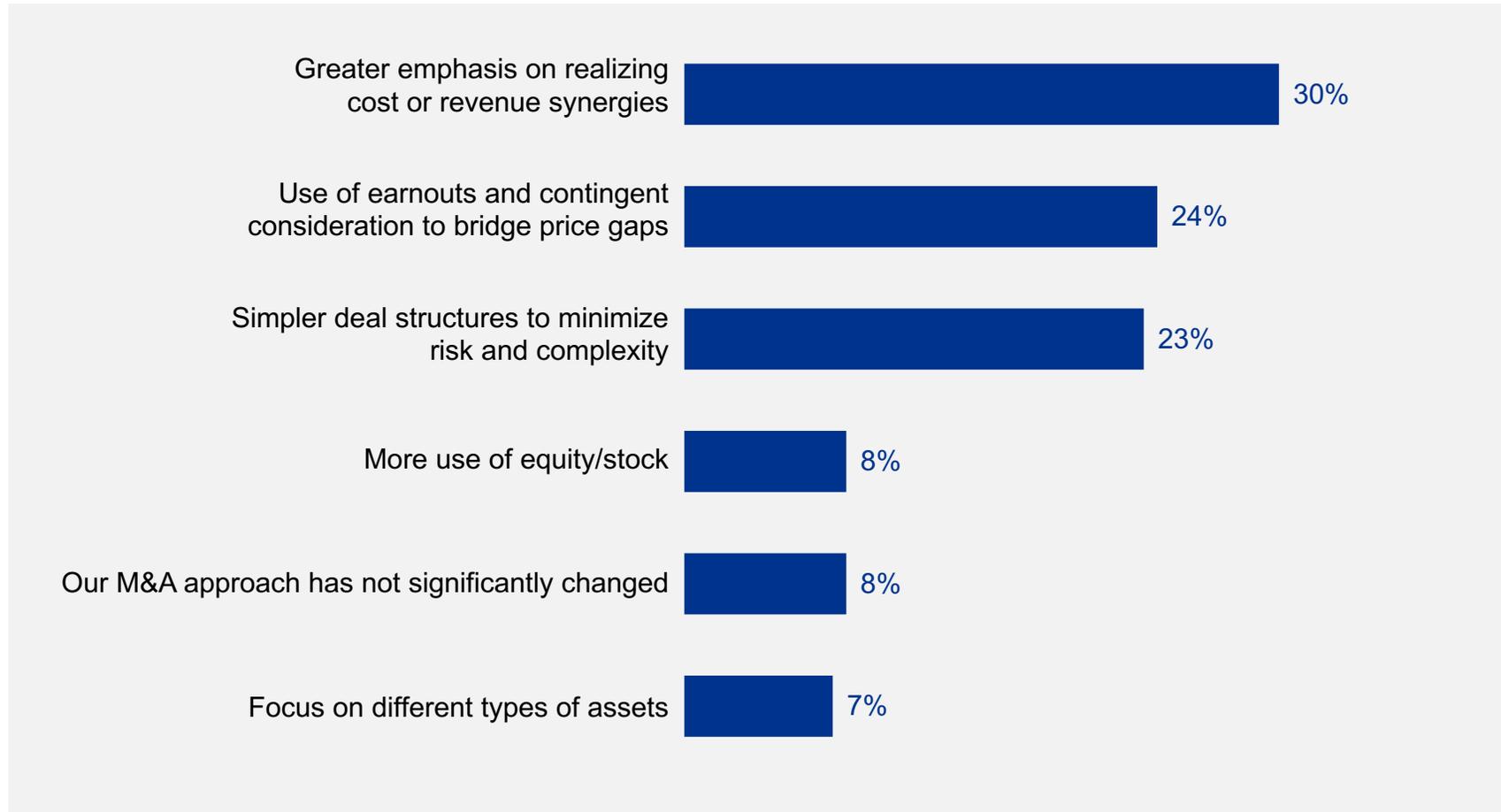
## Key observations

- Majority of sectors (except HCLS) expect their next M&A deal to be less than \$500 million, with **62%** from the **ENRC** sector and **54%** from the **IM** sector mostly aligning with this expectation

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) Less than US\$500 m is shown as the sum of "<\$250m" and "\$250m to <\$500m"; (c) More than US\$500 m is shown as the sum of "\$500m to <\$1bn", "\$1bn to <\$5bn", "\$5bn to <\$10bn" and "\$10bn and over"  
 Source(s): KPMG M&A Survey – Year-end 2025; KPMG M&A Survey – Mid-year 2025

# Corporates are tackling valuation challenges by focusing on cost or revenue synergies, earnouts, contingent consideration, and simpler deal structures

Q. To overcome valuation challenges, which of these strategies has your organization used the most?<sup>(a)(b)</sup> Single select; N=150



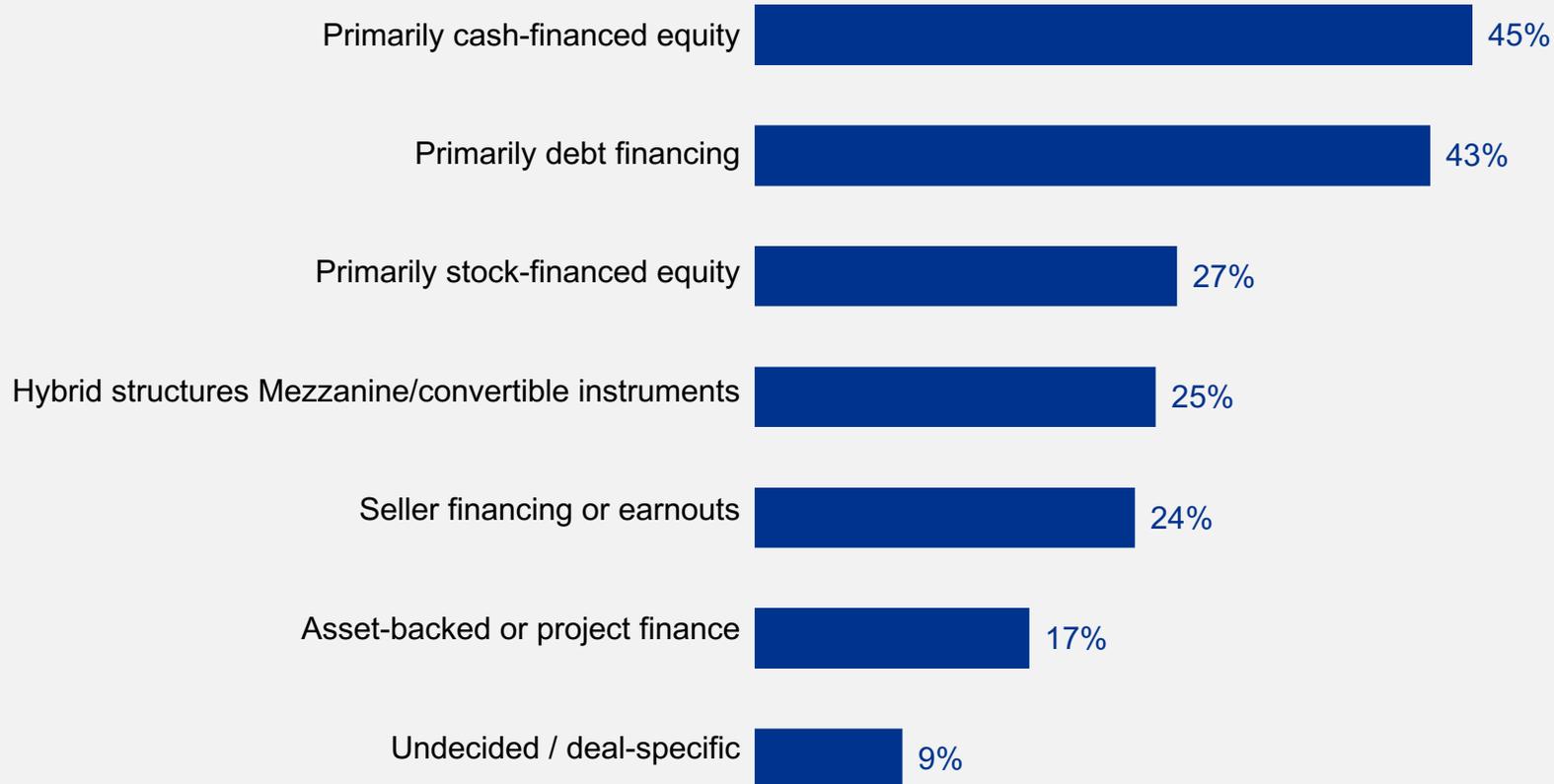
## Key observations

- **Corporates** prioritize realizing cost or revenue synergies (**30%**), using earnouts or contingent consideration (**24%**) and simpler deal structures (**23%**) indicating a preference for operational efficiency and risk minimization

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) Not asked to respondents who don't view valuation as a challenge  
Source(s): KPMG M&A Survey – Year-end 2025

# Cash-financed equity and debt financing are almost equally preferred as the financing structure for acquisitions by corporates

Q. What financing structures are you most likely to use for acquisitions? Multi select; N=150



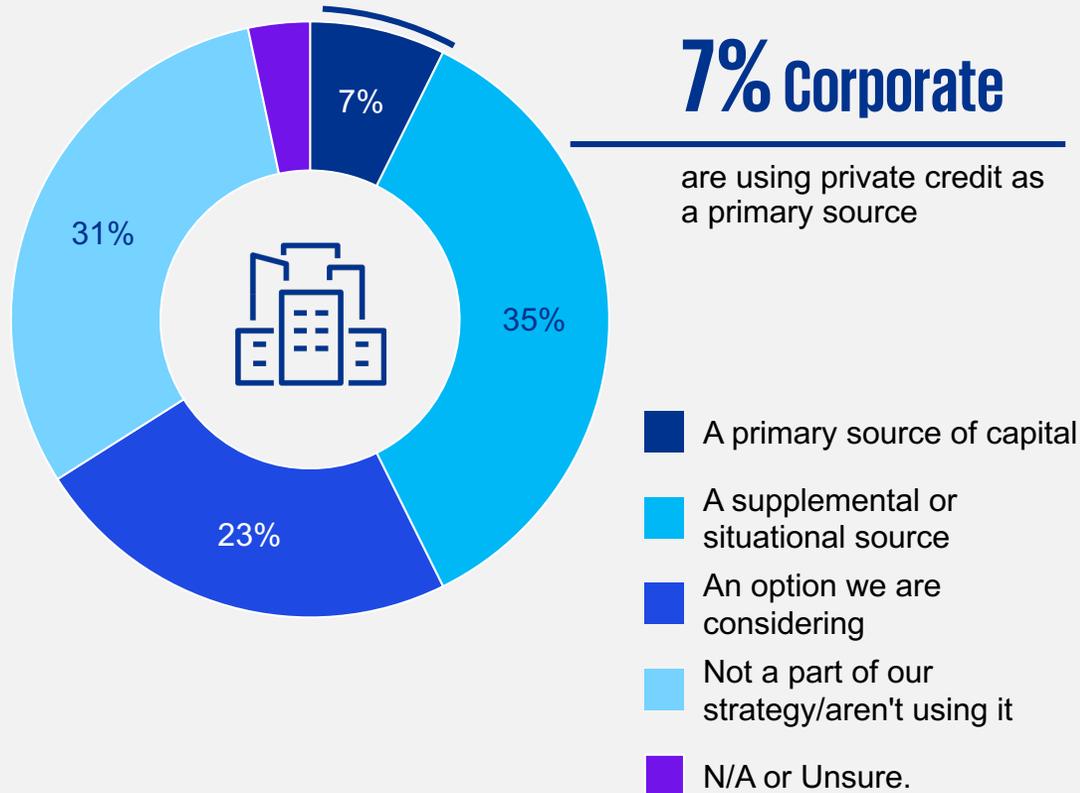
## Key observations

- **Corporates** show a balanced approach when choosing the financial structure for acquisitions, with cash-financed equity (**45%**) and debt financing (**43%**) almost equally preferred

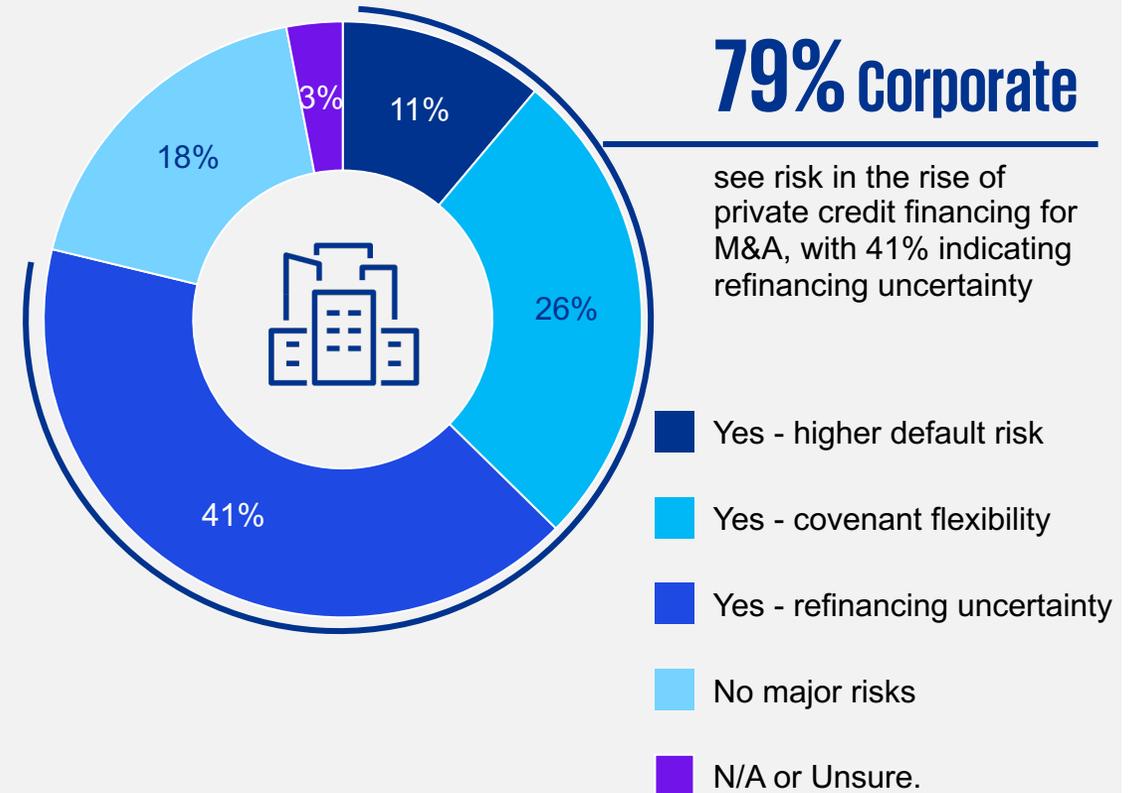
Source(s): KPMG M&A Survey – Year-end 2025

# Only 7% of corporates rely on private credit as a primary source of capital, with ~2/5<sup>th</sup> worried about its refinancing uncertainties

Q. What role does private credit currently play in your organization's M&A financing and/or liquidity strategy?<sup>(a)</sup> Single select; N=150



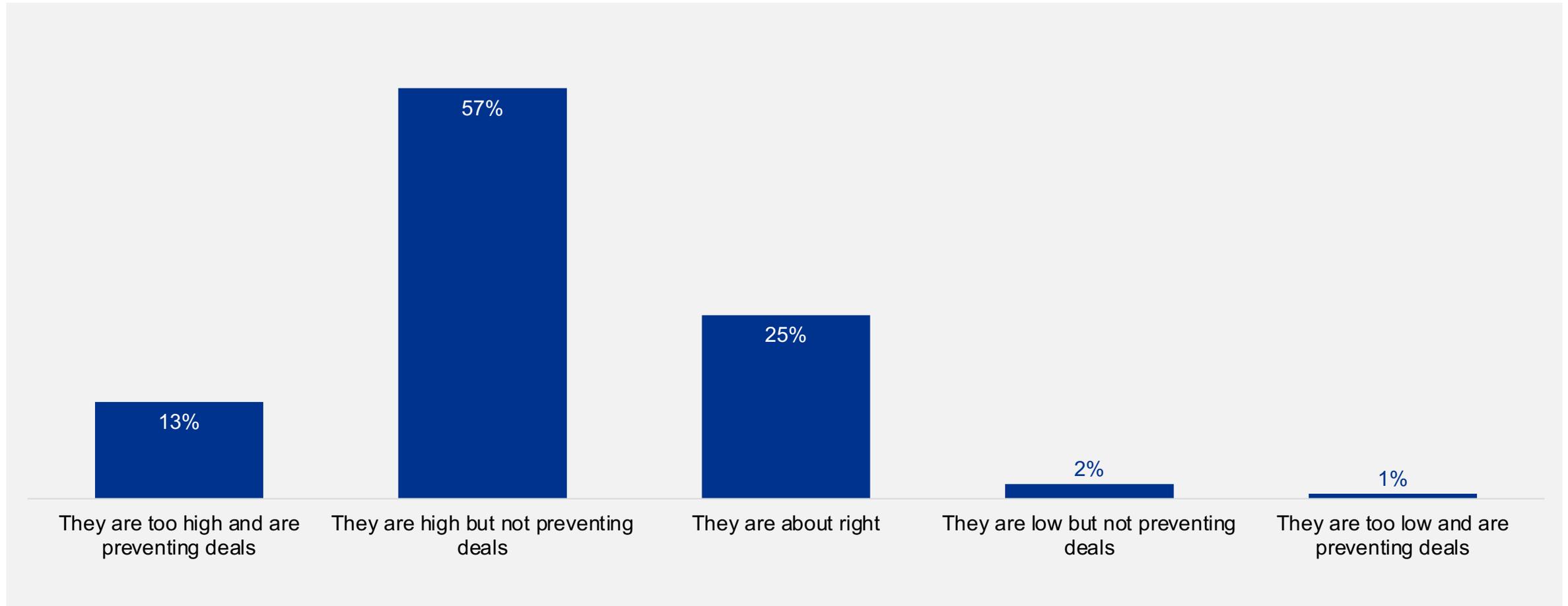
Q. Do you see risks in the rise of private credit financing for M&A, and how are you mitigating them?<sup>(a)(b)</sup> Single select; N=150



Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) Not asked to those for whom private credit is not a part of their strategy or aren't using it/unsure  
 Source(s): KPMG M&A Survey – Year-end 2025

# 7 in 10 corporates say valuations of assets and companies are high, but most say that higher valuations are not preventing deals

Q. What is your opinion on the valuation of assets and companies?<sup>(a)(b)</sup> Single select; N=150

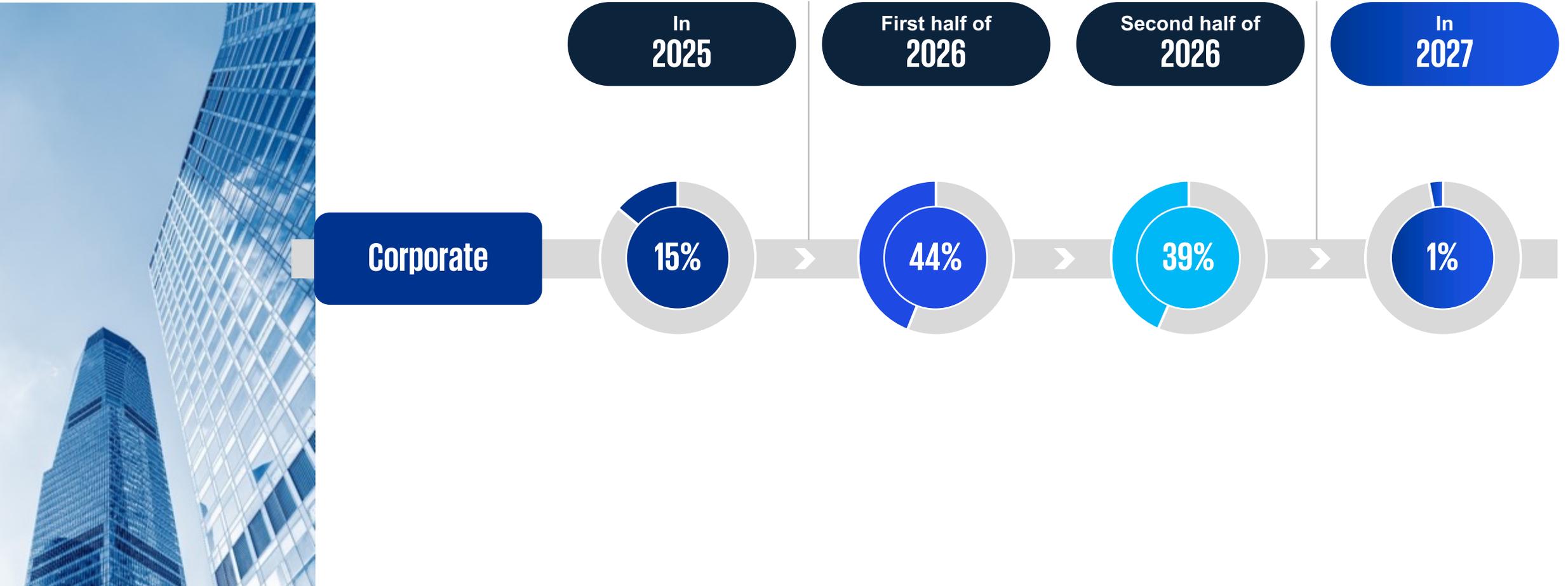


Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) Option "Unsure" is not included in the graphical representation due to low response

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

# Most corporates expect to announce their next deal in 2026, with a slight expectation for these announcements to occur in the first half of the year

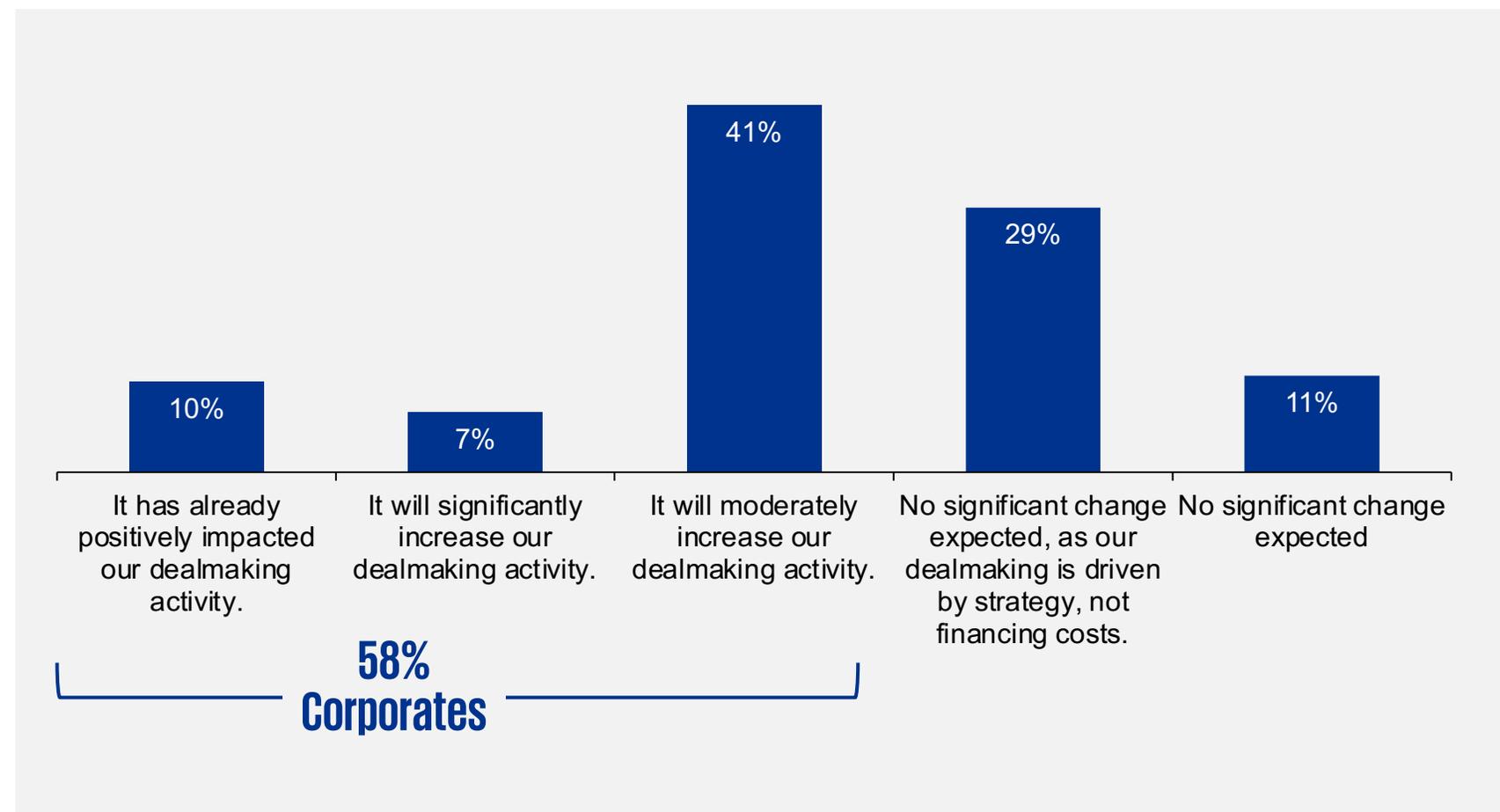
Q. When do you expect to proceed with your next deal?<sup>(a)</sup> *Single select; N=150*



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

# Recent 50 bps interest cut is positively impacting the dealmaking activity for most organizations, while it had no significant impact for 2/5th of corporates

Q. How does the recent combined 50 bps decrease in interest rates affect your dealmaking?<sup>(a)(b)</sup> *Single select; N=150*



## Key observations

- Among corporate respondents, **58%** foresee at least a moderate increase in dealmaking due to the recent 50 bps decrease in interest rates. However, **40%** expect no significant change

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The "Unsure/Too early to tell" option is not represented due to low responses  
 Source(s): KPMG M&A Survey – Year-end 2025

# Uncertainty in forecasting targets' future performance is the top valuation challenge for corporates while executing M&A deals

Q. What is the biggest valuation-related challenge you face in executing M&A deals currently?<sup>(a)</sup> *Single select; N=150*



## Key observations

- Corporates cite forecasting future performance (**29%**) and high seller price expectations (**21%**) as the biggest valuation-related challenge while executing deals. Market volatility (**21%**) also adds to the complexity of deal-making

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The "We don't think it's a challenge" option is not represented due to low responses  
Source(s): KPMG M&A Survey – Year-end 2025

**03**

# **Sectional summary**

PE Dealmakers

# Summary of PE findings: Key themes

## PE firms signal robust M&A activity with focus on market expansion and tech acquisition

- **M&A growth expected:** 3/4<sup>th</sup> of PE firms expect more M&A volume in 2026 compared to 2025, with nearly 1/3<sup>rd</sup> planning 5 or more deals
- **Expansion plans:** 75% of PE dealmakers are aiming to expand into new markets, while 62% are targeting the acquisition of technological capabilities, likely reflecting a strategy to enter high-growth technology sectors for investment
- **Investor confidence rebound:** For PE respondents, 'long-term strategic value' was deemed as the most prioritized investment theses, with its significance increasing from 29% (2025 mid-year survey) to 53% (2025 year-end survey)

## For PE, tax benefits provide a strong M&A boost amidst broader policy caution

- **Policy impacts on M&A:** PE firms are expressing caution in response to the current administration's policies, with nearly half (47%) indicating their desire for M&A has slightly decreased, while over a third (35%) report no significant impact.
- **Impact of tax benefits:** 73% of PE respondents report an increase in M&A activity, driven by the positive effect of tax incentives on their strategic plans
- **Interest rates sensitivity:** Over half of PE respondents indicate that a reduction of 100–150 bps is needed to significantly impact M&As, while 29% suggest that a 150–200 bps cut is necessary. This suggests that substantial rate cuts may be required to meaningfully influence M&A activity

## PE firms prioritize integration diligence and synergy attainment for successful acquisitions

- **Value realization through diligence:** PE respondents identified proper integration due diligence (64%) and synergy identification (59%) as critical for ensuring value realization
- **Challenges to post-merger integration:** Leadership and culture misalignment (59%), failure to track synergies (59%) and loss of key talent (61%) pose the greatest risks to value realization during post-merger integration
- **Successful acquisitions:** PE respondents view meeting the business goals and financial plans (61%) and achieving synergy targets (59%) as key signs of a successful acquisition

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

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# M&A landscape and investment thesis

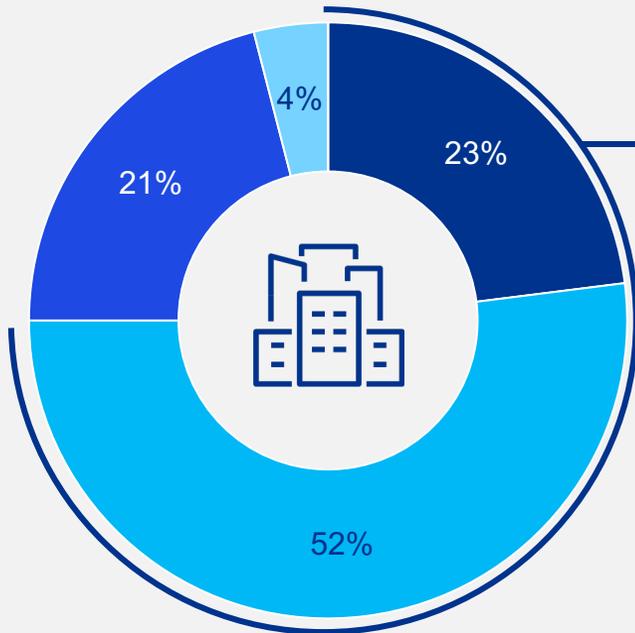
PE Dealmakers



# 75% of PE dealmakers expect more M&A activity in 2026 and 89% expect higher deal quality compared to 2025

Q. What are your expectations for your organization's M&A deal pipeline volume in 2026 compared to 2025?<sup>(a)</sup> *Single select; N=150*

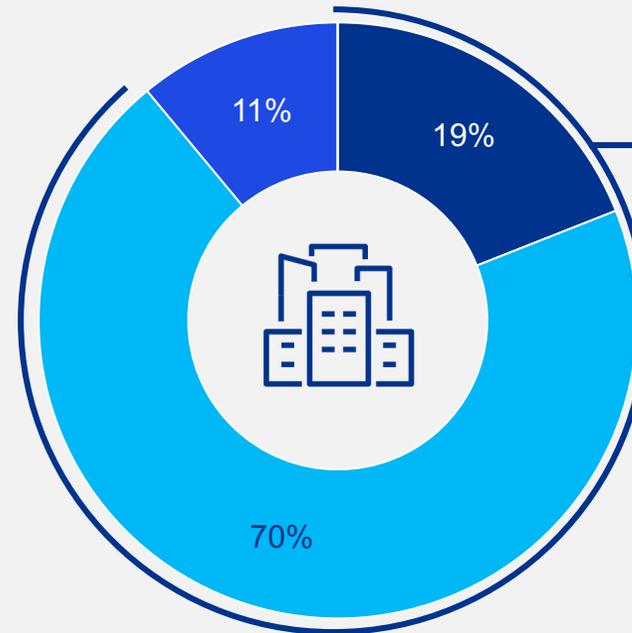
Volume expectations in 2026 vs 2025



**75% PE**

expect overall M&A deal volume in the US to be **higher in 2026 compared to 2025**

Quality of deal opportunities in 2026 vs 2025



**89% PE**

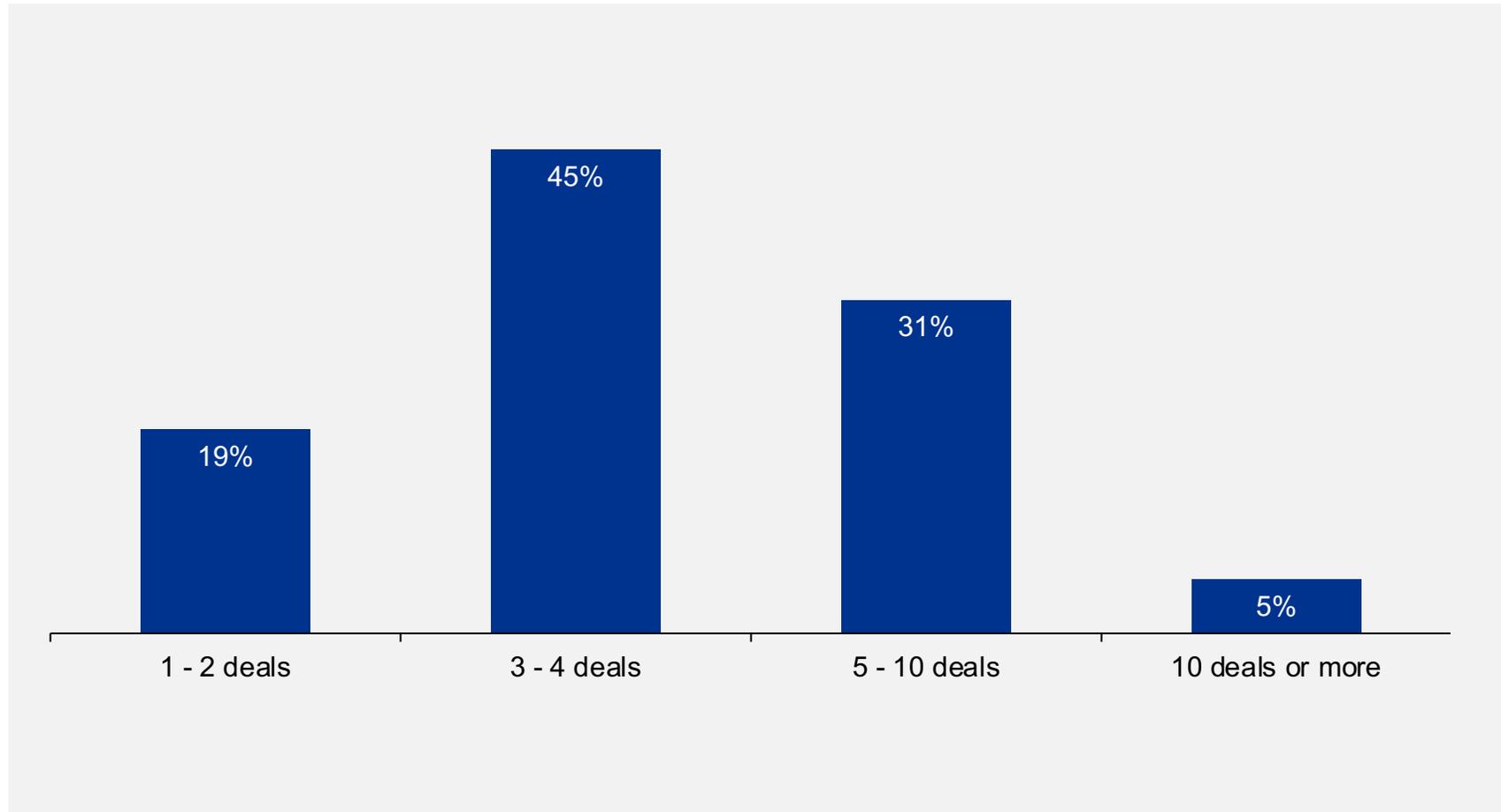
expect the deal quality to be **higher in 2026 vs 2025**

■ Much higher   ■ Slightly higher   ■ About the same   ■ Slightly lower

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

# PE firms are gearing up for dealmaking, with over 4/5<sup>th</sup> planning 3 or more deals in 2026

Q. How many M&A deals does your company plan on doing in 2026?<sup>(a)</sup> *Single select; N=150*



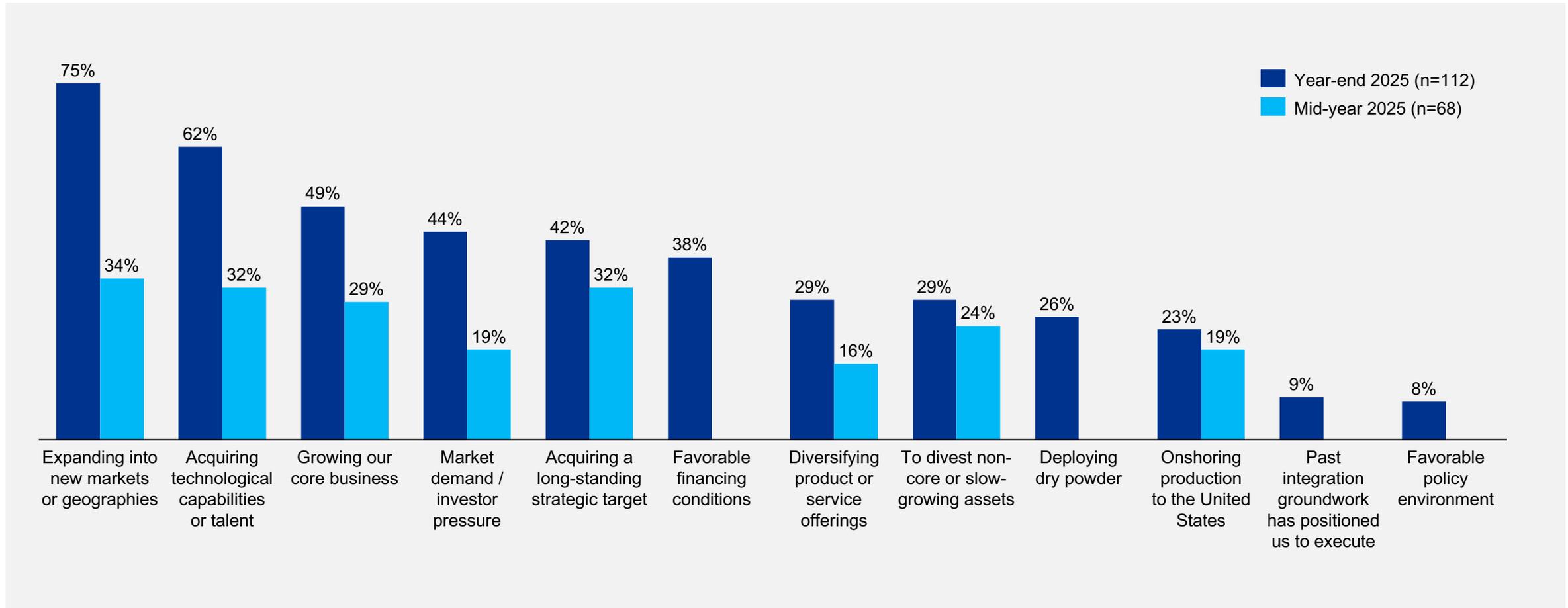
## Key observations

- PE firms intend to **increase activity** in M&A transactions. According to the 2025 M&A mid-year survey, only **9%** of **PE firms** planned to execute **5 or more deals**, whereas **36%** are now planning to engage in 5 or more deals

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

# Compared to the mid-year survey, year-end 2025 results show PE firms giving more emphasis to market expansion and technological acquisitions

Q. What are the reasons for your increased plans for M&A activity in 2026?<sup>(a)(b)</sup> Multi select



Note: (a) Asked only to respondents expecting increased M&A plans in 2025 and 2026; (b) Few options in the Mid-year 2025 are blank because they were newly added to the year-end survey 2025 and weren't present in the mid-year 2025 survey  
 Source(s): KPMG M&A Survey – Year-end 2025

# Most PE respondents prioritized long-term strategic value as the key investment theses in year end 2025 survey, indicating renewed confidence since prior surveys

Q. What are the primary investment theses of the deals that you are considering? *Multi select; N=150*

	Year-end 2025	Mid-year 2025 <sup>(a)</sup>	Year-end 2024 <sup>(a)</sup>
 Long-term strategic value and growth	53%	29%	40%
 Market and customer expansion	52%	29%	34%
 Transactions that can accelerate broad business transformation	39%	25%	39%
 Distressed assets for turnaround	36%	31%	40%
 Value-accretive deals with clear quick wins/synergies	27%	29%	35%
 New technologies or capabilities	26%	-	-
 Recession-resistant industries	25%	42%	48%
 AI-native companies or AI-enabling technologies	6%	-	-
 New data for AI-related purposes	3%	-	-

## Key observations

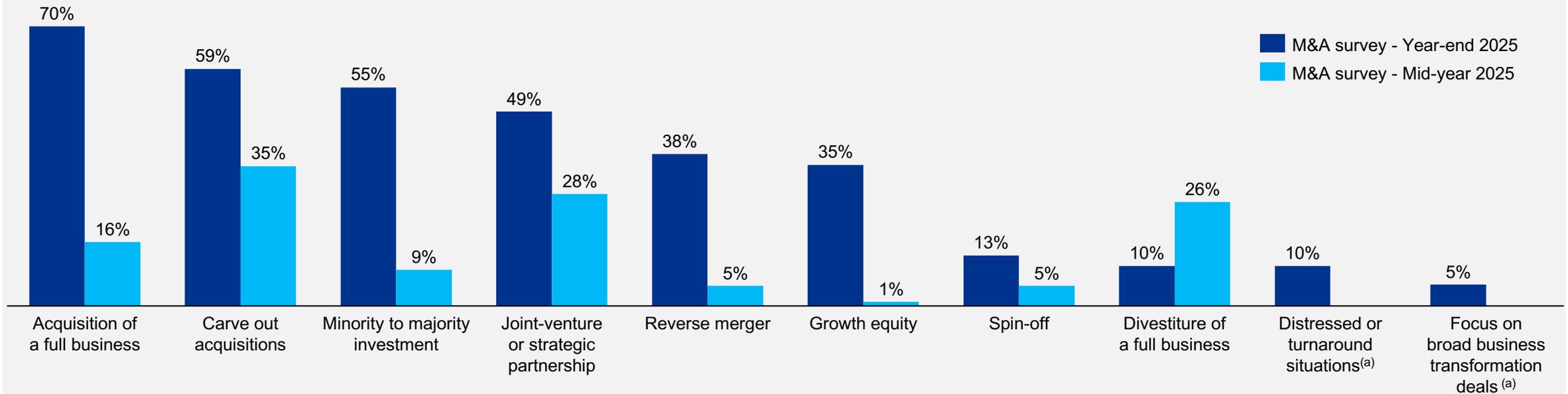
- For PE respondents, the importance of long-term strategic value and growth increased significantly from **29%** at mid-year to **53%** by year-end 2025. Last year, in our 2024 year-end survey, it was at **40%**
- Focus towards recession-resistant industries dropped sharply, from **42%** at mid year to **25%** at year end 2025, showing a shift away from mid-year caution toward more expansionary, forward-looking deal theses

Note: (a) Three options in the Mid-year 2025 and Year-end 2024 column are blank because they were newly added to the year-end survey 2025 and weren't present in the previous surveys  
 Source(s): KPMG M&A Survey – Year-end 2025; KPMG M&A Survey – Mid-year 2025; KPMG M&A Survey – Year-end 2024

# PE respondents are primarily focused on full-business acquisitions, while also actively considering carve-out acquisitions and minority-to-majority investments

Q. What type of deals are you currently considering? *Multi select*; N=150

Represented top 10 out of 13 (for M&A survey – Year-end 2025)



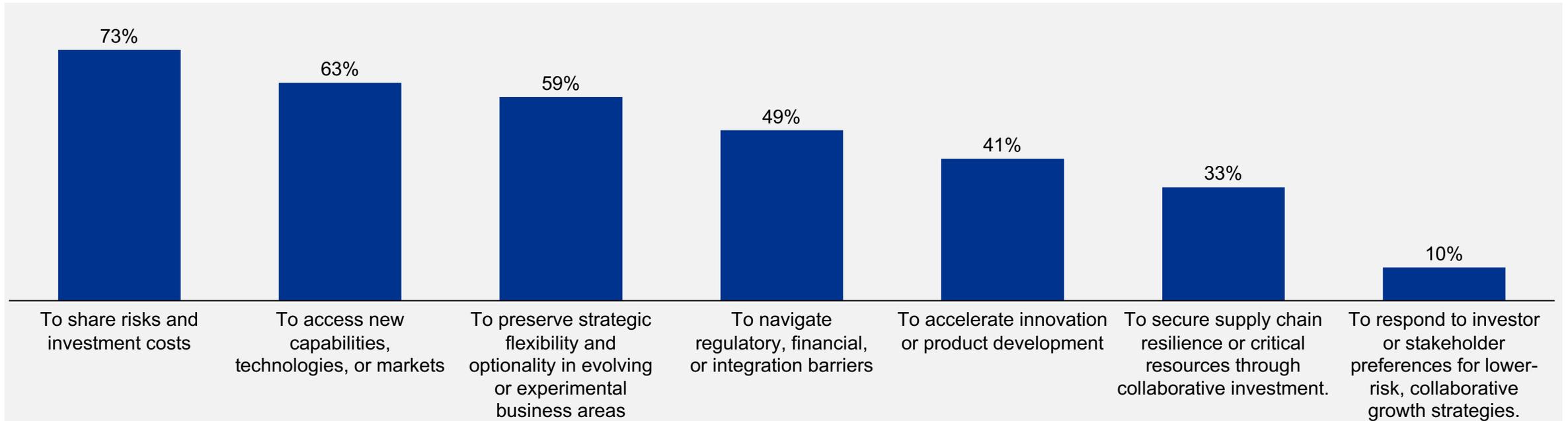
Year-end 2025 data shows increased interest in **acquiring full businesses, carve-out deals, and minority-to-majority investments**. Conversely, **interest in divestiture of full businesses** has decreased compared to mid-year data

- While full business acquisitions (**70%**) remains the priority, **PE** respondents also lean toward carve-out acquisitions (**59%**) and minority-to-majority investments (**55%**), demonstrating a diversified approach

Note: (a) This option have been left blank for Mid year survey 2025 since these were newly added to the year-end 2025 survey and wasn't present in the Mid-year 2025 survey  
 Source(s): KPMG M&A Survey – Year-end 2025; KPMG M&A Survey – Mid-year 2025

# PE respondents pursue JVs and partnerships to share risks and costs, while also to access to new capabilities, technologies, and markets along with strategic thinking

Q. What are the primary reasons behind your joint-venture or strategic partnership?<sup>(a)</sup> Multi select; N=73



For PE respondents, the dominant motive for joint ventures and partnerships is risk and cost sharing (73%). Access to new technologies or markets (63%) and strategic flexibility (59%) are also priorities

Note: (a) Only asked to respondents considering joint ventures or strategic partnerships as their deals  
Source(s): KPMG M&A Survey – Year-end 2025

# PE firms are open to inbound interest but only ~1/5<sup>th</sup> are actively seeking deals, showing a cautious approach

Q. What best describes your organization's current approach to portfolio separation (divestitures, carve-outs, or spin-offs)?<sup>(a)</sup> *Single select; N=150*



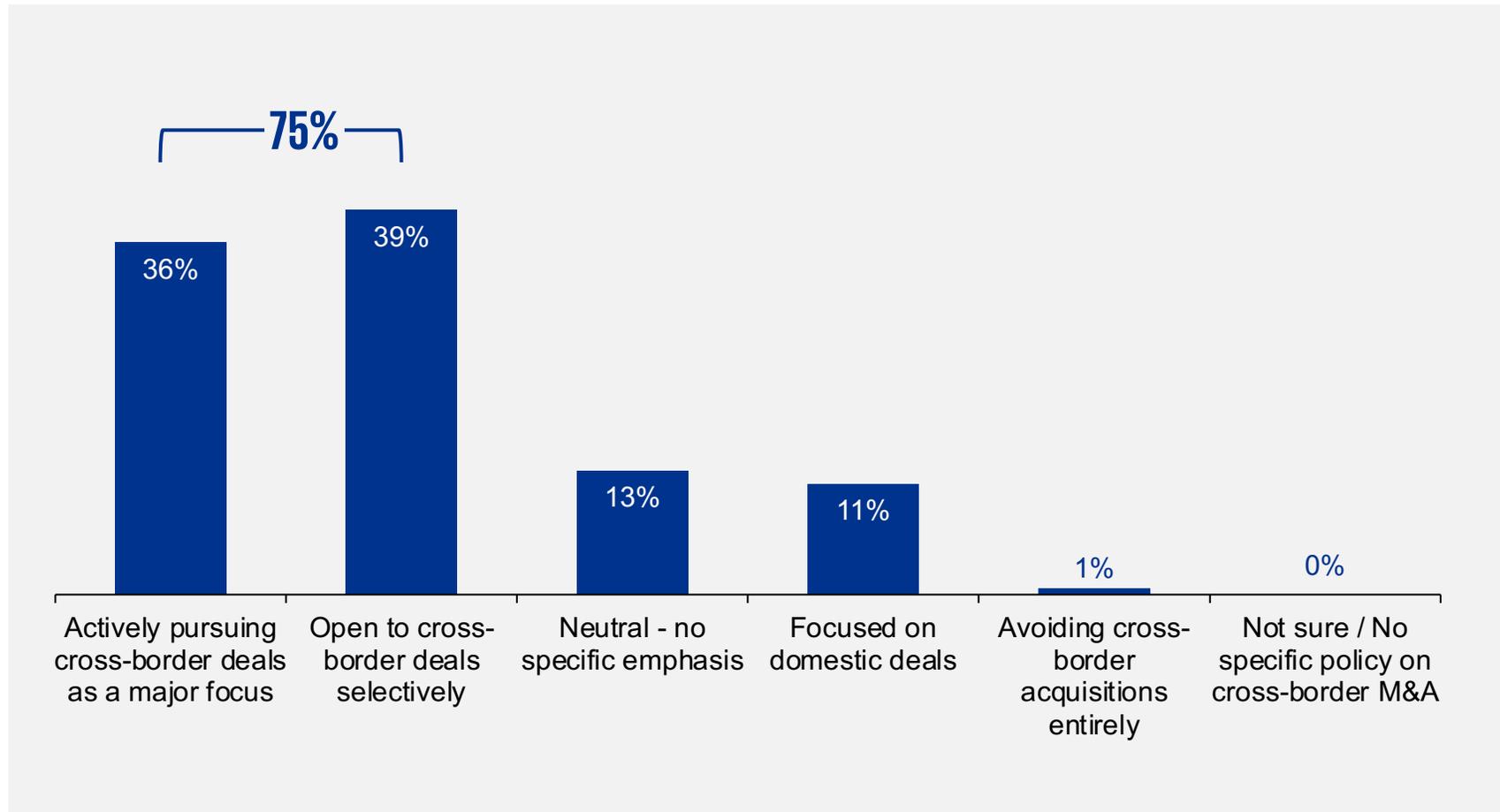
## Key observations

- PE respondents show an opportunistic posture (**49%**) for portfolio separation, outweighing active pursuit (**22%**), indicating preference for selective, value-driven opportunities

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

# 3/4<sup>th</sup> of PE respondents are actively pursuing or selectively considering cross-border deals as part of their 2026 strategy

Q. Which statement best describes your approach to cross-border M&A in 2026?(a) Single select; N=150



## Key observations

- **36%** of PE respondents are actively pursuing cross-border deals and **39%** are selectively open to them, signaling a clear intent to leverage global opportunities for growth

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

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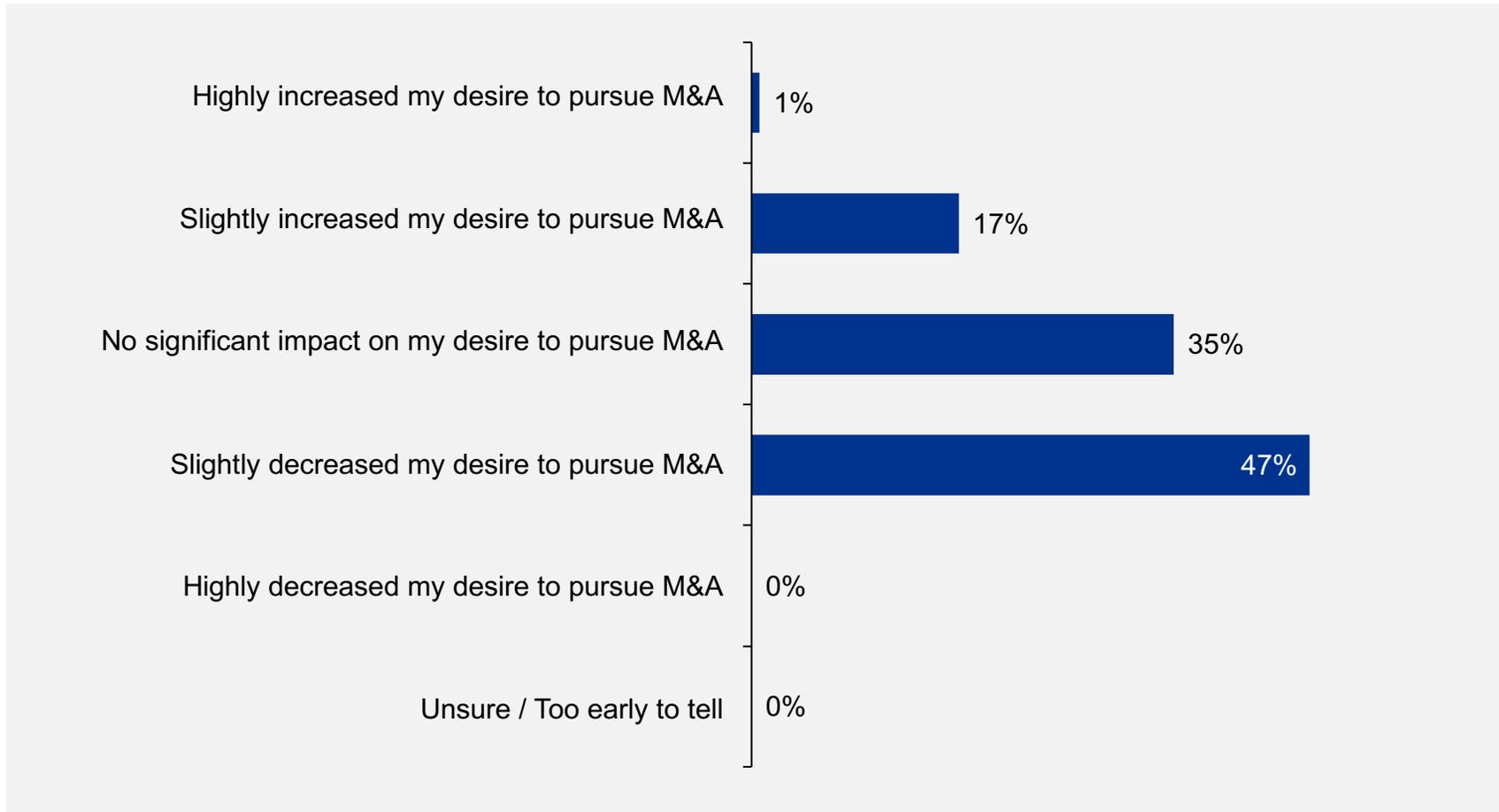
# Shifts in government policies

PE Dealmakers



# Current administration's policies impact is mixed, with nearly half having decreased desire, about 1/3<sup>rd</sup> see no change, while less than 1/5<sup>th</sup> report higher M&A appetite

Q. How has the current administration's policies impacted your desire to pursue M&A?<sup>(a)</sup> *Single select; N=150*



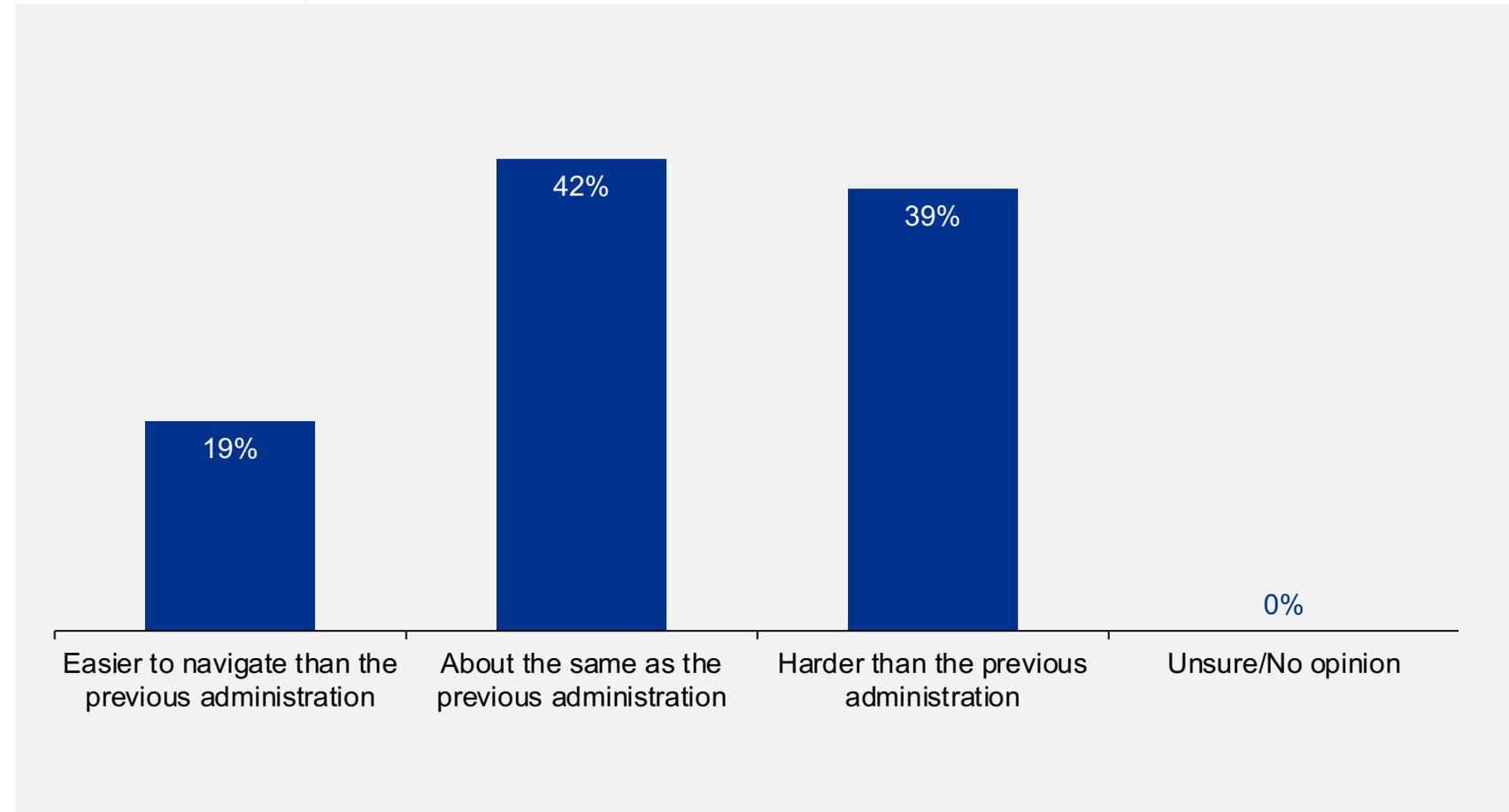
## Key observations

- PE respondents showed caution, with **47%** indicating their desire to pursue M&A had slightly decreased due to the current administration policies. Meanwhile, **35%** experienced no significant impact

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

# Only ~1/5<sup>th</sup> PE respondents find the antitrust environment easier to navigate than the previous administration, with nearly 2/5<sup>th</sup> believing it's harder

Q. 10 months into the current administration, how do you perceive the antitrust environment compared to the previous administration?<sup>(a)</sup> *Single select; N=150*



## Key observations

- **About ~2/5<sup>th</sup> of PE respondents** perceive the antitrust environment to be harder than the previous administration, with only **19%** finding it easier to navigate

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

# Greater regulatory certainty under the OB3 has lifted domestic M&A appetite among PE respondents, while cross-border appetite shows a more mixed response

Q. How has the greater regulatory certainty provided by the One Big Beautiful Bill (OB3) impacted your organization's appetite for both domestic and cross-border M&A?<sup>(a)</sup> *Single select; N=150*

	Domestic	Cross-border
Increased	47%	35%
No change	17%	37%
Conditional - impact is limited to specific cases (e.g., only in certain regulated sectors).	31%	25%
Decreased	5%	3%

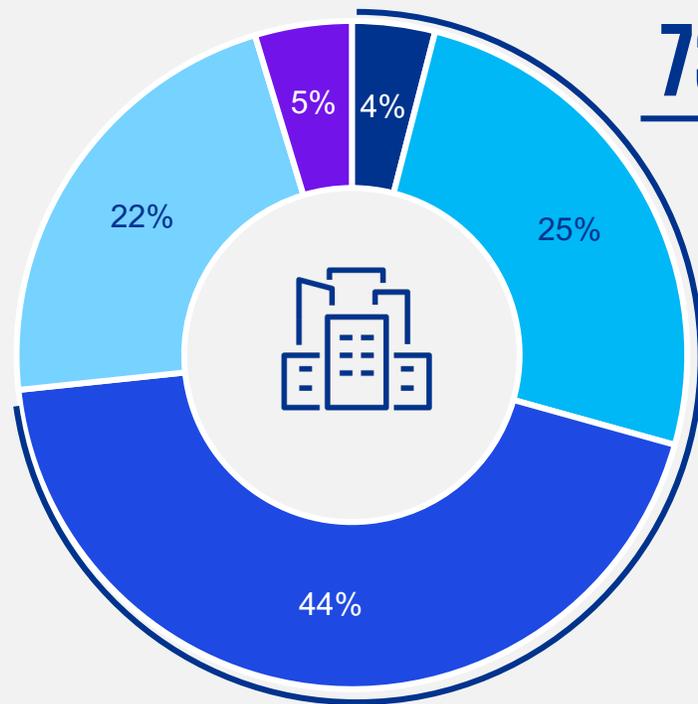
## Key observations

- In the PE sector, **47%** noted an increased appetite for domestic M&A, while **31%** indicated conditional impact
- Cross-border M&A appetite shows mixed sentiment: **35%** reported an increase, **37%** saw no change, and **25%** experienced a conditional impact

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

# Tax incentives under OB3 have driven an uptick in M&A activity among PE respondents

Q. Have the tax benefits related to increased research and development spending and CapEx under OB3 increased your desire and ability to increase M&A activity?<sup>(a)</sup> Single select; N=150



**73% increase**

- Yes, significantly
- Yes, moderately
- Yes, slightly
- No, there has been no change
- We are still evaluating the impact

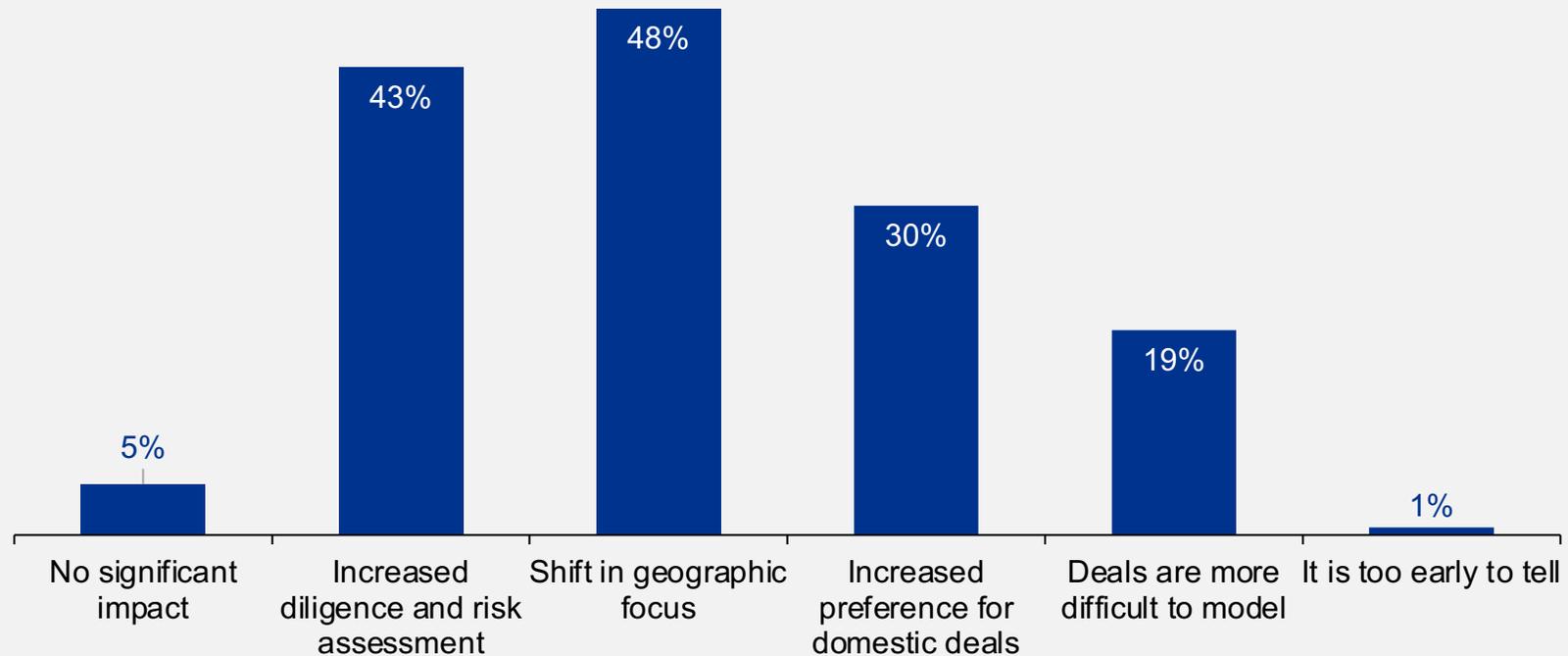
## Key observations

- 73% of PE respondents report an increase in M&A activity, driven by the strong effect of tax incentives on their strategic plans

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

# Recent global tax shifts have prompted many PE respondents to shift geographic focus and increase their diligence requirements

Q. How have recent shifts in the global tax landscape (e.g., OECD Pillar Two, digital services taxes) impacted your organization's strategy for cross-border M&A?<sup>(a)</sup> *Single select; N=150*



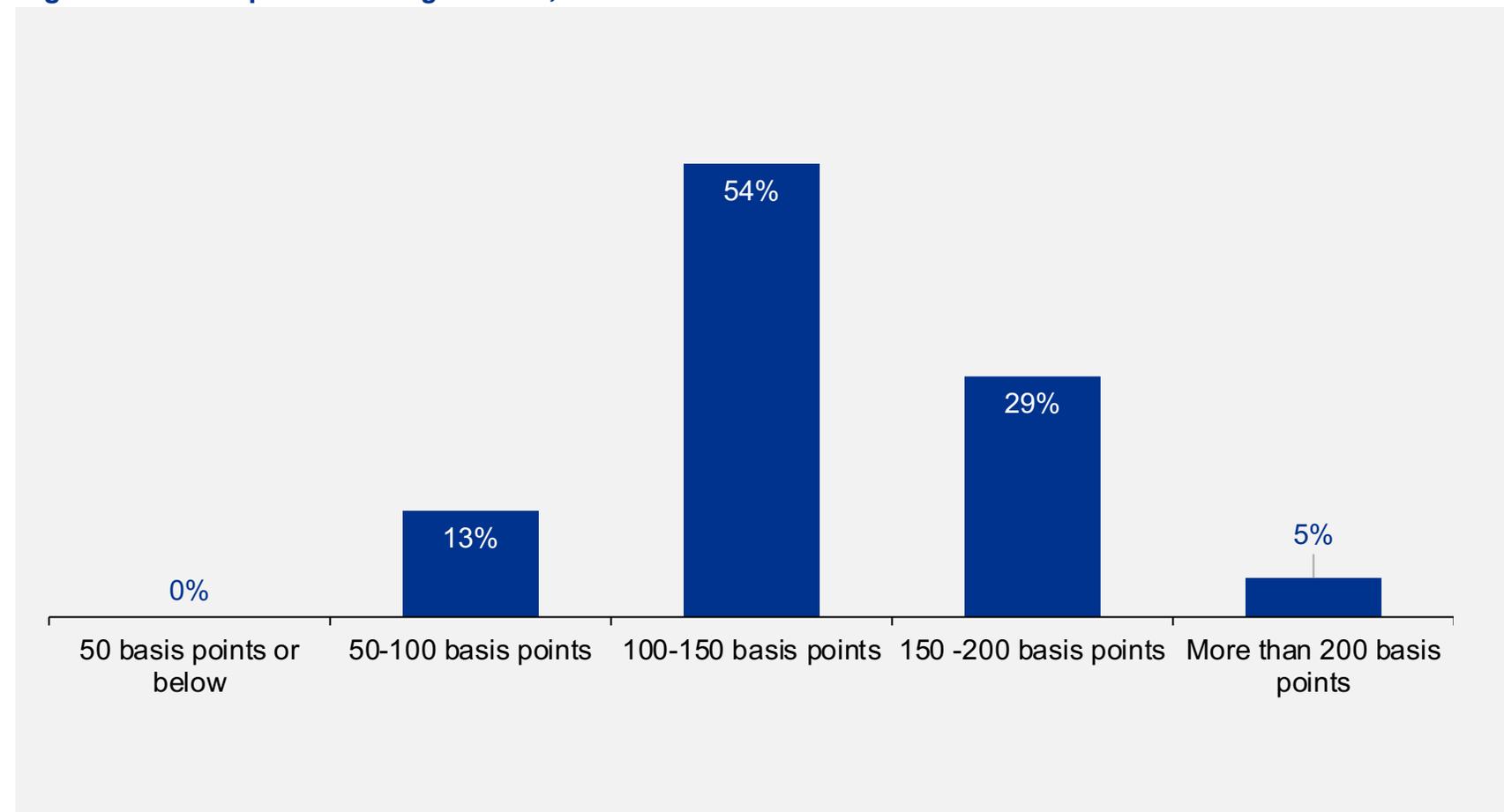
Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The "Not applicable" option is not represented due to low responses  
Source(s): KPMG M&A Survey – Year-end 2025

## Key observations

- PE respondents are notably affected, with **48%** shifting their geographic focus and **43%** increasing diligence and risk assessments due to recent global tax changes

# The majority of PE respondents indicate that 100-150 bps rate cuts would significantly boost deal activity with another 2/7th needing a 150-200 bps decline

Q. What level of interest rate reduction do you believe would be necessary to have a significant positive impact on the number of deals your organization completes?<sup>(a)</sup> *Single select; N=150*



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

## Key observations

- PE firms are rate-sensitive, with **54%** calling for 100–150 bps and **29%** for 150–200 bps reduction to significantly impact on deal volumes. Minimal impact is expected from small cuts, as none cite 50 bps or below as sufficient

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# Integration & value realization

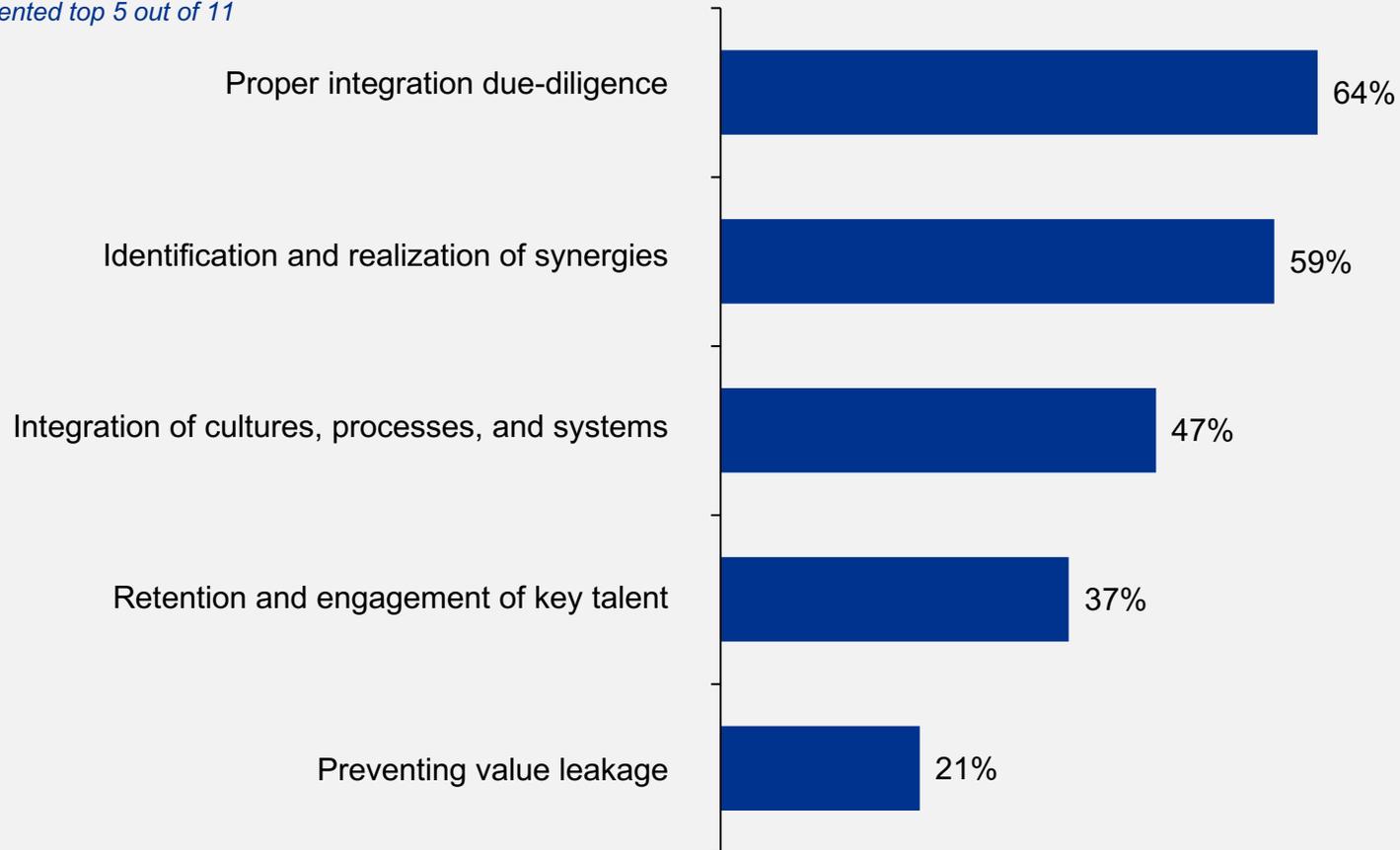
PE Dealmakers



# PE firms place emphasis on proper integration due-diligence and synergy capture, viewing both as critical levers for maximizing value realization

Q. What are your primary focus areas for ensuring value realization? Multi select; N=150

Represented top 5 out of 11



## Key observations

- PE respondents identified proper integration due diligence (**64%**) and synergy identification (**59%**) as critical for ensuring value realization

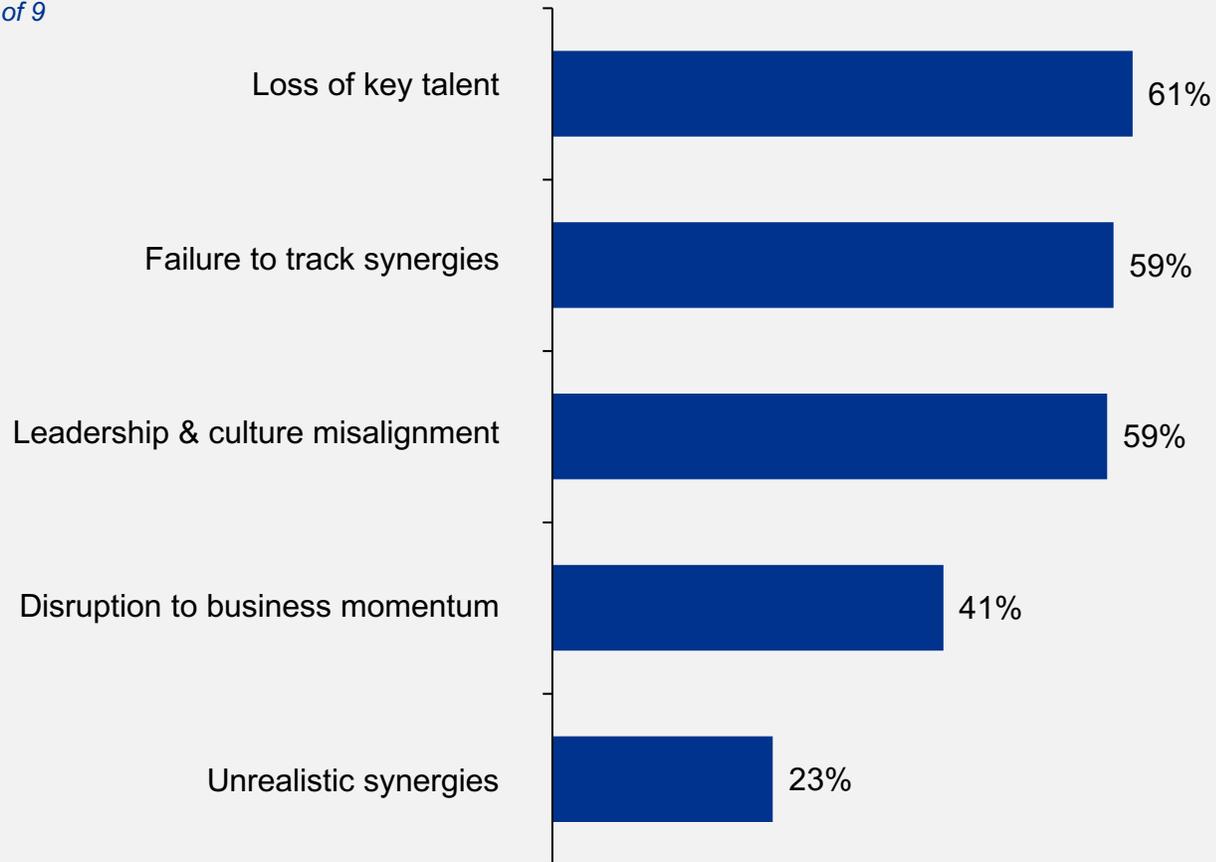
Source(s): KPMG M&A Survey – Year-end 2025

# For PE firms, post-merger success hinges on three nearly equal challenges: retaining talent, synergy tracking, and leadership and culture alignment

Q. When it comes to post-merger integration, which of these challenges has posed the greatest risk to value realization, in your experience?

Multi select; N=150

Represented top 5 out of 9



## Key observations

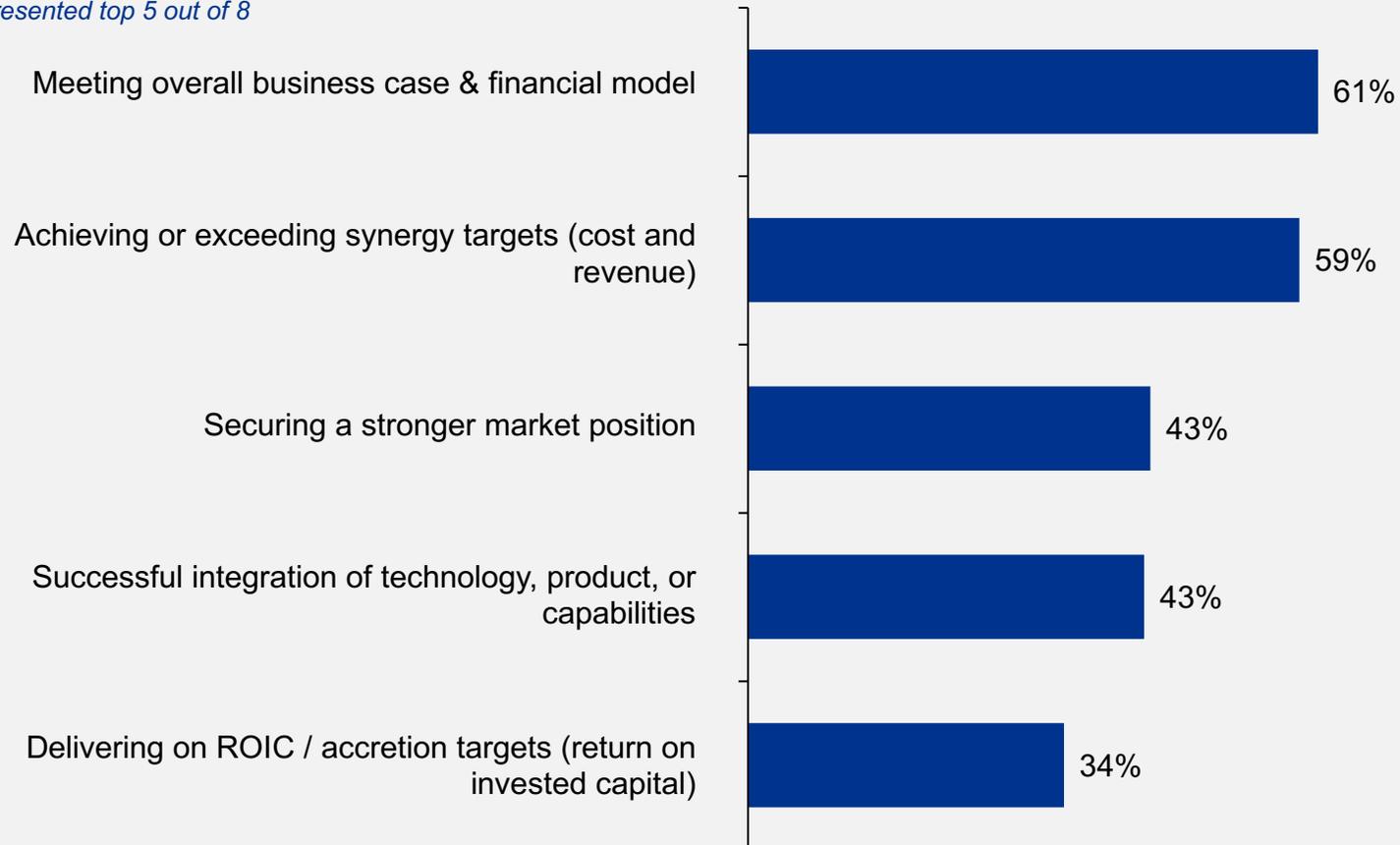
- In **PE**, leadership and culture misalignment (**59%**), failure to track synergies (**59%**) and loss of key talent (**61%**) pose the greatest risks

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

# Achieving overall business case and synergy targets is viewed as the strongest indicators of a successful acquisition by PE firms

Q. Which of the following achievements have been the most critical indicators of a successful acquisition? Multi select; N=150

Represented top 5 out of 8



## Key observations

- PE respondents view meeting the business goals and financial plans (61%) and achieving synergy targets (59%) as key signs of a successful acquisition

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

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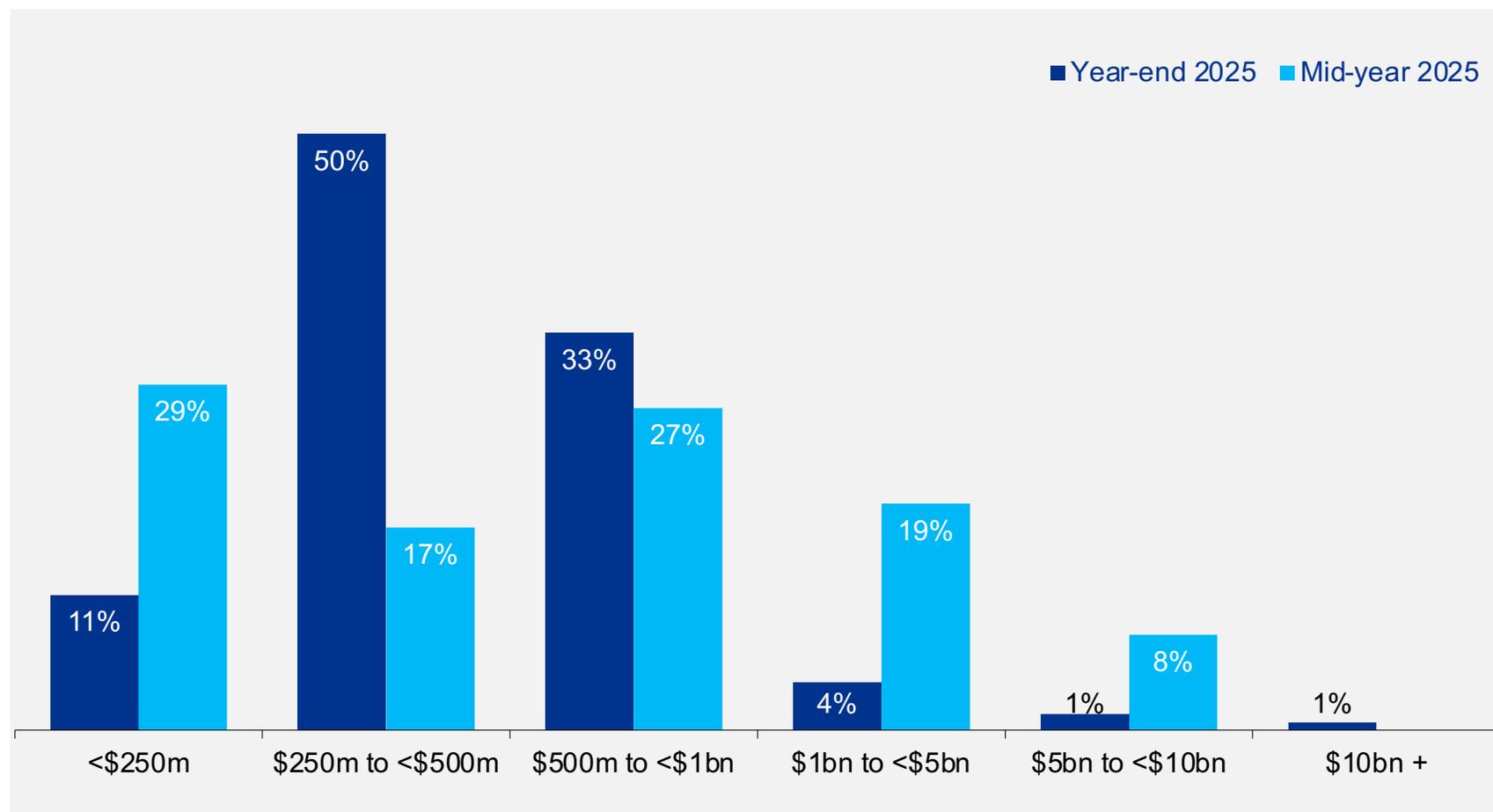
# Additional survey insights

PE Dealmakers



# Over 3/5<sup>th</sup> of PE firms anticipate their next deal value to be under \$500 million with deals over \$1 billion expected to be significantly fewer than as of mid-year

Q. What will be the estimated total deal value (excluding debt raise) of your next M&A deal transaction?<sup>(a)(b)</sup> Single select; N=150



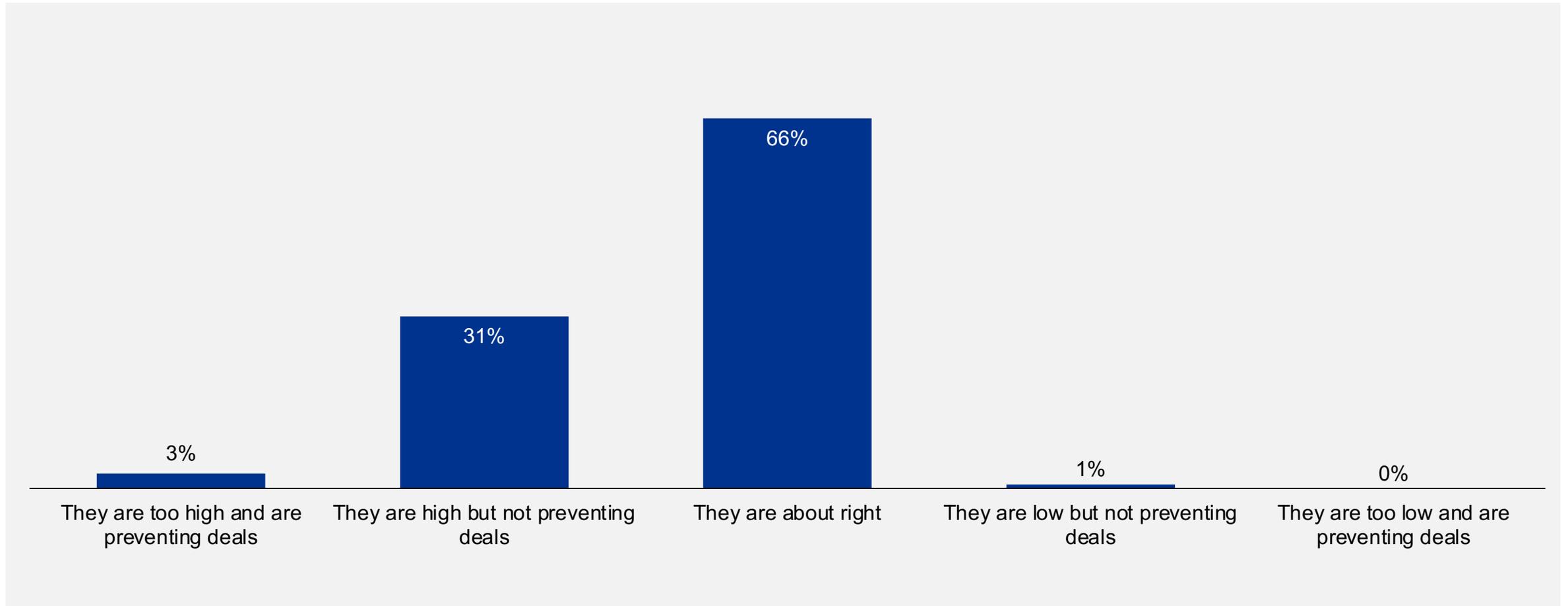
## Key observations

- The highest proportion (**50%**) of planned deals falls between **\$250m to \$500m** range
- According to the 2025 M&A mid-year survey, **54%** of PE reported that their next deal was expected to be equal to or more than **\$500m** or more, whereas only **39%** expect it to be **more than \$500m** at year-end

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The "Unsure" option is not represented due to low responses  
 Source(s): KPMG M&A Survey – Year-end 2025; KPMG M&A Survey – Mid-year 2025

# 2/3<sup>rd</sup> of PE firms say that valuation of assets and companies are about right, while almost the remaining 1/3<sup>rd</sup> believe they are high

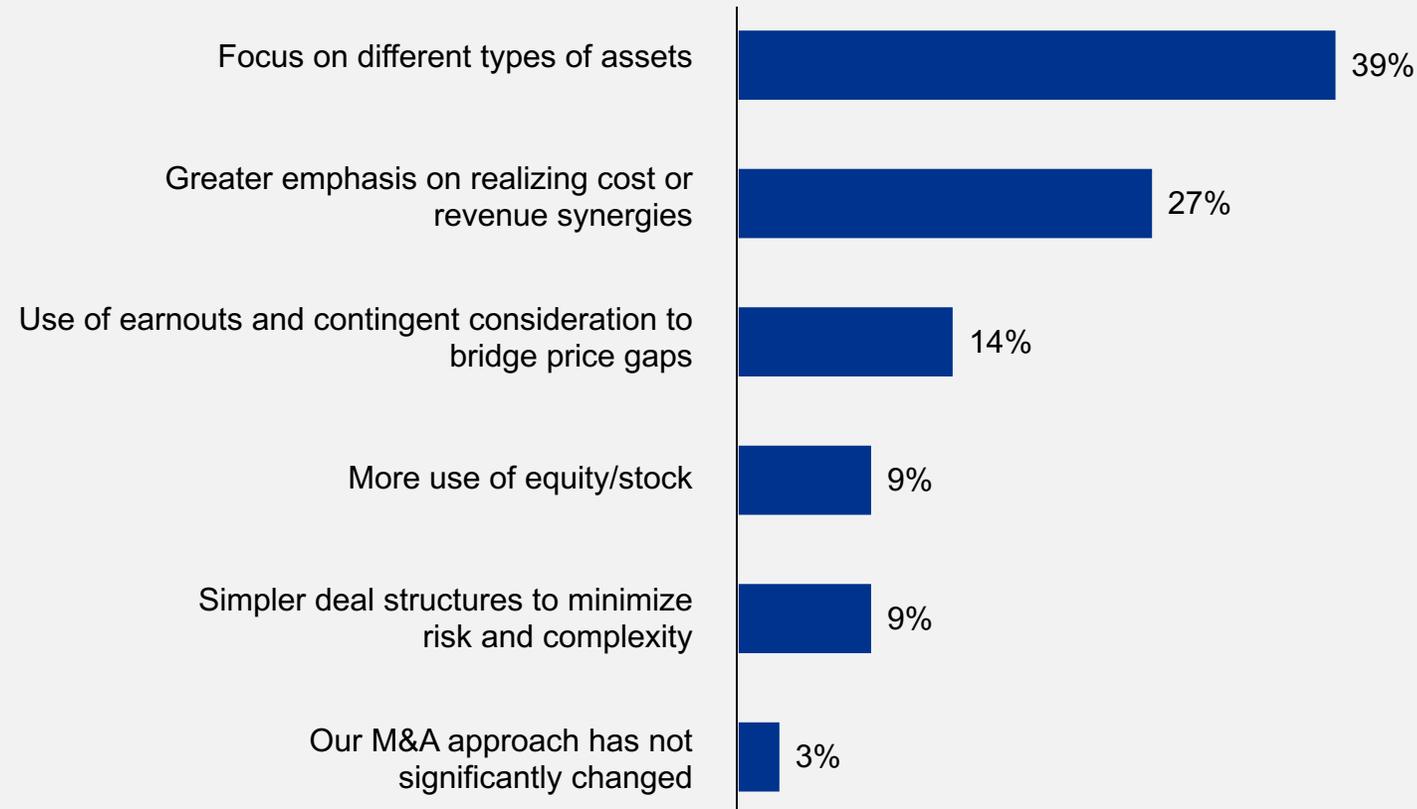
Q. What is your opinion on the valuation of assets and companies?<sup>(a)</sup> Single select; N=150



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

# ~2/5<sup>th</sup> of PE firms address valuation challenges by shifting asset types, with synergy realization remaining a secondary lever

Q. To overcome valuation challenges, which of these strategies has your organization used the most?<sup>(a)</sup> Single select; N=150



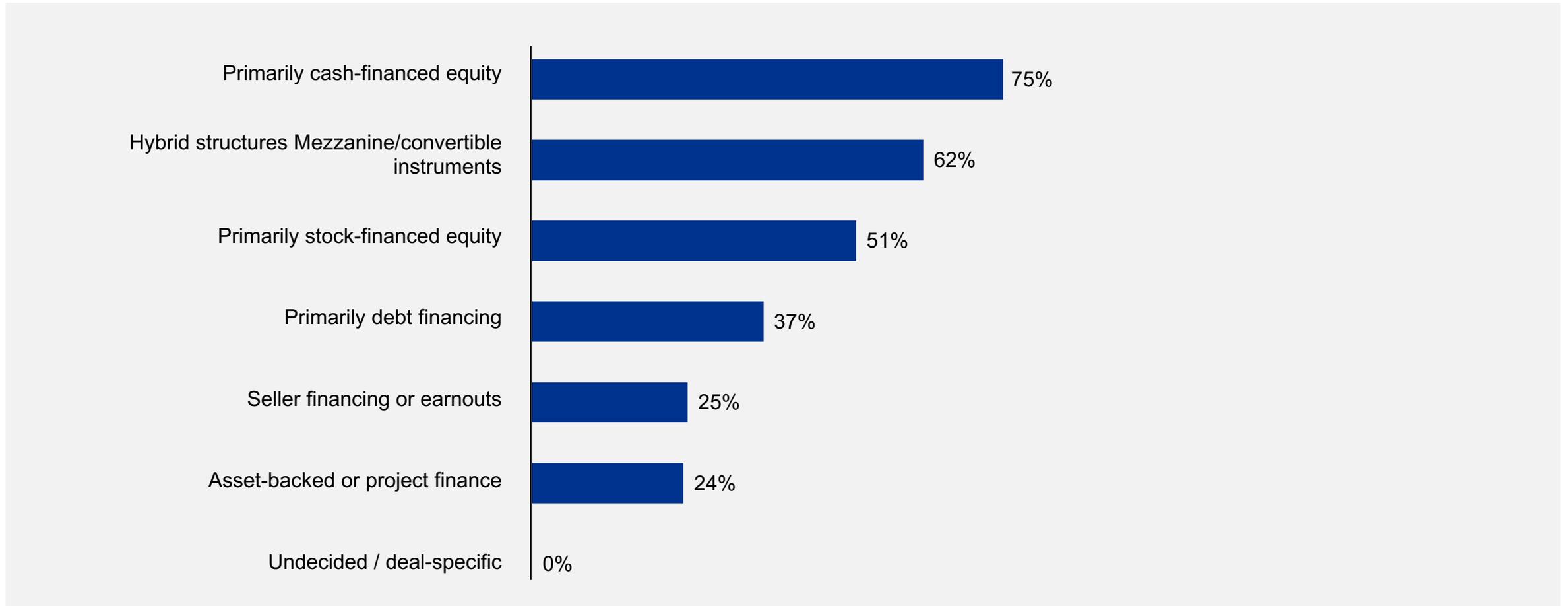
## Key observations

- To overcome valuation challenges, PE firms heavily lean on different types of assets (**39%**), highlighting their opportunistic approach to finding value in other asset types. Synergy realization (**27%**) remains important but secondary, while earnouts (**14%**) are used selectively

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

# For executing acquisitions, 3/4<sup>th</sup> of PE respondents show a preference for cash-financed equity, followed by strong use of hybrid structures

Q. What financing structures are you most likely to use for acquisitions? *Multi select; N=150*

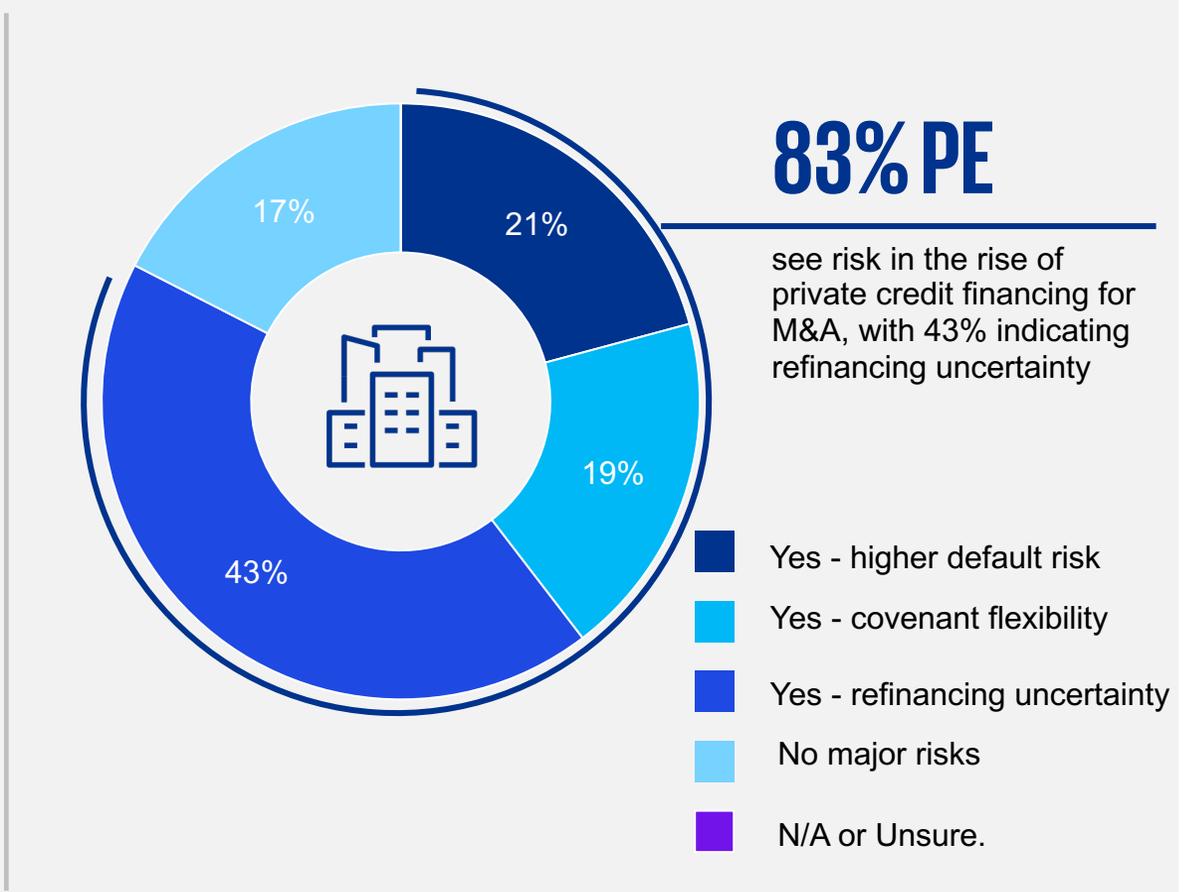
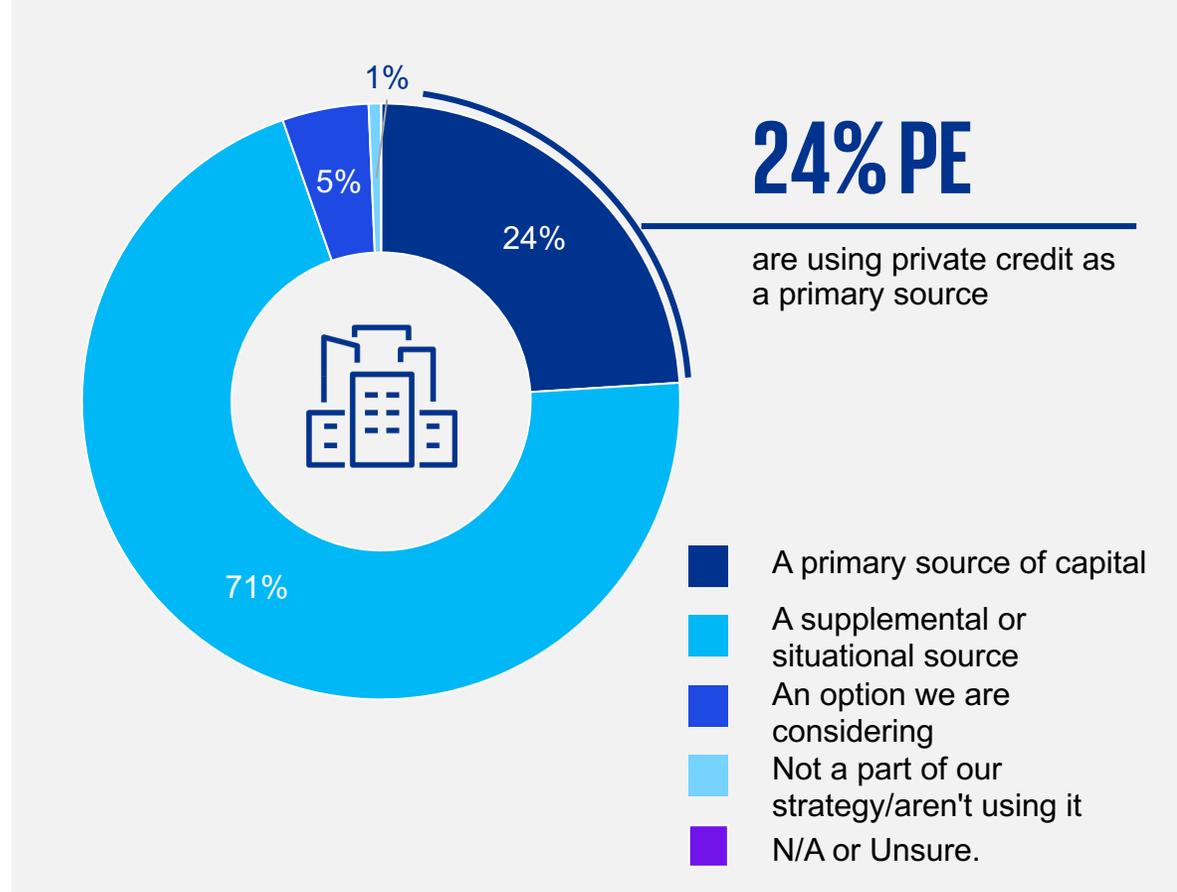


Source(s): KPMG M&A Survey – Year-end 2025

# While 1/4<sup>th</sup> of PE respondents are likely to use private credit as a primary financing source, over 4/5<sup>th</sup> acknowledge the associated risks

Q. What role does private credit currently play in your organization's M&A financing and/or liquidity strategy?<sup>(a)</sup> *Single select; N=150*

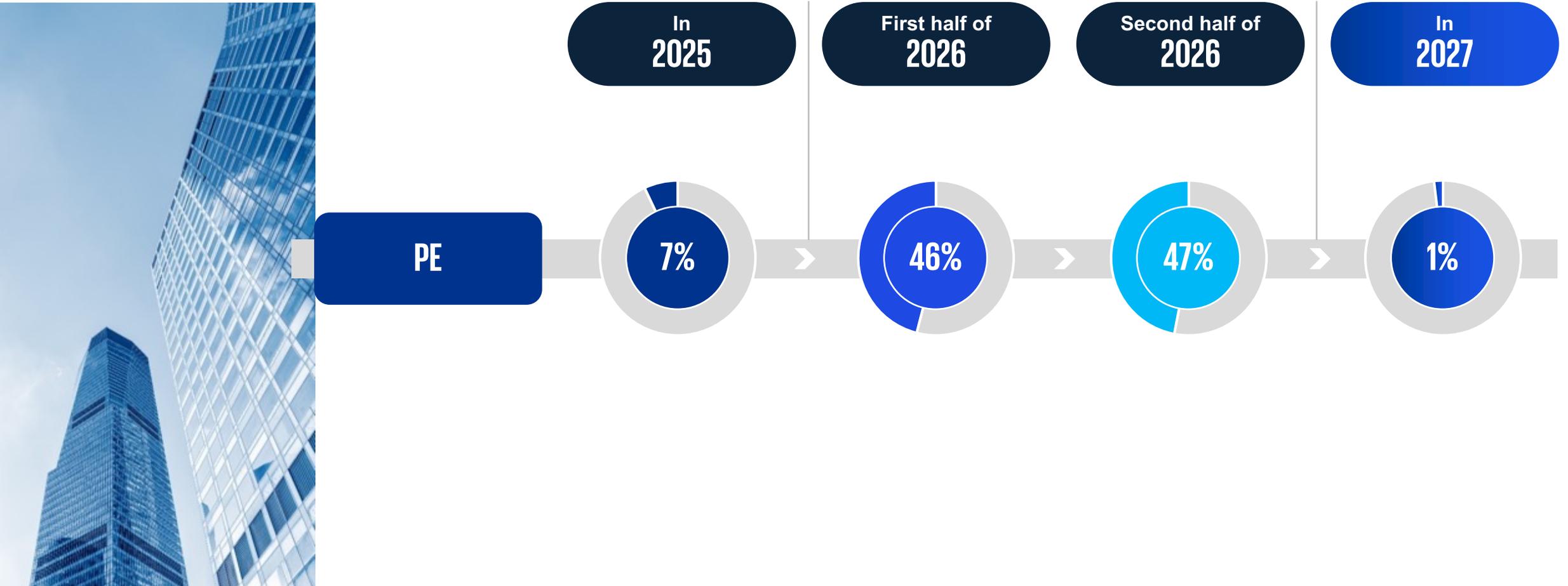
Q. Do you see risks in the rise of private credit financing for M&A, and how are you mitigating them?<sup>(a)(b)</sup> *Single select; N=149*



Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) Not asked to those for whom private credit is not a part of their strategy or aren't using it/unsure  
 Source(s): KPMG M&A Survey – Year-end 2025

# PE respondents show an almost equal split, with 46% planning to announce their next deal in the first half of 2026 and 47% in the second half

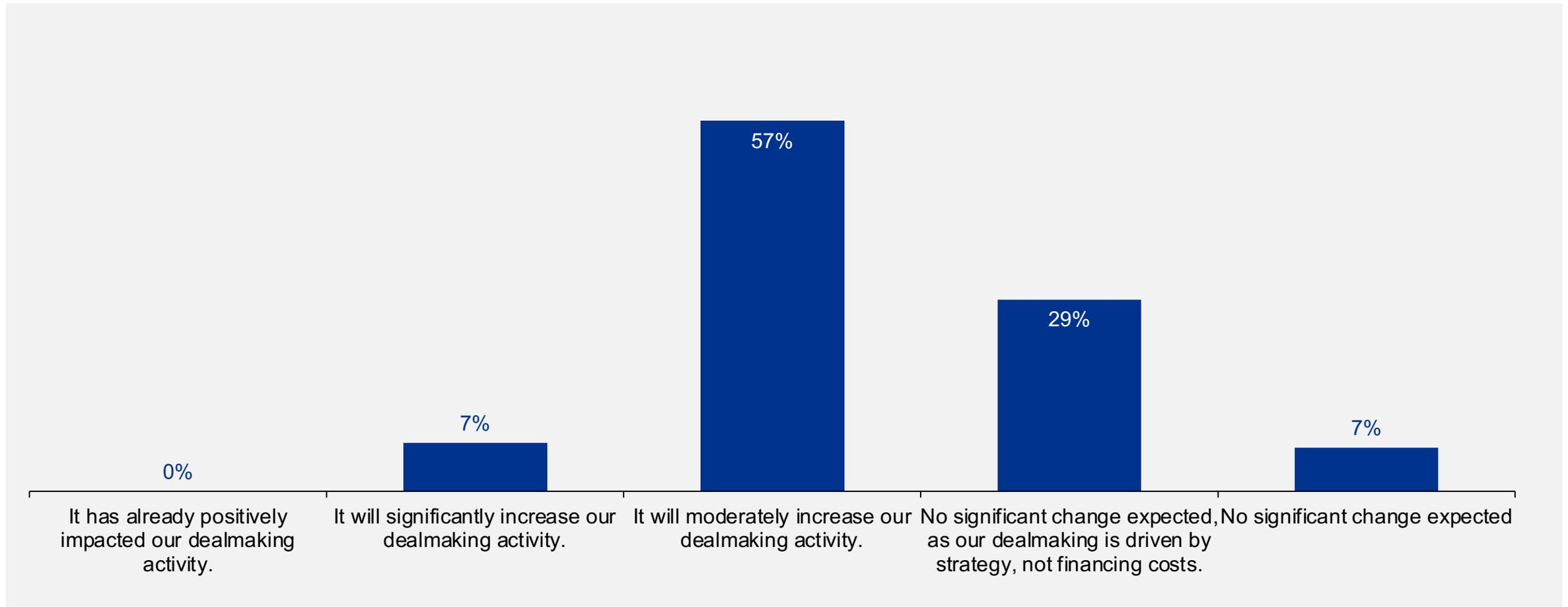
Q. When do you expect to proceed with your next deal?<sup>(a)</sup> Single select; N=150



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

# In the PE sector, over 3/5<sup>th</sup> anticipate increase in dealmaking activity due to 50 bps cut, while the remaining believe it will have no impact

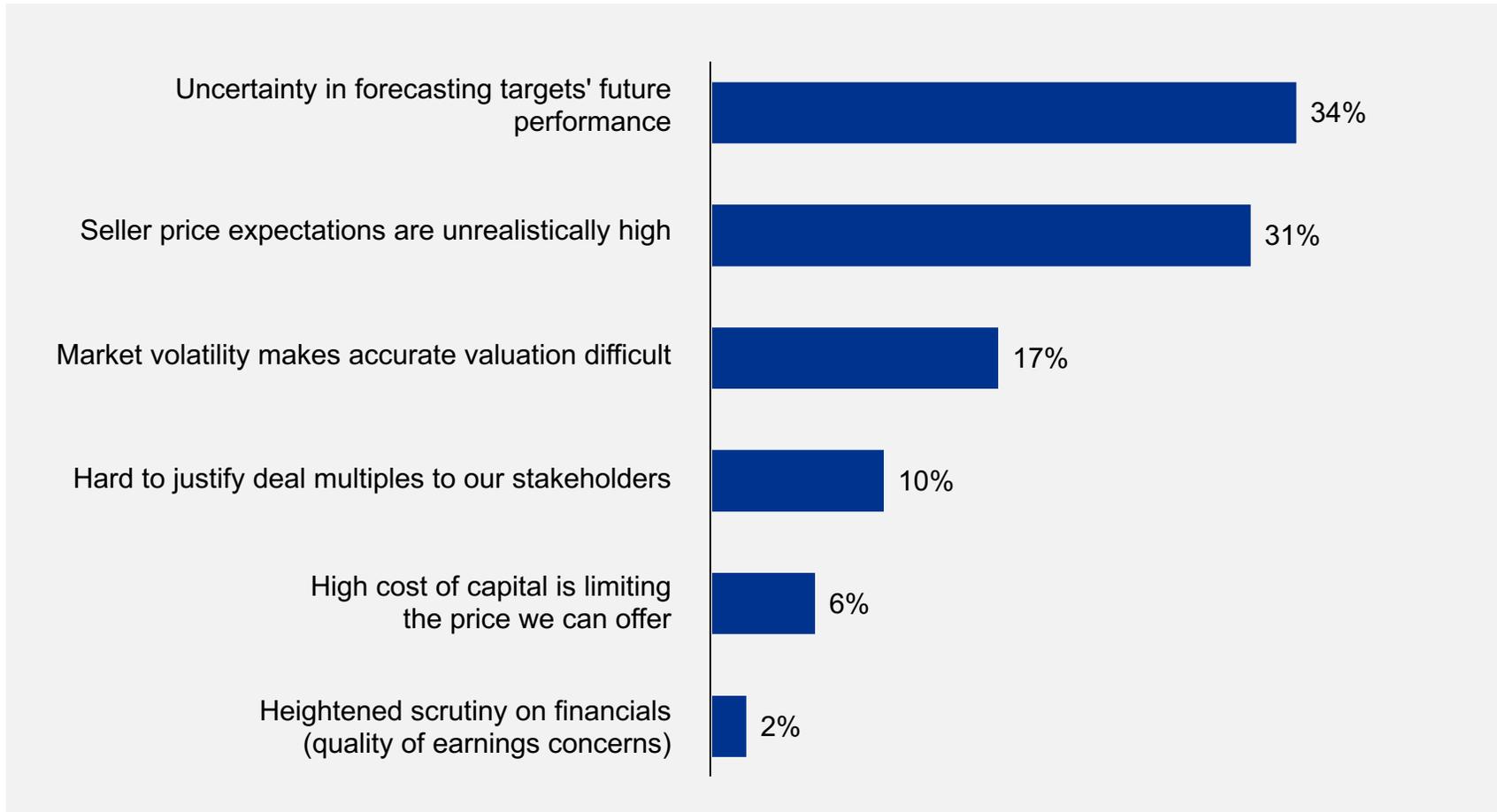
Q. How does the recent combined 50 bps decrease in interest rates affect your dealmaking?<sup>(a)</sup> Single select; N=150



Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The "Unsure/Too early to tell" option is not represented due to low responses  
Source(s): KPMG M&A Survey – Year-end 2025

# PE dealmaking faces valuation headwinds – uncertain forecasts and elevated seller price expectations are the top hurdles

Q. What is the biggest valuation-related challenge you face in executing M&A deals currently?<sup>(a)</sup> Single select; N=150



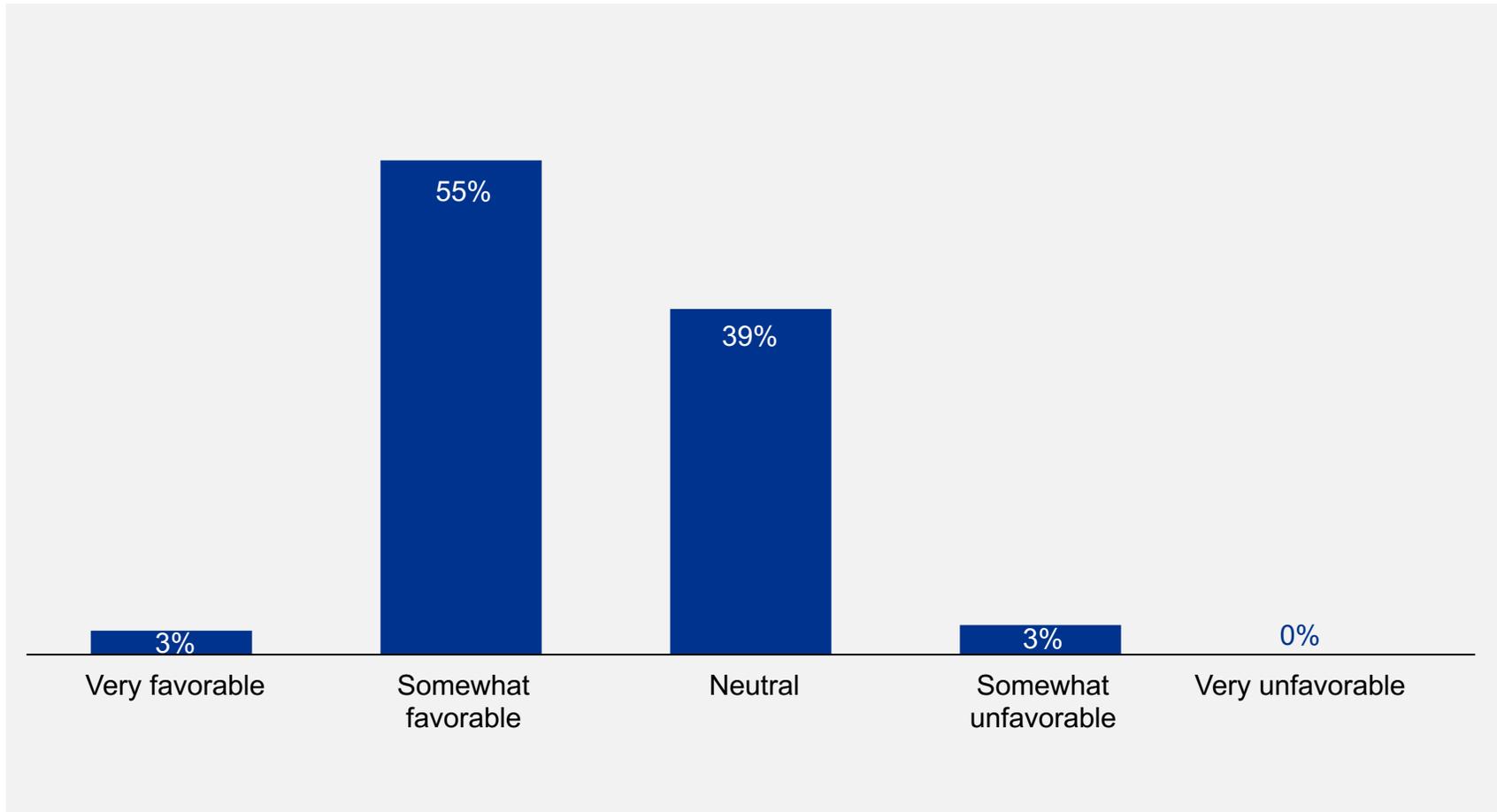
## Key observations

- For PE firms, forecasting uncertainty (**34%**) and high seller price expectations (**31%**) dominate as the biggest challenges while executing M&A deals. Market volatility (**17%**) is less of a concern compared to corporates, suggesting PE's stronger risk appetite

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) The "We don't think it's a challenge" option is not represented due to low responses  
Source(s): KPMG M&A Survey – Year-end 2025

# The US PE investment climate for 2025 is seen as favorable by most PE respondents, with a significant portion remaining neutral or cautious

Q. How would you describe the overall current climate for PE investments in the US for 2025?<sup>(a)</sup> *Single select; N=150*



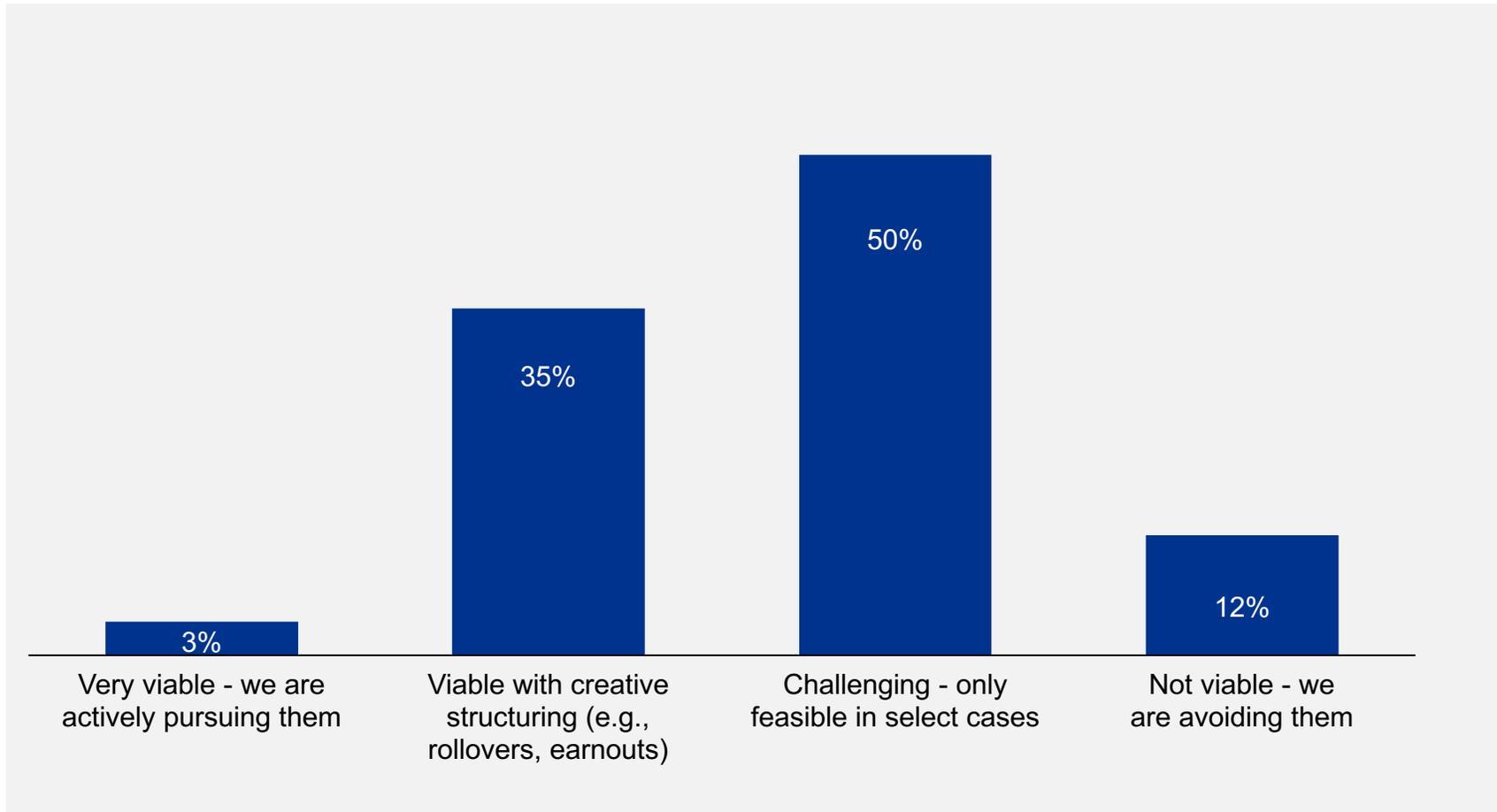
Note(s): (a) Sum of percentages may not add up to 100 due to rounding  
Source(s): KPMG M&A Survey – Year-end 2025

## Key observations

- A significant **58%** of **PE** respondents describe the US PE investment climate for 2025 as favorable. This indicates an overall positive sentiment, though with moderate optimism rather than strong confidence
- **39%** of respondents rate the climate as neutral, and only **3%** as somewhat unfavorable. No respondents selected very unfavorable, suggesting that while most lean positive, a considerable portion remains cautious or indifferent

# Half of the PE respondents believe sponsor-to-sponsor transactions are only feasible in select cases, while some see them as viable with creative structuring

Q. How viable are sponsor-to-sponsor transactions in today's market?<sup>(a)</sup> *Single select; N=150*



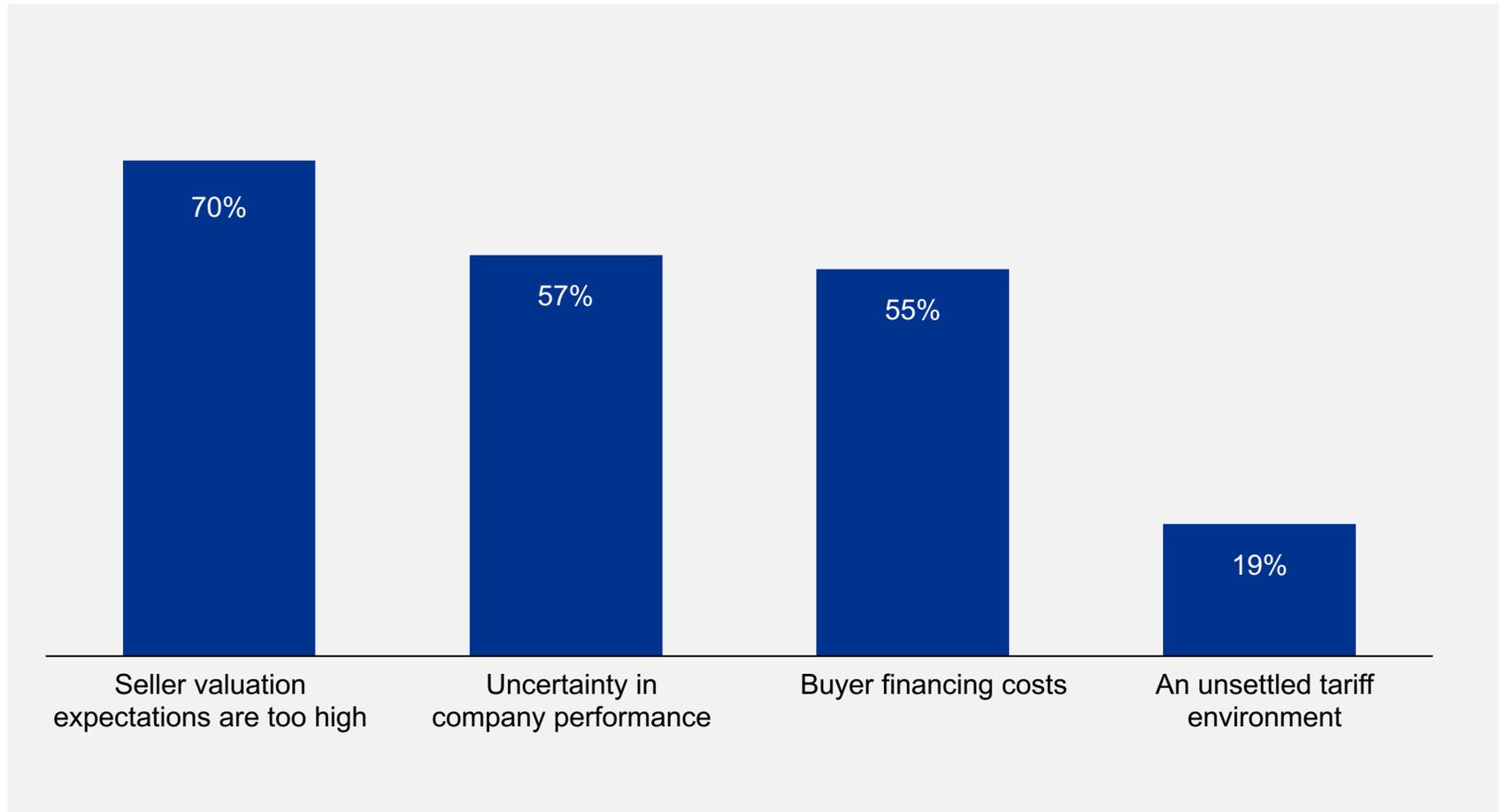
Note(s): (a) Sum of percentages may not add up to 100 due to rounding  
Source(s): KPMG M&A Survey – Year-end 2025

## Key observations

- **Half** of the **PE** respondents believe that sponsor-to-sponsor transactions are only feasible in select cases, indicating significant market constraints and limited opportunities for straightforward execution
- **35%** consider such deals viable with creative structuring (e.g., rollovers, earnouts), while only **3%** actively pursue them as very viable

# High seller valuation expectations and performance uncertainty are key drivers of widening bid-ask spreads in sponsor-to-sponsor deals for most PE respondents

Q. What are the main contributors to the bid-ask spread in sponsor-to-sponsor deals?<sup>(a)</sup> *Single select; N=150*



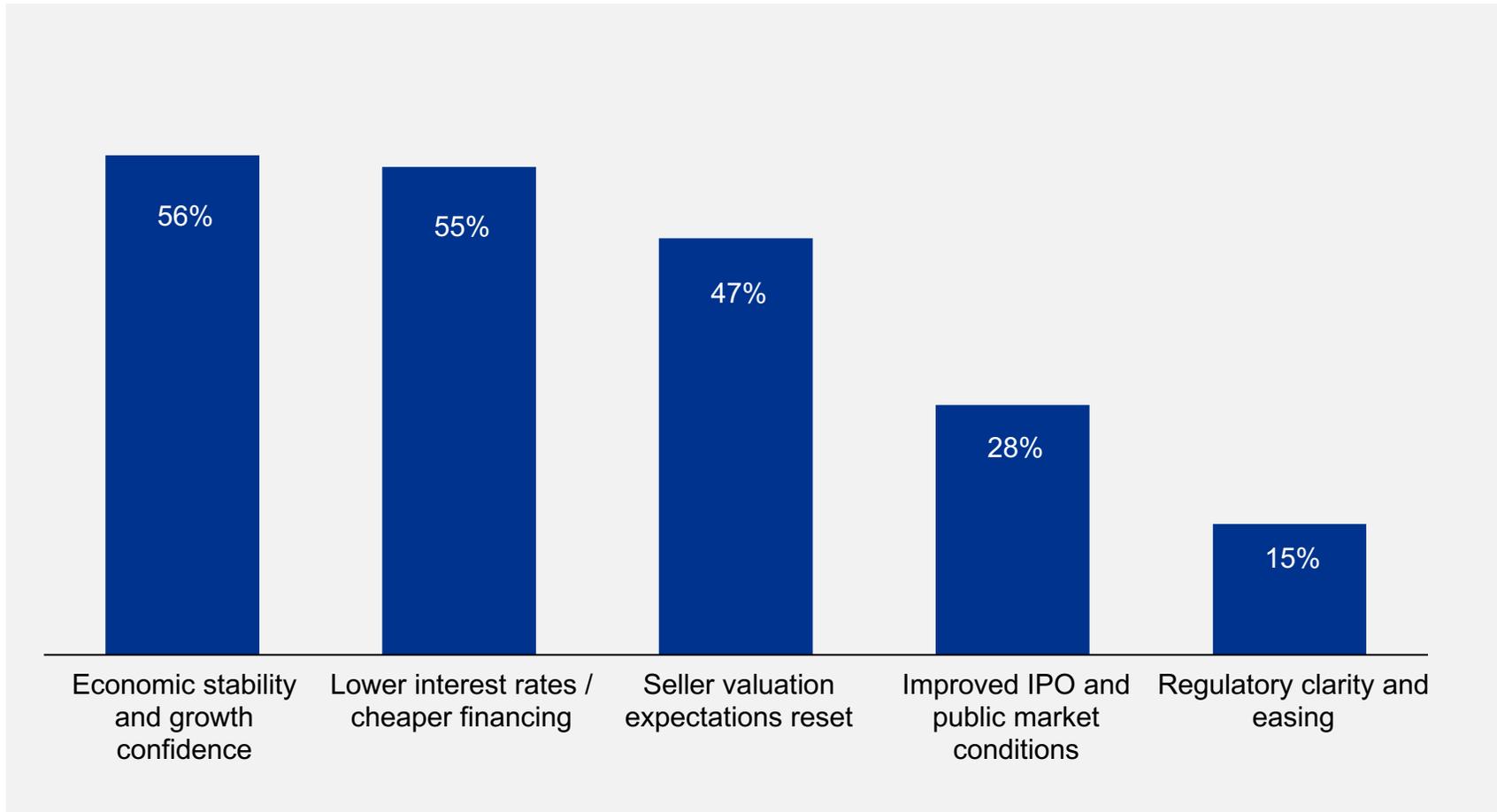
## Key observations

- **70%** of **PE** respondents identified unrealistic seller valuation expectations as the primary contributor to the widening bid-ask spread in sponsor-to-sponsor deals
- Meanwhile, **57%** highlighted uncertainty around company performance as a key factor impacting negotiations

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

# Lower interest rates and economic stability are key to revitalizing sponsor-to-sponsor deal volumes for over half of PE respondents

Q. What market shifts would most likely drive a return to pre-2022 levels of sponsor-to-sponsor deal volume?<sup>(a)</sup> *Single select; N=150*



## Key observations

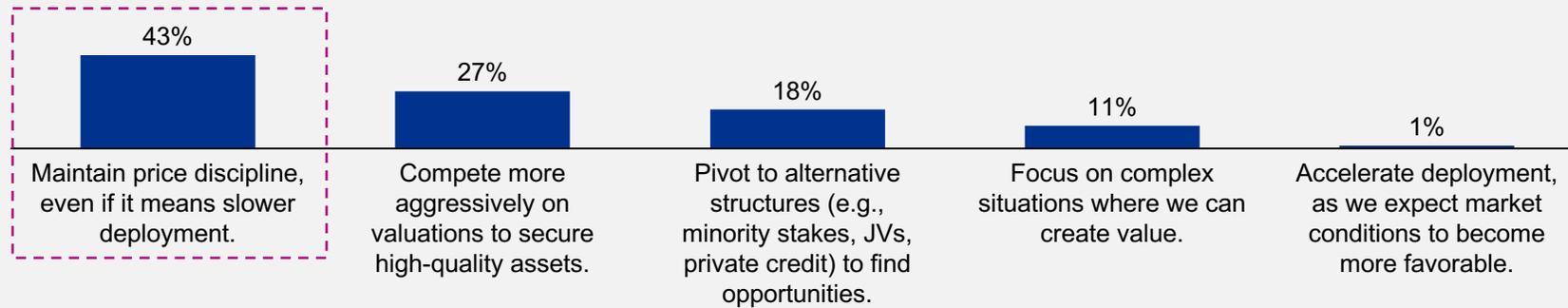
- **>50%** of **PE** respondents highlighted lower interest rates/cheaper financing, alongside economic stability and renewed growth confidence, as crucial drivers for restoring sponsor-to-sponsor deal volumes to pre-2022 levels
- Additionally, **47%** emphasized the need to reset seller valuation expectations to align market perceptions and facilitate smoother transactions

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

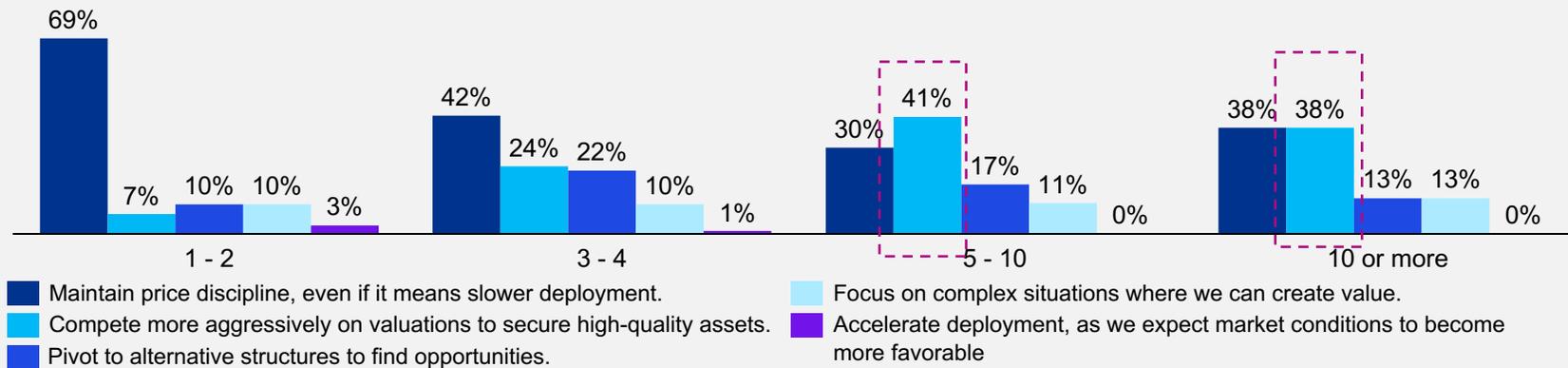
# Price discipline leads dry powder deployment strategy in 2026, while higher volume dealmakers (>5 deals) focus on aggressive valuations to secure quality assets

Q. Considering the current market, what is your firm's primary strategy for deploying dry powder in 2026? *Single select; N=150*

## Overall (n= 150)



## Respondents based on the number of anticipated deals in 2026 (n=150)



## Key observations

- **43%** of respondents indicated that, given current market conditions, the primary strategy for deploying dry powder in 2026 is maintaining price discipline—even at the cost of slower deployment
- Firms expecting to execute **five or more deals** are more focused on competing aggressively on valuations to secure high-quality assets, compared to firms anticipating fewer than five deals

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

# 02

## Appendix



# Objectives & Methodology

## Objectives

Assess the current deal market to understand how market conditions are impacting deals and the degree to which corporate and private equity firms are currently executing M&A deals.

The research also gauges the sentiment of M&A dealmakers for their 2026 plans, covering key topics like deal characteristics, asset availability and policy impacts.

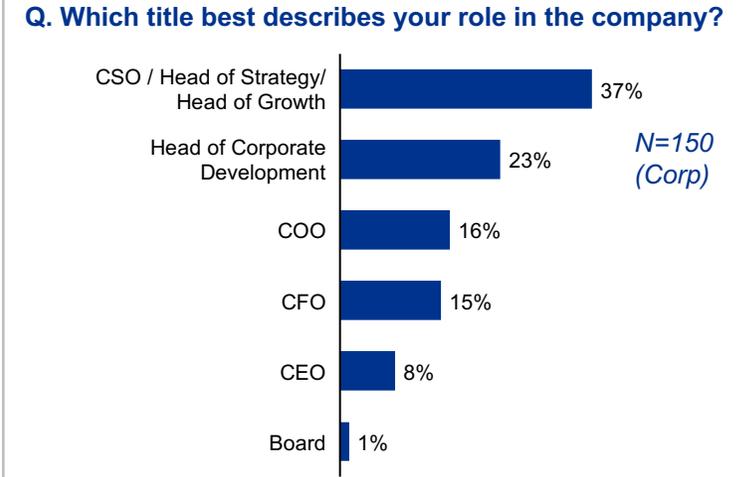
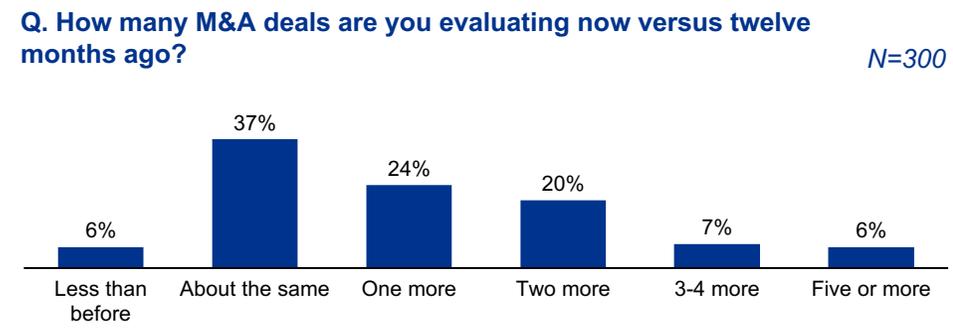
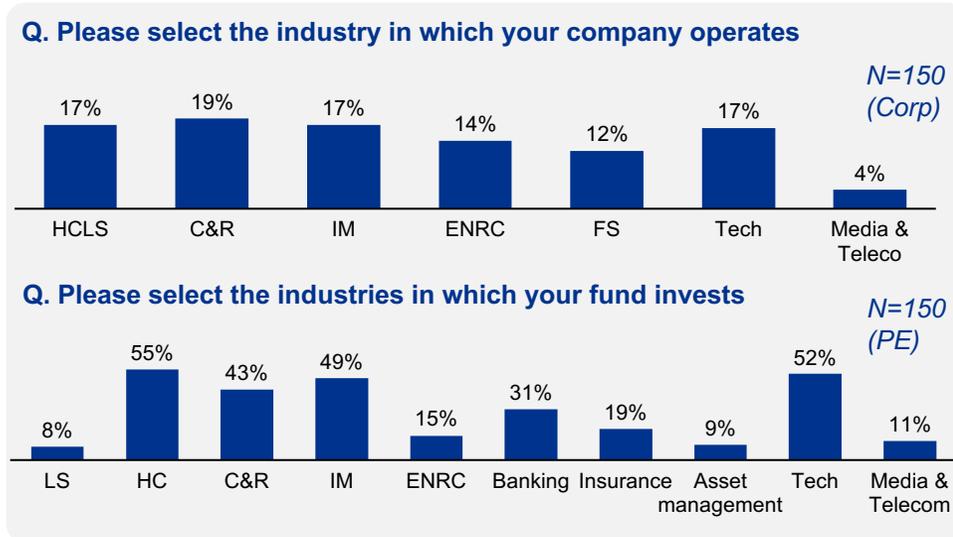
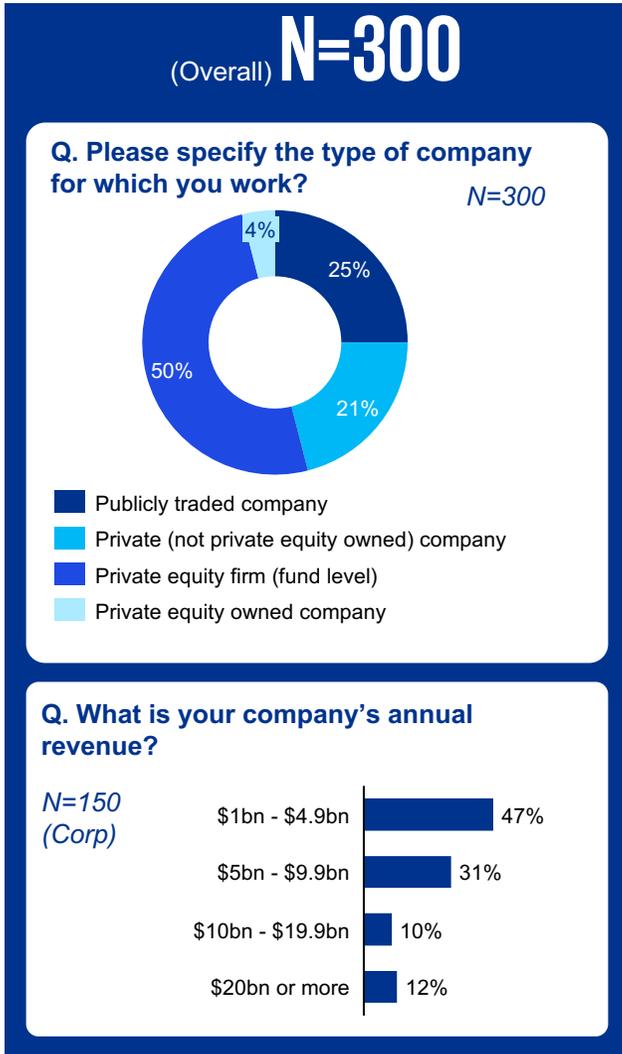


## Methodology

- Online survey of n=300 M&A dealmakers in the US
- Dealmakers were screened for the following:
  - Relevant C-Suite titles
  - Participate directly in or provide input on M&A deal decisions, including responsibility for strategy, due diligence, negotiation, closing deals, etc.
  - Employed at a publicly traded company, private company that is not equity owned, or a private company that is equity owned. Referred to as “corporate” throughout the report (n=150)
  - Employed at a private equity company (n=150)
- All had to be working for organizations with \$1 billion or more in revenue (corporate) or \$500 million or more in fund size (private equity)
- This survey includes responses from both corporate and private equity dealmakers who were asked the same set of questions. The responses from PE dealmakers should be interpreted in the context of their unique focus on platform and add-on acquisitions.



# Demographics/Screeners



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



# Organization Profile

Q. Please specify the type of company for which you work.

Type of Company	Corp.	PE
Publicly traded company	52%	
Private (not private equity owned) company	42%	
Private equity owned company	8%	
Private equity	--	100%

Q. What is your company's annual revenue? | Q. What is your fund size?

Size by Revenue/Vol.	Corp. (annual revenue)	PE (fund size)
\$1B - \$4.9B / \$500M - \$999M	47%	3%
\$5B - \$9.9B / \$1B - \$4.9B	31%	21%
\$10B - \$19.9B / \$5B - \$9.9B	10%	25%
\$20B+ / \$10B+	12%	50%



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



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# Business Leader Profile

Q. Which of the following titles best describes your role in the company?

Organizational Role	Corp.
Board	1%
CEO	8%
CFO	15%
COO	16%
Head of Corporate Development	23%
CSO / Head of Strategy/ Head of Growth	37%

Organizational Role	PE
Associate level	1%
Vice President level	33%
Director level	45%
Principal level	5%
Partner level	12%
Managing Director level	4%

Q. Please describe your level of involvement in dealmaking decisions.

M&A Decision Making	Corp.	PE
Participate directly in deal decisions	86%	45%
Provide input into the decisions	14%	55%

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



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