KPMG

2026 Mid-Year M&A Survey

Corporate M&A dealmakers

August 2026

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KPMG 2026 mid-year survey: Introduction

An industry-wide perspective

This survey captures insights from 150 US corporate M&A executives, offering a comprehensive view of today's dealmaking environment. Participants present a broad array of industries and share their views on market dynamics, valuation considerations, and the outlook for deal activity under evolving economic conditions.

Purpose of the survey

- To assess the current M&A environment and analyze the impact of macroeconomic and geopolitical factors on deal activity and market sentiment
- To evaluate how dealmakers are adapting their approach to transaction execution, deal structuring, financing, and value creation in a dynamic market

01

Executive summary

Corporate M&A Dealmakers

Key shifts and tensions

1 Steady deal activity amid market uncertainty

46% expect deal volumes to remain the same, while **38%** expect higher deal volumes in 2H26, — with **~75%** expecting deal activity to continue despite the war in the Middle East

What it means: *Market uncertainty has had a limited impact on corporate deal activity expectations*

2 Appetite for smaller deals grows

62% expect their next deal to be <$500M, up from **52%,** while market expansion **(55%)** and scaling **(52%)** remain key drivers

What it means: *Expansion ambitions remain unchanged, even as expected deal sizes become smaller*

3 Deal activity remains rate sensitive

71% feel little-to-no pressure from the lack of rate cuts — yet **38%** expect rate cuts to increase activity and **44%** expect rate hikes to dampen deal activity

What it means: *Rate cuts may support activity, but expectations remain split on their overall impact*

4 Consistent approaches to valuation gaps

Emphasis on synergies **(30%➡19%)**, simpler structures **(23%➡18%)**, and earnouts **(24%➡18%)** remain the leading approaches to bridging valuation gaps

What it means: *Corporates continue to rely on established approaches to address valuation gaps*

5 Private credit complements traditional financing

Cash **(47%)** and debt **(39%)** are the preferred acquisition funding sources

Majority of dealmakers **(79%)** are also using or considering private credit, driven by flexibility and filling funding gaps

What it means: *Traditional capital structures continue to lead, while private credit is increasingly being used to provide additional financing flexibility*

6 AI: faster, not more certain

Only **9%** report higher confidence in decisions; **47%** are faster at similar confidence and **23%** flag a greater risk of false confidence

What it means: *AI is speeding the work without clearly improving conviction, some even see more risk of false confidence*

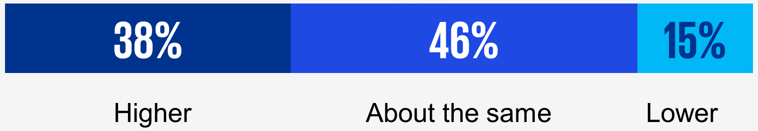
How to read this: figures are directional and single-select (N=150). Year-over-year comparisons draw on the YE 2025 survey, which used different questions — shifts such as 52% → 62% may reflect changes in the survey, not only in respondent behavior.

Source(s): KPMG M&A Survey – Mid-year 2026

M&A macro landscape and trends: M&A activity is expected to remain stable despite market volatility

Deal pipeline volume remains stable

Deal pipeline volume expectation for 2H26[a]



84% expect deal pipeline volumes to remain stable or increase

M&A intentions hold steady despite evolving market conditions

Impact of market conditions

75% Report deals continued despite the war in the Middle East

42% *- no impact on dealmaking* | ***33%*** *- proceeding with caution*

71% Indicate deals continue to progress despite the lack of rate cuts

35% *- some pressure with plans intact* | ***31%*** *- no impact on dealmaking* |

5% *- support to dealmaking*

63% of dealmakers said valuations are high, with **50%** still progressing regardless

Dealmakers actively adjust strategies to navigate volatility

Impact of energy volatility and policy shifts[a]

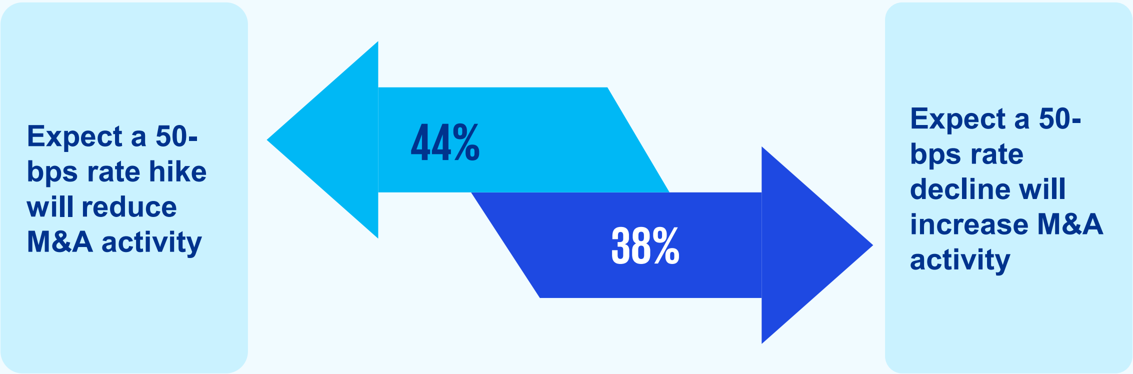
Impact of energy price fluctuations on M&A strategy

- **41%** Taking a more selective and cautious approach
- **23%** Lowering valuations and bids
- **22%** Scaling back or delaying activity in energy-intensive sectors

46% Adjusting valuation models in response to the **impact of the US Supreme Court's tariff ruling**

Rate cuts are needed to meaningfully influence M&A activity

Sensitivity to potential interest rates on M&A appetite[a]



Note(s): (a) N=150
Source(s): KPMG M&A Survey – Mid-year 2026

Deal strategy and investment theses: Growth imperatives continue to shape expected deal sizes toward smaller transactions

Expansion and long-term value anchor dealmaking

Primary deal investment theses[c]

Represented top 3

61%	55%	52%
Long-term strategic value and growth	Market and customer expansion	Scaling and expanding existing businesses or portfolios

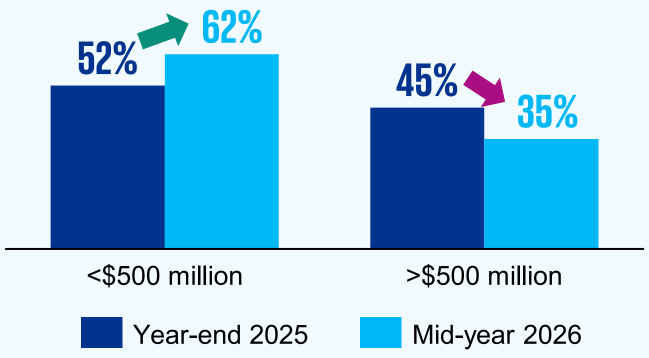
Top drivers for increased M&A plans[b]

Represented top 3

67%	Expanding into new markets or geographies
52%	Strengthen or scale the core business
50%	Acquiring technological capabilities or talent

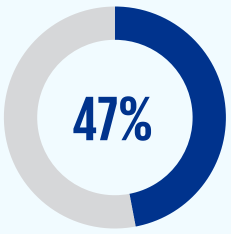
Deals shift towards smaller transaction sizes

Estimated deal value for next M&A transaction[c]



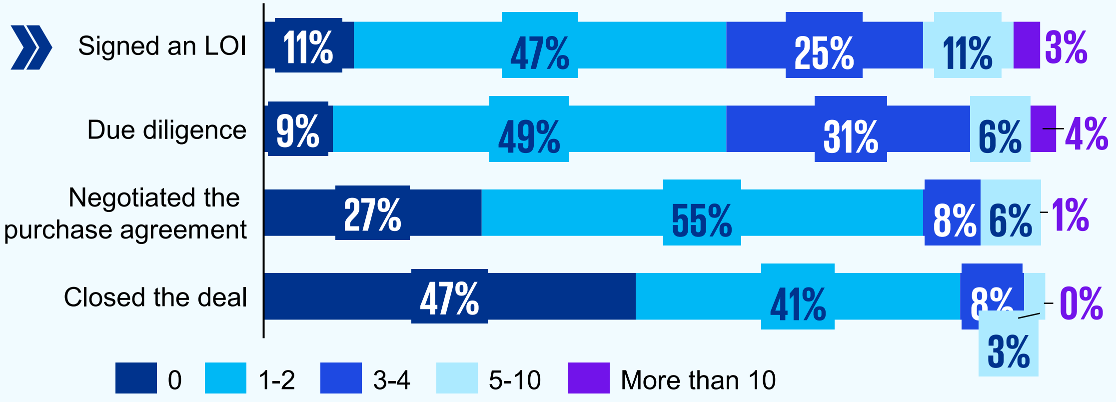
Execution timelines are lengthening, and activity is concentrated in earlier stages

Deal execution dynamics[c]



Say deal timelines have lengthened

No. of deals at respective M&A stage[a]



Note(s): (a) Sum of percentages may not add up as we have removed the unsure option; (b) N=58; (c) N=150
Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

M&A execution: Traditional financing and structured deals dominate dealmaking

Strategic levers bridge valuation gaps

Strategies used to overcome valuation challenges[a]

Represented top 3

- Greater emphasis on realizing cost/revenue synergies — 19%
- Use of earnouts to bridge price gaps — 18%
- Simplified deal structures to minimize complexity and risk — 18%

Deal funding skews toward traditional structures

Financing structures used for acquisitions[b]

Represented top 4

- 47% Primarily cash-financed equity
- 26% Primarily stock-financed equity
- 39% Primarily debt financing
- 20% Hybrid structures

Private credit enables flexibility and bridges funding gaps

Role of private credit[b]

79% are either using or considering private credit for M&A transactions

Represented top 3 uses

- Greater flexibility in structuring deals — 29%
- Filling gaps where traditional financing is unavailable — 21%
- Ability to finance more complex transactions — 17%

Control-led dealmaking with selective flexibility

Deal types preferred by dealmakers[b]

Represented top 4

- 71% Acquisition of a full business
- 43% Joint-venture/strategic partnership/ co-investments
- 29% Carve out acquisitions
- 23% Divestiture of a full business

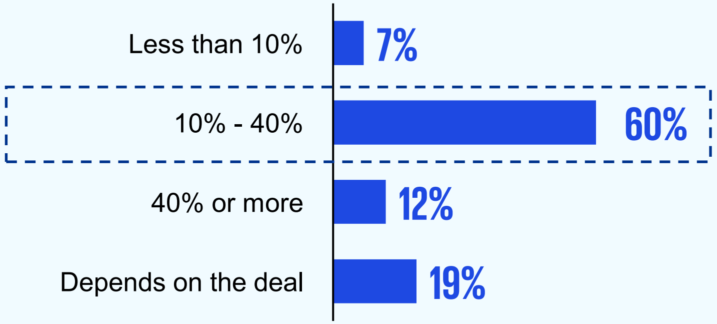
Successful acquisitions hinge on execution discipline and achievable synergies

Aspects of a successful acquisition[b]

Indicators of a successful acquisition

- 54% Achieving or exceeding synergy targets
- 51% Meeting overall business case & financial model
- 43% Successful integration of technology, product, or capabilities

Synergies typically underwritten to pursue a transaction
(shown as % of target's current EBITDA)



Note(s): (a) N=146; (b) N=150
Source(s): KPMG M&A Survey – Mid-year 2026

AI efficiencies: AI accelerates M&A processes, but confidence remain limited

AI efficiency gains are observed across M&A processes

Use of AI to offset manual effort in M&A processes

Represents respondents reporting > 25% AI-driven efficiencies

	Mid-year 2026	Year-end 2025
Target screening and prioritization	27%	21%
Due diligence	24%	13%
Competitive intelligence and market analysis	36%	30%
Valuation modeling and scenario planning	19%	19%
Legal and contract review	20%	15%
Integration planning and reporting	15%	10%
Budget modeling and tracking	21%	19%
Stakeholder communications and change management	14%	12%
Regulatory compliance and risk monitoring	11%	9%

Faster and better decisions with similar confidence

Realized benefits of AI

9%	Better decisions with higher confidence
47%	Faster decisions with similar confidence
21%	Faster decisions with greater risk of false confidence
23%	No material impact yet

Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

1.b

M&A macro landscape and trends

Corporate M&A Dealmakers

Corporates expect stable deal activity, with modest expectations for improved volumes and deal quality

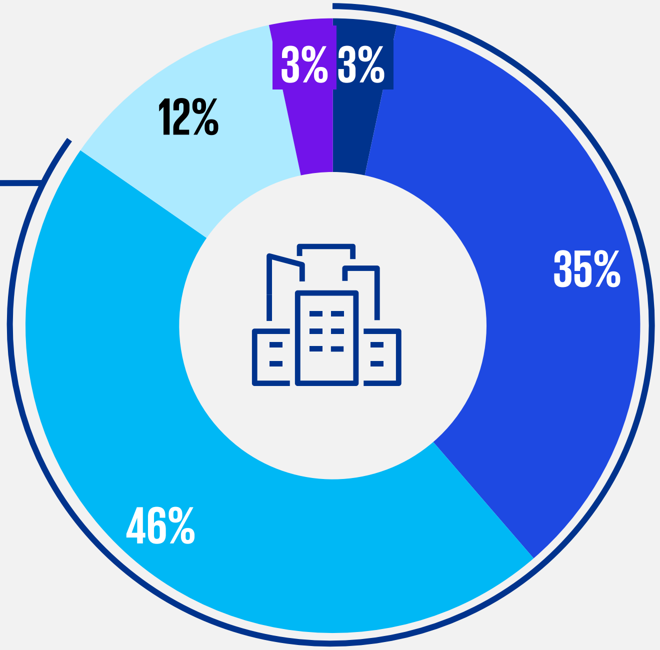
Q. What are your expectations for your organization's M&A deal pipeline volume for the second half of 2026 compared to the first half of 2026?[(a)]
Matrix, Single select; N=150

Volume expectations in 2H26 vs 1H26

84% corporates

expect overall M&A deal volume to remain **about the same or increase in 2H26 compared to 1H26**

- Within this, 46% expect it to be stable, while 38% respondents expect higher M&A deal volume

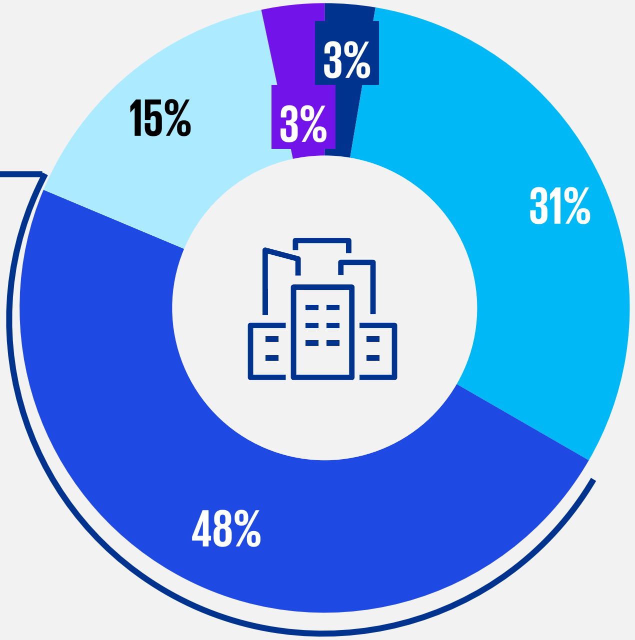


Quality of deal opportunities in 2H26 vs 1H26

48% corporates

expect about the same deal quality **in 2H26 vs 1H26**

- However, 34% expect the quality of deal opportunities to be higher in the second half of the year

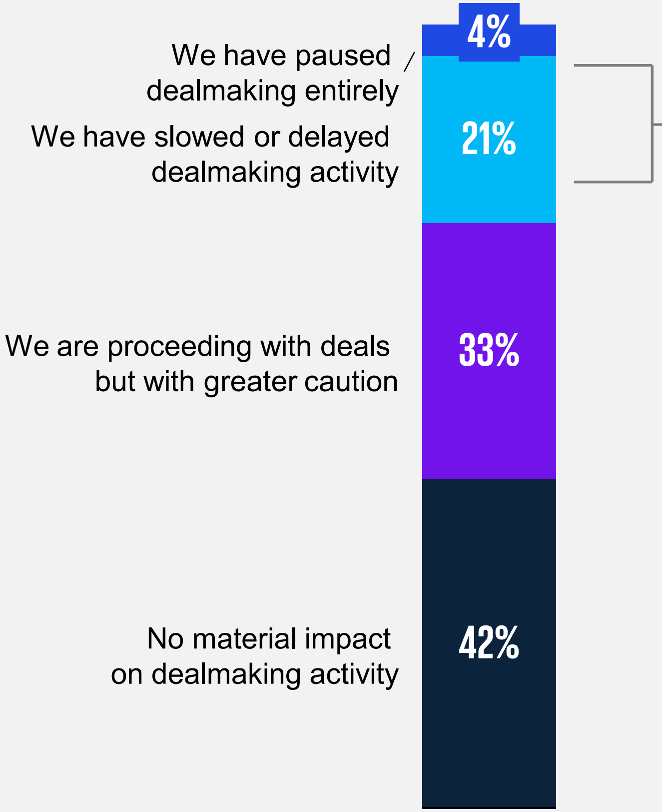


Much higher | Slightly higher | About the same | Slightly lower | Much lower

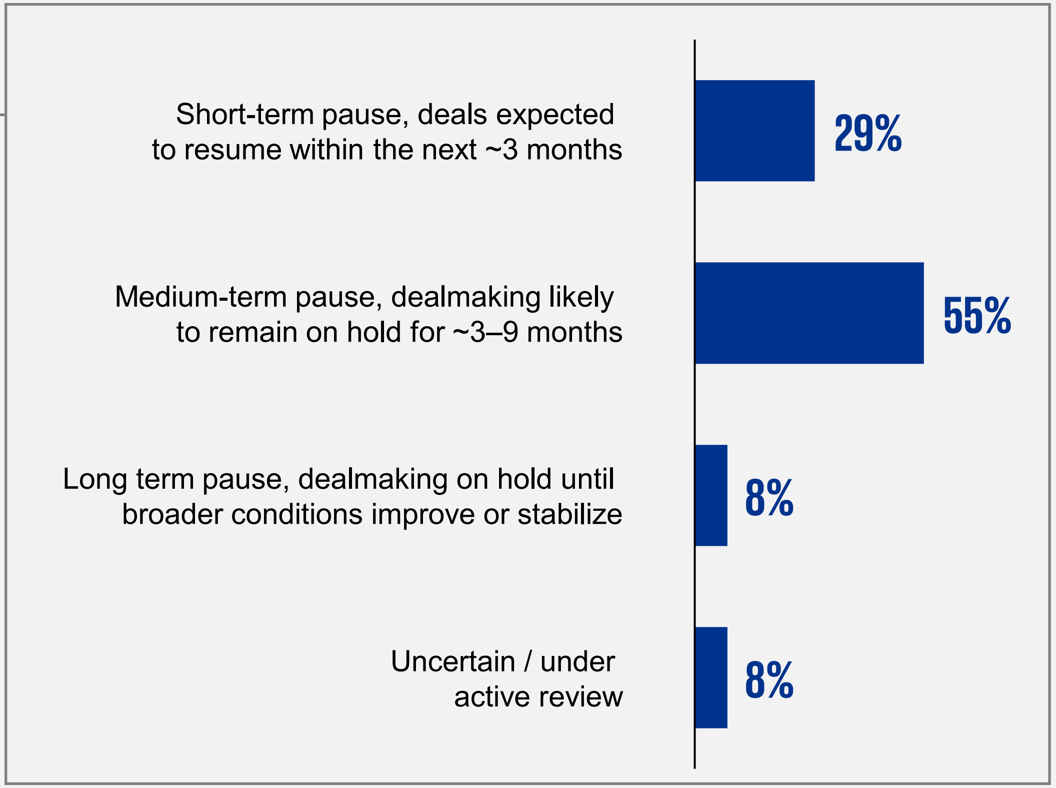
Note(s): (a) Sum of percentages may not add up to 100 due to rounding
Source(s): KPMG M&A Survey – Mid-year 2026

58% of corporates said the war in the Middle East impacted their dealmaking

Q. How has the war in the Middle East affected your organization's M&A deal activity?[a] *Single select; N=150*



Q. If your firm is currently pausing or delaying dealmaking, what best describes your current outlook?[a] *Single select; N=38 (asked of those who answered "paused", "slowed or delayed" in previous question)*



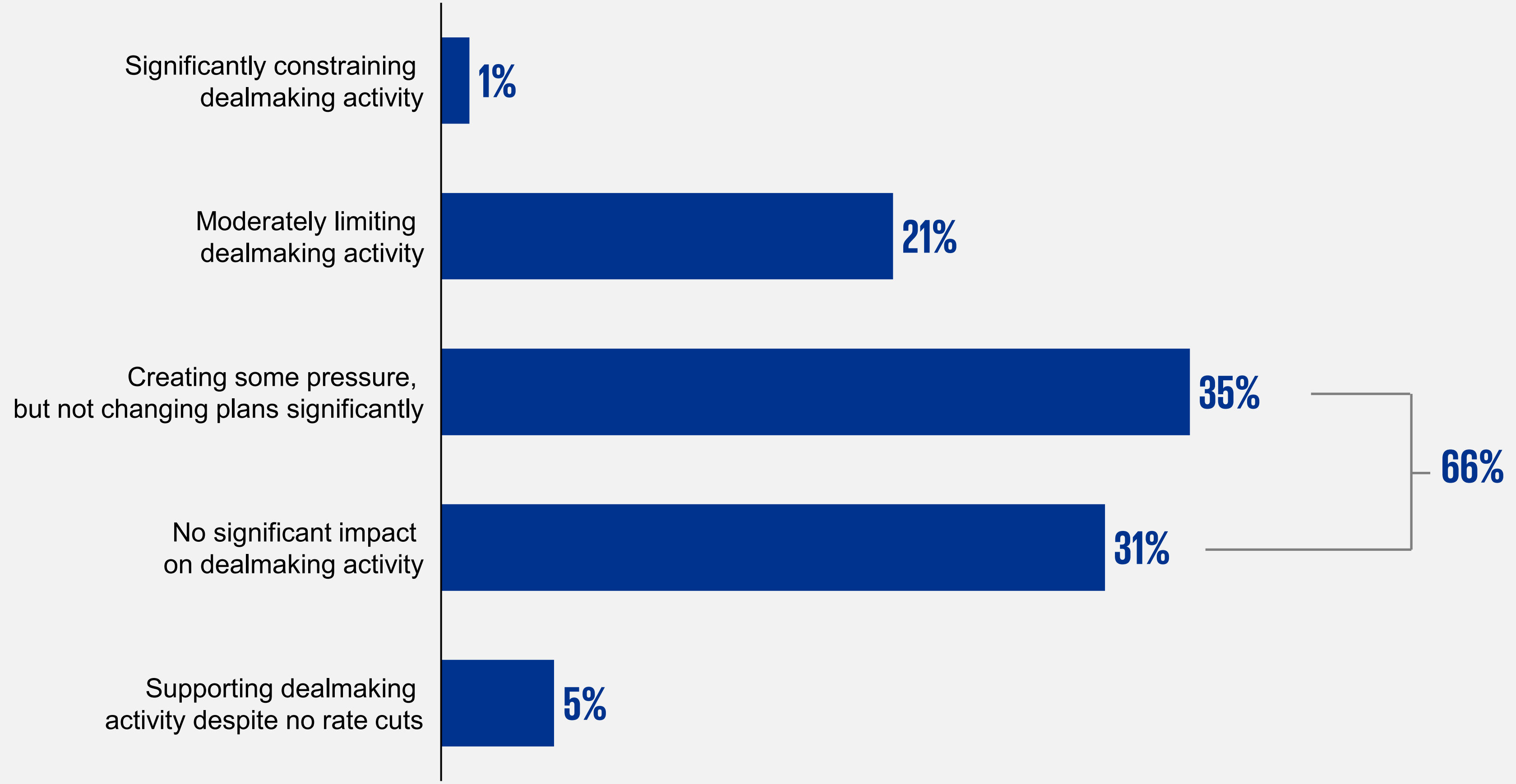
Key Observations

- Due to the war in the Middle East, **more corporates (42%) reported no material impact on deal activity** while **33% are still proceeding cautiously**
- Among corporates experiencing disruption, **dealmaking delays** are more common than full pauses, with only **4% pausing activity entirely**
  - Of firms delaying transactions, the majority expect the pause to be temporary, with **55% anticipating dealmaking to remain on hold for the next ~3-9 months**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding
Source(s): KPMG M&A Survey – Mid-year 2026

2/3rd of corporates said that deal activity has not been impacted by the lack of rate cuts

Q. How has the lack of interest rate cuts in 2026 impacted your dealmaking activity?[(a)(b)] *Single select; N=150*



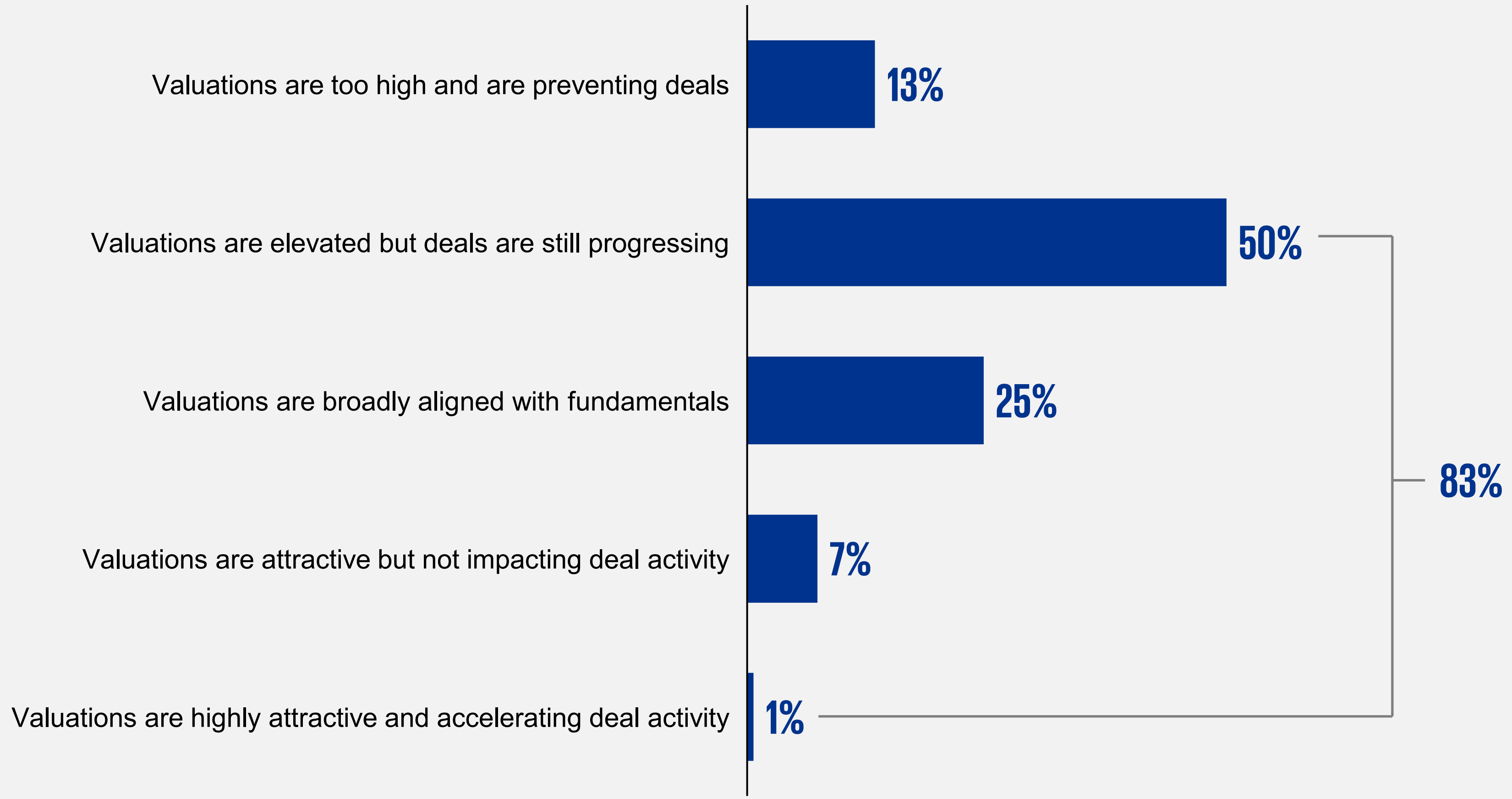
Key Observations

- **66%** of corporates report **limited to no impact** on deal activity, indicating resilience in the current rate environment
- **22%** corporates stated that the absence of interest rate cuts is primarily creating **moderate to significant constraints on dealmaking activity**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses
Source(s): KPMG M&A Survey – Mid-year 2026

63% of dealmakers said valuations are high — with 50% still progressing regardless

Q. What is your current view on the valuation of M&A targets you are evaluating?[a][b] *Single select; N=150*



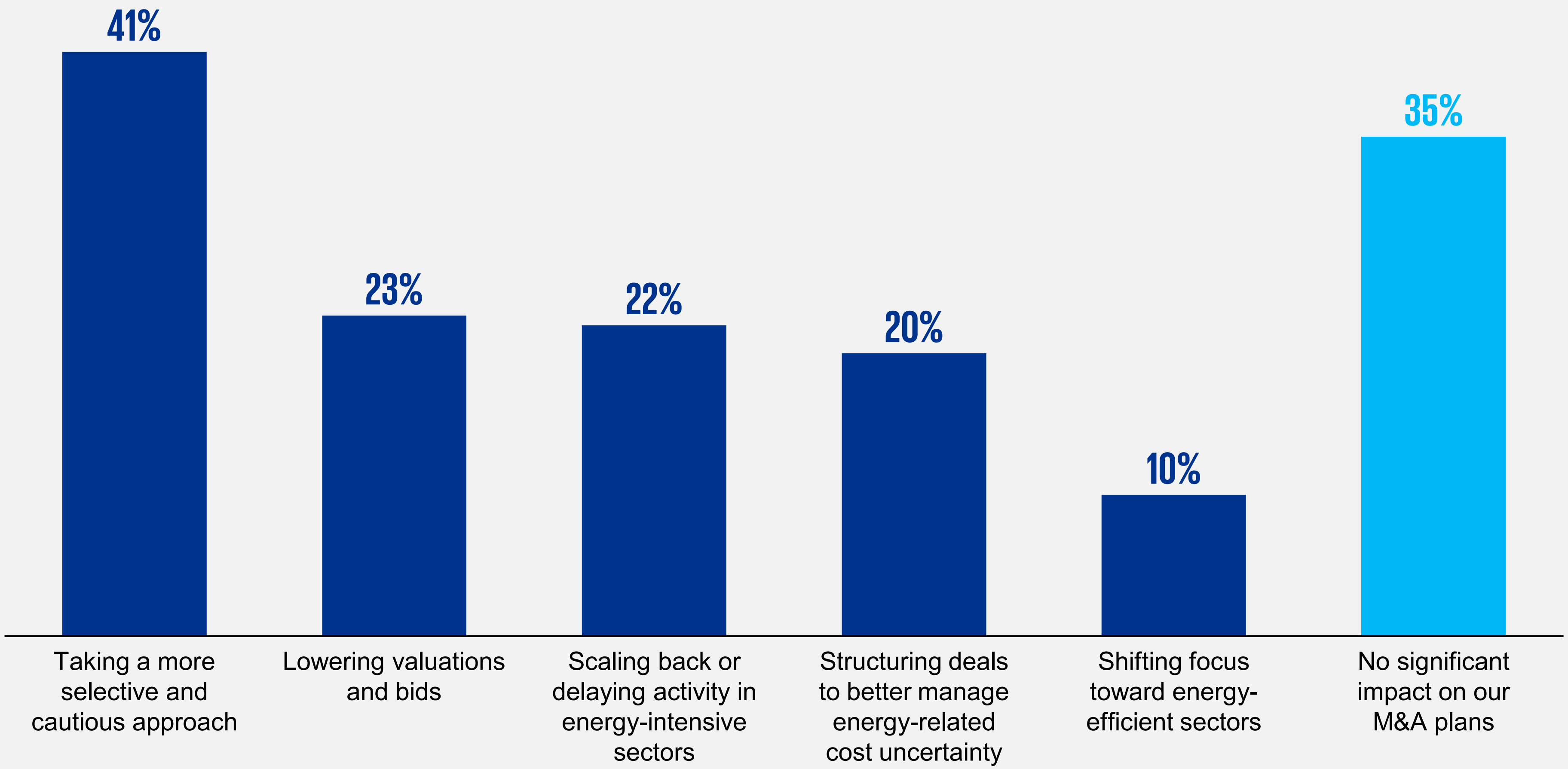
Key Observations

- Only a small proportion **(13%) view valuations as prohibitively high**, while transactions are still moving **forward in most cases (~83%)**
- **Half of corporate respondents (50%) view valuations are elevated**, with deals continuing to progress

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) Option "Unsure" has not been included due to low response
Source(s): KPMG M&A Survey – Mid-year 2026

65% of corporates reported energy price volatility impacting their dealmaking

Q. How have recent fluctuations in energy prices influenced your firm's M&A strategy and deal activity?[a]
Multi select; N=150



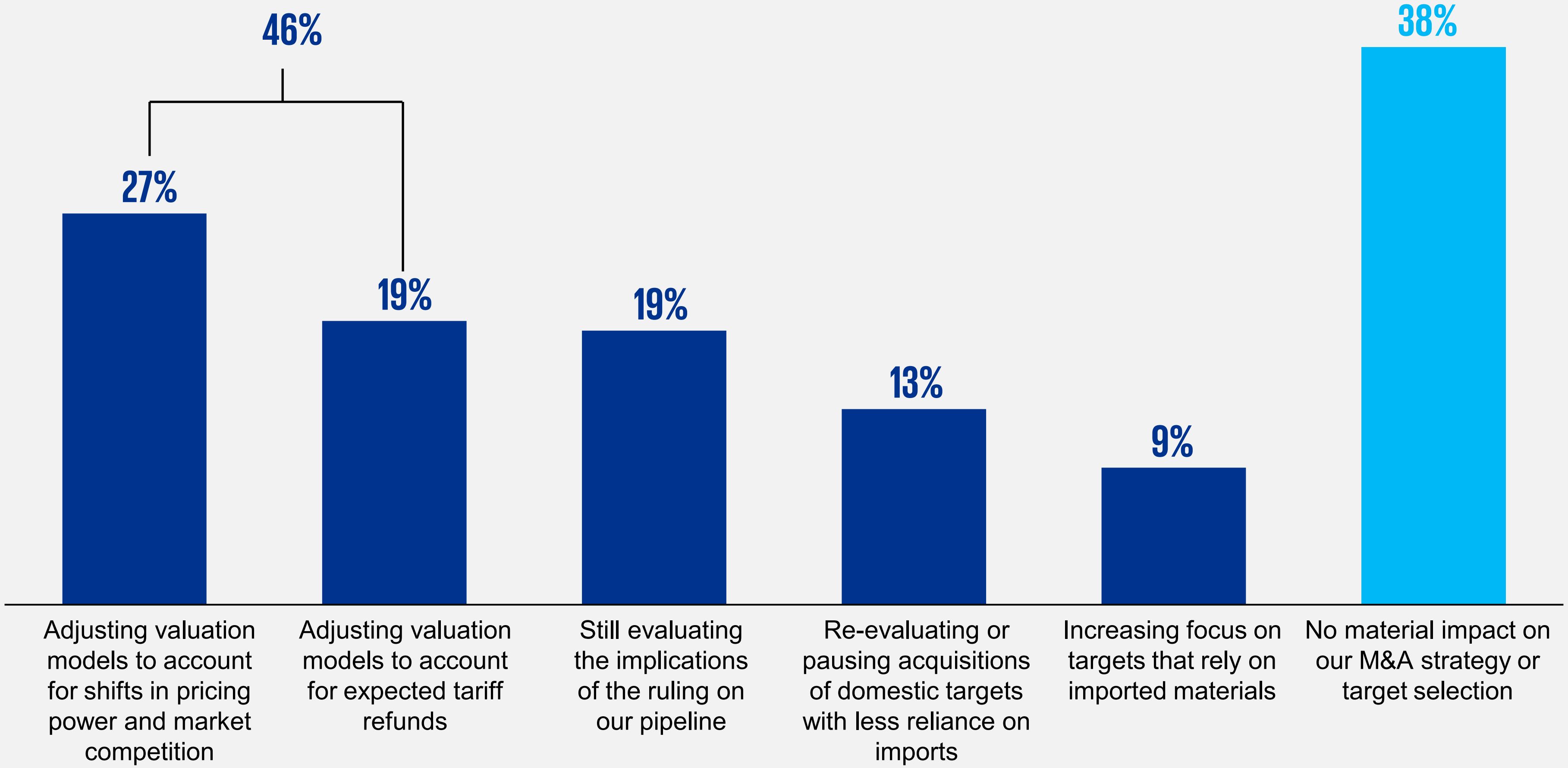
Key Observations

- Recent energy price fluctuations are primarily driving a **more selective and cautious approach** towards M&A activity, cited by **41%** of corporates
- While **35%** reported **no significant impact on their M&A plans**, others indicated **lowering valuations and deal bids,** along with **scaling back deal activity in energy sensitive sectors**

Note(s): (a) Percentages may not add up to 100 since this is a multi select question
Source(s): KPMG M&A Survey – Mid-year 2026

38% see no impact; nearly 1/2 adjust valuations in response to the tariff ruling

Q. How is the recent US Supreme Court ruling striking down last year's tariffs influencing your target evaluation and deal drivers?[a] *Multi select; N=150*



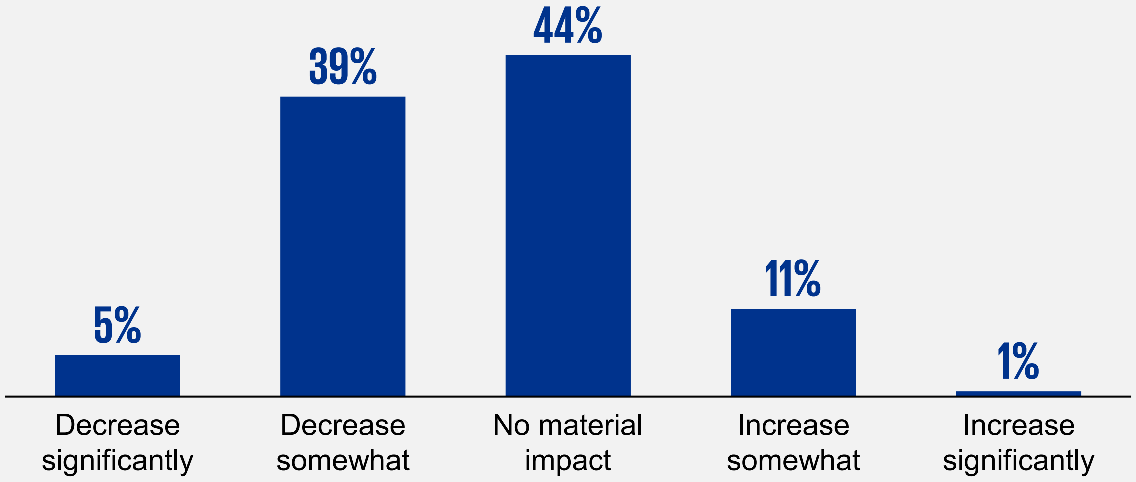
Key Observations

- Largest share of corporates **(38%)** indicated that US Supreme Court tariff ruling has **not materially impacted their M&A strategy or target selection**
- Among impacted respondents, corporates are primarily **adjusting valuation models to reflect shifts in pricing power, market competition, and potential tariff refunds**
- **19%** are **still evaluating implications of the ruling on their pipeline**

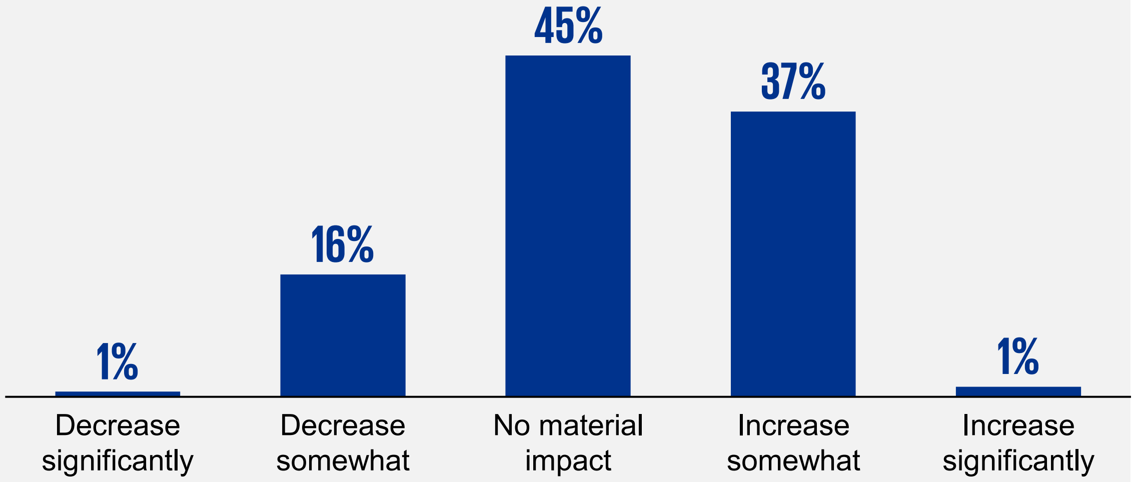
Note(s): (a) Percentages may not add up to 100 since this is a multi select question
Source(s): KPMG M&A Survey – Mid-year 2026

~44–45% see no material impact from a 50bps rate movement, while 44% expect higher rates to reduce activity, and 38% see rate cuts supporting M&A

Q. How would a 50-bps increase in interest rates impact your firm's M&A activity over the next 12 months?[a] *Single select; N=150*



Q. How would a 50-bps decrease in interest rates impact your firm's M&A activity over the next 12 months?[a] *Single select; N=150*



Key Observations

- **44%** of corporates expect **no material impact** on M&A activity from a 50-bps interest rate increase, indicating relative resilience to moderate rate movements
- Another **44%** of corporates anticipate **somewhat or significant decline** in activity, suggesting higher financing costs could dampen transaction appetite

Key Observations

- While **45%** respondents expect **no material impact** from a 50-bps rate cut, **over one-third (37%)** anticipate **some increase** in M&A activity, indicating moderate sensitivity to easing financing conditions
- Very few respondents expect rate cuts to **materially reduce (1%)** or **sharply increase (1%)** M&A activity, suggesting expectations of a measured market response to monetary easing

Note(s): (a) Sum of percentages may not add up to 100 due to rounding
Source(s): KPMG M&A Survey – Mid-year 2026

1.C

Deal strategy and investment theses

Corporate M&A Dealmakers

Long-term growth (61%) was the most-cited investment thesis, followed by market expansion and scaling

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

	Mid-year 2026
Long-term strategic value and growth	61%
Market and customer expansion	55%
Scaling and expanding existing business or portfolio	52%
Access to new technologies or capabilities	35%
Value creation through synergies or efficiencies	35%
Operational improvement / performance turnaround	26%
AI-native companies or AI-enabling technologies	21%
Distressed assets for turnaround	11%
New data for AI-related purposes	5%

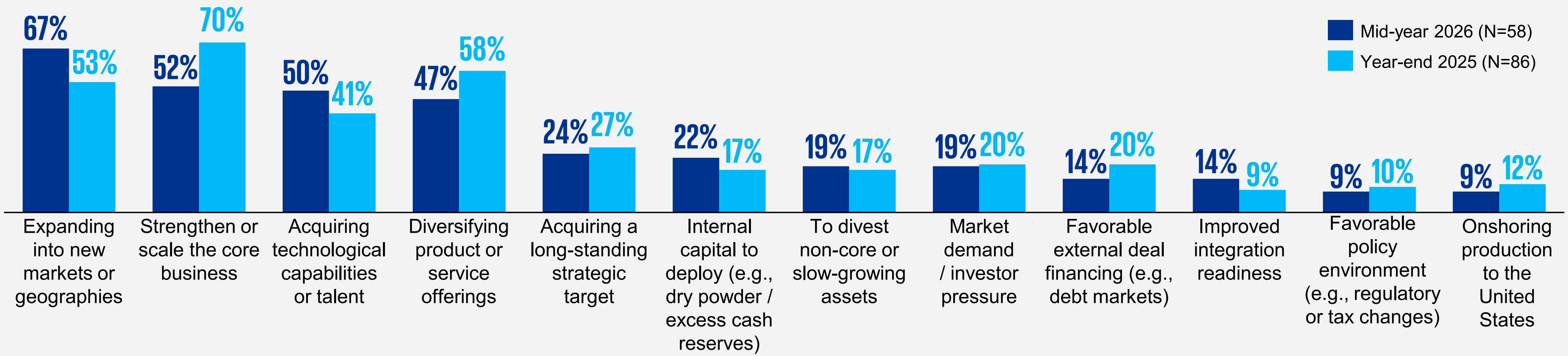
Key Observations

- **Long-term strategic value and growth (61%)** leads the investment thesis, followed by **market and customer expansion (55%)** and **scaling of existing businesses (52%)**
- Technology and efficiency themes play a secondary role, with **access to capabilities (35%), synergies (35%),** and **AI-led opportunities (21%)**

Note(s): (a) Percentages may not add up to 100 since this is a multi select question; (b) A few options have not been included due to low responses
Source(s): KPMG M&A Survey – Mid-year 2026

Among respondents expecting increased M&A activity, expansion (67%) and strengthening the core (52%) are major M&A priorities

Q. What are the reasons for your increased plans for M&A activity in 2026?[a][b][c] *Multi select; N=58*



Key Observations

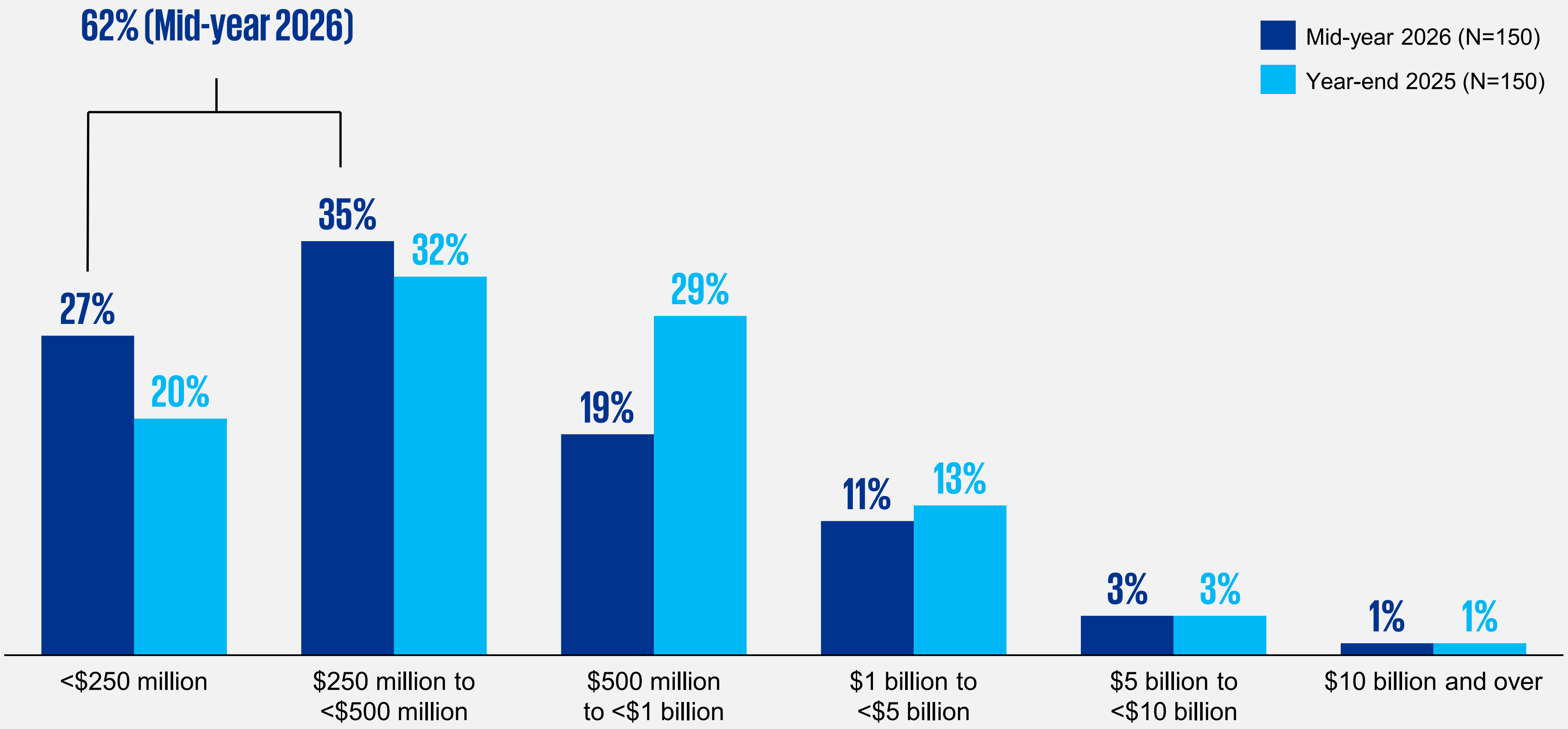
- **Expanding into new geographies** has emerged as the leading driver of increased M&A activity, **rising from 53% at year-end 2025 to 67% at mid-year 2026**, while the importance of **scaling core businesses** declined **from 70% to 52%** over the same period
- Shift in growth priorities is further reflected with an increased focus on **acquiring technological capabilities or talent**, rising **from 41% to 50%,** while **diversifying product or service offerings declined from 58% at year-end 2025 to 47% at mid-year 2026**

Note(s): (a) Percentages may not add up to 100 since this is a multi select question; (b) A few options have not been included due to low responses; (c) Asked if respondent answered "higher" to the question, "What are your expectations for your organization's M&A deal pipeline volume for the second half of 2026 compared to the first half of 2026?"

Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

Nearly 2/3rd of corporates estimate their next deal value to be under $500 million

Q. What will be the estimated total deal value of your next M&A deal transaction, excluding debt raise?[a][b]
Single select; N=150



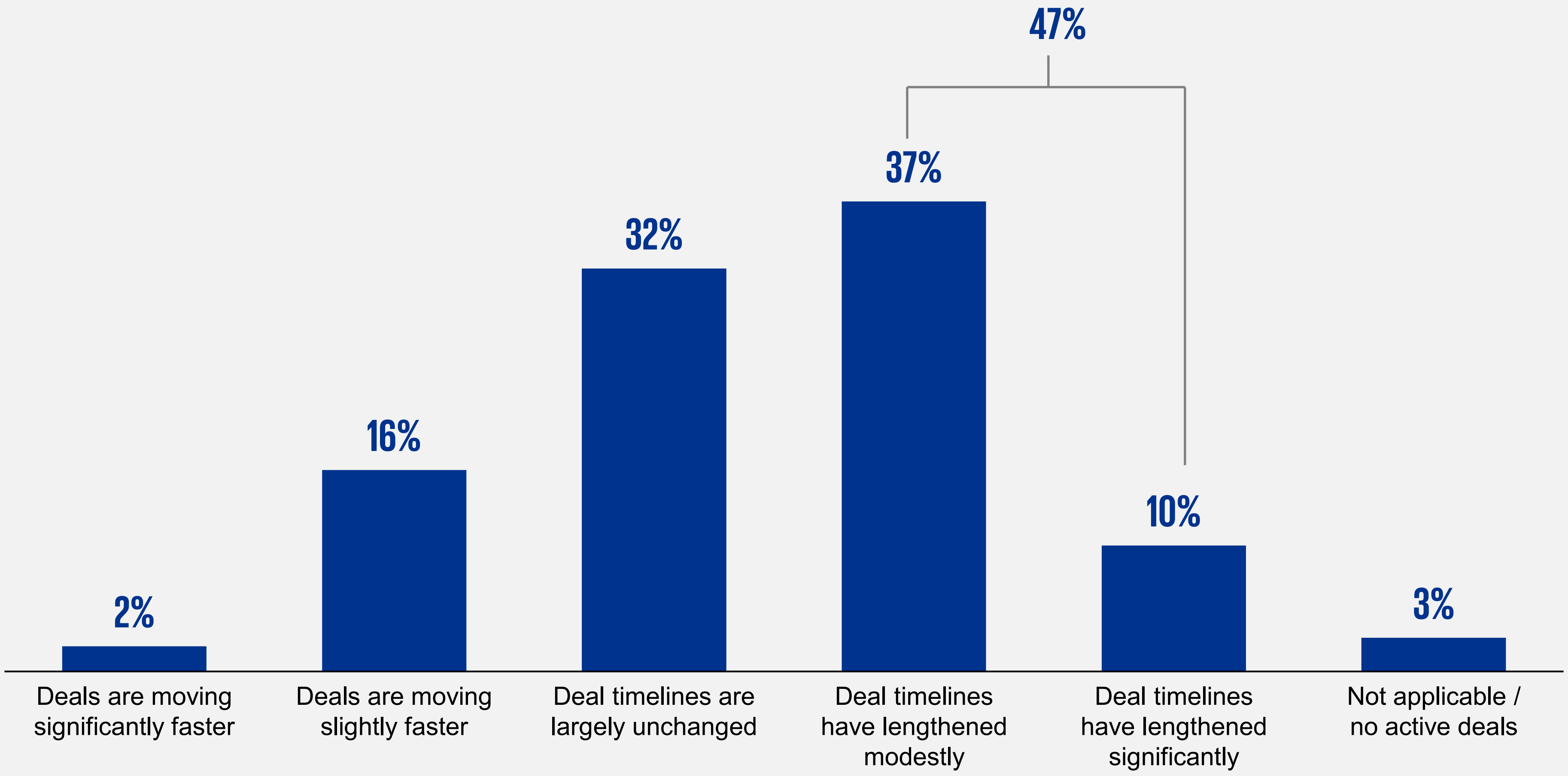
Key Observations

- M&A activity is expected to remain **under $500 million transactions**, which collectively **accounts for roughly 62%** of expected deal activity
- Compared to year-end 2025, corporates appear to be shifting modestly away from **$500 million to <$1 billion** range of transactions towards smaller deal sizes
- Compared to **17%** at year-end 2025, **15%** of corporates at mid-year 2026 expect their next deal value to be above **$1 billion**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses
Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

Nearly half of corporate respondents report that deal timelines have extended

Q. Compared with six months ago, how have your overall M&A deal timelines changed?[a] *Single select; N=150*



Key Observations

- **Nearly half (~47%)** corporate respondents reported **longer M&A deal timelines** compared to six months ago
- Only a small minority of respondents **(~18%)** observed **faster deal progression**, while nearly **one-third (32%)** indicated **timelines have remained largely unchanged**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding
Source(s): KPMG M&A Survey – Mid-year 2026

M&A deal timelines are broadly stable to slower, with modest lengthening outweighing acceleration across most sectors

Q. Compared with six months ago, how have your overall M&A deal timelines changed?[a] *Single select; N=150*

Changes in deal timeline	HCLS[b] (N=25)	CR&H (N=25)	IM (N=25)	ENRC (N=25)	FS (N=25)	TMT (N=25)
Deals are moving significantly faster	0%	0%	4%	0%	0%	8%
Deals are moving slightly faster	32%	16%	12%	8%	12%	16%
Deal timelines are largely unchanged	32%	24%	40%	32%	28%	36%
Deal timelines have lengthened modestly	24%	44%	24%	44%	52%	36%
Deal timelines have lengthened significantly	12%	12%	16%	12%	4%	4%
Not applicable / no active deals	0%	4%	4%	4%	4%	0%

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) HCLS = Healthcare and life sciences; CR&H = Consumer, retail and hospitality; IM = Industrial manufacturing; ENRC = Energy, natural resources, and chemicals; FS= Financial services; TMT = Technology, media and telecommunications

Source(s): KPMG M&A Survey – Mid-year 2026

Compared with year-end 2025, fewer transactions are progressing through the M&A lifecycle

Q. During the first half of 2026, please estimate the number of M&A deals that reached the following stages:[a][b] *Matrix, Single select*

*(**Year-end 2025**, N=150)* *(**Mid-year 2026**, N=150)*

Estimated number of deals in the following stages	Signed an LOI (Letter of Intent)			Conducted formal due diligence			Negotiated the purchase agreement			Closed the deal		
	Year-end 2025	Mid-year 2026	% change	Year-end 2025	Mid-year 2026	% change	Year-end 2025	Mid-year 2026	% change	Year-end 2025	Mid-year 2026	% change
0 deals	5%	11%	▲ 6%	5%	9%	▲ 4%	11%	27%	▲ 16%	21%	47%	▲ 26%
1-2 deals	20%	47%	▲ 27%	32%	49%	▲ 17%	58%	55%	▼ 3%	62%	41%	▼ 21%
3-4 deals	47%	25%	▼ 22%	43%	31%	▼ 12%	23%	8%	▼ 15%	13%	8%	▼ 5%
5-10 deals	19%	11%	▼ 8%	15%	6%	▼ 9%	5%	6%	▲ 1%	1%	3%	▲ 2%
More than 10 deals	8%	3%	▼ 5%	5%	4%	▼ 1%	2%	1%	▼ 1%	1%	0%	▼ 1%

Key Observations

Compared to year-end 2025 survey,

- A higher share of corporates report only **1–2 deals at LOI (47% vs 20%)** and **diligence (49% vs 32%)** stages
- Later-stage activity shows a clearer drop-off, with corporates reporting **0 closed deals rising to 47% from 21%,** while those closing **1–2 deals declined to 41% from 62% during year-end**
- Higher-volume deal activity has reduced across most stages, with **3–4 deals** activity falling notably at **LOI (25% vs 47%), diligence (31% vs 43%)** and **negotiation stages (8% vs. 23%)**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses
Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

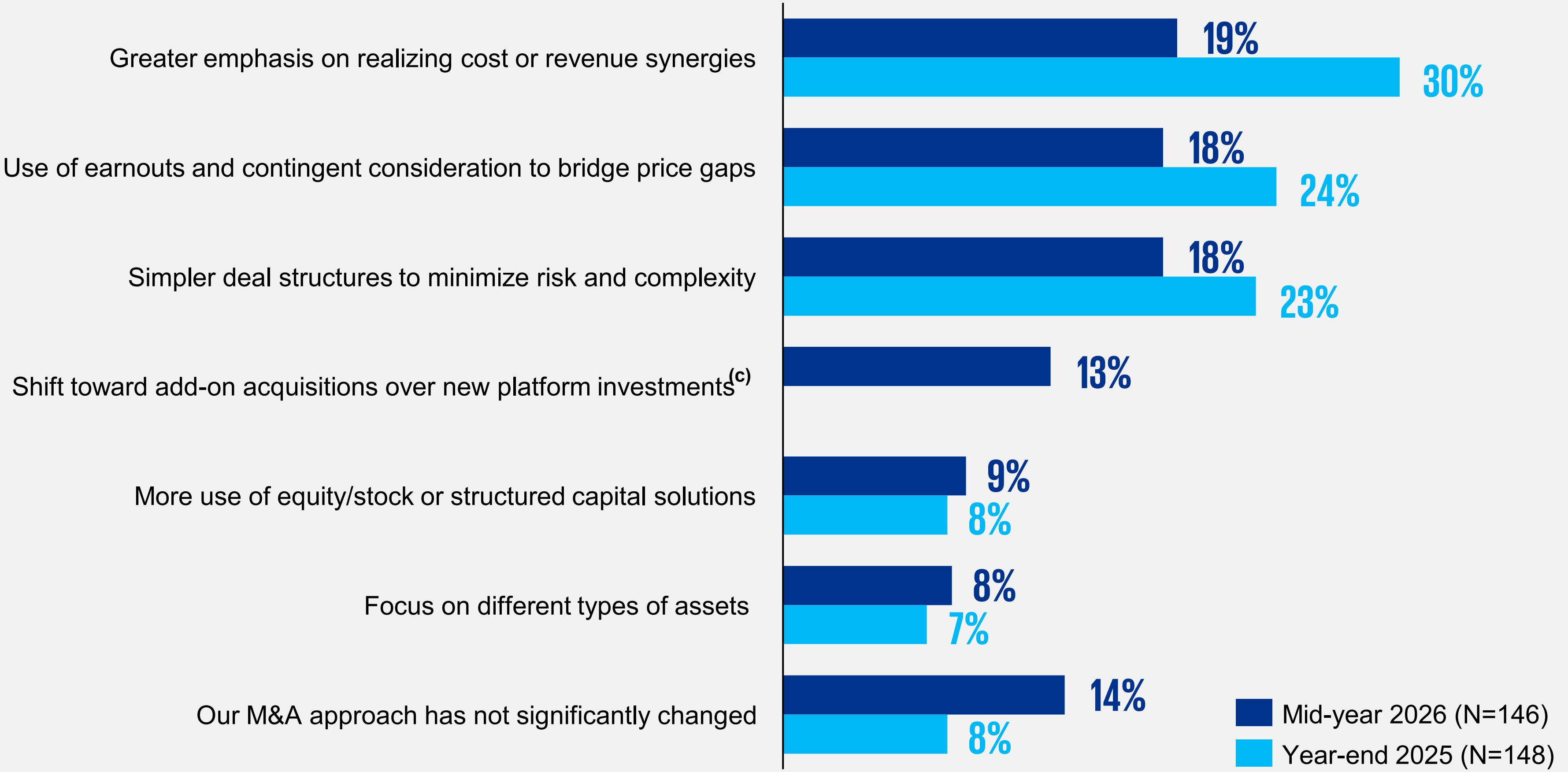
1.d

M&A execution: Deal structures

Corporate M&A Dealmakers

Corporates continue to use similar strategies to address valuation gaps, although were cited less frequently compared to 2025

Q. To overcome valuation challenges, which of these strategies has your organization used the most?[(a)(b)(c)(d)]
Single select; N=146



Key Observations

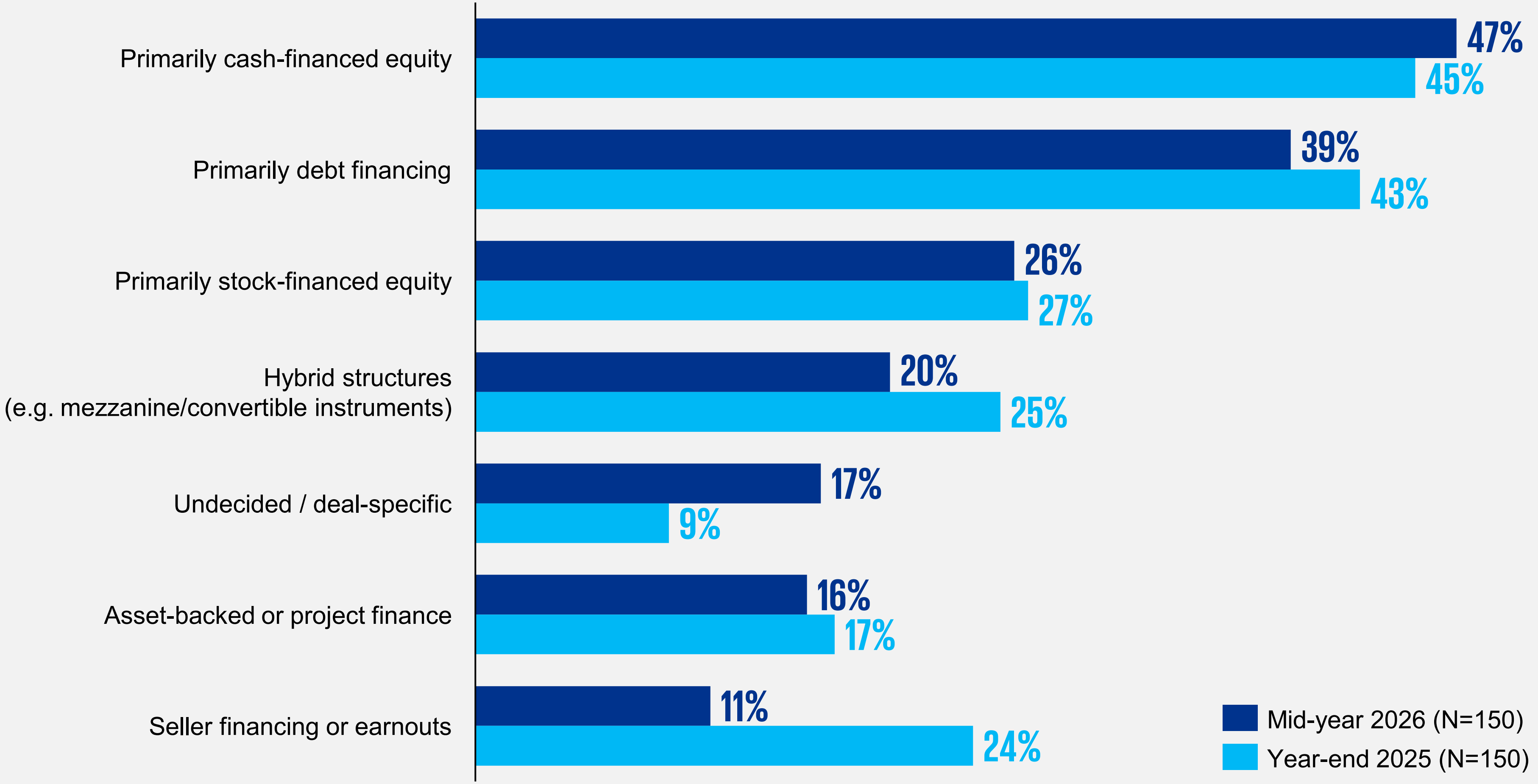
- **Cost or revenue synergies (19%), earnouts (18%)**, and **simplified deal structures (18%)** remain the most commonly used strategies to address valuation challenges, although reliance on each has reduced
- Compared to year-end 2025 more respondents **(8% vs 14%) indicated no significant change in overall M&A approach**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses; (c) A new response category was added in mid-year 2026; as a single-select question, this may have reduced the relative share of other options; (d) Asked to those who faced valuation challenges in executing M&A deals currently

Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

Corporates lean on cash (47%) and debt (39%), with a pullback in seller financing

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



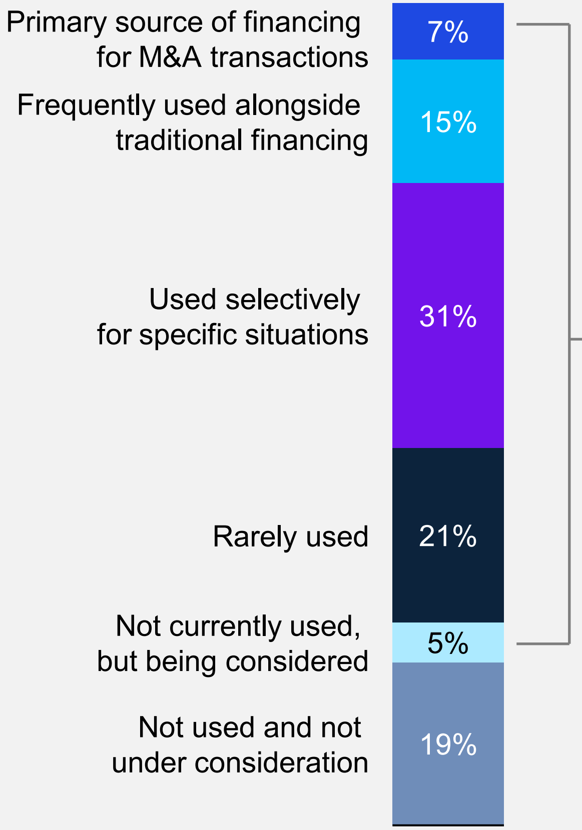
Key Observations

- **Primarily cash-financed equity (47%)** and **debt financing (39%)** continue to remain the most preferred financial structures, indicating a strong reliance on traditional financing routes
- **Primarily stock-financed equity (26%)** and **hybrid structures (20%)** experienced comparatively lower uptake
  - **Seller financing or earnouts** witnessed a sharp decline from **24% in year-end 2025** to only **11% in mid-year 2026**

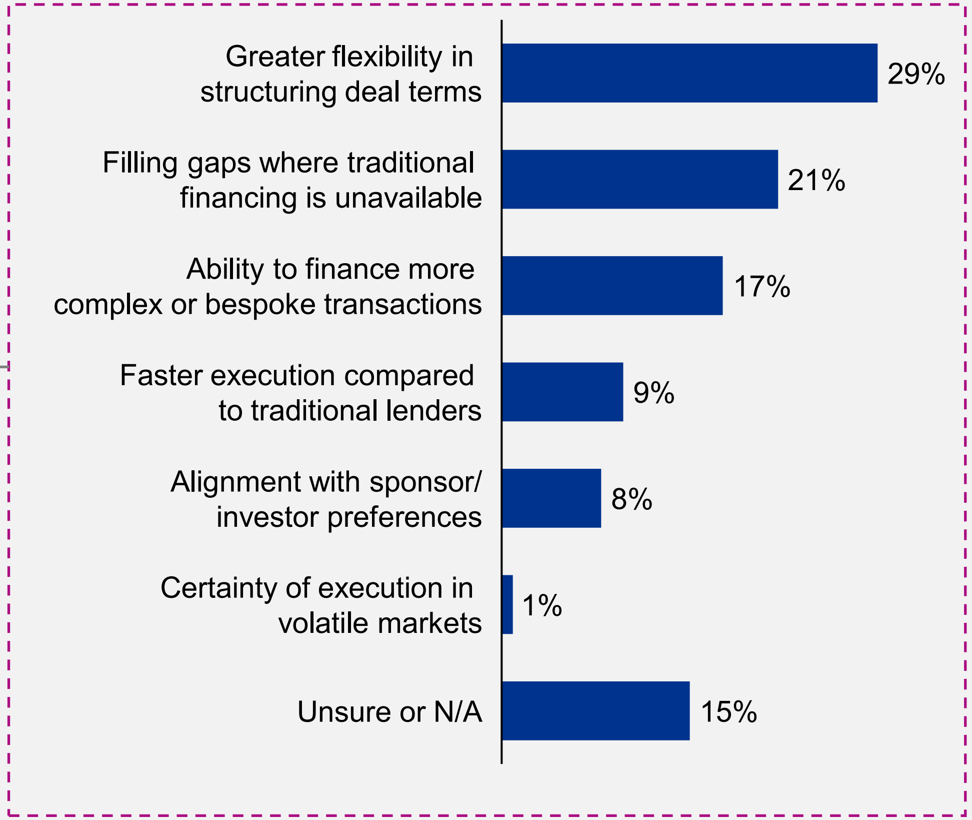
Note(s): (a) Percentages may not add up to 100 since this is a multi select question; (b) A few options have not been included due to low responses
Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

79% are either using or considering private credit majorly for flexibility in deal structuring (29%), and to fill financing gaps (21%)

Q. What role does private credit currently play in your organization's M&A financing strategy?[(a)(b)]
Single select; N=150



Q. What is the primary reason your organization uses (or is considering) private credit for M&A transactions?[(a)(c)] *Single select; N=117*



Key Observations

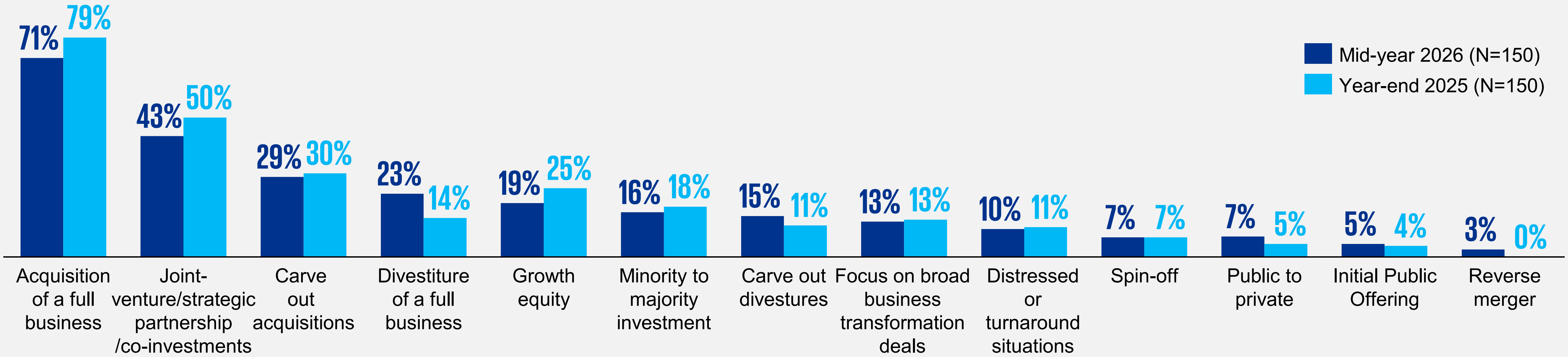
- Private credit is predominantly used **selectively for specific situations (31%)**, with only **7%** relying on it as a **primary funding source**
  - Flexibility is the primary driver of private credit usage, with **greater flexibility in structuring deal terms (29%)** and the ability to **fill financing gaps (21%)** leading adoption

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses; (c) Question asked of those who responded that they primarily use, have used, used selectively, rarely use, and have considered using private credit in the previous question.

Source(s): KPMG M&A Survey – Mid-year 2026

For deal types, full-business acquisitions (71%) dominates, with continued interest in JVs (43%) and carve-outs (29%)

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



Key Observations

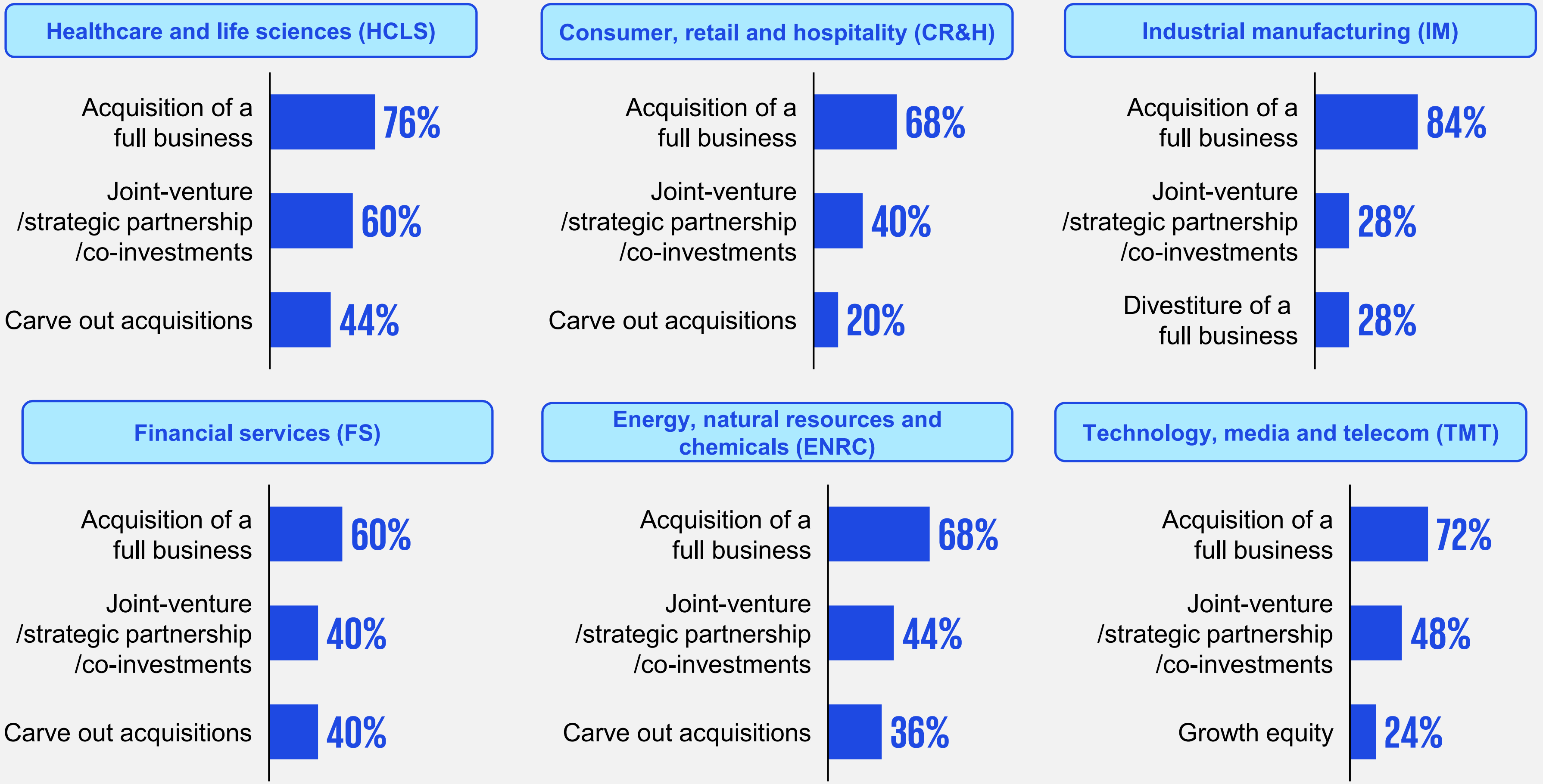
- Corporates continue to prioritize similar deal types, but at slightly lower levels compared to year-end 2025
  – **Acquisition of a full business (71%)** continues to be the most preferred deal types, indicating a focus for end-to-end control
- **Divestiture of a full business and carve outs** increased **from (14% to 23% and 11% to 15% respectively), while spin-offs remained consistent at 7%** indicating a growing focus on portfolio reshaping

Note(s): (a) Percentages may not add up to 100 since this is a multi select question; (b) A few options have not been included due to low responses
Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

Acquisition of a full business leads across sectors, particularly in industrial manufacturing

Q. What type of deals are you currently considering?[(a)] *Multi select; N=25 for each sector (total N=150)*

Represented top 3



Key Observations

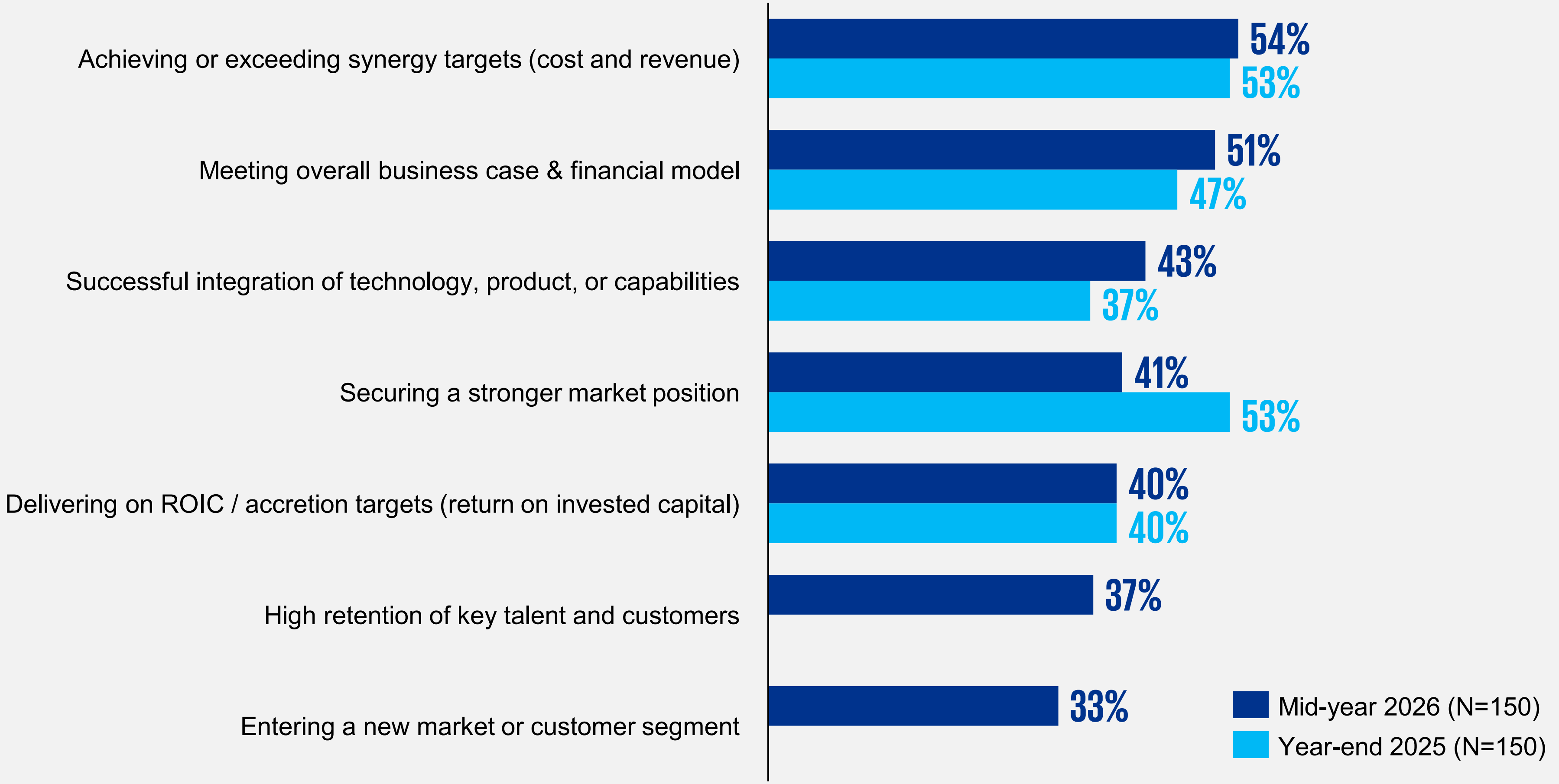
- **Acquisition of full businesses** is the most consistently preferred deal type across sectors, with particularly strong emphasis **in IM (84%), HCLS (76%), and TMT (72%)**
- **Joint ventures and partnerships** are the next most considered deal type, with material adoption across sectors such as **HCLS (60%), TMT (48%) and, ENRC (44%)**
- **Carve-outs** are common but not consistent, with **IM and TMT** instead leaning toward **divestitures and growth equity** respectively

Note(s): (a) Percentages may not add up to 100 since this is a multi select question

Source(s): KPMG M&A Survey – Mid-year 2026

Over half cite achieving synergy targets and meeting the overall business case as key success indicators

Q. Which of the following achievements have been the most critical indicators of a successful acquisition?[(a)(b)(c)]
Multi select; N=150



Key Observations

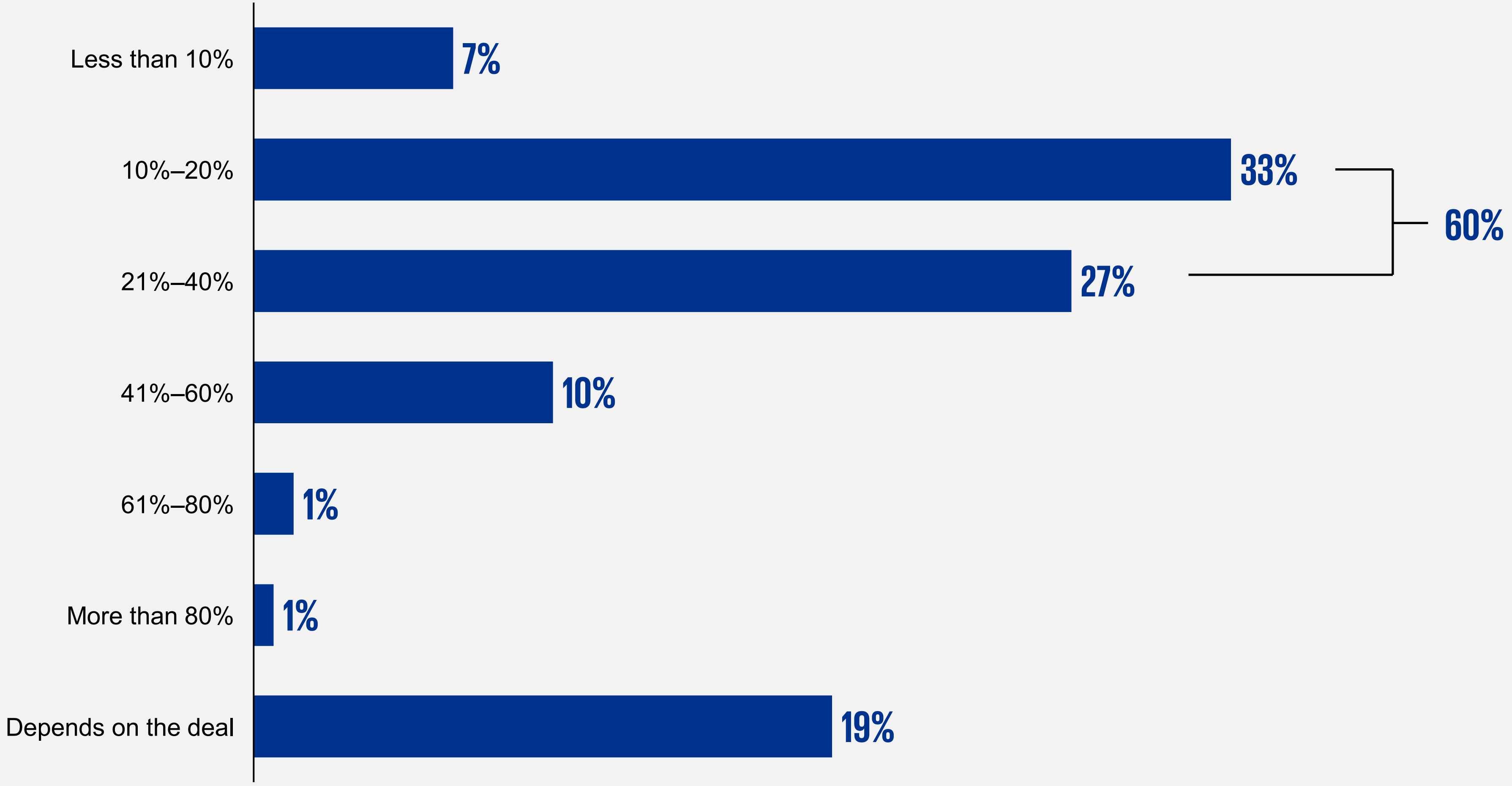
- Compared to the year-end 2025 survey, the top five indicators of acquisition success remain unchanged, with **achieving synergy targets** and **meeting the business case and financial model** continuing to rank as the strongest measures of success
- Beyond financial outcomes, **successful integration of technology, products, or capabilities** (**43%**) and **strengthening market position** (**41%**) are also viewed as important measures of success
- **Synergies and technology integration** continue to emerge as recurring themes, ranking among the important priorities for value realization and measures of acquisition success

Note(s): (a) Percentages may not add up to 100 since this is a multi select question; (b) A few options have not been included due to low responses; (c) Two options are blank in Year-end 2025, as it was newly added in the Mid-year 2026 survey

Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

60% of corporates underwrite moderate level (10%-40%) of synergies

Q. What level of synergies do you typically need to underwrite to pursue a transaction?[a][b] *Single select; N=150*



Key Observations

- Corporates typically require moderate synergy assumptions to underwrite deals, **with 60% targeting a 10%–40% range**
- Higher synergy thresholds are less common, with only **12% targeting above 40%**
- **~1/5th** of the respondents also indicate synergy expectations **vary by deal**, reflecting flexibility in underwriting

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses
Source(s): KPMG M&A Survey – Mid-year 2026

AI efficiency gains greater than 25% vary by sector, with highest impact in screening, intelligence, and due diligence

Represents respondents reporting >25% AI-driven efficiencies

Q. To what extent has your organization used AI to offset manual effort in the following M&A processes?[(a)(b)] *Matrix, Single select; N=150*

M&A processes	HCLS (n=25)	CR&H (n=25)	IM (n=25)	ENRC (n=25)	FS (n=25)	TMT (n=25)
Target screening and prioritization	40%	36%	16%	24%	12%	36%
Due diligence	20%	28%	20%	28%	16%	32%
Competitive intelligence and market analysis	56%	24%	28%	40%	32%	36%
Valuation modeling and scenario planning	24%	20%	12%	8%	24%	28%
Legal and contract review	20%	12%	20%	16%	28%	24%
Integration planning and reporting	12%	12%	20%	12%	24%	8%
Budget modeling and tracking	28%	20%	16%	8%	28%	24%
Stakeholder communications and change management	12%	20%	4%	12%	20%	16%
Regulatory compliance and risk monitoring	12%	4%	12%	8%	16%	12%

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses
Source(s): KPMG M&A Survey – Mid-year 2026

02

Additional survey insights

Corporate M&A Dealmakers

Corporates are most concerned about financing conditions, inflationary pressures and geopolitical uncertainty, while end market demand acts as a tailwind

Q. In the current macroeconomic environment, to what extent are the following factors impacting your M&A decision making?[(a)(b)(c)]
Matrix, Single select; N=150

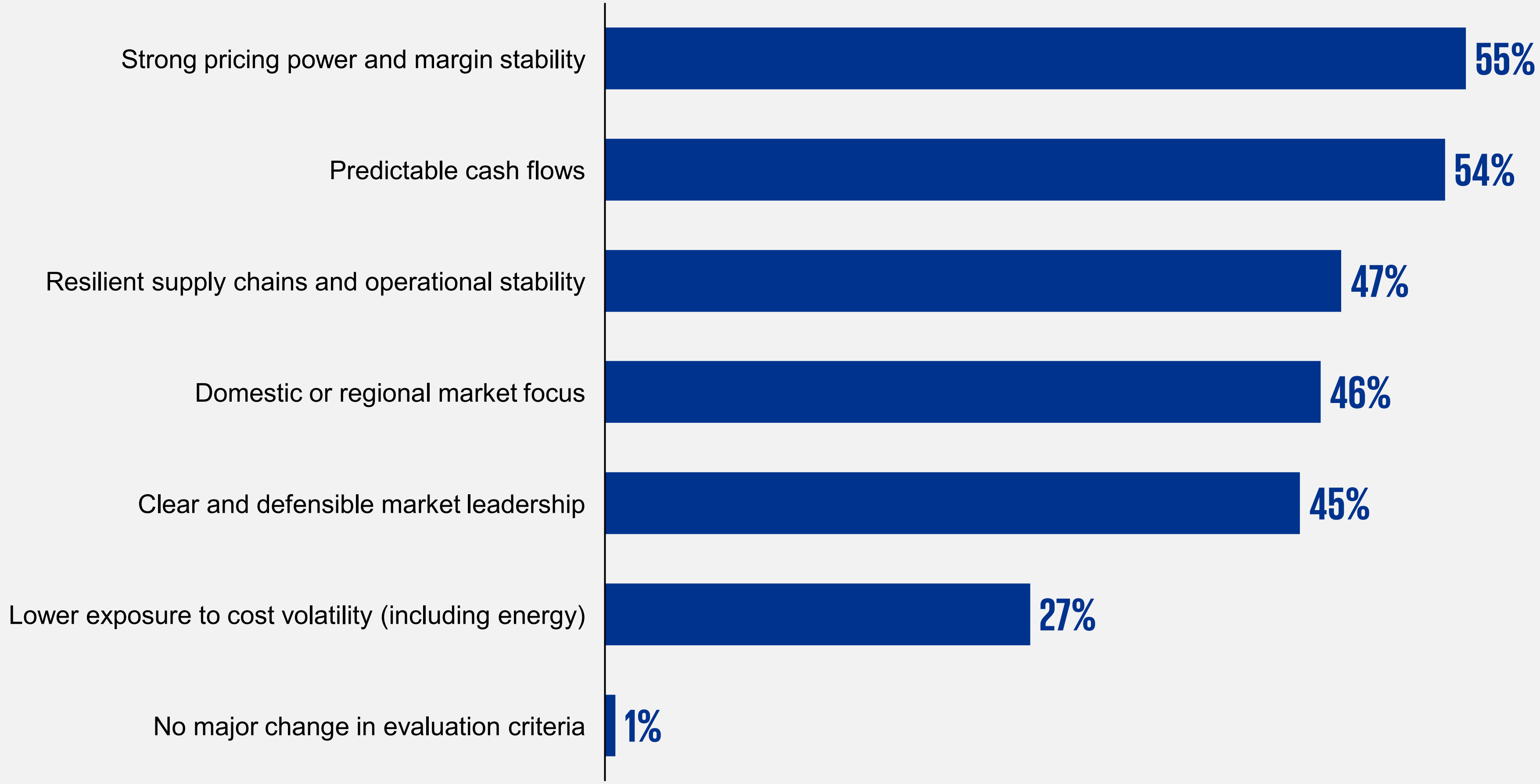
Legend — Deterrent: Minor, Moderate, Significant; Driver: Minor, Moderate, Significant

Options[(b)]	Deterrent: Minor	Deterrent: Moderate	Deterrent: Significant	Deterrent total	Net[(b)]	Driver total	Driver: Minor	Driver: Moderate	Driver: Significant
Valuation expectations	24%	17%	9%	50%	-8%	42%	18%	16%	8%
End-market demand and customer buying behavior	14%	15%	4%	33%	20%	53%	20%	21%	12%
Interest rates and financing conditions	31%	20%	5%	56%	-32%	24%	13%	8%	3%
Inflationary pressures	25%	16%	6%	47%	-21%	26%	17%	6%	3%
Trade policies, tariffs and sanctions	21%	17%	6%	44%	-16%	28%	19%	8%	1%
Geopolitical uncertainty and global instability	26%	11%	7%	44%	-20%	24%	14%	7%	3%
Supply chain stability and operational continuity	13%	11%	4%	28%	9%	37%	23%	11%	3%
Energy and commodity price volatility	17%	15%	3%	35%	-11%	24%	15%	6%	3%
Tax policies and changes	17%	8%	5%	30%	-1%	29%	18%	10%	1%
The war in the Middle East	24%	9%	5%	38%	-21%	17%	12%	3%	2%

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) Net is calculated as the difference between total driver % and total deterrent %
Source(s): KPMG M&A Survey – Mid-year 2026

Pricing power, margin stability, and predictable cash flows are becoming more critical in target evaluation

Q. Considering the current macro-economic environment, which of the following attributes, if any, have become more critical when evaluating M&A targets?[a][b] *Multi select; N=150*



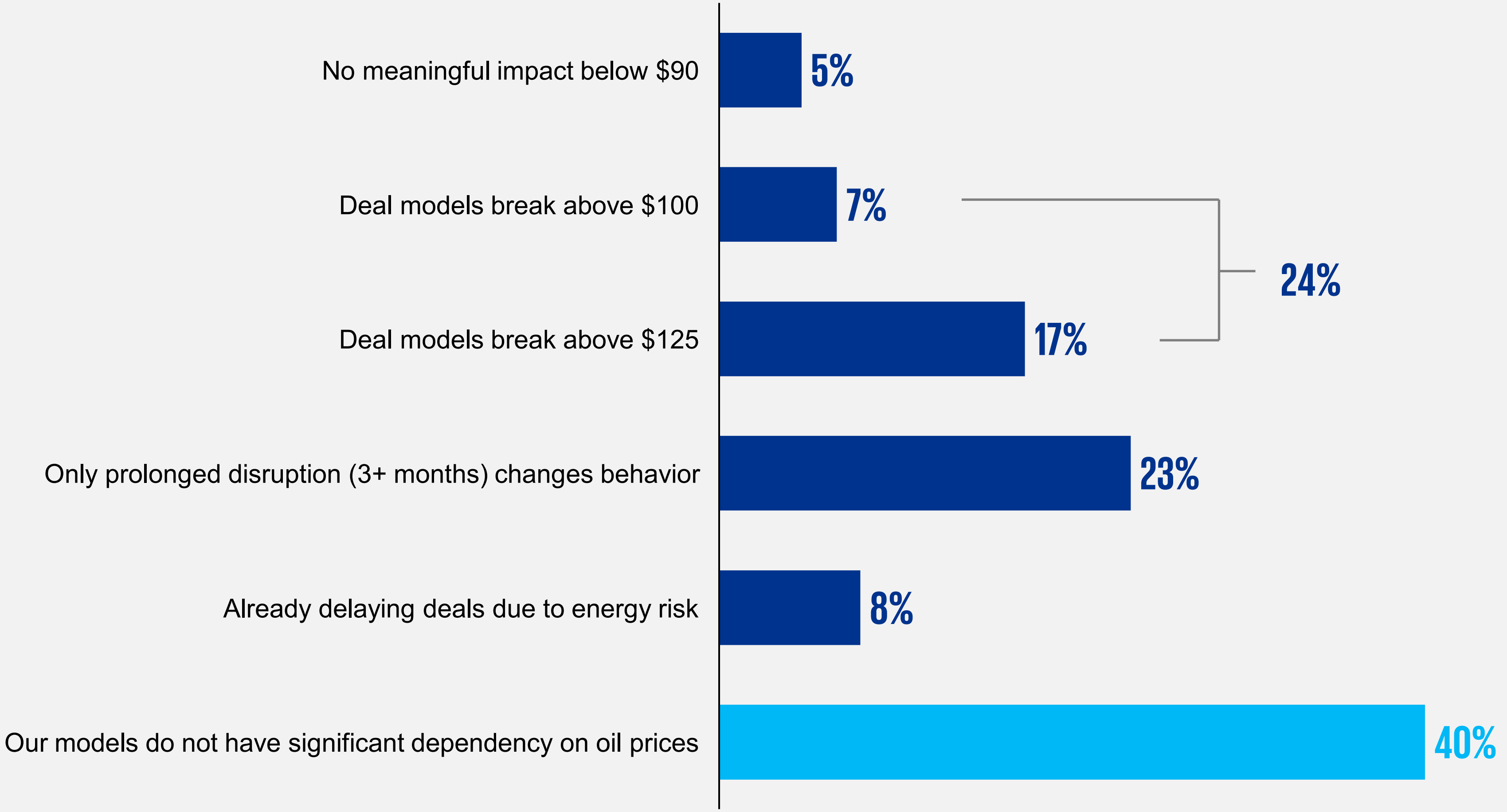
Key Observations

- **Strong pricing power and margin stability (55%)** along with **predictable cash flows (54%)** are most often cited as becoming more critical attributes in evaluating M&A targets
- Corporates are also placing significant emphasis on **resilient supply chains and operational stability (47%), domestic or regional market focus (46%) and clear and defensible market leadership (45%)** reflecting the current macro environment

Note(s): (a) Percentages may not add up to 100 since this is a multi select question; (b) A few options have not been included due to low responses
Source(s): KPMG M&A Survey – Mid-year 2026

~40% indicate limited impact of oil prices on deal models, with strategy changes primarily linked to prolonged disruptions

Q. At what oil price level would your M&A strategy materially change?[a] *Single select; N=150*



Key Observations

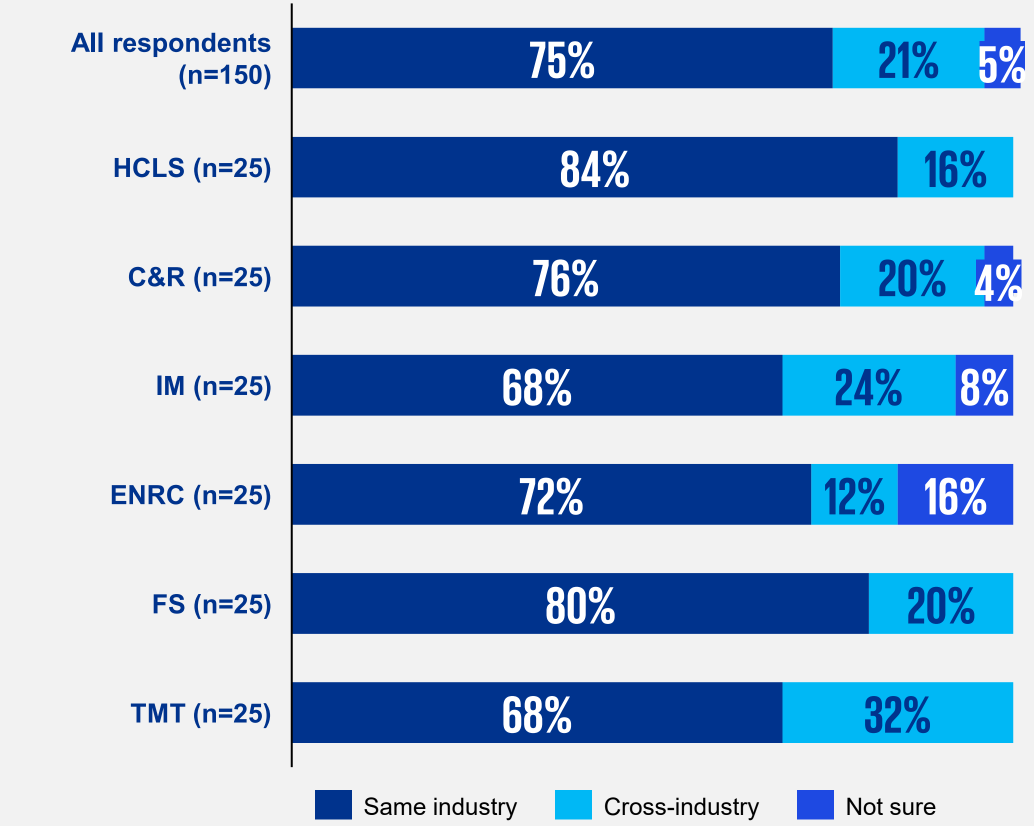
- **~40%** of corporates indicated that their M&A **models are not significantly dependent on oil prices**
- While most respondents do not anticipate immediate strategic changes, **23%** indicated that **prolonged disruption lasting more than 3 months could materially change behavior**
- A smaller but notable share **(~24%)** indicate **sensitivity to extreme price thresholds ($100–$125+)**, reflecting selective exposure to sharp price movements

Note(s): (a) Sum of percentages may not add up to 100 due to rounding
Source(s): KPMG M&A Survey – Mid-year 2026

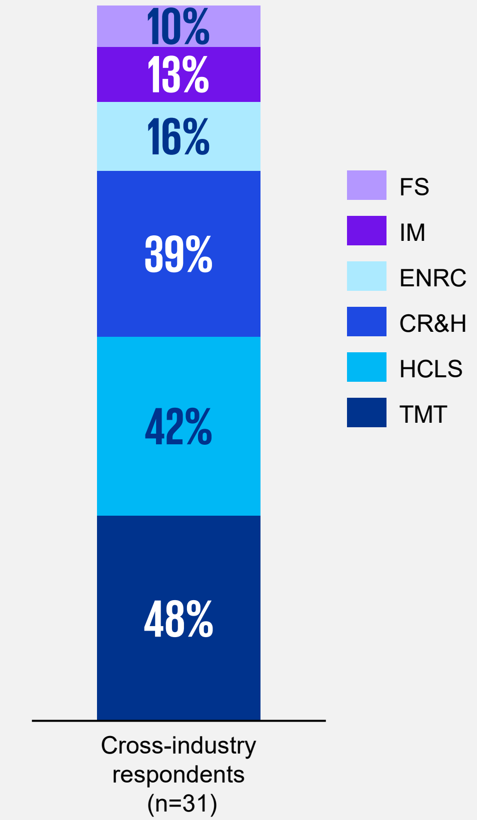
Core industry deals remain the primary focus for 3/4th of respondents

Q. Are you considering deals outside your core industry? *Single select, N=150*
Q. In which industries are you planning to pursue M&A deals? *Multi select, N=31*

Corporate investment focus, same industry and cross-industry[a]



Cross-industry target industry focus[b][c]



Key Observations

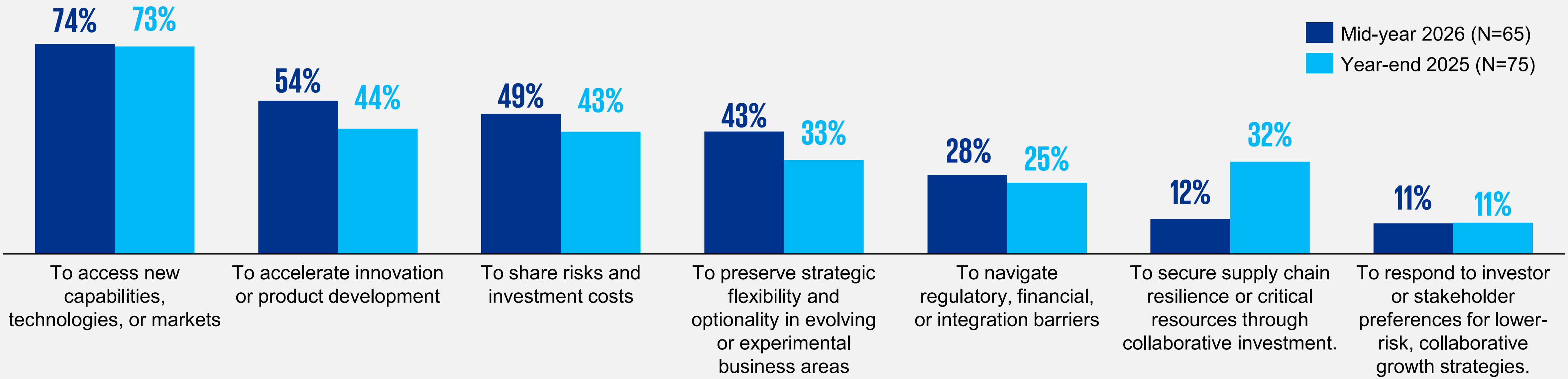
- **3/4th** of corporate respondents plan to pursue deals within their own industry
  - Although, **one in five respondents (21%)** are interested in evaluating opportunities beyond their core industry, indicating **cross sector M&A remains a selective strategy**
- TMT is the **most attractive** cross-industry target sector (**48%**), suggesting growing interest in technology

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) Target industry share for cross-industry dealmaking was calculated by summing all selections related to a target industry, including both the industry itself and any sub-sectors within it. Respondents whose primary industry matched the primary industry in screeners were excluded to ensure only cross-industry interest was captured. The resulting sum was then divided by the total number of respondents considering cross-industry deals; (c) Percentages may not add up to 100 since this is a multi select question.

Source(s): KPMG M&A Survey – Mid-year 2026

Among corporates pursuing partnerships, capability access leads (74%), with innovation rapidly gaining importance (54%)

Q. What are the primary reasons behind your joint-venture/strategic partnership/co-investments arrangements?[(a)(b)(c)] *Multi select; N=65*



Key Observations

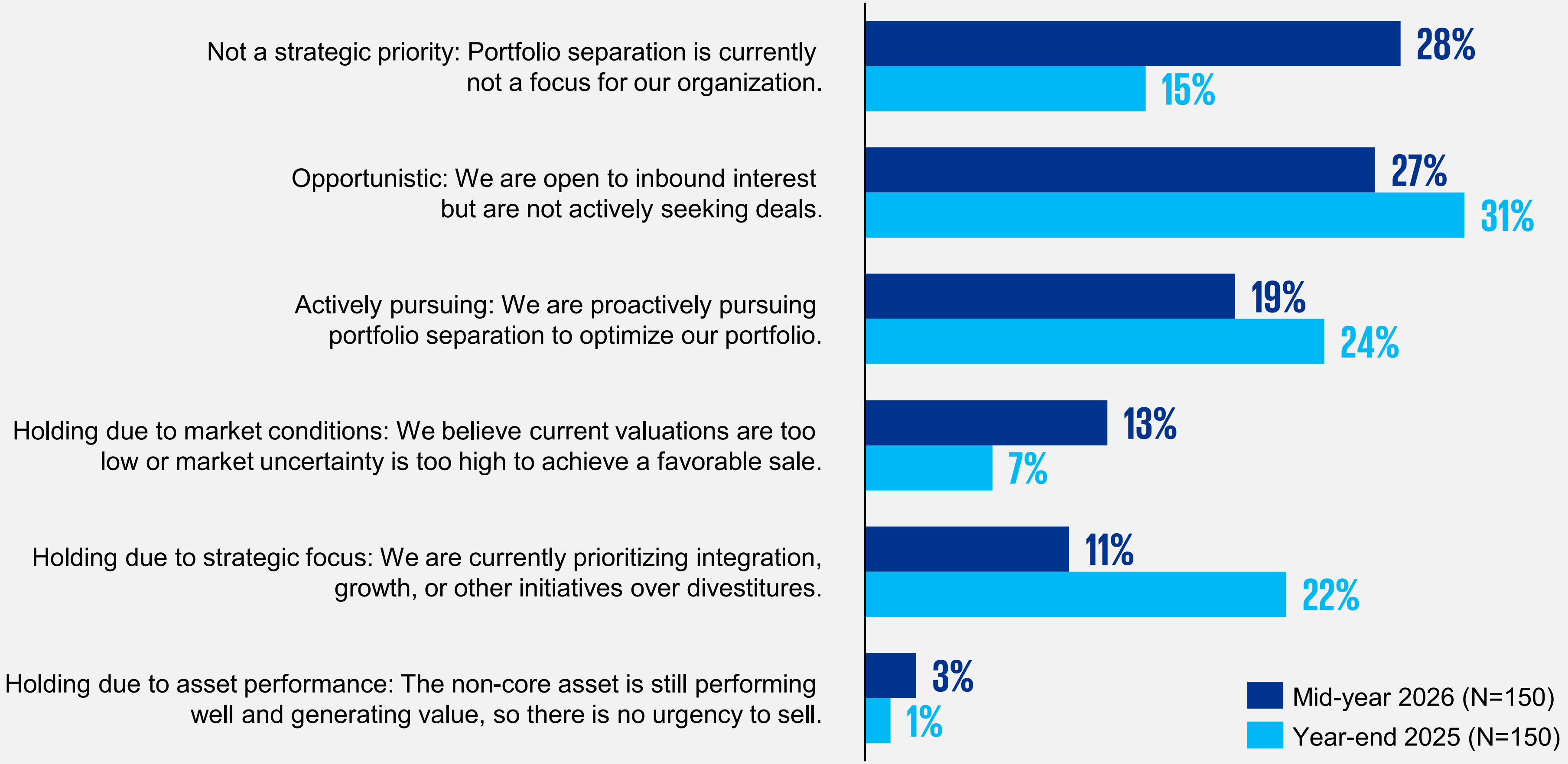
- Compared to the year-end 2025 survey, drivers of **joint-venture/strategic partnership/co-investments** for corporates show mixed shifts in focus
  - Corporates continue to pursue partnerships to **access new capabilities, technologies or markets (74% vs 73%)** while **accelerating innovation (54% vs 44%)** has gained importance
  - Focus on **securing supply chain resilience (12% vs 32%)** has become less prominent

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses; (c) Question was asked of those who had responded that they were considering “joint-ventures/strategic partnership/co-investments” deal types

Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

Portfolio separation becomes more selective (28%), with fewer corporates pursuing proactive separations (19%)

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



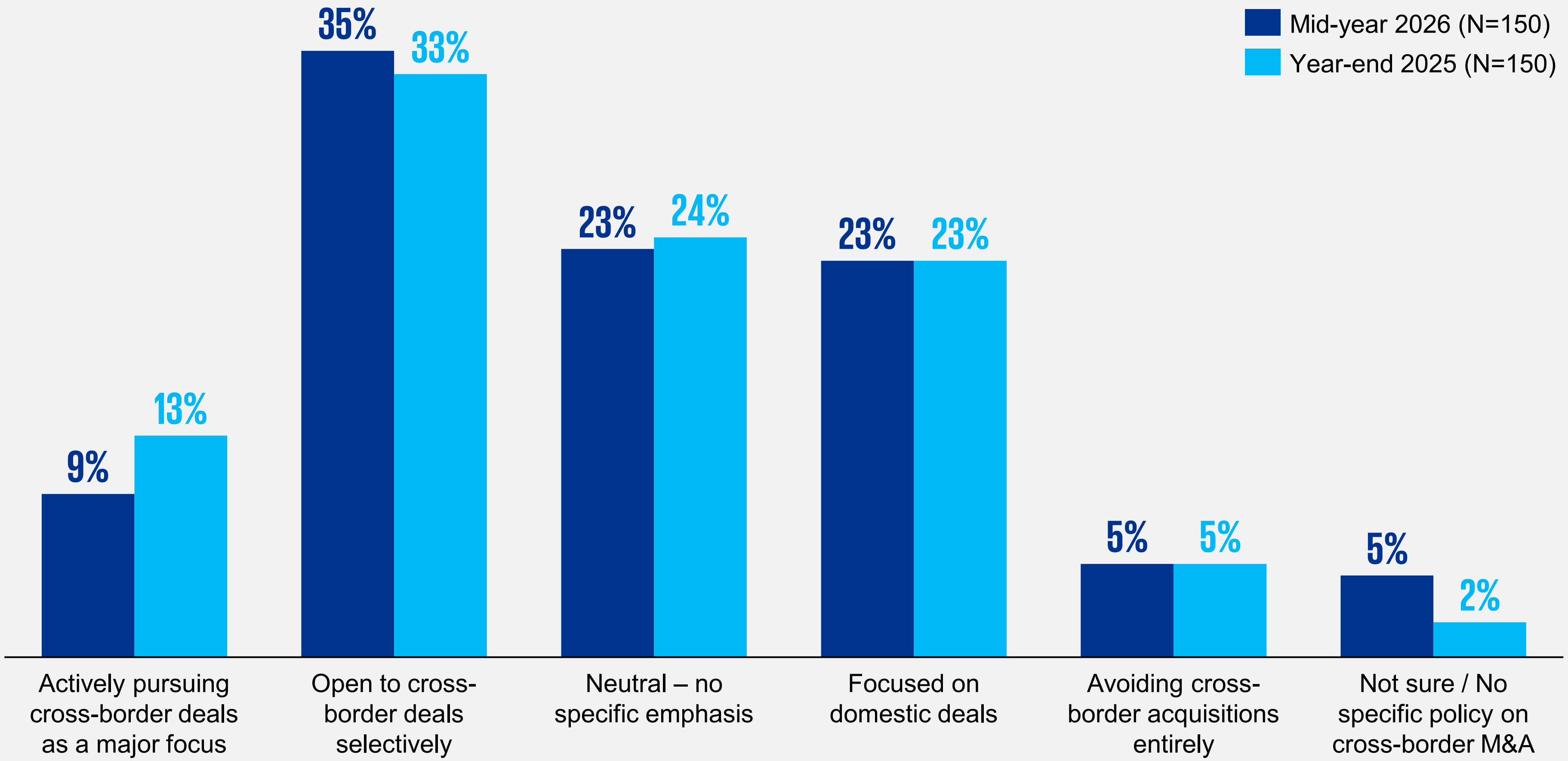
Key Observations

- Portfolio separation is becoming less of a priority, with growing share of corporates viewing it as **not a focus (28% vs 15%)**
- Corporates remain more opportunistic than proactive in portfolio separation, with more respondents continuing to be open to inbound interest **(27% vs 31%)** than actively pursuing portfolio separations **(19% vs 24%)**
- Fewer corporates are holding back due to **internal priorities (11% vs 22%)**, but more are pausing because of **market conditions (13% vs 7%)**

Note(s): (a) Percentages may not add up to 100 since this is a multi select question; (b) A few options have not been included due to low responses
Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

Cross-border openness remains selective (35%), with domestic focus largely unchanged (23%)

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



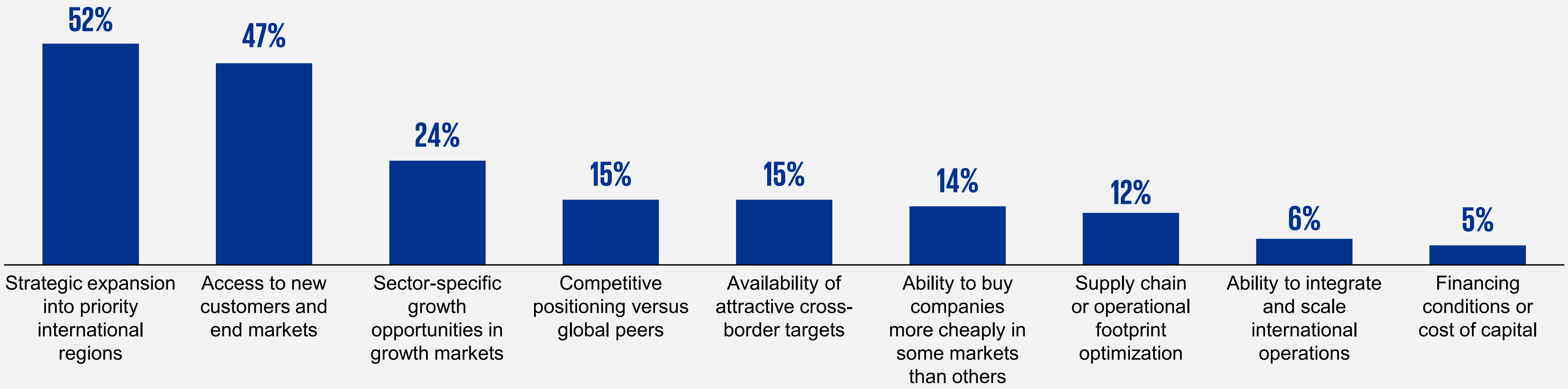
Key Observations

- Compared to year-end 2025, openness to cross-border deals remains largely same, **with a similar share of corporates indicating they are open (35%. vs 33%)**, reflecting a continued interest towards cross-border opportunities
- The share **actively pursuing cross-border deals has moderated (9% vs 13%),** indicating a shift towards a more measured approach
- **Focus on domestic deals remains unchanged at 23%**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding
Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

For those pursuing cross-border deals, strategic expansion (52%) and market access (47%) drive dealmaking

Q. What factors are shaping your cross-border M&A strategy in 2026?[a][b][c] *Multi select; N=66*



Key Observations

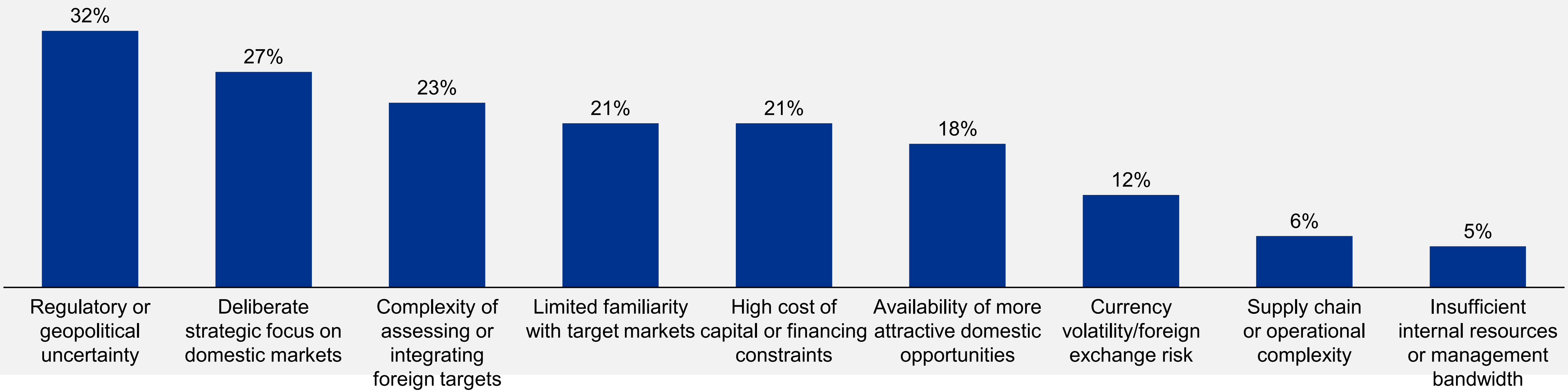
- **Strategic expansion into priority regions (52%)** and **access to new customers and markets (47%)** are the leading drivers of cross-border M&A
- **Sector-specific growth opportunities (24%)** also play a meaningful secondary role in shaping cross-border M&A strategy

Note(s): (a) Percentages may not add up to 100 since this is a multi select question; (b) A few options have not been included due to low responses; (c) Question was asked of those who had responded that they were "actively pursuing cross-border deals" or 'open to cross-border deals selectively" when asked about their approach to cross-border deals in 2026

Source(s): KPMG M&A Survey – Mid-year 2026

Geopolitical risks (32%), focus on domestic markets (27%), and complexity of assessing foreign targets (23%) limit cross-border M&A activity

Q. What are the primary factors limiting your cross-border M&A activity in 2026?[a][b] *Multi select; N=77*



Key Observations

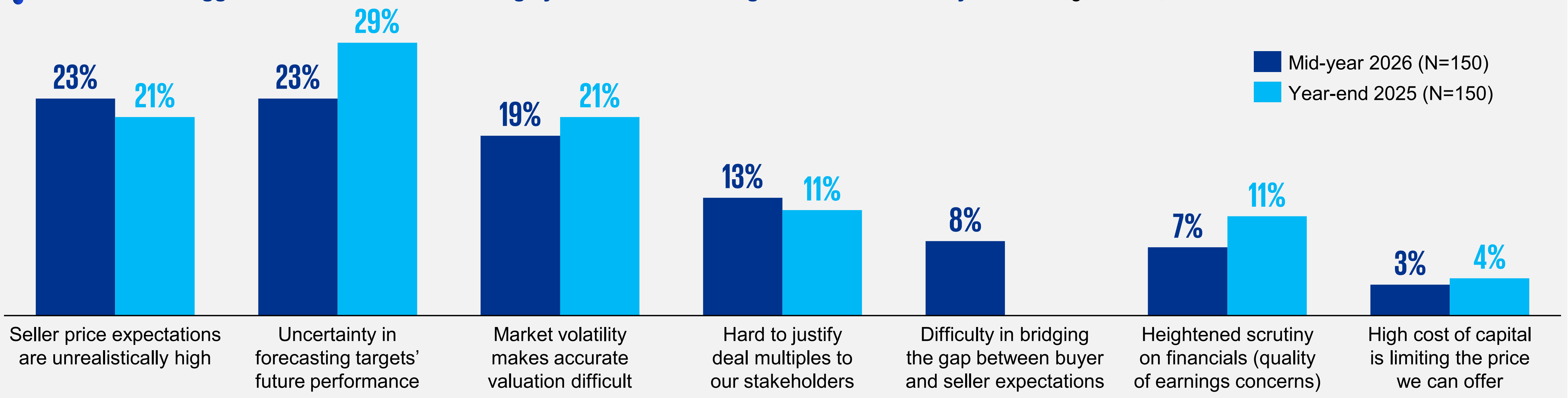
- **Regulatory/geopolitical uncertainty (32%) and domestic prioritization (27%)** lead constraints, with **availability of domestic opportunities (18%)** reinforcing domestic focus
- Execution and market familiarity challenges remain material, **including complexity of integrating foreign targets (23%), and limited familiarity with target markets (21%)**

Note(s): (a) Percentages may not add up to 100 since this is a multi select question; (b) Question was asked of those who responded that they were neutral, focused on domestic deals or avoiding cross-border deals when asked about their approach to cross-border deals in 2026

Source(s): KPMG M&A Survey – Mid-year 2026

Valuation challenges persist, driven by forecasting uncertainty (23%) and elevated seller price expectations (23%)

Q. What is the biggest valuation-related challenge you face in executing M&A deals currently?[a][b][c] *Single select; N=150*



Key Observations

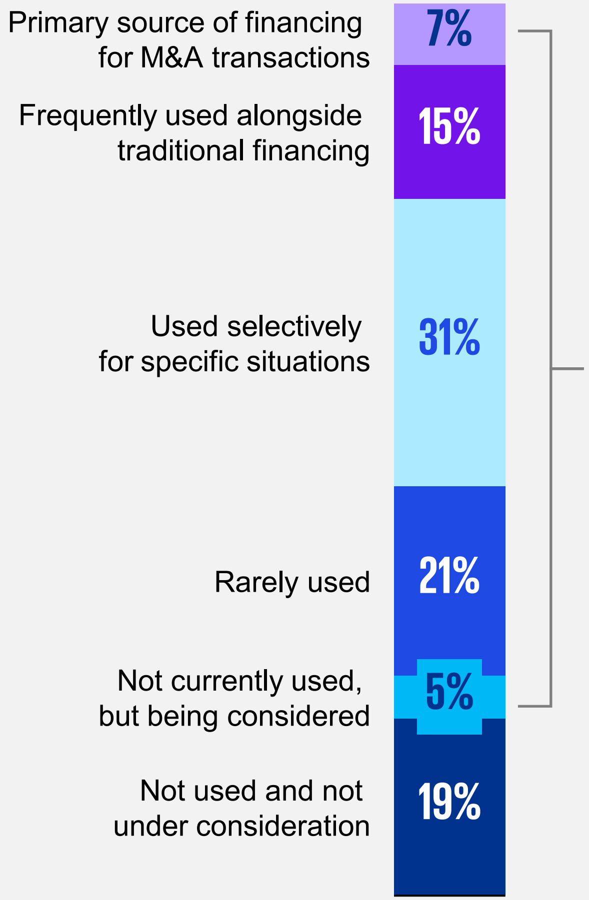
- Compared to Year-end 2025, **uncertainty around target performance forecasts,** and elevated **seller price expectations** continue to be top valuation-related challenges faced by corporates in M&A execution
- **Market volatility (19%)** further complicates accurate valuation assessment

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses; (c) A new response category was added in mid-year 2026; as a single-select question, this may have reduced the relative share of other options

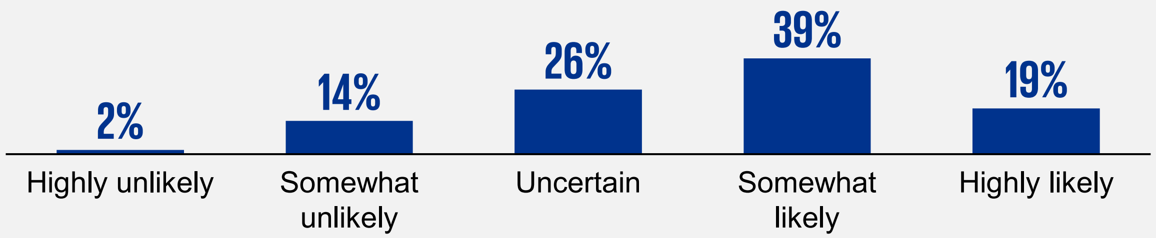
Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

Private credit plays a supporting role across corporate M&A financing

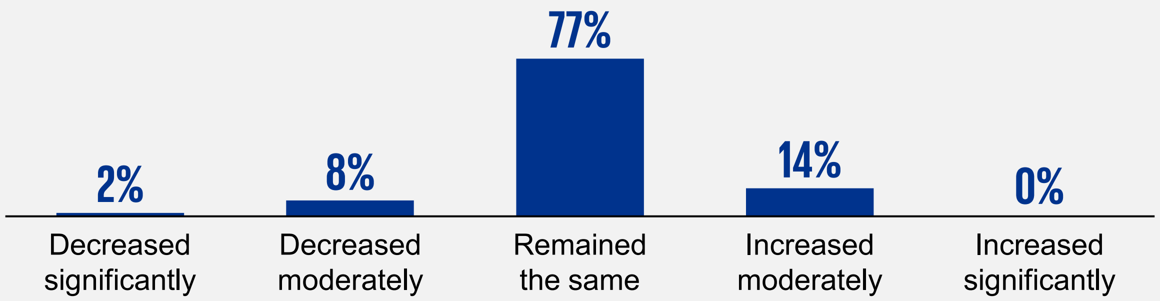
Q. What role does private credit currently play in your organization's M&A financing strategy?[a][b] *Single select; N=150*



Q. Without access to private credit, how likely is it that your recent or planned M&A activity would proceed?[a][c] *Single select; N=117*



Q. Compared to 12-24 months ago, how has your organization's reliance on private credit for M&A changed?[a][b][c] Single select; N=117



Key Observations

- Among respondents leveraging or considering private credit, **58%** indicated their deals would **likely** proceed without it, while **16%** indicated they would be **unlikely** to do so
- **79%** are either using or considering private credit for M&A transactions, with reliance largely stable over the past 12–24 months **(77%)**
  - Further, there is a slight shift towards increased rather than decreased reliance

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses; (c) Question was asked of those who responded that private credit was used, frequently used, used selectively, rarely used or being considered in their organization's M&A financing strategy

Source(s): KPMG M&A Survey – Mid-year 2026

AI-driven efficiency gains are highest in target screening, competitive intelligence, and due diligence

Q. To what extent has your organization used AI to offset manual effort in the following M&A processes?(a)(b) *Matrix, Single select; N=150*

M&A processes	0%	1-10%	11-25%	26-50%	51-75%	76%-100%
Target screening and prioritization	14%	27%	27%	15%	11%	1%
Due diligence	15%	35%	22%	17%	6%	1%
Competitive intelligence and market analysis	9%	25%	27%	23%	11%	2%
Valuation modeling and scenario planning	17%	29%	32%	15%	4%	1%
Legal and contract review	18%	37%	22%	14%	5%	1%
Integration planning and reporting	27%	29%	25%	9%	4%	1%
Budget modeling and tracking	21%	35%	21%	14%	6%	1%
Stakeholder communications and change management	33%	35%	15%	10%	3%	1%
Regulatory compliance and risk monitoring	31%	35%	18%	7%	3%	1%

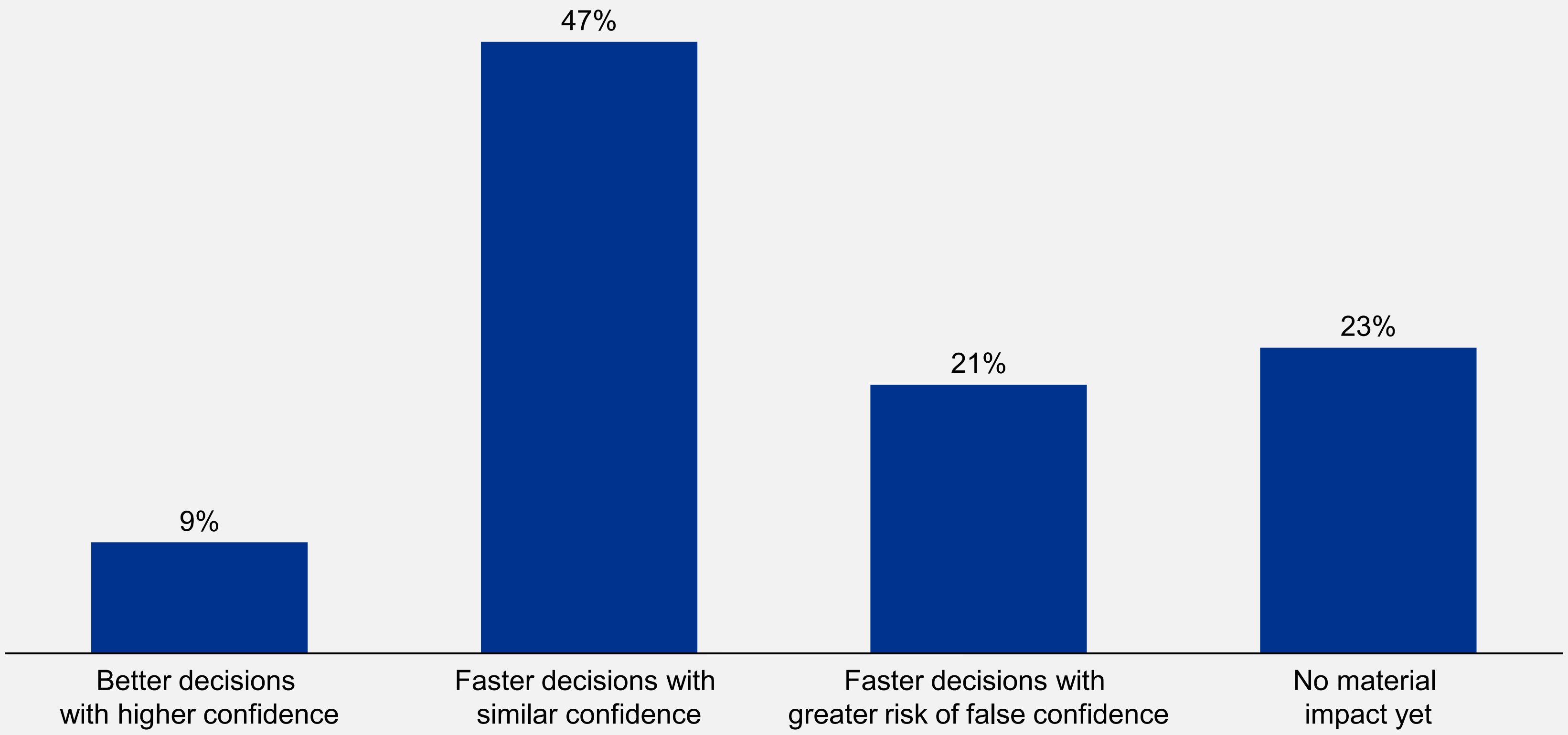
Key Observations

- **Competitive intelligence and market analysis** (**36%**), **target screening and prioritization** (**27%**), and **due diligence** (**24%**) report the highest levels of AI-enabled effort reduction
- Across most M&A processes, the majority of respondents report AI-enabled effort reduction in the **1–25% range**
- **~1/3rd** of corporate respondents report no reduction in manual effort in **stakeholder communications** and **regulatory compliance and reporting,** indicating limited AI impact in these areas

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses
Source(s): KPMG M&A Survey – Mid-year 2026

~1/2 of corporates report faster decisions with similar confidence from AI use

Q. As AI has accelerated M&A analysis and diligence in your organization, which outcome best reflects your experience to date?[a][b][c] *Single select; N=141*



Key Observations

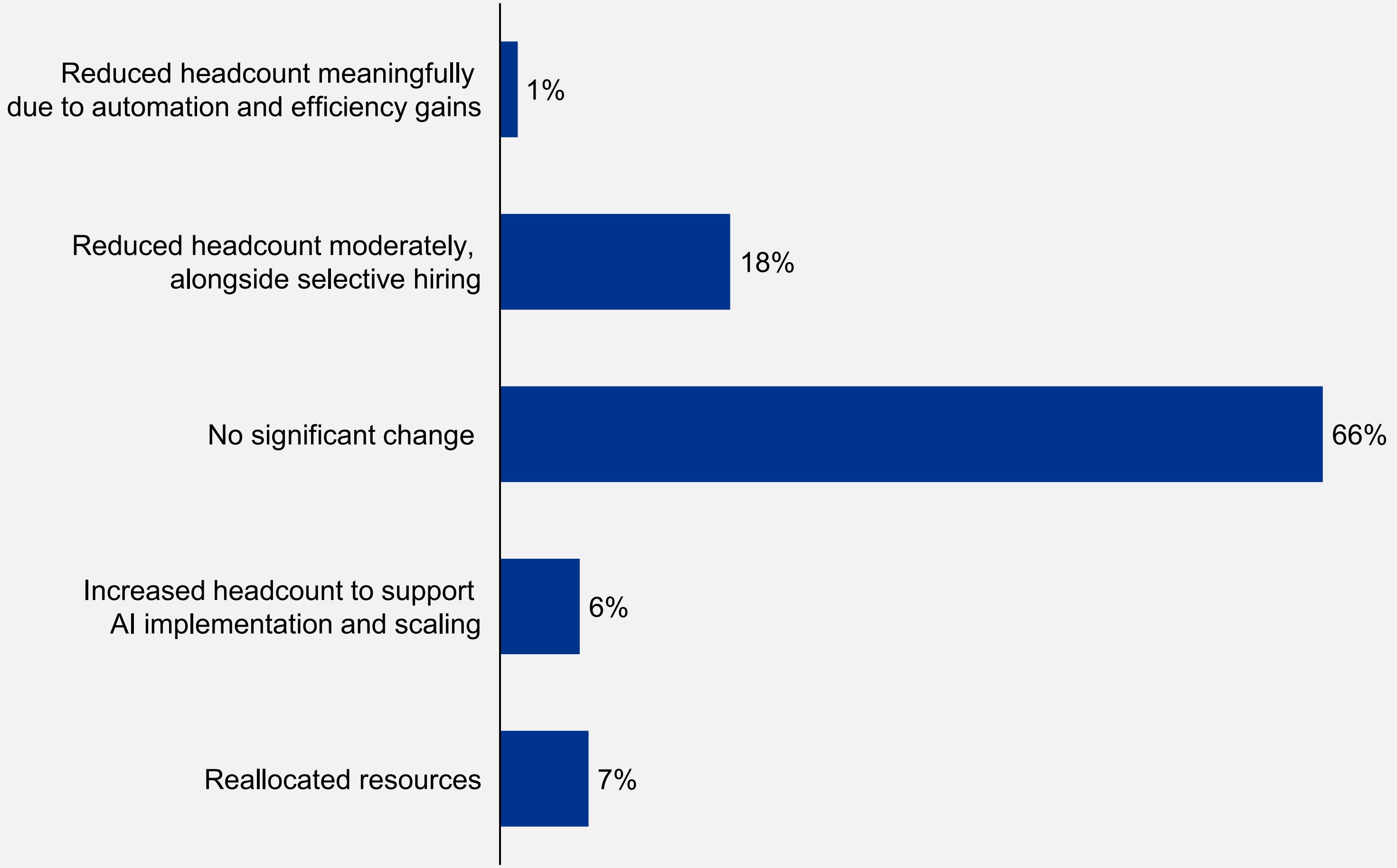
- AI is enabling **faster decision making** for **~47%** of respondents
- While only **9%** cite **better decisions with higher confidence**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses; (c) Question was limited to respondents reporting AI-driven efficiencies across at least one M&A process, analysis excludes respondents reporting no efficiency gains (0%) or N/A across all M&A processes

Source(s): KPMG M&A Survey – Mid-year 2026

2/3rd corporates report no significant change in headcount, while a small share (6%) increased headcount to support AI-led operational continuity

Q. As AI has accelerated M&A analysis, has your organization made any changes to deal team or operating team headcount?(a)(b)(c) *Single select; N=141*



Key Observations

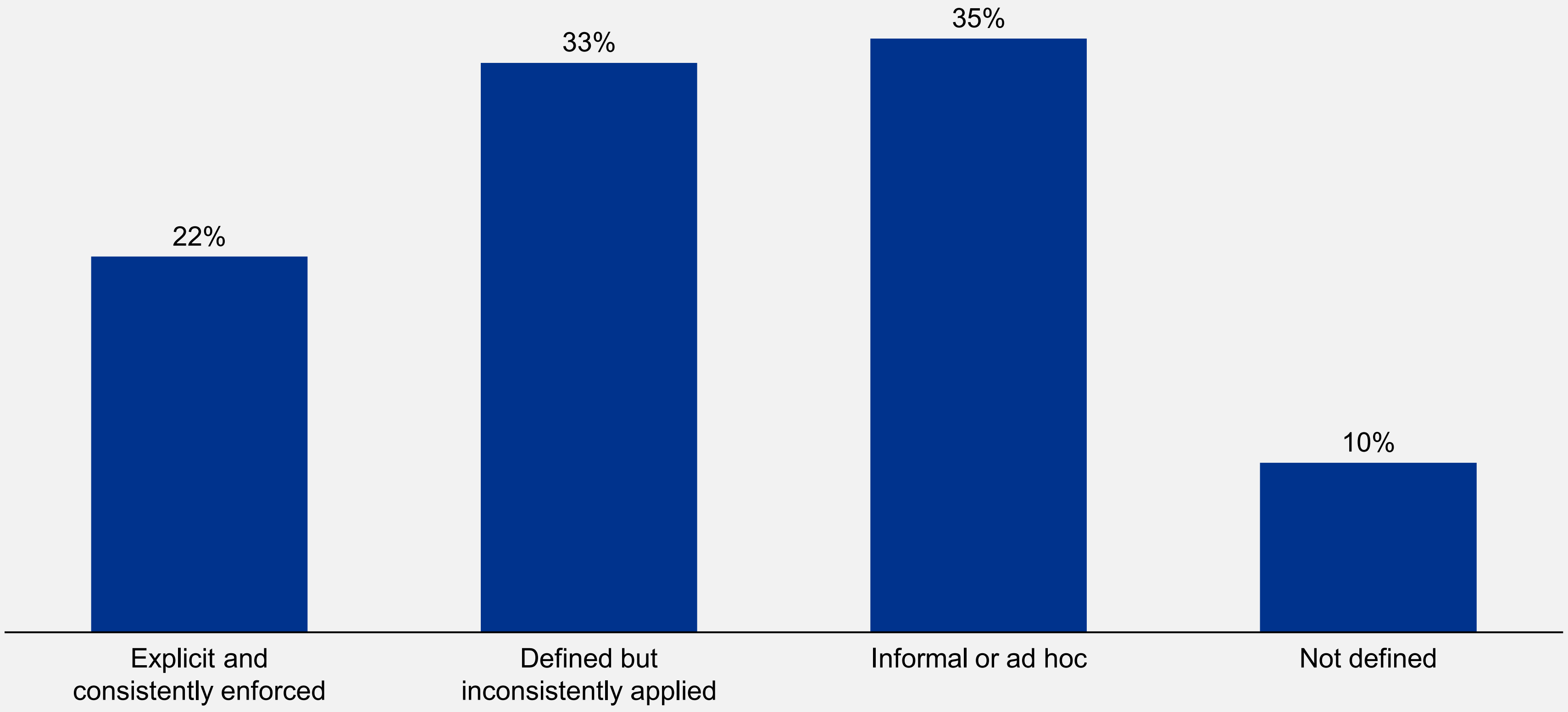
- A small share of corporates **(6%)** report **increase in headcount to support AI implementation and scaling** while **7% reallocated resources**

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses; (c) Question was limited to respondents reporting AI-driven efficiencies across at least one M&A process, analysis excludes respondents reporting no efficiency gains (0%) or N/A across all M&A processes

Source(s): KPMG M&A Survey – Mid-year 2026

Only 22% report consistent AI governance; majority rely on inconsistent (33%) or informal (35%) models

Q. How clearly defined is governance around the use of AI-generated insights in M&A decision-making at your organization?[(a)(b)(c)] *Single select; N=141*



Key Observations

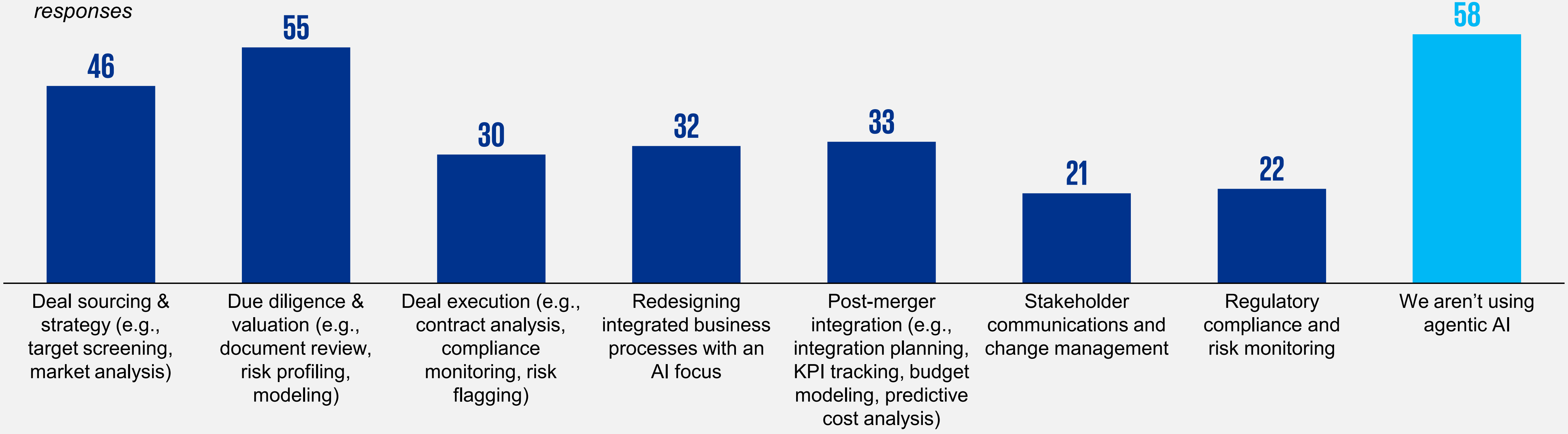
- Governance remains a mix of defined and evolving approaches, with only **22%** reporting it is **explicit and consistently enforced**, while the majority report it is either **defined but inconsistently applied** (**33%**) or **informal or ad hoc** (**35%**)

Note(s): (a) Sum of percentages may not add up to 100 due to rounding; (b) A few options have not been included due to low responses; (c) Question was limited to respondents reporting AI-driven efficiencies across at least one M&A process, analysis excludes respondents reporting no efficiency gains (0%) or N/A across all M&A processes

Source(s): KPMG M&A Survey – Mid-year 2026

Among the ~2/3rd of respondents deploying agentic AI, usage is concentrated in due diligence and deal sourcing, while ~1/3rd are not yet using it

Q. Where is your organization deploying agentic AI solutions within M&A processes?[(a)(b)(c)] *Multi select; N=150, Represents absolute count of multi select responses*



Key Observations

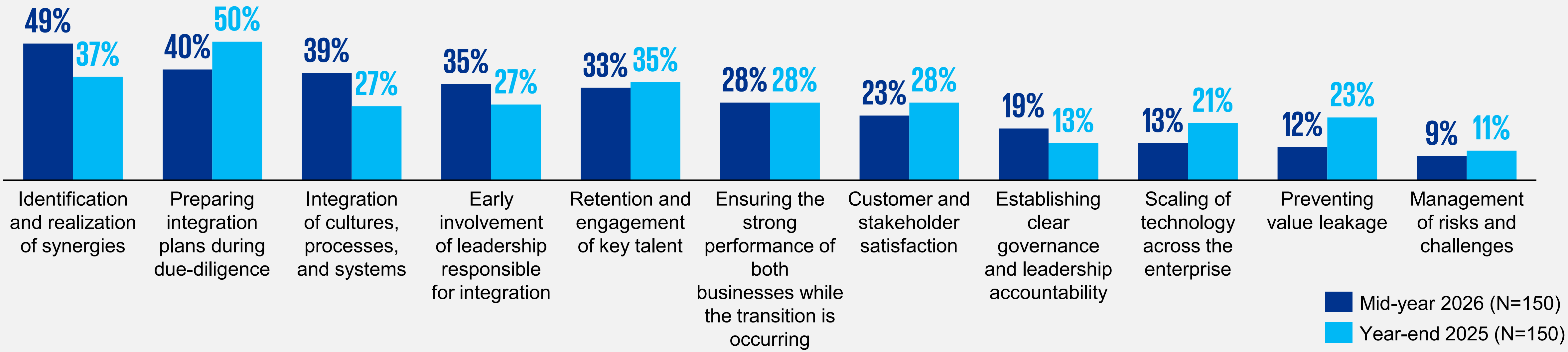
- Agentic AI adoption remains selective, with **58** out of 150 respondents **not yet deploying it in M&A processes**
- **Among those deploying agentic AI, usage is most concentrated in due diligence & valuation (55) and deal sourcing & strategy (46)**

Note(s): (a) Percentages may not add up to 100 since this is a multi select question; (b) A few options have not been included due to low responses; (c) Due to low sample size for 2025, results are presented as number of respondents instead of percentages for better representation

Source(s): KPMG M&A Survey – Mid-year 2026

Synergies (49%) and integration planning (40%) remain primary focus areas to realize value

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



Key Observations

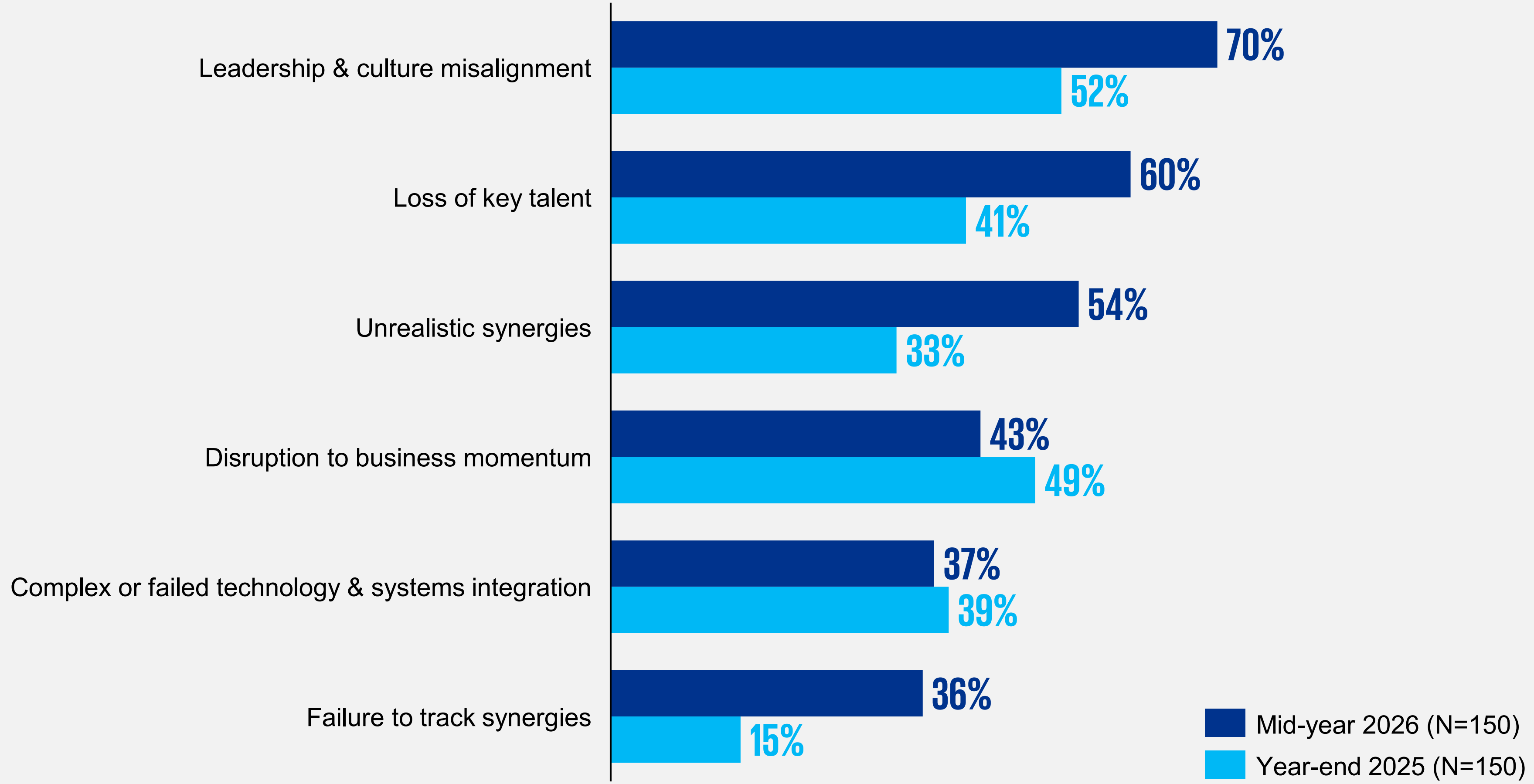
Compared to year-end 2025 survey,

- Synergy realization continues to lead value priorities, **with identification and realization of synergies (49% vs 37%)** remaining the key focus area
- Focus on early-stage integration shows mixed shifts, with **integration planning during due diligence (40% vs 50%)** declining, while **early leadership involvement (35% vs 27%) increases**
- People and cultural integration continue to be important focus areas, with integration of cultures, **processes, and systems (39% vs 27%)** increasing, while **retention of key talent (33% vs 35%)** remains important

Note(s): (a) Percentages may not add up to 100 since this is a multi select question
Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

Leadership misalignment at 70% and talent loss at 60% lead post-merger integration risks to value realization

Q. When it comes to post-merger integration (PMI), which of these challenges has posed the greatest risk to value realization, in your experience?[(a)] *Multi select; N=150*



Key Observations

Compared to year-end 2025 survey,

- People & leadership risks strengthen further, with **leadership & culture misalignment (70% vs 52%)** and **loss of key talent (60% vs 41%)** both rising sharply
- Execution risks show divergence, with **unrealistic synergies (54% vs 33%)** increasing notably, while **disruption to business momentum (43% vs 49%)** lessened
- Synergy management concerns increase in visibility, with **failure to track synergies (36% vs 15%)** rising, while **technology & systems integration (37% vs 39%)** remains broadly stable

Note(s): (a) Percentages may not add up to 100 since this is a multi select question
Source(s): KPMG M&A Survey – Mid-year 2026; KPMG M&A Survey – Year-end 2025

03

Demographics

Corporate M&A Dealmakers

Objectives & Methodology

Objectives

- To assess the current M&A environment and understand how macroeconomic and geopolitical factors are shaping dealmaking activity and sentiment
- To evaluate how dealmakers are approaching transaction execution, deal structuring and financing, and value creation across corporate M&A

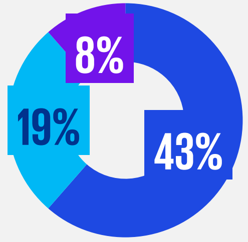
Methodology

- Online survey of N=150 Corporate M&A dealmakers in the US
- Dealmakers were screened for the following:
  - 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)
  - Relevant C-Suite titles and functions
  - All respondents were from organizations with $1B+ revenue and had plans to execute at least one deal in the remainder of 2026
  - Participate directly in or provide input on M&A deal decisions, including responsibility for strategy, due diligence, negotiation, closing deals, etc.

Corporate (1/2)

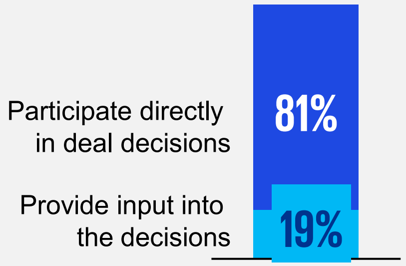
(Corporate) **N=150**

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

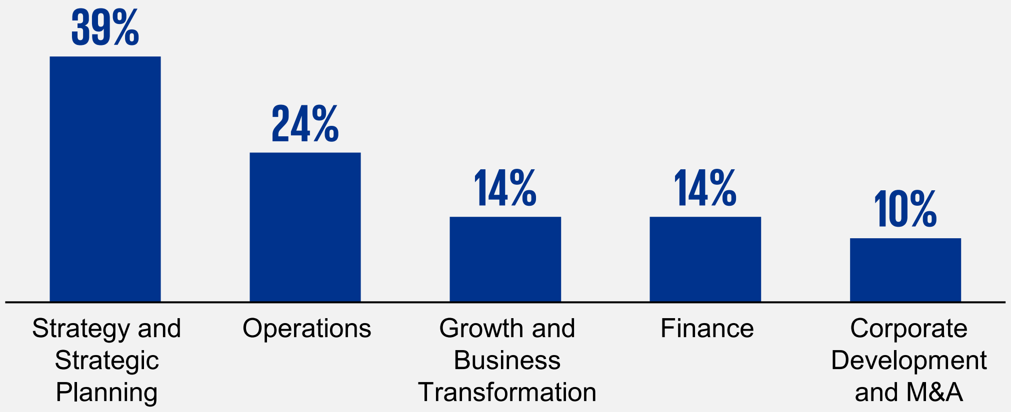


- Publicly traded company
- Private (not private equity owned) company
- Private equity owned company

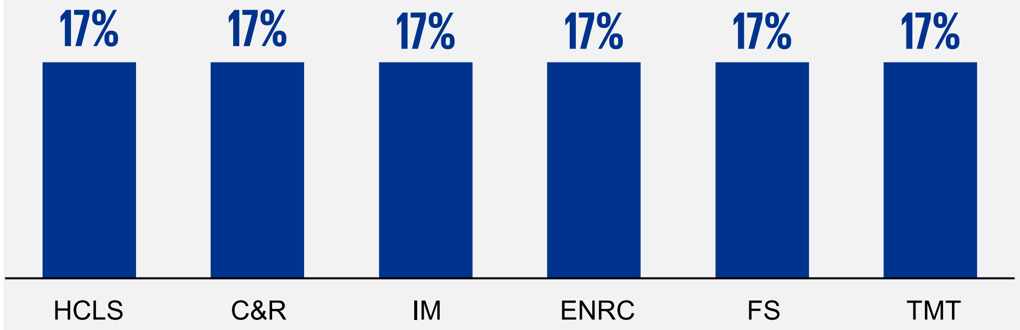
Q. Please describe your level of involvement in M&A decision making?



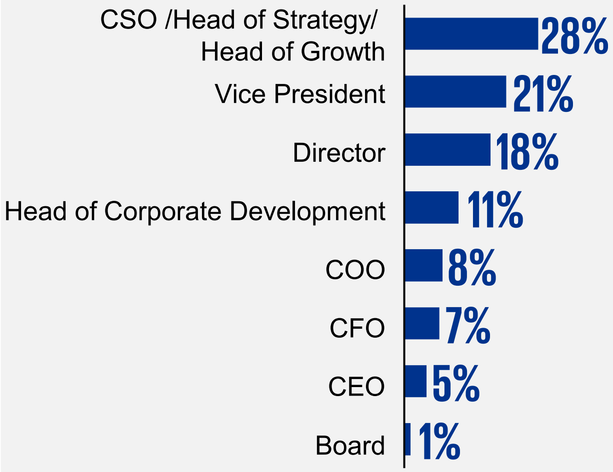
Q. Which of the following best describes your primary functional area within your organization? (N= 59)



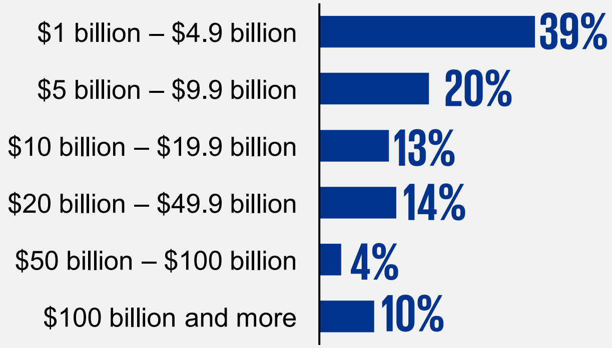
Q. Please select the primary industry in which your company operates.



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



Q. What is your company's annual revenue?

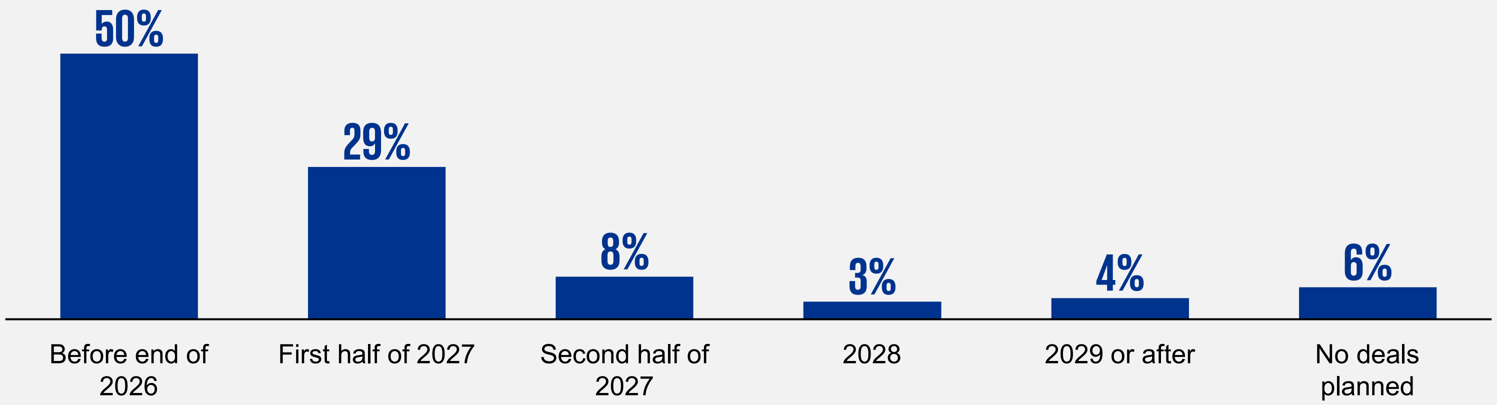


Source(s): KPMG M&A Survey – Mid-year 2026

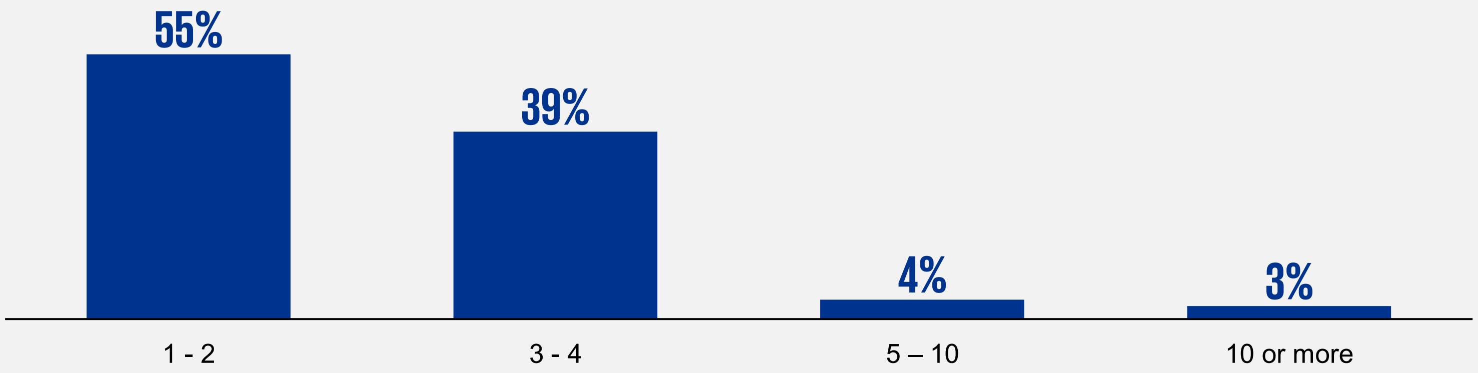
Corporate (2/2)

Q. What M&A processes do you currently support?

Q. When do you expect to announce your next M&A transaction?



Q. How many M&A deals does your company plan to do in the rest of 2026?



Source(s): KPMG M&A Survey – Mid-year 2026

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