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North American M&A values surge in Q4 2025 as deal volume slips

By **Nick Lazzaro** and **Umer Khan**

North American M&A transaction volume declined in the fourth quarter of 2025, but total valuation surged.

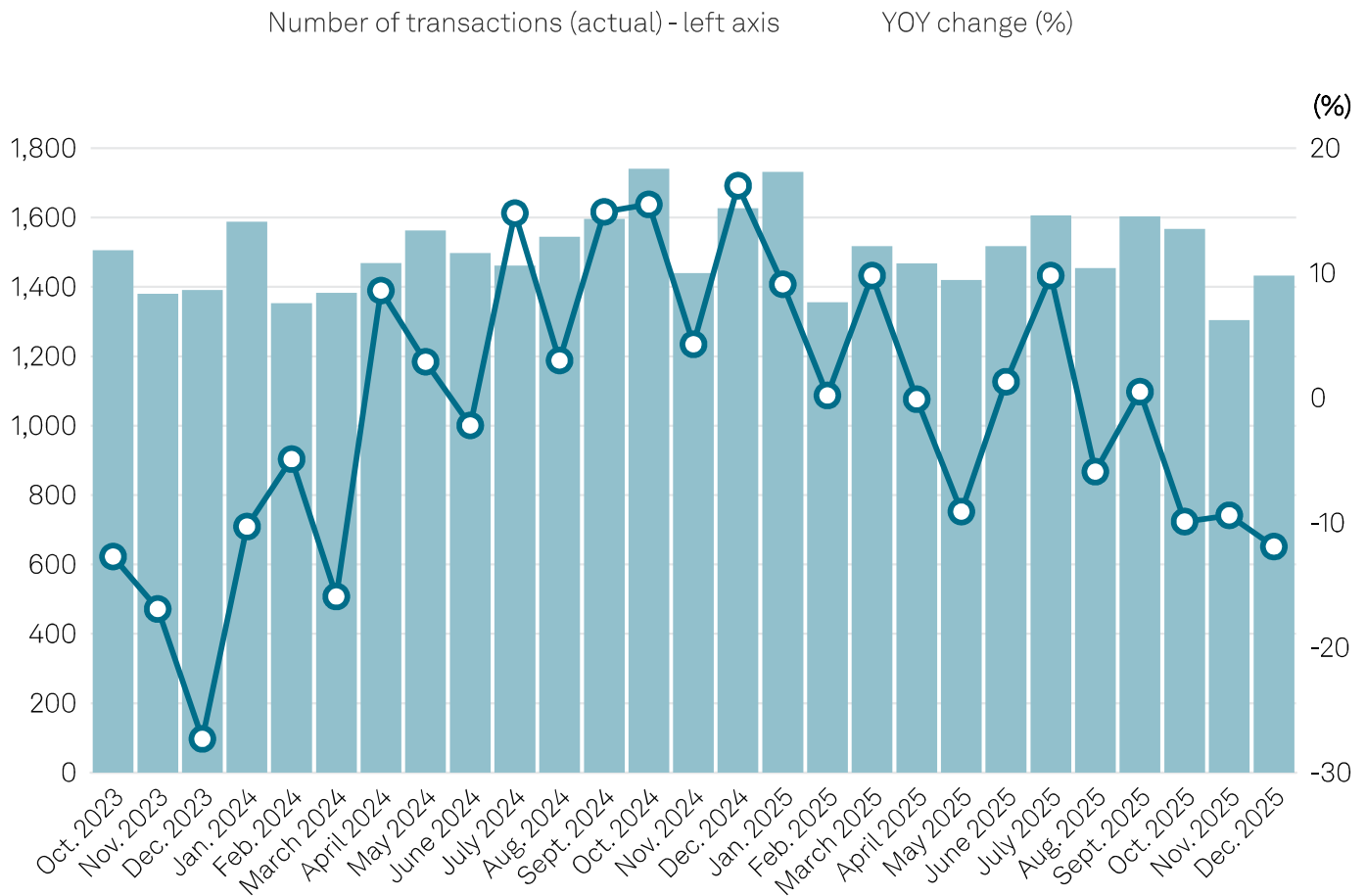
The aggregate value of US and Canadian M&A transactions totaled \$717.71 billion in the fourth quarter, rising nearly 18% from the third quarter of 2025, according to S&P Global Market Intelligence data. Transaction value climbed even as the number of deals fell almost 8% quarter over quarter. Compared with the fourth quarter of 2024, total deal value surged nearly 88% while the number of transactions declined more than 10%.

US and Canada M&A activity since Q4 2023

 To switch between metrics, please click the buttons below

By number of transactions

By aggregate transaction value



Data compiled Jan. 5, 2026.

Analysis includes M&A deals announced between Oct. 1, 2023, and Dec. 31, 2025, where the target company is located in either the US or Canada. Excludes terminated deals.

Transaction value is the deal value paid for equity, plus the value of any assumed long-term debts.

Transaction value is as of announcement date. Deal value used when transaction value is not available.

Source: S&P Global Market Intelligence.

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For full-year 2025, M&A deal values in North America increased nearly 47% from 2024 to \$2.164 trillion despite an almost 2% dip in transaction volume to under 18,000.

Higher deal values were concentrated primarily in AI-linked transactions, creating a two-tiered market.

"It's a bit of a K-shaped M&A market," Kevin Desai, US deals leader and partner at PwC US, said in an interview. "There's a tremendous amount of growth there at the top end for AI deals, and it was the most important catalyst for mega deals in 2025."

Meanwhile, M&A activity was slower among middle-market companies, partly due to the disproportionate uncertainty they faced from mixed macroeconomic signals and shifting trade policies, Desai said.

Middle-market deals have also slowed as stakeholders assess how AI capabilities will transform specific industries.

"That's a new muscle that people are learning," Desai said.

However, middle-market activity may pick up in 2026 if economic uncertainty clears and growth meets projections, Desai said.

- View [transaction statistics](#) across all sectors.
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Largest deals

The largest announced M&A transaction in the fourth quarter of 2025 was Netflix Inc.'s offer to acquire Warner Bros. Discovery Inc., although Paramount Skydance Corp. also placed a competing bid. Each bidder has since increased the value of their offer. Still, neither has been accepted as of Jan. 21. Warner Bros. Discovery had initially planned to separate its television and movie studio assets into two standalone companies before receiving bids.

The second-biggest announced deal was Kimberly-Clark Corp.'s acquisition of Kenvue Inc. The third-largest was the announced acquisition of Aligned Data Centers LLC by a group including MGX Fund Management Ltd., Global Infrastructure Management LLC, Microsoft Corp., X.AI LLC, Nvidia Corp., Temasek Holdings (Pvt.) Ltd., the Kuwait Investment Authority and BlackRock Inc.

Three of the 10 largest announced North American M&A transactions by value in 2025 occurred in the fourth quarter.

Beyond the fourth quarter, Union Pacific Corp.'s proposed \$88.22 billion acquisition of Norfolk Southern Corp. was the most significant announced transaction in 2025. This was more than double the value of the largest deal in 2024, Mars Inc.'s acquisition of Kellanova for nearly \$36 billion.

Stakeholders are now awaiting significant potential deal announcements to set the pace for activity and valuations in 2026.

"There's so much liquidity out there that people need to put to work, and that's what is really greasing the wheels to keep activity going," Uk-Sun Kim, head of credit originations for middle-market and sponsor finance at TD Bank, said in an interview. "But you need the catalyst to get people off the sidelines."

Many dealmakers have also adopted a more patient approach as they await clarity on potential valuations for assets purchased at higher prices in 2020 and 2021 amid a surge in dealmaking.

"People bought at very high valuations, and those same platforms are not trading nearly as high, or they're not getting as much incremental growth on those valuations," Kim said. "It's going to be much more of a muted growth [in deal activity] unless there's some sort of catalyst that really opens up the floodgates."

Sector activity in Q4

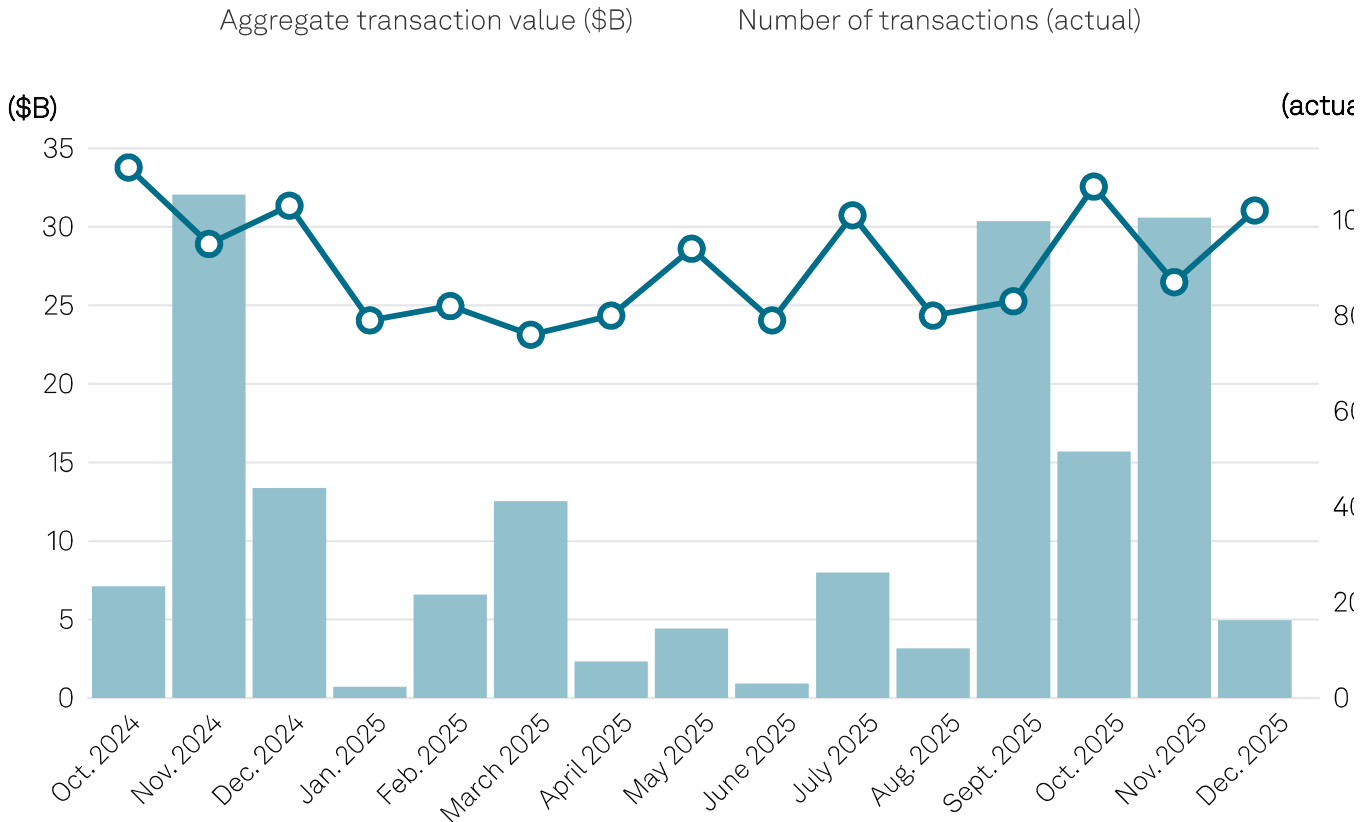
Aggregate M&A transaction value in the fourth quarter of 2025 rose from the third quarter in six of eight sectors tracked by Market Intelligence. Deal value rose the most in the consumer sector, up nearly 139% to \$68.03 billion across 411 deals. Kimberly-Clark's offer to acquire Kenvue largely drove the sector's quarterly increase.

Aggregate deal value in the fourth quarter dropped from the third quarter, but only in the industrials, energy and utilities sectors.

US and Canada M&A activity

 To switch between industries, please click the buttons below

- Materials
- Consumer
- Energy and utilities
- Financials
- Industrials
- Healthcare
- Real estate
- TMT



Data compiled Jan. 5, 2026.

TMT = technology, media and telecommunications.

Analysis includes M&A deals under the respective sector announced between Oct. 1, 2024, and Dec. 31, 2025, where the target company is located in either the US or Canada. Excludes terminated deals.

Transaction value is the deal value paid for equity, plus the value of any assumed long-term debts.

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The technology, media and telecommunications sector recorded the biggest aggregate value in the fourth quarter of 2025 at \$201.67 billion, while the real estate sector had the lowest at \$30.14 billion.

Industrials sector companies announced 732 M&A deals in the quarter, the most of any sector. Real estate had the lowest activity, with 78 deals.

Compared with the third quarter of 2025, deal volume in the fourth quarter increased most in the materials sector, up more than 12%, and decreased most in industrials,

down more than 12%.

Sector activity in full-year 2025

In full-year 2025, M&A deal value was highest in technology, media and telecommunications at \$536.47 billion and lowest in real estate at \$66.16 billion. Aggregate value increased most in industrials, up more than 146%, and decreased most in financials, down nearly 28%.

Industrials recorded the most M&A deals in 2025 at nearly 3,230 transactions, while real estate recorded the fewest at 314.

However, deal volume in 2025 declined year over year across all sectors, with the steepest decline in real estate.