



Weekly Brief

October 29, 2025

M&A Is Not Only Recovering—It's Evolving

Waking from slumber, global M&A is gaining momentum. Total deal value was up about 10% through the first nine months of 2025, the second consecutive year of growth but still below M&A's high-water year in 2021.

The uncertainty that had been holding back the market has not gone away. Rather, successful acquirers have learned to translate uncertainty into advantage by favoring same-industry deals close to home, not overpaying, and de-risking deal financing. Regional deals in the small- and mid-cap market sectors, for example, have been more insulated from geopolitical and tariff disruptions.

As [BCG's M&A report](#) shows, dealmakers have also responded to uncertainty by becoming more effective at dealmaking while lowering the risks. They are using AI and advanced analytics to continuously identify targets, uncover hidden threats and opportunities, and improve due diligence. For example, companies are automating the review of large document or data sets—using AI in the virtual data room and to analyze lengthy contracts.

Where the Momentum Lies

The M&A recovery is real but unequally distributed across regions and industries.

- **Deal value in the Americas rose** by 26% over the same nine-month period in 2024. Deals involving targets in North

America specifically account for roughly 62% of global deal value in the first nine months of 2025, led by large US transactions in industrials, energy, and technology.

- **Europe's results are mixed.** Strong growth in the Netherlands (263%), Switzerland (109%), Italy (28%), Germany (45%), and the Nordics (31%) could not overcome declines in deal value in the UK (-35%), which is Europe's largest deal market, as well as Spain (-58%) and France (-29%). Europe's overall deal value fell by 5% in the first nine months of 2025.
- **In Asia-Pacific, deal value dropped** by 19% to a ten-year low. Singapore (38%) and mainland China (11%) were bright spots in a weak market.

Sector patterns also tell a similar mixed story.

- **Deal value in industrials surged** 77%, driven by transactions involving infrastructure and transportation companies, especially Union Pacific Railroad's announced \$71.5 billion acquisition of railroad operator Norfolk Southern.
- **Industries with more modest growth** include the technology, media, and telecom sector (10%), energy (20%), and health care (also 20%). An investor group's proposed \$55 billion acquisition of gaming company Electronic Arts makes it the largest tech deal of the year to date.
- **The materials and consumer sectors slowed** as large-scale transactions waned.

Private equity deal value rose through the first three quarters of 2025, driven by large deal activity such as the buyout of Electronic Arts. PE firms still sit on about \$2 trillion in undeployed capital as of early October 2025.

The CEO Takeaway

M&A markets will always wax and wane. But the overall importance of dealmaking to corporate strategy continues to rise. How can CEOs prepare for this new world?

Stay in the game. Periods of adversity often have the greatest potential for value creation with the right strategy.

Perfect the game. Experience matters. In deals valued at more than \$100 million, experienced acquirers generate two-year TSR that's 1 percentage point higher than their peers, while inexperienced acquirers underperform their relevant market by -7.5 points.

Win the AI game. Early adopters are piloting AI agents for routine tasks, freeing professionals to focus on strategic decisions and negotiations. PE firms may be leading in the adoption of AI owing to their frequent dealmaking cycles, but corporations should not settle for second best.

Play the long game. Successful deals must align closely with a company's broader strategic vision, purpose, and culture. Without clear cultural alignment and shared goals, even strategically compelling and financially sound deals can falter during integration.

Until next time,

A handwritten signature in black ink, appearing to read 'Christoph', with a stylized, cursive script.

Christoph Schweizer
Chief Executive Officer

Further Insights



The 2025 M&A Report: The Brave New World of Dealmaking

Executives have a clear mandate: make selective bold moves, embrace AI and advanced analytics, and play for long-term advantage.

SHAPE THE FUTURE



The BCG M&A Report Collection

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