

Q1 2026 Mid-market M&A: the market is moving but the bar is high

IMAP

Q1 2026 Results

58

M&A Deals Closed

\$4bn

Transaction Value

#4

Worldwide Ranking
in deals up to €500mn

“Our international IMAP partners are seeing robust but increasingly selective M&A activity with outcomes driven more by preparation, positioning and execution than by market momentum.”



Colin Morgan
Key Capital CEO

IMAP closes 58 M&A transactions worth more than \$4 billion in Q1 2026

The momentum in mid-market M&A that built through 2025 carried strongly into Q1 2026, with IMAP advisors closing 58 transactions globally, totalling over USD 4 billion. Activity remained robust, but increasingly selective, with outcomes driven more by preparation, positioning, and execution than by market momentum.

Cross-border activity remains a defining strength of the IMAP platform, accounting for nearly half of transactions. Activity in Q1 was concentrated in Services, Industrials, and Consumer, reflecting strong mid-market consolidation and continued demand across core sectors.

The quarter was supported by improving financing conditions, active buyer interest in well-prepared assets, and sustained cross-border opportunities. PE remains a key driver, supported by significant dry powder and exit pressure, while founder-led businesses continue to pursue succession and liquidity. Strategic buyers are also active, particularly in sectors undergoing consolidation or operational repositioning.

At the same time, dealmaking has grown more disciplined. Buyers are highly selective, processes are taking longer, and bridging valuation gaps often requires creative structures or flexible terms. While financing markets have eased somewhat, lenders remain cautious, favouring resilient business models with conservative leverage.

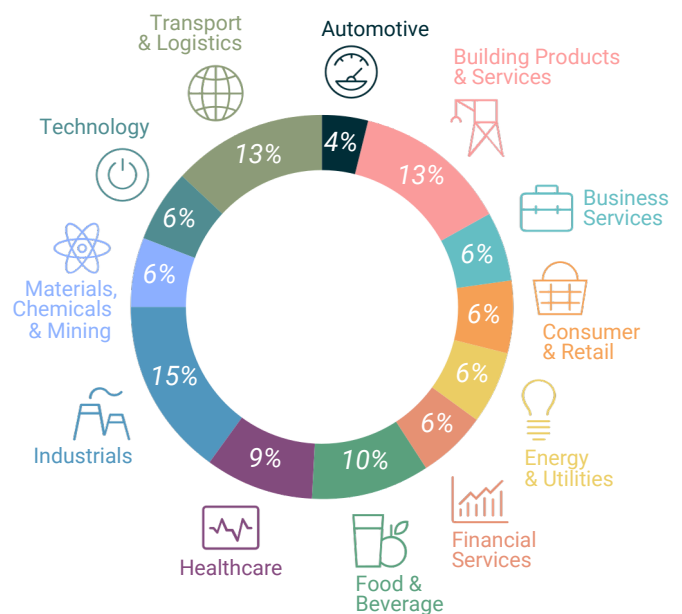
Recent geopolitical developments, including escalation in the Middle East, have introduced significant additional volatility. Rising energy prices and renewed inflationary pressure are influencing valuations, deal timing, and risk appetite, reinforcing a more measured environment.

Global Performance

Rank	Advisor
1	PwC
2	Houlihan Lokey
3	Morgan Stanley
4	IMAP
5	Rothschild
6	JP Morgan
7	Jefferies
8	EY
9	KPMG
10	Stifel/KBW

Ranking based on number of transactions closed in Q1 2026. Undisclosed values and values up to \$500 mn. Source: LSEG and IMAP internal data.

Deal Distribution by Sector



JURGIS V. ONIUNAS
IMAP Chairman

"At the start of the year, the outlook for Q1 was highly optimistic, with expectations of slowing inflation, lower interest rates, and improving growth projections. Unfortunately, we live in interesting times. Early in the year, speculation around the disruptive impact of AI on traditional SaaS business models triggered a significant revaluation in parts of the Software sector. More recently, escalation in the Middle East conflict has introduced fresh volatility – pushing oil prices higher, adding upward pressure on inflation, and creating supply-chain uncertainties. While it is too early to tell how these new shocks will eventually affect the global M&A market, we can be sure that our dealmakers around the world are on the ground every day – negotiating, re-evaluating, adjusting positions, and adapting to whatever the environment throws at them to deliver the best outcomes for their clients. They've done it for over 50 years, and that's exactly what they'll continue to do, no matter the conditions."

EUROPE

GERMANY



Henning Graw
IMAP Germany

The German M&A market has entered 2026 in a demanding environment, but with clear direction. Mid-market activity remains resilient, driven by structural factors such as succession, transformation, carve-outs, and a growing number of special situations. With around 190,000 succession-ready SMEs over the next five years and continued exit pressure on investors, the underlying need for transactions remains intact. The market is more selective, with capital available but deployed with discipline.

2026 will not be a year of momentum-driven markets, but of execution-driven outcomes. Deals will happen where there is clarity, alignment and speed

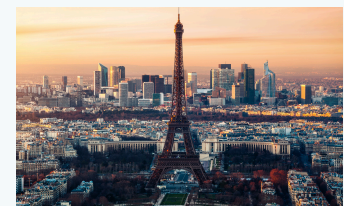
Strategic buyers continue to dominate (>50% of transactions), while financial investors remain active but increasingly price-sensitive. Well-prepared assets with a clear equity story attract strong interest, whereas weaker situations require more time and structuring. Debt markets are open but demanding, with financing available for resilient business models on more conservative terms, while elevated pressure across sectors—reflected in more than 23,000 corporate insolvencies in 2025—continues to drive activity in distressed and special situations. Our view is clear: 2026 will not be a year of momentum-driven markets, but of execution-driven outcomes. Deals will happen where there is clarity, alignment and speed. This is exactly where we see our role – bringing structure to complexity, creating momentum in critical situations and delivering outcomes when it matters most.

M&A activity in France in Q1 2026 remained mixed: pipelines are building, but execution continues to be affected by macro uncertainty, financing constraints, and a persistent bid-ask spread. The market remains characterised by a buyer-friendly environment, with disciplined pricing and selective processes.

Pipelines are building, but execution continues to be affected by macro uncertainty and financing constraints

Looking ahead to Q2, conditions should gradually improve as financing markets stabilise and confidence returns, supporting a release of pent-up supply—particularly from sponsors seeking liquidity after extended holding periods. For the remainder of 2026, the outlook is cautiously constructive, with overall deal value expected to increase, driven by large-cap strategic transactions, carve-outs, and opportunistic or distressed situations, while volumes may recover more gradually.

FRANCE



Cyril Kammoun
Indosuez Corporate Advisory - IMAP France

NETHERLANDS



Dutch mid-market M&A started 2026 with steady but selective deal activity. PE remains the dominant buyer, particularly through buy-and-build strategies and sponsor-to-sponsor transactions.

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Jan-Pieter Borst
IMAP Netherlands

The most active sectors include Software/IT Services, Business Services, (Real Estate) Maintenance, Energy Transition Services, and Healthcare Services, reflecting fragmented markets suited for consolidation. Valuations have stabilised below the 2021 peak, and financing conditions remain disciplined. Looking ahead, deal flow is expected to increase moderately, driven by a backlog of PE exits, corporate carve-outs, and continued consolidation across mid-market sectors.

HUNGARY

Q1 deal volume remained subdued, largely reflecting pre-election caution, although the broader economy is beginning to transition into a phase of modest recovery following a three-year plateau.

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Despite ongoing macroeconomic headwinds, sector-specific resilience - particularly in F&B, TMT, and Life Sciences - remains strong. We are seeing a notable build-up in sell-side mandates, positioning our pipeline for increased activity through the remainder of the year.



László Papp
CMBP - IMAP Hungary

EUROPE

Deal flow has remained steady but the much anticipated flurry of PE exits is still awaiting lower interest rates and higher valuations given the high entry multiples generally paid for the 2021/22 vintage platform deals. Certain parts of the previously bombproof SaaS sector have dramatically and suddenly fallen out of favor due to AI disruption but vertical software and systems of record remain attractive although valuations have declined.

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However, sensationalist headlines about a “SaaS apocalypse” are premature and misplaced. The impact of the Iran war on inflation and interest rates will be the big question in Q2 with much of the market still anticipating a swift outcome but a protracted war and associated energy shock could have a much more structural impact.

UK



Karri Vuori
IMAP UK

SPAIN



Aitor Cayero
Albia IMAP - IMAP Spain

Deal activity in Spain remained subdued in early 2026, with around ~200 transactions per month, although total value increased significantly, supported by large transactions such as the EUR 5.6 billion acquisition of Urbaser by EQT and Blackstone. Ongoing geopolitical uncertainty is weighing on investor confidence, leading to more cautious capital deployment.

Inbound deals are driven by operational improvement, technology transfer to Spanish platforms, add-ons by pan-European consolidators, and buy-and-build strategies

PE activity has slowed year-to-date, but underlying sentiment remains positive, with continued focus on deploying substantial dry powder. Despite current headwinds, Spain remains in a relatively strong growth cycle compared to other European markets. Inbound deals - driven by operational improvement, technology transfer to Spanish platforms, add-ons by pan-European consolidators, and buy-and-build strategies in a highly fragmented market - should continue to underpin mid-market M&A activity, particularly in sectors such as Industrial Services, Healthcare, Food & Beverage, Logistics, and IT/Software.

SWEDEN

M&A activity in Sweden entered Q1 2026 with clear momentum, building on a strong 2025, with rising transaction volumes supported by improving financing conditions and stronger buyer interest. The market remains active across both trade and PE buyers, with continued cross-border demand, particularly from Nordic and Central European acquirers, and supportive IPO activity reinforcing exit confidence.

PE is expected to drive activity, as a large cohort of mature portfolios and a narrowing valuation gap increase pressure to execute exits

Looking ahead, PE is expected to drive activity, as a large cohort of mature portfolios and a narrowing valuation gap increase pressure to execute exits following a muted 2024–2025. For the remainder of 2026, the outlook is constructive but selective, with continued momentum expected in sectors such as Industrials and Software, and a focus on businesses with resilient cash flows, strong positioning, and clear growth drivers.



Andreas Anderberg
IMAP Sweden

POLAND



Piotr Chudzik
Trigon - IMAP Poland

Poland remains relatively resilient to global volatility, with both M&A and equity markets performing comparatively well in Q1. However, overall activity was lower, with a reduced number of announced transactions.

We continue to see solid interest in Poland, although processes have become less competitive, and buy-side investors remain cautious

We continue to see solid interest in Poland, although processes have become less competitive, and buy-side investors remain cautious and increasingly value-focused. During Q1, we successfully executed primary bond and secondary equity placements for clients and continued to advance several sell-side and buy-side M&A processes.

NORTH AMERICA & LATIN AMERICA

USA



Kenneth Wasik
Capstone Partners - IMAP USA

The U.S. mid-market has entered 2026 with improving momentum, supported by easing financing conditions and gradually strengthening confidence, although this has recently been offset by market uncertainty related to the conflict in Iran. Activity remains focused on service-based companies, consolidations, and cyclically immune sectors such as Data Centers, HVAC, and Healthcare.

Easing financing conditions and gradually strengthening confidence have recently been offset by market uncertainty related to the conflict in Iran

Deal values have rebounded, led by larger transactions, while mid-market volumes are recovering more gradually. PE continues to drive activity, with significant dry powder and exit pressure supporting deployment, particularly through buy-and-build strategies in fragmented sectors, alongside steady strategic demand in Technology, Business Services, and Industrials. Financing markets have improved, but discipline remains, with continued focus on valuation, diligence, and structured solutions such as earn-outs and equity rollovers. While macro and geopolitical uncertainties continue to influence timing and sentiment, deal pipelines are building, supporting a cautiously constructive outlook for U.S. mid-market M&A through 2026.

Canadian mid-market M&A carried steady momentum into Q1 2026, building on the rebound in late 2025. Activity remains focused on technology, business services, and industrials, with increased pitch activity and sale preparations versus early 2025. The macro environment is supportive but cautious: stabilising interest rates and modest growth are improving financing conditions, while domestic deals (around half of activity) and ongoing buyer competition support solid valuations for high-quality assets.

The July 2026 CUSMA review is a key wildcard: clarity could support cross-border confidence, while tensions may prolong cautious dealmaking

Buyers remain disciplined, with more rigorous diligence and more complex deal structures. Geopolitical factors remain a key swing factor for 2026. The Iran conflict has driven energy price volatility, benefiting the Canadian energy sector but increasing broader inflation and recession risks, while U.S. tariff uncertainty continues to weigh on cross-border activity, reinforcing a focus on domestic consolidation. The July 2026 CUSMA review is a key wildcard: clarity could support cross-border confidence, while tensions may prolong cautious dealmaking. Overall, Canadian mid-market M&A activity is expected to remain strong through 2026, supported by succession-driven sales, elevated PE capital, government initiatives, and ongoing sector consolidation.

CANADA



Andrew Kemper
Capital West Partners - IMAP Canada

BRAZIL

Brazil is clearly benefiting from global geopolitical uncertainty and portfolio reallocation away from developed markets – foreign participation in Brazilian M&A jumped from 31% in 2024 to 41% in 2025, totaling over USD 21 billion, with cross-border transactions already up 76% in early 2026.

Foreign participation in Brazilian M&A jumped to 41% in 2025, with cross-border transactions already up 76% in early 2026

Inbound interest is concentrated in Infrastructure, Energy, Natural Resources, and – increasingly – Technology and Financial Services, as international investors seek diversification into resilient emerging market assets. We expect this trend to accelerate throughout 2026.



Marcio Fiuza
Brasilpar - IMAP Brazil

MEXICO

Mexico's M&A market opened 2026 with deal value surging over 600% year-on-year through February (per TTR Data), even as transaction count declined (10%), signaling a shift toward fewer but larger strategic deals in energy and industrials.

The USMCA review that began in March remains the key variable for the rest of 2026

Landmark transactions such as GE Vernova's USD 5.3 billion Prolec GE buyout and Cox's USD 4.2 billion acquisition of Iberdrola México confirm sustained foreign appetite despite regulatory and trade uncertainty. The USMCA review that began in March remains the key variable for the rest of 2026: a favorable outcome could unlock broader deal flow and increased mid-market activity, while prolonged uncertainty would keep activity concentrated among larger players.



Gilberto Escobedo
Serfcor IMAP - IMAP Mexico

COLOMBIA

In Colombia, the M&A market continues to operate within a "new normal" of uncertainty, an electoral cycle, and adjusted expectations. Q1 2026 showed a solid level of activity, with clear signs of adaptation and resilience.

The M&A market continues to operate within a 'new normal' of uncertainty, an electoral cycle, and adjusted expectations

Deal flow was led by transformative energy transactions and continued telecom consolidation, alongside strong cross-border interest from diverse geographies. Conditions remain supportive of sustained activity through 2026, particularly in energy, natural resources, and technology-enabled sectors.



Mauricio Saldarriaga
INVERLINK - IMAP Colombia

ASIA PACIFIC

JAPAN



Japan's M&A market entered 2026 on the back of a record 2025, which saw deal volume reach 5,115 transactions and total value of USD 225 billion. While outbound activity softened slightly (down 1.2% by deal count), domestic and inbound transactions grew by more than 10%, underscoring strong internal momentum.

Momentum continued in Q1, with ongoing focus on portfolio optimization and carve-outs

Corporate restructuring remained a defining theme, highlighted by landmark transactions such as NTT Group's USD 15 billion acquisition of NTT Data and Toyota's USD 40 billion acquisition of Toyota Industries, both aimed at strengthening strategic positioning in technology and electrification. In Q1 2026, this momentum continued, with ongoing focus on portfolio optimization and carve-outs. Technology-driven sectors, particularly AI, remain key areas of interest, although investors are navigating persistent headwinds including geopolitical uncertainty and interest rate sensitivity.



Tomoyuki Izumi
Pinnacle - IMAP Japan

INDIA



Ashutosh Maheshvari
IMAP India

Overall market sentiment across M&A valuations and capital markets has been impacted by ongoing geopolitical tensions in the Middle East, primarily through their inflationary effects on supply chains and energy costs.

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At the same time, increased business volatility is prompting many family-owned enterprises to explore strategic options, resulting in a strong near-term deal pipeline. Additionally, private credit and banking markets remain well capitalised, with ample liquidity continuing to support leveraged acquisitions.

AUSTRALIA

Australian M&A activity in Q1 2026 showed early signs of recovery, with activity skewed toward mid-market and sponsor-led deals, and cross-border interest, particularly from US and global investors, continuing to drive competitive tension.

We are seeing significant valuation gaps emerge, which are likely to stifle activity in the short term while participants recalibrate expectations

However, a shift to "risk-off," driven by accelerating AI capability, rising inflation, geopolitical uncertainty, and related supply chain disruptions, has eroded confidence. As a result, we are seeing significant valuation gaps emerge, which are likely to stifle activity in the short term while participants recalibrate expectations, creating attractive buying opportunities for more aggressive players.



Ryan Legudi
Salter Brothers - IMAP Australia

CHINA

Chinese companies have continued to actively expand overseas, building on momentum from 2025, with this trend persisting into Q1 2026. This expansion is particularly evident in sectors such as Automotive, Machinery Manufacturing, and Consumer Goods, with Europe emerging as a key target market.

There is a sustained push by Chinese corporates, especially manufacturers, to internationalise operations while leveraging domestic supply chain strengths


Underlying this activity is a sustained push by Chinese corporates, especially manufacturers, to internationalise operations while leveraging domestic supply chain strengths. At the same time, growing competitiveness in areas such as automation, artificial intelligence, and electric vehicles continues to support outbound investment, which is increasingly focused on more targeted, specialised opportunities.



Junxiong "Jacky" Wang
IMAP China



Selected Q1 Transactions

CONSUMER & RETAIL 

FirstMate
The Best Nutrition is Simple™
Premium pet food manufacturer
CANADA

ACQUIRED BY

nasta
PET FOOD FAMILY
Premium pet food manufacturer
FRANCE

IMAP
ADVISED ON SALE

BUILDING PRODUCTS & SERVICES 

COLAS
Construction group
FRANCE

ACQUIRED CONSTRUCTION AND
RECYCLING OPERATIONS

Frauenrath 
Unternehmensgruppe
Construction and recycling
GERMANY

IMAP
ADVISED ON ACQUISITION

ENERGY & UTILITIES 

HAVN
CAPITAL
Specialist PE investor focused on
the energy transition
UNITED KINGDOM

ACQUIRED MAJORITY

**SPARES IN
MOTION**
Leading independent wind turbine spare parts
provider and seller
NETHERLANDS

IMAP
ADVISED ON SALE

INDUSTRIALS 

ALT
Manufacturer of airbag components
NETHERLANDS

ACQUIRED BY

CCL 
Manufacturer of specialty packaging and
labeling materials
CANADA

IMAP
ADVISED ON SALE


INDUSTRIALS 

MOULDEX 
SWEDEN
Service and aftermarket for
the sawmill industry
SWEDEN

ACQUIRED BY

IDUN
Listed investment group
SWEDEN

IMAP
ADVISED ON SALE


INDUSTRIALS 

TECH
REFRIGERATION & AIR CONDITIONING
Specialist in refrigeration and air conditioning
IRELAND

ACQUIRED BY

**bluu+
unit-**
Alliance of refrigeration, air conditioning and
ventilation technology specialist companies
GERMANY

IMAP
ADVISED ON SALE

TRANSPORTATION & LOGISTICS 

OFFERWISE
Market research and data collection services
USA / LATAM

ACQUIRED BY

norstat
Data collector for market research
NORWAY

IMAP
ADVISED ON ACQUISITION

BUILDING PRODUCTS & SERVICES 

solvexis 
Engineering and safety consultancy
DENMARK

ACQUIRED BY

studibo 
Engineering and consulting group
BELGIUM

IMAP
ADVISED ON SALE

ENERGY & UTILITIES 

suez 
Global leader in water and
waste management
FRANCE

SOLD SHARES THROUGH ABB PROCESS

acea 
Listed utility company primarily
focused on the integrated water cycle
ITALY

IMAP
ADVISED ON TRANSACTION

Key Capital - Corporate Finance

A Selection of our Recent Announcements




PE-BACKED BY CASTIK CAPITAL
NETHERLANDS

Key Capital advised Customs Support Group on its acquisition of Beagans Limited




IRELAND



IRELAND

Key Capital advised Tech Refrigeration and Air Conditioning on its sale to bluu unit



PE-BACKED BY TRITON
GERMANY



IRELAND

Key Capital advised Tara Financial on its sale to Gallivan Financial



IRELAND



PE-BACKED BY GROUPE HLD
FRANCE

Key Capital advised TSG on its acquisition of IFES Electrical Services



IRELAND



IRELAND

Key Capital advised Image Supply Systems AV on its sale to Econocom



BELGIUM



PE-BACKED BY GROUPE HLD
FRANCE

Key Capital advised TSG on its acquisition of Skerritts Electrical



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Saif Shubana



Katie O'Connell



Jordan O'Connell



Alex Reid



Ciarán Maxwell



Hannah Joy



Luke Brophy



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