DealMakers Q3

Top deals and trends from the past quarter

Fried Frank

Quality Over Quantity – Megadeals Fuel M&A in 2025



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↗ **$3.4 Trillion**
in global M&A value YTD (+37% YoY)

↗ **20%**
increase in total value of completed deals globally from Q2

↘ **7.7 years**
maturity of exit inventory vs last year's 9 years

After a slow start this year, global M&A activity surged in the third quarter, with both deal values and volume up significantly. The market's resilience reconfirms M&A as an enduring feature of the corporate landscape, even in the face of challenging headwinds.

The total value of completed M&A and PE deals globally reached $371 billion in Q3 2025 — its highest level in a third quarter in over a decade. This represents a 20% increase from last quarter, and a 37% increase over the third quarter in 2024, bringing global M&A value to $3.4 trillion. Larger transactions dominated, including eight megadeals (deals valued at over $10 billion), representing the highest number of megadeals since 2018, and there were also more deals over $1 billion and over $100 million than last year. North American activity led the surge — following ten consecutive negative quarters, the value of North American completed deals for the quarter was $199 billion, more than double the amount for the same period last year.

In the PE arena, while total deal values fell 41% in the third quarter from the first quarter this year, the three quarters combined have already exceeded the full-year levels for every year since 2021. Mega-exits (deals valued over $1 billion) accounted for 77% of the exit values, reversing the trend since 2021 of higher total volume and lower total values as firms sold their most mature and attractive assets. Notably, the maturity of exit inventory so far this year has dropped to 7.7 years from last year's 9 years.

The surge in M&A activity in North America is attributable primarily to pent-up demand and supply, stock market highs, a downward trend in interest rates and steady GDP growth. Many of these same factors drove a surge in IPO activity in the third quarter, further supporting the M&A market.

In addition, following a period of caution in the face of extreme economic and other pressures and uncertainties, dealmakers — following the usual, historical pattern — have been adapting to meet the challenges, creating and embracing new approaches, structures and terms. We have seen, for example, earnouts with triggers more tailored to the specific situation; contingent payment schemes even in some public deals; private credit and PIPEs becoming mainstay financing alternatives; and a booming secondaries market providing liquidity for sponsors and investors in private deals. Also, we are seeing more joint ventures, alliances, carveouts and other business arrangements, alongside traditional M&A.

We sense a growing overlay of optimism in the M&A space. Much of the activity is focused on enhancing technological capabilities, and adapting to new supply chain, energy and other evolving imperatives. AI is driving activity, as obtaining these capabilities is critical to virtually every industry. Consolidation in the AI market is inevitable. AI is also increasingly being used in the M&A process itself, to enhance and streamline deal-sourcing, due diligence, risk assessment and post-closing integration.

To be sure, meaningful (in some cases, unprecedented) macroeconomic, political, trade, financing and regulatory challenges remain. At the same time, though, M&A activity should find support from the possibility of continued lower interest rates and a robust stock market, with inflation moderating; increasing energy and infrastructure requirements, fueled by AI among other things; potentially, a lessening of US regulatory pressures; and, based on developments in Delaware and other states' laws, possibly diminished legal risks associated with doing deals.

Top 5 Deals

1. Union Pacific / Norfolk Southern – $71.5 Billion
A landmark deal creating a single company controlling coast-to-coast rail shipments for the first time in US history.

2. Anglo American / Teck Resources – $53 Billion
A merger that will create one of the world's largest copper producers.

3. Electronic Arts – $55 Billion take-private
The largest leveraged buyout in history as the gaming company agrees to go private.

4. Warner Bros. Discovery spin-off
A planned separation into two stand-alone public companies, dividing streaming and production from cable networks.

5. Keurig Dr Pepper / JDE Peet's – $18 Billion
A major consolidation move in the beverage sector.

Trends: What's Driving Deals?

Strategic M&A

"Looking at the top deals from the past quarter and this year, we can see that companies are favoring strategic M&A, such as take-privates and corporate break-ups. This is no surprise. With market headwinds, companies are looking to streamline their operations, create financial flexibility and appease their shareholders.

AI and Infrastructure

"Honing in on booming activity in the technology industry, the rise of AI continues to push deal activity across the board, with companies looking to invest in the technology. The need for more AI data centers is fueling demand for electricity, too. M&A in the utilities and energy space rose 38% year-over-year to $161 billion, amid an urgent need to expand grid capacity. This will continue to drive activity.



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↗ $161 Billion

(+38% YoY) AI boom drives record energy M&A as data centers strain the grid



Outlook: What Should Dealmakers Expect?



Private Equity Poised for a Pickup

"Private equity dealmakers are looking to ramp up activity going into the final stretch of the year. With the cut of interest rates, we can expect more companies to pull the trigger on their transactions, bolstering buyout and exit activity. As financing conditions improve, sponsors will look to deploy capital more aggressively.

Sports Investment on the Rise

"One industry in particular that has remained resilient is sports. As we are now in full swing of football and basketball season, private equity's interest in sports – including professional teams, media and consumer products – continues to be a hot topic. We continue to see private equity's interest in investing in professional teams in the US, UK and Europe, but there's also a growing interest in media platforms and youth sports.

Looking ahead to 2026, there's been a lot of talk about private equity investing in college sports, and while the structuring of these investments is still being considered, there continues to be a push from investors who want a piece of the pie and from universities who can reap the benefits of these investments.



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Updates: What Have We Been Up To?

Our team advised on some of the quarter's most transformative transactions:

Soho House to be Taken Private

Bansk Group to Acquire a Majority Stake in Skincare Brand BYOMA from Yellow Wood Partners

New Mountain Sells Zep to Truelink

Compass to Combine with Anywhere Real Estate

and contributed to industry thought leadership:

Read: M&A Due Diligence: What You Miss Can Cost You, co-authored by partner Alison McCormick and QuisLex

Check out this Q&A with Steven Epstein.

Key Contacts:

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Data Sources: Mergermarket, "M&A Highlights 9M25" (September 30, 2025)
The Boston Consulting Group, "The 2025 M&A Report" (October 28, 2025)

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