

Spring 2026 Mergers & Acquisitions Takeaways

> U.S. MERGERS & ACQUISITIONS (M&A) ACTIVITY INCREASES IN THE FIRST QUARTER:

1Q26 showed a 7.6% increase in U.S. deal volume and a whopping 71% increase in deal value compared to 1Q25. The \$250 billion acquisition of xAI by SpaceX accounted for nearly all the increase in U.S. deal value. Deal volume outside of the U.S. declined in 1Q26, while announced deal value increased sharply.

> UNCERTAINTY SHAKES UP EQUITY MARKETS AGAIN:

In a similar story to last year, 1Q26 saw all major market indices decline, with the NASDAQ suffering the greatest loss, ending 7% lower. The markets were flat to slightly up until the Iran conflict began at the end of February, triggering rapid increases in oil prices and major market uncertainty. S&P sectors ended the quarter mixed, with energy, materials and utilities posting strong gains, while financials, consumer discretionary and IT posted sharp declines.

> PRIVATE EQUITY EXITS AND FUNDRAISING STRUGGLE:

Following a strong 2025 for private equity exits, the Iran conflict, increases in oil prices, AI disruption and the reluctance of the Federal Reserve to continue cutting interest rates have created headwinds so far in 2026. Exit volume and value declined 32.7% and 16.7% quarter over quarter, respectively. Following a soft 2025, fundraising continued to struggle in 1Q26, with 84 funds closing for a total of \$54.2B. The slower pace of exit activity over the past several years continues to hamper fundraising.

> M&A MARKETS REMAIN ACTIVE, BUT HIGHLY DISCERNING:

Despite uncertain financial markets, M&A activity continues to grind higher. However, ongoing uncertainty continues to push the level of buyer due diligence and selectivity beyond historical norms. Following market disruptions such as COVID, high inflation, tariffs and now the Iran conflict, buyers are scrutinizing historical trends and secular tailwinds to make investment decisions. To pay premium valuations, buyers require empirical evidence of a target's ability not just to raise prices, but to increase volumes and market share in growing markets.

FOR A CONFIDENTIAL CONSULTATION, PLEASE CONTACT:

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Brant G. Cappelloni

Managing Director

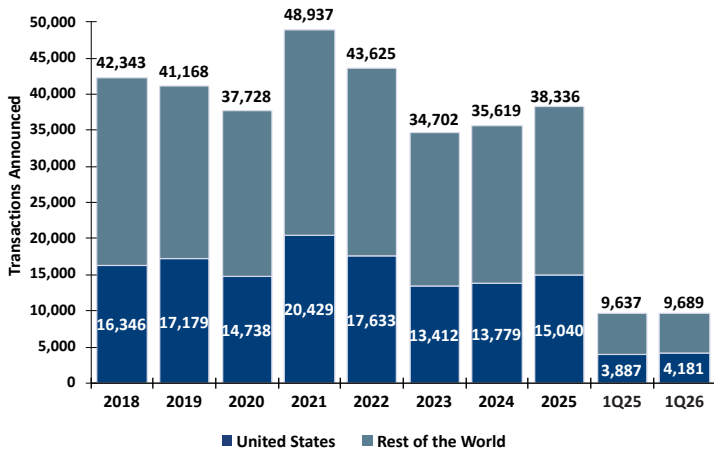
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FNB's experience and strategic insights drive superior outcomes for middle-market M&A clients.

- More than \$40 billion in completed transactions
- More than 400 completed engagements ranging from \$10 million to more than \$1 billion
- Attention from senior leaders at all phases of a transaction
- Broad industry experience serving private and public companies, with a global network of buyers and targets
- Commitment to being a long-term advisor and partner in client success

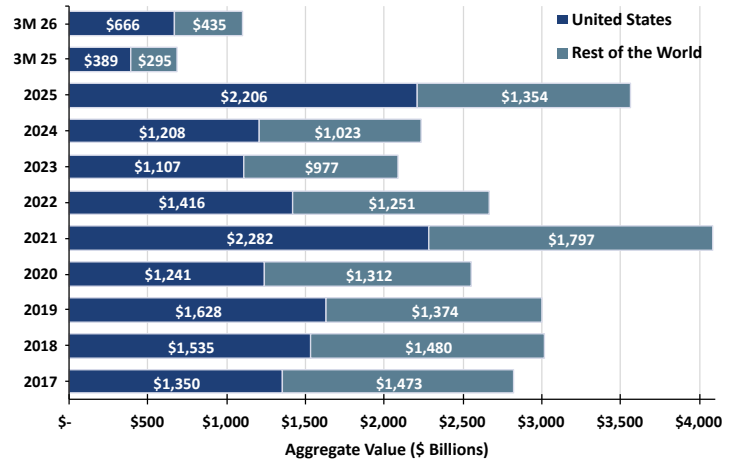
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U.S. vs. Global M&A Deal Count



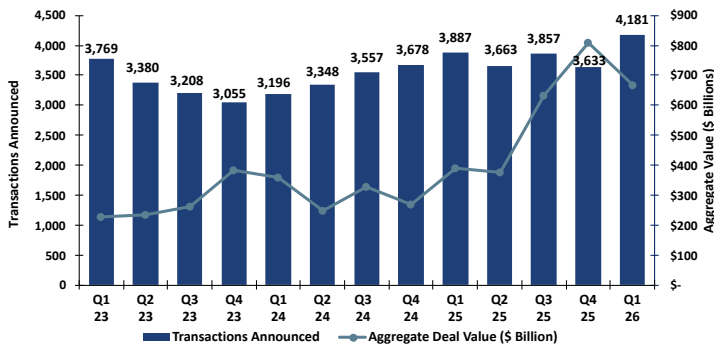
Global M&A activity ticked upward slightly in 1Q26 as volume grew 0.5% while U.S. volume grew 7.6%.

U.S. vs. Global M&A Aggregate Deal Value



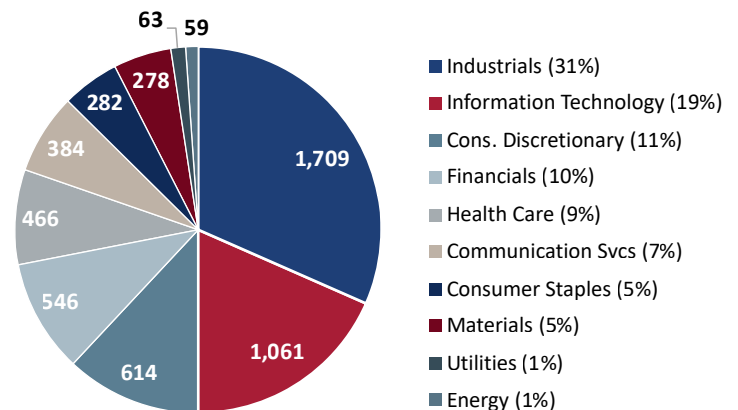
Global M&A deal value grew 61% year over year in 1Q26, driven by \$10 billion deals.

Quarterly Deal Activity



Quarterly deal activity reached the highest level in three years.

2026 Global M&A Deal Volume by Sector

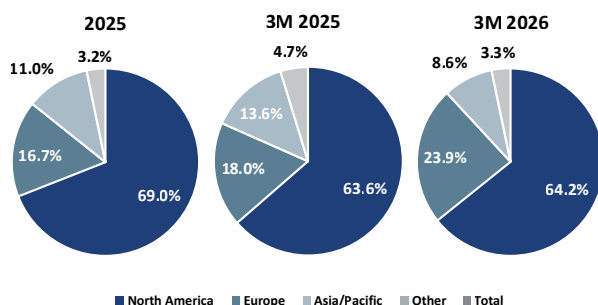


Data: YTD as of March 31, 2026, global data.

The Industrial, Information Technology and Consumer Discretionary industries remain the most active for M&A.

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% of Total Deal Value by Geographic Region



North America represented a larger portion of global M&A deal value in 1Q26 compared to 1Q25.

Median M&A Control Premiums & Minority Discounts

Median M&A Control Premiums							
Years Ended December 31,							
Premiums	2020	2021	2022	2023	2024	2025	1Q26
One Day	24.7%	24.3%	39.2%	32.4%	39.2%	29.5%	23.3%
One Week	28.4%	26.0%	41.4%	36.1%	43.7%	33.0%	23.9%
Four Week	31.9%	36.9%	49.0%	44.6%	48.2%	33.6%	28.8%

Median M&A Minority Discounts							
Years Ended December 31,							
Discounts	2020	2021	2022	2023	2024	2025	1Q26
One Day	-19.8%	-19.5%	-28.2%	-24.4%	-28.2%	-22.8%	-18.9%
One Week	-22.1%	-20.6%	-29.3%	-26.5%	-30.4%	-24.8%	-19.3%
Four Week	-24.2%	-27.0%	-32.9%	-30.9%	-32.5%	-25.1%	-22.4%

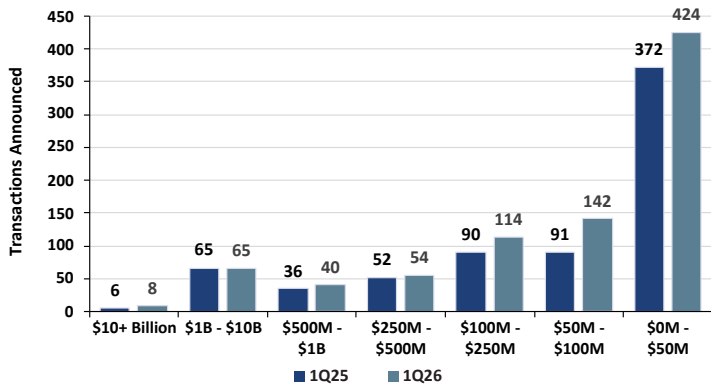
U.S. M&A control premiums offered for public companies declined in 1Q26.

RECENTLY ANNOUNCED LARGE M&A TRANSACTIONS

ANNOUNCE DATE	TARGET	ACQUIROR	ENTERPRISE VALUE	INDUSTRY
02/02/2026	X.AI LLC	Space Exploration Technologies Corp.	\$250.0 B	Technology
03/02/2026	The AES Corporation (NYSE:AES)	Global Infrastructure Management, LLC; EQT AB (OM:EQT); CalPERS; Qatar Investment Authority	\$48.1 B	Energy
03/30/2026	Jetro Cash & Carry LLC	Sysco Corporation (NYSE:SYU)	\$29.1 B	Consumer
02/01/2026	Coterra Energy Inc. (NYSE:CTRA)	Devon Energy Corporation (NYSE:DVN)	\$25.5 B	Oil & Gas
01/15/2026	Penumbra, Inc. (NYSE:PEN)	Boston Scientific Corporation (NYSE:BSX)	\$14.6 B	Health Care
02/03/2026	Webster Financial Corporation (NYSE:WBS)	Banco Santander, S.A. (BME:SAN)	\$12.2 B	Financials
03/26/2026	Equitable Holdings, Inc. (NYSE:EQH)	Corebridge Financial, Inc. (NYSE:CRBG)	\$10.8 B	Financials
02/17/2026	Masimo Corporation (NasdaqGS:MASI)	Danaher Corporation (NYSE:DHR)	\$10.0 B	Health Care
02/22/2026	Arcellx, Inc. (NasdaqGS:ACLX)	Gilead Sciences, Inc. (NasdaqGS:GILD)	\$8.0 B	Health Care
02/04/2026	Silicon Laboratories Inc. (NasdaqGS:SLAB)	Texas Instruments Incorporated (NasdaqGS:TXN)	\$7.6 B	Technology
02/09/2026	Clear Channel Outdoor Holdings, Inc. (NYSE:CCO)	Mubadala Capital; TWG Global Holdings, LLC	\$7.6 B	Communication
01/16/2026	Aethon III LLC/Aethon United LP	Mitsubishi Corporation (TSE:8058)	\$7.5 B	Oil & Gas
03/25/2026	Terns Pharmaceuticals, Inc. (NasdaqGS:TERN)	Merck & Co., Inc. (NYSE:MRK)	\$5.8 B	Health Care
03/31/2026	Apellis Pharmaceuticals, Inc.	Biogen Inc. (NasdaqGS:BIIB)	\$6.3 B	Health Care
01/06/2026	OneStream, Inc.	General Atlantic Service Company, L.P.; HgCapital LLP; Tidemark Capital, Inc.	\$5.8 B	Technology
02/13/2026	Tri Pointe Homes, Inc. (NYSE:TPH)	Sumitomo Forestry America Inc.	\$4.4 B	Construction
01/22/2026	Brex Inc.	Capital One Financial Corporation (NYSE:COF)	\$5.0 B	Financials
01/05/2026	Congentrix Energy Power Management, LLC	Vistra Corp. (NYSE:VST)	\$3.9 B	Energy
02/26/2026	NCR Atleos Corporation (NYSE:NATL)	The Brink's Company (NYSE:BCO)	\$3.9 B	Financials
02/18/2026	MWI Veterinary Supply, Inc.	Covetrus, Inc.	\$3.5 B	Health Care
03/20/2026	Pikavation Therapeutics, Inc.	Novartis AG (SWX:NOVN)	\$3.0 B	Health Care
02/04/2026	Timing Business of Renesas Electronics America Inc.	SiTime Corporation (NasdaqGM:SITM)	\$3.0 B	Technology
02/17/2026	Anadarko Assets in Oklahoma of Ovintiv Inc. (NYSE:OVV)	Undisclosed Buyer	\$2.9 B	Oil & Gas
03/06/2026	Day One Biopharmaceuticals, Inc. (NasdaqGS:DAWN)	Servier Pharmaceuticals LLC	\$2.1 B	Health Care

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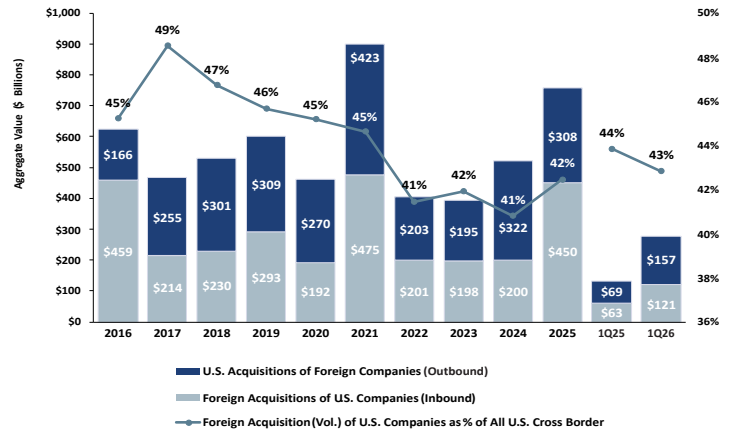
U.S. M&A Volume by Deal Size



Source for all data: S&P Capital IQ. All M&A data: Announced or Closed deals where at least 50% of target has been acquired.

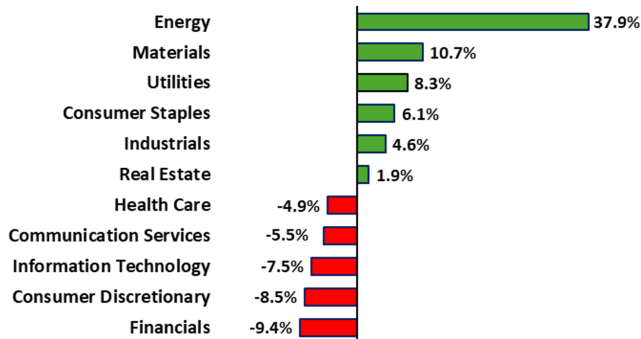
1Q26 saw two additional mega deals (>\$10B) vs 1Q25. Deals in the \$50M-\$100M range saw the largest increase at 56%.

U.S. Inbound vs. Outbound Cross-Border Activity



U.S. inbound and outbound M&A activity saw a significant uptick as compared to 1Q25, at 93% and 127% respectively.

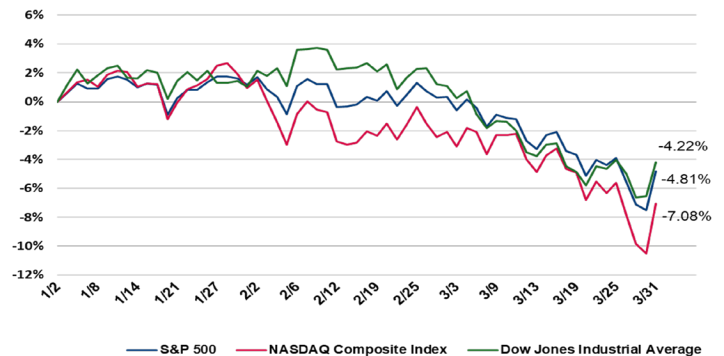
S&P Sector Performance — 1Q26



Source: S&P Capital IQ. Based on S&P 500 industry groups.

The ongoing conflict in Iran, inflationary concerns and changing tariffs caused mixed sector results, with energy benefiting the most.

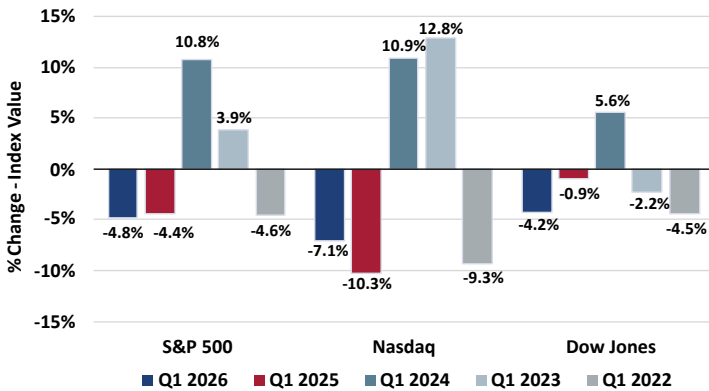
Major Stock Index Performance — 1Q26



U.S. equities experienced headwinds throughout 1Q26 due to ongoing concerns over the conflict in the Middle East and U.S. trade policy.

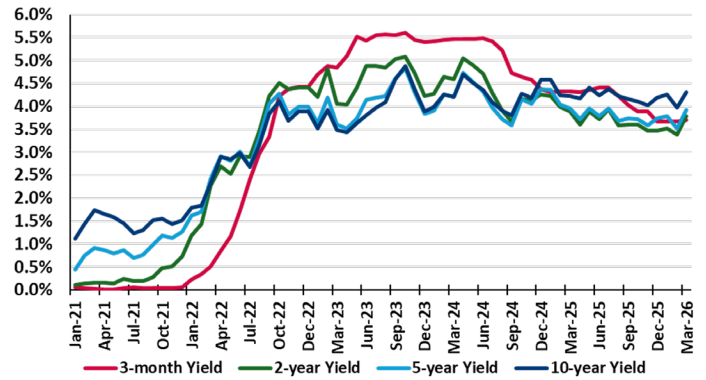
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Historical Stock Index Performance



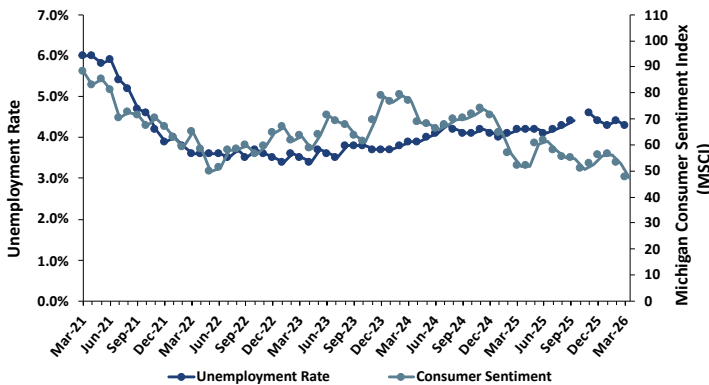
All major U.S. equity indices were down in the first quarter for the second year in a row.

Historical U.S. Treasury Market Yields



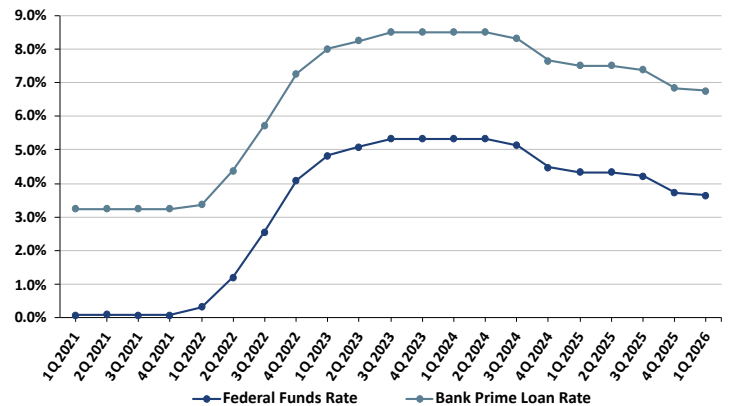
1Q26 saw a steepening yield curve as the spread between 2-yr and 10-yr treasuries reached approximately 50bp in late March.

Unemployment Rate & Consumer Sentiment



Consumer sentiment hit a record low while unemployment remained level at 4.3% in 1Q26.

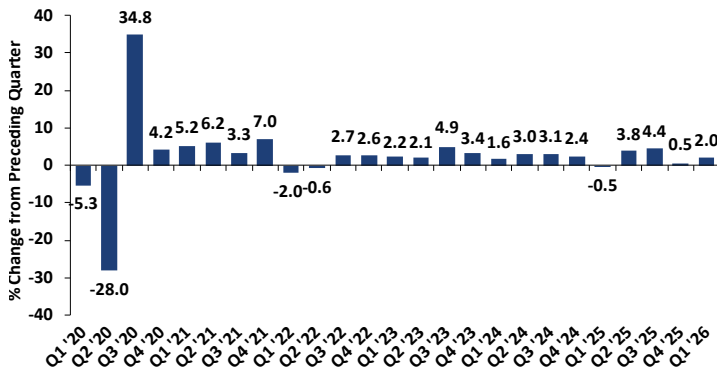
Federal Funds Rate & Prime Lending Rate



The Federal Reserve held rates steady, citing the uncertainty and energy pressures brought on by the conflict in Iran.

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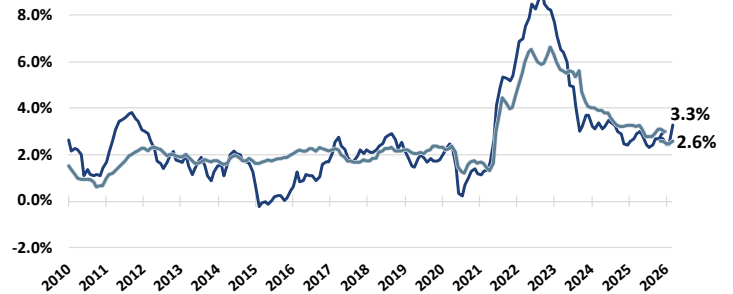
U.S. Real GDP: % Change from Preceding Quarter



*Seasonally adjusted at annualized rates. Q1 '26 GDP is the "Advance" estimate released by the Bureau of Economic Analysis.

Real U.S. GDP increased 2.0% in 1Q26 driven by a strong increase in business investment and government spending.

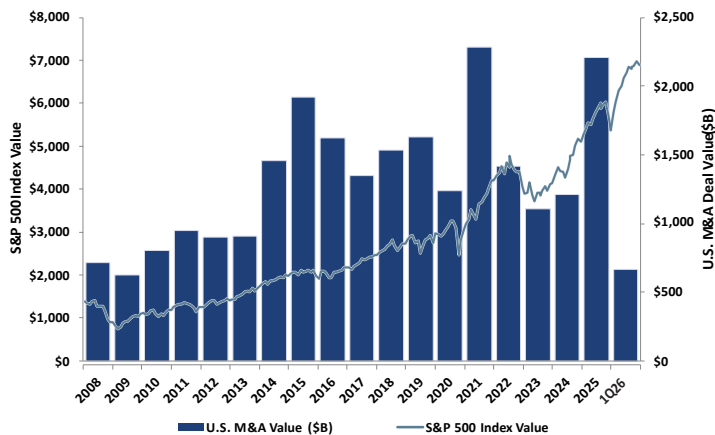
Consumer Price Index: % Change from a Year Ago



Headline CPI = CPI for All Urban Consumers: All Items in US City Average for latest 12 months.
Core CPI = CPI for All Urban Consumers: All Items Less Food and Energy in U.S. City Average for the latest twelve months.

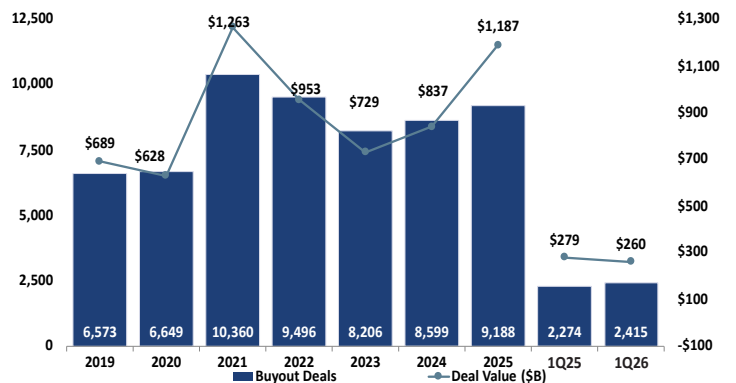
Recent oil pressures from the Iran conflict led inflation to rise 3.3% year over year. Core inflation rose to 2.6% year over year.

U.S. M&A Deal Value Against S&P 500 Value



The equity market's strong and steady gains since 2023 have supported M&A deal value recovery.

U.S. Private Equity Buyout M&A Volume & Value

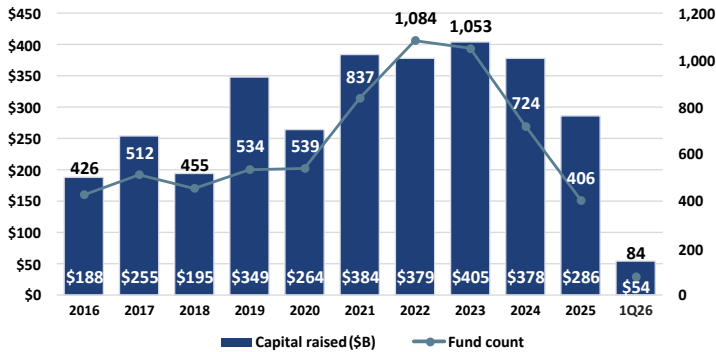


Source: PitchBook Data, Inc.

PE deal value dipped 6.5% in 1Q26 compared to 1Q25, while deal volume increased 6.2% over the same period.

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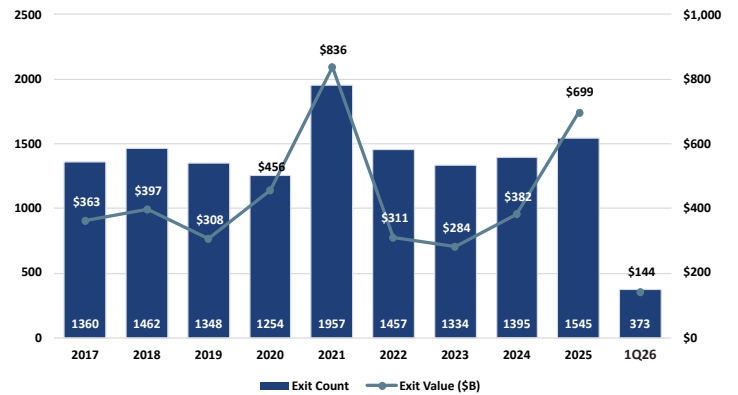
U.S. Private Equity Fundraising and Fund Count



Source: PitchBook Data, Inc.

1Q26 is signaling another subdued year for PE capital formation with new capital consolidating around larger managers.

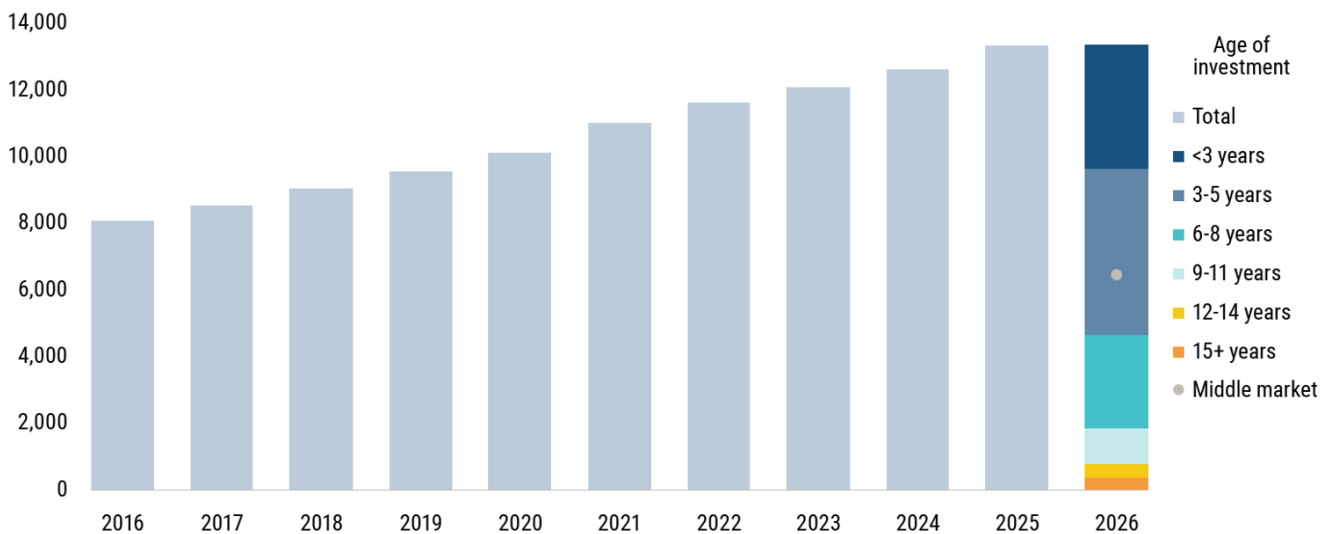
U.S. Private Equity Exit Volume and Value



Source: PitchBook Data, Inc.

Exit activity pulled back in 1Q26 due to unexpected market volatility in the early part of the year.

U.S. PE-Backed Company Inventory by Deal Year



Source: PitchBook Data, Inc.

Following 1Q26, U.S. PE-backed inventory grew to 13,325 companies, or approximately an 8.7-year inventory based on the current annualized rate of exits. Exit hold times have historically averaged between 5.5 and 6 years. PE firms have had a challenge selling aging assets in these volatile markets.

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Selected Experience



has been acquired by

INCAP CORPORATION

The Principals of the firm set forth below acted as financial advisor to Pennatronics and assisted in the negotiations.



has acquired

MAGNETIC TECHNOLOGY, INC.

The Principals of the firm set forth below acted as exclusive financial advisor to Spang & Company and assisted in the negotiations.



has acquired

SUPERIOR MACHINE COMPANY OF SC

The Principals of the firm set forth below acted as exclusive financial advisor to Woodings Industrial and assisted in the negotiations.



has been acquired by

NV5 GLOBAL

The Principals of the firm set forth below acted as financial advisor to The Sextant Group and assisted in the negotiations.



has been acquired by

LANTRONIX, INC

The Principals of the firm set forth below acted as financial advisor to Uplogix and assisted in the negotiations.



has been acquired by

KODIAK BUILDING PARTNERS

The Principals of the firm set forth below acted as financial advisor to Don's Appliances and assisted in the negotiations.



has been acquired by

IMI, PLC

The Principals of the firm set forth below acted as financial advisor to PBM, Inc. and assisted in the negotiations.



has been acquired by

FORTIVE CORPORATION

The Principals of the firm set forth below acted as financial advisor to Industrial Scientific and assisted in the negotiations.



has been acquired by

KONINKLIJKE PHILIPS ELECTRONICS N.V.

The Principals of the firm set forth below acted as financial advisor to Respironics and rendered a fairness opinion.



has acquired the

CREOSOTE DISTRIBUTION BUSINESS
of
KMG CHEMICALS, INC.

The Principals of the firm set forth below acted as financial advisor to Koppers Holdings and assisted in the negotiations.



Make a New Memory.

has been acquired by

PARQUES REUNIDOS

The Principals of the firm set forth below acted as financial advisor to Kennywood Entertainment and rendered a fairness opinion.



has been acquired by

CHART INDUSTRIES, INC.

The Principals of the firm set forth below acted as financial advisor to SeQual Technologies and rendered a fairness opinion.



has been acquired by

ACCENTURE

The Principals of the firm set forth below acted as financial advisor to H.B. Maynard and assisted in the negotiations.



has sold its division

UTITEC
to
HARWOOD CAPITAL LLP

The Principals of the firm set forth below acted as financial advisor to Accellent and assisted in the negotiations.



has sold its

OLDHAM FIXED GAS DETECTION BUSINESS
to

IST, A BATTERY VENTURES PORTFOLIO COMPANY

The Principals of the firm set forth below acted as financial advisor to Industrial Scientific and assisted in the negotiations.



has been acquired by

CÉMOI CHOCOLATIER

The Principals of the firm set forth below acted as financial advisor to Chris Candies and assisted in the negotiations.

