FNB INVESTMENT BANKING

Fall 2026
Mergers & Acquisitions Takeaways

> MERGERS & ACQUISITIONS (M&A) MOMENTUM SLOWED IN 3Q26, BUT YEAR-TO-DATE ACTIVITY REMAINS SOLID.

After a strong first half, U.S. M&A activity moderated in 3Q26, with deal volume declining 32% and aggregate deal value falling 50% from 2Q26. Despite the pullback, year-to-date volume is down just 9% versus 2025, while deal value is up 26%.

> WHAT CHANGED IN 3Q26?

Several tailwinds that fueled a strong first half faded in 3Q26. Mega-deal activity ($10B+) declined sharply, with only three transactions announced during the quarter versus 21 in the first half, weighing heavily on aggregate deal value. At the same time, higher Treasury yields, inflation concerns, rising energy costs, geopolitical tensions and trade policy uncertainty created a more challenging backdrop for dealmaking.

> TREASURY YIELDS MOVE SHARPLY HIGHER.

A roughly 50-basis-point increase in 10-year Treasury yields during 3Q26 created an additional headwind for M&A. Higher borrowing costs and discount rates can pressure valuations and widen buyer-seller expectations, with the greatest impact on transactions requiring significant debt financing.

> STRATEGIC BUYERS CONTINUE TO LEAD THE MARKET.

3Q26 may prove to be a pause rather than a decline in M&A appetite, with some activity likely pulled forward into 2Q26 amid favorable markets and easing antitrust scrutiny. Strategic buyers remain well capitalized, and healthy corporate balance sheets provide an advantage relative to private equity sponsors as financing costs rise.

> HIGH-QUALITY ASSETS STILL ATTRACTING STRONG BUYER INTEREST.

Quality continues to command a premium in today's M&A market. Strong businesses attract significant buyer interest, while assets with customer concentration, revenue volatility or other perceived risks face more extensive diligence, longer transaction timelines and greater pressure on valuation. Rising financing costs and market uncertainty have further reinforced this flight to quality.

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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 deeply experienced investment bankers 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 our clients' success

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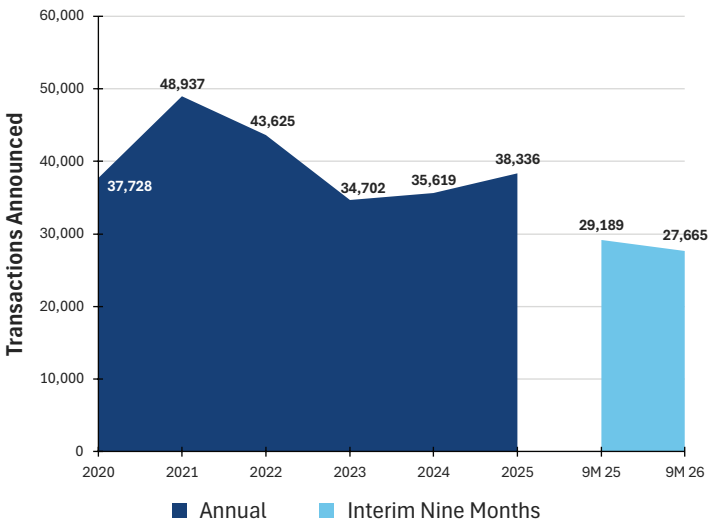
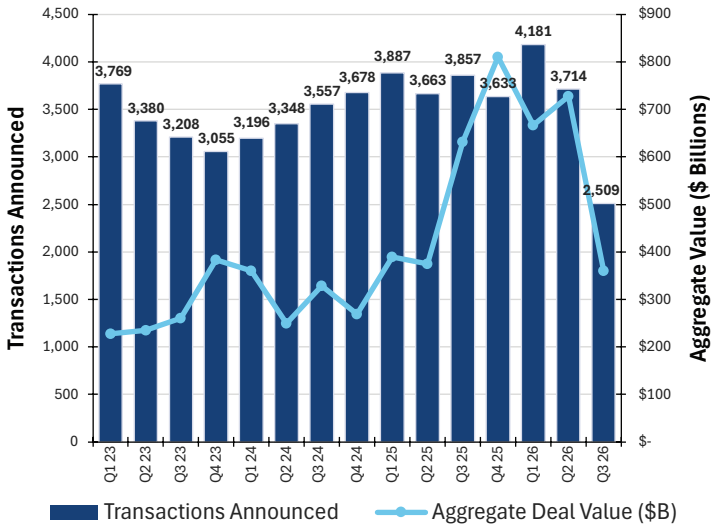
Fall 2026 Mergers & Acquisitions Takeaways

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



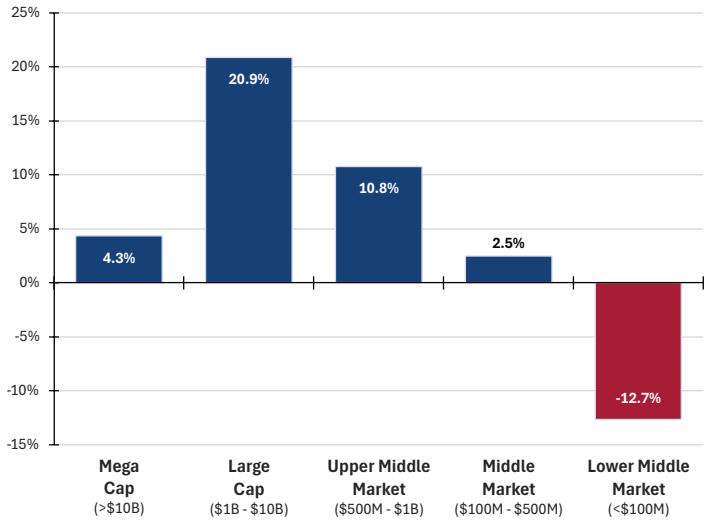
Global M&A deal activity remains strong but is running 5% below last year's pace.

U.S. Quarterly M&A Volume & Value



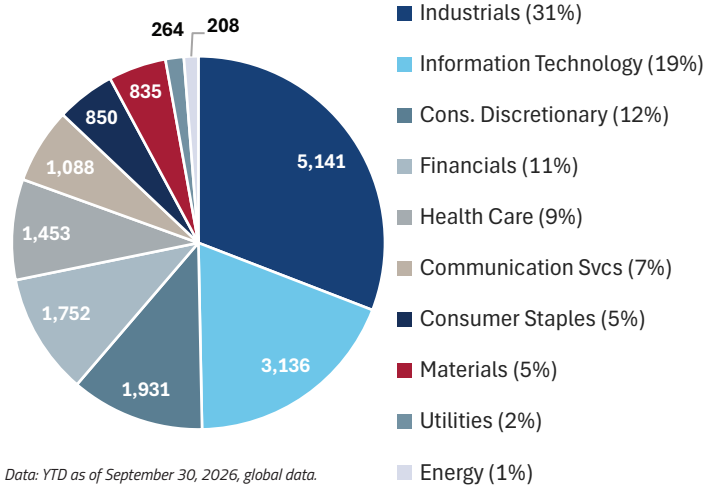
U.S. M&A activity cooled 32% in 3Q26 after a strong first half.

U.S. M&A Volume Change by Deal Size — Nine Months



Lower Middle Market (<$100M) volume slowed markedly, declining 12.7%, offset by higher deal volumes in transactions above $500 million.

2026 Global M&A Deal Volume by Sector



Data: YTD as of September 30, 2026, global data.

The Industrial and Information Technology industries showed the highest deal activity, driven by the Artificial Intelligence (AI) buildout.

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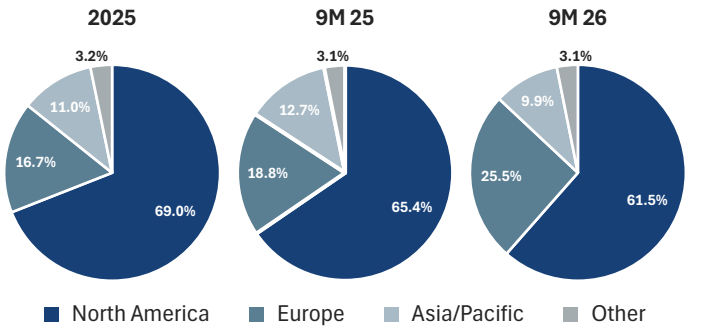
Source for all data: S&P Capital IQ.
All M&A data: Announced or Closed deals where at least 50% of target has been acquired.

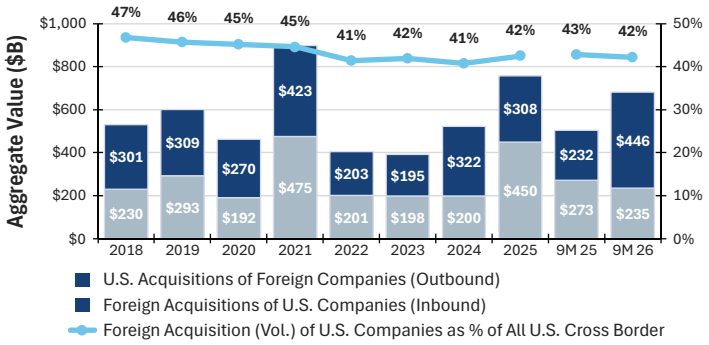
Fall 2026 Mergers & Acquisitions Takeaways

% of Total Deal Value by Geographic Region



Europe increased its share of deal value by 36% in the comparable nine-month periods.

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



U.S. buyers' acquisition of overseas assets nearly doubled, while foreign investment into the U.S. slowed by 14%.

RECENTLY ANNOUNCED LARGE U.S. M&A TRANSACTIONS

ANNOUNCE DATE	TARGET	ACQUIROR	ENTERPRISE VALUE	INDUSTRY
8/31/2026	USI Advantage Corp.	Aon plc (NYSE:AON)	$17.0 B	Financials
9/3/2026	Hugging Face, Inc.	NVIDIA Corporation (NasdaqGS:NVDA)	$12.9 B	Technology
8/12/2026	The Los Angeles Lakers, Inc.	Josh Kushner and Bob Iger	$12.5 B	Entertainment
9/8/2026	Consolidated Precision Products, Corp.	General Electric Company (NYSE:GE)	$11.8 B	Industrial
7/11/2026	Football Northwest LLC (dba: Seattle Seahawks)	Dynasty Equity Partners Management, LLC; Sixth Street Partners, LLC; The Carlyle Group Group Inc. (NasdaqGS:CG)	$9.6 B	Entertainment
7/6/2026	Crinetics Pharmaceuticals, Inc.	Vertex Pharmaceuticals Incorporated (NasdaqGS:VRTX)	$8.9 B	Health Care
9/28/2026	World Labs Technologies, Inc.	Advanced Micro Devices, Inc. (NasdaqGS:AMD)	$8.2 B	Technology
8/3/2026	Lantheus Holdings, Inc. (NasaqGM:LNTH)	Curium US LLC	$7.9 B	Health Care
9/14/2026	The Baldwin Insurance Group, Inc. (NasdaqGS:BWIN)	DFO Management, LLC; Sequence AI Holdings, Inc.	$7.7 B	Insurance
8/19/2026	OpenRouter, Inc.	Stripe, LLC	$7.5 B	Technology
7/22/2026	Aypa Power LLC	Brookfield Asset Management Ltd. (TSX:BAM)	$7.0 B	Energy
8/26/2026	First Eagle Investment Management, LLC	Victory Capital Holdings, Inc. (NasdaqGS:VCTR)	$7.0 B	Financials
7/30/2026	MarketAxess Holdings Inc. (NasdaqGS:MKTX)	Intercontinental Exchange, Inc. (NYSE:ICE)	$5.8 B	Financials
8/3/2026	Integer Holdings Corporation (NYSE:ITGR)	KKR & Co. Inc. (NYSE:KKR)	$5.8 B	Health Care
8/3/2026	M6 Midstream LLC	The Williams Companies, Inc. (NYSE:WMB)	$5.5 B	Oil & Gas
7/29/2026	CBIZ, Inc. (NYSE:CBZ)	Grant Thornton Advisors LLC	$5.0 B	Financials
8/26/2026	Altruist Corp.	The Vanguard Group, Inc.	$4.6 B	Technology
8/21/2026	Minnesota Timberwolves Basketball Limited Partnership	Marc Stad	$4.5 B	Entertainment
8/30/2026	Brazos Midland, LLC	ONEOK, Inc. (NYSE:OKE)	$4.4 B	Oil & Gas
9/3/2026	EPC Power Corporation	Flex Ltd. (NasdaqGS:FLEX)	$4.4 B	Electrical Components
8/3/2026	Atkore Inc.	Prysmian S.p.A. (BIT:PRY)	$3.9 B	Electrical Components
7/20/2026	Wildfire Intermediate Holdings, LLC	Magnolia Oil & Gas Corporation (NYSE:MGY)	$4.1 B	Oil & Gas
7/22/2026	Apex Treasury Corporation (NasdaqGM:APXT)	TECfusions, Inc.	$4.0 B	Financials
9/1/2026	Angels Baseball LP	Kroenke Sports and Entertainment, LLC	$4.0 B	Entertainment
8/4/2026	Thorne Research, Inc.	The Procter & Gamble Company (NYSE:PG)	$3.8 B	Health Care
7/16/2026	AtaiBeckley Inc.	Eli Lilly and Company (NYSE:LLY)	$3.5 B	Health Care
8/3/2026	Supernus Pharmaceuticals, Inc. (NasdaqGM:SUPN)	Indivior Pharmaceuticals, Inc. (NasdaqGS:INDV)	$3.5 B	Health Care
7/6/2026	Ultra Maritime LLC	Lockheed Martin Corporation (NYSE:LMT)	$3.5 B	Aerospace & Defense
7/21/2026	Utz Brands, Inc. (NYSE:UTZ)	Intersnack Group GmbH & Co. KG	$2.9 B	Consumer Staples
8/18/2026	Reliance Worldwide Corporation Limited (ASX:RWC)	Brookfield Capital Partners LLC	$2.9 B	Utilities

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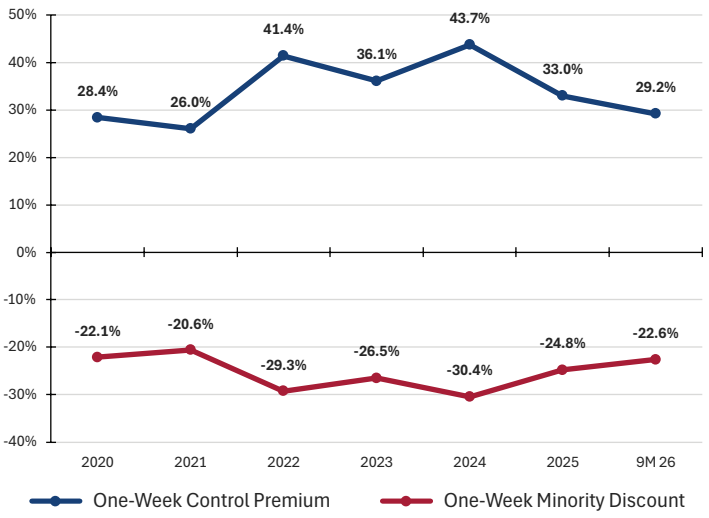
All transactions based on Announced Date and Implied Enterprise Value of transaction.
Source: S&P Capital IQ. Excludes REIT deals.

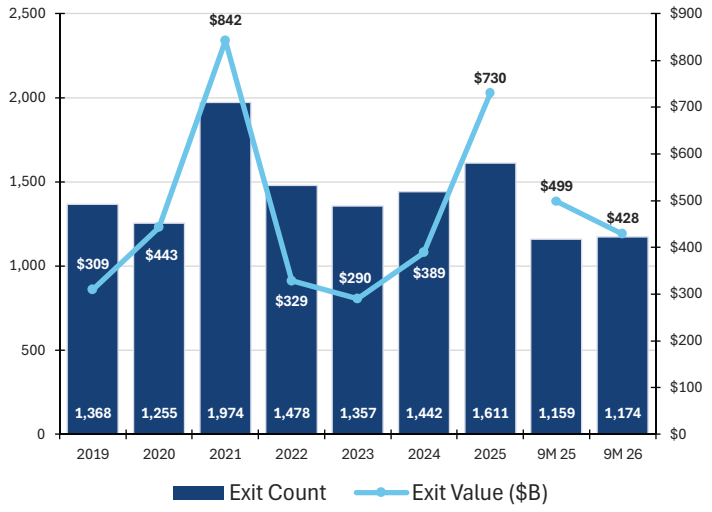
Fall 2026 Mergers & Acquisitions Takeaways

Median M&A Control Premiums & Minority Discounts



Buyers paid smaller acquisition premiums in 2026, as public company valuations remained elevated.

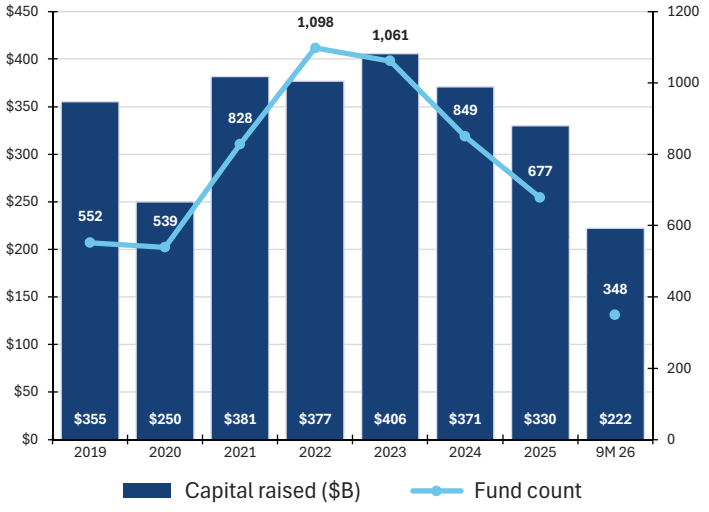
U.S. Private Equity Buyout M&A Volume & Value



Source: PitchBook Data, Inc.

Private equity (PE) firms remained active throughout 2026, but average deal sizes shrank compared with last year.

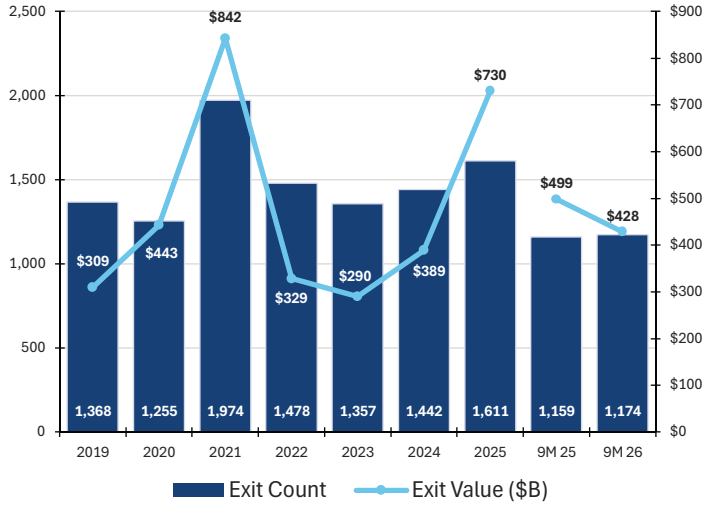
U.S. Private Equity Fundraising and Fund Count



Source: PitchBook Data, Inc.

Slower exits and distributions have constrained institutional capital for new PE commitments.

U.S. Private Equity Exit Volume and Value



Source: PitchBook Data, Inc.

Higher rates and wider valuation gaps have caused PE firms to extend holding periods.

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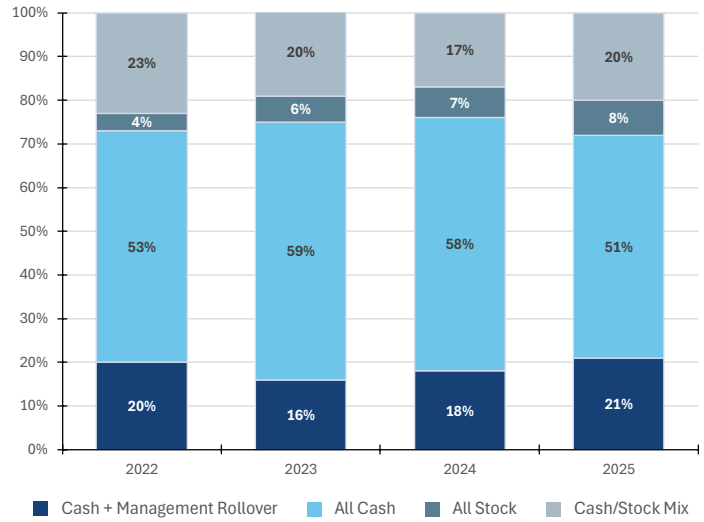
Fall 2026 Mergers & Acquisitions Takeaways

Closing Consideration Trends



Source: SRS Acquioum Inc. 2026 M&A Deal Terms Study.

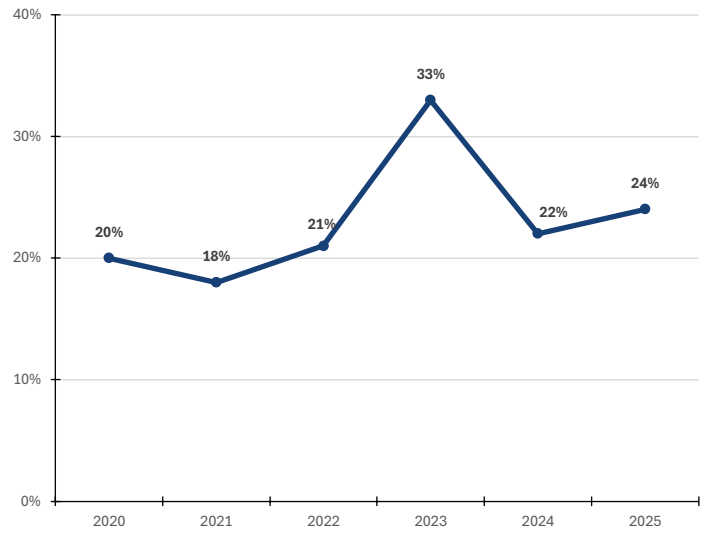
Since 2023, a growing share of sellers has retained an ownership stake after closing.

Timing of Signing & Closing (2025)

Source: SRS Acquioum Inc. 2026 M&A Deal Terms Study. Private transaction targets.

Simultaneous sign-and-close transactions generally indicate fewer closing contingencies and greater deal certainty.

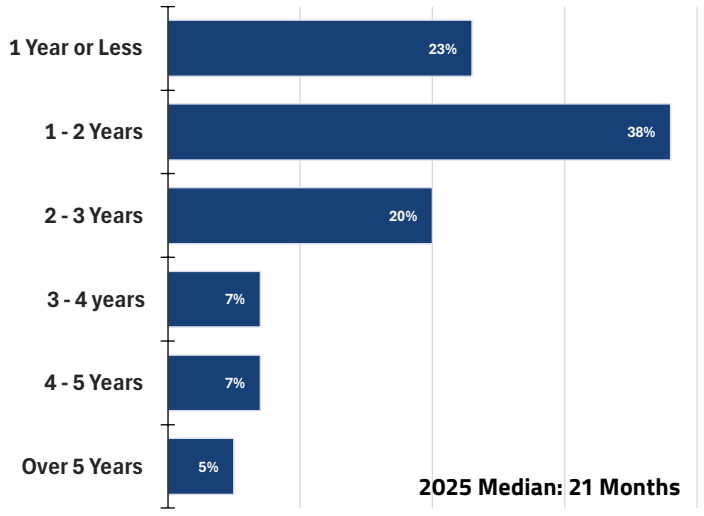
Deals Including Earnouts (Non-Life Sciences Deals)



Source: SRS Acquioum Inc. 2026 M&A Deal Terms Study.

An increasing number of buyers and sellers are using earnouts to finalize deals and address valuation gaps.

Earnout Length (Non-Life Sciences Deals)



Source: SRS Acquioum Inc. 2026 M&A Deal Terms Study. Measured by the date the latest earnout period ends.

Two-year or shorter earnout periods (61%) suggest earnouts are primarily being used to bridge near-term valuation gaps.

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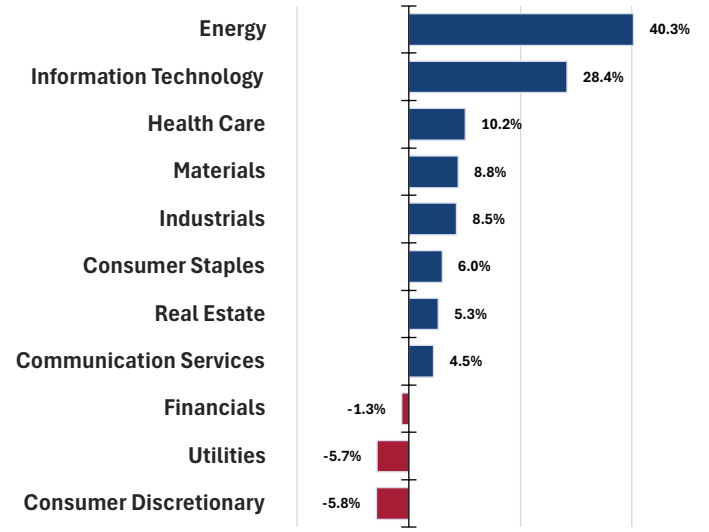
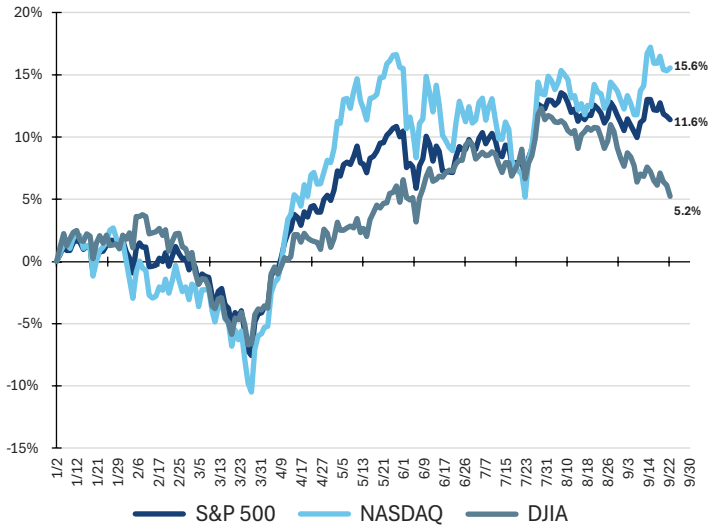
S&P Sector Performance — 9M 2026



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

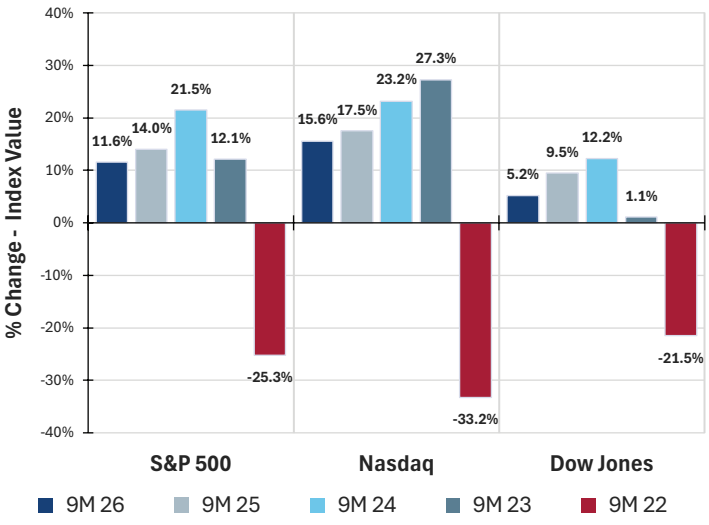
Energy and Information Technology stocks outperformed the broader market in 2026, driven by tighter energy supply and AI.

2026 9M Major Stock Index Performance



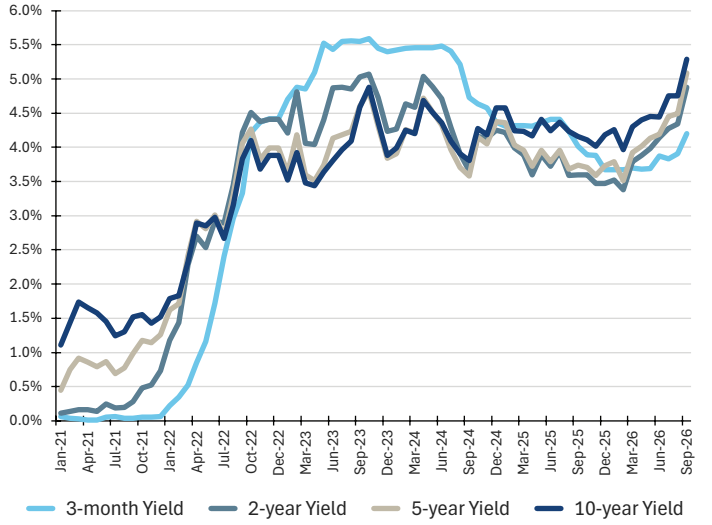
Technology stocks helped drive market gains, with the Nasdaq outperforming other major indices.

Historical Stock Index Performance



U.S. equity markets remain near record levels, with the S&P 500 and Nasdaq reaching new all-time highs in 2026.

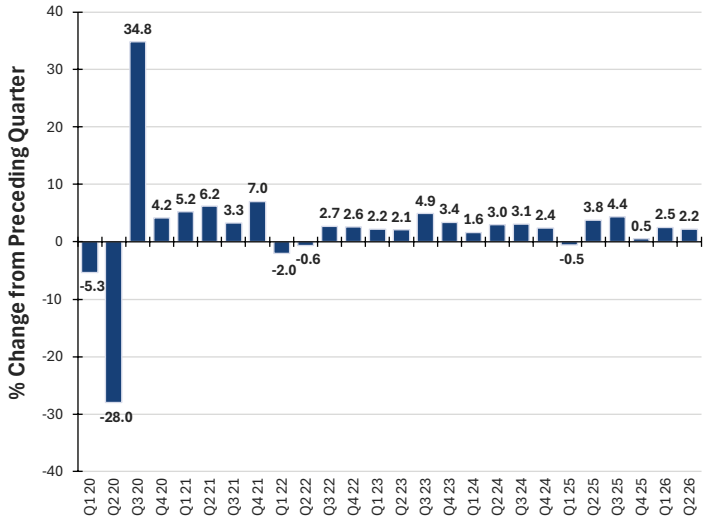
Historical U.S. Treasury Market Yields



10-year Treasury yields reached their highest levels since 2007 amid renewed inflation and fiscal concerns.

Fall 2026 Mergers & Acquisitions Takeaways

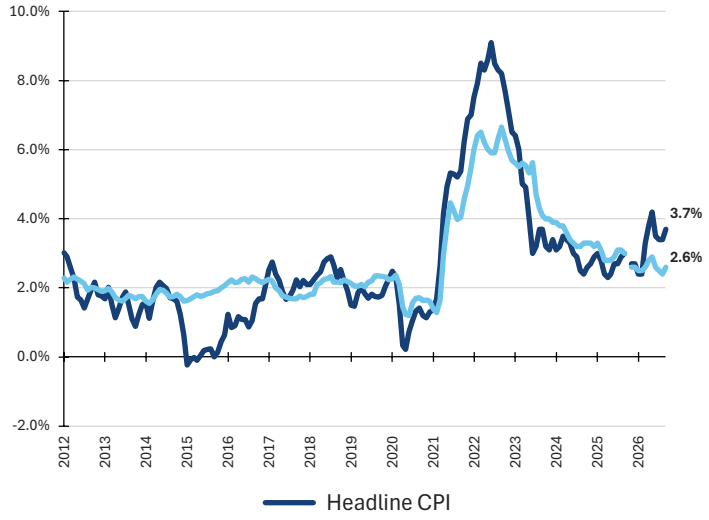
U.S. Real GDP: % Change from Preceding Quarter



Seasonally adjusted at annualized rates. Q2 '26 GDP is the "Third Estimate" released by the U.S. Bureau of Economic Analysis.

U.S. economic growth remained resilient in 2026 despite persistent inflation and higher interest rates.

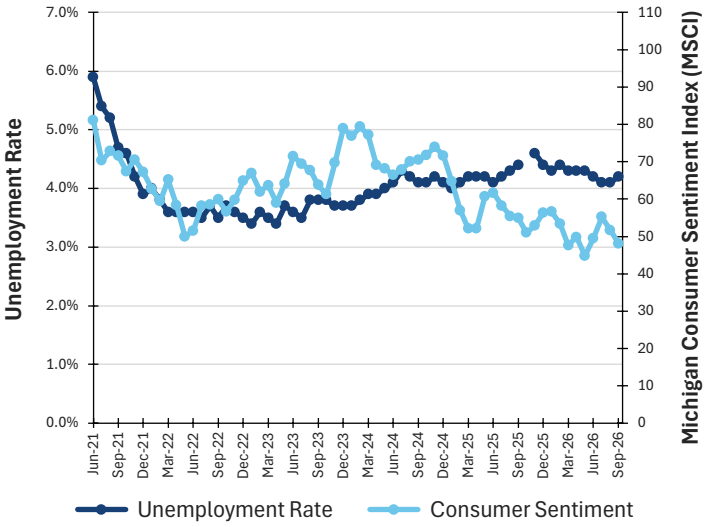
Consumer Price Index: % Change from a Year Ago



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.

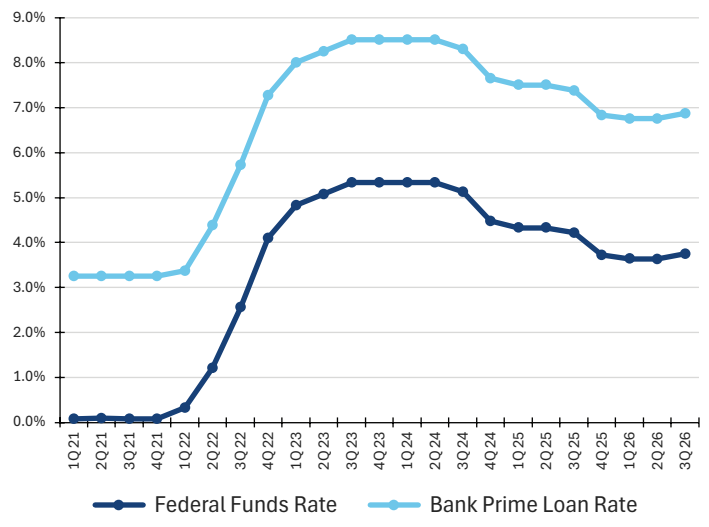
Persistent above-target inflation continues to constrain the Federal Reserve's ability to ease monetary policy.

Unemployment Rate & Consumer Sentiment



Labor markets remained resilient, but slower hiring and persistent inflation weighed on consumer confidence.

Federal Funds Rate & Prime Lending Rate



Persistent inflation prompted renewed Federal Reserve tightening, pushing short-term borrowing costs higher.

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Extensive Experience

MAGNETICS

has acquired

MAGNETIC METALS CORPORATION

FNB Investment Banking acted as exclusive financial advisor to the Magnetics Division of Spang & Company.

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Nicely Road

acquired an investment in

GOOD AGRICULTURE, INC

FNB Investment Banking acted as financial advisor to Nicely Road Capital and assisted in the negotiations.

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KOPPERS

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.

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UPLOGIX

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.

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THE SEXTANT GROUP

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.

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Don's Appliances

Exceptional Brands and Service Since 1971

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.

FNB Investment Banking

PBM VALVE SOLUTIONS

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.

FNB Investment Banking

Pennatronics

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.

FNB Investment Banking

RESPIRONICS

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.

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WOODINGS INDUSTRIAL

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.

FNB Investment Banking

Kennywood

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.

FNB Investment Banking

Spang ENGINEERED SOLUTIONS

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.

FNB Investment Banking

MAYNARD

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.

FNB Investment Banking

accellent

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.

FNB Investment Banking

INDUSTRIAL SCIENTIFIC

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.

FNB Investment Banking

CHRIS CANDIES

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.

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