FNB INVESTMENT BANKING

Summer 2026
Mergers & Acquisitions Takeaways

> MEGA-DEALS ARE DRIVING DEAL VALUE GROWTH:
Global mergers & acquisitions (M&A) value increased 65.6% year over year, largely due to several transformational transactions, led in 2Q26 by NextEra Energy's $125 billion acquisition of Dominion Energy. Deal volume growth was much more modest, indicating that headline activity is being driven by a small number of outsized transactions rather than broad market expansion.

> THE MIDDLE MARKET REMAINS ACTIVE BUT MORE SELECTIVE:
Buyers continue to pursue acquisitions despite economic and geopolitical uncertainty, but diligence standards remain elevated. Companies with strong growth, market share gains and favorable industry exposure are attracting premium valuations, while weaker assets face increased scrutiny.

> STRATEGIC BUYERS ARE LEADING THE MARKET:
Many of the year's largest transactions have been strategic acquisitions, reflecting corporations' willingness to pursue growth and consolidation opportunities despite market volatility.

> PRIVATE EQUITY REMAINS CONSTRAINED:
Private equity (PE) buyout volume increased 8%, but deal value fell 10.6% year over year. Higher financing costs, slower exits and fundraising challenges continue to limit sponsor activity, particularly in larger transactions.

> THE U.S. CONTINUES TO OUTPERFORM GLOBALLY:
U.S. deal volume increased while global volume declined 3.1%. At the same time, inbound and outbound U.S. cross-border activity rose sharply and Europe captured a larger share of global deal value, reflecting improving international activity.

> MARKET SENTIMENT IS CAUTIOUSLY CONSTRUCTIVE:
Strong equity markets, positive Gross Domestic Product (GDP) growth and stable employment support transaction activity, but inflation, geopolitical risks and uncertainty around interest rates continue to temper enthusiasm. Market participants remain willing to transact, but are prioritizing quality, certainty and execution.

FOR A CONFIDENTIAL CONSULTATION, PLEASE CONTACT:

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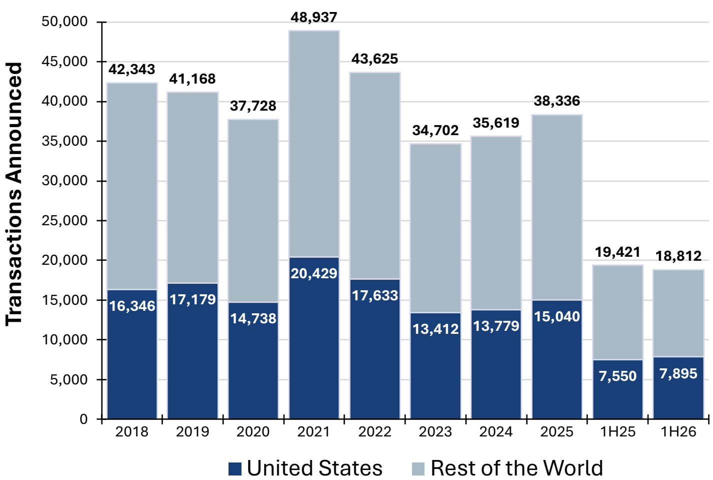
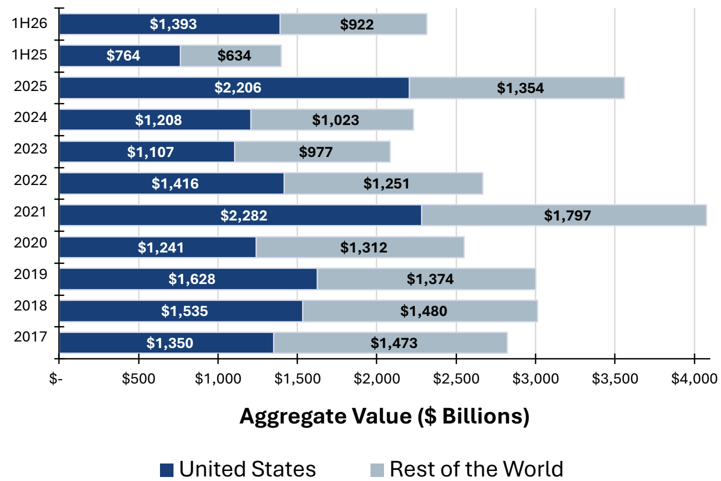
U.S. vs. Global M&A Deal Count



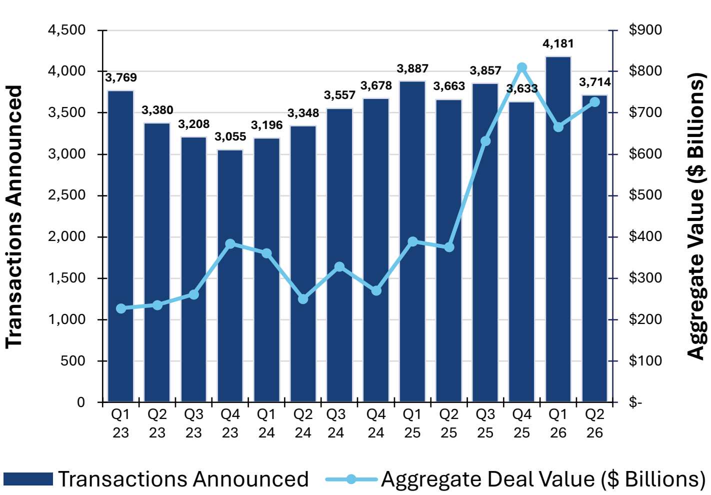
Global M&A activity ticked downward year over year as volume declined 3.1% while U.S. volume edged up 4.6%.

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



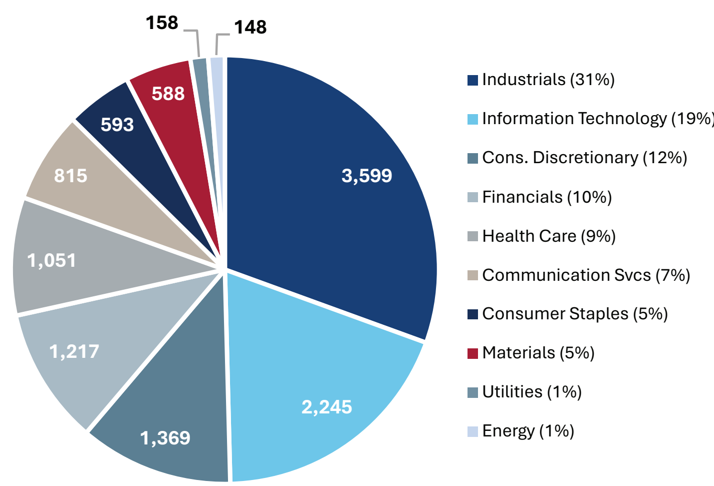
Global M&A deal value grew 65.5% year over year in 1H26, driven by $10+ billion deals.

U.S. Quarterly M&A Volume & Value



2Q26 U.S. deal volume decreased 11% from 1Q26, while deal value rose 9% over the same period.

2026 Global M&A Deal Volume by Sector



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

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

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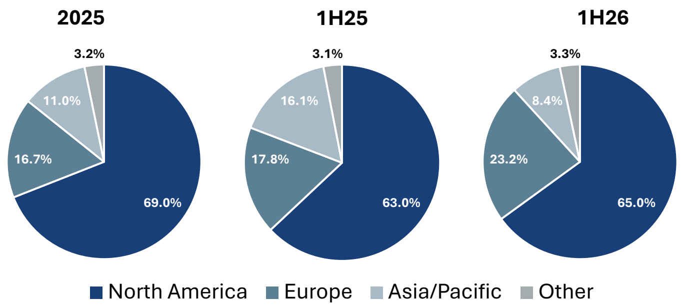
% of Total Deal Value by Geographic Region



The U.S. and Europe represented a growing portion of global M&A deal value in 2026 as the Asian contribution declined.

Median M&A Control Premiums & Minority Discounts

	MEDIAN M&A CONTROL PREMIUMS YEARS ENDED DECEMBER 31,						
PREMIUMS	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**1H26**
One-Day	24.7%	24.3%	39.2%	32.4%	39.2%	29.5%	24.4%
One-Week	28.4%	26.0%	41.4%	36.1%	43.7%	33.0%	27.4%
Four Week	31.9%	36.9%	49.0%	44.6%	48.2%	33.6%	33.9%

	MEDIAN M&A MINORITY DISCOUNTS YEARS ENDED DECEMBER 31,						
DISCOUNTS	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**1H26**
One-Day	-19.8%	-19.5%	-28.2%	-24.4%	-28.2%	-22.8%	-19.6%
One-Week	-22.1%	-20.6%	-29.3%	-26.5%	-30.4%	-24.8%	-21.5%
Four Week	-24.2%	-27.0%	-32.9%	-30.9%	-32.5%	-25.1%	-25.3%

One-Day and One-Week U.S. M&A control premiums paid on public deals declined in 2026 as equity prices were at record levels.

RECENTLY ANNOUNCED LARGE M&A TRANSACTIONS

ANNOUNCE DATE	TARGET	ACQUIROR	ENTERPRISE VALUE	INDUSTRY
2/2/2026	X.AI LLC	Space Exploration Technologies Corp. (NasdaqGS:SPCX)	$250.0 B	Technology
5/18/2026	Dominion Energy, Inc. (NYSE:D)	NextEra Energy, Inc. (NYSE:NEE)	$124.8 B	Utilities
6/16/2026	Anysphere, Inc.	Space Exploration Technologies Corp. (NasdaqGS:SPCX)	$57.3 B	Technology
3/2/2026	The AES Corporation (NYSE:AES)	Global Infrastructure Management, LLC; EQT AB (OM:EQT); CalPERS; Qatar Investment Authority	$48.1 B	Energy
6/1/2026	MGM Resorts International (NYSE:MGM)	People Incorporated (NasdaqGS:PPLI)	$42.8 B	Entertainment
5/28/2026	Caesars Entertainment, Inc. (NasdaqGS:CZR)	Fertitta Entertainment, Inc.	$31.9 B	Entertainment
3/30/2026	Jetro Cash & Carry LLC	Sysco Corporation (NYSE:SYY)	$29.1 B	Consumer
2/1/2026	Coterra Energy Inc. (NYSE:CTRA)	Devon Energy Corporation (NYSE:DVN)	$25.5 B	Oil & Gas
6/15/2026	Roku, Inc. (NasdaqGS:ROKU)	Fox Corporation (NasdaqGS:FOXA)	$22.9 B	Entertainment
4/19/2026	TopBuild Corp.	QXO, Inc. (NYSE:QXO)	$17.2 B	Construction
1/15/2026	Penumbra, Inc. (NYSE:PEN)	Boston Scientific Corporation (NYSE:BSX)	$14.6 B	Health Care
6/29/2026	Lhoist North America, Inc.	Martin Merietta Materials, Inc. (NYSE:MLM)	$13.5 B	Mining
2/3/2026	Webster Financial Corporation (NYSE:WBS)	Banco Santander, S.A. (BME:SAN)	$12.2 B	Financials
6/25/2026	Bio-Techne Corporation (NasdaqGS:TECH)	Merck KGaA (XTRA:MRK)	$11.6 B	Health Care
4/26/2026	Organon & Co. (NYSE:OGN)	Sun Pharmaceutical Industries Limited (NSEI:SUNPHARMA)	$11.4 B	Health Care
4/14/2026	Globalstar, Inc. (NasdaqGS:GSAT)	Amazon.com, Inc. (NasdaqGS:AMZN)	$11.3 B	Communication
3/26/2026	Equitable Holdings, Inc. (NYSE:EQH)	Corebridge Financial, Inc. (NYSE:CRBG)	$10.8 B	Financials
2/17/2026	Masimo Corporation (NasdaqGS:MASI)	Danaher Corporation (NYSE:DHR)	$10.0 B	Health Care
6/22/2026	Apogee Therapeutics, Inc. (NasdaqGM:APGE)	Abbvie Inc. (NYSE:ABBV)	$9.6 B	Health Care
6/9/2026	Nuvalent, Inc. (NasdaqGS:NUVL)	GSK plc (LSE:GSK)	$9.3 B	Health Care
6/22/2026	Arcosa, Inc. (NYSE:ACA)	CRH plc (NYSE:CRH)	$9.0 B	Construction
5/31/2026	Taylor Morrison Home Corporation (NYSE:TMHC)	Berkshire Hathaway Inc. (NYSE:BRK.A)	$8.6 B	Construction
2/22/2026	Arcellx, Inc. (NasdaqGS:ACLX)	Gilead Sciences, Inc. (NasdaqGS:GILD)	$8.0 B	Health Care
6/29/2026	Iridium Communications Inc. (NasdaqGS:IRDM)	Rocket Lab Corporation (NasdaqGS:RKLB)	$7.7 B	Communication
2/4/2026	Silicon Laboratories Inc. (NasdaqGS:SLAB)	Texas Instruments Incorporated (NasdaqGS:TXN)	$7.6 B	Technology

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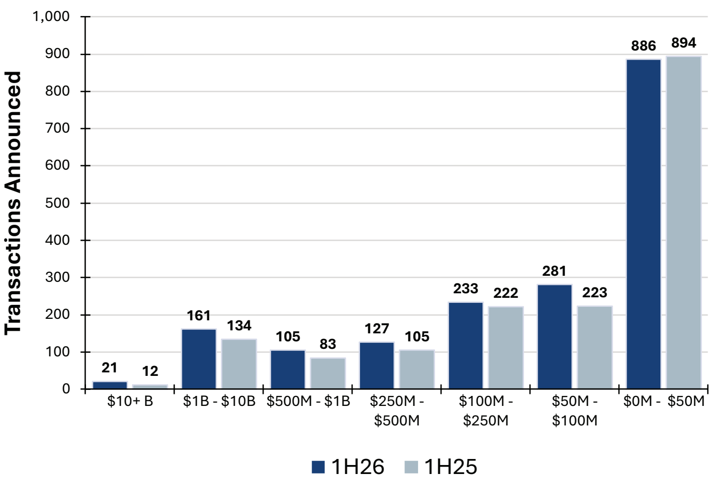
All transactions based on Announced Date and Implied Enterprise Value of transaction.
Source: S&P Capital IQ. Excludes REIT deals.

Summer 2026 Mergers & Acquisitions Takeaways

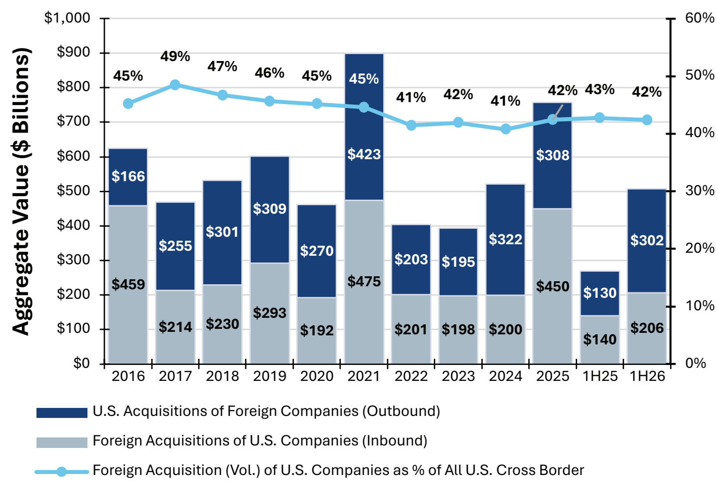
U.S. M&A Volume by Deal Size



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.

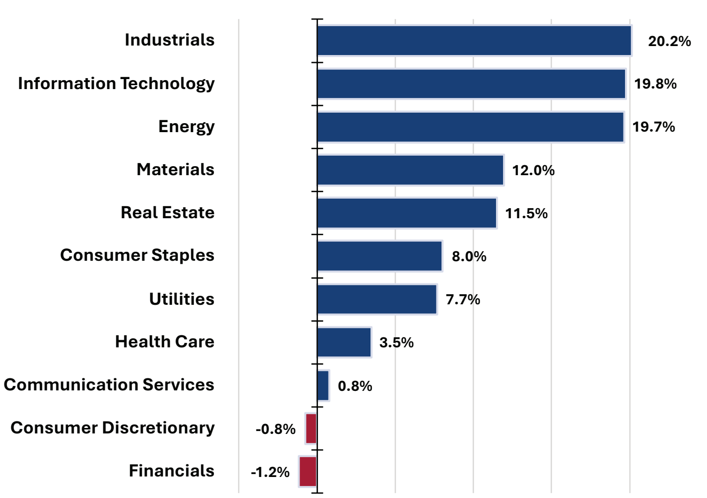
1H26 saw nine additional mega deals (>$10B) vs 1H25. Deal volume in the <$50M was flat over the same period.

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



U.S. inbound and outbound M&A value saw a significant uptick as compared to 1H25, at 47% and 133% respectively.

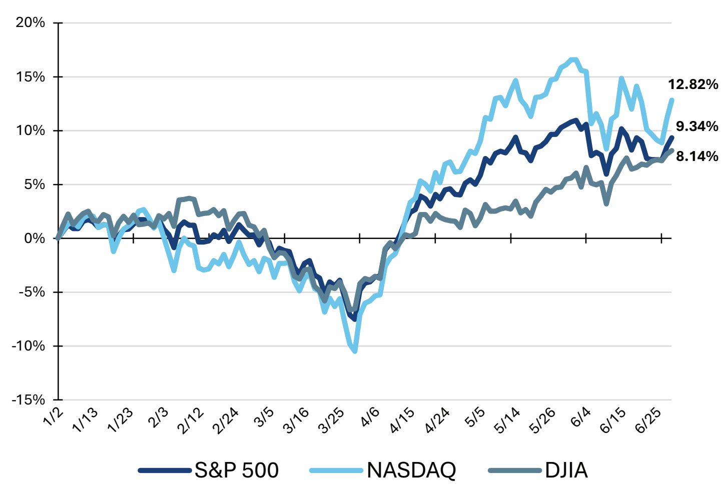
S&P Sector Performance — 1H26



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

The Industrials, IT and Energy sectors experienced strong gains in 1H26, while Consumer Discretionary and Financials lagged.

Major Stock Index Performance — 1H26



U.S. equities posted exceptional gains in 2Q26 despite headwinds throughout 1Q26 related to the conflict in the Middle East and inflation.

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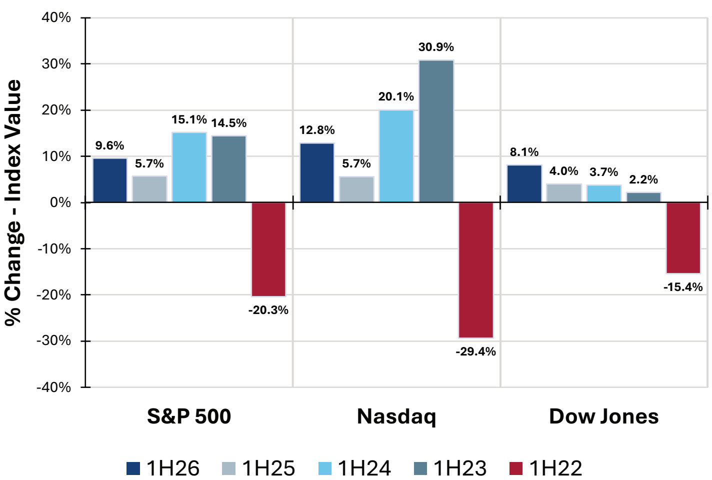
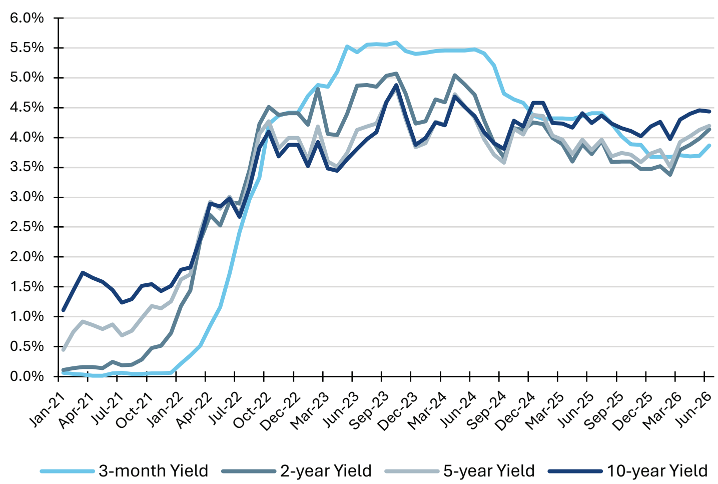
Historical Stock Index Performance



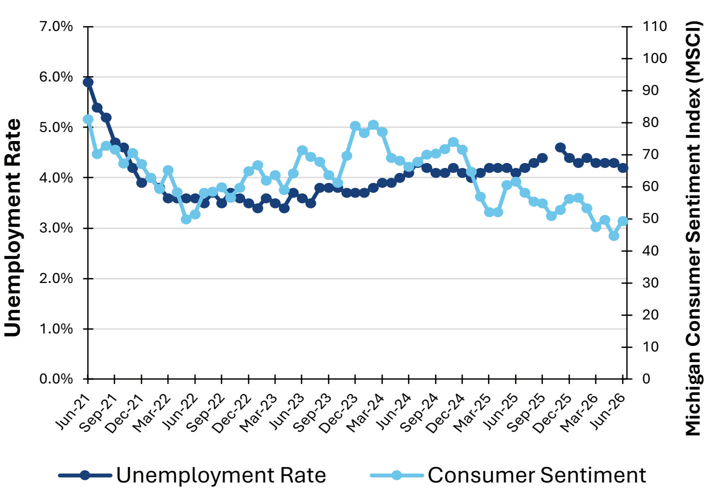
All three major U.S. stock market indices posted strong gains in 1H26 for the fourth consecutive year.

Historical U.S. Treasury Market Yields



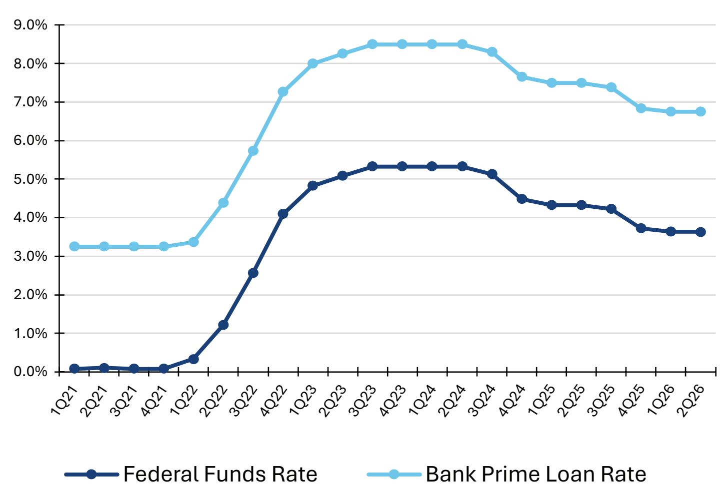
Treasury yields rose in 2Q26 in response to hawkish sentiment from the Federal Reserve and easing geopolitical fears.

Unemployment Rate & Consumer Sentiment



Consumer sentiment remains depressed, while the unemployment rate remains steady at 4.2%.

Federal Funds Rate & Prime Lending Rate



The Federal Reserve held rates firm in 2Q26 but signaled a greater chance of interest rate increases this year.

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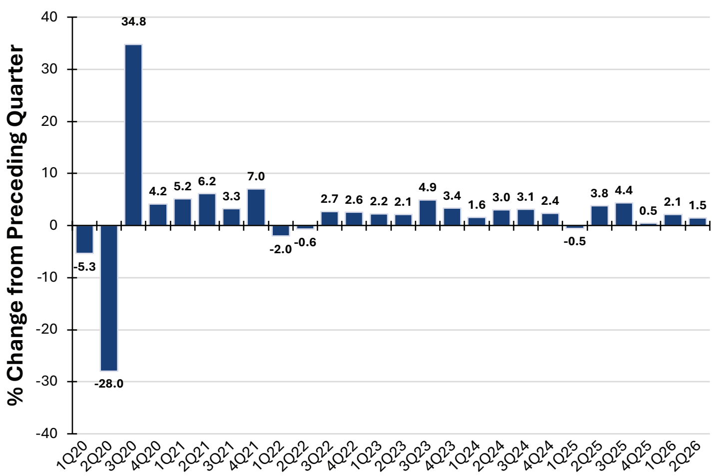
Summer 2026 Mergers & Acquisitions Takeaways

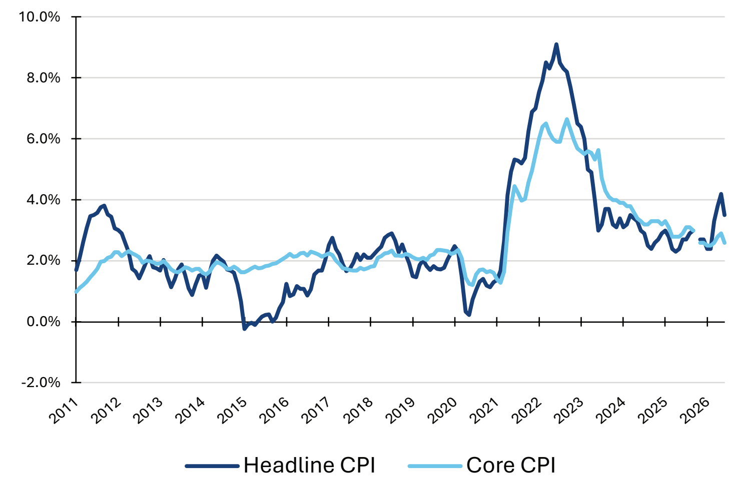
U.S. Real GDP: % Change from Preceding Quarter



**Seasonally adjusted at annualized rates. 2Q26 GDP is the "Advance" estimate released by the U.S. Bureau of Economic Analysis.*

Real U.S. GDP increased 1.5% in 2Q26 driven by increases in consumer spending, business investment and exports.

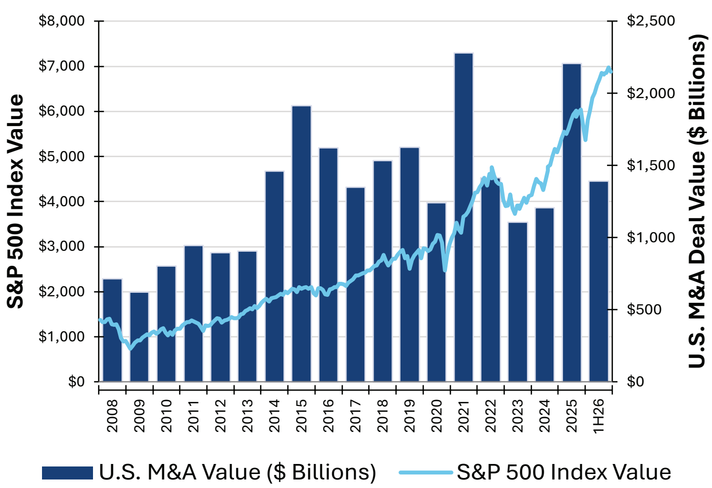
Consumer Price Index: % Change from a Year Ago



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.

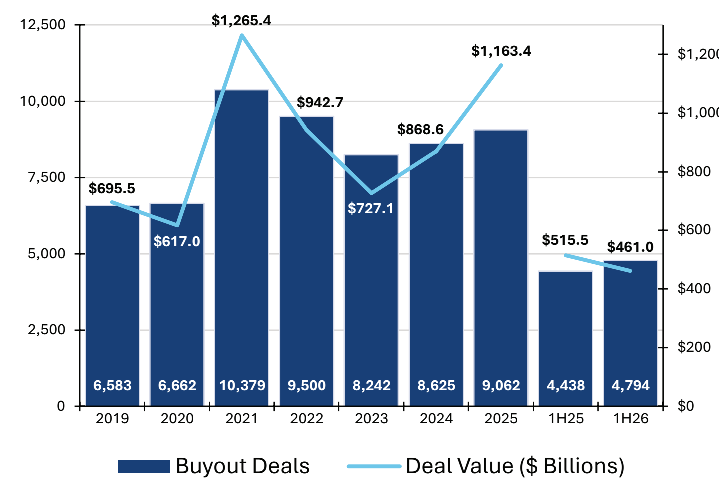
The annual inflation rate cooled to 3.5% as gas prices dropped from May. Core inflation rose 2.6%, signaling improving trends.

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



The equity market's strong gains since 2023 have supported M&A deal value recovery through 1H26.

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



Source: PitchBook Data, Inc.

Total PE deal value declined 10.6% in 1H26 compared to 1H25, while deal volume increased 8.0% over the same period.

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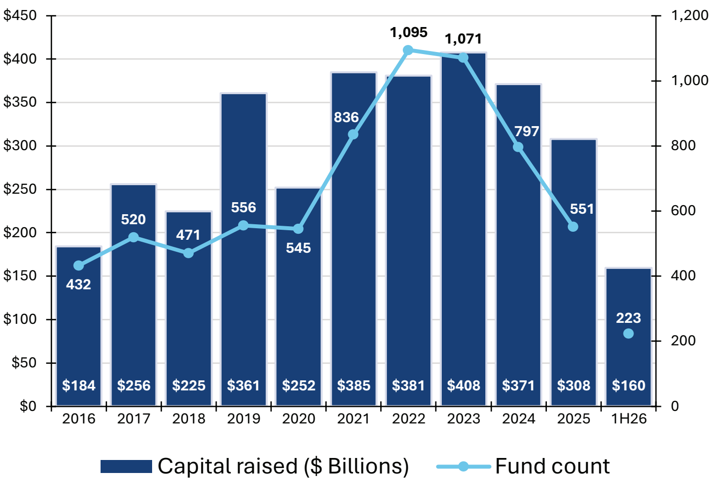
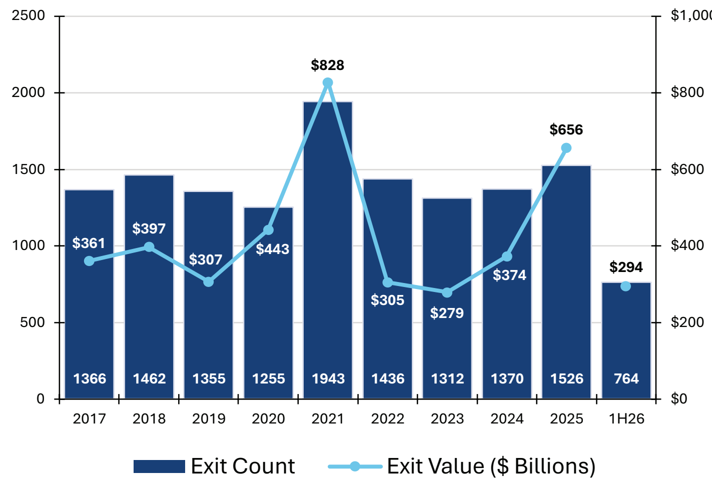
U.S. Private Equity Fundraising and Fund Count



Source: PitchBook Data, Inc.

1H26 capital raised was $160 billion across 223 funds, on pace with 2025 but below levels seen from 2021-2024.

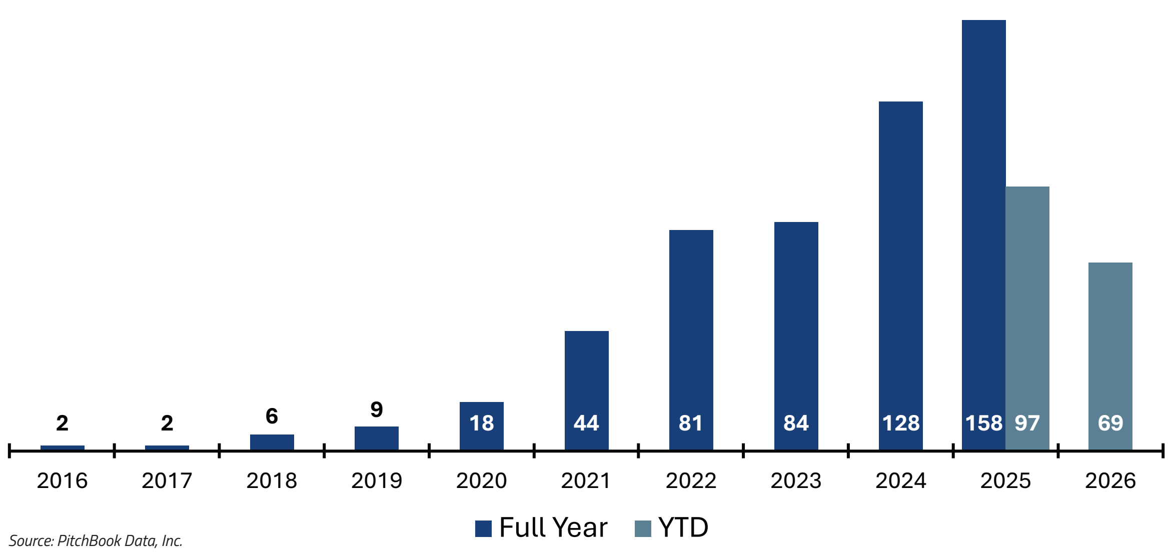
U.S. Private Equity Exit Volume and Value



Source: PitchBook Data, Inc.

PE exit activity continues to face a challenging market under costlier financing, uncertain rate paths and software repricing.

Global Continuation-Fund-Related Exit Count by Year



Source: PitchBook Data, Inc.

Despite the slowdown in private equity exit activity, continuation fund activity has not yet increased in response. Globally, there have been 69 continuation fund-related exits at 1H26, below 2025's pace. If the exit market continues to face headwinds, fund sponsors could turn to continuation funds for liquidity.

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Featured Experience

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.

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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

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

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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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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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

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

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.

FNB Investment Banking

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.

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

SEQUAL

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.

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 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.

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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