

## M&A Still Subdued Amid Policy Uncertainty

*Value of deals jumped in second quarter on several \$10 billion+ mega mergers: Crosbie & Co.*

James Langton

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Merger and acquisition (M&A) activity held steady in the second quarter, but the value of dealmaking soared thanks to a handful of mega deals, according to new data from Crosbie & Co. Inc.

There were 611 M&A deals announced in the second quarter, largely unchanged from the 615 transactions reported in the first quarter, the Toronto-based firm said.

Deal volume remains on the weak side amid continued uncertainty driven by erratic U.S. trade policy. Over the past four years, second-quarter deal volume has averaged 781 transactions.

“The quarter opened under the shadow of President Trump’s Liberation Day tariff announcement. While many proposed measures have been delayed or revised, ongoing policy shifts continue to create uncertainty for companies,” Crosbie noted in its report. “Still, strategic and high-quality assets remain in demand, and where the rationale is strong, deals are getting done.”

While the number of transactions remains relatively low, the value of deals in the second quarter rose sharply to \$114 billion, up 82% from the prior quarter

— driven by a handful of deals valued at more than \$10 billion.

There were 21 so-called mega deals (valued at over \$1 billion) worth a combined \$97 billion in the second quarter, including three deals exceeding \$10 billion. The largest was Sunoco’s \$14.3-billion acquisition of Parkland Corp. to create the largest fuel distributor in North America.

“In the face of uncertainty resulting from the U.S. trade war, the M&A markets are exhibiting some green shoots with many large deals being announced,” said Richard Betsalel, managing director at Crosbie & Co., in a release.

“This uptick in mega-deal M&A activity should eventually trickle down to the broader market as the backlog of companies looking to transact continues to grow. In addition, market fundamentals in many sectors remain supportive, financing markets are open and many strategic and financial buyers continue to actively search for new M&A opportunities,” he added.

In the second quarter, mid-market transactions (valued under \$250 million) accounted for 85% of total deal activity.

The industrials sector led in deal volume with more than 100 transactions, followed by the tech and mining sectors with 83 deals each. Deal activity also rose in the precious metals, materials and industrials sectors.

By deal value, the energy sector was the top driver of activity, with \$43.9 billion in second-quarter M&A.

The tech sector was a distant second with \$18.4 billion in deals.

“Looking forward, M&A is expected to be used to help manage risk and tariff exposure,” Crosbie said.

“Acquisitions can help secure supply chains and provide flexibility under fluid and evolving trade rules.”