

## Canadian M&A hits record levels in Q2, Crosbie reports

*Deal volume has now topped 800 for six straight quarters*

James Langton

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Canadian merger and acquisition (M&A) activity hit a record high in the second quarter with 886 deals, according to new data from Crosbie & Co., a Toronto-based mid-market investment bank.

The number of deals announced in the second quarter of 2019 edged out the previous record of 881 in the third quarter of 2018. Crosbie reported that deal volume has now topped 800 for six straight quarters.

An increase in Canadian companies making acquisitions drove the record deal activity. Crosbie reported that Canadian companies made 693 acquisitions in Q2, representing an 11% increase from the prior quarter.

“Canadian companies were highly acquisitive this quarter after a brief spending pause in Q1,” said Ian Macdonell, managing director at Crosbie & Co.

“We continue to experience an environment where Canadian companies are taking advantage of strong balance sheets and ready access to capital to accelerate growth and increase market share through

acquisitions, both domestically and abroad,” said Macdonell. “Combine that with an aging population of business owners capitalizing on a seller’s market, and you have the ingredients for record levels of M&A activity.”

In terms of deal value, Q2 produced \$70.5 billion worth of M&A activity, down slightly from \$74.8 billion in the first quarter of 2019.

Crosbie reported that there were 13 “mega-deals” (transactions valued in excess of \$1 billion) in the second quarter, with an aggregate value of \$42.6 billion.

By sector, the industrials led the way in the second quarter, with 113 deals worth \$17.3 billion. The real estate sector ranked second, with 110 transactions totalling \$12.5 billion.

Crosbie noted that deals in the fledgling cannabis sector helped drive activity in the healthcare sector overall, which recorded 99 transactions in the quarter.