

M&A enjoys a rebound in Q4: Crosbie

Deal-makers have yet to fully adjust to prevailing economic conditions

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Canadian merger and acquisition activity ticked up in the fourth quarter, according to new data from mid-market investment bank Crosbie & Co. Inc.

The volume of deals rose by 11% in the final quarter of 2022, and the deal value was up by 42% to \$90 billion, making the fourth quarter the strongest of last year in terms of total value.

“The increase in Q4 was encouraging and hopefully, we’ve seen the bottom of this cycle. But it seems to us like the market is still trying to find its new equilibrium,” said Colin Walker, managing director of Crosbie & Co., in a release.

“Both buyers and sellers have had to adjust in order to assess opportunities in the new markets which we face.”

While the fourth quarter was the strongest of last year, deal activity was down about 20% compared with the same quarter in the previous year.

For the full year, deal volume of just over 3,000 transactions was the lowest level since 2017, the report noted.

The value of the fourth quarter deal activity was boosted by a handful of so-called “mega-deals” (transactions worth over \$1 billion), the firm reported.

In fact, the number of mega-deals dropped compared with the third quarter, but the value of those deals was up 63% over the same period, the firm noted.

The industrial and financial services sectors led the way in fourth quarter deal value at \$20.5 billion and \$18.5 billion, respectively, with mega-deals representing more than 90% of aggregate deal value.

Deal volume rose most strongly in the mining, industrials and tech sectors, Crosbie reported.