

M&A Holds Up in Q1: Crosbie

Deal volume creeps higher, but value declines on fewer mega-deals

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The volume of Canadian merger and acquisition activity held up in the first quarter, even as the value of dealmaking dropped amid fewer “mega” deals, according to new data from Toronto-based investment bank Crosbie & Co. Inc.

There were 680 M&A deals announced in the first quarter, up slightly from 672 in the previous quarter — and up more decisively from the 615 deals recorded in the first quarter of 2025 — the firm reported.

The increase continued “the general upward trend that we have watched over the prior eight quarters,” Crosbie noted.

Despite the growth in deal volume, the aggregate deal value declined a bit to \$76 billion for the first quarter — down from \$101 billion in the previous quarter — but up from the \$62 billion recorded in the first quarter last year.

The generally strong deal activity came amid “constructive” market conditions in the first quarter, Crosbie said.

“Activity benefited from a settled financing backdrop, as central banks held rates steady, valuations remained buoyant in most sectors, and public markets were open and supportive,” it said.

However, elevated geopolitical uncertainty continued to loom over the deal environment, and that was exacerbated by the conflict in the Middle East, which raised concerns about resurgent inflation, and the risk of higher-than-expected interest rates, it noted.

“But for now, all indications are that the market remains wide open for M&A,” it said.

“In addition to good economic and financial market ingredients, the psychology for dealmaking is strong as well,” said Sadat Mirza, managing director at Crosbie, in a release.

“The hesitation that we sometimes encountered in early 2025 is now well behind us as parties have become used to what they now regard as higher levels of geopolitical noise,” he added.

In the first quarter, the industrial sector led the way in deal volume with 113 transactions, edging out the tech sector, which hosted 112 deals but led in deal value

with \$15.6 billion worth of transactions — outpacing the utilities and energy sectors, which had \$14.7 billion and \$14 billion in deals, respectively.

The tech, energy and utilities sectors were central to the so-called “mega” deals (transactions valued at over \$1 billion) that were carried out in the quarter, the report noted, “reflecting continued capital flows into AI infrastructure, data-centre enablement, power and energy assets.”

Overall, there were 15 mega deals in the quarter, representing \$58 billion of aggregate deal value — down from 20 deals for \$79 billion in the previous quarter.

Crosbie also noted that cross-border M&A account for almost half (47%) of deal volume, and 64% of deal value for the first quarter.