

M&A Activity Dips in Q1: Report

The number of deals is down from the previous quarter, but the value of transactions has increased

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Canadian merger and acquisition activity pulled back slightly from recent heights in the first quarter (Q1) of 2019, says Crosbie & Co. in a new report.

The Toronto-based investment bank reports 801 deals were announced in Q1, down from 874 transactions in the previous quarter. Yet, Crosbie notes, Q1 2019 is still the second-strongest Q1 in the past seven years.

The value of that deal activity rose to \$74.8 billion in Q1 from about \$58 billion the previous quarter.

This amount also was up markedly from \$47.1 billion in the same quarter a year ago, driven by a larger number of so-called “mega deals” — transactions valued at more than \$1 billion — this year.

Crosbie reports that there were 13 mega deals in Q1, with a combined value of \$58.9 billion, the highest level since Q1 2017.

At the same time, Crosbie notes, Canadian mid-market activity — transactions valued below \$250 million — “remained quite strong.”

Mid-market deals accounted for 90% of the deal volume and 10% of deal value.

The real estate sector led the way with 120 deals, and was the most active sector in Q1 for the third consecutive quarter. The tech sector ranked second with 98 transactions.