

## CROSBIE & COMPANY CANADIAN M&A REPORT – Q1 2026

### *The M&A Train Continued to Roll in Q1*

Canadian M&A activity opened 2026 on a firm footing, with 680 announced transactions, up 1% from the prior quarter and continuing the general upward trend that we have watched over the prior 8 quarters. Aggregate deal value moderated somewhat to \$76B but remained strong by most historical standards. This followed the three prior record quarters where very high aggregate deal values reflected exceptional mega-deal activity.

Market conditions in Q1 remained generally constructive for M&A. 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. Dealmakers continued to navigate a familiar backdrop of tariff and geopolitical uncertainty, but decent fundamentals helped buyers see their way through on many transactions, particularly those with clear strategic fit. Events partway through the quarter in the Middle East have raised some new uncertainties related to inflation pressure through higher oil prices as well as knock-on effects in transportation and other input costs, which could impact interest rate expectations as the year progresses. But for now, all indications are that the market remains wide open for M&A.

“In Q1, M&A continued to power along, which is reflected both in robust activity and the strong aggregate value for the quarter,” said Sadat Mirza, Managing Director at Crosbie. “In addition to good economic and financial market ingredients, the psychology for dealmaking is strong as well,” he added. “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.”

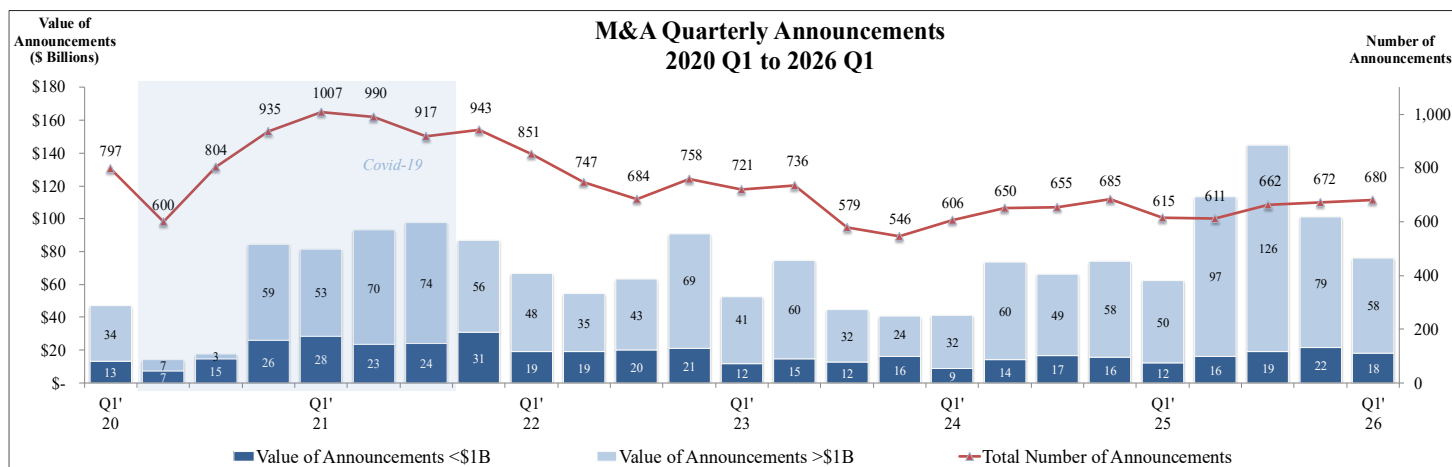
There were 15 mega-deals announced in the quarter (deals valued above \$1B), totalling \$58B in value. **Information Technology**, **Utilities**, and **Energy** led mega-deal activity, with several transactions tied in some way to the broader theme of AI-driven demand for data centre capacity and power. **Mitsubishi Corporation**’s \$10.5B acquisition of **Aethon United** was linked to growing natural gas and power needs from AI and data centres, while **Ecolab**’s \$6.5B acquisition of Calgary-based **CoolIT Systems** was directly positioned around liquid cooling for next-generation AI workloads.

The mid-market (transactions valued below \$250M) accounted for 86% of all announced deals with disclosed values. Mid-market deal count was largely steady quarter-over-quarter at 229 transactions, broadly consistent with historical levels.

From a sector perspective, deal count increased in **Industrials** (+27), **Information Technology** (+25), **Energy** (+18), and **Utilities** (+5). The largest declines were in **Metals and Mining** (-21), **Precious Metals** (-17), and **Health Care** (-15). **Information Technology**, **Utilities** and **Energy** had the largest aggregate deal values at \$15.6B, \$14.7B and \$14.0B, respectively.

Cross-border M&A remained meaningful in Q1, representing 47% of deal count and 64% of aggregate value. Canada-U.S. transactions accounted for 60% of cross-border count and 62% of value, while a weaker Canadian dollar likely supported U.S. buyer interest in Canadian assets. Inbound activity picked up from Q4, reinforcing Canada’s appeal to cross-border capital.

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## Overview

- Deal activity remained strong in the first quarter with 680 announced transactions, up 1% from Q4 and continuing the upward trend that developed through the second half of 2025
- Aggregate deal value moderated to \$76B as mega-deal activity declined from the elevated levels seen in the prior three quarters
- 457 Canadian companies were acquired in the quarter, up from 433 in Q4, with aggregate value of \$41B



## Mega-Deals

- 15 mega-deals were announced in Q1 2026, representing \$58B of aggregate deal value
- The largest transaction was Mitsubishi Corporation's acquisition of Aethon United, followed by Brookfield and La Caisse's take-private of Boralex Inc. and Ecolab's acquisition of CoolIT Systems
- Energy, Information Technology and Utilities were prominent in the quarter's largest transactions, reflecting continued capital flows into AI infrastructure, data-centre enablement, power and energy assets

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INDUSTRY GROUPS <sup>(1)</sup>	2025 Q4		2026 Q1	
	# of Deals	Value \$Millions	# of Deals	Value \$Millions
Information Technology	87	1,735	112	15,571
Industrials	86	13,630	113	2,371
Real Estate	59	22,785	55	5,624
Metals and Mining	101	965	80	2,325
Health Care	38	4,597	23	1,731
Financials	43	18,845	38	2,033
Precious Metals	89	15,384	72	8,524
Communication Services	30	1,226	26	2,027
Consumer Discretionary	42	2,628	44	590
Energy	29	10,242	47	14,042
Consumer Staples	23	2,292	16	734
Materials	35	3,956	36	5,724
Utilities	9	2,596	14	14,669
Other	1	-	4	8
<b>TOTAL</b>	<b>672</b>	<b>100,879</b>	<b>680</b>	<b>75,973</b>
Services	67	12,035	87	6,433

(1) Industry Groups track those used by the S&P 500

## Industry Sector Activity

- **Industrials and Information Technology** were the most active sectors, with 113 and 112 announced transactions, respectively
- Notable increases in deal count were seen in **Industrials (+27)**, **Information Technology (+25)**, **Energy (+18)** and **Utilities (+5)**
- The largest declines in deal count were in **Metals and Mining (-21)**, **Precious Metals (-17)** and **Health Care (-15)**
- **Information Technology, Utilities, and Energy** generated the largest aggregate deal values at \$15.6B, \$14.7B and \$14.0B, respectively

Size	2025 Q4				2026 Q1			
	# of Deals	%	Value \$ Millions	%	# of Deals	%	Value \$ Millions	%
<\$100m	230	34	3,990	4	206	30	2,948	4
\$101m-\$250m	12	2	4,319	4	23	3	3,849	5
\$251m-\$500m	31	5	5,132	5	13	2	4,678	6
\$501m-\$1b	11	2	8,064	8	10	1	6,793	9
>\$1b	20	3	79,374	79	15	2	57,705	76
Undisclosed	368	55	0	0	413	61	0	0
	<b>672</b>		<b>100,879</b>		<b>680</b>		<b>75,973</b>	

## Breakdown by Transaction Size

- Mid-market activity, defined as transactions below \$250M, accounted for 86% of disclosed deal count
- There were 229 disclosed mid-market transactions in the quarter, with aggregate value of \$6.8B

	2025 Q4		2026 Q1	
	# of Deals	Value \$ Millions	# of Deals	Value \$ Millions
<b>Canadian Targets</b>				
With Canadian Buyers	320	15,201	325	14,769
With Foreign Buyers	113	26,027	132	26,365
<b>Domestic M&amp;A</b>	<b>433</b>	<b>41,228</b>	<b>457</b>	<b>41,134</b>
Foreign Targets (Canadian Buyer)	182	46,336	186	22,393
Canadian Foreign Subsidiaries Sold to Foreign Buyers	57	13,315	37	12,445
<b>Foreign M&amp;A</b>	<b>239</b>	<b>59,651</b>	<b>223</b>	<b>34,839</b>
	<b>672</b>	<b>100,879</b>	<b>680</b>	<b>75,973</b>

## Canadian Domiciled versus Foreign M&A Targets

- Acquisitions involving Canadian targets increased to 457 transactions in Q1, up from 433 in Q4, with aggregate value of \$41.1B
- Domestic buyers acquired 325 Canadian targets, while foreign buyers acquired 132 Canadian targets
- Foreign buyers represented 29% of Canadian-target transaction count but 64% of Canadian-target transaction value
- Canadian firms remained active internationally, completing 186 acquisitions of foreign targets

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	2025 Q4		2026 Q1	
	# of Deals	Value \$Millions	# of Deals	Value \$Millions
Outbound M&A (CDN Buyer/ Foreign Target)	182	46,336	186	22,393
Inbound M&A (Foreign Buyer/ CDN Target)	113	26,027	132	26,365
<b>Total Cross Border</b>	<b>295</b>	<b>72,363</b>	<b>318</b>	<b>48,759</b>
<i>Outbound : Inbound Ratio</i>	<i>1.61</i>	<i>1.78</i>	<i>1.41</i>	<i>0.85</i>
<i>Cross Border as % of Total</i>	<i>44%</i>	<i>72%</i>	<i>47%</i>	<i>64%</i>
<b>Canada / US Activity</b>				
US Target	92	23,522	113	11,996
US Buyer	73	23,289	79	18,158
<b>Total Canada/US</b>	<b>165</b>	<b>46,811</b>	<b>192</b>	<b>30,154</b>
<i>Canada/ US as % of Cross Border</i>	<i>56%</i>	<i>65%</i>	<i>60%</i>	<i>62%</i>
	<b>672</b>	<b>100,879</b>	<b>680</b>	<b>75,973</b>

	2025 Q4				2026 Q1			
	# of Deals	%	Value \$ Millions	%	# of Deals	%	Value \$ Millions	%
Ontario	154	36	22,909	56	171	37	13,331	32
British Columbia	96	22	1,362	3	89	19	6,146	15
Quebec	77	18	10,089	24	71	16	13,385	33
Alberta	51	12	6,601	16	68	15	8,097	20
Saskatchewan	13	3	36	0	9	2	47	0
Newfoundland	15	3	3	0	10	2	1	0
New Brunswick	5	1	47	0	9	2	34	0
Manitoba	8	2	6	0	8	2	0	0
Nova Scotia	4	1	81	0	16	4	41	0
Prince Edward Island	1	0	91	0	-	-	-	0
Northwest Territories	2	0	1	0	2	0	6	0
Yukon Territory	4	1	0	0	2	0	37	0
Nunavut	3	1	2	0	2	0	10	0
	<b>433</b>		<b>41,228</b>		<b>457</b>		<b>41,134</b>	

### Cross-Border Deals

- Cross-border transactions represented 47% of total activity and 64% of aggregate deal value in Q1 2026
- Canada-U.S. activity remained the dominant cross-border corridor, representing 60% of cross-border count and 62% of cross-border value

### Deals by Provincial Domicile

- **Ontario** remained the most active province by deal count, with 171 Canadian-target transactions
- **Quebec** generated the largest aggregate Canadian-target deal value at \$13.4B
- **Alberta** activity increased to 68 deals valued at \$8.1B, reflecting continued strategic interest in the energy market

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## Largest Transactions in Q1 2026

Target Industry	Announced Date	Value (\$ millions)	Target	Role	Transaction Status
Energy	16-Jan-26	\$10,475	Aethon III LLC/Aethon United LP Mitsubishi Corporation Ontario Teachers' Pension Plan Board; Redbird Capital Partners Management LLC; Aethon Energy	Target Acquiror Vendor	Announced
Utilities	25-Mar-26	\$8,371	Boralex Inc. La Caisse de dépôt et placement du Québec; Brookfield Renewable Partners L.P.; Brookfield Asset	Target Acquiror	Announced
Information Technology	20-Mar-26	\$6,516	CoolIT Systems, Inc. Ecolab Inc. KKR & Co. Inc.; Mubadala Investment Company PJSC; KKR Global Impact Fund II SCSp	Target Acquiror Vendor	Announced
Precious Metals	26-Jan-26	\$6,433	Allied Gold Corporation Brookfield Office Properties Inc.; Gic Investment (Australia) BlackRock, Inc.; Helikon Investments Limited	Target Acquiror Vendor	Announced
Information Technology	27-Feb-26	\$5,455	atNorth ehf Equinix, Inc.; Canada Pension Plan Investment Board; Partners Group Holding AG Partners Group Holding AG	Target Acquiror Vendor	Announced
Materials	2-Feb-26	\$4,219	Foran Mining Corporation Eldorado Gold Corporation Fairfax Financial Holdings Limited	Target Acquiror Vendor	Closed
Utilities	3-Mar-26	\$3,557	Portfolio of operating renewable energy assets in North America British Columbia Investment Management Corporation; Norges Bank Investment Management; Brookfield	Target Acquiror	Announced
Utilities	17-Feb-26	\$2,595	Select Washington state generation, transmission and electric utility operations of PacifiCorp Portland General Electric Company; Manulife Investment Management Limited; John Hancock Life PacifiCorp	Target Acquiror Vendor	Announced
Information Technology	2-Feb-26	\$1,984	Eddyfi Technologies ESAB Corporation Novacap Management Inc.; CDP Investissements Inc.; Investissements Florian Hardy Inc.; Placements	Target Acquiror Vendor	Announced
Metals and Mining	2-Mar-26	\$1,817	Arizona Sonoran Copper Company Inc. Hudbay Minerals Inc. L1 Capital Pty. Limited; Fourth Sail Capital US LP	Target Acquiror Vendor	Announced
Real Estate	30-Mar-26	\$1,590	BentallGreenOak (U.S.) Limited Partnership/BentallGreenOak (Canada) Limited Partnership Sun Life Financial Inc.	Target Acquiror	Closed
Health Care	25-Feb-26	\$1,299	35Pharma Inc. GSK plc Vivo Capital, LLC; Marshall Wace LLP; Logos Capital Management, LLC; venBio LLC; Surveyor Capital	Target Acquiror Vendor	Closed
Energy	23-Feb-26	\$1,252	Colombian upstream business of Frontera Energy Corporation Parex Resources Inc. Frontera Energy Corporation	Target Acquiror Vendor	Announced
Real Estate	26-Mar-26	\$1,128	Ravelin Properties REIT Clarke Inc. Slate Asset Management LP	Target Acquiror Vendor	Announced
Energy	22-Jan-26	\$1,013	Spring Valley Acquisition Corp. III General Fusion Inc. Merus Global Investments, LLC; Spring Valley Acquisition III Sponsor, LLC	Target Acquiror Vendor	Announced