

## CROSBIE & COMPANY CANADIAN M&A REPORT – Q2 2025

### *Larger Deals Propel M&A Activity Amidst Trade Turmoil*

M&A deal volume in the second quarter of 2025 eased slightly to 611 deals, down from 615 the prior quarter, as deal makers grappled with President Trump's tariffs and trade uncertainties. However, robust mega-deal activity drove announced deal value up 82% to \$114B, the highest level since 2019.

The quarter opened under the shadow of President Trump's "Liberation Day" tariff announcement. While many proposed measures have been delayed or revised, ongoing policy shifts continue to create uncertainty for companies. Still, strategic and high-quality assets remain in demand, and where the rationale is strong, deals are getting done. Looking forward, M&A is expected to be used to help manage risk and tariff exposure. Acquisitions can help secure supply chains and provide flexibility under fluid and evolving trade rules. However, with much trade still covered under the Canada-US-Mexico Agreement (at least for now) and general alignment across North America, Canada still represents a relatively low risk jurisdiction for M&A.

*"In the face of uncertainty resulting from the US trade war, the M&A markets are exhibiting some green shoots with many large deals being announced," said Richard Betsalel, Managing Director at Crosbie & Company Inc. "This uptick in mega-deal M&A activity should eventually trickle down to the broader market as the backlog of companies looking to transact continues to grow. In addition, market fundamentals in many sectors remain supportive, financing markets are open, and many strategic and financial buyers continue to actively search for new M&A opportunities."*

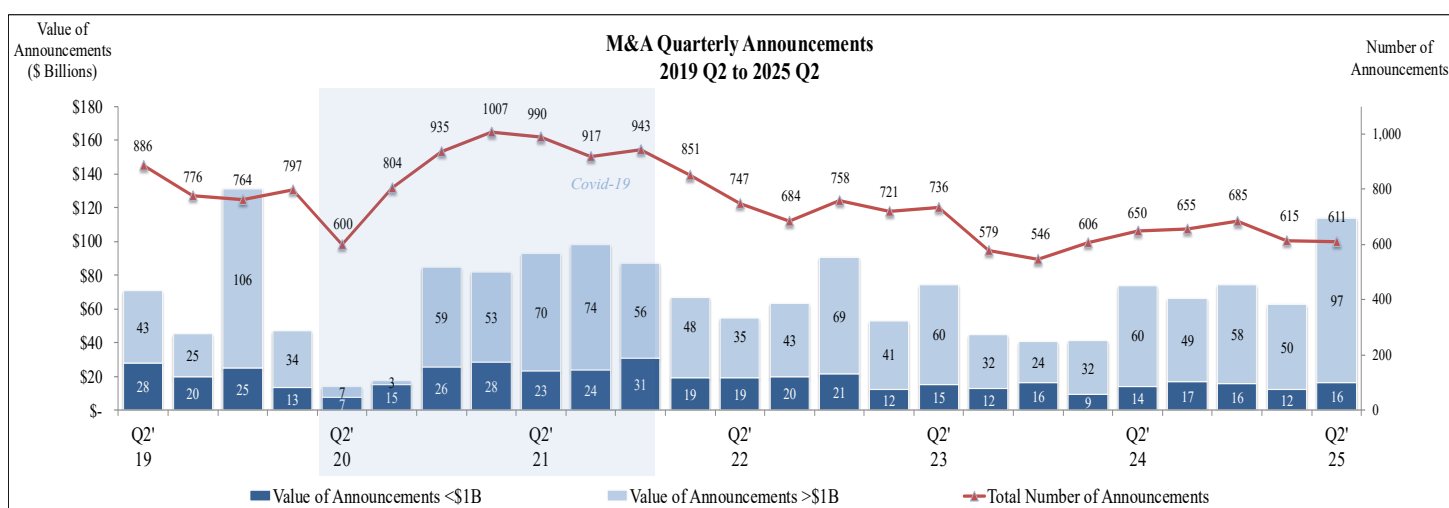
Mega-deal transactions (deals valued above \$1B) hit the highest level in over a decade in the second quarter with 21 transactions, totalling \$97B in value. There were three transactions in excess of \$10B value, including **Sunoco's** \$14.3B acquisition of **Parkland Corporation**, creating the largest fuel distributor in North America. **Informatica**, a portfolio company of the **Canada Pension Plan Investment Board**, was acquired by Salesforce for \$13.9B. **Brookfield Infrastructure Partners L.P.** announced the acquisition of **Colonial Enterprises** for \$12.6B, owner of the largest refined fuel products pipeline system in the U.S.

Mid-market transactions (valued below \$250M) continue to be the largest component of the broader market, representing 85% of deals with disclosed values.

M&A activity on a sector level has adjusted to the changing market dynamics as **Precious Metals** (+21), **Materials** (+15), **Industrials** (+13) experienced meaningful increases in transactions this quarter. **Energy** (+\$33B) led the rise in total deal value despite recent declines in oil prices. **Information Technology** (+\$14.8B), and **Communication Services** (+\$11.5B) also posted sizeable gains, each fuelled by mega-deals.

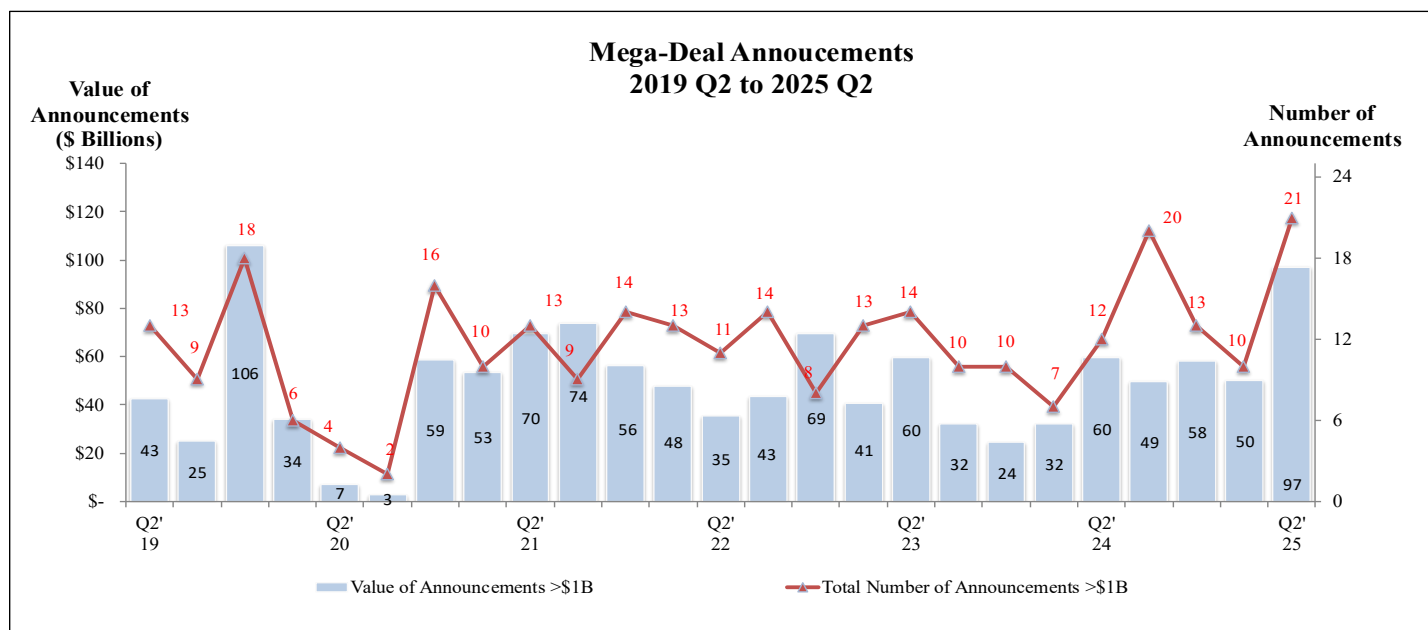
Cross-border M&A continued to be a driver of activity in Q2 2025. Deal count remained in line with last quarter at 274 transactions, while total value climbed to \$48.1B. Canada-U.S. deals continued to represent a major part of the market, accounting for 58% of cross-border transactions and 78% of the associated value, despite ongoing trade uncertainty.

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## Overview

- Q2 2025 deal activity stayed in line with the previous quarter with 611 announcements, and deal value increased to \$114B (up 87% QoQ) driven by 21 mega-deals
- Mid-market transactions represented 85% of announcements where the value was disclosed
- The **Energy** and **Information Technology** sectors hosted some of the biggest deals this quarter
- Cross-border deal activity represented 45% of total transactions, in line with where it has been over the last few years (50%). **Canada/US** transactions represented the bulk of the activity (58%)



## Mega-Deals

- 21 mega-deals were announced in the quarter (those over \$1B) a decade high, representing \$97B in value and a 94% increase from last quarter
- The largest deal this quarter was **Sunoco LP's** \$14.3B acquisition of **Parkland Corporation**
- **Energy** led all sectors with 5 mega-deals totalling \$41.5B in value

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INDUSTRY GROUPS <sup>(1)</sup>	2025 Q1		2025 Q2	
	# of	Value	# of	Value
	Deals	\$Millions	Deals	\$Millions
Information Technology	117	3,556	83	18,364
Industrials	96	1,663	109	8,266
Real Estate	38	4,495	45	9,689
Metals and Mining	85	128	83	5,135
Health Care	48	6,250	25	2,497
Financials	41	2,182	52	5,036
Precious Metals	31	4,673	52	4,185
Communication Services	27	340	29	11,808
Consumer Discretionary	49	2,005	52	1,039
Energy	41	10,812	41	43,893
Consumer Staples	20	130	12	391
Materials	10	13,537	25	165
Utilities	9	12,722	3	3,056
Other	3	36	-	-
<b>TOTAL</b>	<b>615</b>	<b>62,528</b>	<b>611</b>	<b>113,525</b>
Services	87	3,486	66	37,613

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

### Industry Sector Activity

- Noticeable deal count increases were seen in **Precious Metals (+21)**, **Materials (+15)**, and **Industrials (+13)**
- **Information Technology (-34)** and **Healthcare (-23)** experienced the largest declines
- **Energy and Information Technology** generated the largest aggregate deal value at \$43.8B and \$18.3B, driven by five and two mega-deals in each sector, respectively

Size	2025 Q1				2025 Q2			
	# of	Value			# of	Value		
	Deals	%	\$ Millions	%	Deals	%	\$ Millions	%
<\$100m	180	29	2,278	4	204	33	2,345	2
\$101m-\$250m	13	2	2,156	3	26	4	4,318	4
\$251m-\$500m	10	2	3,630	6	12	2	4,352	4
\$501m-\$1b	6	1	4,300	7	9	1	5,706	5
>\$1b	10	2	50,164	80	21	3	97,147	85
Undisclosed	396	64	0	0	339	55	0	0
	<u>615</u>		<u>62,528</u>		<u>611</u>		<u>113,868</u>	

### Breakdown by Transaction Size

- Mid-market activity (deal value below \$250M) accounted for 85% of deal count
- There were 230 mid-market transactions, up 19% from last quarter, totaling \$6.7B in value, up 50% over the same period

	2025 Q1		2025 Q2	
	# of	Value	# of	Value
	Deals	\$ Millions	Deals	\$ Millions
Canadian Targets				
With Canadian Buyers	282	25,550	293	22,614
With Foreign Buyers	95	21,992	99	34,395
<b>Domestic M&amp;A</b>	<b>377</b>	<b>47,542</b>	<b>392</b>	<b>57,009</b>
Foreign Targets (Canadian Buyer)	185	9,771	175	13,657
Canadian Foreign Subsidiaries Sold to Foreign Buyers	53	5,215	44	43,202
<b>Foreign M&amp;A</b>	<b>238</b>	<b>14,986</b>	<b>219</b>	<b>56,859</b>
	<b>615</b>	<b>62,528</b>	<b>611</b>	<b>113,868</b>

### Canadian Domiciled versus Foreign M&A Targets

- Acquisitions involving Canadian targets rose 4% quarter-over-quarter to 392 deals, with 293 (75%) of those involving domestic buyers and 99 (25%) involving foreign acquirors
- Canadian firms remained active internationally, making 175 acquisitions of foreign targets

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	2025 Q1		2025 Q2	
	# of Deals	Value \$Millions	# of Deals	Value \$Millions
Outbound M&A (CDN Buyer/ Foreign Target)	185	9,771	175	13,657
Inbound M&A (Foreign Buyer/ CDN Target)	95	21,992	99	34,395
<b>Total Cross Border</b>	<b>280</b>	<b>31,763</b>	<b>274</b>	<b>48,053</b>
<i>Outbound : Inbound Ratio</i>	<i>1.95</i>	<i>0.44</i>	<i>1.77</i>	<i>0.40</i>
<i>Cross Border as % of Total Activity</i>	<i>46%</i>	<i>51%</i>	<i>45%</i>	<i>42%</i>
<b>Canada / US Activity</b>				
US Target	110	5,529	88	7,999
US Buyer	66	8,239	70	29,421
<b>Total Canada/US</b>	<b>176</b>	<b>13,768</b>	<b>158</b>	<b>37,419</b>
<i>Canada/ US as % of Cross Border</i>	<i>63%</i>	<i>43%</i>	<i>58%</i>	<i>78%</i>
	<b>615</b>	<b>62,528</b>	<b>611</b>	<b>113,868</b>

### Cross-Border Deals

- Cross-border deals represented 45% of overall deal activity and contributed to 42% of total deal value in Q2 2025
- The ratio of outbound to inbound transactions declined slightly to 1.77:1
- Canada–U.S. cross-border deals remain resilient through tariff noise, with total deal value rising to 78% and accounting for 58% of total cross-border transactions

	2025 Q1				2025 Q2			
	# of Deals	%	Value \$ Millions	%	# of Deals	%	Value \$ Millions	%
Ontario	147	39	22,327	47	136	35	20,151	35
British Columbia	80	21	1,428	3	120	31	15,387	27
Quebec	64	17	564	1	52	13	748	1
Alberta	40	11	23,092	49	43	11	19,983	35
Saskatchewan	21	6	65	0	13	3	461	1
Newfoundland	2	1	8	0	4	1	14	0
New Brunswick	7	2	1	0	5	1	1	0
Manitoba	6	2	-	0	6	2	198	0
Nova Scotia	7	2	6	0	9	2	66	0
Prince Edward Island	2	1	52	0	-	-	-	0
Northwest Territories	-	-	-	0	1	0	-	0
Yukon Territory	-	-	-	0	2	1	1	0
Nunavut	1	0	-	0	1	0	0	0
	<b>377</b>		<b>47,542</b>		<b>392</b>		<b>57,009</b>	

### Deals by Provincial Domicile

- Domestic aggregate deal count and deal value increased from the previous quarter
- **Ontario** remained the most active province by deal count (136), representing 35% of all transaction value for Canadian-domiciled targets
- **British Columbia** experienced the largest increase in deals (+40) from last quarter, totalling 120 deals worth \$15.3B.

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## Largest Transactions in Q2 2025

Target Industry	Announced Date	Value (\$ millions)	Target	Role	Transaction Status
Energy	5-May-25	\$14,303	Parkland Corporation Neuberger Berman Private Markets, EQT, and the Canada Pension Plan Investment Board Engine Capital, L.P.; Engine Investments, LLC; Simpson Oil Limited	Target Acquiror Vendor	Announced
Information Technology	27-May-25	\$13,858	Informatica Inc. Salesforce, Inc. Partners Group, Caisse de dépôt et placement du Québec, and Ontario Teachers' Pension Plan	Target Acquiror Vendor	Announced
Energy	3-Apr-25	\$12,637	Colonial Enterprises, Inc. Brookfield Infrastructure Partners L.P. KKR & Co. Inc.; Caisse de dépôt et placement du Québec; IFM Investors Pty Ltd; Koch Capital	Target Acquiror Vendor	Announced
Energy	30-May-25	\$7,703	Encino Acquisition Partners LLC EOG Resources, Inc. Canada Pension Plan Investment Board; Encino Energy, LLC	Target Acquiror Vendor	Announced
Communication Services	4-Apr-25	\$7,000	Backhaul Network Services Inc. Blackstone Private Credit Strategies LLC Rogers Communications Canada Inc.	Target Acquiror Vendor	Closed
Energy	17-Jun-25	\$5,150	Plains Midstream Canada ULC Keyera Corp. Plains All American Pipeline, L.P.	Target Acquiror Vendor	Announced
Information Technology	1-Apr-25	\$3,752	Alphawave IP Group plc QUALCOMM Incorporated	Target Acquiror	Announced
Real Estate	27-May-25	\$3,693	InterRent Real Estate Investment Trust GIC Private Limited; CLV Group Inc.	Target Acquiror	Announced
Communication Services	12-Jun-25	\$3,434	TELUS International (Cda) Inc. TELUS Corporation EQT Private Capital Asia	Target Acquiror Vendor	Announced
Financials	27-May-25	\$3,300	Personal insurance business and majority of the commercial insurance business of Travelers Canada Definity Financial Corporation The Travelers Companies, Inc.	Target Acquiror Vendor	Announced
Utilities	14-Apr-25	\$3,055	Two Flexible Generation Assets in PJM Orla Mining Ltd. LS Power Equity Advisors, LLC	Target Acquiror Vendor	Closed
Precious Metals	11-May-25	\$3,010	MAG Silver Corp. Pan American Silver Corp. Fresnillo plc	Target Acquiror Vendor	Announced
Industrials	7-May-25	\$2,412	Veolia Water Technologies & Solutions Veolia Environnement SA Caisse de dépôt et placement du Québec	Target Acquiror Vendor	Announced
Industrials	24-Apr-25	\$2,348	Andlauer Healthcare Group Inc. United Parcel Service, Inc. Andlauer Management Group Inc.	Target Acquiror Vendor	Announced
Metals and Mining	27-May-25	\$1,980	MAC Copper Limited Harmony Gold (Australia) Pty Limited V B S Investments Pty. Limited; Bep Special Situations LLC; Osisko Bermuda Limited; Sprott Private	Target Acquiror Vendor	Announced