

Current M&A Trends & Forecast for 2026

From consolidation to convergence:
how geopolitics, AI, and capital discipline are
reshaping global dealmaking.



SPiRE

About Spire

Spire is the M&A partner for startups navigating small and mid-sized transactions, from strategic tuck-ins to full acquisitions. We work directly with CEOs and management teams to lead the entire process end-to-end: from readiness and positioning, through buyer mapping and negotiations, to deal closure.

Founded by entrepreneurs who've built, scaled, and exited companies themselves, Spire brings the operator's perspective to M&A - understanding firsthand how to prepare, negotiate, and deliver successful outcomes without losing momentum in the business. Our team embeds alongside leadership to manage the process while founders keep running the company, ensuring both growth and deal progress stay on track.

With deep experience in early-stage M&A and a global network of corporate development leaders, strategic acquirers, and industry buyers, Spire bridges startups with the companies most likely to value their capabilities. The result: faster, cleaner, and higher-value outcomes that align both with founders' vision and the acquirer's strategic intent.

Spire Achievements

Total Value

\$1b+

Total Deals

30+

SPIRE

Intro

A decade ago, M&A was a game of scale. Companies bought rivals to bulk up, defend turf, and squeeze out efficiencies. The great consolidators of the 2010s and 2020 defined success by size. But the world has shifted. In the past two years, dealmaking has been shaped less by empire-building and more by survival and reinvention. Geopolitics fractured supply chains, AI overturned playbooks overnight, and incumbents discovered that staying still was riskier than leaping sideways into adjacencies. Today, cross-sector deals are no longer exceptions, they are the front line of strategy. Energy giants buy software, retailers buy fintech, pharma buys data. The borders between industries are dissolving.

Looking ahead to 2026, M&A is set to become a powerful instrument of transformation in the corporate arsenal. The winners will not be those who simply add revenue, but those who rewrite their DNA - acquiring capabilities that let them play in ecosystems far larger than their origins. Expect hyperscalers to race into health data, financial institutions to embed AI at their core, and industrials to become software companies in disguise. For sellers, the opportunity is to stop thinking like a vertical player and start positioning as a capability provider to the world. For buyers, the mandate is bold: use M&A not as an insurance policy, but as a bet on the future you want to own.

Covered Topics:

- ✦ THE EXIT CURVE IS FLIPPING
- ✦ THE AGE OF PES
- ✦ 'CURVE-OUTS' ARE NOW IN
- ✦ M&A = MORE & AI
- ✦ SECONDARIES BECOME THE PRIMARY ROUTE
- ✦ DEALS DON'T END AT CLOSING
- ✦ FRIEND-SHORING & NEAR-SHORING
- ✦ UPSTREAM, DOWNSTREAM, ALL AROUND INTEGRATION
- ✦ DEALS WITHOUT BORDERS

The Exit Curve is Flipping

If we had looked at the exit curve in the past, the picture would have resembled a bell curve: most deals clustered in the middle, with relatively fewer small or very large transactions.

That shape has now broken. The curve has flipped into a barbell. On one side, a rising wave of sub \$100M exits tuck-ins, acqui-hires, and capability buys. On the other, an expanding share of multi-billion-dollar transactions. The middle, once the dominant part of the market, is rapidly decreasing. The drivers are clear. Corporates and private equity funds are both sitting on record amounts of cash and are under pressure to deploy it – fueling larger, bolder bets.

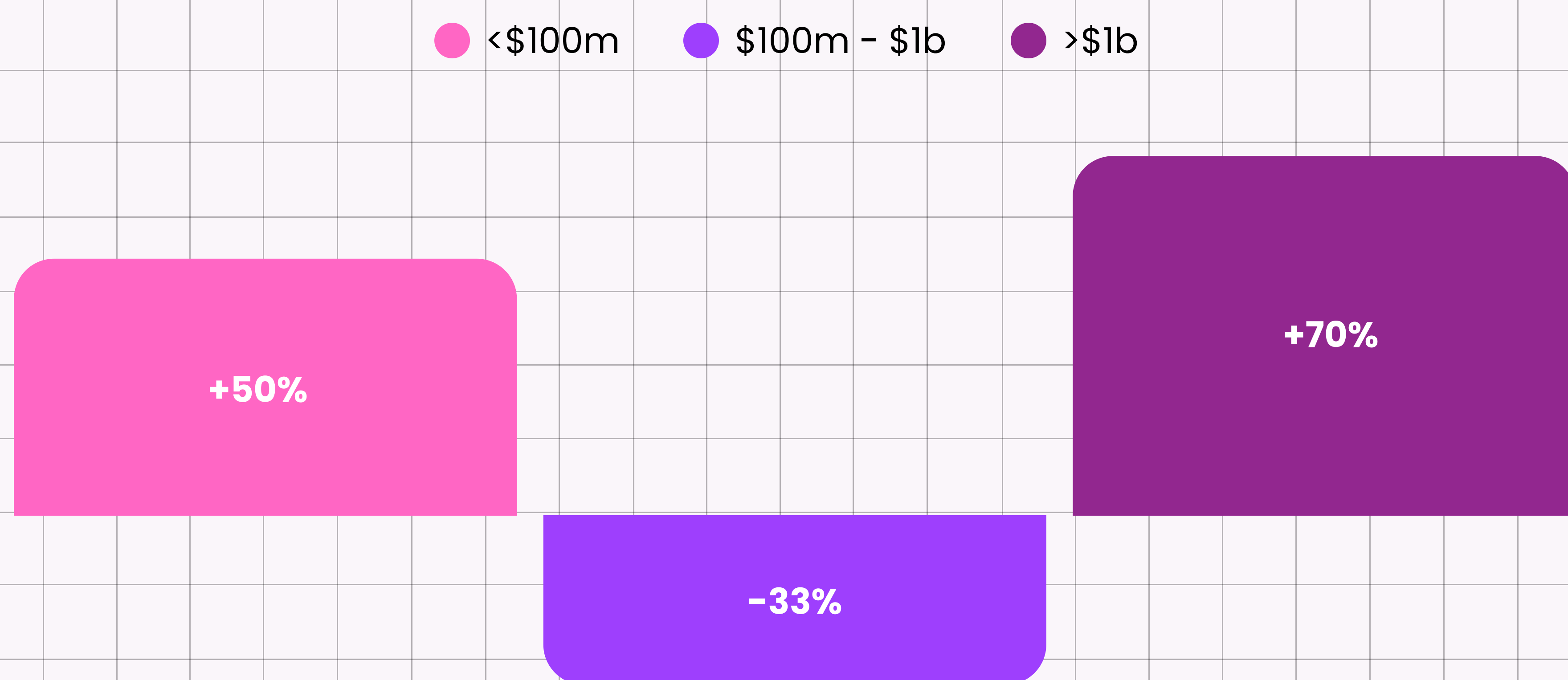
On the other hand, AI has pulled acquisitions earlier than ever, with buyers scooping up teams and products long before major capital raises, sometimes at little more than a proof-of-concept stage. Founders, facing tighter funding conditions and higher dilution risk, often prefer quicker, smaller outcomes. Meanwhile, diligence and integration costs continue to rise, making mid-sized transactions less attractive for both sides.

The numbers confirm it. In H1-2025, global deal value reached one of the strongest half-year totals on record, already surpassing nearly all of 2024. At the top end, Israel delivered two landmark examples: Google's \$32B acquisition of Wiz and Palo Alto Networks' \$25B acquisition of CyberArk.

At the low end, the number of small exits jumped by nearly 50% compared with H1-2024, reflecting the steady appetite for tuck-ins and acqui-hires. The message is simple: the bell curve is gone.

2026 will be shaped by mega-deals that compress time-to-strategy, and rapid small acquisitions that compress time-to-capability.

Deal Counts: Relevaive Change by Size bucket (H1-25 Vs H1-24)



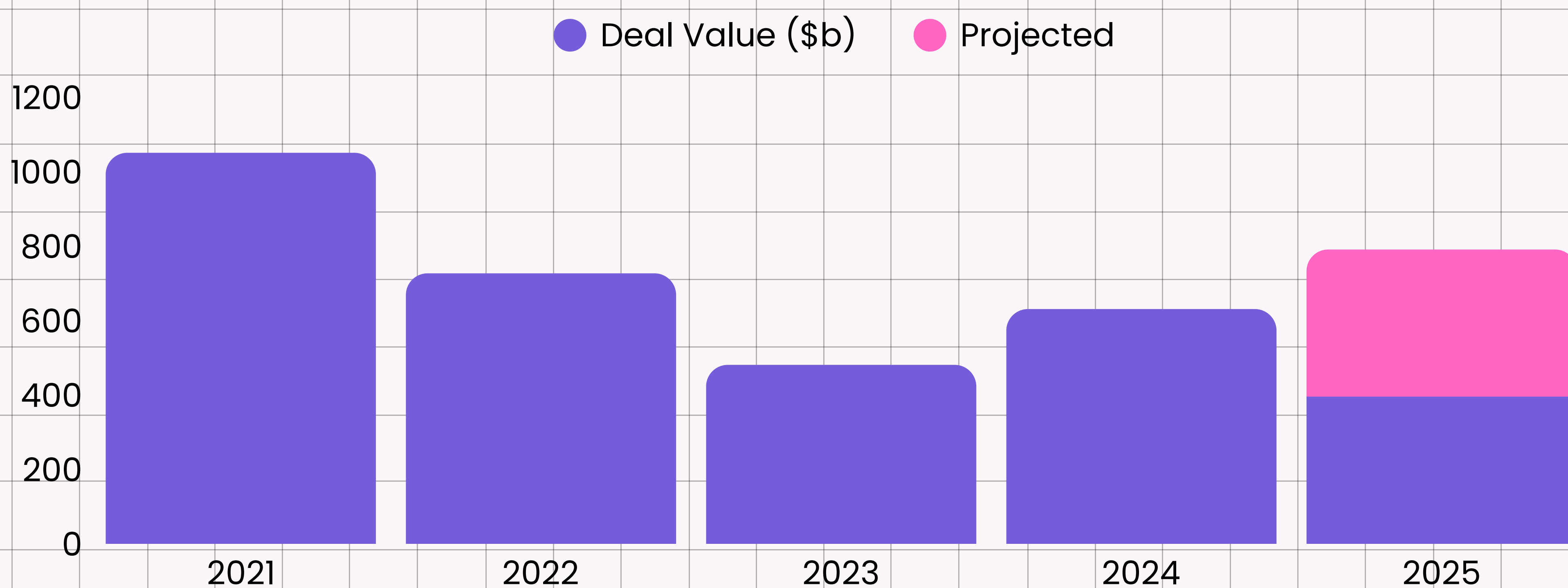
Source: PwC Global M&A Trends Mid-Year 2025; CB Insights Tech Exits H1 2025; PitchBook M&A Report Q2 2025; IVC Research Center (Israel Tech Exits)

The Age of PEs

Private equity has re-emerged as one of the most powerful forces in M&A. After a slower couple of years, the model is heating up again as investors channel record levels of capital into buyout funds. Today, global PE dry powder stands at over \$1.2 trillion, with a significant portion aging beyond four years. That creates real pressure to deploy capital – fueling a wave of take-privates, carve-outs, and systematic bolt-ons.

This momentum is not just about stockpiled cash; it's also about flow. As capital markets reopen, IPOs and secondary transactions are releasing liquidity back to limited partners. Much of this capital is being recycled straight back into PE, creating a feedback loop of investment and reinvestment. At the same time, debt markets have become more accessible for high-quality assets, enabling sponsors to finance larger, more ambitious deals than in the past two years.

Global Private Equity & Venture Capital Deal Value



Source: S&P Global Market Intelligence

The broader environment also plays into PE's strengths. With corporates focusing on core businesses and spinning off non-core units, sponsors are natural buyers. Their operational playbooks – efficiency programs, digital transformation, and consolidation in fragmented industries – align perfectly with what the market demands. Institutional investors, still searching for yield in a volatile macro environment, continue to increase allocations to the asset class.

The implication for 2026 is clear: private equity is not just recovering, it is entering a new phase of prominence. Expect firms to be aggressive at both ends of the spectrum – pursuing transformational take-privates of scale, while simultaneously running bolt-on rollups in vertical SaaS, healthcare services, and industrial technology. For founders and boards, that means PE is no longer just a secondary option; it is often the default buyer.

'Curve-Outs' Are Now In

Carve-outs have moved from being occasional events to a steady pipeline of deal flow. Corporates are refocusing on core businesses, and non-core units are increasingly spun off or sold. Private equity, with record dry powder and pressure to deploy, has become the natural buyer – acquiring businesses with established revenue and improving them outside the constraints of a large parent.

The trend is backed by numbers. In the first half of 2025, carve-out activity totaled nearly \$24 billion across 145 deals, up from about \$20 billion across 127 deals in the same period of 2024. In the U.S., carve-outs now account for more than 10% of all buyouts, above the five-year average of 8.7%. This shows that carve-outs are no longer opportunistic – they are becoming systematic.

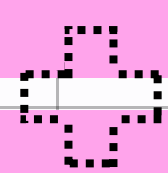
For sellers, preparing clean financials and separation plans has become a strategic priority, helping to attract more bidders and higher valuations. For buyers, repeatability is the edge: the firms that can execute carve-outs faster and integrate them more effectively will capture the most value. As we move into 2026, carve-outs are set to become an even more dominant feature of the M&A landscape.

Why Carve-Outs Moved from Episodic to Systematic

Corporate Lane

Structural Drivers:

- Refocus on Core Businesses
- Conglomerate Discount Pressure
- Regulatory & Activist Demands



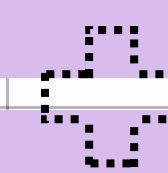
Corporate Triggers

- Refocus on Core Businesses
- Conglomerate Discount Pressure
- Regulatory & Activist Demands

Private Equity Lane

Financial Drivers:

- \$1.2T Dry Powder to Deploy
- Reopened Credit & Private Dept
- Appetite for Curve-Outs



PE Playbook

- Carve-Out Factories
- Operational Uplift & Bolt-Ons
- Faster, Repeatable Execution

Outcomes

- Curve-Outs Now Systematic, Not Episodic
- Higher Volumes and Valuations
- Faster Deal Cycle

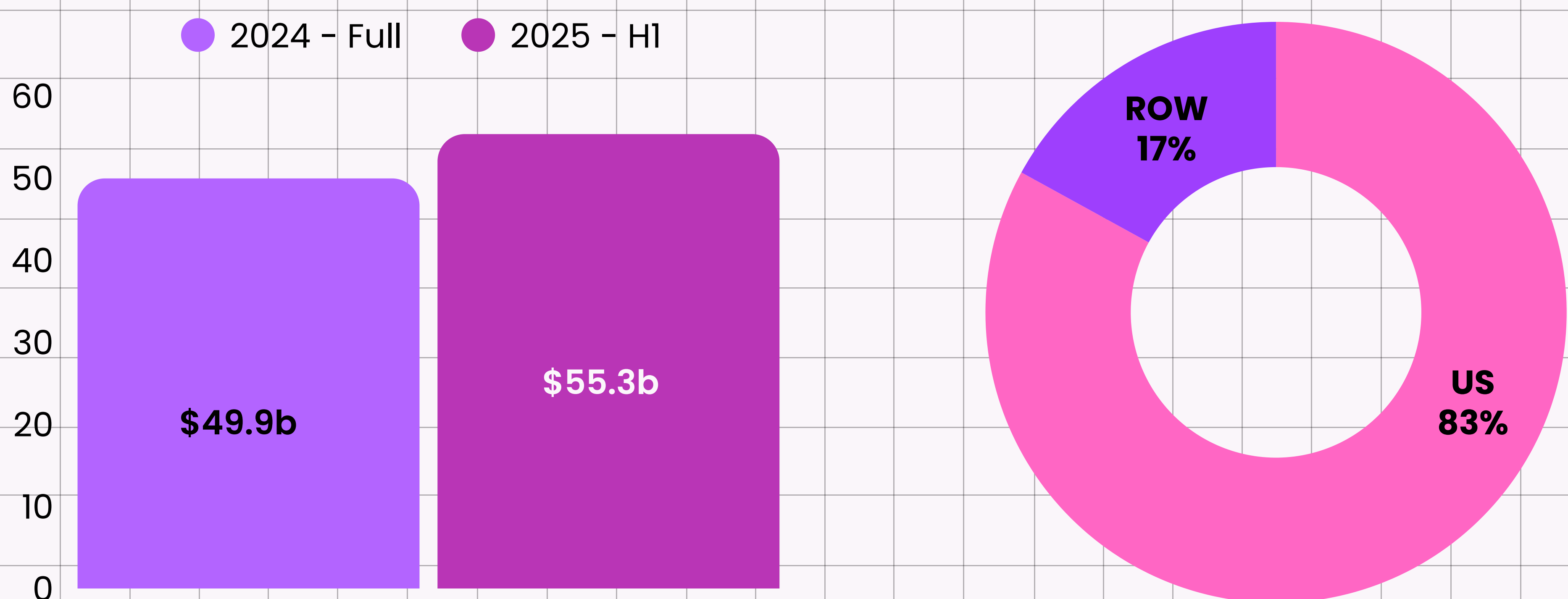
M&A = More & AI

Artificial intelligence has become one of the strongest forces shaping M&A. Where companies once waited for startups to reach scale, buyers today are moving earlier – acquiring teams, models, datasets, and infrastructure well before major funding rounds. For many incumbents, buying capability is faster, cheaper, and less risky than building it from scratch, and acqui-hires have become a mainstream tool to secure scarce talent.

The scale of capital flowing into AI shows how powerful this trend has become. Ropes & Gray estimate that Microsoft, Alphabet, Amazon, and Meta will spend about \$320 billion on AI technologies and infrastructure in 2025, up from roughly \$230 billion a year earlier. Mergermarket data shows AI startup M&A volume rose 53% in 2024, with valuations nearly tripling, while PwC notes that in Q1 2025 alone, tech deal value reached \$64 billion, much of it driven by hyperscalers acquiring startups for data orchestration, model optimization, and infrastructure.

Looking ahead to 2026, this momentum is unlikely to slow. Expect more acquisitions in synthetic data, monitoring and observability, edge and embedded AI & inference infrastructure. Hyperscalers and incumbents will continue to pursue tactical acquisitions – small teams, focused products, or specialized infrastructure that slot directly into their platforms. For founders, this means exits may come far earlier than traditional venture paths suggest, sometimes at the “team plus prototype” stage. In short, AI is reshaping the size, shape, and speed of dealmaking itself.

AI M&A Startups – Deal Value (\$)



Source: Mergermarket (via PYMNTS) for the 2024 vs 2025 value & count charts.
Use Ropes & Gray, AI H1 2025 Global Report (Aug 2025) for value share, volume share, and PE deals.

Secondaries Become the Primary Route

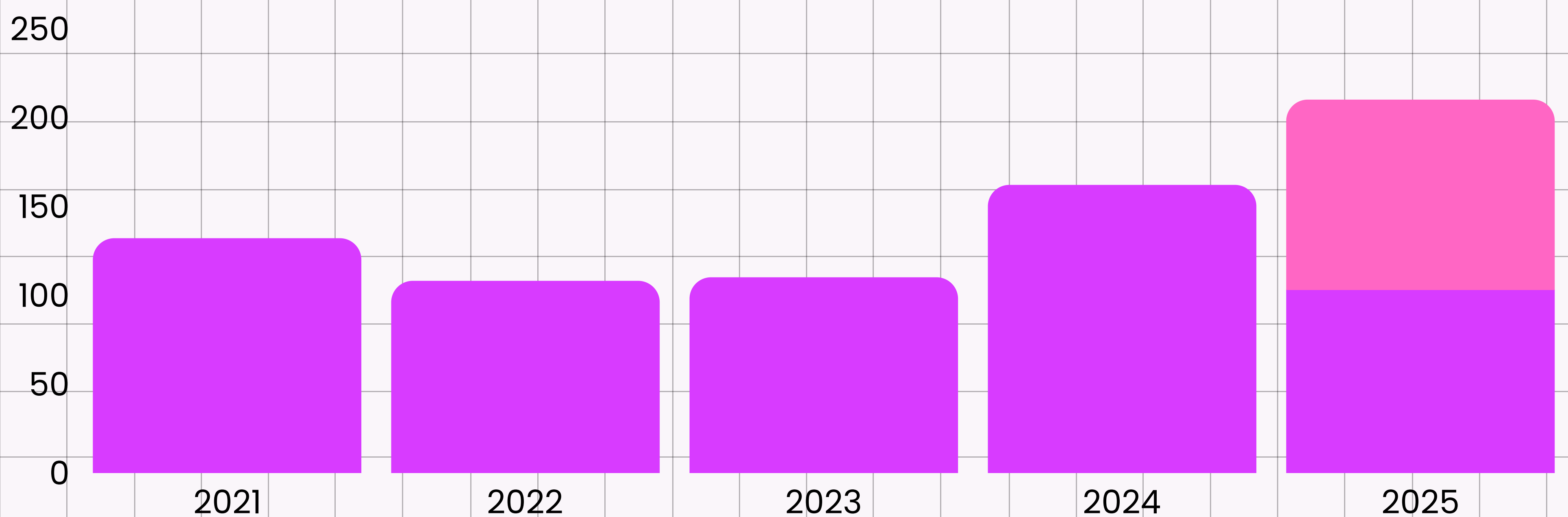
As exit timelines stretch and IPO markets remain uncertain, liquidity is no longer a binary event. Increasingly, founders and employees are accessing partial liquidity through structured secondary programs long before a full exit. What was once a rare exception has become a mainstream feature of venture-backed companies, reshaping incentives and deal dynamics.

The mechanics vary: some programs are led by existing investors buying shares from founders and early employees; others are structured around dedicated secondary funds or large crossover investors stepping in with new capital. In many cases, corporates or PE firms use these transactions to build early positions in promising startups without triggering a full acquisition. According to PitchBook, global secondary transactions in venture-backed companies surpassed \$100 billion in 2024, with founder and employee liquidity representing a growing share of that total.

The logic is straightforward. For employees, liquidity reduces attrition risk and keeps talent engaged without relying solely on a distant IPO. For founders, selling a portion of their holdings diversifies risk, creates personal runway, and allows them to stay focused on building for the long term. For investors, these programs serve as pressure valves – providing early liquidity to LPs and making it easier to raise continuation funds.

Global Secondary Market

● Actual ● Projected



Jefferies, Global Secondary Market Review (Jan & Jul 2025); Lazard, 2024 Secondary Market Report; William Blair, 2024 Secondary Market Survey; BlackRock Institutional updates.

Looking to 2026, expect structured liquidity to become standard in growth-stage financing rounds. Boards and investors are increasingly formalizing these programs, setting guardrails on volume and timing to avoid signaling risk. For founders and employees, the key will be to negotiate fair valuations and ensure that liquidity is aligned with the company's long-term growth story. For buyers, secondary positions are a way to secure exposure to high-value assets before they come fully to market.

Friend-shoring & Near-shoring

Global M&A is increasingly shaped by geopolitics. The shocks of COVID, trade wars, and the war in Ukraine exposed just how fragile supply chains can be when they depend on rivals or unstable partners. In response, corporations and governments have turned to friend-shoring – building supply chains and investment flows with political and economic allies and near-shoring, shifting critical activities closer to end markets.

These strategies are now visible in dealmaking. Cross-border M&A is no longer about pure efficiency; it is about resilience and alignment. In semiconductors, batteries, energy, and defense-related tech, acquisitions are tilting toward jurisdictions considered “safe harbors.” U.S. and European firms are doubling down on deals in Mexico, Eastern Europe, and Israel, while Asian acquirers are increasingly targeting Southeast Asia and India. These moves are reinforced by government incentives such as the U.S. CHIPS Act and EU Green Deal funding that explicitly favor domestic or allied capacity.

The result is a re-drawing of the M&A map. According to OECD and World Bank data, greenfield FDI and cross-border deal flows into “friend” jurisdictions have grown steadily since 2022, while investment into China and Russia has shrunk to historic lows. PwC reports that by mid-2025, over 60% of announced industrial tech deals had a friend-shoring or near-shoring angle, whether through geography or supply-chain integration. For dealmakers, this is more than politics – it directly affects valuations, buyer lists, and the pool of acquirers. Assets located in the “right” geographies will command premium multiples, while those in politically exposed markets may struggle to find buyers at all.

Looking ahead to 2026, expect friend-shoring and near-shoring to become even more prominent as industrial policy collides with corporate strategy. For sellers, the implication is clear: positioning your company as part of a resilient, ally-aligned supply chain can be as valuable as growth metrics themselves. For buyers, the opportunity lies in locking down assets in friendly jurisdictions before competition and valuations surge further.

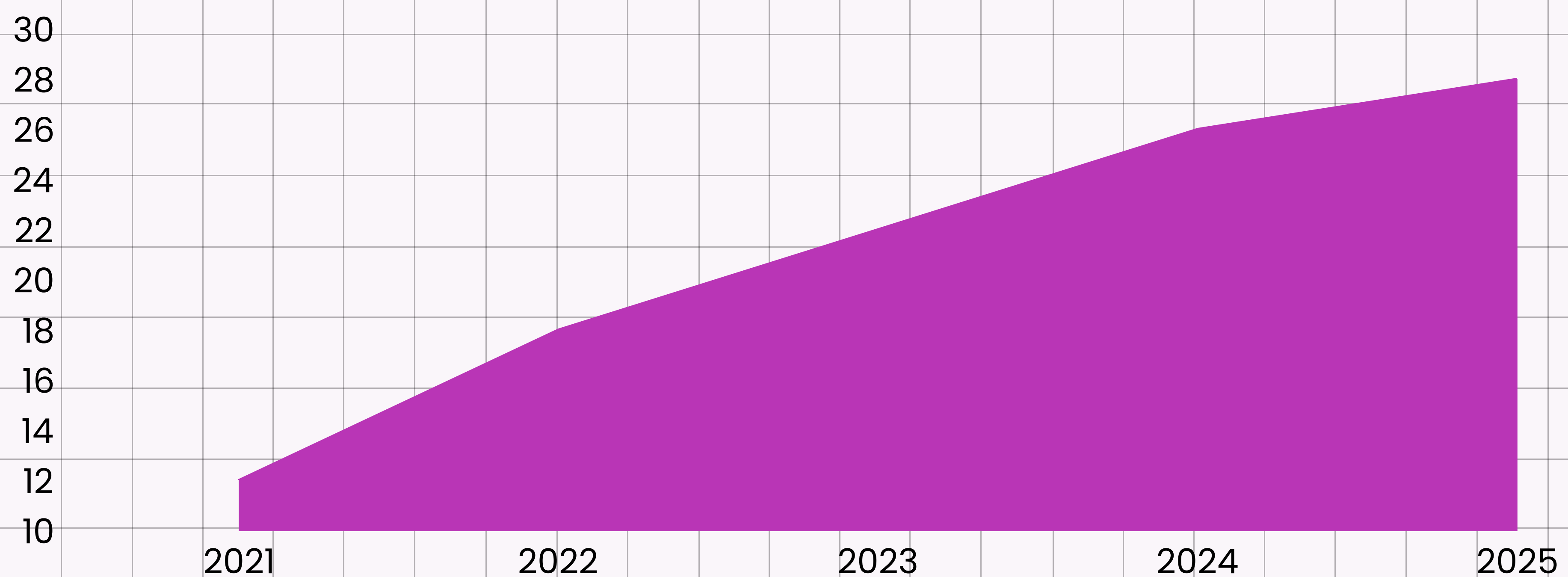
Upstream, Downstream, All Around Integration

Vertical integration is back in fashion. In critical sectors like semiconductors, energy transition, and defense, companies are moving both upstream and downstream in their value chains to secure supply, talent, and IP. The old playbook of buying adjacent products is giving way to a new one: controlling more of the stack to reduce dependency and ensure resilience.

The logic is clear. The chip shortage, energy transition, and geopolitical shocks exposed just how vulnerable global supply chains can be. As a result, automakers are acquiring battery and charging assets, semiconductor firms are investing in fabs and packaging, and defense primes are buying specialized component makers and cyber/AI startups. According to Bain, valuation multiples in these sectors have been 20–30% higher than the market average, reflecting the premium buyers pay for control.

This pattern will intensify in 2026. Government subsidies – such as the U.S. CHIPS Act and EU Green Deal are reinforcing domestic and allied supply chains, while corporates are racing to lock down scarce assets before prices climb further. For founders, being positioned as a critical node in the chain can dramatically increase valuations. For buyers, the imperative is to act quickly: the competition for strategic integration targets is only getting stronger.

Premium Valuation % for Vertical Integration Deals



Source: Bain Global M&A Report 2025; PwC Energy & Industrial Tech M&A Insights 2025; BCG M&A Review 2024–2025.

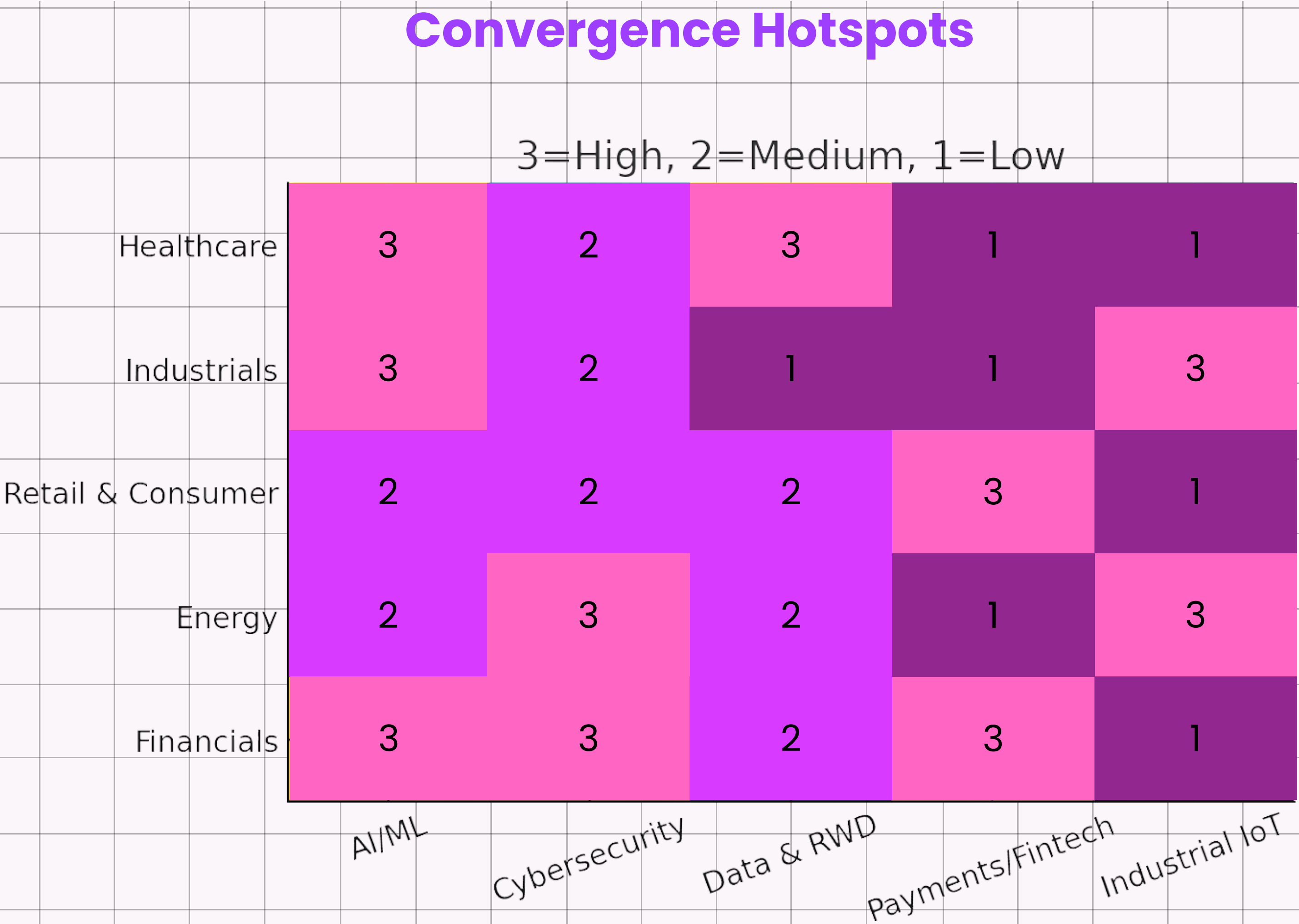
Deals Without (sector) Borders

Industry boundaries are blurring. Where M&A once meant consolidating market share inside a vertical, 2024–2025 has shown a clear rise in cross-sector convergence: healthcare companies buying data analytics firms, industrials acquiring AI startups, retailers acquiring fintechs, and energy players moving into software and IoT. The common driver is not diversification for its own sake, but the search for capabilities that cut across industries – AI, data, payments, and digital infrastructure.

Recent data underscores the trend. According to Refinitiv, more than 30% of technology-related M&A in 2024 involved buyers outside traditional tech, compared with ~18% a decade ago. PwC notes that “capability-driven convergence” was a defining feature of megadeals in 2025, especially where incumbents needed AI, cybersecurity, or data platforms to accelerate existing strategies. For example, consumer platforms have pursued fintech and payments to strengthen monetization, while pharma and medtech have raced to acquire real-world data and AI-enabled diagnostics.

The strategic rationale is clear. Incumbents face pressure to reinvent business models in a digital-first economy. Buying into adjacencies allows them to accelerate this shift faster than organic R&D, while also defending against disruption from startups and tech giants. Convergence deals are often smaller, but when aligned with strategic gaps, they command premiums above sector averages.

Looking ahead, 2026 will likely bring more convergence across AI, fintech, health data, and industrial tech, with hyperscalers, financial institutions, and healthcare leaders all looking to buy capabilities outside their core. For sellers, the message is simple: position your company not just as a vertical player, but as a capability provider that solves a cross-industry problem. For buyers, convergence M&A is no longer opportunistic, it’s becoming a critical lever of transformation.



Source: BCG Global M&A Report 2024; PwC Industry M&A Trends 2025; NBER w31126; McKinsey Cybersecurity Outlook 2024”.
Ranks (High/Medium/Low) based on sector deal thematics from BCG, PwC, McKinsey, NBER

Thanks for reading

The next wave of M&A will reward those who move early, think cross-sector, and build for adaptability. At Spire, we work side by side with founders to turn these market shifts into opportunity – helping startups prepare, position, and connect with the right strategic buyers.

Because in a world where dealmaking keeps evolving, our goal is simple, to make sure you're ready when opportunity knocks.

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