



This article first appeared in the April 2026 issue of Financier Worldwide magazine. Permission to use this reprint has been granted by the publisher. © 2026 Financier Worldwide Limited.



■ **WORLDWATCH REPRINT** April 2026

# MERGERS & ACQUISITIONS

Amid heightened geopolitical tensions – including ongoing conflicts and new regulatory measures that have increased market volatility and risk aversion – the global M&A landscape has shifted from a subdued cycle to a K-shaped recovery led largely by megadeals and well-capitalised strategic buyers. Technology and healthcare remain subject to particularly intense regulatory scrutiny, making early risk assessment increasingly important. Overall, despite wider macroeconomic fluctuations, current levels of M&A activity indicate a healthy pipeline and the prospect of strong deal flow in the months ahead. ■



### THE PANELLISTS



#### UNITED ARAB EMIRATES

##### **ROHIT MAHESHWARI**

Partner & Head of Corporate Finance  
Deloitte Middle East  
E: romaheshwari@deloitte.com

Rohit Maheshwari is a partner at Deloitte Middle East and leads the corporate finance practice for the firm. With over two decades of experience in investment banking, he has established a strong track record of deep expertise in M&A, capital markets and strategic advisory. He specialises in assisting clients on complex financial transactions and delivering tailored solutions to drive growth and enhance value.



#### UNITED KINGDOM

##### **ALEX HARTLEY**

Partner  
KPMG in the UK  
T: +44 (0)7720 288 945  
E: alex.hartley@kpmg.co.uk

Alex Hartley is a partner and UK head of corporate finance at KPMG. He has advised on numerous complex transactions across technology, energy, services and industrials, including strategic investments, buyouts and high-profile sales involving private equity sponsors and global corporates.



#### BRAZIL

##### **FILIFE B. ARENO**

Partner  
Skadden, Arps, Slate, Meagher & Flom  
T: +55 (11) 3708 1848  
E: filipe.arenoskadden.com

Filipe B. Areno has extensive experience advising on M&A throughout Latin America, working with clients across a broad spectrum of sectors, including infrastructure, technology and healthcare. He is consistently recognised as a leading practitioner in his field, having been named among Latin America's Top 100 Lawyers for Corporate/M&A by Latinex and listed as an expert in Who's Who Legal: Corporate for M&A. Mr Areno is also highly ranked by Chambers Global and Chambers Latin America.



#### UNITED STATES

##### **FRANK AQUILA**

Senior M&A Partner  
Sullivan & Cromwell LLP  
T: +1 (212) 558 4048  
E: aquilaf@sullcrom.com

The Financial Times has described Frank Aquila as "one of the most influential and high-profile M&A and corporate lawyers in the US". In December 2019, he was one of the dealmakers profiled in the FT article 'Deal lawyers are masters of seeing the next move'. He is universally recognised as one of the world's leading M&A lawyers, having advised on deals valued at more than \$1 trillion.



#### GERMANY

##### **THYL N. HASSLER**

Partner  
White & Case LLP  
T: +49 211 49195 343  
E: thyl.hassler@whitecase.com

Dr Thyl N. Haßler is a partner in the M&A practice group of White & Case LLP. He advises financial sponsors, infrastructure funds, sovereign wealth funds and other investors in the energy and infrastructure sector on domestic and cross-border M&A transactions, carve outs, co-investments, the formation of domestic and cross-border joint ventures, as well as strategic alliances across all energy and infrastructure asset classes. He is recognised by Legal 500 for corporate, M&A and energy transactions and named among Germany's best lawyers for M&A in Best Lawyers/Handelsblatt 2025 and 2026.

## FW: HOW HAS THE M&A LANDSCAPE EVOLVED OVER THE PAST YEAR? WHAT UNDERLYING MOTIVATIONS ARE PUSHING COMPANIES TO PURSUE TRANSACTIONS IN THE CURRENT ENVIRONMENT?

### UNITED ARAB EMIRATES

**Maheshwari:** The Middle East deal-making environment remains robust, driven by structural factors transforming the region's M&A landscape. 2025 saw impressive growth in both M&A value and transaction volumes across the United Arab Emirates (UAE) and the broader Middle East region. The UAE and the broader Middle East have historically been capital-exporting regions, focused on creating long term financial assets to diversify away from hydrocarbon dependence. This remains one of the key motivations for UAE players allocating capital globally in sectors with long-term potential. However, in recent years, we have observed a shift, with M&A increasingly being used as a tool to acquire capabilities, expand geographically and integrate more broadly across the value chain. Key participants in the M&A market have also evolved. While sovereign wealth funds (SWF) historically accounted for the lion's share of activity, strategics are now participating at significant scale. In addition, middle-market corporates – both SWF-backed and privately owned – are increasingly

using M&A to further their strategic agendas. Finally, we are seeing increased capital inflows into the region from international players, as the Middle East offers an attractive combination of emerging market growth, high gross domestic product per capita, and limited currency risk given the pegged nature of most Gulf Cooperation Council (GCC) currencies.

### UNITED STATES

**Aquila:** Over the past year, the global M&A landscape has transitioned from a subdued cycle into a distinct K-shaped recovery characterised by a 40 percent surge in global deal values to roughly \$3 trillion. This growth was propelled predominantly by megadeals and well-capitalised strategic buyers, while overall transaction volumes remained relatively flat, underscoring a highly concentrated rebound. The underlying motivations driving this activity have fundamentally shifted toward structural transformation rather than opportunistic expansion. With organic growth proving difficult to sustain, executives are pursuing transactions to rapidly acquire new capabilities, particularly in artificial intelligence (AI), and secure footholds in higher-growth markets.

### BRAZIL

**Areno:** Over the past year, the global M&A landscape has been affected by heightened geopolitical

tensions, including ongoing wars and new regulatory policies, which have increased market volatility and risk aversion. Despite these challenges, companies continue to pursue cross-border transactions, driven by the need for diversification, access to new markets and technological advancement. For deals involving Brazilian assets, the US dollar's strength has made Brazilian assets relatively cheaper for international bidders, so they remain attractive due to Brazil's growth potential and sector-specific opportunities. Notable sectors include rare earth resources, technology – particularly data centres due to Brazil's reliable water supply – and infrastructure. Additionally, buyers are motivated by the desire to secure supply chains and hedge against regional instability, making Brazil a strategic target in the current environment.

### GERMANY

**Haßler:** After a rather muted first half of 2025, we observed a strong resurgence of the global M&A landscape, with a significant rise of total deal values. This rebound has been led by megadeals in the AI sector and continued robust activity across infrastructure, energy assets and industrial manufacturing, as well as financial services and healthcare. State-driven protectionism and increased governmental scrutiny in cross-border deals or in deals in critical

sectors – such as infrastructure or defence – has continued in the past year. Despite ongoing political and economic uncertainties, strategic investments in digital infrastructure and energy related assets, or hybrid asset classes, to enhance resilience and capitalise on long term growth trends have accelerated. Investors are motivated by the need to futureproof, diversify and optimise their portfolios with value-creating transactions, while substantial capital is flowing into infrastructure, energy and AI and technology deals. Dry powder held by private equity (PE) and infrastructure funds and the drive for innovation and energy security, as well as infrastructure investments, are key factors fuelling current M&A pipelines.

### UNITED KINGDOM

**Hartley:** Over the past year, the M&A landscape has increasingly centred on value creation, with PE investors prioritising support for existing platforms and pursuing bolt-on acquisitions. This has been particularly evident in fragmented and resilient sectors, such as professional services, insurance services and wealth management. Falling interest rates and easing inflation have helped revitalise activity across a range of industries, with long term capital investments, especially in renewable energy, showing renewed momentum. Inbound US investment also remains robust, as the UK continues to be viewed as a stable and attractive market. However,

technology valuations have come under growing scrutiny as investors evaluate the potential risks and disruptive impact of AI, leading to more cautious sentiment in parts of the technology sector.

### FW: WHAT SHIFTS ARE YOU OBSERVING IN VALUATION BENCHMARKS AND DEAL MULTIPLES ACROSS THE MARKET? TO WHAT EXTENT ARE YOU SEEING MEANINGFUL MISALIGNMENTS BETWEEN BUYERS' AND SELLERS' PRICING EXPECTATIONS?

#### UNITED STATES

**Aquila:** We are finally witnessing a meaningful narrowing of the valuation gap that previously stalled transaction momentum, as sellers recalibrate their pricing expectations to reflect current market realities. Simultaneously, buyers are deploying capital with renewed confidence while maintaining strict financial discipline. Where misalignments persist, dealmakers are bridging the divide through highly creative transaction structuring. The market is seeing a marked increase in the use of earn-outs, multiples on invested capital structures, and substantial equity rollovers. These approaches allow sellers to retain upside potential while deferring buyer risk, paving the way for a much more fluid deal environment.

#### BRAZIL

**Areno:** Valuation benchmarks and deal multiples have experienced some volatility, reflecting broader economic uncertainty and shifting investor sentiment. In transactions involving Brazilian assets, although the recent appreciation of the Brazilian reais has increased local asset prices for foreign buyers, they remain attractive relative to global peers. We also see some misalignment between buyers' and sellers' pricing expectations due to differing views on future economic and political developments in the region, including potential election results in Brazil. Sellers often expect pre-uncertainty multiples, while buyers are more cautious, factoring in higher risk premiums.

#### UNITED KINGDOM

**Hartley:** Following the post pandemic valuation surge of 2021-22, the market largely recalibrated through 2023 and 2024. This reset helped narrow the valuation gap between buyers and sellers, supporting a healthier level of deal activity in 2025. Despite this rebasing, high quality, resilient and fast growing businesses continue to command premium multiples. Recent volatility in US tech markets has started to influence sentiment in the mid market, creating downward pressure on certain technology valuations. The coming months will be important in understanding how investors reassess the defensibility of legacy software models in light of accelerating AI adoption and the

perceived risk of technological obsolescence.



## GERMANY

**Haßler:** The M&A market is recalibrating as purchase price multiples ease after a period of peak valuations. Regional trends, however, are diverging: while US valuations continue to rise, Europe and Asia are seeing more conservative pricing. On a general note, assets with robust cashflows, resilient market position or strategic importance still attract higher multiples, whereas discounted multiples are frequently seen on assets which have operational challenges or are exposed to economic uncertainties. A main challenge we observe is the valuation gap between sellers and buyers, which might delay transactions or even lead to termination of discussions. Sellers may have a more optimistic view of their company's prospects, especially if their business performed well during recent disruptions or if they anticipate a market rebound. Buyers, however, may discount these projections, focusing on downside risks or normalising earnings to pre-boom levels. To overcome this, we notice an increased use of earn-out structures, deferred payments or minority co-investments as well as rollover structures where sellers retain a stake in the business.

## UNITED ARAB EMIRATES

**Maheshwari:** Valuation levels in the UAE public markets have

*The M&A market is recalibrating as purchase price multiples ease after a period of peak valuations. Regional trends, however, are diverging: while US valuations continue to rise, Europe and Asia are seeing more conservative pricing.*

GERMANY THYL N. HASSLER  
WHITE & CASE LLP

remained broadly stable, as reflected in the performance of the broader indices for 2025. This stability has also translated into M&A valuations across both public and private markets. Capital for M&A transactions continues to be readily available, supporting robust valuation levels for high-quality assets. However, valuations have begun to diverge meaningfully across sectors and asset quality. Buyers have become more selective and disciplined in their approach, resulting in widening valuation gaps for assets within the same sector, reflecting differences in quality and growth potential. We are also observing an increasing disconnect between public, or public-ready, companies and private companies in terms of valuation levels, with public markets ascribing a higher premium to quality growth – albeit with increasing selectivity. The

bid-ask spread between buyers and sellers has also started to widen, particularly in certain parts of the GCC, such as the Kingdom of Saudi Arabia.

**FW: HOW WOULD YOU CHARACTERISE TODAY'S LENDING AND FINANCING CLIMATE FOR TRANSACTION FUNDING? WHAT GUIDANCE WOULD YOU OFFER ACQUIRERS IN STRUCTURING, OPTIMISING AND NEGOTIATING THEIR DEBT-EQUITY MIX AMID CURRENT CREDIT CONDITIONS?**

## BRAZIL

**Areno:** While global credit conditions have tightened, seasoned international buyers, especially those from the US, continue to leverage a mix of debt and equity to fund acquisitions in Brazil.

However, reliance on external financing can introduce execution risks, particularly in volatile markets. Brazilian bidders, on the other hand, benefit from access to relatively inexpensive local financing, which can provide a competitive edge. Acquirers are advised to carefully balance their debt-equity mix, considering both cost and execution certainty, and to negotiate flexible terms that allow for adjustments in response to market shifts.

### UNITED ARAB EMIRATES

**Maheshwari:** Transaction financing remains robust in the UAE, depending on the quality of the underlying asset. Alternative providers such as credit funds and direct lenders are increasingly

playing a meaningful role in M&A financing, however they remain more relevant for smaller transactions, with banks continuing to lead mid-sized and larger deals. While liquidity levels in the UAE are generally high, there is some divergence across the broader Middle East region. Given the current market environment, acquirers should exercise discipline in their use of debt. In this context, acquisition financing is best suited to borrowers with predictable cash flows and strong earnings visibility. Conducting a formal financing process can strengthen an acquirer's negotiating position by introducing competitive tension and maximising optionality across pricing, structure and terms. Sellers are increasingly assessing financing

certainty when shortlisting bidders, making it a potential differentiator in competitive processes. Acquirers therefore need to carefully evaluate the quality of the underlying asset and negotiate sufficient headroom in the event that conditions tighten or macroeconomic changes impact performance.

### GERMANY

**Haßler:** Despite several European central bank rate cuts, corporate lending remained rather expensive in 2025, with high average interest rates and banks increasing risk premiums on margins. As a result, private debt providers and alternative lenders have gained significant market share. This trend reflects both tighter bank lending standards and the growing appeal for flexible, non-bank financing options. Government initiatives, such as Germany's 'Deutschlandfonds', are also supporting private investment in energy, technology and industry by offering loans, guarantees and equity stakes to reduce risk. For acquirers, it is crucial to diversify funding sources, carefully balance debt and equity, and negotiate flexible terms to optimise capital structure and manage higher financing costs in today's credit environment. Companies are therefore well-advised to maintain conservative debt ratios and prioritise flexibility in financing arrangements to reduce financial risks and better navigate ongoing market volatility.



*The market is seeing a marked increase in the use of earn-outs, multiples on invested capital structures, and substantial equity rollovers.*

UNITED STATES FRANK AQUILA  
SULLIVAN & CROMWELL LLP

## UNITED KINGDOM

**Hartley:** The lending environment is supportive, underpinned by significant firepower across private credit and banks. For high quality, resilient credits, strong competitive tension is translating into enhanced leverage multiples, pricing and structuring flexibility, albeit with disciplined underwriting. Increasingly flexible lender mandates are providing additional access to junior instruments and co-investment, enabling capital structure and returns optimisation. Credit committees remain focused on cashflow durability, downside cases and sector risks. Acquirers should align leverage to robust base cases, maintain covenant headroom and avoid stretching structure for marginal internal rate of return gains. Running well-prepared, competitive financing processes with clear equity commitment remains critical to successful outcomes and execution certainty.

## UNITED STATES

**Aquila:** The current financing climate for M&A is highly accommodative, supported by stabilising interest rates, improving macroeconomic conditions and a resurgent Wall Street appetite for debt. The proliferation of private credit continues to reshape transaction funding globally, with direct lenders actively innovating to offer bespoke solutions like preferred equity to large corporates. Acquirers optimising their debt-equity mix should strategically

*Acquirers are advised to carefully balance their debt-equity mix, considering both cost and execution certainty, and to negotiate flexible terms that allow for adjustments in response to market shifts.*

BRAZIL FILIPE B. ARENO

SKADDEN, ARPS, SLATE, MEAGHER & FLOM

integrate private credit to diversify funding sources and enhance structural flexibility alongside traditional bank syndicates. Furthermore, sponsors should leverage alternative liquidity tools, including net asset value financing and dividend recaps, to optimise capital structures while preserving traditional debt capacity.

**FW: WHICH APPROACHES ARE ACQUIRERS ADOPTING TO MINIMISE DEAL EXECUTION AND POST COMPLETION RISKS? HOW ARE ENHANCED DILIGENCE PROCESSES AND SPECIALIST RISK TRANSFER PRODUCTS – SUCH AS REPRESENTATIONS & WARRANTY AND CONTINGENT LIABILITY INSURANCE – SUPPORTING SAFER TRANSACTIONS?**

## GERMANY

**Haßler:** Acquirers are increasingly adopting sophisticated strategies to minimise both deal execution and post-completion risks, as well as to bridge gaps between buyers and sellers. Earn-outs and deferred payments help to navigate risks of future performances of target businesses. Likewise, rollover structures, keeping sellers 'on board' with a certain stake in target businesses, are used more frequently. Buy-side due diligence processes comprehensively focus on financial, commercial, operational and legal risk areas to identify potential deal-influencing topics very early in the process. Complementing these efforts, warranty & indemnity (W&I) insurance has become a market standard, reflecting the overall trend toward outsourcing

liability and claims risks and to facilitate smoother negotiations. W&I policies are constantly evolving, offering broader and more flexible coverage, including advanced synthetic solutions and tax indemnity products, while contingent liability insurance is gaining traction to offer coverage for environmental or litigation issues. By combining these tools, acquirers can achieve greater transaction certainty in today's environment.

### UNITED KINGDOM

**Hartley:** In today's fast-moving market, acquirers are approaching transactions with far greater discipline. Investment decisions are more deliberate and processes typically run longer, with buyers placing heightened emphasis on

truly understanding a target's differentiation, defensibility, growth trajectory and the robustness of its sector thesis. Where due diligence identifies specific areas of risk, buyers are increasingly managing exposure through deal pricing and structuring mechanisms. They are also expecting vendors to stand behind identified risks or, where appropriate, turning to targeted insurance solutions. W&I insurance has now become standard in PE transactions, reflecting the market's focus on creating cleaner exits and more predictable outcomes. Compared with the accelerated and competitive deal timelines of 2021-22, the current environment is characterised by greater caution. Buyers are far less inclined to 'take a view' on unresolved risk items and instead are ensuring

that protections are in place before proceeding, resulting in more thoughtful and risk-aware execution.

### UNITED STATES

**Aquila:** To minimise execution and post-completion risks, acquirers are rigorously enhancing their diligence frameworks around governance, regulatory readiness and complex integration planning. Buyers are increasingly embedding audit and compliance assessments directly into 'day one' milestones to prevent structural issues from eroding deal value. Simultaneously, the strategic use of W&I insurance has become a critical differentiator, with the 2026 market offering historically favourable terms. Premium rates have dropped as low as 2.5 percent, and initial retentions have fallen to 0.5 percent of enterprise value. Savvy acquirers are leveraging these risk-transfer products not just for defensive protection, but proactively to offer sellers cleaner exits.

### UNITED ARAB EMIRATES

**Maheshwari:** Derisking transactions is top of mind for most acquirers, and transaction structuring has become central to risk management – both in terms of deal execution and managing post-completion risks. A large proportion of transactions are now structured with some linkage to the financial performance of the business or the achievement of specific milestones. This has also impacted the valuations that



*For high quality, resilient credits, strong competitive tension is translating into enhanced leverage multiples, pricing and structuring flexibility, albeit with disciplined underwriting.*

UNITED KINGDOM ALEX HARTLEY  
KPMG IN THE UK



sellers have been able to achieve. W&I insurance has historically not been a common feature of Middle Eastern and UAE transactions, however this is beginning to change. We are seeing a growing proportion of transactions now incorporating W&I insurance. That said, its use remains relatively limited, and further awareness among key market participants is still required. Another key area of risk management is the increased focus on operational due diligence, including technology and human resources, with a clear objective of identifying an integration blueprint as part of the transaction thesis. Most acquirers are now dedicating significantly more attention to post-transaction considerations early in the process to reduce surprises following completion.

#### BRAZIL

**Areno:** Parties are increasingly focused on minimising both execution and post-completion risks through enhanced due diligence and the use of specialist risk-transfer products. W&I insurance, once costly and limited in scope in Brazil, is now more competitively priced and offers broader coverage, including for key risks such as tax, labour, environmental and anti-corruption issues. The adoption of these insurance products not only mitigates risk but also strengthens buyers' positions in competitive bidding processes. Enhanced diligence, including forensic reviews and compliance checks, is also standard practice, ensuring that

*Derisking transactions is top of mind for most acquirers, and transaction structuring has become central to risk management – both in terms of deal execution and managing post-completion risks.*

UNITED ARAB EMIRATES ROHIT MAHESHWARI  
DELOITTE MIDDLE EAST

acquirers are better protected against unforeseen liabilities.

**FW: WHAT IS THE OUTLOOK FOR M&A VOLUMES AND DEAL SENTIMENT OVER THE COMING MONTHS? WHICH EMERGING CHALLENGES OR EXTERNAL FACTORS DO YOU EXPECT TO HAVE THE GREATEST IMPACT ON MARKET ACTIVITY?**

#### UNITED STATES

**Aquila:** The outlook for M&A over the coming months remains highly robust, driven by substantial PE dry powder, stabilising financing markets and intense strategic pressure to consolidate. We expect 2026 to see the continued pursuit of transformative transactions as global merger control enforcement adopts a more permissive, pro-

growth approach. In 2025, the number of frustrated deals dropped significantly, signalling a highly favourable environment for dealmakers. However, geopolitical unpredictability and evolving domestic industrial policies remain significant wildcards that require careful navigation. Furthermore, sectors like technology, AI and healthcare continue to face intense regulatory scrutiny, making early risk assessment and proactive remedy planning essential.

#### UNITED ARAB EMIRATES

**Maheshwari:** The key drivers underpinning the growth of the past three to five years are structural in nature and are expected to continue providing tailwinds to overall regional activity. However, we expect to see differences in growth levels across the region, as various GCC countries face differing

budgetary dynamics, sensitivities to oil prices and capital allocation priorities within the broader strategic agendas. Additionally, geopolitics remains an important factor to monitor, as any sudden dislocations in regional or global capital markets could have an impact on sentiment and overall chief executive confidence.

### UNITED KINGDOM

**Hartley:** Market sentiment is characterised by cautious optimism. Activity levels remain strong across PE disposals and corporate carve outs, with many businesses actively preparing for sale. Record levels of PE dry powder – combined with a continued focus on deploying into new platforms and supporting existing investments through bolt-on acquisitions – are expected to provide solid forward momentum. However, uncertainty persists in the technology sector, influenced by volatility in US equity markets. Macroeconomic factors such as anticipated interest rate cuts, evolving political landscapes and ongoing geopolitical tensions continue to shape buyer confidence

and timing considerations. While the reopening of the initial public offering market has been repeatedly pushed back, there are tentative early signs of improvement. Overall, the level of preparation activity signals a healthy pipeline and the potential for robust deal flow in the months ahead.

### BRAZIL

**Areno:** The outlook for M&A cross-border volumes in the coming months in Brazil remains cautiously positive, with 2026 starting off as an active year. Interest from US, Middle Eastern and Chinese investors has been strong, although ongoing conflicts and geopolitical uncertainty could impact future deal flow. Factors such as elections in Brazil and the trajectory of international conflicts are likely to have the greatest impact on market sentiment and activity. Despite these headwinds, the underlying appetite for strategic acquisitions remains robust, particularly in sectors offering long-term growth and resilience, such as infrastructure.

### GERMANY

**Haßler:** We expect some sectors to show continued strong deal activity, such as energy, infrastructure, healthcare, technology and defence – resulting in a likely increase in overall deal value. Also, PE and infrastructure funds with the need to invest their dry powder, combined with a certain ‘backlog of quality assets’, will continue to play significant roles for higher deal values. Despite this sector-specific momentum, the geopolitical and economic uncertainties as well as macroeconomic fluctuations – such as interest rates and inflation – remain a concern for availability and cost of capital. Intensified regulatory scrutiny, including merger control and foreign investment review, and state intervention in key areas such as energy, infrastructure or defence, can delay or even block transactions. Proactive management of these topics remains key for investors to successfully close transactions. ■

## Enjoyed this article?

Join our community for free to access more expert insights.

[Join Now - It's Free](#)