

## Key Takeaways

- Compared to a strong end to 2025, M&A is off to a slower start in 2026, falling by deal value and deal count in all sectors in January compared to December. The trend year over year (YOY) was the same, except for U.S. strategic M&A, which saw a modest increase in deal value compared to January 2025.
- U.S. crossborder activity was also generally down, with the exception of U.S. outbound deal value. YOY, both inbound and outbound activity increased by deal value, but fell by deal count.
- Computers & Electronics remained the leading U.S. industry by deal value and deal count in January and over the last 12 months (LTM), despite significantly lower activity compared to last December.
- Of U.S. public deals announced in January:
  - Average reverse break fees were 4.5%, below the 5.6% LTM average.
  - There were no hostile or unsolicited deals.
  - No deals had a go-shop.
  - The same number of deals had mixed cash/stock consideration as had only cash consideration (both 36% of deals).

### Strategic vs. Sponsor Activity

U.S.
Total
\$127.0 billion – ▼64.8%
329 deals – ▼55.5%
Strategic
\$87.6 billion – ▼55.1%
163 deals – ▼64.9%
Sponsor
\$39.4 billion – ▼76.3%
166 deals – ▼39.6%
Global
Total
\$260.6 billion – ▼55.9%
1,462 deals – ▼55.0%
Strategic
\$198.6 billion – ▼44.1%
1,058 deals – ▼56.3%
Sponsor
\$62.0 billion – ▼73.7%
404 deals – ▼51.1%

### Industry Activity

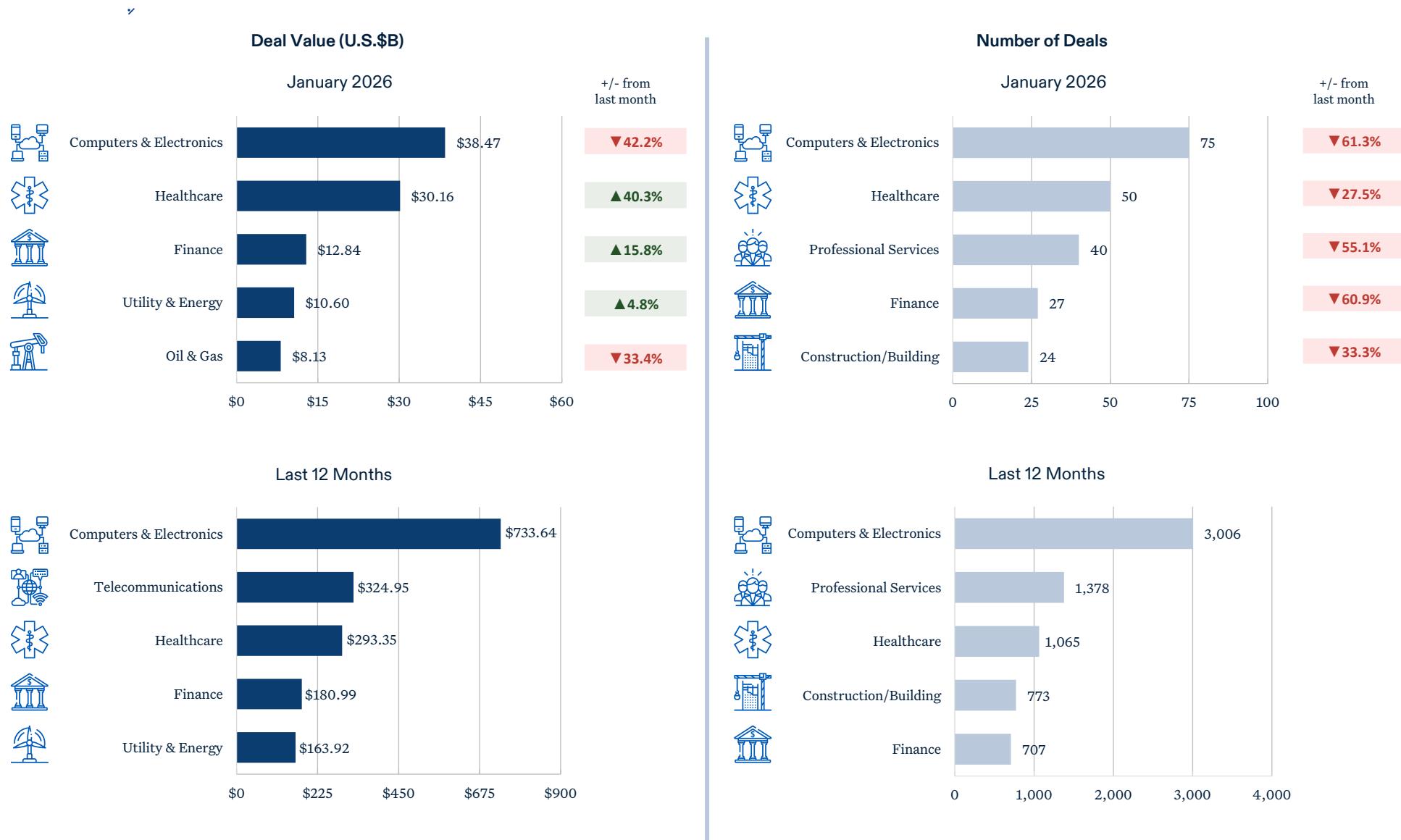
	most deals	<b>75 deals</b>	Computers & Electronics
	last 12 months	<b>3,006 deals</b>	Computers & Electronics
	most dollar value	<b>\$38.5 billion</b>	Consumer Products
	last 12 months	<b>\$733.6 billion</b>	Computers & Electronics

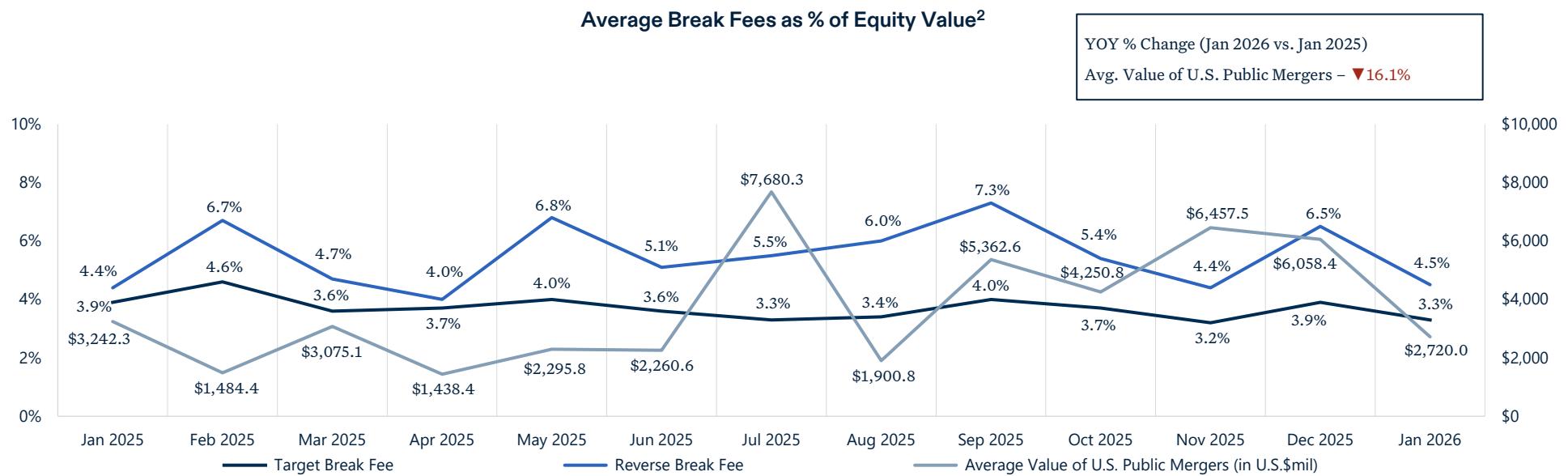
### Crossborder Activity

U.S. Inbound	U.S. Outbound
\$17.4 billion ▼40.2%	\$14.8 billion ▲27.5%
44 deals ▼58.9%	72 deals ▼33.3%
leading country Japan – \$9.5 billion Japan – 8 deals	leading country United Kingdom – \$3.8 billion United Kingdom – 11 deals
leading country last 12 months Japan – \$114.6 billion Canada – 223 deals	leading country last 12 months United Kingdom – \$66.6 billion United Kingdom – 364 deals

All data in this publication is for January 2026 and is as of February 10, 2026, unless otherwise specified. Each metric in this publication that references deal volume by dollar value is calculated from the subset of the total number of deals that includes a disclosed deal value.

Most Active U.S. Target Industries<sup>1</sup>





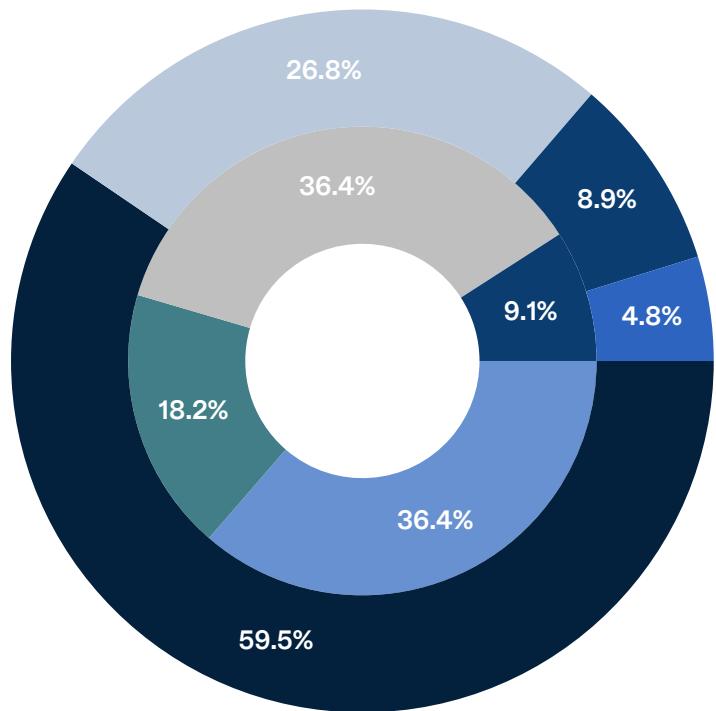
#### Average Break Fees as % of Equity Value<sup>3, 4</sup>

	January 2026	Last 12 Months
Target Break Fee for All Mergers	3.3	3.7
Reverse Break Fee for All Mergers <sup>5</sup>	4.5	5.6
Reverse Break Fee for Mergers Involving Financial Buyers <sup>6</sup>	N/A	6.5
Reverse Break Fee for Mergers Involving Strategic Buyers <sup>7</sup>	4.5	5.3

#### U.S. Public Merger Go-Shop Provisions<sup>3, 4</sup>

	January 2026	Last 12 Months
% of Mergers with Go-Shops	0.0	7.1
% of Mergers Involving Financial Buyers with Go-Shops <sup>8</sup>	0.0	22.5
% of Mergers Involving Strategic Buyers with Go-Shops <sup>9</sup>	0.0	2.3
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>10</sup>	N/A	33.4
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>11</sup>	N/A	30.7
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>12</sup>	N/A	41.7

Form of Consideration as % of U.S. Public Mergers<sup>13</sup>



January 2026      Last 12 Months

- Cash Only
- Stock Only
- Cash & Stock Only
- Cash/Stock Election

Tender Offers as % of U.S. Public Mergers

January 2026	9.1
Last 12 Months	14.9

Hostile/Unsolicited Offers as % of U.S. Public Mergers<sup>14</sup>

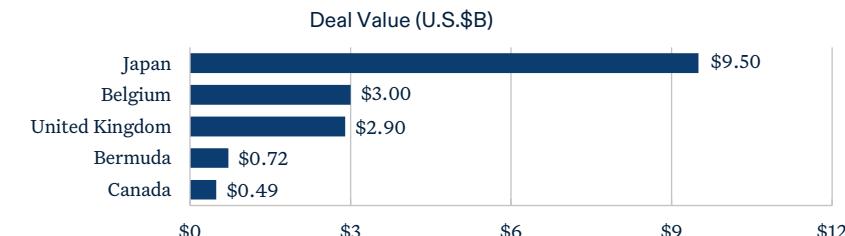
January 2026	0.0
Last 12 Months	11.8

Unaffected Premium %<sup>14, 15</sup>

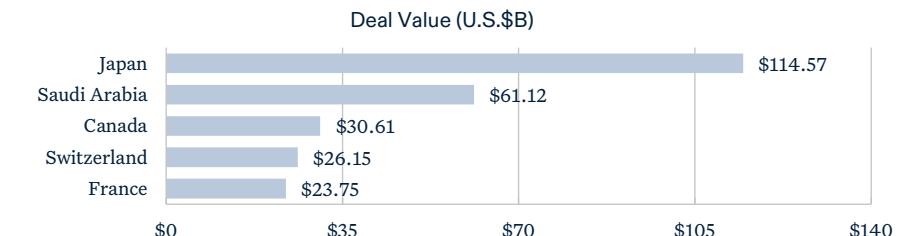
January 2026	31.4
Last 12 Months	48.7

Top Five Countries of Origin for Inbound U.S. Crossborder Transactions

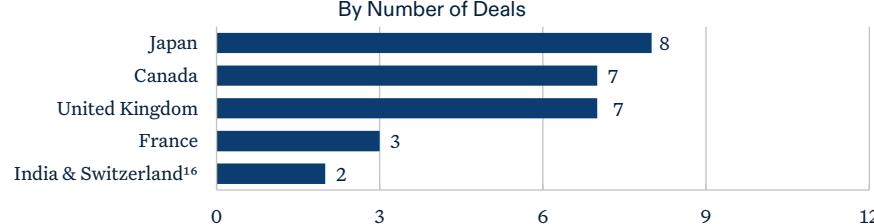
Inbound U.S. Crossborder Transactions for January 2026



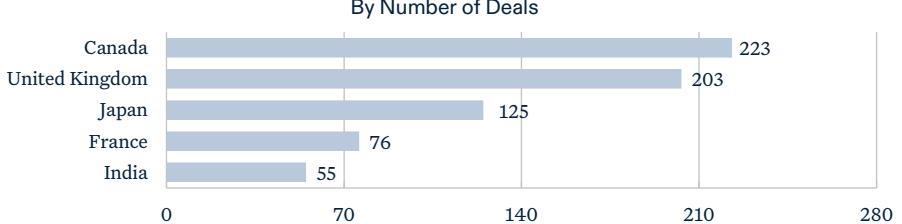
Inbound U.S. Crossborder Transactions for the Last 12 Months



By Number of Deals

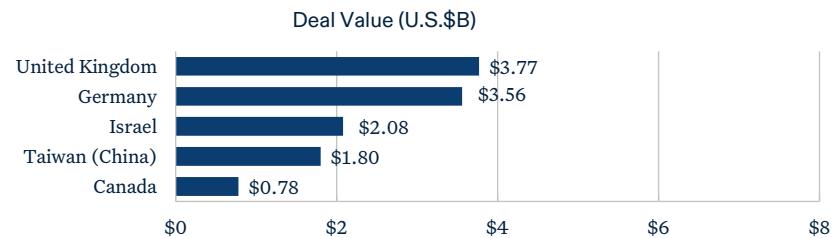


By Number of Deals

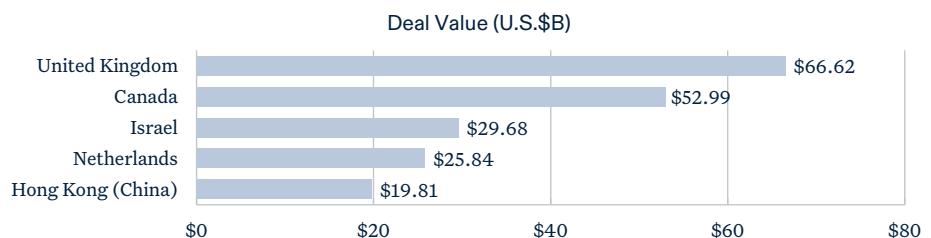


Top Five Countries of Destination for Outbound U.S. Crossborder Transactions

Outbound U.S. Crossborder Transactions for January 2026



Outbound U.S. Crossborder Transactions for the Last 12 Months



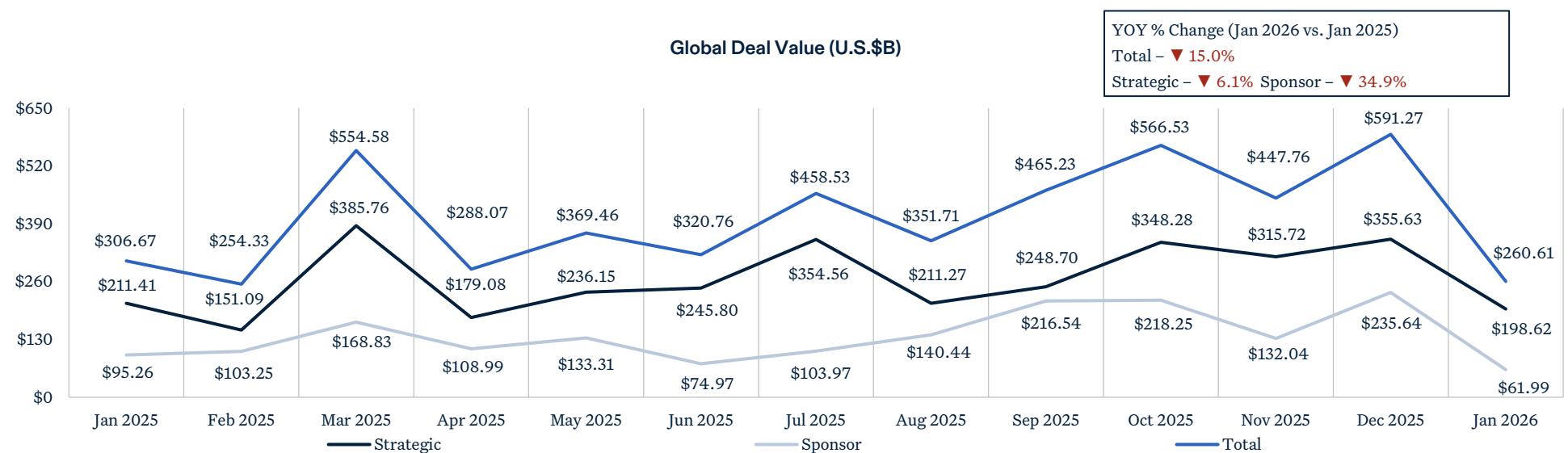
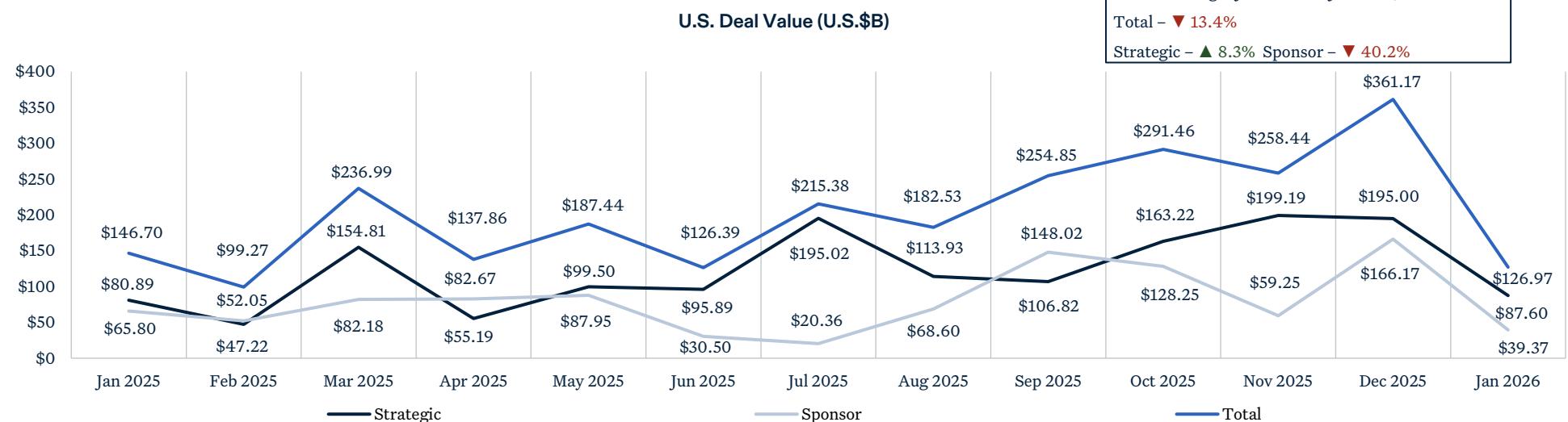
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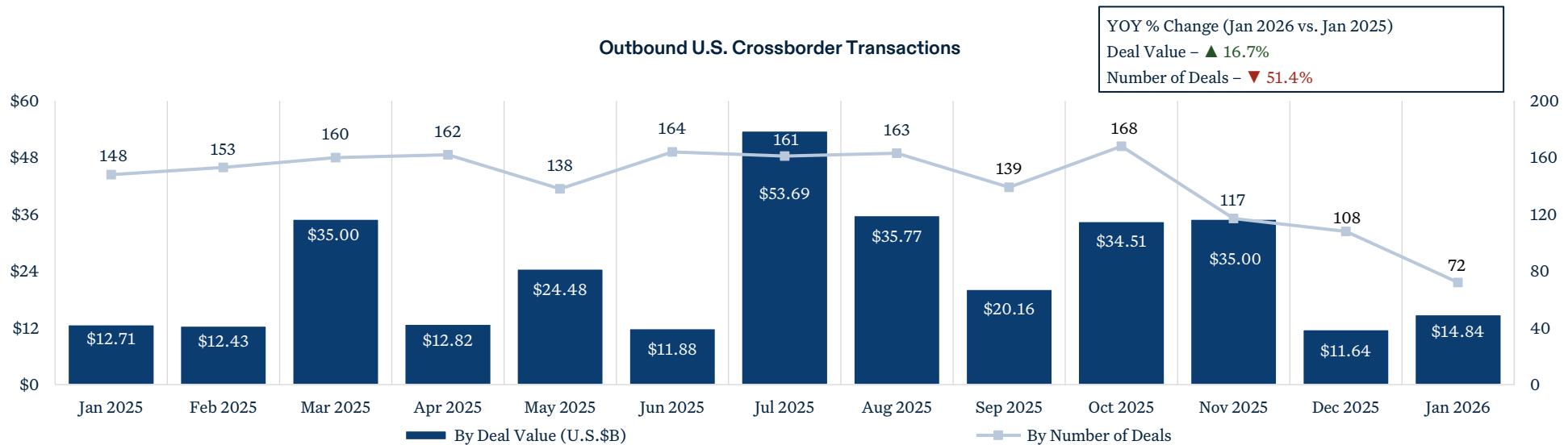
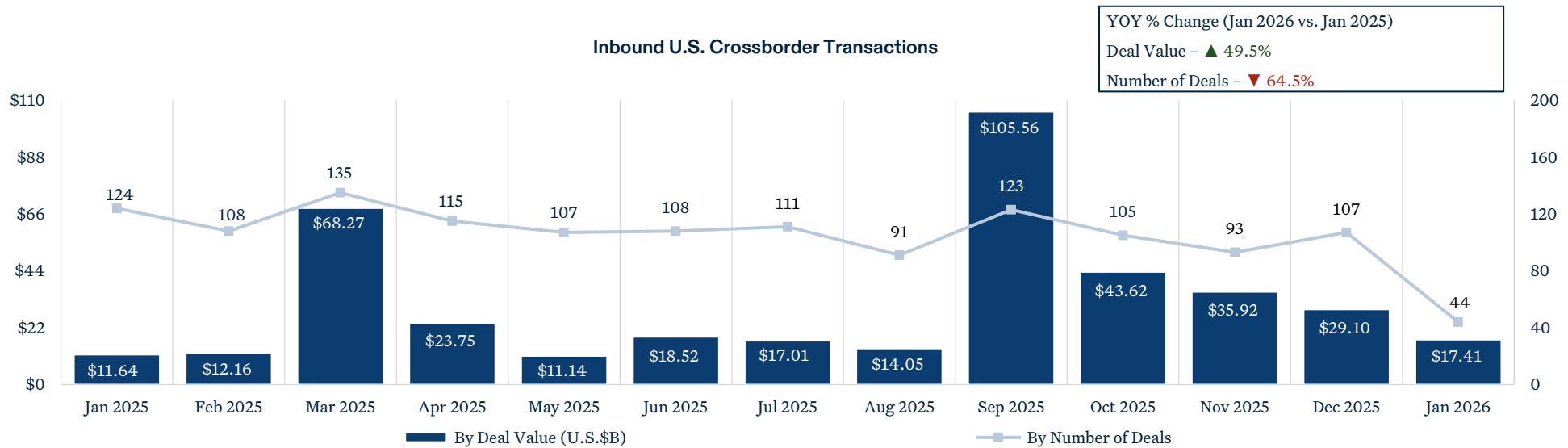
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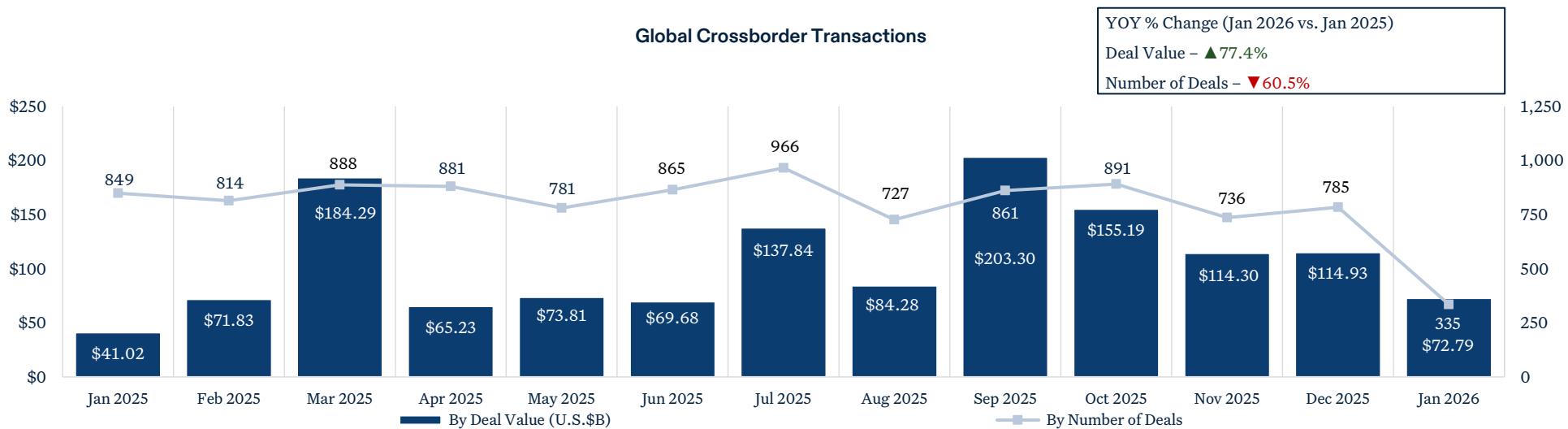


## Appendix: M&A Activity









## Endnotes

1. Industry categories are determined and named by Dealogic.
2. Based on the highest target break fees and reverse break fees payable in a particular deal.
3. There were 11 transactions in January 2026.
4. Financial and strategic categories are determined by Deal Point Data.
5. Eight transactions in January 2026 had a reverse break fee.
6. No transactions in January 2026 involving a financial buyer had a reverse break fee.
7. Eight transactions in January 2026 involving a strategic buyer had a reverse break fee.
8. One transaction in January 2026 involved a financial buyer.
9. Ten transactions in January 2026 involved a strategic buyer.
10. No transactions in January 2026 had a go-shop provision.
11. No transactions in January 2026 involving a financial buyer had a go-shop provision.
12. No transactions in January 2026 involving a strategic buyer had a go-shop provision.
13. Due to rounding, percentages may not add up to 100%.
14. This data includes both announced transactions for which a definitive merger agreement was reached and filed and those for which a definitive merger agreement was never reached and filed (including withdrawn transactions).
15. Unaffected Premium % indicates the difference between the current price per share offered as consideration in the transaction and the “unaffected price,” reflected as a percentage. The “unaffected price” is the target’s closing stock price on the date that is one calendar day prior to the first public disclosure regarding a potential deal involving the target and on which the target’s stock price was unaffected by the news of the deal.
16. Each of India and Switzerland was the country of origin for two deals in January 2026.
17. Each of France and Italy was the country of destination for four deals in January 2026.

The charts on pp. 1–2 and 5–9 were compiled using Dealogic and are for the broader M&A market, including public and private transactions of any value. Deal volume by dollar value and average value of deals are calculated from the subset of deals that include a disclosed deal value. The charts on pp. 3–4 were compiled using Deal Point Data and include acquisitions seeking majority or higher control of U.S. public targets valued at \$100 million or higher announced during the period indicated and for which a definitive merger agreement was reached and filed (except with respect to data regarding premiums and hostile/unsolicited offers, which is for all announced deals). “Last 12 Months” data is for the period from February 2025 to January 2026, inclusive, and “year-over-year” data compares January 2025 and January 2026. Data obtained from Dealogic and Deal Point Data has not been reviewed for accuracy by Paul, Weiss.

## Strategic M&A Firm Highlights

	<b>\$11.0B</b>	<b>IBM</b>	Acquisition of Confluent
	<b>\$9.5B</b>	<b>Eaton</b>	Acquisition of the Boyd Thermal business of Boyd Corporation
	<b>\$10.0B</b>	<b>Metsera</b>	Sale to Pfizer
	–	<b>Kraft Heinz</b>	Separation into two independent publicly traded companies
	<b>\$18.4B</b>	<b>Keurig Dr Pepper</b>	Acquisition of JDE Peet's
	<b>\$2.4B</b>	<b>Qualcomm</b>	Acquisition Alphawave Semi
	<b>\$34.5B</b>	<b>Advance Publications</b>	Charter Communications' combination with Cox Communications
	<b>\$14.2B</b>	<b>Rocket Companies</b>	Acquisition of Mr. Cooper Group
	<b>\$8.5B</b>	<b>Crown Castle</b>	Sale of its small cells and fiber solutions businesses
	<b>\$55.0B</b>	<b>Chevron Corporation</b>	Acquisition of Hess Corporation

## Private Equity M&A Firm Highlights

	–	<b>L Catterton</b>	Acquisition of a minority stake in EX NIHILO
	<b>\$1.5B</b>	<b>Blackstone Infrastructure Partners</b>	Equity commitment and acquisition of a 19.9% ownership interest in GenCo
	<b>\$2.7B</b>	<b>Madison Dearborn Partners</b>	Acquisition of a significant majority of NFP's wealth business
	<b>\$13.0B</b>	<b>General Atlantic</b>	Investment in Anthropic as part of a \$13 billion Series F funding round
	<b>\$1.2B</b>	<b>Bain Capital</b>	Strategic joint venture with Warner Music Group
	–	<b>Brookfield Asset Management</b>	Acquisition and strategic investment in Hotwire Communications
	<b>\$9.0B</b>	<b>3G Capital</b>	Acquisition of Skechers U.S.A.
	<b>\$1.0B</b>	<b>Brigade Capital Management</b>	Acquisition of Family Dollar
	<b>€1.7B</b>	<b>KPS Capital Partners</b>	Acquisition of INEOS Composites
	<b>\$11.0B</b>	<b>Funds managed by affiliates of Apollo Global Management, Inc.</b>	Investment to acquire from Intel Corporation a 49% equity interest in a joint venture entity

This publication is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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## Our M&A Practice

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