CREWE CAPITAL

Q1 2026

M&A Overview

MAY 2026

SALT LAKE CITY | DENVER | NEW YORK CITY | **CREWE.COM**

Disclaimer

The information contained herein is for informational purposes only and Crewe Capital, LLC ("Crewe" or "we") is not soliciting any action based upon it. This material should not be read as advice or recommendations. It has not been prepared taking into account any person's particular objectives or needs. Any person should consider whether the information is appropriate to their needs or seek advice before making a decision based on this information.

The material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Opinions expressed are our current opinions as of the date appearing in this material only.

Investment banking services, including M&A advisory for transactions involving stock or debt and private capital raising, are offered through Crewe Capital, LLC, an SEC-registered broker-dealer, member FINRA and SIPC. CREWE and the shield logo are registered trademarks of Crewe Holdings, LLC. You may find information on the background of Crewe Capital, LLC and its financial professionals on FINRA's BrokerCheck website: http://brokercheck.finra.org/.

Crewe does not provide tax, legal, or accounting advice. This presentation has been prepared for informational purposes only, is not intended to provide, and should not be relied on for tax, legal, or accounting advice. You should consult your own tax, legal, and accounting advisors before engaging in any transaction.

Table of Contents

Executive Summary

Global M&A activity opened 2026 on constructive footing, carrying over momentum from Q4 2025 and remaining resilient despite uncertain macroeconomic conditions, including geopolitical instability and trade policy uncertainty. In Q1, the market recorded 13,877 deals worth a combined $1.6 trillion, marking an 8.8% rise in aggregate value from the previous quarter. Large-cap North American transactions led performance gains, though sector outcomes varied considerably. Energy gained 59.8% QoQ, while IT value, excluding xAI's $250 billion transaction, declined 52.5%. Looking ahead to Q2, sustaining this momentum will depend on how dealmakers navigate an evolving macroeconomic environment.

Throughout the quarter, the Federal Reserve held the federal funds target range at 3.50%–3.75%. Inflation stayed above the Fed’s 2.0% target, with core PCE jumping to 3.2%. Combined with geopolitical uncertainty stemming from military engagement in Iran, policymakers paused the easing cycle and adopted a wait-and-see stance for future rate cuts. Markets have largely priced out rate cuts for 2026, with options traders showing a roughly 90% probability of another hold at the June meeting, as energy-driven inflation has displaced earlier expectations of one to two cuts this year.

The outbreak of conflict in Iran was the defining macro event of the quarter, causing significant volatility in energy and across the market. Brent crude began Q1 at $62/barrel before surging to over $126/barrel at its peak after U.S.-Israeli military strikes on Iran in late February and the subsequent closure of the Strait of Hormuz. This disruption of oil supply was a key driver for the elevated levels of inflation in the quarter and weighed on business and investor sentiment.

The unemployment rate opened January at 4.3%, rose to 4.4% in February, then eased back to 4.3% in March, with nonfarm payrolls adding 178,000 jobs led by construction, healthcare, transportation, and warehousing. Federal government employment continues to decline. Job openings held steady at 6.9 million, while layoffs rose by 272,000 over the year. Long-term unemployment stands at 1.8 million, up by 322,000 YoY.

Equity markets traded with elevated volatility in Q1. The S&P 500 notably underperformed, declining 4.3% over the quarter, weighed down by Magnificent 7 losses. The Russell 2000 and equal-weighted S&P 500 remained resilient, posting modest gains of 0.6% and 0.7%, respectively. Reflecting heightened investor anxiety, the VIX surged to 31.05 on March 27, driven by escalating geopolitical and trade tensions.

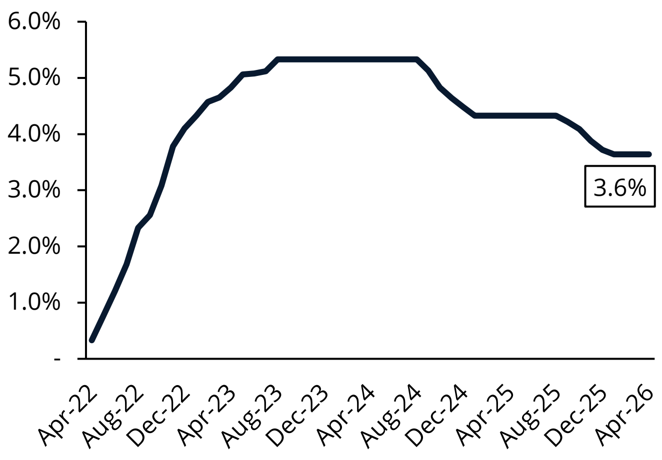
U.S. real GDP grew at a 2.0% compounded annual rate of change in Q1. Despite volatility in equities, GDP growth was consistent with the U.S. economy’s long-run growth rate. This growth was fueled largely by elevated corporate capex in data-center infrastructure and government spending tied to the war in Iran.

Q1 2026 demonstrated that M&A can remain resilient even amid geopolitical shock, the Fed’s rate hold, and energy-driven inflation. Capital remains available, fundamentals are intact, and the market is positioned to build on Q1 momentum as the Iran conflict moves toward resolution and the inflation trajectory becomes clearer heading into Q2.

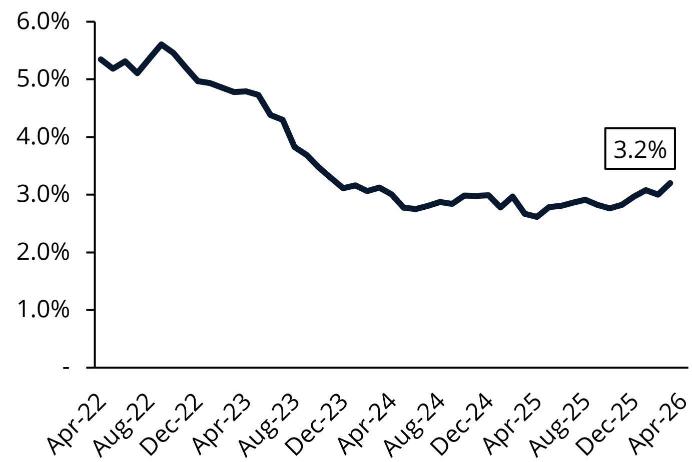
Source: PitchBook, U.S. BEA, U.S. BLS, FRED, Yahoo Finance, S&P Global, Cboe Global Indices.

Economic Indicators

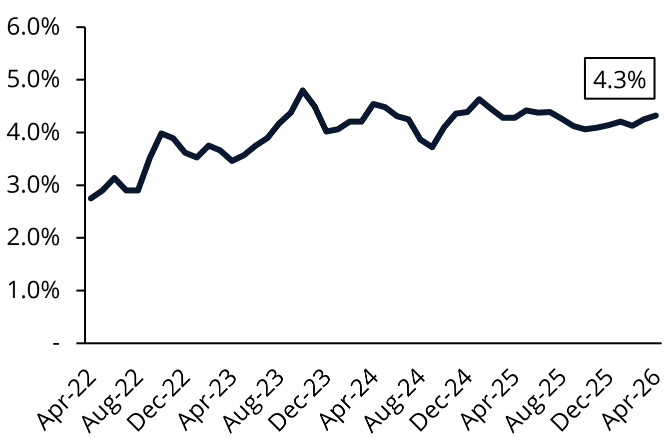
Federal Funds Effective Rate
(Percent, monthly)



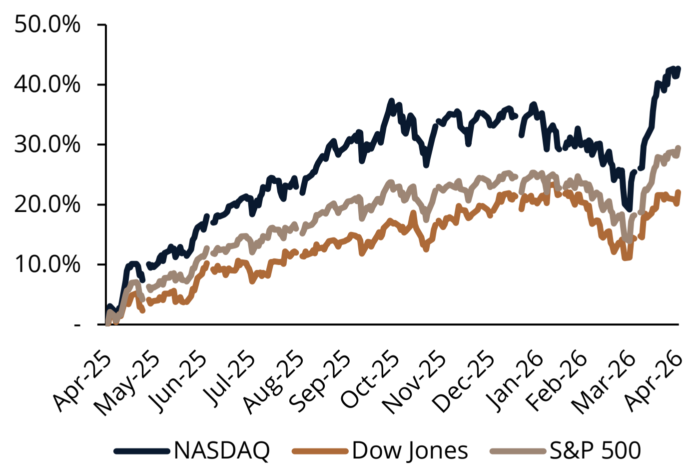
Core PCE
(YoY percent change, monthly)



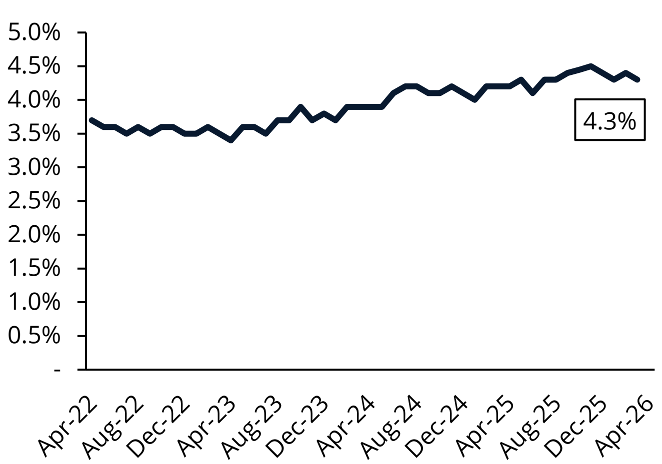
10-Year U.S. Treasury Yield Spread
(Percent, monthly)



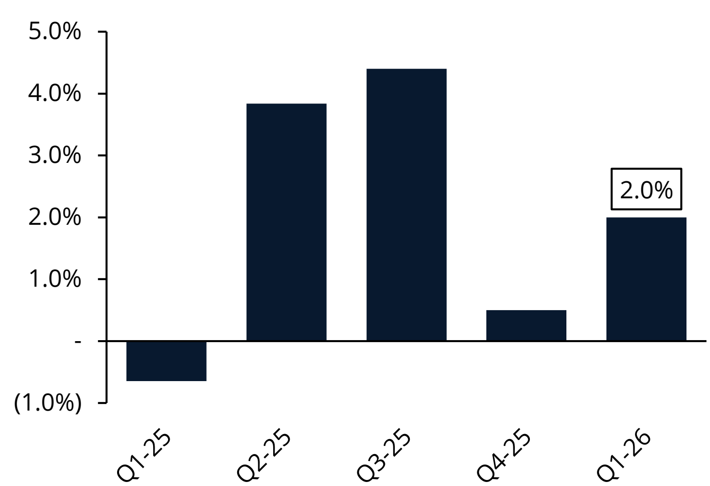
Major Stock Indices
(Percent return, daily)



Unemployment Rate
(U3, percent, monthly)



Real GDP
(Compounded annual rate of change, quarterly)

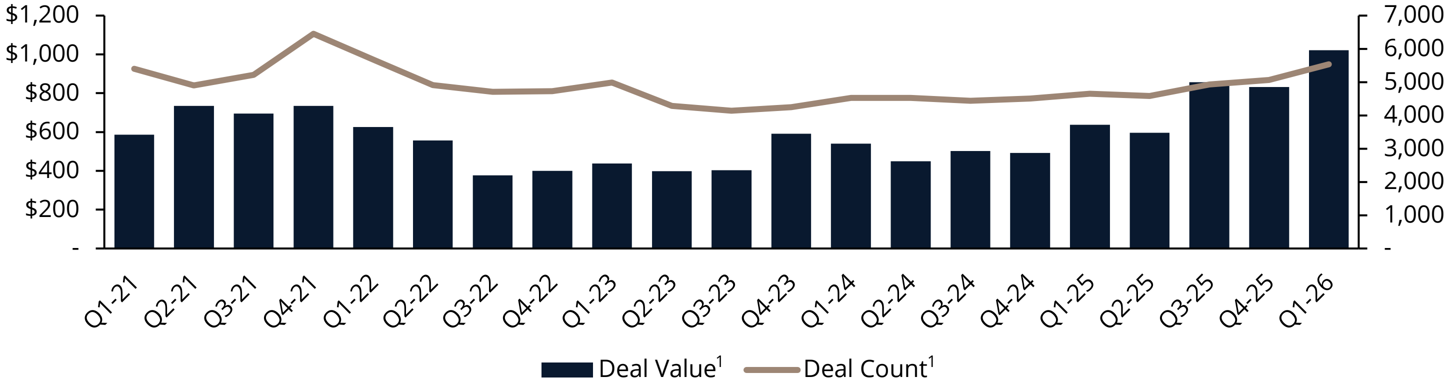


Source: FRED.

M&A Activity

North America M&A Deal Activity

(Deal value in $ billions, quarterly) *(Deal count in actuals, quarterly)*



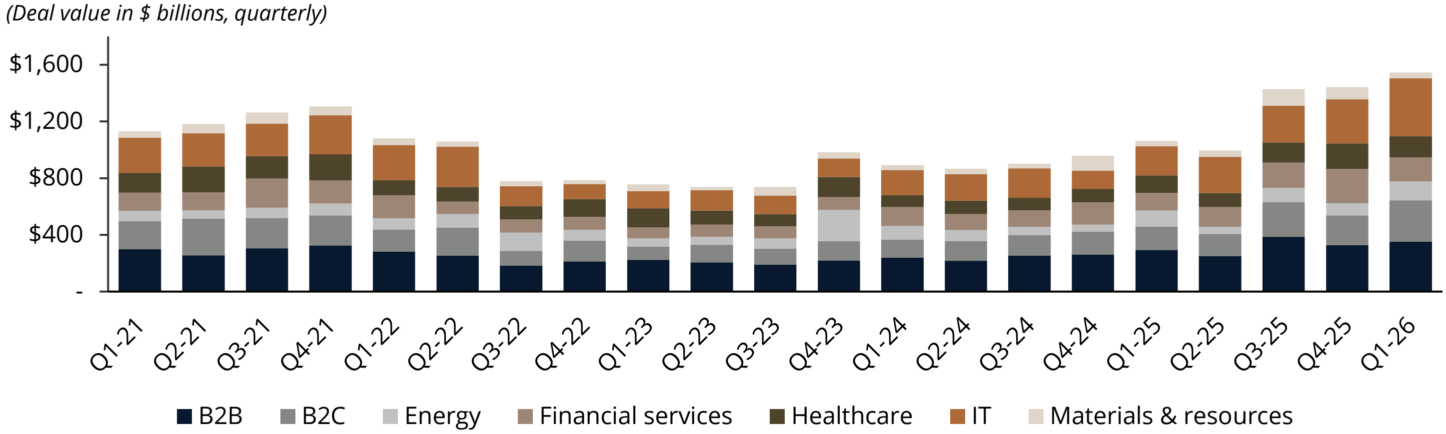
Global M&A markets began Q1 2026 with momentum, as stable interest rates helped offset a challenging macro backdrop marked by trade policy uncertainty, AI disruption risk, armed conflict, and energy inflation. The environment tightened as Q1 progressed. Concern around private credit and Iran war-driven inflation created a bifurcated landscape. M&A activity continued, including several landmark transactions, but investor selectivity increased alongside higher pricing. Cross-border deal flows between North America and Europe tilted sharply in one direction during Q1, with 300 North America-into-Europe transactions versus 228 in the other direction.

The headline value in North America was fueled by a concentration of large-cap deals pushing aggregate value to record levels. Deal count reached its highest point since Q1 2022, underscoring the breadth, not just the scale, of market activity. Total announced and closed transaction value in North America came in at $1.0 trillion, marking a new all-time high and reflecting a 22.8% QoQ gain and a 60.2% YoY surge. Transformational deals, including SpaceX's $250 billion acquisition of xAI and the Warner Bros. Discovery and Paramount Skydance merger, were key contributors.

Deal activity varied across sectors, with energy and B2C growing significantly, and IT, excluding one transaction, declining. Energy posted the strongest QoQ gain at 59.8% with B2C close behind at 38.6%. IT headline figures appear robust but were significantly distorted by xAI's $250 billion transaction. Excluding that deal, IT value declined 52.5% QoQ, creating a materially different picture. Overall, Q1 2026 marked a standout quarter for global M&A, even as selectivity and uneven sector momentum shaped the transactions that took place.

Global M&A Deal Value by Sector[1]

(Deal value in $ billions, quarterly)

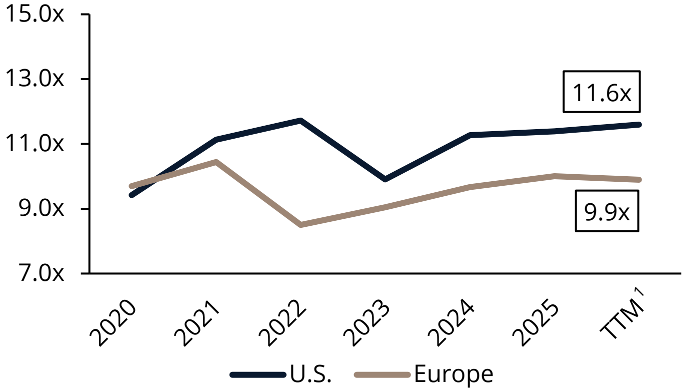


1) Includes estimated values for Q2-25 to Q1-26.
Source: PitchBook.

Multiples Overview

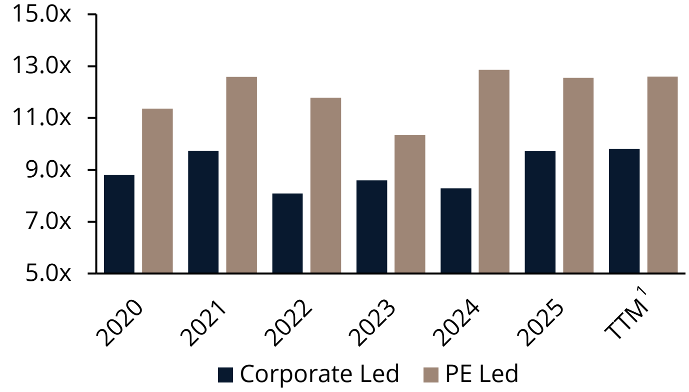
Median EV/EBITDA Multiples by Geography

(Median multiple, annual)



Median EV/EBITDA Multiples by Buyer Type

(Median multiple, annual)



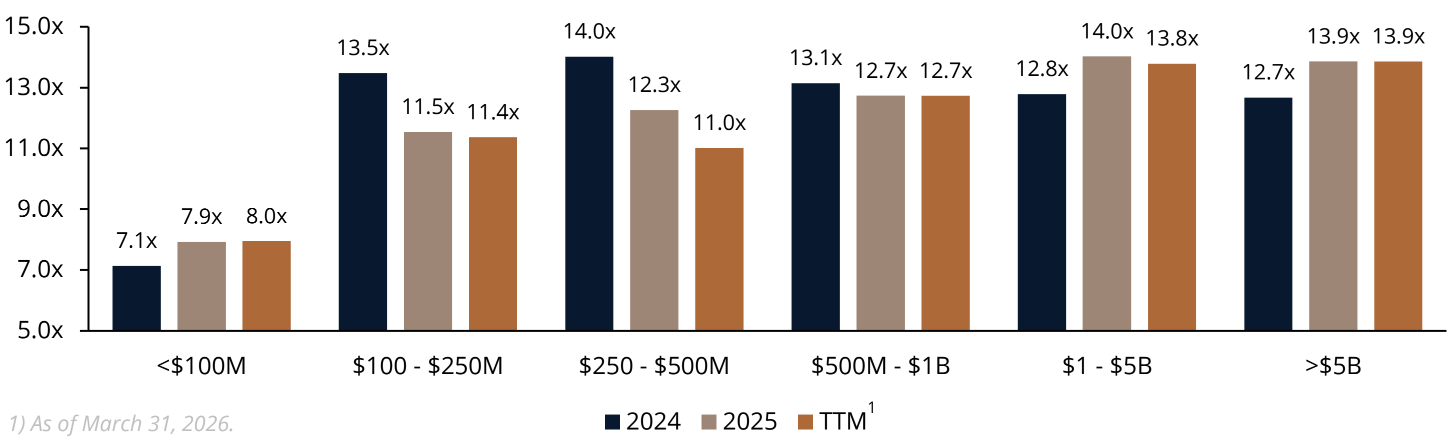
The EV/EBITDA valuation multiples gap between the U.S. and Europe is the largest observed since 2022. The median U.S. EV/EBITDA multiple increased to 11.6x over the last twelve months from 11.4x in 2025. At the same time, Europe experienced a slight softening from 10.0x to 9.9x, widening the gap between the regions to 1.7 turns. This divergence is the result of greater willingness from investors to pay for growth in U.S. assets, greater deal flow in high-multiple markets like technology and healthcare, and a larger fraction of the U.S. economy comprising these markets.

PE multiples have held steady at 12.6x on a TTM basis, as higher interest rates have kept PE firms from initiating higher bids. Strategics, on the other hand, experienced an increase to a median 9.8x EV/EBITDA TTM multiple. This is lower than PE largely due to their higher participation in smaller, lower-multiple transactions. These buyers are less sensitive to interest rates, and many have accumulated large stores of dry powder from prior years and are thus more ready to pay higher prices for acquisitions and potential synergies. Additionally, higher pressure on PE firms to return capital to investors has shifted their focus away from sourcing new deals while a slowing of organic growth is expected to push more strategic buyers to M&A markets.

Multiple expansion is largely the result of a substantial increase in deal volume in the highest value brackets. Deals greater than $5 billion saw a multiple increase from 12.7x in 2024 to 13.9x TTM, while deals between $1 billion and $5 billion increased from 12.8x in 2024 to 13.8x TTM. This illustrates a growing premium placed on scale and market dominance, occurring largely independent of current financing conditions. These trends show a market where premium valuations are reserved for the largest assets, while smaller deals remain anchored to more modest multiples.

Median EV/EBITDA Multiples by Transaction Size

(Median multiples, global, yearly)

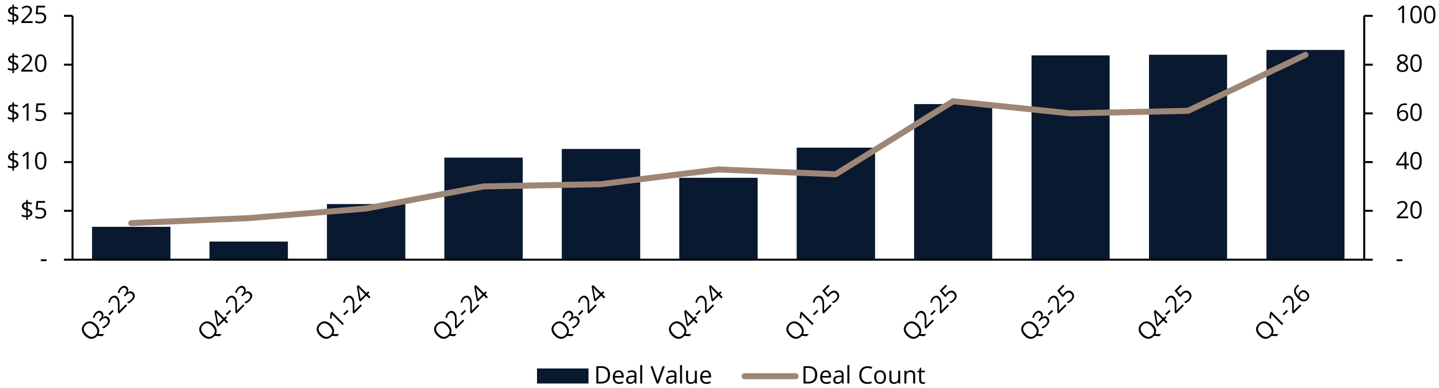


1) As of March 31, 2026.
Source: PitchBook.

IPO Activity

U.S. IPO Activity

(Deal value in $ billions, quarterly) *(Count in actuals, quarterly)*



The IPO window remained open in Q1 2026, continuing the momentum built throughout 2025. In Q1, 84 offerings generated $21.5 billion in the U.S., marking the highest-grossing Q1 in the past five years. Prominent debuts successfully priced across the industrial, healthcare, technology, and consumer sectors, including notable equipment and medical carve-outs. However, subsequent aftermarket trading has yielded mixed results as institutional investors remain disciplined regarding valuation pricing and fundamental corporate quality.

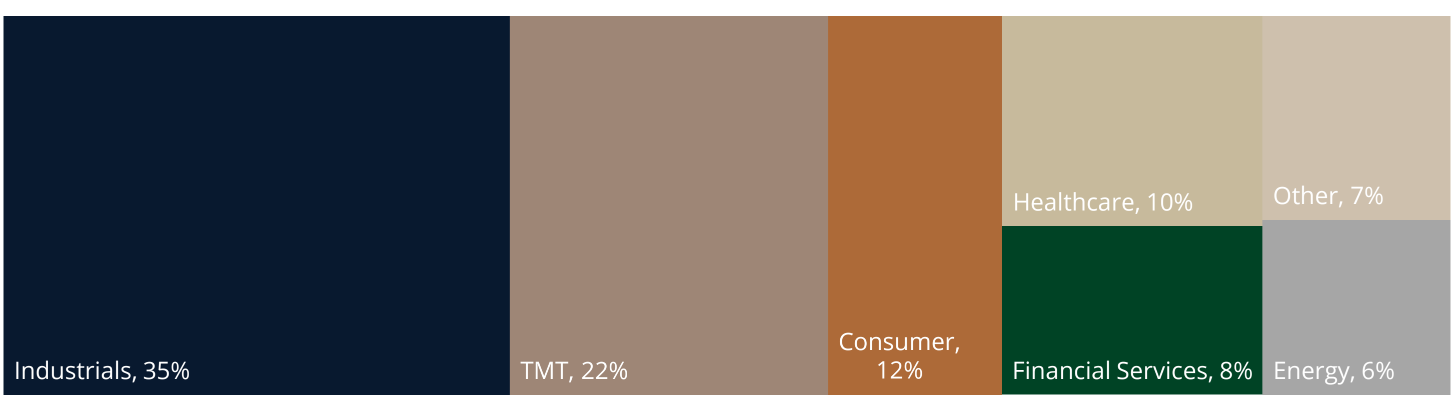
As the quarter progressed, concerns surrounding private credit intensified, software equities traded off, and conflict in the Middle East drove energy prices and market volatility meaningfully higher. Despite the more challenging backdrop, global IPO markets generally remained resilient, though some deals were postponed while others struggled to price and trade effectively. Rapidly shifting geopolitical dynamics created tailwinds for select sectors, particularly industrials and technology, which collectively accounted for ~57% of total IPO proceeds during the quarter.

Across global markets, successful IPO candidates are increasingly going public with stronger cash generation, clearer growth visibility, and greater operational maturity. Companies are remaining private longer, resulting in larger and more scaled businesses entering the public markets. These extended private incubation periods are increasingly producing companies with the infrastructure, governance, and investor credibility needed to support successful public debuts.

Looking ahead, markets are preparing for an unprecedented wave of liquidity events driven by high-profile technology companies such as OpenAI, SpaceX, and Anthropic, which could position 2026 as a defining year for global equity capital markets.

Global Sector Distribution by IPO Proceeds

(Percentage, Q1 2026)

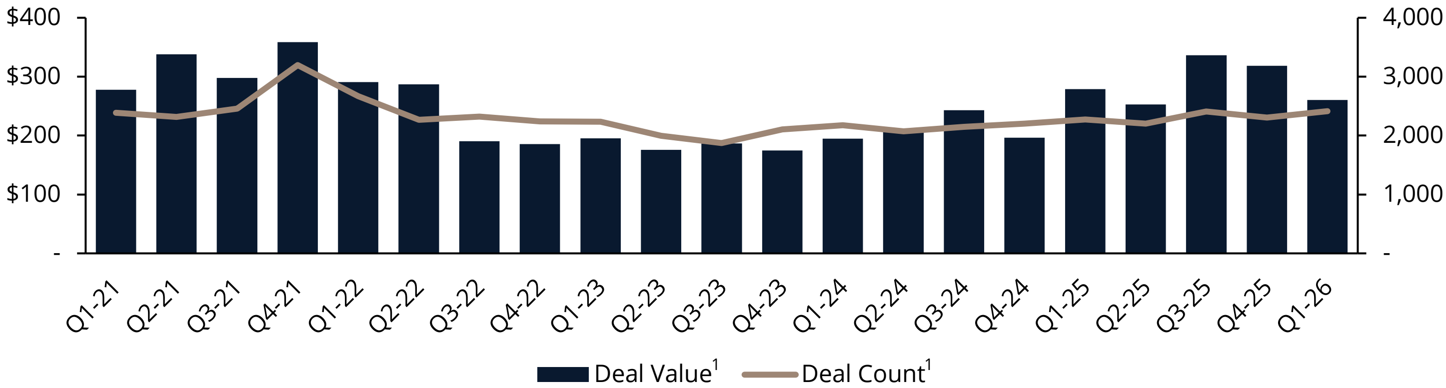


Source: Dealogic, EY, PwC.

Private Equity Trends

U.S. Private Equity Deal Activity

(Deal value $ in billions, quarterly) *(Deal count in actuals, quarterly)*



U.S. private equity receded from its strong 2025 pace in Q1 2026, but overall activity remained resilient. During the quarter, there were 2,415 announced transactions, up 4.8% QoQ and 6.2% YoY. Aggregate deal value, however, came in at just $260.2 billion, a decline of 18.2% QoQ and 6.7% YoY.

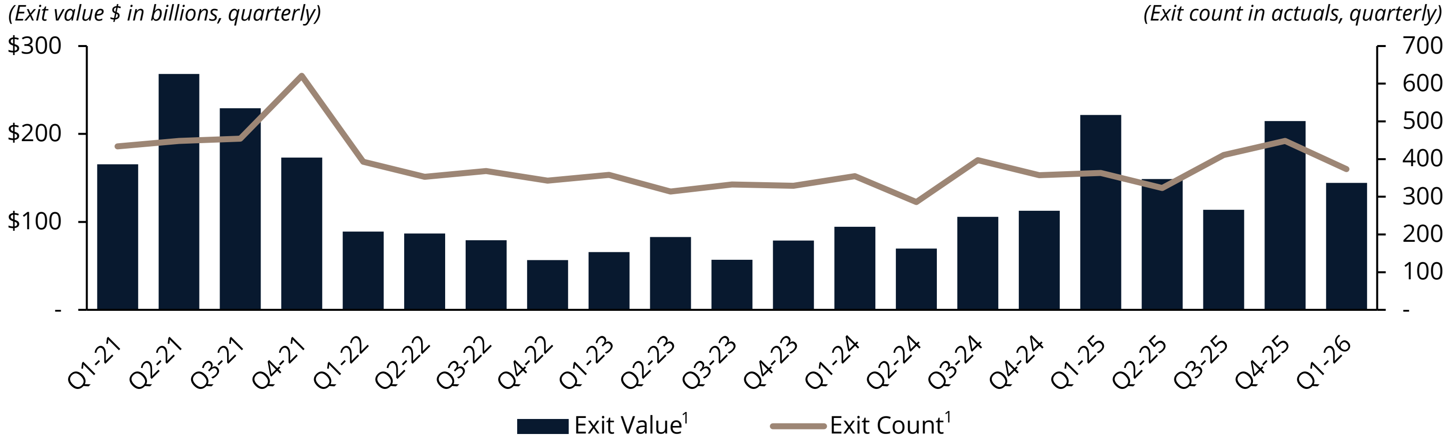
The most striking shift in Q1 was the move toward Heavy Asset and Low Obsolescence (HALO) businesses. Historically accounting for roughly 14% of capital deployed, HALO surged to 31.2% of all PE capital deployed in the quarter, as sponsors moved towards industrial assets that are insulated from AI disruption. Conversely, SaaS and traditional software deals contracted, reflecting uncertainty about AI's impact on the sector.

Exits lost momentum, with 373 transactions generating $144.4 billion in aggregate value, representing declines of 16.7% QoQ in count and 32.7% QoQ in value. Geopolitical uncertainty and heightened interest rates created a valuation gap between buyers and sellers. 54% of U.S. PE firms indicate a 100–150 bps rate reduction is needed to increase deal volume. To avoid selling in unfavorable macro conditions, continuation funds remained a key liquidity tool for GPs, accounting for $10.8 billion of exits. Still, pressure to exit is building as inventory has grown to 13,325 companies, an 8.7-year overhang at the current exit pace.

While Q1 deal value pulled back from private equity's strong finish to 2025, several indicators point to sustained PE appetite for acquisitions. Although deal value and exits fell short of the pace in 2025, deal volume increased and exits remained above historical norms. The asset class shows resilience, supported by ample dry powder and a deep backlog of portfolio companies positioned to transact as market conditions improve.

U.S. Private Equity Exits

(Exit value $ in billions, quarterly) *(Exit count in actuals, quarterly)*

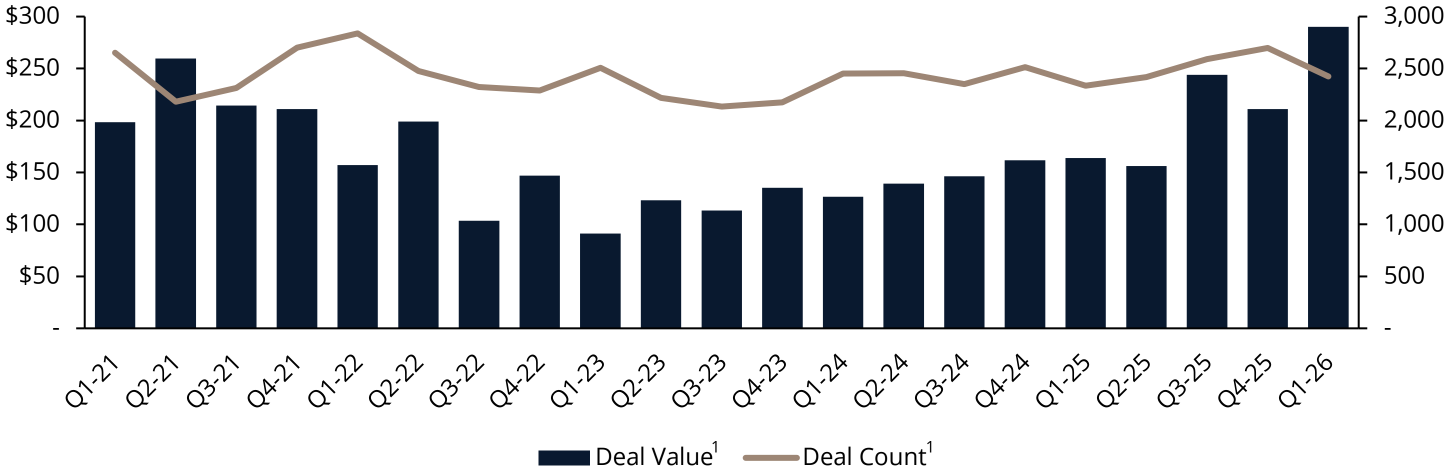


1) Includes estimated values for Q2-25 to Q1-26.
Source: PitchBook, KPMG.

Consumer Overview

Global B2C Deal Activity

(Deal value $ in billions, quarterly) *(Deal count in actuals, quarterly)*

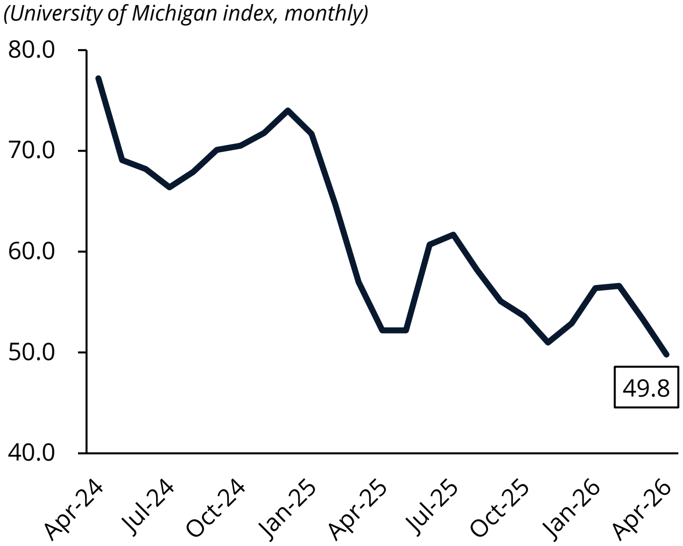


Q1 B2C reflected a widening quality gap where fewer assets came to market, but premium platforms with pricing power continued to command elevated valuations. While deal count declined 10.1% QoQ, median EV/EBITDA expanded to 11.8x TTM, the sector's highest level since 2020, up from 9.6x in 2024, while median EV/Revenue increased to 1.4x from 1.2x. The divergence between volume and value reflects the bifurcation seen in the broader market and emphasizes the desire for quality assets with pricing power and durable growth profiles.

Despite deal volume softness, deal value increased 37.6% QoQ, driven primarily by two megadeals.

Consumer Sentiment

(University of Michigan index, monthly)



1) Includes estimated values for Q2-25 to Q1-26.
Source: PitchBook, University of Michigan, EY.

The $110 billion Warner Bros. Discovery and Paramount Skydance merger was the quarter's largest B2C transaction by a wide margin, consolidating legacy media assets in response to intensifying streaming competition. Unilever's announced $44.8 billion merger with McCormick further reshaped the consumer staples landscape, reflecting continued consolidation around scaled, branded platforms.

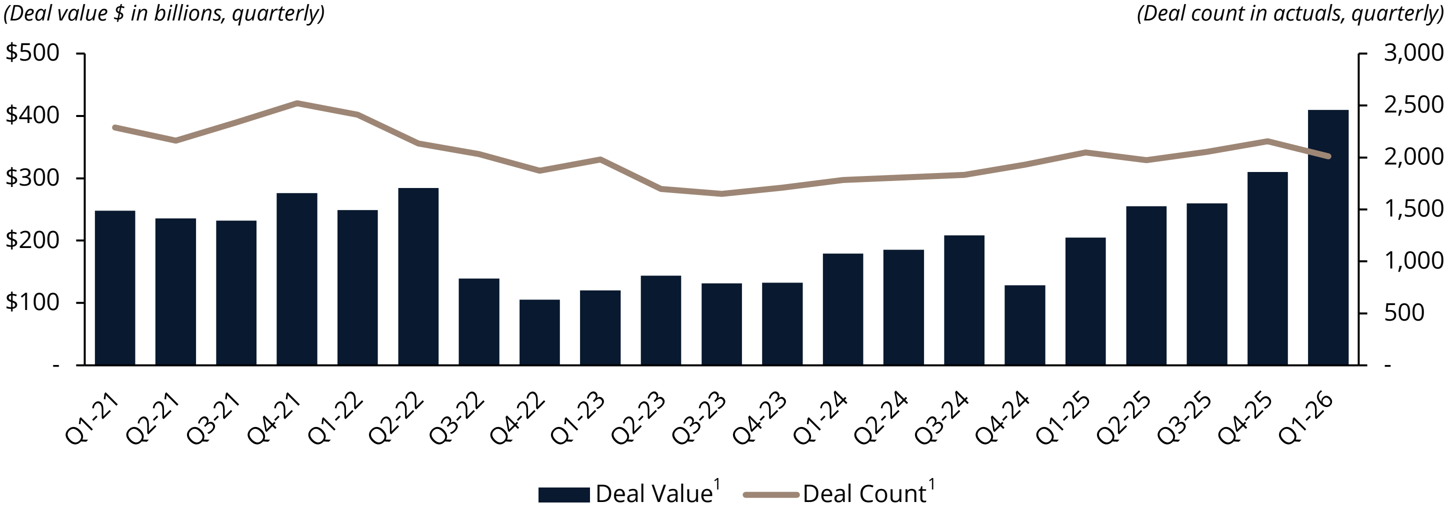
Outside the megadeals, activity remained subdued, suggesting headline deal value overstated the breadth of buyer appetite. Retail saw the sharpest annual decline in deal value across B2C groups, pressured by credit stress as consumer-facing default rates approach decade highs.

Consumer sentiment hit historic lows, with the University of Michigan index declining to 49.8 in April from its 53.3 level in March. The weakness has been driven primarily by rising inflation expectations and visible price shocks, particularly in gasoline and other energy-linked categories. However, consumer behavior has not fully deteriorated in line with sentiment.

Spending remains resilient on a headline basis, though real growth is modest and increasingly supported by higher-income households. As a result, the consumer backdrop remains K-shaped, with premium and necessity-oriented categories continuing to hold up while lower-income, discretionary-exposed segments face increased pressure.

IT Overview

Global IT M&A Deal Activity

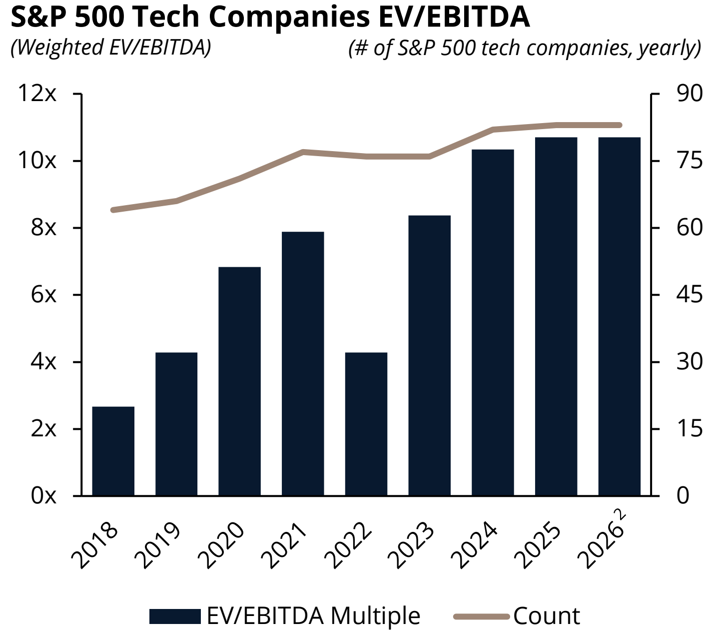


Headline deal value in IT was exceptionally strong in Q1, but it was heavily distorted by SpaceX's $250 billion acquisition of xAI. Including the transaction, the sector reached an estimated $409.5 billion in quarterly deal value, marking its highest total on record. However, excluding the xAI transaction, sector value declined 52.5% QoQ, suggesting that underlying activity was far more muted than the headline figures imply. Deal count remained healthy, with an estimated 2,000+ transactions announced or completed, but the market continued to show signs of selectivity as buyers evaluated software assets against a more uncertain macro and technology backdrop.

AI remained the dominant strategic theme across IT M&A, both as a driver of large-scale platform positioning and as a source of disruption risk for legacy software businesses. SpaceX's acquisition of xAI appears preparatory to a potential IPO, repositioning the company from a rocket developer and satellite internet provider into a broader AI and space-infrastructure platform. Outside of that transaction, buyers continued to prioritize assets that could strengthen AI capabilities, as seen in Hg Capital's take-private of OneStream and Mindbody's acquisition of EGYM. Both transactions were framed around expanding AI-enabled product capabilities and supporting future growth initiatives.

Despite healthy transaction volume, the quarter's largest transactions occurred early in the year, before macro uncertainty peaked, with carveout activity emerging as a preferred deal structure as the quarter progressed. IT M&A activity held steady in Q1, though underlying trends point to a more cautious and selective market beneath the headline numbers. Buyers are increasingly concentrating capital around AI-relevant assets, strategic carveouts, and platforms with clearer paths to growth, while navigating macro uncertainty and continued questions around software durability and financing availability for larger transactions.

S&P 500 Tech Companies EV/EBITDA

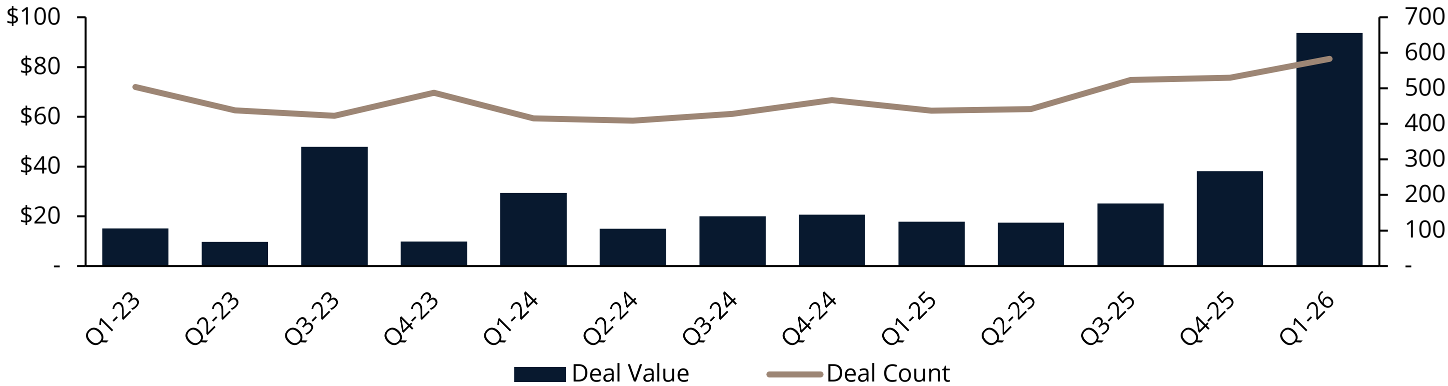


1) Includes estimated values for Q2-25 to Q1-26.
2) Year to date.
Source: PitchBook.

Industrials Overview

Global Industrial M&A Deal Activity

(Deal value $ in billions, quarterly) *(Deal count in actuals, quarterly)*



Following a strong 2025, Industrial M&A activity accelerated significantly in Q1 2026. Quarterly deal value grew to $93.7 billion, representing a 145.3% QoQ increase. It also represented a more than 400% YoY gain, as industrial M&A activity has accelerated sharply in the past three quarters. Although value was skewed by Toyota Motor’s $37.4 billion acquisition of Toyota Industries, overall deal volume was elevated, increasing 33.4% YoY from 437 to 583 deals.

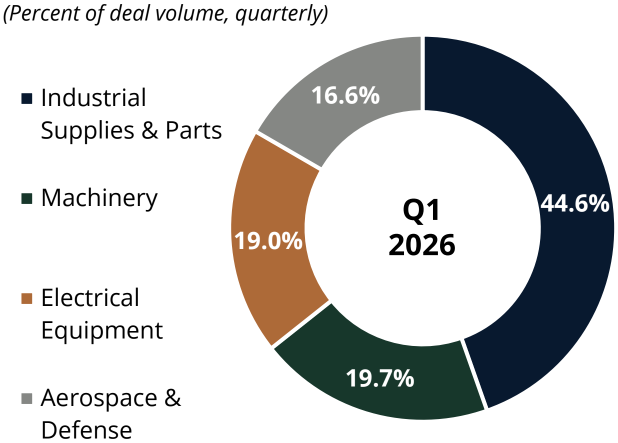
Activity was driven by both strategic and private equity acquirers, though strategic buyers dominated capital deployment, accounting for 80.9% of total capital invested in Q1. PE buyers represented 42.7% of deal volume, a modest increase from 40.1% in 2025. The mix of deals also shifted toward larger transactions, with the large cap segment growing to 10.5% of volume from 4.9%. Europe was the most active region with 244 deals, followed by North America with 229.

Valuation multiples told a mixed story. The median EV/EBITDA for PE deals surged to 18.7x, the highest level in five years, while strategic deal multiples edged down to 10.2x from 10.9x in 2025. On the revenue multiple side, both buyer types saw modest increases. Public market sentiment also reflected the sector's relative strength, with the S&P 500 Industrials Index rising 4.1% in Q1, outperforming a 4.3% decline in the broader S&P 500.

Looking ahead, full-year 2026 deal volume is projected to reach 2,300+ transactions, a 20.6% increase over 2025. Taken together, the sharp rise in industrial M&A activity, elevated large-cap dealmaking, and resilient valuations suggest that buyers increasingly view industrial assets as reliable sources of cash flow and a hedge against AI-driven disruption in other sectors. With pipeline activity strong, the sector appears well-positioned heading into Q2 2026.

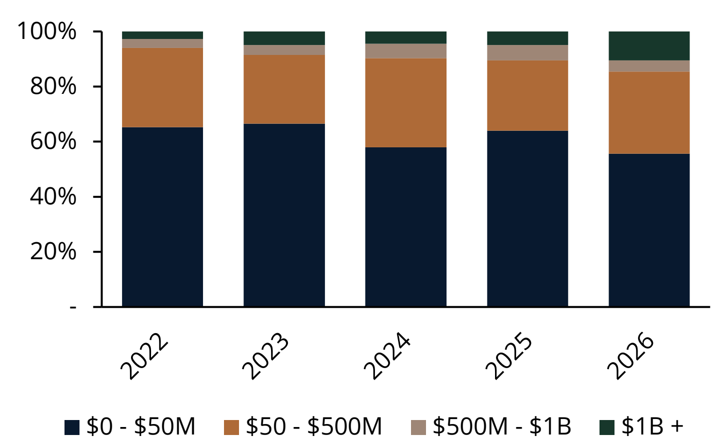
Industrial M&A Volume by Subsector

(Percent of deal volume, quarterly)



Deal Volume by Deal Size

(Percent of deal volume, quarterly)

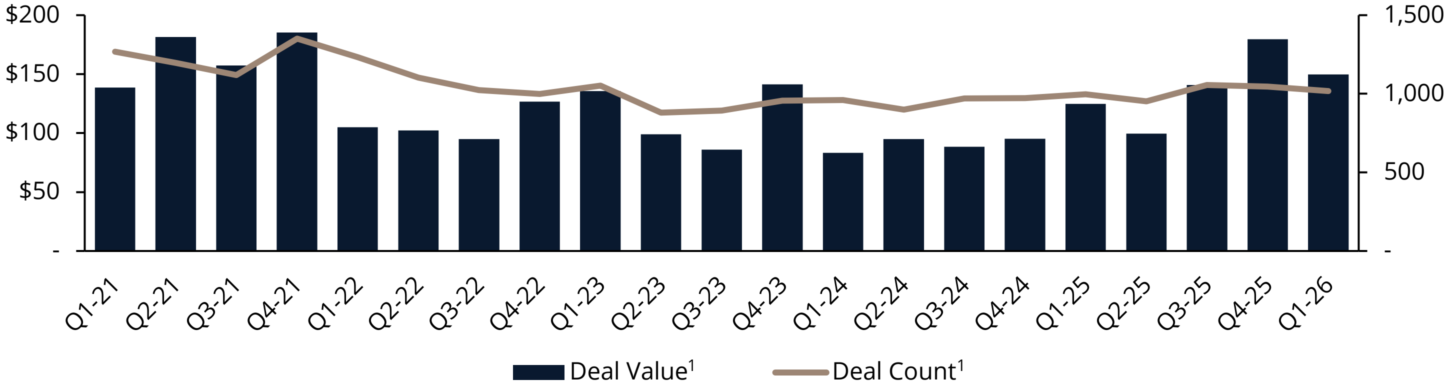


Source: R.L. Hulett, PitchBook, S&P Global.

Healthcare Overview

Global Healthcare M&A Deal Activity

(Deal value $ in billions, quarterly) *(Deal count in actuals, quarterly)*



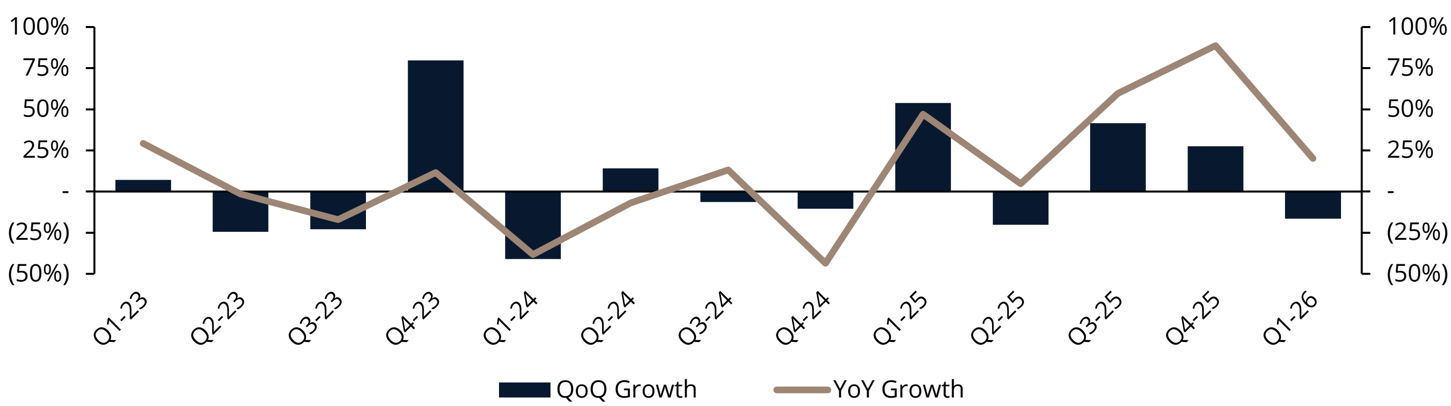
Healthcare M&A activity in Q1 was mixed, showing a market driven more by large transactions rather than an increase in deal flow. Deal value fell 16.6% QoQ but rose 20.2% YoY, while deal count stayed roughly the same QoQ and rose 2.3% YoY. The divide suggests buyers remain selective but were ultimately willing to pursue substantial transactions when assets offered strong strategic value. Valuations continue to be elevated, with the median TTM EV/EBITDA at 13.4x, down modestly from 14.4x in 2024, while the median EV/Revenue rose to 2.6x from 2.3x, consistent with a market increasingly willing to pay for steady healthcare revenue streams.

Biopharma was the clearest source of momentum as Big Pharma begins to prepare for upcoming patent expirations. Large transactions emerged later in the quarter, when several megadeals were announced: Gilead acquired Arcellx for $7.8 billion and announced another deal for Ouro Medicines, Merck agreed to acquire Terns Pharmaceuticals for $6.7 billion, Biogen agreed to acquire Apellis Pharmaceuticals for $6.1 billion, and Eli Lilly announced its acquisition of Orna Therapeutics for $2.4 billion. As patents expire, Big Pharma is leveraging established commercial infrastructure to offset patent-cliff exposure through these targeted acquisitions as key products lose exclusivity, and competitors move into the space.

Medtech also defined the quarter through two major deals. Boston Scientific announced its $14.5 billion acquisition of Penumbra, giving it a stronger position in the blood clot removal and stroke treatment device industry, where demand is expected to rise as populations age. Danaher announced its $9.9 billion acquisition of Masimo, strengthening its position in patient monitoring and digital health. Together, these deals show buyers are willing to pay for differentiated healthcare assets.

Healthcare Deal Value QoQ and YoY Growth

(QoQ growth percentage, quarterly) *(YoY growth percentage, quarterly)*



1) Includes estimated values for Q2-25 to Q1-26.
Source: PitchBook.

Select Current Deals

PROJECT OLYMPUS

Regionally Leading Health, Dental, and Vision Insurance Carrier

SELL-SIDE ADVISORY

PROJECT CROWN

Cloud-Based UCaaS Service Provider

PRIVATE CAPITAL RAISE

PROJECT SHINE

Rapidly Growing Operator of Express Car Washes

PRIVATE CAPITAL RAISE

PROJECT SUITS

Multi-State Debt Collection Law Firm

SELL-SIDE ADVISORY

PROJECT VIKING

Pest Control and Extermination Services

SELL-SIDE ADVISORY

PROJECT SAM

Social Media Affiliate Marketing Platform

SELL-SIDE ADVISORY

PROJECT SMOKE

Fast Casual Restaurant Chain

SELL-SIDE ADVISORY

PROJECT BOOM

Nationwide Crane Rental and Heavy Haul Trucking Company

SELL-SIDE ADVISORY

PROJECT SILVERBACK

Specialized Behavioral Healthcare Provider

SELL-SIDE ADVISORY

Sources

Cboe Global Indices – "VIX Index Dashboard"

Dealogic - "Investment Banking Scorecard"

EY – "Q1 2026 Global IPO Trends"

EY - "US M&A Insights: March 2026"

FRED

KPMG – "KPMG 2026 M&A Deal Market Study"

PitchBook - "Q1 2026 Global M&A Report"

PwC – "IPO market remains open but investors are becoming more selective again"

R.L. Hulett – "Industrials M&A Update"

S&P Global – "US REIT stocks outperform broader stock market in Q1 2026"

SEG - "1Q26 Quarterly SaaS Report"

U.S. Bureau of Economic Analysis – "GDP (Advance Estimate), 1st Quarter 2026"

U.S. Bureau of Labor Statistics – "Employment Situation News Release"

University of Michigan – "Surveys of Consumers – Charts"

Yahoo Finance

CREWE.COM | 385.322.3100 | IB@CREWE.COM