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Crosbie & Company Canadian M&A Report - Q2 2026

Record Mega-Deals in a More Selective M&A Market

Canadian M&A activity slowed in the second quarter of 2026, with 600 announced transactions, down 12% from Q1 and the lowest quarterly count since Q4 2023. Announced deal value moved sharply in the opposite direction, rising 51% to $114.5B as a record 23 mega-deals together accounted for $99.8B, or 87% of total announced value. Beneath the headline value, activity was noticeably slower, with value from transactions below $1B declining for a second consecutive quarter from $21.5B in Q4 2025 to $18.3B in Q1 and $14.7B in Q2.

Market conditions in Q2 were unusually noisy as the conflict in the Middle East drove higher energy prices and renewed inflation concerns, while uncertainty around trade policy persisted. Given transaction timelines, much of the Q2 announcement data reflects processes that were already underway before these events, making the full impact difficult to assess. The M&A market became more selective, particularly at the smaller end, with greater scrutiny on earnings quality, cyclicality and other business-specific risks. At the same time, financing conditions remained supportive, allowing buyers with strategic conviction and balance-sheet capacity to continue pursuing large M&A transactions.

> *"Macro uncertainty can make sellers hesitate to test the market, but we are definitely not seeing much impact on high-quality businesses," said Sadat Mirza, Managing Director at Crosbie. "In situations with strong rationale, buyers are eager to build conviction and act decisively to get deals done. Ironically, this environment can work in favour of high-quality sellers - with fewer deals in the market, they are attracting more attention and stronger competition from buyers."*

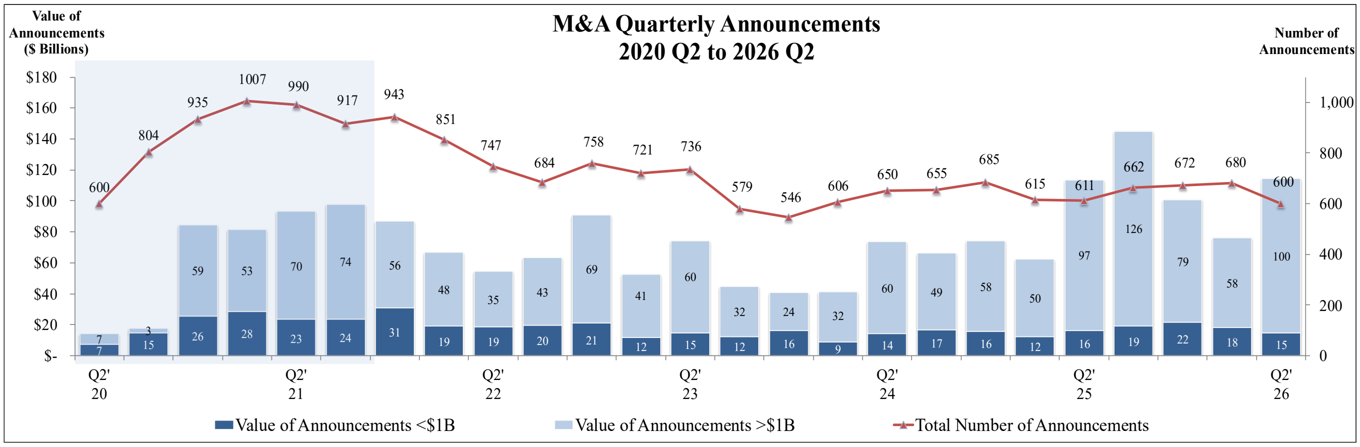
There were 23 mega-deals announced in the quarter, totalling $99.8B and representing the highest quarterly count on record. Strategic buyers remained active and willing to deploy significant capital where transactions offered scale and portfolio fit, with **Energy**, **Utilities** and **Real Estate** leading the way. The AI infrastructure theme evident in Q1 also broadened, as accelerating data-centre investment continued to drive demand for power generation and supporting infrastructure. **Shell**'s $22.6B acquisition of Calgary-based **ARC Resources** was the quarter's largest transaction, strengthening its Montney position and feed gas supply for LNG Canada, while **TransAlta**'s $1.4B Colorado gas-generation acquisition was linked in part to funding its growing data-centre development pipeline.

The mid-market remained the backbone of Canadian M&A by transaction count, with deals below $250M representing 80% of transactions with disclosed values. Activity was clearly softer, however, with count declining to 173 from 229 in Q1 and aggregate value falling to $4.3B from $6.8B. Mixed domestic economic conditions, including higher fuel costs and softer demand, weighed on many businesses and impacted seller appetite to transact. While mid-market volumes have yet to match the recovery in mega-deal activity, key ingredients for broader activity remain in place, including significant capital and strategic buyer appetite.

Industrials and **Information Technology** remained the most active sectors, with 126 and 83 announced transactions. Deal count increased in **Industrials** (+13), **Health Care** (+12), **Financial Services** (+9) and **Consumer Staples** (+4), while the largest declines were in **Information Technology** (-29), **Metals and Mining** (-22) and **Materials** (-20). **Energy**, **Utilities** and **Real Estate** generated the largest aggregate values at $32.1B, $20.5B and $16.3B, respectively, with **Precious Metals** contributing a further $15.9B. **Information Technology**, Q1's largest sector by value at $15.6B, fell to $1.3B. The sharp decline in value primarily reflects the absence of large technology transactions: three Q1 deals exceeded $1B, led by Ecolab's $6.5B purchase of CoolIT Systems and Equinix's $5.5B acquisition of atNorth, while no Q2 technology M&A deals cleared the $1B mark.

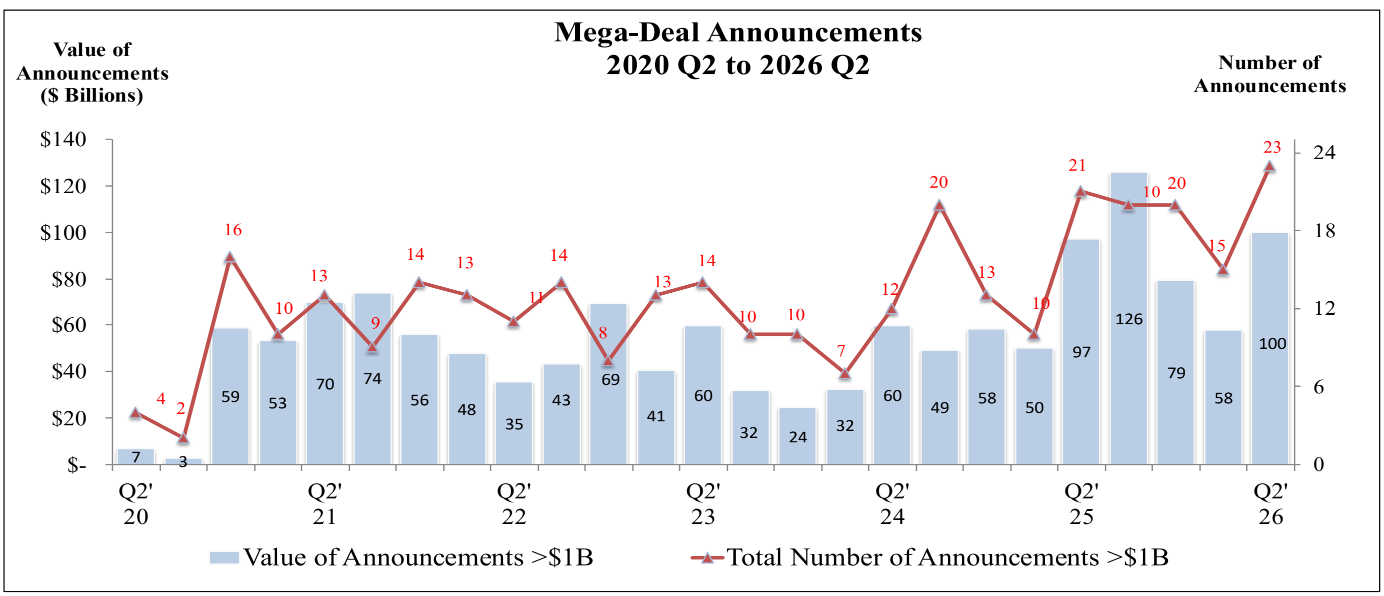
Cross-border M&A represented 294 transactions, or 49% of deal count and 54% of aggregate value. Canadian targets drew $79.9B across 406 transactions, nearly double the $41.1B in Q1, even as deal count fell from 457. Notably, foreign buyers acquired 138 Canadian targets, up modestly from 132 in Q1 despite the decline in overall market activity. Inbound value rose to $41.9B, although this was heavily influenced by Shell's acquisition of ARC Resources. Canada-U.S. transactions remained the largest cross-border corridor, accounting for 57% of cross-border count and 45% of value. The relative resilience of inbound activity is notable given the broader decline in transaction count and points to continued international appetite for Canadian businesses.

The information contained above and within the "Crosbie & Company Canadian M&A Report" is a summary analysis of the quarter's M&A activity. For further information, please contact Sadat Mirza at smirza@crosbieco.com or visit our website.



Overview

- Transaction volume fell to 600 announcements, a 12% QoQ decline and the thinnest quarter since Q4 2023
- Announced value ran the other way, climbing 51% to $114.5B on record mega-deal activity, one of the largest quarterly totals of the past decade
- Canadian targets numbered 406 against 457 in Q1, yet drew $79.9B, close to twice the $41.1B of three months earlier



Mega-Deals

- A record 23 transactions cleared the $1B mark, together worth $99.8B, or 87 cents of every dollar announced
- Leading the field was **Shell**'s $22.6B purchase of **ARC Resources**, ahead of a $9.4B take-private of First Capital REIT by **KingSett Capital** and **Choice Properties**, and **Equinox Gold**'s $8.5B tie-up with **Orla Mining**
- Energy carried the heaviest share at $30.6B across three deals, trailed by Utilities at $18.2B and Real Estate at $15.2B

INDUSTRY GROUPS[1]	2026 Q1 # of Deals	2026 Q1 Value $Millions	2026 Q2 # of Deals	2026 Q2 Value $Millions
Information Technology	112	15,571	83	1,314
Industrials	113	2,371	126	9,643
Real Estate	55	5,624	47	16,302
Metals and Mining	80	2,325	58	3,231
Health Care	23	1,731	35	882
Financials	38	2,033	47	10,702
Precious Metals	72	8,524	61	15,925
Communication Services	26	2,027	11	2,132
Consumer Discretionary	44	590	38	411
Energy	47	14,042	39	32,112
Consumer Staples	16	734	20	1,025
Materials	36	5,724	16	375
Utilities	14	14,669	18	20,460
Other	4	8	1	-
TOTAL	680	75,973	600	114,514
Services	87	6,433	74	14,141

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

Industry Sector Activity

- **Industrials** topped the count at 126, with **Information Technology** second at 83
- **Industrials** (+13), **Health Care** (+12), **Financial Services** (+9) and **Consumer Staples** (+4) all gained ground on Q1
- **Information Technology** recorded the largest decline at -29, ahead of **Metals and Mining** (-22) and **Materials** (-20)
- **Energy** led on value at $32.1B, with **Utilities** and **Real Estate** at $20.5B and $16.3B

Size	2026 Q1 # of Deals	%	Value $ Millions	%	2026 Q2 # of Deals	%	Value $ Millions	%
<$100m	206	30	2,948	4	160	27	2,289	2
$101m-$250m	23	3	3,849	5	13	2	2,016	2
$251m-$500m	13	2	4,678	6	9	2	3,096	3
$501m-$1b	10	1	6,793	9	10	2	7,276	6
>$1b	15	2	57,705	76	23	4	99,836	87
Undisclosed	413	61	0	0	385	64	0	0
	680		75,973		600		114,514	

Breakdown by Transaction Size

- Deals under $250M made up 80% of those disclosing a price, six points off the 86% share held in Q1
- That works out to 173 transactions carrying $4.3B of value, against 229 last quarter

	2026 Q1 # of Deals	2026 Q1 Value $ Millions	2026 Q2 # of Deals	2026 Q2 Value $ Millions
Canadian Targets				
With Canadian Buyers	325	14,769	268	38,017
With Foreign Buyers	132	26,365	138	41,867
Domestic M&A	457	41,134	406	79,883
Foreign Targets (Canadian Buyer)	186	22,393	156	19,742
Canadian Foreign Subsidiaries Sold to Foreign Buyers	37	12,445	38	14,888
Foreign M&A	223	34,839	194	34,630
	680	75,973	600	114,514

Canadian Domiciled versus Foreign M&A Targets

- Canadian targets attracted 406 bids, 51 fewer than in Q1, though the dollars behind them nearly doubled to $79.9B
- The split ran 268 to domestic purchasers and 138 to foreign ones
- Foreign buyers accounted for roughly a third of the count but more than half the value, a reversal traceable largely to Shell / ARC Resources
- Outbound appetite held up, with 156 foreign businesses bought by Canadian acquirers

	2026 Q1		2026 Q2	
	# of Deals	Value $Millions	# of Deals	Value $Millions
Outbound M&A (CDN Buyer/ Foreign Target)	186	22,393	156	19,742
Inbound M&A (Foreign Buyer/ CDN Target)	132	26,365	138	41,867
Total Cross Border	318	48,759	294	61,609
Outbound : Inbound Ratio	*1.41*	*0.85*	*1.13*	*0.47*
Cross Border as % of Total	*47%*	*64%*	*49%*	*54%*
Canada / US Activity				
US Target	113	11,996	89	13,452
US Buyer	79	18,158	80	14,132
Total Canada/US	192	30,154	169	27,584
Canada/ US as % of Cross Border	*60%*	*62%*	*57%*	*45%*
	680	75,973	600	114,514

Cross-Border Deals

- Deals crossing the border made up 49% of volume and 54% of dollars, the value share easing from 64% three months earlier
- The U.S. corridor still dominates, though its grip loosened to 57% of cross-border deals and 45% of cross-border dollars

	2026 Q1				2026 Q2			
	# of Deals	%	Value $ Millions	%	# of Deals	%	Value $ Millions	%
Ontario	171	37	13,331	32	144	35	23,730	30
British Columbia	89	19	6,146	15	79	19	12,018	15
Quebec	71	16	13,385	33	62	15	10,516	13
Alberta	68	15	8,097	20	67	17	30,937	39
Saskatchewan	9	2	47	0	11	3	1,261	2
Newfoundland	10	2	1	0	7	2	461	1
New Brunswick	9	2	34	0	13	3	266	0
Manitoba	8	2	0	0	8	2	238	0
Nova Scotia	16	4	41	0	11	3	11	0
Prince Edward Island	-	0	-	0	-	-	-	0
Northwest Territories	2	0	6	0	-	-	-	0
Yukon Territory	2	0	37	0	3	1	3	0
Nunavut	2	0	10	0	1	0	444	1
	457		41,134		406		79,883	

Deals by Provincial Domicile

- **Ontario** hosted the most targets at 144
- **Alberta** claimed the value crown at $30.9B, almost entirely on the back of ARC Resources
- **British Columbia** logged 79 deals worth $12.0B, with Quebec close behind at 62 worth $10.5B

Target Industry	Announced Date	Value ($ millions)	Target / Acquiror / Vendor	Role	Transaction Status
Energy	27-Apr-26	$22,647.3	**ARC Resources Ltd. (TSX:ARX)**	Target	Announced
			Shell Canada Limited	Acquiror	
Real Estate	16-Apr-26	$9,427.8	**First Capital Real Estate Investment Trust (TSX:FCR.UN)**	Target	Announced
			KingSett Capital Inc.; Choice Properties Real Estate Investment Trust (TSX:CHP.UN)	Acquiror	
Precious Metals	13-May-26	$8,511.7	**Orla Mining Ltd. (TSX:OLA)**	Target	Announced
			Equinox Gold Corp. (TSX:EQX)	Acquiror	
			Fairfax Financial Holdings Limited (TSX:FFH); Orion Mine Finance	Vendor	
Utilities	27-Apr-26	$8,171.2	**Cleco Group LLC**	Target	Announced
			Stonepeak Partners LP; Bernhard Capital Partners Management, LP	Acquiror	
			British Columbia Investment Management; Manulife Investment Management ; Macquarie Asset Management	Vendor	
Energy	13-Apr-26	$6,766.1	**SECURE Waste Infrastructure Corp. (TSX:SES)**	Target	Announced
			GFL Environmental Inc. (TSX:GFL)	Acquiror	
			Angelo, Gordon & Co., L.P.; Solus Alternative Asset Management LP	Vendor	
Utilities	26-Jun-26	$6,512.5	**EDF Power Solutions Inc./EDF power solutions Canada Inc.**	Target	Announced
			KKR & Co. Inc. (NYSE:KKR)	Acquiror	
			EDF Power Solutions SA	Vendor	
Financial Services	20-May-26	$4,000.0	**Portfolio of 33 Limited Partnership Fund Interests**	Target	Closed
			Ardian SAS; Strategic Partners Fund Solutions Advisors L.P.	Acquiror	
			Canada Pension Plan Investment Board	Vendor	
Financial Services	15-Jun-26	$3,870.1	**Payoneer Global Inc. (NasdaqGM:PAYO)**	Target	Announced
			Nuvei Corporation	Acquiror	
			TCMI Inc.	Vendor	
Precious Metals	20-Apr-26	$3,105.5	**Rupert Resources Ltd.**	Target	Closed
			Agnico Eagle Mines Limited (NYSE:AEM)	Acquiror	
			BlackRock, Inc. (NYSE:BLK)	Vendor	
Precious Metals	9-Apr-26	$2,958.5	**G2 Goldfields Inc. (TSX:GTWO)**	Target	Announced
			G Mining Ventures Corp. (TSX:GMIN)	Acquiror	
			Juno International Corporation (TSXV:JUN.A); Ithaki Limited	Vendor	
Real Estate	5-Jun-26	$2,784.8	**ECHO Realty, L.P.**	Target	Closed
			La Caisse de dépôt et placement du Québec; Public Sector Pension Investment Board; Norges Bank Investment Management; TPG Real Estate	Acquiror	
Metals and Mining	16-Apr-26	$2,515.1	**Sweetwater Royalties LLC**	Target	Announced
			Uranium Royalty Corp. (TSX:URC)	Acquiror	
			Ontario Teachers' Pension Plan Board; Orion Resource Partners LP; HRG Metals LP	Vendor	
Industrials	17-Apr-26	$2,200.0	**Metro Supply Chain Group Inc.**	Target	Announced
			Nippon Express Holdings, Inc. (TSE:9147)	Acquiror	
			La Caisse de dépôt et placement du Québec; Ldc Logistics Holdings Inc.	Vendor	
Utilities	29-May-26	$2,159.8	**ReNew Energy Global Plc (NasdaqGS:RNW)**	Target	Announced
			Canada Pension Plan Investment Board	Acquiror	
			AlpInvest Partners B.V.; LeapFrog Investments	Vendor	