CROSBIE

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CROSBIE & COMPANY CANADIAN M&A REPORT – Q3 2026

Mid-Market Activity Improves as Mega-Deal Values Recede

Canadian M&A announcements declined for a second consecutive quarter in Q3 2026, falling by 31 deals or 5% to 569, the lowest count since Q4 2023. Announced value fell by $44.0B or 38% to $71.5B, its lowest level since Q1 2025.

Both deal count and value increased across every disclosed transaction-size category of $1B or less. The decline in aggregate announced value of $44.0B was entirely accounted for by mega-deals (defined as transactions above $1B) whose value fell $47.1B. The mid-market proved the more resilient part of the market, with disclosed transactions of $250M or less rising by 10 deals or 6% to 183, with their combined value increasing by $1.7B or 39% to $6.0B. More broadly, transactions of $1B or less increased by $3.1B or 21% to $17.8B.

The quarter's operating environment became less predictable as it progressed. The Bank of Canada's business surveys showed improving sales expectations early in Q3, followed by weaker export and investment outlooks after Canada-U.S. trade talks broke down in August. Renewed tariffs also added to cost pressures, with businesses unable to pass through all of the increases to customers. Trade uncertainty and technological disruption are also increasing scrutiny of revenue forecasts, pipeline conversion and the sustainability of margins.

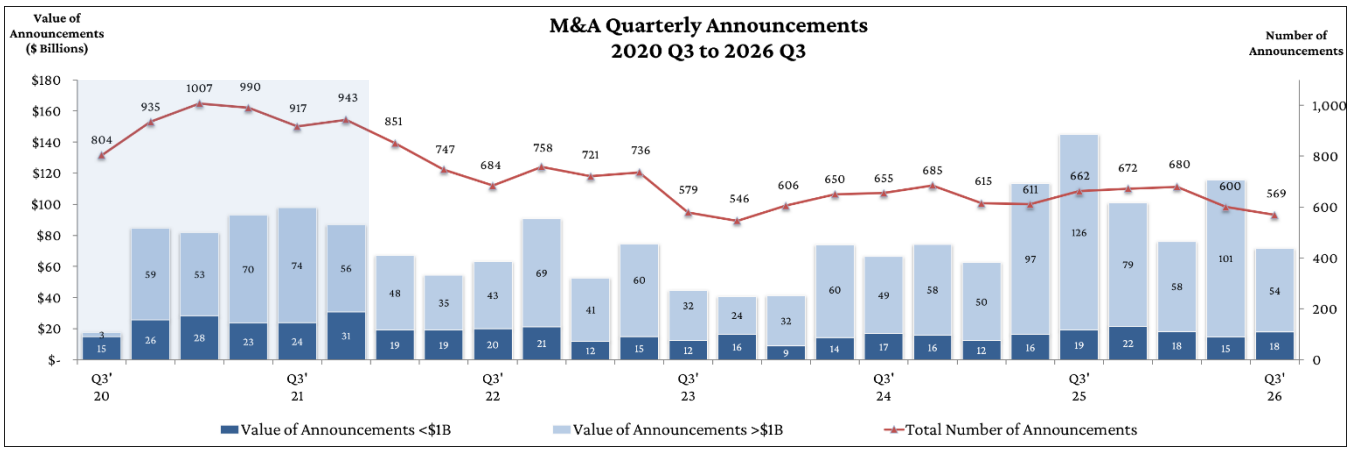
> *"The divergence between headline activity and mid-market deal-flow underlines the importance of looking beyond the largest deals when assessing conditions for private business owners," said Sadat Mirza, Managing Director at Crosbie. "We are also seeing more owners consider taking some liquidity while remaining materially invested in the next stage of their business's growth. That is broadening sale conversations to include partnerships that better reflect how much capital, control and continuing involvement an owner wants."*

The retreat in mega-deals drove the decline in overall value: 15 transactions above $1B generated $53.7B, down from $100.9B across 23 transactions in Q2. Their share of announced value fell from 87% to 75%. **Real Estate**, **Energy** and **Utilities** accounted for 85% of mega-deal value in Q3, up from 65% in Q2. **Brookfield**'s $9.9B **Aypa Power** acquisition and the $7.2B **Caruna Networks** transaction extended the power-infrastructure theme highlighted in Q2 into storage and electricity networks, while the $7.1B **LXP Industrial Trust** transaction reflected investment in industrial property. **Aypa**'s operating and under-construction portfolio is 95% contracted, with an average remaining contract life of 17 years, illustrating the power of revenue visibility in investment commitments of this scale.

The disclosed mid-market accounted for 83% of transactions with known values, up from 80% in Q2. The improvement was particularly pronounced in the $100M–$250M category, where announcements increased from 13 to 18 and aggregate value rose from $2.0B to $3.1B. This category accounted for almost two-thirds of the increase in mid-market value, while transactions below $100M also increased in both count and value. Mid-market activity nevertheless remained below Q1 levels, making Q3 a partial recovery from Q2's slowdown rather than a return to the pace seen at the start of the year.

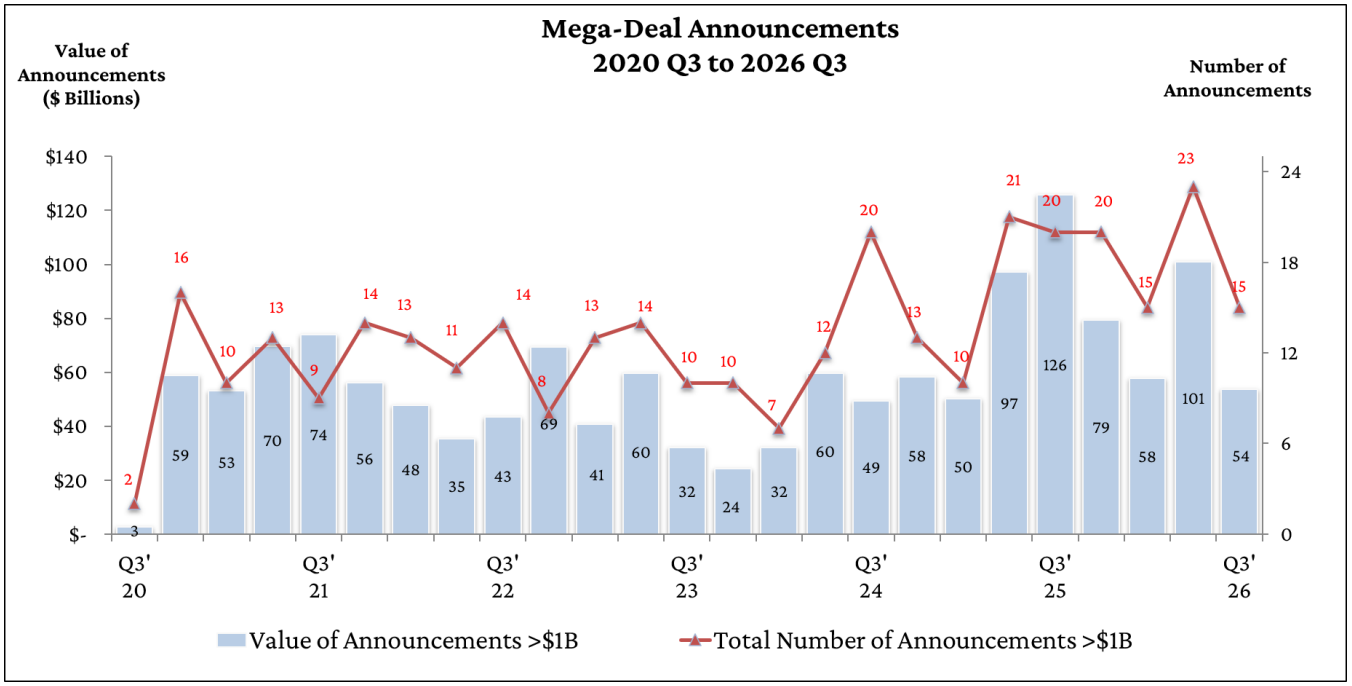
Industrials and **Information Technology** remained the most active sectors, with 99 and 86 announcements, respectively, but their results diverged. **Industrials** recorded 27 fewer transactions than in Q2, while **Information Technology** increased by three. **Financial Services** (+9), **Energy** (+5) and **Health Care** (+3) also gained ground, partly offsetting declines in Industrials, **Precious Metals** and **Materials**. **Real Estate** led announced value at $23.8B, followed by **Utilities** at $17.6B and **Energy** at $13.4B. The $7.1B **LXP transaction** accounted for most of the increase in **Real Estate** value, despite an unchanged sector deal count.

Cross-border M&A accounted for 287 transactions worth $42.6B, representing 50% of announcements and 60% of value. Count declined 2%, while value fell 32%. Canadian acquisitions abroad increased 6% to 165, with value rising 40% to $29.0B, largely reflecting the $7.1B LXP acquisition. Foreign acquisitions of Canadian targets fell 12% to 122 and 68% by value to $13.6B. The value comparison reflects Q2's $22.6B Shell–ARC transaction, which accounted for 80% of the inbound value decline. Foreign buyers still represented 34% of Canadian-target announcements, broadly unchanged from Q2, while Canadian-target count overall fell 11% to 363. Canada-U.S. transactions remained the largest corridor, at 57% of cross-border count and 75% of value.



Overview

- Aggregate value fell 38% to $71.5B, entirely explained by mega-deals (above $1B); value in transactions of $1B or less rose 21% to $17.8B
- While total announcements declined 5% to 569, disclosed transactions of $1B or less rose from 192 to 205 while mega-deals (above $1B) fell from 23 to 15
- The net decline in deal count came from undisclosed-value deals, which fell 9% from 385 to 349; deals with disclosed values increased, rising from 215 to 220



Mega-Deals

- Mega-deal count fell from 23 in Q2 to 15, matching Q1; value fell 47% to $53.7B, fully explaining the decline in overall value
- **Aypa Power** ($9.9B), **Caruna Networks** ($7.2B) and **LXP Industrial Trust** ($7.1B) together represented 45% of mega-deal value
- **Real Estate**, **Utilities** and **Energy** contributed 85% of mega-deal value, up from 65% in Q2, with power infrastructure and industrial property featuring prominently

INDUSTRY GROUPS[1]	2026 Q2 # of Deals	2026 Q2 Value $Millions	2026 Q3 # of Deals	2026 Q3 Value $Millions
Information Technology	83	1,314	86	1,160
Industrials	126	9,643	99	4,860
Real Estate	47	16,302	47	23,840
Metals and Mining	58	3,231	60	1,089
Health Care	35	882	38	1,301
Financials	47	10,702	56	2,312
Precious Metals	61	15,925	48	2,185
Communication Services	11	2,132	12	-
Consumer Discretionary	38	411	37	1,055
Energy	39	32,112	44	13,355
Consumer Staples	20	1,025	18	2,678
Materials	16	375	9	44
Utilities	18	21,501	15	17,630
Other	1	-	0	-
TOTAL	600	115,555	569	71,508
Services	74	14,141	54	7,939

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

Industry Sector Activity

- **Industrials** led with 99 announcements, down 21%; **Information Technology** followed with 86, up 4%
- **Financial Services** (+9) and **Health Care** (+3) increased for a second consecutive quarter; Energy added five announcements
- **Industrials** (-27), **Precious Metals** (-13) and **Materials** (-7) recorded the largest count declines, partly offset by gains elsewhere
- **Real Estate** led value at $23.8B, followed by **Utilities** at $17.6B and **Energy** at $13.4B

Size	2026 Q2 # of Deals	2026 Q2 %	2026 Q2 Value $ Millions	2026 Q2 %	2026 Q3 # of Deals	2026 Q3 %	2026 Q3 Value $ Millions	2026 Q3 %
<$100m	160	27	2,289	2	165	29	2,908	4
$101m-$250m	13	2	2,016	2	18	3	3,056	4
$251m-$500m	9	2	3,096	3	10	2	3,752	5
$501m-$1b	10	2	7,276	6	12	2	8,059	11
>$1b	23	4	100,877	87	15	3	53,733	75
Undisclosed	385	64	0	0	349	61	0	0
	600		115,555		569		71,508	

Breakdown by Transaction Size

- Deal count and value rose in every disclosed size category of $1B or less; however mega-deal count (above $1B) declined from 23 to 15 and value down 47%
- Mid-market transactions of $250M or less rose 6% to 183 and 39% by value to $6.0B, lifting their share of disclosed deals to 83% from 80%

	2026 Q2 # of Deals	2026 Q2 Value $ Millions	2026 Q3 # of Deals	2026 Q3 Value $ Millions
Canadian Targets				
With Canadian Buyers	268	38,017	241	16,353
With Foreign Buyers	138	41,867	122	13,593
Domestic M&A	406	79,883	363	29,946
Foreign Targets (Canadian Buyer)	156	20,783	165	29,040
Canadian Foreign Subsidiaries Sold to Foreign Buyers	38	14,888	41	12,523
Foreign M&A	194	35,671	206	41,563
	600	115,555	569	71,508

Canadian Domiciled versus Foreign M&A Targets

- Canadian-target count fell 11% to 363 and value declined 63% to $29.9B; increased activity involving foreign targets partly offset the count decline
- Domestic buyers acquired 241 Canadian targets, down 10%; foreign buyers acquired 122, down 12%
- Foreign buyers represented 34% of Canadian-target count, broadly unchanged from Q2 and above 29% in Q1 and 26% in Q4 2025
- Canadian buyers announced 165 acquisitions abroad, up 6% from Q2 and broadly in line with 167 in Q3 2025

	2026 Q2		2026 Q3	
	# of Deals	Value $Millions	# of Deals	Value $Millions
Outbound M&A (CDN Buyer/ Foreign Target)	156	20,783	165	29,040
Inbound M&A (Foreign Buyer/ CDN Target)	138	41,867	122	13,593
Total Cross Border	294	62,650	287	42,633
Outbound : Inbound Ratio	*1.13*	*0.50*	*1.35*	*2.14*
Cross Border as % of Total	*49%*	*54%*	*50%*	*60%*
Canada / US Activity				
US Target	89	14,493	99	24,038
US Buyer	80	14,132	65	7,955
Total Canada/US	169	28,625	164	31,992
Canada/ US as % of Cross Border	*57%*	*46%*	*57%*	*75%*
	600	115,555	569	71,508

Cross-Border Deals

- Cross-border deals remained near half of all Canadian announcements at 50%, versus 49% in Q2 and 47% in Q1; they accounted for 60% of Q3 value
- Canadian acquisitions of U.S. targets increased from 89 to 99, while U.S. acquisitions of Canadian targets declined from 80 to 65
- Of all Canadian cross-border activity, Canada-U.S. transactions remained the largest corridor, representing 57% of cross-border count and 75% of value

	2026 Q2				2026 Q3			
	# of Deals	%	Value $ Millions	%	# of Deals	%	Value $ Millions	%
Ontario	144	35	23,730	30	142	39	18,708	62
British Columbia	79	19	12,018	15	81	22	654	2
Quebec	62	15	10,516	13	35	10	785	3
Alberta	67	17	30,937	39	59	16	8,103	27
Saskatchewan	11	3	1,261	2	11	3	2	0
Newfoundland	7	2	461	1	14	4	237	1
New Brunswick	13	3	266	0	8	2	1,324	4
Manitoba	8	2	238	0	6	2	77	0
Nova Scotia	11	3	11	0	5	1	-	0
Prince Edward Island	-	-	-	0	-	-	-	0
Northwest Territories	-	-	-	0	-	-	-	0
Yukon Territory	3	1	3	0	-	-	-	0
Nunavut	1	0	444	1	2	1	56	0
	406		79,883		363		29,946	

Deals by Provincial Domicile

- **Ontario** led with 142 announcements and $18.7B of value; count was broadly unchanged from 144 in Q2
- **Alberta**'s $8.1B of value was in line with Q1, following Q2's $30.9B total including Shell's ARC Resources acquisition
- **British Columbia** recorded 81 deals worth $0.7B; **Quebec**'s 35 deals worth $0.8B marked the largest provincial count decline, from 62 in Q2

Target Industry	Announced Date	Value ($ millions)	Target	Role	Transaction Status
Utilities	22-Jul-26	$9,859	Aypa Power LLC Brookfield Asset Management Ltd. Blackstone Energy Partners L.P.; Blackstone Energy Transition Partners	Target Acquiror Vendor	Announced
Utilities	21-Jul-26	$7,211	Caruna Networks Oy Iberdrola Energía Internacional, S.A.U. KKR & Co. Inc.; Ontario Teachers' Pension Plan Board	Target Acquiror Vendor	Announced
Real Estate	20-Jul-26	$7,149	LXP Industrial Trust Canada Pension Plan Investment Board; Brookfield Asset Management Ltd. State Street Corporation; BlackRock, Inc.; Vanguard Capital Management, LLC; Vanguard Portfolio Management, LLC	Target Acquiror Vendor	Announced
Real Estate	11-Aug-26	$6,069	H&R Real Estate Investment Trust Blackstone Real Estate Advisors L.P.; Public Sector Pension Investment Board; Crestpoint Real Estate Investments Ltd.; GO Residential Real Estate Investment Trust	Target Acquiror	Announced
Energy	9-Sep-26	$3,591	Crude Transportation Business of Tallgrass Energy, LP Enbridge Inc. Tallgrass Energy, LP	Target Acquiror Vendor	Announced
Energy	8-Sep-26	$3,235	Headwater Exploration Inc. Tamarack Valley Energy Ltd.	Target Acquiror	Announced
Real Estate	28-Sep-26	$3,192	Slate Grocery REIT Brixmor Operating Partnership LP; Everview Partners, L.P.	Target Acquiror	Announced
Consumer Staples	6-Aug-26	$2,501	Jamieson Wellness Inc. Kirin Holdings Company, Limited Mackenzie Financial Corporation	Target Acquiror Vendor	Announced
Industrials	28-Aug-26	$2,100	CSA Group Testing & Certification Inc. Kiwa N.V. Canadian Standards Association, Inc.	Target Acquiror Vendor	Announced
Financials	10-Aug-26	$2,000	Moneris Solutions Corporation Francisco Partners Management, L.P. Royal Bank of Canada; Bank Of Montreal Holding Inc.	Target Acquiror Vendor	Announced
Energy	5-Aug-26	$1,864	Gran Tierra Energy CI GmbH Etablissements Maurel & Prom S.A. Gran Tierra Energy Inc.	Target Acquiror Vendor	Announced
Energy	13-Jul-26	$1,392	Connacher Oil and Gas Limited Greenfire Resources Ltd.	Target Acquiror	Closed
Real Estate	7-Jul-26	$1,260	Plaza Retail REIT Axia Real Assets LP Morguard Corporation	Target Acquiror Vendor	Announced
Industrials	8-Jul-26	$1,237	Collecte Localisation Satellites SA MDA Space Ltd. National Centre for Space Studies; Compagnie Nationale a Portefeuille SA	Target Acquiror Vendor	Announced
Real Estate	8-Sep-26	$1,072	Passive mobile tower infrastructure of VodafoneZiggo TD Asset Management, Inc.; Legal & General Investment Management Limited; DigitalBridge Group, Inc.; DigitalBridge Investment Management, LLC; DigitalBridge Strategic Assets Fund, LP; The TD Greystone Infrastructure Fund; L&G Digital Infrastructure Fund VodafoneZiggo Group B.V.	Target Acquiror Vendor	Announced