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2025 M&A OUTLOOK

Momentum Builds as Buyers and Sellers get into Gear

Made Ready For The Future Webinar Series

Presented by: ACG Association for Corporate Growth

AGENDA: 2025 M&A OUTLOOK

Introductions

Citizens 2025 M&A Outlook – Key Findings

- Macro M&A Environment
- M&A Environment Gains Strength
- Factors Impacting M&A Activity
- Valuation Expectations
- Balanced Seller/Buyer Pools
- International Interest

Q&A

MEET OUR PANEL

Panelists

ANDRE JEFFERS
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Moderator

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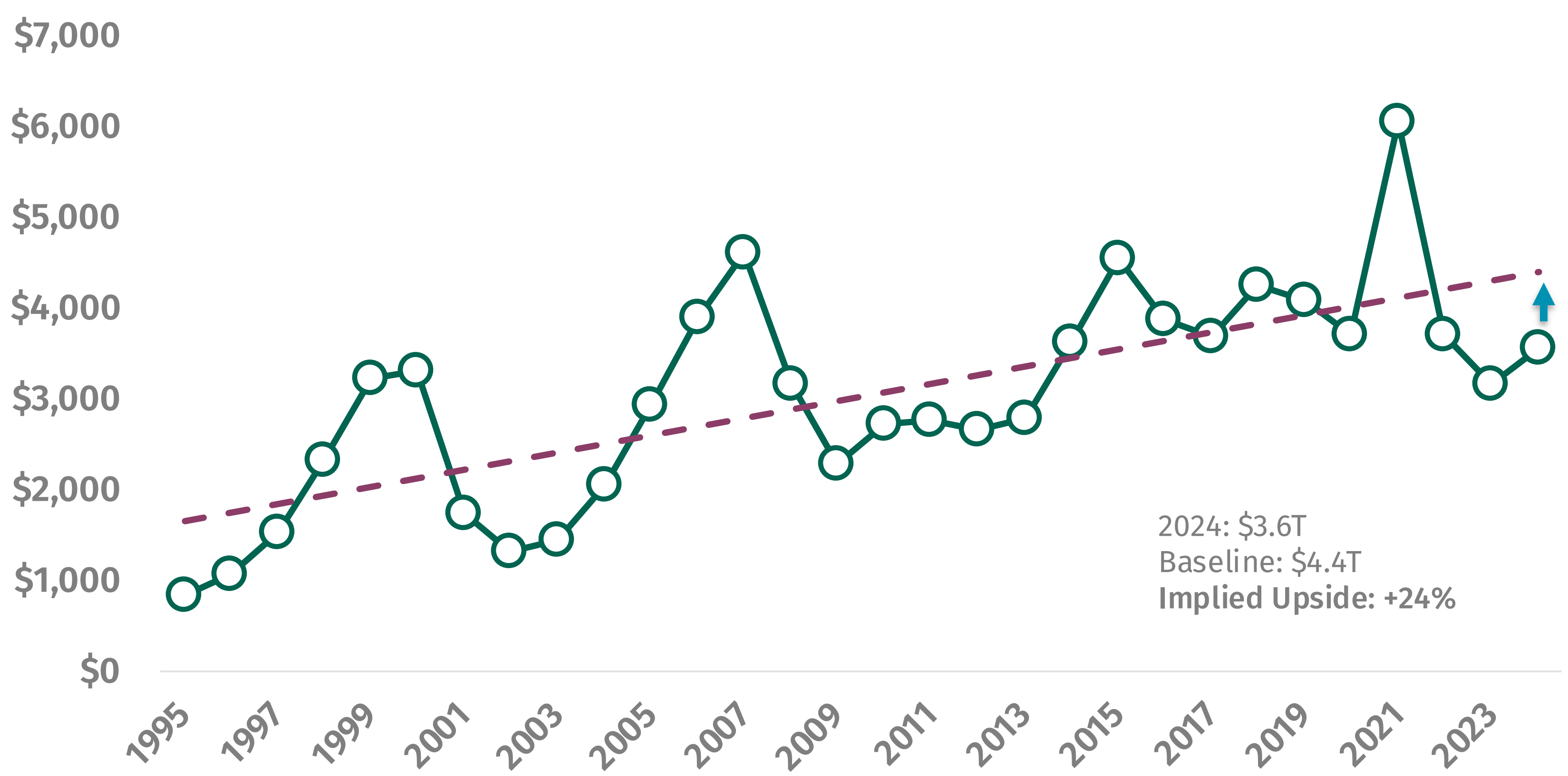
Contributing Editor
ACG

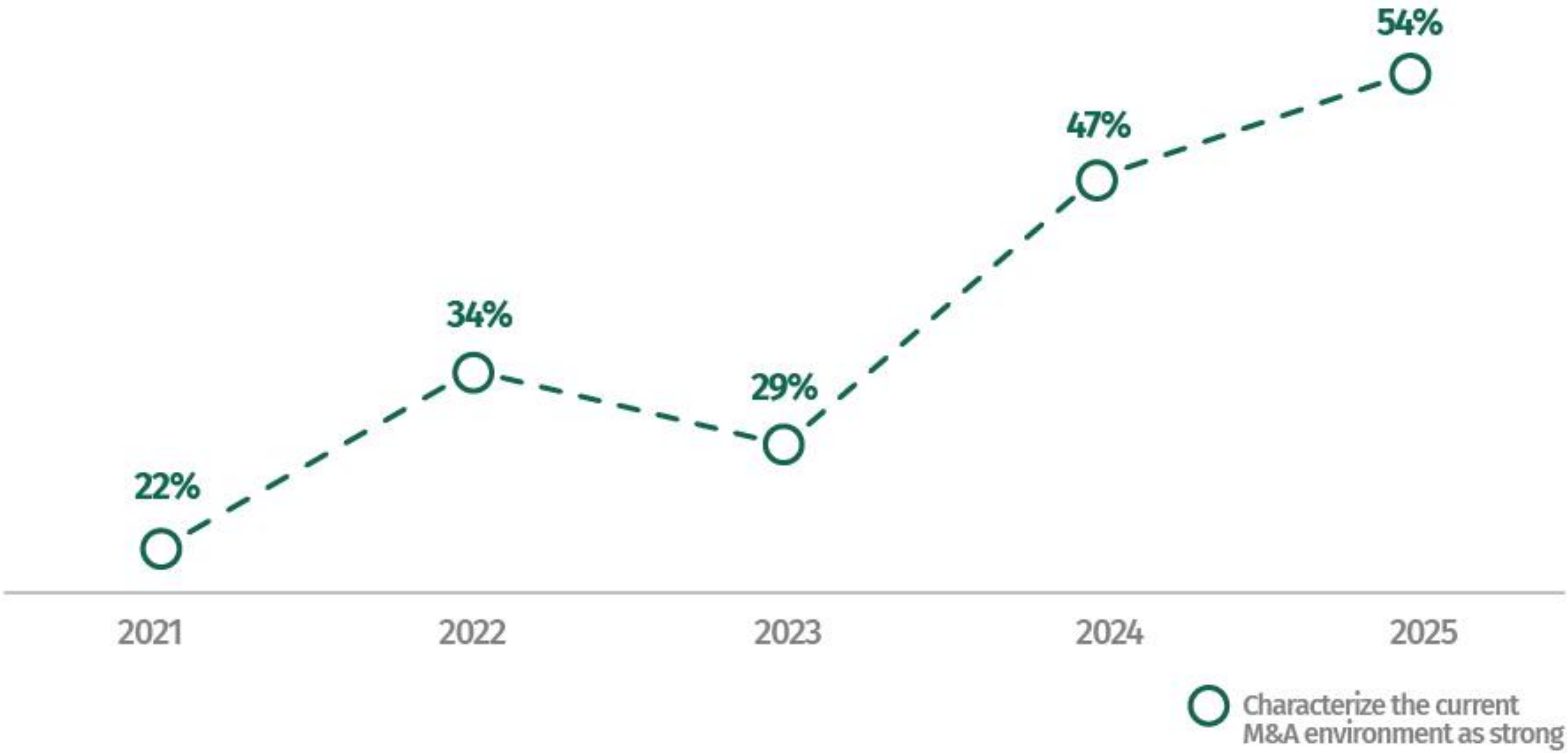
HISTORIC M&A VOLUMES

Global Announced M&A ($B): Meaningful upside exists to more normalized levels



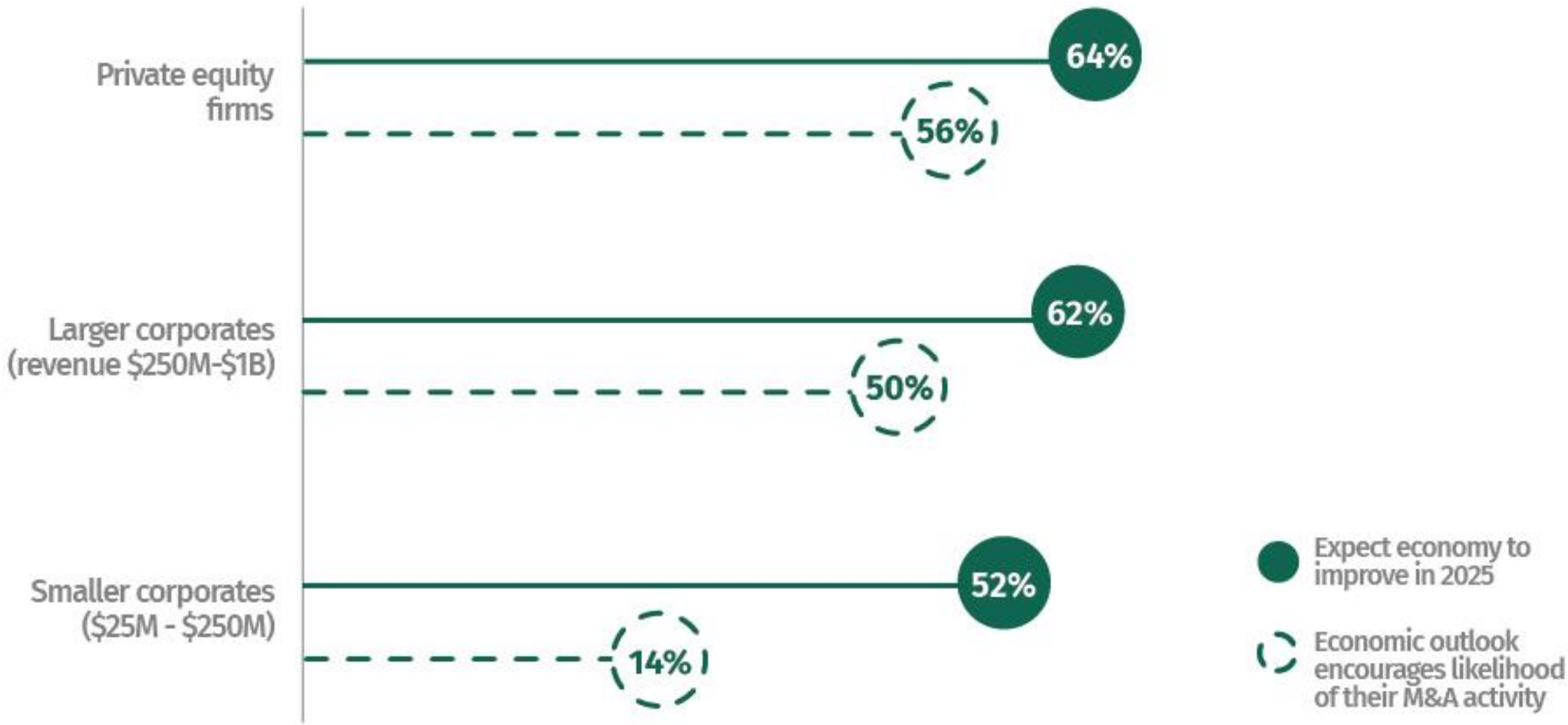
M&A ENVIRONMENT GAINS STRENGTH

Sentiment climbs to 5-year high as valuations strengthen, uncertainties recede



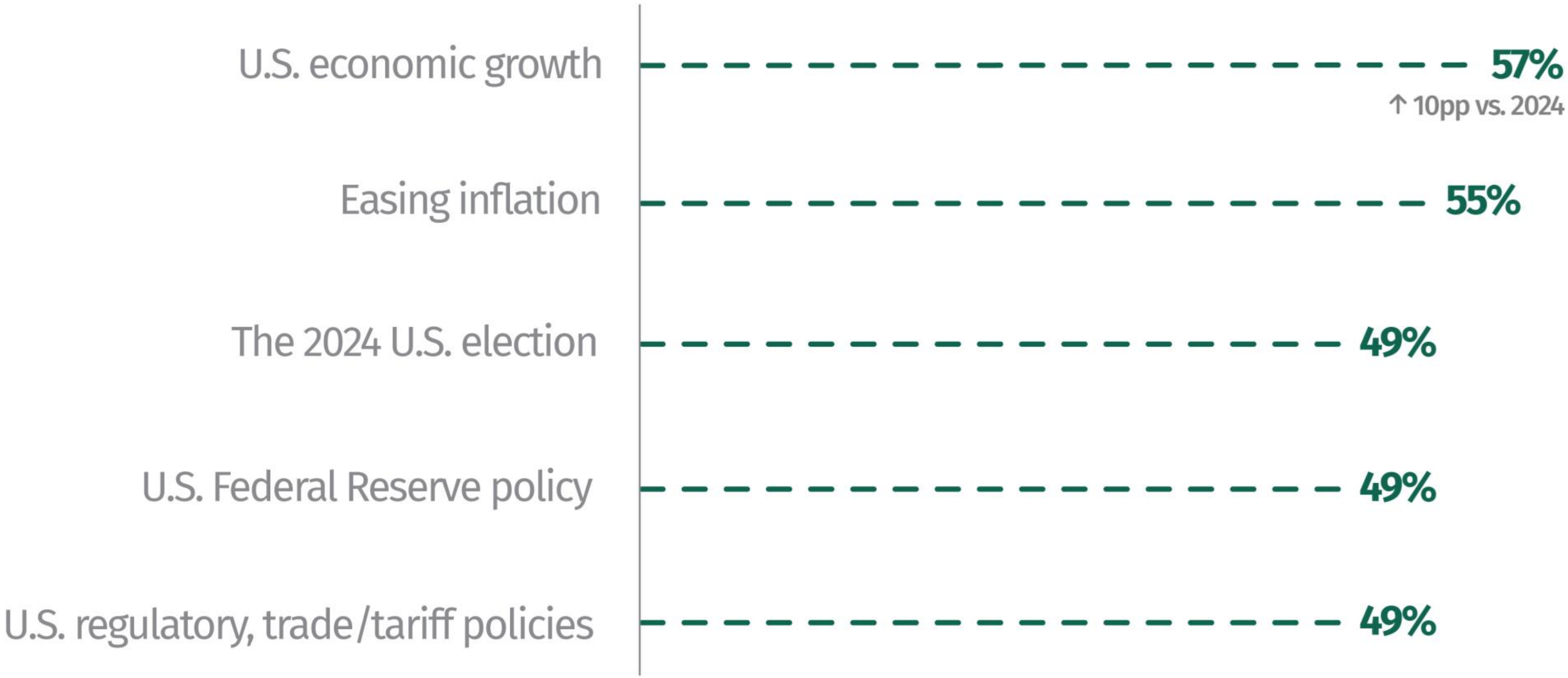
STRONG '25 OUTLOOK FROM PE AND LARGER CORPORATES

Smaller corporates show M&A caution



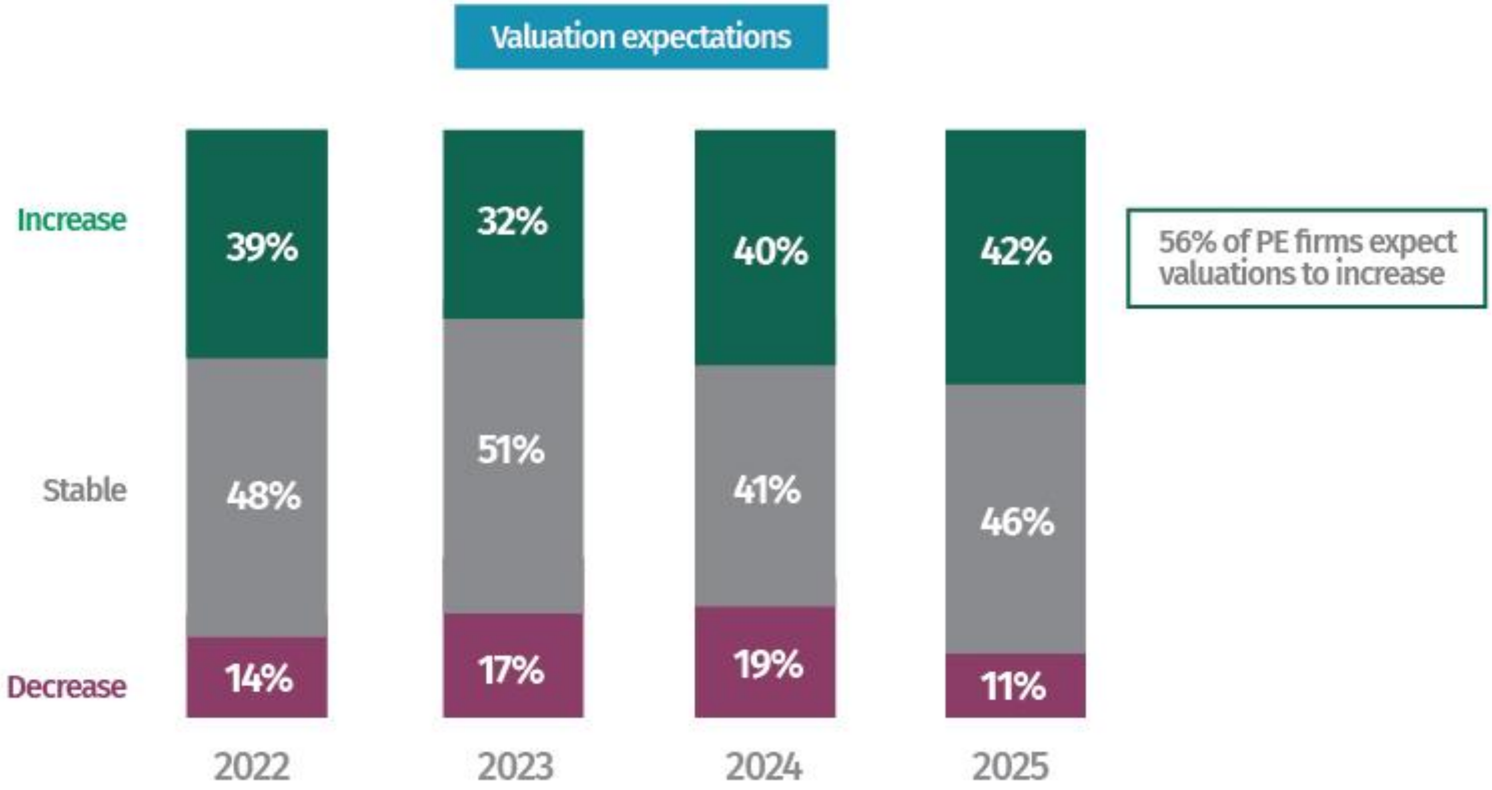
FACTORS DRIVING ‘25 M&A OPTIMISM

Growth expectations and other factors cited



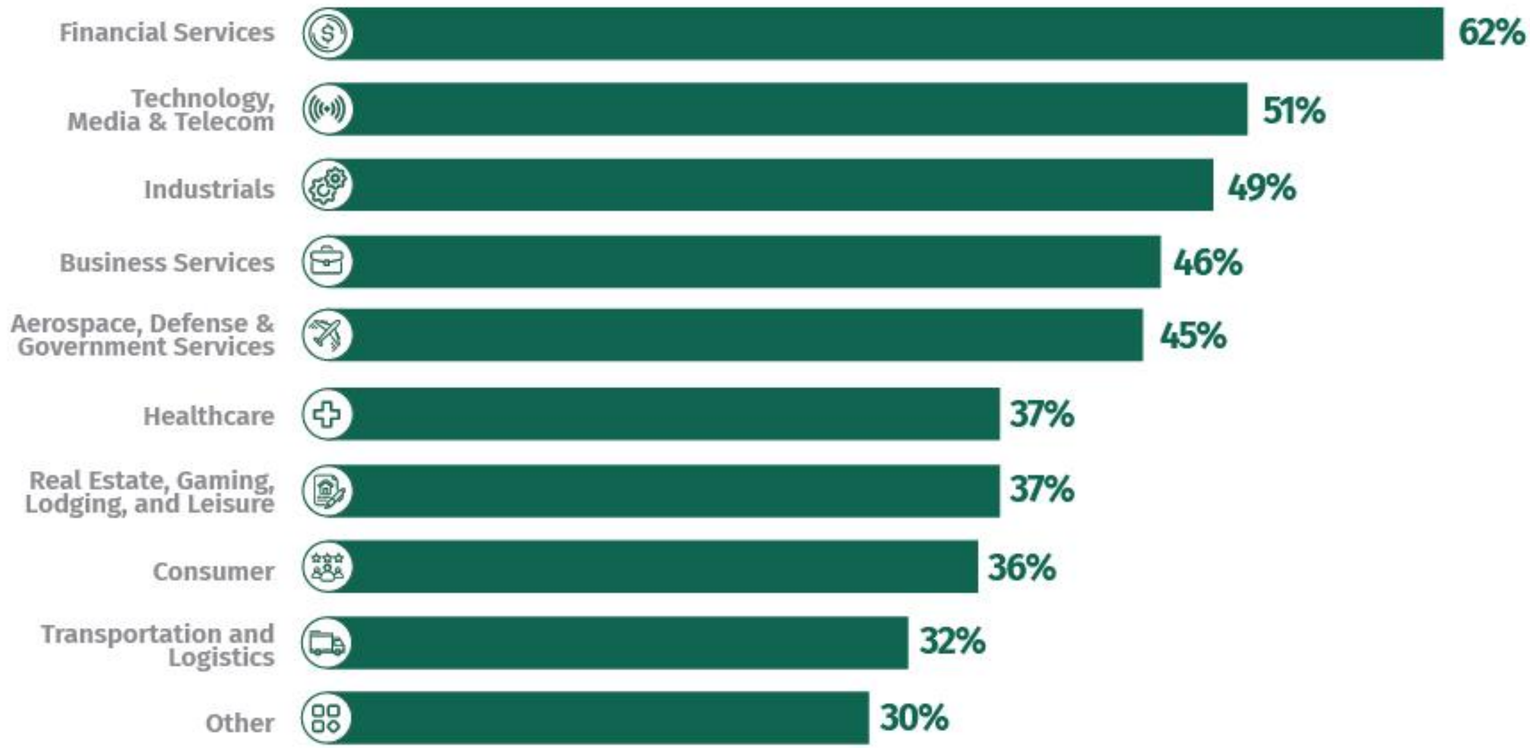
OUTLOOK MORE BULLISH ON VALUATIONS

Private equity firms and large corporates are confident about upside



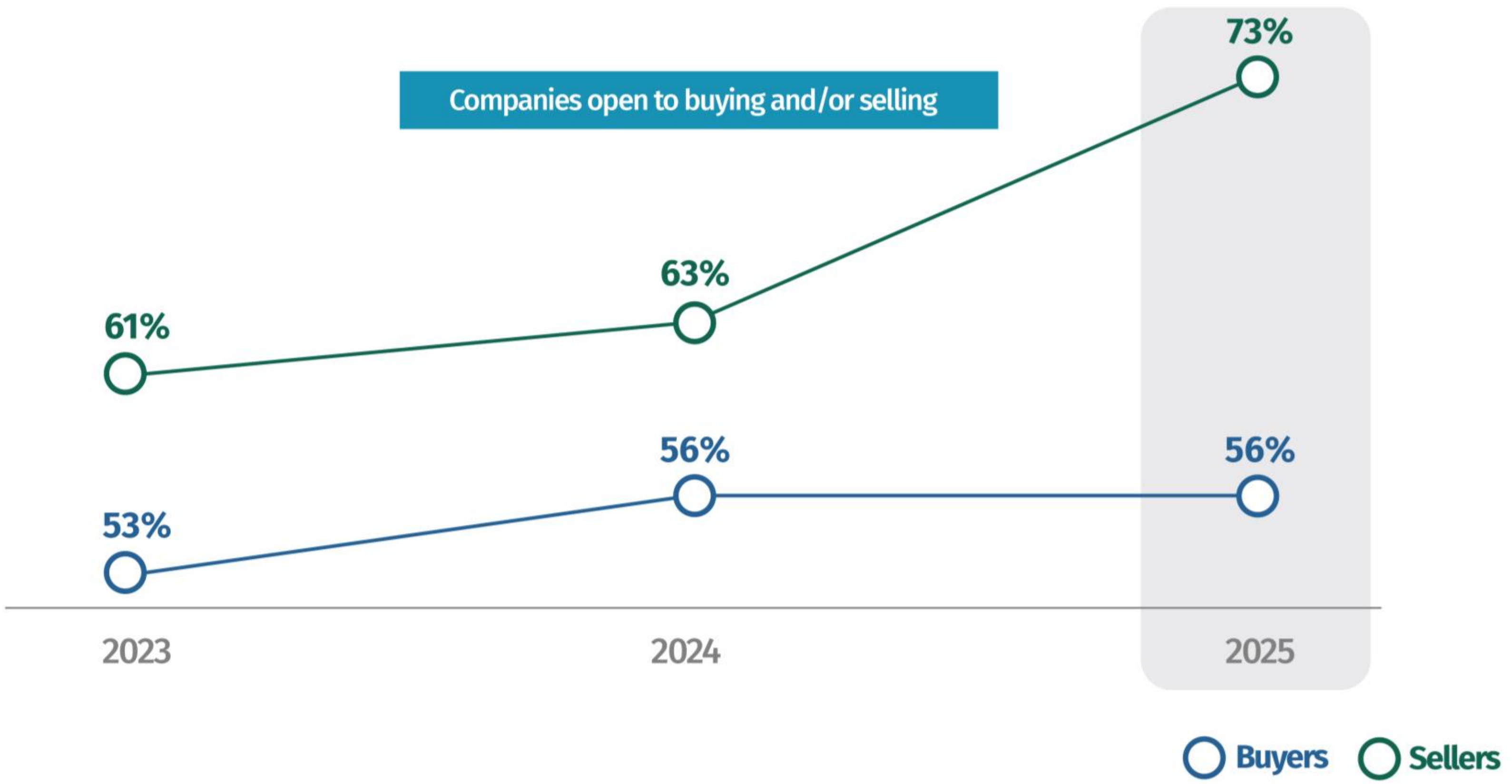
FINANCIALS, TMT, AND INDUSTRIALS DISPLAY MOMENTUM

Sectors expecting valuation increases in their sector



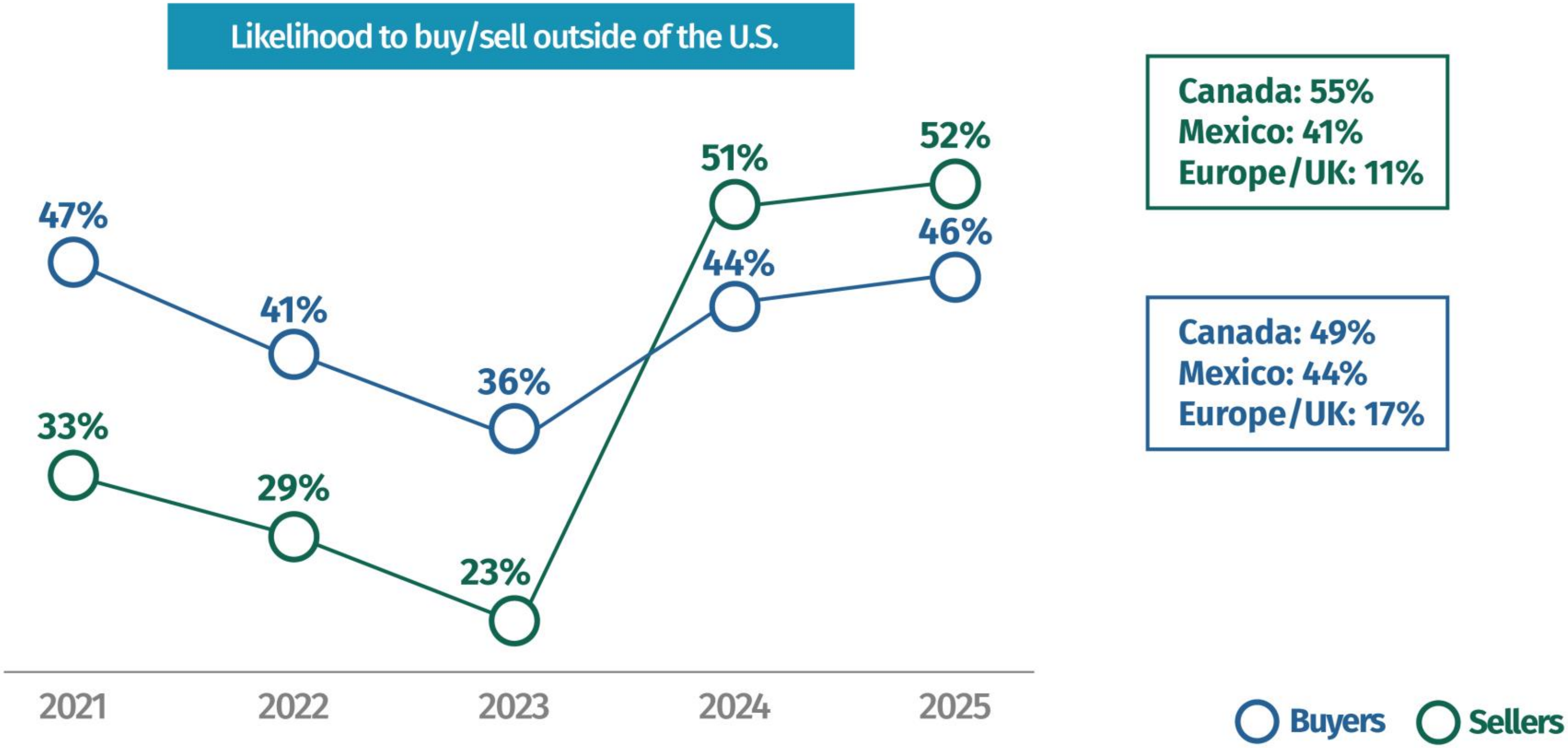
SELLER POOL POPS, WITH BROAD-BASED ENTHUSIASM

Seller sentiment grew 10pp this year, consistent trends across company sizes

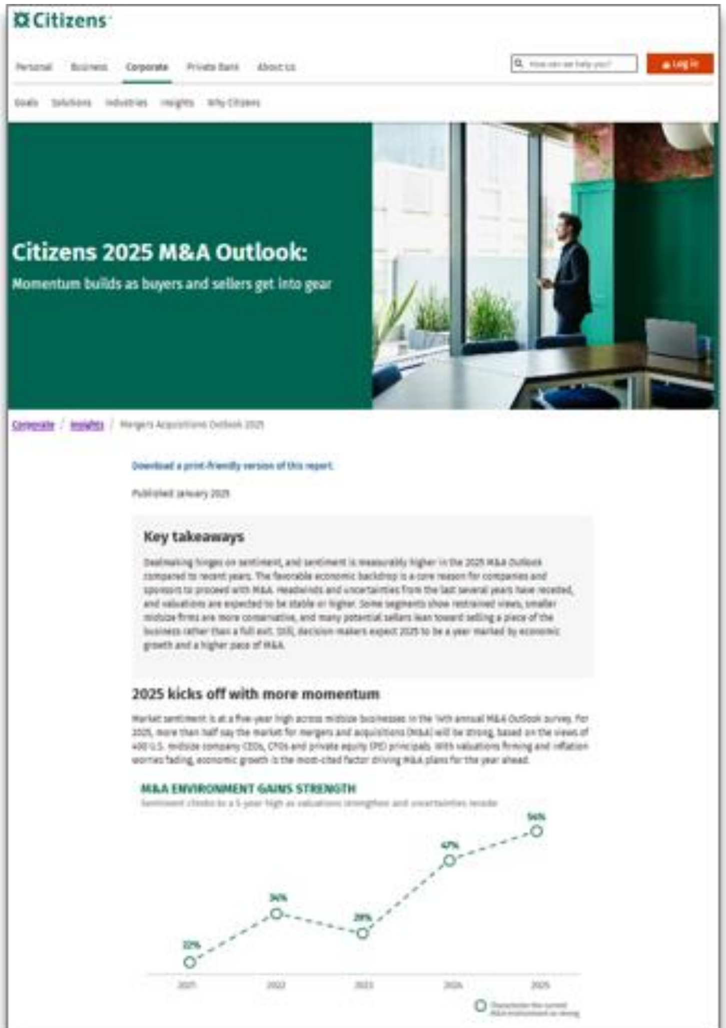


INTERNATIONAL M&A INTEREST REMAINS STRONG

Sentiment shift from 2024 carries through to this year's survey results



2025 M&A OUTLOOK REPORT



SEE FULL REPORT:

Citizensbank.com/MA-Outlook

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BACKGROUND AND METHODOLOGY

Background

- Citizens and Escalent have been successfully conducting the Mid Market M&A Outlook Study for the past 14 years to identify current attitudes toward corporate development and business growth among C-Level employees of mid-market businesses.
- The success of the program is built upon synthesizing the data we collect with the interpretation of the M&A team.
  - The survey data provides a platform for framing the outlook.
  - The experience and expertise of the M&A team provides context and depth for the 'why' behind the data results and 'what' it means for companies.
- The output insight is leveraged in several ways:
  - A PR campaign that generates ongoing interviews for the M&A team lead
  - A microsite that PR and web searches push to readers to
  - Slides and report content that can be customized and used for client meetings, pitch decks, and other marketing efforts

Methodology

- Surveys were conducted via phone and web from the period of October 28th , 2024, to November 13th, 2024

Audience Overview

- **Mid-Market Firms:**
  - Primary or shared decision-making responsibility or advisor to decision makers for merger and acquisition activities for their organization
  - C-Level executives
  - Business has annual revenue between $25M and $1B
- **Private Equity Firms:**
  - Private equity decision makers at firms with fund size < $1.5bn who are active with the acquisition and sale of US based companies with revenue between $50MM and $1B

Sector	Total n=	Mid-Market n=	PE Firms n=
Aerospace, Defense and Government Services	40	29*	11*
Business Services	48	32	16*
Consumer	44	31	13*
Real Estate, Gaming, Lodging, and Leisure	48	32	16*
Healthcare	45	32	13*
Industrials	46	30	16*
Technology, Media and Telecommunications	47	30	17*
Transportation	43	31	12*
Financial Services	21	10*	11*
Other	18	17*	1*
Total	**400**	**274**	**126**