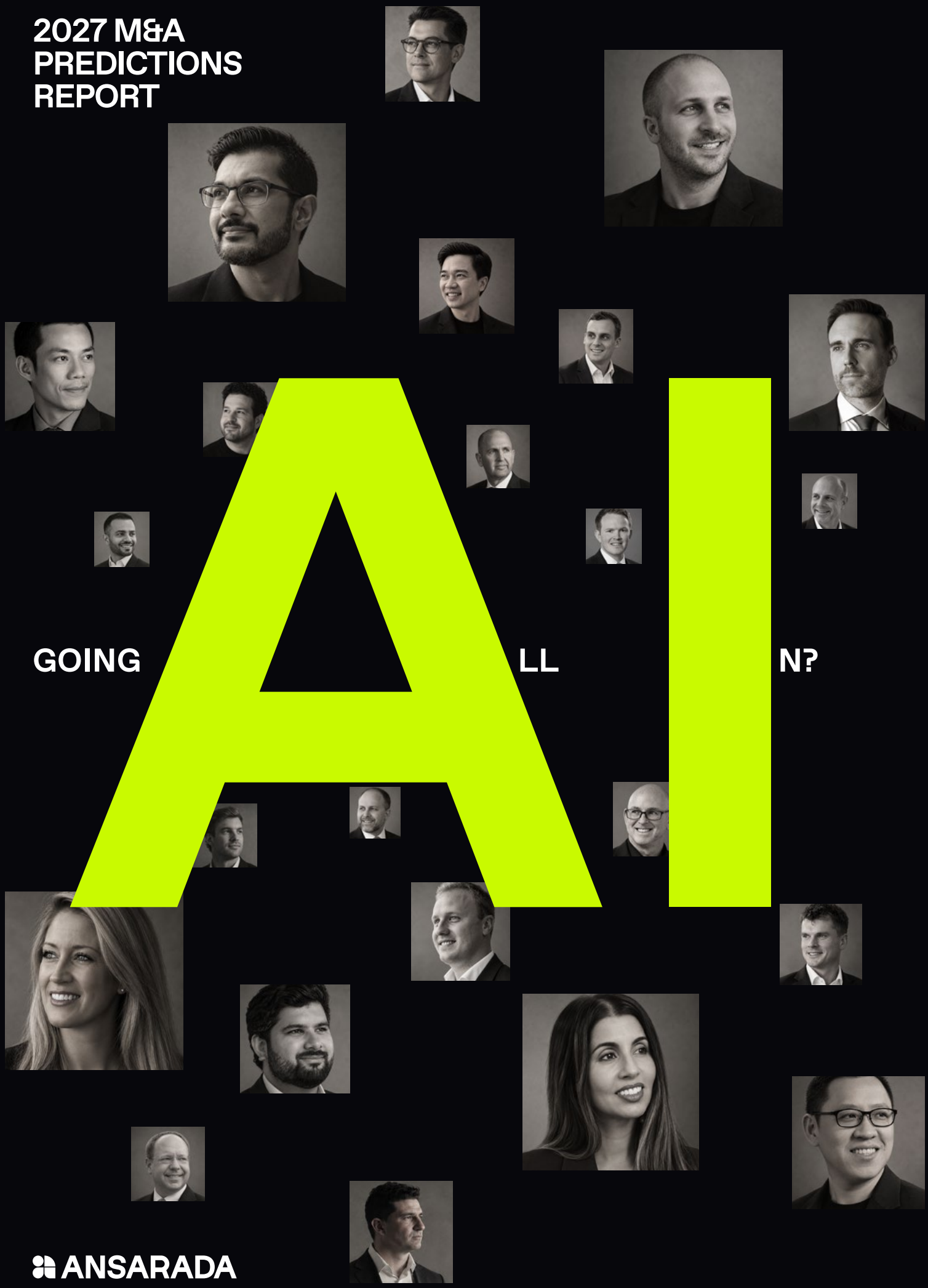
2027 M&A PREDICTIONS REPORT



GOING ALL AI N?

ANSARADA

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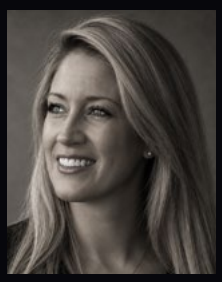

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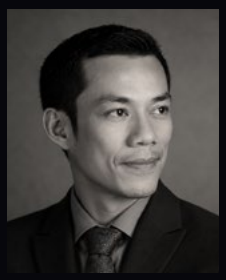

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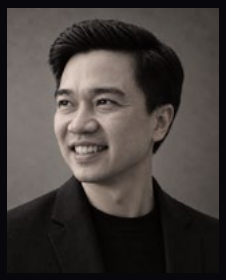

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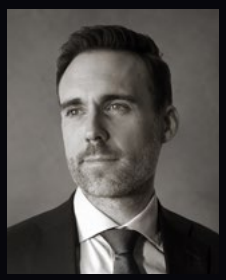

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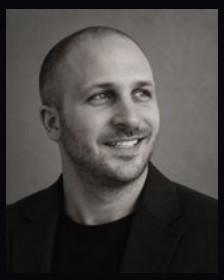

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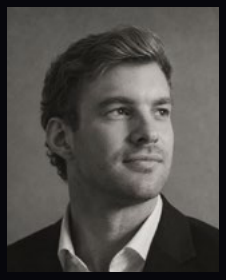

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01 Introduction

Every dealmaker I've spoken to this year is carrying more than they were 12 months ago. Processes that once took six months now take nine. Diligence goes deeper, and buyers ask more questions before they commit.

When we published our 2026 report, many contributors expected interest rate cuts to be the catalyst that would unlock a wave of activity. In many markets that catalyst hasn't arrived. Rates have risen in markets including Australia and the US, the cost of capital has climbed, and inflation remains a live pressure. The pressures dealmakers hoped would ease have instead piled on top of one another.

Geopolitical uncertainty has deepened. Conflict in the Middle East disrupted deal timetables from the first quarter, and global turbulence continues to drive up oil prices and logistics costs. Tax policy has shifted too. Capital gains tax changes in markets from Australia to Belgium are forcing founders and family businesses to rethink when they sell. Regulation is growing heavier, from a compliance wave in Vietnam and competition rules in South Africa to foreign investment and data privacy rules in the US and Europe.

Then there is AI, which is changing not only how deals are done but which businesses are worth buying.

Any one of these pressures would test a deal team. Together, they leave little room for half measures. That is why we've called this year's report *Going All In*.

These conversations didn't show dealmakers retreating. Deals are still getting done, and in some sectors 2026 outran expectations.

What stood out was that the pressure is demanding a different kind of commitment.

Going all in doesn't mean betting big, and most of our contributors are measured, even cautious, about 2027. It means committing fully to the things that now decide whether a deal gets across the line. That starts with preparation long before a process launches and diligence that leaves nothing to be discovered late. It also takes structures that bridge the gap between what sellers want and what buyers will pay, conviction in genuinely high-quality assets, and real adoption of AI rather than experimentation at the edges.

That is the bet we made at Ansarada. AiDA, our AI, works inside the data room. Your information stays there and never trains a model. It does the reading, sorting and first pass analysis so you can find answers in minutes. The judgement stays with you.

In this edition, 23 leading dealmakers across Australia, New Zealand, Asia, Europe, the UK, the Middle East, Africa and the United States share what they expect from the year ahead.

I am deeply grateful to every contributor for their candour and their time. The dealmakers who win in 2027 won't be the ones waiting for conditions to improve. They'll be the ones who have already decided to go all in. I hope these 23 predictions help you do the same.

Justin Smith

Managing Director
Ansarada

02 Four key takeaways

01

The rate relief never came

The rate cuts expected to lift 2026 haven't come through everywhere. Rates have risen in Australia and the US, and in the Gulf a rising cost of capital has widened the bid-ask spread. With capital more expensive, buyers focused on financial engineering are proving less competitive than those with operational plans.

02

Slower, but still getting done

Geopolitical conflict, elections and tax reform weighed on timing in several markets in 2026, and deals took longer. But activity continued. Uncertainty is being priced into transactions, and valuation gaps are being bridged with earn-outs, staged acquisitions and minority stakes.

03

A two-speed market favours quality

In Australia and Europe, high-quality assets are trading well or expected to command premium pricing, while weaker businesses face cautious buyers. Contributors expect continued activity across digital infrastructure and data centres, energy, infrastructure and healthcare, with the mid-market carrying much of the volume.

04

AI speeds the analysis, not the deal

Buyers are asking whether targets are AI-proof and want evidence of AI's impact rather than the label. AI is making diligence faster but surfacing more issues, and clients expect quicker turnarounds. Contributors agree experienced judgement and human verification remain essential.

03 Australia





Damien Elias

CEO
Grant Samuel
Sydney, Australia

As global investment banks' advantages in access and insight become commoditised by AI, Damien Elias predicts the real winners of 2027 will be mid-market independents – the firms whose value lies in judgement, not scale.

Damien Elias, CEO of independent advisory Grant Samuel splits his time between the strategic direction of the business and the deal work itself – origination and execution across M&A, debt and equity capital markets, and valuation. The firm is generalist by design, but certain sectors carrying disproportionate weight: resources, mining and oil and gas remain "very, very busy," alongside real assets spanning property and infrastructure, with energy transition and core-plus infrastructure especially active. Grant Samuel has also built deep expertise in data centres through its long-running advisory role with AirTrunk, putting the firm squarely in the path of AI-driven infrastructure demand.

Looking back at 2026 against expectations set at the start of the year, Damien describes a market defined less by a shortage of deals than by a reluctance to close them. Rising interest rates in Australia, global volatility and geopolitical risk have bred what he calls "an inherent conservatism," particularly among equity investors, who are less willing than in previous cycles to absorb vendor issues even at a discount. The anticipated new-year rebound in confidence was delayed, Damien notes, only picking up meaningfully since the start of the financial year. The effect has been a stretching of deal timelines rather than a drop in volume – what "used to be six months is now nine months," he says.

Within that environment, Damien sees the mid-market in Australia holding steady into 2027, underpinned by ample private equity capital on both the buy and sell side. The more notable shift, he predicts, will be a pickup in large-scale, public-markets transactions after a prolonged lull – the release of a backlog built up as boards accepted that depressed share prices were the new baseline rather than a temporary dip. That recalibration, combined with sustained inflows from US, European and Asian investors treating Australia as a stable, well-governed gateway to the broader region, points to a broadening rather than a narrowing of activity, with consumer the one visibly weak spot.

> "You're going to see the growth of the mid-market independents. People will be increasingly valuing genuine insight and commercial intellect because a lot of the other aspects of advisory work are being commoditised away by AI."

AI's influence at Grant Samuel is, in Damien's words, "across the board" – from deal sourcing and idea generation to drafting IMs and teaser documents, to the point that employees are "regularly hitting up against token limits every day." Financial modelling remains a deliberate exception: Damien sees it as requiring the kind of technical accountability that AI cannot yet own, calling the technology "an assistance tool as opposed to a replacement for resource capability" in that specific context. Due diligence sits somewhere between the two – useful for bulk data analysis, but not a substitute for the underlying legwork, given the liability question a hallucination or misinterpretation raises: "who are you suing?," Damien says.

AI efficiency is reshaping recruitment too. Damien sees an emerging cohort of AI native graduates as a genuine advantage, freeing junior staff from the more repetitive elements of analyst work so they can focus on higher-value tasks – a shift he says is measurably improving job satisfaction, not just output.

Damien is more cautious on the domestic policy outlook than on AI. He points to proposed tax changes in Australia as a material risk to entrepreneurship and capital investment, noting that for owners of businesses worth upwards of $100 million, the tax differential between Australia and New Zealand can amount to tens of millions of dollars – enough, he says, to prompt genuine consideration of relocating before a sale. ESG, by contrast, has receded as a standalone deal driver: Damien describes a shift in emphasis "from being carbon neutral to being cash flow positive," with sustainability credentials now a secondary consideration behind fundamental business quality.

Asked for the biggest emerging opportunity in 2027, Damien resists the obvious answer, arguing that AI's impact will be indirect – creating entirely new categories of business and employment, much as the internet did, rather than simply accelerating existing ones. That same dynamic, he believes, is quietly levelling the competitive field between independent advisors and global investment banks, as the access and international insight that once defined a bulge-bracket advantage become increasingly commoditised. It's this shift that underpins his boldest call for the year ahead: growth for firms built on judgement rather than scale.

Siobhán Syrrou

Partner
PwC Australia
Sydney, Australia



After years of a buyer's market, Siobhán Syrrou believes the tide is about to turn for the best assets – with scarce, high-quality Australian businesses set to command premium pricing even as the broader market remains selective.

Siobhán leads PwC Australia's national valuations practice, with a sector focus on financial services alongside significant work advising private equity and asset management clients. She has a particular interest in the more complex end of the market – derivatives and structured financial instruments among them.

On how 2026 played out against expectations, Siobhán is candid that the long-promised recovery has yet to fully arrive. There is significant capital looking for a home and substantial dry powder available in Australia, she notes, alongside a growing backlog of private equity assets and increasing pressure to return capital to investors after extended holding periods. That does not mean every asset will simply be sold: continuation vehicles, secondaries and other liquidity solutions are likely to remain part of the mix.

Buyers, however, remain cautious. Earn-outs are part of a broader shift towards more structured M&A, with contingent consideration, staged ownership and minority positions increasingly used to bridge valuation gaps and allocate risk between buyers and sellers. Even the tech sector – widely tipped to ride the AI wave – has been more selective than many expected. Siobhán sees a "two-speed" dynamic emerging, with capital increasingly distinguishing between businesses that can demonstrate credible AI-enabled economics and those relying primarily on the narrative.

Looking to 2027, she points to digital infrastructure as the clearest growth story – "a day doesn't go past where you don't read about something about a data centre" – though she flags that access to power, water, connectivity and land will increasingly determine which projects progress and where the value sits. Housing is the other theme she expects to dominate headlines, with the 1 July 2027 capital gains tax (CGT) changes already influencing investor behaviour, transaction timing and planning alongside broader constraints on new supply.

On deal size, she expects the private equity backlog to flow through largely as mid-market and large mid-market activity next year, noting there are only so many billion-dollar-plus assets in the country to go around. A more structural shift, she says, is the rise of family office and "patient capital" investment as ageing founders without succession plans look to exit, often bringing a longer-duration investment horizon. The 1 July 2027 CGT transition could sharpen that succession focus by giving private owners another reason to reassess value and transaction timing. She also expects inbound capital – particularly from Japan and broader Asia – to remain an important source of strategic and patient capital for Australian assets.

On AI, Siobhán expects the biggest change for advisers to be less about replacing advice and more about changing what clients are prepared to pay for. Tasks that historically absorbed significant time - reviewing data rooms, synthesising market information, building first-cut analysis and testing scenarios - can increasingly be done faster and at much greater scale.

That shifts the value of advisory work towards the areas where judgement matters most: deciding which information is relevant, challenging assumptions, interpreting imperfect evidence and explaining what it means for a transaction or valuation. "AI is very good at saying more with more," she says. "The real value is increasingly in saying more with less."

Siobhán Syrrou

> “AI is very good at saying more with more – the real value now lies in saying more with less.”

She expects that shift to change the advisory model as well. Junior teams will spend less time producing analysis from scratch and more time interrogating, validating and applying it. For advisers, technical grounding will remain essential, but the differentiator will increasingly be commercial judgement, curiosity and the ability to use technology without outsourcing thinking to it.

Impacting the deal market, Siobhán sees Australia’s biggest challenge as turning its natural advantages into investable projects at sufficient speed, with grid capacity, planning and approvals, housing and infrastructure constraints, and regulatory certainty all affecting execution. She sees considerable advantages – space, an instinct to “have a go,” and a disproportionate track record of invention – but says greater coordination will be needed to convert them into investment and deal activity.

Her boldest call for 2027 is a seller’s market for quality rather than a wholesale return to seller power. With capital plentiful but high-quality assets in short supply, Siobhán expects the valuation gap between the best businesses and the rest to widen: competitive tension and premium pricing could return for sellers who have used the downturn to get their businesses in shape, while weaker assets may still face cautious buyers and more structured consideration.

04 Asia



The Anh, Dinh

Partner, Deal Advisory
KPMG Vietnam
Ho Chi Minh City, Vietnam



Vietnam's buyer's market has stretched deal timelines past a year and thinned bidder shortlists down to a single contender in some cases. But 2027 should be the year the country's deal backlog starts to clear, as bank capital raisings and a consumer rebound reopen the pipeline, predicts The Anh, Dinh of KPMG in Vietnam.

An M&A advisor for more than two decades, The Anh spends the bulk of his time on fundraising mandates and strategic investor searches, with the remainder helping Japanese, Korean and Southeast Asian investors acquire Vietnamese targets. "Vietnam is still a relatively small M&A market, so we're quite sector agnostic," he says, though certain industries reliably draw the most interest: consumer, tech, financial services, healthcare and education.

Looking back, 2025 was, in The Anh's words, "the toughest year for M&A practitioners in Vietnam": headline figures were flattered by internal restructurings and non-cash transactions, and once those were stripped out, underlying deal size and volume dropped sharply. The market rallied in the first half of 2026 before losing momentum again. "We got a good start in the first and second quarters, but we're seeing a slowdown in the second half. Overall, it's still better than last year," he says.

Much of 2026's hesitancy, The Anh argues, comes down to compliance. "Compliance has been a huge theme in 2026 for the average Vietnamese business," he says, pointing to new tax registration and e-invoicing rules for household businesses and small online sellers. Many had never needed to register before, and some paused trading while they adjusted, with a knock-on effect on larger consumer businesses that sell through those channels. Foreign retailers, by contrast, are getting relief: Decree 342, effective 18 October 2026, narrows the economic needs test, meaning many foreign investors will no longer need case-by-case approval for each additional store. Layered on top of global uncertainty, the net effect was a market treading water rather than accelerating, a pause The Anh expects to ease in 2027 as businesses adjust and confidence returns.

That recovery, he predicts, will be led by banking. With roughly 50 banks operating in the country and many looking to raise capital to fund growth, The Anh expects a steady flow of bond and equity issuances to feed a healthier deal pipeline. Consumer is his other pick for a rebound, after a prolonged lull in domestic spending. Structurally, though, mid-market will remain the mainstay: "Vietnam's economy isn't dominated by large conglomerates, so the market will always be driven more by small and medium companies," he notes.

Cross-border activity continues to define the market, with roughly 30-40% of deals staying domestic and the remainder involving foreign buyers, mainly from Japan, Korea, Thailand and Singapore. Thai investors, in particular, have been more focused on their home market, though he expects them to return as Vietnam continues to outpace regional growth. Domestic buyers, meanwhile, have redirected capital towards infrastructure in line with national investment priorities, leaving more room in conventional M&A for private equity and foreign acquirers.

The views and opinions expressed are those of the interviewee and do not necessarily represent the views of KPMG in Vietnam. The information is general in nature and is not intended as professional advice.

AI has become embedded in KPMG's deal process, The Anh says, particularly in due diligence, where the firm's data and AI tools have cut research timelines sharply: work that once took a day can now take two or three hours. But he's careful to draw a line between speed and judgment. "If you don't know where to get the data, where the sources are, or whether that source is reliable, it can be a real problem if you rely on AI to give you information without knowing whether you can trust it," he says, which is why AI-assisted work at the firm is still reviewed by experienced deal professionals.

The same logic is reshaping recruitment in his Deal Advisory team, which increasingly looks for versatile dealmakers who can work fluently alongside the firm's tax, legal and strategy specialists, with AI helping staff get up to speed on unfamiliar territory faster than before. Even so, The Anh is unconvinced this shrinks headcount needs: "The research that used to take a day now takes two or three hours, so productivity has definitely increased. But the depth of what's required has increased too." Elsewhere, he sees the country's established IT outsourcing sector beginning to reposition around AI-enabled services, an early stage but increasingly investible trend as providers build genuine AI capability into their offerings.

The market's biggest current friction, in The Anh's view, is how long deals now take to close. In his experience, stretching from nine to 12 months to 14 or 15, and how thin buyer shortlists have become, often down to a single serious bidder. Buyers, he says, want granular monthly and quarterly financials broken down by channel, product line and country before they'll commit, while sellers increasingly favour investors already established in Vietnam over newcomers testing the market from outside. For well-prepared sellers, though, he sees opportunity in that same shift, since thorough early preparation now carries more weight with cautious buyers than it once did.

The Anh remains fundamentally optimistic about the decade ahead. "As an advisor, I always believe in the future," he says, expecting Vietnam's growth story to continue as the current reform agenda is carried through. His headline call for 2027: rising deal volumes and sizes, with banking and consumer leading the way back.

> "The research that used to take a day now takes two or three hours, but the depth of what's required has increased too."

Oki Stefanus

Partner, Strategy and Transactions – Transaction Diligence, EY-Parthenon Indonesia
Jakarta, Indonesia



While global and domestic headwinds have prompted many financial investors to adopt a wait-and-see approach, Indonesia's large consumer market continues to attract deal activity from strategic investors, notes Oki Stefanus.

Oki Stefanus

"

While there's a lot of uncertainty, we remain optimistic for renewed growth and opportunity in the coming year.

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Oki leads EY-Parthenon Indonesia's transaction diligence practice, a team of around 50 professionals, managers and associates who assist with between 80 and 100 due diligence engagements a year. "We are sector agnostic," he says, though most of his portfolio sits in financial services, with the remainder split across manufacturing, trading, healthcare and consumer businesses.

That breadth gave him a clear vantage point on a subdued year. "Many of the venture capital and private equity firms have put their transactions on hold in light of current macroeconomic conditions." The exception is strategic investors, who have continued to be actively looking for M&A opportunities.

Cross-border flow into Indonesia remains heavily routed through one hub. "Many of the big ticket-size transactions are still coming through Singapore," he says, though buyers with a firmer grasp of the local market increasingly deal direct. Outbound activity, by contrast, remains limited – Indonesia is still very much a capital destination rather than an exporter of it, barring specialised assets such as oil, gas, mining, natural resources-related assets that aren't available elsewhere.

Over the past year, investment interest in Indonesia has softened amid a range of global and macroeconomic factors including foreign exchange volatility, capital market scrutiny and weaker domestic consumption. "That's also having an effect on investments in the country," he says. Looking to 2027, he expects the scale of the opportunity to hold regardless, "Indonesia is fundamentally a huge consumer market. It continues to present sizable opportunities for investors.".

On AI, Oki sees its biggest impact so far in market analysis and due diligence, where tools developed by EY pull insights from documents populated in a shared workspace – the kind of lift, he notes, that virtual data room providers are also well placed to build on. These technologies have made due diligence and transaction advisory work more efficient. At the same time, clients increasingly expect faster turnaround time as they become more aware of AI's support and ability to process large volumes of information and the work at hand quickly. While AI can accelerate certain aspects of the work, interpretation of findings and the delivery of meaningful insights continue to rely heavily on human expertise.

But the advent of AI has not reshaped hiring. "At this point in time, specifically in Indonesia, there haven't been any changes in recruitment criteria," Oki says, adding that finance and accounting fundamentals remain the baseline. However, he expects data analytics literacy and the ability to draw insight from AI tools to matter more over time, even as headcount holds steady: "We couldn't really let the AI take over the entire process. Things like analytical thinking, local insights and tapping industry experience still require a human element."

Investor appetite for AI itself as a deal thesis has cooled in Indonesia. Technology investment broadly, particularly venture-backed, has softened over the past two years, and AI-native businesses no longer generate the appeal they once did. What continues to draw capital, Oki says, are AI-enabled incumbents – established operators building AI into existing business lines, rather than AI as the product itself.

In fact, pure tech businesses in general have become less appealing to venture capital (VC) investors, partly due to the controversies surrounding a few of the country's tech startups. A number of VCs have started to shift their focus to conventional brick-and-mortar businesses with tech elements that are used to enhance their operation and growth.

Heading into 2027, Oki notes that political and economic challenges may continue to persist. The counterweight is healthcare and other population-driven consumer sectors, which he sees as comparatively insulated from political dynamics because they rely less on licensing and more on straightforward consumer demand.

Asked for a bold prediction, Oki resists overreaching. "It's very hard to make predictions for the future," he concludes.

Leslie Koh

Partner
EY-Parthenon Malaysia
Kuala Lumpur, Malaysia



AI will erode the value of information asymmetry in M&A far faster than the market expects. That makes judgement, not access, the scarce skill in dealmaking, and leaves poorly prepared sellers more exposed than ever, argues EY-Parthenon Malaysia's Leslie Koh.

"Malaysia's M&A market in 2026 was active but increasingly selective," says Leslie Koh, a Partner at EY-Parthenon Malaysia who advises corporates, founders, private equity firms and institutional investors on buy-side and sell-side mandates across renewable energy, consumer, retail, industrials and healthcare. Pipelines stayed healthy, but buyers were disciplined on valuation, earnings quality, governance and execution risk. Deal value was concentrated in a handful of large infrastructure, digital infrastructure and consolidation transactions. Founder-owned businesses, portfolio optimisation and private equity bolt-ons supplied the breadth.

AI, Leslie notes, played a more meaningful role than many expected twelve months earlier. It started with research, screening and document review, and then moved into capital allocation itself. "Increasingly, AI has begun to shape where capital is being deployed, with investors paying closer attention to businesses exposed to digital infrastructure, data, automation, cybersecurity and the broader AI ecosystem."

For 2027, he expects activity to cluster where national policy and industrial transformation meet. Under the National Energy Transition Roadmap, he anticipates "sustained investment and consolidation across solar, battery storage, grid infrastructure, energy services, renewable-energy platforms and market-enabling infrastructure". In digital infrastructure, Leslie believes the next phase will move beyond data-centre construction towards advanced cooling, fibre, cybersecurity, semiconductor-enablement and specialised power. "Increasingly, investors will focus on businesses that support the broader AI value chain rather than simply providing physical hosting capacity." Advanced manufacturing and the electrical and electronics ecosystem, a central pillar of the New Industrial Master Plan 2030, should keep precision engineering and semiconductor equipment busy.

On AI-native targets, he is discerning. "The companies most likely to command premium valuations are not necessarily those that use AI, but those that possess proprietary datasets, domain-specific intellectual property, specialised talent, regulated access or deeply embedded customer workflows," he says. Businesses resting on readily available third-party models, by contrast, may struggle to hold a premium. He applies the same test to ESG and the energy transition, where investors are not paying for a "green" label but for tangible effects on financing costs, customer demand and transition risk. "I see the market moving away from rewarding labels and towards rewarding outcomes."

Mega-deals will set headline values, but "I expect the mid-market to remain the engine of Malaysia's M&A market in 2027," Leslie predicts. Founder-led businesses and family enterprises are reaching inflection points around succession, regional expansion and liquidity, and deal structures are changing with them. "Rather than traditional full exits, founders and shareholders are increasingly exploring partial monetisations, strategic partnerships, shareholder rollovers and phased acquisitions." He adds strategic minority investments, joint ventures, carve-outs and PropCo-OpCo structures to that list. In his view, financing conditions are shaping structure more than appetite: "Rather than reducing deal appetite, market uncertainty is encouraging buyers and sellers to adopt more creative structures that balance risk and reward."

AI is changing the deal process most sharply in diligence, and not in the way sellers might hope. "AI is increasing the volume of information that can be reviewed within a fixed period. It is not necessarily reducing the overall amount of diligence," he observes. Broader contract coverage replaces sampling, which surfaces more inconsistencies and more questions for management. "A poorly prepared data room may result in a faster discovery of problems rather than a faster transaction."

The limits show up in the detail. In a infrastructure platform deal, Leslie explains, AI can identify project costs, creditor balances, related-party transactions and funding arrangements. But "it cannot reliably determine whether those items relate to operating assets or projects under construction, whether they should be treated as working capital, debt-like items or capital expenditure". The biggest risk, he argues, is false confidence: outputs that look credible and comprehensive while resting on flawed assumptions.

That makes preparation the defining challenge of 2027. There is no shortage of capital, he notes; converting interest into completed deals at valuations both sides accept is harder. With the next general election cycle approaching, some investors may adopt "a more cautious, 'wait-and-see' approach on timing", particularly for larger, policy-dependent transactions. Leslie still expects appetite to stay resilient as long as policy continuity holds. "I believe the differentiator in 2027 will not simply be the quality of the asset, but the quality of preparation."

His boldest call is that "AI will reduce the value of information asymmetry in M&A far more quickly than many people expect". As buyers, sellers, lenders and advisers gain the same tools, the edge shifts from access to interpretation. "The scarce skill will no longer be identifying issues, but determining which issues genuinely matter and what they mean for value, risk and execution." He also expects AI diligence to become a recognised part of deals involving technology-enabled businesses. Sellers would prepare materials on data governance, IP ownership and AI oversight, much as they do for financial and tax vendor due diligence today. AI may commoditise information, but it will elevate judgement, Leslie concludes.

> "AI may commoditise information, but it will elevate judgement."



Frank Janik

Advisory Partner: Deal Advisory, Business Restructuring, Forensics – BDO in Thailand
Bangkok, Thailand

AI is speeding up the analysis, but not necessarily deal closure. By making it easier to review larger volumes of information, AI is contributing to a more data-driven approach to acquisitions. More data often leads to more questions, resulting in broader and deeper diligence rather than faster execution. As a result deal timelines are often extending, says Frank Janik of BDO in Thailand.

Frank Janik arrived in Thailand 27 years ago on the back of the Tom Yum Goong crisis, brought in to work through the debt restructuring that followed the late-1990s financial crisis. Nearly three decades on, the Australian-qualified chartered accountant and BDO advisory partner still works both sides of the market. "I have a keen focus on distressed M&A as well as pure M&A," he says. His work ranges from local buyers acquiring local businesses to international buyers coming into Thailand, and his forensics practice often crosses over into deal work.

He says 2026 played out largely as expected. "Due to Thailand's economic climate and the broader global issues, we expected the M&A market to be somewhat soft, with buyers being more selective and deal times generally stretching," he notes. A relatively strong first quarter, supported by several larger transactions, gave way to a more cautious second. US tariffs and global tensions weighed on the region, and Thailand faces keen competition from its neighbours. Still, "buyers remain active and capital remains available, but investors are spending more time assessing valuation, quality of earnings, cash conversion and downside risks."

For 2027, Frank expects "a modest improvement in activity rather than a significant rebound". Domestic consumption is subdued, many SMEs are under financial pressure, banks are lending cautiously and alternative capital is expensive. Layer on an ageing generation of family business owners facing succession issues, and the shape of the market becomes clear. "I expect deal activity in 2027 to be driven more by succession, consolidation and financial necessity than by aggressive expansion," he predicts. Even Thailand's modest growth outlook could work in its favour. "Some of these negative viewpoints potentially make Thailand an attractive place to look at, particularly with a view on what valuations will be and whether there will be opportunities to pick up businesses with sound fundamentals at realistic prices." A strong baht and subdued forecasts feed into that calculation, but he sees them "as pricing mechanisms as opposed to significant barriers to actually doing transactions in Thailand."

Technology and digital infrastructure, data centres, electronics, renewable energy, healthcare and advanced manufacturing should lead activity, alongside businesses benefiting from supply chain diversification. Given how many Thai companies are family-owned, the mid-market will remain the dominant segment. China, Singapore and Japan, are among Thailand's largest international investors and will keep coming. ASEAN countries including provide opportunities for both inbound and outbound investment.

Regulation is reshaping how that capital arrives. Frank points to increased scrutiny of foreign ownership structures, including the crackdown on the use of Thai nominee shareholders to circumvent restrictions. This is changing transaction structures, due diligence requirements and investor appetite. "With scrutiny and increased enforcement on foreign ownership rules, we may also see increased minority investments, bolt-on acquisitions and strategic partnerships as buyers look to deploy capital while managing risk," he says.

At BDO, AI is used "where appropriate", with care not to breach regulatory requirements or confidentiality agreements. Its biggest impact is in research, document review, data analysis and translation. "Twenty-five years ago, a lot of time was spent on translation," Frank observes. The use of AI in and of itself will not really determine who wins mandates. "Clients are still buying judgment, professional skepticism, experience and execution capability." That matters more in a market where public data is thin: "Local knowledge, local experience, proven track records, I think all still count very, very heavily in Thailand."

> AI is changing how deals are analysed much faster than it is changing how deals get done.

It also shapes hiring. "AI is likely to change junior roles rather than eliminate them," he adds. "The AI tools now available certainly speed up the input and review of data, thereby allowing teams to focus more on interpretation and communication of insights... that analytical thinking capability is something that we highly prize and look for." This often comes with real world experience... at BDO we look for both graduates who can demonstrate both data management and analytical skills, while at the same experienced hires who can bring real world experiences and insights to the M&A conversation.

What AI is not doing [yet] is making deals faster. "AI is changing how deals are analysed much faster than it is changing how deals get done," Frank says. Deals stall on valuation gaps, management responses, data quality, financing and legal documentation, not on how quickly an adviser can analyse information. "It's enabling more data to be looked at, which in turn is raising more questions," he explains. "I think it results in a more robust conversation between buyers and sellers, but that conversation is typically taking longer." Drawing on 30 years of deal advisory experience his rule of thumb is simple "always have a timetable but expect the unexpected. Deals are often taking 50% longer than originally planned".

Part of the challenge is a growing tug of war over information. Armed with better analytical tools, buyers are asking for more data. At the same time, Sellers, particularly financial institutions, are more cautious about what they share, citing confidentiality, data privacy, PDPA requirements and data localisation concerns. Even when information is shared, data quality is often the bigger issue "AI cannot compensate for incomplete, inaccurate or unreconciled information," he warns, and poor-quality data rooms remain a fundamental issue in many Thailand deals.

He views one of the biggest challenges for 2027 as being bridging buyer and seller expectations. "In many situations, the challenge is less about the availability of capital and more about reaching alignment on value." Looking ahead he sees perhaps one of the largest opportunities in family-owned businesses with no clear succession plan. "You have a generation of business owners approaching retirement and, in many cases the next generation choosing a different path, he explains. Where there is no obvious successor, a sale or external investment can become an attractive option. Local advisors can play a key role in identifying and unlocking these opportunities, navigating family dynamics, helping buyers understand the nuances that sit behind the numbers, bringing market insight and local relationships to the process as well as helping to bridge the gap between business owners, investors and buyers.

His bold prediction is that AI's biggest impact on Thai M&A will not be the acquisition of AI businesses, but how traditional businesses are valued. Premiums will accrue to companies that can show measurable gains in productivity, margins and growth, whether through technology or other change. "Conversely, companies that fail to adapt may see growing valuation discounts."

05 New Zealand





George Bradshaw

Partner
Murray & Co
Auckland, New Zealand

Chris Dineen

Partner
Murray & Co
Auckland, New Zealand

For the buyout, growth and strategic investors Murray & Co advises, curiosity of AI-native assets hasn't developed into conviction – they remain more disposed to businesses whose earnings can be more confidently predicted, according to Murray & Co Partners George Bradshaw and Chris Dineen, who see that continuing to favour industrials, healthcare and core B2B services over SaaS and AI-native plays.

The two focus on different sides of the same business. Chris, who joined Murray & Co in 2024 after a decade in banking and three and a half years running a family office, leads buy-side work, capital structuring and debt advisory. George, who's been with Murray & Co since 2009, is more often found on the sell side, running M&A mandates and strategic advice.

Both describe 2026 as a year that landed somewhere in the middle – better than the doldrums of 2023, nowhere near the highs of 2021 and 2022. "It's neither hot nor cold," George says. "It probably is slightly below expectation, just for some of that global uncertainty that came through early in the year. But deals are still being done across the board, strategics and private equity." Chris splits the business into pipeline and execution, and sees a real divergence between the two. "The pipeline and the desire to consider deals is very strong," he says. "On the execution side, diligence is still very forensic. There's just not quite that level of confidence we hoped would have been the case this year, from either vendors or purchasers." As he puts it, deal numbers are high, but velocity is low – a gap he attributes largely to macro uncertainty, exacerbated by a general election in November that has injected a degree of political uncertainty into deal calculus, with dealmakers increasingly minded to wait it out until the new year.

Where that capital is heading is more settled. Both partners are clear that the investors Murray & Co works with are at most curious about AI-native and SaaS businesses, rather than committed to them. "If anything, it's gone the other way," George says, whilst acknowledging that venture capital continues to back strong plays in the AI-native and SaaS space. "Our clients like businesses where they have a real chance of predicting where they'll be in five years," he explains. "With AI, it's very hard to pick the winner, and even harder to forecast." Instead, they want businesses where AI can support the model without being the model – "core B2B services, healthcare... more fundamental businesses where valuations are still sensible" – rather than technology risk they can't confidently underwrite. Murray & Co's one recent brush with a near-AI-native opportunity ran into exactly that problem: working out whether the business would actually be the category winner, in a winner takes all (or at least most) market, proved, in George's words, "really difficult."

"

Our clients like businesses where they have a real chance of predicting where they'll be in five years. With AI native businesses, it's very hard to pick the winner.

George Bradshaw

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That preference is unlikely to change in 2027, even as most information memoranda the firm produces now carries some line on how the underlying business uses AI operationally.

That distinction – AI as an operating tool versus AI as the product – runs straight through to how Murray & Co uses the technology on its own advisory work, and it's here that the partners have a specific view to offer. The firm uses an enterprise-grade AI tool across the business for research, briefing notes and, increasingly, due diligence, where George says the tool is "incredibly good at digesting large quantities of information" – legal contract summaries, Q&A drafting, background research. But he's candid that the picture is uneven: for judgement-heavy outputs like information memoranda and strategic reviews, AI has lifted the quality of the firm's work without yet lifting its efficiency, because the process still leans on partner-level judgement about framing and message. Sensitive client information is ring-fenced to individual client folders, and nothing goes out without partner review.

Chris is relaxed about the idea that AI might erode the firm's moat. "There's a growing argument that someone equipped with a heavily financially literate AI tool could effectively become an investment banker," he says, "but I don't agree. Our business is just so heavily dependent on relationships and trust – that human element – that I think the risk of it breaking down the barriers to our business is, if anything, overstated at this point."

Where he does see change is in hiring: less at analyst level, where core technical skill remains the gatekeeper, but potentially at associate and director level, where AI-assisted efficiency could free the firm to hire for commercial instinct and relationship management ahead of raw technical throughput.

Cross-border activity remains heavily routed through Australia, both directly and as a proxy for global capital. Chris describes Sydney and Melbourne as the dominant source of non-bank debt and private credit for New Zealand deals, while George notes that global institutions typically enter New Zealand only once they've established an Australian base. ESG, meanwhile, has faded as a distinct driver of capital access: "Some of the heat's come out of that," Chris says. "People are doing ESG transactions because they make good commercial sense now, rather than pursuing them for the credentials" – a hygiene factor rather than a differentiator.

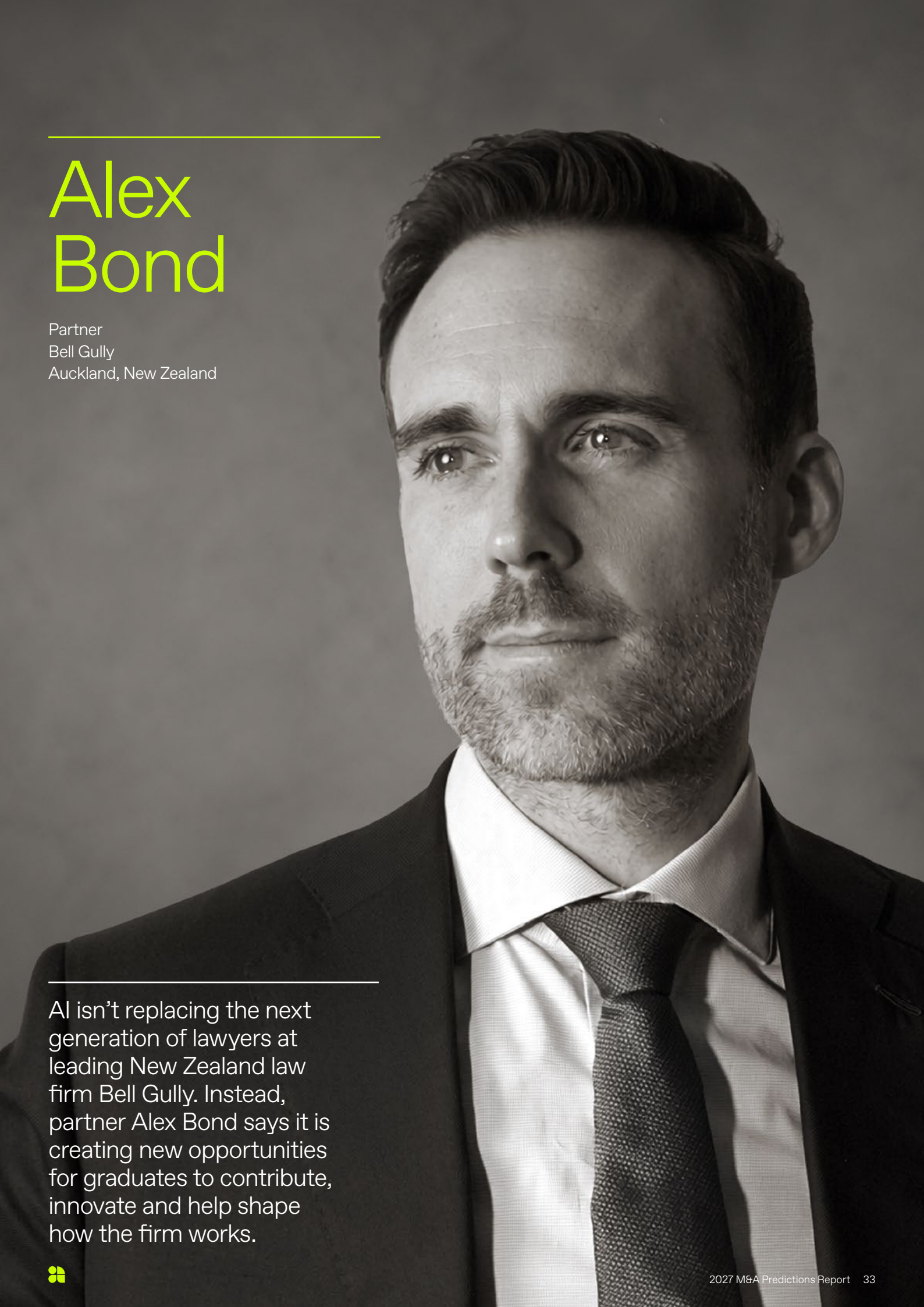
On their predictions for 2027, both partners are cautious. "I'm going to be 'extremely bold' and predict there'll be incremental improvement, not a complete knockout," George says. "The election will be behind us, hopefully no big destabilising events kick off, and it'll be a better year." Chris concurs. "I think it'll be better next year than this year on an execution front. I don't think we're going to see full FOMO and the froth we saw a few years ago."

"There's a growing argument that someone equipped with a heavily financially literate AI tool could effectively become an investment banker – but I don't agree. Our business is just so heavily dependent on relationships and trust."

Chris Dineen

Alex Bond

Partner
Bell Gully
Auckland, New Zealand



AI isn't replacing the next generation of lawyers at leading New Zealand law firm Bell Gully. Instead, partner Alex Bond says it is creating new opportunities for graduates to contribute, innovate and help shape how the firm works.

"We've taken a very progressive view of AI. We believe that positions us well to capitalise on the opportunities that AI presents," says Alex, a Corporate partner at leading law firm Bell Gully, which was an early AI adopter in New Zealand. The opportunity includes people: Bell Gully is looking for AI-curious graduates, and Alex has been struck by what's arriving unprompted. "Our graduate intakes are already full of AI natives," he says, describing junior lawyers who bring "incredible knowledge, ideas and use cases" from their own study and use of other AI tools. It's giving them a prime opportunity to participate as the firm considers how best to integrate AI into its practices.

Alex's own focus is on M&A and private capital matters, a practice area increasingly incorporating AI in processes like due diligence. Bell Gully's recent transaction list, a number of which Alex has played a leading role on, reads as a survey of the country's biggest deals: advising Lactalis on its acquisition of Fonterra's Consumer and associated business for NZ$4.22 billion, one of the largest M&A transactions in New Zealand's history; One NZ on a proposed network infrastructure sharing joint venture with 2degrees; NZTA on a NZ$3.6 billion PPP that is the first section of the nationally significant Northland Corridor project; Toi Foundation on the proposed merger of TSB Bank and Heartland Bank; Fletcher Building on the carve-out sale of its construction division to VINCI; and PAG Private Equity on its new investment partnership with NZX-listed Precinct Properties to acquire Auckland's PwC Tower for a headline price of NZ$600 million.

2026 started fast for Bell Gully. "We started the year back from the summer break very busy," Alex says. Despite a few fluctuations, "contributed to by a number of things, in particular the US-Iran war and its ripple effect, and New Zealand's slow post-pandemic economic recovery", the robust activity levels seen so far this year offer little indication there won't be similar deal volumes heading into 2027, subject to general election outcomes. Bell Gully has had a leading role on several deals at the top end of the market, he says, but the firm is "seeing activity across all deal sizes, including the large deals". He adds a caveat, familiar across the market, that deals are taking longer. But he also notes some parties have recently been successful in signing deals that they had been "trying to get away for a little while now," which has been an encouraging development.

More broadly, Alex sees instability as the market's new normal rather than an aberration: "We're pretty used to dealing with instability and uncertainty now... deal activity has continued despite wars, the pandemic, interest rate hikes and oil price shocks." Among other challenges relevant to the New Zealand market, he notes underinvestment in infrastructure – against a backdrop of high post-pandemic debt levels – continues to be talked about. "There's no easy solution to that," he says, "but it is something that is on people's minds and we are continuing to see a lot of transactions in that sector." How Australia performs always remains relevant too, given how close the two economies are and the number of cross-border deals between the two countries. He says pessimism around the Australian economic outlook "can have a flow-on effect through to dealmaking in New Zealand."

Alex Bond

> Our graduate intakes are already full of AI natives.

Turning back to AI, Bell Gully was the first large New Zealand law firm to adopt Harvey, rolling out the generative AI platform firm-wide more than a year ago, and Alex sees due diligence as an area where it is actively being tested in M&A processes, to work out the things it is good at and what it is not so good at. As one example, Bell Gully lawyers are building agents within Harvey to construct scopes of work for legal due diligence exercises and targeted diligence requests."We're seeing it can really assist us to enhance and tailor our legal DD exercises to particular sectors or assets much more quickly," he says, "so we can focus on that higher-value strategic work sooner." The rollout extends beyond Bell Gully's Corporate department: "Other practice areas within our firm – litigation, banking, real estate and so on – are also working on relevant use cases and developing agentic workflows," Alex says, noting various departments have regular cross-team workshops to share knowledge on how to get the best out of AI.

Many of the firm's clients are using AI themselves and are expecting their advisers to do so too, and to keep up with the pace of change. That requires strong governance and clear guardrails. Alex describes AI governance as evolving and not something that can be addressed via a fixed policy: "Responsible AI requires ongoing oversight, training and adaptation." Every lawyer at the firm is being trained on Harvey and on its limitations, human verification is built into the process, and the bar, he says, doesn't move: "We need to be using it in a responsible way that enables us to continue to provide the robust, defensible and trusted advice that our clients expect."

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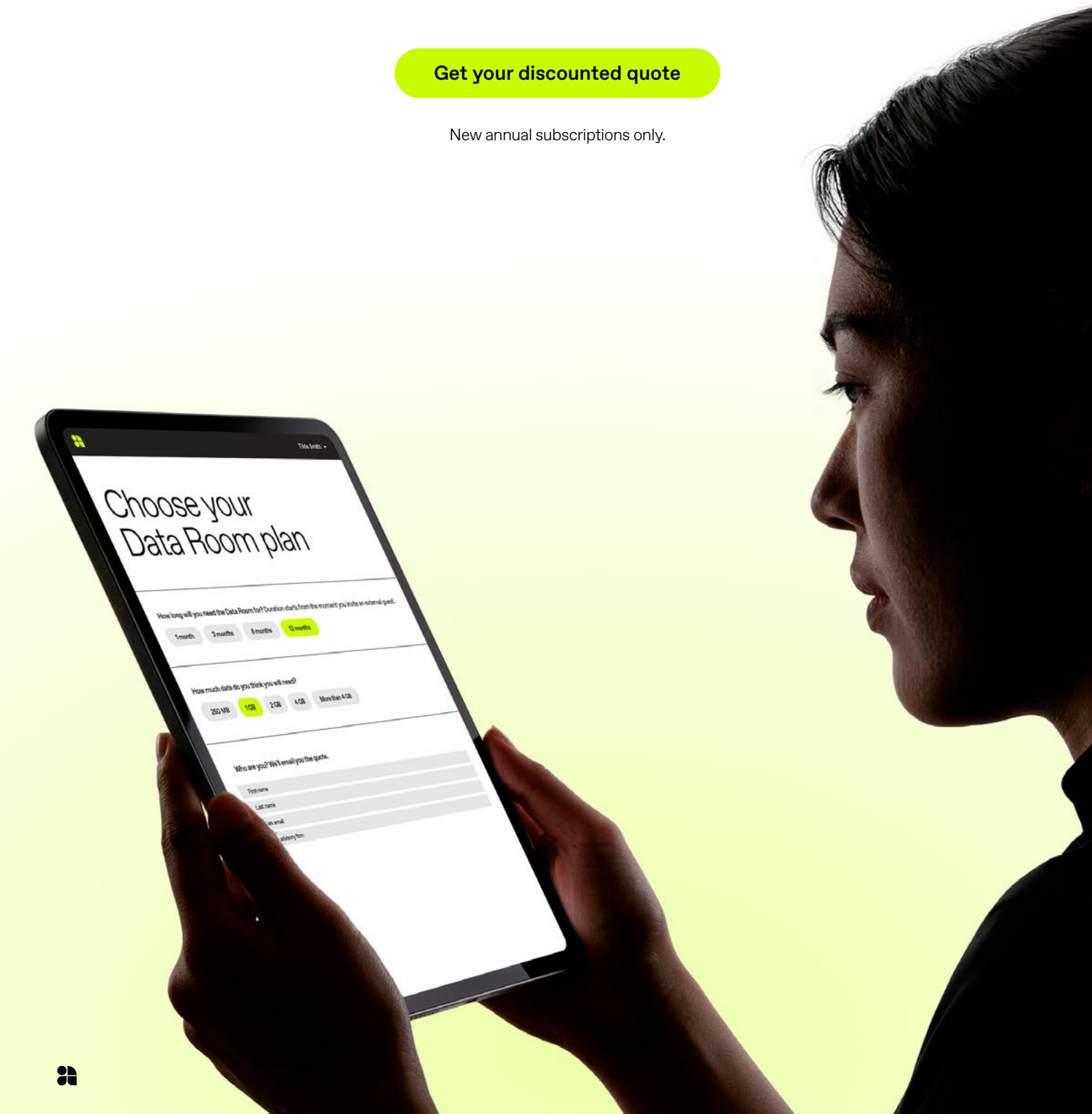


06 Europe



Alexander Manus

Managing Director
Sigma Corporate Finance
Frankfurt, Germany



Germany's next wave of financial distress won't be confined to heavy industry – it will also reach those IT service firms that sell hours rather than outcomes, whose time-and-material billing model AI is quietly making redundant, according to Alexander Manus, Managing Director at Sigma Corporate Finance.

Alexander, together with the firm's founding partner, leads distressed M&A and restructuring work at Sigma Corporate Finance, a partner-owned, 15-strong Frankfurt boutique and one of the German market leaders in M&A for special situations – restructuring, turnaround and insolvency mandates – alongside classic sell-side and buy-side M&A. His summary of 2026 is unambiguous: "The thesis is deals aren't taking longer, they are getting more and more complex in Germany." Volume hasn't dropped – Sigma had signed and closed around ten transactions by September – an unusually strong year for the firm – after being mandated across three or four deals within a single fortnight at the end of 2025.

What is increasing is the number of parties who need to agree before anything moves – that has always been part of restructuring work, but it is becoming more pronounced. On restructuring cases in particular, Alexander now finds himself aligning an expanding circle of stakeholders, each with its own interests and timetable, and each weighing different deal scenarios before committing to one. "Nobody wants to decide. Nobody knows who is actually the decider," he says of the resulting deadlock – a point about decision-making structures rather than any single party. Where decisions are missing or come too late, he notes, it costs time, transaction security and, in many cases, purchase price; the path to a good deal is stakeholder management.

He traces the timing of that deadlock to two things compounding each other. The first is seasonal: a summer lull, or "Sommerloch," in which hard decisions are typically deferred until autumn.

The second is more structural – decision-makers holding back in the face of energy prices, covenant pressure, expiring deferrals and political uncertainty, none of which resolve themselves over a quiet period. The combination pushes decisions to pile up towards year-end – when year-end bank talks and covenant tests leave no further room to wait – rather than being made when problems first surface, and Alexander expects the end of 2026 to be one of the most hectic on record, setting up 2027 as potentially "one of the record years in history" for German distress and insolvency work.

His boldest prediction for 2027 points somewhere less obvious than energy-exposed industries. Alexander believes IT service firms with an effort-based business model – selling hours rather than outcomes, without a product or IP of their own – are heading into distress as AI erodes demand for the routine work they charge for: customers now buy the same service with a fraction of the hours. It is a shift he thinks will catch the market off guard. "We will probably see distress scenarios in the IT sector that nobody would have thought about two years ago, driven by the fast-moving impact of AI," he says, drawing a clear line between that commodity IT work and providers with regulated, long-term customer relationships – public sector, healthcare, financial services – that have integrated AI into their own offering and take responsibility for outcomes. Those, he notes, currently trade at high valuations, and rightly so. The dividing line runs not between large and small firms, but between business models.

That conviction is matched by how Sigma has adopted AI technology. Alexander doesn't describe "using AI" so much as delegating to it: "If I have IT issues, I go to Claude, I have Steve. Steve takes care of it," he says, describing a set of specialised AI experts the firm has built for specific topics – an AI valuation expert among them. That habit comes with clear boundaries. Sigma uses AI only within what is permissible – data protection, confidentiality obligations and the terms of each engagement – and anything AI-assisted that reaches a client has been checked by a person. Client NDAs increasingly regulate this explicitly: no training on data room content, no passing of client data to third-party providers. He expects clauses like these to become standard in NDAs by 2027, as clients grow more particular about whether their information can inform AI outputs in any form.

Day-to-day ownership of Sigma's AI tooling sits deliberately with its junior staff, who test tools and are held responsible for checking AI-generated output before it's used – while the senior team set the rules and remain accountable for everything that reaches a client. "They are the heads of AI in their team, and they love to do it. It's not a burden," Alexander says, crediting the structure with sharpening junior skills rather than replacing them. His caution is twofold. The first concerns firms that use the technology without judgement – AI for diligence, not for judgement, is his rule: mistakes happen where a plausible output goes unchecked. Used passively, he warns, it risks making people "stop thinking" rather than think further. The second concerns those who do not engage with it at all – his comparison is Bitcoin: most laughed at it; the few who understood it and engaged with it early were the ones who benefited. "It is the same with AI," he says. "Whoever engages with it properly now will be sustainably successful." That is the distinction he expects to separate winners from also-rans as the market gets harder for everyone.

> "Deals aren't taking longer – they are getting more and more complex. The path to a good deal is stakeholder management."

Johannes Raidl

Co-CEO and Managing Partner
i5invest
Frankfurt, Germany



Germany’s biggest AI dividend in 2027 won’t go to the most visible AI start-ups – it will go to unglamorous industrial, infrastructure and vertical-software businesses that can actually prove the technology has moved their margins, with earn-outs built in to make sure that dividend shows up, according to Johannes Raidl, Co-CEO and Managing Partner at i5invest.

Johannes took the title of Co-CEO at i5invest in January 2025, stepping up from Chief Operating Officer at the Vienna-founded tech M&A and corporate development advisory. i5invest is built specifically around cross-border exits and corporate development for technology founders – and Johannes's read on 2026 reflects this specific vantage point.

"As we only advised technology companies and primarily B2B software companies we had a positive outlook initially, and 2026 has proven to be a good year in the technology and software space," he says. In Germany and across Europe, Johannes notes, high-quality assets have kept trading well and cross-border interest has stayed strong, even as weaker, cyclical or undifferentiated businesses struggle to find a market. Strategics and private equity funds are both active, but selective. "The market is more active... but also more bifurcated and selective."

That bifurcation, in Johannes's view, has been driven by AI less through automation of the deal process itself than through a shift in how buyers actually underwrite value. Twelve months ago, he says, the expectation was that AI would primarily speed up execution. Instead, "it has much more changed the investment case": buyers now test whether a target has a genuine AI moat – defensible data, embedded workflows, distribution, a credible route to monetisation – rather than simply an AI feature set bolted onto the pitch. The effect in software specifically has been a marked widening of valuation dispersion between companies that can prove that moat and those that can't.

The same logic is reshaping which businesses are considered targets in their own right. AI-native companies are increasingly sought after, Johannes says, but not the ones trading loudest on AI branding – buyers want vertical AI businesses with proprietary data, deeply embedded customer workflows, demonstrable ROI and durable go-to-market models. Generic horizontal software and standardisable service businesses, by contrast, are under growing pressure, as AI lowers the barriers to entry and erodes long-term pricing power and retention. Johannes expects this to accelerate consolidation across fragmented professional and business services – already visible, he notes, in the wave of VC- and PE-backed AI roll-up platforms moving through LegalTech, accounting, TIC and IT services. He also flags a less obvious beneficiary: hardware, including physical AI, and managed-services models, lead to stronger customer relationships and lower churn.

On diligence, Johannes is candid that AI's gains are real but partial. It has sped up first-pass review – classifying large document sets, extracting key clauses, flagging inconsistencies, summarising customer contracts and helping teams prioritise questions – but it hasn't removed the need for experienced judgement. If anything, he says, it can generate more follow-up questions, "because exceptions become visible earlier." The practical shift for advisors, he argues, is that buyers now expect not just a faster process but a better-prepared one: a searchable, internally consistent data room paired with a clear AI-readiness narrative covering data ownership and quality, model dependencies, information-security controls, IP rights, customer permissions and the measurable commercial impact of any AI claims. "The best outcome is not simply a faster process, it is a process in which the management team can answer the important questions sooner and with greater confidence."

That thinking underpins Johannes's bold call for 2027: that the AI-driven M&A winners in Germany and across Europe won't be the most recognisable AI start-ups, but established industrial, infrastructure and vertical-software businesses that can point to a hard-won "AI dividend" in margins and customer outcomes. Acquirers, he predicts, will pay up for companies that own mission-critical data and workflows – and will increasingly protect that premium with earn-outs and deferred incentives designed to ensure AI-enabled revenue gains or productivity improvements materialise.

On talent, Johannes doesn't expect AI to flatten the advisory pyramid, but he does expect it to compress how quickly juniors need to become useful. Repetitive first-draft research, screening, document review and data cleaning will keep being automated, pushing junior advisors to add value earlier – in framing an investment case, shaping an equity story, interpreting data and spotting commercial risk and opportunity. Firms, he says, will hire less for pure execution capacity and more for people who combine financial skills with AI fluency, sector knowledge and curiosity. "The winning model is not fewer team members because of AI, but smaller, more AI-enabled teams that can spend a greater share of their time on value-add tasks with clients, buyers and the transaction's strategic questions."

> "The biggest AI-driven M&A winners in Germany and Europe will not be the most visible AI start-ups, but established industrial, infrastructure and vertical-software businesses that can prove an 'AI dividend' in margins and customer outcomes."

Kevin Defour

Director, Corporate Finance Advisory
Deloitte
Brussels, Belgium



Belgium's dealmakers are optimistic that 2027 will build on a hard-won recovery – but whether AI can be trusted, and how it ends up regulated, will decide how far that growth goes, says Kevin Defour of Deloitte.

Kevin leads Deloitte Belgium's Corporate Finance team, where the vast majority of the work is sell-side. "80% of what we do is sell-side, and 99% of that is families or entrepreneurs opening up their capital structure for the first time, whether that's to private equity, financial investors, or because there's no succession plan," he says. The team is broadly sector agnostic, though consumer, industrials and tech have become areas of prominence – tech, however, has cooled sharply after a strong run. "We often hear the term 'SaaSpocalypse', and we feel it as well in Belgium," Kevin notes, pointing to more conservative investor scrutiny of what actually counts as recurring revenue for a tech asset.

Looking back, 2026 was a tale of two halves. Belgium's fiscal reform and capital gains tax changes created real uncertainty for family-business clients early in the year, compounding geopolitical and energy-price pressure already weighing on sentiment. But the picture shifted around spring. "The market is going relatively well, but the execution risk in our portfolio is also increasing," Kevin says. Deal volume has stabilised rather than surged, and the market remains far from the highs of 2021–22 – but he is relatively optimistic heading into 2027, expecting the second-half uptick to continue. One consistent drag, echoed across the market, is timing: "Transactions take two to three months longer on average than they used to," largely down to more conservative financing conditions and stress-tested valuations, even where deals ultimately close well.

AI runs through nearly every conversation Kevin has with clients and investors, most pointedly as a source of caution rather than a driver in its own right. "One of the first questions we always get is, is this AI-proof? Is this business model AI-proof in the future? What will the impact be?" he says – and the consequences can be severe. "For some deals, we sometimes lose 40% of our buyer list purely due to that point." The uncertainty cuts both ways: investors want AI-driven efficiency but are still working out which business models are genuinely defensible against it, and evolving EU regulation, including AI-specific due diligence on some cross-border deals, adds a further layer of ambiguity that even advisers can't always resolve for clients.

Internally, Deloitte's own Diligence tools are having a clear impact on execution, particularly in diligence. "You put in the general ledgers or trial balances, and it maps everything out," Kevin explains, alongside separate tools speeding up legal work on contracts and SPAs. But he's careful to frame this as augmentation, not replacement, with talent development the real risk to manage. "We don't want to create people who've never done an analysis themselves," he says – and the stakes of over-trusting the output are high: "You cannot take any risks that AI starts hallucinating or there's a wrong conclusion, because in the end you're talking about a lot of money – millions of family capital."

Kevin Defour

> You cannot take any risks that AI starts hallucinating or there's a wrong conclusion, because in the end you're talking about a lot of money – millions of family capital.

Cross-border, the US activity stands out as the clearest bright spot, driven partly by tariff uncertainty pushing European businesses toward local presence, and partly by US acquirers looking to expand overseas through M&A rather than build from scratch. Russia-linked exposure remains a genuine complication for some clients, with buyers stepping away for ethical reasons even where extracting value is otherwise straightforward. On opportunities in the market, Kevin points to continued consolidation in business services – accounting, insurance brokerage, logistics – driven by intensifying regulation and digitisation costs, alongside a substantial and growing pool of private equity capital still needing to be deployed.

On a bold call for the market in 2027, Kevin steers clear of a prediction and instead names the question he thinks will decide the year: how far AI's capabilities actually go, and how the regulatory framework around it evolves. "I hope there's some clarity on certain levels in 2027, because I think that will be a big driver of what the M&A market does next year," he says.



Yunus Acar

Vice President, Corporate Finance
Van Lanschot Kempen
Amsterdam, Netherlands

European dealmaking has absorbed shock after shock without breaking stride. Deals are being postponed rather than cancelled owners are still anchored to 2021–22 entry multiples. The challenge is that ongoing geopolitical and macroeconomic turbulence makes it increasingly unlikely that valuations will revert to those peak levels, argues Yunus Acar of Van Lanschot Kempen.

Yunus sits within Van Lanschot Kempen's Benelux-focused investment banking team, which covers private sell-side and buy-side mandates alongside a track record in public-to-private transactions. He notes that the P2P front has lately seen "only some offers and going back and forth" rather than a continuous flow in the Netherlands. His own remit is the bridge between the investment bank and the group's private bank: extending M&A services to the entrepreneurial and family-led businesses among its wealth management clients. He describes himself as a generalist, but most of his work falls in industrials and business services. That covers, amongst others, the semiconductor supply chain, transport and logistics, HR services and a handful of consumer propositions.

On whether 2026 met expectations, Yunus questions the premise. Each year, he observes, the market opens with optimism, measured against the "golden years" of 2021 and 2022. "With each year, we start with a very positive outlook and then something new happens and the markets turn." In 2026, that something was the Iran war which reignited inflationary pressures and supply chain disruptions

What surprised him was how relatively resilient deal activity still proves to be. Overall volumes (# deals) are slightly down, but his team's own pipeline and activity have held "on par and has grown even".

"I would have expected that deal volumes would have come down much harder," he admits. "But everyone seems to get used to this idea that there's always something around the corner. Dealmakers just keep going with what we are doing, and when we get there, we'll cross that bridge." The effect has been on timing rather than intent. "Overall, deals are not being cancelled, but rather postponed," Yunus says. He points to the private equity portfolio overhang and the great generational transfer of family businesses and wealth as a structural floor under activity: "Private equity obviously has a lot of assets in portfolio that they must bring to market and at the same time many family businesses lacking succession are forced to seek buyers for continuity."

Sectorally, the picture cuts both ways. The AI wave and defence spending are generating deal flow, even as AI weighs on some verticals. Inflation and surging energy prices are hitting industrials hardest, particularly "businesses that have a large international value chain". By size, the small-cap and bolt-on market remains "a stable factor, if not maybe even growing", as buyers keep putting money to work, while "it's mostly the mid-market that is being affected". At the top end, larger deals have returned in a way not seen in 2024 or 2025.

> "Some clients you need to treat in a certain way, other clients you need to collaborate with in another way. For AI, everyone is the same."

On cross-border flows Yunus sees continuing inbound interest into Europe driven by capability rather than geography. "It's regardless of whether a company sits in a certain geography – that does not matter that much, as long as it has certain capabilities that the acquirer does not have in-house." The practical advice follows: "You should look at where a lot of innovation is taking place, that's where deals will be happening, especially within semicon, within AI."

That capability hunt is sharpest around AI, where Yunus draws a clear distinction. "Everyone wants to have something to do with AI," he says. "Companies are forced and investors are forced into that direction." AI-native businesses are targets on that basis alone. AI-enabled businesses attract interest only where AI has demonstrably been integrated into an existing model with success. "AI native in itself is interesting, AI enabled is more selectively interesting to acquirers."

Inside his own team, AI is already part of daily work. "It's a huge contributor to the efficiency in our work," he notes. Yet he draws a firm line between summarisation and judgement. Summaries are, "most of the time, spot on". Research-style prompts, such as asking what drives a given market, are another matter. "You should definitely be very careful with taking that on as the truth," he warns. "Keep the decision with yourself and do not rely on AI with that at all."

Yunus also doesn't expect AI to hollow out how junior bankers learn the trade, because the commercial skill set is formed face to face. "AI does not see the responses we get from our clients," he observes. "Some clients you need to treat in a certain way, other clients you need to collaborate with in another way. For AI, everyone is the same."

Where he does expect change is in headcount and hours. "I would not rule out that there will be less people needed to do the same deals" he says.

Looking to 2027, Yunus sees the same pressures persisting. He cites the war in Ukraine, a Russia he describes as increasingly aggressive and "testing European Western countries", and inflation he doesn't expect to go away, with interest rates demanding close monitoring. On the demand side, he is emphatic: "We are definitely not at the end of that innovation cycle. The pace will only keep increasing." He expects that to drive activity everywhere from software to industrials. Consumer is harder to call. Performance across the consumer propositions in his pipeline has softened since 2024–25 without collapsing, and luxury is the most exposed. Against weak consumer sentiment, he points to a rising purchasing managers' index as "a strong signal that economic growth is continuing".

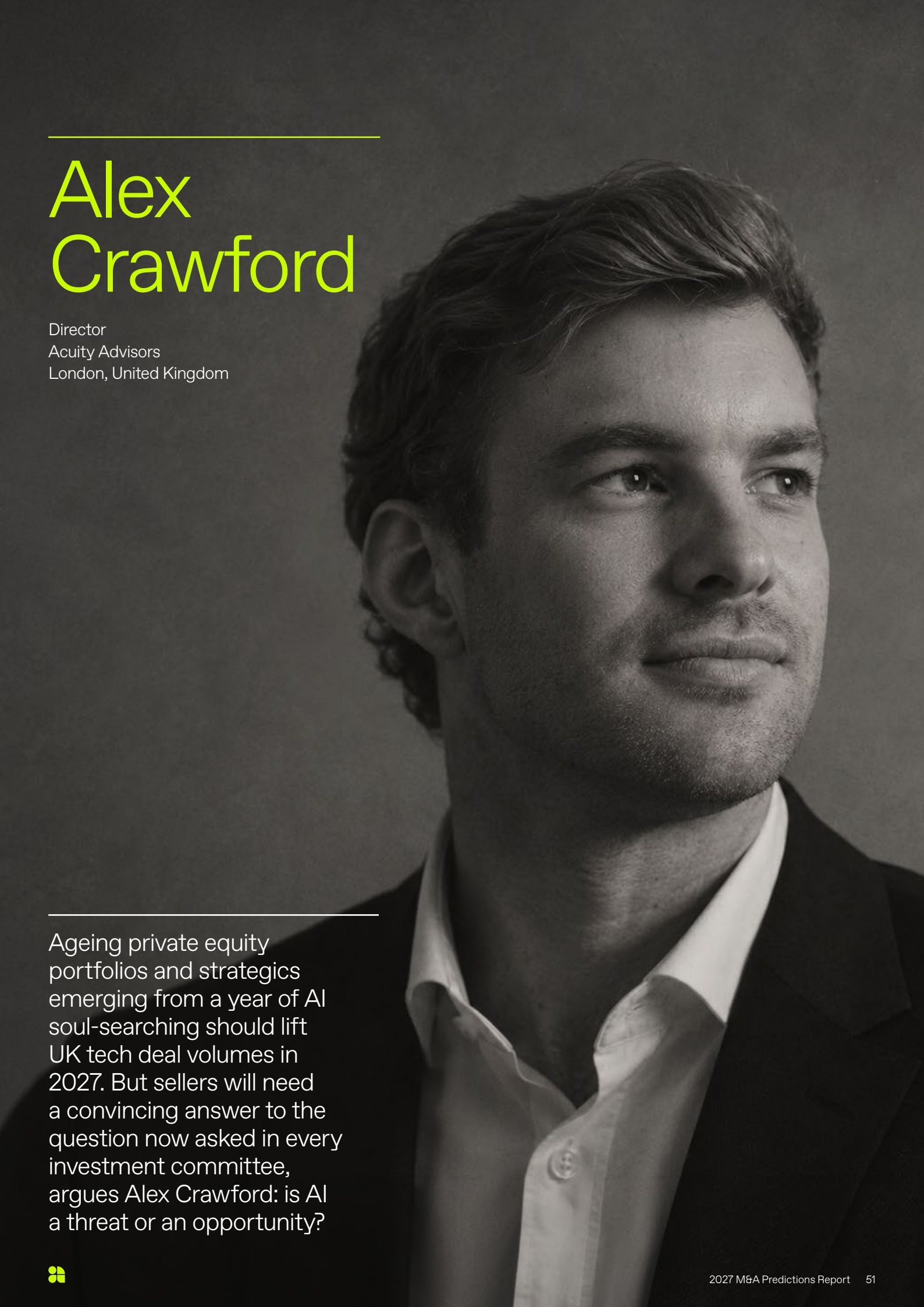
Ultimately, though, Yunus believes the headlines are not the only place to look for what is holding deals back. " Why deals are not happening is not primarily down to macroeconomic factors. A big obstacle also lies in the persistent use of 2021–22 peak multiples as reference points, which puts pressure on returns for current portfolio companies while simultaneously challenging new investments" he argues. The bigger obstacle is a gap in valuation expectations among sellers referencing 2021-22 peak multiples or owners who acquired in 2021–22 at peak multiples that have since come down. "I think that's mostly what is driving the postponement of transactions as well," he concludes, "and slightly less so by economic trends or availability of funds, there is plenty of that."

07 United Kingdom



Alex Crawford

Director
Acuity Advisors
London, United Kingdom



Ageing private equity portfolios and strategics emerging from a year of AI soul-searching should lift UK tech deal volumes in 2027. But sellers will need a convincing answer to the question now asked in every investment committee, argues Alex Crawford: is AI a threat or an opportunity?

"We're a London-based investment bank, a team of 20 that is wholly focused on the tech sector," says Alex Crawford, a Director at Acuity Advisors. That remit runs from IP-rich deep tech through software and digital services to the fibre and data centres underpinning it all. Alex sits across the firm's digital services and digital infrastructure teams. He focuses on UK fibre, cloud communications and the wider IT landscape, including MSPs, consultancies and, increasingly, data and AI services. Around 80% of Acuity's mandates are sell-side, spanning the lower mid-market and the mid-market.

Acuity came into 2026 riding high. "We had a phenomenal 2025, which I think was slightly at odds with the wider market," he says. "We completed 21 deals as a team, which was a record for us." This year has brought "a steady stream of completions and new mandates", even though the market as a whole was quieter in the first half. "It feels like momentum is picking up in the second half of the year," Alex observes. "We've got a lot of mandates that have gone to market after the summer, which I think bodes really well for a strong end to the year and a really solid start to 2027."

He expects volumes to grow next year, for three reasons. The first is private equity's backlog. Alex's team has spent the past 18 months helping sponsors exit portfolio companies, and he sees plenty more to come. "Many PE houses are sitting on assets they've held well beyond a typical five-year hold, and with LPs pushing for cash back, they need to exit them," he says. The second is the return of the strategics. "A lot of companies, particularly large strategic acquirers, have probably taken a little bit of a backseat from their M&A activity to build out their own AI strategy and roadmap internally," he notes. "I think we're coming out of that period, and they are now looking to M&A as a driver of value."

The third is tax. "Thankfully, Capital Gains Tax won't be increasing in April-26, which removes a lot of the uncertainty that was hanging over owner-managed businesses this year. Rather than a rush of exits ahead of a tax deadline followed by a lull, founders can now plan a sale on their own timetable, and I think that supports steadier, more sustainable deal volumes through 2027". That optimism comes with a sober view of the macro picture. Alex traces the "new normal" for deal volumes back to rising interest rates and a more expensive cost of capital. In his view, those same conditions explain why the market has tilted towards fewer, larger deals. "Higher rates raise the return a buyer has to underwrite, so the bar for getting a deal away is simply higher. I don't see rates falling fast enough in 2027 to change that materially," he says. For smaller software and IP businesses, the bar is proving a defensible moat. "The smaller the business, the more likely a buyer is to ask whether they could build it rather than buy it," he says. "The ones that can show why that's harder than it looks, through their IP, their data or their customer relationships, still attract strong interest."

Inside Acuity, AI earns its keep earliest in the process. "Where it's making a huge difference for us is in the preparation stage," Alex says. "Being able to take a lot of our clients' data and process it quickly and very broadly really allows us to get under the skin of the key drivers of those businesses very quickly." That replaces having team members pore over "hundreds of thousands of lines in Excel". Yet he is clear about AI's limits. "I don't think having AI necessarily makes you a better advisor," he says. "The job is still about judgement: knowing which buyers will pay and why, reading the room in a negotiation and keeping a founder steady through what's often the biggest decision of their career. AI doesn't do any of that for you."

Juniors are encouraged to treat AI as "a force multiplier" and automate repetitive task, but they are still assessed on fundamentals, analytical ability, strategic capability and "a passion for the technology sector". Scepticism matters too, not least because more of the client information Acuity receives is itself AI-generated. "You need a pretty healthy dose of professional scepticism to really think about, is this output correct?"

AI is also changing what buyers pay for. Alex is currently selling a US-based, AI-native cloud communications business built on the Microsoft stack. "They've been able to build a really lean and efficient delivery model, separating growth from headcount," he says. "For a buyer that makes the business very easy to absorb." Growing tech complexity is also pushing cyber and tech diligence up the agenda. That shift is "definitely accelerating", although it is not yet buyers' top diligence priority. Data sovereignty, meanwhile, is now a risk in some deals and a value driver in others, particularly in regulated industries. It was once largely a cross-border and Middle East concern, but it "is now becoming much more of a global issue". The US remains Acuity's most likely cross-border destination, with mainland Europe a key buying geography for UK assets. "The US market has been quicker to adopt AI and new technologies, and I think for us that often makes it the best buyer location for our best tech clients," Alex adds.

He sees the biggest challenge for 2027 as one of perception. "I tend to assume that in every investment committee, when they're looking to buy one of the companies that we're selling, somebody's asking, is AI a threat or an opportunity for this business?" he says. He asks every client to be ready with an answer. AI does lower barriers to entry, particularly in software, but Alex believes the "SaaSpocalypse" has been overstated. "I don't mean whether AI is actually a threat, but I think someone in a boardroom perceiving AI as a threat is probably the biggest challenge," he says. "You need to have a solid answer to why you can overcome the challenge that AI is having on your business."

His bold prediction comes from the other side of that question. Alex expects the best IT and tech consulting businesses to start commanding software-style, revenue-multiple valuations. He points in particular to firms aligned with vendors such as Databricks or Snowflake, which can help buyers design best-in-class AI strategies. "That drives real scarcity value," he says. "You're looking at something between an acqui-hire and a software-based multiple. Accenture–Faculty is one of the clearest early examples: best-in-class AI talent combined with its own IP. I expect more in 2027, both for firms like that and for those with deep, accredited capability on platforms such as Databricks or Snowflake."

> "We've got a lot of mandates that have gone to market after the summer, which I think bodes really well for a strong end to the year and a really solid start to 2027."



David Turbay

Head of Downstream
Hannam & Partners
London, United Kingdom

Energy security has replaced ESG as the force behind energy M&A, and the long-predicted decline of fuel will slow, keeping capital flowing into traditional oil and gas assets long after many expected them to fall out of favour, explains David Turbay.

David Turbay

> Whilst ESG was the primary force for a lot of M&A activity in the past, energy security is today the theme.

For energy dealmakers, 2026 has outrun the forecasts. "It has exceeded expectations," says David Turbay, Head of Downstream at Hannam & Partners. "Energy across the board, both in transition but also in traditional oil and gas assets, has been far more active this year than perhaps we expected and definitely more active than 2025."

The turnaround followed a difficult 2025. "2025 was a year of a lot of uncertainty and difficulty in getting people to understand or realize that value gaps could be bridged," he recalls. "Sellers were holding on to assets until there was a little bit more clarity based on what was happening geopolitically in the US. That quickly has changed tune towards the latter end of last year and really has carried forward in 2026."

Public markets have seen a wave of take-privates, including Kohlberg Kravis Roberts & Co's (KKR) move on DCC Energy, alongside strong competition for North Sea and other upstream plays. "Private equity is back in force in this space," David notes. He points to oil storage terminals, "where multiples are significantly higher, where you're looking at deals that are of significantly higher value, and mostly these are private equity-backed platforms that are now timing the exit to capture that increased appetite from the financial investor community."

Behind this is a shift in what drives capital. "Whilst ESG was the primary force for a lot of M&A activity in the past, energy security is today the theme," he observes. "A lot of those restrictions that have been imposed on investing in certain asset classes have been somewhat relaxed, and they are still good quality assets that financial investors searching for yield will continue to look at." Revised US policy has cooled appetite for renewables. However, anything tied to power and data centres has drawn significant demand, including battery energy storage, gas peakers and power assets.

The headline numbers hide a split. Large sponsors have raised their minimum equity tickets and are chasing scale because "there's too much dry powder, and it's the same work, or sometimes even less, when you're doing a bigger transaction than when you're doing five small ones." As a result, "the KKRs, Apollos, Carlyles of the world will not be looking at certain assets," which leaves room for mid- and small-cap infrastructure funds. "Deal value is up, but deal volume itself is down, but it depends on the asset class," he says. "Anything related to BESS or to power, no matter how big or small, will garner interest."

He expects the focus on mega deals to continue into 2027 unless new money flows into the smaller end of the market. Buy-and-build strategies at sponsor-owned platforms will still generate activity of their own. "It's not a clear-cut answer," he admits, noting that oil prices and geopolitics remain wildcards. "Everyone seems to have a view that this is temporary, but we all thought that it was temporary six months ago, and it's still very much ongoing." That volatility is pushing dealmakers towards more creative ways of bridging valuation gaps.

As an example of market sentiment: iIn liquid bulk storage, the market has flipped: "We're definitely in a seller's market. We weren't in a seller's market before." Multi-billion-dollar processes for businesses such as Evos, TEPSA and VTTI are attracting strong interest. "Those exits two years ago, given where the regulatory and general sentiment towards the sector were, would not be anywhere near the interest as to where they are today."

Regulation is the other constant. "No asset class is safe anymore," David says. He recalls a recent investor event in London promoting Venezuela's reopening market. When attendees asked how anyone could operate under such an unpredictable framework, a Venezuelan lawyer turned the question back on the room: "You're sitting right now in one of the countries with the most uncertain regulatory environment, where you could be taxed at any moment in the North Sea."

He sees regulatory changes the sector's biggest challenge for 2027. "If you're looking at something in the biofuel space and you have all these ongoing consultations about whether they're going to change the schemes, this obviously creates significant uncertainty in deals," he explains.

For those willing to take that risk, the uncertainty is also the opportunity. "When people become risk averse, it just means that there are more opportunities to find off-market deals," he adds.

On AI, David is pragmatic. Hannam & Partners uses it to track investor lists, identify targets and run research. "AI has become sort of like a go-to intern," he says. "Before, you would ask an intern analyst to put that together and it would take them eight hours. You can do this now in five minutes." He has also seen its limits. "You have to know what you're asking," he warns. "It's not enough to use AI to just learn and blindly follow whatever it tells you." For now, the firm still hires on modelling skills and commercial sense rather than AI fluency, "but that's today. Everything is evolving so quickly that that might not be the case in six months' time."

Asked for a bold prediction, David is candid about how hard this market is to call. Shell has just reported refining margins of $42 a barrel, up from $5.5 two years ago, driven by an Iranian conflict few expected to last this long. Still, he commits to a view. "There will continue to be more activity in traditional oil and gas and less in renewables or EV charging, because the cost of living and the rise of diesel prices and the rise of fuel is not going to go away anytime soon," he predicts. "A lot of investors disregard petrol stations as a dying asset that no one wants to buy. I think the heightened margins will continue for quite some time."

Nick Hill

Director and Retail & Consumer Sector Lead for M&A Advisory
Interpath
London, United Kingdom



After years of stand-off, the gap between buyer and vendor expectations may finally start to close in 2027. And with capital piling up, the dealmakers who move first will set their own growth agenda rather than have it dictated to them, says Interpath's Nick Hill.

For Nick Hill, the defining feature of 2026 was resilience rather than resolution. As a Director and Retail & Consumer Sector Lead for M&A Advisory at Interpath, he advises consumer brands, retail and leisure businesses through critical moments of investment, expansion and divestment, and he has watched the market keep moving despite conditions that refused to settle.

"The deals market and wider economy have been shaped by persistent uncertainty and volatility," he says. "As we came into 2026 there was still a reasonable expectation that at least some of the shocks the world had experienced would come to be resolved. While we've seen geopolitical turmoil become more embedded and transactions are taking longer, we've seen a remarkable resilience in the market to keep moving and deals are getting done."

That resilience has been uneven. Nick points to a flight to quality that has concentrated buyer attention on a narrow band of assets, which he warns can create "a two speed dealmaking landscape". He expects 2027 activity to remain anchored in strategy plays: "corporates building up resilience and chasing selected assets that help them achieve a specific aim – that might be accessing certain technology, expanding into a certain market, acquiring new customers or creating a new channel or niche capability."

The flip side, he predicts, will be carve-outs, and their character is changing. "The story here is becoming more nuanced and has moved on from a pure focus on non-core disposal," Nick observes. "We now see a market that is being shaped and segmented by a varying asset quality, strategic rationale, and buyer universe." Some carve-outs remain a way to separate businesses that no longer compete effectively for capital within a group, assets that may offer significant value creation under new ownership. Increasingly, though, they are a deliberate portfolio tool. "More companies are using them as part of broader portfolio reviews, seeking to sharpen strategic focus, allocate capital more effectively and position businesses for their next phase of growth," he notes. "In any case, volatile market conditions make tough carve-out decisions easier in some cases and can raise the issue up the agenda."

On sectors, Nick sees industrials and defence enjoying "a bright spell of M&A activity given strong geopolitical factors and the impact of automation and AI". Closer to his own patch, he expects consumer, personal care and food and food service businesses to keep attracting investors and corporate buyers, given their resilience, though the bar has risen. "We've seen selective consumer investing and a retrenchment from funds that are willing to invest in the consumer sector, but there is still appetite," he says. The businesses standing out are "those of larger scale, more resilience, clear views on KPIs and that have a clear understanding of their consumer, and a clear, focused omni-channel strategy".

> "There isn't an option to sit on your hands – I expect there will be more proactivity to get the right deals done and take control of the growth agenda, rather than having it dictated to them."

That consumer lens puts the UK's economic backdrop at the centre of his outlook. Given the country's reliance on service and consumer-facing industries, Nick regards spending and sentiment as pivotal, placing government policy and fiscal events "under the microscope". Yet he argues that stability matters more than any single measure. "Ask (almost) any business leader or any investor – or consumer for that matter – and they're more concerned with stability so they can make decisions than the cut and thrust of policy tinkering," he contends. "While change will always bring opportunity in some form and deals will still get done, the real driver of deal volume will be in calming the waters."

For businesses heading to market, that means planning rather than waiting. "Whatever happens with consumer spending, a passive and reactive approach doesn't work," Nick adds. "Proactively interpreting how any changes in spending will impact your business – and how you will plan to meet those changes – are some of the most important questions for potential investors right now."

AI, meanwhile, has moved from the fringes onto the diligence checklist. "The clear story from the past year has been the emergence of AI as a key diligence area in any transaction," Nick explains. Buyers now see AI as a lever for value creation, whether by freeing up cost and capital or by accelerating operations and sales, and vendors must be able to prove its impact. "Getting the AI story right is now so critical in getting deals over the line – people want to see how it is being used, governed and developed for the future," he says. "As a differentiator, it is also about how AI use is being measured and demonstrating a tangible impact on a business, its operations and financial performance."

Cross-border interest remains a constant. "Every single transaction we work on will have an international element to it – international buyers and investors still hold great stock in the UK market," Nick notes. With geopolitical volatility persisting, he expects UK and European activity to stay in focus, and strategic international buyers to remain a key source of premium valuations.

His boldest call for 2027 concerns the valuation gap that, alongside geopolitics, has held back deal completion. "I'd say that we should start seeing the narrowing of that gap in 2027," he predicts. "I feel that vendors are more adjusted to the market we are now in and buyers are getting more comfortable with the pervasive disruption that has marked previous years." As capital builds, inaction is getting harder to justify. "To a certain extent, as capital continues to build up, there isn't an option to sit on your hands – I expect there will be more proactivity to get the right deals done and take control of the growth agenda, rather than having it dictated to them," Nick says. He is careful not to overstate the shift, adding: "That said, for the right asset and buyer we are still seeing that we can deliver a strategic premium."

Andreas Nau

Partner
Ennea Capital Partners
London, United Kingdom



Travel's next acquisition wave will target businesses that have already proven they can win customers through LLMs and AI agents, as cash-rich incumbents race to buy what they haven't yet figured out themselves, predicts Andreas Nau of Ennea Capital Partners.

Andreas Nau spent most of his career on the operator side of travel. He spent nine years at TUI, Europe's largest tour operator, and seven and a half years as Expedia's Managing Director for Europe until 2019, followed by a stint at a private equity-backed vacation rental business. He then joined Ennea Capital Partners. The firm began life as a venture investor and has moved steadily into advisory. It now has four partners, a team of around 15 and a wider bench of advisers. Some 60–70% of its work is sell-side, with a growing buy-side practice serving private equity and strategic acquirers.

"What sets us apart is that most of us are industry executives from the travel industry," Andreas says. Although he is based in London, he is quick to point out that the work "has no borders".

His read on 2026 is of a market split in two. "We see a two-tier system, almost, where part of the market is stuck and part of the market is really active," he observes. Some of Private Equity sits on the stuck side still holding portfolio companies acquired well before COVID, carrying high financing costs and needing exit multiples it is unlikely to achieve. Strategics, by contrast, are buying. Smaller players are adding products and market share, and the giants are placing open bets. "The big ones like Expedia and Booking.com are actually openly saying they're making bets because they can," Andreas notes. "They have a war chest and they're saying, listen, we don't know what's going to win in the AI race. Let's just bet on a couple of companies with great teams."

For 2027 he expects a more balanced picture. Sponsors will eventually have to exit, and travel-specialist funds have already been more active than generalists, spotting opportunity while others hold back.

Strategics won't retreat either, since "all of them realise they can't build everything in-house to the same degree as buying". The counterweight is the cost of capital, which Andreas believes is biting harder in the UK than in most markets. Proven businesses will still get funded, but for anything closer to venture, "the hurdle rate is much higher". Start-ups that have reached neither break-even nor hyperscale face a very difficult raise.

Deal sizing follows the same logic. In the UK, and broadly in travel, he sees fewer transactions but larger ones. Of the 2010s, when "everything was acquired" at high multiples, he is unsentimental. "Those days are over, truly over, I think. Maybe it's not a bad thing. People have to be more disciplined now," he says, adding that the market is still open "if you have a good business".

Cross-border appetite comes and goes but is a firm part of the Travel and Hospitality M&A landscape. For example, Chinese travel companies, which stopped expanding after COVID, are becoming active again. Andreas notes that they are now even looking at South America and not just Asia or Europe – where some recent deals have been completed. Demand from large US strategics is unchanged. Most of Ennea's buyers are sector specialists who care little about geography, and fragmentation works in their favour. "There's a lot of companies that are similar to another company, but they happen to be in a different geography," he explains. "So for someone doing buy and build strategies, it's actually a perfect scenario." Hotel software is his prime example.

On the macro picture, financing is the first question on both sides of the table, and solutions have become harder to find for anyone without a track record. Consumer demand is the other worry. "A lot of the growth has also been price driven in the post Covid period because of inflation. And that's not healthy growth necessarily," Andreas cautions. He warns that rising input costs will eventually meet a consumer already squeezed by energy bills.

AI is where Ennea has gone furthest. The firm uses AI for targeted deal sourcing and for due diligence and document work: "if we did 100% manual before, it's maybe 50-50 now". It also serves as a negotiation sparring partner that "sometimes has some good ideas that we don't have". Everything feeds into an integrated firm "brain" that captures every channel, ending the old problem of meetings nobody documented.

A human still reads everything that leaves the firm, backed by an investment banking analyst team, and errors are fed back into the system. Drawing on his e-commerce background, Andreas also argues for proportionality. "There are many parts of a job where 80% done is often better than waiting two weeks and doing 100%. So you have to know which is it."

For new hires, technical skills are a given. What counts is curiosity, initiative and "questioning your own work". He is even open to AI one day reading a founder's mood in the room, though he stops short of a forecast: "I'm not sure. We'll see."

The sector's biggest hurdle in 2027 is uncertainty over how consumers will shop as LLMs and agents take hold and for software companies if their revenue models hold up over time. Intermediaries that simply match bought search traffic with supply they don't manage "have a bit of a problem, unless you offer a lot else," he warns. The opportunity lies in AI's deflationary effect on an industry run on "hundreds of archaic systems tied together somehow with a string". It also lies in the complex, multi-stop trips that remain stubbornly hard to book online.

That sets up his bold prediction: a wave of M&A targeting companies with proven traffic from LLMs and agents. "I think they will be bought as a result by big, big incumbents who haven't figured it out yet," he predicts. "It reminds me of the period when Google started. You had people who were really good at paid search and then at SEO and others who had no idea where to even start."

His second, more contrarian call is specific to the M&A industry. He foresees a legal battle or "diligence dispute where AI is used by one side and the other side discovers some issues with it".

> "They have a war chest and they're saying, listen, we don't know what's going to win in the AI race. Let's just buy 10 companies."

08 Middle East & Africa



Jennifer Chetty-Feinberg

Corporate Finance M&A Partner,
PwC
Johannesburg, South Africa



Sub-Saharan Africa looks like a pocket of stability in a volatile world, but 2027 will deliver a moderate lift in dealmaking rather than a surge. And while AI is making deal teams exponentially faster, it is making experienced human judgement more valuable than ever, argues PwC's Jennifer Chetty-Feinberg.

Jennifer advises corporates, investors and shareholders on strategic transactions across South Africa and, where clients' footprints extend further, sub-Saharan Africa. Her sector focus spans FMCG, business services, infrastructure and energy, on domestic and cross-border mandates ranging from disposals and fundraising to restructurings.

She describes 2026 as a year that beat low expectations. "I think the market performed more positively than expected," she says. "The expectations are very muted given the geopolitical issues globally that are impacting our markets quite significantly in terms of logistics costs, oil prices." Yet her own read is more measured than the headline: "Personally, I feel it is largely flat."

Inbound M&A has carried much of the activity, and the draw is price. "There's a lot of valuable assets that are very cheap at the moment, given the way the South African economy is performing – which is quite badly," she observes. "So there has been a lot of inbound interest for good South African businesses." Outbound deal value has held close to last year's levels, though South African acquirers have become more circumspect about which markets they enter.

For 2027, Jennifer expects inbound interest to "improve moderately". Relative calm is part of the region's appeal. "The good thing about sub-Saharan Africa or even South Africa is there is policy certainty and clarity on regulations and currency stability," she notes.

What caps the upside is global rather than local: the opportunity cost of money and continued turbulence, from Ukraine and Iran to tariffs and trade uncertainty. "So moderate increase rather than knocking the lights out," she predicts. "I'm not seeing a tsunami of activity from outside of South Africa or Southern Africa coming this way." That isn't for want of value opportunities, she stresses, "but rather because everyone's uncertain about investment thesis in this current environment."

That caution is reshaping deal structures. She expects 2027 to mirror 2026, with a small number of large transactions in telecoms, mining, energy and infrastructure alongside a body of smaller deals. Increasingly, those smaller deals take the form of minority stakes in solid companies, joint ventures and staged acquisitions "where investors want exposure, but they're cautious about valuation execution risks". Investors take an initial stake and build it, "increasing their position over time based on performance rather than committing to valuation up front," she explains. "We've seen that a lot in the mid-market space."

Financial services, renewable energy, digital infrastructure and data centres, healthcare, education and consumer-facing businesses should lead activity, with logistics a recent riser. Across the wider region, the story is more infrastructure-led, spanning telecoms, fintech and energy. Outbound into Africa, she cautions, is "very much sector-specific, company-specific, and region-specific". One market may carry volatile currency risk, while another has a small captive population and poor infrastructure. "So each market is evaluated very much on a case by case basis by corporates."

At home, the biggest challenge remains macroeconomic. Interest rates, inflation and exchange-rate stability are compounded by electricity constraints and port logistics. "As soon as you have volatility and uncertainty, that gets priced into transactions," Jennifer says. "And so transactions become either too expensive or too much execution risks for companies and businesses to act on." Buyers either hold back or table offers that sellers won't accept, a pattern she has seen throughout the past year.

Jennifer Chetty-Feinberg

> We do need judgement calls and we do need curiosity and we do need the human more than ever.

Infrastructure is where she sees the most promise. "It used to be just renewable energy," she says, but activity now reaches into transmission, battery storage, energy efficiency and, increasingly, large water and logistics projects. "It feels like there's a lot of energy in South Africa around infrastructure investment." Data centres are emerging too, typically arriving with their own renewable and generator solutions given grid constraints. "If you put a data centre in a location and have an available sort of off-grid solution, that makes it a lot more attractive," she adds. "And then it's just the availability of land and water that becomes the issue."

On AI, she sees rapid adoption across the region's businesses, particularly in customer engagement and service delivery. "Africa's always an early adopter, so companies are using AI," she says. "It's binary. One day they weren't and the next day everything is driven by AI." But she is sceptical that using AI makes a company more of a target. "The use of AI as a tool is the same as the early adoption of Windows and Microsoft Office," she argues. "Ultimately, it isn't the long-term value driving your business because you have to have an underlying client who wants your product, and the product is not AI."

Within the deal process, the gains are concentrated in target screening, research, due diligence, document review and data analysis. "We've become exponentially faster at those things," she notes. Valuation conclusions, negotiation strategy, stakeholder management and integration are different. AI can assist with them, "but you still require extremely experienced senior human oversight." Her own working day has changed as a result. "I don't have to tell someone what I need done and then wait for it to be turned around. I can ask the question quickly, get a quick answer, and immediately be able to make a decision," she says. "So it is a very good tool, and yet it is a tool. It is not going to replace the human operator here."

The same logic shapes how she thinks about junior talent. She cites a basketball coach who signed an untrained player for his height, reasoning that you can't train for height but can train for everything else. The tools are there, she argues, but curiosity and the ability to work through vast amounts of information cannot be taught so easily. "With AI, people are being asked to do more with their time," she says. "And so we do need judgement calls and we do need curiosity and we do need the human more than ever, actually."

Her boldest prediction for 2027, she admits, is "not rocket science": AI becoming the default approach on transactions. "The quality of information is improving and the speed at which transactions and clients are going to expect feedback is shortening," she predicts. "More information, more insights, more output, less time."

Krishna Nagar

Head of Corporate Finance
Rand Merchant Bank
Johannesburg, South Africa



Sub-Saharan Africa's economic and demographic dividend will keep drawing long-term strategic capital through 2027, says Krishna Nagar, who expects South Africa's scale and market sophistication to keep positioning it as the continent's beachhead for cross-border dealmaking.

Krishna has spent 20 years in corporate finance, where he now heads the team within Rand Merchant Bank's (RMB) investment banking division, advising on strategy, mergers and acquisitions, public and private capital raisings, and broader corporate activity mandates. His team runs a sector and product model spanning most major sectors, with a focus on sub-Saharan Africa alongside a growing advisory business in India.

Looking back on 2026 so far, Krishna describes deal activity as resilient to strong, underpinned by a continued supply of high-quality assets. But buyers have needed more conviction to pull the trigger, with the global geopolitical backdrop giving dealmakers "cause for pause" and adding extra diligence work around the potential market impact of macro events.

Transactions are taking longer at both ends of the process, he says: more work is required before signing to assess these external risks, while afterwards, a more complex regulatory environment has slowed things down further, particularly for multi-jurisdictional and high-profile deals attracting greater scrutiny. In South Africa specifically, competition regulation, with the weight towards public interest considerations alongside traditional anti-trust assessment, has created a dynamic Krishna says which has made dealmaking "slightly more complex" for foreign entrants, who need more hand-holding through the process.

Sector activity has been broad-based across the energy, industrial, TMT and fintech spaces, with the improving commodity cycle also lifting businesses with second-order exposure to mining and metals. Within RMB's sub-Saharan Africa footprint, South Africa remains busy, Nigeria has had a strong year ahead of an election cycle expected to slow momentum, and Angola has been a surprise packet.

On AI, Krishna draws a clear line between a business being enhanced by the technology and AI itself being a reason to transact. "I don't think in and of itself they're looking for that," he says of AI-native targets. "I think they're looking for how an existing business model has perhaps been improved." Its influence, he adds, is still sector-dependent and moving fast enough that it remains "a bit of a wait and see" as to how it ultimately reshapes dealmaking. Within RMB's own workflow, Krishna sees AI speeding up the packaging of information, insights and intelligence for clients, particularly in business development and live execution.

> "Sub-Saharan Africa remains a significant multi-generational opportunity."

That efficiency comes with a catch, however, and Krishna is candid about the risks. Inaccurate or fabricated outputs are the first concern, meaning anything AI-generated has to be checked for accuracy before it reaches a client. The second, he says, is more structural: junior bankers now have powerful tools at their fingertips but not always the experience to judge what the output is actually telling them, which he believes means training has to be accelerated noting that experience can't be bought. More strikingly, Krishna argues AI has, in some respects, made his team less efficient rather than more. "I actually think that there's a part of AI that has made us less efficient," he says, pointing to PowerPoint decks that have grown longer under AI's influence and a rising tide of information that is harder to sift for what is both necessary and correct.

That tension is reshaping recruitment too. RMB is still hiring for the same core attributes, Krishna says, but with a sharper emphasis on judgement over technical pedigree: junior bankers need to be comfortable with technology, but the differentiator is increasingly "human elements" – reasoning, communication and the ability to build networks – rather than academic study alone. He is similarly measured on whether early AI adoption confers a competitive edge among advisory firms, arguing that relationships remain the stronger determinant of client choice, and that moving too fast with AI-assisted work risks putting underbaked material in front of clients.

For 2027, Krishna sees the biggest threat as macro and political volatility, both global and country-specific, which erodes the confidence M&A depends on and can trigger currency swings that leave cross-border buyers and sellers sitting on the sidelines. Set against that, he is unequivocal about the region's underlying opportunity. "Africa and sub-Saharan Africa remain a significant multi-generational opportunity," he says, citing the continent's demographics and growing economies.

Qasim Memon

Director, M&A
Grant Thornton UAE
Dubai, United Arab Emirates



Dealmakers in the Middle East are heading into 2027 with a selective playbook: outbound capital into promising international territories, onshoring initiatives at home, and a mid-market about to do the heavy lifting, says Grant Thornton's Qasim Memon.

Qasim is a Director in the Grant Thornton UAE M&A team, based in Dubai, working across family offices, large conglomerates, sovereign wealth funds and their subsidiaries, corporates and private equity firms, and individual shareholders exiting businesses. Tech and tech-enabled businesses including those touching financial services and healthcare have been the standout sector for deal activity across the UAE and wider Gulf in 2026. "Tech has been the strongest leader in deal activity. Most of our deals are some form of tech-enabled business," he says.

Looking to 2027, Qasim expects a strong year, though the shape of dealmaking will change. "There will be more focus on a selective strategy. Parties considering a transaction or liquidity event will be far more selective in terms of the deals they're doing rather than chasing the next big thing," he predicts. Part of that rebalancing is outbound: regional private equity co-investing into international territories to diversify and rebalance geography-linked portfolio risk. In the UAE, momentum is building behind import-substitution policy – initiatives like Made in the Emirates, with entities such as Abu Dhabi National Oil Company now offering incentives to engineering, procurement and construction contractors who use local suppliers as part of their delivery model. "2027 will be a strong year because of rebalancing, re-strategising, and making the region stronger and more self-sufficient," Qasim says.

On deal size, he expects the Gulf market to stay busy. "Inevitably, there will be large or "mega" transactions, and there's already some that have been announced and / or completed recently out of Abu Dhabi – mainly across energy and tech, large data infrastructure, and AI data centres," he says. But the bigger growth pool, in his view, is the mid-market. Rather than concentrating capital solely in a handful of large-cap opportunities, private equity investors across the region are demonstrating greater flexibility in deployment strategies, creating a broader universe of investable mid-market businesses. "There are not many "mega" businesses available for investment" Qasim says, noting that new vehicles like the Emirates Growth Fund are also deploying capital into sustainability and import-substitution plays, off the back of a decade-plus of Gulf economies diversifying away from oil.

Oil prices remain central to liquidity across the region regardless, he adds, shaping how much capital family offices and private equity can deploy no matter how diversified the wider economy becomes. Assuming a broadly managed macro backdrop, Qasim sees positive tailwinds from the ambitious national vision across the UAE, Saudi Arabia and the wider Gulf Cooperation Council, alongside local initiatives to strengthen supply chains.

AI is changing his day-to-day work, though less by cutting time and more by shifting where the effort goes. With both buy-side and sell-side principals and advisors increasingly making use of similar AI platforms, Qasim argues the real skill surrounding AI use is judgment in deal making, not access. "You need to cut through the noise and stay commercial about what is actually important," he says. Clients assume AI speeds deals up, but hallucinations post a threat and verification is therefore key, and the volume of what gets flagged in diligence has grown. And managing that risk comes down to experience. Qasim says: "It is where our role as lead advisors becomes far more important – to distinguish between what is critical, what is material and what is just noise." That matters most, he adds, when a shareholder is exiting a business they have built over decades and deal fatigue starts to set in – the need for a trusted advisor in the deal team has not gone away, it is just as important as ever.

That shift is filtering down to junior roles too. Qasim does not expect AI to shrink headcount but rather redefine the role of junior positions – tasks like building financial models or assembling marketing materials are increasingly AI-assisted, pushing the emphasis toward commercial judgment, critical thinking and the client-facing skills needed to build senior relationships. "The skill set required of the junior dealmaker changes," he says, describing the market as being in an in-between period that will settle as the cost of AI and compute comes down.

On AI as a deal driver, Qasim notes that genuine AI-native businesses of scale are still developing across the region, and the few that exist command premium valuations, mostly already under private equity or sovereign ownership, or in receipt of significant investment. The sharper prediction, in his view, concerns AI-enabled businesses – those using AI to drive productivity and margin gains rather than sell it as a product.

That trend has not materialised at scale anywhere yet, but he is specific about timing: "I expect that to expand in 2027." Investors, he argues, are done taking ambition on faith, and will follow the evidence directly. "There are no hiding places anymore. You can use the tools and actually show that you are improving your product, customer experience and financial performance" and it is those such businesses, he says, that will draw the sharpest buyer and investor interest from the region in the year ahead.

> "It is where our role as lead advisors becomes far more important – to distinguish between what is critical, what is material and what is just noise."

Amar Rizvi

Head of M&A and ECM
Klay Capital
Dubai, UAE



A generation of Gulf family businesses have created substantial wealth in a relatively short space of time, and many are approaching generational succession for the very first time. Amar Rizvi expects that transition to drive a wave of sales, strategic partnerships and IPOs over the coming years.

Amar Rizvi

> At the end of the day, relationships and human interaction still matter a lot.

Amar joined Klay in early 2025 to build out the group's M&A and equity advisory offering, after 22 years in bulge bracket investment banking. The origination model was the draw. "Klay, at its core, is a wealth advisory business," he explains. "There is a network of high net worth clients and family offices that Klay already advises. Those then become a natural source of originating for us." The result is a firmly mid-market focus and a front-row seat to some of the conversations happening inside several family-owned businesses.

His read on 2026 begins with the conflict that started early in the year. "As you would expect, it has had an impact on deal activity. It would be unrealistic to think that it has not," he says. Even so, he frames the period as "a recalibration rather than a complete halt in deal activity." January and February tracked well. March and April brought "a lot of reassessment and introspection," followed by the usual summer lull, and since September activity has picked up again across the transactions he is involved in.

He stops short of calling a full recovery. Strategically important sectors such as utilities, power and infrastructure will carry on at good pace. Logistics and other businesses directly exposed to disrupted routes, and financial services sensitive to shifting interest rates, slowed.

Deals are also taking longer. "Investors and boards are asking for more information to get themselves comfortable on the impact or lack thereof on those specific businesses," Amar notes, with diligence and investment committee processes stretching on the capital raises he is running.

Valuation is the harder problem. A higher risk premium and rising cost of capital have widened the bid-ask spread, with sellers naturally taking the optimistic view and buyers the pessimistic one. Having worked through several crises over a 25-year career, he expects structuring to do the heavy lifting. "You have to become a little bit more innovative with these things to try and bridge the valuation gap," he says. "Earn-out structures, contingent structures, all of those aspects come into play... We see that happening and we will see that happening."

He also sees a familiar pattern in where the capital comes from. When foreign investors pause to reassess, "local and regional capital steps up and steps in," he observes. "They understand the realities on the ground better than somebody sitting in London or New York or Hong Kong." In the GCC, much of that capital is government-related, through sovereign wealth funds and government-related entities, and is aligned to national vision plans centred on "infrastructure, power, utilities, and increasingly AI." He expects that top-down focus, backed by capital while foreign investors reassess, to keep those sectors leading into 2027.

For a senior-led boutique, AI has been "a great leveller," he believes. "We're never going to have an army of juniors. We're always going to be a senior-led lean team." A last-minute pitch call once meant briefing an analyst to run the research and detailed financial analysis and waiting several days to prepare for the meeting. Now he can get up to speed on a sector, geography and business "within a tenth of the time" and take the meeting that afternoon.

The shift has reached client timelines too. On a live transaction, a client asked for a complex model ahead of a meeting two or three days away. "Pre-AI, I would have turned around and said, guys, not happening, two weeks minimum," he recalls. Instead, AI tools produced a strong first cut in about an hour, leaving two days to stress-test it. "It is changing their expectations," he says, "because we as advisors are increasingly willing to meet timelines that we would never have been able to meet before."

The stress-testing is non-negotiable. Having built valuation and capital models with AI tools he is blunt about where it fails. "It'll do 95% of the work faster and better than we could manually, but there will be 5% of things that inexplicably, it'll just mess up," he says. "You cannot pass that buck on." He would not send AI-built work to a client without reviewing, "if not every cell in every sheet, pretty close to that myself." Nor does he think the tools displace the adviser. "At the end of the day, relationships and human interaction still matter a lot," he adds. "The client at a human level needs to place their trust and their judgment with their advisors."

As a driver of deals, he sees AI following the path "tech-enabled" took around COVID, when businesses rebranded as fintech or agri-tech until the label became table stakes. "Maybe 12 months ago, you just had to use the AI buzzword to get people's attention," he says. "Today, you have to demonstrate it." For one client, that means marketing materials showing the business generating, for example, 50% more revenue with 70% fewer employees through the use of AI agents.

AI-native M&A, however, is not yet a dominant theme in the Middle East. Sovereign capital is flowing into greenfield partnerships and building compute, activity that "doesn't really show up in the M&A ticker tape." However, he expects consolidation to take place in due course.

Amar expects deals to continue even if the geopolitical situation does not fully settle. The headwind he names instead is the IPO market. "We've had phases of feast and famine, and I think we're currently going through a bit more of a famine than a feast," he says. The slowdown predates February 28th. "It wasn't purely the conflict, but the conflict hasn't helped." A healthier IPO market would lift sentiment "all around" by giving investors another route to monetisation, and that is the recovery he expects 2027 to bring, supported by a pipeline of postponed listings waiting for the window to reopen.

Amar's bet for the next 12 months is on succession. The region is still dominated by family-owned businesses that have grown and amassed wealth far faster than their Western counterparts and have reached a generational transition without being fully institutionalised. He expects more of them to "either sell or bring in a strategic partner or look to IPO". Through Klay's family office network, he is already watching those conversations unfold as the next generation's vision for the business often diverges from that of the patriarch or matriarch. "That's an interesting dynamic that I think will play out and should lead to more activity."

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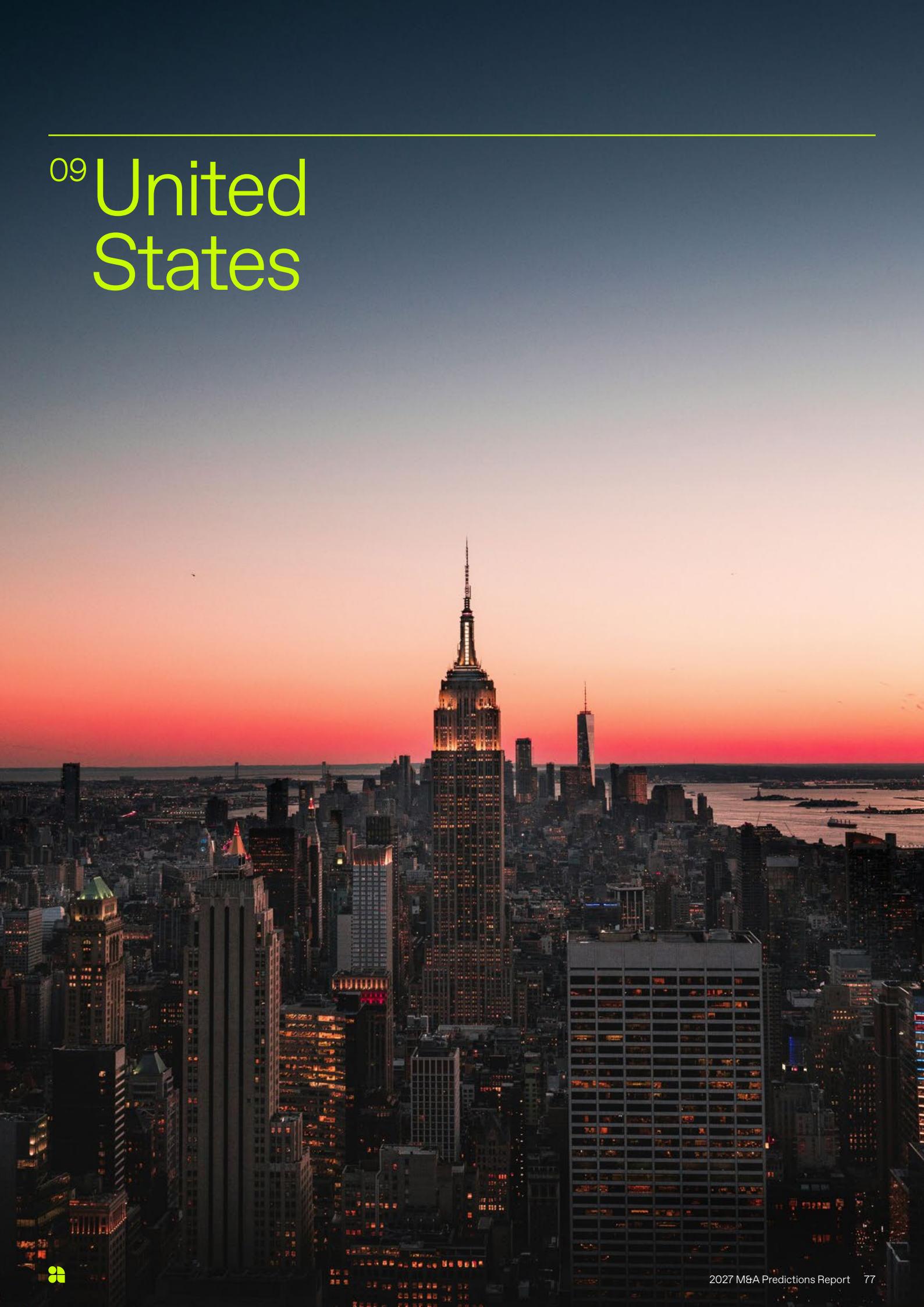

Greg Bare

Managing Director
Crosstree Capital Partners
Tampa, Florida



AI has helped cut the labour behind a health sciences pitch from 40 hours to around ten, but it hasn't solved the hardest part of the job: getting the underlying data right. The long-run payoff will be more deals, more data per deal and ever-narrower specialists to handle both, predicts Greg Bare.

Greg Bare

> If you feed the wrong data into the model, then no level of QA/QC is going to be able to resolve that.

Health sciences is one of M&A's more restless corners. As Managing Director at Crosstree Capital Partners, Greg Bare advises on middle-market and lower-middle-market sell-side deals across pharma services and technology, life science tools and diagnostics, and healthcare technology. His client base is split roughly evenly between founders and private equity-backed businesses. The sectors are highly fragmented, and consolidation never quite finishes. "Every time new innovations occur, things shift either from a regulatory or market perspective," he says. "It seems like there's a whole new bolus of entrants into the market."

2026 took a while to find its feet. "I think we got out of the gate a little bit slower in 2026 than we expected at the end of 2025," Greg reflects. "But after the first quarter, Q2, Q3 have been quite active." Closings have held steady, and a busy third quarter of pitching is shaping Crosstree's 2027 slate.

Strategic intent is what separated the successful buyers from the rest. "Buyers focused on financial engineering over strategic operational initiatives to generate returns tend to be less competitive in this market," he notes.

Greg is hopeful about 2027 but won't call it with certainty. Rising US interest rates have compressed private equity return profiles, "and it always feels like we're a headline or two away from grinding everything to a halt." On balance, he is optimistic that the status quo will hold. That optimism is underpinned by the capital pouring into AI and the pressure it puts on companies to adapt and invest. The dependence cuts both ways, he warns: "You probably will see a correlation between when that type of capital investment slows down and what's going on in the M&A market that we play in."

AI is also reshaping deal rationale directly. "It's a reason to do a deal and a reason not to do a deal," Greg observes. This year's 'SaaSmageddon' or 'SaaSpocalypse' sell-off questioned whether software businesses could protect their margins and competitive moats, and those doubts trickled into health sciences. His sectors have some insulation. Heavy regulation makes overnight disruption difficult, and the core customers are conservative by nature: pharma companies, healthcare organisations and health insurers. "The adoption of technology doesn't happen at the rate of some of the innovation development," he says. That is starting to change: "There's a real top-down focus at these organizations to have an AI strategy, and so that's forcing a lot of companies to adopt new technology faster than they have historically." Nobody yet knows which applications will stick. That uncertainty "has to be addressed in deal processes and how companies are positioned and how you conduct diligence."

Regulation added its own turbulence. Most-favoured-nation drug pricing put large chunks of pharma revenue at risk and contributed to first-half hesitation. Direct agreements between drugmakers and the administration then restored some visibility.

Many of his clients serve global pharma, and for them Europe's evolving patient data privacy standards and AI regulation remain significant compliance barriers. Greg expects regulators to press harder as they work out how to control data flowing into large language models.

Inside Crosstree, the AI gains are incremental and spread across the workflow, but pitching is where they show most clearly. "A typical pitch would take us around 40 hours of human labor," Greg explains. The firm has built specialist groups focused on areas such as presentation design and analytics, paired them with AI tools, and "now we only need about 8 to 10 hours of human labor to be able to pull together a pitch." Method matters. "It's not just throw it all into the soup and spit it out. We take a very modular, step-by-step approach." Elsewhere, the gain is depth rather than speed: "What you gain in efficiency can be reinvested into the quality of the product and the output becomes much higher."

The research that analysts once compiled from Capital IQ, equity research reports and 10-Ks has been streamlined. The judgement that follows has not. "At the end of the day, you still have to sit down in front of a slide deck or Excel model and understand where every number is coming from, what its source is and why it's being calculated that way," he says. The same applies to confidential marketing materials: "Every word should be scrutinized, every footnote needs to be sourced properly."

Clients do expect faster turnarounds, but "they want to get it right too," and producing materials is rarely the real bottleneck. Founder-owned businesses often lack the controls and infrastructure for robust financial reporting. We often see founders who run their books on a billings or cash basis, without audited financials. This works well for optimizing tax structures but creates friction when selling or valuing companies. Converting those figures to accrual accounting under GAAP or IFRS "is still a very manual, labor-intensive process." With production time shrinking, data wrangling now takes a growing share of the team's time. "If you feed the wrong data into the model, then no level of QA/QC is going to be able to resolve that."

Around a third of Crosstree's transactions have a cross-border element. China-based counterparties have been difficult for several years under US foreign investment rules, while tariff anxiety has largely normalised. The bigger drag is closer to home. Private equity dry powder keeps growing, but so does the backlog of portfolio companies awaiting an exit. Acquirers are often wary of 2020 and 2021 vintage assets, expecting a valuation gap with sponsors who bought at peak multiples. The result is a sponsor community "a little bit paralyzed in some regards from being as active as they'd like to be."

The opportunity that excites him most is tech-enabling traditional services businesses. "We're now in a place where you don't have to build a multi-million dollar software program to solve automation," he says, pointing to private equity firms building AI innovation centres to work through entire portfolios. "The companies most able to leverage technology to improve and automate workflows are the ones, I believe, that are going to be the winners of the future."

His boldest prediction draws on four decades of history. Bankers were generalists in the 1980s and moved into industry verticals by the early 2000s. Today there are specialists in quality of earnings, market studies and analytics. "I think you're going to continue to see further and further specialization," Greg predicts, as the data needed to generate and complete each deal keeps rising. Deal numbers will rise too, "because there's just more companies and more dollars and more capital that have gone into it." He notes, the trend has been "pretty much up and to the right," and he believes AI could bring a period of acceleration.

Alex Mucelli

Managing Partner
Kythera Capital
Connecticut, United States



AI isn't shrinking the deal team. It's raising the bar for who gets a seat on it, making experienced, tech-fluent dealmakers who can turn machine-generated output into real insight more valuable than ever, according to Kythera Capital's Alex Mucelli.

"We are a merchant bank, so we invest our own capital in deals we originate ourselves," says Alex Mucelli, Managing Partner at Kythera Capital. Its transactions span the entire capital stack, and each is anchored to a long-term trend. "If we can anchor an investment thesis to something that's 10 years or longer, we have more likelihood of success."

Founded in 2008, at the height of the global financial crisis, Kythera first invested in banks in emerging Europe and then in retail expansion across young, fast-growing emerging markets. In 2014 it moved into sport, and today it focuses primarily on licensing opportunities tied to professional sport.

Looking back on 2026, Alex says the year "certainly has met all of our expectations". Private equity firms that bought around the pandemic on near-zero rates found their exits curtailed, which suited a capital provider. "Where you have stressed sellers, people that need liquidity for their underlying funds, for their underlying LPs, this could be a great opportunity. And it turned out to be reasonably good for us from that perspective."

Inflation crept back in the second half and rates are now expected to stay higher for longer, but Alex is unfazed. "When I think across the course of my career, if I look back in the '90s, you had similarly high rates," he notes. "These environments can be great to differentiate a fabulous business. But it's less about financial engineering and maybe multiple arbitrage and those types of things, and more about finding fundamentally great businesses with a strong long-term investment thesis."

For 2027, Alex expects fewer deals at higher valuations. "The average deal will be much larger, north of a billion dollars," he predicts, with large tech-driven businesses generating good free cash flow leading the way. The cause is partly structural, because alternative investment managers now run hundreds of billions, even trillions, of dollars. "The natural outcome of that is going to be a bias to allocate money efficiently, which means you're always going to be biased to the largest opportunities." Concentration risk still matters, he explains, "but also you don't want to do million-dollar deals. You don't have the resources to be able to do that. You really want to try to identify opportunities where you can pile in."

Sponsors still holding assets face a harder road if they are forced to refinance. He anticipates sporadic episodes of forced selling and rising defaults, along with problems at some private credit funds, though he stresses these would be individual rather than systemic.

At Kythera, AI runs through research, due diligence synthesis and selective origination. Its effect on headcount has been the opposite of the usual narrative. "AI has caused us to hire many more people," Alex says. The firm needs more senior, experienced people and a culture that is perpetually sceptical of what the tools produce. "You can ask these questions and it gives you a lot of facts and it sounds very persuasive and very concrete. But in our day-to-day experience, we find that a lot of the things that may be presumed by AI may not be actually true, and if you don't have the experience to rein that in, it becomes really, really difficult."

> "AI has caused us to hire many more people."

The other bottleneck is turning volume into insight. "If you give an associate free rein, they can generate so much information, you can't possibly wade through it in a single day." Kythera therefore points AI at the mundane work, such as building data dictionaries so that figures from a target company are always calculated to the firm's own definitions. "While at Goldman Sachs, we used to have armies of people doing pitch books and deal memoranda," he observes. "Now we can use the team we have and have them focus really much more on creating that insight."

The new hires are mostly associate or director-level, and each needs a strong IT or systems background alongside finance credentials. "Having pure accounting and finance skills doesn't cut it in a world that's this competitive," he says. He describes AI as a rising floor for the industry.

He is equally clear that cutting roles would be a mistake. For the firm to continue beyond its founding partners, he argues, junior staff have to build that same experience. Origination also rests on relationships with entrepreneurs that have been built over decades. "I don't know how you replace that."

AI also shapes what Kythera buys. Many sports licensing businesses have been too small to invest properly in technology, and the opportunity lies in making them "a more technology-forward business". Those that are already there, he adds, "are probably out of our price range".

Consumer brands face a sharper AI risk. "If you're just using Gemini or Claude or ChatGPT to find your next ski boot, all the money you invested in your website and brand building and all that can be really disintermediated," Alex warns. Yet some of the world's top brands are also "missing the opportunity where AI can dramatically improve their operating efficiency by synthesizing information across disparate, disconnected systems to create real insight in real time". He expects agency-led marketing to be the most disrupted, and favours brands built on social selling and digital communities. Sport, meanwhile, is protected by fans' near-tribal loyalty, with media rights and marketing spend still flowing towards it from cricket to European football and rugby from Asia to Latin America.

The wider opportunity favours fundamental investors who have lived through several cycles. A generation raised on cheap money, he argues, has too often been "processing deals as if they were making widgets", which "will be problematic for firms that don't have the depth at the top to be able to make very strong fundamental decisions around investment opportunities". "I never saw high interest rates as potentially a huge negative," he adds. "If you're equity funding more of a deal, you're taking out some of the risk. And if you have a very strong fundamental thesis, ultimately you'll make money."

His bold call is "maybe more contrarian than one would think". "I believe that next year will be a reasonably high growth year with limited disruptions," Alex predicts, expecting the distress he anticipates to stay individual rather than systemic. US corporate earnings have held up through a run of adverse shocks, and as long as the consumer doesn't tip into recession, "it could be a great investing environment". His verdict: "We're bullish for '27."

10 Outlook

The mood heading into 2027 is measured. Few contributors are predicting a breakout year. Most expect activity broadly in line with or modestly ahead of 2026, with deals taking longer and value concentrating in the best assets. Beneath that caution, though, there is clear agreement on what will separate the winners: preparation, quality and judgement. The pressures aren't going away, and the dealmakers best placed for 2027 are the ones who have stopped waiting for them to ease.



Tax and regulation move the goalposts

Capital gains tax reform has become a live deal variable. In Australia, the 1 July 2027 changes are already influencing investor behaviour and transaction timing, giving private owners another reason to reassess value and when to sell. In Belgium, fiscal reform unsettled family business owners early in the year before activity recovered.

Regulation is shifting elsewhere too. Contributors point to a compliance wave in Vietnam, public interest tests in South African competition regulation that add complexity for foreign entrants, US drug pricing and foreign investment rules, European data privacy standards, and unresolved questions over how AI itself will be regulated.

Security becomes the thesis

Geopolitics is redirecting capital rather than stopping it. When foreign investors pause, local and regional capital steps in, and stability itself has become a draw. Gulf capital continues to move outward to rebalance geographic risk, while onshoring policy and a growing mid-market keep it busy at home. ESG has receded as a standalone driver, with investors now paying for commercial outcomes rather than credentials. Infrastructure remains the standout opportunity in markets such as South Africa. It now extends well beyond renewables into transmission, battery storage, water and logistics. In digital infrastructure, access to power, water and land will decide which projects progress and where the value sits.

The pipeline is full, if slow

Private equity's backlog of assets will eventually need to transact, though continuation vehicles and secondaries will absorb some of it, and valuation gaps on 2020–21 vintage assets are keeping some sponsors on the sidelines. Most of that backlog is expected to come through in the mid-market rather than as billion-dollar exits, even as a pickup in large public-markets deals is expected in Australia and mega-deals continue out of Abu Dhabi.

Deals are being recalibrated, not cancelled. Succession is a powerful structural driver, from ageing founders in Australia and first-time capital raises by Belgian family businesses to generational transition in GCC family groups. Patient capital, particularly family offices with longer investment horizons, is emerging as a natural buyer as ageing founders look to exit.

In Germany, energy prices, covenant pressure and expiring deferrals are setting up what could be a record year for distress and insolvency work, one likely to reach IT service firms that sell hours rather than outcomes.

AI moves from deal tool to deal driver

AI is shaping deal flow as much as deal execution. Software valuations are being reassessed under so-called 'SaaSpocalypse' pressure, and one of the first questions buyers now ask is whether a business model is AI-proof. Views split on where the premium lies. Some contributors see AI-native targets with proprietary data and embedded workflows in demand, while others see investors retreating from them in favour of AI-enabled businesses with predictable earnings and provable margin gains. Inside deal teams, AI has proven itself in data room analysis, document review and target screening, while relationships and judgement remain firmly human. The caveats are real: liability for errors, mandatory human verification, and client sensitivity over whether their data can feed AI tools.

The pressures on dealmakers in 2027 are real, and they aren't easing. But the contributors to this report are clear about one thing: the deals will still get done. They will get done by the teams who commit fully.

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