

2026 M&A Market Outlook: Trends, Timing & Optionality



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2026 M&A Market Outlook

Trends, Timing, & Opportunity

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State of the Market

02

The Forces in Play

03

2026 Considerations

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Making it Real: Fireside Chat
with Nilam Ganenthiran

01

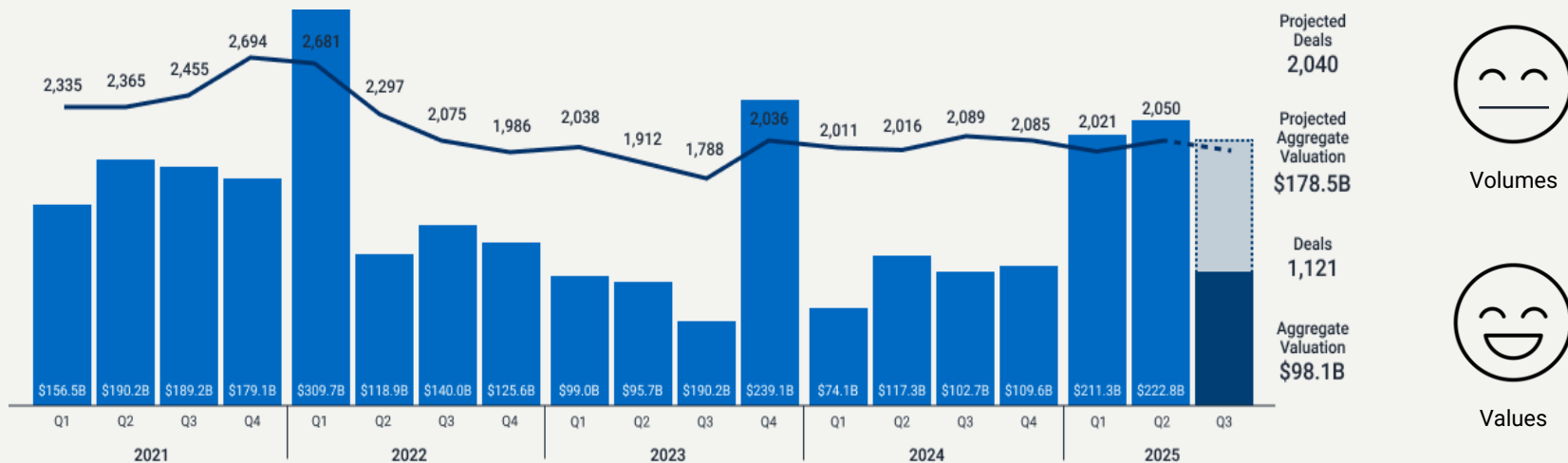
State of the Market

Tech M&A has returned ...

Tech M&A has returned ...sort of.

Quarterly M&A deal value-maintained momentum in Q2'25, reaching levels not seen since 2023

Global tech M&A deal volume and aggregate disclosed target company valuation quarterly, 2021-2025 YTD



02

The Forces in Play

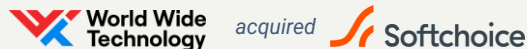
Insight 1:

With IPOs stalled and capital piled up, M&A is emerging as an interesting option.

Canadian Exchange IPO's - Gross Proceeds
2016-First Half of 2025¹



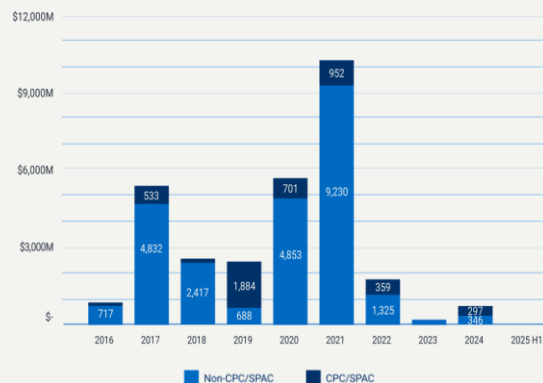
More Publics are going Private through M&A.



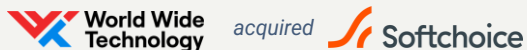
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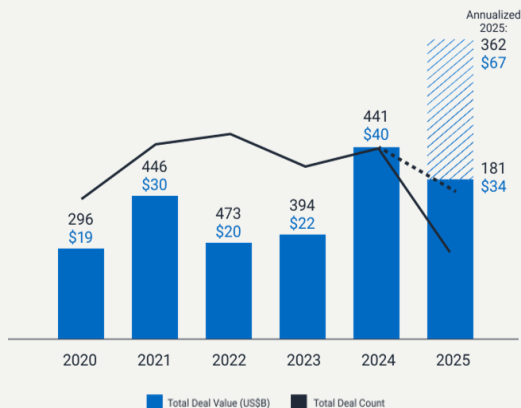
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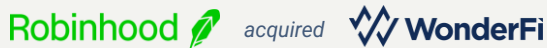
Insight 2:

U.S. buyers continue to show interest in Canadian tech and talent.

Deal Value and Count (U.S. Acquirer of Canadian Target)²



Lower rates = growth expected in M&A
(domestic & outbound).



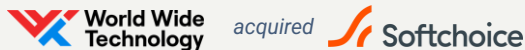
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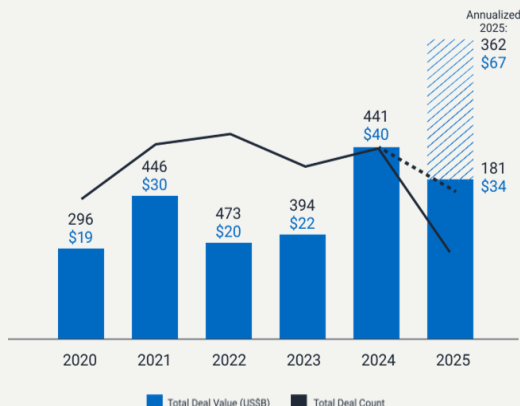
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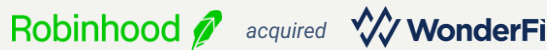
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Insight 3:

Investments in AI reached 30% of Canadian VC investments.

Share of Canadian VC Investments in AI Companies³



288% Increase YoY in AI M&A Deals (Globally)

Primary deals are concentrated in mega deals, consolidation is expected.



03

2026 Considerations

1

**Focus on value,
not hype**

2

**Creativity
is key**

3

**Preparation
closes deal**

1

Focus on value, not hype.

In Canadian M&A, the winners will be **those who buy capability, not just hype**

Nearly 2/3 companies plan to use M&A to bolster their AI Companies in the next 12 months¹

So what?

- For Buyers: Get laser focused on the ROI, first by defining your roadmap and how AI can fill a gap
- For Sellers: Proof points (KPIs) matter more than the attention of AI headlines.



Shopify acquires AI-powered search startup



Publicis acquires AI and data solutions company



Trane acquires clean-tech startup

Value comes from **measurable business impact** – not buzz or shiny objects

Successfully extracting ROI from AI sometimes means investing in the not-so-shiny stuff

Consider:

- Internal processes, workflows and governance are **table stakes**
- Talent and IP are key moats driving **competitive advantage**
- AI shouldn't be separate from your business: **Embed it end-to-end**



If AI is table stakes, how are you turning it into a competitive advantage?



Only 5% of AI Initiatives delivered measurable value...

2

Creativity is key.

Deal uncertainty has created a **backdrop for more flexible and complex deal structures**

Innovative approaches, like earnouts, are there to make the deal happen:

1

Faster execution,
reducing need to
pause

2

Market volatility,
enable both parties to
adapt

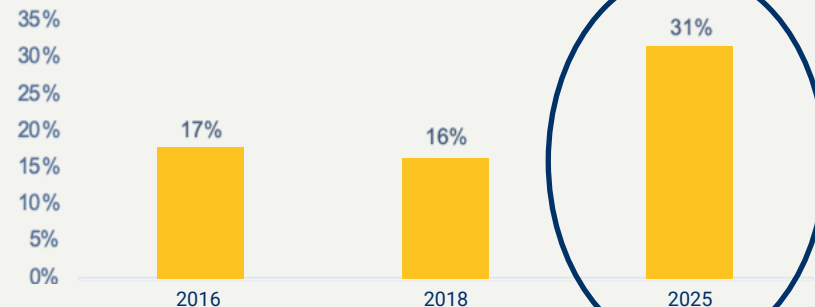
3

Shared risks with
buyers/sellers aligning
on future potential

4

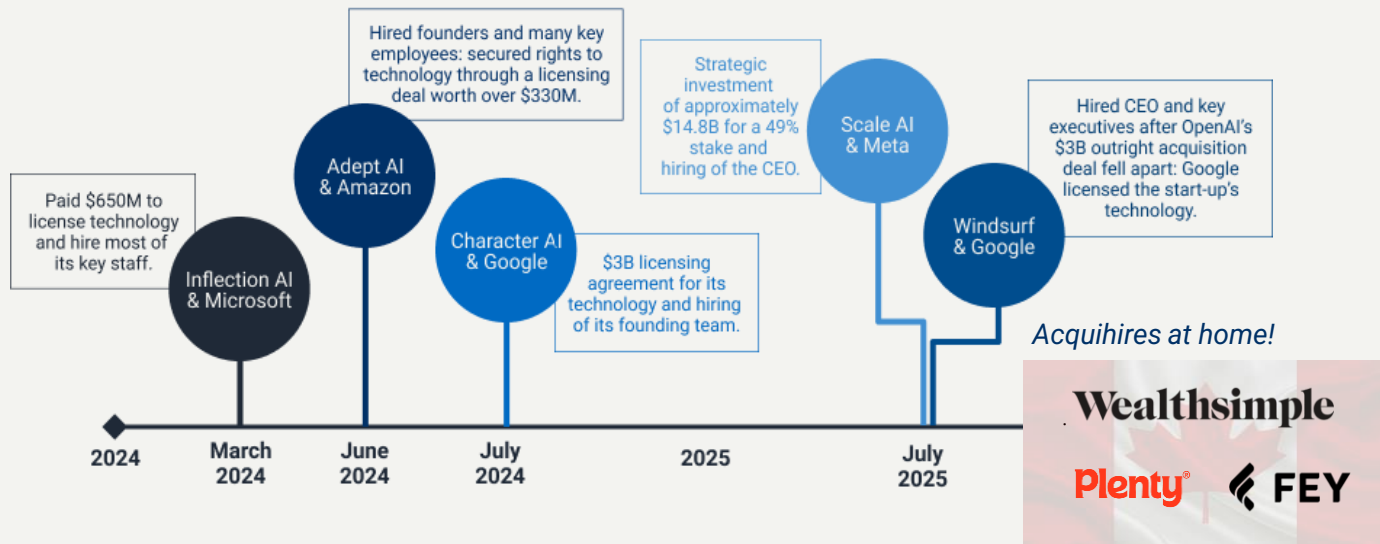
Allowing parties to be
clear about roles post-
close

Canadian Private M&A Transactions with Earnouts
(% of total transactions)



% of M&A transactions with earnouts has almost doubled in the last decade!

Smart companies are realizing a **fast route** to growth is through **talent-led deals**



Deal structures, retention incentives, cultural fit and integration plans become critical!



What creative strategies do you see gaining traction?

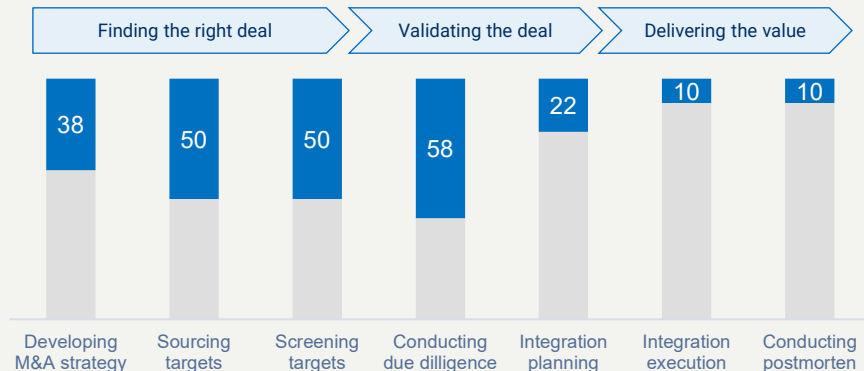
3

Preparation closes deals.

AI as a tool can help you prepare smarter, move faster, and create more exit options

80% of dealmakers plan to use AI in the deal process in the next 3 years¹

% of M&A practitioners currently using Gen AI at each step²



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1

Focus on Value, Not Hype

Whether you're selling or acquiring AI innovation, success comes from highlighting and investing in capabilities that drive measurable results.

2

Creativity is Key

Creative deal structures and openness to alternative financing arrangements may help bridge valuation gaps and regulatory hurdles.

3

Preparation Closes Deals

Preparation equals leverage, clarity, and speed. Without it, you risk undervaluing assets, losing talent, or facing post-deal headaches.

04

Making it Real: Fireside Chat

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Presented by



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