July Merger Monthly

The better the question. The better the answer. The better the world works.

EY Parthenon

Shape the future with confidence

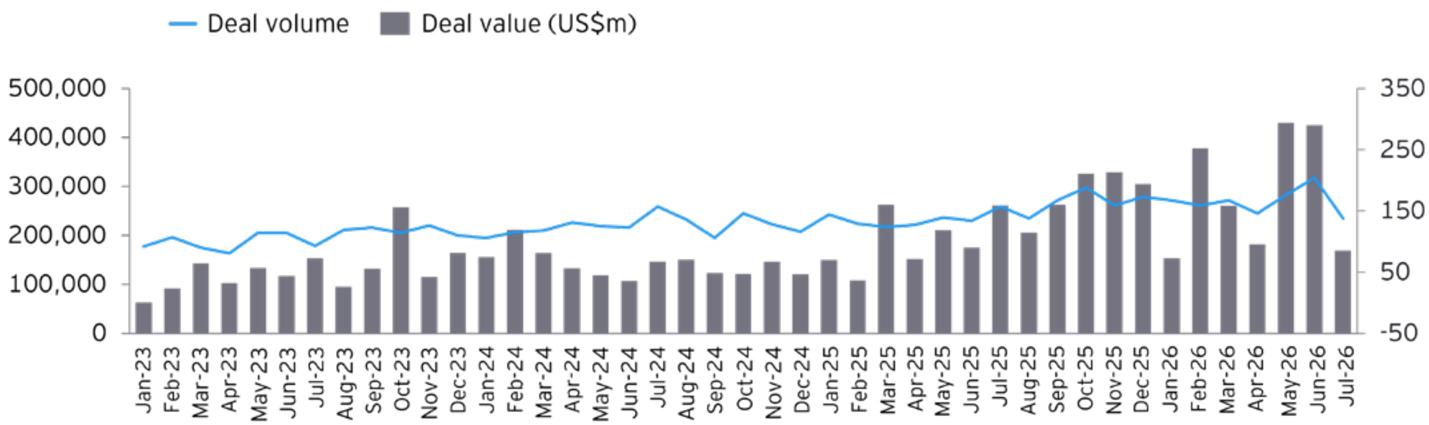
Strategic megadeals drove an increase in US mergers and acquisitions (M&A) activity in the period of May 2026 through July 2026, as organizations pursued transformational acquisitions to strengthen competitive positioning and expand scale. Transactions valued at US$100 million or more increased 58% in value and 21% in volume from the prior year. Companies used M&A activity to position themselves in long-term growth markets, including AI, advanced materials and life sciences innovation.

The deal environment was further supported by a resilient US economy and steady business conditions. According to EY-Parthenon Chief Economist Gregory Daco, the US economy continues to expand at a moderate pace, supported by resilient consumer spending and AI-driven business investment. Inflation has cooled and labor market conditions remain stable, with hiring and wage growth continuing at a measured pace. Against this backdrop, the Federal Reserve is expected to maintain a cautious stance as it balances moderating inflation with persistent upside risks.

US M&A trend analysis

Monthly M&A trend (2023 onward)

Deal value (US$100m+); deal volume (US$100m+)



Source: EY insights analysis and Dealogic.

Scaling critical materials and hard-asset platforms to capture growth

Recent transactions show continued buyer interest in scaled physical assets across semiconductor chemicals, data center cooling materials, and lime and limestone reserves (that is, critical materials), as well as in specialty inputs and infrastructure-linked resources to support demand from industrial activity, AI infrastructure, semiconductors and data center expansion. The strategic intent is to expand capacity, deepen operational control and strengthen access to assets that support long-duration growth markets. This points to continued emphasis on platforms with visible demand tailwinds, stronger supply reliability and potential margin benefits from greater scale.

US sector breakdown for top deals (US$100m+)

Sectors that fueled deal activity in May 2026–July 2026 (last three months (L3M))

	Deal value (US$100m+)			Deal volume (US$100m+)		
Target sector	L3M 2026 value (US$b)	Last year (LY) L3M 2025 value (US$b)	% change in value	L3M 2026 volume	Last year (LY) L3M 2025 volume	% change in volume
Technology	324,036	124,177	161%	162	123	32%
Power and utilities	145,839	34,019	329%	29	22	32%
Aerospace and defense, mobility	136,844	97,871	40%	31	17	82%
Life sciences	114,564	67,110	71%	83	46	80%
Media and entertainment	53,402	49,554	8%	22	21	5%

Source: EY Insights analysis and Dealogic.

Sector highlights

M&A activity from May through July recorded strong growth in both deal value and volume compared with a year earlier across most of these sectors:

Technology

M&A momentum accelerated, with deal value up 161% and volume rising 32%, reflecting sustained appetite for AI, compute infrastructure and scaled digital platforms. Activity pointed to continued demand for enterprise AI capabilities, AI-ready data center infrastructure, edge compute, connected devices and semiconductor assets supporting next-gen workloads. Buyers targeted assets with data depth, automation potential, infrastructure control and cross-market scalability.

Across industries, non-tech companies are increasingly buying technology assets to accelerate AI adoption, modernize operations and build capabilities that would take too long to develop organically.

Power and utilities

Dealmaking rose sharply, with value increasing 329% and volume up 32%, as buyers moved to secure assets positioned for rising electricity demand. M&A activity was anchored by demand from AI data centers, electrification, industrial expansion and energy security needs. Buyers directed capital toward regulated utilities, renewable generation, modular nuclear and clean baseload technologies that support long-duration demand visibility.

Aerospace and defense, mobility

Deal value rose 40% and volume increased 82%, reflecting strategic activity across mobility, logistics and aerospace-adjacent businesses. Activity pointed to continued portfolio reshaping, with companies pursuing more focused structures, deeper supply chain control and broader market access. Buyers showed interest in scaled component businesses, end-to-end logistics capabilities and advanced battery technologies.

Life sciences

M&A activity remained robust, with deal value up 71% and volume rising 80%, driven by strategic appetite for differentiated therapeutic assets and specialized care platforms. Dealmaking was driven by pipeline replenishment, therapeutic expansion and access to scalable innovation capabilities.

"Strategic buyers are driving deal activity, aggressively deploying capital to acquire scientifically differentiated platforms, advanced technologies and high-growth therapeutic assets as they look to strengthen their innovation engines," Evan Sussholz, EY-Parthenon Americas Life Sciences Leader, said. "The market is shifting away from single-product acquisitions toward broader capability-building transactions in areas such as oncology, immunology, AI-enabled diagnostics, antibody-drug conjugates (ADCs), precision medicine, and cell and gene therapy as companies seek to offset patent cliffs and drive long-term growth."

Media and entertainment

M&A activity grew modestly, with deal value up 8% and volume rising 5%, pointing to selective rather than broad-based acceleration. Activity highlighted the continued blending of physical experiences with digital engagement, where loyalty programs, audience reach and cross-selling can enhance customer lifetime value. Buyers concentrated on businesses with resilient consumer demand, recurring revenue potential and stronger monetization across sports, leisure, streaming and hospitality.

Looking ahead

For the second half of 2026, deal activity is likely to remain supported by a constructive pipeline, improving willingness to transact and selectively stronger capital markets. Increasingly, companies are using M&A not only to grow, but to accelerate strategic repositioning, particularly when acquiring capabilities, infrastructure or market access is faster and more certain than building them organically. AI capability-building, portfolio simplification, scale-driven consolidation and separation activity are expected to remain key priorities as companies sharpen focus and reposition around core growth areas.

Sector activity is expected to stay concentrated in areas supported by clear, long-term demand. Technology and AI-related dealmaking should continue to attract buyer interest across infrastructure, software and cybersecurity, while healthcare and industrials will likely remain attractive where targets offer scalable operations. Private equity is expected to remain active but disciplined, with sponsors directing capital toward fewer, higher-quality opportunities amid deployment pressure, exit backlogs and LP liquidity demands.

Overall, the market appears positioned for continued activity as companies increasingly use M&A to accelerate strategic repositioning. However, success will depend on whether acquirers can combine strategic clarity, valuation discipline and effective execution, translating deal ambition into sustained value creation.

M&A activity strengthened from May through July 2026, with deal value up 58% and volume up 21% YoY. Strategic buyers drove momentum through megadeals in AI, technology infrastructure, critical materials, life sciences and power. While the market appears positioned for continued activity, growth remains uneven, with large-cap transactions outpacing the middle market. Success will likely depend on strategic clarity, valuation discipline and strong execution.

Mitch Berlin
EY Americas Vice Chair,
EY-Parthenon

Elizabeth Kaske
EY-Parthenon Global and Americas
Mergers and Acquisitions Leader

Learn more about Better Deals at
ey.com/us/transactions

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

About EY-Parthenon

Our unique combination of transformative strategy, transactions and corporate finance delivers real-world value – solutions that work in practice, not just on paper.

Benefiting from EY's full spectrum of services, we've reimagined strategic consulting to work in a world of increasing complexity. With deep functional and sector expertise, paired with innovative AI-powered technology and an investor mindset, we partner with CEOs, boards, private equity and governments every step of the way – enabling you to shape your future with confidence. EY-Parthenon is a brand under which a number of EY member firms across the globe provide strategy consulting services. For more information, please visit ey.com/parthenon.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

US SCORE no. 31952-261US
2608-10419-CS
ED None

ey.com