

Q4 2025 – NZ M&A Snapshot

January 2026

Barrington
TREASURY SERVICES



BANCORP
MERCHANT BANKERS

Recap of 2025 market trends and themes

Several trends emerged during 2025, providing insights into what can be expected in 2026 transactions

Key market themes and trends observed

1

Slower transactions

- Transactions continue to take longer, driven by more rigorous due diligence processes
- Additionally, greater focus on early integration planning by buyers requires more time and energy from vendors, resulting in additional time to complete

2

Focus on capital structures

- We worked with a large number of entities in 2025 on capital structuring to optimise their balance sheets, funding strategies, and to position for upcoming M&A opportunities
- We have seen strong balance sheets attract funding at competitive pricing and terms

4

Comprehensive preparation

- Sellers have been more measured in their reactions to unsolicited buyer approaches, taking the time to fully prepare before engaging in due diligence to maximise transaction certainty and value

5

Price discipline

- Buyers have shown increased discipline in pricing, particularly with growth opportunities where these are expected to be proven up before any value is attributed

3

Carve-outs and portfolio reviews

- Corporates have increased their focus on strategy refreshes, business unit performance, investment returns and identifying the best use of investment capital
- This has resulted in divestments of underperforming or non-core business units, which we expect to continue through 2026

6

Limited sale processes

- Sales processes have more recently been limited to a smaller number of only the most likely buyers, or in many cases, conducted on a bilateral basis

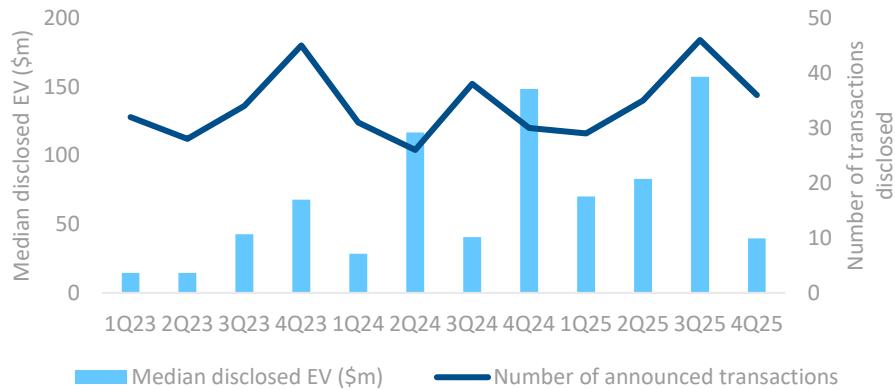
Completed 2025 Bancorp M&A engagements



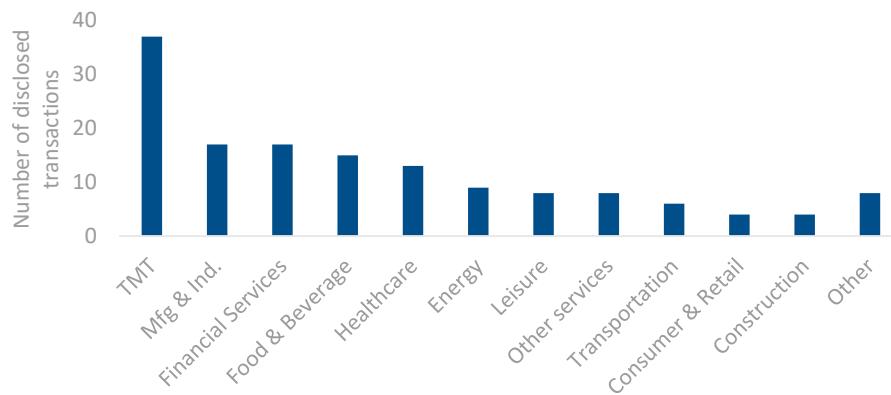
Q4 2025 M&A Snapshot

Q4 2025 saw a continuation of growth in announced transaction multiples; Increased activity is seen in sectors outside of technology

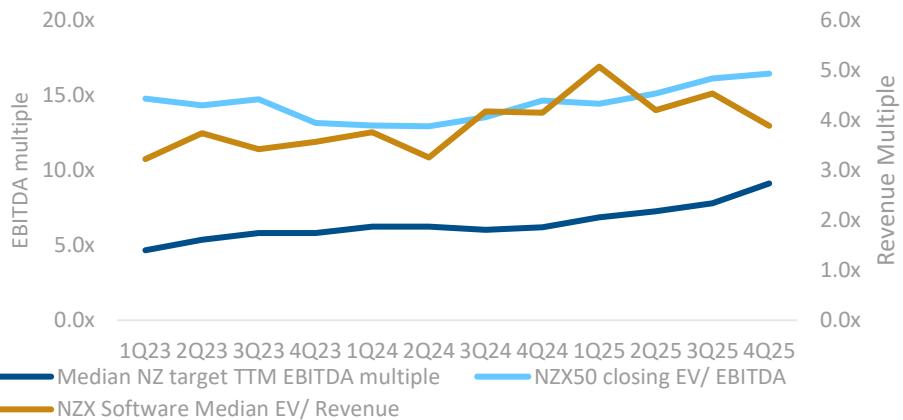
Quarterly NZ disclosed transaction value and volume¹



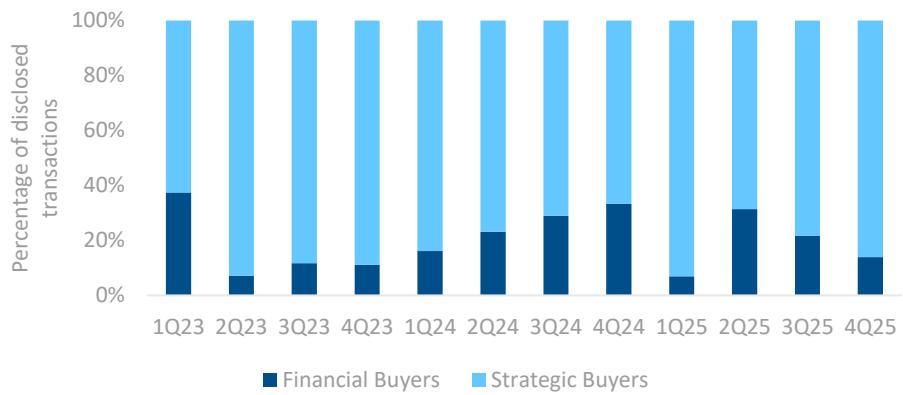
NZ Transactions by industry in the last 12 months³



NZ transaction and trading multiples²



Type of acquirers⁴



Note: ¹ Publicly announced transactions of NZ-based businesses over \$5m total enterprise value; ² Median TTM EBITDA multiple reflects the median disclosed EV/EBITDA multiple from transactions announced in the last 12 months to quarter end. NZX Software Median EV/ Revenue reflects selected NZX-listed businesses which generate the majority of revenues from recurring sources. NZX50 closing multiple reflects reported EBITDA; ³ TMT: Technology, Media and Telecommunications, Mfg & Ind.: Manufacturing & Industrial; ⁴ Financial buyers includes private equity, family office and venture capital investors. Source: Mergermarket, Bloomberg, NZX, Bancorp proprietary data

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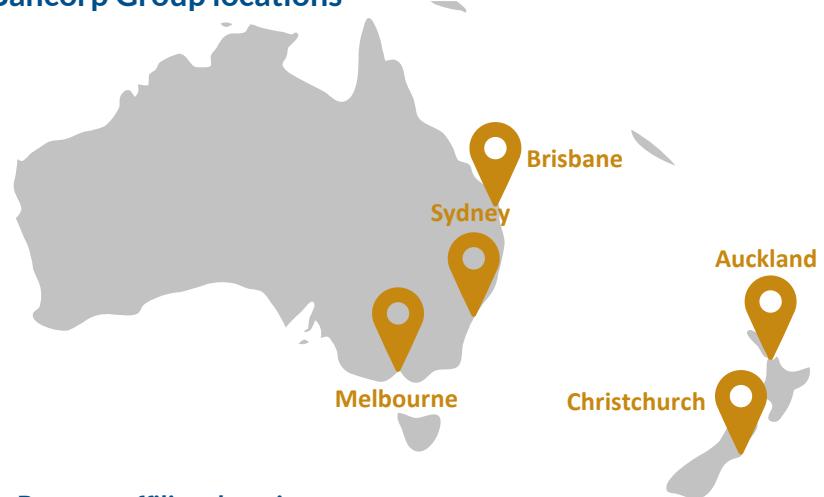
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