



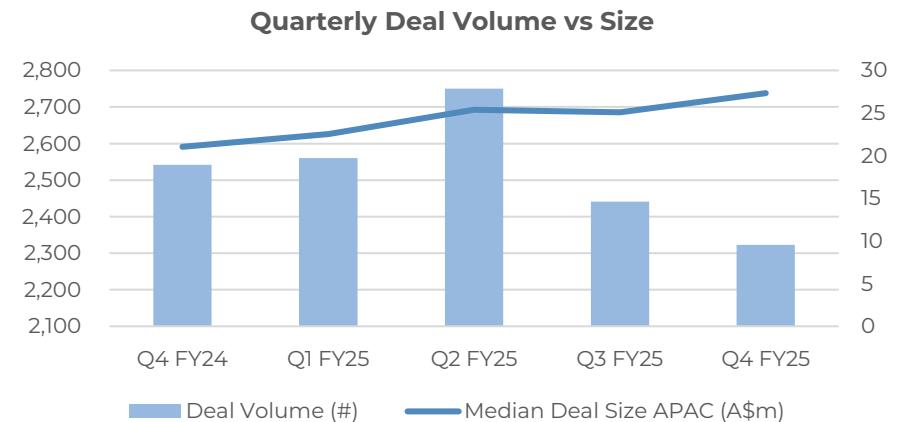
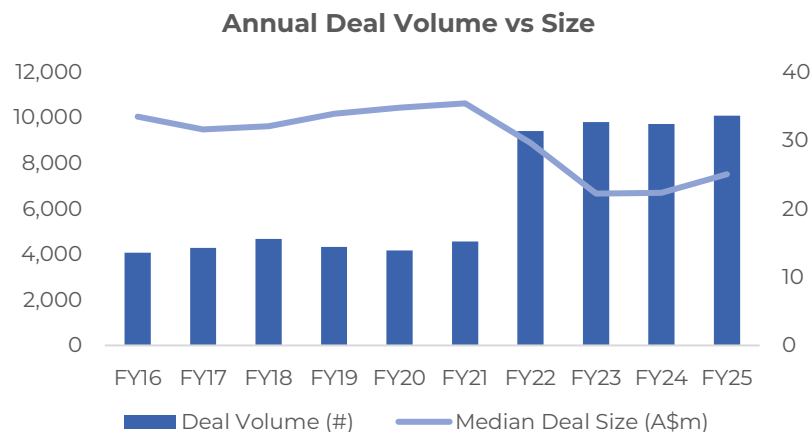
# APAC Mid-Market M&A Report

FY25

# Deal volumes and sizes moderately higher

APAC annual deal volumes rose by 3.9% for FY25, reflecting strong dealmaker appetite during 1H FY25.

- The APAC region showed resilience amongst everchanging trade and economic conditions, with M&A deal volumes and average deal sizes seeing modest growth after a large 1H FY25.
- Median deal sizes in the mid-market increased by 12.3% from \$22.3m in FY24 to \$25.0m for FY25. Compared to the FY23 low, median deal sizes have moderately rebounded, although still below the \$30m - \$35m levels pre-COVID.
- Deal volumes continued to increase to 10,074 deals, a 3.9% rise on FY24 and representing a 7.1% increase from deal volumes after the post-COVID surge and improved deal reporting seen from FY22 (9,404 deals) onwards.



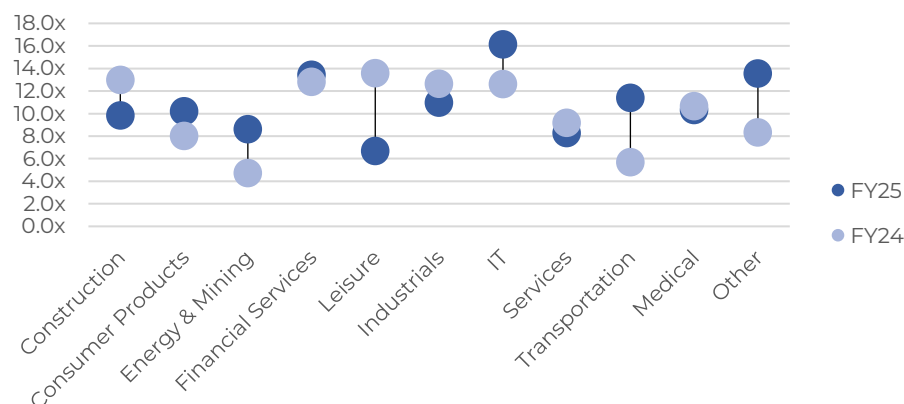
- After a strong 1H FY25, in 2H FY25 volumes declined, with the number of deals decreasing from Q2 FY25's high of 2,750 transactions to 2,323 transactions in the most recent quarter amidst trade uncertainties.
- However, median deal sizes continued to climb, growing from \$21.0m to \$27.3m since Q4 FY24, a 29.9% increase.
- Buyers are increasingly targeting impactful, synergy-rich acquisitions over smaller bolt-ons. As discussed later, the demand for businesses operating in the IT sector contributed to higher premiums buyers are paying for strategic assets.

# EBITDA multiples generally increased

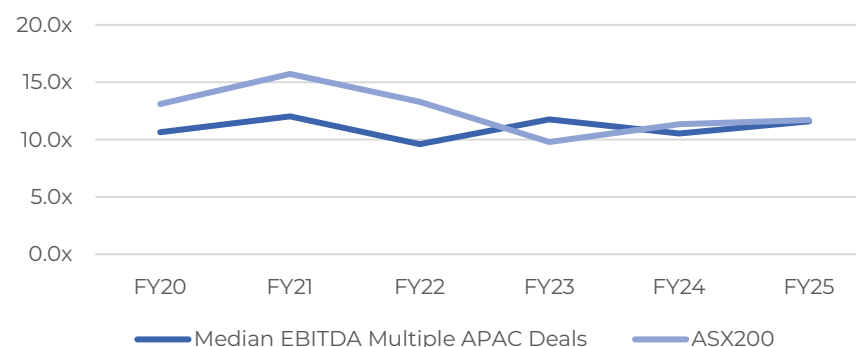
Mid-market median EBITDA multiples varied by industry, reflecting more targeted investor appetite.

- Overall, valuations in APAC attracted higher valuations than last year. IT sector targets demanded the highest premiums, with a median EBITDA multiple of 16.1x, a 28% uplift from FY24.
- Median EBITDA multiples saw the largest increase within the Transportation industry, increasing from 5.7x in FY24 to 11.4x in FY25 as sector consolidation and synergies were a focus.
- The largest reduction was in mid-market Leisure sector deals, which fell from a median of 13.6x in FY24 to 6.7x in FY25.
- Most stable was the Medical sector, which declined marginally to 10.3x. Of all industries, Leisure had the lowest median multiples at 6.7x.

APAC EBITDA multiples FY24 vs FY25



Median EBITDA Multiple



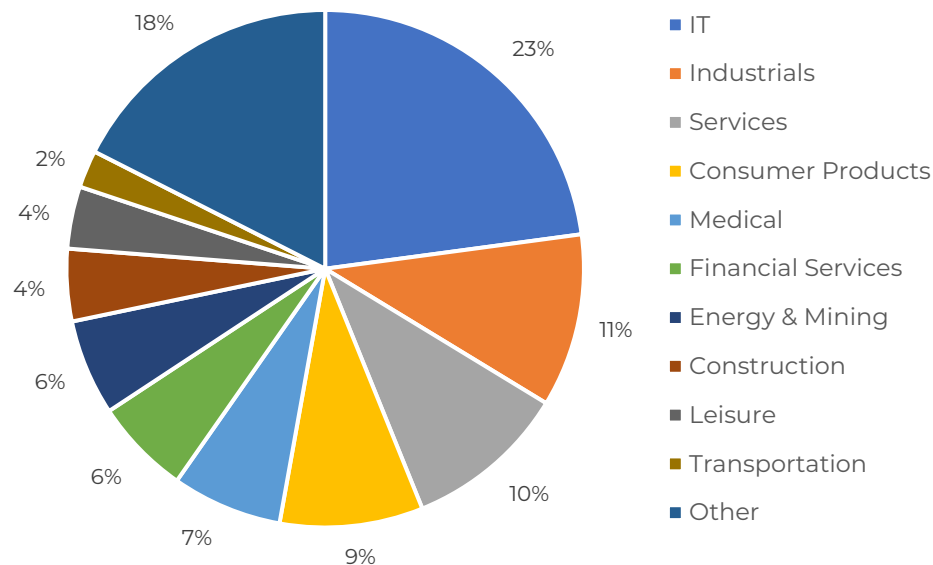
- Following the divergence of APAC mid-market M&A and ASX200 EBITDA multiples across COVID affected years, a convergence has been occurring from FY23 onwards. This was influenced by strong investor appetite for assets with synergies and growth prospects, against the macro environment of gradual inflation stabilisation.
- Currently, median mid-market M&A EBITDA multiples in FY25 align closely with the ASX200. For Australian firms, a favorable backdrop for M&A activity exists given recent interest rate cuts and subdued inflation levels.

# IT sector APAC targets attracted buyers

IT sector continued to consolidate through M&A, accounting for almost a quarter of FY25 total deal volume.

- **Volume:** Of the 2,304 deals observed in the IT sector in FY25, 80.1% of these were computer software companies, highlighting ongoing interest from buyers in their recurring revenue models and business model scalability.
- **Multiples:** IT industry targets were heavily targeted by buyers, with reported median EBITDA multiples increasing from 12.6x in FY24 to 16.1x for FY25, an increase of 28.0%.
- **Size:** Median IT target sizes rose from \$13.6m in FY24 to \$16.4m in FY25, an increase of 20.2% YoY. This displays the higher premium buyers were willing to pay for innovative businesses with a digital focus.
- **Buyers:** In FY25, private equity and venture capital firms, comprised 40.1% of all IT sector acquirers, underscoring their continued focus on technology-driven businesses that offer scalability and capital efficiency.
- Financial buyers made up 22.6% of total APAC deals in FY25, slightly down on last years figure of 23.5% in FY24.

Deals By Sector FY25 (%)

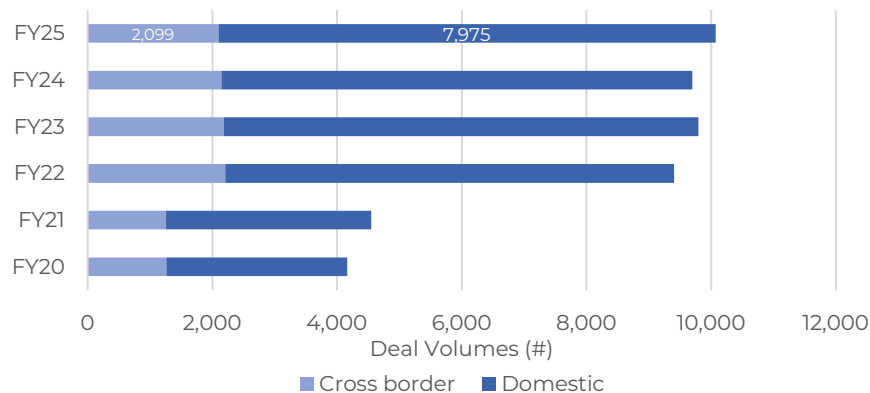


# Cross-border deal activity held steady

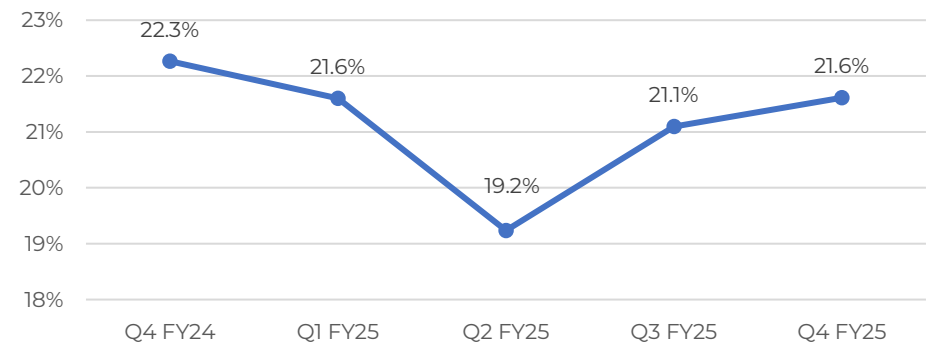
Domestic deals fueled APAC mid-market demand, amid subdued cross-border activity.

- For FY24 and FY25, cross border acquisitions in APAC's mid-market remained flat at 21-22% of total APAC deals.
- Australian and Indian targets attracted the highest number of cross-border deals at 467 and 428 respectively in FY25.
- 7,975 deals transacted domestically in FY25, up 419 on FY24. Domestic deal volumes have driven much of the growth around APAC in the last 5 years post-COVID, with China and Japan seeing the highest number of domestic deals.
- Trade buyers were largely responsible for the domestic increase, recording a 6.5% rise in FY25. Additionally, 78.8% of their deals targeted other local companies - a figure largely unchanged from FY24.

Deal Volumes: Domestic vs Cross Border



Percentage (%) of Cross Border deals

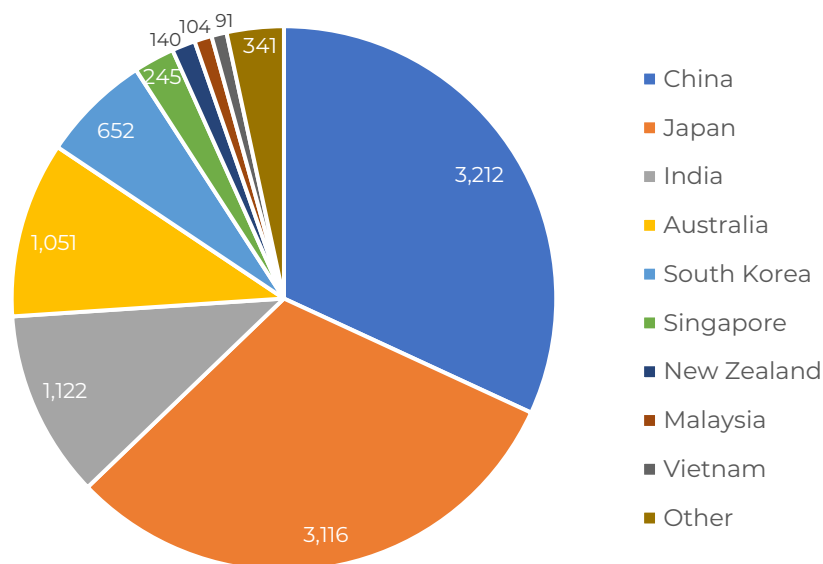


- On a quarterly basis, the percentage of cross border deals has plateaued, remaining around 21%-22% levels for the last 2 quarters.
- While this represents a minor decline from Q4 FY24's 22.3%, the YoY trend remains relatively flat. An uplift in cross-border activity since Q2 FY25 suggests improving sentiment in international dealmaking.
- Of the total 2,099 cross-border deals in FY25, Australian targets again attracted the most foreign interest, with 467 deals being 4.7% growth on FY24. Japanese targets experienced the highest YoY growth by percentage, rising 24.4% to 163 cross-border deals.

# China and Japan drove deal volumes

A combined 63% of APAC mid-market deal activity was driven by China and Japan.

**Deals By Country (FY25)**



- Representing a rise in regional dominance, China (including Hong Kong, Taiwan, and Macau) accounted for 32% of APAC deals in FY25 with 3,212 transactions, up 14.4% in FY24.
- Although China represents the largest share, 88.0% of these transactions involve China as both the target and acquirer, reflecting a strong preference for domestic consolidation.
- Japanese businesses ranked as the second-largest target group in APAC, accounting for 31% of deals in FY25. Despite a 4.5% increase in transaction volume from FY24 (2,981 deals), Japan's overall share remained stable. Notably, 94.8% of these transactions were domestic, led by Japanese-domiciled bidders.
- Japan's current interest rate stands at 0.5%<sup>1</sup> - its highest in 17 years. Although still relatively low, the recent hike and potential for further increases could dampen M&A activity if broader economic pressures persist.
- Australian and Indian targets each accounted for approx. 10%-11% of total deal volume, with 1,051 and 1,122 transactions respectively. The distribution remains largely consistent YoY.

**Sources**

1. [https://www.boj.or.jp/en/mopo/mpmdeci/mpr\\_2025/k250617a.pdf](https://www.boj.or.jp/en/mopo/mpmdeci/mpr_2025/k250617a.pdf)

# Sources and considerations

- Deal data was accessed from Acuris Mergermarket on 23/07/2025 using the following criteria:
  - Geography: Australasia and Asia;
  - Total enterprise value: less than or equal to A\$300m (where reported);
  - Transaction type: mergers, acquisitions, divestments, buybacks, demergers and reverse take-overs; and
  - Equity stake: greater than or equal to 20% (where reported).
- Financial years are 1 July to 30 June. Quarters are financial quarters i.e., Q4 FY25 means 1 April 2025 to 30 June 2025.
- Deal values and multiples are not always published due to the private nature of some transactions.
- This report is based on the availability of transaction metrics.
- Industry sub-sectors are aggregated into larger sectors.
- Index data was accessed from S&P Capital IQ Pro on 16/07/2025.

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Moore Australia advised Highett Metal on its sale to Minemet Recycling, a PE-backed, vertically integrated metal recycler with revenues over \$100m. Highett Metal, a leading Victorian scrap dealer, adds ~\$21m in revenue to Minemet<sup>1</sup>. Our Lead Advisory and Transaction Support teams maximised value by securing a strategic buyer and aligning two complementary businesses. Moore Australia remains committed to delivering expert M&A advisory to the metals sector and beyond.

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#### Sources

<sup>1</sup> <https://www.afr.com/street-talk/pe-backed-minemet-buys-victorian-scrap-dealer-hunts-for-nsw-bolt-ons-20240804-p5jzbb>



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