

APAC MID-MARKET  
M&A REPORT  
Q2 FY25

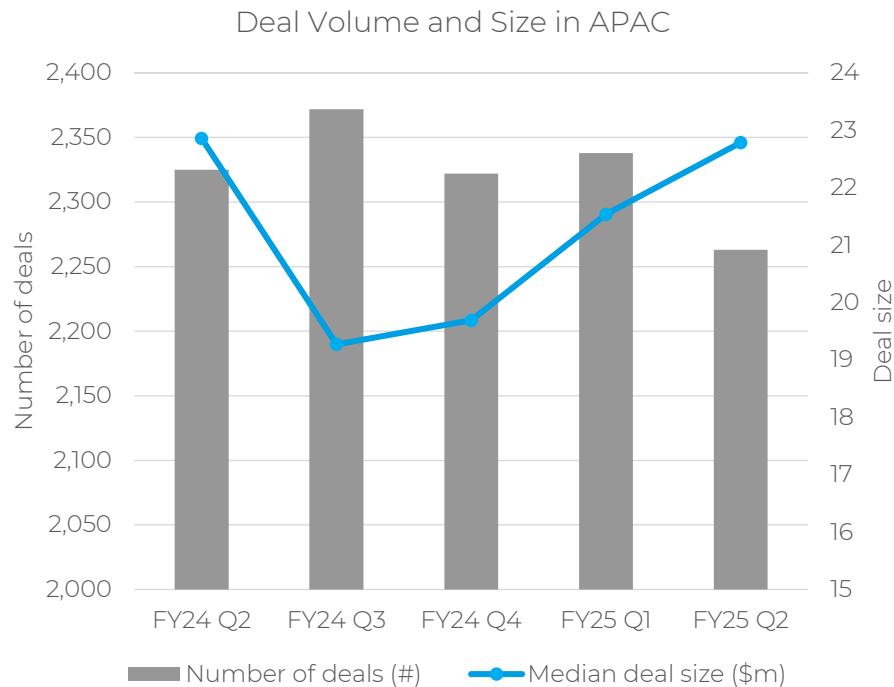


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## APAC deal values increased, but volumes slightly moderated

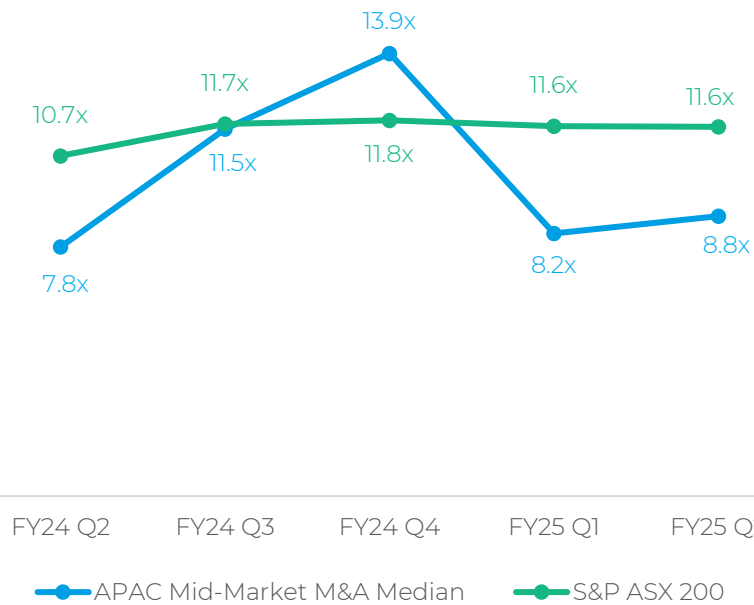
- Dealmakers focused on fewer, but larger mid-market deals in the second quarter of FY25.
- Median deal values continued to increase to \$22.8m, whereas 2,263 APAC deals were inked in the second quarter of FY25, a decline of 3.2% on the prior quarter and 2.7% on second quarter of FY24.
- Global geopolitical uncertainties contributed to the moderation in deal volumes, as investors waited for the dust to settle from incoming President Trump's new policies and any impact on the APAC region.
- Other key macro factors influencing deal volumes are inflation and interest rates. Inflation is now under control in most developed economies and interest rates are easing. This will help stabilise the economic climate and is expected to stimulate further M&A activity.



## EBITDA multiples reverted to typical levels

- Deal data shows median mid-market M&A EBITDA multiples were 8.8x in the second quarter FY25, which reflects a reversion back to more typical levels seen over a longer timeframe, with the spike in Q4 FY24 being an outlier. We note that only 30 multiples were available for deals in FY24 Q4, where smaller deal sample sizes are prone to becoming skewed.
- Notably, year on year comparison shows mid-market deal multiples have increased by 12.8%. This trend is supported by an 8.4% increase in the ASX 200 index multiples.
- The increase in multiples reflects growing market optimism for deals and the attractiveness of earnings accretive mid-market acquisitions to large corporates.

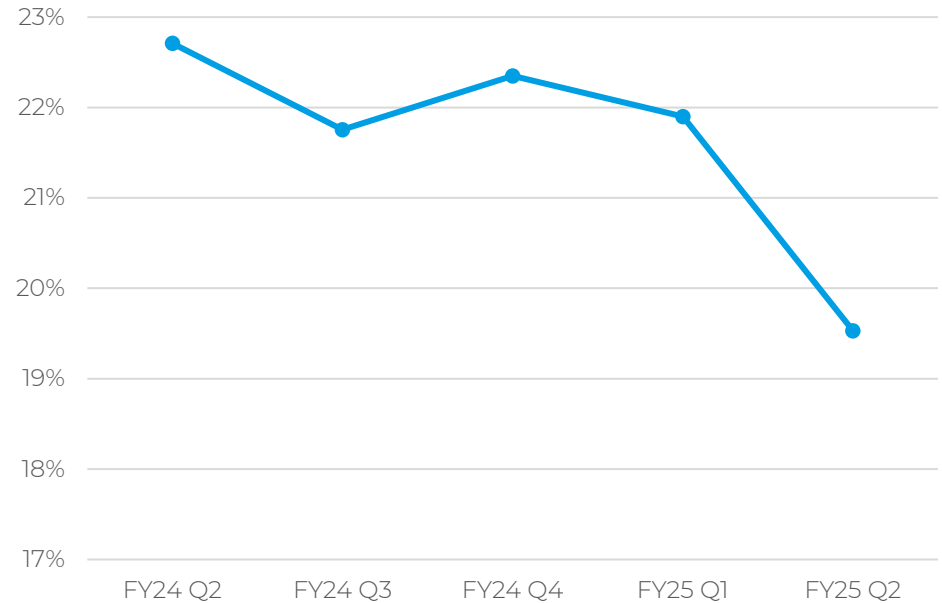
APAC Quarterly Median EBITDA Multiples



## Cross border transactions have waned due to geopolitical tension

- The number of cross border deals has fallen to 19.5% in second quarter FY25, which is a material drop on prior quarters.
- Cross-border deal activity slowed in the context of geopolitical strain, trade conflicts and foreign investment restrictions.
- On the other hand, government policy aimed to bolster domestic industries increased the appeal of onshore targets.

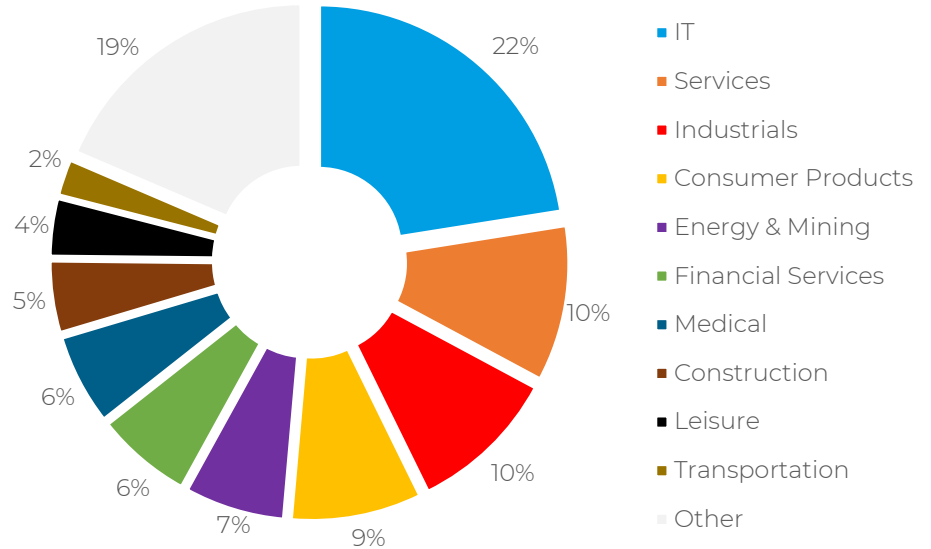
Percentage (%) of Cross Border Deals in Q2 FY24 - FY25 across APAC



## IT sector leads deal volume across APAC

- 22% of deals in second quarter FY25 were in the IT sector, where acquirers were not deterred by smaller transactions, with a median deal value of \$13.3m.
- Private equity and venture capital deal activity was high, with financial investors accounting for over 40% of buyers in the IT sector. The financial buyers remain well funded and have clear sector consolidation and roll up strategies.
- Semiconductor businesses were also in high demand thanks to tailwinds from the AI revolution, with Chinese targets representing the majority of semiconductor APAC deal flow in the space.

Number of Deals by Sector in APAC FY25 Q2 (%)



## Notes

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- Deal data was accessed from Acuris Mergermarket on 07/02/2025 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 and reverse take-overs; and
  - Equity stake: greater than or equal to 20% (where reported).
- 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 12/02/2025.

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