



Australian Mid-Market Activity

Q1, 2026 Financial Year

We are happy to present the quarterly instalment of our mid-market M&A overview. The analysis focuses on the current quarter intending to provide you with a brief overview of recent mid-market M&A activity.

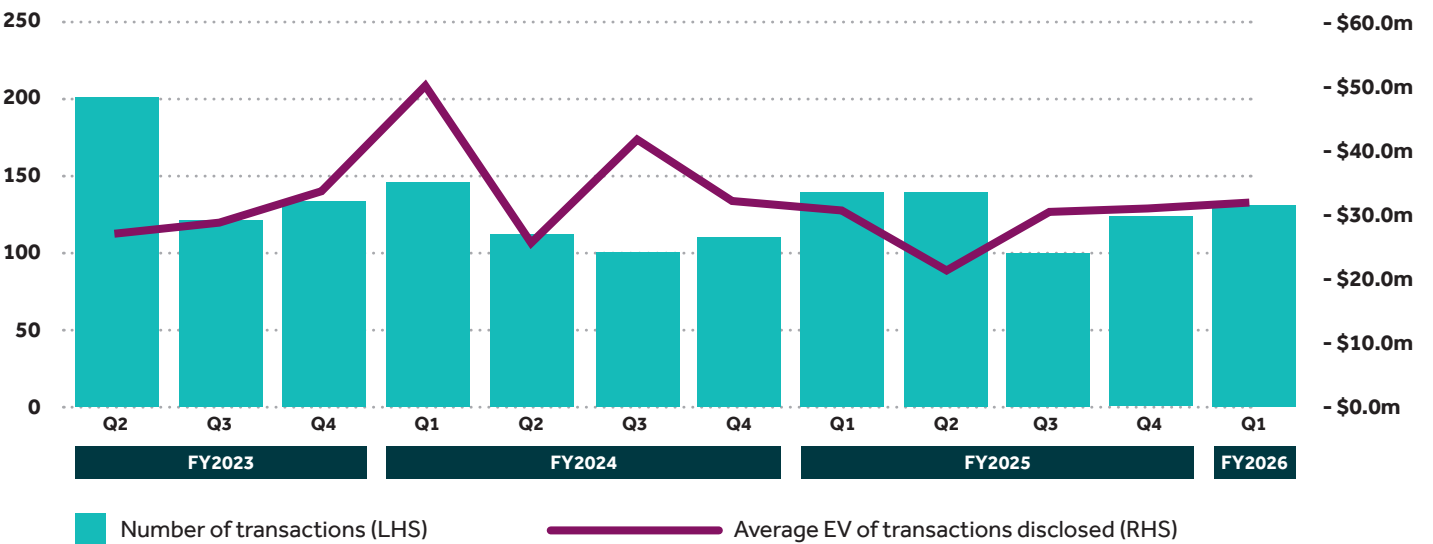
Overview

The number of transactions in Q1 FY2026 increased from the previous quarter but decreased compared to the same quarter in the prior year.

Overview

The average deal size increased from \$31.6 million in Q4 FY2025 to \$32.9 million in Q1 FY2026, an increase of 4.3%. Over the last 12 months, the average deal size increased by 2.9% from \$28.3 million in Q4 FY2025 to \$29.1 million in Q1 FY2026.

Number of transactions and disclosed average transaction value by quarter

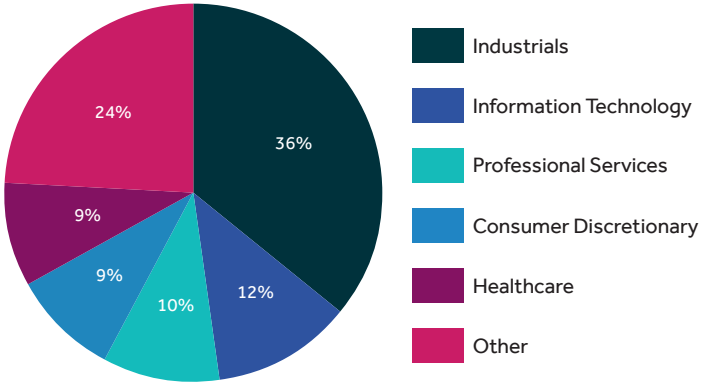


Sector

Industrials (36%), information technology (12%) and professional services (10%) were the most active sectors during the quarter, followed by consumer discretionary (9%) and healthcare (9%). These top five sectors represented 76% of all completed transactions in the quarter.

M&A activity in the industrials sector remained stable between Q4 FY2025 and Q1 FY2026. In Q1 FY2026, there were 16 transactions in the Information Technology sector and 12 in Consumer Discretionary, down from 21 and 14 in the previous quarter, respectively. The professional services and healthcare sectors saw increased transactions in Q1 FY2026 compared to the last quarter, increasing from 7 to 13 in the professional services sector and 8 to 11 in the healthcare sector.

Sector activity by volume

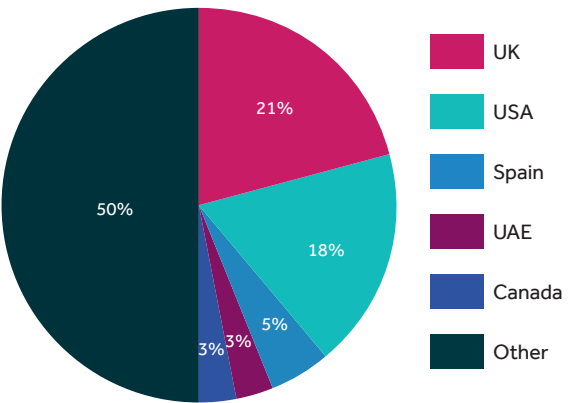


Geography

For transactions where a buyer was disclosed, overseas acquirers represented 48% of total transactions. The United Kingdom emerged as the largest acquirer of Australian companies, representing 21% of overseas buyers in the quarter. The United States represented 18% of total acquisitions, declining from the previous quarter when it led foreign acquisition activity of Australian companies.

The graph to the right represents the country split of the overseas transactions throughout the quarter, excluding Australian acquirers.

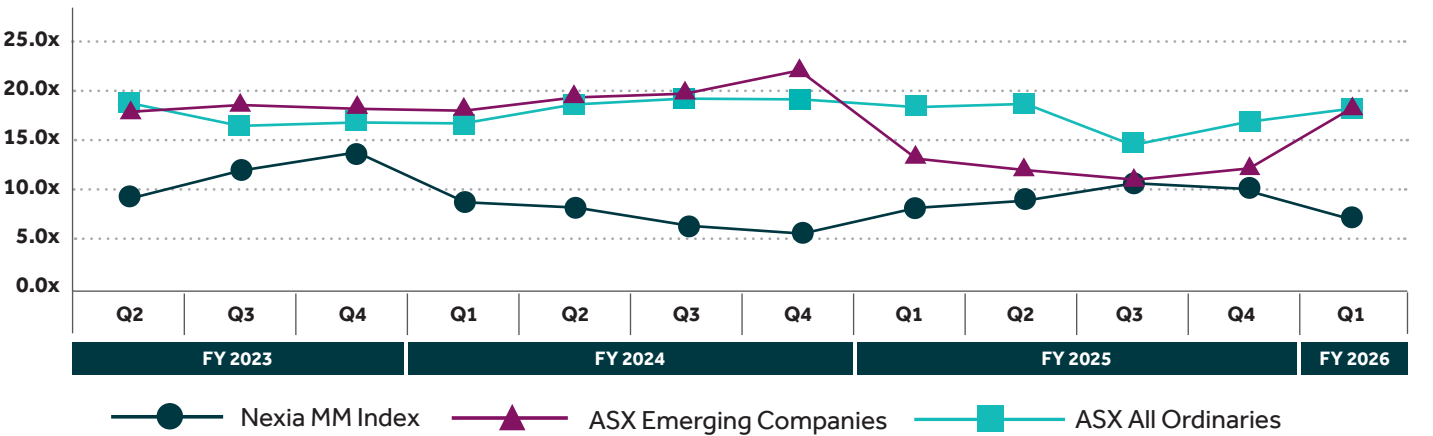
Overseas transactions by volume



EBITDA multiples

The EBITDA multiples of the Nexia MM Index (see below regarding methodology and limitations) has been compared to relative ASX indices in the graph.

The Nexia MM Index compared to relative ASX listed companies

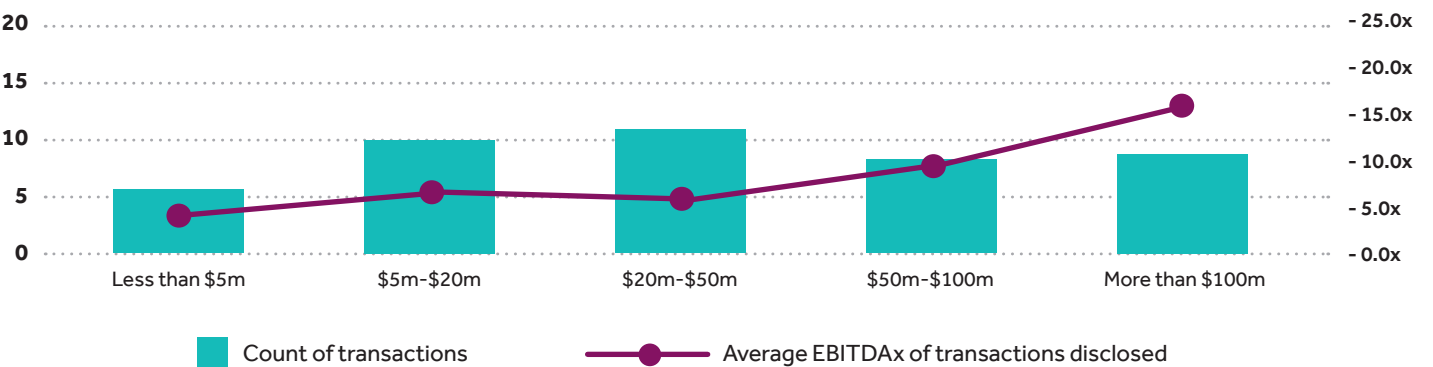


The ASX Emerging Companies index increased by 50% on the prior quarter's figures, and the ASX All Ordinaries index increased by 5% from the prior quarter. The Nexia MM decreased by 29% in the current quarter due to a lower average EBITDA multiple in Q1 FY2026.

One transaction can have a significant impact on the Nexia MM Index. To provide more insight into the Nexia MM Index, we have highlighted the enterprise value and capitalisation multiple of some of the transactions.

Although the same limitations apply to this analysis as the overall index, the study bears the relationship between multiples and size, whereby companies with lower enterprise values receive lower multiples.

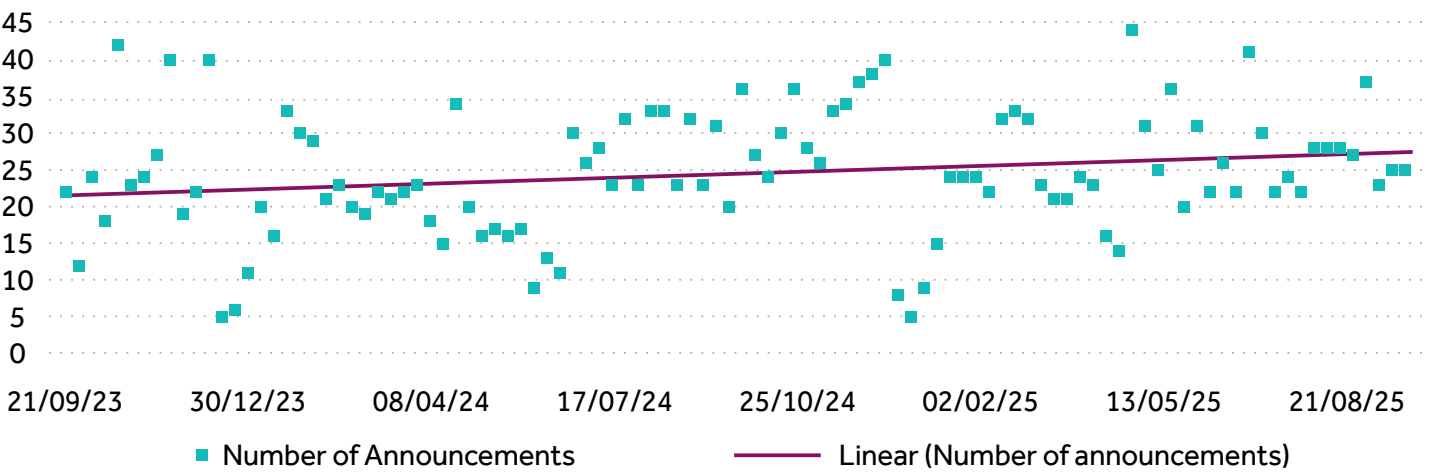
Number of transactions and disclosed EBITDA multiple average value by enterprise value category



M&A Transaction Announcements

The below graph highlights the number of M&A transaction announcements per week over the last 24 months where Australian companies have been the target, regardless of size, and is an indicator of future M&A activity. There has been a steady increase in activity over the last 24 months.

Number of transaction announcements per week in the last 24 months



Methodology

The analysis was prepared based on data sourced from S&P Capital IQ at the end of each quarter. Our data set has not been updated for transactions that may be added to S&P Capital IQ retrospectively as data becomes available. Data analysed, excluding analysis on M&A transaction announcements, is for completed transactions with a primary geographic location in Australia and an implied enterprise value of less than \$200 million from 1 October 2022 to 30 September 2025. Transactions where no value was disclosed are included in the volume data with the implicit assumption that these would relate to smaller transactions and therefore meet the criteria.

Overall, 1,558 transactions are included within the data analysed. Transaction values were disclosed for 529 (34%) of these transactions with an aggregated transaction value of \$26.1 billion. 44 of these transactions (3%) had sufficient data disclosed to calculate the EBITDA multiples.

In respect of our methodology, we note that this is a simple analysis to give an overview of the market and potential movements. It should in no way be seen as a substitute for a rigorous review of any potential opportunity that you may be considering, and you should seek appropriate professional advice for your circumstances.

We note that the source data is limited by the amount of information that is made public and captured in the S&P Capital IQ database. The calculations we have performed due to the limited number of data points in respect of EBITDA multiples, can be heavily influenced by a single transaction which reflects that transaction's particular circumstances rather than a reflection of the market as a whole.

Analysis of all transactions, including sector and buyer location, is based on S&P Capital IQ classifications.

About the Nexia MM Index

The Nexia mid-market EBITDA multiple (**Nexia MM Index**) analysis is a simple analysis of EBITDA for acquisitions of unlisted mid-market companies where the data is reported. It is indicative of a trend in the overall market rather than implying the multiple that should be considered for a particular company. The Nexia MM is limited by several factors, including that there are a small number of transactions in Australia where the data is available. As a result, the average EBITDA multiple can be significantly influenced by individual transactions where the specific characteristics of the transaction may have resulted in a higher or lower multiple than would otherwise be achieved. To minimise the impact, we have shown a rolling annual EBITDA multiple for disclosed transactions above.

Considering the data against the listed company comparative, the Nexia MM is based on acquisitions and therefore implicitly reflects a control premium whereas the multiple for the listed companies reflects a portfolio interest.

The range in the identified EBITDA multiples is significant at 1.1x to 30.5x for FY2023, 1.8x to 17.7x for FY2024, 2.3x to 44.8x for FY2025, and 1.7x to 6.0x for FY2026.

Who we are

At Nexia Australia, we're here to help you achieve your goals and plan for future success with bespoke solutions and personalised, practical advice. Equipped with unparalleled experience and expertise in advisory, tax, audit, business strategy, personal wealth services, and strategic thinking, we're the team you can trust to empower you to achieve your objectives and reach new heights.

We specialise in several key industries and cater to a wide range of clients, from small to medium-sized businesses to large private company groups, not-for-profit entities, subsidiaries of international companies, publicly listed companies, and high-net-worth individuals. We've had the privilege of working with market leaders in many sectors of Australian and New Zealand business, and we're here and ready to help you too.

We take pride in
being responsive,
progressive, and
proactive in identifying
and implementing the
solution to your
success.

Contact us

Learn how Nexia Australia can help set you and your organisation up for success. Contact your local Nexia Advisor below to get started.

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