



M&A Market Overview

JANUARY 2025 – RIDDLE CAPITAL RESEARCH

Foreword

Extraordinary

At Riddle Capital Research, we are excited to present our second research publication - our first dedicated M&A report. Building on our previous work, this marks the beginning of our monthly research series, where we will explore key trends, transactions, and market movements shaping the world of mergers and acquisitions.

As a team of students, we see research not just as an academic pursuit but as a practical exercise in financial analysis and market understanding. Our work serves as both a learning experience and an opportunity to challenge conventional perspectives. By continuously refining our methodology, deepening our market insights, and applying our findings in real-world contexts, we aim to develop a professional standard of research while maintaining the fresh perspective that sets us apart.

We believe true insight comes from curiosity, independent thinking, and a willingness to question existing narratives. In this M&A report, we take a data-driven, objective approach, leveraging our ability to analyse market trends without institutional biases.

This is just the beginning of our monthly research journey, and we look forward to evolving with each publication. If you have any questions or feedback, please feel free to reach out to us.

Disclaimer

This analysis has been conducted by research analysts at Riddle Capital Research. While we strive for accuracy and objectivity, this report is for informational purposes only and should not be considered financial advice. Investors are encouraged to conduct their own due diligence before making any financial decisions. Riddle Capital Research and its contributors assume no liability for investment choices made based on this report.



Contact: info@riddlecapitalresearch.com

Website: www.riddlecapitalresearch.com

LinkedIn: www.linkedin.com/company/riddlecapitalresearch

Mergers & Acquisitions

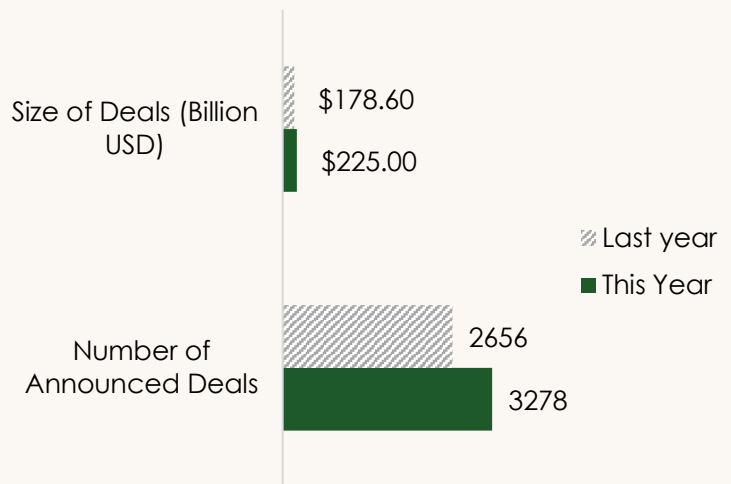
Tobias Thorsen
Co-Founder and M&A Research Lead

Global Market Overview

January has demonstrated a noticeable shift in M&A activity when compared YoY. As seen in the data, the number of announced deals has increased from 2,656 last year to 3,278 this year, representing a 23.42% rise. In addition, the total deal value has surged from 178.6 billion dollars to 225 billion dollars, marking a 25.98% increase. This suggests that not only are more deals being announced, but the deals themselves are, on average, larger in value.

From a macroeconomic perspective, this trend indicates renewed confidence in dealmaking, despite ongoing economic uncertainties such as interest rate fluctuations, persistent inflation and geopolitical instability across markets.

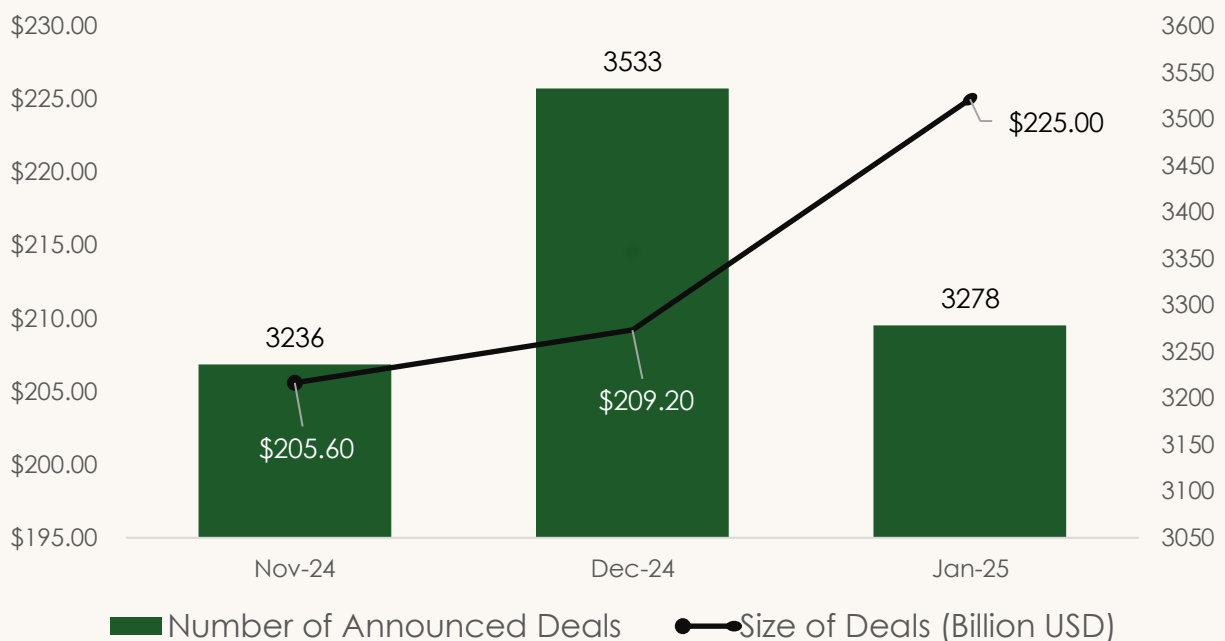
Comparison: Last Year vs. This Year - January



Month-Over-Month Trend

The MoM trend present a slightly different picture. In December a total of 3,533 deals were announced, but this number dropped in January by 7.22%. Despite the decline in deal volume, the total deal value increased by 7.55%, meaning that while fewer transactions were announced, but those who did were of greater value. This might indicate a shift in the market where companies are in 2025 prioritizing larger acquisitions, rather than quantity.

Amount of Deals vs. Size of Deals – The Last 3 Months

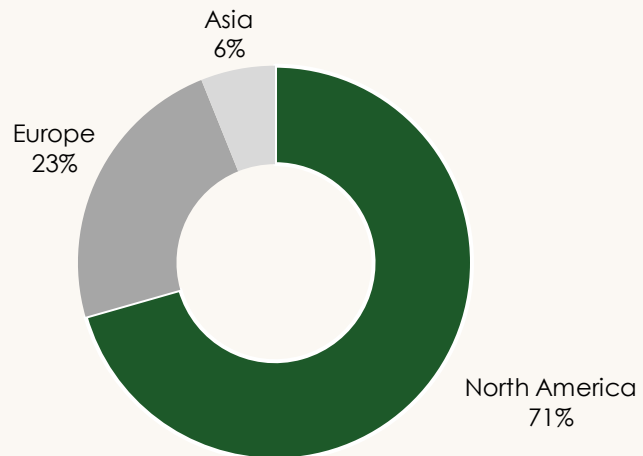


Regional Distribution

To better understand the key trends driving mergers and acquisitions in January, we have taken a weekly approach to identifying notable transactions. Specifically, we selected the five largest M&A deals from each week, covering a five-week period, and then combined them into a single dataset of 25 notable transactions. This method allows us to capture a more dynamic overview of the deal activity, ensuring that our analysis does not just focus on the absolute largest deals of the month but instead provides a somewhat more comprehensive view, including both headline-deals and other influential transactions.

Through our visualizations, we can see that North America continues to lead in high-value M&A activity, followed by Europe, while Asia remains a smaller player in the biggest announced deals.

Regional Distribution of the 25 Largest M&A Deals
(Top Five Weekly Transactions)



The Three Biggest M&A Announcements of January:

Constellation Energy Corp Acquires Calpine Corporation – \$ 16.4 Billion

The largest M&A deal of January was Constellation Energy Corp.'s \$16.4 billion acquisition of Calpine Corporation, a major player in natural gas and geothermal energy.

This deal reflects the growing push for renewable and low-carbon energy in the U.S. energy market. As regulatory policies and investor preferences shift towards cleaner energy solutions, companies are using M&A to expand their renewable portfolios and improve operational efficiency.

Johnson & Johnson Acquires Intra-Cellular Therapies – \$14.6 Billion

Johnson & Johnson's \$14.6 billion acquisition of Intra-Cellular Therapies, a biotech firm specializing in CNS disorder treatments, highlights the continued pharmaceutical industry consolidation.

With high R&D costs and increasing demand for mental health treatments, large pharma companies rely on M&A to strengthen their drug pipelines. This deal reinforces the growing investment in neuroscience and precision medicine.

Banca Monte dei Paschi di Siena Acquires Mediobanca – \$13.86 Billion

The largest financial M&A in Europe this month was Banca Monte dei Paschi di Siena's acquisition of Mediobanca.

As competition from fintech and regulatory pressures grow, European banks are increasingly turning to M&A to scale operations and improve efficiency. This deal underscores the trend of financial consolidation as institutions seek greater market stability and competitiveness.

Outlook for 2025:

America: Deregulation and tax incentives will drive M&A, especially in finance, energy, and technology. With fewer regulatory hurdles, companies will likely pursue larger deals, accelerating consolidation and strengthening corporate growth strategies.

Europe: As the US market accelerates, European firms face pressure to consolidate. M&A will likely be necessary in banking, industrials, and consumer markets as companies seek efficiency and scale to remain competitive globally.

Asia: Trade tensions and tariff uncertainty create hesitation in cross-border M&A. Companies may delay deals until clarity emerges on US-China relations and global trade policies. This could slow activity in sectors reliant on international supply chains.