

Divestitures Quarterly
Update

Q1 2026

DCF's divestiture practice

Deloitte Corporate Finance LLC (DCF) is a leading global middle-market M&A adviser. Our professionals have extensive knowledge in the divestiture space and use their experience to help clients enhance value.



Divestitures leadership



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Organization overview

#4 2025 Global M&A Advisor by volume of deals completed. Deloitte closed 478 deals in 2025 with a cumulative deal value of \$73.7B⁽¹⁾.

478 Completed deals in 2025⁽¹⁾.

- Deep relationships in place to gain **critical strategic intelligence** and effectively market businesses.
- Worldwide, DCF has access to **1,330+ Corporate Finance professionals** throughout the Deloitte Touche Tohmatsu Limited network of member firms in **60 countries** that complement the North American team.
- Combined with member firms of Deloitte Touche Tohmatsu Limited, serves 79 percent of the Fortune Global 500[®].

Source: (1) Please refer to slide 11.
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Divestiture trends

This update will focus on news and trends in the following areas:

- US divestiture volume, value, and reported multiples
- US divestitures by buyer type
- US divestitures by industry
- Cross-border divestitures activity



Transaction trends⁽¹⁾



Transaction Volume

US Divestiture transaction volume increased from 454 in Q4 2025 to 503 in Q1 2026. Divestiture transactions made up 25% of total M&A activity in Q1 2026, up from 23% in Q4 2025, potentially signaling a greater willingness among companies to divest non-core assets.



Transaction Size

In Q1 2026, US deal activity shifted toward larger transaction sizes. Deals more than \$1 billion increased to 36% of disclosed deal volume in Q1 2026 from 29% in Q4 2025, while transactions under \$250 million declined to 36% of deal volume in Q1 2026 from 44% in Q4 2025.



Acquiror Type

Domestic strategic buyers accounted for 50% of buyers in divestiture transactions in Q1 2026, unchanged from 50% in Q4 2025. Private equity deals increased slightly to 37% in Q1 2026 from 35% in Q4 2025. Foreign strategic buyers represent 13% of buyers in Q1 2026 relative to 15% in Q4 2025.



Industry Focus

Industrials continued to lead divestitures in Q1 2026, accounting for 16% of transactions, down from 19% in Q4 2025. High Technology surpassed Financials to rank second, comprising 14% of all transactions, while Health Care ranked third at 11%.

US divestiture activity increased by around 11% in Q1 2026, led by Industrials and High Technology, as firms embraced strategic realignment and growth opportunities following a year of market challenges.

Regional trends⁽¹⁾

Americas

Divestiture activity in the Americas increased in Q1 2026 compared to Q4 2025. The Americas completed 432 transactions in Q1 2026 compared to 386 transactions in Q4 2025.

United States

US-based buyers remain the most active acquirors in the Americas. The number of transactions involving US buyers increased to 413 in Q1 2026 compared to 363 in Q4 2025.

Canada

Canada's deal volume increased to 16 in Q1 2026 from 14 in Q4 2025, signaling increased investor appetite for non-core assets.

Europe

Divestitures deal activity among European acquirors increased to 34 transactions in Q1 2026 compared to Q4 2025 and Q3 2025 with 28 and 30 transactions, respectively.

United Kingdom

Deal volume in the UK increased to 11 in Q1 2026, compared to 9 in Q4 2025.

France

Deal volume in France increased to 6 in Q1 2026 from 4 in Q4 2025.

Germany

Deal volume in Germany increased from 3 in Q4 2025 to 9 in Q1 2026.

Asia

Divestiture activity in Asia decreased by 35.0% QoQ in Q1 2026 compared to Q4 2025. Asian acquirors closed 12 deals in Q1 2026 compared to 17 in Q4 2025.

Japan

Deal volume in Japan increased to 6 in Q1 2026 from 1 in Q4 2025.

India

Deal volume in India decreased from 8 in Q4 2025 to 2 in Q1 2026.

Other Asian Countries

Divestiture activity decreased to 1 in Hong Kong and 0 in South Korea, while other Asian countries recorded a total of 3 deals in Q1 2026.

Divestiture activity increased around the world in Q1 2026, with North America remaining the most active market driven by 413 transactions in the US and 16 transactions in Canada.

Source: (1) Please refer to slide 11.

Deloitte thought leadership

Deloitte thought leadership

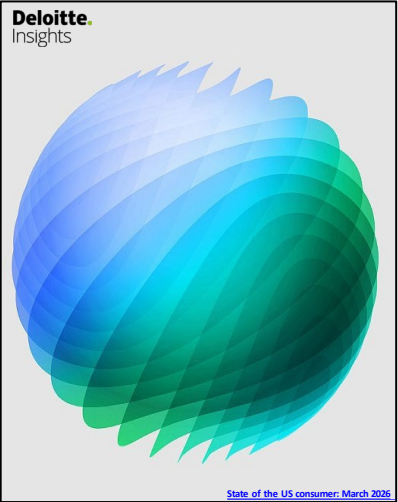
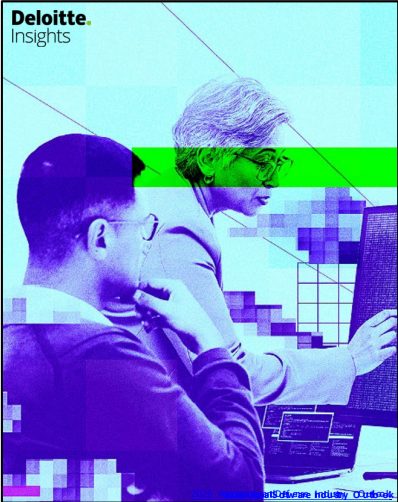
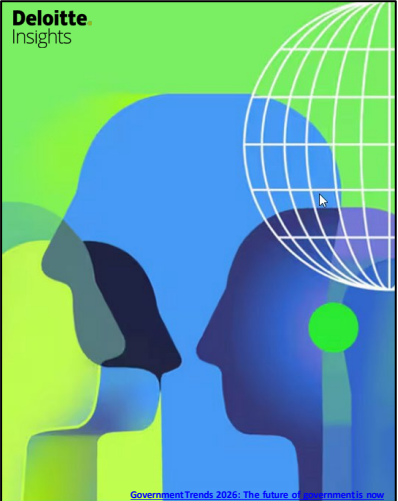
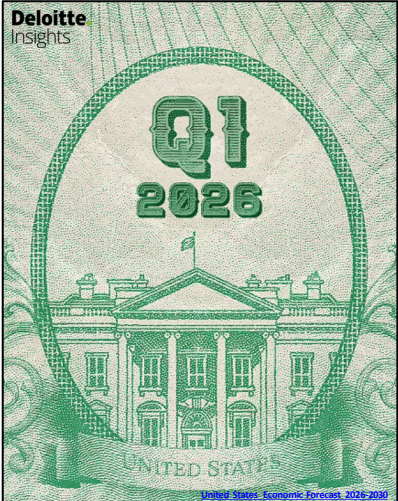
- Deloitte leverages deep transaction experience to deliver customized services and high-quality results to clients operating across multiple industry groups.
- Our surgical carve-out approach to divestitures assists management to achieve a clean, yet efficient, separation designed to find the sweet spot between value, certainty of close, and speed of process.
- We have a demonstrated track record of helping organizations transform throughout economic cycles, turning challenges into opportunities.

Extensive knowledge network

- DCF can leverage its expansive cross-business knowledge network, extensive consulting reports, and in-depth industry research to help drive results and provide differentiated insights for our clients.



Recent insights



Recent middle-market divestitures⁽¹⁾

Industrials



Gentherm Incorporated (NASDAQ: THRM) acquired Platinum SpinCo Inc. from Modine Manufacturing Company (NYSE: MOD).

- Gentherm Incorporated (NASDAQ: THRM) announced a definitive agreement to acquire Platinum SpinCo Inc., representing the Performance Technologies business of Modine Manufacturing Company (NYSE: MOD).
- Platinum SpinCo aims to enhance Gentherm's product breadth and strengthens its global market reach through added precision flow and engineered thermal capabilities.

Announced Date: January 2026
Total Transaction Value: \$967 million

Industrials



AE Industrial Partners, LP acquired L3Harris Technologies, Inc.'s (NYSE: LHX) Space Propulsion and Power Systems business.

- AE Industrial Partners, LP has agreed to acquire a controlling interest in the Space Propulsion and Power Systems business of L3Harris Technologies, Inc., a provider of upper-stage rocket engines, in-space propulsion, nuclear power, and avionics assets.
- The acquisition aims to accelerate the development of future propulsion technologies, including nuclear propulsion critical to the exploration of Mars and the cislunar domain, while helping retain strategic advantage through speed.

Announced date: January 2026
Total Transaction Value: \$845 million

Industrials



Trillium Flow Technologies announced the sale of its Valves Division to Flowserve Corporation (NYSE: FLS).

- Trillium Flow Technologies announced the sale of its Valves Division to Flowserve Corporation (NYSE: FLS), a leading provider of flow control products and services for the global infrastructure markets.
- Flowserve seeks to strengthen its portfolio through the acquisition of Trillium's Valves Division, adding specialized valve and actuation capabilities, differentiated power and nuclear technologies, and broader reach across conventional and emerging markets.

Announced Date: February 2026
Total Transaction Value: \$490 million

Consumer



Archer Foodservice Partners acquired SternoCandleLamp Holdings, Inc.'s Foodservice business from Compass Diversified (NYSE: CODI).

- Wynnchurch Capital, L.P. (Wynnchurch) announced Archer Foodservice Partners (Archer), a leading provider of foodservice consumables and the parent company of Handgards, Inno-Pak, and Finline Settings, has signed a definitive agreement to acquire the Foodservice business of SternoCandleLamp Holdings, Inc. (Sterno) from Compass Diversified (NYSE: CODI). The transaction helps to carve out Sterno's Foodservice business and expand Archer's portfolio.

Announced Date: March 2026
Total Transaction Value: \$293 million

Health Care



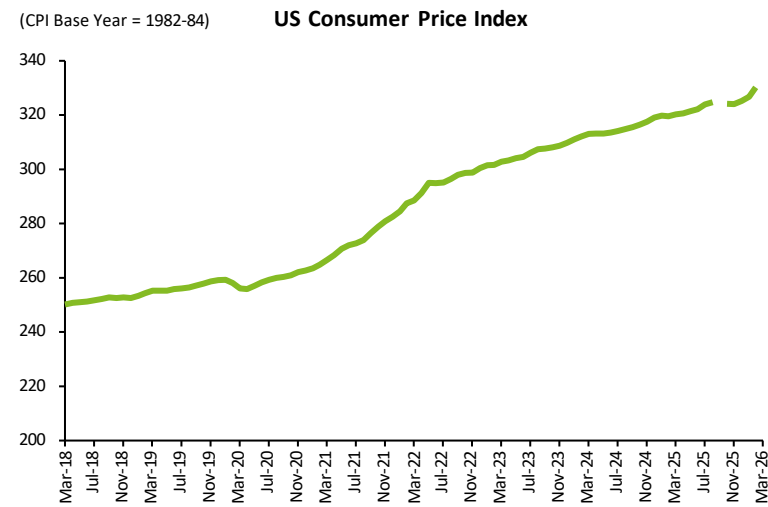
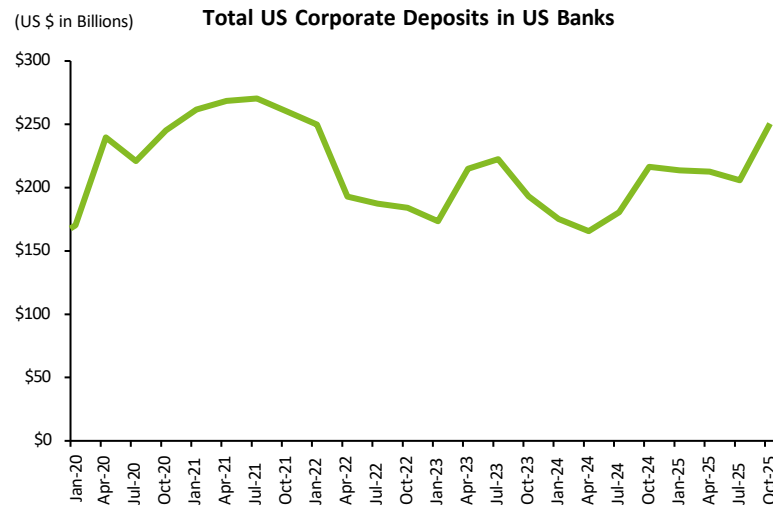
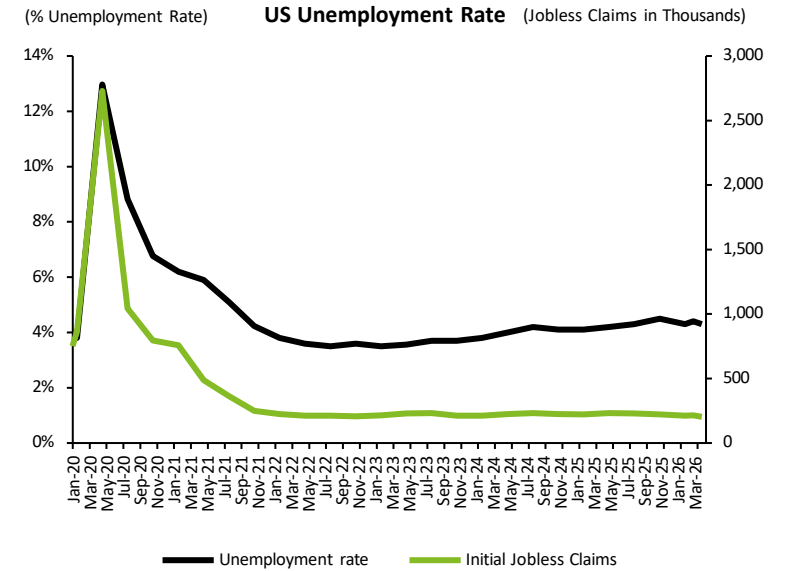
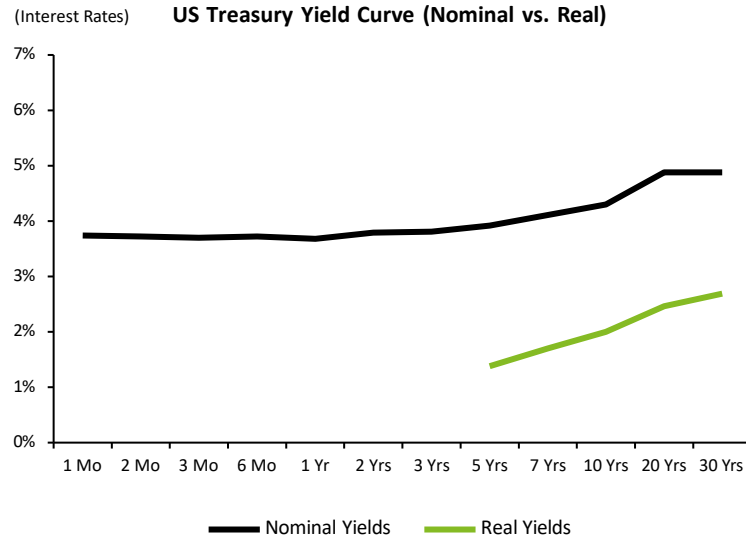
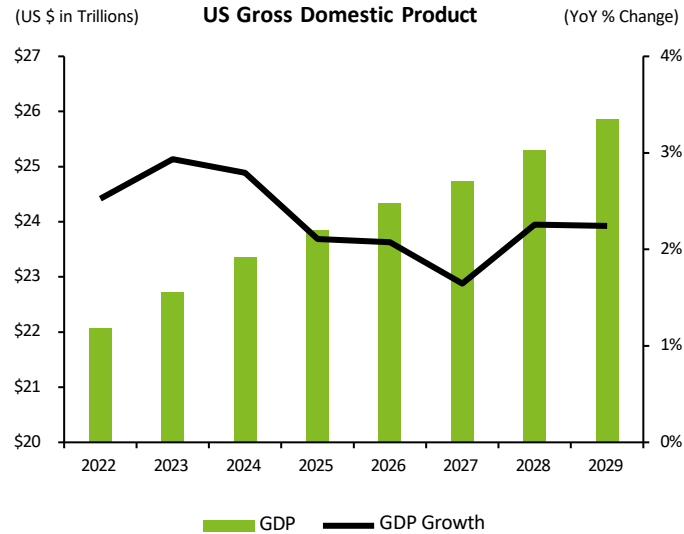
Zoetis Inc. (NYSE: ZTS) to acquire Neogen Corporation's (NASDAQ: NEOG) Animal Genomics business.

- Zoetis Inc. (NYSE: ZTS) the world's leading animal health company, announced it has entered into a definitive agreement with Neogen Corporation (NASDAQ: NEOG) (Neogen) to acquire Neogen's Animal Genomics business.
- The acquisition supports Zoetis' livestock innovation strategy by strengthening its precision animal health portfolio and expanding its ability to provide predictive insights, individualized care, and enhanced customer value.

Announced Date: March 2026
Total Transaction Value: \$160 million

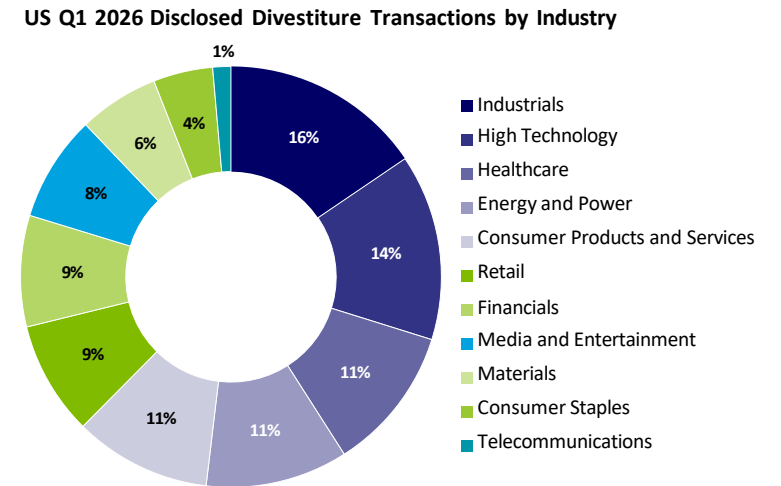
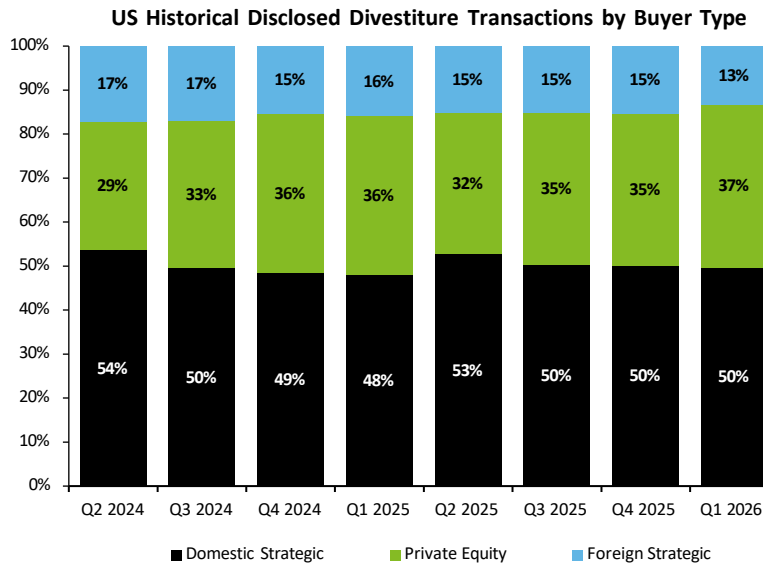
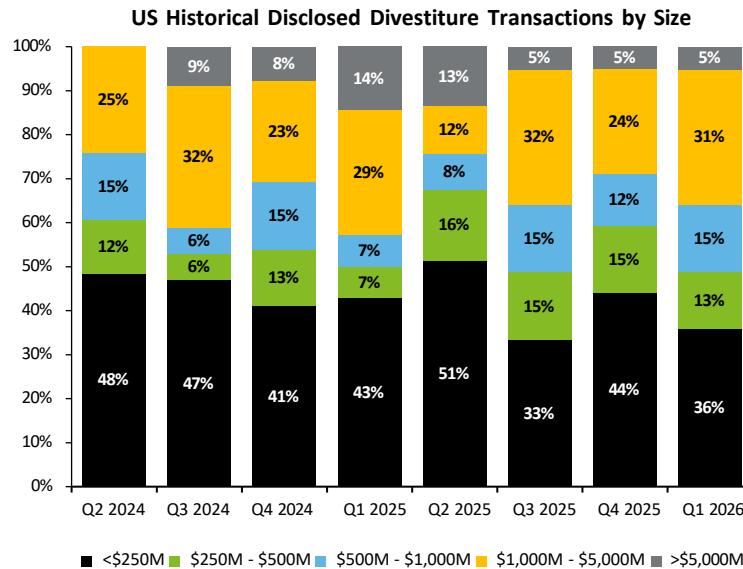
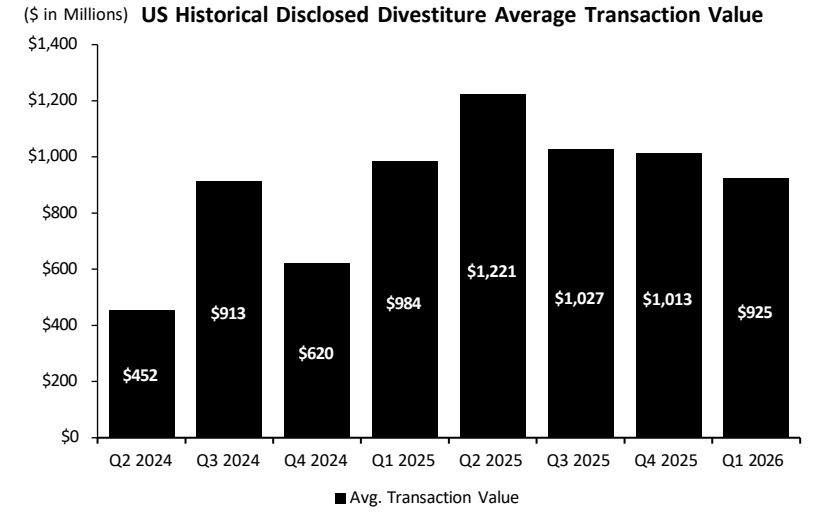
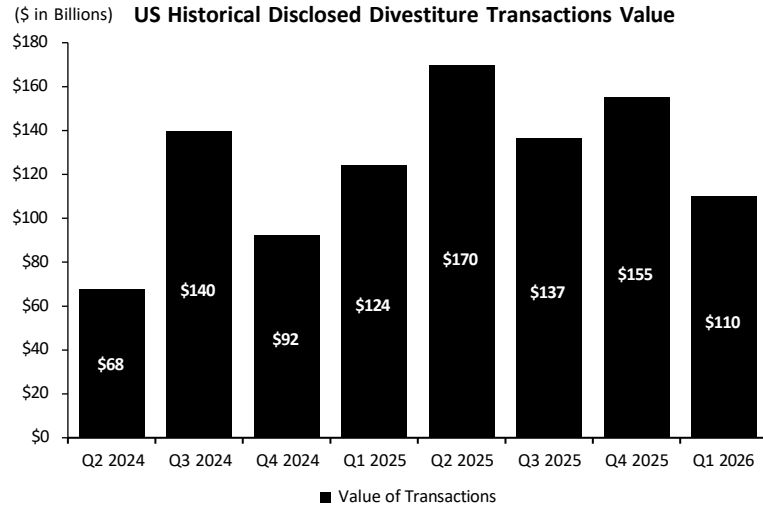
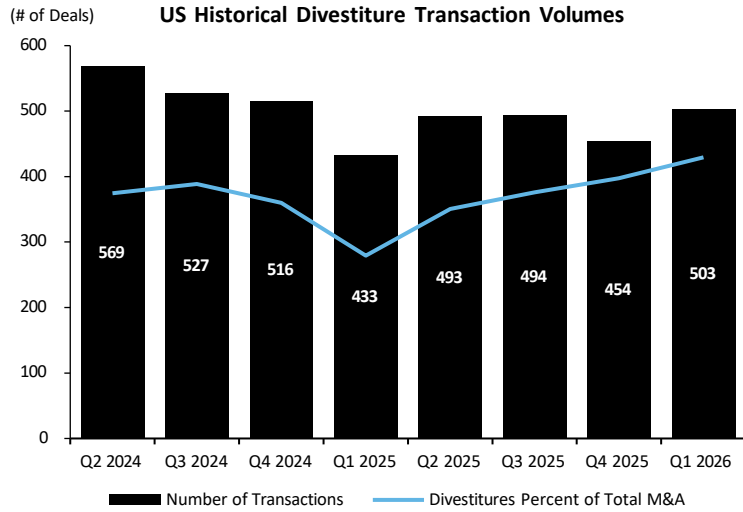
Source: (1) Please refer to slide 11.

Macroeconomic outlook⁽¹⁾



Source: (1) Please refer to slide 11.

US historical divestitures⁽¹⁾



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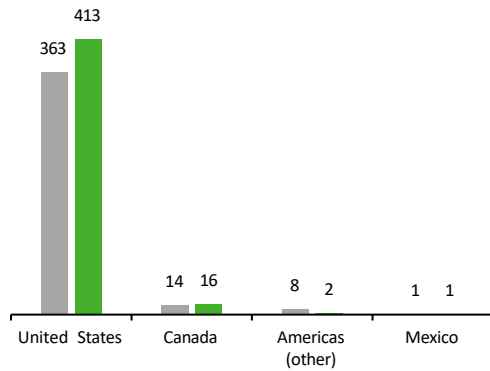
Global divestitures – deal volume analysis⁽¹⁾

Most active acquiror countries by region

Americas

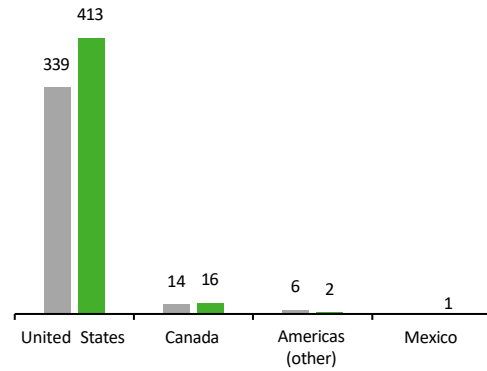
Deal volumes – Q1 2026 vs Q4 2025

■ Q4 2025 ■ Q1 2026

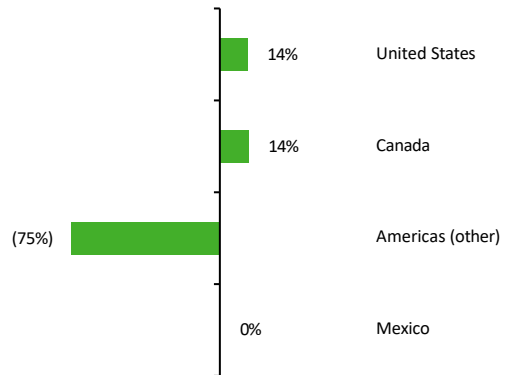


Deal volumes – Q1 2026 vs Q1 2025

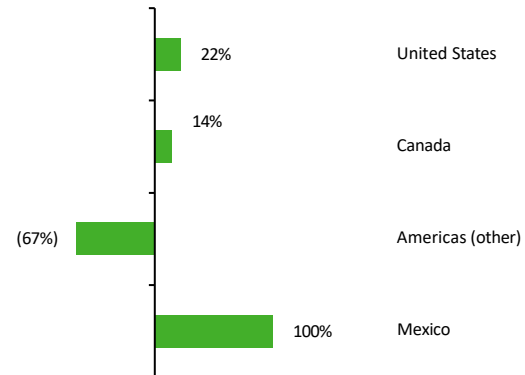
■ Q1 2025 ■ Q1 2026



Deal volume % change – Q1 2026 vs Q4 2025



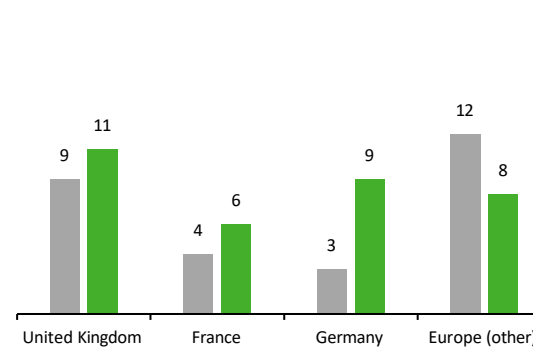
Deal volume % change – Q1 2026 vs Q1 2025



Europe

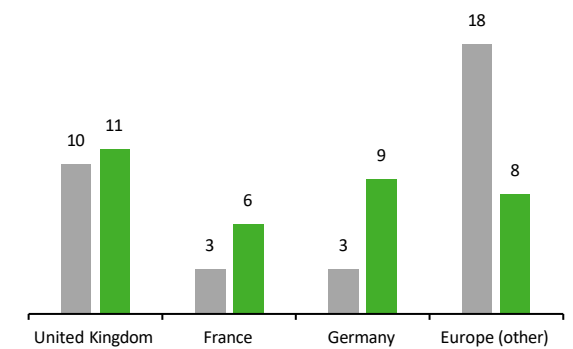
Deal volumes – Q1 2026 vs Q4 2025

■ Q4 2025 ■ Q1 2026

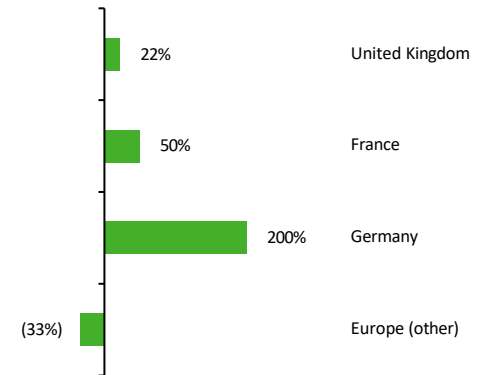


Deal volumes – Q1 2026 vs Q1 2025

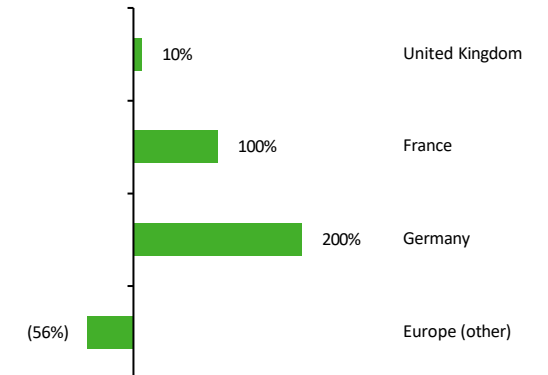
■ Q1 2025 ■ Q1 2026



Deal volume % change – Q1 2026 vs Q4 2025



Deal volume % change – Q1 2026 vs Q1 2025



Source: (1) Please refer to slide 11.

Global divestitures – deal volume analysis (cont.)⁽¹⁾

Most active acquiror countries by region

Asia

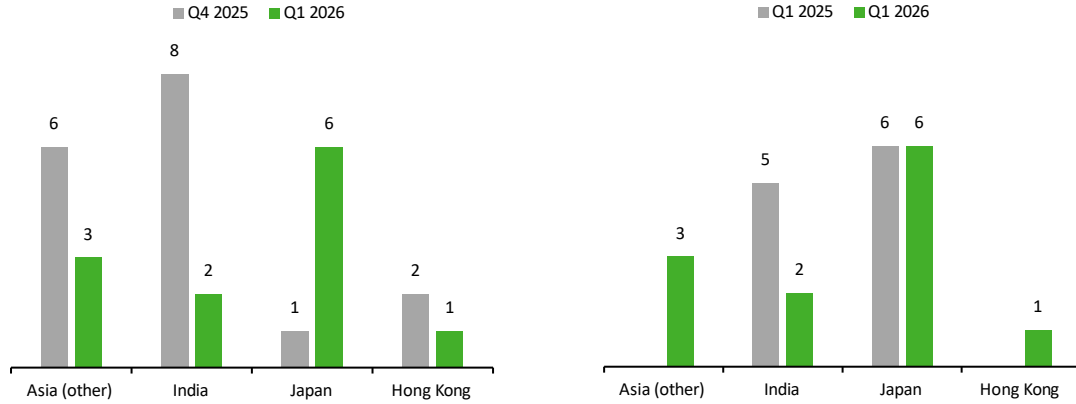
Rest of the world

Deal volumes – Q1 2026 vs Q4 2025

Deal volumes – Q1 2026 vs Q1 2025

Deal volumes – Q1 2026 vs Q4 2025

Deal volumes – Q1 2026 vs Q1 2025



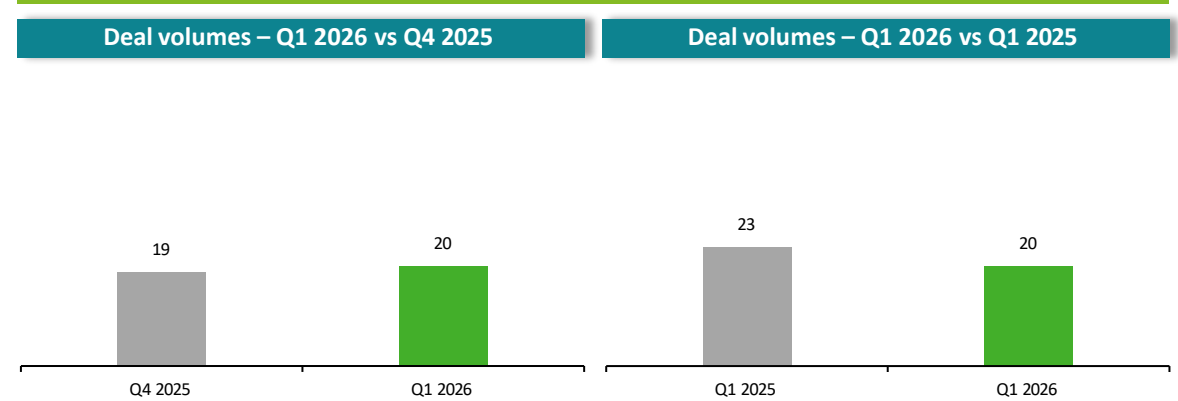
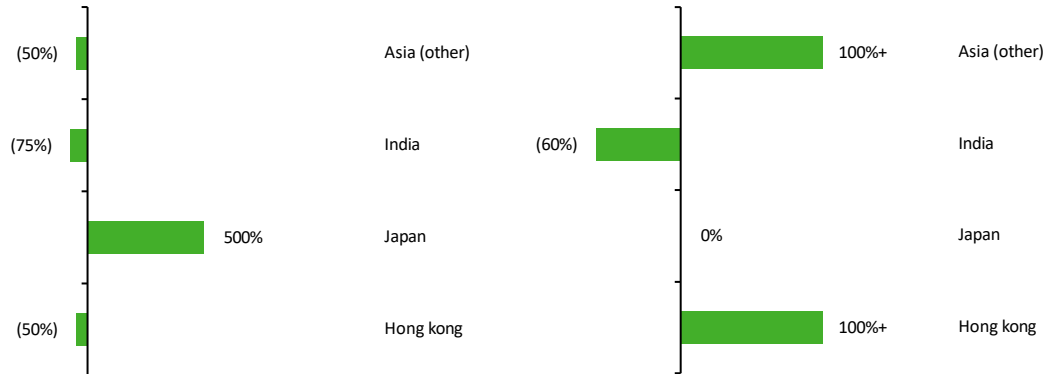
Deal volume % change – Q1 2026 vs Q4 2025

Deal volume % change – Q1 2026 vs Q1 2025

Undisclosed acquirors

Deal volumes – Q1 2026 vs Q4 2025

Deal volumes – Q1 2026 vs Q1 2025



Source: (1) Please refer to slide 11.

Appendix

Sources cited

Page 2:

1. [Mergermarket](#). Accessed April 8, 2025. Data as of December 31, 2024.

Page 4:

1. [Refinitiv](#). Accessed April 12, 2026. Data as of March 31, 2026.

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1. Relevant transactions announced in Q1, 2026.
 - a. [S&P Capital IQ](#). Accessed April 12, 2026. Data as of March 31, 2026.
 - b. [Mergermarket](#). Accessed April 12, 2026. Data as of March 31, 2026.
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 - b. [Refinitiv](#). Accessed April 12, 2026. Data as of March 31, 2026.



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