Australian Mid-Market Activity

Q3, 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.

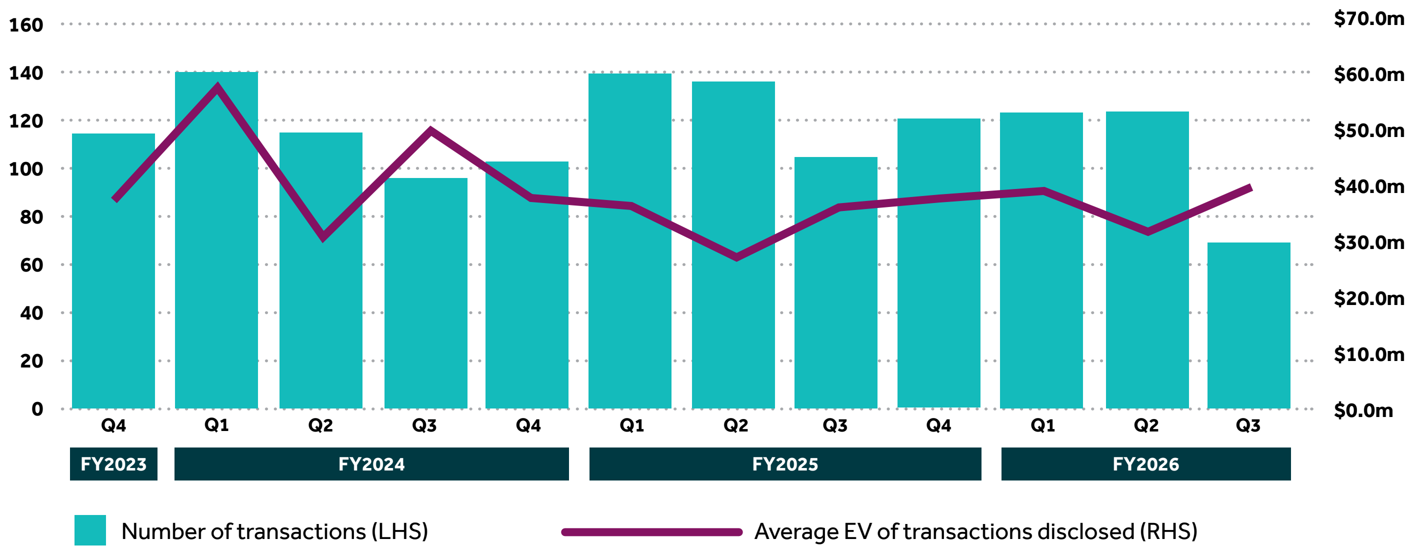
Overview

The number of transactions in Q3 FY2026 was lower than the previous quarter and decreased compared to the same quarter in the prior year.

Overview

The average deal size decreased from $25.0 million in Q2 FY2026 to $40.4 million in Q3 FY2026, an increase of 61.7%. Over the last 12 months, the average deal size increased by 8.6% from $29.9 million in Q2 FY2026 to $32.5 million in Q3 FY2026.

Number of transactions and disclosed average transaction value by quarter

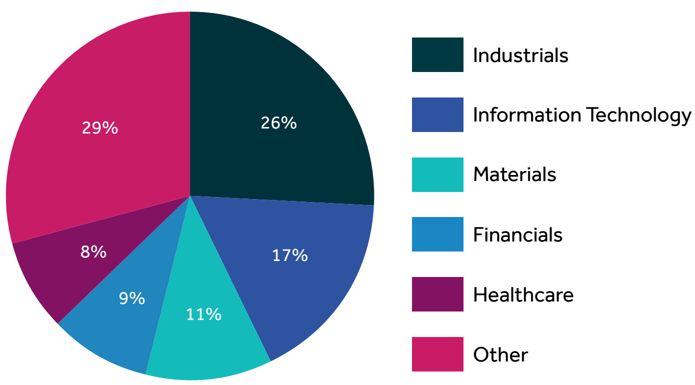


Sector

Industrials (26%), information technology (17%) and materials (11%) were the most active sectors during the quarter, followed by financials (9%) and healthcare (8%). These top five sectors represented 71% of all completed transactions in the quarter.

M&A activity in the industrials sector decreased between Q2 FY2026 and Q3 FY2026 from 36 transactions to 22. In Q3 FY2026, there were 15 transactions in the Information Technology sector and 9 in Materials, down from 36 and 16 in the previous quarter, respectively. The financials and healthcare sectors saw consistent transactions in Q3 FY2026 compared to the last quarter, at 8 in the financials sector and increasing from 6 to 7 in the healthcare sector.

Sector activity by volume

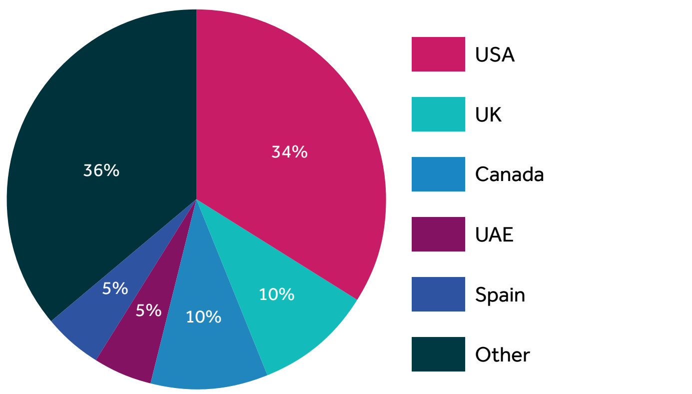


Geography

For transactions where a buyer was disclosed, overseas acquirers represented 45% of total transactions. The United States emerged as the largest acquirer of Australian companies, representing 34% of overseas buyers in the quarter. The United Kingdom represented 10% of total acquisitions, declining from the previous quarter when it led foreign acquisition activity of Australian companies.

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

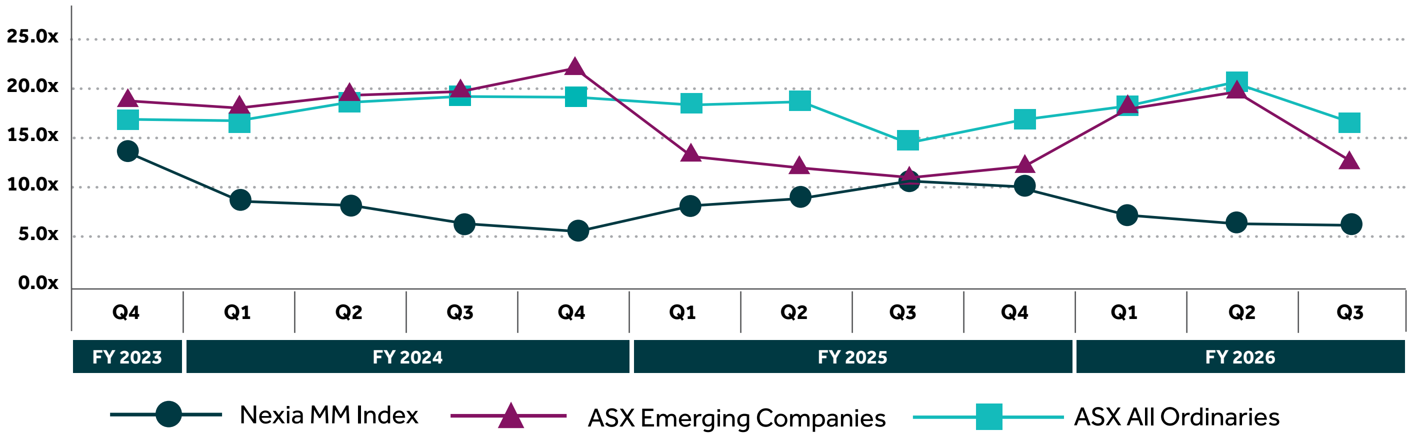
Overseas transactions by volume



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

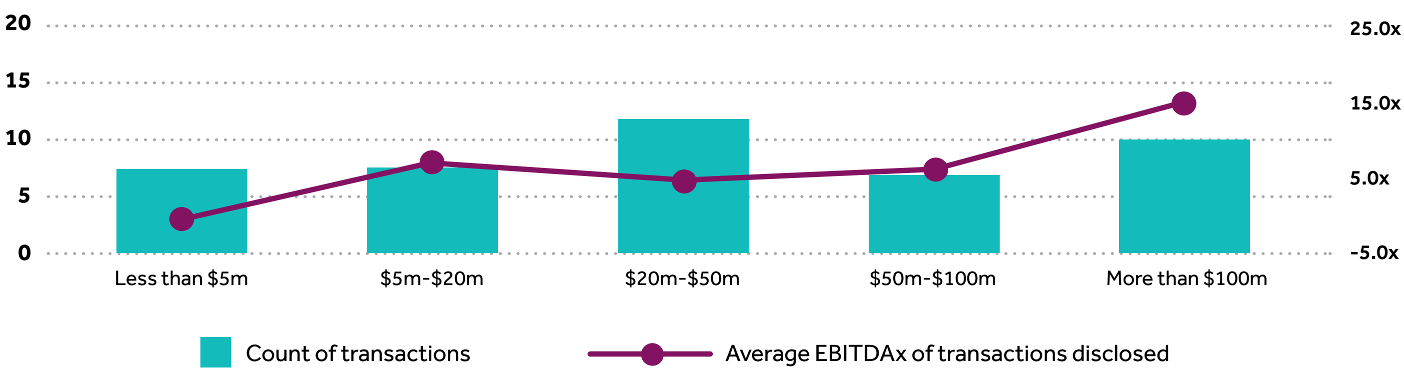


The ASX Emerging Companies index decreased by 36% on the prior quarter's figures, and the ASX All Ordinaries index decreased by 21% from the prior quarter. The Nexia MM decreased by 3% in the current quarter due to a lower average EBITDA multiple in Q3 FY2026.

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.

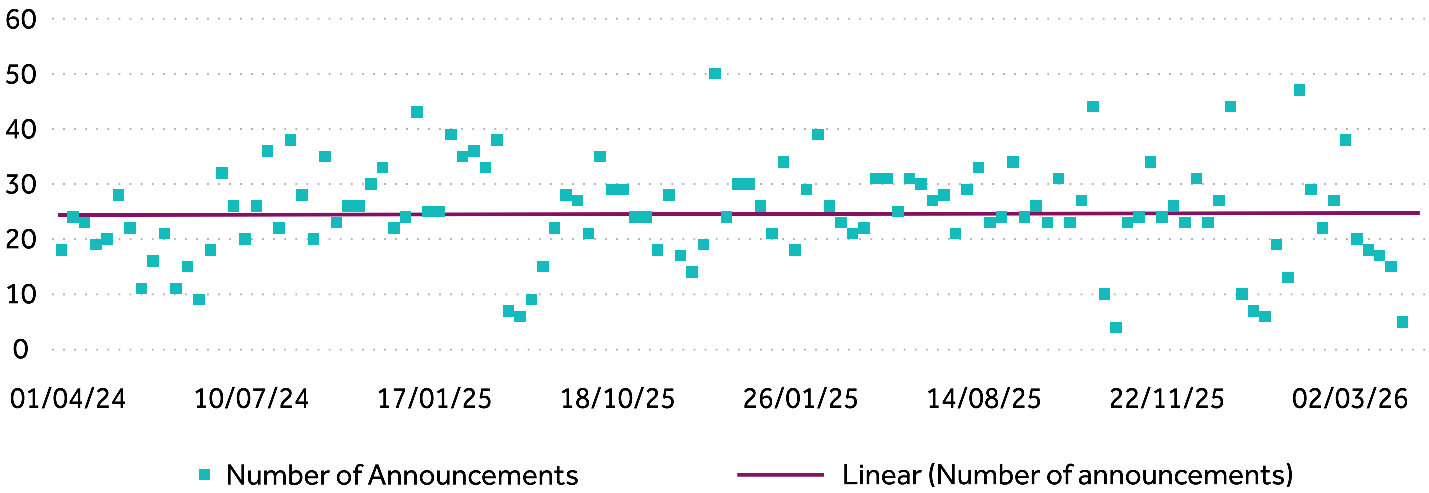
Number of transactions and disclosed EBITDA multiple average value by enterprise value category



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 April 2023 to 31 March 2026. 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, 1,446 transactions are included within the data analysed. Transaction values were disclosed for 488 (34%) of these transactions with an aggregated transaction value of $25.1 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 4.0x to 30.5x for FY2023, 1.8x to 17.7x for FY2024, 2.3x to 44.8x for FY2025, and 1.7x to 17.33x for FY2026.

Nexia Australia

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.

Australia

Adelaide Office
Hugh McPharlin
Level 3, 153 Flinders Street, Adelaide
GPO Box 2163, Adelaide SA 5001
p +61 8 8139 1111, f +61 8 8139 1100
hmcpharlin@nexiaem.com.au
www.nexiaem.com.au

Canberra Office
Dino Vido
Suite 2.01, Level 5, 17 Moore Street, Canberra
GPO Box 500, Canberra ACT 2601
p +61 2 6279 5400, f +61 2 6279 5444
dvido@nexiacanberra.com.au
www.nexia.com.au

Darwin Office
Noel Clifford
Level 2, 80 Mitchell Street, Darwin
GPO Box 3770, Darwin NT 0801
p +61 8 8981 5585, f +61 8 8981 5586
nclifford@nexiaem.com.au
www.nexiaemnt.com.au

Melbourne Office
Vito Interlandi
Level 16, 600 Bourke Street, Melbourne
VIC 3000
p +61 3 8613 8888, f +61 3 8613 8800
vinterlandi@nexiamelbourne.com.au
www.nexia.com.au

Sydney Office
Brent Goldman
Level 22, 2 Market Street, Sydney
PO Box Q776, QVB NSW 1230
p +61 2 9251 4600, f +61 2 9251 7138
bgoldman@nexiasydney.com.au
www.nexia.com.au