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M&A Deal Trends Report 2025

Signs of a turnaround
as deal timelines stabilize

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After years of lengthening deal timelines, 2024 showed signs of a turnaround. Easing interest rates and improved access to capital helped accelerate dealmaking, but geopolitical risks and shifting credit conditions are beginning to threaten momentum.

Introduction

M&A deal timelines have been steadily increasing since 2019, driven by economic challenges and regulatory complexity. Now, new data suggests that this trend of extending timelines may have reached a plateau.

An analysis of M&A projects managed through the Ideals Virtual Data Room reveals a 4% reduction in the average time to close a deal in 2024. While modest, this breaks the pattern of recent years, suggesting deal timelines may have finally peaked.

This report looks at how deal timelines are evolving, regional variations, and the impact of industry-specific factors. It also examines whether the change seen in 2024 is the start of a sustained shift or a temporary pause in an unpredictable M&A environment.

INTRODUCTION

Dealmaking at a turning point?

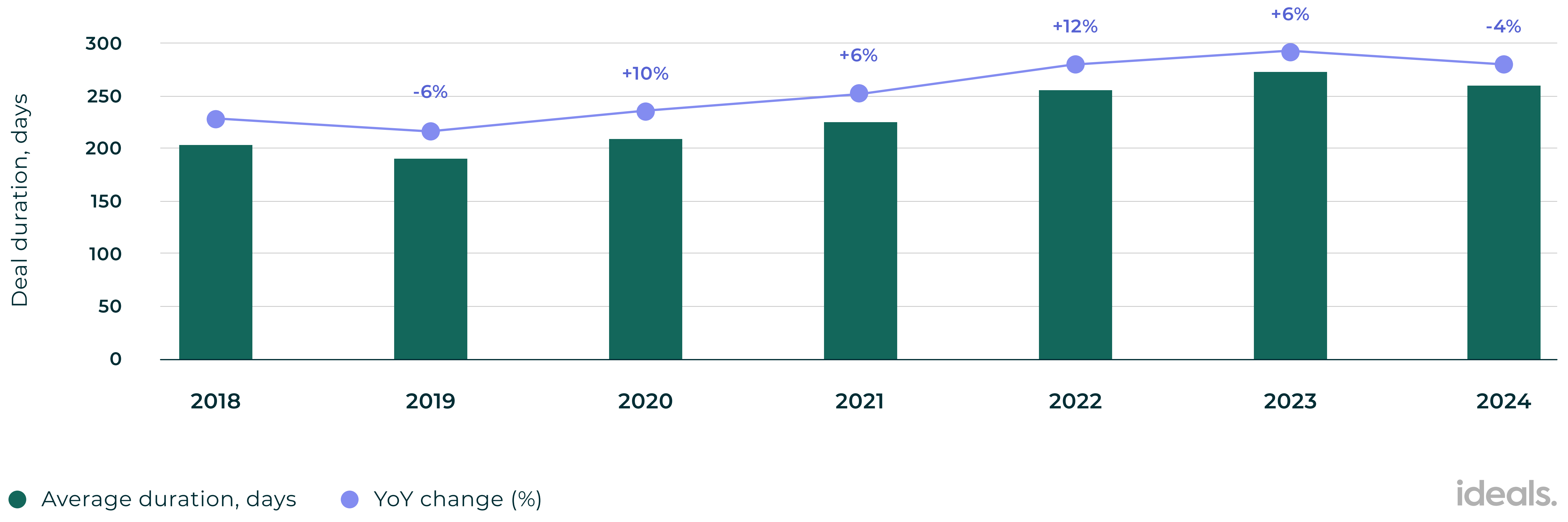
In 2024, the average time to complete a deal decreased by 4% to 255 days, down from 266 days in 2023. Following years of drawn-out timelines, this prompts a key question: are we seeing the start of a more efficient M&A environment?

According to a McKinsey report, companies entered 2024 in relatively strong financial shape, with pent-up demand driving a "risk-on" approach among investors.[1] Additionally, easing interest rates improved the environment for dealmaking.

After historic lows in 2020, interest rates had climbed sharply from 2022 to 2024. This corresponded with longer deal timelines in our data, as stricter financing conditions took hold. The broader M&A landscape slowed during this period, with fewer deals being done and a less competitive dealmaking environment overall.

In the second half of 2024, interest rates started to ease, improving access to financing. This was likely one of the factors that supported a modest improvement in deal timelines.

Change in M&A duration since 2018



[1] McKinsey & Company, M&A Annual Report, 2025

While the leveling off in deal timelines is a welcome shift, caution is warranted. Dealmakers are facing renewed geopolitical and policy uncertainty, as the reintroduction of tariffs under President Trump's administration reshapes global trade and adds new layers of unpredictability to M&A.

"We're already seeing more stringent screening of cross-border investment, which is inevitably suppressing M&A activity and contributing to delays in getting deals done," says Sabine Schilg, VP of Corporate Development at Ideals.

At the same time, the Wall Street Journal[2] reports that Treasury yields resumed their upward trend in June 2025, a sign that financing conditions may soon tighten.

Together, these pressures could dampen deal momentum and put recent gains at risk. As Brian Levy, Global Deals Industries Leader at PwC notes: "An M&A recovery is overdue, but it may struggle to maintain its recent momentum at a time when long-term interest rates are rising and valuations are high."[3]

[2] The Wall Street Journal, Treasury Yields Rise Amid Fiscal, Trade Jitters, 2025

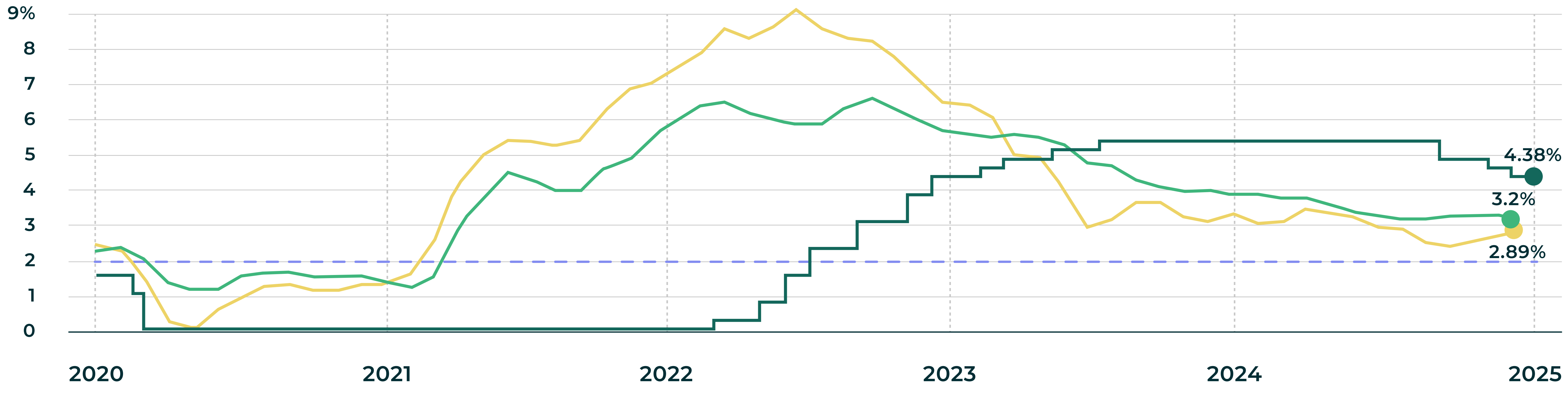
[3] PwC, Global M&A Industry Trends, 2025

[4] Reuters, Fed Leaves Rates Unchanged, 2025

> We're already seeing more stringent screening of cross-border investment, which is inevitably suppressing M&A activity and contributing to delays in getting deals done.

Sabine Schilg
VP of Corporate Development at Ideals

US inflation and interest rates[4]



Benchmark interest rate and year-on-year change in CPI inflation

CPI · Core CPI · Benchmark interest rate · Inflation target

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Deal timelines stabilized across major markets. Western Europe held steady, North America improved, and Asia and Oceania saw modest acceleration alongside new M&A regulations.

Signs of stabilization in regional markets

Analysis of global trends reveals a consistent picture across M&A markets, with signs of stabilizing deal timelines emerging in Western Europe, North America, and Asia & Oceania.

Time spent on due diligence using Ideals data rooms remained steady in Western Europe, with the average deal timeline holding at 255 days, unchanged from the previous year. According to S&P Global's 2024 Europe M&A report, transaction values rose 4% year-over-year.[5] However, the market overall remained broadly flat and has yet to see the resurgence many anticipated.

The stabilizing deal timelines reflected in our data offer a potential silver lining, suggesting that we may be starting to turn a corner to a more active M&A market.

North America saw a moderate improvement, with deal timelines reducing from 271 days to 252 days. While the gain is modest, it's a sign that dealmakers may be approaching transactions with greater urgency after several cautious years.

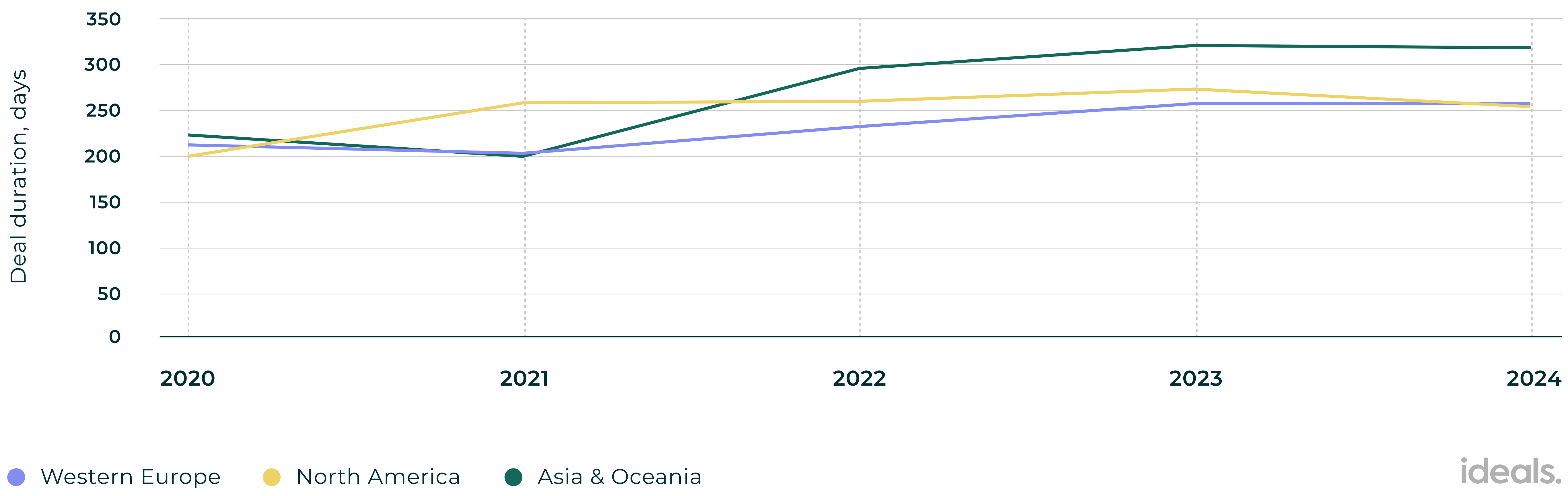
Deal timelines also shortened slightly in Asia & Oceania, with the average deal duration decreasing from 319 to 316 days. A notable development in 2024 was China's raised merger thresholds, aimed at streamlining M&A activity by reducing mandatory filings.

However, research by Skadden suggests that potential time savings may be offset by the continued complexity and length of reviews required for certain transactions.[6]

[5] S&P Global, Europe M&A by the Numbers: 2024 in Review, 2025

[6] Skadden, China Increases Merger Filing Thresholds, 2024

Change in deal duration in Western Europe, North America, Asia and Oceania



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Deal timelines varied significantly by sector. IT & Services led the way, boosted by easing inflation and AI growth, while Real Estate also saw improvement. Environmental & Utilities experienced longer timelines due to regulatory challenges.

Sector trends and underlying drivers

Deal timelines varied widely by sector, with Information Technology & Services among the fastest. Transactions in this space closed in an average of 244 days, approximately 13% quicker than the overall industry average of 280 days, and 13% faster than the sector's own average in 2023.

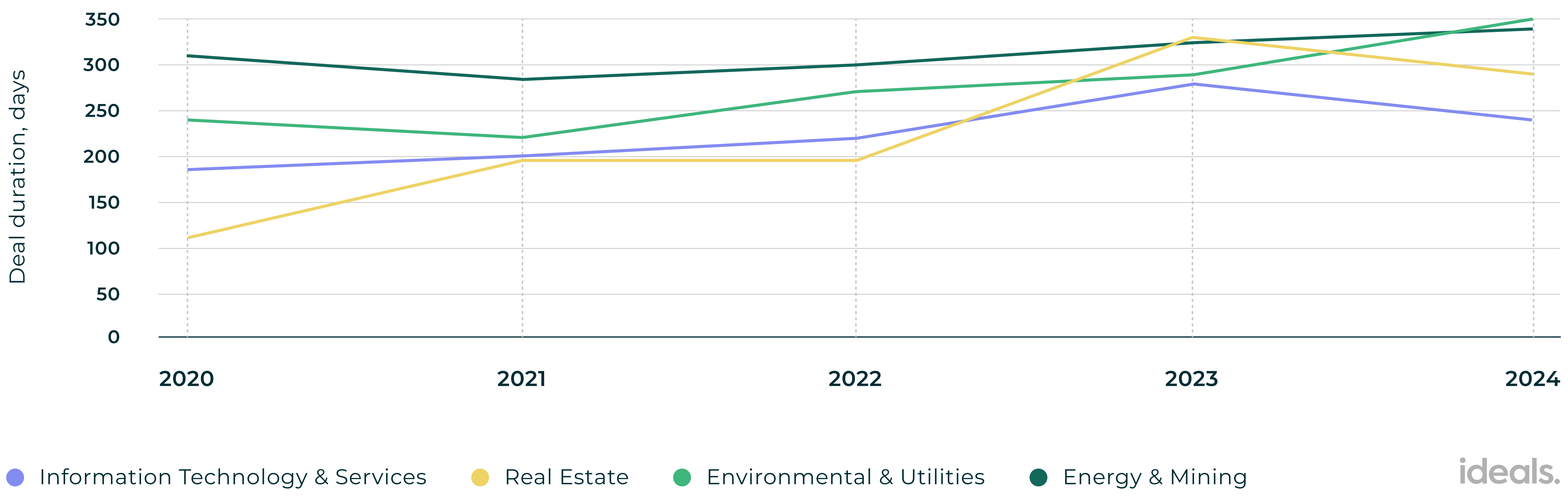
PwC notes that while geopolitical uncertainties and trade challenges persist, the AI boom is creating new opportunities and driving significant capital investment in the TMT sector.[7]

Chin-Harn Leong, a Partner in KPMG's TMT Transaction Services, has observed this trend and shares his perspective on the main factors fueling these developments.

"There's heightened interest in the infrastructure that enables the AI ecosystem. Data centers, fiber networks, and cybersecurity platforms are all seeing increased demand. They've become central to the AI-driven investment landscape," he explains.

Real Estate experienced a meaningful improvement in deal timelines, with a reduction of nearly 10%, from 327 days in 2023 to 295 days in 2024. This shift likely reflects easing financing conditions, which help support the sector's significant capital requirements. Additionally, Deloitte reports that 81% of real estate executives plan to increase investment in technology to streamline deal sourcing, vetting, and valuation.[8] This growing adoption of technology may have already contributed to efficiency gains in the sector.

Change in M&A deal duration by industry



> "
> The European Union is intensifying its focus on renewables, grid modernization and energy storage, although regulatory challenges and high costs could temper deal activity.
>
> **Greg Oberti**
> National Energy Transition & Utilities Leader at PwC

In contrast, highly regulated sectors experienced the longest deal timelines. Environmental & Utilities deals averaged 351 days, up from 291 the previous year, while Energy & Mining deals averaged 349 days, up from 301 — both marking significant year-over-year increases.

This may point to the regulatory complexity these sectors face. As Greg Oberti, National Energy Transition & Utilities Leader at PwC, observes: "The European Union is intensifying its focus on renewables, grid modernization and energy storage, although regulatory challenges and high costs could temper deal activity."[9]

[7] PwC, Global M&A Industry Trends in TMT, 2025
[8] Deloitte, 2025 Commercial Real Estate M&A Outlook, 2025
[9] PwC, Global M&A Trends in Energy, Utilities & Resources, 2025

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Chin-Harn Leong

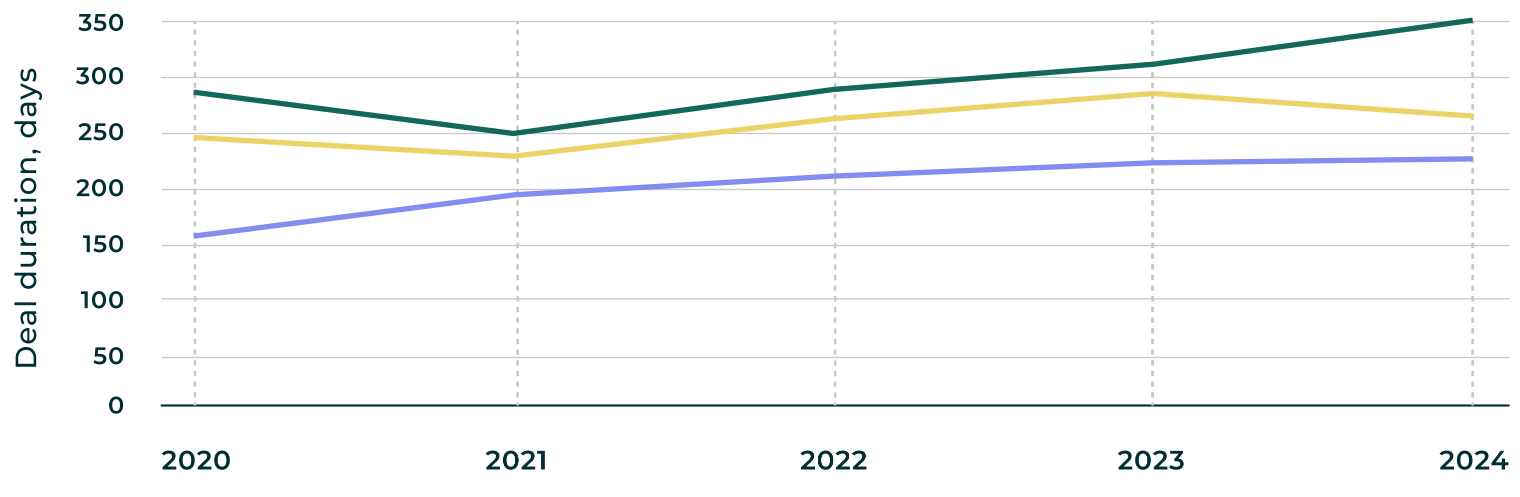
Partner, TMT Transaction Services at KPMG

SECTOR TRENDS

Does deal size determine speed?

When it comes to M&A timelines, the answer is yes: larger deals generally take longer to close. Our analysis shows that the number of users in the virtual data room — an indicator of deal size — correlates with extended timelines.

Change in M&A deal duration by number of users in VDR



Deals with 0–10 VDR users remained the fastest, averaging 222 days in 2023 and 225 days in 2024. These tend to be smaller transactions with fewer stakeholders, simpler due diligence, and less obstacles to agreement.

Deals involving 10-50 users saw shortened timelines from 284 days in 2023 to 263 days in 2024. While the number of users isn't a definitive indicator, this range most closely aligns with middle market transactions. In Capstone Partners' 2024 M&A research, 88% of investment bankers reported that middle market dealmaking outperformed or remained in line with the broader market.[10] This momentum may be driving dealmakers to move faster and capitalize on opportunities.

The largest deals — involving 50-100 users — remained the longest to close, with average timelines increasing from 311 days in 2023 to 351 days in 2024. This reflects the complexity of larger transactions, which includes intricate financial structures, valuation negotiations, and extended due diligence.

It may also reflect a tendency for higher-value deals to face delays, as investors are inclined to wait for improved conditions amid market uncertainty.

Closing times improve, but efforts intensify

Although deals are closing slightly faster, the demands on transaction teams are growing. In 2024, M&A professionals spent an average of 180 hours per deal in virtual data rooms — a 41% increase compared to 2023.

Herbert Smith Freehills observes that due diligence last year was shaped by capricious market conditions and less-structured sales processes, resulting in longer timelines for information gathering and review.[11]

Deven Monga, VP of Sales, North America at Ideals, has seen this firsthand: "Our customers are going beyond the numbers — bringing in legal, operational, and ESG experts to understand the full picture and ensure any potential issues are fixed well before the deal closes."

[10] Capstone Partners, Global M&A Trends Survey Report, 2025

[11] Herbert Smith Freehills, Due Diligence, Deeper Dives, 2025

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Deven Monga
VP of Sales, North America at Ideals

04

In 2024, improved access to capital and more stable interest rates boosted dealmaking. Advanced technologies streamlined negotiations and due diligence, allowing M&A professionals to act with greater confidence.

What's influencing deal timelines?

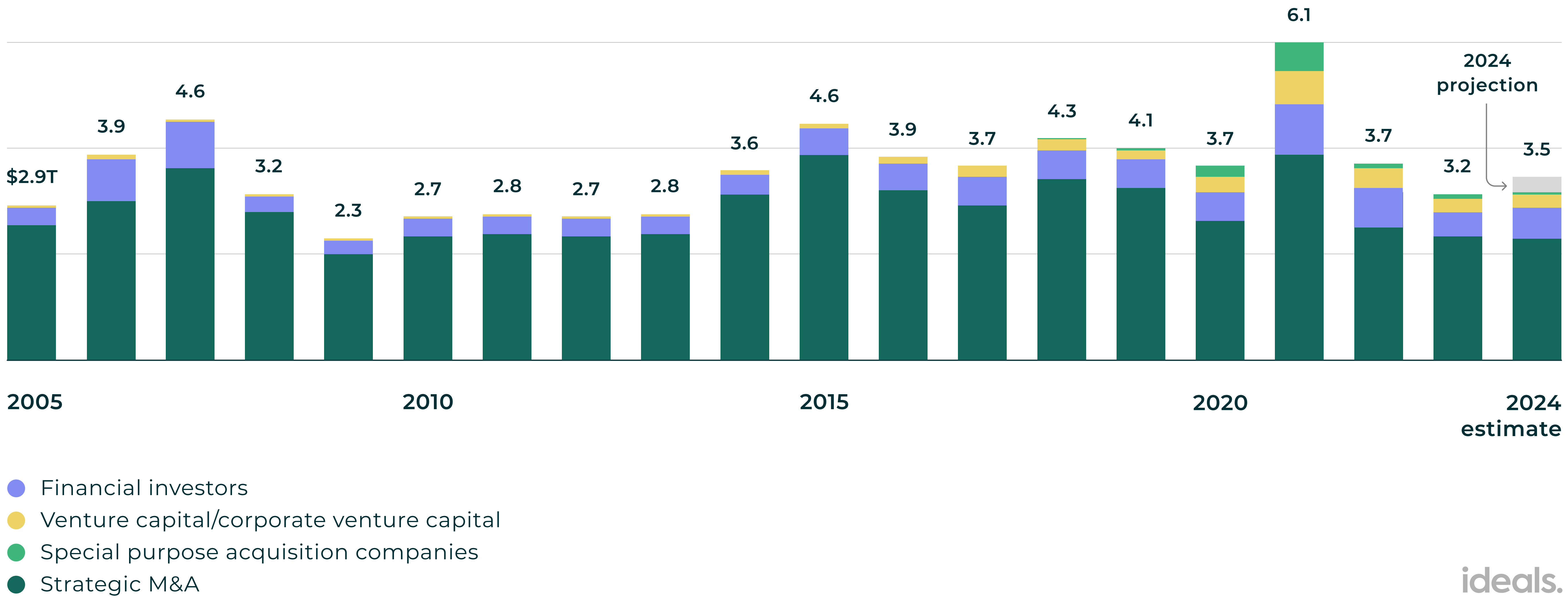
The pace at which deals close depends on multiple factors, and in 2024, two key elements stood out. The first was the availability of capital, driven by lower interest rates, increased access to private credit, and pressure on private equity firms to deploy their “dry powder”.

Reflecting these dynamics, Bain & Company reports that global M&A deal value rose 15% in 2024 compared to 2023, reaching approximately $3.5 trillion.[12]

The second element was the impact of advanced technologies, which accelerated negotiations, due diligence, and compliance. The following two sections take a closer look at these key drivers and their impact on 2024 dealmaking.

M&A deal market value, in trillions of US dollars

Percentage change from 2023 to 2024 for all M&A, 15%



[12] Bain & Company, Looking Back at M&A in 2024, 2024

DEAL TIMELINES

Liquidity leads the way

In 2024, financing became easier to access, more affordable, and more flexible. The U.S. Federal Reserve's rate cut in September was its first in four years. At the same time, PwC notes that rising competition between private credit providers and traditional banks drove down yields in the leveraged loan market, making borrowing more attractive.[13]

Chin-Harn Leong highlights two financial factors driving increased deal activity: "One is the large amount of dry powder accumulated in the private equity sector. Since private equity funds have a limited lifespan, they need to deploy that capital and generate returns before they can successfully complete their next fundraising cycle.

"Second, interest rate stability is beginning to take hold. That reduces macroeconomic uncertainty, makes financing more accessible, and increases investors' willingness to pay for the right businesses."

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Partner, TMT Transaction Services at KPMG

Deven Monga notes that increased financing options are creating opportunities for Ideals VDR customers. "While traditional leveraged structures are still in play, we're seeing more dealmakers turn to private credit for its flexibility and competitive terms," he explains. "With capital access improving, there's a noticeable uptick in the pursuit of larger transactions, particularly from private equity firms. That's contributing to more competitive bidding."

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Deven Monga

VP of Sales, North America at Ideals

As interest rates stabilize and private credit continues to grow alongside traditional lenders, borrowers benefit from a wider range of financing choices. This broader access enables dealmakers to move with greater confidence and structure transactions more creatively.

[13] PwC, Global M&A Industry Trends, 2025

DEAL TIMELINES

Technology-driven transactions

In addition to improved financing, the adoption of new technologies is playing an important role in accelerating M&A deals. AI, machine learning, and advanced analytics are streamlining traditionally slow and manual tasks in the dealmaking process.

Deloitte’s 2025 M&A trends survey found that 97% of corporations and PE firms reported using generative AI and advanced data analytics in their dealmaking, significantly improving the speed and accuracy of data analysis, contract review, and decision-making.[14] These AI-powered solutions are enhancing due diligence efficiency by identifying potential risks and opportunities, while automation tools streamline contract negotiations by flagging key terms and discrepancies.

Chin-Harn Leong emphasizes the evolving landscape of due diligence, where the volume and complexity of data have surged. “The amount of data involved has increased dramatically. The process is now highly data-rich, and we’re able to analyze granular, transactional-level data — particularly in TMT businesses with subscription-based revenue models — to extract sharper insights and stress-test the investment thesis.”

97%

of corporations and PE firms

reported using generative AI and advanced data analytics in their dealmaking

This data-rich environment makes AI indispensable. Chin-Harn explains that “AI compresses processing time and sharpens risk identification, enabling a more rigorous, data-led approach to diligence.” Teams can “digest and analyze far more data than before, creating a feedback loop where being AI-enabled is essential.”

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Partner, TMT Transaction Services at KPMG

Sourcing, too, is becoming more efficient. As Accenture research reveals, 82% of deal executives believe AI and advanced analytics have accelerated pre-deal insights, enabling their teams to identify targets faster and refine bids with greater precision.[15]

Sabine Schilg, VP of Corporate Development at Ideals, summarizes the impact of technology on dealmaking: “Technology is being seen by dealmakers as an essential tool to increase the efficiency and speed of due diligence, as well as regulatory and cybersecurity compliance.”

[14] Deloitte, 2025 M&A Trends Survey, 2025

[15] Accenture, Unlocking Alpha in Deals, 2025

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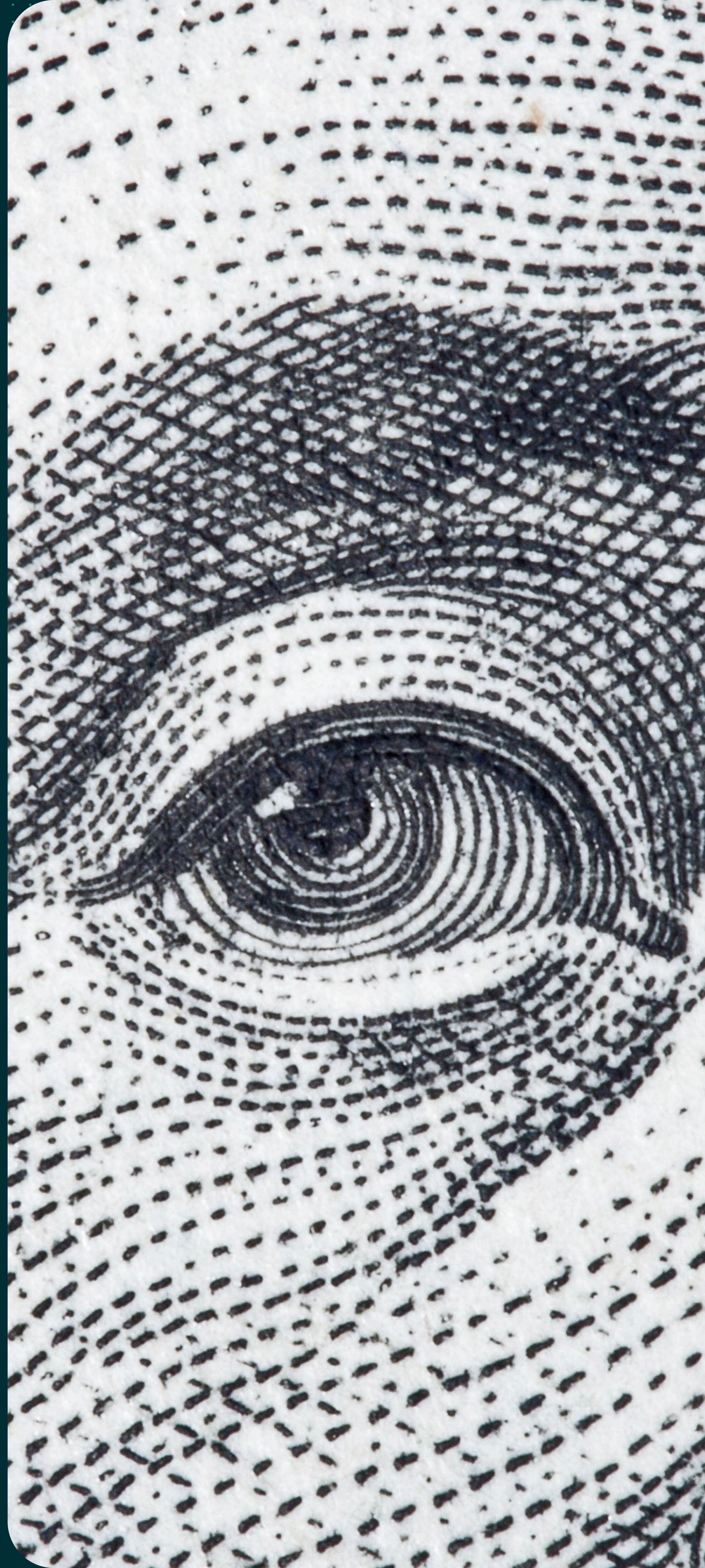
Sabine Schilg

VP of Corporate
Development at Ideals

05

Rising tariffs have added complexity to dealmaking, causing delays and tougher negotiations. Buyers are applying greater scrutiny and conducting deeper due diligence.

The global impact of Trump's tariffs



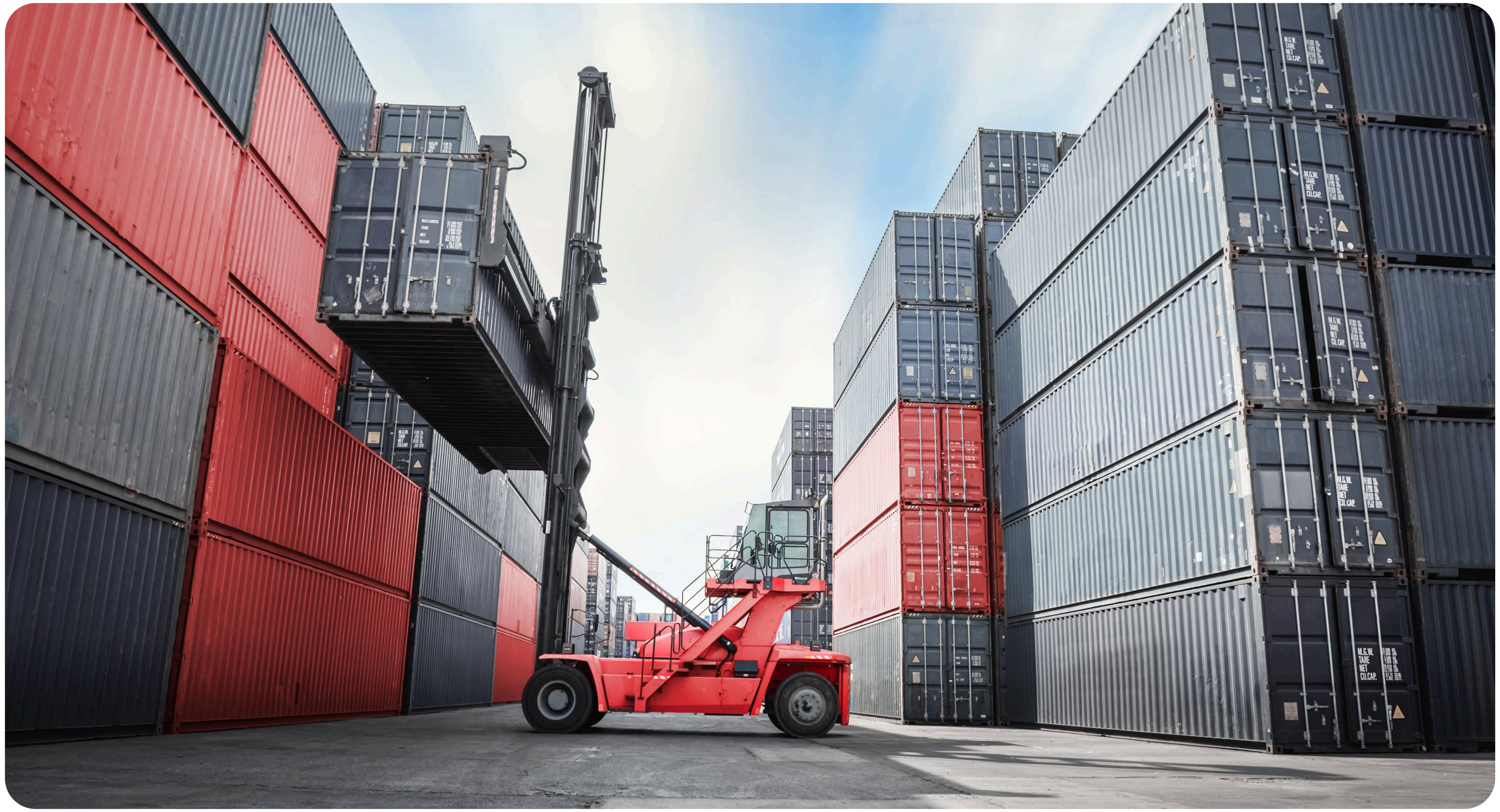
While 2024 brought positive signs, we're yet to see just how much President Trump's tariff regime will have put the brakes on deal timelines.

Recent changes to U.S. trade policy have introduced friction into global commerce. Tariffs on Chinese imports and new duties targeting a wide range of goods from other countries have unsettled trade relationships, triggered retaliation from major exporters, and disrupted supply chains. For dealmakers, this has added complexity and made cross-border transactions harder to navigate.

Beyond the immediate financial impact, uncertainty has risen sharply. A May 2025 PwC Pulse Survey found that 30% of U.S. companies have paused or revisited deals due to tariff-related issues. This caution is expected to persist as dealmakers navigate ongoing geopolitical and economic complexities.[16]

The International Monetary Fund (IMF) recently downgraded its global economic growth outlook due to the ongoing uncertainty and tensions around trade tariffs.[17] At the same time, long-term interest rates are starting to rise in several major markets, putting pressure on deal financing.

These dynamics have heightened valuation risk. As Grant Thornton notes, higher operating expenses from tariffs can compress margins and distort EBITDA forecasts, making asset pricing more volatile.[18] This increases the likelihood of protracted negotiations and delayed closings as buyers and sellers struggle to align expectations.



[16] PwC, 2025 Mid-Year Outlook, 2025

[17] AXA, IMF Downgrades Global Growth Forecast, 2025

[18] Grant Thornton, Tariffs Are On Hold, Your Strategy Shouldn't Be, 2025

IMPACT OF TARIFFS

The return of deep diligence

Rising financial risks and shifting market conditions have made deeper due diligence essential. David Acharya, Managing Partner at Acharya Capital Partners, a New York City-based private equity firm, explains that during bullish periods, due diligence often centers on headline metrics. This makes the process quicker and less intensive.

“In good times, deals move faster because competition is fierce, debt markets are flowing, and the focus is on growth indicators. Now, with market volatility and geopolitical concerns, we are digging deeper into financial and operating data, seeking affirmation of continuing financial performance, and heightened downside protection,” says David.

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David Acharya

Managing Partner at Acharya Capital Partners

Arlene Ortiz-Leytte, M&A and PE Partner at HSF Kramer, also notes that buyers are becoming more thorough in their review processes. “Advisors are now being instructed to dig deeper, scrutinizing the quality of earnings. Buyers want greater assurance that financial performance is reliable, not just a short-term spike, and that their investment thesis will come to fruition.”

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M&A and PE Partner at Herbert Smith Freehills Kramer

With due diligence becoming increasingly comprehensive, it is likely to add complexity and extend deal timelines. While this deeper scrutiny will strengthen confidence in deal quality, it also means that transactions will require more time and resources to complete.

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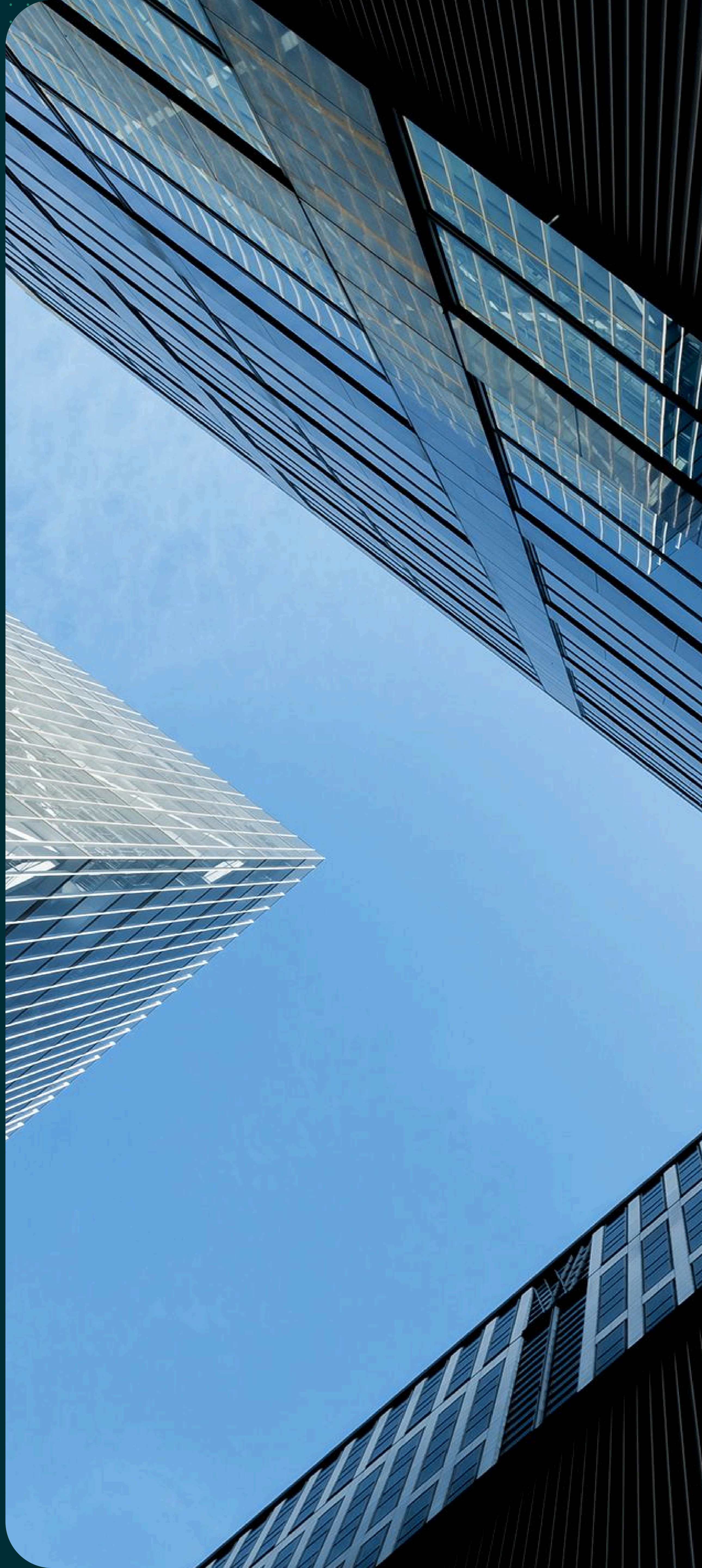
The modest drop in deal timelines signals progress, but momentum remains uncertain. With pressures mounting, companies must streamline operations and adopt technology to keep deals moving.

Has dealmaking turned a corner?



The 4% drop in average deal timelines in 2024 is a positive signal and proof that dealmaking can regain momentum under the right conditions. However, we need more evidence to conclude that M&A has decisively turned a corner.

The improvement was largely driven by short-term factors: easing interest rates, greater access to capital, and a temporary resurgence in investor confidence. These gains are already under pressure from rising long-term interest rates, escalating geopolitical tensions, and disruptive trade policies like President Trump's tariff regime.

In this environment, increased caution and market uncertainty are prompting more rigorous due diligence, a trend that is likely to continue affecting deal timelines in the months ahead.

Looking forward, sustained progress will depend less on external tailwinds and more on internal readiness. The real question is not whether the market has turned a corner, but whether individual businesses are ready to drive efficiencies themselves. Companies that embrace advanced technologies, integrate AI into their deal workflows, and improve their operational flexibility will be best positioned to spend less time on due diligence and more time on value creation.

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