

Six Key Findings from the 2026 M&A Deal Terms Study

Amid the broad rebound in private-target M&A in 2025, what trends stand out? The key findings of the 2026 SRS Acquiom M&A Deal Terms Study align around two themes:

DEAL SIZES AND STRUCTURE

~10%

Jumbo deals
(more than \$750M upfront)

Growth in all deal-size categories over the last two years, especially jumbo deals

24%

Deals with earnouts
(excluding Life Sciences deals)

Heightened use of earnout structures year-over-year and especially when compared to historical norms

POST-CLOSING PROTECTIONS

+39%

Increase in traditional indemnity deals where seller's general reps and warranties survive closing

Due diligence can dictate the level and complexity of post-closing indemnification

39%

Working capital PPAs with the "worksheet approach" to accounting methodology

Post-closing purchase price adjustments require customization beyond references to GAAP

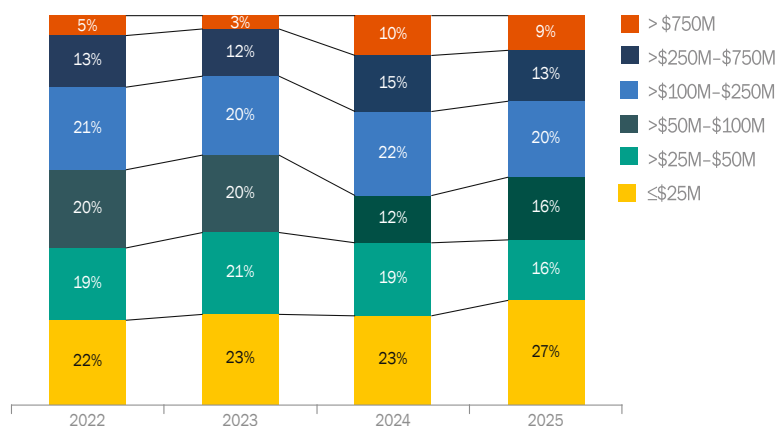
ABOUT THE DATA

SRS Acquiom provides paying agent, escrow agent, and professional shareholder representation services. The 2026 SRS Acquiom Deal Terms Study analyzes more than 200 data points across 2,300+ private-target acquisitions, for which SRS Acquiom was a shareholder representative, between 2020 and 2025. To get all the data and insights, download the full study at srsacquiom.com/2026dts.

1 More and Bigger Deals—but the Valuation Data Is Nuanced

- Deal sizes are trending up, with the last two years seeing nearly 10% of deals with upfronts valued at more than \$750 million.

TRANSACTION TYPES



Source: 2026 SRS Acquiom M&A Deal Terms Study

- Average and median multiples (of total equity invested as a percentage of transaction value) are up after two years of declines.

TRANSACTION VALUES AS MULTIPLES OF EQUITY CAPITAL INVESTED

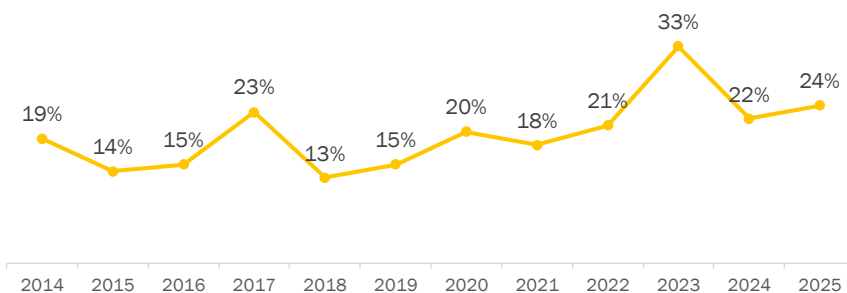
	AVERAGE	MEDIAN
2025	6.5x	3.3x
2024	5.6x	2.5x
2023	6.3x	2.5x
2022	9.1x	4.0x
2021	8.4x	5.1x
2020	6.4x	3.5x

2 Earnout Structures On the Rise

- Core M&A targets (e.g., tech, energy, retail, services) with higher valuations might garner more attention from both PE and strategic buyers (see deal-size data on the previous page), but the tradeoff for some is an earnout structure.
- Use of earnouts remains heightened with a year-over-year increase.

Earnouts (Non-Life Sciences Deals)

EARNOUT INCLUDED (2014-2025 DEALS)



Source: 2026 SRS Acquiom M&A Deal Terms Study

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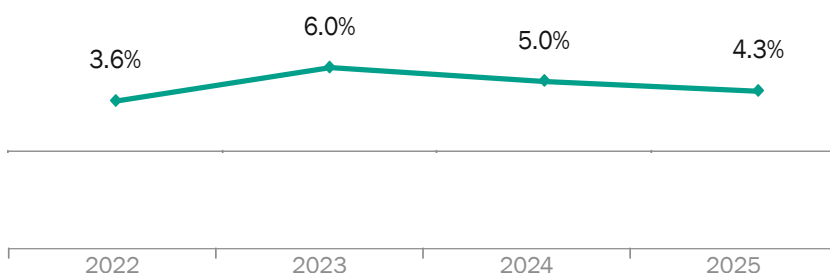
- Interested in Life Sciences earnout data where milestones are more common? Read the [2025 Life Sciences M&A Study](#).
- Find out more about how often earnouts pay in the [2024 SRS Acquiom Claims Insights Report](#).

3 Three-Year Decline in Management Carveouts

- While still above the lows seen during the 2021–2022 M&A market, **deals with management carveouts** — often a sign of a target facing valuation headwinds — **have steadily declined**.
- Carveout sizes likely increased because **fewer deals included a carveout**. Further, deals requiring carveouts appear to be those most affected by ongoing valuation turbulence.

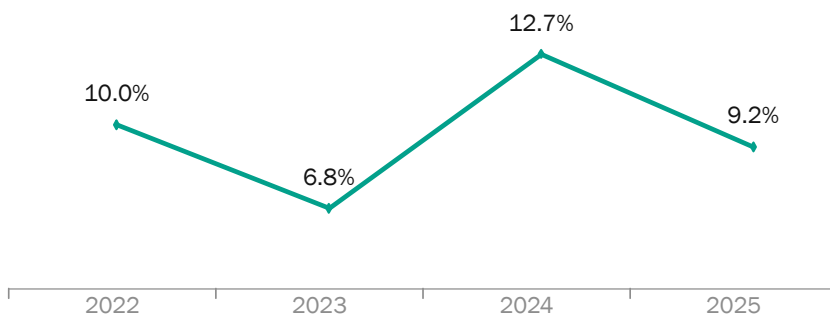
Management Carveouts: Frequency and Size (2022–2025 Deals)

DEALS INCLUDING A MANAGEMENT CARVEOUT



Source: 2026 SRS Acquiom M&A Deal Terms Study

MEDIAN SIZE AS A PERCENTAGE OF TRANSACTION VALUE



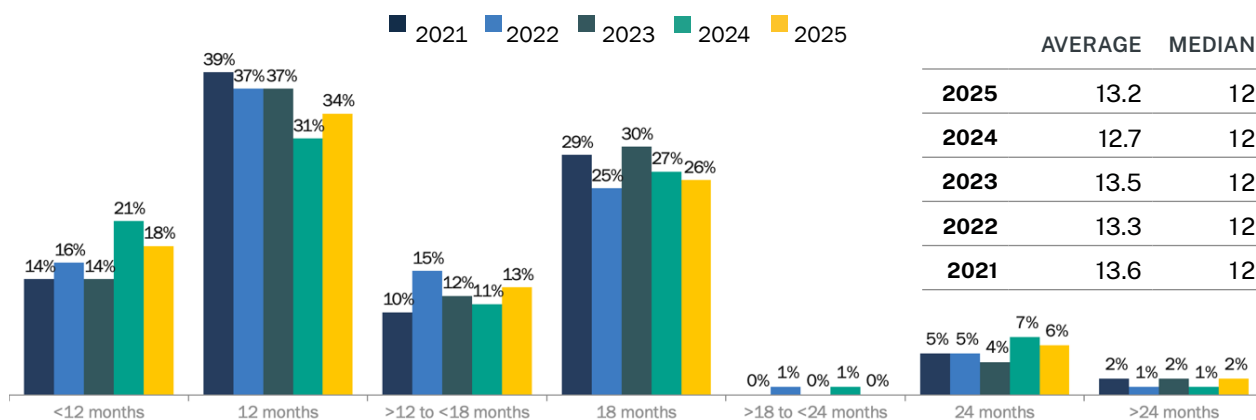
Source: 2026 SRS Acquiom M&A Deal Terms Study

4 Diligence Triage: Cleaner Targets Have Leverage

- **Buyers conducting full diligence is the re-established norm.** “Clean exits” (i.e., targets with few or no concerns identified by buyers during diligence) can see differing trends in indemnification provisions.
- The distinctions are particularly telling for targets perceived as higher risk. **Targets that weather due diligence well may see shorter survival periods or even a “walk-away” with respect to general reps and warranties.**
 - ~20% of deals had an escrow survival of less than 12 months, about a third higher than historical norms.
 - Fewer no survival in 2025 with traditional indemnity structures (see the teal horizontal bars below).

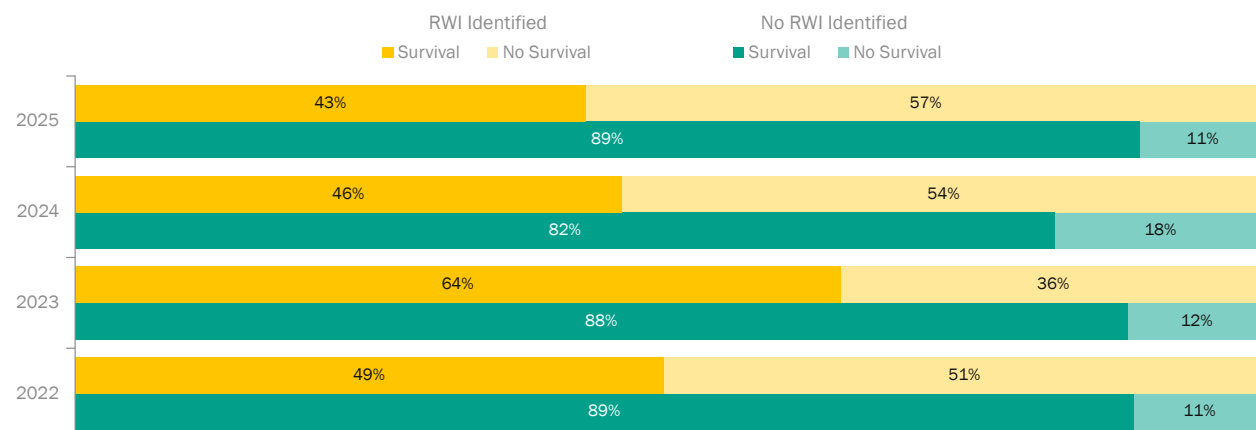
General Survival Period/Time to Assert Claims

SURVIVAL PERIOD (2025 MEDIAN: 12 MONTHS)



General Survival of Sellers' Representations and Warranties

INFLUENCE OF REPS AND WARRANTIES INSURANCE (2022-2025)



5 Escrows, Insurance, and Clawbacks, and Sometimes All Three

- **Indemnification provisions are highly negotiated and often complex.** Most deals include an indemnification escrow or holdbacks. Most deals also have more than one escrow.
- **Escrow sizes are up, especially on insured deals.** RWI is not the only culprit. There was a slight increase in holdback structures at the expense of safer, third-party escrows.

Deal Escrow Sizes 2024–2025 as a Percentage of Transaction Value

AGGREGATE SIZE OF ALL ESCROWS AS A PERCENTAGE OF TRANSACTION VALUE (2024–2025)

	2024	2025
ALL DEALS:		
Average	10.25%	12.1%
Median	10.0%	10.0%
NO RWI IDENTIFIED:		
Average	13.2%	14.7%
Median	11.3%	11.1%
RWI IDENTIFIED:		
Average	4.1%	5.1%
Median	2.1%	2.8%

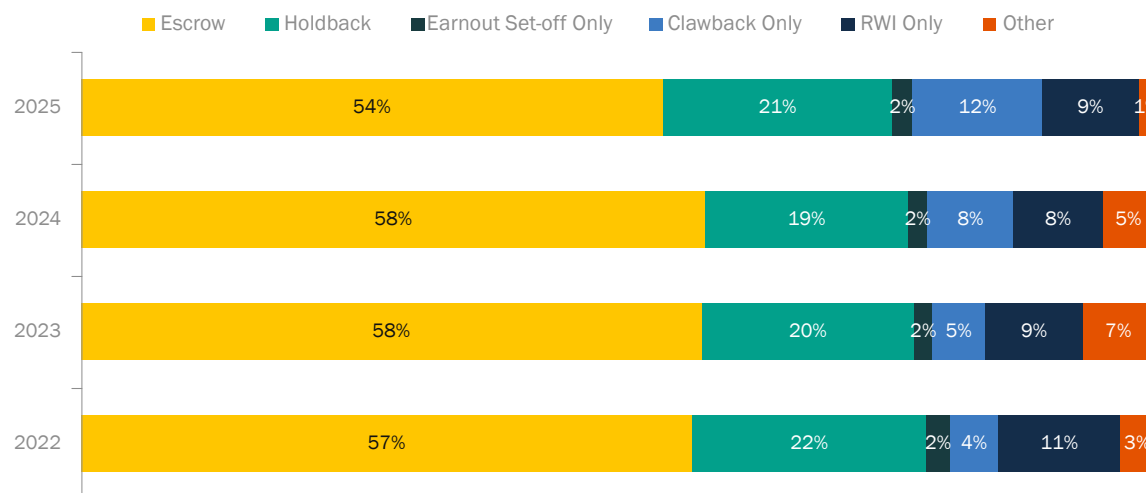
SIZE OF GENERAL INDEMNIFICATION ESCROWS AS A PERCENTAGE OF TRANSACTION VALUE (2024–2025)

	2024	2025
ALL DEALS:		
Average	7.8%	8.8%
Median	9.0%	10.0%
NO RWI IDENTIFIED:		
Average	10.9%	11.3%
Median	10.0%	10.0%
RWI IDENTIFIED:		
Average	1.4%	2.2%
Median	0.35%	0.5%

Source: 2026 SRS Acquiom M&A Deal Terms Study

Sources of Recovery: Escrows, Holdbacks, Insurance, and Setoffs

SUBSET: DEALS WITH POST-CLOSING INDEMNIFICATION



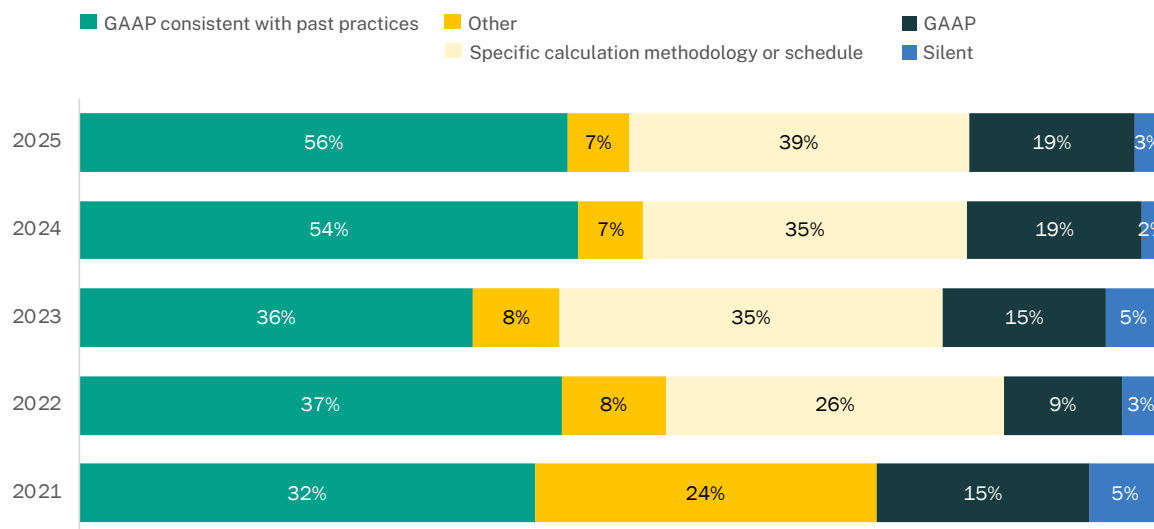
Source: 2026 SRS Acquiom M&A Deal Terms Study

6 Working Capital PPAs Get Specific with Calculations

- Purchase price adjustments (PPAs) after closing are nearly ubiquitous for private-target deals, and we continue to distill interesting shifts year-over-year in the details.
- Accounting methodology — a crucial detail for working capital PPAs — has a significant new category: **specified methodology or schedule** (i.e. *the worksheet approach*). Used on two out of five PPAs, the worksheet can no longer be considered an “Other” approach like it was in the data prior to 2022 (see darker yellow “Other” category for 2021 below).

Working Capital PPAs Accounting Methodology

SUBSET: DEALS WITH POST-CLOSING PURCHASE PRICE ADJUSTMENTS



Source: 2026 SRS Acquiom M&A Deal Terms Study

[Download the 2026 M&A Deal Terms Study](#)

ABOUT SRS ACQUIOM

SRSA Acquiom has been engaged on more than 11,000 private-target M&A deals, giving us a unique perspective into the trends that are shaping our industry. Our clients rely on us to deliver a superior experience for M&A payments, escrow, and shareholder representation.

[Learn How We Streamline Deals](#)