Press Release

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**M&A in 2025: Big deals, winning hands, and wild cards**

**Vietnam, 18 February 2025** - **Megadeal momentum returns to the market - but dealmakers will need to expect the unexpected.**

Recent dealmaking momentum at the top end of the market suggests the upswing has already begun: the volume of deals greater than $1bn in value increased by 17% in 2024, and their average value rose. But we are also seeing some mixed signals as the number of small to mid-sized deals declined. There are also some potential wild cards which could disrupt the momentum.

PwC’s Global M&A Industry Trends: 2025 Outlook looks at three key wild cards which may influence M&A activity in 2025 and key factors underlying a growing deals imperative. The M&A landscape in Vietnam mirrors these global trends, with a focus on key industries experiencing a dynamic M&A environment.

**How is the M&A market performing?**

In 2024, deal values increased by 5%, largely driven by a rise in average deal size, despite a 17% drop in deal volumes due to ongoing macroeconomic uncertainty surrounding inflation and interest rates, which dampened M&A activity for smaller to mid-sized deals. The M&A landscape saw a significant uptick at the higher end, with over 500 deals valued at more than $1 billion, up from 430 in 2023. Additionally, megadeals surged by 18%, with 72 deals worth over $5 billion announced in 2024, compared to 61 in the previous year.

**81% of previously acquisitive CEOs plan to make another acquisition in the next 3 years.** CEOs are optimistic about their M&A plans in 2025. According to PwC’s 28th Annual Global CEO Survey, 81% of CEOs who made a significant acquisition in the past three years plan to make one or more acquisitions in the next three years.

**Health industries dealmakers gear up for a more favourable M&A environment**

In 2025, portfolio gaps, supply chain issues, and policy direction are anticipated to drive M&A activity among health industry companies. Within the pharma and life sciences sectors, there is a focus on pursuing biotech deals to counteract impending patent cliffs and on divesting non-core assets as part of portfolio optimisation. These companies are also exploring creative financing structures to support innovation. Meanwhile, private equity interest in medtech and digital health is on the rise, with expectations that exits of PE-backed companies will increase. Additionally, recently spun-off or divested pure-play over-the-counter (OTC) and consumer health businesses are likely to pursue M&A to accelerate their own transformation plans. The healthcare M&A landscape in Vietnam in 2025 is expected to be vibrant, driven by increasing demand for high-quality healthcare services and a rapidly expanding middle class. Private hospitals and specialty clinics, such as ophthalmology and oncology centers, will be primary drivers of M&A activity.

**Continued growth and transformation in the Education sector**

The global M&A landscape in the education sector is evolving, with private equity investors driving 50%-70% of investments. EdTech remains a major focus, especially in digitizing K-12 and higher education. Overall, the sector is poised for continued growth and transformation, driven by technological advancements and increasing demand for quality education. In Vietnam, the government’s encouragement of foreign investment, with no limits on foreign-invested capital for educational institutions, is likely to attract more international investors. The M&A landscape in Vietnam's education sector in 2025 will be dynamic, driven by government encouragement of foreign investment and growing demand for private education. Strategic partnerships and investments in higher education and vocational training will enhance quality and infrastructure. Supportive government policies will create a favorable environment for both local and foreign investors, presenting numerous opportunities for M&A activities.

**The M&A wild cards**

**Geopolitics and the ‘Trump effect’.** Dealmakers and markets are still digesting the outcomes of the elections that took place in many countries during 2024 and the resulting changes to policy direction; in particular, the impact of the new Trump administration in the US. The global M&A outlook explores the likely impact by sector of certain US policy changes and executive orders on topics such as immigration, taxes, tariffs, deregulation and more. The broader geopolitical environment is also explored further in each of the industry perspectives which form part of the global M&A outlook series.

**Long-term interest rates.** Interest rate cuts in the second half of 2024 in many countries have supported the new M&A momentum. However, long-term rates are rising again, and the timing and extent of future rate cuts will depend on the strength of the local economy and whether inflation continues to cool leading to continuing uncertainty for dealmakers.

**High valuations.** In mid-January 2025, the forward price-to-earnings ratio for US stocks (based on the S&P 500) was 22.87, compared with 13.67 for non-US international stocks (based on the S&P International 700). Lower valuations in some countries and a strong US dollar may lead to more cross-border deals.

**The deals imperative grows stronger**

**A focus on growth and business transformation.** With 53% of CEOs ‘extremely’ or ‘very’ confident about their company’s prospects for growth over the next three years (Source: PwC’s 28th Annual Global CEO Survey), this suggests they expect current or future planned actions will grow their company’s top line. In addition to acquisitions to drive growth, we expect divestitures, including large corporate spin-offs, to drive business transformation.

**AI is acting as a catalyst for change attracting significant investment.** Demand for AI has significantly boosted investment in digital infrastructure. Over the next five years, capital expenditures could reach $2tn for building new data centres. Additionally, the increasing energy demands to support AI are driving investments in power generation.

**Private equity (PE) exit backlog grows.** Almost half of the 29,000 portfolio companies worldwide have been on the books for over four years. Investor pressure on PE funds to return capital is growing.

**For dealmakers, finding the path forward**

To be successful, dealmakers will need to be prepared to answer some tough questions, including around the impact of AI, achieving returns in a market with high valuations and slowing growth, where opportunities exist for investors and the geopolitical implications of any deal being considered.

Ong Tiong Hooi, Partner, Transaction Services Leader, PwC Vietnam, shared: “As we enter 2025, the global M&A landscape is set for a significant recovery, driven by easing economic headwinds and strategic acquisitions. This trend is mirrored in Vietnam, where we see increased activity across various sectors. In Vietnam, domestic companies are leading high-value transactions, and foreign investors are showing renewed interest, particularly in the healthcare and education sectors. Navigating this dynamic market requires a deep understanding of industry trends and a strategic focus on value creation. Dealmakers must stay vigilant, monitoring valuations, interest rates, and geopolitical factors to seize emerging opportunities.”

**Ends.**

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**Note to editors**

### **About PwC’s Global M&A Industry Trends**

PwC’s Global M&A Industry Trends is a semi-annual analysis of global deals activity across eight industries—consumer markets; energy, utilities and resources; financial services; health industries; industrials and services; private capital; real estate; and technology, media and telecommunications.

Read the full report [here](https://www.pwc.com/gx/en/services/deals/trends.html?WT.mc_id=GMO-SPO-NA-FY25-SPO-GLMAT-T23-CI-XLOS-ART-GMOSPO00013-EN-ETL-T1).

## **About the data**

Our commentary on M&A trends is based on data from industry-recognised sources and our own independent research. Specifically, deal volumes and values referenced in this publication are based on officially announced transactions, excluding rumoured and withdrawn transactions, as provided by the London Stock Exchange Group (LSEG) as of 31 December 2024 and accessed between 6-9 January 2025. Data on the number of private equity portfolio companies as of 31 December 2024 was sourced from PitchBook. Certain adjustments to source data have been made to align with PwC’s industry mapping. All dollar amounts are in US dollars. Megadeals are defined as deals greater than $5bn in value.

**About PwC**

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