

# M&A deals rise 13.5% in '24 so far

Deal volume rebounds with 26% increase; bankers expect the momentum to continue in 2025

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Investment bankers are expected to go home with hefty bonus cheques in 2024 with merger and acquisition (M&A) deals rising 13.5 per cent year-on-year (Y-o-Y) to \$88.9 billion in value in the first eleven months of the year, according to *Bloomberg* data.

Bankers expect 2025 to be another record year as healthy economic growth, technological advancements, and the deployment of “dry powder” (unallocated cash) by private equities create a conducive environment for deal-making.

“Deal activity in 2025 is expected to remain strong, building on the momentum gained in 2024 due to stable interest rates, slowing inflation, and investment capital available in the form of dry powder with private and public funds,” said Bhavin Shah, Partner, Deals Leader, PwC India.

These favourable conditions continue to encourage companies to pursue growth, particularly through digital transformation and strategic acquisitions,” Shah said.

In 2024, deal volume increased 25.9 per cent to 2,811 transactions in the first eleven months of the year, compared with 2,232 transactions for the corresponding previous year. M&A deals generally slow down considerably in the last weeks of a year due to the Christmas holidays.



According to *Bloomberg*, the largest transactions of the year include the merger of Quality Care India and Aster DM Healthcare valued at \$5.08 billion, followed by Bharti Enterprises’ acquisition of a 24.5 per cent stake in the BT Group at \$4.08 billion, and a family settlement transaction in the Godrej family at \$3.5 billion.

The trends from 2024 suggest that early-stage investments and smaller ticket-size deals will persist, but as capital becomes cheaper, larger deals are likely to make an appearance. Key sectors driving this activity include manufacturing, consumer goods, IT, pharma, healthcare, and real estate. Additionally, financial services is expected to see growth, driven by both invest-

ment needs and consolidation.

Vishal Agarwal, Partner, Grant Thornton Bharat, said that capital markets were expected to remain buoyant, and with interest rates expected to decrease, there could be more liquidity flowing into the markets. This, however, may lead to limited opportunities for M&A and private equity investments. Despite this, the market will evolve to support both public and capital markets.

Echoing similar sentiments, Maneesh Bhandari, Co-Founder and CEO, Growthpal, a deal-sourcing platform, also anticipates the deal momentum to continue in 2025.

Bhandari notes that the recovery in 2024 was fueled by attractive valuations, abundant liquidity, and firms’ focus on

accelerating revenue growth.

“Notably, cash-rich companies leaned into micro-fit M&A, cross-border deals, and bolt-on acquisitions, with particular interest in emerging sectors such as Generative AI, SaaS, Electric Vehicles, and renewable energy,” he said.

Bhandari also noted that an emerging trend is companies pushing to meet earnings targets while falling short of revenue goals. This has become a major driver for M&A activity, especially in the technology sector, as companies pursue inorganic growth to close the revenue gap. The consumer goods sector has also seen increased deal activity, driven by similar challenges in meeting revenue expectations.

The deal pipeline for 2025 is

expected to be robust with a significant amount of capital chasing several large deals in multiple sectors both in strategic deals, as well as private equity-funded deals.

Challenges in China will continue to benefit India as the only country attracting significant investment in Asia, Shah said. Shah added that 2025, however, is likely to be a bit unpredictable, given regulatory changes in the USA (tariffs, tax changes) and corresponding fallout in investor sentiments both on the public market side, as well as in the private investment side. Geopolitical tensions, supply chain disruptions, and robust economic activity in developed economies have led to muted cross-border M&A activity.

## M&A DEALS IN INDIA

Jan-Nov	No. of deals	Value (\$ bn)	% chg Y-o-Y
CY20	1,752	108.4	0.3
CY21	2,783	123.5	14.0
CY22	3,136	184.4	49.3
CY23	2,232	78.4	-57.5
CY24	2,811	88.9	13.5

## BIG TICKETS

### Top 5 deals of 2024

Deal type	Target	Acquirer	(\$ mn)
M&A	Quality Care India	Aster DM Healthcare	5,086
INV	BT Group PLC Holding	Bharti Enterprises	4,083
M&A	Godrej Industries	Private Investor	3,579
M&A	Gujarat State Petronet	Gujarat Gas	3,018
M&A	ATC India Tower Corp	Altius Telecom Infrastructure	2,526

Source: Bloomberg

Compiled by BS Research Bureau