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# APAC Mid-Market M&A Activity Demonstrates Resilience in Q1 FY25 Despite Geopolitical Challenges

[Moore Australia](https://www.moore-australia.com.au) today released its **APAC Mid-Market M&A Report for Q1 FY25** revealing that, despite geopolitical tensions and foreign investment restrictions, mid-market mergers and acquisition (M&A) activity in the Asia-Pacific (APAC) region has shown resilience. With over **1,500 deals** completed in the first quarter, representing **5% growth** compared to Q1 FY24, the report highlights the region’s adaptability and continued appetite for strategic consolidation.

The **technology** and **consumer products** sectors continue to drive deal flow, with technology accounting for **23%** of total deals, matching its performance from the previous year. The **consumer products sector** has seen increased consolidation, rising from **10%** of deals in FY24 to **16%** in Q1 FY25, as businesses seek cost synergies in response to sluggish demand and rising costs.

**Cross-border M&A**, however, has seen a decline, with deals accounting for just **22%** of total M&A activity, down from **35%** three years ago. The report attributes this decline to increased geopolitical tensions, particularly related to China and foreign investment restrictions. In spite of this, Moore Australia remains optimistic that this trend will reverse in the coming years as new free-trade agreements take effect and foreign investment review processes across the region become more streamlined.

**Private equity** has continued to play a vital role in the mid-market, with longer holding periods observed as funds wait for valuations to fall in order to meet IRR hurdles. The average deal size in Q1 FY25 was **$28 million**, in line with recent years, while **earnings multiples** have increased to an average of **18 times EBITDA**, up from 15 times in FY24, reflecting growing confidence among investors in high-growth sectors.

Colin Prasad, Director of Corporate Finance at Moore Australia (VIC/TAS), commented: "The APAC mid-market remains an attractive and dynamic environment for M&A activity. Despite external pressures, businesses in sectors like technology and consumer products continue to drive growth. As geopolitical issues ease, we expect to see renewed strength in cross-border transactions, supported by improved regulatory frameworks across the region."

**Key Findings of the Report:**

* **1,540 deals** were completed in Q1 FY25, up **5%** from the same period in FY24.
* **Cross-border deals** accounted for **22%** of M&A activity, down from **35%** three years ago.
* The **technology sector** accounted for **23%** of deals, maintaining its leading position.
* The **consumer products sector** saw its share of deals rise to **16%**, driven by consolidation.
* Buyers paid an average of **18 times EBITDA**, reflecting increased investor confidence.

The report provides an overview of the M&A landscape in the APAC mid-market, noting the continued importance of private equity, sector-specific growth and the strategic consolidation of businesses in response to economic pressures.

**About Moore Australia**

Moore Australia is a network of independent accounting, advisory, and corporate finance firms, with offices around Australia, offering expert insight and analysis for businesses navigating complex market environments. As a member of the Moore Global network, with offices across the Asia-Pacific region and 114 countries globally, Moore Australia provides tailored solutions to help clients achieve their strategic goals in M&A and beyond.

For more information or to access the full report, please visit [Moore Australia’s website](https://www.moore-australia.com.au/news-and-views/october-2024/apac-mid-market-m-a-report-q1-fy25) or contact:

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