Dartmouth

M&A Market Insights H1 2026 I UK and Europe

Introduction

The first half of 2026 has been defined by a widening gap between what the M&A market is prepared to do and what is actually converting. The structural case for a multi-year upcycle remains intact: advisory backlogs have rebuilt after the lean years of 2023 and 2024, deal pipelines have recovered, and sponsors are under pressure to transact. The near-term backdrop, however, has stayed cautious, with clients and management teams approaching transactions carefully as diligence deepens and structures grow more complex. The result is a market that feels busy without always closing: pipelines are fuller, but decisions are taking longer to reach. The headline numbers carry both halves of that story: deal value across EMEA more than doubled year on year to its highest first half in nineteen years, while the number of deals fell and the deals that happened took longer to close. Readings differ by provider, and Europe-only trackers put the recovery in value more modestly, but the shape is the same in each: the half was carried by a small number of very large transactions rather than a broad return of activity.

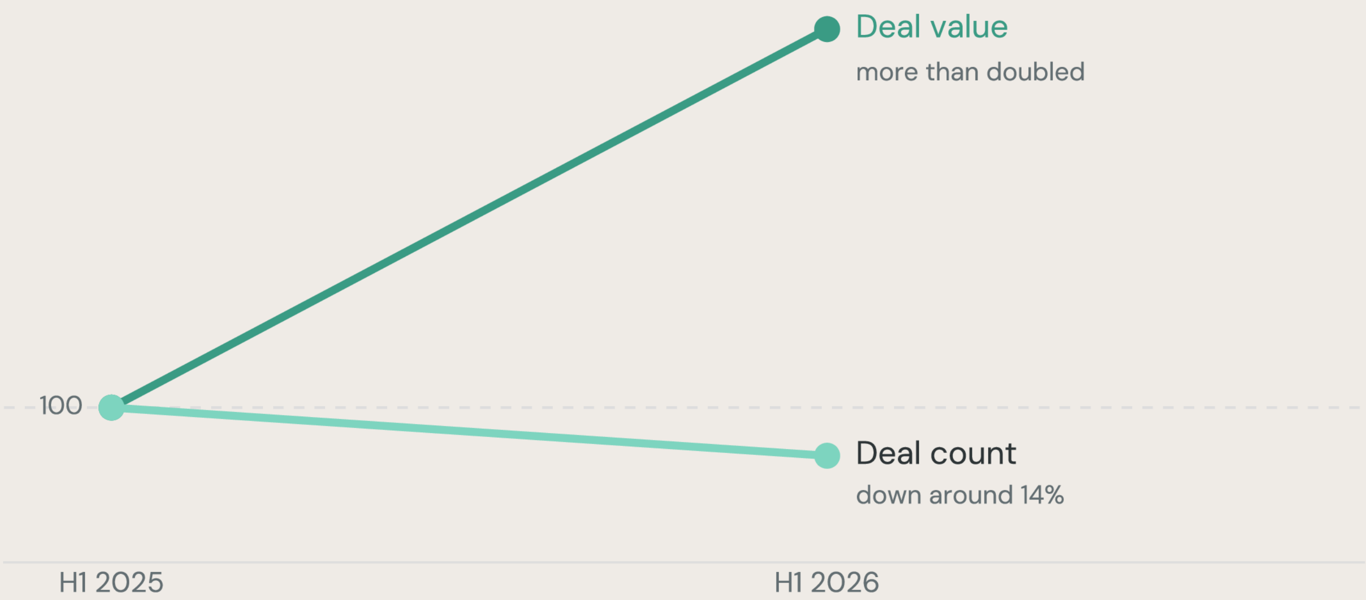
That combination is shaping who gets hired and how. Drawing on more than 2,800 conversations across our M&A advisory coverage in the first half of 2026, alongside more than 180 client meetings, three patterns stood out, and they track the themes the market itself is talking about. Each begins as a shift in the market and becomes a shift in talent.

"The market feels busy without always closing: pipelines are fuller, but decisions are taking longer to reach."

The first pattern is the tension between a structural upcycle and near-term caution, which is producing a hiring market that feels active but converts slowly. The second is a shift in what moves candidates, towards the fundamentals of platform, franchise quality and live deal flow, and in this market the fundamental that matters most is proven deal experience. The third is compensation, which is broadly flat at the aggregate level while the spread between performers widens, with the full picture set out in our upcoming September compensation report. We see these patterns across firms rather than from inside any one of them, which is the vantage point this report is written from.

A two-speed market: value up, volume down

Indexed to H1 2025 = 100



Source: LSEG, EMEA, H1 2026 vs H1 2025. Directional summary of reported figures.

THEME 1: Structural demand, cyclical caution, and a market that converts slowly

The long-term upcycle and near-term uncertainty are pulling against each other, and the result is an active market that is slow to convert

The tension in the market is genuine. On one side, the structural argument for sustained M&A is strong and the recovery in value is real: across EMEA, first-half deal value more than doubled against the same period in 2025, its highest level in nearly twenty years. On the other, that value was concentrated in a handful of very large deals, with mega-deals accounting for close to half of deal value globally, while the number of transactions across the region fell by around a seventh and the mid-market was steadier than busy. The market can therefore feel buoyant and quiet at the same time, depending on where a desk sits, with isolated pockets of restructuring and special situations providing a thin but steady counter-cyclical seam. Financial services illustrates the split within a single sector: deal value surged on a small number of very large consolidation transactions even as day-to-day conversation volume across FIG coverage cooled, which is the two-speed pattern in miniature.

The clearest expression of the caution is time. Deals are taking materially longer to complete, with industry data putting the global average at over 260 days, up from around 200 five years ago, as diligence deepens and structures grow more complex. Senior advisers describe the same thing: clients are not walking away from transactions, but they are proceeding carefully, and timelines have stretched. For the market this reads as a story about process. For talent it is a story about experience, and that is where the hiring consequence begins. Our own analysis of European transactions with disclosed value of $25m or more points the same way, with completed and announced deal count softening from 184 in the first quarter to 162 in the second.

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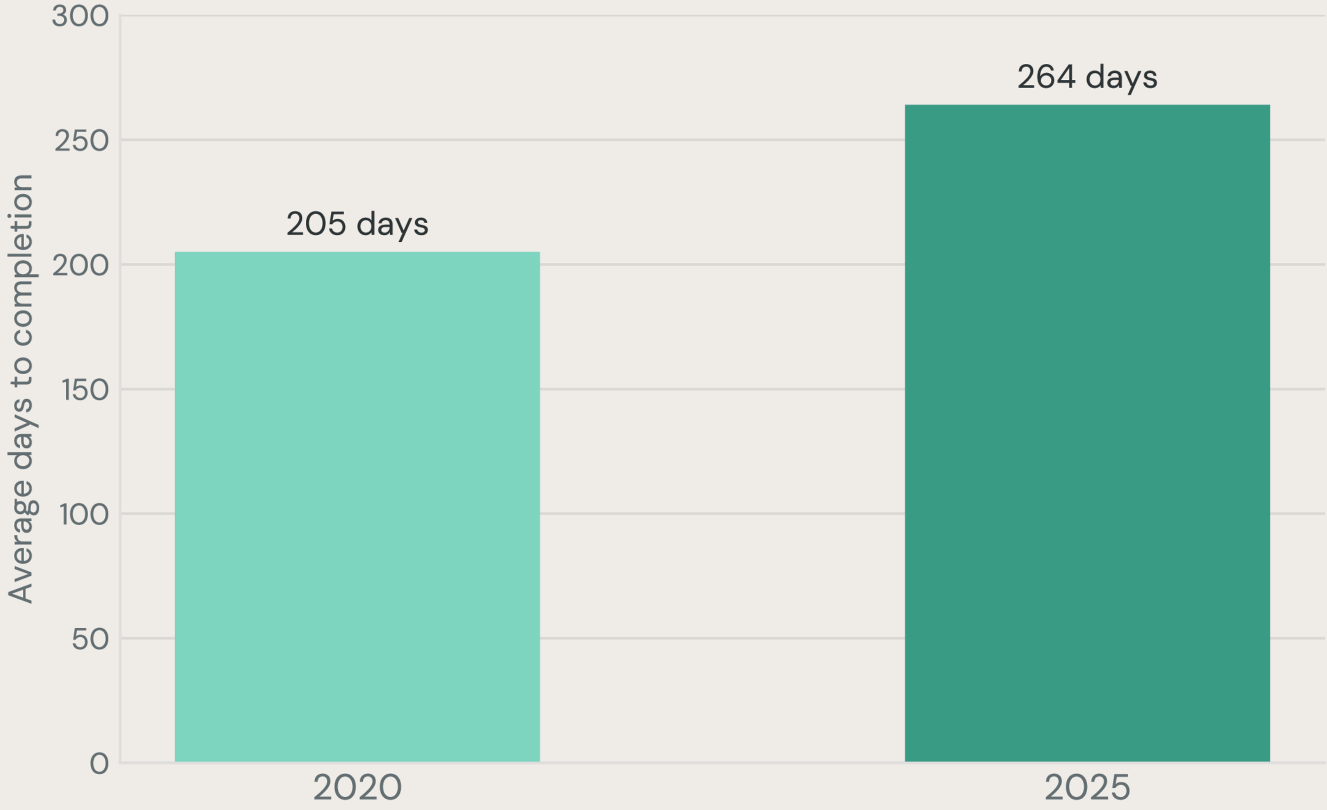
M&A deals are taking longer to complete



Source: Ideals M&A Outlook 2026 (global average time to close; 2020 and 2025).

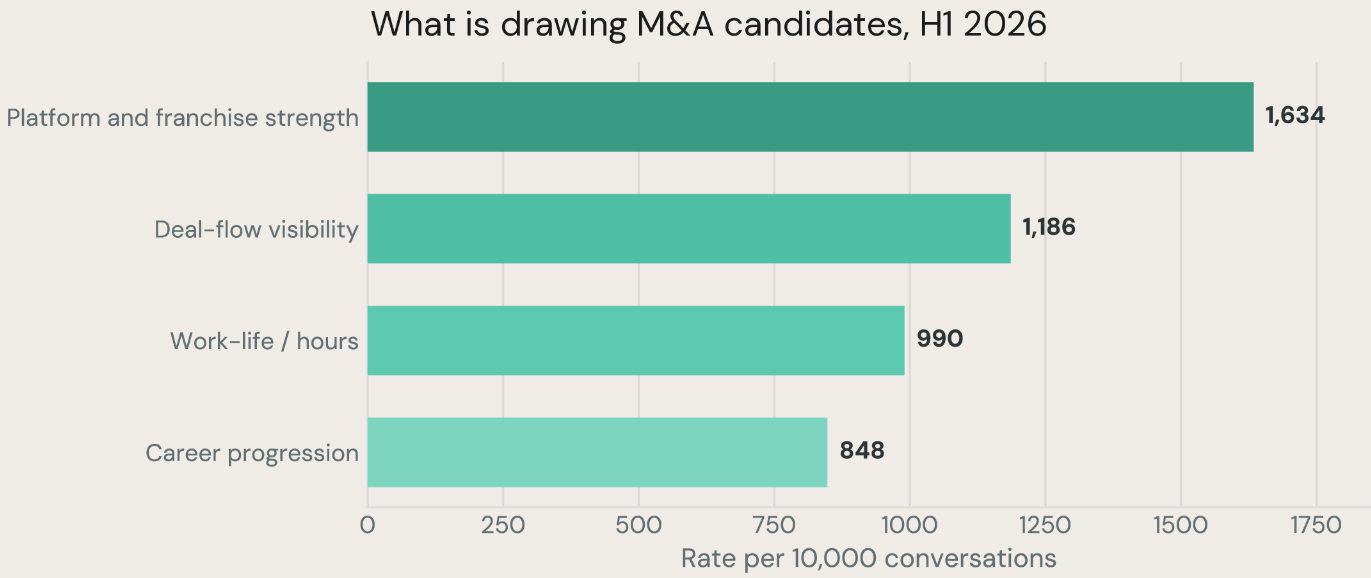
Because deals are fewer, larger and slower, fewer people are accumulating complete, end-to-end transaction experience, and those who are take longer to do it. A professional who would once have closed several processes in a busy two-year window may now have carried fewer through to completion. Live execution experience, the ability to take a deal from mandate to close, is quietly becoming the scarce currency of the market, and that scarcity, rather than a shortage of willing candidates, is what makes hiring feel hard.

The hiring implication is about speed as much as supply. In a market where processes are slow and the right experience is scarce, the firms that lose out are usually those that hesitate, not those that are outbid. The strongest candidates in the market rarely remain available for the duration of a lengthy, multi-stage process, making decisiveness a competitive advantage in its own right.

THEME 2: Candidate drivers are shifting towards fundamentals

Moves are driven less by brand and bonus and more by fundamentals, and the fundamental that matters most in this market is proven deal experience

What moves people has changed. For much of the last cycle, moves at the Associate and Vice-President levels were driven by brand and by compensation arbitrage. The clearest change in candidate behaviour compared with 2025 is closer scrutiny of a firm's performance, its culture and its platform, rather than the name on the door for its own sake. In the first half of 2026 the drivers we hear most often are more grounded: the visibility and quality of live deal flow, the stability of the team, and the wider platform. Ranked across our conversations, platform and franchise strength were cited most often, with deal-flow visibility close behind, followed by career progression, particularly for Vice-President-level candidates and above.



Source: Dartmouth Partners proprietary hiring data, H1 2026.

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It is worth being precise about what sits inside that leading driver. When candidates talk about platform and franchise strength, they are typically referring to a combination of market position and day-to-day experience: whether a firm operates in the mid-market or at large-cap, independent or as part of a broader institution, the quality and visibility of its deal flow, the depth of its sector expertise, the calibre of its senior bankers, the opportunities for learning and progression, and its track record of completed transactions. Brand still matters, but increasingly as a proxy for those underlying attributes rather than as a draw in its own right. Candidates are looking beyond reputation to assess the quality of the opportunity itself. Work-life considerations remain a material factor, sitting alongside rather than ahead of the desire for genuine deal exposure. Culture features too in how candidates describe the platforms they want, though it shows up more in conversation than as a measurable signal.

Compensation still matters, but its weight depends on the direction of travel. Among Associates in particular, we hear a growing appetite for a move to the buy-side rather than a long-term future in banking, and for those candidates the immediate cash package is a lesser consideration, weighed against the nature of the work, ownership and the longer-term economics of a fund seat. For those who intend to stay in banking, compensation remains among the most important factors. That pull is not simply sentiment on the candidate side; it is matched by rising demand from the funds themselves. Across our private equity coverage, fund-side hiring conversations grew from roughly one in seven of the desk's activity in the first half of 2025 to about one in five in the first half of 2026, and within 2026 the share concerned with deal-team and investment-professional seats rose again from the first quarter to the second. Fund hiring remains overwhelmingly focused on investment and deal-execution roles rather than portfolio operations, aligning closely with the skill set of bankers considering a move from the sell side. For associates weighing the move, in other words, the buy-side door is open wider than it was a year ago.

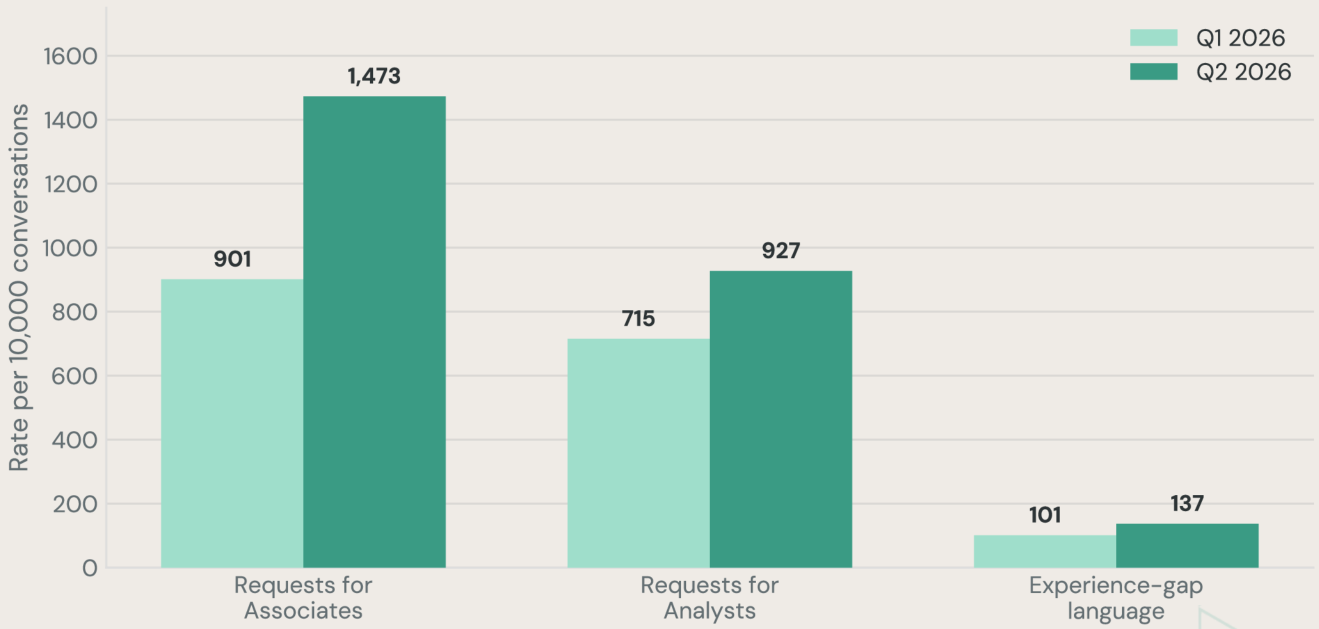
"Strong Associates will be genuinely hard to hire this year and next, so the ones a firm already has are worth holding onto, and the ones on the market are worth moving on quickly."

Underneath the shift to fundamentals sits a clear pattern on seniority. Client demand is concentrated at the Associate level: requests for Associates were the most common hiring-demand signal we tracked, rising by roughly two-thirds into the second quarter and well ahead of demand at other levels. The timing is partly explained by annual bonus cycles, which traditionally create a window for mobility, but it also reflects where firms feel the greatest pressure. Associates remain the engine room of execution, particularly in a market where processes are lengthening and diligence requirements are increasing.

The challenge is that the cohort now carrying that title came through the lean market of 2023 and 2024, marked by hiring freezes and redundancies, and before that the disruption of the pandemic. The result is a relatively thin population, with many Associates having accumulated fewer live transactions than the title would historically imply. The effect is especially visible in parts of the independent-advisory market, where narrower deal volumes can make it harder to build transaction experience at the same pace as larger, full-service institutions. That is not necessarily a question of quality: exposure may be deeper at a sector or client level, but the volume and variety of completed transactions can differ markedly.

Deferred promotions through the downturn have compounded the issue. In some cases, capable bankers have progressed through titles more quickly than they have through transactions, leaving parts of the mid-level population with less execution experience than their seniority would traditionally suggest. This experience gap is a recurring theme in conversations with hiring managers and increasingly appears in candidate assessments, although the clearest evidence tends to emerge only once a live recruitment process is underway.

Client demand concentrates at associate level



Source: Dartmouth Partners proprietary hiring data, H1 2026.

Two forces are therefore acting on the same population at once. The supply of high-quality Associates is constrained by the reduced hiring and training of 2023 and 2024, a shortfall that is being felt roughly three years later. At the same time, a growing share of Associates are exploring opportunities on the buy side and pursuing alternative career paths rather than a long-term future in banking. That removes talent from the market just as demand is accelerating. The combined effect and implication for firms is straightforward: strong Associates are likely to remain scarce through this year and next. Retention matters more than it has for some time, and when the right candidate does come to market, speed of decision-making is often the difference between hiring them and losing them.

That scarcity is changing how firms think about hiring. The fundamental that now matters most is demonstrable deal experience rather than level or tenure, and the strongest firms are increasingly hiring accordingly. The default instinct, to hire an Associate, is not always the right one. Given how limited the pool of proven Associates has become, a search can run for many months, and firms that hold out for a ready-made solution often wait far longer than they expect. In many cases, a strong Analyst with genuine live-deal exposure, operating at A3-level, who can be in seat in weeks rather than months and trained into the role, is frequently the better answer than an Associate whose title outruns their execution record. Our own grad-to-analyst placement record is built on exactly this: identifying people with the raw ability and the early deal exposure to grow quickly.

The same logic applies internally. Where a firm already has people who can run a process through to completion, the priority shifts from buying talent to retaining it. Those people are, in the language of this market, silver bullets, rare and disproportionately valuable, and losing one costs far more than the effort required to retain them. The firms taking the longest view are pairing that retention with a deliberate junior pipeline, developing Analysts with real transaction exposure rather than competing for a small pool of ready-made Associates at a premium.

A final point concerns hiring process rather than deal process. The strongest candidates at this level are largely passive, approached rather than actively seeking a move, and a drawn-out or hesitant recruitment process often loses them, either to a competing opportunity or because delay itself increases the perceived risk of moving. In a market where proven execution talent is scarce, decisiveness has become a competitive advantage. Firms that move quickly are increasingly the firms that secure the hires they want.

THEME 3: Compensation is normalising, but dispersion is widening

Pay is broadly flat at the aggregate level, and the real story is the widening gap between performers

Compensation was the single most-discussed topic across our conversations this half, which is why it warrants a place here even though the full analysis will be published in our September compensation report. At the aggregate level, pay at the Associate and Vice-President levels has been broadly flat year-on-year, with a handful of outperformers. The more interesting movement is in dispersion: the spread between top and mid-tier performers has widened, and differentiation has become sharper around promotion points, where firms are increasingly separating the people they are determined to keep from the rest.

That pattern connects directly to the first two themes. As headline pay does less to distinguish one seat from another for the median performer, compensation is doing less of the work in motivating moves, and the fundamentals in Theme 2, deal exposure, platform quality and a credible route through the experience gap, are doing more. And as differentiation concentrates at the top, the retention economics sharpen: in a market where proven execution is scarce, holding on to the strongest performers matters more than the marginal cost of doing so, and the promotion point is where that decision is increasingly made or lost.

The specific figures, by level and by cycle, belong to the September compensation report. The pattern worth flagging now is simply that the distribution is stretching, and that pay is becoming a weaker signal of where the best people will move than it used to be.

A Conversation on Compensation?
We are actively gathering the market intelligence that will sit behind that report through the second half, and if compensation is shaping your hiring or retention decisions now, we would welcome the conversation rather than have you wait for September.

Alternatively, you can register below to receive the report when it is published.

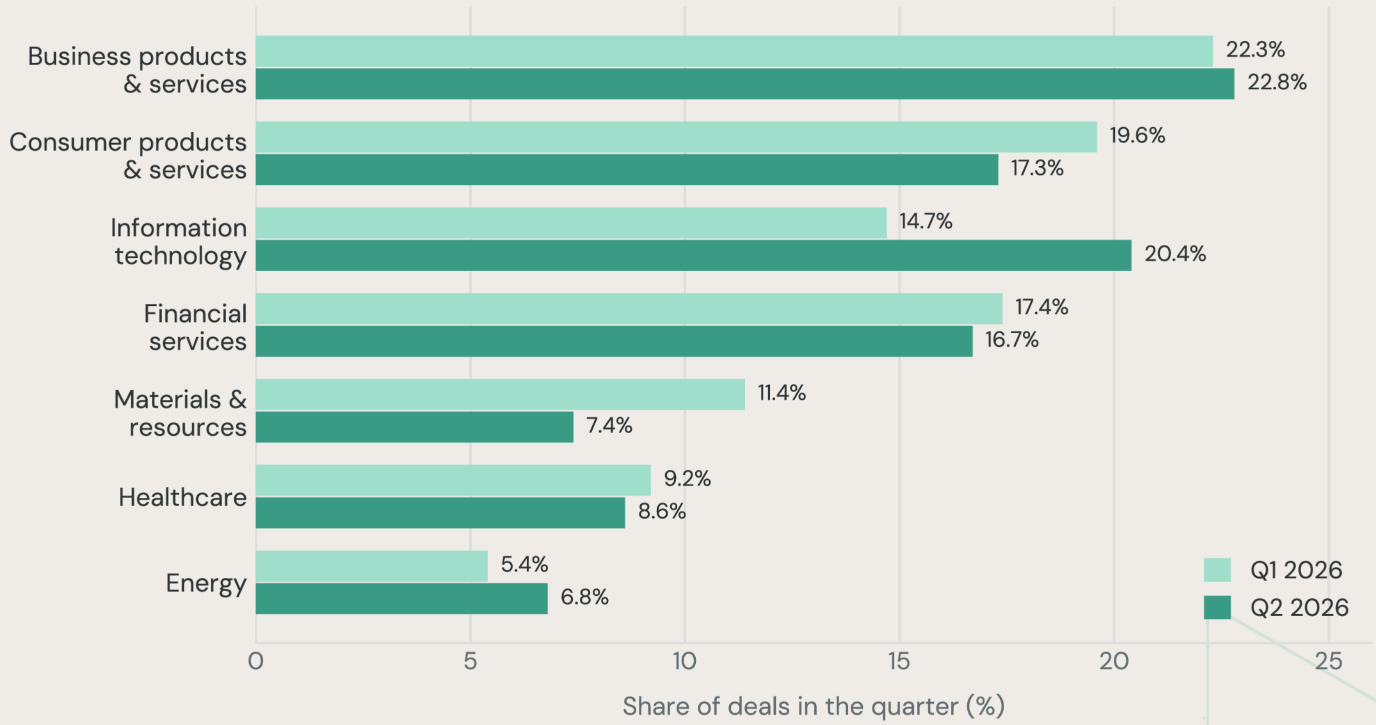
Register your interest now!

Looking ahead

The through-line into the second half is scarcity of proven execution talent rather than scarcity of demand. If the value recovery broadens from mega-deals into the mid-market, as many expect should financing conditions ease, competition for the people who can actually run those deals will intensify rather than relax. The firms best placed are those that have kept their processes moving, because in a slow market decisiveness secures the scarce candidate, and those that have learned to screen for real deal experience over title.

Two areas are worth watching for where the net-new mandates sit. The first is sector. Across the market, business services, consumer and technology led European deal activity in the half, and technology's share of deals grew faster than any other sector from the first quarter to the second, from around 15% of deals to just over 20%. Our own conversation data overlaps most clearly on technology and consumer; energy and power and industrials also run hot across our coverage, where hiring conversations can lead reported deal activity rather than track it, and coverage hiring is following the momentum.

Europpean M&A sector share, Q1 vs Q2 2026



Source: PitchBook, Dartmouth Partners analysis. European M&A, deals with disclosed value of $25m or more, Q1 (Jan to Mar) vs Q2 (Apr to Jun) 2026.

The second is the secondaries and private capital advisory market, which is moving from a specialist niche into the mainstream. European continuation-vehicle fundraising more than doubled last year and continuation vehicles now account for a substantial share of private equity-to-private equity exits, a shift visible across our own secondaries coverage. What is notable now is who is building capability: the independents are moving into continuation-vehicle advisory, there has already been one large consolidation in the space with more expected, and M&A bankers are crossing over because these deals increasingly resemble M&A, with more sell-side exposure, less repeatable process, and more critical thinking than traditional secondaries work. These are among the clearest sources of new mandates, and the teams building into them ahead of the demand will have the advantage.

At Dartmouth, these are the conversations we have with partners, hiring managers and candidates every day. Whether you are building a team, assessing how your firm is positioned against the patterns above, or weighing your own next move, we would welcome the conversation.

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