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Middle Market M&A Remains Steady Despite Geopolitical Concerns

"The lower mid-market [deals] is arguably coming back even more quickly than the mid-market and the upper mid-market," said Saul Ewing partner Tal Unrad.

4 minute read | June 08, 2026 at 10:25 AM

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What You Need to Know

- Middle market M&A activity has held steady in 2026, according to several transactional attorneys, and even picked up in some areas.
- It follows a turbulent 2025 for deal work amid uncertainty over President Donald Trump's trade policy, geopolitical concerns, and other economic factors.

Middle market M&A has held steady and even picked up in some areas, including health care, tech and oil and gas, several transactional attorneys say.

It follows a turbulent 2025 for deal work amid uncertainty over President Donald Trump's trade policy, geopolitical concerns and other economic factors.

"There was a lot of hesitancy in the market last year around, 'What's the next move for coming out of Washington? And how is tax policy? How is trade policy? All those things are going to affect what yields are," said Saul Ewing partner Tal Unrad. "We've reached a point where people are sort of settling in, figuring out what's going on with those policy issues."

Unrad said he has seen more private equity interest in the middle market this year and has noticed more activity overall in the lower mid-market. Healthcare is one sector that has remained busy, he added, as well as the tech sector, when clients can find deals to make.

"The lower mid-market [deals] is arguably coming back even more quickly than the mid-market and the upper mid-market," Unrad said. "There is that opportunity for some of these small businesses in the lower mid-market, and that's an interesting thing to see."

David Coligado, chief executive officer of Dallas-founded Munsch Hardt Kopf & Harr, said mid-market M&A has been "really steady" and that his firm has hired recently in anticipation of growing demand, including a handful of associates over the last year.

"What the economy is doing, there is just a lot of consolidation across industries. We've had a very steady year," he said.

That trend has continued into 2026, he said, and the firm is "weathering the chaos in the market." Real estate has been hindered a little by interest rate fluctuations, but that doesn't affect the firm's leasing group and there's plenty of equity on the sidelines, he said.

"Texas is probably the ideal market in an environment where oil and gas, that business, is active," he said.

But there is no question that geopolitical headwinds have had an effect on the M&A market over the past year, according to Shaw Lewenz partner Matthew Kohen.

Unrad at Saul Ewing noted that clients are straying away from logistics-heavy deals .

“People are staying away from anything that's logistics heavy, so moving large quantities of goods, you've got the tariffs that initially came ... then the more problematic thing is the gas prices and all of the global issues,” Unrad said.

Kohen, who is also chair of Shaw Lewenz's business transactions practice group, said political changes have a real impact on the economics of deals and how the outlook looks.

Though he could not speak statistically if things are stronger or weaker, he said he believes there’s going to be an improvement in deal flow to the middle market because there will be new entrants and new capital seeking it out.

“The challenges that we have run into in middle market M&A deals have been so interesting, because in many cases, it's the same exact challenges that we run into in the upper market deals,” Kohen said. “We've got problems with tax structuring; we've got issues with liabilities; we've got third-party consent that can't be obtained; government issues.”

“But then we also have a very unique set of things that don't typically pop up [in] deals that require a whole different skill set to navigate, and that's where it's a little bit more emotionally driven. ... These are real humans who are selling their businesses that have been their baby for 30, 40 years. These are new entrepreneurs who are risking everything to take this shot at financial freedom,” Kohen added.