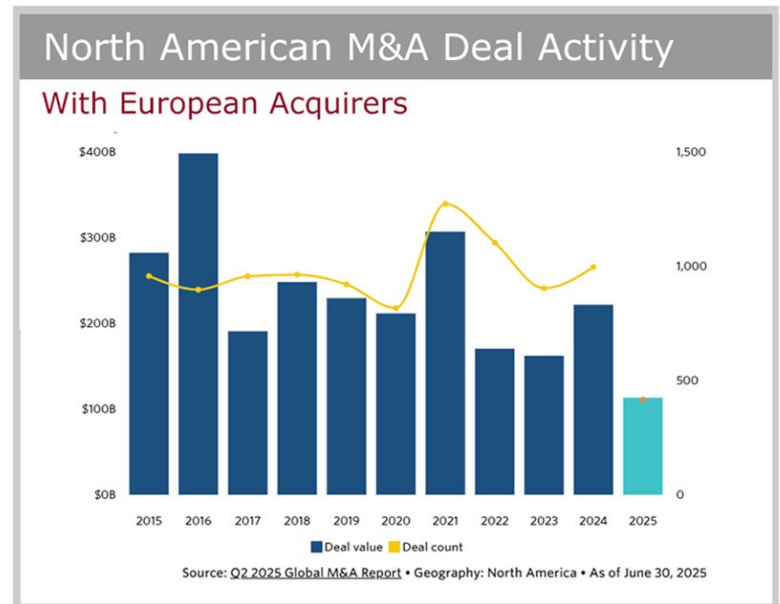


According to a recent report by Pitchbook, a database of private company transactions, the transatlantic M&A landscape is undergoing a major shift, driven by geopolitical changes and tariff pressures. European companies are increasingly investing in North America, not only for its market scale and capital resources but as a strategic move to reduce risk. A clear trend has emerged, with European firms acquiring or establishing manufacturing and distribution operations in the US to avoid tariff exposure and ensure direct market access. For example, companies like Ferrero are making significant investments to bring operations onshore. Additionally, a favorable euro-to-dollar exchange rate has made US assets, especially in technology and life sciences, more accessible.



Source: Pitchbook

At the same time, North American investors are directing capital into Europe, attracted by its more affordable and diverse assets. The European market is often viewed as less consolidated than the US, offering better value for investment. This isn't simply about finding bargains; it's a strategic move to hedge against a potentially weakening US dollar while positioning for future growth. Investors are particularly drawn to sectors like defense, with private equity firms like Blackstone and Apollo signaling long-term confidence in the region's potential for value creation.

Ultimately, these shifts in investment flow reflect a larger recalibration of global risk and opportunity. Tariff tensions and currency fluctuations have prompted a reevaluation of both markets. European companies are paying a premium to access the stability and innovation of the US, while North American investors are capitalizing on the opportunity to acquire undervalued European assets. This two-way capital flow highlights a sophisticated approach to navigating the new economic reality, with both sides strategically positioning themselves for future growth.

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