

Jacobs in Bloomberg Law: M&A Deal Slowdown in 2025 Is Setting Stage for Open Floodgates

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Haynes Boone Partner [Zachary Jacobs](#) authored an article for *Bloomberg Law* as a growing backlog of high-quality assets and deal structures that balance risk and reward signal a competitive and active M&A environment is on the horizon.

Read an excerpt below.

Heading into 2025, merger-and-acquisition dealmakers hoped that a more favorable economic environment and reduced regulatory headwinds would generate renewed activity.

Their initial enthusiasm has given way to a more measured approach, as persistent uncertainty continues to slow down decision-making and suppress deal volume. We have noticed a few things.

Uncertainty is delaying deals. While the top end of the market remains active, the broader transactional landscape appears hesitant. Strategic buyers often are better equipped to price in emerging risks (such as tariffs) because they are already managing those exposures in their own businesses.

By contrast, private equity buyers evaluating new platforms may face a steeper learning curve as they try to price in these unknowns.

Nevertheless, market participants remain cautiously optimistic, anticipating a resurgence in deal volume as new challenges become more familiar and macroeconomic signals stabilize.

Valuation gaps are reshaping the deal process. Less willing to accept seller-provided numbers at face value, buyers are scrutinizing quality of earnings and adjusting earnings before interest, taxes, depreciation, and amortization, or EBITDA, calculations, creating longer diligence cycles.

In response, sellers—particularly founder-owned businesses—are seeking to frontload key economic and legal terms earlier in the process to avoid surprises that could derail the deal later. Letters of intent, which once contained few transactional particulars beyond the headline price, have become much more detailed as a result.

Parties increasingly are using the letter of intent itself to memorialize valuation drivers such as EBITDA and working capital assumptions, debt-like items, employment and retention terms, non-compete language, and earnout metrics.

Matters that were once “to be mutually agreed” are giving way to definitive, upfront commitments. The growing risk of letters-of-intent breakage, which is reported to have increased since April, should accelerate this trend toward ironing out major deal points before exclusivity is granted.

To read the full article on *Bloomberg Law*, click [here](#).