

# Navigating the M&A Risk Landscape in 2025

Global M&A activity in 2025 is expected to pick up. With M&A activity projected to reach \$5 trillion in 2025, risk management strategies need to be revamped and overhauled to meet the moment.

## TRENDS & EMERGING ISSUES

This year, M&A activities will be shaped by evolving regulatory scrutiny—including antitrust and AI governance—amid geopolitical volatility, a competitive talent market, cybersecurity risks, and shifting exit strategies. Meanwhile, private equity firms will capitalize on stabilizing IPO conditions while AI-driven innovations will transform dealmaking and due diligence.

## CASE STUDY: OPENAI'S PARTNERSHIP AND INVESTMENT DEALS

Following President Donald Trump's second inauguration, OpenAI announced the Stargate Project, a \$500 billion partnership with SoftBank and Oracle to build AI infrastructure, underscoring AI's transformative potential while also sparking backlash over ethical concerns, intellectual property disputes, and regulatory challenges.

## IMPACT

Board directors must proactively address the emerging risks that are evolving under the new administration. Failure to do so can lead to brand damage, regulatory fines, shareholder lawsuits, and operational inefficiencies. Additionally, board members risk personal liability and a loss of investor trust.

## RISK MITIGATION STRATEGIES

**Strengthen Due Diligence:** Expand due diligence to include cybersecurity, national security, and talent-related risks to ensure successful mergers and integrations.

**Engage with Regulators:** Proactively engage with regulatory bodies to ensure compliance with changing regulations, including tax policies and tariffs.

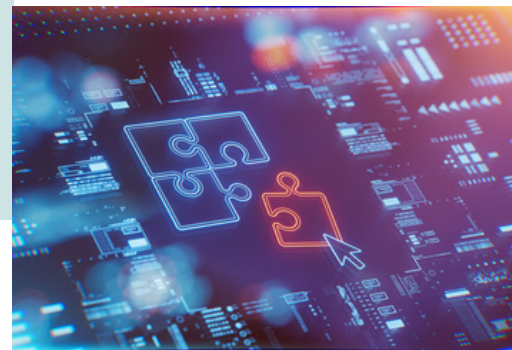
**Understand AI Risk:** Evaluate the risks and opportunities of AI, ensuring compliance with regulations (especially in the EU), and address talent gaps due to AI adoption and the need to re-skill. New hyperscaler competitors will enter the fray, from DeepSeek, to new ecosystem enablers, which will challenge the established supply chain and current revenue and cost paradigms.

**Understand Geopolitical Unrest:** Assess the impact of geopolitical unrest on deals, especially cross-border transactions, to mitigate risks from global conflicts and recent tariff and trade tensions. Stay up-to-date with news and studies, and invite external experts to your meetings.

**Develop Crisis Management Plans:** Create comprehensive crisis management plans that address a variety of risks and include exit strategies and communication protocols for business continuity.

## QUESTIONS FOR YOUR NEXT BOARD MEETING

- How do we ensure alignment between M&A strategies, efficiencies, and growth?
- Are there measures in place to mitigate cybersecurity risks during integration?
- Do we have a plan to address operational disruptions or workforce challenges?
- How are we navigating geopolitical uncertainties and assessing their impact on our global strategies?
- Are we prepared to adapt to policy changes under the Trump administration, including regulatory shifts and corporate tax adjustments?



*“The global 2025 M&A landscape offers both opportunity and complexity, with high stakes for corporate boards and dealmakers. Proactive risk management strategies are needed from board members to ensure success in this evolving environment.”*

— Louis Lehot, Partner, Foley & Lardner LLP

