

Expanding Horizons

Offshore perspectives on investment into New Zealand



Introduction

Welcome to the seventh edition of *Expanding Horizons*, Simpson Grierson's annual survey on the attitude of offshore investors towards Aotearoa New Zealand.

We have surveyed 90 recent international investors in New Zealand to gain a valuable window into offshore sentiment and expectations for the local market. These are investors with deep knowledge of the region, and their insights offer a bellwether for New Zealand's M&A future.

This year's survey paints a strikingly positive picture, with investment intentions at their strongest levels since the survey began. With global uncertainty continuing to shape decision-making, New Zealand is increasingly viewed as a safe, stable destination - offering quality opportunities at favourable valuations.

New Zealand's economic challenges, including subdued growth and high inflation, have created fertile ground for inbound investment. There is also a view those challenges are lessening. Lower valuations, reduced competition for assets, and improvements in deal sourcing are encouraging offshore investors. Meanwhile, the Government's policy settings - including proposed reforms to the Overseas Investment Act - are seen as welcoming of foreign capital, particularly at a time where other countries are becoming more protectionist.

Technology and IP remain strong magnets for offshore interest, and the growing role of AI in deal execution marks a notable development this year.

As always, we hope you find the report valuable and look forward to discussing its findings and your views, as New Zealand's M&A landscape continues to evolve. Our team would be delighted to speak to you about this report.



Andrew Matthews
*Head of Corporate
Simpson Grierson*

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Key findings

New Zealand M&A market poised for strong uplift in activity



Investment intentions are at an all-time high, with **49%** of respondents considering an investment here in the next year, and **99%** in the next five years

85%

expect M&A activity to increase in New Zealand in the next 12 months

New Zealand is an attractive investment destination compared to other jurisdictions

78%

of respondents say current global uncertainty has strengthened their intentions to invest in the New Zealand market



New Zealand remains the top rated destination in Asia-Pacific for ease of doing business and quality of investment opportunities

Government policy settings are generally seen as conducive to investment

76%

considered policies as being supportive of foreign investment

89%

indicated the reform of the Overseas Investment Act will increase their intention to invest in New Zealand

Favourable valuations and quality technology and IP offer desirable deal opportunities

46%

of respondents ranked favourable valuations as a key attraction for New Zealand

73%

picked TMT as the most attractive sector

AI is poised to impact deal execution



66% expect new technology, particularly AI, to have a meaningful effect on how they execute deals in the next 12 months

Methodology

In June 2025, Simpson Grierson commissioned Mergermarket to undertake a survey of opinions of offshore investors about the investment opportunities, trends and challenges in New Zealand. There were 90 survey respondents split between Asia-Pacific, North America and Europe. All respondents had completed at least one investment into New Zealand in the past five years or been an adviser to a deal in this period.



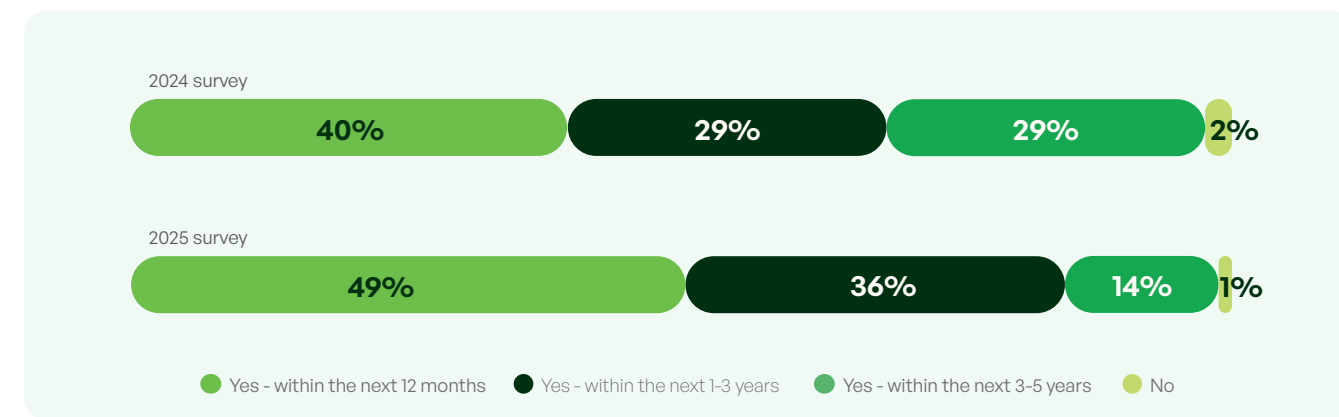
Section 1

Strong increase in investment intentions driven by global uncertainty and an attractive New Zealand market

The headline finding in this year's *Expanding Horizons* report is that intentions to invest in New Zealand are at the highest levels since we started the survey in 2019, and a material improvement on last year.

With 49% considering investing in the next 12 months, there is strong potential for a short-term uptick in New Zealand's subdued M&A market.

Figure 1: Are you considering or would you consider an acquisition in New Zealand?



Corporate Partner James Hawes says the results of this year's survey are signs of green shoots in the New Zealand economy.

"The clear view expressed by survey respondents is that they believe there is now value in New Zealand businesses and a strong prospect of growth in the economy.

"Whether this is the result of specific actions by the Government and Reserve Bank or simply a reversal of the cycle, will be a matter for debate," says James.

Global uncertainty has increased New Zealand's appeal relative to other jurisdictions

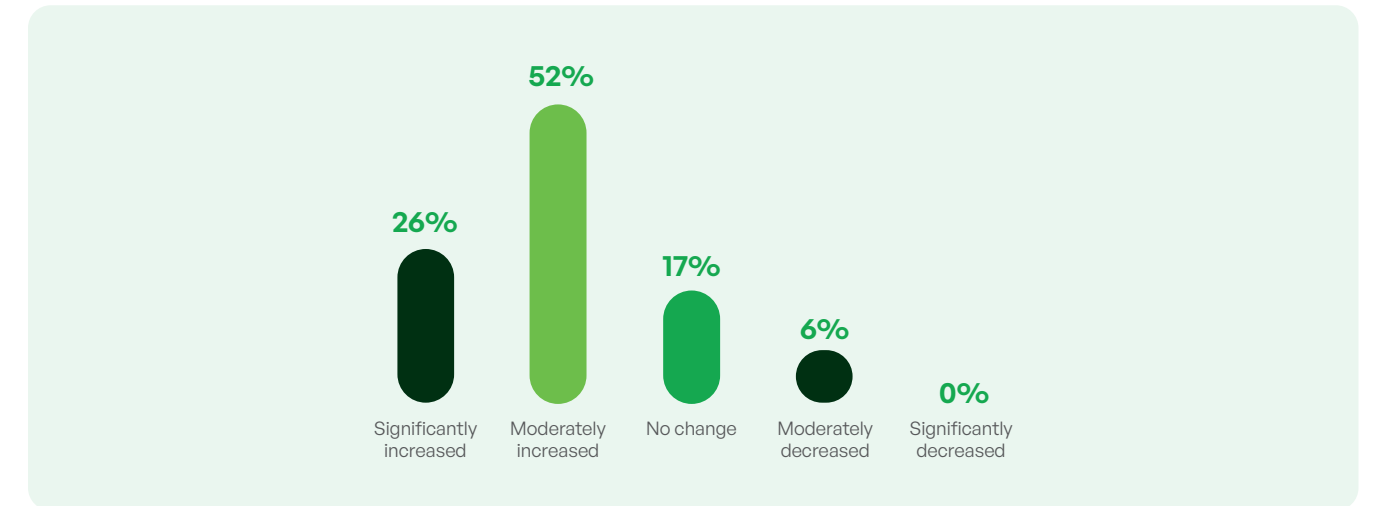
A key theme from this year's report is that increased global uncertainty has enhanced the attractiveness of New Zealand as an investment destination, with 78% of respondents saying it has made them more likely to invest here.

James continues: "Although New Zealand's fortunes are closely tied to global trade, the response to this

survey clearly indicates that the country is seen as a safe store of value when compared with other markets.

"Part of this may simply be attributed to geographical remoteness, but part may be the result of the relative transparency of our economy," says James.

Figure 2: How has current uncertainty in global markets changed your intentions to invest in New Zealand?



Numerous comments received highlighted that New Zealand is seen as a safe harbour for investment.

"New Zealand is a safe market to invest even in these extreme economic conditions."
Chief Executive Officer,
 Foreign corporation/MNC, Finland

"The decision to increase investments is based on comprehensive research of macro-economic factors. There are many ideas that we will implement to grow the business, and the stability in New Zealand markets will support our growth."
Chief Financial Officer,
 Foreign corporation/MNC, USA

"During these times when global markets are uncertain, we have to find opportunities that can help take the business to the next stage, and for this, New Zealand is a good market."
Head of Strategy,
 Foreign corporation/MNC, France

"Other global markets pose serious threats compared with New Zealand."
Partner,
 Foreign PE/VC firm Australia

Ease of doing business and quality of investment opportunities underpin investor interest

New Zealand’s relative attractiveness as an investment destination also shone through again when respondents were asked to rank Asia-Pacific jurisdictions for ease of doing business and quality of investment opportunities.

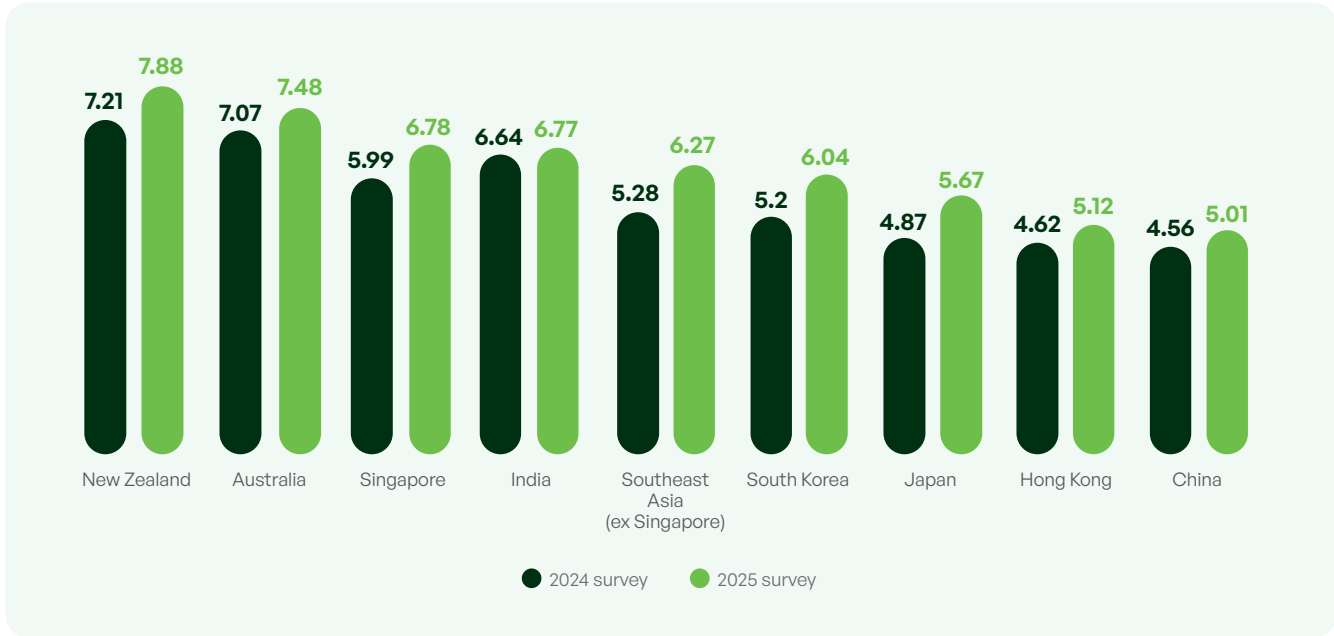
As in previous years, New Zealand was top ranked, coming in ahead of Australia and Singapore, with an improved score from last year.

James says: “The current Government’s consistent message has been that New Zealand is open to offshore investment.

“They have made significant steps in stripping away complexity and red tape, not least in the proposed reform of the Overseas Investment Act.

“That said, there is still considerable work to be done, and friction remains in planning and resource requirements for new infrastructure investments, which the Government must address in order to maximise inbound investment.”

Figure 3: In terms of ease of doing business and quality of investment opportunities, please rate each of the following markets from 10 (less difficult and better opportunities) to 1 (more difficult and worse opportunities)



Survey respondents said:

“In terms of doing business, New Zealand is the most favourable. The regulatory environment is stable and it’s being made more supportive for foreign investors groups.”

Director of Strategy,
Foreign corporation, Germany

“I would say New Zealand is top of the list. Operating businesses in New Zealand is simple, and we can initiate development effectively in our business unit.”

Head of Strategy,
Foreign corporation/MNC, France

“Economic and political stability are important. In many regions, we see these challenges escalating and there are few steps that we can take internally to stabilise portfolio performances.”

Managing Director,
Foreign investment bank, China

“The regulatory stability makes a great deal of difference in New Zealand compared with other markets. In other markets, foreign companies are competing with local businesses and protectionist policies.”

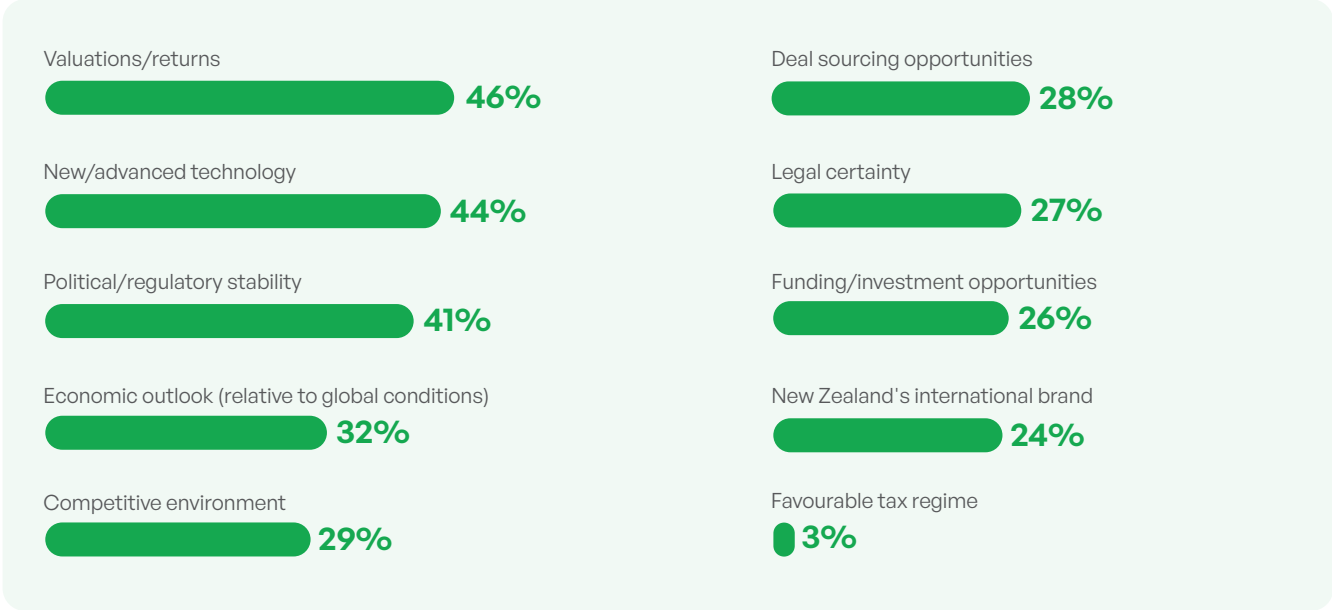
Head of Strategy,
Foreign corporation/MNC, Australia

The valuations and quality of investment opportunities shone through when we asked investors what factors make New Zealand attractive as an investment destination.

In past surveys, valuations in New Zealand were considered high. This year they are the top factor for investors, perhaps reflecting the struggles of the New Zealand economy.

A close second was the opportunity to acquire new and advanced technology, a finding also highlighted in the attractiveness of the local TMT sector (see Section 3).

Figure 4: What makes New Zealand attractive as an investment destination for you? Choose up to three.



Corporate Partner Michael Pollard says: “For many years our surveys have highlighted a valuation gap, and market participants have sought - with varying success - to bridge this gap through ever more exotic legal structures.

“This year’s survey is the first occasion in which we have seen strong evidence that the gap is now closing; a clear sign of an M&A market ready to take off,” says Michael.

“Foreign corporations have started looking at New Zealand more positively. Seeing the positive economic outlook compared with other regions has made New Zealand more attractive. More deals will be done by foreign corporations.”

Director, Mergers & Acquisitions,
Foreign corporation, France

“Foreign PE/VC activity will increase steadily because of the sourcing choices and the optimum valuations. Firms are looking for assets to hold for around 5-7 years, and New Zealand offers good opportunities for this.”

Managing Director,
Foreign investment bank, Australia

“New Zealand corporations will have good opportunities to expand in local markets. They are well-versed with the regulatory, economic and political trends, so it offers more opportunities and keeps the risk factors in control.”

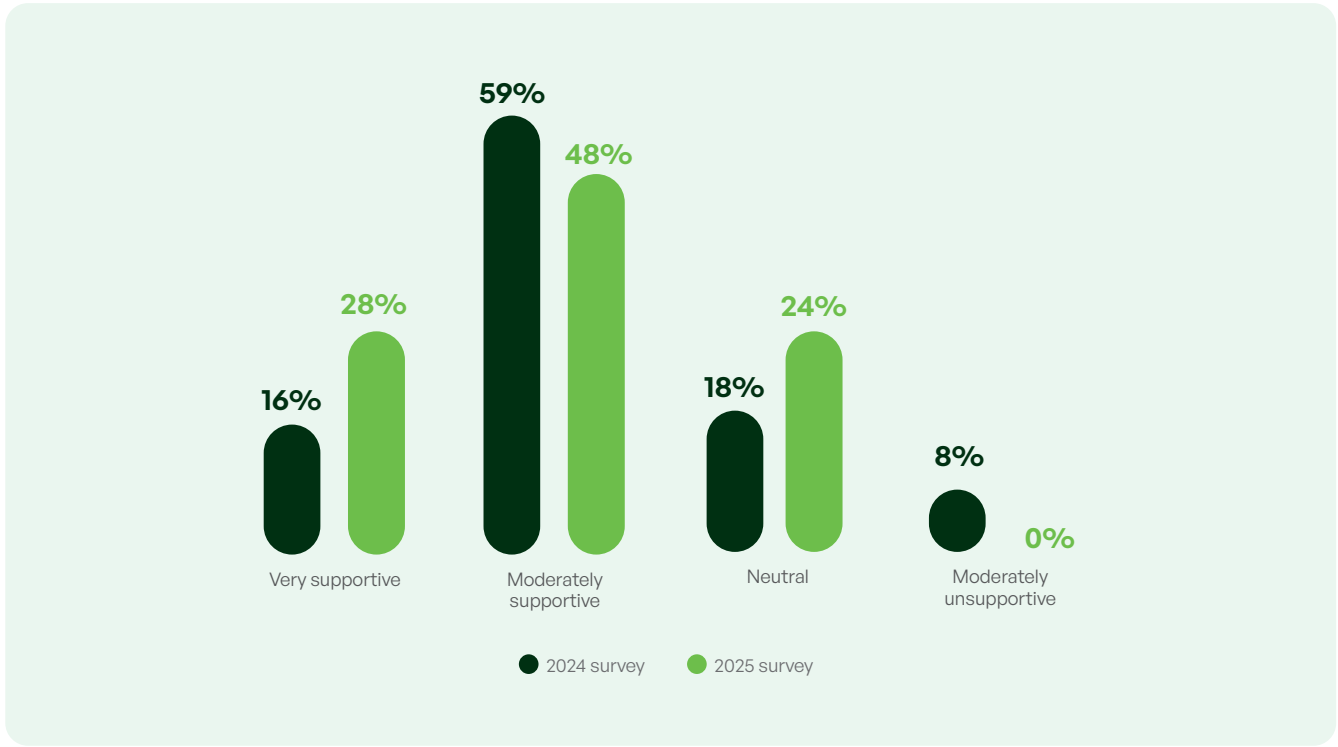
Head of Corporate Development & Strategy, Foreign corporation, USA

Supportive Government and Overseas Investment Act reform viewed favourably

Another factor in the increasing positive sentiment towards New Zealand is the perception that the Government is supportive of overseas investment.

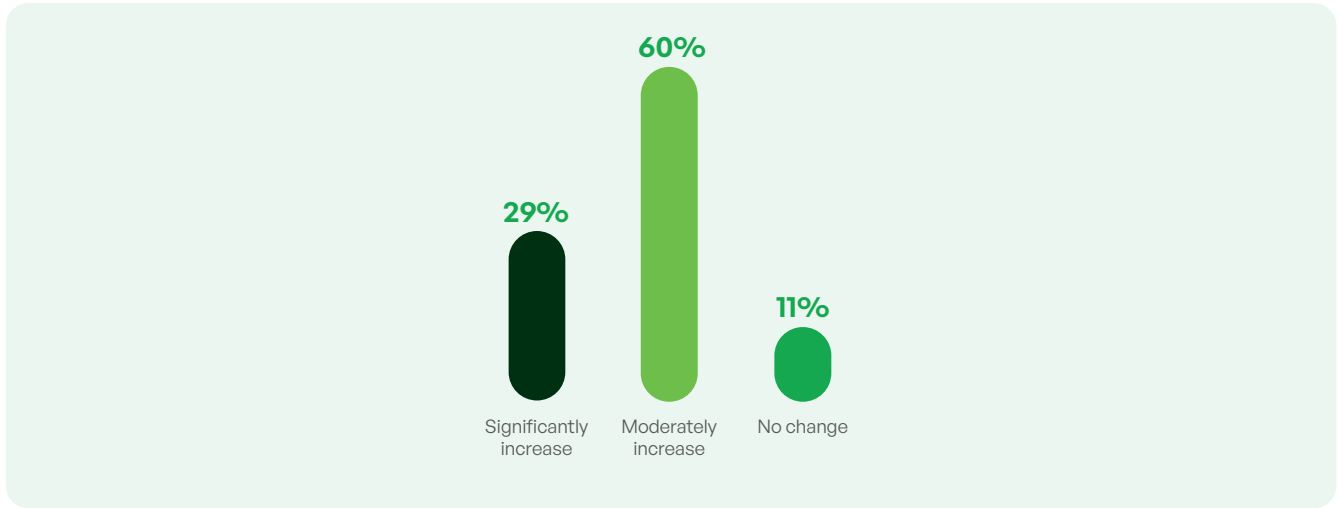
The survey revealed that 76% of respondents thought Government policies are supportive, with 28% thinking they are very supportive. This is a marked increase from last year when the Government was relatively new, and the shape of its policy agenda less well known by offshore parties.

Figure 5: How supportive do you think New Zealand Government policies are towards foreign investment at present?



The most significant change that the Government has made is the reform of the Overseas Investment Act, announced in June. When we asked about this, ahead of the Government announcement, the prospect was unsurprisingly well received.

Figure 6: New Zealand’s Government has indicated it will reform the Overseas Investment Act. Would a reduction in regulatory barriers change your intention to invest in New Zealand?



The Government’s Bill to overhaul the Overseas Investment Act is the most substantial regulatory reform in this area for over 20 years, marking a significant shift in New Zealand’s approach to international investment.

The Bill recognises the role of overseas investment in increasing economic opportunity by enabling the timely consent of less sensitive investments.

Ultimately, provided there are no national interest risks, it will enable many foreign investors to have their applications processed within 15 business days. It consolidates the national interest test, the benefit to New Zealand test and the investor test for all assets other than farm land, residential land and fishing quota (which will largely remain subject to the existing tests that apply).

The Bill is expected to come into force before the end of the year and be implemented by early 2026.

Corporate Partner Anastasiya Gamble says: “These changes will certainly expedite the process for foreign investors and reinforce the message that New Zealand is open for business.

“This is to be welcomed, noting that appropriate protections remain in place for our most sensitive land, and for strategically important businesses or where there is non-New Zealand Government investment,” says Anastasiya.

Survey respondents said:

“The Government recognises the need and value to bring foreign investments into the country. The policies are generally very supportive, and it ensures that foreign investors remain interested in investing.”
Head of Mergers & Acquisitions and Business Development,
Foreign corporation/MNC, Switzerland

“When regulatory barriers are high, we usually hold back on deal initiations. But if there are reforms in the Investment Act, it would increase the confidence of investing in New Zealand.”
Director of Corporate Development,
Foreign corporation/MNC, France

“These policies dictate whether or not the region is attractive for investments. If the New Zealand Government does as indicated, it would open up new opportunities for us and we will increase investment intentions.”
Chief Financial Officer,
Foreign corporation/MNC, USA

“Foreign direct investments will increase greatly and will also indicate more confident decisions to invest on our part. We look forward to reduced regulatory challenges, and allocations will increase widely.”
Chief Executive Officer,
Foreign corporation/MNC, Australia

Section 2

M&A volumes tipped to grow in the near term as local market shrugs off subdued few years

Dealogic data, provided by Mergermarket, shows the New Zealand M&A market returning to more buoyant levels in the last year. The value of deals has bounced back from the lows of 2023 and the first part of 2024, with volumes remaining stable. However, the market is still well short of the peaks seen in 2021 and 2022.

As predicted in last year’s *Expanding Horizons* report, the second half of 2024 and the early part of 2025 saw a number of NZ\$ billion+ large deals announced, including Rayonier’s sale of its stake in Matariki Forest Group, Contact Energy’s acquisition of Manawa Energy and Stonepeak Partner’s acquisition of Arvida Group, driving up deal values.

As Dealogic data illustrates, the local market continues to broadly track APAC and global deal trends.

Corporate Partner Andrew Matthews says: “M&A numbers are recovering from a historically low base. Deal values - as opposed to volumes - have been supported in 2025 by a limited number of high value deals driven, in large part, by opportunities to take private NZX companies at reasonable valuations.

“Given the positive response to this survey as well as anecdotal evidence from the market, we expect that the next 12 months will see a significant increase in deal volumes, driven by the return of small-cap and mid-market M&A.

“We think two things are at play: first, strategic buyers are taking a mid- to long-term view and are picking the green shoots as an opportunity; and, second, PE is actively looking to deploy in a more fertile deal environment.”

Figure 7: New Zealand M&A deal volumes and values

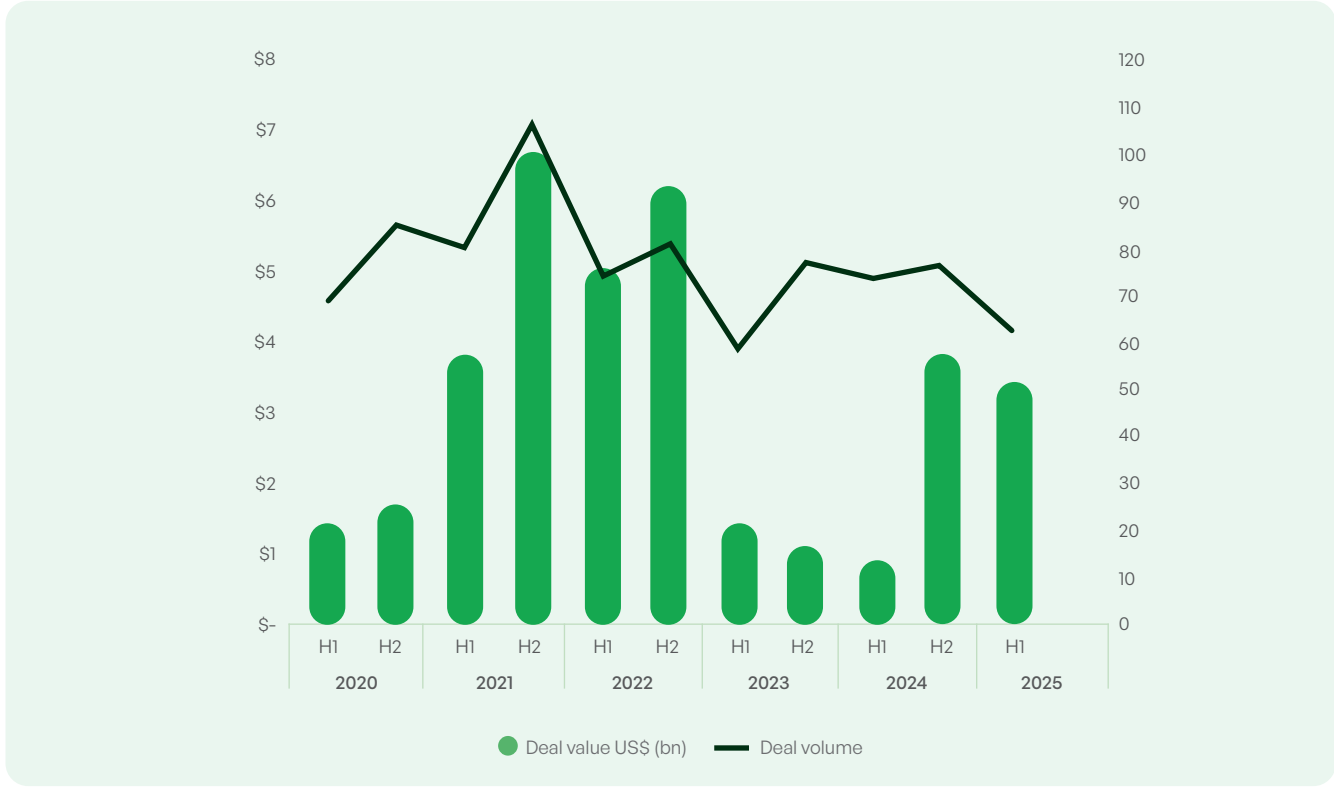
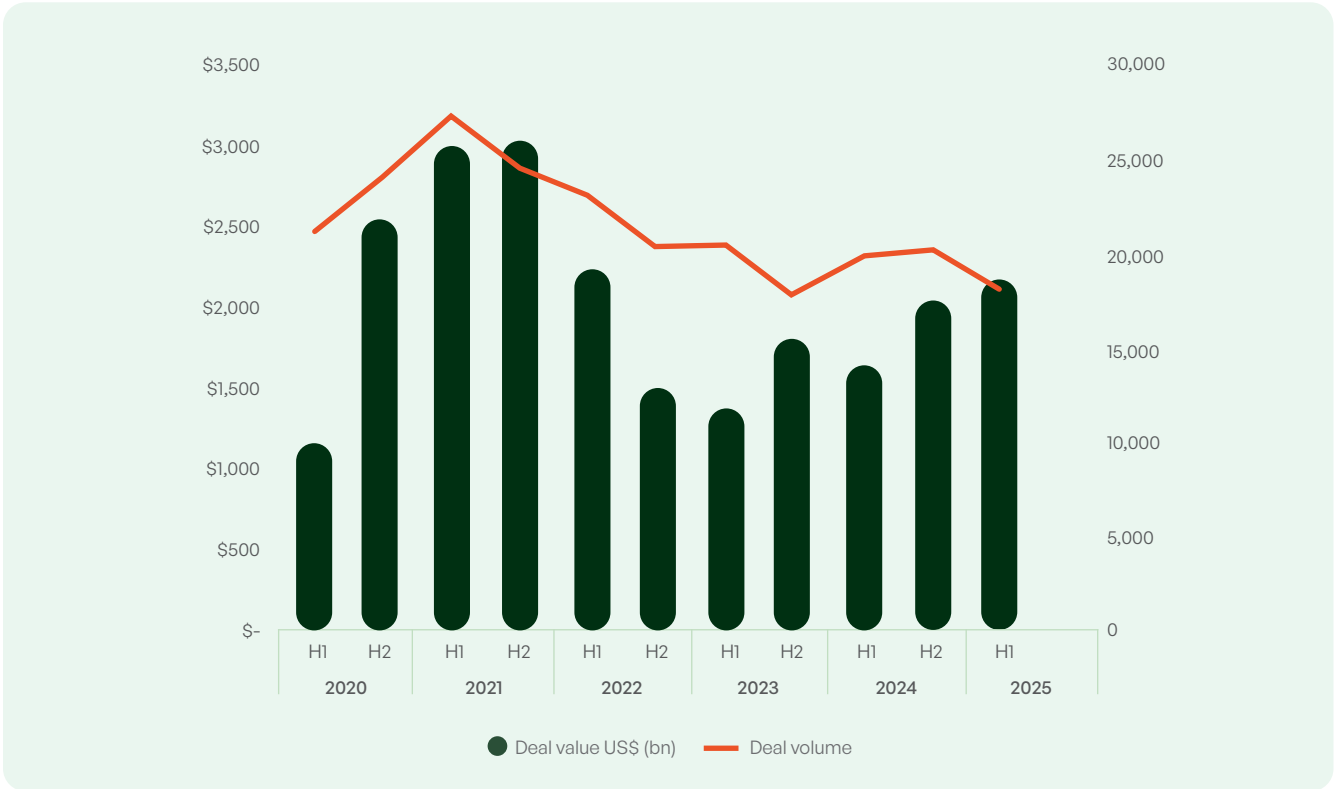


Figure 8: APAC M&A deal volumes and values

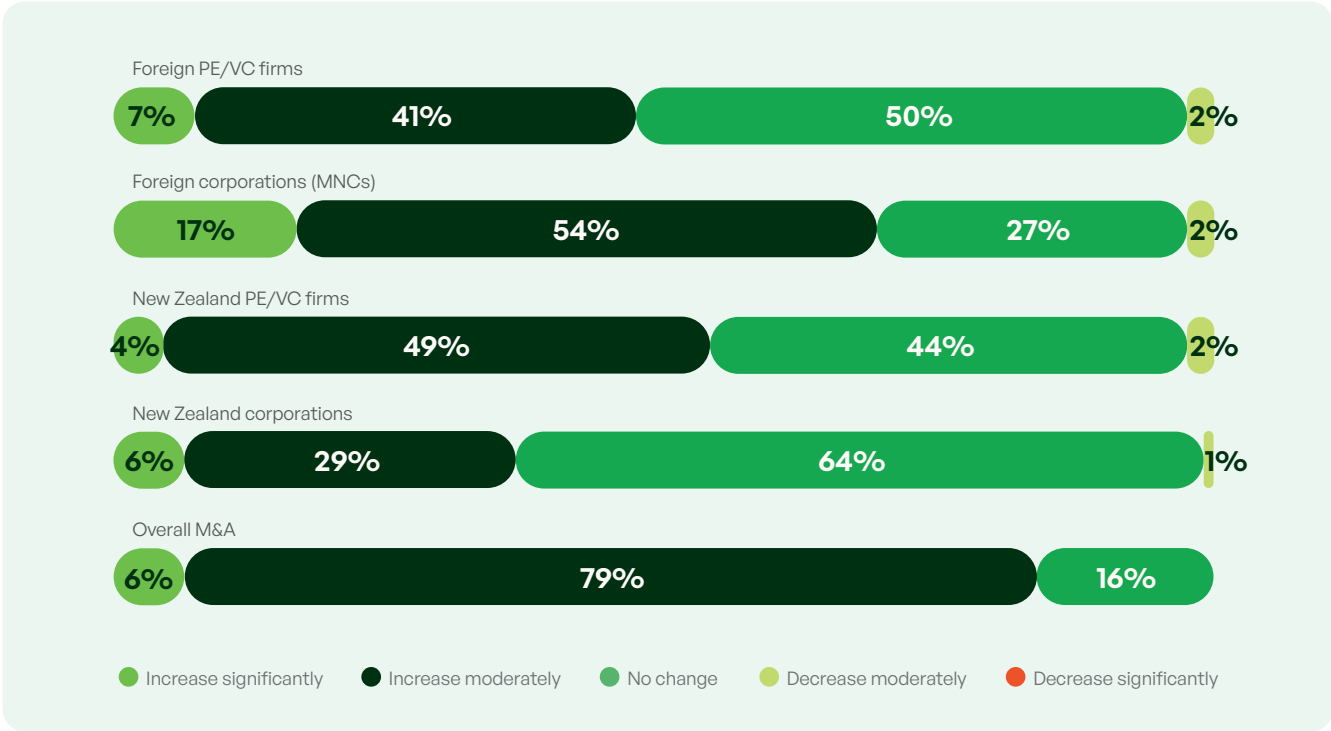


Figure 9: Global M&A deal volumes and values



Given strong investment sentiment from respondents themselves, it’s no surprise that 85% expect overall M&A activity in New Zealand to increase, although most are expecting a moderate rather than significant uplift. Acquisitive foreign corporations are expected to lead the charge.

Figure 10: What do you expect to happen to M&A in New Zealand regarding the level of activity from the following acquirers/investors in the next 12 months?



“There will be less activity from domestic players. I think that mainly foreign companies are showing more and more interest in New Zealand because of the stable investment climate.”
Chief Strategy Officer,
Foreign corporation/MNC, USA

“Overall, there will be a significant increase in dealmaking activity. Mainly, North America and Asia-Pacific corporations and PE firms will increase their investments to strengthen their geographic position.”
Chief Executive Officer,
Foreign corporation/MNC, Australia

“In the next 12 months, a moderate increase in deals from foreign corporations will be seen. The optimum synergies, more value for money and simpler regulatory environment will draw more foreign corporations to the country.”
Chief Executive Officer,
Foreign corporation/MNC, Hong Kong

“In the next 1-3 years, there will be a moderate increase in the overall dealmaking activity. The policy change itself should develop more investor interest, and optimise the conditions to invest gradually.”
Managing Director,
Foreign investment bank, Canada



Section 3

TMT sector continues to drive deal appetite

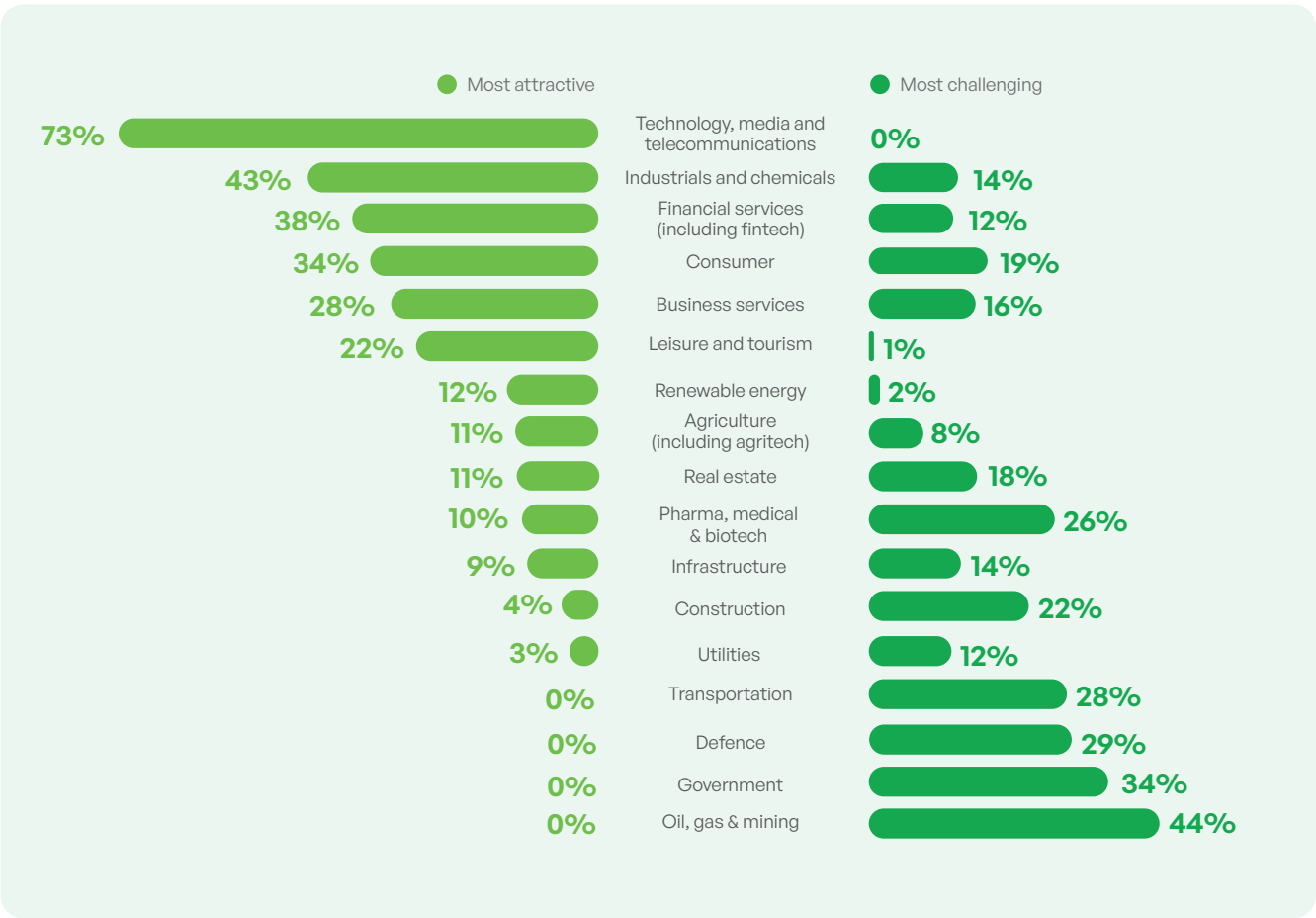
As has been the case in every *Expanding Horizons* survey, Technology Media and Telecommunications is seen as the most attractive sector for investment. This year, more so than ever, with 73% of respondents ranking it top, well ahead of any other sector.

This is consistent with earlier findings (Figure 4) which highlight that the opportunity to acquire new and advanced technology is a key factor in the attractiveness of New Zealand as an investment destination.

Corporate Partner Simon Vannini says: “It is encouraging to see that New Zealand continues to attract world-leading entrepreneurs and businesses, notwithstanding recent economic challenges.

“Recent success stories like Halter, Crimson and Tracksuit demonstrate that New Zealand’s sandpit provides the ideal environment for growing the technology that the world needs in the 21st century.”

Figure 11: Which of the following sectors do you think will be most attractive over the next 12-24 months? Which are most challenging to invest in? Please select up to three for each.



“Technology and media segments are thriving due to the demand and the need for digital solutions. There are start-up companies in need for capital to back their creative ideas.”

Chief Strategy Officer,
Foreign corporation/MNC, Australia

“Technology, media and communications is the fastest growing segment. Dealmakers enter the market expecting high returns in the mid-term and exit from deals successfully.”

Director Mergers & Acquisitions,
Foreign corporation/MNC, Sweden

“Government and oil and gas will be challenging sectors. The regulations are stricter and the lengthy approval procedures during deals can affect the reputation of entities involved in the transaction.”

Head of Strategy, Foreign corporation/MNC, Switzerland





Section 4

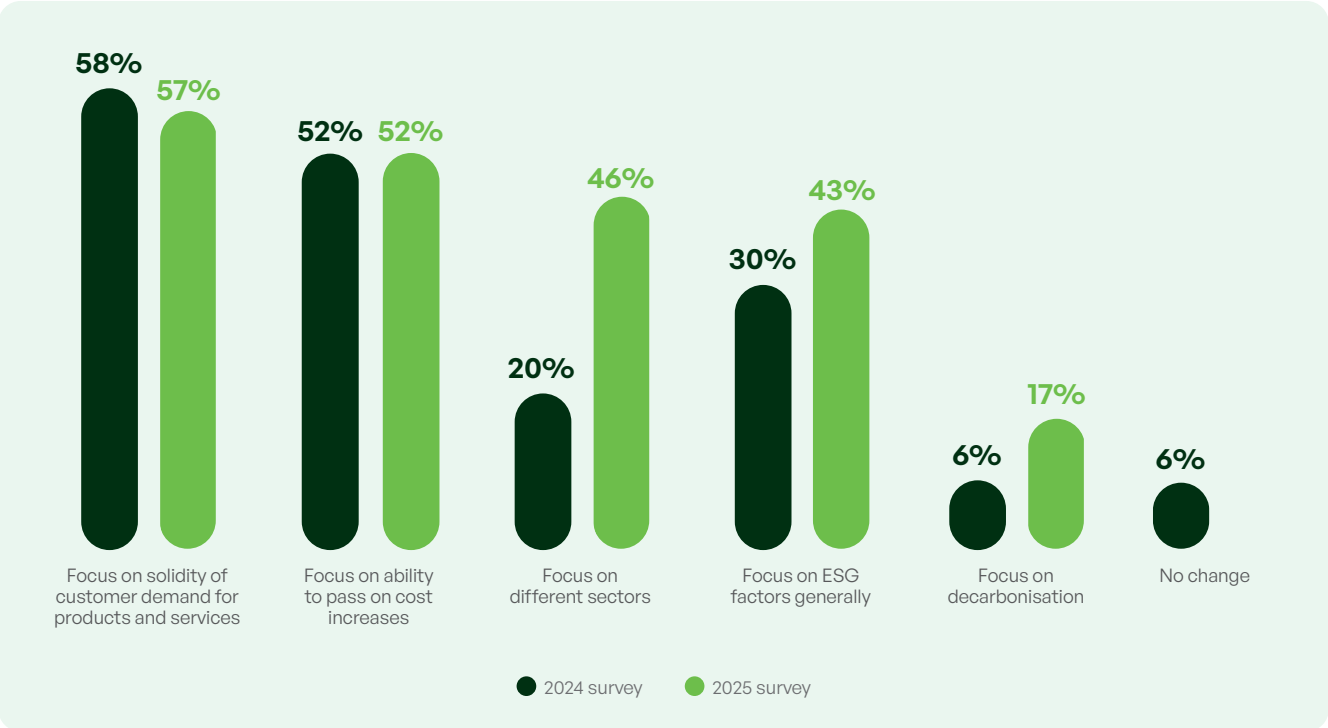
Fundamentals remain core to investment strategy

Unsurprisingly, global economic challenges mean investors remain focused on core fundamentals when it comes to identifying acquisition targets.

As in 2024, an increased focus on solidity of customer demand and the ability to pass on cost increases are the most important considerations for investors.

Other factors, such as sector diversification and ESG, also remain important.

Figure 12: Have the current global economic and geopolitical challenges changed your acquisition strategy for New Zealand? Select all that apply.



“We have been thinking about continuity of business through these acquisitions. So, the focus on solid customer demand and passing on price increases has become very crucial in the past year.”

Chief Financial Officer,
Foreign corporation/MNC, USA

“The focus on passing on cost increases has been crucial for business continuance. Through the global inflation, we cannot do much to avoid this strategy. It has to be embraced, even if the competition level is high.”

Managing Director,
Foreign investment bank, China

“Our focus has been on passing down cost increases. We cannot bear these costs and draw profits at the same time. The inflation challenges have been difficult on businesses overall.”

Chief Executive Officer,
Foreign corporation/MNC, Hong Kong

“We are focusing on ESG factors when we seek long-term investments in New Zealand. In general, New Zealand companies have shown good awareness of ESG priorities.”

Head of Strategy,
Foreign corporation/MNC, Canada

Section 5

AI poised to impact deal execution

This year we wanted to find out what impact new technologies, and in particular AI, are having on deal execution.

We were not surprised that a sizeable majority of respondents (66%) expect AI to have a meaningful impact on dealmaking in the next year.

Senior Associate and technology specialist Michelle Dunlop says: “AI is transforming industries across the board, and M&A is no exception.

“AI tools can analyse large volumes of data quickly, flag trends and generate insights to support companies and their advisers to make informed, timely decisions.

“In today’s complex, data-heavy deal environment, these capabilities create a real competitive edge.”

Figure 13. Over the next 12 months do you expect new technology (particularly AI) to have a meaningful impact on how you execute deals?

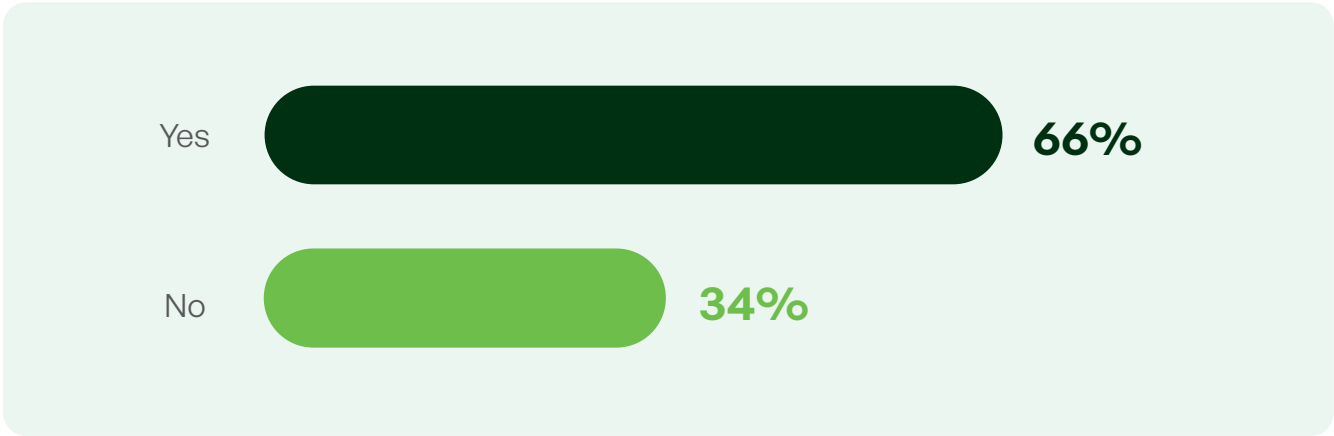
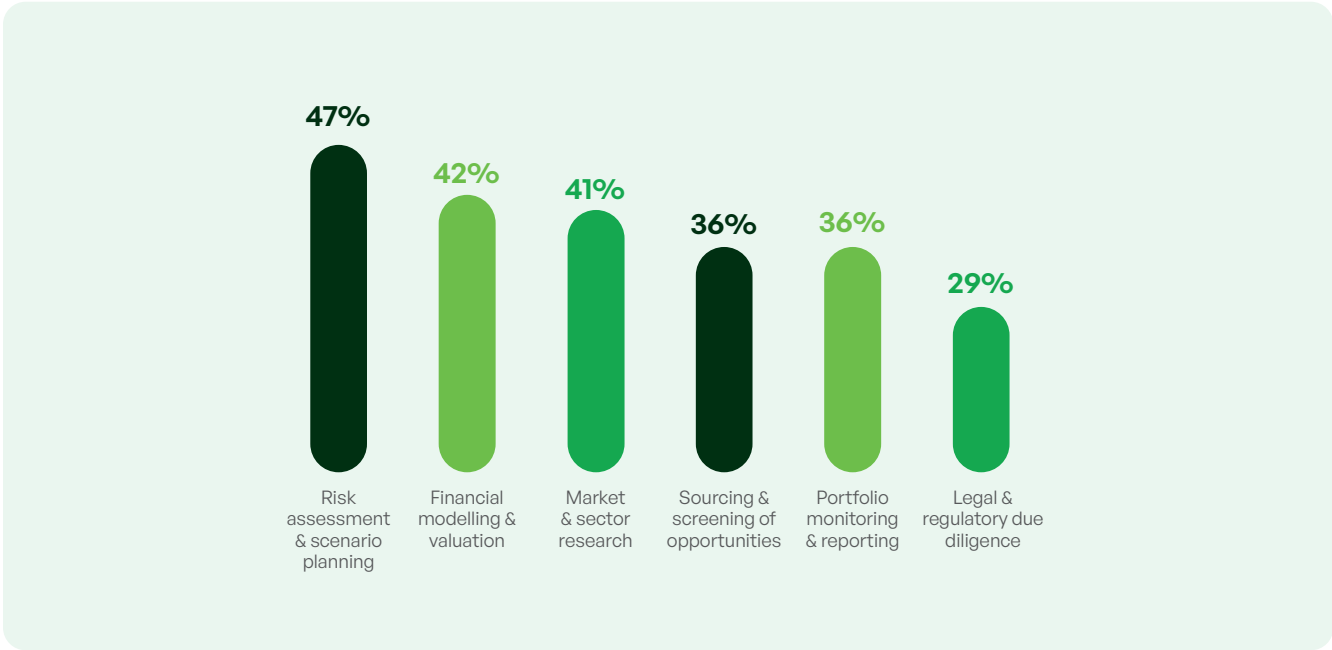


Figure 14. If you answered ‘Yes’ to the previous question, which aspects of the deal process do you believe AI will most improve? Select up to three.



Respondent comments provided more flavour to the opportunities AI is creating.

“AI will transform the way we manage deals and post-deal procedures. Information gathering, storing and processing can be streamlined using AI and will help increase the value of portfolios.”

Partner,
Foreign PE/VC firm, USA

“Teams will start using AI for new functions, and also initiate upgrades in existing systems. There are many opportunities, and we will pursue these to manage deals with time and cost efficiency.”

Partner,
Foreign PE/VC firm, China

“AI will be used for screening opportunities, making sure that they align with our goals. Market research and getting information from our networks can be time consuming if handled manually, but this can be accelerated using technology.”

Chief Strategy Officer, Foreign corporation/MNC, France

“It is difficult to adapt to the changing AI landscape. There are risks of using AI, and we are aware of the possible security threats as well. The extent of AI we use will not make any meaningful difference.”

Chief Executive Officer,
Foreign corporation/MNC, Australia

“We cannot replace our activities completely using AI. There is something to be said about the experience and expertise that individuals bring to the organisation. Going forward, it looks like this will be the differentiating factor.”

Director Mergers & Acquisitions,
Foreign corporation/MNC, Sweden

The comments were not all one way though, with a number indicating the risks and issues in relying heavily on AI and new technology.

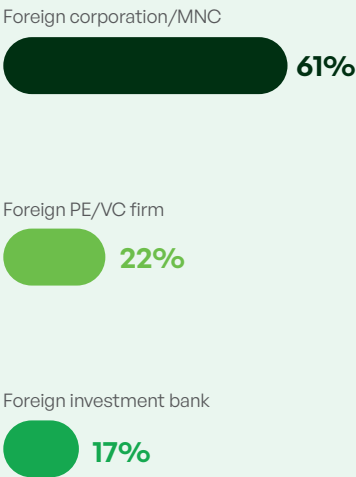
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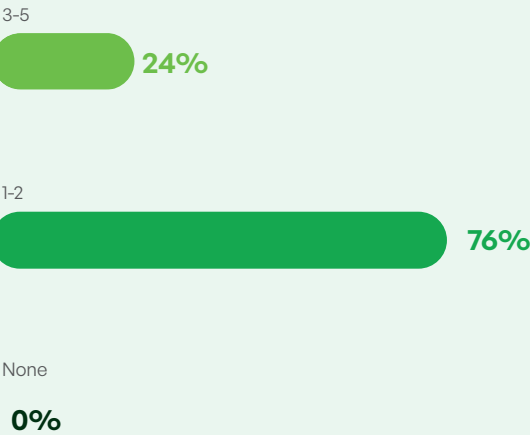
Respondents had completed at least one investment into New Zealand in the past five years or been an adviser to a deal in this period.

Within the graphed survey results, percentages may not sum to 100% due to rounding, or when respondents were allowed to choose more than one answer.

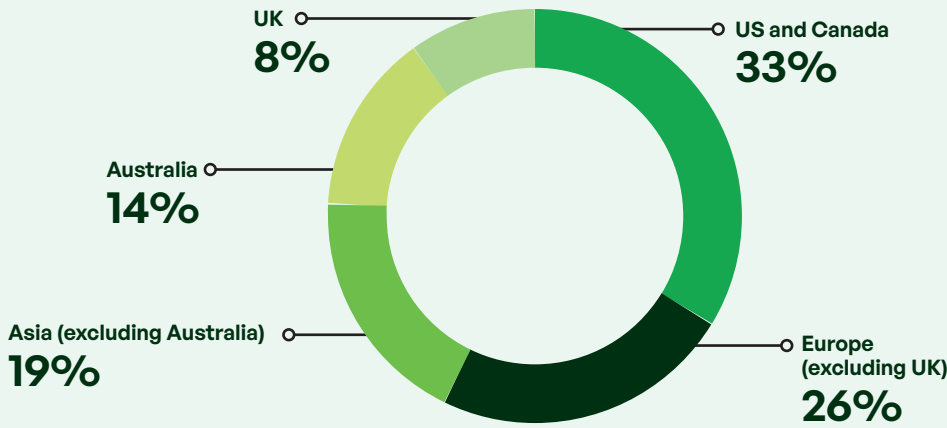
How would you categorise your company?



How many acquisitions/investments have you considered, made or advised on in New Zealand in the last five years?



Where is your company based?



Mergermarket

Mergermarket blends market-leading human insights, advanced machine learning and 30+ years of Dealogic data to deliver the earliest possible signals of potential M&A opportunities, deals, threats and challenges.

Using Mergermarket, our clients gain a clear strategic vision, reduce risks and seize growth opportunities, ultimately to outpace their competitors. Additionally, our extensive network and community ecosystem foster insider connections and promote knowledge sharing, helping users stay up to speed.

Our clients trust Mergermarket’s proven track record in guiding them to success throughout their M&A journey.

To find out more please visit www.mergermarket.com.



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By involving us early on, our clients and their advisers benefit from access to an unsurpassed understanding of New Zealand’s business and regulatory environments.

You will have the advantage of leading specialists delivering timely advice, solving problems and anticipating issues. Having us in your corner means making decisions with confidence.

Please contact any of our experts for advice on the New Zealand market and investment opportunities, or to discuss any aspect of this report.

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