

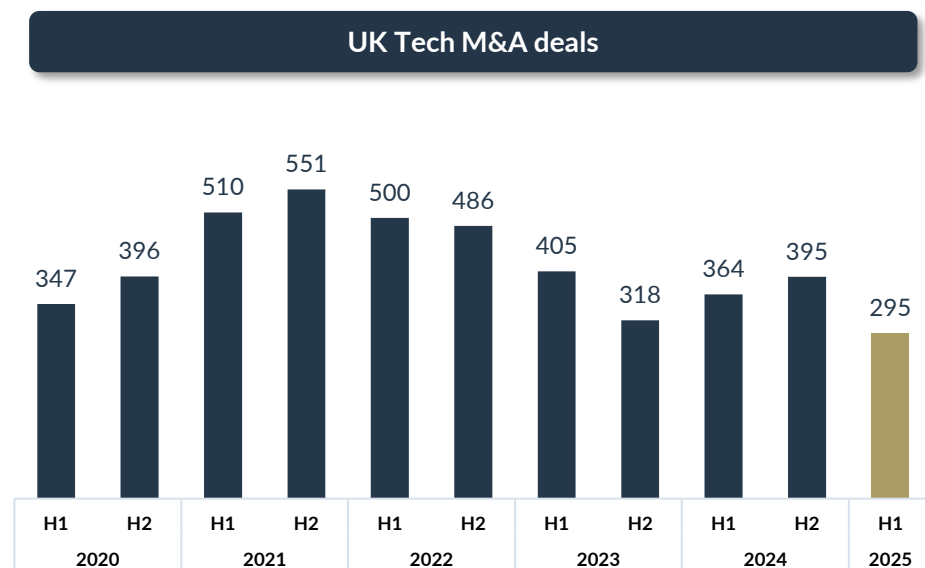
# UK Technology M&A Snapshot

*Mid-year 2025 – AI and DataTech driving deals*



July 2025

# UK Tech M&A Review



Many expected that 2025 would see a jump in IPO and M&A activity after a strong Q4 2024, but stubbornly high interest rates in US in response to The Donald's tariffs has cranked up uncertainty in an already uncertain world.

Yet equity markets have taken the uncertainty in their stride with most markets at or near their highs. NASDAQ was up 4.6% in 1H, despite all the tariff tantrums. Investors think Trump will chicken out.

With IPOs at a 30-year low, and public bids at 15 year high, the supply of UK listed companies is shrinking. So, the price of remaining listed companies is edging up. FTSE is up 6%. Supply and demand 1.0. Simples.

M&A markets globally are still digesting the step changes in interest rates after years of over-indulgence fed by free money. 295 deals were announced in 1H25 a drop of 19% YoY but Q2 showed an uptick in activity.

Overseas acquirers remain strong, accounting for nearly 50% of all deals. Trade buyers included **Salesforce, S&P Global, CGI, Qualcomm and T-Mobile**.

Serial acquirers such as **Blue Yonder, Kerridge Valsoft, AdvT, CACI and Access Group** still remain very active.

Perhaps surprisingly, the number of deals funded by PE remains very solid at 38% of all deals, despite their lack of public exits. The biggest firms like KKR and Hg are the most active.

Looking at deals in H1, the driver that really stands out is not just AI but DataTech. Data really is the new gold. Data related deals are strong and key factors behind the exits of **FD, Cado, Neptune, Terahelix, and Blis** in 1H25.

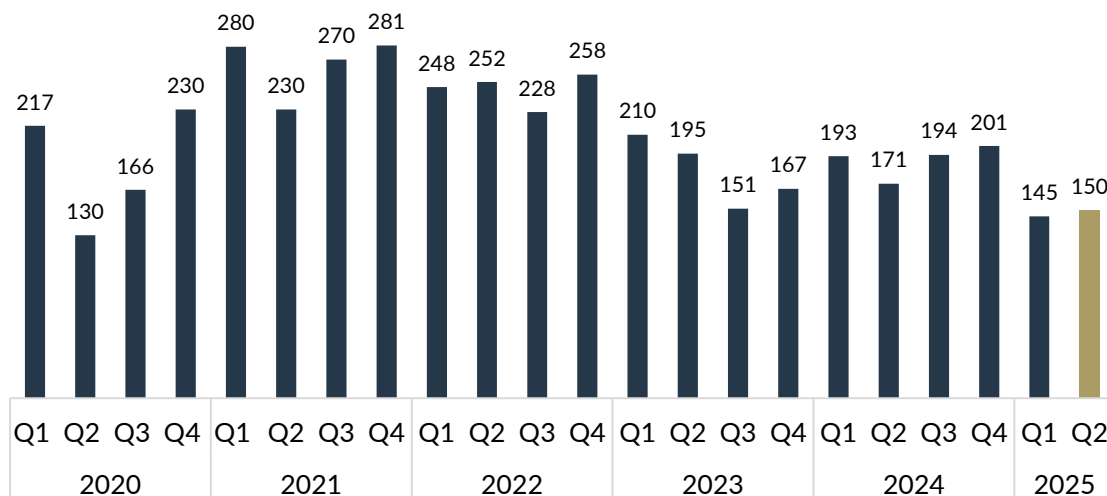
Results of listed **Hg Capital** (i.e. Access, Iris, Ideagen etc) are always interesting and show its top 20 investments are still doing rather well with rev and EBITDA growth of circa 20% and op margins of 34%. That is reflected in average valuations of 26x EBITDA / 9x revenues. But with chunky debt of 7x EBITDA you need to keep a close eye on things.

The Year of the Snake looks a bit slippery for some, but "we still remain busy at ICON, having recently closed deals in HCM, PropTech, Cyber and Data/AI and we have a very healthy pipeline," says Brian Parker, Head of M&A at ICON.



# AI and Data Tech driving M&A

## UK Tech M&A deals recovered back to pre-COVID levels



## Analysis of UK Tech M&A deals

**38%**

of H1 25 deals are PE-backed

**47%**

of H1 25 deals are cross-border

### Most Acquisitive Sectors

- All things AI
- DataTech
- Cyber
- Compliance
- FinTech

## IPO market is dead

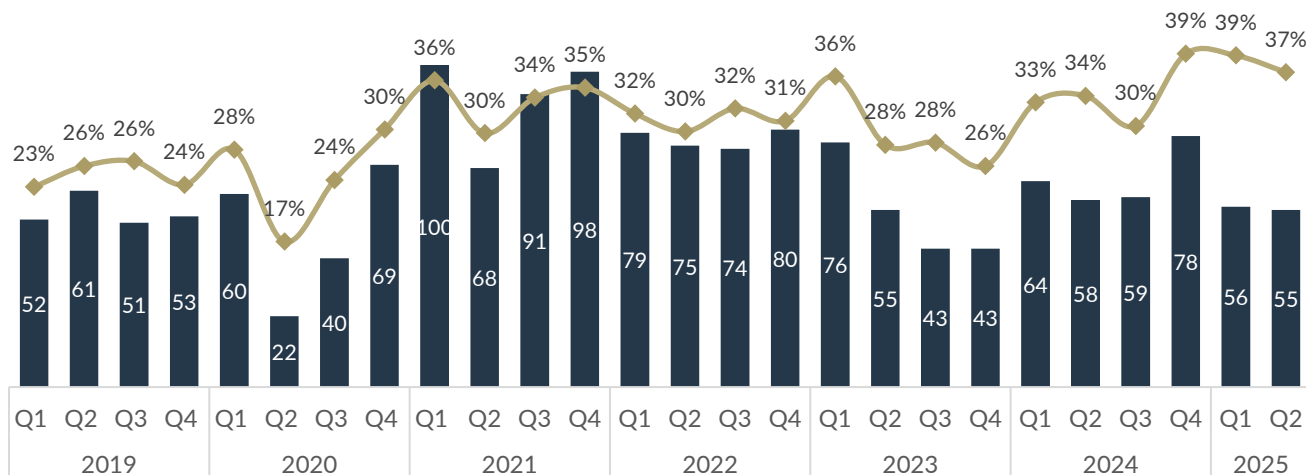
- The IPO market continues to remain closed. Given the performance of many of those that have listed in the past few years, that may not come as a surprise.
- In 2024 there were 88 listed companies leaving and only 15 joined. It's an exodus.
- Of the few sizeable IPOs in the past few years many have struggled and been sold at a loss (Alphawave, PodPoint, Deliveroo are all being delisted at a loss) and successes like Wise and Darktrace are either going, or gone. The IPO market looks dead.

## AI is everywhere

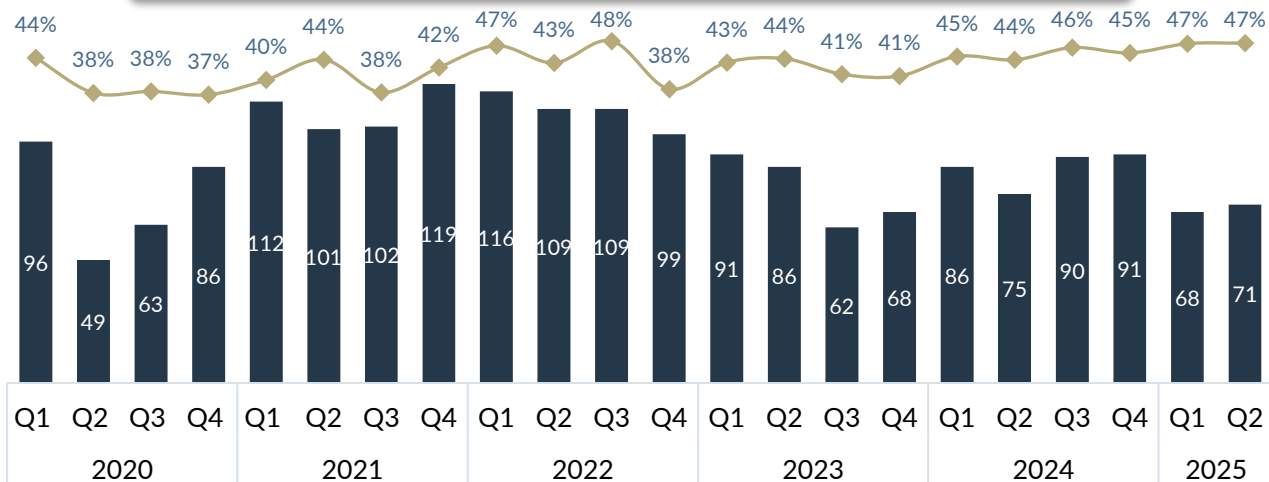
- Almost every deal in the past year has an AI angle, as buyers scramble to beef up their AI capabilities and sellers sprinkle AI moon dust to boost valuations.
- The key AI indicator is the valuation of Nvidia, which after a Q1 hiccup has melted up in the past two months and is now worth \$4trn.
- It's not completely a one-way ticket though, as Builder.ai (the AI app builder) found out, having blown through \$0.5bn of money from Microsoft and Qatar. It turns out their revenues were also "artificial".

# Type of Acquirers

UK Tech M&A - PE/VC-backed acquirer deal count



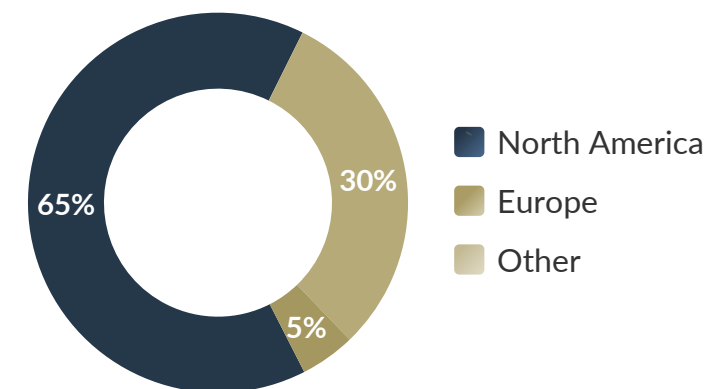
UK Tech M&A - Cross-border acquirer deal count



Resurgence in PE buyers

- Despite many moving parts the analysis of deals remains similar to prior years.
- Perhaps surprisingly PE-backed buyers still account for a very chunky 38% of all deals in H1 – near their record high.
- Overseas acquirers were also very strong and have been remarkably consistent through 2024-5 accounting for 47% of all deals.
- North American buyers really dominate, accounting for nearly two thirds of all cross-border deals.

Overseas acquirers by geography (H1 25)



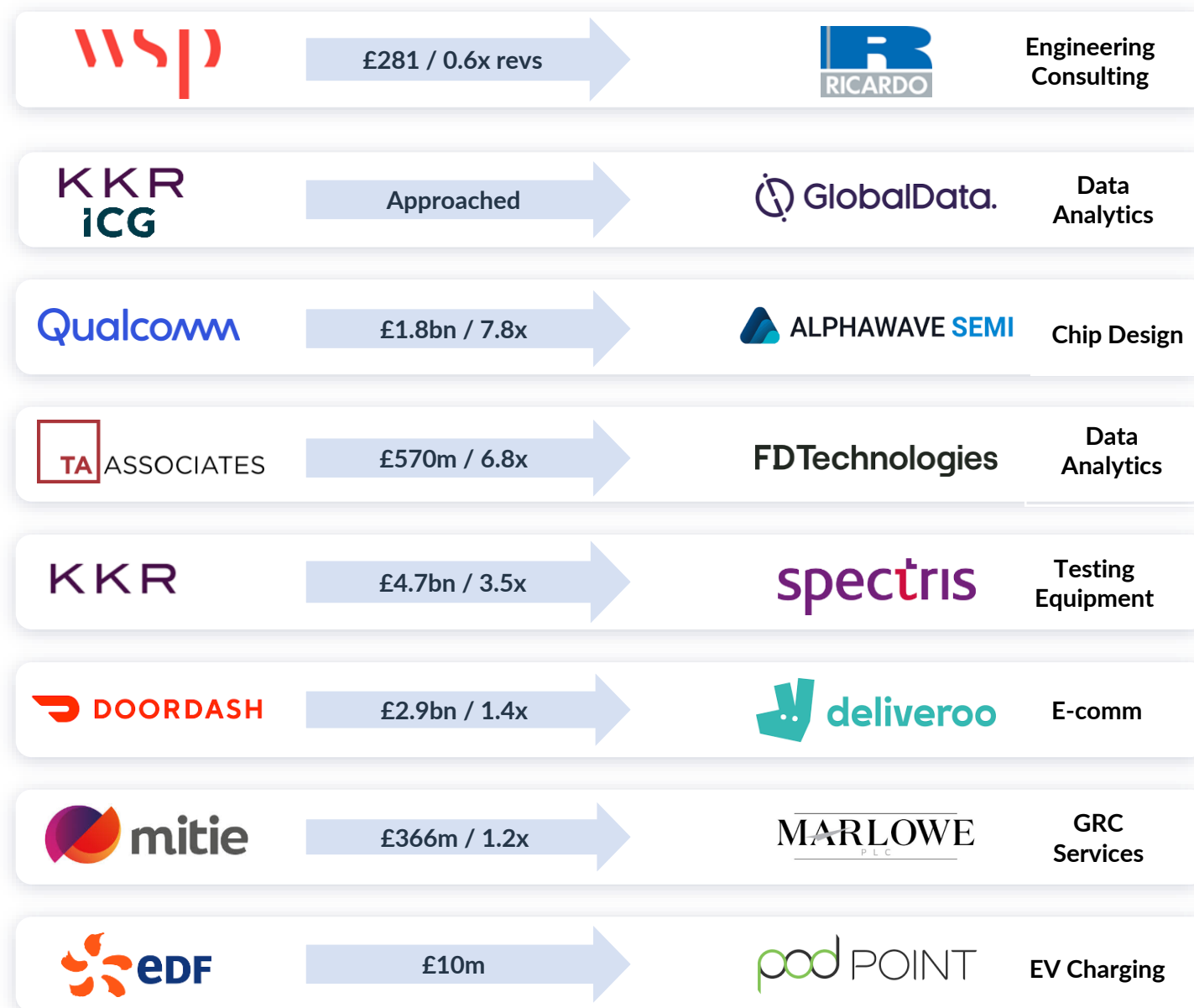
# Listed tech - still shrinking

The steady stream of de-listings in London has turned into a river as 88 left last year - the highest level in over 15 years. At the same time, IPOs are at 30-year low in London. Public markets are not an option for UK tech at the moment.

Some of the de-listings are opportunistic. Alphawave for example was IPO'd 4 years ago at 410p and was acquired for less than half that. Deliveroo had a similar story.

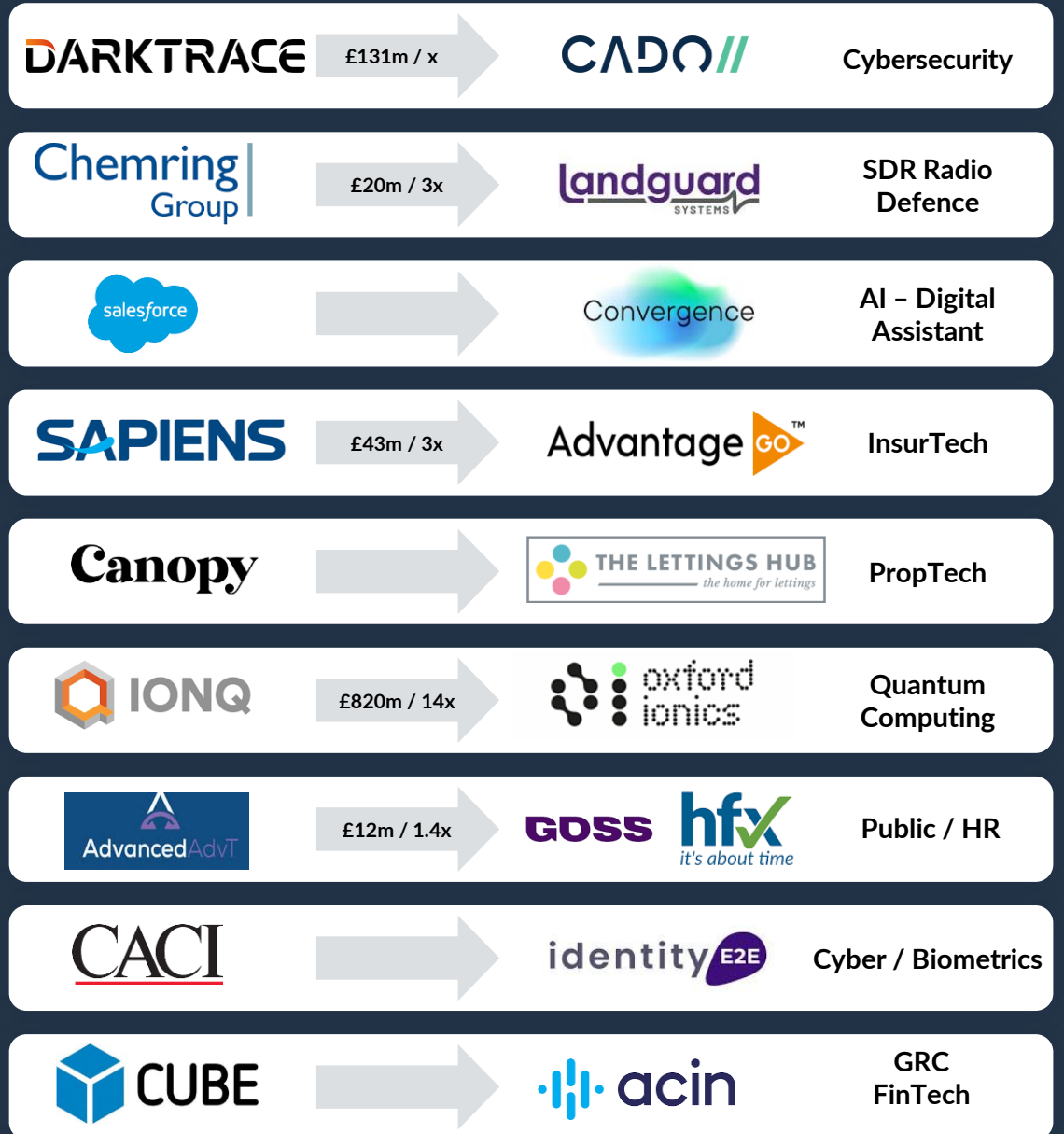
Spectris was acquired by KKR, upping Advent bid by £300m – again showing the power of competitive tension.

Yet others, like FD Technologies (data analytics software) got a cash exit at nearly 7x revenues.



# 1H 2025 deals

- **Darktrace** was acquired by Thoma Bravo less than a year ago, yet in early January paid £121m for **Cado Security**, a UK-based cyber investigation and response solution. Cado captures a snapshot of data stored on a device and then conducts forensic investigations to uncover signs of threats.
- **Salesforce** has acquired London-based AI startup **Convergence.ai**. Founded a year ago by execs of Shopify and AI firm Cohere. They previously raised \$12m in a pre-seed funding by Balderton, Salesforce and Shopify. It is an AI-powered digital assistant.
- US-listed **Sapiens** acquired **AdvantageGo**, a commercial insurance software provider with cutting-edge underwriting workbench capabilities. Having paid just 3x revenues or £43m only tells part of the story as it lost £9m last year and isn't expected to be profitable for 2 years.
- In the PropTech space, **The Lettings Hub**, one of the leading UK tenancy management platforms was acquired by **Canopy** with funding provided by Growth Lending, Hay Wain and West Hill. With over 2,500 letting agents they now form a powerful tenancy management solution.
- **Oxford Ionics** was founded 6 years ago by two Oxford PhD students. It has just sold to US-listed IonQ for £820m (albeit 100% in shares) valuing it at an eye-watering 14x this year's revenues.
- Vin Murria's **AdvT** continues to nibble away with two canny deals in public sector and HR paying £12m - only 1.4x revs, despite high recurring revs.
- **CUBE** (owned by Hg) acquired **Acin** risk management software from a consortium of big banks and investors.



# 1H 2025 cont'd

- **S&P Global** acquired **Terahelix**, a London AI driven data modelling software platform for banks and financial services. They have worked together for 3 years beforehand.
- In another data deal, **TP ICAP** acquired bond market data specialist **Neptune Networks** from a consortium of banks. Neptune delivers real-time pre-trade bond market data from sell-side banks to buy-side clients.
- **CGI**, the huge Canadian consulting group with C\$15bn revenues made a big splash acquiring software engineering group **BJSS** who has over 2,400 UK consultants. The deal is estimated at £300m or 1x revenues.
- **North Edge** acquired Newcastle based **Oak Engage**, a leading employee intranet / collaboration solution used by Burger King, Aldi, NatWest etc..
- **Softcat** started 32 years ago (market cap of £3.5bn). Yet it took them until 2025 for its first ever acquisition!! Leeds based **Oakland Consulting** - a data and AI consultancy with 70 staff and £10m revenues, yet only paid £8m upfront. That's tipping your toes gingerly into the world of M&A.
- US **T-Mobile** paid £136m for **Blis Global** - a fast-growing London based, location data platform for advertisers. A good exit for LDC at 8.5x EBITDA.
- **Access Group** bought another 4 companies in 2025 in enterprise software for construction, recruitment and compliance.
- **Idox** formed over 20 years ago and after a few bumps on the road is acquiring again: Trojan/Plianz, a social care platform for 3x revenues (12x EBITDA). Having trod water for a number of years it is back buying.



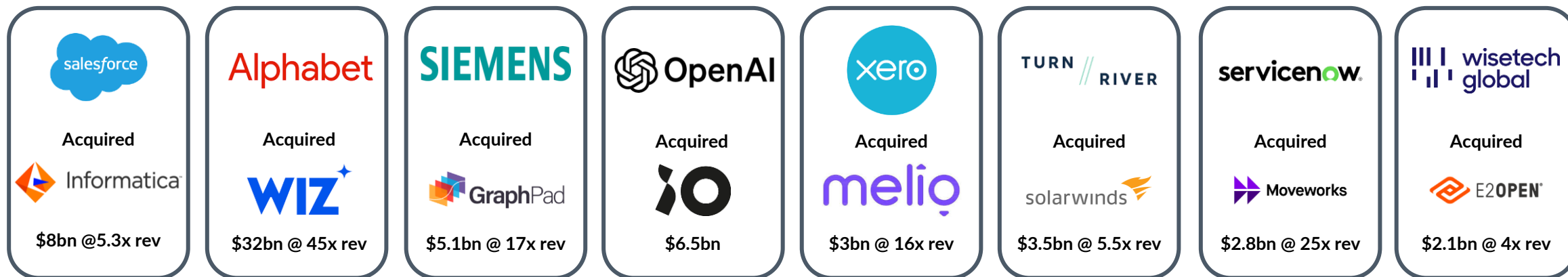
# Despite Trumpeting...

## Not everyone is cautious

- **Alphabet** made its biggest ever acquisition, buying cloud security provider **Wiz** for \$32bn, an astonishing 45x its ARR of \$700m and all in cash.
- Contrast that with Sam Altman's **Open AI** deal to acquire **io Products** (iPhone designer Johnny Ive's AI hardware start up). They paid \$6.5bn, despite having negligible revenues. Understandably, that deal was 100% in shares.
- Turn River (a PE fund) acquired **Solarwinds** (database and IT service management software) for \$3.5bn or 5.5x revs in a huge deal for them, nearly 10x the size of previous biggest deal!
- **Siemens** paid a punchy 17x revs for scientific graphing software **GraphPad**.
- **Xero** paid \$3bn (incl \$0.5bn earnout) or 16x revenues for SME bill payments platform Melio. It is 50x larger than their biggest deal to date.

## NASDAQ ends up 4%- despite Donald's trumpeting

- 1H25 has been a pretty volatile period, fuelled by Donald Trump's high volume of unpredictable messaging. Yet, despite that, the NASDAQ was up 4% and Nvidia is now worth \$4tn.
- AI remains the hottest ticket but Data is a very popular space too.
- Not surprisingly, Palantir was one of the best performers in 1H25, up 74% valuing it at a mad sounding 100x revenues.
- Stalwarts like Microsoft ended up 15% in 1H but those affected by tariffs like Apple or Tesla fell 15% or more.
- The other big tech players are still doing pretty well, boosted by AI, cloud services/infrastructure and their vast economic moats.





# A selection of recent ICON deals



Acquired by

**Canopy**

PropTech

 **Workspace365**

Acquired by



Digital Workplace



Acquired by



Supply Chain



Funded by

**MAYFAIR**  
EQUITY PARTNERS

AI Translation



Funded by

**octopus**  
ventures

Data Warehouse



Funded by



Employee  
Engagement Platform



Acquired by

**CLOUDERA**

Metadata  
Management



Acquired by



Cloud Services

**DPOrganizer**

Acquired by



Cybersecurity



Acquired by



Data Discovery  
Platform





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Data is from a combination of Pitchbook, S&P Capital IQ and ICON analysis