

UK Technology M&A Snapshot

Q3 2025 - *Bubbles over the pond*



October

2025

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Over the pond, 2025 is shaping up to be a **record year for deals and market activity**, although there are now clear signs of an AI bubble. Hyperscalers are committing nearly 75% of their cashflow to AI infrastructure and OpenAI has gone “all-in,” committing \$1 trillion. Markets have responded enthusiastically, with the NASDAQ rising 18% to another record high following a strong summer. This momentum has reignited the IPO market, with notable floats including **Figma**, **Coreweave** and **Circle**. It has also supported the largest-ever PE buyout of gamer **Electronic Arts** for \$55bn.

There is no doubt that “higher for longer” interest rates and tariffs held back M&A earlier this year, but rates have started to fall in the US, with further cuts expected. This is **boosting buyer confidence** and as a result, the value of larger US deals jumped in Q3, outpacing smaller transactions.

In the UK, tech M&A is often **led by US confidence**, and we continue to see trends from recent years persist. Overseas buyers account for 50% of all UK deals despite the weaker dollar. Notable buyers in 2025 include **Anthropic**, **Corpay**, **Presidio**, **Salesforce**, **S&P Global**, **Qualcomm** and **IonQ**.

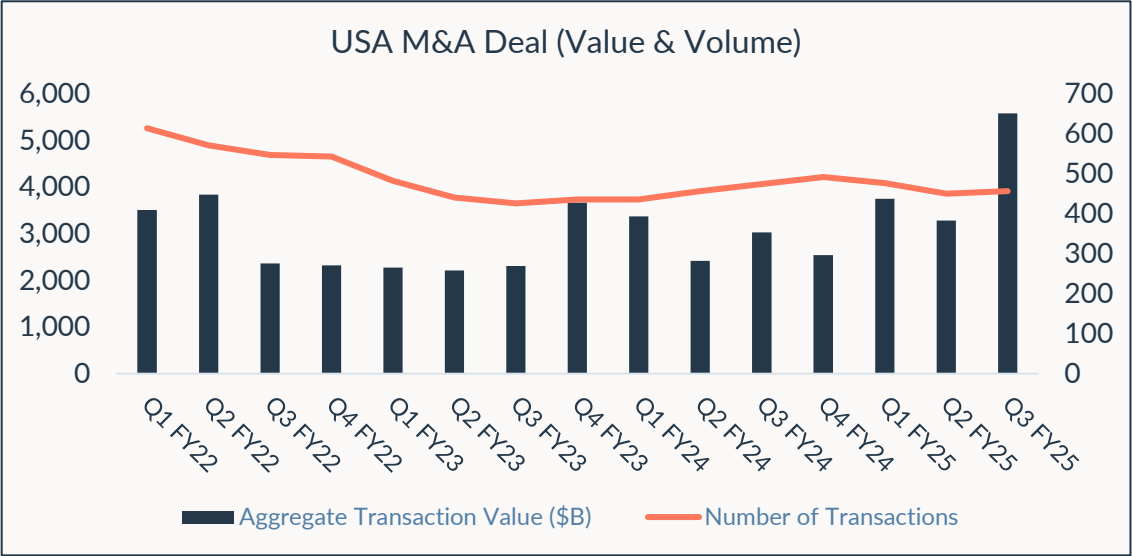
Serial acquirers such as **Ideagen**, **Civica**, **Valsoft**, **AdvT**, and **Access Group** remain highly active in mid-cap deals. Ideagen is the most active, with 9 deals so far this year, followed by Access Group with 6.

PE buyers are also still very active, particularly the largest funds (both Access and Ideagen are **Hg** owned). Other recent buyers include **Permira**, **Apax**, **SilverTree**, **LDC**, **Cinven** and **Carlyle**.

Beyond AI, the busiest sectors in 2025 have been Fintech, Compliance, Supply Chain Cyber and Digital Transformation.

As you would expect from the Year of the Snake, there has been a mix of **predatory and patient activity**. Some buyers strike with knock-out bids (think EA), while others wait years for the right opportunity (think Softcat, with one acquisition in 30+ years).

“2025 has been a strange year in many ways, yet we still remain very busy at ICON, and we have a **very healthy pipeline**,” says Brian Parker, Head of M&A at ICON.



3Q 2025 Software deals

- US based payment business, **Corpay**, have acquired **Alpha Group** for £1.5bn (or over 50% higher than its share price). Earlier in the year we saw the same happen to **Alphawave**, **FD Technologies**, **Spectris** and **Deliveroo**.
- CBPE** are acquiring a significant stake in **Velociti** (previously known as EPM). Focused on bus and railway software, it completed 3 bolt-on deals under Literacy Capital. Deal value is £51m - over 5x revenues.
- Cinven** acquired **Smart Comms** (customer communication management) particularly for highly regulated industries. It values Smart at £1.3bn or just under 2x revs.
- Carlyle Group** has paid up to £150m to acquire **Intelliflo** (IFA software used by over 30k professionals). One third is deferred in earn out.
- Verve Group SE** (a Swedish Adtech), is acquiring **Captify Technologies** which analyses the search behaviour of up to 1 bn daily searches. The £22m deal values Captify at 7x EBITDA and has a third of deal deferred.
- Most active acquirer this year was **Ideagen** (owned by Hg Capital) with 9 deals in 2025YTD! They are all in compliance for regulated areas such as aviation noise, ESG, wearable tech, lone worker safety and f&b.
- Access Group** have already acquired six businesses in 2025 including MyCompliance, which (unsurprisingly) offers compliance software for Environment Health and Safety etc.
- Civica** has made 37 acquisitions in the past decade. They acquired **OLM**, a social care software that over its 35 years has grown to 250 staff.

Corpay  **ALPHA** Fintech - Payments

cbpe capital  **VELOCITI** THE FUTURE. ACCELERATED. Transport

CINVEN  **SMART COMMUNICATIONS** Customer Communications

CARLYLE  **intelliflo** Fintech - IFAs

verve  **captify** Search Intelligence

Ideagen  **SafetyStratus WSG** Compliance

access  **MYC** Compliance Management Compliance

CIVICA  **olm** Social Care

NEC  **Cadcorp** SPATIAL INSIGHT Geo Spatial

3Q 2025 Service deals

- There have been some chunky digital transformation deals this year kick-started by CGI buying BJSS (2400 consultants) for £700m. More recently **Acuity** (backed by Permira) bought **Ascent** with 550 staff offering tech and AI led services. Recently, US listed **Presidio** acquired **TransACT**, an AWS Partner and cloud solutions provider.
- There has been a multi-year wave of consolidation of Microsoft Partners in UK as PE backed buyers piggyback on the huge demand for Microsoft products. Silvertree PE have acquired Microsoft specialist **mhance** with 120 staff in the latest deal.
- In reseller/distribution deals, German based **Aurelius PE** acquired DCC's £2bn product arm (**Exertis**) for £100m as part of DCCs restructuring. Then, York based **Boxxe** acquired £150m rev **CAE Technology** a Cisco Partner.
- In Comms Services LDC backed **OneCom** made its 13th acquisition in 5 years buying cloud comms specialist **Gradwell**.
- US based **Applied Systems** acquired **Cytora** a digital risk processing platform for insurance industry. Cytora was a university start up back in 2014 funded by Cambridge Judge BS.
- Thelawyer.com** sold to **Legal Benchmarking** for £43m or nearly 5x revs. It is funded by Triple Point PE, who only bought LB a few months earlier.
- Anthropic** acqui-hired the whole team of **HumanLoop** and then promptly closed the business! The LLM evaluation team were a UCL spin out. It is a clear example of the race to acquire scarce AI talent, similar to recent start-up deals in US by **Google** **Microsoft** **Meta** and **OpenAI**.

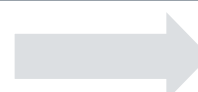
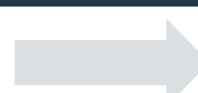
PRESIDIO®

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SilverTree



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Reseller

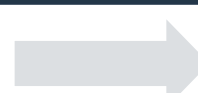
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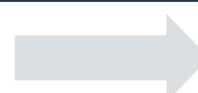
IT Distribution

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Gradwell
COMMUNICATIONS

Comms Services

APPLIED



Cytora

InsureTech
-riskLegal
Benchmarking

THE LAWYER

Legal Information

ANTHROPIC



Humanloop

AI Evaluation

Bubbles over the pond...

It's a big deal

In 1H25 we saw some punchy M&A multiples. For example:

- **Alphabet** made its biggest ever acquisition, buying cloud security provider **Wiz** for \$32bn cash, an astonishing 45x its ARR.
- **Siemens** paid a punchy 17x revs for scientific graphing software **GraphPad**.
- **Xero** paid \$3bn (inc. \$0.5bn earnout) or 16x revenues for SME bill payments platform **Melio**.

In Q3 we saw the largest ever leveraged buyout - the PE buyout of **Electronic Arts** for \$55bn (7x revs for a mature gaming company). It is being part-funded by a \$20bn loan from JPMorgan. That's confidence.

Other notable buyers in Q3 include: **Workday**, **CoreWeave**, **Verisk**, **OpenAI** and **Databricks**.

US M&A deals in Q3 2025



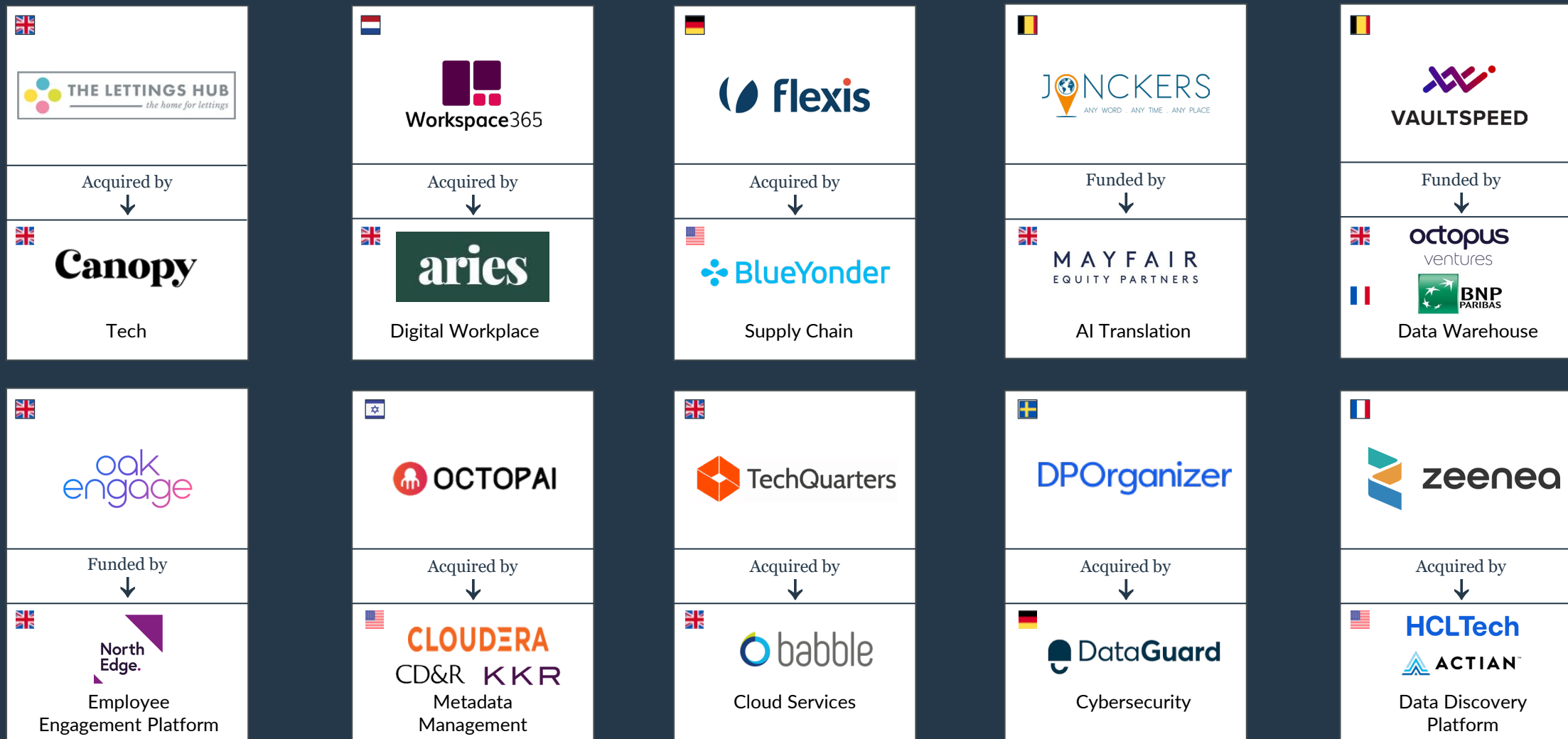
NASDAQ ends up 18% YTD - despite Donald's trumpeting

- Stock markets everywhere have been on a tear, once they digested Trump's tariff tantrums in April. The NASDAQ is now up 18% so far this year and has doubled in the past three years.
- Investment in AI infrastructure is eye-watering as investors look to add to their AI capabilities at any cost often funded by circular deals (think **Oracle/OpenAI/Nvidia**). Yet Palantir is the best performer (+136%) this year and MagSeven are up 20%.
- So, with that rising confidence it is no surprise to see appetite for IPOs in the US recover. The number of IPOs is up 75%. The good performance of newbies like **Figma** and **Coreweave** could encourage the likes of **Stripe** and **Databricks** to follow. But its not all plain sailing as **Klarna** and **Sailpoint** found out (pardon the pun).

US IPOs in 2025



A selection of ICON deals





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