

UK Technology M&A Snapshot

Q3 2025 – *Bubbles over the pond*



October

2025

UK Tech M&A Snapshot - Q3 2025

Over the pond, 2025 is shaping up to be a record year for deals and markets, although there are now clear signs of an AI bubble. Hyperscalers are committing nearly 75% of their cashflow on AI infrastructure and OpenAI has gone “all-in” committing \$1trn. Markets love it, with the NASDAQ melting up 18% to another record high after a great summer. This has kick started the IPO market with strong floats for **Figma**, **Coreweave** and **Circle** among others. It has also stimulated the largest ever PE buyout of gamer **Electronic Arts** for \$55bn.

There is no doubt “higher for longer” interest rates and Tariffs held back M&A earlier this year, but rates have started to fall in the US and further cuts are expected. That is boosting buyer confidence, as a result the value of bigger US deals jumped in Q3 (see chart below), outpacing smaller deals.

In UK, Tech M&A tends to be led by US as confidence ripples over the pond. So we are still seeing a continuation of trends seen in recent years with overseas buyers accounting 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**.

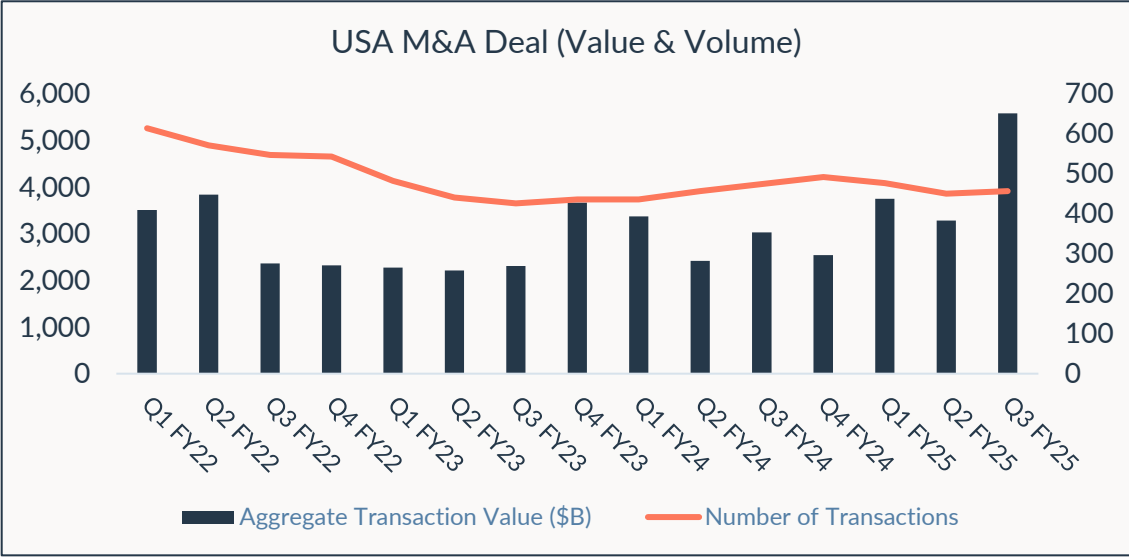
Serial acquirers such as **Ideagen**, **Civica**, **Valsoft**, **AdvT**, and **Access Group** still remain very active in mid-cap deals. Ideagen was the most active acquirer with 9 deals so far this year followed by Access Group with 6.

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

Apart from the clear demand for all things 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 quite a bit of predatory and hunting activity. Some snakes prey on their targets with knock-out bids (think EA) while others wait in the dark for 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 acquisition 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

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Transport

CINVEN

SMART
COMMUNICATIONS™Customer
Communications

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intelliflo

Fintech - IFAs

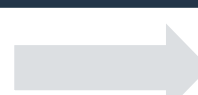
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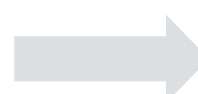
Search
Intelligence

Ideagen

SafetvStratus
WSG

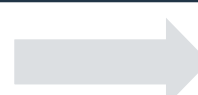
Compliance

access

MYC Compliance
Management

Compliance

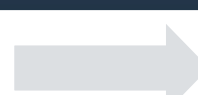
CIVICA



olm

Social Care

NEC

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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**.

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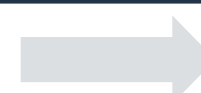
mhance

Microsoft Partner

 ACUITY
KNOWLEDGE PARTNERS


 ASCENT
an Acuity Knowledge Partners Company

Digital Transformation

 boxxe
Tech Solutions


 CAE
TECHNOLOGY ON POINT

Infrastructure Reseller

AURELIUS



exertis

IT Distribution

one.com



 Gradwell
COMMUNICATIONS

Comms Services

APPLIED



Cytora

InsureTech -risk

Legal 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 (incl \$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**.

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

- Stock markets everywhere have been on a tear, once they digested Trumps 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 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 M&A deals in Q3 2025



US IPOs in 2025



A selection of ICON deals





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London | San Francisco | Bristol | Nairobi | Bangalore

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