



# UK Technology M&A Review

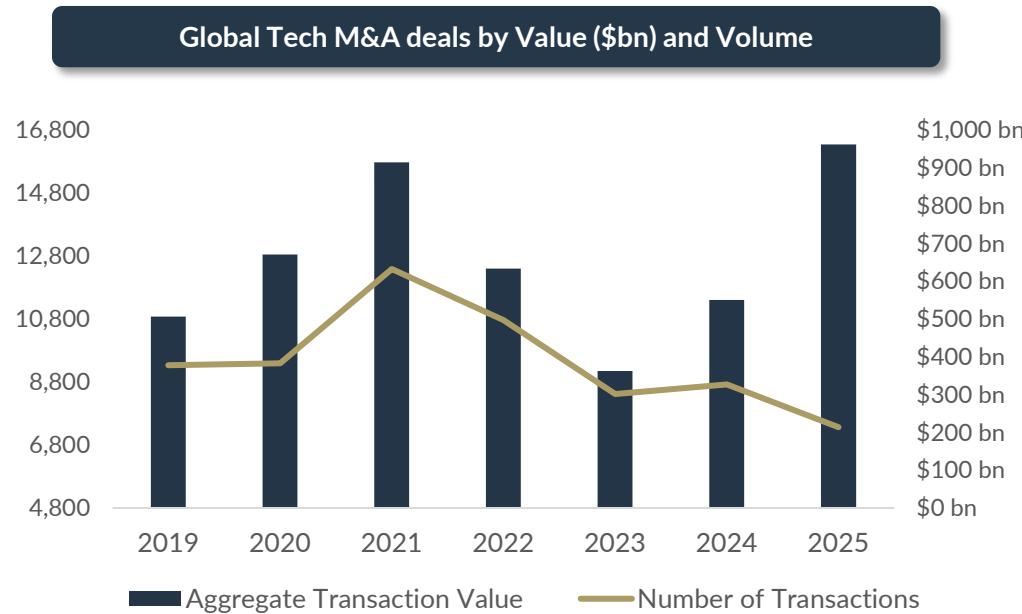
*AI – bubbling along nicely*

 **ICON** CORPORATE FINANCE

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# Global M&A Review



2025 was a crazy year with geo-political turmoil and chaotic tariff changes from The Donald. Yet, despite this, markets did remarkably well. The NASDAQ was up 19% and even FTSE advanced 22%. One of the key reasons is that interest rates have been heading south and they are expected to fall further.

The other key reason is of course the huge investment in AI. Hyperscalers have invested capex of nearly \$400bn in 2025 and this is expected to jump to over \$500bn in 2026, mainly on infrastructure and data centres. To many it looks like a bubble. Maybe, but AI is clearly here to stay.

2025 was the Year of the Mega deal. There was a record value of M&A deals globally, up 75% to nearly \$1tn YoY. It was led by some massive US bets, including some huge valuations like the exit of **CyberArk** (20x revs), **Wiz** (40x) and **Confluent** (10x). Almost every M&A deal seems to have an 'AI angle'.

The trend has continued in the early days of 2026 which has started at a gallop with **Accenture** buying UK AI specialists Faculty for \$1bn (at \$2.5m per head) and **Hg** acquiring financial software platform **Onestream** for nearly \$6bn or 10x revs.

Despite the big jump in the value of deals, the number of Tech M&A deals globally actually fell 26%, perhaps reflecting global uncertainty but also the bigger funding market share grabbed by the very largest PE funds.

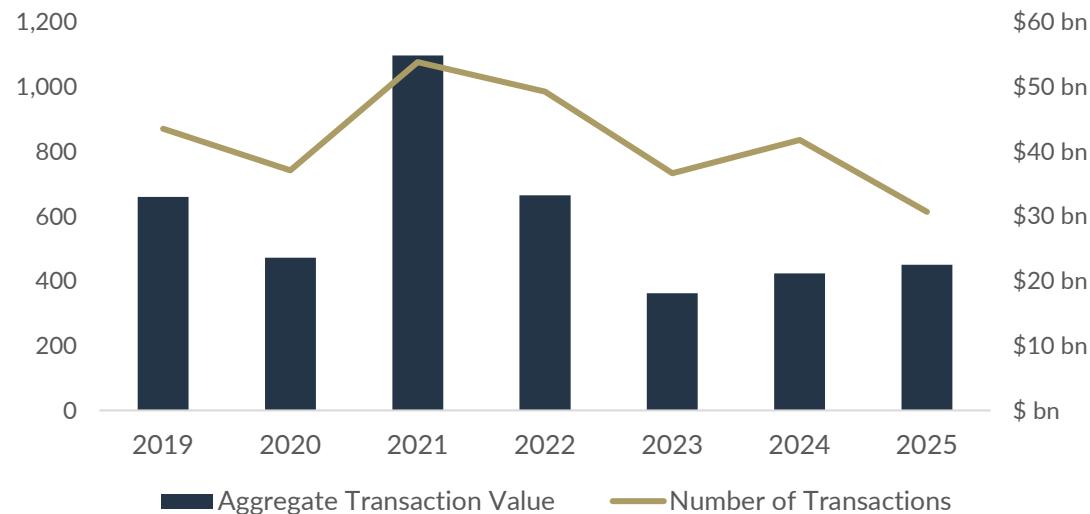
The champions were again **Visma**, owned by Hg, who bought an impressive 24 companies globally (albeit lower than 33 in 2024).

In 2026, interest rates are expected to fall a little, which should help equity markets. We could also have some exciting IPOs (**SpaceX**, **Visma**, **Revolut** and maybe even **OpenAI/Anthropic**).

"2026 is the Chinese Year of the Horse and we hope it's more of a flat race than a steeplechase, as M&A markets love stability," says Brian Parker, Head of M&A at ICON.

# UK M&A Review

UK Tech M&A deals by Value (\$bn) and Volume



Analysis of UK Tech M&A deals

**38%**

of 2025 deals are PE-backed

**48%**

of 2025 deals are cross-border

## Most Acquisitive Sectors

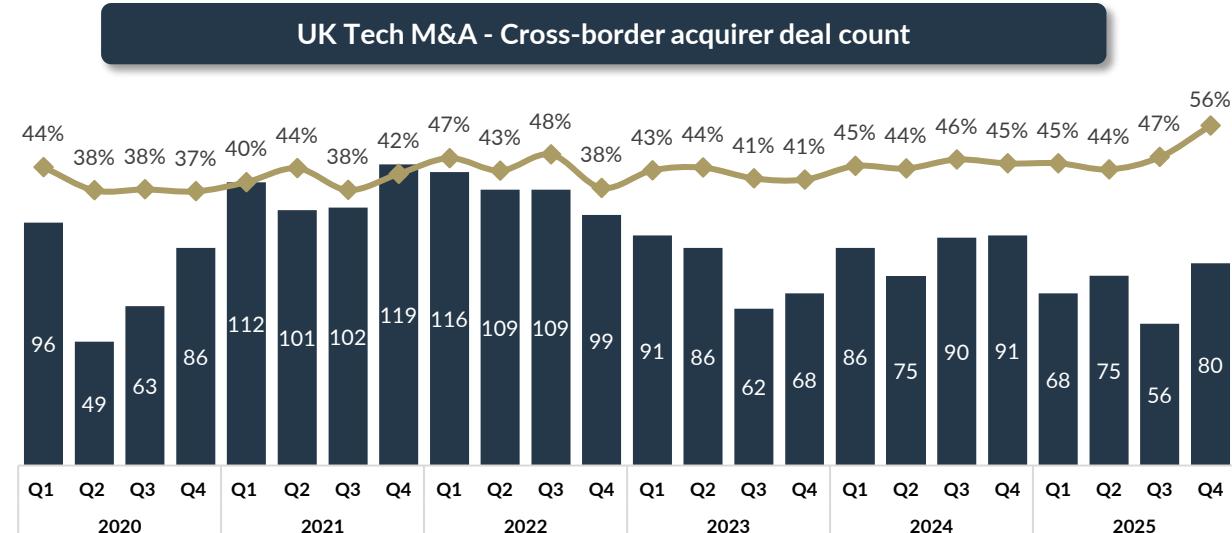
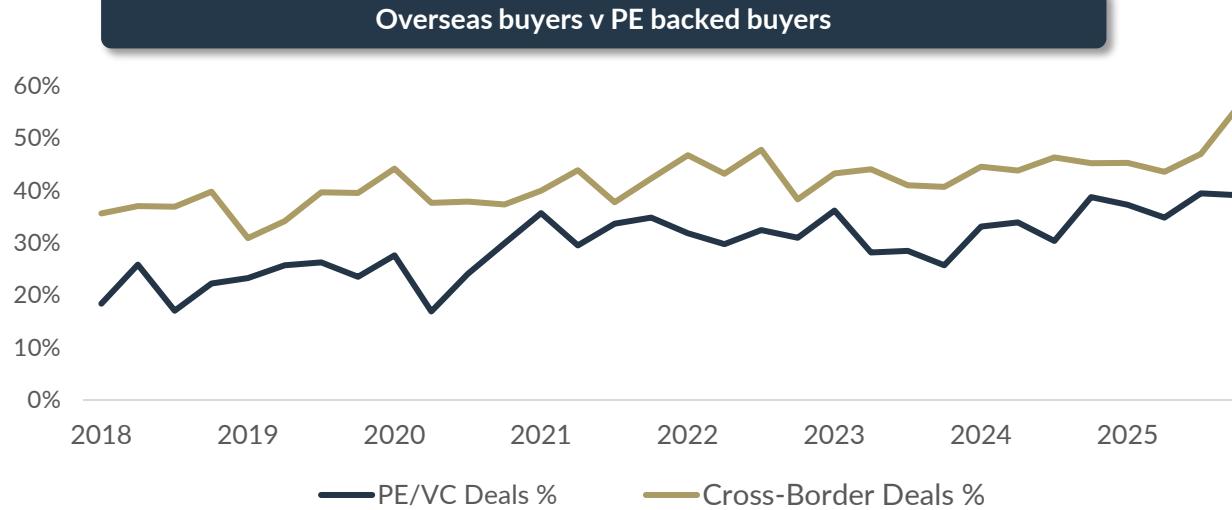
- All things GenAI
- Cyber
- Payments
- DataTech
- Compliance
- Supply Chain
- Cloud Services

## AI angle in almost every tech M&A deal

- In the UK, we didn't quite see the euphoria seen in the US, where the main driver was the number of mega deals. The actual number of deals fell 23% to 584 in 2025, although the value of deals was up slightly.
- Some of the bigger targets included **Alphawave, Spectris, Smiths, Oxford Ionics and BJSS**.
- The busiest UK buyers were dominated by Hg funded buyers like **Access, Focus and Ideagen**.
- The most high-profile UK deals in 2025 were in AI, notably **Accenture/Faculty, Salesforce/Convergence and Anthropic/HumanLoop** as tech majors rushed to boost their AI capabilities and grab scarce resource.
- Although almost every deal seems to have an 'AI angle', the busiest sectors in UK Tech M&A continue to be Compliance, DataTech, Supply Chain, Cyber and Cloud services, particularly Microsoft Partners.
- Overall, the market is in good shape with overseas acquirers still very hungry for UK Technology companies. At ICON, we have also seen this trend, with seven of our last ten deals being cross-border.



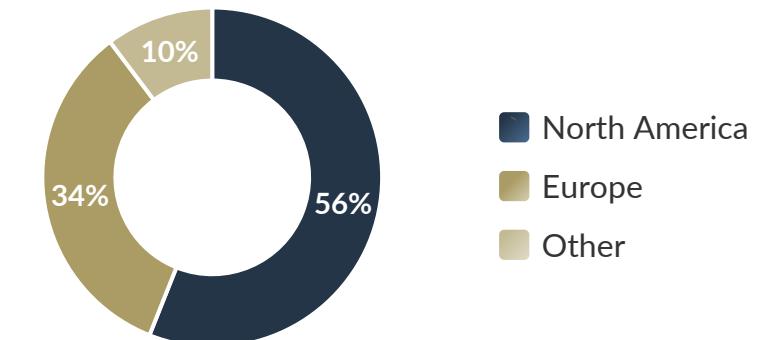
# Type of Acquirers in the UK



## Overseas buying record

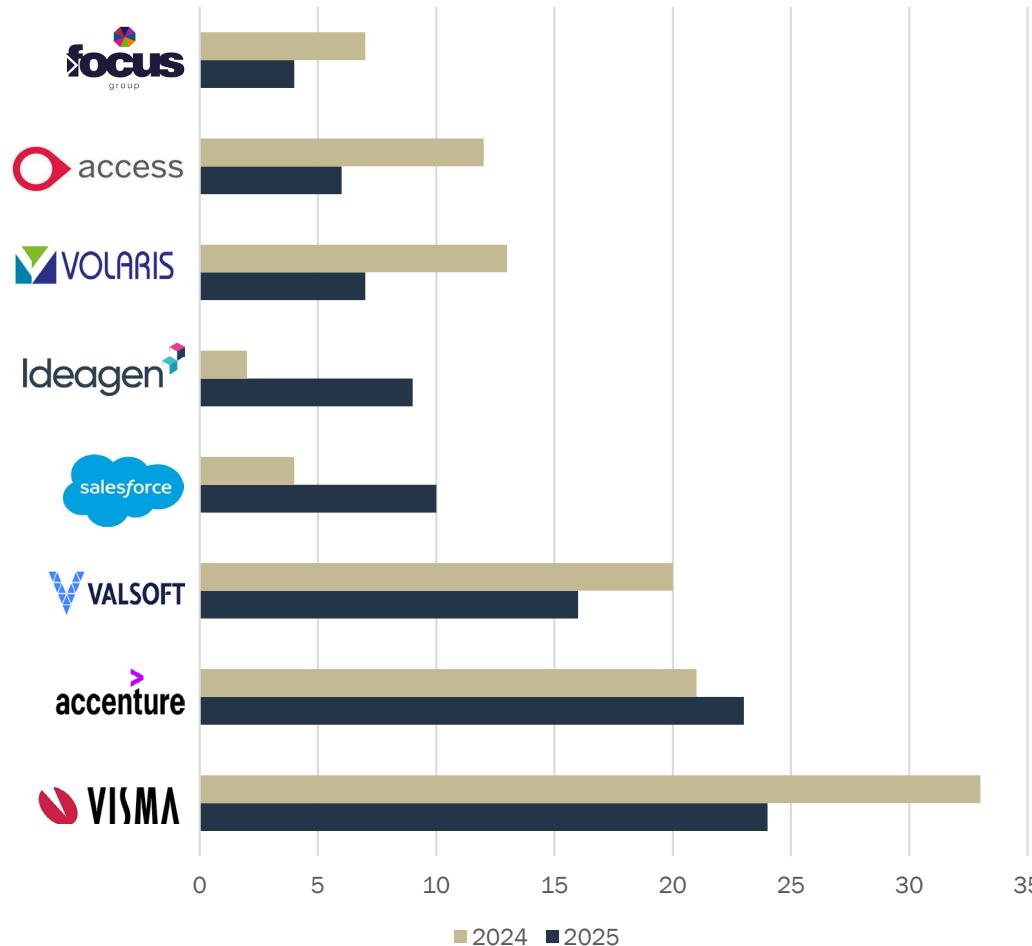
- The tsunami of overseas acquirers buying in UK waters has reached a record high.
- Overseas buyers have consistently accounted for 40-45% of all tech deals in the UK. This jumped in 2H25, reaching 56% of all deals in Q4, the highest we have ever seen over the years we have been tracking M&A activity.
- PE backed acquirers have remained very consistent and continue to be a very important buyer group, accounting for 38% of all deals.

## Overseas acquirers by geography (2025)



# Busy Buyers

Busiest M&A Buyers (2024-25)



## Most active buyers in 2025

The top 8 buyers globally (see chart) acquired 99 companies in 2025, a 12% drop YoY, reflecting a degree of uncertainty.

In the UK, the most aggressive acquirers were backed by Hg Capital who raised an \$11bn mega fund back in 2022. They now have over \$100bn in AUM and are using that firepower to fund some of the most acquisitive companies in Europe over the past few years – particularly **Access, Focus, Ideagen and Visma**.

**Visma** have acquired over 50 companies in the past two years as they push for geographic expansion globally from their Scandinavian base and add niche software aimed at SMEs in Accounting, ERP, Finance, Compliance and HR, particularly those leveraging AI. It looks to be bulking up ahead of a float in 2026.

**Focus Group** is acquiring in communications and managed services. **Access** is focused on Health, Hospitality, NFP, HR and Finance. **Ideagen** is focused on Compliance/RegTech.

**Accenture** are world class at acquisitions having acquired over 300 companies. They spend \$2bn a year. They use M&A to add mid-sized businesses to add skills. In 2025 they acquired businesses focused on Palantir (Decho), AI/Data (Aidemy), Data Centres (Soben), Cyber (CyberCX), to name just a few. However, despite this spree, Accenture shares were down over 20% in 2025 and are unchanged in five years. As a result they cut over 10,000 from the workforce and are retraining their existing 800,000 staff in AI.

**Volaris** and **Valsoft** remain busy tech acquirers in vertical related software. Volaris now covers 40 industries and Valsoft covers >25!

# Artificial Intelligence (AI)

Over the years there have been a few landmark AI deals in the UK from Google/Deepmind for £400m back in 2014 to Softbank/Graphcore in 2024. Now almost every business is using AI and every acquisition seems to be driven by AI.

- In early 2026, **Accenture** acquired **Faculty**, a leading London-based AI consultancy, paying \$1bn for the 400 person team or \$2.5m each. It becomes the biggest ever AI start-up deal in UK and is about 10x revs.
- **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.
- **Salesforce** has acquired London-based AI startup **Convergence.ai**. Founded just a year ago, they previously raised \$12m in a pre-seed funding by Balderton, Salesforce and Shopify. It is an AI-powered digital assistant.
- US listed **UiPath** acquired **Peak**, a Manchester-based AI automation platform backed by Softbank. It is an AWS Partner and AI consultancy with over 200 staff.
- With the huge demand for data centres it is not surprising that several DC consultants were snapped up by Accenture, Salute, Kent and Ridge.
- **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 revs.
- US-based **QAD** acquired **Kavidia.ai** (AI powered procurement and supply chain automation).



# FinTech

- US-listed **Sapiens** acquired **AdvantageGo**, a commercial insurance software provider. Having paid just 3x revs or £43m only tells part of the story as it lost £9m last year and isn't expected to be profitable for two years.
- **S&P Global** acquired **Terahelix**, a London AI driven data modelling software platform for banks and financial services. They have worked together for three 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.
- US-based **Applied Systems** acquired **Cytoria** an AI digital risk processing platform for insurance industry for around 10x revs.
- Two listed deals: US-based payment business **Corpay** acquired **Alpha Group (fx)** for £1.5bn and **TA Associates** acquired **FD Technologies** (derivatives) for £570m (both were 50% higher than their share prices). Multiples of 11 and 5x revs are punchy.
- **Carlyle Group** has paid up to £150m to acquire **Intelliflo** (IFA software used by over 30k professionals). One third is deferred in earn out.
- **The Lettings Hub** was acquired by **Canopy**. BOX, its tenancy management platform, also handles referencing and insurance.
- **Lloyds Bank** acquired digital wallet **Curve** for £120m, well below earlier funding valuations.



# Cyber

2025 was a big year for Cyber deals. Mainly in the US with **Google** and **Palo Alto Networks** paying \$57bn for **Wiz** and **CyberArk**. Other big targets were: Jamf, TurnRiver and Security AI for a combined value of over \$8bn. In the UK we saw:

- **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. In summer 2025 Darktrace also acquired SA-based **Mira** (network security).
- **Chemring Group** acquired **Landguard** a SDR defence business based in Fareham for £20m or 3x revs.
- **CACI** (a serial acquirer in the UK) acquired **IdentityE2E** a biometrics and security services business for the public sector.
- **Limerston Capital** acquired both **CyberCrowd** and **DigitalXRAID** to form new cyber security platform and then acquired **Aristi** - another cyber services business.
- German cybersecurity firm **SecurityBridge** acquired UK-based **CyberSafe** which is focused on SAP identity security and a MFA pioneer.
- Quite a lot of activity in PE backed cyber services. For example: **Redsquid** completed its 5<sup>th</sup> acquisition of 2025. The UK MSSP acquired **Cyberseer** and **ASPECT** its automation response platform.
- LDC backed **Red Helix**, **Nomios** (backed by Keensight) and the BGF backed **Celerity** all did bolt-on cyber services deals.



# Comms and Location

- CBPE are acquiring a significant stake in **Velociti** (previously known as EPM). Focused on bus and railway software it completed three bolt-on deals under Literacy Capital. Deal value is £51m - over 5x revs.
- **Cinven** acquired **Smart Comms** (customer communication management) particularly for highly regulated industries. It values Smart at £1.3bn or just under 2x revs.
- **Cadcorp**, spatial data intelligence predominately for housing and public sector, was acquired by **NEC**.
- 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.
- **1Spatial** (geospatial data) was acquired for £87m by **VertiGIS** (backed by Battery Ventures). A huge 65% premium to their share price, but 2.5x revs.
- **North Edge** acquired Newcastle-based **Oak Engage**, a leading employee intranet/collaboration solution used by Burger King, Aldi, NatWest etc.
- **Verve Group SE**, a Swedish Adtech, bought **Captify Technologies** which analyses the search behaviour of up to 1bn daily searches. The £22m deal values Captify at 7x EBITDA and has a third of deal deferred.
- **Netcall** paid £19m or 2.5x revs for **Jadu** a digital experience platform mainly for public sector in a cash deal with 20% earn out.
- In comms services LDC backed **OneCom** made its 13<sup>th</sup> acquisition in five years buying cloud comms specialist **Gradwell**.



# Buy-and-Build

- Iodox bought Trojan/PlianZ, a social care platform for 3x revs (12x EBITDA). Having trod water for a number of years it returned to M&A. However, it wasn't enough as a few months later and after 25 years as a listed company Iodox has been acquired by Long Path an existing US shareholder for £340m or 3.9x revs.
- Vin Murria's AdvT continues to nibble away with two canny deals in the Public Sector and HR paying £12m, only 1.4x revs, despite high recurring revenues.
- Access Group bought another four companies in 2025 in enterprise software for Construction, Recruitment and Compliance.
- Most active acquirer this year was Ideagen (owned by Hg Capital) with nine deals in 2025. 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.
- IFS a €15bn Swedish Industrial AI group owned by TA, EQT, Hg and others, acquired Softeon, a supply chain software for warehousing.
- Civica has made a huge 37 acquisitions in the past decade. They acquired OLM, a social care software that over its 35 years has grown to 250 staff.
- CUBE, owned by Hg, acquired Acin risk management software from a consortium of big banks and investors.



# Digital Transformation

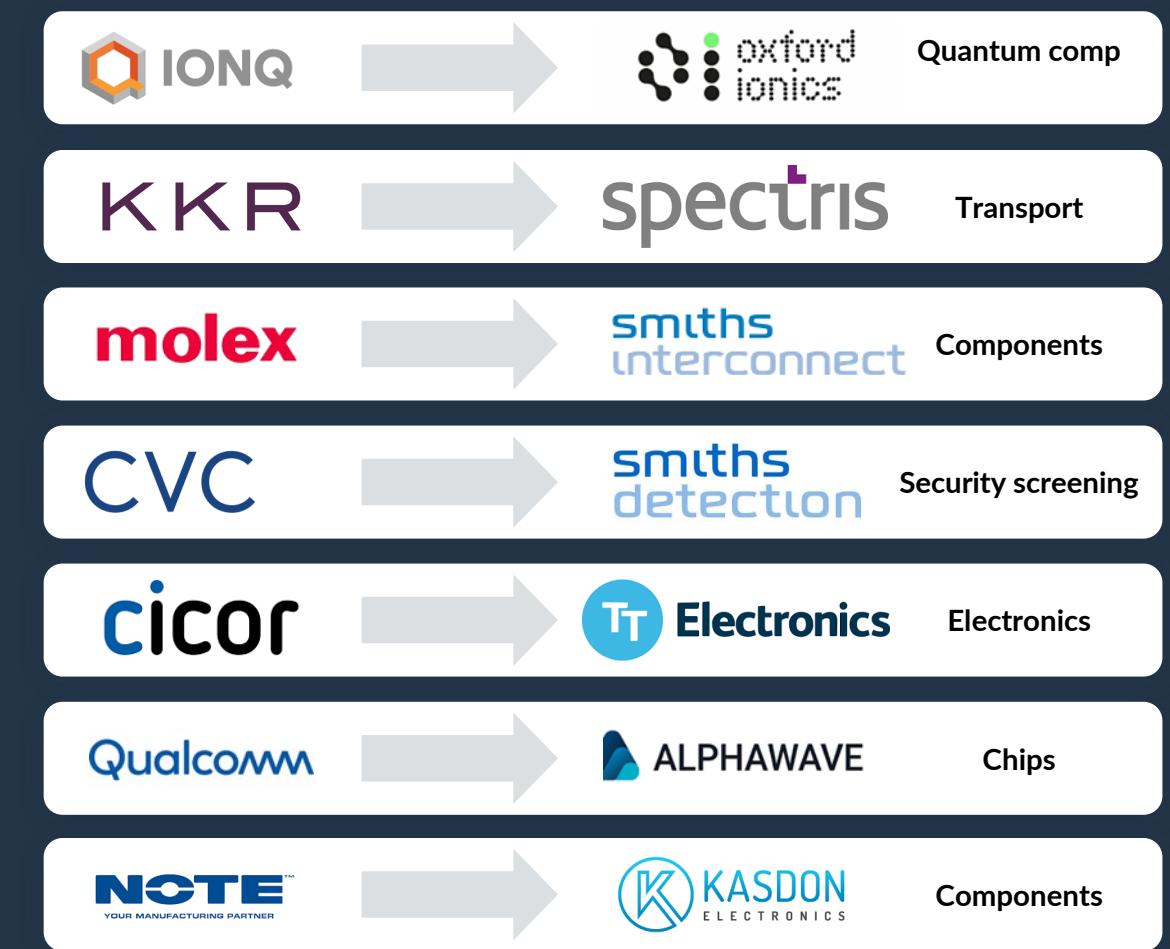
Deals tend to be either very large consultancies acquiring capability or PE backed roll-ups, for example:

- **CGI**, the huge Canadian consulting group with c.\$15bn revs made a big splash acquiring software engineering group **BJSS** who has over 2,400 UK consultants. The deal is estimated at £700m or 2.3x revs.
- **Acuity**, backed by Permira, bought **Ascent** with 550 staff offering tech and AI led services.
- There has been a multi-year wave of consolidation of Microsoft Partners in the UK as PE backed buyers piggyback on the huge demand for Microsoft products. **Silvertree PE** have acquired Microsoft specialist **mhance** with 120 staff. Later in 2025, the acquisitive **Focus Group**, owned by Hg, made four acquisitions including Microsoft MSP **Chalkline**, an SME specialist.
- IBM had a huge year in M&A buying **Hashi** and **Confluent** at 10x revs but also snapped up global Oracle consultancy, **AST**.
- In reseller/distribution deals, German-based **Aurelius PE** acquired DCC's £2bn product arm, **Exertis**, for £100m as part of DCCs restructuring. York-based **Boxxe** acquired £150m rev **CAE Technology**, a Cisco partner.
- Nordic-based **Digital Workforce** acquired **e18** a smallish healthcare automation consultancy for c.1x revs.
- US listed **Presidio** acquired **TransACT** an AWS Partner and cloud solutions provider.
- In early 2026, **Computacentre** paid \$120m for a US IT services firm **AgreeYa** valuing it at 1x revs of 9x EBITDA.



# Hardware

- **Oxford Ionics**, the leading quantum computing innovators founded six years ago by two Oxford PhD students, was acquired by US-listed **IonQ** for £820m (albeit 100% in equity) valuing it at an eye-watering 14x this year's revs.
- **Qualcomm** paid £1.8bn for AI data centre chip developer **Alphawave** (8x revs) to accelerate Qualcomm's growth in data centres, AI, and high-performance computing. It is another in the very long list of underperforming UK listed companies to be snapped up.
- **KKR** eventually paid £4.7bn or 3.6x revs for measurement and testing equipment maker **Spectris** after a bidding war with Advent. Spectris shareholders were happy they got 100% premium over existing shares.
- Under pressure from activist shareholders, **Smiths** is focusing its activities into industrial engineering and so sold their Interconnect business which manufacture electronic components like filters, receivers and RF connectors, to US **Molex Electronics** for £1.3bn and then Smiths Detection who develop screening at airports for £2bn to **CVC** for 2x revs.
- **TT Electronics** make advanced electronics for power manufacturing and sensors. After a poor run of results, it was acquired by **Cicor** for EV of £437m or just under 1x revs or 8x forward EBITDA. It was valued twice as high just five years ago.
- Swedish **NOTE AB** acquired **Kasdon Electronics** for £34 or 2.3x revs, but a lowly 6x EBITDA for the PCB manufacturer.



# Bubbling along nicely over the pond

## Trade buyers drive US mega cap deals

It was a record year for US mega deals, dominated by two sectors: **Data/AI** and **Cyber**.

What was particularly striking was the number of Trade buyers over PE buyers. There were still plenty of PE deals, but it is the first time in a while that buyer lists are dominated by the likes of **Google, IBM, Salesforce and ServiceNow**.

The other striking takeaway is the enormous confidence buyers have, as shown by the huge multiples paid, with four of the biggest software deals being priced at over 20x trailing revs. Yes revenues, not profits.

Some of the circular deals in AI surrounding **Nvidia/OpenAI, Microsoft/Anthropic** smell a little. But AI demand is huge, balance sheets are strong and with rates falling, 2026 could be fun, particularly if we get some big named IPOs like Revolut, Visma, OpenAI, and SpaceX.

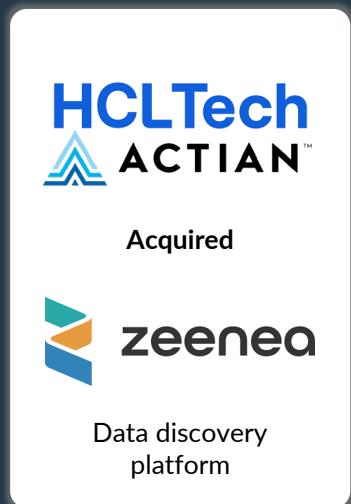
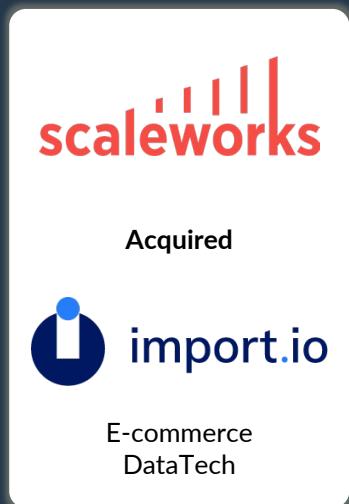
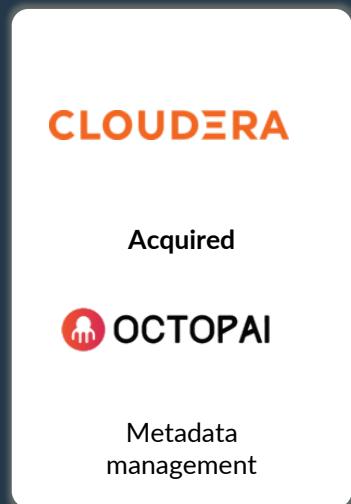
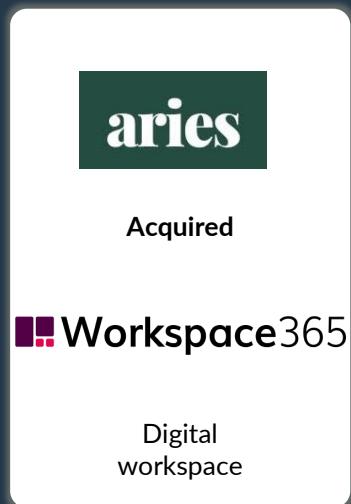
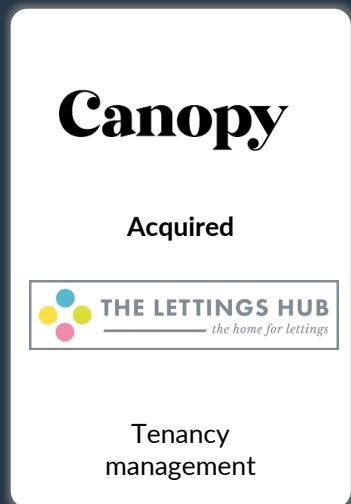
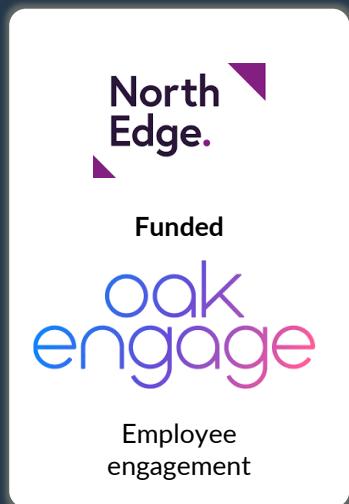
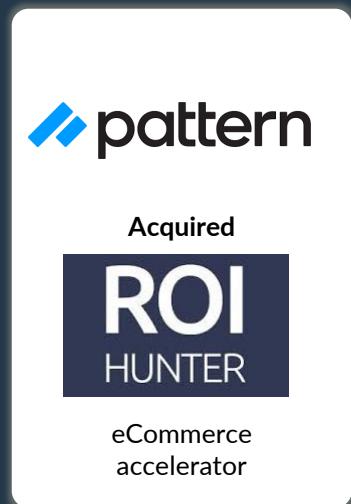
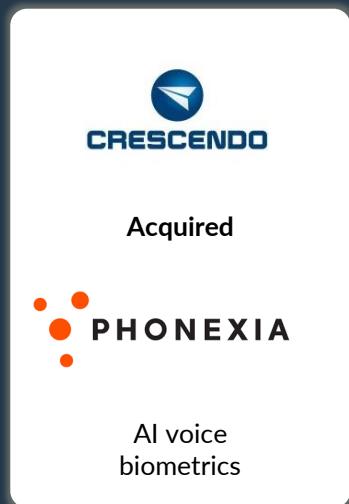
## NASDAQ up again

- NASDAQ was up again. The last three years have seen rises of 54%, 25% and now 19%. There is much talk of a bubble building.
- There was a big bubble 25 years ago, AOL famously bought Time Warner for \$182bn valuing the combined group at \$350bn. It didn't end well and funnily enough AOL was sold in 2025 to Italian buyer Bending Spoons for just \$1.5bn and Warner Bros is being acquired by Netflix for about \$80bn. That bubble popped but the internet still did rather well.
- It is also positive to see the NASDAQ broadening out with only Alphabet and NVIDIA beating the market out of the Mag7 in 2025.

Mega Tech Deals in 2025



# ICON deals





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