

Dealsuite.com

M&A Monitor February 2026

DATA & TRENDS IN THE UK&I M&A MID-MARKET



Introduction

Thank you for taking the time to read this twelfth edition of the UK&I M&A Monitor. This report consolidates research performed by Dealsuite, the leading UK&I and international platform for M&A transactions. It contains statistics and trends for the UK&I M&A mid-market (enterprises with a revenue between £1 million and £200 million) over the second half of 2025.

Dealsuite contacted 435 M&A advisory firms operating within the UK&I M&A mid-market.

The aim of this study is to create periodic insights that improve the UK&I market's transparency and to serve as a benchmark for M&A professionals. We are convinced that sharing information within our network leads to an improved quality and volume of deals.



Floyd Plettenberg MSc. EMFC
CEO Dealsuite



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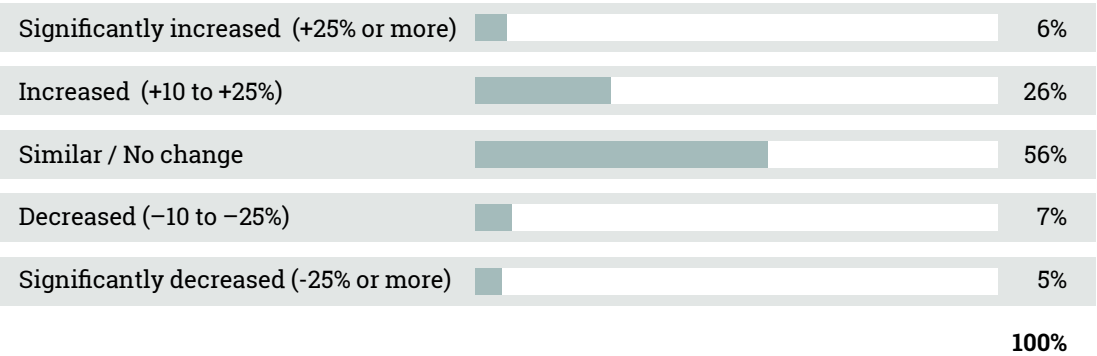
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I Transactions

Increase in the number of transactions in H2-2025

After years of volatility, uncertainty is the new normal in the M&A market. Dealmakers, particularly in the SME segment, are proving resilient and well-adapted to this structural change. To safeguard transaction progress in an unpredictable market environment, dealmakers are increasingly applying flexible deal structures. According to the [Dealsuite M&A Deal Terms Report](#), there is a clear increase in the use of deferred payments and other forms of risk-sharing. In the first half of 2025, transaction volume remained stable compared to the end of 2024. In the second half of 2025, sentiment leaned slightly positive, with moderate increases outweighing reported declines.

Figure 1. Number of transactions in H2-2025 compared to H1-2025



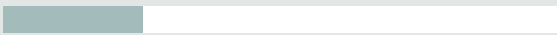
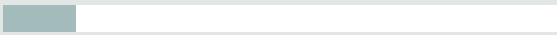
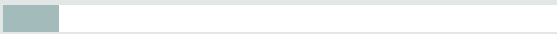
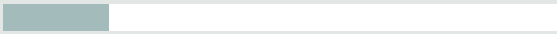
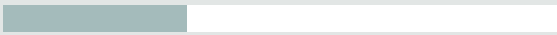
I Transactions

Shift toward smaller deals reshapes deal distribution in H2-2025

In the second half of 2025, the deal mix shifted toward smaller transactions compared to the first half of the year. The share of deals below £2.5 million increased sharply from 33% to 42% (+9 percentage points), reinforcing the dominance of smaller deal sizes.

The £2.5– £5 million and £5– £7.5 million segments saw modest growth (+3 and +3 percentage points respectively). Deals of £10 million or above dropped from 25% to 15% (–10 percentage points).

Figure 2. Transactions per deal size

		H1-2025	H2-2025	Difference
10 million or above		25%	15%	↓ -10
7.5 to 10 million		13%	7%	↓ -6
5 to 7.5 million		10%	13%	↑ +3
2.5 to 5 million		19%	22%	↑ +3
Below 2.5 million		33%	42%	↑ +9

II Expected Sector Shifts

Business Services is expected to drive transaction growth in H1-2026

To assess expected market developments, M&A advisors were asked which sectors they anticipate to have the largest increases or decreases in deal activity during the first half of 2026. Each respondent selected one sector. The results are presented in two charts, highlighting the three sectors most frequently cited for expected increases and decreases in transaction volumes.

When asked which sector is expected to see the largest increase in transaction volume, M&A advisers largely reaffirmed their H1-2025 views: Business Services and Software Development remain the top pick, while Healthcare & Pharmaceuticals has been replaced by Industrial & Manufacturing.

Expectations regarding declining transaction activity remain concentrated in a limited number of sectors. Similarly to H1-2025, M&A advisors identified Retail Trade as the sector likely to see the largest decrease in deal volume in H1-2026, followed by Hospitality & Tourism and Construction & Engineering.

Figure 3: Top 3 sectors with expected increase in number of transactions in H1-2026

1	Business Services
2	Industrial & Manufacturing
3	Software Development

Figure 4: Top 3 sectors with expected decline in number of transactions in H1-2026

1	Retail Trade
2	Hospitality & Tourism
3	Construction & Engineering

III Assignments

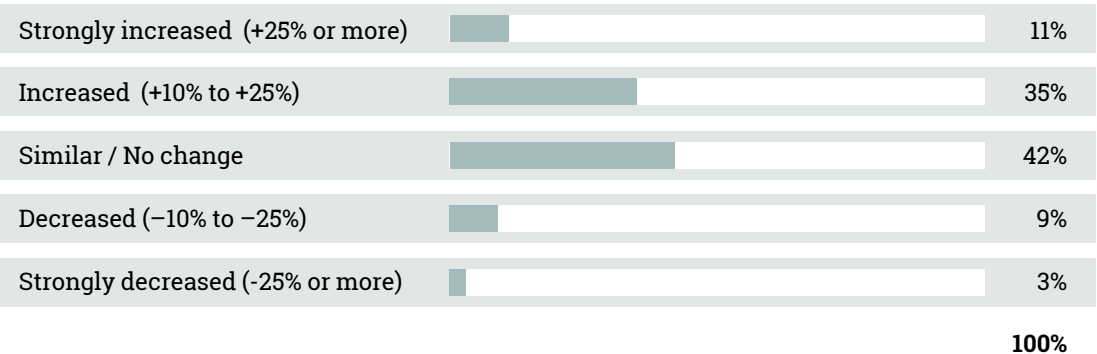
Substantial increase expected in the number of M&A transactions

An increase or decrease in assignments received by advisory firms provides insight into expected deal flow and market sentiment. After an upward trend on the number of assignments in the first half of the year, advisors stated the same trend for H2-2025. The results are shown in Figure 5 below.

These are assignments received in the second half of 2025 and (partly) converted into transactions during the same period. In some cases, these assignments will not lead to a deal until H1-2026, or will still be terminated.

In H2-2025, 46% of advisors reported an increase in the number of assignments compared to H1-2025. 12% of advisors noticed a drop, while 42% of the advisors reported no change in the number of assignments.

Figure 5. Development in the number of assignments compared to H1-2025



IV Sector Multiples

Increase in average EBITDA multiple reported

EBITDA multiples serve as a widely accepted benchmark for business valuation, offering insight into what buyers are prepared to pay across different sectors. Since early 2015, Dealsuite has published semi-annual updates on average sector multiples, reflecting the typical EBITDA multiple paid for companies within each industry.

For this study, respondents provided their current observations of EBITDA multiples, informed by their adjusted market insights. These findings, shown in Figure 6, represent multiples based on the enterprise value (EV) of the acquired companies.

The average EBITDA multiple increased to 5.4. Most sector multiples followed this upward trend, though the Healthcare & Pharmaceuticals sector saw a slight decline from 7.6 to 7.5, as did the Agri & Food sector, dropping from 5.3 to 5.2.

Figure 6. Average EBITDA multiple per sector (EV/EBITDA)

	H1-2025	H2-2025	Difference
Software Development	8.2	8.2	-
IT Services	7.6	7.8	+0.2
Healthcare & Pharmaceuticals	7.6	7.5	-0.1
E-commerce & Webshops	6.4	6.4	-
Business Services	5.9	6.0	+0.1
Industrial & Manufacturing	5.3	5.4	+0.1
Agri & Food	5.3	5.2	-0.1
Media & Communication	4.1	4.3	+0.2
Hospitality & Tourism	4.1	4.2	+0.1
Automotive, Transportation & Logistics	4.0	4.0	-
Construction & Engineering	3.8	3.9	+0.1
Wholesale Trade	3.5	3.6	+0.1
Retail Trade	3.4	3.4	-

The applicable EBITDA multiple for the UK&I M&A mid-market was:

5.4

IV Sector Multiples

Biggest spread reported in the Retail Trade sector

A business valuation is inherently company-specific and depends on a wide range of factors, including growth prospects, profitability, market position, and risk profile. A multiple, on its own, does not constitute a complete valuation methodology, but it serves as a useful cross-check, particularly when assessing comparable transactions in the near term.

Figure 7 illustrates the distribution of EBITDA multiples by sector. Some sectors encompass a wide range of companies, which explains the broader spreads compared with sectors composed of more similar businesses. The table shows the typical range of EBITDA multiples per sector, though individual transactions can occur at significantly higher or lower levels.

To provide a representative view of a typical company within each sector, the range has been adjusted to exclude the two largest outliers per sector.

Figure 7. Spread of EBITDA multiples per sector*

	Lowest	Average	Highest
Software Development	7.7	8.2	8.8
IT Services	7.2	7.8	8.5
Healthcare & Pharmaceuticals	6.9	7.5	8.2
E-commerce & Webshops	5.5	6.4	6.9
Business Services	5.3	6	6.7
Industrial & Manufacturing	4.9	5.4	6.1
Agri & Food	4.3	5.2	5.6
Media & Communication	3.8	4.3	4.9
Hospitality & Tourism	3.9	4.2	4.9
Automotive, Transportation & Logistics	3.6	4	4.8
Construction & Engineering	3.5	3.9	4.6
Wholesale Trade	3.1	3.6	4.3
Retail Trade	2.7	3.4	4.2

* The spread of multiples has been corrected for the two largest outliers.

V Multiples in Relation to Company Size

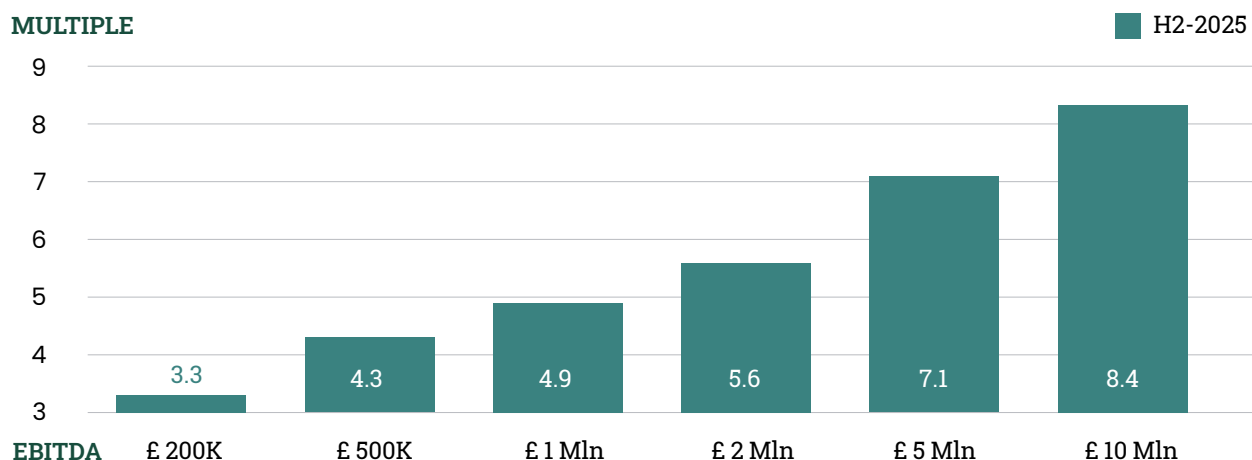
Significant difference in multiples for large and small companies

The size of a company plays a crucial role in determining multiples in business valuation. For small and medium-sized enterprises (SMEs) in the UK, it is essential to accurately quantify the impact of the Small Firm Premium. This is particularly relevant for businesses with an EBITDA ranging from £200,000 to £10,000,000.

Studies have shown that smaller companies face a higher likelihood of not achieving their expected cash flows (Damodaran, 2011; Grabowski and Pratt, 2013). The elevated risk premium associated with smaller businesses, known as the Small Firm Premium, leads to a reduction in value. As a result, EBITDA multiples for larger companies tend to be higher on average compared to those for smaller companies.

The results of this research confirm again that companies with a low EBITDA have a lower multiple than companies with a high EBITDA. The influence of company size on EBITDA multiples paid is presented in Figure 8. The difference in the EBITDA multiple between companies with a normalised EBITDA of £200,000 and £10,000,000 is 5.1 (3.3 compared to 8.4).

Figure 8a. Average EBITDA multiple in relation to company size



Lower EBITDA businesses typically trade at lower multiples primarily due to perceived risk. Smaller companies can have greater reliance on key customers, individuals, or a narrower product offering, which may increase earnings volatility from a buyer's perspective. There is also often more limited management depth and infrastructure to support scale. As businesses grow and diversify, that risk profile reduces, and valuation multiples tend to follow.

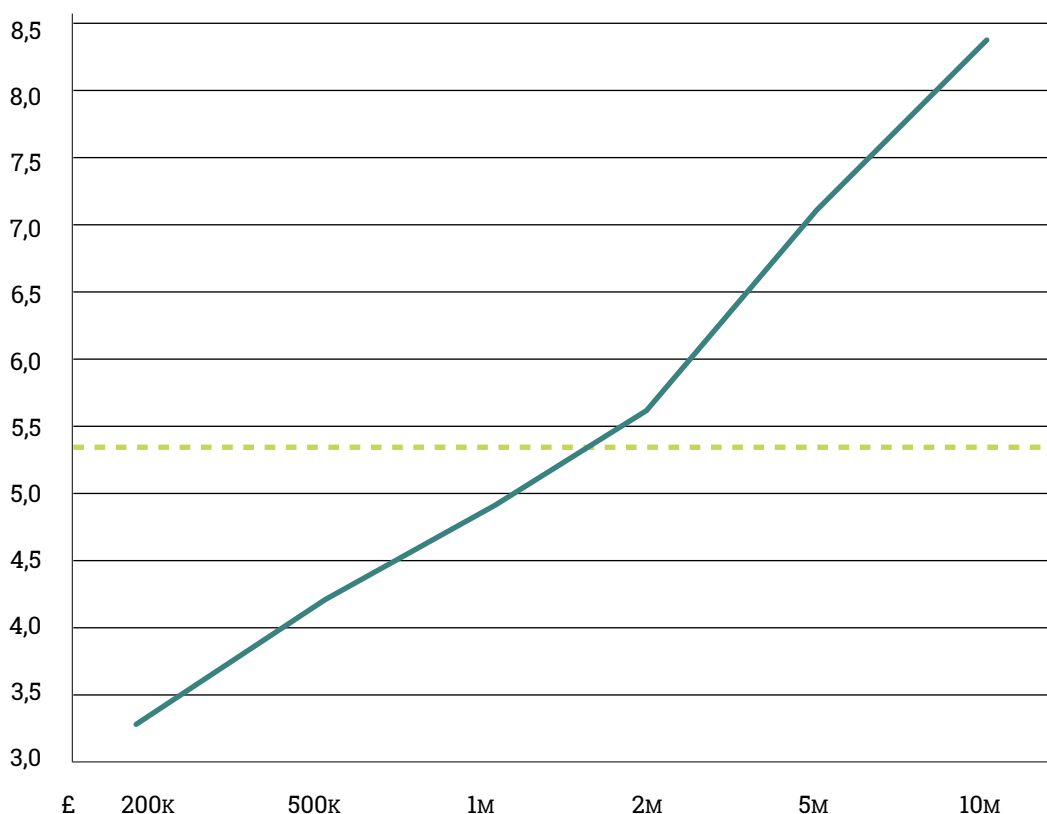


Sam Barr
Corporate Finance Director
Gerald Edelman

GERALD
EDELMAN

V Multiples in Relation to Company Size

Figure 8b. Average EBITDA multiple in relation to company size



■ Average EBITDA multiple across all sectors regardless of company size.

■ Average EBITDA multiple by company size H1-2025.

**Note: The scale of the 'Normalized EBITDA' in this graph is disproportionate.*

For companies with an EBITDA below £200,000, we do not determine a multiple for the following reasons:

- 1 For small companies, the risk premium is very case and company specific.
- 2 The normalised EBITDA of small companies is often unstable - it often fluctuates heavily in terms of percentages per year - and is therefore not a good unit of measurement on which to base the valuation.
- 3 The value of small companies is largely dependent on the (future) potential of the company. In a small company with a lot of potential, the EBITDA in absolute terms can be increased or even multiplied relatively easily.

VI Cross-border Transactions

A comparison of EBITDA multiples between different countries highlights the advantages of cross-border deals. For example, it can be beneficial to buy a particular company abroad or to sell a company to an international buyer. Figure 9 shows the differences in EBITDA multiples between European markets.

Figure 9. Comparison between average EBITDA multiple by sector (Enterprise Value) in the United Kingdom and Ireland and neighbouring countries

	UK&I	Netherlands	DACH	France	CEE	Southern Europe	Nordics
Software Development	8.2	7.5	8.9	7.7	6.9	7.6	8.1
IT Services	7.8	6.7	7.8	7.1	6.1	7.0	7.2
Healthcare & Pharmaceuticals	7.5	6.5	8.5	7.6	7.6	7.5	7.8
E-commerce & Webshops	6.4	5.0	6.2	4.7	5.3	5.2	5.7
Business Services	6.0	5.0	5.7	5.4	5.4	5.3	5.8
Industrial & Manufacturing	5.4	5.1	5.1	4.9	5.3	5.1	5.1
Agri & Food	5.2	5.3	5.3	5.2	5.8	5.4	5.3
Media & Communication	4.3	3.9	4.5	4.7	5.2	5.0	4.3
Hospitality & Tourism	4.2	3.3	3.0	4.3	4.0	4.4	4.0
Automotive, Transportation & Logistics	4.0	4.2	4.1	4.2	4.4	4.4	4.3
Construction & Engineering	3.9	4.8	4.9	3.9	4.0	3.9	4.4
Wholesale Trade	3.6	5.2	4.5	4.0	4.6	4.5	4.5
Retail Trade	3.4	2.5	2.7	4.4	4.3	4.6	4.0
Average:	5.4	5.0	5.5	5.25	5.3	5.4	5.4



The main reason for feeling opportunistic about the upcoming year in M&A is the reduced uncertainty heading into the next budget cycle. The November 2025 budget was relatively mild for corporates, which has improved confidence. In addition, we expect more cross-border activity, as UK assets remain cheaper versus the US, and international buyers are increasingly looking to diversify and establish a strategic presence in the UK.



Wilbur Wang
Assistant Manager
Ensors

 **ENSORS**
CHARTERED ACCOUNTANTS

VII Duration of Sales Process

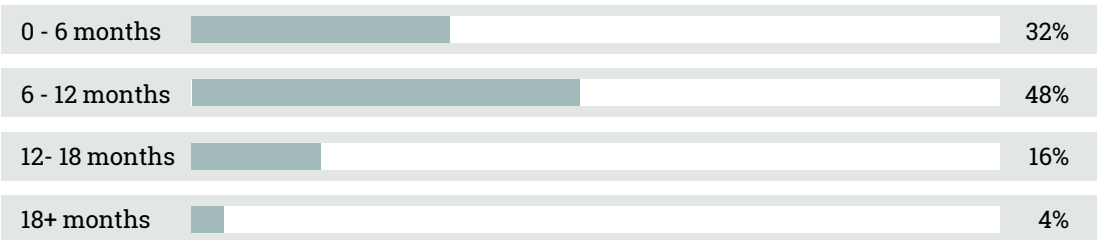
Half of sales processes have a duration of 6 to 12 months

The duration of a sale process is influenced by factors such as market complexity, the seller’s level of preparation, and financing pressure on buyers. The lead time of a transaction, from obtaining mandate to deal closing, can vary significantly.

The lead times of sale processes are distributed on a percentage basis across the categories shown in Figure 10. The vast majority (80%) of sales processes guided by an M&A advisor had a duration of less than 12 months.

Figure 10. Duration of a sales process

H2-2025



In our experience, deal timelines shorten significantly when sellers are fully prepared; when data rooms are clean, comprehensive and aligned to buyer diligence needs; when deal structures are clear and supported by early financing or regulatory steps; and when competitive tension encourages buyers to accelerate diligence and execution.



Muhammad Mustafa
Corporate Finance Director
Xeinadin



xeinadin

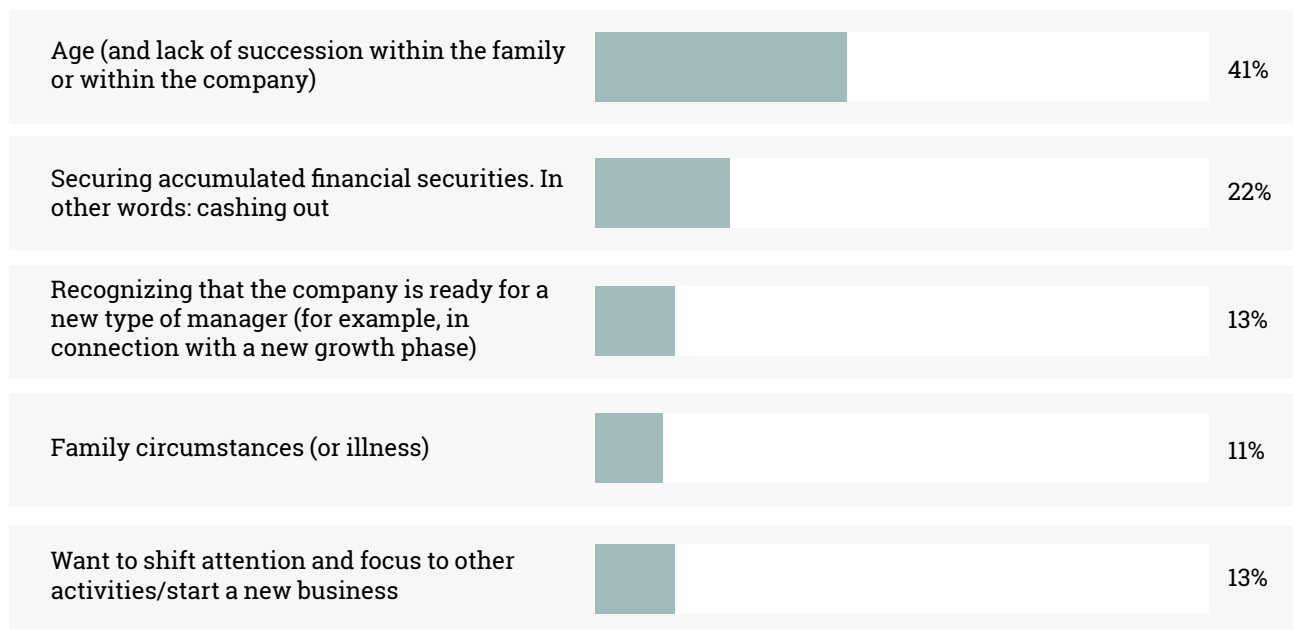
VIII Motives for Selling

Age is the most common reason for selling a business

A company sale can be initiated for a wide range of reasons. In some cases, age plays a role and there is no suitable succession, while in others the objective is to secure the financial value built up over time. In different situations, there may be a need for a new type of management to guide the company into its next phase of growth. In short, the underlying rationale varies by entrepreneur and circumstance.

M&A advisory firms were asked to identify the primary reasons for a company sale. The following reasons collectively total 100% and are presented in Figure 11.

Figure 11. Motives for company sale



VIII Motives for Selling

The average age of a selling entrepreneur has decreased

Age (and lack of succession within the family or within the company) remain the main reasons for selling a business, at 41%. The advisors were also asked about the average age of a selling entrepreneur, and what the average age was 10 years ago. Over the past ten years (2015-2025), the average age has dropped from 59 to 56.

Average age
of selling
entrepreneurs

H2-2015

59

H2-2025

56



We have seen a shift, from the more traditional retirement sale, to younger founders and entrepreneurs looking at their exit options. When traditionally we would mainly be dealing with vendors in their late 50s and early 60s we are now working more and more with owners in their late 30s and early 40s who are looking to crystallise the value they have built up sooner than ever before.



Jack Minns
Corporate Transactions Partner
Larking Gowen



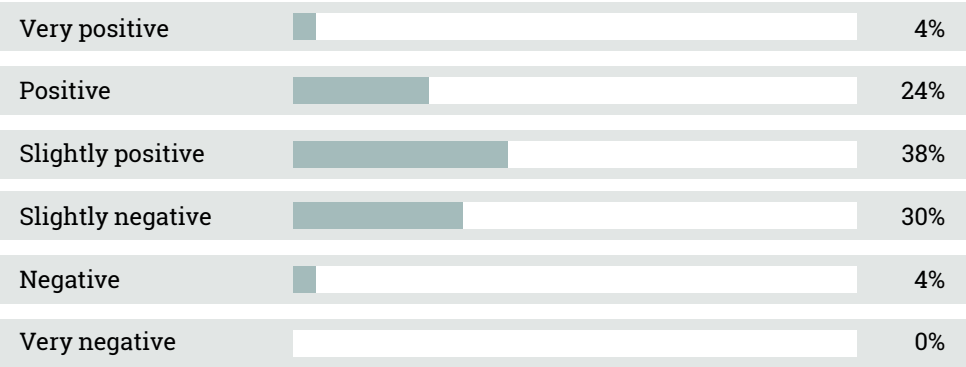
IX Outlook

Positive assessment of H2-2025 and optimism for H1-2026

Assessing the performance and outlook of the UK&I M&A mid-market is influenced by a range of factors, including seller willingness, access to financing, valuation expectations, and broader macroeconomic conditions. To capture both current sentiment and forward-looking expectations, M&A advisors were asked to assess the market in H2-2025 (retrospective) and provide their expectations for H1-2026 (projection).

The retrospective assessment of sentiment toward H2-2025 reflects a moderately positive market environment. In total, 66% of advisors viewed the market as positive, while the remaining 34% held some level of negative sentiment, most of which was slightly negative.

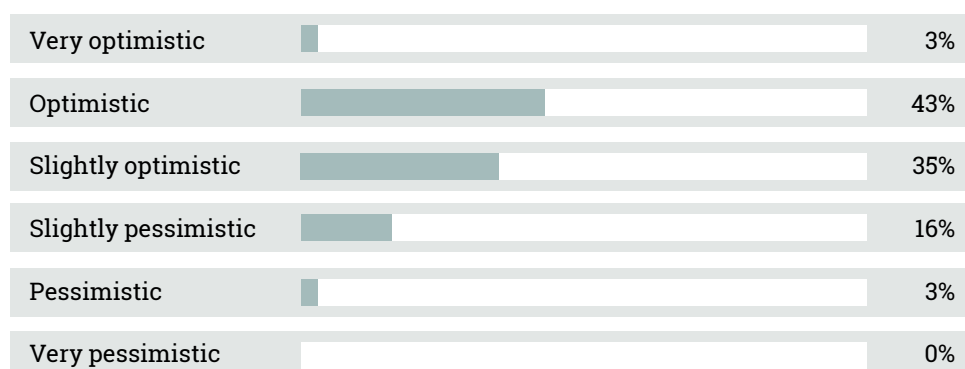
Figure 13. Assessment UK&I M&A mid-market H2-2025



IX Outlook

Looking ahead, the vast majority of M&A advisors (81%) have positive expectations for H1-2026. Pessimistic views decline significantly compared to the H1-2025 assessment.

Figure 14. Expectations UK&I M&A mid-market H1-2026



Last year was tough with lots of economic uncertainty in the UK economy leading to slower and fewer transactions taking place. My feelings are that this has led to a level of pent-up demand and whilst there is still not significant growth expected, there is the desire for change in ownership and consolidation in certain sectors. As such, whilst not strongly optimistic about 2026 I do feel this will be an improvement on 2025.



Matt Milnes
Director
Hentons



X References



"Dealsuite has enabled us to provide an excellent service for our serial acquirer clients. The latest deals in our inboxes every morning means we can help our clients reach their goals while generating transaction work for our firm - everyone wins."

James Maynell
Partner
Ballards LLP



"The Dealsuite M&A platform is intuitive and easy to use. It allows us to market sale mandates to a wide range of target buyers in Ireland, the UK and right across Europe as well as being an excellent source of acquisition opportunities for our own clients. Dealsuite is the real deal!"

John Murray
Partner
Hibernia Corporate Finance



"Dealsuite has been well worth the investment - within a month of using Dealsuite we were at HoTs with a purchaser identified via the platform. We have had numerous meetings with interested parties for our sell-side mandates and are delighted with the results."

Luke Rebbettes
Director
Kingsbrook



"Dealsuite is a highly efficient deal sourcing and networking platform that we use. They have supported us in locating buyers for our clients locally and internationally. Additionally, we've utilised Dealsuite's services to source deals for clients looking to acquire. It is a valuable tool that we use as a part of our M&A process."

Henry Ziff
Managing Director
Transworld

XI Method

The majority of M&A transactions take place in the mid-market. This M&A Monitor uses the definition of a mid-market company as having a revenue between 1 and 200 million pounds. The survey that was the basis for this M&A Monitor was sent to 435 M&A advisory firms. Considering their combined input, they represent an essential part of the M&A mid-market in the UK&I. Out of the total of 435 advisory firms, we received 106 responses (24% response rate).

Sources used:

- A total of 106 M&A advisory firms provided detailed input based on the transactions they advised on in H2-2025.
- Bain & Company. (2023, March 28). *How companies got so good at M&A*.
- Dealsuite. (2025). M&A mid-market trends report 2025.
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This research was conducted by Jelle Stuij, and Roos Bijvoet. For further questions, please contact Jelle Stuij. For further information about Dealsuite, please contact Sofia Balali.



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XII Dealsuite Insights

Dealsuite's mission is to make the M&A market more transparent and accessible. By sharing reliable market data and insights, the aim is to support advisors, investors, and business owners in making better decisions, ultimately leading to more and better deals.

To serve this purpose, several recurring M&A reports are published, each offering a distinct perspective on the European mid-market:

M&A Monitor (bi-annual, Q1 and Q3)

A core publication, providing detailed data and insights for each European region, including sector dynamics and EBITDA multiples. Individual editions are published for CEE, the Netherlands, UK & Ireland, DACH, France, the Nordics, and Southern Europe, with the European M&A Monitor consolidating the findings of all regional editions into one pan-European perspective.

Trends Report (annual, Q2)

A forward-looking publication exploring market, strategy, and execution trends, as well as the digitalisation of M&A processes. This report is relevant for all professionals seeking to understand where the mid-market is heading.

European Deal Terms Report (annual Q4)

A new annual study based on input from leading European legal firms active in M&A transactions. The report highlights how deal terms are applied in practice, offering valuable insights into evolving transaction structures.

Private Equity Monitor (annual, Q4)

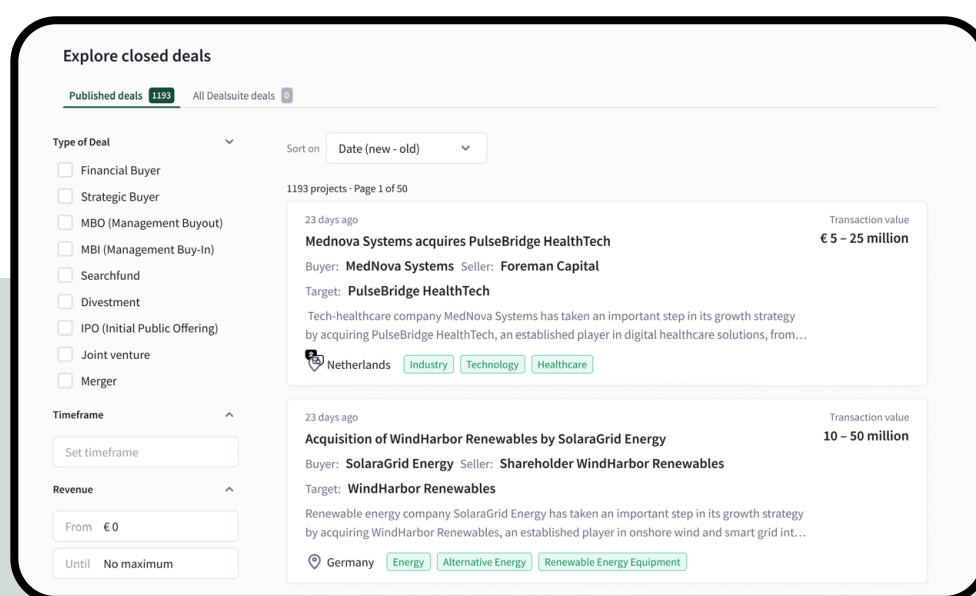
An overview of data and insights from private equity firms across Europe. The report examines deal activity, portfolio strategies, and the role of private equity in shaping the European M&A landscape.



XIII About Dealsuite

Dealsuite is Europe's largest M&A network and the industry standard for deal sourcing. Founded in 2017 in close collaboration with M&A advisors and investment firms, Dealsuite aims to make the process of finding potential buyers and sellers more efficient, effective, and cost-effective.

As a plug-and-play SaaS solution, Dealsuite is easy to use for everyone in the M&A sector. Since its inception, the platform has grown exponentially. Over 1,750 M&A advisory firms, investment companies, and corporate M&A teams are now part of Dealsuite, and the platform is active in over 60 countries.



New on Dealsuite: Deal Database

With the new Deal Database on Dealsuite, you can easily showcase the deals you have completed. This increases your visibility in search engines, highlights your sector expertise, and supports the attraction of new deal partners.

Through the leaderboards, you can compare your performance based on activity and sector focus and gain recognition within the Dealsuite community. You remain fully in control of what you share, securely and without disclosing confidential details. Leverage your track record strategically, strengthen your positioning, and increase your visibility where it matters most.

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