bizval 2026
UK M&A Report

How fiscal reform, capital behaviour, and sector rotation are reshaping the mid-market deal environment in 2026

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Joint Leadership Message

This report offers a thorough evaluation of the UK mid-market M&A landscape in 2026, exploring pivotal influences on deal activity such as fiscal and tax reforms, evolving capital deployment strategies, and sector-specific rotations amid geopolitical uncertainties, while delivering actionable insights to guide strategic decisions for buyers, sellers, and advisors.

The UK's M&A landscape entering 2026 is being shaped less by shock than by structural adjustment. Ongoing fiscal pressures, including frozen thresholds and reduced relief on CGT alongside legacy increases in employer National Insurance contributions, have altered the cost base for businesses and increased buyer caution across the mid-market. Valuations are recalibrating, capital is more discriminating, and deal execution increasingly rewards discipline and a focus on fundamentals.

Despite these headwinds, resilience remains evident in sectors aligned with long-term growth and essential demand, notably technology, AI, infrastructure, digital health, and business-critical services. However, opportunity is uneven. FX volatility, particularly across USD-GBP corridors, continues to influence cross-border appetite, while asset-heavy and labour-intensive models face a more cautious reception as operating costs adjust to the new environment.

Financing conditions reflect similar complexity. Liquidity remains ample, with private credit playing a central role as bank lending criteria remain tight. While this has supported continued deal flow, it has also elevated the importance of thoughtful structuring, realistic underwriting, and careful calibration between leverage, cash generation, and operating resilience. Earnouts and other adaptive structures are increasingly used to bridge valuation gaps, aligning conviction with caution rather than forcing one-dimensional pricing outcomes.

At ground level, 2025 was a year of recalibration rather than retrenchment. Deal volumes softened, but activity persisted where earnings durability could be clearly demonstrated. Buyers have become more analytical, with greater scrutiny of cost bases, integration assumptions, and long-term value creation. The bar for diligence has risen, and quality assets continue to command attention in competitive processes.

Across the market, the defining traits of successful dealmaking are becoming clearer: patience over urgency, structure over leverage alone, and long-term value over short-term positioning. Government incentives for AI and infrastructure are helping to mitigate fiscal drag and macro uncertainty, rewarding those willing to look beyond immediate policy shifts and focus on fundamentals.

Looking ahead to 2026, the outlook for M&A activity presents grounds for cautious optimism. Significant levels of unallocated capital among private equity investors remain available for deployment, market resilience continues to be recognised in high-quality assets, and the UK market persists in offering attractive opportunities for both domestic and cross-border investors. Our focus remains on delivering objective analysis and robust valuation perspectives to support informed decision-making as market dynamics evolve.

Howard Blake
Executive Chairman

Graham Stephen
Group CEO

Jim McLaughlin
Head of UK & Europe

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Executive Summary

The following key signals represent the principal trends expected to influence the UK M&A landscape in 2026. These themes are examined in greater detail in the subsequent sections of this report.

Trend	Implications	Actionable Insight
UK M&A is being pulled forward and reshaped by tax reform, not structurally suppressed.	• Pre-April 2026 exits distort near-term volumes. • Post-reform activity is likely to remain steady. • Net proceeds matter more than the headline price.	Prioritise completion certainty and tax-aware structuring over marginal price gains.
Buyer-seller valuation gaps now reflect durable differences in earnings belief, rather than temporary macro noise.	• Private equity deployment needs are rising. • Competition is intensifying for high-quality assets. • Increased use of structured deals.	Treat earnouts and deferrals as core pricing tools, not negotiation fallbacks.
Deal financing is shifting toward private credit and hybrid structures despite improving rate visibility.	• Private credit offers speed and flexibility. • Banks remain selective on risk and leverage. • Financing structure increasingly shapes deal viability.	Integrate financing strategy into valuation, timing, and deal design from day one, leveraging private credit for flexibility while aligning leverage with operational resilience.
Private equity capital remains abundant, but deployment is disciplined and operationally driven.	• Increased use of continuation funds and NAV lending. • Longer holding periods and selective deal flow. • Renewed focus on platforms and roll-ups.	Position private equity as patient, transformation-led capital, not fast liquidity.
Inbound private equity and shareholder activists are increasingly triggering UK deal flow.	• FX and relative value favour overseas buyers. • Activism accelerates carve-outs and strategic reviews. • More deals originate externally, not organically.	Prepare assets early for inbound scrutiny and activist pressure.

Taken together, these signals point to a UK M&A market that is repricing, not retreating: rewarding discipline, structure, and strategic readiness over speed or scale amid emerging momentum for 2026.

1. Macro and Policy Landscape

FISCAL AND TAX REFORMS

The 2026 Capital Gains Uplift and M&A Exit Considerations

2026 represents a critical inflection point for the UK M&A market due to scheduled legislative changes to CGT. The 2025 Finance Act enacted a two-stage increase in the Business Asset Disposal Relief (BADR) rate, going from 10% to 14% for disposals on or after 6 April 2025 and then to a final rate of 18% on qualifying gains, effective 6 April 2026. (UK Legislation, 2025) This encourages founder-managed and qualifying private equity portfolio companies to exit quickly in order to secure maximum net returns.

The primary tactical mandate is to crystallise the capital gain at the 14% rate on the day of disposal, insulating the transaction from execution risk. To do this, strategic planning must prioritise completion certainty over marginal valuation premiums. However, legislation also includes anti-forestalling provisions designed to prevent arrangements that artificially lock in the lower CGT rate. (Gov UK, 2025) Related reforms, such as carried interest taxed at 32% from April 2025 and reduced EOT relief from November 2025, may further influence private equity and employee-led deals. (Penningtons Manches Cooper, 2025) Despite this, some analysts continue to anticipate a slowing of M&A activity and some repricing post-April as the market adjusts, supported by economic conditions and improved private credit availability.

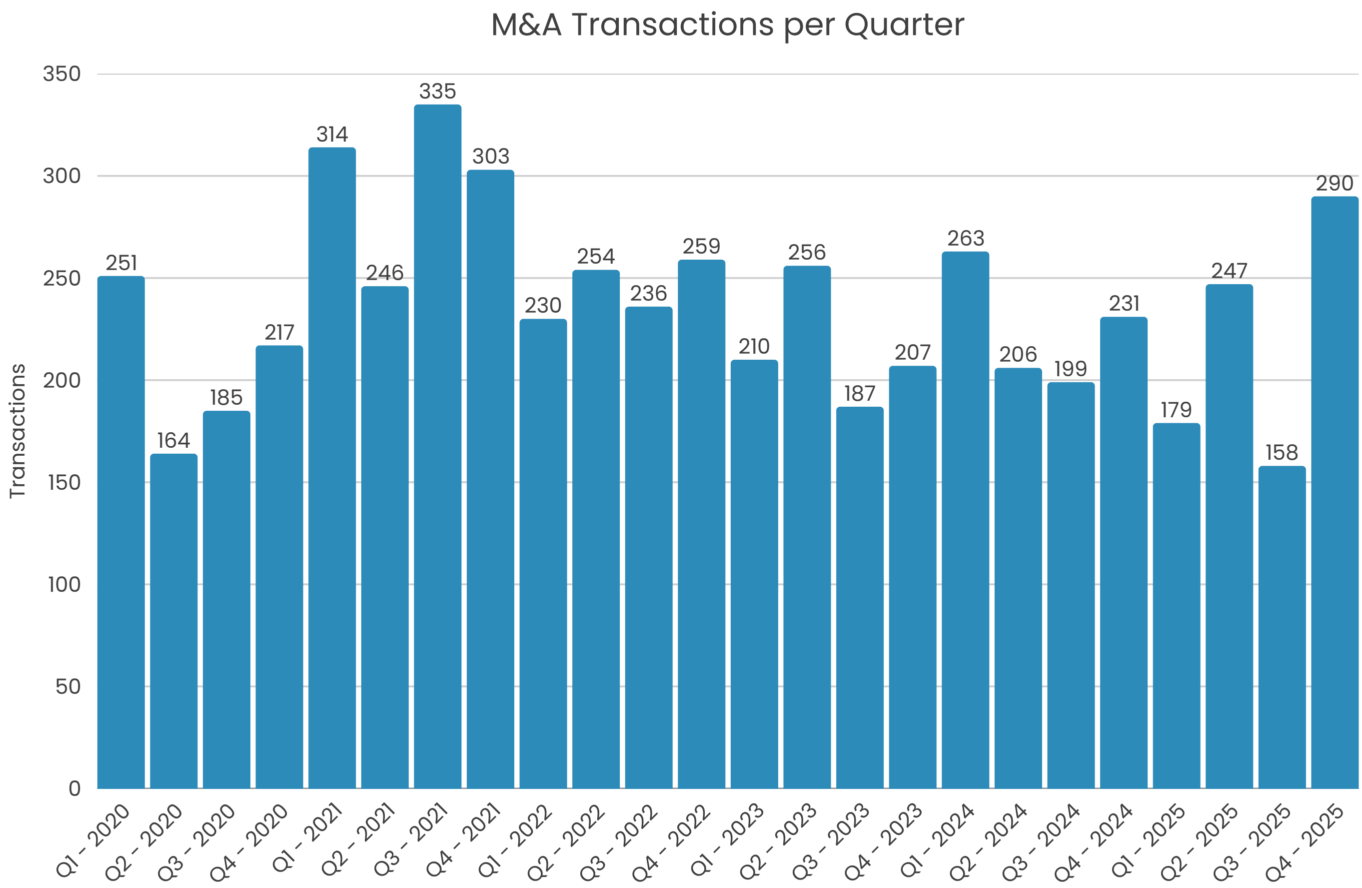
Rising Employer NICs Reshape Cost Structures and Deal Selectivity

The Autumn Budget 2024 introduced changes to employer National Insurance Contributions (NICs), effective from 6 April 2025. These comprise an increase in the secondary Class 1 rate from 13.8% to 15% and a reduction in the Secondary Threshold from £9.1K-£5K per employee annually. The measures are estimated to increase payroll costs for the majority of employers, especially in labour-intensive sectors where wage bills dominate opex. (TMF Group, 2025)

Buyers are already pricing this into models, favouring assets with clearer productivity headroom, automation potential, or pricing power. As a result, greater selectivity in dealmaking is expected, along with wider dispersion in valuations and increased pressure on management teams to demonstrate credible efficiency plans to protect margins in a structurally higher-cost environment.

Behavioural Consequences for M&A

The rush to complete transactions ahead of the April 2026 CGT increase (BADR rate to 18%) is only expected to pull forward a modest volume of exits, primarily by individual founders or owner-managed exits rather than institutional or mid to large-cap M&A. This follows more significant accelerations in 2025, driven by the carried interest rate hike to 32% from April 2025. Overall macroeconomic conditions will likely supersede this as deal structures become more sophisticated, with earnouts, deferred consideration, and rollover equity playing a larger role in bridging expectations and mitigating post-completion risk. However, market analysis suggests that buyers will place greater emphasis on understanding sellers' after-tax outcomes, recognising that net proceeds (rather than headline price) will define what constitutes an acceptable deal.



Source: (ONS, 2025)

MONETARY AND INTEREST RATE ENVIRONMENT

The UK financing landscape heading into 2026 is being reshaped by two key factors: a more stable, potentially easing interest-rate environment, and a notable evolution in where deal financing is coming from. Together, these dynamics are redefining how deals are underwritten, priced, and structured in the year ahead.

BoE Rate Path: Lower Capital Costs Amid Persistent Valuation Friction

In late 2025, the Bank of England cut rates in a heavily divided decision to 3.75%. (ING, 2025) Some market participants believe that this will hold or gradually reduce further through 2026 (Reuters, 2025), but inflation risks could delay reductions as M&A specifics are absent, potentially underplaying positive momentum. Nonetheless, lower rates ease borrowing costs and improve debt capacity for both corporates and sponsors; they may not fully alleviate the valuation stand-off that continues to influence the UK deal landscape. High-quality assets remain priced at a premium, creating friction between cheaper capital on the buy side and elevated expectations on the sell side.

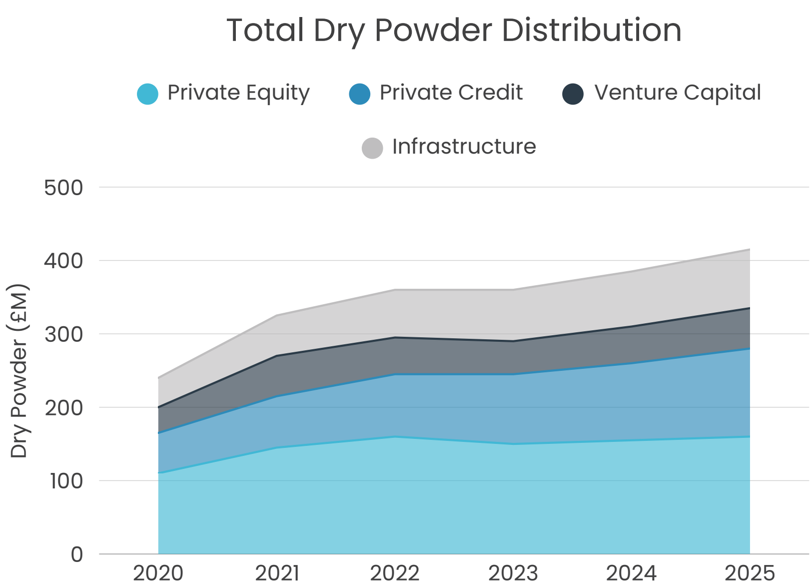
As a result, market trends point to the emergence of a 'hybrid financing era,' where transactions are increasingly supported by a combination of private credit, mezzanine instruments, and seller-supported terms (including earnouts, vendor loans, and deferred consideration), enabling gaps to be bridged without sole dependence on headline pricing.

Financing Availability: Private Credit Surges as Banks Remain Selective

Financing conditions are set to diverge further in 2026. Private credit funds, armed with significant dry powder, continue to expand aggressively, offering flexible structures, faster execution, and competitive pricing. (S&P Global, 2025) This influx of capital is reshaping the mid-market, enabling buyers to transact even where bank appetite is limited. Traditional lenders, meanwhile, remain highly selective, focusing on low-risk sectors and disciplined leverage levels.

In this environment, private equity sponsors, backed by strong governance and high-quality reporting, are more likely to secure bank financing than founder-led businesses, giving private equity a strategic advantage in competitive processes and reinforcing the shift toward alternative lenders across the deal spectrum.

The emerging picture for 2026 is a financing market that is simultaneously more supportive and more fragmented. Lower rates should ease capital costs, but valuation gaps will persist, pushing buyers toward hybrid financing models that blend private credit with seller-backed structures. For dealmakers, the central challenge is clear: leverage the improving cost of capital while navigating a more complex, multi-source funding environment that rewards creativity and discipline in equal measure.



Source: (bizval analysis)

GEOPOLITICAL AND ECONOMIC UNCERTAINTY

US-China Tariff Risks: Indirect but Material Impact on UK Mid-Market M&A

Although the UK is not a direct party to US-China trade disputes, mid-market companies are increasingly exposed through global supply chains, imported components, and international sales. Tariff escalations in the US-China corridor can raise input costs for UK manufacturers, distributors, and service providers that rely on global supply networks, squeezing margins and complicating financial forecasts. For companies with US or China-facing revenue streams, these tensions also introduce FX volatility and demand uncertainty, which can materially affect sterling-denominated valuations.

For M&A participants, the implications are twofold. First, buyers are advised to account for cost and revenue volatility in their valuation models, often applying more conservative assumptions or wider sensitivity ranges. Second, deal structuring increasingly incorporates protective mechanisms such as pricing collars, earnouts linked to cost or margin outcomes, and hedging strategies, to mitigate the risk of post-completion shocks. In practice, US-China tariff risk translates into more cautious pricing, longer due diligence, and a higher emphasis on operational resilience in UK mid-market deals, particularly in sectors that are highly import-dependent or export-oriented.

The Impact of Uncertainty on 2026 Deal Execution

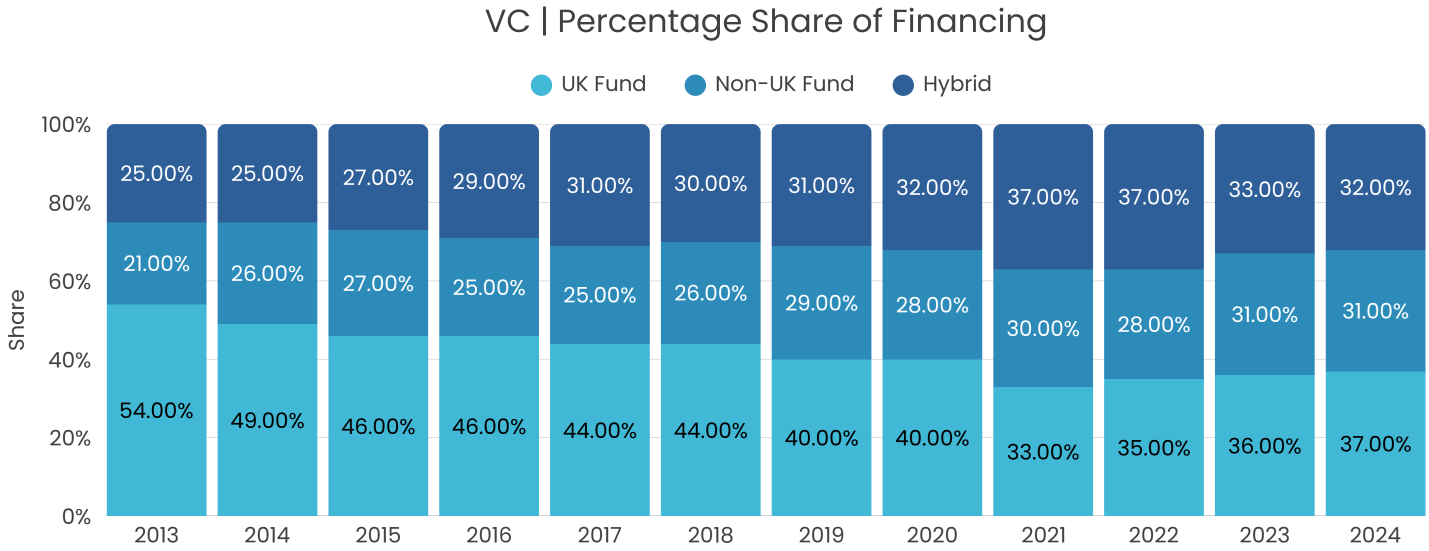
Geopolitical tensions, macroeconomic volatility, and ongoing policy shifts are creating a heightened sense of uncertainty for UK mid-market M&A heading into 2026. Industry insights highlight that this uncertainty is emerging as a notable challenge to deal execution, often competing with fundamental valuations or sector-specific dynamics. (Frank & Collins, 2025) Buyers are more cautious, taking longer to commit capital, while sellers are hesitant to adjust price expectations in an unpredictable environment.

The net effect is a slower, more complex deal process. Due diligence timelines extend as buyers stress-test projections under multiple macro scenarios, and negotiation intensity increases around risk allocation clauses. To manage this uncertainty, market participants are relying on structured mechanisms such as staged closings, deferred consideration, and FX or interest-rate hedging. These tools help bridge the confidence gap between buyers and sellers, enabling transactions to progress even when broader economic and geopolitical signals remain unclear.

On the positive side, some market participants anticipate an M&A rebound in 2026 thanks to a 10% global rise in activity, bullish buy-and-build strategies, and improved pipelines amid stabilising rates (Consultancy.uk, 2025) (Mercurio, 2025). In practice, execution certainty is becoming as important a differentiator as valuation, with successful deals increasingly defined by their ability to navigate risk rather than simply their headline price.

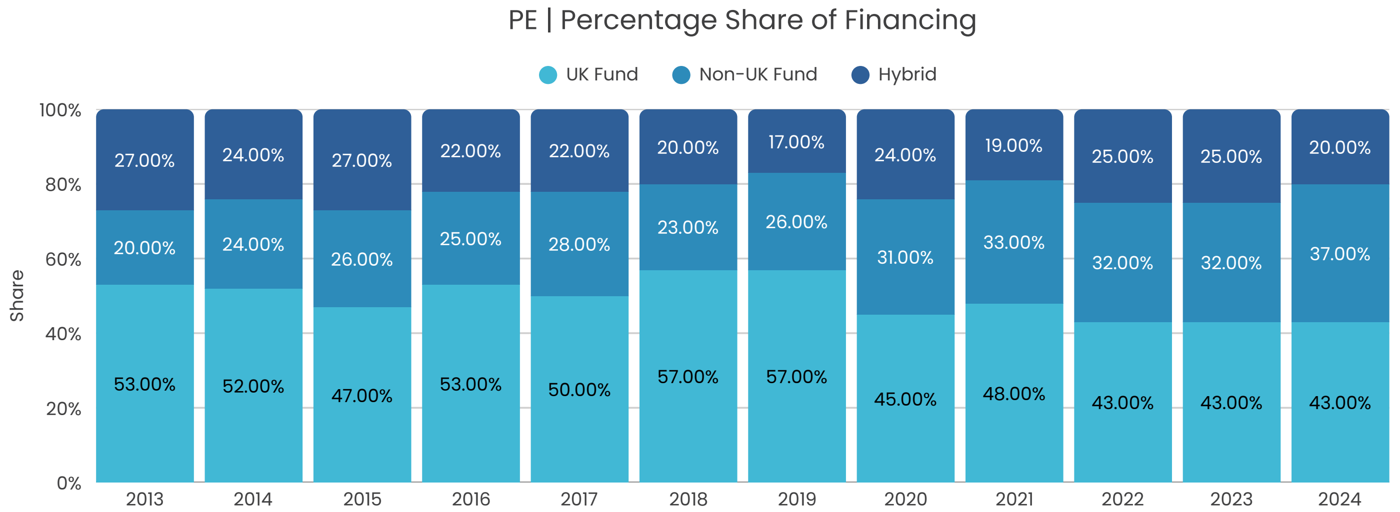
2. Deal Activity and Financing Trends

Over the past decade, venture capital (VC) financing in the UK M&A landscape has exhibited a gradual shift in funding sources, with UK funds' share declining from 54% in 2013 to 37% in 2024, reflecting increased diversification amid evolving market dynamics. Concurrently, non-UK funds have maintained a relatively stable contribution, fluctuating between 21% and 31%, while hybrid structures have seen moderate growth, rising from 25% to 32% over the same period. This trend underscores a broader move toward more balanced financing models, potentially driven by global investor participation and adaptive strategies in response to economic uncertainties.



Source: (UK Finance, 2025)

Over the past decade, private equity dry powder has accumulated to record levels, enabling disciplined deployment into resilient assets amid evolving market conditions, as illustrated in the distribution chart below.



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PRIVATE CREDIT TAILWIND

The private credit market continues to expand its influence across leveraged finance and mid-market M&A finance, serving as a supportive factor into 2026. Traditionally a niche part of the capital stack, private credit has grown into a material provider of acquisition financing, refinancing, and sponsor capital solutions, particularly where traditional banks have pulled back or remain conservative. (Lynam & Patterson, 2025)

Several dynamics point to more aggressive private credit terms emerging in 2026:

- **Competition has compressed pricing and loosened covenants.** As private credit lenders with dry powder compete for quality opportunities, they are increasingly offering narrower spreads and looser covenant packages, especially for strong borrowers and sponsor-backed deals. However, the mid-market still maintains stronger covenants with the overall trend showing caution on widespread loosening amid rising defaults/distress signals. (Resonanz Capital, 2025)
- **Blurring with traditional loans.** The gap between private credit and traditional leveraged loans is narrowing, with documentation and pricing more closely resembling broadly syndicated loan terms in certain segments. This convergence increases the attractiveness of private credit even for larger or more structured transactions.
- **Tailored financing structures.** Private credit providers are offering bespoke features such as flexible delayed draw facilities, hybrid instruments, and payment-in-kind options. These structures cater to the needs of private equity sponsors and growth companies alike, helping sponsors secure deals that might have been constrained under stricter bank underwriting in 2024–25.

In addition, competition between US private credit firms and UK specialists is intensifying, with US lenders bringing scale and capital firepower while UK specialists compete on speed, flexibility, and local market expertise. Increasingly, cross-border partnerships and co-lending arrangements are emerging, driving more aggressive pricing, higher leverage tolerance, and greater execution certainty for UK mid-market deals.

Why This Matters for M&A in 2026

- **Debt availability is less of a constraint.** Buoyant private credit markets mean that many transactions that might have struggled to secure bank debt in prior cycles can now proceed with bespoke financing packages.
- **Deal structuring becomes more dynamic, allowing greater leverage in negotiations to bridge valuation gaps and mitigate financing risks.** Heightened cross-border capital competition and flexible private credit structures enable sponsors and corporates to negotiate tailored covenants, amortisation profiles, and pricing, aligning financing with performance expectations and supporting deal execution.

PERSISTENT VALUATION GAPS

Valuation gaps in the UK market are no longer a temporary by-product of macro volatility. Heading into 2026, they reflect a structural divergence in how buyers and sellers assess value in a post-inflation, higher-cost operating environment. While transaction volumes are recovering, consensus pricing is not, and it is unlikely to re-emerge without continued reliance on contingent structures. (Walker & Thompson, 2025)

At the core is a fundamental asymmetry in valuation anchoring:

- **Sellers continue to price off inflation-adjusted earnings.**
  Many UK businesses entered 2025 with revenues and EBITDA materially higher in nominal terms than pre-inflation baselines. For founders and private sellers in particular, these figures have become the reference point, reinforced by higher replacement costs, wage inflation, and the perception that pricing power has structurally reset.
- **Buyers are underwriting off margin sustainability.**
  Strategic and financial buyers are increasingly focused on steady-state cash generation rather than inflated toplines. In the UK context, this reflects persistent wage pressure, structurally higher energy and compliance costs, and limited confidence that inflation-era price increases will fully hold through the cycle. As a result, buyers are normalising EBITDA more aggressively and resisting multiple expansion.

Rather than preventing deals, this misalignment seems to be reshaping deal architecture. Earnouts and contingent consideration are becoming more and more popular mid-market transactions, particularly in consumer, business services, and asset-light sectors. (Mooseajee, 2025) These mechanisms are being used to defer pricing decisions until margin durability is proven, shift part of the valuation debate from negotiation to execution, and to preserve headline valuations while protecting downside for buyers.

As these valuation gaps persist into 2026, buyers should treat earnouts and contingent consideration as a core underwriting tool, investing early in post-close performance tracking and integration discipline to avoid value leakage. Sellers, in turn, may benefit from reframing value narratives around defendable, sustainable earnings rather than inflation-boosted toplines, and ensuring management teams are prepared for increased scrutiny tied to contingent structures. For advisors, the priority is expectation management: surfacing valuation asymmetries earlier in the process and designing earnouts that are simple, measurable, and closely aligned to operational realities.

Those who normalise contingent pricing as part of deal design (rather than a late-stage concession) will be best positioned to close transactions in a structurally misaligned pricing environment.

3. Sector Deep Dive

FINTECH

Valuation Multiples: In the mid-market, EBITDA multiples for UK FinTech companies typically range between 6 – 12x. (GS Verde, 2025) High-growth recurring-revenue FinTechs (such as payments, wealth SaaS (Software as a Service), etc.) command the upper end, while heavily regulated or early-stage lenders trade below. In practice, only companies meeting profitability hurdles are fetching premium deals. (Windsor Drake, 2025)

Buyer Profiles: Strategic acquirers like banks, payment processors, global FinTech platforms, and other corporates dominate UK FinTech M&A, having led approximately 95% of recent deals. (Thompsett, 2025) These buyers target established mid-tier companies with proven growth that can augment and expand their existing capabilities. Financial sponsors (such as private equity and growth funds) are also active, especially on mature buyouts: for example, BlackRock's £2.55B acquisition of Preqin underscores private equity appetite for cash-generating FinTech assets. (Dobson, 2025)

Key Subsectors:

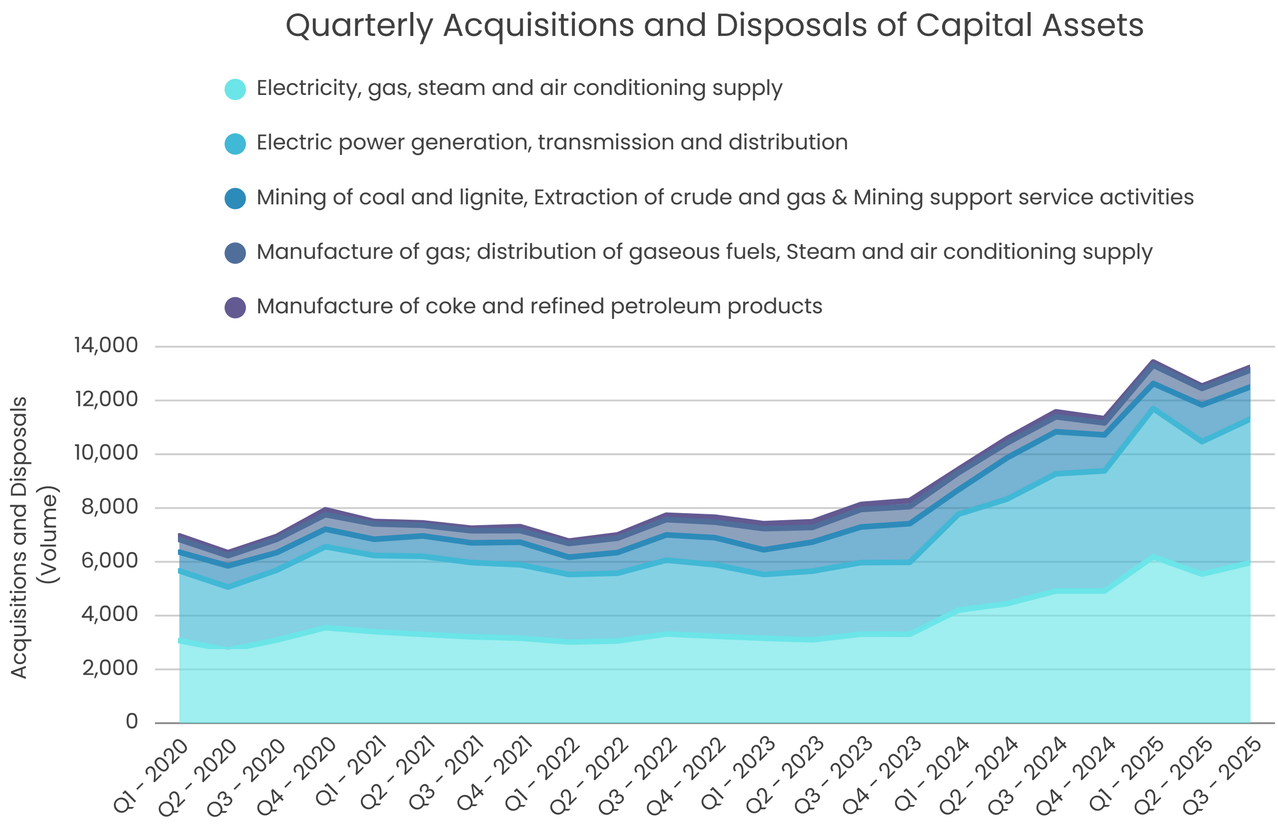
- **Payments:** This remains the busiest space with many UK payment startups raising large rounds in 2025 and expecting further investment activity in the next 12 months. Their strong recurring volumes support robust valuations, especially as more consolidation occurs across the industry.
- **Lending/Banking as a Service (BaaS):** Rising interest rates have squeezed margins, spurring consolidation and refinancing. Some FinTech lenders have merged, and others are seeking bank partnerships, thus compressing values. However, strategically valuable assets such as open-banking platforms and specialty finance still sell.
- **WealthTech/Trading:** Deals picked up in 2025, and buyers are clearly favouring platforms with large user bases and a clear path to profit. Continued M&A activity among robo-advisors, trading apps, and asset-management tech is anticipated.
- **Crypto/Digital Assets:** UK regulatory scrutiny and market pullback have cooled crypto deals, but security-token infrastructure and payment networks (especially those with bank backing) may see M&A as firms pivot or merge to survive.

Deal Structuring & Financing: Earnouts and deferred payments are becoming increasingly common, alongside vendor-financing, minority roll-overs, and contingent milestones that bridge valuation differences. On the financing side, traditional banks and specialist lenders are active, while private equity sponsors layer mezzanine and equity. IPO routes still remain scarce, so most exits are trade sales or sponsor recaps.

2026 Outlook: Steady, though selective, M&A activity is anticipated. Deal volume will likely stay near current levels, but acquirers will be choosier on price. There will be a continued consolidation of proven FinTech players (buy-and-build roll-ups) and continued interest in embedded finance. Firms that demonstrate sustainable unit economics will attract premium offers, while those burning cash may be left behind or forced into distressed sales.

RENEWABLES/INFRASTRUCTURE FINTECH

Valuation Multiples: Unlike conventional mid-market sectors, this segment spans regulated transmission assets, contracted generation, merchant renewables, and hybrid infrastructure platforms, each with fundamentally different risk, cash-flow visibility, and capital structures. As a result, headline EV/EBITDA multiples vary widely and are often asset specific. Broad mid-market benchmarks (5.3x – 6.2x EV/EBITDA) provide a reference point (CLFI, 2025), but they materially understate the pricing of long-dated, contracted, or regulated renewable infrastructure, while overstating value for early-stage or merchant-exposed assets. In practice, valuation in this space is driven less by generic multiples and more by contract tenor, regulatory certainty, inflation linkage, and funding structure.



Source: (ONS, 2025)

Buyer Profiles: The buyer landscape is dominated by large infrastructure funds pursuing scale, yield, and consolidation, supported by expanding private market capital and increasing willingness to transact via take-private structures. Strategic corporates are selectively active where vertical integration secures future capacity, optimises generation portfolios, or hedges system risk, often accepting development exposure to control pipelines. Lastly, patient institutional capital continues to target long-duration, policy-aligned assets, while ongoing de-risking in defined benefit pension schemes provides a steady secondary supply of mature infrastructure assets to the market.

Key Subsectors:

- **Regulated transmission infrastructure:** Transmission assets benefit from the unprecedented £70B-£90B RIIO-ET3 investment mandate (2026-2031), directly linking M&A value creation to policy-secured grid expansion driven by offshore wind revival and rising system demand. (Ofgem, 2025)
- **Utility-scale battery storage:** BESS remains a high-growth but execution-sensitive segment, where grid connection scarcity, planning delays, and revenue complexity are accelerating consolidation into large, operational platforms. Assets combining operational scale, co-location, and multi-revenue optimisation are emerging as the most strategically attractive targets.

Deal Structuring and Financing: Elevated relative to historical lows continue to constrain leverage and elevate equity requirements, placing a premium on assets with visible, contracted cash flows. Across the sector, capital structure discipline and cash-flow resilience now outweigh growth optionality in transaction execution.

2026 Outlook: The 2026 outlook remains structurally strong. AI-driven data centre expansion and electrification are locking in long-term power demand, reinforcing the necessity of grid investment and system flexibility. Policy alignment has restored momentum to offshore wind, hardwiring transmission upgrades into the investment cycle, while storage deployment is shifting toward operational excellence and digital optimisation. Policy momentum in offshore wind and storage optimisation supports the cycle, though execution and regulatory risks remain; accurately priced, de-risked platforms position the UK as a leading European market.

4. Buyer Profiles and Capital Trends

PRIVATE EQUITY BEHAVIOUR

Private equity remains an influential buyer group in UK M&A heading into 2026, but its behaviour has notably evolved. Despite an estimated £190B of UK-focused dry powder (BVCA, 2025), private equity activity is defined less by capital abundance and more by deployment discipline, underwriting conservatism, and a renewed focus on operational value creation. Rather than forcing price convergence, sponsors are increasingly treating valuation dislocation as an opportunity to re-enter the market on structurally improved terms.

Capital Overhang, Deployment Restraint

The UK private equity market enters 2026 with unprecedented capital availability, yet deal velocity remains deliberately constrained. Sponsors are acutely aware that capital raised in the low-rate era must now be deployed under materially different financing and return conditions. As a result, firms are prioritising capital preservation and downside protection over rapid deployment, even at the cost of short-term underinvestment.

Repricing as Opportunity, Not Obstacle

Repricing has not reduced appetite for deals; it has shifted focus toward sectors where margin normalisation is credible, cost pass-through is demonstrable, and exit multiples can be defended through operational improvement rather than market beta. In this context, valuation gaps are not deal-breakers but negotiating terrain.

One of the clearest strategic responses to repricing has been the increased adoption of roll-up strategies across fragmented UK sectors, including business services, healthcare services, industrials, and energy-adjacent infrastructure. Roll-ups offer private equity firms a way to arbitrage valuation dispersion: acquiring smaller assets at lower multiples, professionalising operations, and creating scale-driven multiple uplift at exit.

In a market where single-asset deals struggle to clear pricing expectations, platform-led consolidation provides a more controllable path to value creation, particularly when organic growth remains muted.

Implications for the UK M&A Market

As private equity recalibrates, its influence on UK M&A is becoming more selective but more structural. Competitive auctions are giving way to bilateral processes, proprietary sourcing, and phased acquisitions. Exit timelines are extending, but value creation playbooks are deepening. There is good momentum, though with stronger US activity, an anticipated 2026 rebound, and UK PE exits being up 42.5% in value and 10.3% in volume through Q3 2025. (Vidal & Gupta, 2025)

CONTINUATION FUNDS & NAV LENDING

Continuation funds and NAV-based lending are becoming structurally embedded features of UK private equity, even as LP scepticism persists. What began as a tactical response to frozen exit markets has evolved into a durable capital-management tool, reshaping holding periods, liquidity dynamics, and exit timing across the UK M&A landscape. Heading into 2026, these mechanisms are less about avoiding exits and more about extending ownership of high-conviction assets while preserving optionality in an environment where valuation normalisation remains incomplete.

Impact on Holding Periods and Exit Timing

The widespread adoption of continuation funds and NAV facilities is materially extending holding periods across UK private equity portfolios. (Lucas, Harvey, Gribbon, & Manna, 2025) Assets that might previously have been exited at the end of a standard fund life are now being retained through secondary vehicles or balance-sheet leverage, allowing sponsors to wait for more favourable exit conditions. This has shifted exit timing from a fund-driven imperative to an asset-specific decision, decoupling value realisation from arbitrary time horizons. For the broader UK M&A market, this means fewer forced sales, a more controlled release of assets, and a slower but potentially higher-quality exit pipeline into 2026 and beyond.

Liquidity Without Market Clearing

NAV lending, in particular, has emerged as a mechanism for generating liquidity without requiring immediate portfolio disposals. By borrowing against diversified asset pools, sponsors can fund follow-on investments, support portfolio companies, or deliver partial distributions while deferring exits. While this enhances flexibility, it also introduces an additional layer of leverage into the system, increasing sensitivity to valuation movements and performance under stress scenarios. As financing costs remain elevated, NAV facilities are being used more selectively, with lenders placing greater emphasis on asset quality, concentration limits, and downside protection. However, it’s important to note that the easing of rates in late 2025 might moderate this effect.

Looking Ahead to 2026

In 2026, continuation vehicles and NAV lending will be viewed less as crisis tools and more as permanent components of the UK private equity toolkit. Their continued use will depend on disciplined application, transparent governance, and demonstrable alignment. If misused, they risk amplifying leverage and delaying price discovery; if deployed selectively, they provide a pragmatic bridge between valuation reality and long-term value creation. Either way, their influence on holding periods, liquidity, and exit timing will remain a defining feature of UK M&A in the years ahead.

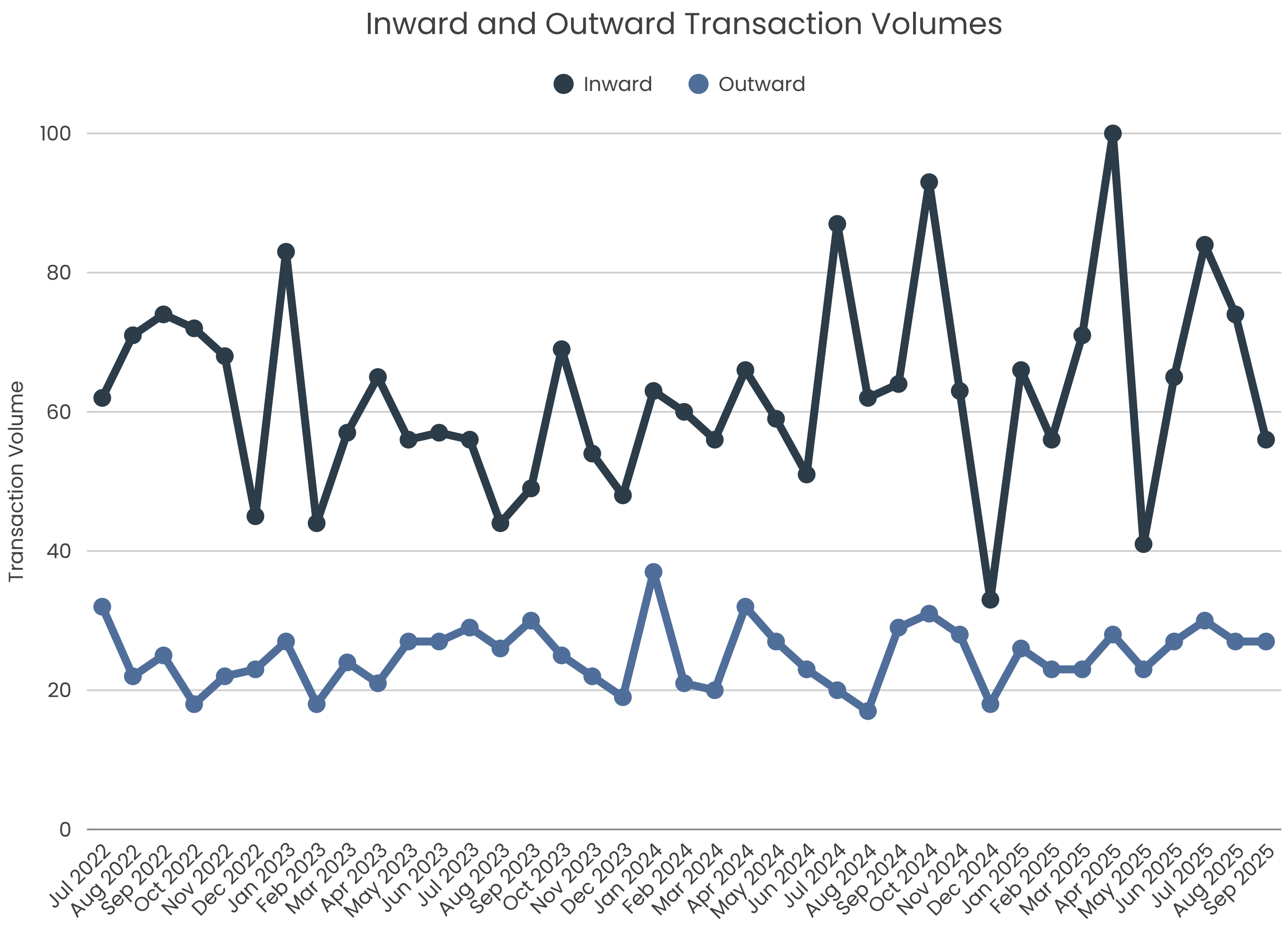
INBOUND US/EUROPEAN PE

UK valuations continue to present relative value versus US and European peers

Despite a stabilising macro backdrop, UK assets continue to trade at a structural valuation discount relative to comparable businesses in the US and parts of Europe. For inbound investors, this reinforces the UK's positioning as a relative-value market rather than a high-growth outlier. Lower entry multiples (particularly in technology-enabled services, healthcare, and industrials) allow overseas sponsors to underwrite deals with greater downside protection while retaining meaningful upside through operational improvement, professionalisation, and buy-and-build strategies.

For US and European funds accustomed to higher valuation baselines, this differential creates a perceived arbitrage opportunity. Assets that may look fully priced to domestic buyers can still clear investment hurdles for inbound capital when benchmarked against home-market alternatives. As a result, overseas sponsors are often able to be more competitive in UK sales processes without signalling undisciplined pricing.

UK sellers should expect valuation tension to be driven as much by international comparables as by local precedent transactions, while domestic buyers may increasingly struggle to compete on price alone.



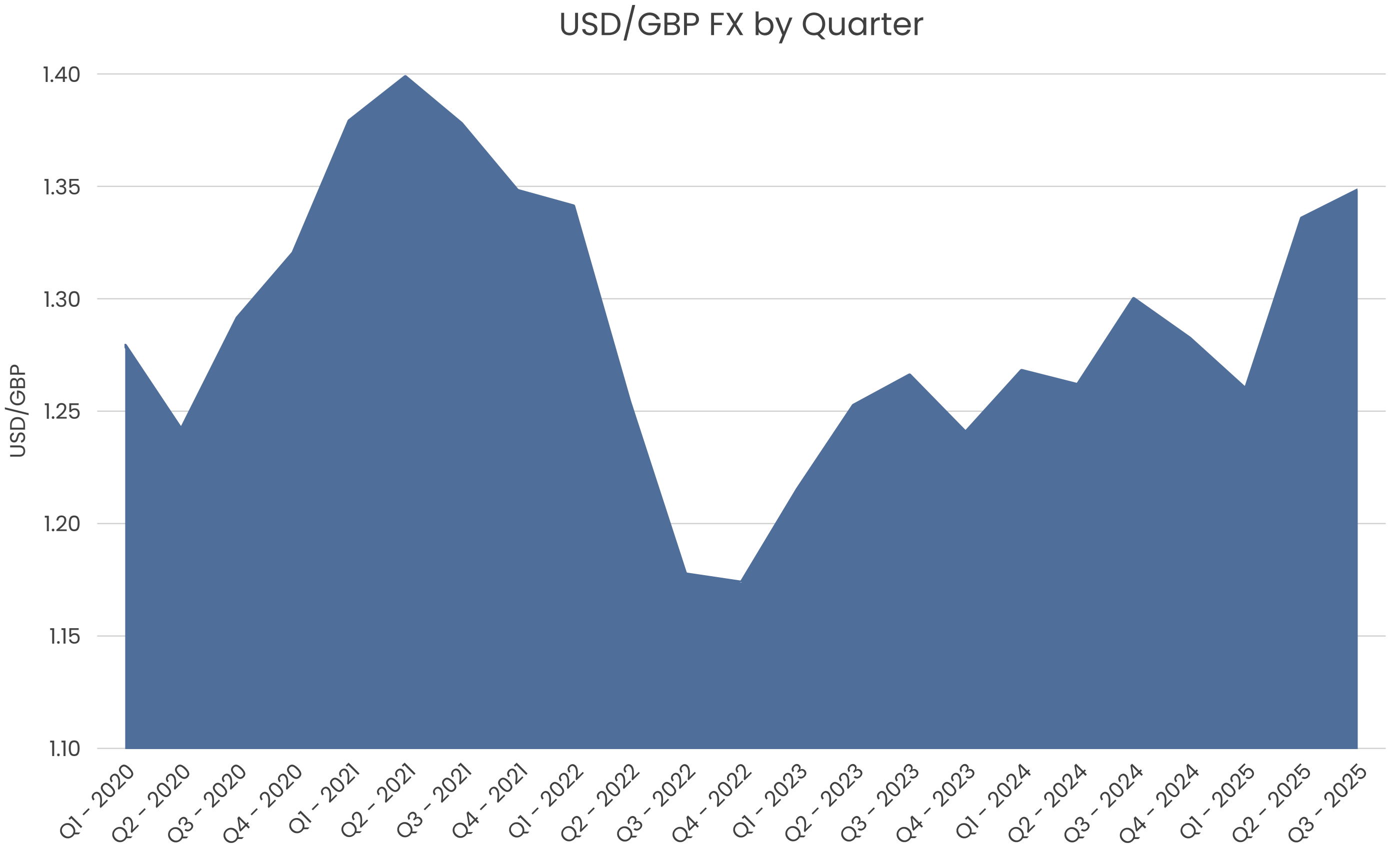
Source: (ONS, 2025)

FX dynamics can intermittently support opportunistic acquisition

Foreign exchange movements have periodically influenced inbound deal activity, though their impact has moderated in recent months. While the pound remains weaker than long-term historical averages, its late-2025 appreciation has reduced the degree of FX advantage previously available to US dollar and euro-denominated buyers. As a result, FX is best viewed as a contextual tailwind rather than a primary driver of transactions at current levels.

During periods of pound weakness earlier in 2025, FX dynamics improved entry economics for inbound sponsors, modestly enhancing returns at acquisition and helping offset higher leverage costs or more conservative exit assumptions. At today's exchange rates, this benefit is more mixed: incremental for USD buyers and relatively muted for euro-based investors, but still relevant in competitive processes or for assets with clear international scalability.

Accordingly, FX considerations now reinforce selectivity rather than urgency. Inbound sponsors with capital allocated to the UK and Europe remain attentive to currency movements, but FX is increasingly one input among many, alongside valuation discipline, execution certainty, and operational upside. Even so, periods of renewed currency volatility could again catalyse inbound activity, underscoring the continued role of overseas capital as a stabilising force in the UK M&A market, particularly when domestic confidence softens.



Source: (ONS, 2025)

SHAREHOLDER ACTIVISM

Activism is increasingly an M&A catalyst, not a side narrative

Shareholder activism has become a material driver of UK M&A activity, rather than a parallel governance concern. With an estimated 43% of global activism campaigns now explicitly M&A-related (PwC, 2025), activists are increasingly focused on transactions as the primary mechanism for unlocking value, whether through disposals, break-ups, or outright sales. UK trends mirror this with a renewed focus on M&A, and this reflects a shift away from incremental operational demands toward structural interventions that can reset valuation narratives more quickly.

This dynamic is amplified by relatively dispersed ownership structures and persistent valuation discounts in public markets. Activists are often able to frame M&A outcomes as a credible path to value realisation where organic re-rating has proven elusive. As a result, boards are facing growing pressure to justify strategic inertia, particularly when asset complexity or conglomerate structures obscure underlying performance.

Activist engagements in 2025 facilitated the identification of M&A opportunities in certain UK private companies, complementing established origination processes.

Carve-outs, governance pressure, and forced strategic reviews

Activist campaigns incorporated demands for carve-outs and strategic separations, where value can be made visible through simplification. Non-core divisions, underperforming business units, or assets constrained by group governance are frequent targets. In many cases, the activist playbook centres on forcing a formal strategic review, creating momentum toward transactions even where boards are initially resistant.

Beyond asset sales, activism is also reshaping governance expectations around M&A. Demands for refreshed boards, enhanced deal oversight, and clearer articulation of strategic intent are becoming standard features of campaigns. This raises the execution bar for management teams: once a review is announced, failure to deliver a credible transaction outcome can itself become a catalyst for further intervention.

The prevalence of activist-driven reviews is likely to increase the volume and complexity of carve-out transactions, with tighter timelines and heightened stakeholder scrutiny. Buyers should expect well-prepared assets but more constrained processes, while sellers must be prepared to defend deal rationale not only to shareholders, but to a vocal and sophisticated activist audience.

5. Contributor Analysis

LINGLAN WANG

UK 2026 Outlook: Navigating Challenges and Accelerating Technology Funding

UK Economic Outlook

The United Kingdom's economic outlook for the coming year remains subdued, with ongoing challenges and pressures carried over from 2025. According to S&P Global Market Intelligence and the UK Autumn Budget 2025, real GDP is projected to grow by just 0.9% in 2026, following 1.1% in 2024 and 1.4% in 2025. This modest trajectory reflects ongoing weak productivity growth, fragile consumer spending, and cautious business sentiment, all of which are constraining the pace of recovery.

The latest business sentiment survey (November 2025 PMI Index) indicates business confidence at its lowest since the 2022 "mini-budget," as concerns mount over increased tax burdens and fiscal uncertainty. While the government's Autumn Budget 2025 introduces measures to reinforce fiscal stability and adhere to "non-negotiable" fiscal rules, these steps risk further dampening business investment and consumer activity.

Interest rate cuts began in late 2025, but borrowing costs are likely to remain elevated, with 10-year government bond yields around 4.5%. This signals a slower than market expected monetary loosening path. Meanwhile, inflation continues to erode household purchasing power and complicate fiscal planning, adding to the economic headwinds.

UK Investment Market Outlook for 2026

Despite macroeconomic challenges, the UK investment market outlook for 2026 is marked by resilience and a clear strategic focus on technology-driven growth. Executive surveys and market data reveal that while overall M&A and fundraising activity may remain selective: technology sectors, especially artificial intelligence (AI), generative AI (GenAI), and cybersecurity, are set to attract robust investment.

M&A and Fundraising Trends

M&A activity in 2026 is expected to be highly targeted, with dealmakers prioritising acquisitions that deliver technological synergies or access to innovative capabilities. The fundraising environment, though more cautious than in previous years, continues to support high-quality assets, particularly those enabling automation, digital transformation, and operational resilience. Private equity and venture capital funds are adapting to tighter conditions by focusing on due diligence and long-term value creation, with technology and data-driven businesses remaining top priorities.

Technology Market Funding

The most significant trend for 2026 is the aggressive expansion of technology funding, even as overall IT budgets face pressure. According to the 2026 Gartner CIO and Technology Executive Survey:

- Funding for artificial intelligence is set to increase by an average of 37%, and for generative AI by 40%, regardless of whether organisations are increasing or decreasing their overall IT budgets.
- 87% of surveyed organisations plan to raise AI and GenAI funding, with only 1% expecting reductions.
- Cyber/information security funding will also see a strong mean increase of 25%, with 84% of organisations boosting their budgets in this area.

Summary

In summary, the UK's economic and investment market outlook for 2026 is shaped by ongoing pressures, but also by strategic capital allocation toward technology. M&A and fundraising activity will concentrate on innovation-driven opportunities, even as broader economic conditions remain challenging. Organisations that prioritise digital transformation and operational resilience are best positioned to attract investment and achieve market leadership in the year ahead.

Linglan Wang,
PhD Research Director
Gartner

MASON DOICK

Regulated Secondary Markets and the UK's Evolving Capital Ecosystem

Over the past few years, the UK's private capital ecosystem has been quietly but meaningfully evolving. As fiscal uncertainty, regulatory reform, and valuation discipline reshape the mid-market, the question for many growth companies and investors is no longer whether liquidity matters, but how it can be accessed in a credible, structured way. JP Jenkins sits at the intersection of private ambition and public market discipline, and this vantage point offers a useful perspective on how secondary markets are becoming a more established part of the UK capital landscape.

One of the most observable shifts lies in the evolving approach of companies and shareholders to liquidity timing. Rather than viewing exits as singular, binary events, there is growing interest in more incremental approaches such as partial liquidity for early investors or employees, minority sell-downs, or price-setting exercises that help anchor future fundraising or M&A discussions. In an environment where valuation expectations are adjusting and deal timelines are lengthening, these mechanisms can offer flexibility without forcing premature strategic decisions.

Transparency and governance play a central role in this evolution. Regulated secondary markets introduce a level of oversight, disclosure, and price integrity that helps build confidence among a broader set of investors. While private markets have traditionally relied on negotiated valuations, the presence of an observable trading price can support valuation defensibility during capital raises, refinancings, or strategic reviews. From our experience, this discipline is increasingly valued by boards and institutional investors alike.

Regulatory developments are also shaping the landscape. Initiatives such as the FCA's broader market reforms and the emergence of new frameworks like PISCES signal a recognition that the UK's capital markets need more graduated pathways between private and public. While each model serves different segments, they share a common objective: improving access to capital, liquidity, and credible price formation without undermining governance standards. In this context, established secondary venues can complement newer initiatives by offering practical, operational experience of regulated private market trading.

Looking ahead to the next 12-24 months, secondary markets are anticipated to remain a highly relevant tool within the UK mid-market. Budget measures, fiscal discipline, and ongoing valuation normalisation are likely to keep exit timing under scrutiny, reinforcing the appeal of optionality. For founders, boards, and investors, the ability to introduce liquidity, support employee participation, or benchmark value without committing to a full exit may become an increasingly important part of capital strategy.

Mason Doick
Head of Corporates
JP Jenkins

NIGEL JACKSON

Navigating the Legal and Regulatory Climate for UK Mid-Market M&A in 2026

2025 was potentially the most politically tumultuous year in recent memory, and from the perspective of the sector, many analysts designated it the "Year of Friction". Mid-market companies are often more susceptible to sudden policy shifts compared to multinational corporations due to their constrained balance sheets, and this was evident throughout the last year. Entering 2026, a review of key lessons from prior years helps clarify the expected characteristics of M&A activity in the year ahead.

The "friction" analysts refer to relates to obstacles faced in mechanisms such as tariffs, regulatory delays, and political polarisation, all of which make deals more challenging and intricate to complete. Following such friction typically comes structural alignment, namely greater efficiency, resilience, and rational responses to a challenging world. For example, a company might consider acquiring a factory in the target market to mitigate tariff issues, engaging in proactive M&A to avoid unnecessary regulatory delays, or pursuing more vertical integration to control the entire supply chain.

In essence, the more agile companies are more likely to survive and prosper, while the more rigid ones may fail and become insolvent. Consequently, companies that are agile and are perceived as such are likely to trade at a much higher premium. In light of this, the critical factors that need to be considered for UK M&A are outlined below.

The National Security and Investment Act 2021

One of the most important pieces of legislation governing acquisitions in the UK is the National Security and Investment ("NSI") Act 2021. This Act, designed to safeguard UK national security by ensuring that businesses of strategic importance to the UK do not end up owned by foreign or potentially hostile interests, requires mandatory notification in 17 sensitive areas of the UK economy, with clearance required before deals can be completed.

Some clearances are expedited, with reports indicating 95% are processed within 30 days, while others take considerably longer, particularly those involving intense scrutiny in sectors such as Defence, Military and Dual-Use Items, and Advanced Materials. In 2026, it is anticipated that matters involving semiconductors, critical materials, and even water will be subject to intense scrutiny and control.

Additionally, the NSI Act includes call-in powers, allowing the Government to intervene up to five years post-completion if a national security risk is identified. This can introduce layers of complexity and conditionality to many deals, potentially preventing absolute ownership. Accordingly, early voluntary notification under the NSI Act and seeking prompt clearance will be a standard practice in facilitating efficient M&A deals. However, this also necessitates that many contracts include "walk away" provisions if the conditions are too burdensome

Competition and Markets Authority Oversight

Beyond the NSI Act, merger control is handled by the Competition and Markets Authority (CMA), which has become more efficient by adopting a framework focusing on Pace, Predictability, Proportionality, and Process, all aimed at reducing "red tape". If a deal falls into the de minimis "safe harbour " category (i.e., below £10M turnover for each party) then it should not present issues, which might otherwise have arisen previously under the share of supply test. If the target has a UK turnover of more than £100M, then the CMA has jurisdiction. However, if the buyer has at least a 33% share of supply in the UK and UK turnover of more than £350M, the CMA has jurisdiction even if the target is small, provided the target has a UK nexus (e.g., staff and customers in the UK). This is to prevent big companies from "killing" potential future competitors.

One of the notable aspects of the CMA's recent approach is its focus on "Private Equity Roll-ups", where a private equity firm may be acquiring a number of local businesses to establish a niche and dominate the local market. The CMA is monitoring these types of acquisitions if they appear to be "creeping" towards a local monopoly.

Digital Markets, Competition and Consumers Act 2024

Another element of the competition landscape is the Digital Markets, Competition and Consumers Act 2024 (DMCCA), which forms part of the Government's approach to regulating "Big Tech". This Act seeks to ensure that companies such as Google, or those with turnovers exceeding £1B, treat customers fairly and do not lock them into perpetual contracts or similar arrangements. This legislation incorporates provisions regarding "killer acquisitions" as referred to above.

Tax Considerations for Exits

No review of mid-market M&A would be complete without addressing the tax landscape, which will gain heightened importance from April 2026. On April 6, 2026, the BADR and Investors' Relief rates will increase from 14% to 18%. The CGT main rates remain higher than in previous years (up to 24%). For Employee Ownership Trusts, the previous "tax-free" exit route via EOTs was reduced to a 50% exemption in late 2025.

Structures involving earn-outs and deferred consideration may need to be considered very carefully. The old "paper for paper" deferrals, where gains could be deferred into new shares or qualifying corporate bonds, might be less effective, as BADR eligibility may be lost. There are potential solutions, but these require proper professional input. Accelerating and completing deals before April 6th may be advisable.

Nigel Jackson
Solicitor and Consultant
McFaddens LLP and Karam Missick & Traube LLP

STEVEN KAY

The Valuation Repricing Framework Under 2025–26 Conditions

As the UK mid-market moves into 2026, valuation is increasingly focused less on headline multiples and more on the underlying mechanics. Through our market engagements with clients, our observations are that interest rates, tax reform, and buyer scrutiny are now first-order inputs that directly shape enterprise value, deal structure, and net proceeds. In this environment, valuation repricing is not a theoretical exercise, but a practical challenge faced daily by sellers, buyers, and investment committees. There are signs of progress, though, with two-thirds of GPs reporting that the valuation gap has narrowed, allowing buyers and sellers to find common ground. (Witte, 2025)

Buyer scrutiny of EBITDA add-backs increased in 2025, resulting in reduced acceptance of certain adjustments. Combined with Capital Gains Tax adjustments effective from April 2026, this contributed to differences between seller-proposed and buyer-accepted normalised earnings (BDO, 2025). Higher effective tax leakage has increased the incentive to defend headline valuation, often by pushing harder on normalised EBITDA. The result is a growing divergence between seller-stated EBITDA and buyer-validated EBITDA.

The impact of these adjustments becomes clear when viewed through sensitivity analysis. In 2026, valuations are unusually sensitive to modest changes in assumptions. As an example, a 2% movement in interest rates feeds directly into discount rates, debt service capacity, and leverage-supported pricing. Or a 10% rejection of proposed add-backs can reduce normalised EBITDA sufficiently to compress enterprise value by a full turn of multiple or more. For mid-market sellers, these practical implications are significant. Market participants report that this dynamic has contributed to a greater reliance on earnouts, deferred consideration, and contingent structures, particularly where buyers are unwilling to capitalise optimistic forecasts upfront.

Looking ahead, valuation volatility is likely to persist into 2026–27. While challenges persist, stabilising rates and improving confidence may support a rebound in cleared transactions in 2026-2027. (Grant Thornton, 2025) Precision in understanding which earnings will be capitalised, at what multiple, and under which assumptions, represents the key valuation skill. Increasingly, early alignment with buyer-validated EBITDA determines the difference between a protracted process and a successful cleared market transaction.

Steven Kay
Global Head of Valuation Services
bizval Ltd

Client Case Study: Global Tax Planning

Transaction Overview

In 2025, bizval was engaged to provide a comprehensive group valuation for a family-owned diversified industrial group with a UK-based holding company and operations spanning the US, South America, Europe, and China. With group revenues exceeding $200M, the business exhibited significant scale and geographic diversity, yet had limited formal tax and succession planning in place. The primary objective of the valuation was to facilitate the establishment of international trust structures.

Key Challenges

The group's multinational operations introduced considerable complexity, including exposure to geopolitical risks, currency fluctuations, and varying regulatory environments. A robust valuation required not only an enterprise-wide assessment but also a granular allocation of value across individual entities within the intricate holding structure. This involved a detailed analysis of intercompany transactions, loans, and entity-specific performance drivers.

Valuation Approach

bizval adopted a multi-methodology framework, integrating discounted cash flow (income approach), comparable company analysis (market approach), and net asset value assessments (asset-based approach) to ensure a balanced and defensible conclusion. Particular emphasis was placed on entity-level analysis, adjusting for factors such as geopolitical risk premiums, foreign exchange volatility, inflation differentials, growth projections, and local tax regimes. Intercompany arrangements were normalised to reflect arm's-length terms and eliminate value distortions.

Outcome and Client Impact

The engagement delivered a robust, substantiated valuation at both group and subsidiary levels, providing the necessary foundation for the tax advisors to implement the trust structures and secure appropriate CGT position. Additionally, the analysis identified significant excess cash holdings, prompting the development of a distribution strategy. This insight has since led to the adoption of annual valuations as a key governance practice, enhancing ongoing tax efficiency and succession planning.

Entity	Revenue (£M)	EBITDA (£M)	EBITDA Multiple
Group	200	56	5-6x
Subsidiary - USA	120	30	6-7x
Subsidiary - South America	20	8	4-5x
Subsidiary - Europe	50	16	5-6x
Subsidiary - China	10	2	3-4x

Source: (bizval internal data)

This case exemplifies how tailored valuation support can address complex cross-border tax and succession needs, delivering both immediate transactional benefits and longer-term strategic value.

Client Case Study: Earnout Valuation for CGT Purposes

Transaction Overview

In mid-2025, bizval was engaged by the tax advisers to the shareholders of a UK-based publishing business undergoing a partial disposal. A significant proportion of the total consideration was structured as an earnout, contingent on the achievement of future performance targets. Under UK tax legislation, the earnout element required valuation at the date of completion to establish the capital gains tax (CGT) liability crystallising on disposal.

Key Challenges

Earnout provisions introduce material uncertainty, as the ultimate quantum received depends on the satisfaction of specified thresholds and performance metrics post-completion. The valuation needed to assess both the expected value of the contingent consideration and the degree of confidence in its receipt, while providing a robust and defensible position acceptable to HMRC.

Valuation Approach

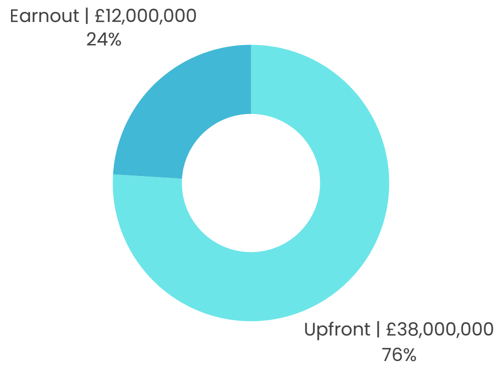
Several methodologies were evaluated to address the contingent nature of the consideration, including Monte Carlo simulation, option pricing models (Black-Scholes), and scenario-based discounted cash flow analysis. Given the identifiable performance thresholds and availability of supporting data, a probability-weighted scenario approach was selected as the most appropriate. Five discrete scenarios were developed, each reflecting a plausible outcome ranging from outperformance to non-achievement of targets. Probabilities were assigned to each scenario based on rigorous analysis of historical trading performance, anticipated acquirer synergies, prevailing market conditions, and management forecasts. Expected cash flows under each scenario were discounted to present value using an appropriate risk-adjusted rate.

Outcome and Client Impact

The engagement produced a well-substantiated valuation of the earnout consideration, enabling the shareholders to settle their CGT liability on a basis closely aligned with the probable economic outcome. The transparent and evidence-based methodology provided a strong defence in the event of future HMRC enquiry, while facilitating efficient tax planning around the disposal proceeds.

This case demonstrates the importance of applying sophisticated, scenario-driven valuation techniques to contingent consideration structures, delivering certainty for tax compliance in otherwise uncertain transactions.

Earnout Calculation



Source: (bizval internal data)

Strategic Implications and 12-Month Outlook

TAX-DRIVEN STRUCTURING PLAYBOOK

Earnouts to bridge CGT-driven valuation gaps

Rising CGT has sharpened sellers' focus on net proceeds, even as buyers remain disciplined on upfront pricing. This tension has widened valuation gaps, elevating the role of earnouts as a pragmatic mechanism to reconcile buyer caution with seller conviction. When structured effectively, earnouts allow sellers to defend headline valuation while sharing near-term performance risk, preserving momentum without forcing immediate price concessions.

Although earnouts are sometimes framed as tax-efficient, their value lies primarily in deal structuring rather than outright tax reduction. The tax outcome depends critically on whether deferred consideration is ascertainable at completion. Where consideration is fixed or readily quantifiable, CGT is generally assessed upfront on full entitlement, offering limited scope for deferral beyond cash-flow management.

By contrast, most performance-based earnouts are treated as unascertainable consideration. Under established UK case law, the right to future earnout payments is treated as a separate asset, with an initial disposal gain calculated only on the upfront consideration. Subsequent earnout receipts then trigger separate CGT events when paid. This can result in a degree of indirect deferral, and it may also influence the effective tax outcome, albeit without guaranteeing a lower overall liability.

Earnouts are anticipated to feature more prominently in competitive processes as tax changes increase sensitivity to net outcomes. Sellers introducing clear, tightly governed earnout frameworks early are better positioned to shape negotiations and maintain pricing discipline, whereas those resisting may encounter a narrower buyer universe.

Tax-efficient rollovers and creative financing in 2026 conditions

Rollover equity is regaining importance as a means of deferring tax crystallisation while retaining upside, particularly in private-equity-backed transactions. Minority rollovers allow sellers to align with future value creation while managing immediate tax exposure, provided governance and exit mechanics are carefully structured.

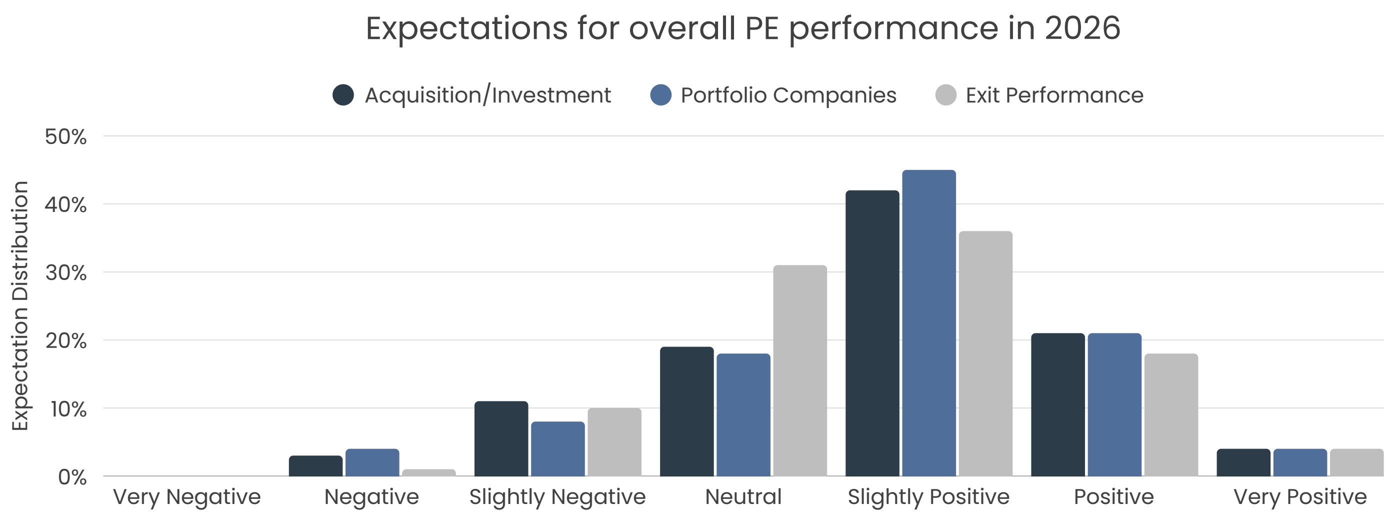
At the same time, constrained acquisition finance is driving increased use of hybrid funding stacks, combining private credit with seller financing elements such as loan notes or deferred consideration. For sellers, this represents an opportunity to support deal feasibility, protect headline valuation, and generate incremental return through interest or preferred economics.

Successful sellers in 2026 will behave less like price-takers and more like structuring partners, using rollovers and financing flexibility to unlock value. Those who engage early on tax and capital structure are likely to achieve superior after-tax outcomes.

2026 OUTLOOK SCENARIOS

UK M&A outlook 2026: a scenario-based view

The UK M&A outlook for 2026 is best understood through a scenario-based lens, reflecting the interaction between monetary policy, macro stability, and political priorities. While a gradual recovery remains the central expectation, upside and downside risks are increasingly asymmetric across sectors.



Source: (DealSuite, 2026)

Below are three potential scenarios shaping UK M&A conditions into 2026:

Base Case: Rate stability supports a late-cycle recovery

In the base case, interest rates stabilise, and inflation remains contained, supporting modest GDP growth through 2026. Improved financing visibility gradually restores confidence among both strategic buyers and private equity, narrowing valuation gaps that have constrained activity since 2023–2024. The recovery is likely to be uneven and back-end weighted, with deal momentum building more clearly in the second half of the year as boards and investment committees gain comfort around forward assumptions.

Transaction volumes recover selectively rather than broadly, favouring sectors with resilient cash flows and clear growth narratives. Leverage remains available but disciplined, reinforcing the importance of quality assets and realistic pricing.

Preparation and timing matter. Sellers who enter processes with clear equity stories and financing-ready structures are better positioned to benefit as confidence returns, while buyers gain from early engagement ahead of a more competitive late-2026 environment.

Downside Case: Volatility disrupts fragile confidence

In a downside scenario, renewed FX volatility or geopolitical shocks undermine the fragile stabilisation in capital markets. Currency swings complicate cross-border pricing, while risk-off sentiment slows investment committee approvals and lengthens diligence timelines. Even where assets remain fundamentally attractive, transaction momentum stalls as buyers prioritise capital preservation over deployment.

Public market volatility further limits exit optionality, reducing sponsor willingness to transact and reinforcing bid-ask gaps. Activity persists in defensive sectors, but at a reduced scale and pace.

Execution risk rises. Deal certainty, flexible structuring, and alternative capital solutions become critical differentiators, while discretionary or transformational transactions are more likely to be deferred than cancelled outright.

Upside Case: Infrastructure-led acceleration

In an upside scenario, a Labour government infrastructure push catalyses a renewed investment cycle, particularly across renewables, energy transition, and related infrastructure assets. Greater policy clarity and long-term funding commitments improve visibility on returns, attracting both domestic and international capital.

This environment supports higher transaction volumes, platform formation, and secondary activity as assets change hands at scale. Early movers are likely to benefit from premium pricing in priority subsectors, with competition intensifying around scalable assets and development pipelines.

Sponsors and strategics already positioned in these themes are best placed to capture outsized opportunities through consolidation, partnerships, and follow-on investment as momentum accelerates.

8. Contributor Bios

BIZVAL EXECUTIVE TEAM

A serial entrepreneur with over four decades of experience, he has founded and scaled over 30 businesses in fintech, data analytics, and customer experience, creating 60,000+ jobs and achieving major exits to tier-one banks and private equity firms. A qualified lawyer and 2009 EY World Entrepreneur Award runner-up, he is Entrepreneur in Residence at GIBS business school and advises boards on transactions and governance.

Howard Blake
Co-Founder and Executive Chairman, bizval. (*howard@bizvalglobal.com*)

Graham is responsible for leading bizval's growth in North America, the United Kingdom, and EMEA. bizval offers business and intangible asset valuations, fairness and solvency opinions, transaction structuring, M&A advisory, and high-volume/portfolio valuation services to top law firms, private equity, venture capital, family offices, corporates, and founders. Previously, Graham spent over 20 years in financial services and principal investing at leading banks, lenders, and startups, spearheading large-scale turnarounds, commercial due diligence on major M&A deals, credit/risk framework design, and strategic repositioning.

Graham Stephen
Co-Founder and Group CEO, bizval (*graham@bizvalglobal.com*)

Based in London, he leads the UK and European operations and oversees the firm's UK and European relationships across sectors. Jim is a seasoned entrepreneur having exited multiple businesses and held C-suite roles in UK financial services, leading business development, market strategy, and product innovation. Prior to joining bizval, Jim supported businesses with advocacy, strategic planning, resources, and advisory support.

Jim McLaughlin
Head of UK and Europe, bizval (*jim@bizvalglobal.com*)

Kyle leads the firm's U.S. practice and oversees the firm's North American client franchise. During his decade in New York, Kyle advised senior capital markets leaders on economic outlook, risk, and geopolitical cyber-risk issues. After leaving New York and prior to joining bizval, he led a turnaround effort, where he developed and implemented company-wide processes, optimized financial reporting, and drove heavy business-operation initiatives.

Kyle McCulloch
Managing Director, bizval (*kyle@bizvalglobal.com*)

Steven leads bizval's valuation practice across North America and EMEA. He oversees the delivery of independent valuation opinions and appraisals, while ensuring compliance with relevant standards and requirements, and advancing internal methodologies and technology platforms. Prior to bizval, Steven was Head of Operations for a Cape Town based M&A advisory firm supporting businesses with valuations, exit planning, and transactions.

Steven Kay
Global Head of Valuation Services, bizval (*steven@bizvalglobal.com*)

8. Contributor Bios

EXTERNAL CONTRIBUTORS

Linglan is a Research Director at Gartner, serving as lead economist on the Technology Market Insights team. She oversees global technology market forecasts, analyzing macro trends and the impact of economic and political changes on IT markets at global, regional, country, and industry levels. As a China and APAC specialist, she provides deep insights into local regulations, development trends, and buying behaviors. With over a decade of quantitative modeling experience, she previously spent six years as Lead Economist at The Economist Group.

Linglan Wang
PhD, Lead Economist, Research and Advisory, Gartner (*Linglan.Wang@gartner.com*)

Mason is the Head of Corporate Development at JP Jenkins, a UK platform facilitating trading in unlisted company shares. He works with businesses, investors, and shareholders to support companies with liquidity and trading events. Mason brings experience in financial services and private markets, helping guide new admissions and secondary transactions for private companies.

Mason Doick
Head of Corporate Development, JP Jenkins (*md@jpjenkins.com*)

Nigel has been a solicitor since 1981 and deals with Corporate / Commercial matters, IP rights and AI. He also carries out litigation on corporate and commercial matters. His main speciality is mergers and acquisitions. He worked for many years at Clifford Chance but is now a consultant at both McFaddens LLP and Karam Missick & Traube LLP.

Nigel Jackson
Solicitor and Consultant at McFaddens LLP and Karam Missick & Traube LLP (*Nigel.Jackson@kmtlaw.co.uk*)

Gartner JPJENKINS powered by InfinitX MᶜFADDENS LLP Karam, Missick & Traube Solicitors

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- **Market reality:** US mid-market M&A is reopening with confidence as rates stabilise and capital deploys selectively.
- **Key takeout:** Valuation discipline and deal structure now matter more than headline price.
- **Expert insight:** Analysis from bizval's Executive Team with contributions from Ryan Yergensen (Greenberg Traurig), Danielle Patterson (Family Office Access) and Nick Bradley (High Value Exit).

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United Kingdom
174 B-C Queenstown Road
Battersea, London, SW8 3NR

United States
5900 Balcones Drive
Austin, TX, 78731

South Africa
21 Dreyer Street Claremont,
Cape Town, 7708