



# M&A Outlook:

Trends, Drivers and  
Opportunities Across  
the Market

HI 2026

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## M&A 2025 Overview

# A year of challenge and adaption

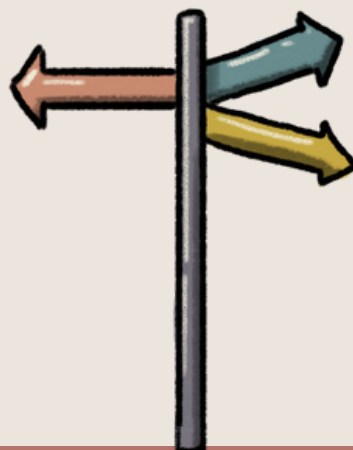
Moving into 2026 brings a new set of forecasts and expectations for the M&A market after a turbulent 2025, to say the least. The year began with cautious optimism but was quickly thrown into disarray as President Trump's tariffs introduced fundamental changes to global trade, impacting economies worldwide. Continued challenges around interest rates further added to market pressures. Together, these factors contributed to a more cautious and uneven dealmaking environment throughout the year<sup>1</sup>.

That said, 2025 was not without bright spots. Despite the challenging backdrop, several high-profile transactions were successfully completed.

Overall activity, however, fell short of early-year expectations. Encouragingly, dealmakers remain optimistic that 2026 will gain momentum, with confidence in the future outlook remaining strong.

Markets have begun to adjust, with reactions to economic news becoming more muted and several large deals being struck throughout the year.

Further positives can be found in the gradual, yet ongoing, interest rate cuts, which are helping to lower financing costs and support valuations. In turn, strong demand for AI capabilities across markets has helped drive activity in both dealmaking and the stock market alike.

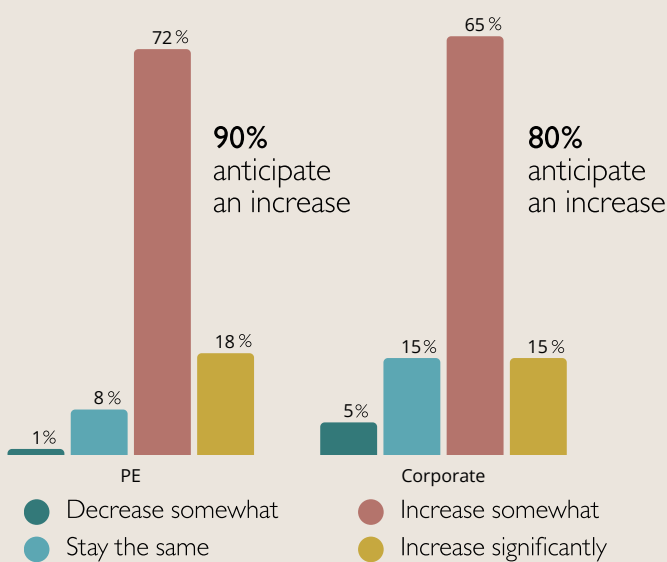


## Rising Optimism for Dealmaking

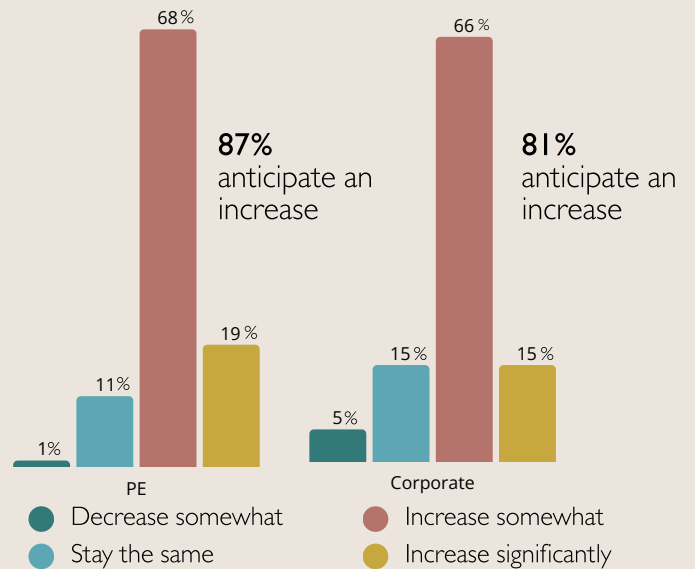
# The consensus among industry leaders is clear: momentum is returning

Deloitte's 2026 M&A Trends Survey highlights a notable rise in optimism across both corporate and private equity (PE) dealmakers<sup>2</sup>. Around 90% of PE respondents and 80% of corporate respondents expect deal activity to increase in 2026, while 87% of PE respondents and 81% of corporate respondents anticipate higher deal values.

Expected Change in Number of Deals Over the Next 12 Months



Expected Change in Total Deal Value in 2026 vs 2025



This optimism is echoed in EY's analysis of the US market<sup>3</sup>. EY forecasts that US deals valued over \$100 million will grow by 3% in 2026, with corporate M&A volumes increasing by 3% and private equity deal volumes rising by 5%. Together, these findings underscore strengthening optimism across the M&A landscape as the market enters 2026.

<sup>2</sup> Deloitte. 2026 M&A Trends Survey. <https://www.deloitte.com/us/en/what-we-do/capabilities/mergers-acquisitions-restructuring/articles/m-a-trends-report.html>.

<sup>3</sup> EY. M&A Outlook. [https://www.ey.com/en\\_us/insights/mergers-acquisitions/m-and-a-outlook](https://www.ey.com/en_us/insights/mergers-acquisitions/m-and-a-outlook).

## Drivers and Risks in H1 2026 M&A

# AI, Private equity, and falling rates are fueling deal momentum - but valuations and global risks loom

### Top Drivers Shaping M&A Momentum

**Technology:** Artificial intelligence is expected to remain a major catalyst for M&A activity in 2026, with continued investment from large technology companies flowing through to the wider market<sup>4</sup>.

**Private Equity-Led Deals:** In 2025, PE-backed transactions remained a key driver of M&A activity, supported by significant capital ready to deploy. This trend is expected to persist into 2026, with PE firms under increasing pressure to deploy capital amid improving market conditions.

**Interest Rates:** Easing interest rates are improving financing conditions, making debt-financed transactions more attractive to buyers. Improving capital market conditions are also helping to support market confidence.

### Risks and Uncertainties To Watch

**Geopolitical Uncertainty:** While there was hope that 2026 would mark a return to greater stability following the turbulence of 2025, early geopolitical developments suggest continued uncertainty. Ongoing tensions may weigh on global growth and complicate cross-border transactions.

**Regulatory Uncertainty:** While some markets are experiencing deregulation driven by political change, others are undergoing significant regulatory reform following shifts in governing parties. This divergence may create uncertainty for dealmakers in certain sectors and regions.

**Valuations:** Rising valuations, particularly in the highly sought-after AI sector, risk pricing out buyers or slowing deal momentum. There is growing concern that valuations, especially at the upper end of US technology markets, may be inflated, which could temper activity if pricing expectations remain elevated.

<sup>4</sup> Clifford Chance. Global M&A Trends for 2026. [https://www.cliffordchance.com/insights/thought\\_leadership/trends/2026/global-m-a-trends-for-2026.html](https://www.cliffordchance.com/insights/thought_leadership/trends/2026/global-m-a-trends-for-2026.html).

## Conclusion and Outlook

# Who is Best Positioned to Lead M&A in H1?

### Optimism is returning.

After a turbulent 2025, the M&A market enters 2026 with renewed confidence, yet the backdrop remains complex. Geopolitical uncertainty, regulatory shifts, and valuation pressures mean dealmakers must stay disciplined and selective to succeed.

### Successful dealmakers will be...

- **Leveraging technology and innovation** to drive growth, while remaining attentive to fundamental value
- **Deploying private equity strategically**, ensuring capital is used where it creates the most impact
- **Targeting high-quality, resilient businesses** with strong revenue and sustainable growth potential
- **Managing financing carefully** in a shifting interest rate environment
- **Proactively navigating regulatory and geopolitical risks** to protect value and maintain confidence



### Is your business ready for its next strategic move?

Princelet delivers specialist, hands-on advisory, helping tech leaders move beyond the numbers to identify the right partner at the right valuation, and turn opportunity into results.

Contact our team to start the conversation today.



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We're a boutique corporate finance firm that works side-by-side with tech founders, shareholders and investors to deliver exceptional M&A outcomes.

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**2010**  
Founded

**£10-£50m**  
Deals specialists

**+£3 billion**  
Aggregated deal value

**36 deals**  
Completed since 2012



# Our Team

We're a team of experienced advisors, former investors, and sector specialists.

Each of us brings a different perspective, but we're united by a shared belief in hard work, thoughtful approach, and seeing the deal through.



**Stephen Moore**  
Managing Director



**Mitchell Upama**  
Vice President



**Megan Hall**  
Senior Associate, M&A



**Alex Ioannou**  
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