



# Market Update UK SME M&A

A general update about the broad landscape for M&A in the UK, focused on the SME market. Designed to provide business owners with an overview that will help answer the question: **Is this a good time to sell?**

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# > What is the market like?

## Is it the right time to sell? How do I know the best time to go to market?

These are questions we are often asked, so in this update we will take a look at what has been happening in the world of deal making and what we might expect as we progress through 2025 and beyond. This is a general update about the broad landscape for M&A, so we won't touch on individual industry sectors or specifics on preparing for sale and selling your business.

If you would like to discuss the specifics of your business sale and the market within which it operates, we would be happy to help and give you some feedback on the prospects for a successful transaction – be that in the short, medium, or longer term.

Alternatively, check out our other guides on these topics:

[How to Value a Business](#)

[Selling a Business – 5 key areas to consider](#)

[How to avoid the pitfalls when selling your business](#)



### Historic performance of the market

How the relative stability of the Mergers and Acquisitions (M&A) market over the years has created a consistently good environment for SME transactions and how recent data compares.



### Where the real value is to be had in the market

The strong interest in UK companies from overseas businesses and the value this brings in terms of cross-border transactions. We will explore what that means for you and why you can't afford to ignore international prospects.



### The future of M&A and being prepared

We gaze into our crystal ball to give us a picture of what the next 12-18 months might look like for dealmaking in the UK SME market.

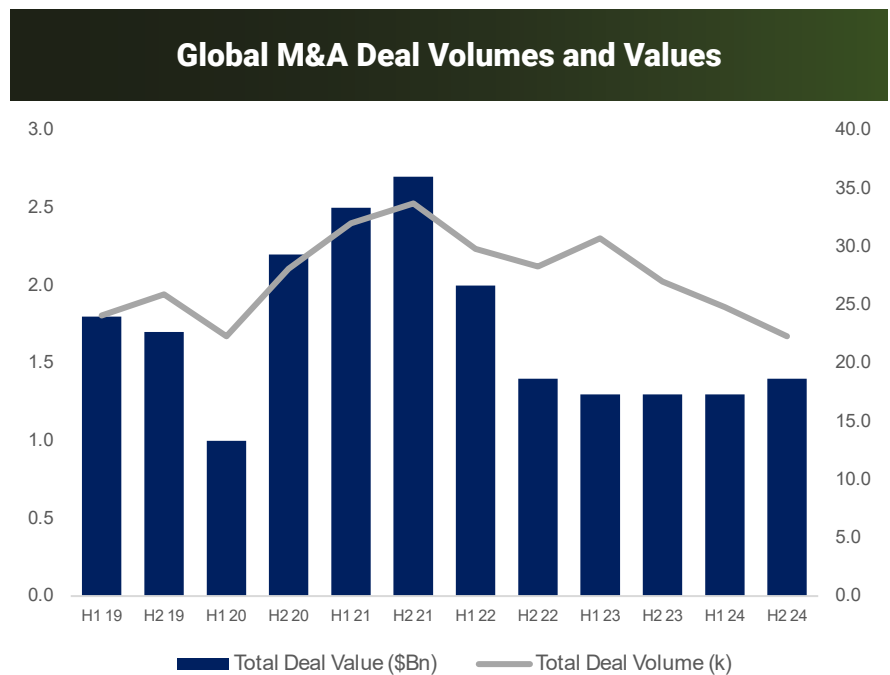
## > Key highlights - the global picture

**Before focusing in on the UK market, it's useful to understand the wider context and take a look at the global landscape.**

In the second half of 2024, global M&A deal values increased by 5% compared with the same period in 2023, mirroring the same trend seen in H1 2024.

Deal volumes, however, continued to fall which is due in part to a continuing trend for PE firms to hold investments for longer than planned.

Fewer deals indicates a more discerning acquisitions market – good companies with expert advisory support should see this as a positive opportunity to sell for maximum value.



Source: pwc



## > Key highlights - the UK M&A market

### The UK market is, once again, bucking the global trend!

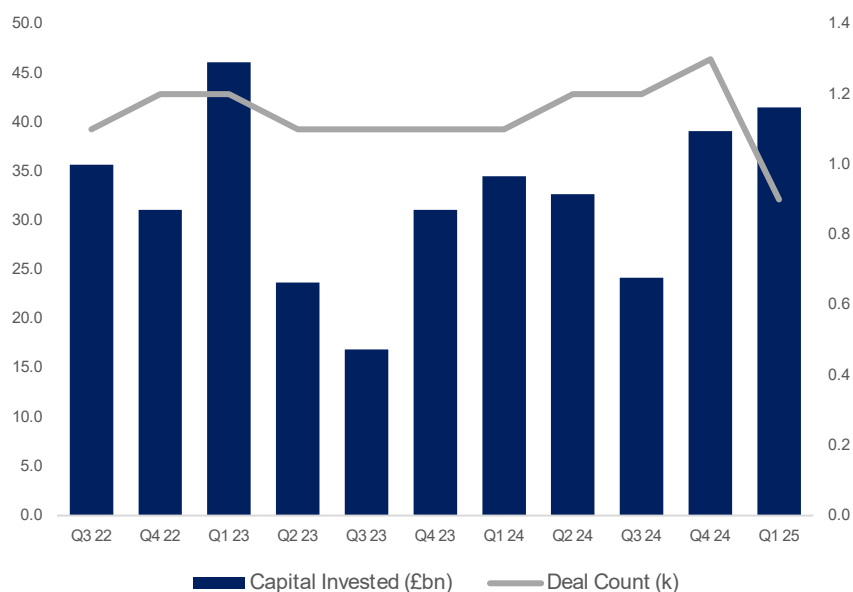
Once again, the UK M&A market saw a strong rise in transaction value and volume in the last quarter of 2024. Although volumes were lower in the first quarter of 2025, value rose again to £41.5bn driven in no small part by tax changes.

These changes were driven by Private Equity transactions with Business Services and TMT being the best performing sectors.

Geopolitical uncertainty is once again ramping up with changing policies in the USA and the global economy reacting. This has left many business owners uncertain whether to stick or twist with regards to timing an exit.

However, despite the obvious challenges in the market, there are still good deals being done. If your business is performing well, despite these challenges it will no doubt be of interest to investors looking for a safe harbour over the coming years.

### UK M&A Deal Volumes and Values



Source: Pitchbook

### What does this mean for SMEs?

It's fair to say that fluctuations in both global and UK M&A activity are disproportionately affected by large deals and megadeals.

What we see in the SME market, by comparison, is a relatively stable picture. Average deal values and volumes have remained consistent over the last decade. *source: BDO*

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## > The UK - an attractive M&A target

### Overseas interest in UK companies remains high

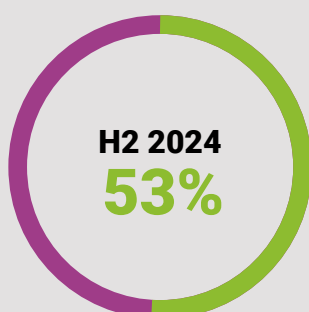
Although UK valuations have increased significantly over the last year, they are still significantly below US levels, and therefore, appealing to investors from overseas.

The largest completed M&A deal involving a UK target in the second half of 2024 was the IBO acquisition of Nord Anglia Education Ltd, a London-based education provider for £11.1bn.

Neuberger Berman Private Markets, EQT, and Canada Pension Plan Investment Board's acquisition was driven by a strategic focus on expanding their presence in the premium global education sector. The deal offers exposure to a stable, cash-generating business with a growing international footprint.

#### M&A Involving UK Companies

#### Domestic vs International



H1 2024  
54%

H2 2023  
54%

Source: ONS

### Stable split between domestic and international transactions

Data from ONS shows that M&A transactions involving UK companies is a relatively even split between those transactions that involved purely domestic transactions and transactions that involved UK companies being acquired by, or acquiring, an overseas business.

This has been a stable picture over the last several half-year periods which demonstrates why Entrepreneurs Hub believes it is absolutely vital to include overseas potential acquirers on every project we undertake. Not to do so would be leaving up to half of your interested parties out of the process.

# > A favourable outlook for 2025/26

## The forecast remains positive

The outlook for M&A in the UK for the remainder of 2025 is growing increasingly optimistic, driven by rising investor confidence and a resurgence in business sentiment. Stabilising interest rates and easing inflation are setting a more predictable backdrop for dealmaking. A key trend is the convergence of buyer and seller expectations, which had diverged sharply in previous years. This alignment is expected to drive greater deal flow, particularly in mid-market and strategic acquisitions.

## Private Equity leads the charge

Private Equity activity is poised to pick up pace, especially in sectors like technology, media, telecommunications (TMT), healthcare, financial services, and energy. These industries remain attractive due to their strong fundamentals and potential for digital and ESG-led transformation. Private credit has become a major source of financing amid a tighter traditional lending environment, enabling more flexibility in capital structuring.

Additionally, regulatory clarity and reforms in the UK, especially around national security, foreign investment, and ESG disclosures, are expected to provide clearer guardrails and increase investor confidence. US and European interest in UK assets remain strong, partly driven by continued valuation discounts relative to the US market.

While geopolitical risks and funding constraints may persist, the overall landscape for M&A in 2025 is set to improve. Dealmakers are cautiously optimistic, anticipating a rise in both domestic and inbound transactions. The UK's ability to navigate through regulatory modernisation and global investor interest will be critical in shaping M&A momentum.



## > Next steps - considering a sale in the next 3 yrs?

### **Start planning now!**

The date of approaching the market can be determined later down the line but benchmarking your aspirations and expectations against your company's commercial, financial, and legal readiness is vital to success.

Once you have a plan, you have peace of mind and clarity. Once you have assessed and understood the facts, you are in a better state of 'transaction readiness' and able to make better decisions.

If the global landscape of the last four or five years has taught us anything – it is that anything can happen at any time! This is why most entrepreneurs will benefit from remaining focused on properly

assessing their own situation to make sure they understand their options - rather than paying too much attention to the headlines (and the ones which will inevitably follow in the coming years too).

### **Preparation is paramount**

The caution for 2025 and beyond is that business owners looking to sell need to ensure they are well prepared to enter the transaction process, as acquirers (and their advisors) invest more time and resources into ensuring quality due diligence and wise investment decisions.

In conclusion, we trust that this short update has been useful and interesting for you. If you would like to discuss your specific situation / sector /

business sale strategy, then we would be happy to help.

In the meantime, we wish you well and good trading.

*Malcolm Murray*

**Co-Founder & Director  
Entrepreneurs Hub**



Take the 15 minute questionnaire now

**Discover how saleable your business is...**

**Discover how valuable your business is...**

## > About Entrepreneurs Hub

Entrepreneurs Hub specialises in advising the owners of SME companies on their exit strategy, including preparation and sale – whether to a trade buyer, investor or EOT.

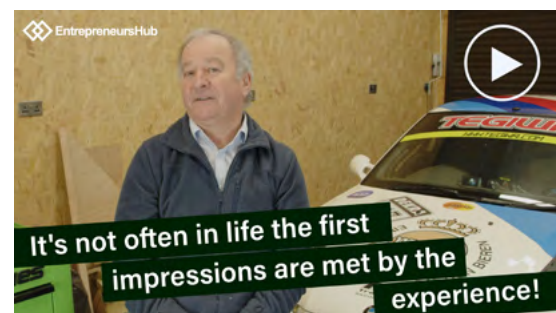
We could talk about our experience, our expertise and our proven, leading process - but what our clients usually talk about is our support, our dedication, availability and relationships.

Here is a selection of what our clients have said about us:

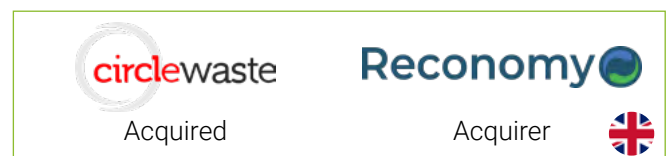
“ I don't think we appreciated how long and complex it is selling a business. Entrepreneurs Hub explained the process and guided us through each stage with experienced hands. We would definitely not have been successful without their help. ”

**Richard Blewett & Andrew Clymer**  
**Rock Solid Knowledge**

Click to play:



### A selection of recent deals:



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