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M&A market *Insights*

2025



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Welcome to our M&A market Insight - 2025 year to date

The first quarter of 2025 brought a noticeable uptick in activity and pipeline momentum. After two years of uncertainty, unpredictability and high interest rates, there was certainly the appetite and funds available for an increase in activity and therefore M&A hires. However, with the economic winds blowing over from the US, April saw a significant drop in confidence.

This will have meant many mid to large deals kicked into 2026 and curtailed some hiring for M&A lead/ Corp Dev posts. The notable exceptions are primary investments in the lower mid- market and services businesses- especially professional services businesses. Consolidation is still the focus for many PE backed professional services mid-market players and the opportunities that drives.

For those still willing to execute transactions in 2025, the outlook is certainly looking better, with a relatively stable economy, slowly dropping interest rates and hopefully the most tumultuous winds from the US having blown over.

In summary, if the appetite is still there for 2025 activity, deals will be done, and hires will be made. Let's be positive!

Steve Clarke

Partner - CFO, Finance Practice
M&A Corporate Development & Strategy



Post-merger *integration* / mid-market private equity



Stuart Jansze

Partner, Interim Management
Business Transformation Practice

The current mid-market UK private equity landscape has been shaped by relentless economic and geopolitical headwinds over the last few years, with larger transactions being replaced by a rise in smaller, strategic and tactical bolt-on investments. Deal volumes actually jumped by 15% last year as a result, but in reality, this masked the fact that total deal values declined by just over 9%, to £44bn.

There continues to be caution from funds in deploying any dry powder, though certainly thawing somewhat as the cost of debt comes down, and inflation is seemingly softening. Business services, professional services, including legal services, and white-collar property services, along with TMT, remain key target areas.

In terms of transactions we have supported this year, unsurprisingly given its continuing rise, we are increasingly seeing funds deploy data analytics tools and AI, beyond simply for origination, to help streamline automation, automate synergies, optimise processes, and track KPIs in real time.

Whilst the immediate short-term outlook for M&A continues to react to buffeting headwinds, one hopes it will only be a matter of time before we see funds start to acquire businesses in earnest again, and the long tail of portcos held beyond their usual tenure, start to be divested, signalling a return to a more 'normal' PE M&A landscape.

Post-merger *activities* and HR integration



Andy Montgomery

Partner, Interim Management
Human Resources Practice

From the HR angle within M&A, much of what we have seen has broadly mirrored those mentioned already. There's been a strong start to 2025, much of this led by private equity, but also by large strategic acquisitions to support market share. However, a couple of areas stand out which highlight the increasing role of HR earlier in the M&A process. These include more requirements from organisations looking to utilise HR and People change specialists to identify potential opportunities for consolidation and cost reduction from restructuring as part of the initial due diligence. As well as assessing leadership capability or potential retention issues across the acquired organisation.

That said, with activity being split across pre deal, post deal and longer-term transformation, we are undoubtedly seeing more activity in the post-acquisition transformation phase. This in part might also be in line with PE and investors appearing to retain assets for longer, which in some cases appears to have led to greater investment in longer term strategic HR projects. Typically, investors have focused on talent, performance and succession, however we have also seen their involvement in longer term initiatives including systems optimisation and culture and efficiency projects.

Supply chain and *procurement* M&A



Ross Dawson

Practice Lead, Procurement, Supply Chain & Operations

In the first half of 2025, M&A activity has demonstrated a fascinating shift, with a clear focus on enhancing procurement and supply chain capabilities. As Practice Lead for Procurement, Supply Chain & Operations working closely with senior leaders, I've seen first-hand how the challenges of global supply chain disruption, rising costs, and ESG demands have driven businesses to seek transformative solutions through acquisition.

Deals are no longer just about scale or market entry - they're about embedding resilience and innovation. Procurement leaders with expertise in digitisation, AI-driven supplier strategies, and sustainable sourcing have become pivotal to these transitions, influencing not only integration strategies but also the strategic rationale behind acquisitions. It's an exciting time for talent in this space, with organisations seeking interim and permanent executives who can navigate the complexities of aligning new acquisitions with long-term supply chain strategies.

Listed M&A *activity*



Ben Cowan

Partner, Head of Business Transformation

It's been a mixed landscape for listed M&A activity, with increased inward M&A. Q1 was the highest quarter since Q3 2022, in excess of £19bn, driven by large deals like International Paper's acquisition of DS Smith PLC. Outbound M&A (UK companies acquiring foreign companies also saw increases but remain below £10bn. Domestic M&A declined to £2.9bn, mirroring the broader M&A market.

Overall, the expected surge in M&A activity didn't happen, there's been a decline in deal volumes and values. Technology, media and tech and real estate were notable sector winners. Business uncertainty influences the appetite, but falling interest rates may improve the climate for debt financing, potentially boosting M&A activity.



Please get in touch if you'd like to find out more about how we can support your business, whether it's through interim or permanent M&A appointments or consulting advice.