

SOFTWARE M&A REPORT – Q2 2025 UPDATE

M&A activity is gaining momentum,
with strategics leading the largest transactions

Welcome to the latest edition of the Silverpeak Software M&A report, a review of European and North American deal activity within the software sector.

Our dataset includes over 27,000 software M&A transactions from 2019 to Q2 2025 and combines data from Capital IQ and Pitchbook.

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Software M&A activity has been strong despite rising geopolitical uncertainty, underscoring the sector's resilience and importance. H1 2025 marked the most active half-year since H1 2022 in both total deal value and median size, even as disclosed valuation multiples dipped. Demand for mid-market European software acquisitions has remained solid, reflecting sustained investor confidence.

PIETRO STRADA
MANAGING PARTNER, SILVERPEAK

KEY FINDINGS

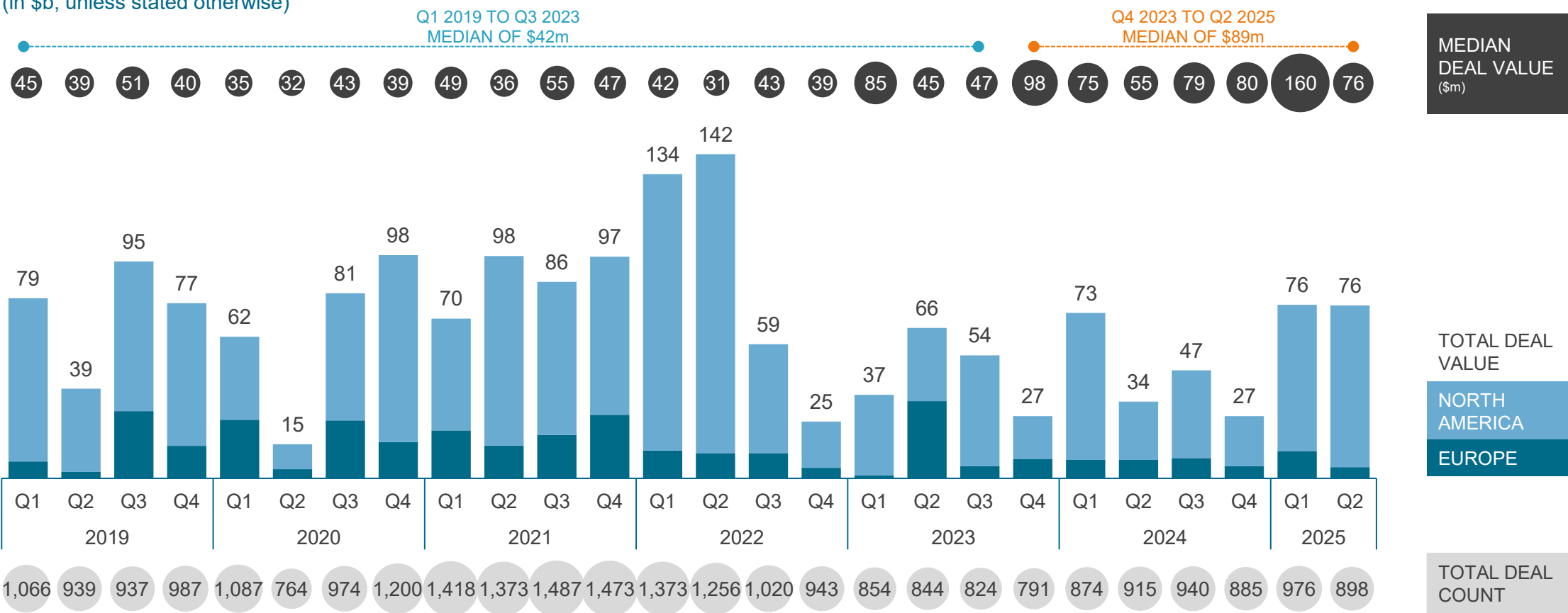
- Software M&A activity remains robust despite geopolitical and macroeconomic challenges, with total deal value in H1 2025 reaching its highest level since H1 2022.
- The software sector continues to mature, with growing companies driving scale: median deal value rose to \$89M from Q4 2023 to Q2 2025, more than double the \$42m seen from Q1 2019 to Q3 2023.
- Median valuation multiples for disclosed deals dipped in Q2 2025.
- Private equity remains a dominant force, accounting for over 58% of Q2 2025 transactions, including both PE funds and portfolio companies. However, public strategic buyers led in transactions exceeding \$1b.
- Fintech has been a key driver of large-cap activity (deals above \$1b), with landmark acquisitions of Worldpay, TSYS, Melio, Acumatica, and Heartland highlighting the sector's momentum.

DEAL METRICS FOR Q2 2025

| | |
|-------------------|-------|
| Median deal value | \$76m |
| Median EV/Rev | 3.7x |
| Median EV/EBITDA | 8.2x |
| Deal count | 898 |

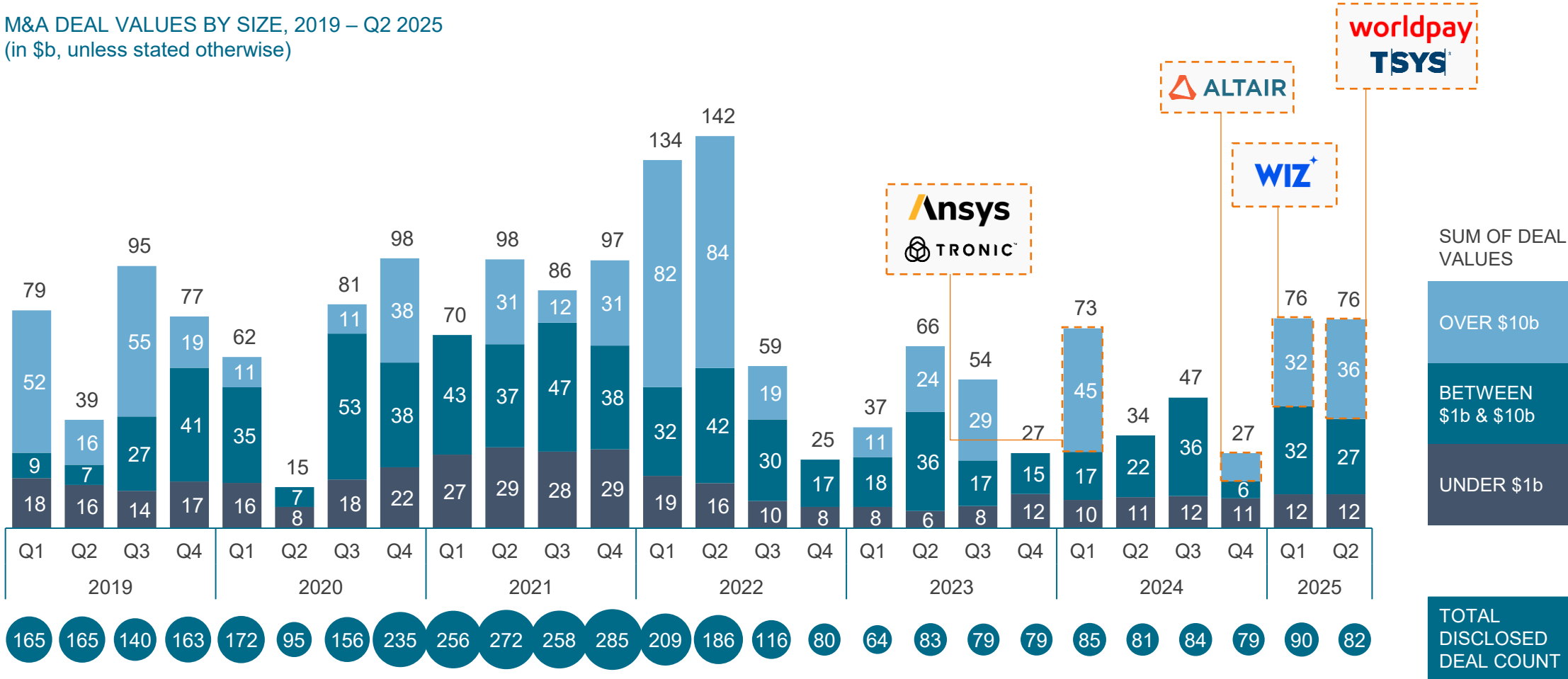
Total deal value in H1 2025 reached a three-year high, driven by strong North American activity and a rise in median deal size

M&A DEAL VALUE AND COUNT BY REGION, 2019 – Q2 2025
(in \$b, unless stated otherwise)



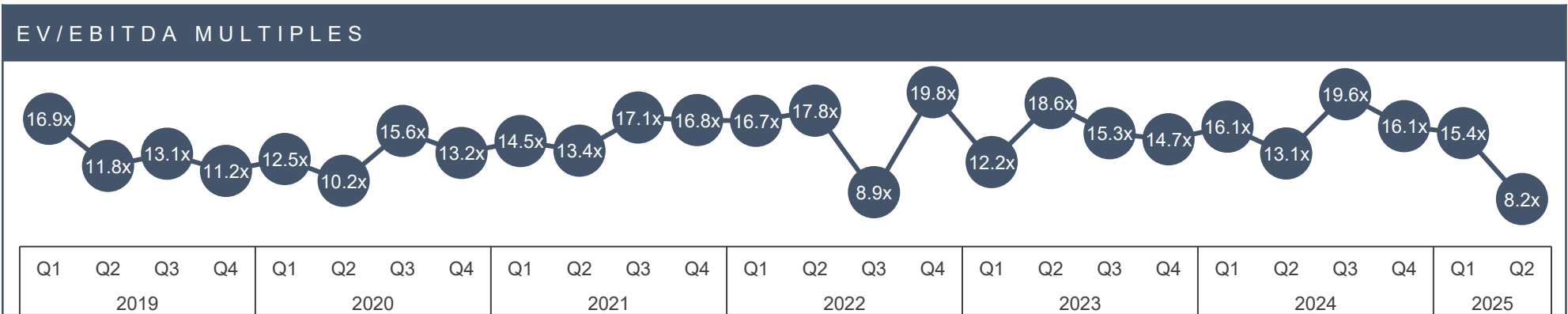
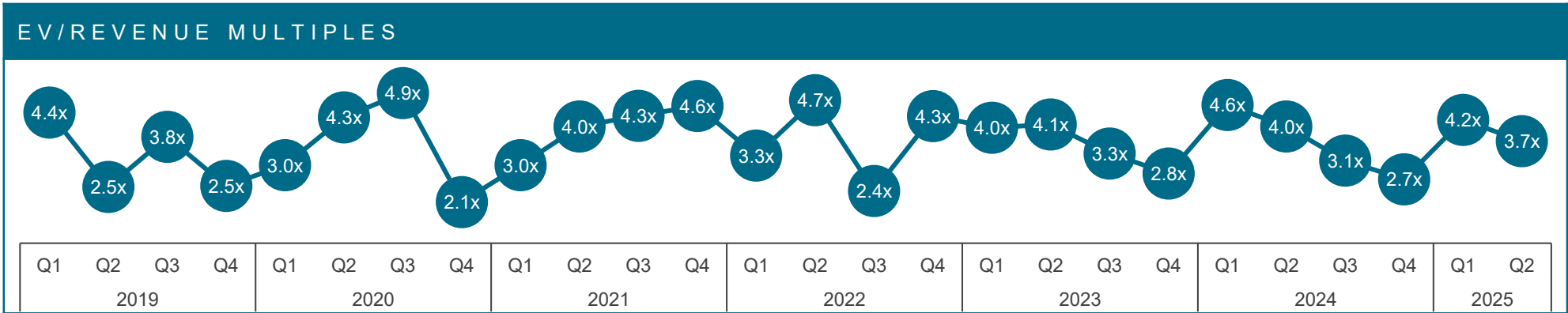
Activity was strong across all size segments with mega deals accounting for 45% of total value

M&A DEAL VALUES BY SIZE, 2019 – Q2 2025
(in \$b, unless stated otherwise)



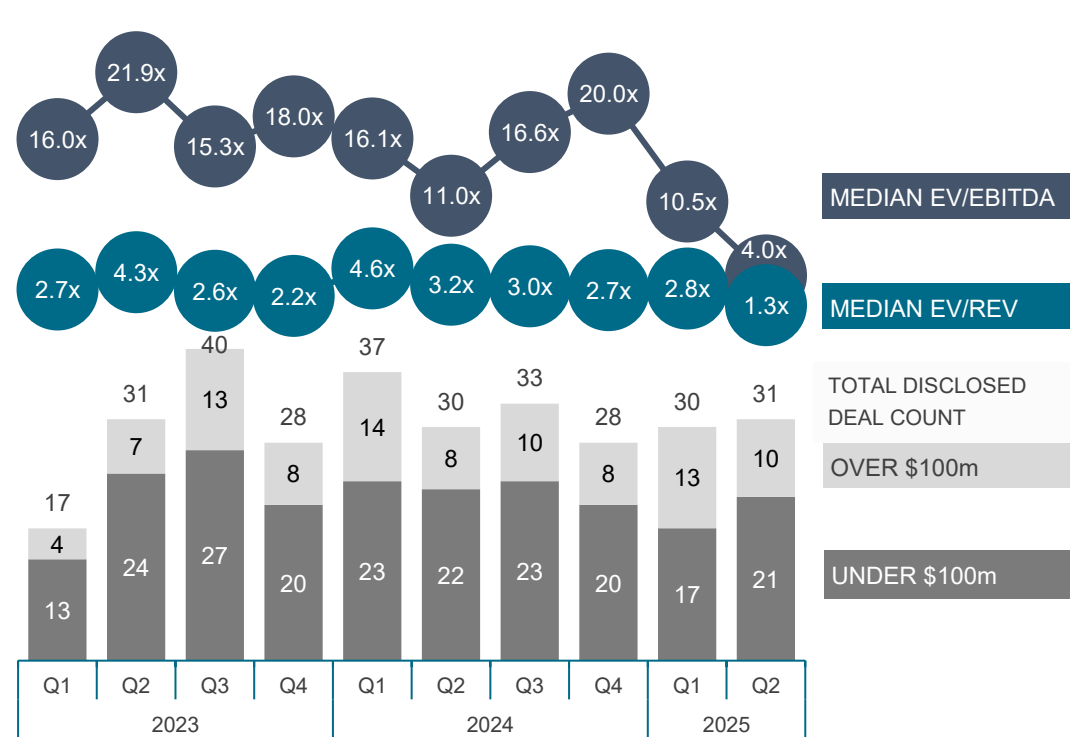
Disclosed EV/R and EV/EBITDA valuation ratios decreased in the last quarter

MEDIAN VALUATION MULTIPLES FOR M&A DEALS, 2019 – Q2 2025
(where both EV/R and EV/EBITDA are disclosed)



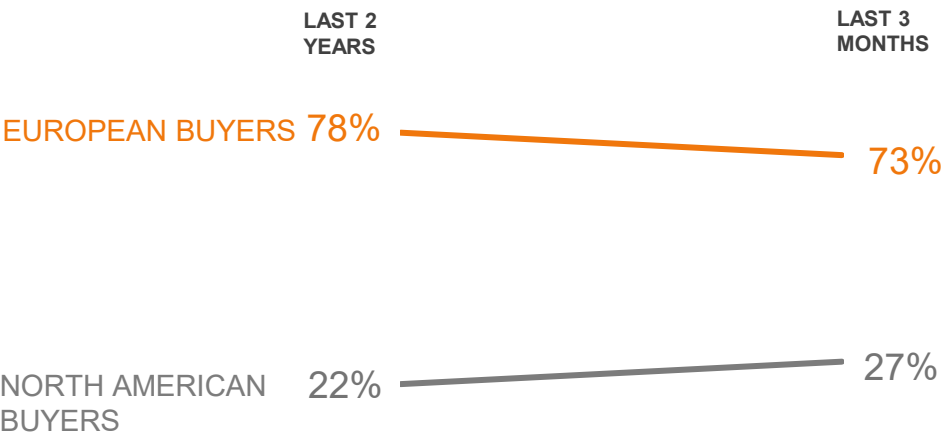
European sub-\$1b M&A multiples declined, while US buyers increased their share of acquisitions

EUROPEAN MULTIPLES AND COUNT OF M&A DEALS UNDER \$1b, 2019 – Q2 2025
















































ANALYSIS OF BUYERS (BASED ON HQ LOCATION) OF EUROPEAN TARGETS, Q3 2023 – Q2 2025

BY SHARE OF TOTAL COUNT OF ACQUISITIONS



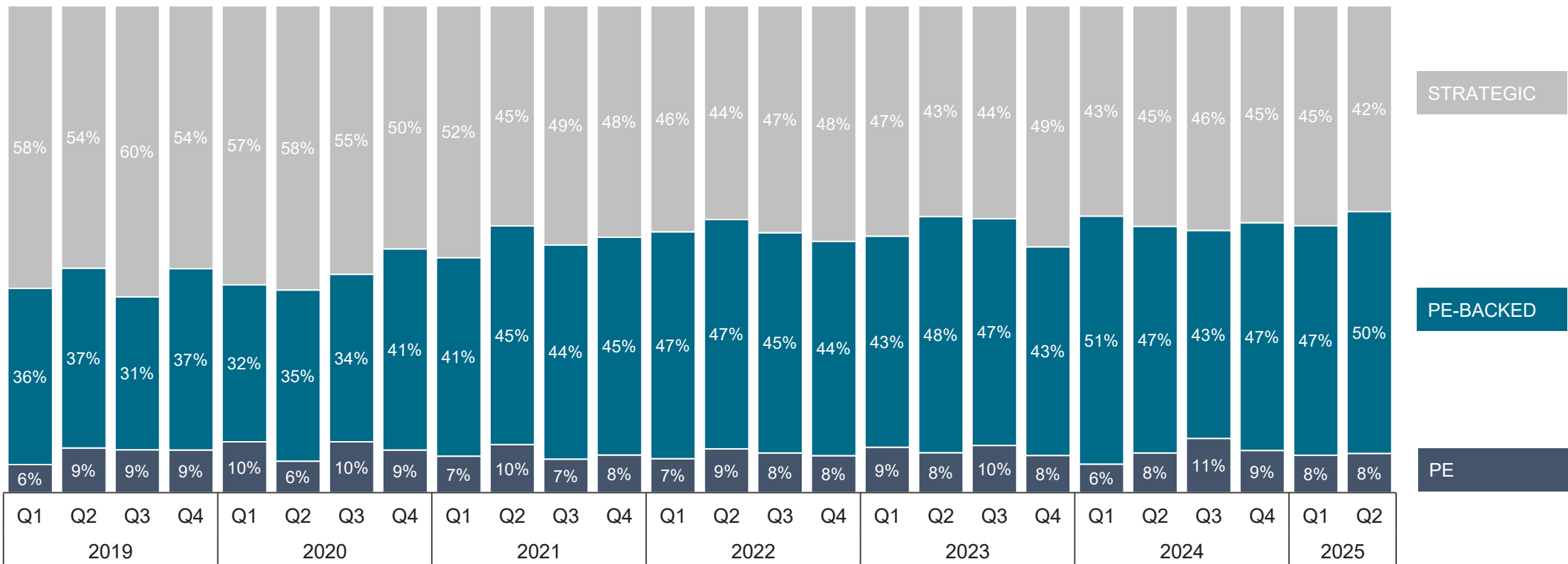
Strategic buyers were prevalent in deals over \$1b...

M&A DEALS OVER \$1b IN Q2 2025

| DEAL SIZE | EV/REV | EV/EBITDA | TARGET | HQ | SECTOR | ACQUIRER | TYPE | HQ |
|-----------|--------|-----------|---|---|--------------------------------|---|-----------|---|
| \$24.3b | NA | NA | worldpay |  | Global payments software |  NYse ¹ | STRATEGIC |  |
| \$12.0b | NA | NA | TSYS |  | Global payments software |  NYse | STRATEGIC |  |
| \$9.2b | 5.3x | 28.1x |  NYse ¹ |  | Cloud management software |  NYse ¹ | STRATEGIC |  |
| \$5.1b | NA | NA | Dotmatics |  | Science intelligence software |  BÖRSE FRANKFURT | STRATEGIC |  |
| \$2.5b | 13.4x | NA | melio |  | Invoicing software |  ASX | STRATEGIC |  |
| \$2.1b | 3.7x | 13.9x | e2open NYse |  | Supply chain software |  ASX | STRATEGIC |  |
| \$2.0b | NA | NA |  The Cloud ERP |  | ERP software |  | PE BUYER |  |
| \$2.0b | NA | NA | RESULTICKS |  | Customer engagement software |  Nasdaq | STRATEGIC |  |
| \$1.3b | NA | NA | HiddenRoad |  | Global credit software |  | PE-BACKED |  |
| \$1.2b | NA | NA |  |  | Hospitality CRM software |  Nasdaq | STRATEGIC |  |
| \$1.1b | NA | NA | Heartland |  | Payroll solutions software |  | STRATEGIC |  |
| \$1.1b | NA | NA | Sabre Nasdaq |  | Travel reservation software |  Nasdaq | PE BUYER |  |
| \$1.0b | NA | NA | v lex |  | AI and legal research software |  | PE-BACKED |  |
| \$1.0b | NA | NA |  |  | Cloud-based security software | proofpoint. | PE-BACKED |  |

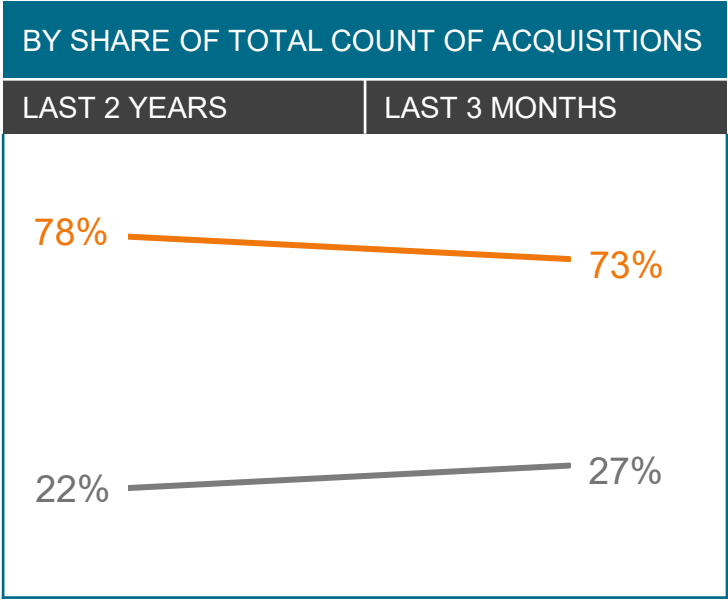
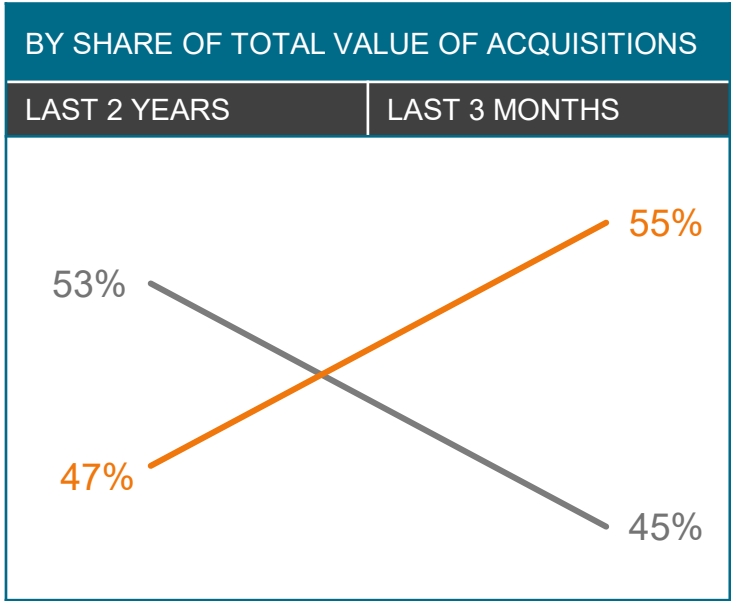
However, private equity firms and their portfolio companies captured the largest quarterly share, accounting for 58% of all transactions

DEAL COUNT BY BUYER TYPE: STRATEGIC, PE OR PE-BACKED DEALS



European buyers have increased their share of European targets by value, whilst North American buyers have gained share by count

ANALYSIS OF BUYERS OF EUROPEAN TARGETS, Q3 2023 – Q2 2025
(BASED ON HQ LOCATION)





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