

- AI-related deals dominated 2025 and represented 80% of technology deal value in the year's final quarter; dealmakers expect AI-driven consolidation to remain a dominant force in M&A throughout 2026.
- Cybersecurity M&A exceeded \$70B across 420+ deals in 2025, with strategic buyers commanding 55% of total deal value. Rising data volumes are overwhelming manual security workflows, accelerating demand for automated, analytics-driven cyber solutions.
- Late-2025 valuations assumed a predictable rate path; with Trump's Fed Chair nominee Kevin Warsh bringing increased likelihood of further rate cuts in 2026, tech M&A may see additional stimulus.

## S&S M&A Weather Report

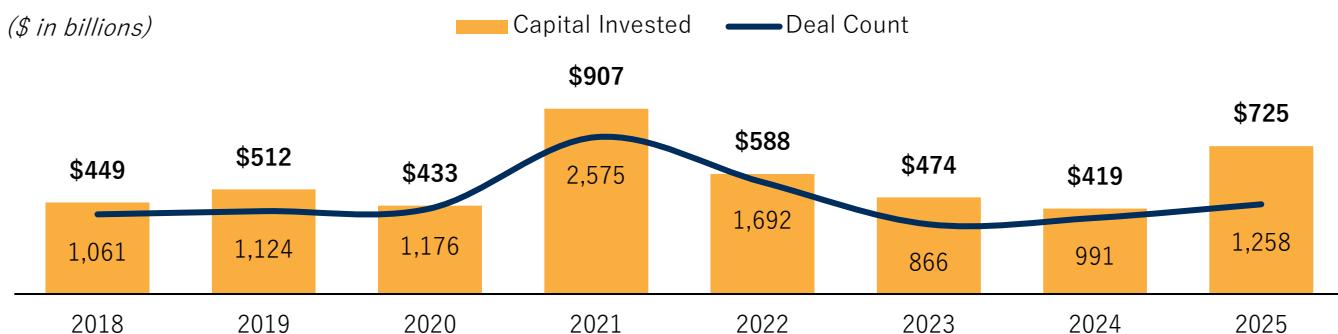


Decreasing  
Clouds

FY2025 U.S. M&A activity surged to \$2.3T, up ~49% year-over-year, with AI-driven deals generating \$107.9B. Sustaining AI as an M&A catalyst into 2026 will depend on buyers' ability to translate AI adoption into durable revenue growth rather than thematic conviction alone.

## Software Trends We Are Tracking / Market Snapshots

### Capital Invested Through M&A and Capital Raises in Software Companies<sup>(1)</sup>



### Cybersecurity Software M&A Deal Value



### Noteworthy AI Deals – January 2026

Acquirer				
Target				
Sector	SalesTech	HCM	Healthcare IT	Vertical SaaS
Enterprise Value	\$270M	\$55M	\$100M	\$5,809M
EV / TTM Rev	10.8x	6.1x	Undisclosed	10.2x



## M&A Professionals' Outlook for Software M&A in 2026

### Survey Summary Statistics

**79%**

*Believe tech M&A spend will increase YoY*

**55%**

*Believe strategies will outcompete PE buyers in 2026 M&A*

**55%**

*Believe 2026 tech valuations will maintain their 2025 levels*

**66%**

*Believe AI company valuations will trend higher*

**48%**

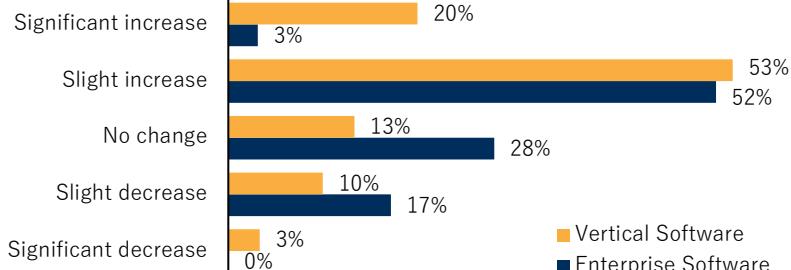
*Believe GenAI trends will significantly increase M&A activity*

**52%**

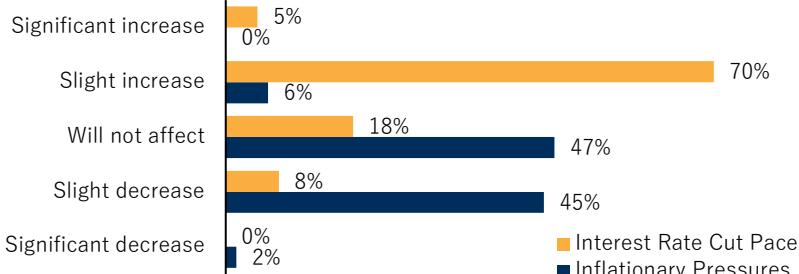
*Believe cloud native trends will drive M&A activity*

### Predicted Increase/Decrease in M&A

#### Spending YoY by Vertical



### Surveyed Macroeconomic Impact on YoY M&A Volume



Sources: Capital IQ

## Intrepid's Software & Services Coverage

 Compliance Technology

 Cybersecurity

 Data & Analytics

 Energy & Industrials Tech

 GovTech

 Healthcare IT

 Human Capital Management

 PropTech

 SalesTech

 Supply Chain & Logistics Technology

 Tech-Enabled Services

 Vertical Software

### White Glove Touch of a Boutique Investment Bank



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+ Capital Advisory

Client Focused

Sector Experts

Skillful Dealmakers

### Backed by a Top 10 Global Bank by Assets



+ Corporate Banking

+ Global Network & Resources

Dedicated Middle Market Technology Practice

Largest Foreign Lender to U.S.-Based Tech Companies

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