

- **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

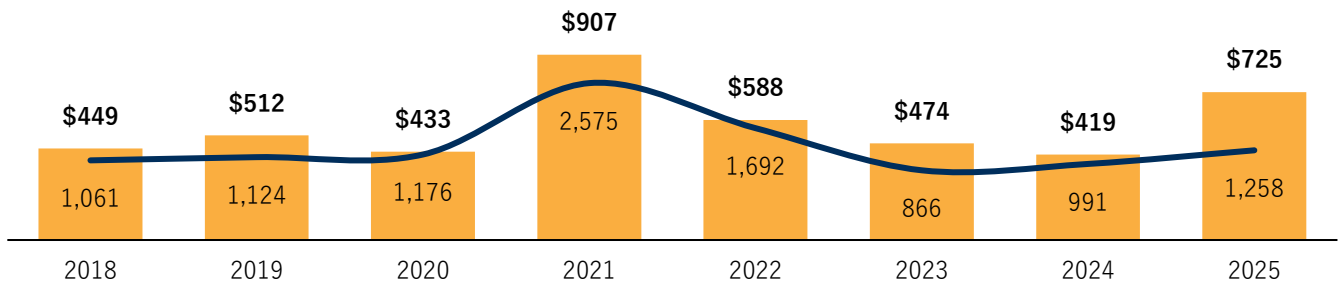
FY2025 U.S. M&A activity surged to \$2.3T, up ~49% year-over-year, with AI-driven deals generating \$107.9B. Sustaining AI as an M&A catalyst into 2026 will depend on buyers' ability to translate AI adoption into durable revenue growth rather than thematic conviction alone.

## Software Trends We Are Tracking / Market Snapshots

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

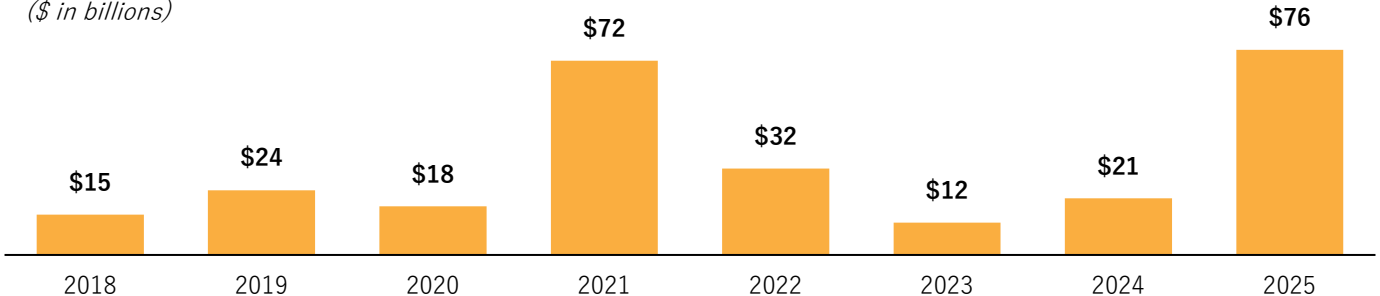
(\$ in billions)

Capital Invested Deal Count



### Cybersecurity Software M&A Deal Value

(\$ in billions)



### Noteworthy AI Deals – January 2026

Acquirer	yelp	docebo	OpenAI	Hg
Target	Hatch	365 TALENTS		onestream
Sector	SalesTech	HCM	Healthcare IT	Vertical SaaS
Enterprise Value	\$270M	\$55M	\$100M	\$5,809M
EV / TTM Rev	10.8x	6.1x	Undisclosed	10.2x

(1) Capital Invested includes capital raises, IPOs, and M&A  
Sources: PitchBook, Capital IQ, MUFG Global Credit Outlook 2026

### 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

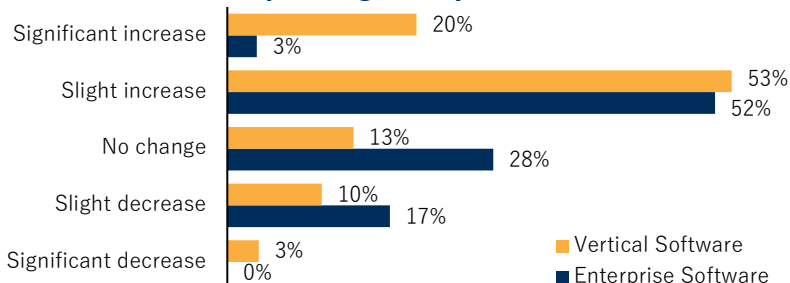
**52%**

Believe cloud native trends will drive M&A activity

Sources: Capital IQ

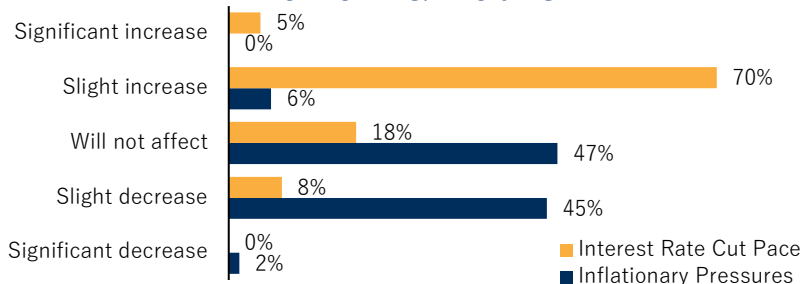
#### Predicted Increase/Decrease in M&A

##### Spending YoY by Vertical















#### Surveyed Macroeconomic Impact

##### on YoY M&A Volume



### 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

**Intrepid**

- + Mergers & Acquisitions
- + Capital Advisory

Client Focused  
Sector Experts  
Skillful Dealmakers

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

**MUFG**

- + Corporate Banking
- + Global Network & Resources

Dedicated Middle Market  
Technology Practice  
Largest Foreign Lender to  
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