

# Global dealmakers 2026: Mid-market healthcare M&A data pulse

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# Foreword

Healthcare mergers and acquisitions (M&A) value rebounded strongly in 2025, surging 38% to hit US\$546.7bn and marking one of the strongest years since the post-pandemic peak. But the headline number masks an important strategic shift: while buyers invested more overall, they completed fewer transactions. This isn't a market contraction, however, it's a fundamental change in approach as dealmakers pursue larger, more strategic acquisitions. This reflects a new era of disciplined, high-conviction investing.

This selectivity stems from powerful forces reshaping the healthcare landscape. Ageing populations across developed markets are driving explosive demand for chronic disease management, specialised care and outpatient services. Meanwhile, in emerging markets, rapidly growing middle classes are fuelling demand for basic healthcare infrastructure, diagnostics and primary care access.

Likewise, artificial intelligence (AI) has evolved from an industry buzzword to genuine value creator. Many dealmakers are prioritising companies that embed AI into clinical workflows and operations rather than those merely promising future integration.

Within the mid-market (deals valued between US\$15m and US\$500m), dealmaking mirrors the broader healthcare market's quality-over-quantity shift. While deal values edged up just 2% to reach US\$105bn and deal volumes dropped 3% in 2025, these trends reflect heightened selectivity among buyers who are being more deliberate about which assets warrant investment. Mid-market healthcare targets with proven cash flows, defensible market positions and alignment with key growth themes are still attracting competitive interest. However, marginal assets may struggle to find buyers.

Looking ahead to 2026 and beyond, dealmakers may remain cautiously optimistic. Recent successful public offerings signal improving exit pathways and renewed investor confidence. Policy developments may provide regulatory clarity that unlocks deals currently on hold, while sub-sectors aligned with ageing demographics, AI-enabled productivity and value-based care present compelling opportunities. The fundamental challenge for dealmakers will be this: separating sustainable growth platforms from assets exposed to industry headwinds and regulatory risk.



**We're at an inflection point where the convergence of demographic pressure, technological disruption and AI, and capital availability is creating an undeniably positive environment for M&A. The strategic logic for consolidations and add-on acquisitions has never been stronger and executives who approach 2026 with a clear M&A thesis and the discipline to execute on the right deals will have a meaningful competitive advantage in the healthcare space going forward."**



**Harsh Maheshwari**  
Global advisory services leader,  
Baker Tilly International

# Contents

**02**

**Foreword**

**04**

**Healthcare  
M&A snapshot**

**05**

**Healthcare  
M&A in the  
mid-market**

**08**

**Mid-market  
hotspots**

**11**

**Sector signals**

## Healthcare M&A snapshot

**US\$546.7bn**

Global healthcare M&A value in 2025,  
up from US\$396.2bn in 2024

**4,018 deals**

Global healthcare M&A volume in 2025,  
down from 4,209 deals in 2024

**11%**

Healthcare share of all deals  
in the mid-market in 2025,  
compared to 12% in 2024

**US\$105bn**

Mid-market healthcare M&A  
deal value, compared to  
US\$103.2bn in 2024

**1,037 deals**

Mid-market healthcare M&A  
deal volume, compared to  
1,066 in 2024

North America – the top market for  
mid-market deals, accounting for  
44% of deal volume and 46% of  
deal value in 2025

The medical sub-sector accounted  
for 42% of both mid-market deal  
volume and value

Cross-border deal volumes in 2025  
in the mid-market decreased 6% and  
deal values increased 3%

# Healthcare M&A in the mid-market: Underperforming the broader market but still resilient

Global healthcare mid-market M&A showed modest growth in 2025 but significantly underperformed the broader mid-market. Deal value reached US\$105bn, marking a 2% year-on-year increase and the third consecutive year of growth since 2023. However, this fell short of the global mid-market benchmark (all sectors), which saw deal value rise 7%.

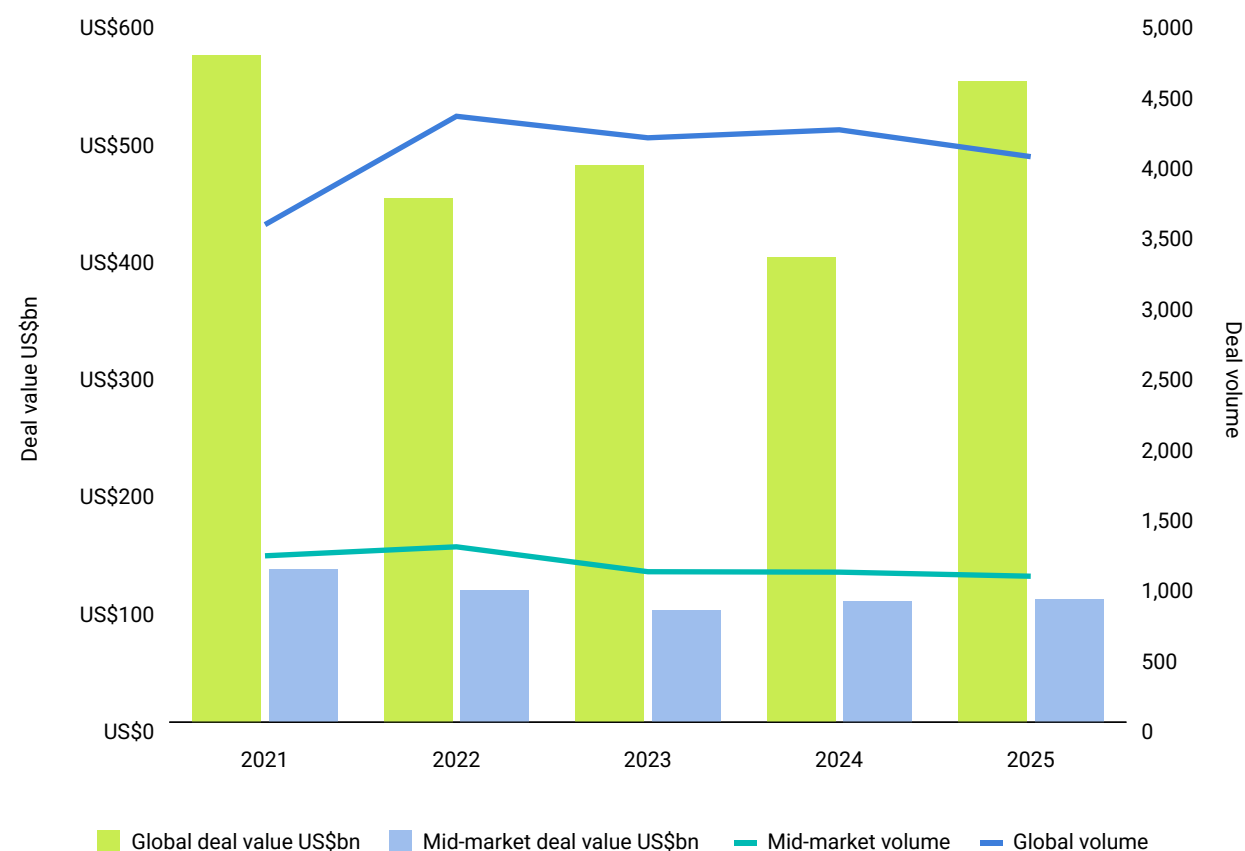
More concerning is the volume trend. Healthcare deal volume contracted 3% in 2025, while the overall mid-market (all sectors) saw growth of 4%. This divergence suggests healthcare deals are getting larger on average, although fewer transactions are being completed. It also points to increased selectivity among dealmakers and a potentially limited supply of high-quality assets. Healthcare's relative underperformance could reflect sector-specific headwinds such as regulatory uncertainty or labour cost inflation that make valuation and integration more challenging compared to other mid-market sectors.

In 2025, healthcare accounted for 11% of all deals in the mid-market and 10% of deal value. This was a decrease from 2024, when the sector share of deal volume was 12% and deal value was 11%.

## Macro trends, compliance and tech gaps drive new wave of deals

Ageing populations, rising chronic disease and persistent cost pressures are sustaining long-term demand for healthcare assets. These trends are supporting valuations and keeping dealmakers active, particularly in the mid-market, and will be key themes in 2026 and beyond.

Figure 1. Global healthcare M&A



**Portfolio restructuring by large strategics:** Large pharmaceutical, medical technology (medtech) and health services groups are actively divesting non-core or sub-scale assets, creating a steady pipeline of mid-sized targets. These carve-outs often have established revenues and infrastructure but need focused ownership, making them attractive to mid-market buyers and sponsors.

**Shift to outpatient, home and virtual care:** The migration of care from inpatient to outpatient, home and virtual settings has produced many mid-sized, focused businesses rather than a few large-scale companies. Ambulatory surgery centres, remote monitoring and virtual clinics often sit in the mid-market band, where consolidation can quickly create regional champions.

**Regulatory and reimbursement complexity:** Regulatory scrutiny and antitrust risk increase sharply for very large combinations, especially in providers and payers. Mid-market deals are often more executable and face fewer concentration concerns, while still offering meaningful local and niche scale. They are also easier to integrate from an operational and compliance standpoint.

**AI-enabled healthcare and tech as differentiators:** AI has quickly shifted from a fringe topic to a core investment theme in healthcare M&A. Within the mid-market, dealmakers are targeting companies with scalable AI infrastructure and digital health capabilities already in place, viewing these as bolt-on opportunities to add differentiated capabilities – workflow automation, advanced analytics and patient engagement tools – without paying the premium often associated with large, fully scaled technology assets.

**Cross-border M&A as a global growth lever:** International dealmaking has evolved from opportunistic into a deliberate strategic imperative. Access to diversified pipelines, breakthrough technologies and new patient markets is driving boardroom conviction that cross-border deals are a defining lever for sustainable, long-term value creation.

## Global healthcare M&A: Strong recovery and a promising outlook

Global healthcare deal totals demonstrated remarkable resilience in 2025, with deal values surging to US\$546.7bn, a robust 38% year-on-year increase. This sharp rebound signals renewed confidence in healthcare assets after previous market uncertainty.

However, the sector's performance lagged the overall global M&A market's exceptional 45% growth rate across all sectors. More notably, healthcare deal volume contracted 5% while global M&A volume (all sectors) remained essentially flat at 0.3% year-on-year growth. This pattern indicates a distinct shift toward mega-deals and strategic consolidation. Large, transformational deals are driving headline growth, suggesting dealmakers are prioritising high-impact assets offering clear strategic value, technological capabilities or market position.

The next 12-18 months are unlikely to deliver a dramatic surge in deals; however, the underlying conditions for more stabilised dealmaking are quietly taking shape. Strategic buyers will continue to chase opportunities in digital health, biotechnology and specialty pharmaceuticals – with greater emphasis on AI-enabled solutions. PE will likewise remain in the mix, though debt costs could keep more ambitious leveraged deals in check. Overall, if the macro environment continues to settle, confidence among dealmakers will continue to build through the back half of 2026, nudging activity into a more meaningful upswing.

## Private equity (PE) and corporate strategics are converging in the mid-market

Despite accounting for almost half of deal activity (49% of mid-market healthcare deals and 43% of value in 2025), PE appetite for healthcare assets has fallen behind benchmarks. A modest year-on-year increase in buyout value (up 4% to US\$45bn) in 2025, combined with a 4% decline in volume, suggests financial investors are deploying capital more selectively – focusing on fewer, higher-quality assets rather than chasing broad volume. Compared with the broader mid-market – where PE buyout value was up 14% and volume essentially remained flat (growing 0.3%) – healthcare looks less like a momentum trade and more like a conviction play.

For corporate buyers, many are being motivated by strategic portfolio restructuring and the need to secure new growth adjacencies. Mid-market deals are allowing them to enter or deepen positions in high-growth areas such as home and virtual care models, specialised medtech and diagnostics. They can often use their larger commercial footprints and brand to scale acquired businesses.

Sovereign wealth funds and family offices are also playing a growing, albeit still selective, role. Much of this activity often centres on partnering with experienced sponsors or backing proven management teams, rather than competing head on in auctions. Their intentions tend to be longer term and less cycle driven as they look for durable cash flows, exposure to demographic growth and opportunities to compound capital over time.



**Dealmakers continue to turn to the mid-market for growth that's harder to find in larger deals and increasingly for AI-enabled healthcare platforms that are past the proof-of-concept phase but not yet at scale. These dealmakers want to see tangible clinical and operational outcomes, not just promising technology, and a growing number of mid-market firms are finally able to demonstrate exactly that."**

**William Chapman**

Principal and managing director,  
Baker Tilly (US)

# Mid-market hotspots: The new and evolving geography of healthcare dealmaking

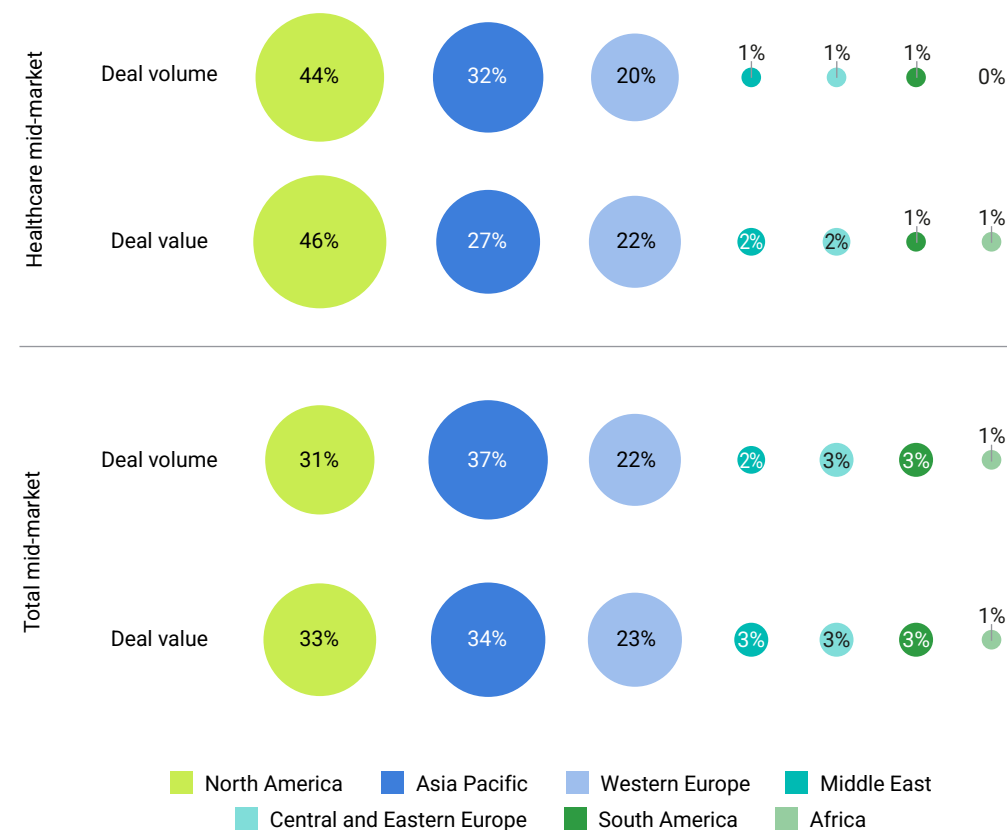
While some regions grapple with economic headwinds and cautious dealmaking sentiment, others are capitalising on demographic shifts, healthcare infrastructure expansion and rising investor appetite for healthcare assets. These divergent trajectories signal a fundamental reordering of where mid-market deals are gaining traction – and where momentum has stalled.

**North America remains dominant, but interest is reversing course.** While the region retained its position as the top market for mid-market healthcare M&A in 2025, North America experienced steep double-digit year-on-year declines of 12% in value (to hit US\$48.5bn) and 14% in volume (456 deals).

**Asia Pacific emerges as a standout performer.** The region was the second largest for healthcare deals in 2025 – but more impressively, Asia Pacific posted year-on-year gains of 26% for value (to reach US\$28.8bn) and 20% for volume (327 deals). Asia Pacific is narrowing the gap and emerging as a key growth engine.

**Western Europe demonstrates more nuanced performance.** The region's share of healthcare deals mirrored its proportion of overall mid-market activity, suggesting healthcare deals may be tracking broader economic patterns rather than sector-specific dynamics. Deal values increased 18% year on year (reaching US\$22.8bn) while volume was essentially flat (just 0.5% growth for 211 deals).

Figure 2. Global healthcare mid-market M&A: Target geographies



### Healthcare defies broader cross-border M&A downturn with value growth

Cross-border deals in the mid-market healthcare space posted year-on-year growth of 3% (US\$40bn) in 2025, although deal volume was down 6% (340 deals). This extends a three-year pattern of rising values paired with falling volumes, a trend indicative of larger, more strategic transactions displacing opportunistic deals.

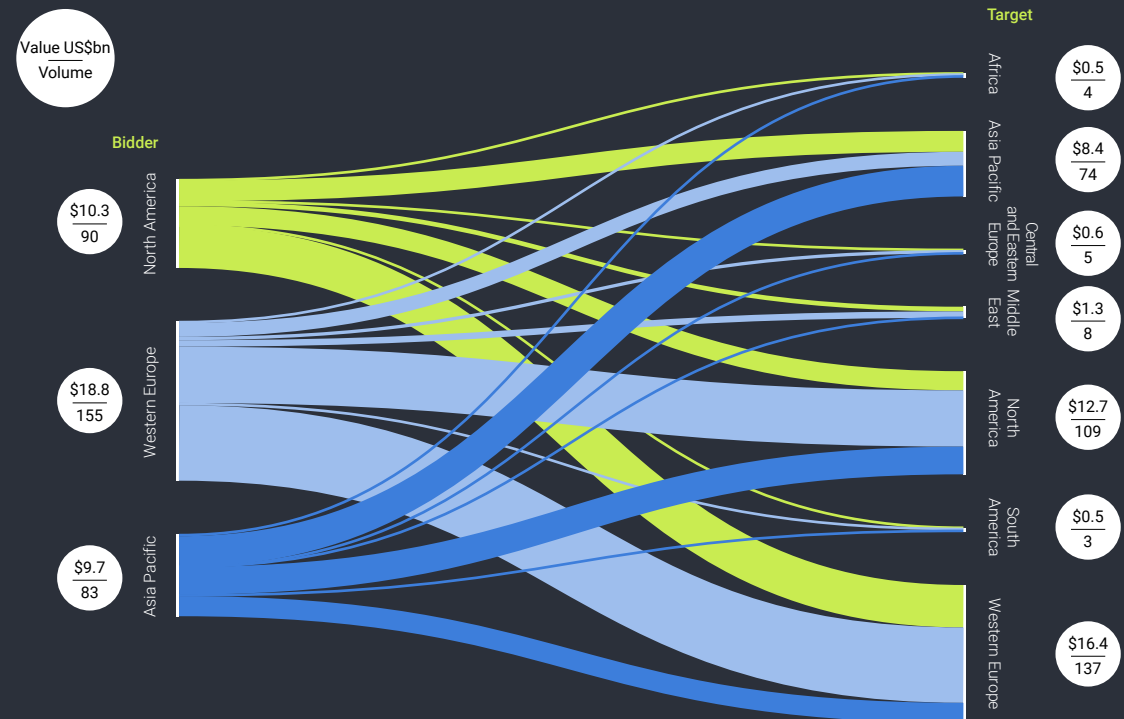
This performance stands in contrast to the broader mid-market, where cross-border activity across all sectors declined 0.3% in value and 2% in volume. The healthcare sector's ability to sustain even modest value growth amid a general retreat underscores its enduring appeal to international buyers.



**What's striking about the current M&A environment is the geographic diversification of dealmaking. Cross-border M&A into emerging markets is a much more meaningful part of the conversation. Health systems in those regions are rapidly maturing, and Western strategics are recognising that organic growth alone won't get them the scale they need."**

**Olivier Willems**  
CEO, Baker Tilly (Belgium)

**Figure 3. Global healthcare M&A: Cross-border mid-market deal flow by value (2025)**



Note: Bidder data reflects top three regions only.

### **Western Europe takes centre stage with key market strengths and premium assets**

- Inbound mid-market healthcare M&A deal value reached US\$16.4bn in 2025, increasing 18% as buyers are drawn to the region's mature healthcare systems and stable regulatory environment.
  - Despite declining 6% in deal volume, Western Europe remained the largest target region by deal count (137 deals).
  - On the outbound side, Western European bidders increased investment by 8% in value (US\$18.8bn) although overall deals declined 4% (155 deals).
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### **North America sees international interest soften as its own buyers look inward**

- Similarly, deal volume also decreased, from 135 to 109 mid-market deals, a 19% drop off.
  - North American outbound activity likewise contracted, with bidders completing 12% fewer deals (90) in 2025 and values dropping 17% (US\$10.3bn), suggesting these dealmakers may be favouring local opportunities over international deals.
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### **Asia Pacific attracts surging inbound investment while regional buyers expand globally**

- Inbound deal value increased 19% to reach US\$8.4bn in 2025 as the region cements its emergence as a healthcare hotspot.
- Inbound volumes increased 37%, with 74 transactions in 2025, underscoring Asia Pacific's transformation from a peripheral market to a core destination.
- Asia Pacific bidders, meanwhile, increased outbound dealmaking by 18% from US\$8.2bn in 2024 to US\$9.7bn in 2025, with total deals increasing 1%.

### **Dealmakers will continue to chase growth and innovation overseas in 2026 and beyond**

Going forward, cross-border healthcare M&A is positioned to increase in the next 12-18 months as macro conditions stabilise and strategic urgency grows. Global dealmakers will continue to target international assets to bolster innovation pipelines, expand geographic footprints and secure differentiated capabilities. Despite persistent geopolitical and regulatory headwinds, cross-border transaction flows should grow modestly.

Indeed, even as North American buyers look inward, many will continue to target European healthcare assets where valuations remain reliable and innovation density, alongside a robust mid-market, create attractive entry points. European dealmakers, in turn, are likely to lean further into Asia Pacific, drawn by faster demand growth and opportunities to build regional platforms. Intra-Asia Pacific dealmaking will be another key trend, as M&A activity should continue to deepen, particularly in healthcare services and diagnostics, as regional champions and PE pursue consolidation opportunities.

# Sector signals: Emerging and diverse opportunity sets

Across biotechnology, medical and pharmaceutical sub-sectors, deal value and volume are distributed with relative evenness, suggesting a more diversified opportunity set for dealmakers operating below the mega-deal threshold.

## Roll-up momentum drives medical sub-sector to top spot.

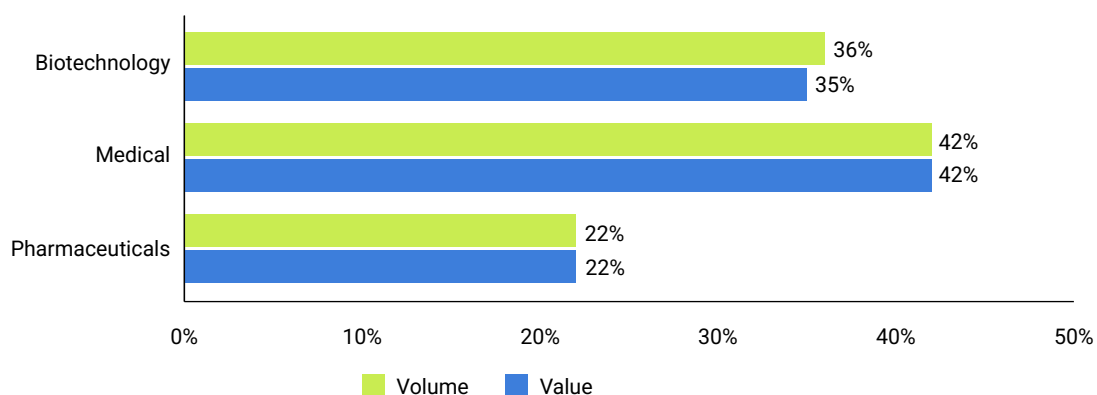
Medical assets linked to hospital management, medical equipment and services and healthcare supplies command the largest share of mid-market activity by both volume and value (42% each). Industry fragmentation continues to fuel roll-up strategies, with dealmakers identifying scalable platforms for bolt-on strategies. Sustained deal activity suggests opportunities in this part of the healthcare industry are far from exhausted.

## Innovation cycles sustain appetite for biotechnology deals.

Biotechnology maintains a consistent mid-market presence, underpinned by ongoing innovation cycles and active appetite for licensing and early-stage acquisitions. While innovation continues to generate a healthy pipeline of targets, dealmakers are increasingly selective, favouring assets that have already cleared key scientific or regulatory hurdles over earlier-stage plays.

**Pharmaceuticals shows consistent deal flow but secondary ambition.** Accounting for 22% of mid-market deal value and volume, pharmaceutical deals provided a reliable deal flow. This appears to reflect a more mature and selectively active dealmaker landscape – one where discipline around valuations and strategic fit may be tempering volume.

Figure 4. Global healthcare mid-market M&A: Sub-sectors\* (2025)



\*Note: Sub-sectors follow Mergermarket classification framework.



**AI and medtech are converging to produce a new category that didn't even exist five years ago – that being, devices that learn, adapt and generate continuous clinical intelligence. Dealmakers are paying premiums for that capability because building it internally is simply not realistic at the speed the market is moving."**

**Sebastian Hafner**, partner, Baker Tilly (Germany)

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Mergermarket blends market-leading human insights, advanced machine learning and 30+ years of Dealogic data to deliver the earliest possible signals of potential M&A opportunities, deals, threats and challenges.

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