

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

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Foreword

Global technology, media and telecommunications (TMT) dealmaking has entered a new phase: fewer transactions, but bigger, bolder bets. Over the past three years, aggregate global deal value for TMT mergers and acquisitions (M&A) has trended up even as the total number of deals has slipped. This underscores a market where capital is being concentrated into scale-defining platforms, critical infrastructure and strategically vital data and software assets. Buyers are no longer chasing every opportunity – rather, they are paying up for the handful of deals that can move the needle on growth, resilience and a technological edge.

The geopolitical backdrop is sharpening this focus. Under the Trump presidency in the US, tariffs, tighter trade restrictions and an expanded national security lens have introduced a measure of policy risk not seen in years. Cross-border TMT deals – particularly those involving sensitive technologies, semiconductors, data and telecom networks – are facing heightened scrutiny. While this has cooled certain outbound and inbound deal corridors, it has also reinforced the strategic value of domestic consolidation and ‘friend-shoring’ across key Western markets. Overall, this has altered who can buy certain assets, what can be bought and how quickly deals are getting done.

Within the mid-market (deals valued between US\$15m and US\$500m), momentum seems to be returning to the deal space. Mid-market TMT M&A deal value increased 15% since 2024, while deal volume increased 3%. It seems that while financial sponsors and corporates remain more selective in their dealmaking, they are still ready to complete deals when a target offers innovative technology, recurring revenue and a clear path to scale.

Looking ahead through 2026 and beyond, the outlook for mid-market TMT M&A is cautiously optimistic. While geopolitical friction, regulatory oversight and higher-for-longer rates will keep indiscriminate dealmaking in check, they are unlikely to derail strong and rising demand for assets that boost digital transformation efforts, artificial intelligence (AI)-enabled solutions and connectivity. Likewise, as valuation expectations continue to normalise and buyers and sellers find greater alignment, well-capitalised buyers should be able to find a deeper pipeline of actionable mid-market opportunities to choose from. In that environment, the winners will be those who can combine sector expertise and regulatory awareness with a disciplined approach to picking their spots in the global TMT deal landscape.



Momentum is building in global TMT M&A, particularly across next-generation tech themes, like AI, data analytics and digital platforms. In a market where transformation windows are shrinking, these deals are crucial and excessive caution has become a risk in its own right. Dealmakers willing to move boldly today will be the one to likely move the needle – and, in some cases, move entire industries.”



Harsh Maheshwari
Global Advisory Services Leader,
Baker Tilly International

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About this report: Data in this report comes from Mergermarket and was compiled on 13 January 2026. All figures are in US\$ unless otherwise stated. Value figures are approximations and have been rounded. Percentages have likewise been rounded. Within graphs, totals may not sum to 100% due to rounding.

TMT M&A snapshot

US\$1.6tn

Global TMT M&A value in 2025,
up from US\$927bn in 2024

10,641 deals

Global TMT M&A volume in 2025,
down from 11,113 deals in 2024

27%

TMT's share of all deals in
the mid-market, compared
to 26% in 2024

US\$239bn

mid-market TMT M&A
deal value, compared to
US\$207.4bn in 2024

2,499 deals

mid-market TMT M&A deal
volume, compared to 2,422
in 2024

North America – the top market for
mid-market deals, accounting for
45% of deal volume and 46% of
deal value in 2025

Cross-border deals accounted for
35% of mid-market deals and 37%
of mid-market value

Cross-border deal volumes in 2025
in the mid-market decreased 2% and
deal values increased 7%

Technology software deals accounted
for 80% of TMT mid-market deals
and 77% of mid-market deal value
in 2025

TMT M&A in the mid-market: Global drivers and growing momentum

Within the mid-market (deals valued between US\$15m and US\$500m), TMT dealmaking continues to gather momentum, underpinned by both rising volumes and values in 2025. Mid-market TMT deal volume (2,499 deals) increased roughly 3% year-on-year, accompanied by a 15% rise in total deal value (US\$239bn). This stands in contrast to the more subdued performance of the global mid-market overall, where deal volume rose by around 2% and values increased by just 5%.

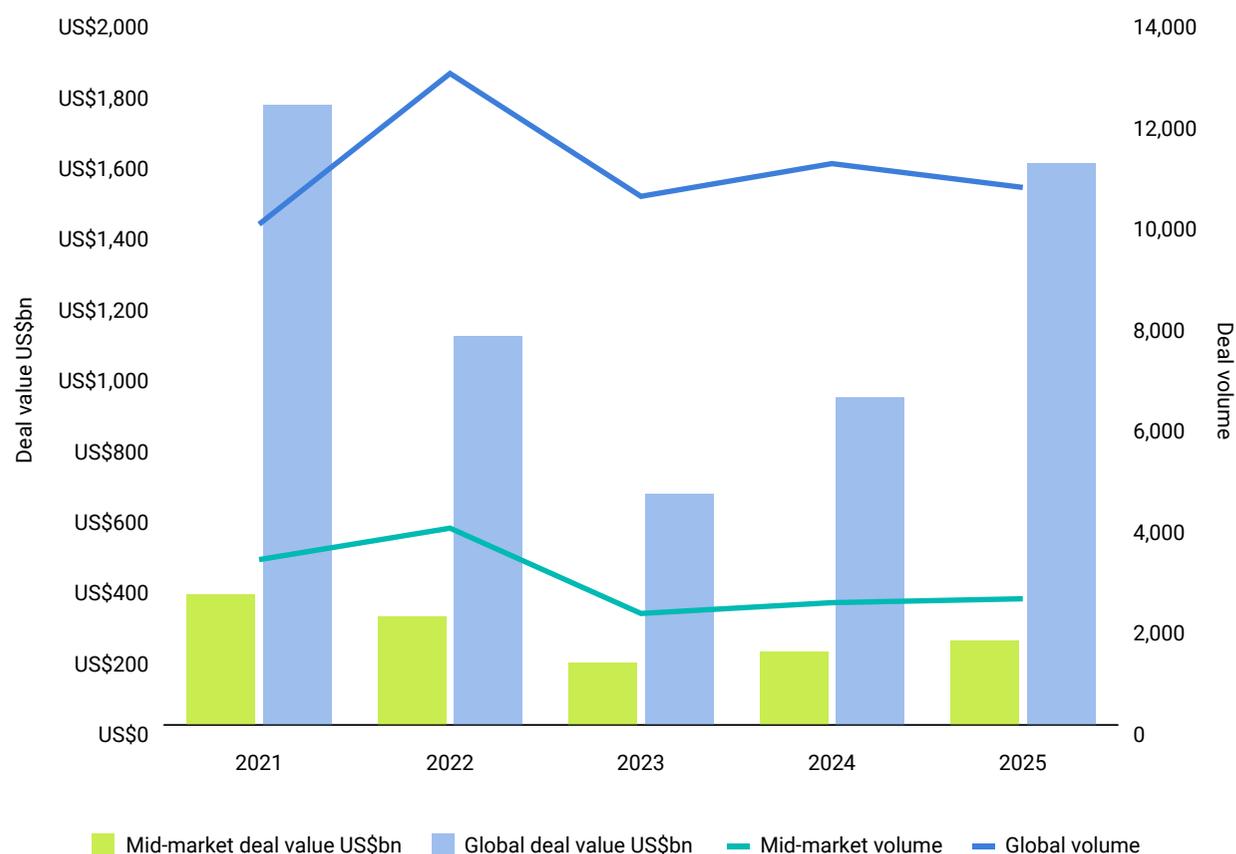
In 2025, TMT accounted for 27% of all deals in the mid-market and 24% of deal value. This was an increase from 2024, when the sector share of deal volume was 26% and deal value was 22%.

Strategic necessity drives deals as key themes evolve

For dealmakers navigating a more selective – and at times challenging – M&A environment, the mid-market offers a compelling combination of strategic relevance, risk mitigation and value creation potential.

The rise and rise of AI: AI is no longer just a standalone technology theme, but a critical accelerator of digital transformation across TMT and beyond. In the mid-market, this is driving acquisition interest in businesses with established platforms, data and clear pathways to embedding AI into core products and operations as organisations look to future-proof their business models.

Figure 1. Global TMT M&A



Cybersecurity and cloud infrastructure: Growing data volumes, distributed operations and regulatory pressure are driving demand for cloud and cybersecurity platforms. Mid-market TMT assets that enable data protection and compliance are attracting strong buyer interest, particularly where these technologies can underpin AI deployment and much broader digital transformation.

Geopolitical and regulatory considerations: Heightened scrutiny around cross-border deals involving data, critical infrastructure and semiconductors has become a permanent feature of the TMT deal space. This backdrop is encouraging many buyers to favour targeted acquisitions in the mid-market over transformative megadeals, an approach that limits regulatory exposure while still delivering strategic capability and scale.

Business and operational maturity: Relative to smaller transactions, mid-market TMT targets often benefit from established customer bases, diversified revenue streams and more robust governance frameworks. This maturity can materially reduce downside risk while preserving meaningful upside.

Private equity leads the charge among TMT dealmakers

Private equity (PE) continues to anchor mid-market TMT M&A, accounting for a disproportionate share of activity. In 2025, PE buyouts were 60% of mid-market TMT deal volume and 52% of total value, underscoring the sector's appeal to financial sponsors. By comparison, PE buyouts accounted for just 34% of transactions and 30% of buyout values across the wider mid-market, highlighting the extent to which private capital remains focused in technology-led assets.

Indeed, PE appetite has remained resilient. While TMT buyout volumes were effectively flat in the mid-market over the past year – with 1,493 deals in 2025 and 1,492 in 2024 – deal values rose 24% year-on-year, to hit US\$123.4bn in 2025.

This compares with a 1% decline in buyout volume across all mid-market sectors, alongside a more modest 12% increase in buyout value. This divergence highlights a sustained PE conviction for TMT targets, with firms committing more capital per deal in pursuit of scalable platforms, recurring revenues and clear paths to international expansion.

Large technology companies and strategic corporates are also active, though with a sharper focus than previous cycles. Rather than pursuing transformational deals, many are turning to mid-market M&A to acquire specific capabilities – be it AI, data analytics or network infrastructure – that can accelerate business strategies.

Likewise, sovereign wealth funds and family offices are becoming more visible. Drawn by the sector's long-term growth fundamentals, these investors are increasingly willing to take minority or co-investment positions. Their longer investment horizons and flexible capital structures are helping bridge valuation gaps and support complex transactions.



As transformation pressures intensify, the TMT mid-market has become a prime hunting ground for dealmakers. These companies are agile, innovation-rich and increasingly open to strategic partnerships. Likewise, the mid-market offers a compelling balance of growth and execution certainty.”

Xavier Mercadé
CEO, Baker Tilly (Spain)

Deal trends: TMT outperforms global benchmarks

Global TMT deal value reached approx. US\$1.6tn in 2025, surging 71% year-on-year. This reflects a decisive return of large-scale transactions and a renewed willingness among buyers to deploy capital where strategic rationale is clear. Conversely, deal volume (10,641) declined modestly year-on-year, falling around 4%.

These deal movements are even more striking when set against the broader M&A environment. Across all sectors, global M&A deal volumes declined by about 1%, while total deal value rose by 43%. While the wider market is clearly recovering in value terms, TMT's outperformance suggests that investors and corporates alike continue to view the sector as central to long-term growth strategies. Capital is not just flowing back into TMT deals, it is being selectively funnelled into technology-led assets with scale, defensibility and embedded growth.

Mid-market hotspots: Capital flows signal strategic conviction amid uncertainty

Mid-market TMT dealmaking remains more geographically concentrated than overall mid-market totals, reflecting where technology ecosystems are most mature. For dealmakers, recent M&A trends highlight where capital is flowing, where strategic urgency is highest, and where valuation dislocations may be creating opportunities.

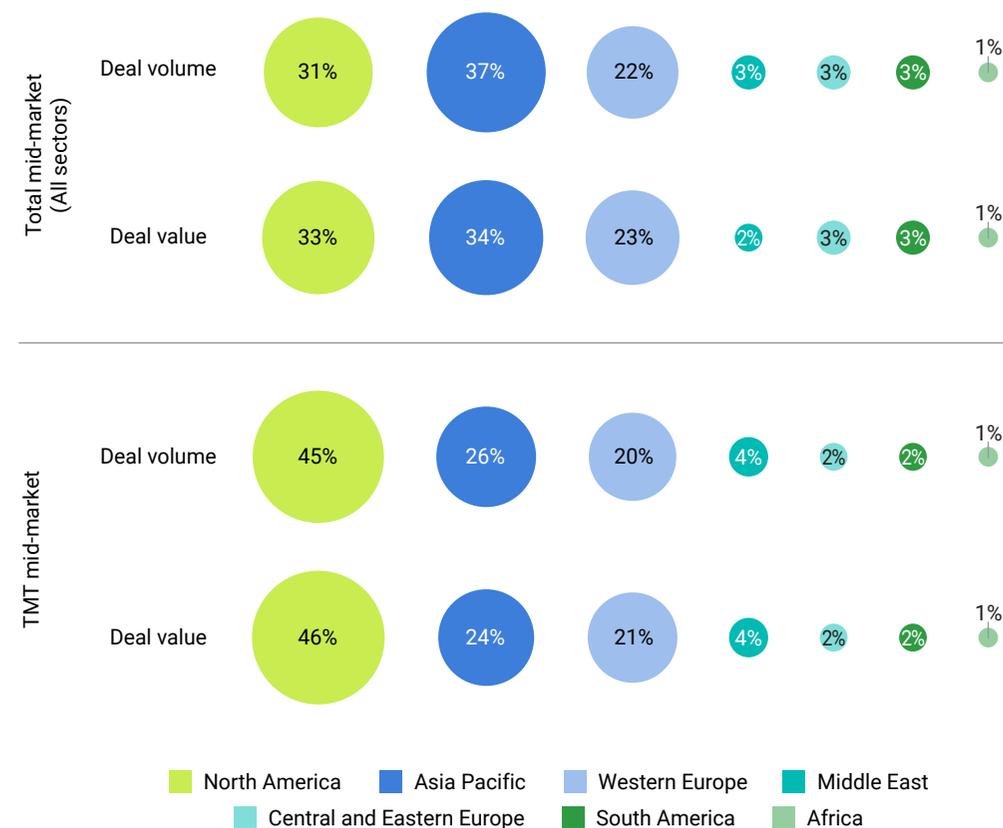
High-level observations and market comparisons show the following:

North America is the clear anchor market for mid-market TMT. In 2025, the region accounted for 46% of global TMT mid-market deal value and 45% of volume, well ahead of its 33% share of value and 31% of volume across all mid-market sectors. The depth of the region's technology ecosystem and sustained appetite from private and corporate buyers are key drivers in the deal market.

Asia Pacific remains underweighted in TMT. The region captured 24% of deal value and 26% of volume regarding mid-market TMT deals, compared to 34% and 37% respectively, across all sectors. Activity reflects a mix of high-growth opportunities amid regional variation in regulatory regimes and other structural complexities.

Western Europe continues to provide stable, mid-sized TMT deal flow. The region accounted for 21% of mid-market TMT deals and 20% of volume in 2025. This is broadly in line with its share of total mid-market M&A, underscoring the region's role as a steady source of established technology businesses.

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



Cross-border activity proves more resilient in TMT

Cross-border mid-market TMT dealmaking emerged as a relatively bright spot over the past year, especially when viewed against a backdrop of geopolitical tension and macroeconomic uncertainties. Indeed, in 2025, cross-border mid-market TMT deal value hit US\$87.5bn, a 7% year-on-year increase. This contrasts with similar figures across all sectors, where deal value declined 2% over the same period. Volumes fell modestly in both cases: a 2% decline for mid-market TMT (869 deals in 2025) and a 4% drop across all mid-market sectors.

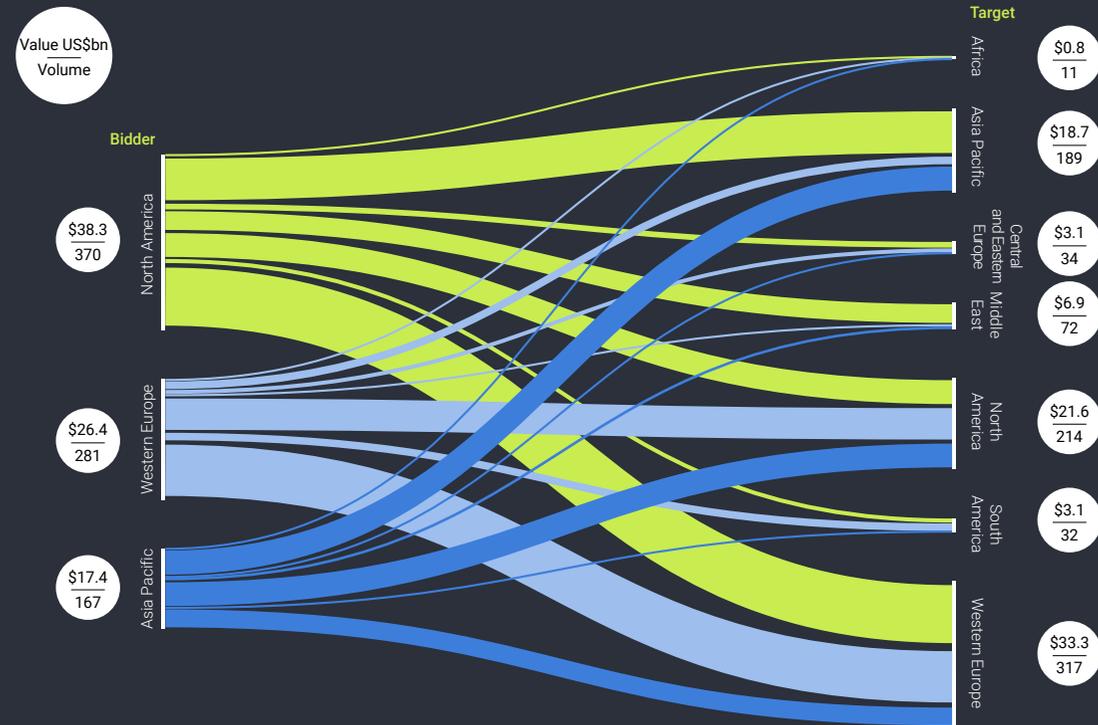
These differences show that, in many cases, strategic imperative is increasingly outweighing macroeconomic caution, positioning TMT as one of the more internationally mobile segments of the mid-market. Diving deeper, the underlying international flow of capital offers a clear window into how dealmakers are prioritising markets.



Cross-border dealmaking in the TMT sector is a powerful growth lever, especially as companies today look beyond their own domestic markets for technology, talent and new customer bases. While regulatory complexity and execution risk remain real, well-prepared buyers are finding that thoughtful planning and early alignment on integration can unlock significant strategic value through these deals.”

Andrew Feeke
Partner, MHA, United Kingdom

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



Note: Bidder data reflects top three regions only.

Western Europe is a global cross-border hub – both inbound and outbound

Western Europe sits at the centre of global cross-border flows, acting as both a major source of outbound capital and a major target market for mid-market TMT deals.

- Inbound mid-market TMT deal value edged up to US\$33.3bn in 2025, broadly flat year-on-year.
- Despite a slight decline in deal volumes, Western Europe remained the largest target region by cross-border mid-market TMT deal count, reflecting a steady pipeline of mid-sized technology companies.
- On the outbound side, Western European bidders increased cross-border mid-market TMT investment by 9% to hit US\$26.4bn in 2025.

Asia Pacific shows stable inbound interest and growing outbound ambition

Asia Pacific continues to attract meaningful inbound activity regarding mid-market TMT deals, even as geopolitical and regulatory complexity remain a consideration for dealmakers. Likewise, flows from Asia Pacific into global markets remain strong, reflecting a focus on acquiring platforms, intellectual property and international customer bases.

- Inbound mid-market TMT deal value into Asia Pacific increased 1% to reach US\$18.7bn in 2025.
- Volumes dipped marginally – down 2% for 189 deals – suggesting a more selective deal landscape rather than a withdrawal of capital and interest.
- Asia Pacific bidders, meanwhile, increased outbound dealmaking from US\$15bn to US\$17.4bn, a year-on-year increase of 16%, with total deals increasing 12%.

North America draws greater interest from inbound capital

In a global environment marked by geopolitical risk and regulatory fragmentation, North America's legal certainty, pool of investable targets and proven exit pathways positions the region as a defensive growth market for cross-border TMT dealmakers.

- Inbound mid-market TMT deal value rose from US\$17.9bn in 2024 to US\$21.6bn in 2025, a 20% year-on-year increase.
- Similar deal volume also increased, from 206 to 214 mid-market transactions, indicating sustained buyer appetite rather than a small number of outsized deals.
- North American TMT assets attracted interest from a broad mix of bidders, with particularly strong flows from Western Europe (inbound value increasing 12% year-on-year) and Asia Pacific (increasing 53% year-on-year).

Emerging regions feature opportunistic growth, not structural momentum

Beyond major global markets, mid-market TMT dealmaking in the Middle East, South America, Africa and Central and Eastern Europe remains comparatively modest but strategic in nature. While these regions lack the depth and liquidity of more established markets, they continue to attract capital focused on demographic and economic growth and demand for digital infrastructure.

- These regions together accounted for single-digit shares of mid-market TMT deal value (9%) and volume (8%), broadly in line with their contribution to overall mid-market M&A totals.
- Inbound activity into this group increased generally in 2025, driven primarily by the Middle East (US\$7bn, a 37% increase) and South America (US\$3.1bn, a 48% increase)
- Central and Eastern Europe stood out as an underperformer, with inbound value declining 30%, from US\$4.4bn in 2024 to US\$3.1bn in 2025.

Sector signals: Dealmakers overwhelmingly focus on software plays

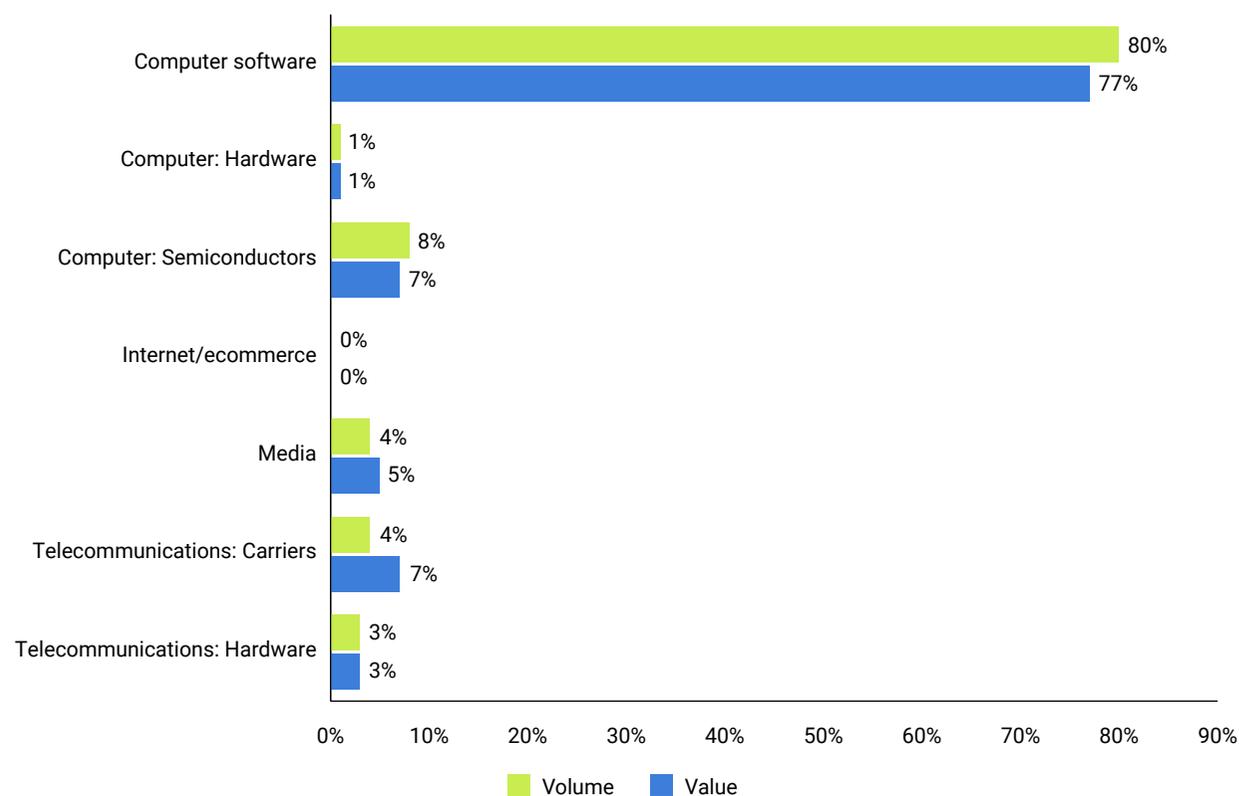
Across sub-sectors, dealmakers are favouring TMT targets where revenue visibility, strategic relevance and long-term demand drivers are most compelling. Software, semiconductors and selected areas of media and telecommunications have emerged as the clearest focal points.

Software drives the TMT space

Computer software is the backbone of the TMT mid-market and continues to outperform most other sub-sectors on both value (77%) and volume (80%) terms by considerably large margins. Year-on-year, mid-market software deals rose more than 20% to hit around US\$184bn in 2025. Volumes (1,988 deals) posted modest but steady growth of 3%.

This contrasts with the broader TMT market, where software deal values surged 64% (although deal volume dropped 4%) year-on-year. This underscores the outsized impact of large-cap and platform-level transactions at the top end of the market, although mid-market activity continues to drive steady deal flow. The strength of mid-market software M&A continues to be underpinned by demand for AI and cybersecurity assets. Mid-market targets offering AI-enabled analytics and automation are commanding premium attention.

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



*Note: Sub-sectors follow Mergermarket classification framework.

Semiconductors gain traction – but values flatten

While mid-market deal values were broadly flat year-on-year, hitting US\$17.3bn in both 2024 and 2025, transaction volumes rose close to 20% (196 deals). In contrast, total TMT semiconductor deal values surged sharply, hitting US\$133bn in 2025 and increasing 161% from the prior year. This was driven by a limited number of large, strategically significant deals.

This divergence highlights the role of mid-market M&A as a precision tool within a sector shaped by geopolitical, industrial policy and supply chain considerations. Growing demand for AI capabilities and advanced computing has reinforced the strategic importance of semiconductor assets.

Media and telecommunications offer small but meaningful opportunities

In the media sub-segment, mid-market deal values edged up slightly year-on-year by 4% to reach US\$11.2bn, although transaction volume declined 6%. This stands in contrast to the total TMT market, where media deal value fell sharply by 34% (to hit US\$52bn), highlighting a certain lack of large-scale deals in 2025.

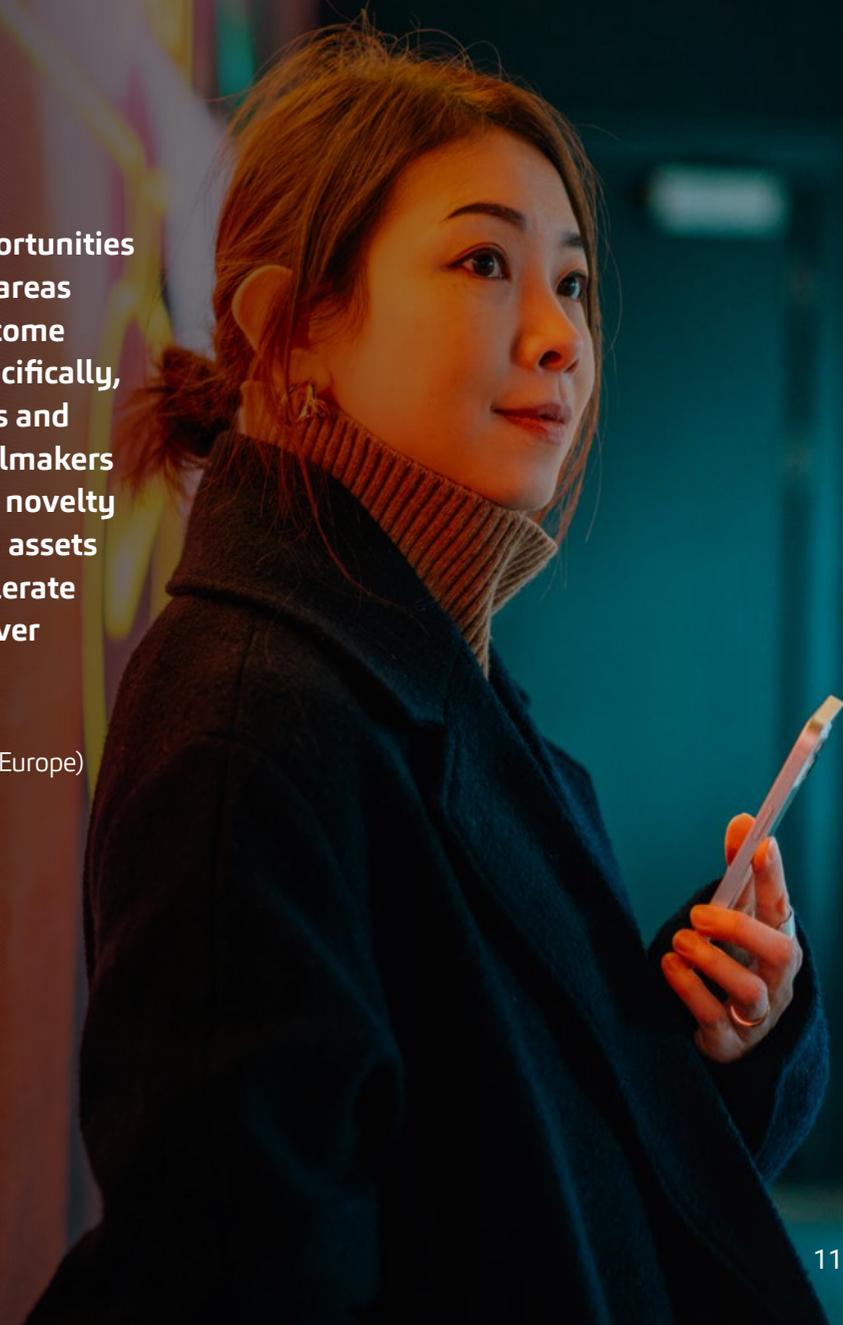
Mid-market media deals are increasingly concentrated in digital-first assets, data-driven marketing platforms and content businesses with clear monetisation pathways. Particularly those leveraging AI for content personalisation and audience analytics will catch investor attention.

Telecommunications (telecom) values have likewise trended up. Year-on-year, deals involving telecom carriers posted moderate growth of 5% to reach US\$16.3bn. Deal volumes rose 7% during that time. Cybersecurity is a growing theme across telecom deals, particularly as network security, data protection and critical infrastructure resilience move higher up the strategic agenda.



The most attractive opportunities in TMT right now are in areas that help companies become smarter and faster – specifically, software, data platforms and AI-driven solutions. Dealmakers are far less interested in novelty and far more focused on assets that can genuinely accelerate transformation and deliver impact at scale.”

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About



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