

# Needham & Company

## Mergers & Acquisitions Quarterly Newsletter

For the Quarter Ended December 31, 2025



Our Team



**JACK IACOVONE**  
Chief Executive Officer,  
Head of Investment Banking  
  
T: (212) 705-0297  
E: jiacovone@needhamco.com



**POOYAN MEHDIZADEH**  
Managing Director,  
Head of M&A  
  
T: (650) 561-2230  
E: pmehdizadeh@needhamco.com



**JIM APOSTOLIDES**  
Managing Director  
  
T: (516) 317-5791  
E: japostolides@needhamco.com



**BRIAN PERRAULT**  
Managing Director  
  
T: (603) 548-7177  
E: bperrault@needhamco.com



**ROBERT STEINKRAUSS**  
Managing Director  
  
T: (617) 457-0926  
E: rsteinkrauss@needhamco.com



**RYAN WALTERS**  
Managing Director  
  
T: (786) 633-0270  
E: rwalters@needhamco.com



**TIMOTHY ORAZEM**  
Principal  
  
T: (212) 705-0405  
E: torazem@needhamco.com



**Zac Cohen**  
Vice President  
  
T: (760) 518-4383  
E: zcohen@needhamco.com

- Needham & Company is the leading financial advisor to mid-market technology companies and their stakeholders.
- Our M&A team is committed to exceptional service and is born from a tradition which stresses integrity above all else.
- Needham & Company completed or announced 13 transactions in 2025.

Our Transactions

**PENDING**  
  
M&A/Advisory  
  
**Merger with  
Innovation Beverage  
Group**



**DECEMBER 2025**  
  
M&A/Advisory  
  
**Sale to  
Checkmarx**



**NOVEMBER 2025**  
  
M&A/Advisory  
  
**Strategic Growth  
Investment from  
Arthur Ventures**



**NOVEMBER 2025**  
  
M&A/Advisory  
  
**Sale to  
Onto Innovation**



**OCTOBER 2025**  
  
M&A/Advisory  
  
**Sale to  
Qualcomm**



**OCTOBER 2025**  
  
M&A/Advisory  
  
**Sale of Equity  
Interest in JV to  
Undisclosed**



**SEPTEMBER 2025**  
  
M&A/Advisory  
  
**Sale to  
Ciena**



**JULY 2025**  
  
M&A/Advisory  
  
**Sale to  
GlobalFoundries**



**JULY 2025**  
  
M&A/Advisory  
  
**Sale to  
Didomi**

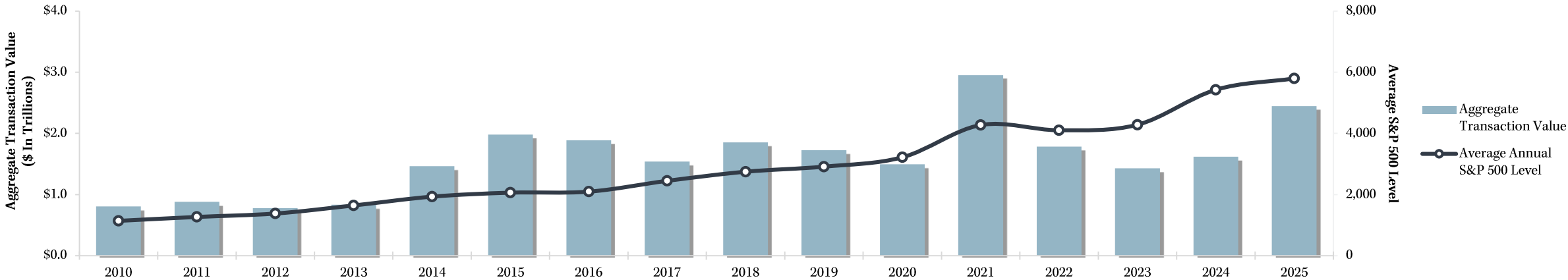


## Q4 2025 Market Update

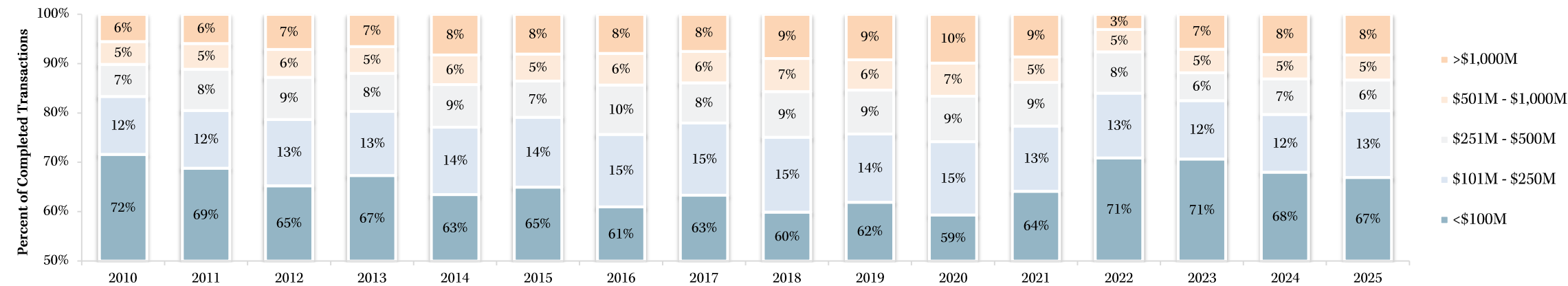
---

- The value of each of global and U.S. transactions increased by about half year over year. In contrast, the number of transactions in the U.S. grew only modestly, with the increase in aggregate value being driven by a more than doubling of the number of \$10+ billion transactions (to 68).
- The U.S. regulatory environment is largely perceived as having returned to being accommodating, though certain transactions have drawn political scrutiny.
- Market maintained a barbell shape throughout the year, characterized by a resurgence in megacap transactions alongside select activity in smaller and mid-market deals.
- Technology was the leading sector in 2025, driven primarily by robust demand for AI capabilities. This trend is expected to continue into 2026, with also increased participation from vertical SaaS.
- AI-related M&A defied traditional valuation frameworks, as competitive dynamics and FOMO drove acquisitions at premium valuations despite limited revenue scale or product adoption. Larger incumbents increasingly face pressure to acquire capabilities rather than build organically to remain competitive as timing is critical.
- Private equity sponsors remain well capitalized, with significant dry powder supporting continued participation in large buyouts or take privates and bolt-on acquisitions. However, hold periods have lengthened, LP tolerance for financial engineering has declined, and while liquidity improved in 2025, improving DPI remains paramount.
- M&A momentum is expected to continue into 2026:
  - Tailwinds: Ongoing need for liquidity, an improving financing environment, urgency to transform business models through AI adoption, equity markets near all-time highs, and continued narrowing of bid-ask spreads.
  - Headwinds: Persistent inflation concerns, tariff uncertainty, and ongoing geopolitical conflicts.

Announced U.S. M&A Activity Since 2010

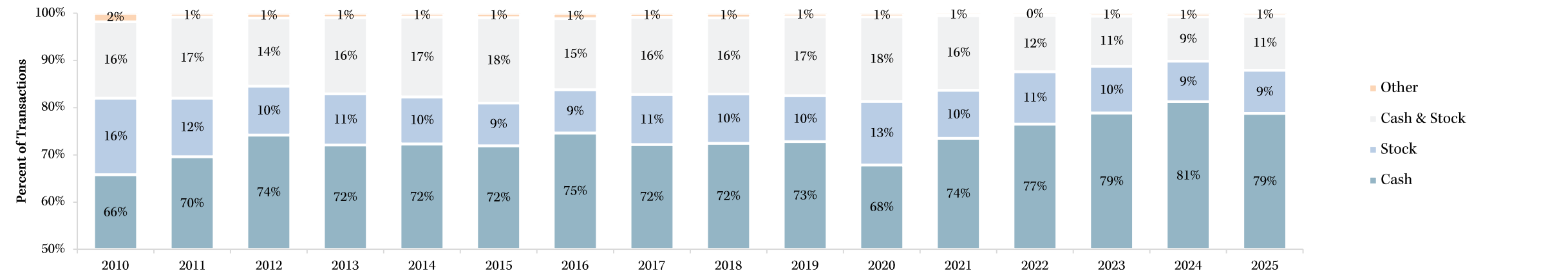


Completed U.S. M&A Activity by Transaction Size<sup>(1)</sup>

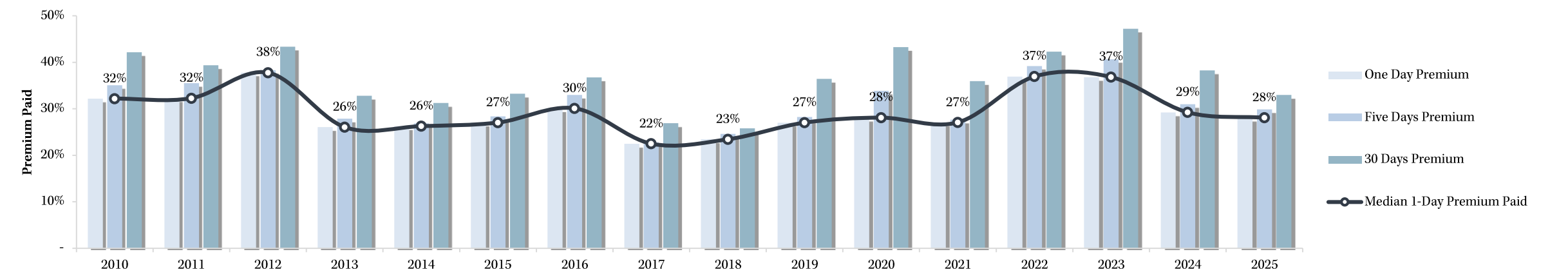


Notes:  
Source: FactSet Research Systems through December 31, 2025  
(1) Excludes completed transactions with undisclosed deal values

Percentage of Announced U.S. M&A Activity by Form of Consideration



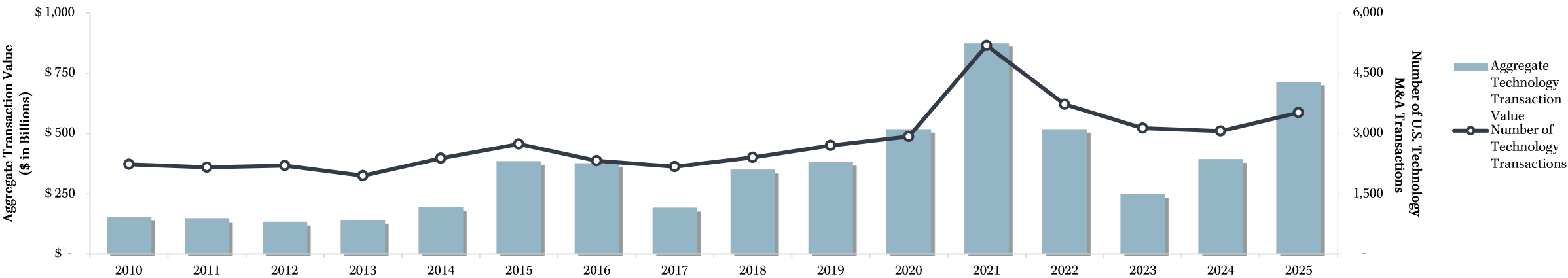
Premiums Paid in U.S. M&A Transactions <sup>(1)</sup>



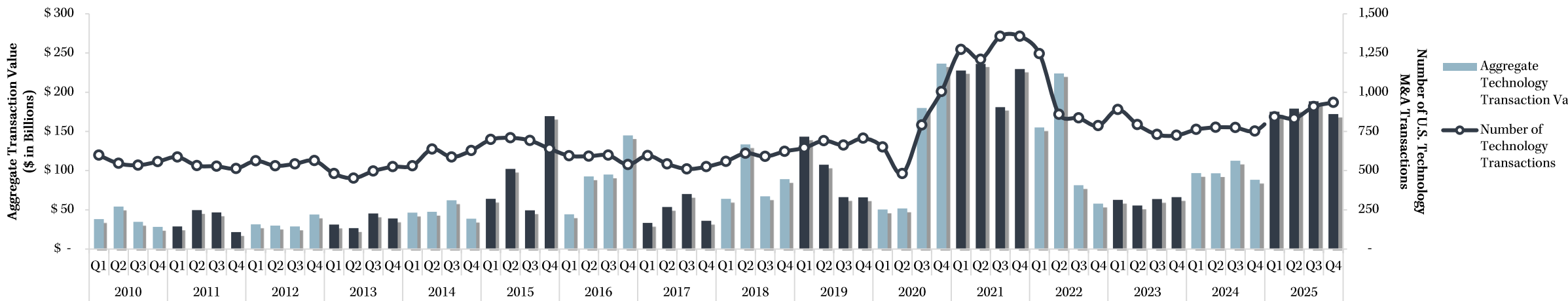
Notes:  
Source: FactSet Research Systems through December 31, 2025  
(1) Excludes private company transactions or transactions with undisclosed premiums



Annual U.S. Technology M&A Activity

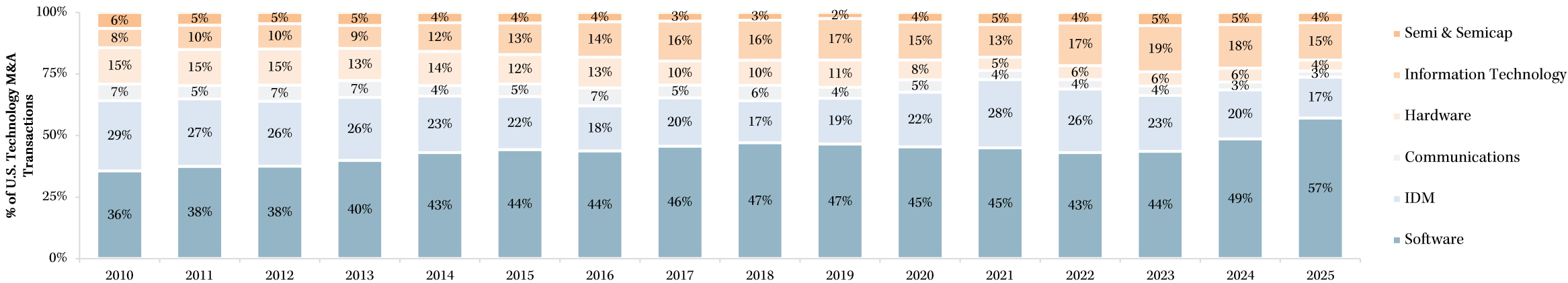


Quarterly U.S. M&A Technology Transactions

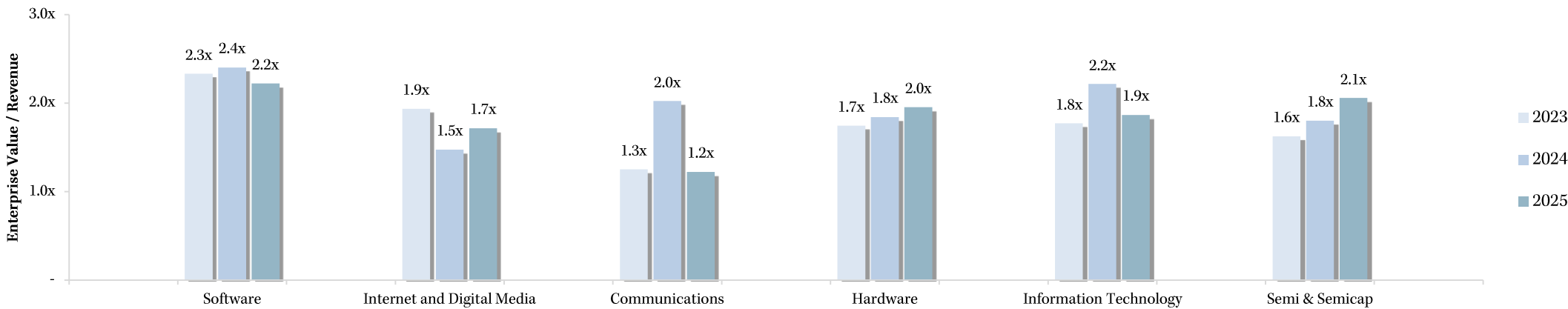


Notes:  
Source: FactSet Research Systems through December 31, 2025

Annual U.S. Technology M&A Activity



Enterprise Value / Revenue M&A Multiples Paid in U.S. Technology Transactions <sup>(1)</sup>



Notes:  
Source: FactSet Research Systems through December 31, 2025  
(1) Only includes transactions with disclosed multiples, excluding outliers; includes pending transactions