

# Needham & Company

## Mergers & Acquisitions Quarterly Newsletter

For the Quarter Ended March 31, 2026



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- 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 4 transactions in Q1'2026.

## Our Transactions

**PENDING**  
M&A/Advisory

**Merger with**

**MARCH 2026**  
M&A/Advisory

**Merger with**

**FEBRUARY 2026**  
M&A/Advisory

**Acquisition of**

**JANUARY 2026**  
M&A/Advisory

**Sale to**

**DECEMBER 2025**  
M&A/Advisory

**Sale to**

**NOVEMBER 2025**  
M&A/Advisory

**Strategic Growth Investment from**

**NOVEMBER 2025**  
M&A/Advisory

(Materials Analysis Business)

**Sale to**

**OCTOBER 2025**  
M&A/Advisory

**Sale to**

**OCTOBER 2025**  
M&A/Advisory

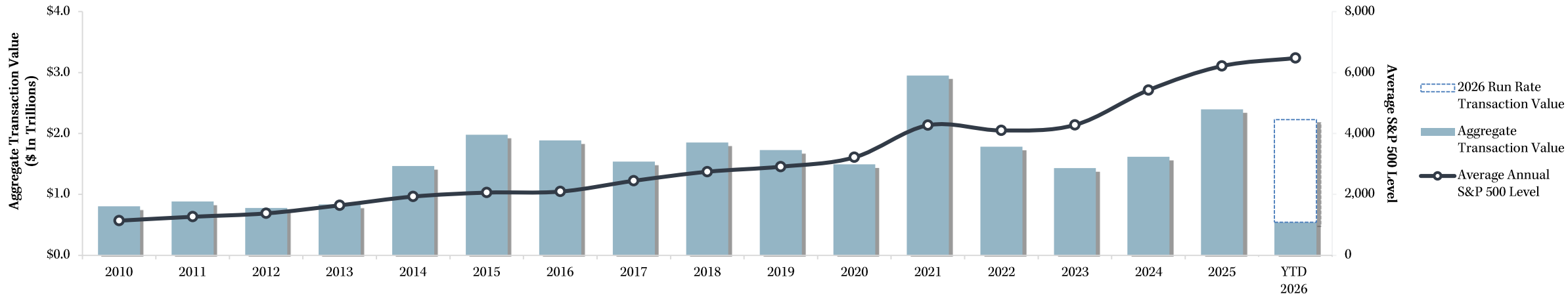
**Sale to**

## Q1 2026 Market Update

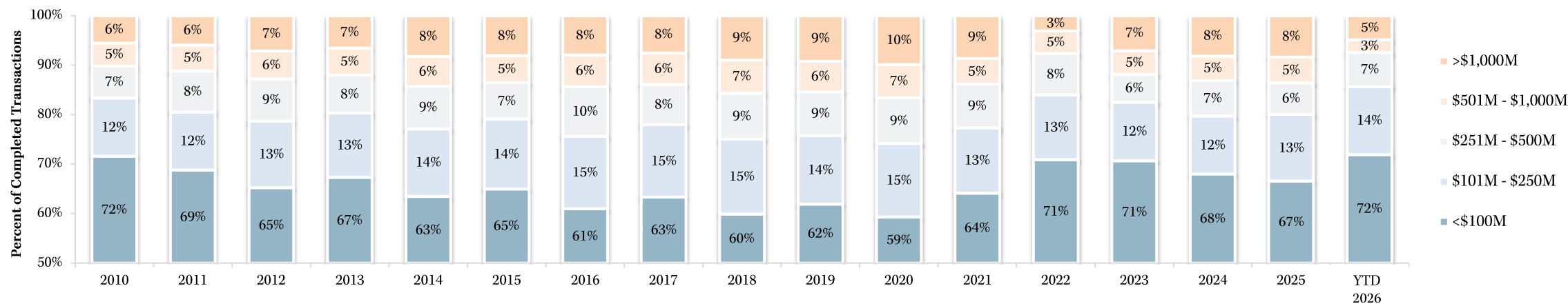
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- Year-over-year, M&A transactions in Q1 were up by 10% by value and 7% in number. The annualized run rate (by value) was somewhat below the 2025 level, but would still be the third highest level in at least the last 15 years.
- There were fewer mega transactions in Q1 in the size mix, but they were larger, with 22 transactions valued at more than \$10B. Technology transactions, in contrast, declined somewhat by number, but a lot by average size.
  - Despite the decline in technology transactions, there were a number of notable deal announcements including Silicon Labs/Texas Instruments, OneStream/HG, and Brex/CapitalOne
- The very near term outlook is marked by considerable uncertainty given the conflict in Iran, the decline in stock prices and the fears concerning what AI might do to certain sectors (e.g., software) and to employment in general.
- Premiums, overall, increased, but multiples paid in tech transactions (particularly software) declined.
- The recent departure of the FTC Chair and together with legal settlements (not rejections) in several high-profile transactions, have given the green light to strategic acquirers.
- Cross-border transaction value continues to increase despite more protectionist policy environments, with U.S. companies remaining the primary targets.
- Strategic acquirers continue to pay a premium for AI-related assets as they reposition their businesses, and they completed a record number of divestitures and spin-offs in 2025, a trend expected to continue into 2026.
- Private equity firms are sitting on record dry powder of approximately \$4.3 trillion, but they remain under significant pressure to monetize assets acquired at peak 2021 -2022 valuations and to improve DPI from historically low levels.
- Private equity portfolios remain exposed to ongoing pressure in the software sector, reflecting the industry's aggressive shift to acquiring software companies over the last several years.

## Announced U.S. M&A Activity Since 2010



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

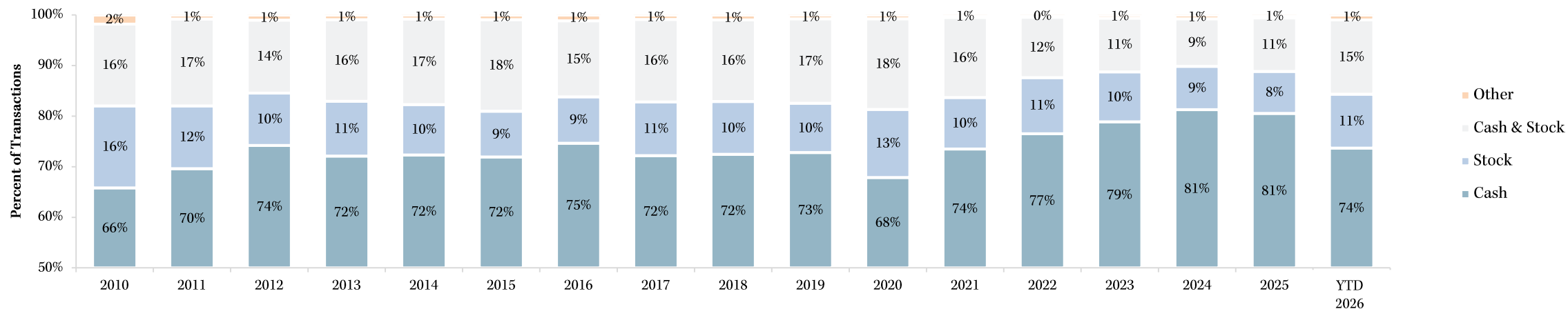


Notes:

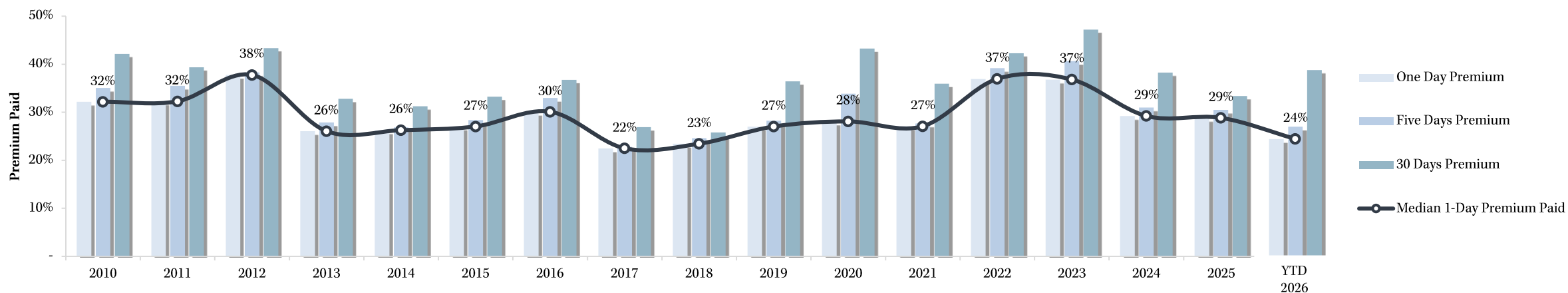
Source: FactSet Research Systems through March 31, 2026

(1) Excludes completed transactions with undisclosed deal values

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

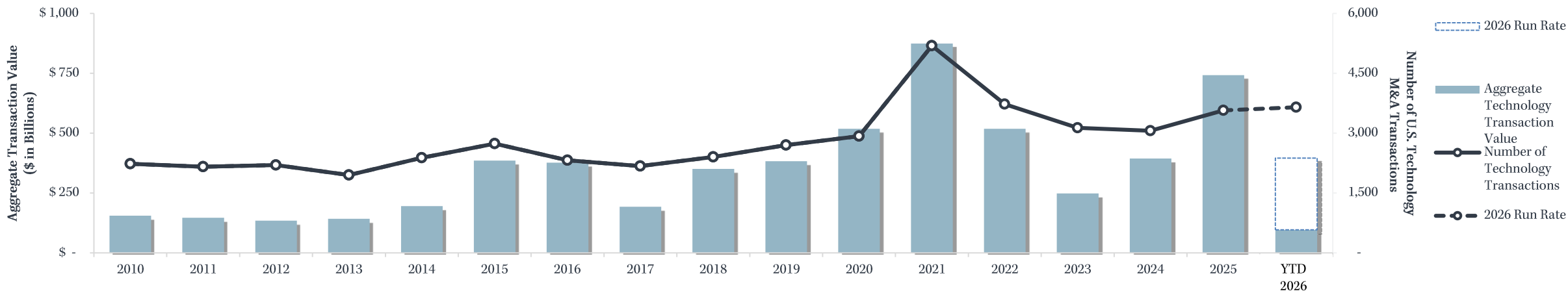


## Premiums Paid in U.S. M&A Transactions <sup>(1)</sup>

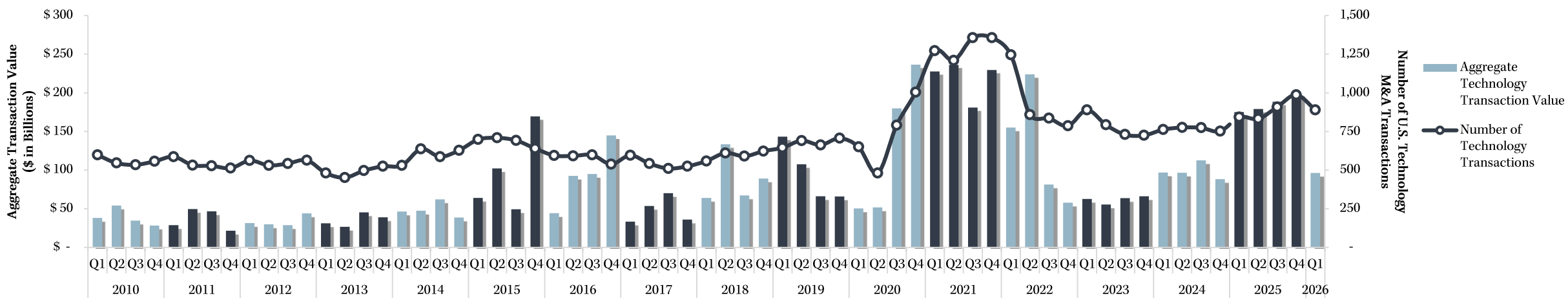


Notes:  
 Source: FactSet Research Systems through March 31, 2026  
 (1) Excludes private company transactions or transactions with undisclosed premiums

## Annual U.S. Technology M&A Activity

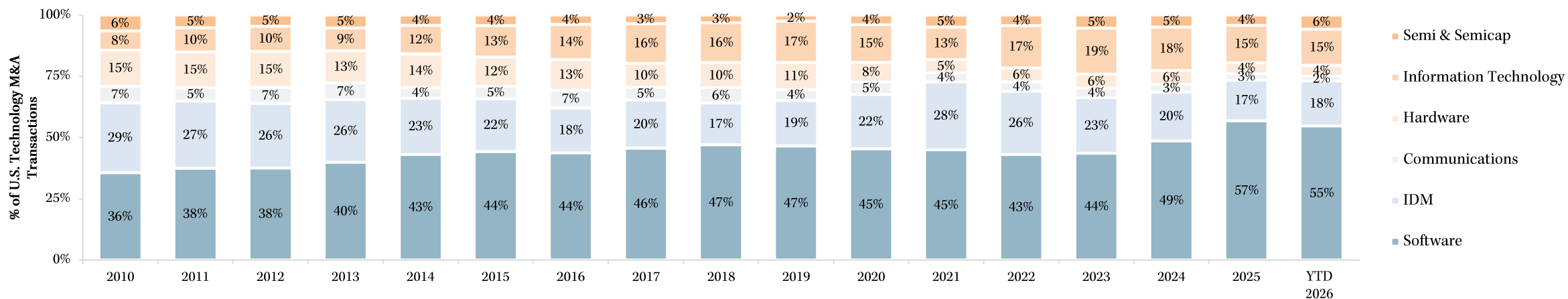


## Quarterly U.S. M&A Technology Transactions

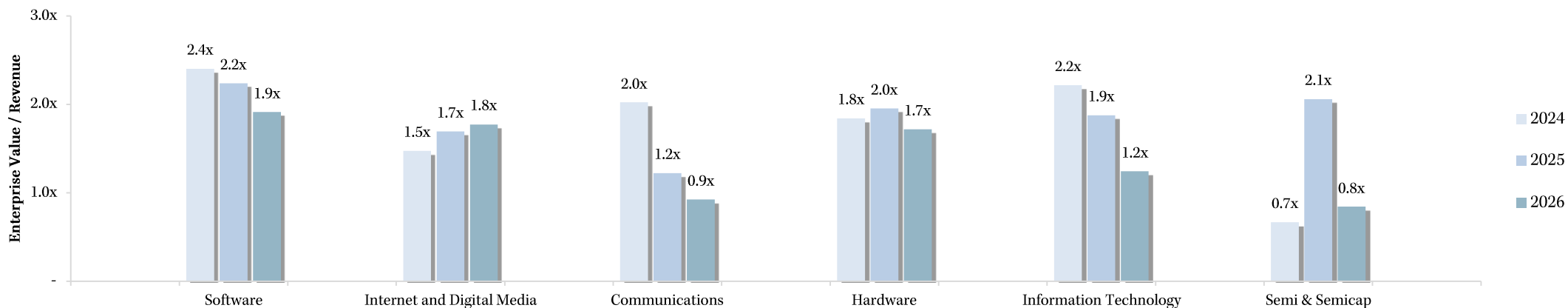


Notes:  
Source: FactSet Research Systems through March 31, 2026

## Annual U.S. Technology M&A Activity



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



Notes:  
 Source: FactSet Research Systems through March 31, 2026  
 (1) Only includes transactions with disclosed multiples, excluding outliers; includes pending transactions