

## SOFTWARE INDUSTRY

### FULL YEAR 2025 :: Mergers and Acquisitions Trend Report

#### 2025 KEY HIGHLIGHTS

- The highest value deal in 2025 was PIF, Silver Lake, and Affinity Partners' announced acquisition of Electronic Arts (EA), for \$55 billion. EA develops and delivers games, content and online services, including Battlefield™, Apex Legends™, The Sims™, Need for Speed™, and various EA SPORTS™ titles.
- Three of the top ten transactions in 2025 were in the security software space, including the \$32 billion acquisition of Wiz by Google, the \$23.6 billion acquisition of CyberArk by Palo Alto Networks, and the \$7.8 billion acquisition of Armis by ServiceNow.
- The most active acquirer in 2025 with at least 34 transactions through its affiliated businesses was Constellation Software, a Canadian company that acquires, manages and builds vertical market software.
- There were 565 financially sponsored transactions with an aggregate value of \$191 billion, representing 26 percent of the total volume and 45 percent of the total value, respectively.

#### 2025 KEY TRENDS

- Total transaction volume in 2025 rose by 8 percent over 2024, from 1,992 to 2,152.
- Total transaction value in 2025 increased by 66 percent over 2024 from \$253 billion to \$420 billion.
- The market segment with the highest total value in 2025 was Niche Software with \$130 billion in transactions.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 6,177 Software transactions between 2023 and 2025, of which 1,117 disclosed financial terms, and calculated the aggregate value to be \$662 billion. Based on known transaction values, we project values of 5,060 undisclosed transactions to be \$198 billion, totaling \$860 billion worth of transactions tracked over the past three years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 36 months were 3.2x revenue and 15x EBITDA.

Over the past three years, deals in the \$10-\$160 million range received a median enterprise value multiple of 2.6x revenue, compared to 5.4x revenue for those in the \$160 million and above range.

#### M&A Market Dynamics

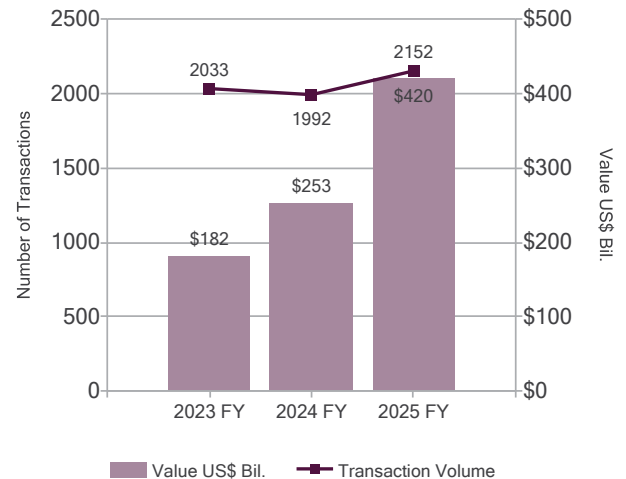


Figure 1. 2023-2025 value and volume comparison.

#### Median Enterprise Value Multiples

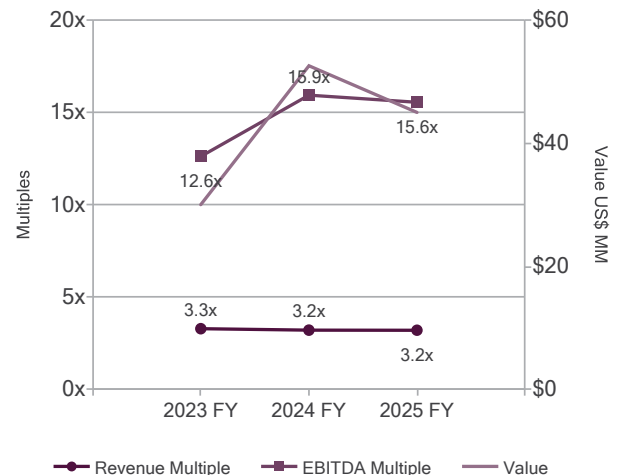
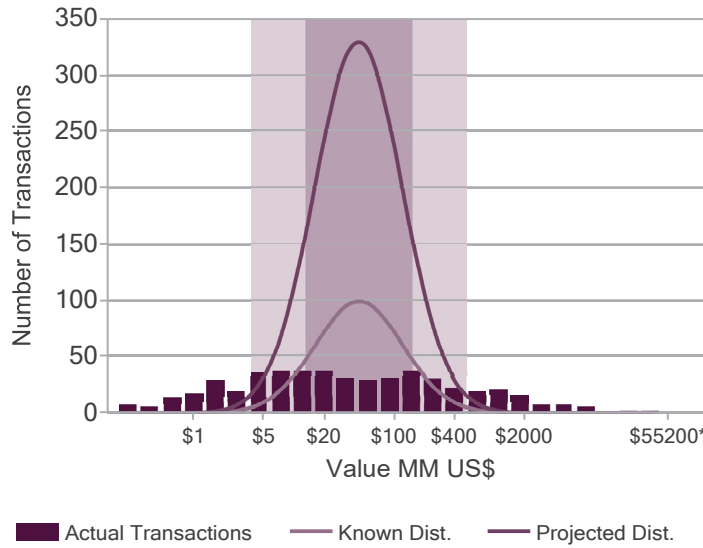


Figure 2. 2023-2025 median value, revenue, EBITDA comparison.

# Transaction Analysis :: January 1, 2025 – December 31, 2025

## Bell Curve - Histogram



**Figure 3.** Shows distribution of Software transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$12.2 million to \$148.4 million. Based on this data, we estimate the total transaction value of deals done in 2025 at \$420 billion.

\* Indicates largest industry transaction from Jan. 1, 2025 to Dec. 31, 2025.

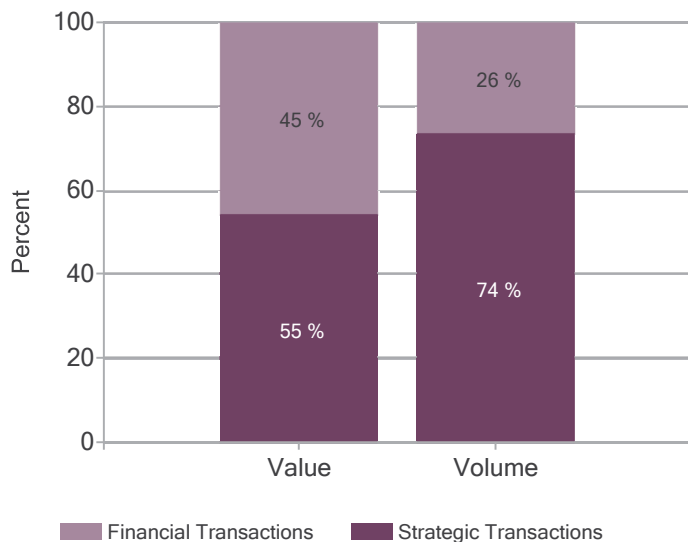
## Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	7	0	7	1 %	1 %
\$0.4	5	0	5	1 %	2 %
\$0.6	14	0	14	3 %	5 %
\$1.0	17	0	17	3 %	9 %
\$1.6	29	2	30	6 %	15 %
\$2.7	18	7	24	4 %	18 %
\$4.5	36	24	60	7 %	25 %
\$7.4	37	67	104	7 %	33 %
\$12.2	37	145	181	7 %	40 %
\$20.1	37	243	280	7 %	48 %
\$33.1	31	317	348	6 %	54 %
\$54.6	29	323	351	6 %	60 %
\$90.0	30	256	285	6 %	66 %
\$148.4	37	158	194	7 %	73 %
\$244.7	30	76	105	6 %	79 %
\$403.4	23	28	51	5 %	84 %
\$665.1	19	8	27	4 %	88 %
\$1,096.6	21	2	22	4 %	92 %
\$1,808.0	15	0	15	3 %	95 %
\$2,981.0	7	0	7	1 %	97 %
\$4,914.8	7	0	7	1 %	98 %
\$8,103.1	5	0	5	1 %	99 %
\$13,359.7	0	0	0	0 %	99 %
\$22,026.5	2	0	2	0 %	99 %
\$36,315.5	1	0	1	0 %	100 %
Total #	496	1656	2152		
Total \$ Value	\$347,262	\$72,818	\$420,079		
Middle 3rd of Industry		Middle 2/3rds of Industry			

**Figure 4.** Presents the data depicted in the bell curve histogram.

## Strategic vs. Financial Comparison

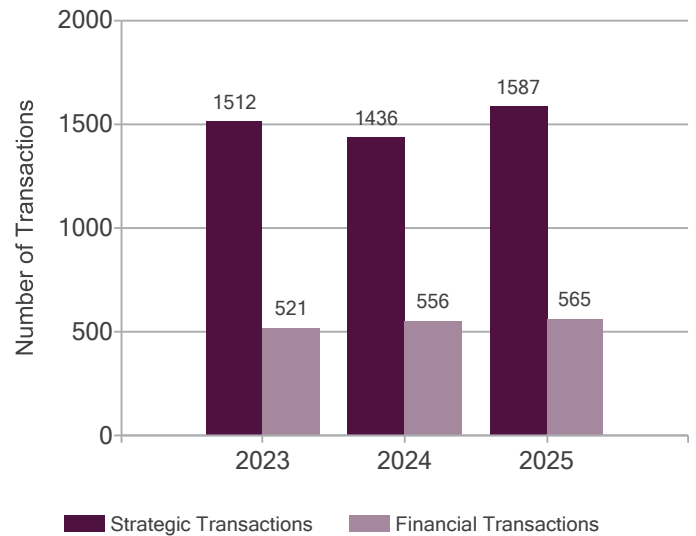
### M&A Dynamics By Transaction Type



**Figure 5.** 2025 value and volume comparison by acquirer type.

**Note:** Financial transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

### Transaction Type



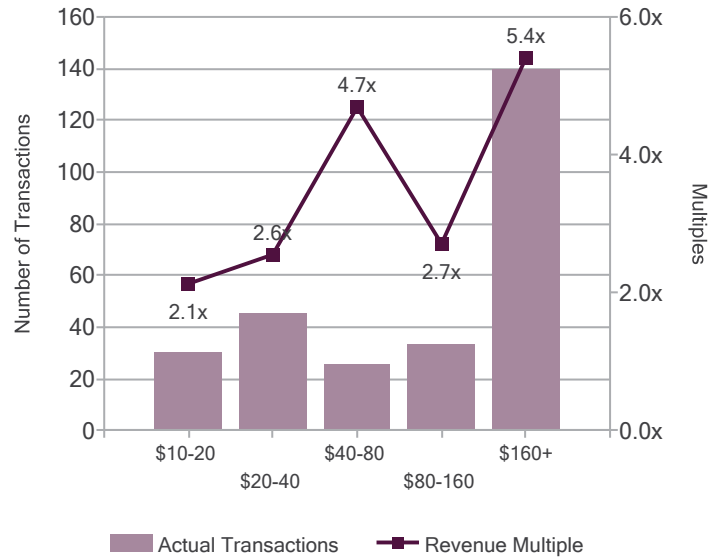
**Figure 6.** 2023-2025 acquirer type comparison.

# Purchaser Analysis

## Top Ten Notable Transactions 2025

Deal Date	Target Name	Buyer	Value MM US\$
09/29/25	Electronic Arts Inc.	SilverLake, Public Investment Fund, Affinity Partners	\$55,176
03/19/25	Wiz, Inc.	Google	\$32,000
07/30/25	CyberArk	Palo Alto Networks	\$23,644
08/20/25	Dayforce Corporation	Thoma Bravo, LLC	\$12,662
12/10/25	Confluent	IBM	\$10,662
04/23/25	Boeing's Digital Aviation Solutions	Thoma Bravo, LLC	\$10,550
05/27/25	Informatica Corp.	Salesforce.com, Inc.	\$8,731
12/21/25	Clearwater Analytics	Warburg Pincus, Permira	\$8,400
12/23/25	Armis, Inc.	ServiceNow	\$7,750
10/08/25	Press Ganey Forsta	Qualtrics	\$6,750
2025 Aggregate Transaction Value			\$420,079
Top 10 Aggregate Transaction Value			\$176,324
Top 10 Aggregate Value as a Percentage of All Transactions			42 %

## Median EV/Revenue Multiples by Size



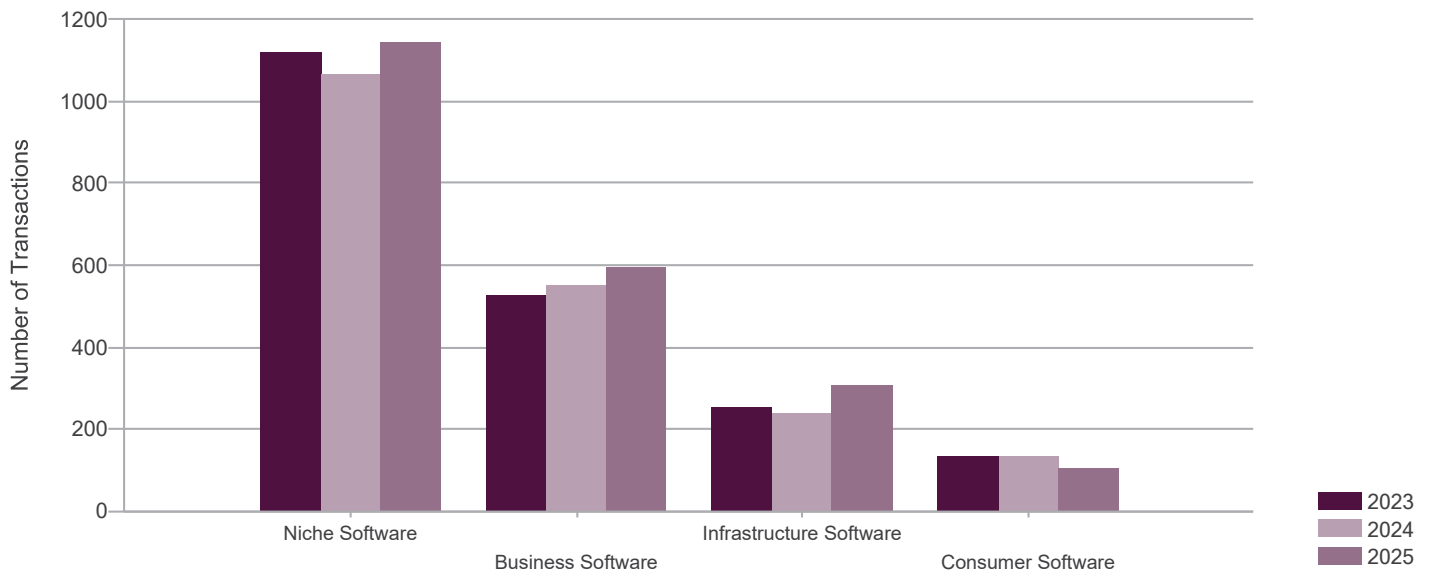
**Figure 7.** Lists the top ten transactions for 2025 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figure 1 & 4.

**Note:** Transaction data based on **announced date**. Deal value represents total consideration paid by the acquirer.

**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Software Industry from Jan. 1, 2023 to Dec. 31, 2025 based on publicly available data.

## Transaction Volume by Segment :: January 1, 2023 – December 31, 2025

### Transactions By Market Segment



**Figure 9.** Presents transaction volume by target segment within the Software Industry from Jan. 1, 2023 through Dec. 31, 2025.

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All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date. The information contained herein is of a general nature and is not intended to address the circumstances of any particular company, individual, or entity. There can be no guarantee that such information is accurate.

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