

October 2025:

UK Healthcare M&A Update

A look back at September 2025

We see things
differently.

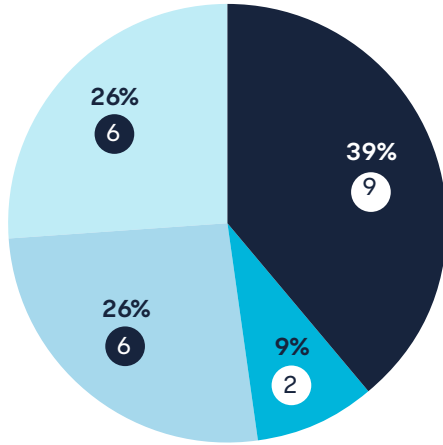
Executive summary

- There were 23 healthcare deals in the UK last month, with 10 announced and 13 completed. This is down from the 28 deals in September 2024. This indicates that deal volume has declined, but has remained broadly stable.
- Health and Social Care was again the most active sector, contributing 39% of the deal volume. This was largely due to the completed acquisitions of various care homes in the UK, driven by the ageing demographic. Health Technology deals are the highest they have been since the start of the year, as institutions modernise operations post-COVID, creating a large demand for tech-enabled solutions.
- There were relatively fewer Medical Equipment deals in September 2025, compared to other sectors. This slowdown stems from a combination of supply chain pressures and rising interest rates which have made manufacturing-heavy business less attractive to potential investors. Strategic buyers like Mediq's purchase of C&P Medical Trading represent a more selective approach, targeting distribution synergies and cost efficiencies rather than pure expansion.
- Strategic buyers accounted for 74% of deal volumes, while private equity activity increased 26% from August. Outbound deals made up 35% of the transactions, compared to 26% inbound, with UK buyers focusing on foreign expansion into Europe and the US. Inbound deals are becoming more popular, due to UK assets looking more attractive for foreign buyers as the pound hit an all-time low in September.
- Fidia Farmaceutici's acquisition of Altacor Limited reflects the continued expansion of European pharmaceutical firms into ophthalmology. The deal aligns with trends of European consolidation and diversification into high-margin therapeutic niches. With tightening EU pricing pressures and rising R&D costs, cross-border acquisitions like this provide immediate access to established product lines, regulatory approvals, and market share, offering a faster route to growth than in-house development.
- Ultimately, despite macroeconomic hurdles, the shifting landscape presents a wealth of opportunities for those ready to innovate and strategically position themselves in the new healthcare environment. The deals collectively suggest investors are favouring stable, recession-resistant, asset-backed, scalable sectors.



Total deals

■ Health & Social Care ■ Pharma & Life Sciences
■ Medical Equipment & Devices ■ Healthcare IT



Inbound vs Internal vs Outbound ¹



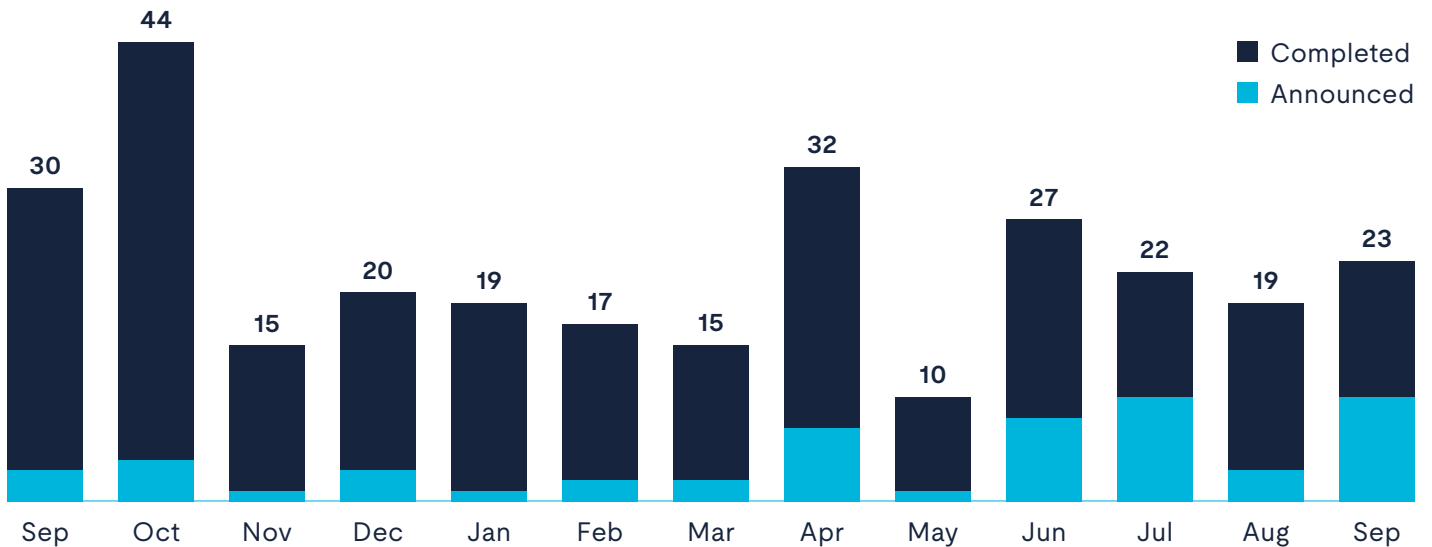
Strategic vs PE buyers

Strategic buyer

PE buyer



Rolling monthly M&A deal flow ²



Notes: (1) Inbound: UK target company and non-UK buyer; Internal: UK target company and UK buyer; Outbound: non-UK target company and UK buyer; (2) Data is accurate at the time of publication and accounts for the status of announced and completed deals. Announced deals are counted in the month of announcement and are still live and ongoing, and may or may not complete. Once completed, these deals will be removed from the month of announcement, and will be counted as completed in the relevant month of completion.

Completed deals

The completed deals occurred predominantly in Health and Social Care, and Pharma and Life Sciences subsectors, which together accounted for 65% of deal flow. Healthcare IT also had an increase in deals over September, accounting for 26%, which is a notable increase since August.

Health & Social Care

Health and Social Care deals continued to dominate deal flow, with 39% of all deals in that sector. Deals are focused on healthcare and education services, with UK-based acquirers expanding both domestically and internationally.

affinitas
education



UK-based **Affinitas Education** acquired Italy-based **Bilingual British School S.R.L.**, an education services provider operating nursery, primary, middle, and high schools. The acquisition supports Affinitas's strategy to expand its international education portfolio.



UK-based **Partou UK Limited** acquired UK-based **Nature Trail Nursery Ltd**, a childcare provider serving families with children aged 0–5 years. This acquisition reinforcing the trend of scaling early-years education platforms in the UK. The transaction aligns with growing investor interest in stable, regulated childcare assets.

In addition to the deals above, September proved to be a busy month for the sales of UK care homes. **English Oak Care Homes** acquired **Blackwater Mill**. **Capital Care Group** acquired **Town Thorns Care Home**. **Lovett Care Group** completed the acquisition of **Belvedere Manor Care Home**. All deals had an undisclosed transaction value.

Medical Equipment & Devices

Medical Equipment and Devices only account for 8% of the deals in September. The deals reflect cross-border consolidation in sustainable companies such as medical supplies and hygiene distribution.

This sector has representation on page 5;
Deep dive: Cross-border consolidation.

Pharma & Life Sciences

In September, 26% of deals were in Pharma and Life Sciences, with half involving European and US investors and one-third driven by private equity.



ALTACOR

Italy-based **Fidia Farmaceutici S.p.A.** acquired UK-based **Altacor Limited**, a specialist ophthalmic pharmaceuticals company. The acquisition strengthens Fidia's international presence in eye care and enhances its UK portfolio of prescription and over-the-counter ophthalmic products, reinforcing its strategy to grow across key European markets.



UK-based **Bioline AgroSciences Ltd.** acquired Belgium-based **Viridaxis SA**, a producer of biological control agents for sustainable agriculture. The transaction enhances Bioline's range of environmentally friendly crop protection solutions and strengthens its position as a leading player in the European biocontrol market.

Healthcare IT

In September, Healthcare IT accounted for 26% of all deals, which is an increase of 10% from previous months. There is a clear trend toward consolidation of digital and genomic capabilities.

CIVICA



UK-based **Civica Group Limited** completed the acquisition of UK-based **OLM Systems Limited**. OLM Systems is a leading provider of cloud-native social care management solutions in the UK. The strategic acquisition strengthens Civica's leadership in public sector software, adding OLM's digital case management systems to expand its solutions for local authorities and healthcare providers. Lee Perkins, CEO of Civica: "This investment accelerates our ability to help councils deliver connected, citizen-focused services that truly make a difference in people's lives."



UK-based **Fluidic Sciences Ltd**, a leader in solution protein interaction analysis, acquired UK-based **Sphere Bio Ltd**, a biotechnology company developing drug discovery and life sciences technologies to accelerate early-stage therapeutic research. The deal creates a complementary technology suite enabling researchers to bridge cellular function and molecular binding, advancing biotherapeutic discovery and development.

This sector also has representation on page 7;
Deep dive: Digital healthcare platforms

Deep dive: Cross-border consolidation

The European Medical Equipment and Supplies sector is entering a period of strategic consolidation, as distributors and healthcare solution providers seek to strengthen resilience, sustainability, and regional scale. In September, the sector accounted for 9% of all UK healthcare M&A activity, with two notable transactions reflecting this shift.



First, UK-based **Bunzl plc** (LSE:BNZL) acquired Spain-based **Anta Y Jesús**, a distributor of cleaning, hygiene, and safety products. Bunzl, a leading international distribution and services group, continues to strengthen its European footprint through strategic acquisitions that expand its product range and customer base.



Netherlands-based **Mediq B.V.** (MEDIQ) acquired UK-based **C&P Medical Trading Limited**, a supplier of medical consumables and equipment. The deal supports Mediq's goal to broaden its portfolio and strengthen its position in European healthcare distribution. Both transactions highlight increasing cross-border integration to enhance efficiency and supply continuity across Europe.

Despite ongoing challenges from elevated interest rates and uneven economic growth across major economies, M&A activity focused on supply chain resilience has gained momentum. In Q2 2025, global M&A deal value linked to supply chain initiatives rose by 11%, with 28 transactions spanning the healthcare, industrial, and consumer sectors (GlobalData, 2025). This underscores the growing strategic importance of effective supply chain management, as companies increasingly prioritise resilience, agility, and operational efficiency.

This structural shift is reshaping buyer priorities as geographic reach, supplier redundancy, and ESG-aligned sourcing practices are now key considerations. Extended Producer Responsibility regulations (ERP) have been officially implemented since January 2025. As a result, ERP has emerged as a material factor for the sector, especially regarding packaging waste as manufacturers have increased responsibility for the full life cycle of their products and packaging. For medical consumables, this adds costs and complexity, as packaging must meet higher standards for recycling and traceability, ultimately being passed along the supply chain to distributors and healthcare providers alike. While ERP is expected to drive long-term sustainable

innovation, it may add future pressures to accelerate the shift towards integrated supply networks that can absorb regulatory and cost shocks.

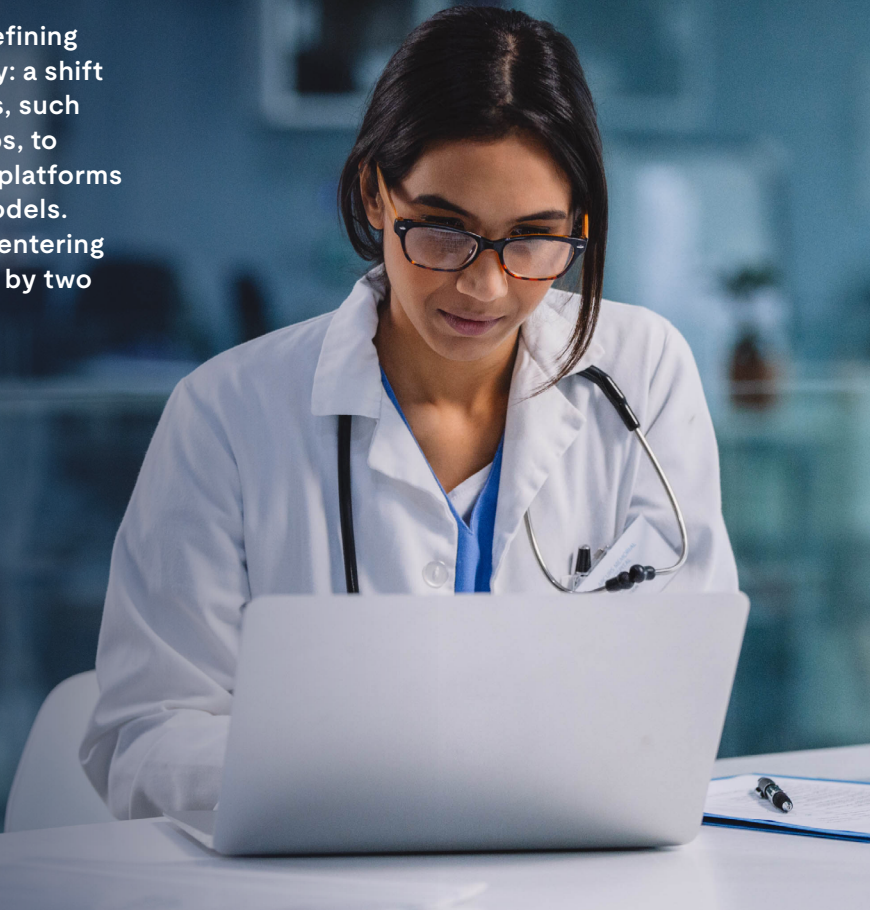
The sector remains highly attractive. Businesses with stable recurring revenues, asset-light models, and institutional customer bases continue to command premium valuation multiples, typically ranging between 8-11x EBITDA. C&P Medical currently supplies over 300 healthcare providers across the UK each week, offering Mediq an established customer base and robust domestic distribution channels that help mitigate integration and supply chain risks post-acquisition. Acquirers such as Bunzl and Mediq are leveraging M&A to mitigate supply risks, improve procurement leverage, and achieve cost synergies through network optimisation.

Going forward, M&A activity in medical equipment and distribution is likely to remain robust, driven by ongoing supply chain localisation, increased regulatory scrutiny, and rising demand for sustainable sourcing. The opportunity lies in building pan-European platforms capable of balancing efficiency with resilience, transforming what were once fragmented distribution networks into integrated, value-generating supply ecosystems.



Deep dive: Digital healthcare platforms

Recent M&A activity highlights a defining trend within Healthcare Technology: a shift from standalone digital health tools, such as monitoring and self-tracking apps, to integrated, data-driven healthcare platforms that align with value-based care models. The UK digital healthcare sector is entering a new phase of maturity, illustrated by two transactions in September.



UK-based **Agentis Health Group Ltd** completed the acquisition of UK-based **Living With Ltd**, a leading digital health company specialising in condition-specific therapeutics and remote patient management. The deal marks AHG's first strategic step toward strengthening its digital therapeutics offering and advancing long-term condition management for the NHS.



UK-based **Foresight Group**, a leading private equity and infrastructure investor, announced a £3.0 million investment in UK-based **MyWay Digital Health Ltd**, a digital healthcare solutions provider focused on reducing chronic disease burden, particularly diabetes. Together, these deals illustrate how strategic and financial investors are converging around clinically validated platforms with measurable outcomes and recurring revenue potential.

Deal flow within digital health remains steady, although investor focus has become increasingly selective. Early enthusiasm for standalone solutions-apps targeting mental health, sleep, fertility, or chronic disease tracking has evolved toward platforms capable of aggregating patient data, integrating clinical workflows, and demonstrating quantifiable improvements in outcomes and efficiency. These businesses now command premium revenue multiples, often between 4-8x, reflecting their potential to embed deeply within NHS and private care delivery pathways. As investors seek to build integrated digital ecosystems, the convergence of health data, AI, and patient management platforms positions these firms at the centre of healthcare digitisation.



Two key forces are driving current M&A appetite. First, the NHS's ongoing push toward digital transformation and remote monitoring, reinforced by continued funding for population health management. Second, the proven scalability of subscription-based and software-as-a-service (SaaS) healthcare models, which has heightened private equity interest due to predictable, recurring revenue in a resilient sector.

Operationally, platforms such as Living With and MyWay Digital Health illustrate the rise of an asset-light, high-margin model – one that leverages data, AI, and interoperability rather than physical infrastructure. As the UK's digital health market consolidates, the opportunity lies less in speculative technology and more in building interoperable ecosystems that deliver actionable insights, enhance clinical efficiency, and redefine how patient care is managed at scale.

Other relevant announced deals

Health & Social Care

BEACON RISE



UK-based **Beacon Rise Holdings PLC** (LSE:BRS) agreed to acquire UK-based **Ergotec Health LLP**, a healthcare services provider, for £1.2 million, subject to due diligence, regulatory and shareholder approval, and final agreement execution. The deal supports Beacon Rise's strategy to expand its healthcare presence.

CLINIGEN



UK-based **Clinigen Limited** agreed to acquire US-based **SSI Strategy LLC** from Amulet Capital Partners LP. The deal is expected to close before year-end, subject to customary conditions. SSI's CEO, Doug Locke, will continue to lead the organisation. The transatlantic healthcare services acquisition enhances Clinigen's advisory and strategic capabilities and reflects growing integration between pharma support and healthcare consultancy.

MACQUARIE



UK-based **Macquarie Asset Management**, via Macquarie European Infrastructure Fund 7, agreed to acquire a 40% stake in Spain-based **Luz Saúde**, a leading Portuguese healthcare group, for about €310 million. The stake will be bought from Fidelidade, which will retain 60%. Luz Saúde operates 14 hospitals, 15 clinics, and one senior residence across 65 medical specialties.

Further, the sale of nine UK care homes owned by **Target Healthcare REIT PLC** has been announced by an undisclosed buyer, with an undisclosed transaction value.

Healthcare IT




France-based **SeqOne S.A.S.** agreed to acquire UK-based **Congenica Ltd.** This acquisition will create the largest global software pure player in the genomics space, serving over 160 labs in more than 30 countries. The deal aims to enhance SeqOne's growth trajectory and ability to provide market-leading software, expert interpretation services, and deepen its presence in the UK market. The acquisition is part of a period of intense organic growth for SeqOne, which has doubled its revenue and expanded its international presence from three to over 30 countries in just 12 months.




UK-based **GHO Capital Partners LLP** agreed to acquire US-based **Scientist.com**, formerly known as Assay Depot. This milestone transaction validates Scientist.com's pioneering role in transforming outsourced research procurement. For over 17 years, the company has helped pharmaceutical and biotech organisations source innovation faster, more efficiently, and with stronger governance. The new partnership with GHO positions Scientist.com to accelerate global growth, expand its product capabilities, and deepen its impact across biopharma R&D.

Pharma & Life Sciences




US-based **Clywedog Therapeutics, Inc.** agreed to acquire UK-based **Barinthus Biotherapeutics plc**, backed by Future Planet Capital, M&G Private Funds Investment, Oxford Science Enterprises, and Tencent Holdings Limited (SEHK:700). Bill Enright, CEO of Barinthus Bio: "We believe that the combination of Barinthus Bio and Clywedog will create immediate value and long-term upside for all stakeholders by diversifying our pipeline and increasing the number of meaningful clinical milestones."




UK-based **InvestIndustrial** agreed to acquire a minority stake in Italy-based **FATRO S.p.A.**, a leading veterinary pharmaceutical company. FATRO's CEO will remain in place, aiming to strengthen leadership and accelerate international growth, supported by InvestIndustrial's track record of helping high-quality, family-owned mid-market companies expand globally.



US-based **Coiled Therapeutics Inc.** signed Head of Terms to acquire UK-based **Roquefort Therapeutics plc** (LSE:ROQ) in a reverse merger transaction for £40.8 million in September. Upon completion of the transaction, it is proposed that the name of Roquefort Therapeutics will change to Coiled Therapeutics plc. The transaction is subject to consummation of due diligence investigation. Coiled USA Chief Executive Officer Sridhar Vempati said: ‘Merging Coiled USA into Roquefort Therapeutics marks a major step for our company. In addition to progressing the clinical development of AO-252, Roquefort’s Therapeutics’ STAT-6 program is a promising addition to our pipeline. The expected completion of the transaction is early new year 2026.



UK-based **CapVest Partners LLP** signed a definitive agreement to take a majority (~70%) stake in Germany-based **STADA Arzneimittel AG** from Bain Capital and Cinven Limited. The deal reflects ongoing private equity interest in European pharmaceuticals, with CapVest aiming to leverage STADA’s strong portfolio of generics and consumer healthcare products to drive continued growth and operational scale across Europe.



The Trump Administration's impact on global pharmaceuticals

Trump's presidency has left an indelible mark on the global pharmaceutical sector. His administration's policy framework, characterised by protectionist trade measures, corporate tax reform, and a renewed "America First" industrial agenda, has redefined how multinational drug manufacturers operate both domestically and internationally.

Prior to his election in 2016, the US pharmaceutical market largely functioned as a free-market system with minimal government price controls. Drug prices were determined by manufacturers, Medicare was prohibited from negotiating lower rates, and the resulting environment fostered strong profitability but growing public criticism over affordability. Consolidation was steady but strategic, with mergers and acquisitions primarily focused on portfolio diversification and access to innovative biotech pipelines.

Since returning to office, President Trump has doubled down on reshoring and cost reduction. Key initiatives include the Most-Favoured-Nation (MFN) pricing framework, aligning US drug prices with those in comparable markets, and a landmark 2025 partnership with Pfizer to launch TrumpRx.gov, offering discounted access to select medicines in exchange for temporary tariff relief. Simultaneously, import tariffs and supply-chain controls have pushed pharmaceutical companies to localise manufacturing, strengthening US production capacity while compressing global margins.

In times of political and regulatory upheaval, consolidation becomes not merely a strategy for growth, but a necessity for survival.

HELIGAN INTELLIGENCE

The ripple effects have been acutely felt in the UK. Increased inbound investment from US and global firms has bolstered the UK's biotech and life sciences clusters, particularly across Oxford, Cambridge, and London. However, pricing pressures in the US have also led pharmaceutical companies to offset losses through higher international prices, tightening budgets for the NHS and other European health systems.

Despite these challenges, the Trump-era environment has stimulated record-breaking deal activity, exemplified by transactions such as Bristol-Myers Squibb's acquisition of Celgene and AbbVie's takeover of Allergan. As regulatory landscapes evolve, M&A remains both a defensive and strategic lever for growth.

Looking ahead, US policy-driven localisation and pricing reform will continue to shape global pharmaceutical investment. For UK life sciences, this presents a dual-edged opportunity: to attract foreign capital seeking stability, while navigating intensified cost and supply pressures across an increasingly interconnected market.



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