

UK Healthcare M&A Update

A look back at Q2 2026

We see things
differently.



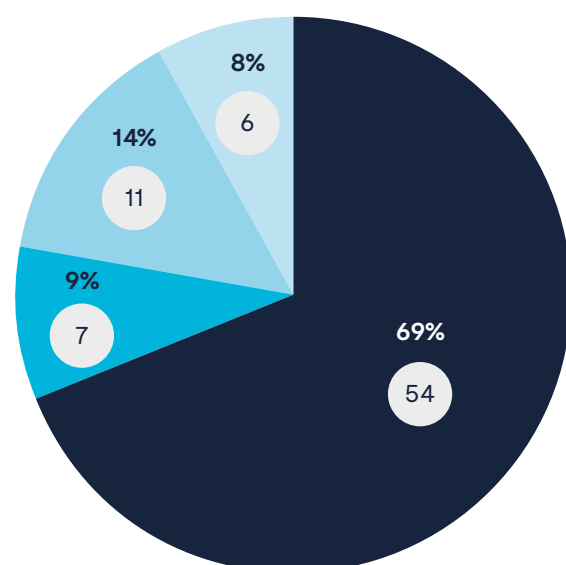
Executive Summary

- There were 78 healthcare deals in the UK in Q2 2026, comprising 68 completed and 10 announced transactions. This represents a large step-up from Q1 2026, demonstrating clear quarter-on-quarter momentum and suggesting that activity is beginning to recover following a period of broader macroeconomic caution.
- This compares with 79 transactions recorded in Q2 2025, indicating that activity was broadly flat year-on-year. The comparable deal count suggests healthcare transaction volumes remain resilient and are operating at levels consistent with historical transaction volumes.
- Health and Social Care was the most active segment, accounting for 69% of deal volume. Activity was spread across residential elderly care, specialist care, childcare and nurseries, and home care - reflecting the breadth of consolidation pressures across the care economy.
- Strategic buyers dominated, representing 86% of deals. Private equity accounted for 11 transactions. Notable PE-backed deals included Toscafund's proposed acquisition of Spire Healthcare, TPG's acquisition of Optum UK, and Charterhouse Capital Partners' announced offer for Animalcare Group, which were one of the higher multiples in the sector, reflecting Animalcare's position.
- PE activity accounted for 14% of transactions in Q2 2026, down from c.19% in Q1 2026 and below the 18% recorded in both quarters of 2025. Despite the increase in overall healthcare M&A activity, financial sponsors remained selective in their deployment of capital, focusing on larger, high-conviction opportunities rather than driving market volume.
- The Pharmaceuticals and Life Sciences sector produced the quarter's two most significant transactions by headline value: GSK's announced acquisition of Nuvalent for approximately £7.95 billion, and its earlier agreement to acquire Siran Biotechnology for up to £750 million - reflecting continued appetite among large-cap pharma for late-stage oncology and cardiometabolic assets.
- Internal deals accounted for 69% of activity. Inbound deal flow remained moderate at 9%, while outbound activity accounted for 22% of transactions. This reflects that activity remains UK-led with expansion overseas where there is clear strategic rationale.
- The nursery and childcare market was notably active in Q2, with eight deals completed across the quarter, driven primarily by regional platform-builders and established nursery group operators continuing to consolidate the fragmented independent nursery market. This segment is the subject of a dedicated deep dive within this report.
- The wider dealmaking environment remains challenging, with geopolitical uncertainty, cautious lender sentiment and domestic political pressures continuing to slow certain processes. However, healthcare has remained one of the more resilient areas of the market. Long-term demand drivers are still giving buyers clear reasons to invest, even where diligence is taking longer and valuations are being tested.

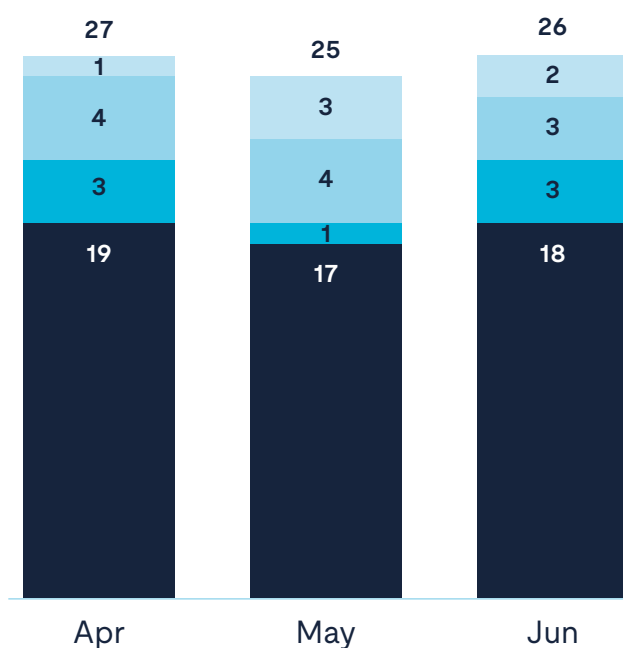
Q2 2026 in focus: UK Healthcare M&A

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

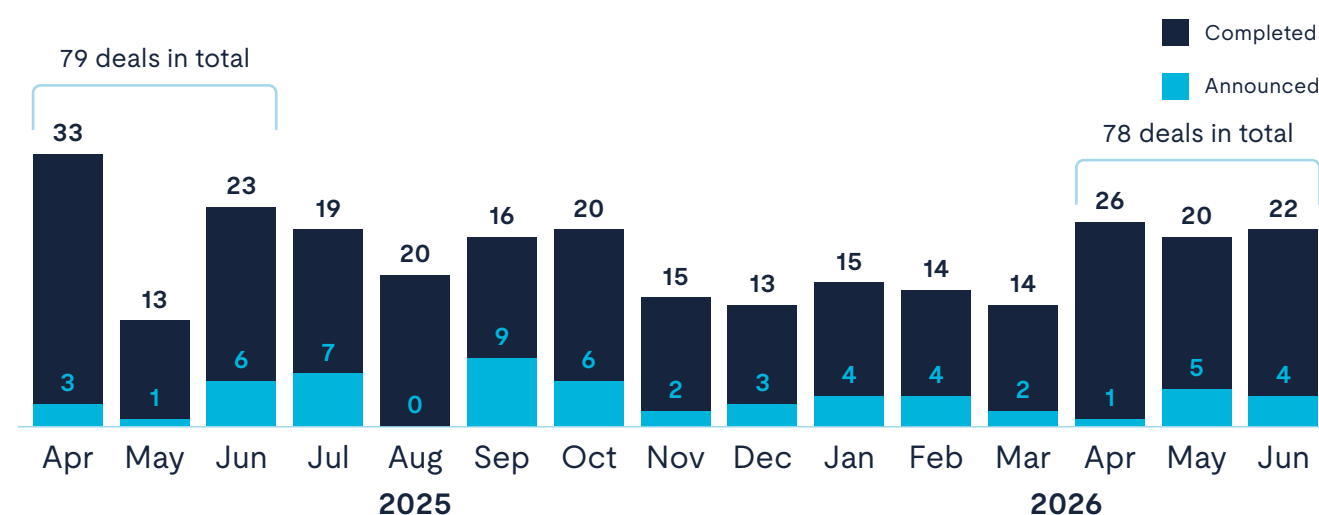
Deal volume by sub-sector



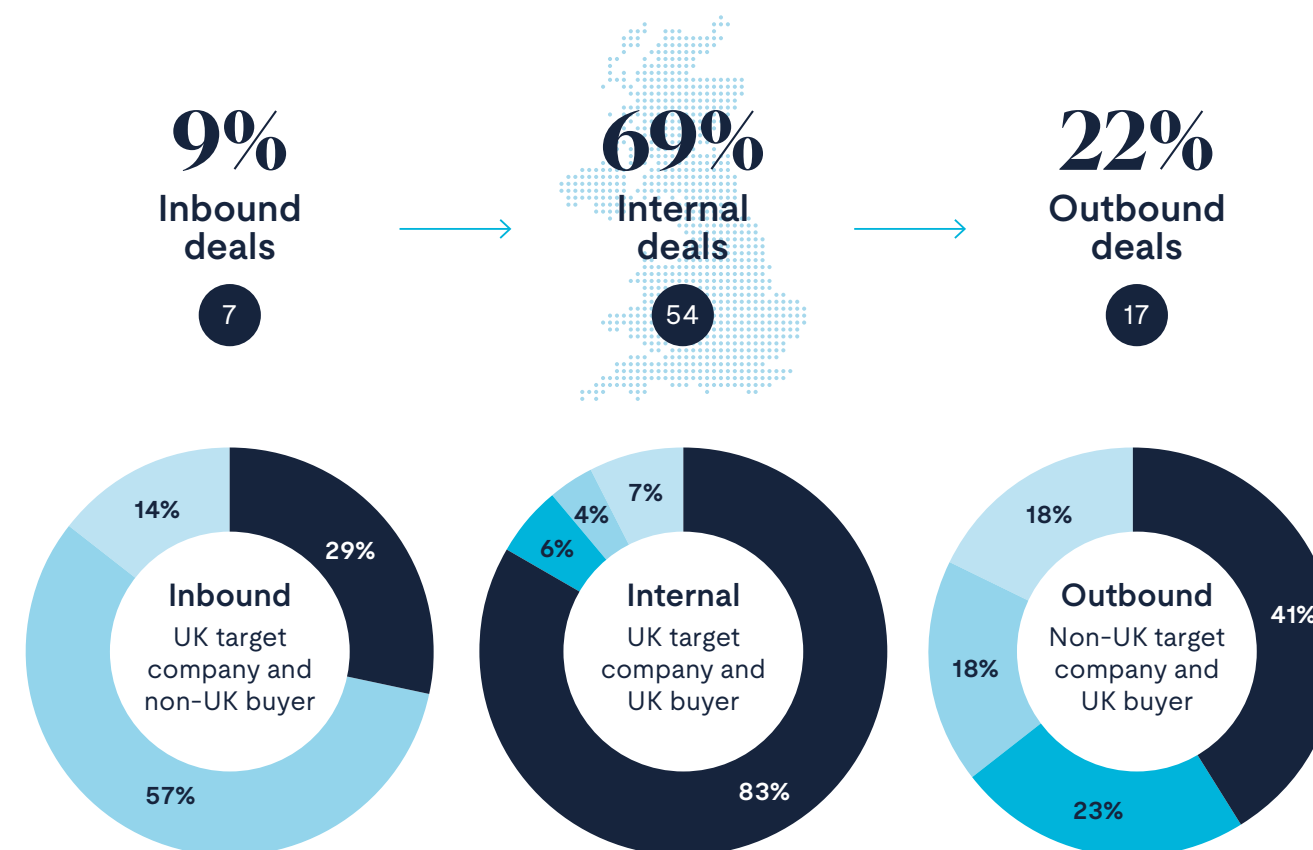
Q2 monthly M&A deal flow ²



Rolling monthly M&A deal flow



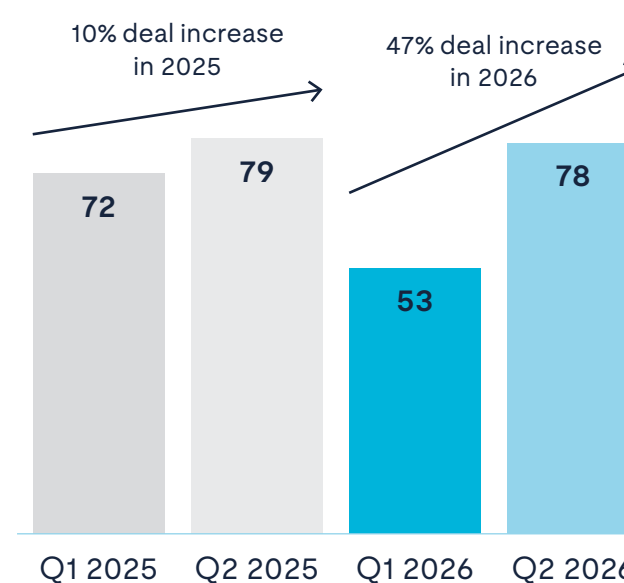
Inbound vs Internal vs Outbound ¹



Strategic vs PE buyers



Cross-year quarter transition comparison



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



Health & Social Care

Health & Social Care accounted for over half of all transactions, with 54 of the 78 deals recorded during Q2.

TOSCAFUND



UK-based **Toscafund Asset Management's** proposed acquisition of the remaining 81.93% stake in UK-based **Spire Healthcare Group plc** c.£820 million. Based on reported data, the implied EV is c.£2.84 billion, equating to an EV/EBITDA multiple of c.8.7x and an EV/Revenue multiple of c.1.4x. The proposal is subject to confirmatory due diligence, with Toscafund required under the Takeover Code to either confirm a firm intention to make an offer or stand down. This transaction, if completed, would represent a significant privatisation of one of the UK's largest independent hospital operators.



UK-based **Eden Futures**, the **Sovereign Capital Partners**-backed supported living services provider, acquired UK-based **Complezzo Healthcare Solutions**. Complezzo delivers complex care and support services to individuals in their own homes. The transaction represents a strategic bolt-on for Eden Futures, deepening its non-residential complex care capability and extending its geographic footprint into the West Midlands.



US-based private equity firm **Amulet Capital Partners** has acquired UK-based **TFP Fertility Group** from Benefit Street Partners. TFP is a fertility clinic group operating across the UK and Poland, with 10 clinics and 21 satellite/referral centres. Its partnership with Amulet will support further investment and growth, while the business continues to operate under the TFP brand with existing clinical leadership and care standards unchanged.

This sector also has its representation in the **Nursery fragmentation fuels consolidation** deep dive.

Medical Equipment
& Devices

MED contributed a modest share of overall deal volume but remained strategically significant.

Vernacare®



UK-based **Vernacare International** acquired UK-based Eakin Surgical from **Eakin Healthcare Group**. Eakin Surgical is a UK-based manufacturer of single-use surgical instruments and procedure solutions, serving the acute hospital sector. The transaction represents a strategic acquisition by Vernacare, broadening Vernacare's single-use product portfolio and strengthening its offer to NHS and independent hospital customers.

Davion
Healthcare Plc



Davion Healthcare Plc, a next-generation digital healthcare company, announced the proposed acquisition of **Humaskan Ltd** for £45 million in June 2026, structured as a cash consideration of £7.5 million up front with a further £38 million payable as an earnout contingent on future performance milestones. Humaskan is a UK-based medical technology company focused on proprietary healthcare products and intellectual property. The significant earnout component, representing 83% of the total consideration, is notable and suggests that while Davion has conviction in Humaskan's underlying IP and product pipeline, the parties have structured the deal to align risk around the commercialisation of that pipeline, with the bulk of value transfer contingent on Humaskan hitting agreed performance targets post-completion.

Pharma &
Life Sciences

PLS accounted for just seven transactions but generated most of the disclosed deal value in Q2 – driven almost entirely by GSK, whose two announced acquisitions totalled approximately £8.7bn and accounted for over 70% of all Q2 healthcare deal value by value.

GSK



UK-based **GSK's** announced acquisition of US-based **Nuvalent, Inc.**, for c.£7.95 billion represents the quarter's landmark transaction and GSK's largest acquisition in over a decade. Nuvalent is a NASDAQ-listed clinical-stage oncology company whose lead assets – zidesamtinib (targeting ROS1) and neladalkib (targeting ALK) – are next-generation inhibitors for non-small cell lung cancer, alongside a HER2 inhibitor. The deal underlines GSK's strategy of acquiring late-stage, differentiated oncology assets with near-term commercial potential. The transaction is expected to complete in 2026, subject to regulatory approval.

charterhouse



UK-based **Charterhouse Capital Partners LLP** announced its proposed acquisition of UK-based **Animalcare Group plc** in April 2026, valuing the AIM-listed veterinary pharmaceutical business at c.£330 million. The transaction, structured as a recommended cash offer at £3.36 per share, implies an EV/EBITDA multiple of c.29.5x and an EV/Revenue multiple of c.3.0x – among the higher multiples reflecting Animalcare's position as a specialist, growth-oriented veterinary pharma platform with proprietary development capabilities. Completion is expected in Q2 or Q3 2026, subject to court and shareholder approval.

Healthcare IT

Healthcare IT featured several high-value transactions in the subsector – a pattern consistent with the sustained financial sponsor interest in scalable, recurring-revenue digital health platforms that has characterised the sector over the past two years.



US-based **TPG** acquired UK-based **Optum** for c.£1.2 billion. Optum UK’s operations include EMIS, the electronic patient record system used by most NHS GP practices – a business originally acquired by UnitedHealth Group’s Optum subsidiary. The deal therefore reflects broadly stable capital values for a regulated, mission-critical healthcare IT platform with deep NHS relationships. No EV/EBITDA or EV/Revenue multiples were disclosed at the time of reporting.



US-based **PsychPlus** acquired UK-based **Koa Health**, a digital mental health company. Koa Health offers a suite of clinically validated digital therapeutics covering conditions including depression, anxiety, PTSD and OCD, developed in partnership with Harvard and Oxford and underpinned by 56 patents. The deal pairs PsychPlus’s US clinical network with Koa Health’s digital-first delivery model, positioning the combined platform to serve more than six million patients globally.



Deep Dive:

Nursery fragmentation fuels consolidation

The nursery market was one of the most active subsectors in UK healthcare M&A during Q2 2026. The transactions made up 14% of deals across the quarter, representing a meaningful concentration of deal flow in a single, well-defined segment of the care economy.

The eight nursery transactions are set out on the facing page. In each case, enterprise value and associated valuation multiples were not publicly disclosed, which is consistent with the private, predominantly owner-managed nature of most nursery businesses trading in the UK.



Target	Buyer	Status
Advantage Day Nursery	Kiddo Schools UK	Completed
Boys & Girls Nursery Limited	Happy Days Nurseries	Completed
Manor Day Nurseries Group Limited	Storal Nurseries Limited	Completed
The Hunny Port Day Nursery Limited	Kids Planet Day Nurseries Limited	Completed
Newchurch Pre-School Limited	First Choice Nursery LLC	Completed
St. Bridget Nurseries Limited	Woodthorpe Hall Garden Centres Ltd	Completed
Tigers After School Care	Kids Planet Day Nurseries Limited	Completed
Cottontails Day Nursery	Tiddlywinks Nursery Group	Completed

The absence of private equity as a direct acquirer across the transactions is notable but should not be misread as a lack of sponsor interest. In this segment, private equity often sits behind the operating platform rather than appearing directly at the deal table. Kids Planet is backed by Fremman Capital, Storal is backed by Graphite Capital, and Happy Days is majority-owned by Zetland Capital Partners. As a result, a meaningful proportion of the quarter’s activity remains sponsor-driven in substance, even where the direct buyer is an operating company.

The strategic rationale is clear. The UK nursery market remains fragmented, with many independent, owner-managed settings facing rising staffing costs, tighter regulatory demands and increasing administrative complexity around funded childcare hours. For larger operators, this creates a compelling consolidation opportunity: acquire smaller nurseries, professionalise operations, improve utilisation and benefit from procurement, systems and management efficiencies.

Broader market intelligence suggests nursery assets generally trade in the region of 5x to 10x EBITDA, with pricing driven by scale, occupancy, site quality, management depth and the balance between private-pay and government-funded income.

Looking ahead, nursery M&A is likely to remain active through the rest of 2026. The sector has the ingredients consolidators like: fragmented ownership, motivated sellers, resilient demand and clear scope for operational improvement. Expanded government-funded childcare hours may further support revenue visibility and demand for places, strengthening the investment case for well-capitalised operators seeking to build regional or national platforms.

Corporate Finance healthcare team

Our Heligan Corporate Finance team, seasoned across sectors and mid-market deal sizes, delivers exceptional, insight-driven results through deep expertise and a robust network.



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