# The PepTalks Deal Digest

Q2 2026

[illegible] still happening are shifting toward safer, known-quantity structures over brand-new buyouts, and skewing bigger when they do get done.

None of the quarter's biggest open questions actually resolved before the end of June. Iran's ceasefire was still standing, just barely. Keir Starmer was still Prime Minister, though the writing was on the wall. The Bank of England hadn't moved its rate. But all three sat over the quarter the whole way through, shaping how cautiously dealmakers underwrote everything they touched. We show our reasoning for each of these below, alongside a first look at how AI is shaping both deal assessment and what PE-backed leaders should be doing about it right now.

## Q2 2026 Round Up

| 12 | 20 | 25 | 5 | 1 | 5 | 1 | 6 |
|---|---|---|---|---|---|---|---|
| MBO | SBO | Growth | Exit - Trade | Early-PE | Carve Out | PE-Backed Trade | Other |

**75** total deals in Q2, the lowest quarterly total in a year, down from 103 in Q1 and 119 at the Q4 peak.

That fall is not evenly spread. MBO activity collapsed from 38 to 12, the sharpest quarterly drop of any deal type we track. SBO and Growth both rose. We unpack why below, in "Faltering in the middle, holding at the top."

The quarter's largest transaction dwarfs anything in the previous three. EQT's near-£11bn agreed take-private of Intertek, the third-largest UK take-private on record. More on what that deal represents, not just its size, later in this issue.

## Uncertainty, uncertainty and more uncertainty

Three questions hung over Q2, none resolved before the quarter closed.

### Iran

The April ceasefire held, barely, violated on a rolling basis all quarter and gone entirely by 8th July. Nobody underwriting a new platform deal in May or June could assume it would last. That's the real driver behind this quarter's type split. A fresh company with no track record is a much harder sell to an Investment Committee than a target that's already spent three years reporting cleanly under PE ownership. More on this in the next section.

### A change of government, and a tax question nobody's answered

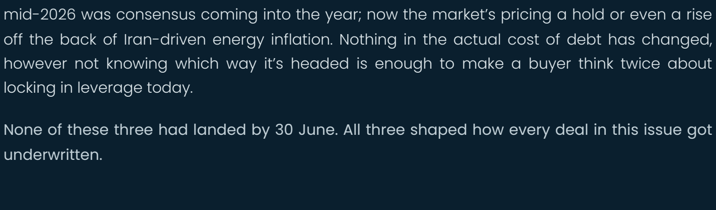
Starmer resigned and Burnham has now replaced him. No CGT change has been announced, but the speculation around aligning it with income tax is loud enough that it's shaping seller behaviour already, sellers weighing whether to bank gains now under a known rate rather than wait and find out. Watch for that pull-forward effect to show up properly in Q3, since Burnham's rise only crystallised in the back half of this quarter.

### The rate outlook that flipped, without the rate moving

The base rate held at 3.75%, unchanged all quarter. What moved is the expectation. A cut by mid-2026 was consensus coming into the year; now the market's pricing a hold or even a rise off the back of Iran-driven energy inflation. Nothing in the actual cost of debt has changed, however not knowing which way it's headed is enough to make a buyer think twice about locking in leverage today.

None of these three had landed by 30 June. All three shaped how every deal in this issue got underwritten.

## Faltering in the middle, holding at the top




MBO activity collapsed from 38 deals in Q1 to 12 in Q2, the sharpest quarterly fall of any type this year. SBO rose from 13 to 20, though that's a return to the Q3/Q4 norm (19, 17) after Q1's unusual MBO-heavy spike, not a new high.

The reason comes straight out of the previous section. A brand-new platform means underwriting a business with no track record under PE ownership, at the exact moment ICs are demanding more scrutiny because of Iran, the leadership change and rate uncertainty. An SBO target already has three to five years of clean, PE-standard reporting behind it. Faster diligence, fewer surprises, easier to get through committee when nobody wants a live deal exposed mid-process to the next headline. It also gives LPs under pressure for realisations a route to an exit that doesn't depend on a trade buyer who's just as nervous.

**LARGE-CAP + UPPER MID-CAP**

**26 → 27 → 27**

Flat across Q4 → Q1 → Q2. The top of the market is holding its ground.

**TOTAL DEALS**

**119 → 103 → 75**

Everything beneath the top of the market is shrinking around it.

It's worth being precise here. The total disclosed deal value did spike this quarter, but almost entirely off one transaction, EQT's near-£11bn agreed take-private of Intertek, the third-largest UK take-private on record. Strip that single deal out and disclosed value is actually the lowest of the four quarters. This isn't PE spending more. It's capital concentrating in fewer, larger, more provable assets while pulling back from everything else.

> *The best assets are pricing above the 2021/22 peak, merely-good companies are simply not transacting.*
>
> LARS PEDERSEN · CEO OF BEQOM · SIX-TIME PE-BACKED CEO

Listen to the full podcast here →

## AI and the deals market

AI is impossible to ignore in this market, and it's now fundamental to how deals get done, not just what businesses do with it. Every diligence process runs an AI lens over the target, whatever sector it sits in, and every leadership team walking into a deal process is being read against that same lens.

This section covers both sides of that. First, how investors are assessing companies through it, what they're looking for and why. Then, what PE-backed leaders should be doing about it right now, not as an AI strategy exercise, but because it's already a factor in whether you get a deal done and how attractive you look to the market you're about to face.

### What investors are actually looking for

Investors are now running every target through the same lens leadership teams should already be applying to themselves: how exposed is this business to being disrupted by AI, and by whom.

Two of the three ways disruption could arrive matter less than the noise suggests, and neither lands evenly. An AI-native upstart undercutting you is a real risk for software and knowledge-work businesses, much less so for a manufacturer or logistics operator. A customer building your product themselves is the same story, plausible for digital services, not for anyone selling a physical component or delivered service.

The risk that does apply everywhere, also highlighted by Lars in our recent PepTalks Podcast, is your existing competitors simply moving faster than you. Cutting their costs faster. Speeding up delivery and decision-making. Improving margins through automation while you're still running the process you always have. It doesn't announce itself, there's no launch event, just a competitor quietly getting leaner and pulling ahead, and by the time it shows up in your win rate or your margin, the gap is already built. That's the version of this risk every PE-backed business should worry about, regardless of sector.

None of this is theoretical for a deal process. It's becoming a standard line in diligence: how exposed is this specific business to a competitor outpacing it on AI-driven efficiency, and can leadership show they're already closing that gap rather than waiting to be asked about it.

### What PE-backed leaders should be doing right now

If AI readiness is now part of how a target gets assessed, the question for a leadership team isn't "what's our AI strategy," it's "can we actually show this when someone's looking." That's a different and more practical bar. A business that can't produce clean, trusted numbers on demand doesn't get a faster process or a better multiple because it happens to be "doing AI" somewhere in the background.

It's not a tech project or a CEO hobby, the whole executive team must lead it visibly, or adoption stalls before it starts. A single delegated hire or a policy document sitting unread won't hold up under diligence any better than it holds up day to day.

Here are two guides worth going to directly for the detail. We built both specifically to help PE-backed leaders act on this, not just think about it, one for the finance function, one for the CEO's chair more broadly.

PEPTALKS GUIDE

**The AI-Ready Finance Function**

Built with Charlotte Owen, CFO of Forge Holiday Group, and Nicolas Harding, Director at PSG Equity.

Read the guide →

PEPTALKS GUIDE

**AI Adoption — An Eight-Step Guide to Margin Improvement**

Futureproofing your business. Built with Graham Donoghue, Chief Executive of Forge Holiday Group.

Read the guide →

PEPTALKS PODCAST

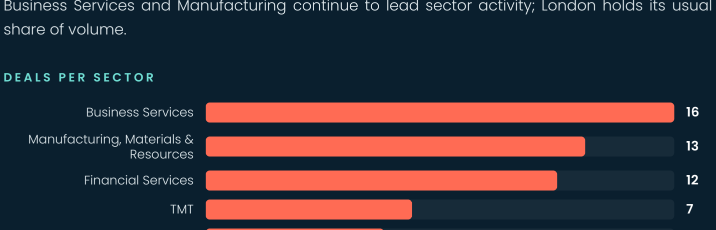
**The PepTalks Podcast, with Lars Pedersen, CEO of beqom**

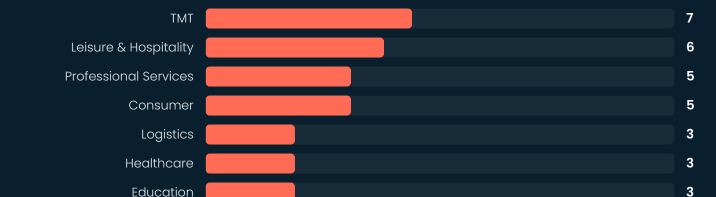
The full episode on where value is — and isn't — transacting across the market.

Listen here →

## Sector and Region

Business Services and Manufacturing continue to lead sector activity; London holds its usual share of volume.




**INVESTOR STATS**

| 30 | 28 | 11.4y | £11.0bn |
|---|---|---|---|
| Unique UK PE firms active ▼ down from 46 | Unique international firms active ▼ down from 32 | Longest hold on exits (OVO Retail Energy) | Largest deal (Intertek) |

UK firm participation dropped from 46 to 30 this quarter, the sharpest fall in the set — consistent with fewer firms bringing new platforms to market at all.

## Notable Deals

### Bullish acquires Equiniti in a $4.2bn all-stock deal

Siris Capital sold Equiniti, the shareholder services and transfer agent platform it bought in 2021, to Bullish, the crypto exchange (NYSE: BLSH), rather than to another PE house or a conventional trade buyer. The stated goal is to build "the global transfer agent for tokenized securities," bolting blockchain infrastructure onto one of the UK's most established capital markets plumbing businesses. Whatever you think of the tokenisation pitch, it's a genuinely new category of buyer showing up for a PE-backed UK asset, and worth watching for whether it's a one-off or the start of a pattern.

### E.ON buys OVO's retail arm as Mayfair exits after 11 years

Mayfair Equity Partners became OVO's first external investor in 2015, when the challenger brand had 500,000 customers. It now has four million. The sale to E.ON is a clean, patient-capital story, but it's also a direct product of this quarter's uncertainty theme. OVO's own leadership cited "unprecedented volatility" from the Middle East conflict, alongside tightening Ofgem capital requirements, as the reason they moved to sell rather than wait it out. A rare case where a company is telling you, in its own words, that the macro backdrop directly changed its decision-making.

### EQT's near-£11bn agreed take-private of Intertek

Intertek agreed to EQT's £60-a-share offer on 18 June, valuing the deal at £10.9bn including debt, Britain's third-largest take-private on record. It took three rejected bids and pressure from shareholders including Palliser Capital before the board engaged. It's also not an isolated move. Schroders and Beazley both went private earlier this year, and Flutter dropped its London listing the same week.

## PepTalks Member Deals

Great to see PepTalks Members continuing to play a role in high-quality transactions this quarter.

- Congratulations to Steve Groves, PepTalks Honorary Member and Chair of Mobius, on the successful SBO from Phoenix Equity Partners to Motive Partners.
- Congratulations to Greg Watson, PepTalks CEO Honorary Member, on joining Steplab as Chair following investment from Pelican Capital. Steplab's teacher professional development platform is used by more than 200,000 teachers across the UK.
- Congratulations to Vanessa Emens, CPO Community Member and Chief People and Operations Officer at Affinia, on the successful sale of the business to RedBird Capital Partners. Sovereign Capital built Affinia from LB Group into a top-25 UK accountancy firm through 16 acquisitions over three years, with revenues exceeding £100m.
- Congratulations to Nick Williams, PepTalks Honorary Member and CEO of Native Instruments, on signing a definitive agreement for the business to be acquired by inMusic, delivering an exit for Francisco Partners.
- Congratulations to Member and Carbon Underwriting CFO Alex Poracchia, as well as several PepTalks Excellence Programme graduates, for delivering a 6x return for Apiary Capital in their recent deal to FTV.

## Q2 Take Aways

### Caution before the event, not after it

Every major uncertainty in this issue was still live at the end of Q2. By the time you're reading this, at least one already has an answer with the Iran ceasefire collapsing, days into Q3. Whether that vindicates the caution baked into this quarter's numbers, or whether dealmakers held back longer than the eventual outcome justified, is exactly what Q3's data will tell us.

### Selective, not quiet

75 deals is the lowest quarterly total in a year, but "quiet" undersells what happened. MBO collapsed, SBO and Growth rose, large-cap and upper mid-cap deal count held flat for a third straight quarter while everything beneath it shrank. None of that is a market standing still. It's a market getting choosier about where it puts capital, and AI due diligence becoming a standard line item is part of that same selectivity, not a separate story.

## Q2 2026 Transaction List

Data insights powered by Actum Group

| Date | Type | Company | Investor | Stake | Deal Size | Hold |
|---|---|---|---|---|---|---|
| 01/04/2026 | Growth | Northridge | Cordillera Investment Partners | Minority | Mid-cap | — |
| 01/04/2026 | SBO | Orbis Protect | Tiger Infrastructure | Undisclosed | Upper mid-cap | 4.81 |
| 01/04/2026 | SBO | AccessPay | Accel-KKR | Majority | Mid-cap | 8.04 |
| 02/04/2026 | SBO | Mercia Power Response | InfraVia Capital Partners | Majority | Upper mid-cap | 10.53 |
| 07/04/2026 | MBO | Play Revolution | Foresight Group | Majority | Small-cap | — |
| 08/04/2026 | Growth | Fivium | BGF | Undisclosed | Lower mid-cap | — |
| 08/04/2026 | Carve Out | Converge Technology Solutions UK | Inspirit Capital | Undisclosed | Mid-cap | — |
| 08/04/2026 | Growth | Asset Performance Partners | Foresight Group | Undisclosed | Lower mid-cap | — |
| 09/04/2026 | P2P | Senior | Blackstone | Majority | Large-cap | — |
| 09/04/2026 | Growth | MillTech | Apax Partners | Minority | Upper mid-cap | — |
| 15/04/2026 | Exit - Management | Global Autocare | LDC | Minority | Upper mid-cap | 6.32 |
| 16/04/2026 | SBO | IBA Group | bd-capital | Undisclosed | Mid-cap | — |
| 17/04/2026 | P2P | Animalcare Group | Charterhouse Capital | Majority | Upper mid-cap | — |
| 17/04/2026 | SBO | Lendco | Cerberus Capital | Undisclosed | Upper mid-cap | 8.29 |
| 20/04/2026 | SBO | Best.Energy | Future Business Partnership | Majority | Small-cap | 10.44 |
| 20/04/2026 | MBO | Radiocoms Systems | Total Capital | Undisclosed | Mid-cap | — |
| 28/04/2026 | SBO | Mi Hub | LDC | Undisclosed | Mid-cap | — |
| 29/04/2026 | MBO | Swanky | YFM Equity Partners | Undisclosed | Lower mid-cap | — |
| 01/05/2026 | Exit - Trade | Off-Piste Wines | Terold Invest | Undisclosed | Lower mid-cap | 6.36 |
| 01/05/2026 | Growth | StudentCrowd | YFM Equity Partners | Undisclosed | Lower mid-cap | — |
| 01/05/2026 | Early-PE | Highway Data Systems | Maven Capital Partners | Undisclosed | Small-cap | — |
| 05/05/2026 | SBO | CloserStill Media | Searchlight Capital Partners | Undisclosed | Large-cap | 7.38 |
| 07/05/2026 | SBO | Tensator Group | Rcapital | Undisclosed | Small-cap | — |
| 07/05/2026 | Exit - Trade | Equiniti | Bullish | Undisclosed | Large-cap | 4.56 |
| 07/05/2026 | Carve Out | Metra | Hypax | Undisclosed | Undisclosed | — |
| 08/05/2026 | Growth | Cornish Pirates | Stonewood Capital | Undisclosed | Small-cap | — |
| 11/05/2026 | SBO | TFP Fertility Group | Amulet Capital Partners | Undisclosed | Upper mid-cap | — |
| 11/05/2026 | SBO | Sedex | Apax Partners | Majority | Upper mid-cap | 2.29 |
| 12/05/2026 | Growth | Esk | Maven Capital Partners | Undisclosed | Undisclosed | — |
| 12/05/2026 | SBO | BCIS | Bowmart Capital | Undisclosed | Mid-cap | 3.37 |
| 12/05/2026 | Growth | Matchroom | Bruin Capital | Minority | Large-cap | — |
| 12/05/2026 | MBO | Hometree Group | Pollen Street | Majority | Upper mid-cap | — |
| 12/05/2026 | Exit - Trade | OVO Retail Energy Business - Energy Transition Holdings Ltd | E.ON | Undisclosed | Large-cap | 11.36 |
| 13/05/2026 | Growth | Paymentology | Apis Partners | Undisclosed | Large-cap | — |
| 14/05/2026 | SBO | Rendesco | Pioneer Point Partners | Majority | Mid-cap | — |
| 15/05/2026 | Follow-on Investment | AmWorld | Foresight Group | Undisclosed | Lower mid-cap | — |
| 15/05/2026 | Growth | AppCheck | LDC | Minority | Lower mid-cap | — |
| 15/05/2026 | Growth | Bdaily | Maven Capital Partners | Undisclosed | Small-cap | — |
| 19/05/2026 | MBO | OddBalls | Alcuin Capital Partners | Undisclosed | Lower mid-cap | — |
| 20/05/2026 | PE-Backed Trade | Walkers Transport | DBAY Advisors | Undisclosed | Lower mid-cap | 8.63 |
| 22/05/2026 | SBO | Beacon | Corten Capital | Majority | Upper mid-cap | 7.39 |
| 22/05/2026 | Secondary Minority | Fresha | KKR | Undisclosed | Large-cap | — |
| 22/05/2026 | MBO | VS Group | Foresight Group | Undisclosed | Small-cap | — |
| 27/05/2026 | SBO | Helio Intelligence | Bridgepoint | Undisclosed | Mid-cap | 3.4 |
| 27/05/2026 | MBO | Steplab | Pelican Capital | Undisclosed | Small-cap | — |
| 27/05/2026 | MBO | Ampere Analysis | Goldenpeak | Undisclosed | Lower mid-cap | — |
| 28/05/2026 | Growth | Go Swag | Mercia | Undisclosed | Undisclosed | — |
| 02/06/2026 | Exit - Trade | Protein Works | Groupe Lactalis | Undisclosed | Mid-cap | 7.42 |
| 03/06/2026 | Growth | Signable | BGF | Undisclosed | Lower mid-cap | — |
| 03/06/2026 | SBO | Africa Specialty Risks | Vitruvian Partners | Majority | Upper mid-cap | 5.71 |
| 04/06/2026 | MBO | Dalziel | Peak Rock Capital | Majority | Upper mid-cap | — |
| 04/06/2026 | SBO | Hyve Group | Hellman & Friedman | Undisclosed | Large-cap | 3.22 |
| 05/06/2026 | Growth | Spotless Water | YFM Equity Partners | Undisclosed | Undisclosed | — |
| 08/06/2026 | Growth | Creature Comforts | Sofina | Minority | Lower mid-cap | — |
| 10/06/2026 | Growth | Vestd | Foresight Group | Undisclosed | Lower mid-cap | — |
| 11/06/2026 | Carve Out | Laser Clinics UK | Chariot Capital Group | Undisclosed | Lower mid-cap | 8.78 |
| 12/06/2026 | SBO | Mobius | Motive Partners | Undisclosed | Upper mid-cap | 5.88 |
| 12/06/2026 | Growth | Advancing Analytics | Lead Edge Capital | Undisclosed | Lower mid-cap | — |
| 12/06/2026 | Growth | CDP | Permira | Undisclosed | Undisclosed | — |
| 15/06/2026 | Exit - Trade | Isol8 | Archer | Undisclosed | Lower mid-cap | 4.79 |
| 15/06/2026 | Growth | Brookbanks | CBPE Capital | Undisclosed | Mid-cap | — |
| 16/06/2026 | SBO | Ranger Fire & Security | Inflexion | Majority | Upper mid-cap | 2.37 |
| 16/06/2026 | Growth | Pension Pulse | HGL Private Capital | Undisclosed | Small-cap | — |
| 17/06/2026 | Growth | Fortus | LDC | Undisclosed | Lower mid-cap | — |
| 19/06/2026 | Growth | Wild Frontiers | BGF | Undisclosed | Small-cap | — |
| 19/06/2026 | Growth | Minerva Virtual Academy | Phoenix Equity Partners | Undisclosed | Lower mid-cap | — |
| 19/06/2026 | MBO | Anochrome Group | Endless | Undisclosed | Lower mid-cap | — |
| 19/06/2026 | MBO | E.B. Bradshaw & Sons | Nimbus Capital | Undisclosed | Lower mid-cap | — |
| 22/06/2026 | P2P | Intertek | EQT | Undisclosed | Large-cap | — |
| 22/06/2026 | Carve Out | Finastra - Universal Banking Business | Pollen Street | Undisclosed | Large-cap | — |
| 23/06/2026 | Carve Out | Nu-Style Products | LDC | Undisclosed | Lower mid-cap | — |
| 23/06/2026 | MBO | Smart Managed Solutions | Investcorp | Majority | Upper mid-cap | — |
| 24/06/2026 | Growth | House of Marketers | Ethos Partners | Undisclosed | Small-cap | — |
| 25/06/2026 | Growth | UBDS Group | LDC | Undisclosed | Mid-cap | — |
| 29/06/2026 | SBO | Network Plus | Warburg Pincus | Undisclosed | Large-cap | 3.64 |

**Contact Us for Data Enquiries**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