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SOFTWARE & TECHNOLOGY TRANSACTIONS REPORT

AUGUST 2025



EXECUTIVE SUMMARY

August 2025 was a landmark month for software and technology M&A, defined by mega-deals in digital infrastructure and a surge in private equity buyouts totaling over \$100+ billion in total transaction value. The market's headline event was AT&T's \$23 billion acquisition of EchoStar's wireless spectrum licenses, a transformative move set to reshape the telecom landscape. Infrastructure consolidation also featured prominently, including Amphenol's \$10.5 billion purchase of CommScope's Connectivity and Cable Solutions (CCS) business.

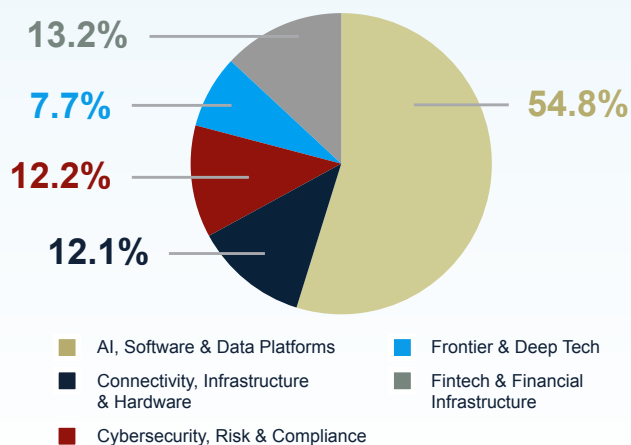
Private equity activity accelerated, with Thoma Bravo leading a \$12.3 billion take-private of Dayforce and a \$2 billion buyout of Verint Systems. Centerbridge Partners added to the momentum with a \$2 billion acquisition of Meridian-Link, highlighting PE's preference for mature software companies with predictable, recurring revenues.

Strategic consolidation also shaped the month. Nexstar Media Group's \$6.2 billion acquisition of Tegna reshuffled the U.S. broadcast market, while Motorola Solutions closed its \$4.4 billion acquisition of Silvus Technologies, emphasizing the premium on secure, mission-critical communications. Together, these transactions illustrate a highly active M&A environment driven by infrastructure control, enterprise SaaS buyouts, and sector consolidation.

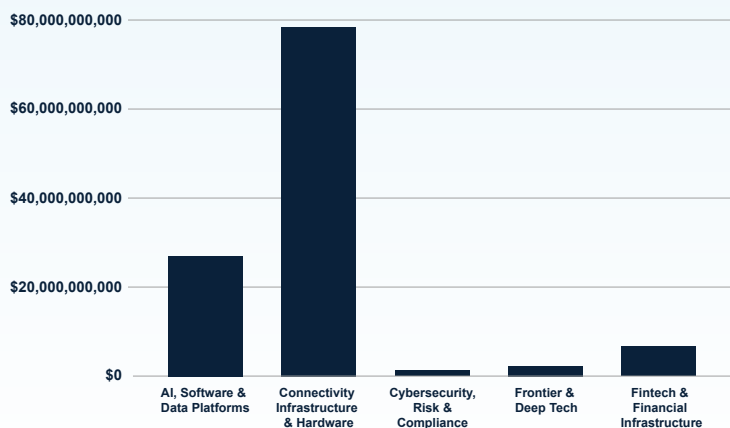
Key Takeaways for Investors and Operators:

- **Digital Infrastructure is Drawing Record Capital** – Mega-deals in spectrum and connectivity highlight investor conviction in the long-term value of physical digital assets. AT&T's \$23B spectrum acquisition and Amphenol's \$10.5B CommScope deal reflect a "flight to quality" in spectrum, fiber, and connectivity hardware. The trend underscores digital infrastructure as indispensable, revenue-stable, and strategically advantaged.
- **Private Equity is Targeting Enterprise SaaS at Scale** – Thoma Bravo's \$12.3B Dayforce deal and \$2B Verint acquisition, alongside Centerbridge's \$2B MeridianLink transaction, underscore PE's strategy of acquiring cash-generative SaaS businesses. These transactions highlight durable SaaS cash flows and private equity's conviction in the model's long-term value.
- **Strategic Consolidation is Reshaping Mature Sectors** – Companies across media and communications are scaling through acquisition rather than organic growth. Nexstar's \$6.2B Tegna deal strengthens its dominance in broadcasting, while Motorola's \$4.4B Silvus acquisition reinforces its position in defense communications. This activity reflects a maturing landscape where scale and capabilities increasingly dictate survival.

▶ **PERCENTAGE OF TOTAL TECHNOLOGY TRANSACTIONS BY VERTICAL (DEAL COUNT)**



▶ **CAPITAL DEPLOYED BY VERTICAL**



KEY SEGMENTS

AI, Software & Data Platforms

Transaction Value: \$23 Bn

The AI, Software & Data Platforms vertical was a focal point of investment and acquisition activity, still accounting for more than half of all transactions in the technology sector like last month but aggregate transaction value was down around \$70bn compared to last month (July \$93bn in transactions). The vertical was fueled by rising enterprise demand for automation, intelligent software, and advanced data management. The transactions spanned a wide spectrum, from foundational AI model development to specialized enterprise applications, reflecting a market eager to both build and apply intelligent software. Major themes included the development of AI teammates and software engineers, the automation of business processes and customer service, and the creation of platforms for enterprise data analysis and management. Collectively, this activity underscores a broad industry shift toward embedding AI and analytics into core business operations.

These themes translated into deal flow across multiple sub-sectors. Foundational and generative AI companies attracted substantial capital, including Cognition, an applied AI lab building an AI software engineer, and Imbue, which provides large language models for enterprise use. Enterprise automation was another key area, with transactions involving companies like Clay, which focuses on business process automation, and Siena, a conversational AI company improving customer service experiences. Furthermore, the data infrastructure layer that underpins the AI ecosystem saw notable activity, exemplified by Anaconda's funding to support its popular data science platform. This mix of investments underscores a dual focus on advancing core AI capabilities while also accelerating their practical application in business environments.

The investment landscape within the vertical was diverse, featuring a healthy mix of large-scale private equity buyouts and robust venture capital funding across all stages. The most significant transaction was Thoma Bravo's \$12.3 billion deal to take Dayforce, an HR and workforce management software pioneer, private. This mega-deal was complemented by numerous nine-figure venture rounds for growth-stage companies like VEMO, Celestial AI, and HighLevel. The consistent flow of early-stage deals, including dozens of Seed, Series A, and Series B financings, demonstrates a vibrant pipeline of innovation. This activity underscores investor confidence in the long-term growth trajectory of the software and AI sector.



Connectivity, Infrastructure, & Hardware

Transaction Value: \$69 Bn

The Connectivity, Infrastructure, & Hardware vertical attracted the most significant amount of capital across tech; but it was across fewer deals as it represented only 12.1% of total deal count in August, driven by massive, landscape-defining investments in the infrastructure assets of the digital economy. The largest transaction of the month was AT&T's \$23 billion agreement to acquire EchoStar's wireless spectrum licenses, a landmark deal aimed at bolstering 5G network capacity and securing a critical competitive advantage. This focus on core assets was echoed by Amphenol's \$10.5 billion agreement to acquire CommScope's Connectivity and Cable Solutions (CCS) business, reinforcing the trend of capital flowing heavily into essential hardware.

Beyond these mega-deals, strategic consolidation in specialized hardware was also prominent. Motorola Solutions completed its \$4.4 billion acquisition of Silvus Technologies, a developer of advanced wireless radios for mission-critical communications, highlighting the premium placed on robust hardware for the defense and public safety sectors. These transactions demonstrate a clear investor priority to own and control the indispensable physical assets, from spectrum and fiber to data connectivity hardware, that power the digital world.

August also had a unique and strategic transaction: the U.S. Government's agreement to purchase a 9.9% stake in Intel Corporation for \$8.9 billion. Unlike the other transactions during the month, this investment reflects a broader effort by the government to deploy capital into private-sector assets within critical industries.

The Intel transaction highlights a shift toward government participation as both policymaker and investor, aligning financial returns with industrial priorities. By taking a direct equity position, the government is not only supporting the semiconductor sector but also positioning itself to benefit from the long-term value creation of a technology company. Similar initiatives are emerging in the defense sector, suggesting that state equity participation could become a broader tool for advancing strategic industries.



Cybersecurity, Risk & Compliance

Transaction Value: \$1 Bn

This vertical was quiet this month after the announced take-private of CyberArk in July. However continued to attract substantial investment as organizations confront an increasingly complex threat landscape and the security implications of emerging technologies like AI. Key investment themes included identity and access management, with particular momentum in passwordless authentication solutions from companies like TruU. Another major area was threat detection and response, where capital flowed toward platforms that automate security workflows and deliver managed services, exemplified by Tines and Sundial. Investors also showed strong interest in securing new technology layers, including enterprise browser security (Island), firmware protection (Binarly), and tools designed to safeguard the use of large language models (Zemali).

The financial landscape was characterized by both large-scale growth rounds and ongoing consolidation activity. Venture capital continued to back high-potential companies, highlighted by Island's \$250 million raise, underscoring strong conviction in enterprise browser security. At the same time, the steady pace of add-on acquisitions and leveraged buyouts reflects a maturing market, as larger platform players seek to expand capabilities by acquiring specialized technologies—illustrated by deals involving NAVEX and Zentry Security. Meanwhile, the presence of numerous early-stage seed and venture rounds emphasizes a dynamic and innovation-driven environment focused on combating the next wave of digital threats.



Fintech & Financial Infrastructure

Transaction Value: \$6 Bn

The Fintech & Financial Infrastructure vertical was defined by a single, significant private equity transaction underscoring the ongoing digital transformation within the insurance industry. Advent International announced a \$2.5 billion acquisition of Sapiens, a global provider of software solutions for insurance carriers. This deal is sharply focused on modernizing core back-end systems across property & casualty, life, and reinsurance providers.

The acquisition of Sapiens was the flagship transaction for this segment and reinforces the broader theme that the complex infrastructure of the financial sector is a prime target for large-scale investment. While consumer-facing fintech often captures headlines, this deal demonstrates that the B2B software powering essential operations at large financial institutions represents a highly attractive market for investors seeking stability and durable growth.

While the Sapiens deal captured most of the attention, a steady stream of other transactions underscored the breadth of activity across financial technology. Centerbridge Partners' \$2 billion acquisition of MeridianLink, a cloud-based platform for financial institutions, was another standout example. Capital further flowed into specialized, high-growth niches, including VULCAN, a Brazilian "Banking as a Service" provider, and Rain, a financial wellness company delivering earned wage access solutions for employees. These transactions illustrate that, alongside major infrastructure overhauls, the market is actively funding a broad spectrum of emerging fintech solutions that address both institutional and workforce needs.



Frontier & Deep Tech

Transaction Value: \$2 Bn

The Frontier & Deep Tech vertical was a significant area of investment in August 2025, attracting just over \$2 billion across more than three dozen transactions. Investor appetite was strongest for capital-intensive technologies poised to redefine major industries. This was highlighted by several large-scale deals, including a \$300 million investment in quantum computer manufacturer KIM, a \$283 million funding round for autonomous delivery vehicle company Nuro, and over \$250 million each for advanced manufacturing firm Hadrian and photonic platform developer Celestial AI. The primary focus was on hardware and infrastructure, with significant funding directed toward next-generation semiconductors, quantum computing, and autonomous systems, signaling a clear long-term bet on the core technologies that will power future innovation.

Beyond these major hardware-focused investments, the month also saw robust activity at the seed and early stages, revealing emerging trends within the deep tech landscape. A diverse range of startups secured funding for software and platform-based solutions, including Armada, which provides scalable and affordable satellite internet connectivity for IoT devices by integrating with Starlink, that raised \$131 million. Genesis AI focuses on creating advanced artificial general intelligence (AGI) systems and related technologies and raised \$105 million in seed funding. There was a notable concentration of early-stage funding for developer tools, augmented reality (AR) platforms for industrial applications, and niche applications like blockchain-based gaming. This vibrant seed-stage ecosystem indicates a healthy pipeline of innovation, with many companies focused on building the software and applications that will leverage the next generation of deep technologies.



TRANSACTION NEWS

The table below highlights the top five transactions in software and technology, each notable for its scale, strategic positioning, and alignment with major investment themes. These companies stood out not just for their transaction size, but for their importance across high-growth verticals such as AI-native software, cybersecurity, networking infrastructure, and next-gen telecom platforms.

TOP FIVE TECHNOLOGY TRANSACTIONS - AUGUST 2025

Rank	Name	Description	Type	Sub-Type	Vertical	Transaction Value	Buyer/ Investor
1	EchoStar (SATS)	Agreed to sell its wireless spectrum licenses to AT&T for approximately \$23 billion.	Corporate asset sale	Carve-out / Divestiture	Connectivity Infrastructure & Hardware	\$23 Bn	AT&T
2	Dayforce (DAY)	Acquired by private equity firm Thoma Bravo in a \$12.3 billion take-private transaction.	Buyout	Take-private	AI, Software & Data Platforms	\$12.3 Bn	Thoma Bravo
3	CommScope - CCS Business (COMM)	Acquired by Amphenol Corporation from CommScope for \$10.5 billion.	Strategic corporate acquisition	Carve-Out / Divestiture	Connectivity Infrastructure & Hardware	\$10.5 Bn	Amphenol
4	Intel Corporation (INTC)	U.S. Government to buy 9.9% of Intel common stock shares.	Strategic Investment	Equity Financing	Connectivity Infrastructure & Hardware	\$8.9 Bn	U.S. Government
5	Tegna (TGNA)	Acquired by Nexstar Media Group, Inc. in a \$6.2 billion media consolidation deal.	Corporate acquisition	Acquisition	Connectivity Infrastructure & Hardware	\$6.2 Bn	Nexstar



KEY TRENDS IN DEALMAKING

- **Core Infrastructure is a Primary Target:** Three of the top five deals (EchoStar, CommScope-CCS, and Tegna) represent massive investments in telecom and media infrastructure. This focus on core assets like wireless spectrum, connectivity hardware, and broadcast networks highlights a strategic priority to own and control the fundamental channels of communication and data distribution.
- **National Interest in Semiconductors is a Strategic Priority:** The U.S. Government's significant equity investment in Intel is a notable outlier. Unlike the other market-driven consolidation and private equity deals, this transaction underscores a geopolitical and national security interest in securing the domestic semiconductor supply chain, viewing it as a critical national asset.
- **Massive Bets on Digital Infrastructure:** Huge capital investments are flowing into digital infrastructure, with a focus on owning essential assets like wireless spectrum and core connectivity hardware.
- **Corporate Carve-outs Unlock Billions:** Two of the top three transactions (EchoStar and CommScope-CCS) are divestitures, where large corporations are selling major business units. This indicates a strong trend of companies streamlining their operations by shedding non-core assets to strategic buyers, unlocking significant capital in the process.
- **Take-Private Transactions Dominate M&A:** The acquisitions of Dayforce and Verint Systems are both take-private deals, removing them from the public stock market. This signals that both private equity firms like Thoma Bravo and strategic acquirers like Nexstar believe these companies hold more value operating as private entities, free from the pressures of quarterly public reporting.
- **Strategic Consolidation in Mature Sectors:** Consolidation is rampant in mature sectors like media and communications, as larger players systematically acquire competitors to gain scale and market dominance.

LOOKING FORWARD

Here are a couple of key things to watch in the coming months based on August's activity:

- **Regulatory Scrutiny on Mega-Deals:** The blockbuster acquisitions in telecom and media, particularly AT&T's deal for EchoStar's spectrum and Nexstar's purchase of Tegna, will now enter a period of intense regulatory review. The outcomes of these reviews could set new precedents and influence future consolidation attempts in these critical sectors.
- **Private Equity's Next Move:** After a month of aggressive, multi-billion-dollar take-private deals. All eyes will be on the major private equity players. The key question is whether they will continue their fervent pursuit of enterprise software companies or if they will begin to pivot their massive capital reserves toward new sectors.

Heading into the final quarter of 2025, the pace of dealmaking will be heavily influenced by macroeconomic stability and interest rate movements. However, the fundamental trends seen in August, especially the focus on acquiring core infrastructure and the strategic consolidation in mature software and media markets, are expected to persist. Expect companies to continue using M&A to build scale and divest non-core assets as they position themselves for the competitive landscape of 2026.



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