

November 2025:

UK Healthcare M&A Update

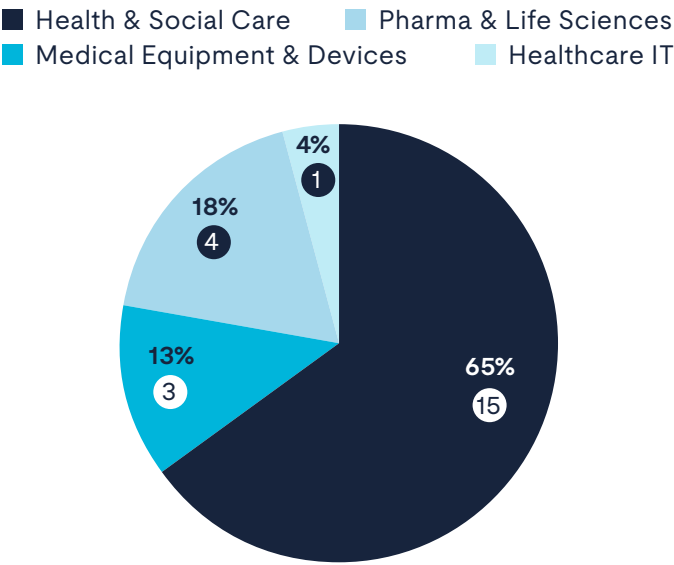
A look back at October 2025

We see things
differently.

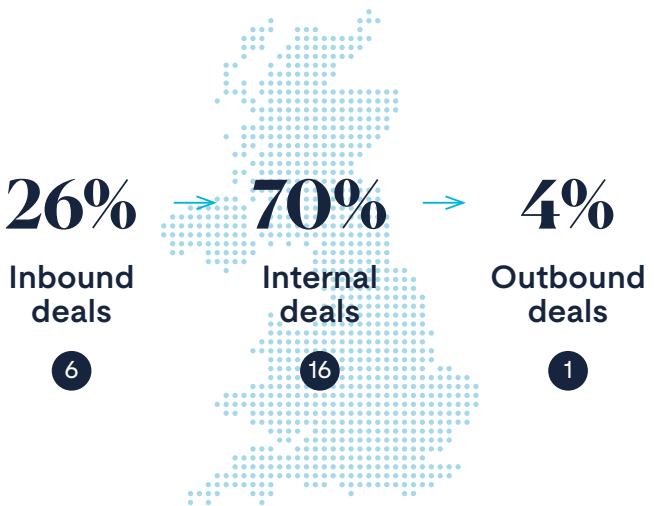
Executive summary

- There were 23 healthcare deals in the UK last month, with 8 announced and 15 completed – a notable drop from the 44 recorded in October 2024. This slowdown may be attributed to heightened uncertainty surrounding the upcoming Budget and current fiscal policy. Last year’s spike in activity was largely driven by investors seeking to complete transactions ahead of the Budget, and we may see a similar rush in November. Additionally, some deals in progress may have slipped into November or December due to extended due diligence processes or valuation gaps.
- Health and Social Care continued to be the most active sector, contributing 65% of the deal volume. This was largely due to the completed acquisitions of various care homes in the UK. Pharma and Life Sciences M&A has remained healthy, with investors targeting technology-enabled service providers, particularly involved in clinical trials, data analytics and AI-driven drug discovery.
- There were relatively fewer Healthcare IT deals in October 2025 compared to other healthcare subsectors. We expect to see renewed growth in this area over the longer term, driven by structural trends, such as digitalisation and the increasing integration of technology into clinical workflows. These factors are likely to build transaction momentum as investors continue to seek scalable, innovation-led opportunities.
- Strategic buyers accounted for 83% of deal volumes, while private equity activity remained broadly stable. The majority of deal transactions were internal, with 70% activity taking place in the UK. Inbound investment made up 26% of the activity, comprising one European, four US-based and one Indian transaction. This trend underscores the continued attractiveness of UK healthcare assets to international acquirers, reflecting favourable market fundamentals and relative value compared to other developed markets.
- US-based Welltower Inc. (NYSE: WELL) announced the acquisition of UK-based Barchester Healthcare, which marks the world’s largest care home acquisition to date, surpassing all previous records in the sector. Welltower also announced acquisition of HC-One Care and Aria Care, both big players in the UK care home sector. The acquisitions represent a major transformation in the ownership of the UK’s elderly care sector, highlighting a broader shift from locally-based operators to global investment players. Welltower has signalled its intention to grow its presence in the UK over the coming decade, demonstrating a long-term commitment to delivering sustainable, high-quality environments for senior living.
- October 2025 highlights investors’ resilience in the face of continued macroeconomic uncertainty. The healthcare sector remains dynamic, offering significant opportunities for those prepared to innovate and strategically position themselves within an evolving landscape. This is exemplified by Phoenix’s partnership with FutureMeds, aimed at establishing a leading independent provider of high-quality clinical trials that contribute to the development of innovative new therapies.

Total deals



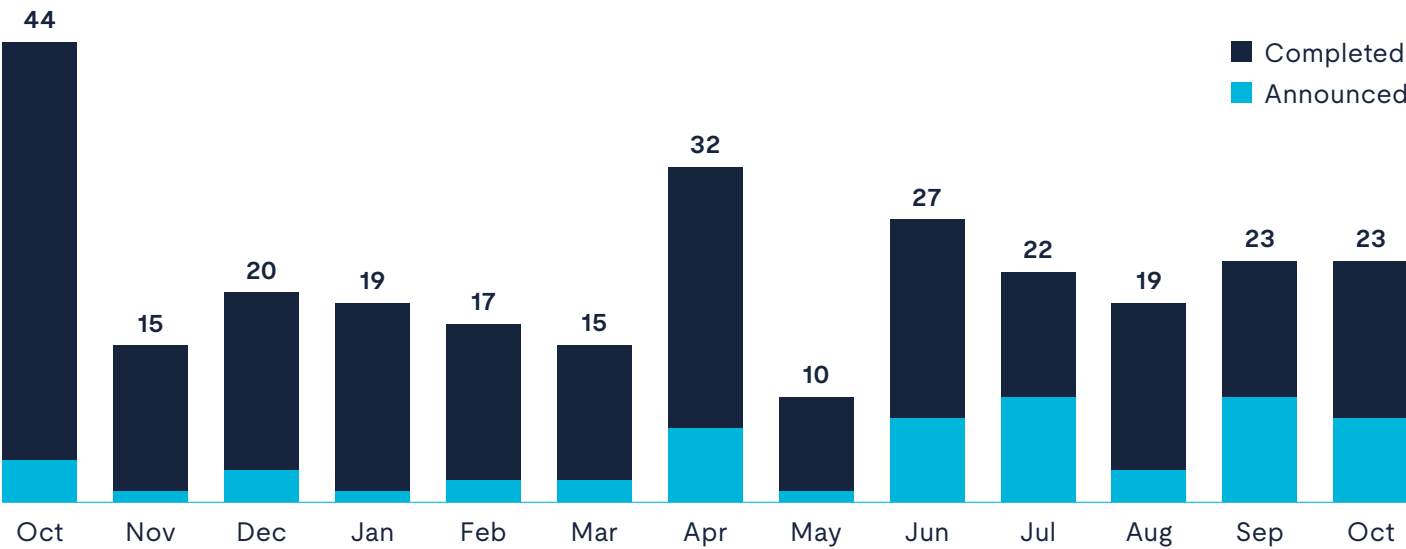
Inbound vs Internal vs Outbound¹



Strategic vs PE buyers



Rolling monthly M&A deal flow²



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 the Health and Social Care, and Pharma and Life Sciences subsectors, which together accounted for 83% of deal flow.

Pharma & Life Sciences

In October, 18% of the deals done were in Pharma and Life Sciences sector. One quarter of the deals in this sector were from private equity investments.



UK-based **Aspire Pharma Limited** acquired UK-based **Charlwood Pharma Limited**, a pharmaceutical wholesaler specialising in the research and development of niche generic medicines. The acquisition enhances Aspire Pharma's product portfolio and distribution capabilities, reinforcing its strategy of expanding access to cost-effective pharmaceutical solutions.



UK-based PE firm **Phoenix Equity Partners** acquired an additional minority stake in UK-based **FutureMeds Ltd** from HGL Private Capital. FutureMeds operates as a pan-European clinical research organisation offering patient-centric access to clinical trials across a range of therapeutic areas.



UK-based **Imaging Biometrics Ltd** acquired an 86.1% stake in UK-based **Kirkstall Limited** from Truetide plc (AIM: TRUE) for approximately £0.14 million. Kirkstall is a biotechnology company specialising in organ-on-a-chip and dynamic flow cell culture systems, enabling more accurate human tissue modelling for drug testing. The acquisition enhances Imaging Biometrics' technological capabilities and positions it for future growth in advanced biopharma research tools.



US-based **Entero Therapeutics, Inc.** (Nasdaq: ENTO) completed its acquisition of UK-based **Grid AI Corp** in a reverse merger transaction. While Entero, a clinical-stage biopharmaceutical company, is the surviving listed entity, the deal's structure effectively gives Grid AI's shareholders ownership of approximately 82.5% of Entero Therapeutics. This ownership distribution means that Grid AI has gained control of Entero. The reverse merger, whilst primary rationale lies outside healthcare, strengthens Entero's position in healthcare technology and data-driven therapeutics as new ownership and control dynamic belongs to Grid AI.

Health & Social Care

Health and Social Care deals continued to dominate deal flow, with 65% of all deals in that sector. Deals are focused on the acquisitions of various care homes for the elderly in and around the UK. 20% of Health and Social Care deals were US-bound.



UK-based **Oxford Aunts Ltd** acquired UK-based **Countywide Caring Limited**, a home care provider. Countywide Caring offers personalised in-home support services, accredited by OACP and QCS. Following the acquisition, Countywide Caring's services will be rebranded under Oxford Aunts, reinforcing Oxford Aunts' strategy to expand its footprint in the UK home care market.



Pension Trustees



UK-based **NatWest Pension Trustees Limited** acquired the remaining 50% stake in UK-based **Inspired Villages Ltd** from Legal & General Group Plc (LSE:LGDN). Inspired Villages operates luxury later-living communities across the UK, offering independent living with premium wellness and hospitality services. This transaction gives NatWest full ownership and strengthens its exposure to the resilient UK retirement living sector.



UK-based **Newcore Capital LLP** acquired UK-based **Attenborough Health Premises Ltd**, which owns Bushey Medical Centre and The Tudor Surgery in Hertfordshire, for approximately £10 million. Attenborough Health operates the Attenborough Surgery GP network, serving around 30,000 patients. The acquisition strengthens Newcore's portfolio of UK healthcare real estate assets, particularly within NHS-backed primary care.

The UK Health and Social Care sector saw a series of strategic acquisitions among care home operators. **Lovett Care Limited** announced the acquisition of **Belvedere Manor**, an 84-bed care home in Lancashire. **Black Swan Care Group Ltd** completed the purchase of **All Hallows Care Home**, while **Ashberry Healthcare Limited** acquired **Brockworth House Nursing Home** from Methodist Homes (MHA). **Oak Tree Care Group Limited** expanded its footprint through the acquisition of the **Lincolnshire Care Home Portfolio**, and **Intergrum Care Group Limited** completed the purchase of **Swanborough House Care Facility**. Additionally, **Caron Group Limited** acquired **three purpose-built care homes** from Priory Group Limited, further strengthening its presence across South and Mid-Wales. All deals had an undisclosed transaction value.

This sector also has representation on page 8;
Deep dive: Largest global care home transaction.

Medical Equipment & Devices

Medical Equipment and Devices only account for 13% of the deals in October. The deals reflect an ongoing wave of operational expansion to improve technology and capacity across critical medical segments.



France-based **Keensight Capital** acquired a majority stake in UK-based **Bedfont Scientific Ltd**, a med-tech specialist in non-invasive breath and gas analysis instruments. The deal underscores Keensight's strategy of investing in high-growth, innovation-led healthcare businesses with strong international potential.

This sector has representation on page 6;
Deep dive: Rise in UK demand for diagnostics.

Healthcare IT

In October, Healthcare IT accounted for just 4% of total healthcare transactions. However, we expect deal activity in this sector to rise as demand for advanced, tech-enabled healthcare solutions continues to grow.



US-based **R1 RCM Inc.** acquired UK-based health tech company **Phare Health Ltd** from investors General Catalyst, Bertelsmann Investments, and Meridian Health Ventures. Phare Health applies AI to streamline healthcare reimbursement. Following the acquisition, Phare Health's team will join R1's R37 innovation lab, enhancing R1's automation capabilities in the healthcare revenue cycle.



Deep dive: Rise in UK demand for diagnostics

The population in England is growing and ageing, bringing a growing burden of disease. According to the Office for National Statistics, England's population is expected to grow by 6.7% by 2045 and the number of people aged 85 years or over will have nearly doubled simultaneously. This means the strain on diagnostic services is set to increase further in coming years.

As of early 2025, waiting lists for diagnostic tests in England have grown substantially, with around 1.6 million people waiting for tests, doubling since 2006. By mid-2025, delays have worsened, with over 470,000 patients waiting more than six weeks for key diagnostics like imaging and endoscopy. This environment has spurred M&A activity in diagnostic imaging and broader healthcare services, driven by both strategic buyers and private equity investors seeking to consolidate fragmented markets and capitalise on strong demand fundamentals.

Firstly, the NHS is expanding investment into diagnostics via the Community Diagnostic Centre (CDC) Programme, which in 2025 is entering its fourth year with approximately 170 approved operational sites across the country. These centres are designed to improve turnaround times, reduce backlogs and enable earlier detection of conditions such as cancer and cardiovascular disease. They bring diagnostics out of hospitals and into more accessible community settings, and emphasise modern equipment and improved pathways, supported by an approximately £2.3 billion capital investment. These hubs integrate digital pathology, AI-assisted imaging, and data-driven workflow management to enhance efficiency and reduce cost per test.



Secondly, private diagnostic providers are strategically expanding. A recent acquisition by UK-based **Medneo UK Ltd** of UK-based **Fairford Medical's** entire fleet of **MRI and CT scanners**, strengthens its capacity to meet the rising demand. This deal marks Medneo's first acquisition following its own backing by private equity firm CVC DIF in 2024 and aligns with a wider buy-and-build growth strategy. By acquiring Fairford's mobile and modular imaging systems, Medneo is rapidly expanding its national footprint, boosting diagnostic capacity and enhancing its ability to support both NHS and private sector healthcare providers.

Platforms capable of integrating imaging, AI-based analysis, and digital reporting now command premium valuations, reflecting their ability to improve throughput, workforce productivity, and patient outcomes. Strategic acquisitions like Medneo's show how investors are consolidating this sector by building integrated platforms capable of improving diagnostic delivery and supporting the NHS's long-term transformation goals.



Deep dive: Largest global care home transaction

October saw the world’s largest care home deal, with buyer Welltower Inc. (NYSE: WELL) announcing £23 billion worth of transactions as it focuses on the next era of its journey: Welltower 3.0. They will concentrate on operational modernisation, exclusive operator partnerships and long-term shareholder value creation.



US-based **Welltower** agreed to acquire **Barchester Healthcare Ltd**, the UK’s largest independent care home and specialist providers in a £5.2 billion transaction. The transaction includes over 230 care homes and hospitals, alongside a development pipeline of 21 new projects. This marks the world’s largest care home acquisition to date, surpassing all previous records in the sector.

This strategic expansion also saw **Welltower** announce acquisitions of **HC-One Limited**, for £1.2 billion and **Aria Care Limited** for £615 million. HC-One operates 280 care homes, while Aria Care provides nursing care to more than 50 communities in the UK. These acquisitions strengthen Welltower’s UK expansion strategy, reinforcing its position as leading global investor in premium senior living.

There are two main factors that are driving Welltower’s M&A strategy. Firstly, the rapid demographic aging and policy reforms in the UK and Europe, which encourage investment into modern senior living and care home platforms. Secondly, the REIT model’s appeal for large portfolios with operator partnerships and lease/management contracts, predictable income and solid asset-backing. The recent Welltower deals show these attractive features throughout.

Deal-flow in senior housing remains robust, yet investor focus becomes increasingly selective. Buyers are now targeting acquisitions that provide scale and operational efficiencies, rather than smaller, standalone assets. Welltower’s approach favours large, asset-light, operator-partnered models exemplified by the Barchester acquisition, where real estate is owned and leased or operated in partnership to capture value from occupancy and margin growth, particularly given limited new development. As the UK senior-living market consolidates, the opportunity lies less in incremental facility buys and more in acquiring large platforms that can be optimised, scaled and integrated with institutional capital.

Other relevant announced deals

Health & Social Care



UK-based **Bupa Healthcare Services Limited** agreed to acquire UK-based **King Edward VII's Hospital**, a 56-bed private hospital in London. The facility has a long-standing reputation for clinical excellence, offering expertise in musculoskeletal, women's health, urology and digestive care. The deal is expected to close by the end of 2025, expanding Bupa's footprint in premium independent healthcare.



Indian-based and publicly listed Narayana Hrudayalaya Ltd's (NSEI: NH) UK subsidiary, **Narayana Hrudayalaya UK Ltd**, has entered an agreement to acquire UK-based **Practice Plus Group Holdings Limited** from Bridgepoint Advisers Limited for approximately £183 million. Practice Plus Group operates hospitals, diagnostics and urgent care services across England, mainly in partnership with the NHS. The acquisition supports Narayana's strategy to expand within the UK healthcare market.



UK-based **Beacon Rise Holdings PLC** (LSE:BRS) announced plans to acquire UK-based **Dr Kerry Sissins Chiropractor Limited** (operating as **Wellness & Vitality Chiropractic**), a family-focused chiropractic clinic providing spinal, neurological and wellness care. The proposed deal, valued at approximately £0.96 million, remains subject to due diligence and regulatory approval.

Medical Equipment & Devices



UK-based pharmacy giant **Boots UK Limited** announced the acquisition of UK-based **Concepta Diagnostics Limited** from MyHealthChecked PLC (AIM: MHC) for approximately £2.4 million. Concepta specialises in distributing and commercialising at-home health and wellness tests, supported by its proprietary digital platform.

Notes: Announced deals show intention and may indicate future trends. However, the completion of these deals is uncertain, and it depends upon geopolitical and economic developments, such as the new US administration.



Interest rates, inflation and tax: What it means for M&A activity

It came as little surprise that the Bank of England held interest rates at 4.0%, and inflation remained at 3.8%. The Monetary Policy Committee voted by a majority of 5-4 to maintain Bank Rate at 4%, reflecting cautious optimism ahead of further signs of inflation cooling and the government's upcoming Budget on 26 November, where speculation is growing that Chancellor Rachel Reeves may raise taxes.

With interest rates now stabilising, we find ourselves in what feels like a “gradual downward path” environment. Monetary Policy is balancing the risks around meeting the 2% inflation target sustainably. While inflation persistence has eased, weaker demand poses medium-term risks, creating a more balanced outlook. From a macro perspective, this stability tends to give acquirers greater confidence. Borrowing costs have steadied, and expectations are shifting towards rates having peaked. This improving outlook makes debt-financed transactions more attractive. Even if 4% remains high compared to the era of ‘cheap money’, it feels more manageable in a market anticipating future cuts rather than further hikes.

Headwinds remain. If investors suspect rates could rise again or broader economic conditions soften, they may delay acquisitions or proceed cautiously. Sectors such as health and social care – particularly those pursuing buy-and-build strategies or refinancing – may face challenges. Higher interest payments can strain cash flow and funding for new builds or refurbishments becomes harder to secure. Conversely, if rates remain stable and inflation continues to fall, real wages and purchasing power could improve, easing wage pressure. However, fiscal policy will be critical; tighter tax measures could offset these gains and dampen consumer confidence.

Buyers and sellers may accelerate deals ahead of tax changes, while business owners facing lower post-tax profits could hesitate to go to market-or push for higher valuations to counteract fiscal drag.

HELIGAN INTELLIGENCE



With the Autumn Budget looming, the UK faces rising tax burdens. According to the Institute for Fiscal Studies, increases to the ‘big three’ taxes are likely, alongside new revenue-raising measures. One example is the proposed 3p-per-mile tax on electric vehicles to offset declining fuel duty revenues. Further changes could also affect partnership taxation, particularly LLP structures, as the government seeks to address an expected £22 billion shortfall in public finances.

Against this backdrop, timing becomes critical for M&A transactions. Buyers and sellers may accelerate deals ahead of tax changes, while business owners facing lower post-tax profits could hesitate to go to market or push for higher valuations to counteract fiscal drag.

Looking ahead, the combination of stable interest rates and potential tax increases could shape the M&A landscape over the next 12–24 months in several ways:

- **Gradual recovery in deal flow:** With inflation easing and the base rate steady at 4% (and the possibility of cuts), mid-market M&A activity may see a modest uptick, particularly from strategic buyers and PE firms with capital reserves.
- **Resilient targets in focus:** Businesses with strong fundamentals – low debt, high cash flow, and exposure to defensive sectors like healthcare – will attract greater interest.
- **Valuation pressures:** Rising taxes and sustained borrowing costs could compress returns, soften valuations and slow deal momentum.

In short, while the current environment may not be booming, it is far from stagnant. For dealmakers, the next year will be defined less by volatility and more by precision, timing, structure and strategic alignment will all be key.

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Ramesh Jassal
Partner,
Healthcare



Simon Heath
Managing Partner,
Corporate Finance



Matt Croker
Director



Andrew Dickinson
Director



Joe Carbery
Associate Director



Mike Howell
Manager



Joanna Sam
Senior Analyst



Harry Spencer
Senior Analyst



Trixie Taroni
Analyst



Ramesh Jassal
Partner, Healthcare
ramesh.jassal@heligangroup.com

Heligan Group
24 Upper Brook Street
London
W1K 7QB

St Philip's House
4 St Philip's Place
Birmingham
B3 2PP