



INDUSTRY UPDATE
JULY 2025

Medical Devices

As of 2025, Europe's medical devices market is valued at over \$140 billion, with M&A activity remaining robust as buyers continue to prioritise high-growth targets across diagnostics, surgical technologies, and connected care.

HEADLINES



AGEING POPULATIONS AND INNOVATION DRIVE GROWTH

Europe's medical devices market is expanding steadily, fuelled by demographic pressures and rapid technological advancement.



CONSOLIDATION IN SPECIALIST SEGMENTS

Recent M&A activity highlights strong momentum in niche, high-growth areas, as buyers scale specialist platforms to meet demand for value-led care.



SELECTIVE CAPITAL, STRATEGIC CONSOLIDATION

Medical device M&A is increasingly selective, with buyers prioritising scalable, high-quality assets. Deal values are rising, with Private Equity continuing to drive mid-market consolidation through targeted bolt-ons.



POSITIVE OUTLOOK AMID STRUCTURAL CHANGE

Despite ongoing reform and selective funding, the outlook for medical device M&A remains strong, with buyers targeting scalable, tech-enabled businesses aligned to decentralised care and system-wide efficiency.



MARKET OVERVIEW

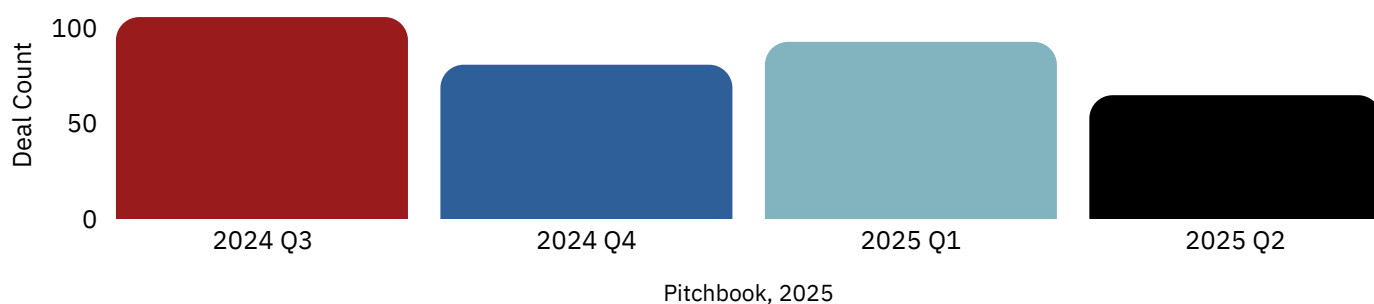
The medical devices sector plays a critical role in modern healthcare, encompassing a wide range of technologies from diagnostic equipment and surgical instruments to advanced robotic systems and connected home care solutions.

Within the UK and Europe, the industry has demonstrated consistent resilience and innovation, supported by demographic tailwinds and accelerating technological advancement.

As of 2025, the European medical devices market is estimated to be worth approximately \$148 billion. Forecasts suggest continued growth at a CAGR of 4.9%, with the market expected to exceed \$207 billion by 2032¹.

This growth trajectory is underpinned by both structural and cyclical drivers, reinforcing the sector's strategic importance within the broader healthcare sector.

HEALTHCARE TRANSACTION VOLUME IN THE UK AND EUROPE



Shifting Demographics, Smarter Devices

A key factor contributing to the market's expansion is Europe's aging population. With nearly 21% of the European population aged 65 or over, demand for age-related solutions is steadily increasing². This trend is particularly pronounced in Western Europe, where healthcare systems are grappling with the dual challenge of improving care quality while dealing with government pressures to manage long-term public spending on healthcare.

Digital health integration is also transforming the landscape. The uptake of connected devices capable of monitoring patient vitals and integrating with electronic health records is accelerating rapidly, with adoption further catalysed by post-pandemic shifts toward decentralised care.

Regulation, Risk and Reward

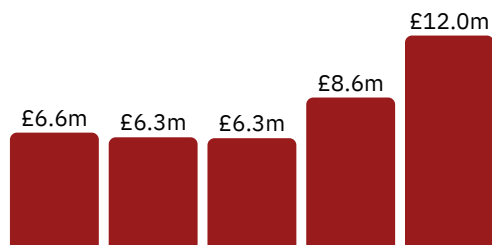
Regulatory reform continues to shape the operating environment. Introduction of the EU Medical Device Regulation and In Vitro Diagnostic Regulation has raised the bar for clinical evaluation and post-market surveillance, increasing both time-to-market and compliance costs. In parallel, the UK's post-Brexit framework, the Medicines and Healthcare products Regulatory Agency proposes new pathways that aim to balance patient safety with innovation.

Despite these regulatory complexities, investor appetite remains strong - particularly for businesses that combine defensible IP with scalable technology platforms.



M&A ACTIVITY

MEDIAN DEAL VALUE, 2021-2025



Pitchbook, 2025

Deal Values Rise as Buyers Prioritise Scale

Whilst transaction volume has remained steady, median deal sizes have risen sharply in 2025³, underscoring a preference for strategic acquisitions offering scale, defensible IP, and regulatory readiness.

In the UK, notable transactions have spanned diagnostics, surgical tools, and connected care, with increasing inbound interest from US and Nordic acquirers. Diagnostic and monitoring devices remain especially active, driven by demand for early intervention and decentralised care.

Looking ahead, deal volumes are expected to remain stable, while deal values continue to rise, supported by disciplined capital deployment and a focus on strong performing targets with clear growth opportunities.

Bolt-Ons at the forefront of PE Strategy

Private equity remains a cornerstone of M&A in the UK and Europe, with a focus on complementary bolt-on strategies that expand existing platforms.

In Q1 2025, the wider healthcare market complete 59 M&A deals in the UK alone⁴, with financial investors deploying over £630m, and private equity accounting for approximately half of all deal activity⁵.

Headwinds do persist, however, with regulatory complexity adding to due diligence workloads. Meanwhile, macro pressures, including inflation and tariffs, may unsettle valuations and financing.

Looking forward, stabilisation in interest rates and evolving NHS procurement structures (e.g., via Integrated Care Systems) should create fertile ground for further consolidation. Investors will likely continue targeting bolt-ons that enhance scale, unlock cross-selling synergies, or deepen regional reach. As a result, private equity is expected to remain a stabilising force in medical device M&A, particularly in resilient niches like diagnostics, surgical consumables, and outpatient-focused devices.

£635m
INVESTED IN Q1 2025


44
PE DEALS IN Q1

£12m
MEDIAN DEAL SIZE

153
DEALS COMPLETED IN H1 2025



SELECTED RECENT TRANSACTIONS

Date	Target / Buyer	Target / Buyer Description	Target / Buyer HQ	Deal size (£m)	Deal Rationale
13 Jun 2025	 SAFE LIFE	Supplier of defibrillators and first-aid equipment across Europe.		425	Supports Safe Life in expanding access to defibrillators, via international expansion, the growth of its aftermarket and training capabilities, and M&A.
	 Bridgepoint Group	Investor in mid-market healthcare and other sector businesses.			
10 Jun 2025		Developer of ophthalmic devices and pharmaceuticals.		227	Enables Faes Farma to offer one of the most comprehensive ophthalmology portfolios in the industry, with a complementary geographic presence.
	 FAES FARMA	Manufacturer of pharmaceuticals and hospital-use medical devices.			
6 May 2025		Supplier of automated external defibrillators, accessories, service maintenance, and training.		Undisclosed	Allows strategic entry into the Swiss market, leveraging ResQshock's local presence, relationships and service capabilities to accelerate pan-European growth.
	 SAFE LIFE	Supplier of defibrillators and first-aid equipment across Europe.			
1 Apr 2025	 EDGE MEDICAL	Leading distributor of a comprehensive portfolio of advanced orthopaedic products.		Undisclosed	Enhances orthopaedic surgery offering to accelerate Addlife's strategic expansion in a prioritised Medtech segment.
	 AddLife	Distributor of laboratory equipment and diagnostic products, operating through 86 entrepreneur-led subsidiaries.			
24 Mar 2025	 LAUNCH	Provider of in-vitro diagnostic solutions to clinical laboratories.		13	Strengthens Duomed's in-vitro diagnostics platform in the UK and Ireland with deep hospital and laboratory coverage.
	 DUOMED by Palex	Supplier of surgical and endoscopy equipment to hospitals and clinics.			
19 Mar 2025	 DIGNITANA	Manufacturer of scalp cooling systems for cancer patients.		12	Positions Paxman as the unified leader in scalp cooling, combining device platforms and expanding treatment coverage across the US.
	 PAXMAN	Developer of scalp cooling technology for chemotherapy-induced hair loss.			
11 Feb 2025	 CREO MEDICAL	Developer of energy-based surgical tools for minimally invasive procedures.		31	Adds advanced energy tools to Micro-Tech's endoscopy portfolio, and provides access to over 5,000 hospital and clinic customers across Western Europe.
	 MICRO-TECH ENDOSCOPY	Manufacturer of endoscopic devices for gastrointestinal and pulmonary care.			



OUTLOOK

The medical devices M&A landscape is expected to remain active over the next 6 to 12 months, underpinned by stabilising macroeconomic conditions and a continued shift toward system efficiency and decentralised care. While interest rates and inflation are levelling off, market participants should remain mindful of political and structural developments across Europe, including the planned abolition of NHS England - a reform likely to reshape procurement and commissioning dynamics in the UK⁶.

This restructuring, with responsibilities moving to a new central body, may create short-term uncertainty but could also drive deal activity. Buyers looking to enter the UK market are likely to favour businesses with strong Integrated Care System relationships, value-based propositions, and scalable regional models, as procurement becomes increasingly decentralised and outcomes-focused.

References

1. [*"Europe Medical Device Market", Fortune Business Insights, 2025.*](#)
2. [*"Population Structure and ageing", Eurostat, 2024.*](#)
3. [*Pitchbook, 2025.*](#)
4. [*"UK Healthcare M&A remains robust throughout Q1 as deals continue to flow in 2025", Business Money, 2025.*](#)
5. [*Pitchbook, 2025.*](#)
6. [*"Sacrificial Lamb: the fall of NHS England", Financial Times, 2025.*](#)

Evolving technology continues to be a key driver of innovation and investment across the sector. Advancements in surgical robotics, AI-powered diagnostics, and connected monitoring tools are reshaping clinical workflows and enabling more personalised, efficient treatment.

As healthcare systems prioritise decentralisation and cost-effectiveness, demand for minimally invasive and remote care solutions is expected to underpin both organic growth and acquisition activity in the months ahead.

Overall, the outlook for medical device M&A remains positive. While funding remains selective, investor appetite is strong for high-quality, scalable businesses. Both private equity and international buyers are expected to remain active, drawn by access to regulated markets, strong regional platforms, and opportunities to support system-wide healthcare transformation.

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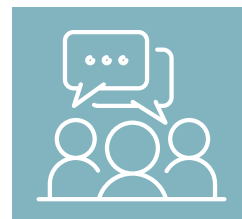


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GERALD EDELMAN COPORATE FINANCE

Our 20+ Corporate Finance team is sector agnostic, working with businesses across all sectors (e.g. Business Services, Consumer, Healthcare, Technology, etc.). The team focuses on transactions with a target deal size of £5 million to £100 million (small to medium size businesses).

The team is divided into two 'sub-teams': Deal Advisory and Transaction Services.

Deal Advisory

Pre-sale planning

Working with businesses prior to a sale or investment exercise to maximise value and enhance market appeal.

M&A advisory (sell-side)

Supporting clients through every stage of the process, including preparing marketing materials, identifying potential buyers, negotiating terms, and overseeing due diligence and legal procedures to a successful completion.

M&A advisory (buy-side)

Providing strategic advice and support to clients and management teams wanting to acquire business interests.

Capital raising advisory

Working with businesses to help raise funds (equity or debt), whether for specific initiatives or to invest in growth and development.

Management Buyouts (MBOs)

Supporting management teams with all aspects of buying a business.

Transaction Services

Due diligence

Providing financial and tax due diligence support to buyers.

Buy-side support

Assisting buyers during the acquisition process, including transaction structuring, and identifying and delivering tax efficiencies.

Vendor support

Assisting vendors during the sale process with services such as vendor due diligence.

Valuations

Undertaking valuations of ordinary shares and more complex securities ahead of transactions, as well as management incentive schemes.

IPO support

Assisting at every stage of an IPO process including strategic planning, regulatory compliance, and undertaking the role of reporting accountant.

Forensic accounting

Performing financial analysis, investigations, or valuations in the context of legal disputes.

Clients

- Founders/entrepreneurs/business owners
- Management teams
- Financial investors

Clients

- Corporates
- Search Funds
- Private Equity firms