Technology Sector M&A Survey

KPMG

Key Findings based on a survey of 135 deal professionals in the Technology sector as of September 30, 2025

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Key findings

Tech debt is rarely planned for pre-sign and often addressed post deal close – exposing cyber and operational risk

Takeaways

Takeaway #1:
Tech debt is a deal-shaping risk – under-addressed in deal planning yet costly in execution. While only ~30%[1] of dealmakers indicate high importance in addressing tech debt proactively pre-deal, most face post-sign surprises ranging from operational inefficiencies to cyber security exposure.

Considerations and supporting survey data

Only 30%

of respondents indicated high importance of addressing tech debt topics during pre-deal evaluation phase (e.g. Due diligence, Target identification)

Pre-deal approach to tech debt is reactive, especially in smaller deals: Despite survey results indicating quantifiable impacts from tech debt on M&A, only ~30%[2] of organizations discuss tech debt consistently in pre-deal planning and evaluations (e.g., target ID, diligence, valuation). Most others treat tech debt more reactively (and especially for deals involving earlier stage companies) which may result in costly tech debt findings post-deal.

70%

of respondents cited significant operational disruption of unaddressed tech debt – including system downtime and poor user experience; followed by

60%

of respondents citing cyber risk

Yet, consequences are tangible and systemic: 70%[3] respondents cited operational disruption as the #1 consequence, followed by cyber risk (60%)[3] and regulatory scrutiny (34%)[3];
The financial and operational impacts are real: legacy system dependencies, security and compliance gaps, and code maintainability.

Note(s): (1) Sourced from questions 'A7 and A5.' (2) Sourced from questions 'A7 and A5.' (3) Sourced from question 'A11.': Source(s):   Tech M&A Survey, Sep'25

AI is tactically accelerating modernization but also amplifying fragmentation

Takeaways

Takeaway #2:
Most organizations are still using AI tactically, while hybrid tool stacks and pilots may create a new "AI debt." The next divide won't be about who adopts AI, but who can scale it without compounding a tech debt problem it can potentially help solve.

Considerations and supporting survey data

62%
of respondents expect only incremental improvements from AI in next two years; and

27%
of respondents expect major transformation in same period

59%
of respondents see redundant AI tools as an emerging risk within their corporate application environment

AI adoption for tech debt is tactical, not transformative (yet): 62%[1] expect only incremental gains from AI in the next two years; just 27%[1] foresee true transformation; most progress remains tactical - testing, refactoring, and migration automation rather than full architecture update in the near term.

Agent sprawl is emerging: 59%[3] see redundant AI tools as an emerging risk, mirroring cloud sprawl as seen in the early days of cloud services being rolled out. AI pilots without unified governance may create "AI debt", with future costs potentially driven by fragmented initiatives.

Establishing best practices: The next competitive divide won't be between those who use AI and those who don't – it'll be between those who can scale AI without compounding tech debt by incorporating systematic human oversight and governance frameworks and those who can't.

Even as AI accelerates code fixes and migrations, most companies still bleed up to 40% of engineering capacity on legacy system issues – addressing symptoms, not modernizing the core

Takeaways

Takeaway #3:
In addition to high exposure to operational disruption and cyber risk, engineers spend up to 40%[1] of capacity addressing legacy system issues. Even as AI streamlines code fixes and migrations, few companies are using it to modernize architectures or prevent debt from becoming a compounding M&A risk.

Considerations and supporting survey data

55%
of respondents claim that 20% to 40% of engineering staff's time has been spent addressing or fixing technical debt in the past year

Engineering productivity is paying the price: ~55%[1] of teams spend 20–40%[1] of their capacity battling tech debt – time draining from innovation cycles; outside directional 'time spent', few track it more formally, suggesting hidden costs across delivery pipelines.

52%
of respondents implemented or piloted automated code refactoring or legacy code analysis (using AI embedded features for development assistance) for tech debt reduction; the same number of respondents also used AI-assisted testing and quality assurance automation (AI point solution) to address tech debt

Top AI use cases for tech debt relate to code updates and data/system migrations: The top use cases, AI-assisted testing and code refactoring (52% each)[2], show productivity wins but little architectural modernization; true debt prevention (API standardization, predictive maintenance, data cleanup) remains underdeveloped.

Note(s): (1) Sourced from question 'B7c.' (2) Sourced from question 'B2.'; Source(s): Tech M&A Survey, Sep'25

AI and modernization are accelerating faster than governance

Takeaways

Takeaway #4:
AI governance is still ad-hoc and compliance-driven – not yet a disciplined framework for tech-debt prevention. AI helps companies modernize faster, but also exposes gaps in talent, governance, and integration discipline.

Considerations and supporting survey data

Only 21%

of respondents claim that a centralized AI governance committee or function is in place preventing AI from creating new tech debt

Governance is emerging but fragmented across functions - mirroring how tech debt itself accumulates: few organizations (~21%[1]) have centralized AI oversight – leaving AI modernization efforts largely fragmented.

From an M&A perspective, acquirers can face unquantified AI liabilities: including overlapping agents, inconsistent standards, and unclear accountability – all of which can amplify inherited tech debt post-close.

Note(s): (1) Sourced from 'average' responses to question 'C2.' Source(s):   Tech M&A Survey, Sep'25

02
Survey analysis

Tech debt is rarely planned for pre-sign and often addressed post deal close – exposing cyber and operational risk

Takeaways

Takeaway #1:
Tech debt is a deal-shaping risk – under-addressed in deal planning yet costly in execution. While only ~30%[1] of dealmakers indicate high importance in addressing tech debt proactively pre-deal, most face post-sign surprises ranging from operational inefficiencies to cyber security exposure.

Supporting survey data

Addressing tech debt continues to remain crucial in M&A, with integration planning and post-merger phases identified as top priorities by both corporates and PE/VCs (Question A7)

Survey Responses

Overall: 132

■ High ■ Medium ■ Low

Pre-deal evaluation (e.g. Due diligence, Target identification)	27% / 46% / 27%
Deal structuring (e.g. Negotiation, Valuation)	23% / 49% / 27%
Integration planning (e.g. Technology integration, Operational synergy)	68% / 26% / 6%
Post-merger integration (e.g. Execution, Synergy realization, Cultural and process integrations)	67% / 27% / 6%

Tech debt is often discussed in M&A, with PE/VCs prioritizing it strategically, while corporate focusing more on growth initiatives (Question A5)

Survey Responses

Overall: 135

Always	29%
Often	36%
Occasionally	29%
Rarely	6%
Never	

Tech debt drives operational issues, security risks, and compliance concerns with corporate fearing regulation and PE/VCs worrying about valuation and post-deal performance (Question A11)

Survey Responses
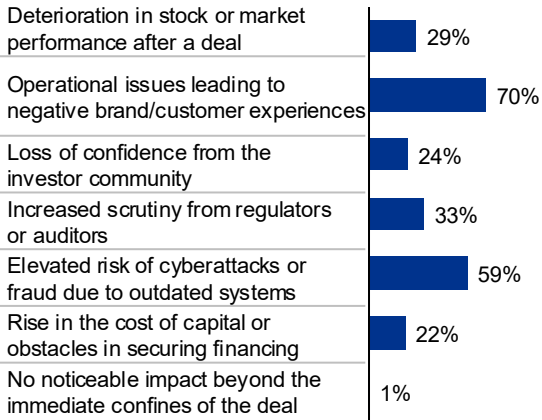
Overall: 135

Deterioration in stock or market performance after a deal	29%
Operational issues leading to negative brand/customer experiences	70%
Loss of confidence from the investor community	24%
Increased scrutiny from regulators or auditors	33%
Elevated risk of cyberattacks or fraud due to outdated systems	59%
Rise in the cost of capital or obstacles in securing financing	22%
No noticeable impact beyond the immediate confines of the deal	1%

Note(s): (1) Sourced from questions 'A7 and A5.' (2) Sourced from questions 'A7 and A5.' (3) Sourced from question 'A11.': Source(s): Tech M&A Survey, Sep'25
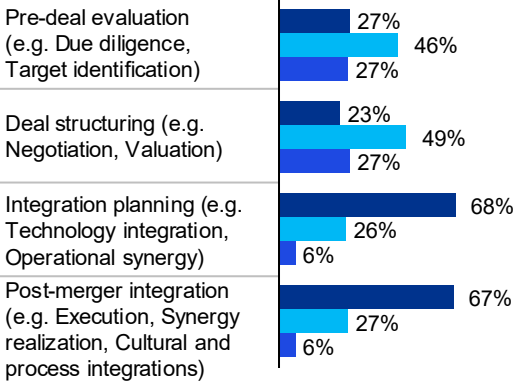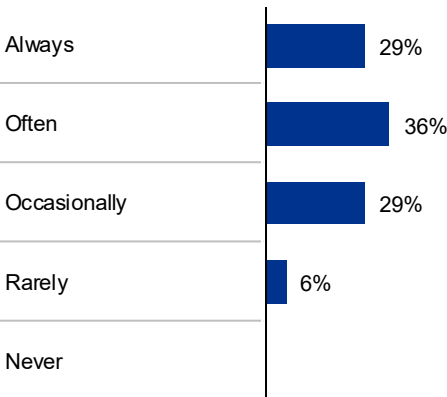
Addressing tech debt continues to remain crucial in M&A, with integration planning and post-merger phases identified as top priorities by both corporates and PE/VCs

Please indicate the level of importance for addressing tech debt in each phase of your M&A lifecycle[a][b][c] *Single select matrix; (A7, N=132)*

■ High ■ Medium ■ Low

Answer options	Overall	Corporate	PE/VCs
N values	132	101	31

Answer options	Overall	Corporate	PE/VCs
Pre-deal evaluation (e.g. Due diligence, Target identification)	High 27% / Medium 46% / Low 27%	High 31% / Medium 45% / Low 25%	High 16% / Medium 52% / Low 32%
Deal structuring (e.g. Negotiation, Valuation)	High 23% / Medium 49% / Low 27%	High 24% / Medium 45% / Low 32%	High 23% / Medium 65% / Low 13%
Integration planning (e.g. Technology integration, Operational synergy)	High 68% / Medium 26% / Low 6%	High 67% / Medium 27% / Low 6%	High 71% / Medium 23% / Low 6%
Post-merger integration (e.g. Execution, Synergy realization, Cultural and process integrations)	High 67% / Medium 27% / Low 6%	High 66% / Medium 26% / Low 8%	High 71% / Medium 29% / Low 0%

Key observations:

- Tech debt was considered most critical during the later stages of the M&A lifecycle. Majority identified *integration planning* **(68%)** as highly important, closely followed by *post-merger integration* **(67%)**

- **Corporate** and **PE** respondents mirrored the overall trend

  – PE/VC respondents placed stronger emphasis on *integration planning* and *post-merger integration*, marking these phases as highly important, while **corporate** distributed importance more evenly across all stages, reflecting their broader risk management focus

Summary of open-ended comments on answers:[c]

- The impact of tech debt varies across the M&A lifecycle but peaks during integration and post-merger phases

  – For **corporate,** tech debt is a medium pre-deal priority, posing risks but rarely breaking deals, becoming critical during integration by delaying synergies and raising costs. For PE/VCs, tech debt is moderate early on, crucial during deal structuring for valuation, and critical post-merger to avoid operational disruption.

- Moreover, **corporate** prioritize speed and growth over early tech debt analysis, while PE/VCs factors it into deals and allocates resources to manage integration complexity. Both agree tech debt rarely halts deals, but neglecting it early often results in expensive surprises later, with integration planning being the most susceptible to delays and cost overruns.

Note(s):   (a) Sum of percentages may not add up to 100% due to rounding off; (b) Total N is 132 as "Not sure / not directly involved with M&A in my organization" has been chosen by 3 respondents; (c) AGPT has been used for analysis
Source(s): Questions A7 from Tech M&A Survey, Sep'25

Tech debt is often discussed in M&A, with PE/VCs prioritizing it strategically, while corporate focusing more on growth initiatives

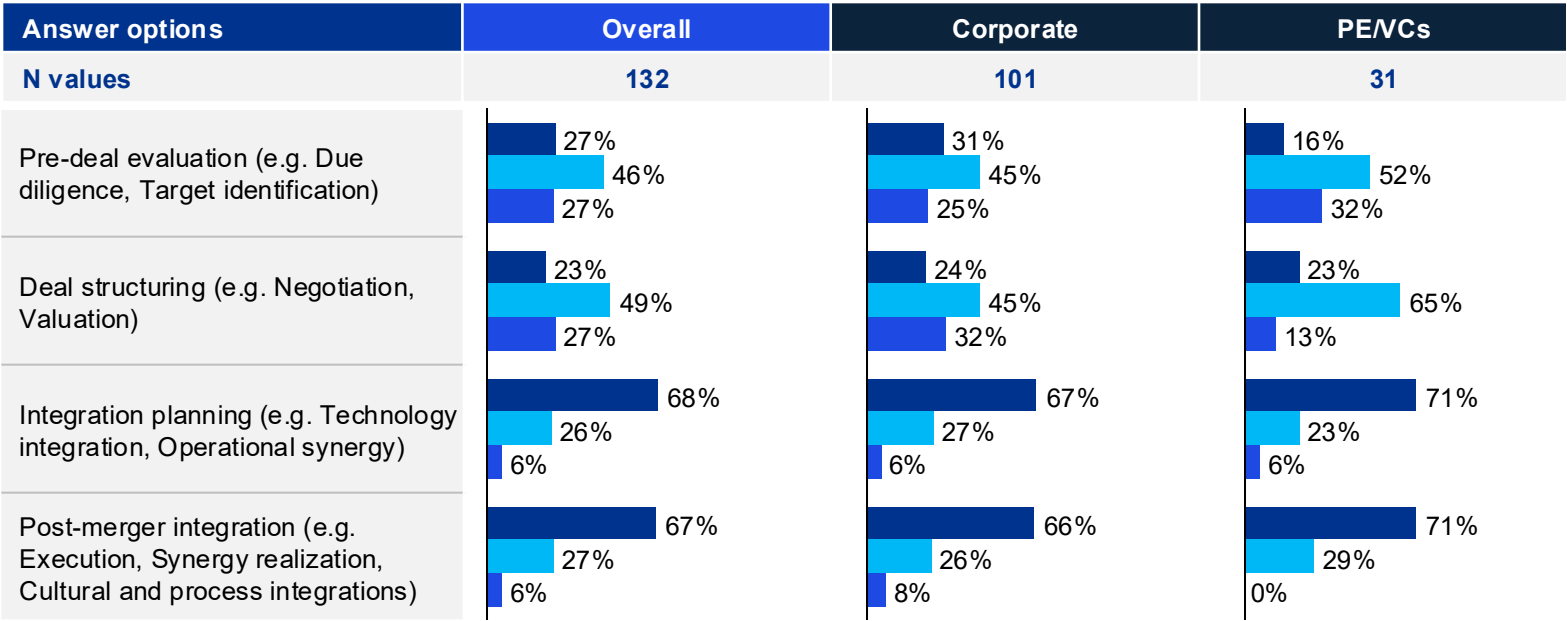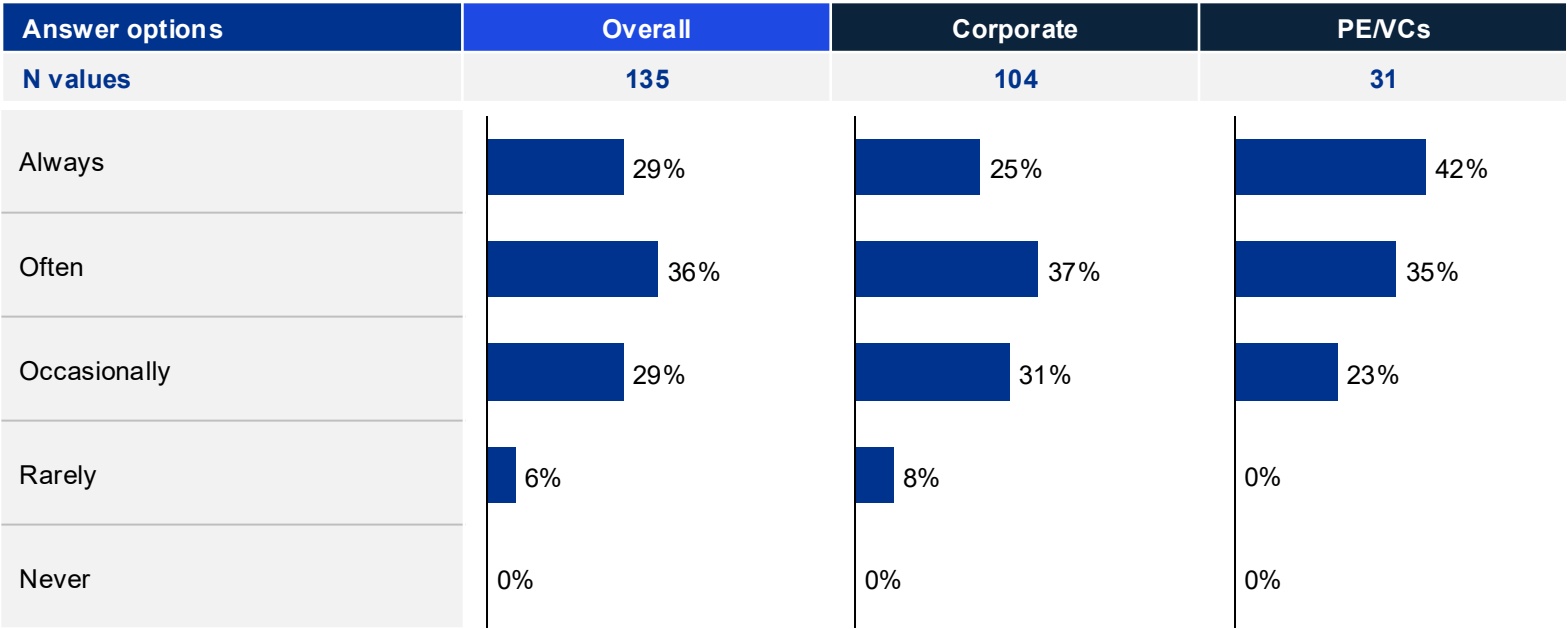**How frequently is tech debt discussed in strategic planning or M&A decisions?**[a] *Single select; (A5, N=135)*

Answer options	Overall	Corporate	PE/VCs
N values	135	104	31
Always	29%	25%	42%
Often	36%	37%	35%
Occasionally	29%	31%	23%
Rarely	6%	8%	0%
Never	0%	0%	0%

Key observations:

- Tech debt is being discussed *often* **(36%)** and *occasionally* **(29%)**, indicating it is a regular but not a dominant part of strategic conversations or M&A decisions

- PE/VC respondents led in consistently discussing about tech debt in strategic planning or M&A decisions, with the highest *always* response rate at **(42%)**
  - This shows that PE organizations are more proactive and disciplined, prioritizing tech debt as a key factor in decision-making to safeguard valuation and ensure investment success
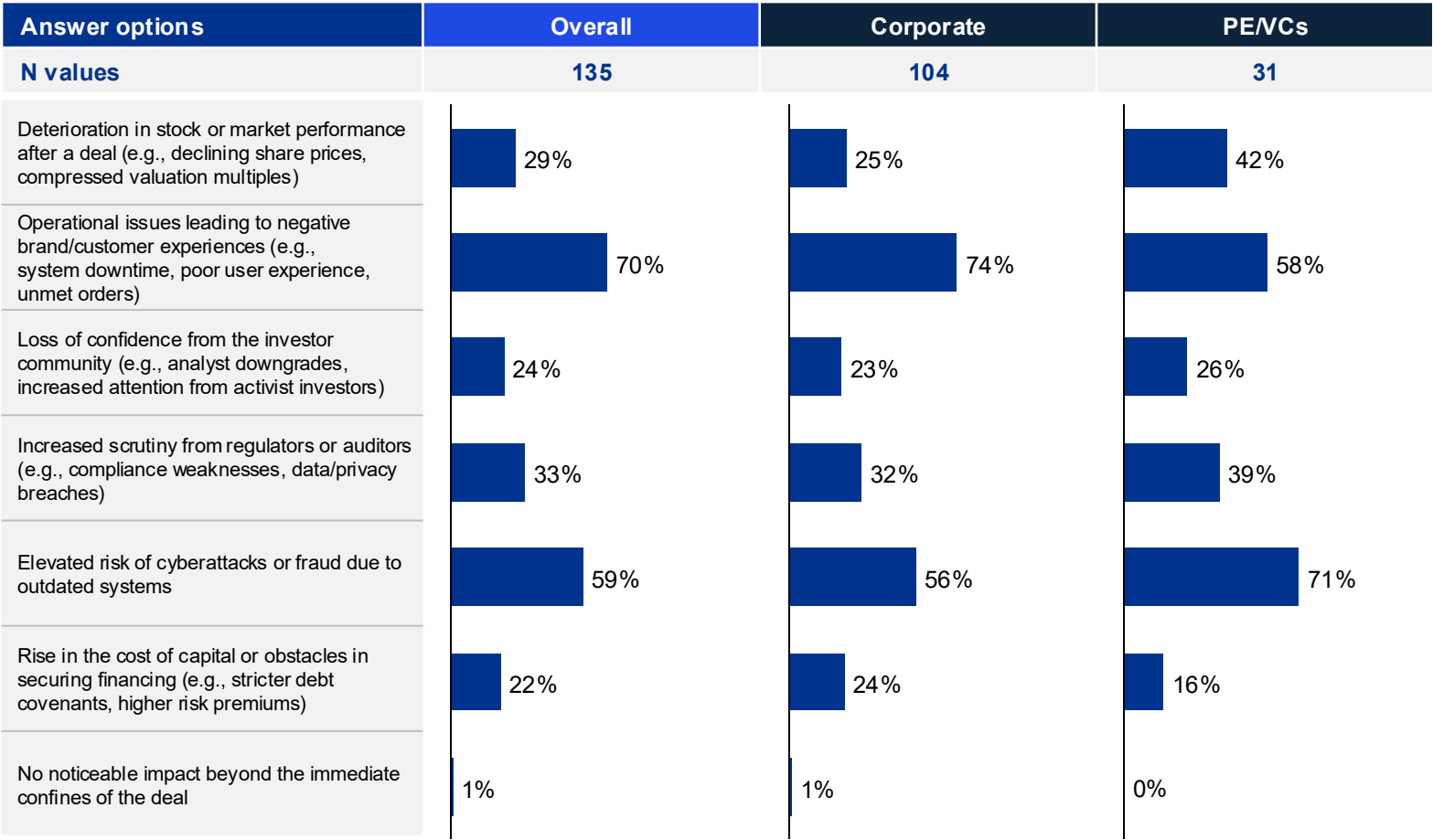
Summary of open-ended comments on answers:[c]

- Respondents view tech debt as significant in strategic planning and M&A, acknowledging the potential for hidden costs and integration challenges if not properly addressed
  - **Corporate** respondents often deprioritize it in favor of growth and new features, treating it as an IT or post-deal issue unless it poses a direct risk. While **PE/VC** respondents consistently treat it as a core factor in valuation and integration, embedding it into structured planning and due diligence processes
- Both segments show increasing awareness of tech debt's long-term impact, but **PE** respondents demonstrate more discipline and consistency in addressing it upfront
- A notable contrast is that some **corporate** teams view high-tech-debt acquisition targets as synergy opportunities, while **PE/VCs** organizations focus on early mitigation to avoid hidden costs

Note(s): (a) Sum of percentages may not add up to 100% due to rounding off; (b) AGPT has been used for analysis
Source(s): Question A5 from Tech M&A Survey, Sep'25

Tech debt drives operational issues, security risks, and compliance concerns with corporate fearing regulation and PE/VCs worrying about valuation and post-deal performance

What are the most significant consequences of unaddressed tech debt for your company and the wider market?[a][b] *Multi select, Cap at 3; (A11, N=135)*

Answer options	Overall	Corporate	PE/VCs
N values	135	104	31
Deterioration in stock or market performance after a deal (e.g., declining share prices, compressed valuation multiples)	29%	25%	42%
Operational issues leading to negative brand/customer experiences (e.g., system downtime, poor user experience, unmet orders)	70%	74%	58%
Loss of confidence from the investor community (e.g., analyst downgrades, increased attention from activist investors)	24%	23%	26%
Increased scrutiny from regulators or auditors (e.g., compliance weaknesses, data/privacy breaches)	33%	32%	39%
Elevated risk of cyberattacks or fraud due to outdated systems	59%	56%	71%
Rise in the cost of capital or obstacles in securing financing (e.g., stricter debt covenants, higher risk premiums)	22%	24%	16%
No noticeable impact beyond the immediate confines of the deal	1%	1%	0%

Key observations:

- Majority of respondents identified *operational issues that lead to negative brand or customer experiences* **(70%)** as the most significant consequence of unaddressed tech debt, followed by *elevated risk of cyberattacks or fraud due to outdated systems* **(59%)** and *increased scrutiny from regulators or auditors* **(33%)**

- *Cybersecurity risks* and *risk of stock deterioration after a deal* were more prominent among **PE/VC** respondents, with **(71%)** and **(42%)** identifying them as a key issue respectively

- Additionally, **32%** of **corporate** respondents indicated *increased scrutiny from regulators* as a major consequence

Note(s):   (a) Sum of percentages may not add up to 100% due to rounding off; (b) "Other" category is not included in the graphical representation, due to low number of responses
Source(s): Question A11 from Tech M&A Survey, Sep'25

AI is tactically accelerating modernization but also amplifying fragmentation
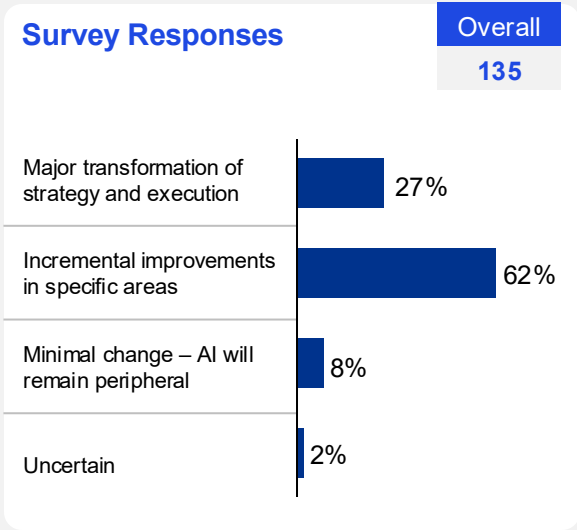
Takeaways

Takeaway #2:
Most organizations are still using AI tactically, while hybrid tool stacks and pilots may create a new "AI debt." The next divide won't be about who adopts AI, but who can scale it without compounding a tech debt problem it can potentially help solve.
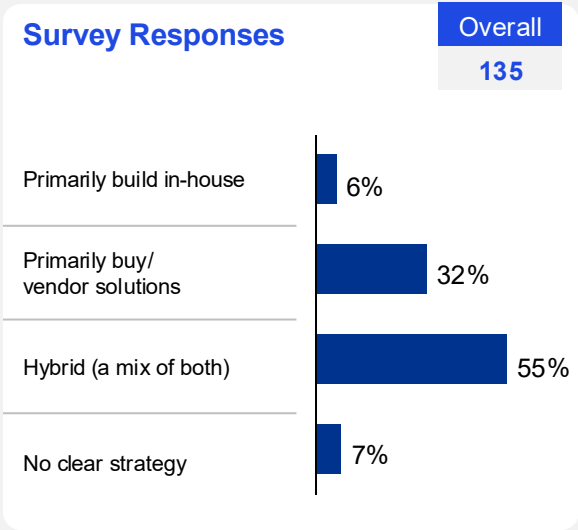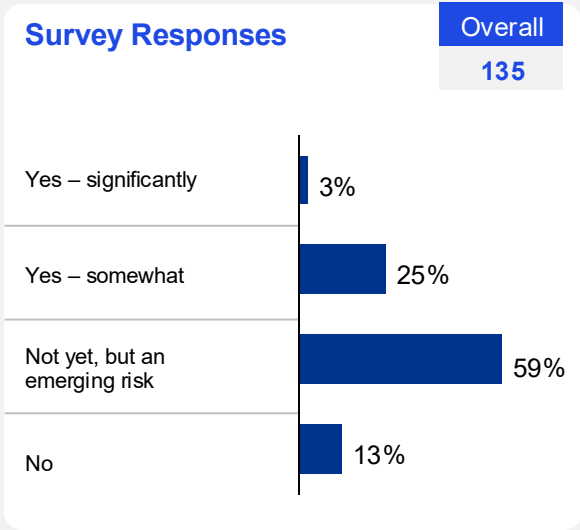
Supporting survey data

PE/VCs expect clearer major AI-driven transformation in tech debt, while corporate anticipate gradual progress (Question E2)

Survey Responses | Overall **135**

Major transformation of strategy and execution	27%
Incremental improvements in specific areas	62%
Minimal change – AI will remain peripheral	8%
Uncertain	2%

Hybrid model strategy dominates AI adoption strategy, as corporate prioritize balancing internal capabilities with external expertise (Question D1)

Survey Responses | Overall **135**

Primarily build in-house	6%
Primarily buy/ vendor solutions	32%
Hybrid (a mix of both)	55%
No clear strategy	7%

Agent sprawl continues to be an increasing concern, particularly among PE/VCs, highlighting the necessity for early governance in AI deployment (Question C1)

Survey Responses | Overall **135**

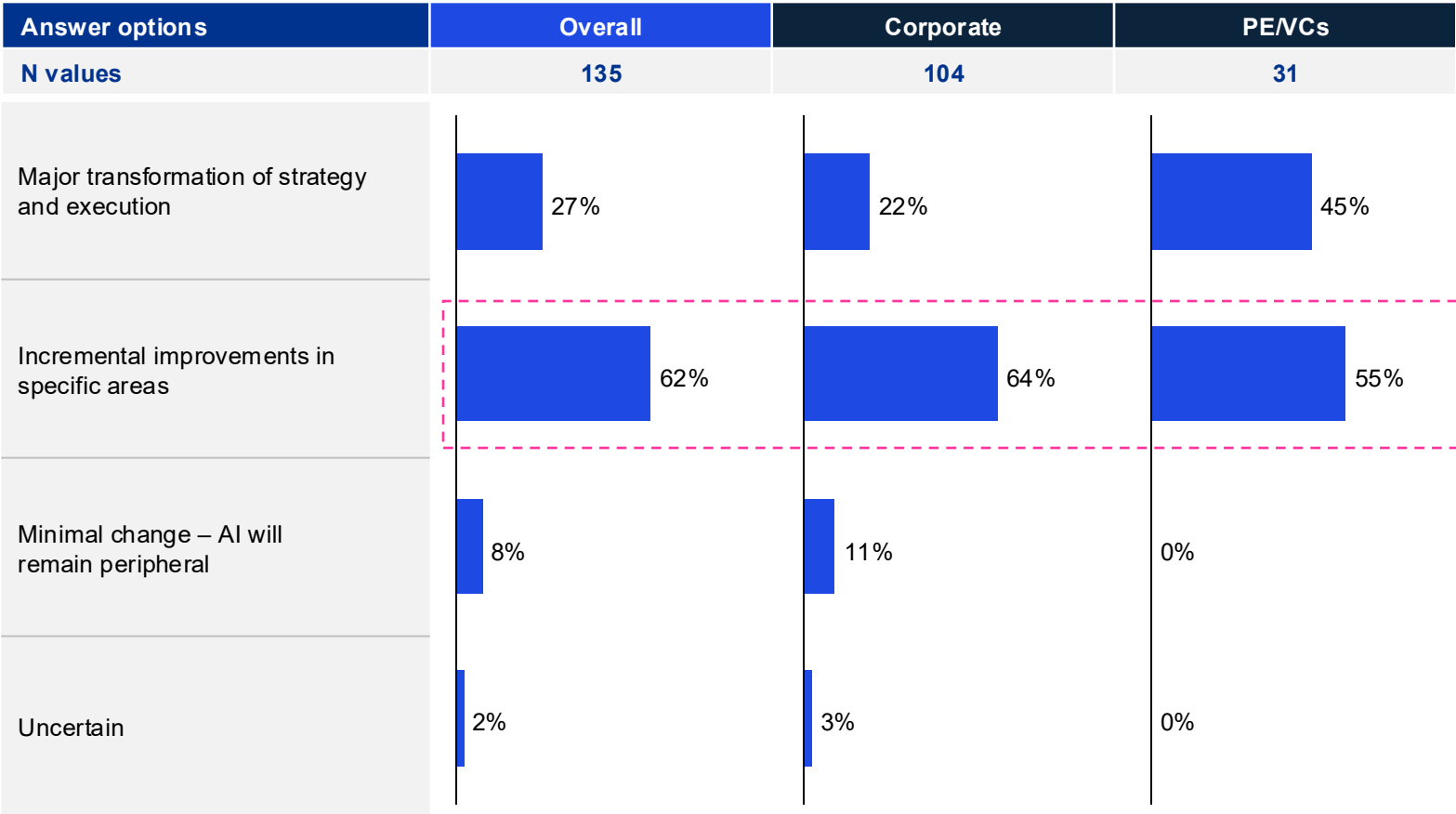|	
Yes – significantly	3%
Yes – somewhat	25%
Not yet, but an emerging risk	59%
No	13%

Note(s): AGPT has been used for the analysis (1) Sourced from question 'E2.' (2) Sourced from question 'D1.' (3) Sourced from question 'C1.'; Source(s): Tech M&A Survey, Sep'25

PE/VCs expect major AI-driven transformation in tech debt, while corporates anticipate gradual progress

Over the next 12-24 months, how do you expect AI to change your approach to tech debt?[a] *Single select; (E2, N=135)*

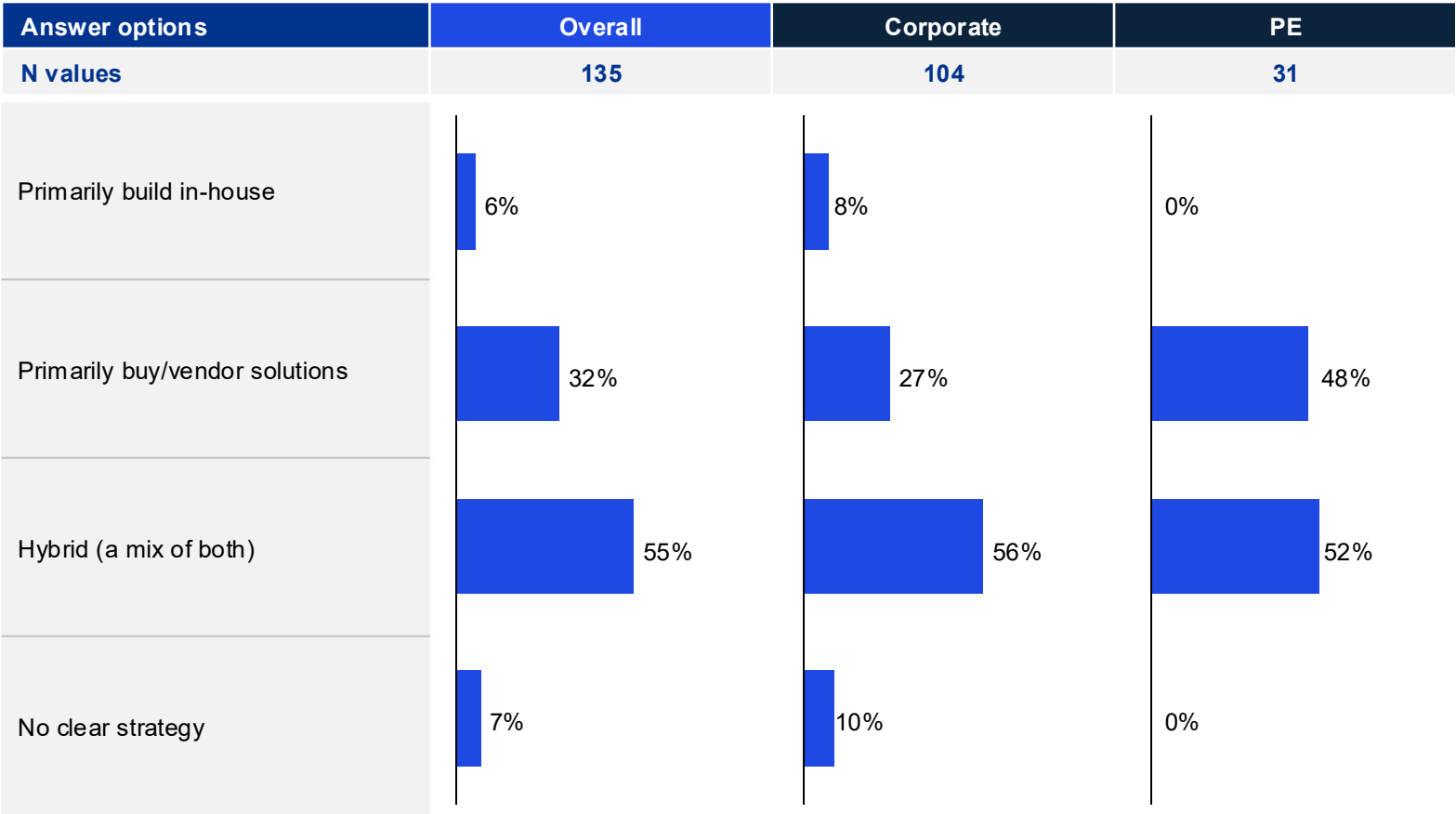| Answer options	Overall	Corporate	PE/VCs
N values	135	104	31
Major transformation of strategy and execution	27%	22%	45%
Incremental improvements in specific areas	62%	64%	55%
Minimal change – AI will remain peripheral	8%	11%	0%
Uncertain	2%	3%	0%

Key observations:

- Over the next 12-24 months, **(62%)** of respondents expect AI to drive *incremental improvements in specific areas* towards their approach in tech debt, indicating that most organizations still view AI as an enabler of gradual change rather than a transformative force

- **PE/VC** respondents are nearly twice as likely to expect a *major transformation of strategy and execution* **(45%)** compared to **corporate (22%),** suggesting greater confidence or urgency in using AI to tackle tech debt

- **Corporate** cited **(11%)** *minimal changes – AI will remain peripheral* in their approach to tech debt, hinting less clarity and conviction in corporate

Note(s): (a) Sum of percentages may not add up to 100% due to rounding off
Source(s): Question E2 from Tech M&A Survey, Sep'25

Hybrid model strategy dominates AI adoption strategy, as corporate prioritize balancing internal capabilities with external expertise

In the context of tech debt, which best describes your AI adoption strategy?[a][b] *Single select; (D1, N=135)*

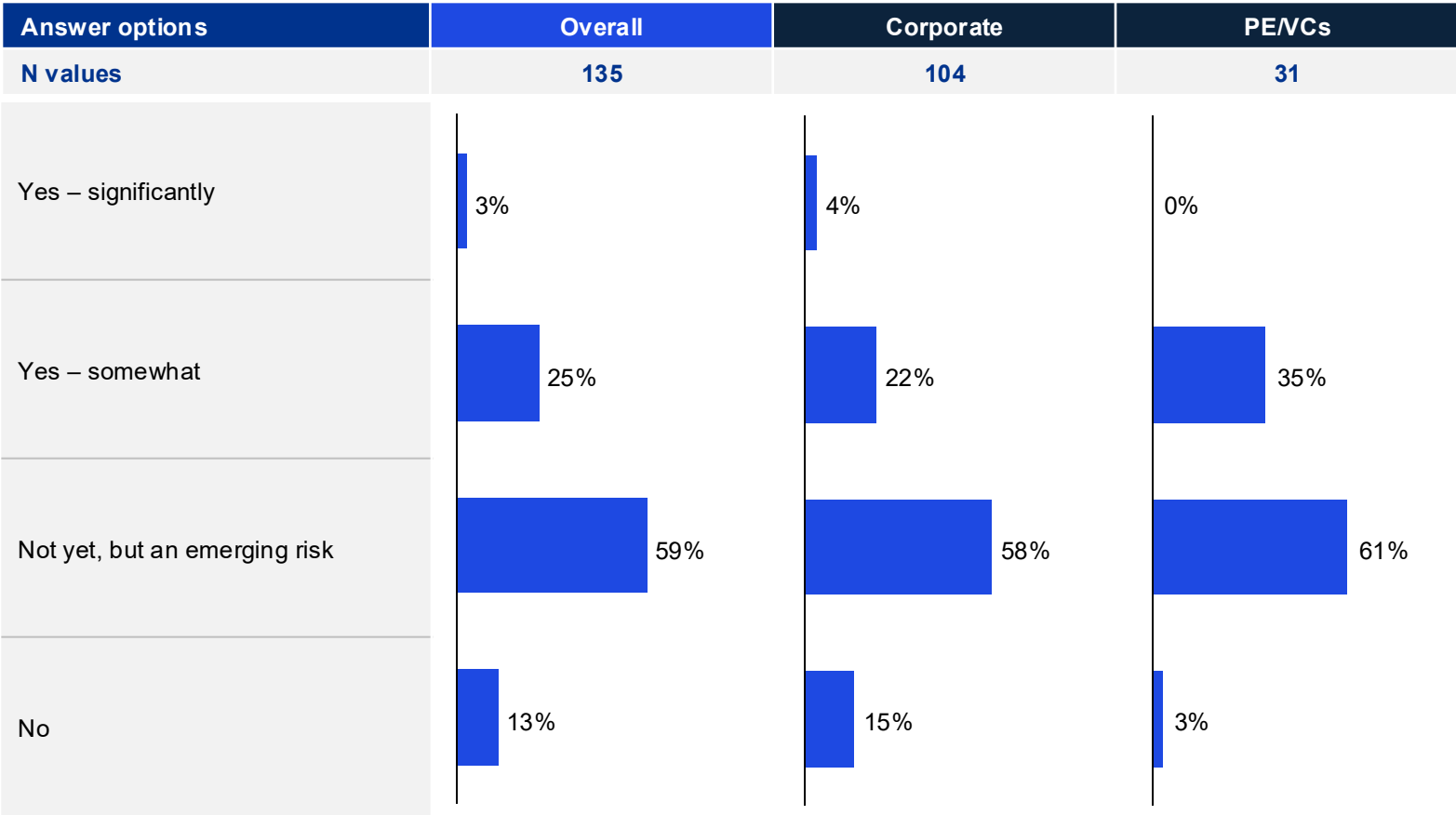| Answer options	Overall	Corporate	PE
N values	135	104	31
Primarily build in-house	6%	8%	0%
Primarily buy/vendor solutions	32%	27%	48%
Hybrid (a mix of both)	55%	56%	52%
No clear strategy	7%	10%	0%

Key observations:

- Majority of respondents indicated that their AI adoption strategy follows a *hybrid model* **(55%),** combining both in-house development and vendor solutions. This suggests that most organizations are balancing internal capabilities with external expertise to manage AI implementation amid tech debt

- **Corporate** respondents mirrored the overall trend, with majority opting for *hybrid strategy* **(56%)**
  - Notably, **(10%)** of **corporate** respondents acknowledged having *no clear AI strategy*, indicating some uncertainty or early-stage planning within this group

- **PE/VC** respondents saw a balanced approach to AI adoption, with **(52%)** utilizing a *hybrid strategy* and an almost equivalent **(48%)** opting for *primarily buy/vendor solutions*

Note(s):   (a) Sum of percentages may not add up to 100% due to rounding off; (b) "Other" category is not included in the graphical representation, due to low number of responses
Source(s): Question D1 from Tech M&A Survey, Sep'25

Agent sprawl continues to be an increasing concern, particularly among PE/VCs, highlighting the necessity for early governance in AI deployment

Have AI deployments led to "agent sprawl" or redundant tools in your corporate application environment?[a][b] *Single select; (C1, N=135)*

Answer options	Overall	Corporate	PE/VCs
N values	135	104	31
Yes – significantly	3%	4%	0%
Yes – somewhat	25%	22%	35%
Not yet, but an emerging risk	59%	58%	61%
No	13%	15%	3%

Key observations:

- Both **corporates (58%)** and **PE/VCs (61%)** respondents indicated that AI has *not yet* caused agent sprawl, but they view it as a *growing risk,* signaling early awareness of potential inefficiencies

- **(35%)** of **PE/VC** respondents said *AI has somewhat* led to agent sprawl (much higher than **corporate** at **22%**), suggesting that **PE** organizations are either already experiencing agent sprawl or are highly alert to the risk

- **(15%)** of **corporate** respondents cited having *no issue* with agent sprawl. This could indicate either better governance or slower AI adoption in **corporate** environments compared to **PE/VCs**

Note(s):   (a) Sum of percentages may not add up to 100% due to rounding off; (b) "Not sure" category is not included in the graphical representation, due to low number of responses
Source(s): Question C1 from Tech M&A Survey, Sep'25

Even as AI accelerates code fixes and migrations, most companies still bleed up to 40% of engineering capacity on legacy issues – addressing symptoms, not modernizing the core

Takeaways

Takeaway #3:
In addition to high exposure to operational disruption and cyber risk, engineers spend up to 40%[1] of capacity addressing legacy system issues. Even as AI streamlines code fixes and migrations, few companies are using it to modernize architectures or prevent debt from becoming a compounding M&A risk.
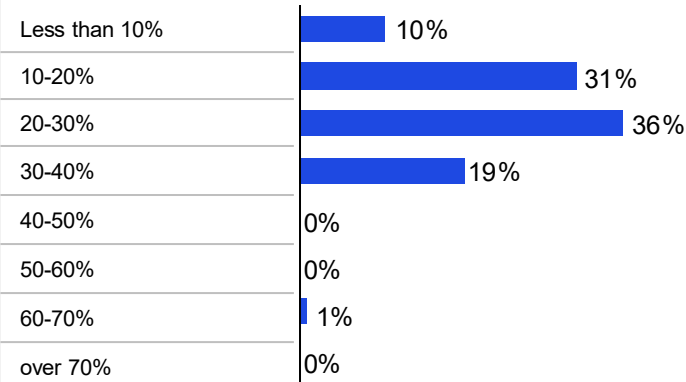
Supporting survey data

Engineering teams in PE/VC environments continue to dedicate a significant share of time to managing tech debt, with 74% organizations spending 20-40% of their time (Question B7c)
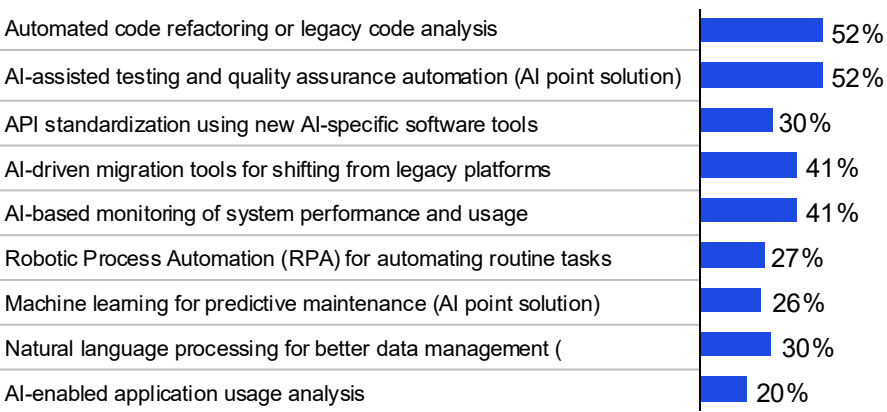
Survey Responses

	Overall
	135

Category	Value
Less than 10%	10%
10-20%	31%
20-30%	36%
30-40%	19%
40-50%	0%
50-60%	0%
60-70%	1%
over 70%	0%

PE/VCs lead in AI adoption with aggressive tech strategies, favoring code refactoring and migration tools (Question B2)

Survey Responses

	Overall
	135

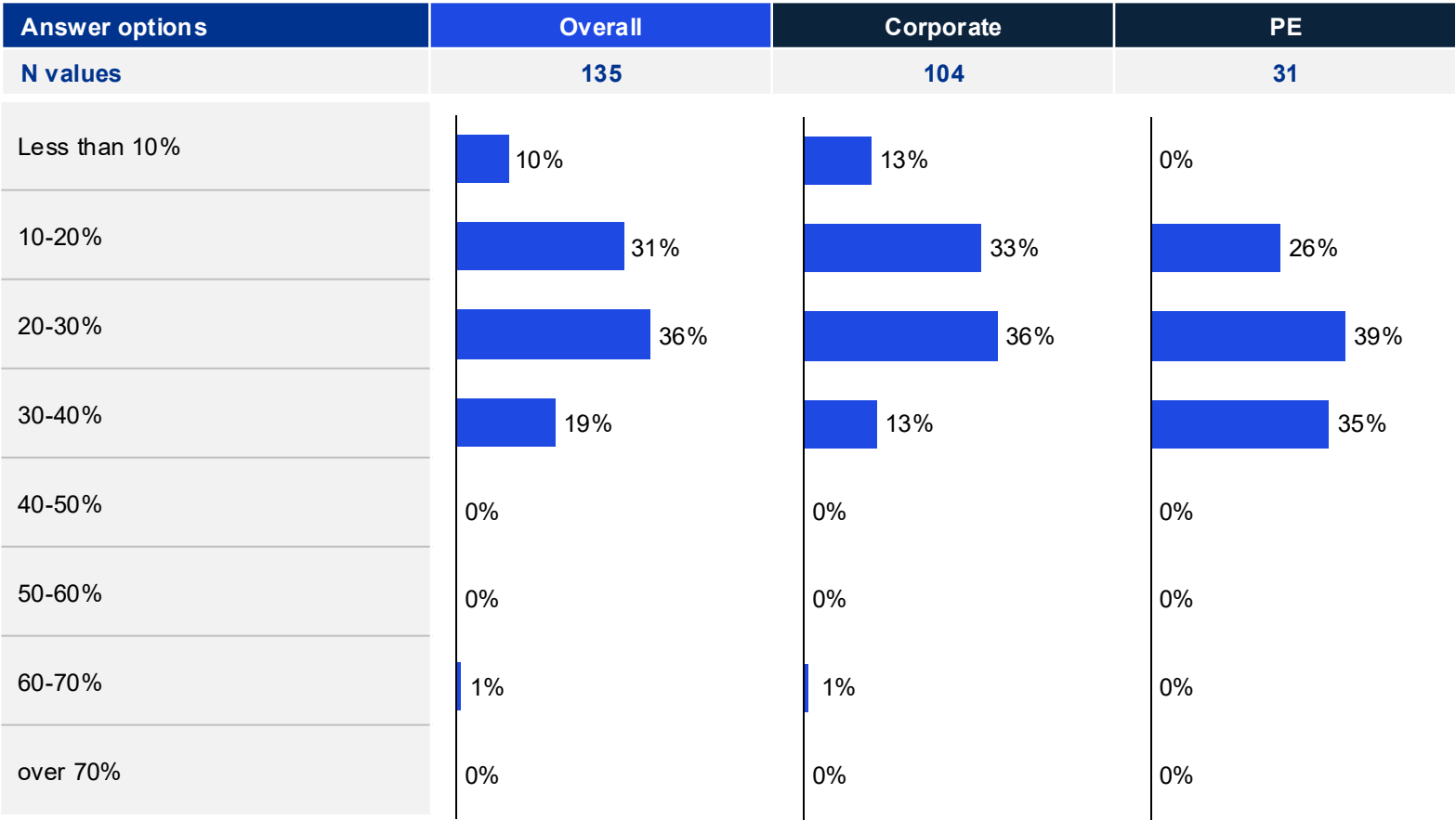| Category	Value
Automated code refactoring or legacy code analysis	52%
AI-assisted testing and quality assurance automation (AI point solution)	52%
API standardization using new AI-specific software tools	30%
AI-driven migration tools for shifting from legacy platforms	41%
AI-based monitoring of system performance and usage	41%
Robotic Process Automation (RPA) for automating routine tasks	27%
Machine learning for predictive maintenance (AI point solution)	26%
Natural language processing for better data management (	30%
AI-enabled application usage analysis	20%

Note(s): AGPT has been used for the analysis (1) Sourced from question 'B7c.' (2) Sourced from question 'B2.'; Source(s):   Tech M&A Survey, Sep'25

Engineering teams in PE/VCs continue to dedicate a significant share of time to managing tech debt, with 74% organizations spending 20-40% of their time

Approximately what % of engineering staff's time has been spent addressing or fixing technical debt in the past year? [a][b] *Single select; (B7c, N=135)*

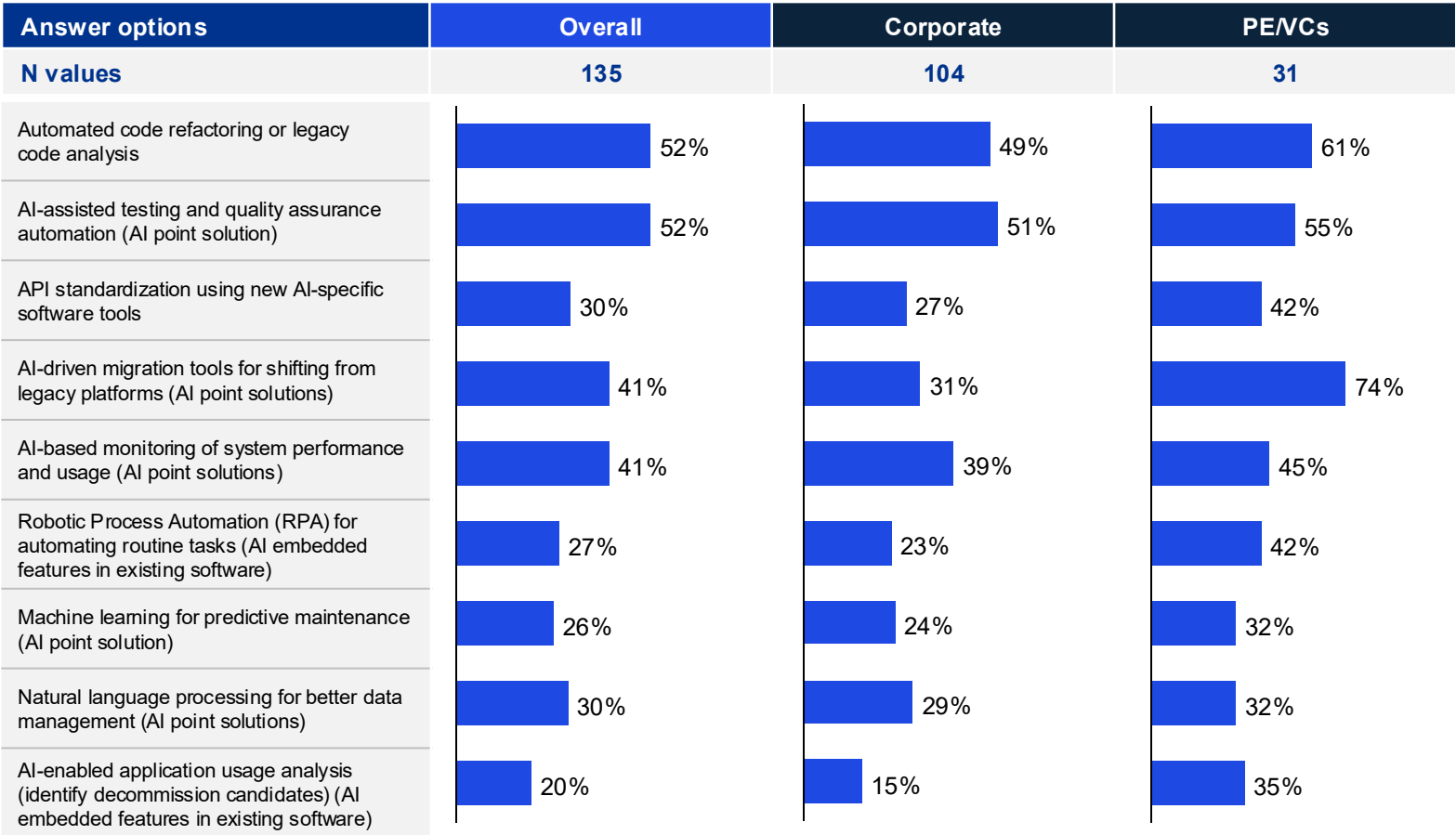| Answer options	Overall	Corporate	PE
N values	135	104	31
Less than 10%	10%	13%	0%
10-20%	31%	33%	26%
20-30%	36%	36%	39%
30-40%	19%	13%	35%
40-50%	0%	0%	0%
50-60%	0%	0%	0%
60-70%	1%	1%	0%
over 70%	0%	0%	0%

Key observations:

- Nearly 3/4th of **PE/VC** respondents **(74%)** reported spending *20–40%* of their time on tech debt, substantially more than **corporate** peers **(49%)** , indicating a heavier operational focus on remediation in PE/VC-backed environments

- **(69%)** of **corporates** respondents spent time in the *10–30%* range, indicating a more moderate tech debt burden compared to **PE/VC's** wider spread

Note(s):   (a) Sum of percentages may not add up to 100% due to rounding off; (b) "Not sure / No tracking available" category is not included in the graphical representation, due to low number of responses
Source(s): Question B7c from Tech M&A Survey, Sep'25

PE/VCs lead in AI adoption with aggressive tech strategies, favoring code refactoring and migration tools

Which AI-driven approaches have you implemented or piloted for tech debt reduction?[a][b] *Multi select; (B2, N=135)*

Answer options	Overall	Corporate	PE/VCs
N values	135	104	31
Automated code refactoring or legacy code analysis	52%	49%	61%
AI-assisted testing and quality assurance automation (AI point solution)	52%	51%	55%
API standardization using new AI-specific software tools	30%	27%	42%
AI-driven migration tools for shifting from legacy platforms (AI point solutions)	41%	31%	74%
AI-based monitoring of system performance and usage (AI point solutions)	41%	39%	45%
Robotic Process Automation (RPA) for automating routine tasks (AI embedded features in existing software)	27%	23%	42%
Machine learning for predictive maintenance (AI point solution)	26%	24%	32%
Natural language processing for better data management (AI point solutions)	30%	29%	32%
AI-enabled application usage analysis (identify decommission candidates) (AI embedded features in existing software)	20%	15%	35%

Key observations:

- Overall, the most implemented AI-driven approaches were *automated code refactoring* and *AI-assisted testing and quality assurance*, both adopted by **(52%)** of the organizations

- **(74%)** of **PE** organizations cited adopting *AI-driven migration tools for shifting from legacy platforms*, compared to only **(31%)** of **corporate**, signaling a stronger focus on rapid legacy system transformation

- **PE/VC** organizations showed higher implementation rates for all AI-driven approaches compared to **corporate** organizations, pointing to PE's more aggressive strategies in tech modernization

Note(s): (a) Sum of percentages may not add up to 100% due to multi-select question; (b) "Not applicable/not sure" and "Other" category are not included in the graphical representation, due to low number of responses
Source(s): Question B2 from Tech M&A Survey, Sep'25

AI and modernization are accelerating faster than governance

Takeaways

Takeaway #4:
AI governance is still ad-hoc and compliance-driven – not yet a disciplined framework for tech-debt prevention. AI helps companies modernize faster, but also exposes gaps in talent, governance, and integration discipline.
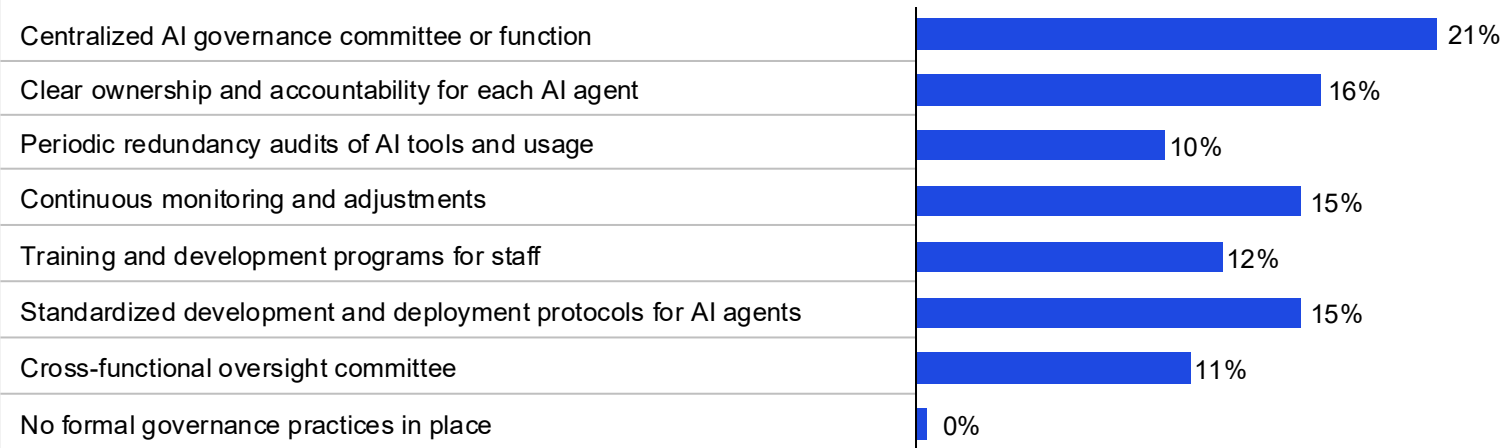
Supporting survey data

AI governance remains fragmented, with corporates favoring structure and PE/VCs leaning toward adaptive oversight (Question C2)
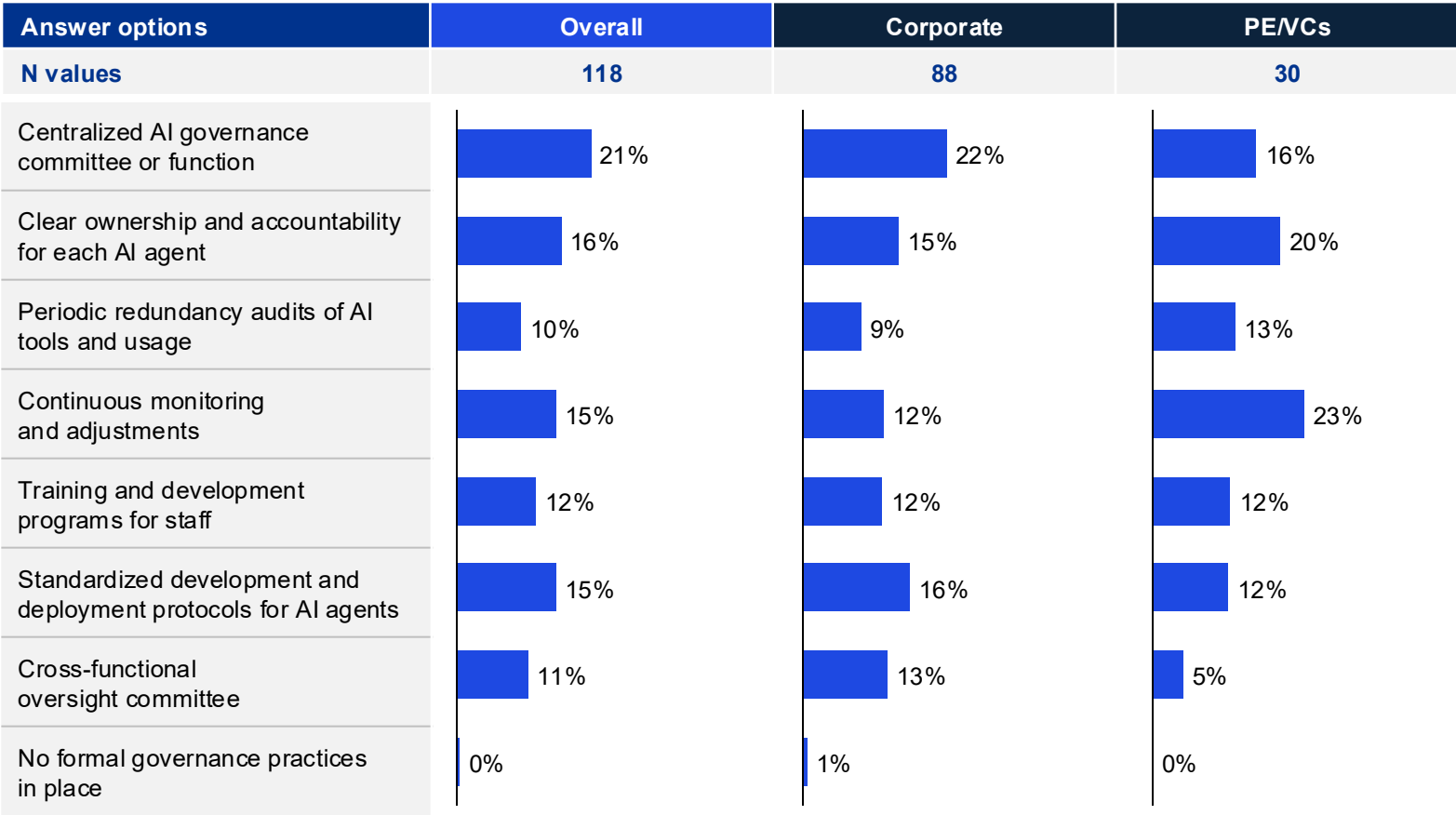
Survey Responses

Overall
118

Response	%
Centralized AI governance committee or function	21%
Clear ownership and accountability for each AI agent	16%
Periodic redundancy audits of AI tools and usage	10%
Continuous monitoring and adjustments	15%
Training and development programs for staff	12%
Standardized development and deployment protocols for AI agents	15%
Cross-functional oversight committee	11%
No formal governance practices in place	0%

Note(s): AGPT has been used for the analysis (1) Sourced from question 'C2.' Source(s):   Tech M&A Survey, Sep'25

AI governance remains fragmented, with corporate favoring structure and PE/VCs leaning toward adaptive oversight

Which governance practices are in place to prevent AI from creating new tech debt?[a][b][c] *Rank top 3; (C2, N=118)*

Answer options	Overall	Corporate	PE/VCs
N values	**118**	**88**	**30**
Centralized AI governance committee or function	21%	22%	16%
Clear ownership and accountability for each AI agent	16%	15%	20%
Periodic redundancy audits of AI tools and usage	10%	9%	13%
Continuous monitoring and adjustments	15%	12%	23%
Training and development programs for staff	12%	12%	12%
Standardized development and deployment protocols for AI agents	15%	16%	12%
Cross-functional oversight committee	11%	13%	5%
No formal governance practices in place	0%	1%	0%

Key observations:

- The most cited governance practice in place to prevent AI from creating new tech debt was *centralized AI governance committee or function* **(21%)**, suggesting a fragmented or early-stage approach to AI governance across organizations

- **PE/VC** respondents favored *continuous monitoring and adjustments* **(23%)**, whereas **corporate** leaned towards *centralized governance committees* **(22%),** indicating slightly differing prevention strategies in managing AI risks

- Only **(5%)** of **PE/VC** respondents reported using *cross-functional oversight committee*, compared to **(13%)** in **corporate,** highlighting a potential gap in collaborative governance across **PE/VC** organizations

Note(s):   (a) Sum of percentages may not add up to 100% due to rounding off; (b) "Other" category is not included in the graphical representation, due to low number of responses; (c) 17 respondents have not answered the question hence the N is 118
Source(s): Question C2 from Tech M&A Survey, Sep'25

03
Demographics

Demographic and screeners (1/3)

N=135

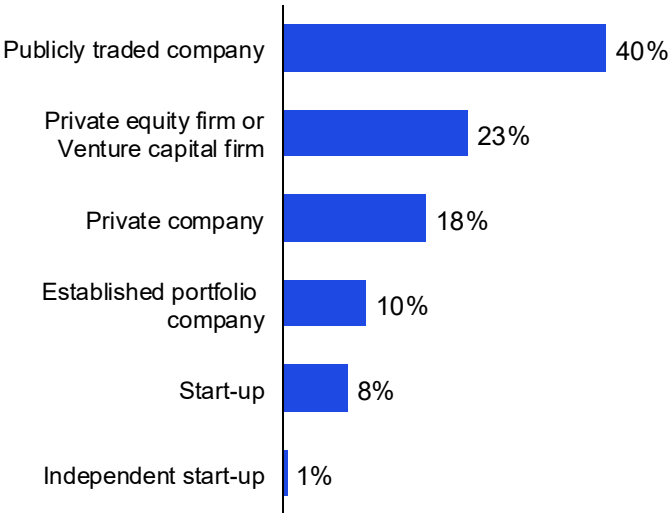**S1. In which of the following industries do you primarily work? (N=135)[a]**

N=104 — Technology/software (incl. cross section of technology and other sectors – e.g., FinTech, HealthTech, ConsumerTech, etc)
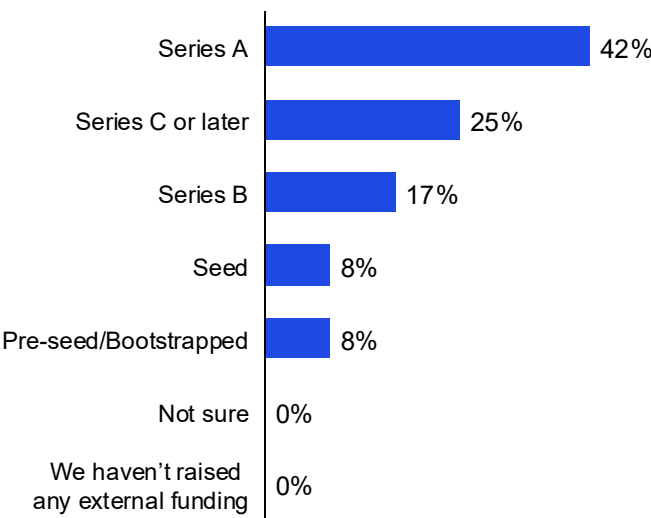
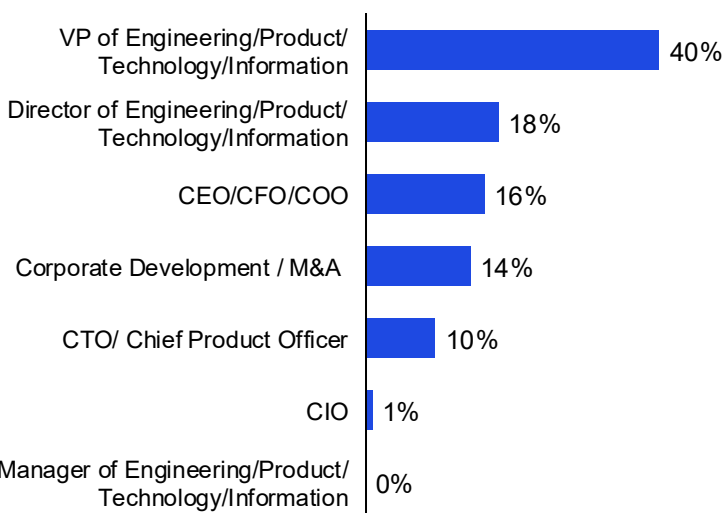**N=31** — Private equity (PE)/Venture capital (VC)

S2. Which of the following best describes the type of organization you work for? (N=135)[a][b]

Publicly traded company	40%
Private equity firm or Venture capital firm	23%
Private company	18%
Established portfolio company	10%
Start-up	8%
Independent start-up	1%

S2a. What is the current funding stage of the start-up you work at? (N=12)[a]

Series A	42%
Series C or later	25%
Series B	17%
Seed	8%
Pre-seed/Bootstrapped	8%
Not sure	0%
We haven't raised any external funding	0%

S3a. Which of the following best describes your seniority level? (N=104)[a][b]

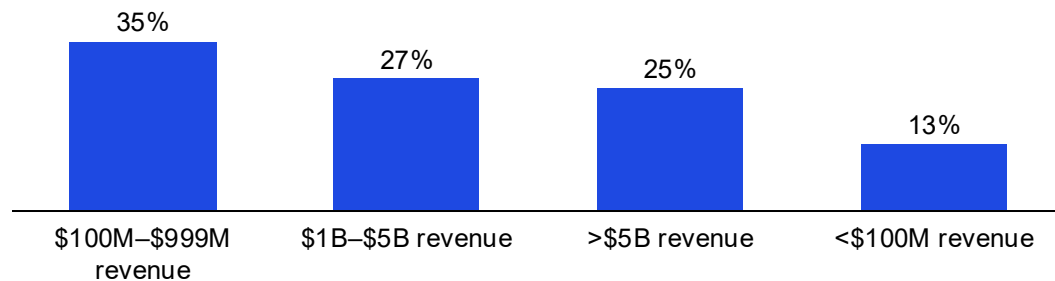|	
VP of Engineering/Product/Technology/Information	40%
Director of Engineering/Product/Technology/Information	18%
CEO/CFO/COO	16%
Corporate Development / M&A	14%
CTO/ Chief Product Officer	10%
CIO	1%
Manager of Engineering/Product/Technology/Information	0%

Note(s): (a) Sum of percentages may not add up to 100% due to rounding off; (b) "Other" category is not included in the graphical representation, due to low number of responses
Source(s): Tech M&A Survey, Sep'25
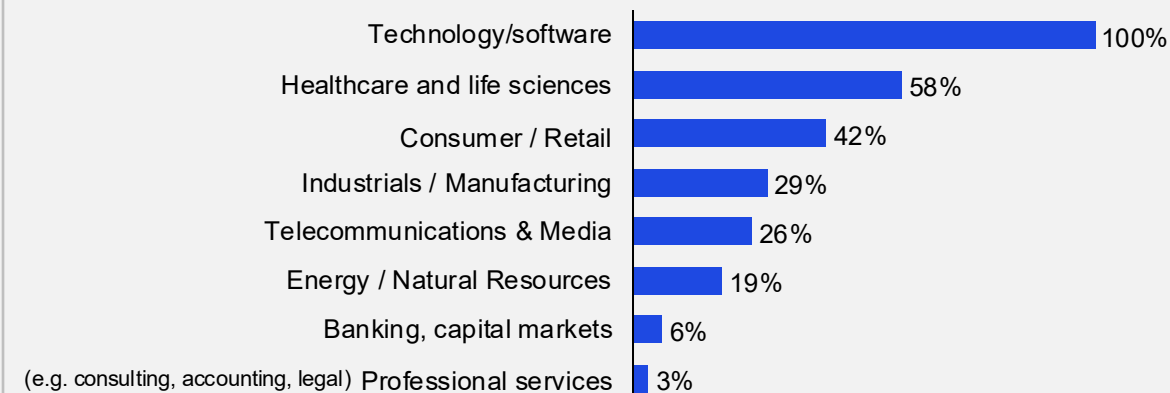
Demographic and screeners (2/3)

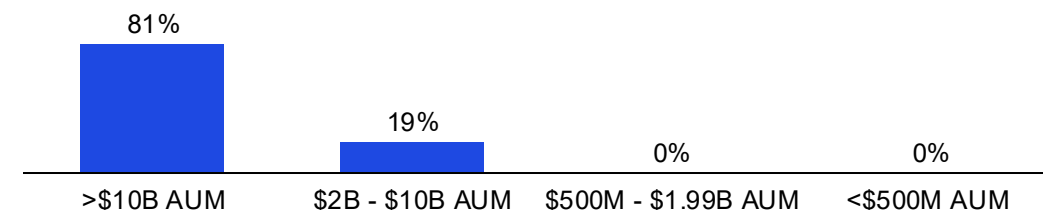## S3b. What is your primary role at your PE/VC firm? (N=31)[a]

- 42% — Partner/Principal/VP (investment team)
- 0%
- 26% — Partner/Principal/VP (operating team)
- 32% — Manager (investment or operating team)
- Associate or analyst (investment or operating team)

S4. In which industries does your fund invest? (N=31)[a][b]

Industry	
Technology/software	100%
Healthcare and life sciences	58%
Consumer / Retail	42%
Industrials / Manufacturing	29%
Telecommunications & Media	26%
Energy / Natural Resources	19%
Banking, capital markets	6%
(e.g. consulting, accounting, legal) Professional services	3%

S5a. What is the approximate annual revenue of your organization? (N=104)[a]

Revenue	
$100M–$999M revenue	35%
$1B–$5B revenue	27%
>$5B revenue	25%
<$100M revenue	13%

S5b. What is the AUM of your fund portfolio? (N=31)[a]

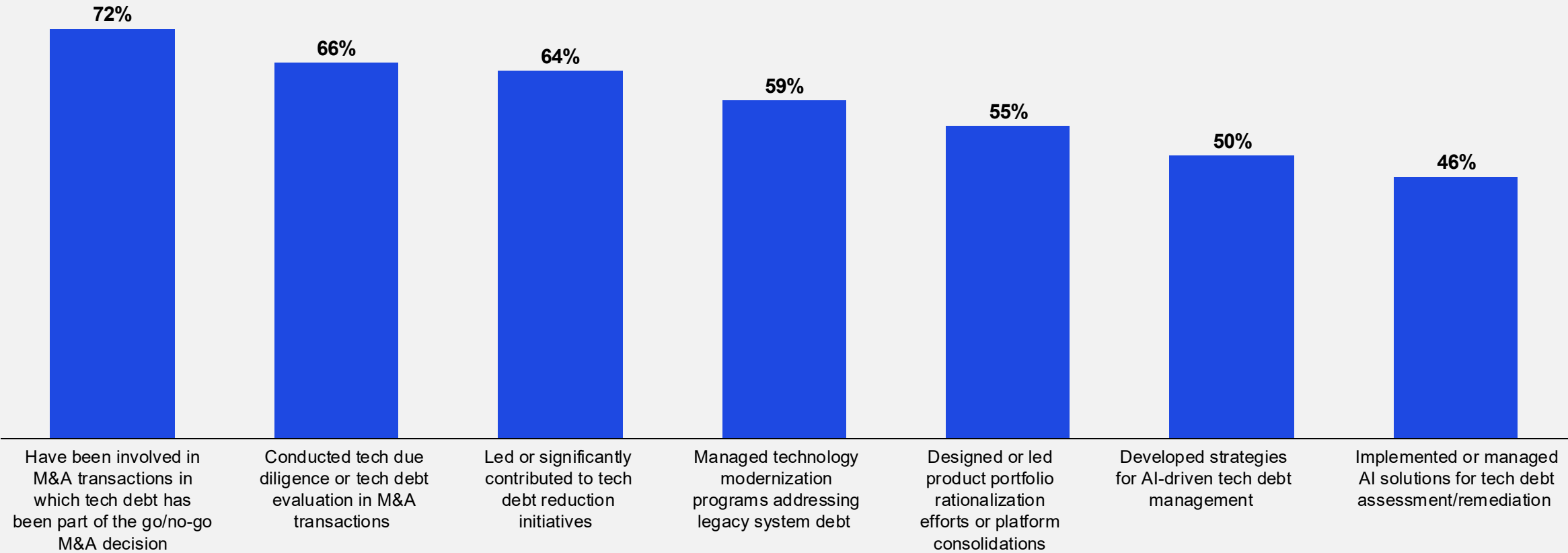| AUM	
>$10B AUM	81%
$2B - $10B AUM	19%
$500M - $1.99B AUM	0%
<$500M AUM	0%

Note(s): (a) Sum of percentages may not add up to 100% due to rounding off; (b) "Other" , "Financial services (asset management)", "Financial services (insurance)", "Transportation", "Government" category is not included in the graphical representation, due to low number of responses
Source(s): Tech M&A Survey, Sep'25

Demographic and screeners (3/3)

S6. Which of the following best describes your direct experience with technical debt? (N=135)[a]

72%	66%	64%	59%	55%	50%	46%
Have been involved in M&A transactions in which tech debt has been part of the go/no-go M&A decision	Conducted tech due diligence or tech debt evaluation in M&A transactions	Led or significantly contributed to tech debt reduction initiatives	Managed technology modernization programs addressing legacy system debt	Designed or led product portfolio rationalization efforts or platform consolidations	Developed strategies for AI-driven tech debt management	Implemented or managed AI solutions for tech debt assessment/remediation

Note(s): (a) Sum of percentages may not add up to 100% due to rounding off; (b) "None of the above" category is not included in the graphical representation, due to low number of responses
Source(s): Tech M&A Survey, Sep'25

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