The deal is just the *beginning*

How MedTech Leaders can maximise and realise actual value from M&A

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MedTech M&A is moving faster. Is your operating model ready to keep up?

Mergers, acquisitions and divestitures have always been part of the MedTech industry's growth story. But the current cycle is different. This is no longer a market defined by occasional headline transactions or opportunistic portfolio moves. It is becoming a sustained period of strategic reshaping, where companies are acquiring, merging, separating and spinning off assets to keep pace with a healthcare landscape that is changing faster than many operating models were built to support.

After a slower period in 2022–2023, MedTech dealmaking has rebounded strongly. Industry analysis points to MedTech deal value rising from $39 billion in 2023 to $66 billion in 2024 and $80 billion in 2025, reflecting renewed momentum across the sector[1]. At the same time, portfolio reshaping has accelerated. MedTech companies have made more acquisitions in the first six months of 2024 than in all of 2023, while divestitures in 2023 and 2024 doubled versus the prior two years[2]. Spinoffs and divestitures now account for 34% of strategic deal value, compared with a 29% average during 2020–2024[3].

But the real story is not simply that more deals are happening. It is that the purpose of these deals is changing and that the experience of doing them, differs depending on the type of transaction and the size of the company executing it.

MedTech companies are no longer acquiring only for scale, geographic reach or portfolio breadth. Increasingly, they are acquiring capabilities they cannot build quickly enough alone: software, AI-enabled diagnostics, connected care platforms, remote monitoring, robotics, data, analytics and interoperability layers[4]. Meanwhile, divestitures and carve-outs are becoming more strategic. They are being used not simply to exit underperforming assets, but to sharpen focus, unlock capital and reshape portfolios around future growth.

The value is not secured in the transaction itself. It is won or lost in the transition that follows. Value is won or lost based on how well leaders plan the operating model, data, testing and non-functional requirements before execution begins.

> *The traditional M&A question 'Can we close the deal?' is no longer enough. The more important question is now: 'Can we make the deal deliver?*

1

Market factors impacting medtech companies

The recent resurgence in MedTech M&A has been shaped by several connected forces. The global growth of healthcare services is intensifying and localising competition, while AI is driving both defensive and growth investments as companies reassess capability gaps, the convergence of digital and physical healthcare is moving into reality and accelerating acquisitions, and ongoing supply chain disruption is forcing a shift toward more resilient operating models. Understanding them matters, because they tell us not just that deals are happening, but why the pressure behind today's activity is structurally different from previous cycles.

1.1 The structural context: capability gaps, volatility and margin pressure

MedTech M&A has been shaped by structural forces that predate and outlast any single market event. Supply chain disruption, geopolitical uncertainty, capital market volatility, tariff uncertainty, and the acceleration of new drug and device development cycles have collectively increased the pace at which companies must adapt. These pressures compound each other: tighter capital markets limit organic investment, supply chain disruption and tariffs expose the fragility of hardware-heavy, globally distributed operating models, and faster technology cycles punish companies that fall behind. As highlighted in Capgemini's research on tariff disruption, this environment is accelerating

the need for MedTech companies to reduce their reliance on legacy hardware, expand digital offerings, and build more resilient, recurring revenue models[5]. In an M&A context, this makes portfolio reshaping more urgent: companies are not only buying scale, but acquiring the digital, data, and service capabilities needed to create more resilient business models and withstand ongoing margin, supply chain, and geopolitical volatility.

Covid-19 acted as both a brake and an accelerant. Capital markets tightened through higher interest rates, inflation and valuation volatility, slowing dealmaking across 2022–2023[6]. At the same time, the pandemic dramatically accelerated the need for digital healthcare. As traditional in-person care became constrained, digital health moved from innovation to operational necessity, validating technologies such as remote monitoring, AI, robotics and interoperability layers far faster than the industry might otherwise have expected.

1.2 A strategic capability gap exposed

This shift exposed a gap that had been widening for years. Healthcare delivery was moving toward connected, data-enabled and service-based models, while many MedTech players remained anchored in product-led, hardware-centric operating models. The basis of competition began to shift from time to market to time to capability.

For many firms, internal R&D cycles could not keep pace. M&A therefore became one of the fastest mechanisms to close strategic gaps. Acquirers began asking different questions: Is this asset core to how healthcare is evolving? Does it help us win in a digital-first care pathway? Does it accelerate access to capabilities we cannot build fast enough ourselves? This trend is likely to intensify, as MedTech companies continue to search for high-growth small and mid-cap companies in areas such as in vitro diagnostics, cardiovascular and digital health[7].

1.3 An intensifying pressure environment

MedTech companies are now facing faster technology cycles, tighter margins and greater investor scrutiny at the same time. That combination is pushing leadership teams to decide which capabilities to build, which to buy and which assets no longer fit the future portfolio. Approximately 43% of MedTech executives identify margin pressure as one of their top two business challenges, which is significantly higher than in adjacent sectors, driving portfolio optimisation, divestitures and balance sheet discipline alongside acquisition activity[8].

The current cycle is more intense as a result. M&A, divestitures and spin-offs are becoming less episodic and more continuous. Companies that treat them as such will be better positioned than those still managing them as one-off events.

2

M&A market overview: A broad market dynamic, not a one-off

The current MedTech M&A environment is not defined by one or two major transactions. It is a broad-based market dynamic spanning strategic acquisitions, private equity activity, divestitures, carve-outs, spin-offs and focused capability deals.

2.1 The rebound and what is driving it

Deal activity has rebounded strongly after the slowdown of 2022–2023. Today's deals are more selective - buyers prioritising assets that strengthen strategic positions or accelerate access to specific capabilities. Large multinationals are leaning heavily into smaller, capability-focused acquisitions that strengthen core business units without the complexity of integrating larger companies[9]. Private equity remains a significant presence, particularly as a buyer of carve-outs and standalone assets, adding competition for high-growth assets and increasing pressure on strategic buyers to integrate effectively[10].

2.2 Recent deal activity: a capability-led pattern

Year	Company / parties	Deal value	Deal type	Capability focus
2025	Abbott / Exact Sciences	~$21B	Strategic acquisition	Cancer diagnostics platforms, data & analytics, scientific talent
2025	Blackstone & TPG / Hologic	~$18.3B	Private equity take-private	Diagnostics portfolio, enterprise transformation capability
2025	BD + Waters / BD Biosciences & Diagnostic Solutions	~$17.5B	Merger / Reverse Morris Trust (RMT)	Life sciences diagnostics platforms, combined operating model
2024	Johnson & Johnson / Shock-wave Medical	~$13.1B	Strategic capability acquisition	IVL technology, R&D, go-to-market expertise
2024	BD / Edwards Lifesciences Critical Care	~$4.2B	Carve-out acquisition	Connected patient monitoring, software, analytics

This market is not simply ‘more M&A’, it is more complex M&A. Integration now spans quality systems, regulatory processes, enterprise architecture, digital platforms, data environments, operating models and people. Success increasingly depends less on financial engineering alone and more on a company’s ability to absorb change, scale new capabilities and protect value during transition.

2.3 M&A has moved from a transaction challenge to a transformation challenge.

Not all M&A deals are driven by the same rationale. Understanding the strategic intent behind a deal is the first step to designing the right integration model. Four drivers account for the majority of current MedTech deal activity:

Our view:

In MedTech, deal type determines integration risk. Leaders need to assess not only the asset they are buying or separating, but their own capacity to absorb the change. Functional integration is only part of the challenge; non-functional requirements, data, testing, regulatory constraints and operating model readiness are often where value begins to leak.

Driver	What it means	Integration implication
Capability	Acquiring new products, platforms, diagnostics, AI, software or data capability	Protect the acquired capability; avoid over-integration
Coverage	Expanding geographic reach or market access	Align commercial model, regulatory coverage and local go-to-market
Capacity	Increasing sales, production, supply chain or services capacity	Test whether operations can scale without overloading the business
Competitive	Targeted take-out or defensive move	Strategic capability acquisition Move quickly, but avoid destroying value through rushed integration

In MedTech, the deal type determines the integration risk. Leaders need to assess not only the asset they are buying or separating, but their own capacity to absorb the change. The functional integration is only part of the challenge; non-functional requirements, data, testing, regulatory constraints and operating model readiness are often where the value begins to leak.

2.4 Not all deals are equal: How deal type shapes the challenge

One of the most common failure modes in MedTech M&A is treating every deal as if it presents the same integration problem. It does not. A tuck-in acquisition of a 40-person AI diagnostics company presents fundamentally different risks from a large-scale merger or a regulated carve-out. And the scale of the acquiring business, mid-size (under $7–10bn revenue) or large enterprise (over $10bn revenue), compounds those differences in ways that integration playbooks rarely account for.

The following table maps the primary deal types active in the current MedTech market against their distinctive integration challenges and how those challenges differ between mid-size and large players.

Deal type	Example	Distinctive Challenges	Mid-Size vs Large Dynamics
Tuck-in Acquisition	Stryker / Vertos Medical (2024)	Speed of absorption into acquirer's model. Retaining founder / specialist talent who built the IP. Avoiding over-engineering a small integration.	Mid-size acquirers often lack dedicated integration capacity; each tuck-in absorbs disproportionate leadership bandwidth. Large acquirers risk steamrolling acquired culture.
Strategic Capability Acquisition	J&J / Shockwave Medical **($13.1B, 2024)**	Protecting the capability that justified the deal. Technology platform integration without degrading performance. Scaling commercial model without disrupting the acquired team.	Mid-size acquirers may struggle to fund parallel transformation streams. Large acquirers face the risk that the acquired capability is absorbed into a system too slow to unlock its potential.
Large-Scale Merger	BD + Waters / BD Biosciences **($17.5B, 2025)**	Dual-company decision paralysis during transition. Blended operating model design across two established cultures. Day 1 operational continuity at scale.	Mid-size mergers often rely on Transition Services Agreement (TSA) dependencies for longer than planned, operational handover complexity is underestimated. Large mergers require dedicated governance infrastructure most mid-size companies have not built.

Deal type	Example	Distinctive Challenges	Mid-Size vs Large Dynamics
Divestiture / Carve-Out	BD / Edwards Lifesciences Critical Care **($4.2B, 2024)**	Untangling shared systems, data and processes without disrupting the retained business. Workforce split, who goes, who stays, who carries institutional knowledge. Standing up standalone infrastructure fast.	For mid-size sellers, carve-out readiness is frequently underprepared, the divested unit has never operated independently. Large corporates face TSA over-reliance as the stand-alone entity takes longer to achieve operational independence than projected.
Spin-Off	J&J Consumer spinoff (enabling MedTech pivot)	Creating a viable standalone entity with its own systems, leadership and commercial model. Managing workforce identity and culture shift for the spun business. Regulatory asset separation and revalidation.	Mid-size spin-offs often lack sufficient back-office infrastructure to stand alone. Large spin-offs create transformation programmes that run concurrently with business-as-usual demands, stretching change capacity to its limit.
PE Take-Private	Blackstone & TPG / Hologic **(~$18.3B, 2025)**	Value creation under compressed timelines. Cost discipline while maintaining regulatory integrity. Talent retention in an environment of ownership uncertainty.	Mid-size PE targets often need significant operating model investment before value can be extracted. Large PE take-privates must navigate complex regulatory environments where speed-to-value assumptions rarely survive first contact with reality.

2.5 What this means in practice

Across all deal types, a consistent pattern emerges: the challenge is rarely where teams expect it to be.

Tuck-in acquisitions feel manageable, until the founder leaves and the institutional knowledge goes with them. Large mergers feel controllable, until the decision-making paralysis under dual-company structures begins to compound. Carve-outs feel straightforward, until the divested unit realises it has never operated independently, and the Transition Services Agreement (TSA) clock is already running.

Deal type also interacts with company scale in ways that matter. Large companies tend to have a more structured integration infrastructure. However, they also bring heavier governance models, slower decision cycles and a greater tendency to absorb acquired capability into existing frameworks before it has had the chance to prove its value in the new environment. Mid-size businesses often move faster and with more agility, but they frequently lack the dedicated integration capacity, HR infrastructure and change management resource to manage multiple concurrent deals without stretching leadership to its limit.

3

The challenge: driving value in M&A

Across deal types, value is rarely lost in the deal thesis. It is lost when execution fails to protect what made the deal valuable in the first place. First, technology integration is planned too late or sequenced around systems rather than value. Second, critical talent and institutional knowledge are treated as change-management issues rather than value and compliance risks. Third, integration activity becomes detached from the original deal thesis, so teams optimise for milestones rather than outcomes.

Before diving into the details, let's focus on assessing challenge and risk. Not all MedTech companies face the same integration risks. One of the most consistent mistakes in M&A planning is applying a one-size-fits-all assessment framework to challenges that vary significantly by company type, deal scale and operational maturity. In TSA-led carve-outs and regulated integrations, which represent a growing proportion of current MedTech deal activity, both large and mid-size profiles face a compounding challenge. TSA structures transfer operational risk from systems to people: when employees remain on seller platforms for up to 24 months, workforce stability becomes the primary mechanism of business continuity. The regulated nature of the environment removes 'move fast and fix later' as a viable option.

Leaders who assess risk through this lens, rather than applying a generic integration model, are better placed to protect the value their deal was designed to create.

3.1 The integration challenge: where value leaks

The strategic rationale for MedTech M&A is often clear. The challenge is that the value behind those moves can erode quickly once the transaction moves into execution. Across acquisitions, mergers, divestitures and spin-offs, the common risk is value leakage in transition. In other words, the gap between the value expected at the point of deal approval and the value actually realised once technology, people, processes and operating models are integrated or separated.

The evidence points consistently to three areas where value erodes fastest: technology integration, people and talent, and losing sight of the deal's original purpose.

70 – 90% of M&A deals fail to achieve their intended strategic or financial objectives. Technology integration challenges are cited as a primary cause[11].

47% of executives leave a newly merged company within the first year of integration, rising to 75% by year three[12].

80% of value-losing M&A deals lacked a coherent technology integratioan plan at the time of signing[13].

When the M&A concerns the connected health domain, the integration burden increases because value depends on a broader set of capabilities working together. The Capgemini Research Institute identifies strategy, governance, funding, technology integration, data management, regulations and talent as key challenges that must be addressed to realise the full potential of connected health. These are precisely the areas where value can leak if integration is treated too narrowly or too late[14].

This challenge becomes sharper as MedTech deals increasingly involve AI-enabled and software-led capabilities. While AI investment is accelerating across life sciences, many organisations remain trapped in fragmented pilots and isolated use cases that are difficult to scale. In an M&A context, this creates a clear value risk: acquiring an AI-enabled asset does not automatically create enterprise impact unless the acquirer can integrate the workflows, data foundations, semantic layers, governance and operating model required to scale it[15].

3.2 Technology: when what was acquired to accelerate capability slows execution

Technology is no longer just another integration workstream. In many MedTech deals, it is central to the deal thesis itself. Acquirers are increasingly buying platforms, software, data and AI-enabled capabilities, and connected service models, and these assets often enter complex legacy environments.

The consequences are material. Approximately 47% of M&A deals fail specifically because of IT integration problems[16]. According to research, over 50% of business synergies in M&A are technology-enabled, yet 70% of technology integrations fail at the beginning, not the end, typically due to inadequate planning before signing[17]. Without early integration planning, acquired technology assets can become bolted onto existing systems, creating duplication, fragmented data, workaround integrations and stalled scalability.

In MedTech specifically, this is not simply technical inconvenience. System integration is closely tied to quality management, regulatory compliance, cybersecurity and product lifecycle requirements. A poorly sequenced technology integration can delay regulatory approvals, trigger quality incidents, and expose the combined business to cybersecurity vulnerabilities at precisely the moment it is most exposed.

Mid-size companies

Technology integration is frequently where complexity ambushes them. Mid-size MedTech companies often run leaner, more interconnected IT environments, which means carve-out or merger-related system changes can ripple across the business faster than anticipated. They also typically lack a dedicated enterprise architecture function capable of designing a thoughtful integration sequence, leading to reactive decision-making driven by TSA exit deadlines rather than value logic.

Large companies

The risk is different, over-integration rather than under-planning. Large MedTech acquirers sometimes impose their own technology stacks on acquired businesses too quickly, eliminating the differentiated platforms that gave the target its competitive advantage. The discipline is in knowing when to standardise and when to protect.

> The result is that what was acquired to accelerate capability, ends up slowing down execution. In TSA-led carve-outs, this risk is amplified, employees remain on seller systems for up to 24 months, transferring operational dependency from systems to people and making workforce stability the primary mechanism of business continuity.

3.3 People: when the value carrier is overlooked

In MedTech carve-outs and capability-led deals, people are often the value itself and not a supporting element of it. Regulatory knowledge, system memory, validation history, Product Lifecycle Management (PLM) and manufacturing expertise sit with individuals, not documentation. In TSA-dependent integrations, where approximately 60% of the future workforce may be acquired overnight and employees remain on seller platforms for extended periods, workforce stability is not a people programme. It is the primary risk management mechanism of the deal.

The risk is real. Research shows that 47% of executives leave a newly merged company within the first year of integration, rising to 75% by year three[18]. Other research done across more than 200 transactions, found that 40% of critical talent departs within the first 18–24 months post-close[19]. With 34%, first-year attrition among acquired company employees is also significantly higher than normal hiring attrition[20].

But talent loss is only part of the risk. Culture is the other. The people who stay can still disengage. In MedTech, disengagement in regulated functions carries consequences beyond productivity. When an agile, founder-led or specialist team is absorbed into a larger, more process-heavy business, the friction tends to surface first in quality assurance (QA), regulatory affairs (RA) and manufacturing, precisely the functions where compliance cannot flex. Cultural integration in a regulated environment is not a values exercise. It is an operational design problem, and it needs to be treated as one from Day One.

Leadership indecision compounds this risk faster than most teams expect. Dual-company reality and TSA dependency create paralysis at precisely the moment decisions need to accelerate. When the top two or three leadership layers are unclear on their own roles, accountability voids emerge below them, and in a regulated environment, those voids carry compliance implications, not just productivity costs.

Mid-size players

People risk tends to concentrate in a small number of highly critical individuals (the regulatory expert, the quality director, the ERP system owner) whose departure creates operational holes that cannot easily be filled. Mid-size companies also often lack the HR infrastructure to run sophisticated retention programmes or to manage the cultural integration of two different businesses while simultaneously maintaining business-as-usual.

Large players

People risk is more distributed but harder to see. Larger companies can mask attrition with headcount, but the institutional knowledge that walks out the door after an acquisition, particularly in regulated functions like QA, RA and manufacturing, can take years to rebuild. Cultural integration in regulated environments is a design problem, not a values exercise: agile and compliance-oriented cultures collide hardest in QA, RA, PLM and manufacturing, and without deliberate design, the friction becomes a performance issue.

> The deal may close, but the capability that justified it can disappear. In MedTech, where the regulatory environment limits ‘move fast and fix later’ as a viable operating mode, people are not simply a change management consideration. They are the mechanism through which value is retained, transferred and scaled, and the primary means by which compliance integrity is maintained during transition.

3.4 Recognising value: when integration becomes the goal instead of the enabler

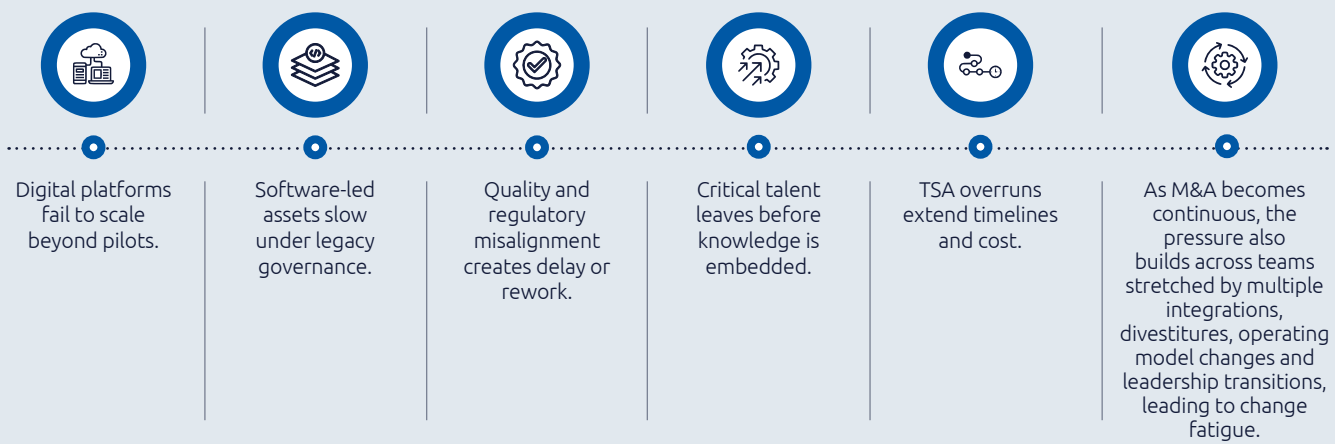
Another source of leakage is more subtle. Companies can lose sight of the value they set out to create. As deal activity accelerates, integration teams often default to playbooks that prioritise speed, consolidation, governance and control. These activities matter, but they are not the same as value realisation. Integration becomes the goal rather than the enabler. The asset is operationally absorbed but strategically diluted.

In MedTech carve-outs and TSA-led integrations, this risk is amplified by structural complexity. Multiple major transformations (ERP, PLM, HR systems, cybersecurity, manufacturing digitisation) must often run in parallel. The Day 1 'no change' commitment, designed to protect continuity, can hide compounding risk. Without a live value governance model that connects every integration decision back to the original deal rationale, complexity becomes the defining characteristic of the transition rather than the progress it was supposed to enable.

This becomes especially difficult when organisations try to transform and integrate at the same time. Timelines stretch, constrained teams become overloaded and costs continue for longer than planned, eroding value before the business has reached its target state.

What happens if the risk is not addressed

Across all three dimensions, the consequences compound over time.



At that point, the business may still be able to close deals. But it can no longer absorb or realise them. In other words: The market is not waiting. MedTech companies simply need an operating model that can keep up.

4

A shift in thinking: from deals to operating model

4.1 Where and when to start and what to assess first

The path from challenge to value realised is not a single solution. It is a set of deliberate choices made early, based on clear assessment, sequenced well and anchored consistently to why the deal was done in the first place. What works looks different depending on the type of company and the type of deal. But across both, the businesses that protect and realise deal value share a common discipline: they stop treating integration as a project to be completed and start treating it as a capability to be built. They plan early and govern technology, people and value not as separate workstreams but as a connected system.

Risk profile by company type — what to assess first

	Large organisations Multinationals & conglomerates	Mid-size organisations Growth-stage & regional players	Both
Integration	**Integration model fit** Is the playbook right for this deal type? **Over-integration risk** Capability-led deals need	**Integration capacity** vs deal ambition **Carve-out readiness** Standalone ops complexity	**Day 1 operating model** Operable — not theoretical **TSA exit planning** Clock runs from signing
People	**Cultural absorption risk** Agile cultures absorbed before value transfers **Decision velocity** Dual-company paralysis	**HR infrastructure** Readiness before deal closes **Change management** Bandwidth vs deal load	**Workforce stability** First 90 days are decisive **Leadership alignment** Before Day 1 — not after
Governance	**Value governance** Playbook anchored to deal thesis **Regulatory sequencing** QA & quality systems first	**Value governance** Connected to deal thesis without heavy bureaucracy **Regulatory sequencing** QA & quality systems first	**Value governance** Live map — not retired at signing **Regulatory sequencing** QA & quality systems first

For MedTech leaders, the next cycle of M&A raises three practical questions:

01 Can the technology environment absorb new capabilities without slowing them down?

02 Can the organisation retain the people, knowledge and ways of working that carry deal value?

03 Can leadership track value through the transition, rather than waiting to see whether it appears after integration?

Answering these questions requires decisions to be made at the right time. The table below sets out the critical decision points from due diligence through to twelve months post-close:

Stage	Decisions leaders need to make	Why it matters
Due diligence	What capability are we really buying or separating? What must be protected? What are the non-functional requirements?	Prevents over-integration and under-planning
Pre-close	What is the Day 1 MVP? What must be stable, compliant and tested?	Aligns business expectations before execution starts
Day 1	What is the interim operating model? Who owns decisions and escalations?	Reduces ambiguity and leadership paralysis
First 90 days	What must be integrated, what must be protected, and what can wait?	Prevents unnecessary disruption
TSA exit	What dependencies remain across systems, people, data and suppliers?	Avoids cost overrun and operational risk
12 months	Has the deal thesis translated into measurable capability, margin, growth or resilience?	Keeps integration anchored to value

4.2 Technology success: a connected, scalable integration architecture

Technology success means making integration architecture a value lever from the start, not a clean-up operation at the end. This includes aligning enterprise architecture, data, digital platforms, cybersecurity, software lifecycle management, quality systems, user access and tools around the deal rationale. Critically, it also means recognising that not everything should be integrated in the same way or at the same pace.

In some cases, standardisation will accelerate value. In others, particularly in capability-led acquisitions, over-integration can slow innovation, disrupt specialist teams or weaken the very capabilities the acquisition was intended to secure. The discipline lies in distinguishing where consistency is required for scale, compliance and control, and where differentiation should be preserved to protect long-term value. As Capgemini highlights in its research on MedTech transformation , organisations increasingly need to balance integrated, enterprise-wide capabilities with the agility to scale digital, software and service-based business models. This principle is especially important when integrating digital platforms and data assets, where the objective is to enable interoperability without compromising the strengths that made the target attractive.

Mid-size companies

Technology success often requires building integration design capability that does not currently exist, including enterprise architecture, data governance and quality system integration expertise. Early investment in a scalable Global Human Capital Management (HCM) system is not a back-office clean-up; in capability-led deals it is deal enablement, providing the workforce visibility needed to manage cost, capability and risk at scale.

Large companies

Technology success requires the discipline to design integration sequencing around value, not around internal consolidation milestones. In TSA-led carve-outs, where employees remain on seller systems for extended periods, IT integration planning must account for the human dependencies that TSA creates: the people who know how legacy systems work are often the same people at highest risk of departure.

MedTech companies that have technology governance active before Day 1 can enable a connected ecosystem that scales capability, reduces duplication and maintains the integrity required in a regulated environment. A common data architecture removes silos and enables real-time insight.

AI should be treated as part of technology and data diligence, not as a standalone integration ambition from Day 1. The immediate question is whether the combined business has the data foundations, governance, architecture and compliance controls required to scale AI safely once operational stability is in place.

MedTech organisations that are successful treat integration architecture as a due-diligence question rather than a post-close clean-up, mapping the acquired estate against their own, deciding deliberately where standardisation accelerates value and where it destroys it, and sequencing the roadmap with regulatory and quality systems set as design constraints from the outset.

4.2 People success: workforce as the primary value and risk carrier

People success means treating workforce not as a change topic, but as the primary value and risk carrier of the deal. In a continuous M&A environment, companies cannot rely on one-off change programmes or stretched central teams. Leadership alignment, role clarity, communication, culture, onboarding, stakeholder engagement, talent retention and change capacity must be embedded into the operating model.

This is particularly important in MedTech carve-outs and TSA-led integrations, where the scale of workforce transfer is often significant and the regulatory environment makes knowledge loss a compliance risk as well as an operational one. The goal should not be to absorb everything into the existing model as quickly as possible. It should be to create the conditions for the acquired capability to scale without losing the speed, talent or culture that made it valuable.

Effective people integration starts by future casting how the combined business will operate, then working backwards to define roles, accountabilities, decision rights, engagement requirements and the minimum viable operating model for Day 1.

For mid-size companies, this means building change and people capability that is proportionate to deal ambition, instead of stretched HR teams managing integration on top of a full operational workload. It means identifying critical talent during due diligence, not after close, and building retention strategies that address autonomy, role clarity and cultural fit, not just financial incentives.

For large companies, people success requires the discipline to design integration in a way that protects the culture and operating model of the acquired business where those are sources of value. Moving too fast to absorb an agile, founder-led team into a large, process-heavy business is one of the most consistent ways large MedTech acquirers destroy the capability they paid for.

Successful people integration looks like retained expertise, aligned leadership, clear decision-making and engaged teams. An interim operating model that is operable from Day 1. Blended discipline and agility

in a regulated context, developing a culture that can support repeated transformation without exhausting the business.

The businesses that do this well identify critical talent during due diligence rather than after close, and build retention around autonomy, role clarity and leadership visibility, not bonus structures alone. They bring change management into the deal process from Day 1, stand up an operable interim operating model quickly in carve-outs and TSA-dependent integrations, and design cultural integration deliberately in the regulated functions where agile and compliance-oriented cultures collide.

4.3 Value success: integration anchored to deal intent

Value success means reframing integration as an enabler of value, not an end in itself. Every major integration or separation decision should connect back to the original deal logic. The answer should shape how integration is governed, sequenced and measured. Value realisation should encompass not only cost synergies, but also capability deployment, time to market, scalability, customer continuity, talent retention, quality and regulatory readiness, and the ability to commercialise the asset effectively.

In MedTech carve-outs and TSA-dependent deals, value governance requires particular discipline because the structural complexity of the transition (e.g. dual operating environments, parallel transformation programmes, regulatory constraints) creates constant pressure to let integration milestones crowd out value milestones. Companies that anchor their governance to deal intent, and measure progress against it, consistently outperform those that do not.

Value governance should not be a reporting layer. It should define what value means for this specific deal, what has to happen for that value to materialise, which decisions put it at risk, and what timeline is realistic given regulatory, people, data and TSA constraints.

MedTech companies that do this well focus on integration decisions measurably connected to the original deal thesis. Governance that protects differentiation where it matters and standardises where it accelerates outcomes. A live value map throughout the transition. TSA duration is reviewed continuously, with clear owners, exit milestones and a plan to reduce dependency over time

A value realisation office, or a similar equivalent, can help keep the deal rationale visible throughout the transition. Its role is to connect major integration decisions back to why the deal was done in the first place. That means clear owners, practical milestones beyond cost synergies, and escalation routes that flag value risk early. The goal is simple: spot value leakage before it becomes value loss. This is not a synonym for heavy bureaucracy, it means clear ownership and a regular rhythm of review that keeps the deal intent alive.

5

From deal readiness to transformation readiness

The current M&A environment demands a different kind of readiness. Traditional deal readiness asks whether the business can identify, value and close a transaction. The next phase requires transformation readiness: whether it can repeatedly integrate, separate, scale and realise value without overwhelming its own operating model.

This challenge looks different depending on where you sit.

For large MedTech companies, the risk is that the infrastructure becomes a constraint, imposing governance models, technology stacks and cultural frameworks onto acquired assets in ways that dilute the very capabilities the deal was meant to secure.

For mid-size players, the risk is more acute: the pace of M&A activity can quickly outstrip their capacity to absorb it, creating a backlog of partially integrated businesses, stretched leadership and compounding change fatigue.

To make this shift real, leaders need to focus on five areas:

1 Assess deal-specific integration risk before signing.

Move beyond generic playbooks; use deal type, company scale and operating maturity to shape the integration model.

2 Define the Day 1 MVP and non-functional requirements early.

Clarify what must work, what can wait, and what “good enough” means for the business, technology, data, testing and regulatory environment.

3 Protect the capability that justified the deal.

Decide what to standardise and what to preserve, especially in software, diagnostics, digital, data and specialist talent.

4 Treat workforce stability as a value and compliance lever.

Identify critical roles, knowledge holders and leadership dependencies before close.

5 Govern value through evidence, not activity.

Track progress against deal thesis, TSA exit, synergy timing, talent retention, capability deployment and business continuity.

This is how M&A becomes more than a transaction capability. It becomes an operating advantage.

6

Making every deal count

MedTech leaders do not need to ask whether M&A will remain part of the strategic roadmap. The evidence points to continued portfolio reshaping, capability acquisition and divestiture activity across the sector. The more urgent question is whether companies are built to realise value from that activity, regardless of deal type and regardless of company scale.

In the current environment, successful M&A is no longer measured by deal closure alone. It depends on the business protecting the value it set out to create. Technology must scale without slowing execution. People need to stay engaged. Quality and regulatory risk must be managed, customers need to remain confident, and the operating model must be able to absorb continuous change without becoming overwhelmed.

This is especially true for MedTech carve-outs and TSA-dependent deals. The first 90 days often decide whether the integration will hold. Systems may not separate for months, and synergies may take even longer to show. What matters early is whether the workforce is stable, clear on decisions and able to move. People are the primary value and risk carrier. Workforce stability, decision speed and HR foundations are deal accelerators. Cultural integration in a regulated environment is a design problem, not a values exercise.

This is where an end-to-end transformation partner matters. MedTech M&A requires more than transaction support: it requires the ability to connect strategy, technology architecture, data, cybersecurity, quality and regulatory requirements, workforce transition, operating model design and value governance into one integrated programme. The organisations that succeed are those that bring these disciplines together early, sequence them around deal value and maintain the discipline to protect what made the asset worth acquiring.

In this next phase of MedTech M&A, closing more deals will matter less than making each deal count.

Making the deal real

In today's M&A market - where deals are under more pressure to deliver real value, faster - Capgemini brings a perspective that goes well beyond traditional PMI. Drawing on deep experience across complex, global transactions, including in highly regulated MedTech environments, Capgemini helps organisations not just integrate or separate, but rethink how they operate, scale, and grow in the process. By connecting strategy with hands-on delivery across operating model design, technology, regulatory alignment, and culture, Capgemini turns deal ambition into practical, lasting outcomes, helping clients build resilient, future-ready businesses from day one. This includes everything from large-scale carve-outs and IT separations, to operating model redesign, ERP transformation, and cultural integration at scale. We make it real.

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Capgemini is an AI-powered global business and technology transformation partner, delivering tangible business value. We imagine the future of organizations and make it real with AI, technology and people. With our strong heritage of nearly 60 years, we are a responsible and diverse group of over 420,000 team members in more than 50 countries. We deliver end-to-end services and solutions with our deep industry expertise and strong partner ecosystem, leveraging our capabilities across strategy, technology, design, engineering and business operations. The Group reported 2025 global revenues of €22.5 billion.

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