

Inward investment in the UK and Ireland in 2025: The big picture

5. Shaping the future: The impact of AI and access to IP on the inward investment and inbound M&A landscape

10 July 2025

380+ C-suite leaders from £100m+ businesses across the manufacturing, real estate and construction, retail and supply chain, technology, and energy and infrastructure sectors share their optimistic outlook for M&A inward investment deals in the coming year.

As digital transformation accelerates, artificial intelligence (AI) and sustainability are emerging as key drivers of inward investment across industries in both the UK and Ireland.

The ability to leverage technology and intellectual property (IP) is increasingly seen as a critical factor in attracting investment. This article explores the role of AI and IP in shaping the M&A landscape and how these factors are expected to influence deal-making over the next three to five years.

Key findings

- 90% of respondents consider access to technology or intellectual property (IP) a crucial factor in attracting investment, underlining the importance of IP-driven strategies in M&A.
- 77% of respondents anticipate that digital transformation, particularly AI, will significantly impact M&A activity over the next three to five years.
- While 60% of UK respondents believe AI will shape acquisitions and valuations, this figure rises to 88% in Ireland, indicating a stronger acceptance of AI's role in investment decisions.

The recent tariffs introduced by the US, along with the risk of retaliatory measures, have reintroduced volatility into global trade. Despite this, 90% of respondents maintain that access to technology or IP remains a crucial factor in attracting investment. One respondent observed:

"Companies with strong AI capabilities attract more investment, resulting in higher valuations and more favourable terms for acquisition deals."

Acquiring firms with AI expertise or proprietary AI technology enables buyers to enhance their technological infrastructure and strengthen innovation, especially where:

"specialised tech talent (AI, machine learning) drives digital transformation."

More than three-quarters of respondents (77%) expect digital transformation—particularly AI—to significantly affect M&A activity over the next three to five years. However, regional differences are notable. While 60% of UK respondents believe AI will influence acquisitions, valuations, and industry landscapes, this rises to 88% in Ireland. This suggests a wider acceptance of AI's role in investment decisions in Ireland, potentially due to EU policy incentives or sectoral developments. Ireland continues to position itself as a hub for inward investment, particularly for businesses leading digital transformation.

The impact of AI

AI is rapidly transforming [M&A strategies](#) by improving operational efficiencies and streamlining due diligence. Its ability to process large datasets quickly supports automated contract reviews, risk assessments, and financial analysis—reducing both transaction timelines and costs. According to a recent report by McKinsey, AI could automate up to 45% of repetitive tasks in M&A due diligence by 2026, with potential cost reductions of up to 30%.

As a result, acquiring companies with strong AI capabilities is increasingly seen as a strategic move to drive innovation and gain competitive advantage. As one respondent noted:

“AI companies with vast data sets are highly attractive, as data is a crucial asset for AI-powered insights and growth.”

Automated contract reviews, risk assessments and financial analysis also make M&A processes more efficient. Respondents from the food and drink sector had the strongest views, with 78% stating they believe AI will influence acquisitions, valuations, or transform their sector. This was followed by 68% of energy and infrastructure (data centre construction) respondents, 67% of technology corporates, and 61% of real estate and construction contractors.

Access to IP

Access to technology and IP emerged as a key driver across all surveyed sectors, with 90% of respondents stating it is vital for driving inward investment in their industry. IP represents a significant share of a company's value in M&A transactions, offering strategic assets such as patents, trademarks, and copyrights. These assets help secure competitive advantage, safeguard proprietary technologies, and protect brand identity—contributing to long-term profitability and success.

With innovation and digital transformation increasingly critical across industries, IP due diligence has become essential in deal structuring. It ensures the target company's IP portfolio aligns with the buyer's strategic goals while mitigating risk. For private equity (PE) investors in particular, IP is a key driver of value creation and exit strategies.

Acquiring companies with strong IP portfolios offers the potential for sustained returns by maintaining defensible market positions, generating licensing revenues, and differentiating from competitors. As AI, software, and digital assets play a growing role in deal-making, PE firms are prioritising IP-rich businesses that promise long-term growth and resilience against market shifts.

Expert commentary

[Sandra Wong](#), corporate partner at Browne Jacobson, comments:

“Risk of international trade tensions and supply chain uncertainty are pushing firms to reassess their reliance on third-party technologies. As a result, businesses with proprietary platforms, defensible patents, and embedded AI capabilities are commanding a premium—especially in sectors like software, AI, and consumer tech. IP-backed businesses are no longer just appealing for their growth potential; they’re increasingly viewed as strategic hedges against regulatory or trade disruption and a key competitive advantage in M&A strategy.

“In this environment, strong IP portfolios are not just value drivers—they’re the backbone of investor confidence.”

< Previous

4. Ireland: The gateway to Europe expects upward trend to continue with increased M&A in 2025

Next >
M&A spotlights

Contents

<u>Investing in the UK and Ireland</u>	→
<u>Inward investment in the UK and Ireland in 2025: The big picture</u>	→
<u>1. The big picture: Expectations for inward investment and inbound M&A in 2025</u>	→
<u>2. Challenges and risks: Barriers to inbound M&A in the UK and Ireland</u>	→
<u>3. Geographical investment trends in UK and Ireland inbound M&A</u>	→
<u>4. Ireland: The gateway to Europe expects upward trend to continue with increased M&A in 2025</u>	→
<u>5. Shaping the future: The impact of AI and access to IP on the inward investment and inbound M&A</u>	→
<u>M&A spotlights</u>	→
<u>Conclusion: Inward investment in the UK and Ireland in 2025</u>	→

Expert commentary

Sandra Wong

Partner

Sandra is a partner in our corporate finance team. Being a board member of our international group, Sandra is known for driving the firm's international ambitions and plays a key role in extending our global reach.

sandra.wong@brownejacobson.com

+44 (0)330 045 1249

Contact

Declan Cushley

Partner

declan.cushley@brownejacobson.com

+44 (0)20 7965 3991

Gavin Cummings

Partner

gavin.cummings@brownejacobson.com

+44 (0)115 976 6157

Related expertise

Corporate

Intellectual property

International

International trade and commerce

Mergers and acquisitions

Supply chain optimisation

Supply, manufacturing and logistics