AI M&A Activity: Q3 2026

AUGUST 2026

Windsor Drake · Market Intelligence

Executive Summary: Most of the Money Was Not an Acquisition

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The Quarter in Numbers

40 AI transactions announced between 1 July and 26 August 2026, across four distinct legal structures.

- **30** were acquisitions of control.
- **10** were structured alternatives to acquisition.
- Twelve acquisitions published a price, totalling **$20.5 billion**.
- The ten alternatives committed **$75.0 billion** over their stated terms.

The Alternatives Carry the Capital

Ten transactions that are not acquisitions committed roughly **3.7 times** the published acquisition price of the quarter.

- Compute and capacity commitments: **$59.0 billion** across five.
- Licence plus team hire: **$8.5 billion** across two.
- Minority stakes with commercial terms: **$7.5 billion** across three.
- A further guarantee capped at **$105 billion** sits behind one Ohio campus.

The Unfiled Deal

Three of the four structures transfer capability without transferring equity or a controlling asset, so no premerger notification arises.

- The 2026 Hart-Scott-Rodino base threshold is **$133.9 million** (FTC, January 2026).
- A licence plus a hire crosses no threshold at any size.
- Counts drawn from notifications therefore see the **30**, not the **40**.
- That single mechanism explains most published disagreement on AI deal volume.

Nvidia Is the Structural Author

One acquirer accounts for four of the ten alternatives and set the template the rest of the market is copying.

- Poolside, Safe Superintelligence, Naver and Nebius, all inside eight weeks.
- PitchBook records **15** Nvidia AI acquisitions since 2022, against **12** across the other four largest buyers in 2026 to date.
- Nvidia licensed Groq's inference technology in December 2025 rather than buying the company.
- The Groq licence went into production inside the quarter, on 24 August 2026.

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

Key Takeaways for Founders

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1. Establish the Structure Before the Price

Four structures were in use this quarter and each distributes value to different people. Determine which one your likely acquirer runs as its house structure before you agree to a first conversation.

- Thirty acquisitions pay the cap table.
- Ten alternatives pay the company, the founders or the landlord.

2. The Buyer's Preferred Structure Is Observable

Nvidia licensed and hired four times in eight weeks. Stripe, Visa, AMD, Databricks and ServiceNow bought companies. Precedent is the most reliable predictor of what any given buyer will propose.

- Map each buyer's last three transactions by structure.
- A buyer with a licence template will propose a licence.

3. Make the Entity Worth Owning, Not Just the Team

A licence plus a team hire is available to a buyer whenever the value sits in people rather than in the business. Contracted revenue, proprietary data and transferable customer relationships are what force a control transaction.

- Nvidia paid **$6 billion** to licence and hire, not to own.
- Poolside continues to operate as an independent company.

4. Published Deal Counts Understate the Market

Merger-notification data captures the acquisitions and misses the rest. Any benchmark built on a notification-derived count describes a smaller and slower market than the one a seller actually meets.

- Ten of forty Q3 transactions generate no filing.
- Build the comparable set from announcements, not databases.

5. The Buyer Universe Has Widened Past Big Tech

AMD, Microchip, Navitas, d-Matrix, Descartes, Procore, Anaconda and Tricentis all transacted. Semiconductor, industrial and vertical software buyers now compete for AI capability alongside the model labs.

- Thirty acquisitions were spread across more than twenty distinct acquirers.
- Sponsors bought through platforms: Thoma Bravo, Francisco Partners.

6. Regulatory Risk Is a Reportability Question

The enforcement that landed this quarter was about how deals were structured for notification, not about market shares. Aggregation across tranches, warrants and board seats is where the exposure sits.

- FTC secured a record **$12 million** penalty on 13 July 2026 for deal splitting.
- DOJ resumed targeted Second Requests on 23 July 2026.

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

Founder FAQs

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1 How active was AI M&A in Q3 2026?

Forty AI transactions were announced between 1 July and 26 August 2026. Thirty were acquisitions of control. Ten were structured alternatives: a licence with a team hire, a minority investment carrying commercial terms, or a multi-year compute commitment.

2 Why do published AI deal counts differ so much between sources?

Because most deal counts are built from merger notifications, and three of the four structures buyers are using do not generate one. A licence plus a team hire transfers no equity and no controlling asset, so no premerger filing is required and the transaction never enters a notification-derived dataset.

3 What was the largest AI transaction of the quarter?

Measured by committed capital, the PORTS-Pike campus in Pike County, Ohio, announced 17 August 2026. Nvidia invested $1.5 billion in SB Energy and provided credit support capped at $105 billion behind a 20-year OpenAI lease covering 4.25 initial IT-gigawatts. It is a capacity lease, not an acquisition.

4 Which single deal moved the most money into one team?

Nvidia and Poolside, 20 August 2026. Nvidia agreed a $6 billion non-exclusive licence to Poolside's model-building stack and a $1 billion equity investment at a $12 billion pre-money valuation, and extended offers to 109 Poolside engineers including all three founders. Poolside continues to operate as an independent company.

5 Does the structure change who gets paid?

Completely. In an acquisition the consideration reaches the cap table and every shareholder participates. In a licence plus team hire the licence fee reaches the company and the hiring package reaches the individuals who are hired. Two transactions of identical economic size distribute value to entirely different people.

6 Are regulators looking at these structures?

The scrutiny in the quarter landed on reportability rather than on competition theory. On 13 July 2026 the FTC secured $12 million in penalties, the largest on record, against parties who split one transaction into a purchase below the threshold plus a contemporaneous minority investment. On 24 August the FTC settled a case in which one party paid $100 million for a competitor to exit a market.

7 What should a founder do differently because of this?

Establish which structure the likely buyer prefers before the first conversation, because it determines who is paid and what a process can achieve. A buyer whose house structure is a licence plus a hire is buying the team; a seller who wants the cap table paid has to make the entity, not the roster, the thing worth owning.

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

The Unfiled Deal: Four Structures, Four Outcomes

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AI capability changed hands four different ways in Q3 2026. Only the first produces a merger filing, a public price and a payment to every shareholder.

Attribute	Acquisition of control	Licence plus team hire	Minority plus commercial	Compute commitment
Q3 2026 count	**30** 75% of transactions	**2** Poolside, Mechanize	**3** SSI, Naver, Nebius	**5** $59.0B committed
Who receives the money	**The cap table** Every shareholder participates	**Company and individuals** Licence fee plus hiring packages	**The company** Primary issuance, no exit	**The operator** Contracted revenue over years
Premerger notification	**Yes above $133.9M** FTC 2026 threshold	**No equity transfers** No controlling asset changes hands	**Rarely** Non-controlling, below the tests	**No** A commercial contract
Enters a published deal count	**Yes** Filed and reported	**Seldom** No filing to count	**As a financing** Counted in venture, not M&A	**No** Recorded as backlog or capex
Time to signing	**Months** Diligence, filings, outside date	**Weeks** Speed is the stated attraction	**Weeks** A financing timetable	**Months** Power and siting drive the clock
What forces the buyer into it	**Owned assets** Contracts, data, customers	**People and models** Value concentrated in a roster	**Access without control** Supply secured, board seat avoided	**Physical scarcity** Power, land and silicon
The seller's lever	**Competing bidders** A run process	**Team cohesion** The roster leaves together or not at all	**Alternative suppliers** A second platform to switch to	**Delivery date** Capacity available before a rival's

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

How the Quarter Divides by Structure

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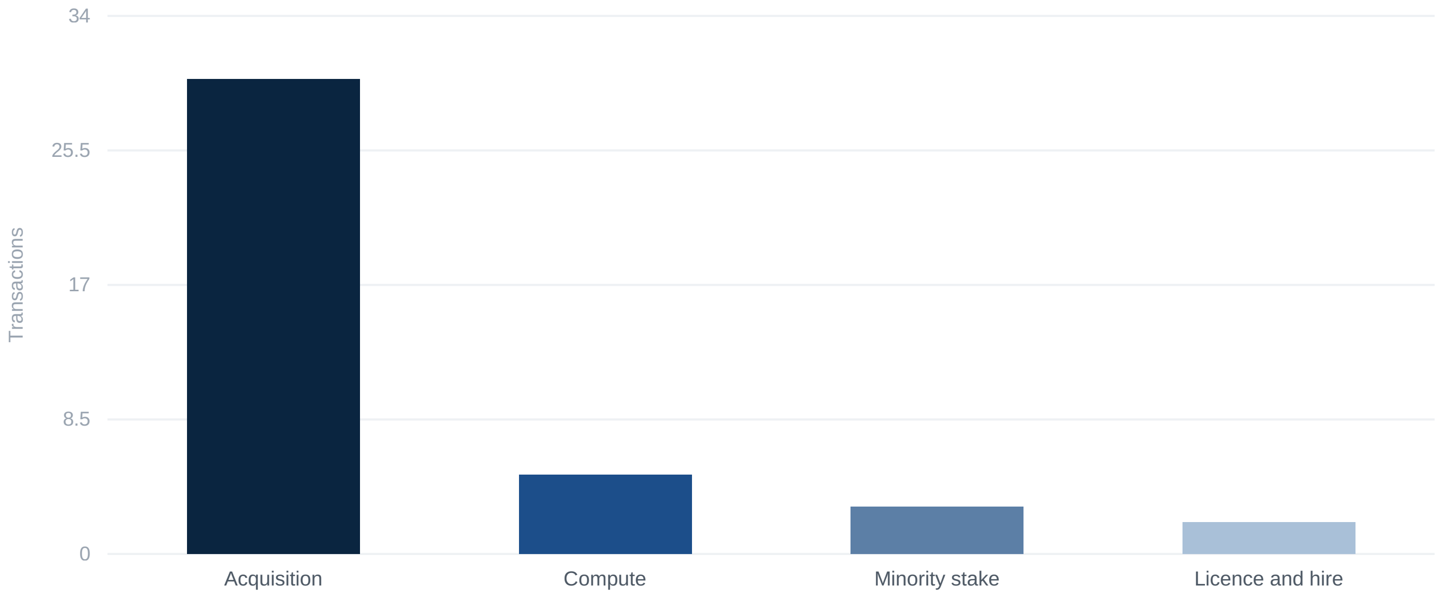
AI transactions announced 1 July to 26 August 2026, classified by the legal form the parties actually used.

Q3 2026 AI transactions by structure



TOTAL RECORDED

40

Announced 1 July to 26 August 2026, confirmed against an announcement or a filing.

ACQUISITIONS

30

Control transactions across more than twenty distinct acquirers.

ALTERNATIVES

10

Licence, minority stake or capacity commitment rather than control.

NVIDIA'S SHARE

4 of 10

One acquirer authored four of the ten alternatives inside eight weeks.

> Three quarters of the transaction count is a conventional acquisition. One quarter of the count is where most of the capital went.

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

Where the Capital Actually Went

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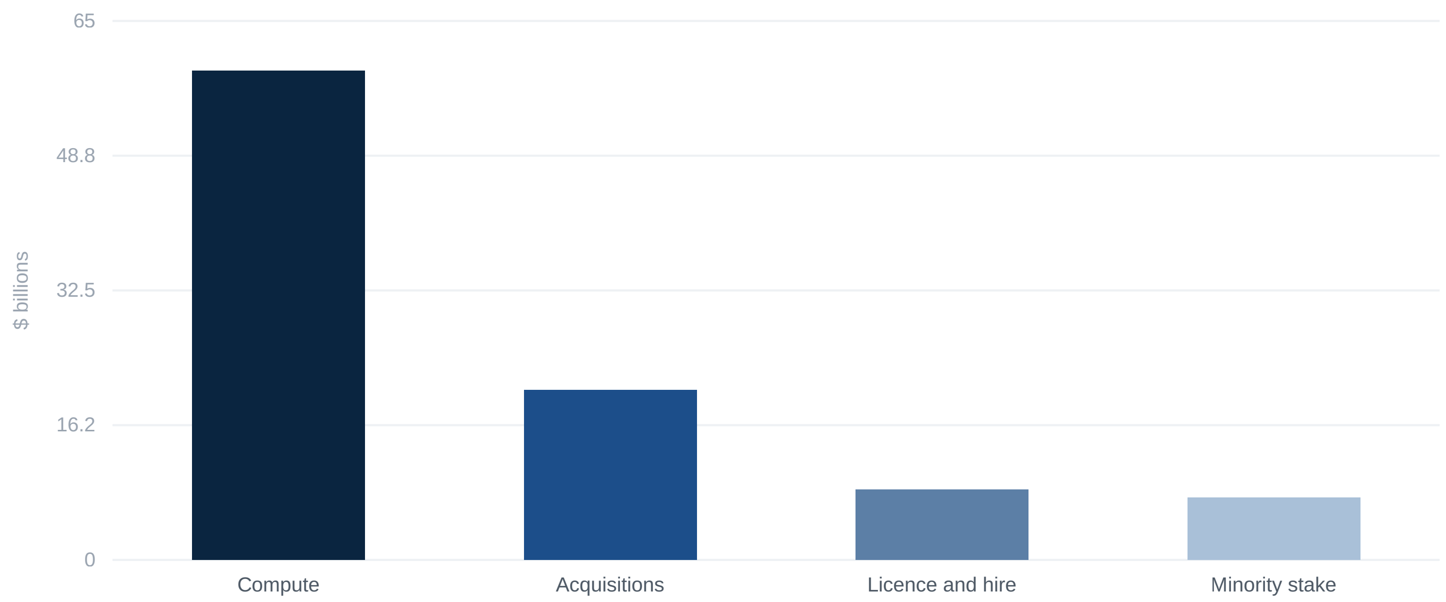
Committed capital by structure, over the stated contract term in each case. Every figure was published by a party to the transaction or appears in a filing.

Q3 2026 committed capital by structure, $ billions



STRUCTURED TOTAL

$75.0B

Ten transactions that are not acquisitions of control.

ACQUISITION TOTAL

$20.5B

Twelve of the thirty acquisitions published a price.

THE RATIO

3.7x

Committed capital outside acquisition against published acquisition price.

BEYOND THE CHART

$105B cap

Nvidia credit support behind the PORTS-Pike campus, 17 August 2026.

> Compute commitments run for six to twenty years and acquisition prices settle at closing, so the two measure different things. That is the point: the capital is being deployed on contract terms, not on purchase terms.

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

The Transactions That Set the Quarter

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Each entry is confirmed against a company announcement, an SEC filing or institutional reporting.

PORTS-Pike: Nvidia, OpenAI and SB Energy

Announced 17 August 2026. Nvidia invested **$1.5 billion** in SB Energy and gave credit support capped at **$105 billion** behind a 20-year OpenAI lease covering an initial **4.25 IT-gigawatts**, rising to 8. OpenAI pays as capacity is delivered, so the vendor carries build-phase credit risk.

Nvidia and Poolside: licence, equity, roster

Reported 20 August 2026. A non-exclusive licence at **$6 billion**, equity of **$1 billion** at a **$12 billion** pre-money valuation, and employment offers to **109** engineers including all three founders. Poolside continues as an independent company.

AMD and Core Scientific: silicon takes equity

Announced 27 July 2026 and filed as a material event. Reported at approximately **$14 billion** over fifteen years, from **500 megawatts** to **2.5 gigawatts**, with AMD taking market-priced warrants over its customer.

$75.0B	$20.5B	40
STRUCTURED COMMITMENTS	PUBLISHED ACQUISITION PRICE	TRANSACTIONS RECORDED

CoreWeave

Above **$25 billion** of net new customer commitments added in early Q3, disclosed 11 August.

Anthropic and Volta

$10 billion over six years, 4 August, for 133 megawatts in Norway.

Stripe and OpenRouter

Reported 16 August above **$7 billion** for the model-routing gateway.

Thoma Bravo and Accelerant

$20.25 per share, 13 August, a 49% premium.

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

The Acquisitions That Published a Price

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Twelve of the thirty acquisitions published consideration, totalling $20.5 billion. The seven largest are below, and five of the twelve carry terms taken from an SEC filing.

Transaction	Consideration	Structure and date
Stripe / OpenRouter	**Above $7B** Reported	**Acquisition** 16 Aug 2026
Thoma Bravo / Accelerant	**$20.25 a share** Above $4B EV	**Take-private, cash** 13 Aug, Form 8-K
Visa / BioCatch	**$2.4B** Cash, from Permira funds	**Acquisition** 3 Aug 2026
Nielsen / DoubleVerify	**$13.60 a share** About $2.15B EV	**Take-private, cash** 6 Aug, Form 8-K
Tempus AI / Personalis	**$16.25 a share** About $1.5B net	**Stock, cash election** 20 Jul, Form 8-K
Cyera / Oasis Security	**About $1B** Reported	**Acquisition** 28 Jul 2026
Procore / DroneDeploy	**About $845M** Cash, $700M bridge	**Acquisition** 29 Jul, Form 8-K

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

The Ten Transactions That Were Not Acquisitions

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Each of these moved AI capability, capacity or people between parties without a change of control. Together they committed $75.0 billion.

Parties	Structure	Terms and date
Nvidia / Poolside	**Licence plus team hire** Non-exclusive licence, equity, 109 engineers	**$6B licence, $1B equity** 20 Aug 2026
Google / Mechanize	**Licence plus team hire** Coding agents and staff, in negotiation	**Above $1.5B reported** 5 Aug 2026
Nvidia / SSI, Naver, Nebius	**Minority plus commercial terms** Three stakes, each with supply attached	**$5B, $1B for 4.5%, 9.3%** 21 and 27 Jul 2026
Nvidia, OpenAI / SB Energy	**Capacity lease plus credit support** PORTS-Pike, Ohio, 4.25 initial IT-gigawatts	**$1.5B equity, $105B cap** 17 Aug 2026
AMD / Core Scientific	**Compute commitment plus warrants** 500 megawatts rising to 2.5 gigawatts	**About $14B over 15 years** 27 Jul 2026
Anthropic / Volta, Bitdeer	**Compute purchase commitment** 133 megawatts in Norway, Vera Rubin	**$10B over 6 years** 4 Aug 2026
CoreWeave and Crusoe	**Compute purchase commitments** Net new backlog, and Israeli capacity	**Above $25B, and $10B** August 2026

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

Licence Plus Team Hire, Up Close

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What the structure actually is

The buyer takes a non-exclusive licence to the technology and hires the people, and the target survives as a legal entity with its own shareholders.

- No equity changes hands and no controlling asset transfers.
- Existing investors are paid out of the licence proceeds.
- The residual company keeps its name, its charter and its remaining staff.
- Jensen Huang on Groq: Nvidia is licensing the intellectual property and adding employees, and is not acquiring the company.
- Speed is the stated attraction: these sign in weeks.

The scale it now operates at

This is no longer a small-deal technique. Nvidia has run it three times in eleven months for roughly $27 billion of combined consideration.

- Enfabrica, September 2025, above **$900 million**.
- Groq, December 2025, reported at about **$20 billion**.
- Poolside, August 2026, **$6 billion** licence plus **$1 billion** equity.
- The Groq licence entered production on 24 August 2026 inside Nvidia's own product line.
- Google was reported negotiating the same form with Mechanize on 5 August 2026.

The precedents that built the template

The pattern was established across 2024 and 2025 by the largest buyers in the sector, and the prices were published each time.

- Microsoft and Inflection AI, March 2024, **$650 million**.
- Google and Character.AI, August 2024, **$2.7 billion**.
- Google and Windsurf, July 2025, **$2.4 billion** in licence fees.
- Meta took a 49% stake in Scale AI for **$14.3 billion** in June 2025 and hired its chief executive.
- Amazon and Adept, June 2024, a **$25 million** licence.

What it means for a seller

The structure is available to a buyer whenever the value of the business is concentrated in people rather than in owned assets.

- Founders and named researchers are paid through employment, not through the cap table.
- Passive shareholders participate only through the licence fee.
- Contracted revenue and proprietary data are what force a control transaction.
- Negotiate the split between licence and package before the roster is approached.
- The residual company keeps its charter and its name.

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

Minority Investment With Commercial Terms, Up Close

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Capital that buys a customer

The investor takes a non-controlling stake and the recipient commits to buy the investor's product. Supply is secured without a change of control.

- Nvidia invested about **$5 billion** in Safe Superintelligence on 27 July 2026.
- SSI moved to Nvidia's Vera Rubin platform with compute rising by an order of magnitude.
- Nvidia took **4.5%** of Naver for **$1 billion** on the same day.
- Nvidia's Nebius holding stood at **9.3%** when disclosed on 21 July 2026.
- Three stakes in one week, each carrying supply terms.

The inversion: supplier takes equity in customer

AMD reversed the direction on 27 July 2026, taking warrants over its own customer rather than investing cash in a supplier.

- Market-priced warrants over Core Scientific common stock.
- Contingent on commercial conditions being met.
- Paired with a fifteen-year infrastructure agreement.
- Filed as a material event rather than as a merger.
- Deployment begins above 500 megawatts in 2027.

The established set this builds on

The largest cloud and model relationships in the sector already run on this structure, and the terms are public.

- Amazon and Anthropic, April 2026: **$5 billion** new investment against a commitment above **$100 billion** to AWS.
- Microsoft and Nvidia into Anthropic, November 2025, against **$30 billion** of Azure capacity.
- Nvidia and OpenAI, September 2025, a **$100 billion** commitment tied to 10 gigawatts.
- The FTC studied exactly these arrangements in its January 2025 staff report.
- Equity, revenue share and consultation rights travel together.

Why buyers prefer it

It delivers most of the commercial benefit of ownership while avoiding the parts of ownership that are slow or contested.

- Non-controlling stakes rarely cross merger-control tests.
- No outside date, no financing condition, no integration.
- The target keeps its independence and its recruiting story.
- Board observation rights carry their own Clayton Act Section 8 analysis.
- Section 8 thresholds stand at **$54.4 million** and **$5.44 million**.

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

Compute and Capacity: The Largest Structure by Capital

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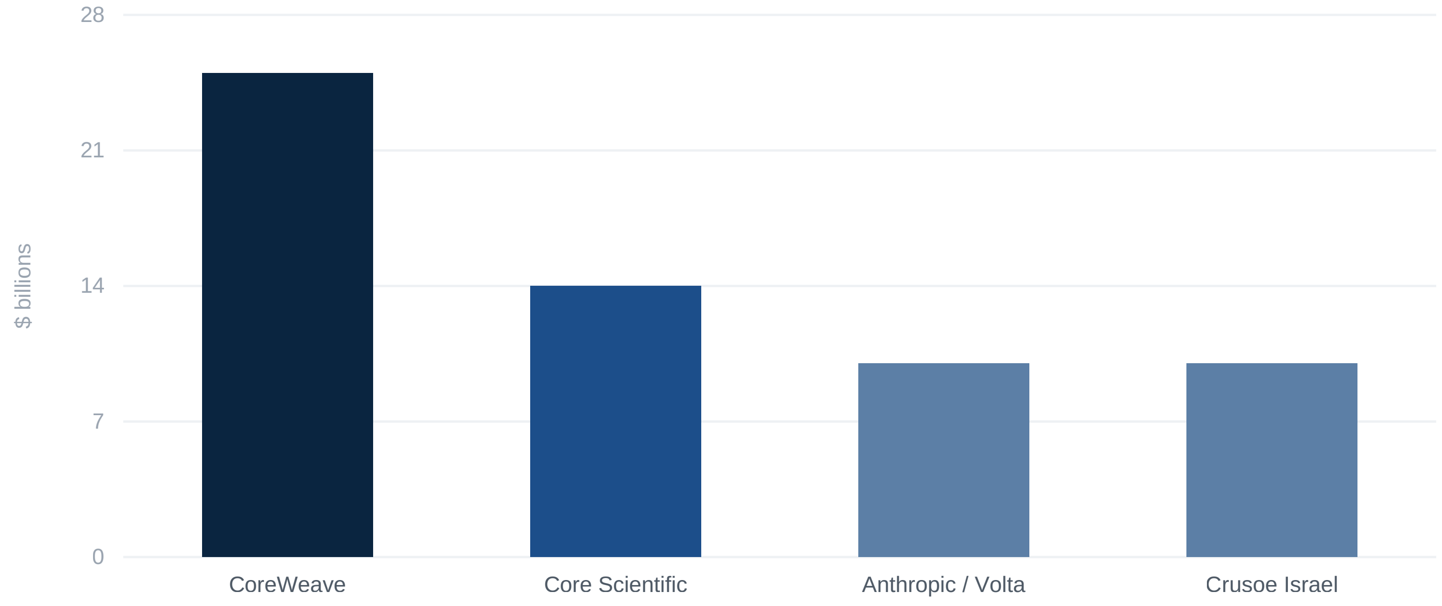
Five commitments announced in the quarter carry $59.0 billion over terms of six to twenty years.

Committed capital by counterparty, $ billions



What the Commitments Buy

Power, not software

SB Energy is building at least **10 gigawatts** of new generation for the Ohio campus alone.

Twenty-year tenor

The OpenAI lease at PORTS-Pike runs **20 years**, paid as delivered capacity comes online.

Vendor credit, not tenant credit

Nvidia's guarantee, capped at **$105 billion**, moves build-phase risk to the chip supplier.

An SEC-filed anchor

CoreWeave disclosed above **$25 billion** of net new commitments in early Q3 against a **$104 billion** backlog.

Sovereign capital enters

The European Commission opened a **10 billion euro** AI Gigafactories call on 30 July 2026.

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

Who Is Buying AI Capability

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Acquirer composition across the thirty Q3 2026 acquisitions of control.

Semiconductor buyers moved hardest

AMD and Taalas on 6 August for model-etched inference silicon, Microchip and Hailo on 24 July for edge accelerators, d-Matrix and Wallaroo on 3 August, Navitas and Claros on 25 August. Four chip companies in eight weeks.

Security bought agent identity

Cyera and Oasis Security at about **$1 billion** on 28 July, Okta and Permiso on 30 July, Barracuda and Evo Security on 7 July, CrowdStrike and XM Cyber's intellectual property on 16 July.

Vertical software bought perception and data

Procore and DroneDeploy at about **$845 million**, Progress Software and Domo's platform assets at **$400 million**, Tempus AI and Personalis at about **$1.5 billion** net.

30	**20+**	**4**
ACQUISITIONS OF CONTROL	DISTINCT ACQUIRERS	SEMICONDUCTOR BUYERS

Model labs

OpenAI took Northslope and NextSlide; Databricks took Electric.

Networks and payments

Visa and BioCatch at **$2.4 billion**; Stripe and OpenRouter.

Legal and professional

Harvey, Legora, BigHand and Anaqua all acquired.

Aerospace and robotics

Archer took three Boeing units on 10 August.

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

Private Equity and Sponsor Activity

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Sponsors transacted in AI-exposed software this quarter, and did so at scale, through take-privates rather than through minority positions.

Thoma Bravo and Accelerant, above $4 billion

Agreed 13 August 2026 at **$20.25** per share in cash, a **49%** premium, for a data-driven specialty insurance exchange. The Form 8-K carries a company termination fee of **$56.9 million** rising to **$136.5 million**.

Francisco Partners and Weave, about $650 million

Agreed 18 August 2026 at **$7.40** per share, a **34%** premium, the sponsor citing healthcare demand for AI across more than 40,000 locations.

The sponsor thesis is AI-adjacent, not AI-native

Neither target is a model developer. Both are software businesses whose data assets gain value once AI is applied. Bain records buyout dry powder at **$1.3 trillion**.

49%	34%	$1.3T
ACCELERANT PREMIUM	WEAVE PREMIUM	BUYOUT DRY POWDER

Nielsen and DoubleVerify

A **30%** premium, 6 August 2026.

Altaris and Clarivate

$600 million for a data segment, 6 July.

Held longer

PwC records **34%** of portfolio companies held five years or more.

Cross-reference

The Sponsor Exit 2026 covers the platform buyer in full.

Sources: PwC; EY; Bain & Company; McKinsey & Company; PitchBook; CB Insights; Goldman Sachs Research; Bank of England. See appendix.

Why Published AI Deal Counts Disagree

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Counts are built on notifications

Most deal databases are assembled from merger filings and from reporting of them. That method sees an acquisition and misses everything else.

- The 2026 Hart-Scott-Rodino base threshold is **$133.9 million**.
- A licence transfers no equity and no controlling asset.
- A compute contract is a commercial agreement, recorded as backlog.
- A minority stake is usually counted as venture funding, not M&A.

The gap is quantified

Georgetown's Center for Security and Emerging Technology tracked **4,354** AI transactions from 2014 to 2023.

- Annual AI M&A rose from **225** in 2014 to **494** in 2023.
- Top acquirers: Apple 28, Alphabet 23, Microsoft 18, Meta 16.
- The dataset rests on one provider's taxonomy.
- Structures outside it are absent by construction.

The divergence shows in the aggregates

PwC records global technology and media deal **value** rising **48%** to May 2026 while **volume** fell **9%**.

- Technology alone reached **$420 billion**, up **67%**.
- EY records US technology deals above $100 million up **161%**.
- AI was cited in **33%** of the largest 2025 deals, **17%** in H1 2026.
- Rationale narrowed while value accelerated.

Big Tech acquisition counts fell

PitchBook records the five largest acquirers completing **7** AI deals in 2024, **14** in 2025 and **12** in 2026 to date.

- Combined infrastructure spending approaches **$600 billion**.
- Nvidia is the exception with **15** AI deals since 2022.
- A count of acquisitions is not a measure of consolidation.
- Read structure alongside count or the market looks quiet.

Sources: PwC; EY; Bain & Company; McKinsey & Company; PitchBook; CB Insights; Goldman Sachs Research; Bank of England. See appendix.

Antitrust and Regulatory Attention in the Quarter

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Reportability is where enforcement landed

On 13 July 2026 the FTC secured **$12 million** in penalties, the largest on record, for structuring around the notification threshold.

- A purchase sized below the threshold plus a contemporaneous minority investment.
- The buyer must now give advance notice of further acquisitions in the category.
- Aggregation across tranches and instruments is the live risk.
- Section 8 interlock thresholds stand at **$54.4 million** and **$5.44 million**.

US review timelines shortened

The DOJ Antitrust Division resumed a targeted Second Request process on 23 July 2026, with a published model timing agreement.

- Priority documents first, then close, narrow or demand full compliance.
- The FTC granted early termination in IonQ and SkyWater on 31 July 2026.
- Chairman Ferguson published a statement setting out his preference for behavioural conditions.
- Model a genuine prospect of early clearance, not the 2023 baseline.

AI disruption became a merger defence

On 19 August 2026 the DOJ closed its investigation into Seismic and Highspot, finding AI-native firms growing quickly and increasing pressure on legacy providers.

- The first US closing statement to rest on AI-driven entry.
- The Division tests the claim against ordinary-course documents.
- Board materials that dismiss AI entrants will foreclose the argument.
- Expect the defence in every software transaction from here.

The talent structure has a Section 1 flank

On 24 August 2026 the FTC settled a matter in which one party paid a competitor **$100 million** to exit a market and stop competing.

- The order forces a non-compete waiver so staff can be re-recruited.
- That theory reaches talent transfers without needing merger jurisdiction.
- The CMA cleared Microsoft and Inflection at Phase 1 in 2024 after treating a hire plus arrangements as a merger situation.
- Diligence licence-and-hire structures for Section 1 exposure separately.

Sources: Federal Trade Commission; U.S. Department of Justice Antitrust Division; European Commission; Competition and Markets Authority; U.S. Department of the Treasury. See appendix.

Capital Markets and Financing Conditions

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The buyers are cash-rich and contracted

Microsoft reported commercial remaining performance obligations of **$678 billion**, up **84%**, in its results for the quarter ended 30 June 2026.

- Microsoft FY2026 capital expenditure reached **$115.9 billion**.
- Amazon spent **$98.4 billion** in the first half of 2026.
- Alphabet spent **$80.6 billion** and Oracle **$55.7 billion** in its fiscal year.
- Meta guided full-year 2026 capital expenditure to **$130 to 145 billion**.

Debt is now funding a third of it

Goldman Sachs Research records close to **$500 billion** of AI-related debt issued in 2026 to date.

- Hyperscalers are about 40% of that and the wider ecosystem 60%.
- Debt-funded share of hyperscaler capital spending: **27%** in 2025, about **33%** in 2026, an expected **35%** peak in 2027.
- AI issuance is **40%** of long-duration investment-grade supply.
- Goldman estimates **$300 billion** of data-centre project finance in 2027.

Central banks are watching leverage, not multiples

The Bank of England's July 2026 Financial Stability Report puts AI companies at roughly half of S&P 500 capitalisation, against a quarter in 2022.

- AI issuers were **41%** of non-refinance US high-yield issuance in 2026 to date, from **1%** of the index at end-2025.
- Private credit's AI share rose from **9%** in 2024 to **34%** in 2025.
- The stress scenario models a **45%** US equity decline over six quarters.
- Named fragilities include circular financing and maturity mismatch.

The public market has split in two

Through 25 August 2026 the semiconductor index stands **63.6%** higher on the year while application software stands **4.8%** lower.

- The semiconductor index is **20.8%** below its 22 June 2026 peak.
- The Nasdaq-100 is **15.7%** higher on the year.
- The ECB attributes software weakness to fear of AI disrupting incumbent models.
- EY records in-house build rising from **56%** to **66%** of AI software investment.

Sources: company earnings releases and SEC filings; Goldman Sachs Research; Bank of England; Nasdaq market data. See appendix.

Positioning for a Process: A 12 to 18 Month View

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On this page the preparation question is structural. The work is to make an acquisition the buyer's easiest route rather than its most expensive one.

Establish the structure

Months 0-3

- Map each likely buyer's last three AI transactions by legal structure rather than by size, because precedent is the best available predictor of what will be proposed.
- Separate value that sits in owned assets from value that sits in named individuals, and write down which of the two a buyer could take without the entity.
- Document contracted revenue, proprietary data rights and customer transferability, which are the three things that force a control transaction.
- Model what each of the four structures would pay to the cap table against what it would pay to the roster.

KEY MILESTONE

A clear view of which structure each buyer will propose

Build the evidence

Months 3-9

- Construct the comparable set from announcements and filings, name every constituent, and record the structure alongside each price.
- Collect the quarter's published prices in your sub-segment and establish which buyer type paid each of them.
- Close the intellectual property assignment gaps that a licence negotiation would expose first.
- Prepare the aggregation and interlock analysis a buyer's counsel will run across tranches, warrants and board seats.

KEY MILESTONE

A defensible comparable set and a clean data room

Test the buyer universe

Months 9-15

- Map semiconductor, security, vertical software and sponsor buyers as a single list, because all four transacted in this quarter.
- Establish which acquirers have bought this capability before, on what terms and through which structure.
- Understand each buyer's own trading multiple, since it constrains what stock consideration can be worth.
- Create tension between buyers who would acquire and buyers who would licence, which is the only lever that moves the structure.

KEY MILESTONE

A buyer list built on structural precedent

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

AI Transaction Activity Outlook

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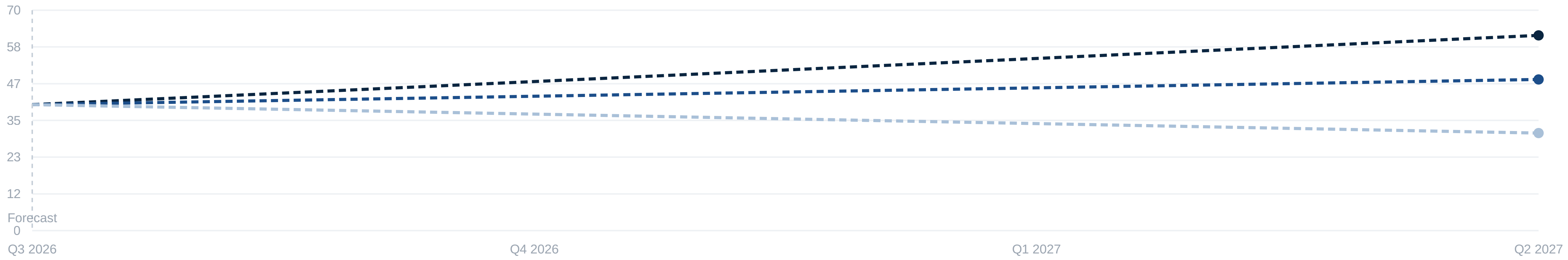
Quarterly AI transactions across all four structures. The Q3 2026 figure is the firm's census to 26 August; the forward paths are the firm's view.



Bull **62 transactions**

Key Drivers

- Faster US clearance holds and the AI-entry defence becomes settled practice.
- Semiconductor and vertical software buyers keep competing for the same targets.
- Debt markets absorb the 2027 project finance pipeline without repricing.

CAPABILITY ASSETS SHOULD MOVE WHILE BUYER URGENCY AND ACQUIRER PAPER ARE BOTH STRONG AND CLEARANCE IS QUICK.

Base **48 transactions**

Key Drivers

- Acquisitions continue at roughly the current rate across a widening buyer set.
- Structured alternatives keep carrying the capital and the largest headlines.
- Regulatory attention stays on reportability rather than on competition theory.

MATCH THE STRUCTURE TO THE ASSET. OWNED ASSETS EARN A CONTROL TRANSACTION; A ROSTER EARNS A LICENCE.

Bear **31 transactions**

Key Drivers

- The correction in AI-exposed equities extends and narrows stock consideration.
- Credit spreads widen and the debt-funded share of capital spending falls back.
- An enforcement action against a licence structure freezes the alternatives.

OWNED ASSETS AND CONTRACTED REVENUE HOLD VALUE BEST. EVIDENCE ASSEMBLED EARLY IS WHAT PROTECTS PRICE.

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

Case Study: Nvidia and Poolside

WINDSOR DRAKE

The clearest illustration of the quarter's central mechanism, and the transaction a founder should study before agreeing to a first meeting.

The transaction

Reported on 20 August 2026. Nvidia agreed a **$6 billion** non-exclusive licence to Poolside's model-building stack and a **$1 billion** equity investment at a **$12 billion** pre-money valuation, and extended employment offers to **109** engineers.

- Founders Eiso Kant, Jason Warner and Margarida Garcia received offers.
- Existing investors are paid from Nvidia funds.
- Poolside continues to operate as an independent company.
- Emphasis on government and defence software automation.

Why it was not an acquisition

The licence is non-exclusive and no equity or controlling asset transferred, so the arrangement crosses no merger-notification test at any size. Speed and certainty follow directly from that choice.

- Compare Poolside's April 2026 seed round at roughly a **$500 million** valuation.
- Nvidia ran the same structure for Enfabrica and for Groq.
- The Groq licence reached full production on 24 August 2026.
- Combined consideration across the three is roughly **$27 billion**.

The read for a founder

The roster is the asset here

Where the value is a team and a model, a buyer can take both without buying the company. Owned assets are what change that.

The cap table is paid indirectly

Shareholders participate through the licence fee rather than through consideration for their shares. Negotiate that split first.

Speed is the buyer's motive

This structure signs in weeks. A seller who wants a competitive process has to create the alternative before the licence is on the table.

Sources: company announcements, SEC filings on EDGAR and institutional reporting, 1 July to 26 August 2026. See appendix.

Sources

Third-party institutions and primary filings whose data appears in this deck. House computation is separated from third-party figures throughout.

Institution	Report / Source	Date
Federal Trade Commission	*2026 Hart-Scott-Rodino thresholds; premerger reporting penalties; Zillow and Redfin order; staff report on cloud and AI partnerships*	2025-01 to 2026-08
U.S. Department of Justice, Antitrust Division	*Targeted HSR merger review process; closing statement on Seismic and Highspot*	2026-08
European Commission	*AI Omnibus; AI Act enforcement from 2 August; Google interoperability decision; AI Gigafactories call*	2026-07 to 2026-08
Competition and Markets Authority	*Microsoft and Inflection AI merger inquiry; Microsoft and OpenAI partnership inquiry*	2024-09, 2025-03
U.S. Securities and Exchange Commission	*Forms 8-K and merger agreements for DoubleVerify, Weave, Accelerant, Personalis, DroneDeploy; CoreWeave Q2 2026 earnings release*	2026-07 to 2026-08
U.S. Department of the Treasury	*CFIUS Annual Report to Congress, calendar year 2025*	2026-08
PwC	*Global M&A Industry Trends and Global M&A Trends in Technology, Media and Telecommunications, 2026 Mid-Year Outlook*	2026-06
EY	*US M&A activity insights, July 2026; CEO Outlook; AI Pulse Survey Wave 5*	2026-05 to 2026-08
PitchBook	*Building, Backing and Buying AI, Q2 2026; PitchBook-NVCA Venture Monitor Q2 2026*	2026-06 to 2026-08
Goldman Sachs Research	*Global AI investment forecast; how AI debt is reshaping the credit market*	2026-08
Bank of England	*Financial Stability Report, July 2026*	2026-07

Methodology

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How every figure in this deck was produced. Published so the analysis can be reproduced or disputed.

Institution	Report / Source	Date
McKinsey & Company	*The State of AI, 1,719 respondents fielded 4 May to 8 June 2026*	2026-08
Bain & Company	*Global Private Equity Report 2026*	2026-02
Georgetown University, CSET	*Acquiring AI Companies: Tracking US AI Mergers and Acquisitions*	2024-11
Nasdaq	*Closing values for the PHLX Semiconductor Index and the expanded technology software fund*	2026-08

METHOD

How the quarter was counted

The census covers AI transactions announced between 1 July and 26 August 2026, a partial quarter labelled as one throughout. A transaction enters when AI capability, AI infrastructure or AI-enabled data is the stated subject and it is confirmed against an announcement, a filing or a top-tier institution. Forty met that standard.

How committed capital was computed

Acquisition value of $20.5 billion is the sum of published consideration across the twelve acquisitions that published a price. Structured capital of $75.0 billion sums licence fees, equity investments and contracted commitments over each stated term. Both are Windsor Drake computations. The $105 billion Nvidia guarantee is excluded, being credit support.

How structures were classified

Each transaction is assigned to one of four structures on the basis of what the parties signed: an acquisition of control, a non-exclusive licence paired with employment offers, a non-controlling stake paired with a supply agreement, or a multi-year capacity contract. A transaction carrying two limbs is counted once, under the limb carrying the capital.

Constituents excluded, and why

The Windsor Drake Exit Index covers fintech and was excluded from every figure on this page, which rests on the public record of AI transactions. Two in-window take-privates, Bernhard Capital and Bowman Consulting and Grant Thornton Advisors and CBIZ, were excluded because neither gives an AI rationale. The Unfiled Deal is a Windsor Drake framework.

Windsor Drake

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Sell-side M&A advisory

Windsor Drake advises founders on sale processes, typically $5 million to $300 million in enterprise value.

- Sell-side mandates only.
- Fintech, software, cybersecurity and AI.
- Process design, buyer access and negotiation.
- Research-led origination.

How this research is produced

Every count in this deck is computed by the firm from the public record, and every transaction is confirmed against an announcement or a filing.

- No licensed vendor data.
- An institution and a date behind every third-party figure.
- Partial-quarter basis and structural assignments published.
- Reported terms distinguished from company-confirmed terms.

Related research

This page covers activity: who transacted, at what cadence and on what structure. The valuation questions are answered elsewhere in the library.

- AI Valuations Q3 2026 carries the computed comparable set.
- Rule of 40 2026 sets out the AI-driven repricing of software.
- AI in Cybersecurity covers the agent identity segment.
- The Sponsor Exit 2026 covers the platform buyer.

Contact

For a confidential conversation about positioning or timing, contact the firm directly.

- windsordrake.com
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- Enquiries answered by a partner.