



IT Solutions Providers M&A Update

Q4 2024 and 2025 Outlook



Includes Value Added Resellers (VARs)

Who We Are?

Formed in 2009, **Solganick & Co.** is a data-driven **investment bank** and **mergers and acquisitions (M&A) advisory firm** focused exclusively on the **Software** and **IT Services** sectors.



We advise buyers and sellers of companies on M&A strategies and execution to maximize shareholder value.

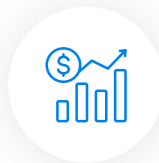
Our M&A transactions have the following characteristics:



Deal Size Range:
\$25M to \$250M+



Client Ownership:
75% founder-led;
Private. 25% PE
backed



Revenues:
\$10M to \$250M+



EBITDA:
\$2M to \$20M+

Offices located in **Dallas** and **Los Angeles**

The IT Solutions Provider landscape continues its dynamic evolution, marked by a steady stream of mergers and acquisitions (M&A) in Q4 2024 and the start of 2025. This activity is driven by several factors, including the ongoing digital transformation wave, the rise of cloud computing and managed services, the increasing need for cybersecurity expertise, and more support for data centers due to the AI drive.

Key Trends Shaping M&A Activity:

Consolidation: The market is witnessing a trend towards consolidation, with larger players acquiring smaller ones to expand their geographic reach, service offerings, and customer base. This allows them to achieve economies of scale and offer more comprehensive solutions.

Specialization: Acquisitions are also being driven by the need to acquire niche capabilities in areas like cybersecurity, AI, data analytics, and cloud migration. This allows companies to differentiate themselves and cater to the evolving needs of their clients.

Private Equity Influence: Private equity firms continue to play a significant role in the M&A landscape, investing in promising IT solution providers and driving further consolidation.

Recent PE Investments include **Clayton Dubilier & Rice's** acquisition of **Presidio**, **Apax Funds** acquisition of **Thoughtworks**, and **TowerBrook Capital's** acquisition of **CBTS**.

Looking Ahead:

The M&A trend in the IT Solutions sector is expected to continue in the coming months, driven by factors such as:

The continued rise of Generative AI and AI Agents: As artificial intelligence continues to evolve, companies with expertise in this domain will be highly sought after, including providing infrastructure and solutions for new data centers to support massive AI and data analytics capabilities.

Cybersecurity Concerns: The increasing frequency and sophistication of cyberattacks will fuel demand for cybersecurity solutions and drive M&A activity in this space.

Cloud Adoption: The ongoing shift to cloud computing will continue to create opportunities for companies with cloud migration, data centers, and management capabilities.

M&A Summary

M&A Update

- M&A activity in the IT Solutions Provider sector was active in Q4 2024, with many large companies acquiring smaller ones to add solutions expertise.
- We noted two acquisitions announced by Presidio in Q4: Contender Solutions and Kinney Group.
- World Wide Technology (WWT) acquisition of Canada based Softchoice for C\$1.8B.
- CDW's acquisition of AWS Premier Partner, Mission Cloud Services.
- Xerox acquisition of ITsavvy for \$400M.
- Solganick expects to see more consolidation in 2025 among the larger IT solutions providers, as well as acquisitions in cloud, cybersecurity, data analytics, managed services, and data center infrastructure solutions.

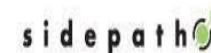
Select IT Solutions Providers



Recent M&A Transactions

Date	Acquirer	Target	Deal Summary
Dec 2024	World Wide Technology	Softchoice	• WWT acquires Canada-based Softchoice for C\$1.8B, a cloud-focused IT solutions provider
Dec 2024	CDW	Mission Cloud Services	• IT solutions leader acquires AWS Premier Services Partner that provides agile cloud managed services and consulting.
Dec 2024	TowerBrook Capital	CBTS	• CBTS delivers Application Modernization, Managed Cloud, Security, Communications, and Infrastructure solutions.
Dec 2024	TD Synnex	iPsense's Cloud Migration Business	• TD Synnex acquires IPsense's cloud migration business in Brazil.
Dec 2024	Comcast Business	Nitel	• Comcast Business acquires network as a service provider and carrier aggregator Nitel from PE firm Cinven.
Nov 2024	Presidio	Contender Solutions	• Presidio acquires Contender Solutions, an Elite ServiceNow Partner,
Nov 2024	SHI Intl.	Locuz Enterprise Solutions	• SHI acquires Locuz Enterprise Solutions, an Indian cybersecurity and digital transformation services company.
Oct 2024	Presidio	Kinney Group	• Presidio acquires Kinney Group, a Splunk partner that provides specialized engineering services focused on data analytics, automation and AI/ML solutions.
Oct 2024	CACI	Applied Insight	• CACI acquires AWS Premier Services Partner to boost its capabilities in AWS, cloud migration, cybersecurity and productivity for government agency customers. Applied Insight was owned by PE firm, Acacia Group.
Oct 2024	Xerox	ITsavvy	• Xerox acquires ITsavvy, a provider of integrated IT products and solutions, for \$400M.

Industry Landscape: IT Solutions Providers



Worldwide IT Spending Expected to Grow 9.3% in 2025 to reach \$5.74 Trillion

Worldwide IT spending is expected to total \$5.74 trillion in 2025, an increase of 9.3% from 2024, according to the latest forecast by Gartner

(in millions)	2024 Spending	2024 Growth (%)	2025 Spending	2025 Growth (%)
Data Center Systems	\$318,008	34.7	\$367,171	15.5
Devices	\$735,764	6.2	\$805,722	9.5
Software	\$1,087,800	11.7	\$1,239,779	14.0
IT Services	\$1,587,913	5.6	\$1,737,754	9.4
Communication Services	1,530,299	2.0	\$1,596,890	4.4
Overall IT Spending	\$5,259,784	7.2%	\$5,747,317	9.3%

Solganick M&A Transaction Experience

Technology Services has been acquired by 	Technology Services has merged with backed by	Technology Services has been acquired by 	Technology Services has been recapitalized by 	Technology Services has merged with
AI, Data Analytics has been recapitalized by 	Technology Services has been acquired by 	Technology Services has been acquired by backed by	Software has been recapitalized by 	Software has been acquired by
Technology Services has been acquired by backed by	Technology Services has been acquired by 	Technology Services has been acquired by backed by	Technology Services has been acquired by 	AI, Software has been acquired by

Highlighted Transaction: *Nextira*

Solganick & Co. Advised Nextira in its Sale to Accenture

- Nextira, an **AWS Premier Partner** headquartered in Austin, TX, uses AWS to deliver cloud-native innovation, artificial intelligence, predictive analytics, and immersive experiences for their clients.
- Because of Solganick & Co.'s deep experience within technology services, including the buyer universe, valuation drivers, and overall M&A environment, Solganick & Co. was engaged to run a highly targeted, efficient and competitive M&A process.
- The Solganick team worked closely with Nextira management to attractively position the business and ultimately receive several attractive offers exceeding initial valuation expectations.
- Solganick & Co. supported the entire M&A process, including the client's initial selection of Accenture as well as successful transaction negotiations.

Technology Services has been acquired by 	Artificial Intelligence
	Cloud Computing
	Software Development

LOCATIONS

LOS ANGELES

209 Century Park East
Suite 400
Los Angeles, CA 90067

mergers@solganick.com

Phone: (310) 684-3130

DALLAS

6860 Dallas Pkwy
Suite 200
Plano, TX 75024

DISCLAIMER

This research report is intended for informational and discussion purposes only. Information presented herein is not investment advice of any kind and does not constitute a recommendation as to the purchase or sale of any securities nor interests or as to any other course of action. General, financial, and statistical information concerning the details of this report and related industry are from third party sources and direct research that Solganick & Co. believes to be reliable. Solganick & Co. has accurately reflected such information in this research report; however, Solganick & Co. makes no representation as to the sources' accuracy or completeness and has accepted this information without further verification. All forward-looking statements in this report may not be achieved and thus there is no guarantee of such statements.

Neither all nor any part of the content of this report may be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent of Solganick & Co. Solganick & Co.'s research is as of the date reported herein. Solganick & Co. has no direct client affiliation with any of the companies used as a basis for research in this report, nor does Solganick & Co. hold any investments in the companies listed herein. The content of this report may be used, in part, as a basis for any work that Solganick & Co. performs for you in the future at the sole discretion of Solganick & Co.

Senior Deal Team – Cybersecurity, Software and IT Services



AARON SOLGANICK
CEO/Founder
aaron@solganick.com
(310) 713-4764



FRANK GRANT
Managing Director
fgrant@solganick.com
(702) 612-9459



ALEXEI SOROKIN
Managing Director
alexei@sorokin.com
(408) 390-8950



QUAN VU
Managing Director
quvu@solganick.com
(310) 498-6602



DAVID JOHNSON
Director
djohnson@solganick.com
(727) 460-4280



MICHAEL KIM
Director
mkim@solganick.com
(626) 372-0259