



# Managed Services Providers M&A Market Update

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YTD 2025 and Outlook

August 25, 2025




# Current M&A Environment for Managed Service Providers (MSPs)

## Market Commentary


- The MSP (Managed Service Provider) M&A market saw a notable rise in deal activity in the first two quarters of 2025 compared to the previous quarters. April and May were particularly active, while June experienced a lighter deal flow.
- The market rebounded following a modest start to the year, reflecting renewed confidence from buyers and sellers.
- Premium valuations were paid for MSPs with strong organic growth, scalable operations, and robust client relationships, with some recording **~20x EBITDA exit multiples for larger platforms**. Weaker or less differentiated assets struggled to attract interest or maintain valuations.
- Private Equity Drives Activity: Interest from private equity funds remained robust, particularly in transactions where the target demonstrated predictable revenue streams and scalable services.
- Sustained Momentum Expected: Industry voices expect strong M&A activity to persist into the second half of 2025, supported by ongoing tech adoption, digital transformation, and the sector's resilient fundamentals

## MSP Platforms





Has merged with



**Highlighted Transaction: *Abacus Group/Medicus IT***

- In July 2025, FFL Partners, the PE owner of Abacus Group and Medicus IT, announced that the two MSPs have officially merged into a single managed service provider that exclusively serves the needs of the financial and health care industries.
- The terms of the merger are undisclosed.

## Select M&A Transactions

Date	Target	Acquirer	Deal Summary
June 2025	TECHMD	Integris.	• OMERS-backed "future-ready" MSP acquires Northeastern US-based MSP, TechMD for SMBs
June 2025	Spchtechnologies	Evergreen Services Group	• Award-winning security-first MSP in Philadelphia joins Evergreen's Lyra Technology MSP family
June 2025	InterVision	nwn	• PE-backed AI-powered IT solutions company makes second acquisition this year, of MO-based MSP
May 2025	The Hastings Group	AmpliX	• Gemspring Capital's IT strategy platform does 11 <sup>th</sup> deal since 2022 with NJ-based managed mobility provider
May 2025	AGIO	netrio	• NY-based MSP with AI-powered delivery IP and financial services-focus bought by SMB contender
May 2025	DAShealth	COALESCE CAPITAL	• Majority stake in healthcare-focused MSP and tech services provider taken by human capital-focused PE

# Current M&A Environment for Managed Security Services Providers (Cybersecurity Services)

## Market Commentary

- YTD 2025 has recorded notable acceleration in M&A activity within managed security service providers (MSSPs).
- The market was fueled by heightened enterprise demand for advanced security capabilities, continued threat complexity, and a surge in interest for AI-driven and integrated security solutions.
- Investors and strategics concentrated on platform innovation, especially in cloud security, AI-native threat detection, and managed security expansion.
- Q2 2025 logged 40 M&A transactions in cybersecurity services, with strategic buyers consolidating specialized MSSPs and consulting firms to bolster their offerings.
- Rising Deal Values: Average deal size increased substantially, pointing to larger, more strategic consolidations—especially for firms with advanced technology and cross-platform capabilities.

### Managed Security Services Providers (MSSPs)

- Acquisitions of MSSPs remained prevalent, reflecting demand for end-to-end security operations and access to clients in highly regulated industries.
- Examples: LevelBlue's acquisition of Trustwave, Abacus Group's acquisition of Entara, and Evergreen's acquisition of ImageQuest.

### AI-Driven Security

- Agentic AI and LLM Security: Several deals targeted agentic AI, natural language processing, and large language model (LLM) research, with acquirers integrating advanced AI to bolster automation, threat detection, and cyber defense.
- Examples: F5's acquisition of Fletch (Agentic AI), Rubrik's acquisition of Predibase (open-source AI modeling), and Snyk's acquisition of Invariant Labs (AI security research).

## Highlighted Transaction:



- In August 2025, MSSP Valeo Networks announced that it has acquired SpliceNet Consulting, a Cincinnati-based managed service provider. The move extends Valeo's footprint in the Midwest while adding a business with long-standing expertise in IT services, cybersecurity, cloud computing, and data recovery, especially for the legal sector (200+ law firms).

## Select M&A Transactions

Date	Target	Acquirer	Deal Summary
August 2025	CyberCX	accenture	• Accenture's largest acquisition in cybersecurity (\$650MM), bolstering APAC region
July 2025	IMAGEQUEST	Evergreen	• Expands managed security services into highly regulated industries (e.g., financial)
July 2025	Trustwave	LevelBlue	• Acquisition creates the largest pure-play, independent MSSP, with \$1B+ revenue
June 2025	entara	abacus group inc	• Bolsters cyber incident response and AI-enabled services in regulated industries (e.g., financial)
April 2025	thelinkinglink Australia • United Kingdom	Infosys	• Expanded Infosys' Red/Blue Team and global SOC capability by acquiring this Australian managed cybersecurity services firm

# VC-Backed MSP Profile: General Catalyst backs Titan to Acquire MSPs to Integrate AI

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Venture capital firm General Catalyst leads \$74 million investment in holding company Titan, aiming to inject AI into the humdrum aspects of managed services.

Titan has already made its first acquisition and plans to purchase more managed services firms as it grows, according to co-founders Saurin Patel and David Heffernan, as quoted in the *Wall Street Journal*. In June 2025, **Titan acquired Richard Fleischman & Associates**, or RFA, a New York-based company with about 250 employees that primarily provides managed IT services to financial services customers. RFA has more than 400 customers in multiple countries, Patel said.














Marc Bhargava, a General Catalyst managing director who leads the firm's Creation strategy team, estimated that 30% of the IT tasks Titan takes on for its business customers will be automated. Compared to private-equity roll-ups, which are geared at cutting costs, Bhargava said Titan will add costs in the short term as a result of investing in AI. Later on, he expects the company to take on more customers because of its AI capabilities and eventually become publicly traded.

Alongside making acquisitions, Titan is building an AI platform that it says will work alongside its human staff. Much of that work will involve AI agents, the autonomous bots that can perform tasks on behalf of humans, the company said.

Titan's long-term vision is that human staff become more akin to consultants for their business customers while AI agents handle the grunt work of IT support, Patel added.

**Titan Website:** <https://titanmsp.ai/>

# Solganick: Select M&A Transaction Experience

<b>Technology Services</b>  has been acquired by <b>ACCORDION</b>	<b>Technology Services</b> <b>NEXTIRA</b> has been acquired by <b>accenture</b>	<b>Technology Services</b>  has merged with <b>66degrees</b> backed by 	<b>Technology Services</b>  has been acquired by <b>Atos</b>	<b>Technology Services</b>  has been acquired by <b>GP STRATEGIES™</b>
<b>Technology Services</b>  has merged with <b>DataStorage CORPORATION</b>	<b>Technology Services</b>  has been recapitalized by <b>HCAP PARTNERS</b>	<b>Technology Services</b>  has been acquired by 	<b>Technology Services</b>  has been acquired by  backed by 	<b>Technology Services</b>  has been acquired by 
<b>Technology Services</b>  has been acquired by <b>FORT POINT CAPITAL</b>	<b>Technology Services</b>  has been acquired by  backed by 	<b>Technology Services</b> <b>Waypoint</b> has been acquired by <b>WIPFLI</b>	<b>Cybersecurity</b>  has been acquired by  <small>*Transaction completed at another investment bank</small>	<b>Cybersecurity</b>  has been acquired by <b>eSENTIRE</b> backed by <b>WARBURG PINCUS</b> <small>*Transaction completed at another investment bank</small>

## Highlighted Transaction: *Nextira*

### Solganick Advises 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.
- The transaction was completed in June 2023.

<b>Technology Services</b> <b>NEXTIRA</b> has been acquired by <b>accenture</b>	<b>Artificial Intelligence</b>
	<b>Cloud Computing</b>
	<b>Data &amp; Analytics</b>



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