

Technology Services M&A Market Update

Q4 2025 and 2026 Forecast

March 9, 2026

Includes: Application Partners and Systems Integrators, Digital Transformation, Cybersecurity Services and MSSPs, MSPs, AI and Data Analytics Consulting, Cloud Consulting, and Software Development Firms.

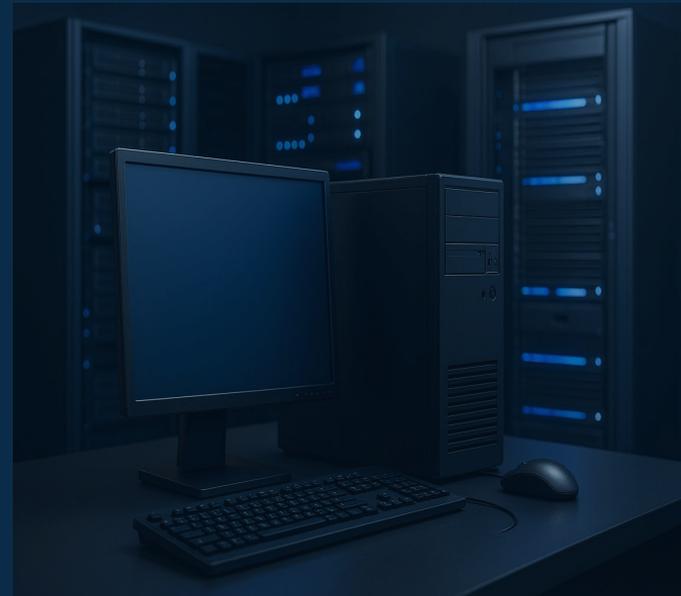


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Who We Are?

We advise buyers and sellers of software and technology services companies on M&A strategies, process, and execution to maximize shareholder value.

Formed in 2009, Solganick provides investment banking and mergers and acquisitions (M&A) advisory services focused exclusively on the Software and Technology Services sectors. We use artificial intelligence and a data-driven approach to provide high quality deal execution and management for our clients.

Deal Size Range (Enterprise Value)

\$25M to \$250M+

Client Ownership

**Private or PE-
Backed**

Revenues

\$10M to \$250M+

EBITDA

\$2M to \$25M+

M&A Transactions

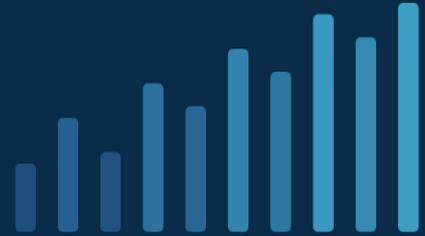
200+

Years in Business

16

Boston | Dallas | Los Angeles | San Francisco | Tampa

Data-Driven *Technology* M&A Excellence



\$20B+

TRANSACTIONS COMPLETED

16+

YEARS OF EXPERTISE

200+

M&A DEALS EXECUTED

 CLOUD COMPUTING

 AI & DATA ANALYTICS

 CYBERSECURITY

 SAAS

 DIGITAL TRANSFORMATION

 HEALTHCARE IT

Recent Awards and Recognition

Top Investment Bank, Top Technology M&A



Technology Services

Highlighted Subsectors



Application Partners & Systems Integrators

Firms supporting enterprise software ecosystems such as Salesforce, ServiceNow, SAP and Oracle. Services include consulting, implementation, and ongoing support.



Cybersecurity Services

Firms providing MSSP, MDR, penetration testing, cyber risk assessment, red teaming, incident response, and other security consulting services.



AI and Data Analytics Consulting

Firms helping enterprises implement AI to understand and act on various data sources. Using new technologies to visualize, integrate, and manage data. Snowflake, Databricks, Open AI, Anthropic, and other partners are covered here.



Managed Service Providers (MSPs)

Firms providing outsourced IT support services, including IT planning and strategy, help desk, network, and applications management.



Public Cloud Partners

Firms focused on the implementation, optimization and maintenance of cloud computing capabilities, supporting AWS, Microsoft Azure and Google Cloud.

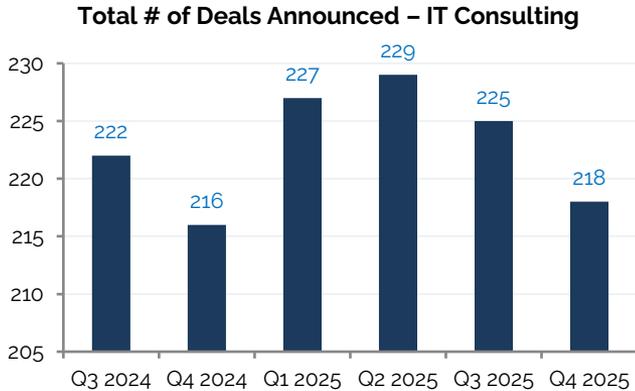


Software Development & Digital Transformation

Firms providing outsourced software development, product engineering, and digital transformation services, delivered onshore and offshore.

Technology Services M&A Update and Commentary

Market Commentary



Technology Services M&A activity in Q4 2025 showed resilience amid AI-driven demand, with Cybersecurity leading in high-value deals despite a slight dip in volume.

Q4 2025 marked a turning point for the Technology Services M&A landscape. The market evolved from cautious cost-cutting to a strategic push for AI infrastructure and orchestration capabilities.

- **Total Sector Deals (Q4 2025):** Approximately 1,064 deals across the broader technology services sector (218 were IT consulting), a 3.6% decrease from Q3 but with higher value-per-transaction.
- **Mega-Deal Concentration:** Transactions exceeding \$5B accounted for over 50% of total quarterly value.
- **Regional Focus:** North America remained the primary engine (43% of deals), followed by Western Europe.
- **MSP M&A Surge:** 2025 full-year MSP deals surged 20% to 466, totaling \$4.3B in disclosed value.
- **Accenture:** Announced four key Q4 acquisitions including Decho (AI consultancy).
- **Cognizant:** Acquired 3Cloud, a leading Microsoft Azure provider.
- **IBM:** acquired Cognitus, an SAP provider.

Sources: Tracxn, Solganick proprietary research, EY, FactSet

2026 Strategic Forecast: "The Year of Ambition"

Market Commentary

Market indicators point to 2026 being the strongest year for Technology Services M&A since 2021. Global M&A exceeded \$4.9 trillion in 2025, a record high. Tech M&A increased 36% year-over-year in deal value. Technology Services was the #1 sector for deal volume growth in early 2026.



Acceleration of Volume

Over 80% of dealmakers express optimism for increased deal volume. We project a 15-20% increase in mid-market transactions as smaller firms that waited out 2024/2025 go to market.



Normalization of Interest Rates

The Federal Reserve signaling continued stability will allow PE firms to deploy their massive cash reserves. PE now accounts for ~40% of global M&A.



The Rise of AI-Driven Deals

Companies are making decisive moves to acquire AI infrastructure and capabilities. Tech-sector M&A involving AI jumped 75% in 2025, with further acceleration expected.



IPO Market Revival

A renewed IPO window in H1 2026 will provide exit liquidity for venture-backed AI services firms, further stimulating the M&A ecosystem.

In 2026, the market will favor Scale and Specialization. Firms that cannot prove AI Readiness or high-margin recurring revenue will see multiples stagnate, while those at the AI-Cloud-Security nexus will see expansion toward 15x+ EBITDA.

Sources: Tracxn, Solganick proprietary research, EY, PwC, Barclays, Bain & Co.

Trends Driving Deal Rationale

Five Themes

Five core themes dominated IT services M&A in Q4 2025 and early 2026:

1. AI & Agentic Intelligence

Acquisitions in generative AI, applied ML, and agentic AI capabilities dominated the period. From Capgemini's \$3.3B WNS deal centered on AI-powered operations, to Accenture's purchases of Faculty and NeuraFlash, buyers are racing to embed AI at every layer of service delivery.

2. Cloud & Platform Specialization

Hyperscaler-aligned consulting firms remain highly sought after. IBM acquired Neudesic (Azure) and AST (Oracle Cloud), Cognizant bought 3Cloud (Azure), and Capgemini acquired Cloud4C (multi-cloud/SAP RISE) reflecting the premium placed on deep platform partnerships.

3. Cybersecurity & Identity

As AI accelerates the threat landscape, cybersecurity M&A reached 111 deals in Q3 2025 alone. Accenture's acquisition of CyberCX (\$650M) was a standout, while IAMConcepts brought identity and access management capabilities for critical infrastructure.

4. Engineering & Digital Infrastructure

The AI data center buildout is driving a new wave of engineering acquisitions. Accenture's purchase of DLB Associates targets hyperscaler infrastructure, while Wipro's \$375M HARMAN DTS deal brings embedded software and AI-native design platforms.

5. Geographic & Vertical Expansion

Major buyers are leveraging M&A to deepen vertical expertise and geographic reach. Accenture completed seven acquisitions in Italy since 2023, IBM expanded Oracle capabilities through AST, and Capgemini broadened its global BPS footprint through WNS.

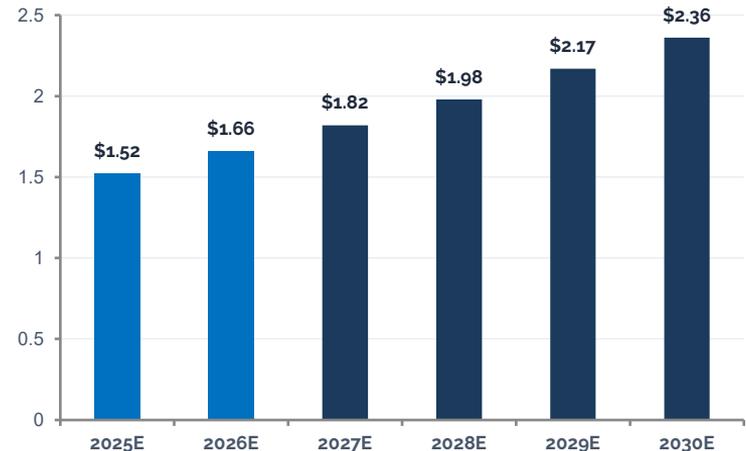
Sources: Solganick research, Tracxn, EY, PwC

Market Update: IT Services Market Size Approaching \$1.5 Trillion in 2025E

Projected to reach \$2.4 Trillion by 2030E, at a 9.26% CAGR

- **Rising Digital Transformation Initiatives:** Enterprises accelerating digital transformation, prioritizing AI, cloud, big data, cybersecurity, and automation.
- **Increasing Focus on Cybersecurity:** IT consulting firms specializing in cybersecurity, GRC, and performance are creating recurring services revenue.
- **Cloud and Hybrid IT Models:** Organizations migrating to public, private, and hybrid cloud platforms, creating recurring opportunities.
- **BFSI and Healthcare sectors are the strongest** spenders modernizing legacy core systems.
- **Large Enterprises take up 70% of IT services market;** SMEs growing at 11.4% CAGR.
- **North America carries 37.6% of revenues;** Asia Pacific fastest growing at 11.6%.
- **Multi-cloud adoption has crossed 87% of Enterprise customers.**

IT Services Market Size (USD \$Trillion)



Source: Mordor Intelligence

Top 20 IT Services M&A Transactions of the Last 12 Months

Major strategic acquirers including Accenture, IBM, Capgemini, Cognizant, and Wipro shaping the technology services landscape.

#	Buyer	Target	Value	Focus Area	Date
1	IBM	Confluent	\$11.0B	Real-time data streaming & governance platform	Dec 2025
2	Capgemini	WNS	\$3.3B	Agentic AI-powered intelligent operations & BPS	Jul 2025
3	Accenture	CyberCX	\$650M	Cybersecurity consulting & managed services	Q3 2025
4	Wipro	HARMAN DTS	\$375M	Digital engineering, AI, embedded software & R&D	Aug 2025
5	Cognizant	3Cloud	Undisclosed	Microsoft Azure consulting & enterprise AI	Nov 2025
6	Capgemini	Cloud4C	Undisclosed	Hybrid cloud managed services & SAP RISE	Aug 2025
7	IBM	Neudesic	Undisclosed	Microsoft Azure consulting & managed services	Oct 2025
8	IBM	Cognitus	Undisclosed	SAP consulting & AI for regulated industries	Dec 2025
9	IBM	Hakkoda	Undisclosed	Data & AI consulting, Snowflake expertise	Apr 2025
10	IBM	Txture	Undisclosed	Hybrid cloud migration & modernization SW	Oct 2025

Source: Solganick & Co. research based on publicly available press releases and news reports.

Top 20 IT Services M&A Transactions (continued)

#	Buyer	Target	Value	Focus Area	Date
11	Accenture	NeuraFlash	Undisclosed	Salesforce agentic AI & gen AI consulting	Aug 2025
12	Accenture	DLB Associates	Undisclosed	AI data center engineering & consulting	Oct 2025
13	Accenture	Aidemy	Undisclosed	AI reskilling & talent development (Japan)	Sep 2025
14	Accenture	Faculty	Undisclosed	Applied AI & machine learning consulting (UK)	Jan 2026
15	Accenture	Decho	Undisclosed	Palantir solutions & gen AI for health/gov	Oct 2025
16	Accenture	Cabel Industry	Undisclosed	Core banking IT managed services (Italy)	Dec 2025
17	Accenture	IAMConcepts	Undisclosed	Identity & access management (Canada)	Sep 2025
18	IBM	AST	Undisclosed	Oracle Cloud consulting & public sector ERP	Q1 2025
19	Capgemini	Syniti	Undisclosed	Data quality, migration & governance	Dec 2024
20	Wipro	AVT	\$40M	Business strategy & supply chain consulting	Dec 2024

Source: Solganick & Co. research based on publicly available press releases and news reports. Dates reflect announcement or close dates as reported.

Buyer Spotlight: Most Active Strategic Acquirers

Accenture

23 acquisitions in 2025

Strategically targeted AI capabilities (Faculty, Decho, Aidemy), Salesforce agentic solutions (NeuraFlash), cybersecurity (CyberCX \$650M, IAMConcepts), and data center infrastructure consulting (DLB Associates). Goal: embed AI across every service line.

IBM

\$11B Confluent + 5 consulting acquisitions

Largest IT services-adjacent deal of the period. Also acquired Neudesic (Azure), AST (Oracle Cloud), Cognitus (SAP), Hakkoda (data/AI), and Txture cloud migration software to strengthen application modernization.

Capgemini

\$3.3B WNS + Cloud4C + Syniti

WNS positions Capgemini as leader in agentic AI-powered intelligent operations. Cloud4C strengthened hybrid cloud managed services and SAP leadership. Syniti added data governance expertise.

Cognizant

3Cloud acquisition

Moved to strengthen Microsoft Azure and enterprise AI capabilities. 3Cloud is a major Azure consulting partner, significantly expanding cloud transformation and AI services practice.

Wipro

\$375M HARMAN DTS + AVT

Strategic entry into digital engineering bringing 5,600+ employees across 14 countries. Deal adds embedded software, connected product engineering, and AI-native platform capabilities.

Source: Solganick research

Significant M&A Transactions Announced in Q4 2025 and YTD 2026

Technology services companies continue acquiring to meet demand in AI, cloud, cybersecurity, and managed services.

- **IBM acquired Confluent** for \$11.0B (Dec 2025), the largest IT services-adjacent deal of the period, targeting real-time data streaming and governance.
- **Capgemini acquired WNS** for \$3.3B (Jul 2025), positioning itself as a leader in agentic AI-powered intelligent operations and BPS.
- **Accenture acquired CyberCX** for \$650M (Q3 2025), a leading cybersecurity consulting and managed services firm in Australia.
- **Wipro acquired HARMAN DTS** for \$375M (Aug 2025), adding 5,600+ employees in embedded software, product engineering, and AI-native platforms.
- **Cognizant acquired 3Cloud** (Nov 2025), establishing one of the largest global Microsoft Azure AI partners with 21,000+ certified specialists.
- **TCS acquired Coastal Cloud** for \$700M (Dec 2025), strengthening Salesforce and cloud consulting capabilities.
- **IBM also acquired Neudesic (Azure), Cognitus (SAP), Hakkoda (data/AI), and Txture** (cloud migration) in Q3-Q4 2025.
- **Accenture acquired Faculty** (UK, Jan 2026), DLB Associates (AI data center, Oct), Decho (Palantir AI, Oct), Aidemy (Japan, Sep), Cabel Industry (Italy, Dec), and IAMConcepts (Canada, Sept 2025).

Buyer Profile: Accenture Acquires 23 Companies in 2025

Date	Target Company	Sector Domain	HQ Location	Description
Jan 2026	Faculty	AI/Machine Learning	United Kingdom	Applied AI and machine learning consulting
Dec 2025	Cabel Industry	Banking IT	Italy	Core banking IT managed services
Oct 2025	Decho	AI/Data Analytics	United Kingdom	Palantir-specialized AI transformation partner
Oct 2025	DLB Associates	Data Center/Engineering	United States	AI data center engineering and consulting
Sep 2025	IAMConcepts	Cybersecurity	Canada	Identity and access management solutions
Sep 2025	Aidemy	AI/Talent	Japan	AI reskilling and talent development
Aug 2025	NeuraFlash	Salesforce/AWS	Massachusetts, US	Salesforce agentic AI and gen AI consulting
Aug 2025	CyberCX	Cybersecurity	Melbourne, Australia	Suite of security services (\$650M)
Aug 2025	SI&C	Cloud/AI/Integration	Japan	Systems integration, cloud, AI consulting
Jul 2025	Maryville	Tech Consulting	St. Louis, US	Strategy and product development consulting

Accenture remains the sector's most prolific acquirer, completing approximately 30 acquisitions in 2024 and continuing at a high pace into 2025. The firm strategically targets AI capabilities, cybersecurity, Salesforce agentic solutions, and data center infrastructure consulting.

Sources: Accenture, Solganick research

Highlighted Subsector: Application Partners and Systems Integrators

Market Commentary

Q4 2025 M&A market for application partners was defined by consolidation, tech-driven specialization, and strategic acquisitions by PE and ecosystem leaders.

- Oracle SIs saw transactions including Kasmoo/PROLIM and SPRO/NTT DATA Business Solutions.
- Microsoft ecosystem consolidation continued with HSO/Bain Capital and 3Cloud/Cognizant.
- IBM acquired AST (Oracle Cloud consulting) and Cognitus (SAP solutions) in Q4 2025.
- Salesforce consulting saw strategic buyers actively acquiring boutique partners.

Select M&A Transactions

Date	Target	Acquirer	Summary
Dec 2025	Kasmoo	PROLIM	Salesforce consulting partner
Dec 2025	SPRO	NTT DATA	SAP/Oracle integration partner
Dec 2025	Cognitus	IBM	SAP integration partner
Dec 2025	D4M Intl	Jade Global	Oracle and cloud consulting
Nov 2025	3Cloud	Cognizant	Microsoft Azure consulting partner
Oct 2025	Inspire11	Insight	Technology consulting firm

Sources: Tracxn, Company Websites, Solganick Proprietary Database

Highlighted Subsector: Digital Transformation

Market Commentary

Digital transformation services saw a surge in large-scale M&A activity through Q4 2025, driven by high demand for AI, cloud, and data-centric solutions.

- Strategic acquirers (Wipro, Infosys, Accenture, Capgemini) moved from tuck-in to larger platform deals, deploying \$1B+ collectively.
- Capgemini acquired WNS for \$3.3B (digital BPS with agentic AI) and Cloud4C.
- Wipro's \$375M HARMAN DTS acquisition adds embedded software and AI-native platform capabilities.
- Large transactions (>\$250M) rebounded, with AI and cloud targets comprising ~35% of IT services deals.

Select M&A Transactions

Date	Target	Acquirer	Summary
Dec 2025	Online Biz Sys	CGI	IT consulting and digital transformation
Dec 2025	CIEL IT	ZoomHolding	Digital transformation services
Nov 2025	Inaho Digital	Nagarro	Digital innovation services
Nov 2025	TestDevLab	Xoriant	Software testing and transformation
Oct 2025	Modus	UST	Digital transformation consulting

Source: Tracxn, Company Websites, Solganick Proprietary Database

Highlighted Subsector: Cloud Consulting

Market Commentary

Cognizant's acquisition of 3Cloud (Nov 2025) creates one of the largest Microsoft Azure partners with 21,000+ certified specialists.

- TCS acquired Coastal Cloud for \$700M (Dec 2025), one of the largest cloud partner acquisitions.
- IBM acquired Neudesic (Azure) and Capgemini acquired Cloud4C (multi-cloud/SAP RISE) in the same period.
- Multi-cloud adoption exceeds 87% of enterprises, driving continued cloud consulting demand.
- Agentic AI driving further cloud consulting consolidation with premium valuations.

Select M&A Transactions

Date	Target	Acquirer	Summary
Dec 2025	Coastal Cloud	TCS	Salesforce/AWS partner (~\$700M)
Nov 2025	3Cloud	Cognizant	Microsoft Azure consulting
Oct 2025	Neudesic	IBM	Azure consulting & managed svcs
Oct 2025	Skaylink	Vodafone	Cloud transformation (\$204M)
Oct 2025	Solsoft	Ekco	Cloud managed services

Source: Tracxn, Company Websites, Solganick Proprietary Database

Highlighted Subsector: AI and Data Analytics Consulting

Market Commentary

AI consulting commands highest premiums: 2.0x-4.0x EV/Revenue and 12.0x-16.0x EV/EBITDA multiples.

- IBM acquired Hakkoda (data/AI, Snowflake) and Cognitus (SAP AI) to strengthen consulting capabilities.
- Accenture acquired Faculty (UK, applied AI/ML, Jan 2026), Decho (Palantir AI, Oct), and Aidemy (AI reskilling, Sep).
- BigBear.ai completed \$250M acquisition of Ask Sage (Jan 2026) for government AI capabilities.
- Databricks Ventures invested in Indicium and Datapao, fueling the AI consulting ecosystem.

Select M&A Transactions

Date	Target	Acquirer	Summary
Jan 2026	Faculty	Accenture	Applied AI & ML consulting (UK)
Jan 2026	Ask Sage	BigBear.ai	GenAI for defense/gov (\$250M)
Dec 2025	Cognitus	IBM	SAP solutions & AI consulting
Oct 2025	Decho	Accenture	Palantir AI consultancy (UK)
Oct 2025	Txture	IBM	Cloud migration & modernization

Source: Tracxn, FactSet, Mordor Intelligence, Solganick Proprietary Database

Highlighted Subsector: Cybersecurity Services (MSSPs and Cybersecurity Consulting)

Market Commentary

Cybersecurity M&A reached 111 deals in Q3 2025 alone. Accenture's CyberCX acquisition (\$650M) was the standout deal of the period.

- M&A activity for cybersecurity services declined to 43 transactions in Q4 2025, down from 54 in the previous quarter.
- AI-powered MSSPs realizing premium pricing through outcome-based SLAs.
- Notable transactions included GenNX360/Heartland Business Systems, Recognize/Security Risk Advisors, and Limerston Capital/Aristi, highlighting strong activity by financial sponsors during the quarter.
- Focused acquisitions reflected ongoing strategic interest in adding specialized security capabilities, such as Hexaware/CyberSolve (\$66MM) and Nomios/Intragen, especially identity and access management expertise.
- Escalating regulatory demands and compliance frameworks continued to drive consolidation of dedicated governance, risk, and compliance (GRC) advisory firms, including proven partners of leading GRC platforms.

Select M&A Transactions

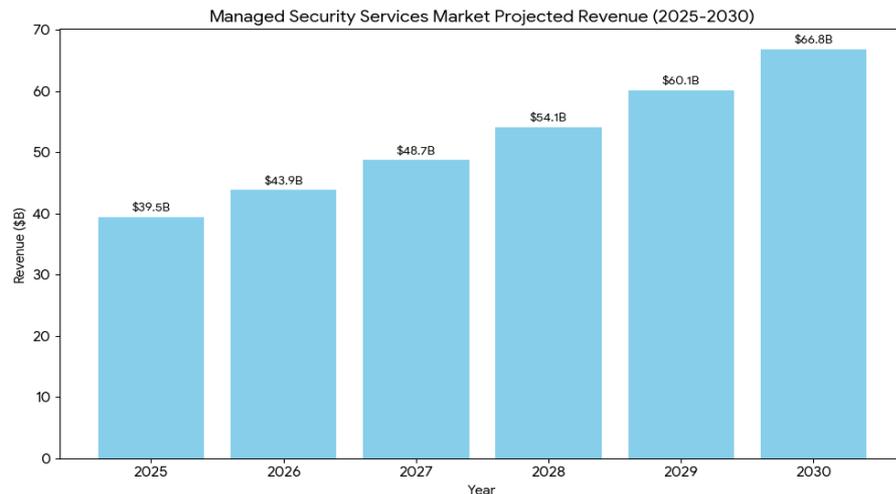
Date	Target	Acquirer	Summary
Dec 2025	Aristi	Limerston Capital	Cybersecurity services and advisory
Nov 2025	CyberSolve	Hexaware	Identity/access mgmt (\$66M)
Nov 2025	Cyberseer	Redsquad	Managed detection and response
Nov 2025	24By7Security	Amplix	Cybersecurity and compliance
Oct 2025	Eden Data	Riveron	Data security consulting
Oct 2025	Sekuro	Insight	Cybersecurity and digital resiliency across APAC region
Oct 2025	SecurityRisk	Recognize	Cybersecurity advisory and managed security with 300+ professionals
Oct 2025	Intragen	Nomios	Digital identity and privileged access management
Oct 2025	Harland Business Solutions	GenNx360	

Source: Tracxn, Mordor Intelligence, Solganick Proprietary Database

2026 Outlook: Managed Security Services Providers

Market Commentary

- **The MSSP market is forecasted to expand 12.3% in \$43.98B in 2026, up from \$39.08B in 2025.** Key growth drivers include AI-led SOC automation, ramping XDR adoption, and compliance-by-design mandates (e.g., DORA, NIS2, SEC).
- **MSSPs will increasingly leverage AI** to accelerate triage, improve fidelity and reduce false positives, substantially shortening mean time to respond (MTTR) and partially relieving the persistent scarcity of human security analysts.
- **AI-powered MSSPs could realize premium pricing** through outcome-based SLAs and gain share over traditional service providers lacking autonomous investigation capabilities and scaled response against escalating threats.
- **MSSPs with specialized niches remain strongly positioned for consolidation** by larger platforms and sponsor-backed providers seeking to expand into specific verticals, geographies, and/or technologies.



Source: Grand View Research, MarketsandMarkets, Allied Market Research

Highlighted Subsector: Managed Service Providers (MSPs)

Market Commentary

2025 MSP M&A deal volume surged ~20% with 466 deals totaling \$4.3B in value, the strongest year in MSP M&A history.

- Global managed services market projected to reach \$424.1B in 2026. PE drives ~85% of MSP transactions.
- Platform MSPs (\$10M+ EBITDA) trade at 11x-20x; smaller add-ons at 5x-8x.
- The 20 MSP reached 44 total acquisitions in 2025, demonstrating aggressive consolidation.
- Evergreen Services Group acquired 16 MSPs in Q4 2025.
- AI-powered MSPs building competitive moats via intelligent ticketing and predictive maintenance.

Sources: Tracxn, Company Websites, Solganick Proprietary Database

Select M&A Transactions

Date	Target	Acquirer	Summary
Q4 2025	Multiple including Optimising IT	Evergreen Services Group	Evergreen completed 16 MSP acquisitions in Q4 2025
Dec 2025	ZAG Technical	Harborit	Managed services and IT support
Dec 2025	CCSI	Corporate Tech	MSP serving commercial clients
Nov 2025	AccountabilIT	Corsica Tech	Microsoft MSP (PE: Inverness)
Nov 2025	Worksighted	Thrive	Michigan-based MSP
Nov 2025	Red Level Group, iStreet Solutions, InData Consulting	The 20 MSP	Three MSP acquisitions
Nov 2025	PEAKE Technology Partners	Omega Systems	Healthcare MSP (PE Firm: Revelstoke)
Oct 2025	Blackbird IT	Evergreen	Managed IT services

Highlighted Subsector: Software Development

Market Commentary

The M&A market for custom software development remained active through Q4 2025, with buyers prioritizing AI and analytics integration.

- BI and analytics was the fastest-growing segment, heavily weighted toward AI-fueled solutions.
- PE interest intensified due to attractive recurring revenue streams in custom software.
- Nearshore/offshore firms with high retention and agile teams see stable demand.

Select M&A Transactions

Date	Target	Acquirer	Summary
Dec 2025	Broom St. SW	DocLib	Software development firm
Dec 2025	Fermyon	Akamai	Cloud-native apps (WASM) development
Nov 2025	Prime Holding	Wiser	Software development services
Nov 2025	Datics	Devsinc	Custom software development
Oct 2025	Meraki SW	Babel	Software engineering services

Sources: Tracxn, Company Websites, Solganick Proprietary Database

Technology Services

Private Company Valuation Multiples

Sector	EV / Revenue	EV / EBITDA	Market Trend / Notes
IT Consulting	1.6x - 2.2x	10.6x - 13.0x	Premiums for specialized domain expertise (healthcare, finance). Strategic buyers prioritize margin stability.
Managed Services (MSPs)	0.9x - 1.5x	6.0x - 10.5x	Highly bifurcated: Platform MSPs (\$10M+ EBITDA) trade near 15x-20x; smaller add-ons at 6x-10.5x EBITDA.
AI Consulting	2.0x - 4.0x	12.0x - 16.0x	Highest premiums in the sector due to scarcity of talent and high client demand for GenAI implementation.
Data Analytics Consulting	2.0x - 4.0x	10.9x - 16.0x	Firms with proprietary IP or accelerators trade at top of range. Pure labor models trade lower.
Software Dev Services	1.5x - 2.7x	9.5x - 12.2x	Nearshore/offshore with integrated agile teams see stable demand. Body shop models discounted.

*Note: The median EBITDA multiple across IT Services M&A was 10.0x-12.5x historically, with 2025 upticking to 14.9x. **Firms above \$20M EBITDA see 16x-20x EBITDA multiples.** Companies with agentic AI and automation capabilities are commanding premium valuations.*

Drivers of Valuation Variance for Technology Services Companies

The "Implementation Gap" Premium

Investors distinguish between generic software development and specialized AI implementation. Consultancies bridging enterprise data and GenAI execution command a scarcity premium.

The AI Valuation Effect

Pure-play AI consulting shops see valuations on forward growth potential, pushing Revenue multiples above 3.0x in competitive bidding.

The Arbitrage of Scale

PE groups acquire smaller providers (sub-\$3M EBITDA) at 6x-8x and integrate into platforms commanding 10x-14x. Firms above \$10M EBITDA see 14x-20x.

Rule of 40 in Tech Services

Buyers sum Organic Revenue Growth % + EBITDA Margin %. Firms scoring 40+ break standard ceiling multiples.

IP-Led Revenue Recognition

Firms with proprietary accelerators, pre-built code blocks, or internal data assets trade at a premium to pure labor models.

Note: Running a strong sell-side M&A process also helps drive up valuation multiples due to competitive bidders.

Contact Us

OFFICE LOCATIONS

LOS ANGELES

2029 Century Park East, Suite 400, Los Angeles, CA 90067

DALLAS

6860 Dallas Pkwy, Ste 200, Plano, TX 75024

mergers@solganick.com

Phone: (310) 684-3130

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TECHNOLOGY SERVICES SENIOR M&A DEAL TEAM

AARON SOLGANICK – IRVINE

CEO/Founder | aaron@solganick.com

MICHAEL KIM – LOS ANGELES

Managing Director | mkim@solganick.com

FRANK GRANT – LOS ANGELES

Managing Director | fgrant@solganick.com

DAVID JOHNSON - TAMPA

Managing Director | djohnson@solganick.com

STEVE MITZENMACHER – SAN FRANCISCO

Executive Director | smitz@solganick.com

MARK ZIDES - BOSTON

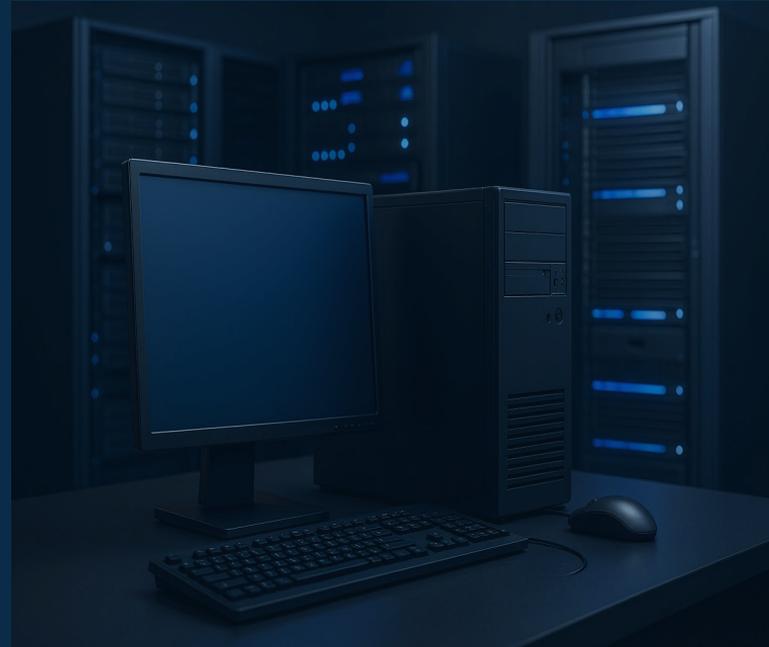
Managing Director | mzides@solganick.com

JASON CHAN – SAN FRANCISCO

Managing Director | jchan@solganick.com

Appendix:

Technology Services M&A Transaction Tables, Q4 2025



Technology Services M&A: December 2025

Date	Acquired Company	Acquirer	Overview
Dec 11, 2025	NorthC Datacenters	Antin Infrastructure	Data center services
Dec 11, 2025	GROUPE ARTEMYS	SPIE	IT services and consulting
Dec 11, 2025	Veterans Engineering	ARETUM	Technology services for government
Dec 10, 2025	Coastal Cloud	TCS	Salesforce/AWS partner (~\$700M)
Dec 09, 2025	D4M International	Jade Global	Oracle and cloud consulting
Dec 08, 2025	CIEL IT	ZoomHolding	Digital transformation services
Dec 08, 2025	ZAG Technical Services	Harborit	Managed services provider
Dec 05, 2025	Broom Street Software	DocLib	Software development firm
Dec 05, 2025	Aristi	Limerston Capital	Cybersecurity services
Dec 04, 2025	Invictus	Red River	IT services and solutions
Dec 04, 2025	Kasmo	PROLIM	Salesforce consulting partner
Dec 03, 2025	Online Business Systems	CGI	IT consulting and digital transformation
Dec 03, 2025	SPRO	NTT DATA	SAP/Oracle integration partner
Dec 01, 2025	Fermyon	Akamai	Cloud-native application development

Technology Services M&A: November 2025

Date	Acquired Company	Acquirer	Overview
Nov 28, 2025	Neighbourlytics	REA Group	Data analytics and insights
Nov 26, 2025	Intuita Consulting	Foundation SP	IT consulting and managed services
Nov 26, 2025	Inaho Digital Solutions	Nagarro	Digital innovation services
Nov 25, 2025	TestDevLab	Xoriant	Software testing and transformation
Nov 25, 2025	WeAreProject	EMK Capital	IT services and cloud solutions
Nov 19, 2025	Cyberseer	Redsquad	Managed detection and response
Nov 18, 2025	Techone	KKR	Technology services provider
Nov 13, 2025	3Cloud Solutions	Cognizant	Microsoft Azure consulting partner
Nov 12, 2025	MetroStar	Veritas Capital	IT services for federal government
Nov 12, 2025	AccountabilIT	Corsica Tech	Managed services provider
Nov 10, 2025	Ask Sage	BigBear.ai	GenAI platform for defense (~\$250M)
Nov 07, 2025	CyberSolve	Hexaware	Identity/access management (~\$66M)
Nov 04, 2025	Achieve One	Presidio	Cloud and data center services
Nov 04, 2025	ScaleSec	RKON	Cloud security and compliance

Technology Services M&A: October 2025

Date	Acquired Company	Acquirer	Overview
Oct 31, 2025	Munich Innovation Labs	Rohde & Schwarz	IT innovation solutions
Oct 30, 2025	Skaylink	Vodafone	Cloud transformation (\$204M)
Oct 30, 2025	Grupo Solitium	Koesio	IT services and solutions (\$291M)
Oct 29, 2025	Ergo	Presidio	IT consulting and solutions (~\$100M)
Oct 15, 2025	Cognitus	IBM	SAP systems integrator and digital transformation services
Oct 15, 2025	Aligned	GIP, MGX	Data center infrastructure (\$40B)
Oct 15, 2025	Eden Data	Riveron	Data security and compliance
Oct 09, 2025	Modus	UST	Digital transformation consulting
Oct 09, 2025	Mobilezone	Freenet	IT and mobile solutions (\$267M)
Oct 06, 2025	SilverEdge	SAIC	Cybersecurity/digital eng (~\$205M)
Oct 05, 2025	SciTec	Firefly Aerospace	Defense and military technology R&D services (\$855M)
Oct 03, 2025	D Ops Digital	Adaptavist	DevOps and digital solutions
Oct 02, 2025	RapDev	Synechron	Data observability and analytics
Oct 01, 2025	Inspire11	Insight	Technology consulting firm