SOLGANICK

M&A INDUSTRY UPDATE · YTD (Q3) 2026

Managed Services Providers (MSPs) and Managed Security Services Providers (MSSPs) M&A Update

Transaction activity, valuation benchmarks, and buyer behavior across the MSP and MSSP sectors, January through September 2026.

Solganick & Co. · Technology Services M&A Practice

September 28, 2026

EXECUTIVE SUMMARY

Consolidation Accelerated Into 2026

+73%

Year-over-year growth in global MSP acquisitions in Q1 2026, to 64 publicly announced deals. North American volume rose 28% to 37 deals (Omdia).

80%

Share of MSP and MSSP transactions involving an outside investor in Q1 2026, up from 68% in the prior-year quarter.

22%

MSSP share of MSP and MSSP deal volume in Q1 2026, a fourfold increase year over year. Half of the 14 MSSP deals in the quarter were private-equity backed (Omdia).

8.9x

Median EV/EBITDA across 120 analyzed MSP transactions, with a range from 4x for sub-scale operators to 14x for security-heavy platforms.

Q1 2026

120+ MSP transactions announced

Q2 2026

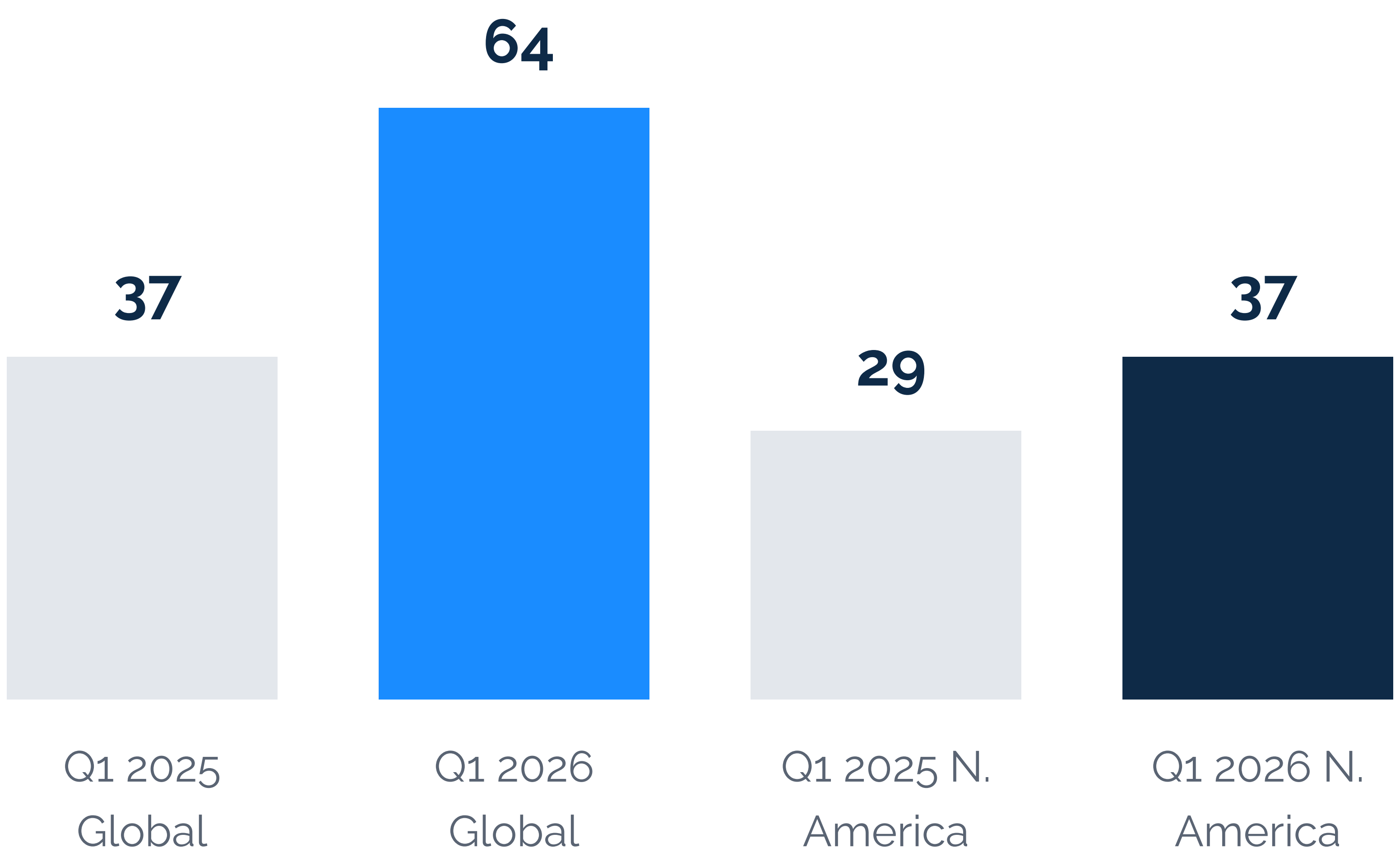
111 MSP transactions, IT services 95% of volume

1H 2026

209 cybersecurity deals against 210 in 1H 2025

MARKET OVERVIEW

Deal Volume and Market Backdrop



Publicly announced MSP and MSSP transactions. Source: Solganick & Co. Research

The 2025 full year closed with 466 MSP and MSSP transactions and $4.3 billion in disclosed value, a 20% increase over 2024. Deal flow in 2026 has run ahead of that pace in every quarter reported to date.

> Three conditions sustain the cycle: near-record private-equity dry powder, platforms two to four years into fund life that need add-ons, and a founder population aging into exit conversations.

Gartner forecasts worldwide information security spending will grow 15.1% in 2026 to $268 billion, directing buyer attention toward providers with delivered security revenue.

SECTION ONE

Managed Services Providers

MANAGED SERVICES PROVIDERS

MSP Market Overview

Recurring revenue is the multiple

Monthly recurring revenue above 90% of total revenue is the strongest single valuation driver in current deal flow. Contracts of 24 months or longer add roughly one turn; annual churn above 10% removes one to three.

Security attach drives the premium

MSPs with an integrated MDR practice, SOC 2 Type II attestation, and ISO 27001 certification add approximately 1.5x to 2.5x turns to the applicable EBITDA multiple.

The market is selective

Buyers are underwriting operational maturity, not growth potential. Owner dependency, project-heavy revenue mix, and customer concentration above 20% remain the most common sources of repricing in diligence.

466

MSP and MSSP deals closed in 2025

$4.3B

Disclosed transaction value, 2025

69%

Disclosed deals with PE participation

MANAGED SERVICES PROVIDERS

SOLGANICK

Select MSP Transactions, YTD 2026

DATE	TARGET	ACQUIRER	DEAL TYPE	SUMMARY
Sep 2026	**MSP Corp**	Niobrara Capital	PE platform	Scaled Canadian managed IT platform serving SMB clients; terms undisclosed
Jun 2026	**Four US MSPs**	The 20 MSP	Add-on (four)	CTS Computers, MashGrape, Northwest and Assured Technology; 48 cumulative
Apr 2026	**First Focus**	Integris IT	Platform add-on	Largest SMB MSP in Australia, New Zealand and the Philippines; intent announced
Feb 2026	**Magna5**	AEA Investors	Majority recap	Sponsor-to-sponsor exit from NewSpring; managed IT, cloud and security to mid-market
Jan 2026	**Brite**	Sole Source Capital	PE platform	Victor, NY provider of managed IT and cybersecurity services; completed

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

MANAGED SERVICES PROVIDERS

MSP Valuation Multiples

SEGMENT	EV / ADJ. EBITDA
Sub-scale operators, under $1M EBITDA	**6.0x – 7.0x**
SMB MSPs, $1M – $3M EBITDA	**6.0x – 9.0x**
Mid-market MSPs, above $3M EBITDA	**7.5x – 12.0x**
Platform-scale, 80%+ MRR with cyber practice	**10.0x – 14.0x**
Sub-$2M EBITDA tuck-ins in a competitive process	**9.0x to 12.0x**
Platform-tier transactions above $500M EV	**14.0x - 20.0x**

What moves a seller between valuation bands?

+1.5 – 2.5x	Integrated MDR practice with SOC 2 Type II and ISO 27001
+1.0x	Weighted-average contract length above 24 months
−1.0 – 2.0x	Top ten customers above 40% of monthly recurring revenue
−1.0 – 3.0x	Annual churn above 10%, or project-weighted revenue mix

> 57% of dealmakers cited valuation expectations as the leading reason transactions failed in 1H 2026, against 28% in 2025. Well-run sub-$2M EBITDA MSPs still clear 10x when several qualified buyers compete.

Sources: Solganick & Co. Research

SOLGANICK

Most Active MSP Acquirers

Integrated roll-up platforms

Fully absorb acquired firms, migrating clients onto unified systems and consolidating P&Ls under a single brand. Higher headline multiples, longer integration.

Thrive · Ntiva · Dataprise · Coretelligent · Meriplex

Decentralized holding companies

Preserve brand, management and local culture while providing back-office scale and vendor leverage. Faster closings, wider range of accepted target sizes.

Evergreen / Lyra · New Charter Technologies · The 20 MSP

47

Acquisitions closed by Evergreen Services Group in 2025; Lyra Technology Group passed $1B ARR

48

Cumulative acquisitions by The 20 MSP following four closings in June 2026

75+

PE-backed platforms actively acquiring operators below $5M EBITDA

SECTION TWO

Managed Security Services Providers

MSSP Market Overview

SOLGANICK

Cybersecurity M&A recorded 209 transactions in 1H 2026 across all sub-sectors, effectively level with the 210 deals in the prior-year period. Within that flat headline, managed security has taken a larger share of activity.

Buyers are acquiring delivered capability rather than building it. Three patterns account for most of the year's volume: platform vendors adding managed services, MDR providers consolidating for scale, and sponsors assembling regional security platforms.

> Regulatory pressure continues to pull governance, risk and compliance advisory firms into the same buyer set, particularly where compliance work converts into recurring managed revenue.

209

Cybersecurity transactions in 1H 2026, against 210 in 1H 2025

7 of 14

Q1 2026 MSSP transactions backed by private equity

$268B

Forecast 2026 worldwide information security spending, up 15.1% (Gartner)

MANAGED SECURITY SERVICES PROVIDERS

SOLGANICK

Select MSSP Transactions, YTD 2026

DATE	TARGET	ACQUIRER	DEAL TYPE	SUMMARY
Sep 2026	**Avertium**	CyberMaxx	MSSP consolidation	Managed security and MDR provider
Sep 2026	**Fortress SRM**	Tusker	Strategic	Managed cybersecurity and risk services for community banks and mid-market
Feb 2026	**Defy Security**	Booz Allen Hamilton	Strategic	~100-person cyber solutions provider; exits Sverica Capital's portfolio
Feb 2026	**DNA Solutions**	COMSO / CISPOINT	MSSP add-on	Baltimore MSP; extends CISPOINT's Mid-Atlantic footprint
Jan 2026	**Beyond Secure**	NuView	PE roll-up	Managed security for regulated industries; first platform acquisition for NuView
Jan 2026	**Alert Logic**	LevelBlue	MSSP consolidation	MDR, XDR and WAF business carved out of Fortra

Services transactions only; product acquisitions excluded. Deal values undisclosed unless noted. Sources: Solganick & Co. research, MSSP Alert, Omdia.

MANAGED SECURITY SERVICES PROVIDERS

MSSP Valuation Multiples

SOLGANICK

SEGMENT	MULTIPLE
Security consultancies under $1M revenue	**3x – 5x SDE**
Generalist MSPs, $3M – $10M revenue	**5x – 8x EBITDA**
Security-led peers, $3M – $10M revenue	**8x – 11x EBITDA**
Security-native MSSPs with SOC 2 Type II	**9x – 12x EBITDA**
Scaled MDR platforms (Sophos / Secureworks)	**2.3x – 2.6x revenue**

2 – 4x

Turns of adjusted EBITDA that a credible managed security practice adds over a generalist MSP of the same size. The gap widens at scale.

Buyers underwrite evidence, not positioning: recurring security revenue separated from resale, attach rate by cohort, documented SOC and MDR playbooks, incident history. Where diligence does not support the MSSP narrative, the premium converts into structure and indemnity. Process matters as much as profile — a buyer who considers 8x fair may move to 9x or 10x once it knows other qualified buyers are at the table (RoseBiz).

Ranges reflect published 2024 – Q3 2026 transaction commentary and disclosed public comparables. Financing marks are not sale prices.

BUYER LANDSCAPE

Who Is Buying, and Why

SOLGANICK

FINANCIAL SPONSORS

Private equity appeared in 69% of disclosed MSP transactions in 2025 and in half of Q1 2026 MSSP deals. Platforms two to four years into fund life are the most reliable bidders at the $1M to $10M EBITDA band.

STRATEGIC ACQUIRERS

Consulting firms and security vendors buying delivered capability rather than building it — Booz Allen for commercial cyber consulting, Check Point for MSP-channel platform, Arctic Wolf for attack surface management.

STRATEGIC AGGREGATORS

Distributors, telecom operators and technology vendors acquiring MSPs to control last-mile delivery to SMB clients. The newest of the three categories, and the one expected to grow through 2028.

Outside investors participated in 80% of MSP and MSSP transactions in Q1 2026, up from 68% a year earlier.

Source: Omdia

OUTLOOK

What We Expect Through 2027

SOLGANICK

01 Volume stays elevated, then plateaus

The 15 to 20 best-capitalized platforms continue acquiring, but the population of founder-owned, sponsor-naive MSPs at scale declines each year.

02 First-wave platforms reach exit

Sponsors that formed platforms in 2019 to 2021 approach the end of hold periods, adding large sponsor-to-sponsor prints alongside continued add-on flow.

03 Security becomes table stakes, not a premium

As security attach spreads across the MSP base, the premium concentrates on providers that can evidence delivery: own SOC, documented playbooks, attestation.

04 AI service delivery enters underwriting

Buyers are pricing automation of tier-one support as future margin. Models that require headcount growth to scale are being repriced against those that do not.

ABOUT SOLGANICK & CO.

SOLGANICK

A Technology Services Investment Bank

Solganick is a data-driven investment bank and M&A advisory firm focused exclusively on the software and technology services sectors. Founded in 2009, we manage the M&A process from start to finish for founder-led and sponsor-backed companies.

Coverage spans managed services and managed security, cybersecurity consulting, cloud and application partners, AI and data analytics, healthcare IT, and enterprise software.

2009
Founded

200+
Transactions completed

$20B+
Deal value to date

Tech only
Software and IT services exclusively

Sell-side advisory · Buy-side and add-on search · Valuation and capital raising

SELECT ENGAGEMENTS

Recent Managed Services Transactions

SOLGANICK

CLOSED

Columbia Advisory Group

Managed security and technology services firm serving higher education, healthcare and public sector clients across the United States.

Sell-side advisor

CLOSED

Imagine Technology Group

Managed services and Microsoft-centric IT solutions provider to mid-market clients in the Southwest.

Sell-side advisor

PENDING

Project Northstar

AI-enabled managed security services and cybersecurity engineering services provider focused on large banks and financial services companies, with delivery across the Middle East and India.

Sell-side advisor

We manage the M&A process from start to finish, running competitive sell-side processes for founder-led managed services firms.

CONTACT

Discuss an MSP or MSSP Transaction

For a confidential conversation about positioning, timing, or valuation in the managed services and managed security sectors, contact our team.

Aaron Solganick
CEO
aaron@solganick.com

Michael Kim
Managing Director
mkim@solganick.com

David Johnson
Managing Director
djohnson@solganick.com

Ramesh Menon
Managing Director
rmenon@solganick.com

Mark Zides
Managing Director
mzides@solganick.com

DALLAS
6860 Dallas Pkwy, Ste 200
Plano, TX 75024

LOS ANGELES
2029 Century Park East, Ste 400 Los Angeles, CA 90067

SAN FRANCISCO
505 Montgomery St, Ste 1000
San Francisco, CA 94111

REACH US
(310) 684-3130 solganick.com