



DRESNER PARTNERS
INVESTMENT BANKING

IT Services

M&A Market Update

Q3 2025

IT Services Market Update

Q3 2025

Market Update

Acquisition activity in the information technology services sector showed measured resurgence in Q3 2025 with transaction values rising even as volume remained below 2024 levels. Strategic and private equity buyers sustained strong interest in technology-enabled service providers offering recurring revenue, high retention, and alignment with mission-critical modernization initiatives. Although macroeconomic and interest-rate pressures persisted, moderating inflation and stabilizing enterprise technology budgets boosted investor confidence, resulting in cautious but improving sentiment. The market continued to favor differentiated firms with scalable delivery models and deep domain expertise. With inflation easing and interest rates falling, the outlook for the remainder of 2025 remains constructive supported by solid buyer pipelines, AI-driven productivity gains, and ongoing demand for technology-enabled transformation.

M&A Volume



Source: S&P Capital IQ. *Q3 2025 data viewed as preliminary pending continued transaction announcements.

Noteworthy Transactions Activity



Accenture acquired CyberCX, an Australia-based cybersecurity and digital risk services firm offering security advisory, threat detection, and incident response solutions to enterprise and public sector clients worldwide



Hexaware Technologies acquired SMC Squared, a Texas-based designer and operator of global capability centers to support enterprise software engineering, data, and digital transformation workloads



Vertiv acquired Great Lakes Data Racks & Cabinets, a Pennsylvania-based manufacturer of IT enclosures, security cabinets, cooling solutions, and infrastructure products for enterprise, government, and telecom customers





















The Carlyle Group acquired Adastra, a Canada-based data and AI consulting firm specializing in data governance, analytics, and cloud migration services for enterprise clients across North America and Europe



Blue Mantis acquired Coreio, a Canadian IT services and infrastructure management firm providing enterprise technology deployment, data center, and managed support solutions to corporate and institutional clients

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Target	Acquirer	Date	Value	Description
		September 2025	-	Security Compliance Associates provides cybersecurity and compliance advisory services, including risk assessments, audits, and security program development for regulated industries.
		September 2025	-	AveriStar is an IT consulting firm offering engineering services and technical support for Cisco BroadSoft platforms, along with network solutions, platform deployments, and managed IT services.
		September 2025	-	Coreio provides IT infrastructure and operations solutions, including hardware lifecycle services, desktop support, asset management, managed IT services, and data center and cloud services for enterprise clients.
		September 2025	-	Simplegrid is an IT consulting firm offering managed IT services, network and security solutions, disaster recovery, virtualization, infrastructure support, and strategic technology consulting.
		September 2025	-	Capitalonline Data Service provides cloud hosts and bare metal servers, data center services, IDC and network services, cloud migration, disaster recovery, and intelligent computing solutions across global markets.
		September 2025	-	Meeza provides managed IT services in Qatar, offering data center hosting, cloud and security solutions, workplace services, system integration, and software development for enterprise clients.
		September 2025	-	Mosaic NetworkX delivers SD-WAN and managed network services, cybersecurity, global carrier management, cloud connectivity, and voice solutions for enterprise clients.
		September 2025	-	MarketCheck provides data processing, hosting, and infrastructure services, delivering internet and data center capabilities to clients across Sweden and Europe.
		August 2025	-	Warecorp designs and develops custom software products and IT solutions, including cloud development, AI/ML infrastructure, data engineering, and enterprise technology integration for U.S. clients.

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Target	Acquirer	Date	Value	Description
	 ARBITER	August 2025	-	Big Teams develops and manages high school athletic websites, providing tools for scheduling, communication, fundraising, and team management for K-12 schools across the U.S.
NeuraFlash	 accenture	August 2025	-	NeuraFlash is a Salesforce consulting and AI solutions firm offering chatbots, contact center automation, CRM optimization, and digital engagement services for enterprise clients.
B Y T E  R B I T	 REX TRUEFORM GROUP LIMITED	August 2025	-	Byte Orbit is a South Africa-based software development company providing product development, integration, infrastructure, and digital transformation solutions for enterprise clients.
 Cactus Technology Solutions	 Bluewave TECHNOLOGY GROUP	August 2025	-	Cactus Technology Solutions is a Texas-based IT and telecom services provider offering cloud services, unified communications, cybersecurity, and network infrastructure solutions.
 DocRaptor	 Artifex	August 2025	-	DocRaptor is a U.S.-based software platform providing cloud-based HTML-to-PDF and Excel generation tools used by developers for automated reporting and document workflows.
 MAZE	 VOLARIS	August 2025	-	Maze Feedback is a Norway-based user experience and product research platform delivering design testing, analytics, and feedback tools to improve digital product development.
 PREMIER DATACOM	 SUNDARA PARTNERS	August 2025	-	Premier DataCom designs and installs commercial and industrial network infrastructure, including structured cabling, security systems, access control, and audio-visual solutions.
novigo	 R SYSTEMS	August 2025	-	Novigo Solutions is an India-based IT services and platform development company specializing in software engineering and digital transformation solutions for enterprise clients.
 CyberCX	 accenture	August 2025	\$757m	CyberCX is an Australia-based cybersecurity services provider offering advisory, identity management, penetration testing, incident response, and managed security services for enterprises.










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Target	Acquirer	Date	Value	Description
		August 2025	-	Coeo Solutions is an Illinois-based cloud communications provider delivering managed voice, data networking, SIP trunking, SD-WAN, and unified communications services to small and mid-sized enterprises across the U.S.
		August 2025	-	Silver Hosting Network is a Pennsylvania-based web hosting provider offering cloud servers, VPS hosting, and global DDoS protection for small and mid-sized businesses.
		August 2025	-	Detail Business Information is a Germany-based IT consulting and business information systems company providing data architecture, software development, and digital publishing solutions for enterprise clients across Europe.
		August 2025	-	ProFile Discovery is an Ohio-based litigation support company providing e-discovery, digital forensics, cybersecurity evaluation, and incident response services to law firms and corporate clients.
		August 2025	-	MDSi is a Georgia-based IT services firm delivering data center technology, cloud and network infrastructure services, cybersecurity, and supply chain IT solutions to enterprise clients across multiple industries.
		August 2025	-	AppSolute Consulting Group is a New York-based IT consulting firm providing ERP implementation, managed IT support, cloud migration, and business process automation services for mid-market organizations.
		August 2025	-	Cenetric is a Kansas-based managed IT services provider offering network support, cloud services, cybersecurity, compliance, and help desk solutions for enterprise and government clients across the Midwest.
		August 2025	-	SpliceNet is an Ohio-based managed IT and cybersecurity services provider offering cloud migration, network support, and security solutions tailored to law firms and professional service organizations.
		August 2025	-	Mid-Del Consulting is a Minnesota-based professional services and systems integration firm delivering energy industry consulting, revenue management solutions, custom software development, and operational process support.

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Target	Acquirer	Date	Value	Description
		July 2025	\$104m	Sikri is a Norway-based public-sector software provider offering case processing, data collection and analysis tools, document management, and digitalization solutions for government agencies.
		July 2025	-	Spector Information Security is an Ireland-based IT compliance and cybersecurity firm providing managed IT support, cybersecurity risk management, and regulatory compliance services for small and mid-sized businesses.
		July 2025	-	Scale Computing is an Indiana-based edge computing and virtualization company delivering hyperconverged infrastructure, disaster recovery, and datacenter virtualization solutions for distributed enterprises.
		July 2025	-	Wireless Concepts International is an Illinois-based wireless engineering firm providing network design, optimization, deployment, antenna systems, WiFi, and public-safety wireless solutions for enterprise and government clients.
		July 2025	-	BlackPoint IT Services is a Washington-based managed IT and cybersecurity provider offering network monitoring, cloud services, security operations, Microsoft infrastructure support, and help desk services.
		July 2025	-	Paragon Consulting is an Ohio-based digital consulting and software firm specializing in CMS development, CRM integration, digital experience modernization, and strategic technology advisory services.
		July 2025	-	AccessIT Group is a Pennsylvania-based cybersecurity solutions firm delivering security architecture, cloud security, endpoint protection, risk advisory, and managed security operations to enterprise clients.
		July 2025	-	Technology Revelations is a Florida-based consulting and software engineering company providing cloud, DevOps, systems engineering, and application modernization services to small and mid-sized businesses.
		July 2025	-	Alleva is a Toronto-based technology consulting firm offering AML and compliance consulting, payments and KYC solutions, big-data analytics, Pega implementation, and agile consulting for financial-services clients.

Source: Dresner IT Services Transaction Database, S&P Capital IQ, Transaction Press Releases

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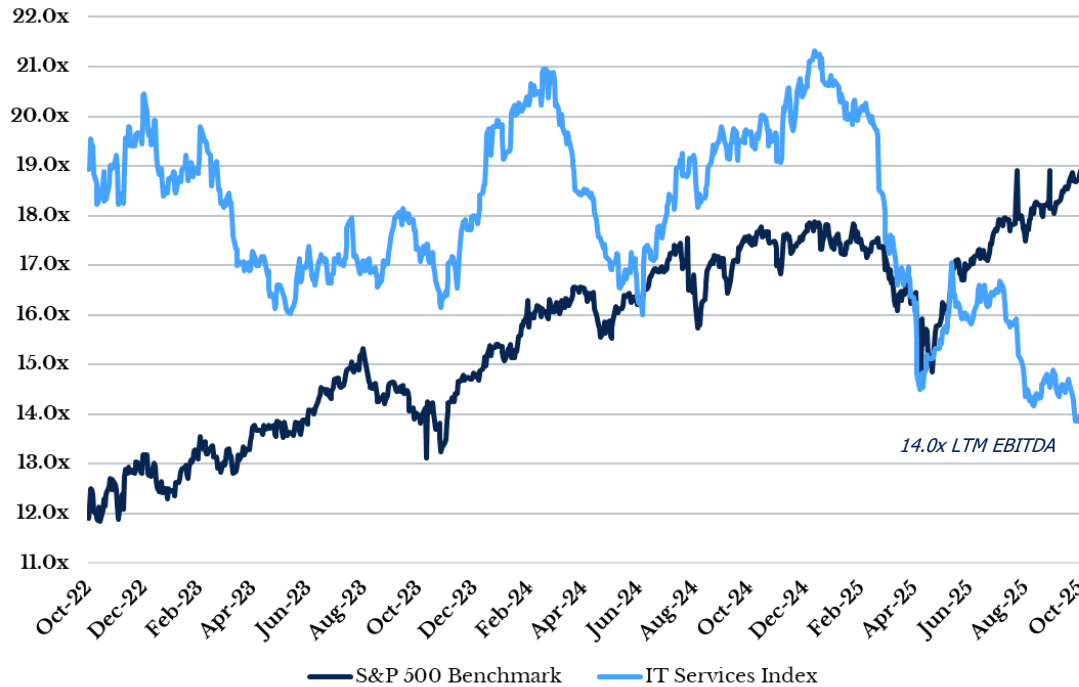


Target	Acquirer	Date	Value	Description
		July 2025	-	ImageQuest is a Tennessee-based managed IT and cybersecurity services provider delivering compliance-driven cloud, network, and data protection solutions to regulated industries across the Southeast.
		July 2025	-	Calcey is a Sri Lanka-based software engineering and digital product development company providing custom web, mobile, and enterprise solutions, as well as dedicated engineering teams for global technology, SaaS, and e-commerce clients.
		July 2025	\$462m	Adastra is a Canada-based data and AI consulting firm specializing in data governance, analytics, and cloud migration services for enterprise clients across North America and Europe.
		July 2025	-	DanTech Services is an Alaska-based managed IT services provider offering remote IT support, network security, data backup and recovery, VoIP services, and cybersecurity training for small businesses.
		July 2025	-	Redeam is a Colorado-based travel technology company providing digital ticketing, distribution, and data integration solutions for attractions, tours, and experience-based travel providers worldwide.
		July 2025	\$120m	SMC Squared is a Texas-based IT services firm that builds and manages global capability centers supporting enterprise software engineering, data, and digital transformation needs.
		July 2025	\$200m	Great Lakes Data Racks & Cabinets is a Pennsylvania-based manufacturer of IT enclosures, security cabinets, cooling solutions, and infrastructure products for enterprise, government, and telecom customers.
		July 2025	-	Ragnarok Technologies is a Virginia-based IT services firm providing technology support, managed IT services, and cybersecurity solutions to federal government agencies and commercial clients.
		July 2025	-	CloudFirst Technologies is a New York-based data protection and cloud infrastructure provider offering cloud hosting, backup and recovery, high availability, and security monitoring services for enterprise and public clients.

IT Services Market Update

Public Company Performance

Index Performance: Last 3 Years



Source: S&P Capital IQ, data as of September 30, 2025

Recent Market Commentary



"For much of the last 30 years, IT services grew through a linear model. More people and more projects drove incremental growth. AI is reshaping that equation by compressing time, cost and complexity and redefining how value is created. The opportunity to partner with our clients and drive outcomes is now more expansive, immersive and elastic. The progress we are sharing today reflects 2.5 years of focused execution, amplifying talent, scaling innovation and accelerating growth to return Cognizant to a leadership position in the AI era."

– Ravi Kumar Singiseti, Cognizant CEO, October 2025



"For people, that means big payments like buying a home go through quickly and safely. This modernization strengthens a national platform, reducing risk and creating a trusted foundation for innovation. Now the system is ready for what's next, even the potential for the market adopting AI-driven payment services. Now let's take a horizontal lens across industries with security. Security is essential to a digital core, which is reflected in our 16% growth for the year. We're seeing increased demand for advanced cyber protection and more integrated intelligent security solutions that can fully harness AI's potential and keep pace with emerging threats. To further strengthen our position, in the past quarter we agreed to acquire CyberCX, our largest cybersecurity acquisition to date, which helps us in geographic expansion, bringing approximately 1,400 specialists in APAC and also bringing AI-powered security platforms, which are applicable globally."

– Julie Sweet, Accenture CEO, September 2025

Source: Earnings Transcripts, per S&P Capital IQ

IT Services Index Constituents


















IT Services Market Update

Public Company Performance

IT Services: Public Market Index

Company	Share Price and Market Capitalization		Market Performance			EV/ Revenue		EV/ EBITDA		Revenue Growth		EBITDA Margin	
	Share Price	Market Capitalization	3 Month	1 Year	3 Years	2024	LTM	2024	LTM	2024	2023	2024	LTM
Intl Bus Machines Corp	\$ 282.16	\$ 262,837.5	-4.3%	27.6%	137.5%	5.0x	4.9x	22.2x	20.3x	5.5%	2.2%	20.5%	22.1%
Accenture plc	\$ 246.60	\$ 153,595.5	-17.5%	-30.2%	-4.2%	2.2x	2.2x	10.8x	10.8x	21.9%	4.1%	17.5%	17.5%
Tata Consultancy Services Ltd.	\$ 32.52	\$ 117,642.7	-16.6%	-32.3%	-3.9%	4.0x	4.0x	15.0x	15.0x	16.8%	17.6%	25.7%	25.7%
Infosys Ltd.	\$ 16.23	\$ 67,280.6	-10.0%	-23.1%	2.0%	3.5x	3.4x	14.4x	14.2x	20.3%	11.7%	23.1%	23.0%
HCL Technologies Ltd.	\$ 15.59	\$ 42,244.3	-19.9%	-22.9%	48.6%	3.0x	2.9x	13.8x	13.8x	12.8%	9.6%	21.0%	20.6%
Cognizant Technology Solutions	\$ 67.07	\$ 32,756.7	-14.0%	-13.1%	16.8%	1.6x	1.6x	8.5x	8.3x	5.0%	-0.4%	17.8%	18.0%
Wipro Ltd.	\$ 2.69	\$ 28,197.3	-10.1%	-11.6%	21.3%	2.4x	2.4x	11.9x	11.9x	27.7%	14.4%	19.5%	19.3%
Capgemini SE	\$ 144.96	\$ 24,636.2	-14.8%	-36.3%	-25.3%	1.1x	1.1x	7.8x	8.0x	21.1%	2.4%	13.2%	12.9%
CGI Inc.	\$ 88.99	\$ 19,638.2	-13.3%	-20.3%	19.2%	2.1x	2.0x	11.2x	10.5x	6.1%	11.1%	17.9%	17.9%
EPAM Systems Inc.	\$ 150.79	\$ 8,398.5	-14.7%	-24.2%	-58.4%	1.6x	1.5x	10.0x	9.7x	28.4%	-2.8%	14.7%	14.1%
Persistent Systems Ltd.	\$ 54.29	\$ 8,102.4	-20.2%	-11.5%	197.6%	5.9x	5.7x	34.9x	32.4x	36.4%	46.2%	16.2%	16.6%
Globant S.A.	\$ 57.38	\$ 2,527.8	-36.8%	-71.0%	-69.3%	1.2x	1.2x	7.2x	7.7x	37.3%	17.7%	15.4%	14.0%
Kainos Group plc	\$ 12.70	\$ 1,522.0	26.9%	7.0%	-26.6%	2.7x	2.7x	17.6x	17.6x	28.9%	23.8%	15.3%	15.3%
Happiest Minds Technologies Lt	\$ 5.98	\$ 896.7	-19.1%	-34.3%	-46.6%	4.1x	4.0x	24.4x	23.4x	41.4%	30.7%	15.4%	15.5%
Endava plc	\$ 9.10	\$ 494.3	-40.6%	-64.4%	-88.7%	0.7x	0.7x	6.6x	6.6x	46.7%	21.4%	8.7%	8.7%
Mastek Ltd.	\$ 24.69	\$ 764.7	-10.1%	-15.6%	26.0%	2.0x	1.9x	12.6x	12.0x	26.8%	17.4%	15.2%	15.9%
Median			-14.8%	-23.0%	-0.9%	2.3x	2.3x	12.2x	12.0x	24.4%	13.0%	16.9%	17.1%
Mean			-14.7%	-23.5%	9.1%	2.7x	2.6x	14.3x	13.9x	23.9%	14.2%	17.3%	17.3%
High			26.9%	27.6%	197.6%	5.9x	5.7x	34.9x	32.4x	46.7%	46.2%	25.7%	25.7%
Low			-40.6%	-71.0%	-88.7%	0.7x	0.7x	6.6x	6.6x	5.0%	-2.8%	8.7%	8.7%

Source: S&P Capital IQ, data as of September 30, 2025. All data in USD millions, except per-share values.



Dresner Partners

IT Services Coverage



DRESNER PARTNERS
INVESTMENT BANKING

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Dresner Partners is an investment bank specializing in merger & acquisition advisory, institutional private placements of debt and equity, valuation and strategic consulting. Our clients are middle market companies operating both in the U.S. and internationally. We are deeply committed to exceeding client expectations and maintaining the highest levels of integrity. Our experienced professionals have the foresight necessary to navigate through highly complicated transactions to maximize value for our clients.

IT Services Subsector Coverage

- Application Partner Ecosystems
- Business Intelligence and Data Analytics
- Cloud Computing
- Cybersecurity
- Digital Transformation
- Industry / Vertical Specialists
- Managed Services
- Outsourced Services / BPO
- Software Development
- Staffing and Outsourced Services
- Strategy Consulting
- Value Added Resale

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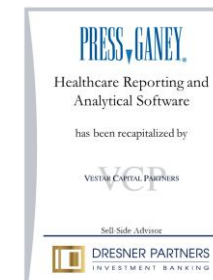
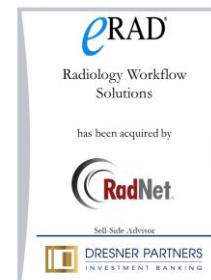
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