



**Equiteq Q3 2024:
Technology Services
M&A activity**

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Executive Summary

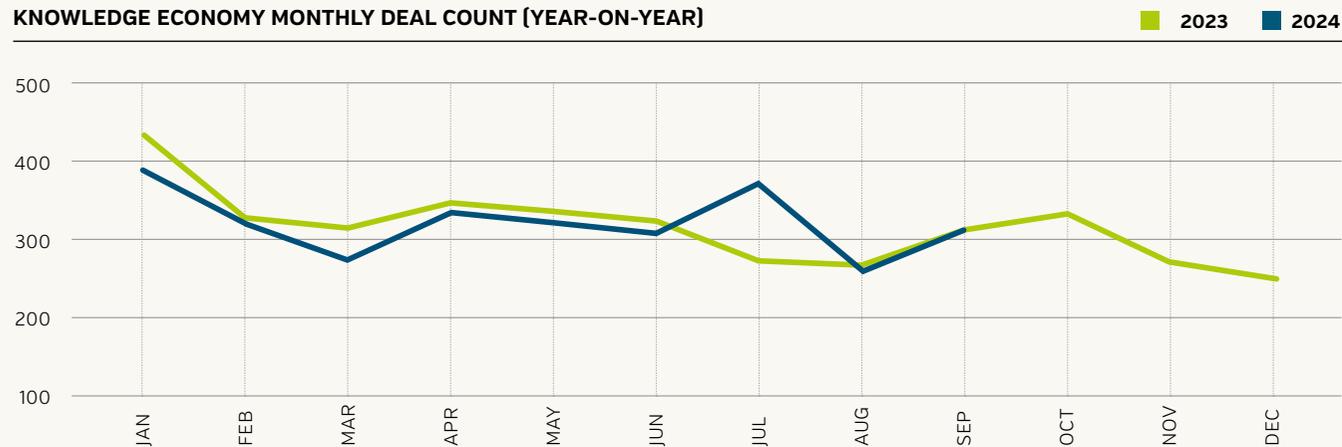
Q 3 M&A activity in IT Services and Enterprise Software displayed cautious optimism, building on encouraging Q2 trends amid ongoing macroeconomic headwinds. Transaction values rose significantly across both sectors, signaling buyer confidence. However, while quarterly Knowledge Economy deals rose 10% year-on-year [see chart below], the slight decline in IT services M&A highlights continued buyer selectivity [see page 8].

The rising influence of AI is intensifying demand for firms specializing in automation, as investors position for the next wave of tech innovation. Core infrastructure

services—such as cloud, cybersecurity, and analytics—also remain prime acquisition targets, driven by growing regulatory and compliance demands. Finance-focused software, which promises transformational efficiencies for CFOs, is also drawing attention, underscoring technology's role in reshaping finance functions.

Private equity is a major M&A force, with investors targeting niche acquisitions to penetrate high-growth areas while remaining cautious on sweeping consolidations. This approach enables private equity to navigate shifting economic conditions while building portfolios across strategic verticals.

KNOWLEDGE ECONOMY MONTHLY DEAL COUNT (YEAR-ON-YEAR)



Looking ahead, M&A in Technology Services is expected to maintain momentum, particularly in resilient sectors critical to digital and operational transformations. Buyers are likely to favor scalable investments that support these ongoing transitions, fostering a steady M&A environment through year-end.

In this report, the Equiteq team shares their thoughts, insight, and commentary on M&A activity during the third quarter in the IT Services and Enterprise Software sectors.

To find out more, please feel free to contact our team, whose details are contained within this report. [O](#)

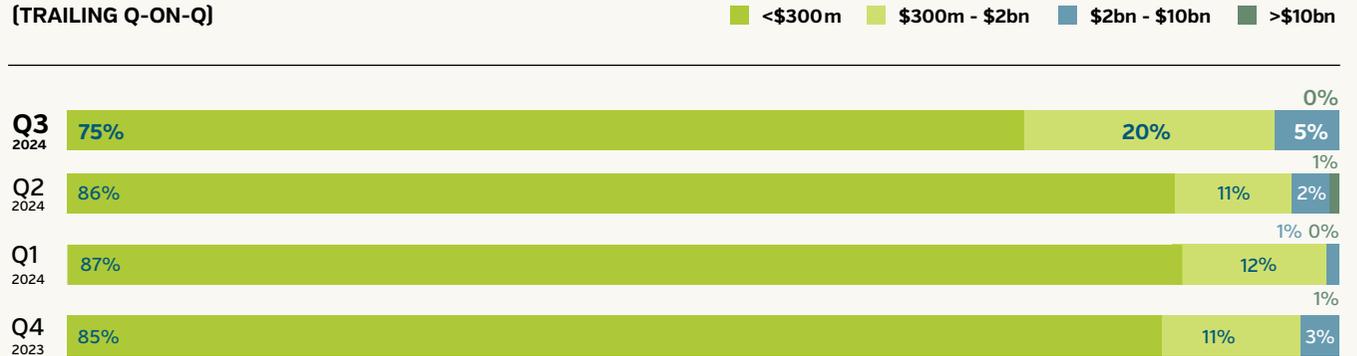
David Jorgenson
CEO, Equiteq

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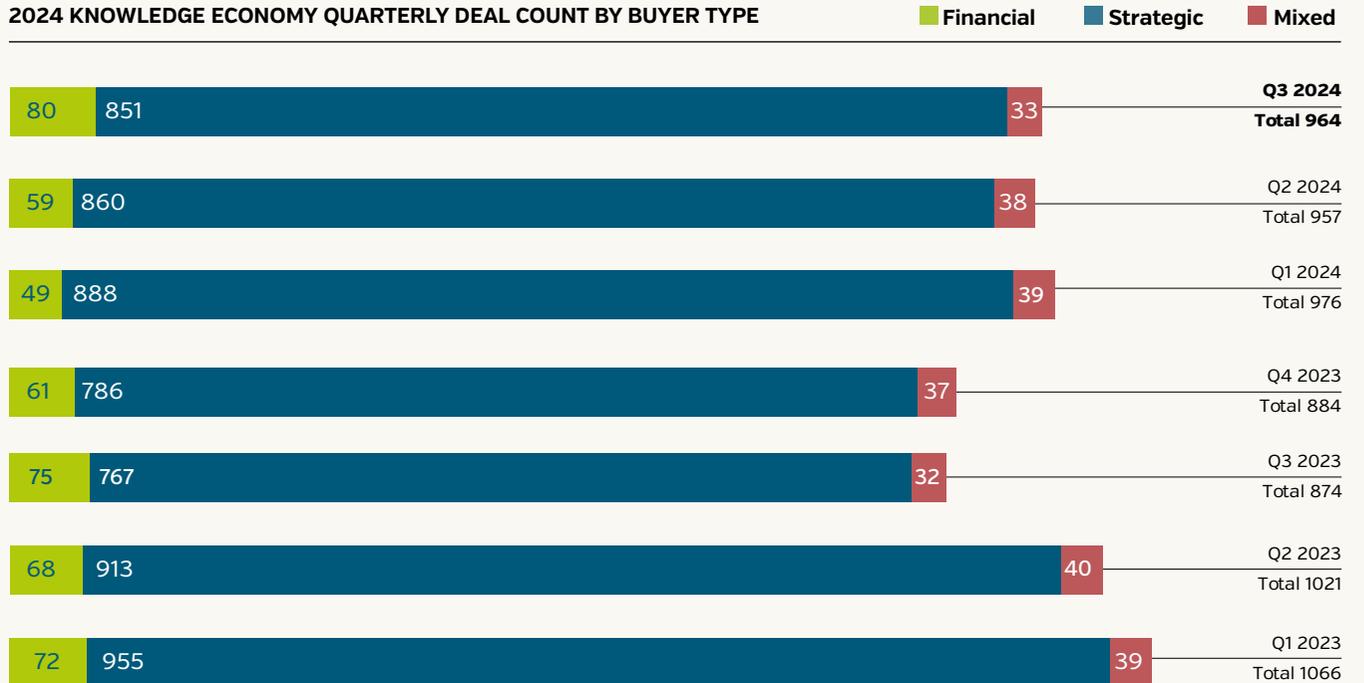


year-on-year increase in deal volume during Q3 2024 over Q3 2023

2024 KNOWLEDGE ECONOMY TRANSACTION VALUES BY SIZE (TRAILING Q-ON-Q)



2024 KNOWLEDGE ECONOMY QUARTERLY DEAL COUNT BY BUYER TYPE



IT Services

Q3 M&A activity

KEY TAKEAWAYS

- M&A in IT services demonstrated resilience in Q3, driven by large acquisitions, despite overall deal volume dropping from Q2.
- AI-driven transformations are fueling buyer interest as firms look to push into more sophisticated AI-enabled capabilities.
- Private equity-backed strategics are driving liquidity for sellers, particularly in key ecosystems like Anaplan and Oracle that power “office of the CFO” solutions.

Q3 MARKET ACTIVITY

In Q3 2024, M&A in the IT services sector displayed signs of optimism, even if broader uncertainties such as Europe’s economic malaise and looming U.S. elections injected caution into the market. Nonetheless, the quarter saw transaction values jump as total deals surged from \$2.8bn in Q2 to \$5.7bn, led by Cognizant’s \$1.3bn acquisition of engineering R&D firm Belcan, and Brookfield’s \$2.6bn takeover of payments provider Network International.

Deal volumes, however, slipped quarter-on-quarter, from 253 in Q2 to 225. See the charts on page 8.

Accenture’s flat growth forecast for the year is reflective of this tempered landscape.

“As we’ve noted earlier in previous reports, Accenture’s behavior is often quite a good barometer of what’s going on in market activity,” says Jerome Glynn-Smith, Managing Director at Equiteq in London, UK. “It’s still a slower market, and we’re seeing that lack of demand stem, certainly among enterprises, from a continued delay of big transformation projects.”

While organizations hold back on major overhauls, AI-driven transformations are underpinning burgeoning interest among buyers. This was apparent in AMD’s recent acquisitions of ZT Systems, a server maker, and Silo AI, Europe’s largest private AI lab. Both moves highlight The US IT services firm’s ambition to build a full AI stack and compete with giants like Nvidia.

“AI is already helping to create M&A demand in IT services as infrastructure management work becomes commoditized,” adds Glynn-Smith. “This will create a big wave for professional and IT services firms to ride. However, as traditionally offshored back-office work is automated, we’ll have to see how this impacts regions like Asia, where such work has historically been a cornerstone for IT services firms.”



AI is already helping to create M&A demand in IT services as infrastructure management work becomes commoditized.



In a market where liquidity is scarce, these platforms provide a lifeline for sellers seeking scale and returns. But it's a lifeline that depends upon investors ultimately realizing a tangible return.

SECTORS OF INTEREST DURING Q3

M&A activity in the IT services sector during Q3 2024 highlighted resilience in essential infrastructure and regulatory-driven areas, as well as sectors with steady demand—such as public sector projects and IT services tied to regulatory compliance, cloud, cybersecurity, analytics, and payroll.

“Where we’ve seen resilience is in IT services businesses that deal with regulatory-driven issues, for example, compliance or governance software,” notes Glynn-Smith. “Another resilient area has been managed services for critical systems. If you don’t have a payroll system, you’re in big trouble; but if you aren’t able to use the latest software on it, that’s not the end of the world.”

Building on these trends, September saw myriad deals including the government-focused tech and engineering firm KBR acquiring the analytics firm LinQuest, which has a history of supporting US space missions, for \$745mn. We also saw a deal for the open source database MariaDB by K1 Investment Management. K1 took the firm private following the Q2 announcement that ServiceNow had decided to phase out MariaDB in favor of a new database called Raptor DB.

Meanwhile, Capgemini announced their agreement to acquire Syniti, a global data solutions company with over 1,200 data specialists. Syniti – originally known as Back Office Associates – has seen tremendous organic growth with the backing of Bridge Growth Partners, as well as making several acquisitions on their journey, including Equiteq SAP Data clients ENTOTA and CompriselT.

Mid-market deals have also been a focal point for buyers, as shown by the acquisition of Atech for \$74mn by the cloud services firm, Iomart in late September, which marks a notable trade exit in the cloud managed services space. Iomart, a Microsoft-centric business, plans to use the acquisition to strengthen its position in the UK cloud and infrastructure managed services market for mid-sized enterprises.

“Cloud managed services is typically a private equity-centric market, and you don’t see too many trade acquirers being active in the space, so it’s an interesting deal for the UK market,” notes Glynn-Smith. “Atech is a very Microsoft-centric business and one the UK’s most accredited Microsoft partners. Given Microsoft is core to Iomart’s offering too, it’s a deal that should help accelerate the growth of both firms.”

BUYER BEHAVIOR SNAPSHOT

Private equity-backed strategics remain essential players in IT services M&A, particularly as sellers look for liquidity. The sustainability of this investment mode may soon be tested, given many platforms backed by private equity are maturing and poised for exit strategies over the next three to five years.

“What’s really interesting is that some of these platforms are now potentially five years old,” says Glynn-Smith. “In a market where liquidity is scarce, these platforms provide a lifeline for sellers seeking scale and returns. But it’s a lifeline that depends upon investors ultimately realizing a tangible return.”

Meanwhile in the US, private equity-backed buyers continue to aggressively pursue smaller add-ons to build growth, while strategics wait for larger targets. While investment strategies may diverge, growth and revenue margins remain non-negotiable for nearly all buyers.

“Buyers really want to see growth and profitability, in addition to differentiated delivery,” says John Cooper, Managing Director at Equiteq in New York, USA. “We are seeing larger players exploring smaller markets outside traditional enterprise tiers, hunting for sustainable growth and those unique delivery capabilities to maintain growth in a rapidly evolving sector.”

WATCH THE OFFICE OF THE CFO GROW

The rising demand for specialist vendors that support advanced efficiency, control, and automation in finance functions is driving a robust M&A trend around ‘office of the CFO’ software solutions. Platforms such as Anaplan, Oracle, SAP, and NetSuite, which empower CFOs with the data and tools they need, are increasingly sought after by private equity buyers and strategic investors alike.

“Digital solutions for the office of the CFO’ is one of the bigger theses among buyers, especially private equity,” says Cooper. “Platforms that support the CFO’s role are attracting attention for their strategic value, turning into growth drivers for players in key ecosystems.”

This trend was underscored by several notable Q3 deals that reflect the finance function’s expanding role and the need to support it within an increasingly complex tech landscape. Fortis’s acquisition of MerchantE’s NetSuite Division, aimed at expediting payments processing for ERP and scale-up customers, exemplifies this. Meanwhile, Tru Consulting, a leading Anaplan partner, received a majority investment from Superstep Capital in a deal steered by Equiteq to drive public-sector innovation and outcomes for finance leaders.

Additionally, Riveron—a business advisory firm backed by Kohlberg & Company—has started strategic acquisitions to evolve from a traditional accounting firm into a broader tech and consulting services provider. Its July acquisition of Yantra, a technology and advisory firm for CFOs, brings Salesforce and Oracle capabilities to its suite, making Riveron one of the largest NetSuite Alliance Partners globally.

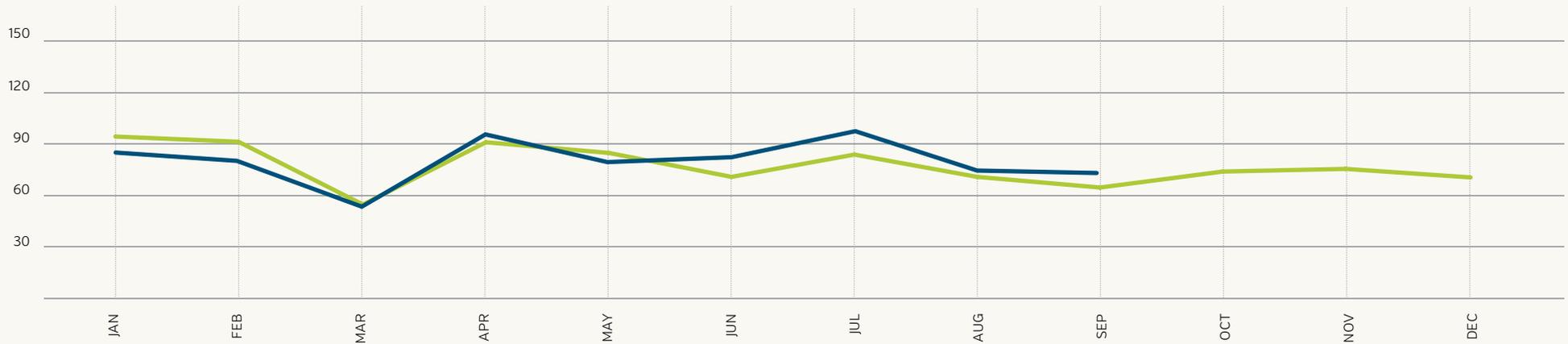
“We’re seeing firms trying to build next-generation suites that offer finance departments the insights and flexibility necessary to navigate complex business landscapes,” Cooper adds. “It’s a shift that’s pushing accounting advisory firms onto a transformational path as they expand into consulting and tech services focused on the CFO’s evolving needs.”

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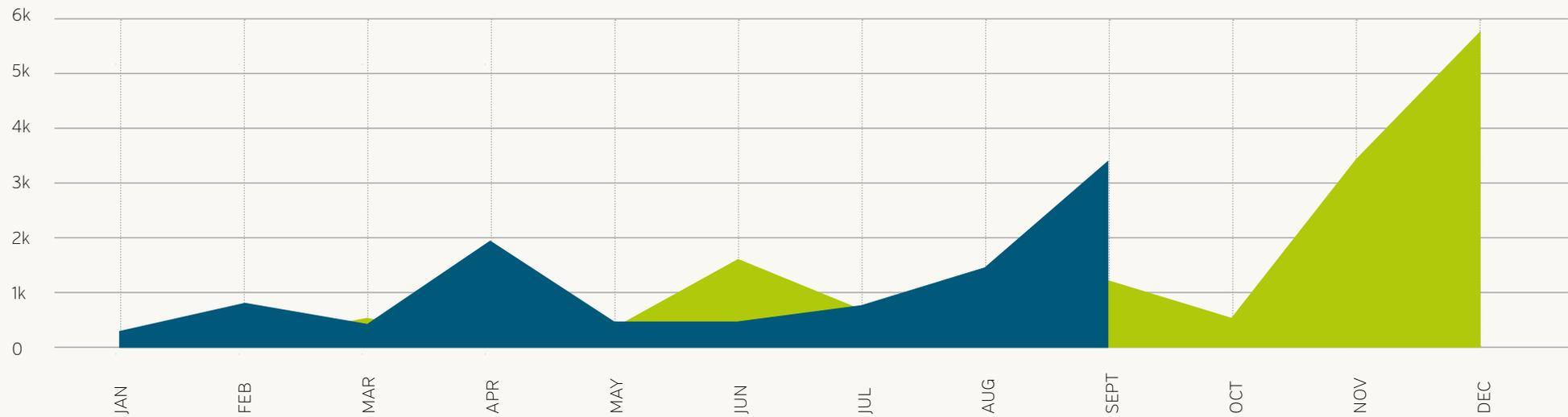
YEAR-ON-YEAR MONTHLY IT SERVICES DEAL COUNT

2023 2024



MONTHLY IT SERVICES DEAL VALUE (US \$, MILLIONS)

2023 2024



Enterprise Software & SaaS

Q3 M&A activity

KEY TAKEAWAYS

- Enterprise SaaS and software M&A surged in Q3, with deal volumes rising 15% from Q2 and approaching pre-COVID levels.
- Healthcare, finance, and traditionally tech-averse sectors are increasingly adopting SaaS for modernization and sustainability goals, driving strong buyer activity.
- The demand for AI-focused SaaS firms is growing, driven by big players seeking specialized automation and generative AI tools.

Q3 ACTIVITY OVERVIEW

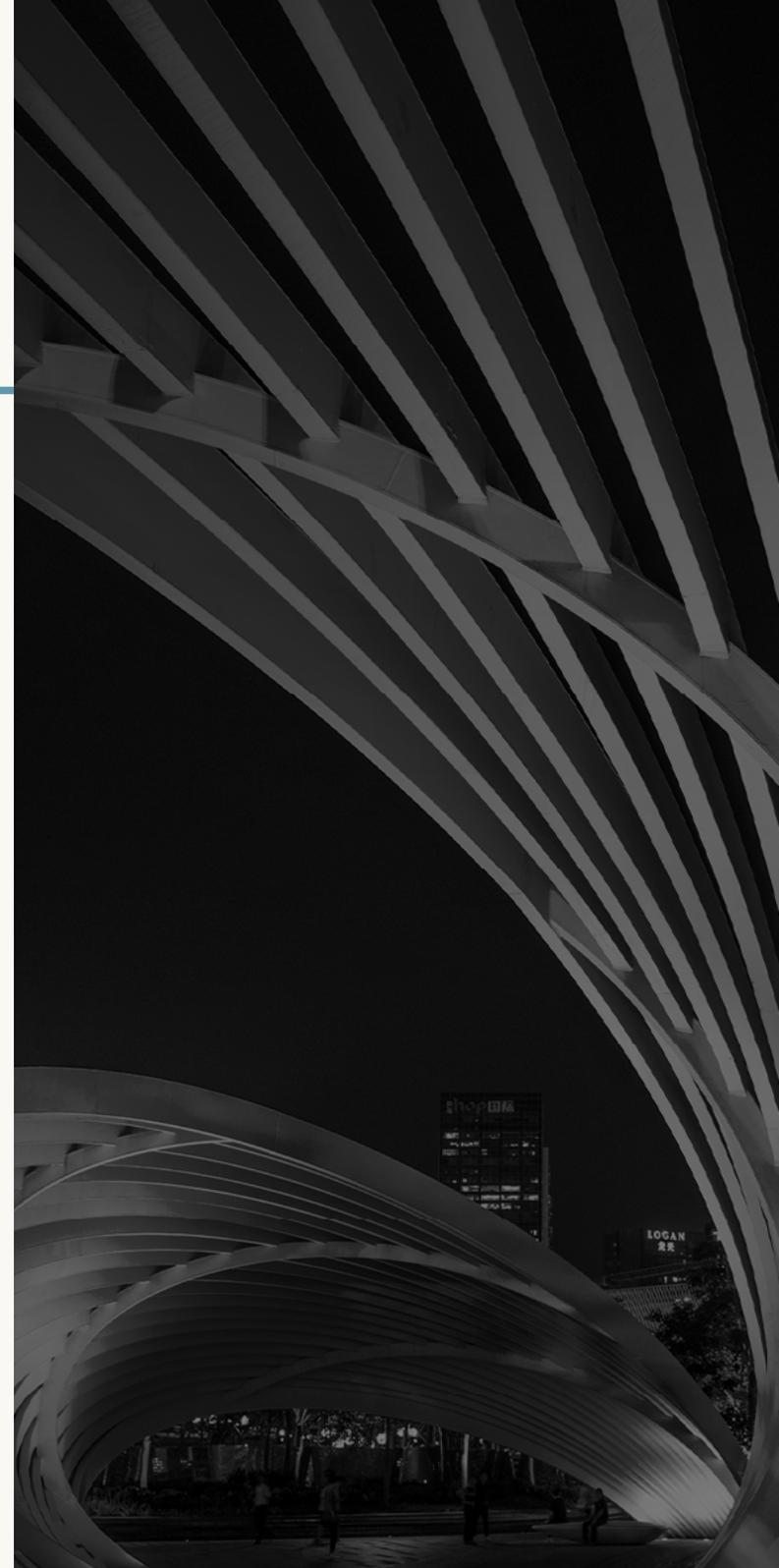
M&A activity in the Enterprise SaaS and software sector demonstrated impressive growth during a robust third quarter. Volumes of activity were up 15% from Q2, rising from 183 to 211 deals by the end of September [see charts on page 12] and confirming the most active quarter since Q2 2023. Valuations also grew sharply, jumping to an impressive \$13.8bn from last quarter's \$4.7bn [see charts on page 12], powered by a number of significant deals. These include the announcement of the acquisition of Altium, the printed circuit board (PCB) design software leader, by Renesas Electronics for \$5.9bn.

Such deals suggest momentum in the software market remains strong, with SaaS companies seeing growing interest from investors. However, such interest is still largely limited to those firms able to demonstrate viable profitability.

"The trend of buyers focusing on SaaS companies that are either profitable or very close to profitability has been a trend for the past few quarters now," notes Sylvaine Masson, Managing Director, Head of Equiteq APAC in Singapore. "If businesses have already reached that stage and are already profitable, then that's much more valuable for the industry right now - both from a private equity and a strategic standpoint.

With both financial and strategic investors emphasizing returns over growth, even if companies are not yet in the black, the expectation to demonstrate how to achieve profitability is a requirement that is reshaping acquisition dynamics.

This shift is also prompting internal changes across the SaaS sector. Many firms, once aggressively expanding, continue to refocus on operational efficiency and disciplined hiring, adapting to investor preferences in the current climate.





With deal volumes now nearing pre-COVID levels, software M&A appears poised for a solid recovery. Should interest rates fall further towards the end of the year, especially in the U.S., we could see further vigor among buyers and a robust surge of activity in the software sector.

AREAS OF BUYER INTEREST

The healthcare sector's demand for SaaS solutions shows no signs of slowing, as a global aging population pushes providers to adopt digital platforms for better patient care and streamlined administration. Agilio, one of the UK's leading healthcare operations software providers, closed a number of Q3 deals including the acquisition of the pharmacy e-learning business Mediapharm as well as the dental CRM software provider The Fresh.

This trend underlines an accelerating shift in traditionally tech-averse sectors, which are increasingly turning to software solutions to modernize operations and meet sustainability targets.

"In this same vein, I believe this modernization also extends to the mining, oil, gas, and construction sectors, all of which are proving resilient in the SaaS space," says Masson. "These sectors, while historically less attractive, are well-capitalized, built upon large-scale project work, and increasingly open to technological transformation, making them interesting opportunities for SaaS investors."

The need for greater cybersecurity is also fueling SaaS demand as firms overhaul legacy systems to meet the needs of a digital economy. However, there is also pressure to deliver robust cybersecurity protection solutions that are also more efficient and customer centric. To this end, Salesforce pivoted from an earlier failed bid for Informatica to complete a \$1.9bn acquisition of the data protection firm Own Company. Announced in September, it was Salesforce's third acquisition within a matter of weeks and its biggest since acquiring Slack in 2020. The deal augments Salesforce's core offerings while also enhancing its data protection and management capabilities.

AI AND SAAS FIRMS

The prevalence of AI-driven deals in the SaaS sector continues to grow, as larger firms eye-up companies pioneering automation and generative AI solutions. With some tech giants hesitant to build these platforms in-house, acquisitions of AI-focused SaaS firms are gaining traction—a trend set to accelerate over the coming years.

This cherry-picking of smaller SaaS firms can be seen in Q3 deals including NVIDIA's \$250mn acquisition of OctoAI, a Seattle-based startup specializing in generative AI tools, as well as Thomson Reuters' acquisition of the UK AI startup Safe Sign Technologies, which develops large language models (LLMs) for the legal sector.

“We are seeing more deals for AI companies that are perhaps on the smaller side as the bigger players look to find those companies that can add significant value to larger tech ecosystems,” says Masson. “With the pace of change, the big players want to bypass the complexities of internal development. This is triggering good momentum in the market around AI-related transactions and is something we anticipate growing.”

Meanwhile, a shift toward bespoke generative AI (GenAI) platforms is also solidifying, particularly among consulting firms supporting retail, consumer goods, and financial services sectors. As companies seek AI solutions designed for specific needs and to deliver more personalized customer experiences, demand for custom-built engines is set to rise. This trend highlights a change in thinking in the software market, where businesses are increasingly opting for customized tools over generic, off-the-shelf AI options.

INVESTMENT CHALLENGES

While activity has grown in the third quarter, the SaaS sector is still recalibrating after a high-valuation era, with companies adapting to more realistic growth expectations. Three to five years ago, private equity and strategic buyers poured funding into SaaS, spurring rapid expansion. Today, despite market traction improving, companies are facing greater pressure to prove value, but this shift could pave the way for a more sustainable growth landscape.

“There’s a real opportunity right now for companies with solid fundamentals to stand out. I think that some investors

might need to adjust their expectations, but the market is still eager for profitable SaaS players,” says Masson.

For firms that can show a clear path to profitability, the current environment offers genuine appeal to investors, even if the SaaS market lacks the highly active private equity-backed strategic buyer-set prevalent in other areas of the Knowledge Economy.

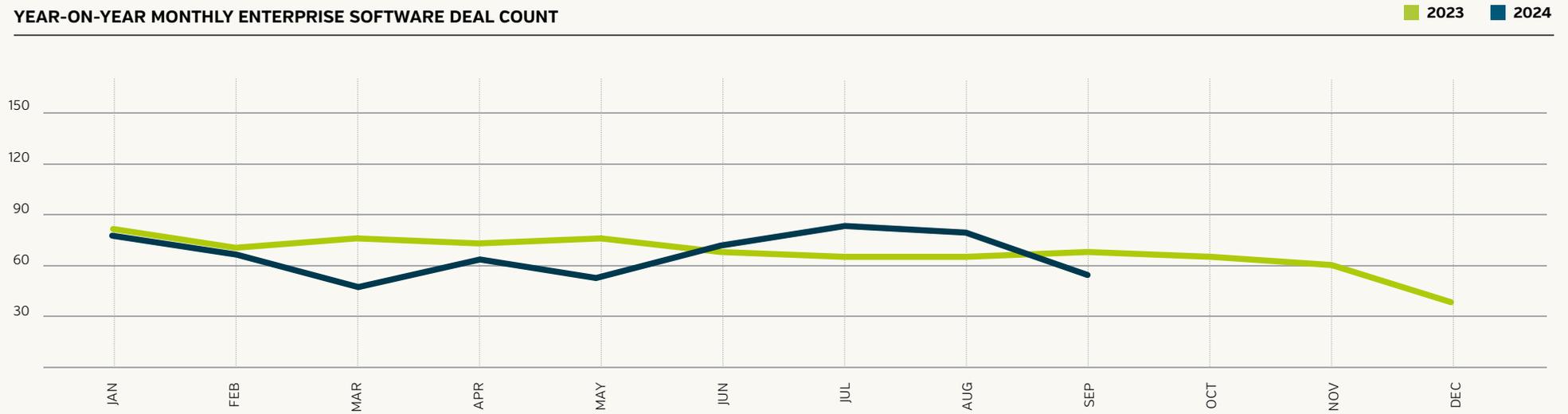
“We just don’t see these types of buyers to the same extent in the software market,” says Masson. “This is because the specificity of SaaS players makes the market more of a scale game rather than an inorganic one, unlike in IT services where buyers just want to acquire firms doing more of the same across geographies.”

Scale may be becoming the name of the game in the SaaS market, with smaller players joining forces to create robust, acquisition-ready assets. For savvy firms, this landscape offers a chance to thrive through strategic consolidation and a focus on long-term value creation. As the sector shifts from hypergrowth to sustainable expansion, the SaaS market stands poised for a promising run through the end of the year and into 2025. 

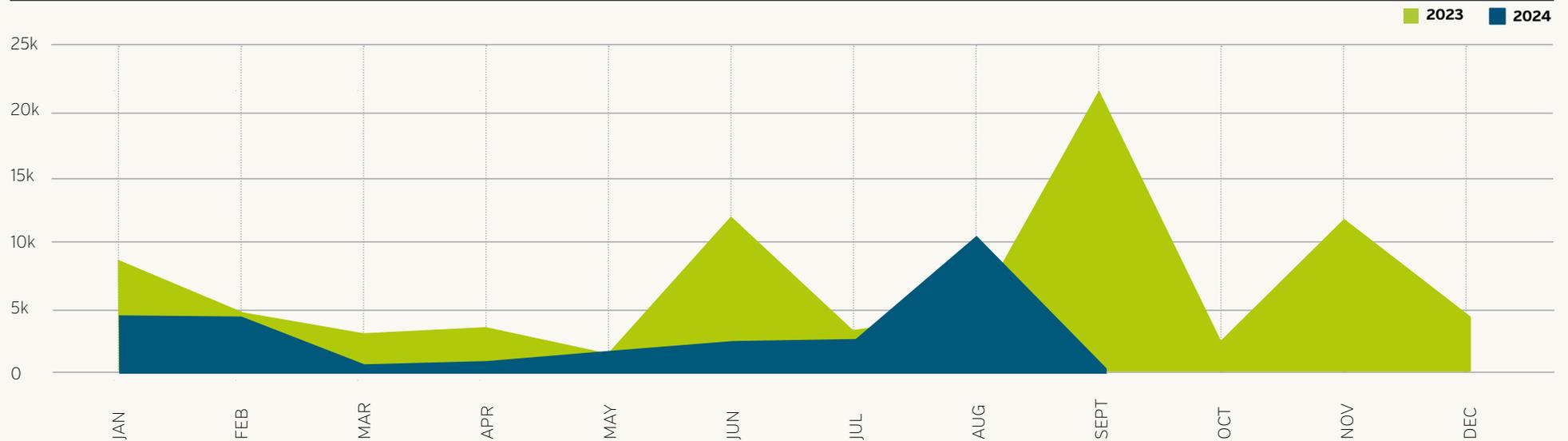


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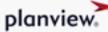
YEAR-ON-YEAR MONTHLY ENTERPRISE SOFTWARE DEAL COUNT



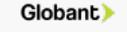
MONTHLY ENTERPRISE SOFTWARE DEAL VALUE (US \$, MILLIONS)



Q3 2024: Deal Highlights

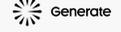
Deal Date	Target HQ	Target	Buyer/Investor	Target Activity
30/09/24				Digital Transformation, Microsoft Dynamics 365, Cloud Services
30/09/24				Microsoft Cloud Solutions, Digital Transformation, Business Consulting
27/09/24				Management Consulting, Technology Consulting, MarTech
26/09/24				Custom App Development, Software Delivery, Organisational Transformation
24/09/24				Enterprise SaaS, AI Solutions, Cloud Services
20/09/24				Search and Analytics Database, Real-time Indexing, Cloud-native Efficiency
19/09/24				Release Management, Test Environment Management, Quality Management
13/09/24				Business Intelligence, EPM, Financial Planning & Analytics, Oracle Partnership

Q3 2024: Deal Highlights

Deal Date	Target HQ	Target	Buyer/Investor	Target Activity
13/09/24				Data Catalog, Data Governance, Enterprise Data Marketplace
12/09/24				Digital Performance Optimization, Customer Experience Enhancement, Data Analytics
12/09/24			 backed by 	Salesforce Consulting, Mobile App Development, Web Development
11/09/24				Rapid Product Development, Enterprise AI, Digital Transformation, Snowflake
10/09/24			 backed by 	Cloud-based BCDR Solutions, Protect Everything, x360 Recover Direct-to-Cloud
10/09/24				Cloud Computing, Big Data, Cybersecurity [AWS]
04/09/24				Business Intelligence, Data Analysis, Data Mining
04/09/24				Anaplan Implementation



Q3 2024: Deal Highlights

Deal Date	Target HQ	Target	Buyer/Investor	Target Activity
03/09/24				Data Integration, Hybrid Integration Platform, Managed File Transfer
29/08/24				Data Migration, Data Quality, SAP S/4HANA Implementation
28/08/24			 backed by 	DevOps, UX/UI Design, System Development
27/08/24			 backed by 	Cybersecurity, Cloud Computing, Email Security, Google Cloud
27/08/24				CyberOps Services, Cyber Intelligence, Online Assets Protection
22/08/24			 backed by 	Data Analytics, Artificial Intelligence, Machine Learning, Microsoft Azure
15/08/24				Behavioral Analytics, Device Intelligence, Fraud Detection
15/08/24				Custom Software Development, AI Solutions, Blockchain

Q3 2024: Deal Highlights

Deal Date	Target HQ	Target	Buyer/Investor	Target Activity
13/08/24				Omnichannel, eCommerce, Customer Analytics
12/08/24			 backed by 	Microsoft Data / AI, Data Analytics
09/08/24				File Detection and Response (FDR), Threat Protection, User Security
02/08/24				Renewable Energies, IT and Telecommunications, Infrastructures
02/08/24				Enterprise App Development, Data Analytics, Digital Transformation, Microsoft
01/08/24				Financial Services Technology, Data Governance, Data Quality
01/08/24			 backed by 	Digital Transformation, Team Strengthening, Collaboration Solutions
01/08/24				Managed Dedicated Hosting, Cloud Hosting, Atlassian



Sell side
Advisor

Q3 2024: Deal Highlights

Deal Date	Target HQ	Target	Buyer/Investor	Target Activity	
31/07/24			 — backed by — 	Salesforce	
31/07/24				Analysis, Design, Implementation of Bespoke Information Management Systems	
26/07/24				Enterprise Search, Search-Based Applications, Cloud-based Solutions	
22/07/24			 — backed by — 	Business Consulting, Digital Transformation, Robotic Process Automation	
 19/07/24				SAP BPC / Analytics	
18/07/24				AI Consulting, ML Solutions, Smart City Development	
 07/08/24		[Not yet announced]	[Not yet announced]	Microsoft / Digital Transformation	
01/07/24				IT Consulting, Global Network Management, Solution Design and Implementation	

Meet Equiteq

We are the leading global investment bank for the Knowledge Economy.

Equiteq is the leading specialist in Knowledge Economy investment thanks to our first-hand insight and research, our close relationship with the key acquirers in the sector, and through the deals we complete.

Who are we?

Equiteq is a fast-growing, global M&A specialist. We sell the world's smartest knowledge-based and technology firms. Being close to active buyers and investors helps us to understand their acquisition needs and this informs how we can add value to founders and shareholders who want to sell their businesses.

Why Equiteq?

We are the recognized specialist advisor in the Knowledge Economy where intellectual property has historically been delivered through people in consulting firms, but more and more is delivered in combination with technology.

Our benchmarking studies – produced for the last 15 years – have become the industry standard and are supported with detailed insight reports on a range of disciplines within our sector.

Our aim

It's simple - our goal is to bring you to the smartest deal. 

Equiteq Services

Our clients sit at the heart of every transaction we advise upon, whether helping you to dramatically increase your return on M&A or by helping you to achieve the best possible valuation.

Our services in the Knowledge Economy cover the following key areas:

Sell Advisory

Equiteq supports owners of innovative knowledge-based and technology firms seeking to realize equity value. We advise on all aspects of M&A, from helping ambitious owners find capital to inject into their business to accelerate growth, through to a full company sale. We use our unparalleled understanding, experience, and access to find you the right buyer or investor, at the best price and terms.

Buy Advisory

Equiteq supports Strategic Acquirers and Financial Sponsors seeking to dramatically increase their returns on M&A in knowledge-based and technology services businesses. After 15 years exclusively advising owners of firms towards exit, we have the assets, systems, and experience to help you enhance and execute your M&A strategy.

Corporate Divestitures

We work with corporations to meet their divestiture objectives, including disposal of non-core or underperforming assets that either have synergistic potential within other businesses or could form part of a Private Equity portfolio investment. After 15 years exclusively advising owners of firms in the sector towards exit, Equiteq has the people, processes, sector insight and market access to deliver your transaction at the right price and with preferred deal terms.

Strategic Deal Origination

We work with Strategic Acquirers and Financial Sponsors to develop detailed, insight-driven plans for investment into new markets. By leveraging our sector insight and purpose-built methodology, we can rapidly convert an attractive investment thesis 'on paper' into an actionable plan to realize the opportunity, helping you to exploit key innovation trends through a less crowded, lower risk route. 

Equiteq Highlights

Our global teams remain active throughout the year, advising on deals, as well as sharing their expertise in market-leading reports and events.

Here are our highlights. Click the links below each topic to find out more.

Sign up here to hear more from Equiteq



Insights

ANZ IT Services & Management Consulting Report Q3 2024

The third quarter of 2024 saw ANZ M&A activity within the IT & Management Consulting sector being slightly more robust, primarily driven by private equity deals. Discover more regional insights in this dedicated regional report.

[Find out more](#)

M&A and Growth Strategies for ServiceNow Boutiques

This event brought together owners, investors and practice leaders from the ServiceNow industry to discuss key trends and insights.

[Find out more](#)

Management Consulting M&A Report H1 2024

Read Equiteq's perspective on M&A activity and trends in the Management Consulting segment during H1.

[Find out more](#)

Equiteq Deals in Q3 2024

Analysis Prime sold to **CENIT Group** [Jul 2024]

[Find out more](#)

Aware Group sold to **HSO** [Aug 2024]

[Find out more](#)

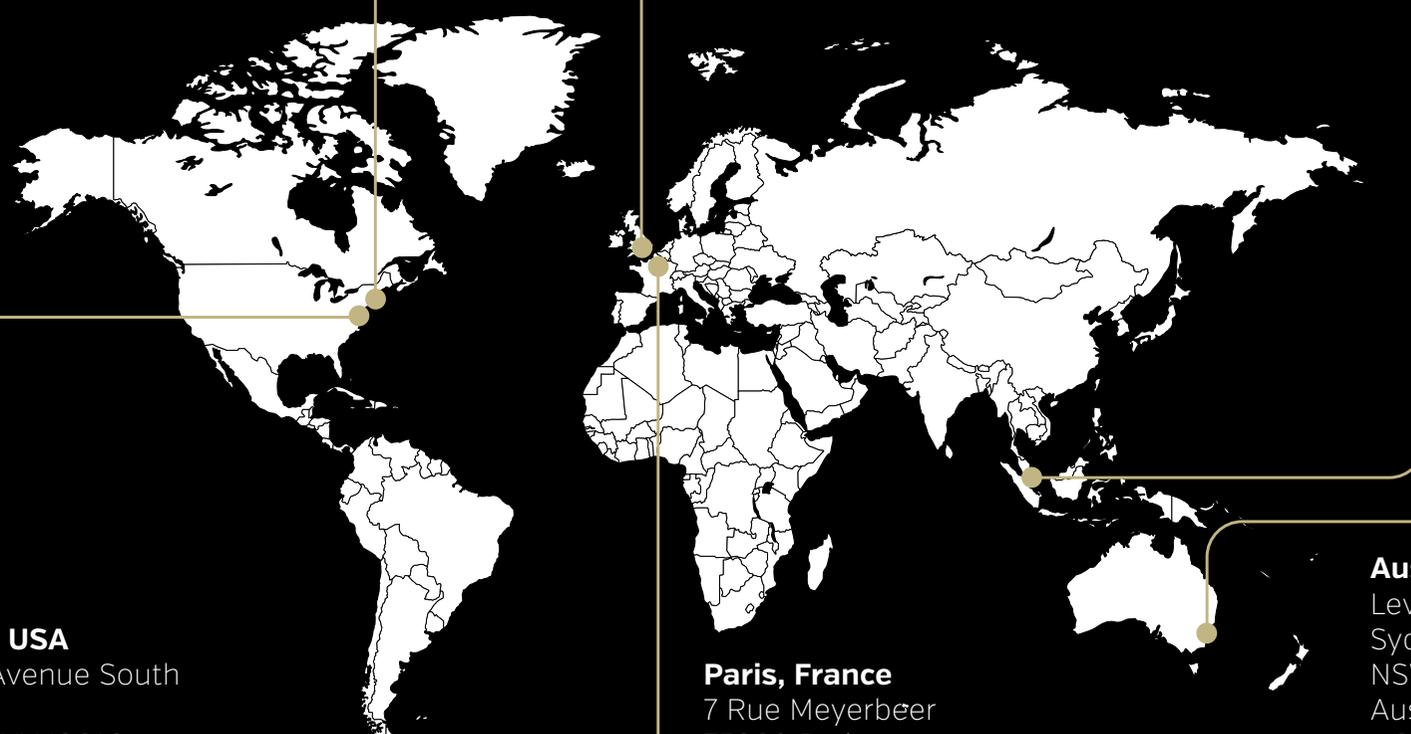
Tru Consulting received investment from **Superstep Capital** [Aug 2024]

[Find out more](#)

An Australian Microsoft Digital Transformation consultancy received investment from an undisclosed financial investor [Aug 2024] - watch out for the announcement! [🗨](#)

[View all deals here](#)

Locations



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