

Technology Services M&A Activity

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Executive Summary

The first quarter of 2025 has revealed an M&A market in the Knowledge Economy that is still in motion but one perhaps more measured in its stride.

While the energy of Q4 spilled into January, a more complex picture quickly emerged. Deal volumes held steady, but enthusiasm gave way to discernment in the wake of geopolitical uncertainty. Buyers are still active - but they're now asking tougher questions.

Across the market, the message is clear: it's no longer about being in the right sector; it's about having the right fundamentals. In both Technology Services and Enterprise Software, investors are rewarding clarity of purpose, and the most appealing platforms are those with true differentiation, recurring revenue and the resilience to ride out volatility.

Both private equity and strategic buyers remain ambitious, particularly in the lower mid-market, where founder-led firms with strong tech DNA are proving especially attractive. Verticalized AI use cases are also driving a new breed of acquisition, as businesses shift from off-the-shelf software to tailored, intelligent platforms that can deliver immediate value.

What's driving this market isn't exuberance, it's discipline. Across both services and software, buyers are demanding growth, profitability, and strategic relevance in equal measure. That bar is high but the firms that clear it are commanding real attention.

As we move deeper into 2025, we believe momentum will continue to build for those businesses shaping the next chapter of the Knowledge Economy - especially those bold enough to innovate with focus, scale with purpose, and grow with control.

In this report, the Equiteq team shares their thoughts, insight, and commentary on M&A activity during the first 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.

David Jorgenson
CEO, Equiteq

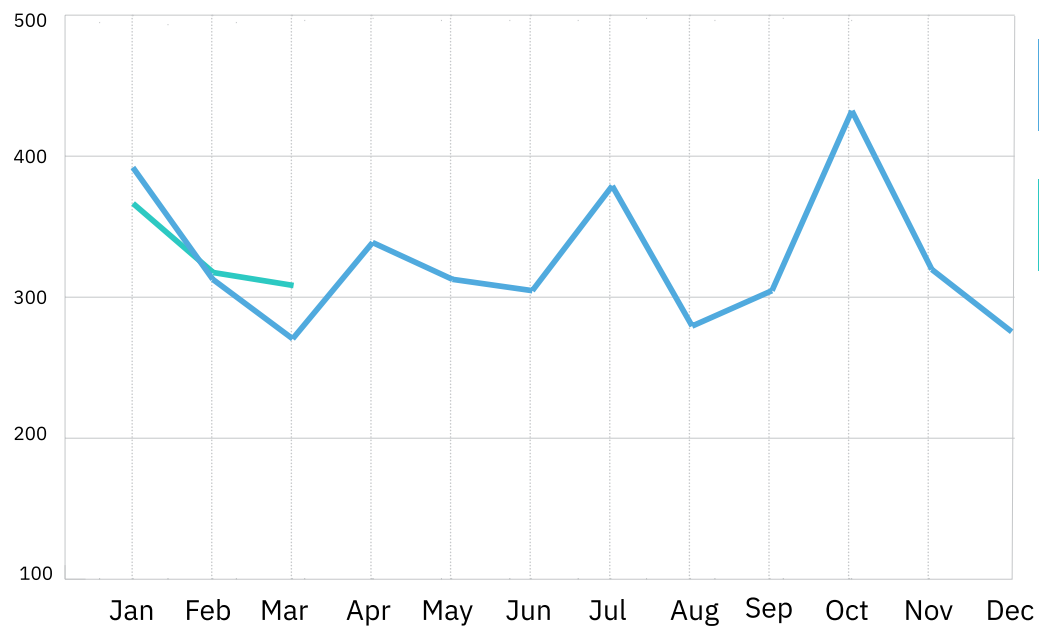
2%



year-on-year
increase in deal
volume during Q1
2025 compared
with Q1 2024

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

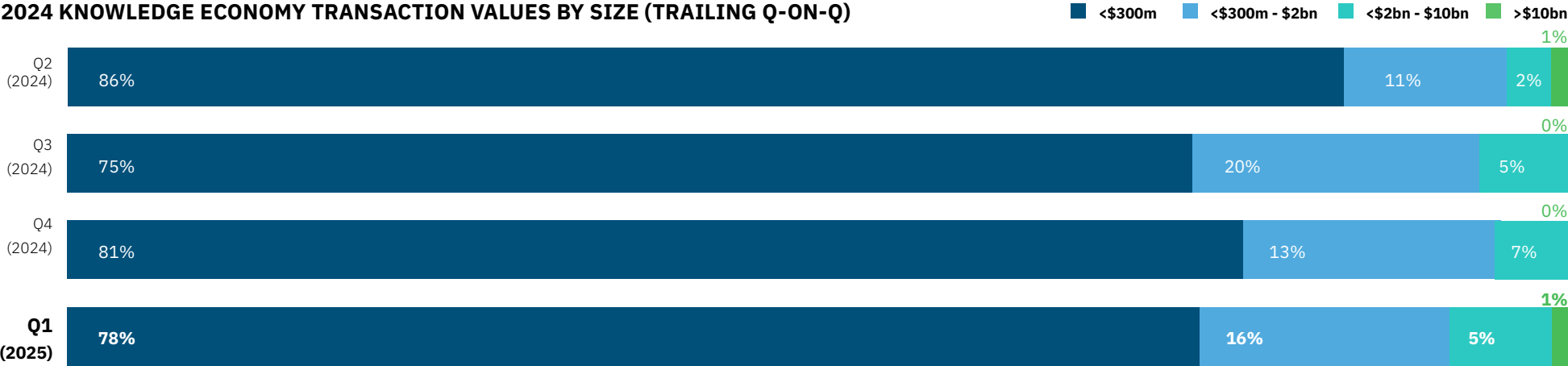
■ 2024 ■ 2025



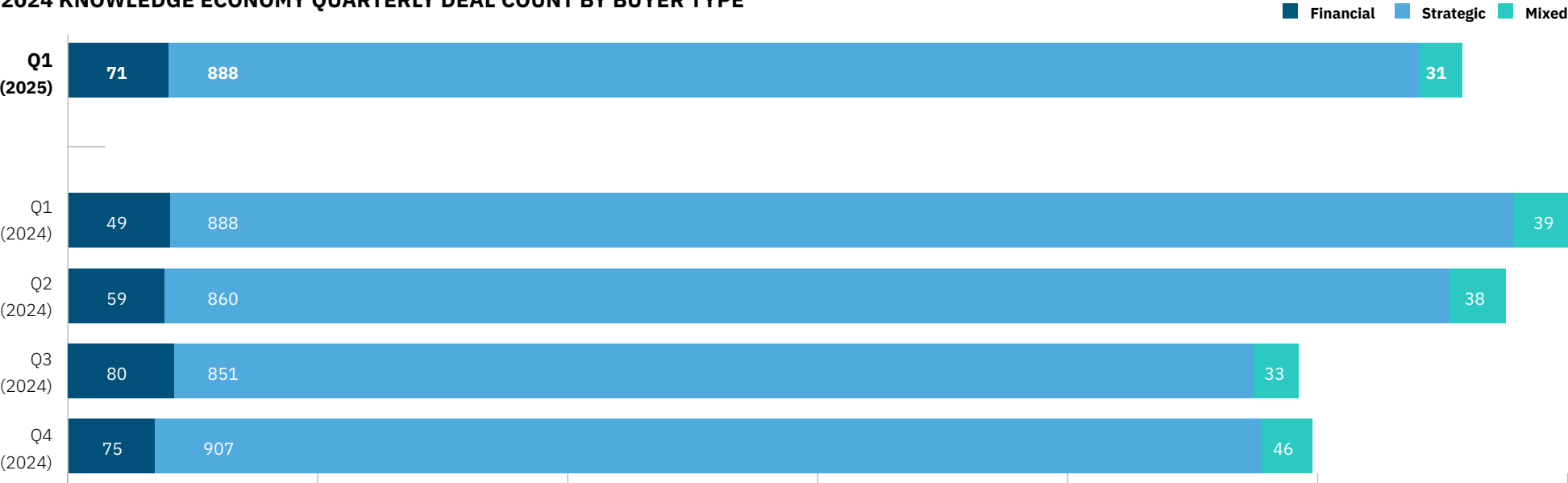
Total deals:
3925

Total deals:
993

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



2024 KNOWLEDGE ECONOMY QUARTERLY DEAL COUNT BY BUYER TYPE



IT Services

Q1 2025 M&A activity

Key takeaways

1

IT services M&A volume stayed strong in Q1, but total deal value dropped sharply as buyers grew more selective amid macro, geopolitical, and AI-driven uncertainty

2

Digital transformation is driving deals as buyers double down on IT firms enabling essential digital change - especially in financial services, healthcare, AI, and CFO tech

3

Interest in the lower mid-market is heating up with private equity targeting founder-led IT firms. However, tougher scrutiny on growth, resilience, and pipeline strength is reshaping valuations and closing dynamics

Q1 MARKET ACTIVITY OVERVIEW

M&A activity in the IT Services sector maintained a solid tempo in the first quarter of 2025, though the pace of a widely anticipated rebound proved slower than many had hoped. End-of-year momentum carried over into January with 93 completed transactions before slowing. This resulted in a total quarterly transaction volume of 219, a slight decline from Q4. Yet, despite stable levels of activity, Q1 saw a sharp contraction in spending with quarterly transaction values dropping from \$11.3bn in the fourth quarter to \$1.3bn in the first.

“While we saw a fairly good level of activity across the IT Services space, many deals that were expected to close in December were delayed into Q1,” says Sylvaine Masson, Managing Director, Head of Equiteq APAC. “And given the question marks over the macroeconomic outlook, what we are seeing is more a cautious continuation of 2024 activity than a true Q1 resurgence. This is reflected in the limited number of sizable transactions.”

Overall, M&A activity in the IT services sector remained resilient, albeit with greater caution, particularly among strategic buyers. While private equity continued to show strong appetite, macroeconomic uncertainty and geopolitical turbulence prompted a more selective and measured approach.

“Strategics with exposure to US federal contracts - companies like IBM, Accenture, DXC - are becoming inherently more prudent,” says Jerome Glynn-Smith, Managing Director and Head of Europe at Equiteq, London. “We’ve seen several billion dollars’ worth of government IT contracts cancelled recently, creating real hesitancy in that space. So, what’s really driving M&A now is resilience and opportunities that give a sense of protection to buyers.”

Private equity, by contrast, remains aggressive with plenty of dry powder to deploy.

“They’re playing to win and they’re increasingly comfortable with IT Services models,” says John Cooper, Managing Director at Equiteq in New York, USA. “Funds are very competitive and confident about what they can build. For founders not ready to exit fully, private equity remains an attractive route offering partial liquidity, continued involvement, and support for growth.”

Yet, uncertainty clouds the outlook. While the IT Services sector has seen limited immediate impact from changes to US economic and trade policies, many remain mindful of the potential erosion of activity even if the overriding sentiment is that such challenges resolve themselves in the coming months.

Similarly, the accelerating disruption from generative AI (GenAI) has prompted some buyers to pause and reassess the sustainability of potential targets. Questions persist around how exposed firms are to transformation risk, and whether they can adapt. So, while momentum remains, the undercurrent of caution is growing stronger, especially in niches where softness continues to weigh on sentiment.



For founders not ready to exit fully, private equity remains an attractive route offering partial liquidity, continued involvement, and support for growth.

SECTORS OF INTEREST

The first quarter of 2025 has underscored a shift in M&A priorities across the IT services sector, as investors sharpen their focus on infrastructure performance, data-led transformation and AI enablement. Despite macroeconomic uncertainty, buyers remain active in areas where digital transformation is seen as critical rather than optional - particularly financial services and healthcare, as well as CFO-facing technology.

“We’ve seen financial services and the banking sector prove to be a bit more resilient than other verticals,” notes Glynn-Smith. He highlights both Accenture’s acquisition of Altus Consulting, a leader in digital transformation consulting in the financial services space, and data science solutions provider, Tredence’s, acquisition of the financial services consulting firm, Further Advisory, as examples of the sector’s continued appetite for transformation.

“With high interest rates benefiting banks, they remain some of the most consistent spenders on non-discretionary IT transformation. Firms that can support this agenda will likely present interesting opportunities for investors,” he adds.

Meanwhile, the nature of digital transformation is also evolving with a growing emphasis on the essentials - like performance and cost optimization. For buyers, this means finding vendors whose propositions can speak to AI-driven efficiency and operational resilience, especially as legacy models and ways of working start to lose relevance. IBM’s acquisition of Hakkoda, a leading Snowflake partner and AI consultancy, reflects growing client demands for more data-driven efficiencies.

“Everything related to AI is gaining momentum but there are some big questions in certain sectors about the technology’s overall impact,” says Masson. “Both BPO and KPO firms face existential challenges as AI tools start to replace junior analysts and coders. So, the imperative now is for investors to distinguish between those firms riding the AI wave and those at risk of being wiped out by it.”

The AI trend extends into the evolving office of the CFO too as leaders look to platforms that can deliver immediate business value. Partner ecosystems such as NetSuite are attracting serious interest from dealmakers, such as the accountancy firm Moss Adams which acquired 360 Cloud Solutions, a NetSuite solution provider, in January, doubling the size of the firm’s NetSuite Implementation Services team. IBM also announced in January plans to acquire AST, a global Oracle consultancy that also specializes in NetSuite.

In a market still cautious about macro conditions, firms are turning to a more tech-enabled back office in the hunt for better forecasting, compliance and cost control. In turn, buyers are zeroing in on IT services firms that either drive hard cost savings or enable strategic resilience. Those that do both are commanding a premium.



The resilience of [founder-led businesses in the sub-\$100mn space] can be a differentiator in itself because they often have next-gen capabilities and niche offerings that make them attractive even in a cautious market.

THE LOWER-MID MARKET REMAINS OF INTEREST

As both private equity and strategic buyers continue to pursue high-quality, high-growth businesses in the lower mid-market, interest in founder-owned IT Services firms remains robust. However, amid economic and geopolitical uncertainty, scrutiny around pipeline resilience, sector positioning and future profitability has intensified.

“Private equity remains very active in the founder-owned segment and we can see sustained efforts to build regional champions across Europe and the US,” says Masson. “There’s a clear push for platform transactions followed by bolt-ons, especially in tech and data-heavy services. And the fragmented nature of the lower mid-market means there are real opportunities to create scale in specific regions.”

While global instability may be encouraging regional self-sufficiency and creating opportunities for private equity, strategic acquirers are proving more cautious.

“Strategics are still in the market,” says Masson. “But they’re focused on businesses that are aligned to strategic priorities and can offer meaningful growth or capability uplift.”

For founder-led firms under \$100mn in revenue, this means proving both differentiation and strategic relevance - particularly in areas exposed to cybersecurity, data and analytics.

“Founder-led businesses in the sub-\$100mn space have continued to grow, even as larger players stagnate,” says Cooper. “The resilience of such firms can be a differentiator in itself because they often have next-gen capabilities and niche offerings that make them attractive even in a cautious market.”

However attractive a proposition the lower-mid market might be, valuation sensitivity is front of mind for buyers. We're seeing deeper analysis of pipeline and backlog, and the impact this might have on valuations if things need to be re-forecast. While the appetite to buy is there, founders need to be prepared, with clear growth plans and defensible forecasts that stand up to heightened diligence.

RED FLAGS AND DEAL READINESS FOR FOUNDER-OWNED FIRMS

An important challenge for founder-owned firms to navigate in 2025 will be how they respond to growing pressure to present themselves as investor-ready. Buyers have adopted a sharper lens, scrutinizing forecasts, financial discipline, and readiness to navigate the AI transition.

"Backlog and pipeline are everything right now," says Cooper. "Even in a normal market, buyers want growth. But in this climate, showing that you can grow, retain clients and deliver value despite external headwinds - that's what gets deals over the line."

Top-line momentum and verifiable pipeline expansion are viewed as indicators of both operational strength and market relevance. To that end, pre-sale preparation is becoming more rigorous.

"There is much more scrutiny among buyers and that means conducting vendor financial due diligence for clients is now critical," says Masson. "Forecast accuracy is critical and I would say slightly conservative optimism works best. Missed projections can derail momentum, whereas over-delivering can build buyer confidence."

Equally, founder-owned firms must be ready to answer hard questions about AI. Whether through internal optimization, service evolution or talent strategy, buyers are demanding a credible AI narrative.

"We're increasingly hearing: 'What is your AI plan?' - and the lack of one can be a red flag," adds Masson.

Leaders at founder-owned firms must also recognize that deal-making isn't solely about maximizing price.

"Transactions today are also about accessing growth capital, strategic resources or career opportunities," says Glynn-Smith. "You don't need to sell the whole company - minority deals and carve-outs are increasingly common."

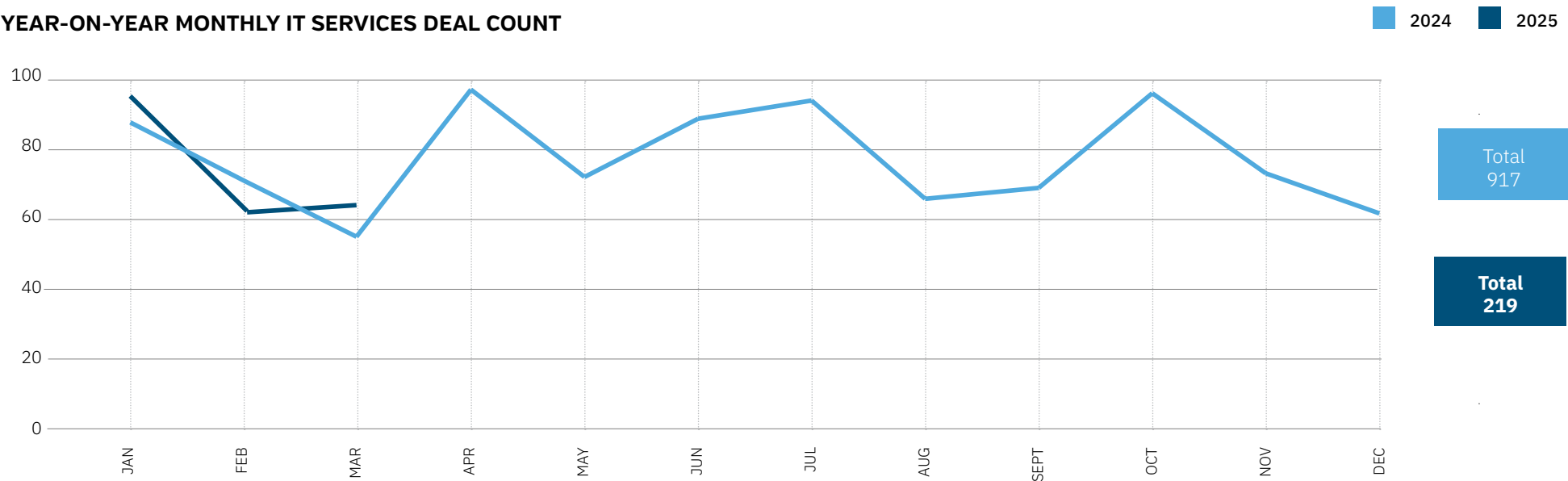
However, founders should be mindful of shifting valuation dynamics.

"There is certainly more caution on valuations to the tune of probably about one to two times EBITDA versus 18 months ago," adds Glynn-Smith. "There's still an appetite for strong assets - but prudence has returned. For sellers, that means aligning expectations with the realities of today's market. ●"

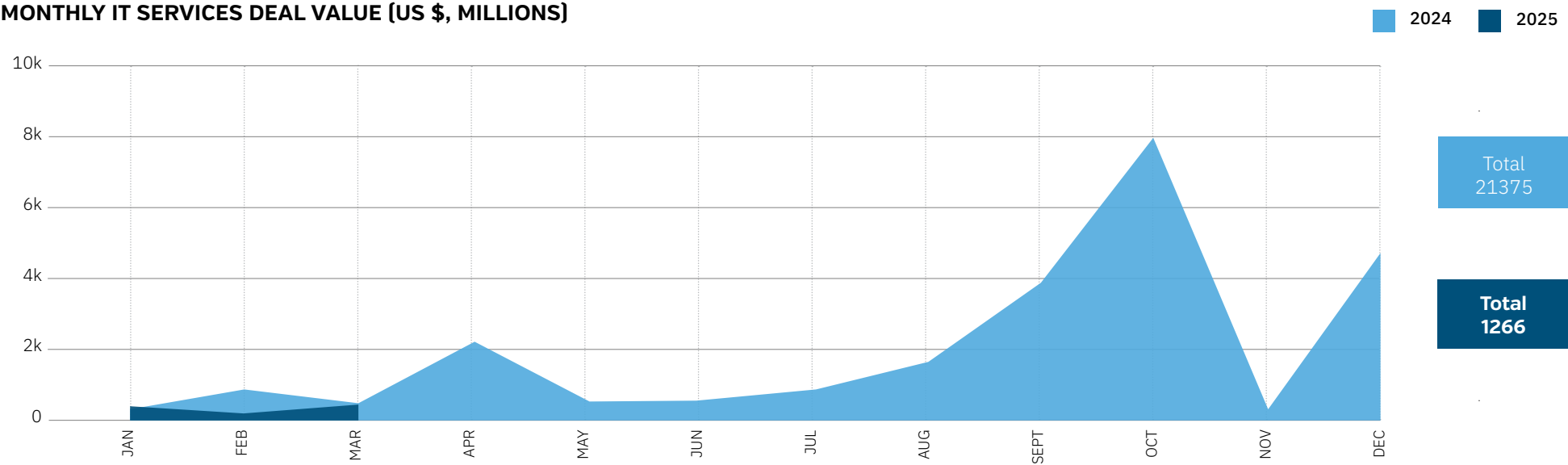
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YEAR-ON-YEAR MONTHLY IT SERVICES DEAL COUNT



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





Enterprise Software & SaaS

Q1 2025 M&A activity

Key takeaways

1

Strategic buyers are leading M&A activity in the SaaS sector, driven by deep sector expertise and ability to absorb disruption faster than private equity firms

2

AI-native firms are attracting greater investor focus, with vertical-specific, agentic AI solutions commanding premium valuations and reshaping traditional software models

3

Elite tech talent and relevance are driving deal value, as buyers prioritize growth, profitability, and high-end developers over scale or legacy software stacks

Q1 ACTIVITY OVERVIEW

The enterprise software and SaaS M&A market extended its recovery into Q1 2025, posting its strongest quarter in over a year. Deal volume rose 19% from Q4 to reach 282 transactions, while total deal value surged 26% to \$40.8bn, reflecting sustained investor appetite for resilient, growth-oriented businesses.

Activity in the first quarter has been increasingly dominated by strategic buyers, as the pace of technological disruption outstrips the traditional private equity playbook.

“Private equity firms need deep domain expertise to succeed in software right now,” says Arun Nayak, Managing Director at Equiteq Asia Pacific. “The rate of disruption is so fast that PE simply doesn’t have the luxury of time to reposition companies facing headwinds.”

Strategics, by contrast, are better placed. They have the operational understanding - and crucially, the sector-specific resilience - to absorb and integrate businesses whose markets are being reshaped almost overnight. To this end, a key deal of note in the quarter is the acquisition of the agile software agile engineering firm, Novatec, by CGI, one of the largest independent IT and business consulting services firms in the world as it looks to expand its footprint in Europe.

“Enterprises are seeking to build tailored, application-agnostic platforms using APIs, microservices, and cloud architectures,” adds Nayak. “This means looking towards generative AI solutions and custom software development - while bypassing traditional vendors altogether.”

In a fast-moving landscape, strategic acquirers' speed and specialization are increasingly setting the pace and leaving slower buyers behind. However, despite an impressive quarterly performance, wider geopolitical volatility may impact the momentum of M&A in the Software market.

"The first two months of the year were relatively normal, but things became a bit muted and uncertain after 'Liberation Day'," says Nayak. "While many tariffs are being called back, the knee-jerk reactions have created a degree of caution."

If large manufacturers tighten spending on non-core areas like tech, this may pressure vendors, lead to stalled deal processes, and create valuation mismatches between buyers and sellers in the months ahead.

Despite strong momentum, the outlook for software M&A may hinge on broader economic stability, and the sector's ability to maintain disciplined growth amid a shifting global landscape.

AI DRIVES A NEW WAVE OF SOFTWARE SPECIALIZATION

The accelerating adoption of artificial intelligence is redrawing the landscape of software M&A, reshaping where investors place their bets. Traditional software companies - once reliant on historical data and rigid logic models - are evolving rapidly to build smarter, predictive, AI-first solutions.

"The whole software world has been shaken up by the advent of generative AI," says Nayak. "Traditional software was about historical reporting. Now, real-time decision-making using automated algorithms is fundamentally changing how software operates."

In Q1 2025, dealmakers showed increasing appetite for younger, more agile software businesses able to natively integrate AI capabilities into their platforms.



“Some companies created 10 years ago on outdated technology are now struggling to keep pace,” notes Masson. She adds: “by contrast, firms that can embed AI alongside their core offerings and deliver actionable services on top are attracting significant market interest.”

Demand is particularly strong in sectors where AI can deliver immediate, tangible benefits. Healthcare has seen a surge in investment around diagnostic acceleration, with HTEC, a global AI-first provider of strategic software acquiring CertiCon, a hi-tech engineering company based in the Czech Republic in order to expand its MedTech presence.

The finance and retail sectors are also increasingly leveraging AI for fraud detection, credit decisioning and personalized marketing at scale. This is reflected in the acquisition of the ecommerce agency, Guidance, by the AI-powered marketing solutions firm, OneMagnify, backed by private equity firm, Crestview Partners.

“We are seeing a lot more real-world use cases now,” says Nayak. “Entry-level tasks like basic finance, accounting, and customer service are increasingly handled by intelligent agents, freeing companies to focus on higher-value work.”

According to Nayak, the next frontier lies in specialized agent AI applications built for vertical industries.

“Verticalized agentic AI is becoming the flavor of the day,” he says. “From energy management to agritech, companies that can automate complex, domain-specific tasks are achieving faster efficiencies and in turn are commanding stronger valuations.”

As M&A momentum shifts toward AI-native businesses, investors are becoming more discerning. Sustainable, scalable innovation - not simply AI adoption - will define which software companies win in an increasingly competitive market.

BUYERS ON THE HUNT FOR ELITE TECH TALENT

As the software M&A market continues to sharpen its focus around AI, buyers are zeroing in on one critical asset: elite tech talent. Demand is shifting decisively away from entry-level coders toward highly experienced developers capable of building complex, AI-driven applications.

“Entry-level coders - those with zero to seven years’ experience - are falling in demand,” says Nayak. “With basic code increasingly automated, companies need extremely smart people to develop the top-end, next-generation applications.”

This pivot is being accelerated by a broader trend of companies moving away from costly, off-the-shelf enterprise software. Instead, they are favoring bespoke, AI-enabled solutions built in-house.

“Large enterprises are questioning why they should pay hefty license fees to platforms like SAP when they can custom-develop microservices-based, AI-driven applications,” Nayak adds.

The most sought-after talent is now found among skilled developers, often sourced globally, who can architect AI-first solutions that replace traditional, monolithic software models.

For M&A buyers, a target company’s depth of high-end technical expertise - not just its technology stack - is increasingly important to deal valuations, as firms position for a future where custom AI solutions define competitive advantage.



BUYERS DEMAND GROWTH, PROFITABILITY - AND RELEVANCE

With M&A activity still proving resilient across the software sector, mid-market and founder-owned businesses looking to transact must be clear-eyed about what matters most to buyers: market fit, growth, and profitability.

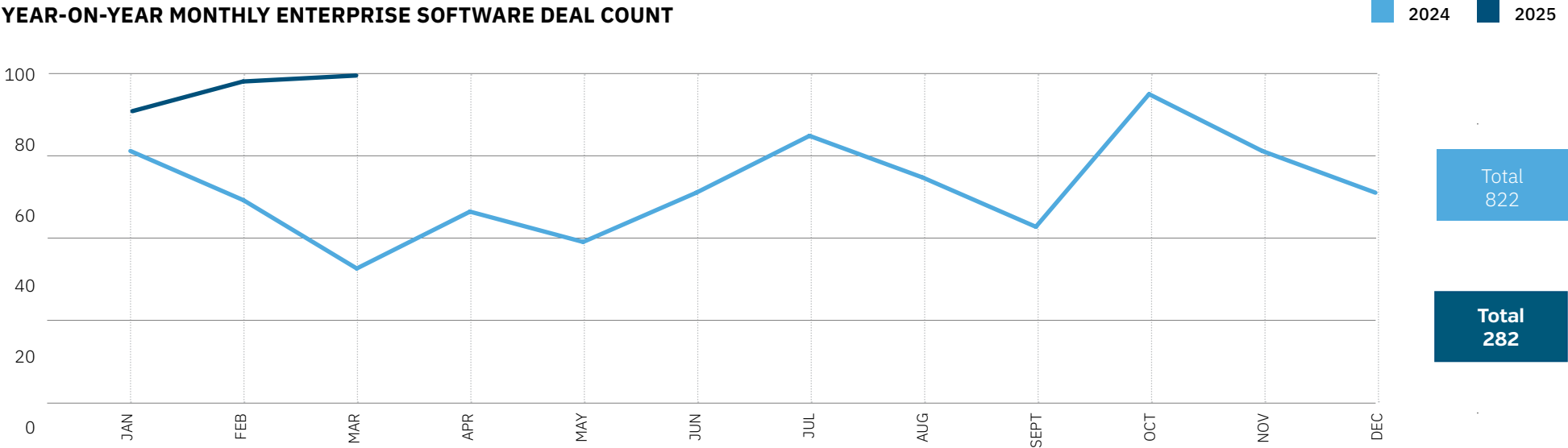
“It’s still a decent environment to transact,” says Nayak. “But any software firm, and especially founder-owned firms, must focus on three fundamentals: strong market acceptance, visible growth, and balanced profitability.”

Buyers are scrutinizing not just financial metrics, but the continued relevance of a company’s product offering. If growth is stalling, it signals that competitors may be winning market share - a major red flag for potential investors.

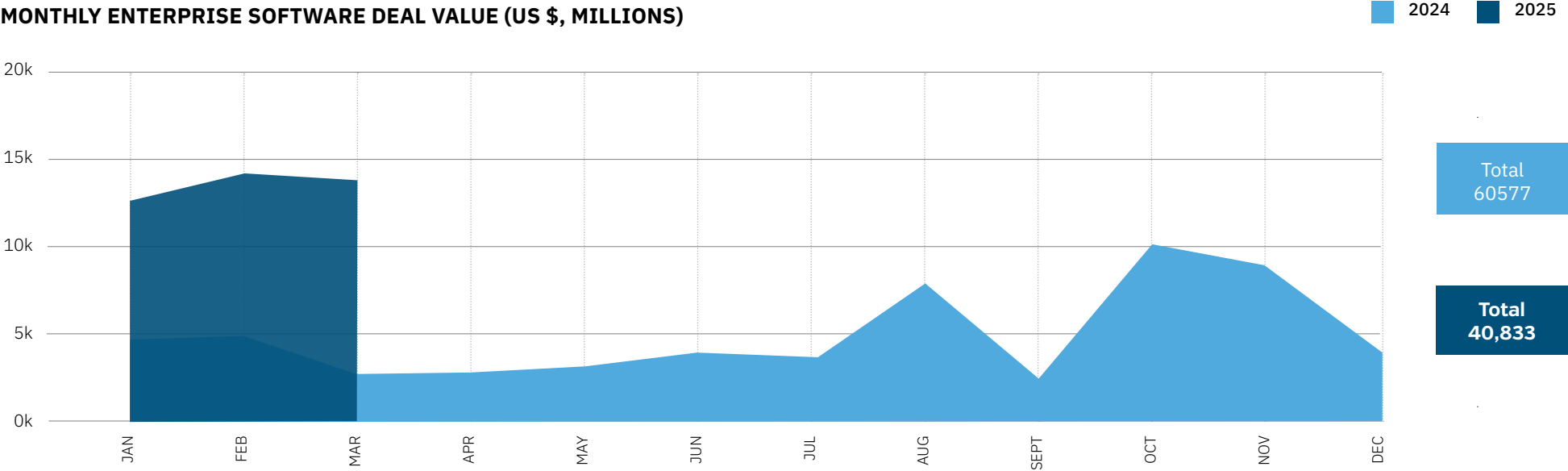
“However small or large the growth is, it needs to be there,” Nayak added. “If there’s no growth, it’s often a sign that the product is losing market fit, and that’s a serious concern.”

Profitability, too, must not be sacrificed in the name of expansion. As the software market becomes more selective, founder-led businesses capable of demonstrating consistent demand, operational discipline, and healthy margins will be best placed to command premium valuations. ●

YEAR-ON-YEAR MONTHLY ENTERPRISE SOFTWARE DEAL COUNT



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



Ecosystem M&A snapshots

Data & Analytics

With demand for AI-powered decision-making and real-time insights accelerating, M&A activity in the data and analytics space is intensifying. But beneath the surface of headline-grabbing deals lies a more nuanced story defined by hyperspecialization, shifting business models and the perennial question of whether today's leaders can remain tomorrow's winners.

SNOWFLAKE AND DATABRICKS LEAD THE PACK

The data wars are heating up, and it is the Snowflake and Databricks ecosystems in particular that are generating substantial buyer interest, with SAP HANA also maintaining relevance through its legacy footprint and enterprise scale.

“Snowflake and Databricks are huge right now. There's a real supply and demand imbalance,” says Cameron O'Leary, Managing Director at Equiteq, New York, USA. “We've seen impressive M&A activity for both in recent months, including Q1 deals by IBM for the Snowflake partner Hokkoda, and by Lovelytics for Datalytics and Nousot on the Databricks side.”

Both platforms are benefiting from a surge in enterprise investment into scalable, cloud-native infrastructure. Databricks, a unified analytics and AI platform, and Snowflake, known for its intuitive data warehousing and governance capabilities, are winning share

not just through superior technology, but through their ability to enable next-generation data use cases.

“What's interesting is that because of consolidation in both the Snowflake and Databricks ecosystems there is now a scarcity of scalable, pure-play consultancies, leaving mostly smaller, fragmented service providers,” says Cooper. “While they are very attractive ecosystems, buyers are having to be more patient and flexible in their choice of platform.”

SAP HANA, by contrast, is viewed less as a growth story and more as a modernization opportunity. Its vast enterprise presence ensures continued relevance, but buyers see the most upside where SAP HANA intersects with transformation initiatives—especially around migration, integration, and hybrid cloud operations.

Top three data and analytics ecosystems of interest	
Ecosystem	Level of buyer interest
Databricks	96%*
Snowflake	91%*
SAP HANA	51%*

*Shown relative to maximum buyer interest across all ecosystems

Source: Equiteq Global Buyers Report 2025

WHAT BUYERS SHOULD WATCH CLOSELY

Valuations in the data and analytics space are increasingly linked to a firm's revenue composition and delivery model. And while license reselling can have a significant impact on net revenue and gross margin, it can also raise concerns.

"Buyers are increasingly worried about the licenses component of the companies," says Masson. "While it is an important part of the business, if it crosses a certain limit - say higher than 40% of the business - it starts to become a concern and less attractive."

This speaks to a broader industry trend: while license reselling can be margin-accretive, acquirers favor services-driven businesses that offer long-term stickiness and value-adding differentiation. Implementation, data engineering and AI integration services command premium multiples - particularly when delivered with a vertical edge.

Buyers are also alert to regulatory overhang. While US markets remain comparatively permissive, tighter European regulations - particularly around the use of client data and AI models - could impact the scalability of certain services.

SUPER-SPECIALIZATION AND VERTICAL MOVES

A notable theme among acquirers is a pivot away from generalist platforms toward hyper-specialized, industry-specific data and analytics offerings.

“We are definitely getting toward the super-specialization of businesses, and this is accelerating now because of AI,” says Masson. “A lot of companies are gearing toward adding some layer of data analytics and AI to offer a much more customized experience to clients.”

That sentiment is echoed in the market’s broader pivot. The days of “lift-and-shift” data migrations are giving way to more nuanced, value-driven engagements centered on AI, advanced analytics, and vertical-specific data models. Healthcare, financial services, and retail are particularly active sectors.

“If you keep talking about AI and ML, and you don’t have good data integration solutions that speak to your specific needs, you can’t do any of that,” notes Cooper. “Integration, security and data governance are no longer peripheral concerns - they are core drivers of acquisition rationale.”

A MARKET IN MOTION

Despite macroeconomic volatility and tighter capital conditions, the long-term trajectory for M&A in data and analytics remains bullish. Platforms like Snowflake and Databricks are not just growing, they are shaping entire ecosystems of consultancies, independent software vendors and integrators around them.

However, that doesn’t mean risk has disappeared. Those investing in the space must balance today’s compelling growth with tomorrow’s uncertainty. ●



Public Cloud

The public cloud sector is once again proving its resilience and dynamism, with mergers and acquisitions in the space surging amid strong demand for AI-driven transformation, verticalized services and consulting-led implementation.

Far from cooling off, the market is evolving, reshaped by changing enterprise priorities and the growing dominance of the three major hyperscalers: Amazon Web Services (AWS), Microsoft Azure, and Google Cloud Platform (GCP).

RESURGENT MOMENTUM ACROSS THE HYPERSCALERS

While AWS and Azure continue to command the lion's share of the market, Google Cloud has emerged as a surprisingly potent force in M&A discussions. Contrary to narratives suggesting GCP's momentum has waned, dealmakers report strong interest in businesses aligned with Google's ecosystem.

"Some people believe interest in GCP has diminished, but that's not what the market tells us in terms of M&A," says Masson. "There are still a lot of very attractive targets and good momentum for cloud companies able to demonstrate growth and robust revenues."

Opportunities are ripe, with buyers increasingly drawn to firms with multi-cloud capabilities or deep alignment with one of the hyperscaler ecosystems.

"We've seen a lot of consolidation over the last 24 months in the cloud space and there are not many companies of scale that remain independent," adds Masson. "A delicate balance is needed when navigating partner relationships in multi-cloud environments. Firms need to make sure they are not inadvertently frustrating hyperscaler partners - or this will diminish potential buyer interests."

Top three data and analytics ecosystems of interest	
Ecosystem	Level of buyer interest
Azure	100%*
AWS	91%*
Google Cloud	80%*

*Shown relative to maximum buyer interest across all ecosystems

Source: Equiteq Global Buyers Report 2025

FEWER SCALED TARGETS BUT BIGGER BETS

The pace of consolidation in the cloud services space over the past 24 months has significantly narrowed the pool of independent, scaled assets. As a result, many expect a pivot to larger, strategic acquisitions in the coming quarters, particularly as enterprise demand pushes into newer, higher-value territory. One key theme underpinning this shift is the evolution of growth expectations.

“The hard part is trying to understand what a normal growth rate looks like in today’s market,” says Cooper. “We’re no longer seeing the exponential multiples that were being paid during the hypergrowth period of 2021-22.”

Cloud vendors such as Oracle and SAP HANA are now seeing outpaced growth in segments like infrastructure and enterprise migration, which could reshape competition within the hyperscaler landscape.

“As a lot of enterprise workloads, applications and APIs start to move into cloud environments we’re seeing cloud interests expand - but there’s a long way to go,” Cooper adds, noting that adoption of platforms like Oracle Cloud Infrastructure (OCI) still lags considerably among Fortune 100 firms, despite widespread ERP penetration.

SECURITY, VERTICALISATION AND AI

Security is also emerging as a key battleground within public cloud, with hyperscalers increasingly challenged by specialized vendors investing heavily in cloud-native security.

“We have seen top cloud vendors like Cisco or Palo Alto actively making investments into their cloud infrastructure,” notes Glynn-Smith. “These will come and threaten what the actual cloud-native platforms have.”

This competitive tension is spurring both consolidation and innovation, as hyperscalers seek to bolster their security offerings either through acquisitions or deepened alliances with specialist providers.

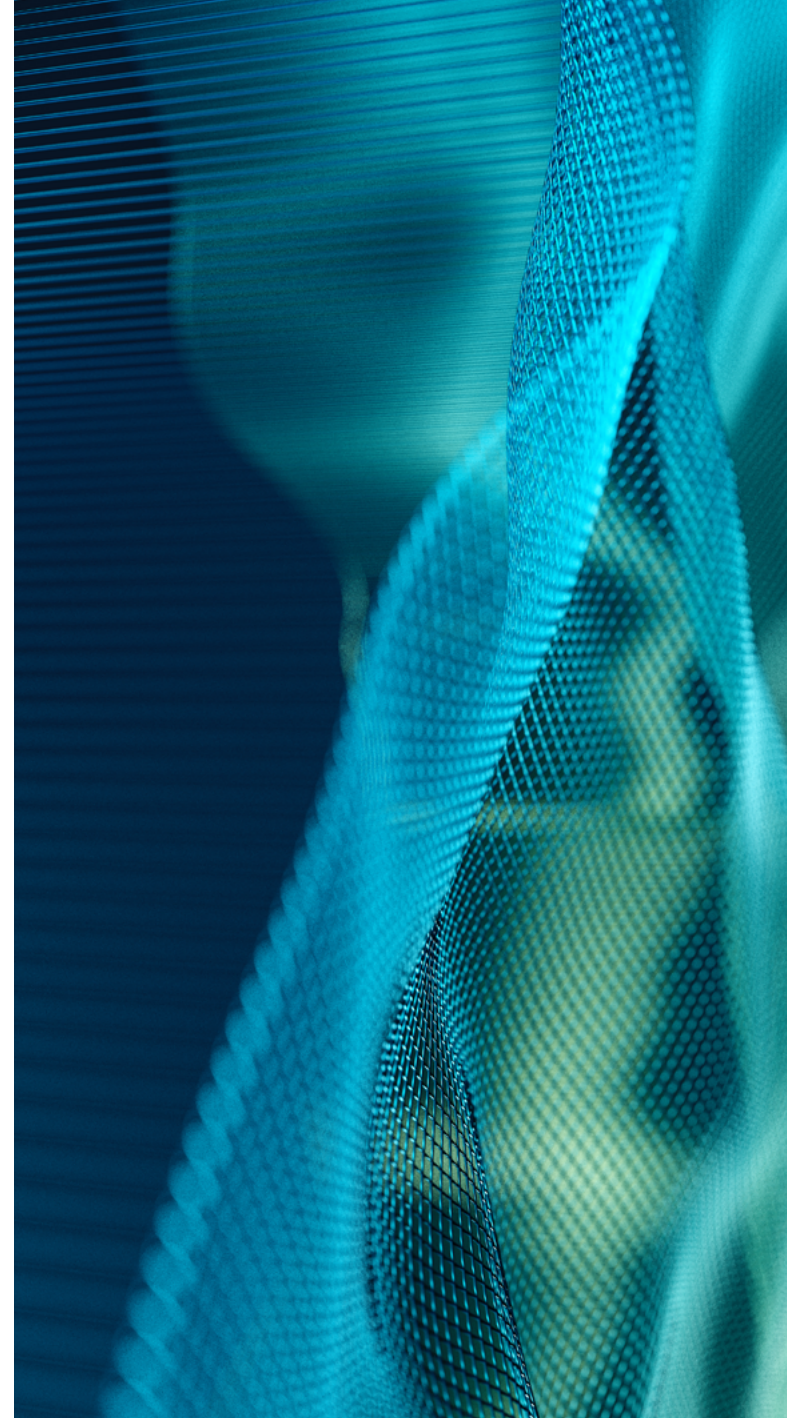
As cloud services mature, specialization along verticalized lines is shaping buyer strategies - with firms tailoring cloud offerings to specific industries such as healthcare, financial services or manufacturing.

“Verticalization is a clear trend but because they’ve invested so much in the data center infrastructure, the hyperscalers will always be the fundamental leaders across the cloud space,” says Glynn-Smith. “Looking ahead, I think there will be more attention paid to how that cloud infrastructure is consumed in specific use cases - and this is where we may see challengers emerge.”

This complexity is proving fertile ground for consulting partners, implementation specialists, and ISVs who can deliver high-value, vertical-specific services. In fact, among some of the more mature ecosystems like AWS - or even Salesforce - we’re starting to see more of a push toward industry-focused offerings”

This shift is helping to drive both investor and customer interest in ecosystem-aligned consultancies, particularly those positioned around AI, data analytics and revenue operations.

AI is now a central driver of demand in the public cloud market, with the hyperscalers racing to embed AI capabilities into their core offerings. Agentic AI, in particular, is emerging as a hot topic in boardroom conversations.





“That’s an area that we’re super excited about,” says O’Leary. “Research suggests that for every \$1 of cloud consumption, Google Cloud is generating \$7 of revenues through consultancies and implementation partners. That is a massive total addressable market.”

This multiplier effect is attracting private equity and strategic acquirers alike, who are increasingly looking beyond basic migration services and focusing on value-added capabilities with defensible margins.

LOOKING AHEAD


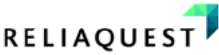

























For buyers looking to enter or expand within the public cloud space, several considerations are important. First, alignment with one or more hyperscaler ecosystems is increasingly non-negotiable - whether in the form of certifications, co-sell status or joint go-to-market efforts.

Second, capabilities in AI, data and security are commanding premium multiples. Traditional lift-and-shift services, once in high demand, are now viewed as commoditized. Finally, navigating the partner dynamics of the hyperscalers requires strategic finesse in an increasingly consolidated marketplace.





















As public cloud continues its transformation from infrastructure utility to a platform for industry innovation and AI-driven services, M&A activity is likely to intensify - though in a more strategic, less speculative form.

The hyperscalers aren’t going anywhere. But the battleground is shifting to the layers built on top of them - security, vertical applications, data platforms, and AI services. Buyers who can find the right capabilities, and position them within the right ecosystem, will be best placed to capture the next phase of cloud growth. ●

























Q1 2025: Deal Highlights

Deal Date	Target HQ	Target	Buyer/Investor	Target Description
31/03/25		 RELIAQUEST		AI-driven Cybersecurity
31/03/25		 BPK TECH	 backed by 	Custom software development, IT consulting services, Healthcare software development
31/03/25		 APSIDE		Information Systems, Technical and Scientific Computing, Automotive and Financial Engineering.
27/03/25		 SKYVENN	 backed by 	Salesforce implementation, Salesforce managed services, Salesforce consulting, Salesforce
26/03/25		 ACCESSGLOBAL GROUP		Salesforce Implementation, Salesforce Integration, Salesforce Optimization, Salesforce
25/03/25		 momentum TECHNOLOGIES		Data analytics, Custom application development, Managed services, Microsoft
25/03/25		 tietoevry		IT consulting, Software solutions, Digital transformation
20/03/25		 STRATUM CONSULTING PARTNERS	 backed by 	EAM consulting, HxGN EAM implementation, Business process design, HxGN EAM

Q1 2025: Deal Highlights

Deal Date	Target HQ	Target	Buyer/Investor	Target Description
17/03/25		 BlakYaks.	PROACT	Microsoft; Azure cloud platform engineering and managed services, DevSecOps
11/03/25				Digital Transformation Services, Azure Migration, Custom Application Development
11/03/25			WNS	Data analytics, AI/ML solutions, Snowflake consulting, Snowflake
10/03/25		 kavaliro fueling SUCCESS		IT Solutions, Workforce Solutions, Recruitment Process Outsourcing
10/03/25				Employee support automation, knowledge troubleshooting, employee communications. (AWS)
07/03/25		 An Apply Digital Company		Cross-channel marketing, MarTech consulting, Multi-channel marketing
07/03/25		etml.	McKinsey & Company	Growth Advertising, Analytics, Performance Creative
05/03/25				Software development and testing, Hardware design and prototyping, Technical and business consulting

Q1 2025: Deal Highlights

Deal Date	Target HQ	Target	Buyer/Investor	Target Description
05/03/25				Cloud Solutions (AWS, Azure), Data & AI/ML Services, Digital Experience & Quality Assurance
04/03/25				Digital transformation consulting, Data services, User-centered design
04/03/25				Consultancy, Financial Solutions, Business Systems Solutions
04/03/25				Cloud Transformation Consulting, Digital Workplace, Custom Applications, Atlassian
01/03/25				SAP consulting, asset management
19/02/25				B2C and B2B ecommerce (Adobe Commerce, Optimizely, BigCommerce, Shopify Plus, Salesforce Commerce Cloud)
18/02/25				Omnichannel content creation and delivery, data-driven digital marketing and technology enablement
12/02/25				Banking solutions, IT center services, user experience optimization.

Q1 2025: Deal Highlights

Deal Date	Target HQ	Target	Buyer/Investor	Target Description
11/02/25				IT staffing, Consulting, Talent solutions, UiPath
07/02/25				Managed Services, Digital Infrastructure, Cloud Solutions, AWS/Azure/GCP
06/02/25				Managed Mobility Services, Digital Transformation, Cybersecurity, ServiceNow
06/02/25				Custom solution design, Oracle Financials implementation, Supply Chain Management implementation.
05/02/25				CRM, Marketing Automation, Business Consulting, Salesforce
05/02/25				Microsoft: ERP implementation and support, CRM solutions, Outsourced accounting and bookkeeping
05/02/25				Workday Implementation, Workday Support, Payroll Managed Services.
31/01/25				Agile Software Development, Digital Transformation Strategies, Cloud Computing Strategy

Q1 2025: Deal Highlights



Deal Date	Target HQ	Target	Buyer/Investor	Target Description
30/01/25		barhead	AKKODIS	CRM and ERP implementation with Dynamics 365, Microsoft Power Platform, Microsoft Copilot
29/01/25		bjss	CGI	Cloud consulting, software engineering, data and AI solutions
28/01/25		Datalytics	backed by	Data Analytics, Databricks, Public Cloud, AWS
22/01/25			Ridgemont EQUITY PARTNERS	ERP implementation and assessment services, IT managed services, Salesforce
09/01/25		Analyx [®] marketing empowered	ANALYTIC PARTNERS	Predictive analytics for marketing ROI
07/01/25		GetThere	serko	Online travel management, Expense management, Meetings management
05/01/25			ASH IP	Custom software development, AI integration (Amplify GenAI)
02/01/25		Softchoice	World Wide Technology	Enterprise SaaS, Managed Services, Public Cloud

Buyer-side
Advisor

Contributors



LONDON, UK

Jerome Glynn-Smith Managing Director, Head of Europe

Jerome is a Managing Director and leads end-to-end sell-side and buy-side transaction advisory work, as well as active engagement and coverage of entrepreneurs and private equity in Europe. Jerome is passionate about technology innovation and entrepreneurs with significant experience leading technology and services transactions to successful outcomes. He has worked with many global entrepreneurs, growth equity funds, as well as major strategic acquirers in digital services, ICT, outsourcing, software services, data analytics and infrastructure services.



ASIA PACIFIC

Sylvaine Masson Managing Director, Head of Asia Pacific

Sylvaine is Managing Director, Head of Asia Pacific, based in Singapore. She is a specialist corporate advisor responsible for project managing sell-side and buy-side M&A transactions across the region. Sylvaine has a strong knowledge of the Technology and Professional Services sector and has worked with numerous clients to achieve their strategic goals. She has assisted companies in this sector to undertake strategic reviews, develop their businesses, facilitate international market entry strategies, prepare for sale, and successfully completed sell-side and buy-side transactions. Sylvaine currently manages the Asia Pacific deal team.



NEW YORK, USA

Cameron O'Leary Managing Director

Cameron is a Managing Director based in Los Angeles who originates and executes full lifecycle M&A transactions for Technology Services firms. He is experienced in a broad range of M&A transactions on both sell-side and buy-side, while a background in Private Equity brings unique experience to clients, with Cameron having “sat on both sides” of the negotiation table.



NEW YORK, USA

John Cooper Managing Director

John is a Managing Director based in Charlotte. In his 17+ year finance career, over 10 years have been dedicated to originating and executing M&A transactions in the Tech Services sector. His experience working in both public and private markets provides unique perspective that is applied to clients when strategically positioning the business for the best possible outcome.



ASIA PACIFIC

Arun Nayak Managing Director

With over a decade of experience advising growth companies in the technology consulting / services and enterprise software domains across India, United States and South East Asia, Arun has extensive knowledge and understanding of the market and the dynamics driving cross-border transactions. In turn, he focuses on managing and executing sell-side and buy-side M&A transactions and growth equity fundraising projects for founder-owned or PE-backed companies and larger corporations.

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Insights

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For the tenth year, we're pleased to present the findings from our annual survey of global strategic buyers and private equity investors across technology and consulting services.

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ESG Consulting M&A Report - February 2025

Following a record-breaking year, ESG consulting continues to evolve at an unprecedented pace, fueled by surging demand for ESG disclosure and rising investments in climate change initiatives. Download now to gain deeper insights.

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Lifesciences Consulting Report - February 2025

The life sciences consulting market is experiencing unprecedented M&A activity, driven by private equity-backed consolidation and the rapid expansion of advanced therapeutics, AI, and digital transformation. Download the report to unlock further insights.

[Find out more](#)

Microsoft M&A Report - Q1 2025

As Microsoft's AI Cloud Partner Program (MAICPP) evolves, M&A activity is accelerating, with buyers prioritizing niche expertise and strategic capabilities. Download the report to gain insights on M&A activity in the Microsoft ecosystem.

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Events

ServiceNow Knowledge 2025

6-8 May, 2025

Las Vegas, USA

SAP Sapphire Orlando 2025

19-21 May, 2025

Orlando, Florida

Snowflake Summit 2025

2-4 June

San Francisco, USA

Databricks Data + AI Summit 2025

9-12 June, 2025

San Francisco, USA

Reports

Global Buyers Report 2025

Microsoft M&A Report - Q1 2025

Latest Transactions

TECHNOLOGY AND DATA CONSULTING

The Bridge sold to **North Highland**

[Find out more](#)

DATABRICKS

Lovelytics acquired **Datalytics**

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GOVERNMENT CONSULTING

Proximity sold to **Systems Planning & Analysis (SPA)**

[Find out more](#)

ENERGY CONSULTING

ERC Equipoise merger with **Sproule**

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\$10B
in realized value



200+
completed
transactions



65+
employees



20+
years active

Meet the Team

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