IT Services Market Overview

2025

Livingstone

Table of Contents

Livingstone

1

INTRO TO LIVINGSTONE

About the Authors

Brennan Libbey
Co-Head of Business & Technology Services

Partner – Los Angeles
30 Years Experience
BS, University of Pennsylvania

O: 424.282.3611
M: 310.463.8138
libbey@livingstonepartners.com

Brennan directs client engagements, manages the firm's Los Angeles office, and co-leads Livingstone's Business & Technology Services team. He has over 30 years of investment banking experience, primarily focused on middle-market transactions in technology and business services including clients such as Genpact, Accenture, Cognizant, EPAM, and others.

Prior to joining Livingstone, Brennan was a Managing Director at Houlihan Lokey and spent nine years at UBS. Prior to that, he also ran M&A for Whittman-Hart, a multi-billion dollar IT services company. He began his career with DLJ in 1993.

Josh Kroll

Director – Los Angeles
12 Years Experience
BS, University of Oregon

O: 424.282.3969
M: 818.825.7664
kroll@livingstonepartners.com

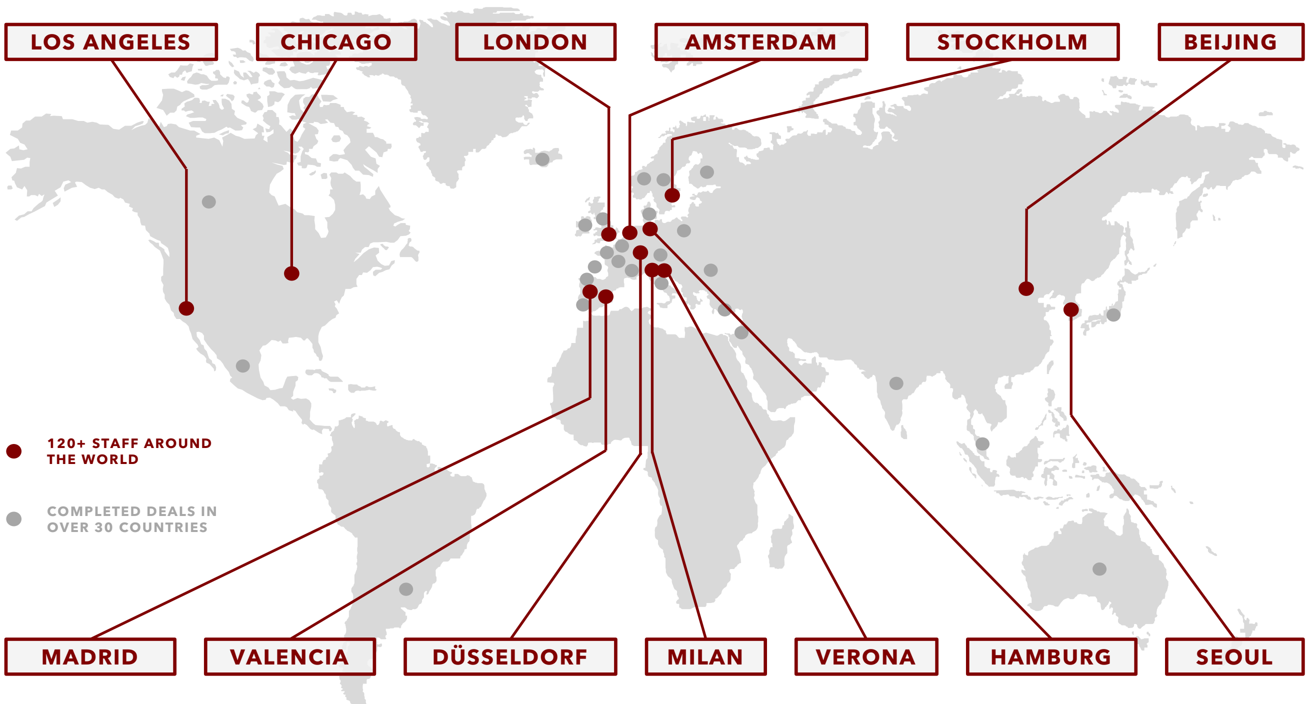
Josh joined Livingstone in 2016 and is currently a Director in the Los Angeles office, assisting in sourcing and executing sell-side M&A and capital raise transactions.

Prior to joining Livingstone, Josh was a Senior Analyst at Greif & Co., an investment bank in Los Angeles, where he specialized in sell-side M&A for companies in the middle market. He began his financial services career in business valuation where he valued 80+ companies from a variety of industries.

Uniquely International M&A and Debt Advisory Firm

EVERY SUCCESSFUL DEAL BEGINS AND ENDS THE SAME WAY.
OUR VALUE IS PROVEN IN BETWEEN. WE DON'T JUST GET DEALS DONE, WE GET…

Deals done right.



MERGERS & ACQUISITIONS

Sell-side, Buy-side

CAPITAL RAISE ADVISORY

Senior/Secured, Junior/Unsecured, Preferred Securities, Minority Positions

SPECIAL SITUATIONS

Distressed M&A, Distressed Refinancings, Balance Sheet Restructurings

120+	25+ years	$25-500M	75+	Expertise
PROFESSIONALS WORLDWIDE	AVERAGE PARTNER EXPERIENCE	TRANSACTION FOCUS	TRANSACTIONS CLOSED ANNUALLY	BUSINESS & TECH SERVICES INDUSTRIAL HEALTHCARE CONSUMER

Featured Transaction

allitix

leading provider of Anaplan consulting services specialized in FP&A, sales performance management, and supply chain management has been sold to

accenture

Transaction Spotlight:
Sale of Allitix to Accenture

COMPANY

Founded in 2017, Allitix, Inc. ("Allitix" or the "Company") is a leading pure-play Anaplan solutions provider serving blue-chip customers with a broad portfolio of highly-tailored, fit-for-purpose solutions. Since inception, Allitix has been an instrumental partner to Anaplan, offering specialized implementation services across finance, sales, supply chain, and human resources functions, with specific competencies in the manufacturing, consumer, technology, media and telecom, and financial services industries.

Allitix provides services to the broader Enterprise Performance Management market, a growing investment area around the "office of the CFO," allowing companies to implement software tools and services that provide an integrated view of supply chain management, sales forecasting, and accounting and finance thereby allowing business leaders to make informed decisions in real-time.

PROCESS

Livingstone was engaged in November 2022 to explore a sale of Allitix. After running an initial auction process in 2023 for a broad group of key strategic and financial buyers, the transaction was put on hold pre-LOI due to softness in the broader consulting services market. After market conditions began to recover in early 2024, Livingstone reapproached various buyers on a limited basis in early to mid-2024, leading to an a[illegible]ctive LOI.

Contact Livingstone for Additional Details

Livingstone's unrelenting advocacy drove a premium valuation for Allitix with an attractive buyer, despite declining financial performance during the process and a challenging period for IT services businesses in the broader market.

OUTCOME

In November 2024, Allitix was acquired by Accenture plc ("Accenture"). Accenture is a leading global IT-services firm that provides consulting, strategy, and technology and operational services to a variety of sectors. Accenture employs 700,000+ people throughout 200 cities in 51 countries. The acquisition of Allitix expands Accenture's Anaplan customer footprint and adds 73 Anaplan functional and technical professionals to Accenture's [illegible] technology practice in North America.

Contact Livingstone for Additional Details

Additional Transaction Credentials: Business & Technology Services

Livingstone's team has broad experience throughout the business & technology services sectors – successfully completing transactions with global strategic acquirers and private equity investors

Project VINE	altix	TSDGlobal	Fusion Alliance	entercoms (Connect | Reveal | Transform) *technology business unit*
provider of Anaplan consulting services	leading provider of Anaplan consulting services specialized in FP&A, sales performance, and supply chain has been sold to	leading international provider of outsourced sales and customer support in contact centers has been sold to	leading IT services provider specialized in digital and mobile technology services has been sold to	SaaS provider for field services and IoT has been sold to
Pending	accenture	movate *a portfolio company of* CSP Capital Square Partners	new era Technology *a portfolio company of* Sentinel Capital Partners	Baxter Planning *a portfolio company of* polarispartners

cardinal	Advocate	TechRepublic. *a business unit of* RED VENTURES	Qmerit	PDSVISION
leading provider of IT services and solutions and gold certified Microsoft Azure partner has been sold to	leading state government consulting services provider has been sold to	carve-out sale of leading IT editorial and lead generation business to	raised $70mm for tech-enabled services provider into electrification ecosystem	leading provide of business-critical software solutions and services has secured a majority investment from
Insight.	TZP	TA TechnologyAdvice	Lime Rock New Energy, Schneider Electric	CapMan

2

EXECUTIVE SUMMARY

Executive Summary

Key Trends

- **The global IT services sector ($1.50 trillion in 2024) is expanding rapidly, driven by digital transformation across industries**
- **Key technology drivers include widespread cloud computing adoption, a sharp rise in artificial intelligence (AI) and machine learning use, and booming demand for data analytics and Internet of Things (IoT) solutions**
- **At the same time, cybersecurity and data privacy have become paramount, as companies invest in securing data and complying with stricter regulations**

CLOUD COMPUTING

- Cloud computing has become a default IT strategy for businesses large and small. An overwhelming majority of organizations (over 90%) now use a multi-cloud approach, combining public and private cloud services
- 96% of companies use at least one public cloud and 84% use private cloud, indicating hybrid cloud architectures are common
- This shift is driven by the need for flexibility, avoiding vendor lock-in, and optimizing performance by matching workloads to the best environment. Customers increasingly demand hybrid and multi-cloud setups that let them deploy applications across different cloud providers for resilience and regulatory compliance
- To complement core cloud platforms, businesses are adopting **cloud-native architectures** (like containerization and serverless computing) and exploring **edge computing**. Edge computing brings computation closer to where data is generated (IoT devices, branch offices, etc.), reducing latency. This is a fast-growing area – the global edge computing market, though relatively small today (~$10 billion in 2023), is projected to explode to around $182 billion by 2032
- **Everything-as-a-Service (XaaS)** continues to expand. Beyond just infrastructure or software, companies now consume databases, AI platforms, and even development environments as cloud services. This broad XaaS trend enables rapid innovation – enterprises can leverage advanced tech (AI, blockchain, etc.) via cloud APIs without heavy upfront investment. The result is continued high growth in cloud spending (estimated 15%+ CAGR). One forecast puts the cloud computing market at $626.4 billion in 2023, on track to double to ~$1.27 trillion by 2028
- Customers now expect cloud services to deliver not just cost savings, but agility, security, and reliability. Notably, concerns around cloud security have eased as the technology matured – *94% of enterprises reported improved security after moving to the cloud*
- Post-pandemic, many organizations continue to invest in cloud to support hybrid work models and scalable digital services. This has solidified cloud computing as a cornerstone of IT strategy, with businesses large and small prioritizing cloud migrations to stay competitive

Executive Summary

Key Trends (Continued)

IT CONSULTING

- IT consulting firms are experiencing sustained demand as organizations pursue digital transformation. Companies are seeking expert guidance to modernize legacy systems, implement new software platforms, and adopt emerging technologies
- Key consulting engagements involve cloud migration strategies, enterprise software implementations (ERP, CRM), and re-engineering business processes for efficiency. Modernization of legacy IT has been a notable driver – businesses need help updating outdated systems and integrating them with modern cloud and mobile applications
- The Global IT Consulting Market is set to reach **$184 billion by 2028**, up from $114 billion in 2024
- With the complex threat and regulatory landscape, consulting around cybersecurity, data privacy, and compliance is in high demand. Organizations are turning to IT consultants to help develop cybersecurity strategies, implement risk management frameworks, and ensure compliance with regulations (GDPR, CCPA, industry-specific rules). For instance, consulting practices are helping companies meet privacy requirements through data governance programs
- Regulatory changes (such as new AI regulations or stricter cloud outsourcing rules in finance) often trigger the need for specialized consulting to interpret the rules and implement compliant solutions. This trend is likely to grow as regulations tighten worldwide
- IT consulting is broadening beyond pure technology to more strategic business advisory. CIOs and CEOs increasingly involve IT consultants at the planning stage for digital strategy. Consultants now address how technology can drive business outcomes – for example, improving customer experience via digital channels, or using IT to enable new revenue models
- The IT consulting industry is truly global. Consultancies are expanding into emerging markets where demand is rising (e.g. helping companies in Asia or Latin America with large-scale digital initiatives). Conversely, clients in developed markets sometimes outsource analysis or development work to offshore and nearshore consulting teams. This globalization has been facilitated by virtual collaboration tools (especially post-pandemic)
- It's also fueled by M&A; large consultancies acquire smaller firms in different regions to gain footholds (for example, Cognizant acquiring a French firm, EI-Technologies, to expand in Europe)
- The net effect is that even mid-sized business owners today have access to a worldwide pool of consulting expertise, and competition among consulting providers is pushing them to specialize and differentiate (whether by industry focus, technical niche, or innovative methods)

Executive Summary

Key Trends (Continued)

ARTIFICIAL INTELLIGENCE

- 2023 marked a breakout moment for generative AI. The release of advanced large language models (e.g. GPT-4) and generative image/video models sparked a surge in business interest
- In a study done by McKinsey, one-third of companies reported using generative AI tools regularly in at least one business function, and 40% of surveyed companies said they plan to increase overall AI investment because of recent generative AI advances
- Use cases range from AI chatbots in customer service to AI-assisted coding and content generation. Importantly, generative AI caught the attention of top executives – about 25% of C-suite leaders are personally using gen AI
- All major cloud providers (Amazon, Microsoft, Google) now offer AI platforms and APIs – from pre-trained machine learning models to custom AI development environments – on a pay-as-you-go basis
- AI is not a short-lived hype: it's becoming a trillion-dollar opportunity that is reshaping markets. The trend is clear – those who effectively harness AI stand to gain a competitive edge, while those who ignore it risk falling behind in innovation

MANAGED SERVICES / CYBER SECURITY

- Organizations face increasing IT environment complexity – managing networks, cloud infrastructure, cybersecurity, and user support has become resource-intensive. This is fueling demand for managed services providers (MSPs) that can handle these tasks end-to-end. The managed services market was about $270 billion in 2023 and is growing at double digits
- Companies increasingly are outsourcing IT operations to specialized partners. Key drivers include the challenges of integrating multi-cloud environments, maintaining 24/7 uptime, and supporting distributed workforces. Businesses seek MSPs to ensure consistent operational support and to fill skill gaps in-house
- With cyber threats on the rise, managed security services have become one of the fastest-growing segments. Companies are increasingly entrusting MSPs with security operations – such as 24/7 threat monitoring, incident response, and ensuring regulatory compliance (e.g. PCI, HIPAA) – because keeping these capabilities in-house is difficult and costly
- According to Gartner, spending on cybersecurity services (consulting, outsourcing, support) will reach about $212 billion in 2024, up 15% from 2024

Executive Summary

Key Trends (Continued)

MERGERS & ACQUISITIONS

- The IT services industry has seen robust M&A activity over the past several years. During the pandemic, deal-making surged – global IT services M&A deal volume and spending nearly doubled from 2020 to 2021 as companies raced to acquire new capabilities
- While the frenzy has cooled somewhat, activity remains strong in 2023 and 2024, with an estimated ~$20 billion in annual deal spend across roughly 100 transactions per year
- Rising interest rates and economic uncertainty in 2023 did temper the largest deals, but many mid-sized acquisitions continue as firms get selective, targeting strategic benefits
- Notably, managed services providers remain attractive targets due to their recurring revenue (considered "recession-resilient"), and private equity investors have significant "dry powder" ready to invest in IT services platforms
- A primary motivation for M&A in this sector is to acquire new technology skills and offerings quickly, rather than building them in-house.
  - For example, a traditional consulting firm might buy a cloud-native engineering boutique to gain cloud architecture expertise overnight. Likewise, many large providers are snapping up cybersecurity specialists, data analytics firms, and AI startups to plug capability gaps
- The consulting and digital agency arena has been very active. Big consulting firms (Accenture, Deloitte, the Big Four, etc.) and tech services companies (Cognizant, Capgemini, NTT Data) have been acquiring niche consulting firms to deepen domain expertise or regional reach. In 2024, Cognizant acquired Belcan (a digital engineering firm specialized in manufacturing and supply chain) for $1.3 billion, one of Cognizant's largest deals to date, to expand its high-end consulting capabilities in aerospace defense, space, automotive, and public sectors
- The MSP space is highly fragmented, leading to steady consolidation. Large IT service providers and private equity-backed "platform" companies are rolling up smaller MSPs to gain scale. For example, Evergreen Services, backed by private equity firm Alpine Investors, acquired more than 10 MSPs in 2024 (i.e. Solution Systems, i-Tech, Portsmouth Computer Group, and more) to expand service and geographic breadth
- Major take-privates also occurred in 2024, Thoughtworks was taken private by Apax Partners for $1.9 billion (1.9x revenue) in August, and Perficient was taken private by EQT for $2.7 billion (3.0x revenue / 15.8x EBITDA) which closed in October

3

PUBLIC MARKETS UPDATE

Public Company Spotlight – IT Services

Subsector Overview

Select Participants [(1)]

Diversified Global Systems Integrators ("GSI")

- Firms that specialize in integrating complex IT systems on a global scale, providing a comprehensive suite of service inclusive of consulting, design, implementation and management of IT solutions
- GSIs typically work with multiple vendors and cover a wide range of geographies, technologies, end markets, and partnership ecosystems

IT Solutions Providers

- Solutions providers work as both a service provider and an advisor ensuring projects are successfully delivered from ideation to execution; while advisory work can extend beyond implementation to ongoing support, management and optimization
- Solutions providers are most common in situations that require unifying disparate hardware and software in a single architecture and are sometimes subcontractors to GSIs

Digital Engineering

- Provides technology and engineering services focused on digital transformation and innovation – helping firms leverage modern technology to create new products, services and experiences, often with an emphasis on agility, scalability, and customer-centric design
- DE firms often implement DevOps and Agile software development and deployment methodologies to enable faster delivery of digital products and continuous improvement

Business Process Outsourcing ("BPO")

- Handle certain business processes or functions on their customer's behalf – from back-office operations like accounting and data analytics, to front-office functions such as customer experience and sales
- BPO is designed to handle routine processes to allow customers to focus on core activities and tend to be very sticky once a customer has switched to a BPO provider

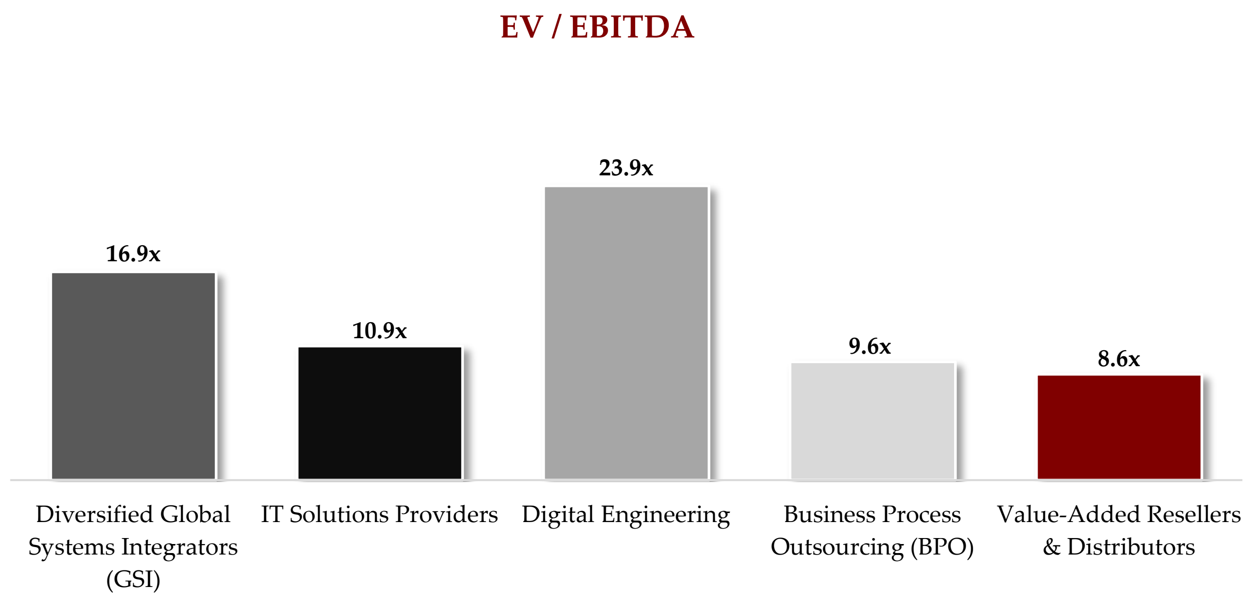
Value-Added Resellers / Distributors ("VAR")

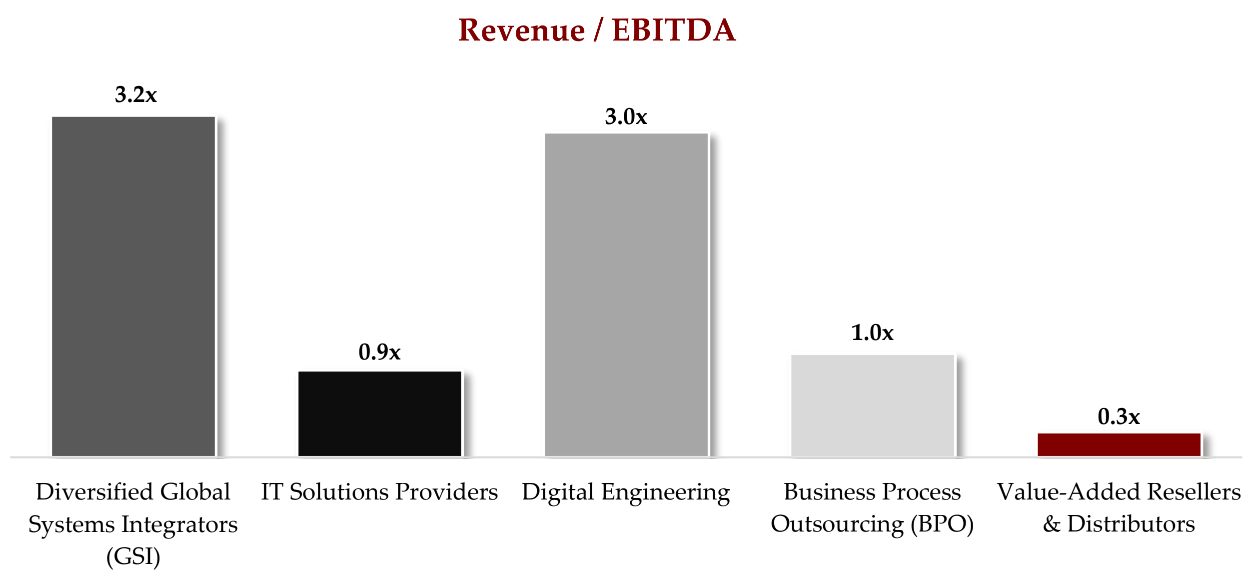
- Companies that sell hardware, software and other technology products to end users – often adding additional features, services or value to the original product; VARs play a crucial role in IT services by bridging a gap between technology vendors and end users
- Also includes reselling IT products (i.e., computers, servers, networking equipment, etc.) and partnering with manufacturers and vendors such as Microsoft, Cisco, Dell & HP

(1) Full list of participants by category is found on PG19

Public Company Spotlight – Valuation Multiples

EV / EBITDA & Revenue / EBITDA as of December 2024





Key Takeaways

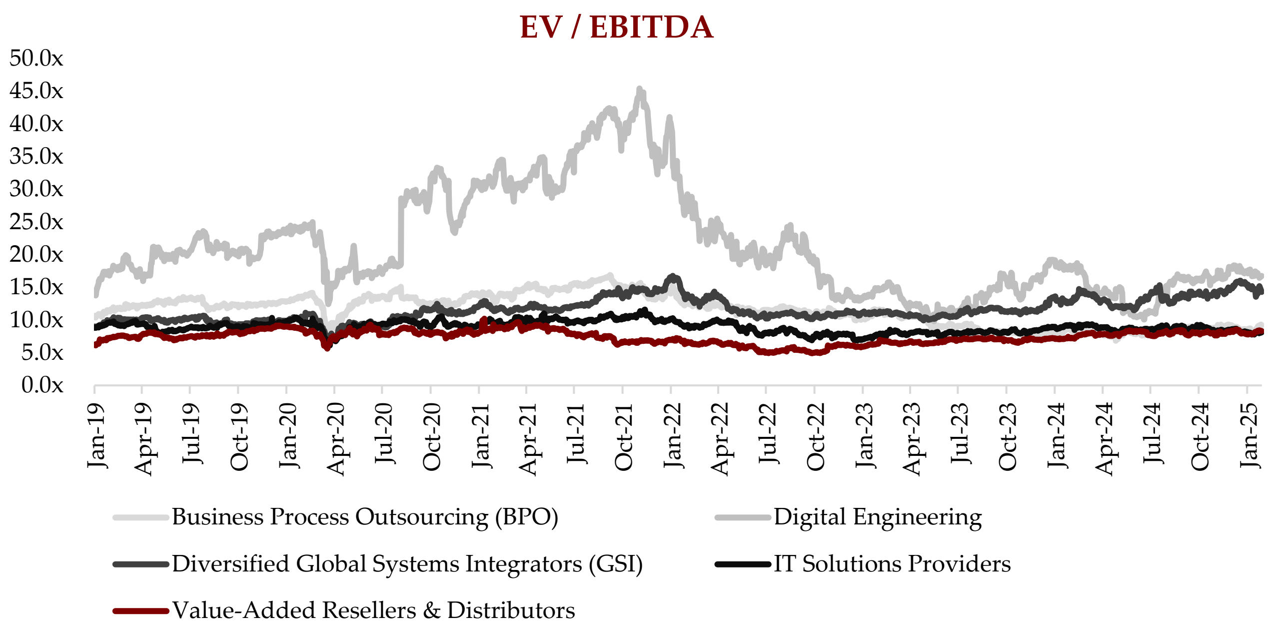
- Digital Engineering firms represent the highest valuation on average in the IT Services sector, whereas Value-Added Resellers & Distributors mark the low-end
- This corresponds directly with growth rates, profitability (see PG18), and the high value-add expertise of these firms
- Value-Added Resellers (VARs) and Distributors trade at a lower range compared to other segments given their business revolves around reselling hardware, software and sometimes associated services with thinner margins
- Average gross margins for BPO, Digital Engineering, and Diversified Global Systems Integrators are in the low-to-mid- 30s compared to VARs and Distributors which average 12.0%
- While gross margins are slightly more compressed for GSIs compared to DE firms, they trade at similar revenue multiples given GSIs ability to service multi-national clients with a diverse breadth of service offerings

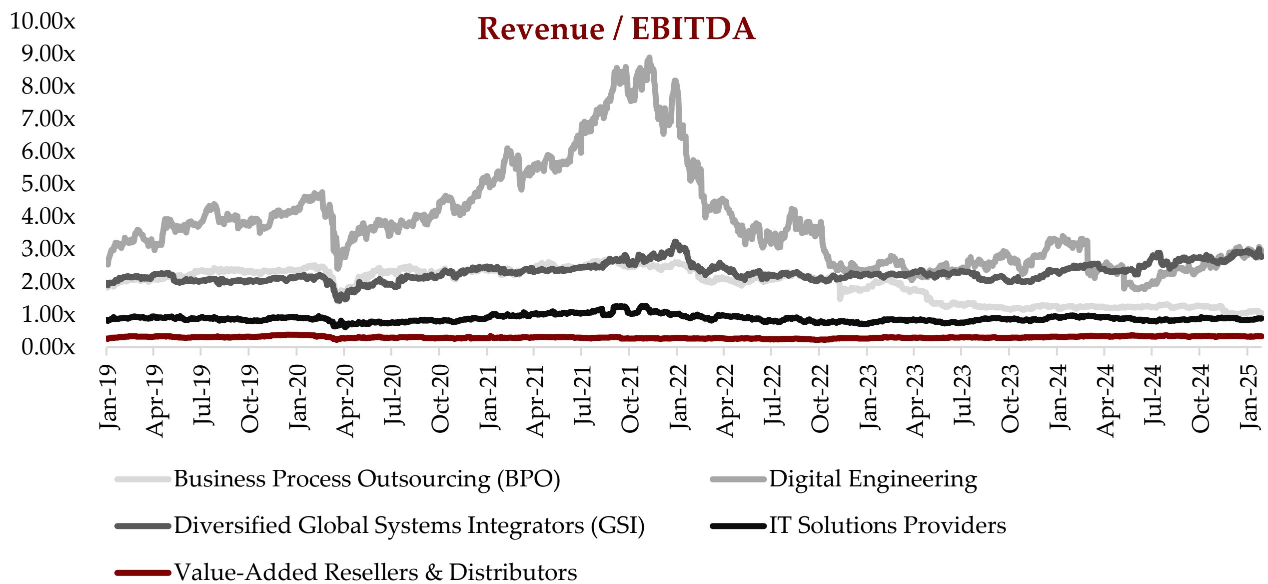
Livingstone

Note: Median EV / EBITDA and Revenue / EBITDA values from comparable sets as of December 31, 2024 are displayed

Public Company Spotlight – Valuation Multiples *(Continued)*

EV / EBITDA & Revenue / EBITDA Over Time





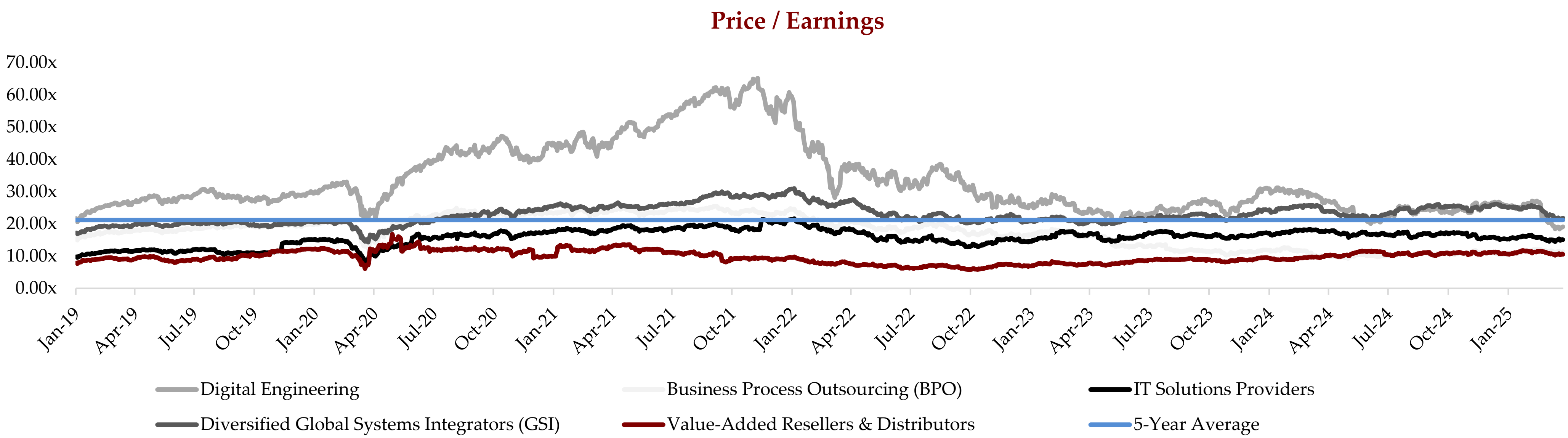
Key Takeaways

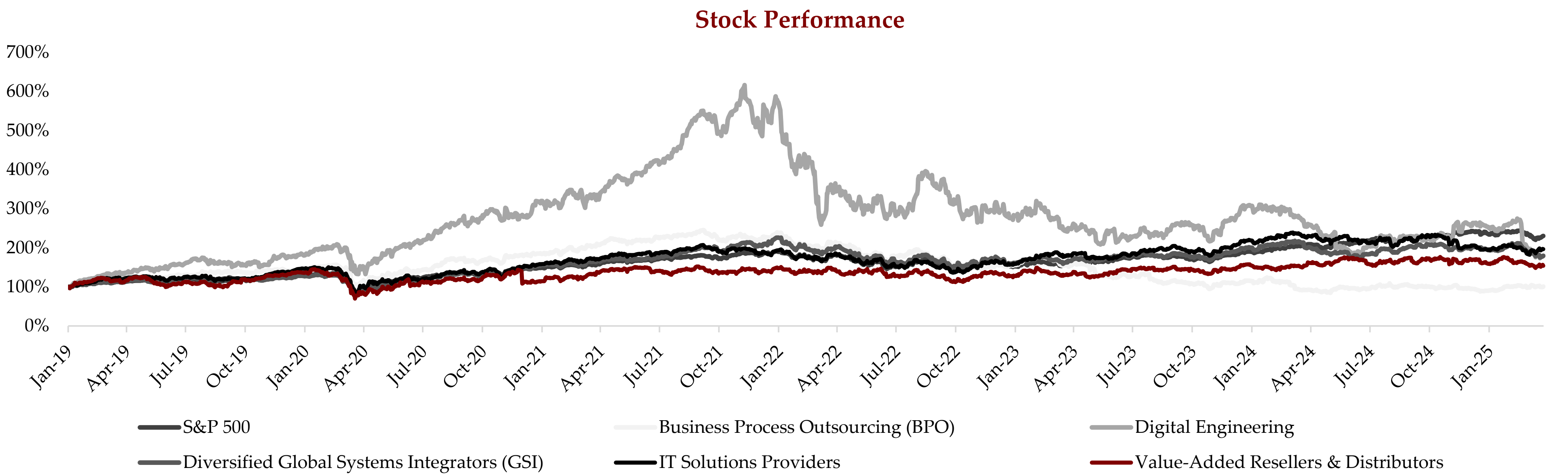
- BPO companies saw their median EV / EBITDA multiples decrease from low double-digit (~11x-13x) to high single digits (~8x-10x) starting in 2024 driven by shifting business models and market sentiment, particularly due to globalization of the industry and for smaller firms to be able to utilize a nearshore and offshore strategy without needing to contract with large BPO firms
- Smaller BPO firms have also been able to compete with larger publicly traded companies as AI has reduced the need for physical headcount and allowed more automated functions
- Digital Engineering companies command a premium valuation which peaked in 2021 but still represents a median of ~2.9x EV / Revenue and ~16.7x EV / EBITDA as of January 28, 2025
- IT Solutions Providers previously carried a meaningfully higher valuation than Value-Added Resellers & Distributors, but recently that has changed due to VARs getting into more implementation and services work, and some of the European IT Solutions Providers valuations have lagged those of US and Asian competitors

Note: Median EV / EBITDA and Revenue / EBITDA values from January 1, 2019 to January 28, 2025

Public Company Spotlight – Stock Performance

Stock Price & Price/Earnings



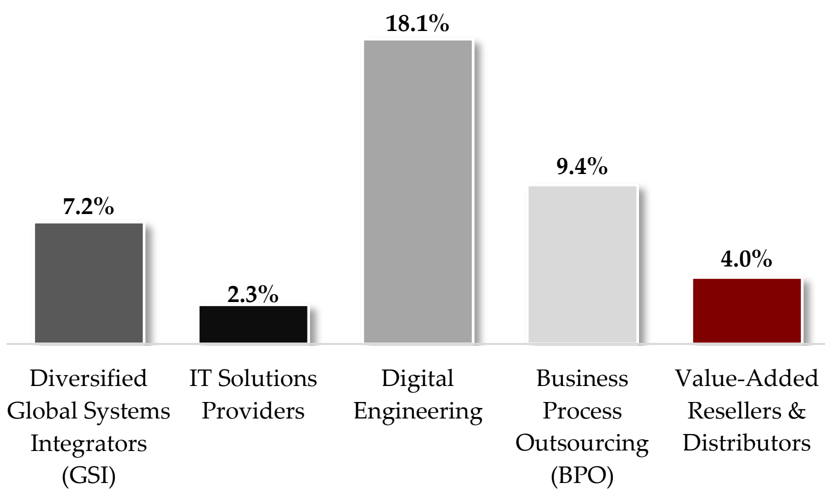


Note: Stock prices assume a base of 100% as of January 1, 2019

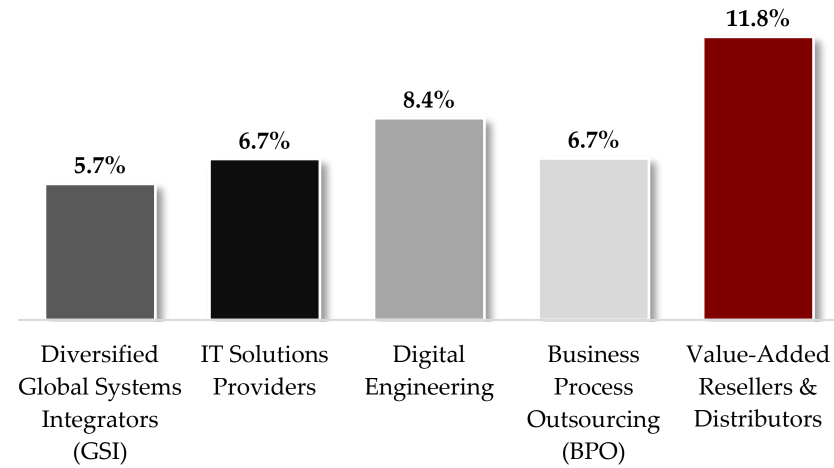
Public Company Spotlight – Financial Performance

Historical Growth Rates & 2024 Margins

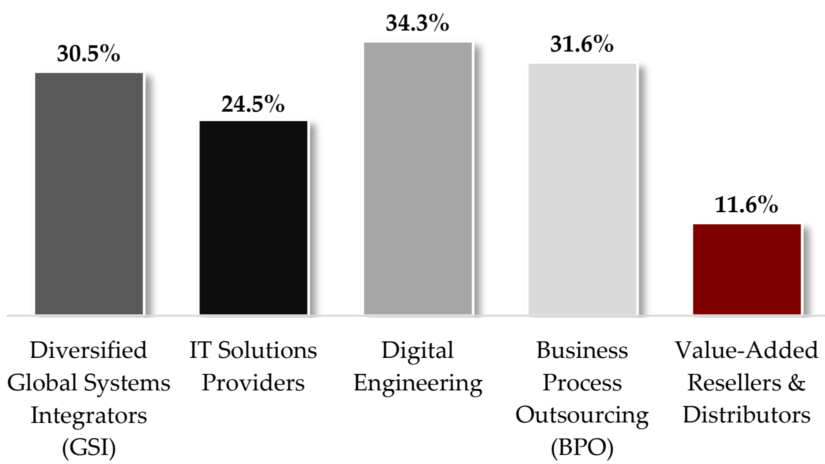
2020 – 2024 Revenue Growth CAGR



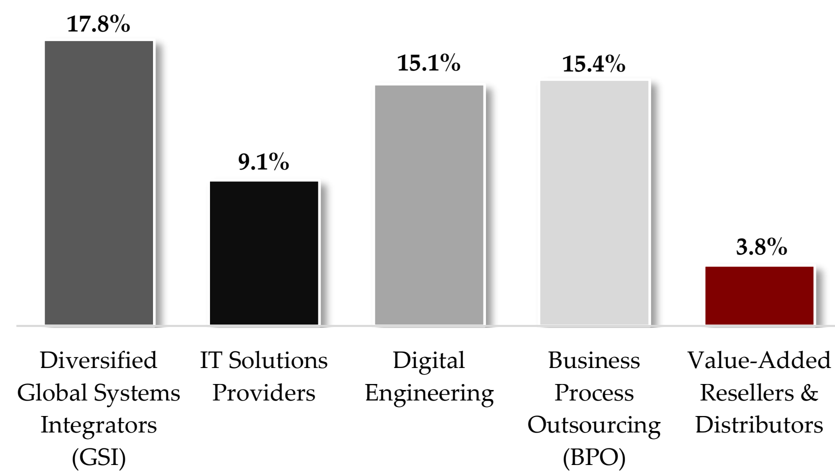
2020 – 2024 EBITDA Growth CAGR



2024 Gross Margin



2024 EBITDA Margin

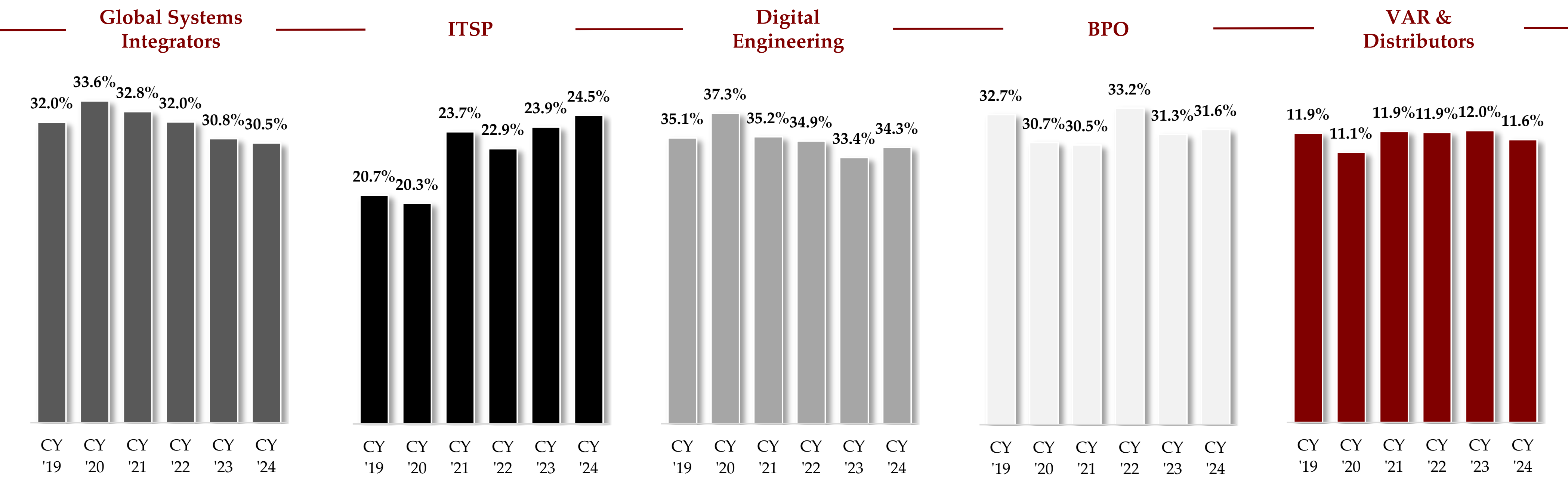


Notes: All values represent median averages of peer set
"CAGR" represents Compound Annual Growth Rate

Public Company Spotlight – Financial Performance

Gross Margin Trends

- Gross Margins in IT subsectors are heavily correlated to value-add and differentiation of service offering (e.g., software / digital engineering services generate higher margins compared to commoditized implementation work)
- Firms selling services will have a limit on their ability to increase gross margin given a people component, where BPO firms will benefit from continued automation and AI tools that can limit headcount needed for back office, accounting, and call center capabilities
- VAR & Distributors have the lowest gross margins among IT subsectors given a lower mix of value-added services



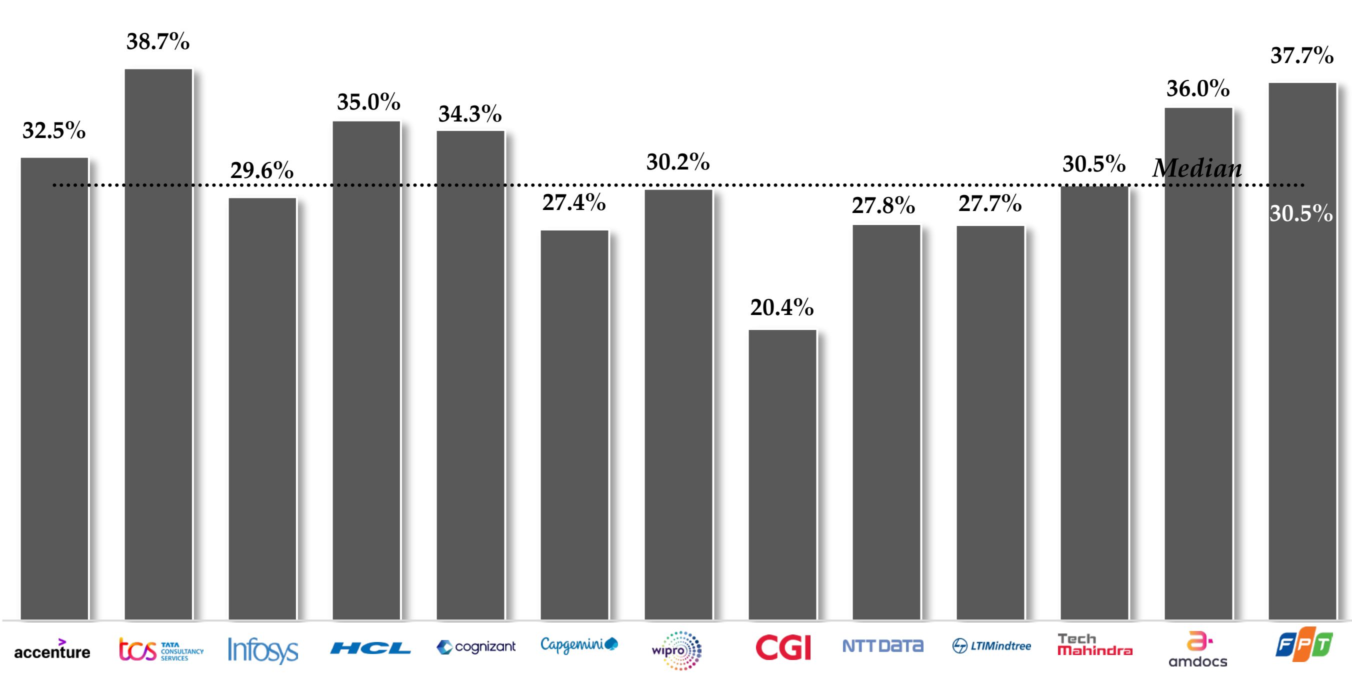
Note: Median Gross Margin of peer set from Calendar Year ("CY") 2019 to 2024

Public Company Spotlight – Gross Margin Trends

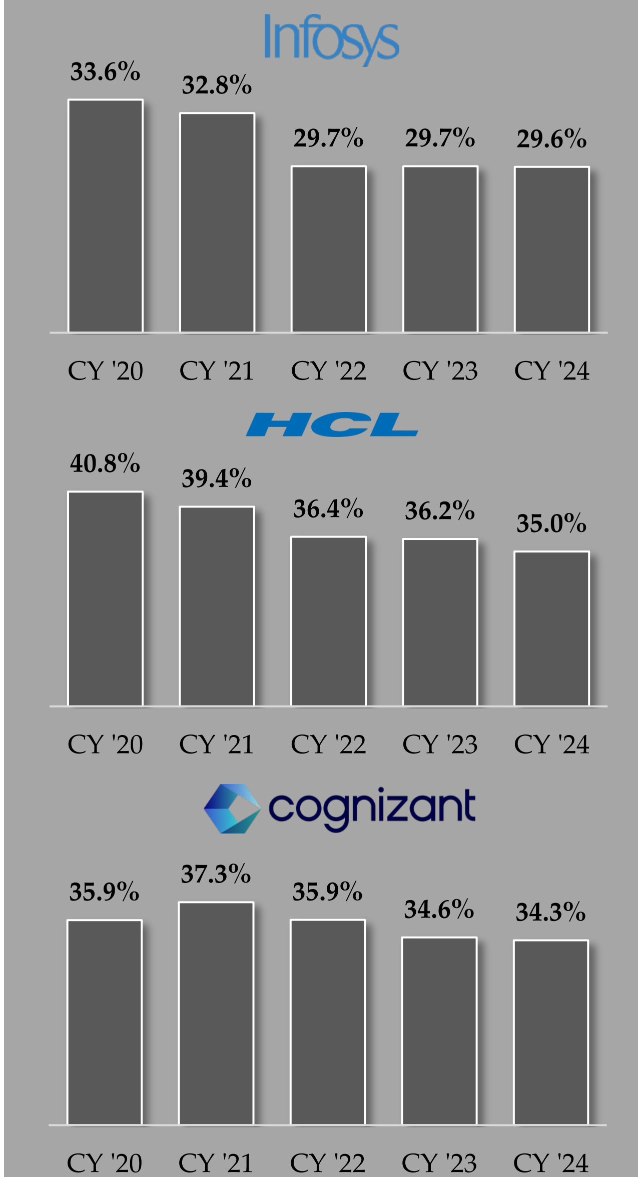
Global Systems Integrators

- Despite a 30.5% median gross margin across these leading GSIs, there is notable dispersion driven by each provider's service mix, IP intensity, and cost structure. At the high end, IBM's margin reflects a larger portion of higher-value, software-based offerings within its consulting practice
- Meanwhile, players like Wipro fall below median due to a heavier focus on commoditized infrastructure and application services. In between, firms such as Accenture, HCL, and Cognizant have maintained margins around the low-to-mid 30s, aided by a balanced portfolio of digital transformation, managed services, and consulting
- Ongoing talent constraints and rising wage pressures continue to influence margins industry-wide, but those with higher-end consulting and IP-driven solutions tend to stay above their peers

CY 2024A Gross Margin



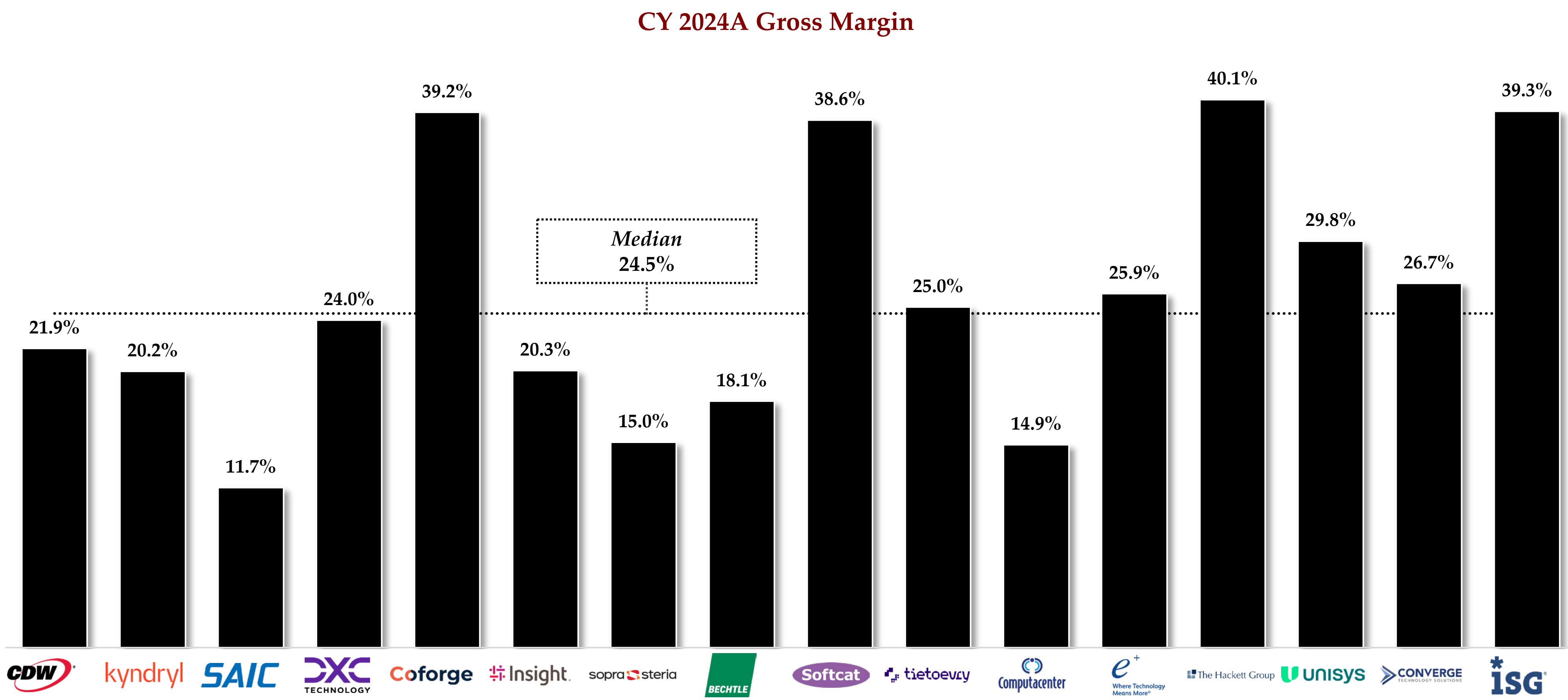
Spotlight: Select Gross Margin Trends



Public Company Spotlight – Gross Margin Trends

IT Solutions Providers

- Gross margins among IT solutions providers span a wide spectrum—ranging from the low-teens to the low-40% level—largely reflecting each company's service mix and business model
- Firms that derive heavier revenues from low-margin resale or infrastructure services tend to cluster below the median (~25%), whereas those offering higher-value consulting, software, or managed services typically achieve margins above that midpoint

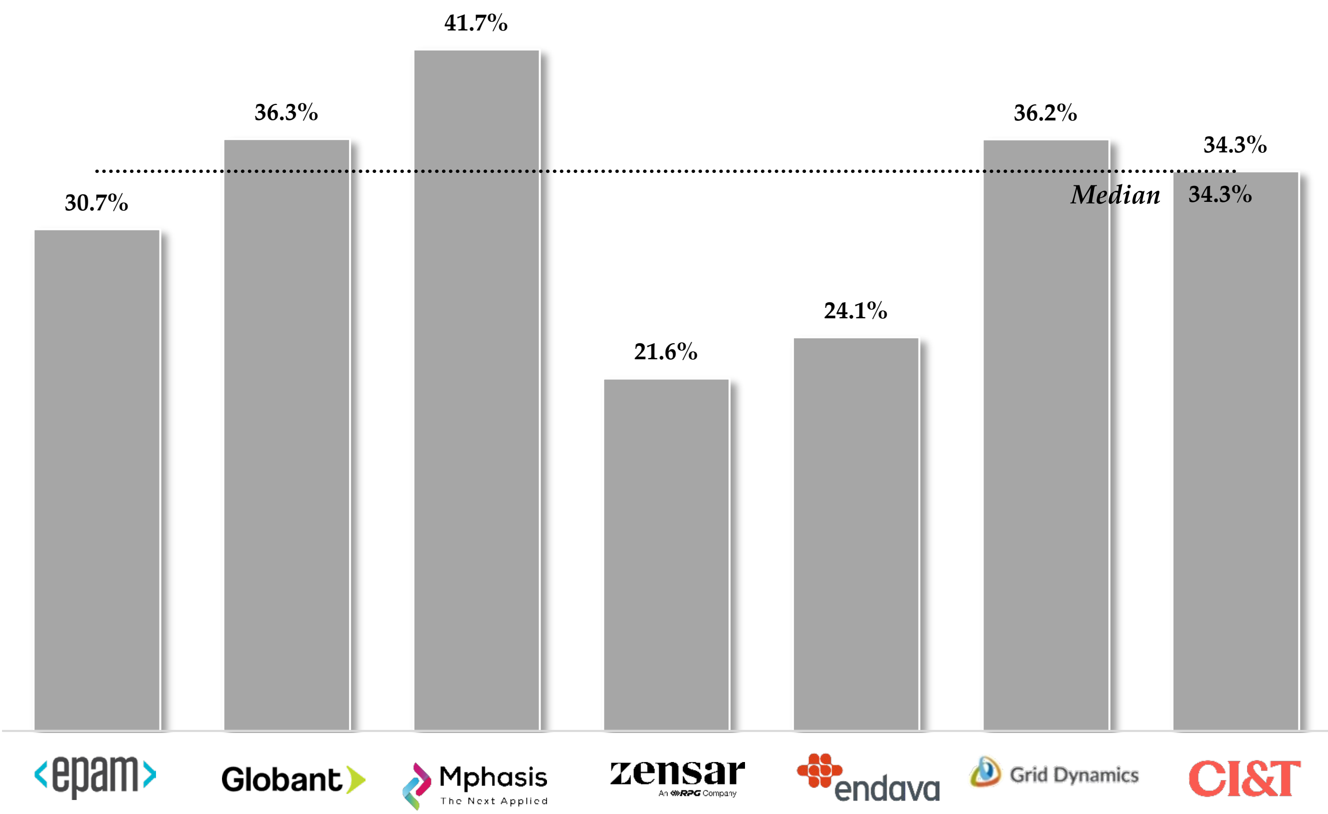


Public Company Spotlight – Gross Margin Trends

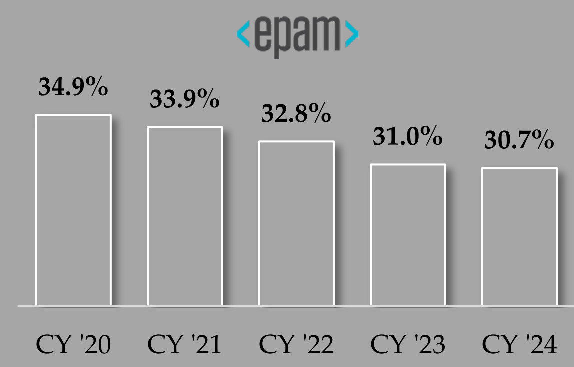
Digital Engineering

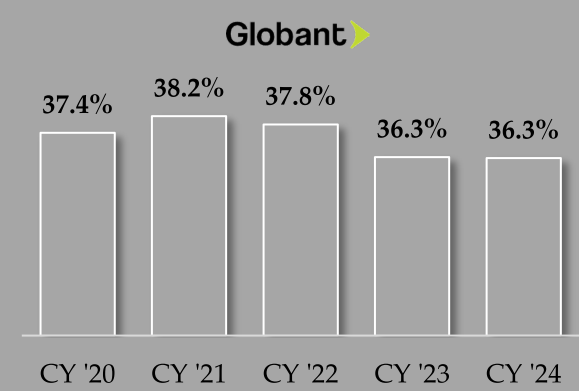
- Labor cost pressures and geopolitical disruptions in Eastern Europe have introduced margin compression in digital engineering services. That said, the secular demand for sophisticated digital engineering services has kept growth strong and generally supported gross margins in the mid-30s to low-40s range
- Firms that effectively navigate talent shortages and invest in productivity-enhancing tools stand to preserve or incrementally improve margins over the long term

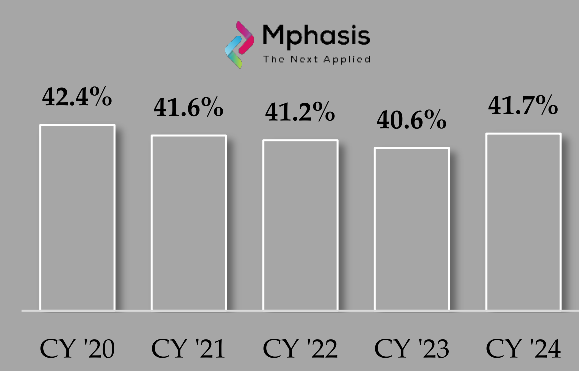
CY 2024A Gross Margin



Spotlight: Select Gross Margin Trends





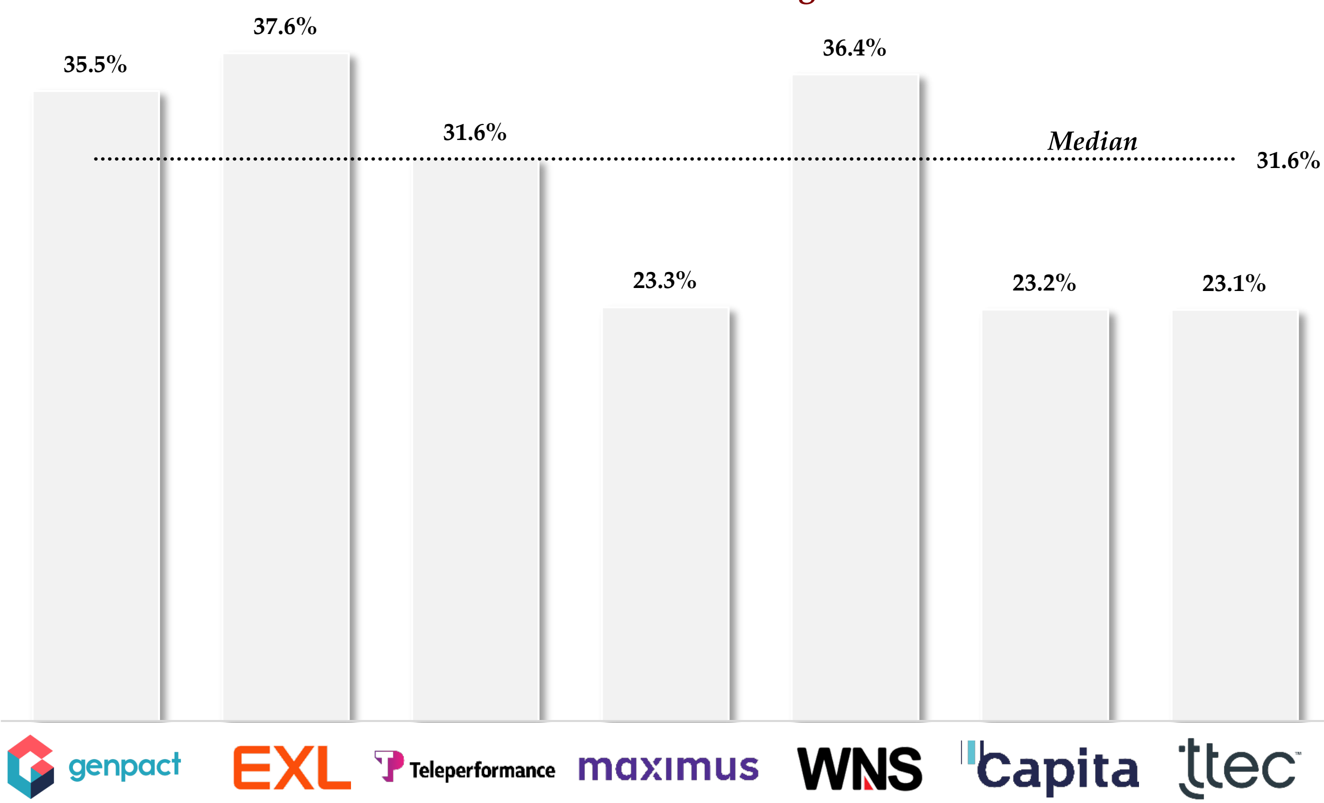


Public Company Spotlight – Gross Margin Trends

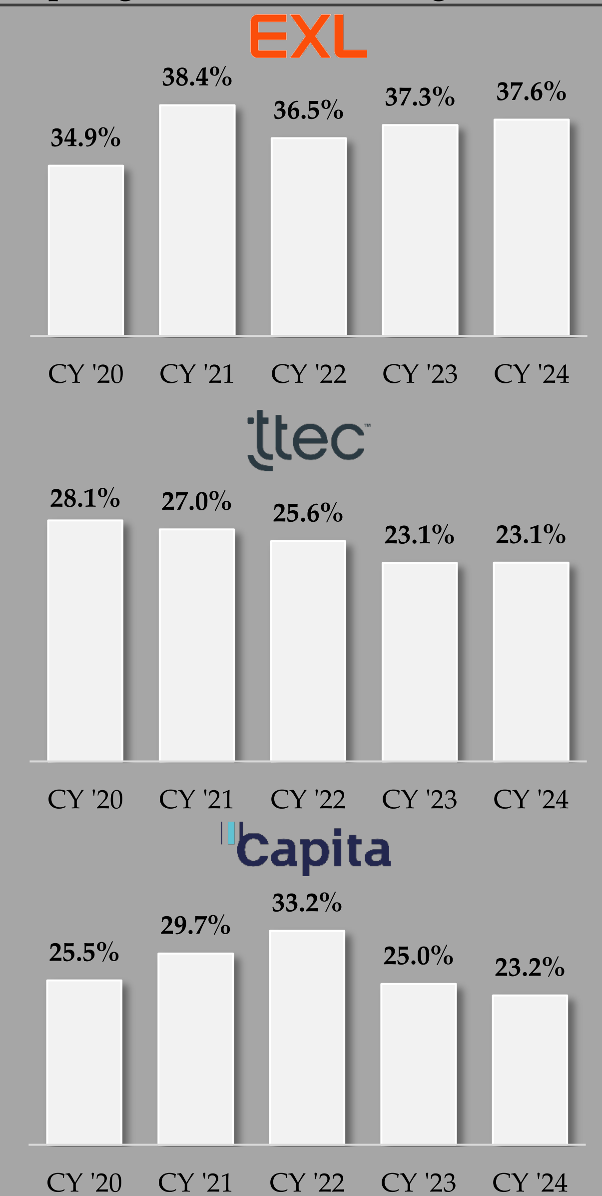
Business Process Outsourcing

- While there have been short-term fluctuations due to macroeconomic factors and labor cost pressures, the structural trend for BPO providers has been one of generally stable or gradually improving gross margins—especially for those moving up the value chain into digitally driven outsourcing, analytics, and consulting-like engagements
- Lower-margin players typically offer more commodity-level services (e.g., contact-centers), which have remained lower margin as more technology-forward firms offer more streamlined solutions

CY 2024A Gross Margin



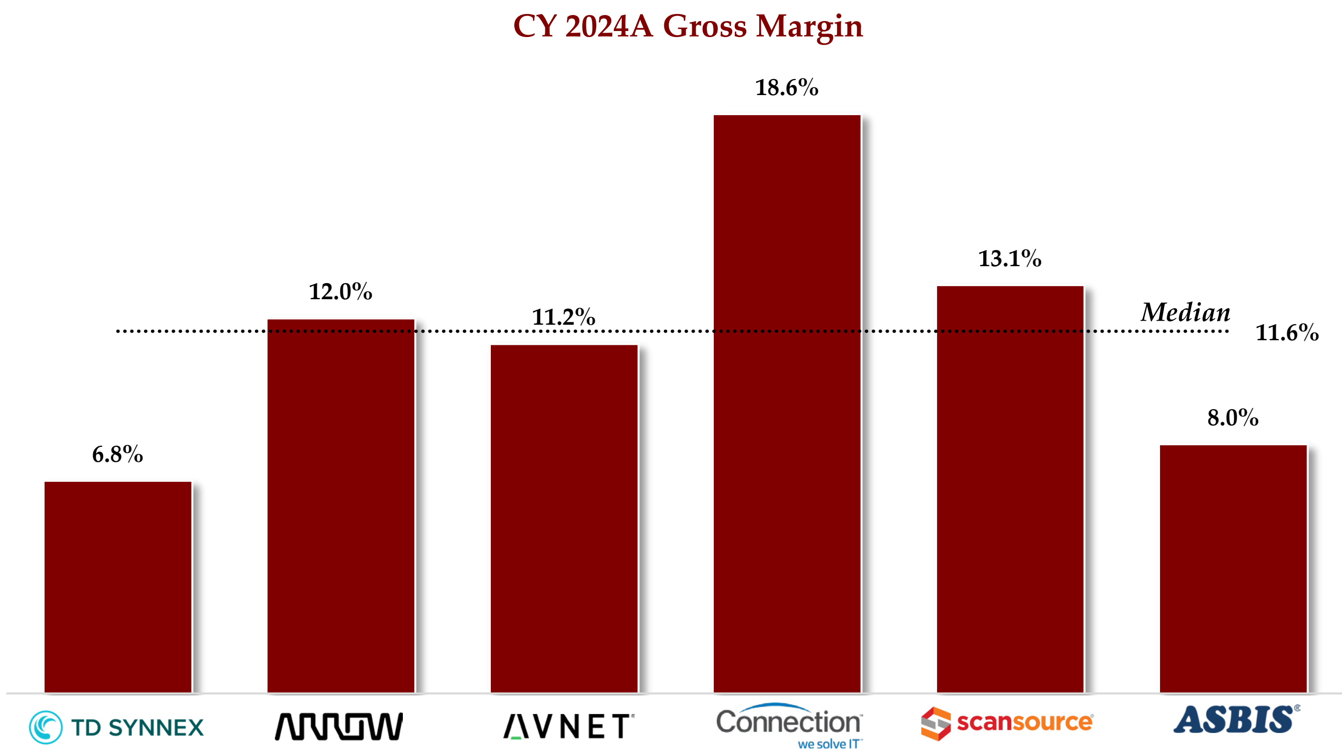
Spotlight: Select Gross Margin Trends

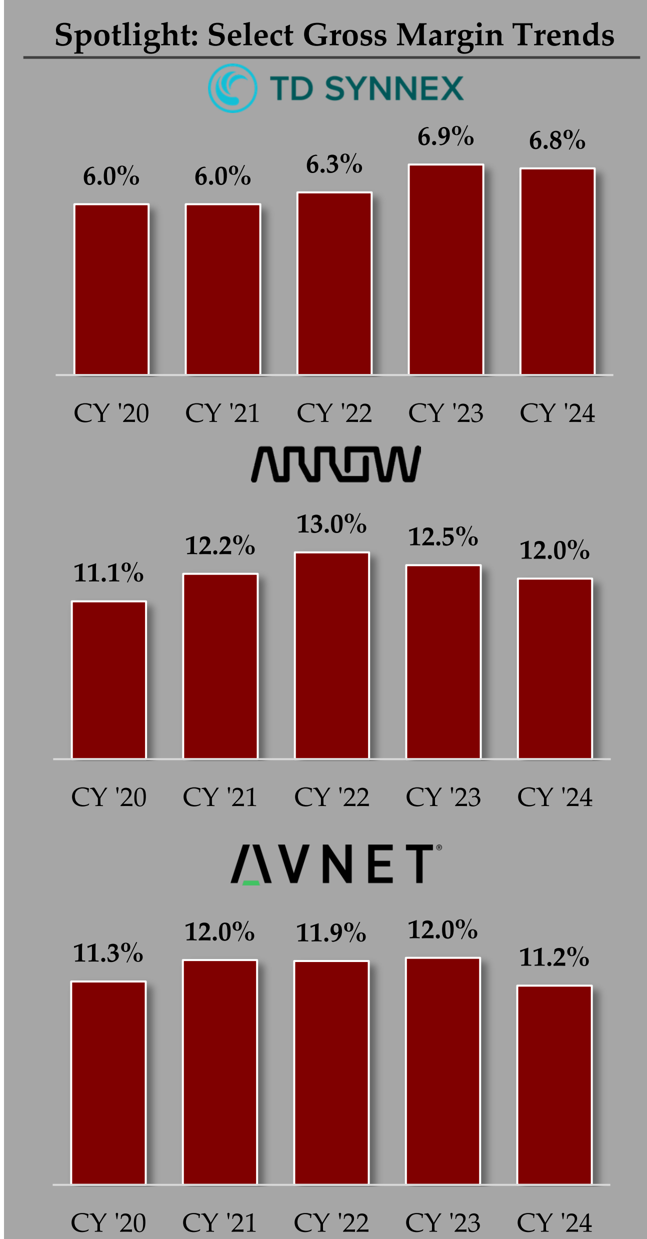


Public Company Spotlight – Gross Margin Trends

VAR & Distributors

- Over the past five years, margins among VARs have generally hovered in the low double digits, with modest fluctuations driven by shifts toward service-oriented offerings and pandemic-related supply-chain factors.
- While 2020 saw mild contraction, many VARs rebounded in 2021–2022 as constrained hardware supply occasionally boosted markups. Overall, the trend remains relatively stable, reflecting a balance between traditional hardware resale and higher-margin, value-added services.
- PC Connection commands best-in-class margins for the VARs given its growing service offering, direct sales approach vs. the broad-line distributors, and cloud-based and managed services offerings





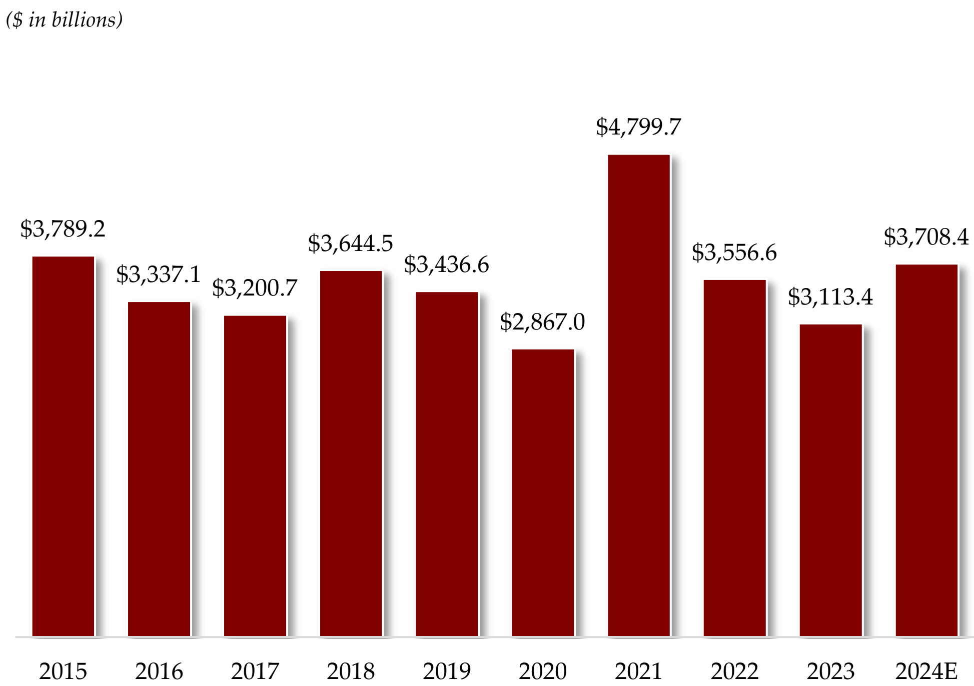
4

M&A MARKET UPDATE

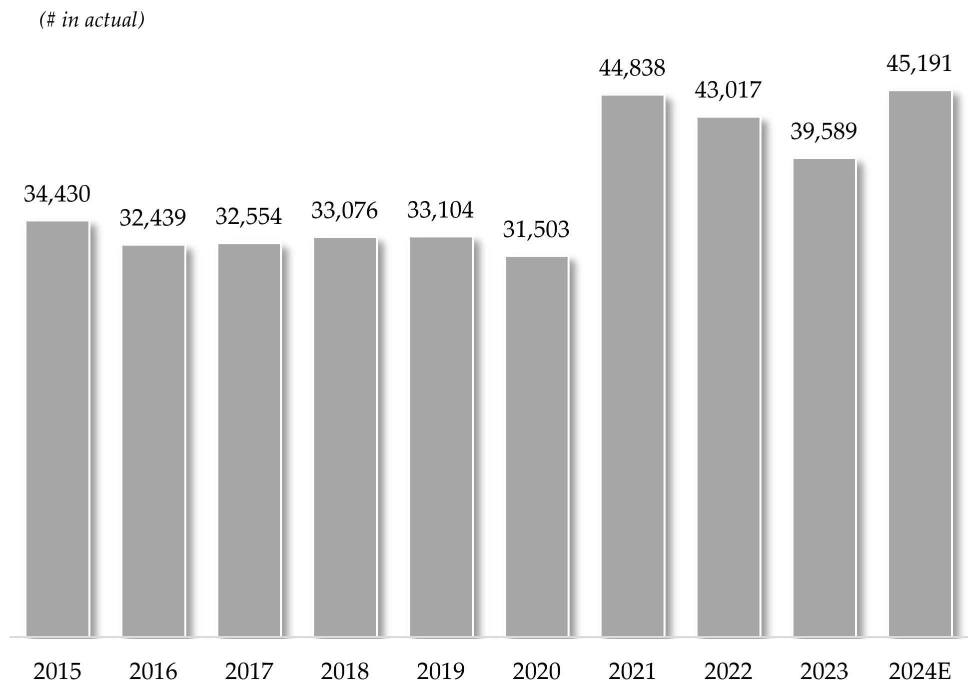
M&A Market Update
Global

- After achieving a new high-water mark in 2021 with $4.8 trillion in aggregate transaction value and ~45,000 closed M&A transactions, Global deal activity across all sectors moderated in both 2022 and 2023
- As in past economic cycles, M&A becomes temporarily less attractive when the cost of capital (dramatically and quickly) increases while valuation multiples remain high
- Outflow of M&A capital to Europe grew modestly in 2024, even as US investors found renewed reasons to strike deals at home, as the U.S. dollar's continued strength combined with relatively lower valuations in Europe supported steady cross-border flows to that region
- Overall, encouraging to see a broad-based recovery in dealmaking across geographies as well as a favorable setup for continued growth into 2025
- The median enterprise value (EV) / EBITDA multiple for M&A transactions in 2024 was 8.8x, just below 2023's 9x, and still ~20% off the historic peak of 10.7x in 2021

Global M&A Transaction Value



Global M&A Transaction Count



Livingstone

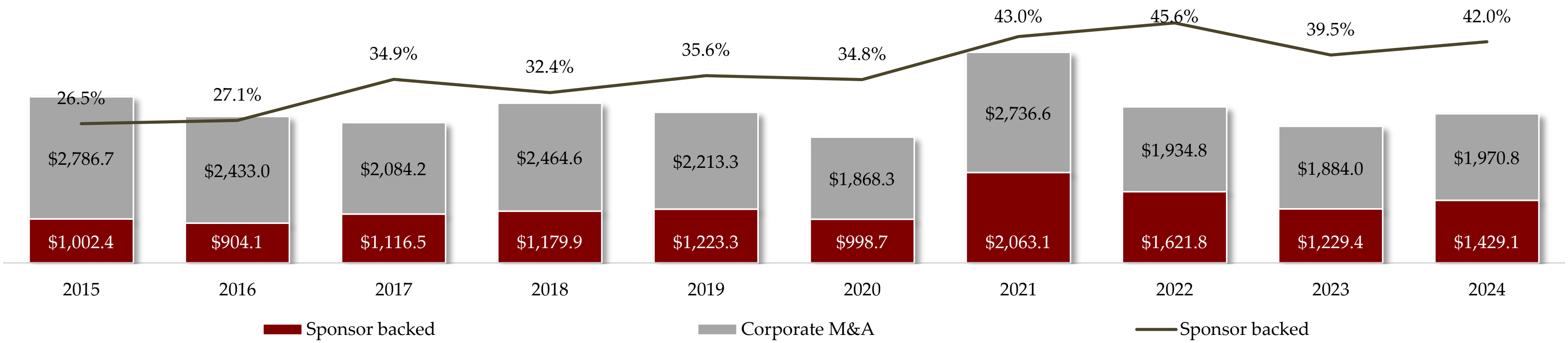
Source: PitchBook, CapIQ, Livingstone proprietary research

M&A Market Update
Global – Size & Type

- Over the past 10 years, global sponsor backed M&A activity has increased in both total value and volume, with total number of transactions increasing at a compound annual growth rate ("CAGR") of 5.7% and total transaction value for sponsors increasing at a CAGR of 4.0%
- While Corporate M&A still makes up the majority of deal volume and value, this has been steadily shifting towards private equity firms since 2015

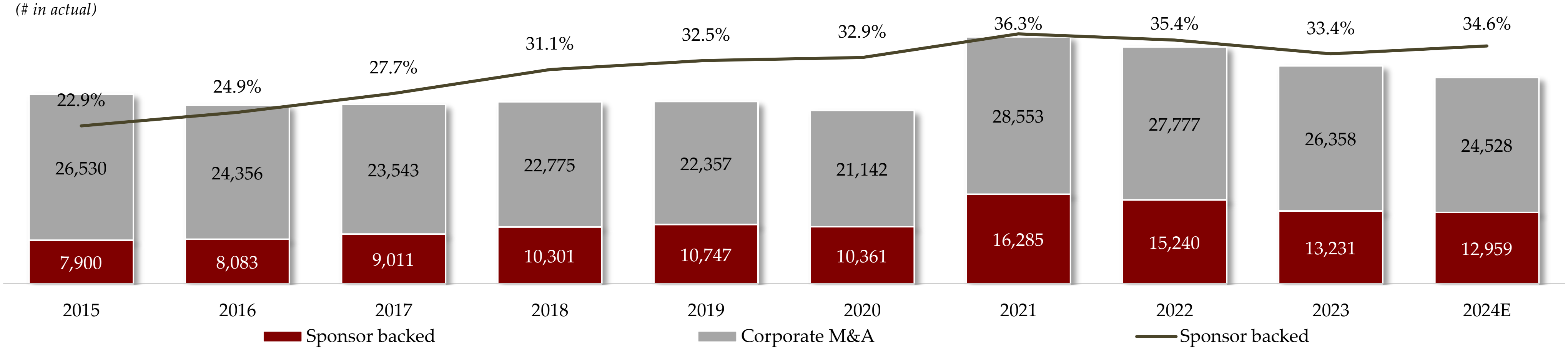
($ in billions)

Global M&A Value by Acquirer Type



Global M&A Count by Acquirer Type

(# in actual)



Source: PitchBook, CapIQ, Livingstone proprietary research

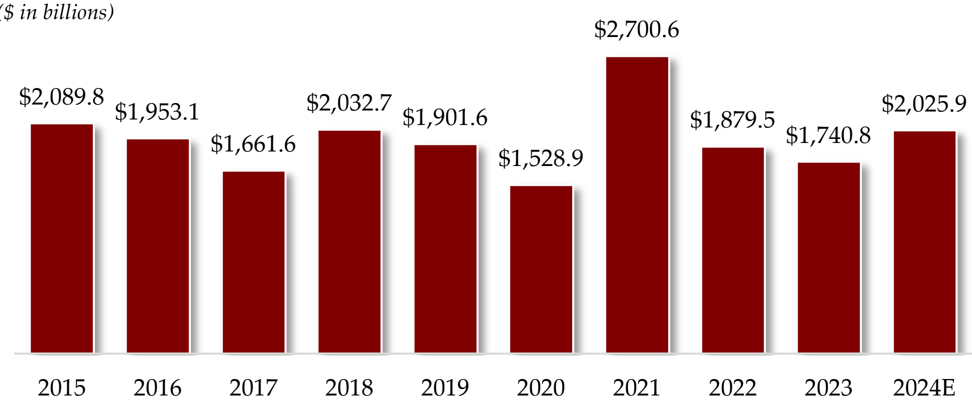
M&A Market Update

North America & Information Technology

- In North America, deal value surpassed $2 trillion across 17,509 deals, marking a 16.4% year-over-year increase in value and a 9.8% increase in deal count

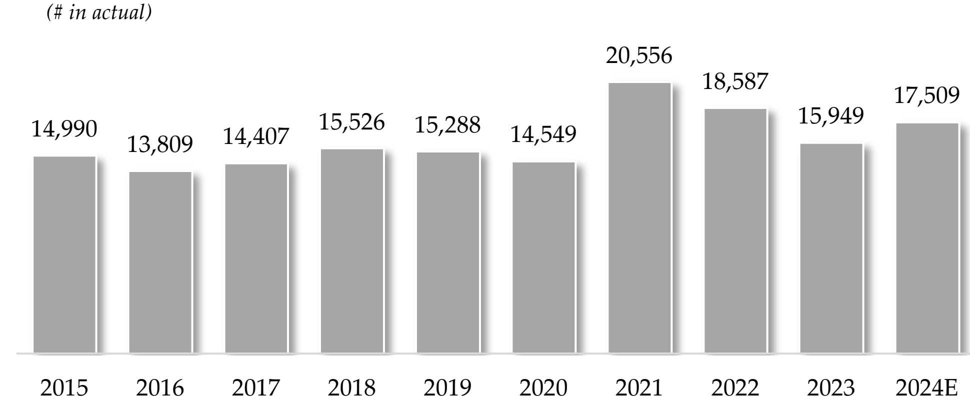
North America M&A Transaction Value

($ in billions)



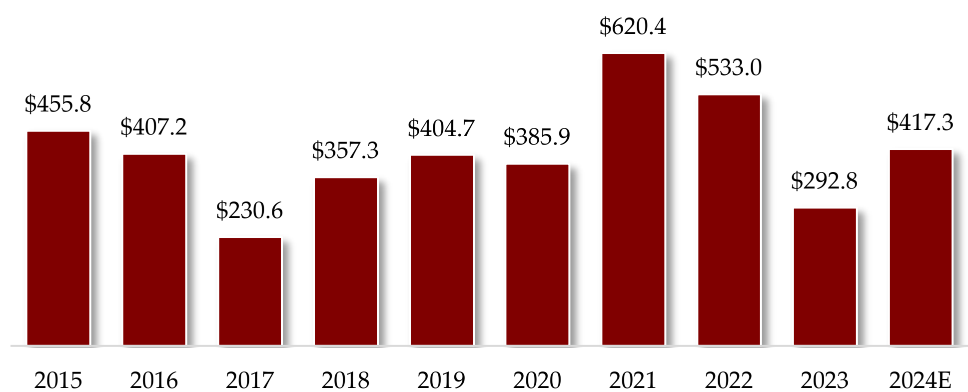
North America M&A Transaction Count

(# in actual)



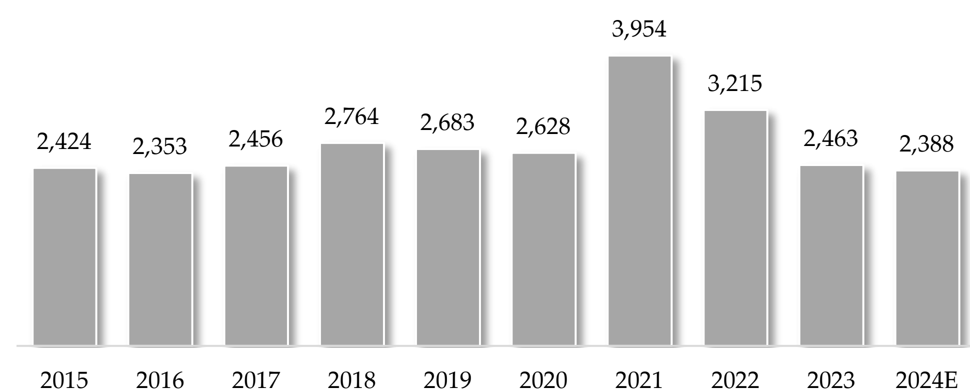
North America Information Technology M&A Transaction Value

($ in billions)



North America Information Technology M&A Transaction Count

(# in actual)



Livingstone

Source: PitchBook, CapIQ, Livingstone proprietary research

Selected M&A Activity of Public Acquirers

2024 Snapshot

Date	Target	Buyers	Business Description (Target)	Geographic Locations (Target)	Enterprise Value ($USDmm)	Enterprise Value / Revenues (x)	Enterprise Value / EBITDA (x)
12/27/2024	Cigniti Technologies	Coforge	Offers digital assurance services, such as artificial intelligence, Internet of Things, blockchain, big data and analytics	Asia	$563.7	2.6x	23.0x
12/19/2024	Crayon Group	SoftwareONE	Operates as an IT consultancy utilizing Software & Cloud Direct, Cloud Channel, Cloud Economics, and Consulting segments	Europe	$1,203.0	2.0x	16.6x
12/11/2024	Daugherty Systems	CGI	Provides business technology consulting services for local and state governments, organizations, and Fortune 500 companies	United States / Canada	-	-	-
11/04/2024	Allitix, Inc.	Accenture	Provides Anaplan-based solutions across finance, sales, supply chain, and human resources functions	United States	*Proprietary & Confidential*		
10/07/2024	First Derivatives	EPAM	Provides data analysis software and consulting services to the capital markets industry	Europe	$300.9	1.4x	12.8x
07/29/2024	Badal.io	TELUS	Google Cloud Platform (GCP) consulting and services company	Canada	$14.4	-	-
07/17/2024	BridgeView Life Sciences	Zensar Technologies	Data aggregation platform that offers software, IT transformation, support, advisory consulting, and staff augmentation services	United States	$25.0	1.9x	-
07/01/2024	New World Tech	Insight Enterprises	IT consulting firm that offers advisory, design, program delivery, and digital project management	Europe	-	-	-
06/10/2024	Belcan	Cognizant	Offers engineering consultancy and technical recruiting services to organizations worldwide	United States	$1,287.0	-	-
05/23/2024	Communications Tech. assets of HPE	HCL Technologies	Business outsourcing assets of Hewlett Packard	United States	$225.0	-	-
05/13/2024	Skytap	Kyndryl	Provides cloud based development and test environments for migrating and modernizing enterprise applications worldwide	United States	$51.0	-	-
04/18/2024	in-tech Holding	Infosys	Offers engineering research and development services that shape digitization in the automotive, rail transport, and smart industry sectors	Europe	$479.9	-	-
04/05/2024	JASTEC Co.	NTT Data	Provides custom software development and system integration services in Japan	Asia	$153.9	1.1x	-
02/29/2024	GalaxE.Solutions	Endava	IT consulting services company with engineering and healthcare expertise	United States	$419.8	-	-
02/01/2024	Medalsoft International	SoftwareONE	Provides information technology solutions using advanced AI/GPT, large language models, cloud computing, IoT, and other technologies	Asia	$29.3	-	-
01/11/2024	InSemi Technologies	Infosys	IT consulting and technology solutions for businesses for enablement of Internet of Things (Iot), cloud computing and big data technologies	Asia	$33.7	1.8x	-

Source: PitchBook, CapIQ, Livingstone proprietary research

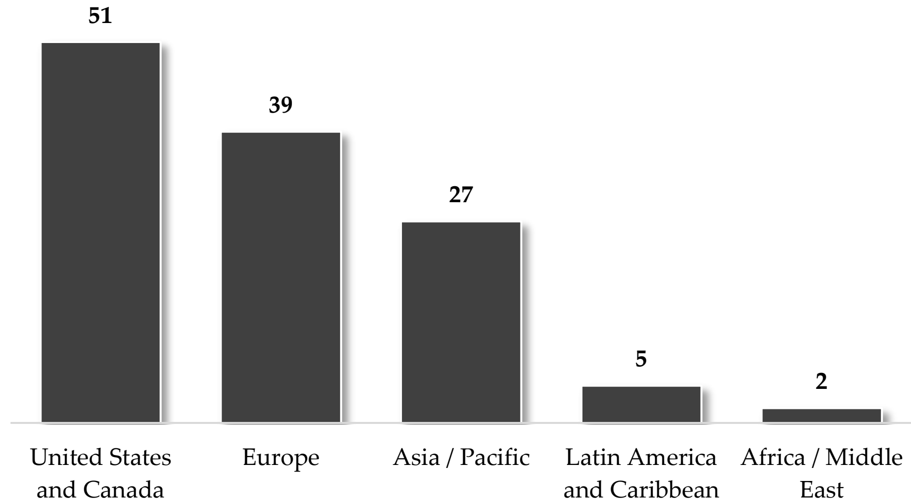
Recent M&A Activity of Public Acquirers

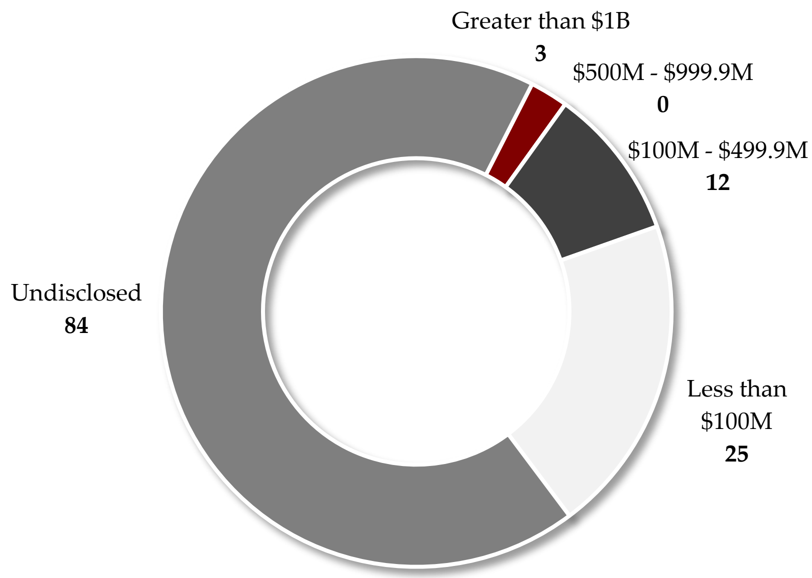
2024 Snapshot

Most Active Buyers/Investors by Number of Transactions

Accenture	33
International Business Machines	11
NTT Data	8
Bechtle	6
Capgemini	4
Coforge	4
EPAM	4
HCL Technologies	4
TD SYNNEX	4
Wipro	4
CGI	3

Transactions by Region & Size





Source: PitchBook, CapIQ, Livingstone proprietary research

Selected Private Equity M&A Activity

2024 Snapshot

Date	Target	Buyers	Business Description (Target)	Enterprise Value ($USDmm)	Enterprise Value / Revenues (x)	Enterprise Value / EBITDA (x)	Platform or Add-On
12/18/2024	ISPN	Align Capital Partners	Provides managed internet services including, hosted server solutions, email services and managed IT solutions	-	-	-	Platform
12/18/2024	Valiant	Bluestone Investment Partners	Offers security operations, security engineering, governance, risk, and compliance, and cloud management services to government customers nationwide	-	-	-	Platform
12/16/2024	phData	Gryphon Investors	Develops and offers data engineering and automation solutions to create data platforms, products, and machine learnings systems	-	-	-	Platform
12/04/2024	Forty AU	ASH Investment Partners	Provides software development and deployment services for infrastructure, cloud hosting, migration services, and general consulting services	-	-	-	Platform
12/03/2024	Integris	OMERS Private Equity	Provides IT managed services, offering cybersecurity, cloud services, information technology consulting, infrastructure, and support services	-	-	-	Platform
11/19/2024	RepTrak	Periscope Equity	Provides enterprise software to provide businesses with data analytics to help users understand, improve, and protect their corporate reputation	-	-	-	Platform
11/18/2024	PCA Technology	L Squared Capital Partners	Provides IT consulting and cloud computing services, offering managed services, software development, cloud computing, and more.	-	-	-	Add-on
10/30/2024	Eckoh	Bridgepoint Group	Provides customer engagement data, managed cloud and payment security solutions internationally	$192.4	4.2x	18.0x	Platform
10/24/2024	7N	Polaris Management	Provides IT consulting and training services covering project management, build and infrastructure, and software development	-	-	-	Platform
10/29/2024	AQ Compute	Bain Capital, LP	Provides modular data center and colocation services utilizing AI technology to helps clients build sustainable data centers	-	-	-	Platform
10/21/2024	Netrio	L Squared Capital Partners	Provides managed IT and security services for small and medium-sized businesses	-	-	-	Platform
10/15/2024	XPECT	NewSpring Capital	Offers enterprise IT services such as cybersecurity, cloud services, network infrastructure, and data center management	-	-	-	Platform
10/09/2024	Visionary Integration	The Pritzker Organization	Provides IT consulting, management consulting, software quality management, and organizational development services	-	-	-	Platform
09/30/2024	Salute Mission Critical	New Mountain Capital	Provides data center lifecycle services such as deployment, management, and decommissioning	-	-	-	Platform
09/17/2024	BlackPoint IT Services	Agellus Capital	Provides managed IT, cybersecurity and consulting services to corporate and government businesses in the Pacific Northwest	-	-	-	Add-on
09/16/2024	C5MI Insight	DC Capital Partners	Provides global supply chain systems implementation and digital modernization solutions	-	-	-	Platform

Source: PitchBook, CapIQ, Livingstone proprietary research

Selected Private Equity M&A Activity

2024 Snapshot (Continued)

Date	Target	Buyers	Business Description (Target)	Enterprise Value ($USDmm)	Enterprise Value / Revenues (x)	Enterprise Value / EBITDA (x)	Platform or Add-On
09/09/2024	Blue Mantis	Recognize Partners	Offers cloud services, application modernization, transformation services, and managed IT services	-	-	-	Platform
09/03/2024	Tru Consulting	Superstep Capital	Provides Anaplan implementation for clients in the education and public sectors	-	-	-	Platform
08/27/2024	B&A	DFW Capital	Provides solutions specifically designed for governments, including advanced analytics, business process engineering, and integration and analytics services	-	-	-	Platform
08/14/2024	Aware	Permira Advisers	Offers a cyber security platform that identifies and reduces risk, strengthens security and compliance, and uncovers real-time business insights from digital conversations	-	-	-	Add-on
08/01/2024	ECIT	TowerBrook	Provides IT, finance and accounting, and technology solutions to small and medium-sized businesses in the Nordics	$509.2	1.5x	11.8x	Platform
07/31/2024	Contegix	Keensight Capital	Provides cloud computing, colocation, and managed hosting services and solutions	-	-	-	Add-on
07/24/2024	Seidor	The Carlyle Group	Provides information technology consulting services including digital transformation, employee and talent management, mobility solutions, and digital commerce	-	-	-	Platform
07/09/2024	Exclusive Networks	Clayton, Dubilier & Rice	Operates as a global cybersecurity specialist for digital infrastructure in Europe, the Middle East, Africa, the United States, and the Asia Pacific	$2,657.0	1.6x	12.9x	Platform
06/24/2024	Aareon	TPG Capital	Provides information technology systems and consulting services for the real estate industry in Europe	$4,184.1	-	-	Platform
05/22/2024	CyberSheath	BV Investment Partners	Offers managed security services to help defense contractors navigate information technology, governance, and cybersecurity challenges	-	-	-	Platform
04/30/2024	Vinnergi	Polaris Management	Provides system integration services to design, develop, and maintain fiber networks	-	-	-	Platform
03/07/2024	Velosio	Court Square Capital Partners	Deploys business applications through the cloud such as Micrsoft 365, Microsoft Dynamics, Netsuite, Sage and proprietary Velosio solutions	-	-	-	Platform
02/27/2024	Perficient	EQT Private Capital	Offers solutions in digital and technology strategy; and data and intelligence solutions in the areas of analytics, AI and machine learning, big data, and business intelligence	$2,748.7	3.0x	15.8x	Platform
02/21/2024	Trianz	Capital Square Partners	Provides cloud consulting, analytics, digital transformation strategies, IT infrastructure services, managed services, and IT security consulting	-	-	-	Platform
01/22/2024	evolv	Interlock Equity / Stellus Capital	Provides management and technology consulting services including cloud data, data architecture, data mesh and virtualization, warehousing, analytics and reporting	-	-	-	Platform
01/16/2024	Datavail	CIVC Partners	Designs and develops software and database solutions including analytics and business intelligence, app development and integration, cloud migration, and others	-	-	-	Platform

Source: PitchBook, CapIQ, Livingstone proprietary research

AMSTERDAM
BEIJING
CHICAGO
DUSSELDORF
HAMBURG
LOS ANGELES
MADRID
MILAN
SEOUL
STOCKHOLM
VALENCIA
VERONA

LIVINGSTONEPARTNERS.COM