

Mergers & Acquisitions in the IT Services Industry in Q3 2025

October | 2025

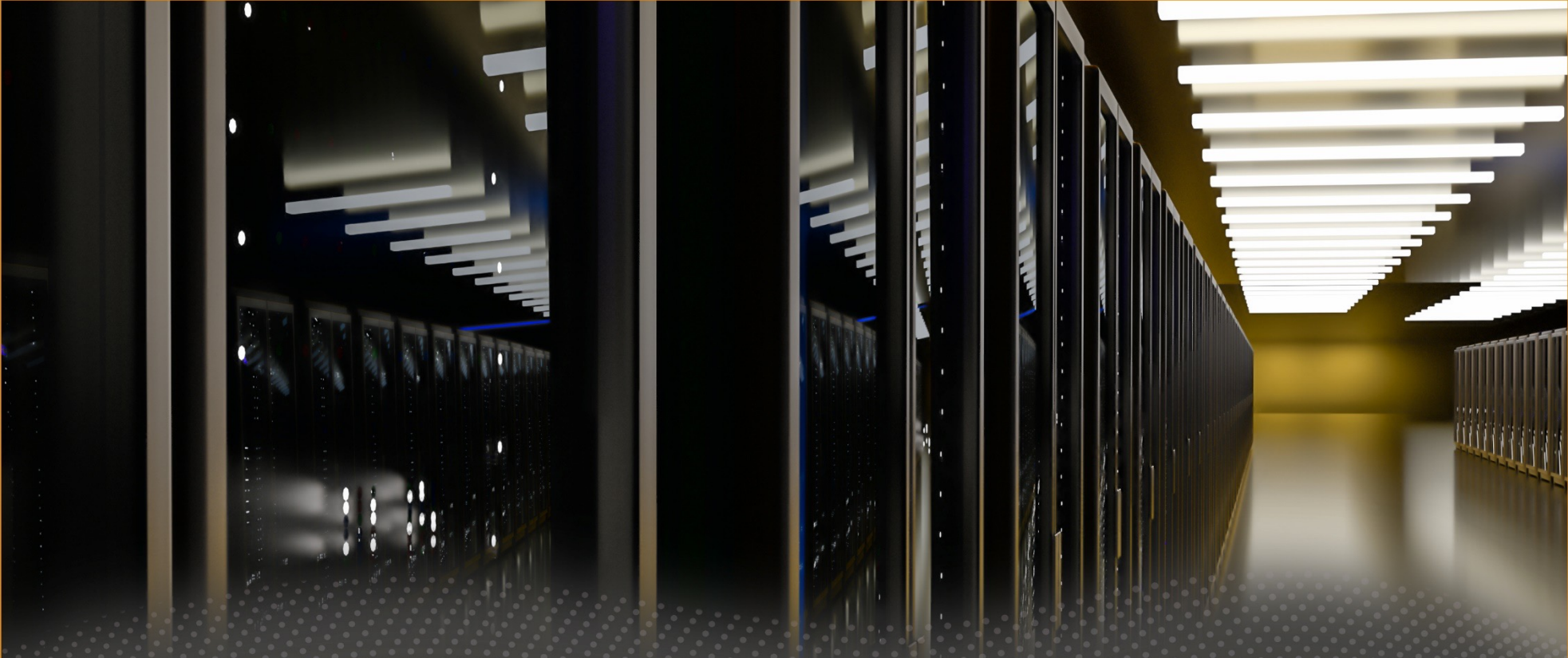
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Market Observations

M&A Trends in the IT Services Industry

In Q3 2025, there were many acquisitions of managed service providers (MSPs), cybersecurity solutions providers, and US federal IT solutions providers. Here is a sample of some of the larger or more significant M&A deals of Q3 2025:

- Financial industry MSP Abacus Group merged with healthcare industry MSP Medicus IT.
- IT systems integrator B&A acquired the US Federal IT services assets from Hexagon (Nasdaq Stockholm: HEXA B).
- The MSPs CompassMSP and Blackpoint IT merged.
- Digital Realty (NYSE: DLR) acquired colocation services facilities of Hivelocity in Miami and Chicago.
- Azure cloud solutions providers Henson Group and myCloudDoor merged under the new entity Aliando.
- Managed Security Services Provider (MSSP) LevelBlue acquired managed detection and response provider Trustwave.
- The distributor TD Synnex (NYSE: SNX) acquired Apptium, a cloud commerce platform.
- Engineering technology firm Virtusa acquired Sincera Technologies, a digital transformation firm.

Here is a summary of three major themes of Q3 2025:

MSPs: Consolidation of the MSP sector continued. The following firms acquired MSPs in Q3 2025: Abacus Group, CompassMSP, Corporate Technologies, Evergreen Services, Fairdinkum Consulting, IT Solutions Consulting, Netspark IP & Telecom, Ntiva, Thrive, and Valeo Networks.

Cybersecurity Solutions Providers: There were many M&A deals involving cybersecurity solutions providers in Q3 2025. The following firms acquired cybersecurity companies: 360 Advanced, Access IT Group, private equity firm Hg, private equity firm Sunstone Partners, Covasant, Cryptic Vector, Fortified Health Security, Knexus, LevelBlue, One 23 Group, and SDG.

IT Solutions Firms that Serve the US Government: Consolidation continues in the US federal IT services industry. The following companies acquired IT solutions firms that serve the US Government: B&A, Case Consulting, Cryptic Vector, Knexus, and One 23 Group.

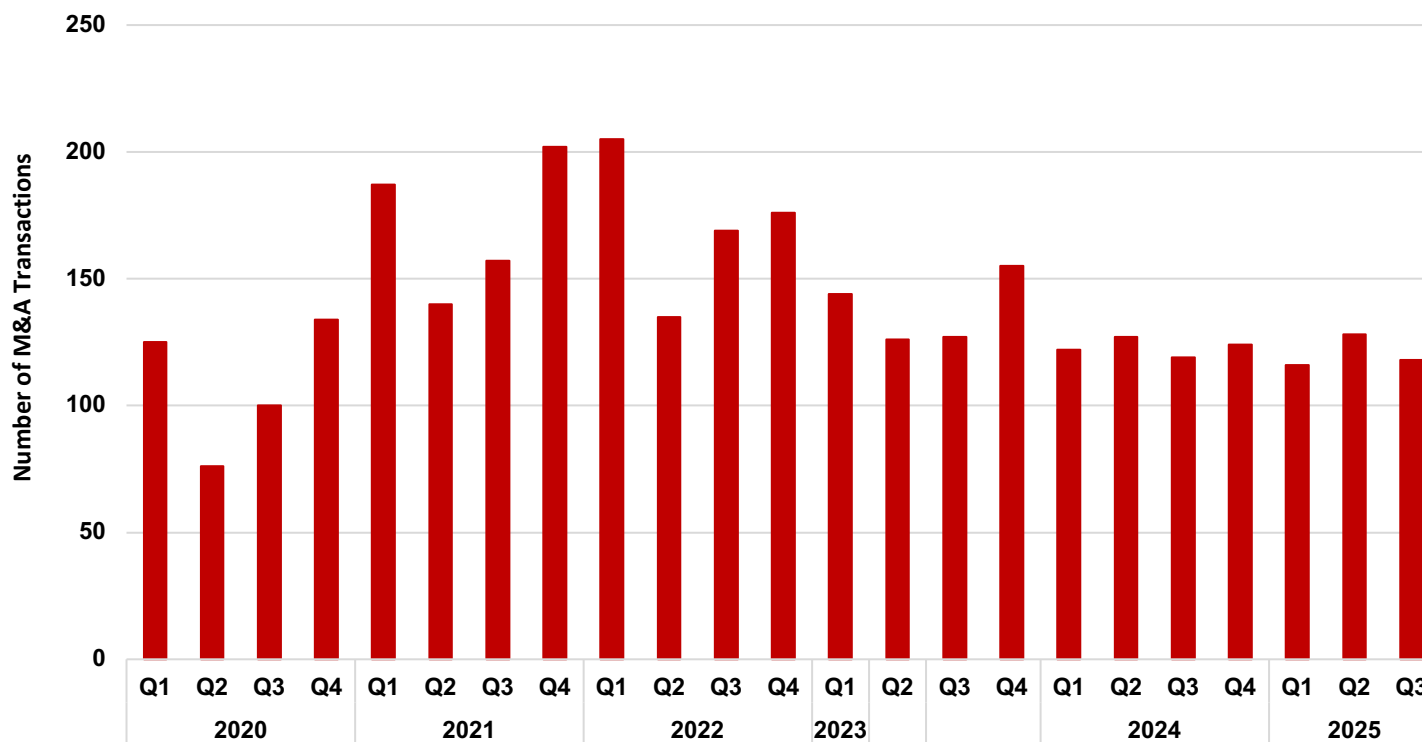
The following league table ranks technology services firms that executed multiple M&A transactions in Q3 2025 according to the number of M&A transactions executed in the calendar quarter: Accenture 11, Evergreen Services 5, Thrive 3, and Net@Work 2.

M&A Metrics

North American IT Services M&A Deal Volume

The chart below illustrates the number of mergers and acquisitions in the North American IT services industry by calendar quarter. There was an extraordinary volume of M&A activity worldwide during the pandemic years of 2021 and 2022 as governments around the world stimulated the economy with aggressive fiscal and monetary policies. The volume of M&A transactions gradually reverted to normal levels as interest rates rose in 2022 and 2023. The volume of M&A transactions has been relatively stable for the past 21 months. From a historical perspective, the volume of M&A transactions in Q3 2025 was significantly above the pre-pandemic volume. For example, the number of M&A deals in Q3 2025 was 118, while the average number of M&A deals per calendar quarter was only 84 in 2018 and 96 in 2019. Both the US Federal Reserve and the Bank of Canada reduced interest rates in September 2025. The consensus view is that that further interest rate reductions over the next few months are likely. Lower interest rates will likely stimulate M&A activity.

Mergers & Acquisitions of IT Services Businesses



Source: FactSet

A hand holding a smartphone displaying a financial dashboard. The screen shows a 'Dashboard' with 'My balance' of 4,595.72 CRM, a 'SEND' button, and a 'CRM price' of 2,141.11 USD. A line graph shows a 74% increase. The background is a blurred office setting.

Transaction Highlights

M&A Transaction Highlights

Major Reseller M&A Transactions



In September, Florida-based cybersecurity solutions provider 360 Advanced acquired Florida-based compliance advisory Security Compliance Associates. 360 Advanced is backed by BregalSagemount.



Private equity firm FFL Partners merged New York City-based financial services managed services provider (MSP) Abacus Group and Georgia-based healthcare MSP Medicus IT.



Accenture (NYSE: ACN) announced or completed eleven acquisitions in Q3 2025. The acquired companies provide diverse consulting services in areas such as digital transformation, Salesforce solutions, and cybersecurity. The acquired companies are based in the following regions: 4 in North America, 4 in Asia/Australia, and 3 in Europe.



In July, private equity firm Nautic Partners acquired Pennsylvania-based cybersecurity firm AccessIT Group.



Private equity firm Hg acquired Tampa-based cybersecurity compliance consultancy A-LIGN in July.



In September, Virginia-based federal IT engineering firm American Systems Corp. acquired North Carolina-based Epsilon Inc., a provider of managed IT and cybersecurity solutions.



In September, Dallas-based IT solutions provider Argano acquired South Carolina-based HyBridge Solutions, a provider of human capital management and enterprise resource planning (ERP) consulting services. Argano is a portfolio company of private equity firm Trinity Hunt.



Virginia-based IT systems integrator B&A (Bart & Associates) acquired certain IT services business units from Hexagon US Federal (Nasdaq Stockholm HEXA B) in July. Those business units generate roughly \$90 million of annual revenues. B&A is a portfolio company of DFW Capital Partners.



In August, California-based technology advisory/agency Bluewave Technology acquired Texas-based technology solutions firm Cactus Technology. Bluewave is backed by Columbia Capital.



In July, Virginia-based software engineering firm Case Consulting acquired Virginia-based Ragnarok Technologies, an IT solutions provider that serves the US Government. Case Consulting is backed by AE Industrial Partners.



In September, private equity firm Sunstone Partners acquired Nashville-based Clearwater Security & Compliance, a provider of cybersecurity and compliance solutions.



M&A Transaction Highlights

Major Reseller M&A Transactions



In August, venture capital firm Seroda Ventures acquired Ohio-based Google cloud solutions provider Evonence and merged that company with Seroda's incubated IT solutions provider Cloudnyx.ai.



In Q3 2025, Connecticut-based CompassMSP merged with Washington state-based MSP Blackpoint IT and acquired New Jersey-based MSP Simplegrid Technology. CompassMSP is a portfolio company of Agellus Capital.



Minnesota-based Corporate Technologies acquired Kansas City-based MSP Cenetric in August. Corporate Technologies is a portfolio company of Tonka Bay Equity Partners.



In July, India-based agentic AI software-as-a-services firm Covasant merged with Austin-based AI-driven risk and compliance software development firm konaAI and California-based cybersecurity firm DCube Data Sciences.



Cincinnati-based Cryptic Vector acquired Dayton-based Caesar Creek Software in August. Both firms are offensive cyber consultancies that serve the US Government. Cryptic Vector is a portfolio company of Enlightenment Capital.



In September, Baltimore-based enterprise mobility systems integrator DecisionPoint Technologies acquired Tampa-based managed mobility solutions provider Acuity Technologies. DecisionPoint is backed by Graham Partners.



Austin-based datacenter operator Digital Realty (NYSE: DLR) acquired colocation services facilities of Hivelocity in Chicago and Miami in August.



In September, Massachusetts-based IT solutions provider EchoStor Technologies acquired Maine-based CyberNorth, a provider of data protection, infrastructure, and cloud services.



In July, Boston-based SAP Success Factors solutions provider Enterprise Information Resources (EIR) acquired Austin-based PLESM, a fellow SAP Success Factors Solutions provider.



San Francisco-based private equity firm Evergreen Services Group acquired the following MSPs in Q3 2025: Nashville-based ImageQuest, Calgary-based LAN Solutions, Calgary-based ITeam, Alberta-based Corporate Networks, and Pennsylvania-based Next7 (formerly Houk Consulting).

M&A Transaction Highlights

Major Reseller M&A Transactions



In September, New York City-based IT consultancy Fairdinkum Consulting acquired Long Island-based MSP Tech 2020 Solutions.



In September, Tennessee-based healthcare managed security services provider (MSSP) Fortified Health Security acquired Pennsylvania-based Latitude Information Security, a healthcare cybersecurity consulting firm. Fortified is backed by private equity firm Health Velocity Capital.



Washington-based MSP FusionTek acquired Washington-based IT solutions provider Computer Services Corporation in early October.



In July, New York City-based Microsoft Azure cloud solutions provider Henson Group merged with Spain-based Microsoft Azure cloud solutions provider myCloudDoor to form a new entity called "Aliando."



In July, India-based IT solutions provider Hexaware Technologies (NSE: HEXT) acquired Dallas-based SMC Squared, a firm specializing in offshore staff augmentation and managing global capability centers.



In September, France-based human resources technology consultancy HR Path acquired Chicago-based Next Generation, a consultancy specializing in human capital management and enterprise resource planning solutions.



In September, Dallas-based digital technology consultancy Improving acquired Dallas-based MangoChango, a technology consultancy and software development firm. Improving is a portfolio company of private equity firm Trinity Hunt.



India-based inMorphis acquired the ServiceNow practice from California-based Solugenix Corporation in July. inMorphis is backed by Capital Square Partners and ServiceNow Ecosystem Ventures.



In July, Philadelphia-based MSP IT Solutions Consulting acquired Orlando-based MSP Cutting Edge Network Technologies. IT Solutions Consulting is a portfolio company of Nautic Partners.



California-based IT Engineering consultancy Kanchi Technologies acquired Colorado-based IT Atlassian consultancy T4S Partners in July.

M&A Transaction Highlights

Major Reseller M&A Transactions



In July, Virginia-based Knexus, an AI solutions provider to the US Government, acquired Massachusetts-based S4, a provider to the US Government of cybersecurity and other IT services.



In August, the PedalPoint waste electronics recycling subsidiary of metal refiner Korean Zinc acquired Georgia-based MDSi, an IT and telecom supply chain and reverse logistics firm.



Dallas-based cybersecurity consultancy and MSSP LevelBlue acquired Chicago-based managed detection and response provider Trustwave in July.



In August, Dallas-based colocation and private cloud provider Limestone Networks acquired California-based BreezeTech Hosting.



New York City-based ERP solutions provider Net@Work acquired the following two companies in Q3 2025: New York City-based Sage and Acumatica ERP solutions provider AppSolute Consulting and the Acumatica ERP business of California-based Advanced Solutions and Consulting.



In July, Dallas-based IT and telecom consultancy Netspark IP & Telecom acquired Louisiana-based MSP Infinite Technology Source.



In August, Denver-based data and AI firm Nimble Gravity acquired Boston-based Fog Solutions, an Azure and Databricks solutions provider specializing in data and AI strategy. Nimble Gravity is backed by Rallyday Partners.



New York City-based Nixxy (NASDAQ: NIXX) acquired the data center assets of Everythink Innovations in August.



In July, Estonia-based digital transformation solutions provider Nortal acquired Los Angeles-based Nearsure, a provider of digital transformation and software development services.



In September, Virginia-based MSP Ntiva acquired Tampa-based MSP Site Tech Services. Ntiva is backed by PSP.



In August, Washington, D.C.-based One 23 Group, a provider of cybersecurity solutions to the US Government, acquired Alabama-based Integrated Computer Solutions, a provider of cybersecurity solutions to national security agencies. One 23 Group is backed by Willow Creek Partners.

M&A Transaction Highlights

Major Reseller M&A Transactions



Georgia-based IT solutions provider Performive acquired cloud hosting firm CloudFirst in September. Performive is a portfolio company of Renovus Capital Partners.



In September, Connecticut-based cybersecurity and identity access management (IAM) consultancy SDG Corporation acquired Connecticut-based Hub City Media, an IAM consultancy. SDG is backed by Recognize.



In July, New Jersey-based Smart IMS acquired New Jersey-based cyberThink, an IT services and staffing firm.



In July, the IT distributor TD Synnex (NYSE: SNX) acquired Virginia-based Apptium, a software development firm and cloud commerce platform. Also, TD Synnex acquired Japan-based IT solutions provider Gateway Computer.



In July, Florida-based national computer and telephone repair franchisor Techy acquired Florida-based NerdsToGo, a franchisor of MSPs with 32 locations throughout the US.



Boston-based MSP Thrive acquired the following MSPs in Q3 2025: Ohio-based VitalCORE, New Jersey-based Baroan Technologies, and Florida based Abacode.



Private equity firm Tallvine Partners acquired Houston-based colocation & hosting firm TRG Datacenters in August.



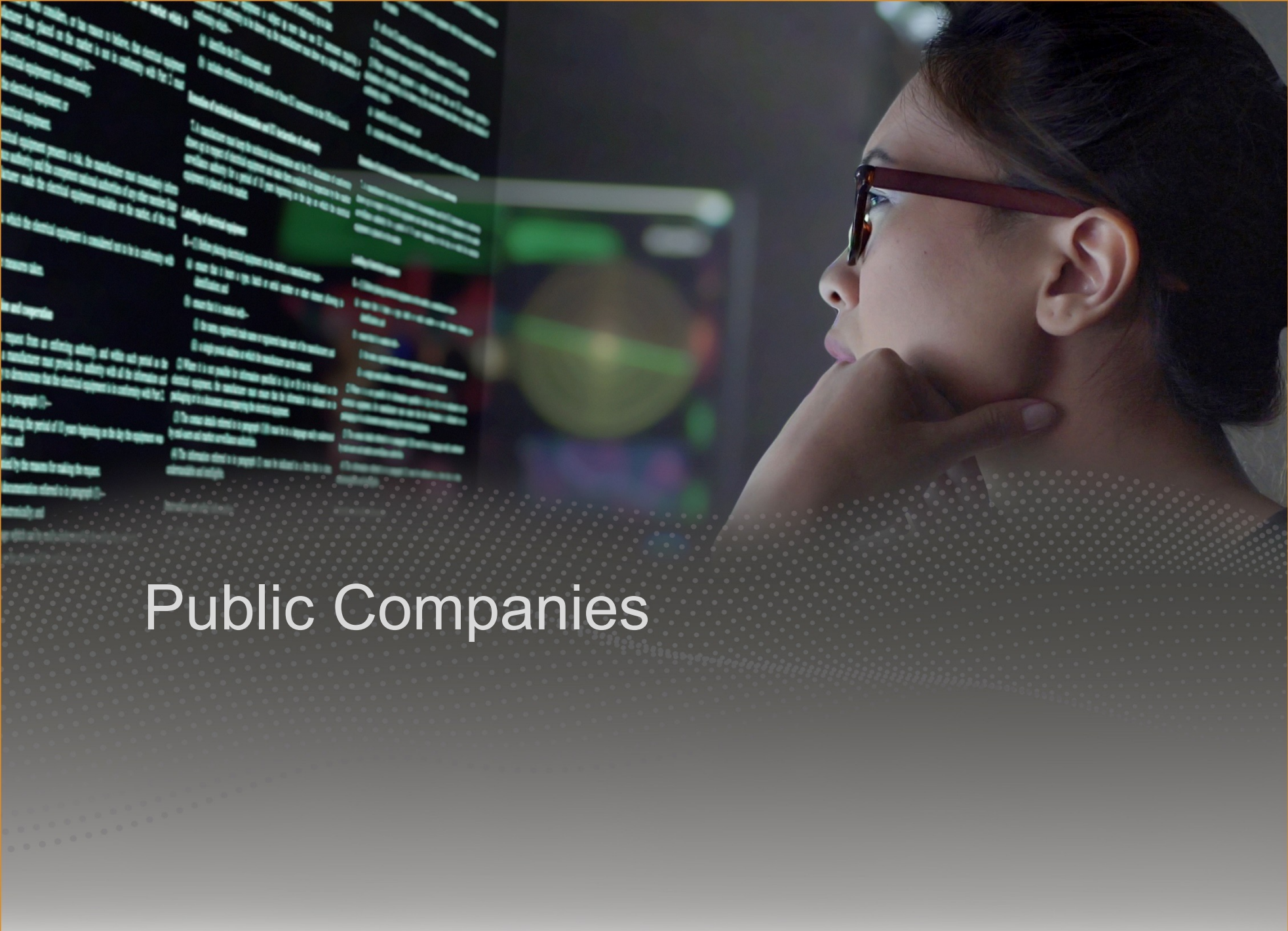
In August, New York City-based technology advisory Upstack acquired Seattle-based technology consultancy Avail Partners. Upstack is backed by private equity firm Berkshire Partners.



Florida-based MSSP Valeo Networks acquired Cincinnati-based MSP Splicenet Consulting in August.



In July, Massachusetts-based engineering technology services firm Virtusa acquired New Hampshire-based Sincera Technologies, a software development and digital transformation firm. Virtusa is a portfolio company of EQT Private Equity.

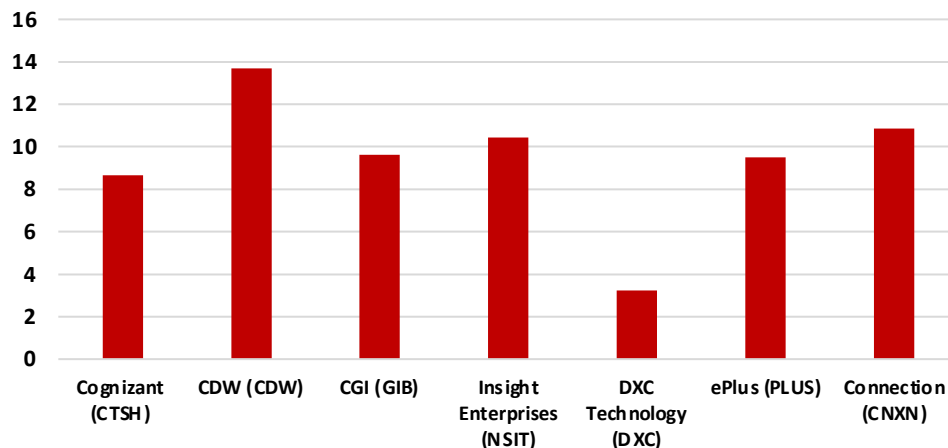


Public Companies

Valuations of Publicly Traded Tech Services Firms

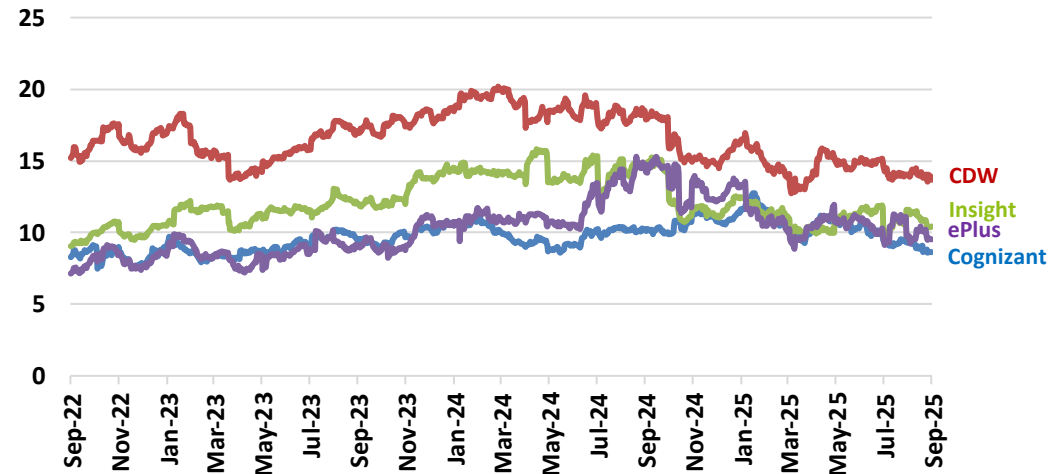
The chart below on the left illustrates recent Enterprise Value (EV) Multiples of some large North American publicly traded IT services companies based upon stock prices on September 30, 2025. Valuations of privately held companies and publicly traded companies change over time due to macroeconomic conditions, quarterly earnings, and other factors. Large, publicly traded companies tend to have much higher EV Multiples than small privately held companies. The left chart illustrates that CDW (NASDAQ: CDW) led the pack at the end of Q3 2025 with an EV Multiple of 13.69, while the other large North American IT solutions companies had EV Multiples that ranged from 3.24 for DXC Technology (NYSE: DXE) to 10.85 for Connection (NASDAQ: CNXN). The right chart illustrates the evolution of EV multiples over the past three years of a few large, publicly traded IT services firms. CDW has been in a *league of its own* in terms of EV multiple for the past three years. Over the past year, EV multiples declined significantly for all four companies due to declining stock prices. The EV multiple of Cognizant (NASDAQ: CTSH) declined the least over the past year. Over the past three years, ePlus (NASDAQ: PLUS) has led the group in EV Multiple growth by far.

EV Multiples of Publicly Traded IT Services Firms



Source: FactSet
EV as of Sept. 30, 2025
Based upon Last Twelve Months EBITDA
Highest Market Capitalization from Left to Right

EV Multiples Over Time



Source: FactSet



CFA Overview

About CFA

Who We Are / What We Do

Corporate Finance Associates (CFA) is an independent international investment banking firm serving middle-market businesses. For over 60 years, Corporate Finance Associates has been advocating on behalf of business owners who are restructuring a company, either through divestiture, merger, acquisition or recapitalization. Combining the knowledge and leverage of a larger bank with the customer focused detail of a boutique firm, from inception to completion, our senior principals provide hands-on expertise to clients buying, selling or recapitalizing a business.

Our Technology, Media & Telecom Industry Practice Group was established to draw on the experience of CFA advisors, many of whom as former business owners and CEOs, have first-hand knowledge and have completed many transactions in this industry. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.



Sell-Side Advisory

Whether as a divestiture strategy or a recapitalization strategy selling all or part of a business requires equal parts creative thinking, critical analysis, expert advice, sound planning and flawless execution. Having the right team of investment banking professionals working for you is critical to ensure success.



Capital Markets

Our commitment to remaining independent from any investment or lending affiliates ensures that we deliver unbiased guidance. It also promotes maximum competition among lending sources, helping to fully leverage value for our clients. Our role is to help you raise the type of capital that best fits your needs.



Buy-Side Advisory

Growth through acquisition is a complex process. It involves strategy, planning, critical analysis, coordination and negotiation. When you want to take advantage of the fast growth offered by a consolidation or roll-up, CFA's broad reach, sources of financing and efficient closings can help you achieve your business growth goals.



Financial Advisory

Now that you have made the decision to raise capital for your business, choosing the right investment banker is critical. Whether you are buying out a partner, financing an acquisition or seeking growth capital, CFA is the right choice to help you achieve your financing goals.



Exit Planning

Every business will ultimately undergo a transfer via sale or merger, a charitable donation, a transfer to a child or relative or even bankruptcy, liquidation or death. Every ownership transfer carries with it a unique set of consequences and the best consequences usually begin with a clearly defined exit plan.



Business Valuation

"What is my business worth" is a question we often hear from business owners contemplating a business sale, merger or recapitalization. Answering this question depends on many factors, including the business valuation methods that are employed in the calculation.

Investment Banking Team



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John is the author of this Q3 2025 Report on Mergers & Acquisitions in the Technology Services Industry. He has over 25 years of senior executive experience in the IT channel in the USA and Europe. He started his career at Ingram Micro. While he was a Vice President at the \$10 billion hardware manufacturer Kingston Technology, he led the European channel organization for 10 years and the US channel organization for 8 years. As an investment banker, he has represented business owners in information technology, telecommunications and other industries. He has a BA from the University of Illinois, an MBA from the University of California, and he has attended executive education courses at Harvard Business School and the University of Oxford. He holds FINRA Series 63 and 79 licenses.



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Dan has a track record of success in strategic growth, corporate development, acquisitions and deal structures. His career began with technology engineering and grew to include all business leadership functions. He has pioneered market regions, set record-level sales closings and led the strategic development program for a public market offering. Dan has advised or led dozens of successful corporate development projects, including a franchise conversion, a NASDAQ IPO, and a \$400M acquisition, involving all aspects of strategic planning, M&A process execution, due diligence, and integration programs. Dan received a BS Business Administration with Honors from the University of Kansas, and has further studies with The Chasm Group, Miller Heiman, Karrass, and SMU's Cox School of Business. He is a certified Exit Planner with the Exit Planning Institute. He holds FINRA Series 63 and 79 licenses.



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Brian Murphy leads our team in Ireland where he has advised technology companies such as Apple, Dell, EMC, Logitech, McAfee, and Quest. With 20 years Big 4 plus experience including 10 years as an Advisory Partner with Deloitte, Brian specializes in executing international acquisitions, disposals and fundraising. As a Fellow of the Institute of Chartered Accountants in Ireland, Brian brings the deep reach and expertise of CFA to the Irish marketplace. Brian is a graduate of University College in Cork, Ireland.



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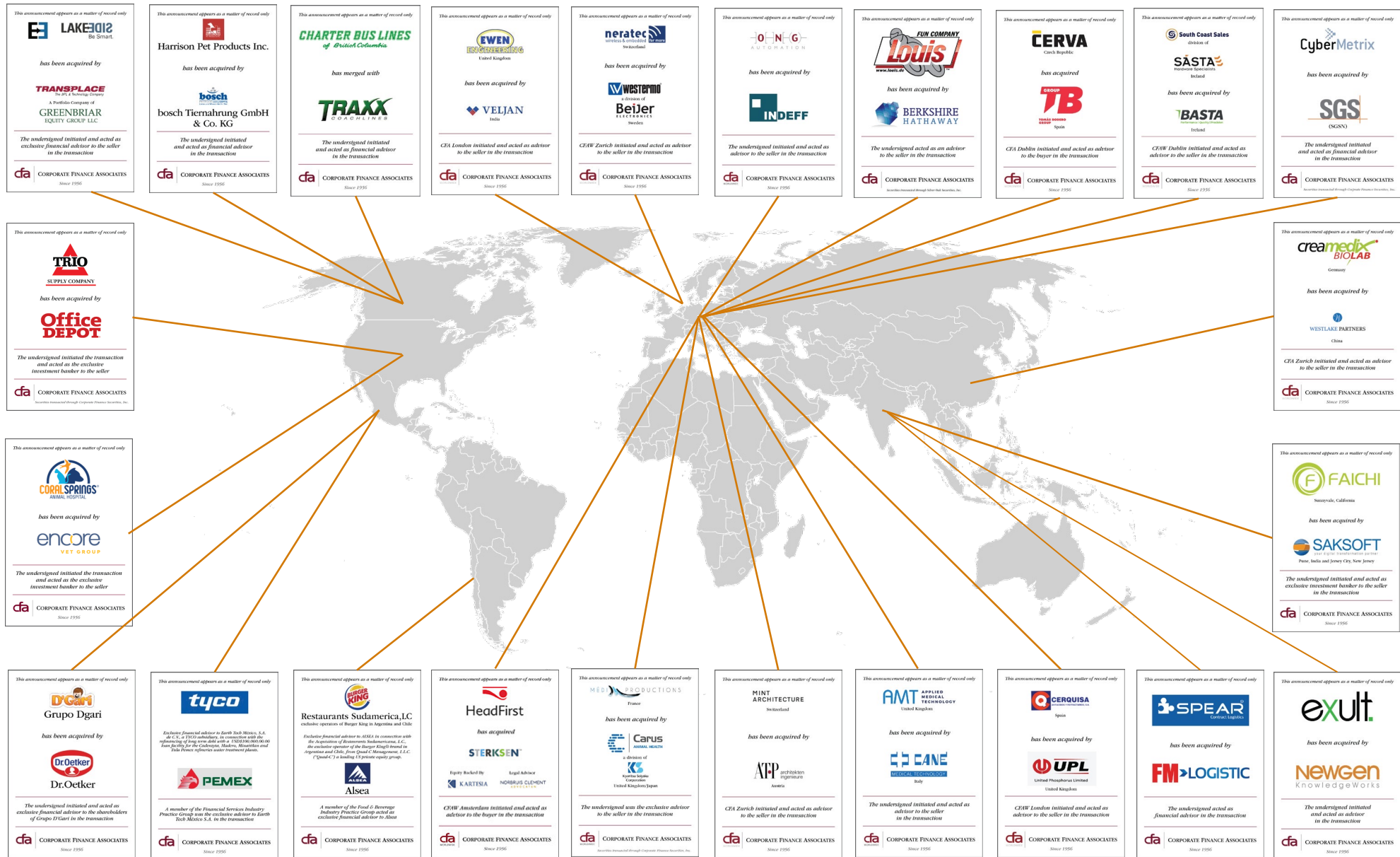
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Peter has more than 30 years of experience in corporate finance and investment banking, including international banking and M&A. He draws on a depth of experience and brings important insights to bear on the issues faced by clients, whether when selling their business or when requiring capital. Peter is a highly-skilled negotiator who is analytical and tenacious, yet objective and fair. He has participated in numerous M&A and corporate finance transactions, representing parties wishing to sell, buy or capitalize middle-market businesses. Peter has served the needs of middle-market companies in many industries. He is a Chartered Accountant of South Africa and holds a Master's Degree in Business Administration from the University of Cape Town, South Africa. He holds FINRA Series 7, 24, 28, 63 and 79 licenses.

Recent Tech Industry Transactions

<i>This announcement appears as a matter of record only</i>  <i>has been acquired by</i>  <i>The undersigned initiated the transaction and acted as the exclusive investment banker to the seller</i>  CORPORATE FINANCE ASSOCIATES Securities transacted through Corporate Finance Securities, Inc.	<i>This announcement appears as a matter of record only</i>  <i>has been acquired by</i>  <i>The undersigned initiated the transaction and acted as the exclusive investment banker to the seller</i>  CORPORATE FINANCE ASSOCIATES Securities transacted through Corporate Finance Securities, Inc.	<i>This announcement appears as a matter of record only</i>  <i>has been acquired by</i>  <i>The undersigned initiated the transaction and acted as the exclusive investment banker to the seller</i>  CORPORATE FINANCE ASSOCIATES Securities transacted through Corporate Finance Securities, Inc.	<i>This announcement appears as a matter of record only</i>  <i>has been acquired by</i>  <i>The undersigned initiated the transaction and acted as the exclusive investment banker to the seller</i>  CORPORATE FINANCE ASSOCIATES Securities transacted through Corporate Finance Securities, Inc.	<i>This announcement appears as a matter of record only</i>  <i>has been acquired by The Leadership Team and</i>  HUNT TECHNOLOGY VENTURES, L.P. <i>The undersigned acted on behalf of eGroup</i>  CORPORATE FINANCE ASSOCIATES Securities transacted through Corporate Finance Securities, Inc.
<i>This announcement appears as a matter of record only</i>  <i>has sold a majority stake to</i>  <i>CFAW Amsterdam initiated and acted as advisor to the seller in the transaction</i>  CORPORATE FINANCE ASSOCIATES Since 1956	<i>This announcement appears as a matter of record only</i>  <i>has been acquired by</i>  <i>The undersigned initiated and acted as financial advisor in the transaction</i>  CORPORATE FINANCE ASSOCIATES Securities transacted through Corporate Finance Securities, Inc.	<i>This announcement appears as a matter of record only</i>  <i>has been acquired by</i>  <i>The undersigned initiated the transaction and acted as the exclusive investment banker to the seller</i>  CORPORATE FINANCE ASSOCIATES Securities transacted through Corporate Finance Securities, Inc.	<i>This announcement appears as a matter of record only</i>  <i>has been acquired by</i>  <i>The undersigned initiated the transaction and acted as the exclusive investment banker to the seller</i>  CORPORATE FINANCE ASSOCIATES Securities transacted through Corporate Finance Securities, Inc.	<i>This announcement appears as a matter of record only</i> An investment fund managed by Maxburg Capital Partners, Munich, Germany  <i>acquired 100% of the shares of AraCom IT Services AG</i>  <i>CFAW Frankfurt acted as exclusive M&A advisors to the sellers in a structured international sales process</i>  CORPORATE FINANCE ASSOCIATES Since 1956

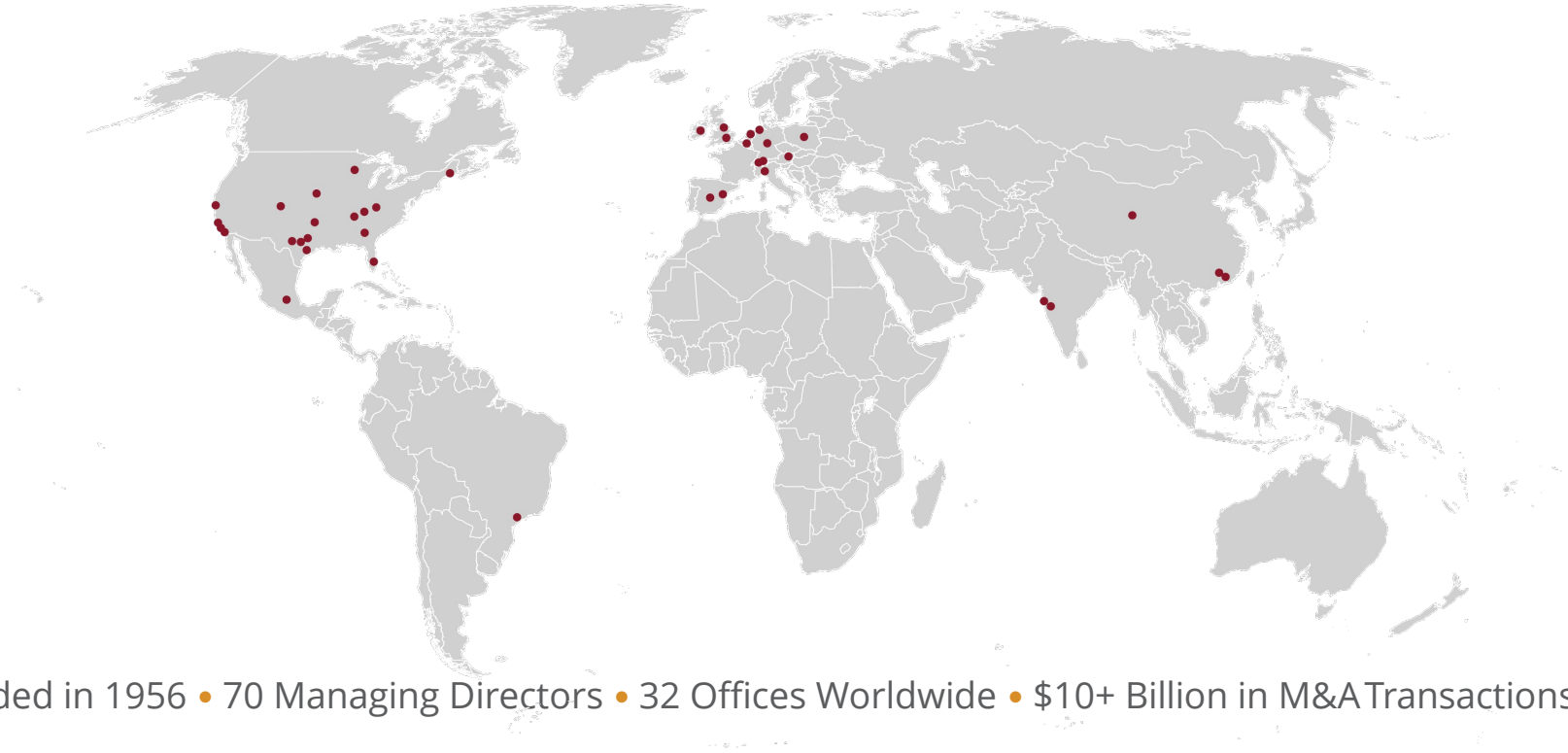
Worldwide Transactions



Regional Service, Global Reach

Where We Are

With offices across the USA and in Austria, Belgium, Brazil, France, Germany, Hong Kong, India, Ireland, Italy, Mexico, Netherlands, Poland, South Africa, Spain, Switzerland and the United Kingdom providing middle-market companies with a wide range of M&A, financial advisory services and access to capital resources.



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