

**M&A INSIGHTS**

# **IT Consulting, Technology, and Digital Services Industry Update**

**Q3 INDUSTRY UPDATE  
2024**

---



# Industry M&A Insights & Highlights

## Q3 Further Rebounds

In Q3 2024, the number of closed deals increased by 15.6%, totaling 407 compared to 352 in Q2 2024. The median EV/EBITDA multiple in the sector jumped to 7.4x, up from 6.3x in Q2 2024. The sector continues to witness robust M&A activity driven by demand for digital transformation and cloud services. Clients prioritize scalability, cybersecurity, and automation. Valuations remain elevated for firms with specialized capabilities in AI and data analytics.

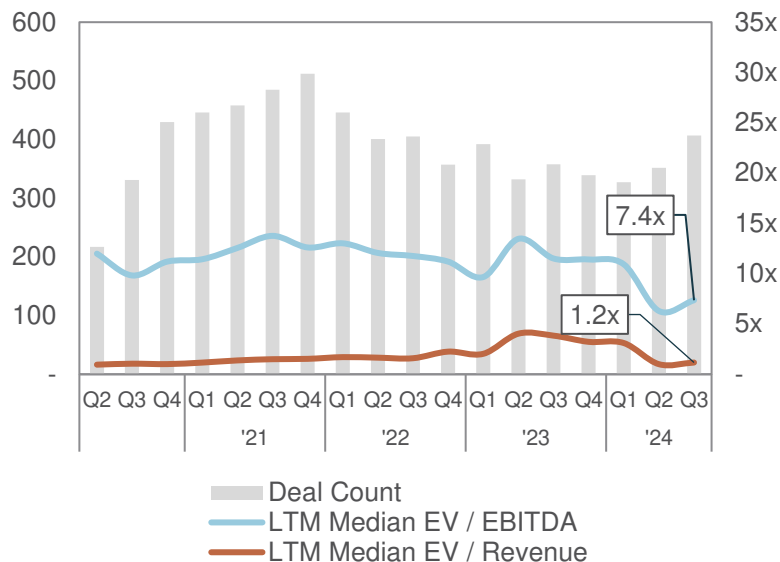
## Cloud Computing Expansion

The demand for cloud services continued its upward trajectory in Q3 2024, fueled by the growing need for scalable and efficient solutions to support AI and data-intensive workloads. Organizations are increasingly adopting hybrid and multi-cloud strategies to optimize flexibility, performance, and cost-efficiency.

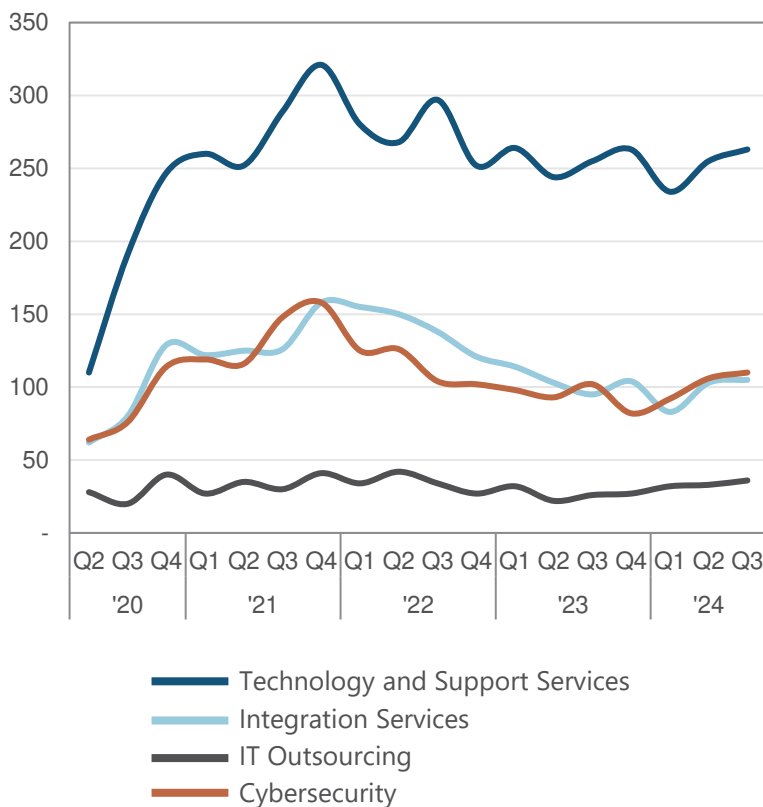
Cloud providers have responded by enhancing their infrastructure, introducing specialized offerings designed to meet the computational demands of AI model training, real-time analytics, and large-scale data processing. This expansion includes advanced AI-ready servers and tailored storage solutions, enabling enterprises to deploy complex workloads.

Key industry players like Foxconn have reported strong financial performance this quarter, driven by a surge in demand for AI servers and cloud infrastructure. Their results underscore the critical role of cloud services in the broader digital transformation landscape.

## IT Services PE Buyouts & Strategic M&A



## Quarterly Deal Volume by Vertical



Source: Pitchbook



CHARTER CAPITAL PARTNERS

chartercapitalpartners.com • 616.235.3555

# Private Transactions



## Most Active Strategic Acquirers

Company	Q3 Deal Count	Recent Industry Transactions
 <b>accenture</b>	4	08/13/24 – Logic Information Systems (Bloomington, MN) 07/09/24 - Cientra (Karnataka, India) 07/01/24 - OpenStream Holdings (Tokyo, Japan)
 <b>IBM</b>	3	09/09/24 - Accelalpha (Bellevue, WA) 07/09/24 - SiXworks (Farnborough, United Kingdom) 07/01/24 - WebMethods (Fairfax, VA)
 <b>VARGROUP</b> <small>inspiring innovation</small>	3	09/11/24 - Boot Systems (Barcelona, Spain) 09/11/24 – LBS Serveis (Massana, Andorra) 07/30/24 – PV Consulting (Rome, Italy)
 <b>AMD</b>	2	08/19/24 – ZT Systems (Secaucus, NJ) 08/09/24 – Silo AI (Helsinki, Finland)
 <b>bechtle</b>	2	09/03/24 - s.i.g mbH (Neu-Ulm, Germany) 07/02/24 - Magnetic Media Network (Viale Lombardia, Italy)

## Most Active Private Equity Acquirers

Firm	Q3 Deal Count	Recent Industry Transactions
 <b>SHORE</b> <small>Capital Partners</small>	5	09/19/24 - Cygnus Systems (Southfield, MI) 09/17/24 - Providence Consulting (Lansing, MI) 07/01/24 - Kgbcommunications (Tucson, AZ)
 <b>THE CARLYLE GROUP</b> <small>GLOBAL ALTERNATIVE ASSET MANAGEMENT</small>	5	09/17/24 - Argentis (San Juan, PR) 08/12/24 - Aware Group (Hamilton, New Zealand) 07/12/24 - aDolus Technology (British Columbia, Canada)
 <b>abry partners</b>	3	09/25/24 - Traverse Technologies (Victoria, Australia) 09/17/24 - Enterprise Solutions Providers (Monroe, CT ) 08/19/24 - HighTechnique (Braintree, MA)
 <b>H. I. G.</b> <small>CAPITAL</small>	3	09/24/24 - MDS Global IT (Richardson, TX) 09/17/24 - Polar DC (Oslo, Norway) 07/22/24 - Yantra (Santa Clara, CA)
 <b>LDC</b>	3	09/30/24 - Inciper (London, United Kingdom) 08/22/24 - Elastacloud (London, United Kingdom) 07/15/24 – Store Computer Technology (Dublin, Ireland)

## Key Private Equity Exits

<b>Seller:</b>	 Audax Private Equity	 <b>abry partners</b>	 <b>TRIVEST</b>
<b>Target:</b>	 <b>AXIENT</b>	 <b>options</b>	 <b>NOVATECH</b> <small>BRING EVERYTHING UP TO SPEED</small>
<b>Acquirer:</b>	 <b>PERPETUAL CAPITAL PARTNERS</b>	 <b>ASTRION</b>	 <b>VITRUVIAN</b> <small>STRATEGIC</small>
<b>Date:</b>	September 05 '24	September 08 '24	September 30 '24



## Key Deals Spotlight

### Cybersecurity Subsector Spotlight



On September 5, Salesforce (NYSE: CRM) acquired Own Company for \$1.9 billion in cash, net of the value of shares already held by Salesforce. Based in New Jersey, Own Company is a leading provider of data protection and data management solutions, trusted by nearly 7,000 customers to safeguard mission-critical SaaS data. This acquisition enhances Salesforce's data security, privacy, and compliance offerings, complementing existing tools such as Salesforce Backup, Shield, and Data Mask. "Data security has never been more critical, and Own's proven expertise will enhance our ability to offer robust data protection and management solutions to our customers," said Steve Fisher, President and GM of the Einstein 1 Platform. Own CEO Sam Gutmann added, "Together with Salesforce, we'll drive innovation, secure data, and ensure compliance in the world's most complex and highly regulated industries." [Read more.](#)

### Take Private Spotlight



On September 24, 2024, Smartsheet (NYSE: SMAR), a leading enterprise platform for modern work management, was acquired by Blackstone and Vista Equity Partners for approximately \$8.4 billion. Smartsheet shareholders will receive \$56.50 per share, representing a 16% premium to the highest closing price over the past year. This transaction underscores Smartsheet's mission to modernize work management globally. CEO Mark Mader remarked, "We look forward to partnering with Blackstone and Vista to accelerate our vision of modernizing work management for enterprises globally." Blackstone's Martin Brand and Vista's Monti Saroya emphasized Smartsheet's critical role in enhancing productivity across global, cross-functional teams. The deal includes a 45-day "go-shop" period, allowing Smartsheet to solicit alternative proposals, and is expected to close in the fourth quarter of its fiscal year, subject to customary approvals. [Read more.](#)

### Strategic Acquisition Spotlight

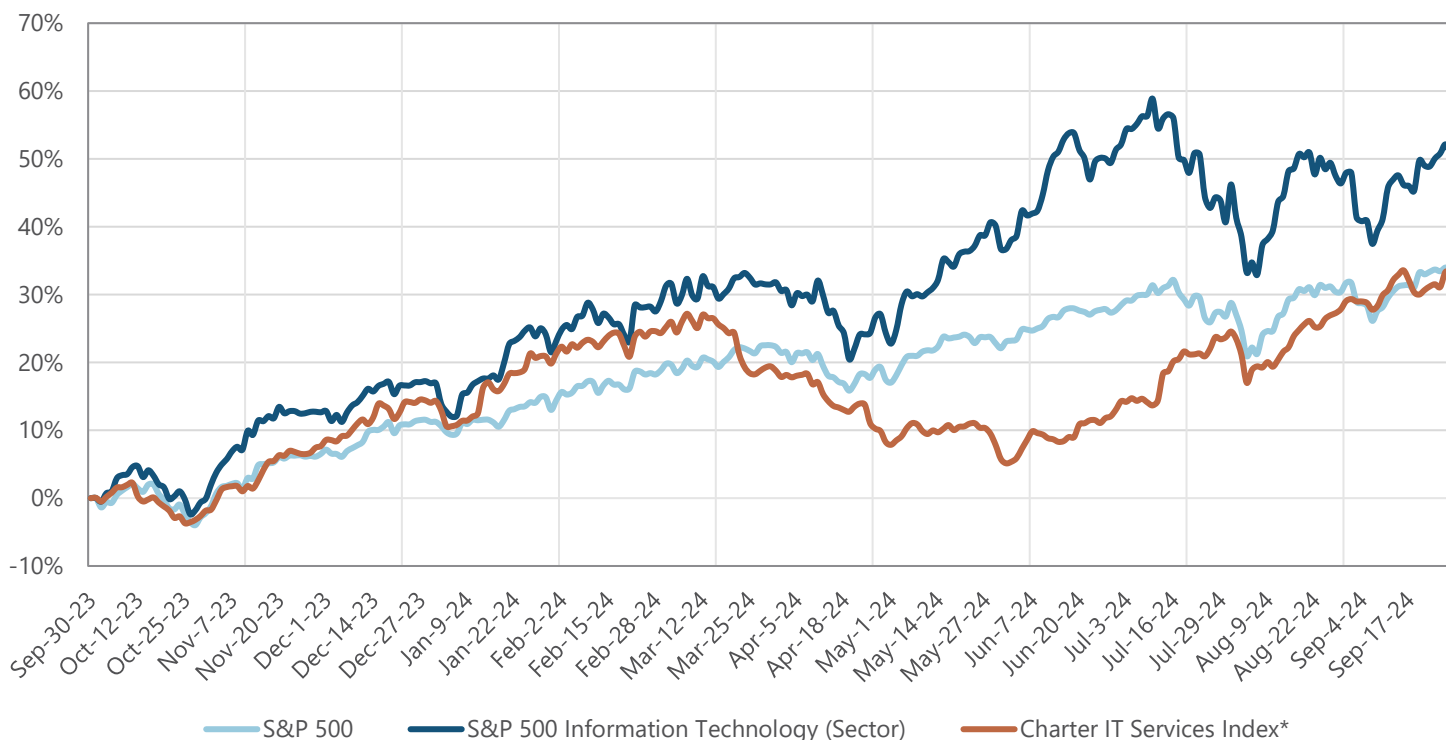


On September 12, 2024, WalkMe Ltd. (NASDAQ: WKME) was acquired by SAP SE (NYSE: SAP) for \$14.00 per share in cash, representing a total equity value of approximately \$1.5 billion. This transaction, a 45% premium to WalkMe's June 4, 2024, closing price, underscores SAP's focus on enhancing digital adoption and user productivity. WalkMe's innovative digital adoption platform, known for optimizing workflow execution across business applications, will be integrated into SAP's ecosystem, including Joule, SAP's AI-driven copilot, to provide context-aware, proactive assistance. Christian Klein, CEO of SAP, stated, "By acquiring WalkMe, we are doubling down on supporting our end users, helping them maximize value from their IT investments." This acquisition aligns with SAP's strategy to accelerate business transformation and streamline user enablement, reinforcing its leadership in enterprise software solutions. [Read more.](#)



# Public Valuation Trends

## Share Price Performance Compared to the S&P 500



## Select Biggest Winners this Quarter

**PRIORITY** +46.9%



**crexendo** +44.7%



**CONDUENT** +48.1%



## Select Biggest Losers this Quarter

**DataStorage CORPORATION** -49.4%



**MARA** -28.5%



**BIGCOMMERCE** -28.2%



Sources: S&P Capital IQ, Pitchbook

\*Charter's Index includes: ACN, CAP, CTSH, DXC, IT, HCL, INFY, IBM, TCS, Wipro, Fujitsu, GIB.A, ATO, UIS



CHARTER CAPITAL PARTNERS

chartercapitalpartners.com • 616.235.3555



# Select Transactions

## Recent Transactions in Select Verticals

*Technology & Support Services (T&SS), IT Outsourcing (ITO), Integration Services (IS), and Cybersecurity (CS)*

Date	Target	Description	Investor(s)	Deal Type	Enterprise Value (\$M)	EV / Sales	EV / EBITDA	Verticals			
								T&SS	ITO	IS	CS
09/27/24	Image Solutions	Provider of IT services catering to industries like education, healthcare and manufacturing.	Kingsway Financial Services	M&A	19.5	ND	ND	•		•	
09/26/24	Exusia	Provider of end-to-end data strategy, execution, and managed IT services.	Globant	M&A	130.0	ND	ND	•		•	
09/25/24	Transparity Solutions	Provider of cloud services intended for large corporates and enterprises.	Bowmark Capital	PE	174.6	ND	ND	•		•	
09/24/24	Dendrio Solutions	Provider of IT consultancy services intended to provide business agility.	Hemply Balance Holding	M&A	42.8	ND	ND	•		•	
09/13/24	Aeyon	Provider of management government consulting and data analytics.	CGI Group	M&A	400.0	ND	ND	•		•	
09/10/24	Takagi System	Provider of information technology services designed to streamline manufacturing processes.	Cresco J-Cube	M&A	5.1	ND	ND	•		•	
09/09/24	iByteCloud	Provider of SAP Intelligent Enterprise Cloud implementation and customization solutions.	Biprogy	M&A	5.5	ND	ND			•	
09/04/24	Neoris	Provider of IT consulting services intended to serve various industries.	EPAM Systems	M&A	630.0	ND	ND	•	•	•	
08/19/24	ecosio	Developer of virtual cloud-based data interchange services automating B2B communication.	Vertex	M&A	181.0	ND	ND	•		•	
07/31/24	Sendrcrypt Technologies	Provider of email security services intended to protect digital communications.	Emudhra	M&A	3.0	6.0x	ND			•	
07/26/24	Communication Planning	Provider of structured cabling and unified communications solutions for seamless connectivity.	System Support	M&A	600.0	149.3x	ND	•		•	
07/22/24	Innofactor	Provider of secure data-driven cloud services intended to digitalize collaborative efforts.	CapMan; Osprey Capital	PE	64.7	0.7x	7.3x			•	
07/18/24	In-tech	Provider of digitization development services for various industries.	Infosys	M&A	480.0	ND	ND	•		•	
07/05/24	DecisionPoint Systems	Provider of supply chain mobile and IT managed services.	Barcoding; Graham Partners	PE	80.7	0.7x	13.8x	•		•	
07/01/24	Software AG	Provider of IoT, API, and data system integration development services.	International Business Machines	M&A	2,292.2	ND	ND	•		•	
09/30/24	Centric	Provider of general software solutions, IT outsourcing, and staffing services.	Imker Capital	PE	90.0	ND	ND	•	•		•
09/30/24	Nseit	Provider of advanced digital transformation and cybersecurity services.	Investcorp	PE	119.3	ND	ND				•
09/30/24	Satcom Direct	Provider of global satellite communications solutions intended to serve various terrains.	Gogo Business Aviation	M&A	375.0	0.8x	ND				•
09/26/24	Featurespace	Developer of a behavioral analytics platform that protects against threats of fraud and financial crime.	Visa	M&A	925.0	ND	ND				•
09/25/24	SecureAppbox	Provider of a secure digital communication platform intended to protect sensitive information.	Compodium	M&A	2.7	ND	ND				•
09/24/24	ZignSec	Operator of an online customers identity verification platform.	G2 Web Services; Stellex Capital Management	PE	30.4	3.8x	NM				•
09/16/24	Leverage Information Systems	Provider of internet communications and networking services for information system development.	American Securities, NWN Carousel	PE	70.0	ND	ND				•
09/16/24	Voleatech	Developer of open-source enterprise firewall software for public and private networks.	Belden	M&A	8.9	ND	ND				•
09/12/24	Recorded Future	Developer of threat intelligence analytics software designed to lower the risk of cyberattacks.	MasterCard	M&A	2,650.0	ND	ND				•
08/29/24	BioCatch	Developer of machine learning behavioral biometric technology designed for digital fraud detection.	Macquarie Capital; Permira	PE	723.4	7.2x	ND				•
08/27/24	Cyberint	Developer of real-time threat intelligence surface management software delivering threat protection.	Check Point Software Technologies	M&A	200.0	ND	ND				•
08/27/24	Grove Information Systems	Provider of cybersecurity services.	August Equity; Integrity360	PE	27.1	1.3x	ND				•
08/09/24	ShareFile	providing SaaS-native, AI-powered, document-centric collaboration.	Progress Software Corporation	PE	ND	ND	ND	•			
07/24/24	Exclusive Networks	Provider of investor relations information for Exclusive Networks, a global cybersecurity specialist.	Clayton, Dubilier, & Rice	PE	3,198.7	2.0x	19.5x	•			•
07/23/24	Cyabra	Developer of a social threat intelligence platform designed to detect social media attacks.	Merger with Trailblazer	M&A	ND	ND	ND				•
07/23/24	Wiz	Developer of a cloud security platform designed to help businesses secure their infrastructure at scale.	Alphabet	M&A	23,000.0	46.0x	ND				•
07/01/24	Renaissance Contingency	Distributor of data protection software intended to strengthen and educate the Irish IT agencies.	Northamber	M&A	1.0	0.1x	ND				•

Source: Wall Street Research, Capital IQ, SEC Filings, Pitchbook



# Industry Practice Team



**Mark Streekstra**  
*Partner & Managing Director*  
[mstreekstra@chartercapitalpartners.com](mailto:mstreekstra@chartercapitalpartners.com)

Mark has more than 16 years of diversified advisory and deal execution experience, 11 of which were spent in the Consulting, Technology, and Digital services industry. At Charter, Mark primarily focuses on helping clients achieve their goals through sell side and buy side advisory services.

The majority of Mark's career was spent at Accenture, where he led acquisitions in support of Accenture's inorganic growth strategy. During his time in that role, Accenture purchased over 100 companies in the consulting, technology, and digital services space while becoming the most acquisitive company in the world. Mark has personally led transactions with a total enterprise value in excess of \$700 million.



**AJ Ebels**  
*Vice President*  
[aebels@chartercapitalpartners.com](mailto:aebels@chartercapitalpartners.com)

AJ focuses on M&A deal execution, private debt and equity investment diligence, business valuation, and financial modeling for companies in the technology, manufacturing, and other industries. He also leads initiatives related to internal technology and software implementation and development.

AJ graduated with Honors from Grand Valley State University with a BBA in Finance and Business Economics and was a graduate of the Frederik Meijer Honors College. He received his MBA from the University of Chicago Booth School of Business in the weekend program with concentrations in finance, economics, entrepreneurship, and business analytics.



**Dylan Stenzinger**  
*Analyst*  
[dstenzinger@chartercapitalpartners.com](mailto:dstenzinger@chartercapitalpartners.com)

Dylan Stenzinger is an analyst primarily focused on supporting the firm's M&A advisory services with a strong background in M&A financial modeling, analysis, and deal execution. He joined Charter in 2023 and brings valuable experience to his role after interning at Calder Capital, Auxo Investment Partners, and Raymond James throughout college. Dylan holds a Bachelor's degree from Cornerstone University, where he majored in Finance, Economics, and Creative Thinking and Innovations.

## Relevant Transactions Advised by Charter Team Members

SELL-SIDE	SELL-SIDE	BUY-SIDE	BUY-SIDE	BUY-SIDE	BUY-SIDE
  <i>A Portfolio Company of</i> <b>LLR Partners</b>	 	 	 	 	 

*Some of the transactions presented represent Charter principals acting in their capacity as representatives of a FINRA broker-dealer or while at previous firms.*





## About Charter

Founded in 1989, Charter Capital Partners is a premier investment banking firm headquartered in Grand Rapids, Michigan. We offer a comprehensive range of investment banking advisory services, including sell-side and buy-side M&A, succession planning, business valuation, and capital raise.

Charter was named one of the top 100 most referred middle-market advisory firms in the US, according to a survey of 1,000 private equity firms, strategic acquirers, and family offices compiled by Axial, a network of middle market investors, advisors, and CEOs. Our mission is to deliver superior professional guidance throughout the complete business lifecycle.

## Advisory Services Snapshot

Type	Expertise
M&A Advisory	<ul style="list-style-type: none"><li>▪ Sell-side advisory</li><li>▪ Buy-side advisory</li><li>▪ Succession planning</li><li>▪ Valuation services</li></ul>
Capital Raise	<ul style="list-style-type: none"><li>▪ Equity or debt capital raise</li><li>▪ Dividend recapitalization</li><li>▪ Solvency opinions</li><li>▪ Minority investors</li></ul>
Valuation Opinions	<ul style="list-style-type: none"><li>▪ Buy-sell agreements</li><li>▪ Gift, estate, and income tax matters</li><li>▪ Shareholder disputes</li><li>▪ Purchase price allocations</li></ul>
Capital Management	<ul style="list-style-type: none"><li>▪ Licensed Fund Management</li><li>▪ Registered Investment Advisers</li></ul>

Broker-dealer services offered through M&A Securities Group, Inc. ("MAS"), member FINRA/SIPC, a separate entity from Charter Capital Partners and Charter Private Capital Management.

## M&A Advisory Team:

### John Kerschen

President & Managing Director  
[jkerschen@chartercapitalpartners.com](mailto:jkerschen@chartercapitalpartners.com)

### Mike Brown

Partner & Managing Director  
[mbrown@chartercapitalpartners.com](mailto:mbrown@chartercapitalpartners.com)

### Mike Palm

Partner & Managing Director  
[mpalm@chartercapitalpartners.com](mailto:mpalm@chartercapitalpartners.com)

### Mark Streekstra

Partner & Managing Director  
[mstreekstra@chartercapitalpartners.com](mailto:mstreekstra@chartercapitalpartners.com)

### Jenny Dakoske

Director  
[jdakoske@chartercapitalpartners.com](mailto:jdakoske@chartercapitalpartners.com)

### Zach Wiersma

Director  
[zwiersma@chartercapitalpartners.com](mailto:zwiersma@chartercapitalpartners.com)

### Elisa Berger

Vice President  
[eberger@chartercapitalpartners.com](mailto:eberger@chartercapitalpartners.com)

### AJ Ebels

Vice President  
[aebels@chartercapitalpartners.com](mailto:aebels@chartercapitalpartners.com)

### Justin Pinto

Vice President  
[jpinto@chartercapitalpartners.com](mailto:jpinto@chartercapitalpartners.com)

### Michael Pohl

Associate  
[mpohl@chartercapitalpartners.com](mailto:mpohl@chartercapitalpartners.com)

### Keegan Ensing

Senior Analyst  
[kensing@chartercapitalpartners.com](mailto:kensing@chartercapitalpartners.com)

### Travis Read

Analyst  
[tread@chartercapitalpartners.com](mailto:tread@chartercapitalpartners.com)

### Dylan Stenzinger

Analyst  
[dstenzinger@chartercapitalpartners.com](mailto:dstenzinger@chartercapitalpartners.com)

### Kevin Caballero

Analyst  
[kcaballero@chartercapitalpartners.com](mailto:kcaballero@chartercapitalpartners.com)



CHARTER CAPITAL PARTNERS

[chartercapitalpartners.com](http://chartercapitalpartners.com) • 616.235.3555