

The background of the image is a deep blue server room aisle. On both sides are rows of server racks with glowing blue lights. Overlaid on this are various digital elements: thin blue lines, small squares, and larger rectangular blocks, some of which appear to be floating or moving. The perspective is looking down the center of the aisle, creating a sense of depth.

TRANSLINK

C O R P O R A T E F I N A N C E TM

IT SERVICES VALUATION INDEX

H1 2025

Disclaimer



The IT Services Valuation Index (hereafter the 'report') has been prepared by TRANSLINK CORPORATE FINANCE ("Translink CF") for information purposes only and is based on public information and other reliable sources. The report is presented by TRANSLINK CF.

The information in this report has been prepared to illustrate the current context of the IT services market. It is not exhaustive and does not constitute all information that a potential investor or owner may require. The information in this report has not been independently verified by TRANSLINK CF.

Although the report has been prepared in good faith and with the utmost care, TRANSLINK CF does not in any way guarantee the accuracy or completeness of the information herein, and the recipient acknowledges that they may under no circumstances hold the natural or legal persons mentioned above liable on the grounds that information in this report or subsequently provided proves to be insufficient, incomplete, imprecise or inaccurate.

This report is designed to provide an overview of valuation trends in the IT services sector and should not be used as a definitive view on individual company valuations, which can vary based on a range of factors that are specific to individual businesses. Please contact a member of the Translink CF team who would be delighted to talk to you about the specific circumstances of your business.

References: sources used in this report include Mergermarket, Capital IQ, Megabyte, individual company data and Translink CF research

A mixed picture

H1 2025 was a period of mixed performance across the IT Services sector - impacted by sector megatrends, economic volatility, geopolitical frictions and variable financial conditions

Long-term demand drivers remain intact in the IT services sector, powered by structural tailwinds including cloud migration, cybersecurity imperatives, and AI-driven transformation. However, this has been set against a backdrop of shifting government policies, regulatory bottlenecks and persistent geopolitical tensions which has impacted corporate confidence and stalled discretionary IT spend.

The multiples in wider IT services appear to be heading into 'bubble' territory, driven by strong performances from the Indian companies within the cohort.

Digital consultancy & transformation continue to show sluggish performance, with project delays and extended procurement cycles hitting growth in mature markets. Many commentators are claiming it's the end of the traditional consulting model; we wait to see who are the winners from an anticipated AI revolution in consulting.

The newly introduced sub-sector, cyber & data, continues to be one of the sector's bright spots, with growth fuelled by the increased complexity and frequency of high-profile cyber threats.

M&A activity was measured but steady, with both strategic and financial buyers signalling confidence in the sector's fundamentals. As we head into H2, the outlook is cautiously optimistic — anchored by enduring growth themes and strong investor appetite for high-quality assets.

76

IT Services companies included in our index

DX and Trans EV from
10.6x LTM EBITDA

(Q4 2024)

down to

9.6x LTM EBITDA

(Q2 2025)

IT Services EV from
11.0x LTM EBITDA

(Q4 2024)

up to

15.9x LTM EBITDA

(Q2 2025)

Cyber EV from
21.2x LTM EBITDA

(Q4 2024)

down to

21.0x LTM EBITDA

(Q2 2025)

Meet the team



MARC IRISSON
PARTNER, HEAD OF TMT GROUP

Marc is a M&A professional with more than 12 years of experience. He started his career as an analyst with MK Finance and then completed his financial expertise with an MBA from Georgia State University, Atlanta, USA. In 2011, he co-founded Financiere Monceau, now Translink CF France, and heads up the Technology, Media and Telecommunication (TMT) sector.

He has completed dozens of transactions, both buy and sell-side, with French and foreign clients. He has participated in various deals within the IT sector.



ANDY HAIGH
PARTNER

Andy has been providing corporate finance and deal making advice to privately owned businesses for more than 15 years, both within the M&A and Private Equity team of one of the large consulting firms, and now at Translink CF. Andy is a proven deal leader and has a track record of delivering exceptional results for clients.

Andy has worked on a broad range of deals in the TMT sector.



AARON LOWERY
DIRECTOR

Aaron has over 10 years' experience in mid-market M&A, across Corporate Finance, Big 4 Transaction Support and as a Private Equity investor.

He has worked on several deals, both domestic and cross-border, with trade and private equity clients in the TMT sector.

Translink CF's valuation index

Understanding our sub-sectors

IT services presents a broad and complex landscape, with many of the participants of scale having activities that fall across several sub-sectors. Clearly this raises challenges when seeking to analyse their activities and sub-categorise them. We've categorised participants by what we've identified as their primary activity.

To align this report with changing market dynamics, the hosting sub-sector has been replaced with cyber & data.

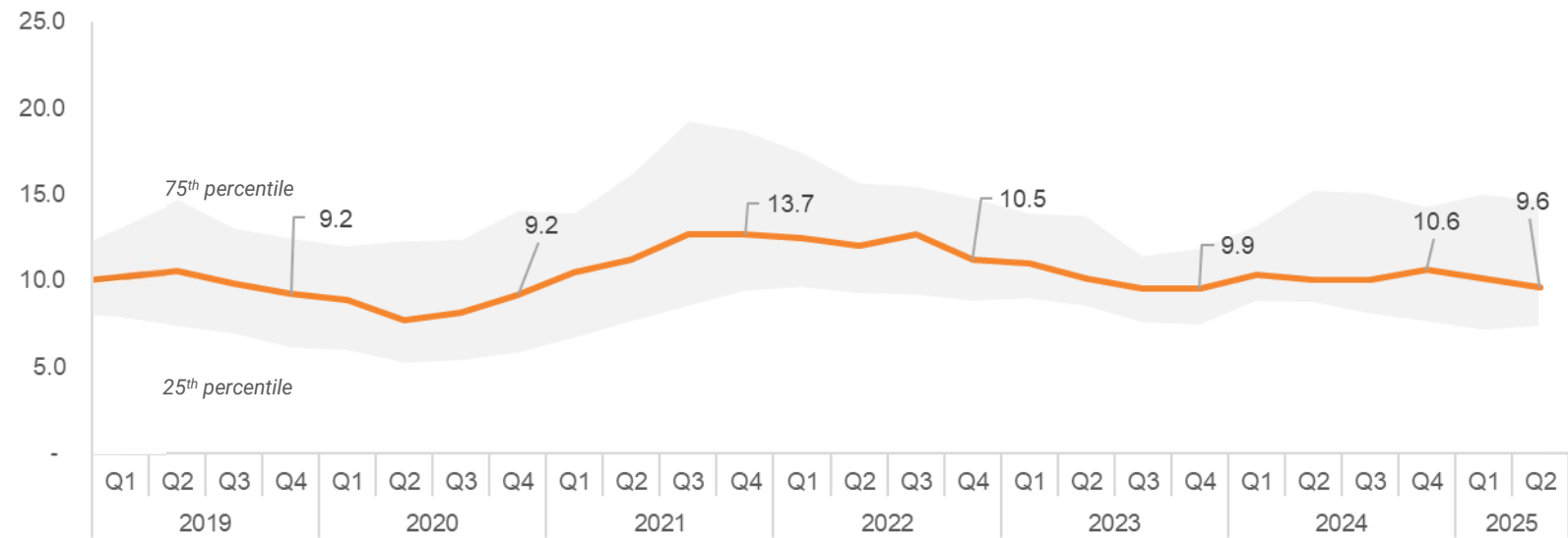
Ultimately, our goal is to provide an overview of the overall trends of company valuations in the sector. Each company, whether one of those being used in the index or a market participant wishing to use the index as a benchmark, will have unique characteristics that drive its own valuation, and this should be considered in conjunction with expert advice.

The index comprises listed businesses from countries across the Translink CF network, with a market capitalisation of c.€50m up to c.€5bn.



02 IT SERVICES VALUATION INDEX

DIGITAL CONSULTANCY & TRANSFORMATION - QUARTERLY EV / LTM EBITDA MULTIPLE (SAMPLE MEDIAN)



The digital consultancy & transformation sub-sector focuses on businesses whose primary activities are advisory and consulting services, in a technology context, digital implementation and software integration.

DX and transformation businesses faced a challenging start to 2025 as macroeconomic uncertainty, geopolitical tensions and cautious corporate spending delayed large-scale transformation projects. This was reflected by multiples remaining broadly flat, in line with the trend of the last 18 to 24 months.

While demand for digital strategy, cloud migration, and AI-driven initiatives remains strong in principle, execution has been slow, driven by longer procurement cycles and a general aversion to risk.

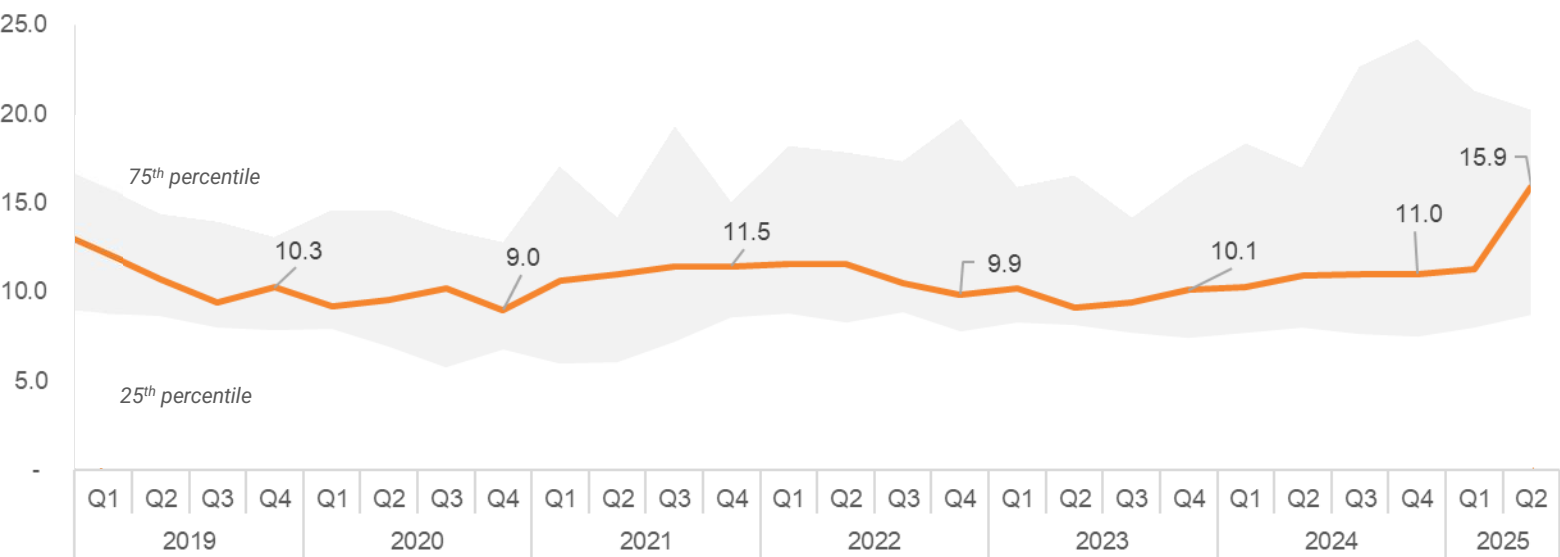
Consulting firms with deep sector expertise and strong public sector exposure outperformed generalists. Sectors such as energy, financial services and life sciences continue to perform well.

The lull in M&A activity continues, amid valuation resets and tighter financing conditions.

Globally, buyers are prioritising firms with proven delivery capabilities, recurring revenue streams, and differentiated offerings in high-growth areas such as AI and advanced analytics.

02 IT SERVICES VALUATION INDEX

GENERAL IT SERVICES - QUARTERLY EV / LTM EBITDA MULTIPLE (SAMPLE MEDIAN)



The general IT services sub-sector focuses on businesses providing mission-critical IT infrastructure, systems, and software on an outsourced basis.

The general IT services sub-sector continued its impressive recovery during H1 2025, with the significant uptick in valuations driven by investors' continued attraction to higher levels of recurring revenues and ongoing demand for hybrid cloud and security services.

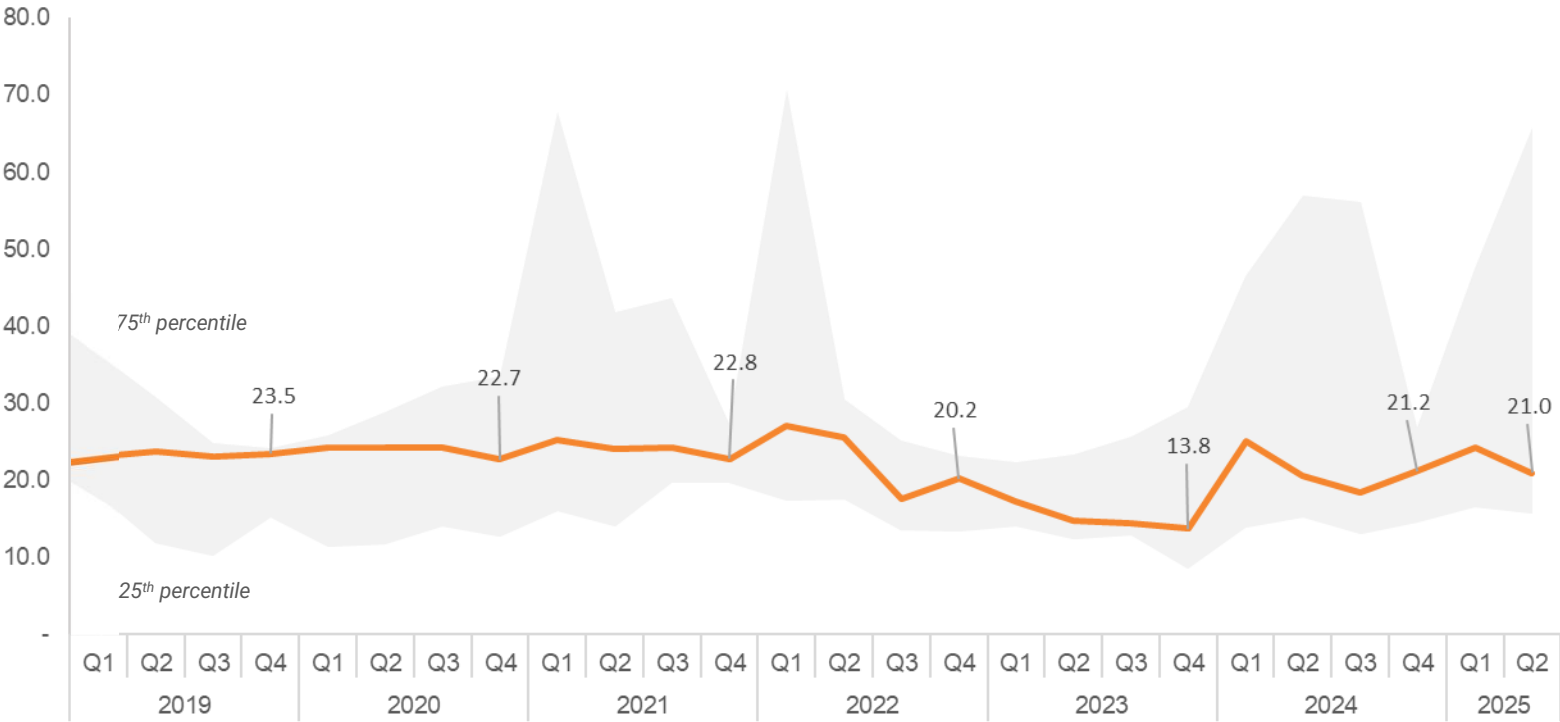
MSPs in mature markets, such as North America and Western Europe, maintained steady growth, with the Indian IT services cohort performing strongly due to cost efficiency, scalability, and a global delivery model. Average EBITDA multiples from Indian companies in our cohort increased from 23.3x in Q4 2024 to 28.1x in Q2 2025.

Dealmaking remained active but selective – H1 M&A activity declined by c.9% but at valuations consistent with the prior year.

With significant PE dry powder, platforms continue bolt-on plays for customer density and capability accretion. Recurring revenues and cross-sell potential remain a key area of focus.

02 IT SERVICES VALUATION INDEX

CYBER & DATA - QUARTERLY EV / LTM EBITDA MULTIPLE (SAMPLE MEDIAN)



nccgroup

tenable

RAPID7

secunet

yubico

Quick Heal

allot
See. Control. Secure.

A10

F-Secure

radware

W / T H
secure

ARRAY
TECHNOLOGIES

Qualys

The cyber & data sub-sector incorporates businesses offering a range of services, including cybersecurity services, data analytics & AI, GRC, and cloud security & identity management.

The cyber & data sub-sector continues to perform strongly, with increased demand for cyber services being driven by escalating cyber threats, regulatory compliance requirements, and the rapid adoption of AI-enabled security solutions.

As cyber threats become more complex and costly to manage in-house, businesses are increasing cyber budgets and turning to external experts to safeguard their digital assets.

Despite strong and resilient demand for cyber services, M&A activity in the sector has slowed. Transactions have focused on high-quality assets, reflecting their strategic importance and scarcity value. Investor appetite for scalable, differentiated platforms remains robust.

The sub-sector is expected to remain the primary growth engine globally, underpinned by structural demand drivers and heightened geopolitical risk.

IT Services

The global perspective



Key impacts shaping the sector in FY25 and beyond...

H1 FY25 key takeaways

The first half of FY25 was again impacted by the ongoing backdrop of global economic uncertainty, geopolitical tensions, and tighter financial conditions, all of which dampened sentiment across the IT services sector.

Initial optimism gave way to caution as shifting policies, regulatory complexity, and market volatility delayed investment decisions and curtailed discretionary IT spend.

Despite the headwinds, long-term structural drivers remained, with strong demand for cloud migration, cybersecurity, automation and AI-enabled solutions continuing to underpin the market, providing resilience, even as short-term project pipelines were impacted by delays. Growth in two of the three subsectors was slower than in prior periods, with margin pressure evident across many providers, but recurring revenues and managed services offered stability for companies in the general IT services sub-sector.

M&A activity was measured but consistent, as both strategic and financial buyers signalled ongoing confidence in the sector's fundamentals. Overall, H1 demonstrated resilience across the sector: while near-term challenges weighed on performance, enduring demand themes ensured that the IT services market remained on a stable footing heading into H2.

Outlook for H2 FY25 (and beyond)

The outlook for the second half of FY25 and beyond is cautiously optimistic. While macroeconomic and geopolitical uncertainty will continue to weigh on corporate decision-making, underlying demand drivers across the sector remain strong.

Businesses are expected to prioritise investment in areas that deliver efficiency, resilience and a competitive advantage, with cloud, cybersecurity and AI-driven transformation expected to stay at the core of strategic roadmaps.

Spending may remain selective, with large discretionary projects subject to extended procurement cycles, but recurring and mission-critical services should provide a stable baseline of growth. Investor appetite is also expected to persist, with both strategic acquirers and private equity seeking high-quality assets to consolidate capabilities and increase scale.

Overall, the sector enters H2 with steady fundamentals, balancing short-term caution against long-term tailwinds. Providers that can demonstrate differentiated offerings, operational resilience and scalable delivery models are best placed to capture growth as market confidence is likely to gradually improve as the year progresses.

Spotlight on: Translink CF landmark deals

Translink CF acted as lead advisor to the shareholders of an IT Managed Services Provider on its sale to a market leading UK based, private equity backed provider of IT solutions

The target is a fast growth MSP, focused on the Microsoft stack and providing a fully outsourced IT Managed Service, alongside expertise in cloud services, cyber security, software licensing, hardware sales and consultancy.

The acquirer specialises in delivering a wide array of IT and digital services, including managed IT, cyber security, and consulting. Operating across multiple locations in the UK (and internationally) to support a broad client-base including SMEs, mid-market organisations, public sector, and regulated industries

The acquisition strengthens the acquirer's presence in the North of England, enhances the current service offering and capabilities, whilst adding to the existing customer base.

Undisclosed

Acquired

Undisclosed

Advisor to the seller

September 2025 | United Kingdom

Spotlight on: Translink CF landmark deals

Translink CF advised Finnish private equity house Evolver Equity on the disposal of Nordic BIM Group, a leading provider of digital built environment software and consulting solutions, to Hawk Infinity Software.

Nordic BIM Group is a pan-Nordic leader in Building Information Modelling (BIM) and Life Cycle Assessment (LAC) software solutions and consulting services, founded through the consolidation of three national players by Evolver.

With revenues exceeding EUR 23 million and a strong footprint across the AECO sector in Finland, Sweden, Norway, and Hungary, NBG is the world's largest distributor of Archicad and the creator of Anavitor, a next-generation LCA platform for sustainable digital construction

The transaction marks a successful exit for Evolver, delivering a return of more than 5x, and secures a new owner for NBG to continue its growth and impact in the digital built environment.



Acquired



Advisor to the seller

August 2025 | Finland & Norway

04 ABOUT TRANSLINK CF AND IT SERVICES SECTOR EXPERTISE

Translink

Recent IT Services sector deals

For more information on Translink's expertise in TMT, visit:

www.translinkcf.com/industry-sectors/TMT/

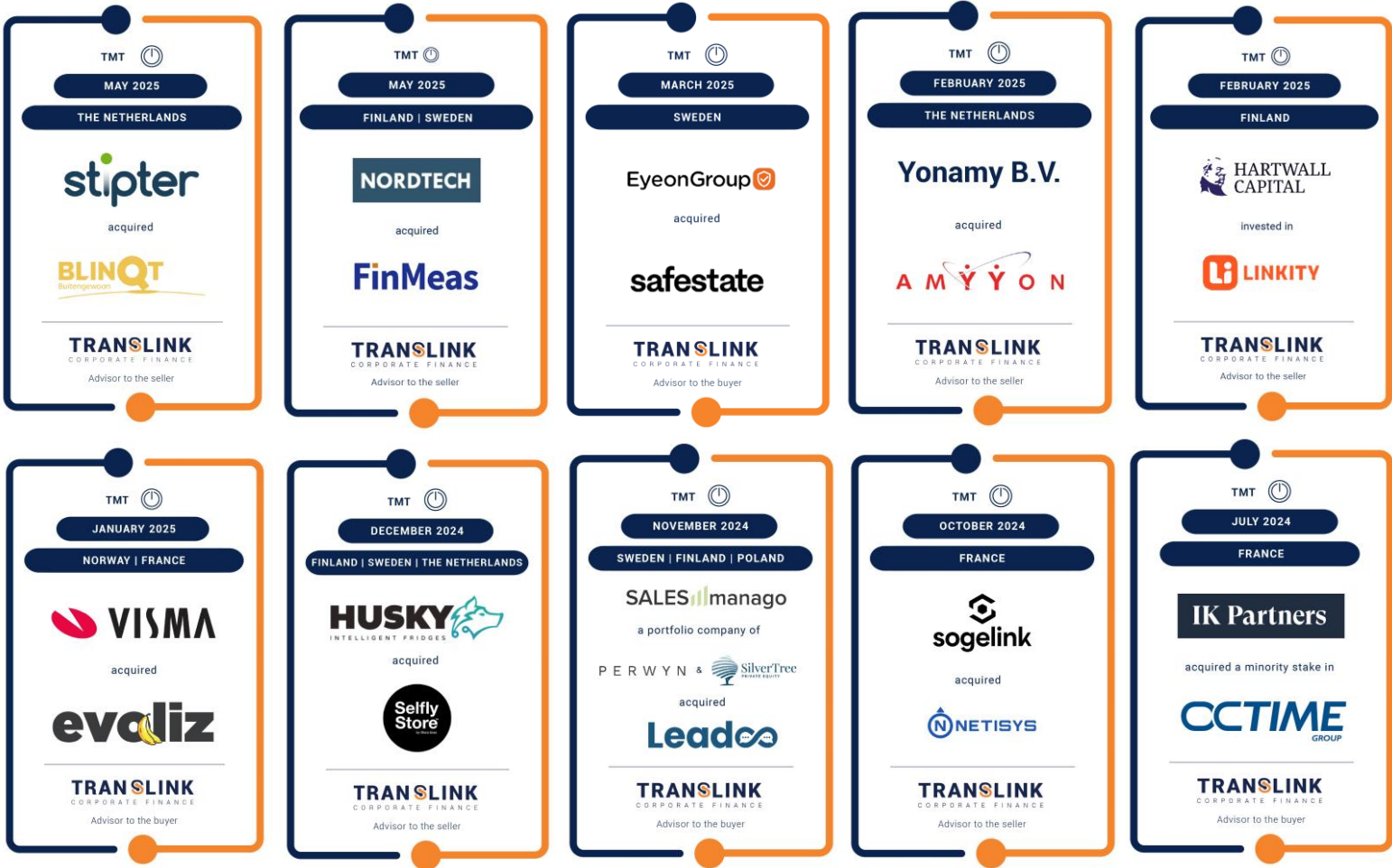


Translink

Recent TMT sector deals

For more information on Translink’s expertise in TMT, visit:

www.translinkcf.com/industry-sectors/TMT/



Translink Corporate Finance

TMT Specialists around the world



Claus Melgaard
Partner, Denmark
cmelgaard@translinkcf.com



Tero Nummenpää
Partner, Finland
tero.nummenpaa@translinkcf.com



Ruben Moring
Partner, Finland
rmoring@translinkcf.com



Marc Irisson
Partner, France
mirisson@translinkcf.com



Tanguy du Chesnay
Partner, France
tduchesnay@translinkcf.com



Antoine Tanguy
Partner, France
atanguy@translinkcf.com



Christian Hörner
Partner, Germany
choerner@translinkcf.com



David Strempel
Partner, Italy
dstrempel@translinkcf.com



Hilit Ben-Zvi Koren
Co-CEO, Israel
hbenzvikoren@translinkcf.com



Nora Håberg
Partner, Norway
nhaberg@translinkcf.com



Will Downing
Managing Director, US
wdowning@translinkcf.com



Mohit Mehta
Director, USA
mmehta@translinkcf.com



Mikołaj Martyniński
Director, Poland
mmartynski@translinkcf.com



João Patrício dos Santos
Partner, Portugal
jpdossantos@translinkcf.com



Josep Pere Gutierrez
Partner, Spain
jpgutierrez@translinkcf.com



Fredrik Ullberg
Partner, Sweden
fullberg@translinkcf.com



Daniel Dolz
Director, Switzerland
ddolz@translinkcf.com



Antoine Moser
Partner, The Netherlands
amoser@translinkcf.com



Andy Haigh
Partner, United Kingdom
ahaigh@translinkcf.com



Aaron Lowery
Director, United Kingdom
alowery@translinkcf.com



Hamish Morrison
Partner, United Kingdom
h Morrison@translinkcf.com



John Blake
Managing Partner, South Africa
john.blake@translinkcf.com



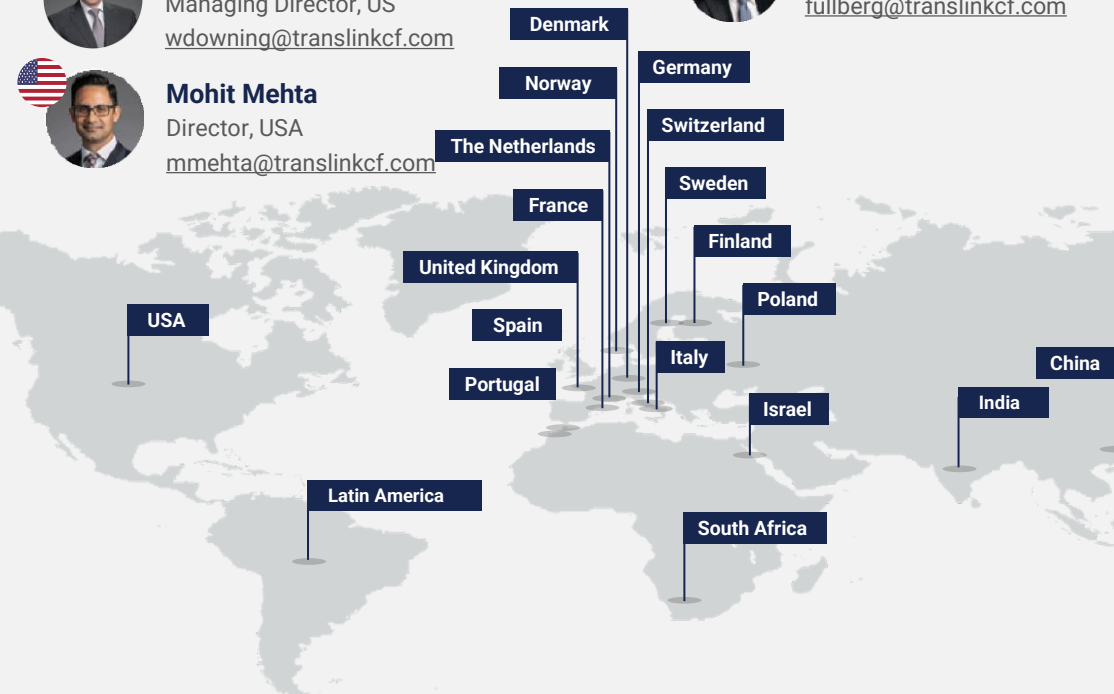
Janet So
Managing Director, China
jso@translinkcf.com



Pawan Lingayat
Vice President, India
plingayat@translinkcf.com



Pablo Bukin
Founding Partner, Argentina
pbukin@translinkcf.com



The dynamic landscape of the IT services sector

A summary of the key technological trends shaping the future of the sector

	Artificial Intelligence (AI) and Machine Learning (ML)	Blockchain technology	Cloud computing	Internet of Things (IoT)	Cybersecurity mesh	Quantum computing	Big data and analytics
Impact	Automates repetitive tasks, enhances decision-making and helps drive innovation and new business models	Enhances transparency and security in transactions, and increases efficiency	Provides scalable IT resources, driving cost optimisation and agility	Enables interconnected devices for efficient operations and data analytics	Provides a transformative approach by decentralising and distributing security perimeters	Promises efficient solutions for complex problems, affecting fields like cryptography	Enables data-driven decision making, improving efficiency, customer experiences, and innovation
Adoption rate	Increasingly widespread across numerous industries	Growing, especially in financial services, healthcare and supply chain management	Continues to soar, pivotal for digital transformation	Growing with advancements in connectivity and sensor technology	Gaining momentum for enhanced security posture	Early stages but growing interest and investment	Widespread, with significant momentum
Implications	Requires workforce upskilling and infrastructure updates; raises privacy and ethical concerns	Faces challenges such as regulatory clarity and technical complexity	Necessitates attention to security, compliance, privacy, and data sovereignty	Raises data security and privacy concerns; needs interoperable standards	Requires comprehensive security strategies and ongoing investment	Could revolutionise various industries; necessitates new cybersecurity measures	Presents challenges to data privacy, security and technical complexities



TRANSLINK

C O R P O R A T E F I N A N C E TM

translinkcf.com | 

Argentina | Australia | Austria | Belgium | Brazil | Chile | China | Colombia | Denmark | Finland | France | Germany | India | Israel | Italy | Japan | Mexico | Morocco | Netherlands | Norway | Peru
| Poland | Portugal | Singapore | South Africa | Spain | Sweden | Switzerland | Turkey | Tunisia | UK | Uruguay | USA