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TECH INVESTMENT BANKERS

Tech M&A

2025 Q2 Industry Update

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Lombard Global, Inc. – About Us

Tech Investment Banking firm established in 2004, with locations and professionals in Austin, Dallas, Boston, and globally.

Exclusively focused on middle-market **IT Services**, **Artificial Intelligence**, **Software**, **Healthcare IT, and Advanced Manufacturing.** Differentiators include **1) technology focus, 2) tech business operating expertise, and 3) cross-border expertise.**

A seasoned team of **senior investment leaders, augmented by global junior talent,** with diverse backgrounds spanning technology, investment banking, entrepreneurship, management consulting, healthcare, sales and business development, strategy, accounting and finance.

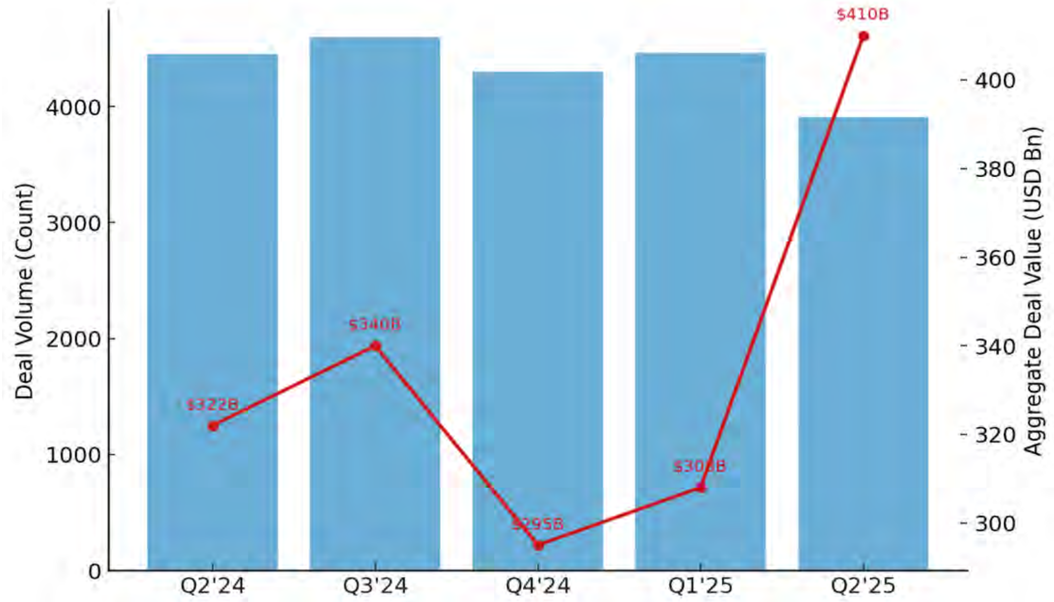
Established by **Bill Billeaud**, bringing **four decades of expertise** in assisting both U.S. and international companies achieve growth, turnaround and exit successfully.

M&A Update and Commentary

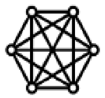
Market Commentary

- Transaction volume for information technology services companies declined in Q2 2025 compared to Q1. Deal values, however, increased significantly, reaching the highest quarterly level in three years, driven by mega-deals in SaaS and Cybersecurity.
- Out of all the M&As announced in the Americas, EMEA, and APAC during Q2 2025, approximately 24%, 27%, and 19%, respectively, were in technology industries, demonstrating the sector’s position as a leading driver of global deal activity.
- Signs of revival in billion-dollar transactions were evident in Q2 2025, led by large strategic acquisitions such as Google–Wiz and Toyota–Toyota Industries, though Technology Services remained focused on steady mid-market transactions.

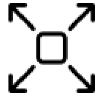
Technology Services Quarterly Transactions



Key Growth Drivers



Legacy IT systems continue to push enterprises toward modernization and integration deals.



Customer support solutions remain in demand as enterprises prioritize AI-driven engagement.

Cybersecurity activity increased in Q2 2025, with deal count rising to 114 transactions across the sector.

Cloud migration and SaaS adoption continue accelerating as enterprises seek scalable operating models.

Sources: S&P Global Market Intelligence, PitchBook

Recent Technology Services Transactions

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Highlighted Transaction

CYBERARK
has been acquired by
paloalto NETWORKS

Ansys
has been acquired by
SYNOPSYS

COX
has been acquired by
Charter COMMUNICATIONS

WIX
has been acquired by
Alphabet

worldpay
has been acquired by
globalpayments

CORE SCIENTIFIC
has been acquired by
CoreWeave

dun & bradstreet
has been acquired by
CLEARLAKE

Informatica
has been acquired by
salesforce

Highlighted Transaction

Palo Alto Networks Acquires CyberArk

Network Security | Digital Identity | Privileged Access Management

- CyberArk is a global leader in identity security solutions, specializing in privileged access management (PAM) of account credentials for both human and machine identities.
- CyberArk's platform integrates seamlessly with major cloud providers and enterprise systems, such as AWS, Azure, and hybrid IT environments.
- Palo Alto Networks is acquiring CyberArk for $25 billion, marking the company's formal entry into the identity security space for agentic AI.
- This accretive acquisition is expected to increase Palo Alto Networks' annual recurring revenue by approximately $1B (~18%) and strengthen its competitive position with a more comprehensive multi-platform cybersecurity offering.

Sources: Mergermarket, PitchBook, Forbes

Other M&A Transactions

Diginex Acquires Resulticks (June 2025)			
Target:	RESULTICKS	Investor:	diginex

Clio Acquires vLex (June 2025)			
Target:	vlex	Investor:	Clio

Oliver Wyman Acquires Validate Health (June 2025)			
Target:	Validate HEALTH	Investor:	

Xero Acquires Melio (June 2025)			
Target:	melio	Investor:	xero

Databricks Acquires Neon (May 2025)			
Target:	NEON	Investor:	databricks

Sanmina Acquires ZT Systems (May 2025)			
Target:	zt Systems	Investor:	SANMINA

ServiceNow Acquires Logik.ai (April 2025)			
Target:	logik	Investor:	servicenow

ServiceNow Acquires Moveworks (March 2025)			
Target:	Moveworks Instant help at work.	Investor:	servicenow

Sources: Mergermarket, PitchBook, S&P Capital IQ

Featured Sub-Sector: Artificial Intelligence

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Market Commentary

- Artificial intelligence M&A activity **accelerated in Q2 2025**, with continued strength in generative AI models, autonomous agents, and AI-driven enterprise platforms.
- Strategic and financial buyers pursued acquisitions that expand **automation, predictive analytics, and cybersecurity capabilities** across industries.
- Consolidation increased across **healthcare, financial services, and cybersecurity**, as enterprises sought to embed AI solutions into mission-critical operations and improve **efficiency at scale**.
- **Multi-billion-dollar acquisitions** such as Google–Wiz and ServiceNow–Moveworks highlighted the momentum of AI dealmaking in Q2 2025, reinforcing **long-term growth expectations** as the global AI market is projected to surpass **$250B by 2030**.

Key M&A Transactions 2025

Date	Acquirer	Target	Target Description
Mar-2025	Alphabet	WIZ	Strengthens Google Cloud's AI-driven security and analytics
Mar-2025	servicenow	Moveworks	Expands AI assistants and autonomous enterprise agent capabilities
Apr-2025	cisco	splunk>	Enhances AI-powered observability and security analytics
Apr-2025	servicenow	logik.ai	Adds AI-enabled CPQ and workflow automation tools
May-2025	SAP	walkme	Acquires AI-driven digital adoption platform to strengthen enterprise automation
Jun-2025	IBM	HashiCorp	Expands hybrid cloud and AI-enabled infrastructure automation

Select Market Participants

ANTHROPIC
scale
Alphabet
cohere
OpenAI
Mistral AI
Microsoft

Notable Transaction

WIZ acquired by Alphabet

- The acquisition enhances Google Cloud's enterprise security platform by integrating Wiz's AI-driven threat detection and analytics.
- Customers will benefit from stronger protection, faster response times, and simpler integration methodologies.

Sources: PitchBook, S&P Global Market Intelligence, Reuters, Bloomberg

Featured Sub-Sector: SaaS

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Market Commentary

- The SaaS industry is shifting toward **AI-powered solutions** and **operational efficiency tools**, such as vertical SaaS platforms which possess **sector-specific integration potential** (healthcare, fintech, law).
- **Best-in-class software businesses** are still garnering premium multiples and strong buy-side attention relative to competitors, as numerous $1B+ deals in H1 2025 indicate a receptive capital markets environment for **premium assets**. Leading SaaS subverticals in Q2 M&A performance include **data management** and **workflow streamlining**.
- SaaS M&A volume and valuations have shown **resilient growth** despite macroeconomic uncertainty across the first half of the year. H1 2025 saw 1273 recorded SaaS transactions (with 637 in Q2), **up more than 30%** from 979 in H1 2024. Median EV/TTM revenue remained at **4.2x in Q2 2025,** up from 4.0x in Q2 2024.

Key M&A Transactions 2025

Date	Acquirer	Target	Target Description
Jun-2025	Clio	vLex	Expands legal intelligence SaaS services to provide legal professionals with precise research tools
Jun-2025		Validate Health	Introduces healthcare analytics services for actuarial and financial optimization
Jun-2025	xero	melio	Integrates payments with accounting bill pay services to enhance US market presence
Jun-2025	done		Enhances Done.ai's integrated AI-powered platform for SMEs through cloud solutions
May-2025	Link and Motivation Group	Unipos	Combines consulting & cloud capabilities to accelerate growth through cross-selling
May-2025			Strengthens CodeLab's position in the Norwegian HSE SaaS market through compliance solutions

Select Market Participants

Adobe, servicenow, Atlassian, Clio, xero, salesforce

Notable Transaction

vLex acquired by Clio

- On June 30, 2025, Canadian legal tech firm Clio announced a $1 billion acquisition of vLex.
- This acquisition merges Clio's existing legal practice management software with vLex's AI-powered SaaS research platform, integrating key workflow segments for legal professionals.

Sources: PitchBook, S&P Capital IQ, Statista, SEG

Featured Sub-Sector: Semiconductors

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Market Commentary

- **Global semiconductor sales are soaring**, with industry forecasts converging around **$697 billion in 2025** — a new record driven by AI, data centers, and chip demand
- Growth is expected to be broad-based, with **WSTS projecting an 11.2% year-over-year increase**, led by logic and memory sectors essential for AI workloads.
- **Investor sentiment remains optimistic**, as Deloitte and KPMG outlooks highlight solid recovery post-2023 and continued strength in semiconductor innovation.
- Semiconductor test equipment sales are forecasted to rise **23.2% in 2025**, hitting a new record of **$9.3 billion**, while foundry 2.0 services (like advanced packaging and AI-driven node production) are up **13% YoY**, driven by AI chip demand.

Key M&A Transactions 2025

Date	Acquirer	Target	Target Description
Jun-2025	Qualcomm	Alphawave Semi	Expands AI and data-center connectivity.
Mar-2025	SoftBank	Ampere	Adds cloud-optimized CPUs for AI infra.
Jan-2025	onsemi	USCi United Silicon Carbide, inc.	Boosts power devices for AI data centers.
Jul-2025	Synopsys	Ansys	Creates end-to-end chip design + simulation..
Mar-2025	intel	Altera	Intel spins off FPGA unit for focus/funding.
Aug-2025	Shanghai Electric	Convenient Power systems	Expands into wireless charging semis.

Select Market Participants

Fabless
NVIDIA, Qualcomm, arm, AMD

Design + Foundry
intel, Texas Instruments, Samsung

Foundry
UMC, SMIC, tsmc, GlobalFoundries

Notable Transaction

Ansys acquired by Synopsys

- Synopsys' $35B acquisition of Ansys creates an end-to-end "silicon-to-systems" platform, combining chip design automation with advanced simulation — one of the largest semiconductor software deals ever.

Sources: Deloitte, KPMG, PitchBook

Featured Sub-Sector: Data Analytics

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Market Commentary

- **AI-driven momentum dominates**, particularly in data & AI and business intelligence — buyers cite these as the most in-demand M&A sectors this year
- **Private equity re-enters the scene** — notably, Blackstone is set to acquire energy data and analytics firm **Enverus** for **$6.5 billion**, signaling renewed confidence in data-infused platforms
- **Tech giants continue strategic tuck-ins**: IBM acquired startup **Seek AI** to bolster enterprise data capabilities and launched its new **Watsonx AI Labs** hub for innovation in AI-driven analytics
- **Salesforce secured its largest deal of the year** — an **$8 billion** acquisition of **Informatica**, enhancing its AI strategy with robust data management infrastructure

Key M&A Transactions 2025

Date	Acquirer	Target	Target Description
May-2025	databricks	NEON	Enhances AI-agent-ready database infrastructure
Aug-2025	BLACKSTONE	ENVERUS	Major PE move into AI-enabled energy analytics
May-2025	salesforce	Informatica	Builds foundation for agentic AI in enterprise data architecture
Jun-2025	IBM	seek	Expands enterprise AI offerings and launches Watsonx AI Labs
Jul-2025	CoreWeave	CORE SCIENTIFIC	Vertical integration in AI infrastructure
Mar-2025	braze	OfferFit	Strengthens AI-driven personalization in engagement platforms

Select Market Participants

salesforce, crunchbase, Informatica, IBM, ENVERUS, databricks

Notable Transaction

ENVERUS
acquired by
BLACKSTONE

- In August 2025, Blackstone agreed to acquire energy data and analytics firm Enverus for $6.5 billion to scale AI-powered infrastructure.
- It marks a significant private equity move into energy-specific analytics.

Sources: Techcrunch, Reuters, PitchBook

Featured Sub-Sector: IT Service Providers

Market Commentary

- The MSP market continues to expand, projected to surpass **$400B globally in 2025**, driven by **AI integration**, cybersecurity demand, and cloud migration.
- **Generative AI adoption** is pushing MSPs to offer automated monitoring, predictive support, and advanced analytics.
- **Cybersecurity remains the #1 priority**: businesses demand complete packages covering threat detection, incident response, and compliance.
- **M&A activity is accelerating** as large IT services firms consolidate regional MSPs to expand capabilities and talent pools.
- Regulatory challenges persist, but digital transformation initiatives in healthcare, finance, and government are fueling **robust MSP growth**.

Key M&A Transactions 2025

Date	Acquirer	Target	Target Description
Jul-2025	Capgemini	WNS	Expands Capgemini's outsourcing and AI-driven MSP capabilities in US & global markets.
Jun-2025	cognizant	Mphasis The Next Applied	Strengthens Cognizant's cloud and managed IT services footprint in BFSI sector.
Apr-2025	CDW	SIRIUS	Expands enterprise IT solutions and MSP offerings in North America.
Mar-2025	Infosys	Persistent	Enhances Infosys' managed cloud and application services capabilities.
Feb-2025	Atos	EVIDEN	Atos reorganized through Eviden deal, reinforcing digital transformation and MSP business.
Jan-2025	kyndryl	täōs	Expands Kyndryl's multi-cloud and AI service capabilities.

Select Market Participants

CloudFlex
Capgemini
TECHMD IT BUILT AROUND YOU
Atos
DEVELOPERS.DEV WE MAKE IT POSSIBLE!
Integris.
wipro
IMAGINARYCLOUD
Infosys

Notable Transaction

WNS

acquired by

Capgemini

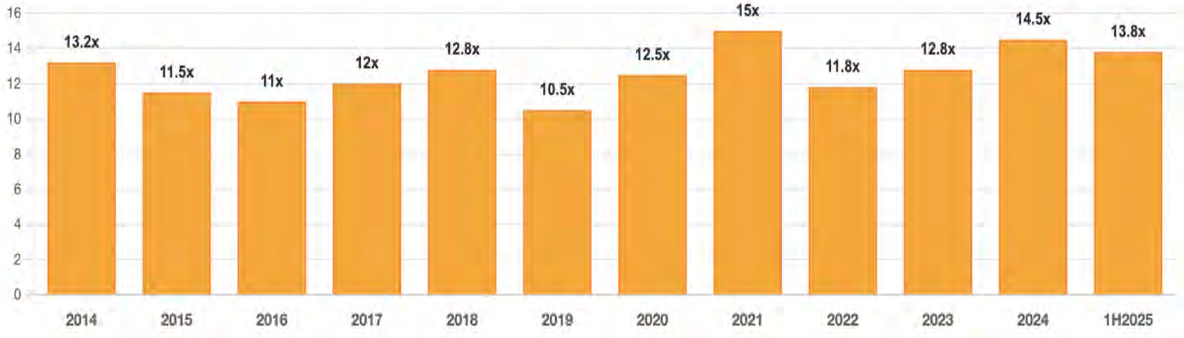
- Capgemini's acquisition of WNS boosts its **outsourcing and MSP capabilities**, particularly in AI-powered process management.
- The deal enhances Capgemini's presence in **the US and BFSI markets**, while scaling its global managed services platform.

Sources: PitchBook

Global Public Company Performance

IT M&A Activity by Year

IT M&A EV/EBITDA Multiples



Trends in IT sector

- **Increase in IT Sector Deal Value**: In Q2 2025, IT deal value reached approximately $97 billion, a 27% increase compared to Q2 2024. Through end-May 2025, tech M&A totaled around $421 billion, representing about 25% of global deal value.
- **Rise in IT Deal Volume**: In 1H 2025, the broader tech M&A volume rose to roughly 3,113 deals, up 36% year over year. Within the software and tech-enabled services segment, Q2 2025 recorded about 1,090 deals, up 19.8% year over year, though slightly down from Q1.
- **IT Sector's Share of Global M&A:** Tech continues to dominate M&A activity, accounting for about 78% of TMT deal volume and around 83% of TMT deal value in 1H 2025. Globally, overall M&A deal values increased roughly 15% year over year while volumes dipped about 9%, reflecting a value-driven environment with fewer but larger deals.

Sources: PitchBook

Questions? – Contact Us Directly

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