

European Technology Consulting M&A

Achieving outstanding results for business owners and financial investors



Alantra's track record

Combined value of deals in 2023

£1bn+



Deals completed in the last 3 years

25+



Deal size range

£25m to £550m



Advising business owners on a sale

59%



Cross-border

41%



Private equity involvement

63%



There has been continued M&A activity for technology consultancies through H2 2023 driven by the strong recovery in pipelines post the summer months and increased consolidation by private equity. Valuations remain high for well invested, profitable businesses operating in resilient ecosystems.

- Although decision making in the enterprise is still slower than 12 months ago (with additional levels of sign off for digital and data spend), pipelines in Europe have recovered well. The supply side of technology consultancies has also settled from Covid peaks and therefore technology consultancy leaders are generally feeling more confident as they head into 2024.
- M&A by corporate acquirers is still heavily weighted towards digital engineering and data capabilities, with varying rationales for acquisitions in the space. Strategies can vary from simply fulfilling existing client pipeline to building platform businesses in Europe in support of existing US operations. This range of strategies is driving continued consolidation in the ecosystem.
- There have been spikes of activity in certain vendor ecosystems, including ServiceNow, Oracle and Google. This is prevalent where independent consultancies in the various ecosystems have reached a meaningful scale, increasing their attractiveness to both private equity and strategic trade.
- For private equity investing in the sector there is an increasing focus on differentiation in go-to market and offering, the deliverability of existing pipeline and the depth of capability in the management team. Great businesses are still attracting significant attention from private equity, however sustainable growth and profitability have become more important.
- For strategic acquirers, scale and geography have become increasingly important. More generalist businesses with less than \$25m of revenues will attract less attention and typically lower valuations than those that exceed this hurdle. In terms of geography, there has been an increasing focus on nearshore delivery in countries such as Bulgaria, Morocco and Greece as alternatives to the more established delivery locations.
- Across both private equity and trade there is an increasing focus on the impact of AI on target businesses. Although mainstream media has focused on many of the negative impacts of AI in the sector, private equity and trade see huge opportunities for technology consultancies that are able to transition rapidly to becoming AI native. This applies both in terms of a specific AI service offering but also as a horizontal through the business. Every technology consultancy should be considering the impact of AI with areas such as the growth in mixed product/service models, ways of working with clients and time to value, as well as building an AI-first culture, being at the forefront of the narrative.




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There has been continued momentum throughout the second half of 2023 and 2024 will be a busy year in technology consultancy M&A. As the macro economy returns to a 'new normal' and larger acquirers see client pipelines recover from their H1 2023 lows, valuations will remain strong for high-quality, differentiated businesses.

SIMON ROBERTS
MANAGING DIRECTOR

Deals in focus

Realising shareholder value – sale to strategic buyer secures premium value

Client: Objectivity 

Transaction type: Sell-side advisory

Acquirer: Accenture 

Founded by Rob Helle in 1991 and headquartered in Coventry, UK, Objectivity is an international IT software development company specialising in delivering custom software solutions, digital transformation, and IT consulting.

Although Rob had semi-retired from the business, he returned full-time in the Spring of 2020 to steer Objectivity through the Covid pandemic whilst providing the business with a clear strategic focus. He was clear with the board that he only wanted to run the business for three years and would then seek an exit.

Objectivity had never taken any external investment, but Rob knew he wanted a liquidity event. Rob and his team appointed Alantra long before a process to act as a 'by your side' adviser.

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We appointed Alantra to advise us on the process very early on. They felt like the best cultural fit; we were particularly attracted to their track record of working with mid-market technology businesses like ours.

We were very conscious that none of us had sold a business before; it often felt like a simple mistake, made unwittingly, could cost millions or even tens of millions of pounds. It's hard to overstate how reassuring it is to have an experienced adviser to help you through that anxiety. We knew we had a great business, but we wanted to be absolutely sure that buyers could see its value – that's what Alantra helped us to do.”

ROB HELLE
FOUNDER & CEO, OBJECTIVITY



The solution

- We initially engaged with Objectivity on the basis of a full business and options review, recommending various value enhancement initiatives ahead of engaging in a formal process
- We supported Objectivity to get the business ready for seeking expressions of interest, preparing the financial data, marketing document and preparing the data room, alongside overseeing the appointment of other external advisers including legal, diligence and wealth management
- Objectivity's in-demand capability, strong client base and established UK and European presence attracted significant interest from a range of buyers including strategics, private equity-backed strategics and standalone private equity
- We worked with Rob and the team to identify which parties to proceed with, receiving market-leading offers in both first and second-round bids. One of those parties was NYSE-listed Accenture. Partnering with a buyer that shared Objectivity's culture and values was a priority. Accenture's management style, which is collegiate rather than hierarchical, as well as Objectivity enabling Accenture to achieve its strategic goals, ensured the global professional services company was the preferred bidder.

Use private equity to accelerate growth while maintaining independence

Client: JMAN 

Transaction type: Sell-side advisory

Acquirer: Baird Capital 

Founded in 2013 by Anush Newman and Leo Valan, JMAN delivers a range of solutions combining consulting, data science and data engineering capabilities that address the growing need for investment and value creation initiatives to be driven by data, at pace. Operating from London and Chennai, JMAN has a primary focus on delivering for clients in the private equity industry.

JMAN has achieved significant growth over the last five years. Anush and Leo wanted to partner with an investor that could help expand its offering to grow internationally.

Having demonstrated our deep sector knowledge and our record of securing minority investors to support businesses like JMAN, we were appointed to prepare the business for an investment and to secure a financial sponsor to back Anush and Leo to deliver the next stage of growth both in the UK and internationally.

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We selected Alantra because of their deep sector experience and their comprehensive understanding of structuring minority equity transactions. The outcome was fantastic – we have found a highly supportive partner with the Baird Capital team who will be helpful in our ambitious growth plan.




















ANUSH NEWMAN
CO-FOUNDER & CEO, JMAN GROUP



The solution

- Alantra spent a significant amount of time pre-process to coach the management team on the options available to them, across debt, structured capital and minority private equity
- JMAN's track record in a high growth market and reputation with private equity clients meant many potential bidders were already familiar with the business. This, coupled with the company's impressive financial profile, attracted strong interest across the structured finance and private equity markets
- Alantra's role was to ensure that the equity story presented to investors was ambitious but credible, with alignment between marketing documents, management presentations and vendor diligence
- After a highly competitive process, the JMAN team chose Baird Capital because of their track record with supporting professional services firms, experience in the US market and deep understanding of pharma and pharma services (another growth area for JMAN)
- Baird's investment supports the continued expansion of JMAN's range of data-led solutions for clients, as well as international growth.

Our European technology consulting deals in 2023

<p>DEC </p> <p>synchron</p> <p>SELL-SIDE ADVISORY</p> <p>naxicap PARTNERS</p>	<p>DEC </p> <p>cbpe</p> <p>BUY-SIDE ADVISORY</p> <p>APADMI</p>	<p>NOV </p> <p>FOREMAN CAPITAL</p> <p>BUY-SIDE ADVISORY</p> <p>Xemnia 10 YEARS</p>	<p>OCT </p> <p>dsp</p> <p>BUY-SIDE ADVISORY</p> <p>eclipsys</p>	<p>OCT </p> <p>appsbroker an Appsbroker CTS company</p> <p>MERGER</p> <p>cts</p>	<p>SEP </p> <p>LDC </p> <p>BUY-SIDE ADVISORY</p> <p>dsp</p>
<p>SEP </p> <p>nimble</p> <p>SELL-SIDE ADVISORY</p> <p>SCC</p>	<p>JUN </p> <p>SOHO SQUARE</p> <p>BUY-SIDE ADVISORY</p> <p>XDESIGN</p>	<p>JUN </p> <p>JMAN GROUP</p> <p>SELL-SIDE ADVISORY</p> <p>Baird Capital BAIRD</p>	<p>MAY </p> <p>Objectivity Part of Accenture</p> <p>SELL-SIDE ADVISORY</p> <p>accenture</p>	<p>MAY </p> <p>CLOUD STRATEX</p> <p>SELL-SIDE ADVISORY</p> <p>brillio</p>	<p>MAR </p> <p>PERWYN</p> <p>BUY-SIDE ADVISORY</p> <p>+datatonic</p>
<p>FEB </p> <p>FSP. LDC </p> <p>SELL-SIDE ADVISORY</p> <p>cbpe</p>	<p>FEB </p> <p>FSP. LDC </p> <p>ADVISED ACQUISITION OF</p> <p>savanti PART OF FSP</p>	<p>FEB </p> <p>MML</p> <p>BUY-SIDE ADVISORY</p> <p>MIS COMPANY</p>	<p>JAN </p> <p>Automation Logic</p> <p>SELL-SIDE ADVISORY</p> <p>VERSION 1</p>		

Other notable deals

<p></p> <p>SOVEREIGN CAPITAL PARTNERS</p> <p>BUY-SIDE ADVISORY</p> <p>ACTICA consulting</p>	<p></p> <p>kabel </p> <p>SELL-SIDE ADVISORY</p> <p>avanade</p>	<p></p> <p>SOVEREIGN CAPITAL PARTNERS</p> <p>BUY-SIDE ADVISORY</p> <p>[DATA INTELLECT]</p>	<p></p> <p>Ancoris</p> <p>SELL-SIDE ADVISORY</p> <p>Beech Tree PRIVATE EQUITY</p>	<p></p> <p>HELECLOUD</p> <p>SELL-SIDE ADVISORY</p> <p>one software</p>	<p></p> <p>Datalytx </p> <p>SELL-SIDE ADVISORY</p> <p>Mphasis The Next Applied</p>
<p></p> <p>chaucer...</p> <p>SELL-SIDE ADVISORY</p> <p>bip.</p>	<p></p> <p>altius</p> <p>SELL-SIDE ADVISORY</p> <p>MML</p>	<p></p> <p>MML</p> <p>BUY-SIDE ADVISORY</p> <p>ROBOYO</p>	<p></p> <p>soltec CLOUD EMPOWERED SOLUTIONS</p> <p>SELL-SIDE ADVISORY</p> <p>Content + Cloud</p>	<p></p> <p>Ten10</p> <p>SELL-SIDE ADVISORY</p> <p>GraphiteCapital</p>	<p></p> <p>zenika</p> <p>SELL-SIDE ADVISORY</p> <p>bpi france</p>

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ALANTRA

Possibility is in the ascent

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France
Germany

Greece
Hong Kong
Ireland
Italy
Latin America

Netherlands
Nordics
Portugal
Spain
Switzerland

UAE
United Kingdom
United States

Alantra is an independent global mid-market financial services firm providing investment banking, asset management, and private capital services to companies, families, and investors operating in the mid-market segment. The Group has over 650 professionals across Europe, the US, Latin America, and Asia.

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