5 Years of Acquisition by the Top 20 Global IT Services Companies

415
Acquisitions

8%
In Australia

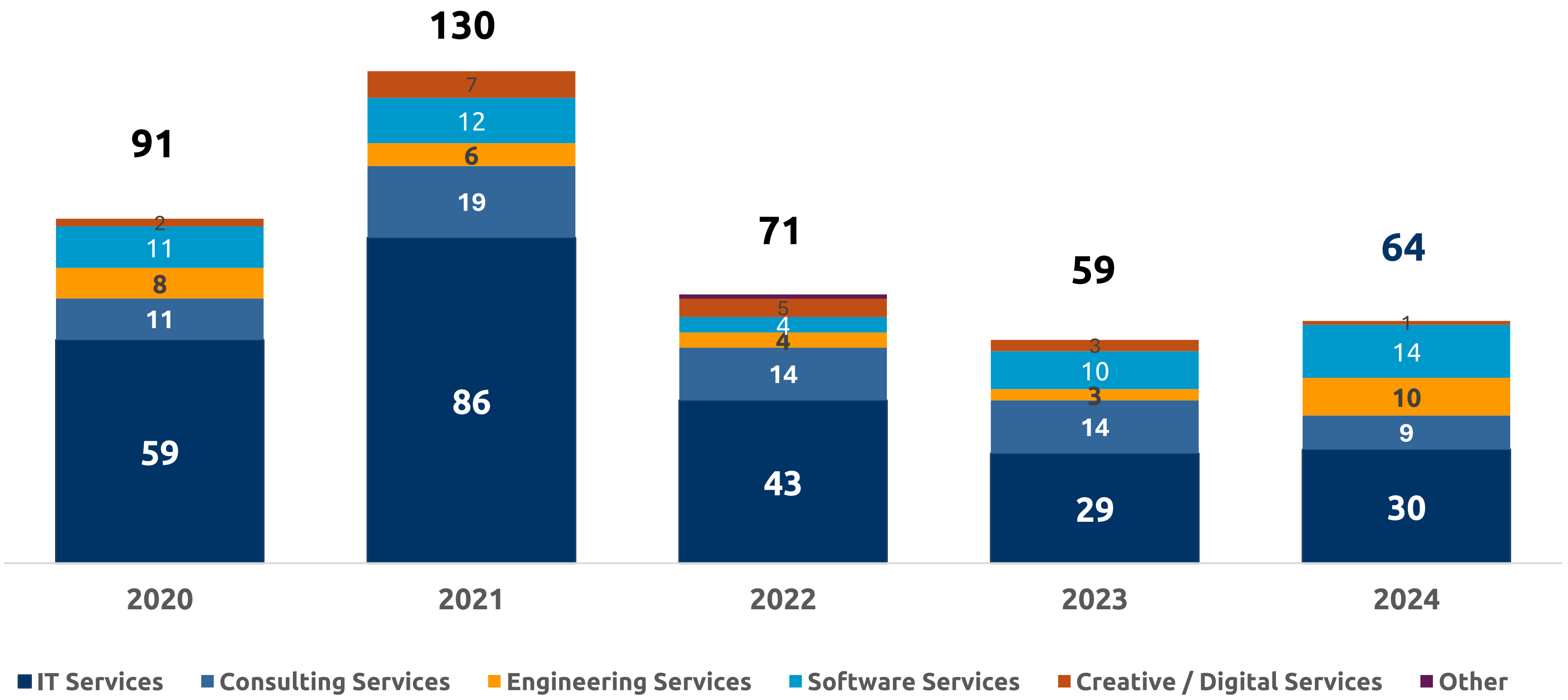
Discover Key Trends:

- M&A deals stable ('22-'24), spend in 2024 returned to 2021 peak levels
- Employee acquisitions surged in 2024 YoY, with large increases in IT & Engineering Services
- Breakdown of Acquisitions by Service Type & Industry

See Full Analysis Inside

Acquisition Deals Peaked in 2021, but 2024 Spending Matches 2021 at $13.8B USD

Acquisition spending in 2024, 13.8B USD matches 2021 despite half the number of deals (64 vs 130), one of the drivers being the increased focus on acquiring larger Software firms

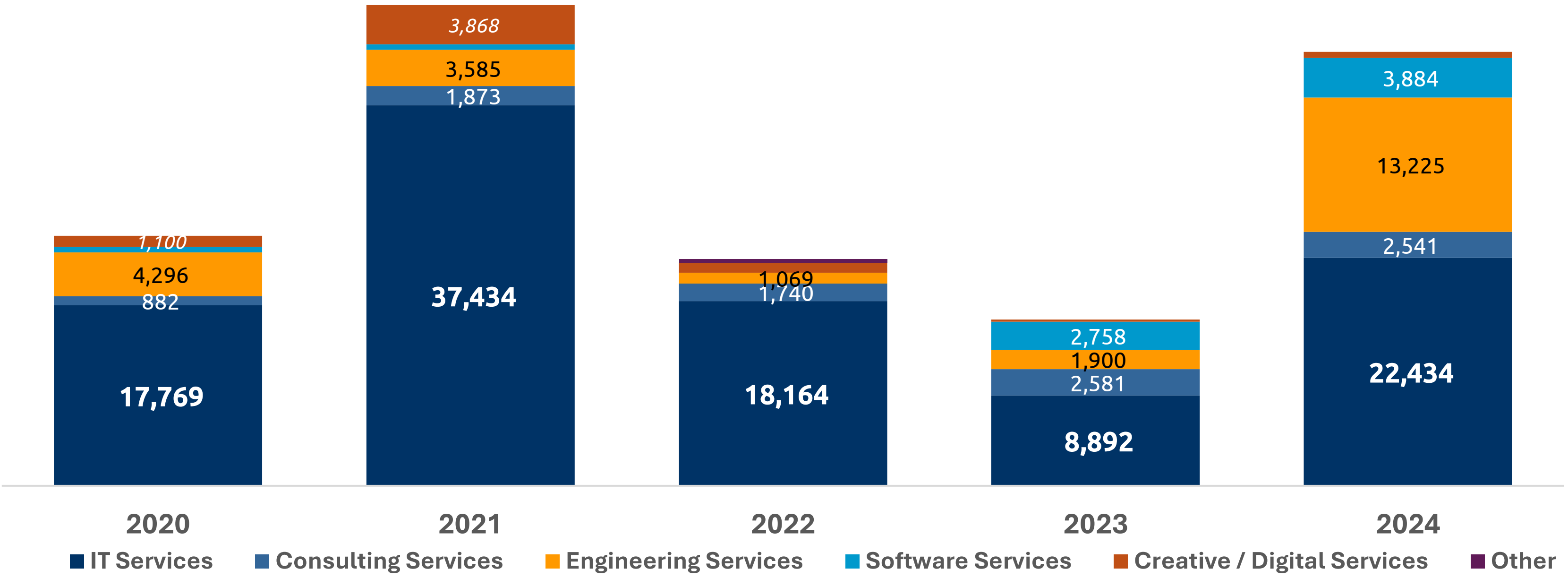


Net Cash Spend* B USD	**$7.1B**	**$13.8B**	**$7.8B**	**$10.0B**	**$13.8B**

*Net cash flow reflects total reported spending on acquisitions and disposals of business assets for the calendar year. Some companies report only annually, in which case the financial year is used.

Employee acquisitions surged in 2024 YoY, with large increases in IT and Engineering Services

Employee acquisitions in 2024 more than doubled YoY 42K vs 16K, driven by large increase in employees acquired through IT Services and Engineering Services focused acquisitions.

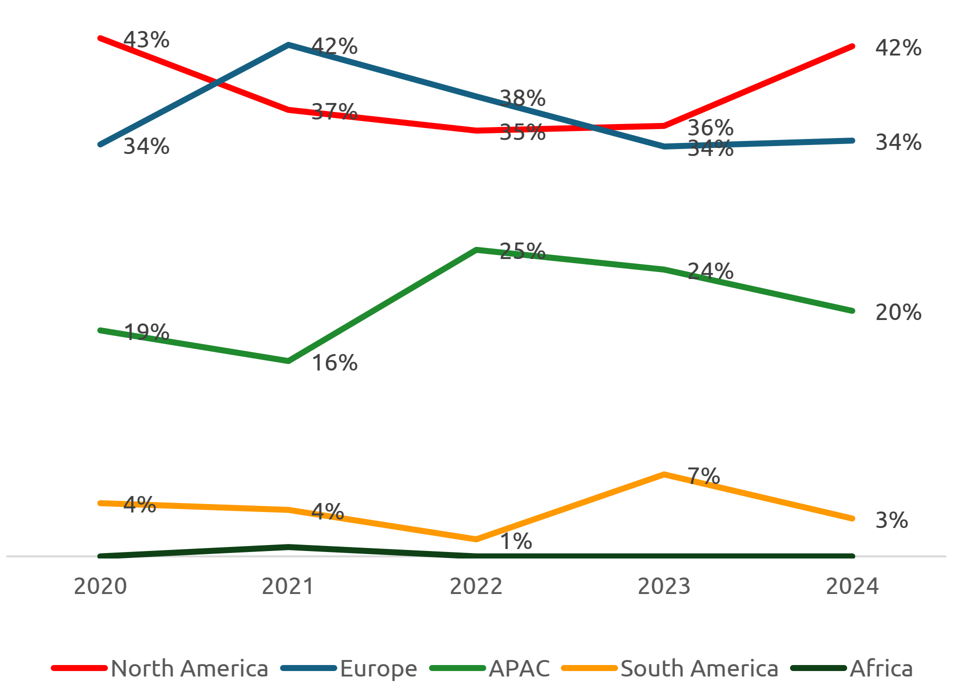


	2020	2021	2022	2023	2024
Total Employees	25,600	47,300	22,000	16,400	42,600

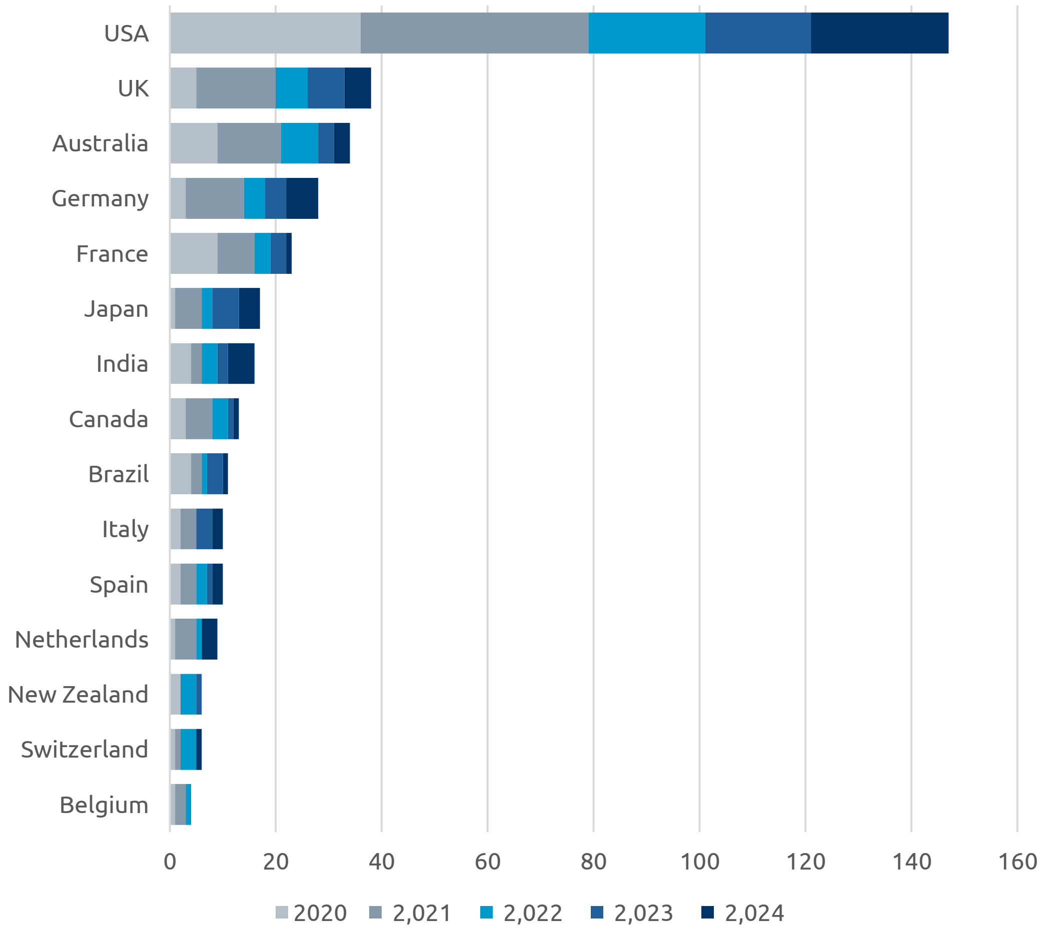
North America Leads 2024 Deal Upswing—Australia a Top 3 Acquisition Market.

North America leads M&A activity with 42% of M&A activity in 2024 (57% of employees acquired), Australia placed in the Top 3 acquisition markets by # of deals in last 5 years, 8% of total deals.

YoY % of Acquisitions made by Region

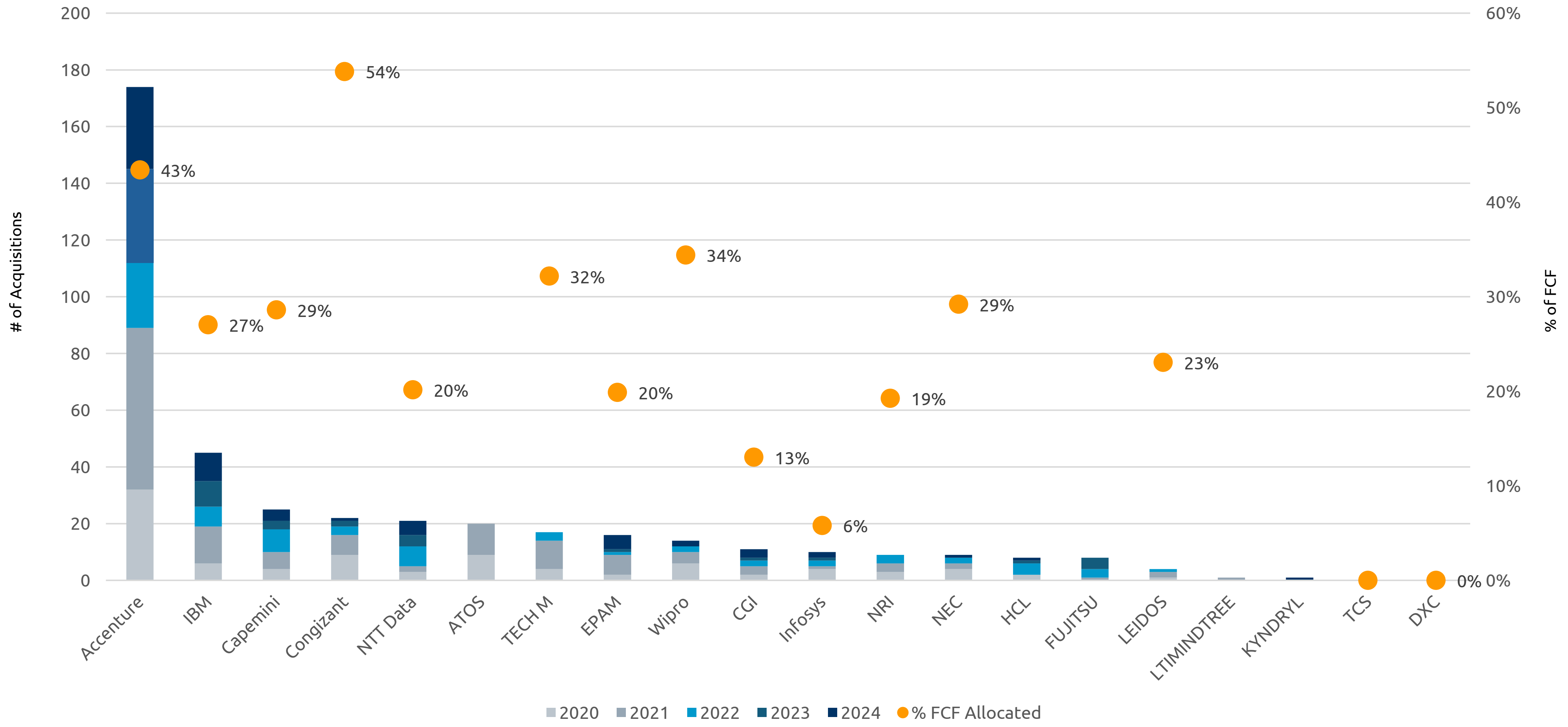


Number of Acquisitions for Top 15 Countries, by Year



Accenture Drives 40% of Acquisitions — others also commit Significant %FCF to Acquisitions

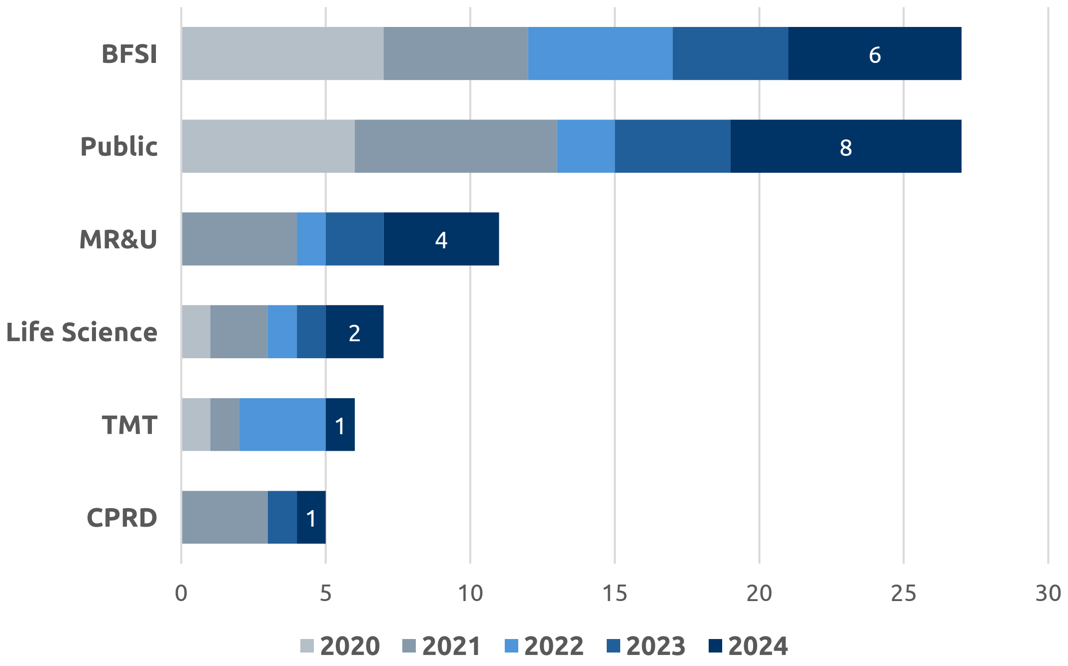
Accenture drives 40% of all acquisitions and 35% of spend in last 5 years, IBM opting for larger deal sizes, with 11% of all deals, and 28% of total cash invested. Ten other providers also allocate on average 30% of Free Cash Flow (FCF),



Industry-Focused M&A Sees High Growth – BFSI & Public Lead, But Service Mix Varies

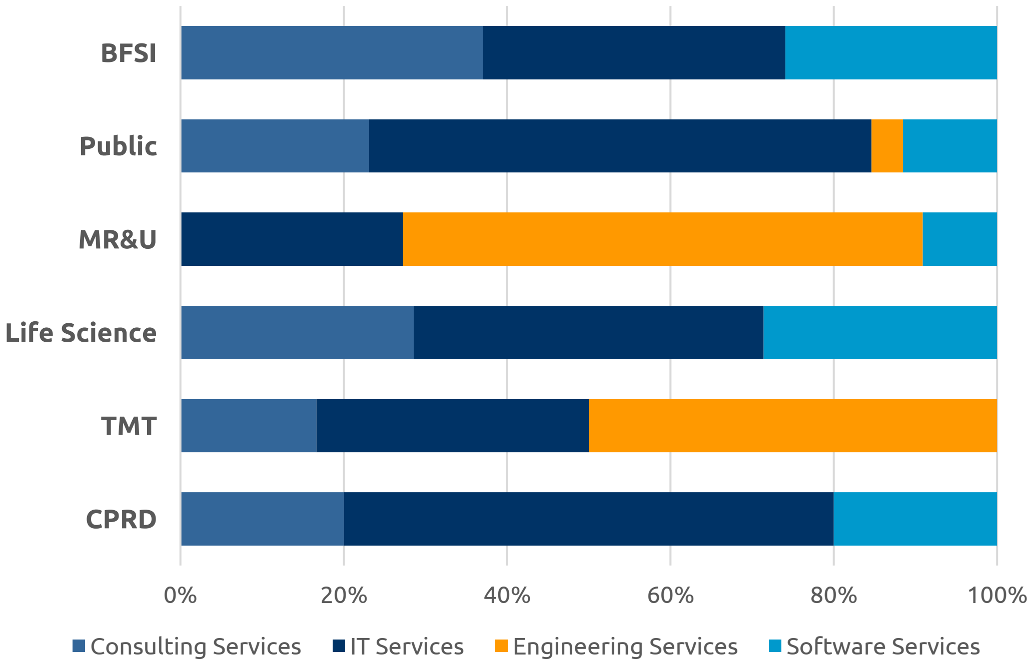
Industry focused acquisitions surge, accounting for 34% of deals and nearly half of employees acquired. With main focus Public Sector and BFSI.

Acquisitions by Industry



	2020	2021	2022	2023	2024
% of total	*16%*	*17%*	*17%*	*20%*	*34%*
% of employees	*9%*	*21%*	*16%*	*36%*	*48%*

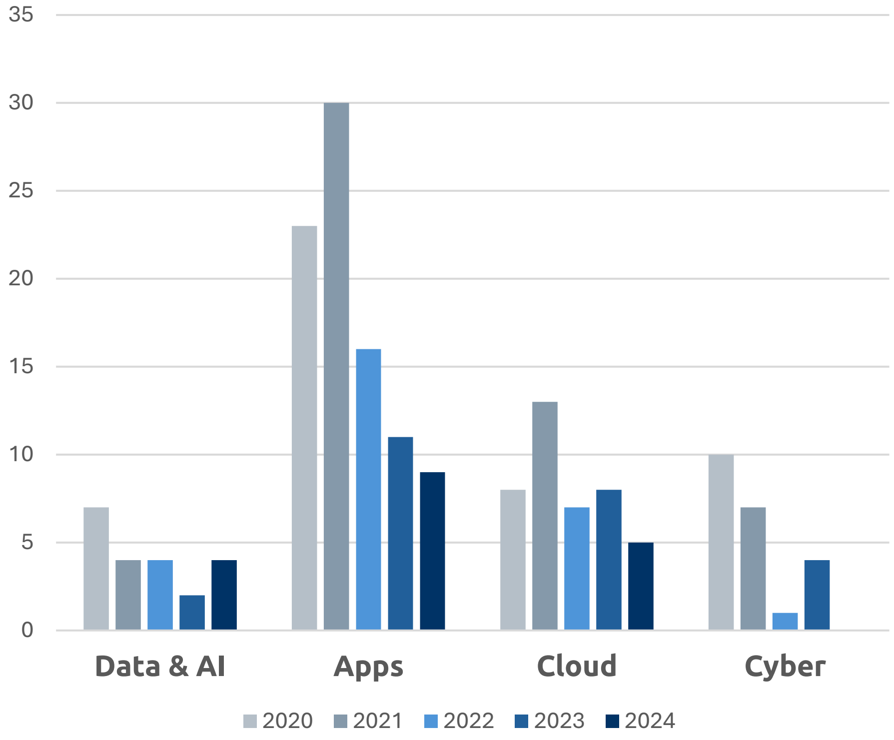
Service Mix by Industry



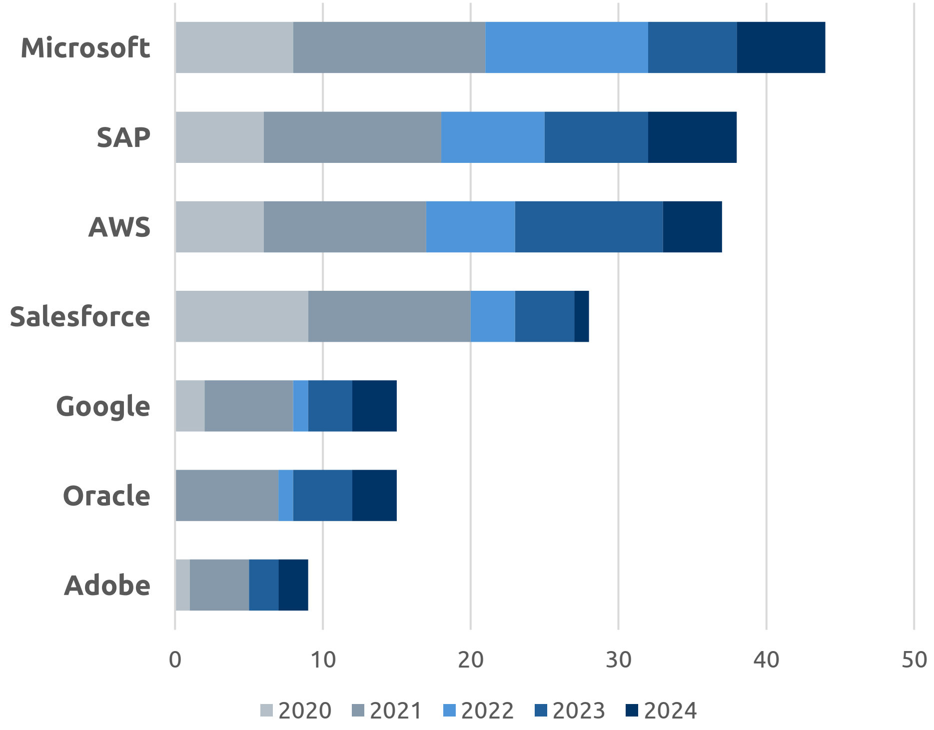
Apps & Cloud remain largest capability & Technology Partner acquisition focus

Trends in acquisition focus for IT and Consulting Services around offering specialization and technology partners (excludes Engineering Services and Software Services).

Number of acquisitions with One prime capability focus



Number of Acquisitions with Technology Partner focus



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