DRAKE STAR

MANAGED SERVICE PROVIDER "MSP" MARKET UPDATE Q2 2026

NEW YORK I LONDON I PARIS I MUNICH I SAN FRANCISCO
LOS ANGELES I BERLIN I WEST PALM BEACH I DUBAI

INDEPENDENT LEADER IN TECH INVESTMENT BANKING

DELIVERING SUCCESSFUL OUTCOMES FOR OUR CLIENTS

TOP GLOBAL BOUTIQUE

GLOBAL MID-MARKET TRANSACTIONS

Top global boutique investment bank focused on mid-market Tech

100%

TECH-FOCUSED INVESTMENT BANK

One of the largest tech-focused teams

8 CORE VERTICALS

INDUSTRY EXPERTISE BASED ON STORY

With senior advisor team of ex-corporate CEOs

OVER 500

TRANSACTIONS

With mid-cap growth focus

OVER 60

AWARDS

- 12x Investment bank of the year
- 50x Deal of the year
- 8x Leadership awards

EXPERIENCED TEAM

PROFESSIONALS

16 Partner level bankers
9 offices in 5 countries

STRONG TRANSACTION TRACK RECORD ACROSS THE GLOBAL TECH LANDSCAPE

OVER 500+ TRANSACTIONS COMPLETED

vinli
SALE TO
SOFICO
AI Logistics

Hipster Whale
SALE TO
ATARI
Video Games

CapitalCroissance
LAMY
SELL
ADVANCED TRACK&TRACE
TO
SANSARA
Security & Traceability Software

aconso
A portfolio company of
KEENSIGHT CAPITAL
ACQUISITION OF
centric
Germany
HR TECH

gini
SALE TO
banyan SOFTWARE
FinTech

VEDA
A portfolio company of
INVESTCORP
ACQUISITION OF
LOHN UNION
HR TECH

READY PLAYER ME
SALE TO
NETFLIX
Digital Media

PlayHQ
SALE TO
ASG
Sports Tech / SaaS

VAULT VERIFY
A PORTFOLIO COMPANY OF
PSG
SALE TO
EQUIFAX
HR Tech

ultraleap
A portfolio company of
MAYFAIR EQUITY PARTNERS
DIVESTMENT OF IP AND HUMAN CAPITAL TO
roli
SIMIP
Extended Reality

Attentive.ai
STRATEGIC INVESTMENT FROM
INSIGHT PARTNERS
AI CONSTRUCTION SOFTWARE

EXFO
SALE OF ADAPTIVE ASSURANCE DIVISION TO
NUMO DATA
A portfolio company of
TELEO CAPITAL
Enterprise SaaS

ANUVU
SALE TO
Platinum Equity
Digital Media & Digital Services

VR Equitypartner
SALE OF
evo IT
TO
FLEX CAPITAL
Digital Services

eir
GROWTH FINANCING FROM
endeit
InsurTech

simpleshow
SALE TO
D-ID
AI Video Creation Platform

Pernod Ricard
SALE OF
BODEBOCA
TO
Decántalo
E-Commerce

FOCUS TECHNOLOGY
a portfolio company of
SEACOAST CAPITAL
ACQUISITION OF
CONVERGED TECHNOLOGY GROUP
IT Services

modell aachen
STRATEGIC GROWTH INVESTMENT BY
FORTINO CAPITAL PARTNERS
Interactive Process Management Software

RETINSIGHT
AI TO EYE
SALE TO
TOPCON Healthcare
MedTech

MOBSCENE
SALE TO
CONNEKKT
Digital Media

brainsell
SALE TO
Atlantic
IT Services

Aagon
CLIENT MANAGEMENT PLATFORM
SALE TO
GENUI
Unified Endpoint Management & Data Integration Software

RAI
INVESTIGATIVE EXCELLENCE SINCE 1953
MAJORITY RECAPITALIZATION
thuro by RAI
HCM

eseye
STRATEGIC INVESTMENT FROM
TELUS
IoT & Connectivity

FLIGHTKEYS
STRATEGIC INVESTMENT FROM
INSIGHT PARTNERS
Aviation Software

GFOS
MAJORITY RECAPITALIZATION WITH
Riverside
AND REINVESTMENT BY MANAGEMENT SHAREHOLDERS
HR Tech

GAUGE CAPITAL
STRATEGIC INVESTMENT IN
AGT ROBOTICS
Robotics / Industrial Automation

PROVISO CAPITAL
SALE OF
KERR CONSULTING
TO
Cherry Bekaert
A portfolio company of
PARTHENON CAPITAL
IT Services

MAXBURG
INVESTMENT IN
/why
Digital Services

SINGULARITY SIX
Palia
SALE TO
DAYBREAK
a subsidiary of
NAD GLOBAL
Video Gaming

SPIIDEO
PRIVATE PLACEMENT LED BY
CIPIO PARTNERS
With participation from existing investors
Sports Tech / SaaS

SALE OF SHARES OWNED BY
schufa
in
finAPI
to
fabrick
Backed by
Sella
Open Banking Provider

envato
SALE TO
shutterstock
Digital Content Platform

AvaFin
MAJORITY ACQUISITION BY
CAPITEC BANK
AND RE-INVESTMENT BY MANAGEMENT
CONSUMER LENDING PLATFORM

elsyca
MAJORITY RECAP BY
strada
AND RE-INVESTMENT BY MANAGEMENT
Engineering Software

GAME CIRCUS
COIN DOZER
MERGE 200
SALE TO
MONUMENTAL
Mobile Gaming

Dendreo
SALE TO
septeo
a portfolio company of
Hg
SaaS HR Tech

VEDA
MAJORITY RECAP BY
INVESTCORP
AND RE-INVESTMENT BY MANAGEMENT
HR Tech

tastypill
SALE TO
AZUR GAMES
Mobile Games

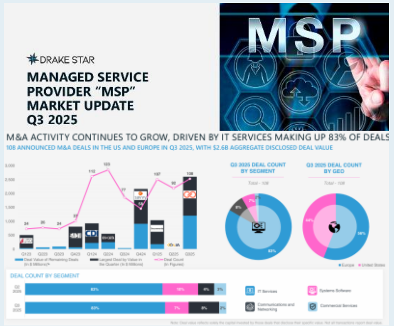
DRAKE STAR'S LEADERSHIP POSITION IN MSP M&A

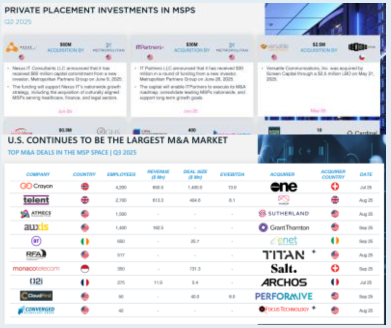
ESTABLISHED CAPABILITIES IN MSP DEALS

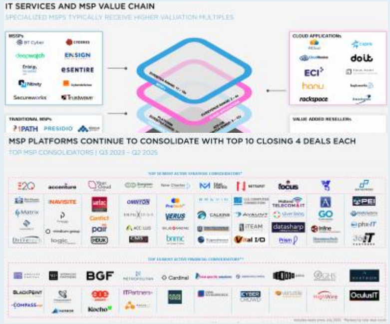
ACCREDITATION

SHARING MSP EXPERTISE AT TALKS AND EVENTS

UNPARALLELED INSIGHTS AND RESEARCH







SAM LEVY IN THE MEDIA

PROVEN TRACK RECORD IN MSP M&A AND GROWTH FINANCING ADVISORY

brainsell
SALE TO
Atlantic
IT Services

Focus Technology
a portfolio company of
SEACOAST CAPITAL
ACQUISITION OF
CONVERGED TECHNOLOGY GROUP
IT Services

TNS
SALE TO
omega systems
a portfolio company of
PFINGSTEN
MSP

coretelligent
a portfolio company of
VSS
MAJORITY SALE TO
NEP
MSP

THRIVE
a portfolio company of
MC PARTNERS
SALE TO
COURT SQUARE
MSP

Synoptek
a portfolio company of
SVERICA
HAS RECEIVED MAJORITY INVESTMENT FROM
QUAD-C
MSP

nexustek
RECAPITALIZATION WITH
abry partners
MSP

abacus group llc
HAS SOLD A MINORITY STAKE TO
West View Capital Partners
MSP

Med Tech Solutions
HAS BEEN ACQUIRED BY
SUNSTONE PARTNERS
MSP

coretelligent
a portfolio company of
VSS
HAS ACQUIRED
SOUNDSHORE TECHNOLOGY GROUP
MSP

CLOUDNEXA
a portfolio company of
ACTIVATE
SALE TO
NHN GLOBAL
MSP

coretelligent
a portfolio company of
VSS
HAS ACQUIRED
UTG
MSP

coretelligent
a portfolio company of
VSS
HAS ACQUIRED
SoundView IT Solutions
MSP

iccs
TRANSACTS WITH
nexustek
a portfolio company of
abry partners
Services

CLEARPointe
SALE TO
AccountabilIT
a portfolio company of
West View Capital Partners
MSP

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MSP DEAL ACTIVITY REMAINED ROBUST IN Q2 2026

100+ TRANSACTIONS WITH $603 MILLION IN DECLARED DEAL VALUE

MSP investment activity remained resilient in Q2 2026, with 117 reported transactions. M&A remained the primary investment channel, accounting for 111 deals, while private placements represented the remaining six transactions. Disclosed M&A deal value totaled $603 million

Strategic as well as financial investors remained active acquirers of IT service providers in Q2 2026, pursuing acquisitions to expand capabilities and strengthen portfolio offerings. These transactions accounted for more than 95% of total deal volume during the quarter

Strategic buyers remained the primary consolidators in the MSP market, with the top 10 acquirers each completing four or more acquisitions over the past two years. Financial investors, by comparison, generally limited their activity to two or fewer MSP investments

The global MSP market value reached $350 billion in 2025 and is expected to grow to $850 billion by 2034, driven by increasing IT complexities and demand for cost efficiency

MSP INVESTMENTS REFLECTED SUSTAINED INVESTOR CONFIDENCE IN Q2 2026

117

MSP transactions in Q2 2026

$350bn

Global managed service market value in 2025

~10.4%

Expected market growth CAGR until 2034

Top 3 Most Important Outcomes Achieved From Managed Services

- Outsourcing IT services to MSPs enables operating cost efficiencies
- Assist in navigating the complexities of advanced IT environments
- Rapid deployment of new technology

DRAKE STAR Sources: Pitchbook, Custom Market Insights

AI ADOPTION GAP IS RESHAPING BUYER DILIGENCE AND DEAL URGENCY

Buyers are increasingly distinguishing between MSPs that have genuinely embedded AI into service delivery and those merely marketing AI consulting without automating their own operations.

AI platforms are proving out mid- to high-single digits points of EBITDA margin improvement through Level 1 automation and back-office AI, and this playbook, not sellers' AI claims, is now the underwriting basis for acquisitions.

This is sharpening a valuation split within the MSP category itself: sub-$1.5M EBITDA MSPs trade at 5-7x, while scaled platforms above $15M with strong recurring revenue command 16-18x, as new capital (General Catalyst, Capital G, TAP) builds dedicated AI-enabled MSP theses.

Smaller, lower-growth operators are increasingly caught in a valuation gap, still anchoring on 14x+ despite lacking the scale to justify it. The model matters more than ever: recurring, BPO-style AI delivery earns 14-15x versus 10-11x for project-based implementation work.

"We're seeing a clear split between MSPs that have actually put AI to work in their operations and those just selling AI as a service line. That distinction is now driving both diligence and pricing."

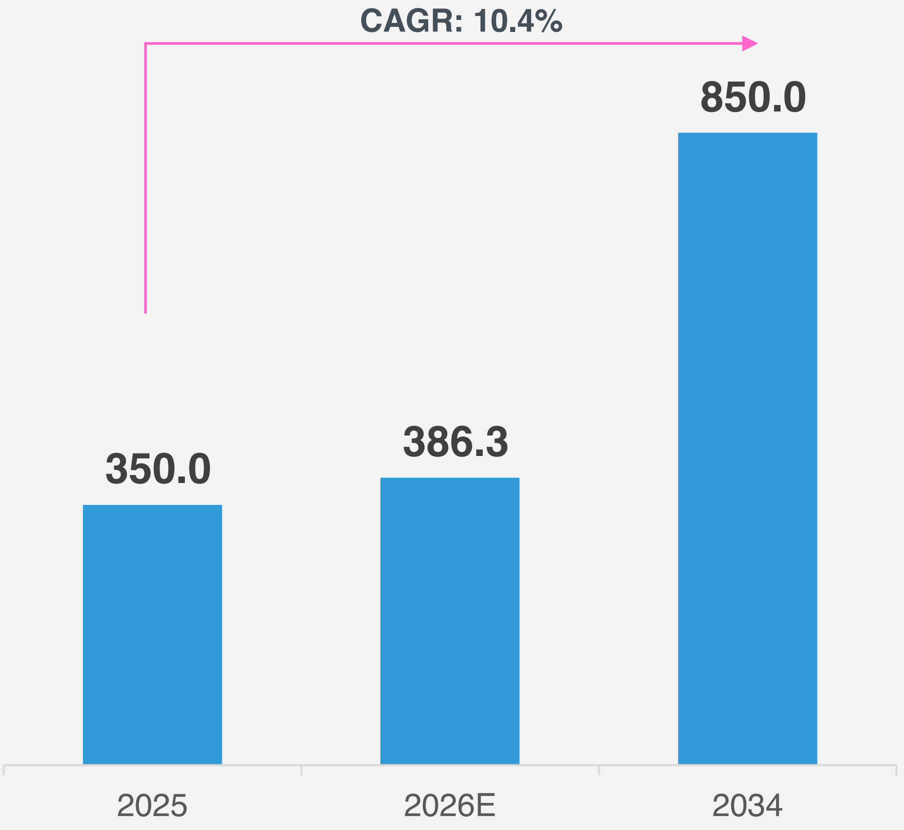
Sam Levy
Partner, Drake Star

DRAKE STAR Source: Drake Star

IT COMPLEXITIES AND COST EFFICIENCY DRIVING MANAGED SERVICES TO REACH $850B

MANAGED SERVICES MARKET ESTIMATED TO GROW 10% Y-O-Y IN 2026 TO ~$390 BILLION, UP FROM $350 BILLION IN 2025

GLOBAL MANAGED SERVICES MARKET SIZE ($ BN)



KEY DRIVERS

Increasing Complexity: The swift advancement of technology, varied software environments, and the integration of numerous platforms are driving the need for managed services.

Cost Efficiency: Managed services improve cost efficiency by optimizing resource utilization and reducing operating expenses, thereby enhancing overall profitability. Businesses are increasingly choosing to outsource to MSPs for infrastructure and tools at a predictable monthly fee, rather than investing in costly hardware and software.

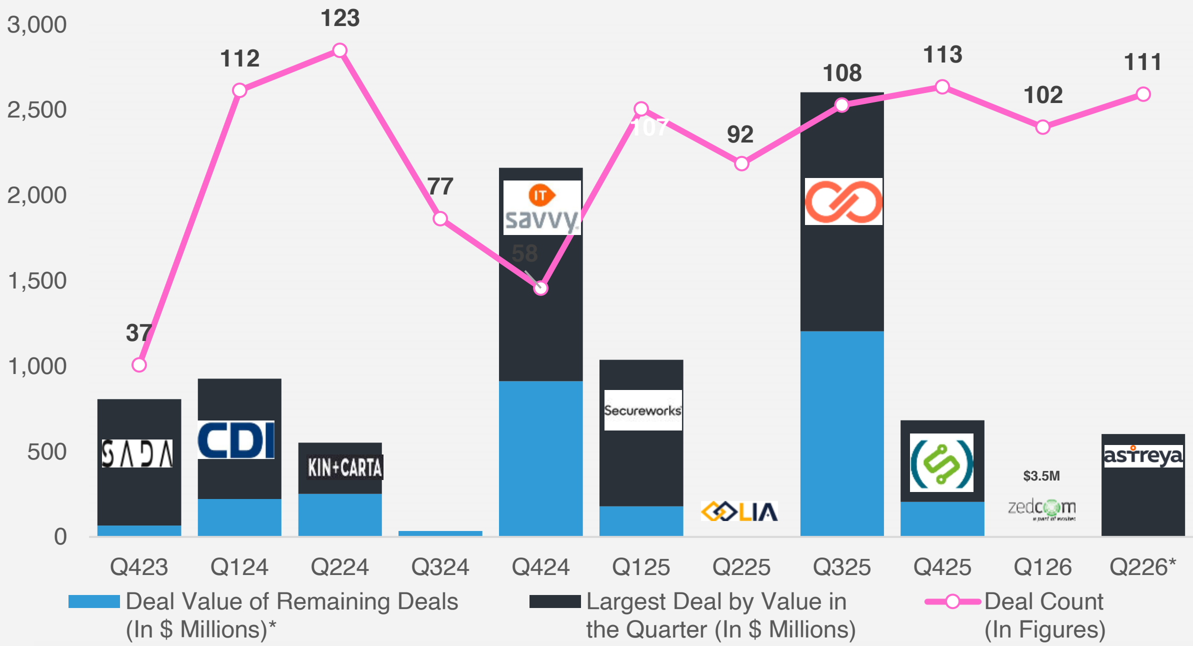
Cybersecurity Challenges: The rising incidence of cybersecurity threats is fueling the need for MSPs, who provide specialized solutions such as 24/7 monitoring and threat detection. These services are vital for safeguarding sensitive data and ensuring compliance with regulations.

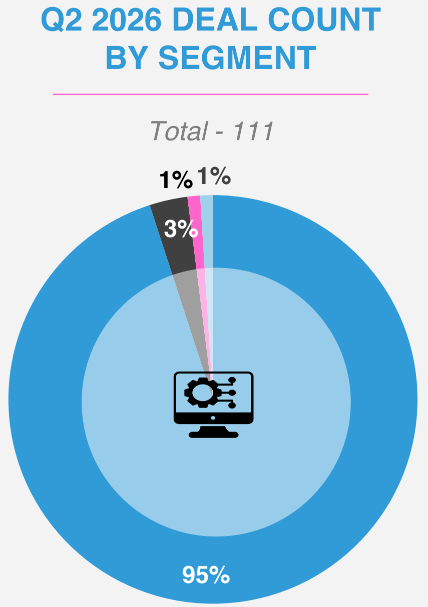
Enhanced Business Agility: Managed services offer the flexibility to promptly adapt IT resources to changes in the market, customer requirements, and emerging opportunities. This capability allows for swift responses without being constrained by fixed infrastructure.

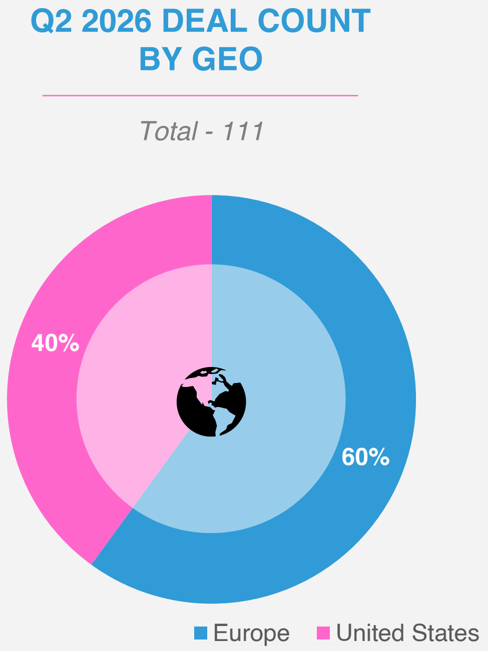
Sources: Custom Market Insights, Drake Star Analysis

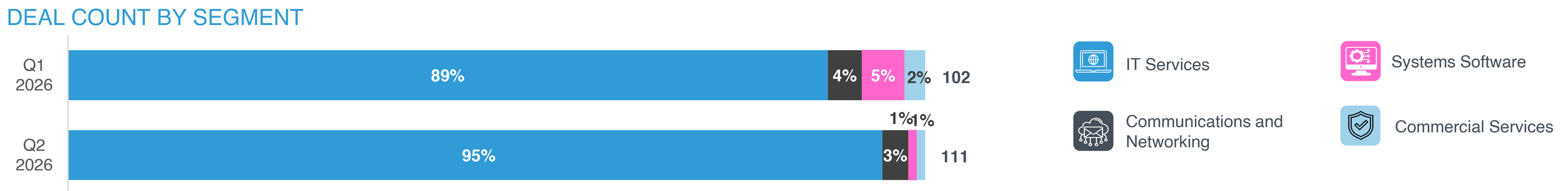
MSP M&A DEAL VOLUMES GREW 9% Q-O-Q IN Q2’26, DRIVEN PRIMARILY BY IT SERVICES

111 ANNOUNCED M&A DEALS IN THE US AND EUROPE IN Q2 2026, WITH $603M AGGREGATE DISCLOSED DEAL VALUE









* Notes: Deal value reflects solely the capital invested by those deals that disclose their specific value. Not all transactions report deal value. Total disclosed deal value in Q2’26 is $602.9 million; reported by only two companies- astreya ($600 million) and Secuvant ($2.9 million)

Sources: Pitchbook, Drake Star Analysis

MSP PLATFORMS CONTINUE TO CONSOLIDATE WITH TOP 10 CLOSING 4+ DEALS EACH

TOP MSP CONSOLIDATORS | Q3 2024 – Q2 2026

TOP 10 MOST ACTIVE STRATEGIC CONSOLIDATORS*

Your.Cloud	THE 20	redsquid.	THRIVE	easypartner	Evergreen Services Group	IT Solutions	blue mantis	PRESIDIO	focus group
Danthas ICT	ASSURED Technology Solutions	wtl.	worksighted	DIRA	OPTIMISING IT	tech. superpowers	North Shore Data Services, Inc.	ACHIEVE ONE	CHALKLINE
NXT GEN ICT	CTS Computer Technology Systems	Partnership Education	VITALCORE	provendo	spector IT	technology associates	BREVIN SYSTEMS	ergo	MATRIX 247
IPSYS ICT Integrator	INDATA	CJAZ Consulting	Baroan Technologies	Verano	IMAGEQUEST	CopperTree Solutions	TEligencePartners	transACT Technology Solutions	silver lining
CAB holland Hart voor uw ICT	iStreet Solutions	CYBERSEER	abacode	aditor	pch technologies	cutting edge Network Technologies	CALKINS NETWORKS	CONTENDER SOLUTIONS	Prism

TOP 10 MOST ACTIVE FINANCIAL CONSOLIDATORS**

CD&R	AGELLUS CAPITAL	VITRUVIAN PARTNERS	WORKLYN PARTNERS	METROPOLITAN	LIMERSTON CAPITAL	AYCE Capital	APIARY CAPITAL	abry partners	tbh ventures ltd
EXCLUSIVE NETWORKS	BLACKPOINT IT Services	Outpost24	IT MANAGEMENT SOLUTIONS	ITPartners+	DigitalXRAID	NETWIDE Technical Solutions	Spanish Point	KaufmanIT Managed IT Support & Cybersecurity	WELGO Providing Business Solutions
	COMPASS MSP	options	HARBOR NETWORKS	NEXUS IT CONSULTANTS	CYBER CROWD	ACENDEX			

Includes deals since Jul 2024. *Ranked by total deal count.
CD&R has made two investments in Exclusive networks since Jul 2024
**Most financial investors have made only two investments in MSP companies. Therefore, apart from the first seven investors, rest listed under them do not adhere to any ranking.

U.S. CONTINUES TO BE THE LARGEST M&A MARKET

TOP M&A DEALS IN THE MSP SPACE | Q2 2026

COMPANY	COUNTRY	EMPLOYEES	YEAR FOUNDED	ACQUIRER	ACQUIRER COUNTRY	DEAL DATE
motifworks (An Accionlabs Company)		5,000	2010	Accionlabs		May-26
astreya		2,600	2001	cognizant		Jun-26
Six Degrees		2,000	2010	claranet		Jun-26
vanroey		250	1993	dynamate		Jun-26
valid		250	1999	DATAGROUP		Jun-26
burwood group, inc.		225	1997	SIKICH		Apr-26
alFasistemi		200	1995	lynx group		May-26
QBRAINX (Transforming You)		200	2015	Nobl		May-26
appliedtech (An HBS Brand)		150	1999	HBS		Apr-26
SECUVANT (Cybersecurity | Risk Management)		20	2014	cycurion		May-26

Sources: Pitchbook, Drake Star Analysis

SELECT M&A DEALS IN THE MSP SPACE

Q2 2026

astreya — **$600M** ACQUISITION BY — **cognizant**

- Astreya, a US-based managed IT and cloud services provider, was acquired by Cognizant Technology Solutions for $600 million on June 22, 2026.
- The acquisition expands Cognizant's AI infrastructure capabilities and enhances its managed services portfolio for enterprise clients.

Jun-2026

SECUVANT Cybersecurity | Risk Management — **$2.9M** ACQUISITION BY — **cycurion**

- Secuvant, a US-based cybersecurity consulting and managed security services provider, was acquired by Cycurion for $2.9 million on May 22, 2026.
- The transcation complements Cycurion's cybersecurity portfolio by expanding its managed security services capabilities.

May-2026

motifworks An Accionlabs Company — **5,000** EMPLOYEES — **Accionlabs**

- Motifworks, a US-based AI, cloud, and digital engineering services provider, was acquired by Accion Labs for an undisclosed amount on May 01, 2026.
- The acquisition strengthens Accion Labs' AI and digital engineering capabilities while expanding its enterprise customer base.

May-2026

Six Degrees — **2,000** EMPLOYEES — **claranet**

- Six Degrees Technology Group, a UK-based managed cloud and cybersecurity services provider, was acquired by Claranet, for an undisclosed amount on June 29, 2026
- The acquisition helps Claranet expand its managed services portfolio and its presence in the UK market

Jun-2026

valid — **250** EMPLOYEES — **DATAGROUP**

- Valid Managed Services, a Netherlands-based managed IT and cloud services provider, was acquired by Datagroup, through an LBO for an undisclosed amount on June 2, 2026.
- The acquisition expands Datagroup's managed services footprint in the Benelux region and strengthens its cloud capabilities

Jun-2026

vanroey — **250** EMPLOYEES — **dynamate**

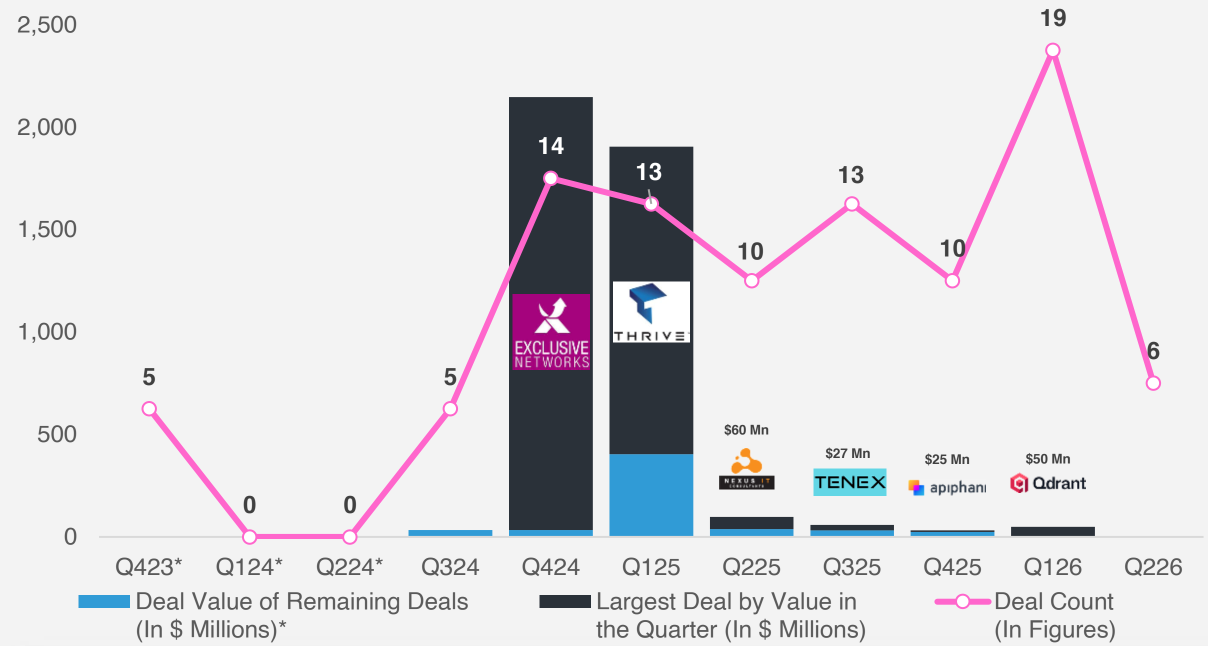
- Van Roey ICT Group, a Belgium-based managed IT, cloud, and cybersecurity services provider, was acquired by Dynamate, through an LBO for an undisclosed amount on June 30, 2026.
- The transaction enhances Dynamate's managed IT capabilities and strengthens its digital infrastructure offerings.

Jun-2026

Note: This slide presents key deals completed in Q2 2026 and are ranked based on the disclosed deal value and size of the target company.

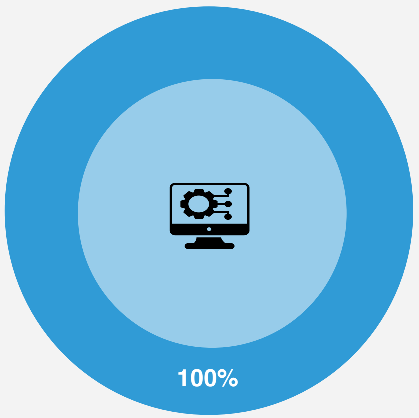
IT OUTSOURCING SERVICES CONTINUE TO DOMINATE PRIVATE PLACEMENTS IN Q2'26

6 ANNOUNCED PRIVATE PLACEMENT DEALS IN THE US AND EUROPE IN Q2 2026



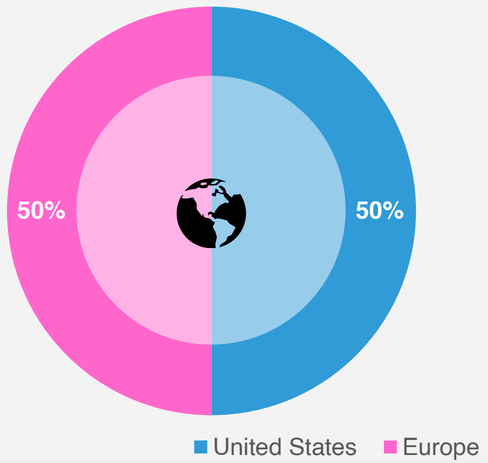
Q2 2026 DEAL COUNT BY INDUSTRY CODE

Total - 06

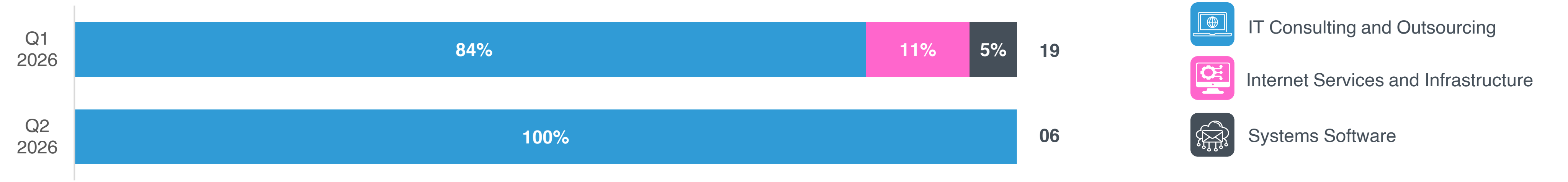


Q2 2026 DEAL COUNT BY GEO

Total - 06



DEAL COUNT BY SEGMENT



* Note: Deal value reflects solely the capital invested by those deals that disclose their specific value. Not all transactions report deal value. Drake Star did not act as financial advisor on transactions listed on this page.

* No deal values disclosed in Q4 2023, and Q2 2026

THE US CONTINUES TO ATTRACT PRIVATE PLACEMENTS

TOP PRIVATE PLACEMENT DEALS IN THE MSP SPACE | Q2 2026

COMPANY	COUNTRY	EMPLOYEES	YEAR FOUNDED	SELECT INVESTOR	ACQUIRER COUNTRY	DATE
oesia grupo		4,000	1976	nazca		May-26
Centre Technologies		160	2006	LightBay Capital		Jun-26
Spanish Point		80	2005	Apiary Capital		Jun-26
Netwide Technical Solutions		80	2003	AYCE Capital		Jun-26
Kaufman IT Managed IT Support & Cybersecurity		30	2010	abry partners		Jun-26
WELGO Providing Business Solutions		10	1969	tbh ventures ltd		May-26

SELECT PRIVATE PLACEMENT INVESTMENTS IN MSPS

Q2 2026

Oesía / Nazca — 4,000 EMPLOYEES

- Grupo Oesía, a Spanish technology and engineering company serving the security and defense sectors, received a minority investment from Nazca Capital on May 6, 2026.
- The investment will support Oesía's strategic plan, accelerating growth, R&D, industrial consolidation, and expansion of critical technology capabilities.

May-26

Centre Technologies / LightBay Capital — 160 EMPLOYEES

- Centre Technologies, a US-based MSP offering managed IT, cybersecurity, AI, cloud, and business intelligence services, received a strategic investment from LightBay Capital on June 24, 2026.
- The investment will support Centre's national growth, service expansion, AI-driven capabilities, industry expertise, and acquisition pipeline in the MSP market

Jun-26

Spanish Point / Apiary Capital — 80 EMPLOYEES

- Spanish Point Technologies, an Irish cloud, AI, and infrastructure solutions provider, received a strategic investment from Apiary Capital on June 8, 2026.
- The investment is aimed at supporting continued product development, including Matching Engine, Spanish Point's cloud-native royalty solution for Collective Management Organizations.

Jun-26

Netwide Technical Solutions / AYCE Capital — 80 EMPLOYEES

- Netwide Technical Solutions, a US-based managed IT services provider, received an investment from AYCE Capital on June 18, 2026.
- The funding will support Netwide Technical's growth, operational excellence, and access to AYCE's MSP network, while AYCE assumes select back-office functions.

Jun-26

KaufmanIT / Abry Partners — 30 EMPLOYEES

- KaufmanIT, a US-based managed IT, cybersecurity, and cloud services provider, received a strategic investment from Abry Partners on June 9, 2026.
- The investment will help accelerate KaufmanIT's platform growth, expand its cybersecurity and IT solutions, and strengthen its position in the managed services market.

Jun-26

Welgo / tbh Ventures — 30 EMPLOYEES

- Welgo Ltd, a UK-based office IT Support and Solutions company, was acquired by tbh Ventures, a UK-based investment group, on May 13, 2026.
- The acquisition will support Welgo's service expansion, customer continuity, and growth under new ownership.

May-26

Note: This slide presents key deals completed in Q2 2026 and are ranked based on the size of the target company.

GLOBAL REACH COMBINED WITH LOCAL PRESENCE

ONE OF THE LARGEST TECH TEAMS ACROSS NORTH AMERICA, EUROPE AND ASIA

5
Countries

9
Offices

500+
Transactions

50
Deal of the Year Awards

70%+
Cross-Border Transactions

30+
Partners & Senior Advisors

MSP MARKET UPDATE

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Drake Star is an award-winning global tech investment bank that has completed over 500 transactions since 2013. Drake Star global team of senior professionals across offices in New York, London, Paris, Munich, San Francisco, Los Angeles, Berlin, and Dubai* focuses on mergers & acquisitions and corporate finance services worldwide in Consumer & Retail Technology, HR Tech, Digital Media, FinTech, Mobility & Sustainability, Software/SaaS, Digital Services, and Industrial Tech sectors.

For more information on awards and criteria, consult: maadvisor.com, globalmanetwork.com or world-congress.tmtfinance.com/awards/.

For more information, visit www.drakestar.com.

*Partner Office


DRAKE STAR
BELIEVE IN INNOVATION
CHANGE THE WORLD