

Happy new year!

We entered 2025 after experiencing tough market conditions throughout the sector with M&A deal volume and private equity activity very much reduced but showing significant improvement later over the previous year. We were optimistic for the sector and providing employee our own prospects. We had a record number of client mandates and expected to close a record number of transactions. Once again M&A deal volume was down for the sector and as we all rise and fall with the tide, it turned out to be the same for us. We completed three transactions. So why was that? Broadly it was due to the conservatism in the market: buyers and their funders are cautious, and the deals are getting done but they are taking longer as decision making is slower and due diligence is generally deeper and taking longer. Our clients' transactions are taking longer and many that were expected to complete will still do so but in 2026.

SOFTWARE & SAAS
Social care



idox

ACQUIRES



PLIANZ



SOFTWARE & SAAS
Local government



OMNI

ACQUIRES



Datatank
Information, insight and innovation



Projects completed

- ❖ Our first transaction of the year involved our client, Idox, acquiring Plianz, a provider of local government and legal software solutions. Plianz's solutions are used by over 60 local authorities and several legal firms acting as deputies and appointees managing the assets of vulnerable adults.
- ❖ In June, our client Omni Partners acquired Datatank, renowned for its innovative use of credit bureau and council tax data to identify inaccurate or fraudulent Single Person Discount (SPD) claims. Datatank becomes part of Infoshare+, a platform of targeted data and software solutions launched in October 2024 when Omni acquired our sell-side client, Infoshare.



ACQUIRES



- ❖ In November, we helped Omni Partners further grow Infoshare+ by acquiring Manifest Software Solutions. Manifest serves over 60 UK councils and housing groups; its technology connects major applications like Dynamics and Salesforce while providing tailored web portals and mobile applications for social housing providers.

New mandates

These include:

❖ Six Buy-side:

- A private equity firm seeking small vertical software businesses.
- A large compliance software and services business expanding globally.
- A UK company providing advanced security and surveillance solutions.
- A large company providing software solutions for government.
- A US-based specialist MSP seeking acquisitions in the UK and EU.
- A buy side mandate for a compliance and regulatory solutions business wishing to acquire in both the UK and North America.

❖ Seven Sell-side:

- An EMV testing solutions company.
- A European ransomware incident response firm.
- A UK technology infrastructure service provider delivering global solutions.
- A North American platform player offering background checking and screening processes.
- Two UK technology-enabled businesses: one in the digital democracy space and one in the house-building sector.
- A cloud-based workforce management and compliance company.

Our Transaction Team continues to expand

We announced two additions to our UK team. Andrew Lockwood and Ian Jones. Andrew, who joined in January, has been responsible for multiple transactions on both the buy and sell side with experience of reshaping and growing technology, telecoms, software, managed services and healthcare businesses. Ian joined towards the end of the year and brings forty years in the managed services sector, a track record of being involved in twenty five M&A transactions and a deep knowledge of Managed print.



Andrew Lockwood



Ian Jones

Events

Our regular series of London located roundtable breakfast events - directed at Chairpersons, CEOs, MDs and other senior executives for Cloud Services Providers, principally but not exclusively, MSPs - is now well established and well attended with the next to take place in February. We plan to hold similar events directed at other market sectors with the first focussed on Data.

We also held two successful dinners:

- ❖ **October - Birmingham:** Hosted ten executives from the transport sector to align with the Highways UK exhibition.
- ❖ **November - London:** A gathering bringing together leaders from both software and services companies to discuss market trends.

The Outlook for 2026

2026 begins with signs of cautious improvement. Interest rates appear to be stabilising, deferred transformation work is re-emerging, and both private equity and corporate acquirers continue to view the SITS sector as strategically important. We expect software to remain the most resilient and active area of the market, with IT services and MSPs benefiting from gradually strengthening customer demand.

The long-term fundamentals of the UK SITS sector remain strong. The past year required patience and discipline; the next should provide a more constructive environment for investment, transformation and selective transaction activity.

