



MID-YEAR 2023 M&A STOCKTAKE



BOXINGTON

Independent M&A advisors specialising in
Business services & technologies

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#1 Strategic buyers weigh up deals against conserving cash

Whilst most strategic buyers remain active, risk aversion means that conserving cash is an attractive alternate option to making acquisitions.

#2 Deal activity remains below 2022 (although many deals continue)

We expect deal activity to rise back to more normalised levels towards the end of 2023 as inflation and interest rates come finally under control.



#3 Valuation multiples remain largely stable*

* Following the global Tech sector sell-off/ valuation rebase in Q4 2022

Despite reduced deal volumes, valuation multiples are proving stable because reduced buy-side demand is offset by reduced sell-side supply. Classic demand-supply curve economics apply.



#4 Non-availability of acquisition debt is at times a deal stopper

Nervousness amongst providers of acquisition debt means Private Equity is at times struggling to fund transactions.



#5 Uncertainty from 2025 elections drives sell-side deals

The potential for increases to capital gains, business and personal taxes is bringing forward exit plans for some shareholders.



#6 M&A department downsizings by large firms disrupts deal processes

As restructurings and layoffs continue amongst larger M&A advisory firms, many deal processes are negatively impacted.

#7 Private Equity “outreach” activity remains high

Private Equity, under pressure to deploy cash, have increased their direct-contact-to-vendor outreach activities, at times giving the (false) impression to vendors that the M&A market is hot.



#8 Technology companies exchange growth for margin

With follow-on funding less available, many tech players are pushing hard for improved margins and net cash profitability at the expense of growth.

#9 Technology buyers are distracted from M&A by cash-calls

Technology buyers with net cash burns, are distracted from M&A by fund-raising activities in challenging capital markets where valuation and availability of capital are much reduced on prior years.



#10 Generative Artificial Intelligence subdues deal appetite in exposed sectors

Some Edtech is already a casualty. Basic data provision and certain low value added B2B services are also exposed in the minds of buyers and investors when looking at risk and value into the future.

For expert, sector specialist advice on your M&A plans in 2023, 2024 and beyond, please get in touch.



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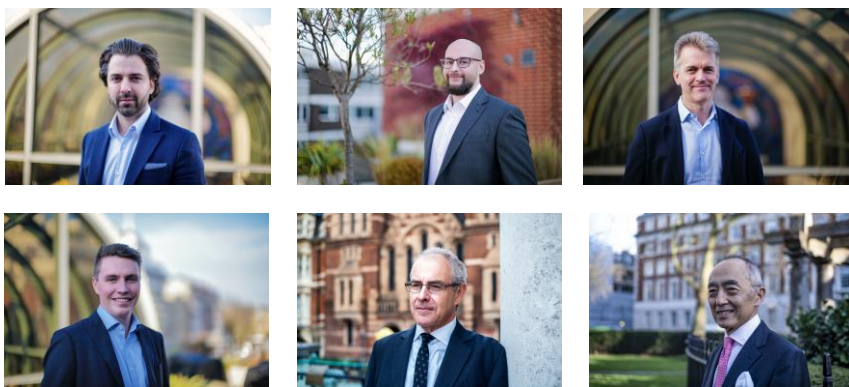
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Independent M&A advisors specialising in Business services & technologies

BOXINGTON is an internationally respected, research-driven, independent mergers and acquisitions (M&A) advisory house, specialising in the **Business services & technologies sector** globally.

TEAM MEMBERS



OUR SERVICES



Growth
Capital

- Fund-raising of growth cap from PE and VC
- De-risk/ cash-out solutions



Exit
Advisory

- Full or partial exits to Strategic and PE
- On-market and off-market capabilities



Deal
Preparation

- Advice on deal preparation & timing
- Strategic options reviews

OTHER KEY INFORMATION

- Founded in 2010
- Independent and conflict-free
- Market-leading sector-focused research capability
- Deal size £/\$/€5-100m
- Authorised and regulated by the Financial Conduct Authority

Contact

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SELECTED COMPLETED DEALS

Independent M&A advisors specialising in Business services & technologies

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B ADVISORS TO VENDOR SHAREHOLDERS

Saville Assessment
A WTW Company

acquired by

TENZING

UK UK

B ADVISORS TO VENDOR SHAREHOLDERS

next wave
PARTNERS

acquired by

HAL Investments Atlas Professionals

Croatia Netherlands

B ADVISORS TO VENDOR SHAREHOLDERS

sonru

acquired by

Modern Hire Riverside

Italy USA

B ADVISORS TO VENDOR SHAREHOLDERS

Sellick Partnership

acquired by

aramac

UK France

B ADVISORS TO VENDOR SHAREHOLDERS

opp
unlocking potential

acquired by

cpp

UK USA

B ADVISORS TO VENDOR SHAREHOLDERS

KIDDY & PARTNERS

acquired by

Gateley Plc

UK UK

B ADVISORS TO VENDOR SHAREHOLDERS

talent

acquired by

HayGroup

UK USA

B ADVISORS TO VENDOR SHAREHOLDERS

THE Stamford Group

acquired by

ALLEGIS GROUP

Switzerland USA

B ADVISORS TO VENDOR SHAREHOLDERS

Saville Consulting
Willis Towers Watson LLP

acquired by

TOWERS WATSON

UK USA

B ADVISORS TO VENDOR SHAREHOLDERS

Gen2

acquired by

City & Guilds

UK UK

B ADVISORS TO VENDOR SHAREHOLDERS

f&l fitzgerald & law
Experts in Global Expansion

acquired by

ZEDRA

UK UK

B ADVISORS TO VENDOR SHAREHOLDERS

DDG

acquired by

HRPath ARDIAN

Australia France

B ADVISORS TO VENDOR SHAREHOLDERS

trg brilliant logistics

acquired by

Challenge Group praetura

UK UK

B ADVISORS TO VENDOR SHAREHOLDERS

PROVANIS

acquired by

GATTACA

UK UK

B ADVISORS TO VENDOR SHAREHOLDERS

orion electrotech

acquired by

TECHNOPRO HOLDINGS

UK Japan

B ADVISORS TO VENDOR SHAREHOLDERS

CareerCross

acquired by

JAC Recruitment

Japan Japan

B ADVISORS TO VENDOR SHAREHOLDERS

BOYD & MOORE
EXECUTIVE SEARCH

acquired by

TECHNOPRO HOLDINGS

India Japan

B ADVISORS TO VENDOR SHAREHOLDERS

apps

MBO supported by

CCI Collective Capital

USA UK



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