EntrepreneursHub

Managed IT

Sept 2026

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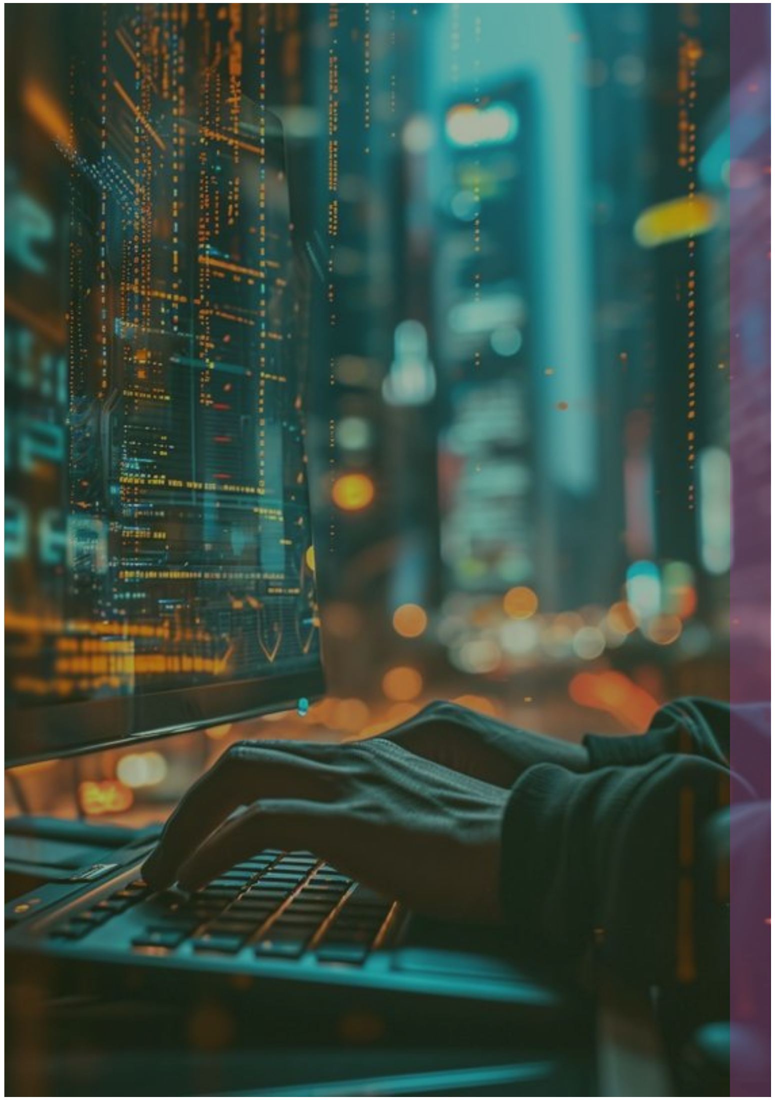
01 Executive Summary

Executive Summary



The global Managed IT Services market continues to benefit from ongoing digital transformation, cloud adoption, rising cybersecurity requirements, and increasing technology complexity. Businesses are increasingly relying on external providers for specialist IT capabilities as technology environments become more complex and the need for flexible, scalable infrastructure and support increases.

Within Europe, these trends are being reinforced by continued cloud adoption, cybersecurity investment, regulatory requirements, and increasing demand for outsourced technology capabilities.

The UK Managed IT Services market reflects these broader trends, with demand supported by cloud adoption, digital transformation, cybersecurity requirements, and the growing complexity of enterprise technology environments. Outsourcing remains particularly relevant among SMEs that may lack the resources to maintain specialist IT, cloud, and cybersecurity capabilities in-house. At the same time, technology evolution, talent shortages, and competitive pressures are requiring Managed Service Providers (MSPs) to continue expanding their technical capabilities and service offerings.

M&A activity within the UK sector has remained active, with strategic and private equity investors pursuing consolidation opportunities to build scale, expand recurring revenue, and enhance service capabilities. Buyer interest has included cybersecurity, cloud and digital transformation, and verticalised managed IT providers, reflecting a broader focus on higher-value and mission-critical technology services.

With the UK MSP landscape remaining fragmented, there remains scope for further consolidation. As buyers seek to build scale, broaden geographic coverage, and deepen technical capabilities, M&A is likely to remain an important avenue for strengthening market position and expanding service capabilities.

02

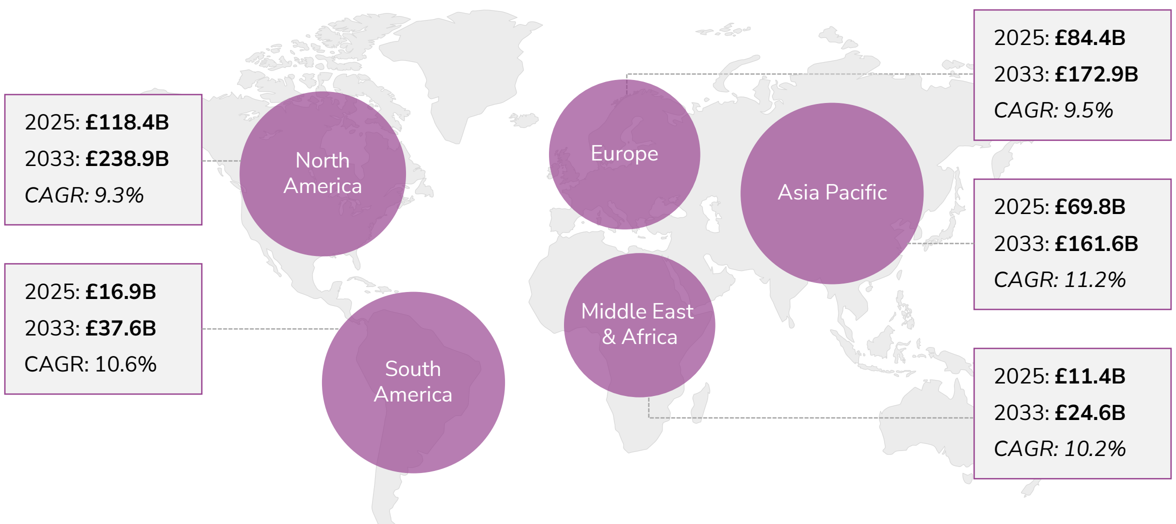
Market Overview

Global & European Managed IT Services Market

The global managed services market is led by North America, while Europe remains the second-largest market, accounting for approximately 28% of the global market in 2025

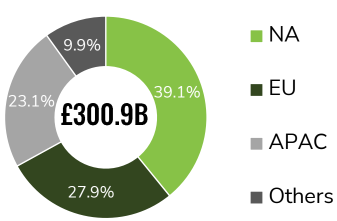
Global Market Overview[1]

The Global Managed IT Services market is valued at £300.9B in 2025 and is expected to reach £635.6B by 2033, growing at a CAGR of 9.9% from 2026 to 2033.

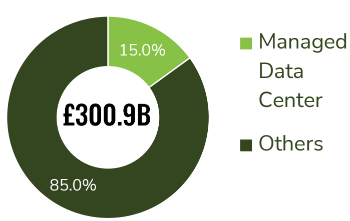


Global Market Segmentation[1]

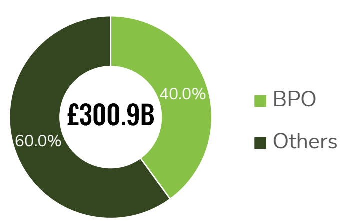
By Region



By Solution



By Managed Information Service



European Market Overview[1]

- The European Managed Services market is valued at £84.4B in 2025 and is expected to reach £172.9B by 2033, growing at a 9.5% CAGR.
- Managed data centre services represented the largest revenue-generating solution in 2025, while Managed Mobility is expected to register the fastest growth over the forecast period.

Current Trends in the Market

Cybersecurity and GDPR Compliance

Rising cyberattacks and GDPR requirements are driving businesses to strengthen data protection, enhance cybersecurity, and rely more on MSPs

Continuous Managed Security Monitoring

Organisations are adopting continuous managed security monitoring to counter sophisticated cyber threats, enable rapid response, and strengthen security and compliance.

Cloud Management Complexity

Managed service providers are increasingly simplifying administration, integration, and security across complex cloud and on-premises environments.

Sources: Grand View Research
1. USD values have been converted using a 0.75 exchange rate

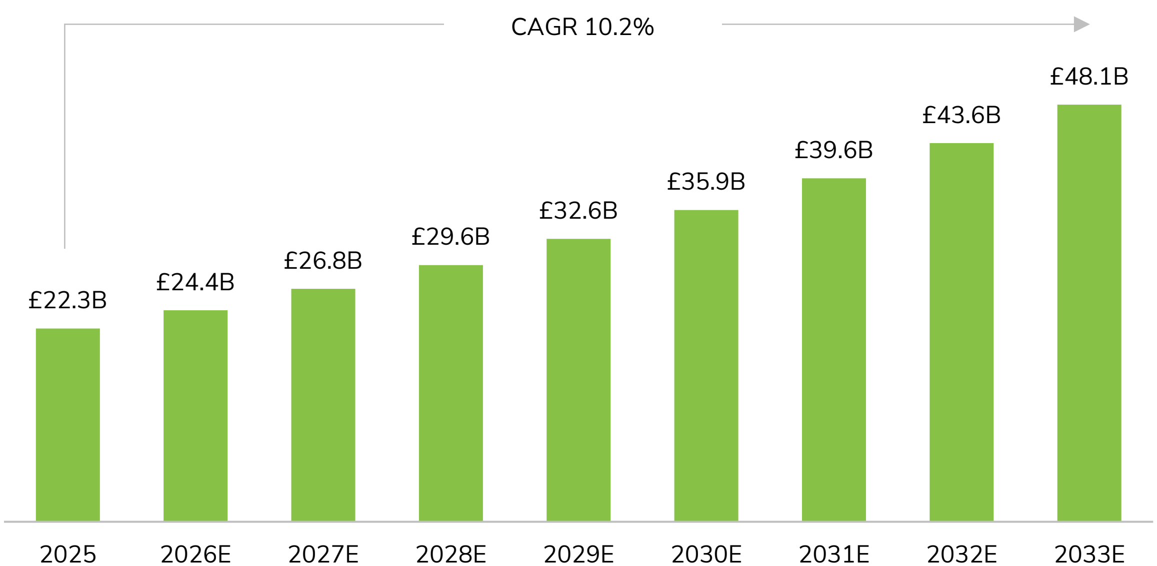
UK Managed Services Market

As businesses increasingly outsource mission-critical IT operations, the UK managed services market is expected to grow from £22.3B in 2025 to £48.1B by 2033, growing at a 10.2% CAGR

Overview

- The UK remains a fast-growing managed services hub, accounting for approximately 7.4% of the global market in 2025, valued at an estimated £22.3B, underpinned by IT outsourcing, cloud adoption and cybersecurity demand.
  - The market is becoming increasingly geographically dispersed across the UK; however, activity remains concentrated in London, with 33% of MSP providers located in the capital.
  - Rapid technology evolution and heightened cyber risks, coupled with talent constraints and intensifying competition, are reshaping the competitive landscape and increasing the demands on managed IT providers.

Market Size[1]



Segment Highlights by Solution

Largest Segment

Managed Data Centre
18.1% Revenue Share (2025)

Fastest Growing Segment

Managed Mobility
Fastest CAGR, 2026-2033E

Sources: Grand View Research
1. USD values have been converted using a 0.75 exchange rate

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Multiple Growth Drivers Shaping Managed IT Demand

Driven by accelerating digital transformation, cloud migration, cybersecurity needs, and a growing SME base, the UK managed IT services sector is seeing sustained demand for outsourced technology expertise and infrastructure support

Digital Transformation Across Industries

Growing adoption of cloud computing, CRM, ERP, automation, and AI-enabled applications is increasing IT environment complexity, with businesses increasingly relying on external specialists for implementation, integration, security, and ongoing support across Microsoft 365, cloud applications, devices, and identity systems.

Greater Outsourcing of Cybersecurity and Specialist IT Functions

Widespread reliance on outsourced cybersecurity services, with 64% of small and 70% of medium-sized businesses using external providers, is driven by in-house skills shortages, as demand for 12,900 new cybersecurity workers outpaces the 9,100 available entrants, creating an annual talent gap of ~3,800 people.

Cloud Adoption and Migration from Traditional IT

Growing cloud adoption is driving demand for cloud migration, security, optimisation, and managed IT services, with UK organisations spending £10.5B on cloud services in 2024. Cloud expenditure has grown by nearly 30% annually since 2020, as businesses continue to shift workloads from ageing on-premises infrastructure to platforms such as AWS and Azure.

Large and Expanding SME Customer Base

A large and growing SME base, with 5.7M private-sector businesses and 815,277 incorporations, is driving demand for MSPs. SMEs, representing 99.85% of UK businesses, often lack the scale or resources to maintain specialist in-house cyber, cloud, networking and IT teams.

Growth in Data-intensive Computing and Data-centre Capacity

Rapid growth in cloud and AI workloads is driving significant UK infrastructure investment, with Amazon Web Services (AWS), Amazon's cloud computing business, announcing an £8B investment in September 2024, alongside a further £25B of new UK data-centre investment announced since July 2024.

Increasing Difficulty of Maintaining Cyber Expertise In-house

In 2025, 49% of UK businesses had a basic cybersecurity skills gap, equivalent to around 699,000 businesses, while 30% had an advanced skills gap. With only 25% of businesses having a formal cyber-incident response plan, companies are increasingly reliant on external providers for monitoring, incident response and security management.

Sources: GOV.UK

AI Is Reshaping Managed IT Across Both Demand and Service Delivery

AI adoption is expanding the range of technology environments that customers need support with, while also automating traditionally labour-intensive service delivery

Traditional Managed IT Model Revolved Around Workforce Intensive Delivery

Customer IT Environment

Managing an increasingly complex technology environment across infrastructure, cloud, networks, devices, applications, and security.

MSP Management & Support

Monitoring, maintaining and supporting customer technology environments while resolving issues and managing ongoing IT operations.

Human-led Delivery

Technical engineers, service desk personnel, and specialists monitor, diagnose, and resolve issues as required to support customer environments.

Expanding Customer Demand

AI adoption is creating new requirements around AI-ready infrastructure, application integration, security and governance, and the ongoing management of increasingly complex AI-enabled technology environments.

AI is Reshaping Both Demand and Service Delivery

Transforming Service Delivery

AI is automating and augmenting core Managed IT activities, from service desk support and monitoring to issue remediation, documentation, and administrative workflows, reducing the human intervention required for routine work.

Impacting Industry Dynamics Across

Service Mix

Greater emphasis on AI integration, cybersecurity, governance, infrastructure modernisation, and technology advisory.

Pricing

Higher productivity and operating leverage, but increasing commoditisation and pricing pressure across routine services.

Competition

Providers combining AI-enabled delivery with higher-value technical expertise become better positioned as routine services are automated.

03

M&A Landscape

UK Managed IT M&A

The M&A landscape remains active, with buyers pursuing consolidation to build scale, expand service portfolios, enhance technical capabilities, and strengthen customer retention across the managed IT ecosystem

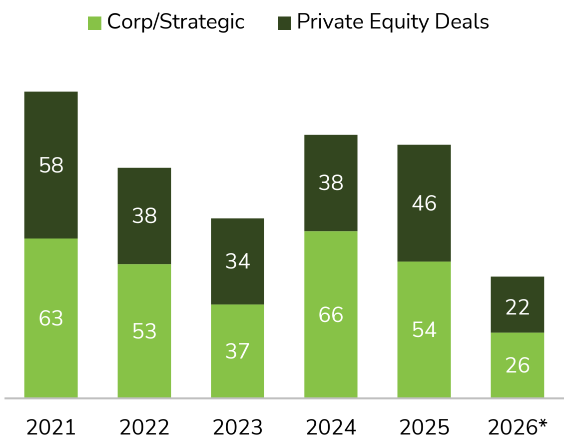
Overview

- The M&A market has remained active since 2021, with deal activity rebounding after a slowdown in 2023 and strengthening through 2024-2025, supported by improving macroeconomic stability.
- Given the fragmented market landscape and ongoing consolidation opportunities, the UK Managed IT sector is gaining traction among both strategic and private equity buyers.
    - Private equity activity remained focused on consolidation and add-on acquisitions.
- Cloud, DevOps and recurring managed services are emerging as key acquisition priorities, enabling buyers to strengthen digital transformation capabilities and capture rising demand for outsourced IT infrastructure.

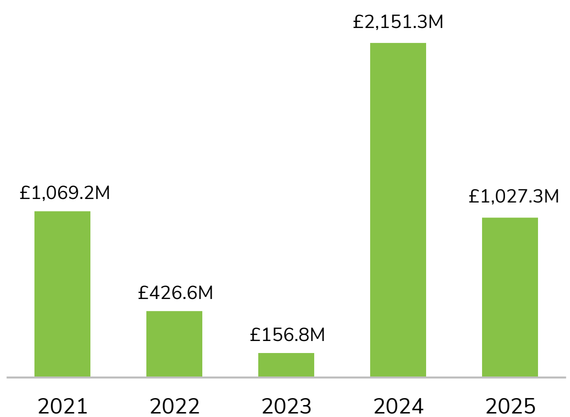
Current M&A Segment Themes Being Executed by Market Participants

- Cybersecurity-Led Consolidation
- Vertical-Specific Managed IT Platform Expansion
- Cloud Infrastructure & Digital Transformation Expansion

UK M&A Deal Volume[1]



Capital Invested[2]



Valuation Multiples[3]

1.6x

Implied EV/Revenue Median[2]

7.8x

Implied EV/EBITDA Median[2]

Sources: PitchBook

1. *2026 deal activity is through 31st August 2026*
2. *Sum represents only those deals where the deal value has been disclosed.*
3. *EV/EBITDA & EV/Revenue median multiple calculated based on deals with disclosed financial data. (2021 - July 2026)*

UK Market M&A Deals

Date	Acquirer	Target	Implied EV (£M)	Implied EV / Revenue	Implied EV / EBITDA	Description
Jan-26	tela	cambridge HELPDESK	5.6	1.0x	6.7x	Provider of IT support services, including email, communications, hardware, software, networking and cybersecurity.
Dec-25	SysGroup	SAXIS	1.5	0.7x	3.1x	Provider of storage, data protection and hybrid infrastructure services, including cloud, networking, cybersecurity, migration and IT support.
Aug-25	M GROUP	telent	244.5	0.5x	7.1x	Provider of managed communications and ICT services, including cybersecurity, networking, wireless, cabling and critical infrastructure support.
Nov-24	SysGroup	Crossword Consulting	0.4	0.2x	-	Provider of cybersecurity consulting services, including vCISO, compliance, cyber assessments and penetration testing.
Oct-24	Oakley Capital Investments	assured data protection	173.2	18.0x	NM	Provider of managed data protection services, including backup, disaster recovery, cyber resilience and cloud data protection.
Sep-24	IOMART	Atech	51.7	1.6x	NM	Provider of cloud, managed security and infrastructure services supporting digital transformation for mid-market and enterprise clients.
Sep-24	BOWMARK CAPITAL	transparity	128.0	2.2x	NM	Provider of cloud advisory, implementation and training services specialising in networking, data infrastructure and security.
Apr-24	Hg	focus group	460.4	4.4x	-	Provider of integrated IT and communications solutions, including hosted voice, cloud applications, mobile and connectivity services.
Jan-24	Bridgepoint Group	kerv	244.4	2.4x	NM	Provider of cloud-based managed IT, communications, security and compliance services for organisations across multiple sectors.
Aug-23	Gamma	Satisnet	15.2	1.2x	NM	Provider of managed cybersecurity services, including SIEM, threat intelligence, vulnerability management and security monitoring.
Jun-23	daisy.	ECSC	4.8	0.8x	-	Provider of professional cybersecurity services, including assurance, managed detection and response, and security solutions.
Feb-23	cbpe capital	FSP	82.1	4.7x	NM	Provider of cloud, productivity, data, AI and managed services supporting digital transformation for enterprises and public sector organisations.
Jan-23	Marlin Equity Partners	Beyond	111.8	1.7x	-	Provider of cloud transformation and infrastructure services, including cloud migration, deployment and management.
Aug-22	IOMART	Concepta Capital	13.7	1.4x	11.6x	Provider of IT services through businesses specializing in data management, cloud and hybrid infrastructure solutions and support.
Jun-22	redcentric	4D	9.9	1.4x	-	Provider of IT infrastructure and cloud services, including firewalls, vulnerability scanning, hosting and co-location.
Apr-22	SysGroup	Truststream	7.2	1.6x	7.2x	Provider of information security consulting and managed security services, including vulnerability scanning, network monitoring and log management.
Mar-22	LDC	aspire	84.0	3.0x	14.6x	Provider of managed IT and cybersecurity services, including connectivity, cloud, backup, firewalls, patch management and telephony.

Sources: PitchBook

Strategic Acquirers Scaling Presence in Managed IT

Strategic buyers are using acquisitions to build scale across regional markets, broaden service capabilities, and strengthen their position in the managed IT landscape

redsquid

Acquisitions Completed - 12[1]

Company	Date
ark ICT	AUG-26
wtl	JUN-26
Partnership Education	APR-26
S3	JAN-26
CJAZ Consulting	NOV-25
Cyberseer	NOV-25
RedMosquito	SEP-25
itek	APR-25
CST | CS	APR-25
IThotdesk	NOV-24
OptivITy	AUG-24
epoq IT	MAR-24

Flotek group

Acquisitions Completed - 9[1]

Company	Date
Microshade VSM	JUN-25
Simpology	APR-25
Colbek	AUG-24
OES	FEB-24
orbiss	DEC-23
ikona	NOV-23
TOOLK-IT	APR-23
MazingTree	AUG-22
Gower Business Systems	JUL-22

CROFT

Acquisitions Completed - 9[1]

Company	Date
NCI Technologies	JUN-24
Clearlink	AUG-23
boldfield computing	JUL-23
Badger Computer Services	APR-23
Kiwi IT Solutions	FEB-23
pure IT	FEB-23
Clovertec	JAN-23
Diacom	OCT-22
WardmanUK	DEC-21

BDR

Acquisitions Completed – 7[1]

Company	Date
eloquent technologies	OCT-25
MBA	NOV-24
3C Technology	FEB-23
Maple	NOV-21
Boffins	MAY-21
BDR integratech	MAY-21
ACR	JAN-21

Sources: PitchBook

1. Number of Acquisitions since 2021

Strategic Acquirers Scaling Presence in Managed IT

Strategic buyers are using acquisitions to build scale across regional markets, broaden service capabilities, and strengthen their position in the managed IT landscape

creative networks	inTEC	everythingtech	IOMART
Acquisitions Completed - 6[1]	Acquisitions Completed – 6[1]	Acquisitions Completed - 5[1]	Acquisitions Completed - 5[1]
MJS – OCT-25	Sweethaven – JUL-23	nexstor – APR-26	Atech – SEP-24
ResQ – MAY-25	FROG – FEB-23	Sire – FEB-25	Accesspoint – DEC-23
Regional 4 phones – NOV-24	astec – APR-22	everythingtech – JUL-22	EXTRINSICA – JUN-23
Capital Network Solutions – FEB-24	FEB-22	Charles Street Solutions – JAN-22	Concepta Capital – AUG-22
newcode – JAN-24	inTEC Business Ireland – JAN-22	iTfarm – MAY-21	P2 Technologies – JAN-21
JAN-24	millerwaite – SEP-21		

Sources: PitchBook
1. Number of Acquisitions since 2021

PE-Sponsored Platform Driving Acquisition Expansion

Private-Equity firms are aggressively consolidating position in the market through roll-ups, prioritising recurring revenue models aligned with their core investment criteria

PE Sponsors	Graphite Capital	AUGUST	Livingbridge	Corten Capital
Platforms	babble (18)[1,2]	AirIT (13)[1,2]	FluidOne (12)[1]	EKCO (05)[1]
	cloudstream – APR-26	SoConnect – DEC-25	orca – OCT-25	solsoft – MAR-25
	activereach – MAR-26	SCS – NOV-25	Brighton IT Branch – SEP-25	Predatech – OCT-24
	8820 – MAR-26	vital – NOV-25	projectfive – JUN-25	Bluecube – FEB-23
	5rings – FEB-26	silverbug – SEP-25	Highlander – JUN-24	iSYSTEMS – MAR-23
	concert – JAN-26	Scoriatech – FEB-25	marathon – JUN-23	XTEN – FEB-21
	81G Blue – DEC-25	INFINITY – MAY-24	sas – FEB-22	
	The Scale Factory – NOV-24	MFG – DEC-23	CSACyber – MAY-2022	
	SEP-25	Concise – MAY-23		
		Infotech – MAR-21		

Sources: PitchBook

1. *Number of Acquisitions since 2021*
2. *Recent Acquisitions Only*

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04

Public Comparables

Public Comparables

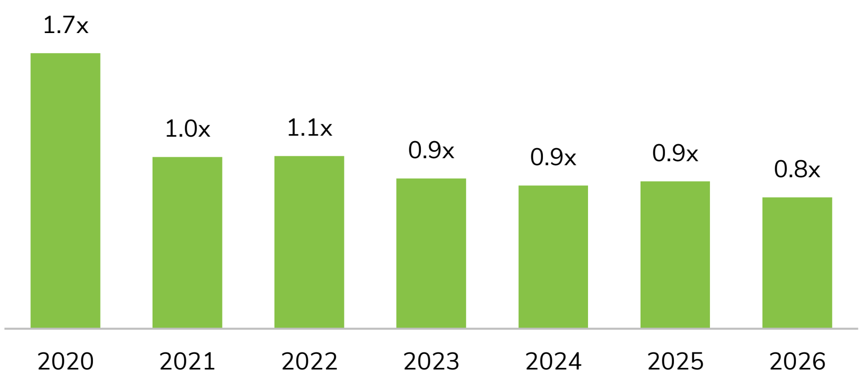
Listed Comparable Companies	Revenue £M	Gross Margin	EBITDA £M	EBITDA Margin	Enterprise Value £M	3 Year CAGR Revenue	TTM Avg EV/Revenue	TTM Average EV / EBITDA
Computacenter (LON: CCC)	9,193.9	6.6%	249.1	2.7%	5,524.4	3.7%	0.4x	14.3x
Kainos Group (LON: KNOS)	431.1	46.1%	1,025.5	237.9%	1,357.4	12.4%	2.2x	0.9x
NCC Group (LON: NCC)	233.4	38.6%	0.5	0.2%	449.7	(3.4%)	1.8x	NM
Endava (NYS: DAVA)	727.6	21.3%	-324.5	-44.6%	313.1	0.6%	0.5x	NM
RM (Other Commercial Services) (LON: RM.)	159.0	37.3%	12.8	8.1%	174.8	(11.9%)	1.1x	13.2x
Redcentric (LON: RCN)	132.7	62.9%	28.2	21.3%	147.9	15.6%	1.7x	7.9x
iomart Group (LON: IOM)	159.3	45.5%	-24.7	-15.5%	124.9	11.1%	0.8x	NM
Made Tech (LON: MTEC)	52.5	30.0%	3.6	6.9%	53.9	3.9%	0.8x	12.3x
Maintel Holdings (LON: MAI)	92.2	30.3%	4.8	5.2%	32.6	3.7%	0.4x	7.8x
SysGroup (LON: SYS)	22.1	46.5%	0.0	0.2%	22.0	24.1%	0.6x	NM
Shearwater Group (LON: SWG)	39.5	24.2%	-9.2	-23.1%	11.8	(17.5%)	0.2x	NM
Median							**0.8x**	**10.1x**

Sources: PitchBook
Valuation as of 1st September 2026

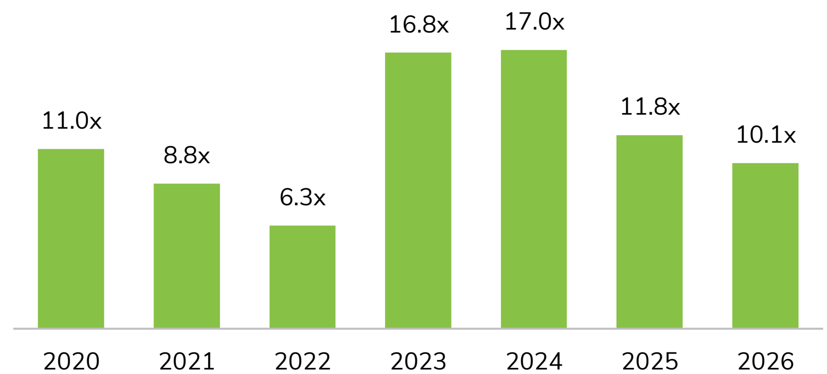
Valuation Multiples

EV/Revenue multiples have declined amid stagnant industry growth, while EV/EBITDA has remained volatile, reflecting labour cost pressures, investment needs, competitive pricing, and recent AI-driven and macroeconomic disruption

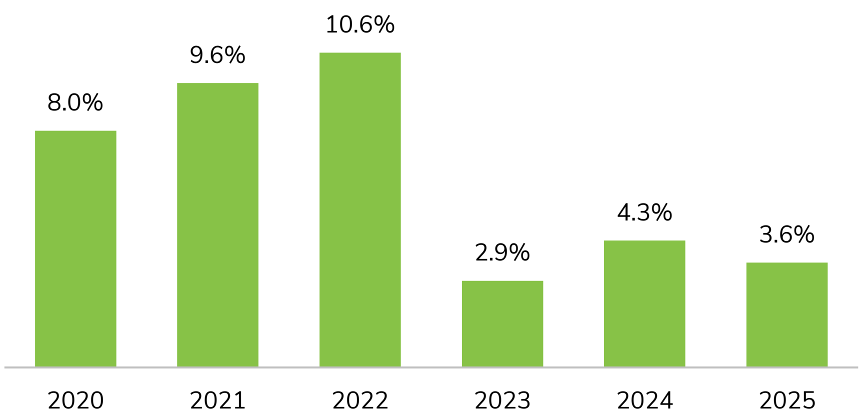
EV/Revenue[2]



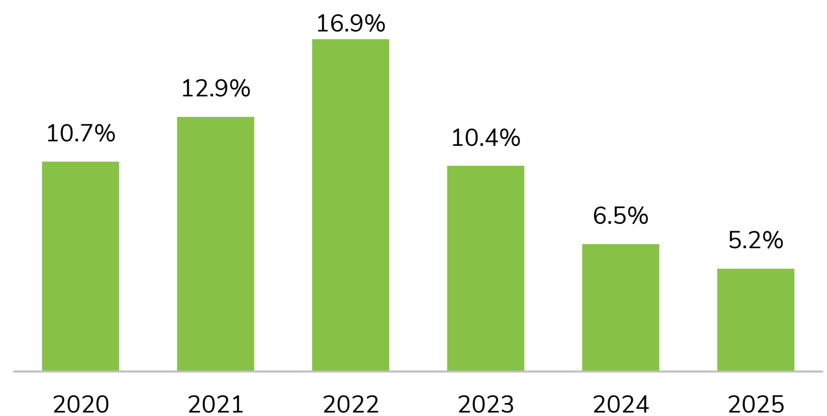
EV/EBITDA[2]



Net Profit Margin



EBITDA Margin



Sources: PitchBook

1. *Valuation as of 1st September 2026*
2. *EV/Revenue and EV/EBITDA multiples for 2020–2025 are based on FY financials, while multiples for 2026 are based on TTM financials*

EntrepreneursHub

About Entrepreneurs Hub

Entrepreneurs Hub is a trusted M&A advisory firm with a focus on UK SME businesses. We are a highly experienced team who have been where you are - entrepreneurs, business owners, and board-level directors, we have bought companies, sold companies and advised hundreds of clients to do the same.

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