

An aerial photograph of a white sailboat with a blue stripe, moving across dark blue, textured water. The boat is leaving a white wake. A white pulse line graphic, resembling an ECG, is overlaid on the bottom right of the image, extending from the text 'On The Pulse' to the right edge.

On The Pulse

M&A Market Insight
B2B Services sectors

SCDAdvisory | January 2025



Acknowledgement of Country

We acknowledge the Australian Aboriginal and Torres Strait Islander peoples of this nation. We acknowledge the traditional custodians of the lands on which our company is located and where we conduct our business. We pay our respects to ancestors and Elders, past and present.

Happy New Year!



SCD Advisory is an Australian independent corporate advisory boutique, dedicated to M&A transactions in the B2B Services sectors. Our commitment to these sectors is symbolised by the concept of a “pulse,” reflecting the vital connection between human relationships and knowledge that drive value.

Just as sailors navigate changing sea conditions, we guide our clients through every phase of their M&A journey. With a deep understanding of these sectors' rhythm, we deliver strategic insights to help clients stay on course and achieve their goals.

As we welcome 2025, we wish you a successful year ahead. While Australia's election year may bring a softer first quarter, we remain optimistic about the opportunities and are committed to guiding our clients through the evolving landscape.

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02 Industry Pulse

03 Onboard with SCD Advisory



01 Market Rhythm

A dynamic overview of market intelligence,
economic trends and the M&A landscape

Market Rhythm: M&A Activity

Dynamic M&A market: resilience amid economic challenges

In Q4 2024, Australia's M&A market was shaped by strategic focus and cautious optimism amid economic challenges. Companies emphasised acquisitions that aligned with long-term goals, particularly in sectors like renewable energy, technology, and infrastructure. Furthermore, there was a notable increase in cross-border interest, with international buyers targeting Australian assets to capitalise on the region's strong fundamentals and sector-specific opportunities.

Opportunities amid economic uncertainty

In Q4 2024, economic uncertainty has driven a focus on portfolio optimisation. Companies are divesting non-core assets to streamline operations, while buyers are capitalising on these opportunities to acquire quality assets at reasonable valuations. This environment fosters strategic repositioning and market consolidation.

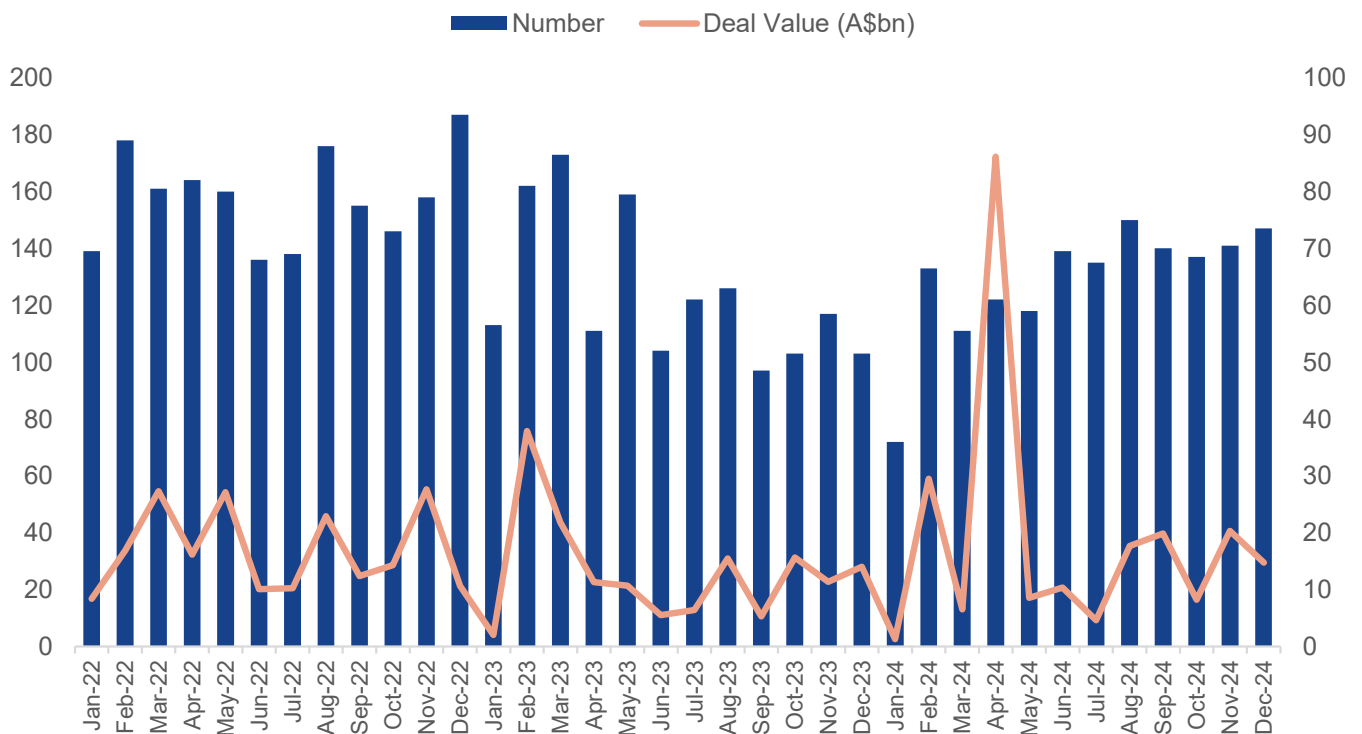
0.8%
Australia
GDP Growth

4.35%
Australia
Cash Rate

2.8%
Australia
Inflation Rate

Source: RBA,
Data as at 13 December 2024

Australia Deal Count and Deal Value (Jan-22 to Dec-24)



Source: IMAA. Data as of 31 Dec 2024

Market Rhythm: M&A Activity

Resilient Sectors: IT Services and Digital Marketing

Sectors such as IT services and digital marketing continue to demonstrate resilience amidst economic uncertainties. Businesses are doubling down on technology investments and digital transformation to drive growth and remain competitive in a challenging environment.

IT Services and Software: Focus on AI and Automation

The demand for digital transformation persists, with a heightened focus on AI-driven automation and cybersecurity. Companies are prioritising acquisitions in cloud migration, machine learning, and advanced analytics, reflecting a shift towards scalable and secure digital solutions to future-proof operations.

Management Consulting: Accelerating Specialisation

Consolidation remains strong in management consulting, with firms acquiring specialised boutique players to expand expertise in areas such as AI strategy, sustainability, and workforce transformation. Digital advisory and operational efficiency services continue to drive M&A activity in this sector.

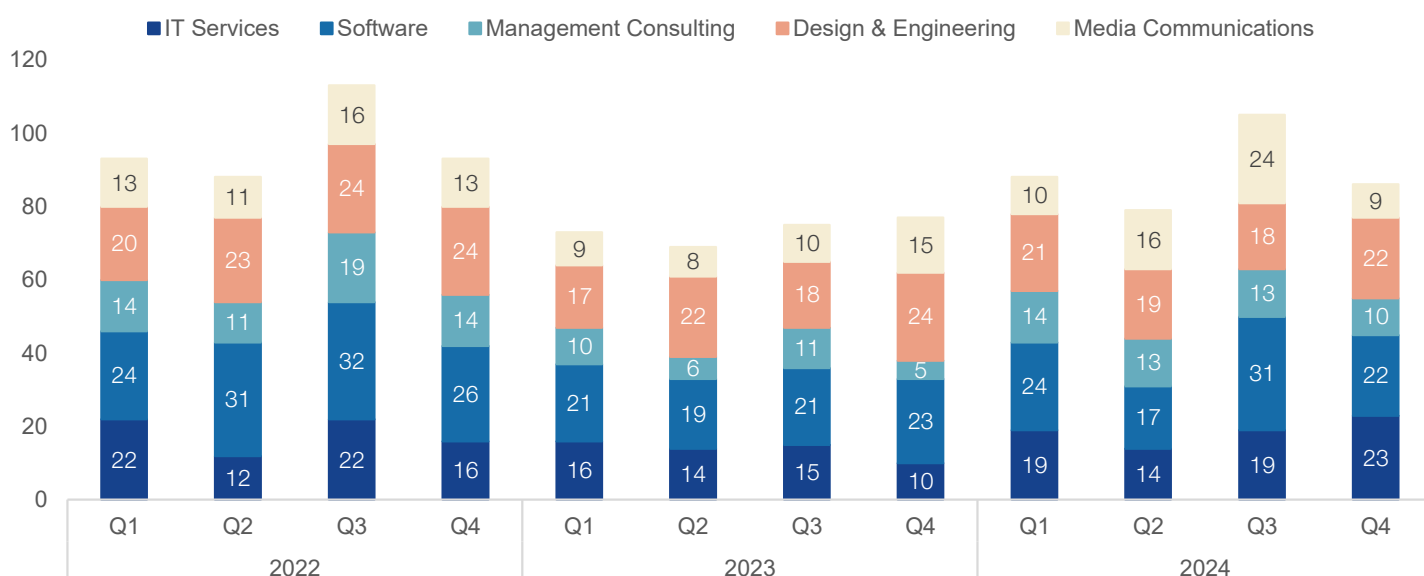
Engineering and Project Management: Decarbonisation Focus

Infrastructure and project management firms are seeing increased interest in decarbonisation and green technologies. Renewable energy projects and smart city solutions have become priorities as governments and corporations target net-zero goals and infrastructure resilience.

Media and Communications: Growth in Personalised Content

M&A activity remains robust as firms seek to expand digital media and content capabilities. The shift to digital-first models and growing demand for personalised, AI-curated content have driven consolidation in advertising technology and digital storytelling platforms.

ANZ Deal Count (Jan-22 to Dec-24)



Source: S&P Capital IQ. Data as of 31 Dec 2024

Market Rhythm: M&A Activity

Robust M&A activity in B2B Services sectors in 2024

In 2024, the M&A activity in B2B Services sectors like IT services, software, management consulting, design & engineering services and media & communications has been robust. Key drivers, including digital transformation, AI adoption and the need for specialised expertise, are fuelling strong demand from strategic acquirers and private equity firms.

SCD Advisory's success and market evolution

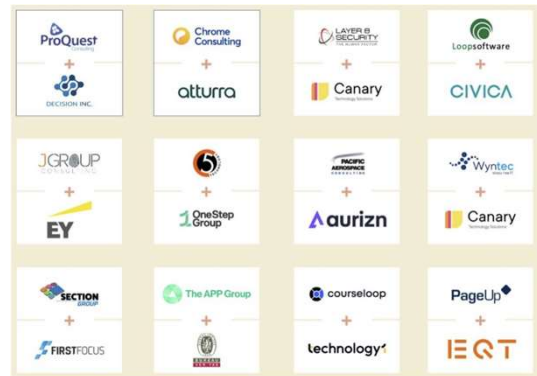
SCD Advisory has successfully completed 6 deals in 2024, leveraging its industry expertise to deliver successful outcomes for clients. As the market continues to evolve, further consolidation and growth opportunities are anticipated in these high-demand sectors.

For more information on the deals completed in these sectors, click the link below to explore our monthly M&A blogs.

December 2024



November 2024



October 2024



September 2024



August 2024



July 2024



Market Rhythm: M&A Activity

Looking ahead: continued M&A activity and shifting market dynamics

The global M&A market is poised to remain strong, driven by transformative trends such as digital transformation, sustainability, and strategic consolidation. Key sectors like technology, renewable energy, and healthcare are expected to lead deal-making, fuelled by innovation and evolving regulatory demands. An increased focus on AI-readiness is reshaping priorities as buyers seek a competitive edge, supported by growth in digital transformation and RevOps, alongside interest in generative AI, automation, and analytics. Cross-border transactions are also gaining momentum, with international investors targeting high-growth regions such as Asia-Pacific.

The results of the U.S. election have boosted market confidence, encouraging near-term M&A activity. In Australia, however, the first quarter of 2025 may see slower deal-making as markets await clarity post-election. Private equity firms are expected to remain active, deploying dry powder into resilient and scalable businesses.

Easing inflation and stabilising interest rates are creating a more favourable environment for transactions, while the energy transition drives activity in renewables and critical minerals. The M&A landscape offers significant opportunities for businesses with strong intellectual property and growth potential.



60%

Cross Border



+27%

Value Uplift



89%

Success Rate

SCD stats



02 Industry Pulse

Key updates, valuations and deals affecting
the B2B Services sectors

IT Services

Powering Strategic Growth and Consolidation in Australia's IT Services Sector

Riding the wave of AI-driven digital transformation

The IT services sector experienced strong growth in Q4 2024, driven by increasing adoption of AI-driven digital transformation solutions, cloud migration, and managed services. Businesses across industries are prioritising cloud-based platforms and intelligent automation to remain competitive.

The growing importance of cybersecurity

Heightened cybersecurity concerns have accelerated the need for advanced security solutions and IT-managed services, creating new opportunities for service providers.

Focus on Advanced Automation and Generative AI

Businesses are adopting advanced automation solutions and generative AI to enhance efficiency, streamline workflows, and reduce costs. These tools are becoming critical for competitive positioning in industries such as finance, logistics, and healthcare.

Emerging technologies fuelling demand

Technologies like the Internet of Things (IoT), 5G connectivity, and edge computing are increasingly being integrated into IT service offerings, particularly in sectors focusing on operational efficiency and real-time data processing.

Sustainability and green IT practices

Sustainability remains a key trend, with IT service providers helping organisations adopt energy-efficient practices and reduce carbon footprints through green cloud solutions and eco-friendly infrastructure.

Strategic positioning in Australia's IT landscape

Australian IT service providers with expertise in platforms such as AWS, Microsoft Azure, and Salesforce are leveraging their capabilities to capitalise on growing demand for scalability, digital innovation, and data-driven strategies.

9.5%

CAGR
2024-32

Source: Straits Research,
July 2024

Organisations are rapidly adopting AI technology to drive efficiency, innovation, and competitiveness in a digitally transforming world.

IT Services

Government initiatives driving growth

Government-led investments in digital transformation across healthcare, education, and public services accelerated in Q4 2024, creating new growth opportunities for IT service providers.

M&A activity: expansion and specialisation

Q4 2024 saw robust M&A activity, with larger firms acquiring niche players specialising in cybersecurity, AI-driven solutions, and advanced analytics. These acquisitions aim to expand service portfolios and geographic reach.

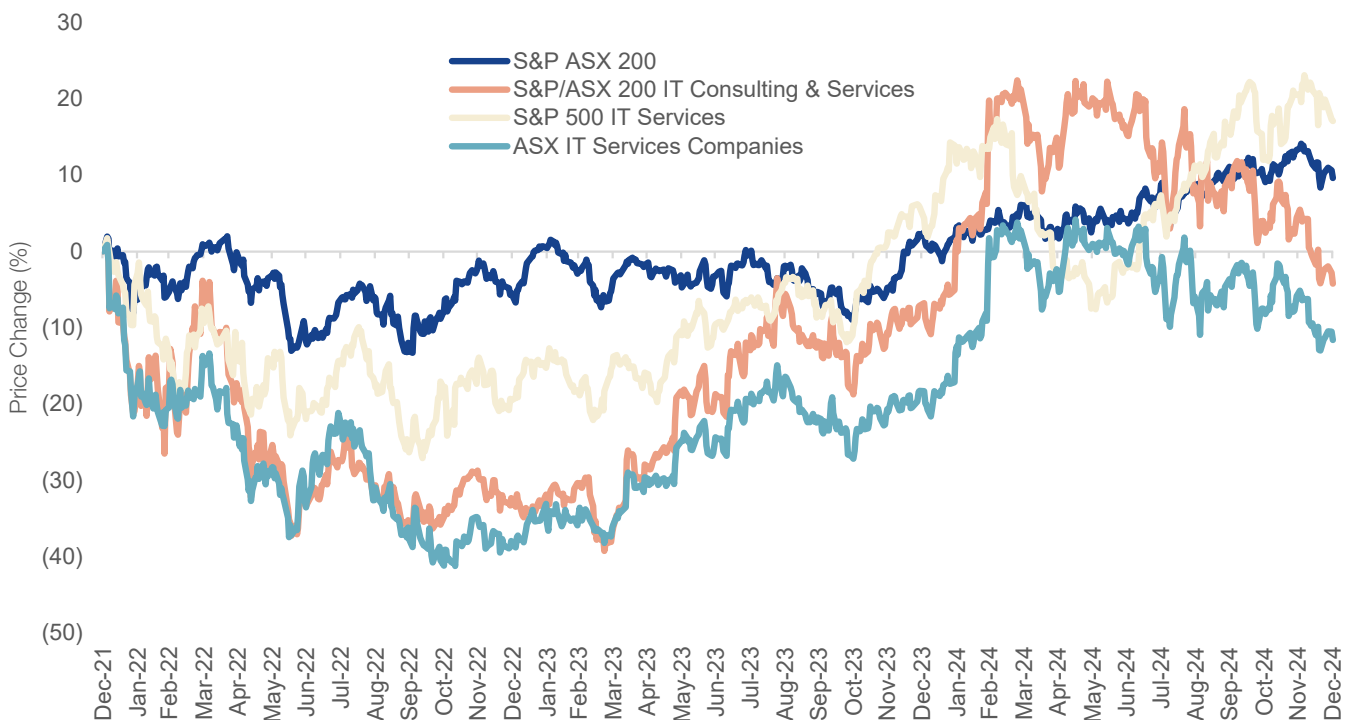
AI as a core business driver

AI continued to solidify its role as a central component of business strategy. Firms with strengths in automation and AI-led solutions are increasingly becoming acquisition targets to enhance client offerings.

Private Equity and buy-and-build strategies

Private equity firms are actively pursuing buy-and-build strategies, targeting IT services firms with strong client bases, recurring revenue models, and expertise in emerging technologies.

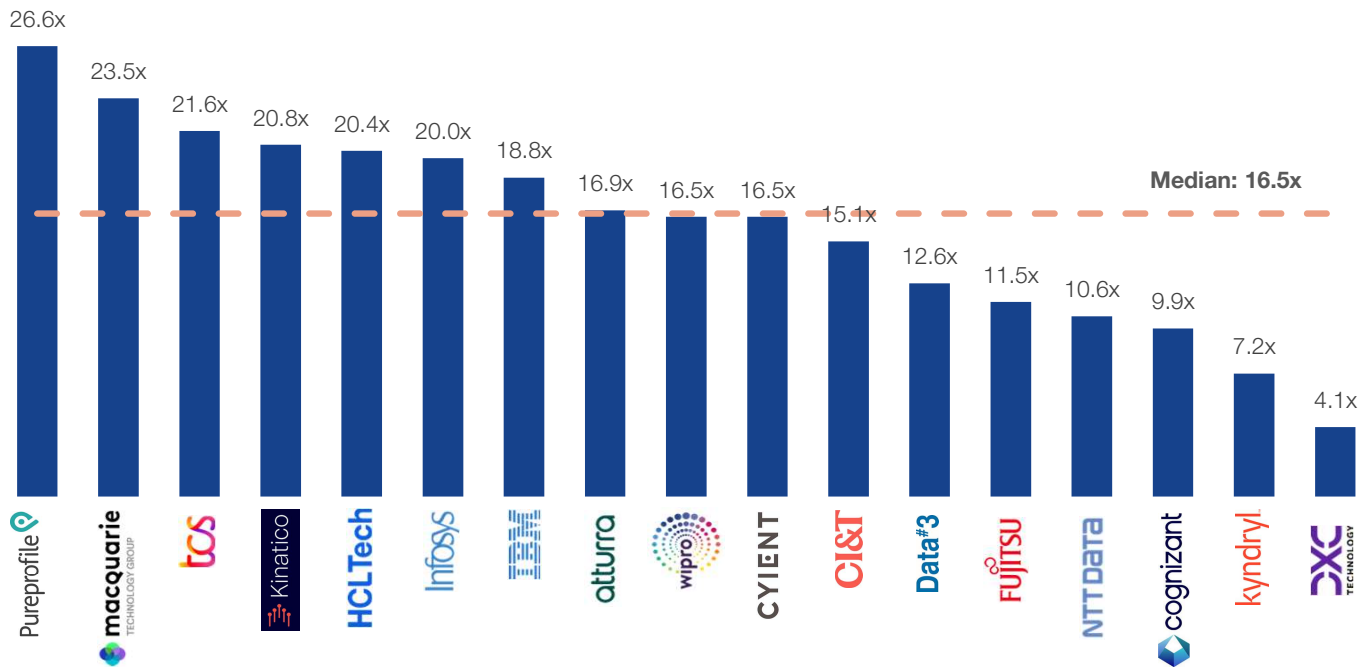
IT Services Indices



Source: S&P Capital IQ. Data as of 31 Dec 2024

IT Services

IT Services Global Trading Comparables (EV/LTM EBITDA)



Source: S&P Capital IQ. Data as of 31 Dec 2024

Consolidation Trends in Australia

M&A activity in Australia is focusing on firms specialising in AI, automation, and advanced analytics, alongside key platforms like Microsoft, SAP, and Salesforce. These deals aim to enhance capabilities, capture market share, and create synergies through cross-selling.

Driving Digital Transformation

The complexity of digital transformation and hybrid work demands is fuelling M&A. Firms are broadening portfolios to deliver end-to-end services, including cloud, cybersecurity, and AI-driven solutions, meeting evolving market needs.

SCD Advisory Deals

insync
TECHNOLOGY

SOLD TO

Rapid Circle

Chrome Consulting

SOLD TO

atturra

iGD
iGreenData

SOLD TO

Synechron

Software

5.3%

CAGR
2024-31

Source: Cognitive Market
Research, July 2024

The software sector in Australia saw strong investment in AI, automation, and cloud solutions as businesses focused on digital transformation and scalable infrastructure.

Tech Innovation and M&A Activity: The Future of Australia's Software Sector

Global growth driven by Cloud and AI

Globally, the software sector continues its rapid growth in Q4 2024, fuelled by the increasing adoption of AI-powered solutions, cloud computing, and automation technologies. SaaS platforms remain pivotal as businesses demand scalable, cost-efficient tools for improving productivity, data management, and customer engagement.

Key trends in software development

Investment in generative AI, cybersecurity tools, and advanced analytics dominated in Q4 2024 as businesses prioritised protecting and optimising their digital assets. The rise of hybrid work models sustained demand for remote collaboration tools, while enterprise software for automation and cloud infrastructure remained in high demand.

Australia's alignment with global trends

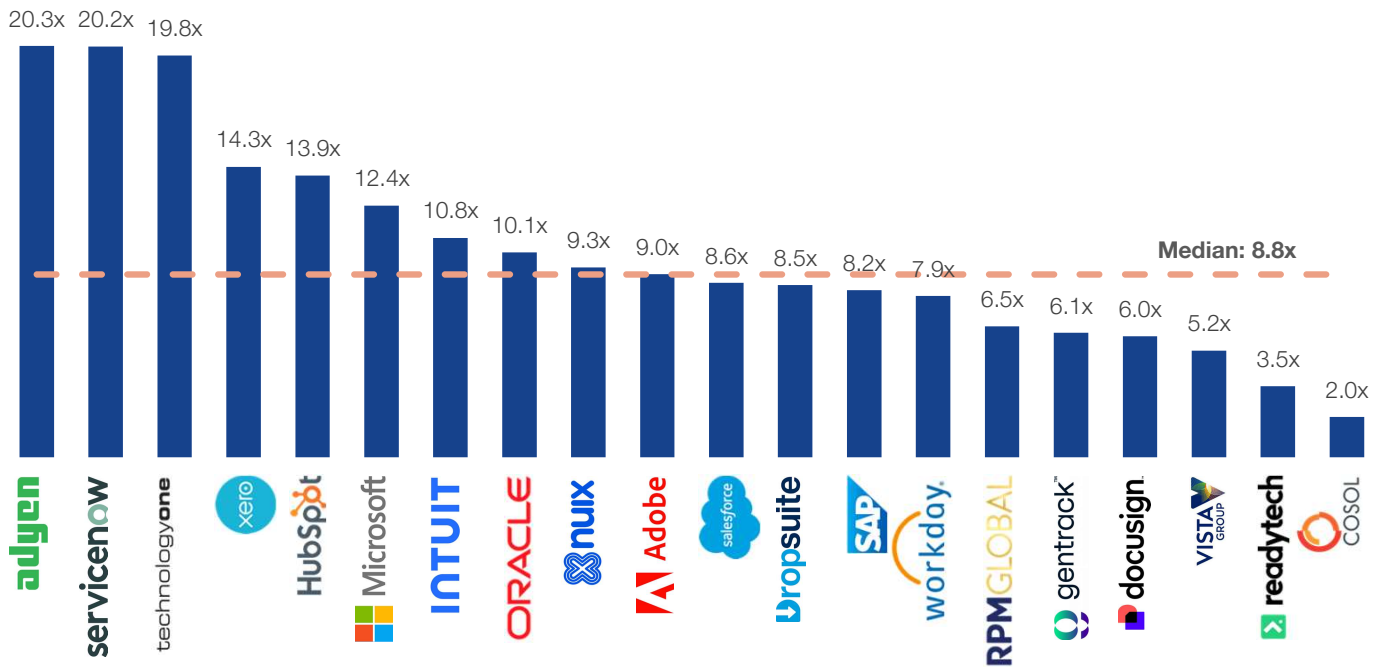
Australia mirrored these global trends, with a sharp focus on cloud adoption, AI solutions, and automation platforms. Australian businesses have increasingly invested in SaaS solutions for ERP, CRM, and cybersecurity as they scale operations and improve resilience in a competitive market.

Sector-specific software demands

Software demand remained robust across finance, healthcare, and retail sectors. In Q4 2024, the focus on digital transformation deepened as these industries sought innovative tools to enhance customer experiences and operational efficiency.

Software

Software Global Trading Comparables (EV/LTM Revenue)



Source: S&P Capital IQ. Data as of 31 Dec 2024

Sustaining Strong M&A Momentum

M&A activity in the software sector remains robust, with companies seeking to gain a competitive edge by acquiring firms specialising in AI, automation, and cybersecurity solutions.

Australia's Expanding Tech Landscape

Australia's growing tech ecosystem, bolstered by innovation in SaaS, AI-driven platforms, and data analytics, continues to attract international interest. The sector is becoming a cornerstone of the region's digital future, drawing significant attention from both investors and acquirers.

SCD Advisory Deals

VIOSTREAM
SOLD TO
banyan SOFTWARE

Delacon
SOLD TO
VOLARIS

Management Consulting

5.3%

CAGR
2024-30

Source: MMR, July 2024

The management consulting sector is seeing increased demand for digital transformation expertise and industry-specific solutions, as clients prioritise value-driven and actionable outcomes.

Evolving Trends and M&A Activity Reshape the Management Consulting Landscape

Shift Towards Specialised Services

The management consulting sector in Q4 2024 continues to evolve, with growing demand for specialised advisory services in areas such as AI strategy, sustainability, and advanced data analytics. Traditional offerings like audit and general management advisory are seeing reduced demand, prompting firms to diversify and specialise to maintain relevance.

Rise of Boutique Consulting Firms

Boutique consulting firms are thriving, offering agile and tailored solutions in high-demand areas such as digital transformation and ESG advisory. This shift is challenging the dominance of larger players, including the Big Four, as clients increasingly prefer niche expertise over generalist capabilities.

Challenges in Audit and Compliance

Audit and compliance consulting faces ongoing headwinds, driven by cost pressures and the growing adoption of technology-based solutions. Clients are turning to firms that can integrate compliance with broader digital transformation strategies.

Talent Wars and Pricing Model Disruptions

The competition for top-tier talent remains intense, particularly in digital and AI-focused domains. Firms are also experiencing pressure to adopt transparent and value-driven pricing models, disrupting traditional fee structures and reshaping market dynamics.

Management Consulting

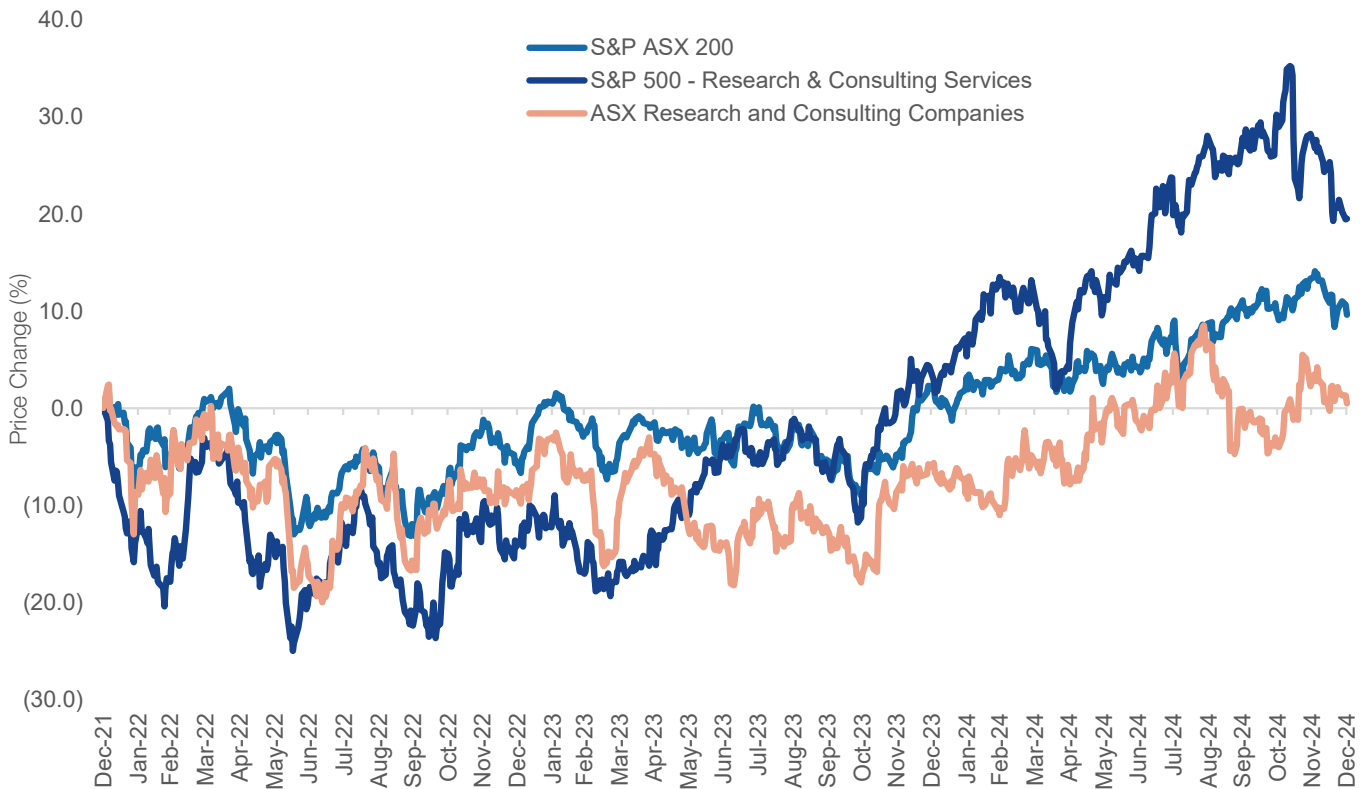
Australian Market Dynamics

Australia’s consulting landscape is evolving, highlighted by the creation of Scyne Advisory after PWC selling its public sector arm to Allegro Funds. These shifts reflect a broader trend towards niche consultancies and agile M&A shops meeting growing demand in areas like policy, infrastructure, and tailored transaction services.

Demand for public sector consulting expertise

The Australian government’s push for digital transformation and infrastructure renewal has fuelled demand for consulting firms specialising in these areas. This trend is driving consolidation as firms position themselves to capture opportunities in policy reform, infrastructure planning, and digital government solutions.

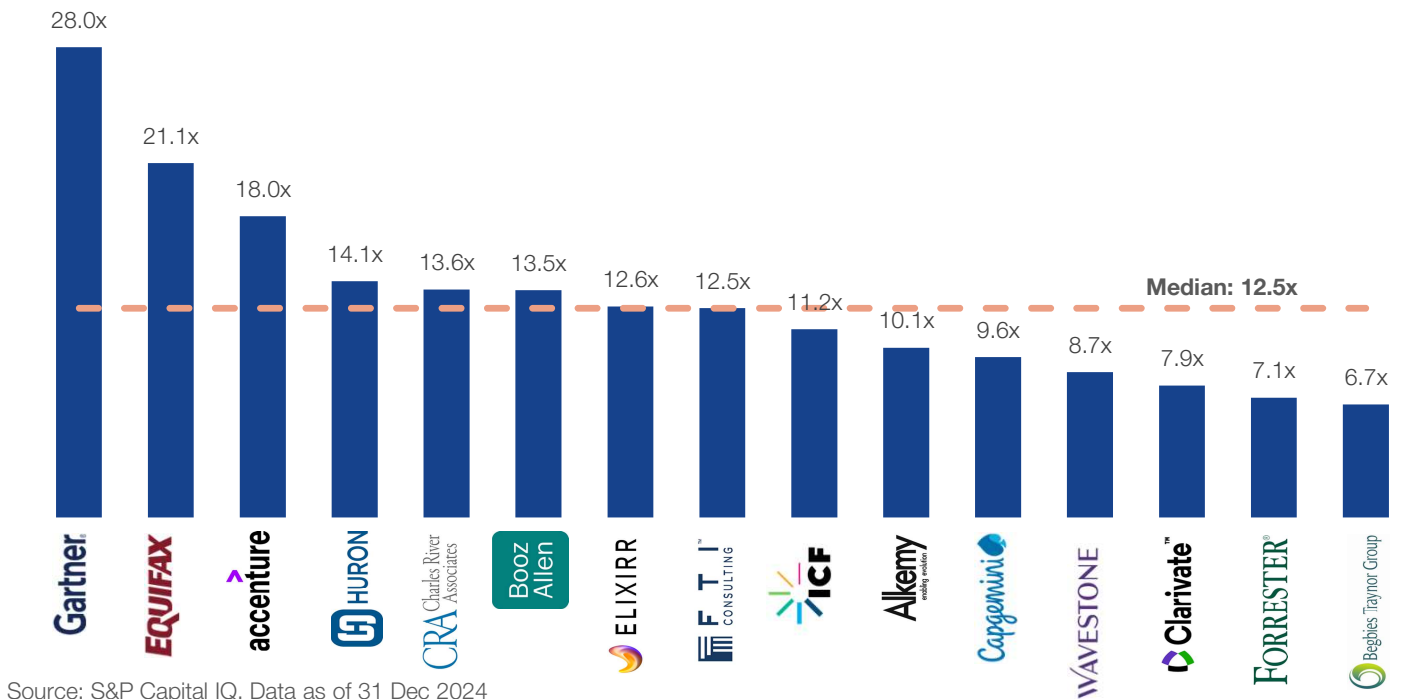
Management Consulting Indices



Source: S&P Capital IQ. Data as of 31 Dec 2024

Management Consulting

Management Consulting Global Trading Comparables (EV/LTM EBITDA)



Reassessing the Big-4 model

The PwC/Scyne transition and recent high-profile partner departures have exposed vulnerabilities in the traditional Big 4 model, prompting these firms to reassess their strategies and reputations. As clients increasingly seek independence, niche expertise, and digital innovation, the dominance of the Big 4 in management consulting faces mounting challenges.

Opportunities for boutique firms

Agile boutique firms are thriving, leveraging specialised expertise to meet evolving client demands. Increased M&A activity across sectors is reshaping consulting, offering trust-driven, cost-effective alternatives. This competitive shift creates opportunities for smaller firms to innovate and expand.

SCD Advisory Deals

exent

SOLD TO

atturra

Cubane

SOLD TO

nous group

Hypothesis

SOLD TO

McKinsey & Company

Design & Engineering Services

4.2%

CAGR
2024-29

Source: Mordor
Intelligence

The design and engineering services sector is experiencing consolidation as firms position themselves to capitalise on opportunities in sustainable infrastructure, renewable energy projects, and advanced manufacturing technologies.

Innovation and M&A Propel Design and Engineering Services as Governments Focus on Infrastructure and Defence

Growth Driven by Infrastructure and Technology

The design and engineering sector experienced strong growth in Q4 2024, driven by increased investment in infrastructure development, renewable energy, and technology-driven industries. Governments and corporations prioritised sustainability, digital transformation, and smart infrastructure, boosting demand for innovative engineering solutions.

Key Trends: Sustainability and Advanced Technologies

The adoption of green engineering practices, Building Information Modelling (BIM), and advanced manufacturing technologies continued to reshape the sector. Industries like transportation, healthcare, and urban development increasingly invested in next-generation solutions to meet regulatory and environmental standards.

Surge in Government and Defence Demand

Government and defence sectors showed heightened demand for specialised engineering expertise, particularly in infrastructure resilience, cybersecurity, and military technologies. Long-term defence contracts, including naval and aerospace projects, provided significant opportunities for engineering firms.

Australia's focus on defence and infrastructure

In Australia, the government's focus on defence modernisation and infrastructure development has driven demand for local engineering firms with the capability to deliver sophisticated solutions.

Design & Engineering Services

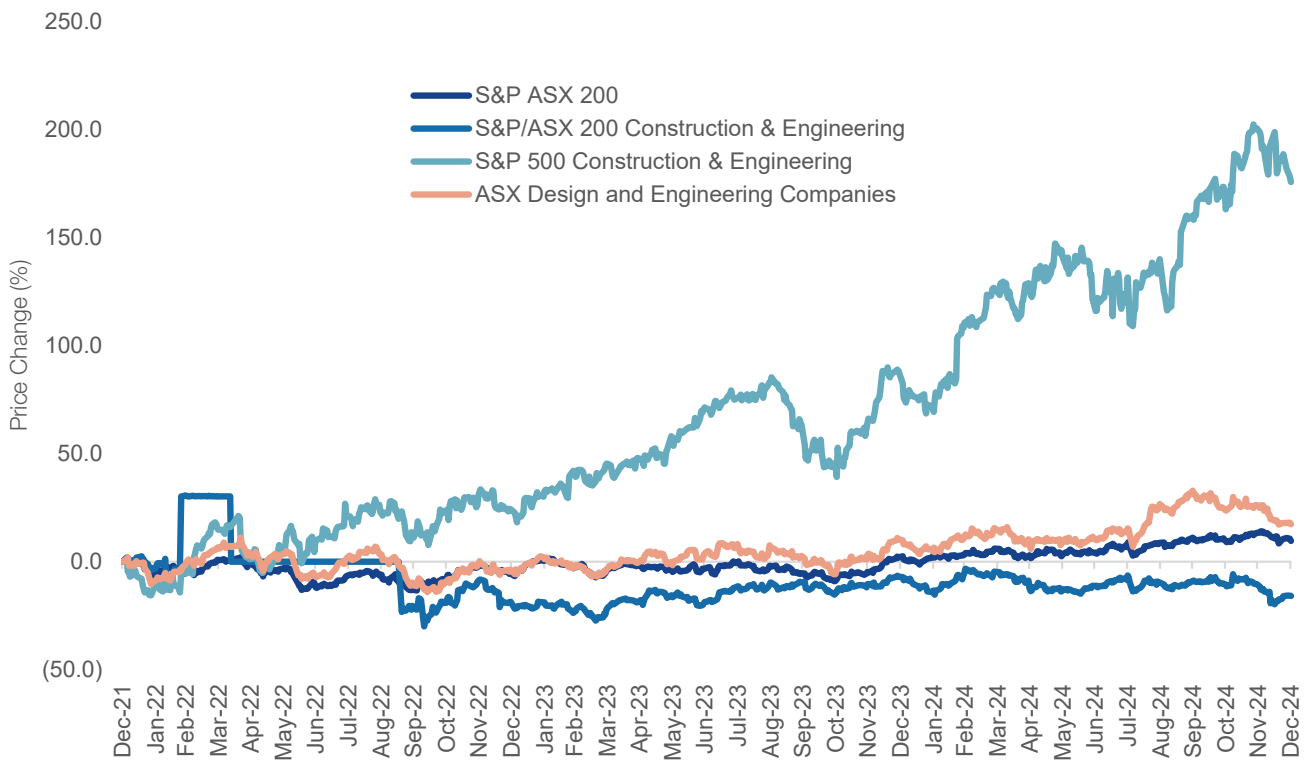
Robust M&A Activity Across the Sector

M&A activity remained strong, with companies targeting niche firms in renewable energy, environmental engineering, and smart technologies. These acquisitions aimed to expand capabilities and respond to evolving client needs.

Specialised Acquisitions in Defence and Infrastructure

The government and defence space saw increased M&A focus on acquiring firms with expertise in defence systems engineering, project management, and infrastructure solutions.

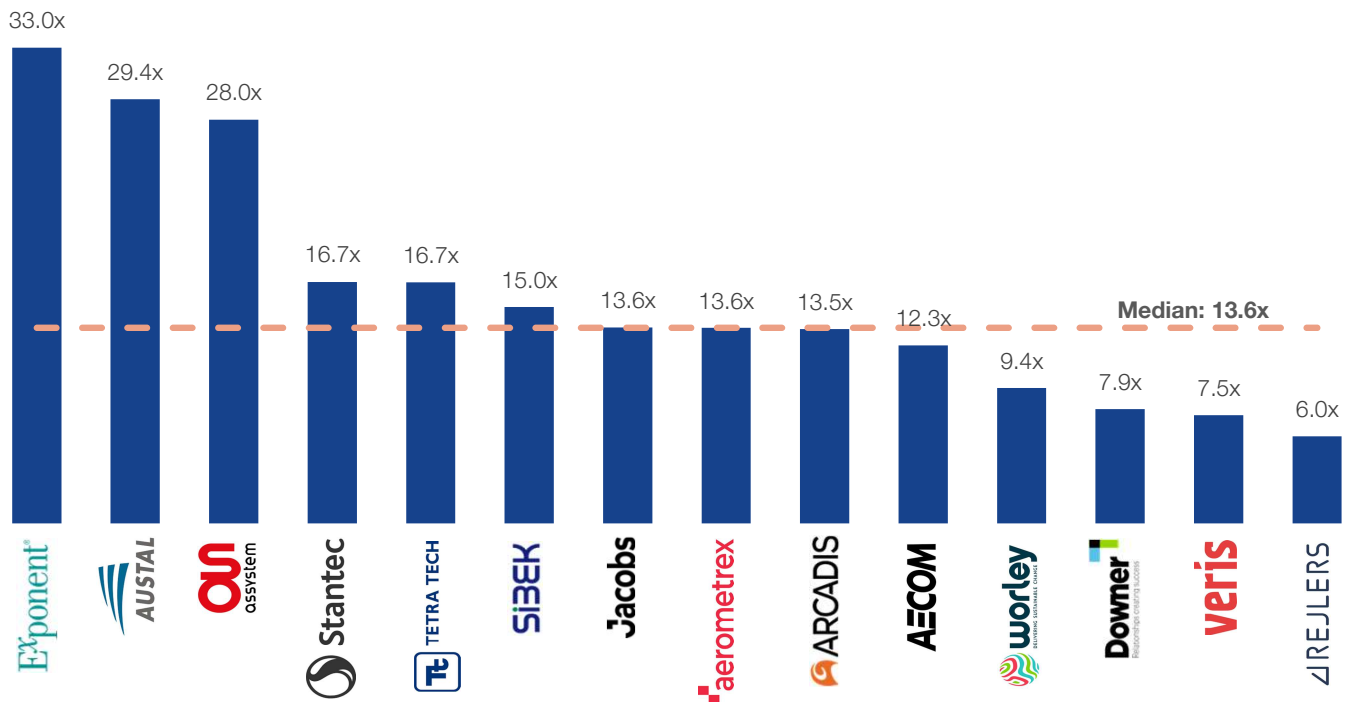
Design & Engineering Indices



Source: S&P Capital IQ. Data as of 31 Dec 2024

Design & Engineering Services

Design & Engineering Global Trading Comparables (EV/LTM EBITDA)



Source: S&P Capital IQ. Data as of 31 Dec 2024

Private Equity's Role in Consolidation

Private equity firms actively pursued mid-sized companies in green energy, smart infrastructure, and defence technology, reshaping the competitive landscape. This consolidation positioned firms to capitalise on large government projects and infrastructure investments.

Future Growth Through Sustainability and Innovation

With growing emphasis on sustainability, digital innovation, and national security, the design and engineering sector is set for continued expansion. M&A activity will play a pivotal role in driving growth and shaping the industry's future.

SCD Advisory Deals

ts.

SOLD TO

The APP Group
A portfolio company of Five V Capital

RGB ASSURANCE

SOLD TO

TSA Riley

BOLLORE LOGISTICS

ACQUIRED

lynairlogistics

Media & Communication

12.8%

CAGR
2024-30

Source: Grand View
Research

The adoption of digital-first approaches and data-driven content strategies is becoming critical for success in the media and communication sector.

Powering the Digital Age: M&A & Innovation Reshaping the Media & Communication Sector

Transformation through Digital-first Strategies

The media and communication sector in Q4 2024 continues its rapid evolution, driven by the dominance of on-demand, mobile, and digital content over traditional broadcasting. Media companies are heavily investing in digital infrastructure, AI-powered content creation, and data-driven advertising to meet shifting consumer preferences.

Revolutionising Content with AI and Emerging Technologies

AI, VR, and AR are transforming content creation and delivery, enabling hyper-personalised consumer experiences. Advances in generative AI are now automating content production and targeted advertising, allowing companies to optimise engagement through deep data analytics and audience insights.

Evolution of Market Research and Consumer Insights

Market research has become increasingly data-centric, leveraging AI-driven tools like predictive analytics and machine learning. Firms are focusing on real-time social listening and consumer feedback to refine content strategies and adapt to rapidly changing viewer behaviour.

Robust M&A Activity in Digital Media

M&A activity remains strong as media conglomerates and private equity firms target digital media companies with expertise in AI-driven content, programmatic advertising, and streaming technologies. Companies are focused on consolidating capabilities to compete with global tech giants in a digital-first landscape.

Media & Communication

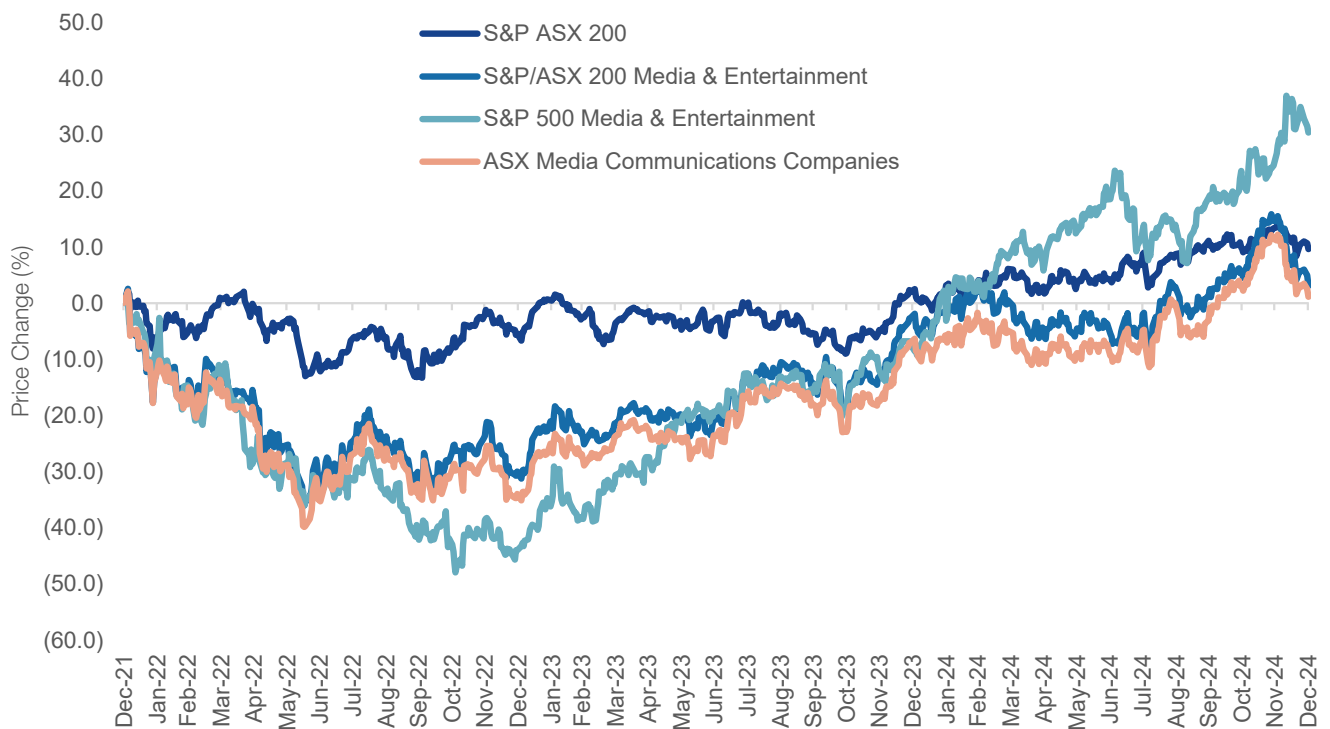
Strategic Acquisitions by Media Giants

Large conglomerates are acquiring niche digital media firms to enhance their competitiveness and strengthen online platforms. These acquisitions aim to expand their portfolios in personalised content, advanced analytics, and streaming services to capture greater audience share.

Adapting to Consumer Expectations

The shift toward immersive and personalised experiences has placed innovation at the forefront of the industry. Companies are embracing technologies like AI and AR to redefine storytelling, engaging audiences through highly customised content delivery methods.

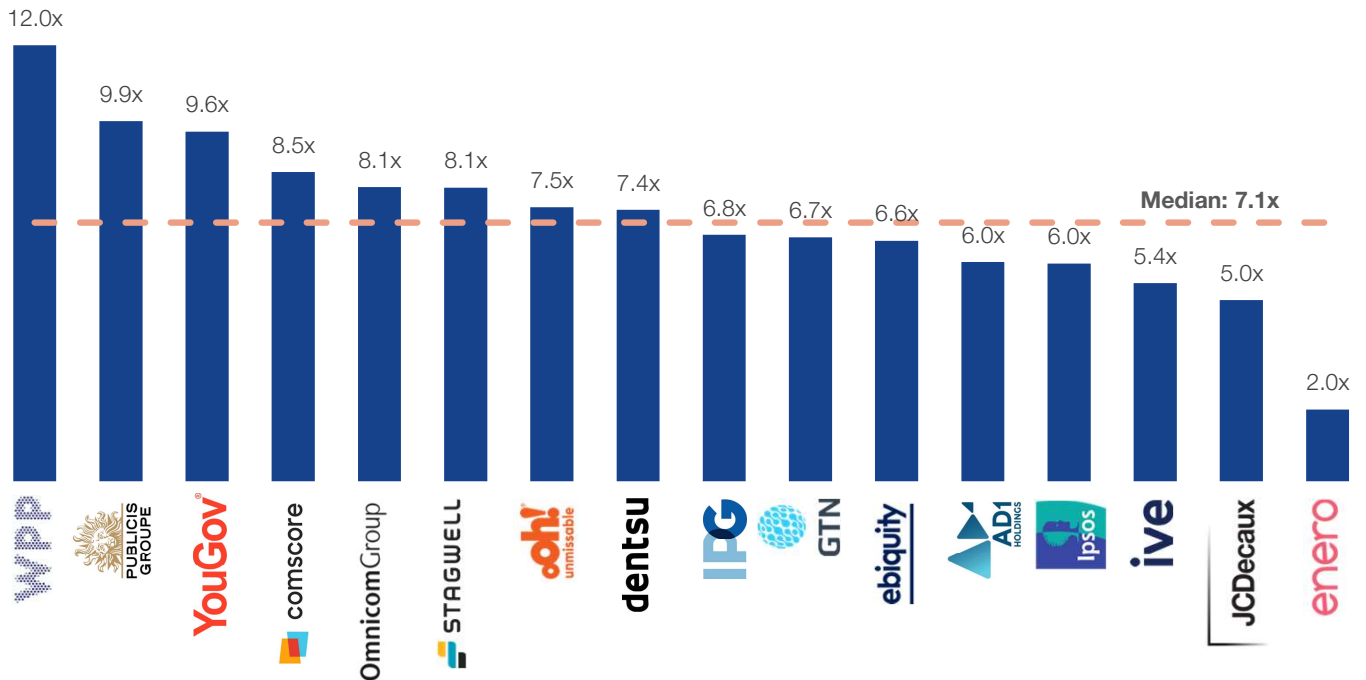
Media Communications Indices



Source: S&P Capital IQ. Data as of 31 Dec 2024

Media & Communication

Media Communications Global Trading Comparables (EV/LTM EBITDA)



Source: S&P Capital IQ. Data as of 31 Dec 2024

Defining the Industry's Future

The competitive landscape is increasingly defined by the integration of cutting-edge technologies, with digital innovation shaping advertising and content strategies. Globally and in Australia, the sector's future hinges on agility in adopting new technologies and the ability to deliver compelling and engaging consumer experiences.

SCD Advisory Deals

the reload group
rg

SOLD TO

Hardie Grant

DBM CONSULTANTS
EXCELLENCE INNOVATION INSIGHTS

SOLD TO

THE ILLUMINERA GROUP



03 Onboard with SCD Advisory

Onboard with SCD Advisory

Navigating the M&A waters

Expertise in B2B Services sectors

Our focus on people and intellectual property differentiates us in the M&A landscape, allowing us to deliver tailored solutions that align with your vision.

Strategic Insights

We provide data-driven insights and strategic advice, ensuring you make informed decisions that benefit your business in the long run.

Dedicated Partnership

Our team partners with you, offering unwavering support and guidance throughout your M&A journey.

Let's sail together

At SCD Advisory, we are passionate about helping businesses navigate the complex M&A environment. If you are ready to embark on a transformative journey, we invite you to connect with us. Together, we can steer your organisation towards new opportunities and horizons.



Pierre Briand
Managing Partner



Pierre has 25 years of experience advising entrepreneurs, with a management background in corporate finance, private banking and wealth management. He has worked on numerous sell side and buy side deals, IPOs, mergers, integrations, and consulting projects in both small businesses and large global corporates. He is an experienced, established, savvy and trusted adviser.



Naomi Wai
Associate



Naomi brings over 6 years of investment banking expertise with cross-border transaction experience across Europe and the US. Prior to joining SCD Advisory, Naomi worked at London boutique firms Acuity Advisors and Waypoint Partners, specialising M&A advisory in the technology and media sectors.



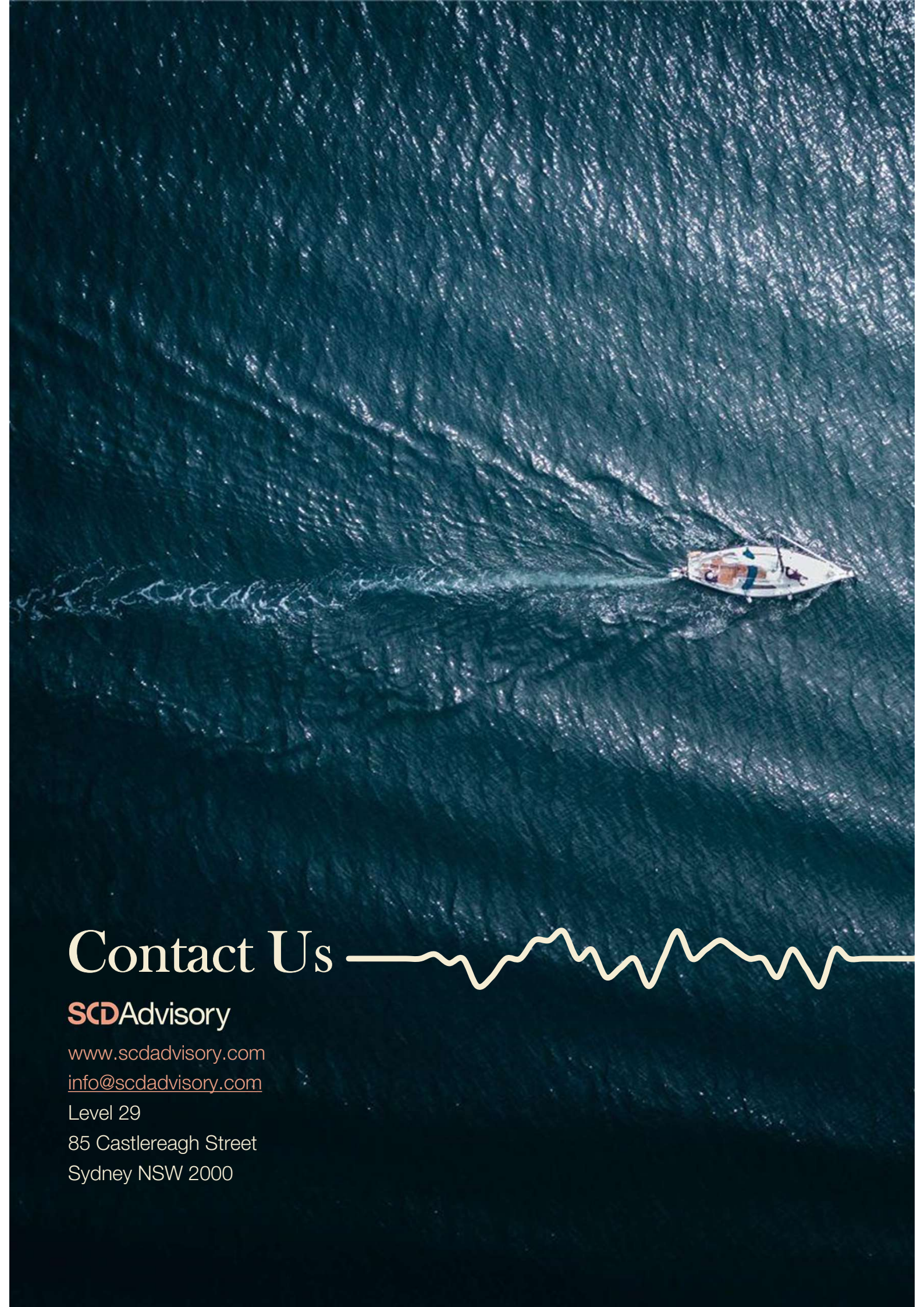
Marc Cincotta
Associate



Marc brings 6 years of experience in accounting and corporate finance. Most recently, he worked in Transaction Services and M&A at KPMG, gaining experience across various sectors. Marc has a track record working with both publicly listed and mid-market private companies across strategic transactions and broader financial advisory.

Navigated Transactions

 SOLD TO 	 SOLD TO 	 SOLD TO 	 SOLD TO 	 SOLD TO 
 SOLD TO 	 SOLD TO 	 SOLD TO 	 SOLD TO 	 ACQUIRED 
 SOLD TO 	 SOLD TO 	 SOLD TO 	 SOLD TO 	 SOLD TO 
 SOLD TO 	 SOLD TO 	 SOLD TO 	 SOLD TO 	 SOLD TO 
 SOLD TO 	 SOLD TO 	 SOLD TO 	 ACQUIRED 	 ACQUIRED 
 SOLD TO 	 SOLD TO 	 SOLD TO 	 SOLD TO 	 SOLD TO 
 SOLD TO 	 MBI  Alister Jordan	 SOLD TO 	 ACQUIRED 	 SOLD TO 
 SOLD TO 	 SOLD TO 	 SOLD TO 	 SOLD TO 	



Contact Us

SCDAdvisory

www.scdadvisory.com

info@scdadvisory.com

Level 29

85 Castlereagh Street

Sydney NSW 2000