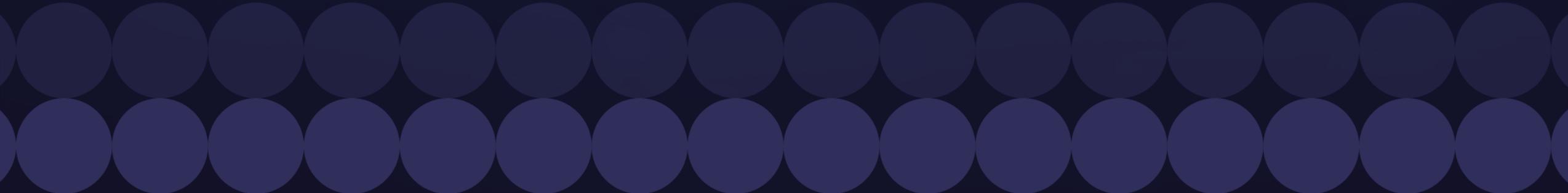


IT Services valuation multiples: 2015-2026

Q4 2025 update



About Aventis Advisors

We advise founders of **technology and growth** companies on company exits and strategy.

Our focus sectors are **Software and IT Services**.

Our job is to make sure you **sell at the right time to the right people** for a fair valuation.

Technology M&A focus

Cross-border expertise

Thought leadership



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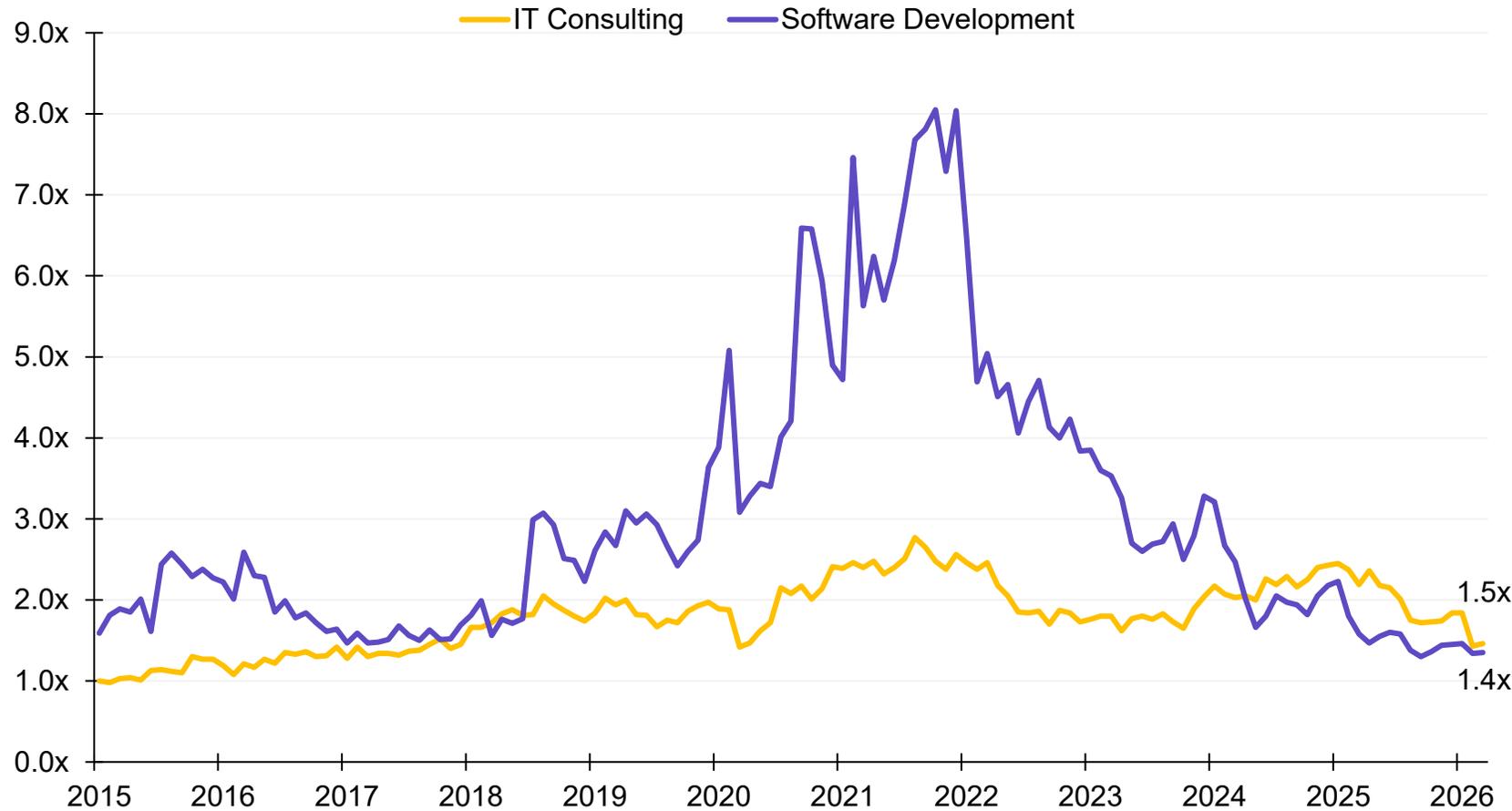
1. IT services valuations: Listed companies
2. IT services valuations: M&A transactions



Listed IT Services companies: EV/Revenue multiple

After years of stability, revenue multiples skyrocketed in 2021-22 and have been declining steadily since with Software Development now trading at a lower revenue multiple than IT Consulting

Median EV/Revenue Multiple, 2015 – March 2026, (IT Consulting n=25 and Software Development n=10)



Comment

- The median EV/Revenue multiple in IT Consulting rose steadily until the pandemic, averaging 1.5x until 2020
- At its peak in late 2021, IT Consulting reached 2.9x and Software Development hit 8.0x, pushing IT Services multiples 200-250bps higher than their historical averages
- After quarters of decline, the median multiple of IT Services has fallen back to pre-pandemic levels in Q2 2024

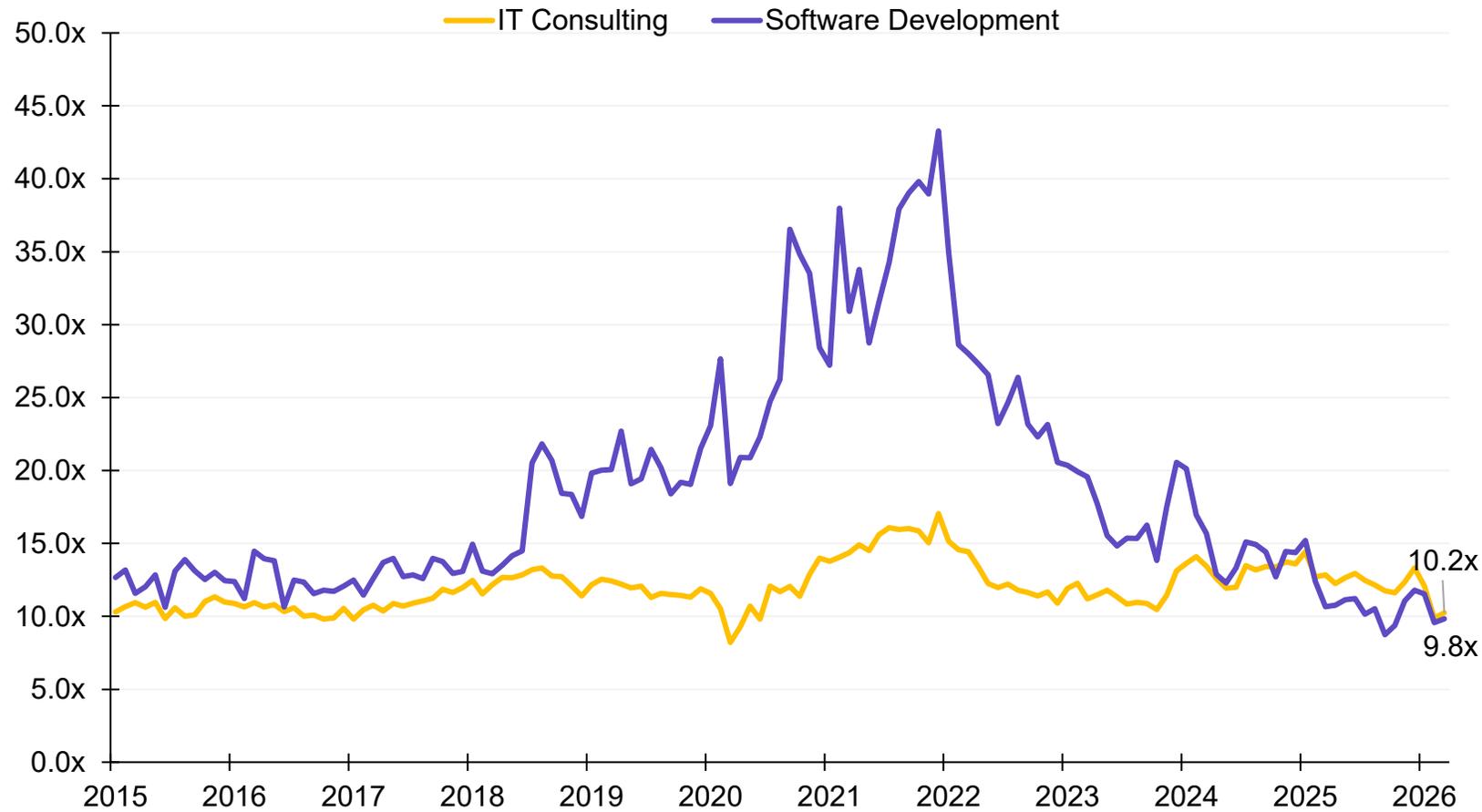
March 2026 update

- In March 2026, Software Development and IT Consulting multiples were around 1.4x and 1.5x respectively.

Listed IT Services companies: EV/EBITDA multiple

The EBITDA multiple skyrocketed for Software Development companies in 2021, but has since more than halved and fallen below IT Consulting

Median EV/EBITDA Multiple, 2015 – March 2026, (IT Consulting n=25 and Software Development n=10)



Comment

- IT Consulting had a relatively stable median multiple with very little volatility before the pandemic outbreak
- The median multiple of IT Consulting peaked in late 2021 at 17.1x and has been declining until late 2023, and since showing multiple expansion
- Historically, Software Development has had higher median multiples than IT Consulting. However, this relationship reversed in 2025.

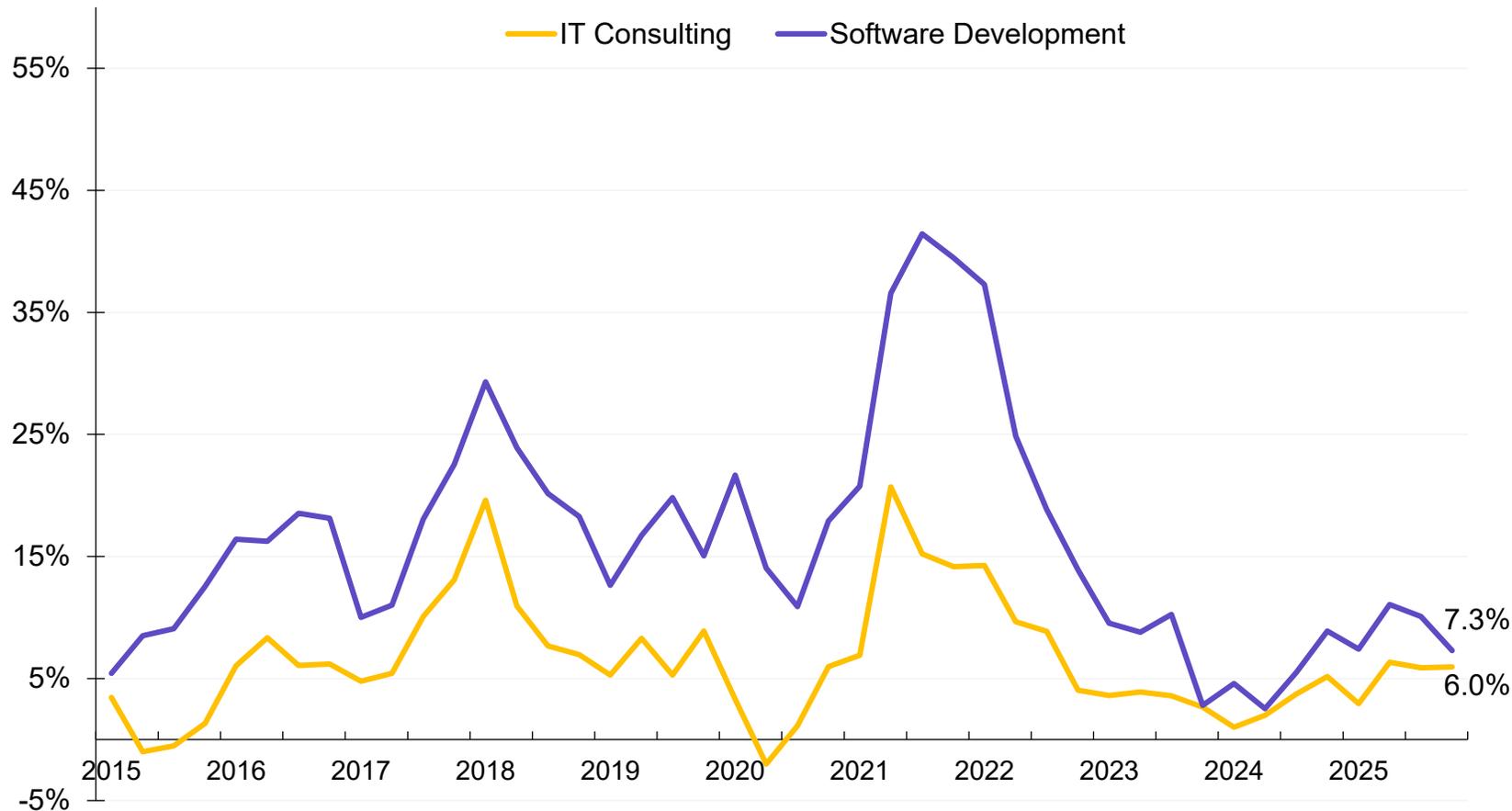
March 2026 update

- The median EV/EBITDA multiple as of March 2026 was 10.2x for IT Consulting and 9.8x for Software Development companies.

Listed IT Services companies: Revenue growth

Revenue growth for IT Services has remained flat in the last 6 months, with software development recording a decline to 7.3%

Median Revenue Growth, YoY, 2015 – Q4 2025, (IT Consulting n=25 and Software Development n=10)



Comment

- The pandemic rapidly accelerated the demand for both types of IT Consulting and Software Demand – a pull-forward effect as companies had to prioritize their expenditure on digitalization
- After the turning point in H2 2021, revenue growth of both IT Consulting and Software Development has been declining
- The median revenue growth of IT Consulting was less volatile but also notably lower than that of Software Development
- The median revenue growth of IT Consulting firms hit its lowest point in Q2 2020

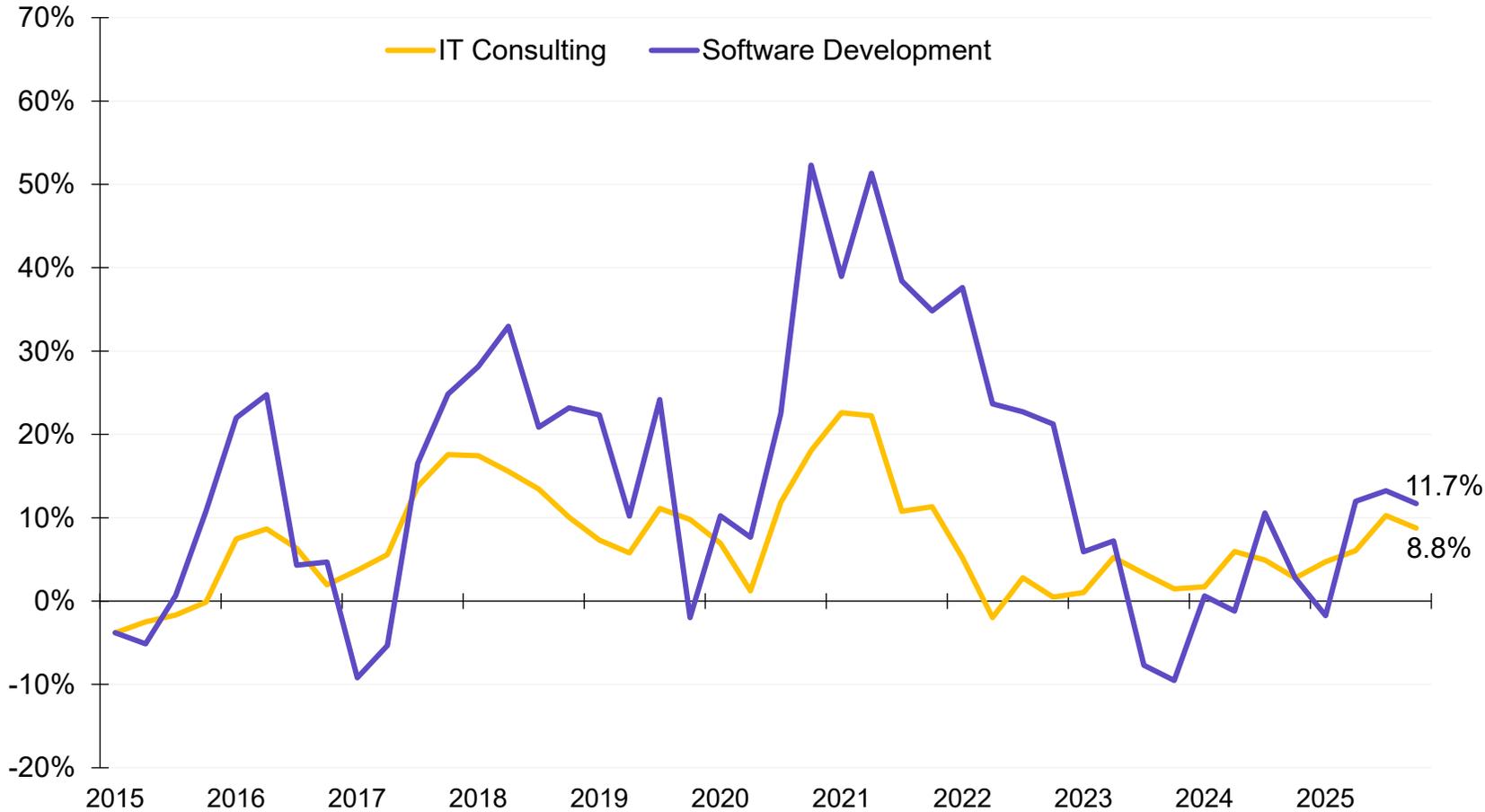
Q4 2025 update

- Revenue growth remained flat for IT Consulting in Q4 2025 at a median of ~6.0%, whereas the median Software Development revenue growth recorded a decline of 2.8pp QoQ to 7.3%.

Listed IT Services companies: EBITDA growth

EBITDA growth softened for both IT Consulting and Software Development companies in our sample in the Q4 2025 update

Median EBITDA Growth, YoY, 2015 – Q4 2025, (IT Consulting n=25 and Software Development n=10)



Comment

- Since late 2015, IT Consulting has maintained a positive median EBITDA growth rate, only dipping into negative territory from 2022 as the macro environment worsened
- The median EBITDA growth of IT Consulting hovered between -7.1% and 23.4% and averaged at 7.4% throughout the analyzed period.
- The median EBITDA growth rate of Software Development skyrocketed with the pandemic outbreak, increasing by 49pp between Q4 2019 to Q1 2021

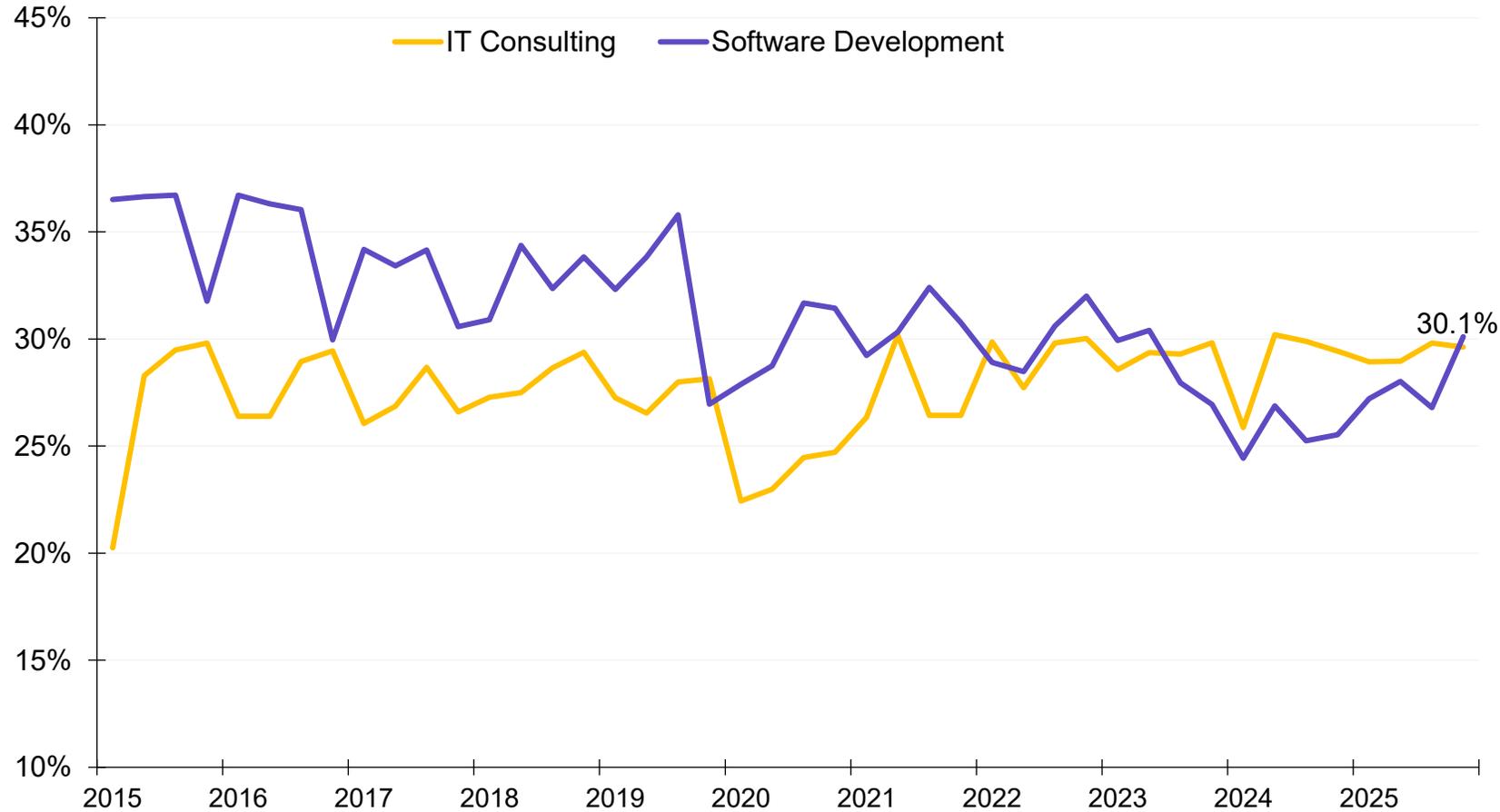
Q4 2025 update

- In Q4 2025, both Software Development and IT Consulting EBITDA growth contracted by 1.5% QoQ

Listed IT Services companies: Gross margin

IT Consulting margins surpassed Software Development in Q2 2023, amid historically low margins for Software Development companies

Median Gross Margin, quarterly, 2015 – Q4 2025, (IT Consulting n=25 and Software Development n=10)



Comment

- From 2015 to 2019, the gross margin for Software Development companies consistently outperformed that of IT Consultants
- IT Consulting gross margins have been fluctuating around 25-30%, peaking at 30.2% in 2021, while Software Development margins have trended lower falling to sub 30% levels two quarters in a row

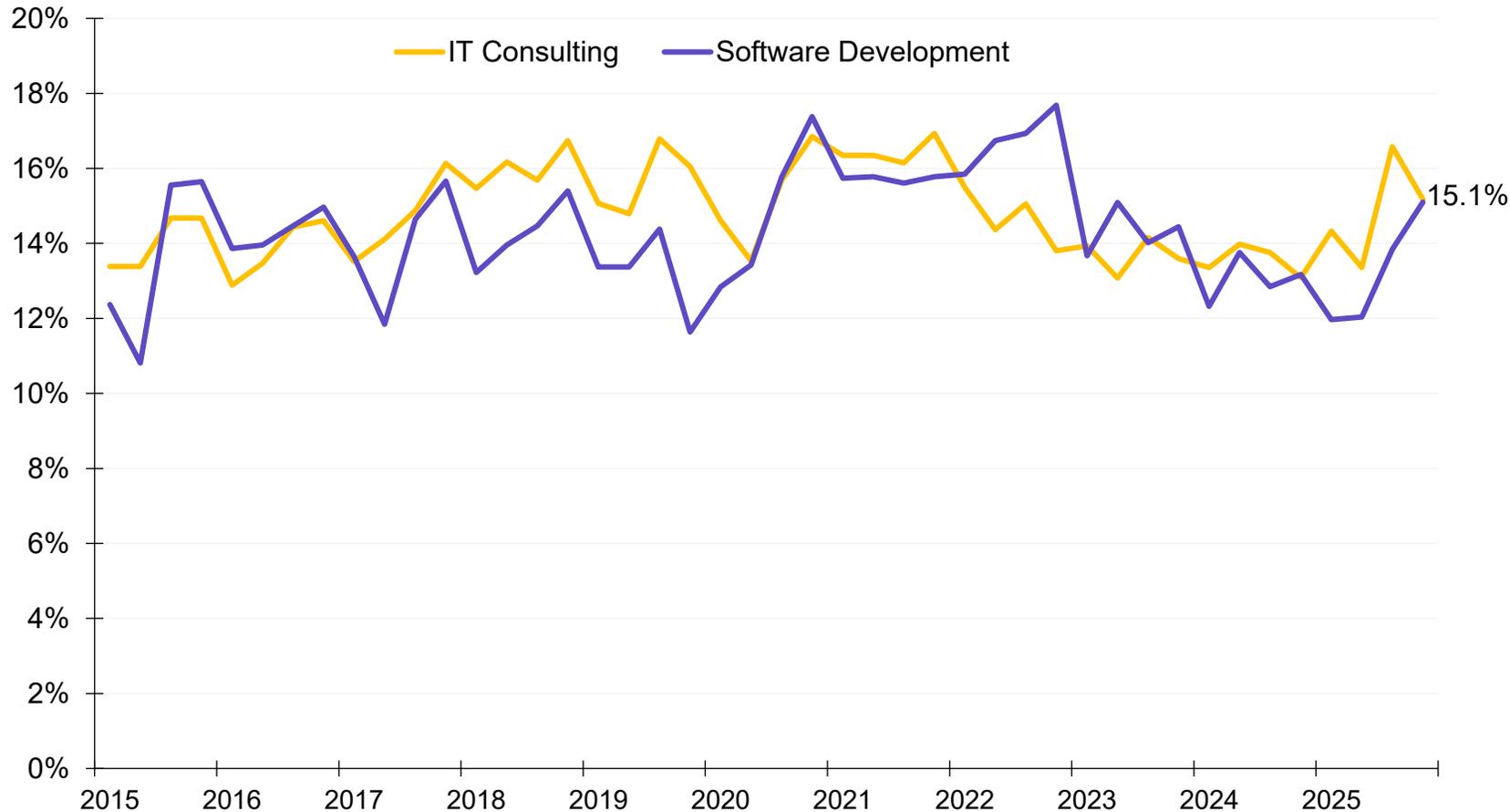
Q4 2025 update

- Since Q4 2023, gross margins of Software Development businesses have consistently underperformed its IT Consulting peers. In Q4 2025, there are signs of a reversal. Note: Only 7/10 companies have reported Q4 2025 results in our 'SD' sample.

Listed IT Services companies: EBITDA margin

IT Consulting companies have exhibited stable margins historically around 15%, while software development margins have fluctuated more widely

Median EBITDA Margin 2015 – Q4 2025, quarterly, (IT Consulting n=25 and Software Development n=10)



Comment

- The median EBITDA margin has been relatively stable for IT Consulting and Software Development companies
- Both the IT Consulting and Software Development median EBITDA margins improved in late 2020 due to accelerated demand for tech
- With the proven and resilient business model, the profitability of IT Consulting and Software Development companies largely avoided the swings of 2022 caused by unprecedented inflation, monetary tightening, and war in Ukraine

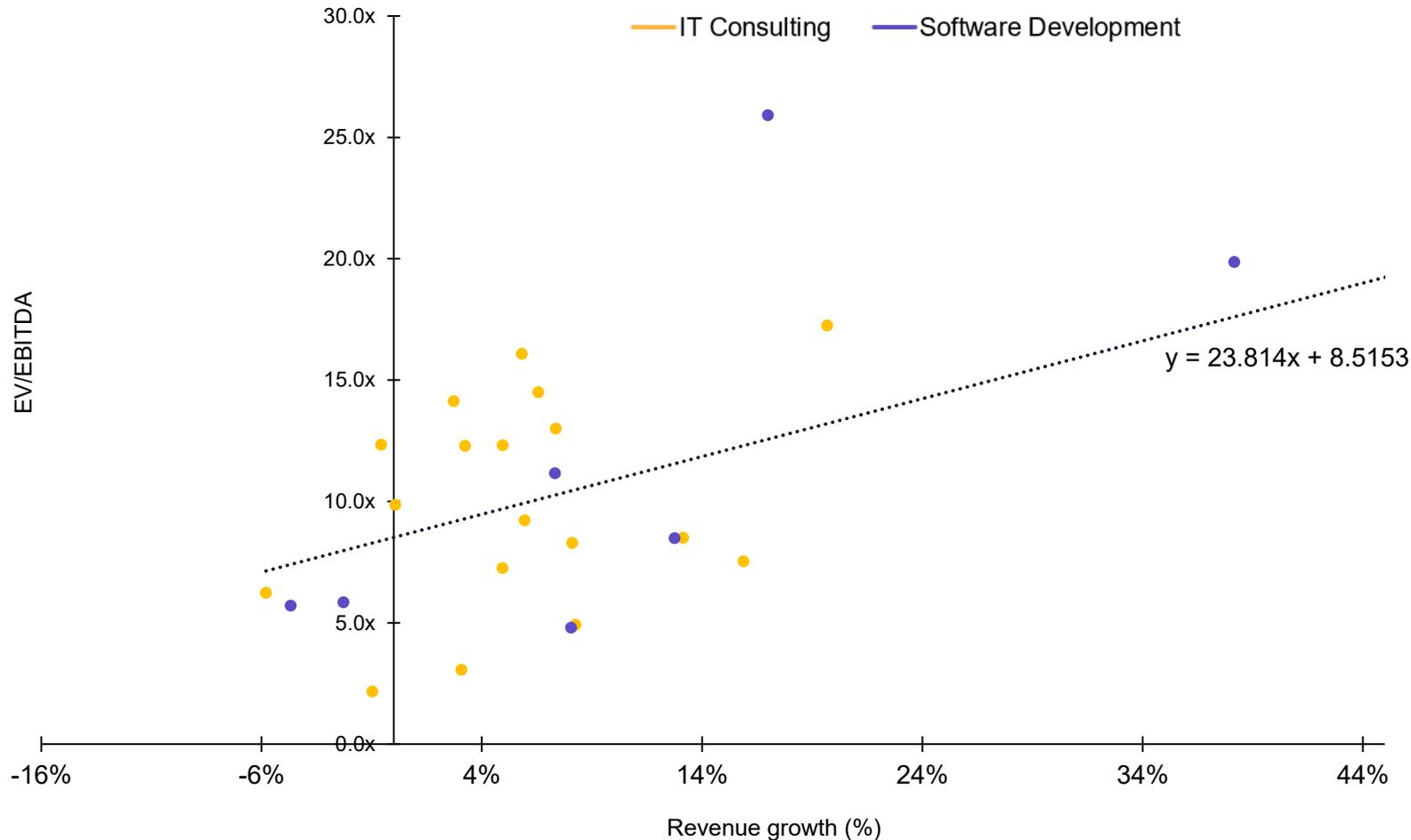
Q4 2025 update

- In Q4 2025, median EBITDA margins converged to ~15% for Software Development and IT Consulting
- *Note:* Q4 2025 medians are based on a partial sample, as not all companies have reported EBITDA data yet.

Listed IT Services companies: Revenue growth vs. EBITDA multiple

Companies with strong revenue growth may expect higher multiples but this is heavily influenced by company-specific factors

Revenue Growth vs EBITDA Multiple, LTM as of 31.12.2025



Comment

- IT Services companies are generally valued using EV/EBITDA multiple unlike SaaS or Software companies
- Various factors, including geography, company size, and other business fundamentals drive changes in multiples
- Companies with organic revenue growth typically expect a higher multiples. However, this is highly influenced by company-specific factors.

Q4 2025 update

- In Q4 2025, a simple linear relationship suggest that a 1% increase in revenue adds 0.2x in EV/EBITDA multiple for IT Services firms

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1. IT services valuations: Listed companies
2. IT services valuations: M&A transactions



M&A Transactions: IT Services multiples

Over the past ten years, median transaction multiples for IT services companies have been at 1.3x Revenue, 10.2x EBITDA, and 15.4x EBIT

Multiple	Sample (n)	1st quartile	Median	3rd quartile
EV/Revenue	629	0.7x	1.3x	3.6x
EV/EBITDA	361	6.8x	10.2x	25.8x
EV/EBIT	349	9.8x	15.4x	38.1x

Search criteria:

Industry is Computer services

Deal value is disclosed, including non-qualifying deals

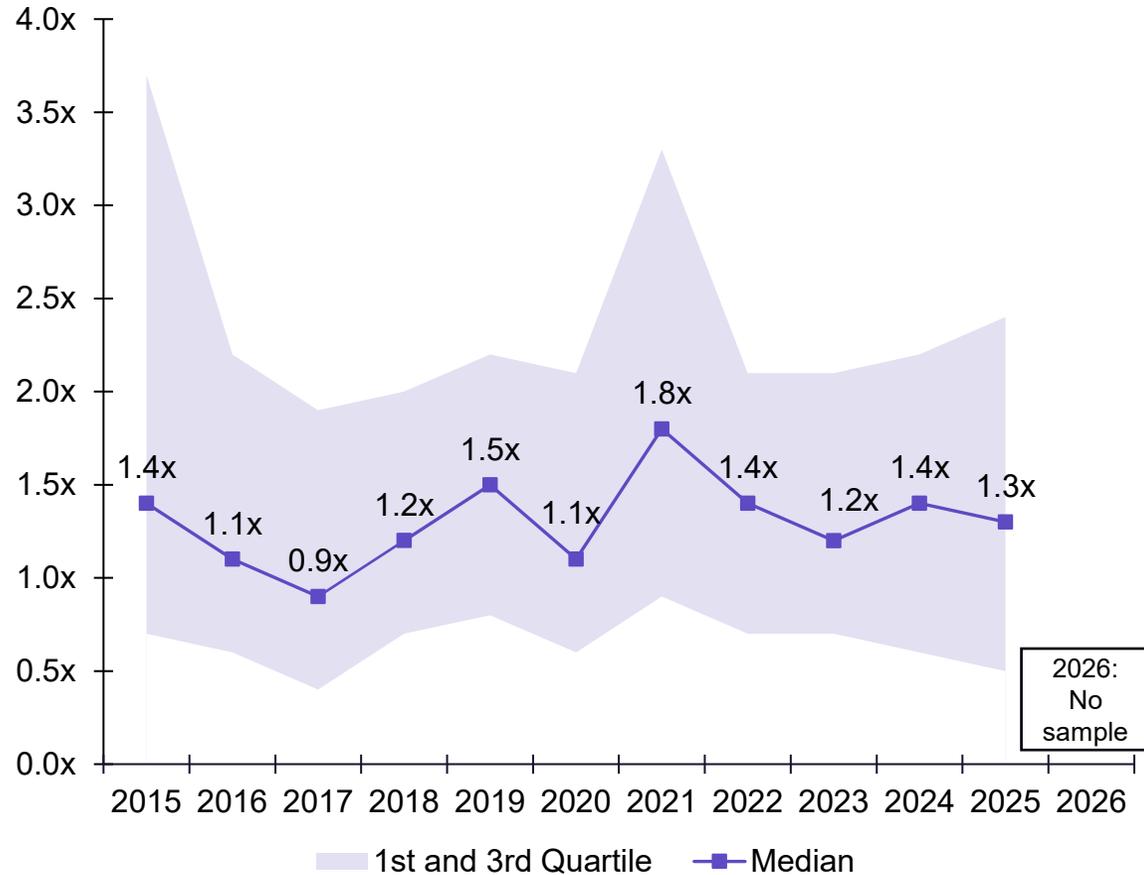
Period: 01.01.2015 – 11.03.2026

N=629 transactions

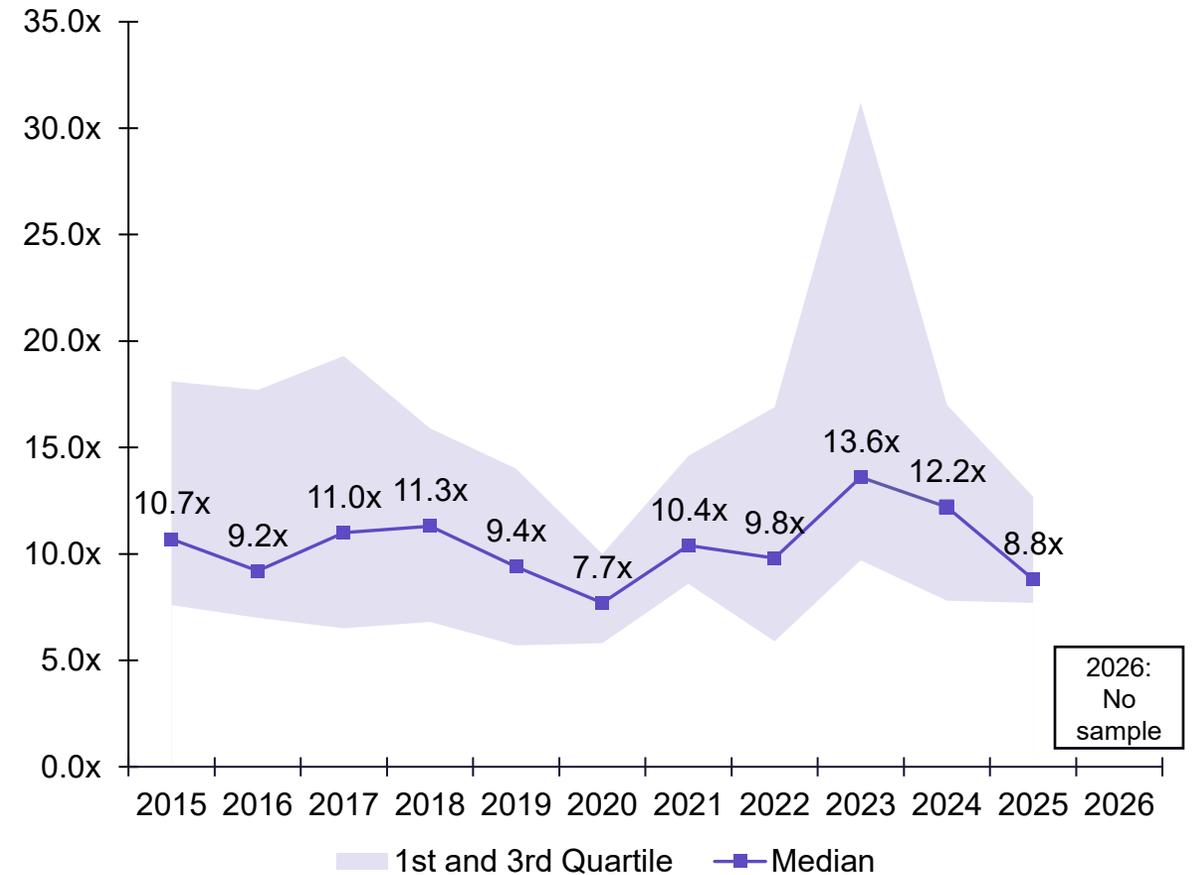
M&A Transactions: IT Services valuations

Median EV/Revenue and EV/EBITDA multiples demonstrated variability over time, with EV/Revenue peaking at 1.8x in 2021 and EV/EBITDA reaching 13.6x in 2023

Median EV/Revenue multiple, 2015-Oct 2025 (n=629)



Median EV/EBITDA multiple, 2015-Oct 2025 (n=361)



M&A Transactions: Size effect on multiples

Larger IT services companies command higher valuations due to lower default risk and greater stability

Deal size, m USD	Number of deals	Median EV/Revenue	Median EV/EBITDA
<5	89	0.7x	5.9x
5-20	189	1.2x	7.9x
20-50	91	1.4x	10.5x
50-100	78	1.2x	11.5x
100-500	117	1.5x	11.6x
500+	65	1.8x	13.0x
Total	629	1.3x	10.2x

Search criteria:

Industry is Computer services

Deal value is disclosed, including non-qualifying deals

Period: 01.01.2015 – 11.03.2026

N=629 transactions

M&A Transactions: Geography effect on multiples

The region makes only little difference in IT services valuations, with companies valued similarly across countries

Region	Number of deals	Median size, m USD	Median EV/Revenue	Median EV/EBITDA
Europe	275	25	1.2x	9.6x
Asia	178	19	1.5x	13.9x
North America	121	85	1.4x	11.6x
Other	55	19	1.0x	7.6x
Total	629	22	1.3x	10.2x

Search criteria:

Industry is Computer services

Deal value is disclosed, including non-qualifying deals

Period: 01.01.2015 – 11.03.2026

N=629 transactions

Contact us

[Get in touch with our advisors](#) to discuss M&A opportunities in IT services industry



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