



**B** BOXINGTON

# M&A Predictions for 2024



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# #1 Strategic buyers resurge and dominate as exit options

With Private Equity buyout activity subdued and IPO markets remaining mainly closed, strategic trade buyers enjoy a relative resurgence after many years of losing out in auctions to Private Equity.



# #2 Private Equity is impeded by low availability of growth plans and acquisition debt

This double-whammy brings to an end a rich seam of deals by Private Equity in recent years. The weight of unused so-called “dry-powder” capital does not override these limiters.



# #3 Overall deal volumes remain steady but subdued

Net of strategic buyers strengthening and Private Equity weakening across the buy-side, overall deal volumes will hold up whilst remaining lower than 2020-22. We expect a tapering upward of volumes in the second half of 2024.

# #4 Valuation multiples remain stable across the year

In our view, this will apply across EBITDA multiples (for Services), ARR multiples (for SaaS), and sum-of-the-parts and hybrid multiples (for Tech-enabled services).

# #5 Technology companies exchange growth for margin

With follow-on funding less available, many tech players will push harder for improved margins, better unit economics, and net cash profitability at the expense of growth.



# #6 Constrained funding markets push some SaaS & tech businesses to exit

In cases where SaaS companies are effectively excluded from another fundraising by the market, many will explore exits to strategic buyers who offer capital, routes to market, and de-risking.





# #7 The Consultancy sector rebases and settles in a strong position

While revenues for some consultancies have fallen from post-Covid peaks, many benefit from having strong well-invested service offerings in attractive vertical and geographic markets, which appeal to buyers and investors.



# #8 The opportunity and threat from Generative AI is priced into valuations

As Gen-AI becomes a more mainstream feature of service offerings, buyers and investors are increasingly able to forecast its applicability to businesses they are valuing and acquiring.

# #9 Previous over-valuations slow PE exits and lengthen hold times

Many Private Equity houses risk valuation hair-cuts from exits where post-covid entry valuations were over inflated. This will cause many to retain their investments for longer in the hope of a reversal.



# #10 Human-led, tech-powered business models will be M&A hotspots

We anticipate that buyer and investor appetite in 2024 will be strong for businesses (or for assembling businesses through “buy-and-builds”) that unite high human-led services with scalable proprietary tech in the background.

We wish each of our clients – present, past, and future – every success and health for the year 2024 ahead.



# ABOUT BOXINGTON

INDEPENDENT SPECIALIST M&A ADVISORS

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**BOXINGTON** is an independent expert Mergers and Acquisitions (M&A) boutique advising private shareholders of companies in the sectors of **Human Capital Management**, **Digital & Data**, **Specialist Consulting**, Training & Education, and the **B2B** space.

## TEAM MEMBERS



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## OTHER KEY INFORMATION

- Founded in 2010
- Independent and conflict-free
- Deal size £/\$/€10-100m
- Market-leading, sector-focused research capability
- Our **MarketTracker™** sector reports are received by over 11,000 buyer and investor contacts (4,200 organisations) globally
- Authorised and regulated by the UK Financial Conduct Authority

# OUR SERVICES

INDEPENDENT SPECIALIST M&A ADVISORS

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We offer **3 specialist services** to our clients over their entrepreneurial journeys.

## GROWTH CAPITAL FUND-RAISING

- From Private Equity and Venture Capital globally for our 4 sectors
- Sector-focused strategic corporate investor coverage
- Cheque size £/\$/€10-30m

## EXIT ADVISORY

- To Strategic buyers and Private Equity globally for our 4 sectors
- Full or partial disposals
- On-market and off-market processes
- Deal size £/\$/€10-100m

## DEAL PREPARATION

- Strategic options reviews
- Exit preparation advice
- Deal timing advice
- Valuation



# SELECTED COMPLETED DEALS

## INDEPENDENT SPECIALIST M&A ADVISORS

Deal	Acquired by	Date	Countries
Saville Assessment	TENZING	APRIL 2023	UK, UK
next wave PARTNERS	HAL Investments, Atlas Professionals		Croatia, Hungary
sonru	Modern Hire, Riverside		Ireland, USA
Sellick Partnership	S		UK, France
opp unlocking potential	gpp		UK, USA
KIDDY & PARTNERS	Gateley Plc		UK, UK
talent	HayGroup		UK, USA
THE Stamford Group	ALLEGIS GROUP		Switzerland, USA
Saville Consulting	TOWERS WATSON		UK, USA
Gen2	City & Guilds		UK, UK
f&l fitzgerald & law Experts in Global Expansion	ZEDRA		UK, UK
DDG	HR Path, ARDIAN		Australia, France
brilliant logistics	Challenge GROUP, praetura.		UK, UK
PROVANIS	GATTACA		UK, UK
orion electrotech	TECHNOPRO HOLDINGS		UK, Japan
CareerCross	JAG Recruitment		Japan, Japan
BOYD & MOORE EXECUTIVE SEARCH	TECHNOPRO HOLDINGS		India, Japan
apps	MBO supported by CCI, Collective Capital		USA, UK

For expert specialist advice on your  
M&A plans for 2024, please get in  
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