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Smooth landing looks more and more likely, however, geopolitical uncertainty and upcoming elections have kept markets on edge. M&A and Funding activity was subdued in August.

- **Employers added 254,000 jobs in September, significantly more than the 150,000 jobs economists were expecting** and the unemployment rate slipped to 4.1%. Revised figures also show that employers added 72,000 more jobs in July and August combined than earlier reported.
- Other economic data point to a slightly less robust hiring picture. Labor Department data released earlier this month showed that **the share of workers quitting their jobs each month fell to its lowest rate** in more than four years in August, a sign people are more hesitant about leaving their current roles for new ones.
- Together **these data points paint the picture that labor markets remain strong although employees are being cautious** about the pace of job creation – a picture that is consistent with an economy that is letting out steam gradually.
- Clearly, the **main risks at this point** revolve around shocks to the economy from the **escalating situation in the Middle East, labor unrest here in the US and the possibility of a less than peaceful presidential transition.**
- Historically, for M&A and funding markets to hum, we have needed three things - a healthy economy, a peaceful environment and a low and stable rate environment. While the economy is showing all the right signs of resilience, and the Fed is expected to lower rates by 1.5%-1.75% by 2025, **market volatility is elevated from tail-event risk worries.**
- As such **we remain cautiously optimistic about M&A and funding activity for the rest of the year.**

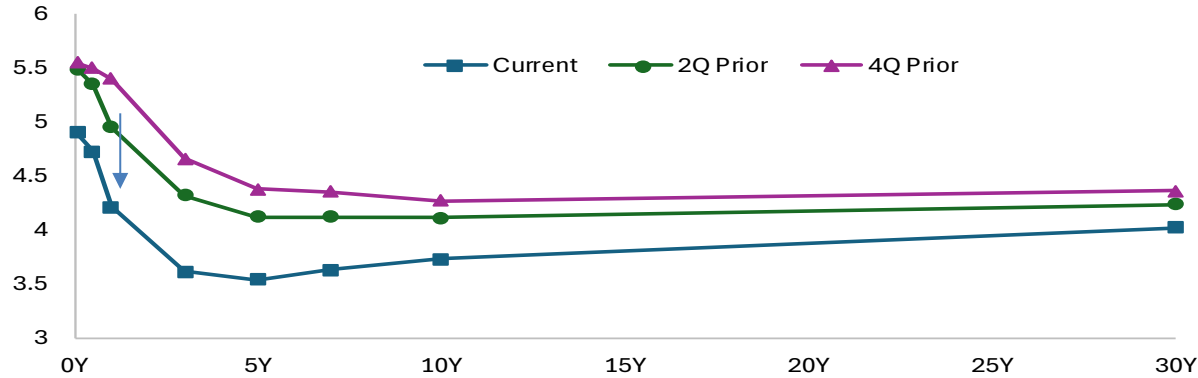
Strong month-over-month economic performance strengthens our belief in the Fed’s ability to engineer a soft landing

		Current	As of	1Y Ch	1Y % Ch	Current	Hist. Avg	1Q Prior	2Q Prior	3Q Prior	4Q Prior
RATES, INFLATION AND UNEMPLOYMENT											
10y Constant Maturity Tsy Yield	DGS10	3.75	9/27/2024	-0.87	-18.4	3.75	3.27	4.36	4.20	3.95	4.59
CPI	FPCPITOTLZGUSA	2.59	8/1/2024	-1.10	-29.9	2.59	2.58	2.98	3.48	3.11	3.69
Unemployment Rate	UNRATE	4.10	9/1/2024	0.30	7.9	4.10	5.71	4.10	3.80	3.70	3.80
Initial Claims 4-week MA	IC4WSA	225.00	9/21/2024	5.50	2.5	225.00	377.51	238.75	214.50	205.75	237.75
Nonfarm Payroll Change (Unrevised)		254.00	9/1/2024	8.00	3.3	254.00	139.55	118.00	310.00	256.00	246.00
INDEXES AND INDICATORS											
Sahm Recession Indicator	SAHMRREALTIME	0.50	9/1/2024	0.30	150.0	0.50	0.49	0.43	0.30	0.20	0.20
Michigan Consumer Sentiment	MICH	67.90	8/1/2024	-1.50	-2.2	67.90	83.02	68.20	79.40	79.00	67.80
Chicago National Financial Conditions Index	NFCI	-0.55	9/27/2024	-0.21	59.9	-0.55	-0.35	-0.52	-0.48	-0.49	-0.34
MARKETS											
S&P 500	SP500	5751.07	10/4/2024	1442.57	33.5	5751.07	-	5460.48	5254.35	4742.83	4288.05
NASDAQ	NASDAQCOM	17918.48	10/3/2024	4698.65	35.5	17918.48	-	17732.60	16379.46	14765.94	13219.32
VIX	VIXCLS	20.49	10/3/2024	2.00	10.8	20.49	19.89	12.44	13.01	13.20	17.52
ICE Corp BBB OAS	BAMLC0A4CBBB	1.15	9/27/2024	-0.44	-28.0	1.15	2.03	1.17	1.15	1.31	1.51
ICE Corp HY OAS	BAMLH0A0HYM2	3.14	9/27/2024	-1.21	-28.5	3.14	5.48	3.18	3.12	3.54	4.03
DELINQUENCIES											
Consumer Loan Delinquency	DRCLACBS	2.74	4/1/2024	0.36	15.1	2.74	2.83	2.68	2.60	2.52	2.38
Credit Card Delinquency	DRCCLACBS	3.25	4/1/2024	0.48	17.3	3.25	3.46	3.15	3.08	2.96	2.77
Single Family Mortgage Delinquency	DRSFRMACBS	1.73	4/1/2024	0.00	0.0	1.73	4.35	1.71	1.70	1.72	1.73
Commercial Real Estate Loan Delinquency	DRCRELEXFACBS	1.42	4/1/2024	0.57	67.1	1.42	2.36	1.21	1.15	1.06	0.85
Business Loan Delinquency	DRBLACBS	1.13	4/1/2024	0.13	13.0	1.13	1.80	1.12	1.03	0.97	1.00

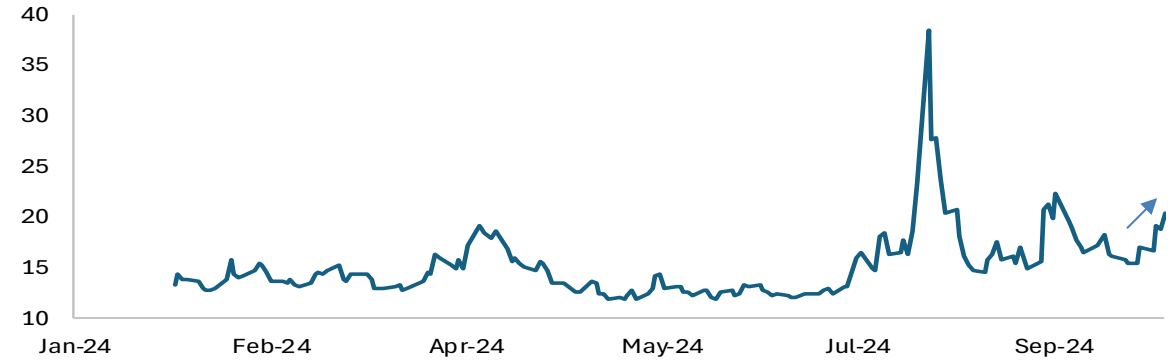
*Source: Federal Reserve, Yahoo Finance.

Stronger than expected job growth in September and contained inflation make a smooth landing more likely

Treasury Yield Curve



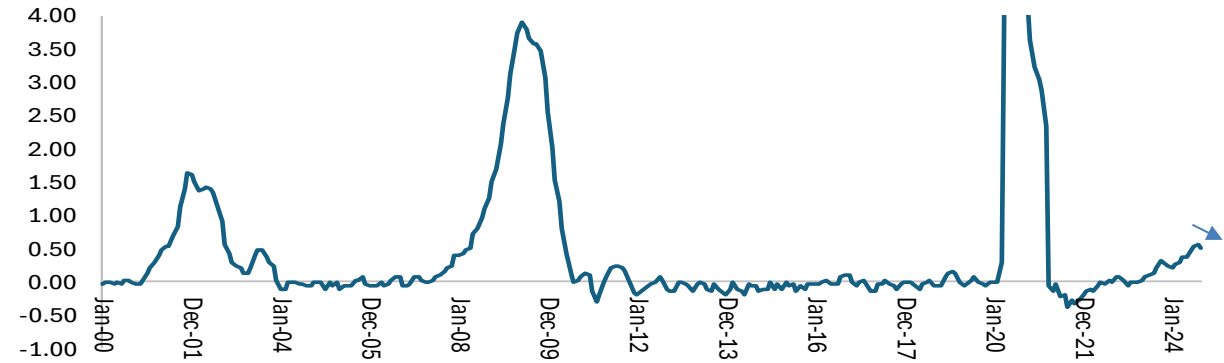
CBOE Volatility Index



Michican Consumer Sentiment Survey



SAHM Recession Index



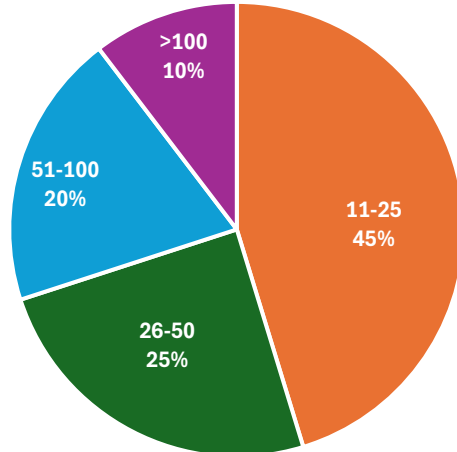
*Source: Federal Reserve, Yahoo Finance.

NYC, Philadelphia, Boston and Princeton are the sweet spot to target MSPs in the NY area. They have reasonable scale and either have higher than average SMB count per MSP, or they are cities with higher-than-average SMB growth profile.

- In our Jan-Jul 2024 Newsletters we provided an overview of the IT MSP space in the NY, FL, IL, Mid-Atlantic, Mountain State and Texas areas.
- This month we take a closer look at IT MSPs in the NY area.
- We estimate there are 1,104 firms in NY-area providing some degree of Managed IT services.
- The key difference between NY and the other regions is the dominating presence of NYC. NYC itself has 18% of the total number of MSPs in this area and over 72% of the Small and Medium Businesses are located here.
- the top 25 cities/towns contain 47% of MSPs in the NY area compared with 73% for other regions in the US. In this sense, even though NYC contains a large concentration of MSPs, there are many more smaller towns with significant number of MSPs compared with other urban centers in the US.
- We excluded IT firms with 10 or fewer employees. 70% of the remaining MSPs have between 11-50 employees.
- 59% of the MSPs have shown stable y-o-y headcount growth, 31% have grown more than 10%, while 10% have shrunk by more than 10%**.
- To assess how attractive it might be to target an MSP business in a city, we look at two key metrics – SMB per MSP and SMB Growth %
 - SMB per MSP: We define this as number of Small and Medium Sized Businesses (SMBs) per MSP. The greater the number of SMBs per incumbent MSP the more desirable it would be to target an MSP in a city. Across all top 25 MSP cities***, the average value for this metric is 1,242.
 - SMB Growth%: We define this as the fraction of SMBs in a city that grew y-o-y headcount by over 10%. The greater this fraction the more desirable it would be to target an MSP in the city. Across all top 25 MSP cities, the average value for this metric is 14%.
 - NYC has the highest SMB per MSP count at 2,289 while Piscataway, NJ has the highest Growth % at 21%.

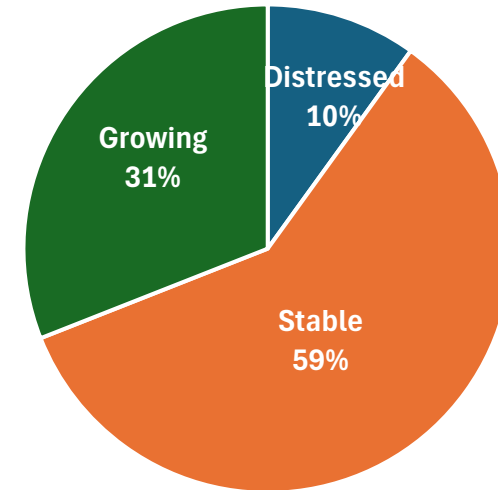
- We estimate there are 1,104 MSPs in NY area providing some degree of Managed IT services.
- 45% have 11-25 employees, 25% have 26-50, 20% have 51-100 and 10% have over 100 employees.**
- 59% of the MSPs have shown stable y-o-y headcount growth, 31% have grown more than 10%, while 10% have shrunk by more than 10%***.

MSPs By Employee Count in NY Area (1,104 Firms)



70% of MSPs
have between
11-50 employees
~
\$2MN - \$12.5MN
in Revenue

MSPs by Headcount Growth in NY Area
(1,104 Firms)*

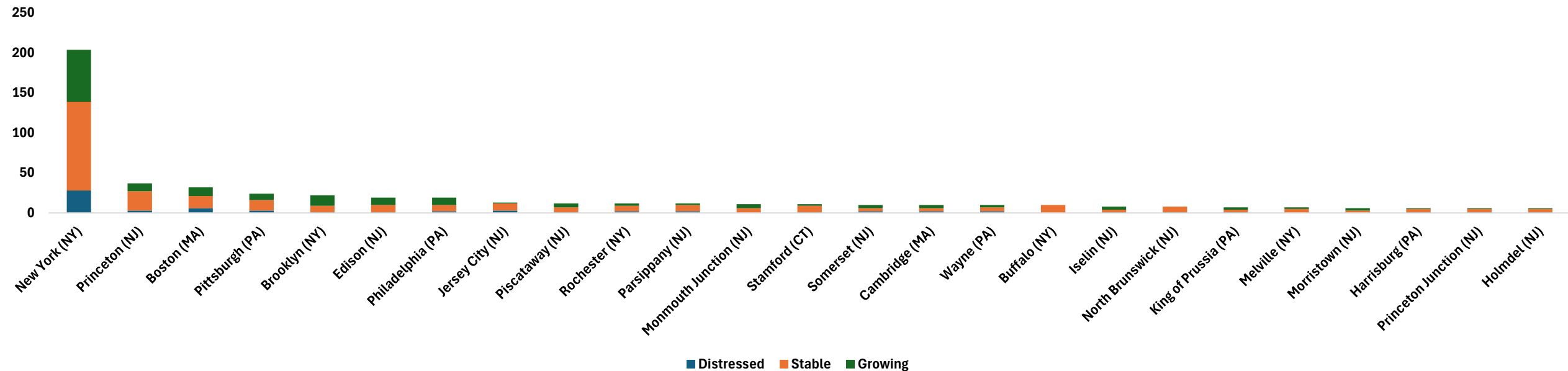


*Source: Linked-In.

* NY area includes NY, NJ, PA, CT, MA. **We excluded firms with 10 or fewer employees for this study. ***Firms exhibiting more than 10% y-o-y decrease or increase in headcount growth are categorized as Distressed or Growing respectively. The remaining firms are categorized as Stable.

- Almost 20% of MSPs in the NY area are headquartered in New York City.
- The Top-25 MSP cities have 522 MSPs, about 47% of the total MSP count in NY area. This is similar with MSP density in the IL area (51%) but much less than other centers like the FL-area (71%), Mid-Atlantic states (73%), Mountain States (81%) and Texas (89%).

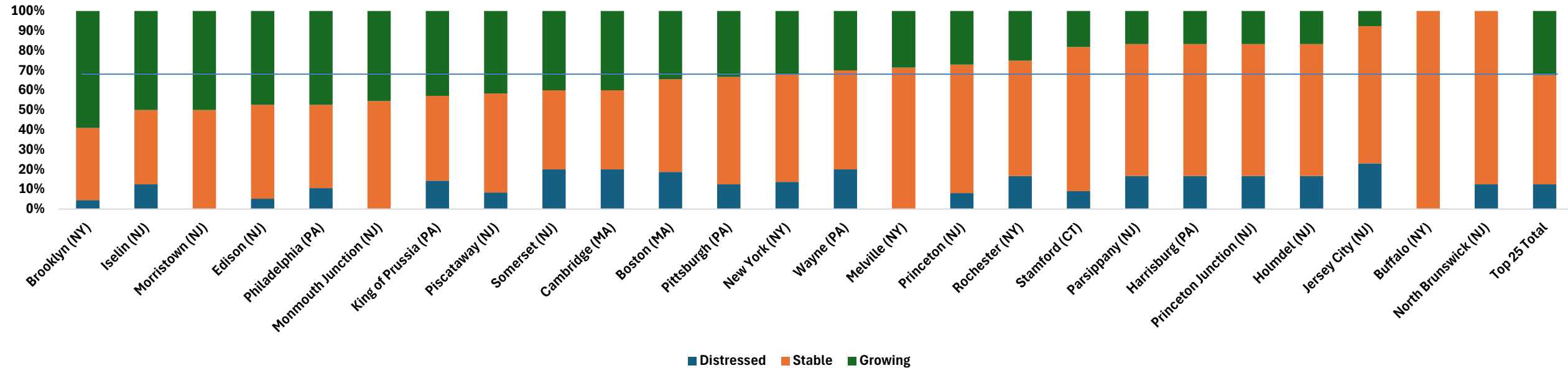
MSPs Mix By City
Top-25 IT MSP Cities



* NY area includes NY, NJ, PA, CT, MA. **We excluded firms with 10 or fewer employees for this study. ***Firms exhibiting more than 10% y-o-y decrease or increase in headcount growth are categorized as Distressed or Growing respectively. The remaining firms are categorized as Stable.

- Urban centers like Brooklyn (NY), Edison (NJ) and Philadelphia (PA) have a high percentage of fast growing MSPs and a reasonable number of MSPs. For example, Brooklyn (NY) has 22 MSPs and 59% of these MSPs are growing employee count at over 10%.

Growth Mix By City
Top-25 IT MSP Cities



* NY area includes NY, NJ, PA, CT, MA. **We excluded firms with 10 or fewer employees for this study. ***Firms exhibiting more than 10% y-o-y decrease or increase in headcount growth are categorized as Distressed or Growing respectively. The remaining firms are categorized as Stable.

- To assess how attractive it might be to target an MSP business in a city, we look at two key metrics
 - SMB per MSP: The number of Small and Medium Sized Businesses (SMBs) per MSP. The greater the number of SMBs per incumbent MSP the more desirable it would be to target an MSP. Across all top 25 MSP cities, the average value for this metric is 256.
 - SMB Growth%: The fraction of SMBs in a city that grew y-o-y headcount by over 10%. The greater this fraction the more desirable it would be to target an MSP. Across all top 20 MSP cities, the average value for this metric is 14%
 - NYC has the highest SMB per MSP count at 2,289 while Piscataway (NJ) has the highest SMB Growth % at 21%.**

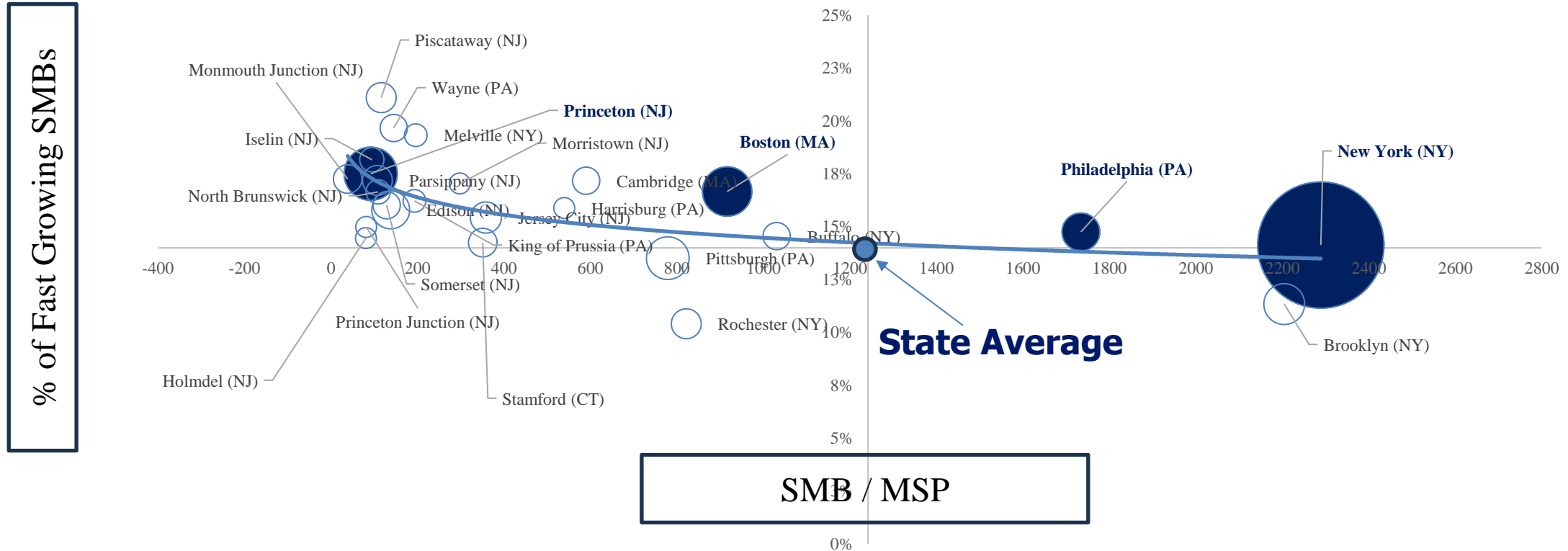
* % Large MBs is the proportion of SMBs with 11-500 employees

Top 25 MSP Towns	SMB (1-500) / MSP	SMB Growth%	MSP Count	% Large MBs*
New York (NY)	2289	14%	204	14%
Princeton (NJ)	92	18%	37	24%
Boston (MA)	916	17%	32	18%
Pittsburgh (PA)	779	14%	24	14%
Brooklyn (NY)	2205	11%	22	9%
Edison (NJ)	138	16%	19	22%
Philadelphia (PA)	1734	15%	19	12%
Jersey City (NJ)	358	15%	13	14%
Piscataway (NJ)	116	21%	12	24%
Rochester (NY)	822	10%	12	14%
Parsippany (NJ)	107	17%	12	25%
Monmouth Junction (NJ)	38	17%	11	23%
Stamford (CT)	351	14%	11	19%
Somerset (NJ)	129	16%	10	22%
Cambridge (MA)	590	17%	10	24%
Wayne (PA)	145	20%	10	26%
Buffalo (NY)	1031	15%	10	14%
Iselin (NJ)	94	18%	8	25%
North Brunswick (NJ)	109	17%	8	17%
King of Prussia (PA)	193	16%	7	41%
Melville (NY)	196	19%	7	27%
Morristown (NJ)	298	17%	6	16%
Harrisburg (PA)	539	16%	6	21%
Princeton Junction (NJ)	81	15%	6	12%
Holmdel (NJ)	81	14%	6	16%
Top 25 Total	1242	14%	522	14%

* NY area includes NY, NJ, PA, CT, MA. **We excluded firms with 10 or fewer employees for this study. ***Firms exhibiting more than 10% y-o-y decrease or increase in headcount growth are categorized as Distressed or Growing respectively. The remaining firms are categorized as Stable.

- Cities like New York City, Philadelphia, Boston and Princeton are the sweet spot to target MSPs in the NY area. They have reasonable scale and either have higher than average SMB count per MSP, or they are cities with higher-than-average SMB growth profile.

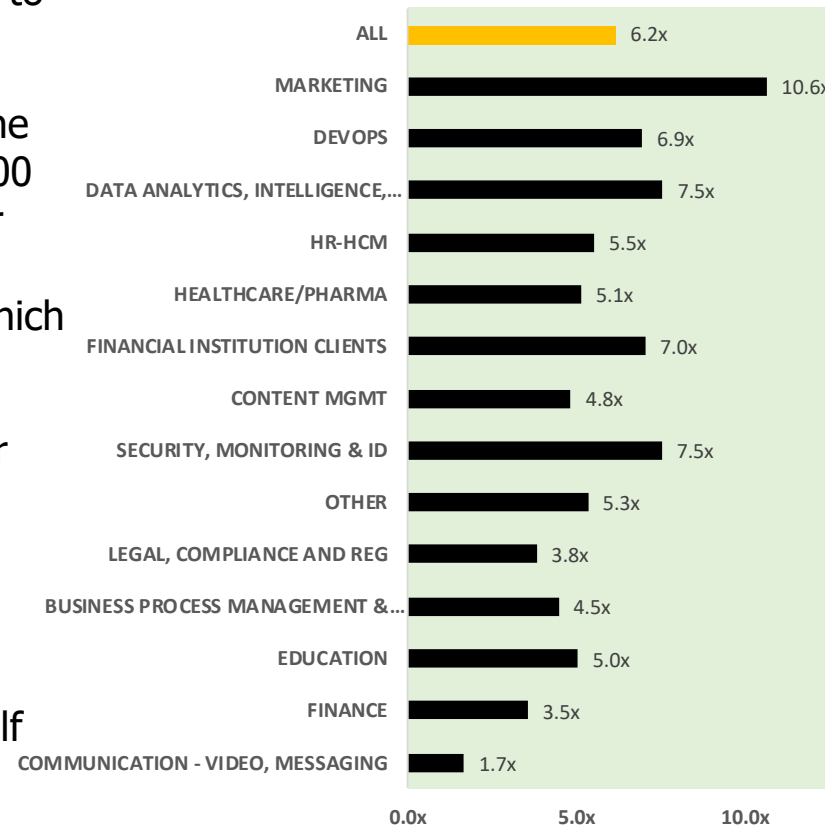
Percent of SMBs Growing Headcount Over 10% vs SMB Density per MSP
Bubble size indicates Number of MSPs



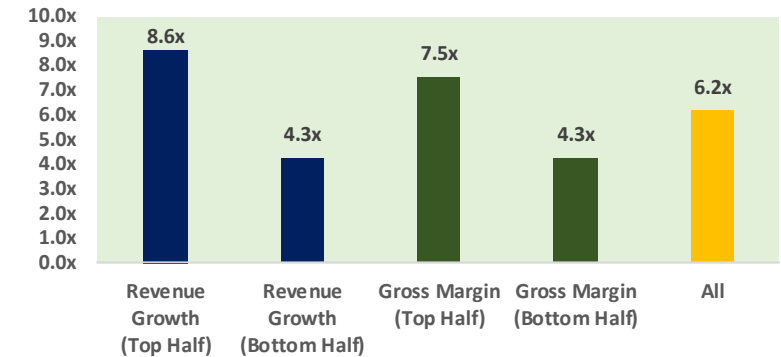
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- The aggregate SaaS TTM Revenue Multiple expanded about 0.10 pts in **August 2024** to **6.15x** from **6.05x** in **July 2024**.
- SaaS TTM multiple expanded in line with the broad stock market slightly rallying. S&P 500 rallied 3.7% in August. The rally in broader indexes is being driven by strong earnings reports and economic performance data which boosted investor confidence.
- Sector Mattered:** Multiples contracted for DevOps and expanded for verticals like Marketing, Healthcare, Security, Financial Institutions.
- Quality Mattered:** The difference in multiples between Top Half and Bottom Half companies by Revenue growth and Gross Margin increased.

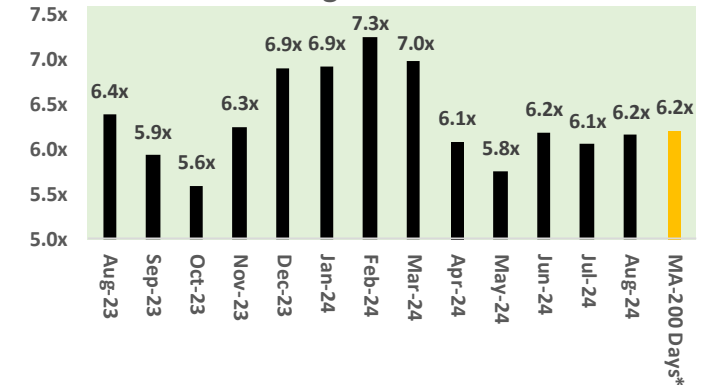
Revenue Xs By SaaS Sector (ME August 2024)



SaaS Revenue Xs (ME August 2024) By Quality



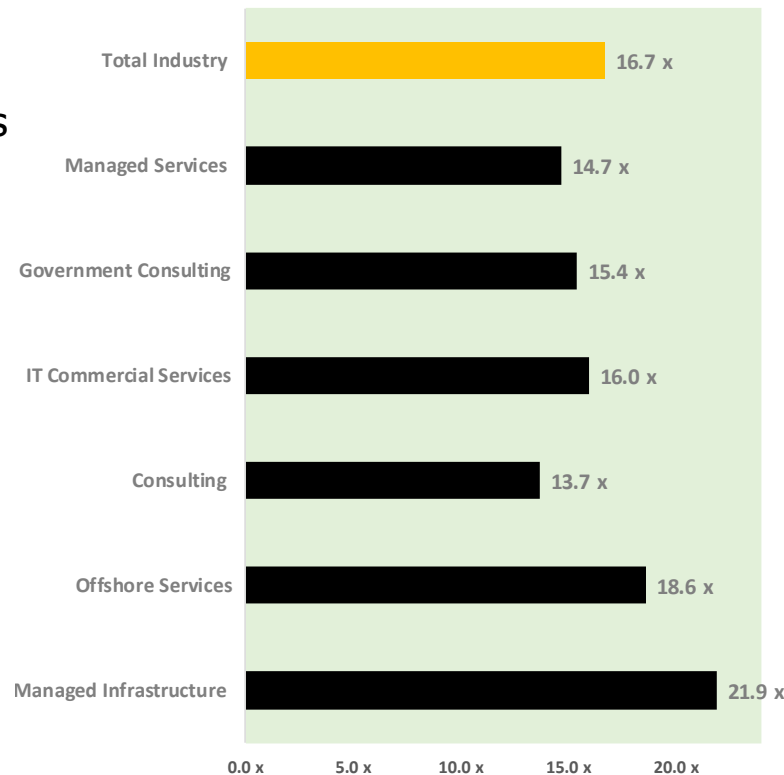
Recovery in SaaS Revenue Xs Stalled in August 2024



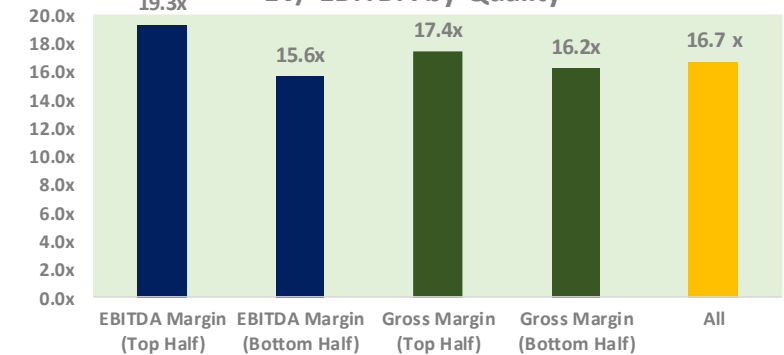
*Source: Yahoo Finance. As of 28th August.

- The aggregate IT Services TTM EBITDA Multiple expanded about 0.3x pts in **August 2024** to **16.7x** from **16.4x** in **July 2024**.
- Multiples expanded across sectors with leaders being Managed Infrastructure, Offshore Services and Government Consulting sectors that expanded 0.7x each. Multiple expansion was driven by strong equity market performance for the IT sector in August.
- The EV/ EBITDA Multiple for Top half of companies with above average EBITDA and Gross margins traded at higher multiples compared with the bottom half a theme we see for the SaaS sector as well.
- The EV/EBITDA multiple touched 52 week high at **16.7x** for **August 2024**.

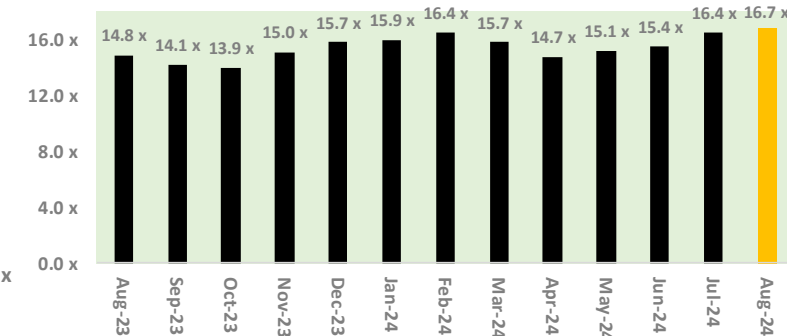
Average EV/EBITDA across Industry



EV/ EBITDA by Quality



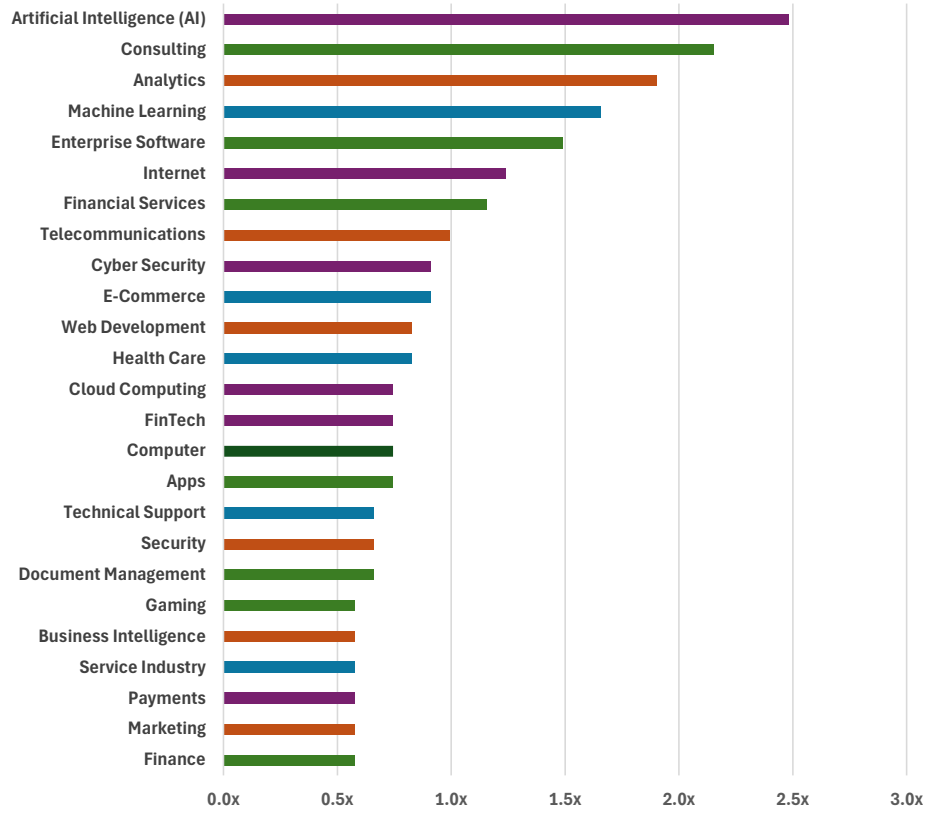
Monthly EV/EBITDA Multiple Trend



*Source: Yahoo Finance. As of 28th August.

Consulting, AI/ML and Internet Analytics were key M&A themes in August 2024

Relative Frequency of Occurrence of Top 25 Acquiree Industries



*Source: Crunchbase.

The YTD Median EV/EBITDA and EV/Revenue multiples stand at 14.1x and 3.9x respectively

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US\$m)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
Jan-24	Message Broadcast, LLC	Energy Impact Partners LLC; OceanSound Partners, LP	260	14.1x	NA	Application Software	Target designs and develops customer engagement and communication solutions for blue-chip enterprise customers in the U.S.
Jan-24	Appshark Software, Inc.	Cambridge Technology Enterprises Limited	5	NA	1.2x	IT Consulting and Other Services	Target operates as a Salesforce consulting and custom development company.
Jan-24	EngageSmart, Inc.	Vista Equity Partners Management, LLC	2,172	73.6x	9.7x	Application Software	Target provides vertically-tailored customer engagement and integrated payments solutions to SMBs in health and wellness
Mar-24	Stuzo, LLC	ParTech, Inc.	189	13.5x	4.7x	IT Consulting and Other Services	Target provides managed services and technology solutions for brands and agencies in the United States and internationally.
Mar-24	LZG International, Inc.	Genius Group Limited (NYSEAM:GNS)	35	NA	2.0x	Application Software	Target operates as an artificial intelligence (AI) solutions company
Mar-24	Splunk Inc.	Cisco Systems, Inc. (NASDAQGS:CSCO)	28,500	169.8x	7.4x	Application Software	Target develops and markets cloud services and licensed software solutions in the United States and internationally including unified security and observability platform
Mar-24	Alteryx, Inc.	Insight Venture Management, LLC; Clearlake Capital Group, L.P.	4,323	NA	4.8x	Application Software	Target automates tasks for workers across the analytics value chain.
Apr-24	Red Lion Controls, Inc.	HMS Networks AB (publ) (OM:HMS)	345	NA	2.7x	Electronic Equipment and Instruments	Target manufactures communication, monitoring, and control products for industrial automation and networking.
Apr-24	CAM2 Technologies, LLC	908 Devices Inc. (NASDAQGM:MASS)	76	NA	5.6x	IT Consulting and Other Services	Target offers IT consulting services.
May-24	MTL Holdings, Inc.	Carlisle Companies Incorporated (NYSE:CSL)	413	NA	3.1x	Technology Distributors	Target manufactures Plastic Products, Specializing In Flat Panels (100%).
May-24	ZeroFox Holdings, Inc.	Haveli Investment Management LLC; Haveli Investments Software Fund I, L.P.	323	NA	1.4x	Systems Software	Target engages in the provision of software-as-a-service-based external cybersecurity solutions that focuses on exposing, disrupting, and responding to threats outside the traditional corporate perimeter.
May-24	Map Dynamics, LLC	ARway Corporation (CNSX:ARWY)	1	4.2x	0.9x	Application Software	Target develops and offers self-service event management tools through its event home base technology.
Jun-24	Transphorm, Inc.	Renesas Electronics Corporation (TSE:6723)	337	NA	18.0x	Semiconductors	Target develops, manufactures, and sells semiconductor components for high voltage power conversion applications

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US\$m)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
Jun-24	Model N, Inc.	Vista Equity Partners Management, LLC	1,161	117.9x	4.5x	Application Software	Target provides cloud revenue management solutions for life sciences and high-tech companies in the United States and internationally.
Jun-24	TSR, Inc.	-	20	7.8x	0.2x	IT Consulting and Other Services	Target operates as a staffing company in the United States. It primarily focus on recruiting information technology (IT) professionals.
Jul-24	VectorVMS1 LLC	PIXID SAS	50	NA	4.4x	Application Software	Target operates as a vendor management platform
Jul-24	Everbridge, Inc.	Thoma Bravo, L.P.; Thoma Bravo Discover Fund IV, L.P.	1,518	96.8x	3.4x	Application Software	Target operates as a software company that enables customers to anticipate, mitigate, respond to, and recover from critical events in North America and internationally.
Jul-24	Inrad Optics, Inc.	Luxium Solutions, LLC	17	7.2x	1.3x	Electronic Components	Target manufactures and sells glass, crystal, and metal based optical components, and sub-assemblies. The company offers UV-IR optics and assemblies
Jul-24	DecisionPoint Systems, Inc.	Barcoding, Inc.	86	12.5x	0.8x	IT Consulting and Other Services	Target designs, consults, and implements mobility-first enterprise solutions and retail solutions centered on point-of-sale systems and services.
Jul-24	Blockware Mining, LLC	Riot Platforms, Inc. (NASDAQCM:RIOT)	140	NM	NM	Application Software	Target operates as a bitcoin mining company, provides bitcoin mining infrastructure and colocation services.
Jul-24	MariaDB plc	K1 Investment Management, LLC; Mdk Limited Partners; K5 Private	63	NA	1.0x	Systems Software	Target operates as a cloud database company.
Jul-24	AuditBoard, Inc.	HgCapital LLP; HgCapital Trust plc (LSE:HGT); Hg Saturn 3 LP	3,000	NA	15.0x	Application Software	Target operates as a cloud database audit, risk, and compliance management software company.
Aug-24	Altium Limited	Renesas Electronics Corporation (TSE:6723)	5,735	60.3x	20.7x	Application Software	Target develops and sells computer software for the design of electronic products.
Aug-24	Starfish Associates, LLC	Persistent Systems, Inc.	21	NA	2.5x	Application Software	Target operates as a application software company.
Aug-24	Sendrcrypt Technologies Inc	eMudhra INC	3	NA	6.0x	IT Consulting and Other Services	Target operates as an email security product and solutions company.
Aug-24	Micromeritics Instrument Corporation	Malvern Panalytical Limited	683	NA	5.8x	Electronic Equipment and Instruments	Target manufactures and markets materials characterization analytical laboratory instrumentation and services.
	25th Percentile			10.1x	1.4x		
	Median			14.1x	3.9x		
	75th Percentile			85.2x	5.9x		

*Source: Cap IQ.

Notable Service Provider and Software Deals of the Month

Software Services



Acquiror – Flywire



Target – Invoiced

- Flywire acquired Invoiced Inc for \$55 Mn.
- Flywire is a global payment platform that specializes in simplifying the payment process for education, healthcare, and travel industries.
- Invoiced is a B2B accounts receivable automation platform that simplifies invoicing, payments, and collections for businesses.
- Flywire reported a revenue of \$403 Mn in FY 23.

Managed Service Providers



Acquiror – Apax Partners



Target – Thoughtworks

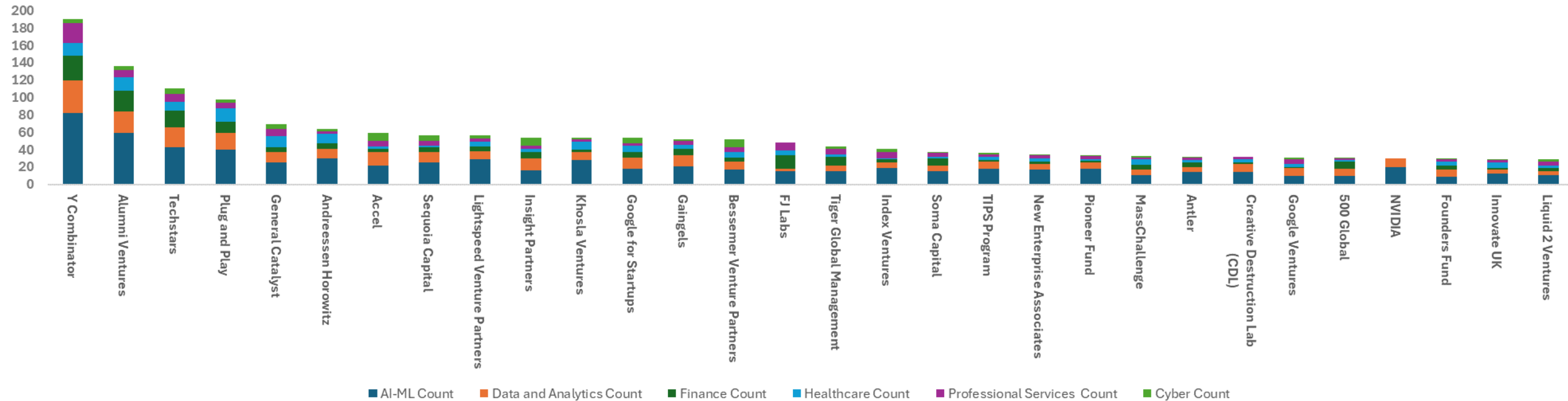
- Apax Partners acquired Thoughtworks Inc for \$640 Mn.
- Thoughtworks is a global technology consultancy specializing in integrating strategy, design, and software engineering.
- Apax Partners is a leading global private equity firm that focuses on long-term investments.
- Thoughtworks reported \$1,127 Mn in FY 23.

Software and IT M&A and Funding Slowed Again in August 2024.*

- 284 M&A transactions were announced globally in August 2024, down significantly from 379 deals announced in July 2024 and down also from a monthly average pace of 294 transactions over the LTM period ended August 2024. M&A activity was slow last year in August as well with 305 transactions getting done.
- 560 private software and IT companies received some form of funding in August, down 108 (16%) from 668 in July and down 105 (16%) from the average monthly rate of 665 over the trailing twelve months (TTM) ending August 2024. Funding activity in August 2024 is still below activity in August 2023 when 625 companies received funding.
- Artificial Intelligence (AI) and Machine Learning (ML) were the dominant theme for funded companies in August. AI and/or ML were mentioned as one of the capabilities for 43% of the funded companies in August, up sharply from 34% of the funded companies over the TTM.
- VC funding decreased to 496 in August 2024 from 574 in July 2024 down 14%. The share of Early-stage VC (Angel, Seed and Series-A) funding was down at 64% in August 2024, from 61% in July 2024. Early-stage VC funding is in line with its TTM share of 64%. VC funding activity in August 2024 is still below activity in August 2023 when 547 companies received funding.
- Changes in global funding activity were mixed across regions although regional shares remained mostly in line with TTM average levels except for North America which witnessed additional 5% increase in activity from 48% previously. North America, Western Europe and Australasia accounted for 53%, 12% and 13% of total funding activity in August with the Rest of the World accounting for the remaining 22%.

More than 6,100 funds globally provided some form of funding to early-stage companies YTD through August 2024. The top 30 investors accounted for about 10% of the total funding by count.

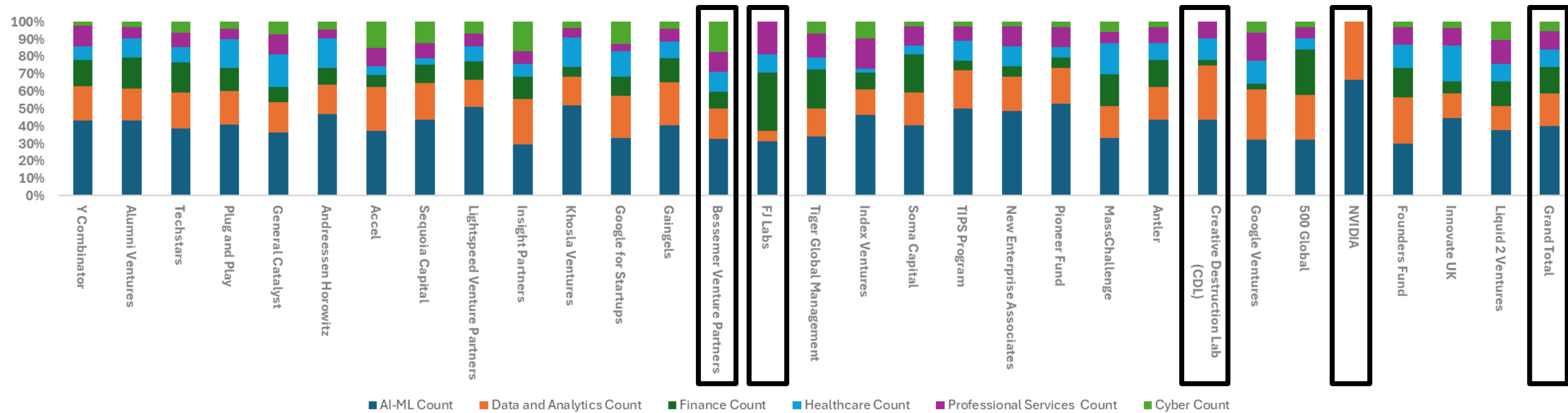
Top Investors by Count in Key Software and IT Sectors (YTD Through August 2024)



*Source: Crunchbase.

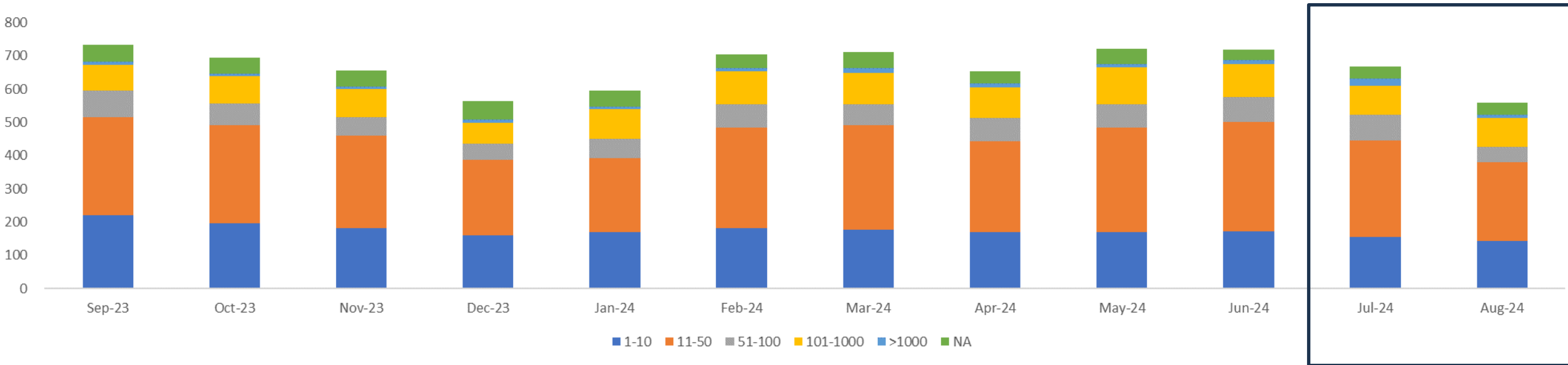
At the aggregate level funding across key sectors was diversified. But some firms chose to focus on specific themes. For example, 67% of NVIDIA's investments were in AI-ML, 31% of CDL's investments were in Data Analytics, 17% of Bessemer Venture Partners investments were in Cybersecurity and 33% of FJ Labs investments were in Finance.

Investment Mix by Count in Key Software and IT Sectors (YTD Through August 2024)



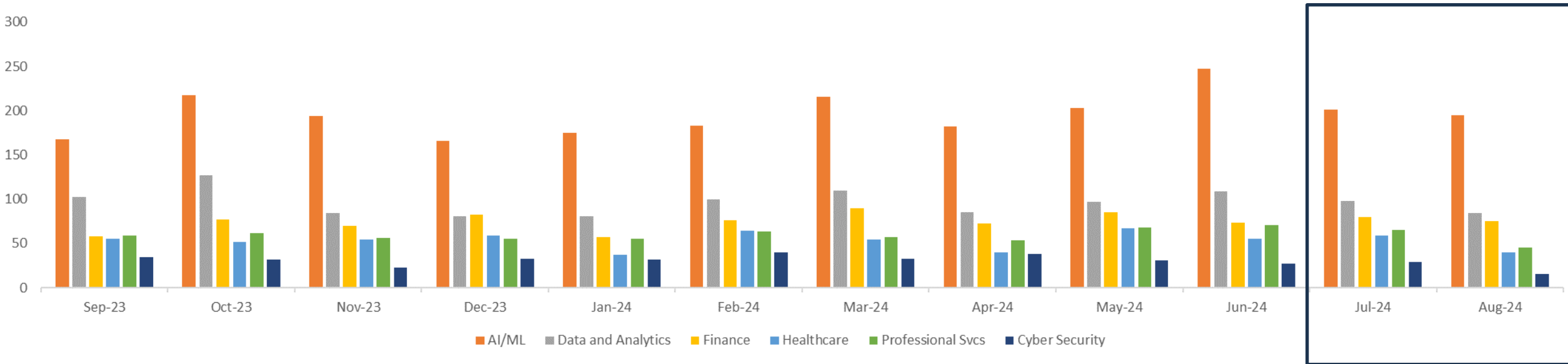
*Source: Crunchbase.

Funding for Software and IT Firms By Firm Headcount: Dropped 16% from Levels in July 2024



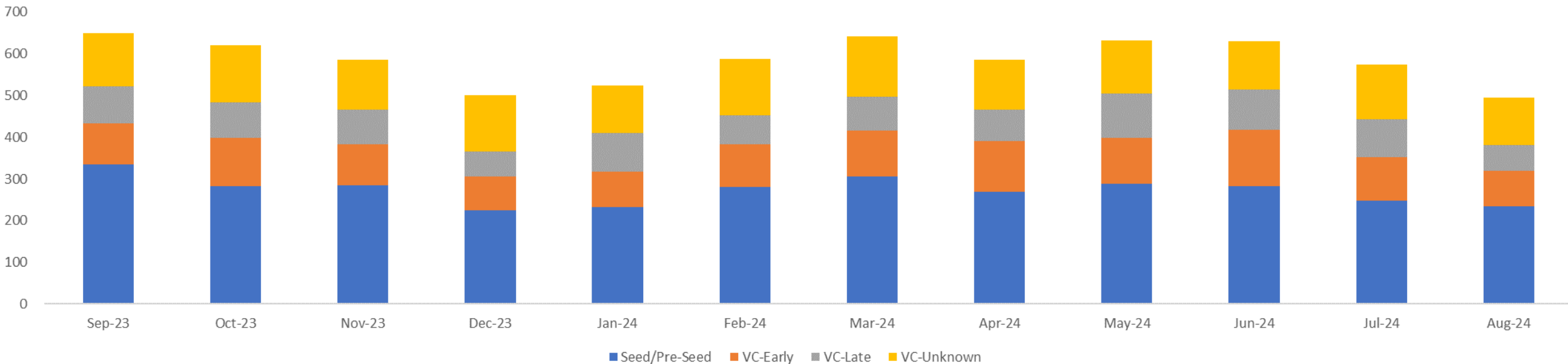
560 private software and IT companies received some form of funding in August, down 108 (16%) from 668 in July and down 105 (16%) from the average monthly rate of 665 over the trailing twelve months (TTM) ending August 2024. Funding activity in August 2024 is still below activity in August 2023 when 625 companies received funding.

Funding for Software and IT Firms By Industry Mix: AI/ML Continue to be the Dominant Theme



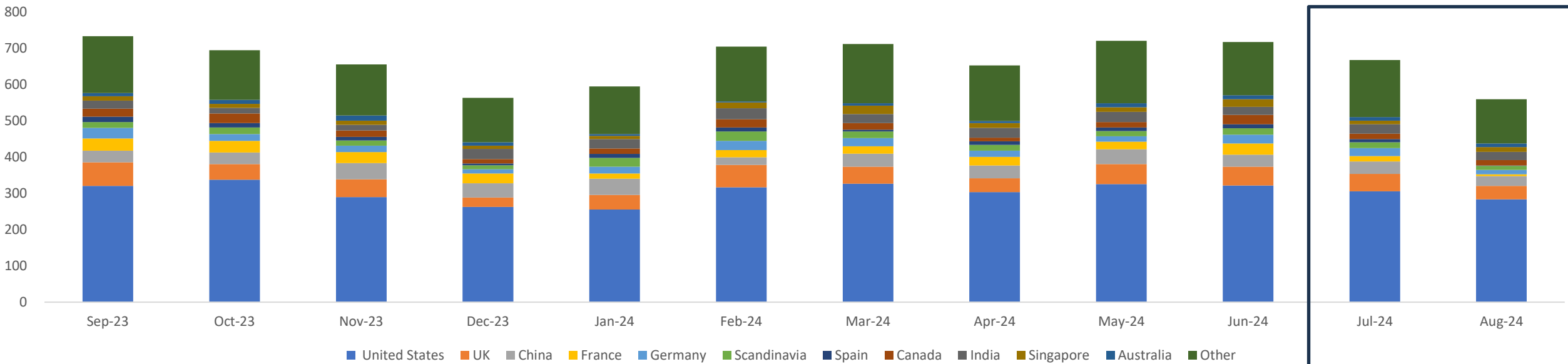
Artificial Intelligence (AI) and Machine Learning (ML) were the dominant theme for funded companies in August. AI and/or ML were mentioned as one of the capabilities for 43% of the funded companies in August, up sharply from 34% of the funded companies over the TTM.

VC Funding for Software and IT Firms By Stage over TTM: VC funding decreased 14%; 64% Early Stage



VC funding decreased to 496 in August 2024 from 574 in July 2024 down 14%. The share of Early-stage VC (Angel, Seed and Series-A) funding was down at 64% in August 2024, from 61% in July 2024. Early-stage VC funding is in line with its TTM share of 64%. VC funding activity in August 2024 is still below activity in August 2023 when 547 companies received funding.

Funding for Software and IT Firms By Regional Mix: NA (53%), W. Europe (12%), Australasia (13%)



Changes in global funding activity were mixed across regions although regional shares remained mostly in line with TTM average levels except for North America which witnessed additional 5% increase in activity from 48% previously. North America, Western Europe and Australasia accounted for 53%, 12% and 13% of total funding activity in August with the Rest of the World accounting for the remaining 22%.

Appendix - IT Services Comparable Company Analysis

Sector	Market Data	LTM Financials			Valuation Multiples		
	% 52 week high	Gross Margin (%)	EBITDA Margin (%)	Net Profit Margin (%)	EV/ LTM EBITDA	EV/ LTM Revenue	Price/ Earnings
Managed Infrastructure Mean	89%	54%	45%	14%	22.1 x	9.7 x	56.3 x
Managed Infrastructure Median	89%	54%	42%	12%	20.6 x	11.1 x	50.3 x
Offshore Services Mean	93%	32%	18%	12%	18.7 x	3.4 x	30.4 x
Offshore Services Median	96%	32%	19%	12%	19.3 x	3.3 x	29.3 x
Consulting Mean	84%	36%	12%	9%	13.8 x	1.5 x	18.6 x
Consulting Median	92%	39%	13%	9%	14.1 x	1.7 x	22.6 x
IT Commercial Services Mean	73%	28%	17%	9%	16.0 x	1.9 x	26.8 x
IT Commercial Services Median	85%	30%	16%	10%	16.2 x	2.0 x	26.7 x
Government Consulting Mean	95%	27%	10%	5%	15.5 x	1.6 x	26.5 x
Government Consulting Median	96%	24%	11%	5%	15.8 x	1.6 x	25.5 x
Managed Services Mean	90%	29%	16%	8%	14.7 x	2.3 x	27.9 x
Managed Services Median	91%	27%	16%	7%	14.9 x	1.8 x	23.8 x
Total Industry Mean	87%	34%	20%	10%	16.8 x	3.4 x	31.1 x
Total Industry Median	92%	31%	16%	9%	16.0 x	1.9 x	26.1 x

*Source: Yahoo Finance. As of 28th August 2024.

Company	Market Data					LTM Financials					Valuation Multiples		
	HQ Country	Stock Price	% 52 week high	Mcap (\$ Mn)	Enterprise Value (\$)	LTM Revenue	LTM Net Income	Gross Margin (%)	EBITDA Margin (%)	Net Profit Margin (%)	EV/ LTM EBITDA	EV/ LTM Revenue	Price/ Earnings
Managed Infrastructure													
Equinix Inc	US	\$818.74	89%	\$77,735	\$93,717	\$8,457	\$1,035	49%	42%	12%	26.4 x	11.1 x	75.1 x
Digital Realty Trust	US	\$149.50	92%	\$48,948	\$64,406	\$5,460	\$1,124	54%	61%	21%	19.2 x	11.8 x	43.6 x
Digital Ocean Holdings	US	\$37.34	85%	\$3,438	\$4,633	\$735	\$68	60%	31%	9%	20.6 x	6.3 x	50.3 x
Managed Infrastructure Mean			89%					54%	45%	14%	22.1 x	9.7 x	56.3 x
Managed Infrastructure Median			89%					54%	42%	12%	20.6 x	11.1 x	50.3 x
Offshore Services													
Tata Consultancy Services	IN	\$53.78	98%	\$194,577	\$190,457	\$28,714	\$5,472	45%	28%	19%	23.6 x	6.6 x	35.6 x
Infosys Limited	IN	\$23.04	98%	\$95,449	\$93,429	\$18,659	\$3,206	30%	24%	17%	21.1 x	5.0 x	29.8 x
HCL Technologies Limited	IN	\$20.88	96%	\$56,508	\$56,478	\$13,311	\$1,958	41%	24%	15%	17.6 x	4.2 x	28.9 x
Cognizant Technology Solutions	US	\$77.14	96%	\$38,235	\$37,267	\$19,265	\$2,195	34%	18%	11%	10.6 x	1.9 x	17.4 x
Wipro Limited	IN	\$6.42	93%	\$33,551	\$30,201	\$10,596	\$1,332	30%	18%	13%	15.6 x	2.9 x	25.2 x
LTI Mindtree Limited	IN	\$73.09	93%	\$21,641	\$20,820	\$4,234	\$546	29%	20%	13%	24.6 x	4.9 x	39.6 x
Tech Mahindra Limited	IN	\$19.64	99%	\$17,358	\$16,787	\$6,179	\$300	25%	10%	5%	26.7 x	2.7 x	57.9 x
Genpact Limited	BM	\$39.28	98%	\$6,999	\$7,957	\$4,589	\$648	35%	17%	14%	9.9 x	1.7 x	10.8 x
Globant S.A.	LU	\$199.54	79%	\$8,609	\$8,672	\$2,285	\$169	36%	10%	7%	36.8 x	3.8 x	51.0 x
WNS Holdings Limited	IN	\$59.29	80%	\$2,619	\$2,807	\$1,320	\$137	36%	21%	10%	10.0 x	2.1 x	19.1 x
Mphasis Limited	IN	\$36.99	97%	\$6,998	\$6,768	\$1,603	\$186	29%	20%	12%	21.1 x	4.2 x	37.6 x
Sonda S.A.	CL	\$0.43	88%	\$375	\$687	\$1,599	\$31	15%	6%	2%	6.7 x	0.4 x	12.0 x
Offshore Services Mean			93%					32%	18%	12%	18.7 x	3.4 x	30.4 x
Offshore Services Median			96%					32%	19%	12%	19.3 x	3.3 x	29.3 x

*Source: Yahoo Finance. As of 28th August 2024.

Company	Market Data					LTM Financials					Valuation Multiples		
	HQ Country	Stock Price	% 52 week high	Mcap (\$ Mn)	Enterprise Value (\$)	LTM Revenue	LTM Net Income	Gross Margin (%)	EBITDA Margin (%)	Net Profit Margin (%)	EV/ LTM EBITDA	EV/ LTM Revenue	Price/ Earnings
Consulting													
FTI Consulting	US	\$225.00	92%	\$8,078	\$8,164	\$3,696	\$329	33%	13%	9%	17.3 x	2.2 x	24.6 x
Huron Consulting Group	US	\$107.94	93%	\$1,920	\$2,454	\$1,462	\$80	30%	13%	5%	13.4 x	1.7 x	24.1 x
Resources Connection	US	\$10.36	67%	\$348	\$252	\$826	\$76	40%	12%	9%	2.4 x	0.3 x	4.6 x
The Hackett Group	US	\$26.55	96%	\$734	\$745	\$303	\$35	40%	17%	11%	14.1 x	2.5 x	21.1 x
Information Services Group	US	\$3.47	70%	\$170	\$236	\$266	(\$1)	39%	4%	-	21.7 x	0.9 x	-
Consulting Mean			84%					36%	12%	9%	13.8 x	1.5 x	18.6 x
Consulting Median			92%					39%	13%	9%	14.1 x	1.7 x	22.6 x
IT Commercial Services													
Accenture plc	IE	\$340.21	88%	\$213,102	\$212,162	\$64,476	\$6,953	33%	17%	11%	19.7 x	3.3 x	30.6 x
Capgemini SE	FR	\$206.10	82%	\$34,935	\$39,418	\$22,313	\$1,530	26%	14%	7%	12.6 x	1.8 x	22.8 x
CGI Inc	CA	\$111.39	94%	\$22,701	\$24,100	\$10,767	\$1,239	16%	20%	12%	11.2 x	2.2 x	18.3 x
Perficient Inc	US	\$75.11	99%	\$2,641	\$2,950	\$882	\$75	36%	16%	8%	20.6 x	3.3 x	35.3 x
Atos SE	FR	\$0.89	10%	\$100	\$5,756	\$11,848	(\$3,813)	33%	-	-	-	0.5 x	-
Unisys Corporation	US	\$5.55	68%	\$385	\$566	\$1,988	(\$377)	27%	-	-	-	0.3 x	-
IT Commercial Services Mean			73%					28%	17%	9%	16.0 x	1.9 x	26.8 x
IT Commercial Services Median			85%					30%	16%	10%	16.2 x	2.0 x	26.7 x
Government Consulting													
Booz Allen Hamilton Holding Corporati	US	\$157.37	96%	\$20,331	\$23,657	\$10,949	\$610	54%	11%	6%	19.3 x	2.2 x	33.4 x
CACI International Inc	US	\$480.66	97%	\$10,720	\$12,505	\$7,660	\$420	8%	10%	5%	15.8 x	1.6 x	25.5 x
Science Applications International Cor	US	\$129.22	89%	\$6,620	\$8,790	\$7,518	\$269	11%	8%	4%	14.2 x	1.2 x	24.6 x
Maximus, Inc.	US	\$92.41	98%	\$5,561	\$6,749	\$5,250	\$294	24%	12%	6%	11.1 x	1.3 x	18.9 x
ICF International, Inc.	US	\$163.78	96%	\$3,072	\$3,701	\$1,986	\$99	36%	11%	5%	17.2 x	1.9 x	31.1 x
Government Consulting Mean			95%					27%	10%	5%	15.5 x	1.6 x	26.7 x
Government Consulting Median			96%					24%	11%	5%	15.8 x	1.6 x	25.5 x

*Source: Yahoo Finance. As of 28th August 2024.

Company	Market Data					LTM Financials					Valuation Multiples		
	HQ Country	Stock Price	% 52 week high	Mcap (\$ Mn)	Enterprise Value (\$)	LTM Revenue	LTM Net Income	Gross Margin (%)	EBITDA Margin (%)	Net Profit Margin (%)	EV/ LTM EBITDA	EV/ LTM Revenue	Price/ Earnings
Managed Services													
Accenture plc	IE	\$340.21	88%	\$213,102	\$212,162	\$64,476	\$6,953	33%	17%	11%	19.7 x	3.3 x	30.6 x
Tata Consultancy Services	IN	\$53.78	98%	\$194,577	\$190,457	\$28,714	\$5,472	45%	28%	19%	23.6 x	6.6 x	35.6 x
International Business Machines Corp	US	\$198.90	90%	\$183,216	\$229,364	\$62,363	\$8,430	56%	24%	14%	15.2 x	3.7 x	21.7 x
Infosys Limited	IN	\$23.04	98%	\$95,449	\$93,429	\$18,659	\$3,206	30%	24%	17%	21.1 x	5.0 x	29.8 x
Capgemini SE	FR	\$206.10	82%	\$34,935	\$39,418	\$22,313	\$1,530	26%	14%	7%	12.6 x	1.8 x	22.8 x
Cognizant Technology Solutions	US	\$77.14	96%	\$38,235	\$37,267	\$19,265	\$2,195	34%	18%	11%	10.6 x	1.9 x	17.4 x
Wipro Limited	IN	\$6.42	93%	\$33,551	\$30,201	\$10,596	\$1,332	30%	18%	13%	15.6 x	2.9 x	25.2 x
DXC Technology Company	US	\$20.72	82%	\$3,746	\$7,271	\$13,457	\$81	23%	14%	1%	4.0 x	0.5 x	46.3 x
Rackspace Technology, Inc	US	\$2.29	72%	\$518	\$3,730	\$2,828	(\$814)	20%	-	-	-	1.3 x	-
CGI Group	CA	\$111.39	94%	\$22,701	\$24,100	\$10,767	\$1,239	16%	20%	12%	11.2 x	2.2 x	18.3 x
ePlus	US	\$94.79	93%	\$2,547	\$2,357	\$2,196	\$109	25%	8%	5%	13.0 x	1.1 x	23.3 x
Insight Enterprises	US	\$214.87	94%	\$7,002	\$7,959	\$9,043	\$305	19%	6%	3%	14.9 x	0.9 x	22.9 x
Leidos	US	\$157.44	98%	\$21,209	\$25,548	\$16,008	\$436	16%	8%	3%	20.9 x	1.6 x	48.6 x
NTT Data	JP	\$15.03	83%	\$21,075	\$35,753	\$30,143	\$924	27%	16%	3%	7.6 x	1.2 x	22.8 x
Science Applications Int.	US	\$129.22	89%	\$6,620	\$8,790	\$7,518	\$269	11%	8%	4%	14.2 x	1.2 x	24.6 x
Softchoice	CA	\$14.20	85%	\$857	\$998	\$565	\$29	44%	10%	5%	16.8 x	1.8 x	30.0 x
Managed Services Mean			90%					29%	16%	8%	14.7 x	2.3 x	28.0 x
Managed Services Median			91%					27%	16%	7%	14.9 x	1.8 x	24.6 x

*Source: Yahoo Finance. As of 28th August 2024.



Madhur has over 20 years of experience in middle market IT and software Mergers & Acquisitions and Consulting. Prior to joining Excendio, Madhur worked in various senior transaction advisory and middle market SME roles at firms such as Citibank, Barclays, Lehman Brothers, New York Life, KPMG, Moody's and KBRA.

He has worked extensively with companies in the \$10MN-\$1BN revenue range across a range of strategic initiatives including exits and acquisitions, working capital optimization, IT implementation, financial planning, valuation and debt restructuring.

Middle market businesses are personal and can often be someone's passion and life's work. As such, Madhur focuses not just on the specifics of the transaction, but also on how it fits into the life goals of the owner and the importance of career transition for them.

Madhur will often connect founders looking to exit with the right industry participants to ensure founders can confidently exit knowing they've maximized their business's value, gaining the clarity, confidence, and peace of mind they deserve.

Madhur has a PhD in Financial Economics from UC Berkeley, Haas School of Business. He lives with his wife and son in New Jersey. He loves tennis, wine, the outdoors and spending time with family and friends.

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