

# IT & Software Market Update

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*May 2025*

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## Macro Update

**-0.8% / 6.0%**

S&P Return: Apr-25/LTM

**4.51%**

10 Year Treasury Yield



## Macro Message

The MetLife & U.S. Chamber of Commerce **Small Business Index** is **62.3** in Q1 2025, down from last quarter's Index Score of **69.1**. Views on the economy remain stable. There is a slight softening across measures of business health, cash flow, and increases in staff.



## Public Market Multiple

**12.1x**

Managed Services TTM EV/ EBITDA Multiple

**6.8x**

SaaS TTM Revenue Multiple



## Private Market Multiple

**8.4x**

Median TTM EV/ EBITDA Multiple for deals below \$200 Mn

**1.3x**

Median TTM EV/ Sales Multiple for deals below \$200 Mn



## Select MSP Transactions

Acquiror



Target

thevestedgroup

Acquiror



Target



## Podcast – M&A Insights

Latest Episode: [How MSPs can thrive in Healthcare](#)

**I sit down with Nelson Gomes, Founder & CEO of The Portalia Group & deep dive into what it takes to be a high performing MSP in the healthcare vertical**

- Excendio is actively working with several strategic and PE buyers looking to make MSP acquisitions. Please see below for details for a selected number of searches and contact us if you are looking to exit or acquire and have a profile that fit these criteria.

KS MSP: Founder-owned Kansas MSP looking to acquire \$1MN-\$3MN Revenue MSP out of Kansas/Missouri.

Utah MSP: Founder-owned MSP looking to acquire \$1-\$5MN Revenue MSP with Healthcare and Technology focus.

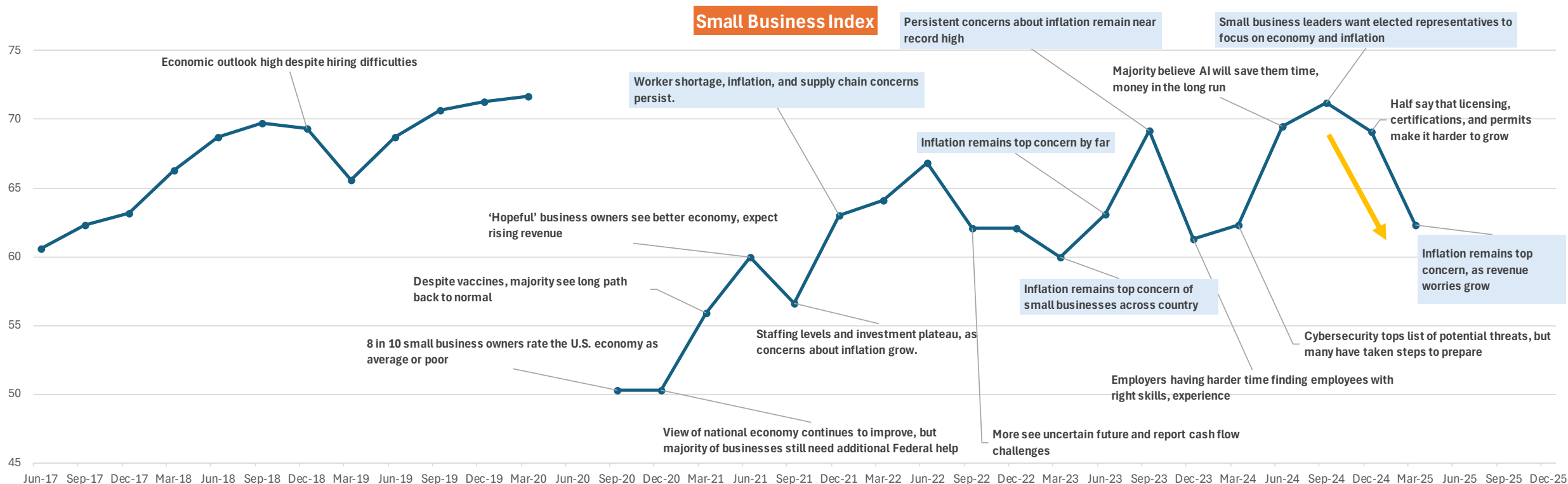
NY MSP: NY MSP looking to divest \$3MN Revenue MSP with strong focus around non-profits.

CO MSP: PE-backed MSP looking to acquire \$500K+ EBITDA MSP out of the Denver, CO area.

PE-backed MSP looking to acquire \$500K+ EBITDA MSP with Muni focus. Region agnostic.

- In addition to these selected searches, Excendio has several standing buyer assignments with major MSP integrators with varying acquisition models. Please contact us if you wish to learn more about our partnerships and how we can assist you with exits and acquisitions. Excendio works on both buy-side and sell-side assignments and on a contingency-fee basis.

**Small Businesses remain confident but there is a slight softening across measures of business health, cash flow, and increases in staff. Inflation and recruiting remain a top concern**



*\* MetLife & U.S. Chamber of Commerce Small Business Index*

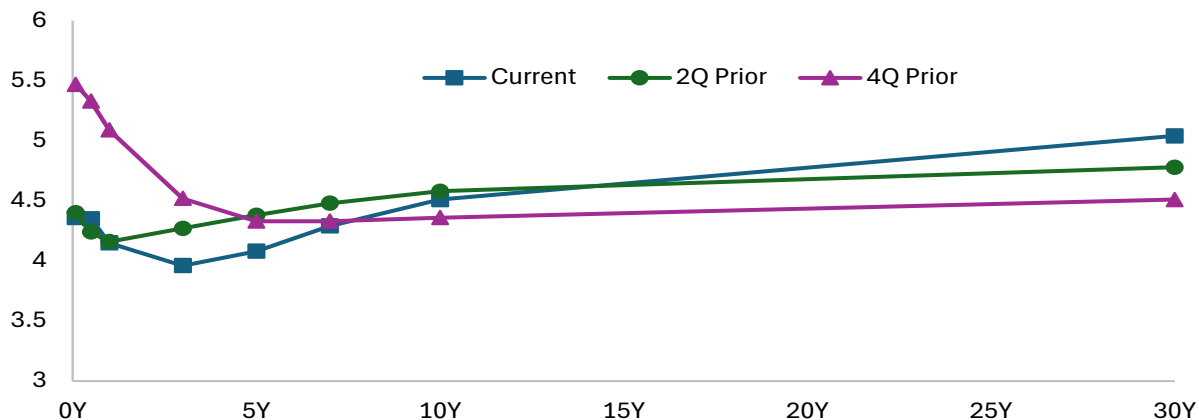
- ❑ Economic data in early June points to softening economic activity amidst US economic policy uncertainty.
- ❑ Nine of the 12 Fed districts surveyed for The Fed's May Beige Book reported either no change or slight to moderate declines in economic activity compared to April. Manufacturing activity shrank slightly and consumer spending either stagnated or declined in most districts.
- ❑ Purchasing Managers' Index (PMI) data released by the Institute for Supply Management (ISM) showed that both manufacturing and services activity contracted in May, amid plunging new orders, high input prices and longer lead times. The manufacturing PMI contracted for the third consecutive month in May driven by shrinking inventories. The Services PMI contracted for the first time in a year. Similar to manufacturers, service providers are also experiencing higher input costs.
- ❑ Labor markets however remain resilient. The private sector added a relatively healthy 140,000 jobs in May, bringing the three-month average to 133,000, above the 100,000 breakeven rate that is more consistent with keeping the unemployment rate steady.
- ❑ Job growth dynamism has bifurcated between interest-rate sensitive and trade-dependent goods sector, where jobs growth has been weak or negative, and the service sector, where job gains have been steadier, but concentrated in the secularly strong healthcare sector, which accounted for 54% of the service sector gains in May.
- ❑ The US dollar has depreciated from its February peak and is down 7.4% year to date against a basket of developed-market currencies and 4.1% against emerging market currencies.

**Economy remains stable although conditions are softer than they were at the beginning of the 2025**

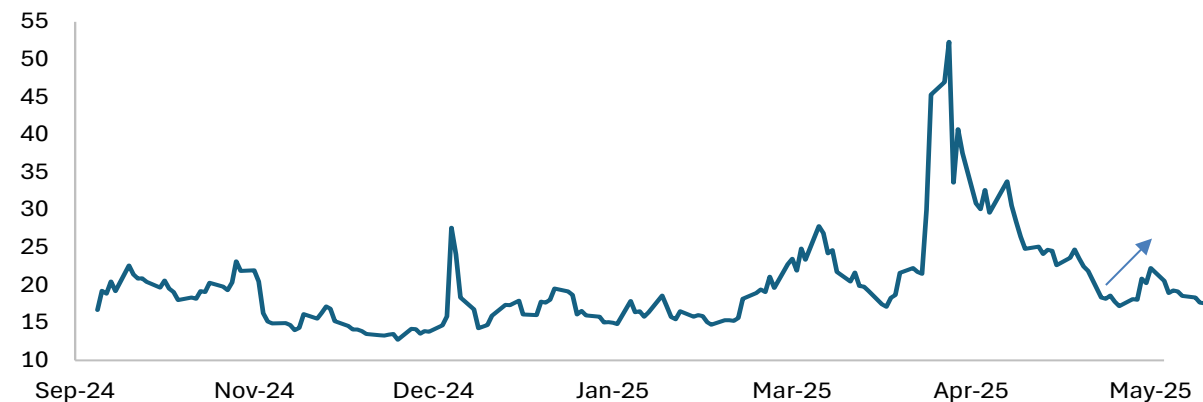
	Current	As of	1Y Ch	1Y % Ch	Current	Hist. Avg	1Q Prior	2Q Prior	3Q Prior	4Q Prior
<b>RATES, INFLATION AND UNEMPLOYMENT</b>										
10y Constant Maturity Tsy Yield	4.51	05/23/2025	0.05	1.1	4.51	3.30	4.23	4.58	3.81	4.36
CoreCPI	2.33	04/01/2025	-0.64	-21.4	2.33	2.58	2.33	2.87	2.43	2.97
Unemployment Rate	4.20	04/01/2025	0.30	7.7	4.20	5.67	4.20	4.10	4.10	4.10
Initial Claims 4-week MA	231.00	05/17/2025	12.00	5.5	231.00	373.49	223.00	222.25	225.00	237.25
Nonfarm Payroll Change (Unrevised)	147.00	04/01/2025	60.00	69.0	147.00	140.03	147.00	323.00	240.00	87.00
<b>INDEXES AND INDICATORS</b>										
Sahm Recession Indicator	0.27	04/01/2025	-0.10	-27.0	0.27	0.49	0.27	0.40	0.50	0.43
Michigan Consumer Sentiment	52.20	05/01/2025	-16.90	-0.2	52.20	82.58	57.00	71.80	70.10	68.20
Chicago National Financial Conditions Index	-0.48	05/30/2025	-0.07	16.4	-0.48	-0.35	-0.41	-0.48	-0.43	-0.38
<b>MARKETS</b>										
S&P 500	6000.36	06/06/2025	653.37	12.2	6000.36	-	5611.85	5881.63	5762.48	5460.48
NASDAQ	19529.95	06/06/2025	2396.82	14.0	19529.95	-	17299.29	19310.79	18189.17	17732.60
VIX	16.77	06/06/2025	4.55	37.2	16.77	19.89	22.28	17.35	16.73	12.44
ICE Corp BBB OAS	1.10	06/06/2025	-0.04	-3.5	1.10	2.00	1.20	1.02	1.16	1.17
ICE Corp HY OAS	3.09	06/06/2025	-0.11	-3.4	3.09	5.42	3.55	2.92	3.03	3.18
<b>DELINQUENCIES</b>										
Consumer Loan Delinquency	2.77	01/01/2025	0.10	3.7	2.77	2.83	2.77	2.73	2.67	2.61
Credit Card Delinquency	3.05	01/01/2025	-0.12	-3.8	3.05	3.45	3.05	3.20	3.17	3.10
Single Family Mortgage Delinquency	1.78	01/01/2025	0.07	4.1	1.78	4.27	1.78	1.74	1.71	1.70
Commercial Real Estate Loan Delinquency	1.59	01/01/2025	0.37	30.3	1.59	2.34	1.59	1.51	1.22	1.16
Business Loan Delinquency	1.30	01/01/2025	0.18	16.1	1.30	1.78	1.30	1.18	1.12	1.02

## Consumer sentiment dropped in H1 2025 likely in response to economic policy uncertainty but has stabilized in May

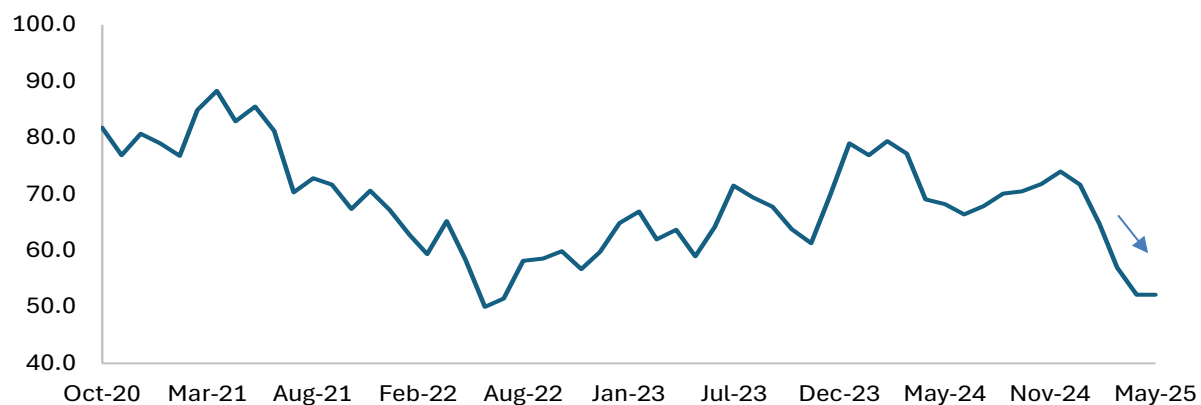
Treasury Yield Curve



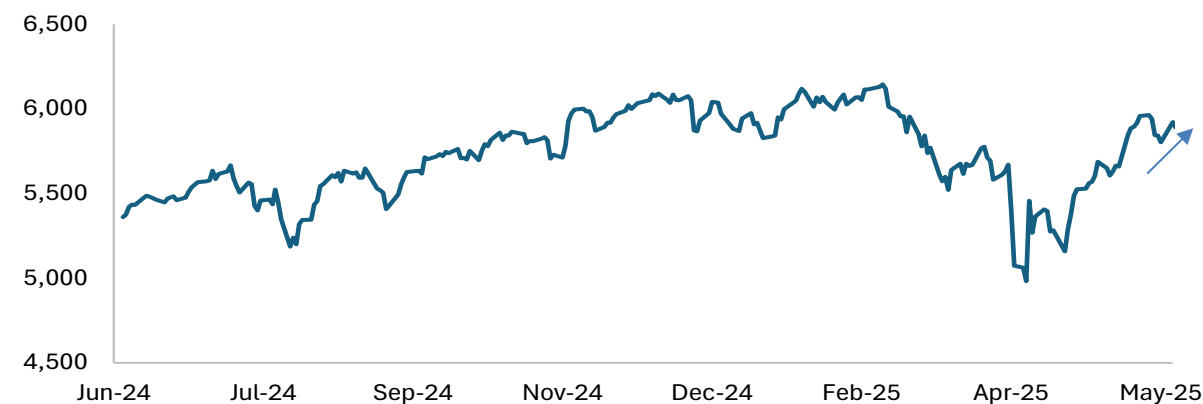
CBOE Volatility Index



Michican Consumer Sentiment Survey



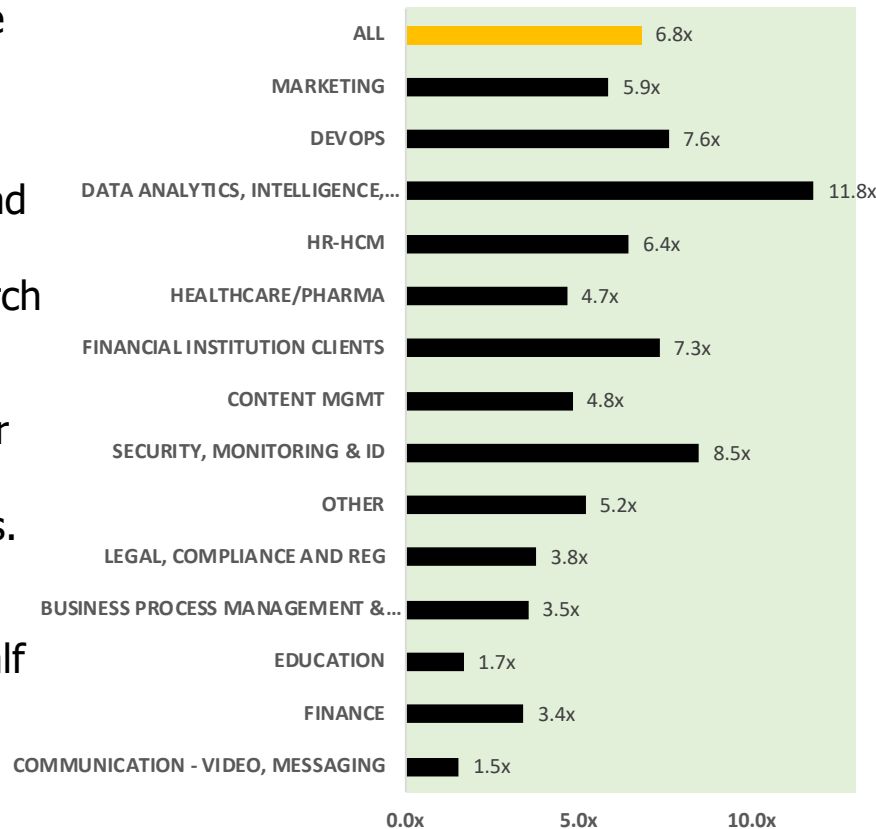
S&P 500



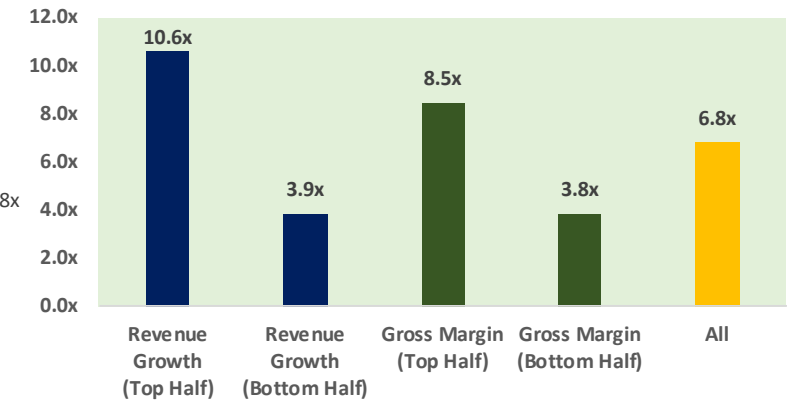
\*Source: Federal Reserve, Yahoo Finance.

- The aggregate SaaS TTM Revenue Multiple expanded about 0.47 pts in **April 2025** to **6.80x** from **6.33x** in **March 2025**.
- SaaS TTM multiple expanded with the broad stock market contracting in the second quarter. **S&P 500** decreased **0.8%** in March & the second quarter.
- Sector Mattered:** Multiples contracted for Horizontals like Financial Institutions, Marketing and expanded for Data Analytics.
- Quality Mattered:** The difference in multiples between Top Half and Bottom Half companies by Revenue growth and Gross Margin is at about **6.7x** and **4.6x** respectively.

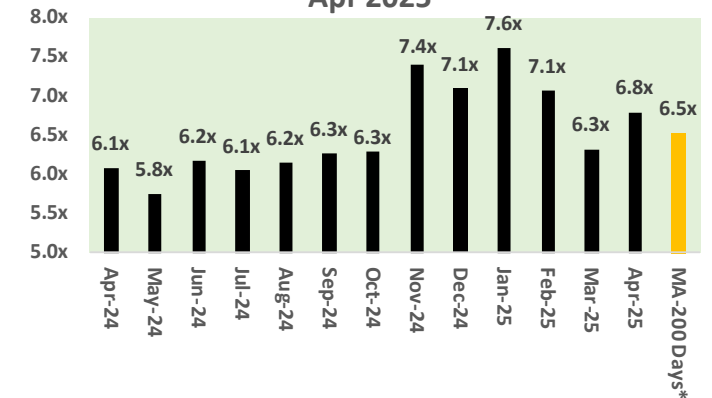
Revenue Xs By SaaS Sector (ME Apr 2025)



SaaS Revenue Xs (ME Apr 2025) By Quality

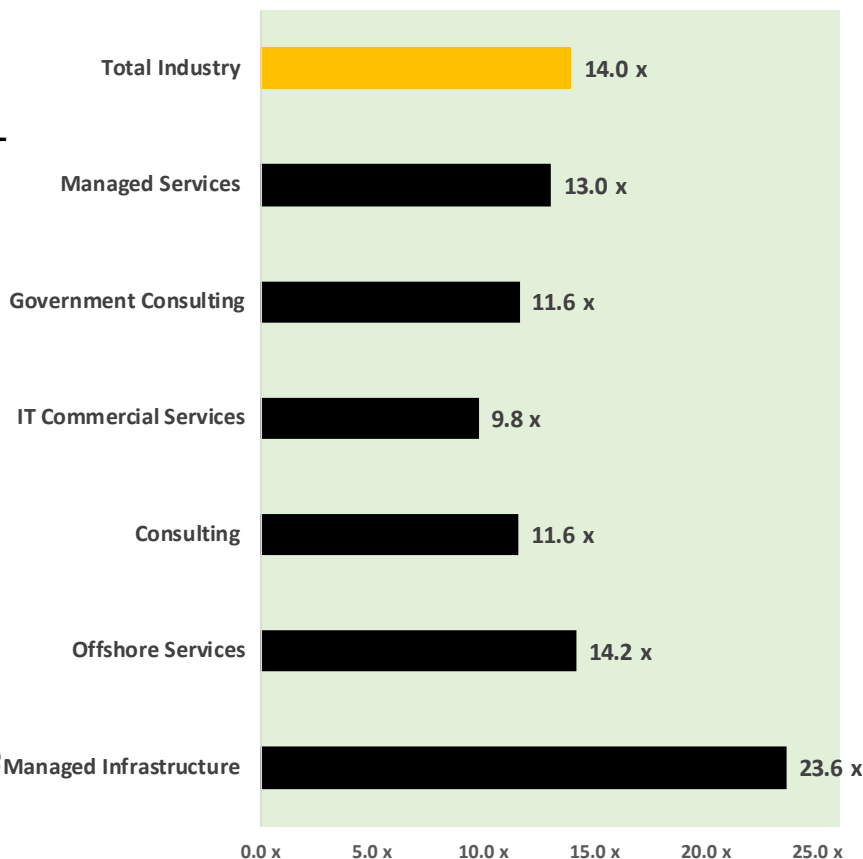


Recovery in SaaS Revenue Xs Stalled in  
Apr 2025

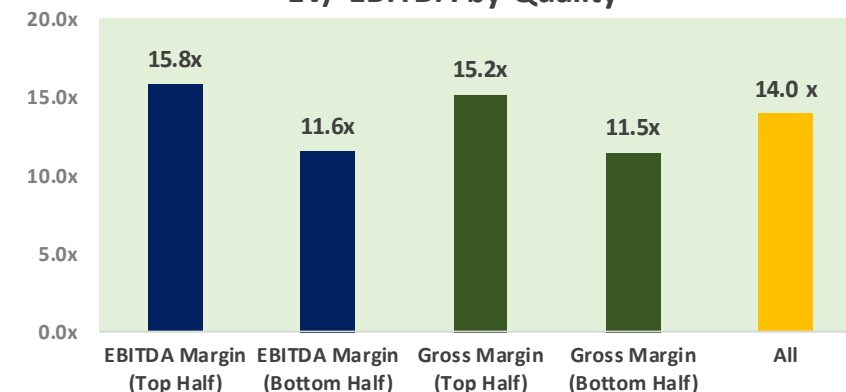


- The aggregate IT Services TTM EBITDA Multiple expanded about 0.3x pts in **April 2025** to **14.0x** from **13.7x** in **March 2025**.
- Multiples contracted by **1.2x** pts for IT Commercial Services & expanded by **1.0x**, **0.6x**, **0.6x** pts for Managed Infrastructure, Offshore, Government Consulting in April.
- 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 52-week high EV/EBITDA multiple trades at ~**21%** above the multiple for **April 2025**.

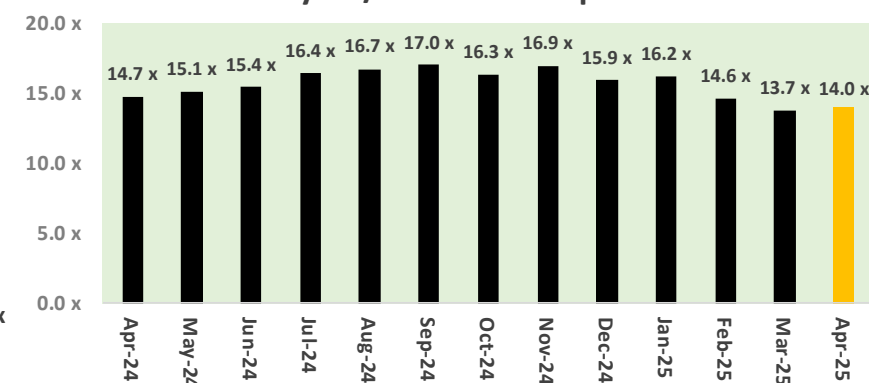
Average EV/EBITDA across Industry



EV/ EBITDA by Quality



Monthly EV/EBITDA Multiple Trend



**YTD Median EV/EBITDA and EV/Revenue multiples stand at 33.8x and 2.6**

**YTD Median EV/EBITDA and EV/Revenue multiples for deals less than \$200MN stand at 8.4x and 1.3x respectively.**

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US\$mn)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
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.
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
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.

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US\$mn)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
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.
Sep-24	CompoSecure, Inc.	Resolute Holdings I, LP	372	9.7x	3.5x	Technology Hardware, Storage and Peripherals	Target manufactures and designs metal, composite, and proprietary financial transaction cards in the United States and internationally.
Sep-24	Strong Global Entertainment, Inc.	Fundamental Global Inc. (NASDAQM:FGF)	4	15.0x	0.5x	Electronic Equipment and Instruments	Target manufactures and distributes large format projection screens and custom screen support structures.
Oct-24	Altek Electronics, Inc.	Cyient DLM Inc.	29,200	NA	0.8x	Electronic Manufacturing Services	Target manufactures printed circuit board (PCB) assemblies and box builds.
Oct-24	Grid Infrastructure Inc.	CleanSpark, Inc. (NASDAQCM:CLSK)	162,506	NA	7.7x	Application Software	Target operates as a vertically integrated bitcoin mining company.
Oct-24	GSE Systems, Inc.	Pelican Energy Partners LP; Pelican Energy Partners III LP	16,879	NA	0.4x	Application Software	Target engages in the provision of professional and technical engineering services, staffing services, and simulation software to clients.
Oct-24	Infusion Software, Inc.	Thryv Holdings, Inc. (NASDAQCM:THRY)	80,000	NA	0.9x	Application Software	Target develops and operates email, sales, and marketing automation software.
Oct-24	PowerSchool Holdings, Inc.	Onex Corporation (TSX:ONEX); Vista Equity Partners Management, LLC; Bain Capital Private Equity, LP; Onex Partners Manager LP	5,403,378	37.7x	7.5x	Application Software	Target offers cloud-based software to the K-12 education market in the US.
Oct-24	Squarespace, Inc.	General Atlantic Service Company, L.P.; Accel Partners; Permira Advisers LLC; Accel Growth Fund, L.P.; Accel Growth Fund Strategic Partners L.P.; Accel Growth Fund Investors 2010 L.L.C.;	7,305,908	55.7x	6.6x	Internet Services and Infrastructure	Target operates platform for businesses and independent creators to build online presence.
Oct-24	T Stamp Inc.	DQI Holdings Inc.	300	NA	2.3x	Systems Software	Target develops and markets identity authentication software solutions for government and enterprise partners.

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US\$mn)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
Oct-24	TheoremReach, Inc.	RIWI Corp. (TSXV:RIWI)	3,400	7.9x	0.9x	Application Software	Target operates in the digital market research space.
Nov-24	Instructure Holdings, Inc.	KKR & Co. Inc. (NYSE:KKR); Dragoneer Investment Group, LLC; KKR North America Fund XIII SCSP	4,604	22.9x	7.9x	Application Software	Target provides cloud-based learning, assessment, development, and engagement systems worldwide.
Nov-24	Iteris, Inc.	Almaviva, S.p.A.	322	30.4x	1.8x	Electronic Equipment and Instruments	Target provides intelligent transportation systems technology solutions.
Dec-24	Fiery, LLC	Seiko Epson Corporation (TSE:6724)	569	NA	2.9x	Technology Hardware, Storage and Peripherals	Target develops digital printing solution and workflow software.
Dec-24	Ascent, LLC	WESCO International, Inc. (NYSE:WCC)	185	NA	1.6x	Internet Services and Infrastructure	Target provides solutions for the design, engineering, construction, and operation of data centers.
Dec-24	Micropac Industries, Inc.	Teledyne Technologies Incorporated (NYSE:TDY)	56	9.0x	1.5x	Electronic Components	Target designs, manufactures, and distributes various types of microelectronic circuits.
Jan-25	Intelliswift Software, Inc.	L&T Technology Services LLC	110	NA	1.1x	IT Consulting and Other Services	Target operates as an IT solutions and services provider
Jan-25	Cepton, Inc.	Koito Manufacturing Co., Ltd. (TSE:7276)	114	NA	11.3x	Electronic Equipment and Instruments	Target provides lidar-based solutions for automotive, smart cities, smart spaces
Jan-25	Smartsheet Inc.	Vista Equity Partners Management, LLC; Blackstone Inc. (NYSE:BX); Platinum Falcon B 2018 Rsc Ltd; Vista Equity Partners Fund VIII; Blackstone Capital Partners IX (Lux) SCSP; Blackstone	7,283	NA	7.4x	Application Software	Target provides enterprise platform to plan, capture, manage, automate, and report on work for teams and organizations
Jan-25	SmartCover Systems, Inc.	Badger Meter, Inc. (NYSE:BMI)	185	NA	5.3x	Electronic Equipment and Instruments	Target develops real-time remote monitoring system and data analysis systems for water and wastewater industries
Feb-25	SecureWorks Corp.	Sophos, Inc.	818	NA	2.4x	Systems Software	Target provides technology-driven information security solutions
Feb-25	Brightcove Inc.	Bending Spoons S.p.A.; Bending Spoons US Inc.	231	271.8x	1.2x	Internet Services and Infrastructure	Target provides cloud-based streaming services
Feb-25	Zuora, Inc.	GIC Special Investments Pte. Ltd.; Silver Lake Technology Manage	853	NA	2.7x	Application Software	Target provides a monetization suite for modern businesses to help companies launch and scale new services

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US\$mn)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
Feb-25	HashiCorp, Inc.	International Business Machines Corporation (NYSE:IBM)	6,720	NA	11.6x	Application Software	Target engages in the provision of multi-cloud infrastructure automation solutions worldwide
Feb-25	Emcore Corporation	Aerosphere Power Inc.	43	NA	0.5x	Communications Equipment	Target designs and manufactures fiber optic gyro, ring laser gyro, and quartz micro-electromechanical system inertial sensors
Feb-25	Infinera Corporation	Nokia Oyj (HLSE:NOKIA)	2,321	40.9x	1.4x	Communications Equipment	Target manufactures and sells semiconductors, networking equipment, optical semiconductors, software, and services worldwide
Feb-25	Matterport, Inc.	CoStar Group, Inc. (NASDAQS:CSGP)	1,787	NA	10.7x	Application Software	Target turns any space into an accurate, immersive digital twin for design, operations, and marketing
Mar-25	Aspen Technology, Inc.	Emerson Electric Co. (NYSE:EMR)	7,351	37.2x	15.0x	Application Software	Target provides industrial software that focuses on helping customers in asset-intensive industries
Mar-25	Stronghold Digital Mining, Inc.	Backbone Mining Solutions LLC	150	NA	2.5x	Application Software	Target is a crypto asset mining company
Mar-25	Altair Engineering Inc.	Siemens Product Lifecycle Management Software Inc.	10,139	120.5x	15.8x	Application Software	Target develops and offers software and cloud solutions in the areas of simulation, high-performance computing, data analytics, and AI
Mar-25	Intevac, Inc.	Seagate Technology Holdings plc (NASDAQS:STX)	64	NA	1.0x	Technology Hardware, Storage and Peripherals	Target engages in the designing, developing, and manufacturing thin-film processing systems
Apr-25	3D at Depth, Inc.	Kraken Robotics Inc. (TSXV:PNG)	17	NA	1.2x	Electronic Equipment and Instruments	Target operates as a provider of underwater data acquisition and mapping services, specializing in LiDAR technology
Apr-25	Logility Supply Chain Solutions, Inc.	Aptean, Inc. (:CDCS.Y)	404	39.0x	3.9x	Application Software	Target develops, markets, and supports a range of computer business application software products in the US
Apr-25	Rythmos Inc.	Coforge Inc.	49	NA	1.9x	IT Consulting and Other Services	Target offers information technology consulting services
Apr-25	Fortira Inc.	Canarys Automations Limited (NSEI:CANARYS)	3	NA	0.4x	IT Consulting and Other Services	Target is a leading IT Solutions Provider
Apr-25	SolarWinds Corporation	Turn/River Management, L.P.	4,419	15.3x	5.5x	Systems Software	Target provides monitoring and observability, database, incident response, and IT service management software
Apr-25	Enfusion, Inc.	Clearwater Analytics Holdings, Inc. (NYSE:CWAN)	1,434	72.3x	7.7x	Application Software	Target provides software-as-a-service solutions for investment management industry in the United States
	<b>25th Percentile</b>			<b>10.4x</b>	<b>1.2x</b>		
	<b>Median</b>			<b>33.8x</b>	<b>2.6x</b>		
	<b>75th Percentile</b>			<b>59.2x</b>	<b>6.8x</b>		

## Notable Service Provider Deals in April



### Acquiror – Evergreen Services Group

- Evergreen Services Group announced the acquisition of The Vested Group on Apr 30, 2025.
- Evergreen Solutions Group offers IT consulting and managed services tailored to businesses.
- The Vested Group provides NetSuite consulting, implementation, and support services.
- This acquisition marks a key investment within the NetSuite ecosystem and will operate under Pine Services Group, Evergreen's dedicated ERP vertical.



### Target – The Vested Group



### Acquiror – Magna5

- Magna5 announced the acquisition of Shock IT Support on Apr 10, 2025.
- Magna5 is a managed IT services provider delivering cybersecurity, cloud solutions, and 24/7 support to businesses across the U.S.
- Shock I.T. Support, now part of Magna5, provides managed IT services, cybersecurity, and cloud solutions to businesses in the Mid-Atlantic region.
- This strategic acquisition will enhance Magna5's service delivery in a key geographic region and adds a thriving business segment focused on network and wireless infrastructure.



### Target – Shock IT Support

## Notable Service Provider Deals in April



**Acquiror – Netsurit**



**Target – Omnipotech**

- Netsurit announced the acquisition of Omnipotech on Apr 15, 2025.
- Netsurit is a managed IT services provider offering outsourced IT support, cloud solutions, and cybersecurity services.
- Omnipotech is a Houston-based managed IT services provider offering tailored solutions in cybersecurity, cloud computing.
- This acquisition is part of Netsurit's ongoing U.S. market expansion strategy, further expanding its footprint in the South Central region and building on exciting opportunities for accelerated growth, strengthened market position, across multiple time zones.



**Acquiror – MajorKey  
Technologies**



**Target – Oxford Computer Group**

- MajorKey Technologies announced the acquisition of Oxford Computer Group on Apr 16, 2025.
- MajorKey Technologies provides identity security and managed services focused on access management and governance for enterprises.
- Oxford Computer Group specializes in identity and access management solutions, focusing on security, governance, and compliance.
- This strategic acquisition will expand Major Key Technologies capabilities across key identity platforms such as CyberArk, SailPoint, Microsoft, Saviynt and Ping Identity.

# **Excendio Advisors**

Our Past Transactions  
IT M&A



### Acquiror – Cyber Advisors LLC

- Cyber Advisors, LLC acquired eDot, LLC. Excendio served as eDot's exclusive financial advisor for this successful transaction.
- eDot founded in Wheeling more than 20 years ago specializes in Managed Services, Cyber Security, Backup Systems, IT Consulting & Hardware/ Software sales and support.
- Cyber Advisors is a prominent provider of cyber security and technology solutions.
- This acquisition will help eDot LLC in offering products & services to their 150+ clients.
- "Melvin and I came to this process with very high expectations & the team at Excendio did not disappoint", commented Steve Jaffe.



### Target – eDot LLC



### Acquiror – Trafera



### Target – Now Micro, Inc

- Trafera acquired Now Micro, Inc. Excendio served as Now Micro's exclusive financial advisor for this successful transaction.
- Now Micro founded more than 30 years ago delivers tailored, purpose-built technology solutions to SLED & commercial enterprises encompassing hardware, software & services.
- Trafera is a leading provider of educational technology to k-12 schools.
- This acquisition will help Now Micro in their growth and will enable them to offer a broader range of services & solutions to customers.
- "We are thankful to Excendio team for their relentless work, for guiding us through this process & finding the best partner. We would certainly want them on our side if we had to do it again." commented Pat & Bob.

## Software Growth Partners acquired Netreo



Netreo's SaaS IT Management tool, OmniCenter™, provides enterprise-wide dashboard views of the entire IT footprint for large companies.

## New Era Technology acquired Meyer Hill Lynch



New Era Technology's acquisition of Meyer Hill Lynch boosts expertise, expands its client base & supports its goal to serve 20,000+ customers with scalable IT solutions.

## New Era Technology acquired Cameo Solutions



Cameo Solutions, a cloud contact center provider, was acquired by New Era Technology to expand its unified communications, collaboration, and managed IT services.

## Accunet acquired Distributed Technology Group



Accunet provides life cycle solutions in network, security, storage, data centers. The acquisition strengthens DTG's storage practice and adds network and security services.

## New Era Technology acquired Pangaia Partners



Pangaia Partners delivers IT services in network engineering, collaboration, and data centers, serving Fortune 500 and midmarket clients for 17+ years.

## Corporate Technologies acquired CPR



Corporate Technologies provides IT solutions in network infrastructure, cybersecurity, cloud services, and data management.

Norlight INC acquired  
Netcom Group



RiverStreet Networks  
acquired Gamewood



ConvergeOne acquired G3  
Technology Partners



Hostway acquired IMS Soft &  
Services



Valor Global acquired  
Extreme Integration



Core BTS Inc acquired  
Inacom Information Systems



TeleData acquired The Hogan  
Group INC



Vertical Trail Solutions  
acquired Edgient



Cisco acquired Aironet



Carousel Industries acquired  
UTDI



Software Growth Partners  
acquired Appian Security



CI&T acquired Comrade



Infor acquired Brain  
International



Clarey Technology acquires  
Phoenix Computer Associates



Cisco acquired Altiga  
Networks



IT Savvy acquired  
Infrastructure Works



Blue Loop Capital acquired  
Yuxi Pacific



AAV Holdings Corporation  
acquired Promedia



# Appendix - IT Services Comparable Company Analysis

Sector	Market Data	LTM Financials		
	% 52 week high	Gross Margin (%)	EBITDA Margin (%)	Net Profit Margin (%)
<b>Managed Infrastructure Mean</b>	78%	55%	40%	11%
<b>Managed Infrastructure Median</b>	81%	55%	40%	10%
<b>Offshore Services Mean</b>	76%	34%	19%	12%
<b>Offshore Services Median</b>	77%	35%	20%	12%
<b>Consulting Mean</b>	71%	37%	12%	7%
<b>Consulting Median</b>	75%	39%	12%	8%
<b>IT Commercial Services Mean</b>	54%	27%	15%	10%
<b>IT Commercial Services Median</b>	67%	29%	16%	11%
<b>Government Consulting Mean</b>	67%	27%	11%	6%
<b>Government Consulting Median</b>	71%	24%	11%	6%
<b>Managed Services Mean</b>	71%	28%	16%	9%
<b>Managed Services Median</b>	74%	26%	17%	8%
<b>Total Industry Mean</b>	<b>69%</b>	<b>35%</b>	<b>19%</b>	<b>9%</b>
<b>Total Industry Median</b>	<b>75%</b>	<b>32%</b>	<b>16%</b>	<b>9%</b>

Valuation Multiples		
EV/ LTM EBITDA	EV/ LTM Revenue	Price/ Earnings
23.6 x	9.7 x	80.7 x
26.2 x	11.4 x	90.8 x
14.2 x	2.7 x	22.8 x
15.2 x	2.4 x	23.3 x
11.6 x	1.4 x	19.4 x
13.5 x	1.6 x	21.8 x
9.8 x	1.3 x	19.5 x
10.4 x	1.3 x	17.2 x
11.6 x	1.3 x	17.3 x
11.8 x	1.1 x	17.1 x
13.0 x	2.0 x	21.1 x
12.1 x	1.4 x	20.8 x
<b>14.0 x</b>	<b>3.1 x</b>	<b>30.1 x</b>
<b>12.8 x</b>	<b>1.5 x</b>	<b>21.3 x</b>

\*Source: Yahoo Finance. As of 30<sup>th</sup> April.

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
<b>Managed Infrastructure</b>													
Equinix Inc	US	\$860.75	87%	\$84,198	\$100,898	\$8,846	\$927	50%	40%	10%	28.6 x	11.4 x	90.8 x
Digital Realty Trust	US	\$160.54	81%	\$54,068	\$70,163	\$5,631	\$431	55%	48%	8%	26.2 x	12.5 x	125.5 x
Digital Ocean Holdings	US	\$30.90	66%	\$2,813	\$4,195	\$807	\$109	60%	32%	13%	16.1 x	5.2 x	25.9 x
<b>Managed Infrastructure Mean</b>			<b>78%</b>					<b>55%</b>	<b>40%</b>	<b>11%</b>	<b>23.6 x</b>	<b>9.7 x</b>	<b>80.7 x</b>
<b>Managed Infrastructure Median</b>			<b>81%</b>					<b>55%</b>	<b>40%</b>	<b>10%</b>	<b>26.2 x</b>	<b>11.4 x</b>	<b>90.8 x</b>
<b>Offshore Services</b>													
Tata Consultancy Services	IN	\$40.86	75%	\$147,825	\$143,476	\$28,498	\$5,431	45%	28%	19%	17.9 x	5.0 x	27.2 x
Infosys Limited	IN	\$17.75	75%	\$73,550	\$69,904	\$19,112	\$3,304	30%	24%	17%	15.3 x	3.7 x	22.3 x
HCL Technologies Limited	IN	\$18.54	78%	\$50,233	\$50,201	\$13,848	\$2,057	41%	24%	15%	15.2 x	3.6 x	24.4 x
Cognizant Technology Solutions	US	\$73.57	81%	\$36,266	\$35,453	\$20,091	\$2,357	34%	18%	12%	9.6 x	1.8 x	15.4 x
Wipro Limited	IN	\$2.86	74%	\$29,908	\$25,871	\$10,504	\$1,467	30%	20%	14%	12.1 x	2.5 x	20.4 x
LTI Mindtree Limited	IN	\$54.26	68%	\$16,075	\$15,069	\$4,496	\$544	28%	20%	12%	17.0 x	3.4 x	29.5 x
Tech Mahindra Limited	IN	\$17.78	83%	\$15,733	\$15,093	\$6,268	\$503	33%	15%	8%	16.3 x	2.4 x	31.3 x
Genpact Limited	BM	\$50.26	89%	\$8,789	\$9,668	\$4,851	\$528	36%	18%	11%	11.1 x	2.0 x	16.7 x
Globant S.A.	LU	\$117.57	49%	\$5,179	\$5,461	\$2,456	\$151	36%	9%	6%	24.4 x	2.2 x	34.2 x
WNS Holdings Limited	IN	\$60.52	84%	\$2,640	\$2,814	\$1,315	\$170	35%	21%	13%	10.0 x	2.1 x	15.5 x
Mphasis Limited	IN	\$29.21	76%	\$5,552	\$5,373	\$1,683	\$201	43%	20%	12%	15.7 x	3.2 x	27.6 x
Sonda S.A.	CL	\$0.37	79%	\$326	\$562	\$1,621	\$34	14%	7%	2%	5.3 x	0.3 x	9.5 x
<b>Offshore Services Mean</b>			<b>76%</b>					<b>34%</b>	<b>19%</b>	<b>12%</b>	<b>14.2 x</b>	<b>2.7 x</b>	<b>22.8 x</b>
<b>Offshore Services Median</b>			<b>77%</b>					<b>35%</b>	<b>20%</b>	<b>12%</b>	<b>15.2 x</b>	<b>2.4 x</b>	<b>23.3 x</b>

\*Source: Yahoo Finance. As of 30<sup>th</sup> April.

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
<b>Consulting</b>													
FTI Consulting	US	\$166.28	68%	\$5,701	\$5,945	\$3,668	\$262	32%	11%	7%	15.4 x	1.6 x	21.8 x
Huron Consulting Group	US	\$134.79	87%	\$2,325	\$2,917	\$1,563	\$123	31%	14%	8%	13.5 x	1.9 x	18.9 x
Resources Connection	US	\$5.74	47%	\$190	\$144	\$826	\$76	40%	12%	9%	1.4 x	0.2 x	2.5 x
The Hackett Group	US	\$25.54	75%	\$706	\$718	\$315	\$24	39%	13%	8%	17.3 x	2.3 x	29.4 x
Information Services Group	US	\$3.88	77%	\$187	\$229	\$243	\$8	41%	9%	3%	10.4 x	0.9 x	24.2 x
<b>Consulting Mean</b>			<b>71%</b>					<b>37%</b>	<b>12%</b>	<b>7%</b>	<b>11.6 x</b>	<b>1.4 x</b>	<b>19.4 x</b>
<b>Consulting Median</b>			<b>75%</b>					<b>39%</b>	<b>12%</b>	<b>8%</b>	<b>13.5 x</b>	<b>1.6 x</b>	<b>21.8 x</b>
<b>IT Commercial Services</b>													
Accenture plc	IE	\$299.15	75%	\$187,276	\$186,840	\$67,221	\$7,683	32%	18%	11%	15.8 x	2.8 x	24.4 x
Capgemini SE	FR	\$158.38	67%	\$26,916	\$30,663	\$22,805	\$1,564	26%	14%	7%	9.6 x	1.3 x	17.2 x
CGI Inc	CA	\$106.01	83%	\$21,230	\$23,627	\$10,980	\$1,265	16%	19%	12%	11.2 x	2.2 x	16.8 x
Atos SE	FR	\$40.50	0%	\$771	\$1,985	\$11,486	(\$5,416)	33%	-	-	-	0.2 x	-
Unisys Corporation	US	\$3.97	44%	\$282	\$416	\$1,953	(\$73)	29%	9%	-	2.4 x	0.2 x	-
<b>IT Commercial Services Mean</b>			<b>54%</b>					<b>27%</b>	<b>15%</b>	<b>10%</b>	<b>9.8 x</b>	<b>1.3 x</b>	<b>19.5 x</b>
<b>IT Commercial Services Median</b>			<b>67%</b>					<b>29%</b>	<b>16%</b>	<b>11%</b>	<b>10.4 x</b>	<b>1.3 x</b>	<b>17.2 x</b>
<b>Government Consulting</b>													
Booz Allen Hamilton Holding Corporati	US	\$120.02	63%	\$14,905	\$18,241	\$11,980	\$870	54%	13%	7%	11.8 x	1.5 x	17.1 x
CACI International Inc	US	\$457.87	78%	\$10,069	\$13,329	\$8,362	\$477	9%	11%	6%	14.3 x	1.6 x	21.1 x
Science Applications International Cor	US	\$121.03	77%	\$5,709	\$8,066	\$7,518	\$269	11%	8%	4%	13.0 x	1.1 x	21.2 x
Maximus, Inc.	US	\$66.96	71%	\$3,773	\$5,286	\$5,395	\$300	24%	12%	6%	8.5 x	1.0 x	12.6 x
ICF International, Inc.	US	\$84.96	47%	\$1,564	\$2,247	\$2,013	\$110	37%	11%	5%	10.4 x	1.1 x	14.3 x
<b>Government Consulting Mean</b>			<b>67%</b>					<b>27%</b>	<b>11%</b>	<b>6%</b>	<b>11.6 x</b>	<b>1.3 x</b>	<b>17.3 x</b>
<b>Government Consulting Median</b>			<b>71%</b>					<b>24%</b>	<b>11%</b>	<b>6%</b>	<b>11.8 x</b>	<b>1.1 x</b>	<b>17.1 x</b>

\*Source: Yahoo Finance. As of 30<sup>th</sup> April.

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
<b>Managed Services</b>													
Accenture plc	IE	\$299.15	75%	\$187,276	\$186,840	\$67,221	\$7,683	32%	18%	11%	15.8 x	2.8 x	24.4 x
Tata Consultancy Services	IN	\$40.86	75%	\$147,825	\$143,476	\$28,498	\$5,431	45%	28%	19%	17.9 x	5.0 x	27.2 x
International Business Machines Corp	US	\$241.82	90%	\$224,747	\$274,117	\$62,833	\$5,473	57%	20%	9%	22.2 x	4.4 x	41.1 x
Infosys Limited	IN	\$17.75	75%	\$73,550	\$69,904	\$19,112	\$3,304	30%	24%	17%	15.3 x	3.7 x	22.3 x
Capgemini SE	FR	\$158.38	67%	\$26,916	\$30,663	\$22,805	\$1,564	26%	14%	7%	9.6 x	1.3 x	17.2 x
Cognizant Technology Solutions	US	\$73.57	81%	\$36,266	\$35,453	\$20,091	\$2,357	34%	18%	12%	9.6 x	1.8 x	15.4 x
Wipro Limited	IN	\$2.86	74%	\$29,908	\$25,871	\$10,504	\$1,467	30%	20%	14%	12.1 x	2.5 x	20.4 x
DXC Technology Company	US	\$15.52	63%	\$2,813	\$5,564	\$12,871	\$389	24%	17%	3%	2.5 x	0.4 x	7.2 x
Rackspace Technology, Inc	US	\$1.36	40%	\$323	\$3,504	\$2,712	(\$289)	19%	5%	-	25.7 x	1.3 x	-
CGI Group	CA	\$106.01	83%	\$21,230	\$23,627	\$10,980	\$1,265	16%	19%	12%	11.2 x	2.2 x	16.8 x
ePlus	US	\$62.36	58%	\$1,654	\$1,412	\$2,125	\$105	26%	8%	5%	8.1 x	0.7 x	15.8 x
Insight Enterprises	US	\$138.28	61%	\$4,415	\$5,315	\$8,426	\$190	21%	5%	2%	12.5 x	0.6 x	23.2 x
Leidos	US	\$147.18	73%	\$18,945	\$23,836	\$16,932	\$1,333	17%	13%	8%	10.7 x	1.4 x	14.2 x
NTT Data	JP	\$19.77	71%	\$27,721	\$43,852	\$30,539	\$936	27%	16%	3%	9.2 x	1.4 x	29.6 x
Science Applications Int.	US	\$121.03	77%	\$5,709	\$8,066	\$7,518	\$269	11%	8%	4%	13.0 x	1.1 x	21.2 x
<b>Managed Services Mean</b>			<b>71%</b>					<b>28%</b>	<b>16%</b>	<b>9%</b>	<b>13.0 x</b>	<b>2.0 x</b>	<b>21.1 x</b>
<b>Managed Services Median</b>			<b>74%</b>					<b>26%</b>	<b>17%</b>	<b>8%</b>	<b>12.1 x</b>	<b>1.4 x</b>	<b>20.8 x</b>

\*Source: Yahoo Finance. As of 30<sup>th</sup> April.

## Discount Rates Implied From IT Public Market Valuations

Sector	Beta Levered	Beta Unlevered	Unlevered Discount Rate	Relevered Discount Rate <sup>(1)</sup>	Relevered Discount Rate <sup>(2)</sup>
Managed Infrastructure	0.66	0.34	6.3%	6.8%	7.9%
Offshore Services	1.05	0.97	10.1%	11.7%	14.8%
Consulting	0.65	0.48	7.1%	7.9%	9.5%
Government Consulting	0.71	0.39	6.6%	7.2%	8.4%
Managed Services	1.06	0.65	8.1%	9.2%	11.3%
Total Industry	0.83	0.57	7.6%	8.6%	10.4%

<sup>(1)</sup>D/E ratio of 0.33 is assumed to calculate Relevered Discount Rate.

<sup>(2)</sup>D/E ratio of 1 is assumed to calculate Relevered Discount Rate.

\*Source: Yahoo Finance, Fred, Trading Economics.



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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