

IT & Software Market Update

October 2025

By Madhur Duggar



madhur@excendio.com



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Macro Update

3.5% / 18.4%

S&P Return: Sep-25/LTM

4.15%

10 Year Treasury Yield



Conference Speak

“We are seeing more clients
downsize and/or delay project
approvals due to economic
uncertainty” – **MSP Owner at
ConnectWise Global 2025**



Public Market Multiple

12.5x

Managed Services TTM EV/ EBITDA
Multiple

7.6x

SaaS TTM Revenue Multiple



Private Market Multiple

11.0x

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

1.6x

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



Select MSP Transactions

Acquiror



Target



Acquiror



Target



Podcast – M&A Insights

[Why is Your Finance Function Worth Two
Turns of EBITDA? With Brandi Bonds at
Next Level Now](#)

In this episode of M&A Insights, I talk
with Brandi Bonds at Next Level Now
on how having the right finance
strategy can add 2x to your valuation
and who needs it the most

- 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.

NY MSP: \$25MN NY MSP looking for similar sized MSP to partner with and exit as a platform in 2025.

NY MSP: \$4.5MN MSP with 20%+ margins looking for suitable buyer and exit with rollover equity.

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

PA MSP: \$4.5MN MSP with 15% margins looking for suitable partner to merge with and exit.

MI Consulting Firm: \$8MN Consulting firm with strong presence in Energy and Autos open to exit conversations.

- 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.

How Are SMBs Thinking About The Economy?

SMB sentiment improves to highest level but...

The MetLife and US Chamber of Commerce Small Business Index – Q3 2025

On The Economy

40% of SMB owners believe the economy is in good or better than good health - up 6 points from last quarter (34%).

On Inflation

46% of SMBs cite inflation as a top concern - down 2 points from last quarter (48%).

On Compliance

44% SMBs say licensing, certification and permit requirements made it hard to grow - down 7 points from Q4 2024 (51%).

On Overall Health

72% of SMBs say their business is in good health this quarter - up 3 points from last quarter (69%).

On Revenues

26% of SMBs cite revenues as a challenge - down 1 point from last quarter (27%).

On Liquidity

75% of SMBs say they are comfortable with their cash flow - up 2 points from last quarter (73%).

On Hiring

14% of SMBs say attracting talent was a concern - up 2 points from last quarter (12%).

On Growth

69% of SMBs expect next year's revenues to increase - up 4 points from last quarter (65%).

How Are SMBs Thinking About The Economy? .. Sentiment Amongst the Larger SMBs Has Worsened

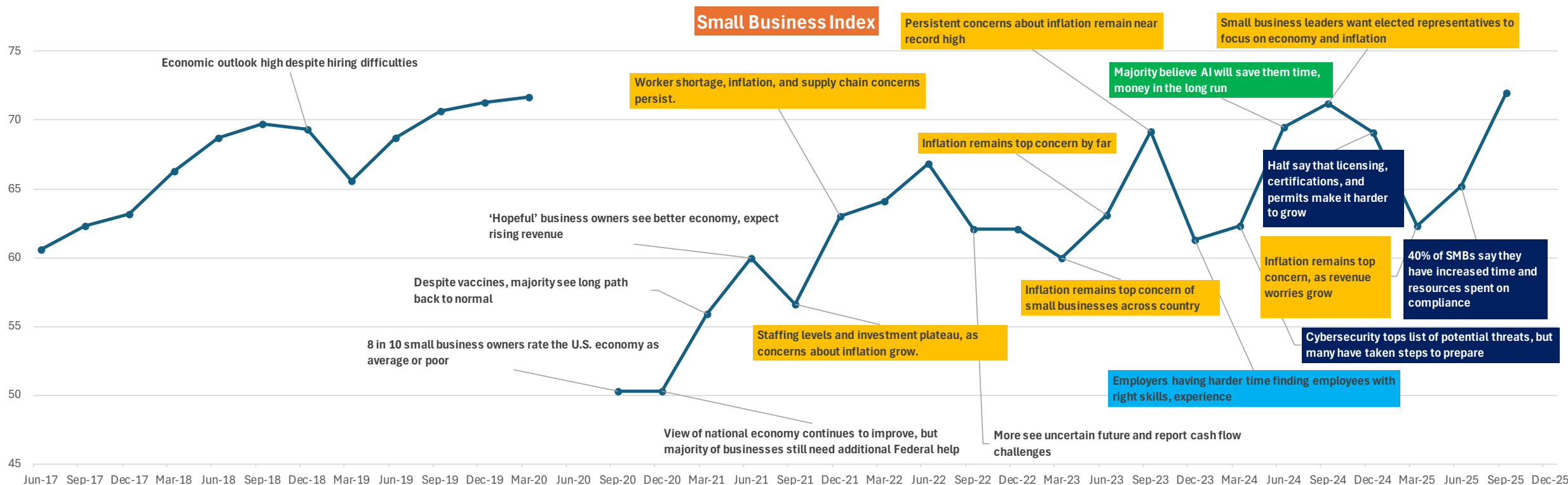
The MetLife and US Chamber of Commerce Small Business Index – Q3 2025

Top Ten Questions	All SMBs	>20 Seat SMBs
	Level (QoQ Change)	Level (QoQ Change)
% Who rate the overall health of <u>Their Business</u> as “Very Good”	36% (+2%)	38% (-12%)
% Who rate the overall health of the <u>US Economy</u> as “Very Good”	19% (+5%)	14% (-5%)
% Who rate the overall health of the <u>Local Economy</u> as “Very Good”	20% (+5%)	15% (-6%)
% Who see <u>More Competition</u> from small or local companies compared with six-months ago	38% (+2%)	32% (-13%)
% Who say they are “Very Comfortable” with their <u>Cash Flow</u> situation	31% (+8%)	28% (-8%)
% Who say they plan to “Increase” <u>Investment</u>	47% (+0%)	42% (-18%)
% Who say time spent completing <u>Licensing, Compliance and Government requirements</u> has “Increased”	42% (+2%)	39% (-18%)
% Who say they have “Increased” <u>Staff</u>	28% (+0%)	32% (-19%)
% Who say they plan to “Increase” <u>Staff Next Year</u>	44% (+2%)	48% (-7%)
% Who say they expect an “Increase” in <u>Next Year’s Revenue</u>	69% (+4%)	71% (-9%)

Based on findings of an Ipsos poll (fixed sample targets) conducted between July 24 and August 11, 2025. For this survey, a sample of 695 US SMB owners and operators age 18+ was interviewed online.

What Does Small Business Behavior Mean for IT Service Providers?

(A) Drop Rates by Moving Break-Fix Work to Annual Contracts (B) Help SMBs with Cyber Compliance



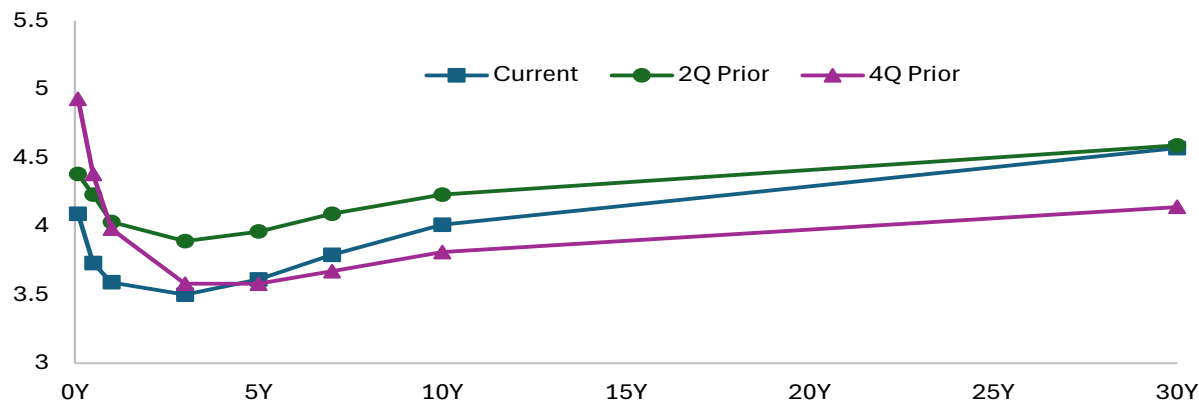
* MetLife & U.S. Chamber of Commerce Small Business Index

Equity markets seem to have become disconnected with employment growth

	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	4.01	10-27-2025	-0.27	-6.31	4.01	3.32	4.24	4.23	4.58	3.81
CoreCPI	3.02	09-01-2025	0.59	24.26	3.02	2.58	2.67	2.41	2.87	2.43
Unemployment Rate	4.30	08-01-2025	0.10	2.38	4.30	5.66	4.10	4.20	4.10	4.10
Initial Claims 4-week MA	237.50	09-20-2025	12.25	5.44	237.50	371.81	241.25	223.00	222.25	225.00
Nonfarm Payroll Change (Unrevised)	22.00	08-01-2025	-49.00	-0.91	22.00	140.22	-13.00	120.00	323.00	240.00
INDEXES AND INDICATORS										
Sahm Recession Indicator	0.13	08-01-2025	-0.44	-77.19	0.13	0.48	0.17	0.27	0.40	0.50
Michigan Consumer Sentiment	53.60	10-01-2025	-18.20	-0.28	53.60	82.18	60.70	57.00	71.80	70.10
Michigan Inflation Expectations	4.60	09-01-2025	2.00	0.64	4.60	3.15	5.00	5.00	2.80	2.70
MARKETS										
S&P 500	6890.89	10-28-2025	1057.97	18.14	6890.89	-	6204.95	5611.85	5881.63	5762.48
NASDAQ	23827.49	10-28-2025	5114.74	27.33	23827.49	-	20369.73	17299.29	19310.79	18189.17
VIX	15.79	10-27-2025	-4.01	-20.25	15.79	19.85	16.73	22.28	17.35	16.73
ICE Corp BBB OAS	0.97	10-27-2025	-0.11	-10.19	0.97	1.99	1.08	1.20	1.02	1.16
ICE Corp HY OAS	2.80	10-27-2025	-0.08	-2.78	2.80	5.38	2.96	3.55	2.92	3.03

Bifurcated Economy - Equity Markets are not reflecting the deterioration in consumer sentiment on Main Street

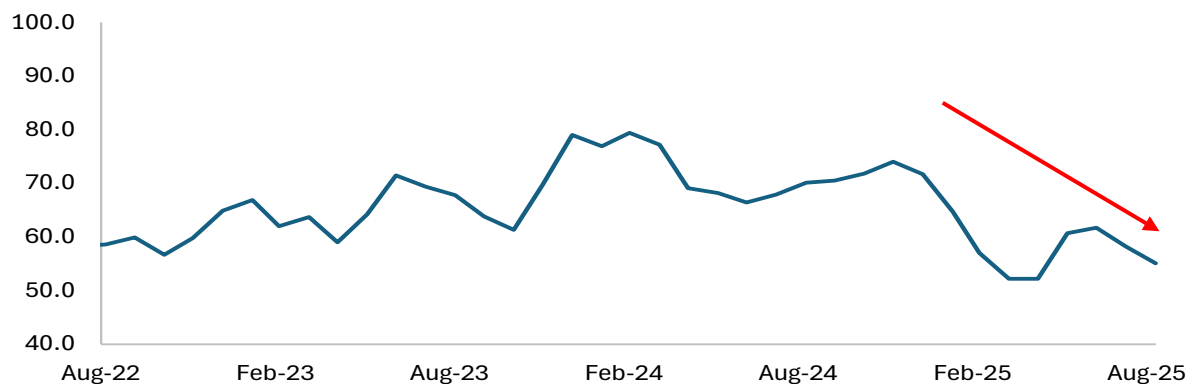
Treasury Yield Curve



CBOE Volatility Index



Michican Consumer Sentiment Survey

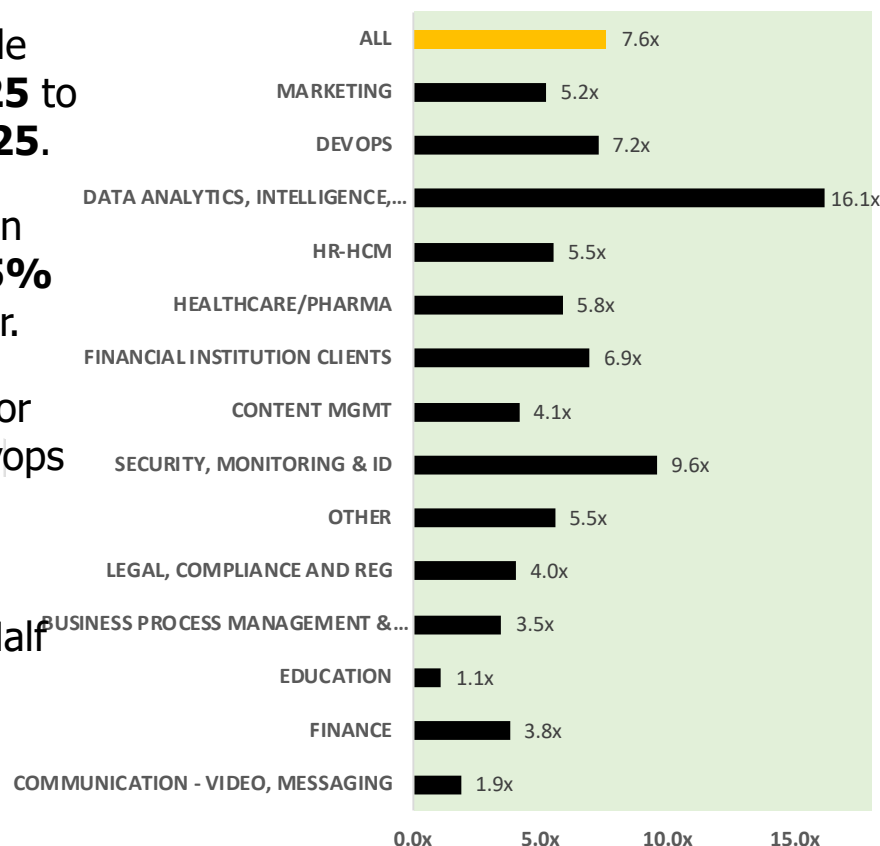


S&P 500

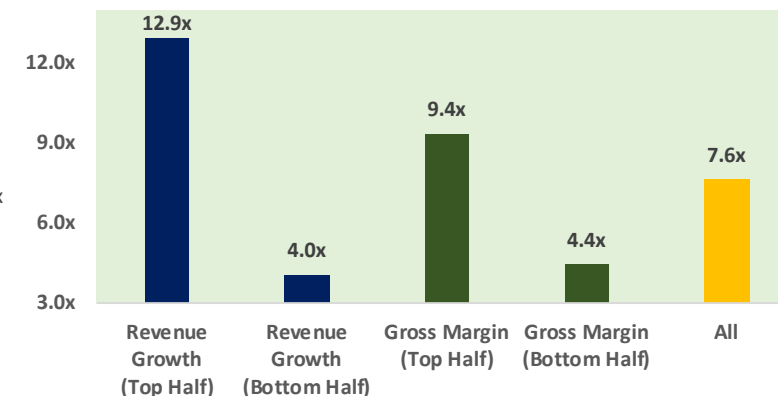


- The aggregate SaaS TTM Revenue Multiple increased by **0.3 pts** in **September 2025** to **7.6x** compared with **7.3x** in **August 2025**.
- The broad stock market index expanded in the third quarter. **S&P 500** increased **3.5%** in September & **7.8%** in the third quarter.
- Sector Mattered:** Multiples contracted for Horizontals like Financial Institutions, Devops 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 **8.9x** and **4.9x** respectively.

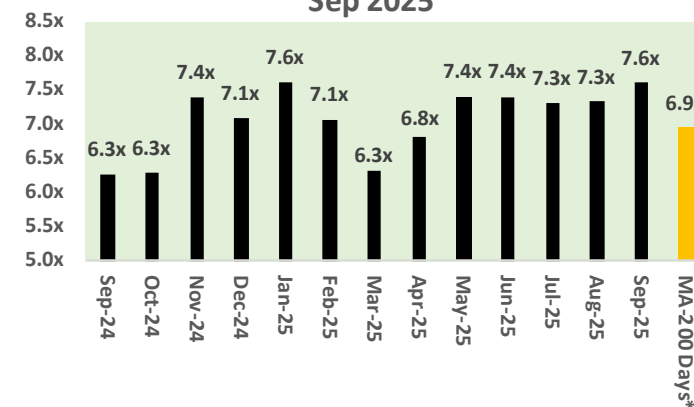
Revenue Xs By SaaS Sector (ME Sep 2025)



SaaS Revenue Xs (ME Sep 2025) By Quality

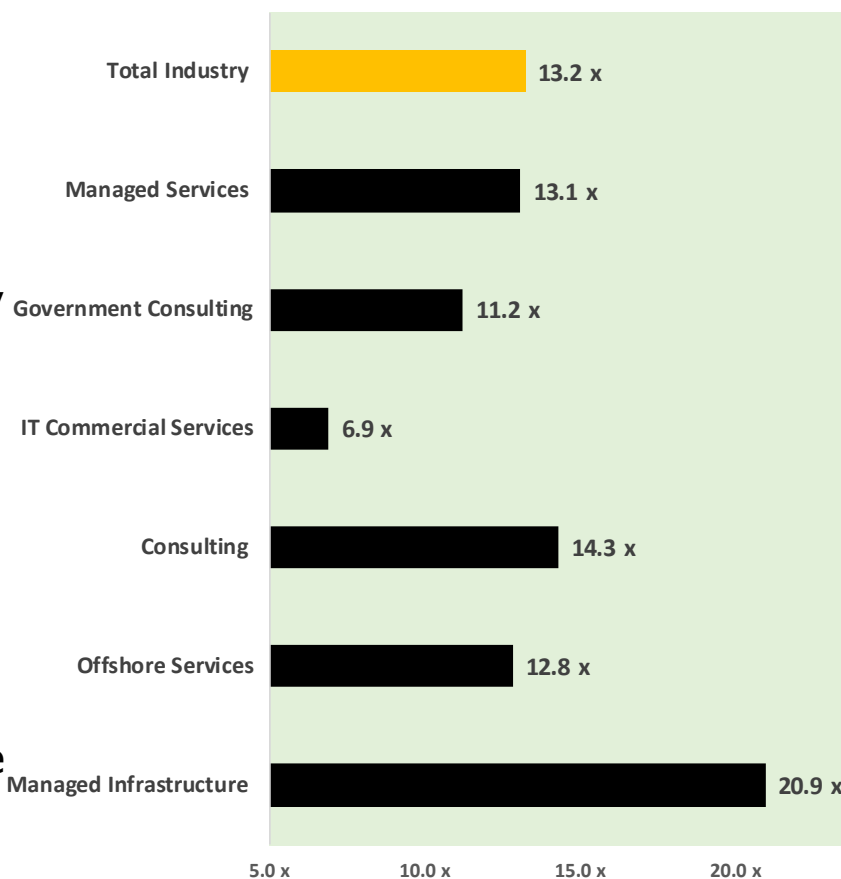


Recovery in SaaS Revenue Xs Stalled in Sep 2025

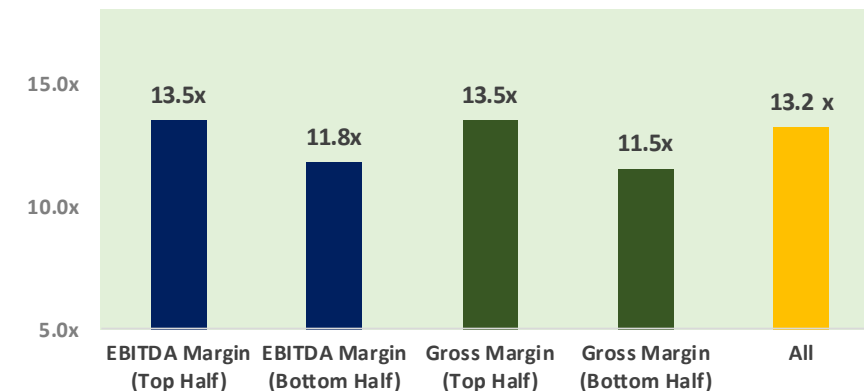


- The aggregate IT Services TTM EBITDA Multiple remained about the same in **Sep 2025** & in **Aug 2025** at about **13.3x**.
- Multiples contracted by **0.7x** pts for Government Consulting & Offshore Services & expanded for Consulting by **1.9x** pts in September.
- The EV/ EBITDA Multiple for Top 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 ~**28%** above the multiple for **September 2025**.

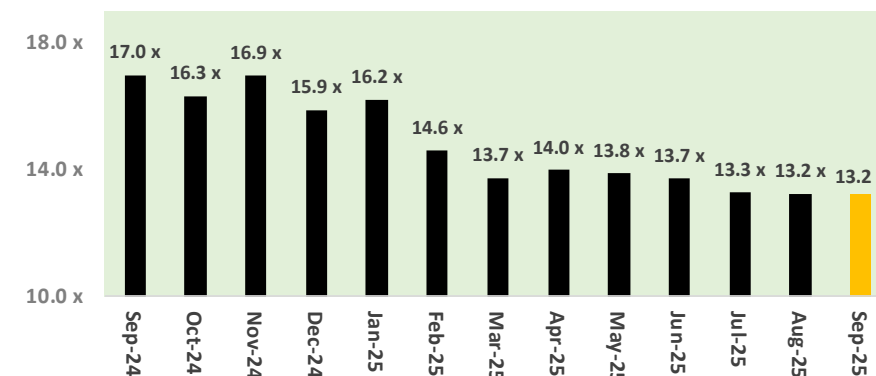
Average EV/EBITDA across Industry



EV/ EBITDA by Quality



Monthly EV/EBITDA Multiple Trend



YTD Median EV/EBITDA and EV/Revenue multiples stand at 23.4x and 2.7x

YTD Median EV/EBITDA and EV/Revenue multiples for deals less than \$200MN stand at 12.5x and 1.6x respectively.

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

Private Market Multiples

Selected M&A Deals (TTM Sep 2025)

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

*Source: Federal Reserve, Yahoo Finance.

Private Market Multiples

Selected M&A Deals (TTM Sep 2025)

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US\$mn)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
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 (NASDAQGS: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
Jun-25	Burroughs, Inc.	Loomis US Holding Inc	110	NA	1.0x	Electronic Equipment and Instruments	Target provides services on third-party ATM, teller cash automation, smart safes, branch automation, and self-service solutions throughout the U.S. and Puerto Rico
Jun-25	Techpoint, Inc.	ASMedia Technology Inc. (TWSE:5269)	323	15.9x	4.5x	Semiconductors	Target is a fabless semiconductor company, develops high-definition video connectivity technology targeting video surveillance systems and automotive infotainment systems
Jun-25	Brightflag Inc.	Wolters Kluwer N.V. (ENXTAM:WKL); Wolters Kluwer Legal & Regulatory U.S.	485	NA	20.9x	Application Software	Target develops and provides enterprise legal management software
Jun-25	Fictiv Inc.	MISUMI USA, Inc.	350	NA	NM	Application Software	Target develops and operates a manufacturing platform that enables users to design, develop, and deliver fabricated parts

*Source: Federal Reserve, Yahoo Finance.

Private Market Multiples

Selected M&A Deals (TTM Sep 2025)

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US\$mn)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
Jun-25	Global Photonics, Inc.	Gooch & Housego PLC (AIM:GHH)	31	14.0x	2.3x	Electronic Components	Target develops, manufactures, and assembles optical, opto-mechanical, and optoelectronic products for industrial, military, and consumer markets
Jul-25	Juniper Networks, Inc.	Hewlett Packard Enterprise Company (NYSE:HPE)	13,982	17.5x	2.5x	Communications Equipment	Target designs, develops, and sells network products and services worldwide
Jul-25	ANSYS, Inc.	Synopsys, Inc. (NASDAQGS:SNPS)	33,963	42.6x	14.4x	Application Software	Target develops and markets engineering simulation software and services for engineers, designers, researchers, and students
Jul-25	SMC Squared LLC	Hexaware Technologies Limited (NSEI:HEXT)	120	NA	7.5x	IT Consulting and Other Services	Target engages in building and managing global capability centers for companies to expand technology, engineering, and business operations
Jul-25	FARO Technologies, Inc.	AMETEK, Inc. (NYSE:AME)	923	24.0x	2.7x	Electronic Equipment and Instruments	Target designs, develops, manufactures, markets and supports software-driven, three-dimensional (3-D) measurement, imaging, and realization solutions
Jul-25	SigmaTron International, Inc.	Transom Capital Group, LLC	80	11.0x	0.3x	Electronic Manufacturing Services	Target operates as an independent provider of electronic manufacturing services in the United States, Mexico, China, Vietnam, and Taiwan
Jul-25	AI Cyber Forge Inc	eMudhra Inc	5	NA	8.0x	IT Consulting and Other Services	Target offers IT consulting services
Aug-25	E2open Parent Holdings, Inc.	WiseTech Global Limited (ASX:WTC)	2,182	13.9x	3.7x	Application Software	Target provides cloud-based and end-to-end supply chain management
Aug-25	Jolt Software, Inc.	Digi Smartsense, LLC	146	NA	5.2x	Application Software	Target develops and provides operations execution software to help businesses achieve team accountability, and digital food safety
Sep-25	Olo Inc.	Thoma Bravo, L.P.	1,602	NA	5.1x	Application Software	Target operates an open SaaS platform for restaurants in the United States
Sep-25	Couchbase, Inc.	Haveli Investment Management LLC	1,528	NA	6.5x	Internet Services and Infrastructure	Target develops cloud database platform for enterprise applications
Sep-25	Elo Touch Solutions, Inc.	Zebra Technologies Corporation (NASDAQGS:ZBRA)	1,300	NA	3.3x	Technology Hardware, Storage and Peripherals	Target designs and manufactures touchscreen components
	25th Percentile			15.0x	1.4x		
	Median			27.2x	2.9x		
	75th Percentile			41.3x	7.5x		

*Source: Federal Reserve, Yahoo Finance.

Notable Service Provider Deals in September



Acquiror - Evergreen



Target - The ITeam



Target - The ITeam



Target - Corporate Networks

- Evergreen announced the acquisitions of The ITeam, Lan Solutions Corp, Corporate Networks on Sep 3, 2025.
- CA based Evergreen Services Group with 11-50 employees acquires and supports IT services firms with long-term capital and operational expertise.
- The ITeam is a Canadian company with 11-50 employees that provides managed IT, cloud and cybersecurity services to businesses.
- Canada-based LAN Solutions Corp., with approximately 11-50 employees, offers managed IT services, cybersecurity, cloud solutions and strategic tech-support to businesses and non-profits across Western Canada
- Canada-based CorpNet with 11-50 employees is a business-filing and corporate compliance services provider, helping entrepreneurs, accountants and legal professionals incorporate companies, register payroll taxes and manage ongoing compliance
- These acquisitions bring more than 80 skilled technology professionals into Evergreen's Lyra Technology Group, strengthening its reach across Alberta and key industries.

Notable Service Provider Deals in September



Acquiror - Ntiva

- Ntiva announced its acquisition of Site Tech Services on Sep 15, 2025.
- Virginia-based Ntiva Inc. with 501-1000 employees provides managed IT services, cloud and cybersecurity solutions, strategic consulting and business communications to organizations seeking to outsource or augment their technology operations.
- Site Tech Services, based in Florida with 11-50 employees is a managed IT services provider offering end-to-end technology management.
- The acquisition will help Ntiva expand its expertise and presence in the automotive dealership sector, enabling it to offer specialized, technology-driven IT solutions to improve dealership operations and customer experience.



Target - Site Tech Services



Acquiror - Thrive

- Thrive announced the acquisition of Vital Core on Sep 9, 2025.
- Thrive, based in California, with 1k-5k employees is a managed IT and cybersecurity services company offering a platform that automates IT services, supports cloud infrastructure, networking and security for enterprises.
- VitalCORE is an Ohio-based managed technology services partner specializing in IT and security integration during M&A, full-scale managed services, and technology transition and resilience support, with 250-500 employees.
- This acquisition will give Thrive three locations in the Midwest as the company continues its expansion across the U.S.



Target - VitalCORE

Excendio Advisors

Our Recent and Past
Transactions
IT M&A



Acquiror – Focus Technology

Target – Converged Technology Group

- Focus Technology, LLC acquired Converged Technology Group, LLC. Excendio served as Converged Technology Group's exclusive financial advisor for this successful transaction.
- Converged Technology Group a New York-based IT services provider with deep expertise in Managed Services, Collaboration, Cloud, Enterprise Networking and Data Center Solutions.
- Focus Technology is a MA based AI-powered IT Infrastructure, Managed Services, Cybersecurity, and Cloud Innovation solutions provider.
- This acquisition will help Converged Technology Group in expanding their reach across the Tri-State area and beyond, while enhancing the depth and breadth of services they offer to clients.
- **Founder's Statement**

Acquiror – Cyberlink ASP

Target – Consentus Tech Services

- Cyberlink ASP acquired Consentus Tech Services, Inc. Excendio served as Consentus Tech Services's financial advisor for this successful transaction.
- CyberlinkASP delivers cloud hosting, virtual desktops, and managed IT solutions for secure business operations.
- Cosentus offers medical billing, coding, and practice management services - integrating EHR/software solutions to optimize healthcare revenue cycles.
- This acquisition will help Cyberlink ASP offer a broader range of services, including remote monitoring and management, endpoint security, network management, email management, and device lifecycle management.
- **Founder's Statement**



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

- 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.



Target – Now Micro, Inc

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



Hostway acquired IMS Soft &
Services



TeleData acquired The Hogan
Group INC



RiverStreet Networks
acquired Gamewood



Valor Global acquired
Extreme Integration



Vertical Trail Solutions
acquired Edgient



ConvergeOne acquired G3
Technology Partners



Core BTS Inc acquired
Inacom Information Systems



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 (%)
Managed Infrastructure Mean	80%	55%	46%	17%
Managed Infrastructure Median	79%	55%	40%	15%
Offshore Services Mean	70%	31%	19%	12%
Offshore Services Median	74%	30%	20%	12%
Consulting Mean	75%	36%	9%	6%
Consulting Median	77%	38%	10%	6%
IT Commercial Services Mean	49%	28%	18%	12%
IT Commercial Services Median	62%	28%	19%	11%
Government Consulting Mean	70%	27%	11%	6%
Government Consulting Median	64%	24%	11%	6%
Managed Services Mean	67%	28%	16%	10%
Managed Services Median	66%	27%	18%	9%
Total Industry Mean	68%	34%	20%	10%
Total Industry Median	70%	29%	18%	10%

Valuation Multiples		
EV/ LTM EBITDA	EV/ LTM Revenue	Price/ Earnings
20.9 x	9.7 x	48.2 x
20.5 x	10.6 x	42.9 x
12.8 x	2.4 x	21.1 x
13.9 x	2.4 x	21.2 x
14.3 x	1.4 x	27.6 x
14.9 x	1.5 x	27.5 x
6.9 x	1.1 x	12.1 x
8.1 x	1.1 x	13.8 x
11.2 x	1.3 x	15.5 x
10.6 x	1.3 x	15.9 x
13.1 x	1.9 x	18.6 x
10.8 x	1.6 x	17.3 x
13.2 x	3.0 x	23.8 x
12.4 x	1.6 x	19.3 x

*Source: Yahoo Finance. As of 30th September.

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	\$783.24	79%	\$76,651	\$94,842	\$8,943	\$994	50%	40%	11%	26.2 x	10.6 x	77.1 x
Digital Realty Trust	US	\$172.88	87%	\$59,305	\$75,516	\$5,768	\$1,383	55%	64%	24%	20.5 x	13.1 x	42.9 x
Digital Ocean Holdings	US	\$34.16	73%	\$3,110	\$4,486	\$833	\$126	60%	33%	15%	16.1 x	5.4 x	24.6 x
Managed Infrastructure Mean			80%					55%	46%	17%	20.9 x	9.7 x	48.2 x
Managed Infrastructure Median			79%					55%	40%	15%	20.5 x	10.6 x	42.9 x
Offshore Services													
Tata Consultancy Services	IN	\$32.51	64%	\$117,632	\$113,379	\$28,832	\$5,546	43%	28%	19%	13.9 x	3.9 x	21.2 x
Infosys Limited	IN	\$16.23	72%	\$67,274	\$63,255	\$19,504	\$3,204	30%	23%	16%	14.0 x	3.2 x	21.0 x
HCL Technologies Limited	IN	\$15.59	69%	\$42,181	\$42,152	\$13,434	\$1,911	27%	23%	14%	13.6 x	3.1 x	22.1 x
Cognizant Technology Solutions	US	\$67.07	74%	\$32,757	\$32,126	\$20,486	\$2,436	34%	19%	12%	8.4 x	1.6 x	13.4 x
Wipro Limited	IN	\$2.69	74%	\$28,217	\$24,282	\$10,047	\$1,515	30%	24%	15%	10.0 x	2.4 x	18.6 x
LTI Mindtree Limited	IN	\$58.05	76%	\$17,203	\$16,093	\$4,357	\$531	28%	20%	12%	18.6 x	3.7 x	32.4 x
Tech Mahindra Limited	IN	\$15.76	77%	\$13,955	\$13,356	\$6,003	\$511	27%	16%	9%	14.3 x	2.2 x	27.3 x
Genpact Limited	BM	\$41.89	74%	\$7,300	\$8,164	\$4,929	\$538	36%	18%	11%	9.3 x	1.7 x	13.6 x
Globant S.A.	LU	\$57.38	24%	\$2,528	\$2,890	\$2,482	\$110	36%	7%	4%	16.6 x	1.2 x	22.9 x
Mphasis Limited	IN	\$29.88	82%	\$5,685	\$5,504	\$1,637	\$196	31%	21%	12%	16.3 x	3.4 x	29.0 x
Sonda S.A.	CL	\$0.37	85%	\$323	\$602	\$1,607	\$30	14%	6%	2%	6.0 x	0.4 x	10.9 x
Offshore Services Mean			70%					31%	19%	12%	12.8 x	2.4 x	21.1 x
Offshore Services Median			74%					30%	20%	12%	13.9 x	2.4 x	21.2 x

*Source: Yahoo Finance. As of 30th September.

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	\$161.65	77%	\$4,991	\$5,614	\$3,663	\$250	32%	10%	7%	14.9 x	1.5 x	20.0 x
Huron Consulting Group	US	\$146.77	94%	\$2,540	\$3,176	\$1,593	\$105	31%	13%	7%	15.7 x	2.0 x	24.2 x
Resources Connection	US	\$5.05	51%	\$169	\$116	\$551	(\$192)	38%	2%	-	11.1 x	0.2 x	-
The Hackett Group	US	\$19.01	56%	\$523	\$539	\$316	\$17	38%	11%	5%	15.8 x	1.7 x	30.8 x
Information Services Group	US	\$5.75	96%	\$277	\$314	\$240	\$8	42%	9%	3%	14.0 x	1.3 x	35.3 x
Consulting Mean			75%					36%	9%	6%	14.3 x	1.4 x	27.6 x
Consulting Median			77%					38%	10%	6%	14.9 x	1.5 x	27.5 x
IT Commercial Services													
Accenture plc	IE	\$246.60	62%	\$152,926	\$149,624	\$69,673	\$7,678	32%	19%	11%	11.6 x	2.1 x	19.9 x
Capgemini SE	FR	\$145.00	66%	\$24,270	\$28,920	\$25,895	\$1,831	27%	14%	7%	8.1 x	1.1 x	13.3 x
CGI Inc	CA	\$89.03	71%	\$17,699	\$20,025	\$11,175	\$1,230	16%	19%	11%	9.6 x	1.8 x	14.4 x
Atos SE	FR	\$67.11	0%	\$1,300	\$3,001	\$10,132	\$1,752	35%	31%	17%	1.0 x	0.3 x	0.7 x
Unisys Corporation	US	\$3.90	44%	\$278	\$711	\$1,958	(\$82)	28%	8%	-	4.3 x	0.4 x	-
IT Commercial Services Mean			49%					28%	18%	12%	6.9 x	1.1 x	12.1 x
IT Commercial Services Median			62%					28%	19%	11%	8.1 x	1.1 x	13.8 x
Government Consulting													
Booz Allen Hamilton Holding Corporati	US	\$99.95	52%	\$12,124	\$15,469	\$11,980	\$1,041	54%	13%	9%	9.8 x	1.3 x	11.6 x
CACI International Inc	US	\$498.78	84%	\$11,013	\$14,083	\$8,628	\$500	9%	11%	6%	14.7 x	1.6 x	22.0 x
Science Applications International Cor	US	\$99.37	64%	\$4,573	\$6,970	\$7,460	\$399	12%	9%	5%	10.1 x	0.9 x	11.5 x
Maximus, Inc.	US	\$91.37	97%	\$5,149	\$6,870	\$5,429	\$316	24%	12%	6%	10.6 x	1.3 x	16.3 x
ICF International, Inc.	US	\$92.80	52%	\$1,710	\$2,350	\$1,977	\$108	37%	11%	5%	11.0 x	1.2 x	15.9 x
Government Consulting Mean			70%					27%	11%	6%	11.2 x	1.3 x	15.5 x
Government Consulting Median			64%					24%	11%	6%	10.6 x	1.3 x	15.9 x

*Source: Yahoo Finance. As of 30th September.

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	\$246.60	62%	\$152,926	\$149,624	\$69,673	\$7,678	32%	19%	11%	11.6 x	2.1 x	19.9 x
Tata Consultancy Services	IN	\$32.51	64%	\$117,632	\$113,379	\$28,832	\$5,546	43%	28%	19%	13.9 x	3.9 x	21.2 x
International Business Machines Corp	US	\$282.16	88%	\$263,745	\$315,459	\$64,040	\$5,833	58%	20%	9%	24.5 x	4.9 x	45.2 x
Infosys Limited	IN	\$16.23	72%	\$67,274	\$63,255	\$19,504	\$3,204	30%	23%	16%	14.0 x	3.2 x	21.0 x
Capgemini SE	FR	\$145.00	66%	\$24,270	\$28,920	\$25,895	\$1,831	27%	14%	7%	8.1 x	1.1 x	13.3 x
Cognizant Technology Solutions	US	\$67.07	74%	\$32,757	\$32,126	\$20,486	\$2,436	34%	19%	12%	8.4 x	1.6 x	13.4 x
Wipro Limited	IN	\$2.69	74%	\$28,217	\$24,282	\$10,047	\$1,515	30%	24%	15%	10.0 x	2.4 x	18.6 x
DXC Technology Company	US	\$13.63	55%	\$2,440	\$5,447	\$12,794	\$379	25%	17%	3%	2.5 x	0.4 x	6.4 x
Rackspace Technology, Inc	US	\$1.41	41%	\$337	\$3,541	\$2,693	(\$369)	20%	4%	-	37.3 x	1.3 x	-
CGI Group	CA	\$89.03	71%	\$17,699	\$20,025	\$11,175	\$1,230	16%	19%	11%	9.6 x	1.8 x	14.4 x
ePlus	US	\$71.01	66%	\$1,891	\$1,540	\$2,170	\$118	27%	9%	5%	8.2 x	0.7 x	16.0 x
Insight Enterprises	US	\$113.41	54%	\$3,569	\$4,806	\$8,356	\$150	21%	5%	2%	12.5 x	0.6 x	23.8 x
Leidos	US	\$188.96	93%	\$24,243	\$29,014	\$17,053	\$1,402	18%	14%	8%	12.5 x	1.7 x	17.3 x
Science Applications Int.	US	\$99.37	64%	\$4,573	\$6,970	\$7,460	\$399	12%	9%	5%	10.1 x	0.9 x	11.5 x
Managed Services Mean			67%					28%	16%	10%	13.1 x	1.9 x	18.6 x
Managed Services Median			66%					27%	18%	9%	10.8 x	1.6 x	17.3 x

*Source: Yahoo Finance. As of 30th September.

Discount Rates Implied From IT Public Market Valuations

Sector	Beta Levered	Beta Unlevered	Unlevered Discount Rate	Relevered Discount Rate ⁽¹⁾	Relevered Discount Rate ⁽²⁾
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%

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

⁽²⁾ 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.

Madhur Duggar

Madhur@excendio.com

(212) 731-4230

Madhur Duggar | Excendio Advisors (excendio.com)

Mergers and Acquisitions | Middle Market Mergers | Excendio Advisors

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