

IT & Software Market Update

November 2025

By Madhur Duggar



madhur@excendio.com



Table of Contents

1	Summary	03
2	Current Active Searches	04
3	ITN Grow Key Takeaways	05
6	Macro	06
7	Public Market Multiples	08
8	Private Market Multiples	10
9	Excendio Transactions	15
10	Appendix	21





Macro Update

2.3% / 12.4%

S&P Return: Oct-25/LTM

4.15%

10 Year Treasury Yield



Conference Speak

“AI will drive pricing down for MSPs over the next 18 months. MSPs who do not pivot will be presiding over a shrinking investment.” – Kevin Blake, Integris at ITN December 2025



Public Market Multiple

13.2x

Managed Services TTM EV/ EBITDA Multiple

8.0x

SaaS TTM Revenue Multiple



Private Market Multiple

12.5x

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

1.8x

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



Select MSP Transactions

Acquiror
IT Solutions

Target
 CopperTree
Solutions
An IT Solutions Company

Acquiror

 LYRA
TECHNOLOGY GROUP

Target

 BLACKBIRD IT



Podcast – M&A Insights

[OBBBA Explained: The Tax Changes Every MSP Should Care About](#)

In this podcast, we talk about key OBBBA tax changes that impact MSPs, from QBI and QSBS benefits to R&D expensing, interest deductions, and overtime rules

- 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.

Key Takeaways from ITN Grow in Tampa focused on educating sellers about the Exit process.

"Five years" isn't a plan.

If you're serious about exiting, write down your WHY, build the right team, and put an actual date on the calendar. Hope is not a strategy.

Good M&A advisors pay for themselves.

They add 1–2 turns of EBITDA. They cost about ¼ turn. That's not a cost — it's arbitrage.

Your MSA must be assignable.

If it isn't, expect last-minute client panic and deal chaos. Fix the language now, not when lawyers start billing by the hour.

C-Corps are trendy.

Yes, they can save serious taxes. No, that doesn't mean they're right for you. Run the math before jumping on the bandwagon.

Your leverage peaks before the LOI.

After you sign, it falls off a cliff. If you want carve-outs (like your AI consulting business), negotiate that non-compete before the LOI — not after.

Seller QoEs find hidden EBITDA.

A \$25K EBITDA lift can mean \$125K–\$250K+ in value. That's a very strong ROI for one PDF.

Rollover equity isn't Monopoly Money

Did you ask how the buyer valued their stock? A \$5 swing on a \$50 valuation = 10% of your exit price. That's more than a year's salary.

Earnouts are not free money.

Roughly 40% of deals never pay out a dollar in earnout. Buyers use earnouts to bridge the gap between real numbers and hope. Be realistic.

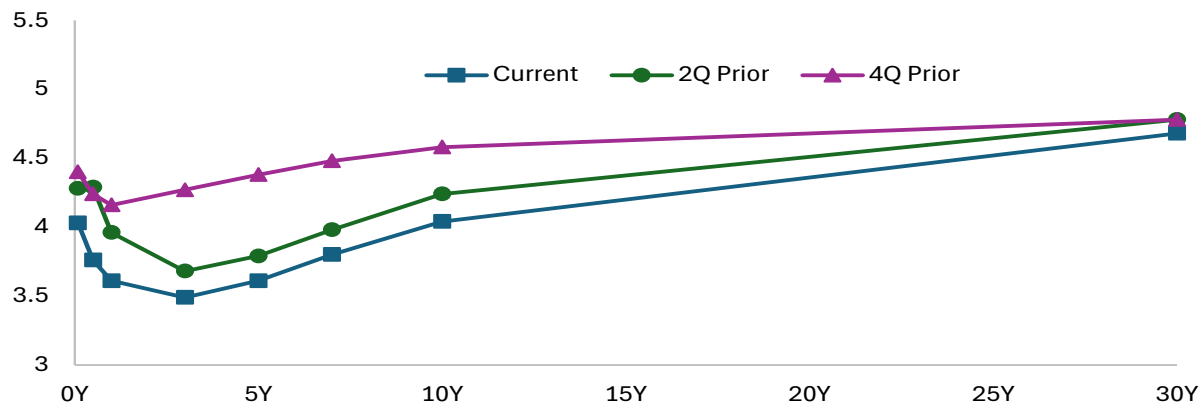
Equity markets seem to have become disconnected with employment growth

	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	4.04	11-24-2025	-0.23	-5.39	4.04	3.32	4.16	4.24	4.23	4.58
CoreCPI	3.02	09-01-2025	0.15	5.23	3.02	2.58	3.02	2.67	2.41	2.87
Unemployment Rate	4.40	09-01-2025	0.30	7.32	4.40	5.65	4.40	4.10	4.20	4.10
Initial Claims 4-week MA	224.25	11-15-2025	5.75	2.63	224.25	370.96	234.75	241.25	223.00	222.25
Nonfarm Payroll Change (Unrevised)	119.00	09-01-2025	-121.00	1.70	119.00	140.29	119.00	-13.00	120.00	323.00
INDEXES AND INDICATORS										
Sahm Recession Indicator	0.23	09-01-2025	-0.27	-54.00	0.23	0.48	0.23	0.17	0.27	0.40
Michigan Consumer Sentiment	51.00	11-01-2025	-23.00	-0.29	51.00	82.09	55.10	60.70	57.00	71.80
Michigan Inflation Expectations	4.50	11-01-2025	1.70	0.36	4.50	3.16	4.70	5.00	5.00	2.80
MARKETS										
S&P 500	6765.88	11-25-2025	744.25	12.36	6765.88	-	6688.46	6204.95	5611.85	5881.63
NASDAQ	23025.59	11-25-2025	3850.01	20.08	23025.59	-	22660.01	20369.73	17299.29	19310.79
VIX	20.52	11-24-2025	5.92	40.55	20.52	19.85	16.28	16.73	22.28	17.35
ICE Corp BBB OAS	1.08	11-24-2025	0.06	5.88	1.08	1.99	0.97	1.08	1.20	1.02
ICE Corp HY OAS	3.15	11-24-2025	0.46	17.10	3.15	5.37	2.80	2.96	3.55	2.92

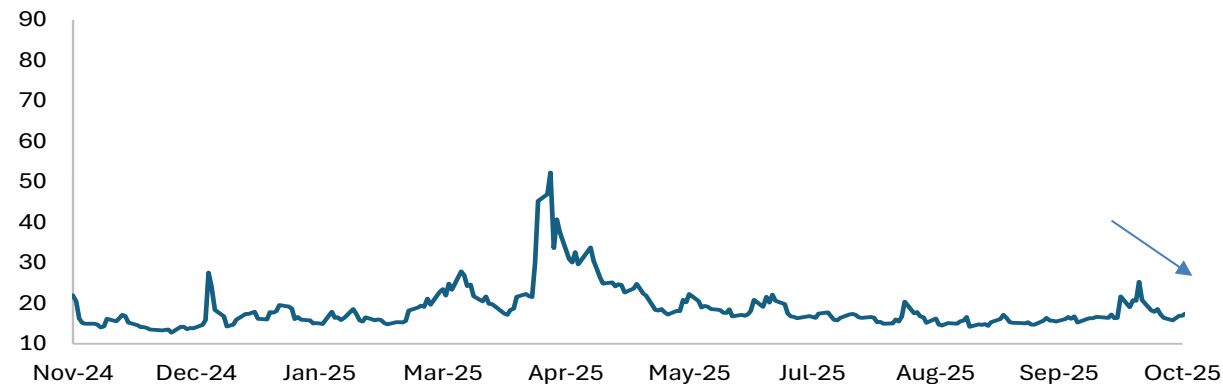
Macro Update – Slowing job growth and Inflationary concerns are holding back the recovery in consumer sentiment

Equity markets continue to rally, however inflationary concerns persist and job growth has slowed down

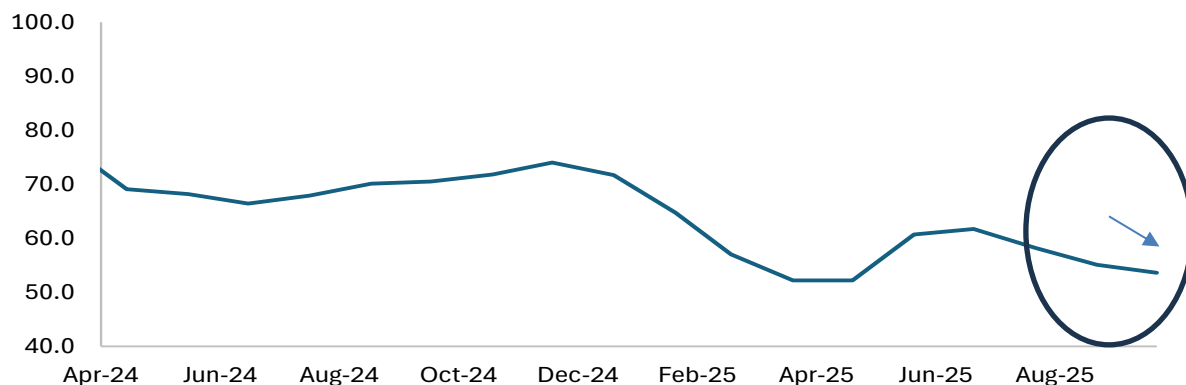
Treasury Yield Curve



CBOE Volatility Index



Michican Consumer Sentiment Survey

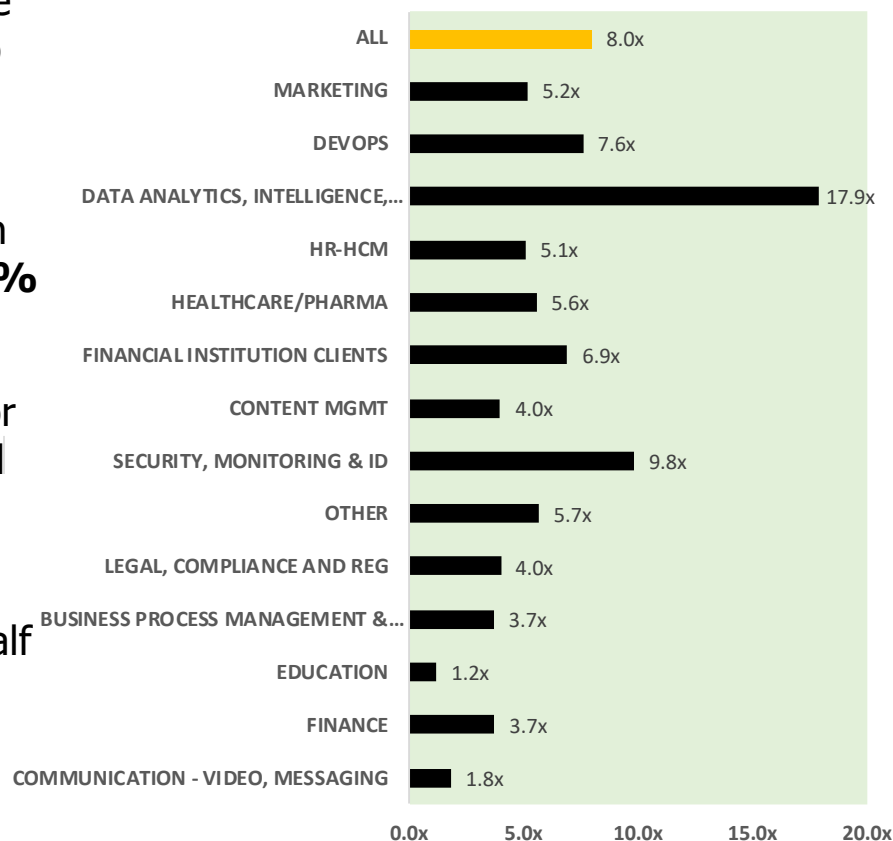


S&P 500

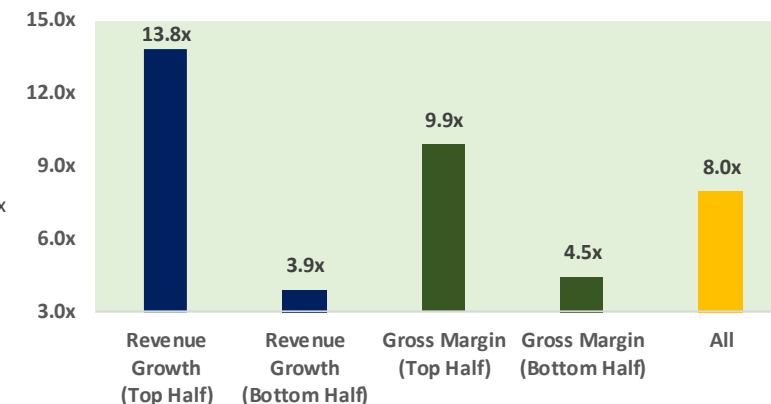


- The aggregate SaaS TTM Revenue Multiple increased by **0.4 pts** in **October 2025** to **8.0x** compared with **7.6x** in **September 2025**.
- The broad stock market index expanded in the third quarter. **S&P 500** increased **2.3%** in October & Fourth quarter.
- Sector Mattered:** Multiples contracted for Horizontals like HR, Pharma and expanded for Data Analytics, Education.
- Quality Mattered:** The difference in multiples between Top Half and Bottom Half companies by Revenue growth and Gross Margin is at about **9.9x** and **5.4x** respectively.

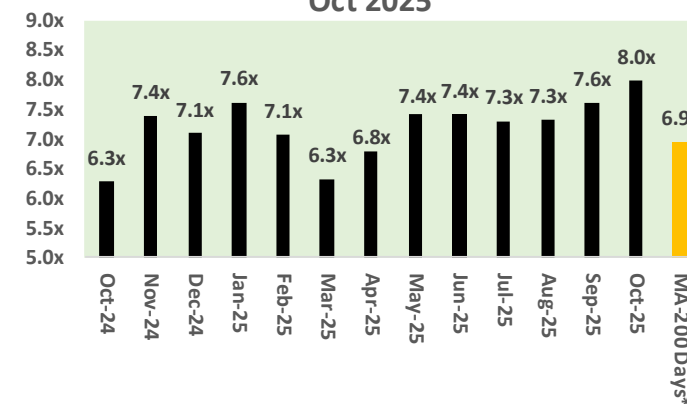
Revenue Xs By SaaS Sector (ME Oct 2025)



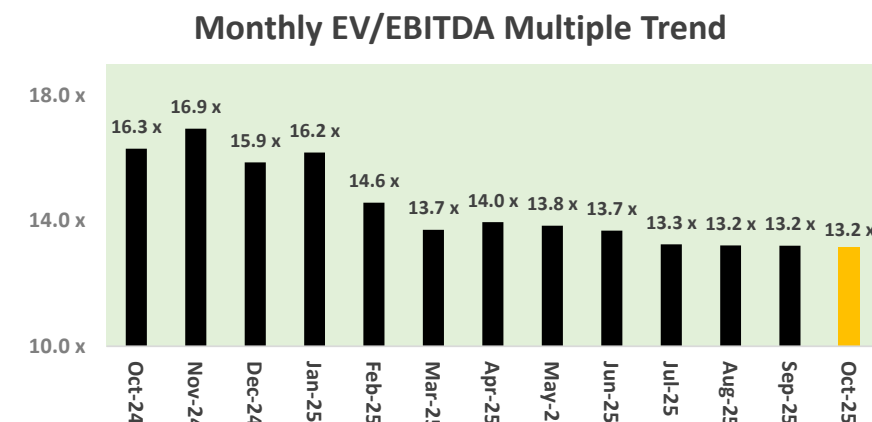
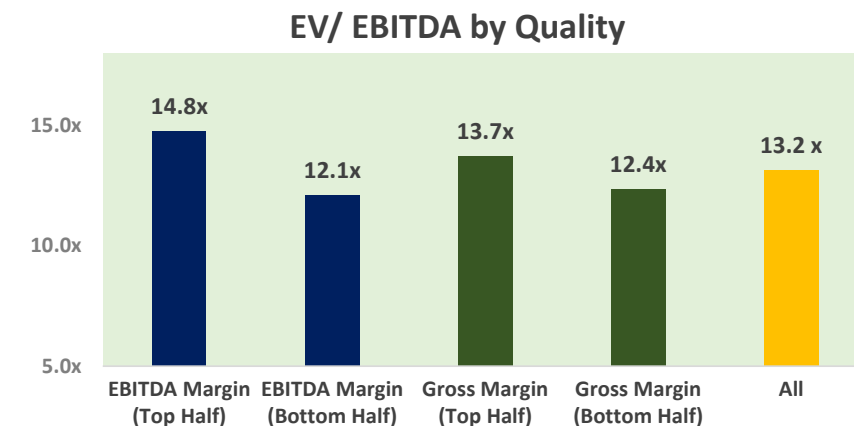
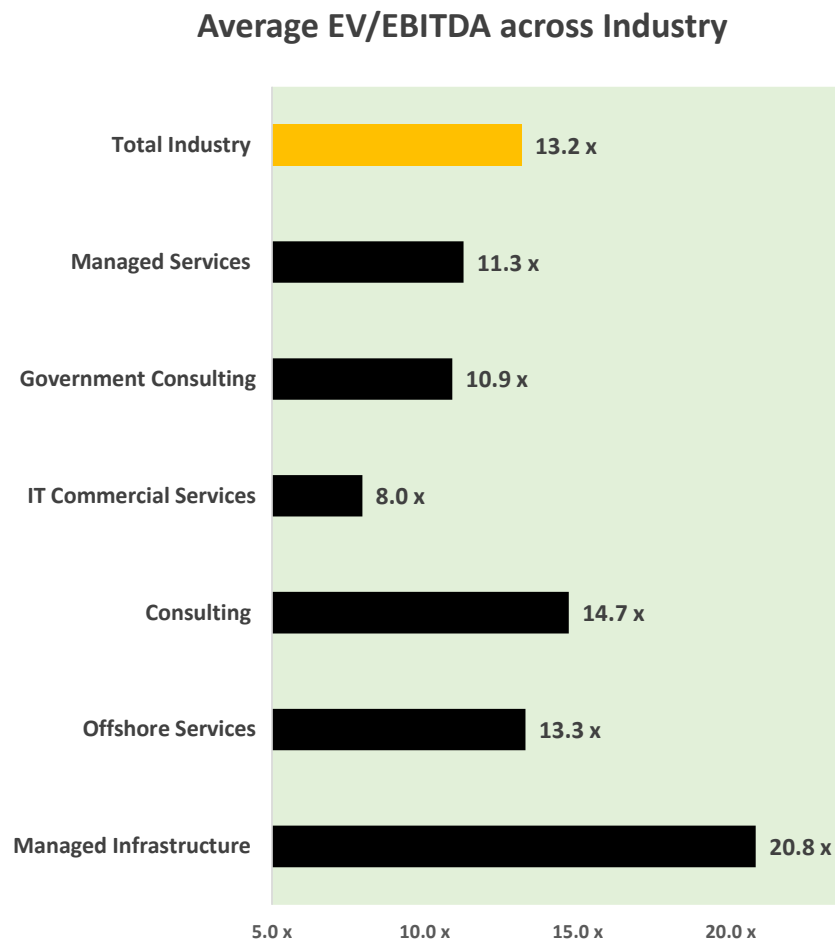
SaaS Revenue Xs (ME Oct 2025) By Quality



Recovery in SaaS Revenue Xs Stalled in Oct 2025



- The aggregate IT Services TTM EBITDA Multiple remained about the same in **Oct 2025** & in **Sep 2025** at about **13.2x**.
- Multiples contracted by **1.8x** pts for Managed Services & expanded for IT Commercial Services, Offshore Services by **1.1x**, **0.5x** pts in October.
- 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 ~**29%** above the multiple for **October 2025**.



YTD Median EV/EBITDA and EV/Revenue multiples stand at 24.0x and 3.3x

YTD Median EV/EBITDA and EV/Revenue multiples for deals less than \$200MN stand at 12.5x and 1.8x respectively.

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

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

Private Market Multiples

Selected M&A Deals (TTM Oct 2025)

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

*Source: Federal Reserve, Yahoo Finance.

Private Market Multiples

Selected M&A Deals (TTM Oct 2025)

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US\$mn)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
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
Oct-25	Crisp Momentum Inc.	ALMAD Group Limited	3	NA	NM	Application Software	Target engages in the production and distribution of short-form content in the United States
Oct-25	ListEngage, LLC.	Tata Consultancy Services Limited (NSEI:TCS)	73	NA	3.0x	IT Consulting and Other Services	Target operates as a full-stack Salesforce partner that specializes in marketing cloud, CRM, data cloud, agent force, and AI advisory services for enterprises
Oct-25	Eventdex LLC	Nextech3D.AI Corporation (OTCQB:NEXC.F)	1	NA	0.9x	Application Software	Target provides cloud-based event management software and mobile applications for organizing and executing virtual, hybrid, and in-person events
Oct-25	MeridianLink, Inc.	Centerbridge Partners, L.P.	2,053	42.0x	6.7x	Application Software	Target is a software-as-a service company that provides software solutions for banks, credit unions, mortgage lenders, specialty lending providers
Oct-25	CoreCard Corporation	Euronet Worldwide, Inc. (NASDAQGS:EEFT)	174	17.6x	3.9x	Application Software	Target provides technology solutions and processing services to the financial technology and services market
	25th Percentile			15.6x	1.6x		
	Median			24.0x	3.3x		
	75th Percentile			41.5x	7.4x		

*Source: Federal Reserve, Yahoo Finance.

Notable Service Provider Deals in October

IT Solutions



Acquiror – IT Solution Consulting

- IT Solution Consulting announced its acquisition of Copper Tree Solutions on Oct 14, 2025.
- IT Solutions, Inc., based in PA with 500-1k employees provides managed IT services, cybersecurity, cloud solutions, and strategic IT consulting to help organizations enhance security and streamline operations.
- CopperTree Solutions is a Ontario based managed IT services provider specializing in proactive IT management, cybersecurity, virtual CIO services, cloud support, and strategic IT planning, with roughly 10-50 employees.
- This acquisition expands IT Solutions Inc's footprint into Southern Ontario as part of its broader North American growth strategy.

Target – Copper Tree Solutions



Acquiror – Lyra Technology Group

- Lyra Technology Group announced the acquisition of Blackbird IT on Oct 16, 2025.
- Lyra Technology Group, based in the Chicago under Evergreen Services Group, has 250-500 employees and operates a global portfolio of MSPs that remain independently run while leveraging shared resources and scale.
- Blackbird IT is an Adelaide, based managed IT services provider with an estimated 11-50 employees, offering managed services, cloud solutions, and Apple-focused IT support..
- The deal expands Lyra Technology Group's footprint in Australia and strengthens its global MSP network while allowing Blackbird IT to retain its brand and team under the Evergreen decentralized model.



Target – Blackbird IT

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



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



Hostway acquired IMS Soft &
Services



TeleData acquired The Hogan
Group INC



RiverStreet Networks
acquired Gamewood



Valor Global acquired
Extreme Integration



Vertical Trail Solutions
acquired Edgilent



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	84%	55%	48%	22%
Managed Infrastructure Median	85%	55%	41%	24%
Offshore Services Mean	73%	31%	19%	11%
Offshore Services Median	77%	31%	20%	12%
Consulting Mean	72%	36%	9%	5%
Consulting Median	81%	38%	9%	5%
IT Commercial Services Mean	65%	28%	20%	12%
IT Commercial Services Median	70%	28%	18%	11%
Government Consulting Mean	74%	27%	11%	6%
Government Consulting Median	76%	25%	11%	6%
Managed Services Mean	72%	28%	17%	10%
Managed Services Median	73%	27%	17%	10%
Total Industry Mean	73%	34%	20%	11%
Total Industry Median	76%	29%	17%	11%

Valuation Multiples		
EV/ LTM EBITDA	EV/ LTM Revenue	Price/ Earnings
20.8 x	9.9 x	44.7 x
20.1 x	11.3 x	41.7 x
13.3 x	2.5 x	22.7 x
14.6 x	2.4 x	22.3 x
14.7 x	1.4 x	29.3 x
14.0 x	1.5 x	26.6 x
8.0 x	1.1 x	12.2 x
9.0 x	1.2 x	14.2 x
11.0 x	1.2 x	15.5 x
10.1 x	1.1 x	14.2 x
11.3 x	2.0 x	18.0 x
10.5 x	1.6 x	17.3 x
13.2 x	3.0 x	23.7 x
12.3 x	1.6 x	19.8 x

*Source: Yahoo Finance. As of 31st October.

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	\$846.01	85%	\$83,066	\$101,971	\$9,058	\$1,070	50%	41%	12%	27.4 x	11.3 x	77.6 x
Digital Realty Trust	US	\$170.41	88%	\$58,536	\$75,020	\$5,914	\$1,403	55%	63%	24%	20.1 x	12.7 x	41.7 x
Digital Ocean Holdings	US	\$40.66	78%	\$3,720	\$5,098	\$864	\$252	61%	39%	29%	14.9 x	5.9 x	14.8 x
Managed Infrastructure Mean			84%					55%	48%	22%	20.8 x	9.9 x	44.7 x
Managed Infrastructure Median			85%					55%	41%	24%	20.1 x	11.3 x	41.7 x
Offshore Services													
Tata Consultancy Services	IN	\$34.50	68%	\$124,829	\$120,566	\$28,899	\$5,586	43%	28%	19%	14.8 x	4.2 x	22.3 x
Infosys Limited	IN	\$16.72	74%	\$69,329	\$65,310	\$19,687	\$3,269	31%	26%	17%	12.6 x	3.3 x	21.2 x
HCL Technologies Limited	IN	\$17.39	77%	\$47,053	\$47,024	\$13,465	\$1,916	27%	23%	14%	15.1 x	3.5 x	24.6 x
Cognizant Technology Solutions	US	\$72.88	80%	\$35,175	\$33,991	\$20,857	\$2,128	34%	19%	10%	8.6 x	1.6 x	16.5 x
Wipro Limited	IN	\$2.72	74%	\$28,441	\$24,497	\$10,115	\$1,529	30%	24%	15%	10.1 x	2.4 x	18.6 x
LTI Mindtree Limited	IN	\$64.13	84%	\$19,005	\$17,892	\$4,367	\$533	28%	20%	12%	20.6 x	4.1 x	35.7 x
Tech Mahindra Limited	IN	\$16.07	79%	\$14,229	\$13,628	\$6,017	\$510	27%	16%	8%	14.6 x	2.3 x	27.9 x
Genpact Limited	BM	\$38.15	67%	\$6,578	\$7,262	\$5,009	\$551	36%	18%	11%	8.1 x	1.4 x	11.9 x
Globant S.A.	LU	\$61.58	26%	\$2,713	\$3,020	\$2,485	\$100	35%	7%	4%	18.0 x	1.2 x	27.0 x
Mphasis Limited	IN	\$31.19	85%	\$5,934	\$5,861	\$1,640	\$196	31%	21%	12%	17.4 x	3.6 x	30.2 x
Sonda S.A.	CL	\$0.38	85%	\$329	\$641	\$1,672	\$25	14%	6%	1%	6.2 x	0.4 x	13.4 x
Offshore Services Mean			73%					31%	19%	11%	13.3 x	2.5 x	22.7 x
Offshore Services Median			77%					31%	20%	12%	14.6 x	2.4 x	22.3 x

*Source: Yahoo Finance. As of 31st October.

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	\$165.01	81%	\$5,095	\$5,718	\$3,693	\$266	32%	11%	7%	14.0 x	1.5 x	19.2 x
Huron Consulting Group	US	\$164.44	94%	\$2,835	\$3,466	\$1,656	\$108	32%	13%	7%	16.2 x	2.1 x	26.2 x
Resources Connection	US	\$4.40	44%	\$147	\$95	\$535	(\$188)	38%	2%	-	10.6 x	0.2 x	-
The Hackett Group	US	\$18.11	53%	\$491	\$524	\$309	\$11	38%	9%	4%	19.3 x	1.7 x	45.0 x
Information Services Group	US	\$5.51	85%	\$264	\$304	\$241	\$10	42%	9%	4%	13.4 x	1.3 x	27.0 x
Consulting Mean			72%					36%	9%	5%	14.7 x	1.4 x	29.3 x
Consulting Median			81%					38%	9%	5%	14.0 x	1.5 x	26.6 x
IT Commercial Services													
Accenture plc	IE	\$250.10	63%	\$155,097	\$151,795	\$69,673	\$7,832	32%	17%	11%	12.8 x	2.2 x	19.8 x
Capgemini SE	FR	\$154.49	72%	\$25,588	\$30,173	\$25,535	\$1,811	27%	14%	7%	8.5 x	1.2 x	14.1 x
CGI Inc	CA	\$87.30	70%	\$17,027	\$19,604	\$11,382	\$1,186	16%	18%	10%	9.6 x	1.7 x	14.4 x
Atos SE	FR	\$58.71	80%	\$1,138	\$2,814	\$9,991	\$1,729	35%	31%	17%	0.9 x	0.3 x	0.7 x
Unisys Corporation	US	\$3.57	41%	\$255	\$702	\$1,921	(\$329)	28%	-	-	-	0.4 x	-
IT Commercial Services Mean			65%					28%	20%	12%	8.0 x	1.1 x	12.2 x
IT Commercial Services Median			70%					28%	18%	11%	9.0 x	1.2 x	14.2 x
Government Consulting													
Booz Allen Hamilton Holding Corporati	US	\$87.16	58%	\$10,573	\$13,918	\$11,980	\$826	52%	11%	7%	10.7 x	1.2 x	12.8 x
CACI International Inc	US	\$562.25	89%	\$12,414	\$15,484	\$8,859	\$504	9%	11%	6%	15.3 x	1.7 x	24.6 x
Science Applications International Cor	US	\$93.71	76%	\$4,313	\$6,914	\$7,460	\$399	12%	9%	5%	10.0 x	0.9 x	10.8 x
Maximus, Inc.	US	\$83.12	90%	\$4,527	\$5,750	\$5,431	\$319	25%	12%	6%	8.7 x	1.1 x	14.2 x
ICF International, Inc.	US	\$80.28	59%	\$1,480	\$2,103	\$1,926	\$99	37%	11%	5%	10.1 x	1.1 x	15.0 x
Government Consulting Mean			74%					27%	11%	6%	11.0 x	1.2 x	15.5 x
Government Consulting Median			76%					25%	11%	6%	10.1 x	1.1 x	14.2 x

*Source: Yahoo Finance. As of 31st October.

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	\$250.10	63%	\$155,097	\$151,795	\$69,673	\$7,832	32%	17%	11%	12.8 x	2.2 x	19.8 x
Tata Consultancy Services	IN	\$34.50	68%	\$124,829	\$120,566	\$28,899	\$5,586	43%	28%	19%	14.8 x	4.2 x	22.3 x
International Business Machines Corp	US	\$307.41	95%	\$287,347	\$339,061	\$65,402	\$7,919	58%	25%	12%	20.9 x	5.2 x	36.3 x
Infosys Limited	IN	\$16.72	74%	\$69,329	\$65,310	\$19,687	\$3,269	31%	26%	17%	12.6 x	3.3 x	21.2 x
Capgemini SE	FR	\$154.49	72%	\$25,588	\$30,173	\$25,535	\$1,811	27%	14%	7%	8.5 x	1.2 x	14.1 x
Cognizant Technology Solutions	US	\$72.88	80%	\$35,175	\$33,991	\$20,857	\$2,128	34%	19%	10%	8.6 x	1.6 x	16.5 x
Wipro Limited	IN	\$2.72	74%	\$28,441	\$24,497	\$10,115	\$1,529	30%	24%	15%	10.1 x	2.4 x	18.6 x
DXC Technology Company	US	\$14.20	60%	\$2,473	\$5,279	\$12,714	\$384	25%	17%	3%	2.5 x	0.4 x	6.4 x
Rackspace Technology, Inc	US	\$1.60	53%	\$390	\$3,561	\$2,689	(\$249)	19%	8%	-	16.7 x	1.3 x	-
CGI Group	CA	\$87.30	70%	\$17,027	\$19,604	\$11,382	\$1,186	16%	18%	10%	9.6 x	1.7 x	14.4 x
ePlus	US	\$73.16	78%	\$1,934	\$1,631	\$2,286	\$129	27%	9%	6%	7.7 x	0.7 x	15.0 x
Insight Enterprises	US	\$100.00	55%	\$3,098	\$4,184	\$8,272	\$142	21%	5%	2%	10.8 x	0.5 x	21.8 x
Leidos	US	\$190.47	93%	\$24,353	\$28,608	\$17,332	\$1,409	18%	14%	8%	12.2 x	1.7 x	17.3 x
Science Applications Int.	US	\$93.71	76%	\$4,313	\$6,914	\$7,460	\$399	12%	9%	5%	10.0 x	0.9 x	10.8 x
Managed Services Mean			72%					28%	17%	10%	11.3 x	2.0 x	18.0 x
Managed Services Median			73%					27%	17%	10%	10.5 x	1.6 x	17.3 x
Total Industry Mean			73%					34%	20%	11%	13.2 x	3.0 x	23.7 x
Total Industry Median			76%					29%	17%	11%	12.3 x	1.6 x	19.8 x

*Source: Yahoo Finance. As of 31st October.

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

Excendio Advisors