

IT & Software Market Update

February 2026

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Macro Update

1.4% / 15.7%

S&P Return: Jan-26/LTM

4.03%

10 Year Treasury Yield



Bottom Line

- There are as many 10+ seat MSPs as there are Dunkin' Donuts.
- Most are led by founders 50+ years old.
- Too small to exit as platforms. Too large to sell to their neighbor MSP.



Public Market Multiple

10.7x

Managed Services TTM EV/ EBITDA Multiple

5.7x

SaaS TTM Revenue Multiple



Private Market Multiple

15.8x

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

1.9x

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



Select MSP Transactions

Acquiror



Target



Acquiror



Target



Podcast – M&A Insights

A Lender's Perspective

[Financing the MSP Roll-Up: What Lenders Actually Look For](#)

In this podcast, we sit down with Reed Van Gorden, Head of Origination at Deerpath Capital to understand what lenders are looking for in MSPs

- 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: Founder-owned \$10MN CT MSP looking to partner with regional MSPs in CT/NJ/NY/PA to exit as a platform.

NJ MSP: Founder-owned \$20MN+ NY MSP looking to partner with MSPs to exit as a national platform.

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

PA MSP: \$3MN MSP looking to partner with regional MSPs to exit as a regional platform.

MI-backed \$8MN Data Analytics Consulting firm looking to exit under a Buyer Assignment

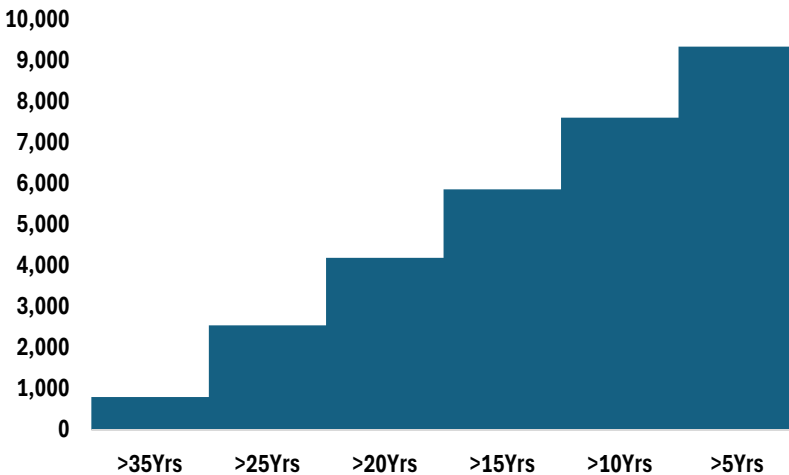
- In addition to these selected searches, Excendio has several standing buyer assignments with major MSP integrators with varying acquisition models. Please contact us if you wish to learn more about our partnerships and how we can assist you with exits and acquisitions. Excendio works on both buy-side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



Too Many MSPs – One for Every Dunkin’

- There are over 9K MSPs in the US founded on or before 2020 with more than 10 employees.
- Did you know, that’s as many Dunkin’ Donuts locations there are in the US
- That is a lot of MSPs!

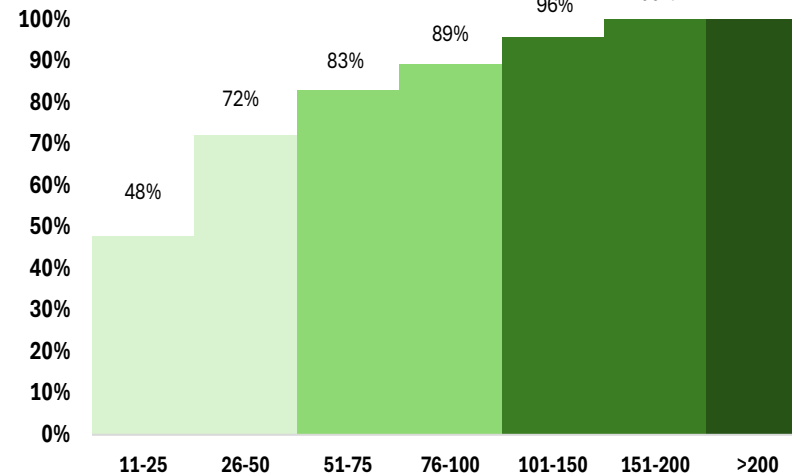
Count of MSPs With Over 10 Seats



Aging Profile of MSP Owners – 50+

- 4K MSPs were founded more than 20-yrns ago.
- The vast majority of these are founder led
- They started when they were 25-30 years old
- They are over 50 years old today
- Their kids don’t want any of it – mostly!

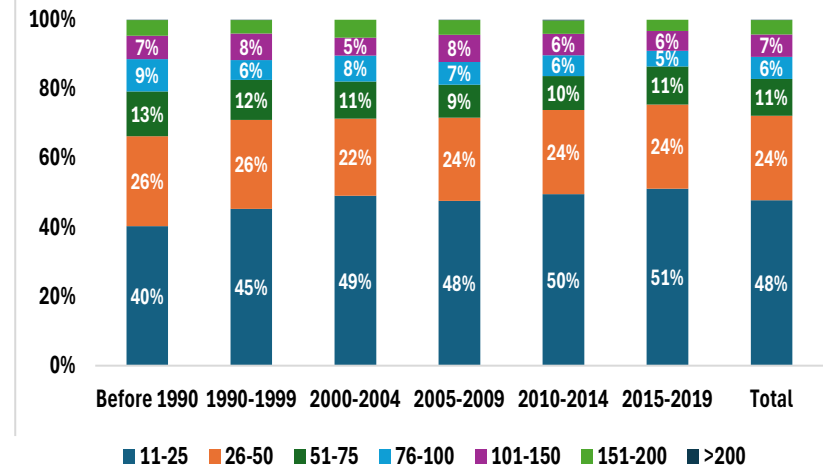
MSPs by Size



Growing very slowly – Will Likely Exit

- Over 70% have fewer than 50 people
- Less than \$2MN in EBITDA,
- Cannot exit as platforms – too small
- Can exit as add-ons
- Or, soldier on in a new AI-world

Size by MSP Cohorts



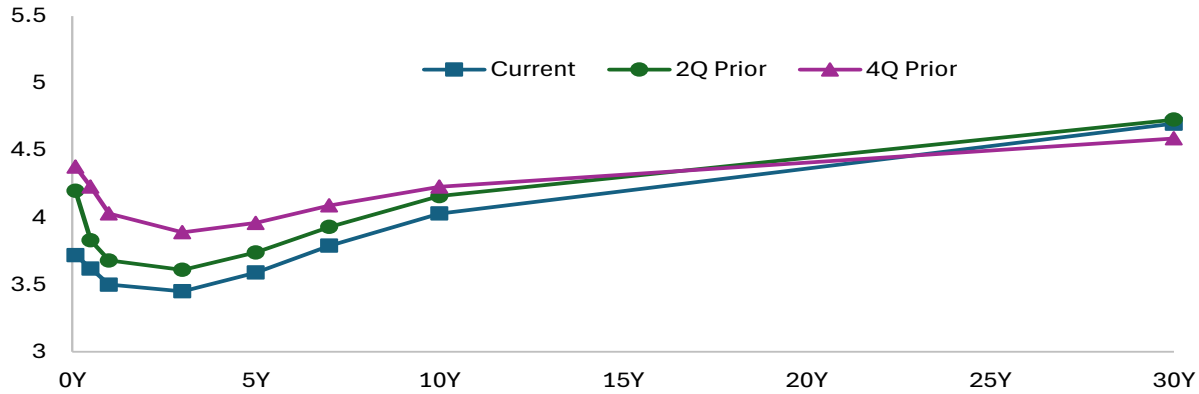
The US shed 92K jobs in Feb-2026, the most in four months. Health care employment fell 28K, reflecting strike activity.

		Current	As of	1Y Ch	1Y % Ch	Current	Hist. Avg	1Q Prior	2Q Prior	3Q Prior	4Q Prior
RATES, INFLATION AND UNEMPLOYMENT											
10y Constant Maturity Tsy Yield	DGS10	4.03	02/23/2026	-0.37	-8.41	4.03	3.33	4.18	4.16	4.24	4.23
CoreCPI	FPCPITOTLZGUSA	2.39	01/01/2026	0.01	0.39	2.39	2.58	2.65	3.02	2.68	2.38
Unemployment Rate	UNRATE	4.30	01/01/2026	0.30	7.50	4.30	5.64	4.40	4.40	4.10	4.20
Initial Claims 4-week MA	IC4WSA	219.00	02/14/2026	1.25	0.57	219.00	369.47	219.00	234.75	241.25	223.00
Nonfarm Payroll Change (Unrevised)	PAYEMS	-92.00	03/06/2026	-159.00	-319.05	-92.00	140.48	48.00	76.00	-20.00	67.00
INDEXES AND INDICATORS											
Sahm Recession Indicator	SAHMREALTIME	0.30	01/01/2026	-0.07	-18.92	0.30	0.48	0.35	0.23	0.17	0.27
Michigan Consumer Sentiment	UMCSENT	56.60	02/20/2026	-8.10	-12.52	56.60	81.81	52.90	55.10	60.70	57.00
Michigan Inflation Expectations	MICH	3.40	02/20/2026	-0.90	-20.93	3.40	3.17	4.20	4.70	5.00	5.00
MARKETS											
S&P 500	SP500	6890.07	02/24/2026	934.82	15.70	6890.07	-	6845.50	6688.46	6204.95	5611.85
NASDAQ	NASDAQCOM	22863.68	02/24/2026	3837.29	20.17	22863.68	-	23241.99	22660.01	20369.73	17299.29
VIX	VIXCLS	21.01	02/23/2026	2.03	10.70	21.01	19.82	14.95	16.28	16.73	22.28
ICE Corp BBB OAS	BAMLC0A4CBBB	1.01	02/23/2026	-0.08	-7.34	1.01	1.98	1.01	0.97	1.08	1.20
ICE Corp HY OAS	BAMLH0A0HYM2	2.95	02/23/2026	0.08	2.79	2.95	5.35	2.81	2.80	2.96	3.55

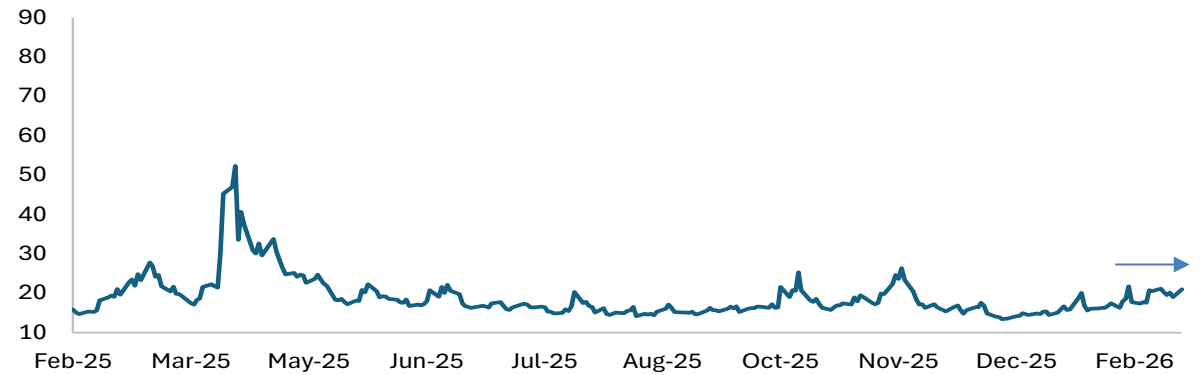
*Source: Federal Reserve, Yahoo Finance.

Downwards revisions to past jobs growth – Dec-25 down by 65K to -17K, Jan-26 down by 4K to 126K

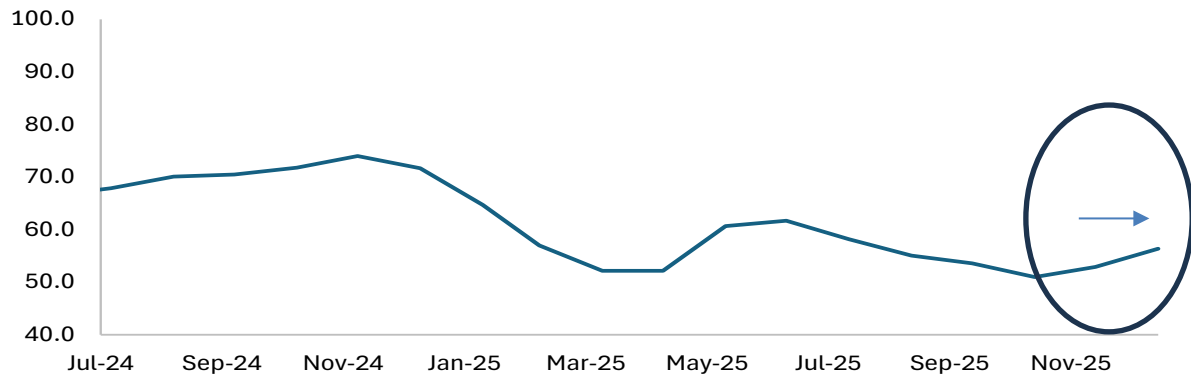
Treasury Yield Curve



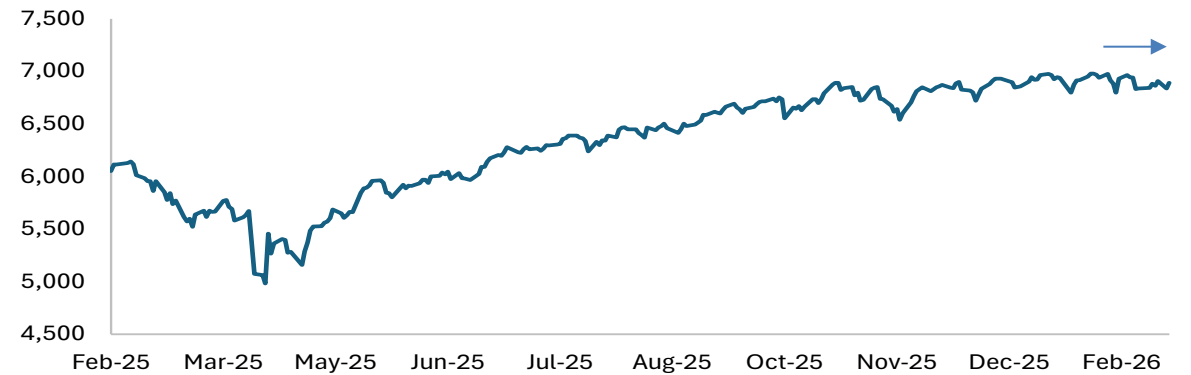
CBOE Volatility Index



Michican Consumer Sentiment Survey



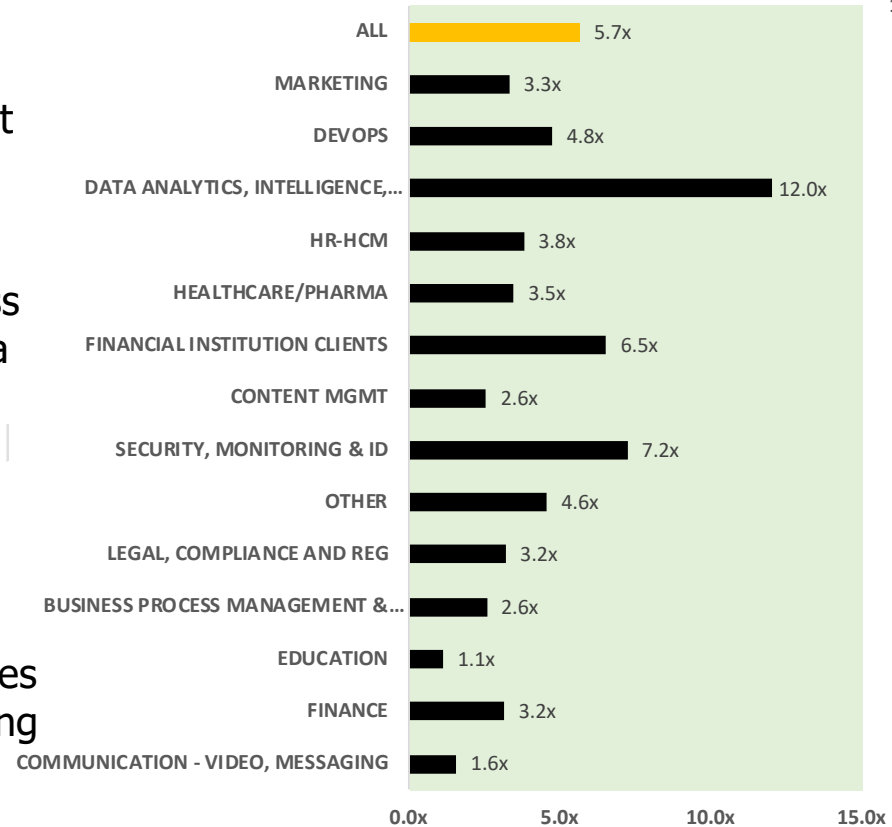
S&P 500



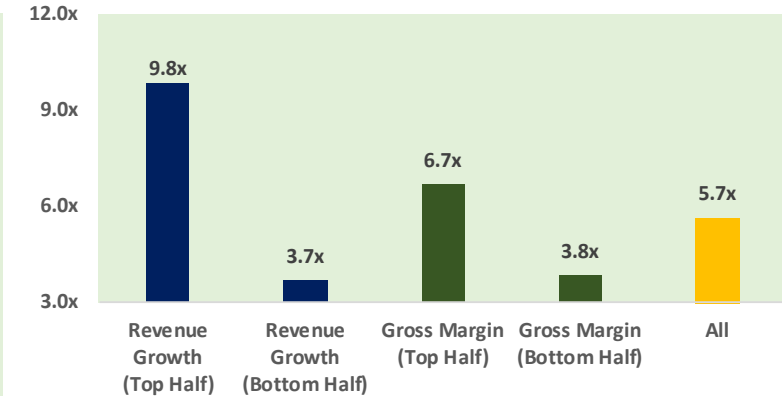
*Source: Federal Reserve, Yahoo Finance.

- The aggregate SaaS TTM Revenue Multiple decreased significantly to **5.7x** in **January 2026** compared **December 2025**.
- The broader equity markets showed modest expansion, with the **S&P 500** rising approximately **1.4%** in **January 2026**.
- Sector Mattered:** Multiples declined across almost all sectors, with horizontals like Data Analytics, DevOps, and Marketing seeing sharper compression, driven by broader software market corrections and **multiple normalization**
- Quality Mattered:** Valuation dispersion remained significant, with top-half companies by Revenue Growth and Gross Margin trading at premiums of approximately **6.2x** and **2.8x**, respectively

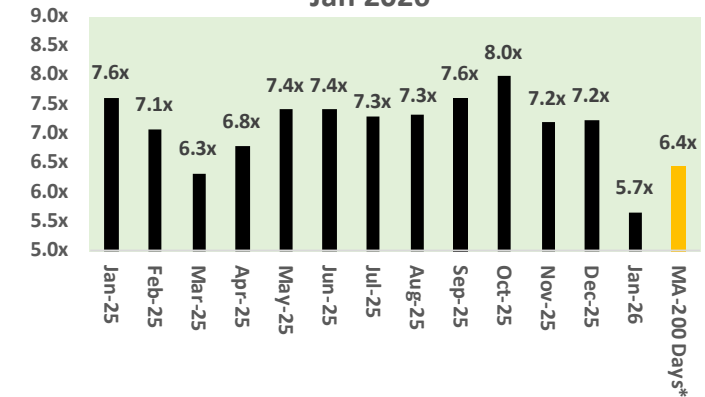
Revenue Xs By SaaS Sector (ME Jan 2026)



SaaS Revenue Xs (ME Jan 2026) By Quality



Recovery in SaaS Revenue Xs Stalled in Jan 2026



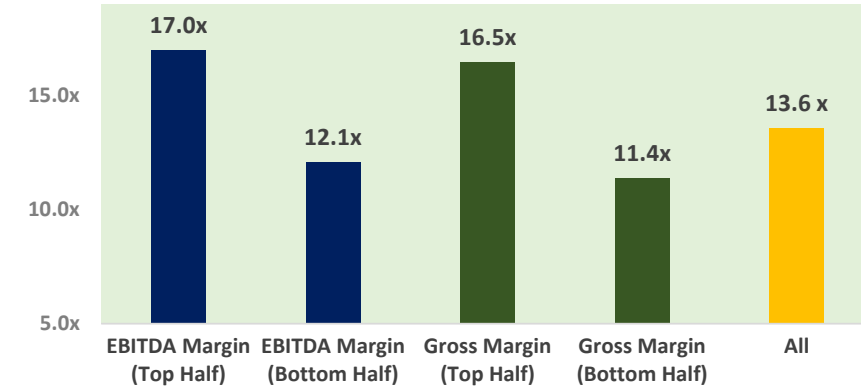
*Source: Yahoo Finance. As of 30th Jan.

- The aggregate IT Services TTM EV/EBITDA multiple saw a modest increase to **13.6x** in **January 2026**, up from **December 2025**
- Multiples contracted by **0.4x** and **0.3x** for Consulting and Managed Services, respectively, while expanding by **1.0x** and **0.8x** for Managed Infra and Government Consulting in January
- Top-half companies with above-average EBITDA and gross margins commanded higher EV/EBITDA multiples, a trend consistent with the SaaS sector
- The 52-week high EV/EBITDA multiple trades at **~8%** above the multiple for **January 2026**

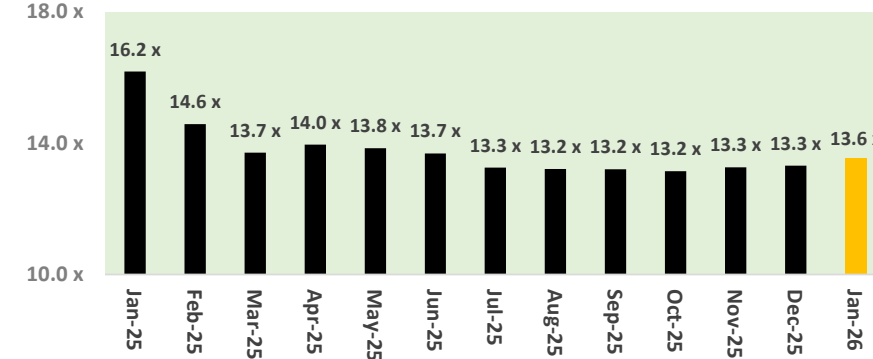
Average EV/EBITDA across Industry



EV/ EBITDA by Quality



Monthly EV/EBITDA Multiple Trend



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

YTD Median EV/EBITDA and EV/Revenue multiples stand at 32.9x and 3.3x

YTD Median EV/EBITDA and EV/Revenue multiples for deals less than \$200MN stand at 15.8x and 1.9x respectively.

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

*Source: Federal Reserve, Yahoo Finance.

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

*Source: Federal Reserve, Yahoo Finance.

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

*Source: Federal Reserve, Yahoo Finance.

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US\$mn)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
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
Nov-25	Sojern, Inc.	Rategain Technologies Limited	250	NA	1.5x	Application Software	Target designs and develops travel marketing platform
Nov-25	Drone Nerds, LLC	XTI Drones Holdings, LLC	36	NA	0.3x	Technology Distributors	Target distributes and services DJI drones for enterprise, private, and recreational needs
Nov-25	Informatica Inc.	Salesforce, Inc. (NYSE:CRM)	8,620	28.6x	5.3x	Application Software	Target develops an artificial intelligence-powered platform
Nov-25	Ampere Computing LLC	SoftBank Group Corp. (TSE:9984)	6,500	NA	NM	Semiconductors	Target designs and manufactures processors for cloud computing and data center environments
Nov-25	Verint Systems Inc.	Thoma Bravo, L.P.; Calabrio, Inc.	2,058	17.1x	2.3x	Application Software	Target provides customer engagement solutions worldwide
Dec-25	Commotion, Inc.	Tata Communications (Netherlands) B.V.	16	NA	255.9x	Application Software	Target develops an AI-native enterprise SaaS platform enables enterprises to deliver personalized, real-time customer experiences
Dec-25	IMA Tech Inc.		1	115.2x	9.4x	Application Software	Target engages in developing digital avatars of consultants using human intelligence, artificial intelligence, and niche databases
Jan-26	SweetRush, Inc.	NIIT (USA), Inc.	26	NA	1.2x	IT Consulting and Other Services	Target provides learning and development services
Jan-26	Nozomi Networks Inc.	Mitsubishi Electric Corporation (TSE:6503)	883	NA	12.7x	Systems Software	Target provides cybersecurity solutions focused on operational technology (OT) and Internet of Things (IoT) environments
Jan-26	Jamf Holding Corp.	Francisco Partners Management, L.P.	1,946	45.4x	3.2x	Application Software	Target offers management and security solutions for Apple platforms
	25th Percentile			16.8x	1.5x		
	Median			32.9x	3.3x		
	75th Percentile			43.3x	7.5x		

*Source: Federal Reserve, Yahoo Finance.

Notable Service Provider Deals in January



Acquiror - New Charter Technologies

Target - NetSource One

- New Charter Technologies announced its acquisition of NetSource One on Jan 13, 2026.
- New Charter Technologies is a Colorado-based managed IT services platform providing cybersecurity, cloud, and IT solutions to SMB and mid-market enterprises, with over 1k-5k employees.
- NetSource One is a New Jersey-based managed IT services provider delivering IT support, cloud, and cybersecurity solutions to SMB clients, with approximately 50-250 employees.
- The acquisition strengthens New Charter Technologies' regional presence and enhances its managed services and cybersecurity capabilities through NetSource One's established client base and operational footprint.

Acquiror - NexTech Solutions

Target - Vidterra

- NexTech Solutions announced the acquisition of Vidterra on Jan 7, 2026.
- NexTech Solutions is a California-based provider of managed IT, cybersecurity, and cloud services to SMB and mid-market clients. The company operates across the U.S. with 51-100 employees.
- Vidterra is a California-based IT services provider specializing in managed IT support, cloud solutions, and IT consulting for commercial clients with 1-10 employees.
- The acquisition strengthens NexTech Solutions' regional presence and enhances its managed IT and cloud service capabilities.

Excendio Advisors

Our Recent and Past
Transactions
IT M&A

NJ



Partnered



- Announced in March 2026. Excendio Advisors served as Ocean Computer Group’s exclusive financial advisor.
- Ocean Computer Group: 50 people NJ-based provider of managed IT services, cybersecurity, infrastructure, and cloud solutions.
- Lockstep Technology Group: Georgia-based technology solutions provider serving government, education, and healthcare markets.
- Transaction expands geographic reach and strengthens cybersecurity, infrastructure, and managed services capabilities.

NY



Acquired



- Announced in August 2025. Excendio served as Converged Technology Group’s exclusive financial advisor.
- Target: 40+ people NY-based provider of Managed Services, Collaboration, Cloud, Enterprise Networking and Data Center Solutions.
- Acquirer: MA based AI-powered IT Infrastructure, Managed Services, Cybersecurity, and Cloud Innovation solutions provider.
- Transaction helped Focus expand presence geographically and build collaboration and data center capabilities.

MT



Acquired



- Announced in January 2025. Excendio served as Cosentus’ exclusive financial advisor.
- Target: MT/MO based MSP division of Cosentus Holdings offering RMM, endpoint security, network, email and device cycle management.
- Acquirer: TX based MSP offering cloud hosting, virtual desktops, and managed IT solutions.
- Transaction helped Cyberlink expand presence geographically and Cosentus to focus on its healthcare RCM business.

IL



Acquired



- Announced in November 2024. Excendio served as Edot’s exclusive financial advisor.
- Target: Schaumburg, Illinois-based MSP focused on SMB IT services, cybersecurity, backup, and more serving 150+ clients.
- Acquirer: MN-based cybersecurity provider.
- Transaction helped Acquirer to build presence in the Chicago market and Target founders to exit.
- Founder Steve Jaffe retired while Melvin Thoede continues to support the eDot business.

Other Recent Select Transactions

 SOFTWARE GROWTH PARTNERS
SGP
Acquired


 CISCO
Acquired


 CORPORATE TECHNOLOGIES
Acquired


 newera.
TECHNOLOGY
Acquired


 RiverStreet
NETWORKS
Acquired


 newera.
TECHNOLOGY
Acquired


 newera.
TECHNOLOGY
Acquired


 VERTICAL | TRAIL
SOLUTIONS
Acquired


 HOSTWAY.
GLOBAL WEB SOLUTIONS
Acquired
IMS Soft & Services

 core
BTS INC
Acquired


 Accunet
Acquired


 Blue Loop
CAPITAL
Acquired


 NORLIGHT, INC
Acquired


 ConvergeOne
Acquired


 infor
Acquired


Appendix - IT Services Comparable Company Analysis

Sector	Market Data	LTM Financials		
	% 52 week high	Gross Margin (%)	EBITDA Margin (%)	Net Profit Margin (%)
Managed Infrastructure Mean	77%	49%	37%	14%
Managed Infrastructure Median	81%	55%	39%	12%
Offshore Services Mean	84%	33%	19%	12%
Offshore Services Median	91%	31%	19%	12%
Consulting Mean	78%	32%	15%	8%
Consulting Median	79%	32%	13%	7%
IT Commercial Services Mean	99%	18%	5%	3%
IT Commercial Services Median	101%	20%	5%	3%
Government Consulting Mean	87%	23%	11%	6%
Government Consulting Median	91%	18%	12%	6%
Managed Services Mean	70%	28%	17%	10%
Managed Services Median	74%	28%	17%	10%
Total Industry Mean	82%	30%	17%	9%
Total Industry Median	86%	29%	15%	9%

Valuation Multiples		
EV/ LTM EBITDA	EV/ LTM Revenue	Price/ Earnings
18.4 x	7.7 x	62.8 x
19.7 x	7.4 x	40.6 x
16.0 x	3.0 x	26.9 x
16.1 x	3.0 x	25.7 x
13.3 x	1.7 x	23.4 x
13.7 x	1.6 x	21.7 x
10.6 x	0.6 x	17.5 x
9.8 x	0.4 x	17.6 x
12.4 x	1.4 x	18.4 x
11.2 x	1.2 x	17.1 x
10.7 x	1.8 x	17.9 x
9.8 x	1.6 x	18.6 x
13.6 x	2.7 x	27.8 x
12.5 x	1.6 x	20.2 x

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

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	\$820.93	83%	\$80,604	\$99,509	\$9,058	\$1,070	50%	41%	12%	26.7 x	11.0 x	75.3 x
Digital Realty Trust Inc	US	\$165.95	90%	\$57,004	\$73,488	\$5,914	\$1,403	55%	63%	24%	19.7 x	12.4 x	40.6 x
Digital Ocean Holdings Inc	US	\$55.25	78%	\$5,055	\$6,433	\$864	\$252	61%	39%	29%	18.9 x	7.4 x	20.1 x
Iron Mountain Incorporated	US	\$92.13	81%	\$27,233	\$45,841	\$6,640	\$165	56%	31%	2%	22.1 x	6.9 x	165.2 x
Kyndryl Holdings Inc	US	\$23.00	52%	\$5,257	\$7,952	\$15,008	\$407	21%	12%	3%	4.5 x	0.5 x	12.9 x
Managed Infrastructure Mean			77%					49%	37%	14%	18.4 x	7.7 x	62.8 x
Managed Infrastructure Median			81%					55%	39%	12%	19.7 x	7.4 x	40.6 x
Offshore Services													
Tata Consultancy Services	IN	\$34.04	83%	\$123,146	\$118,142	\$28,415	\$5,226	44%	27%	18%	15.4 x	4.2 x	23.6 x
Infosys Limited	IN	\$17.88	91%	\$72,334	\$70,327	\$19,847	\$3,210	30%	25%	16%	13.9 x	3.5 x	22.5 x
HCL Technologies Limited	IN	\$18.47	95%	\$49,985	\$50,738	\$13,773	\$1,795	39%	22%	13%	17.1 x	3.7 x	27.9 x
Cognizant Technology Solutions Corporation	US	\$82.06	94%	\$39,606	\$38,422	\$20,857	\$2,128	34%	19%	10%	9.7 x	1.8 x	18.6 x
Wipro Limited	IN	\$2.58	78%	\$27,039	\$22,943	\$9,903	\$1,453	30%	23%	15%	9.9 x	2.3 x	18.6 x
LTI Mindtree Limited	IN	\$65.09	93%	\$19,294	\$18,016	\$4,444	\$515	29%	19%	12%	21.3 x	4.1 x	37.5 x
Tech Mahindra Limited	IN	\$18.99	94%	\$16,817	\$16,237	\$6,006	\$500	29%	15%	8%	17.7 x	2.7 x	33.6 x
Genpact Limited	BM	\$44.10	82%	\$7,603	\$8,288	\$5,009	\$551	36%	18%	11%	9.3 x	1.7 x	13.8 x
Globant S.A.	LU	\$66.88	41%	\$2,946	\$3,253	\$2,485	\$100	35%	7%	4%	19.3 x	1.3 x	29.3 x
Mphasis Limited	IN	\$30.06	91%	\$5,728	\$5,666	\$1,672	\$196	32%	20%	12%	16.7 x	3.4 x	29.2 x
Persistent Systems Limited	IN	\$65.75	91%	\$10,282	\$10,087	\$1,518	\$189	30%	19%	12%	34.4 x	6.6 x	54.5 x
Capgemini S.E.	FR	\$1.43	79%	\$241	\$241	\$240	\$17	27%	14%	7%	7.2 x	1.0 x	14.1 x
Offshore Services Mean			84%					33%	19%	12%	16.0 x	3.0 x	26.9 x
Offshore Services Median			91%					31%	19%	12%	16.1 x	3.0 x	25.7 x

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

Company	Market Data					LTM Financials					Valuation Multiples		
	HQ Country	Stock Price	% 52 week high	Mcaps (\$ 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	\$174.67	95%	\$5,393	\$6,016	\$3,693	\$266	32%	11%	7%	14.8 x	1.6 x	20.3 x
Huron Consulting Group	US	\$169.00	90%	\$2,914	\$3,545	\$1,656	\$108	32%	13%	7%	16.6 x	2.1 x	26.9 x
Resources Connection	US	\$4.53	60%	\$152	\$87	\$507	(\$132)	38%	-	-	-	0.2 x	-
The Hackett Group	US	\$18.25	59%	\$458	\$491	\$309	\$11	38%	9%	4%	18.1 x	1.6 x	42.0 x
Accenture Plc	IE	\$263.64	72%	\$162,253	\$160,800	\$70,726	\$7,758	32%	17%	11%	13.5 x	2.3 x	20.9 x
Capgemini S.E.	FR	\$156.99	82%	\$26,424	\$26,424	\$26,402	\$1,873	27%	14%	7%	7.2 x	1.0 x	14.1 x
CGI Inc.	CA	\$86.50	72%	\$16,489	\$19,147	\$12,011	\$1,232	16%	18%	10%	8.9 x	1.6 x	13.4 x
Infosys Limited	IN	\$17.88	92%	\$72,334	\$70,327	\$19,847	\$3,210	30%	25%	16%	13.9 x	3.5 x	22.5 x
Information Services Group	US	\$5.57	86%	\$267	\$306	\$241	\$10	42%	9%	4%	13.5 x	1.3 x	27.3 x
Consulting Mean			79%					32%	15%	8%	13.3 x	1.7 x	23.4 x
Consulting Median			82%					32%	13%	7%	13.7 x	1.6 x	21.7 x
IT Commercial Services													
ePlus Inc	IR	\$85.81	91%	\$2,269	\$1,965	\$2,286	\$129	27%	9%	6%	9.3 x	0.9 x	17.5 x
ScanSource Inc	FR	\$42.99	78%	\$943	\$964	\$3,005	\$74	14%	4%	2%	7.1 x	0.3 x	12.7 x
Arrow Electronics Inc	FR	\$132.49	110%	\$6,825	\$9,741	\$29,389	\$476	11%	3%	2%	10.1 x	0.3 x	14.3 x
Avnet Inc	IN	\$62.39	123%	\$5,074	\$8,098	\$22,495	\$233	11%	3%	1%	13.1 x	0.4 x	21.8 x
PC Connection Inc	US	\$58.81	111%	\$1,485	\$1,088	\$2,879	\$84	19%	4%	3%	9.6 x	0.4 x	17.7 x
Wesco International Inc	US	\$289.43	122%	\$14,080	\$20,021	\$22,942	\$648	21%	6%	3%	14.3 x	0.9 x	21.7 x
CDW Corporation	US	\$126.39	89%	\$16,455	\$22,091	\$22,099	\$1,051	22%	9%	5%	11.5 x	1.0 x	15.7 x
Insight Enterprises Inc	US	\$84.02	71%	\$2,603	\$3,689	\$8,272	\$142	21%	5%	2%	9.6 x	0.4 x	18.3 x
IT Commercial Services Mean			99%					18%	5%	3%	10.6 x	0.6 x	17.5 x
IT Commercial Services Median			101%					20%	5%	3%	9.8 x	0.4 x	17.6 x
Government Consulting													
Booz Allen Hamilton Holding Corporation	US	\$88.42	68%	\$10,663	\$13,918	\$11,980	\$839	50%	10%	7%	11.2 x	1.2 x	12.7 x
CACI International Inc	US	\$620.58	91%	\$13,706	\$16,672	\$8,979	\$518	9%	12%	6%	16.0 x	1.9 x	26.4 x
Science Applications International Corporation	US	\$101.76	82%	\$4,592	\$7,193	\$7,350	\$371	12%	9%	5%	10.8 x	1.0 x	12.4 x
Maximus Inc	US	\$94.44	94%	\$5,152	\$6,375	\$5,431	\$319	25%	12%	6%	9.6 x	1.2 x	16.1 x
Leidos Holdings	US	\$188.28	92%	\$24,073	\$28,328	\$17,332	\$1,409	18%	14%	8%	12.0 x	1.6 x	17.1 x
CACI International Inc	US	\$620.58	91%	\$13,706	\$16,672	\$8,979	\$518	9%	12%	6%	16.0 x	1.9 x	26.4 x
ICF International Inc	US	\$93.25	89%	\$1,719	\$2,342	\$1,926	\$99	37%	11%	5%	11.2 x	1.2 x	17.4 x
Government Consulting Mean			87%					23%	11%	6%	12.4 x	1.4 x	18.4 x
Government Consulting Median			91%					18%	12%	6%	11.2 x	1.2 x	17.1 x

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

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	\$263.64	72%	\$162,253	\$160,800	\$70,726	\$7,758	32%	17%	11%	13.5 x	2.3 x	20.9 x
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Capgemini SE	FR	\$156.99	82%	\$26,424	\$26,424	\$26,402	\$1,873	27%	14%	7%	7.2 x	1.0 x	14.1 x
Cognizant Technology Solutions	US	\$82.06	94%	\$39,606	\$38,422	\$20,857	\$2,128	34%	19%	10%	9.7 x	1.8 x	18.6 x
Wipro Limited	IN	\$2.58	80%	\$27,039	\$22,943	\$9,903	\$1,453	30%	23%	15%	9.9 x	2.3 x	18.6 x
DXC Technology Company	US	\$14.43	74%	\$2,513	\$5,319	\$12,714	\$384	25%	17%	3%	2.5 x	0.4 x	6.5 x
Rackspace Technology, Inc	US	\$0.61	21%	\$149	\$3,320	\$2,689	(\$249)	19%	8%	-	15.6 x	1.2 x	-
CGI Group	CA	\$86.50	72%	\$16,489	\$19,147	\$12,011	\$1,232	16%	18%	10%	8.9 x	1.6 x	13.4 x
Insight Enterprises	US	\$84.02	51%	\$2,603	\$3,689	\$8,272	\$142	21%	5%	2%	9.6 x	0.4 x	18.3 x
HCL Technologies	IN	\$18.47	95%	\$49,985	\$50,738	\$13,773	\$1,795	39%	22%	13%	17.1 x	3.7 x	27.9 x
Unisys	US	\$2.63	43%	\$188	\$635	\$1,921	(\$329)	28%	-	-	-	0.3 x	-
Managed Services Mean			70%					28%	17%	10%	10.7 x	1.8 x	17.9 x
Managed Services Median			74%					28%	17%	10%	9.8 x	1.6 x	18.6 x
Total Industry Mean			83%					31%	17%	9%	13.6 x	2.7 x	27.8 x
Total Industry Median			87%					29%	15%	9%	12.5 x	1.6 x	20.2 x

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

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

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