

IT & Software Market Update

March 2026

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Macro Update

-0.9% / 15.5%

S&P Return: Feb-26/LTM

4.34%

10 Year Treasury Yield



Heard on the Street

Small Businesses dial back Hiring and Investment Plans in Q1 2026.

37% of small businesses expect to increase investment in the next year, down from last quarter (44%) and Q1 2025 (43%). 30% anticipate increasing staff in the next year, a twelve-percentage point drop from Q4 2025 (42%) – Small Business Index Q1 2026*



Public Market Multiple

9.0x

Managed Services TTM EV/ EBITDA Multiple

5.0x

SaaS TTM Revenue Multiple



Private Market Multiple

15.8x

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

2.1x

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



Select MSP Transactions

Acquiror

IT Solutions

Target



Acquiror



Target



Podcast – M&A Insights

Succession Planning

[Exit On Your Own Terms – Succession Planning with Jamie Waldren, Founder & CEO of JN Private Wealth](#)

I sit down with Jamie Waldren author of Exit On Your Own Terms to discuss what founders need to know about Succession Planning

* Based on a survey of small businesses conducted between February 25 and March 11, 2026 (all but three days of the two-week survey period were after the start of military action against Iran).

- 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.

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

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

AZ MSP: \$4MN MSP looking to exit.

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.

How Are SMBs Thinking About The Economy?

SMBs Cut Back Hiring and Investment Plans as Inflation Concerns Grow

The MetLife and US Chamber of Commerce Small Business Index – Q1 2026

On The Economy

28% of SMB owners believe the economy is in good or better than good health - **down 10 points** from Q4 2025 (38%).

On Inflation

53% of SMBs cite inflation as a top concern - **up 8 points** from Q4 2025 (45%).

On Compliance

90% SMBs say licensing, certification and permit requirements have grown or stayed the same - **down 1 point** from Q4 2025 (90%).

On Overall Health

69% of SMBs say their business is in good health this quarter – unchanged from Q4 2025 (69%).

On Revenues

61% of SMBs expect an increase in revenue next year - **down 4 points** from Q4 2025 (65%).

On Liquidity

72% of SMBs say they are comfortable with their cash flow - **down 2 points** from Q4 2025 (74%).

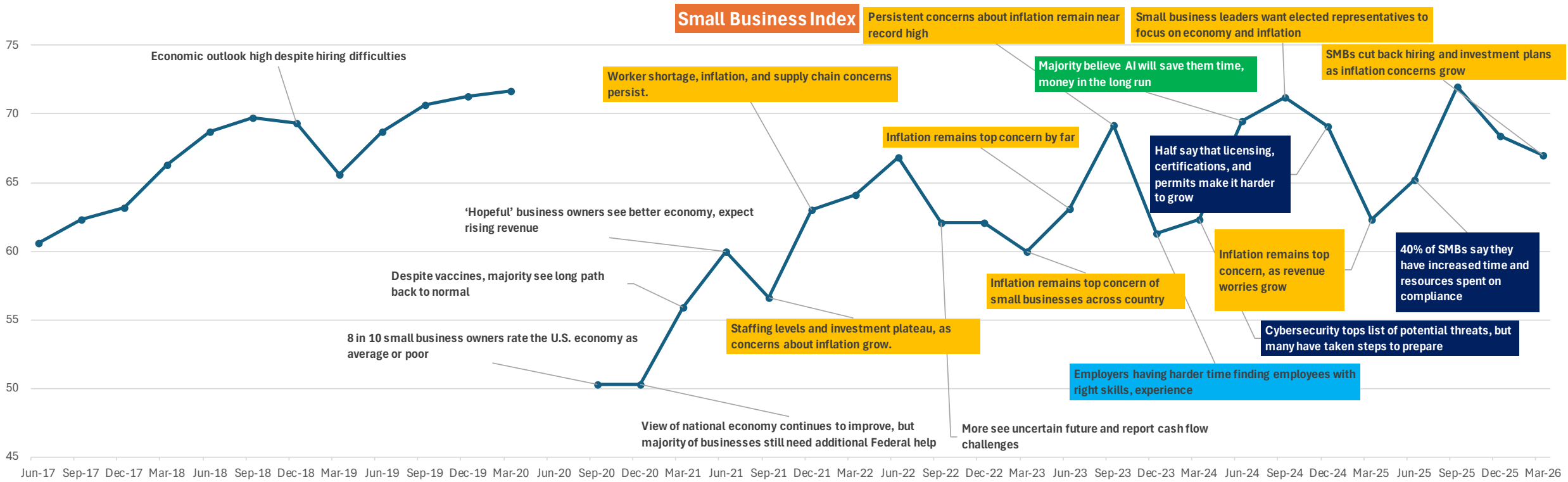
On Hiring

30% of SMBs anticipate increasing staff in the next year - **down 12 points** since Q4 2025 (42%).

On Investment

37% of SMBs expect to increase investment next year - **down 7 points** from Q4 2025 (44%).

SMBs cut back hiring and investment plans in Q1 2026 as inflation concerns grow



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

A well-run MSP should target 10–12% annual revenue growth from three drivers:

6%

Seat Growth

at Existing Clients

SMBs at leading metro areas are growing at ~6% per year. Growth is uniform — 80% of markets show 5.1%–6.2% growth for 11–50 seat SMBs. Dallas leads at 7.2%; Miami tops 51–200 seat growth at 7.1%.

2–2.5%

Price Increases

Annual Rate Adjustments

Consistent annual price adjustments of 2–2.5% are achievable in a managed services contract structure and reflect inflation and value delivered.

2–2.5%

New Client Logos

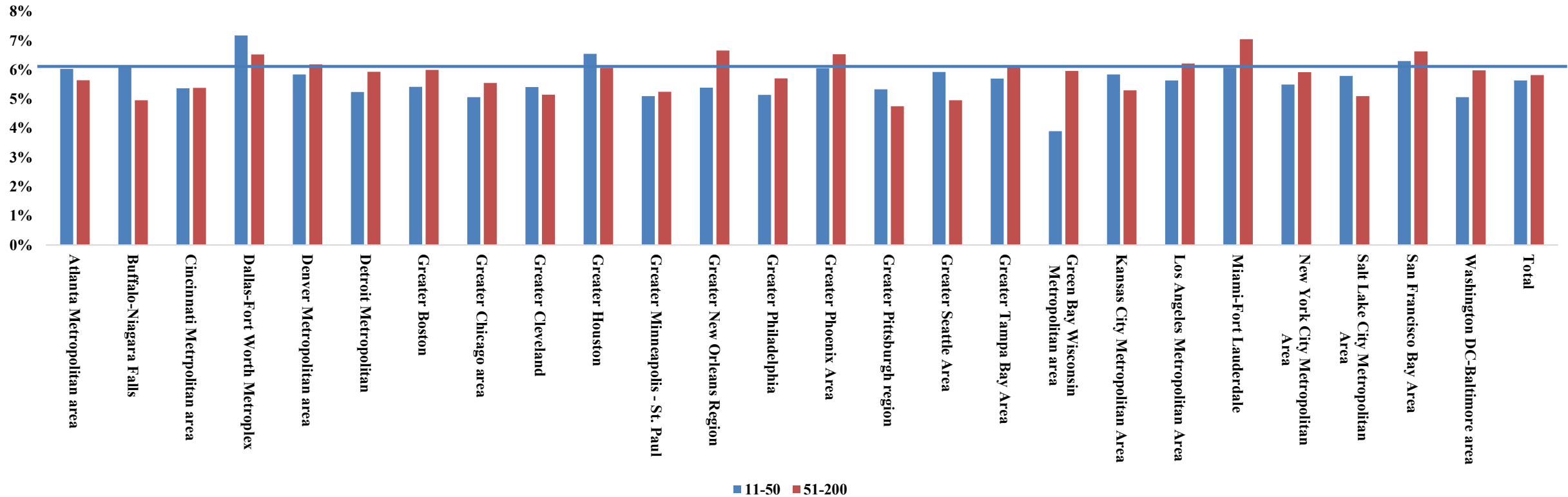
Net New Business Formation

~50K new 10+ employee businesses form in the US annually — about 1.0–1.5 per MSP. With the right lead gen (SEO, referrals, COI connections), you can capture 2–2.5% growth.

6% seat growth + 2–2.5% pricing + 2–2.5% new logos = 10–12% annual growth

SMBs in the US experience an average seat growth rate of about 6%

Seat Growth % at SMBs Across Major Urban Centers in the US



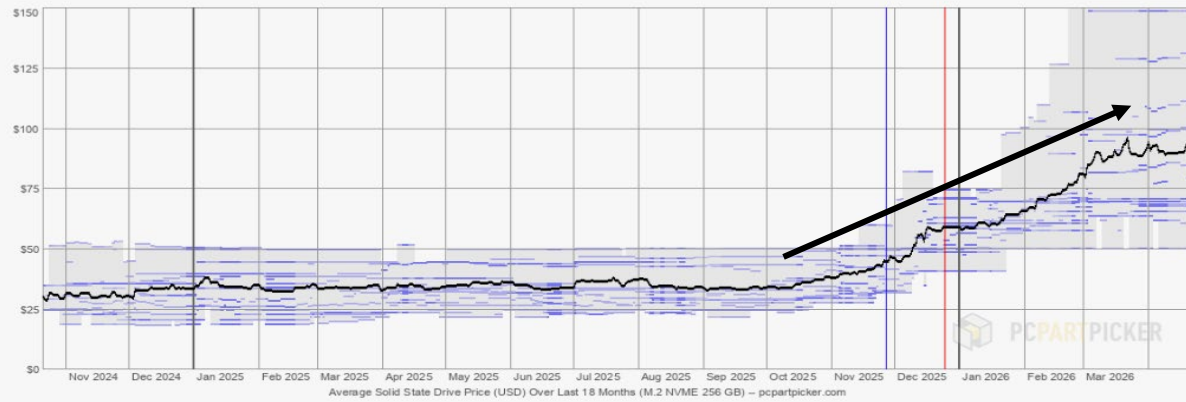
How Much Do Brand New Logos Add to MSP Growth?

10+ seat MSPs can expect to add 2%-2.5% growth from new businesses being formed in the US

Growth from New Business Formation	Low	Mid	High
1. Monthly New Business Formation based on Census data	26,827	29,691	33,313
2. Annual New Business Formation ((1) x 12)	321,927	356,292	399,753
3. Share of Businesses with more than 10 Employees (Source: LI)	14%	14%	14%
4. Annual New Businesses Formed with more than 10 Employees (2x3)	44,883	49,674	55,734
5. MSPs in the US of all sizes	40,000	40,000	40,000
6. New Businesses per MSP	1.1	1.2	1.4
7. Average 10-plus-seat SMBs per MSP	57	57	57
8. Implied MSP Growth Rate from New Businesses	2.0%	2.2%	2.4%

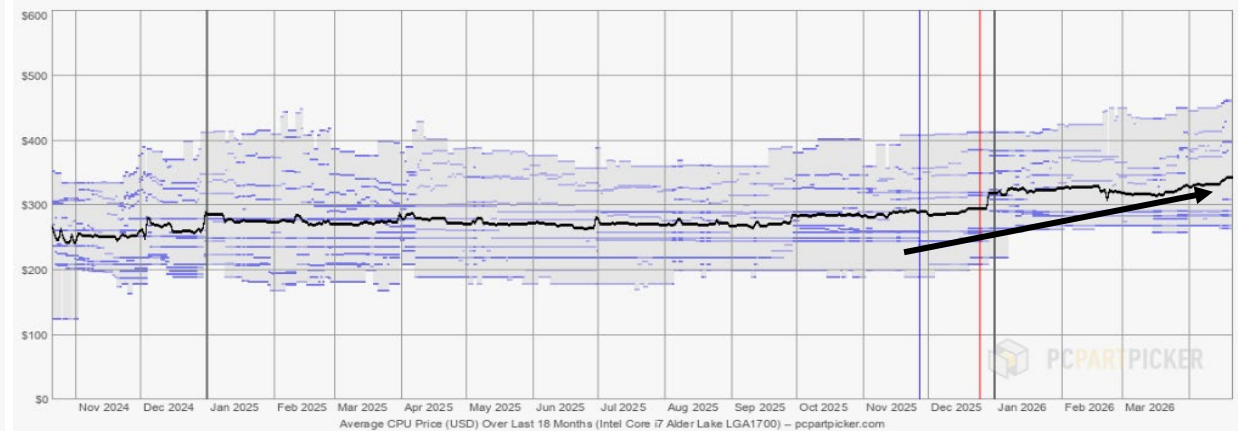
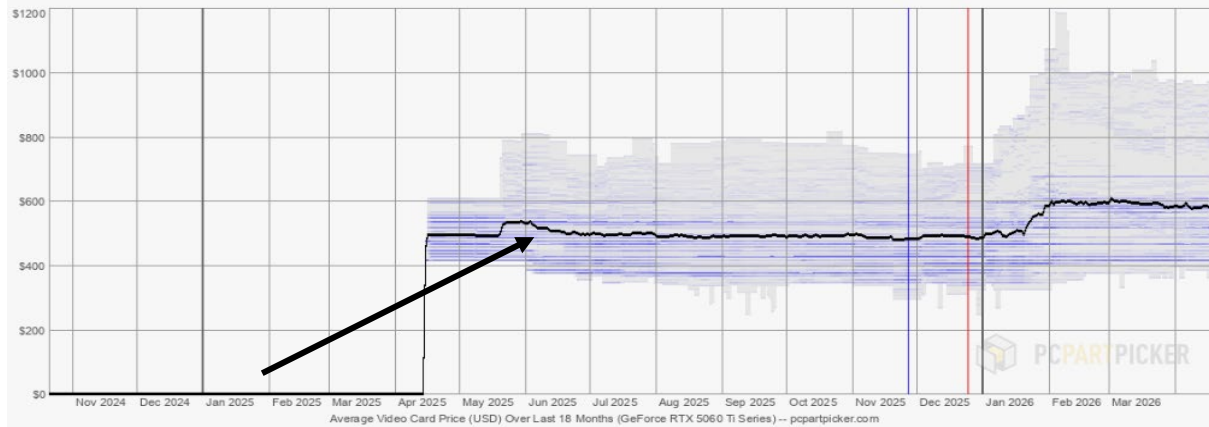
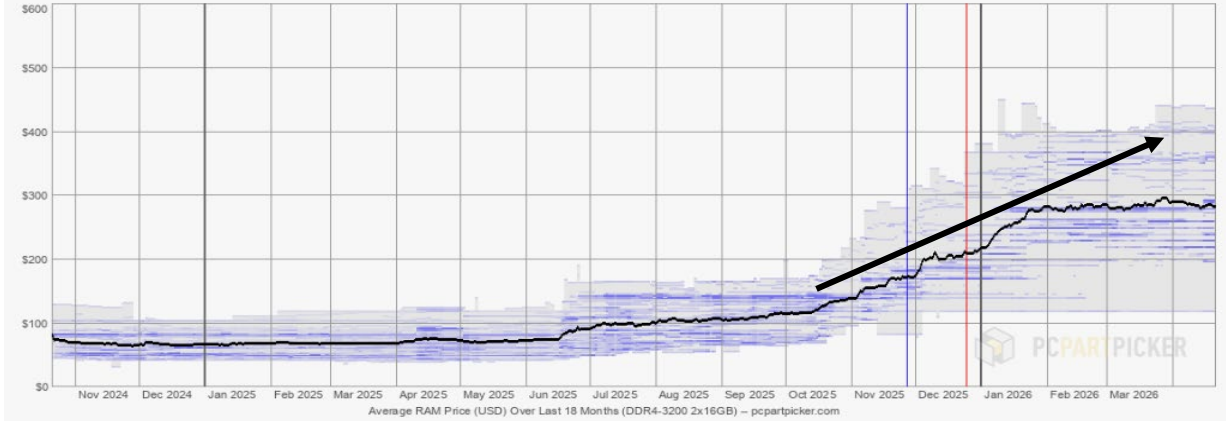
STORAGE

Solid State Drive - M.2 NVME 256 GB (Average price in USD over last 18 months)



MEMORY

DDR4-3200 2x16GB (Average price in USD over last 18 months)



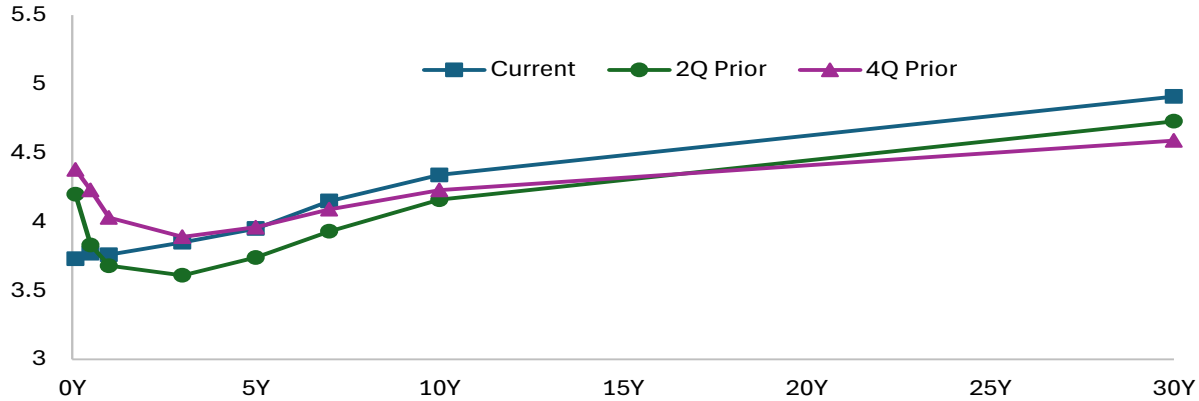
GeForce RTX 5060 Ti (Average price in USD over last 18 months)
VIDEO CARD

Intel Core i7 Alder Lake (LGA1700) (Average price in USD over last 18 months)
CPU

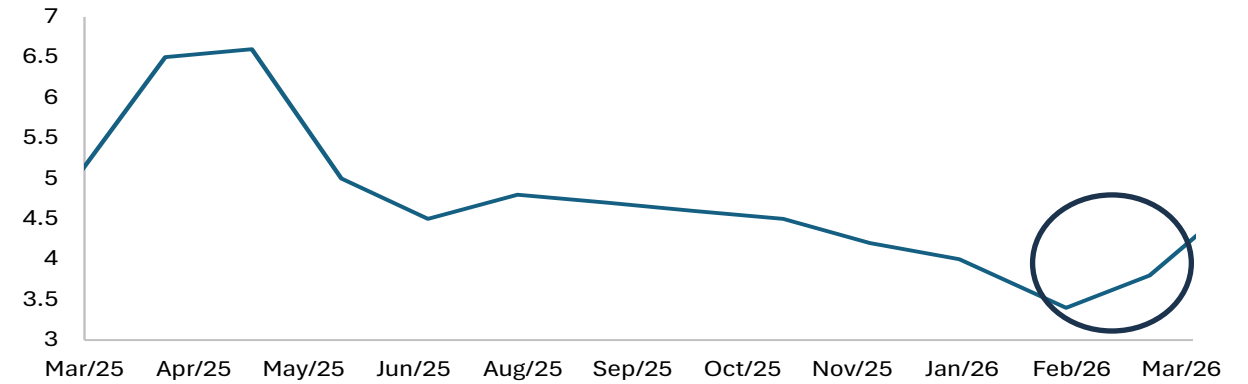
*Source: CPU Price Trends - PCPartPicker

Uncertainty around the Iran situation has adversely affected consumer sentiment and pushed inflation expectations back up

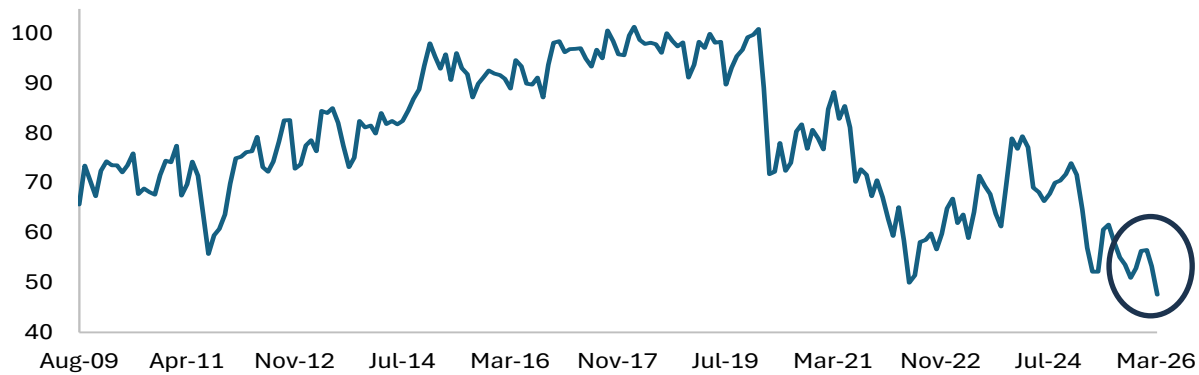
Treasury Yield Curve



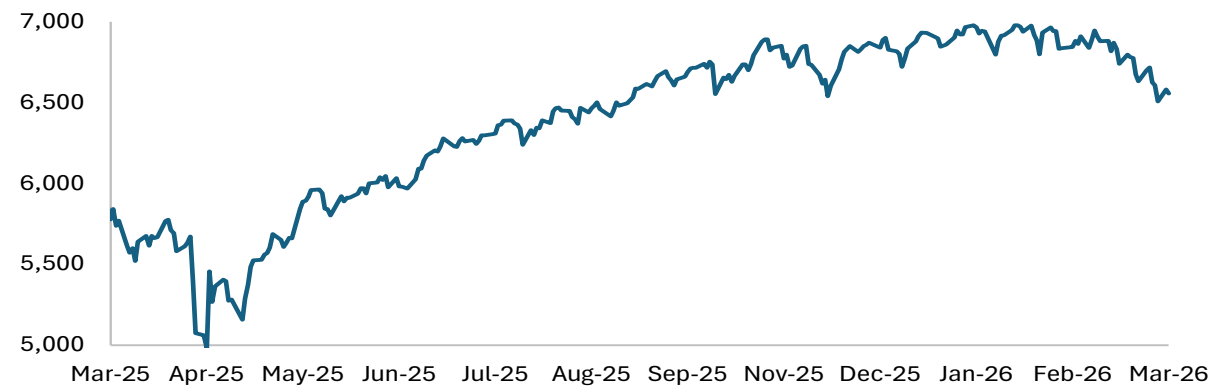
Michigan 1-Year Inflation Expectations



Michigan Consumer Sentiment Survey



S&P 500



*Source: Federal Reserve, Yahoo Finance.

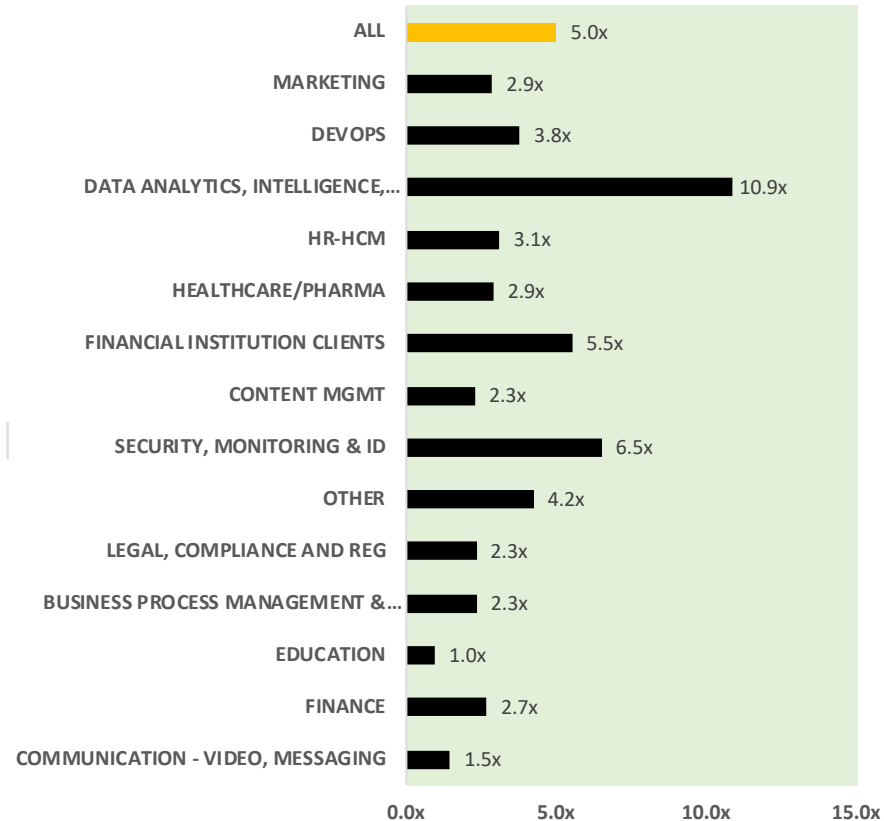
The economy added 178K jobs MoM in Mar-26 – Healthcare and construction led the growth while finance and federal jobs fell

	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	4.34	03/23/2026	0.00	0.00	4.34	3.33	4.18	4.16	4.24	4.23
CoreCPI	2.43	02/01/2026	0.05	2.18	2.43	2.58	2.65	3.02	2.68	2.38
Unemployment Rate	4.40	02/01/2026	0.20	4.76	4.40	5.64	4.40	4.40	4.10	4.20
Initial Claims 4-week MA	210.75	03/14/2026	-17.25	-7.57	210.75	368.38	219.25	234.00	239.00	222.75
Nonfarm Payroll Change (Unrevised)	178.00	04/03/2026	70.00	165.67	178.00	140.54	-17.00	76.00	-20.00	67.00
INDEXES AND INDICATORS										
Sahm Recession Indicator	0.27	02/01/2026	0.00	0.00	0.27	0.48	0.35	0.23	0.17	0.27
Michigan Consumer Sentiment	47.60	04/10/2026	-4.60	-26.43	47.60	81.81	52.90	55.10	60.70	57.00
Michigan Inflation Expectations	4.80	04/10/2026	-1.70	11.63	4.80	3.17	4.20	4.70	5.00	5.00
MARKETS										
S&P 500	6556.37	03/24/2026	779.72	13.50	6556.37	-	6845.50	6688.46	6204.95	5611.85
NASDAQ	21761.89	03/24/2026	3490.03	19.10	21761.89	-	23241.99	22660.01	20369.73	17299.29
VIX	26.15	03/23/2026	8.67	49.60	26.15	19.83	14.95	16.28	16.73	22.28
ICE Corp BBB OAS	1.11	03/23/2026	-0.09	-7.50	1.11	1.97	1.01	0.97	1.08	1.20
ICE Corp HY OAS	3.19	03/23/2026	-0.36	-10.14	3.19	5.34	2.81	2.80	2.96	3.55

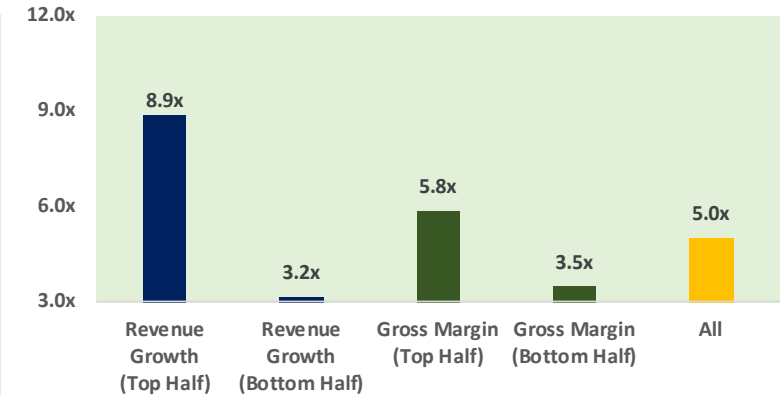
*Source: Federal Reserve, Yahoo Finance.

- The aggregate SaaS TTM Revenue Multiple decreased to **5.0x** in **February 2026** compared **January 2026**.
- The broader equity markets showed modest contraction, with the **S&P 500** decreasing approximately **0.9%** in **February 2026**.
- Sector Mattered:** Multiples declined across all sectors, with horizontals like Data Analytics, Financial Institutions and DevOps seeing sharper compression, driven by broader software **market corrections**.
- Quality Mattered:** Valuation dispersion remained significant, with top-half companies by Revenue Growth and Gross Margin trading at premiums of approximately **5.7x** and **2.4x** respectively.

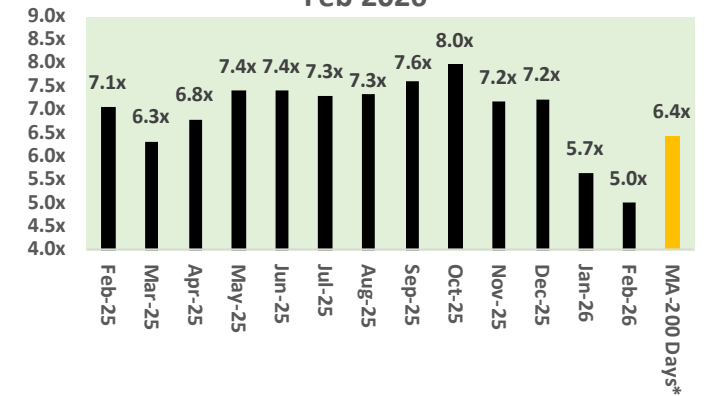
Revenue Xs By SaaS Sector (ME Feb 2026)



SaaS Revenue Xs (ME Feb 2026) By Quality



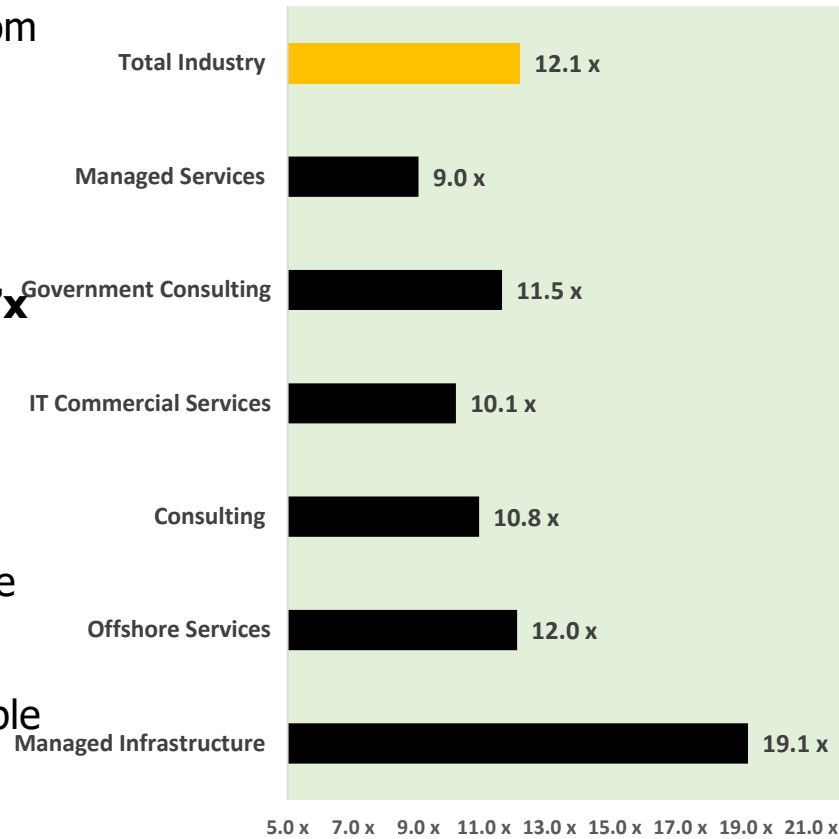
Recovery in SaaS Revenue Xs Stalled in Feb 2026



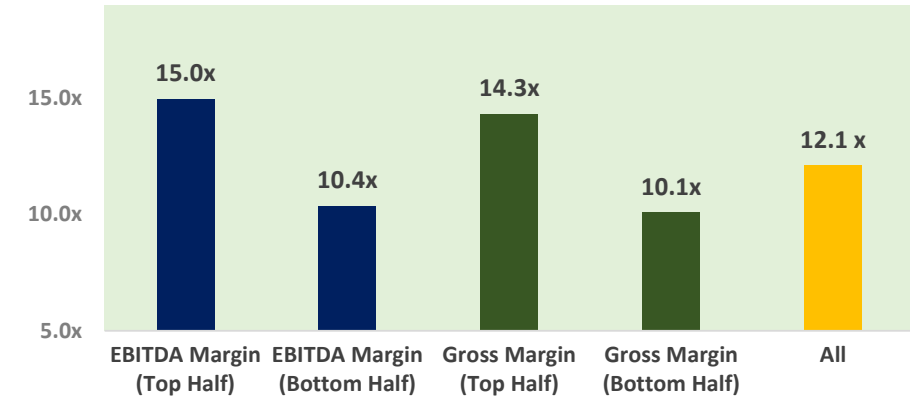
*Source: Yahoo Finance. As of 27th Feb.

- The aggregate IT Services TTM EV/EBITDA multiple saw a decrease to **12.1x** in **February 2026**, down from **January 2026**.
- Multiples contracted by **4.0x**, **2.5x** and **1.7x** for Offshore Services, Consulting and Managed Services, respectively, while expanding by **0.7x** for Managed Infra in February.
- 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 **~21%** above the multiple for **February 2026**.

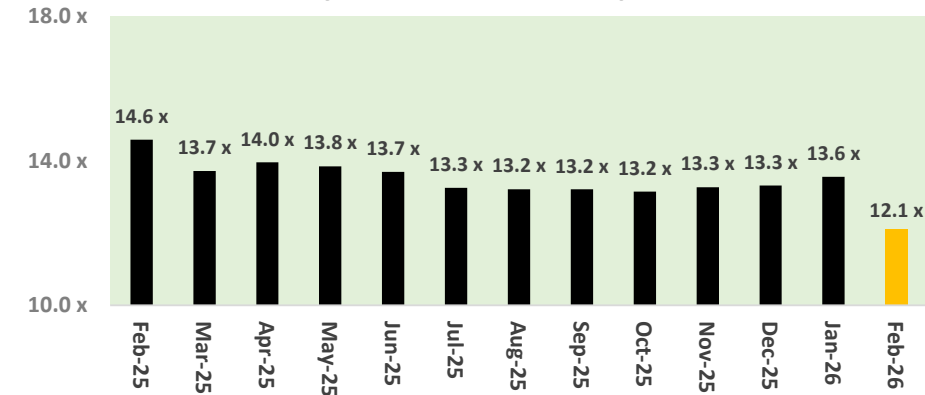
Average EV/EBITDA across Industry



EV/ EBITDA by Quality



Monthly EV/EBITDA Multiple Trend



*Source: Yahoo Finance. As of 27th Feb.

YTD Median EV/EBITDA and EV/Revenue multiples stand at 24.0x and 3.7x

YTD Median EV/EBITDA and EV/Revenue multiples for deals less than \$200MN stand at 15.8x and 2.1x respectively.

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

*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	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.

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US\$m)	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
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

*Source: Federal Reserve, Yahoo Finance.

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US\$mn)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
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
Feb-26	Synchronoss Technologies, Inc.	Lumine Group Inc. (TSXV:LMN)	262	7.8x	1.5x	Application Software	Target provides white label cloud software and services in North America, Europe, the Middle East, Africa, and the Asia Pacific
	25th Percentile			15.6x	1.7x		
	Median			24.0x	3.7x		
	75th Percentile			42.3x	7.1x		

*Source: Federal Reserve, Yahoo Finance.

Notable Service Provider Deals in February

IT Solutions



Acquiror - IT Solutions Consulting

Target - Tech Superpowers

Acquiror - Nexus IT Consultants

Target - DamonTek

- IT Solutions Consulting announced its acquisition of Tech Superpowers on Feb 18, 2026.
- IT Solutions Consulting 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..
- Tech Superpowers is a Massachusetts-based managed IT services provider delivering IT support, cloud, and cybersecurity solutions to SMB clients, with approximately 11-50 employees.
- The acquisition strengthens IT Solutions Consulting’s regional presence and enhances its managed services and cybersecurity capabilities through Tech Superpowers’ established client base and operational footprint.

- Nexus IT Consultants announced the acquisition of DamonTek on Feb 25, 2026.
- Nexus IT Consultants is a Utah-based managed IT services provider delivering cybersecurity, cloud, and IT support solutions to small and mid-sized businesses, with approximately 11-50 employees..
- DamonTek is a Arizona-based managed IT services provider offering IT support, cloud infrastructure, and cybersecurity solutions to SMB clients, with approximately 1-10 employees.
- The acquisition strengthens Nexus IT Consultants’ managed services capabilities and expands its client base and service offerings through DamonTek’s established expertise and customer relationships.

*Source: Crunchbase, Cap IQ.

Excendio Advisors

Our Recent and Past
Transactions
IT M&A



Partnered



- Announced in March 2026. Excendio Advisors served as Ocean Computer Group's exclusive financial advisor.
- Ocean Computer Group: New Jersey-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.



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.



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.



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



Appendix - IT Services Comparable Company Analysis

Sector	Market Data	LTM Financials		
	% 52 week high	Gross Margin (%)	EBITDA Margin (%)	Net Profit Margin (%)
Managed Infrastructure Mean	76%	49%	37%	14%
Managed Infrastructure Median	94%	55%	40%	15%
Offshore Services Mean	72%	33%	20%	12%
Offshore Services Median	74%	31%	19%	12%
Consulting Mean	68%	32%	15%	8%
Consulting Median	68%	32%	13%	7%
IT Commercial Services Mean	102%	18%	6%	3%
IT Commercial Services Median	102%	20%	5%	3%
Government Consulting Mean	79%	23%	12%	6%
Government Consulting Median	82%	18%	12%	6%
Managed Services Mean	64%	28%	17%	10%
Managed Services Median	71%	28%	17%	11%
Total Industry Mean	77%	30%	18%	9%
Total Industry Median	78%	30%	15%	9%

Valuation Multiples		
EV/ LTM EBITDA	EV/ LTM Revenue	Price/ Earnings
19.1 x	8.1 x	71.8 x
21.1 x	7.4 x	46.4 x
12.0 x	2.4 x	21.3 x
12.0 x	2.4 x	20.3 x
10.8 x	1.4 x	18.7 x
11.4 x	1.4 x	18.3 x
10.1 x	0.6 x	17.0 x
9.7 x	0.4 x	15.6 x
11.5 x	1.3 x	16.7 x
10.4 x	1.1 x	15.1 x
9.0 x	1.5 x	14.7 x
8.8 x	1.4 x	15.8 x
12.1 x	2.5 x	26.7 x
10.9 x	1.4 x	17.0 x

*Source: Yahoo Finance. As of 27th Feb.

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	\$974.26	98%	\$95,726	\$116,725	\$9,217	\$1,348	51%	44%	15%	28.5 x	12.7 x	71.0 x
Digital Realty Trust Inc	US	\$177.20	96%	\$60,889	\$77,689	\$6,113	\$1,313	55%	60%	21%	21.1 x	12.7 x	46.4 x
Digital Ocean Holdings Inc	US	\$56.06	64%	\$5,157	\$6,604	\$901	\$259	60%	40%	29%	18.2 x	7.3 x	19.9 x
Iron Mountain Incorporated	US	\$108.33	94%	\$32,048	\$51,013	\$6,902	\$152	55%	31%	2%	24.1 x	7.4 x	210.5 x
Kyndryl Holdings Inc	US	\$12.33	28%	\$2,780	\$5,407	\$15,123	\$249	22%	11%	2%	3.4 x	0.4 x	11.2 x
Managed Infrastructure Mean			76%					49%	37%	14%	19.1 x	8.1 x	71.8 x
Managed Infrastructure Median			94%					55%	40%	15%	21.1 x	7.4 x	46.4 x
Offshore Services													
Tata Consultancy Services	IN	\$28.98	71%	\$104,852	\$99,806	\$28,657	\$5,270	44%	27%	18%	12.9 x	3.5 x	19.9 x
Infosys Limited	IN	\$14.29	75%	\$57,808	\$55,801	\$19,847	\$3,210	30%	25%	16%	11.0 x	2.8 x	18.0 x
HCL Technologies Limited	IN	\$15.26	78%	\$41,298	\$42,051	\$13,890	\$1,810	39%	22%	13%	14.1 x	3.0 x	22.8 x
Cognizant Technology Solutions Corporation	US	\$64.43	74%	\$30,813	\$30,073	\$21,108	\$2,230	34%	19%	11%	7.4 x	1.4 x	13.8 x
Wipro Limited	IN	\$2.21	73%	\$23,135	\$19,004	\$9,987	\$1,465	30%	23%	15%	8.2 x	1.9 x	15.8 x
LTI Mindtree Limited	IN	\$49.03	86%	\$14,532	\$13,243	\$4,482	\$519	29%	19%	12%	15.5 x	3.0 x	28.0 x
Tech Mahindra Limited	IN	\$14.92	73%	\$13,213	\$12,628	\$6,057	\$504	29%	15%	8%	13.6 x	2.1 x	26.2 x
Genpact Limited	BM	\$39.72	77%	\$6,743	\$7,301	\$5,080	\$552	36%	18%	11%	8.1 x	1.4 x	12.2 x
Globant S.A.	LU	\$49.76	35%	\$2,149	\$2,422	\$2,455	\$104	35%	15%	4%	6.6 x	1.0 x	20.7 x
Mphasis Limited	IN	\$25.23	76%	\$4,811	\$4,748	\$1,686	\$198	32%	20%	12%	13.9 x	2.8 x	24.3 x
Persistent Systems Limited	IN	\$52.01	72%	\$8,132	\$7,936	\$1,531	\$190	30%	19%	12%	26.9 x	5.2 x	42.7 x
Capgemini S.E.	FR	\$1.18	68%	\$197	\$197	\$247	\$18	27%	14%	7%	5.9 x	0.8 x	11.2 x
Offshore Services Mean			72%					33%	20%	12%	12.0 x	2.4 x	21.3 x
Offshore Services Median			74%					31%	19%	12%	12.0 x	2.4 x	20.3 x

*Source: Yahoo Finance. As of 27th Feb.

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	\$164.42	89%	\$5,028	\$5,390	\$3,789	\$271	32%	12%	7%	12.2 x	1.4 x	18.6 x
Huron Consulting Group	US	\$141.40	76%	\$2,393	\$2,920	\$1,699	\$105	32%	13%	6%	13.3 x	1.7 x	22.8 x
Resources Connection	US	\$3.76	55%	\$126	\$61	\$507	(\$132)	38%	-	-	-	0.1 x	-
The Hackett Group	US	\$13.66	46%	\$347	\$407	\$306	\$13	38%	9%	4%	14.2 x	1.3 x	26.8 x
Accenture Plc	IE	\$208.72	64%	\$128,141	\$127,083	\$70,726	\$7,758	32%	17%	11%	10.7 x	1.8 x	16.5 x
Capgemini S.E.	FR	\$126.23	68%	\$21,168	\$21,168	\$26,516	\$1,897	27%	14%	7%	5.9 x	0.8 x	11.2 x
CGI Inc.	CA	\$72.95	65%	\$13,906	\$16,528	\$11,850	\$1,215	16%	18%	10%	7.8 x	1.4 x	11.4 x
Infosys Limited	IN	\$14.29	75%	\$57,808	\$55,801	\$19,847	\$3,210	30%	25%	16%	11.0 x	2.8 x	18.0 x
Information Services Group	US	\$4.81	75%	\$229	\$271	\$245	\$9	43%	9%	4%	11.7 x	1.1 x	24.5 x
Consulting Mean			68%					32%	15%	8%	10.8 x	1.4 x	18.7 x
Consulting Median			68%					32%	13%	7%	11.4 x	1.4 x	18.3 x
IT Commercial Services													
ePlus Inc	IR	\$80.66	86%	\$2,129	\$1,936	\$2,407	\$148	27%	10%	6%	8.2 x	0.8 x	14.4 x
ScanSource Inc	FR	\$36.78	67%	\$790	\$820	\$3,024	\$74	14%	4%	2%	6.2 x	0.3 x	10.7 x
Arrow Electronics Inc	FR	\$152.16	128%	\$7,773	\$10,815	\$30,853	\$570	11%	3%	2%	10.1 x	0.4 x	13.6 x
Avnet Inc	IN	\$65.84	132%	\$5,390	\$8,271	\$23,151	\$207	11%	3%	1%	13.4 x	0.4 x	26.0 x
PC Connection Inc	US	\$60.95	117%	\$1,536	\$1,131	\$2,873	\$84	19%	4%	3%	9.2 x	0.4 x	18.3 x
Wesco International Inc	US	\$289.50	124%	\$14,088	\$20,215	\$23,511	\$643	21%	6%	3%	13.7 x	0.9 x	21.9 x
CDW Corporation	US	\$122.64	87%	\$15,820	\$21,374	\$22,424	\$1,067	22%	9%	5%	11.0 x	1.0 x	14.8 x
Insight Enterprises Inc	US	\$83.56	73%	\$2,590	\$3,898	\$8,247	\$157	21%	5%	2%	9.3 x	0.5 x	16.5 x
IT Commercial Services Mean			102%					18%	6%	3%	10.1 x	0.6 x	17.0 x
IT Commercial Services Median			102%					20%	5%	3%	9.7 x	0.4 x	15.6 x
Government Consulting													
Booz Allen Hamilton Holding Corporation	US	\$78.83	60%	\$9,506	\$12,761	\$11,980	\$839	50%	10%	7%	10.2 x	1.1 x	11.3 x
CACI International Inc	US	\$610.17	89%	\$13,476	\$16,442	\$8,979	\$518	9%	12%	6%	15.8 x	1.8 x	26.0 x
Science Applications International Corporation	US	\$92.26	74%	\$4,006	\$6,530	\$7,350	\$371	12%	9%	5%	9.8 x	0.9 x	10.8 x
Maximus Inc	US	\$75.61	76%	\$4,124	\$5,659	\$5,374	\$372	25%	13%	7%	7.8 x	1.1 x	11.1 x
Leidos Holdings	US	\$175.10	85%	\$22,050	\$26,284	\$17,174	\$1,462	18%	14%	9%	10.9 x	1.5 x	15.1 x
CACI International Inc	US	\$610.17	89%	\$13,476	\$16,442	\$8,979	\$518	9%	12%	6%	15.8 x	1.8 x	26.0 x
ICF International Inc	US	\$83.13	82%	\$1,519	\$2,087	\$1,873	\$92	37%	11%	5%	10.4 x	1.1 x	16.6 x
Government Consulting Mean			79%					23%	12%	6%	11.5 x	1.3 x	16.7 x
Government Consulting Median			82%					18%	12%	6%	10.4 x	1.1 x	15.1 x

*Source: Yahoo Finance. As of 27th Feb.

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	\$208.72	64%	\$128,141	\$127,083	\$70,726	\$7,758	32%	17%	11%	10.7 x	1.8 x	16.5 x
Tata Consultancy Services	IN	\$28.98	72%	\$104,852	\$99,806	\$28,657	\$5,270	44%	27%	18%	12.9 x	3.5 x	19.9 x
Kyndryl	US	\$12.33	28%	\$2,780	\$5,407	\$15,123	\$249	22%	11%	2%	3.4 x	0.4 x	11.2 x
Infosys Limited	IN	\$14.29	75%	\$57,808	\$55,801	\$19,847	\$3,210	30%	25%	16%	11.0 x	2.8 x	18.0 x
Capgemini SE	FR	\$126.23	68%	\$21,168	\$21,168	\$26,516	\$1,897	27%	14%	7%	5.9 x	0.8 x	11.2 x
Cognizant Technology Solutions	US	\$64.43	74%	\$30,813	\$30,073	\$21,108	\$2,230	34%	19%	11%	7.4 x	1.4 x	13.8 x
Wipro Limited	IN	\$2.21	73%	\$23,135	\$19,004	\$9,987	\$1,465	30%	23%	15%	8.2 x	1.9 x	15.8 x
DXC Technology Company	US	\$12.59	71%	\$2,137	\$4,729	\$12,683	\$431	24%	17%	3%	2.2 x	0.4 x	5.0 x
Rackspace Technology, Inc	US	\$1.95	71%	\$481	\$3,659	\$2,686	(\$226)	19%	9%	-	15.0 x	1.4 x	-
CGI Group	CA	\$72.95	65%	\$13,906	\$16,528	\$11,850	\$1,215	16%	18%	10%	7.8 x	1.4 x	11.4 x
Insight Enterprises	US	\$83.56	52%	\$2,590	\$3,898	\$8,247	\$157	21%	5%	2%	9.3 x	0.5 x	16.5 x
HCL Technologies	IN	\$15.26	78%	\$41,298	\$42,051	\$13,890	\$1,810	39%	22%	13%	14.1 x	3.0 x	22.8 x
Unisys	US	\$2.43	40%	\$176	\$550	\$1,950	(\$340)	28%	-	-	-	0.3 x	-
Managed Services Mean			64%					28%	17%	10%	9.0 x	1.5 x	14.7 x
Managed Services Median			71%					28%	17%	11%	8.8 x	1.4 x	15.8 x
Total Industry Mean			77%					31%	18%	9%	12.1 x	2.5 x	26.7 x
Total Industry Median			78%					30%	15%	9%	10.9 x	1.4 x	17.0 x

*Source: Yahoo Finance. As of 27th Feb.

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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