EXCENDIO ADVISORS
IT MERGERS & ACQUISITIONS



IT & Software Market Update

October 2026

By Madhur Duggar



madhur@excendio.com

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Summary

Macro Update

-0.5% / 12.38%
S&P Return: September - 26/LTM

5.00%
10 Year Treasury Yield

Heard on the Street

"Our local economy is fairly strong, but many locals are reluctant to make major investments. We believe this reflects a general sense of uncertainty"
Ian MacLean, President, Highland Landscaping LLC (US Chamber of Commerce, Small Business Index Report)

Public Market Multiple

8.0x
Managed Services TTM EV/ EBITDA Multiple

6.5x
SaaS TTM Revenue Multiple

Private Market Multiple

5x - 9x
Indicative TTM EV/ EBITDA Multiple for deals with $0.5MN - $1MN EBITDA

8x - 14x
Indicative TTM EV/ EBITDA Multiple for deals with $1MN - $5MN EBITDA

Select MSP Transactions

Acquiror	Target
CHARLES IT	DESCENT
Integrass	ClearCadence Process, Improved.

Podcast – M&A Insights

Platforms

Planning Your MSP Exit? Don't Forget to Plan Your Life Afterward | Scott Scrogin, IT Nation Grow

MSP founders spend years building their businesses and months negotiating the perfect exit. Yet surprisingly few spend time preparing for what happens after the sale. I sit down with **Scott Scrogin at IT Nation Grow** to explore an often-overlooked aspect of MSP exits: ***emotional readiness and finding purpose after selling your business.***

Current Active Searches

- 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 fits these criteria.

Canadian MSP: Founder-owned ~ CAD 5MN EBITDA MSP looking to exit.

TX MSP: Founder-owned ~$1MN EBITDA MSP looking to exit.

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

RI MSP: Founder-owned $2MN Revenue MSP looking to exit.

- 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.

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How Are SMBs Thinking About The Economy? Inflation Concerns Moderate But Remain a Top Concern

The MetLife and US Chamber of Commerce Small Business Index – Q3 2026

On The Economy

27% of SMB owners believe the economy is in good or better than good health - down 4 points from Q2 2026 (31%).

On Inflation

54% of SMBs cite inflation as a top concern - down 3 points from Q1 2026 (57%).

On Compliance

90% of SMBs say licensing, certification and permit requirements have grown or stayed the same - down 2 points from Q1 2026 (92%).

On Overall Health

71% of SMBs say their business is in good health this quarter – almost unchanged from Q2 2026 (70%).

On Revenues

62% of SMBs expect an increase in revenue next year - down 4 points from Q1 2026 (66%).

On Liquidity

72% of SMBs say they are comfortable with their cash flow - up 2 points from Q1 2026 (70%).

On Hiring

36% of SMBs anticipate increasing staff in the next year - up 1 point since Q2 2026 (35%).

On Investment

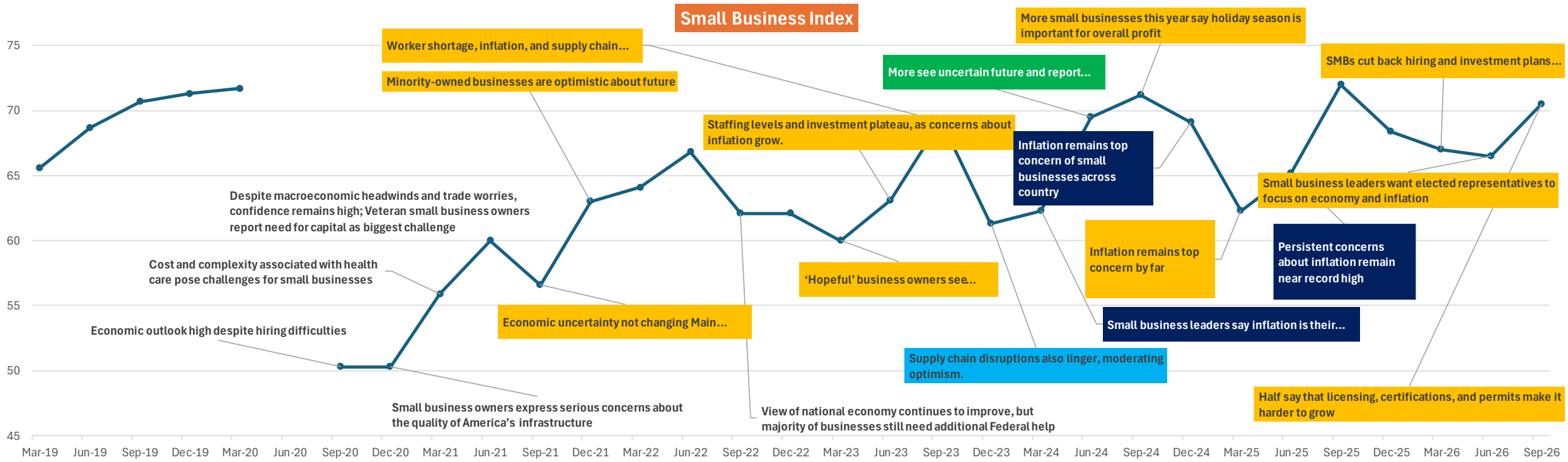
38% of SMBs expect to increase investment next year – unchanged from Q2 2026 (38%).

Based on findings of an Ipsos poll (fixed sample targets) conducted between July 24 and August 11, 2025. For this survey, a sample of 751 US SMB owners and operators age 18+ was interviewed online. Respondents by employee size: 1-4 employees: 63%, 5-19 employees: 26%, 20-99 employees: 9%, 100+ employees: 2%

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Small Business Confidence Rises as Owners Report Stronger Business Health and Cash Flow

54% of SMBs say inflation is a top concern despite growing confidence in business health



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

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AI disruption fears drove IT service underperformance in 2025

2025 | PUBLIC IT SERVICES

2025 market performance and the concerns driving the sector discount

S&P 500

+18%

Broad equity market advanced, highlighting the divergence with publicly traded IT services.

IT SERVICES BASKET

–22%

The 13-company IT services basket substantially underperformed the broader market.

VALUATION MULTIPLES

–20%

Reported multiple contraction reflected concerns about labor-intensive delivery and AI disruption.

2025 THESIS | Investors rewarded AI infrastructure while questioning the durability of labor-based services revenue.

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Public IT service companies demonstrate growing AI demand in 2026

2026 | PUBLIC IT SERVICES

Selected public-market evidence | 2026 earnings and market reaction

ACCENTURE • Q4 FY26

>3× bookings

Bookings with eight emerging AI and data partners more than tripled YoY; associated revenue more than doubled.

CEO Julie Sweet: "We continue to view AI as a tailwind for Accenture."

HCLTECH • FY26

$620M

Annualized Advanced AI revenue in Q4 FY26. Management said its new AI-led services were gaining traction.

Evidence of monetizable enterprise AI work.

COGNIZANT • Q2 2026

+4.1% CC

Revenue growth year over year; trailing 12-month bookings rose 5%.

Company highlighted AI transformation projects and partnerships.

MARKET SIGNAL | Accenture shares surged ~22% on Oct. 1 after FY27 guidance; peers also rose. The rally reflects improved sentiment, not proof of sustained sector-wide growth.

Sources: Accenture Q4 FY26 call (Oct. 1); HCLTech FY26 results (Apr. 21); Cognizant Q2 results (Jul. 29); Reuters (Oct. 1, 2026).

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AI adoption creates opportunities for SMB-focused MSPs but monetization may be uneven

AI AND SMB-FOCUSED MSPs

Enterprise demand is real—but is it transferable to local SMB MSPs?
Monetization will depend on an MSP's ability to deliver measurable business outcomes.

NEAR-TERM OPPORTUNITY: PRODUCTIVITY GAINS

- Automate help desk
- Automate service delivery
- Improve technician utilization

MID-TERM OPPORTUNITY: AI SERVICES FOR CLIENTS

- AI readiness, security and governance
- Client workflow automation
- Recurring monitoring and optimization

STRUCTURAL RISKS: LIMITED INCREMENTAL UPSIDE

- Software vendors capture economics
- Automation gets commoditized
- SMBs adopt tools without their MSP

M&A IMPLICATION **Internal AI efficiency ≠ valuation premium. Recurring, incremental AI revenue + retention + margins may justify one.**

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Most local SMB MSPs will face structural limitations in capturing durable AI economics

AI AND THE LOCAL SMB MSP: A STRUCTURAL CHALLENGE

Productivity gains are widespread. Sustainable AI differentiation will be rare.

WHY MOST LOCAL MSPs FACE LIMITS

- Vertical AI solutions require domain expertise and deployment scale. Local SMB markets rarely provide enough clients in one niche.
- Cross-industry AI solutions will tend to be built by hyperscalers, which capture much of the value.

THE LIKELY ECONOMIC OUTCOME

- AI automates internal workflows and boosts technician productivity.
- EBITDA margins rise initially—but competition and pricing pressure eventually pass those gains to customers.

TWO POTENTIAL EXCEPTIONS

VERTICAL SPECIALISTS

Develop defensible niche AI tools that hyperscalers do not serve.

MID-ENTERPRISE MSPs

Deploy fractional AI talent on client-specific projects.

M&A TAKEAWAY | Underwrite durable AI revenue and differentiation—not temporary efficiency-led margins.

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Efficiency improves EBITDA. Differentiation earns the multiple.

AI AND MSP M&A VALUATIONS

The valuation premium should follow proven incremental growth—not simply adoption of AI tools.

TRADITIONAL MSP

- Uses AI to automate help desk and delivery
- Improves technician productivity and EBITDA
- Faces pressure on routine-service pricing
- Efficiency alone may not raise its multiple

AI-ENABLED, DIFFERENTIATED MSP

- Sells AI governance, integrations and workflows
- Builds recurring AI management revenue
- Demonstrates customer ROI and retention
- May command a premium if growth is durable

EXPECTED EVOLUTION

NEAR TERM | EBITDA margin expansion

LONGER TERM | Selective revenue growth

BUYER DILIGENCE: What % of customers pay for AI services—and how much revenue is truly incremental?

M&A INSIGHTS PODCAST · TAKEAWAYS WITH SCOTT SCROGIN
Plan Your MSP Exit – and Your Life After It

8 lessons on emotional readiness for MSP founders preparing to sell

> **You should retire to something, not from something.**
>
> SCOTT SCROGIN — IT Nation Grow · Certified Exit Planning Advisor (CEPA) · Certified Peer Support Specialist

4 losses

What an exit can take away overnight
Purpose, identity, relationships and structure. Selling your MSP can remove all four at once.

Mon → Fri

The ideal-week exercise
Plan a normal week, 7 AM to 10 PM, two years after exit. What fills 10 AM on a Tuesday?

01
Financial success ≠ emotional success
A multimillion-dollar wire doesn't guarantee happiness after the sale

02
Start planning years before the LOI
Best time to plant a tree? 20 years ago. The second best: today

03
Your spouse has an exit plan too
You want to travel; they want to stay close to home. Talk before you sell

04
Design your ideal post-exit week
If you can't fill a normal Monday to Friday, you may not be ready to sell

05
Reduce founder dependency
A win-win: delegating lifts your valuation and lets you test-drive retirement

06
Build a portfolio of next chapters
Mentoring, philanthropy, investing, hobbies, family. Don't swap one obsession for another

07
Retire TO something, not FROM something
Leaving your MSP isn't the finish line. It's the starting line

08
Prepare yourself, not just your MSP
Don't spend years readying the business and zero time readying yourself

Topics from our Podcast - M&A Insights That Speak to Topics Discussed at Recent Conferences

Running an M&A Process is Table Stakes – Strong Advisors Have Networks They Can Leverage

What is a Best in Class MSP? With **Peter Kujawa** at Service Leadership



Access Podcast

Growth, Exit & Legacy With **Arlin Sorensen** at IT Nation



Access podcast

Preparing to Sell: Legal Strategies to Maximize Your MSP's Value With **Thomas Fafinski** at MSP Law



Access podcast

Why Your Finance Function is Worth 2x EBITDA? With **Brandi Bonds** at Next Level Now



Access Podcast

How to Make Your MSP Irresistible? With **Evergreen**



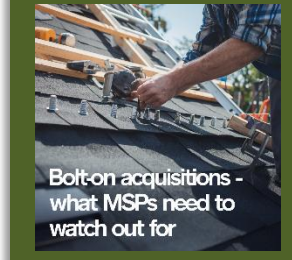
Access Podcast

Cash or King? With **The 20s**



Access podcast

Bolt-On Acquisitions With **IT Solutions**



Access Podcast

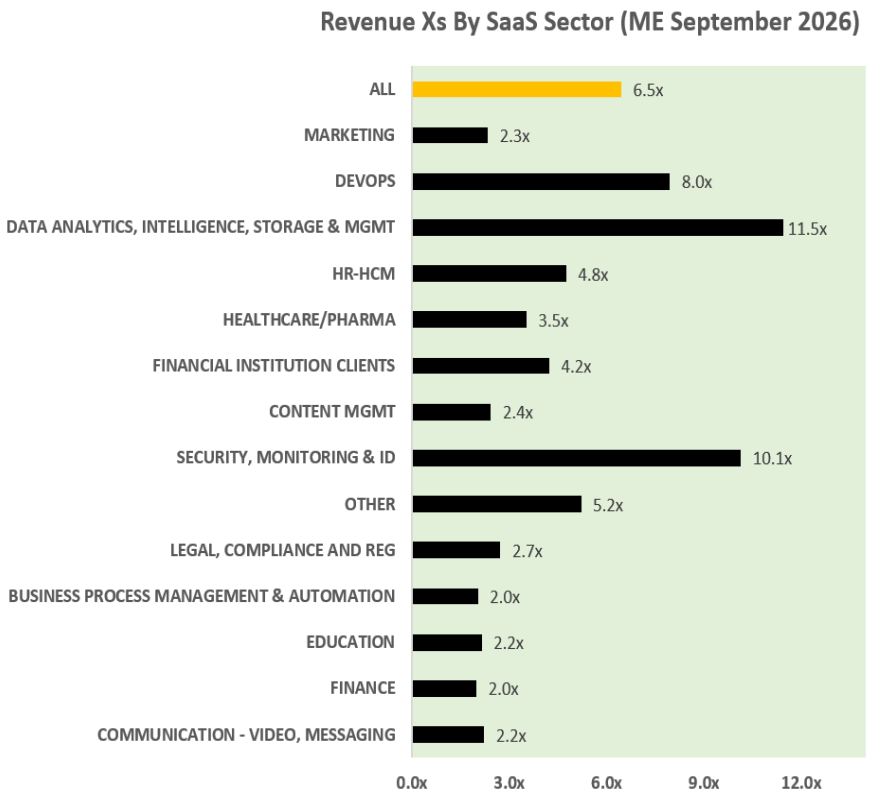
Getting Reverse Due-Diligence Right With **Ntiva**

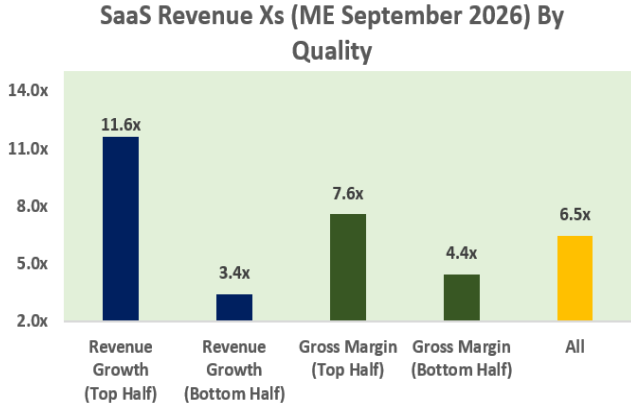


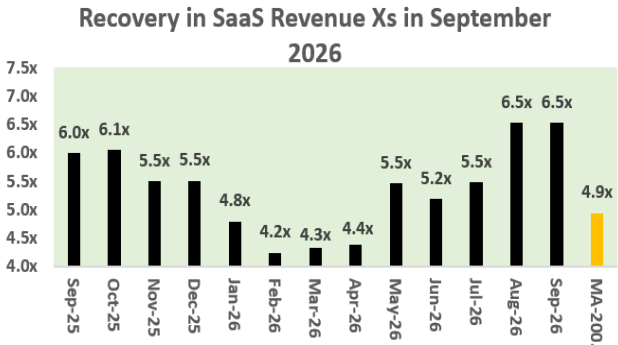
Podcast: Reverse Due Diligence

Software SaaS
Valuation – Public Market Multiples

- The aggregate SaaS TTM Revenue Multiple remained unchanged at **6.5x** in **September 2026** compared to **August 2026**, with valuation multiples continuing to remain compressed across the SaaS sector
- The broader equity markets remained range-bound, with the **S&P 500** decreasing approximately **0.5%** in **September 2026**
- **Sector Mattered:** SaaS Multiples declined the most in Data Analytics, HR and Financial Institution while increasing in Security
- **Quality Mattered:** Valuation dispersion remained significant, with top-half companies by Revenue Growth and Gross Margin trading at premiums of approximately **8.2x** and **3.2x** respectively



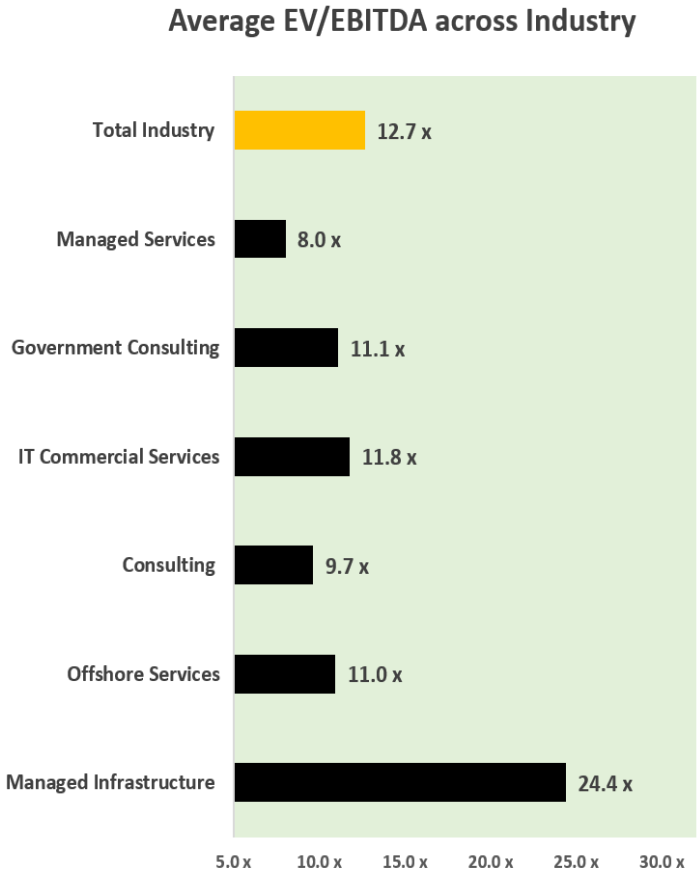


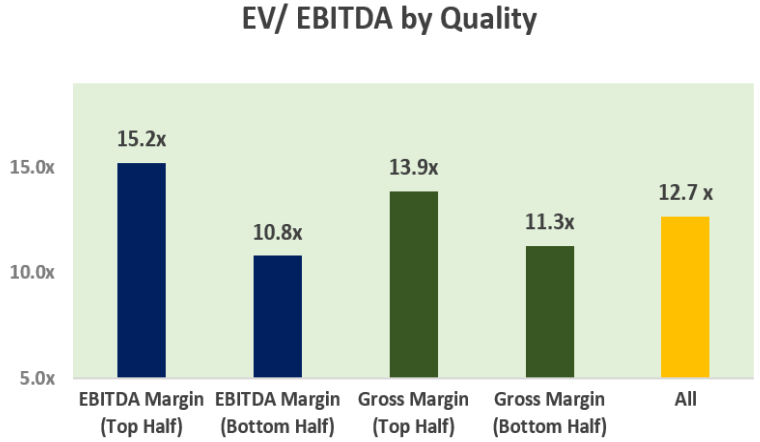


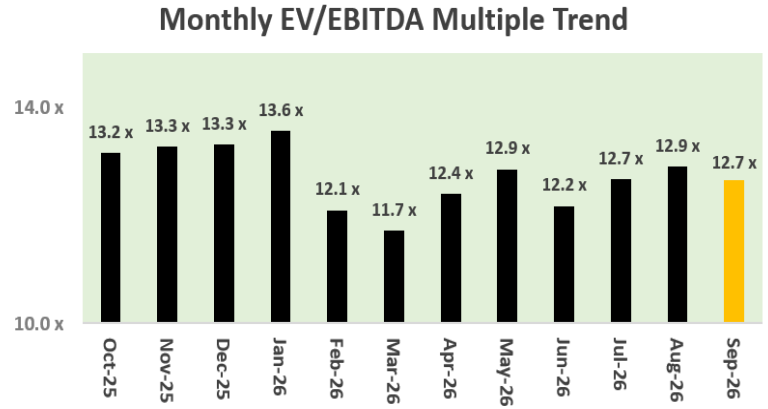
Source: Yahoo Finance. As of 30th September.

IT Services
Valuation – Public Market Multiples

- The aggregate IT Services TTM EV/EBITDA multiple saw a decrease to **12.7x** in **September 2026**, from **12.9x** in **August 2026**
- Current multiples are **7%** off their 52-Week peak of 13.6x reached in Jan 2026
- Managed Service multiples have dropped from 11.0x in Dec-25 to 8.0x in September-26 as markets factor in project delays and AI-driven business model viability
- Top-half companies with above-average EBITDA and gross margins commanded higher EV/EBITDA multiples, a trend consistent with the SaaS sector.







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

Private Market Multiples
Selected M&A Deals

YTD Median EV/EBITDA and EV/Revenue multiples stand at 26.8x and 2.8x respectively

YTD Median EV/EBITDA and EV/Revenue multiples for deals less than $200MN stand at 17.3x and 1.8x respectively

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

**Source: Federal Reserve, Yahoo Finance.*

Private Market Multiples
Selected M&A Deals (TTM September 2026)

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US$mn)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
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
Mar-26	Estech Systems, LLC	Crexendo, Inc. (NASDAQCM:CXDO)	35	NA	1.3x	Communications Equipment	Target provides business phone systems and cloud services
Mar-26	Quinnox Inc.	Everforth, Inc. (NYSE:EFOR)	290	NA	2.9x	IT Consulting and Other Services	Target provides information technology lifecycle solutions for financial services, manufacturing and service, and retail and distribution industries
Mar-26	Confluent, Inc.	International Business Machines Corporation (NYSE:IBM)	10,698	NA	9.7x	Application Software	Target operates a data streaming platform in the United States and internationally
Apr-26	ON24, Inc.	Decision Street, LLC	196	NA	1.3x	Application Software	Target provides a cloud-based intelligent engagement platform
Apr-26	OneStream, Inc.	General Atlantic Service Company, L.P.; HgCapital LLP; Hg Saturn 1; Tidemark Capital, Inc.	5,804	NA	9.6x	Systems Software	Target designs and develops a unified, AI-enabled, and extensible cloud-based software platform

**Source: Federal Reserve, Yahoo Finance.*

Private Market Multiples
Selected M&A Deals (TTM September 2026)

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US$mn)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
Apr-26	Kinetic Technologies, Inc.	Cyient Singapore Private Limited	85	NA	3.5x	Semiconductors	Target develops and manufactures analog and mixed-signal semiconductors
Apr-26	Encora Digital LLC	Coforge Limited (NSEI:COFORGE)	1,609	NA	4.6x	IT Consulting and Other Services	Target operates as a digital engineering company
Apr-26	Stratus Technology Services, LLC	Infosys Nova Holdings LLC	95	NA	2.2x	IT Consulting and Other Services	Target provides information technology services and solutions for insurance businesses
Apr-26	Dan Desmet & Associates, Inc.	Atomos Limited (ASX:AMS)	2	5.6x	0.3x	Communications Equipment	Target manufactures and sells broadcast and post-production monitors
Apr-26	Semrush Holdings, Inc.	Adobe Inc. (NASDAQGS:ADBE)	1,715	132.5x	4.0x	Application Software	Target provides an online visibility management and content marketing software-as-a-service platform
May-26	SessionM, Inc.	Capillary PTE. Ltd	20	17.1x	2.3x	Application Software	Target provides customer engagement solutions worldwide
May-26	Vertica Systems, Inc.	Rocket Software, Inc.	150	NA	1.9x	Application Software	Target provides HP Vertica Analytics Platform that enables organizations to manage and analyze massive volumes of data
Jun-26	IMA Tech Inc.		1	NA	9.5x	Application Software	Target provides in developing digital avatars of consultants using human intelligence, artificial intelligence, and niche databases
Jun-26	Ookla, LLC	Accenture plc	1,200	NA	5.2x	Internet Services and Infrastructure	Target provides a global internet performance measurement platform that develops digital tools and analytics for measuring network speed, reliability, performance, and coverage across fixed and mobile broadband networks
Jun-26	Board Shark LLC	NCAB Group AB	26	NA	1.5x	Electronic Manufacturing Services	Target provides PCB solutions and it serves aerospace, industrial and medical sectors
Jul-26	Heavy Construction Systems Specialists, LLC	Nemetschek SE	2,285	NA	10.9x	Application Software	Target designs and develops a construction platform and multiple software for winning, planning, and managing construction projects

**Source: Federal Reserve, Yahoo Finance.*

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Private Market Multiples
Selected M&A Deals (TTM September 2026)

Date	Target	Acquiror(s) / Investor(s)	Deal Size (US$mn)	EV/ EBITDA	EV/ Revenue	Sector	Target Business Description
Jul-26	Electro-Sensors, Inc.	steute Technologies GmbH & Co. KG	19	NA	1.8x	Electronic Eqipment and Instruments	Target manufactures and sells industrial production monitoring and process control systems
Jul-26	SkyWater Technology, Inc.	IonQ, Inc	2,042	62.9x	4.5x	Semiconductors	Target provides semiconductor manufacturing services in the United States
Aug-26	Romeo Computer Company	Image Solutions LLC	2	NA	1.0x	IT Consulting and Other Services	Target provides IT support and cybersecurity solutions for small and mid-sized businesses
Aug-26	Noviant Inc	Aether Compute	4	NA	1.1x	IT Consulting and Other Services	Target provides managed IT services including IT consulting, cyber security, and cloud solutions in the United States
Aug-26	NYIAX, Inc.	Datavault AI Inc.	25	NA	NA	Application Software	Target designs and operates an upfront marketplace and advanced contract management exchange platform within the advertising industry
Aug-26	Epitome Cloud Inc.	CapitalNumbers Infotech Limited	4	NA	1.6x	IT Consulting and Other Services	Target provides cloud solutions and expert consultancy services in the United States and India
Aug-26	AstroNova	Arcline Investment Management LP	275	24.2x	1.8x	Technology Hardware, Storage and Peripherals	Target designs, develops, manufactures, and distributes specialty printers, and data acquisition and analysis systems in the United States, Europe, Canada, Asia, Central and South America, and internationally
Sep-26	LivePerson	SoundHound AI	338	26.8x	1.4x	Application Software	Target provide brands to leverage the LivePerson Platform's intelligence engine to connect with consumers through an integrated suite of mobile and online business messaging technologies
Sep-26	Tao Digital Solutions Inc.	Cyient Limited	218	NA	2.8x	IT Consulting and Other Services	Target offers product engineering, modern managed services, cybersecurity, payments, digitization, cloud services, and data services
Sep-26	TextPlus, Inc.	Truecaller AB	15	NA	2.9x	Application Software	Target operates as a communications technology company that provides cloud-based voice, messaging and connectivity services through its proprietary mobile platform
	25th Percentile **Median** **75th Percentile**			**17.1x** **26.8x** **45.4x**	**1.5x** **2.8x** **4.9x**		

**Source: Federal Reserve, Yahoo Finance.*

Selected IT/Software Activity Transactions in September 2026

Notable Service Provider Deals in September

Acquiror – Charles IT

- Charles IT announced its acquisition of Descent IT on September 2, 2026
- Charles IT is a U.S.-based managed IT services provider offering cybersecurity, compliance, technology management, and IT support services, with 175+ team members
- Descent IT is a U.S.-based managed IT services provider offering managed and co-managed IT, cybersecurity, cloud, and AI-driven automation solutions, with approximately 2–10 employees
- The acquisition strengthens Charles IT's AI and automation capabilities, enhances operational efficiency across managed IT services, and enables Descent IT to accelerate its development while continuing to operate independently under its existing brand

Target – Descent IT

Acquiror – Integrass

- Integrass announced its acquisition of ClearCadence on September 28, 2026
- Integrass is a U.S.-based technology and business services provider offering technology consulting, talent solutions, managed services, and digital platforms, with approximately 51 – 200 employees
- ClearCadence is a U.S.-based enterprise technology solutions provider specializing in enterprise content management, business process management, digital transformation, and managed services
- The acquisition strengthens Integrass's enterprise technology and digital transformation capabilities, expands its managed services offerings, and enhances its ability to support enterprise clients through specialized expertise and shared operational resources

Target – ClearCadence

*Source: Crunchbase, Cap IQ.

Excendio Advisors

Our Recent and Past
Transactions
IT M&A

Our Latest Services Transactions

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.

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Other Recent Select Transactions

SOFTWARE GROWTH PARTNERS (SGP) Acquired Netreo	cisco Acquired ALTIGA NETWORKS	CORPORATE TECHNOLOGIES Acquired CPR "Service First"	newera TECHNOLOGY Acquired angaia PARTNERS	RiverStreet NETWORKS Acquired Gamewood Technology Group, Inc.
newera TECHNOLOGY Acquired Cameo SOLUTIONS	newera TECHNOLOGY Acquired Meyer Hill Lynch.	VERTICAL TRAIL SOLUTIONS Acquired edgilent	HOSTWAY GLOBAL WEB SOLUTIONS Acquired IMS Soft & Services	core BTS INC Acquired inacom Information Systems
Accunet Acquired DTG DISTRIBUTED TECHNOLOGY GROUP	Blue Loop CAPITAL Acquired YuxiPacific	NORLIGHT INC Acquired NETCOM GROUP	ConvergeOne Acquired G3 Technology PARTNERS	infor Acquired BRAIN INTERNATIONAL

Appendix - IT Services Comparable Company Analysis

Comparable Analysis
September 2026

Sector	Market Data	LTM Financials			Valuation Multiples		
	% 52 week high	Gross Margin (%)	EBITDA Margin (%)	Net Profit Margin (%)	EV/ LTM EBITDA	EV/ LTM Revenue	Price/ Earnings
Managed Infrastructure Mean	74%	48%	33%	8%	26.4 x	9.4 x	138.5 x
Managed Infrastructure Median	82%	54%	34%	6%	25.1 x	12.2 x	69.3 x
Offshore Services Mean	66%	34%	19%	12%	11.1 x	2.0 x	18.1 x
Offshore Services Median	66%	32%	18%	12%	9.4 x	2.0 x	13.5 x
Consulting Mean	68%	33%	15%	8%	9.4 x	1.2 x	15.1 x
Consulting Median	68%	32%	14%	6%	8.5 x	1.2 x	13.3 x
IT Commercial Services Mean	88%	18%	6%	3%	11.5 x	0.6 x	18.2 x
IT Commercial Services Median	91%	20%	5%	3%	11.6 x	0.6 x	18.2 x
Government Consulting Mean	68%	25%	11%	6%	10.4 x	1.2 x	14.8 x
Government Consulting Median	64%	22%	11%	6%	10.2 x	1.1 x	14.1 x
Managed Services Mean	61%	29%	17%	10%	8.0 x	1.3 x	15.7 x
Managed Services Median	63%	28%	18%	11%	8.0 x	1.3 x	12.7 x
Total Industry Mean	**71%**	**31%**	**17%**	**8%**	**12.8 x**	**2.6 x**	**36.7 x**
Total Industry Median	**67%**	**30%**	**16%**	**6%**	**9.8 x**	**1.2 x**	**13.8 x**

Source: Yahoo Finance. As of 30th September.

Comparable Analysis
September 2026

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	$1,011.58	90%	$100,135	$124,184	$10,060	$1,645	52%	46%	16%	26.7 x	12.3 x	60.9 x
Digital Realty Trust Inc	US	$175.53	84%	$66,408	$86,462	$7,096	$922	57%	49%	13%	25.1 x	12.2 x	72.0 x
Digital Ocean Holdings Inc	US	$133.39	71%	$15,740	$16,947	$1,103	$34	55%	27%	3%	56.0 x	15.4 x	459.4 x
Iron Mountain Incorporated	US	$110.95	82%	$33,045	$53,347	$7,799	$477	54%	34%	6%	20.2 x	6.8 x	69.3 x
Kyndryl Holdings Inc	US	$11.26	40%	$2,453	$5,683	$14,897	$79	22%	10%	1%	3.9 x	0.4 x	31.0 x
Managed Infrastructure Mean			**74%**					**48%**	**33%**	**8%**	**26.4 x**	**9.4 x**	**138.5 x**
Managed Infrastructure Median			**82%**					**54%**	**34%**	**6%**	**25.1 x**	**12.2 x**	**69.3 x**
Offshore Services													
Tata Consultancy Services	IN	$21.38	61%	$77,343	$73,254	$29,527	$5,406	45%	27%	18%	9.3 x	2.5 x	14.3 x
Infosys Limited	IN	$10.36	58%	$41,974	$38,887	$20,367	$3,306	30%	22%	16%	8.5 x	1.9 x	12.7 x
HCL Technologies Limited	IN	$12.82	69%	$34,705	$34,686	$14,391	$1,911	47%	21%	13%	11.6 x	2.4 x	18.2 x
Cognizant Technology Solutions Corporation	US	$57.44	66%	$25,677	$26,257	$21,891	$2,573	33%	19%	12%	6.4 x	1.2 x	10.0 x
Wipro Limited	IN	$1.65	58%	$16,348	$14,112	$9,900	$1,385	29%	22%	14%	6.4 x	1.4 x	11.8 x
LTI Mindtree Limited	IN	$42.17	63%	$12,503	$11,168	$4,742	$542	29%	18%	11%	13.0 x	2.4 x	23.1 x
Tech Mahindra Limited	IN	$15.89	82%	$14,075	$13,540	$6,397	$581	30%	16%	9%	13.1 x	2.1 x	24.2 x
Genpact Limited	BM	$32.53	67%	$5,440	$6,342	$5,344	$588	37%	18%	11%	6.7 x	1.2 x	9.2 x
Globant S.A.	LU	$34.70	48%	$1,498	$1,847	$2,451	$120	35%	8%	5%	9.5 x	0.8 x	12.5 x
Mphasis Limited	IN	$22.46	72%	$4,290	$4,393	$1,794	$209	33%	21%	12%	11.9 x	2.4 x	20.6 x
Persistent Systems Limited	IN	$55.03	80%	$9,058	$8,880	$1,751	$188	30%	17%	11%	29.3 x	5.1 x	48.2 x
Capgemini S.E.	FR	$118.26	68%	$19,311	$28,268	$26,551	$1,564	27%	14%	6%	7.5 x	1.1 x	12.3 x
Offshore Services Mean			**66%**					**34%**	**19%**	**12%**	**11.1 x**	**2.0 x**	**18.1 x**
Offshore Services Median			**66%**					**32%**	**18%**	**12%**	**9.4 x**	**2.0 x**	**13.5 x**

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

Comparable Analysis
September 2026

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	$134.51	64%	$3,666	$4,649	$3,980	$233	32%	10%	6%	11.4 x	1.2 x	15.7 x
Huron Consulting Group	US	$156.83	77%	$2,475	$3,294	$1,860	$114	32%	13%	6%	13.6 x	1.8 x	21.8 x
Resources Connection	US	$3.76	70%	$130	$92	$430	($46)	37%	-	-	-	0.2 x	-
The Hackett Group	US	$10.05	49%	$249	$325	$284	$18	41%	14%	6%	8.3 x	1.1 x	14.0 x
Accenture Plc	IE	$183.37	63%	$108,324	$108,883	$74,183	$8,523	32%	17%	11%	8.4 x	1.5 x	12.7 x
Capgemini S.E.	FR	$118.26	68%	$19,311	$28,268	$26,551	$1,564	27%	14%	6%	7.5 x	1.1 x	12.3 x
CGI Inc.	CA	$67.96	73%	$12,232	$14,741	$11,642	$1,273	16%	19%	11%	6.7 x	1.3 x	9.6 x
Infosys Limited	IN	$10.36	58%	$41,974	$38,887	$20,367	$3,306	30%	22%	16%	8.5 x	1.9 x	12.7 x
Information Services Group	US	$5.53	86%	$263	$303	$253	$12	45%	11%	5%	10.9 x	1.2 x	21.9 x
Consulting Mean			**68%**					**33%**	**15%**	**8%**	**9.4 x**	**1.2 x**	**15.1 x**
Consulting Median			**68%**					**32%**	**14%**	**6%**	**8.5 x**	**1.2 x**	**13.3 x**
IT Commercial Services													
ePlus Inc	US	$90.01	90%	$2,340	$2,112	$2,508	$125	25%	8%	5%	10.4 x	0.8 x	18.8 x
ScanSource Inc	US	$58.73	88%	$1,194	$1,489	$3,449	$68	13%	3%	2%	12.3 x	0.4 x	17.6 x
Arrow Electronics Inc	US	$227.00	91%	$11,477	$14,013	$38,930	$1,021	11%	4%	3%	8.7 x	0.4 x	11.2 x
Avnet Inc	US	$99.95	92%	$8,219	$12,406	$32,452	$565	10%	4%	2%	10.5 x	0.4 x	14.6 x
PC Connection Inc	US	$90.23	93%	$2,278	$1,943	$3,153	$103	19%	5%	3%	12.8 x	0.6 x	22.2 x
Wesco International Inc	US	$359.59	93%	$17,501	$23,433	$26,040	$793	22%	6%	3%	13.9 x	0.9 x	22.1 x
CDW Corporation	US	$128.16	73%	$15,996	$22,324	$24,518	$1,099	21%	8%	4%	11.0 x	0.9 x	14.6 x
Insight Enterprises Inc	US	$156.32	86%	$4,504	$5,848	$9,017	$182	22%	5%	2%	12.1 x	0.6 x	24.8 x
IT Commercial Services Mean			**88%**					**18%**	**6%**	**3%**	**11.5 x**	**0.6 x**	**18.2 x**
IT Commercial Services Median			**91%**					**20%**	**5%**	**3%**	**11.6 x**	**0.6 x**	**18.2 x**
Government Consulting													
Booz Allen Hamilton Holding Corporation	US	$69.42	64%	$8,233	$12,607	$10,981	$784	53%	11%	7%	10.0 x	1.1 x	10.5 x
CACI International Inc	US	$609.11	88%	$13,529	$18,531	$9,755	$541	10%	13%	6%	15.1 x	1.9 x	25.0 x
Science Applications International Corporation	US	$127.56	82%	$5,344	$7,923	$7,402	$380	13%	10%	5%	10.6 x	1.1 x	14.1 x
Maximus Inc	US	$53.19	53%	$2,785	$4,461	$5,248	$371	26%	14%	7%	6.2 x	0.8 x	7.5 x
Leidos Holdings	US	$121.83	59%	$14,863	$20,797	$17,795	$1,439	18%	13%	8%	8.9 x	1.2 x	10.3 x
Parsons Corporation	US	$40.97	47%	$4,324	$5,568	$6,321	$207	22%	7%	3%	11.9 x	0.9 x	20.9 x
ICF International Inc	US	$83.13	83%	$1,492	$2,012	$1,826	$97	37%	11%	5%	10.2 x	1.1 x	15.5 x
Government Consulting Mean			**68%**					**25%**	**11%**	**6%**	**10.4 x**	**1.2 x**	**14.8 x**
Government Consulting Median			**64%**					**22%**	**11%**	**6%**	**10.2 x**	**1.1 x**	**14.1 x**

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

Comparable Analysis
September 2026

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	$183.37	63%	$108,324	$108,883	$74,183	$8,523	32%	17%	11%	8.4 x	1.5 x	12.7 x
Tata Consultancy Services	IN	$21.38	61%	$77,343	$73,254	$29,527	$5,406	45%	27%	18%	9.3 x	2.5 x	14.3 x
Kyndryl	US	$11.26	40%	$2,453	$5,683	$14,897	$79	22%	10%	1%	3.9 x	0.4 x	31.0 x
Infosys Limited	IN	$10.36	58%	$41,974	$38,887	$20,367	$3,306	30%	22%	16%	8.5 x	1.9 x	12.7 x
Capgemini SE	FR	$118.26	68%	$19,311	$28,268	$26,551	$1,564	27%	14%	6%	7.5 x	1.1 x	12.3 x
Cognizant Technology Solutions	US	$57.44	66%	$25,677	$26,257	$21,891	$2,573	33%	19%	12%	6.4 x	1.2 x	10.0 x
Wipro Limited	IN	$1.65	58%	$16,348	$14,112	$9,900	$1,385	29%	22%	14%	6.4 x	1.4 x	11.8 x
DXC Technology Company	US	$10.83	66%	$1,684	$3,778	$12,357	$109	22%	14%	1%	2.1 x	0.3 x	15.4 x
Rackspace Technology, Inc	US	$3.72	43%	$980	$4,210	$2,640	($145)	18%	12%	-	12.8 x	1.6 x	-
CGI Group	CA	$67.96	73%	$12,232	$14,741	$11,642	$1,273	16%	19%	11%	6.7 x	1.3 x	9.6 x
Insight Enterprises	US	$156.32	86%	$4,504	$5,848	$9,017	$182	22%	5%	2%	12.1 x	0.6 x	24.8 x
HCL Technologies	IN	$12.82	69%	$34,705	$34,686	$14,391	$1,911	47%	21%	13%	11.6 x	2.4 x	18.2 x
Unisys	US	$2.31	46%	$168	$664	$1,957	($313)	28%	-	-	-	0.3 x	-
Managed Services Mean			**61%**					**29%**	**17%**	**10%**	**8.0 x**	**1.3 x**	**15.7 x**
Managed Services Median			**63%**					**28%**	**18%**	**11%**	**8.0 x**	**1.3 x**	**12.7 x**
Total Industry Mean			**71%**					**31%**	**17%**	**8%**	**12.8 x**	**2.6 x**	**36.7 x**
Total Industry Median			**67%**					**30%**	**16%**	**6%**	**9.8 x**	**1.2 x**	**13.8 x**

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

Discount Rates Implied From IT Public Market Valuations

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

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

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

Inflation and Inflation Expectations Remain Elevated

The economy added 29K jobs MoM in September-26 but inflationary expectations have begun to creep up again

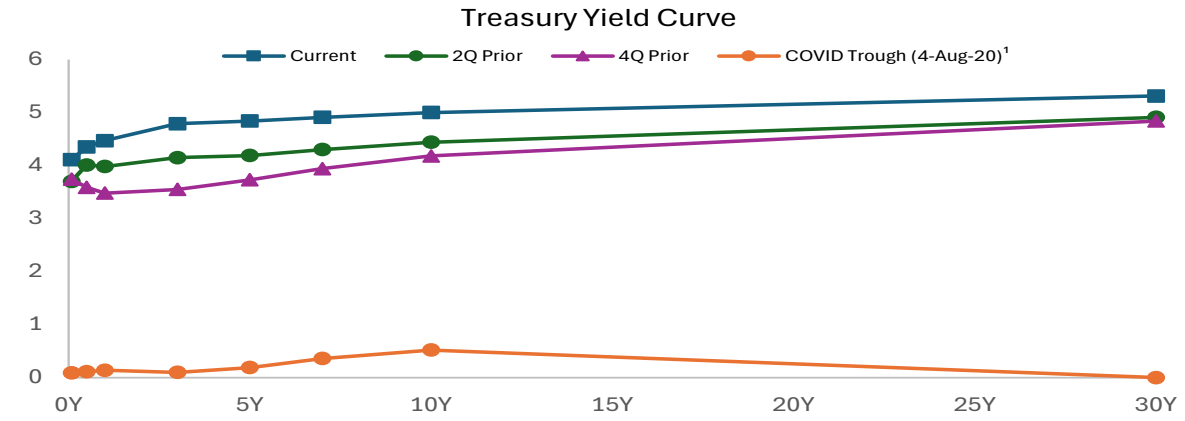
	Current	As of	1Y Ch	1Y % Ch	Current	Hist. Avg	1Q Prior	2Q Prior	3Q Prior	4Q Prior
RATES, INFLATION AND UNEMPLOYMENT										
10y Constant Maturity Tsy Yield	5.00	10/26/2026	0.99	24.69	5.00	3.36	5.29	4.44	4.30	4.18
CoreCPI	3.72	09/01/2026	1.06	40.10	3.72	2.60	3.72	3.46	3.29	2.65
Unemployment Rate	4.20	09/01/2026	-0.20	-4.55	4.20	5.61	4.20	4.20	4.30	4.40
Initial Claims 4-week MA	197.75	10/17/2026	-30.00	-13.17	197.75	365.45	200.50	222.50	208.00	219.25
Nonfarm Payroll Change (Unrevised)	29.00	10/02/2026	169.00	-120.71	29.00	140.94	29.00	31.00	214.00	-17.00
INDEXES AND INDICATORS										
Sahm Recession Indicator	0.00	09/01/2026	-0.23	-100.00	0.00	0.47	0.00	0.07	0.20	0.35
Michigan Consumer Sentiment	48.00	10/23/2026	-5.60	-10.45	48.00	81.05	48.10	49.50	53.30	52.90
Michigan Inflation Expectations	4.70	10/23/2026	0.10	2.17	4.70	3.20	4.60	4.60	3.80	4.20
MARKETS										
S&P 500	7743.98	10/28/2026	853.39	12.38	7743.98	-	7651.54	7499.36	6528.52	6845.50
NASDAQ	26549.85	10/28/2026	2722.36	11.43	26549.85	-	26861.06	26213.72	21590.63	23241.99
VIX	17.52	10/27/2026	1.10	6.70	17.52	19.78	16.34	16.45	25.25	14.95
ICE Corp BBB OAS	1.09	10/27/2026	0.05	4.81	1.09	1.10	1.03	0.95	1.13	1.01
ICE Corp HY OAS	3.18	10/27/2026	0.14	4.61	3.18	3.08	3.12	2.75	3.28	2.81

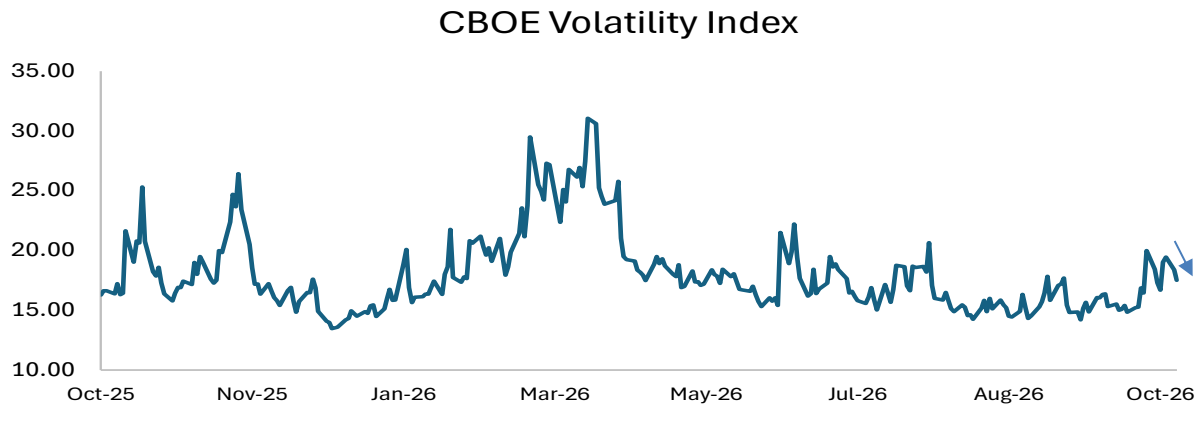
**Source: Federal Reserve, Yahoo Finance.*

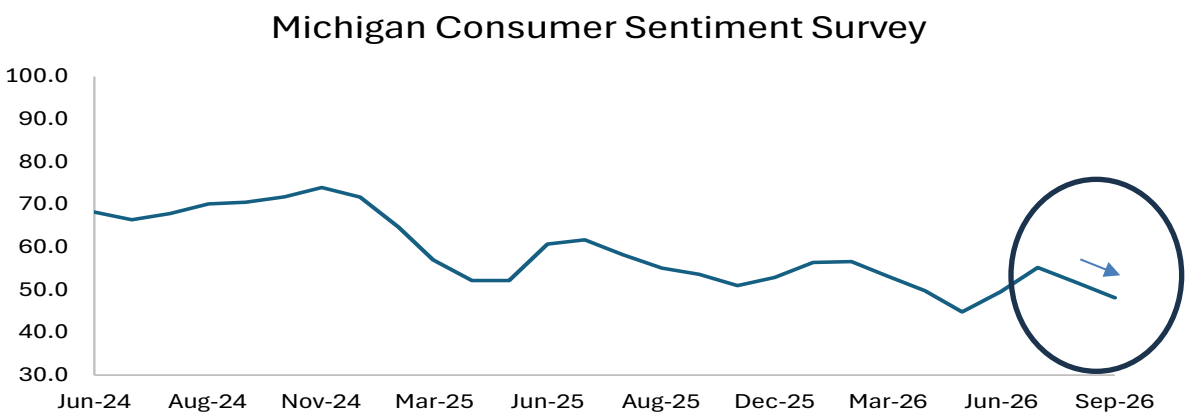
EXCENDIO ADVISORS
IT MERGERS & ACQUISITIONS

Macro Update –Inflationary concerns are holding back the recovery in consumer sentiment

Inflationary concerns continued to weigh on consumer sentiment and yields have risen









(1) COVID trough (Aug-20) observed across the 3Y, 5Y, 7Y and 10Y Treasury yields
**Source: Federal Reserve, Yahoo Finance.*

Macro Update – What Should IT Services See

Deal markets are open, but costlier capital and cautious clients will reward predictable, recurring revenue

Costlier Capital

5.00%

10Y Treasury yield, up ~100 bps YoY

Key Takeaway

Higher discount rates and pricier acquisition debt cap what PE-backed buyers can pay. Expect tighter valuations and more deal structure

Cautious Clients

48.0

Consumer sentiment vs. 81 avg.

Key Takeaway

Weak confidence filters into SMB and mid-market IT budgets. Discretionary projects get delayed, while contracted managed services (MRR) hold up far better

Margin Squeeze

3.7%

Core CPI; inflation expectations at 4.7%

Key Takeaway

Labour, vendor and licensing costs keep rising in a people-heavy model. Build CPI escalators into contracts and reprice annually to protect gross margin

Deal Window Open

+12.4%

S&P 500 LTM; VIX 17.5 vs. 19.8 avg.

Key Takeaway

Equity and credit markets remain receptive and buyers still have capital to deploy. Well-prepared sellers can still secure strong outcomes

Bottom line: Equity markets remain resilient, supported by low volatility and strong market performance. However, elevated Treasury yields and persistent inflation concerns continue to pose risks to consumer confidence, borrowing costs and the sustainability of the rally

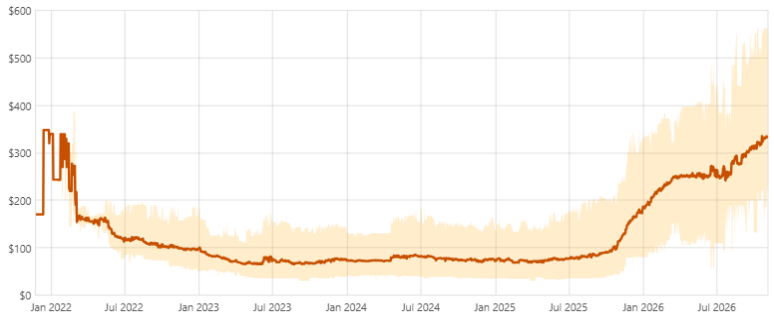
**Source: Federal Reserve, Yahoo Finance; Excendio Advisors analysis. Market data as of late October 2026.*

Hardware Price Trends (1/2)

AI demand is driving up memory, storage and GPU prices, putting pressure on hardware quotes and margins

RAM Prices Surging $332

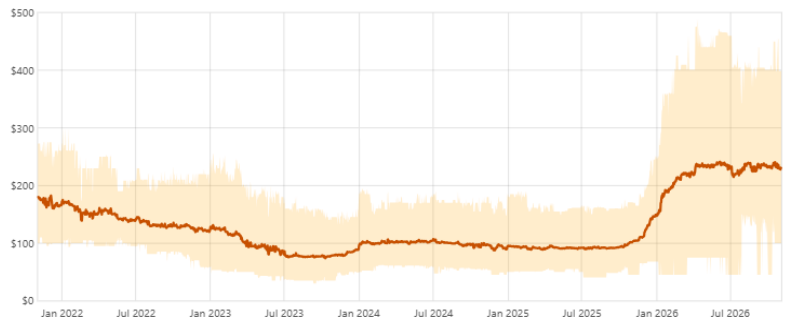
Avg. price history, US$ (Nov-21 – Nov-26)



- **Price Trend:** RAM prices have increased 37% over the past year, driven by strong AI demand and limited supply
- **Business Impact:** Higher RAM costs are increasing PC and server expenses, putting pressure on MSP project margins
- **Key Takeaway:** Review hardware pricing regularly, keep customer quotes valid for shorter periods and ensure contracts allow for price increases before placing supplier orders

SSD Prices Stay Elevated $229

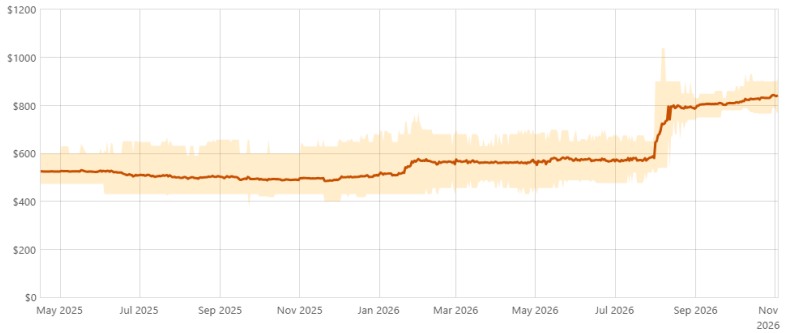
Avg. price history, US$ (Nov-21 – Nov-26)



- **Price Trend:** SSD prices have stabilised but remain 11% above the 12-month average and well above previous lows
- **Business Impact:** Higher SSD costs are increasing expenses for servers, storage and backup projects, potentially reducing margins
- **Key Takeaway:** Update hardware quotes regularly and use current SSD prices when budgeting new projects

GPU Prices Jump ~$842

Avg. price history, US$ (Apr-25 – Nov-26)



- **Price Trend:** GPU prices have increased 37% over the past year, with a sharp jump in August 2026
- **Business Impact:** Rising GPU costs are increasing expenses for design, CAD and AI-related projects, putting pressure on MSP margins
- **Key Takeaway:** Avoid long-term fixed-price quotes for GPU-heavy projects. Confirm hardware prices and availability with suppliers before finalising customer quotes

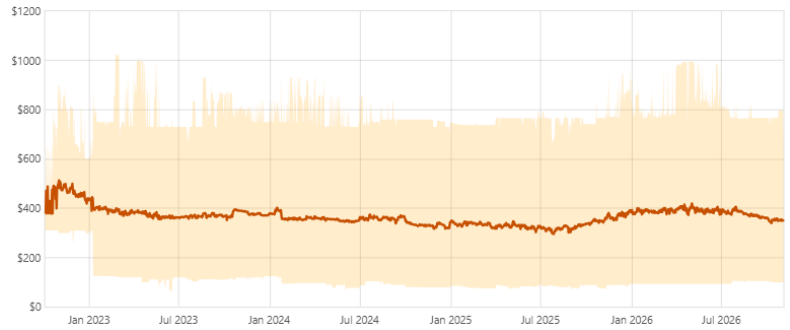
Source: https://pangoly.com/en/price-trends/

Hardware Price Trends (2/2)

CPU, PSU and monitor prices remain stable to softening, partly offsetting rising memory and GPU costs

CPU Prices Easing ~$346

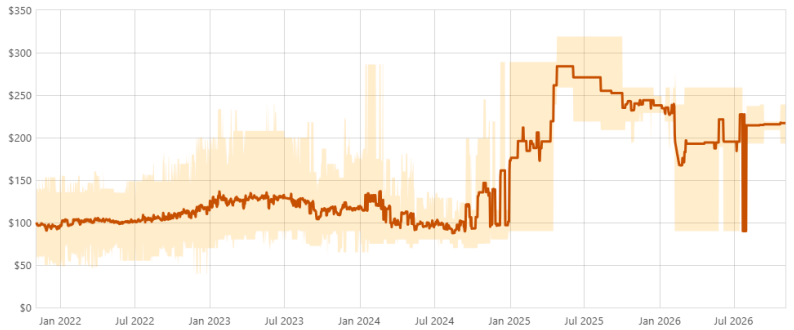
Avg. price history, US$ (Oct-22 – Nov-26)



- **Price Trend:** CPU prices have declined 5% over the past 90 days and are now 9% below the 12-month average
- **Business Impact:** Lower CPU prices offer some cost relief for PC upgrades and desktop procurement, partially offsetting rising RAM costs
- **Key Takeaway:** MSPs may benefit from lower CPU procurement costs when planning PC upgrades and hardware refresh projects

PSU Prices Steady, Still High $217

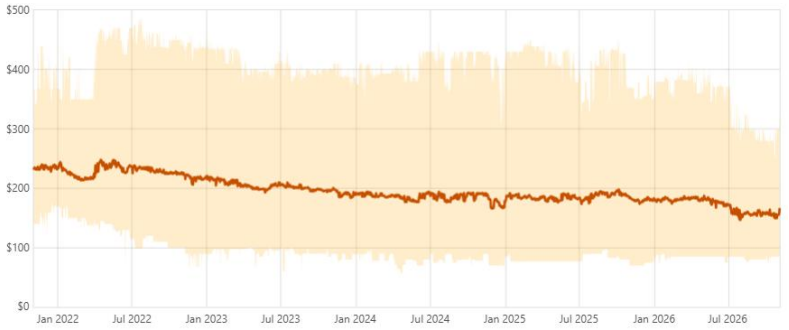
Avg. price history, US$ (Nov-21 – Nov-26)



- **Price Trend:** PSU prices have remained stable at around $215 – $218 over the past 90 days, following a sharp increase in 2025
- **Business Impact:** Stable PSU prices provide more predictable costs for PC and server builds. However, prices remain significantly higher than 2022–24 levels
- **Key Takeaway:** MSPs can budget PSU costs with greater confidence, but should use current supplier pricing when preparing new hardware quotes

Monitor Prices Stable $167

Avg. price history, US$ (Nov-21 – Nov-26)



- **Price Trend:** Monitor prices have remained relatively stable, with a slight 4.9% increase over the past 30 days
- **Business Impact:** Stable monitor prices help MSPs maintain predictable costs for office setups, employee onboarding and hardware bundles
- **Key Takeaway:** Monitors remain a relatively predictable cost for MSPs when pricing new office and workstation setup projects

Source: https://pangoly.com/en/price-trends/



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