

A decorative graphic consisting of a blue line forming a stylized shape, possibly representing a network or data flow, with a small square at the end.

Technology Services M&A Market Update

Q4 2024 and 2025 Outlook

A decorative graphic consisting of four blue diagonal lines.

Includes: Application Partners and Systems Integrators, Cybersecurity Services, MSPs, AI and Data Analytics Consulting, and Software Development / Digital Transformation Firms.

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Who We Are?

Formed in 2009, Solganick & Co. is a data-driven **investment bank** and **mergers and acquisitions (M&A) advisory firm** focused exclusively on the **Software** and **IT Services** sectors.

We advise buyers and sellers of **Software and IT Services** companies on M&A strategies and execution to maximize **shareholder value**.

Our M&A transactions have the following characteristics:



Deal Size Range:
\$25M to \$250M+



Ownership: Privately Held



Revenues:
\$10M to \$200M+



EBITDA:
\$2M to \$20M+

Top 25 Investment Banks, Q2 2024



Offices located in **Dallas** and **Los Angeles**

Technology Services

Highlighted Subsectors

Application Partners and Systems Integrators	Cybersecurity Services Providers	AI and Data Analytics Consultancies	Managed Service Providers (MSPs)	Public Cloud Partners	Software Development and Digital Transformation
<p>Firms supporting enterprise software applications and ecosystems such as Salesforce, ServiceNow, SAP and Oracle. Services include resale, consulting, implementation, and ongoing support and customization.</p>	<p>Firms providing managed security services (MSSP), managed detection and response (MDR), penetration testing, cyber risk assessment, red teaming, incident response, and other security consulting services.</p>	<p>Firms that help enterprises implement AI to understand and act on the various data sources that exist within their organization. Using new technologies to visualize, integrate, and manage data is imperative in today's environment. Representative Companies</p>	<p>Firms providing outsourced IT support services, including IT planning and strategy, help desk, network, and applications management. Thousands of MSPs exist in the United States alone.</p>	<p>Firms focused on the implementation, optimization and maintenance of cloud computing capabilities, typically supporting Amazon Web Services (AWS), Microsoft Azure and Google Cloud.</p>	<p>Firms providing outsourced software development, product engineering, and digital transformation services. Delivered both onshore and offshore, and often with specific application and industry vertical specializations.</p>

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Key Trends

<p>Adoption and optimal use of enterprise software, especially within large enterprises, is complex and organizations must rely on specialists to help them through the implementation and ongoing management of these software applications.</p>	<p>Driven by escalating attacks, organizations are increasingly leveraging offensive security and managed security services to test defenses, reduce attack surface, minimize vulnerabilities, and focus on the highest priority threats to mitigate impact.</p>	<p>Effective management and use of increasingly large and diverse data sources to drive effective business decision making and processes is becoming a necessary element of the basic strategy of companies in all industries.</p>	<p>Third-party outsourcing of fundamental IT support services is increasingly common within all industries, a trend expected to continue as the underlying complexity and breadth of technology increases.</p>	<p>Implementation and management of cloud computing technology is highly technical, and organizations are increasingly reliant on third-party professional services firms to create and support the necessary infrastructure.</p>	<p>Outsourcing software development initiatives is often more cost effective, flexible, faster and more effective than in-house solutions, particularly as the complexity and breadth of the underlying technology continues to expand.</p>
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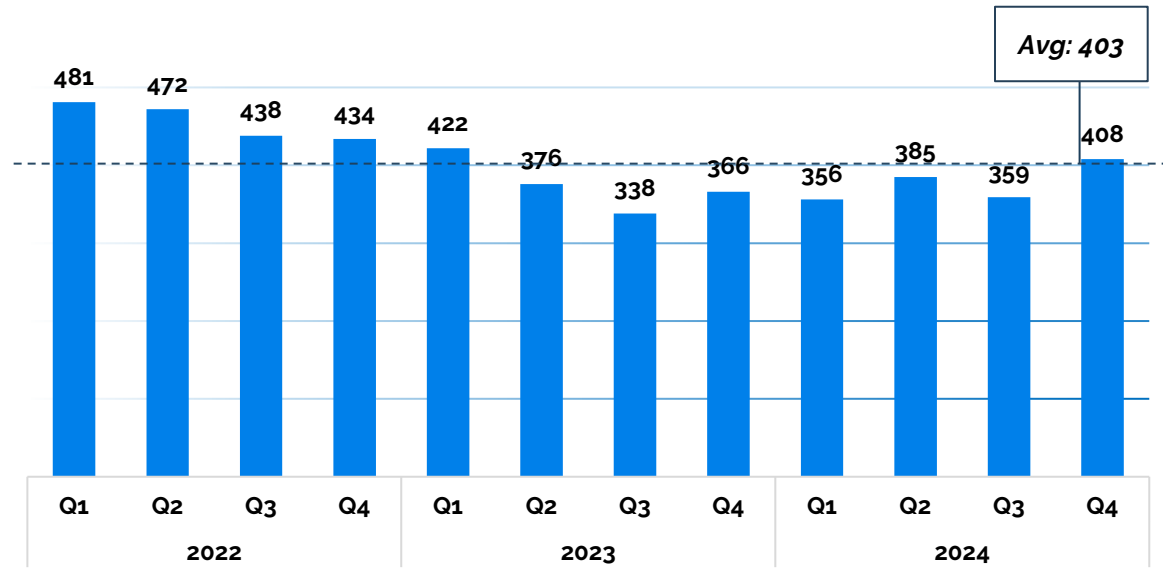
Technology Services

M&A Update and Commentary

Market Commentary

- Transaction volume for technology services companies recorded a slight uptick in Q4 2024 at 408 vs. 359 in the prior quarter. Strategic buyers were more active than financial buyers in Q4 2024, with companies including Accenture, CACI, Globant, NTT, Presidio, Software One, Xerox, and World Wide Technology announcing transactions.
- We expect M&A deal volume to increase in the technology services sector in 2025 as technology spending continues to increase in AI, cloud computing, data analytics, and cybersecurity. AI will fuel an increase in IT services M&A for the next several years.
- Artificial Intelligence, data analytics, cloud computing, cybersecurity, and software development competencies are strongest in demand and are expected to remain key areas of interest for buyers during the remainder of the year. Demand for specialty IT consulting firms supporting application software platforms continues to be very strong, particularly for partners of applications supporting large and growing market opportunities (e.g., AWS, Google Cloud, Microsoft Azure, Snowflake, Databricks, ServiceNow, Salesforce, and others).

Technology Services Quarterly Deal Volume



Key Market Growth Drivers

Modernized Systems

Accelerating technology evolution necessitates an urgent overhaul of legacy infrastructure into advanced applications, including AI

Cloud Maturation

Increasing customer base is migrating vital workloads from local setups to off-site cloud infrastructure

Increased Outsourcing

Growing need for 24/7 support related to services such as remote monitoring and network management

Growing Security Risks

The number, complexity, and severity of cyber risks continues to climb, supporting continued market growth for security services providers



Market Update: Worldwide Technology Services Spending to Grow 9% in 2025 to \$1.7 Trillion

- IT services companies and hyperscalers (AWS, Google Cloud, Microsoft) will account for over **70% of spending in 2025**, according to Gartner.
- By 2028, hyperscalers will operate \$1 trillion worth of AI-optimized servers, but not within their traditional business model or IaaS Market. Hyperscalers are pivoting to be part of the oligopoly AI model market.
- GenAI will influence IT spending, but IT spending won't be on GenAI itself.

	<u>2024 Spending</u>	<u>2024 Growth (%)</u>	<u>2025 Spending</u>	<u>2025 Growth (%)</u>
Data Center Systems	329,132	39.4	405,505	23.2
Devices	734,162	6.0	810,234	10.4
Software	1,091,569	12.0	1,246,842	14.2
IT Services	\$1,588,121	5.6%	\$1,731,467	9.0%
Communications Services	1,371,787	2.3	1,423,746	3.8
Overall IT	\$5,114,771	7.7%	\$5,617,795	9.8%

Source: <https://www.gartner.com/en/newsroom/press-releases/2025-01-21-gartner-forecasts-worldwide-it-spending-to-grow-9-point-8-percent-in-2025>

Significant M&A Transactions Announced in Q4 2024 within Technology Services

Q4 2024 was filled with large technology services companies acquiring smaller ones to fill demand in AI, cloud, cybersecurity, and managed services.

A few of them include the following (and continued on the next pages):

- **Accenture** (NYSE: ACN) announced or completed seven acquisitions in Q4 2024 and 39 total acquisitions in 2024.
- **CDW** (NASDAQ: CDW) acquired AWS cloud solutions provider Mission Cloud Services.
- **Comcast Business** (NASDAQ: CMCSA) acquired network managed services provider Nitel.
- **EY** (Ernst and Young) acquired digital identity and access management solutions provider Dignari.
- **Evergreen Services Group** acquired the following two MSPs: New Hampshire-based PCG IT and West Virginia-based Netranom.
- **Bell Canada's** (TSX: BCE) **FX Innovation** acquired ServiceNow Elite solutions provider HGC Technologies.
- An Affiliate of Canada's pension fund **OMERS** acquired a large managed services provider **Integris**.
- **Pomeroy Technologies** acquired **Soroc Technology**.
- **Presidio** acquired **Contender Solutions, Kinney Group, and Internetwork Engineering**.
- **Recognize (PE firm)**, through its portfolio company, **Blue Mantus**, has acquired **SME Solutions** and **Colligio**.
- **Trace3** acquired Cisco solutions provider **Zivaro**.
- **World Wide Technology** acquired **Softchoice** (TSX: SFTC) for approximately C\$ 1.8 billion.
- **Xerox** (NASDAQ: XRX) acquired **IT Savvy** for approximately \$400 million.

Buyer Profile: Accenture Acquires 39 Companies in 2024



Accenture was very acquisitive in 2024, announcing the following transactions in **2H 2024**:

Date Announced	Target Company	Sector Domain	HQ	# of Employees	Description
Dec 2024	IQT Consulting	Infrastructure engineering managed services	Italy	450	Engineering managed services provider focused on net-zero energy infrastructure projects
Dec 2024	AOX Group	Embedded software	Germany	800	Embedded software development for the automotive industry enabling the transition to software-defined vehicles
Nov 2024	Award Solutions	Learning and Development	Virginia	40	Specialist training solutions provider to the telecom and technology sectors joins Accenture LearnVantage
Nov 2024	Allitix	Planning (Anaplan)	California	75	Anaplan Solution Advisory and Delivery Partner, providing solution design and implementation services on the platform
Oct 2024	Joshua Tree Group	Supply chain consulting	Tennessee	35	Management consultants focused on optimizing clients' distribution and fulfillment operations
Aug 2024	Consus.Health	Healthcare	Germany	105	Healthcare management consultancy providing medical strategy, patient management, procurement, logistics, and infrastructure management services to healthcare providers and hospitals
Aug 2024	Boslan	Engineering consulting	Spain	715	Engineering and consulting firm specializing in industrial and renewable energy projects, telecommunications and infrastructure
July 2024	Camelot	SAP and value-chain	Germany	375	Provider of IT consulting services focused on value-chain management. SAP is one of its major technology partners
July 2024	Logic Information Systems	Retail-focused technology services	Minnesota	200	Retail enterprise solutions provider offering software implementation and systems integration to optimize end-to-end ops
July 2024	Cientra	Silicon design	India	530	Embedded IoT and ASIC consultants with strong design and verification offerings and history in the auto and telecom industries
July 2024	True North Automation	Industrial engineering	Canada	100	Energy and mining-focused engineering consultants with OT cybersecurity and transformation for industrial telecoms capabilities

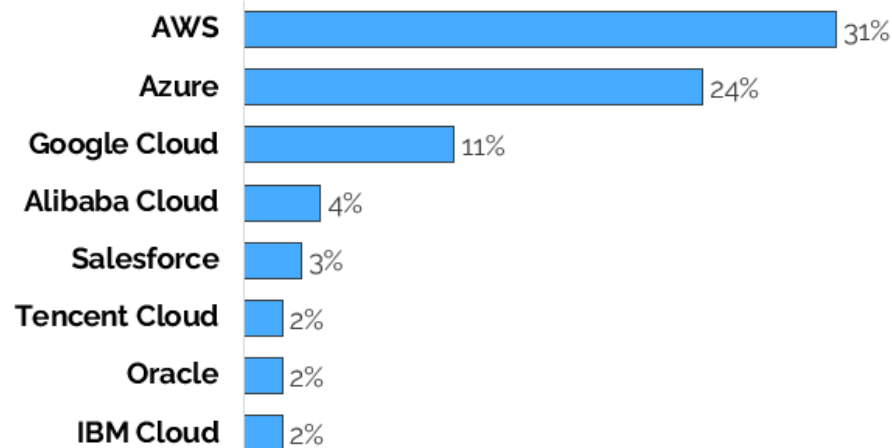
Highlighted Subsector

Public Cloud Partners

Market Commentary

- We noted an active Q4 2024 within the public cloud partners sector for M&A activity.
- Two (of many) notable M&A transactions include World Wide Technology's acquisition of Softchoice for 14.5x EBITDA and Software One's acquisition of Crayon for 13.5x EBITDA.
- IT services companies and hyperscalers account for over 70% of technology spending in 2025," according to Gartner.
- "By 2028, hyperscalers will operate \$1 trillion dollars' worth of AI optimized servers, but not within their traditional business model or IaaS Market. Hyperscalers are pivoting to be part of the oligopoly AI model market.
- Thus, we expect to see more public cloud partner acquisitions in 2025 to 2028, mostly in the Top 3 hyperscalers: AWS, Google, and Microsoft.

Public Cloud Market Share by Provider



Source: Market Insights by Statista, FactSet

Highlighted Transaction: WWT and *Softchoice*



- In December 2024 WWT acquired Canadian multi-cloud expert Softchoice for \$1.2 Billion in cash at 14.5x EBITDA
- Softchoice's certified expertise in Microsoft, AWS, and Google platforms enhances WWT's cloud offerings and strengthens its position as an IT services leader in Canada and globally

Select M&A Transactions

Date	Target	Acquirer	Target Description
Dec 2024	Crayon	one	• Multi-cloud economics and solutions provider bought by big IT services firm for \$1.2 Billion or 13.5x EBITDA
Nov 2024	SUMMIT PARTNERS	ARCTIQ	• Western-US IT multi-cloud consultant and VAR acquired by MSP and professional services firm
Nov 2024	SCHUBERG PHILIS	Bridgepoint	• Nordic mission-critical IT and hybrid multi-cloud experts acquired by European tech PE
Nov 2024	net one	SCSK	• Japanese AWS and Microsoft partner acquired by Sumitomo subsidiary for \$2.4 Billion or 13.5x EBITDA
Oct 2024	NIVEUS	NTT	• Google Cloud APAC Partner of the Year acquired by global IT services leader
Oct 2024	halcyon	GOLDEN	• Ohio-based cloud consultancy offering Microsoft solutions acquired by IT staffing and consulting firm

Highlighted Subsector

Application Partners and Systems Integrators

Market Commentary

- The M&A market for application partners and systems integrators showed resilience in Q4 2024 compared to the broader M&A market.
- Private equity-backed consolidation and the shift towards integrated technology solutions drove deal activity and insulated the sector from the pressures of the broader M&A market.
- The global system integration market size is expected to be valued at \$516.80 billion in 2024 and is anticipated to reach around \$1,946.37 billion by 2034, expanding at a CAGR of 14.18% over the forecast period from 2024 to 2034.

Featured Application Partners and Ecosystems

<ul style="list-style-type: none"> • 1000+ partners • ~\$21.5B Rev 	<ul style="list-style-type: none"> • 100-500 partners • ~\$600M Rev 	<ul style="list-style-type: none"> • 100-500 partners • ~\$4.3B Rev 	<ul style="list-style-type: none"> • 100-500 partners • ~\$250M Rev (est.) 	<ul style="list-style-type: none"> • 100-500 Partners • ~\$1.6B Rev (est.)
<ul style="list-style-type: none"> • 500-1000 partners • ~\$2.1B Rev 	<ul style="list-style-type: none"> • 100-500 partners • ~\$480M Rev 	<ul style="list-style-type: none"> • 1000+ partners • ~\$52.9B Rev 	<ul style="list-style-type: none"> • 500-1000 partners • ~\$600M Rev (est.) 	<ul style="list-style-type: none"> • 1000+ partners • ~\$34.8B Rev
<ul style="list-style-type: none"> • 1000+ partners • ~\$33.7B Rev 	<ul style="list-style-type: none"> • 500-1000 partners • ~\$9.0B Rev 	<ul style="list-style-type: none"> • 1000+ partners • ~\$7.0B Rev 	<ul style="list-style-type: none"> • 500-1000 partners • ~\$2.8B Rev 	<ul style="list-style-type: none"> • 500-1000 partners • ~\$7.2B Rev

Highlighted Transactions: Presidio acquires Contender, Kinney Group and Internetwork Engineering

acquired by

- Digital transformation leader Presidio acquired two application partner firms in Q4: Contender Solutions and Kinney Group. Plus, Presidio acquired
- ServiceNow Elite Partner Contender was absorbed into Presidio's existing practice Salesforce practice
- Kinney Group is Splunk Premier Partner offering implementation, development and managed services

Select M&A Transactions

Date	Target	Acquirer	Deal Summary
Dec 2024			• New York-based Salesforce implementer and app developer acquired by accounting and consulting firm
Dec 2024			• Syspro consultant, IP developer and reseller brought in house by the M&D ERP for \$45 million
Nov 2024			• Anaplan Gold Partner consultant and IP developer acquired by professional services giant
Nov 2024			• SAP-certified add-on developer acquired by vertical markets subsidiary of Constellation Software
Nov 2024			• Healthcare tech-focused ERP consultant with strong European presence acquired by large IT services firm
Oct 2024			• Supply chain solutions in SAP specialist bought by cloud-based app implementer backed by Novacap

Highlighted Subsector

AI and Data Analytics Consulting

Market Commentary

- We noted that the AI and data analytics consulting sector slowed down in Q4 2024 in terms of deals announced. Some are due to slower growth in 2024, which several consulting firms experienced.
- However, strategic buyer's demand for such targets has increased.
- The global data analytics market size was estimated at \$69.54 billion in 2024 and is projected to grow at a CAGR of 28.7% from 2025 to 2030.
- The global data consulting market is expected to reach \$6.5 billion in 2024 and grow at a CAGR of 13.60% to reach \$12.30 billion by 2029.
- The rise of artificial intelligence, machine learning, and IoT has expanded the scope of data applications, making these areas central to the consulting market.

AI and Data Analytics Consulting Firms



Highlighted Transaction: Gryphon Investors and phData



- In December 2024, PE firm Gryphon Investors acquired phData, a data engineering, data strategy and machine learning consulting firm.
- Expertise in Snowflake, AWS, dbt, Coalesce, Fivetran, Sigma, Thoughtspot, Power BI, Tableau, Cloudera, and other technology partners.

Select M&A Transactions

Date	Target	Acquirer	Target Description
Dec 2024	ARMETA ANALYTICS	BRIDGE	• Dallas based data consulting firm using Snowflake, Databricks, MSFT and other technologies.
June 2024	Continuous TECHNOLOGIES	Borgman CAPITAL	• Snowflake partner and data analytics consulting firm
June 2024	Strong	onesix	• AI and ML consulting firm
June 2024	parsionate.	accenture	• Data consultancy specialized in data products and modern data foundation services, ranging from data strategy development to technology implementation.
May 2024	softcrylic	HEXAWARE	• Data consulting firm focused on Google, Salesforce, Microsoft and Adobe technologies.

Transaction Profile: Gryphon Investors Announces a Majority Growth Investment in phData

Transaction Announced: December 16, 2024



GRYPHON
INVESTORS



phData

Gryphon Investors (“Gryphon”), a leading middle-market private equity firm, announced that it has completed a majority growth recapitalization of phData (the “Company”), an industry leader in developing and delivering modern data applications and AI solutions. This investment will support phData’s continued growth of its differentiated set of end-to-end offerings and its expert global team. As part of the transaction, the Company’s management team, including CEO Ryan Bosshart, will retain a significant equity stake in the Company. Financial terms for the transaction were not disclosed.

phData, one of the largest pure-play data engineering companies globally, is certified as a Snowflake Elite Services Partner and an AWS Advanced Consulting Partner. Specializing in AI and data applications, phData offers services including data engineering, AI and machine learning, analytics, and visualization.

Founded in 2014 and based in Minneapolis, MN, phData serves the world’s top brands in the financial services, manufacturing, healthcare & life sciences, and retail & CPG industries.

About phData

phData is a leading AI and data services company that specializes in AI and data applications, from conception to production. The company’s global delivery team partners with the world’s top brands to execute data initiatives in artificial intelligence, data engineering, applications, analytics, and managed services for cloud platforms.

About Gryphon Investors

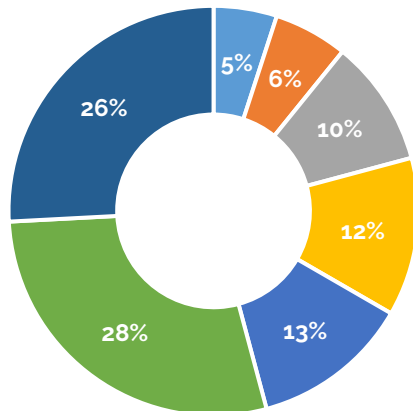
Gryphon Investors is a leading middle-market private investment firm focused on profitably growing and competitively advantaged companies in the Business Services, Consumer, Healthcare, Industrial Growth, Software, and Technology Solutions & Services sectors. With approximately \$9+ billion of assets under management, Gryphon prioritizes investments in which it can form strong partnerships with founders, owners, and executives to accelerate the building of leading companies and generate enduring value through its integrated deal and operations business model. Gryphon’s highly differentiated model integrates its well-proven Operations Resources Group, which is led by full-time, Gryphon senior operating executives with general management, human capital acquisition and development, treasury, finance, and accounting expertise.

Highlighted Subsector Cybersecurity Services

Market Commentary

- Cybersecurity M&A activity in Q4 2024 jumped over the previous quarter and the prior year, matching the highest quarterly volume in the past three years.
- Security Services constituted the largest subsector in Q4 2024, driven by significant consolidation activity to add/bolster capabilities and critical human expertise.
- Notable SecOps transactions were driven by the integration of complementary capabilities (e.g., XDR, EDR) and synergistic customer and geographic expansion.
- Financial buyers were substantially more active in Q4 2024 over the previous quarter, rebounding significantly from recent levels.
- Cybersecurity M&A activity should accelerate in 2025, benefiting from potential interest rate cuts and strong demand from strategic and financial buyers.
- Venture funding for cybersecurity startups surged 43% to nearly \$11.6B in 2024, reflecting much larger rounds but significantly fewer deals (down 22%).

Cybersecurity M&A Deal Mix, Q4 2024



- Application
- Data Protection
- Identity
- Infrastructure
- Risk Management
- Security Services
- Security Operations

Highlighted Transaction: *Secureworks*

Secureworks[®]

acquired by

SOPHOS

- In October 2024, Secureworks was acquired by Sophos for \$859M in cash in a take-private transaction
- Secureworks offers a leading XDR platform that could leverage Sophos' products into larger enterprises

Select M&A Transactions

Date	Target	Acquirer	Deal Summary
Dec 2024	SDG	RECOGNIZE	• Advisory, implementation, and managed cybersecurity services provider with over 400 employees
Dec 2024	OUTPOST SECURITY	CYDERES	• Managed security services and incident response provider utilizing risk-based alerting
Nov 2024	Trustwave [®]	cybereason [®]	• Threat detection service and security cloud provider leveraging advanced analytics and threat intelligence
Oct 2024	Secureworks [®]	SOPHOS	• SaaS solutions, managed solutions, and professional services provider used to fortify cyber defenses
Oct 2024	OffSec	LEEDS Equity	• Professional and workforce development, training, and education services for cybersecurity practitioners
Oct 2024	ai applied insight	CACI EVER VIGILANT	• Cloud infrastructure, advanced analytics and cybersecurity services for national security missions

Highlighted Subsector

Managed Service Providers (MSPs)

Market Commentary

- Consolidation of the MSP sector continued in Q4 2024, including transactions announced with Cyber Advisors, Dataprise, Evergreen Services Group, Netrio, New Charter, The Twenty MSP, Renovus Capital, Presidio, and Thrive.
- We also noted several MSPs acquiring MSSPs, including Evergreen Services Group, Magna5, and others.
- According to recent market reports, including Straits Research, The global managed services market was valued at \$348.12 billion in 2024 and is projected to reach \$393.02 billion in 2025.
- North America accounts for the largest market share and is estimated to grow at a CAGR of 12.2% from 2024 to 2033.
- Several aspects of the MSP business model, such as predictable revenue streams, strategic customer relationships, and scalable services, make MSPs an attractive investment for larger IT service providers and financial investors.
- PE firms continue to remain buyers of MSPs due to their high amount of recurring revenue.

MSP Platforms



Highlighted Transaction: *First Derivative*



- In October 2024, global digital transformation firm EPAM acquired First Derivative for \$301 Million, or 12.7x EBITDA
- First Derivative is a capital markets-focused IT MSP and consultancy serving major banks and financial institutions

Select M&A Transactions

Date	Target	Acquirer	Deal Summary
Dec 2024	certum	Evergreen Services Group	• Reputable Scottish MSP with 40+ personnel acquired by decentralized MSP platform pushing into Europe
Nov 2024	pcgit	Evergreen Services Group	• New England MSP with 30-year local history and tech stack well-aligned with Evergreen's
Nov 2024	PERFORMIVE	RENOVUS CAPITAL	• Reputable 60+ personnel MSP serving the mid-market bought by PE with knowledge and talent thesis
Nov 2024	netranem	Evergreen Services Group	• New York-based well-established and financially healthy MSP with cybersecurity competency
Oct 2024	INTERNETWORK ENGINEERING	PRESIDIO	• Southeastern US-based MSP serving mid-market and enterprise customers bought by IT services leader
Oct 2024	360 IT	DATAPRISE	• Virginia Beach-based MSP with 50+ personnel and comprehensive approach bought by MSP platform

Highlighted Subsector

Software Development and Digital Transformation


Market Commentary

- Q4 2024 notched a rebound in software development services M&A activity, particularly from financial buyers, driven by factors like the need for companies to bolster their cybersecurity in the face of AI-powered threats.
- Consolidation remains a key driver, with strategic acquisitions aimed at expanding capabilities and market reach, especially in areas like AI, cloud computing, and embedded systems.
- The 2025 forecast predicts continued growth in M&A activity, fueled by digital transformation initiatives and the increasing importance of technology across all sectors.
- Talent acquisition remains a significant motivator as companies seek to acquire skilled professionals in specialized areas like AI, cybersecurity, and data science through M&A. Cross-border deals are expected to rise, despite regulatory hurdles, as companies look to expand into new markets and access global talent pools.
- Q4 2024 includes acquisitions announced by Reply, Wipro, EQT, CM Equity, and others.


Software Development / Digital Transformation



Highlighted Transaction: *Experion*















acquired by



- In October, AI-driven digital engineering firm and EQT portco Indium acquired product engineers Experion Technologies
- Experion has a product centric approach and expertise with emerging technologies like AI chatbots, IoT manufacturing solutions, and cloud-based data management platforms

Select M&A Transactions

Date	Target	Acquirer	Deal Summary
Dec 2024			• Data driven custom software developer acquired by Indian IT services firm Wipro for \$40 million
Nov 2024			• Software and systems engineers for defense and government sectors bought by New York PE firm CM Equity
Nov 2024			• "Human-centered" software developer acquired by government IT specialist and Sagewind portco Tria
Oct 2024			• IoT and embedded systems specialist acquired by human-centered software and AI experts
Oct 2024			• UK-based digital transformation developer serving the government sector bought by IT services platform
Oct 2024			• "Innovation-as-a-service" company acquired by Siguler Guff software engineering portco Solvd

Technology Services

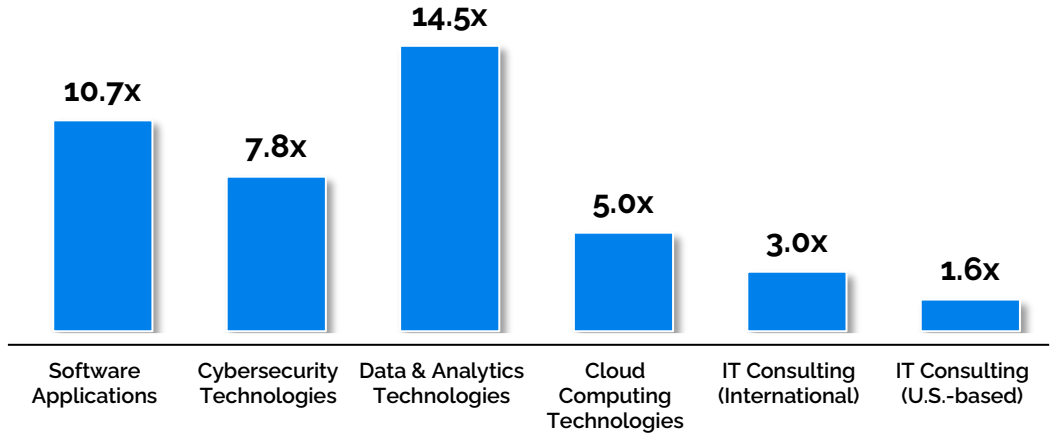
Public Market Indices Constituents

Cloud Computing Technologies	Cybersecurity Technologies	Data & Analytics Technologies	IT Consulting (International)	IT Consulting (U.S. Based)	Software Applications

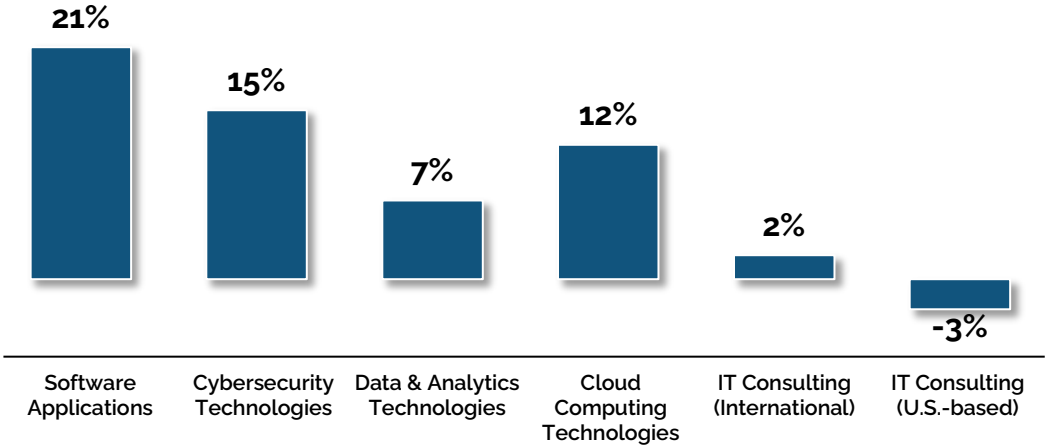
Technology Services

Public Valuation Multiples and Operational Metrics

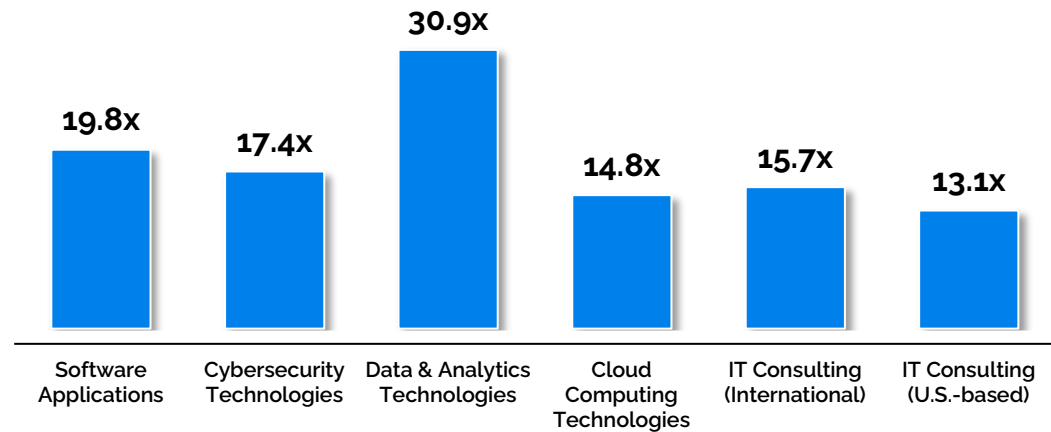
EV/Revenue (LTM) Multiples



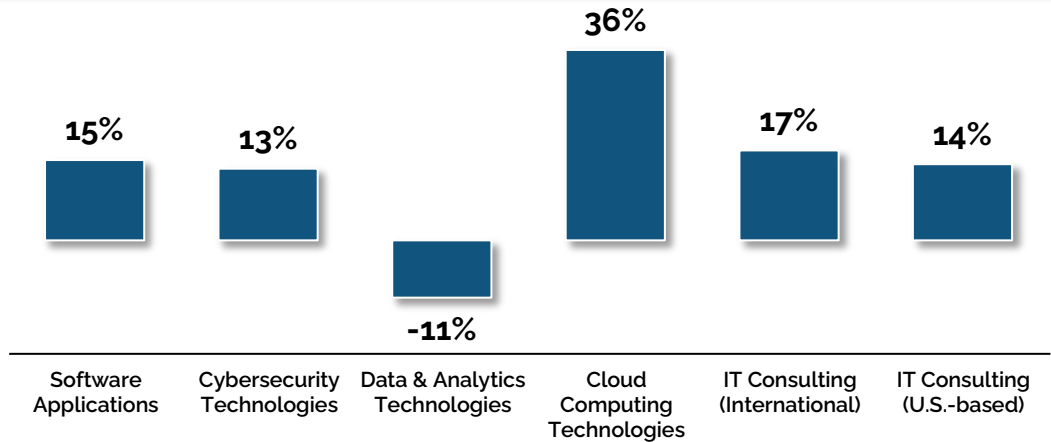
YoY Revenue Growth



EV/ EBITDA (LTM) Multiples



EBITDA Margin (LTM)



Technology Services Public Market Data

(\$ in millions)		Market Data				EV/ Revenue	EV/ EBITDA	Revenue Growth	EBITDA Margin
Company	Stock Price	Market Cap	EV	LTM (A) Revenue	LTM (A) EBITDA	LTM (A)	LTM (A)	LTM/ LTM-1 (A)	LTM (A)
<u>Cloud Computing Technologies</u>									
Microsoft	\$429.03	\$3,189,787	\$3,360,579	\$254,190	\$138,839	13.2x	24.2x	16%	55%
Alphabet	\$196.00	\$2,399,236	\$1,696,087	\$339,518	\$120,575	5.0x	14.1x	15%	36%
Amazon	\$225.94	\$2,375,759	\$1,661,428	\$620,128	\$112,324	2.7x	14.8x	12%	18%
Oracle	\$161.03	\$450,394	\$415,170	\$54,933	\$23,324	7.6x	17.8x	6%	42%
Alibaba	\$10.37	\$198,713	\$145,345	\$133,464	\$22,567	1.1x	6.4x	3%	17%
Median		\$2,375,759	\$1,661,428	\$254,190	\$112,324	5.0x	14.8x	12%	36%
<u>Cybersecurity Technologies</u>									
Palo Alto Networks	\$177.11	\$116,220	\$113,774	\$8,288	\$1,108	13.7x	NM	15%	13%
CrowdStrike	\$357.00	\$87,933	\$68,615	\$3,740	\$208	18.3x	NM	31%	6%
Fortinet	\$94.23	\$72,223	\$44,764	\$5,710	\$1,727	7.8x	25.9x	10%	30%
Zscaler	\$187.58	\$28,782	\$25,657	\$2,299	(\$19)	11.2x	NM	31%	(1%)
Check Point Software	\$187.87	\$20,663	\$16,552	\$2,524	\$950	6.6x	17.4x	6%	38%
Gen Digital	\$27.52	\$16,960	\$22,190	\$3,857	\$2,026	5.8x	11.0x	2%	53%
Okta	\$87.29	\$14,958	\$12,617	\$2,533	(\$53)	5.0x	NM	17%	(2%)
Median		\$28,782	\$25,657	\$3,740	\$950	7.8x	17.4x	15%	13%
<u>Data & Analytics Technologies</u>									
MicroStrategy	\$396.50	\$97,733	\$12,669	\$467	(\$22)	27.1x	NM	(7%)	(5%)
Snowflake	\$170.79	\$56,378	\$60,622	\$3,414	(\$1,174)	17.8x	NM	30%	(34%)
MongoDB	\$253.11	\$18,849	\$27,749	\$1,916	(\$239)	14.5x	NM	21%	(12%)
Informatica	\$24.38	\$7,445	\$9,088	\$1,656	\$294	5.5x	30.9x	7%	18%
Domo	\$7.26	\$284	\$460	\$318	(\$34)	1.4x	NM	0%	(11%)
Median		\$18,849	\$12,669	\$1,656	(\$34)	14.5x	30.9x	7%	(11%)

Technology Services

Public Market Data Cont'd.

(\$ in millions)									
Company	Stock Price	Market Cap	Market Data			EV/ Revenue	EV/ EBITDA	Revenue Growth	EBITDA Margin
			EV	LTM (A) Revenue	LTM (A) EBITDA	LTM (A)	LTM (A)	LTM/ LTM-1 (A)	LTM (A)
<u>IT Consulting (International)</u>									
Tata	\$47.64	\$172,349	\$165,506	\$30,126	\$8,077	5.5x	20.5x	4%	27%
Infosys	\$20.96	\$87,020	\$71,901	\$19,120	\$4,639	3.8x	15.5x	3%	24%
HCL Technologies	\$20.66	\$56,070	\$47,649	\$13,780	\$3,004	3.5x	15.9x	5%	22%
Wipro	\$3.25	\$34,033	\$27,636	\$10,635	\$2,101	2.6x	13.2x	(5%)	20%
Capgemini	\$165.13	\$28,076	\$40,210	\$24,040	\$3,499	1.7x	11.5x	1%	15%
NTT Data	\$18.58	\$26,053	\$42,845	\$30,116	\$4,629	1.4x	9.3x	(0%)	15%
LTIMindtree	\$68.02	\$20,143	\$16,657	\$4,437	\$769	3.8x	21.7x	4%	17%
Tech Mahindra	\$19.15	\$18,747	\$12,762	\$6,271	\$780	2.0x	16.4x	(2%)	12%
Persistent	\$68.84	\$10,729	\$7,260	\$1,286	\$208	5.6x	34.9x	16%	16%
Atos	\$0.00	\$369	\$4,368	\$10,930	\$1,002	0.4x	4.4x	(7%)	9%
Median		\$27,064	\$33,923	\$12,355	\$2,553	3.0x	15.7x	2%	17%
<u>IT Consulting (U.S.-based)</u>									
Accenture	\$352.59	\$220,538	\$217,450	\$66,361	\$11,950	3.3x	18.2x	3%	18%
Cognizant	\$77.81	\$38,580	\$36,823	\$19,412	\$3,511	1.9x	10.5x	(0%)	18%
EPAM	\$229.08	\$12,994	\$15,639	\$4,636	\$651	3.4x	24.0x	(3%)	14%
Kyndryl	\$38.26	\$8,887	\$7,685	\$15,299	\$3,089	0.5x	2.5x	(9%)	20%
ASGN	\$88.45	\$3,909	\$5,613	\$4,188	\$429	1.3x	13.1x	(7%)	10%
DXC	\$20.48	\$3,707	\$8,115	\$13,262	\$1,888	0.6x	4.3x	(6%)	14%
Huron	\$127.03	\$2,254	\$2,377	\$1,472	\$175	1.6x	13.6x	8%	12%
Median		\$8,887	\$8,115	\$13,262	\$1,888	1.6x	13.1x	(3%)	14%
<u>Software Applications</u>									
Salesforce	\$324.56	\$310,604	\$275,961	\$37,189	\$12,961	7.4x	21.3x	10%	35%
SAP	\$264.58	\$304,213	\$179,334	\$36,060	\$9,774	5.0x	18.3x	10%	27%
ServiceNow	\$1,071.48	\$220,725	\$142,648	\$10,464	\$1,722	13.6x	NM	23%	16%
Adobe	\$429.99	\$187,179	\$230,184	\$21,525	\$8,769	10.7x	26.2x	11%	41%
Palantir	\$71.77	\$163,493	\$36,096	\$2,646	\$397	13.6x	NM	25%	15%
Workday	\$249.64	\$66,654	\$72,688	\$8,144	\$403	716.0x	NM	18%	5%
Atlassian	\$252.36	\$65,980	\$44,746	\$4,568	(\$34)	9.8x	NM	23%	(1%)
Datadog	\$138.40	\$47,018	\$40,838	\$2,536	\$146	16.1x	NM	26%	6%
HubSpot	\$704.44	\$36,366	\$28,355	\$2,506	\$17	11.3x	NM	22%	1%
Dynatrace	\$51.30	\$15,312	\$13,131	\$1,563	\$203	8.4x	NM	21%	13%
SolarWinds	\$14.05	\$2,397	\$3,035	\$784	\$285	3.9x	10.6x	5%	36%
Median		\$66,654	\$44,746	\$4,568	\$397	10.7x	19.8x	21%	15%

Select Technology Services M&A Transaction Experience

Technology Services

NEXTIRA

has been acquired by

accenture

Technology Services

PANDERA

has merged with

66degrees

backed by **SUNSTONE PARTNERS**

Technology Services

visualbi

has been acquired by

Atos

Technology Services

SIG

has been recapitalized by

FORT POINT CAPITAL

Technology Services

FLAGSHIP SOLUTIONS GROUP

has merged with

DataStorage CORPORATION

Technology Services

LONE STAR

has been recapitalized by

HCAP PARTNERS

Technology Services

NAVIGATOR BUSINESS SOLUTIONS

has been acquired by

ALERION Capital Group, LLC

Technology Services

iXerv

has been acquired by

TSP THE SILICON PARTNERS

backed by **MV MONETA VENTURES**

Technology Services

hula

has been acquired by

GP STRATEGIES™

Technology Services

maxcdn

has been acquired by

STACKPATH

Technology Services

eMedApps™

has been acquired by

Med Tech Solutions

backed by **SUNSTONE PARTNERS**

Technology Services

Waypoint

has been acquired by

WIPFLI

Technology Services

ITENTIVE Healthcare Solutions

has been acquired by

DAShealth™ HEALTH IT & MANAGEMENT SOLUTIONS

backed by **SHERIDAN CAPITAL PARTNERS**

Technology Services

ITELAGEN HEALTHCARE

has been acquired by

DAShealth™ HEALTH IT & MANAGEMENT SOLUTIONS

backed by **SHERIDAN CAPITAL PARTNERS**

Technology Services

Code-X, Inc. (CXI)

has been acquired by

stefanini POWERING YOUR BUSINESS

Highlighted Transaction: *Nextira*

Solganick & Co. Advises Nextira in its Sale to Accenture

- Nextira (formally Six Nines IT), an AWS Premier Partner headquartered in Austin, TX, uses AWS to deliver cloud-native innovation, artificial intelligence, predictive analytics, and immersive experiences for their clients.
- Because of Solganick & Co.'s deep experience within technology services, including the buyer universe, valuation drivers, and overall M&A environment, Solganick & Co. was engaged to run a highly targeted, efficient and competitive M&A process.
- The Solganick team worked closely with Nextira's CEO and management to position the business attractively and ultimately receive several attractive offers exceeding initial valuation expectations.
- Solganick & Co. supported the entire M&A process, including the client's initial selection of Accenture as well as successful transaction negotiations.

Technology Services

NEXTIRA

has been acquired by

accenture

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Cloud Computing

Data & Analytics

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