



Artificial Intelligence

What's Next?

M&A Update and Industry Snapshot

Q1 2025



Artificial Intelligence In Today's World

- The artificial intelligence market was estimated to be worth over **\$638 billion** in 2024, and is expected to reach **\$758 billion** in 2025, according to Precedence Research.
- The AI market is expected to experience an **annual growth rate of 27.7%** from 2025 to 2030, according to Statista.

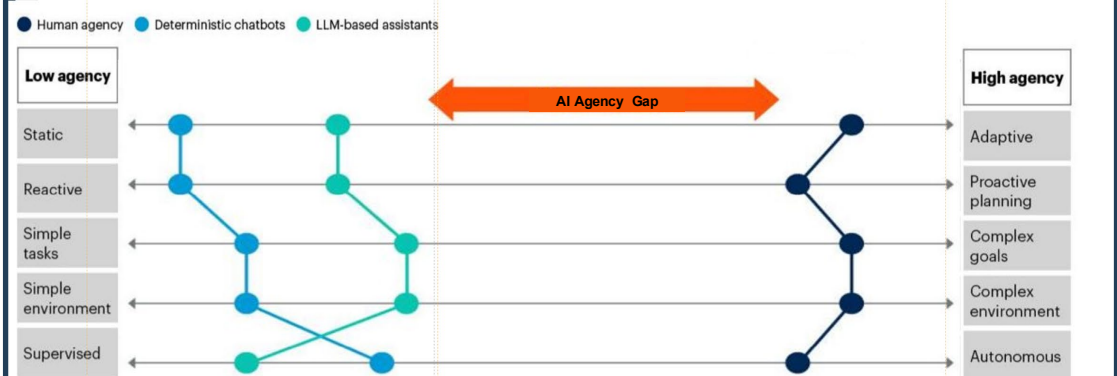
Momentum from 2024 has carried over into 2025, with continued growth in AI investment, acquisitions, and adoption. Value will be largely derived from projects based on familiar AI techniques, either stand-alone or in combination with GenAI and AI Agents, that have standardized processes to aid implementation.

Key Trends in the AI Market

- **Agentic AI and Autonomous Agents:** These agentic AIs are moving beyond simple chatbots to orchestrate workflows, collaborate with other agents, and execute real work across enterprise and consumer domains. Major technology vendors and enterprises are investing heavily in building, deploying, and customizing such agents, enabled by new developer tools and platforms from leaders like OpenAI, Google, and Microsoft.
- **Focus on Multi-Modality:** models will assimilate multimodal data inputs (text, video, audio) into richer comprehensions with wider functional applications.
- **AI Agents become More Capable:** Agentic AI will be increasingly able to handle the more complex "execution" components of human work; see right panel.
- **Advanced AI Reasoning and Specialized Models:** AI models are becoming more capable, with significant improvements in reasoning, logic, and the ability to handle specialized, domain-specific tasks.
- **Generative AI Integration and Hyper-Personalization:** Generative AI continues to be a dominant force, with deeper integration into business processes, products, and consumer experiences.

Technology Spotlight: AI Agents

Agentic AI is intelligent enough to independently develop reliable approaches to real-world action as humans do. Where robots execute preprogramming step-wise in response to external *triggers*, AI agents develop their "ruleset" in real-time by processing environmental *percept* data, leading to context-appropriate actions that would be otherwise unfeasible to automate. AI agents can bridge the "agency gap" between human-like responsiveness and that of today's chatbots or LLM-based assistants, as the below graphic from Gartner illustrates.



Business leaders are excited by the potential of AI agents to actualize the promise of an AI "productivity revolution", as the technology moves from information to execution applications. Sample vendors of agentic AI include **AWS Bedrock, Cognigy, OneReach AI, Google Vertex, and Superface.**

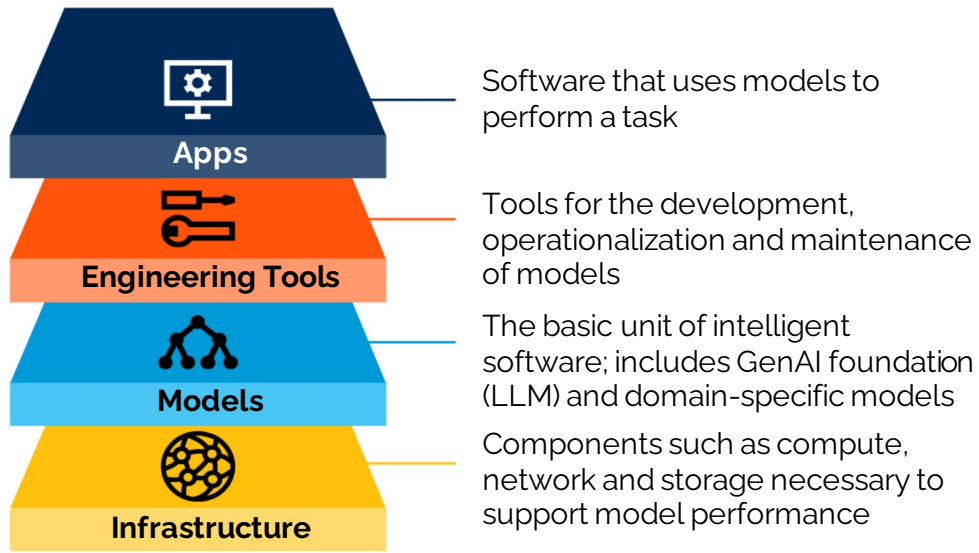
An Artificial Intelligence Primer

AI is the application “of advanced analysis and logic-based techniques – including Machine Learning – to interpret events, support and automate decisions, deliver experiences and take action” (Gartner). The impacts on industries and business domains continues to be revolutionary. Industry-specific examples can include:

- **Healthcare:** AI-enabled IoT and edge devices (such as cameras) will diagnose conditions and prescribe care automatically.
- **Insurance:** AI will automate claims estimation with intelligent image analysis and fraud detection will be performed by ML models.
- **Law:** automated contract creation and revision, litigation research, e-discovery, and legal self-service will be accomplished by AI apps.
- **Sales and Marketing:** tailored, targeted online content will be created and delivered real-time by online AI agents.

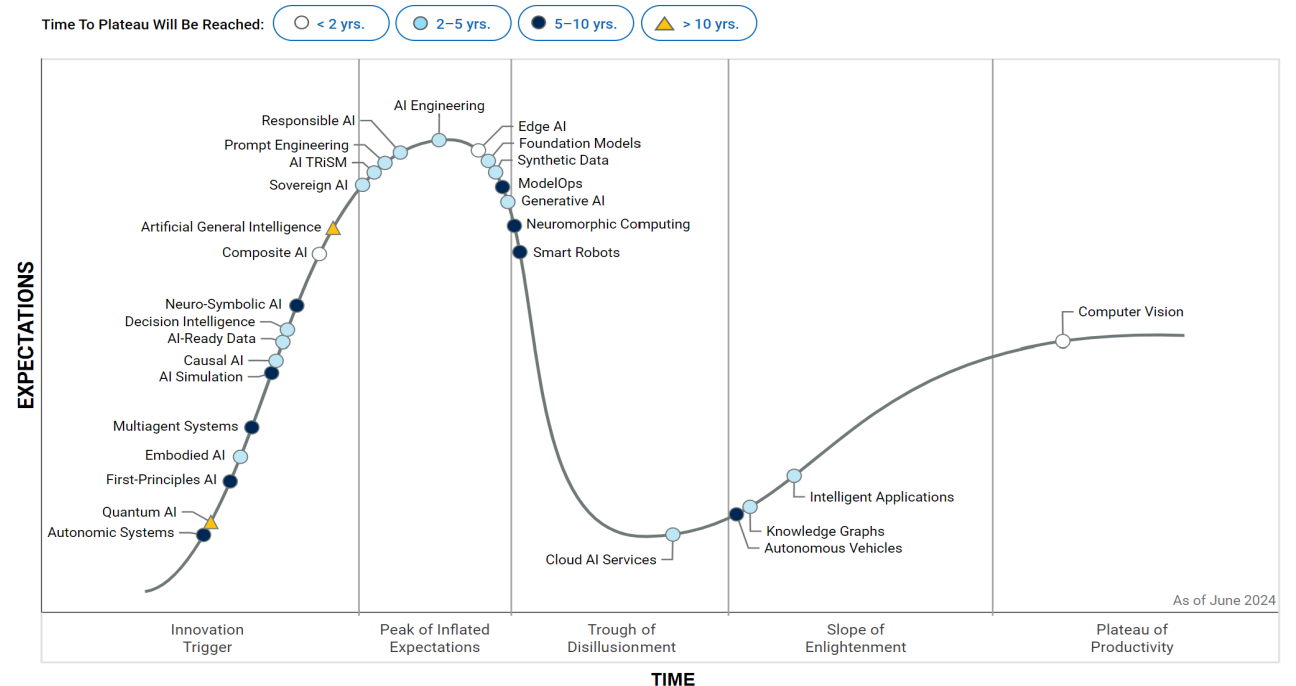
The AI Technology Stack

AI enablement in the real world happens on top of the following tech stack. Offerings from AI-focused companies are focused within or spread across these stack layers.

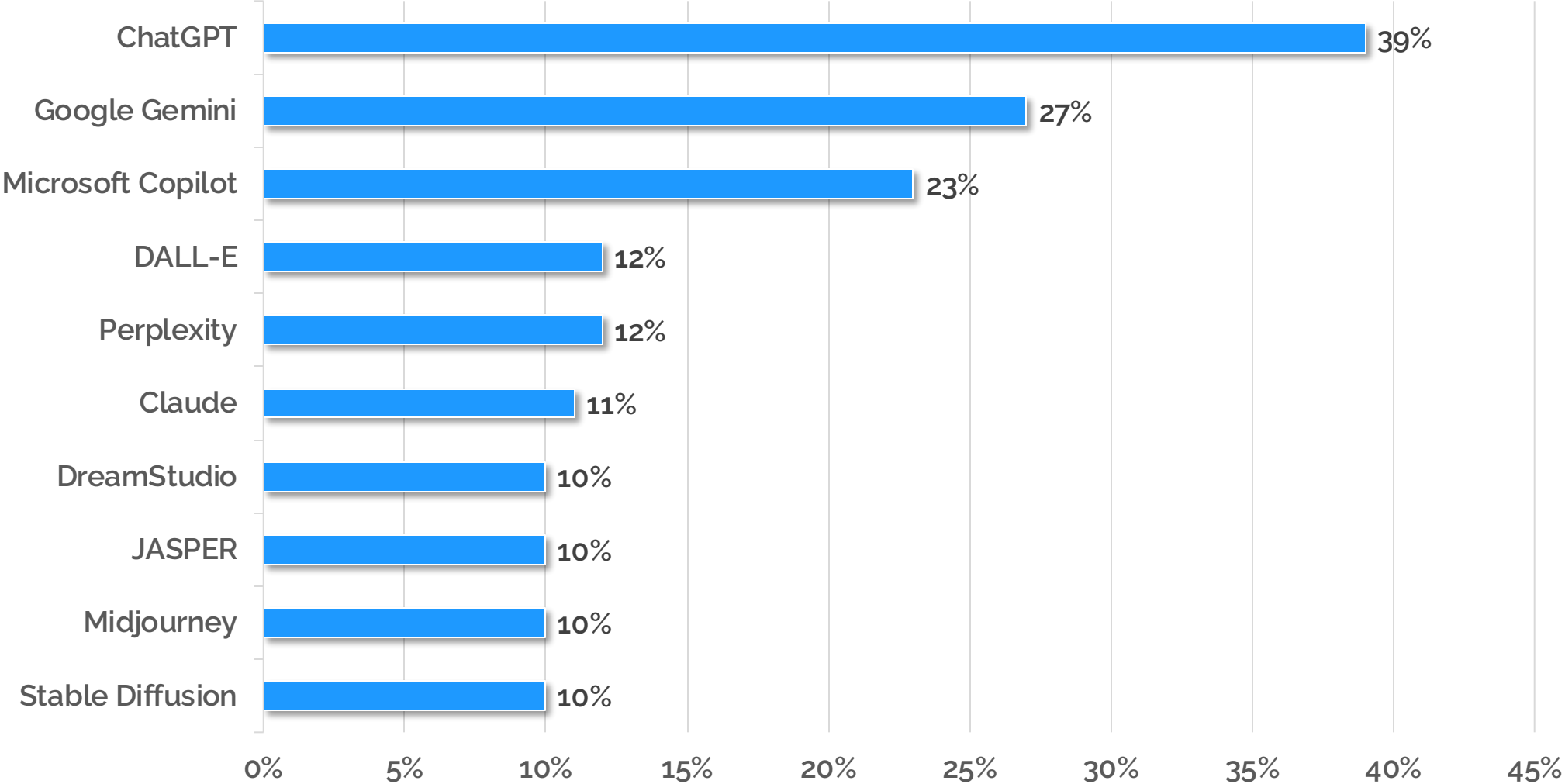


The Market Map on the following page organizes industry players along these dimensions.

Gartner’s 2024 AI Hype Cycle (below) positions different AI technologies along a five-stage maturity cycle oriented around the concept of normalizing “hype.”



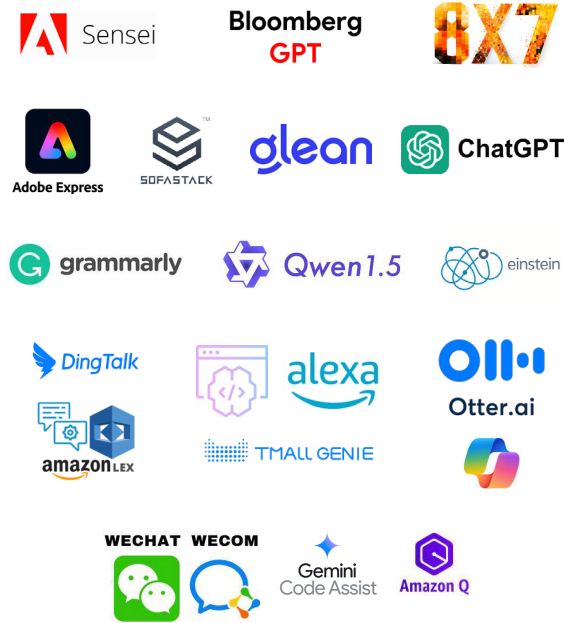
Most Popular AI Tools Used in the U.S.



Source: [TechRadar](#)

Industry Landscape by Artificial Intelligence Stack Layer

AI Applications



AI Engineering Tools



AI Models



AI Infrastructure



AI Consulting

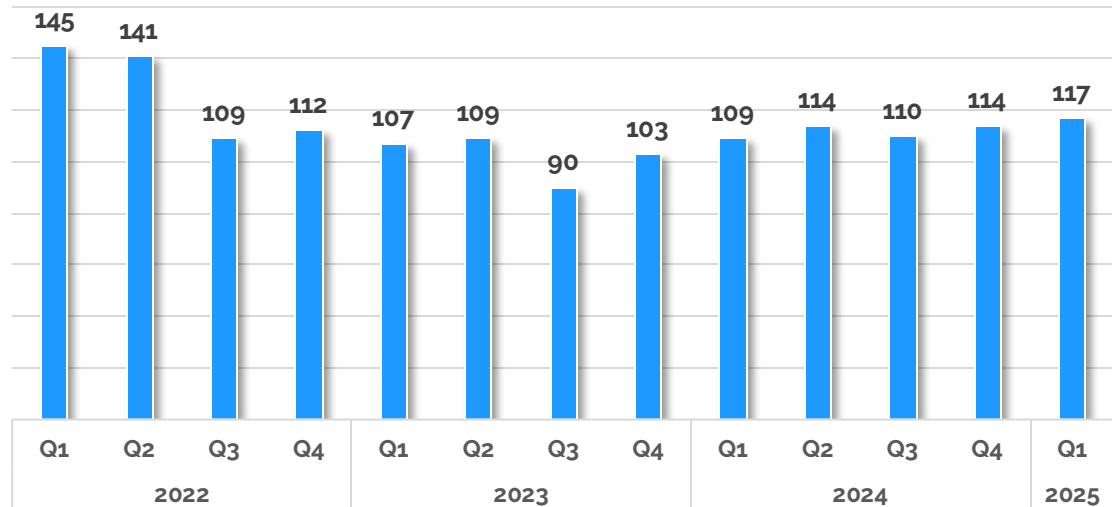


Highlighted Subsector: AI-Enabled Enterprise Tools

Market Commentary

- AI-enabled enterprise tools are the most immediate front at which business leaders encounter the technology's transformative potential. Confidence in valuations seems to be growing with large software providers recently making big M&A-dollar outlays to uptake feature sets.
- Data-rich, compliance-driven industries such as healthcare and insurance show strong M&A appetite for tools enabling sound decision making in their complicated contexts.
- The explosive growth in AI agent startups and platforms is driving a wave of consolidation. SaaS giants and tech leaders are acquiring AI agent companies to strengthen their own offerings and avoid disruption.

AI M&A Deal Count, 2022 thru Q1 2025



Highlighted Transaction: *Moveworks*



- In March 2025, **ServiceNow** acquired **Moveworks** for \$2.85 Billion in cash and stock.
- Moveworks drives employee experience and workplace automation with AI-powered enterprise search and an agentic front-end assistant, enhancing ServiceNow's offering as "the AI platform for business transformation."

Select M&A Transactions

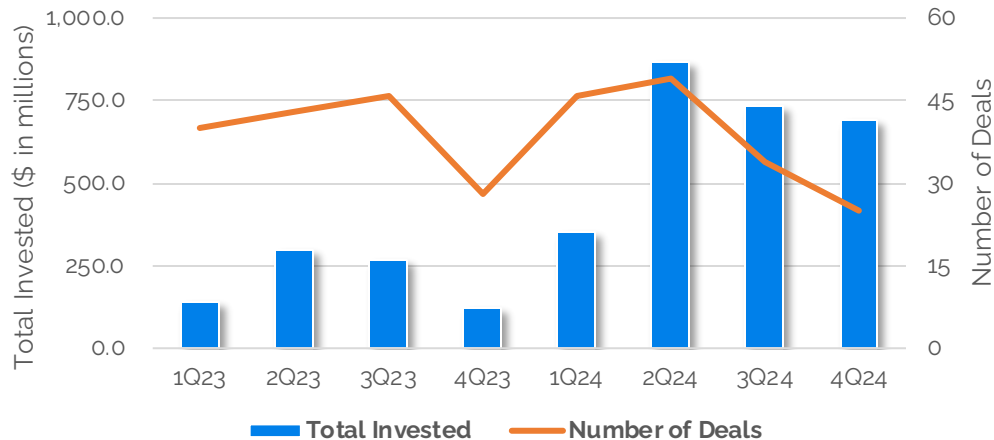
Date	Acquirer	Target	Summary
Mar 2025	braze	OfferFit	• Customer engagement platform buys AI decisioning tool for automating CRM personalization for \$325 Million
Jan 2025	shopify	vantage DISCOVERY	• AI-powered search, discovery and recommendation solution for retail bought by ecommerce giant
Jan 2025	TravelPerk	yokoy	• AI-enabled spend management platform acquired by leading travel management company
Jan 2024	THOMABRAVO	PROTENUS	• Compliance analytics software for health systems bought by tech-focused PE portco Bluesight
Dec 2024	CCS	EvolutionIQ	• AI-powered claims guidance software bought by cloud tech provider for insurance economy for \$730 Million
Oct 2024	IBM	Prescinto	• AI-powered SaaS platform for optimizing renewable assets bought by tech giant

Highlighted Subsector: Cybersecurity AI

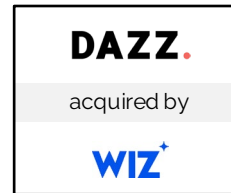
Market Commentary

- Strategic acquirers were highly active in adding innovative cybersecurity AI capabilities in Q4 2024 and Q1 2025, reflecting a diverse array of security use cases.
- **Venture funding for cybersecurity AI startups nearly tripled to \$2.6B in 2024**, up from **\$900M** in the prior year, with a similar number of deals.
- Artificial intelligence (AI) is enabling tremendous advancements across numerous areas of cybersecurity, from threat detection to automated remediation.
- Human security teams are inundated with massive volumes of data and repetitive tasks that are ideally suited for AI-powered automation.
- AI excels at illuminating anomalies and potentially malicious activity through behavioral analytics of user activity and network traffic.
- Threat actors are increasingly launching AI-powered social engineering and

Cybersecurity AI Venture Funding, 2023-2024



Highlighted M&A Transaction: *Dazz*



- In November 2024, **Dazz** was acquired by **Wiz** for about \$450M in cash and stock
- Dazz specializes in attack surface posture management and AI-powered automated remediation
- Annual recurring revenue (ARR) for Dazz was reportedly in the “tens of millions” of dollars with about 100 customers

Select M&A Transactions

Date	Acquirer	Target	Target Description
Feb 2025	harness	TRACEABLE	• Developer of intelligent and context-aware API discovery, risk detection and threat protection tools
Dec 2024	Coralogix	aporia	• Developer of an AI observability platform designed to be used for machine learning production monitoring
Nov 2024	LONG RIDGE	RIPJAR	• Developer of a data intelligence platform utilizing AI to detect, investigate, and monitor threats
Oct 2024	proofpoint	Normalyze	• Developer of an AI-powered agentless scanning platform for data security posture management
Oct 2024	CYERA	trail	• Developer of an AI-enhanced intelligent data protection platform for data loss prevention
Oct 2024	LOGPOINT	Muninn	• Developer of an AI-powered cybersecurity platform for network monitoring and intrusion detection

Select Artificial Intelligence M&A Transactions, 2H 2024 to Q1 2025

Date	Target	Sector	Buyer	Buyer Type	Deal Size (\$M)	Summary
Mar 2025	MoovAI	Marketing	Publicis	Strategic		Global communications giant buys Canadian AI and data solutions company
Mar 2025	Gretel Labs	AI DevOps	NVIDIA	Strategic	\$320	Multimodal synthetic data tool bought by chipmaker from PE consortium
Mar 2025	Weights & Biases	AI DevOps	CoreWeave	Strategic	\$1,700	Infra provider dubbed "the AI Hyperscaler" acquires prominent AI software development platform
Mar 2025	Pixyl + Caerus Med	Healthcare	Gleamer	Strategic		Lumbar MRI (Caerus) and radiology (Pixyl) techs bought by AI-enabled medical imaging company
Mar 2025	Ivy AI + Ocelot	Education	Gravyty	Strategic		Chatbot (Ivy) and student engagement (Ocelot) techs brought into engagement and fundraising firm
Feb 2025	DataStax	AI DevOps	IBM	Strategic		GenAI and retrieval augmented generation developer enhances IBM's Watsonx
Feb 2025	Kinara	AI Hardware	NXP Semiconductors	Strategic	\$307	Maker of efficient AI processors for edge devices bought by embedded-focused chipmaker
Dec 2024	Cruise	Automotive	General Motors	Strategic		Autonomous vehicle company with ride-hailing focus bought by auto giant
Dec 2024	Cylance	Cybersecurity	Arctic Wolf	Strategic	\$160	AI-enabled endpoint security tool acquired by security operations platform provider
Dec 2024	Intelligence Node	Ecommerce	Interpublic Group	Strategic		AI-enabled optimizer for ecommerce sales motions bought by big marketing firm
Nov 2024	Neuralmagic	AI DevOps	Red Hat	Strategic		ML-accelerator for commodity CPU's acquired by open-source solutions provider
Nov 2024	Descartes Labs	Geospatial	EarthDaily Analytics	Strategic		AI applicator to geospatial imagery and sensor data acquired by Earth observation company
Sep 2024	Featurespace	Fraud Detection	Visa	Strategic	\$179	Developer of AI-enabled fraud detection tool ARIC acquired by digital payments giant
Sep 2024	Recorded Future	Cybersecurity	Mastercard	Strategic	\$2,650	Super-powered cybersecurity data analyzer bought by payments technology leader
Sep 2024	OctoAI	AI DevOps	NVIDIA	Strategic	\$250	Platform for optimizing AI models for disparate hardware environments bought by chipmaker
Sep 2024	Apixio	Healthcare	Datavant	Strategic		AI-enabled HCC predictor and payments monitor bought by health data sharing company
Aug 2024	Acronis	Cybersecurity	EQT	Financial		Cybersecurity suite with deeply embedded AI functionality acquired by tech investor EQT
Aug 2024	Launchable	DevOps	Delta-v Capital	Financial		AI-accelerated software testing platform bought by B2B software-focused PE
Jul 2024	Silo AI	AI Lab	AMD	Strategic	\$665	Multi-expertise AI lab focused on varied practical applications bought by semiconductor firm
Jul 2024	Graphcore	AI Hardware	Softbank Group	Financial	\$500	Intelligence Processing Unit developer bought by multinational tech investing conglomerate

Public Comparables: Artificial Intelligence

(\$ in millions)								
Company	Market Data				EV/ Revenue	EV/ EBITDA	Revenue Growth	EBITDA Margin
	Market Cap	EV	LTM (A) Revenue	LTM (A) EBITDA	LTM (A)	LTM (A)	LTM/ LTM-1 (A)	LTM (A)
<u>Conglomerates</u>								
Amazon	\$1,831,800	\$1,833,722	\$637,959	\$122,151	2.9x	15.0x	11%	19%
Google	\$1,843,392	\$1,843,392	\$349,807	\$127,490	5.3x	14.5x	14%	36%
Baidu	\$29,086	\$32,573	\$18,498	\$3,931	1.8x	8.3x	(3%)	21%
IBM	\$221,217	\$268,112	\$62,753	\$14,934	4.3x	18.0x	1%	24%
Microsoft	\$2,762,542	\$2,755,355	\$261,802	\$144,328	10.5x	19.1x	15%	55%
Median	\$1,831,800	\$1,833,722	\$279,089	\$122,151	4.3x	15.0x	11%	24%
<u>Pure-Play Technologies</u>								
C3.ai	\$2,568	\$2,423	\$347	(\$300)	7.0x	NM	22%	NM
MongoDB	\$12,993	\$11,332	\$1,916	(\$239)	5.9x	NM	21%	NM
nCino	\$2,785	\$2,998	\$523	\$29	5.7x	NM	13%	5%
Palantir Technologies	\$217,438	\$233,494	\$2,866	\$342	NM	NM	29%	12%
Snowflake	\$48,805	\$52,894	\$3,414	(\$1,177)	15.5x	NM	30%	NM
Median	\$12,993	\$11,332	\$1,916	(\$239)	6.5x		22%	9%
<u>Vertical AI Applications</u>								
BigBear.ai	\$720	\$911	\$155	(\$27)	5.9x	NM	0%	NM
CrowdStrike	\$94,152	\$95,262	\$3,740	\$209	25.5x	NM	31%	6%
Datadog	\$31,671	\$30,971	\$2,684	\$161	11.5x	NM	26%	6%
Recursion Pharma	\$2,269	\$1,858	\$65	(\$365)	28.5x	NM	38%	NM
SoundHound AI	\$3,096	\$3,101	\$67	(\$80)	46.1x	NM	76%	NM
Median	\$3,096	\$3,101	\$155	(\$27)	25.5x		31%	6%

Data as of March 31, 2025

Public Comparables: Artificial Intelligence (cont'd.)

(\$ in millions)								
Company	Market Data				EV/ Revenue	EV/ EBITDA	Revenue Growth	EBITDA Margin
	Market Cap	EV	LTM (A)	LTM (A)	LTM (A)	LTM (A)	LTM/ LTM-1 (A)	LTM (A)
			Revenue	EBITDA				
<u>Hardware/ Silicon</u>								
Advanced Micro Devices	\$144,955	\$141,395	\$25,785	\$5,185	5.5x	27.3x	8%	20%
Astera Labs	\$9,532	\$10,747	\$396	(\$113)	NM	NM	14%	NM
Micron Technologies	\$77,481	\$84,911	\$29,094	\$12,436	2.9x	6.8x	80%	43%
NVIDIA	\$2,578,186	\$2,543,439	\$130,497	\$83,317	19.5x	30.5x	114%	64%
QUALCOMM	\$150,128	\$154,201	\$40,696	\$12,610	3.8x	12.2x	12%	31%
Median	\$144,955	\$141,395	\$29,094	\$12,436	4.6x	19.7x	14%	37%
<u>Autonomous Machines</u>								
Cognex	\$3,989	\$3,786	\$915	\$148	4.1x	NM	9%	16%
Mobileye	\$9,984	\$8,884	\$1,654	(\$24)	5.4x	NM	(20%)	NM
Symbotic	\$11,915	\$11,096	\$1,915	(\$51)	5.8x	NM	69%	NM
Zebra Technologies	\$11,495	\$12,946	\$4,970	\$926	2.6x	14.0x	8%	19%
Median	\$10,740	\$9,990	\$1,784	\$62	4.8x	14.0x	9%	17%
<u>Summary</u>								
Conglomerates	\$1,032,305	\$1,055,752	\$162,278	\$71,212	4.8x	16.2x	8%	30%
Pure Play Technologies	\$12,993	\$11,332	\$1,916	(\$239)	6.5x	0.0x	22%	9%
Vertical AI Applications	\$3,096	\$3,101	\$155	(\$27)	25.5x	0.0x	31%	6%
Hardware/ Silicon	\$144,955	\$141,395	\$29,094	\$12,436	4.6x	19.7x	14%	37%
Autonomous Machines	\$10,740	\$9,990	\$1,784	\$62	4.8x	14.0x	9%	17%
Median	\$12,993	\$11,332	\$1,916	\$62	4.8x	14.0x	14%	17%

Data as of March 31, 2025

Who We Are?

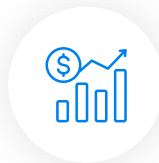
Formed in 2009, Solganick & Co. is a data-driven **investment bank** and **mergers and acquisitions (M&A) advisory firm** focused exclusively on the **Software** and **IT Services** sectors.

We advise buyers and sellers of technology companies on M&A and operational strategies to execute transactions that maximize shareholder value.

Our M&A transactions have the following characteristics:



Deal Size Range:
\$20M to \$250M+



Revenues:
\$10M to \$250M+



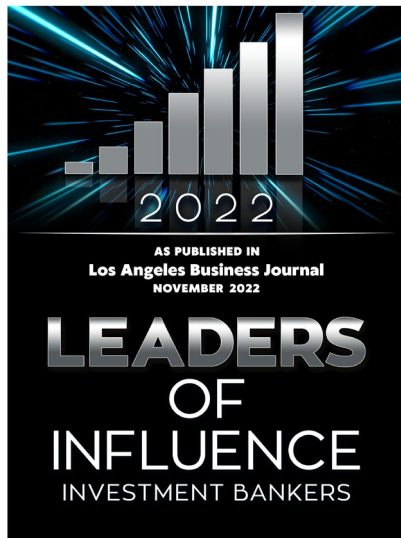
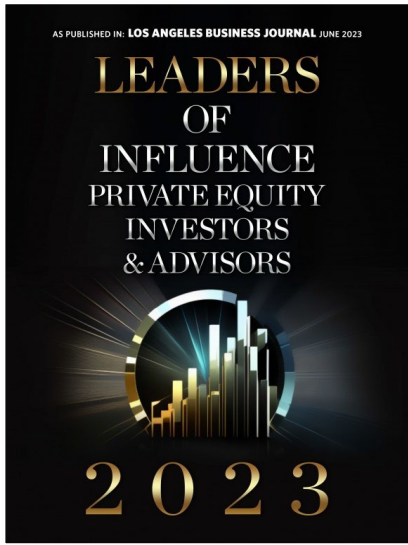
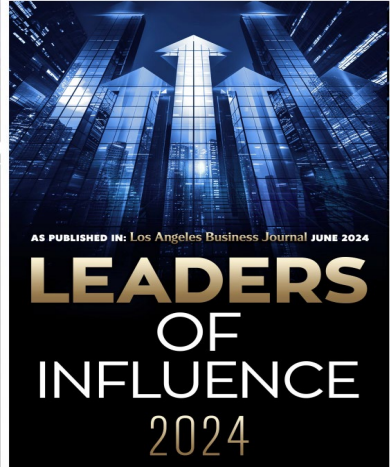
Client Ownership:
75%+ founder-led;
Private. 25% PE
backed



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

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

Recent Awards and Select M&A Transaction Experience



Technology Services

kavaliro
making SUCCESS

has been acquired by

ACCORDION

Technology Services

NEXTIRA

has been acquired by

accenture

Cloud, Data Analytics

PANDERA

has merged with

66degrees

backed by **SUNSTONE PARTNERS**

Data Analytics

visualbi
USE YOUR DATA TO ADVANCE

has been acquired by

Atos

Technology Services

SIG

has been recapitalized by

FORT POINT CAPITAL

Technology Services

FLAGSHIP
TECHNOLOGY GROUP

has merged with

DataStorage CORPORATION

AI and Data Analytics

LONE STAR

has been recapitalized by

HCAP PARTNERS

Technology Services

NAVIGATOR
EMERGENCY SOLUTIONS

has been acquired by

ALERION Capital Group, LLC

Technology Services

iXerv

has been acquired by

TSP
THE BLOCK PARTNERS

backed by **MONETA VENTURES**

Software

learn on demand systems

has been recapitalized by

QUAD PARTNERS

AI Software

AIM ARTIFICIAL INTELLIGENCE IN MEDICINE INC.

has been acquired by

inspirata
Transforming Cancer Diagnostics

Technology Services

eMedApps

has been acquired by

Med Tech Solutions

backed by **SUNSTONE PARTNERS**

Data Analytics

Waypoint

has been acquired by

WIPFLI

Cybersecurity

DRAWBRIDGE

has been acquired by

FP FRANCISCO PARTNERS

*Transaction completed at another investment bank

Cybersecurity

CyFIR

has been acquired by

eSENTIRE

backed by **WARBURG PINCUS**

*Transaction completed at another investment bank

Most Influential Investment Bankers and Private Equity Advisors Los Angeles Business Journal, 2019-2024 Leaders of Influence



Aaron Solganick
Chief Executive Officer

30+

Years in Practice

15+

Years in Current Firm

**Software/
SaaS and
IT Services**

Specialty or Industry Focus

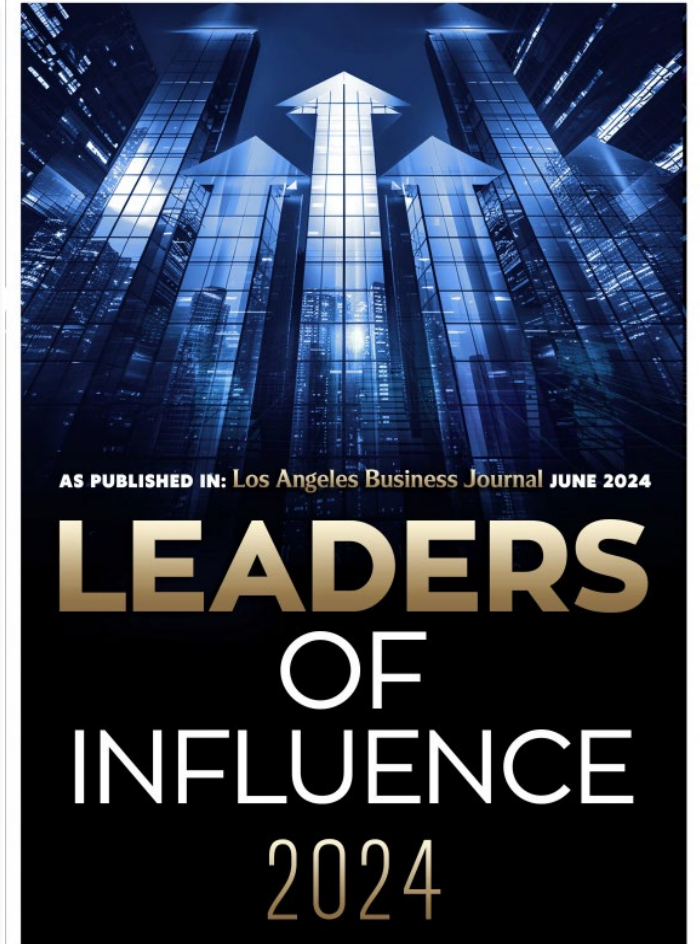
Aaron Solganick is a high energy and experienced technology investment banker with an entrepreneurial spirit. He launched the investment bank Solganick & Co. in 2009 to focus exclusively on completing mergers and acquisitions for software and technology services companies.

Previous Experience

- Senior Vice President Investment Banking, B. Riley Securities
- Vice President Investment Banking, KPMG Corporate Finance
- Corporate Development and Senior Financial Analyst, Perot Systems Corporation
- Investment Banking Associate, Southwest Securities
- Investment Banking Analyst, Bear Stearns & Co.

Education

- MBA, Southern Methodist University
- BBA/MS in Finance, University of North Texas
- Executive Education, M&A, Columbia University



LOCATIONS

LOS ANGELES

2920 Century Park East,
Ste 400, Los Angeles, CA
mergers@solganick.com

Phone: (310) 684-3130

DALLAS

6860 Dallas Pkwy
Ste 200
Plano, TX 75024

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Investment Banking Senior Team



AARON SOLGANICK
CEO/Founder
aaron@solganick.com
(310) 713-4764



FRANK GRANT
Managing Director
fgrant@solganick.com
(702) 612-9459



ALEXEI SOROKIN
Managing Director
alexei@sorokin.com
(408) 390-8950



QUAN VU
Managing Director
qvuv@solganick.com
(310) 498-6602



DAVID JOHNSON
Director
djohnson@solganick.com
(727) 460-4280



MICHAEL KIM
Director
mkim@solganick.com
(626) 372-0259



STEVE MITZENMACHER
Executive Advisor
smitz@solganick.com