

DECISIONPOINT

QUARTERLY VIEWPOINT:

For the Quarter Ended December 31, 2024 and the Latest Twelve Months

Q4 | 24

1. Market Leader for Mid-Market Technology M&A	3
2. Software	
I. Software as a Service (SaaS)	4
II. Internet Software & Services	5
III. Enterprise Software	6
IV. Business Intelligence Software	7
V. Infrastructure Software	8
3. Services	
I. IT Services	9
II. Hosted & Managed Services	10
III. IT Outsourcing	11
IV. IT Staffing	12
3. Sector to Watch	
I. Artificial Intelligence & Machine Learning	13

Market Leader for Mid-Market Technology M&A:

This Quarterly ViewPoint covers trends, public valuation multiples, and relevant M&A activity for the software and services sectors. To illustrate general capital market and M&A trends within these sectors, DecisionPoint has selected a group of representative public comparables and transactions. This data is provided for informational purposes only. All data represents publicly available information.

DecisionPoint is a unique leader in M&A advisory services for middle-market technology companies and their venture capital investors in the software, services, and healthcare IT sectors.



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Software: Software as a Service (SaaS)

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP SaaS Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/24	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Salesforce	\$334.33	\$326,473.2	\$318,620.8	8.6x	29.9x
ServiceNow	\$1,060.12	\$220,185.3	\$215,670.8	20.6x	NM
Intuit	\$628.50	\$178,494.0	\$179,350.7	10.8x	40.8x
Shopify	\$106.60	\$139,714.4	\$133,982.5	16.3x	NM
Workday	\$258.03	\$69,389.9	\$64,842.0	7.9x	89.7x
Veeva Systems	\$210.25	\$34,642.4	\$29,142.9	11.0x	32.6x
Zoom	\$81.61	\$25,647.3	\$17,377.6	3.8x	13.0x
LivePerson	\$1.52	\$133.0	\$466.5	1.4x	NM
Upland Software	\$4.34	\$124.3	\$480.6	1.7x	NM
Median:	\$210.25	\$69,389.9	\$64,842.0	8.6x	32.6x

Note to Reader: Most private companies will receive a 15-30% size and liquidity discount compared to public multiples

SECTOR HIGHLIGHTS

- The median Software As A Service index was trading at 8.6x revenue (based on Enterprise Value to Revenue) at the closing of Q4.
- Once a darling of the SaaS market, Fintech has seen a weakening demand and a slowing of financing rounds over the past few years. The trends continued into 2024, with fundraising down to \$28B from \$35B last year and deal activity coinciding with a 20% year-over-year decrease. While \$7B a quarter is no small amount, the time of mega financings in Fintech has ended for now. There are a few IPOs in the pipeline that could inject the liquidity needed to ignite another fintech boom. Still, with North American Fintech funding down 39%, smaller companies may find it easier to raise money in Europe, which has seen an 11% YoY increase in funding, or focus on AI-enabled Fintech, which has seen their share of transactions jump from 6% in 2021 to 15% of the total market in 2024.
- As discussed in the last ViewPoint, Salesforce was primed to make an impressive run with strong growth and profitability margins in Q4, and the stock did exactly that with a ~20% increase in share price. The company with strong metrics is turning even more towards a future of AI by beginning a massive hiring spree throughout the US. While Salesforce is currently courting AI developers, other business areas may see contractions as it focuses on its strategic initiatives.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

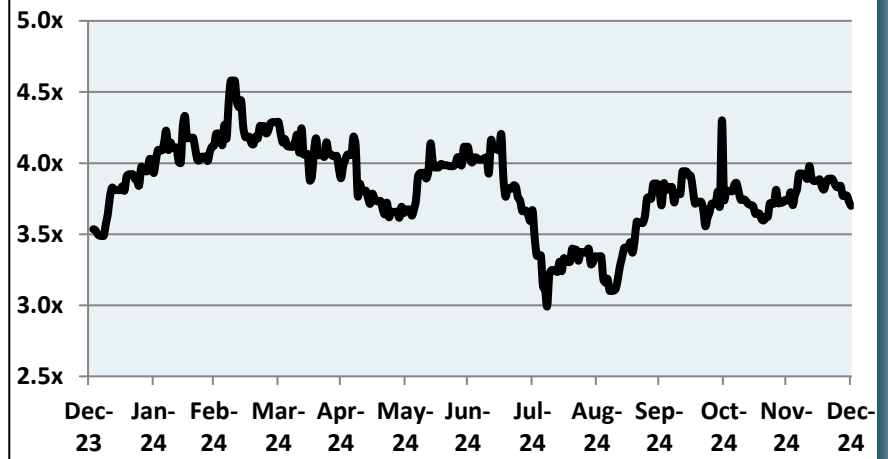
Announced Date	Acquirer Name	Target Name	Enterprise EV/Rev	Enterprise Value (\$m)
2024-12-20	Ccc Intelligent Solutions	EvolutionIQ		730.0
2024-12-05	Vector Capital Management	Bigtincan Holdings	1.2	102.8
2024-12-04	Verint Systems	Cogito		38.2
2024-11-21	Mediaocean	Innovid	3.3	512.3
2024-11-19	PopReach Corporation	Rise4	1.0	39.7
2024-11-12	Computer Modelling Group	Sharp Reflections	2.5	26.6
2024-10-30	Francisco Partners Management	AdvancedMD Software		1,000.0
2024-10-29	Thryv Holdings	Infusion Software	0.9	80.0
2024-10-28	FactSet Research Systems	Platform Group Limited [dba Irwin]		125.0
2024-10-23	AppFolio	Live EZ		80.0
2024-10-15	ADP	WorkForce Software		1,173.1
2024-10-11	HubSpot	Cacheflow		65.0

Software: Internet Software and Services

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Internet Software & Services Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/24	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Alphabet	\$189.30	\$2,368,379.6	\$2,257,222.1	6.6x	18.7x
Amazon.com	\$219.39	\$2,343,469.1	\$2,353,529.3	3.8x	21.6x
Meta Platforms	\$585.51	\$1,535,792.7	\$1,456,260.3	9.3x	19.1x
Netflix	\$891.32	\$392,917.5	\$387,759.4	10.3x	15.6x
Booking Holdings	\$4,968.42	\$171,461.4	\$165,383.4	7.2x	24.5x
Uber	\$60.32	\$129,456.1	\$132,372.4	3.2x	23.3x
Expedia Group	\$186.33	\$26,103.0	\$26,794.8	2.0x	12.0x
Snap (Social/Platform Software)	\$10.77	\$17,755.1	\$19,111.9	3.7x	NM
Yelp	\$38.70	\$2,795.6	\$2,196.6	1.6x	11.5x
Cimpress	\$71.72	\$1,902.5	\$3,392.9	1.0x	8.9x
Groupon	\$12.15	\$451.8	\$556.4	1.1x	6.6x
Median:	\$186.33	\$129,456.1	\$132,372.4	3.7x	17.2x

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SECTOR HIGHLIGHTS

- The median Internet Software and Services index was trading at 3.7x revenue (based on Enterprise Value to Revenue) at the closing of Q4.
- Spending on M&A in the internet software and services market has been lower than expected over the last 24 months. In 2024, \$14.2B was spent on internet companies, modestly up from \$12.6B in 2023. The \$12.6B deal value in 2023 represented the lowest mark over a decade. One name we have not written about in the M&A market for years just popped back up: Yelp. Their first acquisition in 7 years, Yelp acquired RepairPal, an automotive repair review and pricing shop, for \$80M. While Yelp is not growing at the pace of the Magnificent 7, the company is seeing promising results, with services revenue up 11%, counteracting the 6% decline in restaurant and retail sales. Yelp hopes that the acquisition of RepairPal will help grow its services business beyond home services to the multi-billion-dollar industry of auto services advertising.
- While Yelp may consider acquisitions in 2025, they seem unique and not representative of the rest of the industry. Lower growth projections and a higher interest rate environment mean the players in the internet software industry might prioritize organic growth and cost-saving initiatives rather than the large spending of years past.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

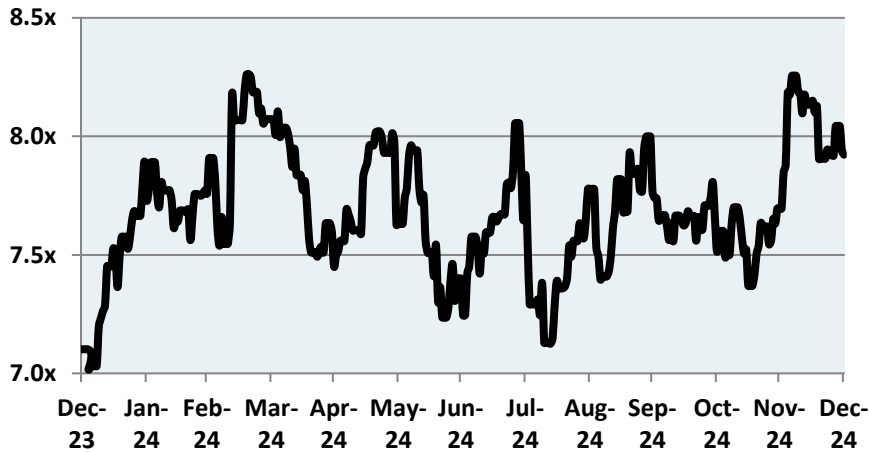
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)	EV/Rev
2024-12-30	Allwyn	Novibet	226.3	
2024-12-30	Casago International	Vacasa	121.0	0.20
2024-12-23	Prosus	Despegar.com	1,634.5	2.30
2024-12-05	SHIPKRACKEN	Lithium Software	4.2	1.40
2024-12-01	MultiMetaVerse	Bowong Technology (Shenzhen)	21.9	
2024-11-29	BGM Group	RONs Intelligent Technology (Beijing)	140.0	
2024-11-19	Lesaka Technologies	Recharger	28.1	
2024-11-13	Wonder Group	Grubhub	150.0	
2024-11-07	Yelp	RepairPal	72.1	2.70
2024-10-17	Dignity Group	Farewill	12.0	
2024-10-02	AO World	musicMagpie	13.0	0.20

Software: Enterprise Software

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Enterprise Software Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/24	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Microsoft	\$421.50	\$3,149,026.5	\$3,116,851.2	12.3x	22.8x
Oracle	\$166.64	\$473,757.5	\$543,887.7	9.9x	24.5x
SAP	\$246.43	\$288,752.2	\$285,807.5	7.9x	45.5x
IBM	\$219.83	\$205,189.1	\$249,770.7	4.0x	21.0x
Constellation Software	\$3,097.09	\$65,632.0	\$68,539.0	7.1x	33.7x
Autodesk	\$295.57	\$64,064.8	\$64,562.9	10.8x	43.8x
Dassault Systemes	\$34.86	\$46,604.8	\$44,416.3	6.7x	22.5x
Ansys	\$337.33	\$29,599.1	\$29,047.2	11.8x	35.0x
Tyler Technologies	\$576.64	\$24,959.9	\$24,776.9	11.9x	NM
PTC	\$183.87	\$22,200.8	\$23,752.7	10.3x	32.7x
Manhattan Associates	\$270.24	\$16,855.3	\$16,340.1	15.9x	NM
Amdocs	\$85.14	\$9,702.4	\$9,923.1	2.0x	12.4x
Blackbaud	\$73.92	\$3,949.5	\$4,750.5	4.1x	19.0x
Verint Systems	\$27.45	\$1,731.6	\$2,407.1	2.6x	17.2x
Stratasys	\$8.89	\$625.4	\$522.8	0.9x	NM
Median:	\$219.83	\$29,599.11	\$29,047.18	7.9x	23.6x

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SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 7.9x revenue (based on Enterprise Value to Revenue) at the closing of Q4.
- Oracle's stock was up around 60% in 2024 on excitement from AI; however, its stock fell 8% after the Q2 report was released, showing higher expected future costs and missing earnings expectations. Oracle's shareholders might not be panicking as in early 2025, both the US and EU announced significant AI investments. The US \$500B investment from SoftBank and the EU's announcement of \$200B to catch up with the US and China should help allay much of the concern, with Oracle being an integral part of both investment strategies.
- Deals in the Enterprise Software sector boomed in the fourth quarter of 2024, with 351 total deals. This is over 5x the number of deals compared to the same period in 2023. While these numbers can instill some confidence that 2025 will have more activity, the total spent in Q4 2024 was only ~70% more than the Q4 2023 numbers. This lower value suggests that, despite more deals, valuations may not be escalating simultaneously. The median multiple fell to 2.5x revenue for the quarter from 9.1x in Q4 2023.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise EV/Rev	Value (\$m)
2024-12-20	Ccc Intelligent Solutions	EvolutionIQ		730.0
2024-12-10	TeamViewer	1E	10.40	720.0
2024-11-21	Mediaocean	Innovid	3.30	512.3
2024-10-30	Siemens & Halske	Altair Engineering	15.80	9,779.8
2024-10-30	Francisco Partners Management	AdvancedMD Software		1,000.0
2024-10-28	FactSet Research Systems	Platform Group		125.0
2024-10-22	CoStar Group	Visual Lease		272.5
2024-10-17	Silver Lake Technology Management	Zuora	2.70	1,404.4
2024-10-15	Automatic Data Processing	WorkForce Software		1,173.1
2024-10-07	Veralto Corporation	TraceGains		350.0

Software: Business Intelligence Software

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP BI Software Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/24	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
MicroStrategy	\$289.62	\$56,139.2	\$75,313.5	161.2x	NM
Snowflake	\$154.41	\$51,361.4	\$49,409.9	14.5x	NM
Verisk Analytics	\$275.43	\$39,604.8	\$41,699.2	14.8x	25.6x
Elastic	\$99.08	\$10,513.1	\$9,659.6	7.0x	NM
Pegasystems	\$93.20	\$8,055.3	\$7,872.2	5.3x	NM
Informatica	\$25.93	\$7,993.0	\$8,548.2	5.2x	36.5x
PROS Holdings	\$21.96	\$1,029.3	\$1,197.5	3.7x	NM
Domo	\$7.08	\$268.1	\$365.2	1.1x	NM
Median:	\$96.14	\$9,284.2	\$9,103.9	6.2x	31.0x

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SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 6.2x revenue (based on Enterprise Value) at the closing of Q4.
- Similar to internet software M&A, BI M&A has had a few rough years. When the pandemic hit, and most investors felt that accelerated adoption of e-commerce was upon us, money flowed heavily into the advertising and marketing tech stack. 2021 and 2022 were banner years for M&A in the space, with \$29.7B and \$18.1B, respectively, spent on advertising and marketing software. The number dropped to only \$3B in 2023 and 2024. As more money is expected to be spent on marketing in 2025, M&A in the sector is already picking up. In just the first two weeks of 2025, the deal value reached half the full 2024 amount, led by acquisitions by T-Mobile, The Trade Desk, and Roku.
- DecisionPoint will remove MicroStrategy from our Business Intelligence index as its price no longer reflects its analytics business but rather its Bitcoin holdings. The company holds over 350,000 bitcoins. The price now better reflects the crypto markets than the intended purpose of this index.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/Rev	Enterprise Value (\$m)
2024-12-04	COSOL	Toustone		8.0
2024-11-19	Acuity Risk Management	Crossword Cybersecurity	0.10	0.0
2024-10-31	Vaon Technology	Aicel Technologies		8.5
2024-10-17	Bluesight	Sectyr		
2024-10-17	Rock Solid UK	SpringBoard Data Management		
2024-10-16	QS Quacquarelli Symonds	HoloniQ USA		
2024-10-15	Regnology Group	CG3 1 Regtech		
2024-10-15	International Business Machines	Prescinto Technologies		
2024-10-08	Sagard Holdings	Konvergence Business & Technologies		
2024-10-07	Comstock	Quantum Generative Materials		
2024-10-07	StarVasa	Quantum Generative Materials (space-based technologies, assets, and business operations)		
2024-10-02	Bruker Corporation	Dynamic Biosensors		

Software: Infrastructure Software

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Infrastructure Software Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/24	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
NetApp (Systems and Information Management)	\$116.08	\$24,550.9	\$23,627.8	3.7x	14.6x
Check Point Software	\$186.70	\$21,381.4	\$19,064.3	7.6x	20.3x
F5 (IT Consulting and Outsourcing)	\$251.47	\$14,927.0	\$13,914.8	4.9x	17.3x
Trend Micro	\$54.26	\$7,346.0	\$5,782.6	3.2x	13.0x
CommVault Systems	\$150.91	\$6,812.5	\$6,308.1	7.0x	NM
Progress Software	\$65.15	\$2,891.1	\$3,375.3	4.7x	15.1x
Radware	\$22.53	\$965.3	\$682.7	2.6x	NM
Magic Software Enterprises	\$12.17	\$597.9	\$615.3	1.1x	7.9x
Allot Communications	\$5.95	\$230.0	\$226.5	2.5x	NM
Median:	\$65.15	\$6,812.5	\$5,782.6	3.7x	14.8x

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SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 3.7x revenue (based on enterprise value) at the end of Q4.
- As more organizations turn to cloud environments and cyber attacks continue to cost the world billions a year, some companies are trying to capitalize on the demand for cloud-native application protection platforms. Companies like Wiz are trying to protect the highly complex cloud environment, which usually stretches over public and private clouds and has multiple public cloud vendors. Introducing the different providers and the environment's location led to more attack surfaces and made it harder for the internal team to manage the complexity. Enter Wiz, founded in 2020 and moved to New York in 2022. Wiz was the fastest software company in the world to grow from \$1M to \$100M in ARR. Wiz received its unicorn status during their Series B and recently completed its Series E at a \$12B valuation. With these funding rounds, Wiz acquired cloud detection and response vendor Gem Security, followed by acquiring security posture management provider Dazz in November. The management team and investors are optimistic about the future of the company turning down a \$23B acquisition offer from Google. The team favors reaching \$1B in revenue and potentially having a public offering. Its hopes to reach \$1B in ARR will rely on its three primary revenue sources: Wiz Cloud, its flagship agentless cloud security offer; Wiz Code, code-level security from the Dazz acquisition; and Wiz Defend, a cloud threat detection and response platform from the Gen Security acquisition.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise EV/Rev	Enterprise Value (\$m)
2024-12-17	AppDirect	Firstbase		
2024-12-10	Arcfra	Beijing Zhiling Haina Technology		
2024-12-04	OneEthos	ToolCharm		
2024-11-26	NTT DATA Business Solutions APAC	Niveus Solutions		
2024-11-18	Nordic Capital	Anaqua		
2024-11-14	Yotta Data Services	IndiQus Technologies		
2024-10-28	Presidio	Kinney Group (business)		
2024-10-09	1E	Exoprise Systems		
2024-10-01	Dragos	Network Perception		
2024-10-01	CACI International	Applied Insight		320.0

Services: IT Services

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Services Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/24	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Accenture	\$351.79	\$223,476.2	\$220,784.7	3.3x	19.5x
Cognizant Technology	\$76.90	\$38,315.4	\$37,966.9	2.0x	11.2x
Capgemini	\$164.57	\$29,128.0	\$31,698.6	1.3x	9.7x
NTT Data Group	\$19.19	\$26,907.1	\$48,619.2	1.6x	10.5x
CDW	\$174.04	\$23,604.2	\$28,224.3	1.4x	14.5x
Booz Allen Hamilton	\$128.70	\$16,710.5	\$19,495.3	1.7x	12.9x
CACI International	\$404.06	\$9,085.0	\$10,816.9	1.4x	13.0x
DXC Technology	\$19.98	\$3,723.0	\$7,347.9	0.6x	4.8x
ICF International	\$119.21	\$2,260.4	\$2,845.6	1.4x	12.7x
The Hackett Group	\$30.72	\$857.6	\$860.7	2.8x	16.5x
Median:	\$123.96	\$20,157.3	\$23,859.8	1.5x	12.8x

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SECTOR HIGHLIGHTS

- The median IT Services index was trading at 12.8x EBITDA (based on Enterprise Value to EBITDA) at the closing of Q4.
- According to a 451 Research survey, IT spending should pick up and continue accelerating in 2025 after a pretty strong 2024. Most SMEs and larger enterprises will continue to increase spending on their IT environments, pushed by the increasing desire to integrate AI into daily business practices and ensure security around their and their customer's data. As companies continue to spend on IT, expect customers focusing on data privacy and data security to see the best ROI, while the best practices for implementing GenAI may take a few years to see solid returns.
- IT services are the bright spot in M&A for the tech market. In Q4, the tech services market printed 408 transactions, up from 389 in the prior quarter. Unlike in many other parts of the market, PE firms are not dominating; instead, strategics like Accenture, NTT, CACI, and Pesidio are the active acquirers. Accenture's acquisition machine continued to pick up companies with 7 acquisitions in the fourth quarter to put their 2024 total at 39 acquisitions. Hopefully, more strategies follow these companies and are active in the IT Services M&A market in 2025.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

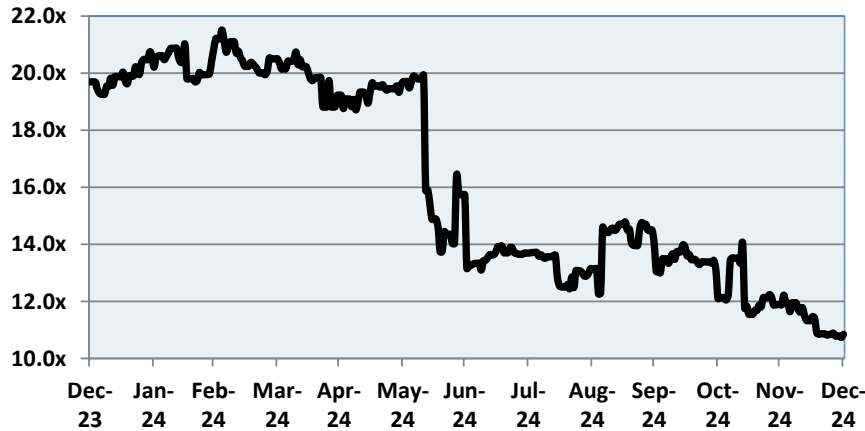
Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value (\$m)
2024-12-31	World Wide Technology	Softchoice	15.30	1,048.5
2024-12-07	Taihao Park Investment	Boyuan IT Service Management		12.6
2024-12-05	Galaxy42 Group	Brooks Investment Partners		5.8
2024-12-02	Alithya Group	XRM Vision		16.3
2024-11-25	Planetel	Suardi	7.30	3.2
2024-11-06	Zeo Energy	Lumio Holdings (substantially all assets)		12.4
2024-10-31	CrowdWorks	CLOCKIT		7.6
2024-10-16	Hydsoft Technology	Jinrui Software Technology (Hangzhou)		8.8
2024-10-11	Oxford Metrics	The Sempre Group		6.5
2024-10-07	EPAM Systems	First Derivatives (Ireland)	13.20	301.2
2024-10-02	UST Global	Alsbridge Holdings		27.0

Services: Hosted & Managed Services

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Hosted Services Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/24	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Equinix	\$942.89	\$89,744.7	\$106,962.7	12.4x	30.2x
Digital Realty	\$177.33	\$57,719.9	\$77,639.6	14.1x	28.8x
SAIC	\$111.78	\$5,759.5	\$7,767.0	1.1x	12.3x
ePlus	\$73.88	\$1,977.2	\$1,947.0	0.9x	10.8x
Cancom	\$24.24	\$852.4	\$684.0	0.4x	5.1x
NCC Group	\$1.89	\$588.0	\$677.2	1.7x	896.9x
Redcentric	\$1.57	\$255.4	\$337.9	1.6x	9.8x
Sify Technologies	\$2.86	\$190.3	\$472.7	1.1x	5.5x
iomart	\$0.94	\$107.4	\$170.1	1.1x	4.0x
Median:	\$13.55	\$720.2	\$680.6	1.1x	10.8x

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SECTOR HIGHLIGHTS

- The median Hosted & Managed Services index was trading at 10.8x EBITDA (based on Enterprise Value) at the closing of Q4.
- As companies continue to grow their cloud deployments, many seek colocation to solve scale and budget issues. Some hosted and managed services providers invested heavily in interconnection in 2024, helping augment their capacity and capabilities in the market. Many enterprises are turning to colocation due to its overall reliability and as a contingency plan for disaster recovery. This growth opens a more significant revenue opportunity for existing colocation providers to offer add-on services such as managed private cloud or managed hosting.
- The most active acquirer during the fourth quarter was Evergreen printing three acquisitions. Announcing two acquisitions of smaller MSPs, Evergreen acquired Portsmouth Computer Group and Netranom Communications. While under 50 employees each, these two represented Evergreen’s desire to roll up 100 MSPs throughout the industry. The most recent acquisition announced on December 11th was for CT Group Solutions, an Australia-based MSP providing backup, cloud services, disaster recovery, and managed security. This last acquisition will help grow Evergreen’s presence in Australia and represents its 19th acquisition.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value (\$m)
2024-10-22	Source 1 Solutions	Youcall-It.Com		
2024-10-16	Aspire Technology Solutions	CloudCoCo		12.0
2024-10-16	Thrive Operations	Safety Net		
2024-10-16	Total Specific Hosting	Abtis		
2024-10-15	NETRIO	SUCCESS Computer Consulting		
2024-10-09	VyOS	Sentrium		
2024-10-08	Altios	Consulations		
2024-10-02	Dataprise	TOMAR Computer Integration		
2024-10-01	Thinkex Holdings	Wyscom		
2024-10-01	New Charter Technologies	Netropole		

Services: IT Outsourcing

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Outsourcing Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/2024	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Tata Consultancy	\$47.73	\$173,081.9	\$167,257.8	5.6x	21.2x
Automatic Data	\$292.73	\$120,363.3	\$121,280.1	6.6x	26.3x
Infosys	\$21.91	\$91,541.1	\$88,088.5	4.7x	NM
Cognizant Technology	\$76.90	\$38,315.4	\$37,966.9	2.0x	11.2x
Wipro	\$3.52	\$36,879.2	\$33,024.9	3.1x	15.2x
CGI Group	\$109.59	\$25,388.6	\$25,997.6	2.4x	12.8x
CSG International	\$51.11	\$1,465.6	\$1,946.4	1.7x	10.6x
Unisys	\$6.33	\$436.4	\$605.3	0.3x	NM
Median:	\$ 49.42	\$ 37,597.31	\$35,495.91	2.8x	14.0x

Note to Reader: Most private companies will receive a 15-30% size and liquidity discount compared to public multiples

SECTOR HIGHLIGHTS

- The median IT Outsourcing index was trading at 14.0x EBITDA (based on Enterprise Value) at the closing of Q4.
- As companies increasingly embrace Generative AI (GenAI) in their daily operations, a substantial number are utilizing it for software development. A recent survey revealed that 77% of respondents currently use or plan to use GenAI to create enterprise applications. The benefits of implementing GenAI include significant cost reductions and improved efficiency in security scanning, allowing organizations to optimize their resources and streamline processes. However, these companies must remember that while GenAI can produce initial code drafts, thorough reviews of all generated code are essential to ensure accuracy and quality.
- Deal activity in the IT Outsourcing sector has remained consistent over the past year, with 79 deals in Q4 2023 and 82 deals in Q4 2024. While total deal value was down year over year, a majority of deals were not required to report enterprise value or EBITDA metrics, leading to the lower total value.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

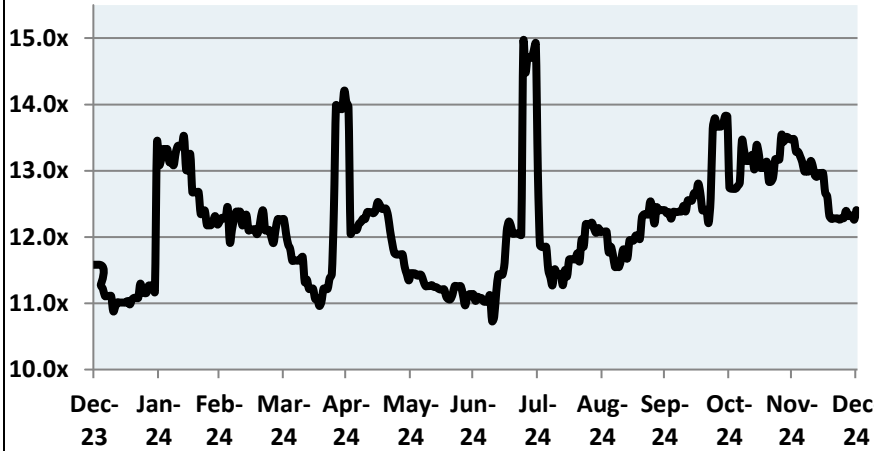
Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value (\$m)
2024-12-10	AI/ML Innovations	Quantum Science		0.7
2024-11-14	Placo	Cloud Service		1.0
2024-11-11	L&T Technology Services	Intelliswift Software, Inc.		110.0
2024-11-04	Teledyne Technologies	Micropac Industries	9.00	52.3
2024-10-25	Willdan Group	Enica Engineering (assets)		12.0
2024-10-18	Keywords Studios	Certain Affinity		
2024-10-16	Indium Software (India)	Experion Technologies (India)		
2024-10-15	DraftKings	Dijon Systems		
2024-10-11	CHAPTERS Group	Xplain		
2024-10-10	Alliance Electronics	TXCube		
2024-10-04	Cyient DLM	Altek Electronics		23.4
2024-10-03	Scanfil	SRXGlobal		25.7

Services: IT Staffing

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Staffing Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/24	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Robert Half	\$70.46	\$7,311.3	\$6,943.3	1.2x	14.5x
ASGN	\$83.34	\$3,852.4	\$4,617.7	1.1x	11.2x
ManpowerGroup	\$57.72	\$2,813.9	\$3,623.4	0.2x	12.4x
Kforce	\$56.70	\$1,074.5	\$1,124.1	0.8x	14.1x
Kelly Services	\$13.94	\$499.7	\$755.7	0.2x	8.7x
RCM Technologies	\$22.16	\$178.1	\$203.2	0.7x	8.0x
Mastech Digital	\$14.90	\$176.7	\$154.6	0.8x	NM
Median:	\$56.70	\$1,074.5	\$1,124.1	0.8x	11.8x

Note to Reader: Most private companies will receive a 15-30% size and liquidity discount compared to public multiples

SECTOR HIGHLIGHTS

- The median IT Staffing index was trading at 11.8x EBITDA (based on Enterprise Value) at the closing of Q4.
- The IT staffing market has had a turbulent few years with massive hiring, significant layoffs, pivots, and hiring sprees. The first half of 2024 saw a slew of layoffs and headcount reductions for many larger companies, but September marked a (hopeful) turning point. IT employment added 118,000 positions in December alone, pushing the unemployment rate to 2.5%, the largest single-month drop in four years. This trend continued into Q4, with job postings surging by 13%, primarily due to the need for software developers, computer systems analysts, and database administrators. With increased IT spending on security and AI, new IT jobs should continue to appear. However, sentiment on the sustainability of those jobs has been uncertain as companies better understand which roles can be replaced with AI and ML.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value (\$m)
2024-10-16	Eliassen Group	VIA Technical		
2024-10-10	emagine Consulting	Allgeier Experts Holding		
2024-10-03	Golden Technology	Halcyon Solutions (assets)		

Artificial Intelligence & Machine Learning

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP AI & ML Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/24	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Nvidia	\$134.29	\$3,338,818.7	\$3,260,500.1	28.8x	44.5x
International Business	\$219.83	\$205,189.1	\$249,770.7	4.0x	21.0x
ServiceNow	\$1,060.12	\$220,185.3	\$215,670.8	20.6x	NM
CrowdStrike Holdings	\$342.16	\$85,556.5	\$80,847.2	21.6x	NM
Palantir Technologies	\$75.63	\$181,932.9	\$168,070.2	63.5x	NM
SentinelOne	\$22.20	\$6,877.4	\$6,493.6	8.4x	NM
C3.ai	\$34.43	\$4,269.9	\$3,717.6	10.7x	NM
Median:	\$134.29	\$181,932.9	\$168,070.2	20.6x	32.7x

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SECTOR HIGHLIGHTS

- The median AI & ML index was trading at 20.6x Revenue (based on Enterprise Value) at the closing of Q4.
- IT seems AI and ML have eaten up a good amount of the budgets for the larger SaaS and Cloud providers. Alphabet, Amazon, Microsoft, and Oracle have all but turned away from M&A while focusing their venture arms and capex teams on investing in chips and funding smaller companies to train AI models and code the chips. While 2014-2023 saw these four providers spending \$22B per year on M&A, 2024 saw only one deal from Amazon and one from Alphabet. Most impressively, the big four cloud providers increased their capex by 52% compared to 2023, up to \$194B. The big four cloud providers participated in funding rounds of \$20.6B for US-based startups. Not all of this money is from the big four, nor was all of the capex focused on AI-related equipment, but the need for data centers, chips, and models essentially pushed these investments. The big four are betting that the market for AI applications will grow larger and faster than the cloud infrastructure trend and spending heaps of money to ensure that comes true.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise E/Rev Value (\$m)
2024-10-01	Nipun Vision	IntelliVision	

Our team of professionals brings a unique combination of technological, financial, and operational experience to our clients and their transactions. With backgrounds and deal experience spanning Wall Street investment banks, multi-billion dollar corporations, and high growth start-ups, we have an exceptional understanding of how to successfully achieve our clients' strategic initiatives.



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