

DECISIONPOINT

QUARTERLY VIEWPOINT:

For the Quarter Ended December 31st, 2023 and the Latest Twelve Months

Q4 | 23

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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.



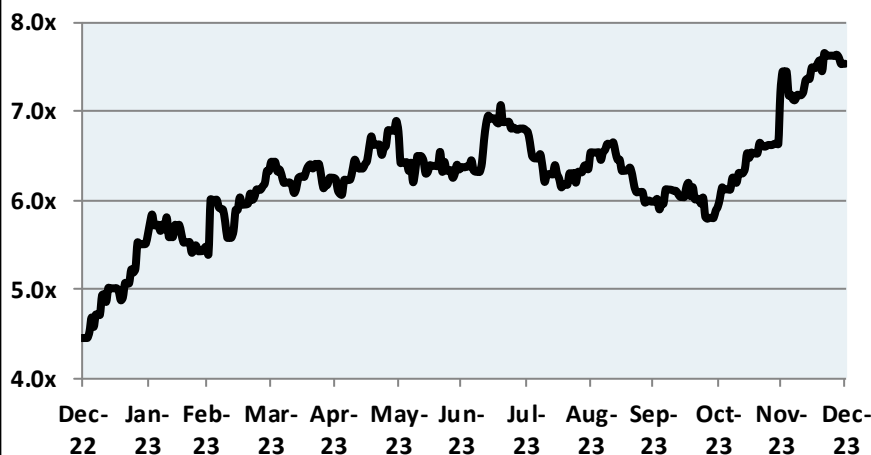
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Software: Software as a Service (SaaS)

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP SaaS Index EV/Revenue Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 12/31/23	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Salesforce	\$263.14	\$259,192.9	\$255,568.5	7.5x	33.4x
ServiceNow	\$706.49	\$144,772.5	\$143,062.3	16.9x	NM
Shopify	\$77.90	\$99,597.2	\$96,247.8	14.5x	NM
Workday	\$276.06	\$72,439.0	\$68,999.8	9.9x	NM
Block	\$77.35	\$46,785.1	\$43,714.2	2.1x	NM
Veeva Systems	\$192.52	\$31,408.1	\$27,114.1	11.8x	47.4x
Zoom Video	\$71.91	\$21,962.4	\$15,476.0	3.4x	28.6x
LivePerson	\$3.79	\$282.2	\$682.8	1.6x	NM
Upland Software	\$4.23	\$136.7	\$492.3	1.6x	NM
Median:	\$77.90	\$46,785.1	\$43,714.2	7.5x	33.4x

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 7.5x revenue (based on Enterprise Value to Revenue) at the closing of Q4.
- With a total return to the office seemingly unlikely, firms are looking for solutions to help companies collaborate across the different office environments. With nearly 40% of full-time workers working remotely or in a hybrid model, companies see the need for seamless interactions interaction between key employee groups. Many companies turn to visual collaboration to ensure teams communicate effectively and efficiently. 2024 will be an exciting year for the visual collaboration sector as some companies continue to grow and innovate while others have seen their revenues and valuations tumble since the pandemic.
- The quarter's largest deal was Vista taking EngageSmart private, which valued the company at \$4B. Vista will take a controlling interest of 65% for \$2.5B, while the remaining stake will be held by the company's current majority owner, General Atlantic. Vista completed the deal at 10.3x TTM Revenue and 82x TTM EBITDA. The take-private transaction comes as EngageSmart's stock was down nearly 50% from its IPO price of \$35 a share. Upon the announcement of the acquisition, the company's stock price rose 12%. The acquisition happened during an almost drought of take-privates, with less than half of the total number of take-privates that occurred in the CY 2021 and 2022

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/Rev	Enterprise Value (\$m)
2023-12-05	Bazaarvoice	Granify	7.0	70.0
2023-11-30	Microlise Group	Enterprise Software Systems	1.5	9.7
2023-11-16	Thoma Bravo	EQS Group	6.1	435.4
2023-11-13	Sumeru Equity	Q4	2.7	175.9
2023-11-07	Sega Sammy Creation	GAN	0.6	88.1
2023-11-01	HubSpot	API Hub	3.0	150.0
2023-10-23	Vista Equity Partners	EngageSmart	10.3	2,513.0
2023-10-17	WeCommerce Holdings	Jagged Pixel (assets)		1.0
2023-10-10	MiX Telematics	Powerfleet	0.2	18.7
2023-10-05	Ellucian Company	Tribal Group	2.0	193.2
2023-10-05	Metropolis Technologies	SP Plus	1.9	1,061.1
2023-10-04	NICE	LiveVox [NASDAQ:LVOX]	2.6	381.5

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 12/31/23	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Alphabet	\$139.69	\$1,788,317.7	\$1,664,570.0	5.6x	18.5x
Amazon.com	\$151.94	\$1,579,340.3	\$1,642,972.6	3.0x	23.0x
Meta Platforms	\$353.96	\$931,180.3	\$884,722.6	7.0x	19.1x
Netflix	\$486.88	\$219,779.2	\$219,530.4	6.7x	10.6x
Booking Holdings	\$3,547.22	\$132,674.0	\$124,160.1	6.0x	17.5x
Uber	\$61.57	\$126,789.3	\$133,681.3	3.7x	NM
Snap	\$16.93	\$27,022.7	\$28,416.3	6.3x	NM
Expedia Group	\$151.79	\$23,377.0	\$23,810.8	1.9x	12.6x
Yelp	\$47.34	\$3,451.5	\$2,901.2	2.2x	18.5x
Cimpress	\$80.05	\$2,119.6	\$3,712.6	1.2x	13.4x
Groupon	\$12.84	\$396.7	\$610.1	1.2x	NM
Median:	\$139.69	\$126,789.3	\$124,160.1	3.7x	18.0x

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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.
- The rise of social media influencers has been hard not to notice, especially as 57% of Gen Z would become an influencer if given the opportunity. With this rise, companies have started to notice the impact of having influencers market for their brands. 37% of consumer-facing organizations plan to increase spending on influencer marketing over the next year. With this increase in spending focused on influencers, larger companies such as Meta, Snap, YouTube, or Shopify could look to acquire their own influencer marketing platforms. Offerings like TikTok’s Creator Marketplace and Facebook’s Brand Collabs Manager have some capabilities but could be improved upon. Shopify has already acquired a solution in the area Dovetale, developed in 2022, but could look to build out their solution more through acquisition.
- It has been over a year since Twitter was taken private in a \$44B deal that saw Elon Musk take over as Chief Twit. The deal has not had anyone celebrating as the company has seen advertisers leave the platform and constant news coverage about Musk’s tweets. Shortly after Musk closed his purchase, S&P downgraded the company significantly to a B- from a BB+. Competitors such as Snap have seen their user bases grow to sizes larger than Twitter and valuation rise, although with Snap being considerably larger than Twitter, its value is \$27B, more than a third less than the value of the Twitter deal.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise EV/Rev	Value (\$m)
2023-12-13	TMX Group	VettaFi		1,031.4
2023-12-05	Bazaarvoice Inc.	Granify,	7.0	70.0
2023-11-29	Blackstone	Rover Group	8.6	1,984.8
2023-11-10	ABRY Partners	Orbach and Chambers		491.1
2023-11-07	Vivid Seats	Vegas.com	3.0	240.0
2023-11-06	Better Collective	Playmaker Capital	2.5	125.2
2023-11-02	Lottomatica	SKS365 Malta		677.5
2023-10-30	Omnicom Group	Flywheel Digital		835.0
2023-10-30	Greenbacker Capital Management	Sunlight Financial Holdings	0.5	15.0
2023-10-19	CoStar UK	OnTheMarket	2.1	107.5
2023-10-04	Digcom UK Holdings Ltd	Smooove	1.0	37.4

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 12/31/23	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Microsoft	\$376.04	\$2,807,608.7	\$2,735,871.9	12.5x	25.2x
Oracle	\$105.43	\$295,467.6	\$370,429.8	7.2x	18.8x
SAP	\$154.35	\$181,822.4	\$179,187.5	5.4x	23.8x
IBM	\$163.55	\$151,495.4	\$196,961.5	3.2x	14.5x
Dassault Systemes	\$48.95	\$65,348.2	\$65,086.2	10.4x	33.3x
Autodesk	\$243.48	\$52,713.4	\$52,778.1	9.9x	43.7x
Constellation Software	\$2,482.67	\$52,611.6	\$55,184.6	7.0x	35.0x
Ansys	\$362.88	\$31,704.6	\$31,738.8	14.7x	46.8x
PTC	\$174.96	\$20,878.7	\$22,463.9	10.7x	37.8x
Tyler Technologies	\$418.12	\$17,825.4	\$18,258.7	9.5x	46.0x
Manhattan Associates	\$215.32	\$13,494.4	\$13,090.1	14.7x	NM
Amdocs	\$87.89	\$10,414.0	\$10,383.2	2.1x	12.5x
Blackbaud	\$86.70	\$4,534.5	\$5,429.1	5.0x	NM
Verint Systems	\$27.03	\$1,750.7	\$2,373.9	2.7x	17.8x
Stratasys	\$14.28	\$971.7	\$822.3	1.3x	NM
Median:	\$163.55	\$31,704.55	\$31,738.77	7.2x	29.2x

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

SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 7.2x revenue (based on Enterprise Value to Revenue) at the closing of Q4.
- As companies continue to unify corporate planning and integrate technical road maps with marketing and financial plans, expect a few companies to emerge as leaders in the Unified Planning solutions sector. With 70% of business leaders saying they do not have the right technologies to be effective day-to-day, there is a great opportunity for one of the current leaders to take over. Anaplan, Oracle or even the smaller Onestream have opportunities to rapidly grow their customer bases with an improved visibility into non-revenue generating activities and non-financial metrics.
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MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise EV/Rev	Value (\$m)
2023-12-18	Salesforce	Spiff	13.30	400.0
2023-12-13	Lunit	Volpara Health Technologies	7.90	192.5
2023-11-30	Microlise Group	Enterprise Software Systems	1.50	9.7
2023-11-23	Wilmington	Astutis	2.30	21.1
2023-11-14	Mondee [NASDAQ:MOND]	Purplegrids		6.4
2023-11-13	Sumeru Equity Partners	Q4	2.70	175.9
2023-11-07	Flywire [NASDAQ:FLYW]	StudyLink Connect		39.0
2023-11-03	The Travelers Companies	Corvus Insurance Holdings.		435.0
2023-11-03	Electronic Servitor Publication	PhiTech Management (assets)		2.5

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 12/31/23	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Snowflake	\$199.00	\$64,816.9	\$62,179.9	23.7x	NM
Verisk Analytics	\$238.86	\$35,884.4	\$37,320.7	16.7x	27.8x
Elastic	\$112.70	\$10,988.4	\$10,853.8	9.4x	NM
MicroStrategy	\$631.62	\$8,672.6	\$12,752.0	25.3x	NM
Pegasystems	\$48.86	\$4,046.2	\$4,329.4	3.2x	NM
Alteryx	\$47.16	\$3,313.8	\$4,059.0	4.4x	NM
PROS Holdings	\$38.79	\$1,781.5	\$1,959.4	6.6x	NM
Domo	\$10.29	\$365.6	\$451.9	1.4x	NM
Median:	\$80.78	\$6,359.4	\$7,591.6	8.0x	27.8x

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SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 8.0x revenue (based on Enterprise Value to Revenue) at the closing of Q4.
- The smallest public company that DecisionPoint tracks in our public BI index has been making big moves over the past year. Domo, a leading data management and analysis cloud platform provider, has been investing heavily in its offerings to expand from data analysts and scientists to anyone who touches or could touch the data. They have focused on improving their AI-powered experiences to open its capabilities to non-technical users and attract part of the growing market, which is supposed to exceed \$72B in 2027, growing at 13%. One method of reaching this broader audience is the implementation of Domo AI Services, which aims to enable developers to access low-code and pro-coder models similar to OpenAI.
- A growing provider of business intelligence and RPA solutions is Data Robot, which is currently looking to join the ever-growing group of companies expanding into generative AI and large language models. Noticing the lack of trust in LLMs and generative AI, Data Robot is attempting to assist in AI monitoring, management, and governance by announcing specific LLM metrics for toxicity and truthfulness, among other standards.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

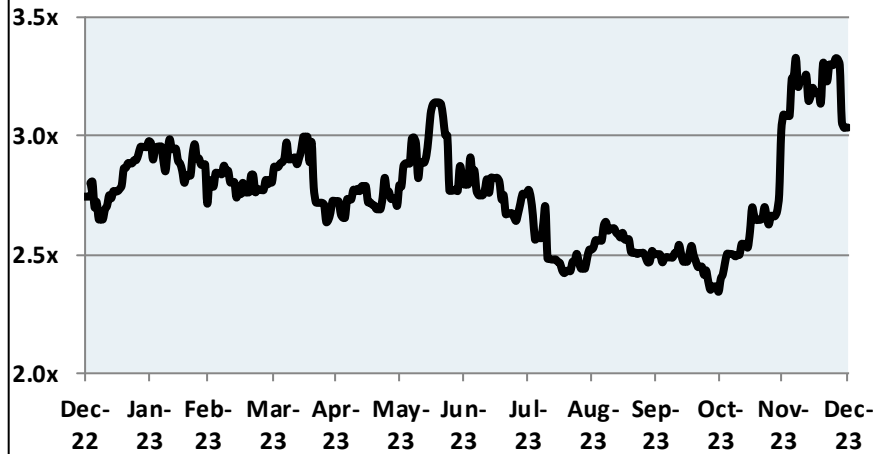
Announced Date	Acquirer Name	Target Name	Enterprise EV/Rev	Enterprise Value (\$m)
2023-12-18	Clearlake Capital	Alteryx [NYSE:AYX]	4.80	3,463.4
2023-11-16	Thoma Bravo	EQS Group	6.10	435.4
2023-11-15	Healwell AI	Pentavere Research Group		7.1
2023-11-15	Aranscia	YouScript (select assets)		
2023-11-08	AppsFlyer	devtodev		
2023-11-07	Allant	HealthWise Data		
2023-11-06	MiQ Digital	Grasp		
2023-11-03	THF I	Origins Analytics (intellectual property)		
2023-11-02	Zelus Analytics	TourIQ Gol,f		
2023-11-01	HubSpot	API Hub	3.00	150.0
2023-11-01	Green Street Advisors	The Local Data Company		
2023-10-31	Advanced Manufacturing Control Systems	FigBytes		

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 12/31/23	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
NetApp (Systems and	\$88.16	\$19,042.6	\$18,205.7	3.0x	15.0x
Check Point Software	\$152.79	\$18,260.5	\$16,419.0	6.9x	17.9x
F5 Networks	\$178.98	\$10,787.1	\$10,157.1	3.6x	17.0x
Trend Micro	\$53.35	\$7,360.8	\$5,370.2	3.0x	12.9x
CommVault Systems	\$79.85	\$3,537.1	\$3,227.6	4.0x	NM
Progress Software	\$54.30	\$2,412.5	\$3,007.8	4.5x	14.2x
Radware	\$16.68	\$726.7	\$438.6	1.6x	NM
Magic Software	\$9.61	\$471.8	\$497.2	0.9x	6.1x
Allot Communications	\$1.65	\$62.3	\$46.2	0.5x	NM
Median:	\$54.30	\$3,537.1	\$3,227.6	3.0x	14.6x

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SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 3.0x revenue (based on Enterprise Value to Revenue) at the end of Q4.
- While public multiples are up slightly from the end of 2022, M&A activity has remained steady, with 10 deals in the fourth quarter of 2023 and 9 deals in Q4 of 2023. There were no publicly available deal values for Q4 2023.
- As companies look more into integrating AI into their firms, many are beginning to see that the internal infrastructure was not designed to handle the capabilities and needs of AI solutions. The need for improved infrastructure has led to significant investment in on-premises and cloud infrastructure by both providers and customers. Much of this development and investment has needed one item: graphics processing units (GPUs), which, given current demand and lack of production, has driven companies like NVIDIA to record high valuations. Many enterprises will search for infrastructure partners to better manage the capex uplift required to improve the system while meeting environmental requirements. These more significant partners, such as Check Point and F5, might be good partners for the future, especially with general familiarity with their system, but companies need to look at the long-term view when choosing a partner.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

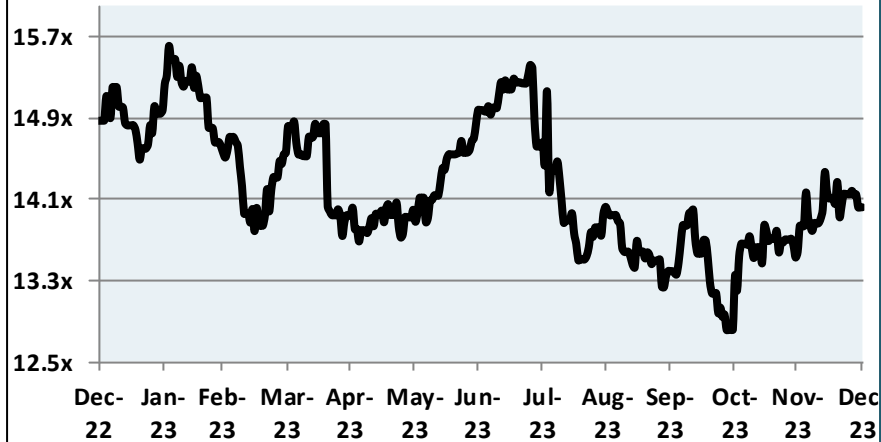
Announced Date	Acquirer Name	Target Name	Enterprise EV/Rev Value (\$m)
2023-12-11	Brevo	WonderPush	
2023-11-28	Flexera Software	Snow Software	
2023-11-23	Apideck	delta technologies	
2023-11-15	CoreView USA	Simeon Cloud	
2023-11-14	Dura Software	Infinity Software	
2023-11-14	Raintank	Asserts	
2023-11-02	PagerDuty	Jeli	
2023-10-27	Jio Platforms	Accops Systems	
2023-10-19	Webscale Networks	section.io	

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 12/31/23	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Accenture	\$350.91	\$223,968.1	\$216,761.2	3.4x	21.7x
Capgemini	\$208.87	\$36,960.7	\$39,313.7	1.7x	12.0x
CDW	\$227.32	\$31,057.6	\$35,881.5	1.6x	18.3x
NTT Data	\$14.13	\$19,813.2	\$38,595.4	1.3x	8.9x
Booz Allen Hamilton	\$127.91	\$16,877.8	\$19,776.3	2.0x	27.6x
CACI International	\$323.86	\$7,519.1	\$9,211.5	1.3x	12.9x
DXC Technology	\$22.87	\$4,947.6	\$8,665.6	0.6x	12.3x
ICF International	\$134.09	\$2,547.8	\$3,262.7	1.7x	18.1x
Perficient	\$65.82	\$2,415.0	\$2,630.2	2.9x	15.1x
The Hackett Group	\$22.77	\$649.6	\$656.1	2.2x	12.0x
Median:	\$131.00	\$12,198.4	\$14,493.9	1.7x	14.0x

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SECTOR HIGHLIGHTS

- The median IT Services index was trading at 14.0x EBITDA (based on Enterprise Value to EBITDA) at the closing of Q4.
- With fears of a recession in late 2022 and early 2023 bountiful among industry leaders, many enterprises push cost optimization to the top of their priorities. This trend was clear in the tech market as companies began to push off large-scale projects and reexamine where IT spending is the highest. Companies are starting to turn to their third-party service providers and seek help with the cost-optimization of their cloud environments. While many customers are weary of downsizing the cloud infrastructure and impacting performance, most are unlikely to expand cloud projects until they have more reliable cost projections.
- While 2023 was not a banner year in spending for the IT services market, many smaller companies are being acquired at record rates. With smaller companies unable to raise money from investors, high interest rates, and low customer desire to increase spending, these small to medium-sized companies have been acquired at higher rates and lower values. Deal spend and deal count in 2023 for tech focused SMEs reached their highest levels since the beginning of 2015.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value (\$m)
2023-12-22	ADDvise Group AB (publ)	Labplan	3.50	14.6
2023-12-07	KKR	Smart Metering Systems	20.00	1,604.1
2023-12-01	Insight Enterprises	SADA Systems		410.0
2023-11-09	Calian Group	Decisive Group		54.4
2023-11-07	Amdocs	Astadia		75.0
2023-11-06	Bain Capital	Guidehouse		5,300.0
2023-10-18	Apax Partners	Kin and Carta		247.5
2023-10-12	Mphasis	Sonnick Partners		132.5
2023-10-11	Telstra Corporation	Versent Pty		170.6
2023-10-09	Climb Global Solutions	DataSolutions	4.90	16.3
2023-10-02	Clas Ohlson (publ)	Spares Nordic	9.60	39.3

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 12/31/23	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Equinix	\$805.39	\$75,327.9	\$90,661.2	11.4x	28.7x
Digital Realty	\$134.58	\$41,353.4	\$60,548.6	11.3x	19.6x
SAIC	\$124.32	\$6,750.6	\$8,556.4	1.1x	9.2x
ePlus	\$79.84	\$2,127.6	\$2,289.9	1.0x	10.9x
Cancom	\$32.71	\$1,187.9	\$1,035.0	0.7x	9.7x
NCC Group	\$1.64	\$510.3	\$612.9	1.5x	21.4x
Sify Technologies	\$1.87	\$345.5	\$611.6	1.4x	7.6x
Redcentric	\$1.62	\$259.6	\$343.9	1.7x	22.0x
iomart	\$1.94	\$219.8	\$276.2	1.8x	6.5x
Median:	\$17.33	\$849.1	\$823.9	1.5x	10.9x

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SECTOR HIGHLIGHTS

- The median Hosted & Managed Services index was trading at 10.9x EBITDA (based on Enterprise Value to EBITDA) at the closing of Q4.
- M&A activity in the Hosted & Managed Services sector slowed in Q4 compared to the same period in the year prior. With 18 total deals in Q4 2023 compared to the 39 deals in Q4 2022. In addition, Q4's total was the lowest deal count for the sector since 2020. The only deal with a publicly available deal value was iomart Group's acquisition of Accesspoint Group for \$5.7M with an EBITDA multiple 5.6x TTM EBITDA.
- Virtual Desktop Infrastructure will continue to play an active role in the growth of the MSP sectors. As hybrid office schedules continue for the foreseeable future, many companies are implementing workforce management and virtual desktop infrastructure (VDI). The workforce management systems focusing on upskilling and communication & collaboration will be essential for maintaining employees. On the virtual desktop side, investing in a strong partnership with an MSP who can maintain your virtual infrastructure will be crucial to the success of one's company. Implementing VDI will improve workers' productivity but, more importantly, enhance the security of your systems and prevent bad actors from accessing information they should not.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

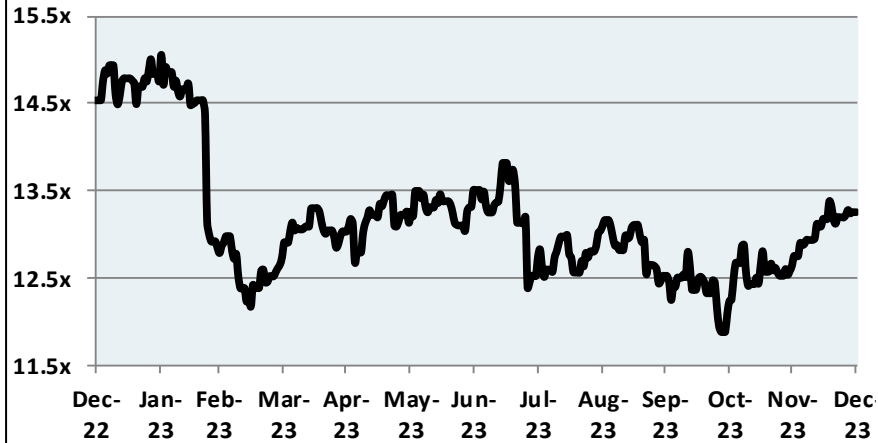
Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value (\$m)
2023-12-20	Ntiva	Middleground Technologies		
2023-12-07	Intelligent Technical	OneClickFix		
2023-12-05	iomart Group	Accesspoint Group	5.60	5.7
2023-12-01	Host Africa (Pty)	Sasahost		
2023-11-28	AFIMAC Global	Agility Recovery Solutions		
2023-11-16	Yuenglings Ice Cream	ReachOut Technology		
2023-11-14	VC3	Go Concepts		
2023-11-14	Riverdam	Xaris		
2023-11-08	Thrive Operations	4it		
2023-11-03	Main Capital Partners	Lux Scientiae		

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 12/31/2023	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Tata Consultancy	\$45.44	\$166,270.3	\$158,817.8	5.5x	21.0x
Automatic Data	\$232.97	\$96,653.4	\$97,704.4	5.6x	22.6x
Infosys	\$18.48	\$76,869.1	\$74,669.1	4.0x	16.3x
Cognizant Technology	\$75.53	\$38,407.0	\$36,948.7	1.9x	11.4x
Wipro	\$5.65	\$30,661.5	\$27,579.3	2.5x	12.0x
CGI Group	\$107.27	\$25,498.6	\$26,473.5	2.5x	13.3x
CSG International	\$53.21	\$1,627.6	\$2,045.1	1.8x	10.2x
Unisys	\$5.62	\$382.7	\$557.5	0.3x	NM
Median:	\$ 49.33	\$ 34,534.27	\$32,264.00	2.5x	13.3x

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 13.3x EBITDA (based on Enterprise Value to EBITDA) at the closing of Q4.
- M&A activity in the IT Outsourcing sector remained relatively flat this quarter compared to Q4 2022, with 68 deals and 59 deals, respectively. On a yearly trend, 2023 was the most active in terms of deal count, with 337 deals announced and second highest deal value of \$8.9B since the beginning of 2020.
- One of the larger acquisitions of the fourth quarter occurred in the IT asset disposition services sector. Regency Technologies, an environmental sustainability and IT asset disposition firm for businesses and government organizations with \$100M in revenue, was acquired by Iron Mountain for \$200M in an all-cash deal. Iron Mountain valued Regency at 7.5x TTM EBITDA, roughly \$200K per employee. The acquisition comes as Iron Mountain is actively trying to strengthen its presence in the Asset Lifecycle Management business. Regency will help Iron Mountain improve its remarketing and recycling capabilities to serve the world's largest companies better and help them achieve their environmental and data security goals.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value (\$m)
2023-12-28	Monex	3iQ Digital Holdings		39.8
2023-12-21	Polaris	Genovior Biotech		63.8
2023-12-06	R1 RCM	Acclara Solutions		675.0
2023-12-01	HANZA	OrbitOne	5.30	35.5
2023-11-08	FAE Technology	Elettronica	3.30	6.0
2023-11-07	Technoprobe	Teradyne (device interface solutions)		85.0
2023-11-02	Iron Mountain	Regency Technologies	7.50	200.0
2023-10-31	Inventurus Knowledge Solutions	AQuity Solutions		200.0
2023-10-27	Tata Electronics	Wistron Infocomm Manufacturing (India)		125.0
2023-10-25	TGS	PGS	4.30	863.0
2023-10-25	Ultra Clean	Hoffman Instrumentation Supply		50.0

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 12/31/23	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Robert Half International	\$87.92	\$9,388.6	\$8,796.2	1.3x	12.7x
ASGN	\$96.17	\$4,760.4	\$5,495.1	1.2x	11.6x
ManpowerGroup	\$79.47	\$4,041.0	\$4,586.6	0.2x	9.6x
Kforce	\$67.56	\$1,333.9	\$1,372.6	0.9x	17.6x
RCM Technologies	\$29.04	\$263.3	\$237.1	0.9x	9.6x
Computer Task Group	\$10.50	\$157.0	\$164.5	0.5x	25.2x
Mastech Digital	\$8.43	\$98.9	\$86.2	0.4x	22.6x
Median:	\$67.56	\$1,333.9	\$1,372.6	0.9x	12.7x

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 12.7x EBITDA (based on Enterprise Value to EBITDA) at the closing of Q4.
- The IT Staffing index saw the most significant rise of indexes that DecisionPoint tracks, rising from the modest but respectable 6.7x EBITDA to 12.7x in the most recent period. While much of the increase can be attributed to the need to rehire after excessive layoffs throughout much of 2023, the multiples are still elevated compared to pre-pandemic and before the tech talent shortage. Staffing companies should explore the M&A market, as these are some of the highest valuations we have seen.
- Kelly Services European staffing business being sold to Gi Group was the largest staffing acquisition of the quarter. The deal was for \$106M in cash plus a potential earnout of up to nearly \$32M. Gi Group plans to grow via organic and inorganic methods, with Kelly Services being the second acquisition of 2023. The acquisition expands Gi's presence and capabilities in Europe and contributes to the positive evolution of the labor market. Gi has been active in the M&A market with 14 acquisitions since the beginning of 2020, growing from 4,000 employees in August 2020 to over 8,000 today.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

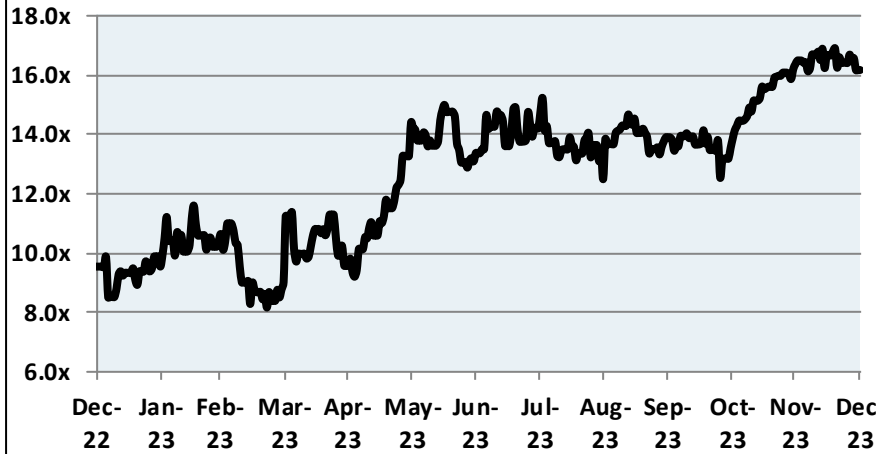
Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value (\$m)
2023-12-07	Smart Solutions	Heat Recruitment		
2023-11-29	Osceola Staffing Holdings	Progilisys Solutions		
2023-11-27	CIEL HR Services	Aargee Staffing		
2023-11-15	Russell Reynolds Associates	Savage Partners		
2023-11-02	Gi Group	Kelly Services (European staffing business)		106.0
2023-10-18	Erisbeg Holdings	Fruition IT Resources		
2023-10-12	Conclusion	Novabase Neotalent		52.3
2023-10-11	Osceola Staffing	Abacus Technical Services		
2023-07-10	Aequor Technologies	Collab Infotech		

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 12/31/23	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Nvidia	\$495.22	\$1,232,974.0	\$1,215,939.4	27.1x	55.0x
International Business ServiceNow	\$163.55	\$151,495.4	\$196,961.5	3.2x	14.5x
CrowdStrike Holdings	\$706.49	\$144,772.5	\$143,062.3	16.9x	NM
Palantir Technologies	\$255.32	\$61,381.4	\$58,974.2	20.7x	NM
SentinelOne	\$17.17	\$38,351.1	\$34,396.3	16.2x	NM
C3.ai	\$27.44	\$7,970.5	\$7,420.6	12.9x	NM
C3.ai	\$28.71	\$3,286.5	\$2,681.7	9.4x	NM
Median:	\$163.55	\$61,381.4	\$58,974.2	16.2x	34.8x

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SECTOR HIGHLIGHTS

- The median AI & ML index was trading at 16.2x Revenue (based on Enterprise Value to Revenue) at the closing of Q4.
- Public AI companies have continued their tear in public markets. NVIDIA, one of the world's leading producers of graphics processing units, has seen its stock price rise over 200% from around \$140 per share at the beginning of the year to nearly \$500 per share at the end of the year. The surge has happened as GPUs emerged as important semiconductors for AI. The company's stock continues to rise with a healthy balance sheet and continued investment in AI worldwide, even holding steady as one of the few companies with a market cap over \$1 Trillion.
- Not many AI M&A deals are occurring as many companies do not want to cash out early, and most were able to raise money in 2021 and early 2022. Only three acquisitions happened in the fourth quarter. CanFY, a provider of AI and LLM assistant SaaS, was acquired by Playbook. SoapBox Labs, an AI-based speech recognition SaaS for K-12 students, was acquired by Curriculum Associates. Finally, Binnops Technologies, a provider of AI-based SaaS for scanning, data management, and analytics, was acquired by Kinetic Group. Binnops is projecting over \$5M in revenue over the next 12 months.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise E/Rev Value (\$m)
2023-11-29	Curriculum	SoapBox Labs	
2023-11-28	Kinetic Group	Binnops Technologies	
2023-11-07	Playbook	CanFY	

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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