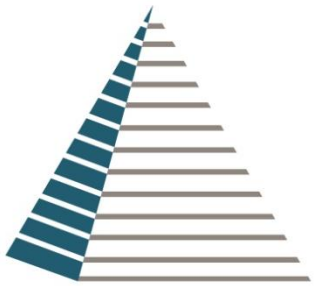


DECISIONPOINT

QUARTERLY VIEW**POINT**:

For the Quarter Ended March 31, 2025 and the Latest Twelve Months

Q1 | 25

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.

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 03/31/25	Market Cap.	Enterprise Value ($M)	EV/ LTM Revenue	EV / LTM EBITDA
Salesforce	$268.36	$261,382.6	$255,254.0	6.7x	24.2x
Intuit	$613.99	$174,066.2	$176,081.3	10.3x	38.3x
ServiceNow	$796.14	$165,933.9	$160,908.6	14.6x	84.4x
Shopify	$95.66	$124,502.5	$119,486.6	13.5x	61.1x
Workday	$233.53	$62,867.4	$57,464.0	6.8x	78.9x
Veeva Systems	$231.63	$38,272.7	$32,610.8	11.9x	43.4x
Zoom	$73.77	$23,242.7	$14,789.8	3.2x	10.3x
Upland Software	$2.86	$79.5	$439.3	1.6x	NM
LivePerson	$0.80	$70.9	$417.0	1.3x	NM
Median:	**$231.63**	**$62,867.4**	**$57,464.0**	**6.8x**	**43.4x**

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 6.8x revenue (based on Enterprise Value to Revenue) at the closing of Q1.
- One of the largest deals of the quarter was Francisco Partners acquiring Quorum Business Solutions, a leading provider of energy software worldwide, from Thoma Bravo. Quorum has been a leader in the digital transformation services market, primarily focused on powering growth and profitability for energy operators by connecting people, workflows, and decision-ready data. The company will serve 1,500 customers across 50 countries. Francisco Partners plans to "build on Quorum's strong foundation and grow their platform and customer base through both organic investment and strategic acquisitions."
- M&A has picked up in the SaaS market, with both PE firms and strategic acquirers bolstering demand. This increase in deal activity could be pent-up demand from the second half of 2024 or could be a flurry of deal-making to beat tariff uncertainty. While it is not immediately apparent what is causing the activity, large company consolidation is gaining momentum. Paychex is acquiring its rival Paycor in a $4.1B deal, while an additional $152B was deployed by strategic acquirers for other listed tech vendors in 2024.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/Rev	Enterprise Value ($m)
2025-03-27	Braze	OfferFit		325.0
2025-03-24	Roper Technologies	CentralReach		1,850.0
2025-03-20	Payward	NinjaTrader		1,500.0
2025-03-17	Equiniti Group	Digital Media Innovations		454.5
2025-03-12	Clearwater Analytics	Beacon Platform	12.8	561.4
2025-03-04	Francisco Partners Management	Quorum Business Solutions		2,400.0
2025-02-27	Alkami Technology	Fin Technologies		375.5
2025-01-24	Aptean	Logility Supply Chain Solutions	3.9	482.9
2025-01-13	Clearwater Analytics Holdings	Enfusion	7.5	1,497.7
2025-01-13	T-Mobile US	Vistar Media	3.3	600.0
2025-01-07	Paychex	Paycor HCM	5.9	4,218.0
2025-01-02	Thomson Reuters	cPaperless		600.0

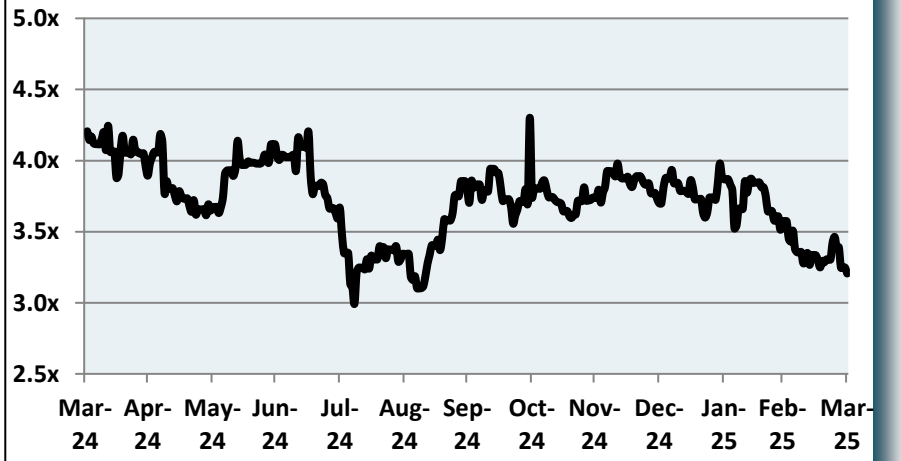
Source: 451 Research, Pitchbook

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 03/31/25	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Amazon.com	$190.26	$2,039,777.5	$2,046,022.0	3.2x	17.2x
Alphabet	$154.64	$1,924,804.1	$1,823,605.8	5.2x	13.9x
Meta Platforms	$576.36	$1,506,605.0	$1,431,544.9	8.7x	17.0x
Netflix	$932.53	$409,624.1	$404,895.4	10.4x	15.5x
Booking Holdings	$4,606.91	$156,929.8	$152,093.7	6.4x	18.5x
Uber	$72.86	$156,686.0	$157,436.1	3.6x	33.8x
Expedia Group	$168.10	$23,184.2	$24,950.9	1.8x	10.4x
Snap (Social/Platform Software)	$8.71	$14,451.2	$15,642.9	2.9x	NM
Yelp	$37.03	$2,614.7	$2,123.4	1.5x	9.8x
Cimpress	$45.23	$1,199.2	$2,620.9	0.8x	6.9x
Groupon	$18.77	$735.2	$771.6	1.6x	NM
Median:	**$154.64**	**$156,686.0**	**$152,093.7**	**3.2x**	**15.5x**

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

SECTOR HIGHLIGHTS

- The median Internet Software and Services index was trading at 3.2x revenue (based on Enterprise Value to Revenue) at the closing of Q1.
- In the continuing trend of take-private transactions by PE firms, Clearlake Capital is taking Dun & Bradstreet private for 3.1x TTM revenue. Over the past 6 years, Dun & Bradstreet has strengthened their business and financial results by growing revenue by nearly 40%, EBITDA by 60%, and decreasing leverage from 9 times to 3.6 times. While the deal was announced, Dun & Bradstreet, with the assistance of Bank of America Securities, will have a 30-day go-shop period to explore superior proposals.
- Netflix has been on a tear recently, with it and fellow streamers finally delivering substantial returns. Netflix's EBITDA has increased over 19% YoY to $26.58B for the TTM Q1 2025 EBITDA. The company has increased its revenue by 15% and seen its stock rise by nearly 52% over the 12-month period. The initial outrage over Netflix's password-sharing crackdown has largely subsided as more individuals are paying for their own subscriptions. In addition, Netflix has introduced ads, as well as premium ad-free plans, which have increased revenues and profits. With Netflix continuing to add content to its platform and raise prices, expect continued growth until it sees customer pushback on price increases.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/Rev	Enterprise Value ($m)
2025-03-27	Braze	OfferFit		325.0
2025-03-25	Infinite Reality	Napster Music		207.0
2025-03-24	Clearlake Capital Group	Dun & Bradstreet Holdings	3.10	4,098.7
2025-03-21	Moltiply Group	Verivox	1.70	251.2
2025-03-10	Rocket Companies	Redfin	2.60	1,803.7
2025-02-24	Prosus	Takeaway.com	1.20	4,194.1
2025-01-14	CBRE Group	Industrious National Management		400.0
2025-01-08	Transcarent	Accolade	1.40	616.9
2025-01-07	Getty Images	Shutterstock	1.50	1,249.3
2025-01-06	fuboTV	The Walt Disney Company (Hulu + Live TV business)		220.0
2025-01-02	SPS Commerce	Carbon6 Technologies		213.4

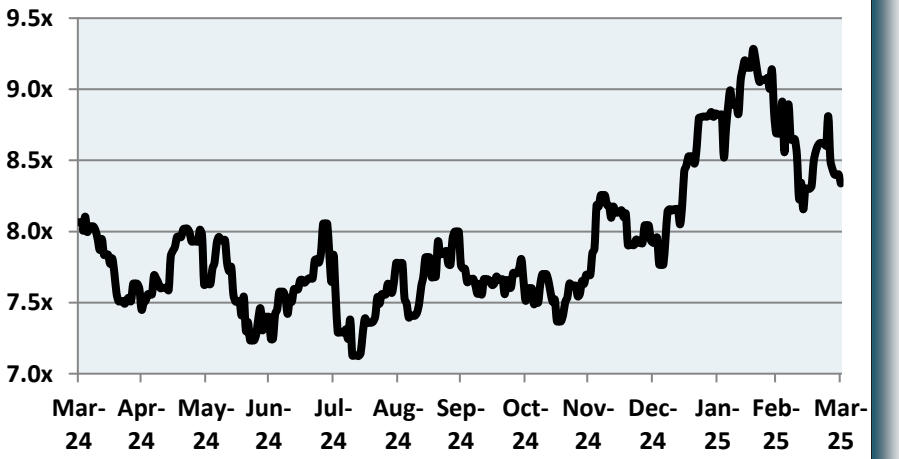
Source: 451 Research, Pitchbook

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 03/31/25	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Microsoft	$375.39	$2,804,538.7	$2,781,315.6	10.6x	19.8x
Oracle	$139.81	$399,402.2	$471,044.0	8.4x	20.6x
SAP	$264.52	$312,136.2	$308,360.9	8.3x	47.2x
IBM	$248.66	$233,034.5	$274,464.5	4.4x	24.0x
Constellation Software	$3,184.50	$67,484.4	$70,516.4	7.0x	28.8x
Autodesk	$261.80	$56,810.6	$56,436.4	9.2x	37.0x
Dassault Systemes	$37.82	$50,424.3	$48,685.1	7.2x	23.4x
Ansys	$316.56	$27,824.0	$27,090.7	10.6x	31.6x
Tyler Technologies	$581.39	$25,288.7	$24,932.1	11.7x	NM
PTC	$154.95	$18,743.6	$20,167.7	8.7x	28.1x
Manhattan Associates	$173.04	$10,760.1	$10,358.5	9.9x	38.8x
Amdocs	$91.50	$10,334.3	$10,749.3	2.2x	13.2x
Blackbaud	$62.05	$3,137.3	$4,096.7	3.5x	NM
Verint Systems	$17.85	$1,120.2	$1,779.3	2.0x	11.9x
Stratasys	$9.79	$693.7	$584.1	1.0x	NM
Median:	**$173.04**	**$27,824.04**	**$27,090.67**	**8.3x**	**26.1x**

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

Source: 451 Research, Fortune

SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 8.3x revenue (based on Enterprise Value to Revenue) at the closing of Q1.
- Enterprise software multiples continued a volatile stretch over the past two quarters, primarily driven by optimism following the US election, subsequently followed by uncertainty over tariffs. While uncertainty persists in the market, the first quarter has demonstrated consistent demand and even a slight uptick from the previous quarter. While this slight increase in demand may be due to market optimism, it could also be driven by a desire to invest in one's company before the uncertainty of tariff-related market movements.
- T-Mobile continued its investment in ad tech with the $175M all-cash acquisition of Blis. Blis is an omnichannel advertising software that provides features such as real-time campaign adjustments, audience insights, and media buying optimization, among other offerings. In February, T-Mobile announced the $600M acquisition of ad-buying and audience data specialist Vistar Media. The two deals come as T-Mobile manages complex advertisement campaigns and an emphasis on profitability growth over the coming quarters. The acquisition of Bils is expected to add $75M in EBITDA to T-Mobile's 2025 total.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

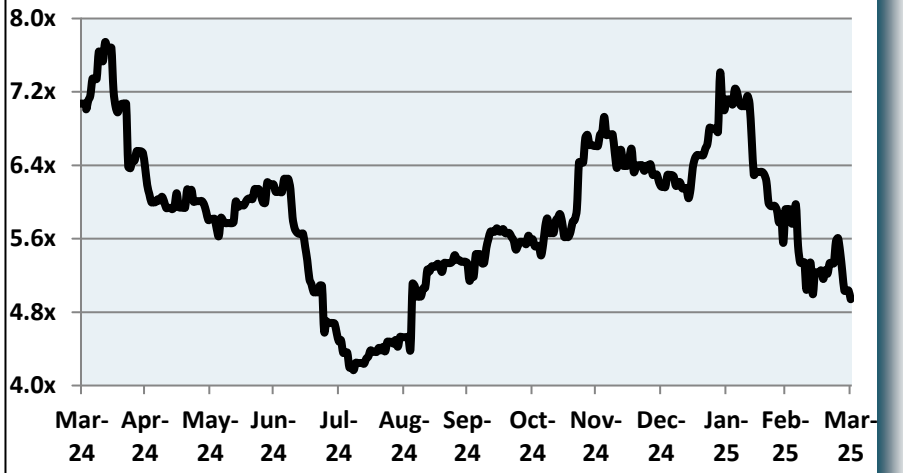
Announced Date	Acquirer Name	Target Name	EV/Rev	Enterprise Value ($m)
2025-01-16	Rokt	mParticle	4.50	300.0
2025-03-12	Skylake Equity Partners	Shiftee		280.0
2025-01-03	Clout.io Holdings	My Favorite Things		250.0
2025-03-05	T-Mobile US	Blis Global	2.50	175.0
2025-02-26	Triumph Financial	GreenScreens AI		157.6
2025-02-10	Netcompany Group	SDC		138.5
2025-02-20	Tritium Partners	Loxo		115.0
2025-03-25	The Descartes Systems Group	3GTMS	3.30	115.0
2025-01-21	Leon Capital	Domna		86.1
2025-02-26	DoubleVerify Holdings	Rockerbox		85.0

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
Snowflake	$146.16	$48,628.5	$46,886.4	12.9x	NM
Verisk Analytics	$297.62	$42,512.7	$44,708.5	15.5x	26.9x
Elastic	$89.10	$9,268.2	$8,606.9	6.0x	NM
Pegasystems	$69.52	$6,231.4	$5,781.4	3.9x	36.3x
Informatica	$17.45	$5,470.4	$5,908.6	3.6x	20.9x
Onestream	$21.34	$4,994.5	$3,308.7	6.8x	NM
PROS Holdings	$19.03	$896.6	$1,048.5	3.2x	NM
Domo	$7.76	$293.9	$389.3	1.2x	NM
Median:	**$45.43**	**$5,850.9**	**$5,845.0**	**4.9x**	**26.9x**

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SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 4.9x revenue (based on Enterprise Value) at the closing of Q1.
- The BI software M&A market started quickly this year, with PAR Technology Group acquiring a leading provider of restaurant analytics and business intelligence solutions, Delaget, on January 3, 2025. PAR, a global food service technology company with operations in over 110 countries, believes that Delaget will perfectly complement its Operator Cloud solution, immediately offering improved back-office capabilities. The company was acquired for $132M, principally paid in stock, and will bring Delaget's 30,000 locations across 125 brands, including 40 of the top 50 North American-based restaurant concepts.
- DecisionPoint has added Onestream to our BI software index to replace MicroStrategy. Founded in 2010, Onestream is a corporate performance management platform designed to help large organizations convert global data into actionable insights. The company went public in July 2024 and is currently trading slightly above its IPO price. Gartner has consistently ranked Onestream as a leader in the CPM space, along with Oracle and Anaplan.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/Rev	Enterprise Value ($m)
2025-03-13	Enverus	Pearl Street Technologies		
2025-03-04	MIND C.T.I.	aurenz		1.7
2025-03-03	Equiniti Trust Company	ACCESS Newswire (corporate compliance division)		12.0
2025-02-25	Behavox	Mosaic Smart Data		
2025-02-24	Dow Jones & Company	Dragonfly Eye		40.0
2025-02-18	PainReform	BladeRanger (business activity of DeepSolar)		0.5
2025-02-14	Cyber Security Cloud	DataSign	2.30	2.9
2025-02-11	Smith System Driver Improvement Institute	Drivalytix		
2025-02-07	Lauren Edwards	CakeCherry Compliance A.I.		
2025-02-05	Paradox	Eqtble		
2025-01-06	S&P Global Market Intelligence	ProntoNLP		
2025-01-02	PAR Technology	Delaget		132.0

Source: 451 Research

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 03/31/25	Market Cap.	Enterprise Value ($M)	EV/ LTM Revenue	EV / LTM EBITDA
Check Point Software Technologies	$227.92	$25,847.7	$23,327.5	9.1x	24.2x
NetApp (Systems and	$87.84	$18,512.3	$18,117.1	2.8x	11.3x
F5 (IT Consulting and Outsourcing)	$266.27	$15,765.9	$14,474.5	5.0x	17.4x
Trend Micro	$66.93	$8,924.4	$7,444.2	4.1x	13.8x
CommVault Systems	$157.76	$7,133.6	$6,709.1	7.1x	NM
Progress Software	$51.51	$2,289.2	$3,622.6	4.5x	15.6x
Radware	$21.62	$937.5	$706.2	2.6x	NM
Magic Software Enterprises	$12.93	$635.4	$632.2	1.1x	7.7x
Allot Communications	$5.71	$222.3	$215.1	2.3x	NM
Median:	**$66.93**	**$7,133.6**	**$6,709.1**	**4.1x**	**14.7x**

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

SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 4.1x revenue (based on enterprise value) at the end of Q1.
- As take-private transactions by PE firms continue to rise, Solarwinds is following the trend, with Turn/River Capital acquiring the company for $4.4B. The company experienced ups and downs since the pandemic but was mainly able to overcome a highly publicized incident in 2020, maintaining its market share. While its valuation has fallen since the IPO, Turn/River believes the company is well positioned to take advantage of the latest AI trends with the ample data the company holds. Turn/River is also opportunistically exploring acquisitions in the cybersecurity market and has already acquired the incident management platform Squadcast. The acquisition should easily plug into Solarwinds existing product suite.
- The Infrastructure Software index was one of the few in our ViewPoint to rise over the past year. Even with the recent tariff-related market volatility, the infrastructure software market has seen increasing demands as system attacks become more widespread. As AI becomes more prevalent in infrastructure systems and malicious actors increase, infrastructure software will continue to play a vital role in monitoring and responding.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/Rev	Enterprise Value ($m)
2025-03-31	CloudBolt Software	GramLabs		
2025-03-04	USU	SaasMetrix		
2025-02-10	DataRobot	Agnostiq		
2025-02-07	Turn/River Management	SolarWinds	5.50	3,420.9
2025-02-05	Parler Cloud Technologies	MNX Solutions (Triton DataCenter)		
2025-02-04	DoiT International USA	PerfectScale		
2025-01-27	Fenix24	vArmour Networks		
2025-01-15	Flexera Software	Spotinst		70.0
2025-01-15	AvePoint	Ydentic		15.4

Source: 451 Research, Pitchbook, Forrester

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 03/31/25	Market Cap.	Enterprise Value ($M)	EV/ LTM Revenue	EV / LTM EBITDA
Accenture	$312.04	$198,044.6	$195,845.8	2.9x	16.9x
Cognizant Technology	$76.50	$38,020.5	$37,075.1	1.9x	10.9x
Capgemini	$149.42	$26,353.3	$28,558.6	1.2x	8.7x
NTT Data Group	$17.92	$25,125.1	$46,603.6	1.5x	9.9x
CDW	$160.26	$21,667.2	$26,507.4	1.3x	13.8x
Booz Allen Hamilton	$104.58	$13,512.1	$16,115.4	1.4x	10.4x
CACI International	$366.92	$8,261.8	$11,488.8	1.4x	12.8x
DXC Technology	$17.05	$3,147.5	$6,126.9	0.5x	4.3x
ICF International	$84.97	$1,608.1	$2,163.8	1.1x	9.8x
The Hackett Group	$29.22	$820.8	$807.2	2.6x	16.6x
Median:	**$94.78**	**$17,589.7**	**$21,311.4**	**1.4x**	**10.6x**

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

SECTOR HIGHLIGHTS

- The median IT Services index was trading at 10.6x EBITDA (based on Enterprise Value to EBITDA) at the closing of Q1.
- Take-private transactions were not limited to the software sector, as Mainline Information Systems, backed by H.I.G., acquired Converge Technology Solutions. The transaction was valued at 9.8x EBITDA, resulting in a total cash consideration of $793M. Converge offers a range of IT services, including business analytics and data visualization, AI consulting, application modernization, and other specialized areas. The combined entity will be rebranded as Pellera.
- Demand for IT services could be muted in the coming quarters as executives look to the uncertainty of the economy with the increase in tariffs. This uncertainty has not impacted Accenture's M&A, as the company has announced the completion of 9 acquisitions in the first quarter. The total deal value for IT services M&A drastically increased from $690M in Q1 of 2024 to $2.17B in the past quarter.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value ($m)
2025-03-22	Agilitas Private Equity Services	TietoEVRY (tech services business)	27.00	248.8
2025-03-17	Proact IT Group (publ)	BlakYaks	10.90	20.7
2025-03-05	Coforge	Rythmos		30.0
2025-03-05	Coforge Technologies Australia	TMLabs		12.4
2025-02-26	EVERTEC	Nubity		11.0
2025-02-20	Fiserv	CCV Group		255.0
2025-02-07	Mainline Information Systems	Converge Technology Solutions	9.80	793.0
2025-02-04	ASGN Incorporated	TopBloc		340.0
2025-01-27	NOS, S.G.P.S.	CLARANET PORTUGAL - Telecomunicaes	10.00	159.8
2025-01-14	Ceragon Networks	End 2 End Technologies		9.5
2025-01-02	H.I.G. Capital	Quisitive Technology Solutions	48.10	117.2

Source: 451 Research, Pitchbook

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 03/31/25	Market Cap.	Enterprise Value ($M)	EV/ LTM Revenue	EV / LTM EBITDA
Equinix	$815.35	$78,132.5	$94,736.7	10.8x	28.7x
Digital Realty	$143.29	$47,507.4	$64,942.5	11.7x	22.6x
SAIC	$112.27	$5,669.6	$7,696.5	1.0x	11.1x
ePlus	$61.03	$1,633.4	$1,520.9	0.7x	8.7x
Cancom	$24.29	$818.6	$817.1	0.4x	6.6x
NCC Group	$1.80	$559.5	$648.2	1.6x	858.5x
Redcentric	$1.60	$261.3	$344.1	1.6x	10.0x
Sify Technologies	$4.28	-	$675.8	1.4x	7.1x
iomart	$0.40	$45.8	$109.5	0.7x	2.6x
Median:	**$14.28**	**$818.6**	**$746.5**	**1.4x**	**10.0x**

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

SECTOR HIGHLIGHTS

- The median Hosted & Managed Services index was trading at 10.0x EBITDA (based on Enterprise Value) at the closing of Q1.
- With smaller companies increasingly being targeted by hackers, companies are turning to a variety of managed security services providers. One of the hottest subsectors in the MSSP market is managed detection and response. Managed detection and response services are growing at twice the speed of the broader MSSP market, leading to more interest from investors and acquirers. ReliaQuest announced a blockbuster funding round of more than $500M at a $3.4B valuation. A few more active deals are rumored to be nearing closure or starting a process, with eSentire reportedly close to a sale of a minority stake at a valuation of roughly $1.1B, Red Canary speculated to be in the market, and Avertium suspected to have just selected bankers. The number of M&A announcements in 2025 mentioning MDR has now surpassed the total for 2024. Expect billions more to be announced in the coming quarter.
- While the hosted and managed services index has fallen from 20.5x to 10x over the past year, the M&A market has remained relatively consistent since 2023. On average, there have been approximately 29 transactions per quarter, with Q1 2024 announcing 28 deals.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value ($m)
2025-03-18	Communicate Technology	Blaze Networks		
2025-03-18	Pinnacle Technology Partners	Stratogent		
2025-03-13	Restore	Synertec (Holdings)		28.5
2025-03-05	Zog	RAM Technology Solutions		
2025-02-19	HUB Technology SolutionS	Synchena Consulting (IT division)		
2025-02-18	FusionTek	US Resources		
2025-01-29	World Host Group	A2 Hosting		
2025-01-27	Uniserve Communications	Cyclone Systems (substantially all assets)		1.6
2025-01-23	Netsurit	U.S. Computer Connection		
2025-01-07	ACP CreativIT	Tympani		

Source: 451 Research, Pitchbook, ChannelFutures

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 3/31/2025	Market Cap.	Enterprise Value ($M)	EV/ LTM Revenue	EV / LTM EBITDA
Tata Consultancy	$42.08	$152,266.0	$147,089.5	4.9x	18.1x
Automatic Data	$305.53	$125,221.5	$126,377.7	6.7x	26.9x
Infosys	$18.33	$76,075.7	$73,392.1	3.8x	NM
Cognizant Technology	$76.50	$38,020.5	$37,075.1	1.9x	10.9x
Wipro	$3.06	$32,078.4	$27,780.6	2.6x	NM
CGI Group	$100.38	$23,114.2	$23,633.4	2.2x	11.4x
CSG International	$60.47	$1,733.4	$2,156.7	1.8x	10.4x
Unisys	$4.59	$317.6	$500.9	0.2x	8.0x
Median:	**$ 51.28**	**$ 35,049.47**	**$32,427.85**	**2.4x**	**11.1x**

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 11.1x EBITDA (based on Enterprise Value) at the closing of Q1.
- BGM Group recently announced the acquisition of YX Management Company, a Hong Kong-based provider of smart mobility and digital infrastructure development services for businesses. As the CEO of BGM stated: "The successful completion of this transaction marks an important milestone in our AI strategy. By integrating YX's technological expertise and industry resources, we will further accelerate the application of AI across key sectors such as insurance and mobility, advancing our core businesses toward an AI Agent-driven model. We believe AI-powered innovation and strategic execution will fuel BGM's long-term growth, delivering sustained value to shareholders, customers, and partners."

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value ($m)
2025-03-26	Quest Co.	Sept		2.5
2025-03-19	BGM Group	YX Management Company		486.4
2025-03-18	Fusion CX	Sequential Technology International		12.0
2025-03-12	Ubiqconn Technology (USA)	E3 Displays		7.0
2025-03-10	nVent Electric	Avail Infrastructure Solutions Inc. (electrical products group business)	12.50	975.0
2025-03-05	TXT e-solutions	It Values	6.10	15.8
2025-02-25	Genetec	MORSON JAPAN Co.		5.3
2025-02-07	Wolters Kluwer Financial Services	Registered Agent Solutions		415.0
2025-02-06	Multiples Alternate Asset Management	QBurst Technologies		200.0
2025-01-30	Veris	Spatial Vision Innovations		1.2
2025-01-16	discoverIE Group	burster praezisionsmesstechnik		31.5
2025-01-14	ELEMENTS	Polarify		9.8

Source: 451 Research, Pitchbook, Willis Towers Watson

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 03/31/25	Market Cap.	Enterprise Value ($M)	EV/ LTM Revenue	EV / LTM EBITDA
Robert Half	$54.55	$5,620.2	$5,270.9	0.9x	12.4x
ASGN	$63.02	$2,880.0	$3,671.3	0.9x	9.2x
ManpowerGroup	$57.88	$2,795.6	$3,429.4	0.2x	8.6x
Kforce	$48.89	$919.7	$981.6	0.7x	13.3x
Kelly Services	$13.17	$467.5	$724.3	0.2x	21.9x
RCM Technologies	$15.60	$123.9	$155.8	0.6x	6.3x
Mastech Digital	$10.21	$122.7	$95.9	0.5x	13.1x
Median:	**$48.89**	**$919.7**	**$981.6**	**0.6x**	**12.4x**

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SECTOR HIGHLIGHTS

- The median IT Staffing index was trading at 12.4x EBITDA (based on Enterprise Value) at the closing of Q1.
- As AI continues to impact day-to-day business decisions, more than half of tech industry hiring managers say their companies are likely to conduct layoffs in the next year. According to a survey by the General Assembly, 54% believe that their companies will lay off individuals, and 45% say that AI will replace roles. Many new jobs are required during the implementation and modification of AI, but the individuals hired will most likely have a different skill set. While the demand for highly skilled AI engineers is growing, the opportunity may lie in training and staffing firms that bring AI skills to everyone's reach.
- While only 4 deals were announced in Q1, IT staffing firms are finding it harder to add sales than to add talent. The difficulty in finding new customers may lead companies to seek inorganic growth and expand within existing customer footprints. 24 Seven's acquisition of Core Resources is a notable example of this trend. 24 Seven appreciated Core's expertise in financial services technical staff augmentation and will hopefully be able to cross-sell services to respective clients. The deal was 24 Seven's 10th acquisition and 6th since investors rolled the company into a continuation fund in 2021.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

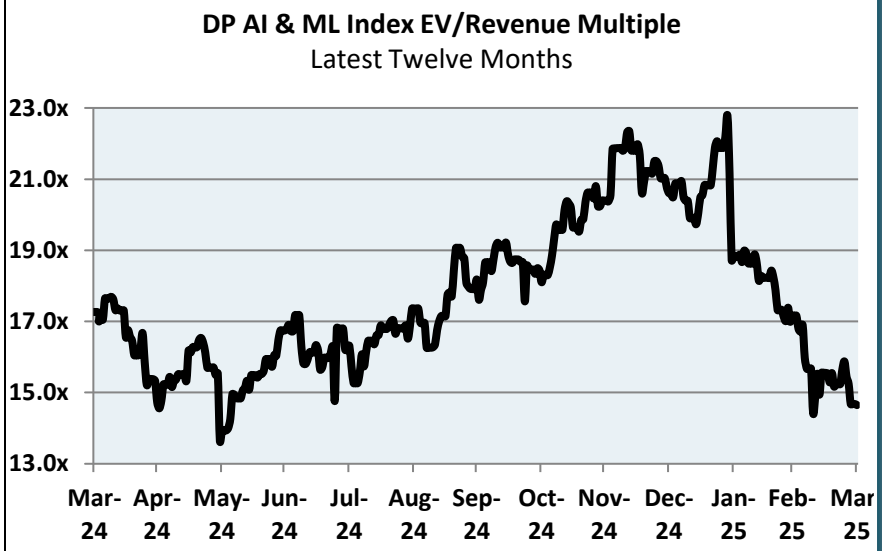
Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value ($m)
2025-03-12	Mitchell Martin	eMerging		
2025-02-12	24 Seven	CORE Resources		
2025-02-11	Javelin IT Consulting & Staffing	IRIS Consulting		
2025-01-29	Connectis	SpeedApp		

Source: 451 Research, SIA

Artificial Intelligence & Machine Learning

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE



VALUATION METRICS

Company	Stock Price 03/31/25	Market Cap.	Enterprise Value ($M)	EV/ LTM Revenue	EV / LTM EBITDA
Nvidia	$108.38	$2,688,257.5	$2,611,532.0	20.0x	30.9x
International Business	$248.66	$233,034.5	$274,464.5	4.4x	24.0x
Palantir Technologies	$84.40	$206,849.0	$193,048.5	67.4x	NM
ServiceNow	$796.14	$165,933.9	$160,908.6	14.6x	84.4x
CrowdStrike Holdings	$352.58	$86,294.0	$83,900.2	21.2x	NM
SentinelOne	$18.18	$5,723.3	$5,271.3	6.4x	NM
C3.ai	$21.05	$2,662.4	$2,074.3	5.7x	NM
Median:	**$108.38**	**$165,933.9**	**$160,908.6**	**14.6x**	**30.9x**

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SECTOR HIGHLIGHTS

- The median AI & ML index was trading at 14.6x Revenue (based on Enterprise Value) at the closing of Q1.
- Palantir continues its strong run of performance, with recent earnings reports showing that it is beating Wall Street estimates. The company continues to increase commercial and government revenues while widening margins. With the announcement of Trump's $175 billion Golden Dome plan, which includes SpaceX, and the assistance of Palantir and Anduril in its development, Palantir is well-positioned for significant growth over the coming years. Its stock is already up 60% this year, and while that may cause a pause in demand, increasing DoD involvement, as well as a 71% growth in commercial revenue, should allow Palantir to have more predictable financials and confidence from prospective investors. As its market cap continues to grow, watch for Palantir to scoop up smaller plug-and-play AI-related defense software plays to further its connection with the U.S. military.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	E/Rev	Enterprise Value ($m)
2025-02-07	Wand Synthesis AI	Accern Corporation		

Source: 451 Research, Pitchbook

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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