

DECISIONPOINT

QUARTERLY VIEWPOINT:

For the Quarter Ended September 30, 2015 and the Latest Twelve Months

Q3 | 15

QUARTERLY VIEWPOINT:

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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, cleantech, biotech, 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 09/30/15	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
salesforce.com, inc.	\$69.43	\$45,515.3	\$46,366.1	7.8x	NM
Red Hat, Inc.	\$71.88	\$13,188.8	\$12,741.0	6.7x	35.3x
NetSuite Inc.	\$83.90	\$6,631.5	\$6,524.9	10.1x	NM
athenahealth, Inc.	\$133.35	\$5,152.4	\$5,337.2	6.4x	86.6x
The Ultimate Software	\$179.01	\$5,117.3	\$5,015.4	9.0x	74.1x
Medidata Solutions, Inc.	\$42.11	\$2,328.5	\$2,309.3	6.3x	61.8x
Ellie Mae, Inc.	\$66.57	\$1,970.0	\$1,880.1	9.0x	41.0x
Demandware, Inc.	\$51.68	\$1,944.8	\$1,758.7	9.0x	NM
Cornerstone OnDemand,	\$33.00	\$1,788.6	\$1,792.3	6.0x	NM
RealPage, Inc.	\$16.62	\$1,316.1	\$1,336.7	3.1x	40.6x
Ebix Inc.	\$24.96	\$860.0	\$982.8	4.1x	11.5x
Evertz Technologies	\$10.47	\$780.7	\$711.9	2.7x	10.8x
Constant Contact, Inc.	\$24.24	\$779.5	\$598.8	1.7x	13.6x
LivePerson Inc.	\$7.56	\$432.2	\$395.1	1.7x	42.5x
Trakm8 Holdings PLC	\$3.11	\$93.0	\$92.1	3.4x	28.8x
Median:	\$42.11	\$1,944.8	\$1,792.3	6.3x	40.6x

SECTOR HIGHLIGHTS

- The median SaaS index was trading at 6.3x revenue (based on Enterprise Value) at the closing of Q3.
- According to Goldman Sachs, SaaS revenue is predicted to reach \$106 billion in 2016, a 21% increase over projected 2015 spending.
- Demand for the private and hybrid cloud SaaS model is majorly supported by large enterprises, for whom high priority is on maintaining the confidentiality and security of their data. Similarly, substantial demand can be seen for public cloud deployment model by the small and medium enterprises (SMEs), which have low initial set-up and CAPEX requirements.
- Human capital management is expected to be the fastest-growing application segment in SaaS in the next year due to growing business need to bridge the skill gap.
- SAP is aiming to redefine analytics with a new SaaS offering that rolls up business intelligence (BI), planning and predictive analytics into a single service built on the SAP HANA Cloud Platform.
- Bigger than its next four largest competitors combined, Amazon Web Services (AWS) has a \$7.3 billion cloud business, and growing at a 81% rate. Microsoft Azure is second and comes out well in front of the chasing pack, with double the cloud platform revenue of its enterprise competition, including Oracle and IBM.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

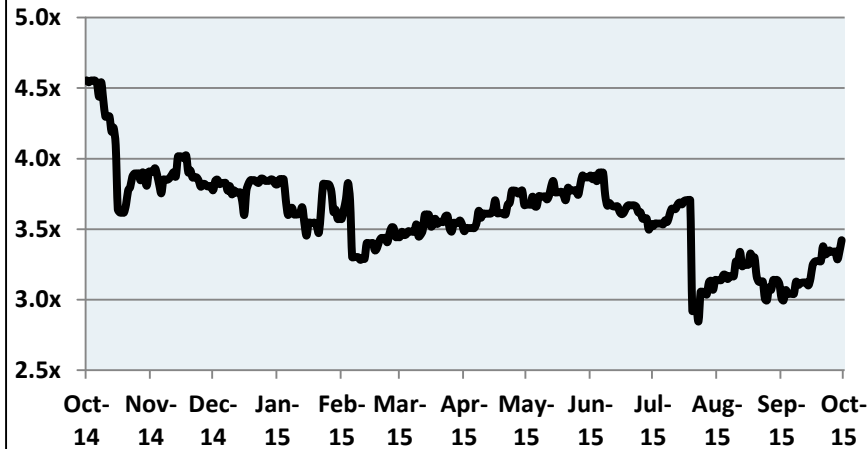
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2015-09-29	Veeva Systems Inc.	Zinc Ahead Ltd.	127.0
2015-09-29	Barracuda Networks Inc.	Intronis Inc.	65.0
2015-09-14	SS&C Technologies Inc.	Primatics Financial	122.0
2015-09-10	Siris Capital Group LLC	Premiere Global Services	976.5
2015-09-10	Ericsson Inc.	Envivio Inc.	90.5
2015-09-03	AOL Inc.	Millennial Media	218.2
2015-09-03	Momentum Telecom Inc.	Alteva Inc.	21.7
2015-08-18	Synacor Inc.	Zimbra Inc. (assets)	22.5
2015-08-11	Tradeshift Inc.	Merchantry Inc.	30.0
2015-07-29	Great Hill Partners, LLC	Reward Gateway (UK) Ltd.	217.6
2015-07-22	Zillow	DotLoop	108.0
2015-07-07	Cisco Systems Inc.	MaintenanceNet Inc.	139.0
2015-07-06	Emdeon Inc.	Altegra Health Inc.	910.0

Software: Internet Software and Services

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

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



VALUATION METRICS

Company	Stock Price 09/30/15	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Alphabet Inc.	\$638.37	\$437,625.1	\$367,526.5	5.3x	16.2x
Facebook, Inc.	\$89.90	\$253,297.3	\$239,321.3	16.3x	37.5x
Amazon.com, Inc.	\$511.89	\$239,416.1	\$243,368.1	2.5x	42.7x
The Priceline Group Inc.	\$1,236.86	\$62,710.8	\$64,922.7	7.4x	19.9x
Netflix, Inc.	\$103.26	\$43,989.3	\$43,592.5	7.1x	NM
eBay Inc.	\$24.44	\$29,773.5	\$26,841.5	1.5x	5.2x
Yahoo! Inc.	\$28.91	\$27,215.6	\$22,663.1	4.7x	18.3x
LinkedIn Corporation	\$190.13	\$24,785.3	\$22,881.6	8.9x	NM
IAC/InterActiveCorp	\$65.27	\$5,790.1	\$6,008.3	1.9x	15.2x
Pandora Media, Inc.	\$21.34	\$4,530.1	\$4,157.6	4.1x	NM
Cimpress N.V.	\$76.11	\$2,469.8	\$3,070.2	2.1x	15.2x
Groupon, Inc.	\$3.26	\$2,133.1	\$1,056.8	0.3x	11.0x
WebMD Health Corp.	\$39.84	\$1,469.5	\$1,664.3	2.8x	13.6x
RealNetworks Inc.	\$4.09	\$148.1	\$37.1	0.3x	NM
Median:	\$70.69	\$26,000.4	\$22,772.4	3.4x	15.7x

SECTOR HIGHLIGHTS

- The median Internet Software & Services index was trading at 3.4x revenue (based on Enterprise Value) at the closing of Q3.
- Yahoo's stock took a nosedive following another disappointing earnings report. With the company continuing to lose market share in online advertising, investors now say the core business is worth nothing outside of its stake in Alibaba and Yahoo Japan.
- Streaming giant Netflix continues its push to become a force in original and exclusive content while also fulfilling a 200-country expansion plan by the end of 2016. Netflix needs money, which means borrowing money. The company said recently it needs at least \$1 billion in the next 12 to 18 months to continue funding its aggressive plans.
- Laying off 1,100 employees along with bearish analyst estimate revisions have put pressure on Groupon's stock price.
- For anyone thinking eBay might not be able to hold its own without relying on PayPal's outsized growth, think again. The online auctioneer released its first quarterly report since formally separating from PayPal on July 17, 2015. eBay's stock jumped more than 8% as a result.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

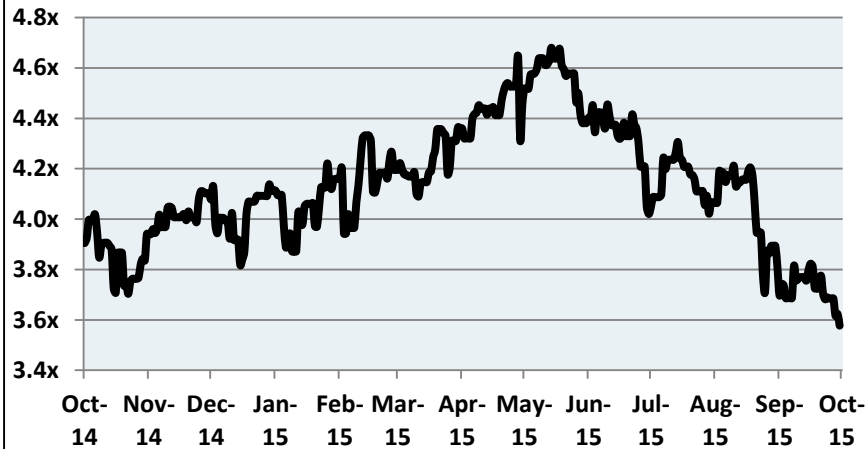
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2015-09-29	Axel Springer AG	Business Insider Inc.	343.0
2015-09-25	Gartner Inc.	Capterra Inc.	210.0
2015-09-16	News Corporation	Unruly Media Ltd.	89.5
2015-09-11	CEB Inc.	WANTED Technologies Corporation	33.8
2015-09-04	GVC Holdings Plc	bwin.party digital entertainment plc	1,707.4
2015-08-17	Liberty Interactive Corporation	zulily inc.	2,068.2
2015-08-12	Intelius Inc.	Classmates Inc.	30.0
2015-07-31	Yahoo! Inc.	Polyvore Inc.	200.0
2015-07-29	Torstar Corporation	VerticalScope Inc.	153.6
2015-07-27	McGraw Hill Financial Inc.	SNL Financial LC	2,225.0
2015-07-26	Deutsche Borse AG	360T Beteiligungs GmbH	795.0
2015-07-16	Groupon Inc.	OrderUp Inc.	69.0
2015-07-14	IAC	Plentyoffish Media Inc.	575.0
2015-07-02	American Addiction Centers Inc.	Referral Solutions Group LLC	56.0
2015-07-01	PayPal Inc.	Xoom Corporation	890.0

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 09/30/15	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Microsoft Corporation	\$44.26	\$353,990.6	\$292,935.6	3.1x	8.7x
Oracle Corporation	\$36.12	\$154,038.4	\$140,599.4	3.7x	8.9x
IBM	\$144.97	\$142,002.4	\$172,063.4	2.0x	7.7x
SAP SE	\$64.55	\$77,158.5	\$84,335.5	3.9x	12.1x
Dassault Systemes SA	\$73.66	\$18,572.8	\$17,307.7	6.0x	24.4x
Autodesk, Inc.	\$44.14	\$9,984.4	\$9,080.7	3.6x	45.2x
Constellation Software	\$417.55	\$8,848.6	\$9,067.6	5.6x	32.5x
Amdocs Limited	\$56.88	\$8,741.0	\$7,339.3	2.0x	10.5x
Ansys, Inc.	\$88.14	\$7,945.3	\$7,104.1	7.5x	16.4x
Tyler Technologies, Inc.	\$149.31	\$5,056.2	\$4,852.1	9.0x	40.1x
Manhattan Associates, Inc.	\$62.30	\$4,573.8	\$4,465.4	8.4x	29.8x
NICE Systems Ltd.	\$63.59	\$3,830.2	\$2,993.7	3.0x	15.2x
PTC Inc.	\$31.74	\$3,623.7	\$3,973.0	3.0x	15.2x
Verint Systems Inc.	\$43.15	\$2,681.3	\$3,066.6	2.6x	19.0x
Blackbaud Inc.	\$56.12	\$2,585.0	\$2,830.1	4.7x	28.8x
Stratasys Ltd.	\$26.49	\$1,378.2	\$1,053.5	1.4x	24.1x
QAD Inc.	\$25.60	\$480.2	\$351.9	1.2x	15.7x
Median:	\$56.88	\$7,945.3	\$7,104.1	3.6x	16.4x

SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 3.6x revenue (based on Enterprise Value) at the closing of Q3.
- Businesses are spending money to modernize their software, typically replacing legacy on-premise software with cloud-based SaaS. Gartner expects 60% of businesses to be using the cloud by 2020. And as businesses move to the cloud and SaaS, they are often transition from traditional on-premise licenses to subscription-based models.
- Microsoft is making organizational tweaks to its Cloud and Enterprise business unit, bringing closer together its enterprise software and cloud services products and teams.
- Fuji Xerox has established a new business division that will provide managed IT services, cloud and hosting services, and enterprise content management software. The division is set up to provide customers with an end-to-end guide through their technology transformation.
- Earlier this year, Adobe unveiled a new Document Cloud service to help enterprise users overcome the "document disconnect" between increasingly mobile, digital work and the continued reliance on paper in the workplace. Now it is expanding that service with new capabilities for e-signing and, in partnership with Dropbox, PDF document management.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2015-09-22	FactSet Research Systems Inc.	Portware LLC	265.0
2015-09-14	Vista Equity Partners	Solera Holdings Inc.	5,746.0
2015-09-03	Constellation Software Inc.	Market Leader Inc.	23.0
2015-08-20	DealerSocket Inc.	DealerTrack Holdings Inc.	55.0
2015-08-12	Fidelity National Information Svcs.	SunGard	9,100.0
2015-08-12	Markit Group Ltd.	CoreOne Technologies LLC	200.0
2015-08-11	Infor Global Solutions	GT Nexus Inc.	675.0
2015-08-10	Envestnet Inc.	Yodlee Inc.	590.0
2015-08-10	Blackbaud Inc.	Smart Tuition	190.0
2015-07-16	MetaBank [Meta Financial Group]	Fort Knox Financial Services Corp.	50.0
2015-07-14	Insight Venture Partners LLC	Fenergo	75.0
2015-07-13	Solera Holdings Inc.	Automotive Information Systems	619.8

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 09/30/15	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Tableau Software, Inc.	\$79.78	\$5,730.8	\$5,001.3	9.5x	NM
Qlik Technologies, Inc.	\$36.45	\$3,366.6	\$3,060.3	5.3x	NM
MicroStrategy Inc.	\$196.47	\$2,232.8	\$1,804.9	3.2x	15.6x
Pegasystems Inc.	\$24.61	\$1,883.7	\$1,656.8	2.7x	22.0x
PROS Holdings, Inc.	\$22.14	\$656.0	\$612.3	3.3x	NM
Median:	\$36.45	\$2,232.8	\$1,804.9	3.3x	18.8x

SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 3.3x revenue (based on Enterprise Value) at the closing of Q3.
- Global Business Intelligence market is expected to grow from \$18 billion in 2014 to \$27 billion by 2019. The fast gaining traction is primarily due to the increasing competition that forces organizations to adopt business optimizing tools for better operations.
- Amazon Web Services recently announced the launch of QuickSight, a new BI service based in the Amazon cloud. The tool is meant to be very easy to use and the rollout of the tool comes a couple of months after Microsoft's cloud-based BI service, Power BI. Last year IBM brought its Cognos BI software to its SoftLayer public cloud. Salesforce came out with its comparable Analytics Cloud last year, while startups like BIME, Birst, Domo, and GoodData offer standalone cloud BI tools.
- Usage of BI is becoming more pervasive, but remains a long way from being truly widespread in companies, according to The BI Survey 15. Following two years of zero growth, the median percentage of employees using BI in companies is 13%. Finance (85%), management (68%) and sales (62%) departments continue to be the leading BI users.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2015-09-24	IBM Corporation	Advanced Application Corporation	13.0
2015-09-10	Verimatrix Inc.	Concurrent Computer Corporation	3.5
2015-09-03	Microsoft Corporation	VoloMetrix Inc.	-
2015-09-03	Thoma Bravo LLC	MedeAnalytics Inc.	500.0
2015-08-31	NAVEX Global	Network Inc., The	200.0
2015-08-27	LinkedIn Corporation	Fliptop Inc.	-
2015-08-05	Global Eagle Entertainment Inc.	Marks Systems Inc.	-
2015-08-05	Innova Solutions	Nalgan	-
2015-08-04	Premier Inc.	CECity Inc.	400.0
2015-08-04	Tableau Software Inc.	Infoactive Viz Inc.	-
2015-08-03	Advance Publications	1010data Inc.	500.0
2015-07-21	Tyco Retail Solutions	Experian FootFall Limited	60.0
2015-07-09	Prophecy International Pty Ltd.	eMite Pty Ltd.	7.3
2015-07-02	Blackboard Inc.	X-Ray Analytics	-

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 09/30/15	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
EMC Corporation	\$24.16	\$46,501.4	\$47,664.4	1.9x	9.1x
Check Point Software	\$79.33	\$14,347.2	\$13,120.1	8.4x	15.7x
Symantec Corporation	\$19.47	\$13,224.1	\$11,429.1	1.8x	6.3x
Red Hat, Inc.	\$71.88	\$13,188.8	\$12,741.0	6.7x	35.3x
Citrix Systems, Inc.	\$69.28	\$11,133.4	\$11,569.7	3.7x	15.8x
F5 Networks, Inc.	\$115.80	\$8,222.3	\$7,424.6	3.9x	12.4x
Trend Micro Inc.	\$35.20	\$4,797.6	\$3,758.4	3.7x	10.9x
SolarWinds, Inc.	\$39.24	\$3,005.9	\$2,759.5	5.9x	19.1x
CommVault Systems, Inc.	\$33.96	\$1,544.6	\$1,133.2	1.9x	40.6x
Progress Software	\$25.83	\$1,291.5	\$1,238.6	3.6x	16.2x
Radware Ltd.	\$16.26	\$750.2	\$669.6	2.9x	14.2x
VASCO Data Security	\$17.04	\$674.0	\$517.0	2.1x	9.0x
Magic Software	\$5.43	\$240.1	\$165.5	1.0x	5.6x
Guidance Software, Inc.	\$6.02	\$182.7	\$161.7	1.5x	NM
Allot Communications	\$4.91	\$164.4	\$43.8	0.4x	NM
BSQUARE Corp.	\$6.61	\$78.9	\$49.5	0.5x	7.7x
Median:	\$25.00	\$2,275.2	\$1,999.0	2.5x	13.3x

SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 2.5x revenue (based on Enterprise Value) at the closing of Q3.
- Composable infrastructure is a new term that involves pulling out components and replacing them with different ones as needed, without having to re-architect the entire system. HP is betting big on this concept and claims that in a composable infrastructure world, there are fluid pools of disaggregated compute, storage and fast flexible fabric that can be quickly composed, decomposed and then re-composed according to the needs of an application or workload through software-defined intelligence and a unified API.
- Software defined infrastructure is expected to overhaul enterprises. Rapidly increasing usage of converged and hyper-converged infrastructure solutions, which represent implementations of the software-defined infrastructure philosophy and infuse enterprise IT architectures with the cloud-like attributes of elasticity and scalability, will be a norm in the new generation of datacenter build-out and transformation initiatives.
- According to IDC, end users will look for assistance from channel partners as the implementing of software-defined infrastructure (SDI) gains popularity. The quick changes in the market will challenge end users and as a result there is opportunity for channel partners to help end users implement the best processes, services and solutions so business goals and critical functions can be followed.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

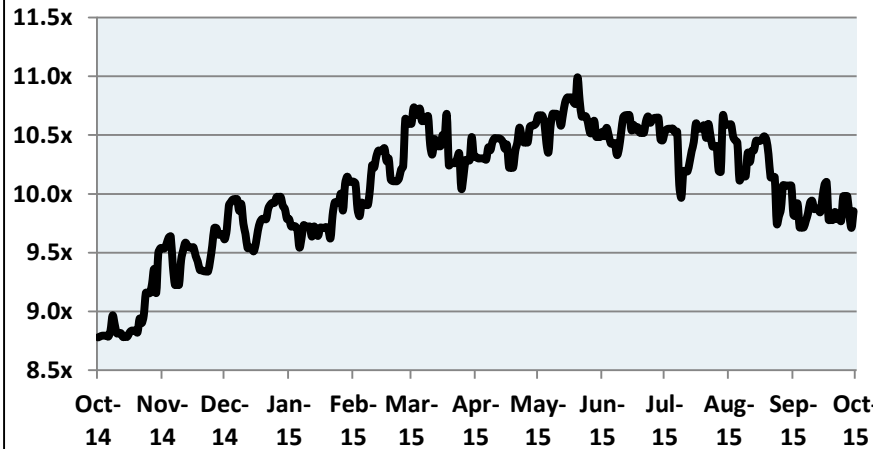
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2015-09-29	Everteam SAS	Intalio Inc.	-
2015-09-28	Microsoft Corporation	Adxstudio Inc. (assets)	-
2015-09-24	AppDirect Inc.	AppCarousel Inc.	-
2015-09-21	HEAT Software Inc.	Absolute Software Corporation	-
2015-09-15	Restlet Inc.	DHC	-
2015-09-10	Appfire Inc.	Wittified LLC	-
2015-09-08	Accenture Ltd.	S3 TV Technology Ltd. [S3 Group]	-
2015-09-07	CloudDesk Pte Ltd.	iTwin Pte Ltd.	-
2015-09-04	Anaqua, Inc.	ideaPoint Inc.	-
2015-08-31	LANDesk Software	Xtraction Solutions	20.0
2015-08-26	TIBCO Software Inc.	Mashery Inc. [Intel]	-
2015-08-18	H.I.G. Capital LLC	HelpSystems Inc. [Summit Partners]	580.0

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 09/30/15	Market Cap.	Enterprise Value (EV)	EV / LTM Revenue	EV / LTM EBITDA
Accenture plc	\$98.26	\$61,579.7	\$57,757.7	1.9x	11.2x
Cap Gemini S.A.	\$88.86	\$15,312.7	\$13,794.9	1.1x	10.2x
NTT Data Corporation	\$50.19	\$14,079.5	\$15,876.9	1.2x	7.8x
Atos SE	\$76.49	\$7,887.7	\$7,737.7	0.7x	6.1x
Booz Allen Hamilton	\$26.21	\$3,839.2	\$5,304.5	1.0x	10.5x
Sopra Steria Group	\$110.69	\$2,187.9	\$2,917.3	0.8x	9.1x
CACI International Inc.	\$73.97	\$1,789.7	\$2,834.5	0.9x	9.5x
ManTech International	\$25.70	\$965.1	\$1,013.4	0.6x	8.3x
ICF International Inc.	\$30.39	\$588.7	\$941.2	0.9x	9.0x
Perficient Inc.	\$15.43	\$544.5	\$597.7	1.3x	10.9x
The Hackett Group, Inc.	\$13.75	\$409.2	\$411.2	1.8x	15.7x
Ciber, Inc.	\$3.18	\$251.6	\$265.2	0.3x	10.3x
NCI, Inc.	\$13.27	\$173.0	\$192.1	0.6x	7.6x
Edgewater Technology	\$7.33	\$86.1	\$65.9	0.6x	13.2x
Median:	\$28.30	\$1,377.4	\$1,923.9	0.9x	9.9x

SECTOR HIGHLIGHTS

- The median IT Services index was trading at 9.9x EBITDA (based on Enterprise Value) at the closing of Q3.
- Gartner expects the IT Services market to grow at a 4.2% compound annual growth rate (CAGR) through 2019, with public cloud computing services leading the way with a CAGR of 30.3%. Conversely, desktop and data center outsourcing is expected to experience a 5% decline.
- Thanks to automation improvements, dramatic cutbacks in IT services personnel are being forecast, according to a survey of representatives of about 170 global sourcing firms. Automation is going to be working in the background, evaluating events and incidents and resolving them before there is a customer impact.
- Lockheed Martin is looking to spin off a part of its government information technology and services businesses with another government services contractor, Such a transaction is estimated at \$4 billion and will likely build the largest government services contractor in the U.S. Lockheed has reportedly been in talks with CACI, SAIC, Booz Allen Hamilton and Leidos Holdings.
- Capgemini has announced that it has signed a new five-year contract with Nationwide Insurance which will revolve around the provision of IT infrastructure services.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2015-09-29	Omnes Capital/Capcom Group	Capcom Group	10.6
2015-09-28	IBM Corporation	Meteorix LLC	120.0
2015-09-25	Capita plc	Electranet UK Ltd.	56.6
2015-09-18	8K Miles Software Services Inc.	NexAge Technologies USA Inc.	3.0
2015-09-09	Versar Inc.	Johnson Controls Security Systems	10.5
2015-08-18	CSG Limited	CodeBlue Limited	3.3
2015-08-18	Edgewater Technology Inc.	Branchbird LLC (assets)	2.8
2015-08-11	Computer Sciences Corporation	Fruition Partners	130.0
2015-08-05	PFSweb Inc.	CrossView Inc.	30.8
2015-08-05	DWS Advanced Business Solutions	Phoenix IT & T Consulting Pty	14.2
2015-07-28	Code Rebel Corporation	ThinOps Resources LLC	9.3
2015-07-28	Virtusa Corporation	Agora Group Inc.	7.5
2015-07-20	TASER International Inc.	Tactical Safety Responses Limited	4.0

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 09/30/15	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Tata Consultancy Services	\$39.47	\$77,305.2	\$73,969.8	4.9x	19.5x
Infosys Limited	\$17.72	\$40,499.7	\$36,096.2	4.2x	14.9x
Cognizant Technology	\$62.61	\$38,162.6	\$35,658.6	3.2x	15.8x
Automatic Data	\$80.36	\$37,389.4	\$35,732.7	3.3x	15.7x
Wipro Ltd.	\$9.11	\$22,356.7	\$19,401.6	2.6x	12.1x
CGI Group, Inc.	\$36.09	\$11,110.7	\$12,481.5	1.6x	9.5x
Computer Sciences Corporation	\$61.38	\$8,490.8	\$8,933.8	0.8x	8.8x
Syntel, Inc.	\$45.31	\$3,797.0	\$3,001.8	3.2x	11.6x
DST Systems Inc.	\$105.14	\$3,768.6	\$4,163.8	1.5x	8.7x
CSG Systems International	\$30.80	\$1,007.0	\$1,098.1	1.5x	9.0x
Unisys Corporation	\$11.90	\$594.2	\$500.5	0.2x	2.8x
Median:	\$39.47	\$11,110.7	\$12,481.5	2.6x	11.6x

SECTOR HIGHLIGHTS

- The median IT Outsourcing index was trading at 11.6x EBITDA (based on Enterprise Value) at the closing of Q3.
- Indian IT firms are beginning to rebuild part of their bench as they look to prepare for a digital wave that is seeing smaller deal sizes, making it harder to grow at the same pace and profitability during the technologies transition. For years, IT companies have been cutting down on bench to boost operational efficiency and get a margin boost. As they need to train people for digital operations, some companies are bringing the bench back.
- Healthcare IT Outsourcing market is expected to grow at a CAGR of 9.17% over the period 2015-2019.
- HP and IBM have received the highest industry Net Promotor Scores, meaning IT outsourcing customers are much more likely to recommend them than other service providers.
- Cognizant's consulting push has payed off and its consulting practice now has 5,500 consultants, one of the highest among Indian IT players.
- Bangladesh seeks \$1 billion export earnings from IT outsourcing. The South Asian country offers huge potential for the outsourcing sector as it gears up the digital transformation as well as with the establishment of hi-tech parks across the country.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

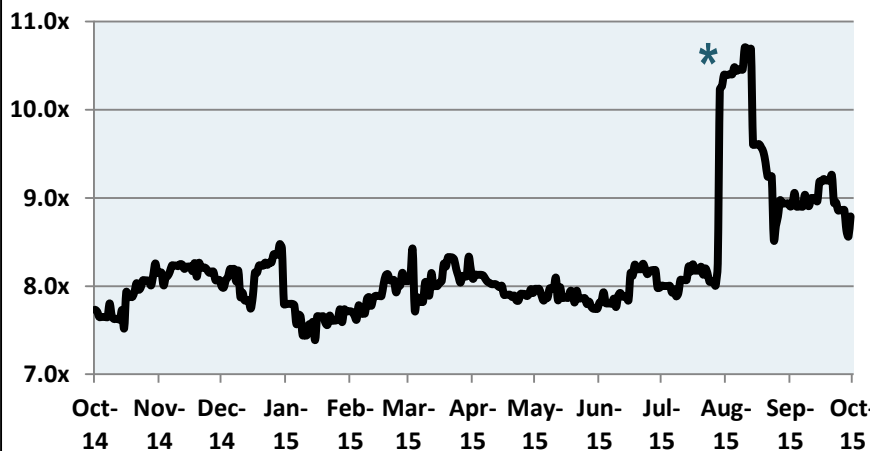
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2015-09-30	Silicom Ltd.	ADI Engineering Inc.	10.0
2015-09-29	comScore Inc.	Rentrak Corporation	682.6
2015-09-18	Crowd Mobile Ltd.	Track Holdings	25.3
2015-09-16	Blackstone Group LP, The	Intelenet Global Services Ltd.	385.8
2015-09-09	NeuStar Inc.	Transaction Network Services	220.0
2015-09-04	Asseco Poland SA	Exictos SGPS	24.2
2015-09-02	Riverside Company, The	Experian Group Ltd.	100.0
2015-08-25	Cardinal Health Inc.	naviHealth Inc.	290.0
2015-08-20	Keywords Studios Plc.	Liquid Development LLC	9.0
2015-07-21	Patriot National Inc.	Global HR Research	42.0
2015-07-16	Sterling Partners/ Longview Asset Management/ Permira et al.	eBay Enterprise [eBay Inc.]	925.0
2015-07-10	Groupe Acticall	SITEL Corporation [ONEX]	830.0

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 09/30/15	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Robert Half International Inc.	\$51.16	\$6,881.0	\$6,569.1	1.3x	10.9x
ManpowerGroup Inc.	\$81.89	\$6,288.9	\$6,253.2	0.3x	8.0x
On Assignment Inc.	\$36.90	\$1,942.4	\$2,730.6	1.4x	14.1x
Kforce Inc.	\$26.28	\$768.4	\$860.9	0.7x	13.0x
CDI Corp.	\$8.55	\$168.4	\$132.3	0.1x	5.3x
Computer Task Group Inc.	\$6.19	\$116.7	\$85.3	0.2x	5.8x
Hudson Global, Inc	\$2.49	\$86.3	\$53.2	0.1x	NM
RCM Technologies Inc.	\$4.92	\$62.7	\$80.1	0.4x	7.7x
Mastech Holdings, Inc.	\$7.55	\$32.7	\$46.1	0.4x	9.6x
Median:	\$8.55	\$168.4	\$132.3	0.4x	8.8x

**Spike seen beginning of Aug '15 is do to Manpower taking on roughly \$12m additional long term debt, increasing TEV significantly and almost doubling TEV/Rev multiple from previous month.*

SECTOR HIGHLIGHTS

- The median IT Staffing index was trading at 8.8x EBITDA (based on Enterprise Value) at the closing of Q3.
- According to Staffing Industry Analysts, the growth in IT Staffing is projected to continue at least through next year, when the IT staffing market will reach a record scale of \$28.9 billion. While representing fairly healthy annual growth of 6%, the rate of expansion has decelerated from the double-digit growth witnessed in the past few years.
- As 2016 approaches, surveys show IT budgets and headcounts remaining largely flat, leaving CIOs the problem of figuring out how to keep the business running while pursuing innovative projects.
- Retention is clearly an issue for the IT sector but organizations are doing little to address it, according to the retention and engagement survey released by TEKsystems. The survey found 9% of IT leaders and 12% of IT professionals expect people to stay with their employer for more than five years.
- IT professionals place a substantially higher emphasis on developing specific skills, with 25% citing that not having additional training would be a factor in leaving their existing employer.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2015-09-29	BG Staffing Inc.	Vision Technology Services LLC	10.0
2015-09-25	Randstad Holding NV	RiseSmart Inc.	100.0
2015-09-17	Sonoma Consulting Inc.	StrategyHire	-
2015-09-16	TRU Staffing Partners Inc.	Kennett Group LLC	-
2015-08-20	Intelliswift Software Inc.	P. Murphy & Associates Inc.	-
2015-08-19	V-Soft Consulting Group Inc.	Viraj LLC	-
2015-08-13	Valintry Services LLC	PaperBoat Media LLC	-
2015-08-06	CDI Corporation	ScaleneWorks People Solutions LLP	-
2015-08-06	Experis [ManpowerGroup]	Veritaaq	-
2015-08-03	General Employment Enterprises	Agile Resources Inc.	-
2015-07-27	MBO Partenaires SAS/ emagine GmbH management	emagine GmbH	-
2015-04-15	Bluefire Professional Services	Gate Hampton Ltd.	-

Services: Value Added Resellers

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP VAR Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 09/30/15	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Avnet, Inc.	\$42.68	\$5,738.7	\$6,783.7	0.2x	6.4x
Ingram Micro Inc.	\$27.24	\$4,161.3	\$4,538.1	0.1x	5.8x
Insight Enterprises Inc.	\$25.85	\$958.8	\$986.9	0.2x	5.8x
ALSO Holding AG	\$60.64	\$777.5	\$1,033.3	0.1x	7.3x
ePlus inc.	\$79.07	\$591.2	\$688.6	0.6x	8.0x
PC Connection, Inc.	\$20.73	\$547.5	\$475.0	0.2x	5.7x
PCM, Inc.	\$9.04	\$108.2	\$212.1	0.1x	11.3x
Median:	\$27.24	\$777.5	\$986.9	0.2x	6.4x

SECTOR HIGHLIGHTS

- The median VAR index was trading at 6.4x EBITDA (based on Enterprise Value) at the closing of Q3.
- Apple's CEO said that from a go-to-market perspective, the company's channel partners play a big part in attacking the enterprise market. The growth in Apple's enterprise segment (\$25 billion in revenue) was due in part to the company's enterprise deals with vendors like IBM and Cisco but the company's indirect sales - through channel partners -- also played a big role to the commercial market.
- Dell partners said they are eager to get access to the large portfolio of products that will be available through Dell's planned acquisition of EMC. They also said they are looking forward to doing business with a privately held EMC and taking advantage of the built-in integration opportunities they expect will come.
- There is certainly a trend of M&A activity in IT, but VARs see it as a positive thing for the channel market as merged vendors make it easier for partners to bring end-to-end solutions to customers.
- Vendors are telling channel partners looking to expand to double down on cloud, analytics and security and shift resources away from areas where they do not have a competitive advantage.
- Cisco set to launch data and analytics channel program, calling it a "rich" opportunity for channel partners.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2015-09-30	Avnet Inc.	Orchestra Service GmbH	-
2015-09-28	iTalk Inc.	United Mobile Solutions Corp.	-
2015-09-22	CONTAX Inc.	Aptelis Inc.	-
2015-09-22	Deloitte Australia [Deloitte]	Qubit Consulting Pty Ltd.	-
2015-09-18	Perficient Inc.	Market Street Solutions Inc.	5.3
2015-09-15	AST Corporation	Serene Corporation	-
2015-09-15	CD Lab AG [aka CD-Lab]	Pipeline Analytics	-
2015-09-10	Cox Communications Inc.	Trapollo LLC	-
2015-09-01	Synergy Technology Ltd.	Adept Software Ltd.	-
2015-08-18	ScanSource Inc.	KBZ Inc. (assets)	-
2015-08-03	24/7 Customer Inc. [dba [24]7]	BolderView Systems Pty Ltd	-
2015-07-30	Digicel (PNG) Ltd.	AllcomMcr PNG Limited	-

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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