

# DECISIONPOINT

## QUARTERLY VIEWPOINT:

For the Quarter Ended December 31, 2021 and the Latest Twelve Months

Q4 | 21

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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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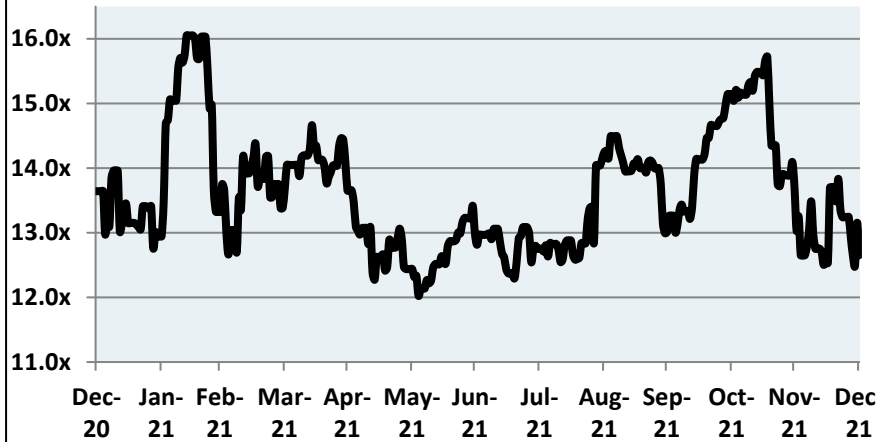
# Software: Software as a Service (SaaS)

## HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

### MARKET PERFORMANCE

#### DP SaaS Index EV/Revenue Multiple

Latest Twelve Months



### VALUATION METRICS

Company	Stock Price 12/31/21	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Salesforce.com	\$254.13	\$243,583.6	\$254,928.1	10.2x	47.3x
Shopify	\$1,366.01	\$172,610.9	\$165,152.8	39.2x	43.5x
ServiceNow	\$649.11	\$131,377.9	\$128,368.9	23.2x	NM
Block	\$161.51	\$87,607.7	\$72,432.3	4.3x	NM
Zoom Video	\$183.91	\$55,948.8	\$49,483.6	12.7x	39.1x
Workday	\$273.18	\$68,484.3	\$66,874.6	13.7x	NM
Veeva Systems	\$255.48	\$41,475.0	\$36,988.2	21.0x	70.4x
LivePerson	\$35.72	\$2,445.2	\$2,533.4	5.7x	NM
Ebix	\$30.40	\$929.6	\$1,563.0	1.6x	11.7x
<b>Median:</b>	<b>\$254.13</b>	<b>\$68,484.3</b>	<b>\$66,874.6</b>	<b>12.7x</b>	<b>43.5x</b>

### SECTOR HIGHLIGHTS

- The median SaaS index was trading at 12.7x revenue (based on Enterprise Value to Revenue) at the closing of Q4.
- Total publicly available deal value for the fourth quarter jumped compared to Q4 of 2020. In 2020, there was \$37.6B in deal value, compared to the \$74.4B in 2021, due primarily to Oracle's \$28.3B acquisition of Cerner. These elevated valuations and high deal activity is expected to continue, with 70% of M&A professionals expecting deal volume to either stay the same or increase in 2020, according to a 451 Research survey.
- While SaaS M&A continued at solid rates, public companies have seen their share prices settle after being darlings of the pandemic. 2021 saw over \$245B in deal volume, but many public companies have seen their stock falling. Ericsson clipped \$2B off its market cap after the \$5.8B cash acquisition for Vonage. Zoom walked away from its planned acquisition of Five9 for \$15B and has seen its user growth slow to one-tenth of the height of the pandemic while the stock has been more than cut in half over the year.
- Application Software in healthcare saw two of the year's largest deals with Oracle's acquisition of Cerner and Bain Capital's \$17B acquisition of athenahealth in November.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2021-12-20	Oracle	Cerner	28,300.0
2021-12-13	Ryder System	PLG Investments I	480.0
2021-11-22	Bain Capital	athenahealth	17,000.0
2021-11-18	Workday [NYSE: WDAY]	VNDLY	510.0
2021-11-16	nCino	SimpleNexus	918.5
2021-11-16	Bentley Systems [NASDAQ:BSY]	Power Line Systems	700.0
2021-11-09	Unity Software	Weta Digital Limited	1,625.0
2021-11-08	Duddell Street Acquisition	FiscalNote	1,318.0
2021-11-03	Confluence Technologies	Investment Metrics	500.0
2021-10-28	Zendesk [NYSE: ZEN]	Momentive	4,170.0
2021-10-27	Cint Group	Lucid Holdings	1,053.4
2021-10-11	Emerson Electric	Aspen Technology	10,896.6

# 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 12/31/21	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Alphabet	\$2,897.04	\$1,970,836.0	\$1,807,711.6	7.6x	18.7x
Amazon.com	\$3,334.34	\$1,713,017.2	\$1,725,917.6	3.8x	26.8x
Meta Platforms	\$336.35	\$969,613.0	\$890,209.8	7.9x	18.1x
Netflix	\$602.44	\$274,258.4	\$274,818.6	9.6x	15.1x
Snap Group	\$47.03	\$71,901.3	\$74,827.7	20.1x	NM
Booking Holdings	\$2,399.23	\$99,142.8	\$97,684.7	10.6x	NM
Uber	\$41.93	\$77,888.8	\$86,156.2	6.2x	NM
Twitter	\$43.22	\$34,407.5	\$32,597.6	6.8x	NM
eBay	\$66.50	\$45,402.9	\$36,371.3	3.4x	8.2x
Expedia Group	\$180.72	\$26,557.3	\$33,203.1	4.6x	NM
Cimpress	\$71.61	\$1,873.0	\$3,469.1	1.3x	13.8x
Groupon	\$23.16	\$729.5	\$630.3	0.6x	3.2x
<b>Median:</b>	<b>\$126.17</b>	<b>\$74,895.1</b>	<b>\$80,491.9</b>	<b>6.5x</b>	<b>15.1x</b>

### SECTOR HIGHLIGHTS

- The median Internet Software and Services index was trading at 6.5x revenue (based on Enterprise Value to Revenue) at the closing of Q4.
- Deal processes slowed slightly compared to the same period in 2020, with 128 deals completed in 2020 and 110 deals in 2021. The total value also dropped from \$57.9B to \$35.3B in their respective periods.
- One of the largest investment movements for big tech has been the growing emphasis on the Metaverse. With Facebook renaming itself as Meta and Microsoft's \$68.7B acquisition of Activision Blizzard, two of the largest companies in the world are taking part in a frenzy of virtual land grabbing. As more money and resources are pushed into the Metaverse, many eyes will be on the users currently having the world re-open post-pandemic leaving fewer at home to partake in the experiment.
- DoorDash continued its acquisition spree with its \$8.1B acquisition of Wolt Enterprises. The acquisition will continue the shared mission of building a global platform for local commerce that connects consumers with the best of their community. DoorDash expanded its team with the deal by over 4,000 and firms up operations in 23 countries.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced			
Date	Acquirer Name	Target Name	Enterprise Value
2021-12-27	FactSet Research Systems	CUSIP Global	1,925.0
2021-12-10	Getty Images	CC Neuberger Principal	2,912.0
2021-12-08	Grove Collaborative	Virgin Group Acquisition	1,400.0
2021-12-01	Rumble	CF Acquisition	2,098.6
2021-11-23	Booking Holding	Etraveli Group	1,838.8
2021-11-18	Bitdeer	Blue Safari Group Acquisition	3,988.0
2021-11-12	Booking Holdings	Consumer Club	1,200.0
2021-11-09	DoorDash [NYSE:DASH]	Wolt Enterprises	8,096.5
2021-10-28	FirstCash	American First Finance	1,157.5
2021-10-13	SeatGeek	RedBall Acquisition	1,266.6
2021-10-06	About	Meredith	1,931.1

# 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 12/31/21	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV/ LTM EBITDA
Microsoft	\$336.32	\$2,552,837.0	\$2,457,838.0	13.9x	28.4x
Oracle	\$87.21	\$252,516.6	\$288,925.7	7.0x	20.3x
Dassault Systemes	\$59.23	\$78,647.8	\$78,672.5	14.0x	33.5x
SAP	\$141.88	\$167,387.0	\$175,703.6	5.4x	19.3x
IBM	\$133.66	\$120,658.8	\$170,918.3	2.3x	13.2x
Autodesk	\$281.19	\$62,494.5	\$63,111.7	15.0x	NM
Constellation Software	\$1,840.71	\$39,007.4	\$39,798.4	8.3x	38.6x
Ansys	\$401.12	\$35,281.6	\$34,773.8	18.5x	NM
Tyler Technologies	\$537.95	\$22,622.5	\$23,235.1	16.1x	NM
PTC	\$121.15	\$14,340.2	\$15,601.9	8.6x	27.7x
Manhattan Associates	\$155.49	\$10,007.9	\$9,617.1	15.0x	NM
Amdocs	\$74.84	\$9,577.1	\$9,284.8	2.2x	8.9x
Blackbaud	\$78.98	\$3,827.0	\$4,325.4	4.7x	37.8x
Verint Systems	\$52.51	\$3,472.2	\$4,030.7	4.1x	34.8x
Stratasys	\$24.49	\$1,492.6	\$1,099.3	1.9x	NM
<b>Median:</b>	<b>\$133.66</b>	<b>\$35,281.61</b>	<b>\$34,773.83</b>	<b>8.3x</b>	<b>28.0x</b>

### SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 8.3x revenue (based on Enterprise Value to Revenue) at the closing of Q4.
- Enterprise software M&A started to slow a little in Q4 compared to the year prior. The total deals count for 2021 was 31, compared to the 51 in 2020. Although the deal count fell, the total deal value increased to \$9.52B.
- Many established enterprise software companies have extensive partner programs to allow for easy setup and use of their software, but as smaller companies are coming into the market with powerful products, they will need to ensure strong collaboration and running of their client's systems. Customer Success teams have led many startups to higher customer retention and acquisition rates.
- We have seen an evolution of software sales as more customer organizations understand their full potential using software solutions. Many large companies acquired smaller offerings and incorporated them into their company's suite of products. The market is now seeing a transition from whole-suite product sales to modular software to help specific needs for each company. The modular sales decrease waste, ensure scalability, and offer the software development team more flexibility by easing the existing tech stack.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2021-12-23	Xero	Trilogy Software	54.1
2021-12-22	Eckoh Technologies	Syntec Holdings	41.0
2021-12-21	Matterport [NASDAQ:MTTR]	Envview	73.9
2021-12-16	Rubicon Technologies	Founder SPAC	1,483.0
2021-12-10	Corcentric	North Mountain Merger	996.0
2021-12-03	GBT Travel Services	Apollo Growth Capital	3,962.6
2021-11-09	SpringBig	Tuatar Capital Acquisition	239.1
2021-11-02	Verra Mobility Corporation [NASDAQ:VRRM]	T2 Systems	347.0
2021-10-26	nThrive	TransUnion [NYSE: TRU]	1,735.0
2021-10-14	Tempo Automation	ACE Convergence Acquisition	457.3
2021-10-12	Rocket Lab [NASDAQ:RKLB]	Advanced Solutions	40.0

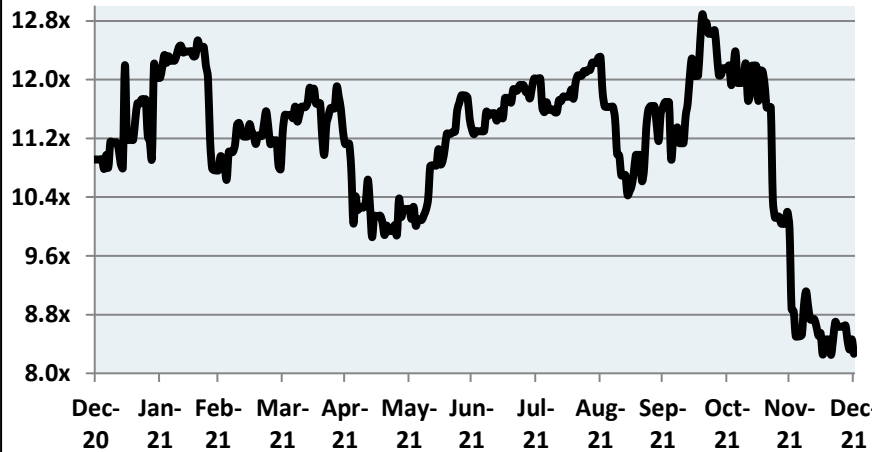
# Software: Business Intelligence Software

## 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 12/31/21	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Verisk Analytics	\$228.73	\$37,454.5	\$39,989.7	13.6x	27.8x
Elasticsearch	\$123.09	\$11,130.0	\$11,116.0	15.1x	NM
Pegasystems	\$111.82	\$9,074.8	\$9,457.9	7.9x	NM
MicroStrategy	\$544.49	\$5,281.4	\$8,282.1	16.3x	NM
Alteryx	\$60.50	\$4,051.6	\$4,322.4	8.3x	NM
Domo	\$49.60	\$1,556.3	\$1,656.8	6.8x	NM
PROS Holdings	\$34.49	\$1,521.1	\$1,555.6	6.3x	NM
<b>Median:</b>	<b>\$111.82</b>	<b>\$5,281.4</b>	<b>\$8,282.1</b>	<b>8.3x</b>	<b>NM</b>

### SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 8.3x revenue (based on Enterprise Value) at the closing of Q4.
- Business Intelligence software continued its rise in M&A activity compared to the year prior with 56 deals in Q4 2021 compared to 42 in Q4 2020. This increase in deal activity was also met with much higher publicly available deal value from \$674M to \$3.1B.
- The largest deal with publicly available financial information was the \$1.3B acquisition of FiscalNote by Duddle Street. The increasing pressure on companies to adhere to more complicated regulatory environments has increased the need for AI in government activity. FiscalNote helps solve this issue by providing insights and data on government activity by leveraging AI, ML, and other advanced automation technologies.
- Microsoft Power BI, Tableau, and Qlik have been the leaders in the analytics and BI platform Gartner Magic Quadrant for the recent year. As Qlik and their backer Thoma Bravo have been fighting against many larger organizations, professionals have wondered if they will go public again. As of January 10th, 2022, Qlik has filed for its IPO.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2021-12-17	comScore	Shareablee	36.4
2021-12-09	Digital Alpha Advisors	DTT Surveillance	200.0
2021-11-12	Stewart Information Services	PropStream	175.0
2021-11-09	Ideagen	CompliSpace	77.6
2021-11-08	Duddell Street Acquisition Corp.	FiscalNote Inc.	1,318.0
2021-11-05	TELUS	awayX	275.0
2021-10-20	Healthcare Investor Syndicate	Saama Technologies	430.0
2021-10-20	Marlowe	EssentialSkillz	34.3
2021-10-19	B3	Neoway	329.6
2021-10-12	Bionano Genomics	BioDiscovery	90.0
2021-10-12	Slinger Bag	PlaySight Interactive	83.9
2021-10-12	Nurosene Health	Netramark	12.1

# 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 12/31/21	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Check Point Software	\$116.56	\$15,677.3	\$13,742.4	6.4x	14.8x
Citrix Systems	\$94.59	\$11,913.8	\$14,857.5	4.7x	35.9x
F5 Networks	\$244.71	\$15,186.0	\$14,788.1	5.7x	29.4x
Trend Micro	\$55.59	\$7,751.8	\$5,589.8	3.2x	8.9x
CommVault Systems	\$68.92	\$3,269.8	\$2,860.1	3.9x	NM
Progress Software	\$48.27	\$2,157.2	\$2,326.4	4.5x	14.3x
Radware	\$41.64	\$1,976.3	\$1,630.8	6.1x	NM
Magic Software	\$21.15	\$1,037.5	\$1,040.1	2.3x	17.3x
Allot Communications	\$11.88	\$425.0	\$337.6	2.3x	NM
<b>Median:</b>	<b>\$55.59</b>	<b>\$3,269.8</b>	<b>\$2,860.1</b>	<b>4.5x</b>	<b>16.0x</b>

### SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 4.5x revenue (based on enterprise value) at the end of Q3.
- Where once the term “distributed enterprises” only referred to companies with far-flung branches, the pandemic accelerated the need for anywhere operations. Gartner predicts that 75% of organizations that exploit distributed enterprises will realize revenue growth 25% faster than their competitors. One primary key to improving infrastructure will be implementing a self-service IT automation option to take care of low priority cases and save the IT team’s time.
- Many companies have focused on customer and user experience, but a more significant focus on total experience (TX) is growing. Many organizations are looking at ways to eliminate friction and encourage engagement, especially within their organizations. Few employees are willing to switch their processes without improving internal operations unless there are tangible benefits. Focusing on employee and multi-experience infrastructure will increase adoption by business users and thus improve internal efficiency.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2021-12-20	Valdor Technology	Layer 2 Ventures	3.9
2021-12-17	Thoma Bravo	Bottomline Technologies	2,574.9
2021-12-01	Portage CyberTech	OPIN Digital	4.7
2021-11-29	Clearlake Capital	Quest Software	5,400.0
2021-11-29	Ease2pay	Involtum Holding	32.5
2021-11-16	Smokeball	LawLytics	
2021-11-09	Everbridge [NASDAQ:EVBG]	The Anvil Group	162.0
2021-11-09	Bottomline Technologies	Bora Payment Systems	15.0
2021-10-28	SUSE [XETRA:SUSE]	NeuVector	133.0
2021-10-27	Idera	BitTitan	200.0

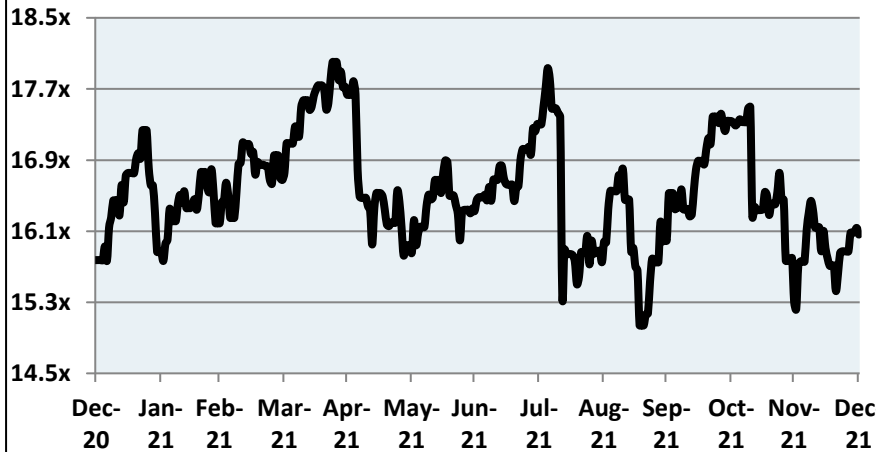


# Services: IT Services

## 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 12/31/21	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Accenture	\$414.55	\$267,558.8	\$260,414.6	4.8x	28.7x
Capgemini	\$243.99	\$42,222.1	\$48,535.0	2.4x	19.4x
NTT Data	\$21.45	\$30,087.2	\$34,423.9	1.5x	9.3x
CDW	\$204.78	\$29,145.3	\$32,057.3	1.6x	19.2x
Booz Allen	\$84.79	\$11,626.8	\$13,706.2	1.7x	17.0x
DXC Technology	\$32.19	\$8,261.6	\$12,093.6	0.7x	3.6x
CACI International	\$269.21	\$6,617.6	\$8,236.8	1.4x	12.5x
Perficient	\$129.29	\$4,365.7	\$4,425.5	6.2x	36.9x
ManTech International	\$72.93	\$2,981.9	\$2,924.3	1.1x	11.2x
ICF International	\$102.55	\$1,959.7	\$2,330.4	1.5x	16.1x
The Hackett Group	\$20.53	\$673.5	\$563.0	2.1x	13.9x
<b>Median:</b>	<b>\$102.55</b>	<b>\$8,261.6</b>	<b>\$12,093.6</b>	<b>1.6x</b>	<b>16.1x</b>

### SECTOR HIGHLIGHTS

- The median IT Services index was trading at 16.1x EBITDA (based on Enterprise Value to EBITDA) at the closing of Q4.
- Q4 saw a significant decrease in total deal value compared to the prior year due to the lack of mega-deals. Deal value fell from \$15.9B to \$4.3B, but conversely, the total count of deals increased from 122 to 135 deals.
- Deal activity stayed constant in the fourth quarter, headlined by system integrator CDW's \$2.5B acquisition of Sirius Computer Solutions on October 18th. The deal is emblematic of a trend that sees system integrators, and IT services providers adding capabilities outside of their established scope to serve more aspects of digital transformation. As customers seek to eliminate some complexity in managing hybrid environments by working with fewer partners, Sirius' services-led approach should help CDW attract business by providing advice, design services, and ongoing management.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2021-12-31	Variant Equity Advisors	CompuCom Systems	180.0
2021-12-14	Unisys Corporation	CompuGain	87.3
2021-12-13	ICF Incorporated	Creative Systems and Consulting	160.0
2021-12-07	Cerberus Sentinel	Arkavia Networks	31.1
2021-12-06	3iN	SRL Traffic Systems	252.7
2021-11-19	CenTrak	Infinite Leap	30.0
2021-11-15	Eurazeo	Scaled Agile	300.0
2021-11-08	Quisitive Technology	Catapult Systems	51.5
2021-11-01	ManTech International	Gryphon Technologies	350.0
2021-10-18	CDW [NASDAQ:CDW]	Sirius Computer Solutions Inc.	2,500.0
2021-10-08	Netcompany	Intrasoft	271.7

# 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 09/30/21	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Equinix	\$790.13	\$71,024.4	\$84,285.0	13.3x	36.0x
Digital Realty	\$144.45	\$40,413.1	\$57,816.7	13.5x	43.3x
CyrusOne	\$77.41	\$9,343.4	\$13,125.5	11.8x	24.5x
Cancom	\$59.41	\$2,290.1	\$2,140.5	1.2x	11.5x
ePlus	\$102.61	\$1,378.1	\$1,471.6	0.9x	10.7x
NCC Group	\$3.45	\$975.5	\$998.6	2.8x	20.3x
Sify Technologies	\$3.38	\$612.5	\$706.3	2.2x	10.0x
iomart	\$2.90	\$323.9	\$392.9	2.7x	7.6x
Redcentric	\$1.85	\$288.5	\$310.8	2.6x	9.7x
<b>Median:</b>	<b>\$31.43</b>	<b>\$1,176.8</b>	<b>\$1,235.1</b>	<b>2.7x</b>	<b>11.5x</b>

### SECTOR HIGHLIGHTS

- The median Hosted & Managed Services index was trading at 11.5x EBITDA (based on Enterprise Value) at the closing of Q4.
- The total deal count in the Hosted & Managed Services sector decreased on a year-over-year basis from 49 in Q4 of 2020 to 38 deals in Q4 of 2021. Total publicly available deal value increased to \$28.4B from \$3.4B.
- One of the integral trends in managed services has been the emphasis on security and the growing managed security services market. According to a 451 Research Survey, 86% of respondents expect to spend more on total information security, with an average increase of 27%. The two largest budget increases are expected in talent and managed security services. As this trend continues to develop, ECI will be a significant player with its portfolio of advanced managed security services.
- As more companies take advantage of the public cloud to address changing business conditions brought on by the accelerated shift to the digital economy, more complexity is brought to their IT environments. This challenge will present an opportunity to managed service providers as their clients' organizations require enhanced IT skill sets, specialized cloud personas, and coordination across IT and business roles.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

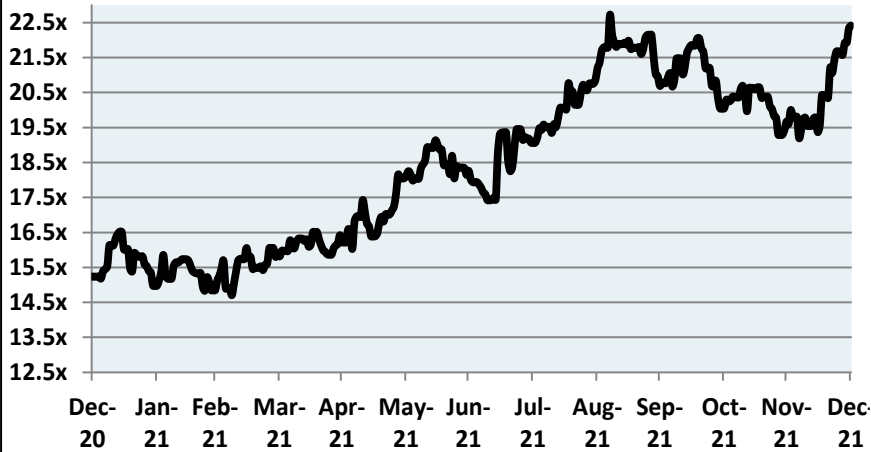
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2021-12-22	The Carlyle Group	Involta	
2021-12-14	Elyan Partners / Aquiline Capital	Cheops Technology	
2021-12-07	Ingram Micro	BRLink	
2021-12-06	CentralNic Group	NameAction	1.0
2021-12-02	Digital Edge	ITOCHU Techno-Solutions	230.0
2021-12-02	CloudScale365	Vandelay Industries	
2021-11-30	Griid Infrastructure	Adit EdTech Acquisition	3,034.8
2021-11-15	KKR	CyrusOne	15,000.0
2021-11-15	American Tower	CoreSite Realty	10,100.0
2021-10-29	Field Solutions	TasmaNet	9.8
2021-10-27	Telappliant	Connexions	

# 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 12/31/2021	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Tata Consultancy	\$50.23	\$186,515.9	\$180,185.3	7.5x	25.0x
Infosys	\$25.36	\$107,650.8	\$103,867.5	7.0x	23.9x
Automatic Data	\$246.58	\$105,178.7	\$105,679.8	6.9x	26.2x
Wipro	\$9.61	\$53,308.5	\$50,078.3	5.3x	NM
Cognizant Technology	\$88.72	\$46,999.4	\$45,865.3	2.6x	14.8x
CGI Group	\$87.72	\$22,202.0	\$23,291.9	2.4x	12.4x
CSG International	\$57.62	\$1,848.5	\$2,139.6	2.1x	11.7x
Unisys	\$20.57	\$1,345.6	\$1,390.9	0.7x	NM
<b>Median:</b>	<b>\$ 53.92</b>	<b>\$ 50,153.98</b>	<b>\$47,971.83</b>	<b>3.9x</b>	<b>19.3x</b>

### SECTOR HIGHLIGHTS

- The median IT Outsourcing index was trading at 19.3x EBITDA (based on Enterprise Value) at the closing of Q4.
- In Q4 2021, the IT outsourcing sector increased with 66 deals from 61 in Q4 2020. The increase in the deal count was met with a drastically higher deal value of \$7.7B compared to \$2.4B in the prior period.
- As more companies implement artificial intelligence and automation, there has been an uptick in demand for engineers capable of working with these complicated solutions. With a tech talent shortage backdrop, more people are looking at outside resources to supplement internal teams. Included in the increased automation and AI is the fast-growing industry of robotic process automation. Using outsourced partners to implement the technologies will decrease the time of adoption and help the RPA industry grow from \$2B to \$13.5B in 2030.
- Specialization throughout the IT outsourcing industry is a growing need for continued growth. Although many frameworks are fundamentally similar, the end-users' perception and industry-specific language that is easy to understand are positive differentiators. Software and service providers that incorporate these changes and enter the market early gain a considerable advantage over late entrants.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2021-12-28	Teleperformance	Senture	400.0
2021-12-21	Dye & Durham	Link Administration	2,481.7
2021-12-20	IMI	Adaptas Solutions	271.0
2021-12-20	Kitron	BB Electronics	90.6
2021-11-22	Concentrix	ProKarma	1,600.0
2021-11-16	Ichor Systems	IMG Companies	270.0
2021-11-16	Nova	ancosys	90.0
2021-11-05	EnPro Industries	NxEdge	850.0
2021-10-25	Amentum	PAE	935.8
2021-10-14	Walgreens Boots Alliance	CareCentrix	330.0
2021-10-14	Tempo Automation	Advanced	310.0

# 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 12/31/21	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Robert Half International	\$111.52	\$12,512.6	\$12,050.5	2.0x	15.7x
ManpowerGroup	\$97.33	\$5,455.3	\$5,010.4	0.2x	7.9x
ASGN	\$123.40	\$6,632.8	\$6,846.2	1.7x	16.0x
Kforce	\$75.22	\$1,603.2	\$1,615.0	1.1x	15.6x
Mastech Digital	\$17.07	\$205.2	\$209.4	1.0x	10.9x
Computer Task Group	\$9.97	\$148.5	\$145.0	0.4x	10.3x
RCM Technologies	\$7.12	\$82.6	\$84.1	0.5x	11.8x
<b>Median:</b>	<b>\$75.22</b>	<b>\$1,603.2</b>	<b>\$1,615.0</b>	<b>1.0x</b>	<b>11.8x</b>

### SECTOR HIGHLIGHTS

- The median IT Staffing index was trading at 11.8x EBITDA (based on Enterprise Value) at the closing of Q4.
- The Great Resignation trend is causing significant turnover and increases in salaries. Many companies are reaching out to staffing firms not only for recruits but also for consulting on improvements to their work environment that might attract better talent. Of the trends to keep an eye on, 76% of employees are willing to accept a lower base salary in favor of other compelling benefits, 52% of applicant prefer remote-first work model, and expertise in Go and Scala are the most sought amount software engineering positions.
- The continued tech talent shortage greatly impacts the overall economy and many technology firms. In a survey of 1,200 IT workers published in October by TalentLMS, 72% percent of the respondents in the US said they are thinking of quitting their jobs in the next 12 months. The main reasons these professionals cited were limited career progression, lack of flexibility in working hours, and a toxic work environment. This departure, coupled with the sparse technical talent, will continue to dampen the hiring market for the foreseeable future. Companies that are willing to offer flexible working environments, career paths, and streamlined internal applications will have an advantage over more traditional organizations.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

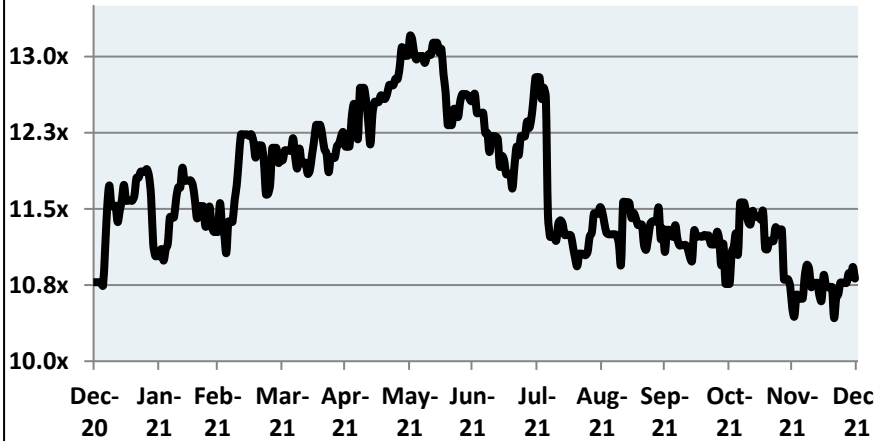
Announced Date	Acquirer Name	Target Name	Enterprise Value (\$m)
2021-12-21	Eliassen Group	Fidato Partners	
2021-12-16	FFL Partners	Optomi LLC	
2021-12-14	Consilio	Legility	
2021-12-01	West Monroe Partners	CarbonFive	

# 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 12/31/21	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Arrow Electronics	\$134.27	\$10,045.6	\$11,586.0	0.3x	7.3x
SYNNEX	\$114.36	\$5,902.9	\$10,954.3	0.5x	12.2x
ALSO	\$328.21	\$4,210.6	\$4,288.8	0.3x	15.2x
Avnet	\$41.23	\$4,152.8	\$5,469.1	0.3x	9.0x
Insight Enterprises	\$106.60	\$3,893.6	\$4,139.0	0.5x	10.9x
PC Connection	\$43.13	\$1,136.7	\$1,048.0	0.4x	10.6x
<b>Median:</b>	<b>\$110.48</b>	<b>\$4,181.7</b>	<b>\$4,878.9</b>	<b>0.4x</b>	<b>10.8x</b>

### SECTOR HIGHLIGHTS

- The median Value Added Reseller index was trading at 10.8x EBITDA (based on Enterprise Value) at the closing of Q4.
- Many value-added resellers are seeing some of their main revenue streams disappear as companies focus more on direct-to-customer sales. These resellers will need to improve their value-add services and continue to fight with other organizations for talent. To combat these issues, many VARs will need to implement automation to their practices and sell and market directly to their customers rather than generic marketing.
- VARs will need to be more transparent on their pricing strategies as more business is done through e-commerce. Sites such as Amazon and eBay allow buyers to quickly compare prices from multiple resellers. If a VAR's business model focuses on resale OEM products, it will be forced to compete on price and improve service offerings to survive in the current market.

### MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer	Target	Enterprise Value (\$m)
2021-12-14	Hawk Ridge Systems	DesignPoint Solutions Inc.	
2021-12-13	John Henry Foster	Sensors	
2021-12-09	Bluechip Infotech Pty Ltd	Soft Solutions	
2021-12-02	Exclusive Networks [ENXTPA:EXN]	Networks Unlimited	
2021-12-01	AsiaPac Distribution	Glocomp	26.2
2021-11-30	Pamplona Capital Management	EET Group	
2021-11-03	ALSO Holding	Executive	
2021-10-18	CDW [NASDAQ:CDW]	Sirius Computer Solutions	2,500.0

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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