

DECISIONPOINT

QUARTERLY VIEWPOINT:

For the Quarter Ended September 30, 2025 and the Latest Twelve Months

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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 09/30/25 | Market Cap. | Enterprise Value (\$M) | EV/ LTM Revenue | EV / LTM EBITDA |
|-----------------|-------------------------|-------------------|---------------------------|--------------------|--------------------|
| Salesforce | \$237.00 | \$229,297.5 | \$221,489.0 | 5.6x | 20.0x |
| Shopify | \$148.56 | \$194,863.6 | \$188,398.1 | 18.8x | 81.8x |
| Intuit | \$682.91 | \$193,263.5 | \$192,485.7 | 10.2x | 33.7x |
| ServiceNow | \$920.28 | \$192,545.1 | \$187,252.6 | 15.5x | 84.6x |
| Workday | \$240.73 | \$64,939.6 | \$59,864.9 | 6.7x | 69.9x |
| Veeva Systems | \$297.91 | \$49,637.6 | \$42,511.6 | 14.3x | 39.0x |
| Zoom | \$82.50 | \$25,820.8 | \$16,967.0 | 3.6x | 10.4x |
| Upland Software | \$2.37 | \$66.1 | \$412.0 | 1.6x | 57.8x |
| LivePerson | \$8.75 | \$53.1 | \$463.7 | 1.7x | NM |
| Median: | \$237.00 | \$64,939.6 | \$59,864.9 | 6.7x | 48.4x |

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 6.7x revenue (based on Enterprise Value to Revenue) at the closing of Q3.
- While there have been a few operating companies in the Hold Co space, such as Visma and Constellation, new entrants in the market have started copying their buy-and-hold strategy to see significant returns. One newer name from Europe, Hawk Infinity Software, is making waves as it has built a solid portfolio with strong profitability. The company started in 2016 with one operating asset and has since grown with 25 enterprise software acquisitions. The company just crossed \$600M in revenue and \$100M in EBITDA, showing that the buy-and-hold method can work well in an environment with an extended payback period. Expect to see more new entrants in the market, but balancing quality acquisitions at potentially lower prices may make it harder to find deals.
- Salesforce's acquisition of Regrello represented one of the larger deals in the application software sector. Salesforce has acquired a string of AI companies this year, along with Informatica and Together AI at the beginning of the year. Regrello, an agentic AI solution for supply-chain and manufacturing, was acquired for \$900M and aims to expand, along with Waii and Inspo Labs acquisitions, Salesforce's automation capabilities in specific verticals. These acquisitions move Salesforce beyond basic process automation to capabilities beyond those of SAP or Microsoft Dynamics.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | Enterprise EV/Rev | Enterprise Value (\$m) |
|-------------------|--|---|----------------------|---------------------------|
| 2025-09-29 | PIF /Silver Lake Technology/Affinity | Electronic Arts | 7.4 | 54,596.8 |
| 2025-08-21 | Thoma Bravo/Abu Dhabi Investment Authority | Dayforce | 6.9 | 11,482.5 |
| 2025-09-04 | Cadence Design Systems | Hexagon (design and engineering business) | 10.9 | 3,153.1 |
| 2025-07-28 | EQT (publ) / Canada Pension Plan | Governmentjobs.com | 13.6 | 3,000.0 |
| 2025-07-21 | Goldman Sachs | NAVEX Global | | 2,500.0 |
| 2025-09-22 | Patient Square Capital | Premier | 2.7 | 2,495.0 |
| 2025-07-30 | Verisk Analytics | ExactLogix | | 2,350.0 |
| 2025-09-24 | Novacap Management | Integral Ad Science Holding | 3.2 | 1,887.1 |
| 2025-07-03 | Thoma Bravo | Olo | 5.1 | 1,853.3 |
| 2025-08-11 | Centerbridge Partners | MeridianLink | 6.2 | 1,618.9 |
| 2025-08-13 | Advent International | Sapiens International | 4.2 | 1,373.9 |
| 2025-08-25 | Thoma Bravo | Verint Systems | 2.3 | 1,336.9 |

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 09/30/25 | Market Cap. | Enterprise Value (EV) | EV / LTM Revenue | EV / LTM EBITDA |
|----------------------------------|-------------------------|--------------------|--------------------------|---------------------|--------------------|
| Alphabet | \$243.10 | \$2,993,533.4 | \$2,882,905.9 | 7.8x | 18.8x |
| Amazon.com | \$219.57 | \$2,366,196.1 | \$2,382,453.7 | 3.6x | 17.1x |
| Meta Platforms | \$734.38 | \$1,905,348.9 | \$1,847,355.5 | 10.3x | 19.4x |
| Netflix | \$1,198.92 | \$523,773.4 | \$515,515.4 | 12.4x | 18.3x |
| Uber | \$97.97 | \$209,339.8 | \$210,312.5 | 4.4x | 29.9x |
| Booking Holdings | \$5,399.27 | \$179,517.6 | \$176,383.7 | 7.0x | 23.4x |
| Expedia Group | \$213.75 | \$28,856.6 | \$27,505.2 | 2.0x | 12.1x |
| Snap (Social/Platform Software) | \$7.71 | \$12,944.2 | \$14,327.6 | 2.5x | NM |
| Yelp | \$31.20 | \$2,125.6 | \$1,686.9 | 1.2x | 6.7x |
| Cimpress | \$63.04 | \$1,616.1 | \$3,036.5 | 0.9x | 8.6x |
| Groupon | \$23.35 | \$970.5 | \$936.4 | 1.9x | 20.3x |
| Median: | \$213.75 | \$179,517.6 | \$176,383.7 | 3.6x | 18.6x |

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SECTOR HIGHLIGHTS

- The median Internet Software and Services index was trading at 3.6x revenue (based on Enterprise Value to Revenue) at the closing of Q3.
- While the big names in the streaming space include Netflix, Hulu, and Amazon Prime, many free streaming providers are etching out a name for themselves. Offerings such as YouTube and free ad-supported TV (FAST) are maintaining a solid portion of the streaming market and consistently receive high satisfaction ratings. As users become more skeptical of price increases, expect many of the larger platforms to entertain ad-supported subscription tiers. According to a recent 451 Research survey, a third of individuals who have never subscribed to a paid streaming service would be more likely to subscribe if pricing were more affordable, including through trials or tiered pricing. Adding pricing changes or an alternative revenue stream could unlock new customers in a crowded market.
- Deal activity in the Internet Software and Services has continued at a high level. In the third quarter of 2025, 156 deals were announced with \$9B in publicly available deal value. The activity in the sector has remained steady, with 130-170 deals per quarter and deal value fluctuating between \$4-21B, primarily due to a few \$2B+ deals.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

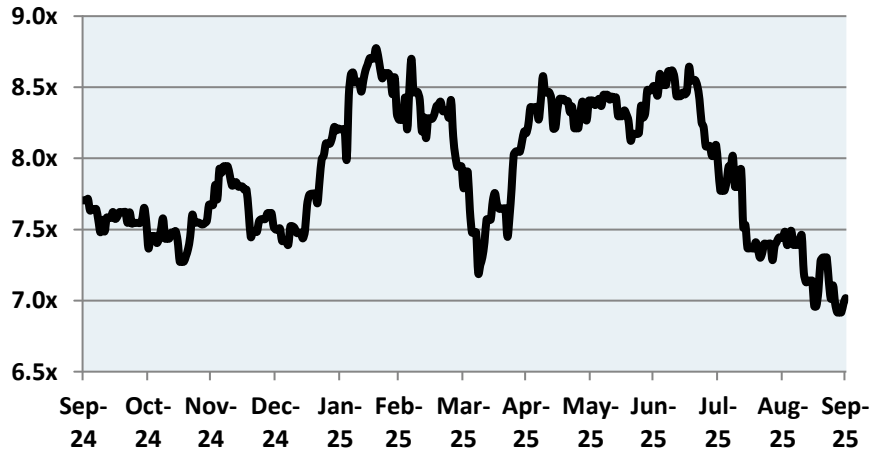
| Announced Date | Acquirer Name | Target Name | Enterprise EV/Rev Value (\$m) |
|-------------------|--|--|----------------------------------|
| 2025-09-26 | OLX Global | Groupe La Centrale | 1,284.3 |
| 2025-09-23 | Morningstar | Center for Research in Security Prices | 6.80 375.0 |
| 2025-09-22 | Allwyn International | Performance Predictions | 1,600.0 |
| 2025-09-19 | IG Group Holdings | Independent Reserve | 4.90 82.4 |
| 2025-09-16 | Verve Group | acardo group | 28.8 |
| 2025-08-25 | LayerZero Labs | Stargate Foundation | 80.0 |
| 2025-08-04 | Auction Technology | Chairish | 1.70 85.0 |
| 2025-08-01 | AXA | Prima Assicurazioni | 572.0 |
| 2025-07-21 | EQT (publ) | Adevinta Spain | 2,331.0 |
| 2025-07-21 | Blockratize | QCx, LLC/QC Clearing | 112.0 |
| 2025-07-09 | Jahez International Company for Information Systems Technology | Snoonu Corporation | 2.10 225.1 |

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 09/30/25 | Market Cap. | Enterprise Value (EV) | EV/ LTM Revenue | EV / LTM EBITDA |
|------------------------|-------------------------|--------------------|--------------------------|--------------------|--------------------|
| Microsoft | \$517.95 | \$3,866,496.8 | \$3,816,041.5 | 13.5x | 25.2x |
| Oracle | \$281.24 | \$810,111.8 | \$896,672.9 | 15.2x | 37.3x |
| SAP | \$264.00 | \$311,129.8 | \$306,934.0 | 7.9x | 27.7x |
| IBM | \$282.16 | \$266,228.3 | \$315,188.5 | 4.9x | 25.8x |
| Autodesk | \$317.67 | \$68,775.6 | \$68,161.7 | 10.3x | 43.1x |
| Constellation Software | \$2,714.55 | \$57,525.5 | \$60,793.5 | 5.7x | 23.6x |
| Dassault Systemes | \$33.44 | \$44,544.7 | \$42,264.4 | 6.2x | 20.9x |
| PTC | \$203.02 | \$24,546.8 | \$25,532.7 | 10.3x | 29.0x |
| Tyler Technologies | \$523.16 | \$22,946.8 | \$22,382.2 | 10.0x | 43.7x |
| Manhattan Associates | \$204.98 | \$12,643.3 | \$12,212.8 | 11.5x | 42.9x |
| Amdocs | \$82.05 | \$9,088.0 | \$9,563.0 | 2.1x | 10.8x |
| Blackbaud | \$64.31 | \$3,145.6 | \$4,243.7 | 3.7x | NM |
| Verint Systems | \$20.25 | \$1,254.2 | \$1,928.9 | 2.2x | 15.4x |
| Stratasys | \$11.20 | \$834.8 | \$729.6 | 1.3x | NM |
| Median: | \$234.49 | \$34,545.76 | \$33,898.53 | 7.0x | 26.7x |

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Note to Reader: Ansys has been acquired by Synopsys and removed from our index

SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 7.0x revenue (based on Enterprise Value to Revenue) at the closing of Q3.
- The largest demand generator in the enterprise software sector is the increased desire to implement enterprise AI capability. While consumer sentiment dropped in Q1, forecasted fourth-quarter spending will increase. Even amid the volatile policy environment, many companies are increasing spending or resuming paused projects that may have been taken off the table during the first quarter of the year. While larger AI trends are driving investment, many companies are also focused on cloud infrastructure and services, as well as enterprise networking.
- The largest deal of the year in the Enterprise Software sector was announced in August, with Thoma Bravo taking Dayforce private at 6.9x TTM revenue. The transaction value was \$11.5B, representing a 3.9% premium over the shares' value the day before the deal was announced. Dayforce is an AI-powered provider of human capital management software, helping companies with payroll, workforce management, people analytics, and reporting. The deal should give Dayforce some muscle to compete in the HCM space as large payroll solution providers invest heavily in the sector to differentiate offerings.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | Enterprise EV/Rev Value (\$m) |
|-------------------|--------------------|--|----------------------------------|
| 2025-09-11 | TPG Capital | GE Vernova (Proficy manufacturing software business) | 600.0 |
| 2025-09-09 | Vitruvian Partners | Deepintent | 637.0 |
| 2025-09-04 | Atlassian | The Browser Company Of New York Inc. | 610.0 |
| 2025-08-21 | Workday | Paradox | 7.10 1,000.0 |
| 2025-08-18 | Salesforce | Regrello | 900.0 |
| 2025-08-05 | JMI Managemen | Locality Media | 16.20 810.0 |
| 2025-08-01 | SAP | SmartRecruiters | 8.20 900.0 |
| 2025-08-01 | Machinify | Performant Healthcare | 4.90 667.0 |
| 2025-07-28 | NICE | Cognigy | 23.90 955.0 |
| 2025-07-21 | Roper Technologies | Subsplash | 800.0 |

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 09/30/25 | Market Cap. | Enterprise Value (\$M) | EV/ LTM Revenue | EV / LTM EBITDA |
|------------------|-------------------------|------------------|---------------------------|--------------------|--------------------|
| Snowflake | \$225.55 | \$75,056.4 | \$75,528.9 | 18.4x | NM |
| Verisk Analytics | \$251.51 | \$35,549.8 | \$37,939.7 | 12.7x | 23.1x |
| Elastic | \$84.49 | \$8,836.1 | \$8,078.8 | 5.2x | NM |
| Pegasystems | \$57.50 | \$10,769.4 | \$9,504.6 | 5.7x | 30.2x |
| Informatica | \$24.84 | \$7,651.7 | \$8,129.0 | 4.9x | 32.8x |
| Onestream | \$18.43 | \$4,497.2 | \$2,889.5 | 5.3x | NM |
| PROS Holdings | \$1.76 | \$33.3 | \$30.3 | 7.3x | NM |
| Domo | \$15.84 | \$627.7 | \$743.1 | 2.3x | NM |
| Median: | \$41.17 | \$8,243.9 | \$8,103.9 | 5.5x | 30.2x |

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SECTOR HIGHLIGHTS

- The median Business Integration Software index was trading at 5.5x revenue (based on Enterprise Value) at the end of Q3.
- About 18 months after Clearlake Capital Group closed its transaction to take Alteryx private, the company announced a unified product and pricing structure for its cloud offering, Alteryx One. The goal is to convince current users, often business and data analysts, to move away from the desktop offering, which is seen as a better product due to its wider feature set. While the desktop version has been in operation for far longer than any of Alteryx's cloud solutions, many of the cloud use cases are aimed at improving data readiness for AI. This strategy has not been Alteryx's first push to gain cloud momentum, but it does represent its desire to support the client's migration to its cloud platform and make it better for the analyst community while maintaining oversight of cloud for each client's IT operations.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | EV/Rev | Enterprise Value (\$m) |
|-------------------|--------------------------------|--|--------|---------------------------|
| 2025-09-24 | Battery Ventures | Signal Media | | 165.0 |
| 2025-09-24 | CRISIL | Mckinsey Pricematrix | 3.40 | 38.0 |
| 2025-09-03 | PurpleLab | KAID Health | | |
| 2025-08-29 | Sumitomo Rubber Industries | Viaduct | | 104.0 |
| 2025-08-25 | Cretturner Group (publ) | Zonderacom | 0.70 | 0.2 |
| 2025-08-14 | Power Technology Group | Changing of the Aspens | | 200.0 |
| 2025-08-14 | Diginex | Matter DK | | 18.9 |
| 2025-07-30 | Sprout Social | NewsWhip Media | | 55.0 |
| 2025-07-28 | Quick Custom Intelligence | NEW BI US Gaming | | |
| 2025-07-21 | Goldman Sachs Asset Management | NAVEX Global | | 2,500.0 |
| 2025-07-21 | Regnology Group | Wolters Kluwer (Finance, Risk & Regulatory Reporting unit) | 4.10 | 524.5 |
| 2025-07-21 | GE Vernova | Alteia | | |

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 09/30/25 | Market Cap. | Enterprise Value (\$M) | EV / LTM Revenue | EV / LTM EBITDA |
|---|-------------------------|------------------|---------------------------|---------------------|--------------------|
| NetApp (Systems and Information Management) | \$118.46 | \$24,491.6 | \$23,067.8 | 3.5x | 14.6x |
| Check Point Software | \$206.91 | \$23,123.6 | \$20,687.9 | 7.8x | 21.3x |
| F5 (IT Consulting and Outsourcing) | \$323.19 | \$19,017.5 | \$17,399.2 | 5.8x | 19.6x |
| CommVault Systems | \$188.78 | \$8,544.4 | \$8,059.5 | 7.7x | NM |
| Trend Micro | \$54.51 | \$7,194.4 | \$5,727.7 | 3.2x | 11.9x |
| Progress Software | \$43.93 | \$1,954.5 | \$3,236.7 | 3.4x | 11.7x |
| Radware | \$26.49 | \$1,166.6 | \$916.1 | 3.2x | NM |
| Magic Software Enterprises | \$20.31 | \$997.0 | \$1,028.5 | 1.8x | 12.6x |
| Allot Communications | \$10.58 | \$419.2 | \$448.3 | 4.7x | NM |
| Median: | \$54.51 | \$7,194.4 | \$5,727.7 | 3.5x | 13.6x |

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SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 3.5x revenue (based on enterprise value) at the end of Q3.
- Software companies involved in acquisitions to improve their infrastructure are focused on making strategic moves to provide "end-to-end" solutions for customers. One deal that highlights this is Nordic Semiconductor's acquisition of Memfault for 120m. Nordic Semiconductor focuses on making wireless chips and has integrated Memfault's technology. This additional capability provides updates, crash reports, and other risk-preventing aspects. The founders of Memfault have reinvested 30% of proceeds back into Nordic Semiconductor equity, demonstrating confidence in the product and sector.
- One of the larger deals of the quarter was Check Point's \$300M-estimated acquisition of Laker AI. The deal continues the year-long trend of AI security consolidation. Laker provides AI-native security software and related APIs to deliver real-time visibility, threat detection, and intelligence solutions to clients around the world. The deal is unique as the Israeli company rarely reaches into Europe. Laker's Zurich headquarters will become Check Points' AI security R&D center.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | Enterprise EV/Rev Value (\$m) |
|-------------------|-----------------|----------------------|----------------------------------|
| 2025-09-10 | Stonebranch | Honico Systems | |
| 2025-08-27 | Marlin Leasing | topi | |
| 2025-08-26 | Vertiv Holdings | Waylay | |
| 2025-08-26 | TPG Capital | Irth Solutions | |
| 2025-08-20 | Advania | Gridcore | |
| 2025-08-20 | StackGen | DevOpsNow | |
| 2025-08-18 | Kiniot | Kinsetu | |
| 2025-08-04 | Cloudera | Taikun.cloud | |
| 2025-07-31 | Acumera | Scale Computing | |
| 2025-07-14 | Ondo Finance | Strangelove Ventures | |

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 09/30/25 | Market Cap. | Enterprise Value (\$M) | EV/ LTM Revenue | EV / LTM EBITDA |
|----------------------|-------------------------|-------------------|---------------------------|--------------------|--------------------|
| Accenture | \$246.60 | \$156,174.2 | \$151,339.2 | 2.2x | 12.0x |
| NTT Data Group | \$154.70 | \$34,172.1 | \$56,987.5 | 1.9x | 12.6x |
| Cognizant Technology | \$67.07 | \$33,166.1 | \$32,125.7 | 1.6x | 8.7x |
| Capgemini | \$144.94 | \$25,480.2 | \$28,762.4 | 1.2x | 9.2x |
| CDW | \$159.28 | \$21,303.7 | \$26,163.4 | 1.2x | 13.4x |
| Booz Allen Hamilton | \$99.95 | \$12,686.7 | \$15,792.7 | 1.3x | 10.2x |
| CACI International | \$498.78 | \$11,169.2 | \$14,198.9 | 1.6x | 14.8x |
| DXC Technology | \$13.63 | \$2,527.4 | \$5,708.8 | 0.4x | 2.9x |
| ICF International | \$92.80 | \$1,739.3 | \$2,347.4 | 1.2x | 11.0x |
| The Hackett Group | \$19.01 | \$539.9 | \$538.5 | 1.7x | 15.8x |
| Median: | \$122.44 | \$16,995.2 | \$20,978.0 | 1.4x | 11.5x |

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SECTOR HIGHLIGHTS

- The median IT Services index was trading at 11.5x EBITDA (based on Enterprise Value to EBITDA) at the closing of Q3.
- As cybersecurity environments are becoming more complex, companies are more often looking for SecOps vendors to support SOC or CISO roles. Smaller organizations, ones with fewer than 1,000 employees, are less likely to have a SOC in place, but still have one in a majority of companies. Companies in more regulated environments, such as healthcare or financial services, or with over 1,000 employees, are far more likely to have a SOC, with over 78% of companies in each category maintaining one.
- CDW is looking to expand its market share in the IT services sector through organic and inorganic growth. Digital Velocity is the systems and integration arm of CDW, with services spanning cloud, software engineering, and AI. Digital Velocity was launched during the pandemic following the acquisition of IGNW, a provider of cloud-native services and data orchestration and has since been further boosted by 7 acquisitions. Expect CDW to continue its acquisition trend, with a continued emphasis on partner environments such as Azure, AWS, and Google Cloud.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | EV/ EBITDA | Enterprise Value (\$m) |
|-------------------|-------------------------------|---|---------------|---------------------------|
| 2025-09-15 | Everon | ADT (business-to-business segments of the multifamily business) | | 55.0 |
| 2025-08-29 | ITG Communications | Tilson Technology (substantially all of the assets) | | 22.0 |
| 2025-08-14 | Accenture | Aidemy | 44.40 | 43.4 |
| 2025-08-13 | Bain Capital | HSO Group | | 1,000.0 |
| 2025-08-13 | Infosys | Versent | | 114.4 |
| 2025-08-12 | V2X | QinetiQ (non-core federal IT services) | | 31.0 |
| 2025-08-07 | Soma Papers & Industries | Ks Smart Solutions | | 36.3 |
| 2025-07-31 | FlexGen Power Systems | Powin (assets) | | 36.0 |
| 2025-07-28 | Doosan Robotics | ONExia | | 23.3 |
| 2025-07-17 | Hexaware Technologies | SMC Squared | | 45.0 |
| 2025-07-14 | AURELIUS Equity Opportunities | DCC (Info Tech business in the UK and Ireland) | | 135.0 |

Services: Hosted & Managed Services

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Hosted Services Index EV/EBITDA Multiple

Latest Twelve Months



VALUATION METRICS

| Company | Stock Price 09/30/25 | Market Cap. | Enterprise Value (\$M) | EV/ LTM Revenue | EV / LTM EBITDA |
|-------------------|-------------------------|------------------|---------------------------|--------------------|--------------------|
| NCC Group | \$1.99 | - | \$641.1 | NM | NM |
| Equinix | \$783.24 | \$76,154.8 | \$93,993.0 | 10.5x | 27.4x |
| Digital Realty | \$172.88 | \$59,120.5 | \$77,835.9 | 13.5x | 21.1x |
| SAIC | \$99.37 | \$4,799.6 | \$6,970.2 | 0.9x | 10.1x |
| ePlus | \$71.01 | \$1,886.1 | \$1,539.9 | 0.7x | 8.6x |
| Cancom | \$29.79 | \$947.6 | \$1,066.0 | 0.6x | 10.5x |
| Sify Technologies | \$13.66 | \$872.9 | \$988.3 | 2.0x | 10.1x |
| Redcentric | \$1.77 | \$290.6 | \$337.7 | 2.0x | 16.2x |
| iomart | \$0.23 | \$26.5 | \$158.1 | 0.9x | NM |
| Median: | \$50.40 | \$1,416.9 | \$1,303.0 | 1.4x | 10.5x |

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SECTOR HIGHLIGHTS

- The median Hosted & Managed Services index was trading at 10.5x EBITDA, (based on Enterprise Value) at Q3 closing.
- Zscaler's acquisition of Red Canary closed in early August, with Zscaler placing a big bet on security operations. Red Canary provides managed detection and response and threat intelligence services. This acquisition is the largest deal Zscaler has ever done, with estimates saying they paid \$675M, over 5x Red Canary's TTM revenue. The deal value represents a significant premium over its most recent funding valuation of \$430M. The combined entity "will offer the industry's most robust security platform that combines the power of Zero Trust with automated security operations," according to Jay Chaudhry, CEO and Founder of Zscaler. Expect the MDR sector to maintain elevated demand and M&A activity as complex threats continue to disrupt business operations.
- Along the lines of managed detection and response, many MSSPs can look towards reselling and supporting observability software as a future revenue stream. As siloed monitoring solutions have become increasingly suboptimal for on-premises data centers and multi-cloud infrastructures, providers should look to partnerships with comprehensive observability solutions to create short- and long-term revenue opportunities. Not only will MSSPs receive implementation revenue, but they can also secure long-term contracts to manage the software and lucrative professional services, helping customers understand performance issues and address problems through the companies' portfolio of offerings.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | EV/ EBITDA | Enterprise Value (\$m) |
|-------------------|--------------------------|------------------------------|---------------|---------------------------|
| 2025-09-10 | Fairdinkum Consulting | Tech 2020 Solutions | | |
| 2025-08-26 | hosting.com | onRocket.com | | |
| 2025-08-18 | Net@Work | AppSolute Consulting Group | | |
| 2025-08-01 | IPro Media | Introtel Communications | | |
| 2025-07-31 | Cirrus Networks Holdings | Blue Connections | | 11.6 |
| 2025-07-31 | Evergreen Services Group | Spector Information Security | | |
| 2025-07-16 | IT Solutions Consulting | Cutting Edge Network | | |
| 2025-07-15 | Performive | CloudFirst Technologies | | 40.0 |
| 2025-07-11 | Conscia Danmark | Open Line | | |
| 2025-07-04 | Ekco Cloud | Adapt-It | | |

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 9/30/2025 | Market Cap. | Enterprise Value (\$M) | EV/ LTM Revenue | EV / LTM EBITDA |
|----------------------|--------------------------|---------------------|---------------------------|--------------------|--------------------|
| Tata Consultancy | \$32.56 | \$117,811.7 | \$114,135.7 | 3.8x | 14.4x |
| Automatic Data | \$293.50 | \$119,953.5 | \$120,112.6 | 5.8x | 19.9x |
| Infosys | \$16.25 | \$67,496.8 | \$64,327.2 | 3.3x | 13.5x |
| Cognizant Technology | \$67.07 | \$33,166.1 | \$32,125.7 | 1.6x | 8.7x |
| Wipro | \$2.70 | \$28,316.9 | \$23,905.6 | 2.3x | 10.9x |
| CGI Group | \$89.07 | \$20,231.1 | \$22,127.1 | 2.0x | 10.8x |
| CSG International | \$64.38 | \$1,829.4 | \$2,271.2 | 1.9x | 11.3x |
| Unisys | \$3.90 | \$273.2 | \$725.3 | 0.4x | 4.4x |
| Median: | \$ 48.47 | \$ 30,741.50 | \$28,015.68 | 2.1x | 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 Q3.
- The US's decision to impose a new fee on H1B visas should drive demand towards offshoring and nearshoring companies. With the future of the H1B market unclear, many firms will see the benefits of outsourcing to a stable firm while lawsuits work their way through the courts. Most companies will not want to shut off the H1B talent faucet completely, but most small businesses will not be able to compete in the current talent market with high salaries and the added H1B cost.
- The largest deal of the third quarter was Capgemini's \$3.5B acquisition of WNS services. WNS, a provider of business process outsourcing services including analytics, GRC, procurement, and IT services, was acquired for 13.5x TTM EBITDA. This multiple represented a 17% premium to share value on the day before the deal was announced. The deal should allow Capgemini to gain a stronger foothold in the AI-powered business process transformation services sector and further address clients' needs for Agentic AI-driven process transformation.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

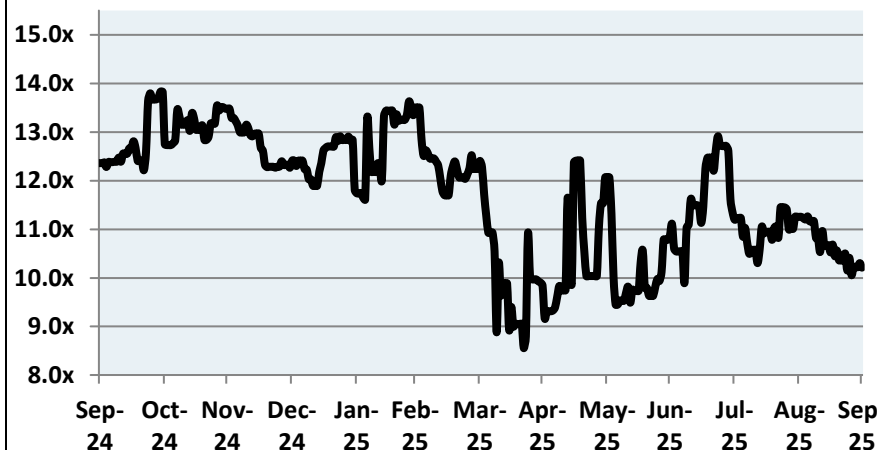
| Announced Date | Acquirer Name | Target Name | EV/ EBITDA | Enterprise Value (\$m) |
|-------------------|--------------------|---|---------------|---------------------------|
| 2025-09-30 | NOTE (publ) | Kasdon Electronics | 2.40 | 37.9 |
| 2025-09-22 | Complete Solaria | Sunder Energy | | 55.8 |
| 2025-09-11 | Good Digital | DXO (systems engineering services business) | 0.30 | 0.7 |
| 2025-09-08 | Assist Digital | Dr. Schengber & Friends | | |
| 2025-09-03 | Medix | Sales Lab | 0.10 | 0.1 |
| 2025-08-29 | SMAART | Ecom | | 1.0 |
| 2025-08-21 | R Systems | Novigo Solutions | 1.50 | 46.0 |
| 2025-08-07 | Intuitive Machines | KinetX Aerospace | | 29.7 |
| 2025-07-29 | Silvaco Group | Mixel | | 22.0 |
| 2025-07-23 | Surge Global | Calcey Technologies | | 40.0 |
| 2025-07-07 | Capgemini | WNS (Holdings) | 2.80 | 3,521.1 |
| 2025-07-04 | Gofore | Huld | 1.20 | 48.7 |

Services: IT Staffing

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Staffing Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

| Company | Stock Price 09/30/25 | Market Cap. | Enterprise Value (\$M) | EV/ LTM Revenue | EV/ LTM EBITDA |
|------------------|-------------------------|----------------|---------------------------|--------------------|-------------------|
| Robert Half | \$33.98 | \$3,448.4 | \$3,320.2 | 0.6x | 10.2x |
| ASGN | \$47.35 | \$2,104.7 | \$3,146.7 | 0.8x | 8.7x |
| ManpowerGroup | \$37.90 | \$1,792.7 | \$3,188.0 | 0.2x | 13.0x |
| Kforce | \$29.98 | \$550.3 | \$641.5 | 0.5x | 10.0x |
| Kelly Services | \$13.12 | \$463.8 | \$582.8 | 0.1x | 15.3x |
| RCM Technologies | \$26.55 | \$205.1 | \$231.9 | 0.8x | 9.0x |
| Mastech Digital | \$7.62 | \$91.0 | \$65.0 | 0.3x | 15.9x |
| Median: | \$29.98 | \$550.3 | \$641.5 | 0.5x | 10.2x |

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 10.2x EBITDA (based on Enterprise Value) at the closing of Q3.
- Q3 saw a shake-up in the IT staffing world with an added cost to receiving an H1B visa. The \$100K fee on new visa petitions will undoubtedly impact the IT staffing firm's talent pool and may drive demand towards outsourcing firms. Many analysts say this could cause the US to lose top foreign talent, while others argue it should increase investment in US technical development.
- As companies race to hire the best talent, many companies are beginning to switch to a hybrid of in-house staffing and augmented teams to support existing and new projects. With the rising cost of AI talent and the desire to retain existing engineers, companies are turning to third parties to rapidly staff up for unique projects. This trend allows teams to access specialized talent without bearing the full cost. This model allows for more resources to be allocated to the continued development of internal teams. Typical projects range from cutting-edge AI work to decommissioning legacy systems acquired in M&A transactions. While this trend offers little downside, alignment of teams and culture is crucial to ensure that the teams thrive together.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | EV/ EBITDA | Enterprise Value (\$m) |
|-------------------|----------------------------|--------------------------|---------------|---------------------------|
| 2025-09-13 | Tata Technologies | Es-Tec | | |
| 2025-08-05 | Gattaca | Infosec People | | 2.8 |
| 2025-08-04 | Allied Resources | Verigent | | |
| 2025-07-29 | Smart IMS | cyberThink | | |
| 2025-07-29 | Grant Thornton Advisors | Auxis | | |
| 2025-07-23 | Hudson Global | Alpha Consulting | | |
| 2025-07-22 | rakumo | Agent Share | | 4.3 |
| 2025-07-11 | Act Consultoria | Kalytech Consulting S.A. | | |

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 09/30/25 | Market Cap. | Enterprise Value (\$M) | EV/ LTM Revenue | EV / LTM EBITDA |
|--------------------------------------|-------------------------|--------------------|---------------------------|--------------------|--------------------|
| Nvidia | \$186.58 | \$4,600,129.9 | \$4,499,270.3 | 27.2x | 44.5x |
| International Business ServiceNow | \$282.16 | \$266,228.3 | \$315,188.5 | 4.9x | 25.8x |
| ServiceNow | \$920.28 | \$192,545.1 | \$187,252.6 | 15.5x | 84.6x |
| CrowdStrike Holdings | \$490.38 | \$121,475.2 | \$118,939.5 | 27.4x | NM |
| Palantir Technologies | \$182.42 | \$460,806.1 | \$427,096.8 | 124.1x | NM |
| SentinelOne | \$17.61 | \$5,712.2 | \$5,102.9 | 5.6x | NM |
| C3.ai | \$17.34 | \$2,283.5 | \$1,683.3 | 4.5x | NM |
| Median: | \$186.58 | \$192,545.1 | \$187,252.6 | 15.5x | 44.5x |

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

SECTOR HIGHLIGHTS

- The median AI & ML index was trading at 15.5x Revenue (based on Enterprise Value) at the closing of Q3.
- Since 2023, nearly all AI M&A activity has been focused on generative AI, with OpenAI stunning the world. As the M&A world came to recognize the impact of generative AI, companies around the globe moved quickly to pick up any genAI company that was available, with over 400 deals mentioning genAI in 2023 and 2024. Now, this trend has changed as agentic AI is driving more of the deal activity. While the number of agentic AI deals has been steadily increasing in Q3, it overtook the number of genAI deals, 129 to 92. Many household names are beginning to invest heavily in the agentic market, with Workday closing three agentic AI transactions in the summer of 2025. Spending more than \$2B across the three deals, the company added ready-made agents to automate interactions with the company's massive store of customer HR records, as well as the capabilities of FlowiseAI's platform to build the bots.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | Enterprise E/Rev Value (\$m) |
|-------------------|----------------------|------------------------|---------------------------------|
| 2025-08-08 | Meta Platforms | WaveForms AI | |
| 2025-08-04 | Number One Solutions | AldeaLab | |
| 2025-07-18 | Norty | Sound Business Systems | |
| 2025-07-12 | Meta Platforms | PlayHT | |

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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