

DECISIONPOINT

QUARTERLY VIEWPOINT:

For the Quarter Ended June 30th, 2022 and the Latest Twelve Months

Q2 | 22

| | |
|---|----------|
| 1. Market Leader for Mid-Market Technology M&A | 3 |
| 2. Software | |
| I. Software as a Service (SaaS) | 4 |
| II. Internet Software & Services | 5 |
| III. Enterprise Software | 6 |
| IV. Business Intelligence Software | 7 |
| V. Infrastructure Software | 8 |
| 3. Services | |
| I. IT Services | 9 |
| II. Hosted & Managed Services | 10 |
| III. IT Outsourcing | 11 |
| IV. IT Staffing | 12 |
| 3. Industries to Watch | |
| I. Artificial Intelligence & Machine Learning | 13 |
| II. MarTech and FinTech | 14 |

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.



The information in this Quarterly ViewPoint was prepared by DecisionPoint Advisors, LLC ("DecisionPoint"). DecisionPoint has issued the material contained within this report for informational purposes only. The material contained within this report is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe for any investment. Information presented was obtained from various sources that are believed to be reliable. DecisionPoint makes no guarantees, representations or warranties and accepts no responsibility or liability as to the accuracy or completeness of the information provided. Opinions, estimates, and analyses in this report do not necessarily reflect the opinions of DecisionPoint and are subject to change without notice. DecisionPoint has no obligation to update, modify, or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.

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 06/30/22 | Market Cap. | Enterprise Value (\$M) | EV/ LTM Revenue | EV / LTM EBITDA |
|----------------|----------------------|-------------------|------------------------|-----------------|-----------------|
| Salesforce.com | \$165.04 | \$163,265.8 | \$164,696.8 | 5.9x | 36.7x |
| ServiceNow | \$475.52 | \$96,673.2 | \$93,515.7 | 14.9x | NM |
| Shopify | \$31.24 | \$39,737.1 | \$33,355.4 | 6.9x | NM |
| Workday | \$139.58 | \$35,737.1 | \$33,582.0 | 6.2x | 98.6x |
| Zoom Video | \$107.97 | \$33,052.5 | \$26,590.8 | 6.3x | 24.9x |
| Veeva Systems | \$198.04 | \$32,123.2 | \$27,881.4 | 14.5x | 51.9x |
| Block | \$61.46 | \$31,455.2 | \$32,887.7 | 2.0x | NM |
| LivePerson | \$14.14 | \$1,012.2 | \$1,318.1 | 2.7x | NM |
| Ebix | \$16.90 | \$518.4 | \$1,131.3 | 1.1x | 8.2x |
| Median: | \$107.97 | \$33,052.5 | \$32,887.7 | 6.2x | 36.7x |

SECTOR HIGHLIGHTS

- The median SaaS index was trading at 6.2x revenue (based on Enterprise Value to Revenue) at the closing of Q2.
- Total deal count in the SaaS market increased over the same period last year, from 267 to 424. However, both total deal value and the median transaction multiple fell. Total deal value was over \$31.5 Bn, and the median transaction multiple was 4.0x, down from 9.0x in Q2 2021.
- While the focus is often on market-leading SaaS companies, vertical SaaS solutions are becoming more common to solve specific business needs. Vertical SaaS products serve the needs of a niche, single industry, compared to horizontal SaaS, which served many industries. These businesses can still be lucrative even if they serve a specific audience. For example, Toast, Procore, and Blend are three leaders in the vertical SaaS space.
- On June 24th, Zendesk, a leading customer service SaaS, announced it had entered into a definitive agreement to be acquired by an investor group led by Permira Holdings and Hellman & Friedman LLC. The deal is valued at \$10.2 Bn, or \$77.50 per share, in the all-cash deal. The offer represents a premium of approximately 34% over Zendesk’s closing stock price on June 23rd, the last full trading day prior to this announcement.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|----------------|---|------------------------------|------------------------|
| 2022-06-27 | Siemens Aktiengesellschaft | Brightly Software Inc. | 1,575.0 |
| 2022-06-24 | Permira Holdings Limited / Hellman & Friedman LLC | Zendesk Inc. [NYSE: ZEN] | 10,200.0 |
| 2022-06-14 | ResMed Inc. | MEDIFOX DAN GmbH | 1,000.0 |
| 2022-06-02 | Apax Partners LLP | EcoOnline Holding AS | 400.4 |
| 2022-05-25 | TPG Capital LP | Covetrus Inc. | 4,000.0 |
| 2022-05-09 | Hg Capital | Ideagen Plc | 1,346.2 |
| 2022-05-09 | Plusgrade LP | Points.com Inc. | 244.7 |
| 2022-05-05 | Shopify Inc. | Deliverr Inc. | 2,100.0 |
| 2022-04-29 | GI Partners LP | GTY Technology Holdings Inc. | 389.0 |
| 2022-04-25 | TPG Capital LP | Change Healthcare Inc. | 2,200.0 |
| 2022-04-12 | Sumeru Equity Partners LP | beqom SA | 300.0 |
| 2022-04-07 | Brookfield Business Partners L.P. | CDK Global Inc. | 8,300.0 |

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 06/30/22 | Market Cap. | Enterprise Value (EV) | EV/ LTM Revenue | EV / LTM EBITDA |
|------------------|-------------------------|-------------------|--------------------------|--------------------|--------------------|
| Amazon.com | \$106.21 | \$1,091,838.8 | \$1,127,526.0 | 2.4x | 18.9x |
| Netflix | \$174.87 | \$79,514.7 | \$88,317.2 | 2.9x | 4.6x |
| Alphabet | \$108.96 | \$73,445.3 | \$1,332,060.0 | 4.9x | 13.2x |
| Booking Holdings | \$1,748.99 | \$72,319.0 | \$70,617.7 | 5.6x | 39.7x |
| Uber | \$20.46 | \$39,289.8 | \$48,057.5 | 2.2x | NM |
| Twitter | \$37.39 | \$29,665.2 | \$28,937.2 | 5.5x | 30.1x |
| eBay | \$41.67 | \$26,523.0 | \$26,736.6 | 2.6x | NM |
| Snap Group | \$13.13 | \$20,855.2 | \$20,758.4 | 4.7x | NM |
| Expedia Group | \$94.83 | \$14,464.4 | \$18,903.6 | 2.0x | 11.6x |
| Cimpress | \$38.90 | \$1,014.4 | \$2,694.6 | 1.0x | 10.5x |
| Groupon | \$11.30 | \$377.6 | \$342.4 | 0.4x | 2.9x |
| Median: | \$41.67 | \$29,665.2 | \$28,937.2 | 2.6x | 12.4x |

SECTOR HIGHLIGHTS

- The median Internet Software and Services index was trading at 2.6x revenue (based on Enterprise Value to Revenue) at the closing of Q2.
- Deal processes continued with strength in Q2 with a total deal count of 85 and deal value of \$3.5B. This amount is much less than the totals from Q2 2021 of 95 deals and a total publicly available deal value of \$31.4B.
- During the second quarter, the slowing rate of economic growth, tightening monetary policy, inflation running hotter for longer, and rising interest rates took their toll on the markets. Media stocks have also seen a sharp shift in sentiment in the wake of disappointing customer growth at Netflix. The firm lost 200,000 net customers globally during the quarter versus management’s expectation of 2.5 million net additions. Netflix is in talks with companies for advising partnerships with Google and Comcast for marketing tie-ups as they roll out a cheaper plan with ads.
- The most notable deal that was intended to close at the end of this year, was Elon Musk’s acquisition of Twitter. Musk intends to takeover Twitter at a \$44B transaction price. This is to be the fifth-largest tech transaction of the past two years. This announcement of Twitter accepting his bid raised their stock price to \$51, which is \$10 over their price before the announcement. Elon offered shareholders \$54.20 per share and is determined to bring new features and unlock Twitter’s potential.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced

| Date | Acquirer Name | Target Name | Enterprise Value |
|------------|-------------------------------|--------------------|------------------|
| 2022-06-27 | carsales.com | Trader Interactive | 1,586.3 |
| 2022-06-24 | Zomato | Blink Commerce | 569.3 |
| 2022-06-23 | NerdWallet | On the Barrelhead | 120.0 |
| 2022-06-21 | Global-e Online | Borderfree | 100.0 |
| 2022-06-14 | Entain | Betent BV | 315.5 |
| 2022-05-23 | Moonpig Group | Smartbox Group | 154.7 |
| 2022-05-20 | Woolworths Group | MyDeal | 161.6 |
| 2022-05-12 | SBI FINANCIAL SERVICES | BITPoint Japan | 191.3 |
| 2022-05-11 | Shutterstock [NYSE: SSTK] | Pond5 | 210.0 |
| 2022-04-11 | International Game Technology | ISBT Holdings | 174.0 |
| 2022-04-04 | Morningstar | S&P Global | 600.0 |

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 06/30/22 | Market Cap. | Enterprise Value (EV) | EV/ LTM Revenue | EV / LTM EBITDA |
|------------------------|-------------------------|--------------------|--------------------------|--------------------|--------------------|
| Microsoft | \$256.83 | \$1,941,442.2 | \$1,877,463.1 | 9.8x | 19.4x |
| Oracle | \$69.87 | \$194,658.0 | \$240,607.4 | 5.7x | 17.9x |
| IBM | \$141.19 | \$127,990.3 | \$174,116.3 | 3.2x | 14.9x |
| SAP | \$90.81 | \$107,106.3 | \$116,595.0 | 3.5x | 15.6x |
| Dassault Systemes | \$36.68 | \$48,862.4 | \$49,387.7 | 8.6x | 26.4x |
| Autodesk | \$171.96 | \$38,046.2 | \$38,830.1 | 8.5x | 44.9x |
| Constellation Software | \$1,482.98 | \$31,426.7 | \$32,064.7 | 6.0x | 23.4x |
| Ansys | \$239.29 | \$21,067.8 | \$21,026.0 | 10.7x | 31.6x |
| Tyler Technologies | \$332.48 | \$14,077.5 | \$14,872.7 | 8.5x | 42.3x |
| PTC | \$106.34 | \$12,597.6 | \$13,602.1 | 7.2x | 24.3x |
| Amdocs | \$83.31 | \$10,367.3 | \$10,300.5 | 2.3x | 12.0x |
| Manhattan Associates | \$114.60 | \$7,354.4 | \$7,037.7 | 10.3x | 46.6x |
| Blackbaud | \$58.07 | \$2,856.4 | \$4,081.6 | 4.2x | 40.1x |
| Verint Systems | \$42.35 | \$2,770.2 | \$3,328.8 | 3.7x | 27.7x |
| Stratasys | \$18.74 | \$1,222.7 | \$783.2 | 1.2x | NM |
| Median: | \$106.34 | \$21,067.81 | \$21,026.04 | 6.0x | 25.3x |

SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 6.0x revenue (based on Enterprise Value to Revenue) at the closing of Q2.
- The Enterprise Software market continued its strong pace with 294 deals in Q2, a slight increase from the 238 deals in Q2 2021. Total publicly available deal value decreased from \$36.5B last year to \$20.5B this year.
- Immersive productivity is a trend that will follow enterprise software throughout 2022. This includes personalization of workflow software; such as more graphics, emojis, and videos. Immersive productivity addresses issues that arise when employees are working remotely such as inclusivity, enjoyment, and collaboration. These issues are addressed by improving technology that incorporates motivation and experience within a software.
- This quarter, the most notable acquisition was Siemens acquiring Brightly Software in June for \$1.6B from Clearlake Capital. They believe that Brightly will enable them to seamlessly exchange data between their offerings and increase software efficiency. Siemens aims to expand their infrastructure software sector to reach their vision of creating fully autonomous buildings one day. Brightly Software is a leader in cloud-based asset and maintenance management software that will strengthen Siemens' digital offerings in asset and energy management.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|---|-------------------------|---------------------------|
| 2022-06-27 | Siemens | Brightly Software | 1,575.0 |
| 2022-06-24 | Permira Holdings Limited | Zendesk [NYSE: ZEN] | 10,200.0 |
| 2022-06-14 | ResMed | MEDIFOX DAN [HgCapital] | 1,000.0 |
| 2022-06-13 | Cornerstone OnDemand | SumTotal Systems | 200.0 |
| 2022-06-02 | Apax Partners | EcoOnline | 403.5 |
| 2022-05-25 | TPG Capital / Clayton Dubilier & Rice LLC | Covetrus | 4,000.0 |
| 2022-05-09 | Plusgrade | Points.com | 244.7 |
| 2022-05-05 | Shopify [NYSE: SHOP] | Deliverr | 2,100.0 |
| 2022-04-29 | GI Partners | GTY Technology | 389.0 |
| 2022-04-12 | Sumeru Equity Partners | beqom | 300.0 |

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 06/30/22 | Market Cap. | Enterprise Value (\$M) | EV/ LTM Revenue | EV / LTM EBITDA |
|------------------|-------------------------|------------------|---------------------------|--------------------|--------------------|
| Snowflake | \$139.06 | \$42,554.7 | \$40,626.5 | 28.8x | NM |
| Verisk Analytics | \$173.09 | \$28,151.3 | \$30,864.3 | 10.1x | 17.4x |
| Elastic | \$67.67 | \$6,262.7 | \$6,152.3 | 7.1x | NM |
| Pegasystems | \$47.84 | \$3,901.6 | \$4,269.0 | 3.3x | NM |
| Alteryx | \$48.42 | \$3,264.2 | \$3,794.1 | 6.6x | NM |
| MicroStrategy | \$164.30 | \$1,713.7 | \$4,199.3 | 8.3x | NM |
| PROS Holdings | \$26.23 | \$1,168.8 | \$1,298.0 | 5.1x | NM |
| Domo | \$27.80 | \$906.1 | \$979.3 | 3.6x | NM |
| Median: | \$58.05 | \$3,582.9 | \$4,234.2 | 6.9x | 17.4x |

SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 6.9x revenue (based on Enterprise Value) at the closing of Q2.
- There were 72 deals in the quarter and a publicly available total deal value of \$1.4B, a decrease from 2021's Q2 deal value of \$1.7B. Also there has been an increase in BI revenue multiples; from 3.5x to 12.6x revenue.
- In accordance with companies keeping a hybrid work model, business intelligence is predicted to grow into a world of more diversified platforms that allow for enhanced collaboration. Along with collaboration, we are going to see an increase in the use of data storytelling software to present insights so teams can make more informed decisions.
- A notable acquisition from this quarter is Hg Capital's acquisition of IdeaGen. Hg has a current portfolio of over 45 software and technology businesses and Ideagen's software specializes in helping companies comply with regulation and risk management. Hg believes that Ideagen is a strong platform and wants to support their next phase of growth after witnessing their 12 years of profitable growth and strong cash flows.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

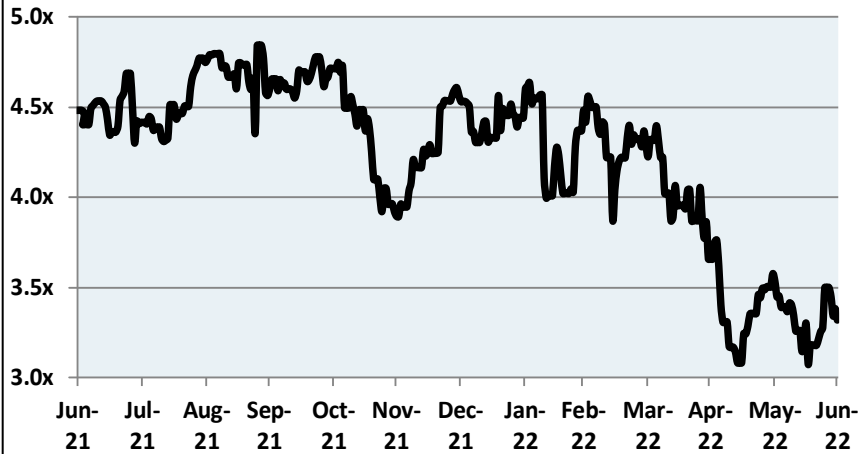
| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|--------------------|----------------------|---------------------------|
| 2022-06-28 | DeepMatter Group | ChemIntelligence SAS | 0.0 |
| 2022-06-09 | Mentice | Galgo Medical | 3.0 |
| 2022-05-23 | Relatech | Fair Winds Digital | 0.3 |
| 2022-05-19 | PreIPO Corporation | TABS Suite | 20.8 |
| 2022-05-18 | Sopheon | Solverlink Limited | 0.9 |
| 2022-05-16 | Experian | Mova SEP SA | 15.5 |
| 2022-05-09 | Hg Capital | Ideagen | 1,346.2 |
| 2022-04-01 | Workiva Inc. | Parseport | 100.0 |

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 06/30/22 | Market Cap. | Enterprise Value (\$M) | EV/ LTM Revenue | EV / LTM EBITDA |
|----------------------|-------------------------|------------------|---------------------------|--------------------|--------------------|
| Check Point Software | \$121.78 | \$16,102.4 | \$13,860.3 | 6.3x | 15.4x |
| Citrix Systems | \$97.17 | \$12,310.1 | \$15,040.2 | 4.6x | 28.2x |
| F5 Networks | \$153.04 | \$9,448.9 | \$9,049.3 | 3.4x | 17.4x |
| Trend Micro | \$48.47 | \$6,763.4 | \$4,664.9 | 2.7x | 7.2x |
| CommVault Systems | \$62.90 | \$2,970.1 | \$2,554.0 | 3.3x | 47.5x |
| Progress Software | \$45.30 | \$2,021.9 | \$2,403.6 | 4.1x | 13.1x |
| Radware | \$21.67 | \$1,026.8 | \$779.6 | 2.7x | 28.2x |
| Magic Software | \$17.59 | \$863.8 | \$874.6 | 1.7x | 13.6x |
| Allot Communications | \$4.89 | \$177.5 | \$110.2 | 0.8x | NM |
| Median: | \$48.47 | \$2,970.1 | \$2,554.0 | 3.3x | 16.4x |

SECTOR HIGHLIGHTS

- The median Infrastructure Software index was trading at 3.3x revenue (based on enterprise value) at the end of Q2.
- The total publicly available deal value increased considerably during the second quarter due to Broadcom’s acquisition of VMware. While the deal count increased year-over-year, the median deal value and deal multiple decreased from \$240.0M to \$182.0M and 11.4x revenue to 4.3x revenue, respectively.
- A report from leading global technology research and advisory firm, Information Services Group (ISG), suggests that recent trends within the market for IT and business services reveal signs of slowing amid recession fears. Infrastructure-as-a-service (IaaS) rose 11 percent in Q2, to \$10.2B, but was down 14 percent sequentially. Extended Covid lockdowns and a tighter regulatory environment towards China’s technology sector steer the market in this direction. Analysts suggest investing in software companies that primarily serve large enterprises with subscription rather than consumption revenue models. Some of these companies include: ServiceNow (NOW), Alteryx, Appian (APPN), and JFrog (FROG).
- Second quarter deal statistics were largely influenced by Broadcom’s acquisition of VMware. Broadcom acquired VMware, an industry leader in virtualizing IT infrastructure, for \$61.0B on May 26. The acquisition will enable Broadcom to offer a platform for critical infrastructure solutions.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

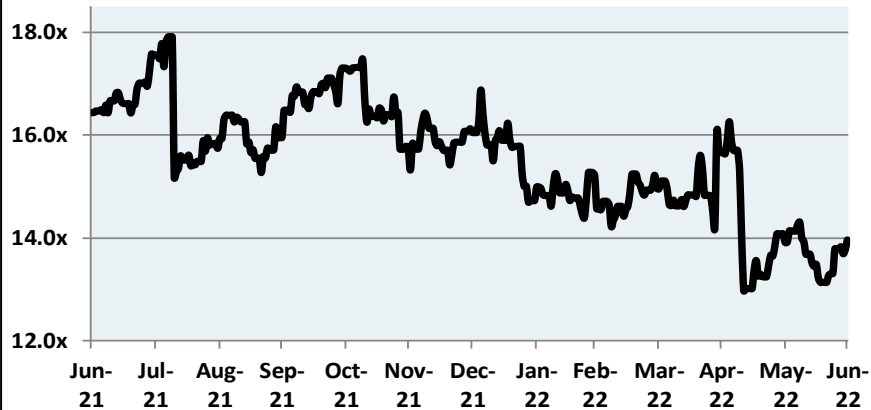
| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$M) |
|-------------------|------------------------------|---------------------------|---------------------------|
| 2022-06-23 | COSOL Limited | Work Management Solutions | 4.9 |
| 2022-06-09 | Business Warrior Corporation | Fluidfi, Inc. | 7.3 |
| 2022-06-01 | Intel Corporation | Codeplay Software Limited | |
| 2022-05-30 | Causeway Technologies Ltd. | Yotta Limited | 65.6 |
| 2022-05-26 | Broadcom Inc. | VMware Inc. [NYSE:VMW] | 61,000.0 |
| 2022-05-17 | Secunet Security Networks AG | SysEleven GmbH | 52.0 |
| 2022-04-12 | Twitter Inc. [NYSE: TWTR] | OpenBack Limited | |
| 2022-04-11 | Perforce Software Inc. | Puppet Inc. | 300.0 |
| 2022-04-07 | Bolt Financial Inc. | Wyre Inc. | 1,500.0 |
| 2022-04-04 | Advanced Micro Devices Inc. | Pensando System Inc. | 1,900.0 |

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 06/30/22 | Market Cap. | Enterprise Value (\$M) | EV/ LTM Revenue | EV / LTM EBITDA |
|--------------------|-------------------------|------------------|---------------------------|--------------------|--------------------|
| Accenture | \$277.65 | \$175,626.0 | \$173,030.0 | 2.9x | 17.9x |
| Capgemini | \$170.74 | \$29,109.0 | \$33,796.0 | 1.6x | 11.4x |
| CDW | \$157.56 | \$21,288.0 | \$28,110.0 | 1.3x | 16.3x |
| NTT Data | \$13.73 | \$19,262.0 | \$22,492.0 | 1.0x | 5.8x |
| Booz Allen | \$90.36 | \$11,960.0 | \$14,364.0 | 1.7x | 17.5x |
| DXC Technology | \$30.31 | \$6,960.0 | \$10,779.0 | 0.7x | 3.2x |
| CACI International | \$281.78 | \$6,597.0 | \$8,658.0 | 1.4x | 13.9x |
| ASGN* | \$90.25 | \$4,611.0 | \$5,203.0 | 1.2x | 11.0x |
| Perficient | \$91.69 | \$3,176.0 | \$3,578.0 | 4.4x | 20.4x |
| ICF International | \$95.00 | \$1,785.0 | \$2,458.0 | 1.6x | 15.0x |
| The Hackett Group | \$18.97 | \$600.0 | \$555.0 | 1.9x | 10.1x |
| Median: | \$91.69 | \$6,960.0 | \$10,779.0 | 1.6x | 13.9x |

*: After the acquisition of ManTech International by The Carlyle Group, ASGN has now been added to our public IT services comps, in their place

SECTOR HIGHLIGHTS

- The median IT Services index was trading at 13.9x EBITDA (based on Enterprise Value to EBITDA) at the closing of Q2.
- M&A activity in the IT Services vertical saw 191 closed deals during Q2 compared to 107 in the same period last year. But total deal value fell from \$7.5B to \$6.3B, largely in part due to the \$5.3B deal from April of 2021 in which Allied Universal Security Services LLC acquired G45 plc
- Over the past few years, the world has seen a rising implementation of Environmental, Social, and Governance policies (colloquially known as ESG) within corporations. The IT services industry, though, has remained largely untouched as CIOs focused inwards on themselves rather than their outside vendors. But this might be changing in the common years. One of the ways being with Green IT. Green IT is simply the act of using information technology in a way that preserves precious resources and protects the environment. The main method of doing this is through conserving energy consumption while reducing harmful emissions when manufacturing, using, and disposing of products. Cloud Computing is a great way to utilize Green IT. It mitigates the need for data centers with large amounts of hardware, thus reducing your carbon footprint and in some cases lowering costs. As ESG becomes more prominent, CIOs might bring in that mindset when selecting their next IT service vendor

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|--------------------------------------|--|---------------------------|
| 2022-06-30 | Aturra Limited | MOQ Limited | 10.7 |
| 2022-06-23 | Alliance Entertainment Holding Corp. | Adara Acquisition Corp. | 475.0 |
| 2022-06-21 | Proact IT Group | sepago GmbH | 12.6 |
| 2022-06-21 | Agilitas Private Equity LLC | NNIT AS | 211.5 |
| 2022-06-01 | ASGN Incorporated [NYSE:ASGN] | GlideFast Consulting LLC | 350.0 |
| 2022-05-23 | Parsons Corporation [NYSE:PSN] | Xator Corporation | 400.0 |
| 2022-05-19 | Converge Technology Solutions Corp. | PC Specialists Inc. | 74.0 |
| 2022-05-16 | The Carlyle Group [NASDAQ:CG] | ManTech International [NASDAQ: MANT] | 3,931.4 |
| 2022-04-26 | Wipro Limited [NYSE:WIT] | Rizing LLC | 540.0 |
| 2022-04-25 | Cyient Europe Limited | Citec Group Oy Ab | 101.5 |
| 2022-04-11 | Wipro Limited [NYSE:WIT] | Convergence Acceleration Solutions LLC | 50.0 |

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 06/30/22 | Market Cap. | Enterprise Value (\$M) | EV/LTM Revenue | EV/LTM EBITDA |
|-------------------|-------------------------|------------------|---------------------------|-------------------|------------------|
| Equinix | \$657.02 | \$59,803.0 | \$73,167.0 | 10.8x | 26.1x |
| Digital Realty | \$129.83 | \$36,959.0 | \$53,946.0 | 12.1x | 22.5x |
| SAIC | \$93.10 | \$5,184.0 | \$7,774.0 | 1.0x | 11.5x |
| ePlus | \$53.12 | \$1,424.0 | \$1,444.0 | 0.8x | 8.5x |
| Cancom | \$33.53 | \$1,292.0 | \$702.0 | 0.5x | 12.9x |
| NCC Group | \$2.27 | \$703.0 | \$845.0 | 2.2x | 11.4x |
| Sify Technologies | \$1.95 | \$356.0 | \$536.0 | 1.5x | 6.6x |
| iomart | \$2.10 | \$231.0 | \$285.0 | 2.0x | 5.5x |
| Redcentric | \$1.49 | \$231.0 | \$252.0 | 2.1x | 7.6x |
| Median: | \$33.53 | \$1,292.0 | \$845.0 | 2.0x | 11.4x |

SECTOR HIGHLIGHTS

- The median Hosted & Managed Services index was trading at 11.4x EBITDA (based on Enterprise Value) at the closing of Q2.
- The Host & Managed Services sector saw 49 M&A deals in Q2, compared to 34 deals in the same period last year. Total deal value was \$8.7B, with most of this figure coming from the \$8.4B acquisition of Switch Inc. by IFM Investors Pty Ltd
- Managed Services Providers, or MSPs, continue to be a hot bed for investors. Abe Garver, managing director and Head of MSP at Focus Investment Banking, says that in comparison to the S&P 500 and NASDAQ, which have seen steady declines over the past two quarters, valuations within the MSP sector are “seeing little to no decrease”. What makes MSPs an attractive investment? It stems from their business models. Built on recurring revenue and strong cash flows, as well as a solid stance within the macro-IT market, MSPs are stable investment candidates. But with the Federal Reserve increasing interest rates, the growth of the industry could be halted coupled with the persistent tech labor shortage.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced | | | Enterprise Value (\$m) |
|------------|----------------------------------|--|---------------------------|
| Date | Acquirer Name | Target Name | |
| 2022-06-22 | Apollo Information Systems Corp. | CyberDefenses Inc. | |
| 2022-06-14 | Centroid Systems LLC | Eagle Business Solutions LLC | |
| 2022-06-08 | KKR & Co. Inc. | Contabo GmbH | |
| 2022-06-07 | Redcentric Solutions Limited | Sungard Availability Services | 27.5 |
| 2022-05-23 | Clearwater Compliance LLC | CynergisTek Inc. | 17.7 |
| 2022-05-17 | Thales SA | Maxive | 124.9 |
| 2022-05-11 | IFM Investors Pty Ltd | Switch Inc. [NYSE:SWCH] | 8,378.2 |
| 2022-05-03 | Lumifi Cyber Inc. | Datashield Inc. | |
| 2022-04-25 | Digital 9 Infrastructure plc | Ficolo Oy | 145.9 |
| 2022-04-08 | Netrality Properties LP | 365 Operating Company LLC | |
| 2022-04-05 | SysGroup plc | Truststream Security Solutions Limited | 6.3 |

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 6/30/22 | Market Cap. | Enterprise Value (\$M) | EV/LTM Revenue | EV/LTM EBITDA |
|---------------------------|------------------------|---------------------|---------------------------|-------------------|------------------|
| Tata Consultancy Services | \$41.10 | \$151,516.0 | \$146,253.0 | 5.7x | 20.0x |
| Automatic Data Processing | \$210.04 | \$87,743.0 | \$89,440.0 | 5.7x | 23.4x |
| Infosys | \$18.51 | \$77,819.0 | \$75,253.0 | 4.6x | 17.5x |
| Cognizant Technology | \$67.49 | \$35,175.0 | \$34,462.0 | 1.8x | 10.0x |
| Wipro | \$5.27 | \$28,832.0 | \$26,526.0 | 2.5x | 11.3x |
| CGI Group | \$79.58 | \$19,071.0 | \$21,197.0 | 2.2x | 10.7x |
| CSG International | \$59.68 | \$1,935.0 | \$2,064.0 | 2.1x | 10.0x |
| Unisys | \$12.03 | \$813.6 | \$933.4 | 0.5x | NM |
| Median: | \$50.39 | \$ 32,003.50 | \$ 30,494.00 | 2.3x | 11.3x |

SECTOR HIGHLIGHTS

- The median IT Outsourcing index was trading at 11.3x EBITDA (based on Enterprise Value) at the closing of Q2.
- IT Outsourcing total deal count for Q2 was 75, an increase from Q2 in 2021 which saw 42 deals. Deal value stayed roughly the same at around \$2.15B
- One interesting area of IT Outsourcing to look out for is in the Healthcare vertical. According to a new Vantage Market Research Report, the market is expected to reach a value of \$96.1 billion by 2028, representing a 6.4% CAGR. With the rising costs of healthcare centers and an increased demand for quality care, the outsourcing of IT solutions has become a steadily growing option for healthcare professionals. Drivers of the market include a reduction in operational costs, improved quality of care, and a shortage of tech talent in not only the healthcare field but IT field as a whole. On the other hand, health record security, regarding HIPAA, remain as hindrances to the expansion of the market. North America is expected to hold the largest stake in the Healthcare IT Outsourcing market, with Asia Pacific as close second. Major players in the field include Accretive Health, International Business Machines (IBM), McKesson Corporation, and Epic Systems

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|-----------------------------|----------------------------|---------------------------|
| 2022-06-24 | LZG International Inc. | Prime Source TOO | 18.0 |
| 2022-06-23 | Adelis Equity Partners AB | netIP AS | 53.1 |
| 2022-06-16 | TELUS Corporation [NYSE:TU] | LifeWorks Inc. | 1,771.8 |
| 2022-06-08 | ICF Incorporated LLC | SemanticBits LLC | 220.0 |
| 2022-06-01 | Alithya Group Inc. | Datum Consulting Group LLC | 17.9 |
| 2022-05-24 | SHIFT Inc. | DeMiA Inc | |
| 2022-05-18 | SPE Capital Partners | Outsourcia SAS | 32.7 |
| 2022-05-04 | Restore plc | Ultratech Holdings Limited | 11.8 |
| 2022-04-07 | AROBS Software | Enea Services | 19.6 |
| 2022-04-04 | Blackline Safet Corp. | Swift Labs Inc. | 3.8 |

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 06/30/22 | Market Cap. | Enterprise Value (\$M) | EV/ LTM Revenue | EV / LTM EBITDA |
|---------------------------|-------------------------|------------------|---------------------------|--------------------|--------------------|
| Robert Half International | \$74.89 | \$8,330.9 | \$7,988.7 | 1.2x | 8.6x |
| ASGN | \$90.25 | \$4,796.8 | \$5,203.3 | 1.2x | 11.0x |
| ManpowerGroup | \$76.41 | \$4,208.3 | \$4,583.4 | 0.2x | 6.4x |
| Kforce | \$61.34 | \$1,291.5 | \$1,310.7 | 0.8x | 11.7x |
| RCM Technologies | \$20.24 | \$228.4 | \$223.7 | 0.9x | 9.5x |
| Mastech Digital | \$14.86 | \$178.6 | \$182.1 | 0.8x | 7.9x |
| Computer Task Group | \$8.56 | \$128.2 | \$113.8 | 0.3x | 6.7x |
| Median: | \$61.34 | \$1,291.5 | \$1,310.7 | 0.8x | 8.6x |

SECTOR HIGHLIGHTS

- The median IT Staffing index was trading at 8.6x EBITDA (based on Enterprise Value) at the closing of Q2.
- Demand for tech talent remains high in a post-pandemic world, with U.S. employers posting 431,000 tech jobs in March 2022, according to CompTIA. This represents an increase of more than 29,000 postings from February. Nonetheless, big tech companies have announced hiring freezes or layoffs amid slumping stock prices. During the pandemic, these companies were rapidly growing headcount. According to CNBC, compensation packages could change as a result, with smaller companies being more aggressive on equity, as they closely watch their cash burn. However, despite the slowdown, many organizations are still aggressively hiring, as retaining tech talent has become an integral part of any business's success.
- According to CompTIA, the unemployment rate for tech works was 2.1% in May, compared with a national unemployment rate of 3.6%. Clearly, tech workers, not companies have the control, and companies have shifted accordingly, offering greater flexibility to workers. According to ZipRecruiter, 41% of recent job switchers gained greater schedule flexibility and 14% gained the ability to work remotely through their job move. McKinsey recommends HR departments "think like a recruit," working to highlight company culture and improving the virtual candidate experience to attract top talent.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|------------------------|----------------------------|---------------------------|
| 2022-06-24 | LZG International Inc. | Prime Source TOO | 18.0 |
| 2022-06-29 | Levi, Ray & Shoup Inc. | Fulcrum Consulting LLC | |
| 2022-05-25 | The Acacia Group | The Baer Group LLC | |
| 2022-05-25 | Nortal AS | Skelia sarl | |
| 2022-05-04 | KORE1 Inc. | Technical Connections Inc. | |
| 2022-05-03 | ASTEK Canada Inc. | SERTI placement TI inc. | |

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 06/30/22 | Market Cap. | Enterprise Value (\$M) | EV/ LTM Revenue | EV / LTM EBITDA |
|---------------------------------|-------------------------|-------------------|---------------------------|--------------------|--------------------|
| Nvidia | \$151.59 | \$384,621.7 | \$370,336.0 | 12.5x | 33.2x |
| International Business | \$141.19 | \$127,990.3 | \$174,116.3 | 3.2x | 14.9x |
| ServiceNow | \$475.52 | \$96,673.2 | \$93,515.7 | 14.9x | NM |
| CrowdStrike | \$168.56 | \$38,583.1 | \$37,751.8 | 23.1x | NM |
| Palantir Technologies | \$9.07 | \$17,935.1 | \$16,308.3 | 9.9x | NM |
| SentinelOne | \$23.33 | \$4,378.1 | \$4,921.1 | 20.0x | NM |
| C3.ai | \$18.26 | \$1,906.4 | \$1,000.0 | 4.0x | NM |
| Sumo Logic | \$7.49 | \$833.4 | \$564.5 | 2.2x | NM |
| Median: | \$82.26 | \$28,259.1 | \$27,030.0 | 11.2x | 24.1x |

SECTOR HIGHLIGHTS

- The median AI & ML index was trading at 11.2x Revenue (based on Enterprise Value) at the closing of Q2.
- The total publicly available deal value sunk to nearly 20% of last year's Q2 deal value despite a significant climb in total deals. While the total deal count increased year-over-year, the median deal multiple dropped from 6.7x revenue to 5.8x revenue.
- Artificial Intelligence (AI) and Machine Learning (ML) have generated considerable interest in the technology world over the years, and even more so now. These technologies are helping organizations streamline processes and utilize data to make better business decisions. Nearly every industry advances with better AI & ML systems, and they are becoming essential technologies for businesses to outpace their competition. Some of these emerging industries include virtual in-home assistants, facial recognition, personalized online shopping, and medical diagnosis of diseases.
- Recently named a leader in the 2022 Forrester Wave for AI and Machine Learning Platforms, C3 AI is a very interesting company to watch in the near future. The company provides SaaS applications that enable customers to rapidly develop, deploy, and operate large-scale Enterprise AI applications across any infrastructure. In August of 2021, C3 AI received \$150.0M of development capital from Microsoft, allowing them to further develop their transformative visions for enterprise AI.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|-------------------|-------------------------------|------------------------------------|---------------------------|
| 2022-06-16 | TELUS Corporation | LifeWorks Inc. | 1,771.8 |
| 2022-06-13 | Cornerstone OnDemand Inc. | SumTotal Systems LLC | 200.0 |
| 2022-06-01 | Alithya Group Inc. | Datum Consulting Group LLC | 17.9 |
| 2022-05-25 | Paddle.com Market Limited | 200 OK LLC | 200.0 |
| 2022-05-24 | Amdocs Limited | MYCOM UK Limited | 188.0 |
| 2022-05-11 | Shutterstock Inc. [NYSE:SSTK] | Pond5 Inc. | 210.0 |
| 2022-06-05 | Shopify Inc. [NYSE:SHOP] | Deliverr Inc. | 2,100.0 |
| 2022-04-27 | Synopsys Inc. | NTT Security AppSec Solutions Inc. | 330.0 |
| 2022-04-11 | Dwyer Instruments Inc. | Omega Engineering Inc. | 525.0 |
| 2022-04-12 | KKR & Co. Inc. | Barracuda Networks Inc. | 4,000.0 |
| 2022-04-05 | Allfunds Group plc | Web Financial Group SA | 160.2 |
| 2022-04-01 | Sikri Holding AS | Metria AB | 78.0 |

Sectors to Watch

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MarTech

SECTOR HIGHLIGHTS

- Even with the anticipated termination of third-party cookies by 2023, the U.S. programmatic digital display ad market will surpass \$100.0B USD in 2022. This billion-dollar industry demands new, privacy-safe targeting strategies that function without cookies. Vibrant Media, a company that addresses marketers' contextual data and privacy-safe advertising needs, announced its new series of cookie less audience targeting solutions. In collaboration with International brands like Audi and Nokia, Vibrant Media has introduced new deterministic and search-intent audience targeting abilities through its Quintesse platform.

NAMES TO WATCH



DEALS

| Announced Date | Acquirer Name | Target Name | Enterprise Value (\$m) |
|----------------|------------------------------|--------------------------|------------------------|
| 2022-06-27 | JAKALA SpA | Biko2 2006 SL | |
| 2022-06-09 | Business Warrior Corporation | Fluidfi Inc. | 7.3 |
| 2022-05-05 | ClearPier Inc. | Pesto Harel Shemesh Ltd. | 46.9 |
| 2022-05-19 | WizRocket Inc. | Leanplum Inc. | |
| 2022-05-19 | Star Mountain Capital LLC | PadSquad LLC | |
| 2022-04-27 | Pearl Street Equity LLC | Webonise US LLC | |
| 2022-04-19 | Spotler Group BV | OBI4wan BV | |
| 2022-04-04 | Wishpond Technologies Ltd. | Viral Loops Limited | 1.4 |
| 2022-04-04 | Growens SpA | ContactLab SpA | 5.5 |

Source: 451 Research, Pitchbook, Gartner

FinTech

SECTOR HIGHLIGHTS

- Fintech funding has begun to dry up amid recession fears. Publicly traded fintech companies are down more than 50% since November, so venture capitalists are less likely to take out their checkbooks. In Q2, global fintech funding totaled \$20.4B across 1,225 deals, the lowest amount of funding and deals since Q4 2020, according to CB Insights.
- Mega-rounds (\$100M+) reached \$9.7B across 55 deals, accounting for almost half of total global funding.

NAMES TO WATCH



DEALS

| Date Announced | Acquirer Name | Target Name | Value (\$m) Enterprise |
|----------------|--|--------------------------|------------------------|
| 2022-06-08 | Swyftx | Superhero | 1,060.4 |
| 2022-06-03 | Sequoia Capital, Accel, TCV, Thrive Capital, et al. | Trade Republic | 1,152.7 |
| 2022-05-30 | Abrdn | Interactive Investor | 1,853.4 |
| 2022-05-13 | Thoma Bravo | Bottomline Technologies | 2,600.0 |
| 2022-05-04 | Intercontinental Exchange (NYSE: ICE) | Black Knight (NYSE: BKI) | 13,100.0 |
| 2022-04-07 | Bolt Financial | Wyre | 1,500.0 |
| 2022-04-01 | 10X Capital Venture Acquisition II (NAS: VCXA) | PrimeBlock | 1,250.0 |
| 2022-04-01 | Founders Fund, D1 Capital Partners, Thrive Capital, et al. | Ramp | 748.3 |

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.



DecisionPoint

3420 Toringdon Way

Suite 350

Charlotte, NC 28277

Phone: 704.248.1111

Fax: 704.248.1121

www.decisionpointint.com

Research Inquiries Can Be Directed To:

Henry Haskins

Associate

haskins@decisionpointint.com

704.412.9860