

DECISIONPOINT

QUARTERLY VIEWPOINT:

For the Quarter Ended March 31st, 2024 and the Latest Twelve Months

Q1 | 24

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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 03/31/24	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Salesforce	\$301.18	\$296,361.1	\$290,538.6	8.3x	31.6x
ServiceNow	\$762.40	\$156,742.6	\$153,699.0	17.1x	NM
Shopify	\$77.17	\$99,974.6	\$95,289.5	13.5x	NM
Workday	\$272.75	\$72,356.5	\$67,540.3	9.3x	NM
Block	\$84.58	\$51,934.1	\$49,125.6	2.2x	NM
Veeva Systems	\$231.69	\$37,878.1	\$33,403.5	14.1x	68.6x
Zoom Video	\$65.37	\$20,167.9	\$13,215.6	2.9x	14.1x
LivePerson	\$1.00	\$78.4	\$468.7	1.2x	NM
Upland Software	\$3.09	\$99.1	\$450.9	1.5x	NM
Median:	\$84.58	\$51,934.1	\$49,125.6	8.3x	31.6x

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 8.3x revenue (based on Enterprise Value to Revenue) at the closing of Q1.
- Since 2019, the percentage of companies using all-in-one suites for collaboration and productivity has slowly declined from 52% to 48%. This trend has allowed a new generation of up-and-comers to fight for market share. While Microsoft and Google are currently maintaining their lead, vendors such as Notion and Coda are gaining customers. Coda and Notion are focused on custom workspaces, allowing companies to create their workflows and thus better fit the needs of individual companies. These companies are growing fast and taking market share away from Google and Microsoft, but with Microsoft and Google’s vast resources, we expect them to become more active in internal development and M&A to maintain positions.
- Spending on tech solutions in the US started strong in 2024, but the same cannot be said for the Western European market. While strategic acquirers pushed spending in the US to \$51B, they are staying away from European markets. Only \$1.1B was spent on Western Europe tech acquisitions in January, the lowest level since January 2012. One of the main drivers of lower spending was the lack of PE-backed deals, where multiple \$1B+ acquisitions occurred in prior years. The largest deal in January was Providence Equity Partner’s \$109M acquisition of ERP specialist Visit Group International.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

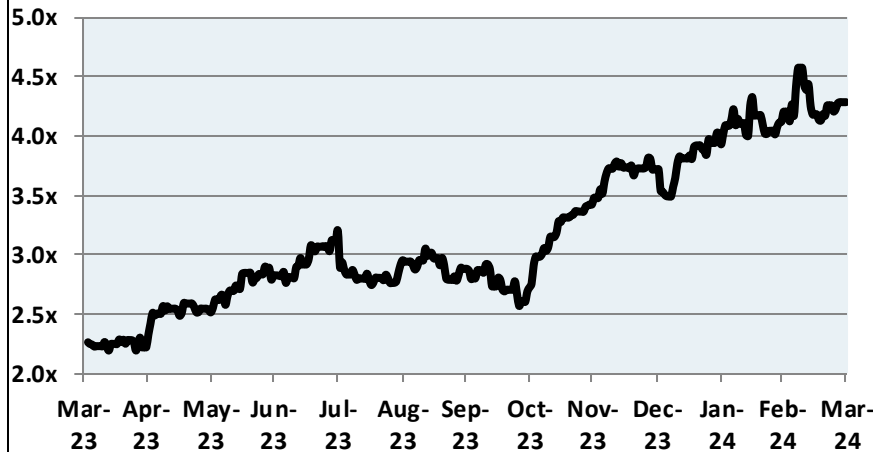
Announced Date	Acquirer Name	Target Name	Enterprise EV/Rev	Enterprise Value (\$M)
2024-03-15	Ever.Ag	Agronomic Technology		
2024-03-12	BetterCloud	G2.com (G2 Track product line)		
2024-03-05	General Atlantic Service Company	Plusgrade		
2024-02-28	Totango	Catalyst Software		
2024-02-27	Cox Enterprises	OpenGov		
2024-02-26	Workday	HiredScore		
2024-02-19	Five Arrows Capital Partners LP	Agilio Software Midco		
2024-02-05	Security Compass Technologie	Kontra Application Security Training		
2024-01-25	Roper Technologies	Procure Software		1,750.0
2024-01-16	Synopsys	Ansys	16.2	31,948.0
2024-01-16	98point6	Bright.md		
2024-01-09	Lectra	Launchmetrics		

Software: Internet Software and Services

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

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



VALUATION METRICS

Company	Stock Price 03/31/24	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Alphabet	\$150.93	\$1,920,131.5	\$1,801,643.1	5.9x	19.1x
Amazon.com	\$180.38	\$1,892,547.0	\$1,922,506.8	3.3x	22.2x
Meta Platforms	\$485.58	\$1,276,589.8	\$1,209,771.1	9.0x	21.1x
Netflix	\$607.33	\$272,993.6	\$270,233.3	8.0x	12.6x
Uber	\$76.99	\$161,046.3	\$167,483.1	4.5x	NM
Booking Holdings	\$3,627.88	\$132,526.5	\$126,068.4	5.9x	20.9x
Expedia Group	\$137.75	\$20,693.9	\$22,339.7	1.7x	12.0x
Snap	\$11.48	\$18,511.5	\$19,750.2	4.3x	NM
Yelp	\$39.40	\$2,899.7	\$2,331.2	1.7x	15.0x
Cimpress	\$88.51	\$2,364.5	\$3,804.3	1.2x	10.4x
Groupon	\$13.34	\$416.8	\$657.4	1.3x	49.6x
Median:	\$137.75	\$132,526.5	\$126,068.4	4.3x	19.1x

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SECTOR HIGHLIGHTS

- The median Internet Software and Services index was trading at 4.3x revenue (based on Enterprise Value to Revenue) at the closing of Q1.
- As discussed in the last ViewPoint, social media influences have had a huge impact on how companies do business. User-generated content (UGC) has been growing as a better way to reach and connect with potential customers. 72% of digitally driven businesses intend to incorporate this UGC into their marketing as customers have reported that seeing UGC and real-world uses of products increases their likelihood of adoption. A few companies have emerged to help companies find content creators as the amount of UGC is lower. Bazaarvoice, Emplifi, and 1WorldSync are the leading providers that help companies source and redeploy UGC. Expect more companies to enter the UGC marketplace as more traditional content providers look to expand into the market.
- The streaming market has continued to grow and has also started to impact other traditional markets. AT&T has seen its satisfaction rate decline from 63% in Q1 of 2023 to 55% in Q1 of 2024, possibly due to removing the Max bundle with their cellular plans. The drop of bundled plans will more likely impact the millennial and Gen Z generations. In addition to the bundled plans, price increases remain the largest influencer of user loss. When asked, 42% of previous subscribers responded they did not use the service enough to justify the cost, and 39% stopped their subscription due to the price increase.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise EV/Rev	Value (\$m)
2024-03-28	Landing Platform	Barsala Management		30.0
2024-03-21	Gambling.com	XLmedia Publishing (Freebets.com and related assets)		30.0
2024-03-15	CMA CGM	SFR Presse	4.20	1,695.2
2024-03-12	Executive Platforms	Board.org		95.0
2024-03-01	BBC Studios	BritBox International		322.7
2024-02-21	Commerce Media Holdings	Complex Media		108.6
2024-02-13	PENN Entertainment	WSI US		25.0
2024-02-12	EQT	Believe	1.50	1,129.7
2024-02-12	Qoo10	ContextLogic (all operating assets and liabilities)		173.0
2024-01-24	Pro Sportority (Israel)	STN Video Incorporated		160.0
2024-01-10	Informa Tech	TechTarget	1.90	350.0

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 03/31/24	Market Cap.	Enterprise Value (EV)	EV/ LTM Revenue	EV / LTM EBITDA
Microsoft	\$420.72	\$3,140,674.8	\$3,133,525.1	13.8x	26.7x
Oracle	\$125.61	\$353,372.3	\$423,875.8	8.1x	20.8x
SAP	\$195.11	\$230,233.3	\$224,617.7	6.7x	29.5x
IBM	\$190.96	\$176,079.2	\$221,635.6	3.6x	15.8x
Dassault Systemes	\$44.37	\$59,316.8	\$58,211.8	9.0x	30.3x
Constellation Software	\$2,723.17	\$57,708.2	\$60,378.3	7.2x	41.8x
Autodesk	\$260.42	\$56,380.9	\$56,087.8	10.2x	44.3x
Ansys	\$347.16	\$30,336.9	\$30,203.1	13.3x	40.2x
PTC	\$188.94	\$22,616.0	\$24,774.1	11.4x	40.1x
Tyler Technologies	\$425.01	\$18,177.3	\$18,557.9	9.5x	47.3x
Manhattan Associates	\$250.23	\$15,666.4	\$15,152.7	16.3x	NM
Amdocs	\$90.37	\$10,612.8	\$10,774.3	2.2x	12.6x
Blackbaud	\$74.14	\$3,982.9	\$4,753.2	4.3x	30.0x
Verint Systems	\$33.15	\$2,132.1	\$2,714.3	3.0x	19.9x
Stratasys	\$11.62	\$797.9	\$666.6	1.1x	NM
Median:	\$190.96	\$30,336.92	\$30,203.11	8.1x	30.0x

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SECTOR HIGHLIGHTS

- The median Enterprise Software index was trading at 8.1x revenue (based on Enterprise Value to Revenue) at the closing of Q1.
- IBM printed another significant acquisition, making it the largest enterprise software consolidator in the market. The \$7B acquisition of HashiCorp was the largest transaction for IBM in a few years and was more than all of IBM's transactions combined from 2019 to 2022. Since the beginning of 2023, Microsoft and Oracle have had only 1 \$1B while IBM has done 3 \$1B+ acquisitions. Even though IBM has picked up its inorganic activity, the value of application and software infrastructure acquisition plunged about 60% in 2023 and looks to remain on the lower track this year.
- As generative AI grows in popularity and more enterprises use similar technologies, the strain on computing resources will grow to unprecedented levels. Quantum computing must move from conjecture to actual viability as the demand grows. There have been great strides in the development of quantum computing as the vendor landscape invests heavily in development. Apple has started rolling out post-quantum cryptographic protocols to their iMessaging services, among other industry leaders. The upswing in uses and usage has allowed quantum technologies to show that they are not just an academic venture and have viable uses but still need work to sustain a peak level in the future.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise EV/Rev	Value (\$m)
2024-03-18	Francisco Partners Management	Jama Software	13.30	1,200.0
2024-03-13	Battery Ventures	TrueContext Corporation	4.50	105.9
2024-03-11	PAR Technology	TASK Group Holdings	3.90	191.0
2024-03-11	KKR & Co.	mdf commerce	2.00	189.0
2024-02-21	DarioHealth	Twill	1.90	34.4
2024-02-20	White Pearl Technology Group	Ayima Group (publ)	0.30	2.1
2024-01-29	Ideagen	Damstra Technology	2.70	45.5
2024-01-15	Thomson Reuters Corporation	Pagero Group (publ)	11.40	783.3
2024-01-04	iCoreConnect	Teamworx		

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 03/31/24	Market Cap.	Enterprise Value (\$M)	EV / LTM Revenue	EV / LTM EBITDA
Snowflake	\$161.60	\$53,005.0	\$50,458.7	18.0x	NM
Verisk Analytics	\$235.73	\$34,731.6	\$36,606.2	13.7x	25.7x
MicroStrategy	\$1,704.56	\$28,237.7	\$31,120.0	62.7x	NM
Elastic	\$100.24	\$10,184.0	\$9,686.3	8.0x	NM
Informatica	\$35.00	\$10,100.3	\$11,222.7	7.0x	NM
Pegasystems	\$64.64	\$5,488.8	\$5,581.6	3.9x	49.9x
PROS Holdings	\$36.33	\$1,676.8	\$1,854.0	6.1x	NM
Domo	\$8.92	\$321.6	\$411.5	1.3x	NM
Median:	\$82.44	\$10,142.2	\$10,454.5	7.5x	37.8x

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Alteryx was taken private by Insight Partners and Clearlake Capital through a \$6.5B LBO. We have replaced Alteryx with Informatica in our Business Intelligence Index.

SECTOR HIGHLIGHTS

- The median Business Intelligence Software index was trading at 7.5x revenue (based on Enterprise Value) at the closing of Q1.
- Business intelligence software should invest heavily in AI as the capabilities will augment any current abilities, but customers should not feel that generative AI will completely replace their analytics solutions. With GenAI's struggles in generating new ideas, companies must maintain their analytics platforms as they search for out-of-the-box ideas. Synthetic data generators will be a keyway for business intelligence platforms to be augmented by generative AI. Using synthetic data within an analytics platform run with machine-learning models could be useful for companies to better train their models without the need for real-world data. With synthetic data, companies will be able to preserve privacy but must ensure that the synthetic data does not hold bias or security concerns.
- With the increase in BI software and the further introduction of synthetic data into analytics offerings, companies will need to be extra judicious with the quality of their data. As more companies adopt analytics platforms, the realization that poor data quality can lead to erroneous conclusions and financial loss has caused innovation throughout the sector. Expect increased automation solutions to come to market, as well as Data Quality as a Service providers to give another set of eyes and controls on a company's data.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise EV/Rev Value (\$m)
2024-03-28	Latent View Analytics	Decision Point	39.1
2024-03-26	Fintel	Newdez	0.6
2024-01-30	Nexthink	AppLearn	
2024-01-29	eMed	Science 37 Holdings	34.7
2024-01-29	Rocscience	DIANA FEA	
2024-01-24	Genius Group	LZG International	
2024-01-23	Real Time Technologies	Your Ware Software	
2024-01-19	TRGRP	Xpansion Financial Technology Services	
2024-01-18	Edgewater Equity Partners	Ascent Technologies	
2024-01-16	VMG Holdings	Compliance Risk Analyzer	
2024-01-09	Microlise Group	K-Safe (all assets and IP)	0.2
2024-01-08	Veracyte	C2I Genomics	70.0

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 03/31/24	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
NetApp (Systems and	\$104.97	\$22,463.6	\$21,402.4	3.5x	15.2x
Check Point Software	\$164.01	\$19,601.5	\$17,658.1	7.3x	18.7x
F5 Networks	\$189.59	\$11,391.8	\$10,599.5	3.8x	15.6x
Trend Micro	\$51.42	\$7,040.2	\$4,846.4	2.7x	12.5x
CommVault Systems	\$101.43	\$4,470.8	\$4,157.4	5.1x	NM
Progress Software	\$53.31	\$2,380.7	\$2,883.0	4.0x	15.5x
Radware	\$18.72	\$802.6	\$511.6	2.0x	NM
Magic Software	\$11.54	\$566.6	\$592.9	1.1x	7.7x
Allot Communications	\$2.26	\$85.4	\$75.3	0.8x	NM
Median:	\$53.31	\$4,470.8	\$4,157.4	3.5x	15.3x

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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 Q1.
- Observability software is currently one of the fastest-growing solution sectors. Observability software includes infrastructure monitoring, application performance monitoring, real-time user monitoring, and synthetic monitoring, among others. This market is expected to grow at a 10.2% CAGR for 2023-2028, with serverless monitoring (24.6%) and observability pipelines (30.7%) growing the fastest. Interestingly, the market is concentrated near the top, with the top 10 providers accounting for 57% of the total revenue. Companies such as AWS, Broadcom, and Cisco are powerhouses in the sector and often offer a one-stop shop for a company's observability needs. The top 10 vendors, on average, have 7.7 offerings, with most having one key solution that generates most of their revenue in the market. While some companies like AWS' extensive infrastructure monitoring practice, Splunk's log management solution and NetScout's network performance management generate more than 50% of their respective observability revenue, most other leading providers have a more diversified offering to help their clients.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

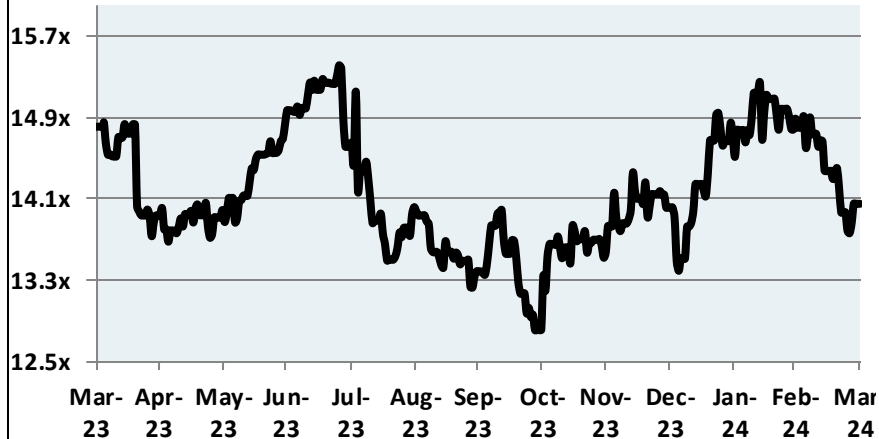
Announced Date	Acquirer Name	Target Name	Enterprise EV/Rev	Enterprise Value (\$m)
2024-03-22	International Business Machines	IntelliMagic	5.0x	50.0
2024-03-20	International Business Machines	Pliant.io		
2024-02-29	Findex Group	FiveP Australia (Microsoft business applications practice)		
2024-02-26	KKR & Co.	Broadcom (end-user computing division)		4,000.0
2024-02-21	Apica	Circonus		
2024-02-05	Thoma Bravo	Everbridge	3.8x	1,446.2
2024-01-25	Nutanix	D2iQ (Kubernetes platform)		
2024-01-24	WIIT	German Edge Cloud (edge and cloud business)		2.7
2024-01-22	Apkudo	Mobile reCell		
2024-01-12	Legrand North America	ZPE Systems		

Services: IT Services

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Services Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 03/31/24	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Accenture	\$346.61	\$221,120.2	\$216,790.2	3.4x	21.2x
Capgemini	\$230.62	\$40,809.3	\$42,863.7	1.8x	13.0x
CDW	\$255.78	\$34,862.8	\$39,549.7	1.9x	20.3x
NTT Data Group	\$16.00	\$22,428.3	\$42,245.4	1.4x	9.8x
Booz Allen Hamilton	\$148.44	\$19,503.1	\$22,291.4	2.2x	24.8x
CACI International	\$378.83	\$8,675.0	\$10,412.1	1.5x	14.5x
DXC Technology	\$21.21	\$4,380.1	\$7,824.7	0.6x	9.9x
ICF International	\$150.63	\$2,861.1	\$3,455.4	1.8x	17.5x
Perficient	\$56.29	\$2,066.5	\$2,259.4	2.5x	13.6x
The Hackett Group	\$24.30	\$671.6	\$683.8	2.3x	13.0x
Median:	\$149.54	\$14,089.0	\$16,351.8	1.8x	14.1x

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SECTOR HIGHLIGHTS

- The median IT Services index was trading at 14.1x EBITDA (based on Enterprise Value to EBITDA) at the closing of Q1.
- Wipro's differentiated approach to IT services has allowed it to become a leader in the industry, but with the rise of AI and other advanced technologies, they have refocused their teams into a few areas. The four global divisions are FullStrideCloud, Enterprise Futuring, Engineering Edge, and Doman and Consulting. FullStride operates as the "full service" business line to support customers' transformation, versus primarily capability-driven competitors. This reorganization will allow for customers to have a central resource for all cloud needs. Coupled with their \$1B investment in AI development, Wipro can address short-term productivity issues with the cloud and existing services while supporting long-term visions of AI-enabled productivity.
- As with Wipro, many companies are seeking specializations to garner more business. After economic trends drove down IT spending with service providers, optimism around IT spending has returned in 2024. New technologies and the underlying technologies partially drive the increase in optimism. As these new technologies grow in adoption, companies are turning to vendors more as trusted advisors rather than basin service providers. For the service providers to be successful, they will need support from their software vendor partners. This assistance from software vendors will include strategic input and skill development but may need vendors to go even further to sales and go-to-market support.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value (\$m)
2024-03-27	Maltacom	AQS Med		1.3
2024-02-29	Endava	GalaxE.Solutions		375.0
2024-02-22	One Point One Solutions	ITCube Solutions	6.80	10.1
2024-02-14	Telelink Business Services Group	SEDAM IT		9.7
2024-02-13	Wipro	Aggne Global		66.0
2024-02-12	Good Energy Group	JPS Renewable Energy		9.3
2024-02-02	Vibrant Services	MCS Security Group Pty		2.0
2024-01-29	Intred	Connecting Italia	13.10	3.9
2024-01-24	Saalex	Spalding Consulting		75.0
2024-01-16	5G Networks	Security Shift	3.00	2.7
2024-01-03	America Fujikura	Forzatelecom NPC		

Services: Hosted & Managed Services

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP Hosted Services Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 03/31/24	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Equinix	\$825.33	\$77,588.4	\$93,477.9	11.4x	28.5x
Digital Realty	\$144.04	\$44,517.7	\$64,935.7	11.9x	20.6x
SAIC	\$130.39	\$7,001.9	\$8,886.4	1.2x	10.1x
ePlus	\$78.54	\$2,092.1	\$2,115.8	1.0x	10.8x
Cancom	\$29.88	\$1,100.1	\$1,065.1	0.6x	8.6x
NCC Group	\$1.57	\$488.3	\$597.8	1.5x	44.7x
Redcentric	\$1.61	\$257.7	\$345.3	1.7x	22.1x
Sify Technologies	\$1.26	\$233.1	\$501.4	1.2x	6.2x
iomart	\$1.83	\$207.8	\$264.5	1.7x	6.2x
Median:	\$15.86	\$794.2	\$831.4	1.5x	10.8x

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SECTOR HIGHLIGHTS

- The median Hosted & Managed Services index was trading at 10.8x EBITDA (based on Enterprise Value) at the closing of Q1.
- Lumen, a publicly traded telecommunications company with over 27,000 employees, has further expanded its operations in Asia with its recent \$1.8B acquisition of a division of Colt Technology Services. After Lumen sold their Latin America unit to Stonepeak, the company has been looking to expand its support for third-party, public clouds and push harder to drive its network as a service solution. They are continuing to invest in AI, and with the infrastructure in the Asia Pacific region after the Colt acquisition, they should look to continuing co-innovation projects. Using its infrastructure and monetary resources, the company should couple with Asian providers to supplement its internal AI development.
- MSPs are expected to enhance their security offerings further in the coming years as more companies become subject to cyber-attacks. Cybersecurity Ventures predicts cybercrime costs to hit \$10.5T by 2025. With the drastic cost increases, many are turning to existing managed services partners to prevent phishing and other attacks. Some newer services to address their concerns are dark web monitoring, managed detection and response, and security awareness training. While these services will not eliminate cyber attacks, hopefully, they will lower the average cost per attack by limiting spread.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

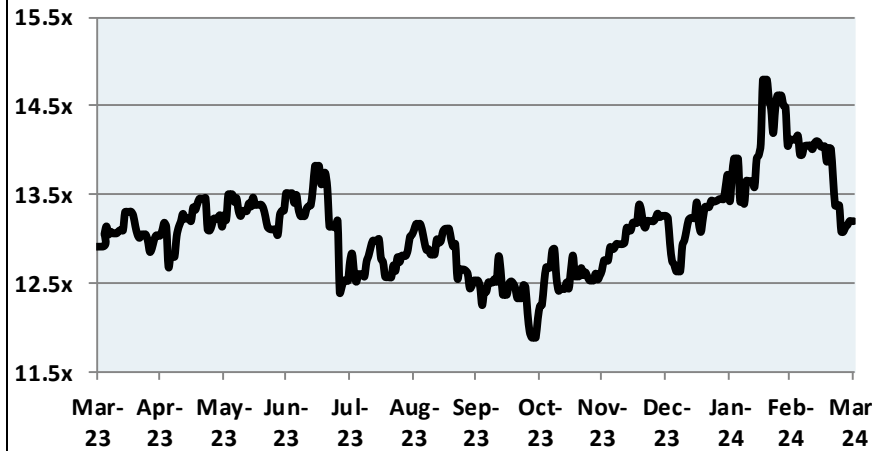
Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value (\$m)
2024-03-27	Protera Technologies	ManageCore		
2024-03-27	BPA International	Verint Systems (manual)		6.0
2024-03-26	Techone	Hupra		
2024-03-25	Everything Tech Group	Cardium Outsourcing		
2024-03-21	Intelligent Technical	Digital Seattle		
2024-03-19	Infinite Blue Platform	Virtual Corporation		
2024-03-19	Unrivaled Group	Fuse Solutions		
2024-03-13	Anatomy IT	Manta HealthTech		
2024-03-04	WHC Online Solutions	Mustang Technologies		
2024-03-01	THE 20 MSP Group	Accurate Computer Solutions		

Services: IT Outsourcing

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Outsourcing Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 3/31/2024	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Tata Consultancy	\$46.50	\$170,040.7	\$162,585.0	5.6x	20.5x
Automatic Data	\$249.74	\$103,492.3	\$104,288.1	5.6x	19.6x
Infosys	\$17.97	\$74,514.7	\$72,617.6	3.9x	NM
Cognizant Technology	\$73.29	\$37,011.5	\$35,166.8	1.8x	10.8x
Wipro	\$5.76	\$31,276.9	\$28,143.2	2.5x	NM
CGI Group	\$109.99	\$25,991.7	\$27,095.9	2.5x	13.2x
CSG International	\$51.54	\$1,552.1	\$1,924.0	1.6x	10.1x
Unisys	\$4.91	\$335.1	\$513.5	0.3x	NM
Median:	\$ 49.02	\$ 34,144.20	\$31,655.03	2.5x	13.2x

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

SECTOR HIGHLIGHTS

- The median IT Outsourcing index was trading at 13.2x EBITDA (based on Enterprise Value) at the closing of Q1.
- M&A activity in the IT Outsourcing sector fell in the first quarter of Q1. With 47 deals in the quarter, this was the lowest quarter in activity since the beginning of 2022. Some of the most active acquirers were 10Pearls and Accenture, with three deals and six deals, respectively. Expect the M&A activity in the IT outsourcing market to remain steady, if not improve, in the next few quarters as providers attempt to consolidate the market and improve offerings through acquisitions.
- Like Lumen, leading cloud providers are beginning to look at their outsourced partners for performance and capabilities improvement for their customers. Many of these small outsource providers favorably look at cloud providers in the same light. The cutting-edge technologies we see pop up consume vast data and monetary resources, and are looking for help in successfully scaling their solutions. Enter AWS, which has recently strengthened its collaboration with partners to accelerate transformation journeys and capabilities. We expect this to be a more significant trend where, to improve technologies, large companies like Amazon and Google will not solely rely on their internal development but will look outside for companies to join their ecosystems and create new products and features for their respective environments.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value (\$m)
2024-03-29	Euronext	Global Rate Set Systems		
2024-03-27	MSC Industrial Direct Co	Schmitz Manufacturing Research & Technology (intellectual property assets)		
2024-03-26	EPAM Systems	Vates		
2024-03-26	Synergy ECP	SoftTech Solutions		
2024-03-21	Software Mind Splka	number8		40.6
2024-02-29	First Advantage	Sterling Check	17.90	1,505.4
2024-01-16	Significo	piobyte		
2024-01-12	Winbrook	Brandmark Creative		
2024-01-09	Elevate Patient Financial Solutions	J&K PMS		
2024-01-09	Lynx Software Technologies	Thompson Software Solutions		
2024-01-09	Sage	Softeh Plus		

Services: IT Staffing

HIGHLIGHTS, VALUATION METRICS, AND RECENT M&A ACTIVITY

MARKET PERFORMANCE

DP IT Staffing Index EV/EBITDA Multiple
Latest Twelve Months



VALUATION METRICS

Company	Stock Price 03/31/24	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV/ LTM EBITDA
Robert Half International	\$79.28	\$8,409.5	\$7,851.1	1.2x	12.0x
ASGN	\$104.76	\$5,101.8	\$5,800.6	1.3x	12.5x
ManpowerGroup	\$77.64	\$3,913.1	\$4,511.6	0.2x	13.3x
Kforce	\$70.52	\$1,375.6	\$1,433.8	0.9x	15.9x
Kelly Services	\$25.04	\$909.0	\$809.0	0.2x	11.3x
RCM Technologies	\$21.37	\$183.6	\$197.4	0.7x	7.9x
Mastech Digital	\$9.00	\$104.5	\$88.4	0.4x	NM
Median:	\$70.52	\$1,375.6	\$1,433.8	0.7x	12.3x

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 12.3x EBITDA (based on Enterprise Value) at the closing of Q1.
- While public multiples have increased, deal count is down overall. There were 4 transactions in Q1, which was similar to Q1 2023. Overall, we have seen 65 deals since the beginning of 2022, with TandymGroup and Osceola Staffing as the most active acquirers. With the elevated multiples, the market might not see too much M&A activity, but customer demand may require larger firms to look for inorganic growth.
- While our DecisionPoint indexes have had a mixed bag of increases and decreases in value, IT staffing has surged over the past year. Where we typically see IT staffing as a lower multiple industry in the range of 4-6x TTM EBITDA, the current multiples have increased to pandemic levels. This upswing could be due to a few reasons, from companies recovering from layoffs in 2022 and early 2023 to seeking staffing professionals to help hire AI and ML developers. As more skilled employees are needed, companies will turn to established staffing agencies with great talent databases. We expect this trend to continue for the next twelve to eighteen months as more companies look to bring talent in-house and third-party service providers grow headcounts to keep up with demand.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

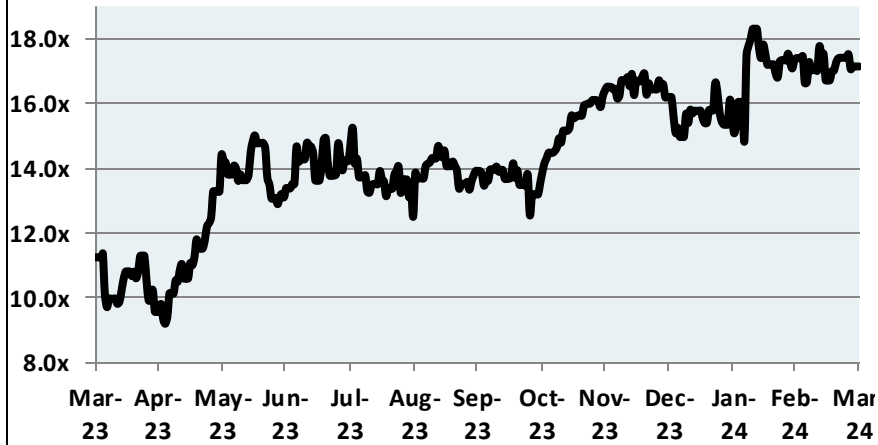
Announced Date	Acquirer Name	Target Name	EV/ EBITDA	Enterprise Value (\$m)
2024-03-14	Legal Soft	Berry Virtual		
2024-03-03	Yasha Staffing	infoCorvus (talent acquisition business)		
2024-02-12	Tandym Group	Kolter Solutions		
2024-01-16	Aya Healthcare	ID Medical Group		

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 03/31/24	Market Cap.	Enterprise Value (\$M)	EV/ LTM Revenue	EV / LTM EBITDA
Nvidia	\$903.56	\$2,253,478.6	\$2,243,972.0	36.8x	64.6x
International Business	\$190.96	\$176,079.2	\$221,635.6	3.6x	15.8x
ServiceNow	\$762.40	\$156,742.6	\$153,699.0	17.1x	NM
CrowdStrike	\$320.59	\$78,106.9	\$74,892.0	24.5x	NM
Palantir Technologies	\$23.01	\$52,875.3	\$47,555.6	21.4x	NM
SentinelOne	\$23.31	\$6,874.7	\$6,323.3	10.2x	NM
C3.ai	\$27.07	\$3,164.3	\$2,583.5	8.7x	NM
Median:	\$190.96	\$78,106.9	\$74,892.0	17.1x	40.2x

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SECTOR HIGHLIGHTS

- The median AI & ML index was trading at 17.1x Revenue (based on Enterprise Value) at the closing of Q1.
- With the OpenAI's release of Chat GPT, the world was introduced to the power of generative AI, and while it was a great start to show the potential of AI for companies, multimodal AI will be the next advancement. OpenAI is focused on integrating audio and visual input into the models to improve its use cases and usability. While most focus on enhancing their text-based generative AI models, OpenAI's move to multimodal should cement the company as the leader in AI and expand design and coding capabilities to individuals without a formal background in those areas.
- Many companies are currently evaluating the uses of AI within their organizations and are becoming more open to the use of AI in day-to-day activities. As companies evaluate the use of AI, some employees are beginning to use generative AI, which IT departments may not have approved, to find quick ideas. While using these technologies may help employees' productivity, IT departments and employees need to be cognizant of the security issues associated with feeding trade secrets into a public-facing LLM and exposing sensitive information to third parties.

MERGERS & ACQUISITIONS (SAMPLE DEALS)

Announced Date	Acquirer Name	Target Name	Enterprise E/Rev Value (\$m)
2024-03-11	Linus Health	Aural Analytics	
2024-03-04	Miovision Technologies	Traffic Technology Services	
2024-01-24	Voltron Data	Claypot AI	

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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