



# TECHNOLOGY REPORT

Explore M&A Activity, Capital Market  
Conditions and Current Trends for the  
Technology Industry



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2H 2021

**SDR***Ventures*

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## TECHNOLOGY 2H21: WHAT TO KNOW

- ❑ Cybersecurity is top-of-mind across the tech sector amid reports of data breaches orchestrated by both state-sponsored and criminal hackers.
- ❑ In future M&A activity, cybersecurity figures to be a critical part of the process at every step, even after the due diligence process.
- ❑ Organizations are increasingly concerned not only with their own security protocols but with the security of third-party cloud providers.

### Cybersecurity Concerns, a Critical Issue in Tech M&A

Remember the 1990s when the biggest headache on the web were popup ads? Today, pirates roam the internet snatching data and holding information and systems hostage, elevating the need for robust, sophisticated cybersecurity measures.

The World Economic Forum's (WEF) latest Global Risk Report dedicates an entire section to data breaches and hacking and reports the issue has gone beyond financial losses to creating international political tensions. A trend toward remote working due to COVID, an increasing reliance on online systems, the rise of cryptocurrency, cloud services, 5G data transmission, digital supply chain management, and complete digitization of virtually every facet of our lives is making cybersecurity a critical need.<sup>1</sup>

Cybersecurity, the report warns, is no longer optional, adding, "The impact of disruptive cyberattacks could be financially devastating for businesses that fail to invest in protections for their digital infrastructure."<sup>1</sup>

Global IT consulting giant Accenture in 2021 reported a 125% increase year-over-year in cybercrime and state-backed attacks with the United States representing more than a third of all targeted attacks globally. Nearly 40% of attacks represented "big game hunting," ransomware attacks targeting organizations with recurring annual revenue over \$1 billion.<sup>2</sup>

How sprawling is the threat? Early in 2021 experts discovered giant IT provider SolarWinds had been infiltrated. The company unwittingly spread malware to as many as 18,000 clients, including Fortune 500 companies such as Microsoft and Cisco, and government agencies including Homeland Security, the Pentagon, and the State Department. Hackers stole vital information, emails, and other data. Federal investigators say the attacker was likely Russia's Foreign Intelligence Service.<sup>3</sup>

After another high-profile attack, the head of Colonial Pipeline testified in June cybercriminals responsible for a ransomware attack on its system that disrupted gasoline supplies across the Southeast most likely got in with a single stolen password. The company paid a \$5 million ransom in Bitcoin to the hackers, identified by the FBI as an eastern Europe-based criminal gang called DarkSide.<sup>4</sup>

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## ABOUT SDR

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By one estimate there are about 3,500 active cybersecurity vendors in the U.S. alone. The 2021 global cyber security market value of \$178 billion is expected to more than double to \$372 billion by 2028, a compound annual growth rate (CAGR) of nearly 11%.<sup>5,6</sup>

In a world of government-sponsored hackers and well-funded criminal cyber gangs, cybersecurity is becoming oxygen in the digital world, vital for survival.

## Cybersecurity Key to Future M&A Deals

Headline-grabbing reports of security breaches and cyberattacks mean cybersecurity will play an increasing role in mergers and acquisitions, and business leaders are aware of the challenges. In a recent survey, more than 60% said cybersecurity poses significant risks when acquiring new companies and integrating them. More than half of business leaders asked said their organization have encountered critical security issues that put negotiations at risk during the acquisition process.<sup>12</sup>

It's expected cybersecurity status will be a critical factor in 60% of M&A negotiations during the due diligence process going forward. And cybersecurity will increasingly factor into each step of an acquisition, after the due diligence process, as there may be an increased risk of exposure if organizations need to open networks during integration.<sup>12</sup>

During a merger, even if an acquiring organization maintains its own robust security protocols, it may be vulnerable to inheriting weaknesses from the acquired organization. Managing security throughout the merger can be labor-intensive, involving scans for password vulnerabilities, reused passwords, breached passwords, and other threats. And taking shortcuts when it comes to cybersecurity during an acquisition may increase the risk of regulatory headaches.<sup>13</sup>

## In a Cyber Jungle, Is it Safer to Stay Closer to Home?

Another trend worth watching is a corporate retreat from public cloud storage giants (think Amazon Web Services, Google Cloud Platform, and Amazon Azure). The work from home revolution spawned by COVID-19 has put a laser focus on cloud data technologies. The pandemic, with data flying from home user to home user and back to corporate, has made the security and privacy of large, shared platforms top-of-mind.<sup>7</sup>

Public cloud providers have been attractive because of their scalability, pricing, and relative ease of use. Companies have been able to offload a critical – but complicated – part of their data management operations. But it also means trusting the provider to maintain ample security measures against cybercrime and snooping. A large, third-party cloud also means sharing data that may be aggregated for the provider's own purposes and insights. As more than a quarter of organizations who contracted for public cloud services made security their top consideration, it's not surprising cloud providers are seeking cybersecurity firms to acquire to bolster their defenses. Microsoft, the target of a massive email service hack last year, in 2021 acquired cloud security startups Cloudknox and RiskIQ, as well as ReFirm, specializing in the growing IoT (internet of things) field.<sup>7,8,9</sup>

If security concerns aren't enough for users to make a complete switch to private cloud services from shared, clouds, the space is seeing an increasing shift to hybrid public-private cloud usage. More than 80% of cloud users responding to the long-running Flexera "State of the Cloud" survey reported using a hybrid cloud strategy. That trend is expected to grow.<sup>10,11</sup> We will be watching sentiments regarding public, private, and hybrid cloud providers.

## Regulation, Mind Your 1's and 0's

As cyberattacks garner headlines and M&A activity heats up across the tech sector, regulators and consumers are taking notice. Consumers are willingly sharing data across fintech, medical, e-commerce, and social media platforms. But they also are expecting a level of security. Health data is one sensitive frontier as consumers upload data into wearables and apps, search medically related terms, and rely on telemedicine to consult doctors and pharmacists. Online banking apps, payment platforms, and stock trading apps all deal with important data. In November, online stock trading platform Robinhood reported a data breach affecting 7 million users.<sup>14,15,22</sup>



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Consumers are more sensitive than ever to vulnerabilities, and more are saying they wouldn't enter data into a system that had been breached, raising the stakes for providers. In reaction to data gathering and loss is stricter privacy regulation, not just in the U.S. but around the world. It's estimated that by next year, 65% of the world's personal information will be protected by privacy laws. And just as remote working becomes the norm – further stretching cybersecurity demands – the demand for information security analyst professionals in the U.S. is rising “much faster than average” according to federal findings.<sup>16,17</sup>

In 2021, we saw new laws in several states setting higher cybersecurity standards aimed at protecting consumer privacy and hardening data storage.<sup>18</sup> The 2021 \$1.2 trillion federal Infrastructure Investment and Jobs Act commits \$2 billion for federal and state government cybersecurity.<sup>19</sup> In June, the European Union unveiled plans to create a unified joint response team so countries under cyberattack could summon aid from neighbors, sort of a cyber NATO.<sup>20</sup> And as the new year began, Ukraine fell under a cyber attack it blamed on Russia as part of a tense border standoff.<sup>21</sup> Governments around the world are making cybersecurity a critical component of the global digital environment.

## Mergers & Acquisitions

- ❑ There were some big deals in Cybersecurity in 2021. One of the largest private equity firms in the world, Thoma Bravo with \$83 billion in assets under management, made what has been called one of the biggest cybersecurity deals ever and the largest “go-private” deal. The California firm in August completed the acquisition of cybersecurity and compliance innovator Proofpoint for \$12.3 billion. Proofpoint guards against security breaches through email, social media, cloud storage, and the internet. The deal takes the public company private. Proofpoint itself was active in M&A earlier in the year, announcing in February the acquisition of the data loss prevention company IntliSecure for \$62.5 million.<sup>23,24,25,32</sup>
- ❑ In a move by a cybersecurity household name, McAfee sold the enterprise-level side of its business to Symphony Technology Group for \$4 billion. McAfee said the move allows the company to focus on its consumer-facing business rather than corporate. Just five months earlier, in October 2020, McAfee went public.<sup>26,27</sup>
- ❑ California-based cloud software company, NetApp, in October agreed to acquire CloudCheckr, a cloud optimization platform designed to help businesses lower the cost of cloud integration while maintaining security and compliance standards. NetApp reported the acquisition will help customers understand and improve their cloud resources and accelerate cloud integration. The terms of the deal, which closed in November, were not disclosed.<sup>28</sup>
- ❑ In September, Miami-based ColoHouse – a global cloud and data center provider – acquired Lume Cloud, which provides private and hybrid cloud services. ColoHouse leadership praised Lume's “impressive private cloud capabilities.”<sup>29</sup>

## Reading the Circuit Boards: A Look Ahead

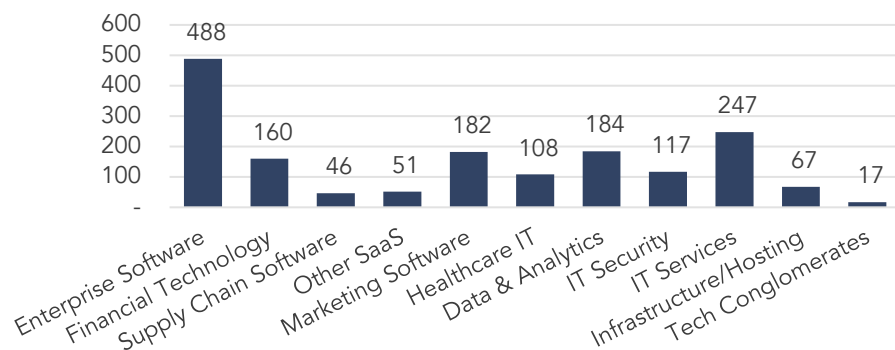
Looking forward to an increasingly connected world – a world stocked with hackers ravenous for information and money – cybersecurity will be a space to watch for M&A activity. Organizations are viewing cybersecurity as vital for growth amid tightening oversight and consumer concerns. In the first three quarters of 2021 in the U.S. alone, there were 151 cybersecurity M&A deals. In the prior three years for the same period, those numbers were 80, 88 and 94. Across the entire tech sector in 2021, deal value was a record \$1.24 trillion, more than the prior two years combined. And it's hard to imagine a tech deal that doesn't at some level involve cybersecurity.<sup>30,31</sup>



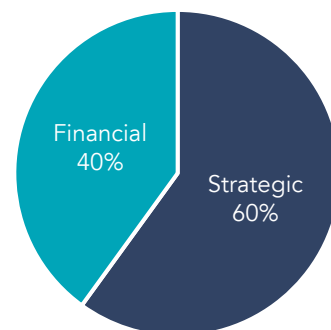


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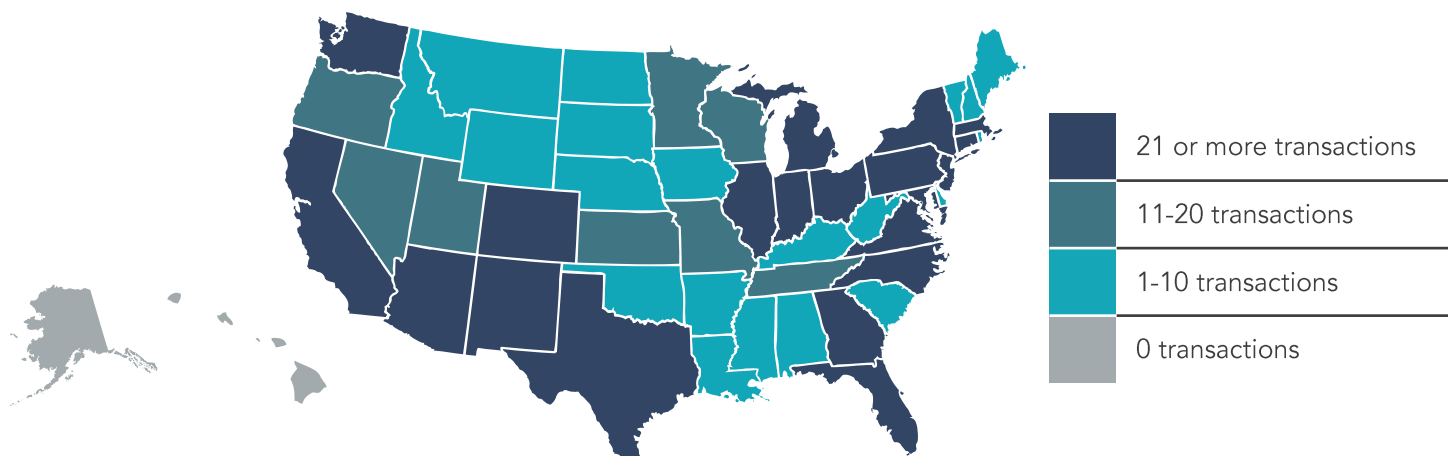
## TRANSACTIONS BY SEGMENT



## TRANSACTIONS BY TYPE



## TRANSACTIONS BY LOCATION



## TRANSACTION ACTIVITY

Date	Target	Buyer(s)	Segment	Amount (\$ in Mil)	TEV/Rev	TEV/EBITDA
12/30/2021	CoreSite Realty	American Tower	Infrastructure/Hosting	10,096.59	15.8x	312x
12/20/2021	Cerner	Oracle	Healthcare IT	27,517.83	4.8x	19.4x
11/24/2021	Inovalon Holdings	22C Capital, Insight Partners, Nordic Capital	Data & Analytics	7,191.13	9.6x	33.8x
11/22/2021	Athenahealth	Bain Capital, Bain Capital Tech Opportunities, Government of Singapore Investment Corporation, Hellman & Friedman	Healthcare IT	17,000.00	-	-
11/22/2021	Vonage Holdings	Ericsson	IT Services	6,151.61	4.5x	516x

**If You Are a Business Owner Looking for Additional Transaction Activity Within Your Industry, Please Call Our Offices at 720.221.9220.**

Source: PitchBook Financial Data and Analytics

Note: This data represents recorded transactions only, and is not all-inclusive. Nevertheless, they are typically representative of the industry.



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## ACTIVE BUYERS

### MOST ACTIVE STRATEGIC BUYERS

FIRM	SELECT SUBSIDIARY BRANDS			
				
				
				

### SELECT SPONSORS WITH ACTIVE PORTFOLIO HOLDINGS

FIRM	SELECT SUBSIDIARY BRANDS			
				
				
				
				

Source: Pitchbook Financial Data and Analytics

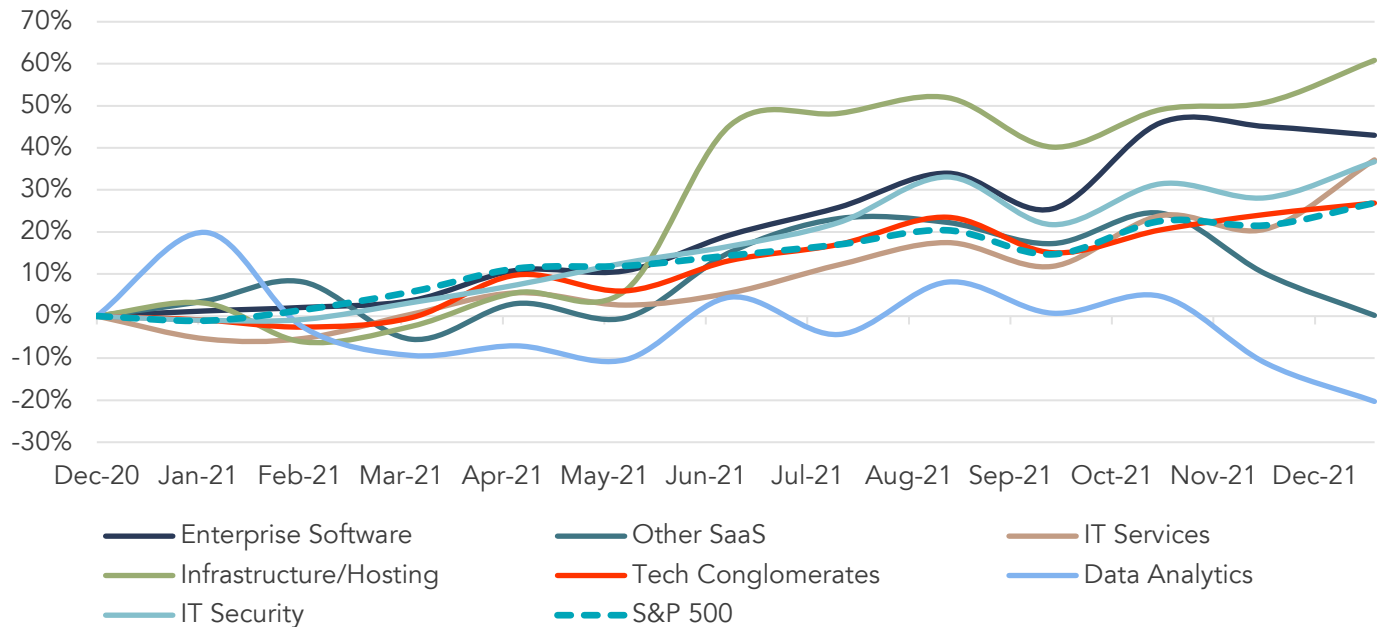
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## PUBLIC BASKET

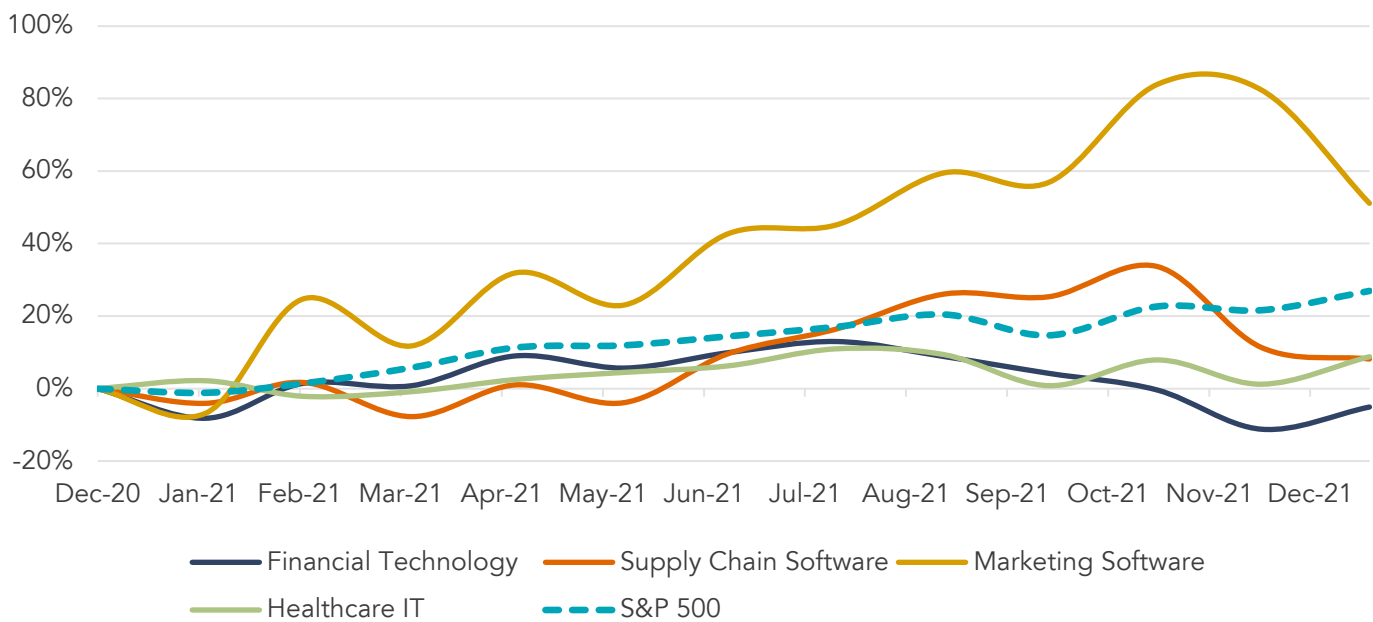
### TECHNOLOGY SEGMENTS (BROAD SOLUTIONS) VS. S&P 500

Segment Market Cap Performance – Trailing 12 Months



### TECHNOLOGY SEGMENTS (INDUSTRY SPECIFIC SOLUTIONS) VS. S&P 500

Segment Market Cap Performance – Trailing 12 Months



Source: PitchBook Financial Data and Analytics



## PUBLIC BASKET (CONTINUED)

### ENTERPRISE SOFTWARE

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples		NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	TEV/ NTM Revenue	TEV/ NTM EBITDA
Microsoft	MSFT	\$ 2,525,084	\$ 336.32	512%	512%	96.2%	20.4%	49.1%	13.9x	28.4x	116x	23.0x
Adobe Systems	ADBE	269,807	567.06	13.4%	13.4%	81.1%	18.6%	40.1%	17.0x	40.7x	15.0x	30.5x
Salesforce.com	CRM	250,318	254.13	14.2%	14.2%	81.5%	21.5%	21.6%	10.2x	47.3x	8.4x	27.8x
Oracle	ORCL	232,890	87.21	34.8%	34.8%	82.0%	4.5%	34.3%	7.0x	20.3x	6.7x	12.8x
Intuit	INTU	182,139	643.22	69.3%	69.3%	89.7%	23.7%	25.7%	17.6x	68.5x	14.2x	36.9x
Workday	WDAY	68,295	273.18	14.0%	14.0%	88.7%	19.4%	7.8%	13.7x	NM	114x	47.5x
ZoomInfo Technologies	ZI	25,887	64.20	33.1%	33.1%	81.1%	46.7%	28.0%	40.6x	NM	27.7x	62.8x
Segment Average				32.9%	32.9%	85.8%	22.1%	29.5%	17.1x	41.0x	13.6x	34.5x
Segment Median				33.1%	33.1%	82.0%	20.4%	28.0%	13.9x	40.7x	11.6x	30.5x

### FINANCIAL TECHNOLOGY

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples		NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	TEV/ NTM Revenue	TEV/ NTM EBITDA
Visa	V	\$ 471,086	\$ 216.71	(0.9%)	(0.9%)	85.8%	212%	72.1%	19.8x	27.4x	16.3x	23.0x
MasterCard	MA	353,053	359.32	0.7%	0.7%	89.5%	26.7%	60.5%	20.2x	33.4x	16.0x	26.4x
PayPal Holdings	PYPL	221,568	188.58	(19.5%)	(19.5%)	60.8%	22.0%	27.1%	8.8x	32.4x	7.2x	25.8x
American Express	AXP	126,717	163.60	35.3%	35.3%	86.5%	NM	NM	NM	NM	NM	NM
Block	SQ	74,501	161.51	(25.8%)	(25.8%)	55.8%	10.7%	4.1%	4.3x	NM	3.9x	NM
Fiserv	FISV	68,525	103.79	(8.8%)	(8.8%)	81.5%	4.5%	34.1%	5.7x	16.6x	5.4x	12.6x
Fidelity National Information Services	FIS	66,465	109.15	(22.8%)	(22.8%)	70.0%	10.4%	34.5%	6.3x	18.2x	5.7x	12.7x
MSCI (US)	MSCI	50,514	612.69	37.2%	37.2%	90.1%	19.3%	54.0%	27.6x	512x	23.2x	39.8x
Black Knight (US)	BKI	12,874	82.89	(6.2%)	(6.2%)	93.1%	12.0%	44.6%	11.3x	25.4x	10.1x	20.3x
Jack Henry & Associates	JKHY	12,364	166.99	3.1%	3.1%	92.8%	10.5%	32.9%	6.9x	210x	6.2x	19.7x
Western Union	WU	7,172	17.84	(18.7%)	(18.7%)	67.0%	2.5%	25.2%	18x	7.1x	17x	6.8x
Envestnet	ENV	4,335	79.34	(3.6%)	(3.6%)	89.7%	20.0%	13.6%	4.3x	319x	3.6x	17.3x
Bottomline Technologies	EPAY	2,551	56.47	7.1%	7.1%	99.4%	13.9%	8.2%	5.4x	64.9x	4.7x	23.1x
Segment Average				(1.8%)	(1.8%)	81.7%	14.5%	34.3%	10.2x	30.0x	8.7x	20.7x
Segment Median				(3.6%)	(3.6%)	86.5%	13.0%	33.5%	6.6x	27.4x	6.0x	20.3x

### SUPPLY CHAIN SOFTWARE

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples		NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	TEV/ NTM Revenue	TEV/ NTM EBITDA
Avalara	AVLR	\$ 11,222	\$ 129.11	(217%)	(217%)	67.4%	30.7%	(114%)	16.5x	NM	12.6x	NM
Manhattan Associates	MANH	9,840	155.49	47.8%	47.8%	82.5%	10.8%	22.4%	15.0x	67.3x	13.6x	54.3x
SPS Commerce	SPSC	5,120	142.35	31.1%	31.1%	81.6%	212%	21.1%	13.4x	63.4x	110x	38.9x
American Software	AMSWA	877	26.17	52.4%	52.4%	78.7%	7.6%	13.8%	6.6x	NM	6.1x	46.5x
Segment Average				27.4%	27.4%	77.5%	17.6%	11.4%	12.9x	65.3x	10.8x	46.6x
Segment Median				39.5%	39.5%	80.1%	16.0%	17.4%	14.2x	65.3x	11.8x	46.5x

### MARKETING SOFTWARE

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples		NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	TEV/ NTM Revenue	TEV/ NTM EBITDA
HubSpot	HUBS	\$ 3,145	\$ 659.15	66.3%	66.3%	76.1%	40.5%	(0.7%)	25.9x	NM	18.5x	NM
Cardlytics	CDLX	2,199	66.09	(53.7%)	(53.7%)	40.9%	36.3%	(34.4%)	8.8x	NM	6.5x	NM
ChannelAdvisor	ECOM	742	24.68	54.4%	54.4%	83.9%	12.6%	16.3%	4.0x	24.3x	3.5x	16.7x
Marin Software	MRIN	57	3.71	83.7%	83.7%	13.6%	NM	(27.8%)	0.6x	NM	NM	NM
Segment Average				37.7%	37.7%	53.6%	29.8%	(11.6%)	9.8x	24.3x	9.5x	16.7x
Segment Median				60.4%	60.4%	58.5%	36.3%	(14.2%)	6.4x	24.3x	6.5x	16.7x

Source: PitchBook Financial Data and Analytics





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## PUBLIC BASKET (CONTINUED)

### OTHER SAAS

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples		NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	TEV/ NTM Revenue	TEV/ NTM EBITDA
ServiceNow	NOW	\$ 129,173	\$ 649.11	17.9%	17.9%	91.7%	33.4%	12.2%	23.2x	NM	17.4x	55.7x
Atlassian	TEAM	96,372	381.29	63.0%	63.0%	78.9%	29.8%	(35.5%)	42.8x	NM	33.0x	NM
Snap Group	SNAP	75,709	47.03	(6.1%)	(6.1%)	56.4%	48.0%	(12.3%)	20.1x	NM	13.6x	78.5x
Zoom Video Communications	ZM	54,804	183.91	(45.5%)	(45.5%)	40.7%	15.5%	32.3%	12.7x	39.1x	11.0x	27.9x
Cloudflare	NET	42,310	131.50	73.0%	73.0%	59.3%	51.6%	(20.6%)	70.9x	NM	46.8x	NM
DocuSign	DOCU	30,139	152.31	(31.5%)	(31.5%)	48.4%	26.7%	(0.8%)	15.4x	NM	12.2x	NM
RingCentral	RNG	17,507	187.35	(50.6%)	(50.6%)	41.7%	32.4%	(6.3%)	12.6x	NM	9.5x	69.9x
Zendesk	ZEN	12,658	104.29	(27.1%)	(27.1%)	62.6%	35.6%	(10.3%)	10.3x	NM	7.6x	74.8x
Guidewire Software	GWRE	9,458	113.53	(11.8%)	(11.8%)	84.6%	9.3%	(9.8%)	12.3x	NM	11.2x	NM
Five9	FIVN	9,344	137.32	(21.3%)	(21.3%)	64.9%	32.6%	0.2%	17.3x	NM	13.1x	84.2x
Agora (Communication Software)	API	1,878	16.21	(59.0%)	(59.0%)	14.1%	13.9%	(33.1%)	7.0x	NM	6.1x	NM
Segment Average				(9.0%)	(9.0%)	58.5%	29.9%	(7.6%)	22.2x	39.1x	16.5x	65.2x
Segment Median				(21.3%)	(21.3%)	59.3%	32.4%	(9.8%)	15.4x	39.1x	12.2x	72.3x

### HEALTHCARE IT

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples		NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	TEV/ NTM Revenue	TEV/ NTM EBITDA
Veeva Systems	VEEV	\$ 39,284	\$ 255.48	(6.2%)	(6.2%)	74.3%	18.1%	29.8%	21.0x	NM	17.8x	45.4x
McKesson	MCK	37,952	248.57	42.9%	42.9%	99.0%	3.7%	(17%)	0.2x	NM	0.2x	9.2x
Cerner	CERN	27,138	92.87	18.3%	18.3%	99.4%	6.7%	24.8%	4.9x	19.9x	4.6x	13.7x
One Medical	ONEM	3,354	17.57	(59.7%)	(59.7%)	29.4%	107.9%	(23.0%)	6.5x	NM	3.1x	NM
Incyte Technology Group	INO	34	0.02	63.4%	63.4%	86.1%	NM	NM	NM	NM	NM	NM
Segment Average				11.8%	11.8%	77.6%	34.1%	7.5%	8.2x	19.9x	6.4x	22.8x
Segment Median				18.3%	18.3%	86.1%	12.4%	11.6%	5.7x	19.9x	3.9x	13.7x

### DATA ANALYTICS

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples		NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	TEV/ NTM Revenue	TEV/ NTM EBITDA
Palantir Technologies	PLTR	\$ 36,508	\$ 18.21	(22.7%)	(22.7%)	40.5%	38.6%	(35.2%)	24.0x	NM	17.3x	61.2x
Splunk	SPLK	18,375	115.72	(31.9%)	(31.9%)	64.9%	13.2%	(42.5%)	8.0x	NM	7.0x	NM
Elasticsearch	ESTC	11,400	123.09	(15.8%)	(15.8%)	64.8%	26.7%	(18.7%)	15.1x	NM	12.0x	NM
Pegasystems	PEGA	9,133	111.82	(16.1%)	(16.1%)	75.1%	24.8%	(3.9%)	7.9x	NM	6.3x	58.2x
MicroStrategy	MSTR	6,107	544.49	40.1%	40.1%	41.4%	6.0%	(125.1%)	16.3x	NM	15.4x	73.7x
Teradata	TDC	4,608	42.47	89.0%	89.0%	71.3%	0.7%	17.3%	2.4x	13.7x	2.4x	11.4x
Alteryx	AYX	4,081	60.50	(50.3%)	(50.3%)	43.1%	19.0%	(12.3%)	8.3x	NM	6.9x	NM
Verint Systems	VRNT	3,450	52.51	53.5%	53.5%	98.8%	(29.9%)	13.4%	4.1x	34.8x	4.4x	16.2x
GlobalData Holding	DATA	2,277	19.23	3.4%	3.4%	81.4%	12.9%	29.9%	9.7x	32.5x	8.6x	23.9x
PROS Holdings	PRO	1,531	34.49	(32.1%)	(32.1%)	67.4%	11.7%	(22.2%)	6.3x	NM	5.6x	NM
Segment Average				1.7%	1.7%	64.9%	12.3%	(19.9%)	10.2x	27.0x	8.6x	40.8x
Segment Median				(15.9%)	(15.9%)	66.2%	13.0%	(15.5%)	8.1x	32.5x	7.0x	41.0x

Source: PitchBook Financial Data and Analytics



# TECHNOLOGY REPORT

2H 2021 | VOL 9 | ISSUE 2

## PUBLIC BASKET (CONTINUED)

### IT SERVICES

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples		NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	TEV/ NTM Revenue	TEV/ NTM EBITDA
Accenture	ACN	\$ 261,996	\$ 414.55	58.7%	58.7%	99.3%	13.7%	16.9%	4.8x	28.7x	4.3x	22.4x
Cognizant Technology Solutions	CTSH	46,600	88.72	8.3%	8.3%	98.5%	12.9%	17.3%	2.6x	14.8x	2.3x	12.2x
EPAM Systems	EPAM	37,914	668.45	86.5%	86.5%	92.1%	44.5%	18.2%	10.9x	60.0x	7.6x	39.4x
Leidos	LDOS	12,476	88.90	(15.4%)	(15.4%)	78.2%	7.2%	110%	1.3x	119x	12x	116x
Booz Allen	BAH	11,353	84.79	(2.7%)	(2.7%)	84.6%	13.4%	10.1%	1.7x	17.0x	15x	14.3x
CACI International	CACI	6,280	269.21	8.0%	8.0%	92.6%	7.4%	10.9%	14x	12.5x	13x	11.7x
ManTech International	MANT	2,971	72.93	(18.0%)	(18.0%)	72.0%	4.8%	10.2%	1.1x	112x	1.1x	11.4x
SolarWinds	SWI	2,257	14.19	(10.0%)	(10.0%)	61.7%	(27.4%)	31.7%	4.4x	15.1x	4.8x	118x
Unisys	UIS	1,381	20.57	4.5%	4.5%	71.9%	2.6%	(14.6%)	0.7x	NM	0.6x	3.5x
The Hackett Group	HCKT	612	20.53	42.7%	42.7%	88.1%	5.5%	15.1%	2.1x	13.9x	2.0x	9.1x
<b>Segment Average</b>				<b>16.3%</b>	<b>16.3%</b>	<b>83.9%</b>	<b>8.4%</b>	<b>12.7%</b>	<b>3.1x</b>	<b>20.6x</b>	<b>2.7x</b>	<b>14.7x</b>
<b>Segment Median</b>				<b>6.2%</b>	<b>6.2%</b>	<b>86.3%</b>	<b>7.3%</b>	<b>13.1%</b>	<b>1.9x</b>	<b>14.8x</b>	<b>1.8x</b>	<b>11.7x</b>

### IT SECURITY

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples		NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	TEV/ NTM Revenue	TEV/ NTM EBITDA
Cisco Systems	CSCO	\$ 267,270	\$ 63.37	416%	416%	98.6%	5.2%	315%	5.0x	15.8x	4.7x	12.8x
Fortinet	FTNT	58,762	359.40	142.0%	142.0%	96.7%	26.6%	215%	18.1x	84.1x	14.3x	50.6x
Palo Alto Networks	PANW	54,934	556.76	56.7%	56.7%	97.2%	24.0%	(0.7%)	12.2x	NM	9.8x	41.1x
CrowdStrike	CRWD	46,957	204.75	(3.3%)	(3.3%)	68.6%	43.5%	(5.3%)	35.7x	NM	24.9x	NM
Zscaler	ZS	45,012	321.33	60.9%	60.9%	85.4%	42.4%	(29.4%)	58.3x	NM	410x	NM
VeriSign	VRNS	28,194	253.82	17.3%	17.3%	98.8%	8.8%	68.2%	22.0x	32.3x	20.2x	29.0x
Check Point Software Technologies	CHKP	15,479	116.56	(12.3%)	(12.3%)	84.8%	4.6%	43.7%	6.4x	14.8x	6.2x	12.8x
CyberArk Software	CYBR	6,890	173.28	7.2%	7.2%	85.9%	13.4%	(6.5%)	13.0x	NM	114x	NM
Tenable	TENB	5,917	55.07	5.4%	5.4%	94.2%	25.2%	(3.4%)	11.2x	NM	8.9x	78.3x
Qualys	QLYS	5,327	137.22	12.6%	12.6%	92.2%	17.1%	29.7%	12.7x	42.8x	10.8x	24.7x
Varonis Systems	VRNS	5,235	48.78	(10.6%)	(10.6%)	64.8%	32.8%	(23.4%)	13.1x	NM	9.9x	NM
Ping Identity	PING	1,912	22.88	(20.1%)	(20.1%)	61.5%	16.3%	(6.8%)	7.0x	NM	6.0x	56.8x
<b>Segment Average</b>				<b>24.8%</b>	<b>24.8%</b>	<b>85.7%</b>	<b>21.6%</b>	<b>9.9%</b>	<b>17.9x</b>	<b>38.0x</b>	<b>14.0x</b>	<b>38.3x</b>
<b>Segment Median</b>				<b>9.9%</b>	<b>9.9%</b>	<b>89.1%</b>	<b>20.5%</b>	<b>(2.1%)</b>	<b>12.8x</b>	<b>32.3x</b>	<b>10.4x</b>	<b>35.0x</b>

### HOSTING DATA CENTER

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples		NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	TEV/ NTM Revenue	TEV/ NTM EBITDA
Equinix	EQIX	\$ 76,160	\$ 845.84	18.4%	18.4%	95.5%	10.1%	38.3%	13.8x	36.1x	12.6x	26.7x
IQVIA	QTS	53,900	280.81	15.9%	15.9%	99.5%	NM	19.7%	4.8x	24.3x	NM	NM
Digital Realty	DLR	50,193	176.87	26.8%	26.8%	99.2%	7.1%	57.9%	15.3x	26.2x	14.3x	26.8x
Akamai Technologies	AKAM	19,017	117.04	115%	115%	93.7%	10.3%	37.2%	5.9x	15.8x	5.3x	12.3x
GoDaddy	GDDY	14,104	84.86	2.3%	2.3%	90.5%	13.4%	15.0%	4.6x	310x	4.1x	17.9x
Switch (Nevada)	SWCH	4,116	28.64	75.0%	75.0%	98.3%	210%	47.1%	10.8x	22.9x	8.9x	17.2x
Extreme Networks	EXTR	2,039	15.70	127.9%	127.9%	94.5%	115%	119%	2.1x	18.0x	19x	14.0x
<b>Segment Average</b>				<b>39.7%</b>	<b>39.7%</b>	<b>95.9%</b>	<b>12.2%</b>	<b>32.4%</b>	<b>8.2x</b>	<b>24.9x</b>	<b>7.8x</b>	<b>19.2x</b>
<b>Segment Median</b>				<b>18.4%</b>	<b>18.4%</b>	<b>95.5%</b>	<b>10.9%</b>	<b>37.2%</b>	<b>5.9x</b>	<b>24.3x</b>	<b>7.1x</b>	<b>17.6x</b>

Source: PitchBook Financial Data and Analytics



## PUBLIC BASKET (CONTINUED)

### TECH CONGLOMERATES – “FAANG”

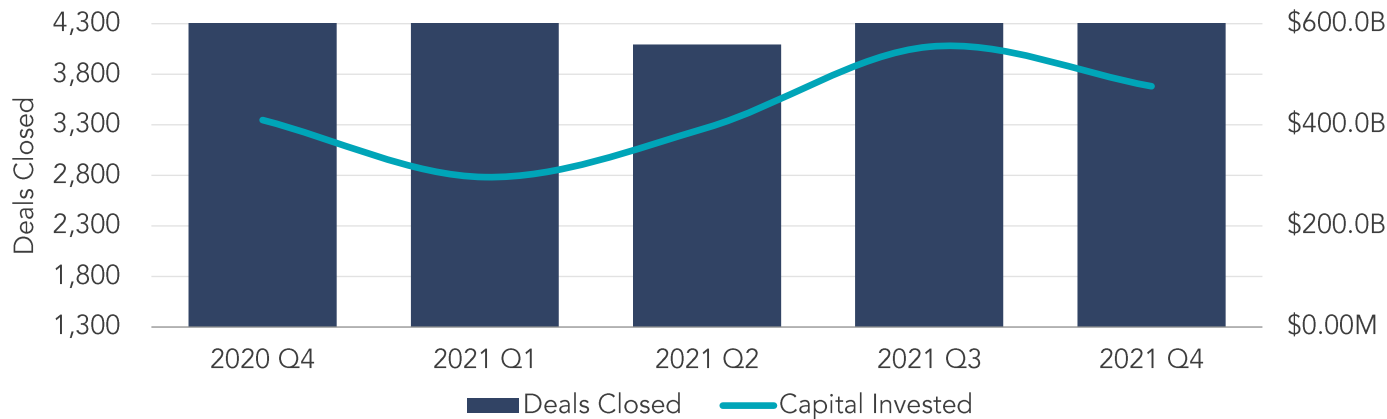
Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples		NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	LTM Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	TEV/ NTM Revenue	TEV/ NTM EBITDA
Apple	AAPL	\$ 2,913,284	\$ 177.57	33.8%	33.8%	97.5%	7.1%	32.9%	8.1x	24.7x	7.6x	22.6x
Alphabet	GOOGL	1,921,855	2,897.04	65.3%	65.3%	95.9%	24.3%	40.4%	7.6x	18.7x	6.1x	15.0x
Amazon.com	AMZN	1,691,003	3,334.34	2.4%	2.4%	88.4%	20.7%	14.1%	3.8x	26.8x	3.1x	20.8x
Meta Platforms	FB	935,645	336.35	23.1%	23.1%	87.5%	24.2%	48.3%	7.9x	18.1x	6.4x	13.1x
Netflix	NFLX	266,852	602.44	11.4%	11.4%	85.9%	16.9%	63.4%	9.6x	15.1x	8.2x	37.9x
Segment Average				27.2%	27.2%	91.1%	18.6%	39.8%	7.4x	20.7x	6.3x	21.9x
Segment Median				23.1%	23.1%	88.4%	20.7%	40.4%	7.9x	18.7x	6.4x	20.8x

Source: PitchBook Financial Data and Analytics



## U.S. M&A ACTIVITY SNAPSHOT

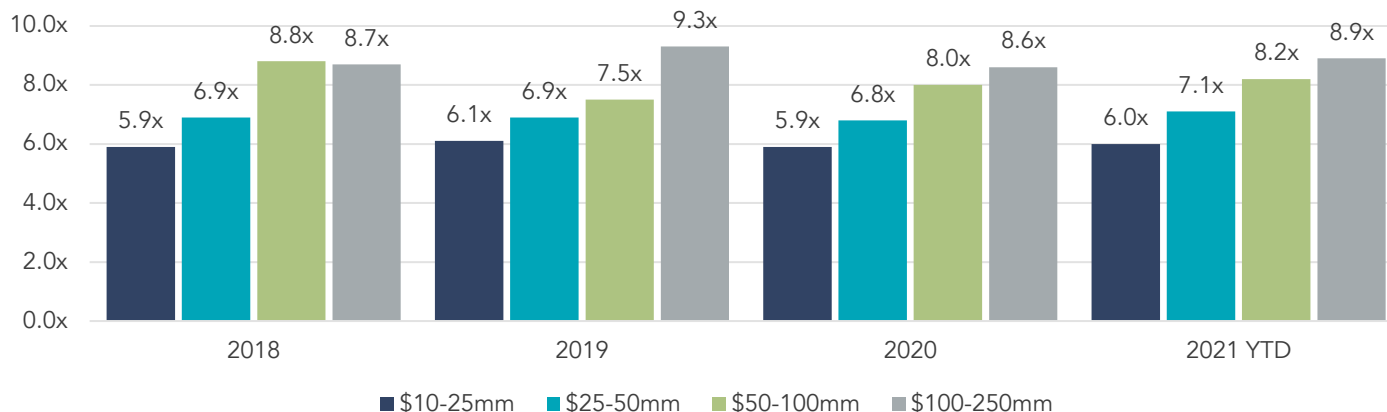
### OVERALL U.S. M&A ACTIVITY



Source: PitchBook Financial Data and Analytics

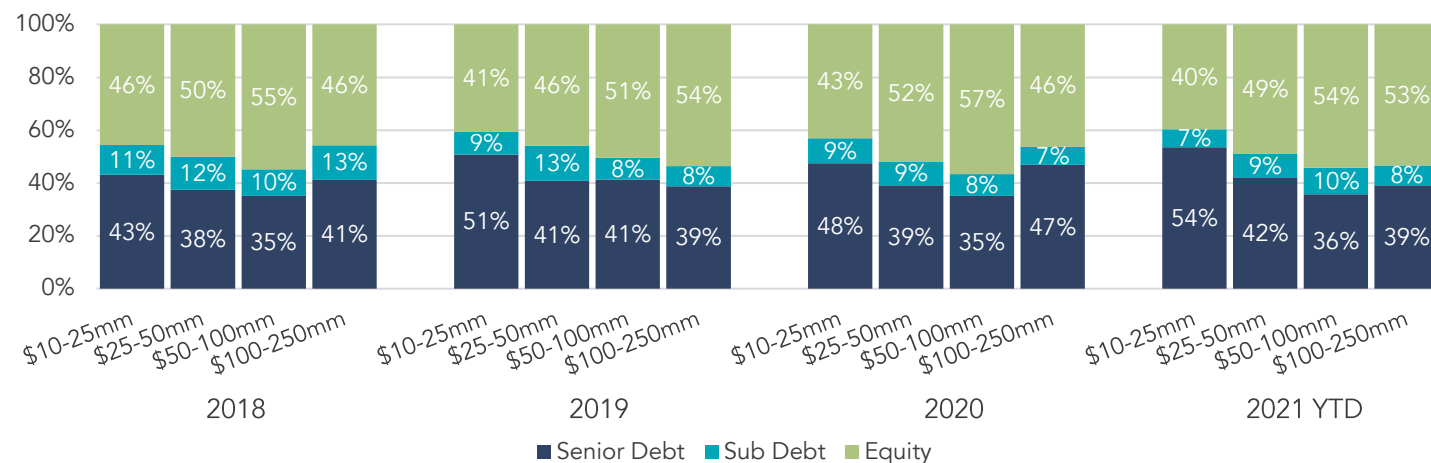
### LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTION MULTIPLES

EBITDA Multiples By Transaction Size



Source: GF Data®

### CAPITAL BREAKDOWN – LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTIONS



Note: The most current source of GF Data is as of November 2021.

Source: GF Data®



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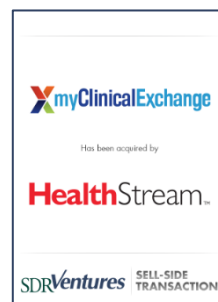
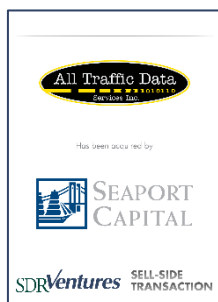
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