



TECHNOLOGY REPORT

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

1H 2023

SDR*Ventures*

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TECHNOLOGY 1H23: WHAT TO KNOW

- ❑ Sure tech, especially big tech, took a hit in 2H22. There were layoffs, retooling, all that. But 1H23 is off to an interesting start, and we kind of like it. There is a lot going on out there.
- ❑ If bigger companies steered clear of strategic moves, PE isn't waiting around. Watch for a lot of pent-up demand and warehoused cash ready to be deployed.
- ❑ We won't delay this any longer: AI is a thing. It's going somewhere, and money is following it. What's next? Who knows, but this is worth your attention.

A Smoother Path After a Bumpy Beginning

What a year it's been so far for tech. The best of times, the worst of times in some ways. The end of 2022 and the first half of 2023 kicked off with some big layoffs that left many big tech companies on the sidelines, postponing strategic acquisitions as interest rates rose. It's hard to be bold during a period of rising interest rates, supply chain shifts, geopolitical uncertainty, and let's not forget a big bank failure in Silicon Valley. Household names shed workers both as a way to deal with an uncertain economy and to make up for some missteps during and after the COVID-19 pandemic. Shopify, GrubHub, Lyft, Amazon, Microsoft, Google (Alphabet) and even pandemic hero Zoom slashed jobs and retrenched. But as the first half of the year came to a close, we're left feeling optimistic as private equity appears eager to make deals while order has been restored on the big tech side. Semiconductors are getting a boost from the government, and robotics are weaving their way into everything from manufacturing to warehouses to restaurants. And then, there's AI. We may be about to see a shakeup driven by new technologies, and that could mean activity in mergers and acquisitions across the sector.^{1,2,3,4}

Tech deals were down substantially toward the end of 2022. Maybe in 1H23 tech was shaking off a bit of a hangover. While we're not waiting for a "barbarians at the gate" storm of acquisitions, more than half tech insiders surveyed at the start of the year feel deal volume will accelerate through 2023. Although there's still that little matter of funding a deal. If an acquiring company's stock is down, a stock-in-trade deal gets a bit more costly. If banks are skittish about lending, borrowing is harder to swing. And if consumers are fearing a recession, maybe consumer-focused tech deals get a little riskier. But things appear to be turning around. Facebook parent Meta saw its stock rise from \$125 at the start of the year to \$287 by the close of the first half. Banks weathered the collapse of First Republic, Signature Bank, and Silicon Valley Bank, and we may finally find out the Fed's ceiling on interest rates. As for that consumer-squeezing inflation, it appears to be cooling and "the most predicted recession in history" may never arrive. Are things looking up? The Magic 8 Ball says, "Signs point to yes." That's not a guarantee, but we're feeling better.^{5,6,7,8,9,10,11}

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ABOUT SDR

Established in 2002, SDR Ventures has developed deep M&A and capital transaction knowledge and expertise. SDR offers transaction advisory, private capital formation and business consulting services across a wide range of industries. We serve business owners and operators of privately held companies and provide them with a professional-class experience.

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Gaining Momentum After a Reset

While deal values were down significantly in 2022, deal volume held up better. There were deals, they simply weren't the blockbusters of the past. But with the tech-heavy NASDAQ up nearly 32% in 1H23, many of the big, publicly traded players got off the mat and started swinging. As AI works its way into the world, we've seen some FOMO (fear of missing out) from big players. To start the year, Microsoft confirmed it dumped \$10 billion into the AI platform that triggered a gold rush, ChatGPT, after already investing \$3 billion in the platform. This may be setting up a tech gunfight at the A.I. Corral with other big players including Alphabet, Apple and Meta. Amazon's Amazon Web Services, the largest cloud computer platform in the world, recently announced a \$100 million investment to study the addition of AI capabilities and Language Learning Models (LLM) for AI. When the FAANGs get into a shooting war, we watch for ripples across the sector. If there are buyers, VC cash will flow to innovators while PE and its dry powder will be looking for value.^{12,13,14,15}

And nobody's going to roll over and hand the emerging technology to the biggest players. Data repository company Databricks in June spent \$1.3 billion to acquire LLM provider MosaicML for its platform.¹⁶

A Break From Consumer Driven Deals?

Traditionally, it's those tech deals that interact in the consumer space – the household names – that get attention. Witness the ink dedicated to covering Microsoft's on-again-off-again \$75 billion bid to buy video game publisher Activision Blizzard, owner of blockbusters such as the Call of Duty franchise and Candy Crush. News outlets rush to report the latest developments as Microsoft battles the Federal Trade Commission and other countries over concerns over antitrust issues (a federal judge stuck a pin in the FTC's case in June, and members of Congress are urging the agency to let the deal get done).^{17,18,18}

But in the near term, we'll be watching for deals outside of the spotlight, tech that's aimed at B2B, helping businesses do business. Watch for applications in cybersecurity, B2B video content and video interviewing software, even sales, marketing, and content tools. In healthcare, the rush is already on to integrate AI into existing tech platforms for diagnosis, clinical trials, robot-assisted surgery, even record management and automation of routine patient interactions. It's been estimated AI integration in healthcare could save \$360 billion a year across the sector.^{20,21,22,23}

Remember the post-pandemic one-two punch of supply chain snarls and labor shortage? Look to tech to solve many of the issues revealed when the world seemed to suddenly find "just in time" delivery may not be all that reliable when things get weird. For raw materials and B2B distribution, look at emerging "control tower operations," digital, end-to-end real-time tracking and routing, more accurate forecasting, stocking and ordering, and decision making. In the warehouse, Amazon is racing ahead with a variety of robots that can do the jobs that people do today, but without ever calling in sick, and without a salary. And then there's last-mile logistics, getting stuff to the customer with smart pick up and drop off points, driverless delivery, and drone technology. Already, a California company is making – and restaurants are using – entirely autonomous food delivery robots. This is real, these things are already on the sidewalks in a couple of cities, finding their way from restaurant to customer doorsteps. Other startups are testing delivery robots. And yes, Uber wants in on that. So does FedEx and Amazon.^{24,25,26,27,28,29}

Businesses are embracing tech to cut costs, speed processes and delivery, and find efficiencies. Tech's not done with us yet, and one sluggish prior year doesn't merit taking your eyes off the sector.

Game (Not) Over: Mergers & Acquisitions

❑ In March, Silver Lake and CPP Investments shelled out \$12.5 billion to acquire the survey software company Qualtrics, the second time in five years Qualtrics was acquired. The buyers bought all Qualtrics' shares in an all-cash deal and took the company private. Shares will no longer trade on public markets. SAP had acquired Qualtrics in 2018 and at the time of the deal held a majority ownership stake. Qualtrics provides digitized analytics and feedback for companies, largely through a subscription model, but it also offers research-on-demand.³⁰



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- ❑ Software investor Thoma Bravo in February announced the \$8 billion, all-cash acquisition of Coupa Software, a cloud-based business spend management platform that connects processes across supply chain, procurement, and finance. Thoma Bravo is one of the largest software investors in the world with some \$120 billion under management and offices in Chicago, London, Miami, and San Francisco.³¹
- ❑ As 1H23 came to an end in June, IBM closed a \$4.6 billion deal to purchase cloud services and software provider Aptio from the private equity firm Vista Equity Partners. Vista exits at a significant profit, having paid less than \$2 billion to take Aptio private five years ago. Prior to sealing the deal, the Wall Street Journal reported the sale price would be closer to \$5 billion. The acquisition is seen as a way to provide IBM with stronger automation capabilities. Aptio helps companies manage what they spend on tech, a service the Wall Street Journal reports is something IBM is eager to expand in as it moves into hybrid-cloud and AI. IBM in May spent \$60 million to acquire cyber security company Polar Security, and in June, IBM struck again announcing its intention to acquire Agyla SAS, a French cloud services company in a bid to bolster its consulting business in the country. In 2019, Big Blue made its biggest acquisition, a \$35 billion buy of software provider Red Hat and has been divesting older infrastructure, data center, and weather operations. Since 2020, IBM has acquired 30 companies in the cloud and AI field and started 2H23 with an earnings beat. Not bad. As for Vista, at the start of the year, in January, it took insurance software company Duck Creek private in a \$2.6 billion deal.^{32,33,34,35,36,37}
- ❑ In June, cloud giant Snowflake acquired AI-powered search company Neeva, adding conversation-driven search capabilities. Snowflake officials said the acquisition will enhance its search capabilities within its secure-perimeter cloud operations. Terms were not disclosed. Snowflake brought aboard about 40 Neeva employees with the deal. Neeva was cofounded in 2019 by Sridhar Ramaswamy, a 16-year Google veteran, and Vivek Raghunathan. The company had raised \$77.5 million in funding.³⁸

Rock Down to Electric Avenue (Then We'll Take It Higher)

If big tech took a step back, a breather coming out of 2022, we see the sector and M&A picking up significantly in the back half of 2023. Big tech stock prices are back up (Apple up 55% in the first half), PE is sitting on \$800 bn, and developments are coming fast as more companies, even fintech, look to the cloud for growth and capacity. With enhanced capabilities boosting everything from pharmaceutical development to last mile retail delivery to content generation, tech has cemented itself into our lives. Meanwhile, even with the FTC becoming more active in antitrust investigations, it appeared in 1H23 motivated investors are prepared to fight in court if needed to make the deal. Business wants to do business.^{39,40,41,42,43}

And don't sleep on AI to facilitate M&A.

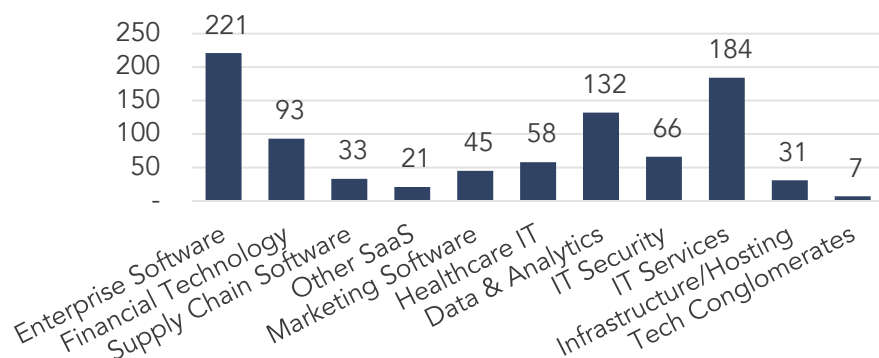
AI is leaving an indelible mark on the mergers and acquisitions landscape, offering a wealth of benefits and opportunities to businesses and investors alike. Companies that use AI systems for mergers and acquisitions can reduce due diligence by 30% to 90%. They can reduce the time attorneys need to review contracts by over 95%. If a transaction is of an international nature, or requires review of multiple languages, cognitive systems can add great value there as well. Organizations can streamline deal sourcing, conduct thorough due diligence, and optimize integration by tapping the power of AI. AI allows stakeholders to explore potential acquisition targets and the impact of transactions on strategy and financial performance.

That paragraph above? It was written in a few seconds by a Microsoft AI browser extension powered by ChatGPT when asked, "What opportunities are there for investors in mergers and acquisitions, M&A, in AI."

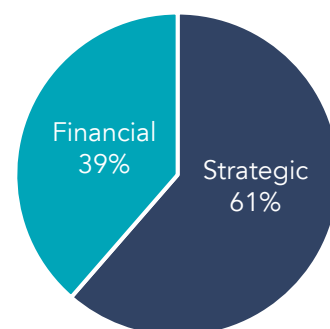


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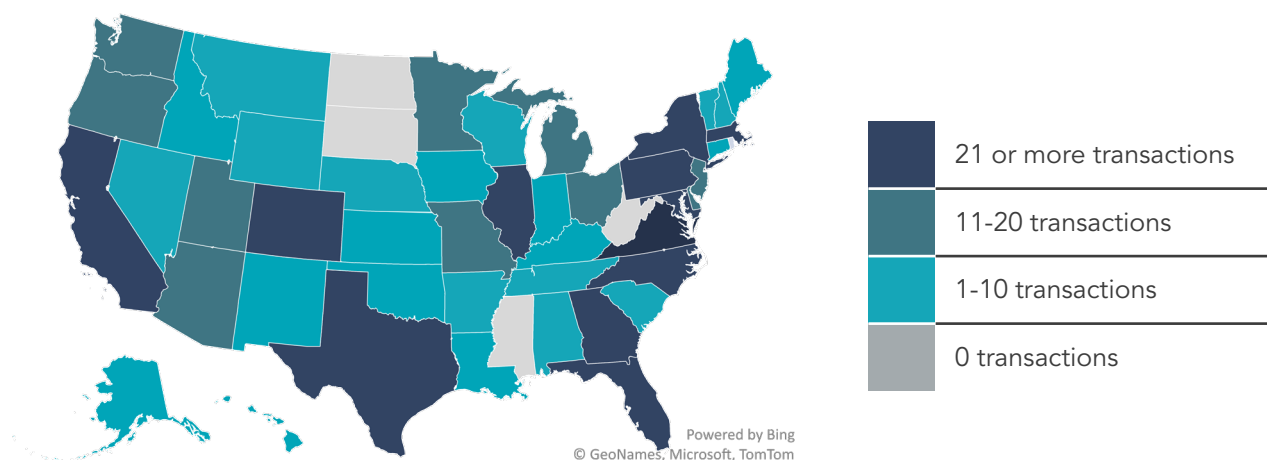
TRANSACTIONS BY SEGMENT



TRANSACTIONS BY TYPE



TRANSACTIONS BY LOCATION



TRANSACTION ACTIVITY

Date	Target	Buyer(s)	Segment	Amount (\$ in Mil)	TEV/Rev	TEV/EBITDA
6/15/2023	Cvent	Abu Dhabi Investment Authority, AustralianSuper, Blackstone, Vista Equity Partners	Enterprise Software	4,600.00	7.0x	86.4x
6/9/2023	Adenza	NASDAQ	Financial Technology	10,500.00	-	-
6/6/2023	Rebate Insight	Morgan Stanley Capital Partners, Sheridan Capital Partners, SpendMend	Healthcare IT	-	-	-
3/2/2023	Axis Security	Hewlett Packard Enterprise	Tech Conglomerates	500.00	-	-
4/26/2023	Fusion Risk Management	Great Hill Partners	IT Services	525.00	-	-
4/25/2023	Polioygenius	Eldridge, Zinnia	Financial Technology	-	-	-

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	RECENT SUBSIDIARY ACQUISITIONS			
				
				
				

SELECT SPONSORS WITH ACTIVE PORTFOLIO HOLDINGS

FIRM	RECENT SUBSIDIARY ACQUISITIONS			
				
				
				

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.

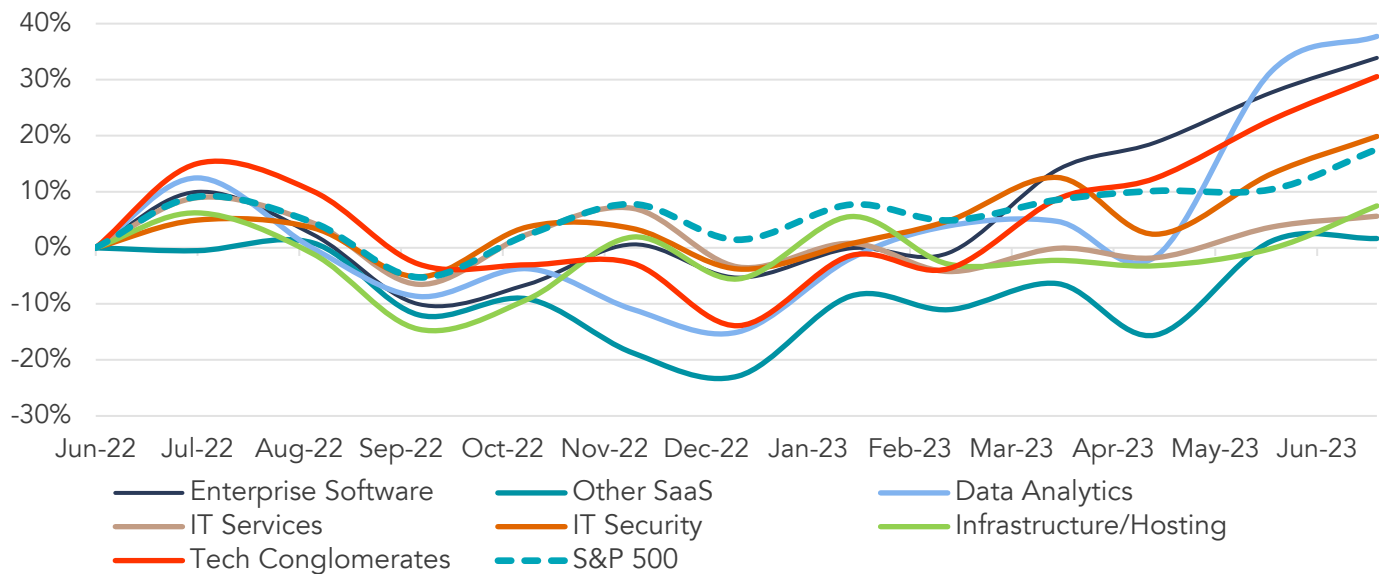


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PUBLIC BASKET

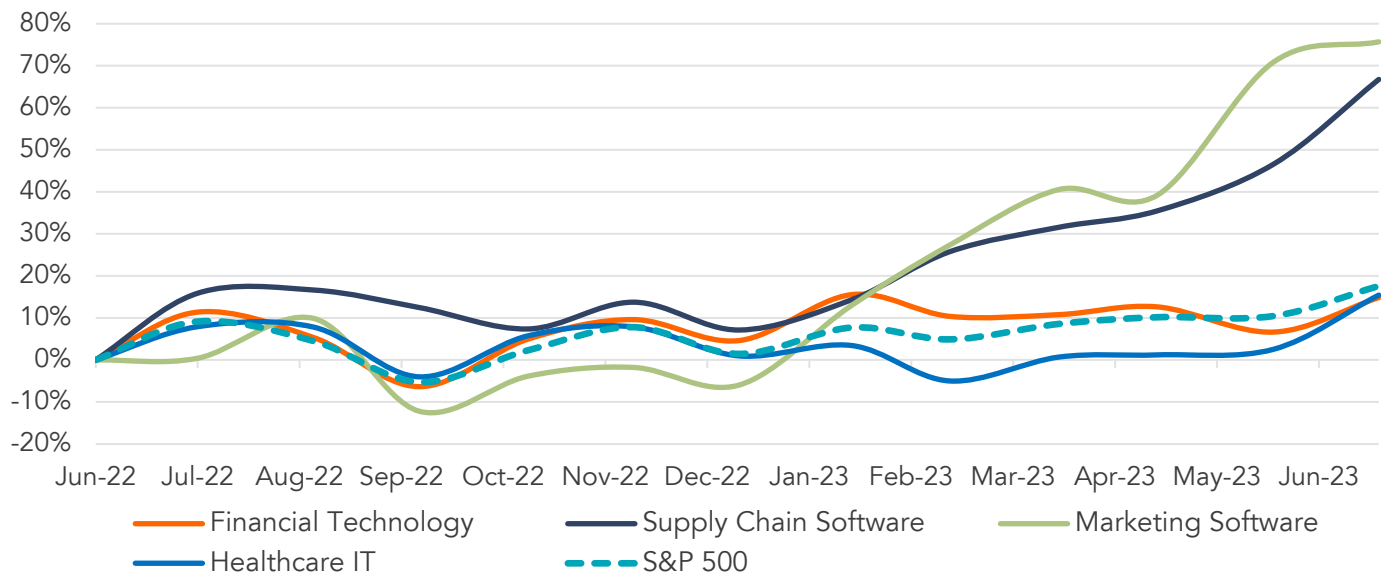
TECHNOLOGY SEGMENTS (BROAD SOLUTIONS) VS. S&P 500

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	\$ 2,532,081	\$ 340.54	31.2%	42.0%	96.9%	13.6%	47.4%	12.0x	25.3x	10.6x	20.8x
Oracle	ORCL	323,241	119.09	68.0%	45.7%	93.4%	8.1%	36.9%	8.1x	21.9x	7.5x	15.0x
Adobe	ADBE	222,882	488.99	32.7%	45.3%	94.3%	10.5%	38.7%	12.0x	30.9x	10.8x	22.0x
Salesforce	CRM	205,767	211.26	25.6%	59.3%	93.9%	10.4%	16.5%	6.4x	38.7x	5.8x	14.7x
Intuit	INTU	128,321	458.19	18.0%	17.7%	93.4%	11.1%	27.4%	9.3x	34.0x	8.4x	20.5x
Workday	WDAY	58,957	225.89	58.7%	35.0%	97.9%	15.8%	2.2%	8.6x	NM	7.5x	27.3x
ZoomInfo Technologies	ZI	10,215	25.39	(25.1%)	(15.7%)	49.0%	19.9%	32.7%	9.4x	28.9x	7.9x	18.1x
Segment Average				29.9%	32.8%	88.4%	12.8%	28.8%	9.4x	29.9x	8.3x	19.8x
Segment Median				31.2%	42.0%	93.9%	11.1%	32.7%	9.3x	29.9x	7.9x	20.5x

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	\$ 414,750	\$ 237.48	19.2%	14.3%	94.8%	13.8%	65.9%	16.2x	24.6x	14.2x	20.2x
MasterCard	MA	372,702	393.30	23.6%	13.1%	99.5%	17.6%	57.2%	16.7x	29.2x	14.2x	23.1x
American Express	AXP	129,473	174.20	24.1%	17.9%	95.6%	16.0%	NM	NM	NM	NM	NM
Fiserv	FISV	77,874	122.26	33.2%	21.2%	99.6%	NM	37.9%	5.5x	14.6x	NM	NM
PayPal Holdings	PYPL	74,452	66.73	(6.5%)	(6.3%)	64.8%	9.9%	18.3%	2.6x	14.5x	2.4x	9.3x
Block	SQ	40,268	66.57	4.2%	5.9%	71.4%	18.3%	0.0%	1.9x	NM	1.6x	23.1x
MSCI	MSCI	37,573	469.29	12.3%	0.9%	82.0%	13.3%	60.1%	18.0x	30.0x	15.9x	26.3x
Fidelity National Information Services	FIS	32,406	54.70	(41.5%)	(19.4%)	52.0%	1.5%	(84.0%)	3.5x	NM	3.4x	8.1x
Jack Henry & Associates	JKHY	12,194	167.33	(9.2%)	(4.7%)	78.7%	8.5%	32.0%	6.2x	19.4x	5.7x	17.6x
Black Knight	BKI	9,363	59.73	(9.7%)	(3.3%)	86.8%	0.6%	46.6%	7.6x	16.6x	7.6x	16.2x
Western Union	WU	4,393	11.73	(30.2%)	(14.8%)	67.3%	(6.0%)	25.1%	1.3x	5.1x	1.4x	5.6x
Envestnet	ENV	3,229	59.35	12.4%	(3.8%)	85.7%	12.2%	4.3%	3.5x	NM	3.1x	14.5x
Segment Average				2.6%	1.8%	81.5%	9.6%	23.9%	7.6x	19.2x	7.0x	16.4x
Segment Median				8.3%	(1.2%)	83.9%	12.2%	32.0%	5.5x	18.0x	4.6x	16.9x

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
Manhattan Associates	MANH	\$ 12,398	\$ 199.88	70.5%	64.6%	99.4%	11.6%	21.9%	15.1x	NM	13.5x	48.7x
SPS Commerce	SPSC	7,016	192.06	72.3%	49.5%	99.7%	19.9%	21.8%	14.4x	NM	12.0x	40.2x
E2Open	ETWO	1,694	5.60	(29.9%)	(4.6%)	67.9%	2.4%	(103.2%)	4.5x	NM	4.4x	12.9x
American Software	AMSWA	355	10.51	(35.8%)	(28.4%)	54.3%	(6.0%)	12.7%	1.9x	22.6x	2.0x	12.3x
Segment Average				19.3%	20.3%	80.3%	7.0%	(11.7%)	9.0x	22.6x	8.0x	28.5x
Segment Median				20.3%	22.5%	83.6%	7.0%	17.2%	9.4x	22.6x	8.2x	26.5x

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	\$ 26,412	\$ 532.09	69.6%	84.0%	99.3%	24.7%	(5.0%)	14.0x	NM	11.2x	63.7x
Cardlytics	CDLX	214	6.32	(72.0%)	9.3%	26.3%	8.1%	(142.0%)	1.1x	NM	1.1x	NM
Marin Software	MRIN	10	0.59	(64.5%)	(41.0%)	24.8%	NM	(101.6%)	NM	NM	NM	NM
Emerge Commerce	ECOM	5	0.05	(71.5%)	(23.3%)	22.2%	(33.5%)	(14.7%)	0.6x	NM	0.9x	5.9x
Segment Average				(34.6%)	7.3%	43.2%	(0.2%)	(65.8%)	5.2x	NM	4.4x	34.8x
Segment Median				(68.0%)	(7.0%)	25.5%	8.1%	(58.1%)	1.1x	NM	1.1x	34.8x

Source: PitchBook Financial Data and Analytics



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	\$ 114,496	\$ 561.97	16.0%	44.7%	97.4%	27.7%	11.2%	14.7x	NM	11.5x	35.1x
Atlassian	TEAM	43,128	167.81	(15.0%)	30.4%	55.9%	24.9%	(9.6%)	12.6x	NM	10.1x	54.3x
Cloudflare	NET	21,697	65.37	42.4%	44.6%	80.7%	38.7%	(9.0%)	20.5x	NM	14.8x	NM
Zoom Video Communications	ZM	20,197	67.88	(38.8%)	0.2%	54.7%	2.1%	5.4%	3.3x	61.2x	3.3x	8.4x
Snap Group	SNAP	18,965	11.84	(10.1%)	32.3%	71.6%	5.9%	(27.5%)	4.2x	NM	4.0x	NM
DocuSign	DOCU	10,339	51.09	(16.5%)	(7.8%)	66.1%	6.9%	0.6%	3.8x	NM	3.6x	14.0x
Guidewire Software	GWRE	6,196	76.08	7.0%	21.6%	91.1%	9.0%	(19.2%)	6.8x	NM	6.2x	NM
Five9	FIVN	5,869	82.45	(13.0%)	21.5%	68.5%	20.9%	(3.0%)	7.4x	NM	6.1x	34.3x
RingCentral	RNG	3,143	32.73	(40.7%)	(7.5%)	53.3%	12.4%	(25.6%)	2.3x	NM	2.1x	8.7x
Agora (Communication Software)	API	320	3.13	(52.1%)	(19.9%)	44.5%	3.4%	(67.1%)	0.4x	NM	0.4x	NM
Segment Average				(12.1%)	16.0%	68.4%	15.2%	(14.4%)	7.6x	61.2x	6.2x	25.8x
Segment Median				(14.0%)	21.6%	67.3%	10.7%	(9.3%)	5.5x	61.2x	5.0x	24.1x

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
McKesson	MCK	\$ 57,906	\$ 427.31	29.7%	13.9%	99.4%	8.0%	1.9%	0.2x	11.3x	0.2x	11.8x
Veeva Systems	VEEV	31,681	197.73	(3.1%)	22.5%	85.1%	14.9%	23.0%	12.9x	56.2x	11.2x	30.9x
Omnicell	OMCL	3,321	73.67	(36.1%)	46.1%	62.3%	(4.0%)	5.4%	2.8x	52.3x	2.9x	23.5x
Schroder UK Public Private Trust	INOV	143	0.16	(39.2%)	(15.1%)	57.6%	NM	NM	NM	NM	NM	NM
Segment Average				(12.2%)	16.9%	76.1%	6.3%	10.1%	5.3x	39.9x	4.8x	22.1x
Segment Median				(19.6%)	18.2%	73.7%	8.0%	5.4%	2.8x	52.3x	2.9x	23.5x

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	\$ 32,476	\$ 15.33	65.4%	138.8%	89.3%	21.5%	(12.6%)	15.1x	NM	12.4x	47.3x
Splunk	SPLK	17,569	106.09	15.4%	23.2%	90.8%	7.8%	(1.5%)	5.1x	NM	4.8x	24.3x
Elasticsearch	ESTC	6,245	64.12	(10.0%)	24.5%	70.2%	16.4%	(16.0%)	5.5x	NM	4.8x	40.5x
Teradata	TDC	5,400	53.41	42.9%	58.7%	99.4%	5.1%	11.1%	3.1x	27.9x	2.9x	11.4x
MicroStrategy	MSTR	4,807	342.42	105.3%	141.9%	94.6%	1.5%	(212.6%)	13.9x	NM	13.6x	NM
Pegasystems	PEGA	4,090	49.30	(0.3%)	44.0%	94.4%	12.9%	(11.5%)	3.5x	NM	3.1x	21.3x
Alteryx	AYX	3,198	45.40	(8.4%)	(10.4%)	64.3%	16.8%	(27.3%)	4.2x	NM	3.6x	23.4x
Verint Systems	VRNT	2,254	35.06	(17.1%)	(3.4%)	68.7%	5.7%	14.8%	3.2x	21.6x	3.0x	10.8x
GlobalData Holding	DATA	1,828	15.45	22.2%	9.1%	87.8%	24.0%	29.8%	7.2x	24.2x	5.8x	14.4x
PROS Holdings	PRO	1,418	30.80	13.6%	27.0%	98.0%	10.2%	(19.0%)	5.5x	NM	5.0x	NM
Segment Average				22.9%	45.3%	85.8%	12.2%	(24.5%)	6.6x	24.6x	5.9x	24.2x
Segment Median				14.5%	25.7%	90.1%	11.5%	(12.0%)	5.3x	24.2x	4.8x	22.4x

Source: PitchBook Financial Data and Analytics



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	\$ 194,651	\$ 308.58	10.0%	15.6%	94.1%	5.2%	16.2%	3.0x	18.4x	2.8x	15.1x
Cognizant Technology Solutions	CTSH	33,128	65.28	(4.0%)	14.1%	92.1%	2.2%	18.2%	1.7x	9.1x	1.6x	9.3x
Booz Allen Hamilton	BAH	14,618	111.60	20.2%	6.8%	99.2%	11.3%	7.0%	1.9x	26.6x	1.7x	15.8x
EPAM Systems	EPAM	13,014	224.75	(25.6%)	(31.4%)	48.5%	(2.7%)	13.2%	2.3x	17.8x	2.4x	14.7x
Leidos Holdings	LDOS	12,137	88.48	(13.6%)	(15.9%)	79.8%	5.1%	9.6%	1.2x	12.4x	1.1x	11.0x
CACI International	CACI	7,769	340.84	18.7%	13.4%	99.4%	5.7%	10.2%	1.5x	14.3x	1.4x	12.8x
SolarWinds	SWI	1,680	10.26	(1.8%)	9.6%	90.3%	1.9%	(98.4%)	3.9x	NM	3.8x	9.2x
The Hackett Group	HCKT	608	22.35	15.9%	9.7%	95.4%	2.5%	19.5%	2.3x	11.5x	2.2x	NM
Unisys	UIS	272	3.98	(68.0%)	(22.1%)	27.2%	(6.7%)	(0.9%)	0.2x	NM	0.2x	2.3x
Segment Average				(5.4%)	(0.0%)	80.7%	2.7%	(0.6%)	2.0x	15.7x	1.9x	11.3x
Segment Median				(1.8%)	9.6%	92.1%	2.5%	10.2%	1.9x	14.3x	1.7x	11.9x

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	\$ 210,844	\$ 51.74	21.5%	8.6%	98.4%	6.8%	28.5%	3.6x	12.5x	3.3x	9.2x
Palo Alto Networks	PANW	78,149	255.51	50.8%	83.1%	99.5%	23.2%	6.3%	12.0x	NM	9.8x	36.6x
Fortinet	FTNT	59,353	75.59	31.8%	54.6%	99.1%	25.7%	25.3%	12.2x	48.0x	9.7x	33.7x
CrowdStrike Holdings	CRWD	34,824	146.87	(18.1%)	39.5%	71.4%	31.9%	(3.0%)	13.4x	NM	10.1x	NM
VeriSign	VRSN	23,523	225.97	32.3%	10.0%	98.4%	9.0%	70.3%	16.8x	23.9x	15.5x	NM
Zscaler	ZS	21,344	146.30	(5.8%)	30.7%	75.3%	29.8%	(14.6%)	13.9x	NM	10.7x	NM
Check Point Software Technologies	CHKP	14,697	125.62	1.4%	(0.4%)	92.4%	5.1%	38.2%	5.5x	14.5x	5.3x	12.2x
CyberArk Software	CYBR	6,529	156.33	19.5%	20.6%	94.6%	29.9%	(22.3%)	9.9x	NM	7.6x	NM
Tenable	TENB	5,001	43.55	(5.7%)	14.2%	82.9%	17.1%	(7.0%)	6.7x	NM	5.8x	NM
Qualys	QLYS	4,766	129.17	(0.5%)	15.1%	79.6%	16.3%	32.3%	8.8x	27.3x	7.6x	18.6x
Varonis Systems	VRNS	2,924	26.65	(12.7%)	11.3%	81.2%	11.7%	(20.8%)	5.1x	NM	4.6x	NM
Rapid7	RPD	2,733	45.28	(33.6%)	33.3%	60.5%	16.9%	(7.7%)	4.8x	NM	4.1x	32.7x
Segment Average				6.7%	26.7%	86.1%	18.6%	10.5%	9.4x	25.3x	7.8x	23.8x
Segment Median				0.5%	17.8%	87.6%	17.0%	1.7%	9.4x	23.9x	7.6x	25.6x

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	\$ 73,317	\$ 783.94	16.5%	19.7%	99.0%	14.1%	40.4%	11.6x	28.8x	10.2x	22.8x
IQVIA	QTS	41,706	222.78	3.4%	8.5%	88.1%	NM	20.0%	3.7x	18.4x	NM	NM
Digital Realty	DLR	33,176	113.87	(13.5%)	13.6%	82.5%	17.0%	48.2%	11.2x	23.3x	9.6x	19.8x
Akamai Technologies	AKAM	13,678	89.87	(2.4%)	6.6%	91.0%	6.7%	33.4%	4.5x	13.3x	4.2x	10.1x
GoDaddy	GDDY	11,585	75.13	6.0%	0.4%	88.1%	7.7%	16.5%	3.6x	21.5x	3.3x	12.4x
Wix.com	WIX	4,442	78.24	14.7%	1.8%	77.0%	13.8%	(26.5%)	3.1x	NM	2.7x	22.9x
Extreme Networks	EXTR	3,360	26.05	191.1%	42.3%	96.9%	19.7%	9.5%	2.8x	29.5x	2.3x	12.0x
Segment Average				30.8%	13.3%	88.9%	13.2%	20.2%	5.8x	22.5x	5.4x	16.7x
Segment Median				6.0%	8.5%	88.1%	14.0%	20.0%	3.7x	22.4x	3.7x	16.1x

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	\$ 3,050,896	\$ 193.97	39.6%	49.3%	99.7%	5.2%	32.1%	8.1x	25.2x	7.7x	22.2x
Alphabet	GOOGL	1,527,291	119.70	10.1%	35.7%	92.8%	11.0%	29.4%	5.1x	17.2x	4.6x	11.6x
Amazon.com	AMZN	1,337,540	130.36	19.0%	55.2%	88.9%	12.6%	9.3%	2.7x	29.0x	2.4x	14.7x
Meta Platforms	META	735,453	286.98	79.3%	138.5%	99.0%	14.3%	30.6%	6.2x	20.2x	5.4x	10.5x
Netflix	NFLX	195,816	440.49	144.8%	49.4%	98.2%	12.6%	62.8%	6.3x	10.1x	5.6x	24.2x
Segment Average				58.6%	65.6%	95.7%	11.1%	32.8%	5.7x	20.3x	5.1x	16.7x
Segment Median				39.6%	49.4%	98.2%	12.6%	30.6%	6.2x	20.2x	5.4x	14.7x

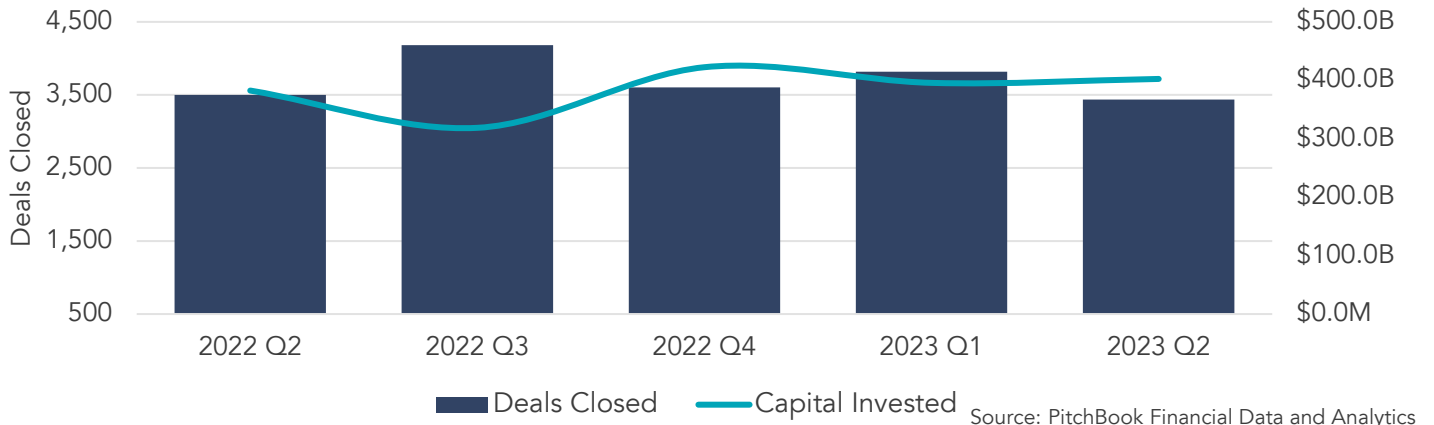
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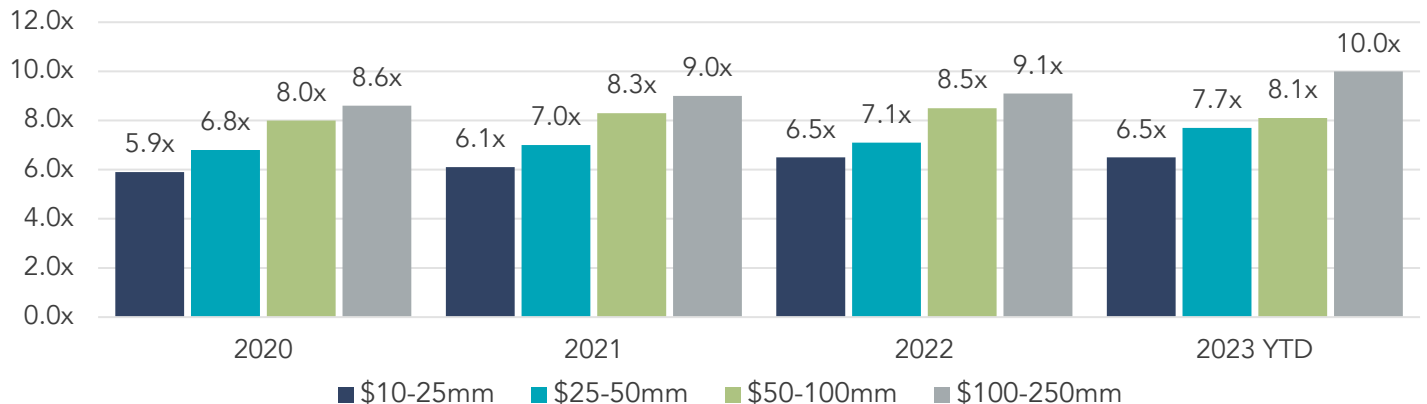
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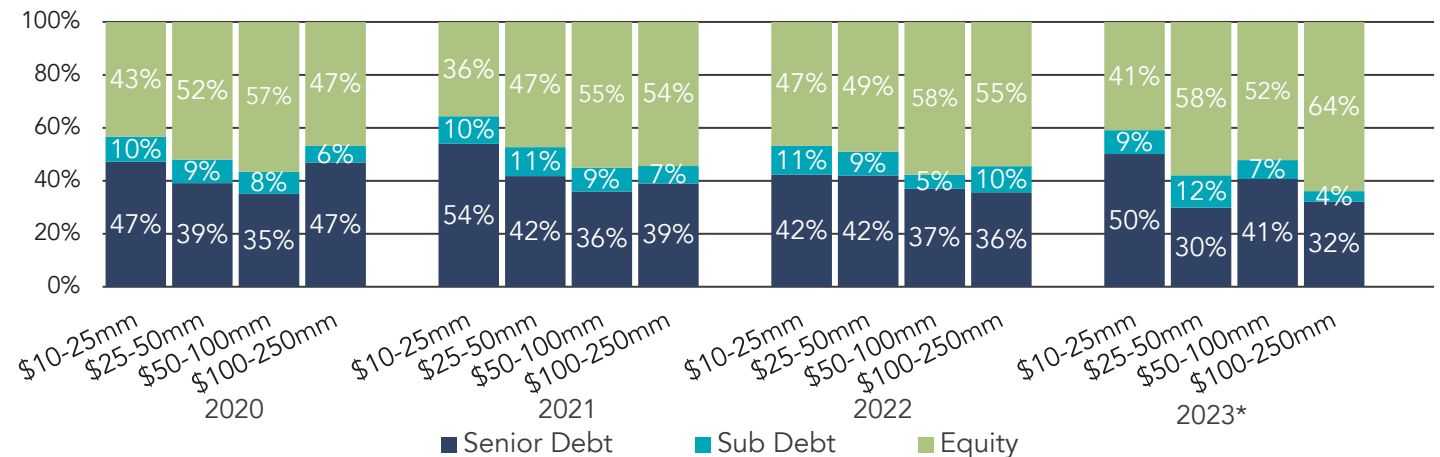


LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTION MULTIPLES

EBITDA Multiples By Transaction Size



CAPITAL BREAKDOWN – LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTIONS





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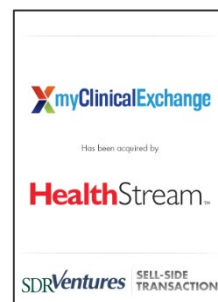
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