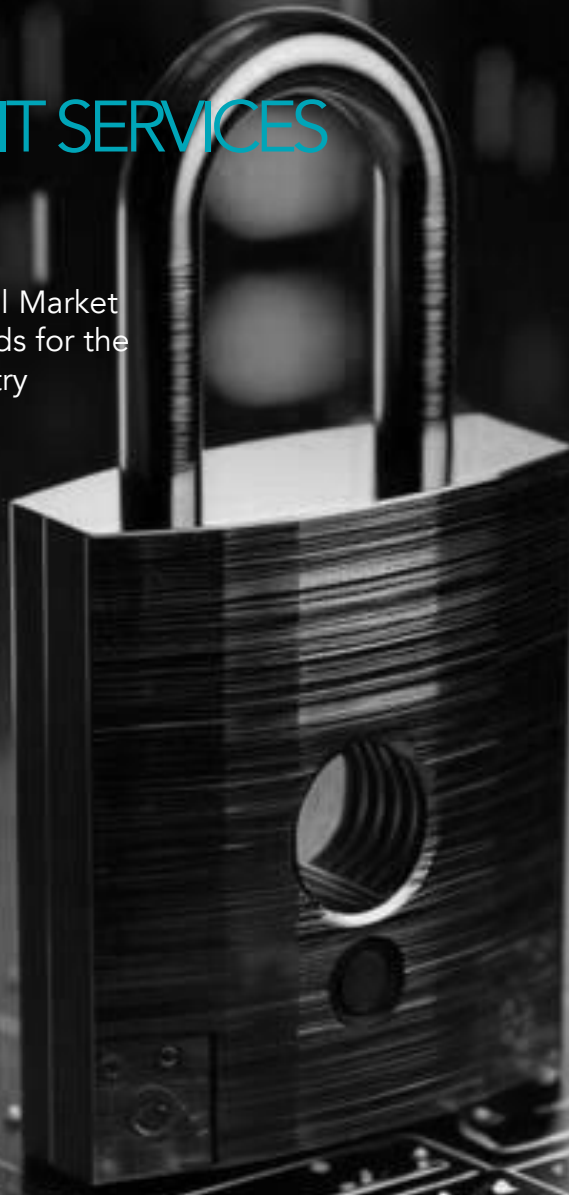




SOFTWARE & IT SERVICES REPORT

Explore M&A Activity, Capital Market
Conditions and Current Trends for the
Software & IT Services Industry



2H 2024

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SOFTWARE AND IT SERVICES 2H24: WHAT TO KNOW

- ❑ Cybersecurity is on of the things in life you don't notice until it fails. If 2H24 was an indication, it's time to notice. Cybersecurity matters.
- ❑ Said or unsaid, it appears we're in a semiconductor chip cold war. There's an ongoing global race to develop, build, and deliver ever faster and more powerful chips (and there's money in that).
- ❑ Even as futurists eye the evolution of quantum computing, it's more important than ever to take the advanced AI technologies we already have beyond the gee-whiz phase and put them to work on practical, profitable solutions.

Today's Tech, Cyberbarbarians at the Gate

So maybe this software thing will stick around after all. The sector sure made headlines in 2024 and attracted a ton of private equity investment. Think billions. Although plenty of the names-you-know publicly traded firms weren't going to be left out, including IBM, Nvidia, and Salesforce.¹

But unlike last year, there was more to talk about than AI. Sure, applications and evolutions of AI made the news, but we were also talking about quantum computing and its futuristic possibilities. And then there was cybersecurity, the services you rarely think about until something goes terribly, horribly wrong. Spoiler: it did.^{2,3}

In late July, cybersecurity company CloudStrike was humming along protecting the world from bad guys when the company initiated an update. Never a bad idea to update the old software. And that's when computers around the world choked on a one or zero and went dark. The update triggered a massive failure. Microsoft estimated about 8.5 million computers freaked out. Airlines canceled thousands of flights worldwide. Luggage piled up in airports amid miserable, seething passengers. Hospitals canceled operations. Screens went dark. Delta Airlines sued CrowdStrike seeking to recover \$500 million in lost revenue. CrowdStrike sued Delta claiming its IT teams stink. And this wasn't the only security blip. To start the year, UnitedHealth Group had its payment processing arm, Change, hacked, sparking a massive upheaval in healthcare nationwide. Then, in October, UnitedHealth announced the attackers also stole the personal information of 100 million people. In December, Chinese hackers burrowed into the U.S. Treasury Department's systems. Healthcare providers, credit unions, cities, school districts, the U.S. Marshal's Office, even an automated cow milking system all fell victim to hackers in 2024.^{3,4,5,6,7}

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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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Want something to keep you up at night? How much money do you have? No, not on a bank's website or in your Apple Wallet. Really have, in your pocket, under the mattress, in a safe. What if hackers disrupted all the banks. What if that wasn't a disruption but something more permanent? What if hackers took control of an airport (see 1990's "Die Hard 2: Die Harder"), or burrowed into systems capable of starting a nuclear war (Matthew Broderick's 1983 tour-de-force "WarGames")? Or turned out the electricity, knocked out satellites, shut down oil and gas lines, disrupted shipping navigation, and turned off logistics systems and distribution lines? There's a saying, attributed to Jimmy Hoffa of Teamster's fame, "if you got it, a truck brought it." Today, if you got it, tech brought it.

Cybersecurity will be a sector to watch in 2025. And to hear some tell it, we're making it easier, even giving the bad guys our information through apps such as TikTok. Apple recently agreed to pay \$95 million to settle a lawsuit claiming its virtual assistant Siri was listening in on us, even when we don't "activate" it with a voice command.^{8,9}

Quantum Computing, AI, and You

If it's starting to feel like the next O.K. Corral will be online, the Black Hats against the White Hats, the tech world is mulling the effects of quantum computing. We're told "real" quantum computing is still a couple decades away, whew. But remember, if we went back in time the same number of years Michael J. Fox did in "Back to the Future," we'd land in 1995. That big Y2K panic? That was only 25 years ago. The pandemic started five years ago. Time flies, and we're closely watching a race to not just develop quantum computing, but to put it to work. The applications are exciting: new medicines, tighter cybersecurity, and medical diagnosis tech. That's progress. But the applications may also be frightening: raids on digital wallets, crypto currency chaos, military and security hacks, and personal data at risk. That's people.^{10,11}

But a futuristic "someday" in the Tech and IT sector shouldn't shut down "today" in business markets. We're already watching the AI and semiconductor chip developments mature from the awe-and-wonder phase into the what-have-you-done-for-me-lately phase. It comes down to functionality and applications. Making money. Making things better. It's been estimated global IT spending in the coming year will hit \$5.75 trillion, up 9% over the past year. But AI implementation is uneven. People who know how to use the latest inventions are in short supply. Workforces need to be upskilled, and tech providers need to start linking "AI" with another acronym, "ROI." What's the return? Developers who can harness the metrics and demonstrate value stand to gain. We're as excited as everyone about the potential, but in the business of tech and IT, those who succeed will be the organizations that deliver function not hype. Already, AI startups are scrambling for the lifeboats as investors start to ask for returns, and the big boys are bargain hunting and snapping up teetering startups. Twenty-five years ago in the internet boom, we could've sworn Pets.com was easy money. Turns out, it was a cash incinerator. AI developers need to earn their keep and demonstrate value.^{12,13,14,15}

Chip Warriors in the Desert

Beyond the stuff of sci-fi, even beyond (gasp) profits, there are U.S. national security issues in semiconductor chips. America needs chips to run everything from cars and cell phones to advanced weapons systems. As chips have become part of global living, those who control, develop, make, and sell the chips rule the world (or at least you don't fall behind). Call it a "computing cold war." Currently, an island 80 miles off the coast of America's rival China makes half the world's chips. When the U.S. passed the CHIPS and Science Act a few years ago, America was producing about 12% of the global chip supply. The act directs hundreds of billions of dollars into building up the chip development and production industry (oddly choosing the Phoenix desert to house huge new plants that include a water-intensive process).^{16,17,18}

When Uncle Sam's back is against the wall and his wallet is in his hand, we see the value of getting on board. Even the companies that service the HVAC and paint the parking lot stripes for these new, subsidized, fabrication hubs stand to get a helping hand when they encounter an issue. But there has been a sticking point. To win the chip war, we need chip warriors in the desert, and that bears watching. Labor is an issue. Construction of the new facilities was held up by a lack of skilled workers. The Taiwanese owners of the new plants say they need immigration visas to bring in trained people.



SOFTWARE & IT SERVICES REPORT

The fight over H-1B visas – entry into the U.S. for highly skilled foreign workers – intensified at the end of 2H24. At the start of 2025, unemployment in the U.S. sat around 4%, darn near the “anyone who wants a job has a job” level. It will be interesting to watch who can successfully train, staff up, and navigate the emotional and divisive issue of immigration.^{19,20,21}

Switch On: Mergers & Acquisitions

- ❑ Nvidia has been basking in the glow of its rocketing stock value for a while. But the top dog always has a target on its back, and other players aren’t sitting on their hands. Advanced Micro Devices (AMD) kicked off 2H24 in August with one of its biggest deals, buying up data center equipment designer ZT Systems for nearly \$5 billion. With ZT’s products that cater to cloud computing and AI data centers, this move is a direct challenge to Nvidia’s head start in AI. ZT produces servers, server racks, and all the components that connect the chips used to power AI in huge data centers. Sometimes in a gold rush, you sell the picks and shovels, although reports hint AMD will sell off some elements of manufacturing to focus on ZT’s design expertise.²²
- ❑ Private investment groups CD&R and CVC in August teamed up to acquire a large ownership stake in Epicor, which provides industry-specific SaaS enterprise software across a range of sectors worldwide. Specific dollar valuations weren’t disclosed publicly, but some have estimated the deal to be worth between \$7 billion and \$9 billion. Epicor earlier in the year unveiled new AI and Business Intelligence platforms to better serve so-called “make, move, and sell” industries, including the automotive, building supply, distribution, manufacturing, and retail sectors.^{23,24}
- ❑ Private investment giant Bain Capital is also interested in the software and data world, acquiring the ubiquitous wealth management platform Envestnet, which manages 20 million wealth management accounts valued at \$6.5 trillion for 111,000 financial managers. The deal, which takes the once-publicly traded Envestnet private, was valued at \$4.5 billion. Bain also jumped into educational software, acquiring in October PowerSchool Holdings, a maker of K-12 educational software that serves 60 million students in 90 countries. The deal includes PowerSchool’s AI platform, dubbed PowerBuddy. Minority holders Vista Equity Partners and Onex Partners will maintain a stake in the company. Once publicly traded, PowerSchool will be delisted and operate as a private company.^{25,26}
- ❑ For its part, Vista Equity Partners (see above) joined private equity giant Blackstone to acquire the enterprise platform for work management Smartsheet, taking another publicly traded software company private in an all-cash deal for \$8.4 billion.²⁷

Reading the (I)T Leaves, 2025

If we have to put something on the front burner, it feels like cybersecurity is going to continue to be top of mind in the coming years. If measured as a country, 2024’s estimated \$9.5 trillion global cost of cybercrime would place it just behind the GDP of the United States and China. And that cost is up more than 300% in 10 years. It’s a big deal. We’re rooting for the good guys in this struggle, and investors – including private equity – are looking for an entry. Witness private equity giant Thoma Bravo’s \$5.3 billion October acquisition of the U.K. cybersecurity firm Darktrace. If AI was the invention of dynamite for cybercrime, quantum computing could be the nuclear bazooka.^{28,29}

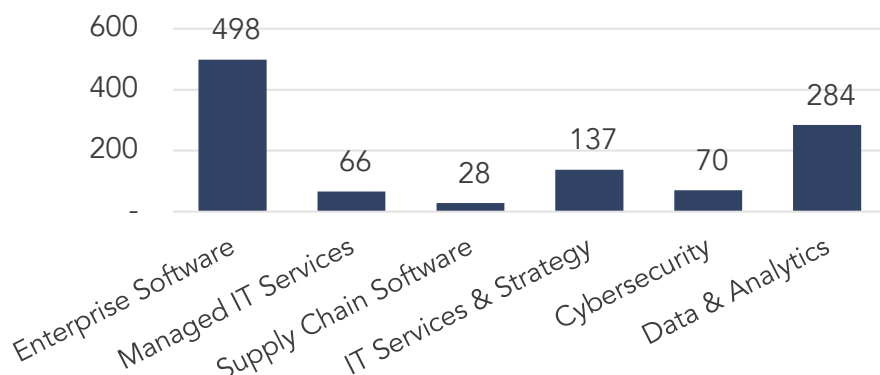
Beyond that, we’re watching for organizations that can monetize the rapidly improving capabilities of today’s AI, integrating newfound capacity to produce real, measurable results. At the most recent Consumer Electronics Show (called CES now) AI was being squeezed into everything, but what does it do? One key area, especially in a tightened labor market, is leveraging AI into robots, automating low-skilled, repetitive tasks, and incorporating IoT abilities that keep factories and farms humming with predictive maintenance, machine learning, and optimization.^{30,31}

Even as geopolitical instability and tariffs loom, we believe the Software and IT sector is showing promise for those who innovate around the challenges and deliver both solutions and profitably.

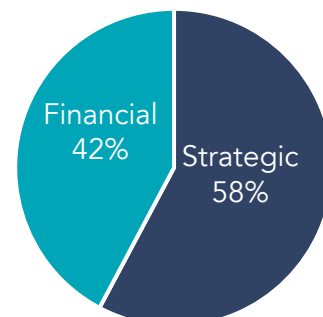


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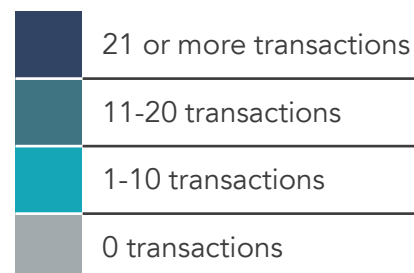
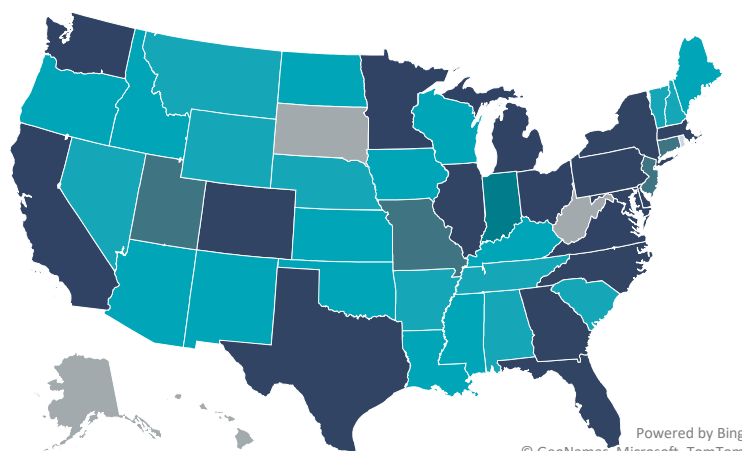
TRANSACTIONS BY SEGMENT



TRANSACTIONS BY TYPE



TRANSACTIONS BY LOCATION



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TRANSACTION ACTIVITY

Deal ID	Date	Target	Buyer(s)	Segment	Amount (\$ in Mil)	TEV/Rev	TEV/EBITDA
281108-62T	12/31/2024	Quisitive Technology Solutions	H.I.G. Capital	Managed IT Services	108.53	0.9x	11.6x
270172-00T	12/17/2024	Redwood Software	Vista Equity Partners, Warburg Pincus	Enterprise Software	2,500.00	-	-
279600-13T	12/10/2024	MoneyLion	Gen Digital	Enterprise Software	969.44	1.9x	17.5x
279262-99T	12/5/2024	BigTinCan	Undisclosed	Enterprise Software	98.80	1.3x	13.8x
259218-37T	12/4/2024	Jaggaer	Vista Equity Partners	Enterprise Software	3,000.00	-	-
265828-87T	11/22/2024	ARC Document Solutions	TechPrint Holdings	Managed IT Services	147.09	0.5x	5.6x
278331-04T	11/20/2024	Brightcove	Adjacent, Annon Capital, Baillie Gifford, Bending Spoons, Cherry Bay Capital Group, Durable Capital Partners, Eagle Capital Ventures	Data & Analytics	206.04	1.0x	18.0x
274183-30T	10/21/2024	Livelihood	Zeta Global Holdings	Enterprise Software	250.00	3.3x	16.1x
264704-50T	10/16/2024	Took	American Express	Enterprise Software	400.00	8.3x	-

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.

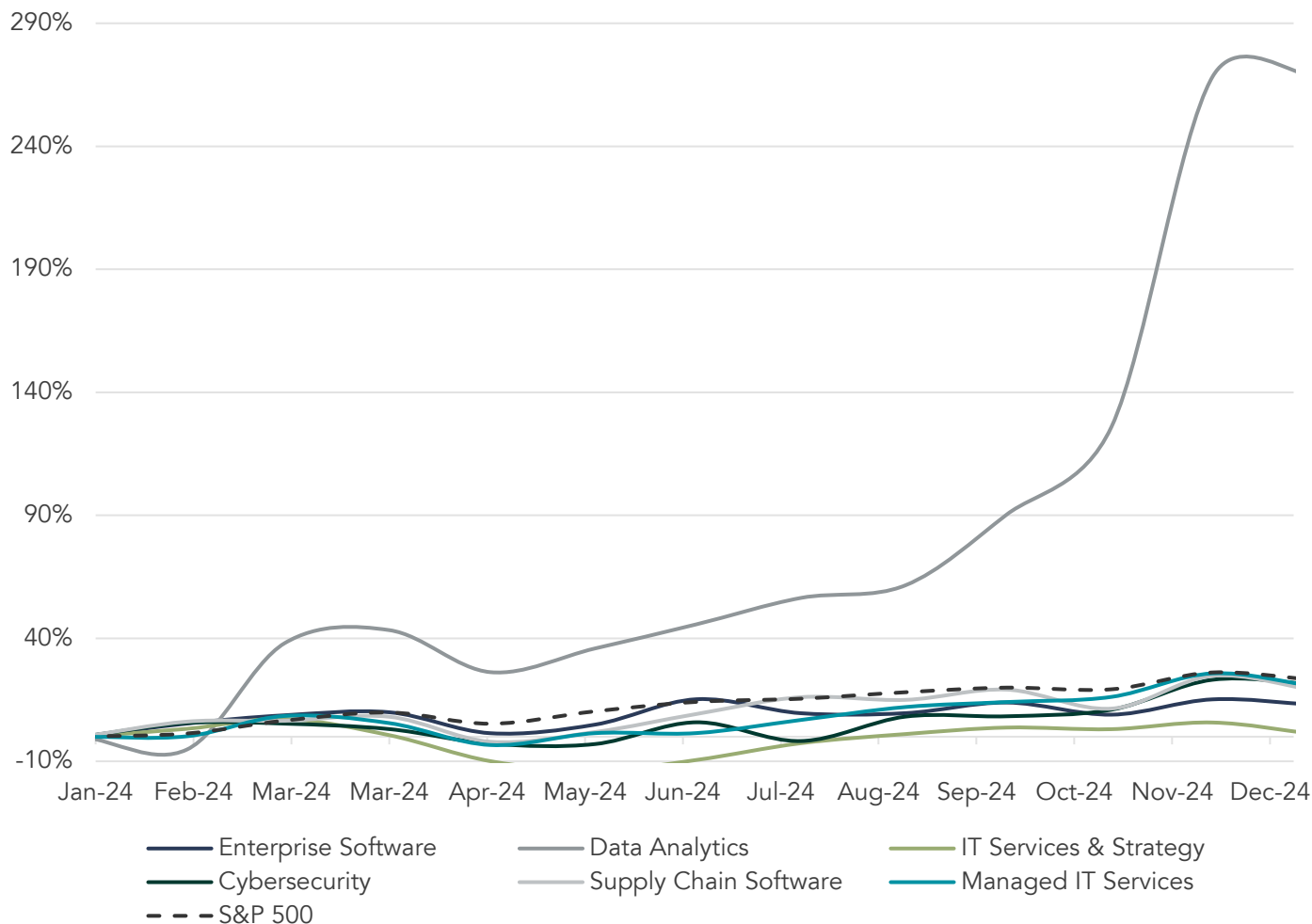


SOFTWARE & IT SERVICES REPORT

PUBLIC BASKET

SOFTWARE & IT SERVICES SEGMENTS (BROAD SOLUTIONS) VS. S&P 500

Segment Market Cap Performance – Trailing 12 Months



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	\$ 3,133,802	\$ 421.50	13.7%	12.1%	90.0%	15.5%	53.8%	12.3x	22.8x	10.6x	19.1x
Oracle	ORCL	466,085	166.64	60.1%	58.1%	84.0%	11.2%	40.5%	9.9x	24.5x	8.9x	16.8x
Salesforce	CRM	319,954	334.33	30.5%	27.1%	90.6%	8.5%	28.6%	8.6x	29.9x	7.9x	19.2x
Adobe	ADBE	195,748	444.68	(23.3%)	(25.5%)	69.7%	12.0%	35.7%	9.0x	24.4x	8.3x	16.7x
Intuit	INTU	175,928	628.50	4.1%	0.6%	87.9%	12.8%	26.5%	10.8x	40.8x	9.6x	22.8x
Workday	WDAY	68,636	258.03	(3.8%)	(6.5%)	82.9%	13.0%	8.9%	7.9x	NM	7.0x	23.3x
ZoomInfo Technologies	ZI	3,609	10.51	NM	(43.2%)	56.2%	(3.4%)	30.4%	4.0x	13.0x	4.1x	10.3x
Segment Average				13.5%	3.2%	80.2%	10.0%	32.1%	8.9x	25.9x	8.1x	18.3x
Segment Median				8.9%	0.6%	84.0%	12.0%	30.4%	9.0x	24.4x	8.3x	19.1x

Source: PitchBook Financial Data and Analytics



SOFTWARE & IT SERVICES REPORT

PUBLIC BASKET (CONTINUED)

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	\$ 16,505	\$ 270.24	30.7%	25.5%	86.4%	3.9%	26.4%	15.9x	NM	15.3x	45.3x
Descartes Systems Group	DSGX	9,739	113.60	39.5%	35.1%	92.4%	12.9%	40.3%	15.1x	37.6x	13.4x	30.2x
SPS Commerce	SPSC	6,912	183.99	(0.2%)	(5.1%)	84.1%	27.1%	23.0%	11.0x	47.7x	8.6x	30.2x
Kinaxis	KXS	3,389	120.64	12.2%	7.3%	89.0%	18.0%	9.9%	6.7x	NM	5.7x	24.3x
Logility Supply Chain Solutions	LGTY	393	11.08	(1.5%)	(1.9%)	90.1%	1.8%	13.8%	3.0x	21.8x	3.0x	20.4x
Segment Average				16.2%	12.2%	88.4%	12.7%	22.7%	10.4x	35.7x	9.2x	30.1x
Segment Median				12.2%	7.3%	89.0%	12.9%	23.0%	11.0x	37.6x	8.6x	30.2x

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	\$ 172,287	\$ 75.63	356.2%	340.5%	89.2%	25.6%	13.8%	NM	NM	NM	NM
MicroStrategy (Business/Productivity Software)	MSTR	71,090	289.62	NM	358.5%	53.3%	0.4%	NM	NM	NM	NM	NM
Elastic (Database Software)	ESTC	10,268	99.08	(7.0%)	(12.1%)	72.8%	12.3%	(4.1%)	7.0x	NM	6.3x	NM
Pegasystems	PEGA	7,992	93.20	98.8%	90.7%	95.2%	6.6%	9.8%	5.3x	NM	5.0x	21.5x
Teradata	TDC	2,981	31.15	(28.8%)	(28.4%)	63.0%	(5.5%)	15.7%	1.8x	11.4x	1.9x	7.2x
GlobalData Holding	DATA	1,853	2.37	(4.9%)	(5.0%)	77.3%	22.7%	32.8%	4.7x	14.4x	3.8x	9.6x
Verint Systems	VRNT	1,710	27.45	4.4%	1.6%	71.9%	5.0%	15.2%	2.6x	17.2x	2.5x	8.2x
PROS Holdings	PRO	1,039	21.96	(37.4%)	(43.4%)	56.7%	11.7%	(6.7%)	3.7x	NM	3.3x	27.8x
Segment Average				54.5%	87.8%	72.4%	9.8%	10.9%	4.2x	14.4x	3.8x	14.8x
Segment Median				(4.9%)	(1.7%)	72.4%	9.2%	13.8%	4.2x	14.4x	3.6x	9.6x

IT SERVICES & STRATEGY

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	\$ 220,038	\$ 351.79	1.4%	0.3%	90.8%	5.0%	17.1%	3.3x	19.5x	3.2x	16.2x
Cognizant Technology Solutions	CTSH	38,129	76.90	3.4%	1.8%	93.3%	6.2%	17.5%	2.0x	11.2x	1.8x	10.0x
Leidos Holdings	LDOS	19,222	144.06	33.4%	33.1%	71.0%	4.4%	12.7%	1.4x	11.3x	1.4x	10.7x
Booz Allen Hamilton	BAH	16,444	128.70	1.0%	0.6%	67.5%	11.4%	13.2%	1.7x	12.9x	1.5x	13.7x
EPAM Systems	EPAM	13,263	233.82	(19.7%)	(21.4%)	73.6%	12.7%	13.9%	2.5x	17.6x	2.2x	12.9x
CACI International	CACI	9,054	404.06	23.8%	24.8%	68.7%	14.4%	10.6%	1.4x	13.0x	1.2x	10.5x
SolarWinds	SWI	2,431	14.25	17.6%	14.1%	95.4%	3.5%	33.9%	4.4x	13.1x	4.3x	9.0x
The Hackett Group	HCKT	848	30.72	35.4%	34.9%	93.6%	4.3%	16.9%	2.8x	16.5x	2.7x	11.9x
Unisys	UIS	439	6.33	11.1%	12.6%	70.9%	2.7%	(6.5%)	0.3x	NM	0.3x	1.9x
Segment Average				11.9%	11.2%	80.5%	7.2%	14.4%	2.2x	14.4x	2.1x	10.8x
Segment Median				11.1%	12.6%	73.6%	5.0%	13.9%	2.0x	13.0x	1.8x	10.7x

Source: PitchBook Financial Data and Analytics



SOFTWARE & IT SERVICES REPORT

PUBLIC BASKET (CONTINUED)

CYBERSECURITY

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	\$ 235,779	\$ 59.20	17.2%	17.2%	98.3%	7.0%	24.5%	4.7x	19.2x	4.4x	11.8x
Palo Alto Networks	PANW	119,402	181.96	26.0%	23.4%	87.8%	14.2%	12.6%	14.1x	NM	12.4x	40.1x
CrowdStrike Holdings	CRWD	84,278	342.16	NM	34.0%	85.9%	20.5%	5.4%	NM	NM	17.9x	NM
Fortinet	FTNT	72,414	94.48	63.5%	61.4%	93.9%	18.2%	32.4%	12.2x	37.7x	10.3x	30.2x
Zscaler	ZS	27,682	180.41	(15.0%)	(18.6%)	69.5%	19.8%	(0.9%)	11.4x	NM	9.5x	38.7x
Check Point Software Technologies	CHKP	20,534	186.70	22.6%	22.2%	88.6%	7.5%	37.1%	7.6x	20.3x	7.0x	16.2x
VeriSign	VRSN	19,889	206.96	2.7%	0.5%	98.7%	5.2%	71.1%	13.6x	19.2x	13.0x	NM
CyberArk Software	CYBR	16,422	333.15	54.1%	52.1%	98.9%	43.6%	(3.2%)	17.0x	NM	11.9x	NM
Qualys	QLYS	5,131	140.22	(26.9%)	(28.6%)	69.8%	9.8%	33.5%	8.1x	24.1x	7.4x	17.6x
Varonis Systems	VRNS	4,997	44.43	(0.2%)	(1.9%)	73.3%	13.2%	(15.4%)	8.9x	NM	7.9x	NM
Tenable	TENB	4,731	39.38	(10.4%)	(14.5%)	73.6%	11.4%	(0.3%)	5.2x	NM	4.7x	19.9x
Rapid7	RPD	2,543	40.23	(26.8%)	(29.5%)	65.0%	5.8%	11.0%	3.7x	34.1x	3.5x	16.1x
Segment Average				9.7%	9.8%	83.6%	14.7%	17.3%	9.7x	25.8x	9.2x	23.8x
Segment Median				2.7%	8.8%	86.9%	12.3%	11.8%	8.9x	22.2x	8.7x	18.8x

MANAGED 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
Equinix	EQIX	\$ 90,978	\$ 942.89	16.3%	17.1%	94.9%	10.7%	41.1%	12.4x	30.2x	11.2x	23.5x
Digital Realty	DLR	58,823	177.33	31.1%	31.8%	89.6%	11.1%	49.0%	14.1x	28.8x	12.7x	24.2x
IQVIA	QTS	35,667	197.67	(15.3%)	(14.5%)	75.7%	NM	21.3%	3.1x	14.6x	NM	NM
GoDaddy	GDDY	27,709	197.37	91.6%	85.9%	93.5%	9.0%	22.1%	6.9x	31.1x	6.3x	19.8x
Akamai Technologies	AKAM	14,369	95.65	(18.2%)	(19.2%)	74.0%	7.6%	29.7%	4.4x	14.7x	4.1x	9.7x
Wix.com	WIX	11,762	214.55	81.8%	74.4%	93.4%	18.1%	7.0%	6.9x	NM	5.8x	22.9x
Extreme Networks	EXTR	2,212	16.74	(6.0%)	(5.1%)	87.0%	13.5%	(7.7%)	2.2x	NM	2.0x	12.5x
Segment Average				25.9%	24.3%	86.9%	11.7%	23.2%	7.2x	23.9x	7.0x	18.8x
Segment Median				16.3%	17.1%	89.6%	10.9%	22.1%	6.9x	28.8x	6.1x	21.4x

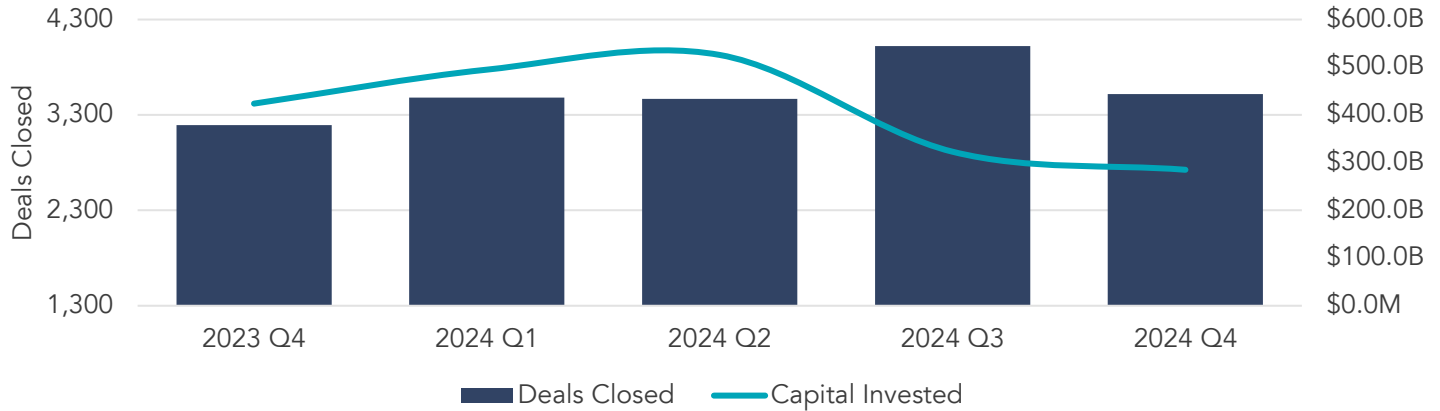
Source: PitchBook Financial Data and Analytics



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U.S. M&A ACTIVITY SNAPSHOT

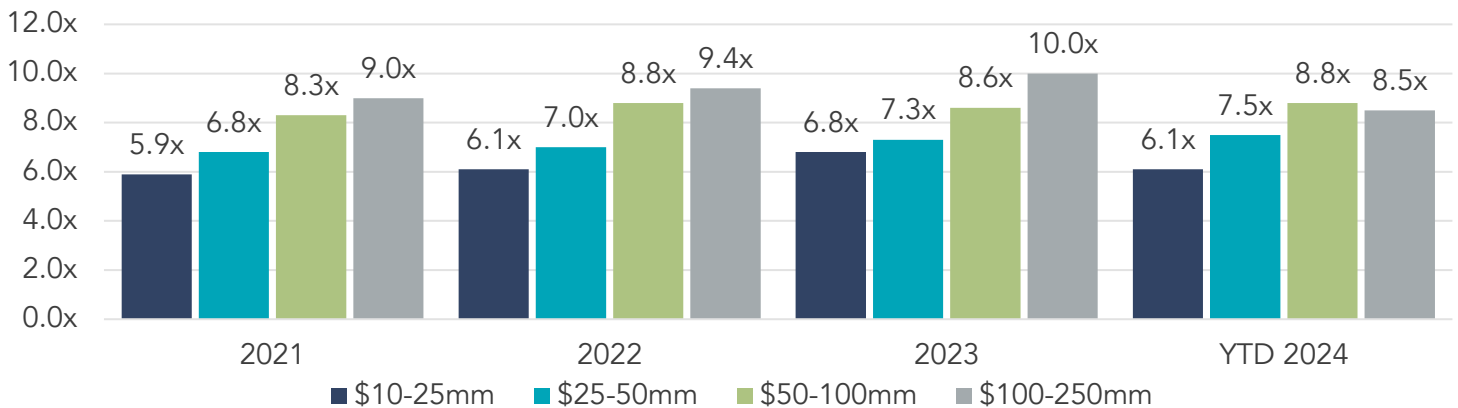
OVERALL U.S. M&A ACTIVITY



Source: PitchBook Financial Data and Analytics

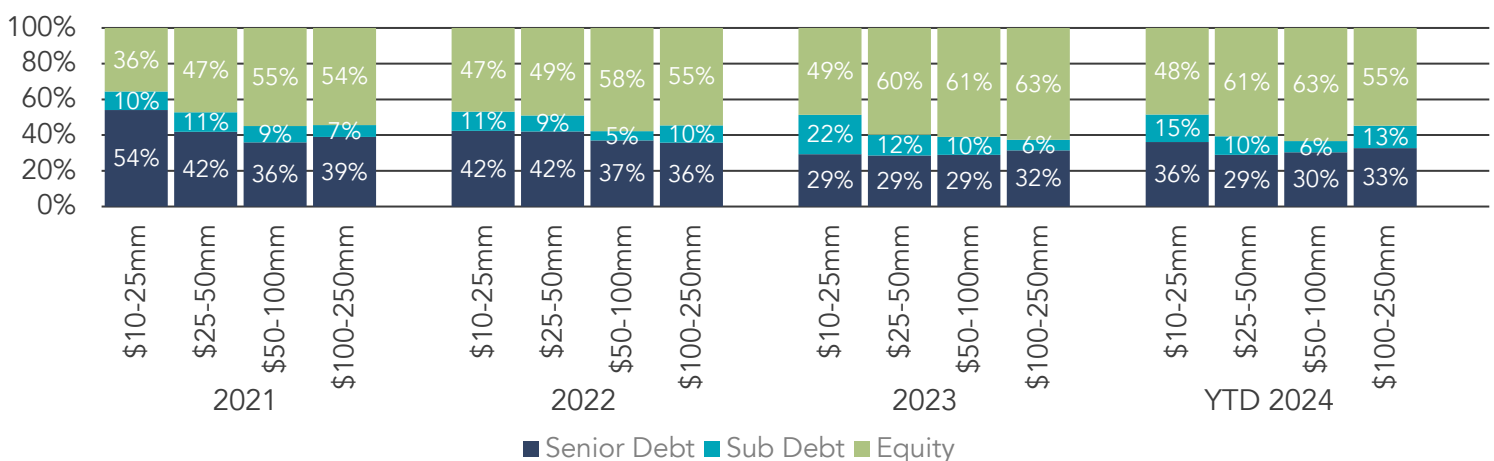
LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTION MULTIPLES

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 2024.

Source: GF Data®



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COMPREHENSIVE SOFTWARE & IT SERVICES EXPERTISE

Software and IT Service Industries are the driving forces that not only support modern society but help it to progress into the future. Let us guide you and your company through the Software & IT Services' complex and competitive landscape. We know the ins and outs of the M&A market, understand the underlying issues and pitfalls, and maintain professional relationships with industry leaders, all of which can help you maximize your opportunities and avoid roadblocks while you focus on running a successful business.

We serve owners in all technology segments, including:

- | | |
|------------------------------------------------|-------------------------------------------------|
| <input type="checkbox"/> Enterprise Software | <input type="checkbox"/> Healthcare IT |
| <input type="checkbox"/> Financial Technology | <input type="checkbox"/> Data & Analytics |
| <input type="checkbox"/> Supply Chain Software | <input type="checkbox"/> Cybersecurity |
| <input type="checkbox"/> Other SaaS | <input type="checkbox"/> IT Services & Strategy |
| <input type="checkbox"/> Marketing Software | <input type="checkbox"/> Managed IT Services |

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SELECT TRANSACTION EXPERIENCE

SDR has completed numerous transactions types throughout the Technology Industry, including:

 Has been acquired by BAYMARK ■ PARTNERS SDR Ventures SELL-SIDE TRANSACTION	 Received a strategic growth investment from SEAPORT CAPITAL SDR Ventures SELL-SIDE TRANSACTION	 A portfolio company of REPUBLIC Has been acquired by NexusTek A portfolio company of LIGHTVIEW CAPITAL SDR Ventures SELL-SIDE TRANSACTION	 A merger of SCA and SPINNAKER Has been acquired by Black Lake Capital SDR Ventures SELL-SIDE TRANSACTION	 FULFILLING YOUR PRACTICE Has been acquired by Jonas A subsidiary of CONSTELLATION SOFTWARE INC. SDR Ventures SELL-SIDE TRANSACTION	 Has been acquired by HealthStream SDR Ventures SELL-SIDE TRANSACTION
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SDR SERVICE OFFERINGS



SELL-SIDE ADVISORY



PRIVATE CAPITAL FORMATION



BUY-SIDE ADVISORY



EXIT PREPARATION



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