Technology Services Update

Harris Williams | Q3 2022

Government IT Services Observations and Key Trends

There is an accelerating need to quickly modernize and secure government agencies' IT Infrastructure, systems, and software, coupled with a rapidly shrinking public labor force.

2022 Top State CIO Priorities…[1]

1. SaaS Solutions
2. ID and Access Management
3. Legacy App Modernization
4. "X" As-a-Service (e.g. Infra.-as-a-Service)
5. AI/RPI
6. Security Enhancement Tools
7. Data Analytics
8. Data Management
9. Low Code / No Code
10. ERP

…Are Influenced by Several Key Trends and Realities…

Digital Transformation
Government agencies facing increased demands to accelerate the adoption and modernization of technology solutions

Cloud Adoption Is Accelerating
Work-from-home dynamics plus the need for remote service support driving an acceleration of cloud adoption across government agencies

Changing Public Sector Labor Force
Reduction in state and local government labor driving increased pressure to outsource IT services to third-party providers

Concerted Citizen Engagement
Government playing "catch-up" with the private sector offerings to deliver personalized digital experiences

65%+
Governments Leveraging Antiquated Systems[2]

~450,000
IT Systems Deployed in U.S.[2] Governments and Agencies

60%+
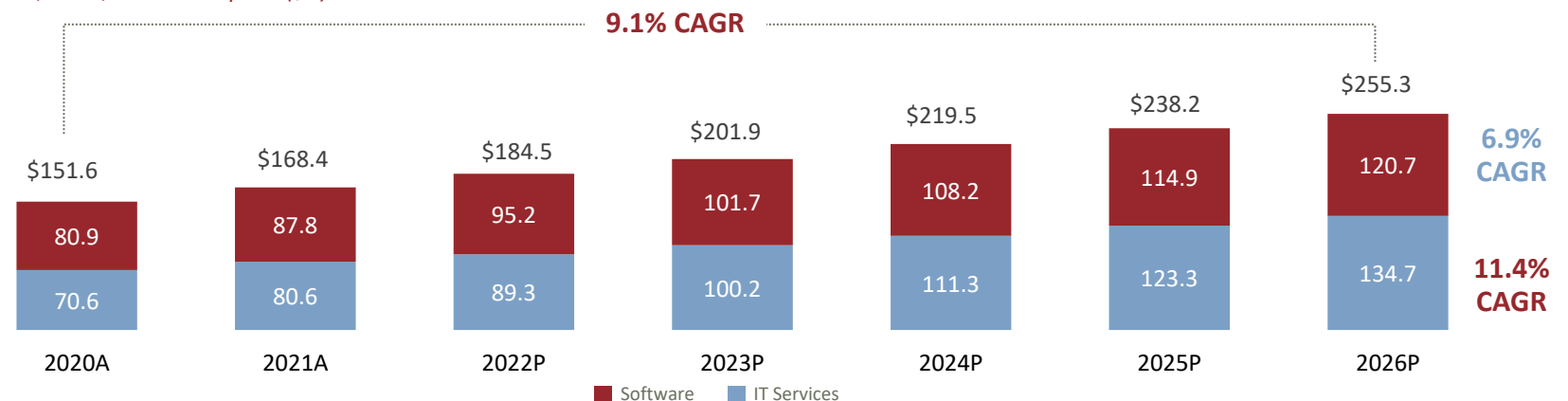Government Staff/CIOs Expect Hybrid Remote Environment to Remain

$50BN+
EIS contract to enable agencies to modernize their networks

5
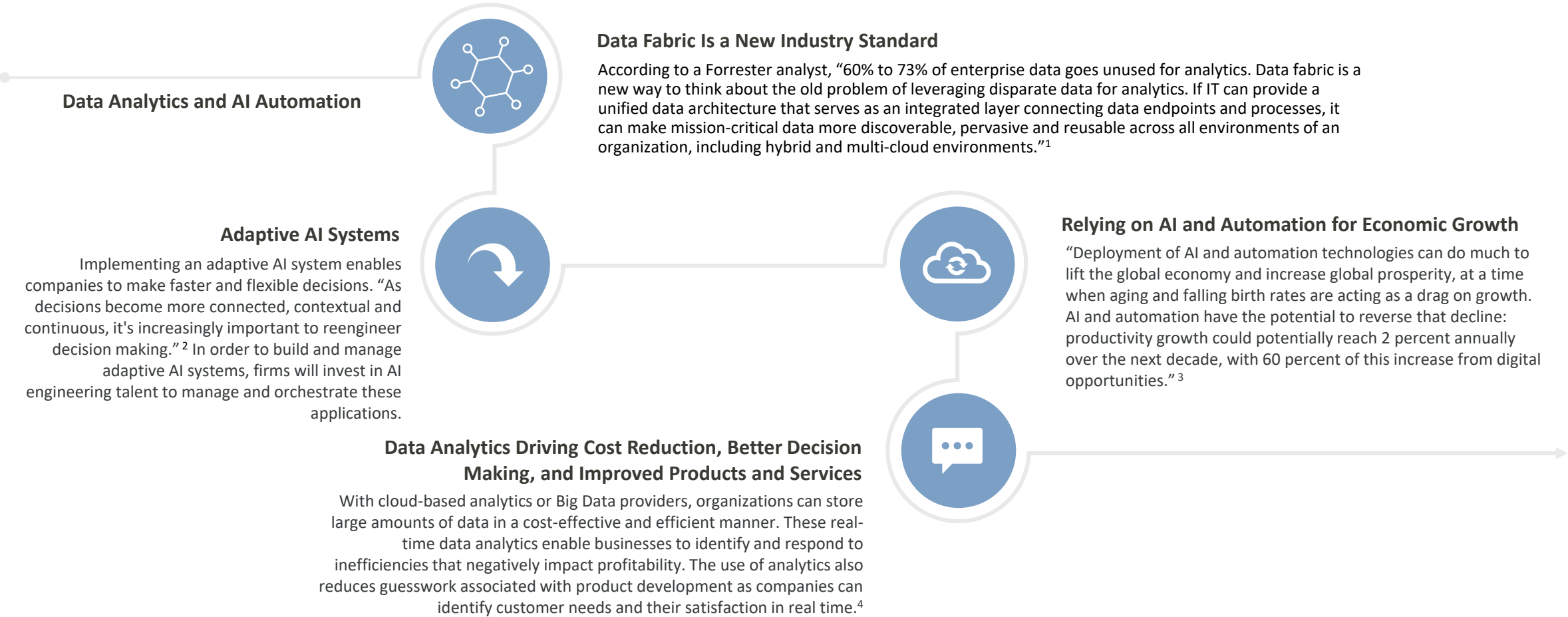Zero trust's 5 pillars: Identity, device, network, application workload, and data

…That Point to Increased Budget Prioritization for IT Initiatives

Federal, State, and Local Spend ($B)[3]

9.1% CAGR

	2020A	2021A	2022P	2023P	2024P	2025P	2026P
Total	$151.6	$168.4	$184.5	$201.9	$219.5	$238.2	$255.3
Software	80.9	87.8	95.2	101.7	108.2	114.9	120.7
IT Services	70.6	80.6	89.3	100.2	111.3	123.3	134.7

Software: **6.9% CAGR**
IT Services: **11.4% CAGR**

Legend: ■ Software ■ IT Services

Increased Focus on Automation and Data Analytics

Companies of all sizes understand the need for significant investment in data analytics, AI, and automation in order to capture real-time inefficiencies and customer trends, and spur economic growth.

Data Fabric Is a New Industry Standard

According to a Forrester analyst, "60% to 73% of enterprise data goes unused for analytics. Data fabric is a new way to think about the old problem of leveraging disparate data for analytics. If IT can provide a unified data architecture that serves as an integrated layer connecting data endpoints and processes, it can make mission-critical data more discoverable, pervasive and reusable across all environments of an organization, including hybrid and multi-cloud environments."[1]

Data Analytics and AI Automation

Adaptive AI Systems

Implementing an adaptive AI system enables companies to make faster and flexible decisions. "As decisions become more connected, contextual and continuous, it's increasingly important to reengineer decision making."[2] In order to build and manage adaptive AI systems, firms will invest in AI engineering talent to manage and orchestrate these applications.

Relying on AI and Automation for Economic Growth

"Deployment of AI and automation technologies can do much to lift the global economy and increase global prosperity, at a time when aging and falling birth rates are acting as a drag on growth. AI and automation have the potential to reverse that decline: productivity growth could potentially reach 2 percent annually over the next decade, with 60 percent of this increase from digital opportunities."[3]

Data Analytics Driving Cost Reduction, Better Decision Making, and Improved Products and Services

With cloud-based analytics or Big Data providers, organizations can store large amounts of data in a cost-effective and efficient manner. These real-time data analytics enable businesses to identify and respond to inefficiencies that negatively impact profitability. The use of analytics also reduces guesswork associated with product development as companies can identify customer needs and their satisfaction in real time.[4]

Perspectives on IT Services

Managed Services

Outsourced IT service offerings ranging from IT network, communications, web and email hosting, backup and recovery, help desk, data management, network and security monitoring, and application development.

Managed IT *Managed Network* *IT Consulting*

Select Market Participants

advania · coretelligent THE POWER OF IT · ConvergeOne · CTS · iver

Ntiva · Netrix · nt. nexustek · NODE4

Synoptek · SIRIUS · THRIVE Your Partner for Technology Success

Key Trends

- Even as employees return to offices, the need to support multiple devices and systems continues to underpin sustained demand to outsource IT Services
- Companies are expanding their service offerings as organizations seek a single-source provider capable of offering managed IT, managed security, and managed network services

Managed Security & Compliance

Outsourced monitoring and management of devices and IT systems. Services include managed firewall, vulnerability assessments, intrusion monitoring, and anti-virus solutions. Services are provided through security operations centers to enable 24/7 monitoring.

Cybersecurity *EDR, MDR, XDR* *SOC-as-a-Service*

Select Market Participants

A-LIGN · COALFIRE · FIREEYE

HERJAVEC GROUP · I-TRACING · nuspire networks

RELIAQUEST · simeio Identity, intelligently managed. · sysnet global solutions

Key Trends

- With ransomware attacks increasing for companies of all sizes, outsourced security services have become a priority
- Managed security service providers span across three models: people-centric services and consulting, security service offerings leveraging multiple software vendors, and software security product offerings

Digital Transformation & Application Development

Adopting digital technology services to replace non-digital manual processes and legacy technologies. Application development services create custom, customer-facing apps across a range of digital platforms (mobile, web, desktop).

Application Development *DevOps* *Customer Experience* *Digital Engineering*

Select Market Participants

exadel · marlabs · Gorilla Logic

LEVEL · gcom SOFTWARE Building IT One Object at A Time · CONCENTRIX A Business Services Company

APPLAUSE · QUALITEST · ThoughtWorks

Key Trends

- The need to modernize and create more agile environments given legacy IT infrastructures is a driving force for digital transformation
- The importance around customer experience and seamless communication across all mediums (website, chatbox, mobile app) is creating substantial demand in the market

Perspectives on IT Services

Application Partner Ecosystem

Services that specialize in various application ecosystems, such as SAP, Oracle, Salesforce, Adobe, ServiceNow, and Workday. These services range from consulting to systems integration and ongoing development and customization.

Application Strategy	Design and Build	Integration Services	Ongoing Support & Training

Select Market Participants

apps associates   CrossCountry Consulting   sapphire   ensono

NEWROCKET   Hso   NAVISITE   CONET   inspirage

SILVERLINE   SYNTAX   THIRDERA   Utegration

Key Trends

- As organizations of all sizes struggle to implement, update, and leverage multiple applications, there remains a growing lack of talent across multiple application ecosystems
- Strategic system integrators and private equity investors continue to actively pursue a number of application partner opportunities

Cloud Partner Ecosystems

Services that support access to public cloud environments, as well as consulting solutions focused on optimizing cloud resources, reducing costs, and developing architecture to support varying workloads.

Cloud Readiness Assessment	Cloud Strategy & Modernization Support	Cloud Migration Services	Application Modernization & DataOps

Select Market Participants

3Cloud   mission   claranet

logicworks   DoiT INTERNATIONAL   Smartronix   lemongrass

Key Trends

- The shift from on-premises to private to public cloud hosting continues, with many organizations turning to a hybrid-cloud approach
- As organizations migrate to the cloud, additional services and consulting are needed around cloud strategy and cloud security

Data & Analytics

Services focused on collecting, aggregating, and extracting structured and unstructured data from multiple sources and then running analysis on such data using AI and machine learning to help companies optimize client engagements, improve operational efficiency, and reduce costs.

AI / ML	Data Management	Data Collection

Select Market Participants

insightsoftware   Syniti

precisely   aspirent

Key Trends

- To better harness and potentially monetize a growing amount of information, companies are increasingly relying on software and consulting-related services to help analyze and organize data
- Growing focus on leveraging internal data to help customers better understand their true needs while creating further stickiness with an existing client base

Harris Williams

What We're Reading

In this Industry Update, we have included a collection of articles focused on government IT services trends, the increased attention on data analytics, and leveraging technology that automates processes and enhances efficiencies. Harris Williams believes that the industry will continue to evolve and capitalize on IT services, data analytics, and automation as companies and government agencies look to shift from legacy systems and put necessary cybersecurity technology in place.

Gartner Unveils the Top 10 Government Technology Trends for 2022   **Gartner**

"Gartner, Inc. identified the top 10 government technology trends for 2022 that can guide public-sector leaders in accelerating digital transformation and mitigating disruption risks."

Read the full article here.

12 Data and Analytics Trends to Keep on Your Radar   **Gartner**

"Adaptive artificial intelligence (AI) systems, data sharing and data fabrics are among the trends that data and analytics leaders need to build on to drive new growth, resilience and innovation."

Read the full article here.

Four Impediments to AI Adoption for Enterprises   **Enterprise Talk**

"The commercial sector is being taken over by Artificial Intelligence (AI). According to McKinsey's 'The State of AI in 2020' research, 50% of organizations already use AI in at least one function. If the company's IT management considers using AI, it's a good idea to be aware of the potential roadblocks. As a result, IT leaders will be able to ease the way for AI adoption. Here are a few common stumbling blocks that enterprises encounter while using AI."

Read the full article here.

Top Four Industries Using Data Analytics to Thrive   **Simplilearn**

"The key, of course, is knowing how to mine that data, analyze it, extract value from it, and apply it to a tangible business solution. Companies across industries and government organizations are using big data analytics and data science technologies to change the way they operate and to create solutions that impact people in almost every conceivable way. According to a study by Accenture, 79 percent of executives feel that companies not embracing data analytics will lose their competitive position, and 83 percent have pursued big data projects to seize competitive advantage."

Read the full article here.

5 Key Digital Transformation Challenges Government CIOs Must Tackle   **Gartner**

"Government CIOs trying to scale digital solutions face a range of obstacles, many of the biggest of which are not technical. Taking direct action on these issues, which can range from breaking down organizational silos to mitigating digital skills gaps and a lack of resources, is critical to digital transformation in government."

Read the full article here.

Recent Harris Williams Industry Content

- **Technology-Enabled Business Services**

Technology-Enabled Business Services
A Q&A WITH INSIGHT2PROFIT

» ACCESS ARTICLE

Link to Read

Select 1H 2022 IT Services Transactions

Government IT Services

Target	Buyer	
SUMMIT7	**WestView Capital Partners**	• WestView Capital Partners acquired Summit 7 on May 25, 2022.
ManTech	**CARLYLE**	• Carlyle acquired ManTech on May 16, 2022.
dataintelligence link | collaborate | search | discover	**AXIOLOGIC solutions**	• Axiologic Solutions acquired Data Intelligence Technologies on May 11, 2022.
XGILITY	**ais APPLIED INFORMATION SCIENCES**	• AIS acquired Microsoft Azure Government Cloud Partner Xgility on April 20, 2022.
EVERWATCH	Booz | Allen | Hamilton	• Booz Allen entered a definitive agreement to acquire EverWatch on March 16, 2022.
UCS UNIVERSAL CONSULTING SERVICES INC.	**FEDERAL ADVISORY PARTNERS**	• Federal Advisory Partners (Sagewind Capital) acquired Universal Consulting Services on March 1, 2022.
savli group	**GODSPEED CAPITAL**	• Godspeed Capital acquired Savli Group on January 28, 2022, as an add-on for Varen Technologies and ESS.

Data Analytics

Target	Buyer	
TEKNION data solutions	**Resultant**	• Resultant (Investcorp) acquired Teknion Data Solutions on May 17, 2022.
Intellify	**Deloitte.**	• Deloitte acquired Intellify on May 10, 2022.
GENSQUARED	**EY**	• EY Canada acquired Gensquared Inc. on April 25, 2022.
ERGO Driving Data Culture	**accenture**	• Accenture acquired Ergo on April 21, 2022.
Verisk 3E	**NMC** New Mountain Capital LLC	• New Mountain Capital acquired Verisk 3E on January 24, 2022.
JUST ANALYTICS Engage.Execute.Exceed.	**rackspace technology**	• Rackspace acquired Just Analytics on January 18, 2022.
apt·itive	**2ND WATCH**	• 2nd Watch (ST Telemedia) acquired Aptitive on January 5, 2022.

H|W HarrisWilliams

Global Public Company Performance

IT Consulting – Last 12 Months[1]

Indexed Stock Price Performance for the Period July 2021 – July 2022

Legend: IT Services & Consulting (US) | IT Services & Consulting (India) | IT Services & Consulting (Europe) | IT Services & Consulting (Japan) | S&P 500

End values: (1.3%), (2.6%), (5.3%), (9.7%), (10.6%)
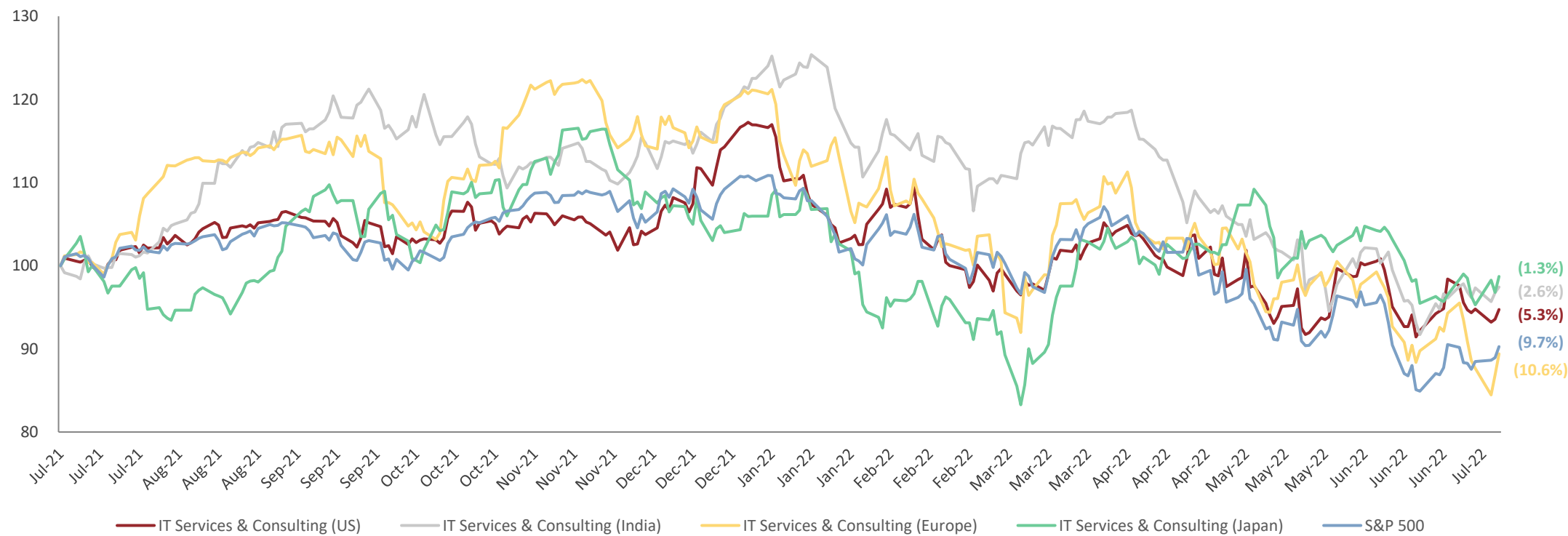
IT Consulting (U.S.)			IT Consulting (Europe)			IT Consulting (India)			IT Consulting (Japan)		
LTM Rev.	Enterprise Value / LTM EBITDA	Enterprise Value / FY21 EBITDA	LTM Rev.	Enterprise Value / LTM EBITDA	Enterprise Value / FY21 EBITDA	LTM Rev.	Enterprise Value / LTM EBITDA	Enterprise Value / FY21 EBITDA	LTM Rev.	Enterprise Value / LTM EBITDA	Enterprise Value / FY21 EBITDA
2.0x	13.6x	13.3x	1.1x	12.8x	12.9x	2.8x	13.5x	13.1x	1.0x	7.2x	7.9x

Public Companies Included:
- U.S.: Accenture, CDW, CGI, Cognizant, Datto, DXC Technology, IBM, Rackspace
- Europe: Alten, Atos, Bechtle, Capgemini, Netcompany, Softcat, Sopra Steria, TietoEVRY
- India: HCL, Infosys, Tata Consultancy, Tech Mahindra, Wipro
- Japan: Fujitsu, Hitachi, NTT Data

Global Public Company Performance (Cont.)

Outsourced Software Development – Last 12 Months[1]

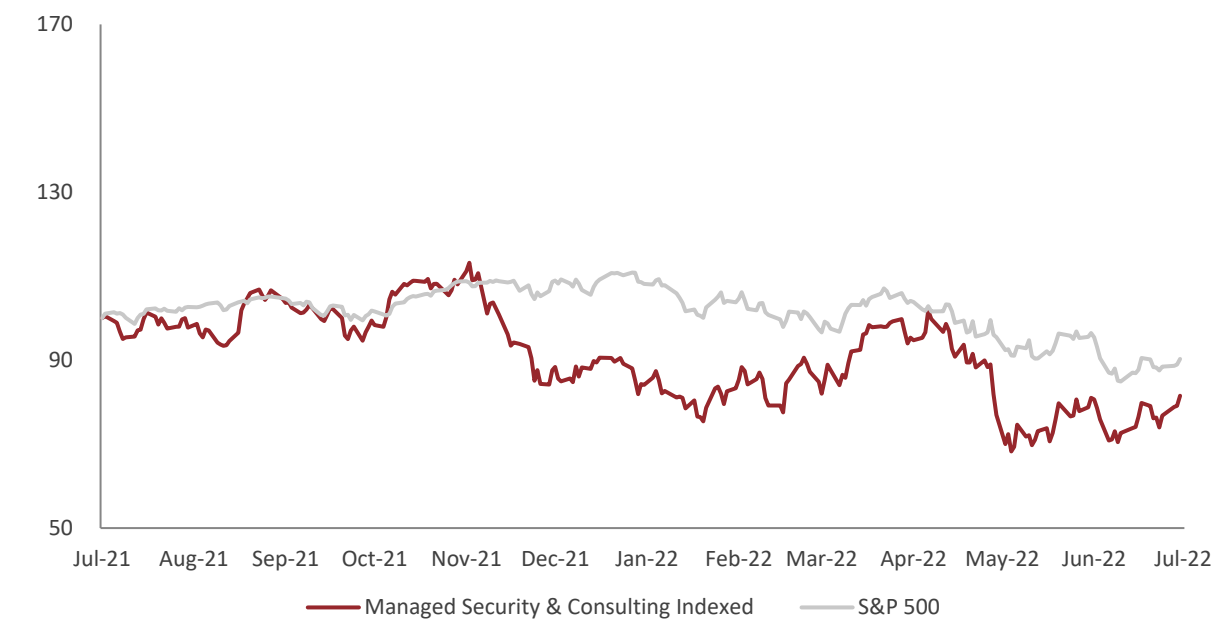*Indexed Stock Price Performance for the Period July 2021 – July 2022*

Legend: Outsourced Software Development — S&P 500
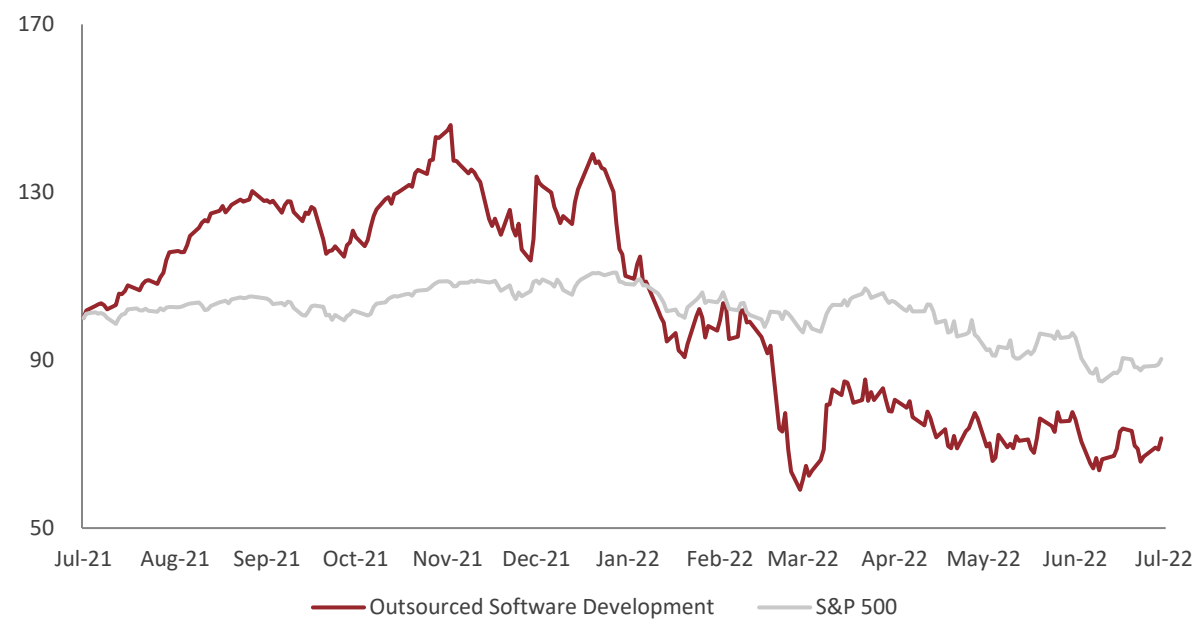
	LTM Rev.	Enterprise Value / LTM EBITDA	Enterprise Value / FY21 EBITDA
	5.4x	31.9x	35.3x

Key Public Comparables

endava   <epam>   Globant

Managed Security – Last 12 Months[1]

Indexed Stock Price Performance for the Period July 2021 – July 2022

Legend: Managed Security & Consulting Indexed — S&P 500

	LTM Rev.	Enterprise Value / LTM EBITDA	Enterprise Value / FY21 EBITDA
	9.0x	20.3x	20.9x

Key Public Comparables

CROWDSTRIKE   MANDIANT   NortonLifeLock   Qualys
RAPID7   Secureworks   splunk>   tenable

Global Public Company Performance (Cont.)

Web Hosting – Last 12 Months[1]

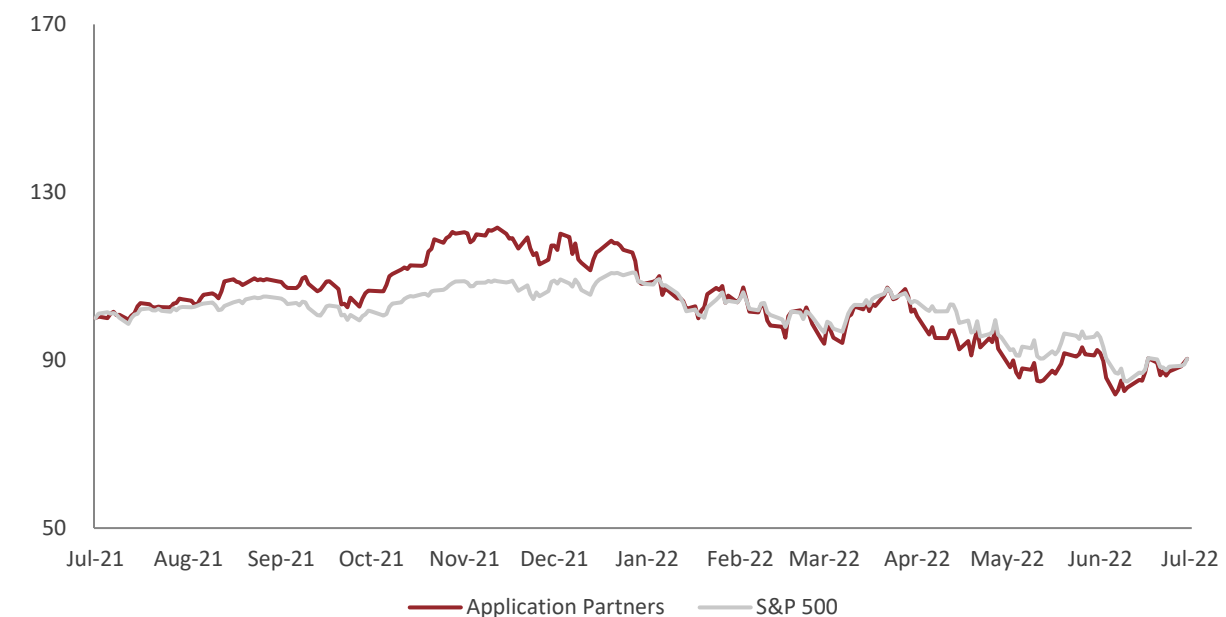*Indexed Stock Price Performance for the Period June 2021 – June 2022*

Web Hosting — S&P 500

LTM Rev.	Enterprise Value / LTM EBITDA	Enterprise Value / FY21 EBITDA
3.3x	21.7x	23.1x

Application Partners – Last 12 Months[1]

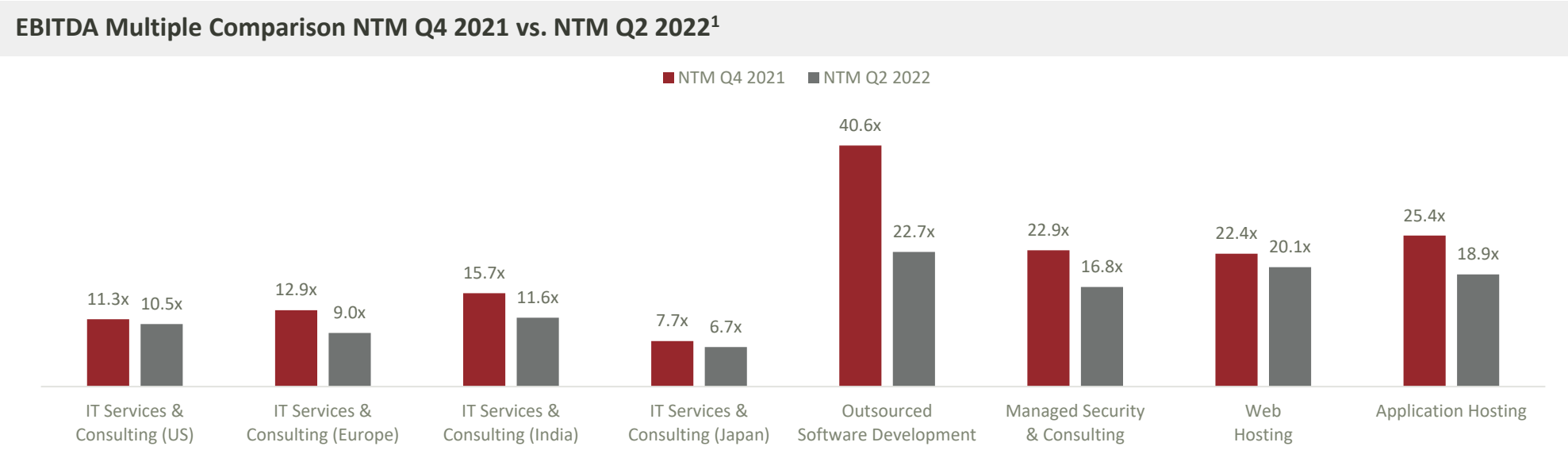*Indexed Stock Price Performance for the Period June 2021 – June 2022*

Application Partners — S&P 500

LTM Rev.	Enterprise Value / LTM EBITDA	Enterprise Value / FY21 EBITDA
10.3x	20.8x	24.1x

Key Public Comparables

GoDaddy   shopify   tucows
united internet   VERISIGN   WIX

Key Public Comparables

Adobe   ATLASSIAN   Microsoft   ORACLE
salesforce   SAP   servicenow

Global Public Company Operating and Valuation Metrics

EBITDA Multiple Comparison Q4 2021 vs. Q2 2022[1]

Legend: ■ Q4 2021 ■ Q2 2022

Category	Q4 2021	Q2 2022
IT Services & Consulting (US)	12.6x	12.3x
IT Services & Consulting (Europe)	13.8x	13.0x
IT Services & Consulting (India)	16.4x	12.0x
IT Services & Consulting (Japan)	10.0x	6.8x
Outsourced Software Development	42.4x	23.5x
Managed Security & Consulting	19.6x	20.3x
Web Hosting	26.6x	18.0x
Application Hosting	24.1x	20.9x

EBITDA Multiple Comparison NTM Q4 2021 vs. NTM Q2 2022[1]

Legend: ■ NTM Q4 2021 ■ NTM Q2 2022

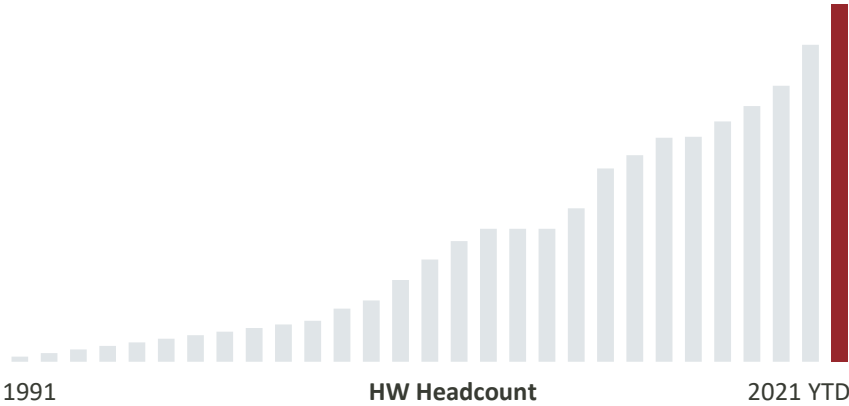| Category	NTM Q4 2021	NTM Q2 2022
IT Services & Consulting (US)	11.3x	10.5x
IT Services & Consulting (Europe)	12.9x	9.0x
IT Services & Consulting (India)	15.7x	11.6x
IT Services & Consulting (Japan)	7.7x	6.7x
Outsourced Software Development	40.6x	22.7x
Managed Security & Consulting	22.9x	16.8x
Web Hosting	22.4x	20.1x
Application Hosting	25.4x	18.9x

Harris Williams | At a Glance

Firm Overview

- 30-year history with 8 global offices
- 10 industry groups with deep sector expertise
- 92% of revenue from sell-side M&A advisory
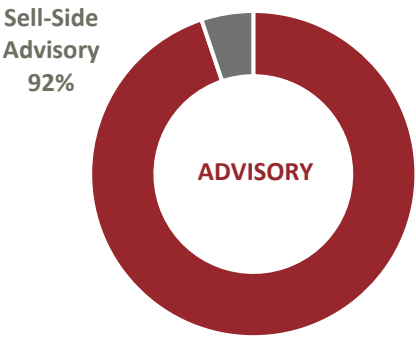- A "One P&L" culture

Dedicated HW APAC Coverage

vault TOP RANKED 2021 BANKING

OUTSTANDING M&A INVESTMENT BANK OF THE YEAR · Harris Williams · BY GLOBAL M&A NETWORK · 2021

OUTSTANDING M&A ADVISORY FIRM OF THE YEAR · Harris Williams · BY GLOBAL M&A NETWORK · 2020

· 2019 · GLOBAL PRIVATE EQUITY INVESTMENT BANK OF THE YEAR · Harris Williams · BY GLOBAL M&A NETWORK

2019 · AMERICAS PRIVATE EQUITY INVESTMENT BANK OF THE YEAR · Harris Williams · BY GLOBAL M&A NETWORK

Continued Investment in People

Harris Williams headcount has increased ~8x since 2000

1991   HW Headcount   2021 YTD

SELL-SIDE M&A EXPERTISE

Sell-Side Advisory 92%

ADVISORY

WHAT WE PROMISE, WE DELIVER

One Firm

Execution Excellence

Trusted Relationships

Professional Integrity

REPEAT CLIENT BASE

New Clients 30%

Repeat Clients 70%

REVENUE
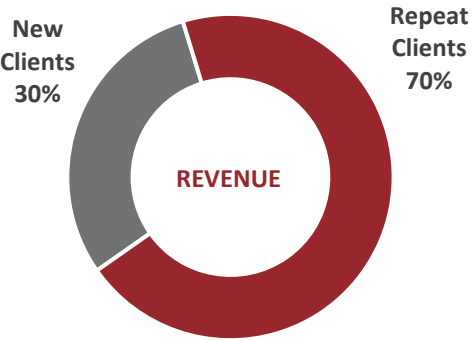
Harris Williams | Technology Services Experience

Selected Technology Services Transaction Experience

Harris Williams' Transaction Spotlight

January 24, 2022

Company Background

Ntiva is a leading IT services company that provides businesses across the U.S. with advanced technology expertise and support, including managed IT services, strategic consulting, cybersecurity services, cloud services, and telecom solutions.

Successful Outcome

The company thrived in partnership with Southfield Capital. PSP Partner's strategic investment will enable Ntiva to further accelerate its technology investments, expand into new verticals, and further execute its robust M&A strategy.

Harris Williams Role

Harris Williams served as financial advisor to Ntiva, a portfolio company of Southfield Capital, in this transaction.

Relevant Subsectors

MSP	IT Consulting	Cybersecurity
Cloud Hosting	Software Development	Telecom Solutions

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Harris Williams | Capabilities and Locations

Harris Williams

Harris Williams has a broad range of industry expertise, which creates powerful opportunities. Our clients benefit from our deep sector experience, integrated industry intelligence and collaboration across the firm, and our commitment to learning what makes them unique. For more information, visit our website at www.harriswilliams.com.

Aerospace, Defense, & Government Services	Business Services	Building Products & Materials	Consumer	Energy, Power, & Infrastructure
Healthcare & Life Sciences	Industrials	Specialty Distribution	Technology	Transportation & Logistics

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Appendix

Global Public Market Operational and Valuation Metrics[1]

Company	Enterprise Value	Market Capitalization	% of 52 - Week High	1-Year Stock Performance	3-Year Stock Performance	5-Year Stock Performance	10-Year Stock Performance	Revenue Growth 2022E	Revenue Growth 2023P	2022E EBITDA Margin	Enterprise Value / '22E Rev.	'23P Rev.	'22E EBITDA	'23P EBITDA
Accenture	$173,928	$176,525	66.9%	(9.7%)	46.6%	124.7%	377.5%	16.9%	8.8%	18.5%	2.7x	2.5x	14.8x	13.7x
IBM	$173,469	$126,344	96.2%	(0.2%)	(0.1%)	(8.2%)	(26.6%)	6.3%	3.7%	26.6%	2.8x	2.7x	10.7x	10.1x
Cognizant	$34,217	$34,929	71.7%	(2.0%)	4.4%	0.1%	132.5%	8.4%	8.6%	18.7%	1.7x	1.6x	9.1x	8.3x
CDW	$28,793	$21,825	77.4%	(8.7%)	46.3%	159.0%	NA	18.2%	6.2%	8.6%	1.2x	1.1x	13.6x	12.7x
CGI	$21,630	$19,542	91.0%	(6.2%)	5.5%	61.9%	345.8%	5.0%	4.2%	20.3%	2.2x	2.1x	10.7x	10.2x
DXC	$10,679	$6,860	67.6%	(23.8%)	(45.7%)	(61.4%)	23.3%	(8.2%)	(1.5%)	16.4%	0.7x	0.7x	4.2x	4.1x
Rackspace	$5,289	$1,501	35.6%	(63.4%)	NA	NA	NA	6.5%	8.7%	21.0%	1.6x	1.5x	7.9x	7.1x
IT Services & Consulting (US) Median	**$28,793**	**$21,825**	**71.7%**	**(8.7%)**	**4.9%**	**31.0%**	**132.5%**	**6.5%**	**6.2%**	**18.7%**	**1.7x**	**1.6x**	**10.7x**	**10.1x**
Capgemini	$33,932	$29,323	76.1%	1.6%	47.2%	84.7%	510.0%	14.0%	7.9%	14.4%	1.6x	1.5x	11.2x	9.9x
Bechtle	$5,300	$5,136	57.6%	(24.9%)	17.7%	114.6%	NM	7.9%	9.0%	8.0%	0.9x	0.8x	11.4x	10.6x
Atos	$3,912	$1,381	23.1%	(76.2%)	(84.1%)	(90.0%)	(73.8%)	0.7%	(0.8%)	9.2%	0.4x	0.4x	3.8x	3.6x
Sopra Steria	$3,824	$3,070	82.9%	(10.3%)	50.1%	7.2%	289.5%	7.1%	5.2%	12.1%	0.7x	0.7x	6.2x	5.7x
Alten	$3,812	$3,851	68.2%	(1.8%)	2.6%	57.7%	389.9%	20.6%	8.4%	12.2%	1.1x	1.0x	8.7x	8.0x
TietoEVRY	$3,547	$2,948	80.3%	(7.8%)	(4.8%)	(9.4%)	86.4%	(25.2%)	2.4%	16.6%	1.2x	1.2x	7.3x	6.7x
Softcat	$3,084	$3,164	58.5%	(26.8%)	37.0%	249.5%	NA	14.6%	6.0%	9.7%	1.8x	1.7x	18.3x	17.4x
Netcompany	$2,868	$2,570	44.4%	(49.6%)	41.6%	NA	NA	53.5%	15.2%	20.5%	3.8x	3.3x	18.4x	15.2x
IT Services & Consulting (Europe) Median	**$3,818**	**$3,117**	**63.4%**	**(17.6%)**	**27.4%**	**57.7%**	**289.5%**	**11.0%**	**7.0%**	**12.2%**	**1.1x**	**1.1x**	**9.9x**	**9.0x**
Tata Consultancy Services	$146,726	$150,765	80.8%	0.2%	50.1%	180.1%	423.4%	15.4%	11.8%	27.3%	5.5x	4.9x	20.0x	17.8x
Infosys	$77,835	$80,142	77.5%	(8.4%)	82.6%	(95.9%)	(93.7%)	13.4%	12.1%	25.2%	4.4x	4.0x	17.7x	15.7x
HCL Technologies	$32,027	$33,599	71.4%	(5.0%)	63.8%	(97.0%)	(89.9%)	10.3%	11.0%	23.1%	2.6x	2.4x	11.4x	10.2x
Wipro	$26,796	$28,921	56.7%	(21.1%)	57.0%	117.8%	185.1%	17.3%	11.7%	20.5%	2.4x	2.2x	11.8x	10.5x
Tech Mahindra	$10,723	$11,376	55.8%	(3.2%)	50.9%	170.1%	468.8%	18.2%	12.7%	17.5%	1.7x	1.5x	9.6x	8.5x
IT Services & Consulting (India) Median	**$32,027**	**$33,599**	**71.4%**	**(5.0%)**	**57.0%**	**117.8%**	**185.1%**	**15.4%**	**11.8%**	**23.1%**	**2.6x**	**2.4x**	**11.8x**	**10.5x**

Global Public Market Operational and Valuation Metrics[1]

Company	Enterprise Value	Market Capitalization	% of 52 - Week High	1-Year Stock Performance	3-Year Stock Performance	5-Year Stock Performance	10-Year Stock Performance	Revenue Growth 2022E	Revenue Growth 2023P	2022E EBITDA Margin	Enterprise Value / '22E Rev.	'23P Rev.	'22E EBITDA	'23P EBITDA
Hitachi	$66,363	$45,828	87.0%	0.2%	58.0%	85.9%	162.8%	(1.0%)	(2.4%)	12.9%	0.9x	1.0x	7.3x	7.1x
Fujitsu	$25,288	$25,829	81.0%	(14.2%)	132.0%	119.8%	383.5%	2.7%	3.2%	13.7%	0.9x	0.9x	6.8x	6.1x
NTT Data	$23,029	$20,133	67.7%	13.1%	31.8%	59.4%	308.3%	24.1%	22.4%	14.5%	1.0x	0.8x	6.9x	6.0x
IT Services & Consulting (Japan) Median	**$25,288**	**$25,829**	**81.0%**	**0.2%**	**58.0%**	**85.9%**	**308.3%**	**2.7%**	**3.2%**	**13.7%**	**0.9x**	**0.9x**	**6.9x**	**6.1x**
CrowdStrike	$42,816	$44,182	63.8%	(27.7%)	184.5%	NA	NA	54.6%	37.1%	17.5%	20.0x	14.6x	NM	NM
Splunk	$18,680	$16,047	56.4%	(28.0%)	(23.5%)	74.2%	236.5%	29.5%	22.5%	3.8%	5.7x	4.7x	NM	43.7x
NortonLikeLock	$15,119	$13,181	74.6%	(15.2%)	(9.9%)	(18.8%)	63.4%	6.1%	5.0%	53.1%	5.2x	5.0x	9.9x	9.5x
Tenable	$5,614	$5,716	81.3%	23.3%	77.5%	NA	NA	25.1%	20.2%	8.7%	8.3x	6.9x	NM	60.0x
Rapid7	$4,992	$4,309	51.0%	(26.8%)	24.6%	330.4%	NA	28.8%	22.2%	6.0%	7.2x	5.9x	NM	NM
Qualys	$4,645	$5,139	88.2%	24.0%	51.6%	219.3%	NA	18.0%	16.7%	40.2%	9.6x	8.2x	23.8x	NM
Mandiant	$4,611	$5,171	95.5%	4.1%	47.4%	44.8%	NA	16.3%	23.0%	NM	8.2x	6.7x	NM	NM
SecureWorks	$748	$913	40.0%	(50.6%)	(11.2%)	5.0%	NA	(9.7%)	3.2%	NM	1.5x	1.5x	NM	NM
Managed Security & Compliance Median	**$5,303**	**$5,444**	**69.2%**	**(21.0%)**	**36.0%**	**59.5%**	**150.0%**	**21.5%**	**21.2%**	**13.1%**	**7.7x**	**6.3x**	**16.8x**	**43.7x**
EPAM Systems	$17,300	$18,347	44.3%	(37.7%)	73.8%	281.9%	NM	27.3%	21.8%	15.5%	3.6x	3.0x	23.3x	16.7x
Globant	$7,642	$7,852	53.0%	(13.0%)	79.7%	360.1%	NA	36.9%	25.8%	20.7%	4.3x	3.4x	20.8x	17.1x
Endava	$5,006	$5,091	53.1%	(23.1%)	128.0%	NA	NA	34.4%	25.0%	24.6%	6.8x	5.4x	27.5x	22.0x
Thoughtworks	$4,994	$4,788	44.8%	NA	NM	NA	NA	27.9%	21.6%	19.3%	3.6x	3.0x	18.9x	15.4x
Outsourced Software Development Median	**$6,324**	**$6,471**	**48.9%**	**(23.1%)**	**79.7%**	**321.0%**	**NA**	**31.1%**	**23.4%**	**20.0%**	**4.0x**	**3.2x**	**22.0x**	**16.9x**
Shopify	$38,817	$44,869	20.2%	(75.7%)	10.8%	299.7%	NA	25.9%	31.3%	3.2%	6.7x	5.1x	NM	NM
Verisign	$20,145	$19,568	69.5%	(22.9%)	(17.2%)	89.2%	307.7%	8.0%	9.2%	66.7%	14.0x	12.9x	21.1x	17.7x
GoDaddy	$15,095	$11,808	82.6%	(16.4%)	3.8%	73.5%	NA	8.9%	9.6%	23.7%	3.6x	3.3x	15.3x	13.5x
United Internet	$7,530	$5,245	73.3%	(18.8%)	(3.2%)	(42.2%)	102.3%	3.0%	3.5%	22.2%	1.3x	1.2x	5.7x	5.5x
Wix.com	$3,521	$4,012	22.8%	(75.8%)	(51.1%)	0.3%	NA	11.9%	16.2%	9.1%	2.5x	2.1x	27.3x	14.1x
Tucows	$729	$512	51.2%	(40.6%)	(23.3%)	(14.3%)	NM	(2.2%)	(2.2%)	6.6%	2.4x	2.5x	37.0x	37.8x
Web Hosting Median	**$11,313**	**$8,527**	**60.3%**	**(31.8%)**	**(10.2%)**	**36.9%**	**205.0%**	**8.5%**	**9.4%**	**15.6%**	**3.1x**	**2.9x**	**21.1x**	**14.1x**

Global Public Market Operational and Valuation Metrics[1]

Company	Enterprise Value	Market Capitalization	% of 52 - Week High	1-Year Stock Performance	3-Year Stock Performance	5-Year Stock Performance	10-Year Stock Performance	Revenue Growth		2022E EBITDA Margin	Enterprise Value /			
								2022E	2023P		'22E Rev.	'23P Rev.	'22E EBITDA	'23P EBITDA
Microsoft	$1,975,159	$2,001,838	76.5%	(3.5%)	95.4%	285.3%	786.7%	15.7%	14.0%	50.0%	9.2x	8.1x	18.4x	15.9x
Oracle	$249,564	$191,528	67.6%	(16.0%)	20.7%	45.6%	146.3%	4.4%	18.3%	50.3%	5.9x	5.0x	11.8x	10.7x
Adobe	$181,617	$182,258	55.7%	(35.7%)	28.6%	173.8%	1,141.4%	13.1%	13.8%	49.8%	9.6x	8.4x	19.2x	16.6x
Salesforce	$175,495	$174,623	56.3%	(28.6%)	14.8%	99.6%	417.1%	22.1%	18.9%	28.3%	6.0x	5.1x	21.3x	19.9x
SAP	$115,394	$106,748	59.8%	(38.0%)	(34.6%)	(12.3%)	62.5%	NM	NM	NA	NM	NM	NM	NM
ServiceNow	$97,250	$99,057	69.8%	(11.8%)	68.7%	364.9%	1,812.3%	25.0%	23.7%	31.8%	10.7x	8.6x	33.5x	26.2x
Altassian	$54,424	$54,423	44.3%	(19.7%)	55.2%	506.3%	NM	32.4%	27.0%	24.5%	19.7x	15.5x	NM	NM
Application Partners Median	**$175,495**	**$174,623**	**59.8%**	**(19.7%)**	**28.6%**	**173.8%**	**601.9%**	**18.9%**	**18.6%**	**40.8%**	**9.4x**	**8.2x**	**19.2x**	**16.6x**

Recent and Select IT Services Transactions Detail[1]

Date	Target / Issuer	Acquirer	Business Description
6/30/2022	Edge Technology Group	Thrive Operations (Court Square)	Provider of fully managed information technology services
6/30/2022	Arcus IT Group	Egeria	Provider of information and communications technology across the Netherlands
6/29/2022	Cornerstone IT	Logically (The Riverside Company)	Provider of managed information technology (IT) services
6/29/2022	Abacus Group	FFL Partners	Provider of managed information technology (IT) and infrastructure services
6/29/2022	USA Cloud Operations and Infrastructure Assets	Provdotnet	Operator of cloud operations and infrastructure assets
6/28/2022	Prime Source	Fatbrain LLC	Provider of software and technological products for management and IT consulting
6/27/2022	LA Creative Technologies Inc.	Logic Technology Consulting Group	Provider of IT solutions intended to serve the specific needs of businesses
6/24/2022	DSM Technology Consultants	Thrive Operations (Court Square)	Provider of data protection and data recovery services
6/24/2022	CyberDefenses	Apollo Information Systems	Provider of military-grade cybersecurity services
6/23/2022	ConnectMeVoice	Cloudli Communications	Provider of telecom and voice over internet protocol (VoIP) service
6/23/2022	Grove Technologies	Interlaced	Provider of Apple-focused information technology support services
6/21/2022	AE Cloud Consultants	Deloitte Canada	Provider of IT consulting and implementation services
6/21/2022	Dozen Software	Mission Cloud Services (Great Hill Partners)	Provider of software application development services
6/21/2022	Cyberint	Viola Growth	Developer of cybersecurity detection and response software
6/17/2022	VIMA Group	KBR (NYSE: KBR)	Provider of business and management consultancy services
6/16/2022	Visma	CVC Capital Partners	Provider of change management consultancy services
6/16/2022	Do IT Wise	Inetum Group	Provider of IT and digital transformation consulting services

Harris Williams

Recent and Select IT Services Transactions Detail[1]

Date	Target / Issuer	Acquirer	Business Description
6/16/2022	NorthPoint Group	Argano (Trinity Hunt)	Provider of technology and management consulting services
6/15/2022	DataStax	Goldman Sachs Asset Management	Operator of a distributed database management platform designed to power data management for cloud applications
6/14/2022	Guardian Eagle	Centroid Systems	Provider of database security services
6/14/2022	Endpoint Outcomes	Lumanity	Provider of scientific research and consulting services
6/14/2022	71 & Change	West Monroe Partners (MSD Partners)	Provider of change management consultancy services
6/14/2022	Atlassian Consultancy Miracle	Knowit AB	Provider of consultancy services catering to private and public organizations
6/14/2022	ROVE	Presidio	Provider of systems integrator and cloud services
6/14/2022	Cascades Technologies Inc.	Ad Hoc	Provider of information technology and professional services catering to the federal government
6/10/2022	Aon	TCDI	Provider of risk management, insurance, reinsurance brokerage, and human resources solutions and outsourcing services
6/8/2022	Branded Research, Inc.	Dynata, LLC	Provider of an online market research platform designed to collect data, produce samples and research reports on demand
6/7/2022	MobileTek Services	Datapath	Provider of managed IT services and managed security services
6/7/2022	Ook Enterprises	Fully Managed	Provider of information technology services
6/3/2022	disphere interactive	BearingPoint	Developer of digital sales channels and applications
6/2/2022	Netsurion's Secure Edge Networking	Acumera	Developer of networking, resilience, compliance and security software
6/2/2022	K2 Partnering Solutions	Inflexion Private Equity Partners	Provider of outsourced information technology management and staffing services
6/2/2022	LightPoint	Meriplex Communications	Operator of personalized, proactive managed technology services
6/1/2022	GlideFast Consulting	ASGN Incorporated (NYSE:ASGN)	Provider of information technology (IT) consulting and development services

Recent and Select IT Services Transactions Detail[1]

Date	Target / Issuer	Acquirer	Business Description
6/1/2022	Hargray Managed IT	Dynamic Quest (Spire Capital)	Provider of managed IT services
6/1/2022	Digital Shadows	ReliaQuest (KKR)	Developer of cyber threat protection platform
5/31/2022	Lucy Security	ThriveDX	Developer of cyber security software
5/30/2022	CloudAccess	Miss Group	Provider of web hosting services
5/30/2022	Parera	Netsecurity	Provider of IT management and consultancy services
5/26/2022	Xactor Corporation	Parsons (NYS: PSN)	Provider of security, intelligence, and information technology services
5/25/2022	Summit 7	Westview Capital	Provider of cybersecurity and compliance services
5/16/2022	ManTech International	Carlyle	Provider of mission-focused technology solutions and services
5/11/2022	ITSolutions	Nautic Partners	Provider of managed information technology (IT) services intended for legal, finance, healthcare, manufacturing, and other industries
4/26/2022	Rizing	Wipro (NSE: WIPRO)	Provider of SAP functional and technical consulting services
4/11/2022	Datto	Kaseya	Provider of cloud-based software and technology solutions
3/15/2022	ProfitOptics	Renovus Capital Partners	Developer of data analytics software platform
3/11/2022	Alert Logic	HelpSystems	Developer of cybersecurity applications
3/8/2022	Mandiant (NAS:MNDT)	Google (NAS:GOOGL)	Provider of cybersecurity solutions and services, including incident response, threat intelligence, automated response, and managed security
2/17/2022	ESentire	CDPQ, Georgian	Provider of managed detection and response cybersecurity services
1/27/2022	Ntiva	PSP Partners	Provider of managed information technology services
1/24/2022	Verisk 3E Business	New Mountain Capital	Provider of environmental health and safety (EHS) compliance and information management services

Recent and Select IT Services Transactions Detail[1]

Date	Target / Issuer	Acquirer	Business Description
1/20/2022	Security on Demand	Nautic Partners	Developer of cyber threat detection and data analytics platform
1/20/2022	AST	Recognize Partners	Provider of enterprise resource planning (ERP) software system integration services
1/18/2022	BTB Security	Netrix Systems	Provider of cybersecurity services intended to support the security of an organization
1/6/2022	DAS42	M/C Partners	Provider of cloud-based data analytics consulting services
1/6/2022	Marlabs	BV Investment Partners	Provider of end-to-end IT services
1/5/2022	Quorum Cyber Security	Livingbridge	Provider of managed and professional security services
1/5/2022	Cloudreach	Atos (EPA:ATO)	Provider of cloud computing and consultancy services
1/1/2022	Fully Managed	Telus (TSE: T)	Provider of SaaS-based managed information technology and cloud services