



# Technology Services Sector Brief

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Harris Williams | Q2 2023

# Strong Interest in Technology Services Platforms

Massive opportunity driven by powerful secular trends and increased reliance on outsourced IT Services



## INCREASING IT COMPLEXITY

Rapid changes in technology create an urgency to replace legacy infrastructure and modernize IT systems



## EVER-EXPANDING SET OF OUTSOURCED IT SERVICES

Customers increasingly require 24/7 support, remote monitoring, network management solutions, and broader IT management services



## ACCELERATING ADOPTION OF CLOUD SERVICES

A growing number of customers are shifting critical workloads from local environments to off-site cloud infrastructure and applications

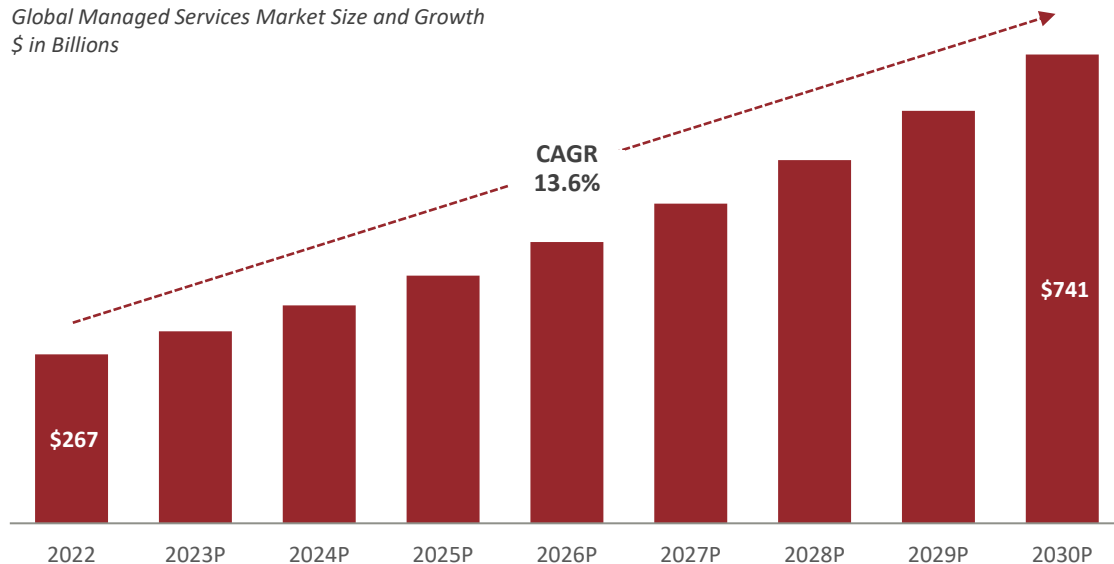


## GROWING SECURITY AND COMPLIANCE RISKS

Cybersecurity threats and related breaches continue to impact customers while creating costly disruptions

## Sustained Demand for IT Managed Services Providers<sup>1</sup>

Global Managed Services Market Size and Growth  
\$ in Billions



### TALENT MIGRATION

Businesses are reducing internal costs and shifting in-house technology-facing functions to outsourced providers



### ONE-STOP SHOP

Customers are looking for a single IT services solution that can deliver security, cloud services, IT consulting, networking, and UCaaS services



### THE RIGHT INVESTMENT PLATFORM

Emphasis on finding a provider that has the right customer mix, a strong geographic presence, and a diverse service offering



### RISING M&A

The IT services market remains highly fragmented, with significant opportunity to build a differentiated platform of scale

# Perspectives on Technology 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



### 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 antivirus solutions. Services are provided through security operations centers to enable 24/7 monitoring.

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

### Select Market Participants



### 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



Adopting digital technology services to replace nondigital 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



### Key Trends

- The need to modernize and create more agile environments beyond 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 Technology 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 & Build    Integration Services    Ongoing Support & Training

### Select Market Participants



### 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



### 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

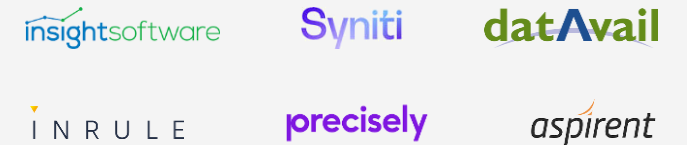
## Data Analytics



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



### 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

# What We're Reading

In this sector update, we have included a collection of articles focused on artificial intelligence trends and government IT services trends that will remain necessary despite any funding cuts or debt ceiling limitations. Accenture reports that 3 out of 4 executives believe they risk going out of business if they do not scale artificial intelligence in the next 5 years, and President Biden's 2023 budget allocates \$65 billion for IT at civilian Federal Agencies, an 11% increase from 2022. Below are relevant articles that highlight current trends and why companies should continue to invest in technology services.

## What Does ChatGPT Really Mean for Businesses?

Entrepreneur

"Companies need to reflect on how they conduct their work and the products and services they provide and evaluate how the integration of ChatGPT could improve their processes and deliver an even better experience to their customers." [Read the full article here.](#)

## What is Artificial Intelligence?

Accenture

"Automation cuts costs and brings new levels of consistency, speed and scalability to business processes; in fact, some Accenture clients are seeing time savings of 70 percent. Even more compelling, however, is the ability of AI to drive growth. Companies that scale successfully see 3X the return on their AI investments compared to those who are stuck in the pilot stage. No wonder 84 percent of C-suite executives believe they must leverage AI to achieve their growth objectives." [Read the full article here.](#)

## 7 Ways A Recession Could Affect AI And Machine Learning In 2023

HRTechSeries

"Surely, the use of AI should not be viewed solely as a cost-cutting measure. Indeed, given the skills and labor shortages that many industries are experiencing, automation and AI have never been more important. Many businesses will struggle to deliver even the most basic services unless AI technology augments their already overburdened workforces." [Read the full article here.](#)

## Generative AI is Here: How Tools like ChatGPT Could Change Your Business

McKinsey

"The innovations that generative AI could ignite for businesses of all sizes and levels of technological proficiency are truly exciting. However, executives will want to remain acutely aware of the risks that exist at this early stage of the technology's development." [Read the full article here.](#)

## What is ChatGPT and How will it Change Cybersecurity?

CareerEra

"AI and machine learning are already being used in an industry that still has problems with talent and staffing to increase productivity, boost response times, and guarantee operational accuracy. These tools may even assist human operators to deal more effectively with shuffling between works or the brain's inclination to become less effective when required to multitask quickly, as they continue to develop." [Read the full article here.](#)

## Securing Government Against Adversarial AI

Deloitte

"As ML applications become more prevalent and applied to areas where reliability, security, and safety are paramount, attention has turned to their potential vulnerabilities. As they upgrade their systems to include AI-based technologies, federal agencies are starting to encounter more adversarial AI challenges. For example, the Department of Justice is addressing data privacy or guarding against data tampering that impact tagging of facial recognition for potential use in court cases, where it would be used to identify suspects." [Read the full article here.](#)

## No Time to Waste: Government IT Modernization Must Take Off Now

U.S. Chamber of Commerce

"Late last year, the Chamber Technology Engagement Center released the report, "Government Digitization: Transforming Government to Better Serve Americans." The report outlined ten specific ways in which government should look to modernize in order to reduce costs, increase efficiencies, build resilience, and better serve Americans. The report also outlined four specific policy recommendations that Congress can take to address oversight, increased funding, and educating local and state governments about already available resources. [The FAA's NOTAMS system failure] has sadly become one of many that continue to highlight the need for government officials to work together and address the need for widespread modernization." [Read the full article here.](#)

## Recent Harris Williams Industry Content

- **Government Technology Q1 2023 Sector Update**



[Link to Read](#)

# Select Recent IT Services Transactions

Groupe Access acquired by Alfar Capital & Walter Capital on May 12, 2023



Target



Alfar Capital  
Investors

Alku announced pending acquisition by New Mountain Capital on April 25, 2023



Target



NEW MOUNTAIN CAPITAL  
Investor

Netwrix acquired by Centerbridge Partners on May 9, 2023



Target



Investor

Neosec announced pending acquisition by Akamai on April 19, 2023



Target



Investor

FX Innovation acquired by Bell on May 5, 2023



Target



Investor

Dynascale acquired by Thurston Group on April 17, 2023



Target



Investor

Procure IT formed through merger of four technology advisory firms on May 4, 2023



Target



Combined Entity

Lightspin announced pending acquisition by Cisco on March 29, 2023



Target



Investor

CloudStratex acquired by Brillio on May 2, 2023



Target



(Bain Capital)  
Investor

Forth Point acquired by Blend360 on February 16, 2023



Target

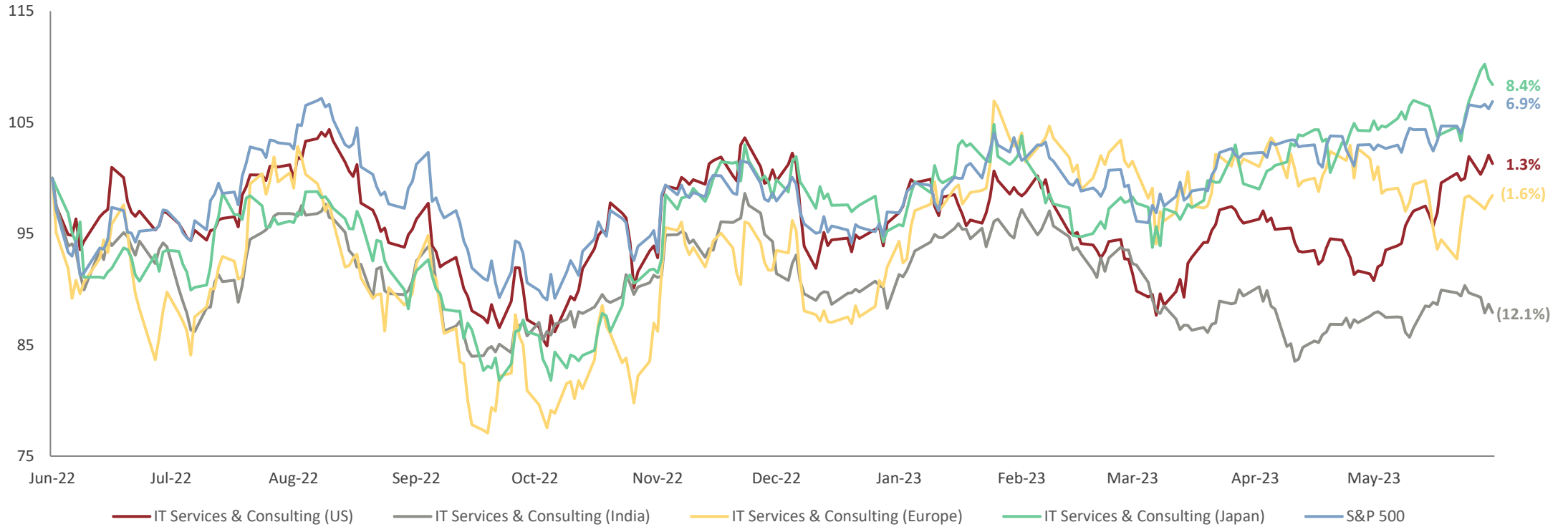


Investor

# Global Public Company Performance

## IT Consulting – Last 12 Months<sup>1</sup>

Indexed Stock Price Performance for the Period June 2022 – June 2023



IT Services & Consulting (US)		
EV/ 2022 Rev.	EV/ 2022 EBITDA	EV/ 2023P EBITDA
1.6x	13.5x	10.9x

IT Services & Consulting (India)		
EV/ 2022 Rev.	EV/ 2022 EBITDA	EV/ 2023P EBITDA
2.8x	13.2x	12.5x

IT Services & Consulting (Europe)		
EV/ 2022 Rev.	EV/ 2022 EBITDA	EV/ 2023P EBITDA
1.3x	11.4x	9.4x

IT Services & Consulting (Japan)		
EV/ 2022 Rev.	EV/ 2022 EBITDA	EV/ 2023P EBITDA
0.9x	8.9x	6.8x

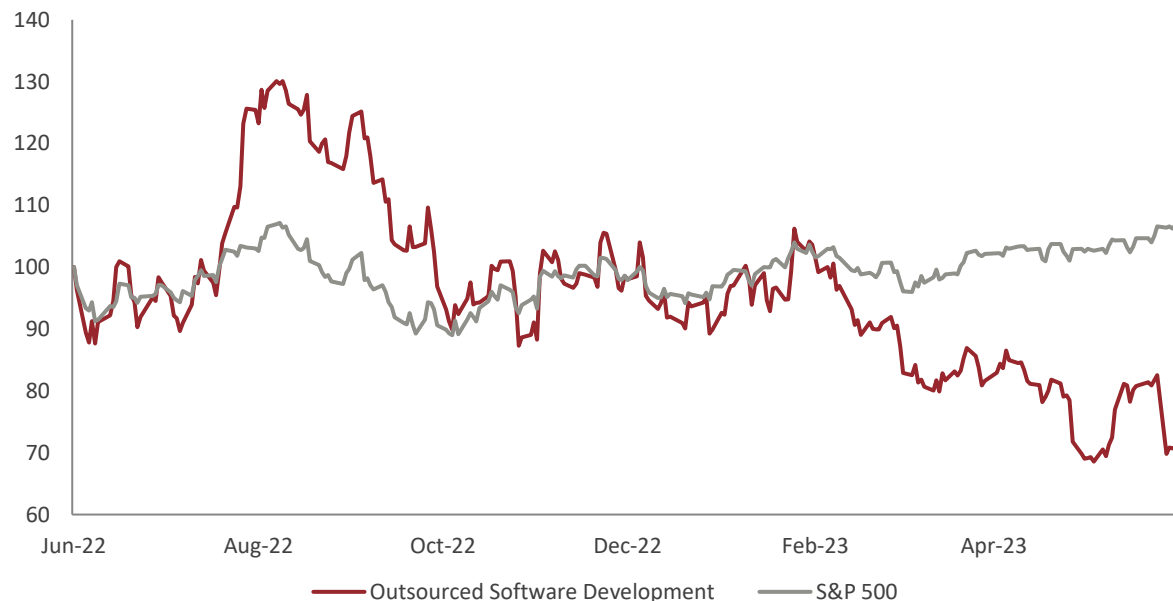
Public Companies Included:

- U.S.: Accenture, CDW, CGI, Cognizant, 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<sup>1</sup>

Indexed Stock Price Performance for the Period June 2022 – June 2023



EV/ 2022 Rev.	EV/ 2022 EBITDA	EV/ 2023P EBITDA
2.7x	15.2x	13.4x

## Managed Security & Compliance – Last 12 Months<sup>1</sup>

Indexed Stock Price Performance for the Period June 2022 – June 2023



EV/ 2022 Rev.	EV/ 2022 EBITDA	EV/ 2023P EBITDA
6.4x	-42.1x	33.1x

### Key Public Comparables



### Key Public Comparables



# Global Public Company Performance (Cont.)

## Web Hosting – Last 12 Months<sup>1</sup>

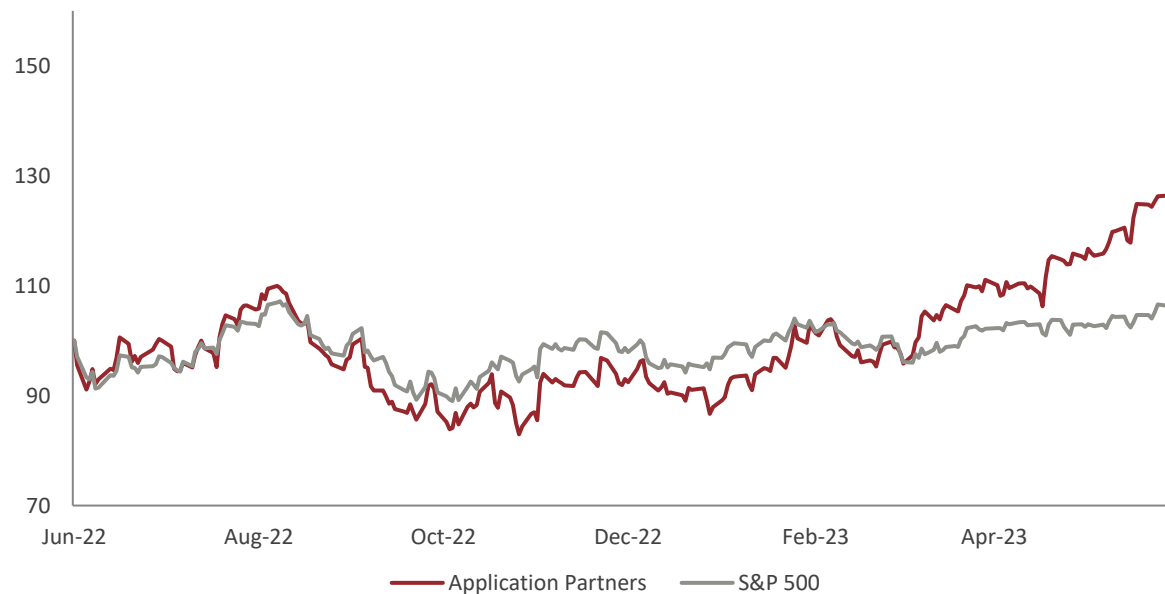
Indexed Stock Price Performance for the Period June 2022 – June 2023



EV/ 2022 Rev.	EV/ 2022 EBITDA	EV/ 2023P EBITDA
3.2x	12.2x	23.9x

## Application Partners – Last 12 Months<sup>1</sup>

Indexed Stock Price Performance for the Period June 2022 – June 2023



EV/ 2022 Rev.	EV/ 2022 EBITDA	EV/ 2023P EBITDA
11.7x	24.6x	23.8x

### Key Public Comparables

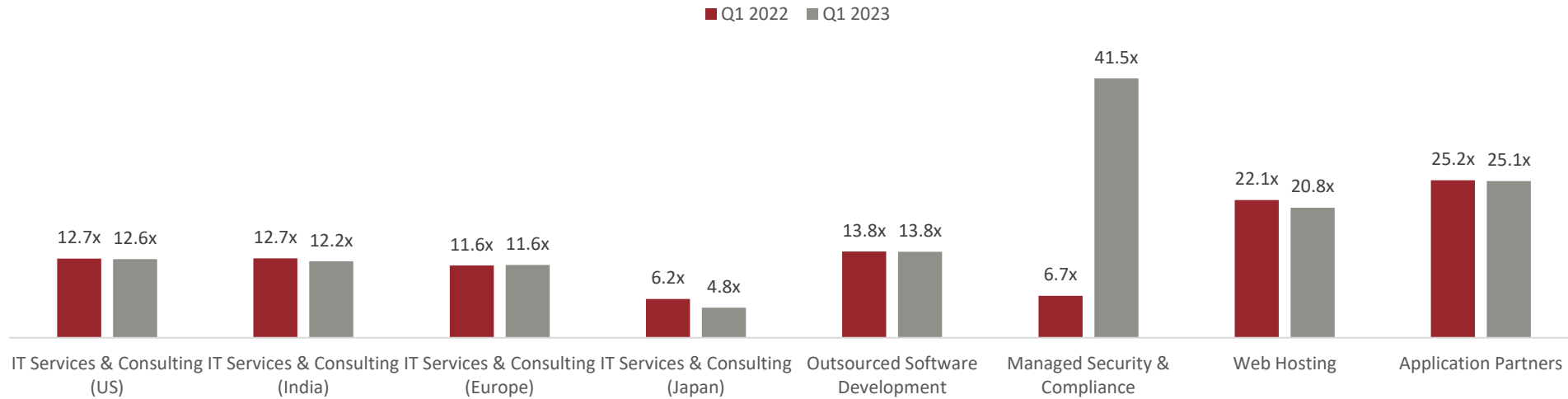


### Key Public Comparables

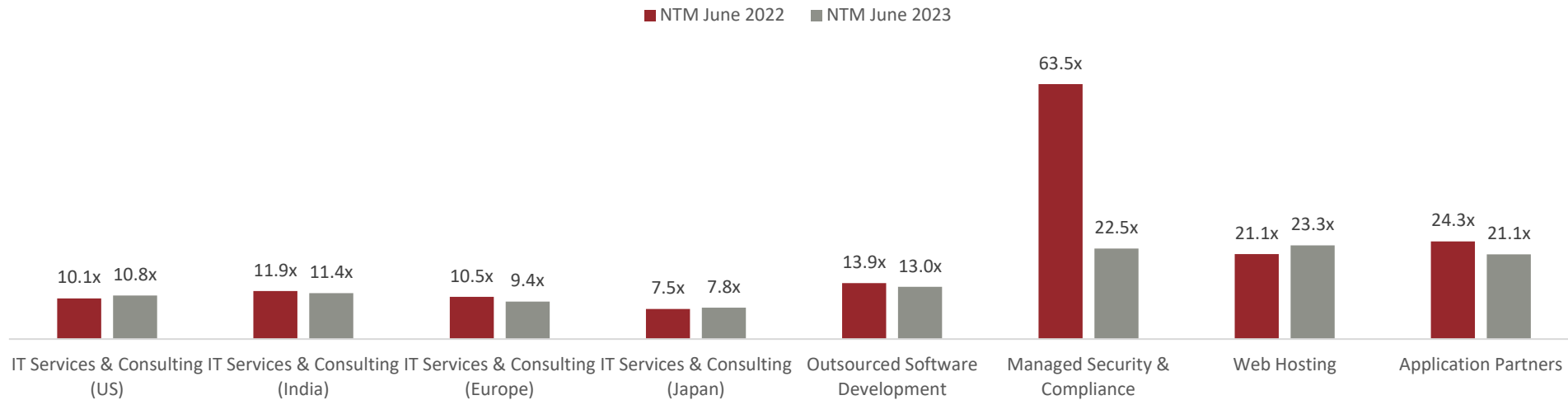


# Global Public Company Operating and Valuation Metrics

## EBITDA Multiple Comparison Q1 2022 Annualized vs. Q1 2023 Annualized<sup>1</sup>



## EBITDA Multiple Comparison NTM June 2022 vs. NTM June 2023<sup>1</sup>



# HW Harris Williams / GLOBAL M&A ADVISOR

Harris Williams is a global investment bank specializing in M&A advisory services. Clients worldwide rely on us to help unlock value in their business and turn ambitious goals into reality. We approach every engagement with boundless collaboration, pooling expertise and relationships across industries and geographies to uncover the unique story of each company.

## Deep Industry Experience



Aerospace, Defense & Government Services



Business Services



Consumer



Energy, Power & Infrastructure



Healthcare & Life Sciences



Industrials



Technology



Transportation & Logistics

70% Revenue from repeat clients

83% Managing directors promoted from within the firm

30+ Year history



### Harris Williams Technology Services Experience

 a portfolio company of RLH Equity Partners has been acquired by 	 a portfolio company of RLH Equity Partners has been acquired by 	 has acquired  a business division of 	 a portfolio company of  has been acquired by 	 has acquired 	 a portfolio company of SOUTHFIELD has been acquired by 	 a portfolio company of  has been acquired by 
 has acquired  a portfolio company of LEEDS Equity Partners 	 a portfolio company of  has been acquired by 	 a portfolio company of  has been acquired by 	 a portfolio company of Audax Private Equity has been acquired by 	 has received an investment from 	 a portfolio company of  has acquired 	 has joined  to invest in 
 a portfolio company of Mainstay Partners has been acquired by 	 a portfolio company of  has been acquired by 	 a portfolio company of  has received an investment from Morgan Stanley Capital Partners	 a portfolio company of Platform Equity has been acquired by Gores Holdings III (SPAC)	 a portfolio company of  has been acquired by 	 has been acquired by 	 has acquired  a portfolio company of 

Learn more about our experience advising premier Technology Services companies.



**Anthony Basmajian**

Managing Director  
 Business Services  
 abasmajian@harriswilliams.com  
 (804) 887-6030



**Priyanka Naithani**

Managing Director  
 Technology  
 pnaithani@harriswilliams.com  
 (617) 654-2115

### Contacts

**Derek Lewis**

Managing Director  
 Business Services  
 dlewis@harriswilliams.com  
 (804) 915-0118

**Thierry Monjauze**

Managing Director  
 Technology  
 tmonjauze@harriswilliams.com  
 +44 20 7518 8901

**Sylvain Noblet**

Director  
 Technology  
 snoblet@harriswilliams.com  
 +44 20 7518 8917

**John Chase**

Vice President  
 Business Services  
 jchase@harriswilliams.com  
 (804)-763-9975

**Katie Baskind**

Business Development Manager  
 Business Services  
 kbaskind@harriswilliams.com  
 (804) 915-0121

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Appendix

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# Global Public Market Operational and Valuation Metrics<sup>1</sup>

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		2022 EBITDA Margin	Enterprise Value /			
								2022	2023P		'22 Rev.	'23P Rev.	'22 EBITDA	'23P EBITDA
Accenture	\$192,627	\$194,967	95.6%	4.5%	48.9%	90.4%	281.6%	16.1%	5.0%	17.0%	3.1x	2.9x	18.2x	16.7x
CDW	\$29,192	\$22,973	79.3%	(1.8%)	37.0%	101.2%	NM	14.1%	6.7%	8.7%	1.2x	1.2x	14.1x	13.7x
CGI	\$26,185	\$24,256	97.4%	26.6%	53.0%	67.3%	238.3%	1.4%	3.0%	17.5%	2.7x	2.6x	15.3x	12.3x
Cognizant	\$30,515	\$31,489	87.6%	(12.3%)	8.5%	(19.5%)	86.4%	5.0%	1.5%	18.3%	1.6x	1.5x	8.6x	9.2x
DXC	\$9,348	\$5,518	76.7%	(24.3%)	44.0%	(69.5%)	(44.1%)	(10.8%)	(3.1%)	18.2%	0.6x	0.6x	3.5x	4.1x
IBM	\$167,209	\$122,859	88.3%	(1.9%)	2.6%	(7.4%)	(34.4%)	5.5%	(0.5%)	20.4%	2.8x	2.8x	13.5x	10.9x
Rackspace	\$4,060	\$338	19.5%	(80.5%)	NM	NM	NM	3.7%	(1.5%)	15.9%	1.3x	1.3x	8.2x	10.7x
<b>IT Services &amp; Consulting (US) Median</b>	<b>\$29,192</b>	<b>\$24,256</b>	<b>87.6%</b>	<b>(1.9%)</b>	<b>40.5%</b>	<b>29.9%</b>	<b>86.4%</b>	<b>5.0%</b>	<b>1.5%</b>	<b>17.5%</b>	<b>1.6x</b>	<b>1.5x</b>	<b>13.5x</b>	<b>10.9x</b>
HCL Technologies	\$34,587	\$36,446	95.9%	1.9%	77.3%	95.8%	313.0%	10.4%	4.6%	21.2%	2.8x	2.7x	13.2x	12.5x
Infosys	\$62,480	\$63,735	75.7%	(21.1%)	61.5%	64.6%	186.6%	14.7%	5.8%	23.2%	3.5x	3.3x	15.0x	14.4x
Tata Consultancy Services	\$137,954	\$142,449	89.8%	(11.6%)	41.8%	50.5%	192.6%	5.6%	8.3%	25.7%	5.3x	4.9x	20.5x	19.0x
Tech Mahindra	\$10,886	\$11,350	91.2%	(11.8%)	66.0%	23.2%	214.2%	13.7%	15.3%	16.9%	1.9x	1.6x	11.0x	10.8x
Wipro	\$23,710	\$26,442	84.9%	(20.9%)	66.8%	64.7%	118.9%	6.6%	7.6%	17.8%	2.2x	2.1x	12.5x	11.5x
<b>IT Services &amp; Consulting (India) Median</b>	<b>\$34,587</b>	<b>\$36,446</b>	<b>89.8%</b>	<b>(11.8%)</b>	<b>66.0%</b>	<b>64.6%</b>	<b>192.6%</b>	<b>10.4%</b>	<b>7.6%</b>	<b>21.2%</b>	<b>2.8x</b>	<b>2.7x</b>	<b>13.2x</b>	<b>12.5x</b>
Alten	\$5,114	\$5,308	89.6%	22.2%	69.9%	50.2%	320.2%	21.5%	4.5%	10.8%	1.3x	1.2x	11.8x	9.0x
Atos	\$4,417	\$1,674	61.7%	(38.0%)	(81.2%)	(89.0%)	(79.1%)	(1.7%)	(3.4%)	5.6%	0.4x	0.4x	6.5x	3.6x
Bechtle	\$5,418	\$5,087	80.9%	(8.1%)	(29.1%)	42.8%	388.9%	6.8%	3.0%	6.7%	0.8x	0.8x	12.5x	10.2x
Capgemini	\$35,185	\$31,137	87.0%	(3.7%)	64.2%	36.0%	271.1%	13.8%	4.4%	13.5%	1.5x	1.4x	11.1x	9.9x
Netcompany	\$2,314	\$2,052	68.4%	(31.7%)	(28.2%)	29.1%	NM	43.4%	7.6%	17.8%	2.9x	2.7x	16.3x	14.8x
Softcat	\$3,406	\$3,521	95.1%	2.9%	29.9%	72.4%	NM	11.9%	18.4%	13.2%	2.8x	2.4x	21.5x	18.5x
Sopra Steria	\$4,404	\$3,774	87.6%	8.2%	48.5%	(9.0%)	150.7%	2.4%	2.8%	9.3%	0.8x	0.8x	8.7x	6.1x
TietoEVRY	\$3,926	\$3,244	83.3%	8.8%	1.2%	(21.2%)	31.5%	(2.6%)	2.0%	11.8%	1.3x	1.2x	10.6x	7.5x
<b>IT Services &amp; Consulting (Europe) Median</b>	<b>\$4,411</b>	<b>\$3,647</b>	<b>85.2%</b>	<b>(0.4%)</b>	<b>15.6%</b>	<b>32.6%</b>	<b>210.9%</b>	<b>9.3%</b>	<b>3.7%</b>	<b>11.3%</b>	<b>1.3x</b>	<b>1.2x</b>	<b>11.4x</b>	<b>9.4x</b>
Fujitsu	\$25,698	\$25,660	96.1%	(3.8%)	25.7%	116.4%	232.9%	(10.9%)	3.7%	12.7%	0.9x	0.9x	7.2x	6.4x
Hitachi	\$68,485	\$58,250	99.4%	20.7%	78.2%	65.2%	91.9%	(4.6%)	(13.2%)	9.2%	0.8x	0.9x	8.9x	6.8x
NTT Data	\$38,380	\$20,616	94.4%	(0.4%)	20.6%	25.8%	115.2%	8.2%	19.1%	15.3%	1.6x	1.4x	10.6x	10.5x
<b>IT Services &amp; Consulting (Japan) Median</b>	<b>\$38,380</b>	<b>\$25,660</b>	<b>96.1%</b>	<b>(0.4%)</b>	<b>25.7%</b>	<b>65.2%</b>	<b>115.2%</b>	<b>(4.6%)</b>	<b>3.7%</b>	<b>12.7%</b>	<b>0.9x</b>	<b>0.9x</b>	<b>8.9x</b>	<b>6.8x</b>

# Global Public Market Operational and Valuation Metrics<sup>1</sup>

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		2022 EBITDA Margin	Enterprise Value /			
								2022	2023P		'22 Rev.	'23P Rev.	'22 EBITDA	'23P EBITDA
Endava	\$2,430	\$2,597	39.4%	(55.5%)	(5.4%)	NM	NM	21.3%	18.3%	17.6%	2.7x	2.3x	15.2x	10.8x
EPAM Systems	\$10,616	\$12,237	45.6%	(33.3%)	(10.1%)	69.3%	727.1%	28.4%	10.5%	16.2%	2.2x	2.0x	13.6x	13.4x
Globant	\$7,440	\$7,546	74.4%	(10.5%)	30.6%	229.0%	NM	37.3%	12.4%	16.4%	4.2x	3.7x	25.4x	17.3x
<b>Outsourced Software Development Median</b>	<b>\$7,440</b>	<b>\$7,546</b>	<b>45.6%</b>	<b>(33.3%)</b>	<b>(5.4%)</b>	<b>149.1%</b>	<b>727.1%</b>	<b>28.4%</b>	<b>12.4%</b>	<b>16.4%</b>	<b>2.7x</b>	<b>2.3x</b>	<b>15.2x</b>	<b>13.4x</b>
CrowdStrike	\$33,349	\$35,455	72.7%	(13.8%)	59.2%	NM	NM	58.3%	36.5%	(3.9%)	16.4x	12.0x	-425.6x	76.3x
NortonLock	\$20,488	\$11,419	66.4%	(26.6%)	(15.7%)	(16.4%)	(19.7%)	12.9%	23.6%	46.8%	6.6x	5.3x	14.1x	11.2x
Qualys	\$4,388	\$4,727	78.9%	(0.5%)	19.3%	56.7%	781.8%	19.1%	11.7%	33.7%	9.0x	8.0x	26.6x	18.9x
Rapid7	\$3,396	\$2,745	60.7%	(34.6%)	(11.6%)	42.2%	NM	28.0%	11.5%	(10.3%)	5.0x	4.4x	-48.2x	39.2x
SecureWorks	\$508	\$591	55.8%	(37.3%)	(43.9%)	(42.0%)	NM	(13.0%)	(9.7%)	(15.0%)	1.1x	1.2x	-7.1x	-8.1x
Splunk	\$17,982	\$16,373	84.6%	(3.7%)	(46.2%)	(15.3%)	127.8%	31.2%	16.9%	(12.9%)	5.4x	4.7x	-42.1x	33.1x
Tenable	\$4,379	\$4,575	75.8%	(19.4%)	34.3%	NM	NM	26.3%	14.3%	(6.3%)	6.4x	5.6x	-101.9x	40.9x
<b>Managed Security &amp; Compliance Median</b>	<b>\$4,388</b>	<b>\$4,727</b>	<b>72.7%</b>	<b>(19.4%)</b>	<b>(11.6%)</b>	<b>(15.3%)</b>	<b>127.8%</b>	<b>26.3%</b>	<b>14.3%</b>	<b>(6.3%)</b>	<b>6.4x</b>	<b>5.3x</b>	<b>-42.1x</b>	<b>33.1x</b>
GoDaddy	\$14,015	\$11,102	84.4%	(0.8%)	(9.6%)	(0.9%)	NM	7.2%	4.6%	17.3%	3.4x	3.3x	19.8x	12.7x
Shopify	\$75,013	\$78,477	93.6%	65.2%	(17.3%)	276.9%	NM	21.4%	12.7%	(6.9%)	13.4x	11.9x	-194.8x	231.0x
Tucows	\$701	\$334	56.5%	(36.8%)	(50.5%)	(52.7%)	345.1%	5.5%	10.4%	2.4%	2.2x	2.0x	89.3x	54.8x
United Internet	\$5,391	\$2,504	46.2%	(52.9%)	(64.5%)	(77.6%)	(51.7%)	(1.6%)	1.6%	18.6%	0.9x	0.8x	4.6x	4.0x
Verisign	\$23,776	\$23,002	96.2%	27.3%	3.5%	60.3%	378.3%	7.3%	5.8%	69.5%	16.7x	15.8x	24.0x	22.1x
Wix.com	\$4,012	\$4,195	72.7%	22.2%	(65.8%)	(24.9%)	NM	9.3%	5.7%	(18.9%)	2.9x	2.7x	-15.3x	25.6x
<b>Web Hosting Median</b>	<b>\$9,703</b>	<b>\$7,648</b>	<b>78.5%</b>	<b>10.7%</b>	<b>(33.9%)</b>	<b>(12.9%)</b>	<b>345.1%</b>	<b>7.3%</b>	<b>5.8%</b>	<b>9.9%</b>	<b>3.2x</b>	<b>3.0x</b>	<b>12.2x</b>	<b>23.9x</b>
Adobe	\$206,723	\$208,250	97.3%	6.5%	14.3%	80.7%	929.0%	11.5%	9.4%	38.1%	11.7x	10.7x	30.8x	21.7x
Atlassian	\$43,485	\$44,203	57.3%	(12.3%)	(0.9%)	167.6%	NM	30.8%	15.1%	(9.0%)	13.7x	11.9x	-152.0x	60.1x
Microsoft	\$2,404,736	\$2,429,843	96.5%	23.4%	72.2%	221.5%	816.1%	10.4%	7.1%	48.0%	11.8x	11.0x	24.6x	23.8x
Oracle	\$380,124	\$296,573	99.7%	58.7%	102.8%	128.0%	224.9%	11.3%	12.4%	39.9%	8.3x	7.3x	20.7x	16.2x
Salesforce	\$209,649	\$209,712	95.7%	15.1%	23.3%	61.2%	443.6%	21.3%	9.7%	8.5%	6.9x	6.3x	81.9x	27.2x
ServiceNow	\$106,127	\$108,803	94.7%	8.5%	37.3%	199.7%	1,263.7%	22.9%	15.4%	10.9%	14.6x	12.7x	134.7x	37.4x
SAP	\$156,898	\$154,645	96.7%	37.1%	(2.9%)	11.8%	73.9%	4.2%	6.5%	20.8%	4.8x	4.5x	22.9x	14.5x
<b>Application Partners Median</b>	<b>\$206,723</b>	<b>\$208,250</b>	<b>96.5%</b>	<b>15.1%</b>	<b>23.3%</b>	<b>128.0%</b>	<b>629.9%</b>	<b>11.5%</b>	<b>9.7%</b>	<b>20.8%</b>	<b>11.7x</b>	<b>10.7x</b>	<b>24.6x</b>	<b>23.8x</b>

# Recent and Select IT Services Transactions Detail<sup>1</sup>

Announce Date	Target / Issuer	Acquirer	Business Description
5/18/2023	Splash Analytics	OneMagnify	U.S.-based reseller of technology infrastructure and information technology (IT) security services
5/17/2023	Corporate Armor	BlueAlly Technology Solutions	Israel-based operator of a security platform intended to secure new data created by research and development
5/16/2023	Polar Security	IBM [NYSE:IBM]	U.S.-based operator of a security platform intended to offer managed detection and threat protection
5/16/2023	Huntress	Sapphire Ventures; Forgepoint Capital; JMI Equity	Netherlands-based developer of threat intelligence, hunting, and response technology
5/16/2023	EclecticIQ	ReliaQuest	U.S.-based provider of IT, telecom and managed services
5/16/2023	ICCS & Co., LLC	NexusTek	UK-based operator of consulting firm
5/15/2023	whyaye ltd	EY	Germany-based developer of a data extraction platform intended to optimize registration and identification processes
5/12/2023	G2K	ServiceNow [NYSE:NOW]	Brazil-based operator of a digital services firm
5/11/2023	Monitora Solucoes Tecnologias	Marlabs	Brazil-based operator of a digital services firm
5/10/2023	Ashling Partners	Bain Capital	U.S.-based provider of digital marketing services
5/10/2023	RYNO Strategic Solutions	EverService	Sweden-based developer of cybersecurity software
5/10/2023	Netsecure	Integrity360	U.S.-based developer of zero-knowledge cybersecurity software
5/9/2023	Keeper Security	Summit Partners	U.S.-based provider of managed information technology (IT) services
5/9/2023	Acropolis Technology Group	IT Solutions	U.S.-based provider of engineering and technical services intended for the defense industry

# Recent and Select IT Services Transactions Detail<sup>1</sup>

Announce Date	Target / Issuer	Acquirer	Business Description
5/9/2023	Precise Systems	Bluestone Investment Partners	U.S.-based operator of an information technology consulting firm
5/8/2023	9EDGE	AST Corporation	Canada-based provider of infrastructure and cloud computing services
5/5/2023	FX Innovation	Bell	U.S.-based provider of IT consulting services intended to serve small to mid-sized businesses
5/5/2023	Proxios	Sourcepass	Bulgaria-based provider of digital consulting and managed services
5/4/2023	Synergyc	One Equity Partners	U.S.-based developer of a data governance platform
5/3/2023	Okera	Databricks	U.S.-based operator of an analytics and insurance platform
5/3/2023	Measured Analytics and Insurance	Sophos Group	U.S.-based developer of artificial intelligence platform intended to develop AI with the highest ethical standards
5/3/2023	Credo AI	Booz Allen Hamilton (NYSE:BAH)	Canada-based provider of corporate performance management and analytics
5/2/2023	Jump Analytics	Improving	U.S.-based operator of an information technology services company
5/2/2023	Sourcepass	Metropolitan Partners Group	U.S.-based developer of an employee experience platform designed to simplify employee communication
5/2/2023	Simplr	Sapphire Ventures	Canada-based provider of IT integration and workflow solutions
5/2/2023	Avant Systems Group	Praecipio Consulting	U.S.-based provider of digital transformation services
5/2/2023	Thoughtworks [NASDAQ:TWKS]	Apax Partners; Canada Pension Plan Investment Board	Canada-based operator of a managed service provider
5/2/2023	MSP Corp	Groupe Access	UK-based provider of cloud infrastructure advisory services

# Recent and Select IT Services Transactions Detail<sup>1</sup>

Announce Date	Target / Issuer	Acquirer	Business Description
5/2/2023	CloudStratex	Brillio	U.S.-based provider of managed information technology services
5/1/2023	Intervale Technologies, Inc	Amplix	Norway-based provider of consulting and advisory services
4/28/2023	Einr AS	Accenture [NYSE:ACN]	U.S.-based provider of information technology services delivering accelerated end-to-end cloud adoption
4/26/2023	Legion Star	MajorKey Technologies	U.S.-based provider of specialized consulting services intended for government programs as well as life sciences, healthcare and cybersecurity sectors
4/26/2023	ALKU	New Mountain Capital	Canada-based provider of online storage and data protection services
4/25/2023	Storagepipe Solutions	Thrive	U.S.-based operator of a consulting and software engineering company
4/25/2023	Devlin Consulting, Inc	Sagility LLC	U.S.-based provider of on-shore/near-shore technology services
4/24/2023	Arroyo Consulting	BGSF [NYSE:BGSF]	U.S.-based developer of API security software platform
4/20/2023	Neosec	Akamai Technologies (NAS:AKAM)	U.S.-based provider of data analytics and visualization tools
4/19/2023	Adaptive Analytics	Xalles Holdings [OTC:XALL]	U.S.-based provider of consulting and operation management services intended for government agencies
4/18/2023	Miracle Systems, LLC	Renovus Capital Partners	U.S.-based operator of a private cloud company intended to provide private and hybrid cloud solutions and services
4/17/2023	Dynascale Inc	Thurston Group	U.S.-based provider of technology advisory services intended for software engineering, data analytics, and digital transformation
4/13/2023	Signal Technology Group	UPSTACK	U.S.-based provider of a client engagement reporting tool, risk assessments and asset life-cycle management offerings
4/6/2023	Lifecycle Insights	ScalePad	UK-based provider of session initiation protocol (SIP) trunking services

# Recent and Select IT Services Transactions Detail<sup>1</sup>

Announce Date	Target / Issuer	Acquirer	Business Description
4/5/2023	Pure IP	BCM One	U.S.-based provider of computer infrastructure support
4/4/2023	Practical Systems	Codex IT	U.S.-based provider of cybersecurity services
4/4/2023	Set Solutions	Trace3	Spain-based operator of a marketing agency
4/3/2023	BNZSA	Anteriad	UK-based provider of information technology and cloud services
4/3/2023	Argon Business Systems	Apogee	U.S.-based developer of cloud-based endpoint detection and cybersecurity software
4/3/2023	Cybereason	SoftBank Corp. [TYO:9984]	U.S.-based provider of information technology services
4/3/2023	UNI Computers	The 20 MSP	U.S.-based provider of information technology services
4/3/2023	CyberSecure IT Solutions	The 20 MSP	U.S.-based provider of information technology services
4/3/2023	The Computing Edge	The 20 MSP	UK-based provider of IT services
4/3/2023	CMI	BCN Group	U.S.-based developer of revenue management products for businesses



## Disclosures and Disclaimers

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