

Technology Group

Government Technology Sector Review | Q1 2021



HW Government Technology Introduction

HARRIS WILLIAMS ("HW")

- 25+ years and more than 1,000 closed transactions
- 350+ professionals across eight offices globally
- 170+ closed transactions in the last 24 months
- 10 industry groups

FOCUSED ADVISORY SERVICES

- Mergers and acquisitions (M&A)
- Capital raises
- Corporate divestitures

CONSISTENT RECOGNITION FOR QUALITY



HW TECHNOLOGY GROUP

- 35+ dedicated Technology professionals
- Technology offices include Boston, San Francisco, and London

KEY TECHNOLOGY THEMES

- ✓ SaaS / Cloud
- ✓ Data & Analytics
- ✓ Digital Transformation
- ✓ AI / Machine Learning

HORIZONTAL FOCUS SECTORS

- Application Software
- Cloud Managed Services and Hosting Solutions
- Compliance Solutions
- CRM and Marketing Automation
- Human Capital Management
- Infrastructure and Security Software
- IT and Tech-Enabled Services
- Marketing, Research, and Insights Software

VERTICAL FOCUS SECTORS

- Architecture, Engineering, and Construction Software
- Education Technology and Services
- Energy Technology
- Facilities and Real Estate Software
- Financial Technology and Payments
- **Government Technology**
- Healthcare IT
- Industrial and Supply Chain Technology
- Internet and eCommerce
- Retail Technology

HW GOVERNMENT TECHNOLOGY TEAM

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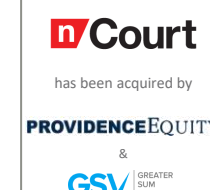
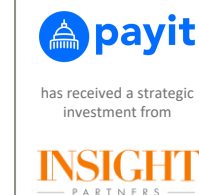
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SELECT HW
GOVTECH
EXPERIENCE



Government Technology Taxonomy

ADMINISTRATION & OPERATIONS



Solutions focused on supporting core operational and administrative functions of government agencies

ERP • FINANCIAL MGMT. • PROCUREMENT OPERATIONS • CONTENT MGMT. & RECORDS LICENSING & PERMITS • TAXATION & APPRAISAL

Select Market Participants



ASSET AND RESOURCE MANAGEMENT



Solutions focused on supporting public infrastructure planning, asset management, and environmental services

ENVIRONMENTAL SVCS. • PARKS & RECREATION SMART CITIES & TRANSPORTATION • UTILITIES ASSET & RESOURCE MGMT. • PUBLIC WORKS

Select Market Participants



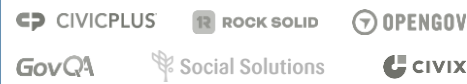
CIVIC ENGAGEMENT & PUBLIC SERVICES



Solutions focused on facilitating communication between government agencies and constituents

COMMUNICATION • CITIZEN ENGAGEMENT SERVICE REQUEST MGMT. • HUMAN SERVICES VOTER REGISTRATION & MGMT. • GRANT MGMT.

Select Market Participants



PUBLIC SAFETY & JUSTICE



Solutions focused on supporting public safety departments, courts and justice systems, and corrections

LAW ENFORCEMENT • JUSTICE & CORRECTIONS EMERGENCY MEDICAL RESPONSE • FIRE SAFETY COURTS MGMT. • SECURITY & INTELLIGENCE

Select Market Participants



SELECT RECENT HW GOVTECH TRANSACTIONS

arcos

has received a strategic investment from



Infrastructure Resource Management

HP HARVEST PARTNERS
has joined



Citizen Engagement Software

kalkomey

has been acquired by



Recreational Licensing & Training Software

payit

has received a strategic investment from



Government Software & Payments

SAFE FLEET

has been acquired by



Fleet Safety Mgmt. for Public Sector

Trafficware

has been acquired by



Smart Transportation Technology

iCourt

has been acquired by



Government Software & Payments

comverge
energy made better

has been acquired by



Utilities & Energy Efficiency Mgmt.

MicroEdge

has been acquired by



Grant Management Software



has received a strategic investment from



Smart Parking Technology

MANATRON
The power to manage well.

has been acquired by



Property Tax Mgmt. Software

TRITECH
SOFTWARE SYSTEMS

has received a strategic investment from



Public Safety Software

Select Case Studies

January 29, 2021

*Harris Williams Acted as
Advisor to Harvest Partners*

CITIZEN ENGAGEMENT



Company Overview

Provider of cloud-based software solutions that enable federal, state, and local government entities to automate workflows, increase transparency, and more effectively connect with constituents.

Solution Overview

Leading digital government platform purpose-built for civic engagement and virtual communication, online service delivery, and operations.

April 24, 2020

*Harris Williams Acted as the
Exclusive Advisor to Kalkomey*

RECREATIONAL LICENSING & TRAINING SOFTWARE



Company Overview

Provider of online recreational safety education, certifications, and cloud-based agency management solutions for outdoor enthusiasts and government agencies.

Solution Overview

Fully integrated product suite for agency management and provides differentiated, regulatory-approved content library addressing a broad spectrum of recreational activities.

March 20, 2019

*Harris Williams Acted as the
Exclusive Advisor to Paylt*

GOVERNMENT SOFTWARE & PAYMENTS



Company Overview

Provider of modern, mobile technology platform designed to simplify government operations and provide users with intuitive, contextual interactions.

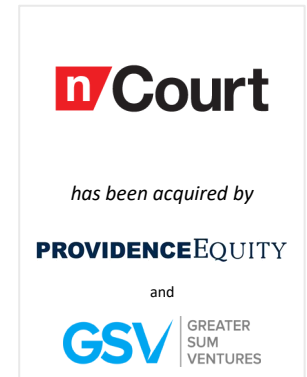
Solution Overview

Best-in-class software solution with sleek design and differentiated chat-based user experience that enables government to provide digital services and collect payments.

February 21, 2018

*Harris Williams Acted as the
Exclusive Advisor to nCourt*

GOVERNMENT SOFTWARE & PAYMENTS



Company Overview

Provider of software and payment technology designed for state and local government agencies, most notably within courts and criminal justice and tax and treasury.

Solution Overview

Differentiated SaaS platform designed to simplify government operations and facilitate a variety of payments across multiple channels, including online and mobile.

Government Technology Market Overview

The govtech market is vast and represents significant opportunity for next-generation solutions.

U.S. Federal Government Technology Snapshot

Software and technology solutions that serve federal government agencies, including the Department of Defense, the Department of the Treasury, the Department of Justice, and the Department of Health and Human Services.

Revenue is primarily generated through individual income and payroll taxes, as well as corporate income taxes and various other sources.

Federal Government: By the Numbers

450

Federal Government Agencies¹

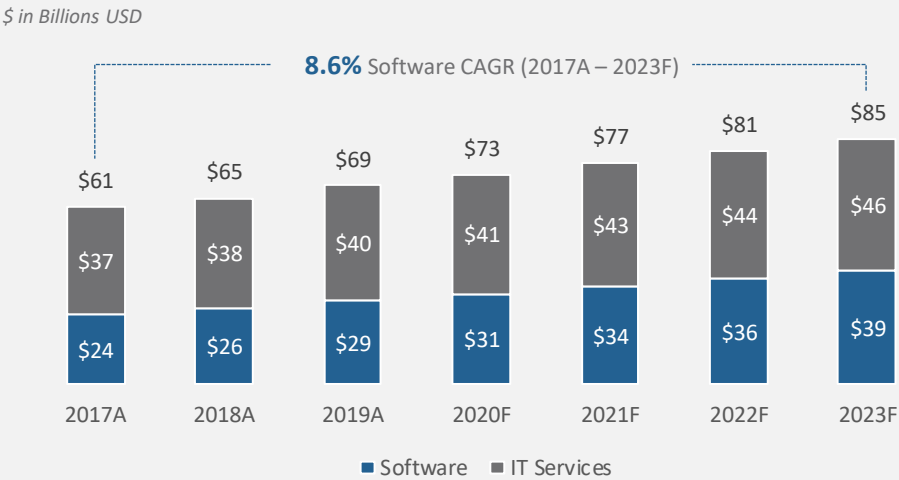
2M+

Federal Civilian Government Employees²

63.5%

Medium & High Risk Federal IT Systems³

Annual Federal Government Technology Spending⁵



U.S. State and Local Government Technology Snapshot

Software and technology solutions that serve state and local government agencies, police and fire departments, emergency medical services, courts, transportation, public works, and parks and recreation.

Revenue is collected from a variety of sources, most notably property and sales taxes, as well as a variety of other fines and fees, licensing, and utilities.

State & Local Government: By the Numbers

90K+

State and Local Government Entities¹

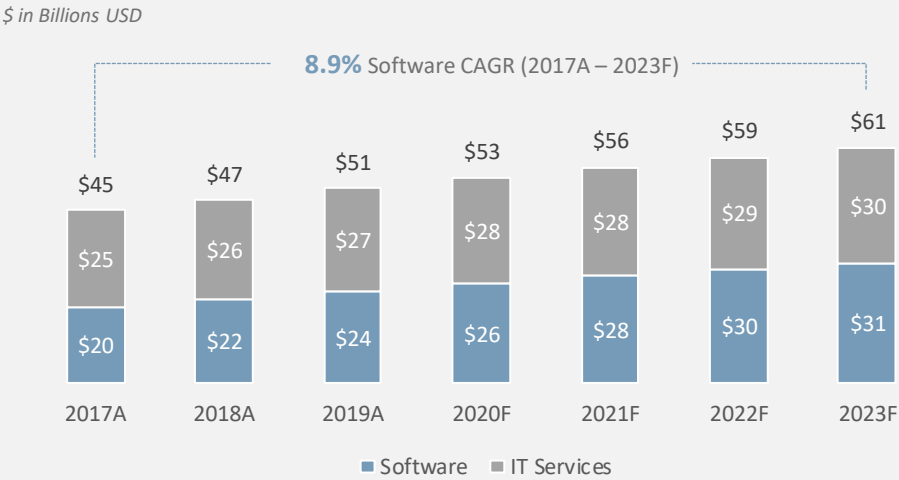
19M+

State and Local Government Employees²

450K+

IT Systems Across State and Local Government⁴

Annual State & Local Government Technology Spending⁵



Long-Term Govtech Industry Tailwinds

Government entities are increasingly seeking cloud-based platforms that can be deployed across agencies to replace disparate legacy systems, eliminate organizational silos, and reduce costs.

Migration to the Cloud

- Government continues to transition away from legacy on-premise technology systems to unified cloud-based platforms that can be leveraged across federal, state, and local agencies and configured—not customized—for government department workflows
- Since the establishment of the Federal Risk and Authorization Management Program (FedRAMP), government cloud adoption has increased exponentially, yet less than 5% of government agencies operate entirely in the cloud and nearly 30% continue to operate completely on-premise⁶

Modernization of Operational Workflows

- U.S. government agencies are forecasted to spend nearly \$125B on software and IT services by 2023F—with an emphasis on adopting software that improves operational efficiency—as new legislation, consumer demand for digital services, and cost-saving initiatives accelerate modernization⁵
- Next-generation technologies like Robotic Process Automation (RPA) have tremendous potential to transform government operations; for example, RPA has been estimated to save 1.3 billion hours on manual tasks if deployed across all U.S. government agencies

Digitization of Government Services

- The current macroeconomic environment highlights the need for government agencies to remotely deliver services to citizens and businesses that meet the standards and offer digital experiences on par with other industries
- Digitization of government payments has become a strategic imperative and represents high-impact cost savings; for example, the IRS estimates that the cost of an online transaction can be as low as \$0.20, compared to \$42 for a payment processed over the phone and \$57 by check

Consumerization of Government

- As web-based and mobile technology has rapidly improved and pervaded nearly all industries, government is playing “catch-up” in order to reinforce trust, establish greater engagement, and improve satisfaction with the citizens and businesses it serves
- Constituents not only expect but now require highly personal and contextual digital experiences across government, catalyzing demand for intelligent, cloud-based technology capable of delivering relevant and timely information and services

Utilization of Data and Analytics

- Governments collect and have access to massive amounts of data, but existing legacy solutions are unable to quickly and accurately analyze information and glean real-time insight, hindering decision-making and magnifying operational inefficiencies
- Predictive analytics and AI can dramatically improve government effectiveness by enabling agencies to be proactive—as opposed to reactive—to reduce crime, enforce food and safety regulation, monitor inspection compliance, and prepare for natural disasters, among other initiatives

Key Themes



Digital Citizen Identity



Data-Driven Decisions



Unified Engagement



Modern Architecture



Interoperability



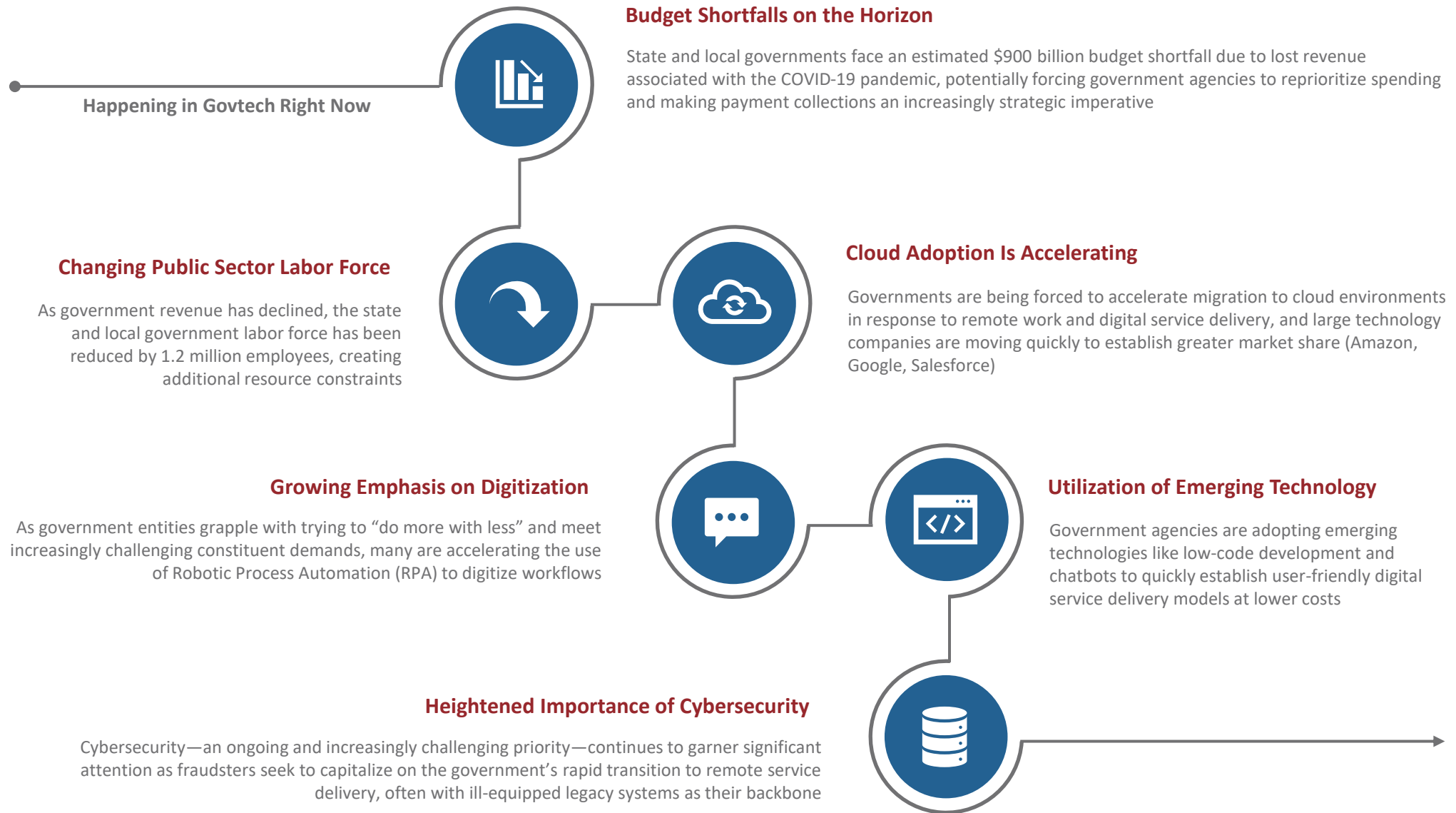
Cybersecurity



Digital Workforce

Real-Time Trends in Govtech

Several dynamics are contributing to a rapidly evolving govtech landscape.

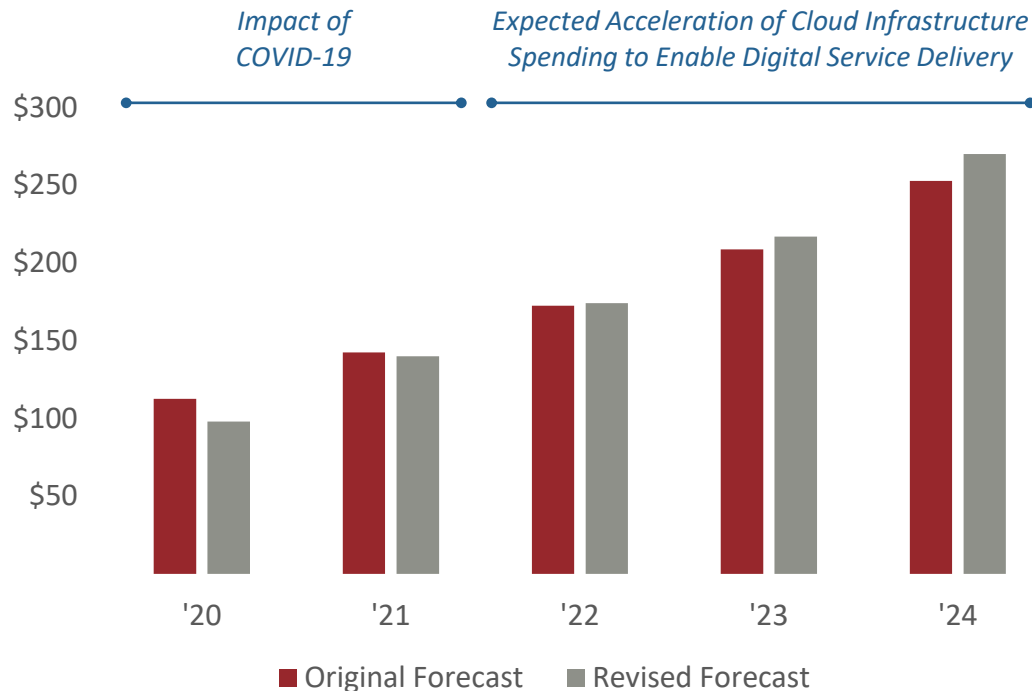


State of Government Modernization

Politicians, IT leaders, and citizens are eager for government agencies to deliver modern digital solutions that improve government operations and digital service delivery.

COVID-19 Is Driving Increased Investment in Cloud Solutions⁵

\$ in Billions USD



- COVID-19 has exposed government's need to improve technology infrastructure to better serve employees, citizens, and businesses
- As U.S. government agencies shift focus from addressing urgent IT demands created by the pandemic, investment in cloud technology (infrastructure-as-a-service (IaaS) and platform-as-a-service (PaaS)) is expected to increase above previously forecasted levels and will pave the way for greater SaaS adoption

Top Priorities for State CIOs: 2020 vs. 2021⁸

	2020	2021	
01	Cloud Solutions / SaaS	Cloud Solutions / SaaS	◆ No Change
02	Legacy App. Modernization	Legacy App. Modernization	◆ No Change
03	Data/Analytics/BI	Identity Access Mgmt.	▲ Higher Priority
04	Security Enhancement	AI / RPA	▲ Higher Priority
05	Identity Access Mgmt.	Security Enhancement	▼ Lower Priority
06	Collaboration Tools	Data/Analytics/BI	▼ Lower Priority
07	AI / RPA	Remote Work	□ New Priority
08	Data Mgmt. / Info Exchange	ERP	▲ Higher Priority
09	ERP	Collaboration Technologies	□ New Priority
10	Public Safety Radio Network	Customer Service	□ New Priority

◆ No Change ▲ Higher Priority ▼ Lower Priority □ New Priority

Recent News and Insights

Article Summary

How the Pandemic Has Impacted Grants Management

Source: Government Executive

Key Themes: Grant Performance and Management

Link to Article: [Here](#)

Stimulus Package Means Billions for State and Local Tech

Source: Government Technology

Key Themes: I.T. Modernization

Link to Article: [Here](#)

What State and Local IT Can Learn From 2020's Digital Transformation Lessons

Source: StateTech

Key Themes: I.T. Modernization

Link to Article: [Here](#)

Key Takeaways and Insights

- COVID-19 created new—and highlighted existing—challenges across the grant management ecosystem as large new grant programs were unveiled to fight the pandemic, administrative costs soared, and the ability to conduct routine monitoring was curtailed by restrictions on personal interactions.
- In data collected by REI Systems, George Washington University, and the National Grants Management Association, 75% of respondents indicated that COVID-19 impacted grant performance negatively, that administrative costs had risen to nearly 15% of grants disbursed, and that 25% of time was spent monitoring administrative requirements.
- Successful implementation of modern technology has shown to increase efficiencies, improve the ability to accurately track disbursements and monitor performance, and reduce growing administrative costs.
- The COVID-19 pandemic has proven to be a bright spot for government technology, putting modernization initiatives at the forefront for leaders and elected officials across all levels of government.
- The \$1.9T American Rescue Plan signed into law in March will deploy significant financial relief, with \$350B earmarked for state, local, and tribal governments to upgrade legacy systems and enhance digital services.
- Funds will be allocated across several key modernization initiatives, including \$2B to support Department of Labor unemployment system upgrades, \$8B for educational connectivity solutions, \$20M toward state-based marketplace modernization, and \$30B for federal transit administration grants.
- Many government agencies were able to rapidly pivot as services were impacted by COVID-19, oftentimes successfully completing projects that were expected to be far more challenging and time consuming than they were.
- Agencies able to coalesce leadership, technology, and operations teams in lockstep instead of functioning in silos were able to make the most gains, as pressure to act demanded thoughtful marshaling of resources to compress multiyear modernization goals into the span of months.
- Although there is still significant room for modernization across government technology, state and local governments can use 2020's gains as a case study in how ambitious and collaborative thinking can accelerate key initiatives.

Market Observations

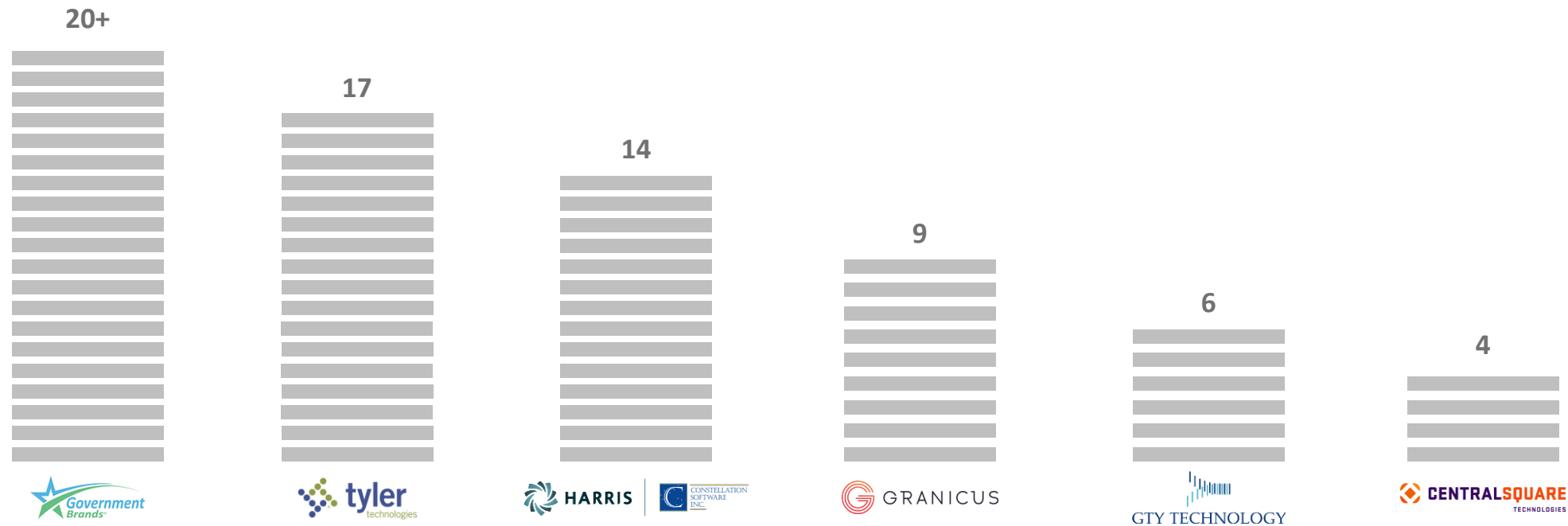
Govtech providers continue to consolidate the highly fragmented industry to establish platforms of scale.

Market Observations

- Govtech continues to attract strong interest from financial sponsors and strategic acquirers eager to invest in next-generation software solutions capable of modernizing government operations, particularly as agencies seek to deliver services digitally and reduce costs in response to ongoing budget pressure
- Consolidation of software vendors persists as companies and investors look to establish comprehensive offerings across a highly fragmented landscape of specialized solutions, many of which lack scale and operate regionally
- Continued concentration of government IT decision-making at the state and local level contributing to M&A market activity as govtech software providers seek to leverage existing relationships to expand their footprint across agencies and government functions
- Payments continues to be an attractive segment within govtech given the need for organizations to more efficiently collect revenue and the demand for consumer-grade citizen engagement solutions that improve and streamline government interactions

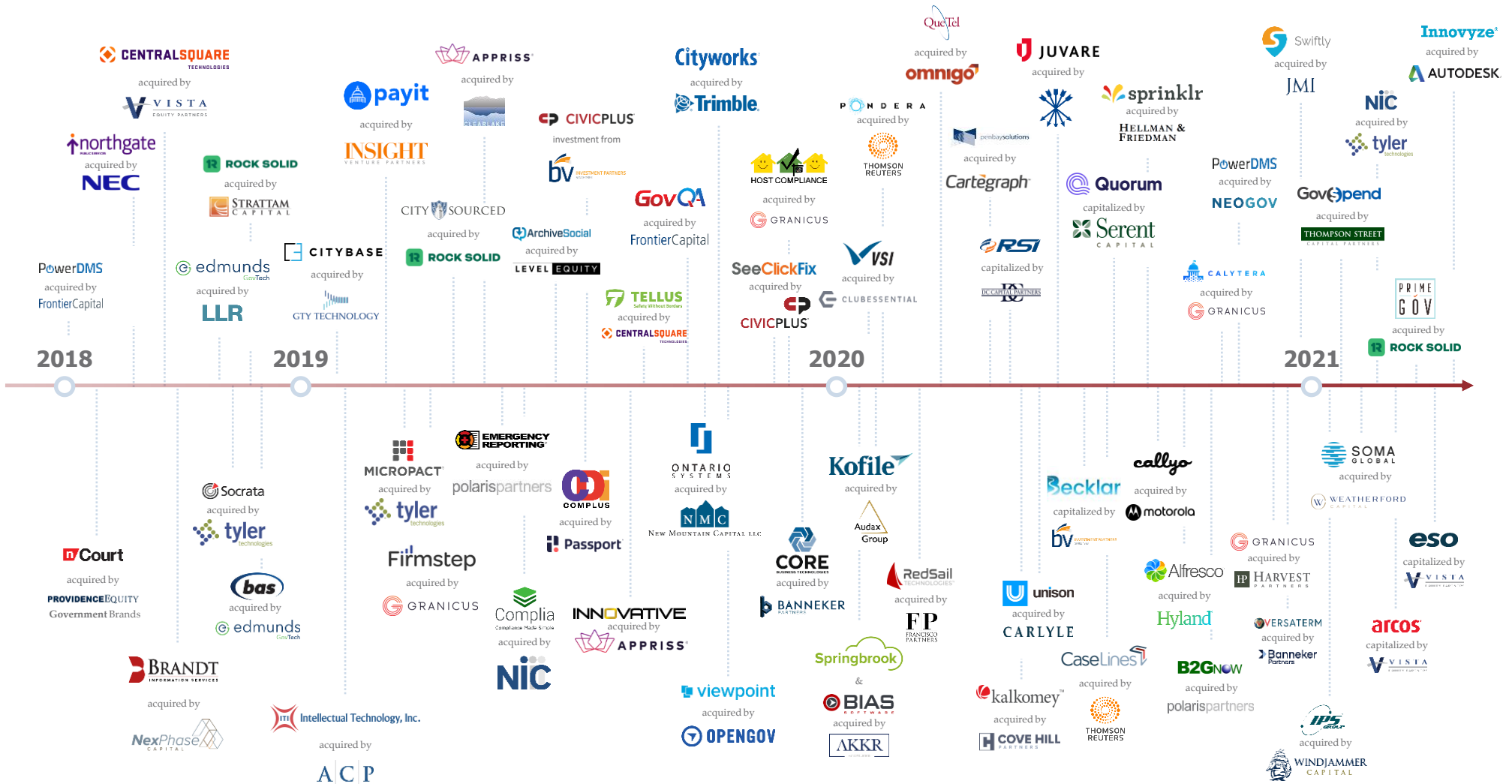
Most Active Govtech Consolidators

Since 2015, the six most active govtech consolidators have acquired over 70 companies



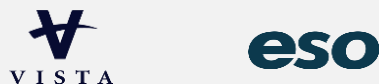
Recent Market Activity

Private equity and strategic acquirers are accelerating their investment pace as they seek to create next-generation government software and payments platforms capable of serving diverse agencies.



Select Govtech Transactions

March 26, 2021



EV: Confidential EV / Rev: Confidential
Rev: Confidential EV / EBITDA: Confidential

Vista's investment in ESO

- ESO provides software and data solutions to emergency medical response (EMS), fire departments, hospitals, and other emergency response organizations that are designed to integrate communications and information sharing across key stakeholders.
- ESO's solutions are deployed across several thousand public sector agencies and other organizations in North America and facilitate critical response coordination for over 13 million emergency calls annually.
- Vista's investment will enable ESO to accelerate growth and expand its footprint across the U.S. market, both by gaining additional market share and building upon its existing solution suite.

March 25, 2021



EV: Confidential EV / Rev: Confidential
Rev: Confidential EV / EBITDA: Confidential

Rock Solid's acquisition of PrimeGov

- PrimeGov provides virtual public meeting participation and agenda management solutions for local governments, enabling greater participation by stakeholders, transparency, and operational efficiency in an increasingly digital environment.
- The combined companies will serve over 180 local government agencies across the U.S. and Caribbean, collectively delivering purpose-built local government solutions for CRM, workflow management, and legislative management software.
- Veteran government technology executive Tom Spangler, former CEO and co-founder of Granicus, will serve as the CEO of the combined organization to usher in the next phase of growth through continued expansion across the local government landscape.

February 2, 2021



EV: \$2.3B EV / Rev: 4.6x
Rev: \$461 EV / EBITDA: 19.5x

Tyler Technologies' acquisition of NIC

- NIC provides state government agencies with digital engagement and payment solutions, improving constituent experience, access, and engagement with government services.
- NIC serves a highly complementary base of over 7,000 public sector organizations and processes over \$24 billion in transaction volume annually, significantly expanding Tyler's digital payment capabilities.
- Tyler's acquisition of NIC represents a landmark transaction within the government technology sector, combining two of the largest companies to offer a comprehensive suite of software and payment technology to local, state, and federal government agencies across the U.S.

January 26, 2021

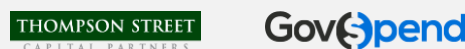


EV: \$22.5M EV / Rev: Confidential
Rev: Confidential EV / EBITDA: Confidential

Weatherford's investment in SOMA Global

- SOMA Global provides a public safety SaaS platform for first responders that includes Computer Aided Dispatch (CAD), mobile dispatch, records management, and jail management solutions.
- SOMA Global partners with industry associations and technology vendors including The National Association, NENA, and RapidSOS and is deployed across law enforcement agencies nationally.
- SOMA will leverage the investment and Weatherford's experience and network within government to focus on further product development and scaling growth across new customers and capabilities.

January 4, 2021











EV: Confidential EV / Rev: Confidential
Rev: Confidential EV / EBITDA: Confidential

Thompson Street's acquisition of GovSpend

- GovSpend provides a platform that enables access to government purchase order data, bids, RFPs, contracts, and contacts to streamline critical vendor sourcing, price benchmarking, and co-procurement workflows.
- GovSpend's platform contains over 1 billion records from approximately 30,000 local, state, and federal government agencies and scans over 15,000 data sources.
- Thompson Street's acquisition will help GovSpend continue to expand its client base and grow its solution suite organically and through acquisitions.

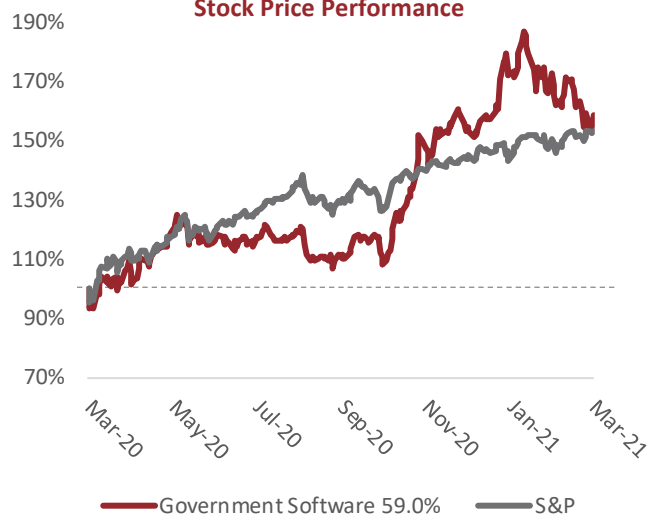
Govtech Landscape Overview

GOVERNMENT TECHNOLOGY PLATFORMS			
<div><div></div></div>			
ADMINISTRATION & OPERATIONS	ASSET AND RESOURCE MANAGEMENT	CIVIC ENGAGEMENT & PUBLIC SERVICE	PUBLIC SAFETY & JUSTICE
Finance, Administration, & ERP	Asset Management & Public Works	Communication & Engagement	Emergency Preparedness & Response
Procurement	Utility Management & Billing	311 & Service Request Mgmt.	Law Enforcement
Operations & Workflow Mgmt.	To receive the latest Government Technology market maps, please contact HW at Tech_Govtech@HarrisWilliams.com		
Information & Records Mgmt.			
Licensing & Permits	Smart Infrastructure & Transportation	Grant Management	Security & Intelligence
Taxation, Appraisal, & Collections		Public Welfare & Human Services	
DIGITAL ENABLERS	DIVERSIFIED TECHNOLOGY	BPO & CUSTOM SOLUTIONS	

Relative Public Equity Performance⁹

GOVERNMENT SOFTWARE

Stock Price Performance



Valuation Metrics

Enterprise Value /

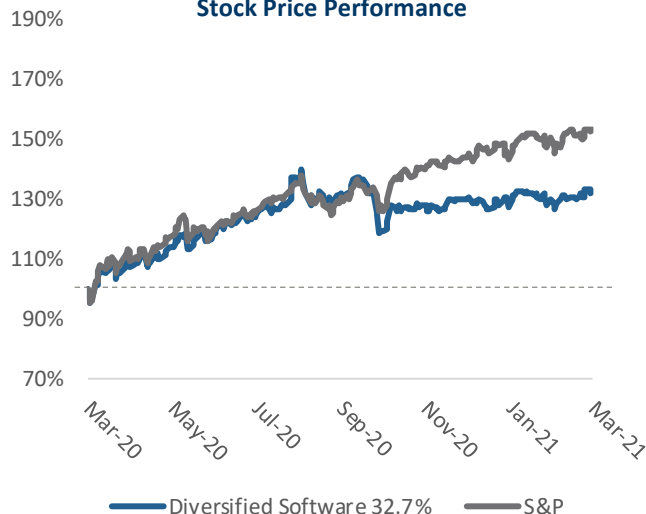
LTM Rev.	LTM EBITDA	2022E EBITDA
7.5x	31.8x	16.0x

Key Public Comps



DIVERSIFIED SOFTWARE

Stock Price Performance



Valuation Metrics

Enterprise Value /

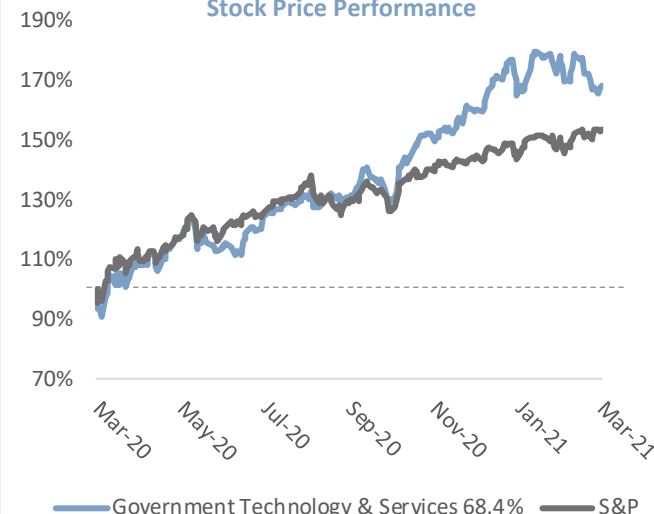
LTM Rev.	LTM EBITDA	2022E EBITDA
7.5x	24.1x	18.2x

Key Public Comps



GOVERNMENT TECHNOLOGY & SERVICES

Stock Price Performance



Valuation Metrics

Enterprise Value /

LTM Rev.	LTM EBITDA	2022E EBITDA
2.1x	14.1x	12.3x

Key Public Comps



Comparable Public Company Operating Metrics⁹

As of March 31, 2021

\$ in Thousands

As of March 31, 2021						Annual Growth Rates			
Company	Market Capitalization	Revenue		EBITDA Margin		Revenue		EBITDA	
		LTM	CY2022	LTM	CY2022	LTM	CY2022	LTM	CY2022
Government Software									
Palantir Technologies Inc.	\$42,440,611	\$1,092,673	\$1,904,366	NM	26.0%	47.2%	30.3%	NM	39.9%
Motorola Solutions, Inc.	31,847,264	7,414,000	8,509,165	26.1%	29.2%	(6.0%)	6.2%	(8.9%)	8.0%
Constellation Software Inc.	29,567,430	3,969,000	5,483,633	21.6%	28.7%	13.7%	15.1%	31.3%	11.0%
Tyler Technologies, Inc.	17,284,841	1,116,663	1,314,723	19.8%	29.9%	2.8%	9.0%	9.0%	12.5%
Everbridge, Inc.	4,557,232	271,141	427,876	NM	5.4%	35.0%	24.7%	NM	194.1%
Blackbaud, Inc.	3,348,176	913,219	916,021	13.3%	26.4%	1.4%	1.6%	18.5%	7.6%
Verra Mobility Corporation	2,196,309	393,593	518,353	39.0%	51.1%	(12.3%)	20.5%	(29.3%)	27.3%
GTY Technology Holdings Inc.	352,287	48,128	NA	NM	NA	32.1%	NA	NM	NA
Median	\$10,921,036	\$1,002,946	\$1,314,723	21.6%	28.7%	8.3%	15.1%	9.0%	12.5%
Diversified Software									
Microsoft Corporation	\$1,778,228,212	\$153,284,000	\$190,497,983	46.8%	50.0%	14.2%	10.4%	17.0%	17.1%
Oracle Corporation	202,337,651	39,691,000	41,690,650	44.5%	50.6%	(0.2%)	2.0%	7.9%	2.6%
salesforce.com, inc.	195,132,270	21,252,000	30,565,449	14.7%	30.0%	24.3%	18.7%	18.4%	20.0%
IBM	144,567,699	33,440,979	33,512,694	27.7%	34.5%	8.2%	3.7%	22.8%	2.0%
International Business Machines Corporation	119,080,348	73,621,000	74,943,684	20.8%	23.8%	(4.6%)	1.0%	(9.3%)	(1.7%)
Thomson Reuters Corporation	43,307,266	5,984,000	6,475,311	23.2%	34.1%	1.3%	4.4%	28.4%	16.7%
Roper Technologies, Inc.	42,326,338	5,527,100	6,573,128	35.3%	36.1%	3.0%	NA	1.2%	NA
Median	\$144,567,699	\$33,440,979	\$33,512,694	27.7%	34.5%	3.0%	4.0%	17.0%	9.6%
Government Technology & Services									
Infosys Limited	\$79,367,068	\$13,145,000	\$16,626,765	26.4%	26.2%	4.0%	13.9%	13.2%	9.0%
Wipro Limited	30,904,596	8,409,188	9,647,251	21.1%	23.5%	(0.8%)	8.9%	2.0%	0.9%
NTT DATA Corporation	21,722,451	22,122,210	22,207,370	15.5%	15.7%	6.6%	5.0%	10.3%	7.8%
Leidos Holdings, Inc.	13,608,819	12,297,000	14,890,549	10.7%	10.6%	10.8%	7.4%	16.2%	8.6%
Pegasystems Inc.	9,250,179	1,017,517	1,489,461	NM	10.1%	11.6%	19.9%	NM	134.6%
CACI International Inc	6,223,545	5,889,398	6,671,604	10.9%	11.1%	9.1%	5.6%	28.5%	11.1%
Maximus, Inc.	5,471,732	3,588,862	3,610,283	11.0%	12.1%	18.0%	2.7%	(3.7%)	17.3%
Perspecta Inc.	4,683,632	4,483,000	4,106,617	13.2%	15.7%	(0.4%)	(2.3%)	5.0%	(1.4%)
Verint Systems Inc.	2,992,628	1,273,705	1,425,000	14.1%	17.8%	(2.3%)	5.6%	21.6%	9.5%
Agilysys, Inc.	1,123,873	140,498	187,715	4.4%	18.5%	(10.9%)	18.5%	NM	29.2%
Median	\$7,736,862	\$5,186,199	\$5,389,110	13.2%	15.7%	5.3%	6.5%	11.7%	9.3%
Total Comp Set Median	\$21,722,451	\$5,527,100	\$6,524,220	20.8%	26.1%	4.0%	7.4%	11.7%	11.0%

Comparable Public Company Valuation Metrics⁹

As of March 31, 2021

\$ in Thousands

As of March 31, 2021			Multiples Summary			
\$ in Thousands	Market Capitalization	Enterprise Value	Enterprise Value/Revenue		Enterprise Value/EBITDA	
			LTM	CY2022	LTM	CY2022
Company						
Government Software						
Palantir Technologies Inc.	\$42,440,611	\$40,886,144	37.4x	21.5x	NM	82.7x
Motorola Solutions, Inc.	31,847,264	36,313,264	4.9x	4.3x	18.8x	14.6x
Constellation Software Inc.	29,567,430	29,525,430	7.4x	5.4x	34.4x	NM
Tyler Technologies, Inc.	17,284,841	16,631,214	14.9x	12.6x	75.1x	42.3x
Everbridge, Inc.	4,557,232	4,550,237	16.8x	10.6x	NM	NM
Blackbaud, Inc.	3,348,176	3,874,334	4.2x	4.2x	31.8x	16.0x
Verra Mobility Corporation	2,196,309	2,945,786	7.5x	5.7x	19.2x	11.1x
GTY Technology Holdings Inc.	352,287	361,090	7.5x	NA	NM	NA
Median	\$10,921,036	\$10,590,725	7.5x	5.7x	31.8x	16.0x
Diversified Software						
Microsoft Corporation	\$1,778,228,212	\$1,729,021,212	11.3x	9.1x	24.1x	18.2x
Oracle Corporation	202,337,651	236,499,651	6.0x	5.7x	13.4x	11.2x
salesforce.com, inc.	195,132,270	189,579,270	8.9x	6.2x	60.7x	20.6x
IBM	144,567,699	155,342,011	4.6x	4.6x	16.8x	13.4x
International Business Machines Corporation	119,080,348	171,866,348	2.3x	2.3x	11.2x	9.6x
Thomson Reuters Corporation	43,307,266	45,096,266	7.5x	7.0x	32.5x	20.4x
Roper Technologies, Inc.	42,326,338	51,868,838	9.4x	7.9x	26.6x	21.9x
Median	\$144,567,699	\$171,866,348	7.5x	6.2x	24.1x	18.2x
Government Technology & Services						
Infosys Limited	\$79,367,068	\$76,605,068	5.8x	4.6x	22.1x	17.6x
Wipro Limited	30,904,596	26,012,434	3.1x	2.7x	14.7x	11.5x
NTT DATA Corporation	21,722,451	26,619,241	1.2x	1.2x	7.8x	7.6x
Leidos Holdings, Inc.	13,608,819	18,631,819	1.5x	1.3x	14.1x	11.9x
Pegasystems Inc.	9,250,179	9,380,808	9.2x	6.3x	NM	NM
CACI International Inc	6,223,545	8,012,447	1.4x	1.2x	12.4x	NM
Maximus, Inc.	5,471,732	5,539,935	1.5x	1.5x	14.1x	12.7x
Perspecta Inc.	4,683,632	7,090,632	1.6x	1.7x	12.0x	11.0x
Verint Systems Inc.	2,992,628	3,406,978	2.7x	2.4x	19.0x	13.4x
Agilysys, Inc.	1,123,873	1,080,405	7.7x	5.8x	NM	31.2x
Median	\$7,736,862	\$8,696,628	2.1x	2.1x	14.1x	12.3x
Total Comp Set Median	\$21,722,451	\$26,012,434	6.0x	5.0x	18.9x	14.0x

Notable Recent Transactions^{9,10}

\$ in Millions

\$ in Millions			Enterprise	LTM Multiples	
Date	Target	Acquirer	Value	Revenue	EBITDA
Government Technology					
Pending	PowerDMS, Inc.	NEOGOV	NA	NA	NA
Pending	NIC Inc.	Tyler Technologies, Inc.	2,103	4.6x	19.5x
Pending	ESO Solutions, Inc.	Vista Equity Partners LLC	NA	NA	NA
Pending	ARCOS, Inc.	Vista Equity Partners LLC	HW Confidential		
03/31/21	Innovyze, Inc.	Autodesk, Inc.	1,000	NA	NA
03/25/21	PrimeGov	Rock Solid Technologies, Inc.	NA	NA	NA
01/26/21	Soma Global, Inc.	Weatherford Capital Management, LLC	NA	NA	NA
01/04/21	GovSpend	Thompson Street Capital Partners	NA	NA	NA
12/31/20	IPS Group, Inc.	Windjammer Capital Investors	NA	NA	NA
12/12/20	Granicus	Harvest Partners	HW Confidential		
12/11/20	Versaterm	Banneker Partners	NA	NA	NA
12/09/20	Swiftly	JMI Management	NA	NA	NA
10/29/20	Calytera	Granicus, Inc.	NA	NA	NA
10/22/20	Alfresco Software	Hyland Software (Thoma Bravo)	NA	NA	NA
09/17/20	B2GNow	Polaris	NA	NA	NA
08/28/20	Calryo	Motorola Solutions	69	NA	NA
08/19/20	Quorum Analytics	Serent Capital	NA	NA	NA
08/13/20	CaseLines	Thomson Reuters Corporation	NA	NA	NA
07/23/20	Juvare	Five Arrows Capital	NA	NA	NA
07/13/20	Becklar	BV Investment Partners	NA	NA	NA
07/08/20	Revenue Solutions	DC Capital Partners	NA	NA	NA
07/01/20	Verus Analytics	Kroll	NA	NA	NA
06/29/20	Unison Software, Inc.	The Carlyle Group	NA	NA	NA
05/14/20	Conservice, LLC	Advent International Corporation	Non-Public Information		
04/30/20	Kalkomey Enterprises, LLC	Cove Hill Partners, L.P.	HW Confidential		
04/09/20	QueTel Corporation	Omnigo Software, LLC	NA	NA	NA
04/01/20	Smith Technologies, LLC (nka:RedSail Technologies, LLC)	Francisco Partners Management, L.P.	NA	NA	NA
03/19/20	Pondera Solutions, LLC	Thomson Reuters Corporation	Non-Public Information		
02/03/20	Kofile	Audax Group	Non-Public Information		
01/21/20	Vermont Systems Inc.	Clubessential, LLC	NA	NA	NA
01/07/20	Springbrook Software, Inc.	Accel-KKR	NA	NA	NA
10/23/19	Core Business Technologies	Banneker Partners	NA	NA	NA
10/03/19	Cityworks	Trimble	NA	NA	NA
09/05/19	ViewPoint Government Solutions, Inc.	OpenGov, Inc.	NA	NA	NA
08/22/19	Ontario Systems	New Mountain Capital	HW Confidential		
07/09/19	GovQA	Frontier Capital	Non-Public Information		
05/15/19	Complus Data Innovations	Passport Labs, Inc.	Non-Public Information		
05/13/19	CivicPlus	BV Investment Partners	NA	NA	NA
04/25/19	Rave Mobile Safety	TCV	NA	NA	NA
04/15/19	Appriss	Clearlake Capital Group	Non-Public Information		
03/20/19	Paylt	Insight Venture Partners	HW Confidential		
02/28/19	MicroPact Inc.	Tyler Technologies, Inc.	204	Non-Public Information	
02/19/19	Citybase, Inc.	GTY Technology Holdings Inc.	160	Non-Public Information	
01/28/19	Intellectual Technology	Arlington Capital Partners	NA	NA	NA
12/18/18	Invoice Cloud	General Atlantic	Non-Public Information		
11/29/18	Rock Solid Technologies, Inc.	Strattam Capital, LLC	NA	NA	NA
11/01/18	Edmunds & Associates	LLR Partners	NA	NA	NA
10/24/18	Trafficware Group Inc.	Cubic Transportation Systems, Inc.	236	HW Confidential	
08/01/18	Central Square Technologies (Tritech Software, Superion, Aptean)	Bain Capital, Vista Equity Partners	NA	NA	NA
04/30/18	Socrata, Inc.	Tyler Technologies, Inc.	150	6.0x	NA
03/31/18	Brandt Information Services, LLC	NexPhase Capital	Non-Public Information		
03/06/18	Value Payment Systems, LLC	Government Brands (Providence Strategic Growth)	Non-Public Information		
2/21/18	nCourt	Government Brands (Providence Strategic Growth)	HW Confidential		
2/1/18	Northgate Public Services	NEC Corporation	642	2.9x	NA
01/25/18	PowerDMS	Frontier Capital	Non-Public Information		
Median			\$164	6.5x	15.7x

Case Study: Kalkomey

HW's Technology Group advised Kalkomey, a portfolio company of Inverness Graham, on its sale to Cove Hill Partners.



a portfolio company of



has been acquired by



TRANSACTION OVERVIEW

Kalkomey is a leading provider of online recreational safety education reaching all 50 U.S. states, as well as Australia, Canada, Guam, Mexico, New Zealand, Puerto Rico, and the U.K. The Company works hand in hand with governmental agencies to provide tailored online safety education courses and certifications for boating, scuba diving, hunting, snowmobiling, and off-roading.

Kalkomey's regulatory-approved safety education courses provide official safety certifications to nearly a million students annually. The Company's cloud-based government agency software offerings drive operational efficiencies of key workflows from licensing and registration, to certification and event management, to compliance and reporting.

Cove Hill is a long-term-oriented private equity firm focused on partnering with management teams to build market-leading technology and consumer companies. The firm manages a long-duration fund with over \$1 billion of commitments from its investors and founders. Based in Boston, Cove Hill has an innovative structure that provides the flexibility to enable a patient, concentrated, and value-added approach in a small portfolio of long-term investments.

RELEVANT SUB-SECTORS

GOVERNMENT TECHNOLOGY

VERTICAL SOFTWARE

EDUCATION TECHNOLOGY



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Case Study: PayIt

HW's Technology Group advised PayIt on its strategic investment from Insight Partners.



*has received a strategic
investment from*



TRANSACTION OVERVIEW

PayIt is a leading provider of next-generation integrated digital government software and payment solutions. The Company improves citizen-government interactions by providing a modern, mobile technology platform designed to provide users with an intuitive, contextual experience.

PayIt's best-in-class software and payment solutions feature a sleek design and are differentiated by a chat-based user experience. The Company's solutions seamlessly integrate into existing government technology infrastructure, connecting disparate systems to deliver a single, unified platform suited for diverse government workflows. PayIt serves a variety of government organizations, including departments of motor vehicles, transportation agencies, parks and wildlife agencies, public utilities, and tax departments, among others, and has experienced rapid customer growth and user adoption that demonstrates the value proposition to both the government and the public. In addition to continued penetration of existing government segments, PayIt has an attractive opportunity to augment growth through expansion into new government adjacencies.

Insight Partners is a leading global private equity and venture capital firm that focuses on growth and buyout transactions across a broad range of software and technology segments.

RELEVANT SUB-SECTORS

GOVERNMENT TECHNOLOGY

VERTICAL SOFTWARE

PAYMENTS



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Case Study: nCourt

HW's Technology Group advised nCourt, a portfolio company of Mainsail Partners, on its sale to Providence Strategic Growth and Greater Sum Ventures.



a portfolio company of



has been acquired by

PROVIDENCEEQUITY

&



TRANSACTION OVERVIEW

nCourt connects government entities and the public through an integrated SaaS civic engagement and payments platform. The Company's solutions enhance government operations and revenue collection by streamlining payments and reporting through intuitive web and mobile applications.

nCourt provides software and payment technology to state and local government agencies, most notably within courts and criminal justice and tax and treasury. The Company boasts a large, established customer base with compelling unit economics and strong organic growth driven by digital adoption as payments move online and governments seek to upgrade legacy systems. nCourt has experienced an impressive growth trajectory, highlighted by several key customer wins in attractive adjacent markets that expand the Company's addressable market. In addition to continued organic growth, nCourt is well positioned to pursue strategic acquisitions and consolidate a fragmented industry characterized by sub-scale, and often regional, point solutions.

Providence Strategic Growth, a leading private equity firm focused on minority and control investment across software, and Greater Sum Ventures, a growth-oriented technology investor, partnered to form Government Brands with nCourt as the platform asset.

RELEVANT SUB-SECTORS

GOVERNMENT TECHNOLOGY

VERTICAL SOFTWARE

PAYMENTS



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HW Insights | Government Technology: The Sleeping Giant Stirs

HW's Technology team shares its views on the increasingly active govtech sector in a recent article, highlighting the attractiveness of the integrated software and payments opportunities in the segment.

Sector Observations

Government agencies are under increasing pressure to modernize their IT systems, especially those serving today's digital consumers. That's opening up a \$100B+ opportunity for technology vendors, and for the strategic buyers and financial investors that understand the space.

In this article, Managing Director Tyler Dewing, Director Scott Reinig, and Vice President Mike Quealy of the Harris Williams Technology Group explain the key drivers of this shift and reveal one specific area creating noteworthy growth opportunities.

Notable HW Government Software & Payments Transactions



Tyler Dewing
Managing Director



Scott Reinig
Director



Mike Quealy
Vice President

Article Excerpt

"Modernizing payments is a quick win for both government agencies and technology vendors," says Dewing. "For agencies, it delivers an almost instant and significant operational efficiency boost for employees and service improvement for the general public—without requiring a big-budget purchase. For vendors, it creates an attractive revenue model and enables those with a broad suite of solutions to get a foot in the door."

M&A Advisor of Choice for Leading Technology Companies

 has made a strategic investment in GRANICUS	 has made a strategic investment in fingerprint	 acquired by symplr	 acquired by A Fortune 25 Company	 acquired by solarwinds	 acquisition of COMPLYWORKS	 acquired by access	 acquired by fmg suite	 acquired by Flightdocs	 acquired by AXCEL	 acquired by COVE HILL PARTNERS	 strategic investment in mri	 acquired by Bregal Unternehmenskapital	 investment from INSIGHT PARTNERS Kennet Augmentum	 acquired by WENDEL
 recapitalized by SQUIRE	 acquired by ventiv	 acquired by Waud Capital	 significant growth investment from MARTIS CAPITAL	 acquired by Deltek	 acquired by Advent International	 significant growth investment from THOMABRAVO	 acquired by eSolutions	 acquired by Datix	 has received a controlling investment from COVE HILL PARTNERS	 acquired by CALIBER SOFTWARE	 acquired by pec	 acquired by mailgun	 strategic investment from INSIGHT PARTNERS	 acquired by DiscoverOrg
 acquired by combell.group	 acquired by DASSAULT SYSTEMES	 acquired by Wrike	 acquired by CUBIC	 acquired by WCAS	 acquired by symplr	 acquired by BERTELSMANN	 acquired by LIGHTYEAR CAPITAL & OAK HC/FT	 acquired by PIXOMONDO	 acquired by illuminate education	 acquired by GENSTAR	 acquired by THE JORDAN COMPANY	 acquired by TRelation	 a wholly-owned affiliate of GE Healthcare imprivata a inspirata	 invested in Datix
 majority investment from Hg	 acquired by GI PARTNERS	 acquired by IBT CAPITAL PARTNERS	 acquired by PAMPONA CAPITAL MANAGEMENT	 acquired by EQUIAN	 acquired by PROVIDENCE EQUITY GSV	 investment from INSIGHT PARTNERS	 acquired by PERFORCE	 acquired by HIG CAPITAL	 merged with research now	 investment from bv	 acquired by accruent	 acquired by MSOUTH	 acquired by Healthlogistics	 acquired by Riverside PARTNERS
 investment from INSIGHT PARTNERS	 acquired by amazon	 acquired by /intelligent	 acquired by VISTA	 acquired by Itron	 acquired by abila	 majority investment from GENSTAR	 growth investment from PAMLICO CAPITAL	 acquired by Ministry Brands	 majority investment from INSIGHT PARTNERS	 acquired by exponent	 majority investment from THE CARLYLE GROUP	 recapitalized by GI PARTNERS	 acquired by PHILIPS	 acquired by MedHOK
 acquired by WorkForce SOFTWARE	 acquired by WASSERSTEIN & CO.	 acquired by SYKES	 acquired by RPX	 acquired by GENSTAR	 recapitalized by GENSTAR	 acquired by HIG CAPITAL	 acquired by BIOCLINICA	 acquired by technicolor	 acquired by CIP CAPITAL	 acquired by ParkerGale	 acquired by kpn	 acquired by SoTera	 acquired by ROPER	 acquired a majority stake in access
 acquired by GI PARTNERS	 majority investment from HGGC	 minority investment from SUNPOWER	 acquired by blackbaud	 acquired by YASKAWA	 acquired by emdeon	 acquired by THE CARLYLE GROUP	 strategic investment from TCV	 merged with Accellos	 acquired by Automic	 acquired by THE CARLYLE GROUP	 acquired by HEARST	 acquired by RELIAS LEARNING	 acquired by GENPACT	 acquired by TDX

Our Firm

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/industries.



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