

# SOFTWARE & TECHNOLOGY M&A PULSE

FOURTH QUARTER 2024



## OUR INSIGHTS

Software and technology M&A activity in Q4 2024 observed a meaningful drop in total deal value compared to the previous quarter, though transaction volumes demonstrated resilience. The software segment, in particular, saw total deal value decrease by over 50%, yet volume increased by 1%.

2024 was a challenging year for tech M&A overall, with total spending falling short of the previous decade's average by roughly 20%. Private equity buyers remained selective, with private equity spending on tech deals remaining stagnant since 2023, a noticeably down year. Still, optimism persists for 2025 as macro tailwinds emerge and expectations for strategic acquirer activity rise.

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## ABOUT PMCF

PMCF is an investment bank focused exclusively on middle market transactions with professionals in Chicago, Detroit, Denver, and across the globe through Corporate Finance International™ affiliates. Offering a depth of advisory services, PMCF helps clients worldwide meet their sale, acquisition, financing, and strategic growth objectives. Additional information on PMCF can be found by visiting our website, pmcf.com.

Mergers & Acquisitions	Carve-outs & Divestitures	Strategic Assessments	Capital Raising
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## SOFTWARE & TECHNOLOGY INDUSTRY EXPERTISE

Our focus on software and technology sale, merger, and acquisition advisory provides significant advantages to our clients and the opportunity to maximize value in a transaction. PMCF's extensive coverage of these industries has provided us with specialized, in-depth knowledge of the sector dynamics and relationships with key strategic and financial industry players. Our firm has been serving the software and technology industries for over 20 years and has a long track record of successful transactions involving specialty, niche players in these industries.

Financial Technology	Supply Chain Management	Workforce Management	Not-For-Profit Software
Vertical Software	Enterprise Software	Tech-Enabled Services	ESG Software
Application Software	Cybersecurity	IT Services	BI/Data Analytics

## SELECT PMCF SOFTWARE & TECHNOLOGY TRANSACTIONS

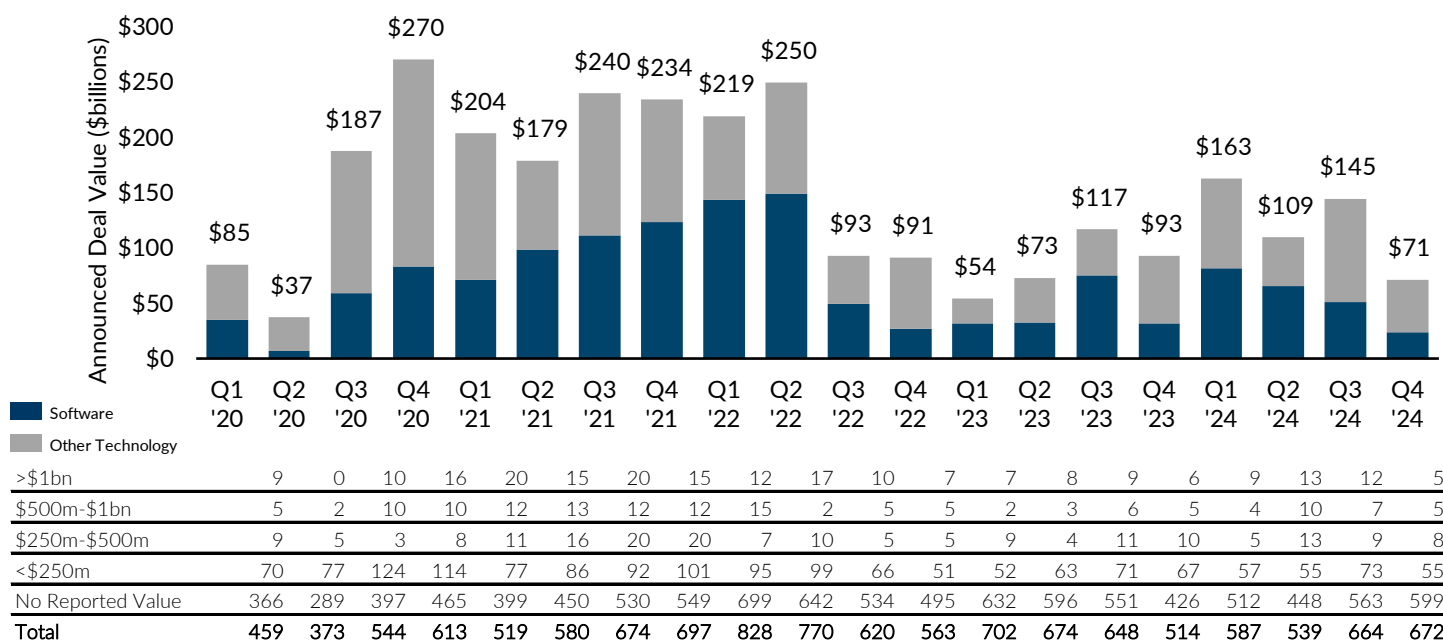
**PRO-VISION**  
 a portfolio company of  
**JMC**  
 CAPITAL PARTNERS  
 has been acquired by  
**VANCE** ST. CAPITAL

**RSI** LOGISTICS  
 has been acquired by  
**TRINITYRAIL**

**breeze**  
 has been acquired by  
**Tithe.ly**

**MONTWAY**  
 AUTO TRANSPORT  
 and  
**ship.cars**  
 have been acquired by  
**AEA**

# Q4 2024 Market Summary & Outlook



Source: 451 Research

## M&A MARKET DYNAMICS – SOFTWARE & TECHNOLOGY

- Q4 2024 saw a meaningful drop in software and technology total deal value, falling over 50% to \$71B compared to \$145B in the prior quarter. The decline was consistent across software and other technology segments, declining 53% and 49%, respectively.
- Despite the significant drop in deal value, software transaction volume was actually up in Q4 2024 compared to the previous quarter, increasing by 1%. This juxtaposition, paired with a noticeable decline in transactions greater than \$250M, indicates an uptick in deal volume for smaller companies.
- Many within the technology M&A community anticipate a significant rebound in deal activity in 2025. According to a survey from 451 Research, 80% of respondents expect an increase in tech M&A spending in 2025, while 58% predict an increase in valuations. Though respondents were optimistic heading into 2024, the year ultimately fell short of predictions, with tech M&A spending falling ~20% short of the previous decade's average spending. The optimism for 2025 is primarily due to an anticipated reduction in interest rates, the new U.S. presidential administration, and an expectation that strategic acquirers will be more competitive than in 2024.

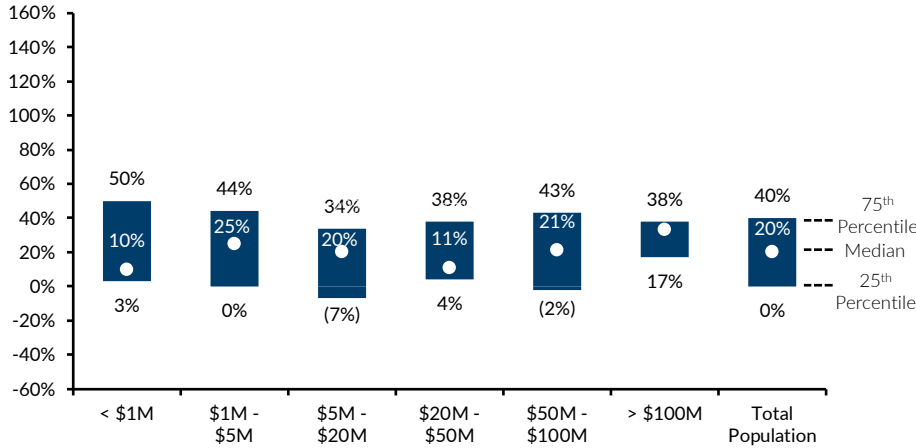
Featured Sectors - Deal Count	2020	2021	2022	2023	2024	Q3 '24	Q4 '24	Q3 '24 - Q4 '24 Change
Workforce Management	264	341	469	346	365	94	105	12%
Supply Chain Technology	73	92	107	109	107	30	27	-10%
Financial Technology	110	118	145	127	115	29	28	-3%
Other Software	1,542	1,919	2,060	1,956	1,875	511	512	0%
<b>Total</b>	<b>1,989</b>	<b>2,470</b>	<b>2,781</b>	<b>2,538</b>	<b>2,462</b>	<b>664</b>	<b>672</b>	<b>1%</b>
Strategic	1,301	1,544	1,914	1,843	1,715	472	480	2%
Financial Buyer - Add-on	474	666	624	458	552	148	158	7%
Financial Buyer - Platform	214	260	243	237	195	44	34	-23%

Source: 451 Research

# 2024 B2B SaaS Benchmarks

During the Spring of 2024, Benchmarkit partnered with various leading B2B SaaS vendors, venture capital firms, CFO outsourcing companies, and advisory services firms to collect data from ~1,000 private B2B SaaS companies. This data illustrates how different cohorts of SaaS companies perform compared to their peers based on FY23 results.

Rule of 40 – By Revenue<sup>(1)</sup>

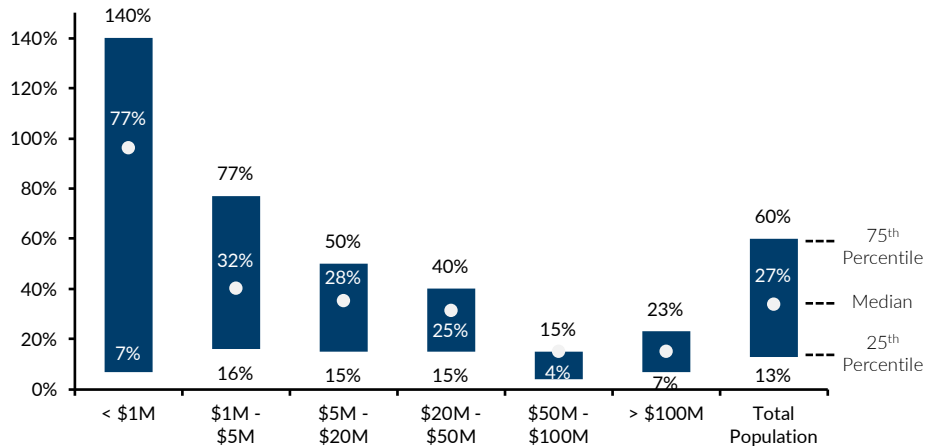


Rule of 40 = YoY Growth Rate (%) + Free Cash Flow (%)

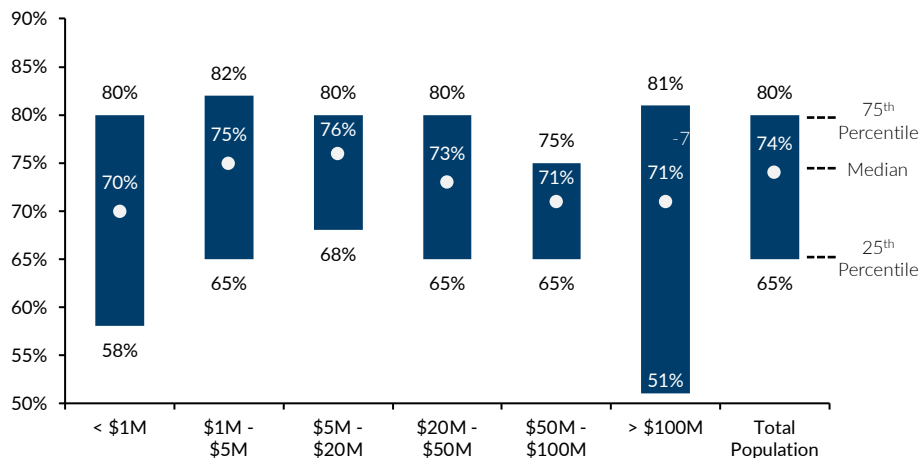
Benchmarks for Rule of 40, which measures the efficiency of spending and return on that spending, decreased across the majority of cohorts in 2023. The decline was driven by both a fall in growth rates and EBITDA margin across the total population of participants. As companies scale beyond \$50M in revenue, there is debate on the ideal combination of growth and profitability. Though there is not one right combination, many in the industry suggest growth rates above 30% paired with free cash flow margins above 10% will drive the largest EV/Revenue multiples.

Company Growth Rate – By Revenue<sup>(1)</sup>

Growth rates decreased across most company sizes in 2023, though the sub-\$1M revenue cohort saw a noticeable jump, increasing to a median of 77% compared to 50% in 2022. Broadly, the 2023 median growth rate aligned with 2022, as customers strategically allocated SaaS spending. The same survey of participants indicated they anticipate growth rates to increase by 8% in 2024, potentially signaling some optimism about customer spending. Companies that can quickly accelerate sales and marketing investment will be well-positioned to capture growth once customer behavior aligns with growth expectations exhibited by vendors.



Total Gross Margin – By Revenue<sup>(1)</sup>



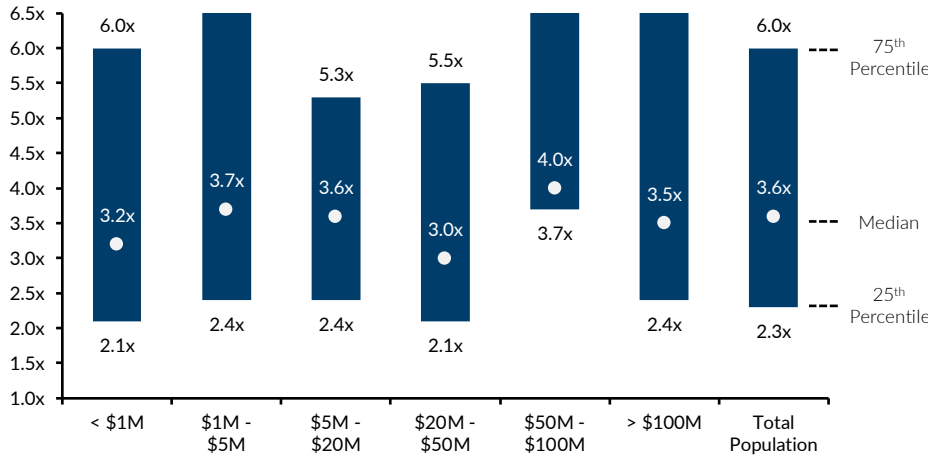
Total Gross Margin is an indicator of the cash generation potential of a SaaS business model. It represents a combination of Subscription Gross Margin and Services Gross Margin, both of which should be captured and highlighted to investors as a best practice. At 74%, median Total Gross Margin increased marginally compared to 72% in 2022 and 73% in 2021, demonstrating the historical stability in this metric. Subscription margin also remained stable at 79% while the Services margin fluctuated in a much wider band, as services are often delivered at lower margins during the onboarding stage for new customers in an effort to increase the available budget for ARR.

Source: (1) Benchmarkit

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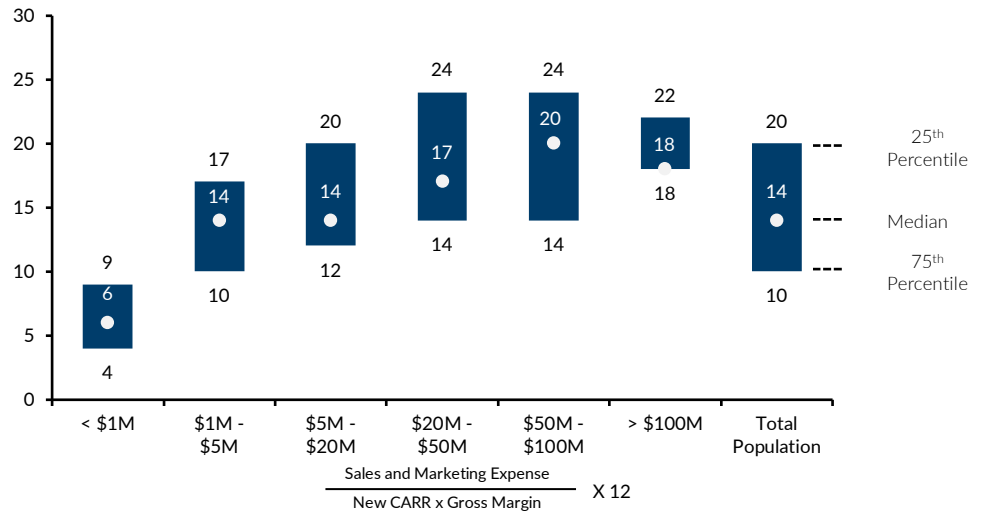
CLTV: CAC Ratio – By Revenue <sup>(1)</sup>



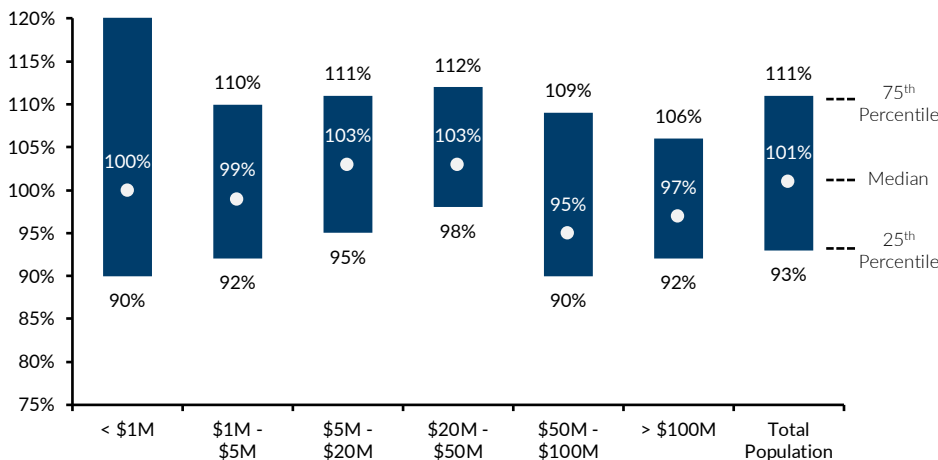
The median benchmark for CLTV:CAC ratio across the total population in 2023 matched that of 2022, coming in at 3.6x. Neither company size nor Annual Contract Value are highly correlated to the CLTV:CAC Ratio. A key to this metric is that at least one to two agreement renewal cycles should be completed to establish a more reliable churn rate across renewal periods. This ratio is impacted by numerous factors, including Average Revenue Per Account, Average Customer Acquisition Cost, churn rate, and gross margin. Investors care not only about the ratio itself, but the leading variables that directly influence it.

CAC Payback Period – By Revenue (In Months) <sup>(1)</sup>

CAC Payback Period across the entire population shortened to a median of 14 months, representing a significant improvement from last year's benchmark of 17 months. Although CAC Payback Period is correlated to company size, it has a higher correlation to Annual Contract Value. CAC Payback Period can fluctuate dramatically month-over-month in enterprise and commercial market segments if a reporting period includes outlier deal sizes. CAC Payback Period is best evaluated in conjunction with CAC Ratio, Gross Dollar Retention, and Net Dollar Retention for a more complete picture on acquiring, retaining, and expanding customer relationships.



Net Dollar Retention Rate – By Revenue <sup>(1)</sup>

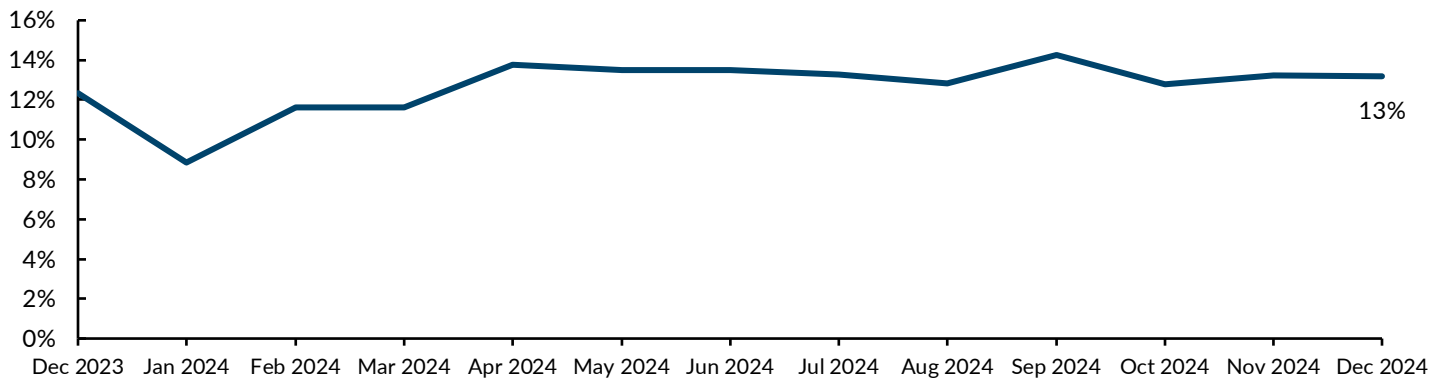


Net Dollar Retention (NDR) measures how much ARR is represented in a cohort of customers at the end of the current accounting period (where their agreement is available to renew) versus the same cohort of customer ARR from a previous period. NDR is not dramatically correlated to company size, as it is with other variables including Go-To-Market motion and pricing model. Additionally, NDR exhibits correlation to ACV, and as ACV increases, the opportunity for expansion is more prevalent. NDR decreased slightly to 101% at median in 2023 compared to 105% in 2022 and remains a higher priority for many companies due to its stronger correlation to enterprise value.

Source: (1) Benchmarkit

# Macroeconomic Trends & Signals

Public SaaS Median Rule of 40 Index



Source: SaaS Capital index of B2B publicly traded SaaS companies

The median Rule of 40 measure for publicly traded SaaS companies saw a minor drop to 13% in Q4 2024 compared to 14% in the prior quarter, remaining in-line with the 12-month average.

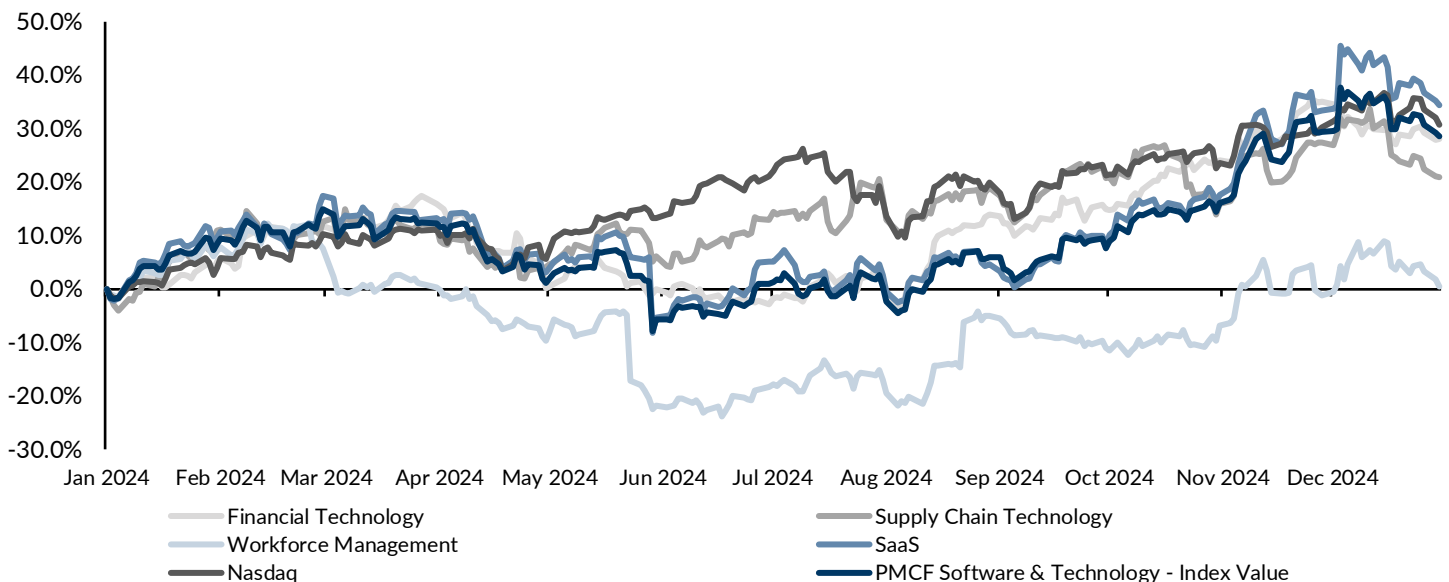
Public SaaS Median Annual Run-Rate (ARR) Multiple



Source: SaaS Capital index of B2B publicly traded SaaS companies

Public SaaS valuations increased in Q4 2024 relative to the prior quarter, finishing at a median ARR multiple of 7.0x compared to 6.1x in Q3 2024. The 7.0x median figure also represents the same value as where Q4 2023 finished.

Public Equity Indices – Market Valuation



Source: Capital IQ - PMCF Technology Index of 33 publicly traded SaaS companies



# PMCF Software & Technology Index

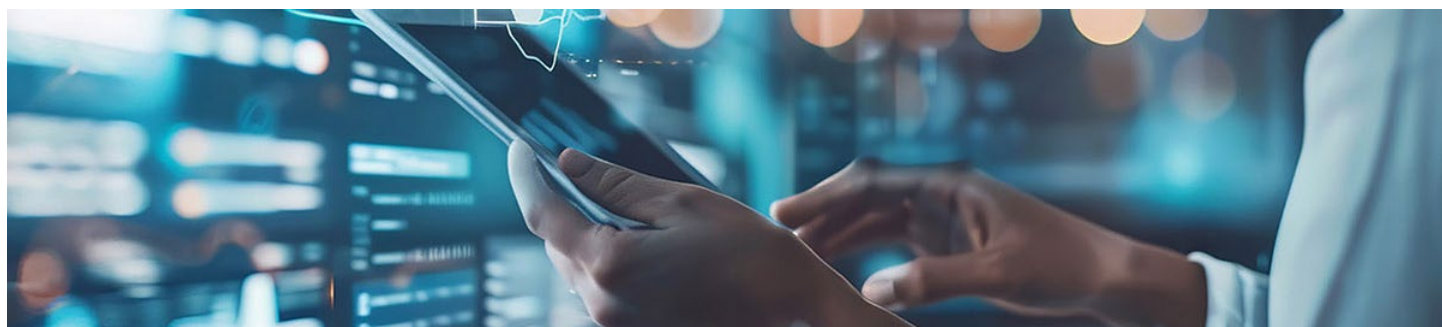
Company Name	Headquarters Location	Market Cap. <sup>(1)</sup>	Enterprise Value <sup>(1)</sup>	TTM Revenue	TTM Gross Margin	TTM EBITDA Margin	Net Debt/EBITDA	EV/EBITDA <sup>(2)</sup>	EV/Revenue		
									NTM Q4 '24	TTM Q4 '24	TTM Q4 '23
<i>\$ in Millions</i> <sup>(3)</sup>											
<b>Financial Technology</b>											
Fiserv, Inc.	United States	\$ 116,867	\$ 141,685	\$ 20,456	60.8%	43.9%	2.7x	15.8x	7.0x	6.9x	5.4x
Adyen N.V.	Netherlands	46,831	38,006	2,086	65.2%	46.9%	0.0x	38.8x	15.7x	18.2x	18.4x
Global Payments Inc.	United States	28,519	43,976	10,106	62.9%	43.6%	3.3x	10.0x	4.7x	4.4x	5.1x
Shift4 Payments, Inc.	United States	7,296	8,978	3,331	29.2%	14.6%	3.4x	18.4x	2.1x	2.7x	2.2x
BILL Holdings, Inc.	United States	8,767	8,270	1,388	85.1%	0.6%	(55.1x)	1045.2x	5.5x	6.0x	6.7x
Marqeta, Inc.	United States	1,904	807	490	68.7%	(5.9%)	38.1x	(28.0x)	1.4x	1.6x	3.5x
Paymentus Holdings, Inc.	United States	4,072	3,893	779	28.5%	6.3%	(3.7x)	79.8x	4.0x	5.0x	3.4x
AvidXchange Holdings, Inc.	United States	2,127	1,814	428	71.5%	6.6%	(11.2x)	64.6x	3.8x	4.2x	5.8x
Repay Holdings Corporation	United States	670	1,024	311	77.4%	23.2%	4.7x	14.2x	3.1x	3.3x	3.8x
<b>Median</b>					<b>65.2%</b>	<b>14.6%</b>	<b>2.7x</b>	<b>18.4x</b>	<b>4.0x</b>	<b>4.4x</b>	<b>5.1x</b>
<b>Supply Chain Technology</b>											
Manhattan Associates, Inc.	United States	\$ 16,505	\$ 16,340	\$ 1,042	54.8%	25.7%	(0.8x)	61.0x	14.8x	15.7x	14.1x
The Descartes Systems Group Inc.	Canada	9,714	9,545	632	75.4%	40.4%	(0.7x)	37.4x	13.5x	15.1x	12.5x
SPS Commerce, Inc.	United States	6,912	6,720	638	67.0%	20.6%	(1.7x)	51.2x	9.4x	10.5x	12.8x
Kinaxis Inc.	Canada	3,398	3,168	471	61.2%	5.9%	(8.8x)	114.2x	5.9x	6.7x	6.9x
E2open Parent Holdings, Inc.	United States	822	1,843	613	65.6%	24.6%	6.1x	12.2x	3.0x	3.0x	3.9x
Tecsys Inc.	Canada	469	451	124	45.3%	3.6%	(4.2x)	99.9x	3.5x	3.6x	2.9x
Logility Supply Chain Solutions, Inc.	United States	373	289	102	65.6%	9.0%	(9.2x)	31.4x	2.7x	2.8x	2.9x
<b>Median</b>					<b>65.6%</b>	<b>20.6%</b>	<b>(1.7x)</b>	<b>51.2x</b>	<b>5.9x</b>	<b>6.7x</b>	<b>6.9x</b>
<b>Workforce Management</b>											
Workday, Inc.	United States	\$ 68,636	\$ 64,842	\$ 8,157	75.6%	8.9%	(5.2x)	89.3x	7.0x	7.9x	9.9x
Dayforce Inc.	United States	11,455	12,198	1,760	50.7%	17.8%	2.1x	38.9x	6.4x	6.9x	7.3x
Paylocity Holding Corporation	United States	11,120	10,720	1,499	68.6%	20.7%	(0.3x)	34.5x	6.8x	7.2x	7.0x
Asana, Inc.	United States	4,636	4,455	707	89.4%	(36.4%)	0.7x	(17.3x)	5.7x	6.3x	6.3x
Paycor HCM, Inc.	United States	3,336	3,251	700	66.0%	10.5%	(1.4x)	44.2x	4.4x	4.6x	6.3x
Asure Software, Inc.	United States	250	252	115	68.6%	7.9%	0.2x	27.7x	1.9x	2.2x	1.8x
<b>Median</b>					<b>68.6%</b>	<b>9.7%</b>	<b>(0.1x)</b>	<b>36.7x</b>	<b>6.1x</b>	<b>6.6x</b>	<b>6.6x</b>
<b>SaaS</b>											
Salesforce, Inc.	United States	\$ 319,954	\$ 319,375	\$ 37,189	76.9%	25.7%	(0.1x)	33.4x	7.9x	8.6x	7.6x
ServiceNow, Inc.	United States	218,721	211,842	10,984	79.2%	17.9%	(3.9x)	108.0x	16.8x	19.3x	15.6x
Datadog, Inc.	United States	48,543	46,313	2,684	80.8%	3.9%	(22.7x)	447.1x	15.1x	17.3x	18.1x
HubSpot, Inc.	United States	35,970	34,790	2,628	85.0%	(1.5%)	33.4x	(876.7x)	12.0x	13.2x	13.1x
Zoom Communications Inc.	United States	25,013	17,378	4,628	75.8%	19.2%	(8.6x)	19.5x	3.7x	3.8x	3.4x
Pure Storage, Inc.	United States	20,041	18,687	3,078	71.1%	8.6%	(5.1x)	70.9x	5.5x	6.1x	3.6x
Okta, Inc.	United States	13,503	12,215	2,533	76.1%	(2.1%)	24.3x	(230.5x)	4.5x	4.8x	6.6x
Twilio Inc.	United States	16,578	15,005	4,458	51.1%	3.7%	(7.7x)	90.6x	3.2x	3.4x	2.7x
Workiva Inc.	United States	6,065	6,079	705	76.7%	(5.1%)	(0.4x)	(170.3x)	7.4x	8.6x	8.7x
Freshworks Inc.	United States	4,897	3,873	720	84.3%	(15.7%)	9.1x	(34.3x)	4.9x	5.4x	9.7x
Five9, Inc.	United States	3,056	3,326	1,042	54.4%	2.3%	9.7x	141.5x	3.0x	3.2x	6.4x
<b>Median</b>					<b>76.7%</b>	<b>3.7%</b>	<b>(0.4x)</b>	<b>33.4x</b>	<b>5.5x</b>	<b>6.1x</b>	<b>7.6x</b>
<b>Median</b>									<b>5.5x</b>	<b>6.0x</b>	<b>6.4x</b>
<b>Mean</b>									<b>6.6x</b>	<b>7.2x</b>	<b>7.4x</b>

(1) Market capitalizations and total enterprise values as of December 31, 2024; income statement and balance sheet data as of last period reported

(2) Multiple of EBITDA based on EBITDA inclusive of equity income from affiliates

(3) Currency conversions assume historical rate

Source: Capital IQ



# Market Commentary

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*Software and technology company executives see signs of underlying clarity and strength in the economy, though some uncertainty persists. Still, strategic M&A remains a viable growth strategy in this market as executives look to create greater customer value.*

**November 2024:** “The main thing is that we still see uncertainty in the economy...we just finished the election, and now that's behind us. And the businesses have less to kind of be distracted by, meaning that a week ago, there were two vectors that could have gone either way for the economy. And now there's more clarity around the economy and the direction.”

**Rene Lacerte**, Founder, CEO and Chairperson at BILL Holdings, Inc.

**December 2024:** “...as things started to loosen up and we start to be able to reach agreement with more potential acquisitions, you see us get more acquisitions done right now. It feels like a pretty good environment right now for these types of things.”

**Edward Ryan**, CEO & Director at The Descartes Systems Group, Inc.

**December 2024:** “I think what we're seeing is mainly things feel stable. They've bottomed out and depending on the subsector, there are some areas of strength...on the macro side, I generally think there's a lot of volatility, and it's going to be hard to predict. The Fed looks good now, but maybe there will be different inflation expectations over the next few months.”

**Dustin Moskovitz**, Co-Founder, President, CEO & Chair at Asana, Inc.

**December 2024:** “But at the same time, there's so much opportunity out there as we think about where AI is going and just where the industry is going, we wouldn't be doing our jobs if we're not looking. Our focus always on any type of M&A is, does it drive customer value, does one plus one equal more than two, and how does it help customer value because that's the only thing that's going to drive shareholder value.”

**Gina Mastantuono**, President & CFO at ServiceNow, Inc.



# Software & Technology M&A Activity

## Add-On Acquisition

Mainsail Partners-backed Teamfront acquires Floorzap

On November 4, Teamfront, a portfolio company of Mainsail Partners and a strategic provider for field services software companies, acquired Floorzap, a supplier of business management software for the flooring and remodeling industries. Floorzap will strengthen Teamfront's commitment to providing innovative software solutions to the field services industry through capabilities including job costing, billing, and payment processing. Terms of the transaction were not disclosed.

## Strategic Acquisition

Copia Wealth Studios acquires Kinship Systems

On December 4, Copia Wealth Studios, a leading platform that aggregates and validates investment data, acquired Kinship Systems, a relationship management app for wealth managers. Kinship is a relationship intelligence platform that transforms network building by helping clients capture relevant emotional context and personal insights. The acquisition expands Copia's platform to include relationship intelligence capabilities, enabling family offices to build stronger relationships and discover new opportunities within their trusted networks. Terms of the transaction were not disclosed.

## Platform Acquisition

The Brydon Group acquires Better Impact

On December 5, The Brydon Group, an investment firm, acquired Better Impact, a global leader in volunteer management, scheduling, and engagement software. Better Group's partnership with The Brydon Group will accelerate innovation and extend their global reach as they continue to empower volunteer managers and coordinators. Terms of the transaction were not disclosed.

## Strategic Acquisition

QuestionPro acquires SpatialChat

On December 17, QuestionPro, a leader in online survey and research services, acquired SpatialChat, a provider of video streaming and immersive virtual environments for meetings and collaboration. SpatialChat creates highly interactive, user-friendly spaces that improve team interactions and drive seamless virtual communication. This acquisition strengthens QuestionPro's existing asynchronous qualitative research platform, while forming the basis of virtual focus groups, panels and other next-generation research techniques. Terms of the transaction were not disclosed.

# Software & Technology M&A Activity

## SELECT SOFTWARE & TECHNOLOGY TRANSACTIONS

\$ in Millions

Announced Date	Target	Buyer	Sector	Type	Implied EV	EV/TTM Revenue
Dec-24	Payfare Inc.	Fiserv, Inc.	Financial Technology	Strategic	80	0.5x
Dec-24	EvolutionIQ Inc.	Ccc Intelligent Solutions Inc.	Application Software	Strategic	730	
Dec-24	Bridge It, Inc.	Upbound Group, Inc.	Application Software	Strategic	400	
Dec-24	Equals Group plc	TowerBrook Capital Partners (U.K.)	Financial Technology	Strategic	313	2.2x
Dec-24	1E Ltd	TeamViewer SE	Workforce Management	Strategic	720	10.4x
Dec-24	Maxar Technologies Inc.	Vaisala Oyj	Application Software	Strategic	70	5.4x
Dec-24	Bigtincan Holdings Limited	Vector Capital Management, L.P.	Application Software	Private Equity	94	1.2x
Dec-24	RED Technologies SAS	CONX Corp.	Application Software	Strategic	29	
Dec-24	Cogito Corporation	Verint Systems Inc.	Application Software	Strategic	38	
Dec-24	Toustone Pty Ltd	COSOL Limited	BI / Data Analytics	Strategic	8	
Nov-24	ZP Better Together, LLC	Teleperformance SE	Application Software	Strategic	490	
Nov-24	OTRS AG	EasyVista SAS	Workforce Management	Private Equity	31	2.4x
Nov-24	Innovid Corp.	Mediaocean LLC	Application Software	Private Equity	504	3.3x
Nov-24	Dazz, Inc.	Wiz, Inc.	Cybersecurity	Strategic	450	
Nov-24	Datavalo, Inc.	Snowflake Inc.	BI / Data Analytics	Strategic	170	
Nov-24	Adlumin, Inc.	N-able, Inc.	Cybersecurity	Strategic	252	
Nov-24	Rise4 Inc.	PopReach Corporation	Application Software	Strategic	20	1.0x
Nov-24	Sharp Reflections GmbH	Computer Modelling Group Ltd.	Application Software	Strategic	27	2.5x
Nov-24	Intraprise Health, LLC	Health Catalyst Inc.	Cybersecurity	Strategic	42	
Nov-24	Open Grid Systems Ltd	Aspen Technology, Inc.	BI / Data Analytics	Strategic	45	
Oct-24	Voleatech GmbH	Car Communication Holding GmbH	Cybersecurity	Private Equity	5	
Oct-24	Eckoh plc	Bridgepoint Group plc	Cybersecurity	Private Equity	192	4.1x
Oct-24	Cataneo GmbH	Brand Engagement Network, Inc.	Application Software	Strategic	13	
Oct-24	Strata Health Solutions Inc.	Vitalhub Corp.	Application Software	Strategic	23	
Oct-24	Artesian Solutions, Ltd.	nCino, Inc.	Cybersecurity	Strategic	135	
Oct-24	Infusion Software, Inc.	Thryv Holdings, Inc.	Application Software	Strategic	80	0.9x
Oct-24	Platform Group Limited	FactSet Research Systems Inc.	Application Software	Strategic	125	
Oct-24	ScholarOne, Inc.	Silverchair Science + Communications, Inc.	Workforce Management	Strategic	130	
Oct-24	GetThere L.P.	Serko Limited	Application Software	Strategic	12	
Oct-24	Millennium EBS, Inc.	BlueOne Card, Inc.	Financial Technology	Strategic	20	
Oct-24	Abra Innovations, Inc.	Socure Inc.	Cybersecurity	Strategic	136	
Oct-24	Live EZ, Inc.	AppFolio, Inc.	Workforce Management	Strategic	80	
Oct-24	Visual Lease, LLC	CoStar Group, Inc.	Workforce Management	Strategic	273	
Oct-24	App4 Developments Limited	OrderYOYO A/S	Application Software	Strategic	8	
Oct-24	DZS Inc.	Axon Networks Inc.	Application Software	Strategic	30	
Oct-24	sedApta s.r.l.	Elisa IndustrIQ Oy	Supply Chain Technology	Strategic	84	1.5x
Oct-24	OffSec Services Limited	Leeds Equity Advisors LLC	Cybersecurity	Private Equity	400	6.7x
Oct-24	Software Developers LLC	The Descartes Systems Group Inc.	Supply Chain Technology	Strategic	110	
Oct-24	Cacheflow Inc.	HubSpot, Inc.	Workforce Management	Strategic	65	
Oct-24	Zappar Limited	Infinite Reality, Inc.	Application Software	Strategic	45	
Oct-24	LiveIntent Inc.	Zeta Global Holdings Corp.	Application Software	Strategic	250	3.3x
Oct-24	TraceGains, Inc.	Veralto Corporation	Application Software	Strategic	350	
Oct-24	Prevalent, Inc.	Mitratech Holdings Inc.	Cybersecurity	Private Equity	125	5.0x
Oct-24	Applied Insight, LLC	CACI International Inc	Cybersecurity	Strategic	320	
Oct-24	Lion Gaming Inc.	Adventure Box Technology AB	Application Software	Strategic	44	
<b>Median</b>					<b>\$84</b>	<b>2.5x</b>
<b>Mean</b>					<b>\$168</b>	<b>3.4x</b>

Sources: 451 Research, company websites and PMCF proprietary research



# What is a Strategic Assessment and Why is it Important?

A Strategic Assessment is a comprehensive report that examines a business holistically with specific consideration given to the financial results, operations, and organizational structure. We advise our clients consider before a planned liquidity event to ensure your company is ready for a transaction. This process includes:

Determining your company's current value

Identifying factors that enhance or erode value and related risk considerations

Developing strategies to bridge gaps in value and market position

## *7 Reasons Why a Strategic Assessment is Essential for Maximizing Business Value In Preparation of a Liquidity Event*

- 1 Prepares your company for the scrutiny of capital investors
- 2 Helps ownership and management identify the value attributes and constraints of the business
- 3 Provides ownership with an understanding of perceived value considerations in the eyes of investors
- 4 Affords your company an opportunity to address shortfalls and enhance the value in advance of a capital transaction
- 5 Helps align corporate strategy with organizational, tax, and wealth transfer planning
- 6 Helps shareholders/management understand how various business strategies can impact future value
- 7 Resolves potential deal obstacles to ensure a smooth diligence process and higher likelihood of deal success

*As an investment in your company, PMCF will complete a complimentary Strategic Assessment.*

*For additional information, please visit [pmcf.com](http://pmcf.com)*

## SIGNIFICANT INDUSTRY EXPERTISE AND RESOURCES

Founded in 1995, PMCF has spent 25+ years successfully advising clients in the middle market. From M&A advisory or capital raising to strategic assessment and transaction planning, we execute transactions to achieve life-changing outcomes for our clients. We leverage our significant deal experience, industry relationships, and a deep understanding of sectors we serve to support our clients' organic and inorganic growth initiatives.

PMCF takes a strategic approach to transaction planning, ensuring the positioning and messaging conveys the unique differentiators of your company. Our affiliation with Plante Moran provides us access to transaction tax experts to provide insight into structure planning considerations.

- Developing strategies to effectively deploy capital and resources to maximize ROI on your high-priority growth initiatives
- Aligning your process capabilities with key macro trends driving industry growth
- Evaluating KPI trends and results and understanding how they are used in daily management
- Reviewing the organizational chart and the internal plan for turnover and/or succession of key management team members
- Pursuing customer diversification at attractive, appropriate margins
- Understanding margin trends and concentrations of margin within product groups or customers
- Assessing your company's differentiation and position in the marketplace
- Leveraging our extensive global relationships to help penetrate new customers and/or markets

# About PMCF

## OUR LOCATIONS



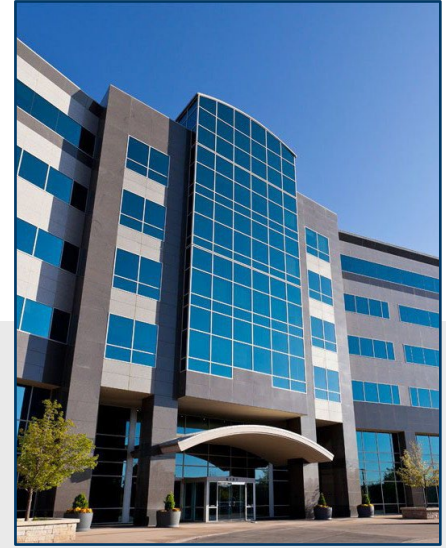
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10 S. Riverside  
9<sup>th</sup> Floor  
Chicago, IL 60606  
Phone: 312.602.3600



### DETROIT

3000 Town Center  
Suite 100  
Southfield, MI 48075  
Phone: 248.223.3300



### DENVER

8181 E. Tufts Avenue  
Suite 600  
Denver, CO 80237  
Phone: 720.370.8181

## OUR FIRM

PMCF's M&A advisory and investment banking services are designed to provide company shareholders with a trusted advisor to oversee all transaction related aspects of a company sale or strategic acquisition. Our service levels, industry expertise in software and technology, and approach to managing transactions goes well beyond a typical investment banker.

- Differentiated approach via senior banker leadership and direct involvement through every step of the transaction providing a consistent and highly experienced point of contact
- One of the largest, most active investment banking boutiques with a focus on specialty niche businesses
- Proven positioning and marketing processes to obtain premium valuations in company sales
- Tailored sale process provides for extensive upfront preparation, detailed company review and identification of any potential issues in advance, and buyer evaluation/diligence ensuring the right fit
- Unique sale planning approach that helps shareholders best prepare for a future sale whether its six months or several years
- Long-term and client first approach allows PMCF to provide unbiased feedback

**PMCF** | INVESTMENT BANKING



*Two-time winner, Boutique Investment Banking Firm of the Year by M&A Advisor*

*Awarded, Cross Border Corporate and Strategic Acquisition of the Year by M&A Advisor*

*Awarded, Cross Border M&A Deal of the Year by M&A Advisor*

*Awarded, Deal of the Year by ACG Detroit*



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