

# FOUNDERS ADVISORS

## Enterprise Support Software

Vertical Coverage Report  
Q2 2023

# Enterprise Support Software | Sector Coverage

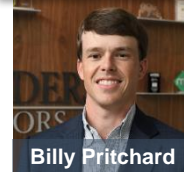
## MANAGING PARTNER



Zane Tarence

Zane Tarence, Group Head of Founders Advisors' Technology practice, is an experienced investment banker, entrepreneur and recognized expert on the growth and monetization of software, digital media and internet technology companies. Over the past 20 years, Zane has led and completed more than 90 technology deals including several in the enterprise software sector.

## DIRECTOR



Billy Pritchard

A Director on the Technology team, Billy serves as deal point person and leads the full transaction process. Billy has executed over 30 transactions in his M&A career, and currently covers the Enterprise Support Software sector.

J.D. / M.B.A. from the University of Alabama School of Law and Manderson Graduate School of Business.

## Enterprise Support Software Sub-Verticals

### Supply Chain Software

ERP, Procurement, EDI & Trading Connections, Inventory Management, Warehouse Management, Logistics & Freight Tech

### Financial Planning & Analysis Software

Budgeting, Forecasting, General Accounting Systems, Sales Planning, Revenue Cycle Management, AP & AR Management

### Workflow & Process Automation Software

Process Automation, Workflow Management & BPO Software, Enterprise Operating Systems, Payments and Subscription Management, E-Commerce Fulfillment

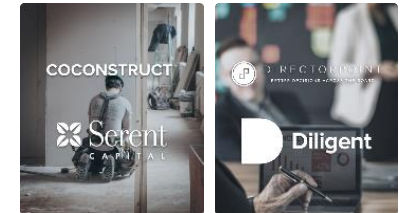
### Enterprise Software Consulting Services

ERP Implementors, ERP and Operating System Consultants, Value-Added Software Resellers, Cloud-Based Solutions, Workflow Optimization, Augmented Design Services

## Key Acquirors / Buyer Relationships



## Founders Experience



# Q2 Key Highlights

## Summary Thoughts

The first half of 2023 continues to be a challenging market for Technology M&A, particularly from a new platform standpoint. The decline in public markets and the rise in interest rates has led to a valuation gap between buyers & sellers.

The “Year of the Add-On” continues to take shape, as private capital continues to be deployed by strategic and private equity backed hybrid buyers, looking to smaller add-on acquisitions as way to use dry powder and accelerate growth in this market.

Certain vertical indexes have proven more resilient than others, notably our Supply Chain Software index. The Median EV / Revenue multiple in that vertical has pushed to an all time high in Q2 2023 while other indexes continue to reset from post-COVID spikes.

Private Equity Dry Powder remains high, and investors are looking for ways to continue to deploy capital despite the valuation gap described above. In addition to an increase in capital deployment through add-on activity, we are also seeing a broadening of focus from software into tech-enabled service industries.

## Recent Transaction Announcement



Founders is pleased to announce that Evergreen Services Group (“Evergreen”) has acquired Western Computer, a leading Microsoft Gold Cloud partner and reseller of Microsoft Dynamics 365, CRM, and ERP systems. Western Computer follows Evergreen’s acquisition of 70 software and services companies since 2017.

[View Press Release](#)

## Recent Founders’ Insights

[What to Expect When Transacting – Managing the Emotions of a Process](#)



[“Strategic Combinations”: A Hybrid Deal Structure](#)



[A Net Working Capital Crash Course for Sellers](#)



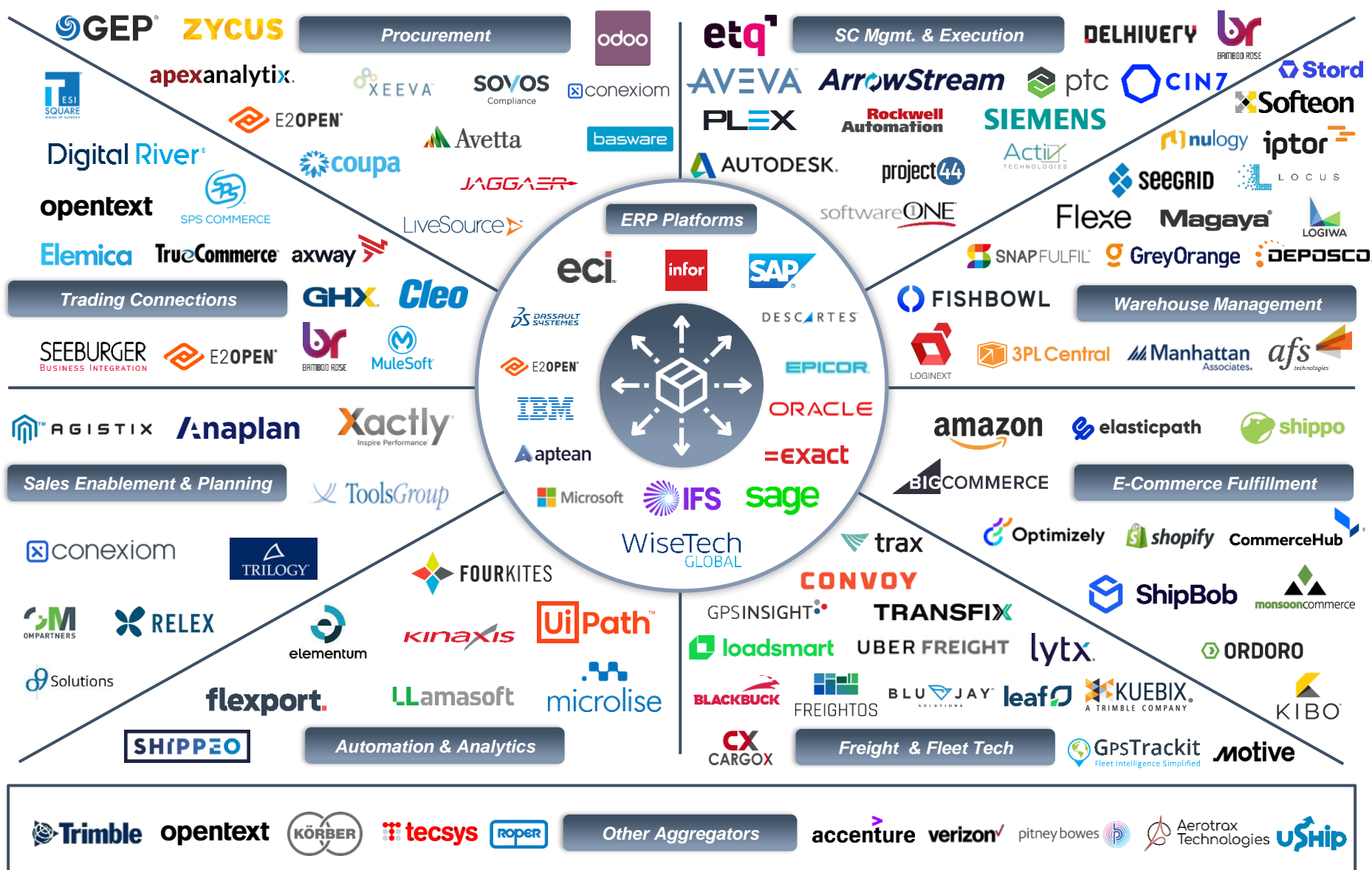
[Classes of Equity & Impacts to Future M&A Proceeds](#)



# Deep Dive: Supply Chain Software

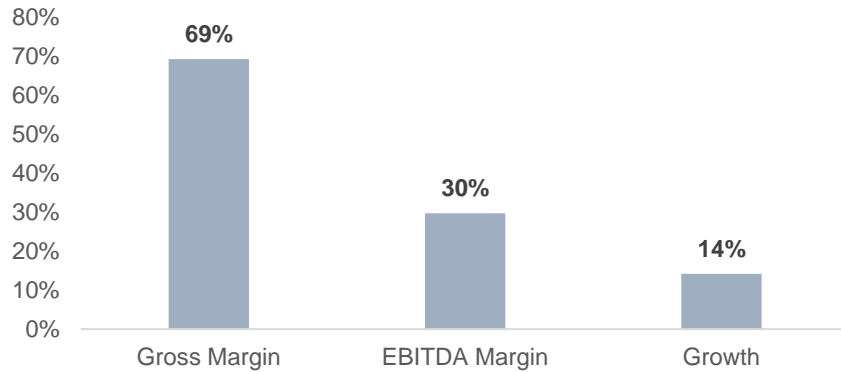


# Digital Supply Chain Landscape

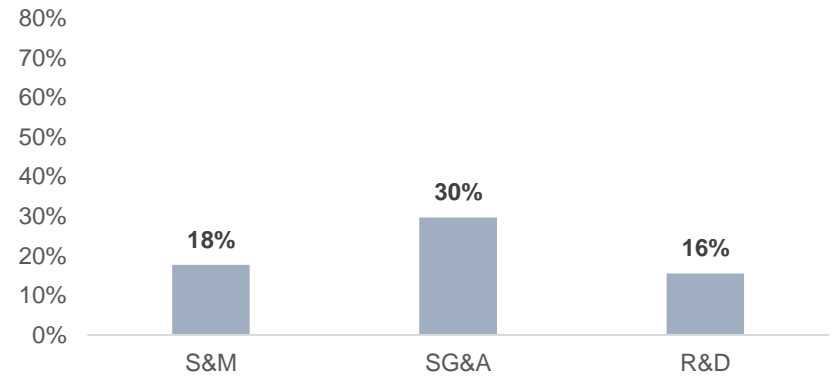


# Supply Chain Software Index

## Growth & Margins (Median)



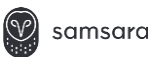
## Operating Metrics (Median)



## EV/Revenue (Mean)



## Select Industry Participants



# Notable Private Equity Investors



## Portfolio Companies



### Add-ons



### Add-ons



## Portfolio Companies



## Portfolio Companies



### Add-ons



## Portfolio Companies



### Add-ons



### Add-ons



## Portfolio Companies



## Portfolio Companies



### Add-ons



# Trading Multiples

Public Comparables –Supply Chain Software (\$ in Millions) (as of July 2023)

Name	Enterprise Value	LTM Financials					Enterprise Value Multiples	
		Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
American Software	247	124	19	-3%	60%	15%	2.0x	13.0x
Axway	616	330	N/A	10%	42%	N/A	1.9x	N/A
Descartes Systems Group	6,707	506	213	14%	77%	42%	13.2x	31.5x
E2open	2,723	652	206	25%	50%	32%	4.2x	12.9x
International Business Machines	167,098	60,584	15,344	4%	54%	25%	2.8x	10.9x
Kinaxis	3,815	370	66	27%	61%	18%	10.3x	57.6x
Manhattan Associates	12,724	809	238	18%	53%	29%	15.7x	53.4x
Microsoft	2,596,296	207,591	99,549	8%	68%	48%	12.5x	26.1x
OpenText	19,448	3,897	1,764	12%	70%	45%	5.0x	11.0x
Oracle	402,932	49,954	22,682	18%	73%	45%	8.1x	17.8x
Samsara	14,501	700	(58)	48%	72%	-8%	20.3x	N/A
SAP	174,047	32,501	10,353	10%	71%	32%	5.4x	16.9x
ServiceNow	120,230	7,619	2,333	22%	78%	31%	15.8x	51.5x
SoftwareONE	2,902	1,052	315	10%	93%	30%	2.8x	9.2x
SPS Commerce	6,823	472	140	18%	66%	30%	14.5x	48.6x
Tecsys	279	114	8	11%	44%	7%	2.4x	33.0x
The Sage Group	13,298	2,528	610	14%	93%	24%	5.3x	24.1x
Trimble	14,445	3,598	943	-4%	59%	26%	4.0x	15.3x
WiseTech Global	18,226	505	277	33%	85%	55%	36.1x	65.8x
Workday	57,394	6,465	1,632	20%	73%	25%	8.9x	35.2x















## Statistics

Min	247	114	(58)	-4%	42%	-8%	1.9x	9.2x
Median	13,871	930	315	14%	69%	30%	6.7x	25.1x
<b>Mean</b>	<b>181,738</b>	<b>19,019</b>	<b>8,244</b>	<b>16%</b>	<b>67%</b>	<b>29%</b>	<b>9.5x</b>	<b>29.7x</b>
Max	2,596,296	207,591	99,549	48%	93%	55%	36.1x	65.8x



# M&A Activity | Notable Recent Transactions

## Supply Chain Software Transactions (\$ in Millions)

Date	Target	Acquirer	Deal Size	Commentary
23-May-23	 VeraCore	 advantive	N/A	Veracore, a leading SaaS order and warehouse management provider for top fulfillment companies and third party logistics providers, was acquired by Advantive, via its financial sponsors TA Associates Management and ST6 Partners, through an LBO for an undisclosed amount.
04-May-23	 dokify	 nalanda	N/A	Dokify, a provider of supplier risk and compliance management software solutions for non-construction sectors, was acquired by Nalanda Global, via its financial sponsors Providence Equity Partners and Acciona, through LBO for an undisclosed amount.
04-May-23	 Deliverr	 flexport.	N/A	Deliverr, a tech-enabled shipping services provider acquired by Shopify in 2022 for \$2.1 billion, was acquired by Flexport, a leading tech-driven logistics platform, for an undisclosed amount.
17-Apr-23	 BLUENODE	 everstream ANALYTICS	N/A	BlueNode, a supply chain analytics platform, was acquired by Everstream Analytics, a global supply chain insights and risk analytics software company, for an undisclosed amount.
01-Apr-23	 3TENETS OPTIMIZATION	 GAINS	N/A	3 Tenets Optimization, a supply chain network and vehicle route optimization platform, was acquired by GAINS, a provider of supply chain design and planning execution solutions for inventory-intensive businesses, via its financial sponsor Francisco Partners, through LBO for an undisclosed amount.
16-Feb-23	 BLUME global.	 wisetech global	\$414.0	Blume Global, a provider of a leading solution facilitating intermodal rail, was acquired by WiseTech Global (ASX:WTC), a developer of the leading logistics execution software CargoWise, for \$414 million.
24-Jan-23	 ENVASE	 wisetech global	\$230.0	Envase, a leading provider of transport management system software for intermodal trucking, drayage and landside logistics, was acquired by WiseTech Global (ASX:WTC), a developer of the leading logistics execution software CargoWise, for \$230 million.

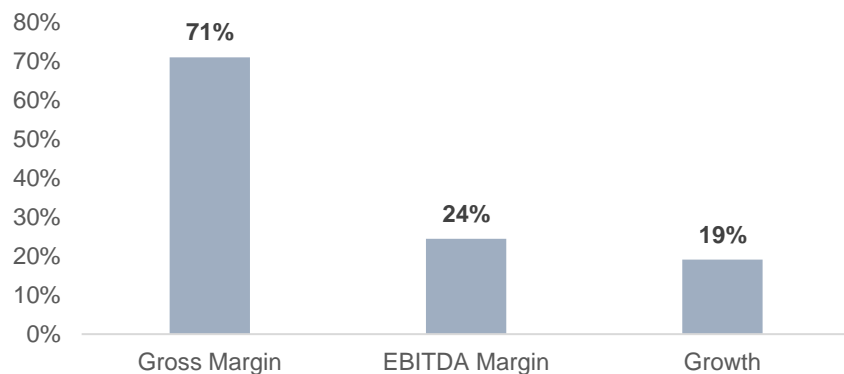
# Deep Dive: FP&A Software

# Back Office Finance Software Landscape

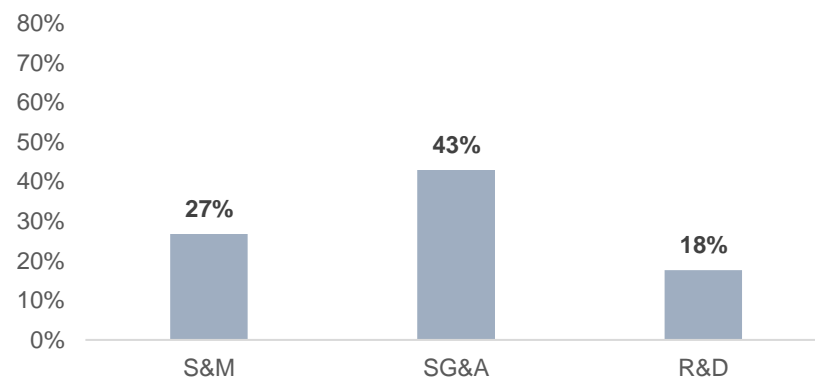
	Public or Public Subsidiary	Private Equity or VC Backed	Private – No Backing
Payments	PayPal            BLOCK Evercommerce            Paysafe: adyen            MARQETA	stripe            Chargebee            DWOLLA NomuPay            PAYSIMPLE            Recurly MAXIO            CHARGEOVER	MAXPAY <small>INTELLIGENT BILLING</small> paykickstart PayPro sublime corefy paycove
Accounting and ERP	SAP            NETSUITE            Microsoft sage            qb            xero            wave	infor            Acumatica Tally <small>POWER OF SIMPLICITY</small> FRESHBOOKS <small>cloud accounting</small> hb HostBooks® <small>The language of business</small> UNIT4	SYSPRO <small>Simplifying your Success</small> CheckMark a2X            Agilyx BLUE LINK
AR / AP and Expense Management	bill.com            zuora Vindi            Divvy            C Expensify            avidxchange™	NEXUS            emburse            spendesk proactis            ramp            tipalti coupa            abacus            ivalua	DataServ <small>Documents Into Decisions</small> Expense OnDemand Expense Anywhere® <small>Expense Software</small> Expensing <small>Sourcing, Procurement, Accounts Payable</small>
Payroll and Benefits	ADP            TriNet            PAYCHEX            zenefits™ paylocity            paycom®	Justworks            gusto AVANTI            RIIPLING Criterion            bambooHR®	Proliant            Frontier software HR Cloud            JobDiva bright <sup>hr</sup>
FP&A and Budgeting	BLACKLINE            FUTRLI <small>by Sage</small> workday            workiva	Anaplan            Prophix            OneStream® centage            Phocas            Jirav planful            DataRails            profitbase            jedox. Mena            board            insightsoftware	limelight            SYNOPTIX solver            A3 SOLUTIONS fluxo MODLR            MODELOPTIC

# FP&A Software Index

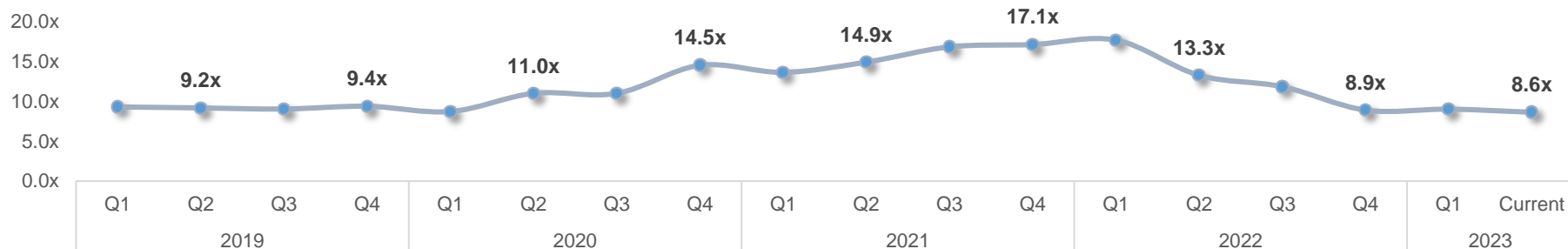
## Growth & Margins (Median)



## Operating Metrics (Median)



## EV/Revenue (Mean)



## Select Industry Participants



# Notable Strategic Acquisitions

Payments	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 
Accounting and ERP	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 
AR / AP and Expense Management	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 
Payroll and Benefits	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 
FP&A and Budgeting	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 	 <u>Acquired By</u> 



# Private Equity Activity and Platforms



Relevant Investments



Relevant Investments



Relevant Investments



Relevant Investments



Relevant Investments



Relevant Investments



# Trading Multiples











Public Comparables – Financial Planning & Analysis Software (\$ in Millions) (as of July 2023)

Name	Enterprise Value	LTM Financials					Enterprise Value Multiples	
		Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
Automatic Data Processing	99,539	16,958	4,148	8%	42%	24%	5.9x	24.0x
AvidXchange	2,136	332	(5)	26%	64%	-1%	6.4x	N/A
Bill.com	13,381	963	76	85%	81%	8%	13.9x	NCM
BlackLine	3,845	542	86	21%	75%	16%	7.1x	44.9x
Docebo	1,042	152	5	33%	81%	3%	6.8x	NCM
Expensify	599	169	40	10%	62%	24%	3.5x	14.8x
Intuit	143,115	14,070	5,483	9%	78%	39%	10.2x	26.1x
Kinaxis	3,815	370	66	27%	61%	18%	10.3x	57.6x
Microsoft	2,596,296	207,591	99,549	8%	68%	48%	12.5x	26.1x
Oracle	402,932	49,954	22,682	18%	73%	45%	8.1x	17.8x
Paychex	43,729	4,907	2,230	8%	71%	45%	8.7x	19.6x
Paycom Software	20,674	1,473	630	30%	84%	43%	14.0x	32.8x
Paycor	4,566	500	119	23%	66%	24%	8.7x	38.5x
Paylocity	12,394	1,095	333	38%	68%	30%	11.3x	37.2x
SAP	174,047	32,501	10,353	10%	71%	32%	5.4x	16.9x
The Sage Group	13,298	2,528	610	14%	93%	24%	5.3x	24.1x
Wolters Kluwer	33,414	5,733	1,792	14%	71%	31%	5.8x	18.7x
Workday	57,394	6,465	1,632	20%	73%	25%	8.9x	35.2x
Workiva	5,460	558	(13)	19%	75%	-2%	9.8x	N/A
Xero	13,196	825	252	26%	N/A	31%	15.1x	55.5x
Zuora	1,370	406	32	13%	62%	8%	3.4x	42.6x

## Statistics

Min	599	152	(13)	8%	42%	-2%	3.4x	14.8x
Median	13,298	1,095	333	19%	71%	24%	8.7x	26.1x
<b>Mean</b>	<b>173,631</b>	<b>16,576</b>	<b>7,148</b>	<b>22%</b>	<b>71%</b>	<b>25%</b>	<b>8.6x</b>	<b>31.3x</b>
Max	2,596,296	207,591	99,549	85%	93%	48%	15.1x	57.6x

# M&A Activity | Notable Recent Transactions

FP&A Software Transactions (\$ in Millions)				
Date	Target	Acquirer	Deal Size	Commentary
26-Jun-23*	 <b>APPTIO</b>		\$4,600.0	Apptio, a leader in financial and operational IT management and optimization software, reached a definitive agreement to be acquired by International Business Machines (NYS: IBM) for \$4.6 billion on June 26, 2023.
06-Jun-23	 <b>immedis</b>		N/A	Immedis, a leading global payroll technology and services provider was acquired by Ultimate Kronos Group, via its financial sponsors Ares Capital Corporation BDC, Blackstone, Hellman & Friedman, JMI Equity, GIC and Lead Edge Capital, through an LBO for an undisclosed amount.
30-Jan-23	<b>power.</b>	 <b>MARQETA</b>	\$275.0	Power Finance Inc. ("Power"), a credit card program management platform, was acquired by Marqeta (NAS: MQ), a card issuing and payment processing platform, for \$275 million.
09-Jan-23	 <b>paya</b>	<b>nuvei</b>	\$1,131.2	Paya, a leading provider of integrated payment and commerce solutions, was acquired by Nuvei (TSE: NVEI), a Canadian fintech company, for \$1.3 billion.
09-Jun-23*	<b>Network</b>  International Payment Solutions	<b>Brookfield</b>	\$2,495.9	Network International, a payments provider, entered into a definitive agreement to be acquired by Brookfield Asset Management through an estimated GBP 2.2 billion public-to-private LBO.
04-Apr-23	 <b>lumatax</b>	 <b>taxually</b>	N/A	LumaTax, a sales and use tax automation company supporting enterprises and accounting practices, was acquired by Taxually, via its financial sponsor Ardian, through an LBO for an undisclosed amount.
27-Feb-23*	 <b>PAYCOMET</b>	<b>nexi</b>	\$375.6	Paycomet, an enterprise payments platform, reached a definitive agreement to be acquired by Nexi (MIL: NEXI) for EUR 280 million.

# Deep Dive: Workflow & Process Automation Software

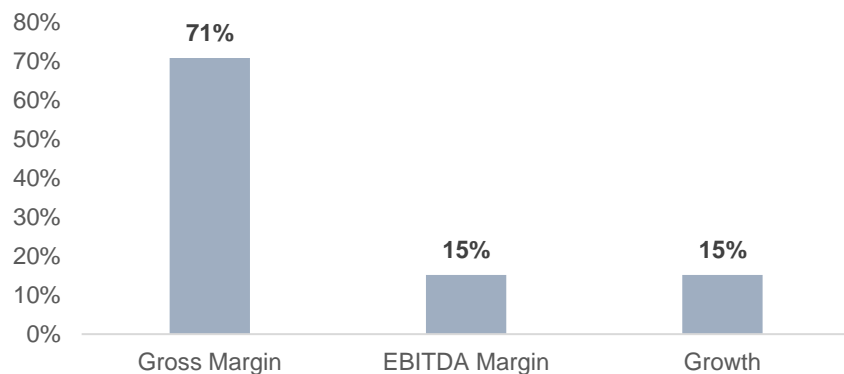
# Workflow & Process Automation Software Landscape

	Public or Public Subsidiary	Private Equity or VC Backed	Private – No Backing
Workflow Management & BPO Software	Adobe                      asana                      Confluence Jira Software                      monday.com                      Progress servicenow                      smartsheet	airSlate                      Airtable Basecamp                      ClickUp                      Creatio miro                      ninox nintex                      planview                      ProcessMaker quickbase                      Retool	agilepoint                      aura quantic Bitrix24                      kintone                      optmyze
Process Automation	appian                      axway magic                      PEGA                      UiPath	ActiveBatch                      AUTOMATION ANYWHERE                      bizagi CAMUNDA                      celonis                      kissflow nintex                      pipefy                      ProcessMaker TRACKVIA                      workato	Laserfiche                      quixy                      codeless PLATFORMS WEBCON                      XMPRO                      BIZFLOW agilepoint                      Autonom8                      CLARIFIRE
Payments & Subscription Management	BLOCK                      MARQETA PayPal                      Paysafe                      ZUORA	billwerk                      BLU LOGIX chargebee                      fusebill                      MAXIO paddle                      Pelcro                      ProfitWell recharge                      Recurly                      stripe	advantage                      INVOICERA onebill                      paykickstart                      Rebillia PLATFORM Rebilly                      Subbly
Enterprise Operating Systems	DESCARTES                      DOMO                      e2open IBM                      Microsoft                      ORACLE Sage                      salesforce                      SAP servicenow                      one                      wisetech global	Aptean                      eox.vantage                      EPICOR exact                      ECI                      IFS infor                      mosaic                      ZOMO	AFAS software                      FOCUS Genius ERP                      Infosys                      PRONTO SOFTWARE Synergix Technologies                      Tally
E-Commerce Fulfillment	amazon                      eCOMMERCE                      Brightpearl DELIVERY                      demandware HubLogix                      Magento                      olo shopify                      VTEX	Deliverr                      DEPOS.CO                      easyship                      SRPLY KIBO                      LOGSTA                      ORDORO                      Packlink Selazar                      sendle                      ShipBob                      ShipCalm shiphero                      shipmonk                      shippo                      Shipwire	acTIVATE                      BizAutomation dlivrd                      JOLT fulfillment system OWD                      Simpli

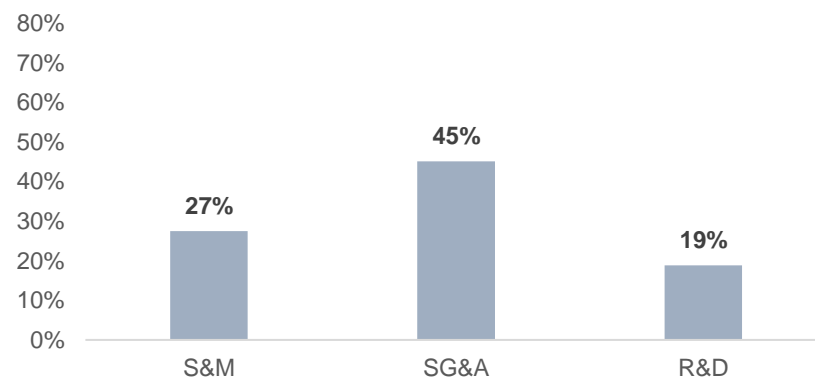


# Workflow & Process Automation Index

## Growth & Margins (Median)



## Operating Metrics (Median)



## EV/Revenue (Mean)



## Select Industry Participants



# Active Private Equity and Capital-Backed Rollups



Portfolio Companies



Add-ons



Portfolio Companies



Add-ons



Portfolio Companies



Add-ons



Acquisitions



Acquisitions



Acquisitions



# Trading Multiples

Public Comparables – Workflow & Process Automation Software (\$ in Millions) (as of July 2023)















Name	Enterprise Value	LTM Financials					Enterprise Value Multiples	
		Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
Adobe	234,633	18,429	7,137	10%	88%	39%	12.7x	32.9x
Appian	3,562	489	(89)	24%	72%	-18%	7.3x	N/A
Axway	619	330	N/A	10%	42%	N/A	1.9x	N/A
BigCommerce	817	285	(40)	19%	75%	-14%	2.9x	N/A
Block	41,840	18,561	1,196	12%	35%	6%	2.3x	35.0x
DocuSign	10,127	2,589	656	16%	79%	25%	3.9x	15.4x
Domo	647	314	(14)	15%	76%	-4%	2.1x	N/A
Dropbox	10,463	2,374	863	7%	81%	36%	4.4x	12.1x
EverCommerce	2,606	618	95	22%	65%	15%	4.1x	27.4x
Flywire	3,334	319	(19)	45%	63%	-6%	10.4x	N/A
Magic Software Enterprises	660	571	87	11%	27%	15%	1.2x	7.5x
Marqeta	1,407	799	(177)	39%	42%	-22%	1.8x	N/A
PayPal Holdings	81,270	28,075	6,996	9%	49%	25%	2.9x	11.6x
Paysafe	3,135	1,516	326	3%	59%	22%	2.1x	9.6x
Pegasystems	4,846	1,267	57	-1%	70%	4%	3.8x	NCM
Progress Software	3,208	651	267	12%	84%	41%	4.9x	12.0x
Salesforce	221,226	32,188	10,248	15%	74%	32%	6.9x	21.6x
ServiceNow	115,905	7,619	2,333	22%	78%	31%	15.2x	49.7x
Shopify	80,397	5,904	(19)	22%	48%	0%	13.6x	N/A
Smartsheet	5,177	818	26	36%	79%	3%	6.3x	NCM

## Statistics

Min	619	285	(177)	-1%	27%	-22%	1.2x	7.5x
Median	4,204	1,043	95	15%	71%	15%	4.0x	15.4x
<b>Mean</b>	<b>41,294</b>	<b>6,186</b>	<b>1,575</b>	<b>17%</b>	<b>64%</b>	<b>12%</b>	<b>5.5x</b>	<b>21.4x</b>
Max	234,633	32,188	10,248	45%	88%	41%	15.2x	49.7x

# M&A Activity | Notable Recent Transactions

## Workflow & Process Automation Software Transactions (\$ in Millions)

Date	Target	Acquirer	Deal Size	Commentary
26-Jun-23*	 casetext	 THOMSON REUTERS	\$650.0	Casetext, an AI-powered automation software solution for legal professionals, has entered into a definitive agreement to be acquired by Thomson Reuters (TSE: TRI), a subsidiary of The Woodbridge Group, for \$650 million on July 8, 2023.
08-May-23		 servicenow	N/A	G2K, an AI-powered software solution connecting real-time data across storefronts for retailers, was acquired by ServiceNow (NYS: NOW) for an undisclosed amount.
17-Apr-23	 piplanning.io	 SCALED AGILE	N/A	Piplanning, a SaaS solution designed to enable and improve the PI experience for organizations, was acquired by Scaled Agile, via its financial sponsors Eurazeo and Leeds Equity Partners, through an LBO for an undisclosed amount.
11-Apr-23		 DaySmart	N/A	RecPro, a recreation management software provider, was acquired by DaySmart Software, via its financial sponsors Parthenon Capital Partners, LLR Partners and Sixth Street Specialty Lending BDC, through an LBO for an undisclosed amount.
31-Mar-23	 Trakstar	 MITR/ATECH	N/A	Trakstar, a best-in-class talent acquisition, development, and performance management solution, was acquired by Mitrata Tech, via its financial sponsors Albion Capital, Noble Rock Advisors, HgCapital Trust, Ontario Teachers' Pension Plan and Hg, through an LBO for an undisclosed amount.
09-Feb-23*	 DRINK-IT From Aptean	 aptean	N/A	Drink-IT, a provider of enterprise resource planning software designed to meet the needs of beverage companies, entered into a definitive agreement to be acquired by Aptean, via its financial sponsors TA Associates Management and Charlesbank Capital Partners for an undisclosed amount.
03-Jan-23	 MarkLogic	 Progress	\$355.0	MarkLogic, a leader in complex data and semantic metadata management, was acquired by Progress Software (NAS: PRGS), a provider of application development and infrastructure software for \$355 million.

# Deep Dive: Enterprise Software Consulting Services



FOUNDERS  
ADVISORS

Cloud Services Ecosystem Partners

Logos displayed include:

- 3Cloud
- AHEAD
- apps associates
- AvenueCode
- brillio
- cspire
- CBeyondData
- CONVERGE
- CloudAce
- CloudHesivo
- Cloudreach
- CONTINO
- ConsumeOne
- Deloitte
- devoteam
- do it
- Effectual
- ensono
- EVOLVE IP
- EY
- Fivetran
- FLEXENTIAL
- GENERAL DYNAMICS
- genpact
- HCLTech
- HURON
- ICF
- Infosys
- KPMG
- kyndryl
- LUMEN
- MEGAZONE CLOUD
- mission
- Netreo
- newfold digital
- Nordcloud
- NorthBay
- NUVODIA
- open systems
- opti9
- pwc
- quantiphi
- revolv
- SADA
- search
- slalom
- Softchoice
- tcs
- Tech Mahindra
- tierpoint
- UNISYS
- WIPFLI
- Xertica
- aws
- IBM Cloud
- Microsoft Azure
- vmware

The image displays a collection of 40 cybersecurity company logos, arranged in a grid. A central 2x2 grid of logos is highlighted with a dashed orange border. The highlighted logos are Forcepoint, Fortinet, Okta, SentinelOne, KnowBe4, Signal Sciences, and Zscaler. The other logos are arranged in a grid around this central group.

**Highlighted Logos (Central 2x2 Grid):**

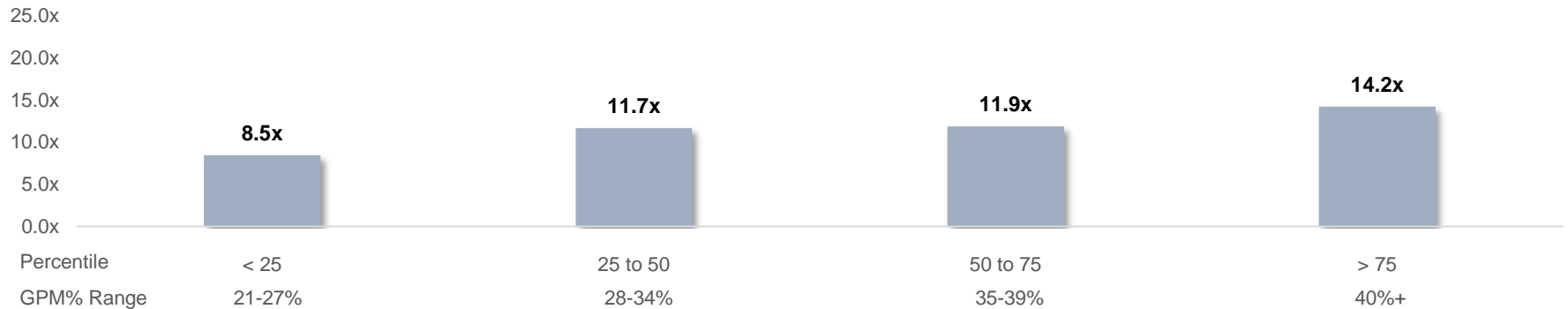
- Forcepoint
- Fortinet
- Okta
- SentinelOne
- KnowBe4
- Signal Sciences
- Zscaler

**Other Logos (Surrounding Grid):**

- AHEAD
- ANOMALI
- Areté
- AXELLANT
- BeyondID
- BlueVoyant
- CANCOM
- carahsoft
- CIPHERTECHS
- COALFIRE
- CONSORTIUM NETWORKS
- corelligent
- CyberCX
- CyberMaxx
- CYBERSAFE
- DATAPRISE
- DIGITAKEN
- FORESCOUT
- GENERAL DYNAMICS
- GreenPages Technology Solutions
- GROWDSTRIKE
- Cynet
- CYBERARK
- GreyCastle
- GUIDEPOINT SECURITY
- HEARTLAND BUSINESS SYSTEMS
- IC CONSULT
- IDMWORKS
- ICS
- KeyData
- LOCKSTEP TECHNOLOGY GROUP
- MajorKey
- MANDIANT
- marco
- merlin
- New Charter
- OPTIV
- Port3 Make IT Simple
- PRESIDIO
- RKON
- SHI
- simeio
- SIRIUS
- SUREFIRE
- TETRA DEFENSE
- ThreatConnect
- TRACE3
- V3GATE
- V3GATE
- World Wide Technology
- XALIENT

# Enterprise Software Consulting Index

## Gross Margin Percentile vs. EV/LTM EBITDA



## EV/EBITDA (Mean)



## Select Industry Participants



# Notable Private Equity Investors – Services

## TRINITY HUNT PARTNERS

### Portfolio Companies



### Add-ons



## SVERICA

### Portfolio Companies



### Add-ons



## CENTURY PARK CAPITAL PARTNERS

### Portfolio Companies



### Add-ons



## HARREN EQUITY PARTNERS

### Portfolio Companies



### Add-ons



## RLH Equity Partners

### Portfolio Companies



## PAMLICO CAPITAL

### Portfolio Companies



### Add-ons



# Trading Multiples

Public Comparables – Enterprise Software Consulting Services (\$ in Millions) (as of July 2023)



















Name	Enterprise Value	LTM Financials					Enterprise Value Multiples	
		Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
Accenture	193,860	63,550	10,648	7%	32%	17%	3.1x	18.2x
Atos	4,489	11,924	1,146	5%	30%	10%	0.4x	3.9x
Capgemini	37,579	23,126	3,618	21%	27%	16%	1.6x	10.4x
CGI Group	25,947	10,326	2,060	10%	21%	20%	2.5x	12.6x
Cognizant Technology Solutions	32,931	19,414	3,514	3%	36%	18%	1.7x	9.4x
Converge Technology Solutions	772	1,732	114	51%	27%	7%	0.4x	6.8x
DXC Technology	9,711	14,430	2,492	-11%	22%	17%	0.7x	3.9x
FTI Consulting	6,964	3,112	345	11%	32%	11%	2.2x	20.2x
HCL Technologies	34,873	12,823	3,013	17%	46%	23%	2.7x	11.6x
Infosys	65,818	18,386	N/A	8%	31%	N/A	3.6x	14.8x
Mphasis	5,187	1,673	320	8%	43%	19%	3.1x	16.2x
Perficient	3,673	912	211	12%	39%	23%	4.0x	17.4x
SoftwareONE	3,000	1,052	315	10%	NCM	30%	2.9x	9.5x
Tata Consultancy Services	145,433	28,460	7,510	17%	46%	26%	5.1x	19.4x
Wipro	22,510	11,256	N/A	11%	29%	N/A	2.0x	10.0x

## Statistics

Min	772	912	114	-11%	21%	7%	0.4x	3.9x
Median	22,510	11,924	2,060	10%	31%	18%	2.5x	11.6x
<b>Mean</b>	<b>39,516</b>	<b>14,812</b>	<b>2,716</b>	<b>12%</b>	<b>33%</b>	<b>18%</b>	<b>2.4x</b>	<b>12.3x</b>
Max	193,860	63,550	10,648	51%	46%	30%	5.1x	20.2x

# M&A Activity | Notable Recent Transactions

## Enterprise Software Consulting Services Transactions (\$ in Millions)

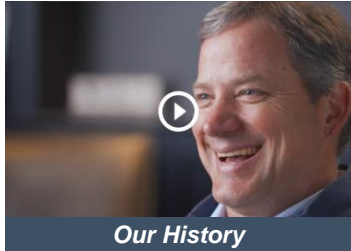
Date	Target	Acquirer	Deal Size	Commentary
12-Jul-23			N/A	Western Computer, a leading Microsoft Gold Cloud partner and reseller of Microsoft Dynamics 365, CRM, and ERP systems, was acquired by Evergreen Services Group, via its financial sponsor Alpine Investors, through an LBO for an undisclosed amount.
23-Jun-23*			N/A	BTC Corporation, a Japanese leading cloud and digital services provider, reached a definitive agreement to be acquired by Capgemini (PAR: CAP) for an undisclosed amount.
14-Jun-23*			N/A	Agyla Cloud, a leading cloud professional services firm in France, reached a definitive agreement to be acquired by International Business Machines (NYS: IBM) for an undisclosed amount.
05-Jun-23			N/A	Enquizit, an experienced provider of AWS cloud services that solve customer challenges and deliver meaningful outcomes through innovative technical solutions, was acquired by CDW (NAS: CDW) for an undisclosed amount.
01-Jun-23			N/A	Nextira, an AWS Premier Partner that uses AWS to deliver cloud-native innovation, predictive analytics and immersive experiences to clients, was acquired by Accenture (NYS: ACN) for an undisclosed amount.
12-May-23			N/A	Whyaye, a UK-based consulting services provider for the ServiceNow platform, was acquired by EY for an undisclosed amount.
06-May-23			N/A	Pentalog, a renowned digital transformation company that creates high-quality technology solutions and products for digitally native organizations, was acquired by Globant (NYS: GLOB) for an undisclosed amount.
02-May-23			N/A	CloudStratex, an advisory services company that helps clients build smarter, more agile, and efficient cloud infrastructure to accelerate digital transformation, was acquired by Brillio Technologies, via its financial sponsors Bain Capital and Ergo Partners, through an LBO for an undisclosed amount.
24-Apr-23			\$181.8	K-Businesscom, a consulting and digital integration services provider, was acquired by Cancom (ETR: COK) for EUR 165 million.



# Founders Advisors Overview

## FIRM OVERVIEW

Founders is a mergers, acquisitions, and strategic advisory services firm that has served middle-market companies since 2003. With a nationwide footprint, we pride ourselves in employing a values based and highly personalized relational approach through our five industry-focused advisory teams. Today, Founders employs over 45 professionals and has offices in Birmingham, AL (headquarters) and Dallas, TX.



Our History



Our Culture



The Future of Our Firm

## OUR WHEELHOUSE

The majority of our clients are founder-owned and operated companies across five industry groups that collaborate together. We listen to our clients and take the time to truly understand each client's unique situation and desired outcomes. Founders has been a trusted advisor to hundreds of middle market business owners, supporting their growth through tailored financing structures and ownership transition transactions

## CAPABILITIES & FIRM HIGHLIGHTS



Sell-Side  
Advisory



Strategic  
Advisory



Capital  
Raises



Targeted  
Buyside



Spin-Offs /  
Divestitures

**\$55B+**

Founders Managing  
Directors' Transacted  
Enterprise Value\*

**100+**

Founders' Completed  
Engagements  
Since 2013

**21%**

Average Increase in  
Initial Bid to Closing

## Industries Covered

Business Services

Technology

Consumer

Healthcare

Industrials

## PURPOSE

Be Servant Leaders who  
value relationships and  
results

## FIRM VALUES

### ORDER

Maintain focus on doing the right things at the  
right time

### SERVICE

Go the extra mile for our clients, co-workers, &  
community

### GROWTH

Reflect, evaluate, and plan for improvement

### EXCELLENCE

All we do, we do well

### HEALTH

Be and stay healthy, personally, and as a team

### COMMUNITY

Be team-focused; we're better together

# FOUNDERS

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