



Residential & Facility Services Technology

Market Update | January 2025

Residential & Facility Services Technology | Sector Team

Founders Advisors is pleased to share our **Residential & Facility Services Technology quarterly report**. Founders has served the field services ecosystem for years. Our Software and Tech-enabled Services team has deep experience across many vertical and horizontal markets; our Consumer and Industrial Services teams have built tremendous expertise advising founder-owned services companies within the sector.

We realized that (1) there is **underserved demand** for Residential & Facility Services Technology transaction advisory services among our core market of founder-led businesses, and (2) Founders has an opportunity to **deliver something unique**. Here we sit with one of the largest, most successful Vertical Software and Tech-Enabled Services practices and as credible a Field Services team as can be found in the lower middle market.

Restated, we intimately understand the vertical software and tech-enabled services markets, the buyer and investor landscape, the pain points and technology value proposition for field service providers, and the market dynamics within the broader residential and facility services ecosystem. We're nimble enough to put it together to the benefit of our clients, so we have.

Going forward, you'll hear from us more frequently with value-added content, closing announcements and the like. We're also here as a resource for you – don't hesitate to reach out if you can benefit from our counsel.

Until Next Quarter – The Founders Advisors Team



Zane Tarence
Partner



Brad Johnson
Managing Director



Neal England
Managing Director



Chris Weingartner
Managing Director



John Sullivan
Managing Director



Madison Davis
Director

Our Recent Field Services Transactions | Technology and Service Providers

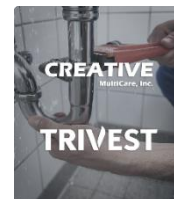
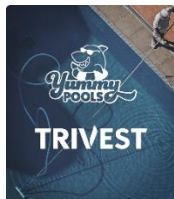


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Summary Data

Market Commentary | Vertical Software

What We're Seeing from Buyers

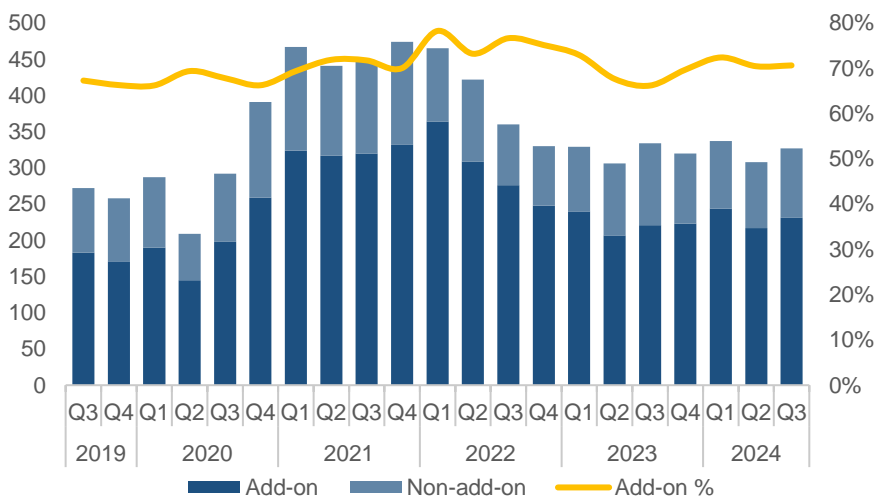
Gross Dollar Retention Remains Priority Metric #1

- Gross Revenue Retention (GRR) is the heartbeat of a business, revealing how well it holds onto revenue from existing customers. While minimum and best-in-class thresholds vary by category, we consistently hear a target GRR threshold of 90%+ from active buyers and investors. This was reiterated by our PE panel at [Silicon Y'all](#). A lower GRR certainly raises questions, and while not necessarily a deal killer, potential partners will want to understand what's causing the "leaky bucket" and likely see some early signals of improvement.

Investor Funnels Narrow but Strong Multiples Persist

- With deal activity picking up, investors are shifting back to a more thesis-driven strategy (i.e., pursuing businesses where they have conviction and experience). Despite a more targeted approach, investors and PE-backed strategics continue to aggressively pursue top-tier companies, which can translate to double digit revenue multiples, seller-friendly deal terms, and a quicker path to close.

Private Equity Software Acquisitions by Type



Operator Insights

Summary of ServiceTitan's S1

- ServiceTitan's recent IPO announcement is a positive signal for the field services space. The team at [Meritech](#) and investor [Alexandre Dewez](#) shared insightful deep-dives into ServiceTitan's S1 filing – we'd encourage a quick review given the value of benchmarking your company against one of the leading players in the category.

What Really Matters in SaaS in 2025

- Jason Lemkin of SaaStr and Dave Kellogg recently had [an interesting conversation](#) covering a wide range of topics including key metrics for buyers, AI impacts, and growth challenges/strategies.

Board Meeting Best Practices

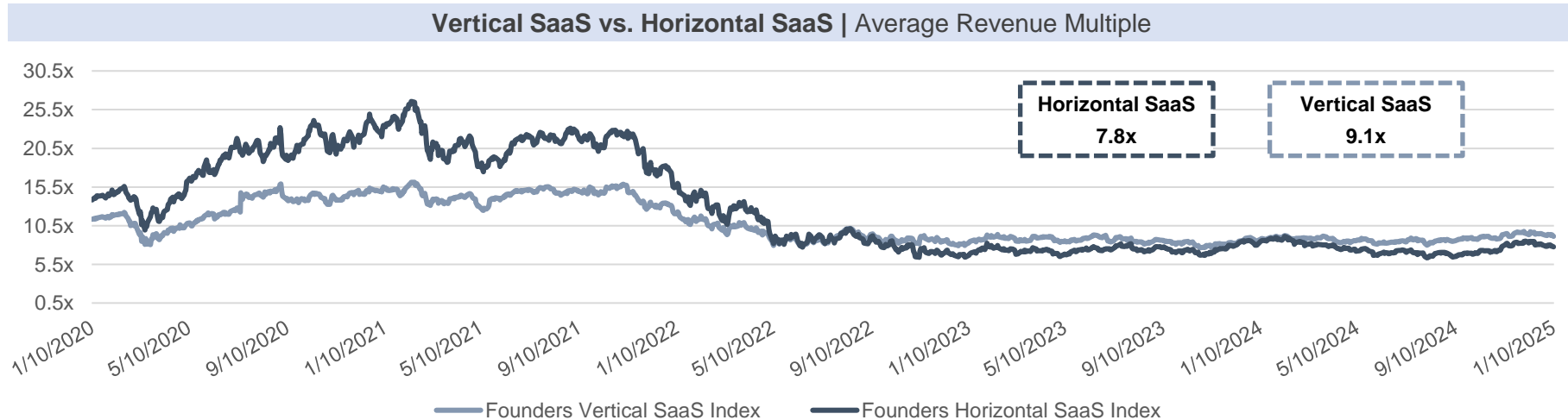
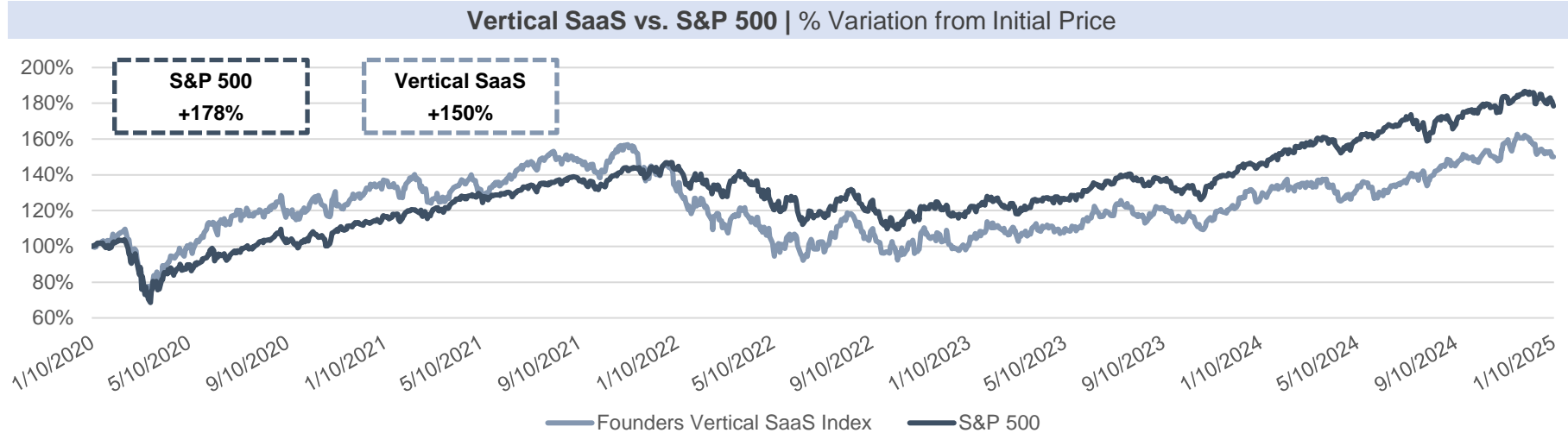
- Many of our clients are founders who have yet to formalize a board, and entrepreneurs have lots of questions around what to expect post-close (especially when partnering with PE). [OnlyCFO put together a helpful post](#) on executing a value-added board meeting.

Founders' Select Transactions

Current Sell-Side Engagement <i>SaaS Asset Mgmt. and Optimization Platform</i>	Current Sell-Side Engagement <i>SaaS Platform for State and Local Gov't Agencies</i>	Current Sell-Side Engagement <i>Performance Mgmt. Software for Residential Contractors</i>	

Public Equities Index | Vertical Software vs. Broader Market

Following a period of strong performance during the COVID-19 pandemic, the vertical SaaS market has underperformed broader public markets since the beginning of 2022. The strength of the S&P 500's recent performance is due in large part to Nvidia's stock price gains, which accounted for 22% of the index's returns in 2024.

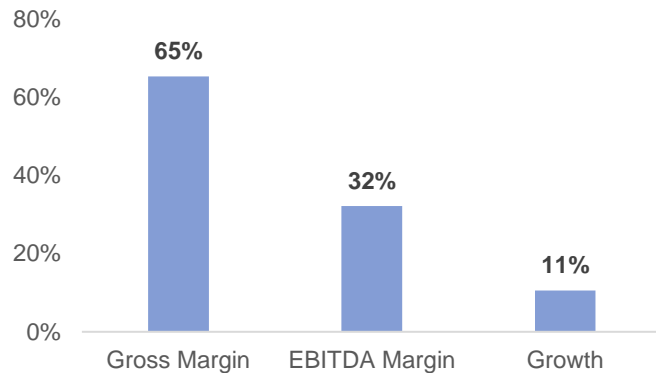


Public Equities Index | Vertical Software

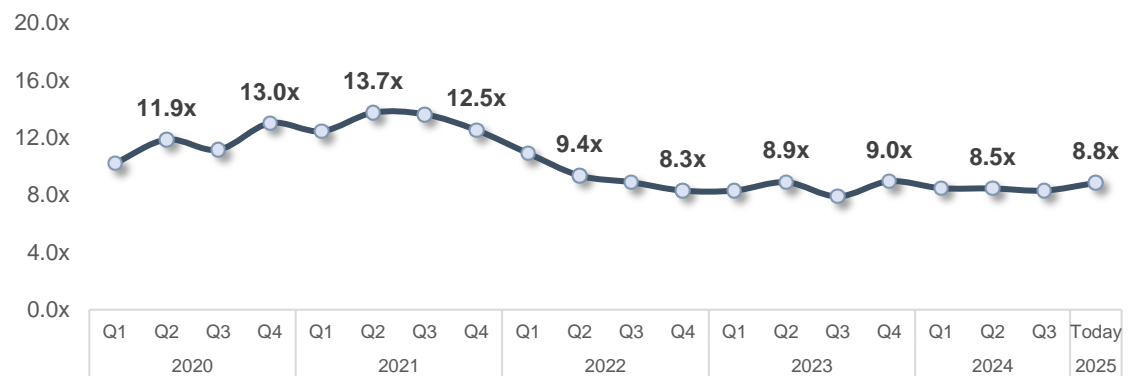
Vertical SaaS Public Comps



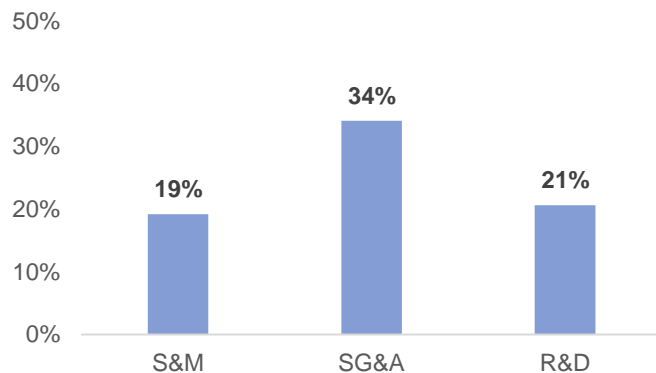
Growth & Margins (Median)



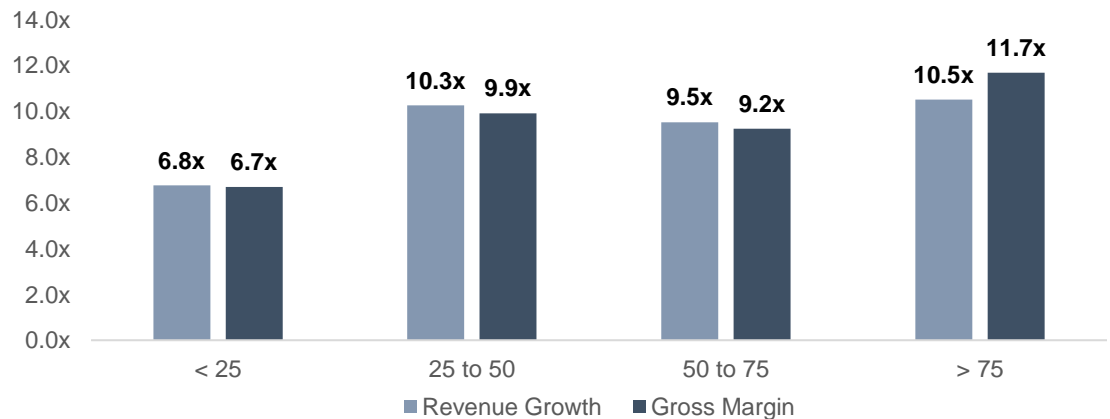
EV / Revenue (Mean)



Operating Metrics (Median)*



Revenue Growth & Gross Margin Percentile vs. EV / Revenue



Market Commentary | Residential & Facility Services

Residential & Facility Services Technology News

ServiceTitan & Scorpion Announce Strategic Partnership

- ServiceTitan, a premier provider of software solutions to the trades industry, recently named Scorpion, a provider of digital marketing software to local businesses, [as its sole preferred digital marketing partner](#). The move reiterates both parties' focus on enhancing their service offering to trades clients.

Teamfront Receives Growth Investment to Fuel M&A

- Teamfront, a holding company operating various software platforms in the field services ecosystem, [received a growth investment from Mainsail Partners](#). The investment will be used to strengthen Teamfront's market position through organic growth and strategic acquisitions. Teamfront was founded in early 2023 in collaboration with Mainsail and has completed 6 acquisitions to date.

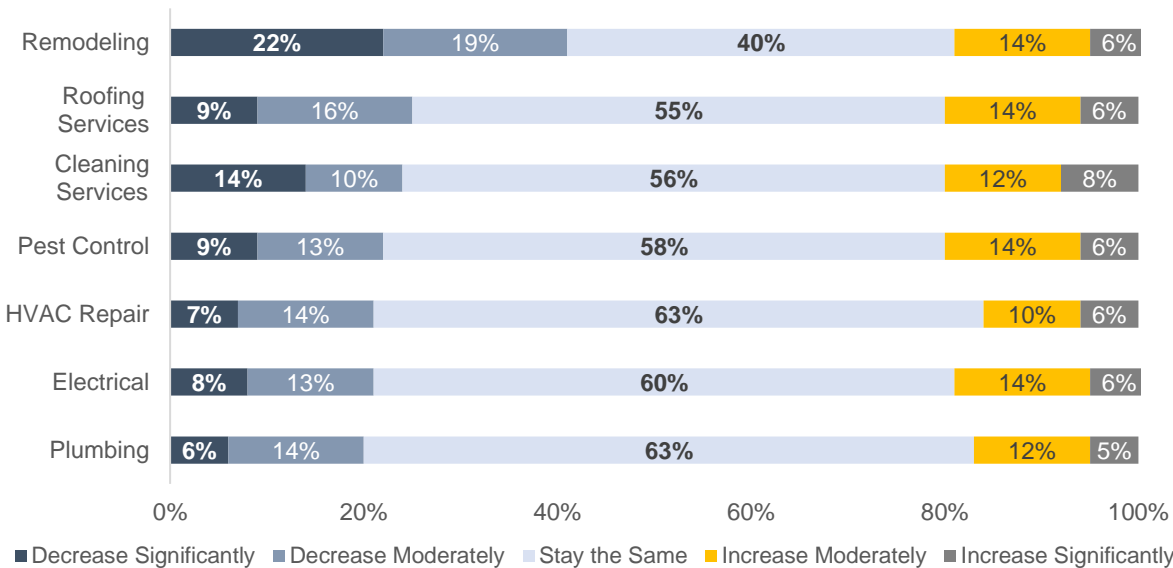
AI Demand Growing Among Field Services Providers

- According to a [recent survey from Salesforce](#), a growing number of field service organizations across the globe are utilizing AI to drive efficiency and productivity across their workforce. 79% of field service professionals surveyed have either fully implemented AI or are experimenting with solutions currently available in the market.

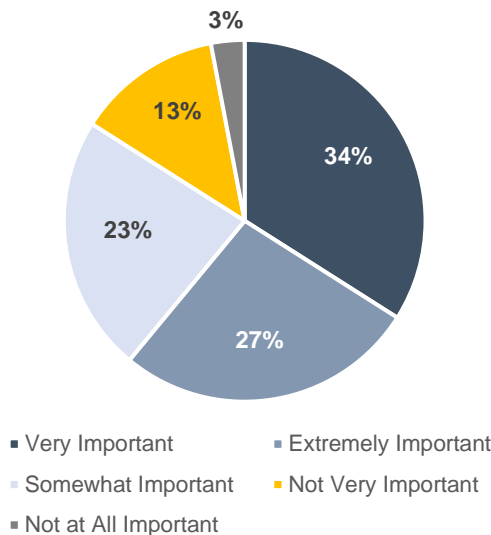
Field Service Software Market Forecasting Strong Growth

- According to recent data from Technavio, the field service software market is expected to grow by [an estimated \\$1.5 billion](#) between 2023 and 2027. The growth forecast is primarily driven by the increasing requirement for enhanced workforce productivity in a competitive services industry where scalability is key.

Planned Residential Services Spending



Importance of Latest Tech to Customers



Market Participants | Active Buyers & Investors

Below are some of the more active private equity firms and strategic buyers within the field services technology space. Potential buyer deal experience and the recency of that M&A are key factors our team considers ahead of a transaction process – a partner with a well-oiled M&A engine generally leads to a more efficient diligence and negotiation process.

Private Equity Firms



Strategic & PE-Backed Acquirers



M&A Activity | Notable Recent Transactions

Date	Target	Acquirer	Deal Size	Employee Count	Commentary
14-Nov-24	 ROOFLINK	 SalesRabbit	N/A	18	<i>RoofLink, developer of a roofing management and sales software platform, was acquired by SalesRabbit, developer of CRM and sales automation software for the trades industry, via its financial sponsor Diversis Capital through an LBO for an undisclosed amount.</i>
07-Nov-24	 Avid Ratings	 eci	N/A	27	<i>Avid Ratings, developer of customer engagement and loyalty management software for the residential construction industry, was acquired by ECI, provider of business management software to the construction and manufacturing industries, through an LBO for an undisclosed amount.</i>
04-Nov-24	 Floorzap	 Teamfront	N/A	11	<i>Floorzap, developer of business management software for the flooring and remodeling industries, was acquired by Teamfront, operator of various trades-focused SaaS solutions, via its financial sponsor Mainsail Partners through an LBO for an undisclosed amount.</i>
16-Oct-24	 SKIMMER	 <i>Mainsail Partners</i>	\$74m	50	<i>Skimmer, developer of a pool service management software, received \$74m of development capital from Mainsail Partners, a B2B software-focused private equity firm. With this investment, Mainsail continues to drive home its thesis in the home and facility services software ecosystem.</i>
30-Sep-24	 XCELERATE	 Teamfront	N/A	13	<i>Xcelerate Restoration Software, developer of a job management system for contractors, was acquired by Teamfront, operator of various trades-focused SaaS solutions, via its financial sponsor Mainsail Partners through an LBO for an undisclosed amount.</i>
17-Jun-24	 Pay4Leads INC	 LiftOut CAPITAL	N/A	97	<i>Pay4Leads, provider of marketing services to the vegetation management sector, was acquired by LiftOut Capital, a lower-middle market PE firm, through an LBO for an undisclosed amount.</i>
19-Apr-24	 Convex	 ServiceTitan	N/A	125	<i>Convex, developer of an enterprise software platform designed to help trades teams capture higher-margin work and maintain existing relationships with senior management, was acquired by ServiceTitan through an LBO for an undisclosed amount.</i>
29-Jan-24	 SUMOQUOTE	 JobNimbus	\$45m	23	<i>SumoQuote, developer of a roofing management platform, was acquired by JobNimbus, a CRM software serving contractors and business owners in the residential service industry, via its financial sponsor Mainsail Partners, through a \$45m LBO.</i>

Notable Hybrid & Strategic Roll-Ups

IEQT

Portfolio Company

WORKWAVE

Add-ons

taskeasy by WORKWAVE | **TEAM Software**
RealGreen SYSTEMS | **slingshot** by GORPAC

Mainsail Partners

Portfolio Companies

Teamfront **iii**

Add-ons

Floorzap | **XCELERATE** PROFITABLE FOR MANAGEMENT
Arborgold | **Accrisoft**
fieldster | **ServiceMonster**

Mainsail Partners

Portfolio Companies

JobNimbus

Add-ons

SUMOQUOTE | **ROOFER MARKETERS**
Fix Your Funnel

Evercommerce

Acquisitions

Kickserv | **pulseM**
Invoice Simple | **ROOFSNAP**
Service Fusion | **briostack**

ServiceTitan

Acquisitions




















































JaRay | **SCHEDULE ENGINE**
Convex | **aspire** A ServiceTitan Company
SERVANT SYSTEMS | **ServicePro**™ A ServiceTitan Company

FULLTEAM






































Acquisitions

RECUR 360 | **SAWIN**
ROSSWARE | **BLUEFOLDER**
VONIGO | **CLIP**

Active Strategic Acquirers | Add-On Acquisitions

Acquirer	# of Acquisitions	Targets							
	7	 2020	 Invoice Simple 2020	 2020	 Service Fusion 2020	 2021	 2021	 2023	
	7	 2020	 2020	 2022	 2022	 2022	 2022	 2023	
	6	 2020	 A ServiceTitan Company 2021	 A ServiceTitan Company 2021	 2022	 2022	 2024		
	6	 2023	 2023	 2023	 2024	 2024	 2024		
	6	 2020	 The Prohibiting Platform 2020	 2020	 working together 2023	 2024	 2024		
	4	 by PROLOG 2021	 SYSTEMS 2021	 2021	 by WORKWAVE 2022				
	4	 2020	 2021	 2022	 2023				
	3	 2022	 2023	 2024					

Active Financial Sponsors | Platform Investments

Acquirer	# of Investments	Targets					
 Mainsail Partners	6	 planHub 2020	 INSPECT POINT 2021	 JobNimbus 2021	 Teamfront 2022	 SmartMoving 2022	 SKIMMER 2024
 Serent CAPITAL	4	 DAVISWARE 2019	 Imn 2020	 WORKWAVE 2021	 Buildertrend 2021		
 DIVERSIS CAPITAL	4	 ServicePower 2017	 FORM 2019	 SalesRabbit 2021	 infotech 2024		
 INSIGHT PARTNERS	4	 connecteam 2018	 CompanyCam 2021	 DOXEL 2021	 aquant 2020		
 THOMABRAVO	3	 FOUNDATION software 2020	 HCSS 2021	 ServiceTitan 2021			
 PSG	3	 Evercommerce 2016	 ARCORO 2018	 Betri 2022			
 JMI EQUITY	3	 Unanet 2019	 SERVICE TRADE 2021	 CompanyCam 2021			
 IEQT	2	 IFS 2015	 WORKWAVE 2017				

Ecosystem Map | HVAC, Plumbing, & Electrical

Key Platforms

Housecall Pro

ServiceTitan

JOBBER

SERVICE
TRADE

SIMPRO

Other Market Participants

BLUEFOLDER BUILD OPS connectteam COMMUSOFT

Convex DAVISWARE eci Fergus FIELD COMPLETE

FieldEdge FIELD EZ fieldpoint Fieldproxy FieldPulse

GorillaDesk Kickserv knowify mHelpDesk nomadia

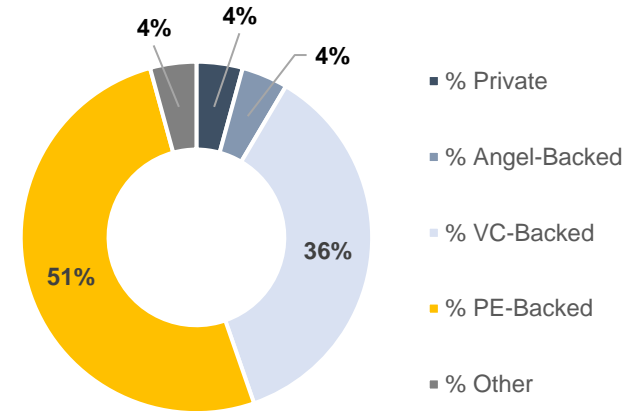
ontraport POWERED NOW praxedo pulseM RazorSync

SAWIN SCHEDULE ENGINE SalesRabbit sera SERVICEBOX

ServiceAutopilot Service Fusion service works skedulo

Striven successware TRADIFY WORKIZ ZUPER

Founders Sub-Sector Insights



26
Acquisitions in
Last 3 Years

\$2.9B
Total Capital
Raised (L3Y)

82
Median
Employee Count

Ecosystem Map | Landscaping & Lawncare

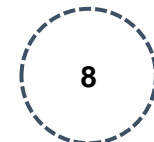
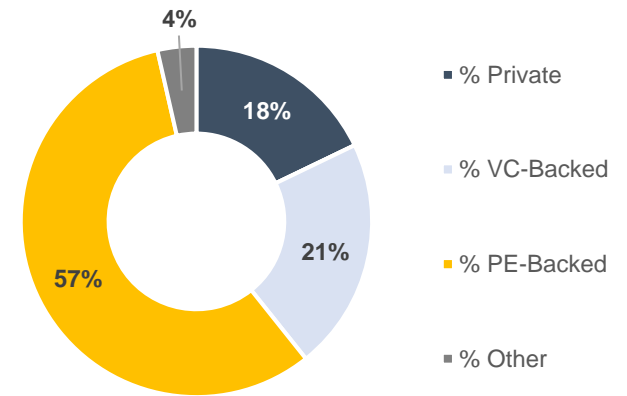
Key Platforms



Other Market Participants



Founders Sub-Sector Insights



Acquisitions in Last 3 Years



Total Capital Raised (L3Y)



Median Employee Count

Ecosystem Map | Janitorial & Pest Control

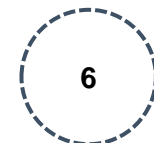
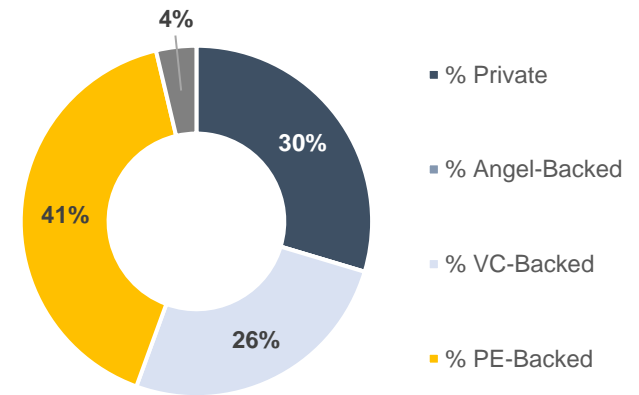
Key Platforms



Other Market Participants



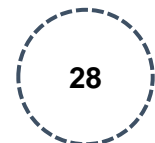
Founders Sub-Sector Insights



Acquisitions in Last 3 Years



Total Capital Raised (L3Y)



Median Employee Count

Ecosystem Map | Roofing & Pools

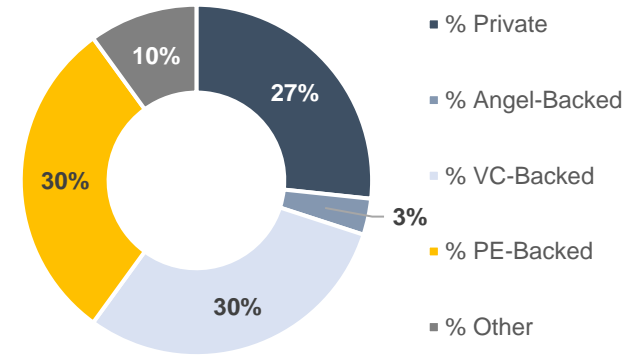
Key Platforms



Other Market Participants



Founders Sub-Sector Insights



8
Acquisitions in
Last 3 Years

\$2.1B
Total Capital
Raised (L3Y)

59
Median
Employee Count

Ecosystem Map | Construction & Inspection

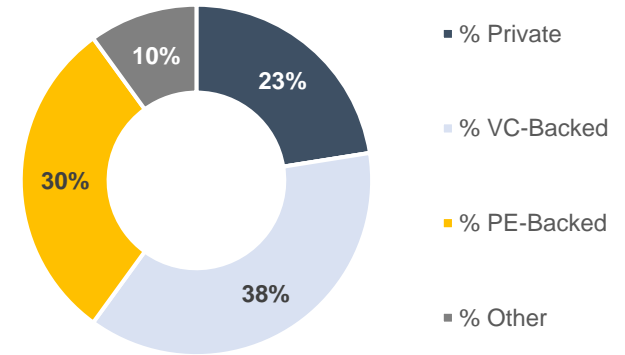
Key Platforms



Other Market Participants



Founders Sub-Sector Insights



Acquisitions in
Last 3 Years



Total Capital
Raised (L3Y)



Median
Employee Count

Ecosystem Map | Enablement & Growth-Related Services

Advertising & Marketing Agencies



Lead Generation & Marketplaces



Payments



Executive Coaching & Business Productivity



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Summary Data

Upcoming Conferences | Residential & Facility Services

January 16th – 18th 2025



- Sector: All Residential Services
- Where: Seattle, WA
- Annual convention for home services business owners to network and learn from industry professionals

February 10th – 12th 2025



- Sector: HVACR
- Where: Orlando, FL
- HVACR expo with networking and learning opportunities for service providers, suppliers, and business owners

February 19th – 21st 2025



- Sector: Roofing & Exterior Services
- Where: San Antonio, TX
- Roofing and exterior services expo connecting contractors to industry suppliers / vendors

March 6th – 7th 2025



- Sector: All Residential Services
- Where: Orlando, FL
- Convention for home services business owners seeking to scale their operations and learn from industry experts

March 24th – 27th 2025



- Sector: HVACR
- Where: Austin, TX
- Premier annual education and networking event for HVACR contractors and business owners

March 25th – 27th 2025



- Sector: Facility Management
- Where: Baltimore, MD
- Facility management expo for both service and tech providers seeking training, networking opportunities, and product discovery

April 29th – May 1st 2025



- Sector: Facility Management
- Where: Austin, TX
- Facility management conference and expo bringing together FM service providers to network, learn, and trade industry best practices

May 7th – 8th 2025



- Sector: Landscaping & Lawncare
- Where: Nashville, TN
- Landscaping and lawncare conference bringing together business owners looking to scale operations

Silicon Y'all | Recap of Our 2024 Technology Summit



- Founders hosted its 10th annual Technology Summit, [Silicon Y'all](#), in mid-October. The event was attended by a curated group of CEOs from 112 companies and 28 of the leading technology-focused private equity groups.
- The three-day event was filled with meaningful insights from investors, current operators, and industry experts. CEOs shared operational best practices, explored ways to drive enterprise value, discussed innovative growth strategies, and networked with value-added investors and industry experts.



2024 Session Topics

- Financing M&A in a Turbulent Capital Market
- Looking Behind the PE Curtain – What Entrepreneurs Don't Know
- Valuation Clash – Navigating Buyer & Seller Perspectives
- Creating Raving Fans – The Engine Inside All Legendary Brands
- AI Fact or Fiction – What is Top of Mind and How is it Actually Being Applied Today?
- The Power of No – Case Study on Reducing Your Pipeline to Accelerate Growth
- Creating Enterprise Value Through Marketing
- Winnable Addressable Market – How 20% of the Market is Worth 800% of Your Value

Debt Participants



Private Equity Participants



Valuation Scorecard | Factors Driving Valuations

Founders' Valuation Scorecard isolates the most important quantitative and qualitative factors that impact valuation multiples for software and tech-enabled services businesses.

← Factors Influencing Revenue / EBITDA Multiple →

Quantitative Factors

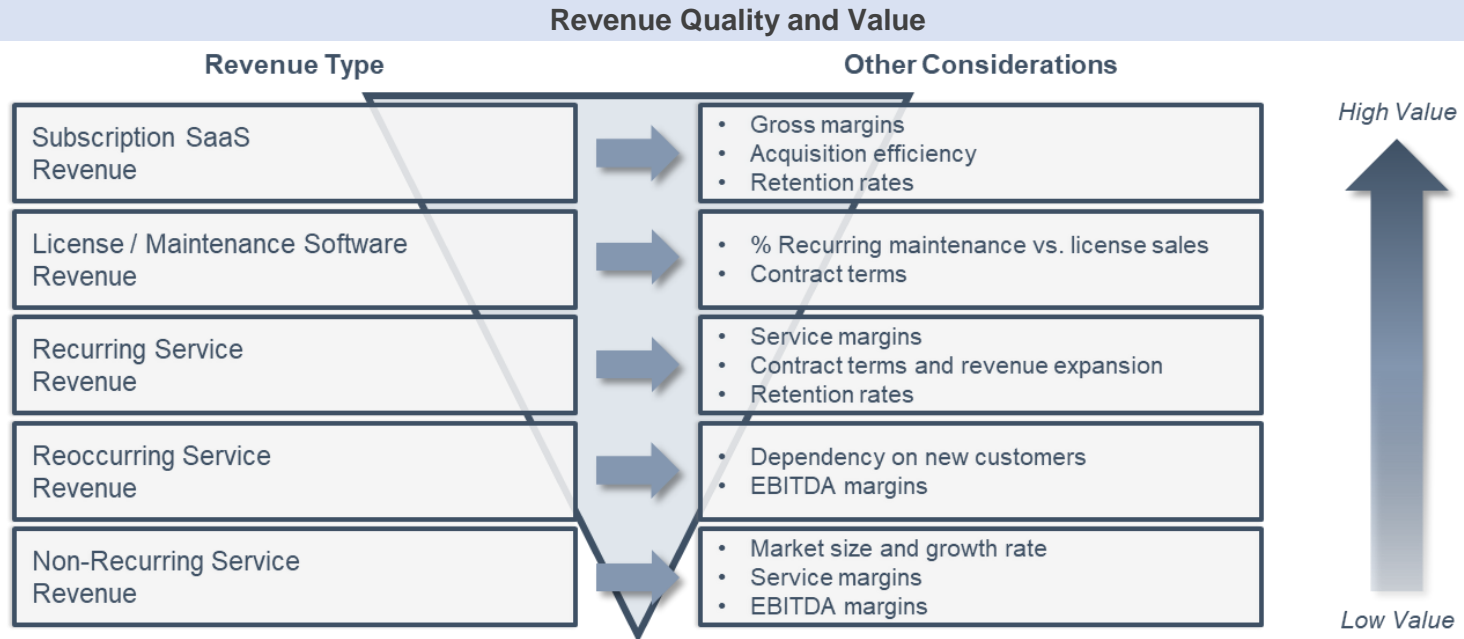
Factor	Lower Range / Multiple	Key Considerations	Higher Range / Multiple
% of Recurring Revenue	< 70%	Mix of subscription/recurring vs. reoccurring vs. project	> 85%
YOY Growth Rate	< 15%	Historical growth trends, growth compared to peers	> 50%
Rule of 40	< 40%	Year-over-year revenue growth rate (%) + profit margin (%)	> 40%
Gross Revenue Retention	< 80%	Annual public benchmarks, system of record vs. point solution	> 95%
Net Revenue Retention	< 90%	Annual public benchmarks, price vs. product, cohort analysis	> 110%
Gross Margin	SaaS < 65%	Fully burdened, end market dependent, scalability	> 80%
	Tech-Enabled Services < 40%		> 65%
CAC Payback Period	> 12 months	Impact of dialing spend up/down, channel analysis	< 12 months
LTV:CAC Ratio	< 3:1	Balancing S&M spend but demonstrating return is key	> 3:1
Avg. Contract Length	< 12 months	Predictability of revenues and stickiness of customers	> 12 months
Total Addressable Market	< \$1 billion	End market dynamics, competition, switching costs	> \$ 1 billion

Qualitative Factors

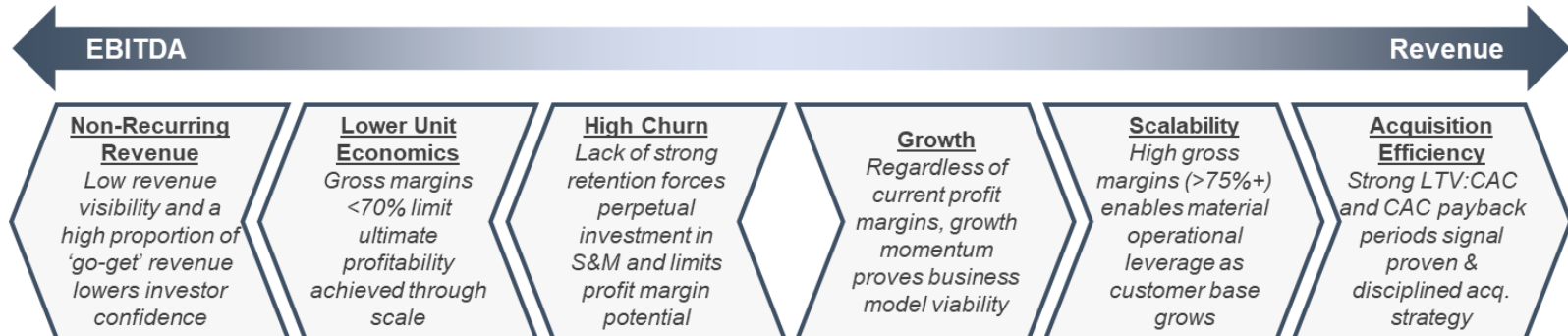
Factor	Key Considerations
Management Team	Must understand your gaps and have clear delineation of responsibilities → self-assess strengths/weaknesses to highlight areas for investment
Customer Profile	SMB vs. Mid-Market vs. Enterprise; retention expectations, customer wallet size, expansion opportunity, and operating efficiency influence interest
Product Adoption/Usage	Track/present usage stats; understand use cases and patterns across modules/cohorts → usage equates to stickiness in the minds of investors
Payments Opportunity	Opportunity to integrate payments into a proprietary, sticky solution → significantly increases scalability, retention, and expansion levers
Competitive Position	Understand the landscape, why you win/lose, differentiation, blue ocean vs. red ocean → consider roll-up opportunity to scale
IP/Technology Debt	Contracted development is accepted; understand short cuts taken and potential deficiencies → assess third-party dependencies, risks, & “what ifs”
Process Documentation	Be able to communicate & show methodologies, onboarding processes (employees and customers), retention strategies, etc.
Talent Retention	Maintain a ranking of all employees and understand where each shines → consider warrants, profits interest, M&A and stay bonuses

Sum of the Parts | Revenue Mix Considerations

Revenue composition remains a critical driver of valuation; the below visual displays how the buyer & investor community views varying streams of revenue and the considerations influencing valuation models.



Factors Driving EBITDA vs. Revenue Valuation Methodology



State of the Technology M&A Market

Brad Johnson, Managing Director and **Billy Pritchard**, Director

As we kick off a new year, the SaaS and Tech-Enabled Services M&A market continues to show encouraging signs of recovery. After several quarters of anticipation, we're seeing a gradual increase in deal volume, along with positive momentum in our active processes and conversations. These developments suggest a healthier trajectory for the technology market moving into 2025. As we reflect on 2024 and look forward to what's ahead, we've identified a few key themes that give us confidence in the year ahead.

Premium Valuations Are Still in Play for Premium Platforms

- With deal activity picking up, investors are shifting back to a more thesis-driven strategy (i.e., pursuing businesses where they have conviction and experience).
- Despite a more targeted approach, investors and PE-backed strategics continue to aggressively pursue top-tier companies, which can translate to double digit revenue multiples, seller-friendly deal terms, and a quicker path to close.
- "Mission Critical" platforms and service providers with a strong level of overall customer health in large addressable markets are still transacting at strong ARR and EBITDA multiples.

Revenue Retention Continues to be the Key Metric

- We have touched on this trend often in our 2024 newsletters, but we continue to see a hyper focus on Gross and Net Retention from our buyer / investor conversations.
- Showcasing overall customer health and continued expansion opportunities have been the biggest drivers of strong valuations in our processes during the second half of 2024.
- Target Retention Thresholds by Client Type: **Enterprise = 110%+ NRR & 90%+ GRR / SMB = 100%+ NRR & 85%+ GRR**

Valuation Expectations Are Aligning Better

- For most of the last 18 months, the slowdown in technology transactions has largely been driven by a valuation expectation gap between buyers / investors and sellers, especially within the SaaS ecosystem.
- We have never been big believers in "timing the market" for a bootstrapped software or tech-enabled services company, and many founders / operators need to find a partner now to set them up for better success over the next several years.
- That has driven a recent shift, mostly from the seller's side, for better alignment on reasonable value expectations and a high volume of buyer interest in active processes.

Investors Continue to Shift Downstream

- In our opinion, it has never been a better time to be a \$5 to \$20 Million ARR business than today from an optionality standpoint.
- We are seeing a heightened level of interest from investors in businesses within this revenue range as PE firms seek to partner with entrepreneurs earlier in the journey to add tremendous value and realize strong returns over the next 3-5 years.
- We are seeing many new funds launch to target this segment of the market, and several of the larger tech-focused funds are creating secondary funds to get back to their roots of investing in earlier-stage, bootstrapped platforms.

Enterprise Value Acceleration | Exit Coaching Program

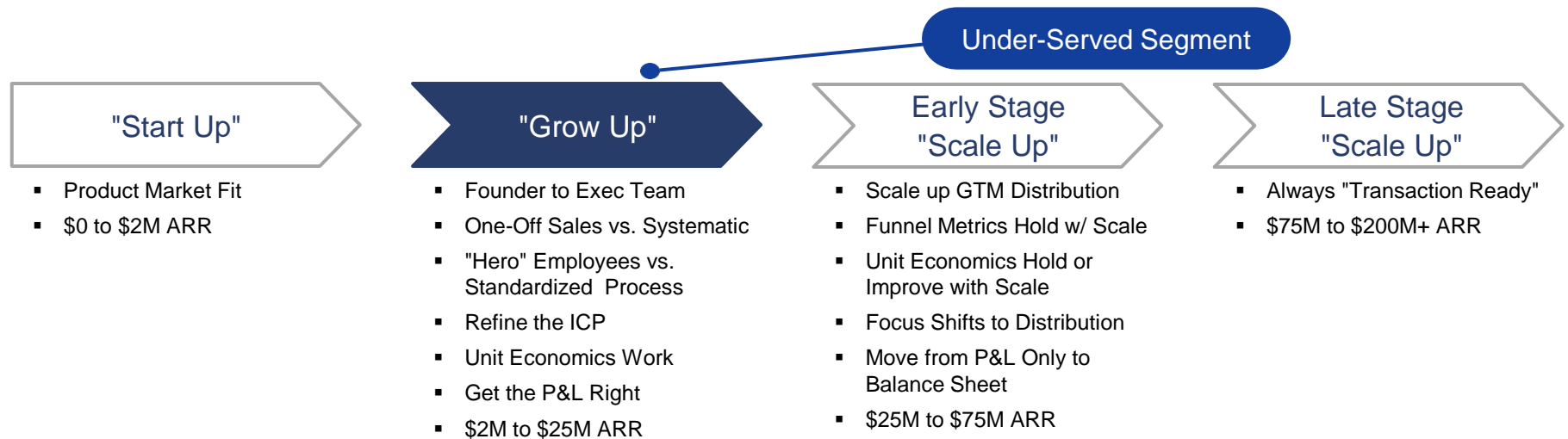
The Objective: Empower SaaS Founders to Build "Transaction Ready" Companies at Target Enterprise Value Faster with Higher Chance of Success

Born out of the [Silicon Y'all](#) community of entrepreneurs, Founders Advisors established an **exclusive value creation program** that is a collaboration of Investment Banking and Value Creation Consulting. We have partnered with former entrepreneurs, advisors, and investors to develop a peer group program to serve SaaS and software-enabled service company owners and operators who are seeking to accelerate the creation of enterprise value.

Each group is curated to ensure companies have similar attributes, and the selection process targets CEOs that have a giver orientation, offer an area of expertise to the group, commit to regular attendance and contribution to peers, and have a relentless commitment to growth.

If you're interested in discussing the program, please reach out to the Founders Advisors team, and we can share more information.

The SaaS Founder Journey | Key Milestones



The SaaS Founder Journey | Common Founder "Grow Up" Concerns and Questions

- 1 I've never run a company this big before.
- 2 I don't know what I don't know.
- 3 I know [*one functional area*] well, but don't know the others.
- 4 We hit a growth ceiling and don't know how to fix it.
- 5 What do you mean "professionalize the business"?
- 6 It's "lonely" at the top – what do I do next?

Enterprise Value Acceleration | Exit Coaching Program (cont.)

Program Overview | 2025 Curriculum

- The CEO Playbook for Building a World-Class Sales Force and Holding Sales Leaders Accountable
- From Zero to 9-Figure Exit: How One SaaS Founder Built, Scaled, and Sold a SaaS Business
- Maximizing CEO Impact: A Playbook for Time, Energy, and Attention Management
- From Churn to Earn: A Scientific, Disciplined, and Mathematical Approach to Slashing Churn and Driving Growth
- Building an Accountability-Driven Culture: Processes and Discipline to Drive Execution at Scale
- From Start to Close: A CEO's Guide to Investment Bank-Led Liquidity Transactions (w/ Case Studies and Example Documents)
- Overcoming the Experience Gap: A First-Time CEO's Guide to Managing Experienced Executives with Confidence
- Case Study: From \$0 to \$100M ARR — Hard-Won, Practical Lessons Learned at Every Stage of Growth
- The CEO's Guide to Crafting Effective Cash and Equity Packages for Senior Executives: Financial, Legal, and Practical Considerations
- From Data to Dollars: Applying Principles of Statistics to Remove Bottlenecks, Scale Processes, and Drive Results

Facilitator Bio | Victor Cheng



[LinkedIn Profile](#)



The Exit Coaching program is led by long-time business consultant and strategic advisor Victor Cheng. Victor is an accomplished leader in the SaaS and software-enabled services space, having served as a consultant with McKinsey & Co. and a senior executive with several publicly owned technology companies. Victor has authored several books on business strategy and is often featured as a business expert by leading media outlets.

- Author, ***Extreme Revenue Growth***
- Former McKinsey Consultant (Top 10% Worldwide in Class)
- Stanford Alumni - Quantitative Economics, Organizational Behavior
- Guest Speaker: Harvard, Oxford, MIT
- Expert Source for Members of Media
- Former Tech Exec: Product Management, Product Line P&L, Marketing (Nasdaq: LPSN, ARTG/ORCL)
- Actively in SaaS since 1999
- CEO Coaching/Consulting since 1995
- Startup to Fortune 500
- Board Member with \$100M+ Exit

Value Creation | Investment Grade Assessment Tool

Leverage data to lead your business to greater enterprise value. Founders has developed a sector-specific, algorithmic evaluation tool to help business owners understand if their company is investment grade based on years of M&A expertise. Our Investment Grade Assessment gives owners a measurable system to assess the 12 interdependent value drivers.

Assessment Link

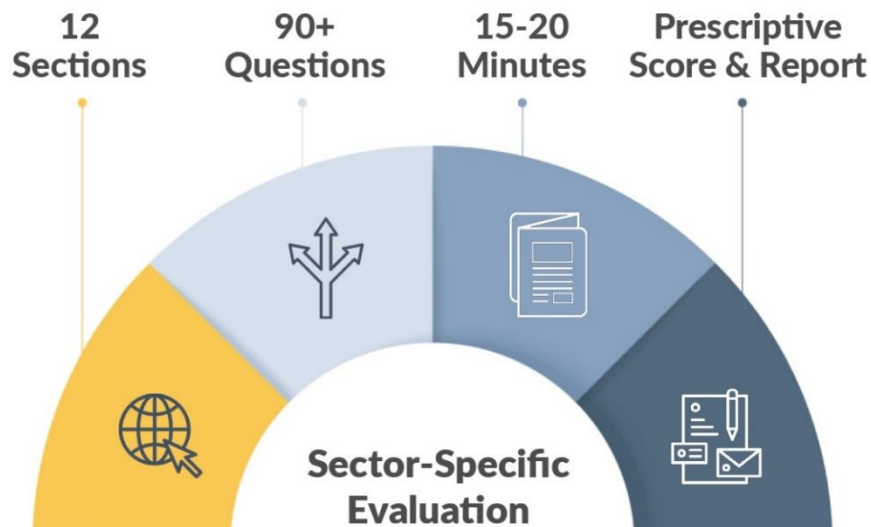
- **Assessment:** <https://app.foundersib.com/auth/sign-up>
- **Discount Code:** RFST2025
- **Industry:** Technology, Media, and Telecommunication
- **Sector:** Residential & Facility Services Technology

Approaching the Assessment

- Allow 15-20 minutes to complete; go with your gut answer and keep moving; do your best not to overanalyze questions
- It's okay to select "unknown"; this will bring awareness to areas of the business the need more attention
- Answer honestly as to where your company is now, not where you wish it was
- Don't be discouraged by results; there are action steps to improve in all areas
- If there is more than one owner / operator, we recommend each key executive take the assessment separately to allow for comparison of results and perspectives

Proprietary Assessment Tool

Founders' proprietary assessment platform gives business owners a clear market perspective on how investable their company is coupled with a view on organizational health.



Why Assess Your Business?

The benefits of assessing your business far transcend solely transacting. Doing so provides the opportunity to own and operate an all-around better business.



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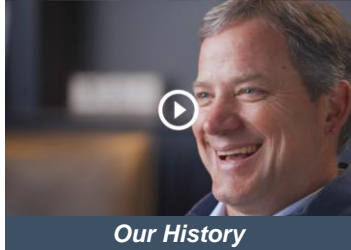
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Founders Advisors Overview

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 50 professionals and has offices in Birmingham, AL (headquarters), Dallas, TX, and Nashville, TN.



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

INDUSTRIES COVERED

Technology

Business Services

Consumer

Industrials

Healthcare

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

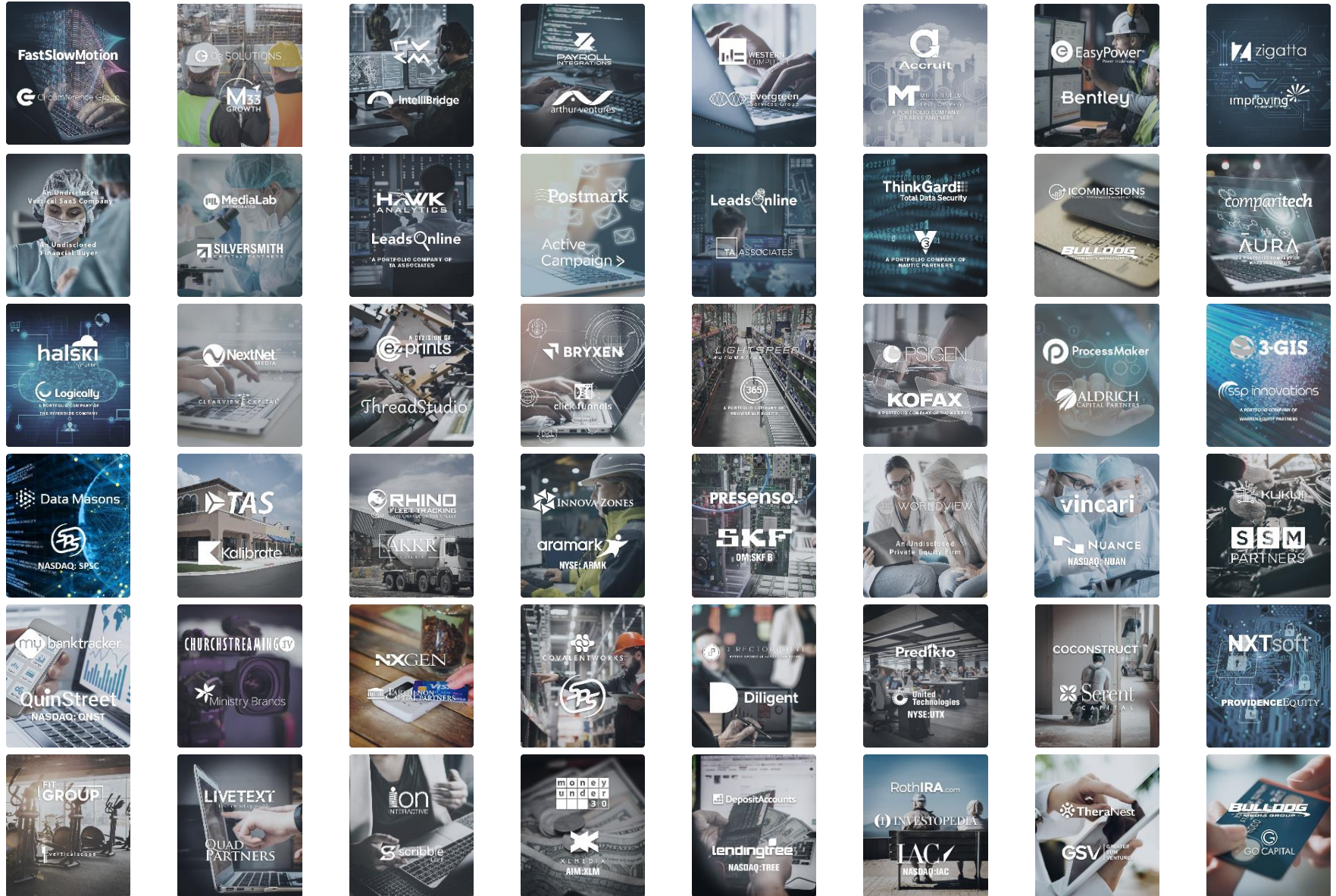
HEALTH

Be and stay healthy, personally, and as a team

COMMUNITY

Be team-focused; we're better together

Focused on Serving Founder-Led Technology Companies



Defining the Gold Standard for M&A Advisory

The Gold Standard

Excellence in Relationship Development

- Founders strives to create **Raving Fans** through a deep focus on developing strong, trustworthy relationships with our clients that will last well beyond the process.
- We believe transactions come and go, but the impact an M&A event has on a business owner lasts a lifetime and our services should be delivered with that in mind.

Best-In-Class Process Management

- A key objective of each Founders' process is maximizing the probability of success. The best way to meet that objective is through our best-in-class process management systems.

Exceptional Results

- We have a track record of understanding our client's goals and objectives for the transaction process and delivering exceptional results for each specific situation.

Deep Sector Knowledge

- Founders leverages the collective knowledge of our growing team of professionals with dedicated sector coverage expertise allowing us to fully understand your business, stay at the forefront of sector trends & drivers, and have a comprehensive understanding of the buyer landscape.

Transaction Expertise

- Every deal structure is unique and contingent upon the client's circumstances and goals. Through a deep bench of seasoned deal professionals, Founders provides a depth of transaction experience with over \$55B in total transacted enterprise value....Put simply, **We Get Deals Done.**

Key Differentiators vs. Other Advisors

Table Stakes for M&A Advisory

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Summary Data

Public Equities Index | Vertical Software

Name	% of 52 Week High	Enterprise Value	LTM Financials					Enterprise Value Multiples	
			Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
Ansys	93%	\$29,089	\$2,468	N/A	14%	89%	N/A	11.8x	N/A
AppFolio	89%	\$8,567	\$754	\$221	34%	65%	29%	11.2x	38.7x
Aspen Technology	98%	\$15,649	\$1,094	\$433	5%	65%	40%	14.3x	36.1x
Autodesk	87%	\$62,276	\$5,579	\$2,218	11%	91%	40%	10.4x	28.1x
Bentley Systems	80%	\$15,249	\$1,314	\$467	9%	80%	36%	11.6x	32.6x
Blackbaud	84%	\$4,785	\$1,148	\$382	6%	55%	33%	4.2x	12.5x
EverCommerce	82%	\$2,286	\$673	\$144	4%	66%	21%	3.3x	15.8x
FactSet	91%	\$18,421	\$2,230	\$887	5%	54%	40%	8.3x	20.8x
Guidewire Software	82%	\$13,929	\$1,036	\$148	13%	61%	14%	13.4x	93.9x
Health Catalyst	60%	\$396	\$302	\$22	4%	45%	7%	1.3x	17.7x
Moody's	90%	\$86,934	\$6,896	\$3,362	20%	73%	49%	12.6x	25.9x
nCino	75%	\$3,751	\$523	\$20	13%	60%	4%	7.2x	186.7x
NICE	61%	\$9,419	\$2,637	\$902	14%	67%	34%	3.6x	10.4x
Procore Technologies	86%	\$10,446	\$1,110	\$195	24%	82%	18%	9.4x	53.5x
Q2 Software	79%	\$5,507	\$676	\$42	11%	50%	6%	8.2x	132.2x
Service Titan	90%	\$10,706	\$685	N/A	N/A	64%	N/A	15.6x	N/A
SPS Commerce	82%	\$6,537	\$612	\$190	19%	67%	31%	10.7x	34.5x
SS&C Technologies	96%	\$25,272	\$5,764	\$2,268	6%	49%	39%	4.4x	11.1x
Temenos Headquarters	71%	\$6,227	\$1,023	\$427	4%	72%	42%	6.1x	14.6x
Toast	81%	\$19,044	\$4,658	\$25	29%	23%	1%	4.1x	761.7x
Tyler Technologies	88%	\$24,052	\$2,078	\$567	8%	44%	27%	11.6x	42.4x
Veeva Systems	84%	\$30,361	\$2,656	\$1,321	16%	74%	50%	11.4x	23.0x

Statistics

Min	\$396	\$302	\$20	4%	23%	1%	1.3x	10.4x
Median	\$12,318	\$1,129	\$405	11%	65%	32%	9.9x	28.1x
Mean	\$18,587	\$2,087	\$712	13%	64%	28%	8.8x	43.7x
Max	\$86,934	\$6,896	\$3,362	34%	91%	50%	15.6x	186.7x

Public Equities Index | Horizontal Software

Name	% of 52 Week High	Enterprise Value	LTM Financials					Enterprise Value Multiples	
			Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
Atlassian	84%	\$62,154	\$4,303	\$1,065	26%	82%	25%	13.6x	58.4x
Box	86%	\$4,978	\$1,073	\$313	4%	78%	29%	4.6x	15.9x
Dayforce	85%	\$11,828	\$1,695	\$475	17%	45%	28%	7.0x	24.9x
CrowdStrike Holdings	88%	\$82,493	\$3,740	\$1,013	31%	75%	27%	22.1x	81.4x
DocuSign	84%	\$17,455	\$2,913	\$904	8%	79%	31%	6.0x	19.3x
Domo	56%	\$354	\$318	\$9	0%	75%	3%	1.1x	38.4x
Dropbox	88%	\$9,998	\$2,540	N/A	3%	82%	N/A	3.9x	N/A
Elastic	72%	\$9,493	\$1,376	\$215	19%	74%	16%	6.9x	44.2x
Fastly	35%	\$1,365	\$537	\$28	12%	55%	5%	2.5x	48.4x
Five9	46%	\$3,096	\$1,002	N/A	14%	53%	N/A	3.1x	N/A
HubSpot	92%	\$35,182	\$2,506	\$500	22%	85%	20%	14.0x	69.6x
Intuit	87%	\$177,932	\$16,590	\$6,611	12%	79%	40%	10.7x	26.9x
Okta	74%	\$13,169	\$2,533	\$558	17%	76%	22%	5.2x	23.6x
PagerDuty	66%	\$1,522	\$457	\$100	9%	82%	22%	3.3x	15.8x
Palo Alto Networks	84%	\$111,433	\$8,288	\$2,436	15%	74%	29%	13.4x	45.8x
Paycom	83%	\$11,044	\$1,824	\$737	12%	82%	40%	6.1x	15.0x
Paylocity	89%	\$10,271	\$1,403	\$504	9%	69%	36%	7.3x	20.4x
Pegasystems	97%	\$7,995	\$1,481	\$351	9%	74%	24%	5.4x	22.8x
PTC	90%	\$23,615	\$2,298	\$953	10%	81%	41%	10.3x	24.8x
Qualys	67%	\$4,565	\$593	\$274	10%	82%	46%	7.7x	16.7x
Salesforce	86%	\$302,849	\$37,189	\$14,064	10%	77%	38%	8.1x	21.5x
ServiceNow	88%	\$208,336	\$10,464	\$3,557	23%	79%	34%	19.9x	58.6x
Shopify	85%	\$130,564	\$8,212	\$1,382	23%	51%	17%	15.9x	94.5x
Smartsheet	100%	\$7,171	\$1,083	\$200	19%	82%	18%	6.6x	35.8x
Sprout Social	45%	\$1,706	\$392	\$26	27%	77%	7%	4.3x	64.4x
Twilio	93%	\$15,005	\$4,339	\$873	6%	51%	20%	3.5x	17.2x
Upland Software	75%	\$478	\$279	\$56	-8%	70%	20%	1.7x	8.5x
Varonis Systems	74%	\$4,894	\$547	\$38	12%	84%	7%	9.0x	127.9x

Public Equities Index | Horizontal Software (Cont.)

Name	% of 52 Week High	Enterprise Value	LTM Financials					Enterprise Value Multiples	
			Revenue	EBITDA	Revenue Growth	Gross Margin	EBITDA Margin	EV / LTM Revenue	EV / LTM EBITDA
Wix.com	95%	\$11,996	\$1,704	N/A	13%	68%	N/A	7.0x	N/A
Workday	80%	\$62,629	\$8,157	\$2,223	17%	76%	27%	7.7x	28.2x
Workiva	91%	\$5,878	\$705	N/A	16%	77%	N/A	8.3x	N/A
Yext	75%	\$840	\$409	\$66	1%	78%	16%	2.1x	12.7x
Zoom Communications	86%	\$16,719	\$4,628	\$2,262	3%	76%	49%	3.6x	7.4x
Zscaler	73%	\$27,680	\$2,299	\$556	31%	78%	24%	12.0x	49.8x

Statistics

Min	\$354	\$279	\$9	-8%	45%	3%	1.1x	7.4x
Median	\$11,436	\$1,764	\$530	12%	77%	24%	6.9x	25.9x
Mean	\$41,079	\$4,055	\$1,412	13%	74%	25%	7.8x	38.0x
Max	\$302,849	\$37,189	\$14,064	31%	85%	49%	22.1x	127.9x

Precedent Transactions

Date	Target Name	Buyer Name	EV	LTM Financials			Enterprise Value Multiples	
				Revenue	EBITDA	EBITDA Margin	LTM Revenue	LTM EBITDA
14-Nov-24	RoofLink	SalesRabbit, Diversis Capital	N/A	N/A	N/A	N/A	N/A	N/A
07-Nov-24	Avid Ratings	ECI Software Solutions, LGP	N/A	N/A	N/A	N/A	N/A	N/A
04-Nov-24	Floorzap	Teamfront, Mainsail Partners	N/A	N/A	N/A	N/A	N/A	N/A
16-Oct-24	Skimmer	Mainsail Partners	N/A	N/A	N/A	N/A	N/A	N/A
30-Sep-24	Xcelerate	Teamfront, Mainsail Partners	N/A	N/A	N/A	N/A	N/A	N/A
17-Jun-24	Pay4Leads	Liftout Capital	N/A	N/A	N/A	N/A	N/A	N/A
19-Apr-24	Convex	ServiceTitan	N/A	\$6.2	N/A	N/A	N/A	N/A
29-Jan-24	SumoQuote	JobNimbus, Mainsail Partners	N/A	N/A	N/A	N/A	N/A	N/A

Statistics

Min	N/A	\$6.2	N/A	N/A	N/A	N/A	N/A
Median	N/A	\$6.2	N/A	N/A	N/A	N/A	N/A
Mean	N/A	\$6.2	N/A	N/A	N/A	N/A	N/A
Max	N/A	\$6.2	N/A	N/A	N/A	N/A	N/A

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