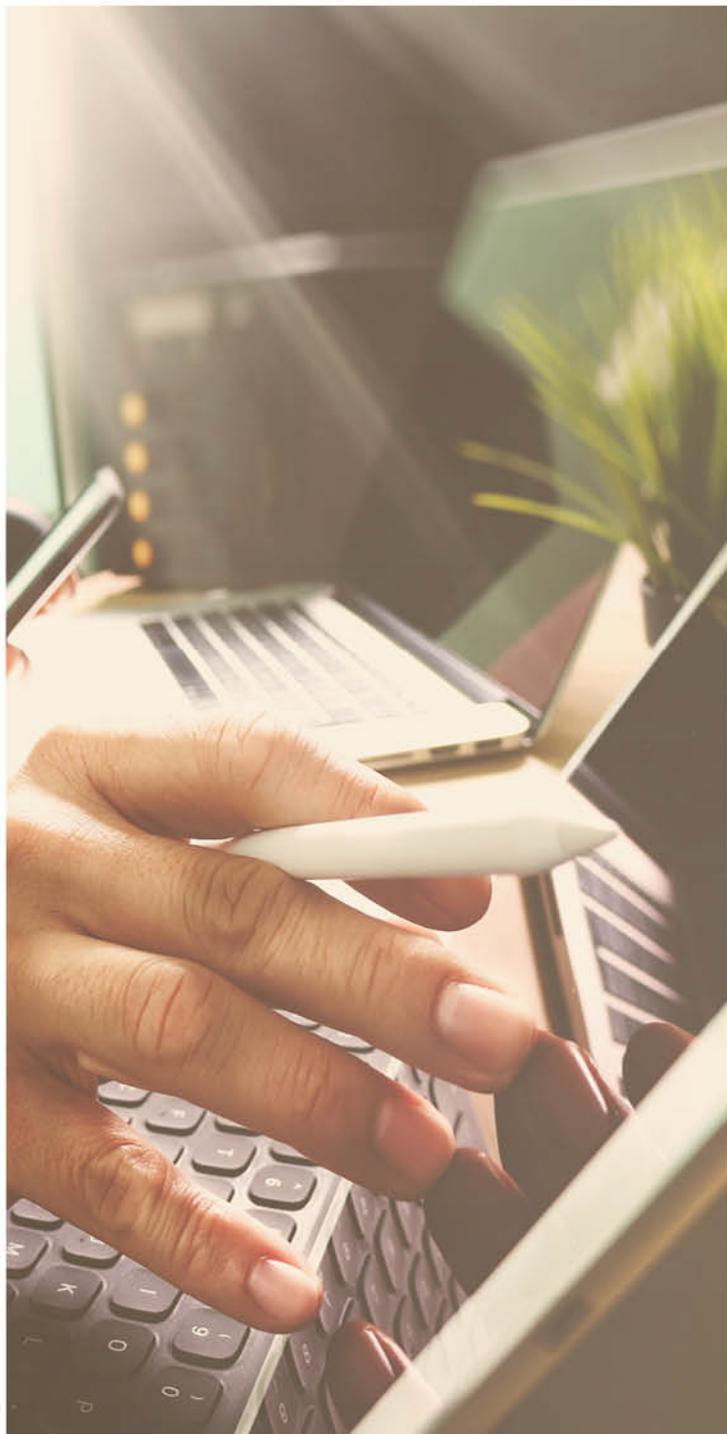


Information Technology Services



Summary

- **For the first half of 2024, the number of M&A transactions in the global IT Services sector totaled 581, compared to 594 in H2 2023, representing a slight decline of 2.2%.** The IT Services sector outperformed the global M&A markets, which saw transaction volume decline 11.2% over the same period.
- **IT Services companies achieved earnings growth ahead of commensurate growth in enterprise values, causing IT Services valuation multiples to slightly decline in the first half of 2024.** From Q4 2023 to Q2 2024, LTM EBITDA among IT Services companies grew 12.8% while enterprise values declined by 3.3%, resulting in the average EV / LTM EBITDA trading multiple in the IT Services sector declining from 18.7x to 17.3x.
- **Despite ongoing inflationary pressures on labor costs, many companies in the IT Services sector have been able to offset these increases in 2024** through price adjustments, workforce reductions and productivity enhancements.
- **Spend in the IT Services industry is forecasted by Gartner to reach \$1.5 trillion by the end of 2024, which would represent 9.7% growth compared to 2023⁽¹⁾.** This is slightly higher than prior-quarter expectations as enterprises focus on operational excellence to gain competitive advantage and drive efficiency amid economic uncertainty. The forecast now extends to 2028, with a five-year CAGR of 9.3% and a market size of \$2.3 trillion.
- **Optimism remains that deal activity will increase in the next twelve months as pressure to deploy capital for investment firms builds and a backlog of quality assets comes to market.** In the first half of 2024, strategic acquirers exhibited higher activity while private equity buyers fell from the second half of 2023, both in terms of new platforms and add-on acquisitions. We expect this number to rise throughout the second half of 2024 as valuation levels become more attractive to financial buyers.

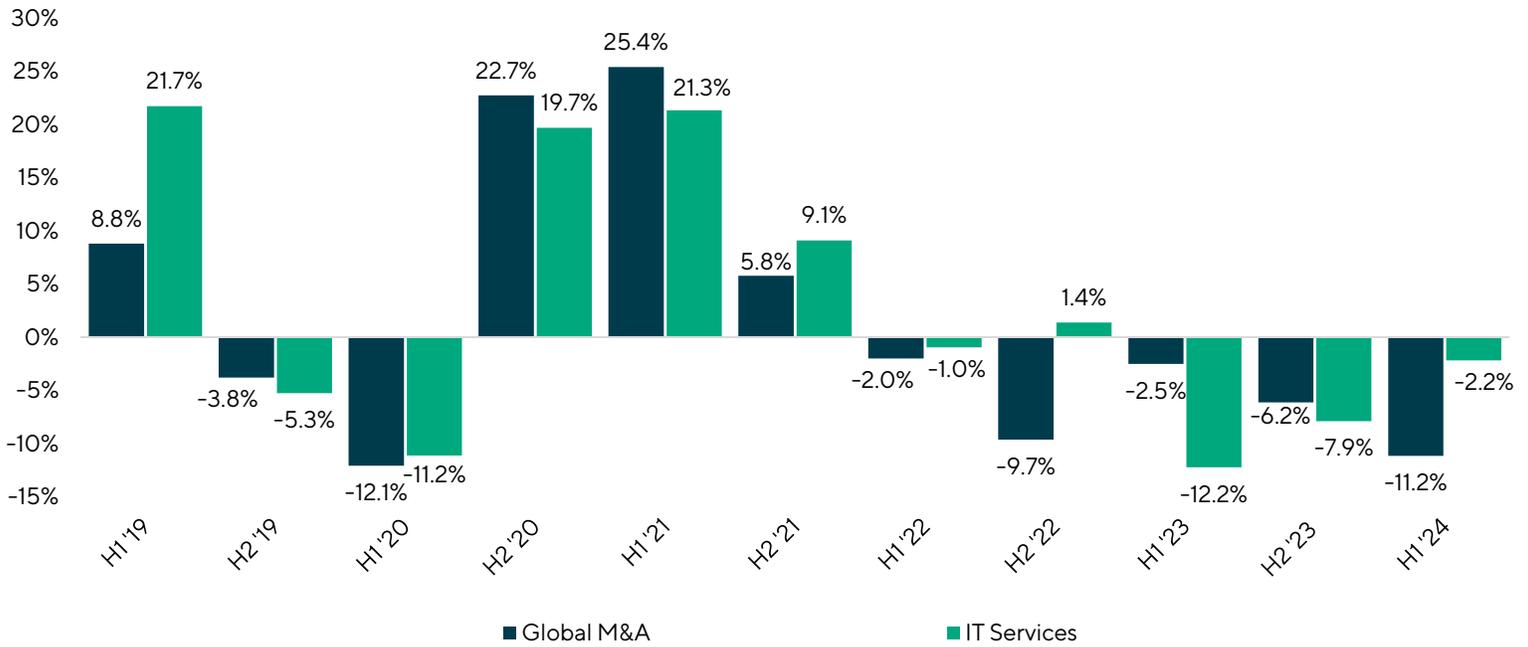
Sources: (1) Gartner

Mid-Year 2024 Report

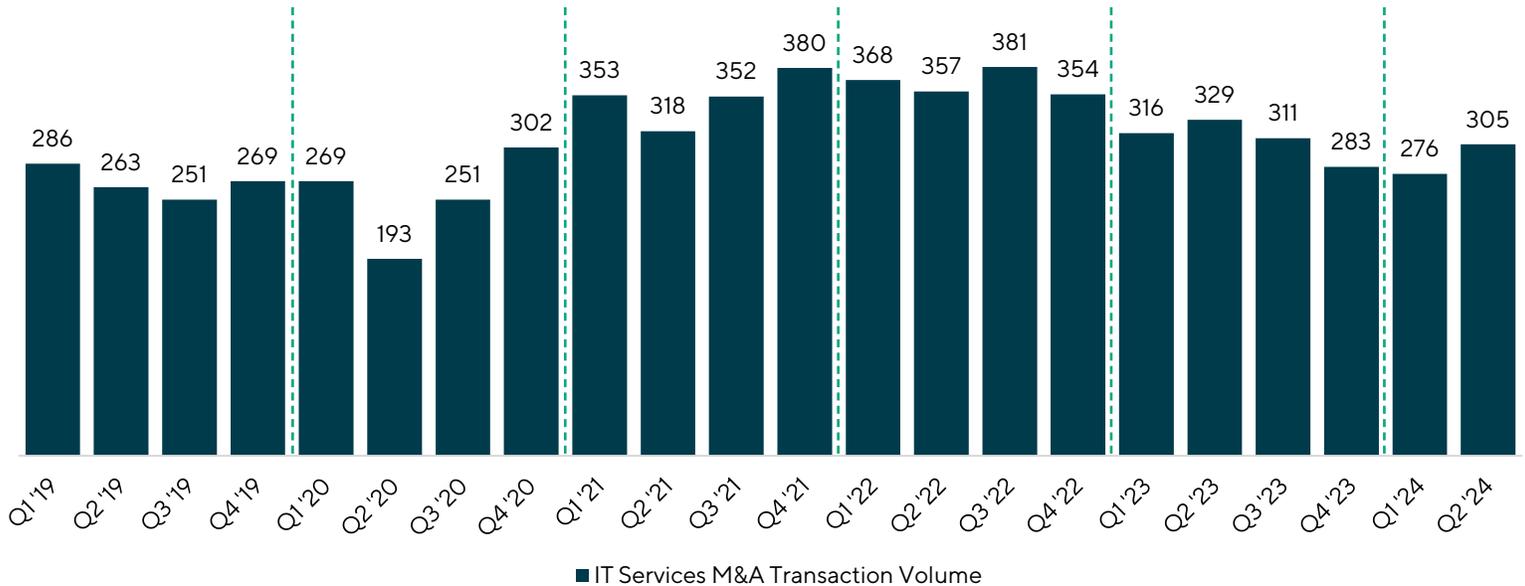
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INTERNATIONAL

Information Technology (IT) Services M&A Activity

Sequential Change in M&A Volume from H1 2019 – H1 2024



IT Services M&A Transaction Volume from Q1 2019 – Q2 2024

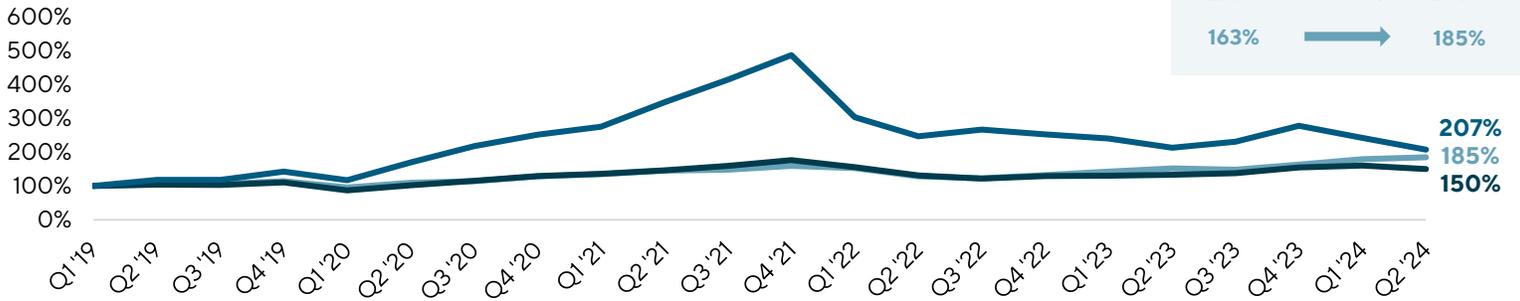


The relative softness experienced in the IT Services sector throughout 2023 continued into H1 2024; however, the IT Services sector proved more resilient than the broader market. IT Services M&A volume in H1 2024 declined by 2.2% compared to H2 2023, while global M&A volume fell by 11.2% over the same period. On a positive note, there was a modest uptick in IT Services deal activity in Q2 2024, which is an encouraging sign heading into H2 2024.

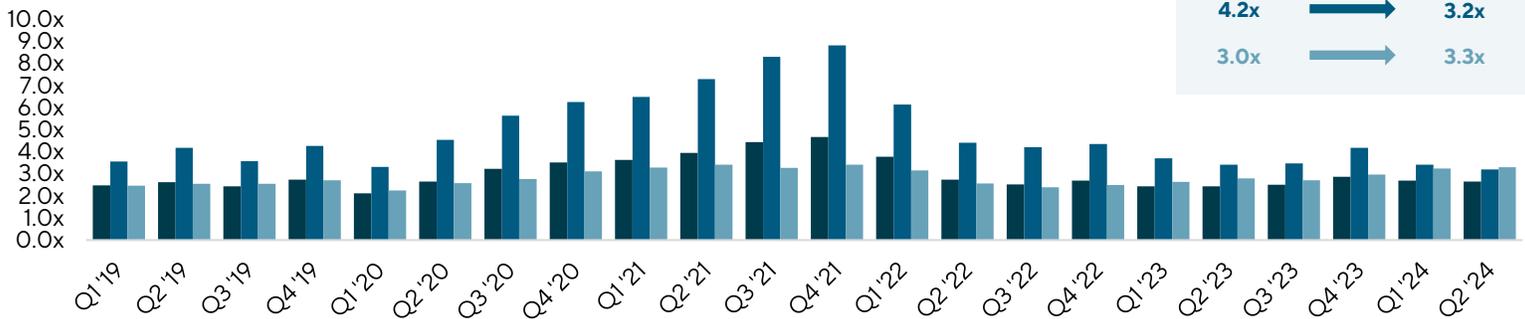
Sources: S&P Capital IQ, Mergermarket, Pitchbook and Proprietary Information; Note: All values based on publicly available data as of 6/30/2024
 Note: Considers closed and reported transactions on S&P Capital IQ. Transaction totals are subject to change from prior report versions as additional transaction data is made available

Information Technology (IT) Services M&A Activity

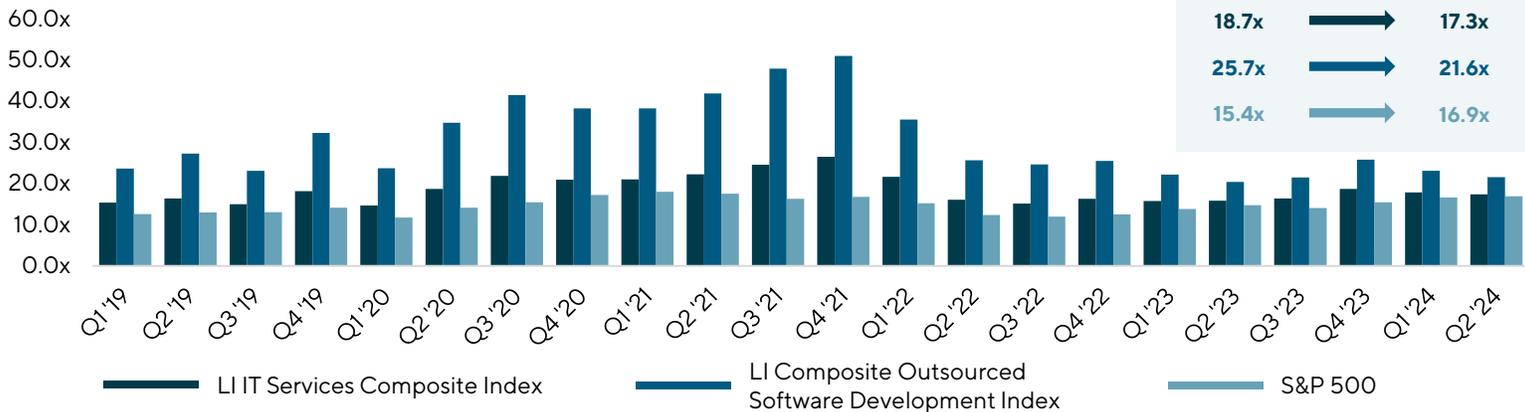
Enterprise Value Indexed to January 2019



Enterprise Value / LTM Revenue Valuation Multiples



Enterprise Value / LTM EBITDA Valuation Multiples



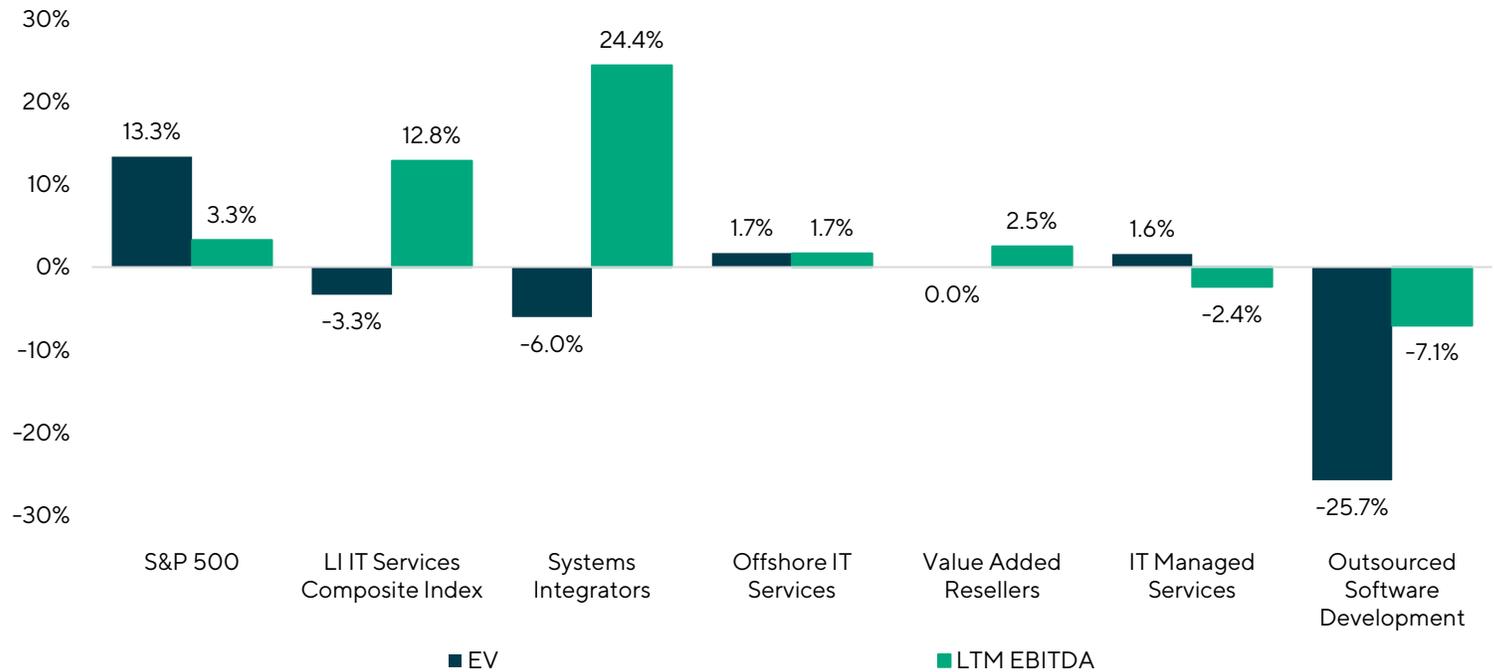
Earnings growth in the IT Services sector significantly exceeded that of the S&P 500 in H1 2024 compared to H2 2023. The IT Services Composite Index saw a 12.8% increase in EBITDA, while average EBITDA across the S&P 500 grew by 3.3%. Despite this impressive period of relative earnings growth, enterprise values among IT Services companies declined by 3.3% from Q4 2023 to Q2 2024 (thus causing deterioration in average EV / LTM EBITDA multiples), **which may indicate the sector is poised for multiple expansion trending toward the 5-year averages of 2.9x for EV / Revenue and 17.9x for EV / EBITDA.**

Source: S&P Capital IQ, Proprietary Information; Note: All values based on publicly available data as of 6/30/2024

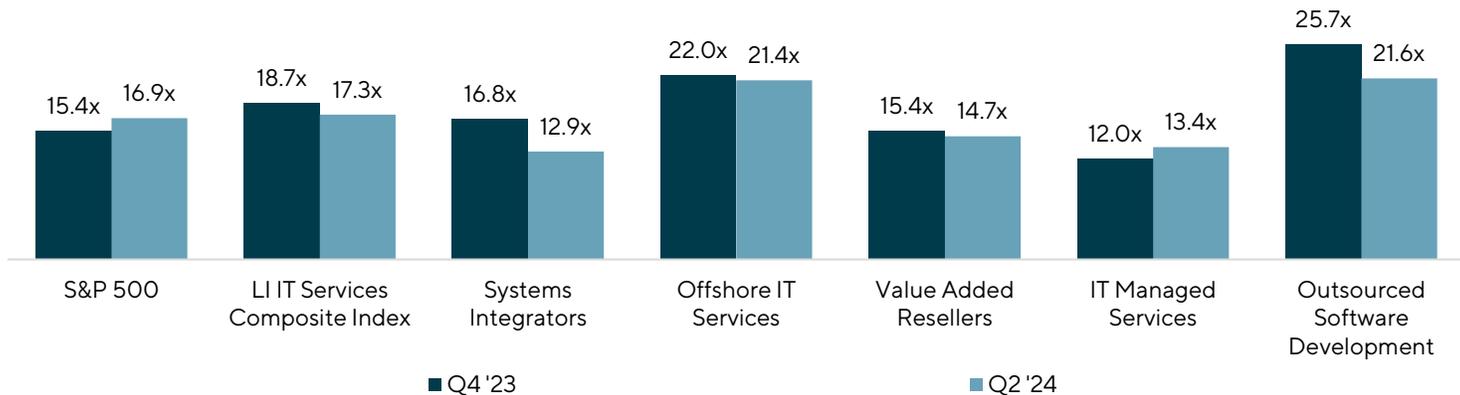
Note: The "LI IT Services Composite Index" is comprised of public companies operating within one of Lincoln's tracked subsectors: North American & European System Integrators, North American & European Value-Added Resellers, Offshore IT Services, North American & European IT Managed Services and Outsourced Software Development

IT Services Sub-Sector Performance and Market Trends

Enterprise Value and LTM EBITDA Performance by Sub-Sector (Q4 2023 vs. Q2 2024)



Enterprise Value / LTM EBITDA Valuation Multiples by Sub-Sector (Q4 2023 vs. Q2 2024)



In the first half of 2024, enterprise values among Systems Integrators declined by 6% despite 24% growth in LTM EBITDA, resulting in EV / EBITDA multiple degradation from 16.8x to 12.9x. Notably, Accenture and Cognizant saw their enterprise values decline by 12% and 11%, respectively, both of which were attributed to slowdowns in new bookings and revenue growth.

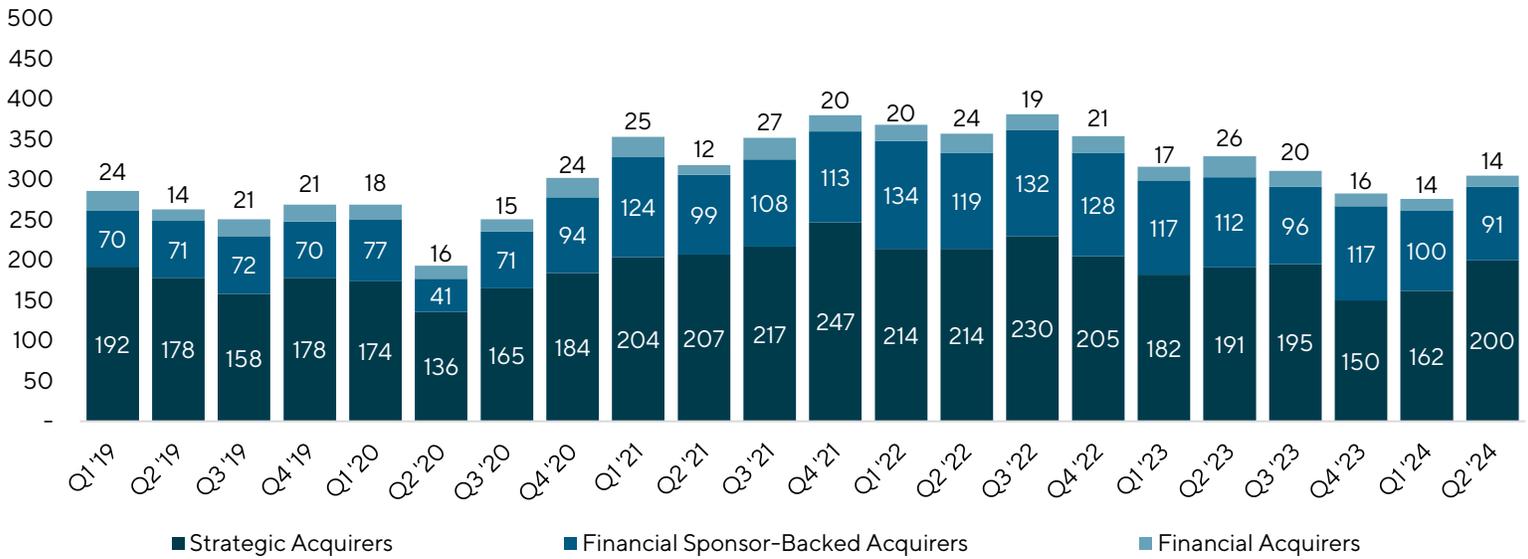
Outsourced Software Developers saw EBITDA decline by an average of 7%, and this resulted in a disproportionate decline in enterprise values in H1 2024 (-26%). Some notable contributors to this trend were (1) Endava, which experienced a 65% decline in EV and 43% decline in LTM EBITDA on a pro forma basis following its acquisition of GalaxE Group and (2) Perficient, which experienced a 16% decline in LTM EBITDA leading up to its recently announced acquisition by EQT.

Source: S&P Capital IQ, Gartner, Company Press Releases and Public Filings; Note: All values based on publicly available data as of 6/30/2024

Note: The "LI IT Services Composite Index" is comprised of public companies operating within one of Lincoln's tracked subsectors: North American & European System Integrators, North American & European Value-Added Resellers, Offshore IT Services, North American & European IT Managed Services and Outsourced Software Development

IT Services Sub-Sector Performance and Market Trends

Global IT Services Transaction Volume by Acquirer Type



Financial acquirer and sponsor-backed acquirer activity declined by 22% and 10%, respectively, driving the overall decrease in IT Services activity from H2 2023 to H1 2024. During this same period, strategic acquirer activity increased by 5%, reversing the trend from 2023 where strategic acquirer activity experienced the largest YoY decline amongst all acquirer types.

IT Services Transaction Volume by Geographic Location



Deal volume in North America declined by 10% from H2 2023 to H1 2024, while deal volume in Europe remained relatively unchanged and increased by 6% in other countries during the same period. This may indicate some firming of the market in Europe and regions outside North America heading into the second half of 2024.

Source: S&P Capital IQ, Gartner, Company Press Releases and Public Filings; Note: All values based on publicly available data as of 6/30/2024

Note: The "LI IT Services Composite Index" is comprised of public companies operating within one of Lincoln's tracked subsectors: North American & European System Integrators, North American & European Value-Added Resellers, Offshore IT Services, North American & European IT Managed Services and Outsourced Software Development

Heard on the Street

1/16/2024: CIVC Partners, a Chicago, IL-based middle-market private equity firm focused on the business services sector, acquired Datavail Corporation, a leading data managed services provider offering database management, data and analytics services and application implementation, development and support services. CIVC has been an active investor in the managed services and IT Services sectors for more than a decade and has a long track record of success partnering with management teams. Both firms look forward to a partnership that will support the company in accelerating its acquisition strategy and strategic organic growth plans.

2/7/2024: Ciklum (Recognize Partners), a London, England-based global experience engineering firm that stands at the forefront of innovation, blending next-generation product engineering, exceptional customer experiences and cutting-edge artificial intelligence, acquired Infogen Labs, a global digital consulting firm that offers software development, design and user experience services, including mobile applications, web apps and application modernization. The acquisition will allow Ciklum to expand its North American footprint, diversify its delivery model into new geographies and enhance its technical capabilities and offerings.

3/30/2024: Applexus Technologies, a Federal Way, WA-based global technology company specializing in SAP consulting, analytics and business transformation services, acquired Absoft, a UK-based SAP partner that offers services around SAP S/4HANA, SAP human capital management / SuccessFactors and public cloud solutions. The combination of the two organizations will create a differentiated provider with a comprehensive set of services across the SAP space, and will provide industry-aligned solutions for customers across many different sectors. Additionally, the combined entity will have global delivery capabilities and a complementary set of intellectual property solutions for SAP customers.

5/6/2024: Dataprise (Trinity Hunt Partners), a Rockville, MD-based managed IT Services and cybersecurity solutions provider, acquired Hooks Systems, a Wilmington, NC-based IT Services provider. The acquisition will expand the company's presence on the East Coast and enhance Hooks Systems' service offerings with advanced IT and cybersecurity solutions. Wilmington and the surrounding areas are rapidly growing markets, and this acquisition helps build a strong foothold in the region to attract new business.

Lincoln's Recent IT Services Transactions

 <p>has been sold to</p>  <p>Sell-Side Staple Financing</p> 	 <p>a portfolio company of</p>  <p>has acquired</p>  <p>Acquisition Financing</p> 	 <p>has acquired</p>  <p>Buy-Side</p> 	 <p>a portfolio company of</p>  <p>has acquired</p>  <p>Acquisition Financing</p> 
 <p>has made a strategic investment in</p>  <p>a portfolio company of</p>  <p>Buy-Side Acquisition Financing</p> 	 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 	 <p>has sold a minority stake to</p>  <p>Capital Raise</p> 	 <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 
 <p>has refinanced</p>  <p>Refinancing</p> 	 <p>has entered into a strategic partnership with</p>  <p>Buy-Side Acquisition Financing</p> 	 <p>has refinanced</p>  <p>with new unitranche and acquisition facilities</p> <p>Refinancing</p> 	 <p>a portfolio company of</p>  <p>has received a majority investment by</p>  <p>Sell-Side Staple Financing</p> 

Source: S&P Capital IQ, Mergermarket, Pitchbook, Company Press Releases and Proprietary Information

M&A Transaction Highlights

Closed	Target	Business Description	Acquirer
Aug-24 ⁽¹⁾	Thoughtworks Holdings	A global technology consultancy that integrates strategy, design and software engineering to enable enterprises and technology disruptors across the globe to thrive as modern digital businesses. Thoughtworks was previously a portfolio company of Apax Partners prior to its 2021 IP	Apax Partners
24-Jul	Medicus IT	Medicus IT provides information technology managed services catering to the healthcare sector. Medicus IT was previously backed by 424 Capital	FFL Partners
24-Jul	Technology Services Group	Based in the UK, TSG provides digital transformation consulting services intended to help businesses with their IT strategy	Pictet Alternative Advisors
24-Jul	Indigital	Indigital provides next-generation network deployment and operation services and related mobile application for PSAPs in the United States and Canada	Novacap Investments
Jun-24 ⁽¹⁾	Altimetrik	Altimetrik provides business transformation and technology consulting services	TPG
24-Jun	Presidio	Presidio provides IT professional and managed services. The company was previously backed by BC Partners, which acquired Presidio in a public-to-private LBO in 2019	Clayton, Dubilier & Rice
24-Jun	iQor	iQor is a provider of business process outsourcing and product support services to commercial brands	Mill Point Capital
24-Jun	Belcan	Belcan provides engineering project management and technical staffing services intended to serve the aerospace, automotive, industrial, pharmaceutical, electronics and government sectors	Cognizant Domestic Holdings
24-May	Absoft	Absoft is an SAP consultancy firm intended to serve public sector, food and beverage, manufacturing, oil and gas, transport and rail industries	Applexus Technologies
24-May	PureSoftware Technologies	Based in India, PureSoftware Technologies provides digital engineering and transformation services to businesses globally, with a focus on BFSI and healthcare clients	Happiest Minds Technologies
24-May	People Tech Group	People Tech Group is a provider of an information technology consulting firm intended to develop enterprise applications and manage information technology projects	Quest Global Services
24-May	Info Center	InfoCenter provides digital transformation services specializing in the ServiceNow solution	Insight Enterprises
Apr-24 ⁽¹⁾	NSEIT	Based in India, NSEIT provides digital technology solutions including application modernization, business transformation, cloud services and cybersecurity	Investcorp
Apr-24 ⁽¹⁾	Focus Group	Based in the UK, Focus Group provides communications and IT Services with a specialization in integrated technology solutions, hosted voice, cloud applications, mobile and connectivity	HgCapital
24-Apr	GalaxE.Solutions	GalaxE.Solutions provides IT and consulting services to businesses globally, including application development and digital engineering	Endava
24-Mar	Vates	Vates provides outsourced software development services with its delivery capabilities in Latin America	EPAM Systems
24-Mar	Velosio	Velosio is a provider of Microsoft cloud-based business management services intended for small and medium-sized companies and larger enterprises. Velosio was previously backed by Harren Equity Partners	Court Square Capital Partners
Feb-24 ⁽¹⁾	Perficient	Perficient provides a variety of information technology and consulting services that focus on digital experience, business optimization and IT solutions. Transaction was a public-to-private LBO	EQT Group

Source: S&P Capital IQ, Mergermarket, Pitchbook, Company Press Releases and Proprietary Information
 (1) Announcement date is listed as transaction has not yet closed

M&A Transaction Highlights

Closed	Target	Business Description	Acquirer
24-Feb	Trianz	Trianz provides a suite of IT Services intended to accelerate digital transformations at Fortune 100 and emerging companies worldwide in data & analytics, digital experiences, cloud infrastructure and security	Capital Square Partners
24-Feb	Infogen	Infogen Labs provides digital engineering services company intended to serve technology, edtech, fintech, retail, telecom, construction and other industries. The acquiror Ciklum is backed by Recognize Partners	Ciklum
24-Feb	Aggne Global	Aggne provides IT consulting services with a specialization in the insurance industry and P&C insurance sector	Wipro Limited
Feb-24 ⁽¹⁾	CBTS	CBTS provides IT and communications services to mid-sized and enterprise businesses. The transaction is a divestiture from corporate parent Altafiber	TowerBrook Capital Partners
24-Jan	Kerv	Based in the UK, Kerv provides cloud-based managed services for governments, law, financial, nonprofit and other organizations	Bridgepoint Development Capital
24-Jan	Datavail Corporation	Datavail provides outsourced database administration, monitoring and maintenance, consulting, support, application development, offshoring, application and systems integration and IT managed services to businesses globally	CIVC Partners
24-Jan	Navisite	Navisite provides remote database administration and cloud management services intended for the manufacturing, retail, finance, education, energy and life sciences industries. The company was previously backed by Madison Dearborn Partners	Accenture

Source: S&P Capital IQ, Mergermarket, Pitchbook, Company Press Releases and Proprietary Information
 (1) Announcement date is listed as transaction has not yet closed

Appendix

Market Statistics – IT Services Composite Index

Company Name	Stock Price	% of High		Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA		EV / FY'24	
		52 -Week	3-Year			FY'23	LTM	FY'23	LTM	EBIT	FCF ⁽¹⁾
LI IT Services Composite Index											
Accenture	\$303.4	78%	73%	\$190,051	\$189,986	3.0x	2.9x	17.0x	16.8x	19.3x	16.5x
Bechtle	47.1	84%	65%	5,932	6,161	0.9x	0.9x	12.7x	13.2x	14.1x	12.9x
Cancom	34.6	97%	51%	1,210	1,143	0.7x	0.6x	14.4x	12.8x	14.0x	10.3x
Capgemini	199.0	82%	82%	34,081	37,382	1.5x	1.6x	11.3x	11.8x	11.4x	11.1x
CDW	223.8	85%	85%	30,084	35,464	1.7x	1.7x	17.5x	17.8x	17.2x	17.5x
CGI	99.8	85%	85%	22,567	23,851	2.3x	2.2x	12.9x	12.6x	13.5x	11.6x
Coforge	65.5	80%	80%	4,367	4,426	4.0x	3.9x	28.5x	25.4x	26.4x	25.3x
Cognizant Technology Solutions	68.0	85%	73%	33,810	32,844	1.7x	1.7x	9.6x	9.5x	11.1x	10.4x
Computacenter	36.3	96%	96%	4,093	3,669	0.4x	0.4x	9.9x	9.9x	10.4x	9.3x
Dustin Group AB	1.1	39%	10%	503	785	0.4x	0.4x	12.0x	12.5x	16.9x	10.9x
Endava	29.2	36%	17%	1,703	1,536	1.5x	1.7x	8.5x	16.5x	13.9x	12.4x
EPAM Systems	188.1	59%	26%	10,906	9,033	1.9x	2.0x	13.4x	14.4x	12.7x	12.3x
Gamma Communications	17.8	93%	62%	1,721	1,562	2.4x	2.4x	12.1x	12.1x	13.0x	12.5x
Globant	178.3	71%	50%	7,691	7,744	3.7x	3.4x	24.8x	22.6x	21.1x	20.6x
HCL Technologies	17.5	86%	86%	47,416	44,849	3.4x	3.3x	16.2x	16.1x	17.5x	16.5x
Infosys	18.8	90%	76%	77,832	75,560	4.1x	4.0x	18.0x	17.9x	18.7x	18.1x
Insight Enterprises	198.4	93%	93%	6,458	7,187	0.8x	0.8x	14.5x	12.9x	12.7x	12.5x
International Business Machines	173.0	87%	87%	158,872	202,700	3.3x	3.3x	14.2x	13.9x	17.6x	14.4x
iomart Group	1.6	66%	48%	182	235	1.5x	1.5x	6.2x	6.2x	10.4x	8.1x
Kainos Group	13.4	75%	52%	1,682	1,531	3.2x	3.2x	18.3x	18.3x	14.9x	14.8x
L&T Technology Services	58.9	84%	78%	6,232	5,992	5.2x	5.1x	28.0x	28.2x	29.0x	28.7x
Larsen & Toubro	42.6	90%	90%	58,532	68,595	2.5x	2.5x	21.1x	20.8x	23.7x	24.2x
Mphasis	29.5	87%	64%	5,570	5,448	3.4x	3.4x	22.2x	21.8x	20.5x	20.1x
Perficient	74.8	77%	49%	2,629	2,933	3.2x	3.3x	18.2x	21.2x	22.8x	15.7x
Persistent Systems	50.9	94%	94%	7,474	7,402	6.3x	6.0x	38.2x	36.5x	37.1x	38.9x
Rackspace Technology	3.0	94%	15%	667	3,900	1.3x	1.4x	12.4x	17.1x	41.9x	28.4x
Redcentric	1.7	84%	84%	272	366	1.8x	1.8x	19.8x	19.8x	12.5x	10.5x
Softcat	23.0	98%	84%	4,574	4,443	3.5x	3.7x	24.1x	23.7x	22.9x	22.6x
Tata Consultancy Services	46.8	92%	92%	169,453	165,224	5.7x	5.6x	22.0x	21.4x	21.0x	20.6x
Tech Mahindra	17.2	98%	74%	15,162	14,645	2.3x	2.4x	27.3x	26.2x	23.8x	21.8x
United Internet	21.6	80%	55%	3,726	7,265	1.1x	1.1x	5.8x	6.0x	8.3x	14.7x
WiiT	24.6	100%	59%	643	861	6.0x	5.8x	19.1x	19.3x	27.8x	28.7x
Wipro	6.2	94%	66%	32,268	29,367	2.7x	2.8x	15.1x	15.0x	16.8x	15.9x
LI IT Services Composite Index Mean		83%	67%			2.6x	2.6x	17.1x	17.3x	18.6x	17.2x
LI IT Services Composite Index Median		85%	73%			2.4x	2.4x	16.2x	16.8x	17.2x	15.7x

Source: Market data sourced from Capital IQ as of June 30, 2024
 (1) FCF is calculated as EBITDA less CapEx

Appendix (cont.)

Operating Statistics – IT Services Composite Index

Company Name	Revenue		Revenue CARG			EBITDA		EBITDA %		% of FY'24 Revenue	
	FY'23	LTM	3-Year ACT	1-Year ACT	1-Yr Prj	FY'23	LTM	FY'23	LTM	GM	CapEX
LI IT Services Composite Index											
Accenture	\$64,112	\$64,476	13.1%	4.1%	1.2%	\$11,201	\$11,280	17.5%	17.5%	32.7%	0.9%
Bechtle	7,099	6,807	4.7%	10.2%	2.3%	486	468	6.8%	6.9%	17.4%	1.3%
Cancom	1,687	1,836	5.2%	21.5%	17.9%	79	89	4.7%	4.9%	37.6%	1.9%
Capgemini	24,894	23,823	8.7%	5.9%	(1.9%)	3,301	3,162	13.3%	13.3%	28.2%	1.2%
CDW	21,376	20,943	5.0%	(10.0%)	1.6%	2,029	1,987	9.5%	9.5%	21.9%	0.6%
CGI	10,568	10,611	5.0%	12.8%	1.4%	1,852	1,897	17.5%	17.9%	19.1%	1.0%
Coforge	1,102	1,123	20.0%	12.9%	14.7%	155	174	14.1%	15.5%	32.1%	3.0%
Cognizant Technology Solutions	19,353	19,265	5.1%	(0.4%)	0.2%	3,417	3,459	17.7%	18.0%	34.0%	1.9%
Computacenter	8,818	8,818	5.9%	13.1%	(3.9%)	372	372	4.2%	4.2%	16.1%	0.6%
Dustin Group AB	2,155	2,049	12.1%	(3.0%)	(8.8%)	65	63	3.0%	3.1%	15.4%	0.6%
Endava	1,010	930	32.2%	26.9%	(7.1%)	181	93	17.9%	10.0%	29.0%	1.4%
EPAM Systems	4,691	4,621	20.8%	(2.8%)	(1.5%)	675	626	14.4%	13.5%	30.1%	1.1%
Gamma Communications	665	665	7.3%	13.8%	8.8%	129	129	19.5%	19.5%	51.2%	4.3%
Globant	2,096	2,285	37.1%	17.7%	15.9%	313	343	14.9%	15.0%	37.8%	4.8%
HCL Technologies	13,270	13,434	9.3%	5.4%	4.7%	2,761	2,787	20.8%	20.7%	34.3%	2.6%
Infosys	18,562	18,659	11.0%	1.9%	3.1%	4,206	4,227	22.7%	22.7%	31.2%	2.4%
Insight Enterprises	9,176	9,043	3.2%	(12.0%)	8.0%	496	556	5.4%	6.2%	19.8%	0.4%
International Business Machines	61,860	62,363	3.9%	2.2%	2.0%	14,291	14,625	23.1%	23.5%	57.1%	2.7%
iomart Group	160	160	1.3%	12.2%	4.0%	38	38	23.6%	23.6%	54.6%	10.6%
Kainos Group	483	483	14.3%	4.2%	9.1%	84	84	17.3%	17.3%	50.1%	1.6%
L&T Technology Services	1,158	1,177	15.5%	7.9%	10.1%	214	213	18.5%	18.1%	46.5%	2.7%
Larsen & Toubro	27,027	27,855	12.4%	19.2%	12.4%	3,249	3,297	12.0%	11.8%	37.5%	1.8%
Mphasis	1,594	1,613	6.2%	(5.2%)	8.5%	246	249	15.4%	15.5%	37.5%	2.7%
Perficient	907	882	14.0%	0.2%	1.9%	162	138	17.8%	15.7%	37.0%	0.7%
Persistent Systems	1,183	1,232	27.4%	16.1%	14.2%	194	203	16.4%	16.5%	33.1%	3.6%
Rackspace Technology	2,957	2,828	3.0%	(5.3%)	(8.2%)	315	228	10.6%	8.0%	20.8%	5.3%
Redcentric	206	206	17.8%	17.6%	5.1%	18	18	9.0%	9.0%	73.5%	7.3%
Softcat	1,267	1,195	(3.6%)	(3.4%)	(2.4%)	184	187	14.6%	15.7%	42.9%	0.5%
Tata Consultancy Services	28,912	29,286	8.8%	5.3%	7.6%	7,511	7,705	26.0%	26.3%	42.0%	1.7%
Tech Mahindra	6,241	6,219	6.4%	(3.8%)	2.4%	537	559	8.6%	9.0%	27.9%	2.6%
United Internet	6,868	6,749	1.5%	8.6%	1.5%	1,262	1,220	18.4%	18.1%	25.4%	15.0%
WiiT	144	149	30.8%	13.3%	20.9%	45	45	31.3%	30.0%	0.0%	17.4%
Wipro	10,773	10,664	8.4%	(2.2%)	1.8%	1,945	1,963	18.1%	18.4%	29.8%	2.8%
LI IT Services Composite Index Mean			11.3%	6.2%	4.5%			15.3%	15.0%	33.4%	3.3%
LI IT Services Composite Index Median			8.7%	5.4%	2.4%			16.4%	15.7%	32.7%	1.9%

Source: Market data sourced from Capital IQ as of June 30, 2024
 (1) FCF is calculated as EBITDA less CapEx

Appendix (cont.)

Market Statistics – North American and European Systems Integrators

Company Name	Stock Price	% of High		Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA		EV / FY'24	
		52 -Week	3-Year			FY'23	LTM	FY'23	LTM	EBIT	FCF ⁽¹⁾
LI Composite NA & European Systems Integrators											
Accenture	\$303.4	78%	73%	\$190,051	\$189,986	3.0x	2.9x	17.0x	16.8x	19.3x	16.5x
Capgemini	199.0	82%	82%	34,081	37,382	1.5x	1.6x	11.3x	11.8x	11.4x	11.1x
CGI	99.8	85%	85%	22,567	23,851	2.3x	2.2x	12.9x	12.6x	13.5x	11.6x
Cognizant Technology Solutions	68.0	85%	73%	33,810	32,844	1.7x	1.7x	9.6x	9.5x	11.1x	10.4x
International Business Machines	173.0	87%	87%	158,872	202,700	3.3x	3.3x	14.2x	13.9x	17.6x	14.4x
LI Composite NA & European Systems Integrators Mean		83%	80%			2.3x	2.3x	13.0x	12.9x	14.6x	12.8x
LI Composite NA & European Systems Integrators Median		85%	82%			2.3x	2.2x	12.9x	12.6x	13.5x	11.6x

Operating Statistics – North American and European Systems Integrators

Company Name	Revenue		Revenue CARG			EBITDA		EBITDA %		% of FY'24 Revenue	
	FY'23	LTM	3-Year ACT	1-Year ACT	1-Yr Prj	FY'23	LTM	FY'23	LTM	GM	CapEX
LI Composite NA & European Systems Integrators											
Accenture	\$64,112	64,476	13.1%	4.1%	1.2%	\$11,201	\$11,280	17.5%	17.5%	32.6%	0.7%
Capgemini	24,894	23,823	8.7%	5.9%	(1.9%)	3,301	3,162	13.3%	13.3%	27.1%	1.2%
CGI	10,568	10,611	5.0%	12.8%	1.4%	1,852	1,897	17.5%	17.9%	30.7%	0.8%
Cognizant Technology Solutions	19,353	19,265	5.1%	(0.4%)	0.2%	3,417	3,459	17.7%	18.0%	34.4%	1.6%
International Business Machines	61,860	62,363	3.9%	2.2%	2.0%	14,291	14,625	23.1%	23.5%	56.1%	1.7%
LI Composite NA & European Systems Integrators Mean			7.2%	4.9%	0.6%			17.8%	18.0%	36.2%	1.2%
LI Composite NA & European Systems Integrators Median			5.1%	4.1%	1.2%			17.5%	17.9%	32.6%	1.2%

Source: Market data sourced from Capital IQ as of June 30, 2024
 (1) FCF is calculated as EBITDA less CapEx

Appendix (cont.)

Market Statistics – Offshore IT Services

Company Name	Stock Price	% of High		Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA		EV / FY'24	
		52 -Week	3-Year			FY'23	LTM	FY'23	LTM	EBIT	FCF ⁽¹⁾
LI Composite Offshore IT Services											
Coforge	\$65.5	80%	80%	\$4,367	\$4,426	4.0x	3.9x	28.5x	25.4x	26.4x	25.3x
HCL Technologies	17.5	86%	86%	47,416	44,849	3.4x	3.3x	16.2x	16.1x	17.5x	16.5x
Infosys	18.8	90%	76%	77,832	75,560	4.1x	4.0x	18.0x	17.9x	18.7x	18.1x
L&T Technology Services	58.9	84%	78%	6,232	5,992	5.2x	5.1x	28.0x	28.2x	29.0x	28.7x
Larsen & Toubro	42.6	90%	90%	58,532	68,595	2.5x	2.5x	21.1x	20.8x	23.7x	24.2x
Mphasis	29.5	87%	64%	5,570	5,448	3.4x	3.4x	22.2x	21.8x	20.5x	20.1x
Tata Consultancy Services	46.8	92%	92%	169,453	165,224	5.7x	5.6x	22.0x	21.4x	21.0x	20.6x
Tech Mahindra	17.2	98%	74%	15,162	14,645	2.3x	2.4x	27.3x	26.2x	23.8x	21.8x
Wipro	6.2	94%	66%	32,268	29,367	2.7x	2.8x	15.1x	15.0x	16.8x	15.9x
LI Composite Offshore IT Services Mean		89%	78%			3.7x	3.7x	22.0x	21.4x	21.9x	21.2x
LI Composite Offshore IT Services Median		90%	78%			3.4x	3.4x	22.0x	21.4x	21.0x	20.6x

Operating Statistics – Offshore IT Services

Company Name	Revenue		Revenue CARG			EBITDA		EBITDA %		% of FY'24 Revenue	
	FY'23	LTM	3-Year ACT	1-Year ACT	1-Yr Prj	FY'23	LTM	FY'23	LTM	GM	CapEX
LI Composite Offshore IT Services											
Coforge	\$1,102	1,123	20.0%	12.9%	14.7%	\$155	\$174	14.1%	15.5%	40.6%	n/a
HCL Technologies	13,270	13,434	9.3%	5.4%	4.7%	2,761	2,787	20.8%	20.7%	35.6%	0.9%
Infosys	18,562	18,659	11.0%	1.9%	3.1%	4,206	4,227	22.7%	22.7%	29.6%	1.2%
L&T Technology Services	1,158	1,177	15.5%	7.9%	10.1%	214	213	18.5%	18.1%	47.6%	n/a
Larsen & Toubro	27,027	27,855	12.4%	19.2%	12.4%	3,249	3,297	12.0%	11.8%	37.1%	n/a
Mphasis	1,594	1,613	6.2%	(5.2%)	8.5%	246	249	15.4%	15.5%	40.2%	0.8%
Tata Consultancy Services	28,912	29,286	8.8%	5.3%	7.6%	7,511	7,705	26.0%	26.3%	39.9%	1.1%
Tech Mahindra	6,241	6,219	6.4%	(3.8%)	2.4%	537	559	8.6%	9.0%	29.8%	n/a
Wipro	10,773	10,664	8.4%	(2.2%)	1.8%	1,945	1,963	18.1%	18.4%	29.9%	1.2%
LI Composite Offshore IT Services Mean			10.9%	4.6%	7.3%			17.3%	17.6%	36.7%	1.0%
LI Composite Offshore IT Services Median			9.3%	5.3%	7.6%			18.1%	18.1%	37.1%	1.1%

Source: Market data sourced from Capital IQ as of June 30, 2024
 (1) FCF is calculated as EBITDA less CapEx

Appendix (cont.)

Market Statistics – Value Added Resellers

Company Name	Stock Price	% of High		Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA		EV / FY'24	
		52 -Week	3-Year			FY'23	LTM	FY'23	LTM	EBIT	FCF ⁽¹⁾
LI Composite Value Added Resellers											
Bechtle	\$47.1	84%	65%	\$5,932	\$6,161	0.9x	0.9x	12.7x	13.2x	14.1x	12.9x
Cancom	34.6	97%	51%	1,210	1,143	0.7x	0.6x	14.4x	12.8x	14.0x	10.3x
CDW	223.8	85%	85%	30,084	35,464	1.7x	1.7x	17.5x	17.8x	17.2x	17.5x
Computacenter	36.3	96%	96%	4,093	3,669	0.4x	0.4x	9.9x	9.9x	10.4x	9.3x
Dustin Group AB	1.1	39%	10%	503	785	0.4x	0.4x	12.0x	12.5x	16.9x	10.9x
Insight Enterprises	198.4	93%	93%	6,458	7,187	0.8x	0.8x	14.5x	12.9x	12.7x	12.5x
Softcat	23.0	98%	84%	4,574	4,443	3.5x	3.7x	24.1x	23.7x	22.9x	22.6x
LI Composite Value Added Resellers Mean		85%	69%			1.2x	1.2x	15.0x	14.7x	15.4x	13.7x
LI Composite Value Added Resellers Median		93%	84%			0.8x	0.8x	14.4x	12.9x	14.1x	12.5x

Operating Statistics – Value Added Resellers

Company Name	Revenue		Revenue CARG			EBITDA		EBITDA %		% of FY'24 Revenue	
	FY'23	LTM	3-Year ACT	1-Year ACT	1-Yr Prj	FY'23	LTM	FY'23	LTM	GM	CapEX
LI Composite Value Added Resellers											
Bechtle	\$7,099	6,807	4.7%	10.2%	2.3%	\$486	\$468	6.8%	6.9%	17.9%	1.5%
Cancom	1,687	1,836	5.2%	21.5%	17.9%	79	89	4.7%	4.9%	38.5%	1.7%
CDW	21,376	20,943	5.0%	(10.0%)	1.6%	2,029	1,987	9.5%	9.5%	22.1%	0.7%
Computacenter	8,818	8,818	5.9%	13.1%	(3.9%)	372	372	4.2%	4.2%	15.1%	0.3%
Dustin Group AB	2,155	2,049	12.1%	(3.0%)	(8.8%)	65	63	3.0%	3.1%	15.3%	0.2%
Insight Enterprises	9,176	9,043	3.2%	(12.0%)	8.0%	496	556	5.4%	6.2%	19.2%	0.5%
Softcat	1,267	1,195	(3.6%)	(3.4%)	(2.4%)	184	187	14.6%	15.7%	41.8%	0.2%
LI Composite Value Added Resellers Mean			4.7%	2.4%	2.1%			6.9%	7.2%	24.3%	0.7%
LI Composite Value Added Resellers Median			5.0%	(3.0%)	1.6%			5.4%	6.2%	19.2%	0.5%

Source: Market data sourced from Capital IQ as of June 30, 2024
 (1) FCF is calculated as EBITDA less CapEx

Appendix (cont.)

Market Statistics – IT Managed Services

Company Name	Stock Price	% of High		Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA		EV / FY'24	
		52 -Week	3-Year			FY'23	LTM	FY'23	LTM	EBIT	FCF ⁽¹⁾
LI Composite IT Managed Services											
iomart Group	\$1.6	66%	48%	\$182	\$235	1.5x	1.5x	6.2x	6.2x	10.4x	8.1x
Rackspace Technology	3.0	94%	15%	667	3,900	1.3x	1.4x	12.4x	17.1x	41.9x	28.4x
Redcentric	1.7	84%	84%	272	366	1.8x	1.8x	19.8x	19.8x	12.5x	10.5x
United Internet	21.6	80%	55%	3,726	7,265	1.1x	1.1x	5.8x	6.0x	8.3x	14.7x
Gamma Communications	17.8	93%	62%	1,721	1,562	2.4x	2.4x	12.1x	12.1x	13.0x	12.5x
Wiiit	24.6	100%	59%	643	861	6.0x	5.8x	19.1x	19.3x	27.8x	28.7x
LI Composite IT Managed Services Mean		86%	54%			2.3x	2.3x	12.6x	13.4x	19.0x	17.2x
LI Composite IT Managed Services Median		88%	57%			1.6x	1.6x	12.2x	14.6x	12.8x	13.6x

Operating Statistics – IT Managed Services

Company Name	Revenue		Revenue CARG			EBITDA		EBITDA %		% of FY'24 Revenue	
	FY'23	LTM	3-Year ACT	1-Year ACT	1-Yr Prj	FY'23	LTM	FY'23	LTM	GM	CapEX
LI Composite IT Managed Services											
iomart Group	\$160	160	1.3%	12.2%	4.0%	\$38	\$38	23.6%	23.6%	54.8%	7.5%
Rackspace Technology	2,957	2,828	3.0%	(5.3%)	(8.2%)	315	228	10.6%	8.0%	20.8%	4.5%
Redcentric	206	206	17.8%	17.6%	5.1%	18	18	9.0%	9.0%	72.3%	5.7%
United Internet	6,868	6,749	1.5%	8.6%	1.5%	1,262	1,220	18.4%	18.1%	32.5%	12.4%
Gamma Communications	665	665	7.3%	13.8%	8.8%	129	129	19.5%	19.5%	51.2%	1.1%
Wiiit	144	149	30.8%	13.3%	20.9%	45	45	31.3%	30.0%	37.8%	8.3%
LI Composite IT Managed Services Mean			10.3%	10.0%	5.3%			18.7%	18.0%	44.9%	6.6%
LI Composite IT Managed Services Median			5.2%	12.7%	4.5%			18.9%	18.8%	44.5%	6.6%

Source: Market data sourced from Capital IQ as of June 30, 2024
 (1) FCF is calculated as EBITDA less CapEx

Appendix (cont.)

Market Statistics – Outsourced Software Development

Company Name	Stock Price	% of High		Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA		EV / FY'24	
		52 -Week	3-Year			FY'23	LTM	FY'23	LTM	EBIT	FCF ⁽¹⁾
LI Composite Outsourced Software Development											
Endava	\$29.2	36%	17%	\$1,703	\$1,536	1.5x	1.7x	8.5x	16.5x	13.9x	12.4x
EPAM Systems	188.1	59%	26%	10,906	9,033	1.9x	2.0x	13.4x	14.4x	12.7x	12.3x
Globant	178.3	71%	50%	7,691	7,744	3.7x	3.4x	24.8x	22.6x	21.1x	20.6x
Kainos Group	13.4	75%	52%	1,682	1,531	3.2x	3.2x	18.3x	18.3x	14.9x	14.8x
Perficient	74.8	77%	49%	2,629	2,933	3.2x	3.3x	18.2x	21.2x	22.8x	15.7x
Persistent Systems	50.9	94%	94%	7,474	7,402	6.3x	6.0x	38.2x	36.5x	37.1x	38.9x
LI Composite Outsourced Software Development Mean		69%	48%			3.3x	3.2x	20.2x	21.6x	20.4x	19.1x
LI Composite Outsourced Software Development Median		73%	50%			3.2x	3.2x	18.2x	19.7x	18.0x	15.2x

Operating Statistics – Outsourced Software Development

Company Name	Revenue		Revenue CARG			EBITDA		EBITDA %		% of FY'24 Revenue	
	FY'23	LTM	3-Year ACT	1-Year ACT	1-Yr Prj	FY'23	LTM	FY'23	LTM	GM	CapEX
LI Composite Outsourced Software Development											
Endava	\$1,010	930	32.2%	26.9%	(7.1%)	\$181	\$93	17.9%	10.0%	27.4%	0.8%
EPAM Systems	4,691	4,621	20.8%	(2.8%)	(1.5%)	675	626	14.4%	13.5%	30.1%	0.5%
Globant	2,096	2,285	37.1%	17.7%	15.9%	313	343	14.9%	15.0%	36.1%	1.5%
Kainos Group	483	483	14.3%	4.2%	9.1%	84	84	17.3%	17.3%	49.0%	1.5%
Perficient	907	882	14.0%	0.2%	1.9%	162	138	17.8%	15.7%	35.6%	0.4%
Persistent Systems	1,183	1,232	27.4%	16.1%	14.2%	194	203	16.4%	16.5%	27.0%	3.6%
LI Composite Outsourced Software Development Mean			24.3%	10.4%	5.4%			16.5%	14.7%	34.2%	1.4%
LI Composite Outsourced Software Development Median			24.1%	10.1%	5.5%			16.9%	15.4%	32.8%	1.1%

Source: Market data sourced from Capital IQ as of June 30, 2024
 (1) FCF is calculated as EBITDA less CapEx



Lincoln's Business Services Group is Committed to Serving Our Clients

We are immersed in the constantly evolving, rapidly growing service-based economy. Our breadth of transactional, operational and technical experience enables us to intuitively communicate the underlying dynamics in key subsectors and generate excellent outcomes based on our clients' individual needs.

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