

# IT Services & Cybersecurity Sector Overview

Q3 2025



# Executive Summary

## Introduction

- Mesirow's knowledge, experience and relationships within the IT Services and Cybersecurity sectors enable us to add substantial value and unique insights on behalf of our clients and prospects
- Our strategic discussion materials will expand on:
  - Mesirow's dedicated coverage of the IT Services and Cybersecurity sectors
  - Brief market update and key value drivers
  - Discussion regarding the current universe of IT Services and Cybersecurity participants and representative private equity

## Mesirow capabilities

- Experienced professionals with a **strong track-record in the IT Services and Cybersecurity sectors**
- Engagements are led by **senior industry bankers** who possess significant experience and unique, invaluable insight
- **Direct lines of communication** with key investor decision-makers enable Mesirow to add substantial value
- We welcome the opportunity **to further develop our relationship with industry participants**, and we look forward to a constructive and on-going dialogue

## Team Leadership



**Shane McDaniel**  
Managing Director  
*Technology & Services*

- 25+ years of investment banking experience
- Previously at Raymond James, Piper Jaffray and Citigroup
- M.B.A., Booth - University of Chicago
- B.A., University of Illinois



**Bob Lockwood**  
Managing Director,  
*Technology & Services*

- 25+ years of investment banking experience
- Previously at JEGI, Lincoln International, Raymond James
- B.A., University of Pennsylvania



**Joe Perozzi**  
Vice President  
*Business Services*

- 9+ years of investment banking and business advisory experience
- M.S., University of Illinois
- B.S., University of Illinois

# Dedicated Coverage of the IT Services and Cybersecurity Sectors

## Select Technology Service Deals

 HAS BEEN ACQUIRED BY 	 HAS SOLD  to  a portfolio company of 	 <b>Cyber Security Solutions Business</b> HAS BEEN ACQUIRED BY 	 <i>a portfolio company of</i>  HAS BEEN ACQUIRED BY 
 HAS BEEN ACQUIRED BY 	 HAS BEEN ACQUIRED BY 	 HAS BEEN ACQUIRED BY  <i>a portfolio company of</i> 	 <b>Enterprise Wireless Solutions Business</b> HAS BEEN ACQUIRED BY AN AFFILIATE OF 

## Experience with Clients Operating Within Various Technology (Partner) Ecosystems



Included transactions originated / completed by Mesirow and Mesirow professionals while at predecessor firms.










## Extensive M&A Experience with Deep Industry Understanding

- Deep IT Services sector knowledge and vast experience with privately-held, private-equity backed and publicly-traded technology companies
- Strategic positioning of IT Services businesses offering a diverse mix of comprehensive MSP and MSSP solutions including applications, cloud, cybersecurity, databases, data & recovery, digital transformation, network infrastructure, monitoring, mobile, etc.
- Expertise working with IT companies operating across technology partner platforms and ecosystems

# Dedicated Coverage of the IT Services and Cybersecurity Sectors

## Deep expertise and experience across a range of relevant sub-sectors

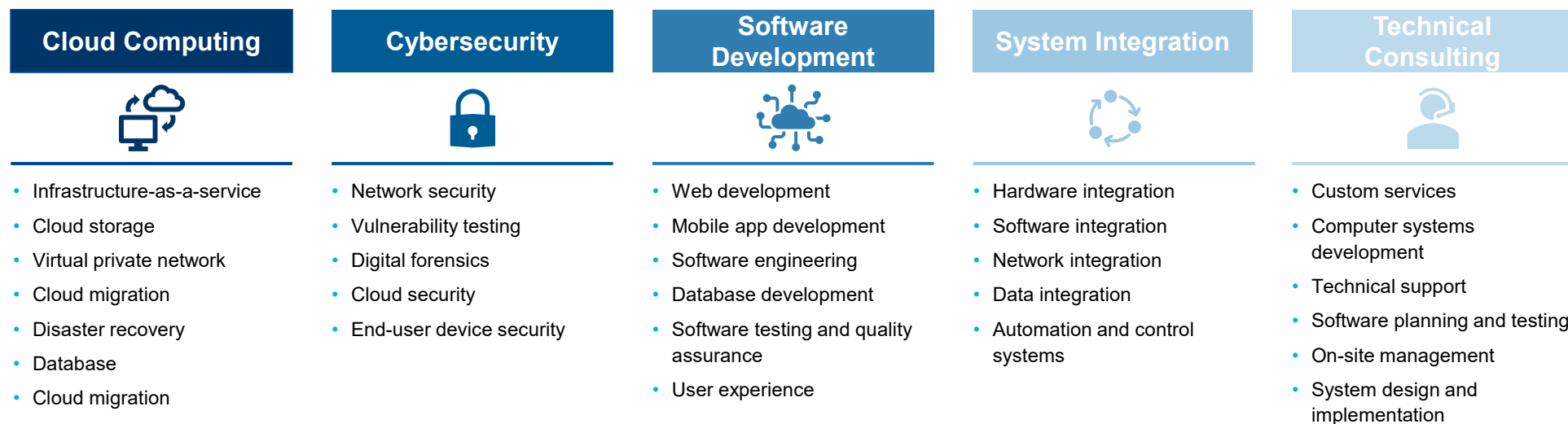
### Select Relationships

Category Specialization	Company	Description
Business Intelligence	 TIBCO	• Financial transaction processing and data analytics software for decision-making rules engine based on historical data, visualization of business intelligence and statistical tools
	 WILLARD BISHOP Inmar	• Management consultant to food retailers and CPGs, providing merchandising and promotional strategy advisory
Cloud Migration	 Accenture	• Cloud advisory & technology services provider, focused on automating sales, customer service, marketing, ERP and other functions
	 IBM	• Chicago-based Salesforce consulting services firm, providing services including cloud implementation and IT managed services
IT Services		• Enterprise applications services providing, with services including IT managed services, consulting, development and Oracle UPK
	 Accenture	• Barrington, IL based consulting practice focused on source-to-settle spend management solutions through SAP and Ariba platforms to diverse customer end markets
MSPs	 IBM	• Provides outsourced network operations center monitoring, reporting and supporting services for corporations in North America and Europe
Vertical Market IT Systems / Solutions	 Cincinnati Bell	• Ontario, Canada based IT consulting provider, offering infrastructure, professional, managed and digital solutions
	 HP	<ul style="list-style-type: none"> <li>• Collaborations solutions provider based in California</li> <li>• Executed roll-up of IT consulting UCC integrators</li> </ul>

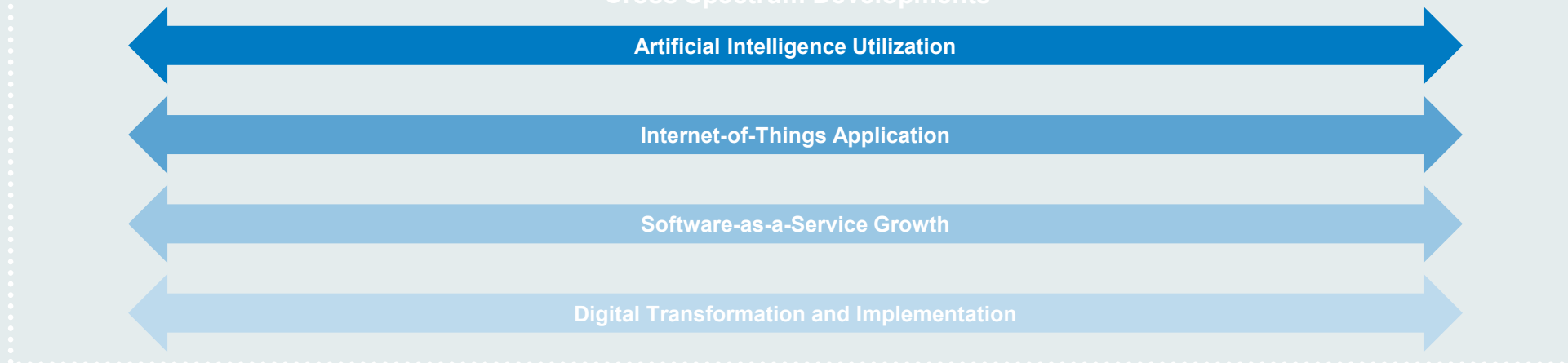
### Sub-Sectors of Focus

Application & Software Development
Cloud Migration
Cybersecurity
Data Center & Infrastructure Visibility
Hardware / Procurement
Hosting and Outsourced Managed Services
IT Consulting & Professional Services
Managed Service Providers
Mobile / Web
Systems Integrators
User Experience

# IT Services Spectrum



## Cross Spectrum Developments



# The IT Services Market is Large and Growing

Valuable segments of the market remain underserved and continue to grow larger

## The IT Services market is highly attractive...



Significant addressable global market of \$1.5 trillion, forecasted to grow at a CAGR of 9.5% through 2030 to reach a market size of \$1.9 trillion



Artificial intelligence has the ability to drive non-linear growth for IT services companies as less manpower is needed to carry out necessary tasks



IT outsourcing represents the largest market, accounting for nearly 37% of worldwide revenues



Global IT spending surpassed \$5.1 trillion dollars in 2024, with expectations of this numbering continuing to rise year over year



Strong desire to improve business operations by implementing more technical offerings to streamline processes

## ...Supported by sector growth drivers

Expanding digital ecosystems are driving risks associated with cyber threats and data breaches, that are growing by 14% a year

Rapid technological developments are compelling business to pursue digital transformation

Small and medium-sized enterprises represent most of the market share, proving technological advancements are desirable for all business sizes



Growing reliance on big data analytics is driving a demand for specialized IT services to manage these large amounts of information

Infrastructure-as-a-service ("IaaS") is expected to reach an annual growth rate of nearly 16%

As software and applications further develop, the increase for integration and implementation services will rise



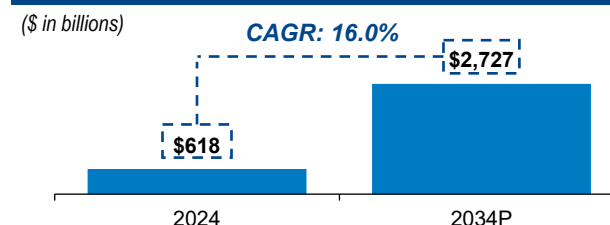
# Global IT Services Sector Trends

## Cloud Services



- Serverless computing is emerging and allows developers to build and run applications without server infrastructure, cutting costs and increasing efficiency
- While cloud infrastructure and platform services are driving the highest growth in the cloud services market, software-as-a-services ("SaaS") is still the largest segment in end-user spending

## Global Cloud Services Market

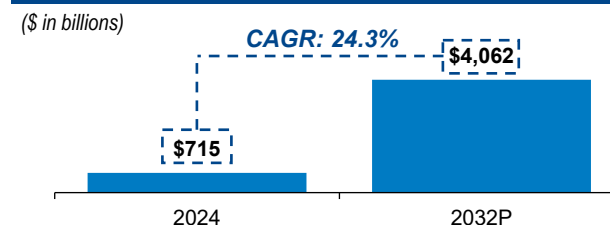


## Internet of Things ("IoT")



- As high-speed connectivity technologies, like 5G, continue to advance, devices will only improve and further develop the internet of things market
- Autonomous vehicles, remote healthcare and smart home and city infrastructure are all becoming common place in society, requiring more connectivity and real-time data processing

## Global IoT Market

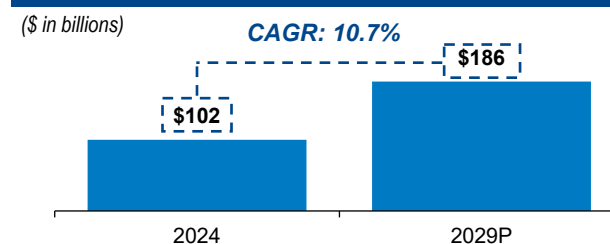


## IT Consulting



- Businesses and consumers are embracing digital technologies at a much higher rate, requiring technology consultants to play a pivotal role in their development and integration
- Key components across the technology industry, such as remote work, cybersecurity, digital transformation and data analytics, require consultants for proper implementation

## Global IT Consulting Market



# Global IT Services Sector Trends

## Managed Security Service Providers (“MSSPs”)



- **SMBs Driving Demand:** Rising cyber threats and breach costs make MSSPs essential for small and mid scale businesses
- **Emergence of AI and Machine Learning:** MSSPs are using AI-powered threat detection, response and workflow automation tools to counter attacks
- **Increased Adoption of Cloud-Based Security Solutions:** As organizations migrate to the cloud, MSSPs are expanding their offerings with advanced cloud security services to protect clients' infrastructure and data using tool

## Network Security



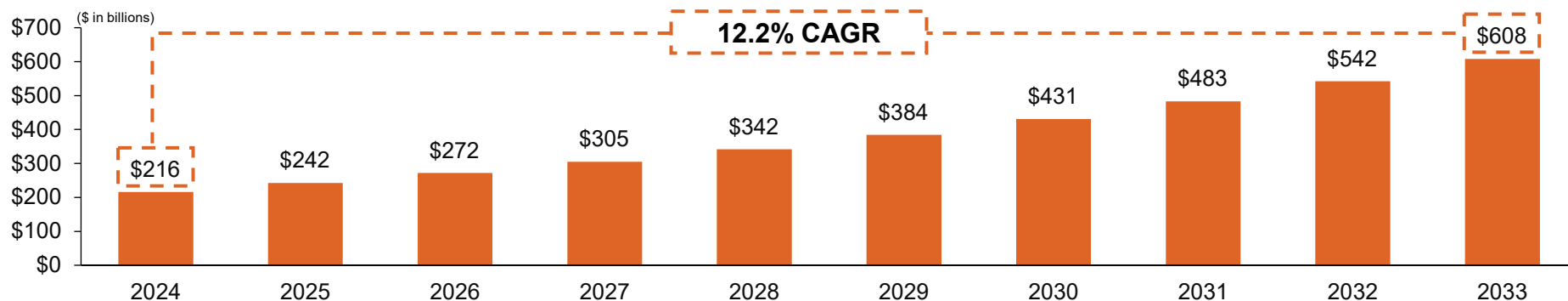
- **The Rise of Secure Browser:** Secure browsers are redefining enterprise security by preventing data leaks while maintaining user-friendly experiences
- **Adoption of AI-powered solutions:** Secure AI adoption hinges on AI access security, AI security posture management and runtime security to protect data, models and the AI supply chain
- **Deployment of Single Vendor Secure Access Service Edge (SASE):** To protect data breach, single-vendor SASE solutions are poised to provide the agility and security for enterprises to thrive

## Cybersecurity



- **Shift to Integrated Platforms:** Providers are moving to unified solutions like extended detection and response to simplify security management and vendor consolidation
- **AI-Powered Threat Intelligence:** AI and machine learning powered solutions boost the anomaly detection, automate response and predict emerging threats
- **Evolution of Phishing Attacks:** Advanced phishing threats are driving adoption of robust multi-factor authentication to strengthen security

## Global Cybersecurity Market Size



Sources: Aujas Cybersecurity, Splashtop, Palo Alto Networks, Channel Insider, Teckpath and Cloudwize.io.



# Value Drivers & Differentiators

Premium valuations are derived from a variety of attributes

<b><i>Technology / Solution</i></b>	Public, Private, Hybrid Cloud	Proprietary Technology	Migration Capabilities	Security	Consulting	Integration with Third Party Platforms
<b><i>Business Model</i></b>	Multi-Year Contracted Revenues		Overall Size / Scale and Margin Profile		SaaS / Highly Recurring Revenue Composition	
<b><i>Diversified Customer Base</i></b>	Customer Type (Small and Medium-Sized Enterprises)		Low Customer Concentration		Low Customer Churn / High Average Revenue Per User	
<b><i>Strong Sales Channel and Tools</i></b>	Strong Channel Relationships		Excellent Sales Team with Engineering Capabilities		Consultative Sales Approach	
<b><i>Quality of Service</i></b>	Service Level Agreements		Network and Quality (Quality of Service)		Data Protection and Privacy	
<b><i>Specialization</i></b>	Vertical Market Expertise		Geographic Diversification		Vendor and Partner Industry Certifications	

# IT Services M&A Overview

## Secular tailwinds driving digital transformation

- Industry experts are bullish on the 2025 M&A market, especially in the second half
- Cloud software and digital services are driving majority of the growth within the information technology services industry
  - Cloud software spending is growing at 21.5% a year and digital services at 16.1%
- Technology service offerings are rapidly being deployed in industries such as financial services, retail, auto, healthcare and logistics
  - Large companies are acquiring smaller IT services players to develop their technological offerings and further develop their capabilities
- In 2024, globally, large strategics and private equity backed companies have been acquisitive in order to expand product offerings and grow into new verticals and markets
  - Top regional providers are consolidating in their existing geographies

## Active participants

### Strategic Acquirers



### Private Equity

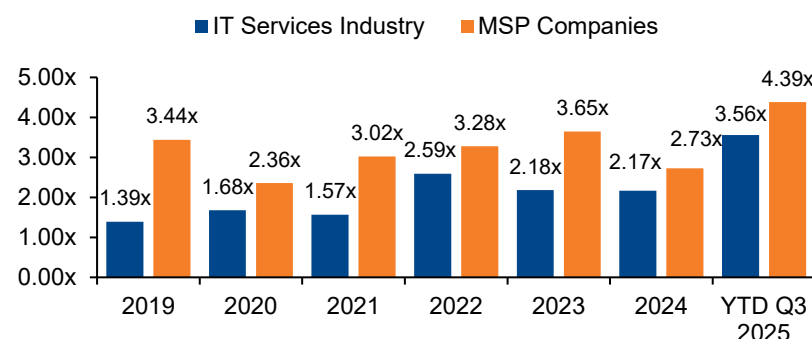


### Hybrid Acquirers

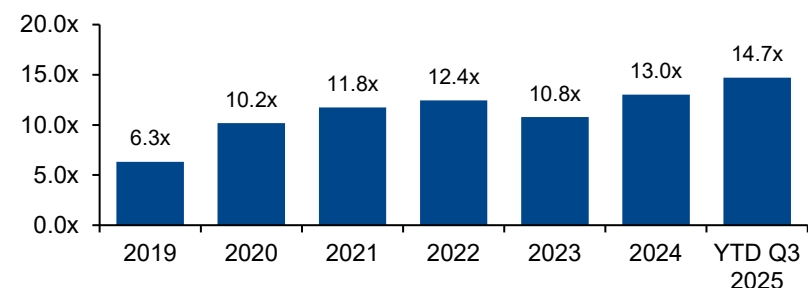


## Annual IT Services deal multiples remain high<sup>1</sup>

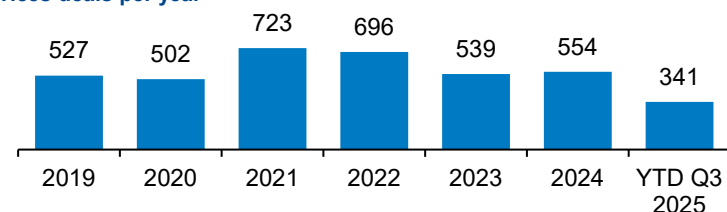
Median EV / revenue of managed service providers ("MSP") compared to the IT Services Industry



## Median EV / EBITDA of IT Services industry transactions


























## IT Services deals per year


























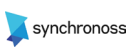
Source: IT Services Report and other sources. 1. Only represents disclosed transactions, outliers were removed.

# Select Cybersecurity Transactions

Date	Buyer	Target	Enterprise Value (in \$ millions)	EV/ Revenue	EV/ EBITDA	Commentary
Sep-25	 SentinelOne	 Prompt	\$275	-	-	<ul style="list-style-type: none"> <li>Develops a security platform focused on protecting generative artificial intelligence</li> </ul>
Jul-25	 paloalto	 CYBERARK	\$24,600	19.55x	NM	<ul style="list-style-type: none"> <li>Secures privileged access and identities across hybrid and cloud environments to protect organizations from cyber threats</li> </ul>
Feb-24	 ARMIS	 CTCI	\$20	-	-	<ul style="list-style-type: none"> <li>Operator of a cybersecurity platform intended to protect organizations from cyber threats through its cutting-edge vulnerability and threat detection solutions</li> </ul>
Jan-24	 Hewlett Packard Enterprise	 JUNIPER NETWORKS	\$14,024	2.60x	25.4x	<ul style="list-style-type: none"> <li>Designs, develops and sells products and services for high-performance networks, primarily focused on providing secure and reliable network infrastructure for enterprises</li> </ul>
Jan-24	 SentinelOne	 PingSafe	\$115	-	-	<ul style="list-style-type: none"> <li>Operator of a cloud security platform intended to analyze and address critical vulnerabilities on the cloud</li> </ul>
Dec-23	 paloalto	 TALON	\$458	47.80x	-	<ul style="list-style-type: none"> <li>Developer of a cybersecurity technology designed to boost the commercialization of security controls for the hybrid workforce</li> </ul>
Nov-23	 SentinelOne	 KSG	\$14	68.10x	-	<ul style="list-style-type: none"> <li>Provider of cybersecurity strategy services intended to serve the manufacturing, aerospace, life sciences and telecommunication industries</li> </ul>
May-23	 cisco	 panoptica	\$225	-	-	<ul style="list-style-type: none"> <li>Developer of a cloud security platform designed to empower organizations to visualize cloud environments from an attacker's perspective</li> </ul>
May-23	 Alfar Capital	 MSP CORP	\$74	-	-	<ul style="list-style-type: none"> <li>Operator of a managed service provider intended for cloud computing, cybersecurity and IT support</li> </ul>
May-23	 Akamai	 neosec	\$86	-	-	<ul style="list-style-type: none"> <li>Developer of API security software platform designed to provide the safety of applications and data</li> </ul>
Feb-23	 DNV	 nixu cybersecurity	\$101	1.69x	41.2x	<ul style="list-style-type: none"> <li>Provides solutions to ensure businesses easy and secure access to digital services and data protection</li> </ul>
Feb-22	 CHECK POINT	 Spectral	\$60	-	-	<ul style="list-style-type: none"> <li>Developer of cloud security tool intended to detect and fix security issues</li> </ul>













Source: PitchBook, Capital IQ, company websites and other sources.

# Select IT Services Transactions (1/2)

Date	Buyer	Target	Enterprise Value (in \$ millions)	EV/ Revenue	EV/ EBITDA	Commentary
Sep-25	 AGILITAS	 tietoevery	\$262	-	-	• Helps businesses modernize through cloud, data and digital transformation solutions
Feb-25	 TURN RIVER	 SOLARWINDS	\$4,400	5.57x	15.3x	• Provider of simple, powerful, secure observability and IT management software built to enable customers to accelerate their digital transformation
Dec-24	 World Wide Technology	 Softchoice	\$1,250	1.63x	15.5x	• Designs, implements and manages complex multi-vendor IT solutions that enable customer's digital transformation
Oct-24	 IEQT	 PERFICIENT	\$3,160	3.03x	15.8x	• Offers a variety of information technology and consulting services that focus on digital experience, business optimization and IT solutions
Aug-24	 Apax	 /thoughtworks	\$1,750	1.86x	77.0x	• Global software consultancy company that focusses on delivering technology solutions to help businesses improve their operations
Apr-24	 Barcoding	 decisionpoint	\$92	0.75x	12.5x	• Integrator of enterprise mobility solutions and managed services focused on the deployment and management of data capturing
Mar-24	 PAR	 Stuzo	\$189	4.73x	13.5x	• Helps organizations build, launch and manage activation programs and commerce
Feb-24	 BainCapital	 SI&C	\$147	1.35x	11.5x	• Provides information technology services delivering accelerated end-to-end cloud adoption for enterprises
Feb-24	 AHEAD Berkshire Partners	 CDI	\$705	2.35x	9.7x	• Provider of IT infrastructure hardware and software, consulting and managed services intended for businesses of all sizes
Sep-23	 CISCO	 splunk	\$28,550	7.43x	169.8x	• Develops and markets cloud services and licensed software solutions
Aug-23	 cegeka	 CTG	\$182	0.48x	22.3x	• Offers information and technology-related services
Mar-23	 BRILEY Principal Investments	 synchronoss	\$347	1.37x	15.1x	• Provides cloud, messaging, digital and network management solutions

Source: PitchBook, Capital IQ, company websites and other sources.


## Select IT Services Transactions (2/2)

Date	Buyer	Target	Enterprise Value (in \$ millions)	EV/ Revenue	EV/ EBITDA	Commentary
Sep-22	 Rithum.	 channeladvisor	\$648	3.77x	26.0x	• Provides cloud-based e-commerce software
Jun-22	 Alithya	 DATUM SOLUTIONS™	\$45	2.54x	7.6x	• Operates as a software development and consulting company
May-22	 ICE	 BLACK & KNIGHT™	\$14,760	9.51x	18.1x	• Provides integrated software, data and analytics solutions
May-22	 CONVERGE TECHNOLOGY SOLUTIONS	 TIG Technology Integration Group	\$74	-	-	• An IT systems integrator that provides IT solutions for small, medium, enterprise, government and education organizations
May-22	 concentrix	 Service Source®	\$172	0.86x	78.5x	• Provides business process-as-a-service solutions worldwide
Apr-22	 Brookfield	 CDK Global	\$8,220	4.68x	14.2x	• Provides integrated data and technology solutions

Source: PitchBook, Capital IQ, company websites and other sources.





# Notable Recent Private Placements in IT Services and Cybersecurity Sectors (1/2)

Date	Target	Lead Investor	Amount Raised (\$MM)	Est. Amount Raised To Date (\$MM)	Number of Rounds	Commentary
Jun-25	 <b>Guardz.</b>	 <b>ClearSky</b>	\$56	\$95	4	<ul style="list-style-type: none"> <li>Develops a cybersecurity platform focused on real-time protection automatically discovering and monitoring business critical applications</li> </ul>
Apr-25	 <b>RELIAQUEST</b>	 <b>IEQT</b>	\$500	\$1,240	11	<ul style="list-style-type: none"> <li>Develops a cybersecurity-managed service and intelligence platform that automates work across the entire security lifecycle of organizations</li> </ul>
Feb-25	 <b>ninjaOne</b>	 <b>CapitalG</b>	\$500	\$768	5	<ul style="list-style-type: none"> <li>Develops a cloud-based platform designed to monitor, manage and support the IT operations of managed service providers</li> </ul>
Feb-25	 <b>together.ai</b>	 <b>Prosperity7</b> <small>AN ARAMCO VENTURES FUND</small>	\$305	\$538	5	<ul style="list-style-type: none"> <li>Operates a cloud-based services platform intended to provide decentralized interface for artificial intelligence</li> </ul>
Feb-25	 <b>Lambda</b>	 <b>Andra</b>	\$480	\$1,370	7	<ul style="list-style-type: none"> <li>Offers a cloud computing platform designed for large-scale artificial intelligence training and inference</li> </ul>
Dec-24	 <b>COHEsITY</b>	 <b>HAVELI</b>	\$950	\$2,830	8	<ul style="list-style-type: none"> <li>Develops a web-scale platform designed to simplify how companies protect, manage and extract value from data</li> </ul>

Source: PitchBook, Capital IQ, company websites and other sources.



# Notable Recent Private Placements in IT Services and Cybersecurity Sectors (2/2)

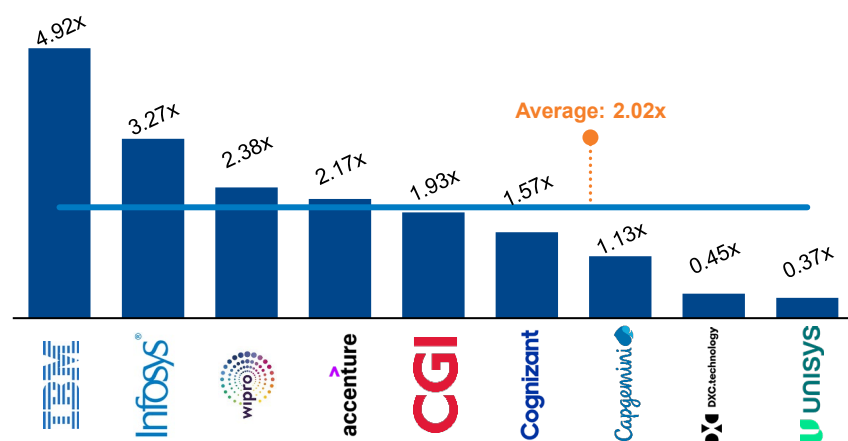
Date	Target	Lead Investor	Amount Raised (\$MM)	Est. Amount Raised To Date (\$MM)	Number of Rounds	Commentary
Nov-24	<b>EON</b>	BOND	\$70	\$197	4	<ul style="list-style-type: none"> <li>Develops a cloud backup posture management platform intended to understand, classify and index cloud resources and applications</li> </ul>
Nov-24	 <b>CYERA</b>	Accel	\$300	\$761	5	<ul style="list-style-type: none"> <li>Provides a holistic data storing and security platform designed to prevent breaches and catch data risk in an organization</li> </ul>
Oct-24	 <b>VFS.GLOBAL</b>	TEMASEK	\$950	\$1,090	4	<ul style="list-style-type: none"> <li>Provides outsourcing and technology services intended for public agencies</li> </ul>
Oct-24	 <b>Josys</b>	global brain	\$93	\$123	2	<ul style="list-style-type: none"> <li>Develops an operations management platform designed to ensure the availability, performance and reliability of information technology services</li> </ul>
Aug-24	<b>Kiteworks</b>	6 <b>SIXTH STREET</b>	\$456	\$610	6	<ul style="list-style-type: none"> <li>Offers a cloud-based cybersecurity platform intended to prevent data breaches and compliance violations</li> </ul>
Jul-24	 <b>edata</b>	WARBURG PINCUS	\$350	\$511	3	<ul style="list-style-type: none"> <li>Develops a data integration software designed to facilitate the way clients connect to data</li> </ul>

Source: PitchBook, Capital IQ, company websites and other sources.

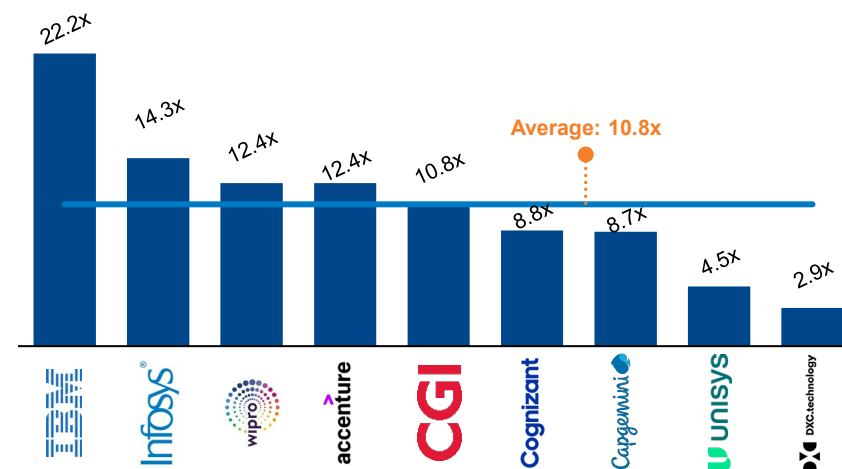
# IT Services Comparable Public Company Analysis

Selected IT Services companies: multiple analysis

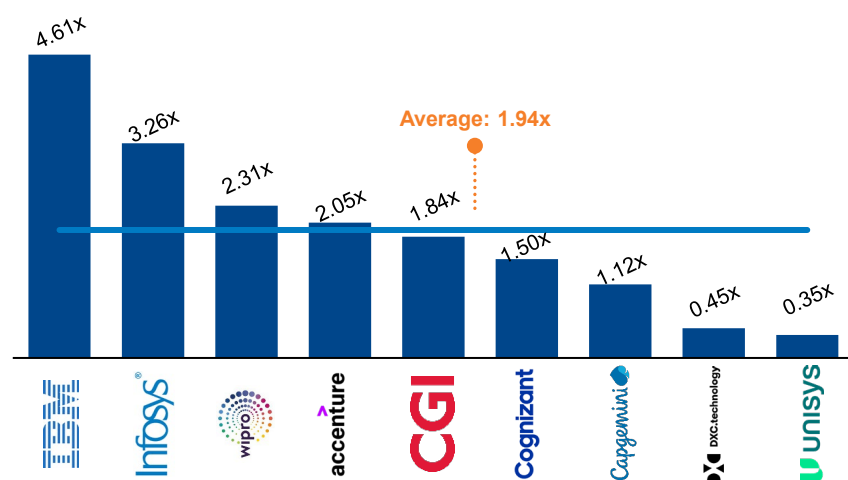
EV / LTM Revenue



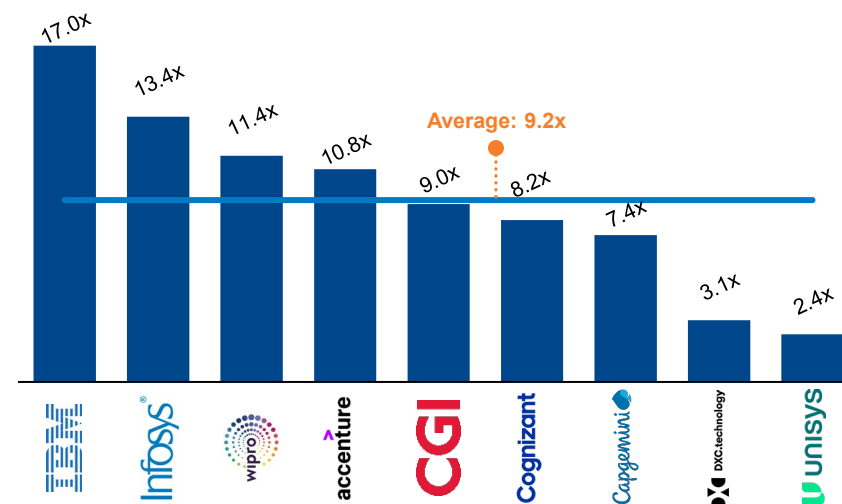
EV / LTM EBITDA



EV / NTM Revenue



EV / NTM EBITDA

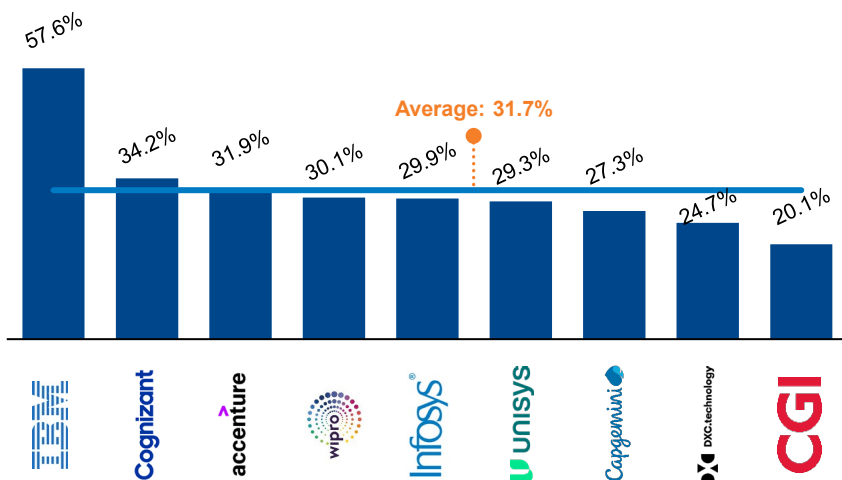


Source: S&P Capital IQ as of September 30, 2025.

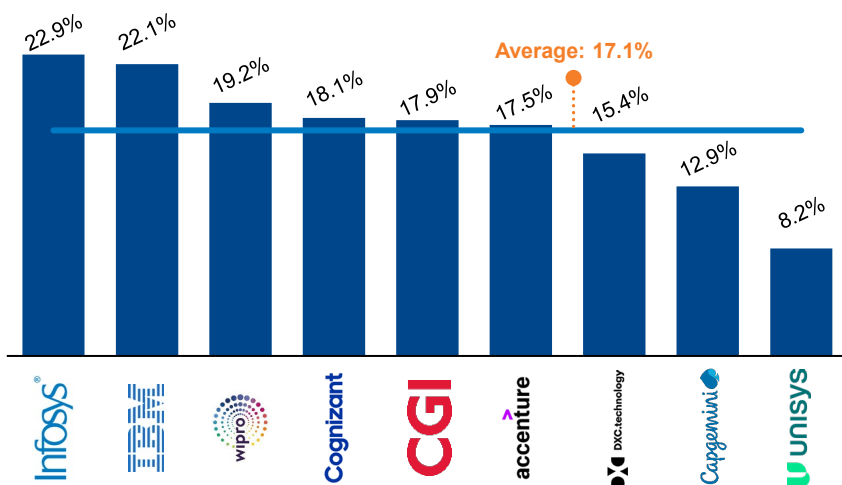
# IT Services Comparable Public Company Analysis

Selected IT Services companies: metric analysis

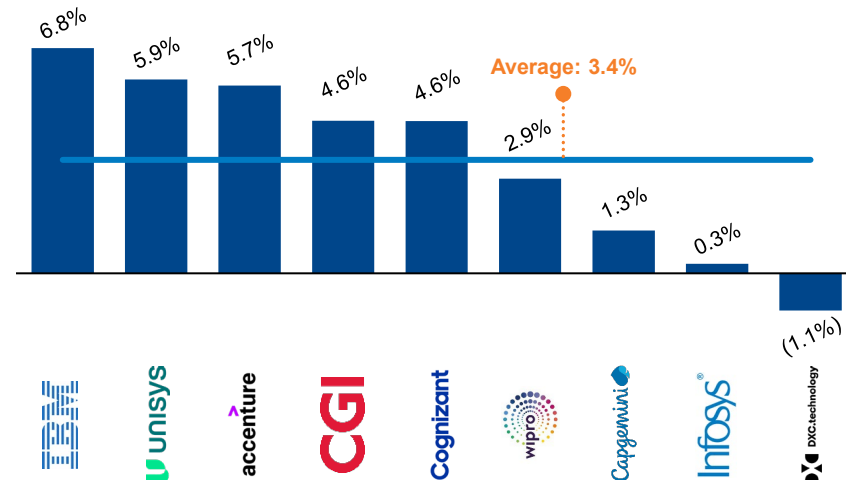
## LTM Gross Margin



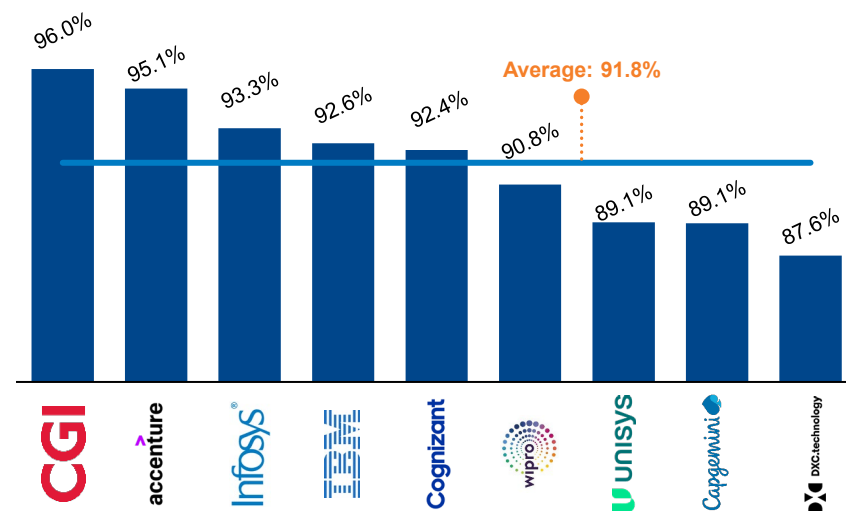
## LTM EBITDA Margin



## Revenue CAGR (LTM - NTM)



## Free Cash Flow Conversion

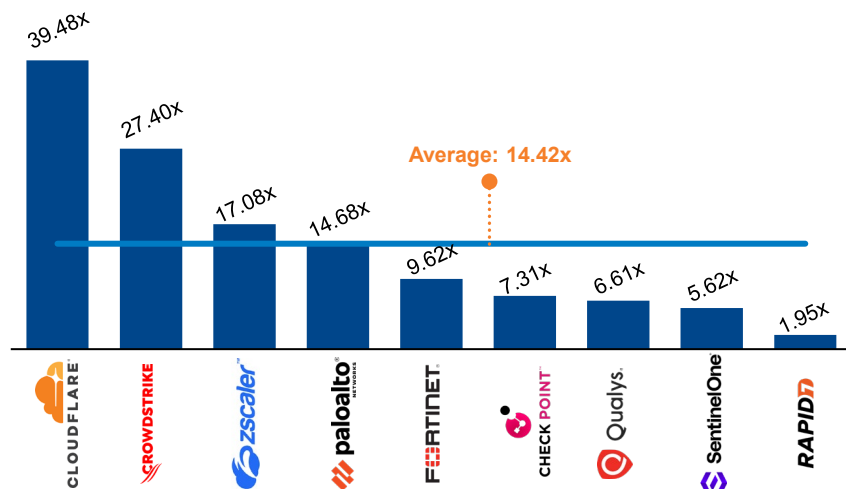


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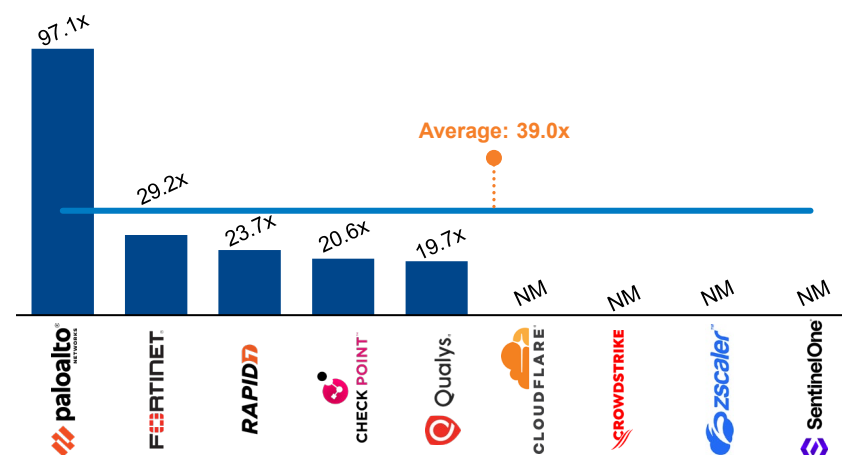
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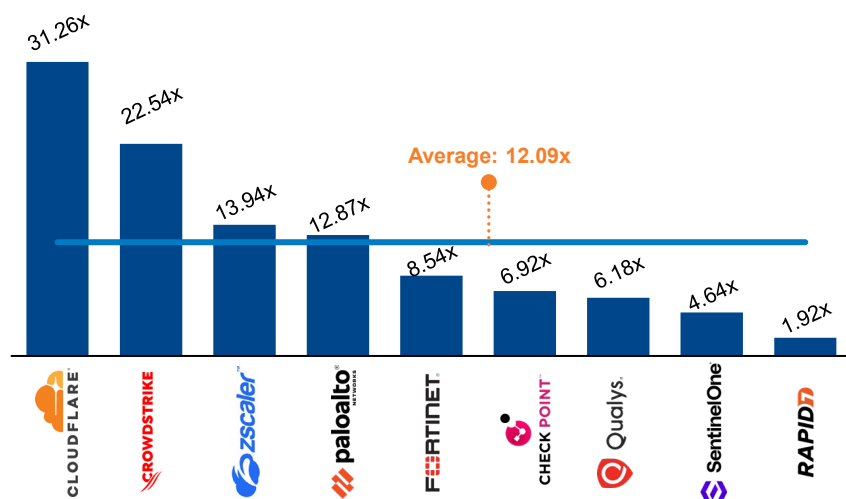
EV / LTM Revenue



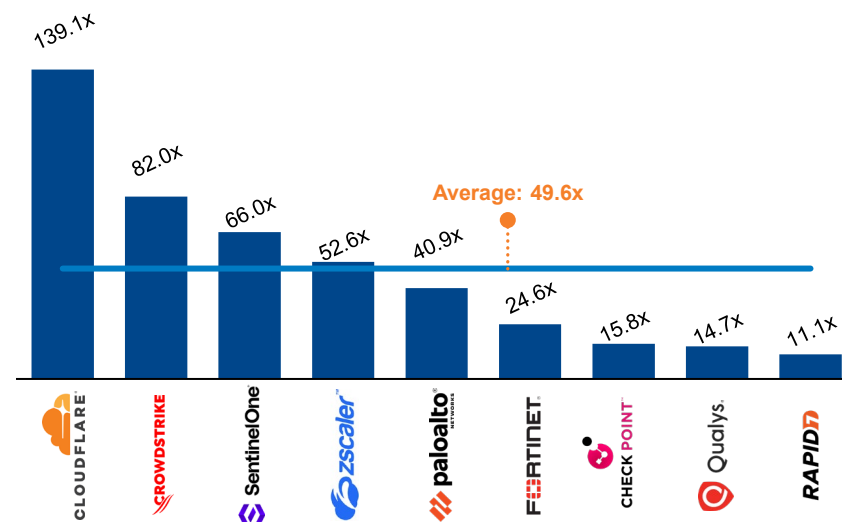
EV / LTM EBITDA



EV / NTM Revenue



EV / NTM EBITDA

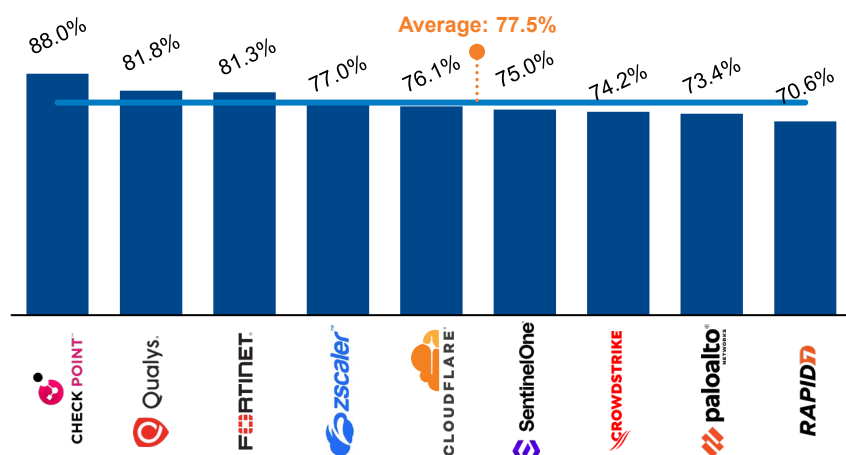


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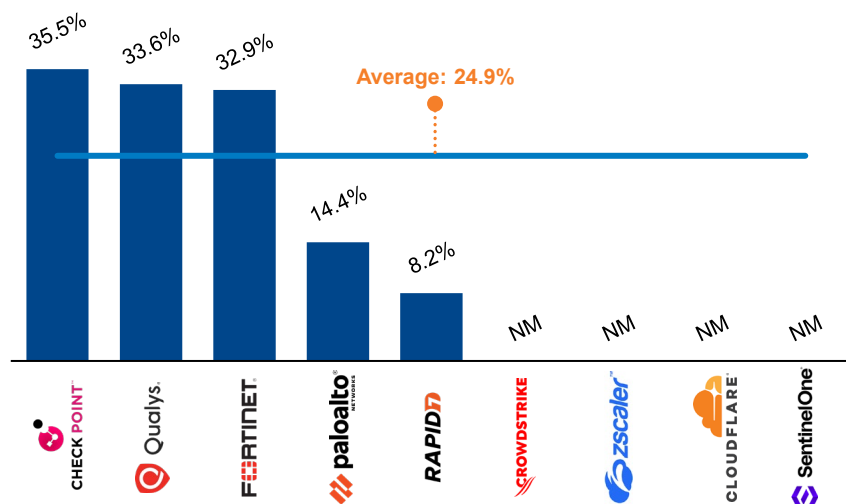
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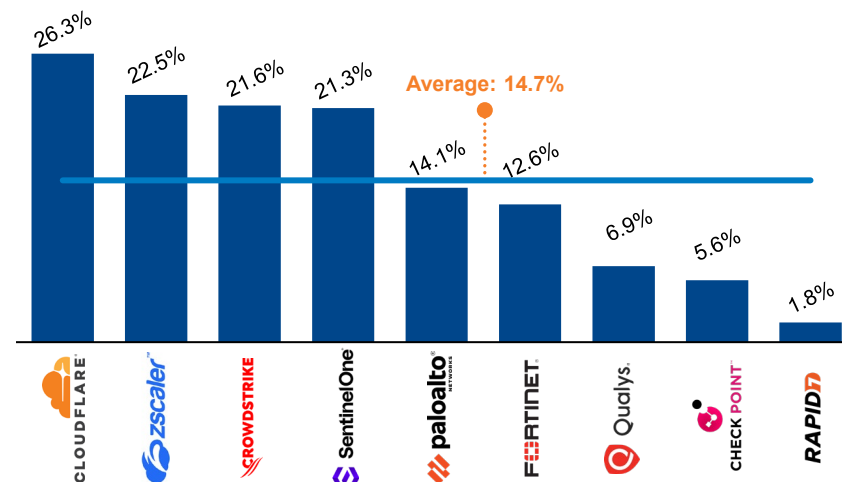
### LTM Gross Margin



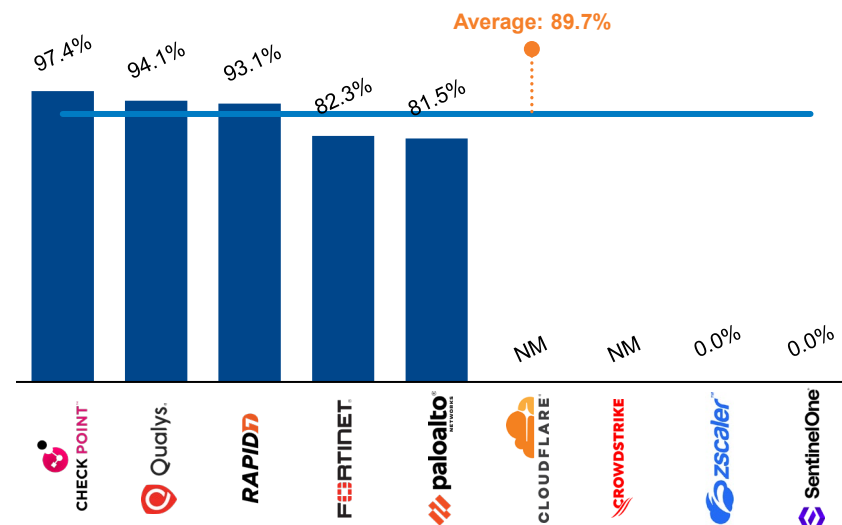
### LTM EBITDA Margin



### Revenue CAGR (LTM - NTM)



### Free Cash Flow Conversion



Source: S&P Capital IQ as of September 30, 2025.



PRIVATE CAPITAL & CURRENCY

CAPITAL MARKETS & INVESTMENT BANKING

ADVISORY SERVICES

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