

Software & Technology Enabled Services

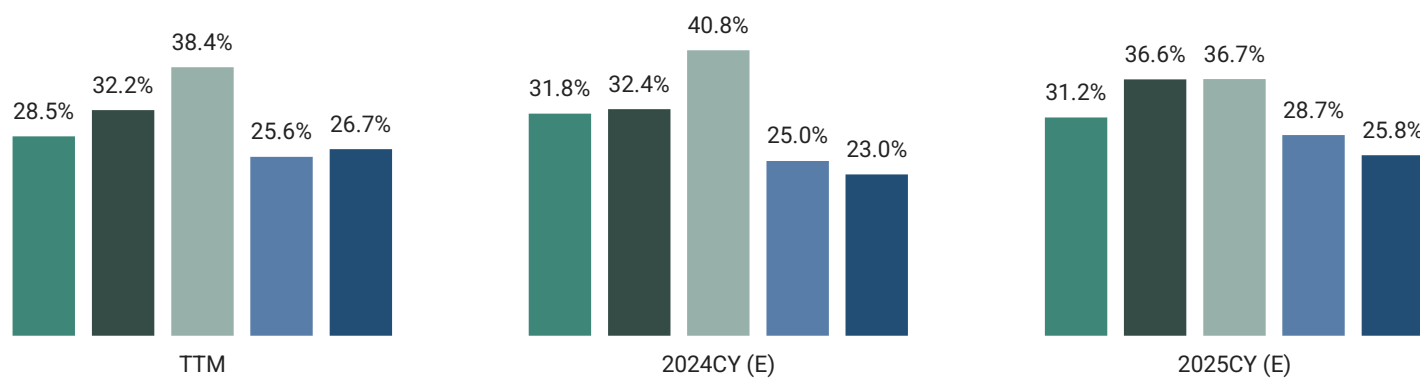
INDUSTRY UPDATE
August 2024

- As we head towards the end of Q3, we can expect continued robust growth in Software & Technology Enabled Services, driven by the ongoing digital transformation across industries, which will continue to push businesses into adopting advanced technological solutions to enhance efficiency, improve security, and deliver better customer experiences.
- Investment in U.S. technology continues to be heavily focused on Software. In the second quarter of 2024, Software accounted for approximately 41% of all deals in the U.S., and around 40% of total U.S. deals year-to-date. Over the past year, SaaS and AI/ML have remained the leading verticals.

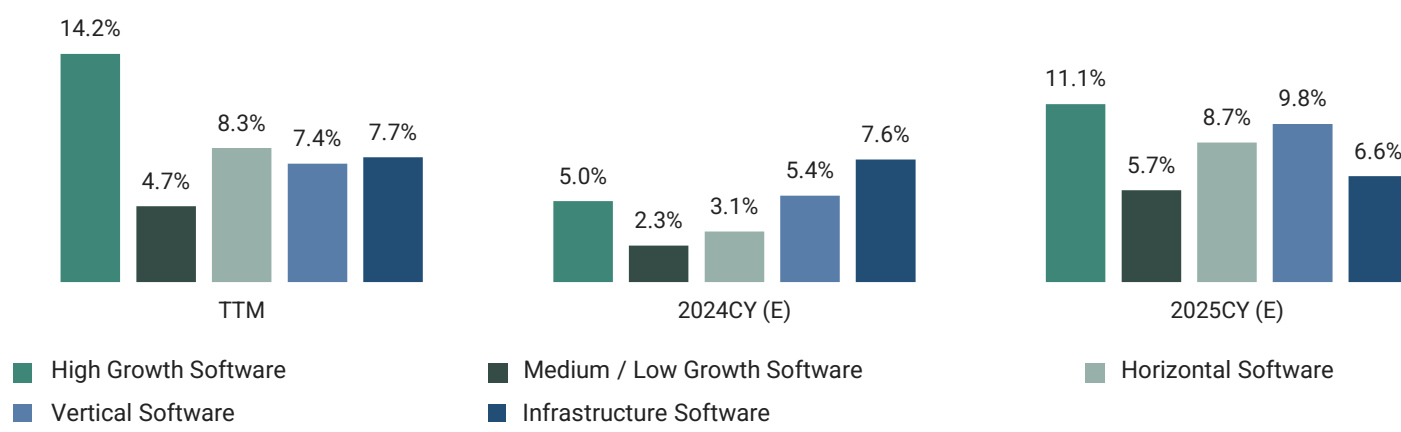
SOFTWARE & TECH ENABLED SERVICES HEADLINE TRANSACTIONS

TARGET	ACQUIRER	ACQUISITION SYNOPSIS
Outsell		Outsell, an artificial intelligence-driven marketing automation platform intended for the automotive industry was acquired by Impel, via its financial sponsors Silversmith Capital Partners and Wavecrest Growth Partners, through an estimated \$100 million LBO on July 9, 2024. The acquisition establishes the auto industry's first end-to-end AI sales and marketing automation platform.
noname		Noname Security was acquired by Akamai Technologies (NASDAQ: AKAM) for \$450 million. Noname, one of the top API security vendors in the market, is expected to accelerate Akamai's ability to meet growing customer demand and market requirements. Specifically, Akamai will be able to extend protection across all API traffic locations, no matter the business, integration, or deployment requirements customers may have.
Brainvire		The company was acquired by Said Differently, via its financial sponsor Falfurrias Capital Partners, through an LBO on \$73 million. The merger with the company further bolsters Said Differently's capabilities combining technical expertise with creativity to offer end-to-end digital transformation solutions. This collaboration creates a full-service offering that emphasizes client-friendliness, value, and flexibility.

EBITDA MARGINS



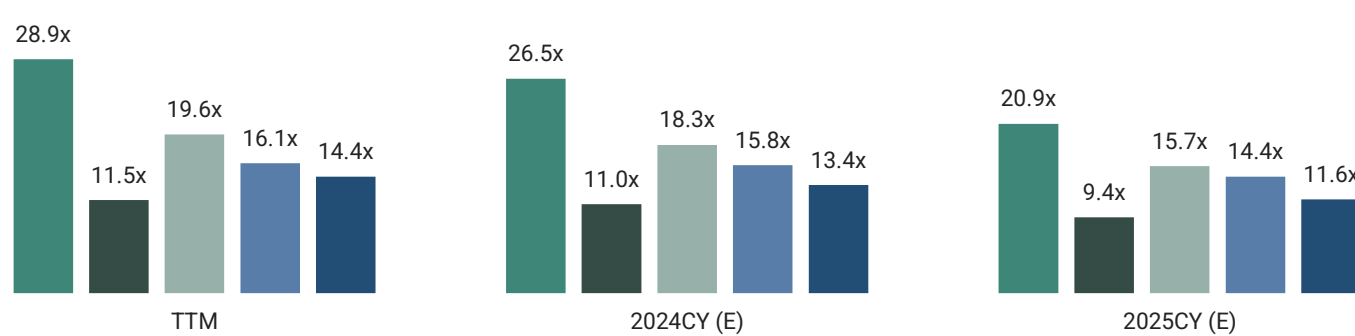
REVENUE GROWTH



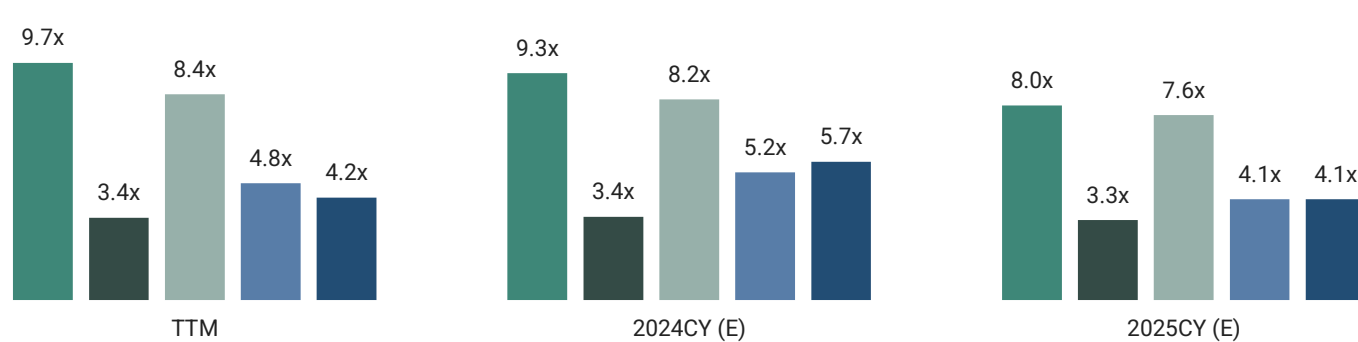
Notes: High Growth Software defined as any company with > 20% revenue growth and Medium/Low Growth Software defines as any company with < 20% revenue growth
Source: Data from Pitchbook and CapIQ as of 02/22/2024, Deloitte Tech Trends 2024, PwC Technology: US Deals 2024 Outlook

- Increased focus on financial stability and operational efficiency is anticipated to yield improved EBITDA margins going forward
- Multiples are expected to stabilize in 2024 and 2025 after experiencing hypergrowth in 2023. This suggests improved operational efficiency and may reflect adjustments in growth expectations and market conditions
- We anticipate heightened regulatory scrutiny of the tech sector by governments worldwide, prompting firms to prioritize data protection, mitigating harm, ethical AI, and sustainability efforts

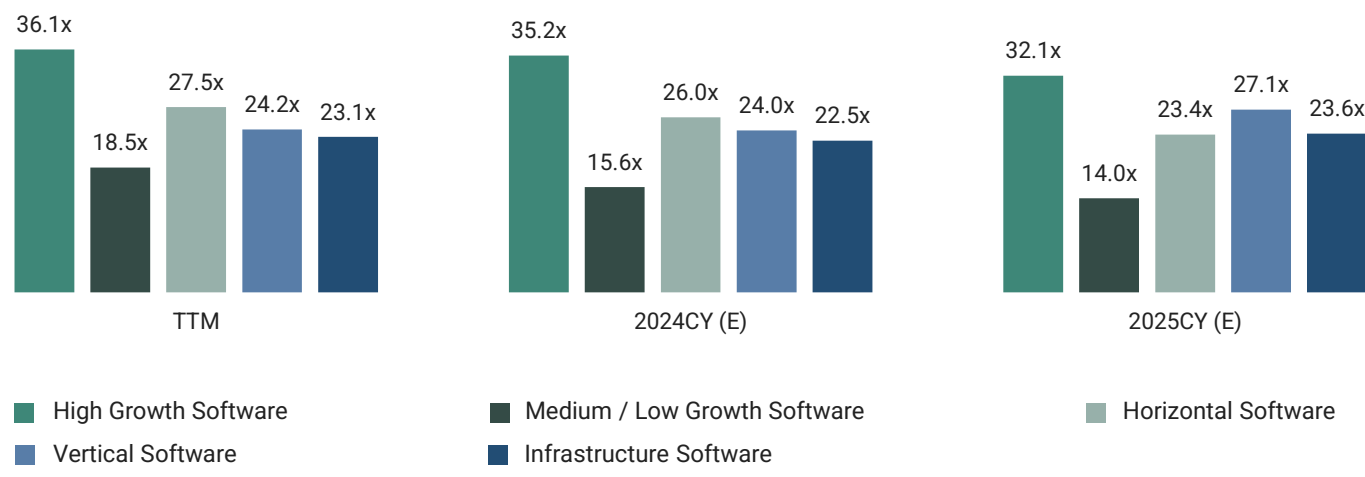
ENTERPRISE VALUE / EBITDA



ENTERPRISE VALUE / REVENUE



PRICE / EARNINGS



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