

SALESFORCE ECOSYSTEM

1Q 2024 M&A REPORT

April 2024



Equiteq
Growing equity, realizing value

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Macro Update

Section 1

Equiteq

Growing equity, realizing value

IT Services & Consulting M&A Activity is Picking-up Materially in 2024 and Expected to Accelerate Throughout the Year Due to Several Favorable Factors

Following a pull-back in deal volume in 2023, the M&A market is in the midst of a strong rebound that is expected to persist (and accelerate) over the next several months

Market is “Turning the Page”
Equiteq is Witnessing a Strong Rebound in Overall Deal Volume and Bidding Activity Amid Several Favorable Market Trends



Record Levels of PE Dry-Powder Waiting to Be Deployed



Stabilizing / Loosening Monetary Policy Trends Worldwide



Strengthening Public Market Valuations



Inflecting Performance for Strategic Acquirers



Growing Interest in IT Services & Tech Ecosystems



Potential for Stabilizing Geopolitical Environment

Overview of Key Drivers Supporting Strong M&A Market in 2024 (1 of 3)



PE Firms Are Facing Significant Pressure to Deploy Capital Amid Record Levels of Dry Powder and Aging Funds

Global Buyout Dry Powder

Figures in USD, Trillions



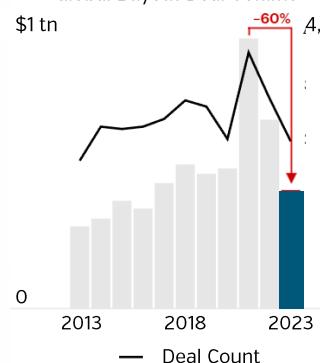
Share of Dry-Powder ≥ 4 Years Old



(vs 18-19% Pre-COVID)

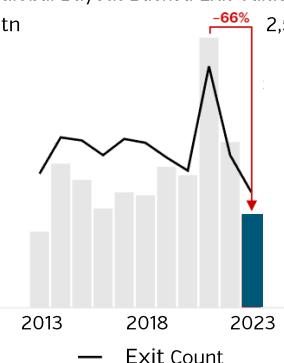
Investments

Global Buyout Deal Volume



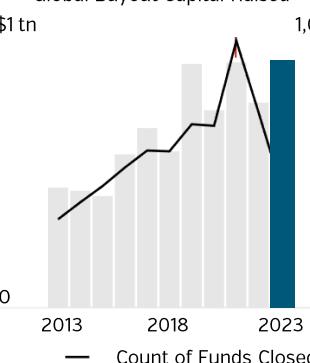
Exits

Global Buyout Backed Exit Value



Fund Raising

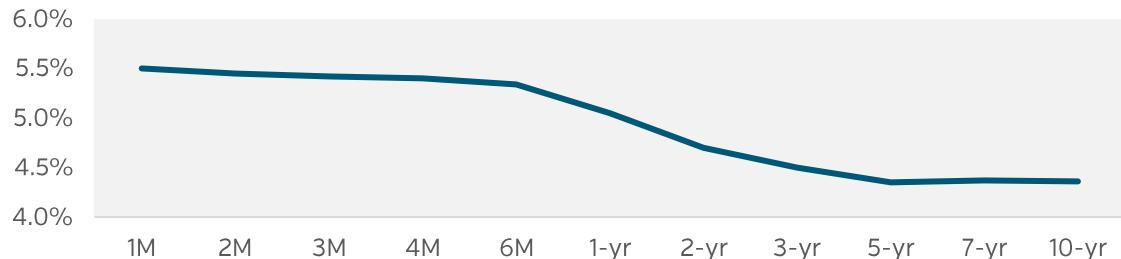
Global Buyout Capital Raised



Global Interest Rates Have Stabilized and Monetary Policymakers Are Expected to Implement Rate Cuts in Intermediate Term

Rates in the U.S. Have Stabilized With Expectations for Rate Cuts to Begin Later this year

U.S. Treasury Yield Curve Demonstrates Market Conviction in Rate Cuts



ECB

- Euro area inflation is nearing the region's 2% target
- ECB policy makers have indicated they will likely start monetary easing with a "moderate" rate cut this Spring

United Kingdom

- Bank of England expects inflation to return to 2% target in 2Q 2024
- Committee members are rumored to be considering bringing forward its first rate cut from August to June 2024

Switzerland

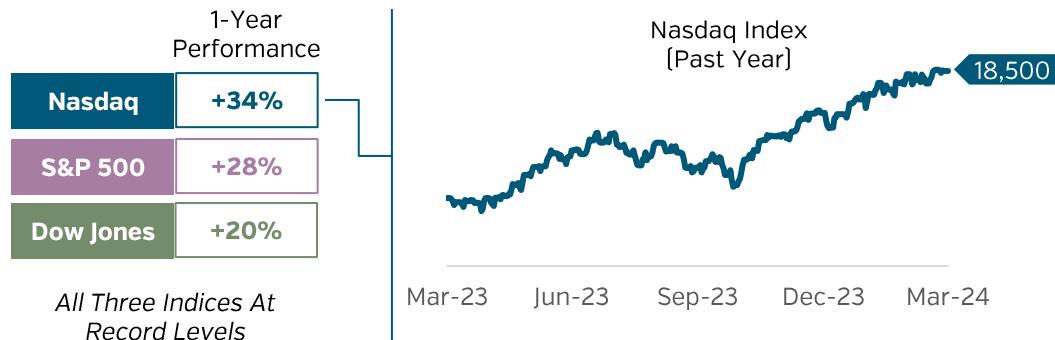
- Swiss National Bank proactively cut interest rates by 25bps to 1.5% in March 2024
- Switzerland, in effect, became the first major economy to begin cutting rates

Overview of Key Drivers Supporting Strong M&A Market in 2024 (2 of 3)



Valuations in Public Markets are Strengthening With U.S. Stock Indices Reaching New Records (Largely Driven by Tech & IT Services Sectors)

All Major Stock Indices are At Record Highs....

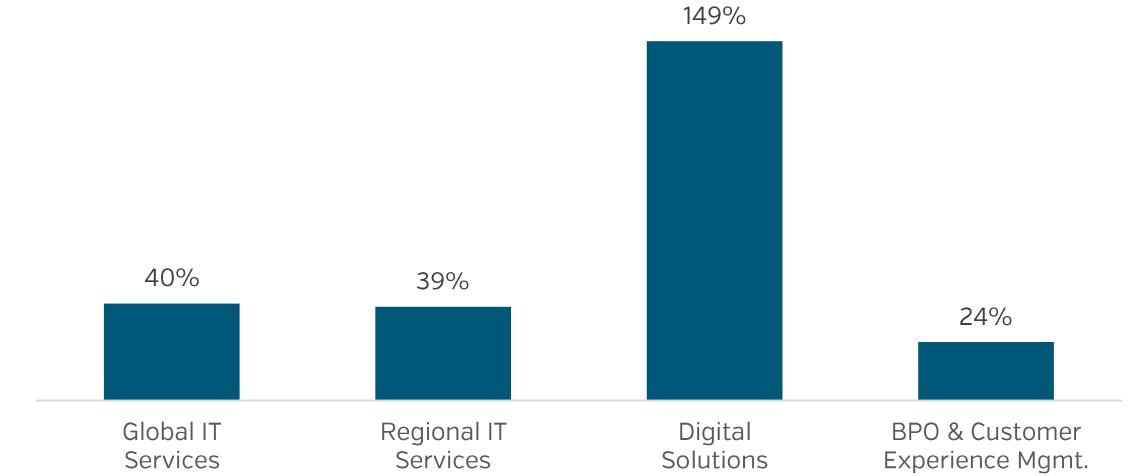


Peers and Strategic Acquirers in the Market Are Experiencing Strong Growth, Which is Leading to Greater Appetite for M&A

Sector Operating Performance Is Expected to Inflect in 2024

- Companies in the IT services and consulting markets are witnessing a rebound in operating performance in 2024
- Strong growth leads to enhanced liquidity, improved credit ratios, and greater access to capital, which all contribute to more financial flexibility for inorganic growth initiatives

Forecasted 2024 EBITDA Growth (Based on Consensus Estimates)

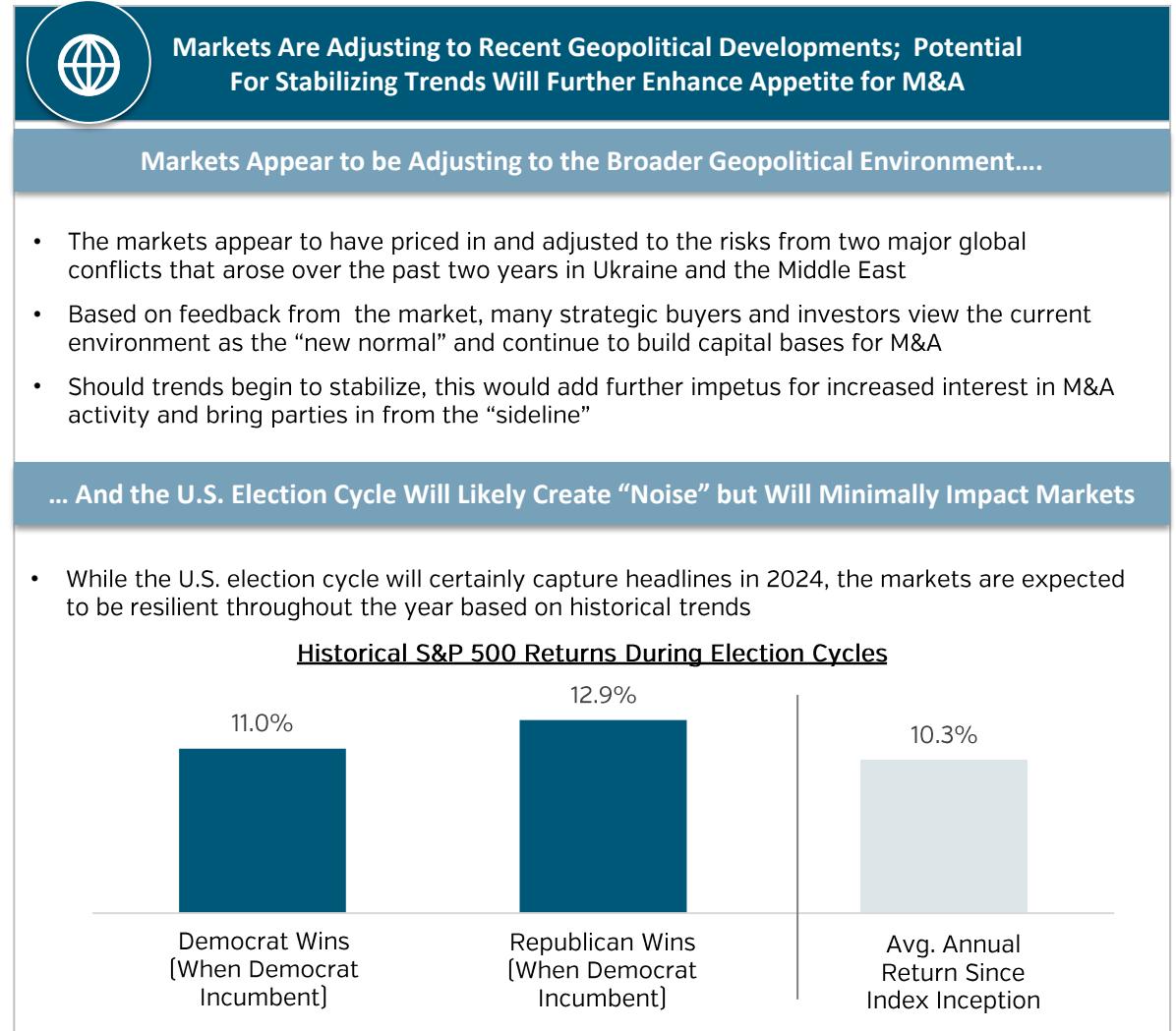
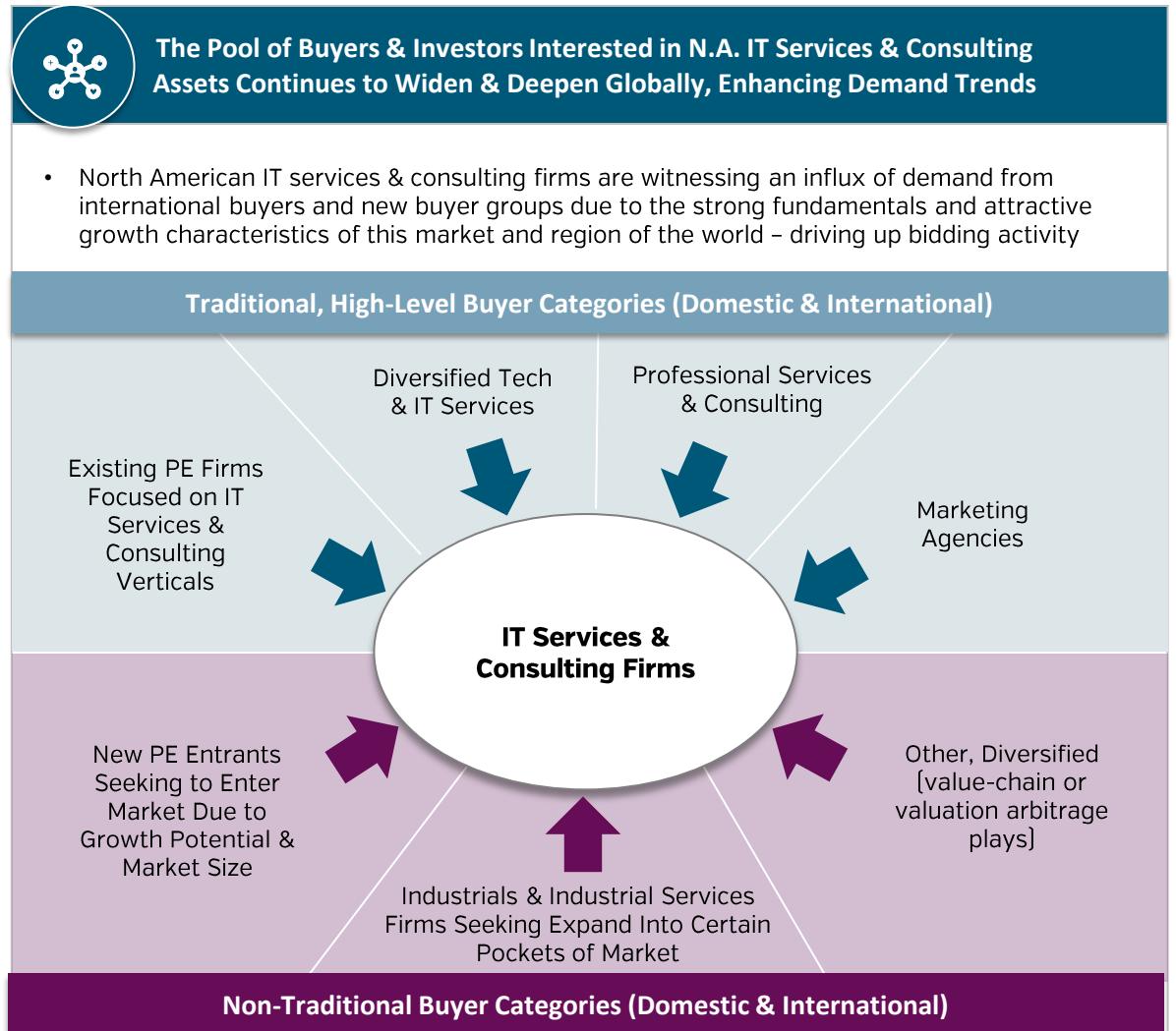


Source: Equiteq Research, CapIQ

Strictly Confidential

Peer Groups: Global IT Services – Accenture, Capgemini, Cognizant, DXC, IBM, NTT Data Tata, Wipro; Regional IT Services – Atos, CGI, LTI Mindtree, Mphasis, Sopra Steria; Digital Solutions – Endava, EPAM, Globant, Grid Dynamics, Thoughtworks

Overview of Key Drivers Supporting Strong M&A Market in 2024 (3 of 3)



M&A Activity in the Partner Ecosystem

Section 2



Equiteq
Growing equity, realizing value

Salesforce Ecosystem M&A Activity in 1Q 2024

Announce Date	Target	HQ	Acquirer	HQ	Target Description / Commentary	
Mar. '24	 Dextara Xperience.Digital		DATAMATICS		Dextara is a leading Indian Salesforce consulting and ISV partner [Summit Partner] with a team of >250 certified Salesforce experts with very deep capabilities in CPQ, CLM, LWC, and integrations, along with Einstein Analytics. The company also has a strong portfolio of proprietary products and solutions that support a differentiated value proposition for clients.	
Mar. '24			 PARTNERS		Kicksaw is a fully-dedicated, multi-cloud Salesforce consultancy [Crest Partner] with end-to-end capabilities and deep expertise in the healthcare & life sciences and technology sectors. The company is headquartered in the U.S. and has >75 onshore resources; it provides implementation, data migration, process optimization, tool integration, and proprietary solutions.	 Equiteq Led Deal
Feb. '24					Levana is a dedicated Salesforce consultancy [Summit Partner] with operations in France and Israel. The company has deep expertise in Sales, Service, Community, and Marketing Clouds and specialized skills in CPQ, Billing, Pardot, Tableau, and Mulesoft. Levana has ~150 employees.	
Jan. '24					Suyati [Ridge Partner] is an India-based diversified IT services firm focused on Salesforce and Microsoft, as well as advanced analytics, digital engineering, and process automation. Suyati has ~400 employees.	
Jan. '24					Mployee is a Netherlands-based provider of Salesforce-based solutions for recruitment agencies. The company offers an automated and fully integrated solution on the Salesforce platform that can be deployed across every facet of the staffing process. The company has ~20 employees.	

Note: Equiteq would be pleased to share color / perspectives on valuation multiples in the Salesforce Ecosystem and broader IT Services space upon request

Kicksaw Transaction – Case Study

Equiteq acted as exclusive financial advisor to Kicksaw on its recent equity sale to Rallyday partners

Client / Target Overview



Kicksaw is a leading provider of end-to-end Salesforce solutions to a variety of clients ranging from PE-Backed middle market to larger enterprise clients. The Company is made up of a diverse group of technical experts, holding ~300 certifications, that harness their capabilities to deliver bespoke solutions to address clients' specific business challenges - with specializations across the HLS and high-tech clouds.

Buyer Overview



Rallyday Partners is a private investment firm investing out of their fund of \$350M+ in AuM in lower-middle market growth companies with compelling secular trends, disruptive, scalable business models and audacious leadership. The firm seeks to invest in education, corporate training and development, digital infrastructure, healthcare services, precision manufacturing, and tech-enabled business services sectors.

Transaction Goals

- Conduct a customized M&A process designed to optimize competitive tension among a list of high-quality strategic acquirers and financial investors to provide the founders optionality in exploring a transaction
- Provide the current management team and key employees an opportunity to participate in the future success of the business
- Optimize transaction structure and maximize shareholder value (and achieve specific valuation goals)

Select Highlights about Kicksaw



Deep expertise and an exclusive focus across the entire product suite within the Salesforce ecosystem



Range of client-facing and industry-specific IP including delivery playbooks, accelerators, and proprietary code



Attractive client base with strong exposure to the healthcare/life sciences and technology sectors



Highly skilled workforce of consultants with ~300 employee certifications

Why Kicksaw Selected Equiteq

- Deep expertise and transactional experience in the Salesforce ecosystem
- Dedicated focus on the IT services and consulting markets (Equiteq's exclusive focus)
- Global platform and extensive network of the most relevant and under-the-radar buyers
- Founder-oriented M&A advisory firm (Equiteq was formed by entrepreneurs who wanted to create a truly founder-oriented M&A advisory firm)

Equiteq's Impact

- Developed a broad process with a mix of both strategic and financial sponsors
- Understood the key value drivers of the business, while identifying and positioning around any potential risks
- Generated competitive tension within the process to maximize optionality and value to the shareholders
- Facilitated an efficient diligence process to ensure a timely close

Client Testimonial

"Equiteq were a true partner throughout the M&A process. They worked with us to understand exactly what good looks like for us, what the key value drivers of our business are, and how best to articulate this to the market. Additionally, they brought a number of buyers to the table that gave us significant optionality and enabled us to find the right home for Kicksaw."

Kenny Goldman and Kyle Morris (Co-Founders)

- Matt Rosen, CEO



Equiteq Overview

Section 3

Equiteq
Growing equity, realizing value

Equiteq is the Leading, Global Investment Bank Serving the Knowledge Economy

Equiteq is custom built to deliver better transaction outcomes for clients in the Knowledge Economy

1 Focus on knowledge-specific sectors

2 Strong expertise in positioning Knowledge Economy businesses

3 Established relationships with the most relevant buyers

4 Deep understanding of client's strategic needs

5 Preparing companies for a successful exit is in our DNA

6 Global presence informs our unique approach to M&A



M&A Report



Buyer Research Report



Sub-Sector Market Reports

- Tech Ecosystems (incl. Salesforce)
- Data & Analytics
- Consulting



Focused Market Perspectives

Buyer Knowledge

- Focused Demand: Highly targeted buyer lists built using proprietary insight into each buyer's unique acquisition criteria
- Relationships: Access to the key decision makers within the most prolific strategic and financial buyers

Proprietary Research

- Valuations: Data-driven perspective on M&A market activity and current valuations in the knowledge-intensive services space
- Market Shifts: Granular, future-focused monitoring of hot sectors and service offerings
- Key Metrics: KPIs and operational metrics continually market tested and confirmed

Market Insight

- Context: Tracking proprietary share indices enables a sector and buyer-specific perspective on key macro events
- Trends: Market-driven and real-time view of positioning and valuation expectations

Equiteq's Five Core Values That Underpin the Team's Approach & Mentality on All Client Engagements

These values shape our behaviors, the way we work, and how we deliver exceptional value to clients

Equiteq's Core Values



Achievement: We are driven by attaining measurable success for our clients, our colleagues, our firm, and ourselves.

Empathy: We are excellent at understanding entrepreneurs. We are comfortable stepping into difficult, uncertain situations and figuring out a path forward, with competent humility. We know when to do the banking work and when to focus on human connections. We treat our clients as the savvy entrepreneurs that they are and listen so that we can help them realize their vision.

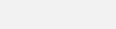
Integrity: What we do is consistent with what we say. We define expectations and meet those; every time.

Teamwork: We value collaboration; we value our team. We work together to produce the best outcomes for our clients. We gravitate to working in teams even when solo work might be more efficient, easier, or faster.

Entrepreneurial: We understand entrepreneurs because we are entrepreneurs ourselves. We all think and act like owners, which means we care passionately about our clients, our reputation, and our success.

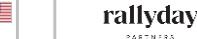
Select Equiteq-Led Transactions in the Salesforce Ecosystem

Equiteq is one of, if not the most, active middle market investment banks in the Salesforce ecosystem

<p>Equiteq Served as Exclusive Financial Advisor to:</p> <p>Confidential Salesforce Consultancy (Ongoing)</p> <p> Project M.</p> <p>Leading Salesforce Marketing Cloud Consultancy</p> <p>[Ongoing Sale Process]</p>	<p>Equiteq Served as Exclusive Financial Advisor to:</p> <p>Confidential Salesforce Consultancy (Ongoing)</p> <p> Project A.</p> <p>Full-Service Salesforce Boutique Consultancy</p> <p>[Ongoing Sale Process / Capital Raise]</p>	<p>Equiteq Served as Exclusive Financial Advisor to:</p> <p>Confidential Salesforce Consultancy (Ongoing)</p> <p> Project D.</p> <p>Leading international Salesforce Consultancy</p> <p>[Ongoing Sale Process / Capital Raise]</p>	<p>Equiteq Served as Exclusive Financial Advisor to:</p> <p>Kicksaw</p> <p>   </p> <p>[Mar. 2024]</p> <p>Kicksaw is fully-dedicated, multi-cloud Salesforce consultancy with deep expertise in HLS & Tech markets</p>	<p>Equiteq Served as Exclusive Financial Advisor to:</p> <p>Aquient</p> <p>   </p> <p>[Jun. 2023]</p> <p>Aquient is a leading Salesforce Marketing Cloud Specialist</p>
<p>Equiteq Served as Exclusive Financial Advisor to:</p> <p>Cleartelligence</p> <p>  </p> <p> </p> <p>[Jan. 2023]</p> <p>Cleartelligence is a premier data analytics consultancy focused on Tableau</p>	<p>Equiteq Served as Exclusive Financial Advisor to:</p> <p>Pexlify</p> <p>  </p> <p> </p> <p>[Jun. 2022]</p> <p>Pexlify Leading Independent End-to-End Salesforce Consultancy in the UK and Ireland</p>	<p>Equiteq Served as Exclusive Financial Advisor to:</p> <p>Groundswell Cloud Solutions</p> <p>  </p> <p> </p> <p>[Jan. 2022]</p> <p>GCS is a global, multi-cloud Salesforce consultancy with deep expertise in the retail end-markets</p>	<p>Equiteq Served as Exclusive Financial Advisor to:</p> <p>4C</p> <p>  </p> <p> </p> <p>[Jul. 2020]</p> <p>4C is one of the largest Salesforce partners in EMEA with deep multi-cloud capabilities</p>	<p>Equiteq Served as Exclusive Financial Advisor to:</p> <p>System Partners</p> <p>  </p> <p> </p> <p>[Sep. 2018]</p> <p>System Partners is a Leading Salesforce Partner with a Strong Position in the DTC Vertical</p>

Unparalleled Transactional Expertise in the IT Services & Consulting Market with a Strong, Global Network of Highly Active Buyers & Investors

Recent Select Completed Transactions

Murphy   Multidisciplinary Geospatial Business Sold To   Advised on the Sale March 2024	INFINITIUM   Leading Digital Payments Platform Sold to   Advised on the Sale February 2024	KEENIGHT CAPITAL   Digital Transformation Consultancy Acquired   Advised on the Acquisition February 2024	lumeri   Megaproject Consultancy Sold to   Advised on the Sale January 2024	KRESK DEVELOPPEMENT   Private Investment Manager Invested into   Advised on the Investment January 2024	oligos   Independent Pegasystems Specialist Sold to   Advised on the Sale January 2024	onebridge   Data & Analytics Consultancy Sold to   Advised on the Sale January 2024	kicksaw   Premier Salesforce Partner Sold to   Advised on the Sale December 2023	evolv   Product Engineering & Data Solutions Sold to   Advised on the Sale December 2023	ADIVO   Life Science Consultancy Sold to   Advised on the Sale December 2023
solnet   IT Services Partner Sold to   Advised on the Sale November 2023	ProcureAbility   Procurement Services Specialist Sold to   Advised on the Sale November 2023	tquila   Intelligent Automation Consultancy Acquired   Advised on the Acquisition September 2023	bizanalytica   Data Governance Sold to   Advised on the Sale August 2023	aquient   Salesforce Gold Partner Sold to   Advised on the Sale June 2023	INTERLOCK   Private Equity Firm Invested into   Advised on the Investment June 2023	TSA   Project Management and Advisory Firm Acquired   Advised on the Acquisition June 2023	zebu   Web3 Technology-Focused Marketing Agency Sold to   Advised on the Acquisition May 2023	TSA   Project Management and Advisory Firm Acquired   Advised on the Acquisition May 2023	nvm   Private Equity Invested in   Advised on the Investment April 2023
cg consus   Procurement and Supply Chain Solutions Provider Sold to   Advised on the Sale April 2023	HelloTech   Software CPaaS Firm company Sold to   Advised on the Sale April 2023	MML   Private Equity Firm Invested in   Advised on the Investment February 2023	Talan   Digital Transformation Specialist Acquired   Advised on the Acquisition January 2023	BAIN & COMPANY   Management Consultancy [ET] Acquired   Advised on the Acquisition January 2023	CLEARTELLIGENCE   Data & Analytics Consultancy Recapitalized by   Advised on the Sale January 2023	Delivery Associates   Public Sector Impact Consultancy Sold to   Advised on the Sale November 2022	HBR CONSULTING   Legal Consultancy Sold to   Advised on the Sale November 2022	BIOS   Managed Cloud Provider Sold to   Advised on the Sale October 2022	VALUE POINT   Cybersecurity Solutions & Services Sold to   Advised on the Sale October 2022
LEXICON   Digital Consultancy Sold to   Advised on the Sale October 2022	ALLATA   CSD & Digital Transformation Consultancy Received Investment from   Advised on the Investment September 2022	NOVATIO   RPA Consultancy Received Investment from   Advised on the Investment August 2022	SOLVERA   Digital Transformation Services Sold to   Advised on the Sale July 2022	RISUAL   Azure Partner & Cloud Specialist Sold to   Advised on the Sale July 2022	SCANOMI   Anaplan Gold Partner Sold to   Advised on the Sale June 2022	Pexlify   Platinum Salesforce Partner Received Investment from   Advised on the Sale June 2022	BEDFORD Consulting   Anaplan Gold Partner Received Investment from   Advised on the Investment May 2022	grit.   Design & Innovation Consultancy Sold to   Advised on the Sale April 2022	infrata   Infrastructure Consultancy Receives Majority Investment   Advised on the Investment April 2022



Growing equity, realizing value

New York - Boston - London - Paris - Singapore - Sydney

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