

Deloitte.



TMT Market Update

Perspective and forward outlook for TMT companies in 2026

Deloitte Corporate Finance LLC

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A close-up photograph of a hand holding a pen, pointing towards the bottom left. The background is dark with out-of-focus, warm-toned bokeh lights in shades of orange, yellow, and purple. The lighting is dramatic, highlighting the texture of the hand and the pen tip.

Deloitte Corporate Finance LLC overview

Year in review

Views from Leadership

Technology, Media and Telecom (TMT)



B. Nelson
Managing Director

*Head of TMT, Deloitte
Corporate Finance LLC*

The TMT sector continues to serve as a bellwether for global M&A activity, supported by **accelerating AI adoption and sustained investment in digital infrastructure.**

Sector activity reflects evolving enterprise priorities across software, data, and technology-enabled services.

Key areas of focus include, but are not limited to:

- Enterprise and vertical software
- Data, analytics, and AI-driven platforms
- Digital infrastructure and cloud services
- Media, content, and communications technologies

Deloitte is seeing several key themes shaping TMT M&A activity, including:

AI-Led Digital Transformation: Accelerating adoption of AI continues to drive demand for next-generation software and digital infrastructure, reinforcing TMT's role as a leading driver of global M&A activity.

Premium on Intellectual Property and Talent: Buyers are placing increasing value on proprietary technology, differentiated data assets, and scarce AI talent, sustaining competitive deal environments across both high-growth and mature markets.

Technology as One of the Most Active TMT Subsector: Despite pockets of macro uncertainty, technology remains one of the most active TMT subsectors, supported by resilient valuations and strong buyer preference for scalable, software-enabled businesses.

Increased Deal Discipline and Focus on Value Creation: As transaction dynamics become more complex, acquirers are demonstrating greater discipline, with heightened focus on diligence, scalability, and long-term integration execution.

Constructive Outlook Supported by Structural Tailwinds: Ongoing AI integration and evolving corporate digital strategies are expected to support sustained deal flow and strategic realignment across the TMT landscape.

About Deloitte Corporate Finance

Deloitte Corporate Finance, LLC (DCF) is a US-based leading M&A advisor with execution capabilities across the Deloitte Touche Tohmatsu Limited network of member firms. DCF leverages deep transaction experience to help clients create and act upon opportunities for liquidity, growth, and long-term advantage.

A Global Track Record That Speaks For Itself¹

- Top 5**
2025 Global M&A Advisor by deals
- 478**
Transactions Closed in 2025
- 56%**
Clients advised were private/owner managed
- \$74Bn**
2025 Aggregate Enterprise Value

Top 5 Global M&A Advisors

The "League Tables"⁽¹⁾

Company Name	Global Deal Count
PwC	660
KPMG	525
Goldman Sachs & Co.	515
Deloitte	478
JPMorgan	473
Houlihan Lokey	446
Rothschild & Co.	405

Year in Review⁽²⁾

- \$165m** average global sell-side enterprise value
- 40 deals** closed in the US in the last 12 months
- 44%** of global buyers were Private Equity

One of the most active advisors in the Technology, Media, and Telecommunications Industries

TMT Industry Coverage

- Vertical Software
- Horizontal Software
- Enterprise App Ecosystem Services
- Managed IT & Security Services
- Automation & Data Analytics
- Digital & Quality Engineering
- Film, TV, & Music Production & Distribution
- AdTech & Marketing Services
- Telecommunications

TMT U.S. Leadership



Max Wilhelm
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Alex Gitkin
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Note: Refer to page 29 for sources.

Deloitte's commitment to the TMT industry

Deloitte invests heavily in the TMT ecosystem with programs and thought leadership to promote the next wave of entrepreneurs.

Deloitte Entrepreneur Summit | May 12, 2026



The Entrepreneur Summit hosted by Deloitte Private offers privately-held businesses an opportunity to engage in one-on-one meetings with investor groups to learn more about the private equity alternative and receive specific insights from professional investors.

- More than **180 investor groups attended in 2025** – including private equity firms, family offices, pension funds, and sovereign wealth funds.
- These investor groups collectively focus on a variety of TMT industries and investment types.
- The 2025 event brought together more than **750 private business owners, leading investor groups, senior executives, and M&A professionals from 34 countries.**

Note: Refer to page 29 for sources.

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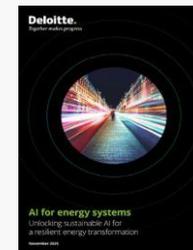
Thought leadership and public insights



Deloitte works alongside TMT companies at every stage of growth, delivering integrated advisory, operational, and transaction support across the full business lifecycle.

- Advises early-stage and high-growth TMT companies on **strategy, scaling, and operational readiness.**
- Supports **capital raises, M&A, and restructuring transactions** through deep sector-specialized deal teams.
- Provides **technology, risk, tax, and regulatory advisory** tailored to software, media, telecom, and digital infrastructure business
- Leverages a global TMT network to connect founders and executives with **capital providers, operators, and strategic partners.**

Deloitte publishes a variety of in-depth insights on TMT sector trends and capital market insights with thoughtful and insider perspectives.^{1,2,3}



Representative transactions & verticals

Software

<p>Actuarial Software</p>  <p>has been acquired by</p>  <p>The undersigned acted as exclusive financial advisor to Winklevoss Technologies, LLC</p>  <p>Deloitte Corporate Finance LLC</p>	<p>Tax Software</p>  <p>has been acquired by an Undisclosed Global Private Equity Firm</p> <p>The undersigned acted as financial advisor to Drake Software LLC.</p>  <p>Deloitte Corporate Finance LLC</p>	<p>Education Software</p>  <p>have invested in</p>  <p>The undersigned acted as exclusive financial advisor to Prodigy Education Inc.</p>  <p>Deloitte Corporate Finance LLC</p>
<p>CRM Software/ PaaS</p>  <p>has completed a growth recapitalization</p> <p>The undersigned acted as exclusive financial advisor to Exigo, LLC</p>  <p>Deloitte Corporate Finance LLC</p>	<p>Automation & Data Analytics</p>  <p>has completed the divestiture of</p>  <p>to</p>  <p>The undersigned acted as financial advisor to McDonald's Corporation.</p>  <p>Deloitte Corporate Finance LLC</p>	<p>Photography Software</p>  <p>has received an investment from</p>  <p>The undersigned acted as exclusive financial advisor to Pixieset Media Inc.</p>  <p>Deloitte Corporate Finance LLC</p>
<p>Education Software</p>  <p>has been acquired by</p>  <p>The undersigned acted as exclusive financial advisor to Mondly.</p>  <p>Deloitte Corporate Finance LLC</p>		

IT Services

<p>Digital & Quality Engineering</p>  <p>has raised capital for a shareholder buyout with</p>  <p>The undersigned acted as exclusive financial advisor to Qentelli, LLC</p>  <p>Deloitte Corporate Finance LLC</p>	<p>Digital & Quality Engineering</p>  <p>Pillar Technology Group LLC</p> <p>has been acquired by</p>  <p>The undersigned acted as exclusive financial advisor to Pillar Technology Group LLC.</p>  <p>Deloitte Corporate Finance LLC</p>	<p>Tech Enabled Services</p>  <p>has completed a minority recapitalization with</p>  <p>The undersigned acted as financial advisor to PropLogix, LLC.</p>  <p>Deloitte Corporate Finance LLC</p>
<p>Digital Infrastructure & Cloud Services</p>  <p>has been acquired by</p>  <p>The undersigned acted as exclusive financial advisor to iland Internet Solutions Corp.</p>  <p>Deloitte Corporate Finance LLC</p>	<p>Semiconductor Fab Services</p>  <p>has been acquired by private equity-owned, international project and cost management services firm</p> <p>The undersigned acted as exclusive financial advisor to World Wide Professional Solutions, LLC</p>  <p>Deloitte Corporate Finance LLC</p>	<p>Telecom Solutions & Services</p>  <p>has acquired</p>  <p>The undersigned acted as co-financial advisor to NEC Corporation.</p>  <p>Deloitte Corporate Finance LLC</p>
<p>Digital & Quality Engineering</p>  <p>Pillar Technology Group LLC</p> <p>has completed a recapitalization with</p>  <p>The undersigned acted as exclusive financial advisor to Pillar Technology Group LLC.</p>  <p>Deloitte Corporate Finance LLC</p>		

Verticals Covered

 <p>Vertical Software</p>	 <p>Horizontal Software</p>
 <p>Enterprise App Ecosystem Services</p>	 <p>Managed IT & Security Services</p>
 <p>Automation & Data Analytics</p>	 <p>Digital & Quality Engineering</p>
 <p>Digital Infrastructure</p>	 <p>Cloud Services</p>
 <p>Compliance & Risk</p>	 <p>AdTech & Marketing Services</p>

A close-up photograph of a hand pointing towards the left. The hand is in sharp focus, with the index finger extended. The background is dark and filled with out-of-focus, colorful bokeh lights in shades of orange, yellow, and purple. The overall mood is professional and technological.

Technology Capital Markets and Sector Trends

Capital market trends & technology outlook

TMT deal activity showed resilience amidst a shifting macro environment.

Further Rate Cuts

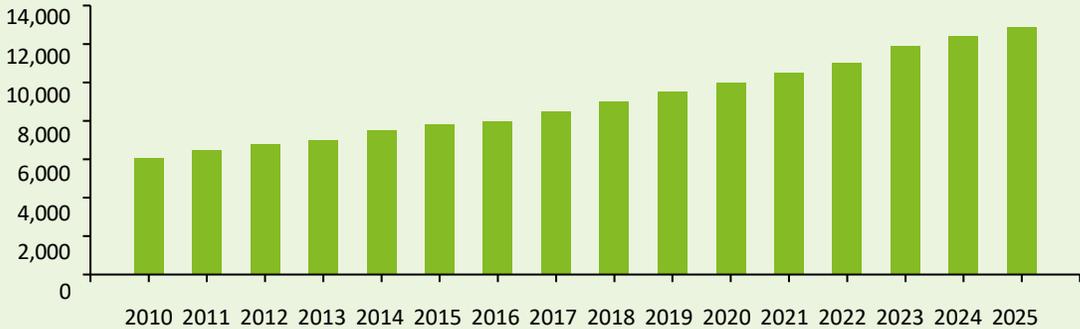
The Fed maintained its path of monetary easing, delivering multiple rate cuts as inflation stayed in check. Steady, moderate reductions in interest rates have supported market confidence and economic growth throughout 2025.¹



US Private Equity Portfolio Company Backlog Remains Elevated

Despite a recovery in deal activity, private equity firms continue to face an elevated exit backlog, with nearly 12,900 US portfolio companies held as of September 2025. Longer hold periods and valuation misalignments continue to delay realizations, increasing pressure on sponsors to drive exits in 2026.²

Number of US Companies in PE Portfolios



2026 TMT Outlook



AI Augmented Value Chain

Leading TMT enterprises are embedding AI across product development, customer service, and back-end operations. Strategic alliances, open-source AI platforms, and industry-specific cloud solutions are now the norm. In 2026, value can come from co-innovating with startups, tech partners, and even among competitors to deliver real-time value through integrated networks.



Increasingly Verticalized GTM

To succeed in 2025, TMT companies shifted to sector-focused offerings, tailoring products and go-to-market strategies to the unique needs of industries like healthcare, finance, and manufacturing. This approach has helped firms stand out, and build deeper, more lasting customer relationships - providing a crucial edge in saturated marketplaces where differentiation and long-term loyalty are vital for sustained success.



Cybersecurity

In 2025, increased cyber threats and tighter regulations drove TMT firms to ramp up investments in cybersecurity and privacy. Compliance and consumer trust emerged as vital factors shaping reputation and deal valuations. This environment continues to support premium multiples for differentiated cybersecurity platforms with recurring revenue and mission-critical use cases.



Specialized Cloud Offerings

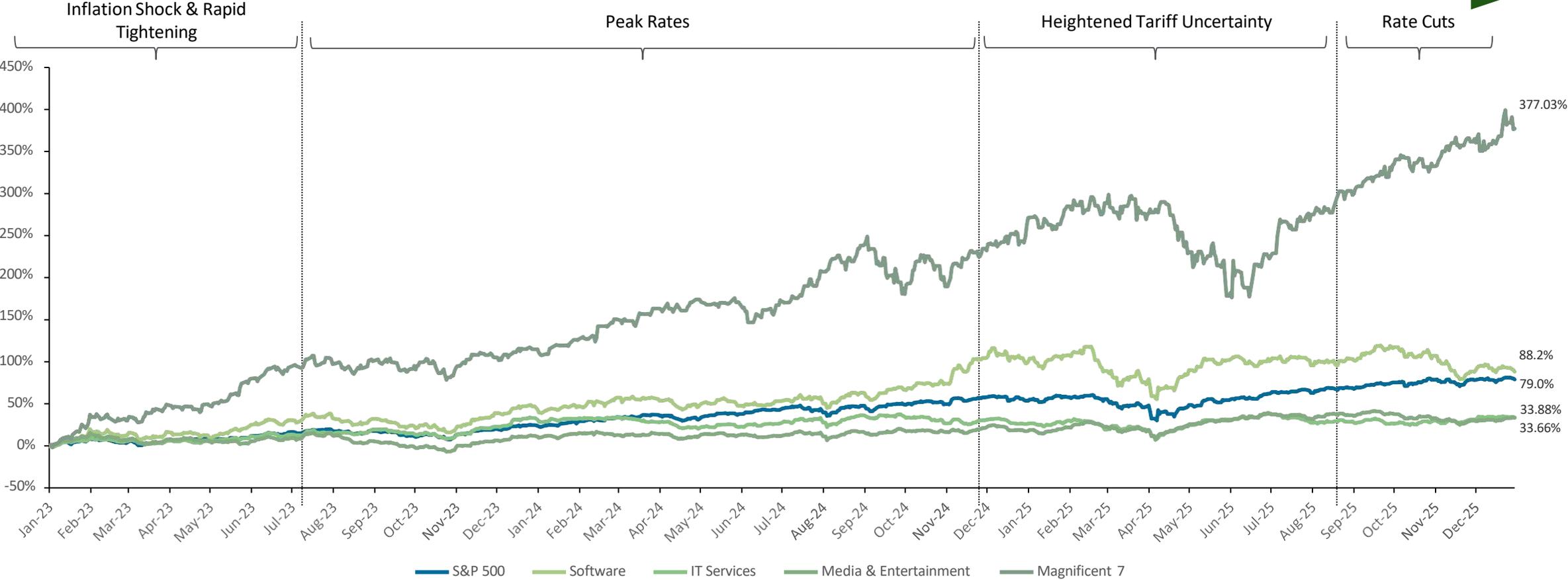
Organizations are increasingly adopting industry cloud platforms, with major providers now offering solutions tailored to specific industries. These platforms feature pre-built data models and compliance configurations designed to address the differentiated needs of highly regulated sectors such as healthcare, financial services, and energy.

Note: Refer to page 29 for sources.

TMT index performance

In 2025, TMT equities shifted from macro-driven valuation dynamics toward fundamentals-led performance, with returns increasingly driven by revenue durability, operating leverage and capital discipline.

DCF TMT Index¹, S&P 500, and Magnificent 7 Performance by Recent Market Cycles (%)²



Note 1: See slide 29 for source. Comprised of 470 public TMT companies that have been segmented by Deloitte Corporate Finance using data from S&P Capital IQ as of 12/31/2025.

Note 2: See slide 29 for source. Sector index values are based upon an equal-weighted portfolio that accounts for the average price movement between stocks in each sector except for the S&P 500 which is market-cap weighted.

A close-up photograph of a hand pointing towards the bottom left corner. The background is dark with numerous out-of-focus, glowing bokeh lights in shades of yellow, orange, and purple. The hand is in sharp focus, with the index finger extended. The text 'Software Valuation Landscape' is overlaid in white, bold font in the lower-left quadrant.

Software Valuation Landscape

Recent trends in software M&A

Software is shifting toward sector consolidation, next-gen AI capabilities, and verticalized solutions, driving faster innovation and tighter end-to-end workflows.

Notable Recent Trends Affecting Software Companies¹

Sector Consolidation in Vertical Markets



- Investors are placing increased emphasis on **consolidation opportunities** within **vertical-specific marketplaces**, recognizing that integrated platforms can capture outsized market share and deliver durable competitive advantages.
- **Mission-critical enterprise software** supporting finance, compliance, operations, and risk management **continues to attract strong investor interest**, as customers depend on these systems for day-to-day operations. This reliance makes vertical software businesses well-suited for **sector consolidation**, as investors seek to build larger, more comprehensive providers within specific end markets.

Next-Gen GenAI Capabilities Investment



- Investors are actively prioritizing software businesses that **demonstrate differentiated AI (GenAI) capabilities**, particularly those addressing emerging cybersecurity threats, workflow automation, and infrastructure modernization requirements.
- Investment in **AI monitoring, data-visibility and infrastructure enhancements, as well as next-generation cybersecurity solutions**, is increasingly seen as essential to meet future customer demands. As a result, the **swift evolution of GenAI** is drawing strategic acquirers toward earlier-stage acquisition opportunities, enabling them to gain a competitive foothold in a rapidly shifting market.

Traditionally Stable Industries Attract Outsized M&A Activity

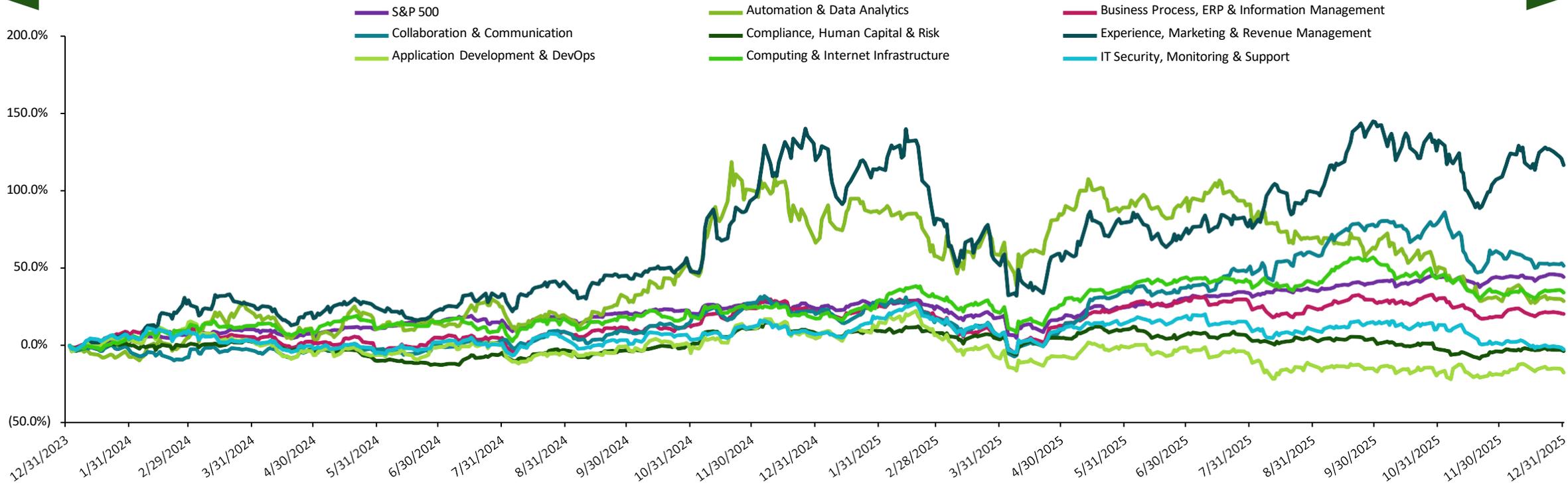


- Industry verticals historically seen as stable such as accounting, tax, and managed IT services, are undergoing significant modernization driven by **automation, AI-enabled workflows, and enhanced data-processing capabilities**.
- Investors are increasingly targeting well-established incumbents with the goal of **integrating AI-driven automation into legacy service delivery models**, ultimately positioning these businesses to unlock operational transformation, gain competitive differentiation, and drive long-term value creation.

Note: Refer to page 29 for sources.

Recent stock performance (horizontal and systems software)¹

Last 24 Months As Of December 2025²



	S&P 500	Automation & Data Analytics	Business Process, ERP & Information Management	Collaboration & Communication	Compliance, Human Capital & Risk	Experience, MarTech & Revenue Management	Application Development & DevOps	Computing & Internet Infrastructure	IT Security, Monitoring & Support
2024-2025 Performance	44.3%	28.8%	20.5%	51.6%	(3.4%)	116.6%	(17.3%)	34.2%	(2.3%)

Note 1: Comprised of 144 public horizontal software companies that have been segmented by Deloitte Corporate Finance using data from S&P Capital IQ as of 12/31/2025.

Note 2: Sub-sector index values are based upon an equal-weighted portfolio that accounts for the average price movement between stocks in each sector except for the S&P 500 which is market-cap weighted.

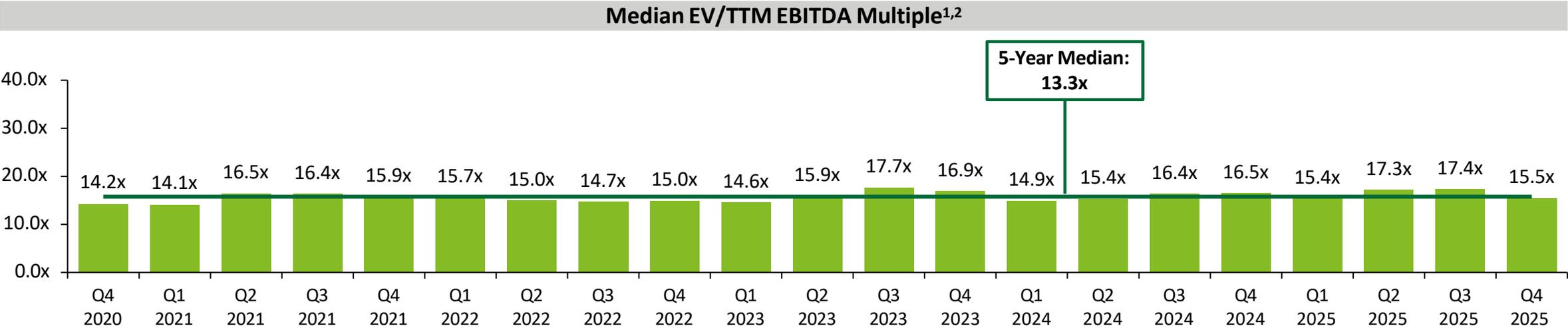
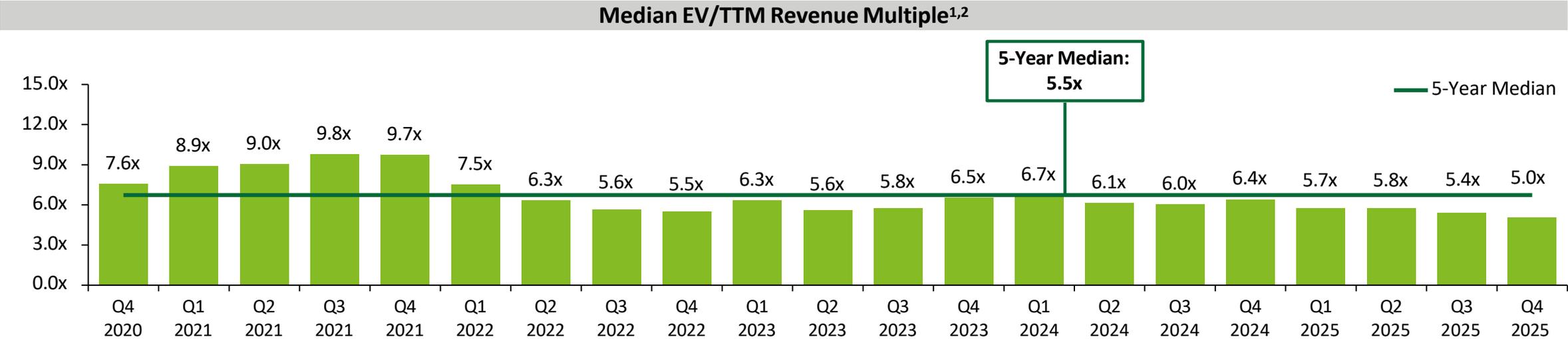
Sector key performance indicators (horizontal and systems software)¹

Metrics ^{1,2}	S&P 500	Automation & Data Analytics	Business Process, ERP & Information Management	Collaboration & Communication	Compliance, Human Capital & Risk	Experience, MarTech & Revenue Management	Application Development & DevOps	Computing & Internet Infrastructure	IT Security, Monitoring & Support
Valuation									
EV/TTM Revenue	3.8x	9.9x	6.2x	1.5x	4.3x	2.4x	4.7x	5.0x	4.7x
EV/TTM Revenue	18.7x	15.2x	23.1x	11.0x	17.1x	15.5x	11.2x	13.4x	17.3x
EV/TTM FCF	45.5x	13.0x	32.6x	10.1x	21.1x	12.5x	21.8x	23.0x	17.9x
% of 52 Week High	98.8%	72.0%	78.2%	77.2%	72.1%	55.7%	50.2%	73.2%	67.8%
Growth									
3 Year CAGR	4.3%	0.0%	13.9%	10.3%	9.3%	20.0%	19.6%	11.1%	14.6%
YoY Revenue Growth	4.8%	13.0%	13.2%	6.4%	7.9%	19.5%	21.1%	13.8%	12.3%
TTM Revenue Growth	0.0%	13.6%	13.3%	4.7%	8.0%	18.0%	21.9%	12.4%	12.8%
TTM EBITDA Growth	7.6%	8.2%	19.8%	33.5%	8.6%	33.5%	8.5%	14.1%	8.6%
Profitability/Operating									
Gross Profit Margin	35.1%	70.3%	75.6%	55.6%	71.2%	70.4%	79.8%	59.9%	77.9%
EBITDA Margin	20.6%	10.2%	21.3%	10.6%	20.4%	6.8%	(4.5%)	22.5%	7.4%
FCF Margin	7.5%	12.5%	20.2%	15.9%	17.4%	16.1%	29.8%	17.3%	26.3%
Operating Margin	15.5%	3.1%	17.5%	4.3%	18.5%	5.1%	(5.5%)	16.6%	4.3%
S&M Margin		29.4%	24.1%	17.7%	10.9%	26.9%	32.2%	9.9%	34.9%
R&D Margin		21.8%	17.8%	13.6%	10.3%	17.5%	32.9%	9.3%	21.7%
G&A Margin		19.0%	8.0%	7.7%	7.5%	17.3%	13.9%	3.2%	12.9%

Note 1: Comprised of 138 public horizontal software companies that have been segmented by Deloitte Corporate Finance using data from S&P Capital IQ as of 12/31/2025.

Note 2: All sub-sector metrics are presented on a median TTM basis for the period ended 12/31/2025 except the S&P 500 which is presented on an average TTM basis.

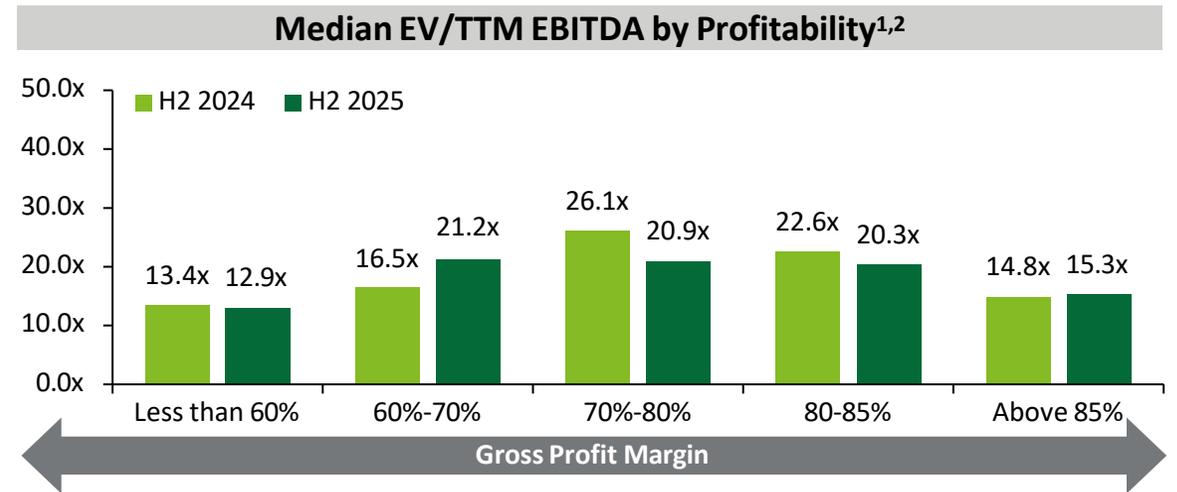
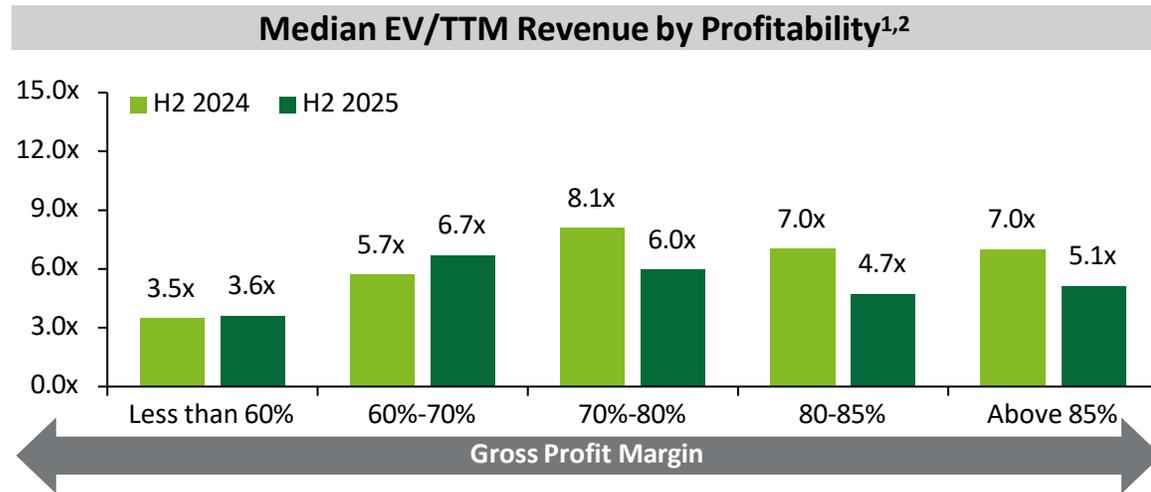
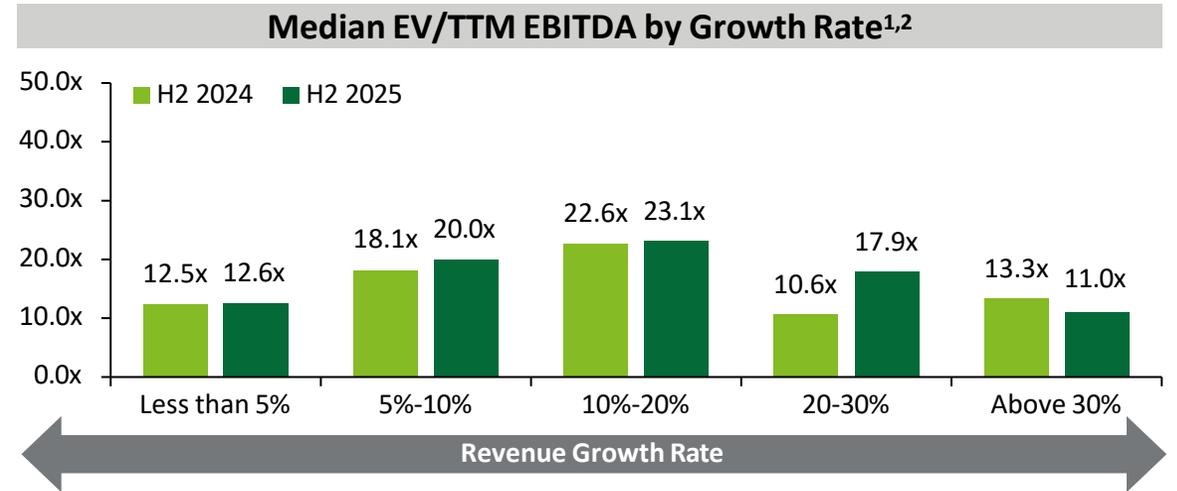
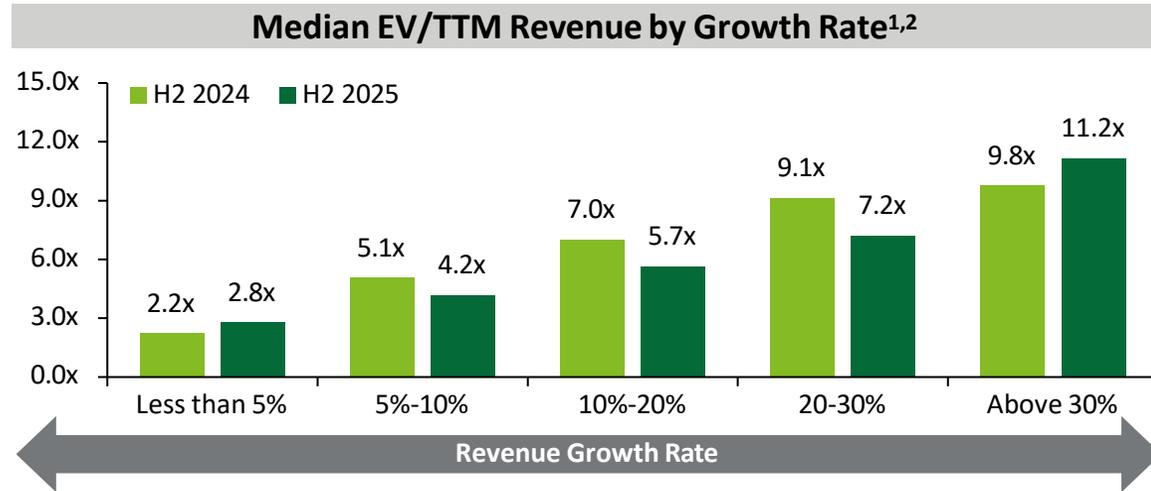
Long-term valuation overview (horizontal and systems software)¹



Note 1: Comprised of 138 public horizontal software companies that have been segmented by Deloitte Corporate Finance using data from S&P Capital IQ as of 12/31/2025.

Note 2: For the TTM period ended 12/31/2025.

Valuation breakdown by growth rate and profitability (horizontal and systems software)¹

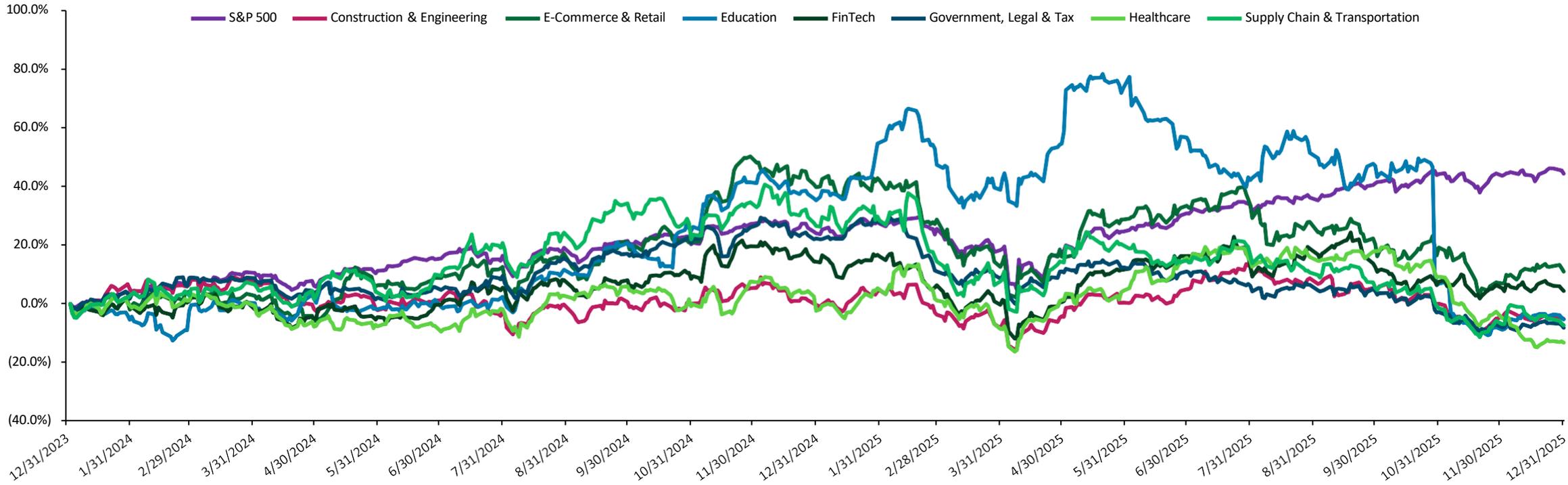


Note 1: Comprised of 144 public horizontal software companies that have been segmented by Deloitte Corporate Finance using data from S&P Capital IQ as of 12/31/2025.

Note 2: Presented on median TTM basis for the period ended 12/31/2025. Companies are placed within buckets according to their H2 2025 financial performance.

Recent stock performance (vertical software)¹

Last 24 Months as of December 2025²

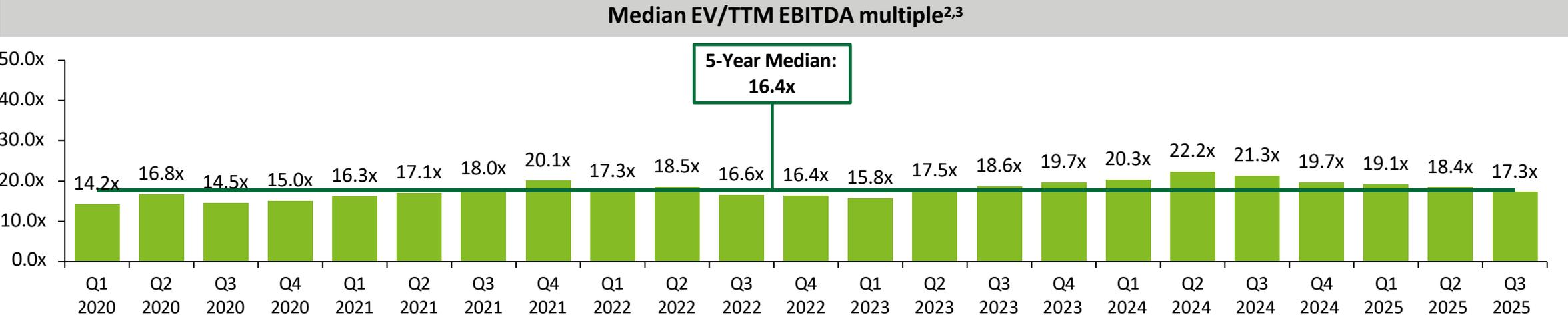
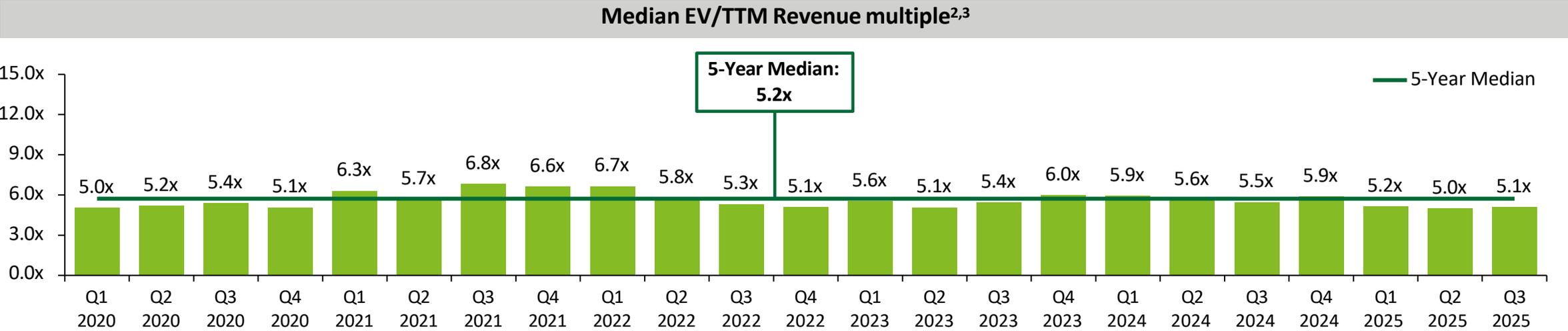


	S&P 500	Construction & Engineering	E-Commerce & Retail	Education	FinTech	Government, Legal & Tax	Healthcare	Supply Chain & Transportation
2024-2025 Performance	44.3%	(5.1%)	11.0%	(5.3%)	4.4%	(8.1%)	(13.2%)	(7.2%)

Note 1: Comprised of 97 public vertical software companies that have been segmented by Deloitte Corporate Finance using data from S&P Capital IQ as of 12/31/2025.

Note 2: Sub-sector index values are based upon an equal-weighted portfolio that accounts for the average price movement between stocks in each sector except for the S&P 500 which is market-cap weighted.

Long-term valuation overview (vertical software)¹



Note 1: Comprised of 95 public vertical software companies that have been segmented by Deloitte Corporate Finance using data from S&P Capital IQ as of 12/31/2025.

Note 2: For the TTM period ended 12/31/2025.

Note 3: EV/Revenue multiples that are negative or greater than 25.0x are classified as Not Meaningful ("N/M"). EV/EBITDA multiples that are negative or greater than 50.0x are classified as Not Meaningful ("N/M").

Sector key performance indicators (vertical software)¹

Metrics ^{2,3}	S&P 500	Construction & Engineering	E-Commerce & Retail	Education	FinTech	Government, Legal & Tax	Healthcare	Supply Chain & Transportation
Valuation								
EV/TTM Revenue	3.8x	9.0x	3.3x	2.9x	4.6x	4.0x	4.1x	7.8x
EV/TTM EBITDA	18.6x	24.6x	17.7x	11.5x	19.5x	12.6x	19.0x	24.8x
EV/TTM FCF	45.5x	32.9x	19.1x	14.0x	21.9x	28.8x	25.6x	34.4x
% of 52 Week High	99.5%	79.3%	70.9%	56.4%	74.9%	60.5%	64.3%	57.9%
Growth								
3 Year CAGR	4.3%	12.3%	18.3%	8.2%	10.8%	6.1%	14.4%	16.1%
YoY Revenue Growth	4.8%	15.1%	17.8%	8.2%	11.9%	5.7%	14.5%	12.0%
NTM Revenue Growth	0.0%	13.8%	13.4%	2.9%	10.0%	3.5%	13.7%	11.2%
TTM EBITDA Growth	7.6%	15.9%	42.6%	36.8%	15.6%	1.8%	23.7%	15.5%
Profitability/Operating								
Gross Profit Margin	35.1%	81.3%	61.8%	54.8%	62.6%	65.7%	68.0%	66.0%
EBITDA Margin	20.6%	24.9%	11.8%	19.1%	14.1%	20.1%	22.1%	24.5%
FCF Margin	7.5%	26.6%	9.8%	22.0%	19.3%	18.6%	20.3%	21.9%
Operating Margin	15.5%	21.5%	8.6%	17.1%	13.1%	11.8%	15.6%	21.4%
S&M Margin		19.4%	13.0%	8.1%	10.8%	15.6%	13.1%	7.4%
R&D Margin		21.2%	11.0%	6.9%	10.1%	0.0%	6.8%	13.1%
G&A Margin		7.9%	9.0%	3.3%	13.9%	19.2%	9.0%	9.8%

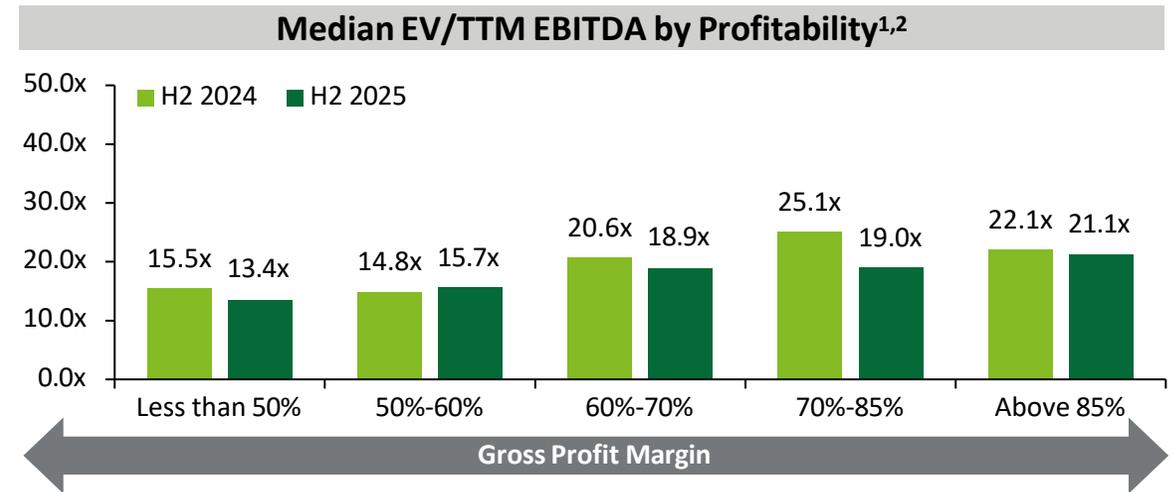
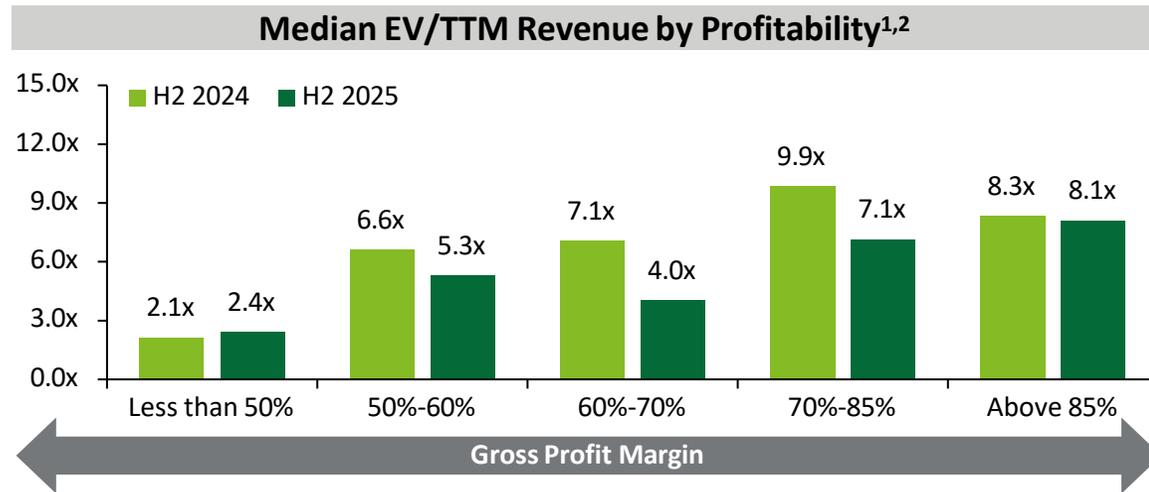
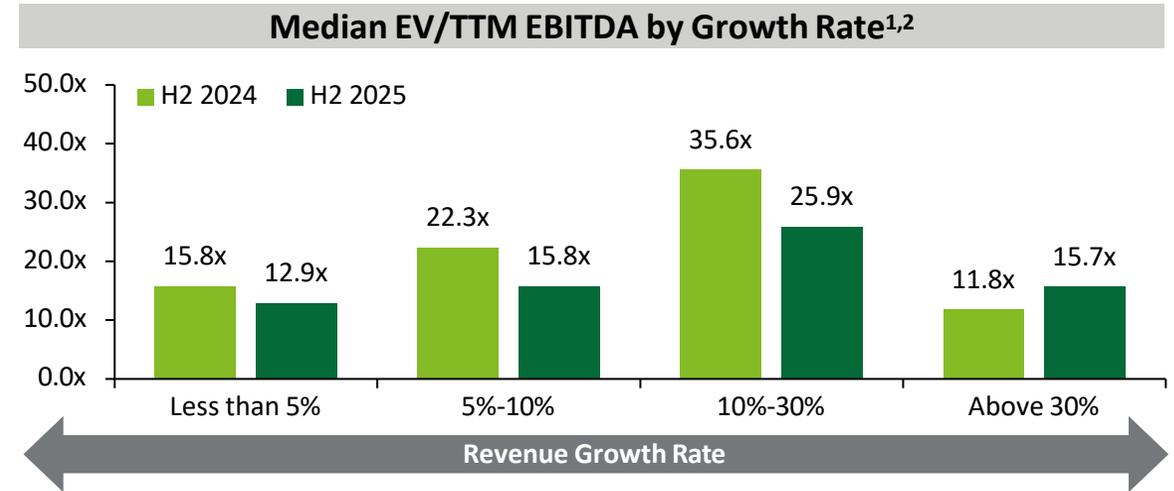
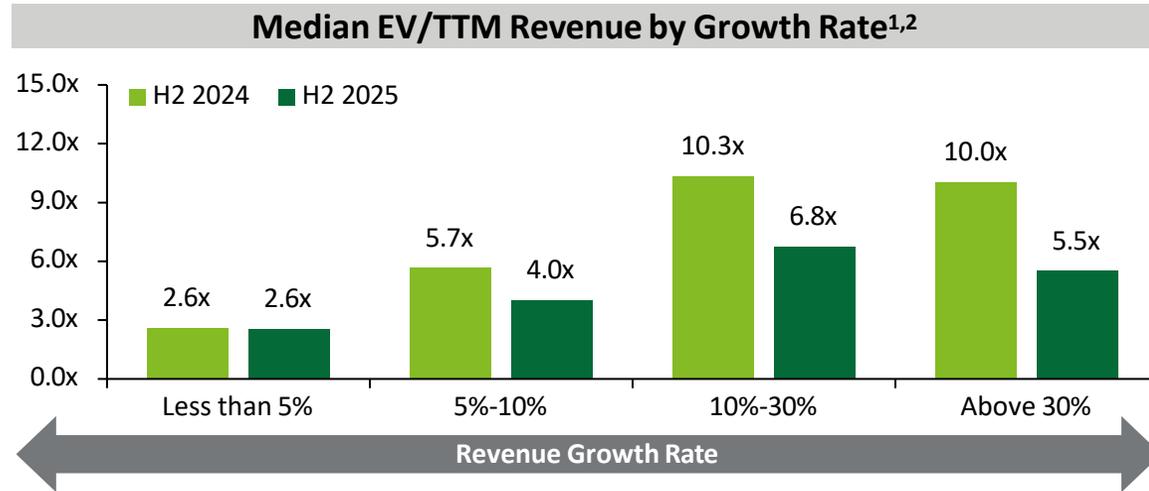
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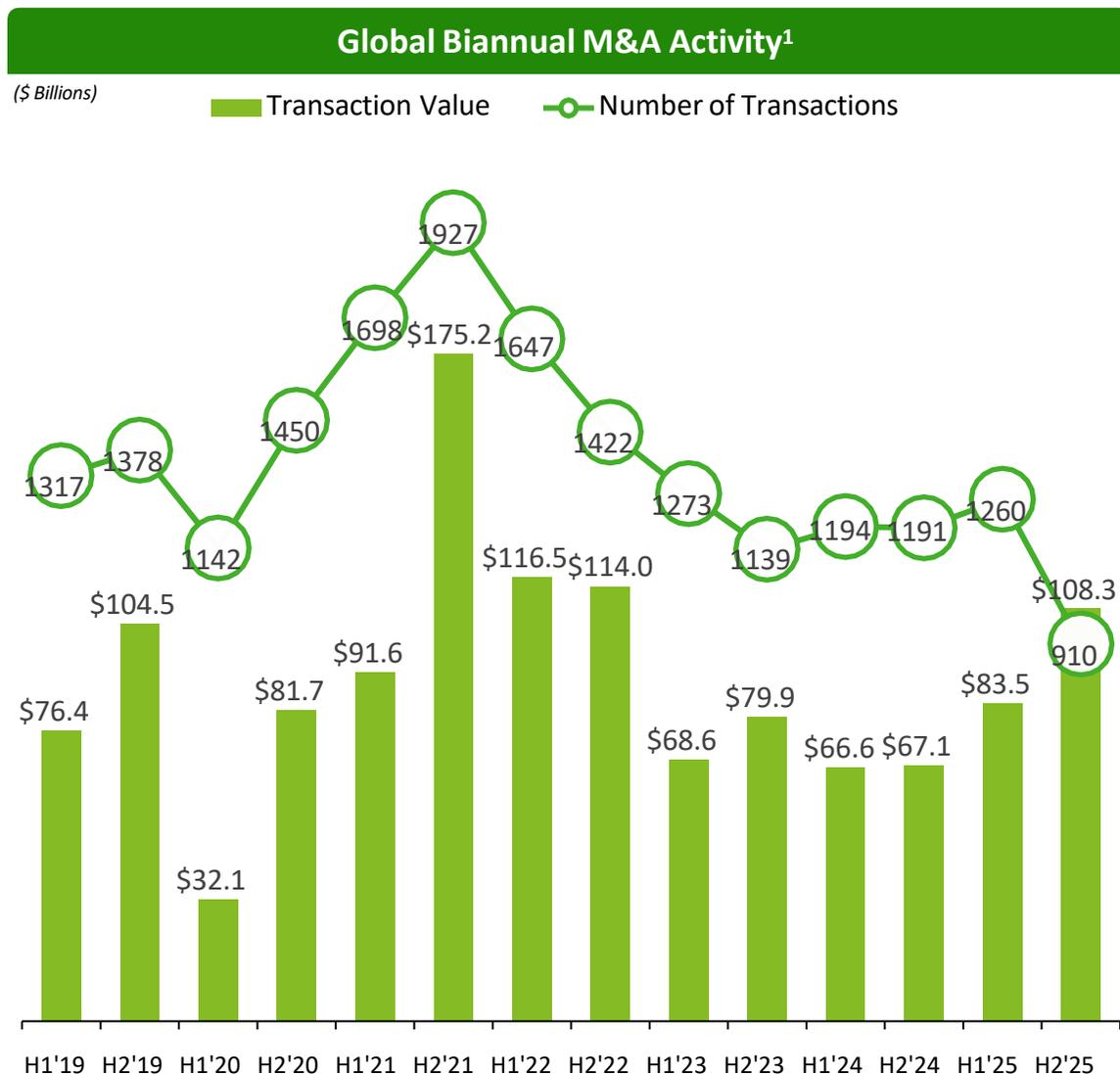
Valuation breakdown by growth rate and profitability (vertical software)¹



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M&A transactions update (software)



Note: Refer to page 29 for sources.

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Select Transactions in FY 2025¹

Closed Date	Acquirer	Target	Enterprise Value (\$M)	EV/Revenue	EV/EBITDA
10/24/2025	Centerbridge Partners	MeridianLink	\$2,018.8	6.1x	15.2x
09/12/2025	Thoma Bravo	Olo	\$1,602.4	4.5x	30.6x
08/04/2025	WiseTech	E2open	\$2,220.6	3.7x	10.8x
04/21/2025	Clearwater Analytics Holdings	Enfusion	\$1,544.5	6.7x	29.9x
02/14/2025	SilverLake Technology Management	Zuora	\$1,541.3	3.2x	14.4x

A close-up photograph of a hand pointing towards the bottom left corner. The background is dark with numerous out-of-focus, glowing bokeh lights in shades of orange, yellow, and purple. The hand is in sharp focus, with the index finger extended. The overall mood is professional and technological.

IT Services Valuation Landscape

Recent trends in IT services M&A

Software is shifting toward sector consolidation, next-gen AI capabilities, and verticalized solutions, driving faster innovation and tighter end-to-end workflows.

IT Services Trends¹

Strategic Consolidation & Capability



- M&A momentum is growing among both IT services investors and strategics as they pursue scale and integrated delivery capabilities across cloud, digital, and managed services to address client demand for end-to-end service partners.
- Firms focused on consolidation are targeting acquisition opportunities in **cloud migration, cybersecurity, systems integration, and high-value consulting**, which reflects shifting client demand for these strategic services.
- Talent-driven acquisitions are increasing as firms seek to **embed specialized engineering and delivery teams** faster than organic hiring can keep up.
- Cross-border deals are rising, particularly between North America, Europe and India.

Next Gen Technology & AI-Enabled Services Investment



- GenAI and automation experience are drivers as buyers seek firms that move beyond simple automation into agentic and autonomous service delivery.
- **Cloud-native, multi-cloud, and hybrid IT services practices** are becoming top acquisition targets as enterprises accelerate digital migrations.
- **Cyber-led service portfolios** such as zero-trust, managed detection, and response & real-time threat analytics are **receiving strategic buyer attention and higher valuations** than competitors.
- AI governance, ethical deployment frameworks, and responsible cloud operations are **emerging differentiators that lead to increased valuations in strategic diligence** due to their high demand and value-add for clients.

Client Outcome Focus & Value-Based Delivery Models



- Many enterprises are increasingly pushing IT services providers toward **contracts tied to business outcomes**, such as cost savings, system reliability, or other efficiencies, as buyers prioritize firms with **KPI-linked delivery models**. These structures align interests, drive tangible cost and cloud efficiency gains, and **enhance margin durability post-acquisition**.
- Managed services and subscription-like models anchored by **recurring revenue streams are viewed as premium assets** for strategics and sponsors due to their high revenue visibility.
- **Partnerships and platform integrations** are key **value drivers** in M&A discussions because such partnerships expand client reach and speed up deployment.

Note: Refer to page 29 for sources.

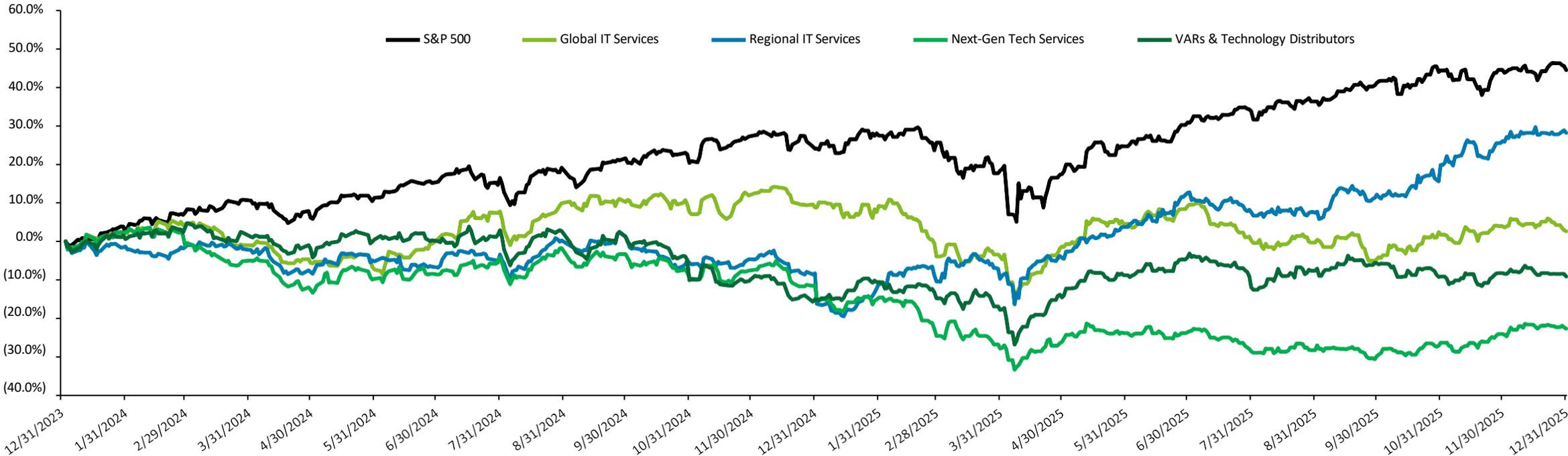
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TMT January 2026 Update

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Recent stock performance (IT services)¹

Last 24 Months As Of December 2025²



	S&P 500	Global IT Services	Regional IT Services	Next Gen Tech Services	VARs & Technology Distributors
2024-2025 Performance	44.3%	2.6%	28.1%	(22.6%)	(9.1%)

Note 1: Comprised of 144 public horizontal software companies that have been segmented by Deloitte Corporate Finance using data from S&P Capital IQ as of 12/31/2025.

Note 2: Sub-sector index values are based upon an equal-weighted portfolio that accounts for the average price movement between stocks in each sector except for the S&P 500 which is market-cap weighted.

Sector key performance indicators (IT services)¹

Metrics ^{2,3}	S&P 500	Global IT Services	Regional IT Services	Next-Gen Tech services	VARs & Technology Distributors
Valuation					
EV/TTM Revenue	3.8x	1.7x	2.0x	1.9x	0.4x
EV/TTM EBITDA	18.7x	10.0x	13.2x	10.1x	9.7x
EV/TTM FCF	45.5x	15.7x	20.3x	16.5x	14.5x
% of 52 Week High	98.8%	79.3%	87.0%	79.0%	84.0%
Growth					
3 Year CAGR	4.3%	2.5%	10.4%	8.3%	-0.4%
YoY Revenue Growth	4.8%	-0.4%	9.1%	5.6%	8.6%
NTM Revenue Growth	0.0%	3.3%	3.8%	4.8%	7.4%
TTM EBITDA Growth	7.6%	8.4%	9.3%	0.7%	4.6%
Profitability/Operating					
Gross Profit Margin	35.1%	28.9%	27.2%	32.4%	13.6%
EBITDA Margin	20.6%	12.7%	14.5%	13.5%	3.9%
FCF Margin	7.5%	7.2%	5.0%	10.1%	2.1%
Operating Margin	15.5%	9.1%	11.3%	10.9%	3.4%
S&M Margin		0.0%	0.2%	0.4%	0.0%
R&D Margin		0.0%	0.0%	0.0%	0.0%
G&A Margin		0.0%	0.0%	0.0%	0.0%

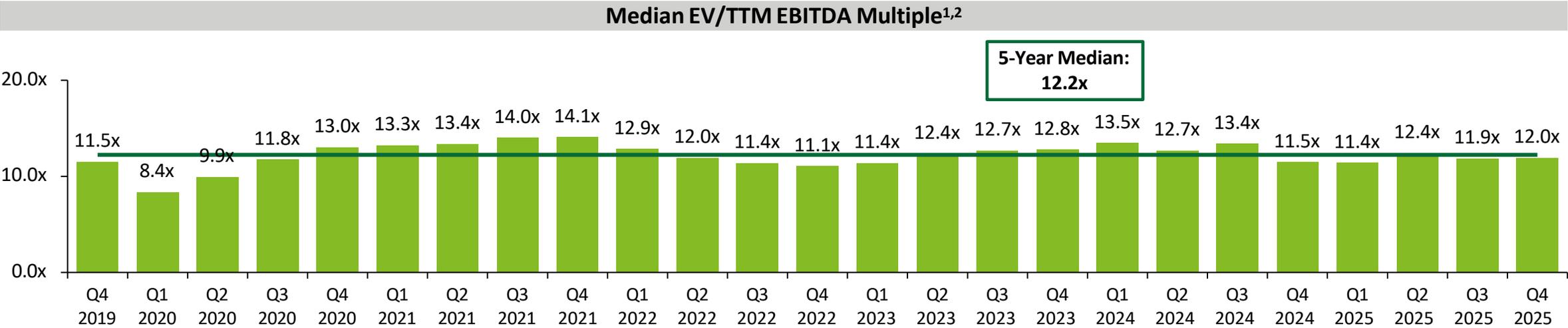
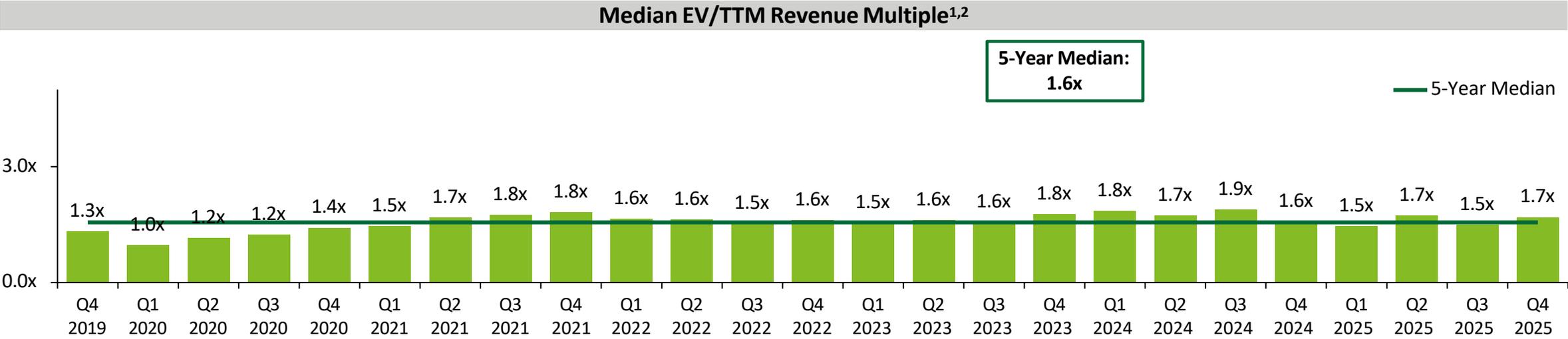
Note 1: Comprised of 95 public vertical software companies that have been segmented by Deloitte Corporate Finance using data from S&P Capital IQ as of 12/31/2025.

Note 2: All sub-sector metrics are presented on a median TTM basis for the period ended 12/31/2025 except the S&P 500 which is presented on an average TTM basis.

Note 3: EV/Revenue multiples that are negative or greater than 25.0x are classified as Not Meaningful ("N/M"). EV/EBITDA multiples that are negative or greater than 50.0x are classified as Not Meaningful ("N/M").

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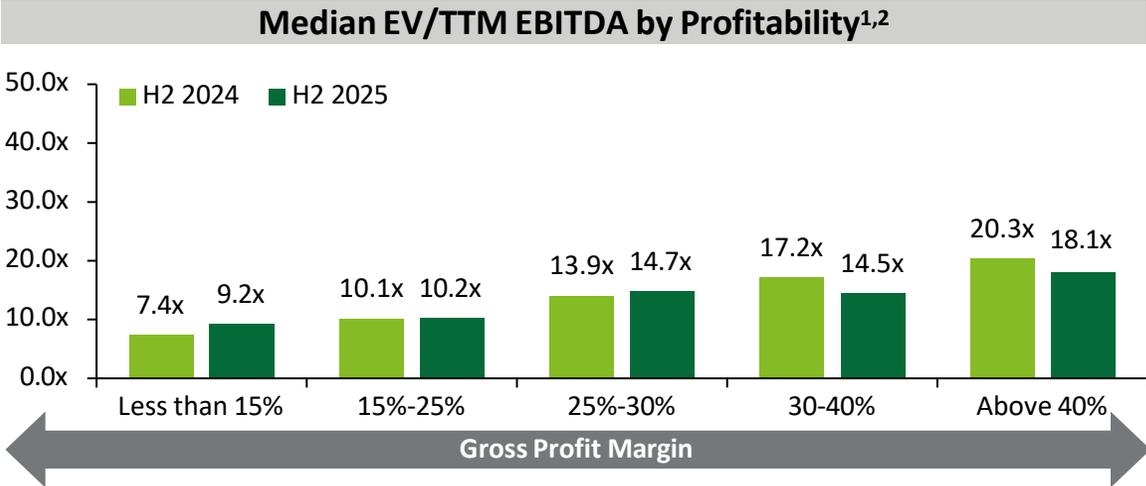
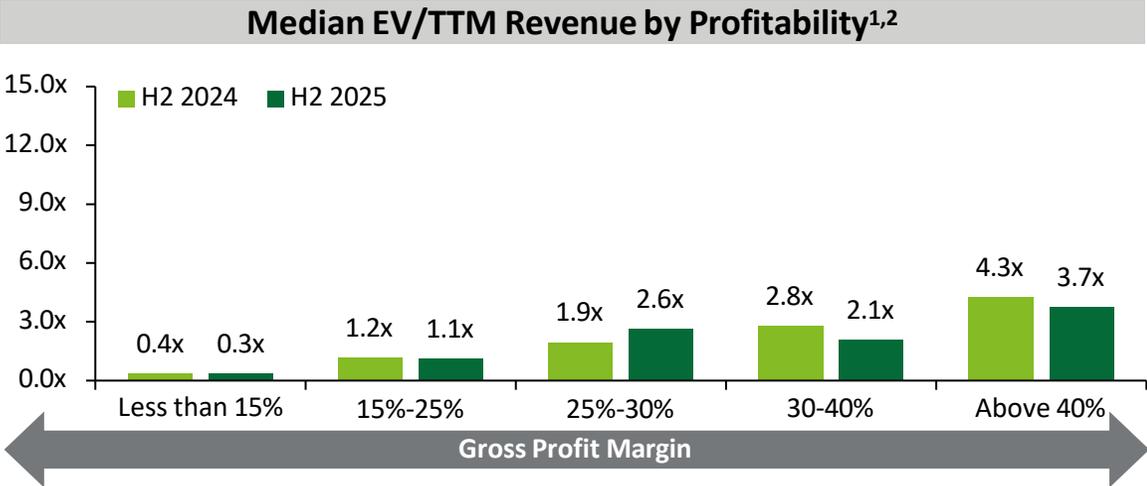
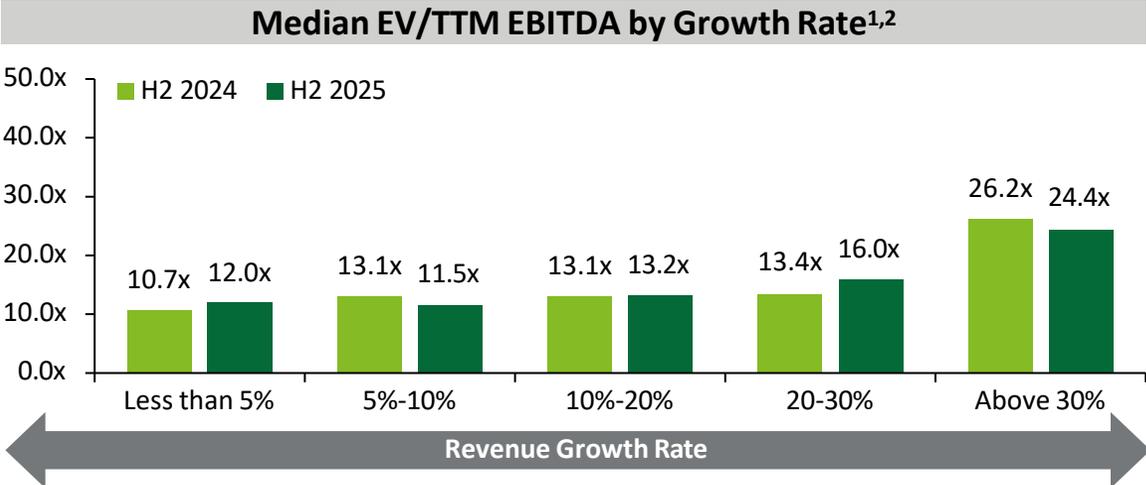
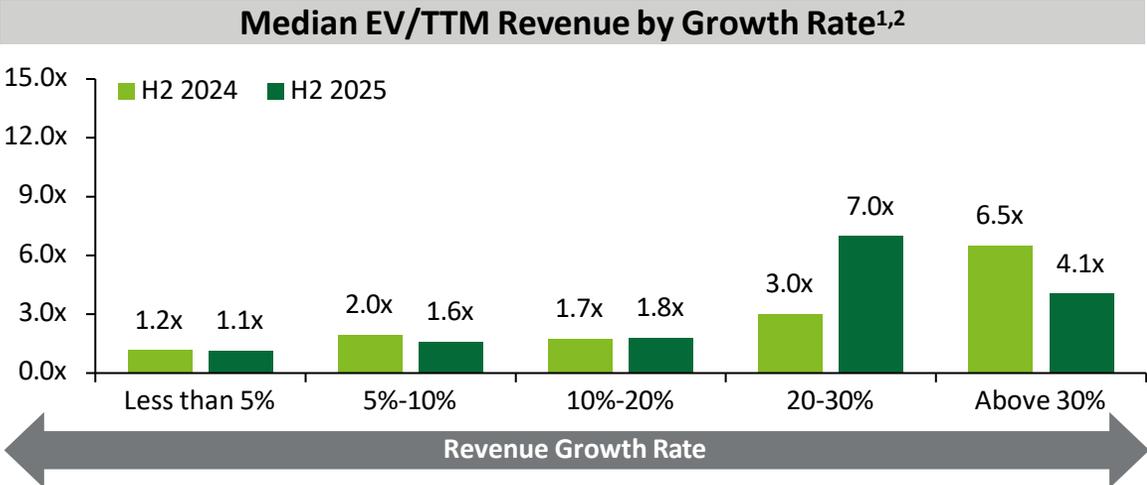
Long-term valuation overview (IT services)¹



Note 1: Comprised of 97 public horizontal software companies that have been segmented by Deloitte Corporate Finance using data from S&P Capital IQ as of 12/31/2025.

Note 2: For the TTM period ended 12/31/2025.

Valuation breakdown by growth rate and profitability (IT services)¹

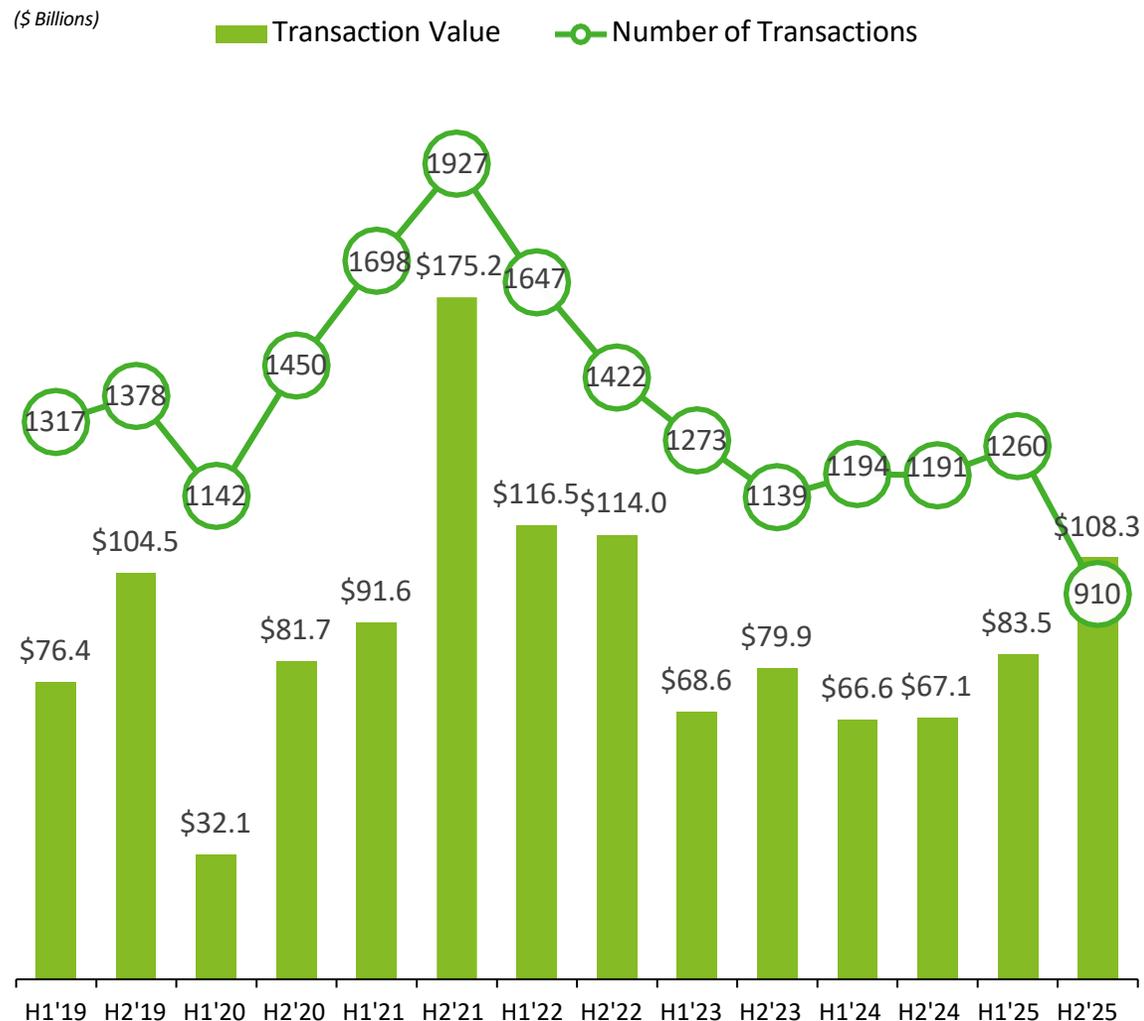


Note 1: Comprised of 97 public horizontal software companies that have been segmented by Deloitte Corporate Finance using data from S&P Capital IQ as of 12/31/2025.

Note 2: Presented on median TTM basis for the period ended 12/31/2025. Companies are placed within buckets according to their H2 2025 financial performance.

M&A transactions update (IT services)

Global Biannual M&A Activity¹



Note: Refer to page 29 for sources.

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Select Transactions in FY 2025¹

Closed Date	Acquirer	Target	Enterprise Value (\$M)	EV/Revenue	EV/EBITDA
11/17/2025	OFI 01 Corporation	I-Net Corp.	\$320.0	1.0x	7.9x
10/17/2025	Capgemini	WNS Holdings	\$3,782.6	2.8x	13.5x
04/10/2025	SNP Schneider-Neureither & Partner SE	Carlyle Beratungs GmbH	\$557.4	2.0x	12.6x
03/13/2025	World Wide Technology	Softchoice Corporation	\$1,271.7	1.6x	15.5x
02/07/2025	Mainline Information Systems	Converge Technology Solutions	\$1,018.8	0.5x	9.7x

Appendix

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