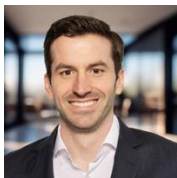
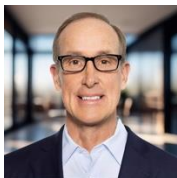


Technology Perspectives

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Technology Deal Highlights

34% decrease in YOY deal volume
51% increase in YOY deal value
42% Private equity involvement

Notable Quotes & Trends:

"AI will be the most transformative technology since electricity." – Eric Schmidt, Former CEO, Google

"We see the wave coming. Now this time next year, every company has to implement it — not even have a strategy. Implement it." – Emad Mostaque, Founder / CEO, Stability AI

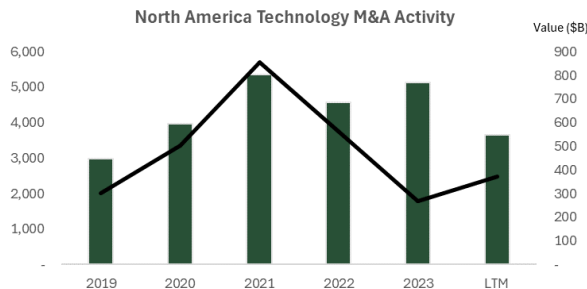
"You can't come into a mission-critical 24/7 operation and tell us you have a bug. It doesn't work." – Ed Bastian, CEO, Delta Airlines

The cost of cybercrime is projected to reach a staggering \$10.5 trillion by 2025.

Email is the most common vector for malware, with around 35% of malware delivered via email in 2023.

TECH M&A MOMENTUM IS ACCELERATING

M&A activity in the Technology sector is rapidly gaining momentum after a significant pullback in the second half of 2023 and the first quarter of 2024. The renewed activity is being driven by record amounts of private equity dry powder, cash-rich corporates, macroeconomic forces, pent-up demand, and the drive to innovate. Increased certainty around lower interest rates and an economic soft landing are providing cover for strategic Tech acquisitions that promise growth, especially targets that offer advanced technological capabilities, particularly in AI, cybersecurity, and cloud computing. Large companies feel immense pressure to incorporate generative AI capabilities into their product lines and operations or risk falling behind and becoming obsolete. AI is a must-have for businesses seeking to stay competitive by improving working productivity, enhancing customer service, and streamlining operations. AI's expected impact has been a direct underlying factor in the resurgence of the number of Tech deals and a rebound in valuations. An example is Synopsys' acquisition of Ansys earlier this year for \$35 billion combining Synopsys' innovative industry-leading EDA solutions with Ansys' world-class simulation and analysis capabilities. While AI is making most of the headlines and catching the imagination of M&A bankers on what might be, Software continues to lead the pack in terms of number of deals and total value within the overall Technology sector. The allure of Software deals for both strategic and financial buyers is the relatively predictable recurring cash flows and a growing built-in customer base.



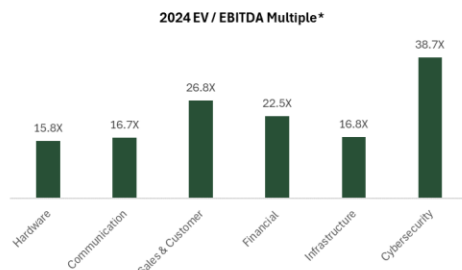
CYBER HEATS UP ONCE AGAIN

The cybersecurity Software-as-a-Service (SaaS) sector has experienced remarkable growth and transformation in 2024. As cyber threats continue to evolve, the demand for innovative and robust cybersecurity solutions has never been higher. This increasing demand has led to a surge in deal-making within the cybersecurity SaaS market. The rise in cyber-attacks, including ransomware and phishing attacks, has compelled organizations of all sizes to invest in advanced cybersecurity solutions. Meanwhile, the widespread adoption of cloud technologies has increased the need for cloud-native security solutions, prompting SaaS providers to acquire highly specialized firms. Stringent data protection regulations, such as GDPR and CCPA, have necessitated robust cybersecurity measures, further fueling M&A to enhance capabilities. The cybersecurity competitive landscape is rapidly intensifying pushing firms to expand their market reach and capabilities both organically and via M&A.

DEAL & VALUATION TRACKER

Acquirer	Target	Value (billions)
Synopsys	Ansys	\$35.0
Red Hat	JUNIPER	\$14.0
IBM	HashiCorp	\$6.4
THOMASBRAVO	DARKTRACE	\$5.3
KKR	vmware	\$4.0

Public Technology Multiples



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