



AGC's 2023 Tech PE Year-End Report

*'24 Will Be a Year of Capitulation,
Back to the Fundamentals, and
Increased Deal Making – Lots of
Wood to Chop*

Presented by: AGC Partners
Ben Howe, CEO

December 2023



AGC Celebrates Its 20th Birthday in 2023



518

Transactions

182

SaaS Transactions

#1

SaaS Advisor



20

Partners

10

Locations

2003

Founded

AGC Powered Through The Headwinds in '23 – Hiring Up for a Better '24



Celebrating our 20th year in business in '23



518 closed deals makes AGC the top SaaS advisor and #1 in closed tech sell side deals



Nearly doubled business in '21

- With another record year and 42 deals in '22



Powered through '23

- 29 deals closed or under LOI
- 40 active engagements
- Accelerating new engagement momentum



Building in downturn

- 20 Partners and hiring
- 24 new hires in '23 and another 16 signed up for battle in '24!

451 Research SaaS Rankings⁽¹⁾

Firm	# Trans.
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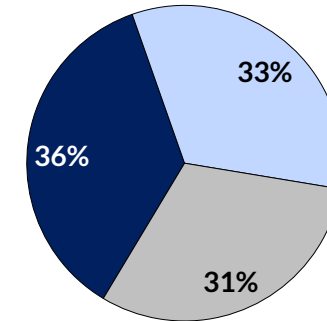
1. AGC PARTNERS	182
2. William Blair	162
3. RAYMOND JAMES	125
4. cg/Canaccord Genuity	98
5. HOULIHAN LOKEY	96

Top Sell-Side Tech Deal Makers Since 2014⁽²⁾

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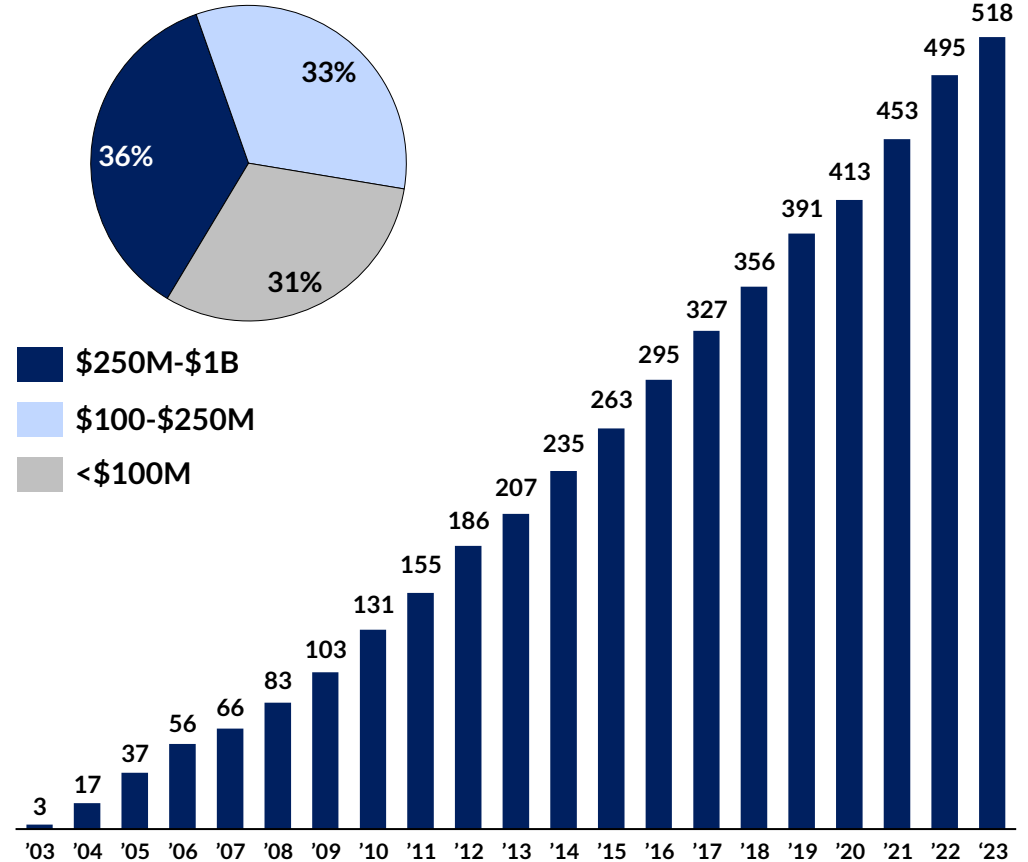
1. AGC Partners	252
2. Raymond James	221
3. William Blair	211
4. Houlihan Lokey	210
5. Canaccord Genuity	204

AGC Deals by Enterprise Value Breakout



■ \$250M-\$1B
■ \$100-\$250M
■ <\$100M

AGC Cumulative Deal Count Since 2003



AGC Mission: To Expand Our Lead in the Middle Market – More Flow and Knowledge Begets More Business

(1) 451 Research deal count based on all SaaS related Sell-Side transactions since 2010. Excludes co-managed deals.

(2) 451 Research deal count based on all disclosed technology related Sell-Side transactions from 2014-2023 YTD. Excludes co-managed deals.

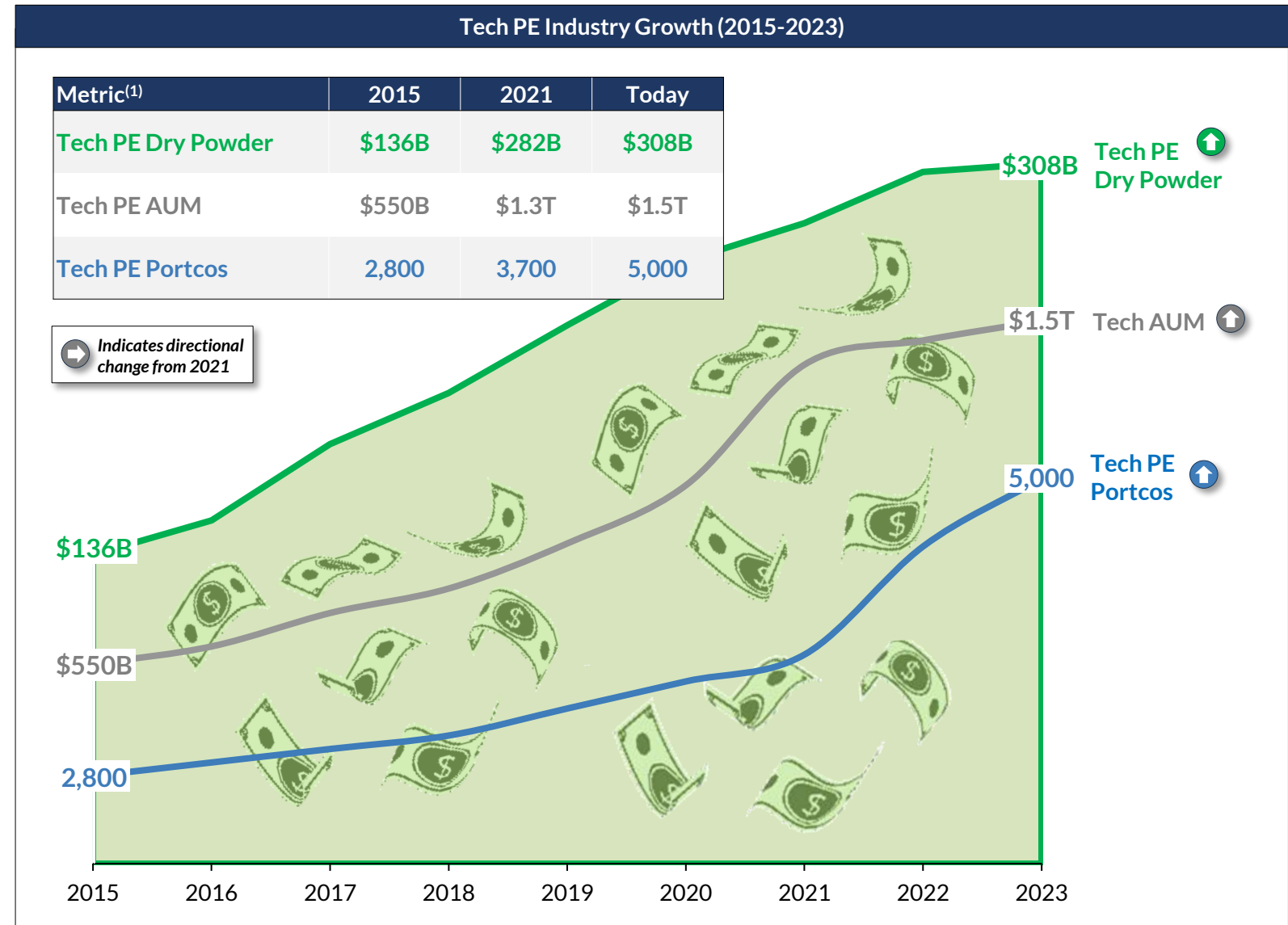


The Results Are In...

AGC's 2023 Tech PE Survey

Tech PE Industry Becomes the Power Player in the Global Software Industry

- The Tech PE industry has rocketed to be a major force in the global software industry over the last 8 years. In '23, of the 3,000 disclosed software deals, 1,500 were completed by our PE friends. Tech PEs took 91 public software companies private in the past three years worth over \$300B, and now there are only 150 public software companies left – turn on the IPO engine ☺
- There are now over 300 tech growth/buyout firms managing over \$1.5T in Tech AUM, with funds ranging in size from \$100M to \$22B. These sophisticated teams across the world from Boston to Australia are in an intense search for great management teams and growth stories that they can partner with to help grow even faster and, yes, create massive value on that journey!
- 80% of all PE acquisitions, or roughly 1,200 deals, are driven through their portfolio companies. Whatever the sector of technology, the PE industry is in the game or trying to get into it. With over \$300B of dry powder and over 5,000 portcos, the PE influence will only grow

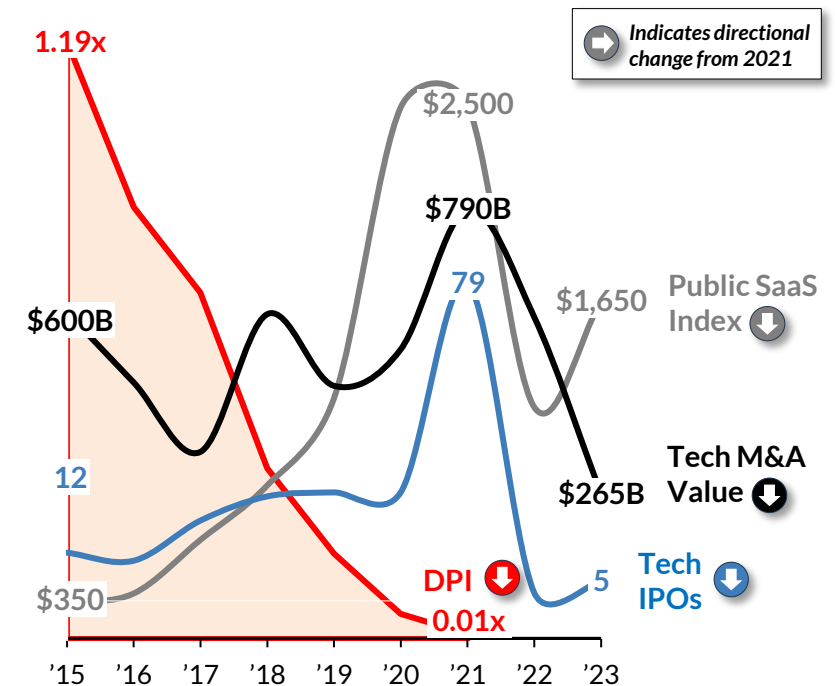


Tech PE Funds, Flush With Big AUM and Record Dry Powder, Now Need to Pay the Piper: Their LPs

- As we approach New Year's Eve for '23, tech LPs across the world are starting to ask for some cash back from their Tech PE funds. As the cadence, size, and deployment speed of new PE funds have skyrocketed, the pace and quantum of exits/cash distributions have stalled out. LP investors across the world are now keenly focused on DPI, the core ratio of cash back to the LPs relative to the cash invested in a PE firm's individual funds
- In the height of COVID in '21, M&A exits were at ginormous record levels of \$186B and IPO market values hit \$1.5T. So LPs at that time were ecstatically collecting their share of the cash and proceeds and watching their IRRs go through the roof
- PE firms rushed to the market in '21 and '22, raising \$250B in new funds off the back of the largest sector boom in modern economic history. In the tech venture world, \$900B was invested over the last three years, dwarfing the internet bubble of the late '90s when VC funds invested a mere \$65B
- A funny thing happened along the way; the underlying companies' growth rates shot up from 8% pre-COVID to an exceptional 30% at the peak in '21, then came crashing back down to 8% in '23 prior to any recession. So with companies' revenue growth coming down dramatically, tech companies' projections went belly up across the land, making it difficult to impossible to exit – simultaneously, with valuation expectations of sellers still caught up in the stratosphere, rationally deploying capital became increasingly challenging
- As we sit here today, PE dry powder is at a record \$300B+, the IPO window is shut for the time being, M&A exits are down to \$60B from \$186B, and PE fund managers are struggling to make distributions to their LPs and challenged to mark their current portfolios' valuations to current market
- So the capitulation comes in two forms: (1) CEOs and shareholders coming to grips with realistic projections on near-term and long-term growth rates and profit margins, and (2) sellers accepting the current world and pre-COVID world valuations reflective of those growth rates and profits
- It is not about desperation and liquidity at any cost; PE fund managers will not push their good-to-great companies into the market if it is not the right time. Instead, it is about getting down to the basics of what that company is worth on a 5-year model in a healthy banker auction or IPO if there is enough scale
- The good news is that most of the ~5,000 active Tech PE portfolio companies are good-to-great companies, and with another 80K VC-backed companies out there – many of which have the same exit liquidity pressures mounting – there will be lots of wood to chop and we will see an acceleration of new investment and M&A activity in '24 and '25

Forces Creating Selling Pressure in the Tech PE Ecosystem

Metric ⁽¹⁾	2015	2021	Today
PE DPI	1.19x	0.01x	Not Good
Public SaaS Index	\$350	\$2,500	\$1,650
Tech IPOs	12	79	5
Tech M&A Value	\$600B	\$790B	\$265B



AGC's Annual 2023 Tech PE Survey Results Are In



- AGC is the only firm with a survey focused just on Tech PE land versus the entire PE world
- '23 results are in – Hg and TA captured the top two spots, with Hg retaining the number one position
- We are projecting a total of 1,500 Tech PE deals in '23, down 9% from 1,650 in '22
- Main Capital led the way on the number of PE platform deals with 9, followed closely by AKKR, PSG, Francisco, and Vista
- Platform deals dropped 15% from 206 in '22 to 174 in '23 for the top 50
- PEs are doing 4 add-on deals for every one platform

Total Deal Count (2023 vs. 2022)

	Firm	2023 ^(1,2)	2022
1.	Hg	62	90
2.	TA	57	89
3.	AKKR	40	33
4.	MAIN CAPITAL PARTNERS	30	46
5.	VISTA	28	54
6.	PSG	25	41
7.	FP FRANCISCO PARTNERS	24	46
8.	ALPINE	22	12
9.	Battery	20	27
10.	KKR	19	26
11.	THOMABRAVO	17	46
12.	INSIGHT PARTNERS	17	30
13.	Charlesbank	15	32
14.	AQUILINE	15	13
15.	MARLIN EQUITY PARTNERS	14	19
16.	bv	14	20
17.	CVC	14	10

	Firm	2023 ^(1,2)	2022
18.	STG	13	12
19.	BainCapital	13	12
20.	Riverside	13	13
21.	Berkshire Partners	12	13
22.	CARLYLE	12	33
23.	ARDIAN	12	8
24.	ST	12	21
25.	SILVERSMITH CAPITAL PARTNERS	12	30
26.	HELLMAN & FRIEDMAN	12	8
27.	Apax	11	17
28.	GTCR	11	6
29.	abry partners	11	16
30.	PROVIDENCE EQUITY PARTNERS	11	13
31.	HIG CAPITAL	9	13
32.	TPG	9	19
33.	IEQT	9	25
34.	Blackstone	9	12

	Firm	2023 ^(1,2)	2022
35.	GENSTAR	9	15
36.	SILVERLAKE	8	10
37.	GENERAL ATLANTIC	7	10
38.	NMC NEW MOUNTAIN CAPITAL	7	9
39.	NEWSPRING	7	9
40.	Serent CAPITAL	7	18
41.	JMI EQUITY	7	17
42.	STONE POINT CAPITAL	7	6
43.	Mainsail Partners	6	10
44.	Cinven	6	5
45.	PERMIRA	6	27
46.	PERMIRA	6	8
47.	M33 GROWTH	5	6
48.	WARBURG PINCUS	5	12
49.	GEMSPRING	5	4
50.	RESURGENS TECHNOLOGY PARTNERS	5	7
Top 50 Total:		905 ⁽⁴⁾	1,078

Platform Count (2023)

	Firm	2023 ^(1,3)	2022
1.	MAIN CAPITAL PARTNERS	9	19
2.	AKKR	8	7
3.	PSG	8	12
4.	FP FRANCISCO PARTNERS	8	6
5.	VISTA	6	13
6.	MARLIN EQUITY PARTNERS	6	5
7.	STG	6	3
8.	GENERAL ATLANTIC	5	1
9.	Battery	4	3
10.	THOMABRAVO	4	12
11.	INSIGHT PARTNERS	4	1
12.	Berkshire Partners	4	2
13.	Apax	4	5
14.	GTCR	4	1
15.	HIG CAPITAL	4	7
16-50:		54	109
Top 50 Total:		174 ⁽⁴⁾	206

Source: 451 Research, Pitchbook, Company Reports. (1) For the period 1/1/18 through 10/15/23. (2) Ranked by total deal count with platform count as tiebreaker. (3) Ranked by platform count with total deal count as tiebreaker. (4) Annualized. Note: "Tech PE Acquisitions" are defined as control transactions with a PE firm as buyer/sponsor and tech company as target. Excludes consortium-led transactions (three buyers/sponsors or more) and portfolio company mergers.

Thoma and Vista Remain the Platform Leaders Since 2018

Platform Deal Leaders (2018-2023)

Rank	Firm	Platform Deal Count ⁽¹⁾
1.	THOMABRAVO	63
2.	VISTA	62
3.	MAIN CAPITAL PARTNERS	52
4.	PSG	51
5.	Hg	50
6.	FP FRANCISCO PARTNERS	48
7.	TA	46
8.	AKKR	45
9.	MARLIN EQUITY PARTNERS	45
10.	KKR	37
11.	BainCapital	36
12.	Serent CAPITAL	33
13.	CARLYLE	32
14.	Battery	30
15.	H I G CAPITAL	30
16.	STG	30
17.	LLR Partners	29
18.	IEQT	28
19.	abrypartners	28

Top Tech PE Acquirers by Total Deal Count (2018-2023)

Rank	Firm	Total Deal Count ⁽²⁾
1.	Hg	404
2.	TA	404
3.	VISTA	306
4.	THOMABRAVO	231
5.	INSIGHT PARTNERS	210
6.	FP FRANCISCO PARTNERS	193
7.	AKKR	189
8.	PSG	179
9.	MAIN CAPITAL PARTNERS	159
10.	Battery	144
11.	CARLYLE	138
12.	KKR	136
13.	GI PARTNERS	134
14.	Battery	133
15.	H I G CAPITAL	123
16.	MARLIN EQUITY PARTNERS	116
17.	IEQT	113
18.	SILVERSMITH CAPITAL PARTNERS	108
19.	Advent International	105
20.	AQUILINE	100



PE Survey Parameters

“Tech-Focused PEs” are defined as those historically allocating 50%+ to the tech sector and pursuing a growth equity or buyout strategy for 50%+ of all closed funds

“Tech PE Funds” are defined as funds managed by Tech-Focused PE Managers

“Tech PE Acquisitions” are defined as control transactions with a PE firm as buyer/sponsor and tech company as target. Excludes consortium-led transactions (three buyers/sponsors or more) and portfolio company mergers

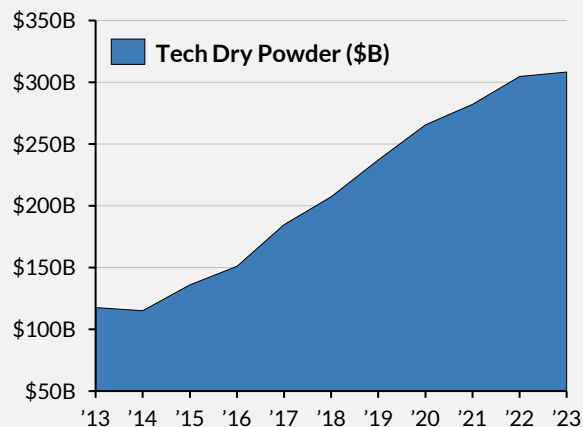
“Tech AUM” and **“Tech Dry Powder”** are based on total reported AUMs and dry powder amounts, and the estimated percentage of total assets dedicated to PE strategies and earmarked for tech investment per Pitchbook

Tech PEs Have Record \$300B+ in Tech Dry Powder to Deploy in 2024 and Beyond



- Tech PE dry powder plateaued in '23 as fundraising slowed, access to debt markets tightened, and large deals were put on hold
- Hg leads Tech PEs with \$18.2B of tech dry powder and is trailed closely by TA, which closed the largest tech-focused fund of the year in June
- In total, Tech PEs currently have \$308B sitting on the sidelines, a record high that is set to fuel future tech investments as global macroeconomic uncertainty continues to boil

Total Tech Dry Powder Summary



\$308B
Total Tech
Dry Powder

Tech Dry Powder – Tech-Focused PEs⁽¹⁾

Rank	Firm	Tech Dry Powder (\$M)	Latest Fund Size (\$M)	Latest Fund Date	Tech AUM (\$M)
1.	Hg	\$18,217	\$11,056	Oct-22	\$51,365
2.	TA	17,129	16,500	Jun-23	40,160
3.	THOMABRAVO	16,564	24,300	Dec-22	104,628
4.	VISTA	13,623	20,000	Open	90,200
5.	SIXTH STREET	10,394	3,600	Nov-22	39,094
6.	INSIGHT PARTNERS	9,900	20,000	Feb-22	76,000
7.	FP	9,500	13,500	Jul-22	37,174
8.	AKKR	8,840	4,400	Mar-23	14,000
9.	VERITAS CAPITAL	8,375	10,650	Oct-22	34,615
10.	SILVER LAKE	6,837	15,000	Open	34,297
11.	PSG	6,240	19,158	Open	21,667
12.	GENERAL ATLANTIC	5,457	6,500	Open	17,834
13.	STG	4,923	7,800	Nov-21	23,578
14.	PROVIDENCE EQUITY PARTNERS	4,785	4,200	Mar-23	7,937
15.	SUMMIT PARTNERS	4,731	6,000	Open	18,564
16.	Great Hill PARTNERS	3,384	8,350	Oct-21	9,703
17.	PARthenon CAPITAL	3,208	4,650	Jan-22	13,221
18.	KEENSIGHT CAPITAL	3,037	4,500	Mar-23	3,761
19.	SPECTRUM EQUITY	2,648	3,010	Sep-23	4,229
20.	SPECTRUM EQUITY	2,147	2,209	Jul-22	5,662

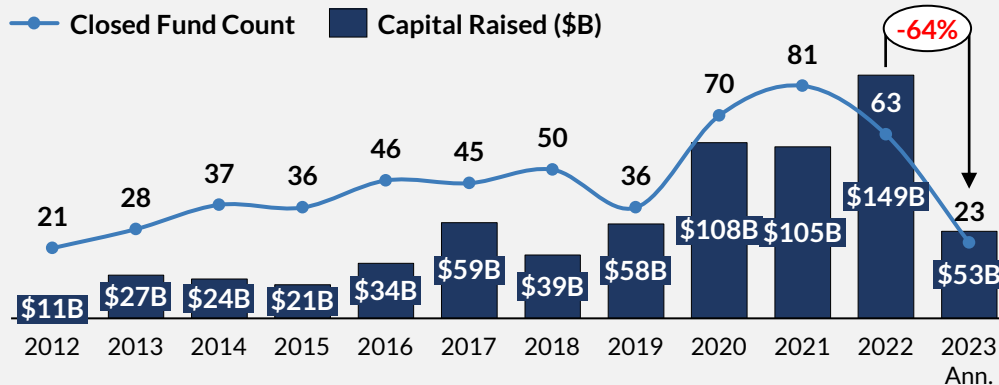
Source: Pitchbook. As of 12/15/23. (1) "Tech-Focused PEs" are defined as growth equity or buyout funds that have made 50%+ of their investments in the tech sector historically per Pitchbook. "Tech Dry Powder" represents total reported dry powder, adjusted for Pitchbook estimates of non-PE strategies and non-tech investing activity.

Note: Fund sizes on open funds are target (not yet closed) and are not reflected in dry powder figures.

Tech PE Fundraising Loses Steam in 2023 – 2024 Will Not Get Easier!

- Tech PEs are tracking to raise \$53B in '23, which is one-third of the \$149B raised in '22, and there were only 23 new funds in '23 versus 63 in '22
- An accelerating buildup of portcos and AUM without liquidity for LPs is creating pressure for PE exits – '24 and '25 will need to be much bigger years for Tech PE liquidity
- LPs have made it loud and clear that a strong IRR is still a critical metric for LP performance, but DPI is their most important measure of a fund's success today
 - Cash distributions paid in capital back to the investors is what is driving LPs to open their purse strings for new funds in '24 and '25
 - Low DPI scores with high paper IRR performance is generating frustration and suspicion

Annual Tech PE Fundraising Activity



Source: PitchBook, PE Hub, Bloomberg. As of 12/15/23. "Tech-Focused PEs" are defined as those historically allocating 50%+ to the tech sector and pursuing a growth equity or buyout strategy for 50%+ of closed funds.

Total Funds Raised by Tech-Focused PEs

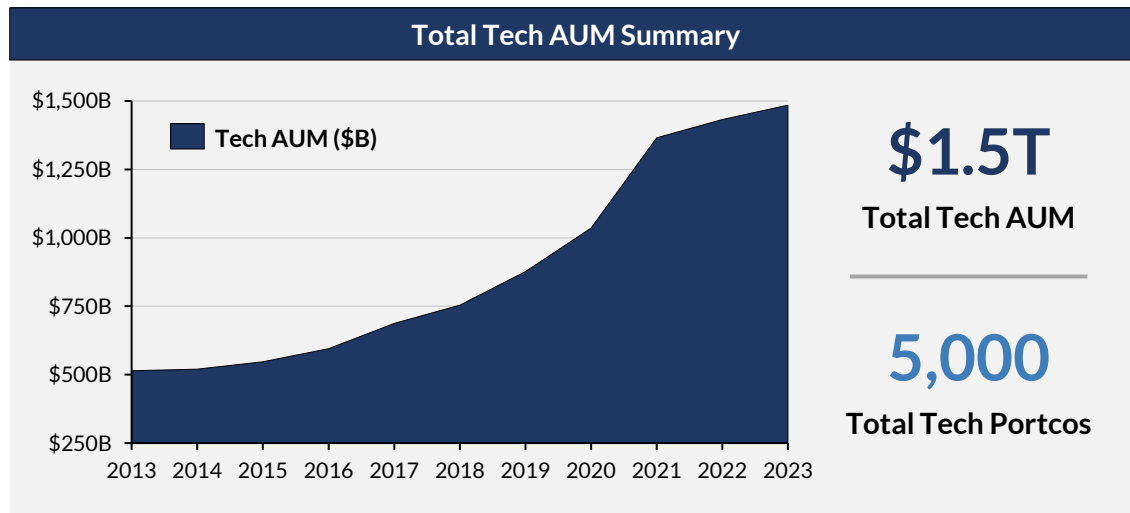
2023 YTD			2018 – 2023		
Rank	PE Firm	Raised (\$M)	Rank	PE Firm	Raised (\$M)
1.	TA	\$16,500	1.	THOMABRAVO	\$71,867
2.	AKKR	15,000^	2.	AKKR	53,391
3.	AKKR	5,320*	3.	VISTA	44,350
4.	PARthenON CAPITAL	4,500	4.	TA	42,582
5.	Hg	4,237^*	5.	INSIGHT PARTNERS	38,029
6.	STG	4,200	6.	Hg	36,983
7.	TPG	3,400	7.	GENERAL ATLANTIC	28,104
8.	KEENSIGHT CAPITAL	3,010	8.	FP FRANCISCO PARTNERS	25,850
9.	PSG	2,754	9.	SILVERLAKE	23,650
10.	JMI	2,400	10.	VERITAS CAPITAL	18,950
11.	MAIN CAPITAL PARTNERS	2,330^*	11.	SUMMIT PARTNERS	16,538
12.	LLR	2,250^	12.	AKKR	13,996
13.	bv INVESTMENT PARTNERS	1,754	13.	PSG	12,054
14.	RUBICON technology partners	1,700	14.	PROVIDENCE EQUITY	12,000
15.	INSIGHT PARTNERS	1,300	15.	ALPINE	11,561

^Target fund size. Not yet closed.

*Combined total between two new capital commitments.

Tech PE Portcos Swell to Over 5,000 While AUM Stays Steady at \$1.5T

- With PEs pushing off sale processes in both '22 and '23, PE portcos have swelled to over 5,000 – Vista takes the top spot with 84 active majority owned portcos
- PEs are holding on tight to their best performers to show some level of incremental IRR in a tough market
 - If PEs are hanging onto their best performers, then what companies will be performing well enough to bring to market in '24 and '25?
 - With projected growth rates cut in half, what is the minimum projected IRR or MOIC for a new deal?
- The tech and PE industries are big enough for portfolios to keep growing, but we definitely need a lot more exits than we had in '23



Tech AUMs – Tech-Focused PEs⁽¹⁾

Rank	Firm	Tech AUM (\$M)
1.	THOMABRAVO	\$104,628
2.	VISTA	90,200
3.	INSIGHT PARTNERS	76,000
4.	Hg	51,365
5.	TA	40,160
6.	SIXTH STREET	39,094
7.	FP	37,174
8.	VERITAS CAPITAL	34,615
9.	GENERAL ATLANTIC	34,297
10.	GI PARTNERS	23,578
11.	SILVER LAKE	22,065
12.	PROVIDENCE EQUITY PARTNERS	21,667
13.	PSG	18,564
14.	AKKR	17,834
15.	Great Hill PARTNERS	14,000
16.	BregalSagemount	13,221
17.	SUMMIT PARTNERS	12,475
18.	MARLIN EQUITY PARTNERS	10,450
19.	STG	9,703
20.	SIRIS	8,037
21.	montagu	7,937
22.	SPECTRUM EQUITY	6,391
23.	JMI	6,088
24.		5,662
25.		5,315

Active Tech Portfolio Count⁽²⁾

Rank	Firm	Active Tech Portcos
1.	VISTA	84
2.	PSG	74
3.	INSIGHT PARTNERS	65
4.	TA	60
5.	AKKR	50
6.	KKR	50
7.	Riverside	50
8.	FP	47
9.	MAIN	45
10.	THOMABRAVO	45
11.	Hg	43
12.	CARLYLE	41
13.	MARLIN EQUITY PARTNERS	40
14.	Blackstone	35
15.	Serent	34
16.	TPG	32
17.	ARDIAN	31
18.	ARDIAN	30
19.	Great Hill PARTNERS	30
20.	Battery	29
21.	IEQT	28
22.	IEQT	28
23.	LLR	28
24.	SUMMIT PARTNERS	28
25.	WARBURG PINCUS	28

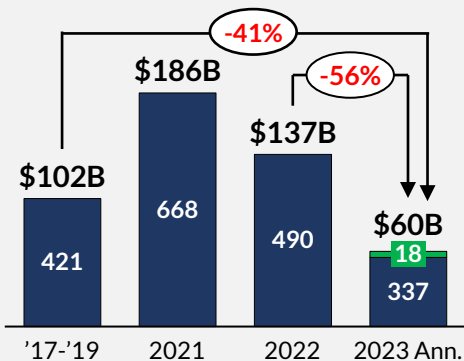
Source: Pitchbook. As of 12/15/23. (1) "Tech-Focused PEs" are defined as growth equity or buyout funds that have made 50%+ of their investments in the tech sector historically per Pitchbook. "Tech AUM" represents total reported AUMs, adjusted for Pitchbook estimates of non-PE strategies and non-tech investing activity.

(2) Represents actively held tech portfolio companies acquired via Buyout/LBO or PE Growth round per Pitchbook. Rankings based on total number of exits, then sorted alphabetically.

PE Exits Slow Down 56% in 2023

Annual Tech PE Exit Value

Exit Value (\$B) and Count (#)
■ Annualized



- PE exits are down 56% in '23 and down 41% from pre-COVID levels
- AKKR, Main Capital, and Vista lead the way with 6 tech exits
- Thoma has benefitted from 4 exits in '23, including 3 exits north of \$1B to strategic buyers
- Only 3 of the top 10 exits were to another PE – will PEs be more aggressive buying from other PEs in '24?

Select PEs by # of Exits

	Investor(s)	# of Exits	Exited Company	FTEs	Buyer
1.	AKKR	6	Kerridge Commercial Systems	1,100	CAPVEST
2.	MAIN CAPITAL PARTNERS	6	TEC	300	CARLYLE
3.	VISTA	6	APPTIO	1,300	IBM
4.	Hg	4	AZETS	6,340	PAI
5.	MARLIN EQUITY PARTNERS	4	pulse	2,000	HealthComp
6.	THOMABRAVO	4	EXOSTAR	200	ACP
7.	CARLYLE	3	AccelerateLEARNING	250	PROVIDENCE EQUITY PARTNERS
8.	LEVINE LEICHTMAN CAPITAL PARTNERS	3	trchealthcare	350	Colibri GRIDIRON
9.	ELLIOTT	2	ascent	1,000	H.L.G. CAPITAL
10.	H.L.G. CAPITAL	2	Medusind	3,800	ALPINE
11.	KKR	2	GREATSOFT CLOUD	90	CONSTELLATION SOFTWARE INC.
12.	LLR	2	3SI	240	WREN SOLUTIONS
13.	MDP	2	SYNTELLIS	460	Roper TECHNOLOGIES
14.	Riverside	2	Guestline	250	access Hg
15.	PSG	2	NOMENTIA	200	inflexion

Representative Exit

Top 10 Software Exits by Disclosed EV (2023)

	Month	Target / PE	Acquirer	EV (\$M)
1.	Jun	Adenza THOMABRAVO	Nasdaq	\$10,700
2.	Jun	APPTIO VISTA	IBM	4,600
3.	Mar	cvent VISTA	Blackstone	4,600
4.	Jul	imperva THOMABRAVO	THALES	3,600
5.	Oct	AZETS Hg	PAI	1,708
6.	May	Reward Gateway abry partners	Edenred	1,439
7.	Aug	SYNTELLIS MDP THOMABRAVO	Roper TECHNOLOGIES	1,400
8.	Jul	Nextech THL	TPG	1,400
9.	Jul	COREVITAS Excellence in Evidence Audax Group	ThermoFisher SCIENTIFIC	913
10.	Jul	fm:systems AKKR	Johnson Controls	455

PE Funds Power On in 2023 While Large Strategics Pull Back

- 1,500 deals by Tech PEs of the 3,000 software deals in '23
- Without the intense firepower of the PE acquirers, the SaaS M&A market would be a shell of itself
- The top 15 strategics combined for only 52 deals versus 405 for the top 15 PEs
- PEs are doing more add-on acquisitions via their portcos – 4 for every platform deal
 - The quality of companies going to market is lower in '23, but PEs and strategics can fill in those deficiencies with the infrastructure and resources within their platform companies
 - In these down markets, portco acquisitions are safer bets and great means by which to recoup value for overpaying in the crazy COVID era
- Of AGC's 29 closed or LOI deals in '23, 23 buyers were PE or PE-backed

Most Active PE Acquirers (Jan-Oct 2023)				
Rank	Investor	# of Acquisitions	Rep. Acquisition	
1.	Hg	62	nomadia	Jul ND
2.	TA	57	epossi	Aug ND
3.	AKKR	40	APPSPACE	Sep ND
4.	MAIN	30	UNIK	Sep ND
5.	VISTA	28	EngageSmart	Oct \$3.6B
6.	PSG	25	Versatile Credit	Sep ND
7.	FP	24	new relic.	Aug \$6.5B
8.	ALPINE	22	Medusind	Jan ND
9.	Battery	20	CODESECURE	Sep ND
10.	KKR	19	Restaurant365	May ND
11.	THOMABRAVO	17	nextgen	Sep \$1.6B
12.	INSIGHT PARTNERS	17	BESTPASS	Jun ND
13.	Charlesbank	15	MALTEGO	Mar \$100M
14.	AQUILINE	15	FULLSTEAM	May ND
15.	MARLIN EQUITY	14	Meltwater	Jan \$587M

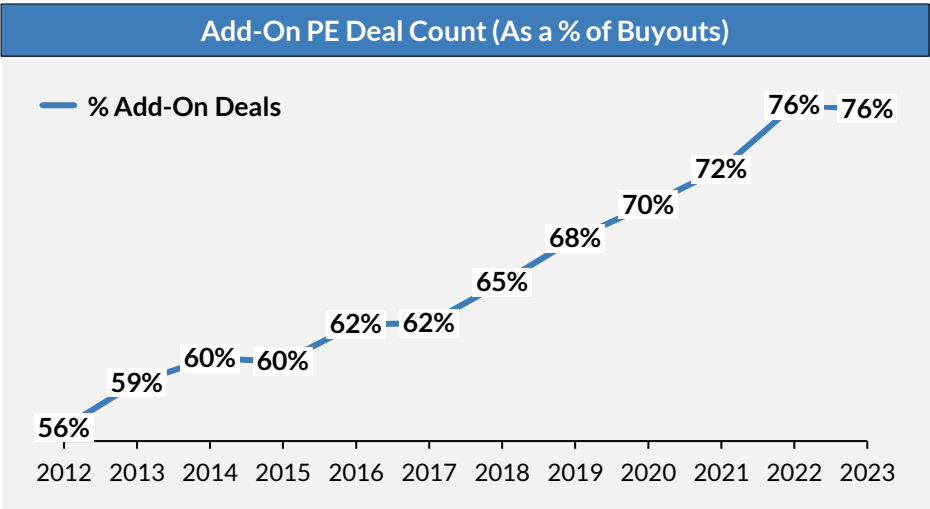
Most Active Strategic Acquirers (Jan-Oct 2023)				
Rank	Company	# of Acquisitions	Rep. Acquisition	
1.	cisco	10	splunk	Sep \$29.0B
2.	IBM	7	APPTIO	Jun \$4.6B
3.	snowflake	5	nxyz	Jul ND
4.	Hewlett Packard Enterprise	4	axis	Mar \$500M
5.	Akamai	3	STACKPATH	Aug ND
6.	databricks	3	mosaicML	Jun \$1.3B
7.	DESCARTES	3	GROUNDCLLOUD	Feb \$138M
8.	logiq	3	GAMMAREY	Jan \$320M
9.	JDM Technology Group	3	MOBILE-PUNCH	Jul ND
10.	S&P Global Market Intelligence	3	Tradenet	Mar ND
11.	Apple	2	mira	Jun ND
12.	DELL Technologies	2	moogsoft	Jul ND
13.	ebay	2	CERTILOGO	May ND
14.	Edenred	2	Reward Gateway	May \$1.4B
15.	wisetech global	2	BLUME	Feb \$414M

■ Platform ■ Add-On

Note: Representative acquisition dates as of deal announcement.

Hyper Consolidators of the Tech World Drive Up Add-On Deals

- Hyper buyers have seen massive value creation through infrastructure leverage, cost cutting, buying at private multiples, and selling at public IPO valuations – sometimes 2-3x the private values
- It is typical for these PE platforms to buy a growing but unprofitable \$50 million revenue SaaS company and in short order morph it into a profitable, \$20 million EBITDA division. In recent years, most of these add-on acquisitions that AGC has been involved in have been done with 100% debt and featured the lowest rates and close to the highest leverage ratios that you will find in the growth market. Today, deals have far less debt, some have seller financing, and current debt ratios are 1-2x ARR



Cumulative Acquisitions Since 2010 While PE-Owned		
PE-Backed Acquirer	Sponsor(s) ⁽¹⁾	# of Add-Ons
1. VISMA	Hg	298
2. access	Hg TA	73
3. aptean	TA Charlesbank	54
4. EG	FP FRANCISCO PARTNERS	49
5. TeamSystem®	HELLMAN & FRIEDMAN	47
6. FULLSTEAM	AQUILINE	45
7. mri RIA RISK SOLUTIONS	GI PARTNERS TA	42
8. IRIS	Hg	40
9. FORTRA	Charlesbank HGGC TA	37
10. teamblue	Hg	35
11. CIVICA	Blackstone	32
12. ClearCourse®	AQUILINE	31
13. LUTECH	Apax	26
14. eci	Apax LGP	25
15. UPSTACK	Berkshire Partners	25

Source: Pitchbook. As of 12/15/23.. Excludes platforms that have been exited and are no longer PE-owned, and non-tech add-ons. (1) Represents active majority shareholder(s).

SaaS Conglomerates Are Tracking to 110 Acquisitions in 2023

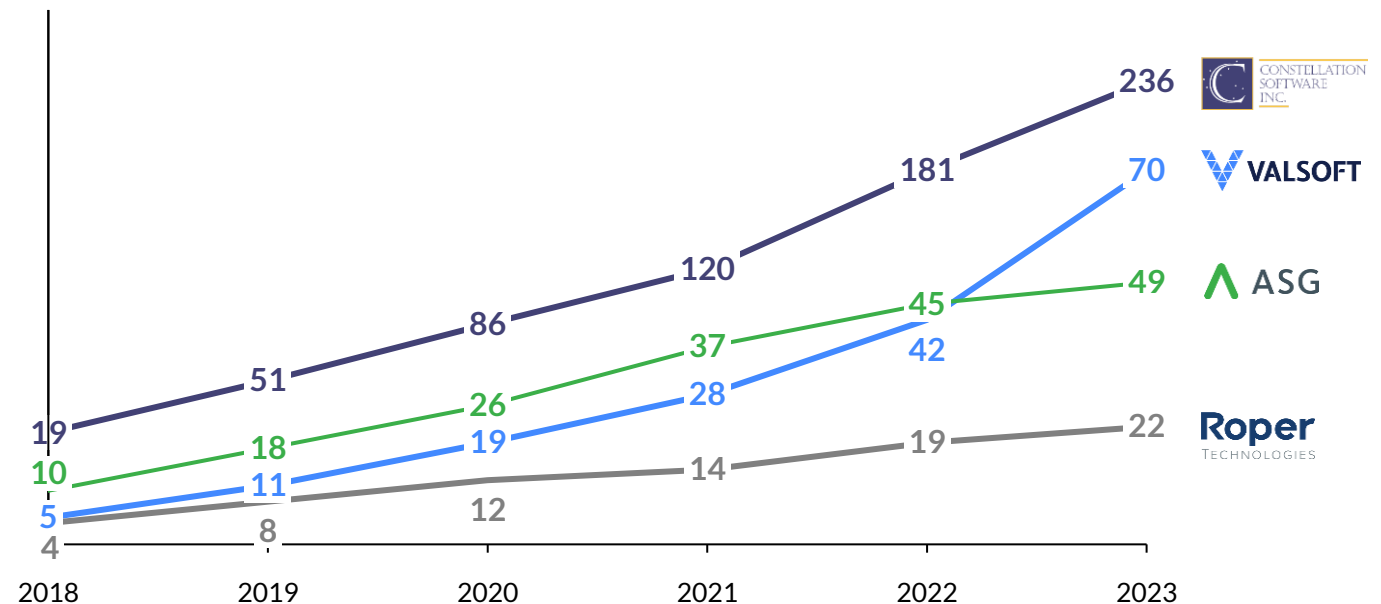
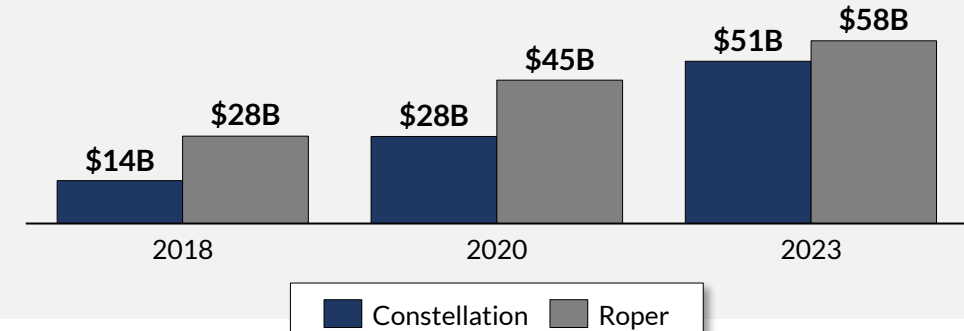
- Back in '95, Constellation was formed and for many years, they were known as the low-ball buyer of last resort. Times have changed as they now have a \$51B market capitalization, trading at ~7x revenue having completed 236 acquisitions since '18. They are now the stellar example of a growing category of buyers known as: (1) lower price buyers, (2) fast and more reliable closers, (3) maintaining the acquisitions on standalone bases, (4) never selling, and (5) executing the PE playbook of best practices on organic growth and opportunistic acquisitions
- Valsoft operates privately in a very similar manner with some team members that spun out of Constellation. Already 28 transactions this year and 70 in total since '18
- Roper has had similar value creation success with an altered acquisition strategy of paying better multiples, doing fewer and bigger deals, and integrating more of the operations
- Alpine is a \$15B AUM people-driven PE firm that is one of the most active in acquiring and building enduring SaaS businesses over a longer-than-average holding period
- Bottom line is the SaaS conglomerates are now significant players in the software market and their influence will grow as they and their disciples multiply

SaaS Conglomerates – Valuation Growth and Cumulative Tech Acquisitions Since 2018

↑ 10x

5-year rise
in SaaS
Conglomerate
deal volume

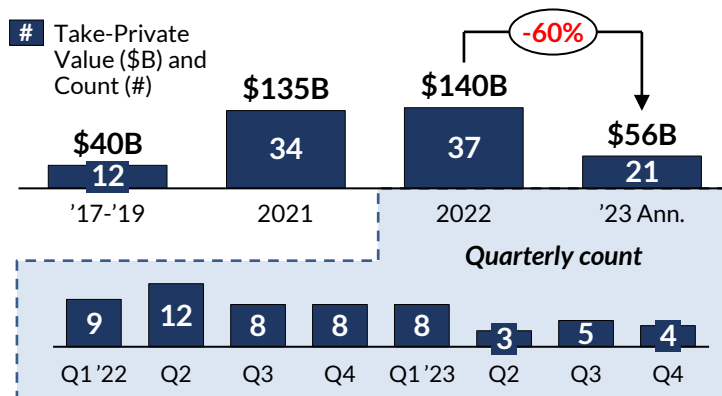
Public Conglomerate Market Caps



Take-Privates Fall 60% in 2023

- PEs have taken 91 companies private for over \$300B in value over the last three years
- Take-privates in '23 are down 60% on a value basis – they came out strong in Q1 of '23 with 8, but only 12 since then
- PEs have been analyzing and talking to many of the 150 remaining public SaaS companies, but higher debt costs and rising stock prices are not helping!
- On the 20 software take-privates this year:
 - 5.4 x EV/LQA revenue
 - 23% growth
 - Median value of ~\$1.8B
 - 53% 30-day premium
 - \$54B in total value
- With \$308B in Tech PE dry powder, there will be more take-privates to come in '24

Tech Take-Private Value + Count (2017 – 2023)



Notes: - TTM Revenue Growth and Rule of 40 at time of deal announcement.
- Represents premium to the Company's 30-day unaffected share price.

Tech Take-Privates Announced YTD in 2023

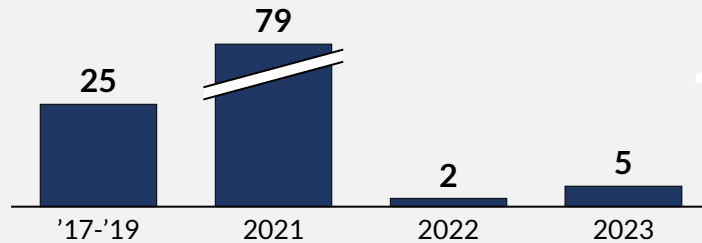
#	Target	Acquirer	Sector	EV (\$M)	EV/ LQA Rev.	TTM Growth	TTM EBITDA Margin	TTM Ro40	Premium	FTEs	Target HQ Country
1.	qualtrics	SILVERLAKE OPP INVESTMENTS	Experience Management	\$12,500	8.0x	36%	(65%)	(29%)	62%	6,000	USA
2.	new relic	FP TPG	Cybersecurity	\$5,900	6.1x	16%	14%	30%	32%	2,660	USA
3.	cvent	Blackstone	Marketing / Hospitality Tech	\$4,600	6.7x	22%	8%	30%	29%	4,900	USA
4.	alteryx	INSIGHT PARTNERS	Big Data	\$4,400	4.7x	26%	(23%)	3%	25%	2,370	USA
5.	EngageSmart	VISTA	Marketing Tech	\$3,563	9.1x	29%	18%	47%	30%	970	USA
6.	SUSE	IEQT	Cybersecurity	\$2,960	4.3x	6%	21%	27%	66%	2,280	Luxembourg
7.	Network	Brookfield	Fintech / Payments	\$2,792	6.4x	24%	41%	65%	64%	1,600	UAE
8.	software	SILVERLAKE	Data Integration	\$2,400	2.6x	6%	18%	24%	53%	4,000	Germany
9.	Duck Creek Technologies	VISTA	Insurance Tech	\$2,369	7.3x	13%	2%	15%	46%	1,890	USA
10.	Rover	Blackstone	Animal Health Tech	\$1,878	7.1x	36%	7%	43%	69%	500	USA
11.	Kahoot!	Asset Management	EdTech / Corporate Learning	\$1,644	10.1x	39%	6%	45%	53%	500	Norway
12.	nextgen	THOMABRAVO	HCIT / Life Sciences / Lab Software	\$1,575	2.2x	12%	8%	20%	69%	2,780	USA
13.	momentive	STG	Experience Management	\$1,500	3.1x	8%	(11%)	(3%)	46%	1,500	USA
14.	AVID	STG	Digital Media	\$1,396	3.2x	2%	18%	20%	32%	1,490	USA
15.	sumo logic	FP PARTNERS	Cybersecurity	\$1,381	4.3x	24%	(37%)	(13%)	57%	950	USA
16.	MAGNET	THOMABRAVO	Digital Investigation	\$1,114	9.0x	41%	9%	50%	87%	490	Canada
17.	ABSOLUTE	CROSSPOINT CAPITAL	Cybersecurity	\$826	3.6x	26%	25%	51%	34%	830	Canada
18.	Meltwater	MARLIN EQUITY ALTOR	Media Analytics	\$587	1.3x	4%	1%	5%	135%	2,200	USA
19.	EQS GROUP	THOMABRAVO	Compliance Tech	\$465	6.3x	12%	13%	25%	53%	600	Germany
20.	BK BERKSHIRE GREY	SoftBank	AI / Robotic Automation	\$306	3.2x	26%	(110%)	(84%)	24%	290	USA
2023 Take-Private Median:				\$1,761	5.4x	23%	8%	25%	53%		

Source: Pitchbook, 451 Research. As of 12/18/23.

(1) Indicates rumored deal.

U.S. Tech IPO Market is Still Highly Limited

Completed Tech IPOs by Year⁽³⁾



Key Takeaways

- Poor aftermarket performance for Instacart and Klaviyo leaves the comeback of tech IPOs on hold until '24
 - Instacart is down 18% since IPO after pricing at 21x LTM EBITDA for a ~\$10B valuation
 - Klaviyo, which priced at 12x revenue for a \$7.5B valuation, is down 5% since IPO
- The one bright star, ARM, is up 39% but flying on AI mojo, which most would-be IPOs do not have. ARM's revenues have shrunk by 1% in '23
- There have been no IPO filings in the last 3 months, with the 6 IPOs long on the runway looking dubious
- With the NASDAQ up 42% in '23, many IPO hopefuls are currently assessing their IPO readiness for a '24 IPO debut
- That said, there will be a much higher bar for our '24 IPO hopefuls

7 Tech IPOs Completed Since 2022

#	Company	Deal Size (\$M)	Valuation (\$M)	Perform. Since IPO	EBITDA Margin	Revenue Growth	Rule of 40	HQ Location	Date	Sector
1.	arm	\$4,780	\$54,500	39%	25%	(1%)	24%	United Kingdom	Aug-23	Semiconductors
2.	instacart	\$660	\$9,900	(18%)	19% ⁽¹⁾	31%	31%	U.S.	Aug-23	FoodTech
3.	klaviyo	\$576	\$7,560	(5%)	4% ⁽¹⁾	54%	54%	U.S.	May-23	MarTech
4.	nextracker	\$638	\$3,500	95%	11%	30%	41%	U.S.	Feb-23	EnergyTech
5.	odyssey	\$424	\$1,979	22%	16%	46%	62%	Israel	Jul-23	Data/Beauty Tech
6.	mobileye	\$861	\$16,711	101%	24%	25%	49%	Israel	Oct-22	Autonomous Driving
7.	AMTD Digital	\$125	\$222	(43%)	51%	31%	81%	Singapore	Jul-22	FinTech/Digital Media
		\$638	\$7,560	22%	24%	31%	49%			

2023

2022

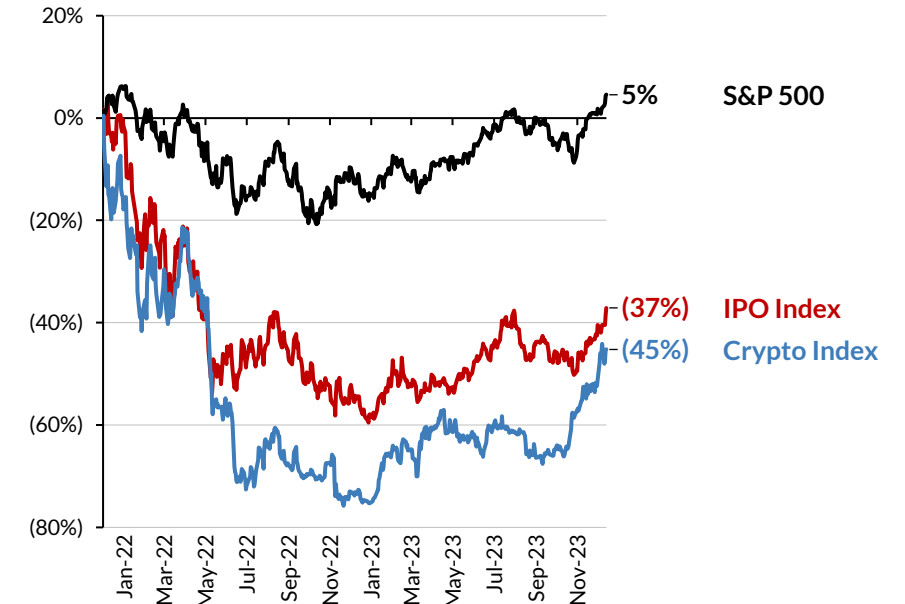
2023 Tech IPO Filings to Watch

#	Company	Months in Filing	LTM Rev. (\$M)	FTE Growth	FTEs (2023)	EBITDA Margin	Revenue Growth	Rule of 40	HQ Location	Filing Date	Sector
1.	triller	3	\$9 ⁽²⁾	(17%)	200	NM	52%	NM	U.S.	Aug-23	Social Media
2.	bmc	9	ND	4%	9,800	ND	ND	ND	U.S.	Feb-23	CloudTech
3.	hotelbeds	4	ND	15%	5,300	ND	ND	ND	Spain	Jul-23	Hospitality Tech
4.	rubrik	5	ND	21%	3,400	ND	ND	ND	U.S.	Jun-23	CloudTech
5.	waystar	3	ND	18%	1,300	ND	ND	ND	U.S.	Aug-23	HCIT
6.	seatgeek	7	ND	78%	800	ND	ND	ND	U.S.	Apr-23	Ticket Marketplace

The \$3T Losses From Speculative IPOs, SPACs & Crypto Are Stories Played Out Many Times Before

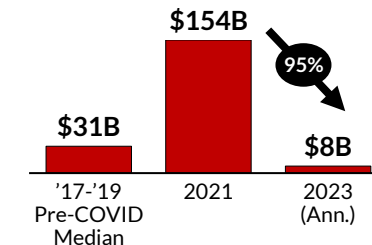
- The speculative bubbles and blunders of Wall Street remind me that most human behavior is highly correlated to incentives. As Charlie Munger from Berkshire said, “Show me the incentive, I will show you the outcome.” With two grandbabies and one on the way, I have watched proudly as my daughter and son-in-law survive their babies crying to sleep at night, so the baby learns to fall asleep on her own
- Wall Street gatekeepers were rewarded for bringing glitzy but hollow IPOs to market that took off in late ‘20. So, they piled on and completed 235 before the gatekeepers shut them down, leaving a junkyard of broken toys. These IPOs were sold on growth prospects, and the buyers got away from the fundamentals of the businesses
- SPACs gave their sponsors 20% of the equity plus lots of warrants for just 2% of the upfront working capital to go out and close a deal, any deal. The shareholders approving these deals could actually vote to approve the deal and get their money back but keep the warrants. So, 220 SPACs acquisitions closed at \$550B in deal value which are worth pennies on the dollar today
- Even the Healthcare industry is motivated by a government regulation (the Medical Loss Ratio) that provides administrators roughly a 15% cut of their patients’ gross cost of health services. So, when you need a new hip and two comparable providers offer \$25K and \$75K, you get the higher priced hip so that the administrator generates more revenue. So, in part, our government policy incentivizes the highest cost healthcare system in the world
- The Crypto market took off in ‘18 and ‘19, surging to roughly \$3T in ‘21, before experiencing a steady decline. Today the market is worth 43% less (\$1.7T), with this drop recently punctuated by Binance’s guilty plea to breaking U.S. anti-money laundering laws. The market is still reeling from the wake of FTX’s \$32B bankruptcy, with CEO Sam Bankman-Fried (“SBF”) being found guilty on all six counts of fraud. SBF had handed out tens of millions to politicians and regulators helping to prevent regulation of the Crypto market – a massive market of unsupervised startups managing customer funds with effectively no rules or government oversight. The SEC was a passive observer as this obvious disaster played out in slow motion. Blockchain and global cryptocurrencies will not disappear with the jailing of SBF
- Crypto definitely had – and has – its share of bad incentives and horrific actors. That said, Crypto is more real than SPACs or junky IPOs. It is estimated that today over 420M people hold cryptocurrencies, and the entire market value of Crypto is a whopping \$1.7T. Crypto has risen from the SBF and Coinbase debacles, with Bitcoin more than doubling in ‘23. The currency is probably a greater store of value and transacts more than most countries’ currencies in the world. There is estimated to be nearly 2M transactions per day in Bitcoin and Ethereum alone. So, Crypto will continue to have its share of challenges (fraud, security breaches, etc.), but its influence will continue to grow, particularly as our leading sovereign currency and balance sheet gatekeepers continue to abuse the People’s trust and their fiduciary duties
- SPAC, Crypto, IPO and healthcare fraud is all part of human nature, but it would be great if we would try not to encourage it! As a kid, one day I was asking my dad about some successful people in town and he said, “Always remember that both the cream and the scum rise to the top”

IPO and Crypto Performance Relative to S&P 500 (Since Dec 2021)

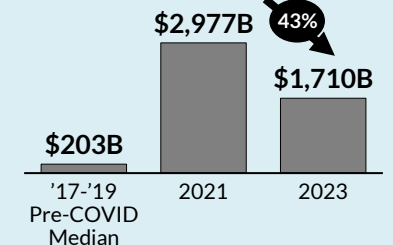


Public Tech Markets Are Highly Limited

Tech IPOs



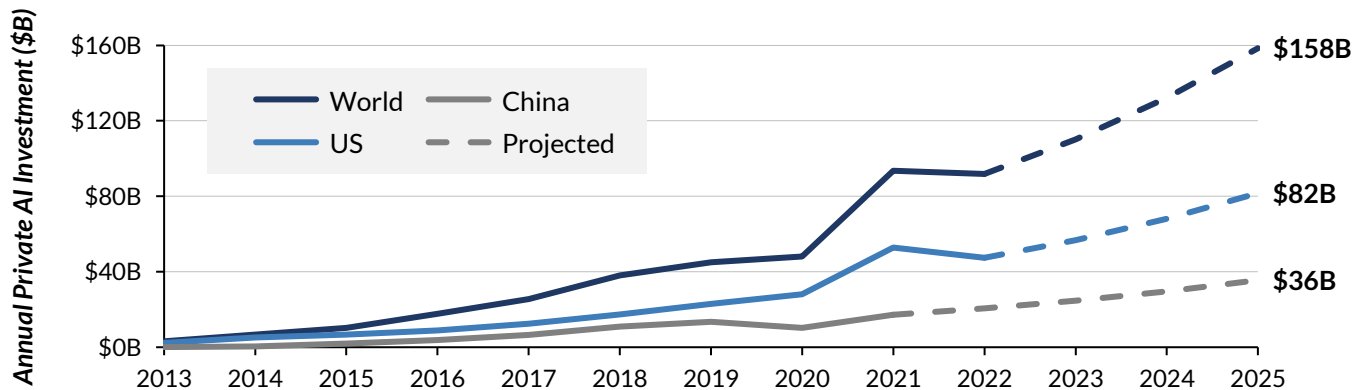
Global Crypto Market Cap



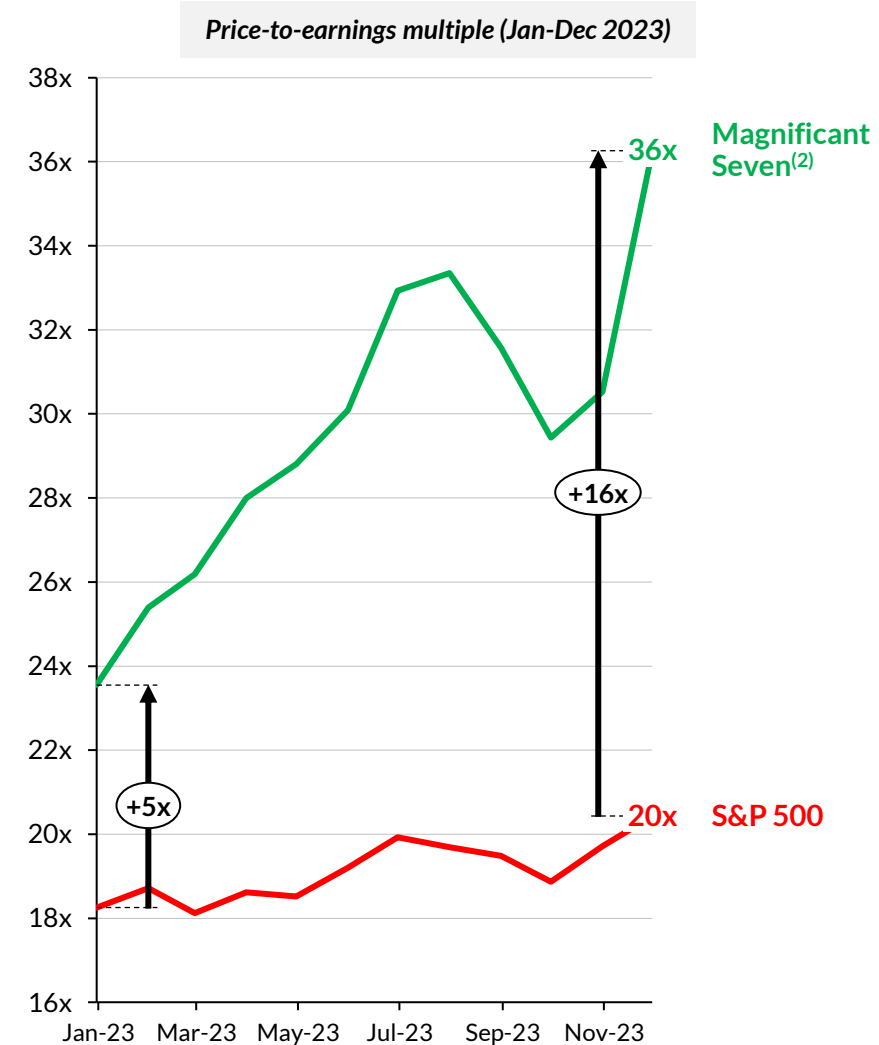
AI Craze Drives New Bubble Like COVID Bubble of '21 and Internet Bubble of '99

- In search of limited pockets of hyper growth, available cash is pouring into anything AI. Private investment in AI totaled \$92B globally in '22 and is projected to reach \$158B by '25
- We are seeing a repeat of '99 and '21 hype in both VC and public investing in technology where hot, unproven private companies were routinely valued at 50x forward revenues and public SaaS companies were trading at 18x revenues versus the 6x they trade at today
- NVIDIA and ARM have a collective market cap of \$1.2T, trade at an average multiple of 24x revenue. OpenAI, which is rumored to be selling shares at a \$90B value, had its first meaningful revenues just in November '22
- With most of the leading minds in technology and all the Tech Titans focused on AI, you can bet the competition will be fierce
- As both the public and private world plow hundreds of billions into the space, AI valuations have risen with the hype and gotten ahead of reality
- The gap in earnings multiples between Big Tech and the S&P 500 has widened from 5x in January to 16x today, largely driven by anticipation of future AI profits for Big Tech. However, except for Nvidia, those profits haven't been realized yet, putting pressure on Big Tech firms to deliver on AI-related profits

Private AI Investment is Forecasted to Exceed \$150B Globally by 2025⁽¹⁾



Big Tech Valuations Got AI Lift



Key Takeaways for Those Doing Tech M&A in 2024

- 
Slower technology spending – the enterprise and consumer pullback in tech spend is directly slowing the revenue growth of our technology clients, which is slowing all deal activity. We expect a pickup in '24 as lower valuations become the new reality, seller capitulation on realistic projections and valuation, PEs make hard choices on which companies to put up for sale, and strategics jump back in the game
- 
 Most PEs continue to **hold, not sell**, their portcos for the time being. With most companies in the portfolio missing projections, they are holding on tight to their strongest performers to show value creation and offset the losses. For the rest of the portfolio, they will also hold on until the companies perform better while they hope that valuations improve
- 
 Bootstrapped CEOs with solid performance and control over their company are **driving most of our early '24 new engagements**
- 
Bid-ask spreads – which remained wide in '23 – will start tightening up in '24 as the hyper growth rates and 50x valuations fall further and further into the past
- 
SaaS valuations settle at 6x – Median SaaS valuations have been trading at roughly 6x revenue for over a year in a very tight band – that's unusual. The last time they traded briefly at this level was in 2017. Profitability is now required and rule of 40 is the gold standard. The market is far more rigorous and punishing, focused on retention, mission-critical products, and efficient growth, with the outperformers trading at 13x revenues and the underperformers trading at 2x
- 
Flight to quality – more PE dry powder than ever before (increased demand) with very few gold standard companies coming to market (limited supply) is driving valuations to '21 levels on "B+" or better companies in control transactions. As volume of companies on the market picks up, these supercharged valuations will come down as both PEs and strategics will have many more quality companies to choose from
- 
PEs are the go-to buyer for 2023 with strategics dialing back and IPOs highly limited – 23 out of AGC's 29 deals for '23 were PE-backed
- 
Strategics are **pulling back at the finish line** on larger deals, but happy to do acquihires. In '24, strategics will be jumping back in as valuations become more attractive
- 
Debt markets have pulled way back, leverage ratios have dropped from 6x to 3x, and the blended cost has doubled from 6-7% to 11-13%... and defaults are on the rise
- 
 If you have a solid SaaS story with great metrics, the **PE buyers are ready, willing, and able** with \$300B+ in their war chest



Tech Market Update

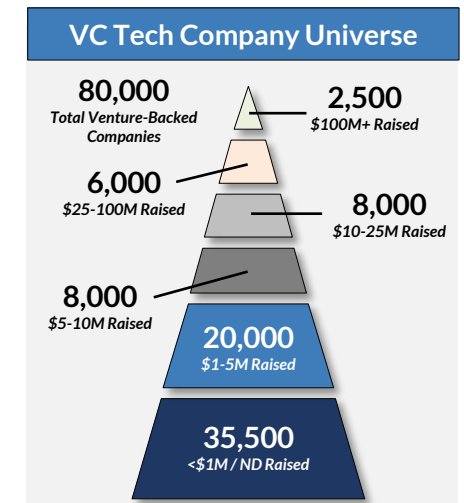
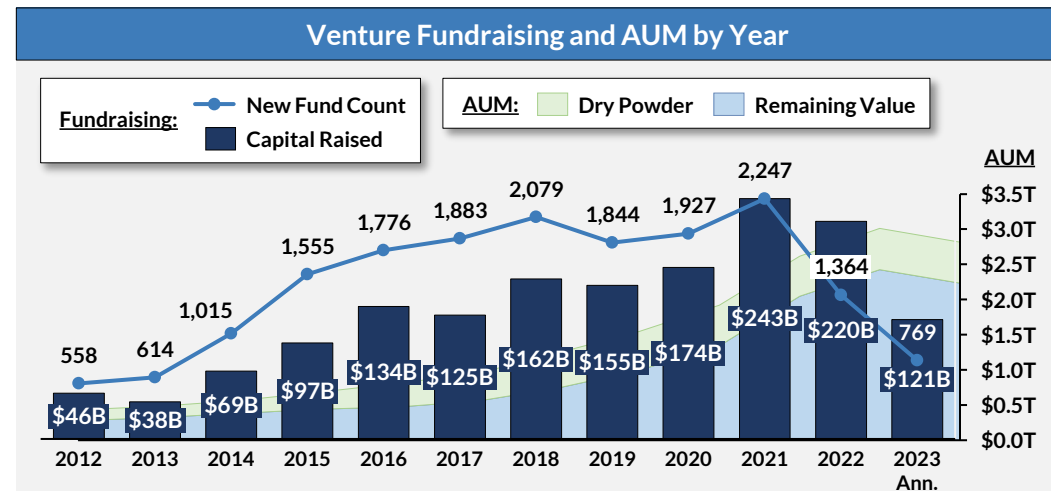
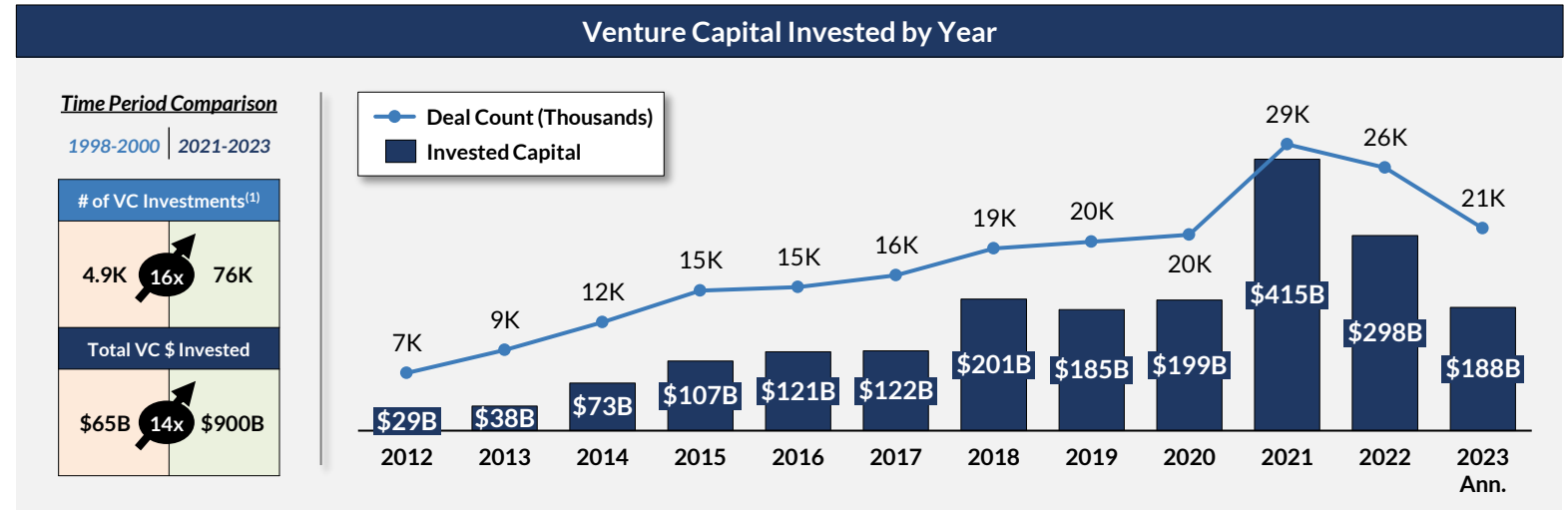
Section 2/4

\$900B Poured Into 73K Tech VC Companies from 2021-2023



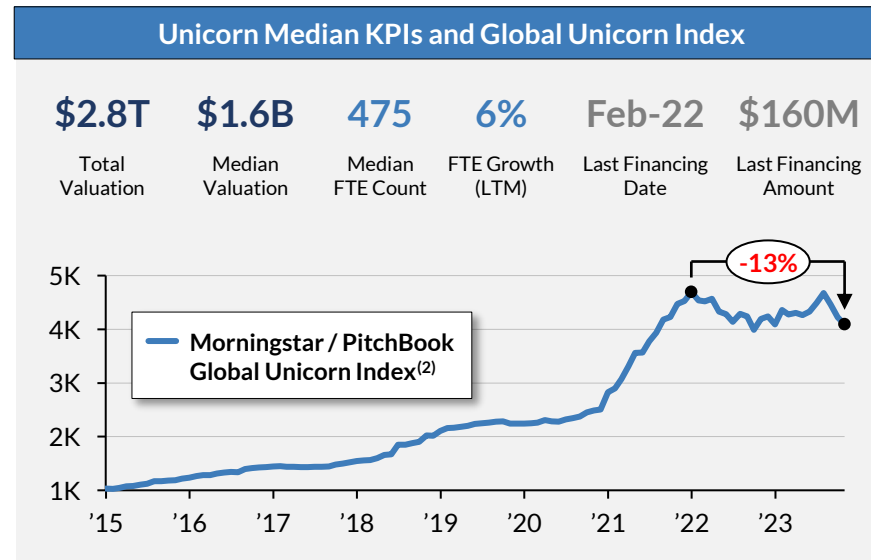
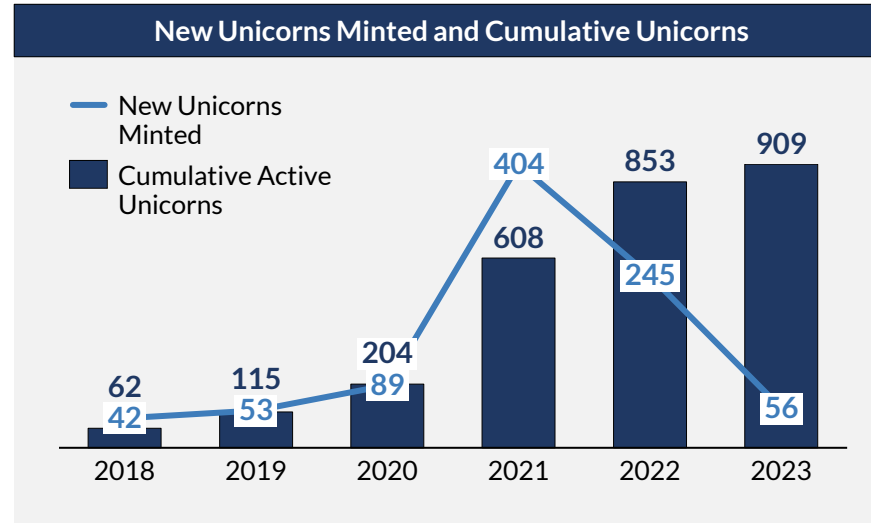
VC World in Triage Mode: Separating the Good, the Bad, and the Ugly

- The COVID VC bubble dwarfed the dot-com bubble with \$900B of new investments in 2021 – 2023 versus \$65B in 1998 – 2000
- Now, we are amidst this latest tech crash and just beginning to understand the extent of the wreckage. It may take five more years to work through the over-funding and figure out the winners and the losers
- VC fundraising fell from 2,247 funds in '21 down to a lowly annual run rate of 769 funds in '23. Capital raised in minority tech transactions fell from a peak of \$415B in '21 to \$188B in '23, consistent with pre-COVID levels
- Chasing the next Airbnb or Snowflake, some LPs dumped billions into unproven investors who did the same with unproven entrepreneurs with inadequate infrastructure or oversight
- There is still a lot of cash on balance sheets to burn before these 80K VC-backed companies across the world are forced to finance, sell, or shut down
- Tech VC partners across the world are triaging their portfolios – selling and shutting down some, and funding the gems – some funds, new and old, are shuttering their operations altogether



New Unicorn Activity Plummets in 2023 After Surging in COVID

- The number of new tech unicorns surged in '21 to 404 but has fallen to 56 in '23. This is reflected in relatively negative sentiment surrounding unicorn valuations
- Valuations on the 909 current herd of unicorns may have fallen a bit from their last round valuations, which valued them at a combined \$2.8T
- Many unicorns will be forced to explore exit opportunities or down round financing in '24 and '25. Some continue to endure heavy losses and cash is running out
- With \$400B invested in these ~900 unicorns since 2018, we are sure to see many blockbuster IPOs once the IPO window opens again
- We expect unicorn acquisitions of smaller companies will pick up in '24 and '25 given their large valuations and cash balances



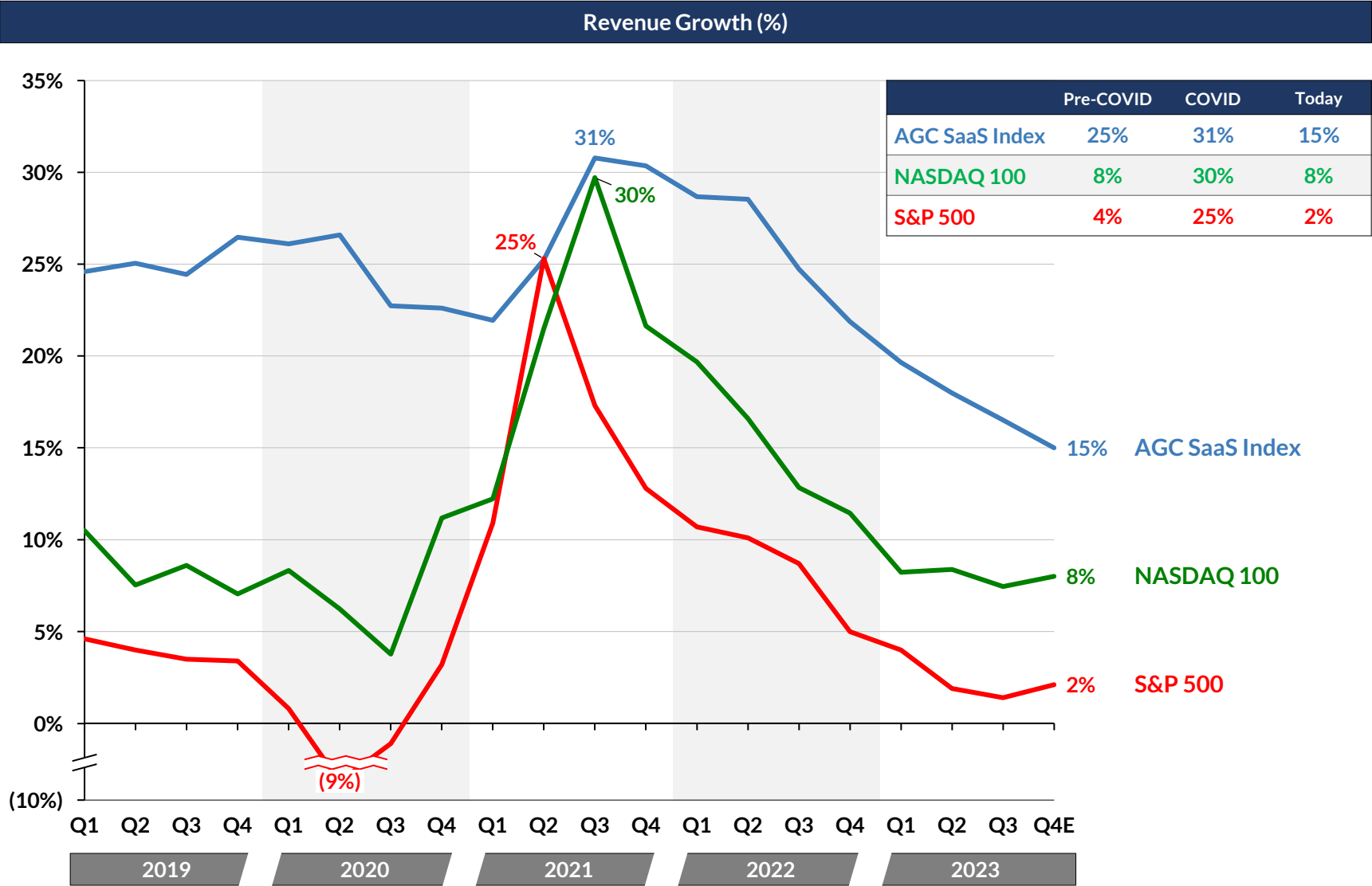
Top 10 and Bottom 10 Unicorn KPIs

Unicorn#	Valuation (\$B)	FTE Growth (LTM)	FTE Count	Financing Amount (\$M)	Last Financing Date	Sector
Top 10 Unicorns						
1 OpenAI	\$85B	14%(1)	1,230	\$10,000	Jan-23	AI
2 databricks	\$43B	48%	7,541	\$700	Nov-23	AI/SaaS
3 checkout.com	\$40B	(8%)	1,819	\$1,000	Jan-22	FinTech
4 Canva	\$40B	88%	11,388	\$600	Oct-22	Media
5 Revolut	\$33B	69%	10,407	\$1,700	Sep-22	FinTech
6 Epic	\$32B	1%	8,223	\$6,000	Jun-23	Gaming
7 Wavmo	\$30B	(3%)	2,791	\$5,500	Jun-21	AI Tech
8 Anthropic	\$25B	58%(1)	251	\$2,000	Oct-23	AI/Media
9 Chime	\$25B	1%	1,681	\$573	Sep-21	FinTech
10 Klarna	\$22B	15%	1,705	\$2,700	Jan-22	FinTech
Bottom 10 Unicorns						
900 TripleDot	\$1B	58%	396	\$180	Feb-22	Gaming
901 TrueLayer	\$1B	(15%)	360	\$100	Sep-21	FinTech
902 Brigg	\$1B	(22%)	243	\$150	Jun-21	SCM
903 Cheq	\$1B	1%	266	\$69	Feb-22	InfoSec
904 Dune Analytics	\$1B	25%	68	\$200	Feb-22	FinTech
905 Fabric	\$1B	18%	500	\$240	Sep-21	SCM
906 Gelato	\$1B	22%	400	\$300	Aug-21	SaaS
907 Patsnap	\$1B	(7%)	494	\$215	Mar-21	AI
908 Payhawk	\$1B	21%	320	\$130	Mar-22	FinTech
909 Vivid	\$1B	(28%)	171	\$114	Feb-22	FinTech
MEDIAN TOP 10	\$33B	14%	2,305	\$1,850	Oct-22	-
MEDIAN BOTTOM 10	\$1B	9%	340	\$165	Nov-21	-

SaaS Companies Fall to a 10-Year Low Growth Rate of 15% – 9 Straight Quarters of Falling



- Software growth rates fall again in Q4 to 15%, a low not seen since '13
- Software customers are heavily negotiating renewals and pushing off the upsells, and new prospects are much tougher to find and convert
- A likely slowdown in both the U.S. and global economies will continue to suppress software demand in '24
- AGC tracks roughly 34K software companies across the world, all of which are recalibrating their expectations and projections for business in '24
- Most are projecting slightly better days ahead – but, it could easily be more of the same as '23



Source: Pitchbook, S&P Global. As of 12/15/23.

Growth Rates Projected to Slow to 13% in '24 – More of the Same in '24

- Growth in '24 is projected to tick down to 13% for publics
- 85% are projecting profitability because it is now required by public investors
- **Rule of 40 Rules** – the best 15 companies at 51% on Ro40 trade at 17.3x, and worst at 14% trade at 1.6x
- Publics and privates are back to boring fundamentals and building better businesses

2023 Data Unless Specified	Top 15	Middle 15	Bottom 15	All 150
Revenue Multiple	17.3x	6.3x	1.6x	6.0x
EBITDA Multiple	41x	23x	13x	25x
Rule of 40	51%	54%	14%	34%
Revenue Growth ('23)	32%	23%	1%	17%
Revenue Growth ('24)	22%	13%	3%	13%
EBITDA Margin	22%	26%	7%	17%
Gross Margin	78%	81%	71%	77%
R&D Spend (% of Revenue)	28%	19%	20%	24%
S&M Spend (% of Revenue)	39%	34%	31%	37%
Revenue / Employee	\$385K	\$336K	\$228K	\$257K

Rule of 40 Rules as SaaS Companies are Back to Boring Fundamentals and Building Better Businesses

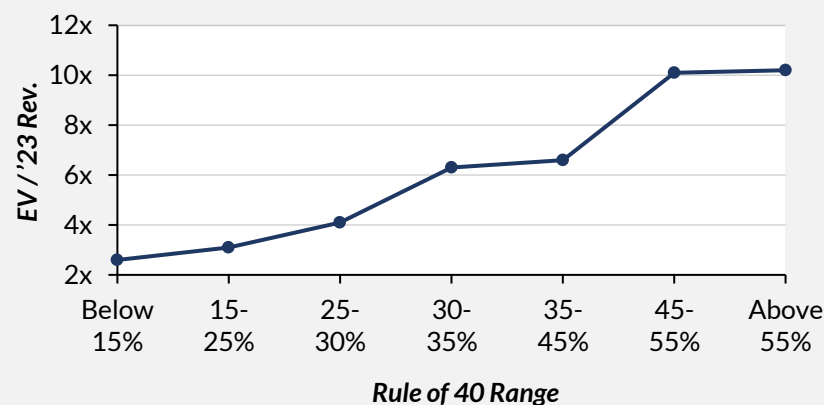


- Rule of 40 is now driving valuation more than growth alone
- DevOps, Built Ecosystem, and C-Suite are the valuation leaders
- AGC has 40 companies in the market (or soon to be) and the market has clearly moved from a fairy-tale world of paying for growth at almost any cost to a fundamentals-based market which is highly skeptical and cautious

Revenue Multiples by Rule of 40 Bucket

Rule of 40	EV/ '23 Rev.	EV/ '23 EBITDA	# of Comps
Above 55%	10.2x	25x	21
45-55%	10.1x	25x	21
35-45%	6.6x	21x	18
30-35%	6.3x	31x	22
25-30%	4.1x	14x	17
15-25%	3.1x	17x	18
Below 15%	2.6x	29x	23
Median:	6.0x	25x	

Rule of 40 Drives Valuations



Breakdown by Sector/Geography

SaaS Index Sector/Geography	EV/ '23 Rev.	EV/'23 EBITDA	'23 Ro40	# of Comps
DevOps	10.8x	64x	35%	8
Built Ecosystem	9.0x	26x	36%	12
C-Suite	6.9x	31x	40%	16
Cybersecurity	6.0x	31x	35%	18
Cloud / Data	6.0x	23x	31%	13
FinTech	5.5x	27x	29%	7
HCIT	4.6x	21x	32%	9
Europe	4.5x	20x	37%	9
MarTech	4.1x	25x	31%	18
Median:	6.0x	25x	34%	

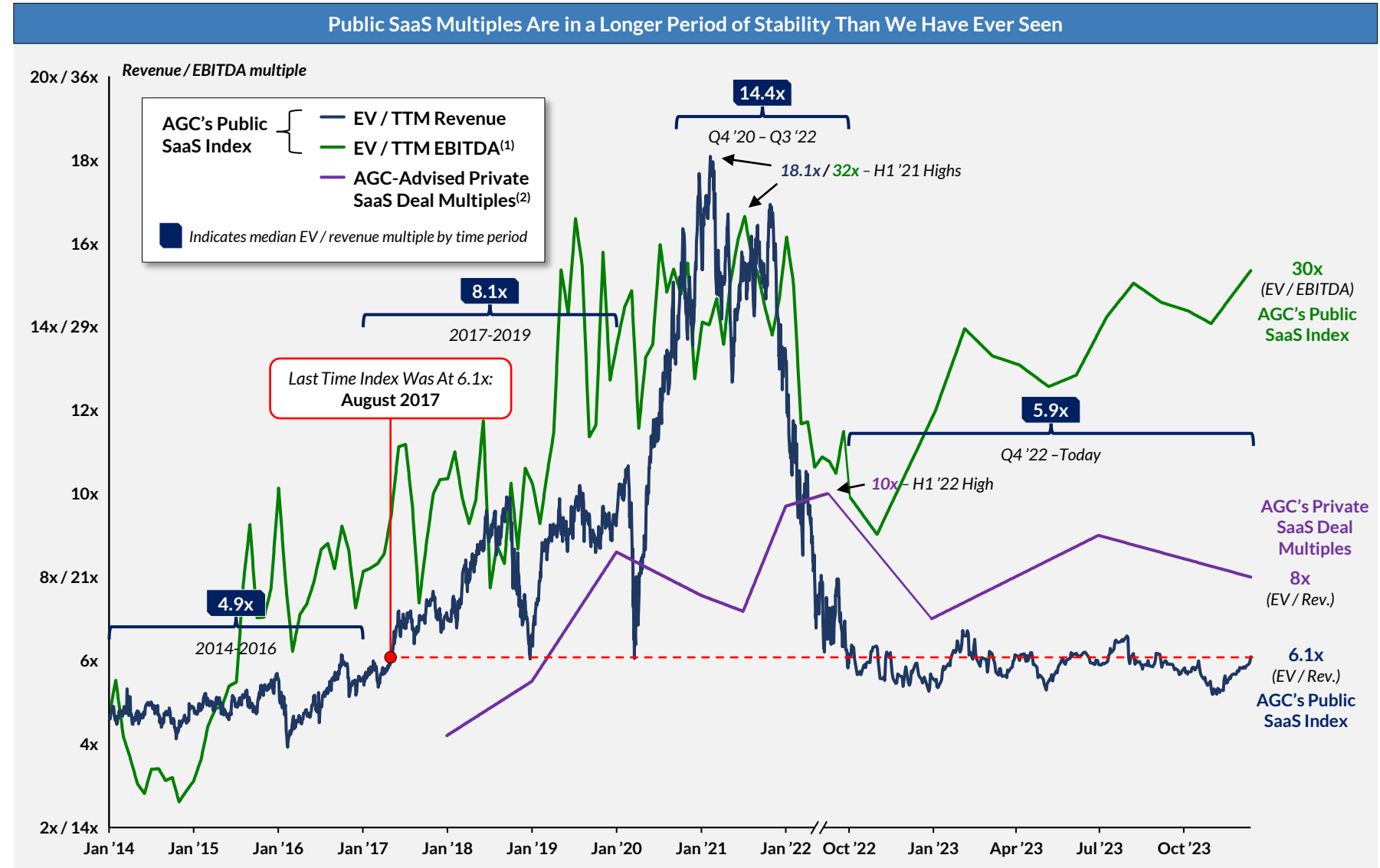
Top 20 Public SaaS Companies are Trading at 16x '23 Revenue, Growing 20% in '24, and Score 51% on Ro40



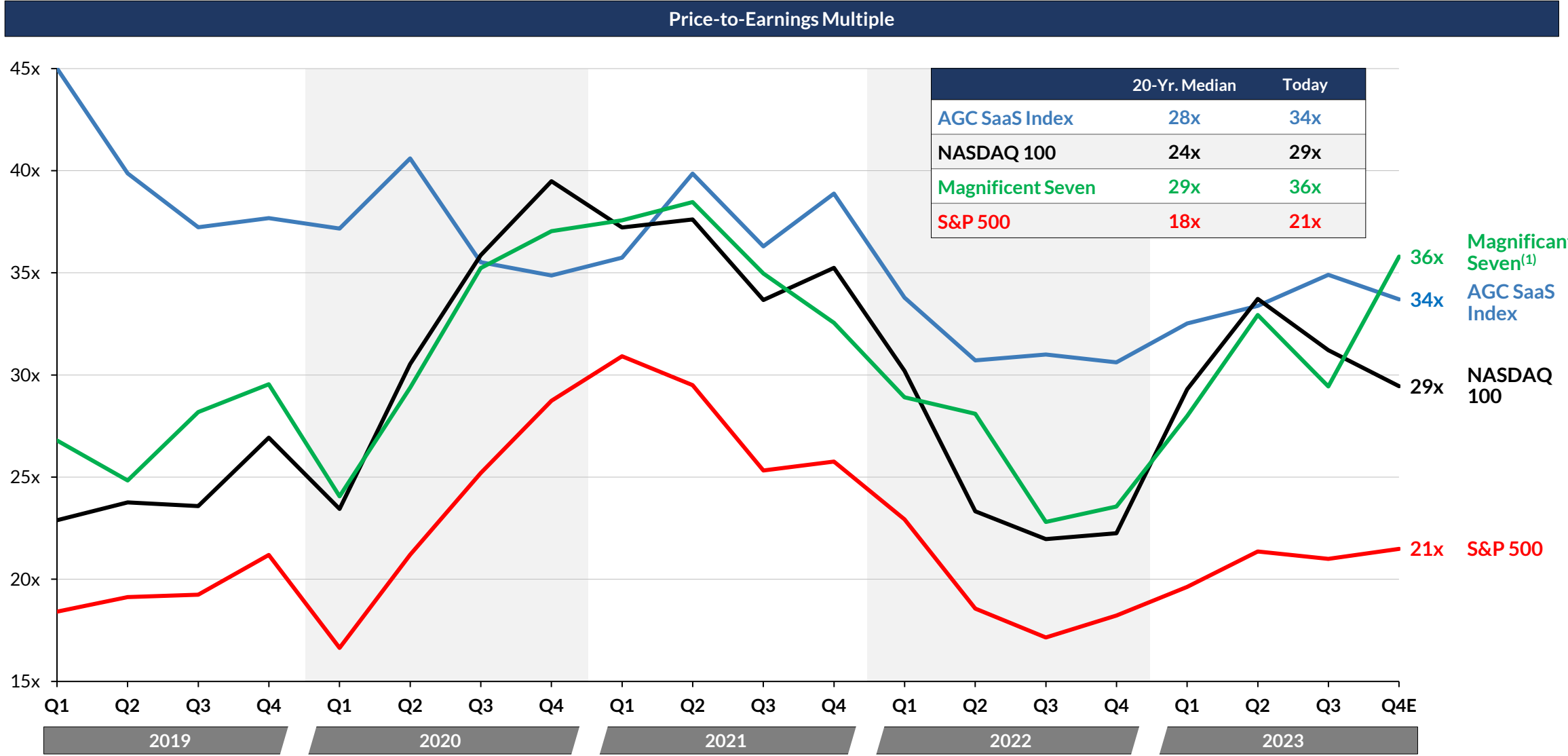
Company	EV/'23 Rev.	EV/'23 EBITDA ⁽¹⁾	EV/'24 Rev.	'23 Ro40	'23 EBITDA Margin	'22 Rev. Growth	'23 Rev. Growth	'24 Rev. Growth	'23 Gross Margin	'23 Rev. (\$M)	Market Cap (\$M)	Sector/Geography
1. Snowflake	22.0x	NM	17.0x	47%	11%	68%	36%	30%	74%	\$2,789	\$64,626	Cloud / Data
2. Cloudflare	20.9x	NM	16.3x	50%	18%	48%	32%	28%	78%	\$1,287	\$26,989	Cybersecurity
3. Samsara	20.5x	NM	16.1x	45%	1%	49%	44%	27%	74%	\$919	\$19,404	Defense Tech / IoT
4. Fair Isaac	19.6x	38x	17.6x	65%	52%	4%	14%	11%	77%	\$1,560	\$28,835	Business Analytics
5. CrowdStrike	19.1x	NM	14.9x	62%	25%	54%	37%	28%	78%	\$3,049	\$60,526	Cybersecurity
6. Datadog	17.6x	74x	14.5x	51%	24%	61%	27%	21%	81%	\$2,105	\$38,516	Cloud / Data
7. MongoDB	17.5x	NM	14.4x	47%	15%	44%	32%	22%	77%	\$1,657	\$29,678	DevOps
8. Duolingo	17.3x	NM	13.2x	61%	17%	46%	44%	31%	73%	\$527	\$9,792	EdTech
9. Zscaler	16.4x	NM	13.2x	66%	20%	49%	46%	25%	78%	\$1,877	\$31,958	Cybersecurity
10. ServiceNow	16.2x	49x	13.4x	57%	33%	23%	23%	21%	82%	\$8,933	\$146,746	Cloud / Data
11. GitLab	15.9x	NM	12.6x	35%	(2%)	67%	36%	26%	91%	\$574	\$10,077	DevOps
12. Adobe	14.5x	29x	12.9x	60%	50%	12%	10%	12%	90%	\$19,375	\$284,226	MarTech
13. Verisk	14.4x	27x	13.4x	61%	53%	1%	7%	7%	67%	\$2,675	\$35,845	Business Analytics
14. Atlassian	14.2x	66x	12.2x	47%	22%	26%	25%	16%	82%	\$3,853	\$55,519	DevOps
15. Bentley	13.7x	41x	12.3x	46%	34%	13%	13%	11%	79%	\$1,231	\$15,249	Built Ecosystem
16. Palo Alto	12.9x	46x	11.0x	52%	28%	25%	23%	18%	75%	\$7,522	\$98,960	Cybersecurity
17. SPS Commerce	12.3x	42x	10.7x	48%	29%	17%	19%	15%	68%	\$535	\$6,818	Supply Chain Tech
18. HubSpot	12.1x	67x	10.3x	44%	18%	31%	26%	18%	85%	\$2,146	\$26,866	MarTech
19. Qualys	12.1x	26x	10.9x	59%	46%	19%	13%	11%	82%	\$555	\$7,121	Cybersecurity
20. Dynatrace	11.4x	42x	9.6x	54%	27%	22%	27%	18%	83%	\$1,357	\$16,089	Cybersecurity
Top 20 Median:	16.1x	42x	13.2x	51%	24%	29%	26%	20%	78%	\$1,767	\$29,257	
All 150 Median:	6.0x	25x	5.4x	34%	17%	22%	17%	13%	77%	\$638	\$3,947	

Public SaaS Valuations Stabilize Over the Last Year at 6x LTM Revenue

- Even with the recent run up in the public markets, software companies are valued at only 6x revenues and have been there for over a year now
- While the public market peaked at the height of the bubble at 18x revenue, our private SaaS control transactions stayed steady at 7-10x and even today are at roughly 8x
- EBITDA multiples have risen to 30x only because earnings forecasts were missed and companies have lowered forecasts for the year. Public and private investors and buyers are demanding profitability, and if not profits, a very clear picture of efficient unit economics



As Growth Declines, P/E Multiples Are Rising to Premiums Well Above Their 20-Year Median



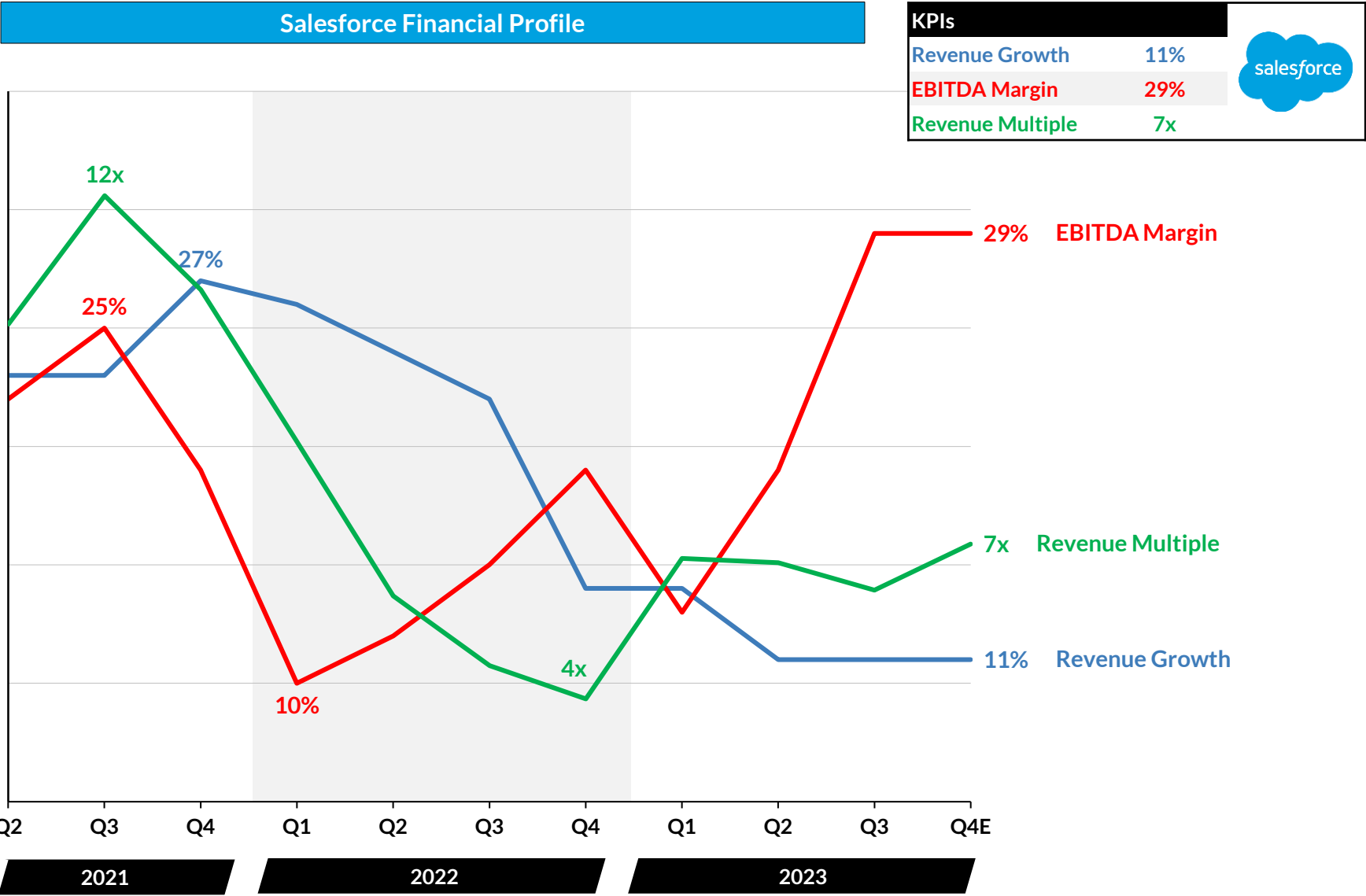
Source: Bloomberg, WSJ. As of 12/15/23.

(1) Comprised of Apple, Amazon, Facebook, Google, Microsoft, NVIDIA, and Tesla.

Public Markets Celebrate CRM's Improving Margins and 11% Revenue Growth with a 38x P/E for '23



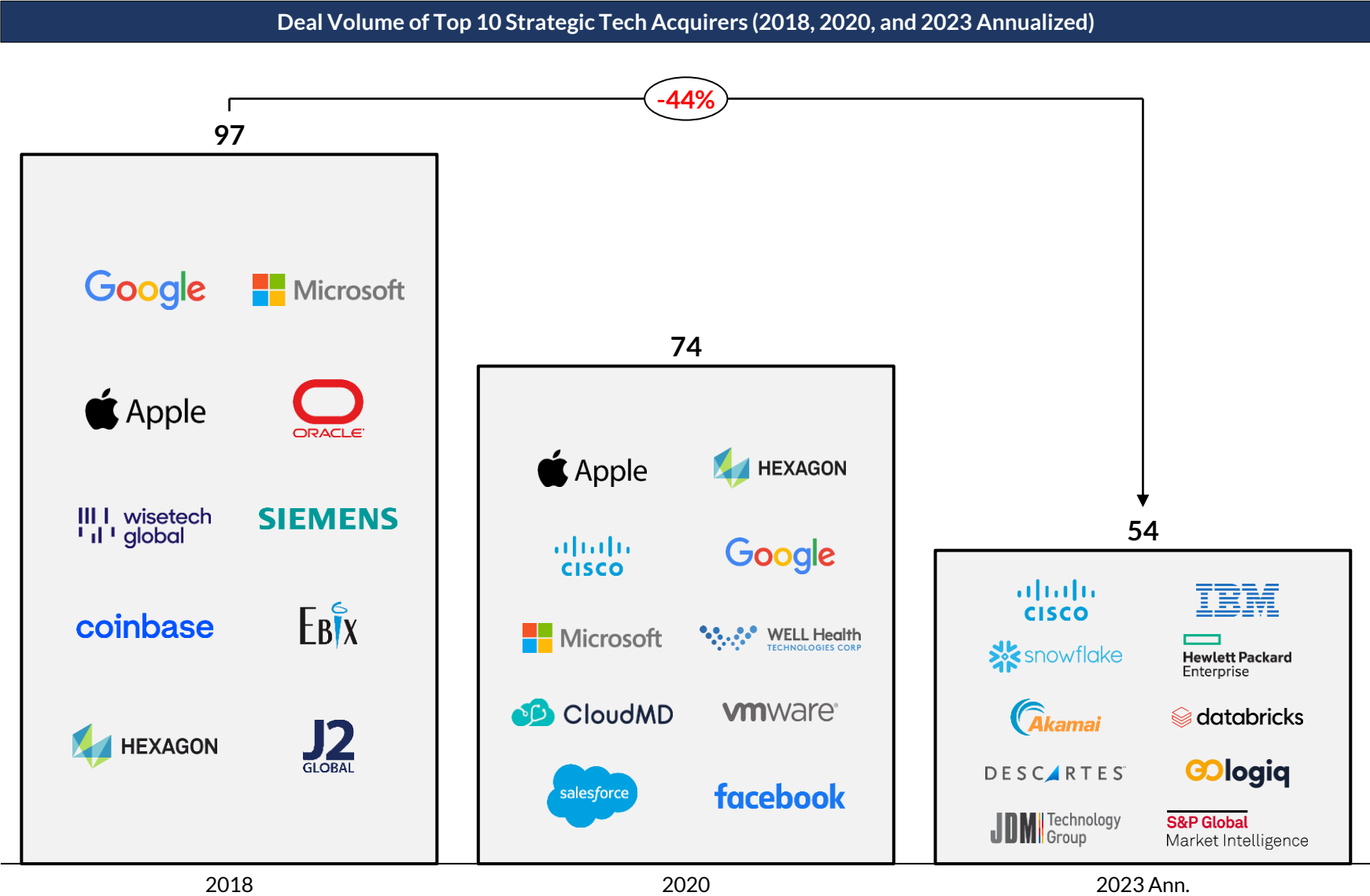
- Salesforce stock is performing well, as CRM is up 20% over the last 3 months
- Salesforce's revenue growth is projected to plateau for a second consecutive quarter in Q4 at 11% – this compares to a median growth rate of 25% from '19-'21
- In the face of slowing growth, Salesforce's EBITDA margins have improved from 10% in Q1 '22 to 29% today – public market investors continue to require (and reward) profitability, giving Salesforce a 38x P/E multiple on '23



Source: Pitchbook, Salesforce, NASDAQ. As of 12/15/23.

Strategics, Quiet in 2023, Will Power Back in 2024

- The top 10 strategics were down 44% in acquisitions in '23
- Strategics focused on their performance and were not so interested in chasing tech companies clinging onto COVID days' lofty valuations
- Strategics have now stabilized on both growth and margins coming off their COVID highs with lots of cash, market cap, and a need for hot new tech as well as new products that will expand their TAMs and accelerate growth
- Strategics will be a bigger force in M&A in '24



Source: 451 Research. Note: Annualization as of 12/15/23.

Classic 5-Year PE Valuation Model at 20% IRR

Key Objectives of the Buyout Analysis

- Establish the baseline valuation for a top tier SaaS business with revenue growth of 20% (slowing to 15%) and EBITDA margins of 20% (expanding to 30%)
- Determine the implied entry and exit EBITDA and Revenue multiples to achieve 20% IRR over a 5-year hold period, assuming a conservative market average exit value

Results from the “Slowing Growth and Increasing Profitability” Case

- Over a 5-year investment period, the implied entry multiple to achieve 20% IRR is 8x Revenue, 41x current EBITDA, and 31x forward EBITDA
- For a business that is growing and not at scaled EBITDA margins, PEs will typically anchor most heavily on revenue multiple on entry valuation, which would be informed by financial metrics and market dynamics, among other factors
- Fast growing and efficient public and private SaaS businesses with 40% Rule of 40 [20% Growth + 20% EBITDA Margin] will continue to trade at premium multiples of 25x+ EBITDA and ~10x+ Revenue
- In this case of decelerating growth and EBITDA margin expansion, it wouldn't be uncommon to see compression in implied exit revenue multiple relative to entry

Takeaways from the Sensitivity Analysis

- A 20% margin business with 10% to 50% revenue growth can trade anywhere from 6x to 22x Revenue and 28x to 111x EBITDA. The top 20 public SaaS companies trade between 11-22x '23 revenue

Key Model Assumptions⁽²⁾:

20% REVENUE GROWTH	20% EBITDA MARGIN	20% IRR IN 5 YEARS	3X ARR LEVERAGE RATIO	11% INTEREST RATE
(1.2%) ANNUAL GROWTH DECELERATION	2% ANNUAL MARGIN UPLIFT	7X EXIT REVENUE MULTIPLE	23X EXIT EBITDA MULTIPLE ⁽¹⁾	

Valuation Results:

8X	IMPLIED ENTRY REVENUE MULTIPLE
41X	IMPLIED ENTRY EBITDA MULTIPLE
31X	IMPLIED 1-YEAR FORWARD EBITDA MULTIPLE

Entry Multiple Sensitivity Analysis:

		Revenue Growth					
		10%	20%	30%	40%	50%	
EBITDA Margin	10%	4x	6x	8x	11x	15x	ENTRY REVENUE MULTIPLE
	20%	6x	8x	12x	16x	22x	
	30%	7x	10x	15x	21x	29x	
		10%	20%	30%	40%	50%	ENTRY EBITDA MULTIPLE
		20%	28x	41x	58x	81x	111x

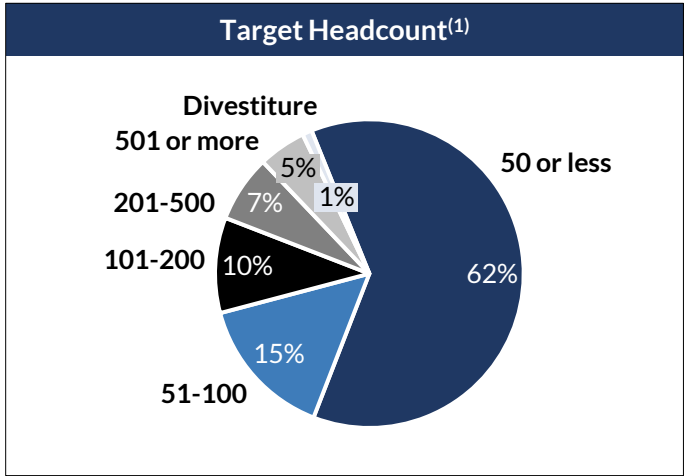
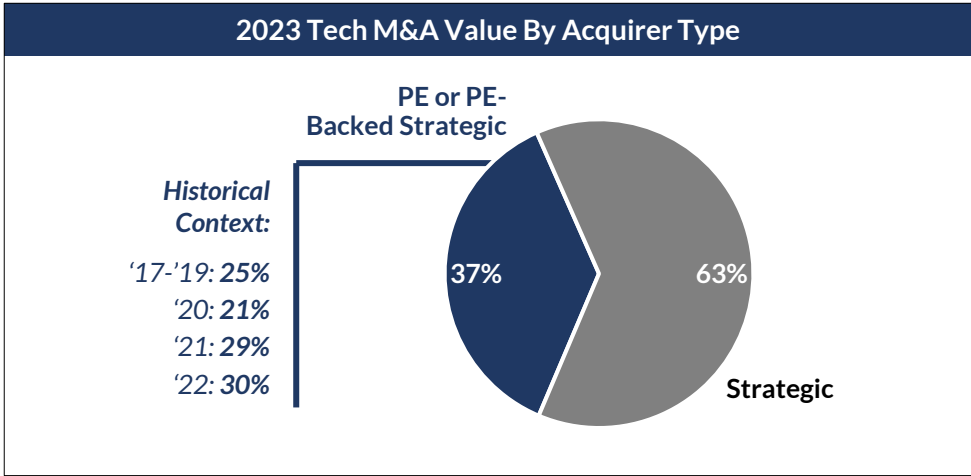
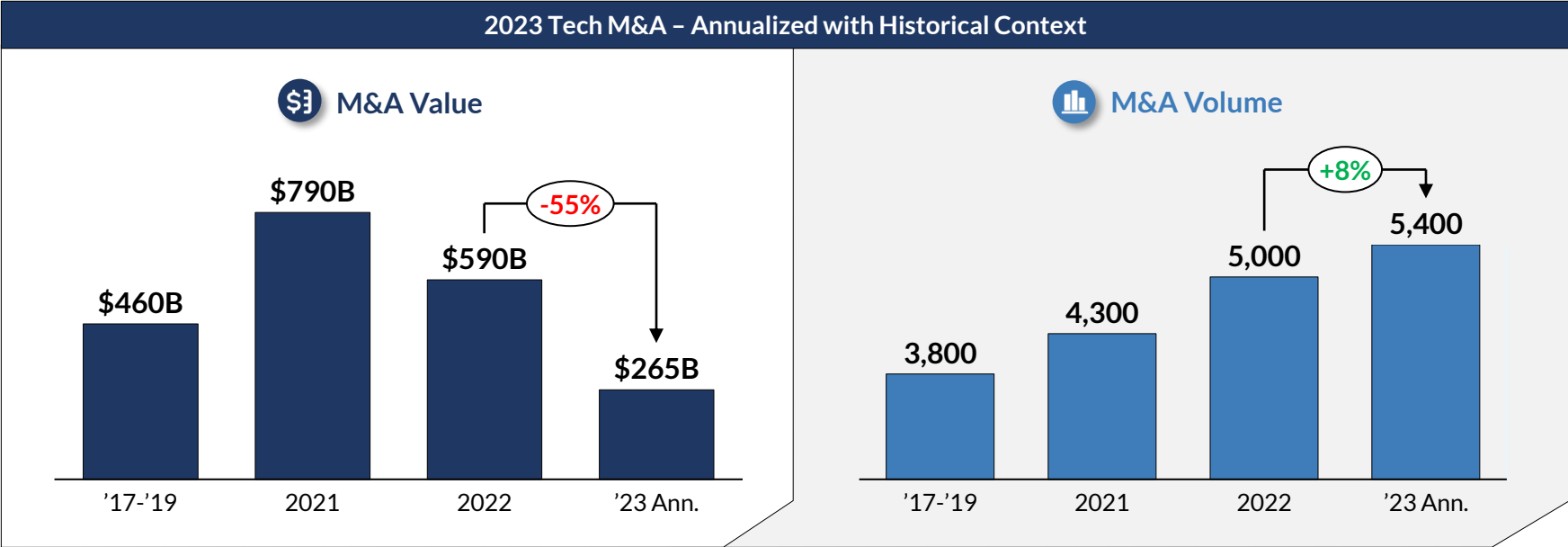
Financial Forecast (\$M)

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Income Statement						
Revenue	\$40	\$48	\$57	\$67	\$78	\$90
Revenue Growth		20%	19%	18%	16%	15%
EBITDA	\$8	\$11	\$14	\$17	\$22	\$27
EBITDA Margin	20%	22%	24%	26%	28%	30%
Free Cash Flow (Before Debt Paydown)		(\$2)	\$1	\$4	\$8	\$12
Less: Repayment		(6)	(1)	(4)	(8)	(12)
Cash Flow		(\$8)	-	-	-	(\$0)

Entry Valuation (\$M)		Returns Calculation (\$M)	
Entry Equity Value	\$214	Revenue Exit Multiple	7x
(-) Cash	(\$10)	EBITDA Exit Multiple	23x
(+) Debt	\$120	Enterprise Value	\$620
Entry Enterprise Value	\$324	(+) Cash	2
Entry EBITDA	\$8	(-) Debt	(89)
Implied Revenue Multiple	8x	Equity Value	\$534
Implied EBITDA Multiple	41x	Initial Equity	214
Implied 1-Year Forward EBITDA Multiple	31x	MoM	2.5x

Tech PEs Are the Go-To Buyers With M&A Value Down 55% in 2023

- Slower growth and missed forecasts have preoccupied most would-be buyers in '23
 - For '23 anyhow, most sellers were clinging to '21 valuations, creating big bid-ask spreads
 - Similarly, many companies were missing their numbers, pushing the sale processes down the road
- As a result, tech M&A got crushed – down 55% in '23
 - Deals are much smaller – 62% less than 50 employees
 - PEs are 37% of the market, up from 21% in '20
- In '24, companies will be healthier and liquidity will be a priority, bringing capitulation to current world valuations



Debt Market Perks Up – But Very Expensive, and Maybe Too Expensive For Some

- The latest data shows debt issuance is picking up, but the cost has risen to roughly 2x what it was just two years ago, and most of the increased volume is refinancing much cheaper debt that is coming due soon. The increase in borrowing cost has been driven by the rise of SOFR
- Most of the 91 tech buyouts over the last three years were done on an ARR covenant basis, with a forced EBITDA covenant 18-36 months out, forcing profitability or refinancing – EBITDA covenant tests for Christmas ☺
- Up until mid-‘22, most of our sales into PE portcos were being financed with 100% debt at a 6% or less interest rate. Today, deals have far less debt, some have seller financing, and current debt ratios are 1-2x ARR. In AGC’s recent deal, the buyer closed in nine days from signing the LOI with 100% equity
- LBO buyout and other 50/50 debt-to-equity PE deals are still looking at 5-year exits, but the debt cost has risen from 6% to 12%, and target IRRs have fallen accordingly from 25%+ to 20%
- As the tech LBO deal flow dropped, rates also dropped 200 basis points. As activity picks up, rates may also rise
- SaaS lending groups in National and Regional banks are providing new loans at 1x ARR at a more attractive rate of 9%
- The private debt funds will also do those loans, but the rate is typically mid-to-high teens
- The question for Wall Street, PEs, and corporate America is how many companies will need some form of refinancing, restructuring, or bankruptcy as their projected debt costs move them into the danger zone. **Debt defaults and/or stressed restructurings will rise in ‘24 and ‘25**

Anaplan Case Study

Anaplan was acquired at an 18x revenue multiple with 3.5x ARR in debt at an estimated rate of S+6.5% using \$3.1B of debt financing which **now has an estimated interest rate of 11%**

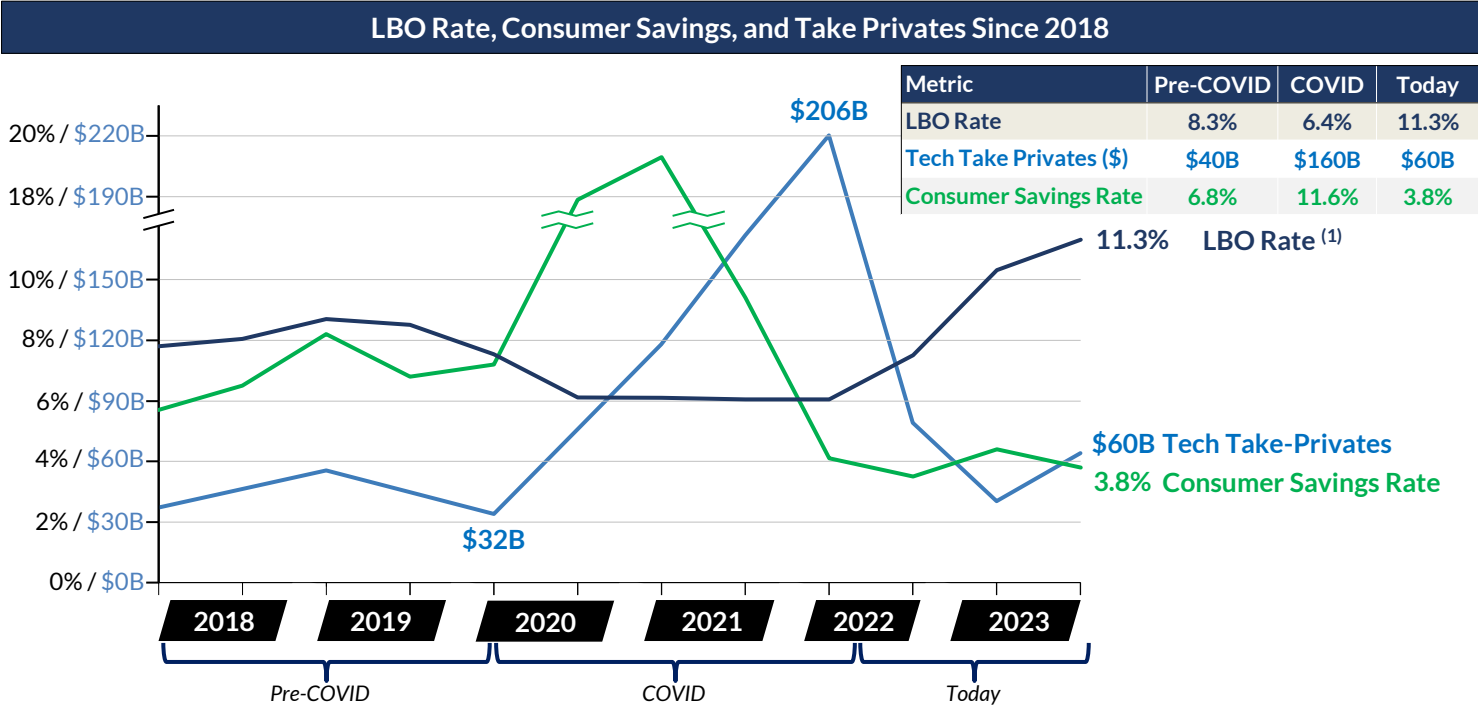
Acquired by
THOMABRAVO

EV: \$10,437
Mar-22

Forced EBITDA Ratio

18-36 Months

Majority of ARR-based loans have financial covenants shift from **ARR covenant to an EBITDA-based leverage covenant** in 18-36 months, forcing profitability or refinancing





Macro Considerations

Countries & Big Tech Are Also Facing a Massive Slowdown – Macro Headwinds Will Continue in '24

- The largest countries were experiencing solid growth prior to COVID, then obviously took off during COVID, and even with historic deficit spending are now only eking out 1-2% growth
- China, the second largest economy and fastest grower, has dropped to its lowest growth in ~50 years
- Even the Tech Titans with their dominant market positions (if you ask the FTC, they say monopolies 😊), are growing with enormous profits but less than half the growth rates that they enjoyed pre-COVID
- Apple, who shrank 2% this year, has rocketed 52% to a \$3T valuation at a 31x P/E multiple
- Uncertainty around the outlook for companies' growth is driving a keen focus on efficiency, performance, and earnings maximization
- The largest economies and companies will continue at slower growth, putting pressure on our PE, VC, and bootstrapped private tech companies

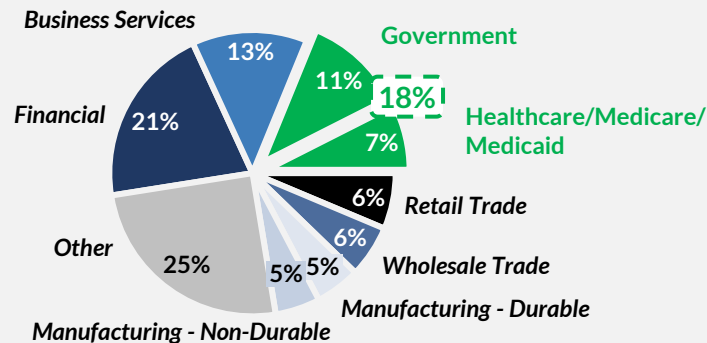
Countries and Tech Companies Exhibit Slowing Growth Rates					
	3-Year CAGR	YoY Real GDP / Revenue Growth Rate		Pre-COVID to '23	
Countries	'16 - '19 CY	'21 CY	'23 CY Projections	% Change	
 United States	3%	6%	2%	↓ (19%)	
 China	7%	8%	??	↓ ??	
 Europe	2%	6%	1%	↓ (53%)	
 South America	2%	7%	2%	→ 0%	
Big Tech Companies	'16 - '19 CY	'21 CY	'23 CY Projections	% Change	YTD Stock Perform.
 Apple Inc.	7%	29%	(2%)	↓ (128%)	↑ 52%
 Google	22%	41%	8%	↓ (62%)	↑ 50%
 Microsoft	12%	21%	9%	↓ (29%)	↑ 54%
 amazon	27%	22%	11%	↓ (59%)	↑ 78%
 facebook	37%	37%	14%	↓ (61%)	↑ 177%
Big Tech Median:	22%	29%	9%	↓ (61%)	↑ 54%

Big Government is the New Growth Driver of U.S. Employment

65% of the 1.1M new U.S. jobs came from the U.S. Government and Healthcare/Medicare/Medicaid

- Big picture, the U.S. economy looks strong with 1.1M added in new jobs over the last six months, but the details behind the numbers are not pretty
- America's big engines of growth such as business services, retail, transportation, and technology are all shedding employees
- Big Government and Healthcare/Medicare/Medicaid now make up 18% of GDP and are contributing 65% of new jobs in the last six months. It's concerning to have two generally inefficient sectors driving our economy – Healthcare is 50% driven by Medicare/Medicaid reimbursement
- China, seems to be moving from communism to a dictatorship, and has built a house of cards economy on the back of similar style big government spend-driven economy – the U.S. is the most powerful country and economy in the world, but we should be mindful of other countries' missteps
- 199,000 new jobs on the November employment report drove the stock market even higher in the face 65% of those new jobs coming from Government and Healthcare/Medicare/Medicaid over the last six months
- So, when 2/3 of new jobs are from government funded sectors/sources that will require massive headcount cuts to become efficient, what is the nation truly betting on?

U.S. GDP Added by Industry (L6M)



U.S. Jobs Added by Industry (L6M)

Rank	Industry	Jobs Added (L6M, 000s)	% of Total
1.	Healthcare/Medicare/Medicaid	538	40%
2.	Government	338	25%
3.	Leisure and Hospitality	230	17%
4.	Construction	107	8%
5.	Wholesale Trade	46	3%
6.	Other Services	41	3%
7.	Educational Services	18	1%
8.	Financial	17	1%
9.	Utilities	4	<1%
10.	Manufacturing	4	<1%
Total:		1,118 ⁽¹⁾	-

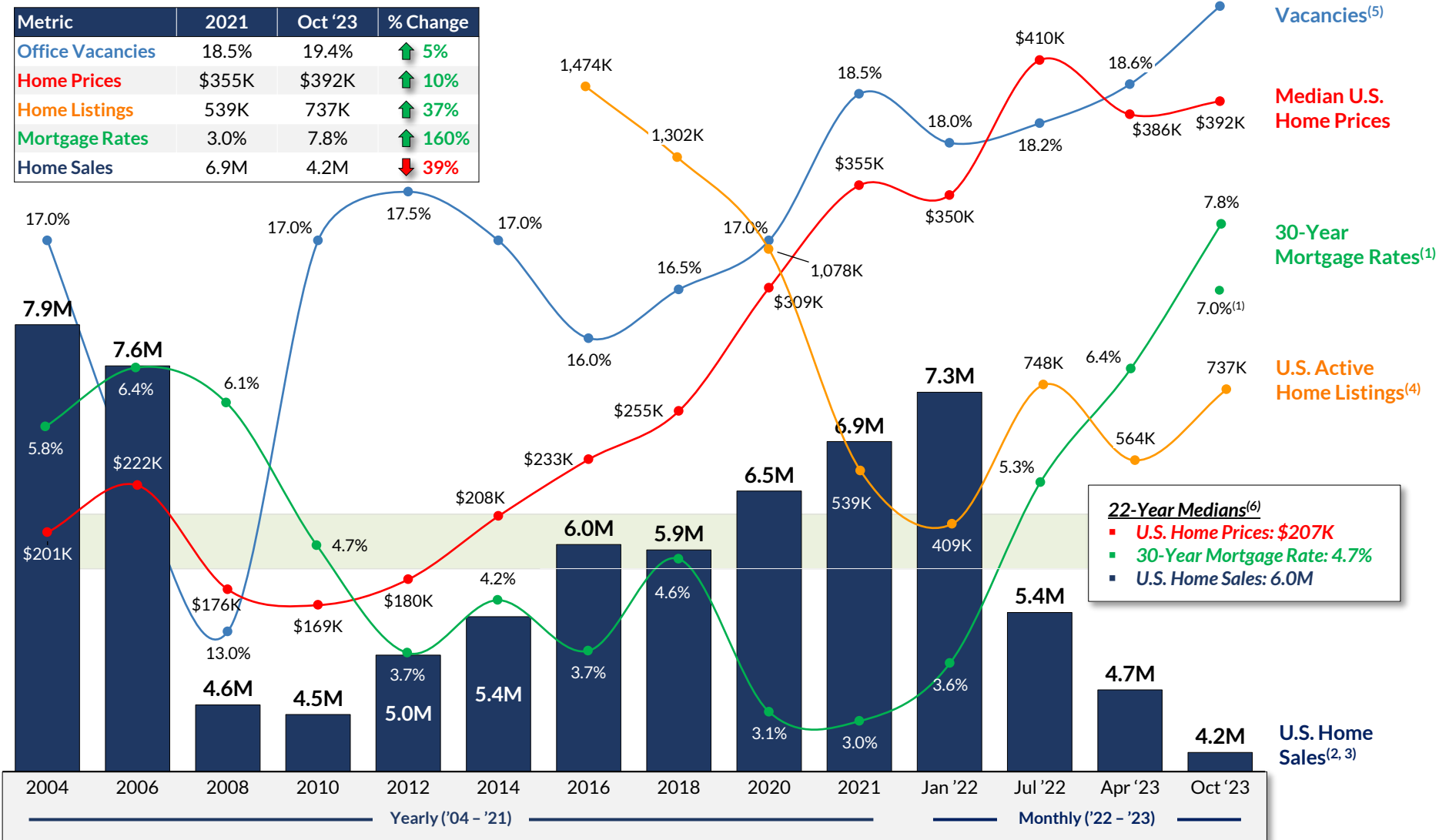
U.S. Corporate Profits by Industry (L6M)

Rank	Industry	Corporate Profits (L6M, \$B) ⁽²⁾
1.	Financial	\$1,129
2.	Manufacturing - Durable	734
3.	Manufacturing - Non-Durable	717
4.	Retail Trade	668
5.	Wholesale Trade	461
6.	Real Estate	461
7.	Business Services	454
8.	Information	360
9.	Health Care and Education	300
10.	Transportation	238
11.	Leisure and Hospitality	157
12.	Construction	152
13.	Utilities	92
14.	Mining	46
15.	Agriculture	33
U.S. Government		\$1,954 Deficit

Deflating Asset Bubbles Such As The U.S. Housing and Office Markets Represent Another Challenge to the Economy in '24 and '25



- **Home prices**, which were \$169K in 2010, are at \$392K today, up roughly 7% per year
- **Mortgages** have rocketed from 3% to 8% – Americans can't afford to give up their mortgage or buy their first home
- **Home sales** are at a 13-year low of 4.2M, down from a high of 7.2M in '22
- **Office vacancies** are at an all-time high of 19.4% and going higher
- Home and office values are a bubble that will come down, slowing the economy
- The Fed forcing interest rates to 2% for 13 years created lots of bubbles including stocks, real estate, technology, biotech, Crypto, gold, and AI that will challenge us as they deflate



Sources: U.S. Census Bureau, FRED, TradingEconomics, Moody's.

(1) Mortgage Rates are calculated as the simple average of month ending interest rates for each year. For October 2023, the interest rate shown is the month ending rate, as well as the current rate as of December 14, 2023. Household debt based on St. Louis Fed estimates.

(2) Existing home and new home transaction volumes as of October 31, 2023. Median Home Price as of October 31, 2023.

(3) U.S. Home Sales are calculated as the simple average of the sum of seasonally adjusted, annualized, new and existing home sales for each month in a given year. Median Price is based on period-ending price.

(4) Data from Realtor.com and FRED. The final U.S. Active Listing number represents amount as of October 31, 2023.

(5) Data from Cushman and Wakefield.

(6) Note: Not adjusted for inflation.

Western Governments, With Massive COVID Deficits, Have Maxed Out Their Credit Cards ☺



The U.S. is **Bottom Five** in All Financial Discipline Performance Metrics

Indicates bottom 5 performer

- U.S., China, Japan, and India – the Bigs had the worst deficits and performance ratios of the top 20 country economies – **that is unsustainable**
- Moody's lowered its outlook on the U.S.'s ratings to negative from stable for the first time in 100 years of ratings because of downside risks
- The U.S. in '23 had \$4.5T in taxes and a whopping \$2T deficit – 46% loss ratio
- The Fed and politicians have loaded up so much debt that they have become the largest owner (44%) of all outstanding U.S. government debt. Foreign private investors and central banks now own about 24%, down from 33% a decade ago
- U.S. deficits are now 6% of our GDP – up from under 1% – and generate all of the U.S. GDP growth
- With \$33T in debt and a Republican-controlled House, deficits may be lower, slowing near-term GDP growth

Estimated Ownership of U.S. Treasury Securities (Mar '23)

The Fed + State and Local Govt's

44%
(\$13.7T)

Foreign Govt's

24%
(\$7.7T)

Institutions⁽¹⁾

17%
(\$5.3T)

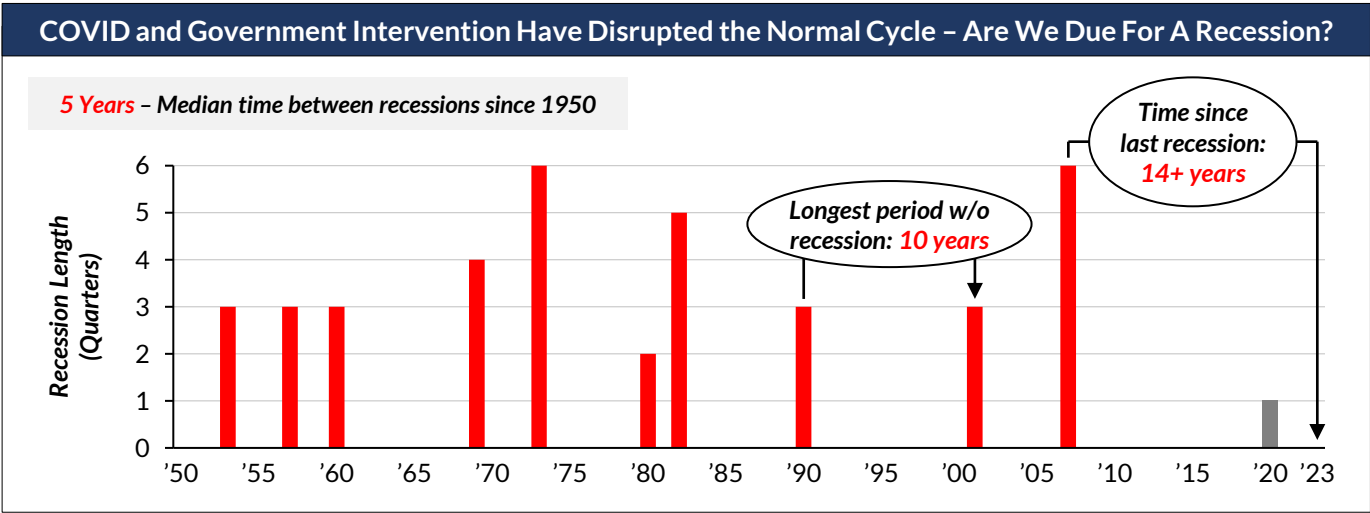
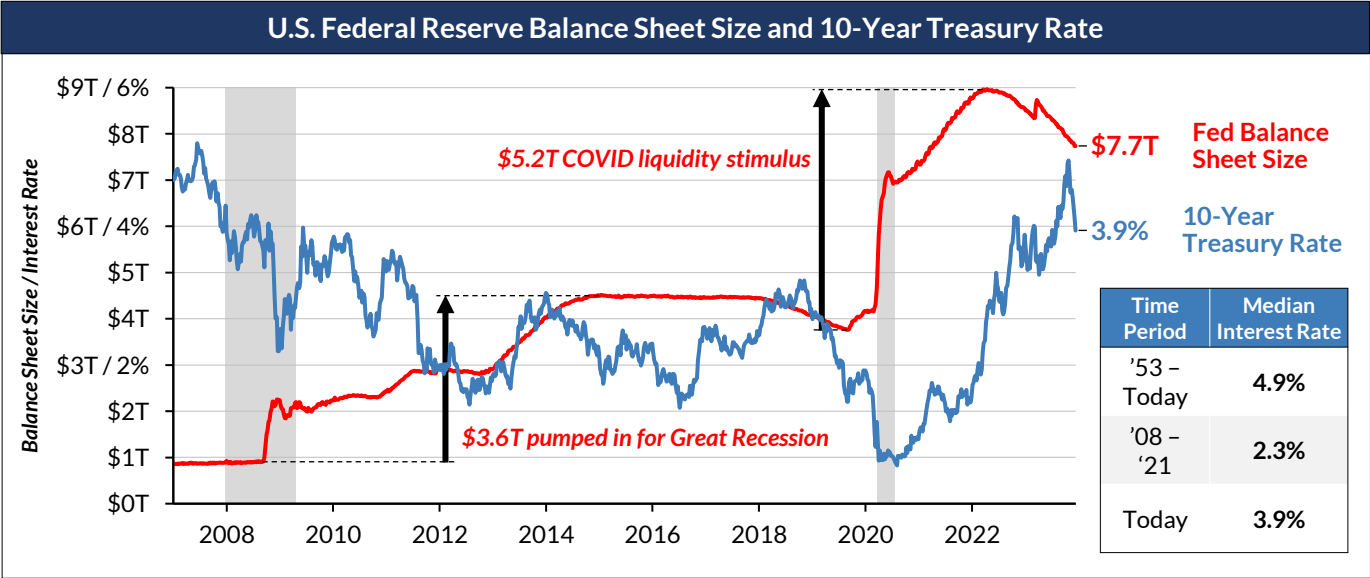
Other

15%
(\$4.8T)

GDP Rank	Country	(Deficit) as % of Tax Rev.	Surplus (Deficit) (\$B)	Gov. Debt / Tax Rev.	Gross Debt (\$B)	(Deficit) as % of GDP	GDP (\$B)	Tax Rev. (\$B)	GDP Growth	Inflation
1.	United States	(44%)	(\$1,954)	7x	\$33,225	(7%)	\$26,950	\$4,460	2%	4%
2.	China	(27%)	(1,259)	3x	14,688	(7%)	17,701	4,694	??	1%
3.	Germany	(6%)	(128)	1x	2,918	(3%)	4,430	2,057	(1%)	6%
4.	Japan	(15%)	(237)	7x	10,799	(6%)	4,231	1,555	2%	3%
5.	India	(45%)	(327)	4x	3,056	(9%)	3,732	723	6%	5%
6.	United Kingdom	(11%)	(149)	3x	3,470	(4%)	3,332	1,325	0%	8%
7.	France	(9%)	(148)	2x	3,355	(5%)	3,049	1,583	1%	6%
8.	Italy	(10%)	(109)	3x	3,142	(5%)	2,186	1,067	1%	6%
9.	Brazil	(17%)	(151)	2x	1,873	(7%)	2,127	874	3%	5%
10.	Canada	(2%)	(15)	3x	2,253	(1%)	2,118	861	1%	4%
11.	Russia	(11%)	(69)	1x	395	(4%)	1,862	604	2%	5%
12.	Mexico	(16%)	(71)	2x	954	(4%)	1,811	432	3%	6%
13.	Korea	(5%)	(21)	2x	928	(1%)	1,709	412	1%	3%
14.	Australia	(4%)	(24)	1x	876	(1%)	1,688	617	2%	6%
15.	Spain	(9%)	(62)	2x	1,697	(4%)	1,582	682	2%	3%
16.	Indonesia	(15%)	(32)	3x	553	(2%)	1,417	214	5%	4%
17.	Türkiye	(19%)	(63)	1x	397	(5%)	1,155	336	4%	51%
18.	Netherlands	(5%)	(23)	1x	541	(2%)	1,093	472	1%	4%
19.	Saudi Arabia	(1%)	(3)	1x	258	(0%)	1,069	312	1%	2%
20.	Switzerland	0%	1	1x	357	0%	906	290	1%	2%
Medians:		(11%)	(70)	2x	\$1,785	(4%)	\$1,990	\$703	2%	4%

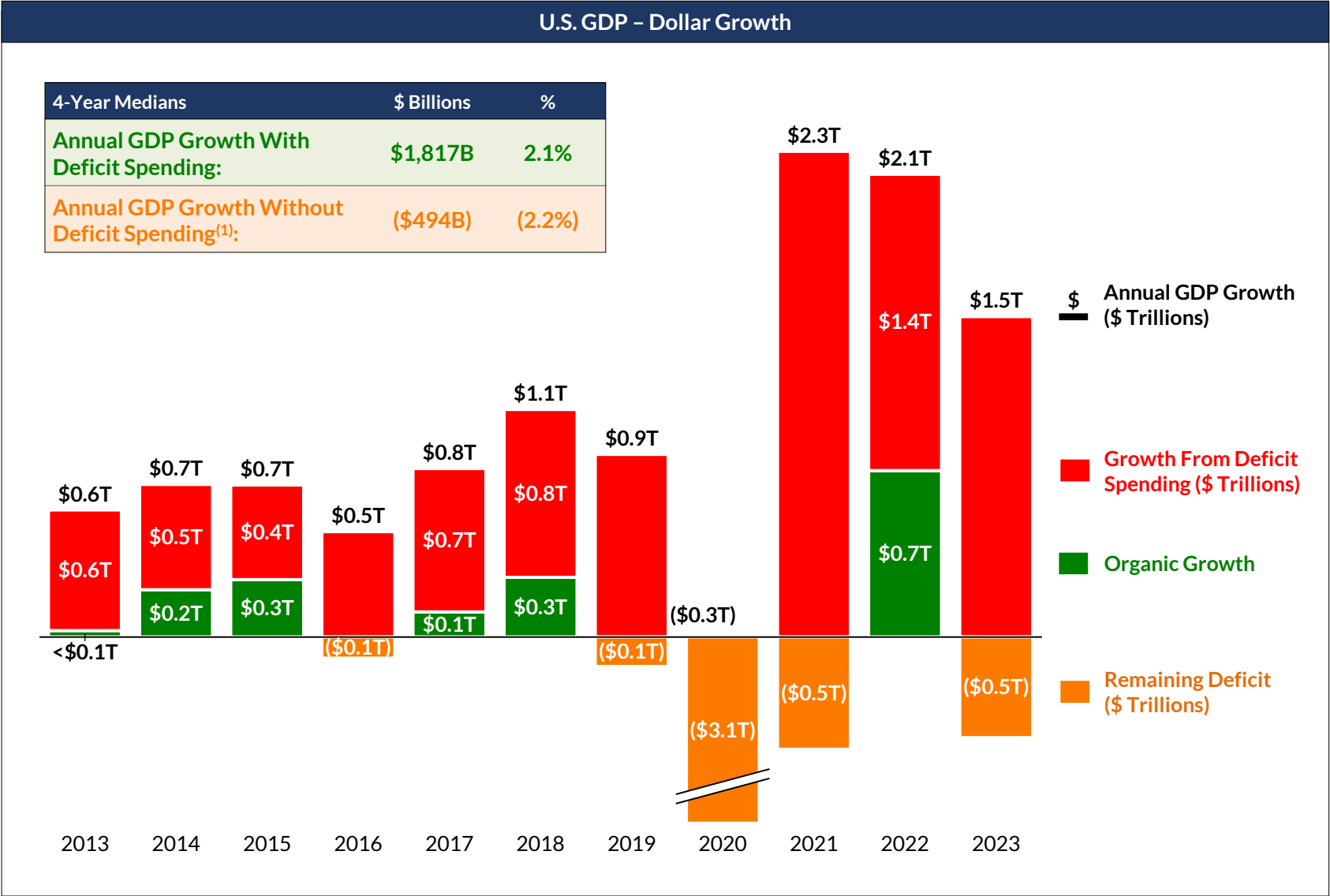
Does The Fed Control Interest Rates, or the Free Market?

- While the big dogs in DC scrap over more deficit spending, the Fed is paying roughly 5% for new debt. Consumers are paying 7% for mortgages and PEs are paying 12% for the next buyout. All the discussion is focused on whether the almighty Powell will wave his magic wand and interest rates will be cut to half of the historical median like they have been since 2009 – maybe, maybe not!
- For the last 69 years, interest for government funding or the risk-free rate has averaged 5%. This is actually a pretty good rate considering we have driven our balance sheet to \$33T in debt and 7.4x our tax income. Not so good a credit as the US Government in 1999, when we only had \$5.6T in debt, 3.1x our tax income, and even generated a \$124B surplus. Nice job, President Clinton!
 - Between '08 and '21, the Fed bought \$9T in mortgages and treasuries and drove rates to 2%
 - The Fed effectively took control of interest rates, pushing the free market to the side
 - Massive deficits, unmanageable debt, and double-digit inflation may have the free markets back in charge again
- The Fed can no longer pile in at this point like they did in 2009 and in 2020 without risking losing trust in the market, getting us back to Moody's recent warning on the Fed's ugly balance sheet. So, Powell may not be able to bring the 10-year down much from here and 4% may continue to be the new normal



U.S. Government Deficit Spending is Powering All of the U.S. Economy Growth and More

- Moody's, who has been rating the government of the United States since 1917, for the first time just changed its outlook on the U.S.'s ratings to negative from stable because the "downside risks to the U.S. fiscal strengths have increased"
- The U.S., which for years had deficits of less than 1% of our GDP, now has steady deficits of 6% of GDP. Assuming every deficit dollar was GDP spend, the U.S. government is now so deep in the red that it is generating all of the U.S.'s 2% GDP growth and then some
- It is a very dangerous situation that we have become reliant on unsustainable deficit spending to hold our economy up
- The January '24 budget negotiations, which drive the government spend for the rest of the year through October '24, may result in a cut in the deficit, which will directly slow the economy and start us on the difficult road of very tough choices



Source: Federal Reserve Economic Data. (1) Represents GDP growth if deficit spending equaled zero that year.



AGC Credentials

*Leading Software Technology
Bank with Global Reach*

AGC's 20 Sector-Focused High Performing Partners



Cyber Security



Maria Lewis Kussmaul
Boston



Eric Davis
Boston



Russ Workman
Boston

Defense Tech

Digital Media



Linda Gridley
New York

eCommerce

MarTech

PropTech / Built World



Jon Weibrecht
Boston

Vertical SaaS

FinTech



Charlie Schopp
Boston

Vertical SaaS

HCIT

Supply Chain



Dennis Rourke
Boston

FinTech

HCIT / Life Sciences



Hugh Hoffman
Minneapolis



John Tinkham
Chicago

Vertical SaaS

Cyber Security

Cloud / Infrastructure



Rob Buxton
San Francisco

Mobility



Fred Joseph
Boston

Europe



Michael Howe
New York

Vertical SaaS

HCIT / Life Sciences



Doug Hurst
New York

C-Suite



Jon Guido
Boston

EdTech



Steven Willis
Denver

Vertical SaaS

Digital Media

AR / VR



Elena Marcus
Los Angeles

Marketplaces

Digital Media

Digital Media



Nate Hennings
San Francisco

Gaming

MarTech

Europe



Sean Tucker
London

Vertical SaaS

Cloud / Infra



Theo Mettenheimer
London

Cyber Security

Cloud / Infra

CEO



Ben Howe
Boston

AGC Has Strong Relationships With Most Tech PEs and Drives Premium Outcomes



200+ Close Relationships with Leading Growth Investors

Best Relationships: AGC has developed tight-knit relationships with the key decision makers with virtually all the growth investors through its 518 closed deals. As demonstrated by all five of its conferences, AGC is close to and brings together the top global PEs

Incredible Valuations: AGC generates exceptional outcomes for its clients – 60 closed deals since 2022 with a 9x median revenue multiple

Deep and Highly Tuned Execution: Over 20 years and 518 deals, AGC has built a repository of 100 proprietary documents for A+ execution

Multi-Transaction, Long-Term Relationships: After helping clients raise growth capital or complete a recap, AGC maintains the relationship for an extended period to help with buy-side M&A efforts as well as an eventual resale of the business

Client	Investor	Equity Check	Multiple
origo	DIVERSIS CAPITAL	\$600M	6x
greenphire	THOMABRAVO	\$500M+	13x+
ss&c	THE CARLYLE GROUP	\$500M	10x
TASKTOP	TPG (Planview)	\$362M	13x
PDFTRON	THOMABRAVO	\$300M	22x
Riviera PARTNERS	INSIGHT PARTNERS	\$280M	8x
SAPIO SCIENCES Your Partner In Discovery	SHO CAPITAL	\$260M	ND
chaos	TA	\$200M	8x
SKIN MEDICINALS	Ward Capital (Apotheco)	\$180M	6x
FLASHPOINT	Audax Group	\$167M	7x
Poka	IEQT Hg (IFS)	\$136M	8x

Client	Investor	Equity Check	Multiple
Perceptyx	TCV	\$120M	10x
KEYEDIN	STG	\$120M	11x
prosperoware	Hg (Litera)	\$120M	12x
P R O M O N	GROCAPITAL	\$100M	10x
EXOSTAR	THOMABRAVO	\$100M	ND
di. DENTAL INTELLIGENCE	PSG MULTIDISCIPLINARY LEGAL COUNSEL	\$92M	7x
DOMAINTOOLS	Battery	\$85M	ND
PANZURA	Kayne Anderson Capital Advisors, L.P.	\$80M	12x
bookboon	Hg (Access)	\$80M	8x
MANDIANT	One Equity Partners KPCB	\$77M	7x
THOUGHT INDUSTRIES	LUMINATE	\$70M	10x

THOMABRAVO

15 Deals Completed

INSIGHT
PARTNERS

10 Deals Completed

TA

7 Deals Completed

Hg

6 Deals Completed

LEVEL EQUITY

6 Deals Completed

VISTA

5 Deals Completed

AGC's Extensive Experience Selling To Top Public Strategic Acquirers

200+ Close Relationships with Top Strategic Acquirers

Deep Market Intelligence: AGC gains unparalleled sector knowledge from Partner-led published research insights reports, AGC's sector-specific conferences, and extensive deal history—translating to a fundamental understanding of strategics

AGC's Crafted Approach to Strategic Buyers: AGC's approach to marketing and managing Strategics is differentiated through high-touch, tailored interactions with each party – a process that has been fine tuned over 20 years of experience and 50+ transactions with strategic buyers

Experts in Creating a Must-Have Buyer Sentiment: Generating buy-in from technologists is key to delivering an exceptional outcome; AGC's Partners are experts in navigating complex organizations to create direct engagement with the key decision makers

Creating Customized Divisional Analysis: Strategic buyers, particularly in today's world of dealmaking, need to bring their CEO and board acquisitions that will bring strategic incremental revenues, expanded TAM, and also, accretion to earnings in the near-to-mid term

Senior Industry Relationships: As the most active Technology-focused bank, AGC maintains constant contact with a diligently-tracked list of top strategics, providing deep insight into their acquisition roadmaps, strategy, and potential synergies to maximize value

Select Public Strategic Partners – 50+ Deals in Total

Tech Titans











Cyber Security











Infrastructure











Vertical Software











Healthcare









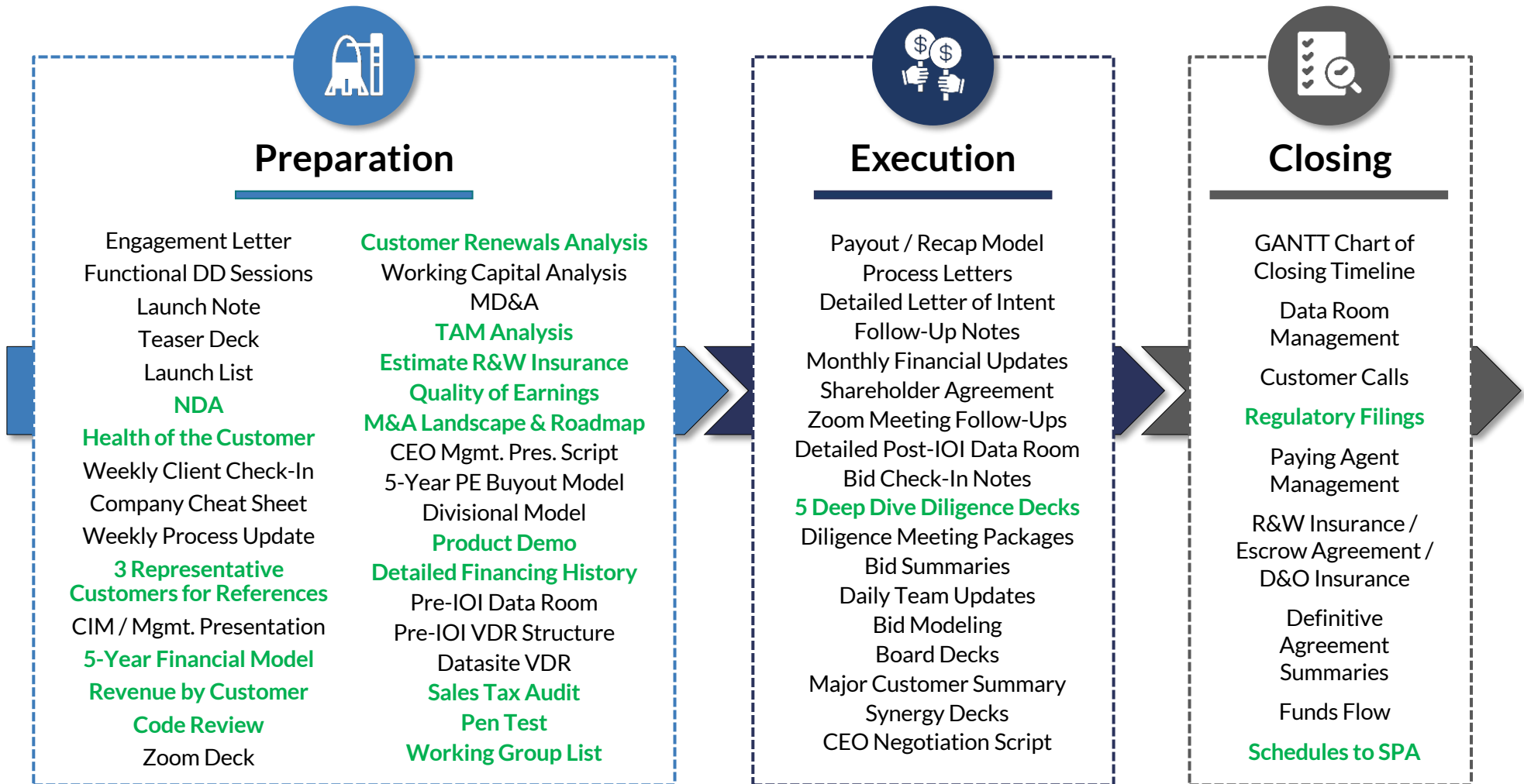


518 Deals Worth of Knowledge Built Into AGC's Deal Preparation and Execution



AGC takes a keenly analytical and “no stones unturned” approach across 70+ key banking documents to guide clients and buyers toward a premium transaction outcome

- This is a library of 70 different analyses/documents for preparing and marketing our companies for a financing or sale
- 20 years and 518 deals of knowledge and experiences packed into our methodology
- Analyses and documents include deep customer retention analysis, Excel shortcuts, building TAMs, etc.
- Rigorous training every day at 4pm for the junior banking team



Represents Items that are the Company's Responsibility to Help Complete

The Best Middle-Market Growth Technology Conferences Globally



Premier Global Technology Conferences

- AGC Partners is one of the only investment banks to hold middle-market industry conferences solely focused on driving relationships among strategic acquirers, PEs, and emerging private growth companies spanning all major tech sectors. At our Boston conference in September, we had nearly 2,000 one-on-ones
- Offers insights from leaders in their respective industries and direct engagement with the most active investors in the space
- Includes 500+ early and growth stage technology companies (revenues \$5-\$100M+ ARR) and 600+ private equity firms and strategic acquirers
- High caliber panels and 30-minute pre-arranged one-on-one meetings lead to hundreds of new leads, several new engagements, and drive the marketing efforts for pre-engaged clients



Testimonials



"We achieved in one single day the **equivalent of 2+ weeks** of prospecting work"



"Excellent and **highly productive** event; AGC gathers the most relevant group of companies and PE/VC investors in one place"



"Superb event and opportunity for entrepreneurs to **tell their story to the investor community**"

Conference Final KPIs (2023)



Boston

525

Total Attendees

175

Fast-Growing Private Tech Companies

1,935

1-On-1 Meetings

220

Leading Tech PE and Growth Investors and Strategics



Austin

360

Total Attendees

140

Fast-Growing Private Tech Companies

1,600

1-On-1 Meetings

160

Leading Tech PE and Growth Investors and Strategics



London

275

Total Attendees

100

Fast-Growing Private Tech Companies

1,100

1-On-1 Meetings

100

Leading Tech PE and Growth Investors and Strategics



San Francisco

750

Total Attendees

250

Fast-Growing Private Tech Companies

4

Keynote Presentations

2,000

1-On-1 Meetings

225

Leading Tech PE and Growth Investors and Strategics

5

Panel Discussions with Industry Experts



Toronto

280

Total Attendees

75

Fast-Growing Private Tech Companies

900

1-On-1 Meetings

120

Leading Tech PE and Growth Investors and Strategics

Deep Domain Knowledge: 270 Market Leading Private Tech Sector Reports

Partner Led From Start to Finish

- ~265 industry thought pieces published by AGC Partners covering Vertical Software, Cyber Security, Infrastructure, Internet, HCIT, FinTech, and **60+ subsectors**
- Partner-led and authored, with 6-person AGC research team working on perfecting each piece, going deep on the market, TAM, key trends, challenges, M&A and financings activity
- Developed and implemented over 18 years proprietary processes and procedures that will typically unearth **200-300 leading private companies** in each sector

Industry Leading Research Covering the Most Coveted Private Sectors of Technology



Vertical Software

Automotive
Building / Engineering
CRM / CXM
C-Suite
Education
Food/Restaurant
GovTech
Healthcare
HR Tech
Insurance
Legal
Public Sector
Real Estate
Travel & Leisure



Cyber Security

APT
CASB
Cybersecurity
Endpoint
IAM
IOT / SCADA
Network
Security Orchestration
Security Services
Threat Intelligence
User Behavior Analytics
Vulnerability



Infrastructure

AI
BI / Analytics
Big Data
Cloud Computing
Communication
Data Center
DevOps
Energy & Industrial
ERP / Supply Chain
Internet of Things
IT Services
Mobility Solutions
Smart Cities
Storage



Internet

AdTech
Augmented Reality
Consumer
E-Commerce
Food Tech
Gaming
Internet
Marketplaces
MarTech
Mobile
Social
Retail
Virtual Reality



HCIT

Clinical Decision Support
Clinical Trials
Dental Solutions
EHR
Genomics Data Mgmt.
HIS
Payer Solutions
Pharma Analytics
PMS
Precision Medicine
RCM / Payment Solutions
Telehealth



FinTech & Payments

Blockchain
Digital Lending
FinTech Market Updates
Mobile App Monetization
Mobile Money
Payments
Remittance / Money Transfer

Selected Recent Partner-Authored Whitepapers



Tech PE Year-End Report

The COVID spending boom, now bust, will continue to dampen revenue growth and valuations in 2023. Amidst slowing tech capital markets and macroeconomic headwinds, we analyze what a solid SaaS company is worth today.



Quarterly Tech Update

Global growth, which rocketed in '21 with all the pent-up demand from the COVID lockdowns as well as the massive government stimulus, has been falling for 8 straight quarters as we enter the fourth quarter of '23.



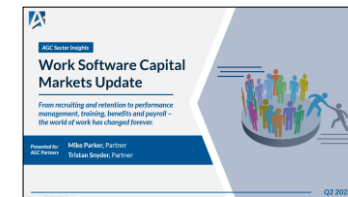
Construction Tech

Construction tech is once again on the cusp of broader-based adoption. The result has been renewed investment and M&A interest across the ecosystem as new challengers are formed and legacy solutions providers look to modernize.



Cyber Risk Insurance

Cyber attacks are becoming increasingly common and sophisticated, posing a significant risk to businesses of all sizes. In order to protect against the ramifications of an attack, organizations are opting to take out cyber risk insurance policies.



Work Software

Work Software M&A and growth capital markets are finding a new cadence in 2023 after blossoming to record highs post-COVID. Software remains mission-critical for HR leaders who face persistent macro headwinds and intense competition for talent.



C Suite

The pandemic forced businesses to leverage available technologies to replace manual processes, and the results were very compelling, with productivity increasing to levels not seen in some time.

CEO & Buyer Testimonials



"The AGC team's **deep understanding of the market and strong relationships** with both investors and buyers facilitated exceptional market engagement and a fantastic outcome for our Company."

Peter Lilley, Co-Founder & CEO | **instaclustr**



"The AGC team did a terrific job in a challenging market. **They put their client first, serving as clear, transparent and trusted strategic advisor** throughout the process."

Kevin Frick, Partner | **Serent CAPITAL**



"Deals of this scale and complexity necessitate both strong tactical execution and sage counsel on nuanced issues – **AGC provided both!**"

Ben Levin, CEO | **LEVEL EQUITY**



"Their team was **smart, creative, responsive and dedicated** throughout both the equity and debt fund raising processes."

Jill Stelfox, CEO and Refounder | **PANZURA**



"In a tough, competitive market, their **execution is A+** and their **integrity is even higher.**"

A.J. Rohde, Senior Partner | **THOMABRAVO**



"Partnering with AGC was absolutely the right decision for us. **Their approach is aggressive, transparent with no wasted cycles.** We couldn't be more thrilled with the result."

Will Hunsinger, CEO | **Riviera PARTNERS**



"The AGC team understood our unique value proposition and drove interest from dozens of potential buyers. We are thankful for their **around-the-clock persistence and creative, hands-on approach** to maximizing value."

Greg Coleman, CEO | **tubular**



"It was essential that our banker could fundamentally understand the Promon technology and offering. **AGC quickly gained such understanding...**which ultimately will lead to a timely and satisfactory transaction."

Gustaf Sahlman, CEO | **PROMON**



"**The AGC team was simply extraordinary.** They dig in, roll up their sleeves, and work hard."

Jim Quagliaroli, Co-Founder, Managing Partner | **SILVERSMITH**



"The AGC team were exceptional partners. We are very grateful for their invaluable advice, quick action and 'always-on' approach. **They take a very complicated process and manage it with incredible precision.**"

Barry Kelly, CEO | **Thought INDUSTRIES**



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