Cherry Tree & ASSOCIATES, LLC

CONFIDENTIAL

Technology-Enabled Business Services (TEBS)

Quarterly Update – 2026 Q3

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TEBS Overview

Cherry Tree has been tracking trends and activity in the Technology Enabled Business Services (TEBS) space for nearly 20 years, including the TEBS 100 index

TEBS companies are defined as those that:

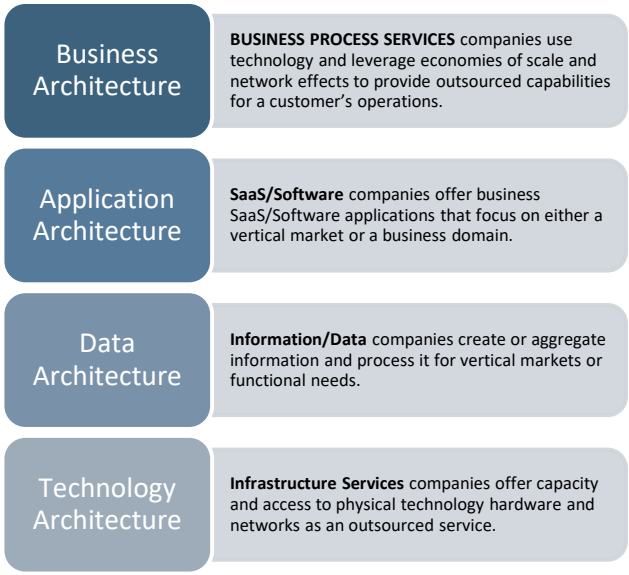
- *Offer a solution, product or service that is delivered or enhanced via technology*
- *Generate revenue primarily from other businesses ("B2B")*
- *Use their own intellectual property to differentiate their solution*

The TEBS 100 is a broad index of 100 publicly-traded companies. The four segments of the TEBS 100 align with the open architecture framework:

- *Business Process Services*
- *SaaS/Software*
- *Information/Data*
- *Infrastructure Services*

TEBS companies are consistently valued at a premium to the overall market due to fundamental business advantages

- *Recurring Revenue*
- *Operating Leverage*
- *High Switching Costs*



Cherry Tree Research, The Open Group

Valuation Multiples – 09/30/2026		
TEBS Segment	**EV/Revenue**	**EV/EBITDA**
SaaS/Software	3.7x	16.1x
Information/Data	3.4x	12.5x
Business Process Services	2.2x	8.8x
Infrastructure Services	4.2x	17.0x
S&P 500	**3.7x**	**13.9x**

Source: Cherry Tree Research, Pitchbook: 09/30/2026

TEBS 100

An Index of 100 Publicly-Traded Technology Enabled Business Services Companies

TEBS 100 Segment Operating Metrics

- The annual revenue growth of the TEBS 100 index outpaced the S&P 500 for the last 12 months, with both indices continuing to increase revenues despite the uncertain economic outlook
- Gross margins for the TEBS 100 remain much higher than the median S&P 500 company, allowing for greater operating leverage and potential for higher overall profitability
- However, EBITDA margins continue to lag in comparison to the S&P 500, which is likely due to reinvestment of profits to drive revenue growth

Revenue Growth			
	9/30/2024	9/30/2025	9/30/2026
SaaS / Software	11.8%	11.7%	9.8%
Information / Data	7.2%	8.5%	9.7%
Business Process Services	4.3%	6.4%	6.5%
Infrastructure Services	6.7%	9.5%	9.6%
TEBS 100	8.7%	9.4%	9.6%
S&P 500	5.2%	7.5%	8.1%

EBITDA Margin			
	9/30/2024	9/30/2025	9/30/2026
SaaS / Software	19.4%	21.6%	21.3%
Information / Data	32.8%	32.5%	32.4%
Business Process Services	18.5%	18.2%	18.2%
Infrastructure Services	21.3%	17.4%	17.0%
TEBS 100	22.0%	22.2%	22.0%
S&P 500	25.1%	25.5%	25.6%

Gross Margin			
	9/30/2024	9/30/2025	9/30/2026
SaaS / Software	73.5%	73.6%	73.5%
Information / Data	69.9%	70.0%	69.9%
Business Process Services	38.4%	38.5%	38.5%
Infrastructure Services	63.6%	63.8%	63.8%
TEBS 100	68.5%	68.2%	68.1%
S&P 500	44.6%	45.1%	44.9%

Source: Cherry Tree Research, Pitchbook: 09/30/2026

TEBS 100 SEGMENT PERFORMANCE

SaaS/Software
Information/Data
Business Process Services
Infrastructure Services

TEBS 100 Companies – SaaS/Software

Company	Enterprise Value	LTM Revenue	Gross Margin	EBITDA Margin	EV/ Revenue	EV/ EBITDA	Revenue Growth
8X8	$592	$745	63.3%	10.4%	0.8x	7.6x	4.0%
ACI Worldwide	$5,617	$1,820	49.1%	28.9%	3.1x	10.7x	7.0%
Adobe	$94,508	$25,970	89.3%	38.7%	3.6x	9.4x	12.0%
Amplitude	$1,599	$374	72.4%	-21.7%	4.3x	n/m	18.3%
AppFolio	$6,916	$1,041	63.5%	19.8%	6.6x	33.6x	20.4%
Appian	$2,654	$795	71.1%	6.5%	3.3x	n/m	20.9%
Asure Software	$274	$155	68.1%	20.1%	1.8x	8.7x	24.3%
Atlassian	$45,379	$6,572	84.8%	3.0%	6.9x	n/m	27.0%
Bill.com	$3,575	$1,653	80.9%	7.6%	2.2x	28.5x	13.0%
Blackbaud	$3,005	$1,148	59.6%	28.1%	2.6x	9.3x	0.7%
BlackLine	$1,729	$732	75.6%	12.4%	2.4x	19.1x	8.6%
CCC Intelligent Solutions	$5,160	$1,112	73.5%	30.0%	4.6x	15.5x	11.1%
Commvault Systems	$6,201	$1,216	81.1%	9.8%	5.1x	n/m	15.7%
Constellation Software	$46,907	$12,640	37.3%	24.1%	3.7x	15.4x	17.7%
Datadog	$94,625	$3,967	79.5%	2.4%	23.9x	n/m	31.5%
Descartes Systems Group	$6,551	$775	77.6%	42.8%	8.5x	19.8x	13.2%
Digi International	$2,983	$506	63.8%	23.4%	5.9x	25.2x	20.3%
Docusign	$11,956	$3,361	79.5%	15.6%	3.6x	22.8x	8.6%
Doximity	$4,373	$656	88.1%	33.0%	6.7x	20.2x	9.8%
Dynatrace	$15,737	$2,096	81.4%	14.2%	7.5x	n/m	17.9%
Enghouse Systems	$455	$344	62.8%	25.3%	1.3x	5.2x	-4.7%
EverCommerce	$1,917	$598	77.8%	25.2%	3.2x	12.7x	3.8%
Fiserv	$51,836	$20,866	56.2%	37.0%	2.5x	6.7x	-1.2%
Five9	$2,692	$1,204	54.9%	13.4%	2.2x	16.7x	8.9%
Fortinet	$127,586	$7,527	80.2%	35.3%	16.9x	n/m	18.8%
Gen Digital	$20,824	$5,079	78.0%	50.5%	4.1x	8.1x	20.2%
HealthStream	$856	$321	65.1%	21.8%	2.7x	12.2x	8.8%
HubSpot	$9,121	$3,449	83.2%	8.4%	2.6x	31.4x	21.1%
Intuit	$74,901	$21,448	80.2%	33.7%	3.5x	10.4x	13.9%
Jack Henry & Associates	$10,071	$2,544	43.7%	30.7%	4.0x	12.9x	7.1%
Manhattan Associates	$11,453	$1,126	55.8%	26.3%	10.2x	38.7x	6.5%
Microsoft	$3,788,737	$331,839	67.9%	60.5%	11.4x	18.9x	17.8%
nCino	$2,188	$622	62.2%	14.4%	3.5x	24.5x	8.6%
Okta	$34,311	$3,073	78.1%	10.4%	11.2x	n/m	11.2%
OpenText	$10,469	$5,246	73.7%	34.7%	2.0x	5.7x	1.5%
Oracle	$540,457	$71,777	64.0%	49.3%	7.5x	15.3x	21.6%
PagerDuty	$1,145	$495	84.8%	8.4%	2.3x	27.5x	2.3%
Paycom	$10,595	$2,141	83.7%	39.8%	4.9x	12.4x	9.2%
Pegasystems	$5,182	$1,736	75.6%	12.8%	3.0x	23.3x	3.6%
Q2 Holding	$3,391	$846	57.0%	16.4%	4.0x	24.5x	13.9%
Rapid7	$1,083	$856	69.3%	6.8%	1.3x	18.7x	0.1%
RingCentral	$7,491	$2,584	71.8%	17.1%	2.9x	16.9x	5.6%
Salesforce	$219,276	$43,938	77.3%	21.6%	5.0x	23.1x	11.2%
ServiceNow	$142,337	$14,732	74.8%	21.2%	9.7x	n/m	-0.3%
Shopify	$186,034	$13,269	47.8%	16.8%	14.0x	n/m	32.5%
SkillSoft	$537	$452	77.8%	24.0%	1.2x	4.9x	-4.0%
SPS Commerce	$2,801	$772	69.8%	23.8%	3.6x	15.2x	9.8%
SS&C Technologies Holdings	$25,497	$6,564	48.1%	35.4%	3.9x	11.0x	8.6%
Tecsys	$373	$142	52.0%	10.3%	2.6x	25.3x	9.5%
Teradata	$2,367	$1,691	60.8%	13.0%	1.4x	10.8x	1.0%
Tyler Technologies	$13,532	$2,430	47.2%	21.3%	5.6x	26.2x	8.2%
Upland Software	$338	$198	76.3%	26.1%	1.7x	6.5x	-21.5%
Veeva Systems	$39,126	$3,458	75.0%	39.6%	11.3x	28.6x	16.5%
Workday	$46,270	$10,155	75.8%	15.6%	4.6x	29.3x	13.3%
Workiva	$3,600	$966	80.2%	4.4%	3.7x	n/m	19.7%
25th Percentile	**$2,510**	**$759**	**62.5%**	**12.6%**	**2.6x**	**10.6x**	**6.1%**
Median	**$6,551**	**$1,691**	**73.5%**	**21.3%**	**3.7x**	**16.1x**	**9.8%**
75th Percentile	**$36,718**	**$5,163**	**78.8%**	**30.4%**	**6.3x**	**24.5x**	**17.9%**

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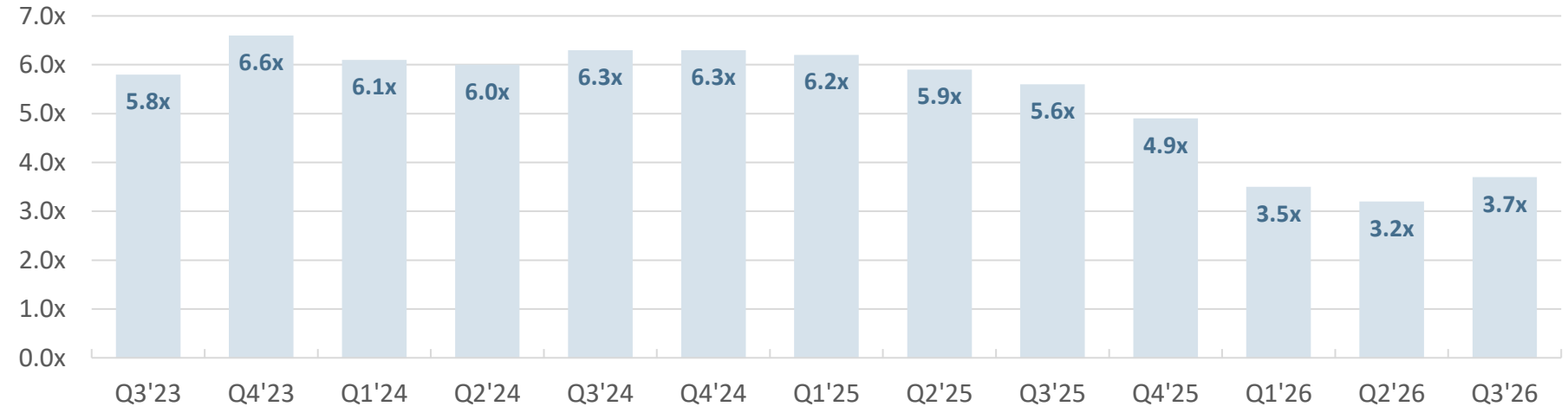
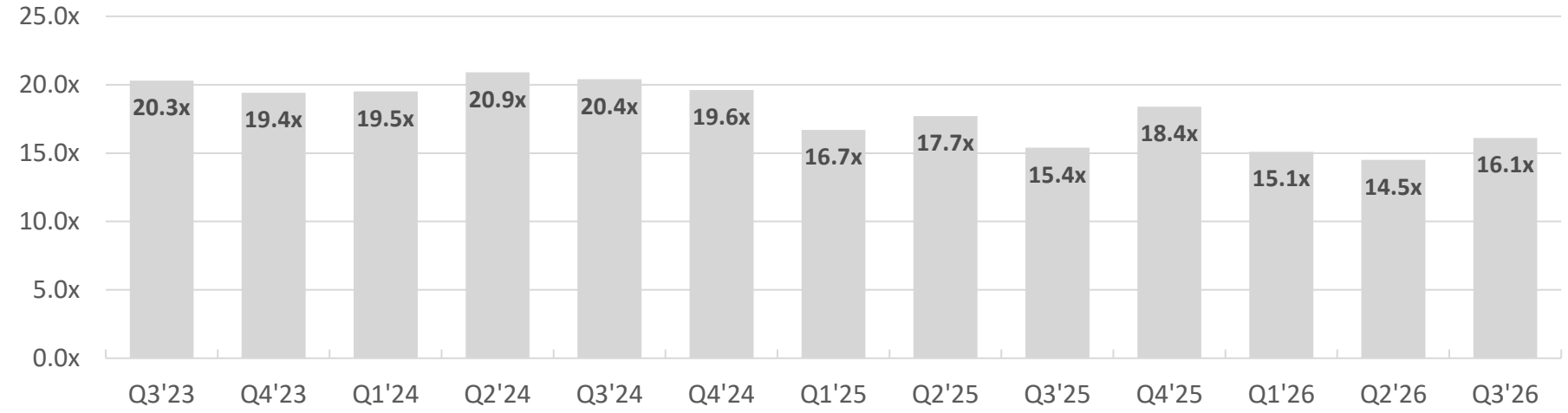
Source: Cherry Tree Research, Pitchbook: 09/30/2026
$ in millions

Segment Valuation – SaaS/Software

Enterprise Value / LTM Revenue



Enterprise Value / LTM EBITDA



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Source: Cherry Tree Research, Pitchbook: 09/30/2026

TEBS 100 Companies – Information/Data

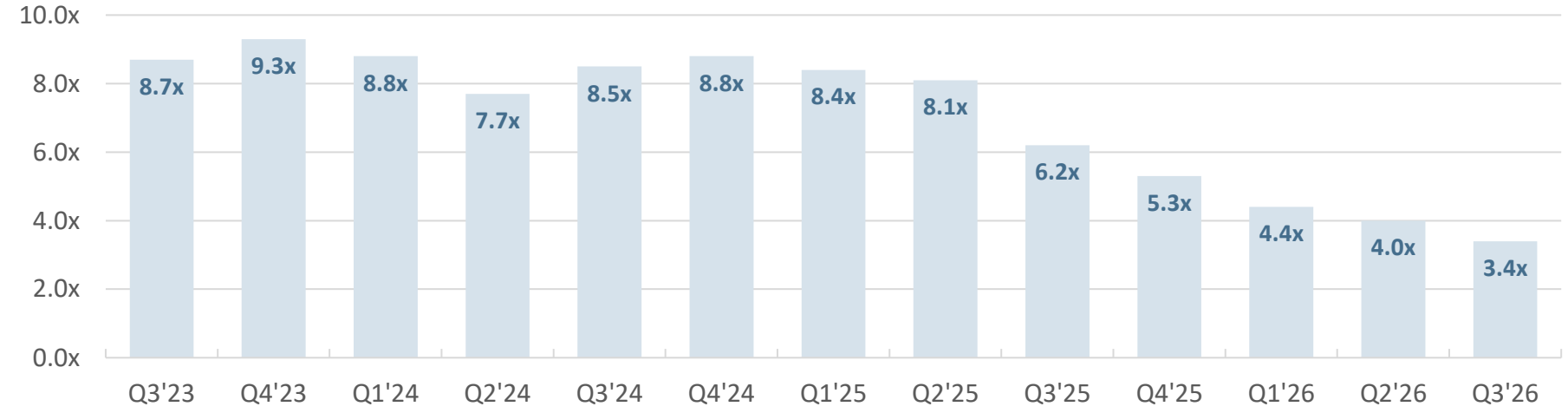
Company	Enterprise Value	LTM Revenue	Gross Margin	EBITDA Margin	EV/ Revenue	EV/ EBITDA	Revenue Growth
CoStar Group	$11,051	$3,556	78.7%	11.7%	3.1x	26.6x	22.0%
Equifax	$21,560	$6,445	55.5%	29.6%	3.3x	11.3x	10.3%
FactSet	$10,878	$2,438	51.4%	35.7%	4.5x	12.5x	6.6%
Fair Isaac	$18,146	$2,394	85.1%	53.2%	7.6x	14.3x	24.1%
First Advantage	$4,860	$1,663	45.2%	27.0%	2.9x	10.8x	32.9%
Forrester Research	$152	$381	57.0%	5.1%	0.4x	7.9x	-7.5%
Gartner	$13,524	$6,464	69.6%	23.3%	2.1x	9.0x	2.9%
Getty Images Holdings	$2,093	$978	72.4%	29.8%	2.1x	7.2x	4.6%
Moody's	$84,814	$8,160	n/m	52.4%	10.4x	19.8x	11.7%
Morningstar	$8,510	$2,567	62.2%	30.6%	3.3x	10.8x	9.3%
MSCI	$45,327	$3,334	83.0%	57.8%	13.6x	23.5x	11.6%
S&P Global	$132,917	$16,122	70.9%	49.2%	8.2x	16.8x	9.7%
Thomson Reuters	$44,892	$7,832	75.7%	39.3%	5.7x	14.6x	7.0%
TransUnion	$16,686	$4,896	58.7%	32.4%	3.4x	10.5x	12.4%
Verisk Analytics	$25,912	$3,136	70.2%	54.3%	8.3x	15.2x	5.0%
25th Percentile	**$9,694**	**$2,416**	**57.4%**	**28.3%**	**3.0x**	**10.7x**	**5.8%**
Median	**$16,686**	**$3,334**	**69.9%**	**32.4%**	**3.4x**	**12.5x**	**9.7%**
75th Percentile	**$35,402**	**$6,454**	**74.9%**	**50.8%**	**7.9x**	**16.0x**	**12.0%**

Cherry Tree & ASSOCIATES, LLC

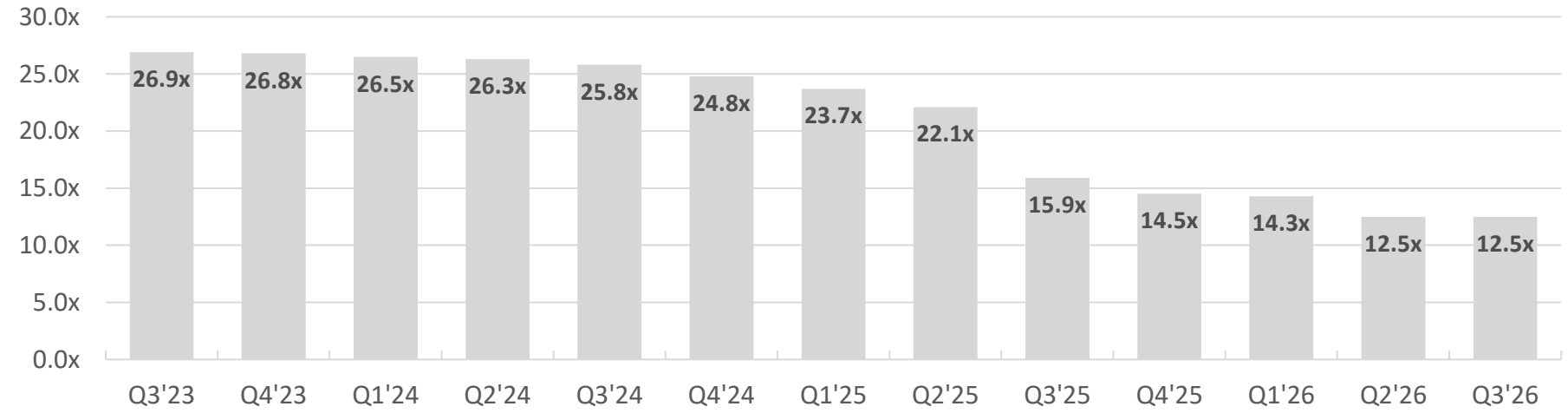
Source: Cherry Tree Research, Pitchbook: 09/30/2026
$ in millions

Segment Valuation – Information/Data

Enterprise Value / LTM Revenue



Enterprise Value / LTM EBITDA



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Source: Cherry Tree Research, Pitchbook: 09/30/2026

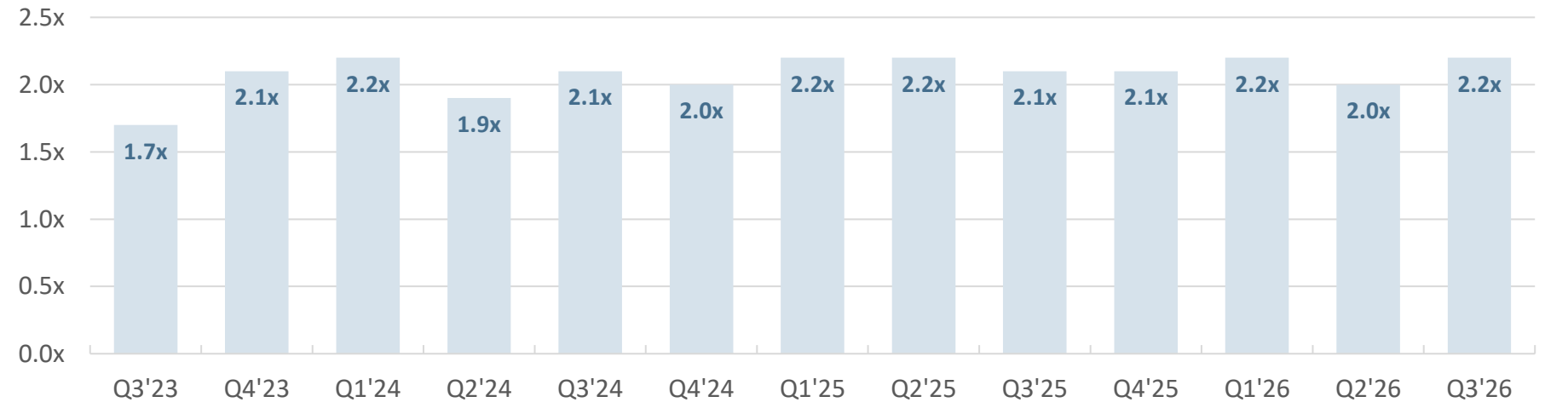
TEBS 100 Companies – Business Process Services

Company	Enterprise Value	LTM Revenue	Gross Margin	EBITDA Margin	EV/ Revenue	EV/ EBITDA	Revenue Growth
Amdocs	$6,892	$4,653	38.3%	22.2%	1.5x	6.7x	-24.1%
Automatic Data Processing	$103,297	$21,947	46.4%	29.4%	4.7x	16.0x	6.7%
Broadridge Financial Solutions	$21,303	$7,477	31.8%	22.2%	2.8x	12.8x	8.5%
Cimpress	$3,513	$3,737	46.3%	10.6%	0.9x	8.8x	9.8%
Claritev	$5,043	$995	67.3%	58.3%	5.1x	8.7x	6.3%
Conduent	$997	$2,655	18.9%	5.4%	0.4x	7.0x	-6.1%
ExlService Holdings	$5,417	$2,237	38.5%	17.7%	2.4x	13.7x	13.6%
Genpact	$6,363	$5,250	36.5%	17.5%	1.2x	6.9x	6.5%
Global Payments	$40,616	$10,231	63.9%	33.0%	4.0x	12.0x	32.5%
i3 Verticals	$485	$218	68.5%	18.2%	2.2x	12.2x	0.6%
Maximus	$4,460	$5,248	25.6%	12.9%	0.8x	6.6x	-3.3%
NRC Health	$555	$140	61.7%	19.0%	4.0x	20.9x	-0.2%
Paychex	$38,751	$6,603	74.4%	45.3%	5.9x	13.0x	13.7%
TaskUs	$1,084	$1,227	36.1%	17.8%	0.9x	5.0x	11.4%
TTEC Holdings	$922	$2,041	21.5%	8.8%	0.5x	5.1x	-4.8%
25th Percentile	**$1,040**	**$1,634**	**33.9%**	**15.2%**	**0.9x**	**6.8x**	**-1.8%**
Median	**$5,043**	**$3,737**	**38.5%**	**18.2%**	**2.2x**	**8.8x**	**6.5%**
75th Percentile	**$14,097**	**$5,926**	**62.8%**	**25.8%**	**4.0x**	**12.9x**	**10.6%**

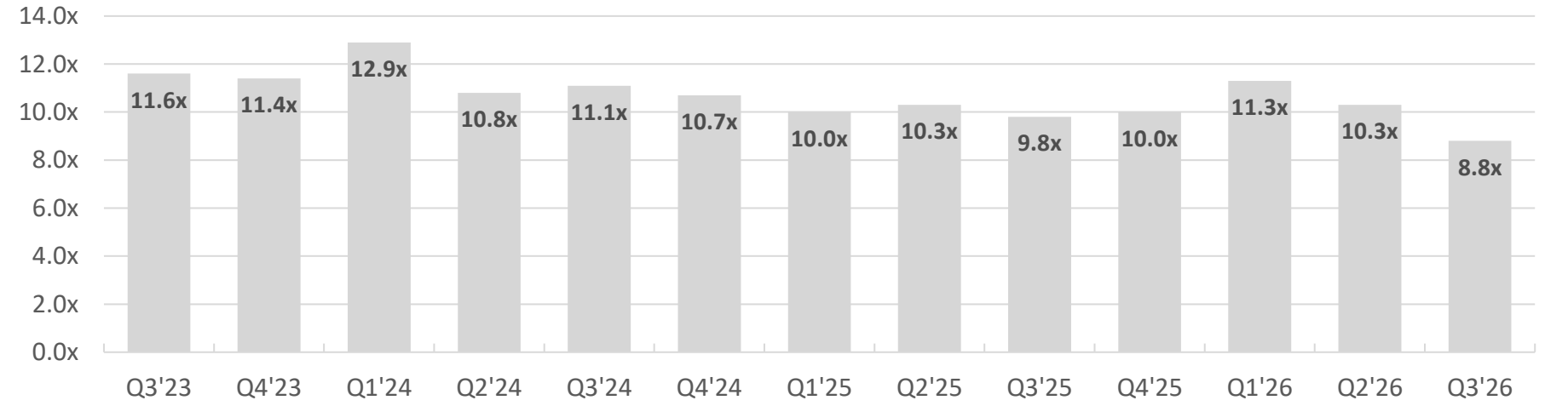
Source: Cherry Tree Research, Pitchbook: 09/30/2026
$ in millions

Segment Valuation – Business Process Services

Enterprise Value / LTM Revenue



Enterprise Value / LTM EBITDA



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Source: Cherry Tree Research, Pitchbook: 09/30/2026

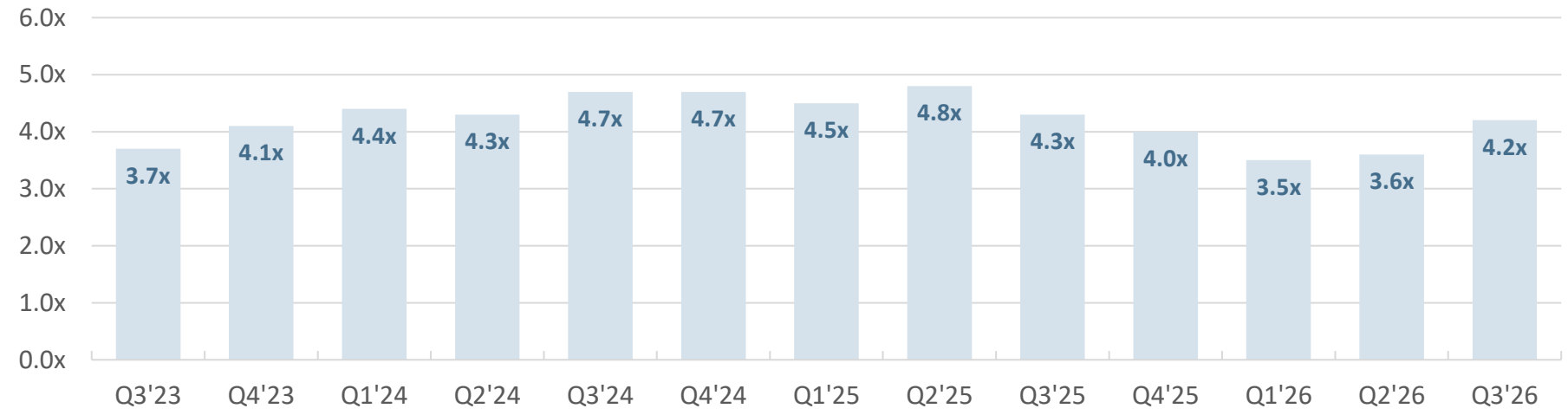
TEBS 100 Companies – Infrastructure Services

Company	Enterprise Value	LTM Revenue	Gross Margin	EBITDA Margin	EV/ Revenue	EV/ EBITDA	Revenue Growth
A10 Networks	$1,837	$310	79.4%	22.7%	5.9x	26.1x	12.2%
Akamai Technologies	$21,268	$4,323	57.5%	28.9%	4.9x	17.0x	5.9%
Box	$5,172	$1,234	79.5%	12.3%	4.2x	34.1x	9.6%
Cogent Communications Holdings	$2,851	$957	46.3%	17.0%	3.0x	17.5x	-4.5%
Equinix	$120,962	$9,805	51.5%	45.3%	12.3x	27.2x	9.6%
Everpure	$42,797	$4,262	69.7%	9.1%	10.0x	n/m	27.2%
Fastly	$4,150	$687	61.5%	-1.1%	6.0x	n/m	20.0%
F5	$23,856	$3,309	81.9%	29.1%	7.2x	24.7x	9.4%
GoDaddy	$14,782	$5,104	63.8%	27.1%	2.9x	10.7x	7.4%
Gogo	$1,109	$903	41.6%	19.8%	1.2x	6.2x	30.0%
Palo Alto Networks	$324,429	$11,480	70.4%	13.9%	28.3x	n/m	24.5%
Rackspace Technology	$4,110	$2,702	17.9%	9.1%	1.5x	16.6x	0.3%
Tucows	$626	$394	24.9%	10.6%	1.6x	15.0x	4.2%
Wix	$4,096	$2,134	66.6%	-9.8%	1.9x	n/m	14.2%
Zoom Communications	$19,296	$4,993	77.3%	32.3%	3.9x	12.0x	5.0%
25th Percentile	**$3,474**	**$930**	**48.9%**	**9.9%**	**2.4x**	**13.5x**	**5.5%**
Median	**$5,172**	**$2,702**	**63.8%**	**17.0%**	**4.2x**	**17.0x**	**9.6%**
75th Percentile	**$22,562**	**$4,658**	**73.8%**	**28.0%**	**6.6x**	**25.4x**	**17.1%**

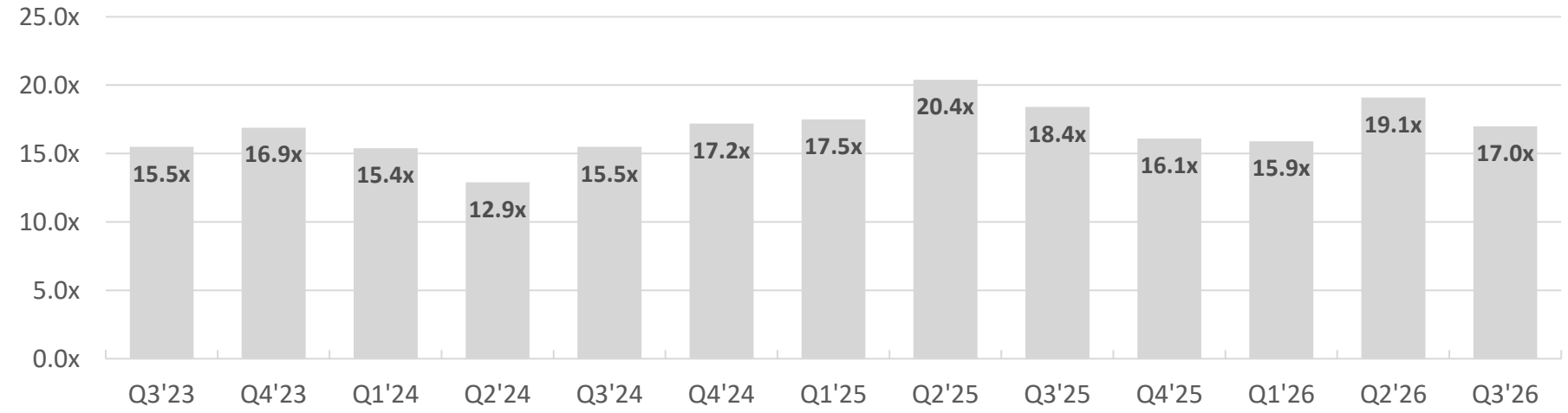
Source: Cherry Tree Research, Pitchbook: 09/30/2026
$ in millions

Segment Valuation – Infrastructure Services

Enterprise Value / LTM Revenue



Enterprise Value / LTM EBITDA



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Source: Cherry Tree Research, Pitchbook: 09/30/2026

ABOUT CHERRY TREE & ASSOCIATES

Cherry Tree & Associates Overview

Cherry Tree & Associates provides a broad array of M&A advisory services to owner-operators, private equity firms, corporations, management teams and public companies.

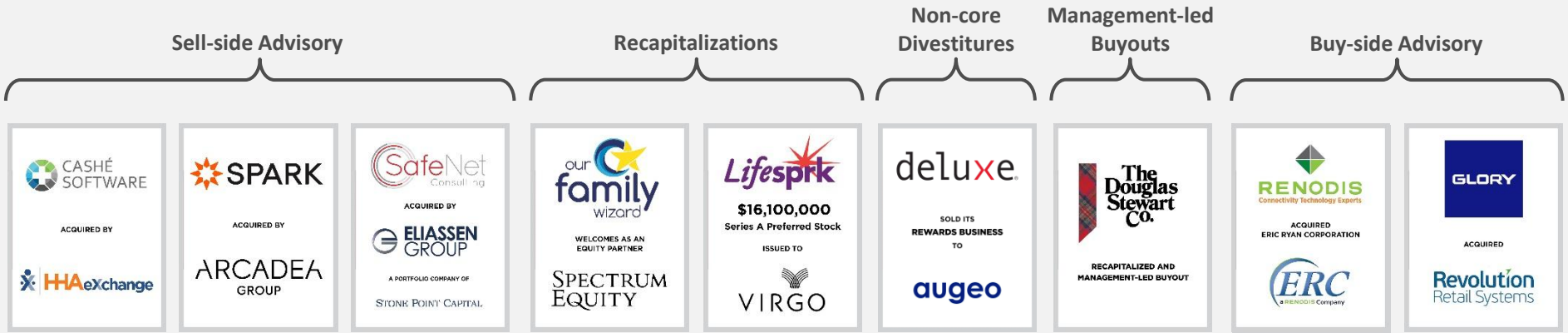
M&A Services

- Sell-side Advisory
- Recapitalizations
- Non-core Divestitures
- Management-led Buyouts
- Buy-side Advisory

Highlights

- Based on over 40 years of growing and advising hundreds of entrepreneurial companies
- Advisor or principal in more than 300 transactions
- Completed over $3 billion in transactions in the past 10 years
- Expertise in multiple industries
- Experience completing transactions globally
- Cherry Tree professionals have closed deals with leading private equity and venture capital firms
- 14 M&A professionals

RECENT M&A ENGAGEMENTS



TEBS Expertise

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- *Offer a solution, product or service that is delivered or enhanced via technology*
- *Generate revenue primarily from other businesses ("B2B")*
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Business Architecture	**BUSINESS PROCESS SERVICES** companies use technology and leverage economies of scale and network effects to provide outsourced capabilities for a customer's operations.
Application Architecture	**SaaS/Software** companies offer business SaaS/Software applications that focus on either a vertical market or a business domain.
Data Architecture	**Information/Data** companies create or aggregate information and process it for vertical markets or functional needs.
Technology Architecture	**Infrastructure Services** companies offer capacity and access to physical technology hardware and networks as an outsourced service.

SELECT TRANSACTIONS

Cherry Tree TEBS Team

Each of our senior investment bankers has many years of transaction experience as either an operating executive or private equity professional, in addition to deep investment banking experience.

Mik Gusenius
Managing Director

- Joined Cherry Tree & Associates in 2007
- More than 19 years of middle market investment banking experience
- Completed more than 50 M&A transactions totaling more than $1 billion of transaction value
- B.A., Economics, Gustavus Adolphus College
- M.B.A., University of Minnesota – Carlson School of Management

David Wetterstrom
Vice President

- Joined Cherry Tree & Associates in 2022
- Previous experience with Baker Tilly in the firm's audit practice
- B.S., Accounting & Finance, University of Minnesota, Twin Cities
- Certified Public Accountant (Inactive)

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