

ServiceNow Space...

... an Active M&A Market

ServiceNow M&A Market

- ServiceNow's global reach with local sales and support organizations and strong brand recognition dominates customer shortlists, and its ITSM tool revenue market share is almost triple that of the closest competitor
- ServiceNow's market cap has grown from \$8.5Bn to \$45.5Bn in the last five years
- ServiceNow's growth brought in a shortage of skilled IT experts and consultants to implement its software platform
- Large strategics found themselves under-resourced in ServiceNow capabilities and purchased the service providers that reached scale early – i.e. prices paid for *Fruition Partner* and *Cloud Sherpas* were in excess of 3.0x Revenue
- Most remaining ServiceNow implementers are sub-scale, which creates an opportunity for private equity to consolidate the market (i.e. *RLJ Equity Partners'* purchase of *Virteva* and *Crossfuzo*)
- Purchase multiples are still revenue-based at 1.5x – 2.0x with recurring service models being valued most highly

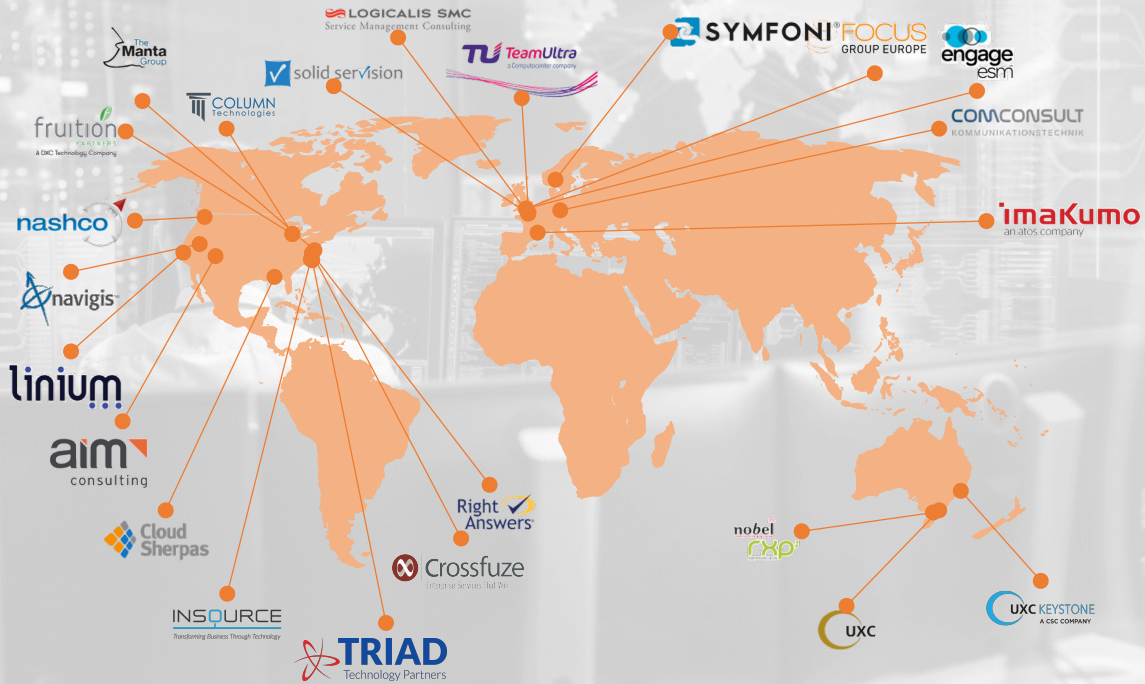


ServiceNow (NYSE: NOW) Market Capitalization (\$ in Billions)



*Strong Industry
Consolidation
Tailwinds in
The ServiceNow
Space*

*Select Target
Companies*



Key Statistics

66%

Reduction in monthly volume of service and incident requests

25%

Reduction in monthly volume of high-priority incidents

20%

Increase in overall capacity of IT team

\$4m

In reductions to infrastructure costs over three years

\$3m

In efficiency savings over three years

15min.

Reduction in time taken for employees to make a service request

ServiceNow Ecosystem

ServiceNow is a cloud computing company that licenses a ready-built IT Service Management (ITSM) platform for streamlining and automating IT services

- Used globally by over 4,400 enterprise customers, serving 42% of Global 2000 (G2K) companies
- ServiceNow's global reach with local sales and support organizations and strong brand recognition dominates customer shortlists, and its ITSM tool revenue market share is almost triple that of the closest competitor.
- ServiceNow has been improving its wider ITOM capabilities over the past few years, through the maturation of earlier acquisitions that complement its ITSM product (such as service dependency mapping for Configuration Management Database [CMDB])
- As a result of ServiceNow's dominant market position, its platform has helped build a strong partner ecosystem including professional services and integrations



Jonathan Wallace

Managing Director

30+ years investment banking

Lead banker on 50+ M&A deals with an aggregate value over \$2Bn

Lead banker on over 300 debt transactions, raising over \$6Bn

Focused on Tech, IT Services, Government Services



Nas Chobanov

Vice President

10+ years of investment banking experience

Focused on Tech, IT Services, A&D, Government Services