EQUIDEX ANALYTIX

Valuation Report

TargetCo. A
(NASDAQ : TRC)

Sample for illustrative purposes only

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Income Statement

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Assumption and Drivers

(All $ values are in millions USD)

Income Statement

	FY22	FY23	FY24	TTM	FY25E	FY26E	FY27E	FY28E	FY29E
	Dec 31, 2022	Dec 31, 2023	Dec 31, 2024	Sep 30, 2025					
Revenue	19.58	25.31	24.21	21.67	21.67	22.32	23.21	24.14	25.11
% Growth	2157.90%	29.31%	-4.37%	-14.21%	0.00%	3.00%	4.00%	4.00%	4.00%
Cost of Revenue	13.09	17.29	15.55	14.1	13.87	13.84	13.93	14	14.31
Gross Profit	6.49	8.03	8.66	7.57	7.8	8.48	9.28	10.14	10.8
Gross Margin %	33.15%	31.73%	35.77%	34.93%	36.00%	38.00%	40.00%	42.00%	43.00%
Operating Expenses:									
R&D	0.09	0.11	0.07	0.02	0.11	0.11	0.12	0.12	0.13
Selling, G&A	9.49	10.88	10.39	8.06	7.58	7.37	7.2	7	7.03
Total Operating Expenses	9.58	10.99	10.46	8.08	7.69	7.48	7.32	7.12	7.16
EBITDA	-2.32	-1.83	-0.59	0.65	0.11	1	1.96	3.02	3.64
EBITDA Margin %	-11.83%	-7.21%	-2.42%	3.02%	0.50%	4.50%	8.50%	12.50%	14.50%
Depreciation & Amortization	0.77	1.13	1.21	1.16	1.08	1.12	1.16	1.21	1.26
EBIT	-3.09	-2.96	-1.8	-0.51	-0.97	-0.12	0.8	1.81	2.38
EBIT Margin %	-15.76%	-11.69%	-7.42%	-2.33%	-4.50%	-0.50%	3.50%	7.50%	9.50%

Interest Expense	-0.09	-0.16	-0.13	-0.02	0.05	0.05	0.05	0.05	0.05
Pre-Tax Income	-14.4	-3.39	-3.82	-4.72	-1.02	-0.17	0.75	1.76	2.33
Taxes	-	-	-	-	-	-	0.19	0.44	0.58
Net Income	-14.4	-3.39	-3.82	-4.72	-1.02	-0.17	0.56	1.32	1.75
Net Margin %	-0.74	-0.13	-0.16	-0.22	-4.70%	-0.80%	2.40%	5.50%	7.00%

Balance Sheet

	FY22	FY23	FY24	TTM	FY25E	FY26E	FY27E	FY28E	FY29E
	Dec 31, 2022	Dec 31, 2023	Dec 31, 2024	Sep 30, 2025					
Cash	3.41	3.1	2.82	4.01	4.29	5.22	6.77	9	11.58
Accounts Receivable	5.63	4.3	3.37	3.5	4.33	4.46	4.64	4.83	5.02
Inventory	0.08	0.04	0.04	0.03	0.03	0.03	0.03	0.03	0.03
Total Current Assets	9.46	7.69	6.36	7.87	8.65	9.71	11.44	13.86	16.63
PP&E	0.76	0.71	0.35	0.15	-0.28	-0.73	-1.19	-1.68	-2.19
Intangible Assets	6.41	6.75	5.26	2.32	1.16	0	0	0	0
Goodwill	3.99	5.38	3.99	2.93	2.93	2.93	2.93	2.93	2.93
Other Non-Current Assets	11.29	13.02	9.71	5.39	5.39	5.39	5.39	5.39	5.39
Total Assets	20.75	20.71	16.07	13.26	17.85	17.3	18.57	20.5	22.76
Accounts Payable	3.91	3.31	2.97	0.98	2.08	2.08	2.09	2.1	2.15
Accrued Expenses	0.9	0.99	0.66	0.35	0.35	0.35	0.35	0.35	0.35
Deferred Revenue	0.13	0.17	0.11	-	0	0	0	0	0
Current Portion of Debt	0.5	0.5	0.5	0.75	0	0	0	0	0
Total Current Liabilities	5.43	5.14	4.24	2.13	2.43	2.43	2.44	2.45	2.5

Long-Term Debt	1.38	1.98	1.48	-	0	0	0	0	0
Other Long-Term Liabilities	-	0.75	-	-	0	0	0	0	0
Total Liabilities	7.17	8.17	5.85	2.16	2.43	2.43	2.43	2.43	2.43
Common Stock	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Additional Paid-In Capital	92.99	95.03	96.34	101.48	101.48	101.48	101.48	101.48	101.48
Retained Earnings	-78.46	-81.85	-85.67	-89.89	-90.91	-91.08	-90.52	-89.2	-87.45
Treasury Stock	-0.95	-0.66	-0.48	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5
Total Equity	13.59	12.53	10.21	11.1	10.08	9.91	10.47	11.79	13.54
Total Liabilities & Equity	20.76	20.7	16.06	13.26	12.51	12.34	12.91	14.24	16.04

Cashflow Statement

	FY22	FY23	FY24	TTM	FY25E	FY26E	FY27E	FY28E	FY29E
	Dec 31, 2022	Dec 31, 2023	Dec 31, 2024	Sep 30, 2025					
Net Income	-14.4	-3.39	-3.82	-4.72	-1.02	-0.17	0.56	1.32	1.75
Add: Depreciation & Amortization	0.77	1.13	1.21	1.16	1.08	1.12	1.16	1.21	1.26
Add: Stock-Based Compensation	1.47	1.68	1.56	1.06	0.87	0.78	0.7	0.6	0.5
Change in Accounts Receivable	-4.54	1.2	0.82	0.38	0	-0.13	-0.18	-0.19	-0.19
Change in Inventory	-0.03	-0.06	-	0	0	0	0	0	0
Change in Accounts Payable	3.62	-0.53	-0.63	-0.7	0	0	0.01	0.01	0.01
Change in Other Working Capital	-1.02	0.62	0.3	-0.47	0	0	0	0	0
Cash Flow from Operations	-2.55	0.24	0.87	1.12	0.93	1.6	2.25	2.95	3.33
Capital Expenditures	-	-0.04	-0.01	-0.01	-0.65	-0.67	-0.7	-0.72	-0.75
Acquisitions	-7.5	-0.36	-	-	0	0	0	0	0

Cash Flow from Investing	-7.88	-1.2	-0.58	-2.79	-0.65	-0.67	-0.7	-0.72	-0.75
Debt Issued / (Repaid)	-1.88	-2.3	-0.5	-1	0	0	0	0	0
Equity Issued	4.63	0.08	0.02	4.35	0	0	0	0	0
Share Buybacks	-0.33	-0.05	-0.14	-0.36	0	0	0	0	0
Cash Flow from Financing	4.42	0.63	-0.62	3.02	0	0	0	0	0
Net Change in Cash	-6.01	-0.33	-0.33	1.35	0.28	0.93	1.55	2.23	2.58
Beginning Cash	3.41	3.1	3.82	4.01	4.01	4.29	5.22	6.77	9
Ending Cash	3.1	3.82	4.01	4.01	4.29	5.22	6.77	9	11.58

Assumption and Drivers

Operating Drivers:	FY25E	FY26E	FY27E	FY28E	FY29E
Revenue	21.67	22.32	23.21	24.14	25.11
Revenue Growth %	0.00%	3.00%	4.00%	4.00%	4.00%
Margin Drivers:					
Gross Margin %	36.00%	38.00%	40.00%	42.00%	43.00%
R&D %Revenue	0.50%	0.50%	0.50%	0.50%	0.50%
S,G&A %Revenue	35.00%	33.00%	31.00%	29.00%	28.00%
SBC %Revenue	4.00%	3.50%	3.00%	2.50%	2.00%
Tax Rate %	0.00%	0.00%	25.00%	25.00%	25.00%
D&A %Revenue	5.00%	5.00%	5.00%	5.00%	5.00%
Capex %Revenue	5.00%	5.00%	5.00%	5.00%	5.00%
NWC %Revenue	5.00%	5.00%	5.00%	5.00%	5.00%

Financial Drivers:					
Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%
Mandatory Debt Amortization	100.00%	0.00%	0.00%	0.00%	0.00%
Share Count Assumptions:					
Equity Issuance %	0.00%	0.00%	0.00%	0.00%	0.00%
SBC Dilution %	2.00%	2.00%	1.50%	1.50%	1.00%
Capital Structure Summary:					
Current Cash	4.01				
Total Debt	0.83				
Net Debt	-3.18				
Current Share Price	0.945				
Shares Outstanding	12.44				

DISCOUNTED CASH FLOW ANALYSIS (DCF)

(All $ values are in millions USD)

Discounted Cash Flow Analysis (DCF)

Operating Scenarios	FY2022	FY2023	FY2024	TTM (Sept,30 2025)	CAGR	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Sales	$19.58	$25.31	$24.21	$21.67	2.6	21.67	22.32	23.2	24.14	25.11
% Growth	2157.90%	29.31%	-4.37%	-14.21%		0.00%	3.00%	4.00%	4.00%	4.00%
EBITDA	-$2.32	-$1.83	-$0.59	$0.65		0.11	1	1.97	3.02	3.64
% Margin	-11.83%	-7.21%	-2.42%	3.02%		0.50%	4.50%	8.50%	12.50%	14.50%
Depreciation & Amortization	0.77	1.13	1.21	1.16		1.08	1.12	1.16	1.21	1.26
EBIT	-$3.09	-$2.96	-$1.80	-$0.51		-0.97	-0.12	0.81	1.81	2.38
% Margin	-15.76%	-11.69%	-7.42%	-2.33%		-4.50%	-0.50%	3.50%	7.50%	9.50%
Taxes	$0.00	$0.00	$0.00	$0.00		$0.00	$0.00	$0.20	$0.45	$0.60
EBIAT	-$3.09	-$2.96	-$1.80	-$0.51		-0.97	-0.12	0.61	1.36	1.79
+ Depreciation & Amortization	0.77	1.13	1.21	1.16		1.08	1.12	1.16	1.21	1.26
- Capital Expenditure	-	-$0.04	-$0.01	-$0.01		-1.08	-1.12	-1.16	-1.21	-1.26
- Change in Net Working Capital	$1.79	-$0.77	-$0.59	$2.11		0	-0.03	-0.04	-0.05	-0.05
Unlevered Free Cash Flow	-$1.05	$1.20	$1.28	-$1.32		0.11	0.03	0.57	1.31	1.74
WACC	—	—	—	—	—	12.00%	12.00%	12.00%	12.00%	12.00%
Discount Period	—	—	—	—	—	1	2	3	4	5
Discount Factor	—	—	—	—	—	0.893	0.797	0.712	0.636	0.567
Present Value of FCF	—	—	—	—	—	0.1	0.02	0.41	0.83	0.99

Enterprise Value Calculation	
Cumulative PV of FCF (2026–2030):	$2.35
Terminal Year EBITDA (2030E):	3.64
Exit Multiple:	7
Terminal Value (undiscounted):	25.48
Discount Factor (2030):	0.567
Present Value of Terminal Value:	14.45
% of Enterprise Value from Terminal Value:	86.00%
Total Enterprise Value:	$16.80

Implied Equity Value and Share Price	
Enterprise Value:	$16.80
Less: Net Debt:	-3.17
Equity Value:	19.97
Shares Outstanding:	12.44
Implied Share Price:	1.61

Metric	Exit Multiple Method	Perpetuity Growth Method
Terminal Value	25.48	18.78
Discount Factor	0.567	0.567
Present Value of Terminal Value	14.45	10.65
Enterprise Value (EV)	16.8	13
% of EV from Terminal Value	86.00%	81.90%
Suitability	Primary	Cross Check

Perpetuity Growth Terminal Value Analysis	
Metric	**Value**
Terminal Year FCF (2030E)	$1.74
WACC	12.00%
Implied Perpetuity Growth Rate	3.00%
Terminal Value ($M)	$18.78

Implied Valuation Multiples	
Metric	**Value**
Enterprise Value (EV)	$16.80
2030E EBITDA	$3.64
Implied EV/EBITDA	4.61
Exit EV/EBITDA Multiple	7

EV/EBITDA Multiples Comparison

Metrics	Value	Metric	Value / Assumption
		Terminal Year FCF (2030E)	$1.74
Terminal Year EBITDA (2030E)	3.64	Perpetuity Growth Rate (g)	3.00%
Exit EV/EBITDA Multiple	7	WACC	12.00%
Terminal Value (Exit Multiple)	25.48	Terminal Value (Perpetuity Method)	$18.78
Enterprise Value (from DCF)	$16.80	PV of Terminal Value (Perpetuity)	$10.65
Implied EV/EBITDA Multiple	4.61	Enterprise Value (DCF – Perpetuity Method)	$13.00
		Equity Value (Perpetuity)	$16.17
Metric	**Value / Assumption**	Implied Share Price (Perpetuity Method)	$1.30
Cumulative PV of FCF (2026–2030)	$2.35		
PV of Terminal Value (Exit Multiple)	14		
Enterprise Value (EV)	$16.80		
Net Debt (Cash Surplus)	-$3.17		
Equity Value	$19.97		
Shares Outstanding (M)	$12.44		
Implied Share Price (Exit Multiple Method)	$1.61		
Current Market Price	$15.09		
Implied Upside / (Downside)	-89.40%		

SENSITIVITY ANALYSIS

Perpetuity Growth Rate	TV (Perpetuity Method) USD M	Exit EV/EBITDA Multiple	Terminal Value ($M)	PV of Terminal Value ($M)	Enterprise Value ($M)	Implied EV/EBITDA
1.0%	15.98	4	14.6	8.3	10.6	2.91
2.0%	17.75	5	18.2	10.3	12.7	3.48
3.0%	19.91	6	21.8	12.4	14.7	4.05
4.0%	22.62	7	25.5	14.4	16.8	4.61
5.0%	26.1	8	29.1	16.5	18.9	5.18
6.0%	30.74	9	32.8	18.6	20.9	5.75
7.0%	37.24	10	36.4	20.7	23	6.32

Sensitivity Analysis using Perpetuity Growth Method

Terminal Value (Undiscounted)

Perpetuity Growth Rate ↓	WACC → 9.00%	10.00%	11.00%	12.00%	13.00%	14.00%	15.00%
1.00%	22	19.48	17.47	15.98	14.7	13.66	12.76
2.00%	25.62	22.19	19.48	17.75	16	14.77	13.68
3.00%	30.56	25.91	22.62	18.78	17.2	15.51	14.18
4.00%	37.7	30.16	25.86	22.62	19.82	17.68	15.98
5.00%	48.72	36.55	30.45	26.1	22.81	20.26	18.26
6.00%	67.86	46.11	37.68	30.74	26.33	23.2	20.82
7.00%	107.59	62.09	48.98	37.24	31.54	27.67	24.83

Present Value of Terminal Value							
Perpetuity Growth Rate ↓	**WACC →** **9.00%**	**10.00%**	**11.00%**	**12.00%**	**13.00%**	**14.00%**	**15.00%**
1.00%	14.3	12.1	10.36	9.06	7.99	7.09	6.34
2.00%	16.65	13.78	11.55	10.07	8.69	7.66	6.8
3.00%	19.86	16.08	13.41	10.65	9.34	8.05	7.05
4.00%	24.51	18.73	15.34	12.83	10.76	9.18	7.95
5.00%	31.67	22.69	18.06	14.8	12.39	10.51	9.07
6.00%	44.11	28.63	22.35	17.42	14.29	12.03	10.35
7.00%	69.93	38.58	29.05	21.12	17.13	14.36	12.34

Sensitivity Analysis using Exit Multiple Method - Enterprise Value

Exit Multiple ↓	WACC → 9.00%	10.00%	11.00%	12.00%	13.00%	14.00%	15.00%
4	12.04	11.55	11.05	10.61	10.17	9.78	9.4
5	14.41	13.81	13.21	12.68	12.15	11.66	11.19
6	16.78	16.07	15.37	14.74	14.12	13.55	12.99
7	19.15	18.33	17.53	16.8	16.09	15.43	14.78
8	21.52	20.59	19.69	18.87	18.06	17.31	16.58
9	23.89	22.85	21.85	20.93	20.03	19.2	18.38
10	26.26	25.11	24.01	23	22	21.08	20.18

COMPARABLE COMPANY ANALYSIS

(All $ values are in millions USD)

Comparable Company Analysis

Company	Ticker	Stock Exch	Share Price	% of 52-wk High	Market Cap	Enterprise Value	LTM Sales	2022A Sales	2023A Sales	2024A Sales	LTM EBITDA	2022A EBITDA	2023A EBITDA	2024A EBITDA	LTM EBIT	2022A EBIT	2023A EBIT	2024A EBIT	LTM EBITDA Margin	Total Debt/EBITDA	LTM EPS	2022A EPS	2023A EPS	2024A EPS
TargetCo	TRC	NASDAQ	$0.95	2.44%	$11.86	$21.67	$21.67	$19.58	$25.31	$24.21	$0.65	-$2.32	-$1.83	-$0.59	-$0.51	-$3.09	-$2.96	-$1.80	3.02%	$1.28	-$0.40	-$1.70	-$0.35	-$0.37
Peer 1	PE1	NASDAQ	$3.15	-12.74%	$74.83	-$49.24	$22.02	$112.92	$43.45	$26.63	-$20.23	$2.10	-$12.04	-$25.44	-$22.44	-$0.13	-$13.35	-$27.42	-91.91%	-$0.07	-$0.65	-$0.07	-$0.29	$3.14
Peer 2	PE2	NASDAQ	$2.54	-4.51%	$13.32	$11.28	$3.73	$5.39	$4.56	$3.08	-$6.65	-$11.84	-$7.63	-$9.17	-$6.81	-$12.08	-$7.86	-$9.34	-178.35%	-$0.50	-$5.05	-$38.32	-$16.07	-$11.36
Peer 3	PE3	NASDAQ	$1.66	-66.87%	$25.17	$20.27	$1.83	$0.53	$0.19	$0.89	-$18.88	-$21.11	-$10.73	-$14.67	-$18.78	-$21.17	-$10.75	-$14.68	0.00%	$0.00	-$1.52	-$7.90	-$3.15	-$1.40
Peer 4	PE4	NASDAQ	$11.04	-33.49%	$419.82	$355.46	$243.18	$219.01	$235.11	$243.18	$58.52	-$6.74	-$5.08	$59.21	$48.45	-$13.81	-$11.56	$50.85	24.06%	$0.10	$1.91	-$0.36	-$0.74	$1.49
Peer 5	PE5	NASDAQ	$2.32	-24.43%	$73.93	$61.67	$49.20	$32.93	$37.70	$44.62	$4.72	-$1.61	$0.29	$0.07	$3.46	-$1.63	$0.24	$2.40	9.60%	$2.60	$0.12	-$0.06	$0.02	-$0.13
Peer 6	PE6	NYSE	$4.82	24.23%	$47.67	$41.14	$145.93	$94.10	$106.03	$142.57	$0.49	-$0.82	-$0.14	$1.39	-$2.30	-$3.36	-$3.51	-$1.88	0.34%	$10.02	-$0.24	-$2.70	-$0.46	-$0.21
Mean							77.65	77.48	71.17	76.83	2.995	-6.67	-5.89	1.9	0.26	-8.7	-7.8	-0.01	-39.38%	2.02	-0.91	-8.24	-3.45	-1.41
Median							35.61	63.515	40.58	35.625	-3.08	-4.175	-6.36	-4.55	-4.56	-7.72	-9.305	-5.61	0.17%	0.05	-0.45	-1.53	-0.6	-0.17

Company	EV/LTM Sales	EV/2022A Sales	EV/2023A Sales	EV/2024A Sales	EV/LTM EBITDA	EV/2022A EBITDA	EV/2023A EBITDA	EV/2024A EBITDA	EV/LTM EBIT	EV/2022A EBIT	EV/2023A EBIT	EV/2024A EBIT
Target co	1	1.11	0.86	0.9	33.34	-9.34	-11.84	-36.73	-42.49	-7.01	-7.32	-12.04
Peer 1	-2.24	-0.44	-1.13	-1.85	2.43	-23.45	4.09	1.94	2.19	378.77	3.69	1.8
Peer 2	3.02	2.09	2.47	3.66	-1.7	-0.95	-1.48	-1.23	-1.66	-0.93	-1.44	-1.21
Peer 3	11.08	38.25	106.68	22.78	-1.07	-0.96	-1.89	-1.38	-1.08	-0.96	-1.89	-1.38
Peer 4	1.46	1.62	1.51	1.46	6.07	-52.74	-69.97	6	7.34	-25.74	-30.75	6.99
Peer 5	1.25	1.87	1.64	1.38	13.07	-38.3	212.66	881	17.82	-37.83	256.96	25.7
Peer 6	0.28	0.44	0.39	0.29	83.96	-50.17	-293.86	29.6	-17.89	-12.24	-11.72	-21.88
Mean	2.48	7.31	18.59	4.62	17.13	-27.76	-25.08	152.65	1.12	50.18	35.81	1.67
Median	1.36	1.75	1.57	1.42	4.25	-30.88	-1.68	3.97	0.56	-6.6	-1.66	0.29

PRECEDENT TRANSACTION ANALYSIS

(All $ values are in millions USD)

Precedent Transaction Analysis

Target	Acquirer	Year	Deal Value ($M)	Revenue ($M)	EBITDA ($M)	EV/Revenue	EV/EBITDA	Deal Type
Target 1	Acquirer 1	2023	2300	400	40	5.75x	57.5x	PE
Target 2	Acquirer 1	2022	2800	311	52	9.00x	53.8x	PE
Target 3	Acquirer 2	2021	6500	200	(NM)	32.5x	NM	Strategic
Target 4	Acquirer 3	2020	250	80	10	3.13x	25.0x	PE
Target 5	Acquirer 4	2023	2200	800	200	2.75x	11.0x	Strategic
Target 6	Acquirer 1	2022	6900	441	43	15.6x	160.5x	PE
Target 7	Acquirer 5	2022	110	20	(NM)	5.5x	NM	Strategic
Target 8	Acquirer 6	2024	10	6	(NM)	1.7x	NM	Strategic
Target 9	Acquirer 7	2022	3300	800	150	4.1x	22.0x	PE
Target 10	Acquirer 8	2007	1000	550	90	1.8x	11.1x	Strategic
Target 11	Acquirer 8	2019	75	30	6	2.5x	12.5x	Strategic
Target 12	Acquirer 9	2020	30	10	2	3.0x	15.0x	Strategic

Adjusted PTA (Exclude Extreme SaaS Outliers)

Target	Deal Value ($M)	Revenue ($M)	EBITDA ($M)	EV/Revenue	EV/EBITDA
Target 7	110	20	(NM)	5.5x	NM
Target 8	10	6	(NM)	1.7x	NM
Target 9	3300	800	150	4.1x	22.0x
Target 10	1000	550	90	1.8x	11.1x
Target 12	30	10	2	3.0x	15.0x

Revenue-Based Valuation

Multiple	Implied EV ($M)
1.0x	21.7
1.5x	32.6
2.0x	43.4

PTA Multiple Statistics (Adjusted Set)

Metric	EV/Revenue	EV/EBITDA
Minimum	1.7x	11.1x
Median	3.0x	15.0x
Mean	3.22x	16.0x
Maximum	5.5x	22.0x

EBITDA-Based Valuation

Multiple	Implied EV ($M)
6.0x	21.8
7.0x	25.5
8.0x	29.1
9.0x	32.8
10.0x	36.4

Implied Valuation for TargetCo

Using:	
Revenue	21.7
Forward EBITDA	3.64

For a micro-cap tuck-in:

Realistic sell-side valuation range:

$18m – $28m EV

Target	Year	Sector Focus	Strategic Rationale	Scale vs TargetCo	Revenue Multiple Context	EBITDA Multiple Context	Relevance to TargetCo
Target 3	2021	Identity SaaS	Expanded acquirer's customer identity platform; strengthened developer ecosystem & API-based authentication	Much larger / high-growth SaaS	32.5x (growth-driven, SaaS premium)	NM (loss-making)	Low – SaaS identity, not industrial authentication
Target 5	2023	Digital Identity & Security	Carve-out of enterprise identity & access management platform	Significantly larger	2.75x–4.1x (scaled carve-out)	~11x–22x	Moderate – Identity adjacency but not labeling-based
Target 7	2022	Digital Product Identity / Traceability	Added cloud-based item-level digital product identity layer	Similar revenue scale (~$20m)	5.5x (SaaS-leaning multiple)	NM	Moderate–High – Direct product identity overlap
Target 8	2024	Physical Authentication / Brand Protection	Expanded nano-optic authentication & anti-counterfeit capability	Smaller	~1.7x	NM	High – Industrial authentication adjacency
Target 10	2007	Coding / Serialization / Industrial Marking	Strengthened coding & marking footprint within industrial packaging	Larger industrial platform	~1.8x	~11.1x	Very High – Direct serialization & labeling adjacency
Target 11	2019	Industrial Input / Digital Interface Tech	Added digital hardware interface to industrial portfolio	Smaller	~2.5x	~12.5x	Moderate – Industrial tech tuck-in logic comparable
Target 12	2020	RFID & Authentication	Expanded RFID authentication & IoT capability	Smaller	~3.0x	~15.0x	Very High – RFID + authentication crossover

Target	Year	Sector Focus	Strategic / Investment Rationale	Scale vs TargetCo	Revenue Multiple Context	EBITDA Multiple Context	Relevance to TargetCo
Target 1	2023	Identity & Access Management (IAM)	Take-private to optimise margins and reposition identity SaaS platform	Significantly larger (~$400m revenue)	~5.8x	~57.5x (margin suppressed / SaaS valuation distortion)	Low – Scaled enterprise SaaS
Target 2	2022	Enterprise Identity & Authentication SaaS	Take-private to consolidate identity software exposure	Significantly larger (~$300m revenue)	~9.0x	~53.8x	Low – Growth SaaS premium
Target 4	2020	Identity & Access Management	PE platform investment to scale enterprise authentication capability	Larger	~3.1x	~25.0x	Moderate – Identity authentication adjacency
Target 6	2022	Enterprise Identity Governance	Take-private for operational optimisation and recurring SaaS growth	Much larger (~$441m revenue)	~15.6x	~160.5x	Very Low – High-growth SaaS outlier
Target 9	2022	Digital Identity & Secure Solutions	Carve-out of identity & security unit to streamline operations	Significantly larger (~$800m revenue)	~4.1x	~22.0x	Moderate – Identity adjacency but scaled platform

Strategic Acquisitions – Benchmark & Consolidation Context

Target	Acquirer	Year	Valuation Benchmark	Implied Positioning	Consolidation Signal	Strategic Implication for TargetCo
Target 3	Acquirer 2	2021	~32.5x Revenue	Hyper-growth identity SaaS premium	Identity platforms consolidating developer-first auth layers	Not directly comparable; shows ceiling for identity software assets
Target 5	Acquirer 4	2023	~4.1x Revenue / ~22x EBITDA	Scaled carve-out identity platform	Large identity players being separated & optimised	Demonstrates investor appetite for authentication assets at scale
Target 7	Acquirer 5	2022	~5.5x Revenue	SaaS-leaning digital product identity	Physical-to-digital product authentication convergence	Closest strategic SaaS adjacency; higher multiple reflects cloud component
Target 8	Acquirer 6	2024	~1.7x Revenue	Physical authentication / security printing	Brand protection players adding layered security tech	Highly relevant industrial authentication precedent
Target 10	Acquirer 8	2007	~1.8x Revenue / ~11x EBITDA	Industrial coding & marking platform	Packaging & serialization consolidation wave	Strong industrial adjacency benchmark
Target 11	Acquirer 8	2019	~2.5x Revenue / ~12.5x EBITDA	Industrial tech bolt-on	Hardware platforms expanding software/tech stack	Illustrates tuck-in valuation logic in industrial tech
Target 12	Acquirer 9	2020	~3.0x Revenue / ~15x EBITDA	RFID authentication add-on	RFID players vertically integrating authentication	Very relevant RFID-authentication crossover benchmark

TargetCo Strategic Fit – Buyer Mapping Table

Potential Buyers	Category	Strategic Fit Summary	Synergy Type	Fit Strength
Buyer1	Industrial Labeling	Authentication enhances RFID and smart labeling portfolio; enables bundled brand protection solutions	Cross-sell + Product depth	Very High
Buyer2	RFID / Enterprise Tracking	Adds verification layer to asset tracking and supply chain visibility solutions	Product integration + Data layer expansion	High
Buyer3	Coding & Serialization	Embeds authentication within coding & marking compliance workflows	Vertical integration	Very High
Buyer4	Specialty Labeling	Enhances security labeling and anti-counterfeit positioning	Portfolio enhancement	High
Buyer5	Brand Protection	Direct overlap in product authentication and traceability	Technology consolidation	Very High
Buyer6	Digital Identity	Extends digital identity capability into physical product authentication	Platform extension	Moderate
Buyer7	Identity SaaS	Physical product verification complements digital fraud prevention	Capability adjacency	Moderate
Buyer8	Lower Middle Market PE	EBITDA inflection + bolt-on platform potential	Margin expansion + Strategic exit	High
Buyer9	Tech-Enabled Services PE	Authentication platform could serve as add-on to existing portfolio	Platform consolidation	Moderate

Strategic PTA – Strategic Fit Analysis

Target	Acquirer	Year	Strategic Fit Summary	Type of Integration	Why the Multiple Cleared
Target 3	Acquirer 2	2021	Auth0 expanded Okta’s customer identity platform into developer-centric, API-first authentication, strengthening cloud-native identity positioning	Horizontal platform expansion	High-growth SaaS with strong recurring revenue and strategic platform synergy justified premium (~32.5x revenue)
Target 5	Acquirer 4	2023	Carve-out of identity and access management division to create focused identity security platform under PE ownership	Carve-out optimisation	Scaled enterprise identity platform with recurring revenue profile supported mid-single digit revenue multiple
Target 7	Acquirer 5	2022	Added cloud-based digital product identity layer to Acquirer 3’s product digitization and brand integrity ecosystem	Technology adjacency / digital layer integration	SaaS-like product identity platform with direct synergy to Digimarc’s digital watermarking justified elevated revenue multiple (~5.5x)
Target 8	Acquirer 6	2024	Expanded Acquirer 4’s physical authentication portfolio with nano-optic anti-counterfeit security features	Vertical capability expansion	Industrial authentication adjacency; asset purchase structure resulted in moderate revenue multiple (~1.7x)
Target 10	Acquirer 8	2007	Strengthened Acquirer 5’s industrial coding, marking and serialization capabilities in packaging and compliance	Vertical integration into industrial portfolio	Established industrial platform with tangible cash flows supported ~1.8x revenue / ~11x EBITDA
Target 11	Acquirer 8	2019	Added digital hardware interface capability to Acquirer 5’s industrial technology portfolio	Adjacent technology tuck-in	Small industrial tech bolt-on; moderate revenue and EBITDA multiples reflective of integration value (~2.5x / ~12.5x)
Target 12	Acquirer 9	2020	Expanded RFID authentication and IoT product tracking capability within Acquirer 6's identification platform	Product stack deepening	RFID + authentication convergence justified mid-range revenue and EBITDA multiples (~3.0x / ~15x)

Deal Type & Structure

Target Company	Acquirer	Deal Type / Rationale	Deal Structure (Cash, Equity, Debt) & Financing Notes
Target 1	Acquirer 1	Strategic acquisition to enhance customer identity platform	All-cash stock purchase; Okta to acquire outstanding shares (cash); terms ND[1]
Target 2	Acquirer 2	Strategic expansion into product identity cloud	Stock-for-stock with warrants and earn-out; issuance of ~0.785m shares + ~0.215m warrants + possible earn-out; also repayment of ~$7.9m debt at closing
Target 3	Acquirer 2	Asset acquisition to expand authentication tech	Asset purchase (cash); exact financing ND
Target 4	Acquirer 3	Strategic acquisition to strengthen coding & serialization	Consideration ND; likely mix of cash and debt (typical for Dover)
Target 5	Acquirer 4	Strategic bolt-on for adjacent tech	Consideration ND
Target 6	Acquirer 6	Strategic RFID & authentication add-on	Consideration ND
Target 7	Acquirer 7	PE take-private + merge with Ping Identity	All-cash, ~$23.25/share; combined with Ping platform; cash financed by Thoma Bravo & partners

Buyer Profile & Strategy

Acquirer	Buyer Profile & Core Business	Acquisition Strategy / Deal Rationale
Acquirer 1	Enterprise identity and access management software provider	Expand CIAM platform, unify identity solutions across enterprise customers
Acquirer 2	Digital watermarking and product identification solutions	Augment product identity & traceability cloud capability for brand / supply chain applications
Acquirer 3	Authentication & brand protection solutions	Expand physical authentication product lines, augment anti-counterfeit technology
Acquirer 4	Diversified industrial tech; coding & marking	Strengthen serialization & industrial marking footprint with complementary tech
Acquirer 6	RFID & IoT connectivity solutions	Deepen RFID + authentication integration for connected product identity
Acquirer 7	Technology-focused private equity	Consolidate identity/security software assets (take-privates + bolt-ons)

Valuation & Consideration Structure

Target Company	Acquirer	Enterprise Value ($M)	Headline Multiple(s)	Consideration Structure	Premium Paid (to prior close)
Target 3	Acquirer 2	~6500	~32.5x Revenue	All-cash (Okta shares canceled)[1]	ND
Target 7	Acquirer 5	~110	ND	Shares + warrants + earn-out + debt repayment	ND
Target 8	Acquirer 6	~10	ND	Cash asset purchase	ND
Target 10	Acquirer 8	~1000	~1.8x Revenue	ND	ND
Target 11	Acquirer 8	~75	~2.5x Revenue	ND	ND
Target 12	Acquirer 9	~30	~3.0x Revenue	ND	ND
Target 1	Acquirer 1	2300	~5.8x Revenue	All-cash ($23.25/share)	~44–53% premium over pre-deal price

Revenue & Margin Profile of Precedent Transactions

Target Company	Acquirer	Revenue ($M)	EBITDA ($M)	EBITDA Margin	Notes
Target 3	Acquirer 2	200	ND	ND	High-growth SaaS; pre-acquisition margin suppressed (EBITDA negative)[1]
Target 7	Acquirer 5	20	ND	ND	Product cloud identity; EBITDA NDA
Target 8	Acquirer 6	6	ND	ND	Asset pack; limited public financials
Target 10	Acquirer 8	550	90	~16.4%	Industrial coding & marking business
Target 11	Acquirer 8	30	6	20%	Smaller industrial tech
Target 12	Acquirer 9	10	2	20%	RFID + authentication subsidiary
Target 1	Acquirer 1	400	40	10%	Enterprise identity SaaS platform

Strategic Fit in Precedent Transaction

Target Company	Acquirer	Strategic Fit / Rationale
Target 3	Acquirer 2	Expand identity platform with API-first authentication
Target 7	Acquirer 5	Add item-level digital product identity to footprint
Target 8	Acquirer 6	Strengthen physical authentication & anti-counterfeit portfolio
Target 10	Acquirer 8	Add labeling/serialization to industrial coding platform
Target 11	Acquirer 8	Add digital interface tech to broader industrial portfolio
Target 12	Acquirer 9	Broaden RFID authentication + IoT stack
Target 1	Acquirer 1	Consolidate identity SaaS under a private platform

Valuation Alignment in Precedent Transactions

Target Company	Acquirer	EV/Revenue Multiple	EV/EBITDA Multiple	Commentary / Benchmark Relevance
Target 3	Acquirer 2	32.5x	NM	High-growth SaaS; not relevant for industrial asset
Target 7	Acquirer 5	5.5x	NM	Digital product identity; elevated SaaS tilt
Target 8	Acquirer 6	1.7x	NM	Closest industrial authentication precedent
Target 10	Acquirer 8	1.8x	11.1x	Direct industrial traceability adjacency
Target 11	Acquirer 8	2.5x	12.5x	Industrial tech bolt-in
Target 12	Acquirer 9	3.0x	15.0x	RFID + auth relevance
Target 1	Acquirer 1	5.8x	57.5x	PE SaaS identity; high multiple

Precedent Transactions: Implied Valuation Multiples

Company Acquired	EV ($M)	Revenue ($M)	EBITDA ($M)	EV/Revenue	EV/EBITDA
Target 3	6500	200	ND	32.5x	NM
Target 7	110	20	ND	5.5x	NM
Target 8	10	6	ND	1.7x	NM
Target 10	1000	550	90	1.8x	11.1x
Target 11	75	30	6	2.5x	12.5x
Target 12	30	10	2	3.0x	15.0x
Target 1	2300	400	40	5.8x	57.5x

TargetCo: Current/Projected Valuation Metrics

Metric	Value
TTM Revenue	~$21.7m
Forward EBITDA (2030E)	~3.64m
Current EV	~ $9m
Current EV/Revenue	~0.4x
Current EV/EBITDA	~2.5x
Current Net Cash	~$3.17m

Key Takeaways

Observation	Implication for TargetCo
Industrial authentication precedents clear at ~1.7x–3.0x revenue	TargetCo's current ~0.4x revenue implies strategic re-rating opportunity
SaaS identity deals clear at high multiples	Not directly relevant; use for ceiling context only
PE identity carve-outs trade at moderate multiples (~4–6x)	Can inform weighted valuation band
EBITDA multiples vary widely by scale	For TargetCo, 6x–8x forward EBITDA is a defensible sell-side anchor

Weighted Benchmark Band - Precedent Transactions

Precedent Category	Example Deals	Relevance	Weight
Industrial Authentication / Labeling	Nanotech Security, Markem-Imaje, eAgile	Very High	**60%**
Digital Product Identity	EVRYTHNG	Moderate	**20%**
Identity / IAM Platforms	Auth0, ForgeRock	Low	**20%**

Revenue Multiple Benchmarks

Category	Revenue Multiple Range	Weight	Weighted Contribution
Industrial Authentication	1.7x – 3.0x	60%	1.0x – 1.8x
Digital Product Identity	~5.5x	20%	~1.1x
Identity SaaS Platforms	5.8x – 32.5x	20%	~1.2x – 6.5x
Because SaaS multiples are extreme outliers relative to the business model, they are used for context only.			
Final Weighted Benchmark (Revenue) **1.0x – 1.5x Revenue**			

EBITDA Multiple Benchmarks

Category	EBITDA Multiple Range	Weight	Weighted Contribution
Industrial Authentication	11x – 15x	60%	6.6x – 9.0x
Digital Product Identity	ND	—	—
Identity SaaS Platforms	50x+	Context only	—
Final Weighted Benchmark (EBITDA) **6x – 8x EBITDA**			

Combined Summary Chart – Implied Valuation Range for TargetCo

Base Financial Inputs	
Metric	**Value**
FY2025 Revenue	~$21.7m
Forward EBITDA	~$3.64m
Net Cash	~$3.17m

Consolidated Valuation Band	
Method	**Enterprise Value Range**
DCF	$13m – $17m
Trading Comps	$18m – $26m
Precedent Transactions	$21m – $30m
Realistic Strategic Tuck-In Range **$18m – $28m Enterprise Value**	

Revenue-Based Valuation		
Multiple	**FY2025 Revenue**	**Implied Enterprise Value**
1.0x	$21.7m	**$21.7m**
1.25x	$21.7m	**$27.1m**
1.5x	$21.7m	**$32.6m**

EBITDA-Based Valuation		
Multiple	**Forward EBITDA**	**Implied Enterprise Value**
6.0x	$3.64m	$21.8m
7.0x	$3.64m	$25.5m
8.0x	$3.64m	$29.1m

Analyst Memo – PTA Narrative

Precedent transaction analysis indicates that authentication, identity, and product traceability platforms have been subject to significant consolidation activity across both strategic acquirers and private equity sponsors. Strategic acquisitions in adjacent industrial authentication and serialization segments have generally cleared at revenue multiples between approximately 1.7x and 3.0x, and EBITDA multiples between 11x and 15x, reflecting the value of embedded authentication capability within broader industrial technology platforms.

Higher valuation benchmarks observed in identity software transactions (e.g., Auth0 and ForgeRock) reflect growth-oriented SaaS business models and are therefore not directly comparable to the industrial authentication profile of the target. These transactions nevertheless provide contextual evidence of the strategic importance and consolidation dynamics within authentication and identity ecosystems.

After weighting precedents based on strategic relevance, a blended benchmark range of approximately 1.0x–1.5x revenue and 6x–8x EBITDA emerges as the most appropriate reference framework for evaluating a micro-cap authentication platform.

Applying these benchmarks to TargetCo's financial profile (~$21.7m revenue and ~$3.64m forward EBITDA) suggests an implied enterprise value range of approximately $21m–$29m, with a more conservative strategic tuck-in valuation band of $18m–$25m when accounting for micro-cap scale, revenue growth profile, and integration risk.

Given TargetCo's current enterprise value of approximately $9m, the company appears to trade at a substantial discount relative to precedent strategic transactions within the broader authentication and traceability ecosystem.

Closing statement

This valuation report has been conducted using well-established financial methodologies, including Comparable Company Analysis (CCA), Discounted Cash Flow (DCF) analysis, and Precedent Transactions. These models were developed based on publicly available data and industry benchmarks, as well as the financials provided by TargetCo (NASDAQ: TRC).

It is important to note that while this valuation is based on sound financial principles, it is not to be construed as formal financial advice. The report aims to provide a thorough analysis of the Target company's current market position and future growth potential, offering insights into potential investment or M&A opportunities for the right buyer.

The conclusions presented in this report are driven by the research and data available at the time of writing. Any future changes in market conditions, company performance, or external factors may affect the value of the company. Therefore, this report should be used as a tool for decision-making, rather than a definitive financial recommendation.

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