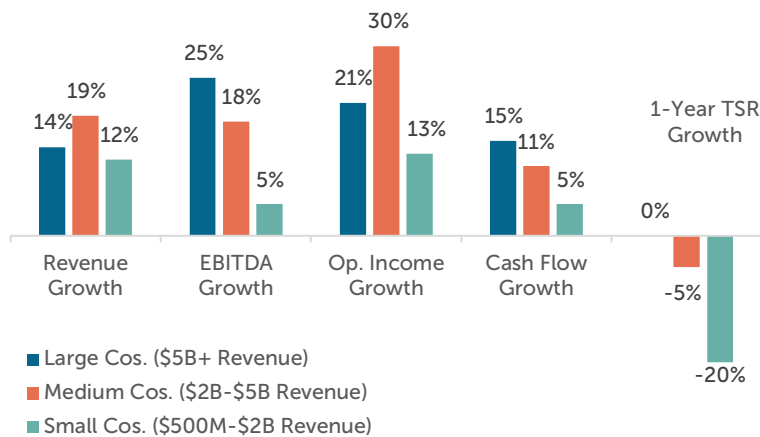




Technology Industry 2025 Performance Update

A CAP study of 49 Technology Companies, Grouped by Revenue Size

2025 Performance Across Key Financial Metrics



- Median Revenue Growth increased, with double-digit growth rates across all size groups
- Profitability (i.e. EBITDA and Op. Income) improved across all three groups, with medium and large companies showing more meaningful gains while smaller companies experienced modest improvement
- Cash flow growth was positive across all groups at median, though results were more mixed for smaller companies, and larger companies more consistently had positive cash flow
- Despite strong financial results, 1-year TSR was weak. This demonstrates a disconnect, largely as a result of external market factors (smaller companies were impacted the most)

Cumulative Total Shareholder Return (TSR)

Revenue Group / Index	TSR Ending 6/1/26		TSR Ending 12/31/25	
	1-Year	3-Year	1-Year	3-Year
Tech Company Sample (Median Result)				
Large Cos - \$5B+ Rev. (n=15)	+1%	+25%	0%	+95%
Medium Cos - \$2B-\$5B Rev. (n=19)	+0%	+65%	-5%	+53%
Small Cos - \$500M-\$2B Rev. (n=15)	-20%	-14%	-20%	+13%
All Companies (n=49)	-14%	+25%	-6%	+54%
Relevant Indices (Index Return)				
S&P 500	+29%	+80%	+16%	+78%
NASDAQ Composite Index	+42%	+107%	+20%	+122%
NASDAQ-100 Index	+43%	+111%	+20%	+131%

- In 2025, TSR performance showed negative returns (-6% at median) across the technology company sample, with greater volatility and spread in results among small- and medium-sized companies
- The three indices most commonly used for relative TSR comparisons in technology companies' LTI plans showed robust composite index returns over the past year; however, median returns among our technology company sample lagged these indices by a meaningful margin
- In our technology industry group, 1-year TSR ending 6/1/26 continues to be weak, with smaller companies being more negatively impacted (-20% at median)

Key Takeaways and Market Outlook for 2026

- Scale matters. Stock price performance at larger companies shows greater stability, while at smaller companies it is more volatile and susceptible to external market influences
- Medium and large companies delivered stronger revenue growth and profitability in 2025 than smaller companies with more modest performance
- Long-term incentive plans that incorporate TSR may be impacted by negative shareholder returns in 2026, though outcomes will vary depending on relative performance, measurement periods, and plan design features. It is possible that companies may experience a dichotomy between financial/operating results and TSR performance and therefore, LTI payouts as well
- In 2026, stock prices continue to be influenced by macroeconomic uncertainty; AI-focused companies may experience continued volatility as markets react to how AI is reshaping competitive positioning, investment priorities, and the pace of change across industries

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About the Sample

Small Companies \$500M - \$2B Revenue (n=15)

- ACI Worldwide
- AppFolio
- BILL Holdings
- Blackbaud
- Box
- DoubleVerify Holdings
- Dynatrace
- Guidewire Software
- Q2 Holdings
- SPS Commerce
- Tenable Holdings
- Unity Software
- VeriSign
- Vertex
- Workiva

Medium Companies \$2B - \$5B Revenue (n=19)

- Akamai Technologies
- Cloudflare
- CrowdStrike Holdings
- Datadog
- DocuSign
- Dropbox
- Fair Isaac
- Gen Digital
- GoDaddy
- HubSpot
- MongoDB
- Nutanix
- Okta
- Palantir Technologies
- PTC
- Snowflake
- Tyler Technologies
- Zoom Communications
- Zscaler

Large Companies \$5B+ Revenue (n=15)

- Adobe
- AppLovin
- Autodesk
- Cadence Design Systems
- Fortinet
- Intuit
- Microsoft
- Oracle
- Palo Alto Networks
- Roper Technologies
- Salesforce
- ServiceNow
- Synopsys
- Twilio
- Workday

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Compensation
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Please contact us at (212) 921-9350 if you have any questions about the issues discussed above or would like to discuss your own executive compensation issues. You can access our website at www.capartners.com for more information on executive compensation.