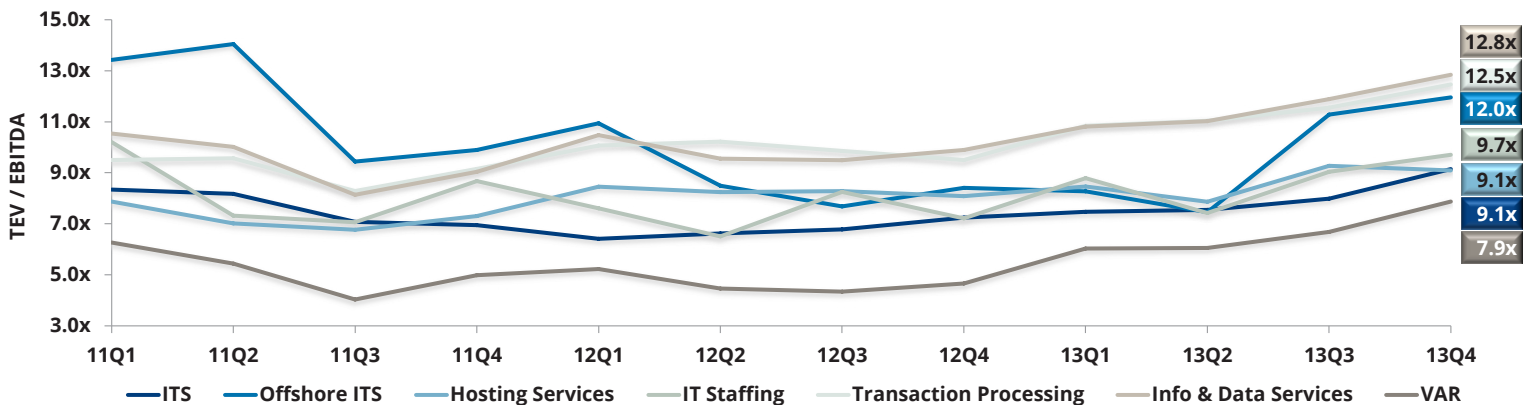




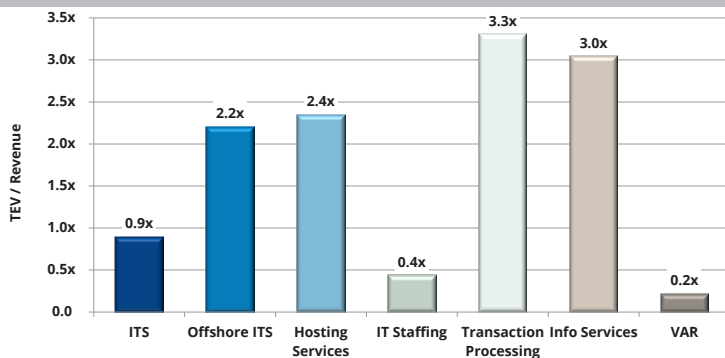
Tech-Enabled Services Market Commentary

M&A activity in the Tech-Enabled Services vertical continued to be vibrant during February. Specifically, the Federal IT services sector was quite active featuring two notable transactions. **Sapient** acquired **OnPoint Consulting** to add to its **Sapient Government Services** business and strengthen its presence in the civilian and defense sectors. Sapient had been focusing primarily on building its SapientNitro agency through acquisitions, and OnPoint is the first acquisition outside that platform in some time. **Camber Corporation** acquired Avaya's IT professional services unit, **Avaya Government Solutions**, for \$100 million to bolster its presence in the Federal IT services space. In the broader IT services sector, **Perficient** continued its run of interesting acquisitions by purchasing **FowardThink Group** to build out its capabilities in financial services. **Hitachi Systems** added offshore capabilities to its offering and established a platform in India through its acquisition of **Micro Clinic India**. Finally, professional services firms continue to rebuild their IT advisory capabilities and augment existing tax and audit practices. **PricewaterhouseCoopers** announced its acquisition of IT services provider **Mokum Change Management** strengthening its Oracle practice in the UK and throughout Europe. This deal follows **Grant Thornton's** acquisition of **Marketsphere's** Oracle Solutions business, who TM Capital advised in 2013.

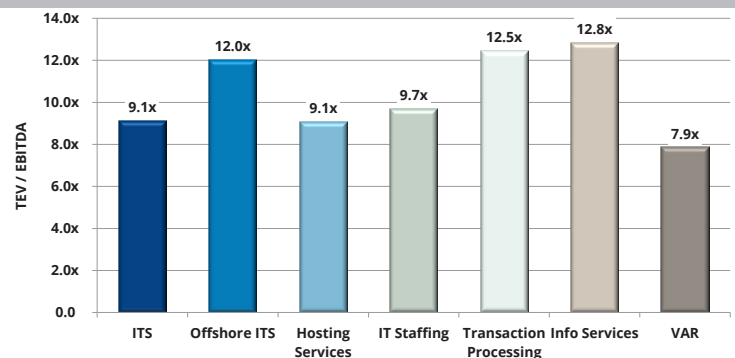
TEV / EBITDA Multiples Over Time



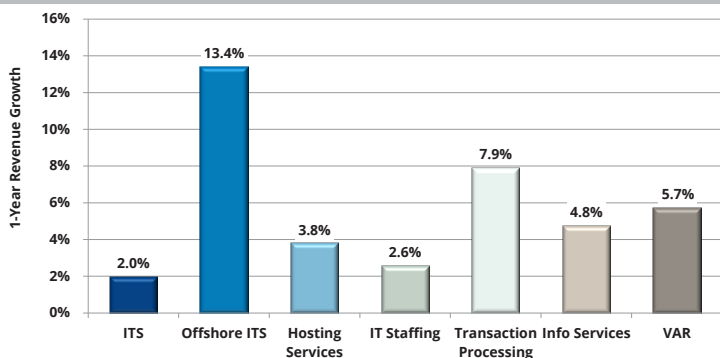
TEV / Revenue



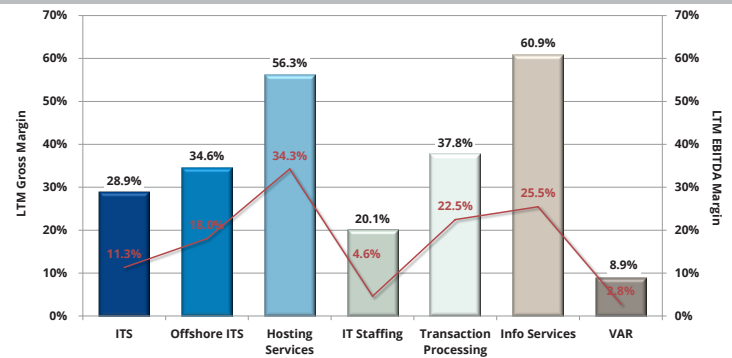
TEV / EBITDA



1-Year Revenue Growth



LTM Gross & EBITDA Margins




Note: EBITDA Margins in red

Select Tech-Enabled Services Transactions Announced in February 2014

Annc. Date	Sector	Acquirer	Target	Target Description	Enterprise Value	Comments
02/28/14	VAR	Cancom SE	HPM, Inc.	HPM, Inc. designs, develops, and deploys solutions in the areas of cloud, infrastructure virtualization and management, networking, storage, data migration and virtual application networks, and spares management and remediation tracking for managing the warranty claims process across the enterprise.	NA	HPM Networks is the third-largest VMware Partner in the Western United States and provides Cancom a deep bench of experienced personnel with connections at large enterprises. Cancom's acquisition of HPM positions the target for significant growth and the opportunity to win larger projects.
02/27/14	IT Services	Tech Mahindra GmbH	BASF Business Services Consult GmbH	BASF Business Services Consult GmbH offers information technology and software services. The Company is based in Hamburg, Germany. BASF Business Services Consult GmbH operates as a subsidiary of BASF Business Services Holding GmbH.	NA	Tech Mahindra agreed to acquire the IT and consultancy services business of BASF, a chemicals company, to strengthen its presence in Western Europe and bolster its service offering, which encompasses information services, supply chain operations and BPM services.
02/26/14	Managed Services	Hitachi Systems Ltd.	Micro Clinic India Pvt Ltd.	Micro Clinic India Pvt Ltd. provides information technology solutions that help businesses upgrade to modern IT infrastructure.	NA	Hitachi Systems will acquire approximately 76% of Micro Clinic shares to significantly bolster its services in India, where demand for IT services is growing rapidly. Acquisition of Micro Clinic will provide Hitachi 15 business sites and approximately 150 satellite offices.
02/26/14	Managed Services	ICF International Inc.	CITYTECH, Inc.	CITYTECH, Inc. operates as a worldwide information technology consulting company. It specializes in enterprise application development, implementation, Web experience management, mobile application development, e-commerce, cloud enablement consulting, and cloud managed services.	NA	Acquisition of CITYTECH provides ICF International deep expertise in enterprise application development, implementation, cloud enablement and managed services. CITYTECH will operate as a part of ICF Interactive, a subsidiary of ICF.
02/24/14	Managed Services	Sikich LLP	403 Labs, LLC	403 Labs, LLC provides information security and compliance consulting services. The Company provides managed services that include Firewall security services that protect threats against network security.	NA	Merging with 403 Labs provides Sikich the ability to expand its presence globally and further develop its information security practice.
02/19/14	IT Services	ManTech International Corporation	Allied Technology Group, Inc.	Allied Technology Group, Inc. provides security, enterprise, training, national security, C4ISR, logistics management, and business management solutions to civilian, military, intelligence, and federal clients.	NA	Acquisition of Allied Technology will enable ManTech to expand its presence in growth markets and enhance its relationship with the Department of Homeland Security.
02/18/14	IT Services	Camber Corporation	Avaya Government Solutions, Inc.	Avaya Government Solutions, Inc. divested its IT Professional Services Business unit, which provides Federal government customers with full lifecycle support services from planning through implementation, operation, maintenance and security of mission-critical systems.	\$100.0	Camber Corporation announced its acquisition of the IT Professional Services consulting group of Avaya Government Solutions to bolster its information technology and consulting services in the civilian and defense sectors.
02/18/14	IT Services	Keywords Studios plc	Babel Media Ltd.	Babel Media Ltd. is a provider of post-production services to the games and interactive entertainment industries. The Company provides outsourcing services in the areas of quality assurance, testing, functionality and localization, and translation, among others.	\$9.0	Keywords Studios acquired Babel Media to provide greater scale and services to its clients, while expanding its reach to India with Babel's experienced bench. As part of the acquisition, Keywords will issue stock to the shareholders of Babel Media and settle Babel's debt.
02/17/14	IT Services	PwC International Ltd.	Mokum Change Management Ltd.	Mokum Change Management Ltd. provides information technology consultancy services to corporate and institutional clients. The Company offers Oracle-based software solutions that include database upgrades, implementations, enhancements, and training services.	NA	PwC's acquisition of Mokum Change Management is part of the Company's strategy to embed technology into its services. The combined entity will be one of Europe's largest Oracle technology practices.
02/11/14	IT Services	Perficient Inc.	Forwardthink Group, Inc.	ForwardThink Group, Inc. is a management and technology solution provider serving the financial services industry. ForwardThink works with firms in banking, asset management, and capital markets sub-verticals, providing them with a range of management and information technology consulting services.	\$46.0	Acquisition of Forwardthink Group strengthens Perficient's management and IT consulting solutions within the financial services industry and expands its presence in New York. Forwardthink also provides more than 100 consulting, technology, sales and support professionals to Perficient.
02/10/14	IT Services	Sapient Government Services, Inc.	OnPoint Consulting, Inc.	OnPoint Consulting, Inc. provides cybersecurity services, such as risk management and compliance, integration, security awareness and training, program management, and incident response, as well as network and system architecture and engineering.	NA	OnPoint Consulting has a deep client base in the civilian and defense sectors, providing Sapient an opportunity to strengthen its government business. OnPoint provides complementary services to Sapient, including infrastructure, cybersecurity, and managed security operations.
02/07/14	VAR	Coms plc	Cloud XL	Cloud XL offers VOIP phone systems infrastructure, business telephone systems, integrated unified communications systems, interactive voice response systems, and mobile networks and Ethernet and DSL services for SIP and VOIP solutions.	\$5.6	Cloud XL provides Coms plc deep cloud based solutions expertise and consultancy and technology services to complement its hosted telephony services business. The acquisition is part of Coms' strategy to become a leading end-to-end telecommunications provider.

Notes: USD in millions
Source: Capital IQ, Company SEC Filings, industry research and TM Capital estimates

Select TM Capital Tech-Enabled Services Experience

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About TM Capital

TM Capital Corp. is a partner-owned investment banking firm based in New York, Boston and Atlanta, which has completed over 250 transactions with a combined value in excess of \$14 billion. Since 1989, we have advised clients navigating a full range of critical transactions, including complex mergers, acquisitions, debt and equity financings, minority and majority recapitalizations, restructurings, and advisory services including takeover defense, fairness and solvency opinions, valuations, as well as litigation support. We have built deep industry expertise in key sectors and our team regularly publishes research highlighting current and emerging trends in targeted industries and markets. TM Capital is a member firm of M&A International Inc., the world's leading alliance of mid-market investment banks with over 600 M&A professionals in 39 countries. Members have closed over 1,300 transactions totaling more than \$75 billion in value over the past five years. For more information, visit www.tmcapital.com.

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