











TECHNOLOGY MONTHLY

DECEMBER 2019

Our technology & tech-enabled services practice advises leading private and publicly traded technology companies including many of the world's most respected IT consulting, managed services, technical staffing and enterprise software providers.

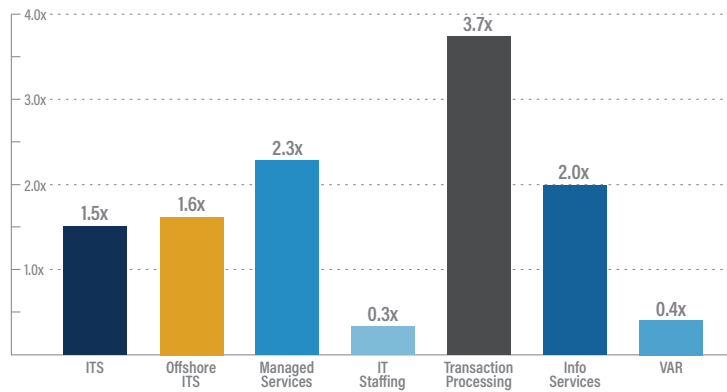
ITS Offshore ITS Managed Services IT Staffing Transaction Processing Info Services VAR

HEADLINE TRANSACTIONS

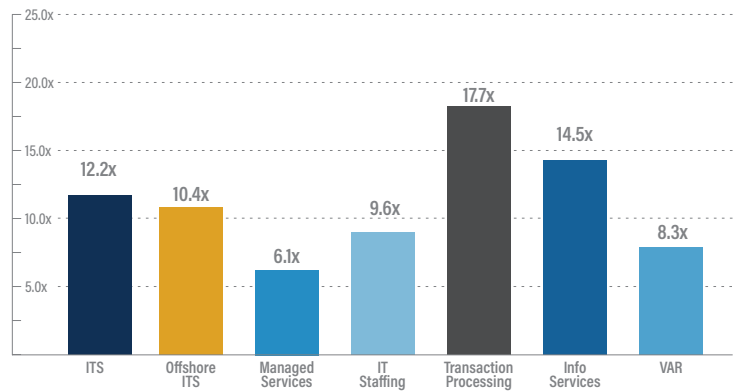
	TARGET	ACQUIROR	ACQUISITION SYNOPSISIS
Managed Services			<ul style="list-style-type: none"> Converge Technology Solutions (TSXV: CTS), a Canada-based provider of multi-cloud solutions, blockchain, resiliency and managed services, acquired VSS Holdings, a US based provider of managed services, technology solutions, IT portfolio management and consulting services, for \$29.2 million, or 5.1x LTM EBITDA The acquisition builds on the software-enabled hybrid IT platform Converge has developed in the New York and Mid-Atlantic market through previous acquisitions
			<ul style="list-style-type: none"> Corsica Technologies (backed by Inverness Graham), a US-based provider of outsourced and co-managed IT services, agreed to acquire Symplexity, a US based provider of IT and cybersecurity services The acquisition adds a talented managed services team to Corsica as well as a client reporting portal which will be a major value-add to its customers
IT Services			<ul style="list-style-type: none"> CANCOM (XTRA: COK), a Germany-based provider of IT infrastructure services, acquired ExactlyIT, a professional systems integrator for state-of-the-art Microsoft technologies The acquisition marks the next step in CANCOM's mission to establish a broad partner network to distribute its AHP product globally
			<ul style="list-style-type: none"> DXC Technology, a US-based provider of IT services and solutions, acquired Bluleader, an Australia-based marketing automation software consulting company The acquisition grows DXC's expertise in SAP-based customer experience solutions and brings it closer to its goal of being the number one SAP partner in Australia and New Zealand
			<ul style="list-style-type: none"> CynergisTek (AMEX:CTEK), a US-based provider of cybersecurity solutions for the healthcare industry, acquired Backbone Enterprises, a US-based provider of risk advisory services in the areas of cyber security, IT audit and data privacy, for \$11 million The acquisition bolsters CynergisTek's portfolio of solutions and adds additional IT risk audit services and GDPR readiness

TECHNOLOGY GROWTH & VALUATION TRENDS

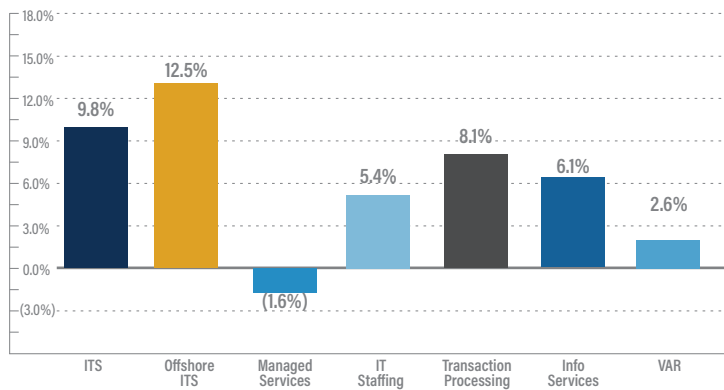
Enterprise Value / LTM Revenue



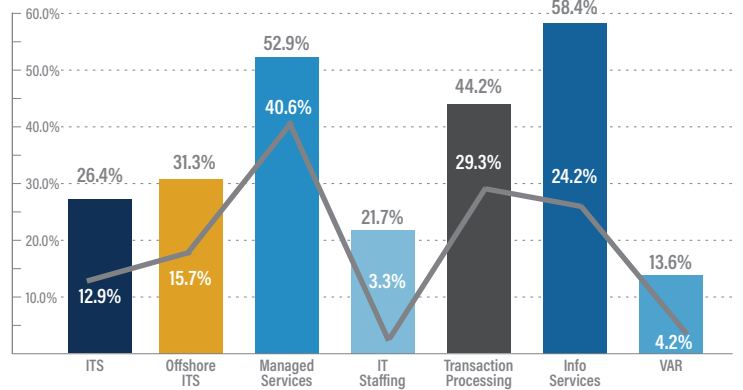
Enterprise Value / LTM EBITDA



LTM Revenue Growth

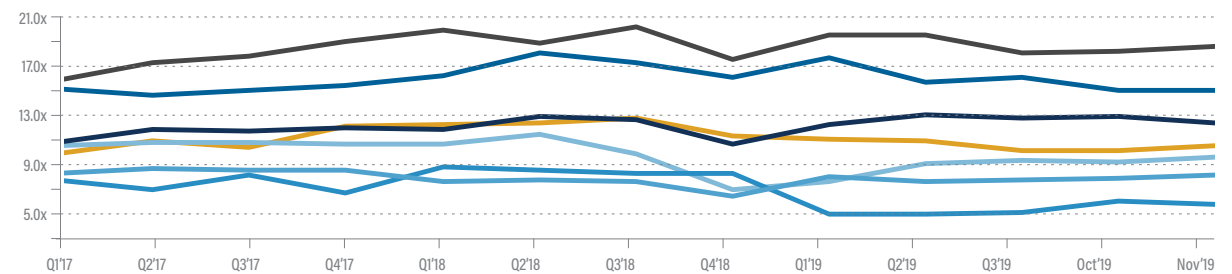


LTM Gross & EBITDA Margin*



*EBITDA Margins shown as the gray line.

TEV / EBITDA

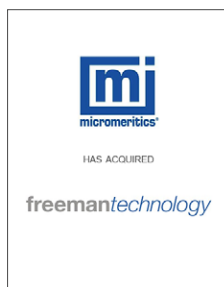


12.2x ITS 10.4x Offshore ITS 6.1x Managed Services 9.6x IT Staffing 17.7x Transaction Processing 14.5x Info Services 8.3x VAR

SELECTED TECHNOLOGY TRANSACTIONS

Ann. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
11/20/2019	IT Services	LiveTiles	CYCL	\$22.8	<ul style="list-style-type: none"> LiveTiles (ASX: LVT), a US-based developer and provider of digital workplace software, acquired CYCL, a Switzerland-based provider of digital business solutions for IT transformation and process digitization, for \$22.8 million The acquisition enhances LiveTiles' Intelligent Workplace offering and expands its addressable market to organizations with large deskless workforces
11/11/2019	IT Services	Workforce Insight	Presence of IT	NA	<ul style="list-style-type: none"> Workforce Insight, a US-based provider of workforce management (WFM) services, cloud solutions and systems integration services, acquired Presence of IT, a US-based provider of human capital and workforce management consulting and technology implementation services The acquisition enhances Workforce Insight's ability to provide workforce optimization services, industry-leading analytics and holistic managed service models to clients
11/6/2019	IT Services	Bishop Fox	SoNeMo	NA	<ul style="list-style-type: none"> Bishop Fox, a US-based provider of IT security consulting services, acquired SoNeMo, a Spain-based provider of a cybersecurity solution that automates information gathering techniques during the discovery phase of penetration testing The acquisition augments Bishop Fox's security offerings to help clients pinpoint system vulnerabilities
11/6/2019	IT Services	Staple Street Capital	CyberlinkASP	NA	<ul style="list-style-type: none"> Staple Street Capital, a US-based private equity firm specializing in growth capital, buyout and turnaround situations, agreed to acquire CyberlinkASP, a US-based provider of back-end infrastructure, security, backups and IT management services Staple Street's backing provides additional resources and support to expand CyberlinkASP's service capabilities
11/5/2019	Managed Services	Thrive Networks	EaseTech	NA	<ul style="list-style-type: none"> Thrive Networks, a US-based provider of outsourced IT services for small and mid-size businesses, acquired EaseTech, a US-based provider of managed IT services and cloud solutions The acquisition expands Thrive's reach from New England into the Mid-Atlantic region, bringing new clients its engineering expertise and NextGen platform
11/4/2019	Managed Services	Rackspace Hosting	Onica	NA	<ul style="list-style-type: none"> Rackspace Hosting, a US-based provider of managed cloud services in the business IT market worldwide, acquired Onica, a US-based provider of IT consulting, infrastructure solutions and managed services to enterprise organizations The acquisition strengthens Rackspace's AWS capabilities and creates a company with the most complete set of professional services and managed service capabilities in the industry

Selected TM Capital Technology Experience



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