

# TECHNOLOGY MONTHLY

JANUARY 2020

*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



- Logically (backed by Riverside Partners), a US-based provider of outsourced IT consulting and managed services, acquired IQ Technology Solutions, a US-based provider of remote, helpdesk and onsite support to deliver IT infrastructure solutions
- The acquisition adds another MSP to Logically and solidifies its position as a leading IT managed services provider in the US



- Atos (ENXTPA:ATO), a France-based provider of global information technology solutions, agreed to acquire Maven Wave Partners, a US-based provider of agile, mobile, cloud-based digital solutions
- The acquisition strengthens Atos' global leadership position delivering Google Cloud solutions and broadens its expertise in executing digital transformations in data analytics and enterprise collaboration



- Alithya (TSX:ALYA), a Canada-based provider of strategy and digital technology services, acquired Travercent, a US-based provider of an Oracle cloud extension that maximizes material management processes for healthcare providers
- The acquisition aligns with Alithya's long-term business strategy to enhance its Oracle cloud technology solutions within the growing healthcare sector



- Ernst & Young, a US-based provider of professional services, acquired the cybersecurity practice of Sila Solutions, a US-based technology and management consulting company
- The acquisition expands EY's expertise in key areas of cybersecurity such as identity governance and administration (IGA), privileged access management (PAM) and cyber risk assessment



- NTT Data (TSE:9613), a Japan-based provider of IT advisory and systems integration services, agreed to acquire Flux7 Labs, a US-based provider of DevOps infrastructure consulting services
- The acquisition bolsters NTT's AWS, DevOps, and Agile development capabilities and its ability to drive digital services for its clients



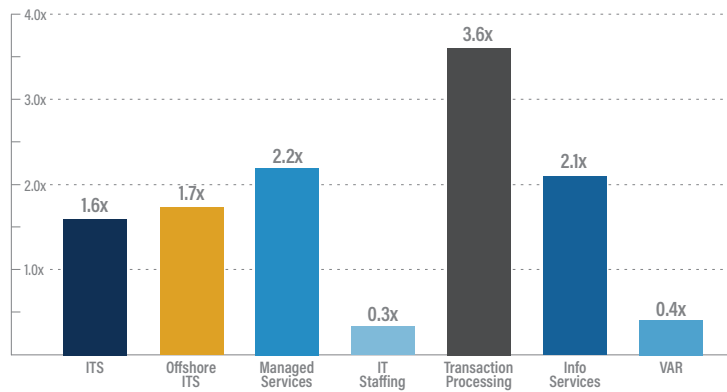
- Accenture, a global provider of consulting, technology and outsourcing services worldwide, acquired Clarity Insights, a US-based provider of artificial intelligence (AI) and machine (ML) learning consulting solutions
- The acquisition adds 350 employees and a strong portfolio of accelerators to Accenture's Applied Intelligence business, enhancing its ability to meet the demand for AI, analytics and automation solutions

Managed Services

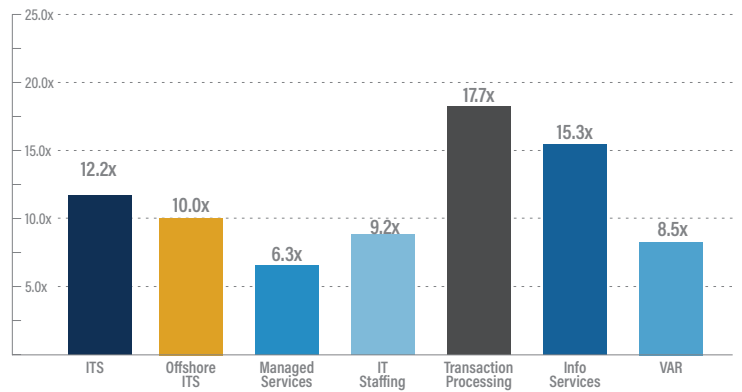
IT Services

# TECHNOLOGY GROWTH & VALUATION TRENDS

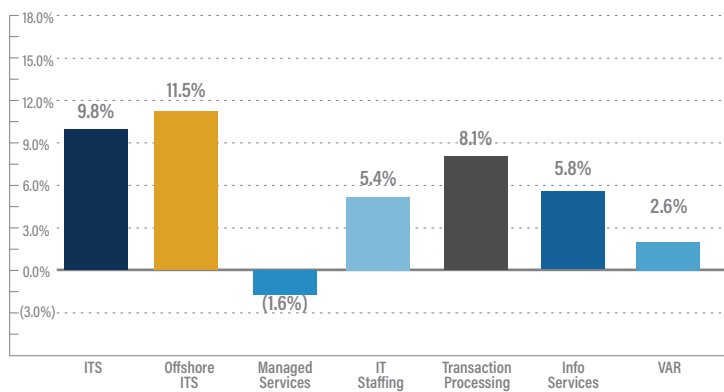
Enterprise Value / LTM Revenue



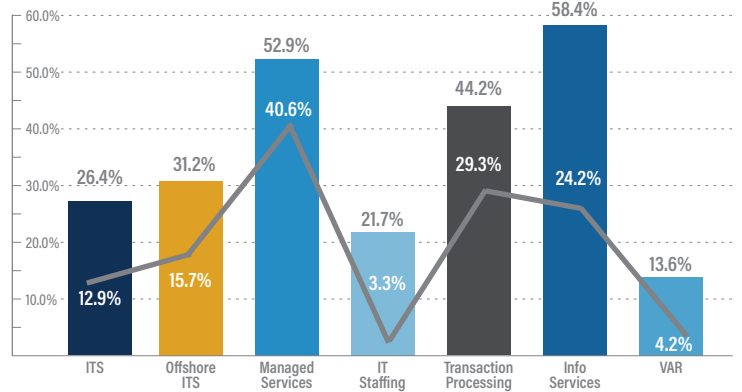
Enterprise Value / LTM EBITDA



LTM Revenue Growth

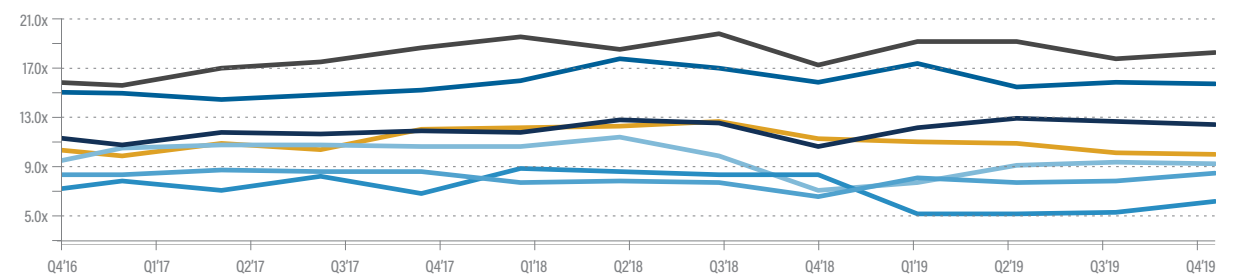


LTM Gross & EBITDA Margin\*



\*EBITDA Margins shown as the gray line.

TEV / EBITDA



12.2x ITS 10.0x Offshore ITS 6.3x Managed Services 9.2x IT Staffing 17.7x Transaction Processing 15.3x Info Services 8.5x VAR

# SELECTED TECHNOLOGY TRANSACTIONS

Ann. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
12/18/2019	IT Services	NTT Data	NETE	NA	<ul style="list-style-type: none"> <li>NTT Data (TSE:9613), a Japan-based provider of IT advisory and systems integration services, acquired NETE, a US-based provider of digital design and transformation services for U.S. Department of Health and Human Services (HHS) agencies</li> <li>The acquisition enhances NTT's ability to deliver innovative solutions to its public sector healthcare clients, especially with NETE's innovative disease prevention, detection, diagnosis and treatment technologies</li> </ul>
12/17/2019	IT Services	Endava	Exozet	NA	<ul style="list-style-type: none"> <li>Endava (NYSE:DAVA), a UK-based provider of technology services for clients in the consumer products, healthcare, logistics and retail verticals, agreed to acquire Exozet, a Germany-based provider of digital transformation services from ideation to production using Agile development</li> <li>The acquisition adds well-known German multinationals, such as Audi and Siemens, to Endava's client roster and also expands its credentials in the media management, automotive and broadcasting sectors</li> </ul>
12/13/2019	IT Services	Apax Partners	Coalfire Systems	NA	<ul style="list-style-type: none"> <li>Apax Partners, a global private equity firm specializing in the middle market, agreed to acquire Coalfire Systems, a US-based provider of information technology audit and compliance services</li> <li>The investment will accelerate Coalfire's investment in technology and thought leadership to deepen its capabilities across assurance standards while augmenting its penetration testing and cyber risk services</li> </ul>
12/11/2019	IT Services	Softek	Vector ITC	NA	<ul style="list-style-type: none"> <li>Softek, a Mexico-based provider of IT services and solutions to Fortune 500 organizations and top-tier corporations, acquired a majority stake in Vector ITC, a Spain-based provider of vertical solutions and marketing management software for the automation of industrial manufacturing processes</li> <li>The acquisition brings Softek's digital transformation solutions to more clients in the European market, solidifying its position globally</li> </ul>
12/10/2019	IT Services	Warburg Pincus	Arise Virtual Solutions	NA	<ul style="list-style-type: none"> <li>Warburg Pincus, a US-based private equity firm focused on growth investing, and Vivtera, an India-based global business process management (BPM) and transformation partner, acquired Arise Virtual Solutions, a US-based provider business process outsourcing (BPO) and crowdsourcing solutions</li> <li>The investment enhances Arise's capabilities to include Vivtera's expertise in scaling up BPM companies; the backing of Warburg Pincus will also augment Arise's delivery of leading digital and human experiences to its customers on the Arise Platform</li> </ul>
12/3/2019	IT Services	UST Global / CyberProof	Nescia IT Consulting	NA	<ul style="list-style-type: none"> <li>Cyberproof (a subsidiary of UST Global), a US-based provider of machine learning and artificial intelligence (AI) based information security solutions, acquired Nescia IT Consulting, a Spain-based cybersecurity and digital transformation services provider</li> <li>The acquisition expands Cyberproof's scale and expert delivery capacity to support customer operations in the rapidly growing European and UK markets</li> </ul>

## Selected TM Capital Technology Experience



HAS COMPLETED A STRATEGIC RECAPITALIZATION WITH




HAS SOLD



TO




HAS ACQUIRED



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