

TECHNOLOGY MONTHLY

MARCH 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

IT Services

alphaBeta
strategy x economics

accenture

- Accenture (NYSE:ACN), a global provider of consulting, technology and outsourcing services, acquired AlphaBeta, an Australia based provider of business strategy, economic modeling and forecasting services
- The acquisition enhances Accenture's strategic advisory with the addition of AlphaBeta's data and analytics-led approach to strategy and consulting

CORNERSTONE

Google Cloud

- Google Cloud, Google's cloud computing services business, acquired Cornerstone, a Netherlands based developer of IT software and provider of consulting services for modernizing mainframe applications
- The acquisition will help Google modernize customers' legacy infrastructure and applications by moving them into the cloud

SIMPLUS

Infosys

- Infosys (NSE:INFY), an India based provider of consulting, technology and outsourcing services, agreed to acquire Simplus, a US based provider of SaaS products and support services that streamline and simplify global enterprise work management processes, for \$250 million
- The acquisition adds deep Salesforce consulting and advisory expertise to Infosys' capabilities, enhancing its delivery of digital transformation solutions

IMPETUS

KEYRUS

- Keyrus (ENXTPA:KEY), a France based provider of consulting, solutions integration and performance management services, acquired Impetus, a US based provider of enterprise performance management services
- The acquisition strengthens Keyrus' global EPM service offering, especially in North America

simeio

ZMC

- Zelnick Media Capital, a US based private equity firm specializing in the technology and media sectors, acquired Simeio Solutions, a US based provider of enterprise identity and access management (IAM) solutions
- ZMC's backing provides Simeio with the resources to accelerate its organic growth initiatives and invest in product and technology innovation

IT Staffing

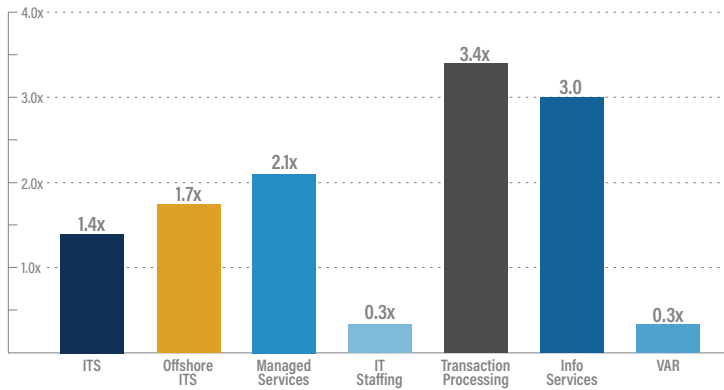
EDGEROCK
TECHNOLOGY PARTNERS

BG STAFFING. INC

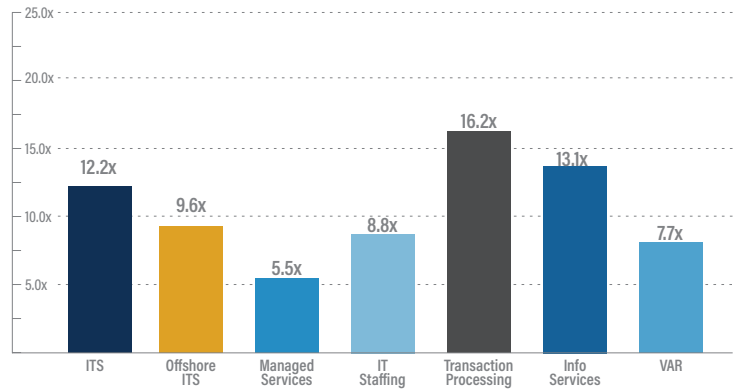
- BG Staffing (NYSE:BGSF), a US based provider of temporary staffing services, acquired EdgeRock Technologies, a US based provider of SAP, Oracle and PeopleSoft staffing resources, for \$21.6 million
- The acquisition expands BG's IT staffing roster and adds EdgeRock's outsourced solution center and multi-year customer contracts

TECHNOLOGY GROWTH & VALUATION TRENDS

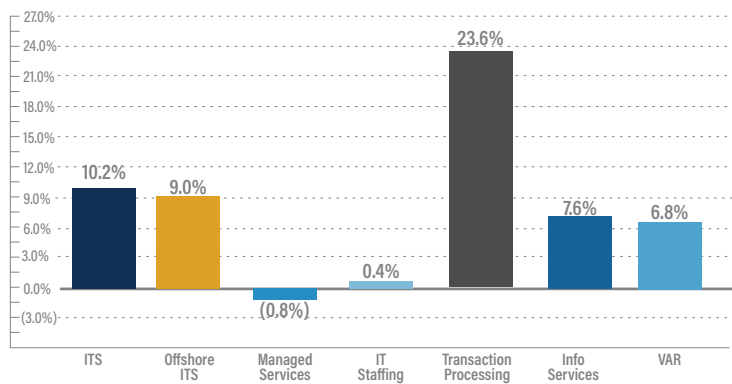
Enterprise Value / LTM Revenue



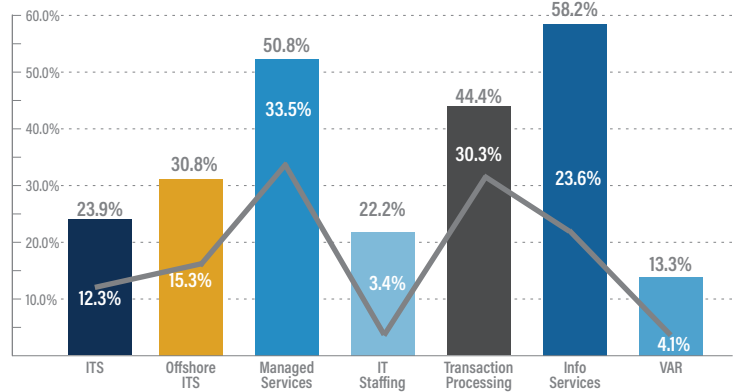
Enterprise Value / LTM EBITDA



LTM Revenue Growth

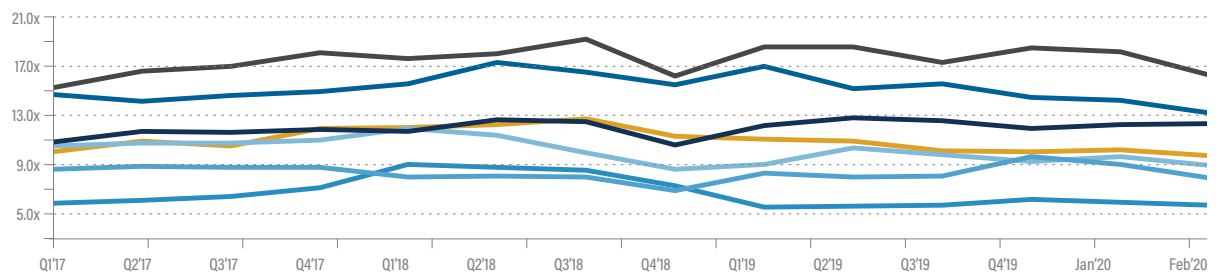


LTM Gross & EBITDA Margin*



*EBITDA Margins shown as the gray line.

TEV / EBITDA



12.2x ITS 9.6x Offshore ITS 5.5x Managed Services 8.8x IT Staffing 16.2x Transaction Processing 13.1x Info Services 5.5x VAR

SELECTED TECHNOLOGY TRANSACTIONS

Ann. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
2/25/2020	IT Staffing	Eliassen Group	The Armada Group	NA	<ul style="list-style-type: none"> Eliassen Group (backed by Stone Point Capital), a US-based provider of technology staffing and consulting services, acquired The Armada Group, a US-based provider of IT infrastructure transformation, service management and Web application development services The acquisition expands Eliassen's reach into the high-tech Silicon Valley market
2/10/2020	IT Services	10Pearls	Zen Cloud Technologies	NA	<ul style="list-style-type: none"> 10Pearls, a US-based end-to-end digital services company that designs, builds and launches digital software products, acquired Zen Cloud Technologies, a US-based software development consulting firm specializing in developing customized solutions leveraging Salesforce, Marketing Cloud and MuleSoft The acquisition bolsters 10Pearls' Salesforce and MuleSoft expertise, adds to its leadership team and solidifies its Bay Area presence
2/10/2020	IT Services	Svoboda Capital Partners	Kenway Consulting	NA	<ul style="list-style-type: none"> Svoboda Capital Partners, a US-based private equity firm specializing in the value-added distribution, business service and consumer industries, acquired Kenway Consulting, a US-based management and technology consulting company Svoboda's backing positions Kenway for further growth, success and long-term value creation for its clients
2/16/2020	Managed Services	Dynamic Quest	Cohn Consulting	NA	<ul style="list-style-type: none"> Dynamic Quest (backed by Spire Capital Partners), a US-based managed service provider offering IT and cloud services, acquired Cohn Consulting, a US-based provider of managed IT, disaster recovery and hosting services to small and medium-sized businesses The acquisition bolsters Dynamic Quest's presence in Georgia and allows it to cross-sell its services to Cohn Consulting's customer base
2/4/2020	IT Services	Apps Associates	Strafford Technology	NA	<ul style="list-style-type: none"> Apps Associates (backed by BV Investment Partners), a US-based Oracle cloud migration and managed services provider, agreed to acquire Strafford Technology, a US-based provider of enterprise performance management and business intelligence services The acquisition allows Apps Associates to address the demand for Oracle EPM solutions and solidifies its position as a leading Oracle-focused cloud migration and managed service provider in the US

Selected TM Capital Technology Experience



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