

TECHNOLOGY MONTHLY

APRIL 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 SYNOPSIS



- TA Associates, a US-based private equity firm, invested in Accion Labs, a US-based provider of IT services to start-up and early stage, growth stage and mature technology firms
- TA's backing will enable Accion to grow both organically and through acquisitions, especially in the US and European markets



- Perficient (NasdaqGS:PRFT), a US-based provider of digital consultancy services and solutions, acquired Brainjocks, a US-based provider of marketing technology solutions
- The acquisition bolsters Perficient's Sitecore practice with further expertise in web and content management platform development



- Cognizant (NasdaqGS:CTSH), a US-based provider of consulting, technology and outsourcing services, acquired Lev, a US-based cloud services and solutions firm that helps companies deploy and leverage cloud computing technologies
- The acquisition is Cognizant's third in the cloud space in 2020, greatly expanding its Salesforce practice and its ability to enable clients to leverage cloud marketing solutions



- Insight Enterprises (NasdaqGS:INSIT), a US-based provider of global hardware, software and services solutions, acquired vNext, a France based provider of digital consulting, managed and Microsoft cloud services
- The acquisition strengthens Insight's services capabilities for its clients based in France



- Inspirage (backed by RLH), a US-based provider of end-to-end consulting and technology solutions, acquired Vertical Edge Consulting, a US-based provider of Oracle enterprise performance management system and business intelligence consulting services
- The acquisition bolsters Inspirage's Oracle ERP Cloud capabilities and its offerings in Finance and Enterprise Performance Management

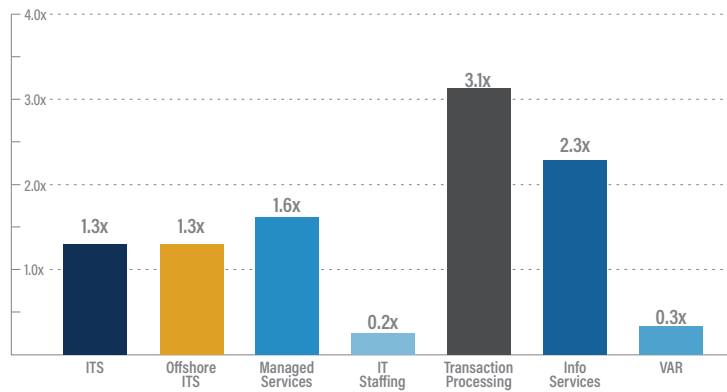


- EPAM Systems (NYSE:EPAM), a US-based provider of digital platform engineering and software development services, acquired Deltix, a US-based provider of software and services for quantitative research, algorithmic trading and execution analytics, for \$29.6 million
- The acquisition expands EPAM's expertise in FinTech as well as in other industries with real-time event processing needs

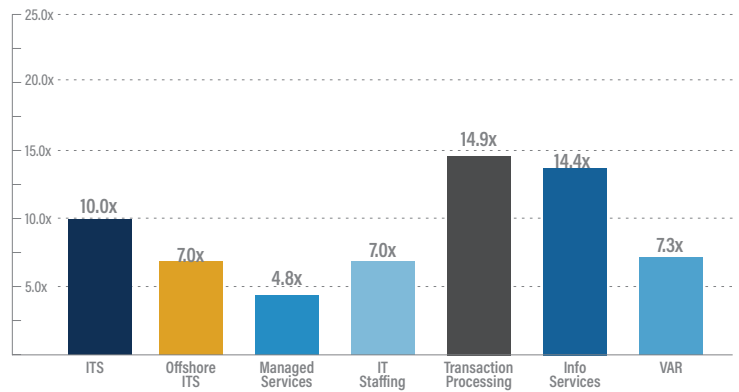
IT Services

TECHNOLOGY GROWTH & VALUATION TRENDS

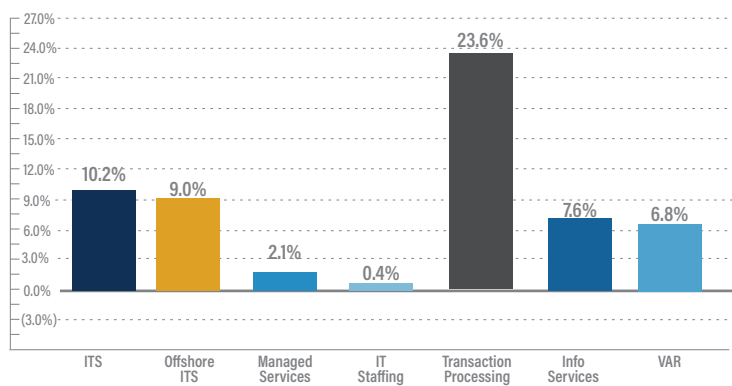
Enterprise Value / LTM Revenue



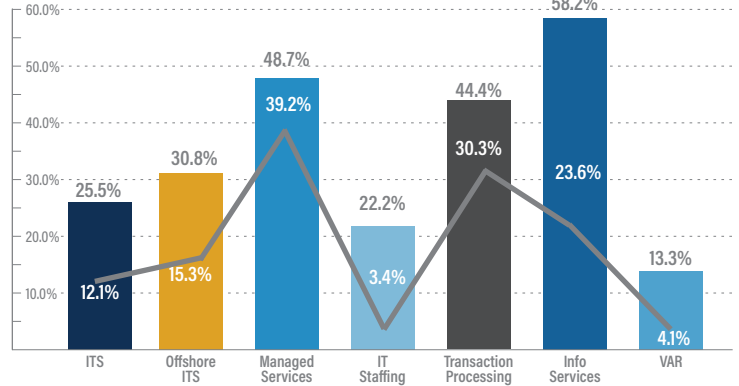
Enterprise Value / LTM EBITDA



LTM Revenue Growth

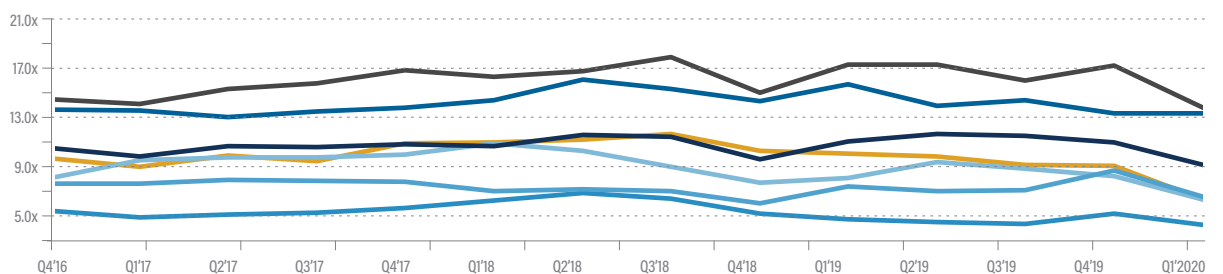


LTM Gross & EBITDA Margin*



*EBITDA Margins shown as the gray line.

TEV / EBITDA



10.0x ITS 7.0x Offshore ITS 4.8x Managed Services 7.0x IT Staffing 14.9x Transaction Processing 14.4x Info Services 7.3x VAR

SELECTED TECHNOLOGY TRANSACTIONS

Ann. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
3/24/2020	IT Services	One Equity Partners	MCL Computer & Zubehör	NA	<ul style="list-style-type: none"> One Equity Partners, a US-based middle market private equity firm, acquired MCL Computer & Zubehör, a Germany based provider of IT consulting services and reseller of hardware & software solutions OEP's backing bolsters MCL's mission to manage IT infrastructure challenges for its clients and also allows it to grow inorganically through strategic acquisitions
3/18/2020	IT Services	MorganFranklin Consulting	Microsoft ERP Practice of Kraft Enterprise Systems	NA	<ul style="list-style-type: none"> MorganFranklin Consulting, a US-based provider of strategy and execution-focused business consulting and professional advisory services, acquired the Microsoft ERP Practice of Kraft Enterprise Systems, a US business software implementation and optimization services firm The acquisition bolsters MorganFranklin's rapidly growing ERP practice and its strategic position in the Nashville market
3/11/2020	Managed Services	Medicus IT	Nexus Practice IT Services	NA	<ul style="list-style-type: none"> Medicus IT, a US-based developer of healthcare IT software solutions, acquired Nexus Practice IT Services, a US-based healthcare-specific managed services provider The acquisition bolsters Medicus' service offerings and expands its geographic presence in the Midwest
3/10/2020	IT Services	Veritas Capital	US State and Local Health and Human Services Business of DXC Technology	\$5,000.0	<ul style="list-style-type: none"> Veritas Capital, a US-based middle market private equity firm, agreed to acquire DXC Technology's US State and Local Health and Human Services Business, a US-based provider of technology enabled solutions for health programs through the US, for \$5 billion, or 3.6x LTM revenue Veritas plans to use its industry expertise to drive improvement in the business' mission critical healthcare technology services
3/10/2020	IT Services	CIP Capital	3Pillar Global	NA	<ul style="list-style-type: none"> CIP Capital, a US-based growth-oriented middle market private equity firm, invested in 3Pillar Global, a product lifecycle management and software product development company CIP's backing accelerates 3Pillar's go-to-market approach and expands its next-generation service capabilities such as machine learning and AI
3/6/2020	IT Services	Avanade	Altius	NA	<ul style="list-style-type: none"> Avanade, a US-based provider of business applications, cloud and digital solutions and technology services, acquired Altius, a UK-based provider of IT services spanning strategy, performance management, data science and AI, data analytics and visualization and managed services The acquisition deepens Avanade's data platform, managed services and data visualization capabilities, ultimately strengthening its ability to deliver AI solutions at scale to its clients
3/2/2020	IT Services	Publicis Sapient	Third Horizon	NA	<ul style="list-style-type: none"> Publicis Sapient, a US-based provider of strategy, marketing and technology services for business performance, acquired Third Horizon, an Australia based management consulting firm The acquisition reinforces Publicis Sapient's connected digital transformation capabilities in Australia

Selected TM Capital Technology Experience



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