












# TECHNOLOGY MONTHLY

AUGUST 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.*

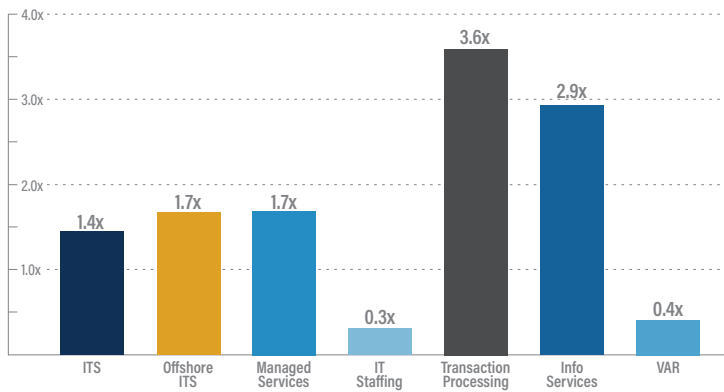
ITS      Offshore ITS      Managed Services      IT Staffing      Transaction Processing      Info Services      VAR

## HEADLINE TRANSACTIONS

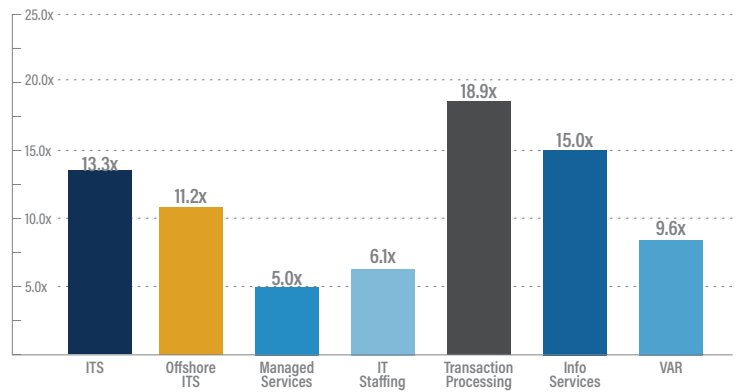
	TARGET	ACQUIROR	ACQUISITION SYNOPSIS
IT Services			<ul style="list-style-type: none"> <li>3Cloud (backed by Gryphon Investors), a US based leading Microsoft Azure services firm, acquired Applied Cloud Systems, a Microsoft consultancy that helps customers adopt and leverage Microsoft cloud technologies</li> <li>The acquisition of ACS's cloud expertise with education and healthcare institutions bolsters 3Cloud's position as a preeminent Azure services provider</li> </ul>
	NEWSIGNATURE		<ul style="list-style-type: none"> <li>Cognizant (NasdaqGS: CTSH), a US based provider of consulting, technology and outsourcing services, agreed to acquire New Signature (backed by Columbia Capital), a US based independent Microsoft public cloud transformation specialist</li> <li>The acquisition lays the groundwork for a new group within Cognizant focused on Microsoft cloud solutions</li> </ul>
			<ul style="list-style-type: none"> <li>Eze Castle Integration (backed by H.I.G. Capital), a US based provider of IT and private cloud services to the asset management industry, acquired Alphaserve Technologies, a US based provider of IT, cloud and cybersecurity services to the asset management industry</li> <li>The acquisition expands Eze Castle's capabilities and solidifies its position as a leader in end-to-end IT solutions for financial and professional services firms</li> </ul>
			<ul style="list-style-type: none"> <li>ABS Capital Partners, a US based private equity and venture capital firm, invested in Guidepoint Security, a US based provider of cybersecurity solutions and services to government and commercial organizations</li> <li>ABS's backing fuels Guidepoint's organic and geographic expansion initiatives and also bolsters its board of directors and executive team</li> </ul>
Managed Services			<ul style="list-style-type: none"> <li>Dynamic Quest (backed by Spire Capital Partners), a US based provider of managed IT and cloud services, acquired Nexstep, a US based provider of managed IT, security, disaster recovery and application hosting services</li> <li>The acquisition expands Dynamic Quest's presence in Georgia and allows it to cross-sell its services to Nexstep's customer base</li> </ul>
			<ul style="list-style-type: none"> <li>Ascend Technologies (backed by M/C Partners), a US based provider of managed IT services, acquired Infogressive, a US based managed security and professional services provider</li> <li>The acquisition strengthens Ascend's capabilities in cloud and infrastructure, application management, data management and security</li> </ul>

# TECHNOLOGY GROWTH & VALUATION TRENDS

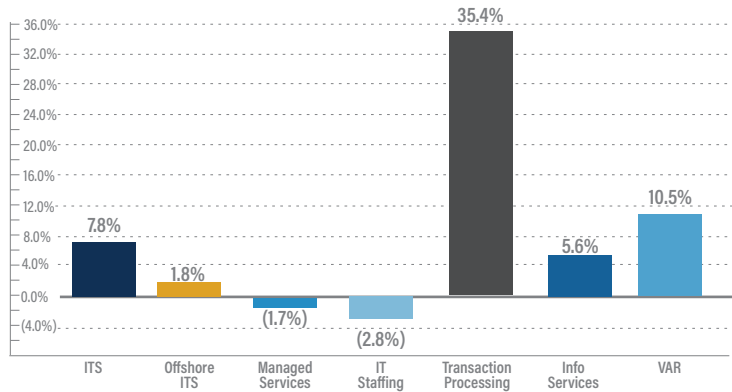
Enterprise Value / LTM Revenue



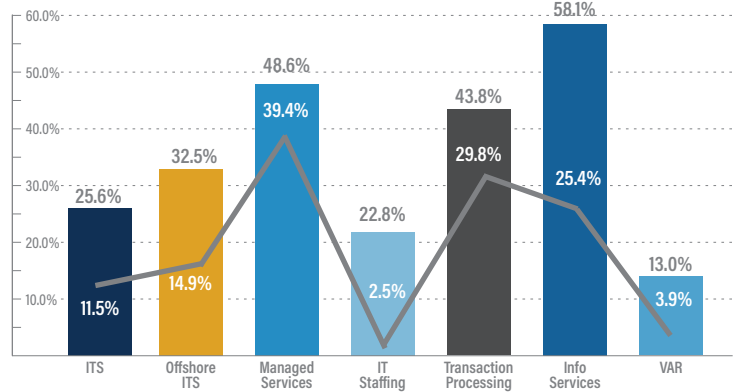
Enterprise Value / LTM EBITDA



LTM Revenue Growth

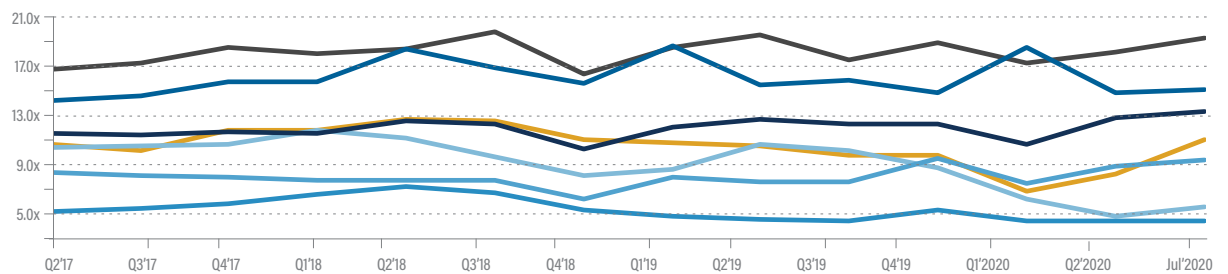


LTM Gross & EBITDA Margin\*



\*EBITDA Margins shown as the gray line.

TEV / EBITDA



13.3x ITS 11.2x Offshore ITS 5.0x Managed Services 6.1x IT Staffing 18.9x Transaction Processing 15.0x Info Services 9.6x VAR

# SELECTED TECHNOLOGY TRANSACTIONS

Ann. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
7/29/2020	IT Services	IMB Partners	Ashburn Consulting	NA	<ul style="list-style-type: none"> <li>IMB Partners, a US based private equity independent sponsor, agreed to acquire Ashburn Consulting, a US based IT consulting company offering network engineering and cybersecurity support services</li> <li>IMB's backing will fuel future growth for Ashburn, especially by expanding its presence in the government IT services sector</li> </ul>
7/27/2020	IT Services	Credera	DMW Group	NA	<ul style="list-style-type: none"> <li>Credera (a subsidiary of Omnicom Group), a US based management consulting, user experience and technology solutions firm, acquired a majority stake in DMW Group, a UK based provider of IT consulting services including design, delivery, and implementation of digital transformation programs</li> <li>The acquisition adds strategic advisory and program leadership skills to Credera's consulting organization in Europe</li> </ul>
7/20/2020	IT Services	Dedalus	Healthcare Software Unit of DXC Technology	\$525m	<ul style="list-style-type: none"> <li>Dedalus (backed by Ardian), an Italy based healthcare and diagnostic software company, agreed to acquire the Healthcare Software Unit of DXC Technology, which comprises DXC's healthcare and diagnostic software solutions, for \$525 million</li> <li>The acquisition enhances Dedalus' position as a global provider of IT solutions for hospitals, primary and social care, integrated care and diagnostics</li> </ul>
7/14/2020	IT Services	Riordan, Lewis & Haden ("RLH")	MCA Connect	NA	<ul style="list-style-type: none"> <li>Riordan, Lewis &amp; Haden, a US based middle market private equity firm, invested in MCA Connect, a US based provider of implementation services for Microsoft solutions for manufacturing, oil and gas and service companies</li> <li>RLH's backing enhances MCA's position as a premier Microsoft National System Integrator</li> </ul>
7/9/2020	IT Staffing	XDuce	SANS Consulting Services	NA	<ul style="list-style-type: none"> <li>XDuce, a US based provider of IT consulting services, application software development and staffing services, acquired a majority stake in SANS Consulting Services, a US based provider of IT staffing and consulting services</li> <li>The acquisition bolsters XDuce's IT services capabilities, especially in the financial services sector</li> </ul>
7/7/2020	IT Services	Computer Design and Integration ("CDI")	Plan B Technologies	NA	<ul style="list-style-type: none"> <li>Computer Design and Integration (backed by One Equity Partners), a US based provider of IT infrastructure hardware and software, consulting and managed services, acquired Plan B Technologies, a US based IT solutions and professional services provider</li> <li>The acquisition diversifies CDI's capabilities and complements its existing digital workspace offerings</li> </ul>

## Selected TM Capital Technology Experience



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