

# TECHNOLOGY MONTHLY

OCTOBER 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

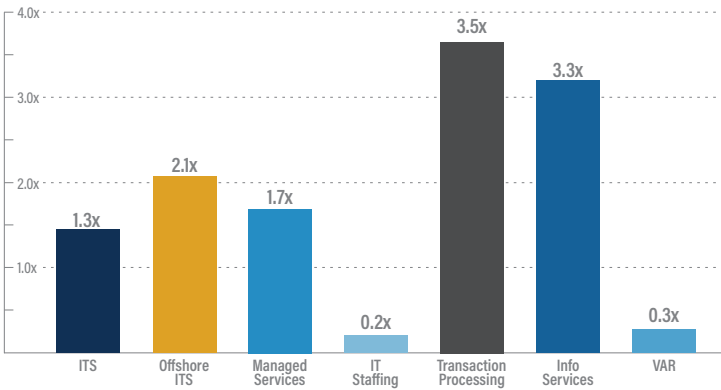
VAR

## HEADLINE TRANSACTIONS

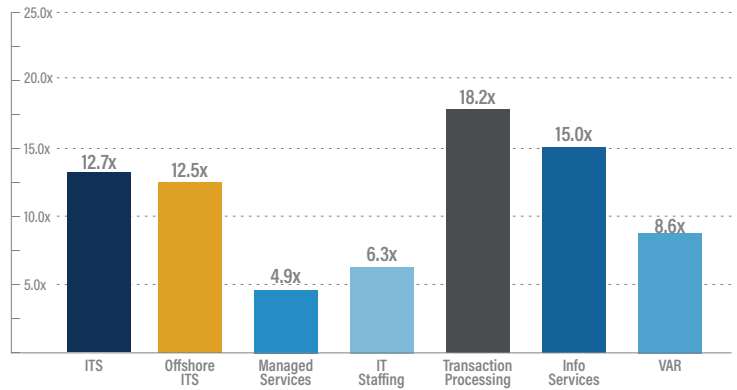
	TARGET	ACQUIROR	ACQUISITION SYNOPSIS
IT Services			<ul style="list-style-type: none"> <li>HCL Technologies (NSEI: HCLTECH), an India based provider of software development, business process outsourcing and IT infrastructure services, agreed to acquire DWS Limited, an Australia based IT, business and management consulting company, for \$138 million, or 9.5x LTM EBITDA</li> <li>The acquisition expands HCL's presence in the Australia and New Zealand markets</li> </ul>
		 Baring Private Equity Asia	<ul style="list-style-type: none"> <li>Baring Private Equity Asia, a large Hong Kong based private equity firm, agreed to acquire Virtusa (NasdaqGS: VRTU), a US based provider of digital business strategy, digital engineering and IT services, for \$2 billion, or 16.8x LTM EBITDA</li> <li>The transaction generates an immediate cash premium to Virtusa's shareholders and will solidify its position at the forefront of digital transformation</li> </ul>
			<ul style="list-style-type: none"> <li>Infosys (NSEI: INFY), an India based provider of consulting, technology, outsourcing and next-generation digital services, agreed to acquire Kaleidoscope Innovation, a US based provider of product design, development and insights for the medical, consumer and industrial markets, for \$42 million</li> <li>The acquisition expands Infosys' expertise in design and engineering, particularly at the intersection of new software technologies and medical devices</li> </ul>
			<ul style="list-style-type: none"> <li>ASGN Incorporated (NYSE: ASGN), a US based IT staffing and services provider, acquired LeapFrog Systems, a US based provider of digital business transformation services, for up to \$72 million</li> <li>LeapFrog will join ASGN's Apex Systems division and will add capabilities to capture additional commercial consulting opportunities</li> </ul>
			<ul style="list-style-type: none"> <li>EPAM Systems (NYSE: EPAM), a leading global professional services company, acquired Ricston, a UK based provider of technology consulting, integration and migration services</li> <li>The acquisition bolsters EPAM's capabilities in integration and connectivity, specifically in microservices and APIs</li> </ul>
Managed Services	 10 <sup>TH</sup> MAGNITUDE		<ul style="list-style-type: none"> <li>Cognizant (NasdaqGS: CTSH), a US based provider of consulting, technology and outsourcing services, agreed to acquire 10th Magnitude (backed by Pamlico Capital), a US based provider of cloud managed services focused on Microsoft Azure</li> <li>The acquisition bolsters Cognizant's new Microsoft Business Group with additional Azure expertise</li> </ul>

# TECHNOLOGY GROWTH & VALUATION TRENDS

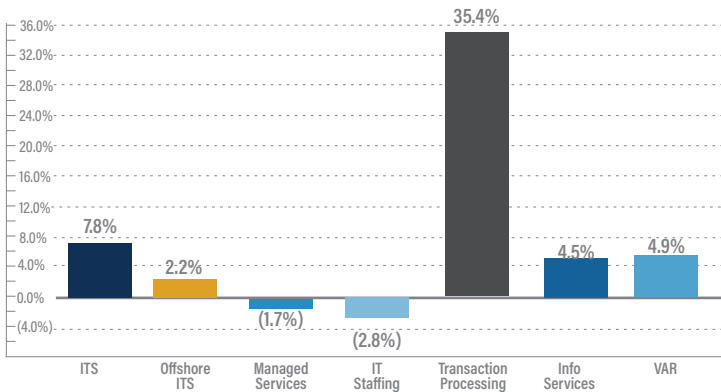
Enterprise Value / LTM Revenue



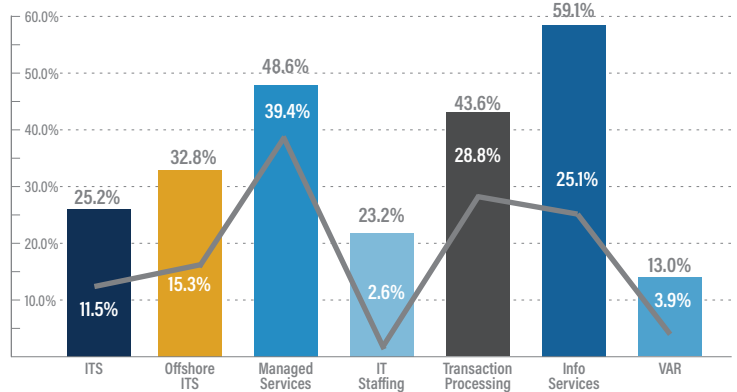
Enterprise Value / LTM EBITDA



LTM Revenue Growth

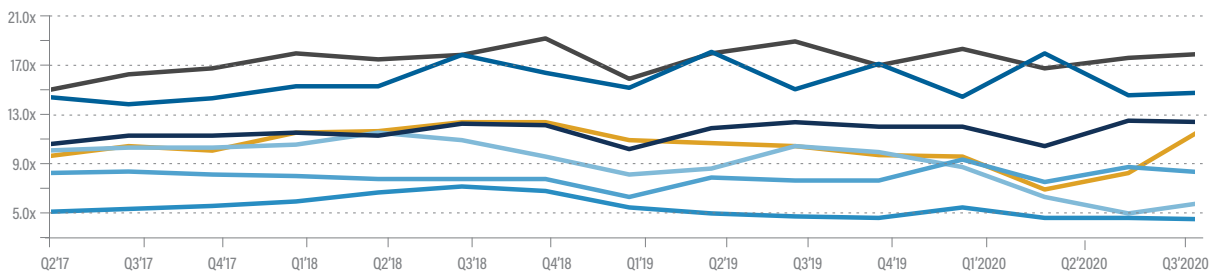


LTM Gross & EBITDA Margin\*



\*EBITDA Margins shown as the gray line.

TEV / EBITDA



12.7x ITS    12.5x Offshore ITS    4.9x Managed Services    6.3x IT Staffing    18.2x Transaction Processing    15.0x Info Services    8.6x VAR

# SELECTED TECHNOLOGY TRANSACTIONS



Ann. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
9/23/2020	IT Services	Cerberus Cyber Sentinel	Clear Skies Security	NA	<ul style="list-style-type: none"> <li>Cerberus Cyber Sentinel (OTCPK: CISO), a US based cybersecurity services company, acquired Clear Skies Security, a US based cybersecurity assessment firm</li> <li>The acquisition bolsters Cerberus Cyber Sentinel's security assessment capabilities</li> </ul>
9/19/2020	IT Services	WIIT	myLoc	NA	<ul style="list-style-type: none"> <li>WIIT, an Italy based provider of hosted private and hybrid cloud services, acquired myLoc, a Germany based provider of cloud and colocation services for enterprises and individuals</li> <li>The acquisition is WIIT's first outside of Italy and is in line with the Company's goal of becoming a leading European operator in the space</li> </ul>
9/8/2020	IT Services	Marlin Equity Partners	Pentalog	NA	<ul style="list-style-type: none"> <li>Marlin Equity Partners, a global private equity firm, acquired Pentalog, a France based provider of end-to-end product design, software engineering and digital consulting services</li> <li>Marlin's deep domain expertise and operational resources in software and tech-enabled services will accelerate Pentalog's future growth</li> </ul>
9/3/2020	IT Services	Acclaim Technical Services	Global Consulting Services	NA	<ul style="list-style-type: none"> <li>Acclaim Technical Services, a US based language and intelligence services company serving government agencies, acquired Global Consulting Services, a US based IT and engineering consulting firm</li> <li>The acquisition adds a team of 30 to Acclaim's roster and adds expertise in software development, software engineering and systems engineering</li> </ul>
9/2/2020	IT Services	Concord	Services Team of HyperAspect	NA	<ul style="list-style-type: none"> <li>Concord, a US based IT consulting firm, acquired the services team of HyperAspect, a Bulgaria based software development and technology consulting company, to form Concord Europe</li> <li>The acquisition strengthens Concord's position in Europe and expands its capabilities in AI and machine learning</li> </ul>
9/1/2020	Managed Services	Cooperative Systems	Fandotech	NA	<ul style="list-style-type: none"> <li>Cooperative Systems, a US based managed IT services provider, acquired Fandotech, a US based provider of datacenter and managed IT services</li> <li>The acquisition brings complementary and additive cloud solutions to Cooperative's offering</li> </ul>
9/1/2020	IT Services	Centerbridge Partners	AHEAD	NA	<ul style="list-style-type: none"> <li>Centerbridge Partners, a US based multi-strategy private investment firm, agreed to acquire a majority stake in AHEAD (backed by Court Square Capital Partners), a US based provider of enterprise cloud solutions</li> <li>Centerbridge's backing will enable AHEAD to bolster its capabilities around helping clients transform and create more agile applications</li> </ul>

## Selected TM Capital Technology Experience



## TM Capital's Technology Industry Contacts



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