







TECHNOLOGY MONTHLY

DECEMBER 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.

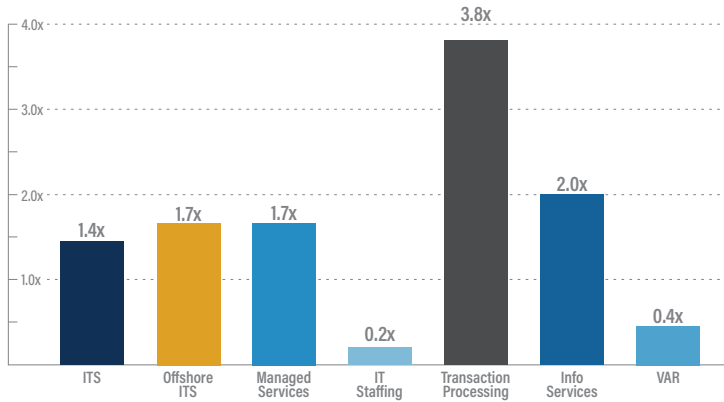
ITS Offshore ITS Managed Services IT Staffing Transaction Processing Info Services VAR

HEADLINE TRANSACTIONS

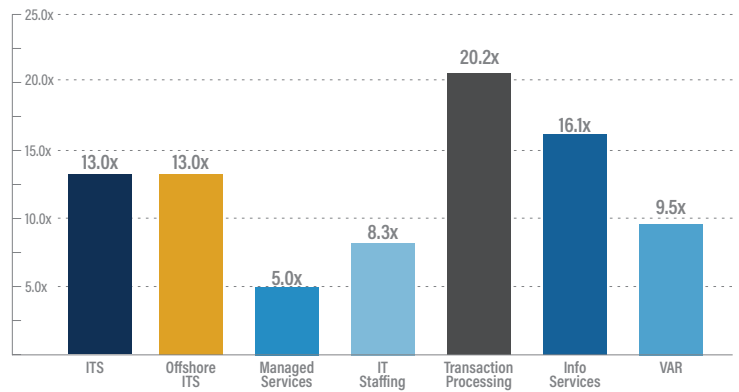
	TARGET	ACQUIROR	ACQUISITION SYNOPSIS	
IT Services			<ul style="list-style-type: none"> Accenture (NYSE:ACN), a leading global professional services company, agreed to acquire End-to-End Analytics, a US based advanced analytics and data science consulting firm The acquisition strengthens Accenture's Applied Intelligence practice and enhances its client service across North and South America 	
			<ul style="list-style-type: none"> GlobalLogic, a US based global provider of product lifecycle development services, acquired ECS, a UK based consulting firm specializing in DevOps The acquisition bolsters GlobalLogic's UK presence, financial services expertise and cloud capabilities 	
			<ul style="list-style-type: none"> EY, a global accounting and advisory firm, acquired Zilker Technology, a US based provider of digital consulting and systems integration services The acquisition sharpens EY's global E-commerce, digital and cloud capabilities and bolsters its ability to drive tech-enabled, data-driven, personalized customer experiences 	
			<ul style="list-style-type: none"> PwC, a global accounting and advisory firm, agreed to acquire Eagle Dream Technologies, a US based cloud-native transformation company and AWS partner The acquisition adds Eagle Dream's nearly 100 employees to PwC's Advisory business and bolsters its cloud consulting capabilities 	
			<ul style="list-style-type: none"> IBM (NYSE: IBM), a global integrated solutions and services company, acquired TruQua Enterprises, a US based provider of IT services, consulting, project management and SAP software development for Fortune 500 companies The acquisition strengthens IBM's ability to migrate its client's financial platforms to SAP 	
			<ul style="list-style-type: none"> Rackspace Technology (NasdaqGS: RXT), a US based provider of multi cloud technology services, acquired Bright Skies, a Germany based cloud transformation provider specializing in data center modernization, cloud transformation and AI The acquisition expands Rackspace's footprint in Europe and combines complementary cloud-native capabilities that will benefit clients in the region 	
			<ul style="list-style-type: none"> Park Place Technologies (backed by Charlesbank Equity Partners), a US based provider of third party hardware maintenance and support services for IT data centers, acquired Curvature, a US based new and pre-owned hardware, third-party maintenance and IT services The acquisition doubles Park Place's size and creates the largest team of field service engineers on the ground 	
			<ul style="list-style-type: none"> Clearlake Capital, a US based middle market private equity firm, agreed to acquire Endurance International Group (NasdaqGS: EIGI), a US based provider of cloud-based platform solutions for small and medium-sized businesses, for \$3.1 billion, or 10.2x LTM EBITDA Clearlake's backing provides Endurance with the capital needed for numerous organic growth opportunities and potential add-on acquisitions 	
	Managed Services			<ul style="list-style-type: none"> Presidio (backed by BC Partners), a US based IT solutions provider, agreed to acquire Arkphire, an Ireland based IT procurement and managed services company The acquisition provides Presidio a platform to scale its operations in the European and Asia Pacific markets
				<ul style="list-style-type: none"> Navisite (backed by Madison Dearborn Partners), a US based application services, enterprise hosting and managed cloud services, acquired Dickinson & Associates, a US based SAP consulting firm The acquisition bolsters Navisite's SAP managed cloud services portfolio with additional platform expertise
			<ul style="list-style-type: none"> Coretelligent (backed by VSS Capital Partners), a US based provider of managed IT and private cloud services, acquired Soundshore Technology Group, a US based provider of outsourced IT services The acquisition adds over 200 employees and 500 clients to Coretelligent and solidifies its expertise in the financial services vertical 	

TECHNOLOGY GROWTH & VALUATION TRENDS

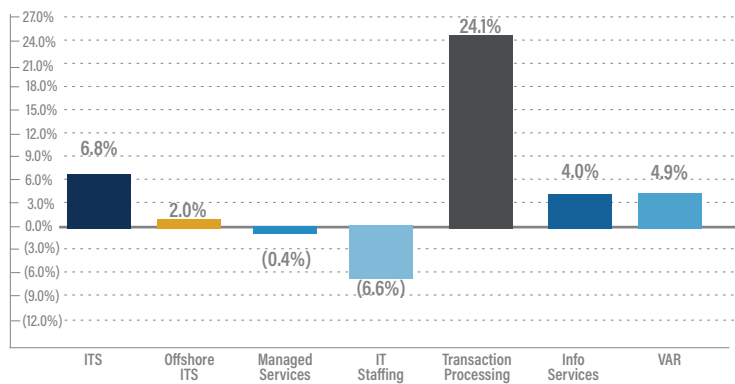
Enterprise Value / LTM Revenue



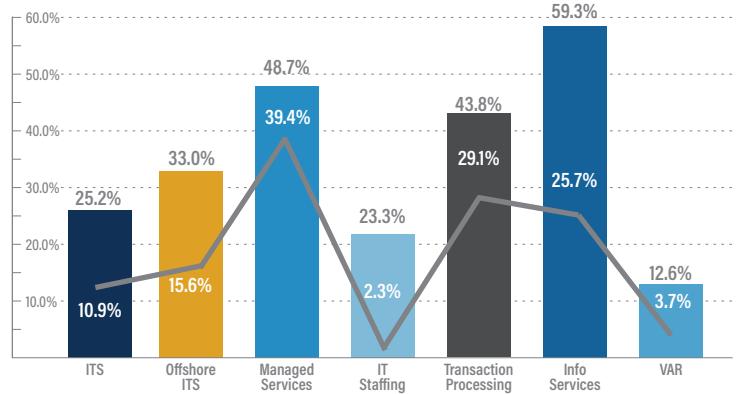
Enterprise Value / LTM EBITDA



LTM Revenue Growth

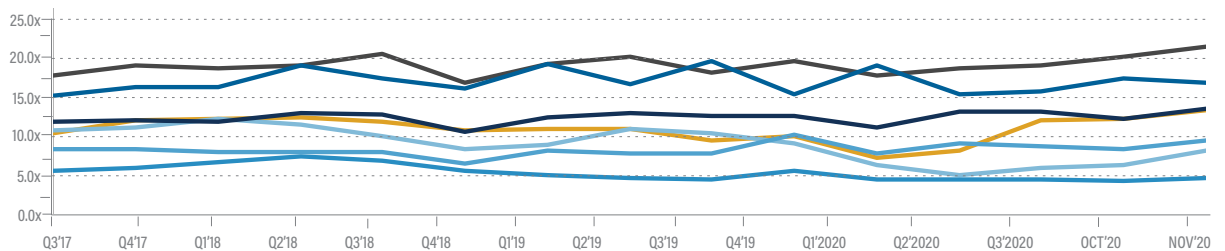


LTM Gross & EBITDA Margin*



*EBITDA Margins shown as the gray line.

TEV / EBITDA



13.0x ITS 13.0x Offshore ITS 5.0x Managed Services 8.3x IT Staffing 20.2x Transaction Processing 16.1x Info Services 9.5x VAR

SELECTED TECHNOLOGY TRANSACTIONS

Ann. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
11/30/2020	IT Services	Accenture	Olikka	NA	<ul style="list-style-type: none"> Accenture (NYSE:ACN), a leading global professional services company, acquired Olikka, an Australia based provider of cloud migration and related services The acquisition enhances Accenture's AWS and Azure capabilities and expands its footprint in Australia and New Zealand
11/20/2020	IT Services	Vantage Data Centers	Hyperscale Data Center Business of Hypertec	NA	<ul style="list-style-type: none"> Vantage Data Centers (backed by Digital Colony), a US based provider of wholesale data center infrastructure, acquired the hyperscale data business of Hypertec, a Canada based data center provider The acquisition allows Vantage to capitalize on growth opportunities in the Montreal data center market, fueled by attractive power costs, tax incentives and fiber connectivity
11/19/2020	IT Services	Gunnison Consulting Group	G2SF	NA	<ul style="list-style-type: none"> Gunnison Consulting Group, a US based provider of software development, data analytics and enterprise system testing for government customers, acquired G2SF, a US based provider of IT services and professional services to government agencies The acquisition adds complementary capabilities, scale and new client relationships to Gunnison
11/17/2020	IT Services	Sverica Capital	DeFY Security	NA	<ul style="list-style-type: none"> Sverica Capital, a US based middle market private equity firm, invested in DeFY Security, a US based provider of cybersecurity services and solutions to financial institutions, healthcare organizations, manufacturers and retailers Sverica's backing accelerates DeFY's growth strategy and national expansion plans
11/17/2020	IT Services	Matrix IT	RightStar	NA	<ul style="list-style-type: none"> Matrix IT (TASE: MTRX), an Israel based IT services provider, acquired RightStar, a US based provider of IT management support, consulting and implementation services The acquisition furthers Matrix's continuing strategy to expand its software selling and implementation footprint in the US
11/13/2020	IT Staffing	The Planet Group	Interactive Business Systems	NA	<ul style="list-style-type: none"> The Planet Group (backed by MidOcean Partners), a US based provider of outsourced human capital and consulting solutions, agreed to acquire Interactive Business Systems, a US based flexible IT staffing and solutions provider The acquisition expands Planet's suite of enhanced consulting and strategic resourcing solutions
11/10/2020	IT Services	Trace3	Groupware Technology	NA	<ul style="list-style-type: none"> Trace3 (backed by H.I.G. Capital), a US based provider of advanced technology consulting services and solutions, agreed to acquire Groupware Technology, a US based IT solutions provider focused on data center infrastructure, cloud computing, rack integration and first call support The acquisition expands Trace3's geographic presence in Northern California and Arizona
11/9/2020	IT Services	Gcom Software	20/20 Teknology	NA	<ul style="list-style-type: none"> GCOM Software (backed by Sagewind Capital), a US based provider of software consulting services to public sector clients, acquired 20/20 Teknology, a US based managed services provider and systems integrator The acquisition strengthens GCOM's capabilities, specifically in helping its government clients function seamlessly across departments without brick-and-mortar facilities
11/5/2020	Managed Services	Eze Castle Integration	NorthOut	NA	<ul style="list-style-type: none"> Eze Castle Integration (backed by H.I.G. Capital), a US based managed IT services provider, acquired NorthOut, a US based provider of technology deployment, system integration and IT support services The acquisition accelerates Eze Castle's digital transformation offering, especially for the financial and professional services industries
11/1/2020	IT Services	West Monroe	Pace Harmon	NA	<ul style="list-style-type: none"> West Monroe, an US based provider of business and technology consulting services, acquired Pace Harmon, a US based advisory firm focused on IT and business services transformation The acquisition adds depth in several areas for West Monroe, including in transformation advisory and business process outsourcing, procurement and vendor management

Selected TM Capital Technology Experience



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