













TECHNOLOGY MONTHLY

JANUARY 2021

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

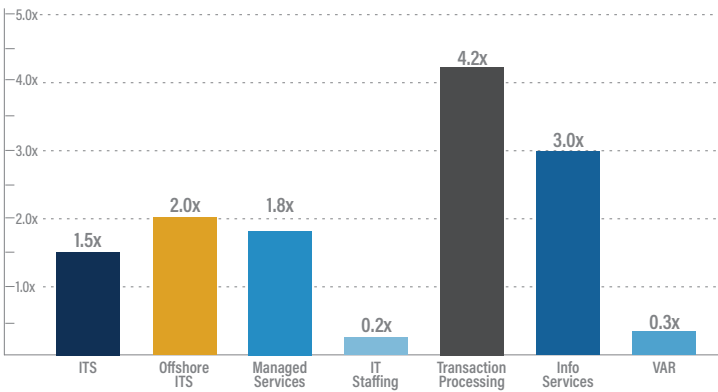
TARGET	ACQUIROR	ACQUISITION SYNOPSIS
		<ul style="list-style-type: none"> Cerberus Sentinel (OTCPK: CISO), a US based cybersecurity consulting company, acquired Alpine Security, a US based cybersecurity services provider The acquisition enhances and expands Cerberus Sentinel's cybersecurity capabilities for its clients' growing demands
		<ul style="list-style-type: none"> NTT Data (TSE: 9613), a Japan based provider of consulting, system development and business IT outsourcing services, agreed to acquire HashMap, a US based provider of data-driven and cloud-based solutions consulting The acquisition helps NTT accelerate its clients' digital transformation journeys and provide a secure foundation to operationalize and scale AI
		<ul style="list-style-type: none"> Leidos (NYSE: LDOS), a US based science and technology company, agreed to acquire 1901 Group, a US based IT services and cloud solutions provider, for \$215 million The acquisition bolsters Leidos' market position and better equips it to respond to growing demands from its client base
		<ul style="list-style-type: none"> Converge Technology Solutions (TSXV: CTS), a Canada based IT distributor, acquired Workgroup Connections, a US based provider of application development & integration, systems consulting, e-learning and training services The acquisition brings to Converge 50 skilled resources holding a collective 80 prestigious partner certifications, which will help drive growth in Converge's Central and Western regions
		<ul style="list-style-type: none"> Sirius Computer Solutions (backed by Clayton, Dubilier & Rice), a US based provider of integrated technology solutions, acquired Champion Solutions, a US based virtualization, cloud and data management services provider The acquisition extends Sirius' geographic reach into the Southeast and expands its Microsoft 365 and Azure cloud offerings
		<ul style="list-style-type: none"> IBM, a global integrated solutions and services company, acquired Nordcloud, a Finland based provider of cloud implementation, application transformation and managed services The acquisition advances IBM's cloud migration and transformation capabilities, especially in its European markets
		<ul style="list-style-type: none"> Atos (ENXTPA: ATO), a France based global provider of digital transformation solutions and services, agreed to acquire Motiv ICT Security, a Netherlands based managed security services (MSS) provider The acquisition solidifies Atos as one of the world's largest MSS providers and bolsters its expertise in key areas such as threat detection and response
		<ul style="list-style-type: none"> Ntiva (backed by Southfield Capital), a US based IT, cloud and cybersecurity services firm, acquired Forget Computers (a US based Apple technology support provider) and Netlink Systems (a provider of managed IT services) The acquisition of Forget allows Ntiva to be one of few MSPs to deliver full Apple support, and the acquisition of Netlink expands Ntiva's offering of 24x7x365 security services to its clients

IT Services

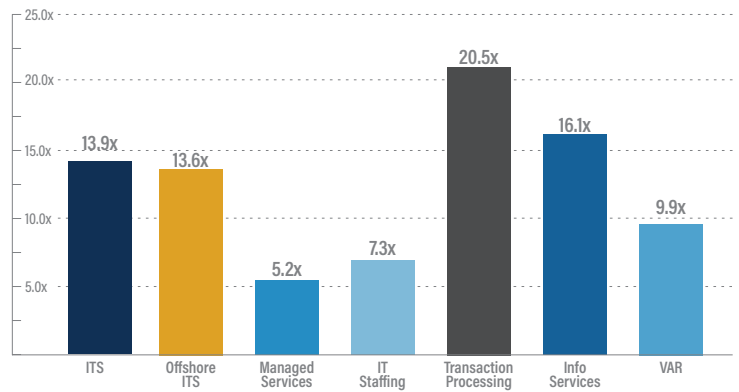
Managed Services

TECHNOLOGY GROWTH & VALUATION TRENDS

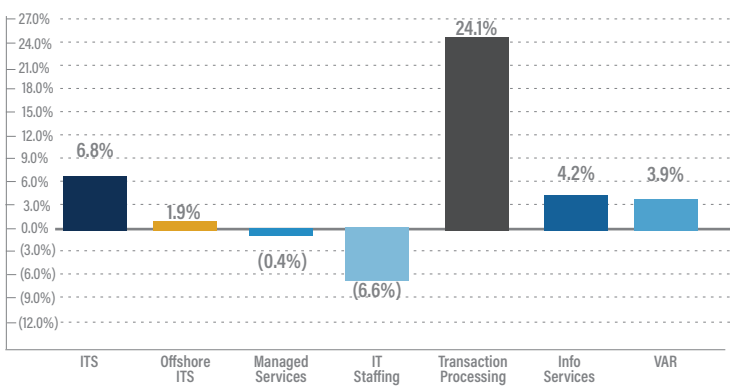
Enterprise Value / LTM Revenue



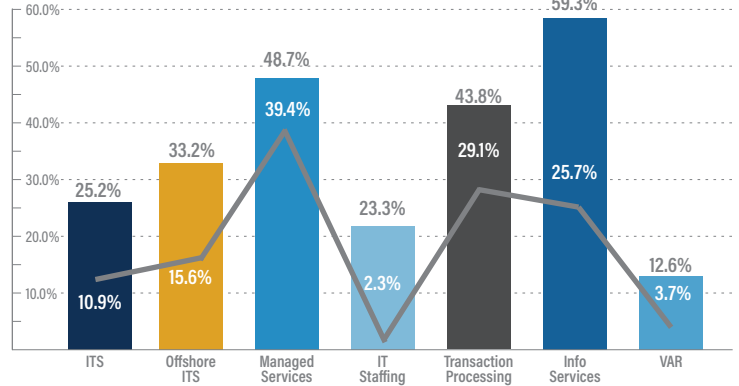
Enterprise Value / LTM EBITDA



LTM Revenue Growth

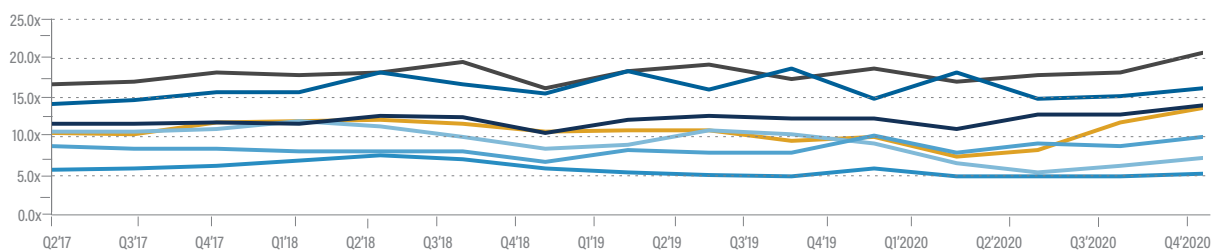


LTM Gross & EBITDA Margin*



*EBITDA Margins shown as the gray line.

TEV / EBITDA



13.9x ITS 13.6x Offshore ITS 5.2x Managed Services 7.3x IT Staffing 20.5x Transaction Processing 16.1x Info Services 9.9x VAR

SELECTED TECHNOLOGY TRANSACTIONS

Ann. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
12/29/2020	Managed Services	Valeo Networks	Etech Solutions	NA	<ul style="list-style-type: none"> Valeo Networks, a US based managed IT, cybersecurity and cloud solutions provider, acquired Etech Solutions, a US based provider of managed IT consulting services The acquisition enhances Valeo's ability to deliver nationwide managed services with the addition of a Midwest location
12/29/2020	Managed Services	ABRY Partners	GreenPages Technology Solutions	NA	<ul style="list-style-type: none"> ABRY Partners, a US based middle market private equity firm, invested in GreenPages Technology Solutions, a US based hybrid cloud services provider ABRY's backing accelerates GreenPages' go-to-market strategy, especially in cloud enablement, operations, security, risk, compliance and managed services
12/22/2020	Managed Services	Rosewood Private Investments	General Informatics	NA	<ul style="list-style-type: none"> Rosewood Private Investments, a US based middle market private equity firm, acquired General Informatics, a US based provider of managed IT services and cloud services The acquisition is Rosewood's first in IT services, and it plans to use organic and acquisitive initiatives to expand General Informatics' footprint into a 10-state area beyond Louisiana
12/22/2020	Managed Services	Netrix	Microsoft Consulting and Managed Services Business Unit of Prosum	NA	<ul style="list-style-type: none"> Netrix (backed by Oceansound Partners), a US based IT services and software development firm, acquired the Microsoft Consulting and Managed Services Business Unit of Prosum, a US based provider of technology consulting, recruiting and staffing services The acquisition expands Netrix's presence on the West Coast and bolsters its managed services and Microsoft services capabilities
12/21/2020	IT Services	Cognizant	Inawisdom	NA	<ul style="list-style-type: none"> Cognizant (NasdaqGS: CTS), a US based provider of consulting, technology and outsourcing services, acquired Inawisdom, a UK based provider of AI, machine learning and data analytics consulting services The acquisition expands Cognizant's expertise in data and AI, cloud, digital engineering and IoT
12/21/2020	IT Services	Converge Technology Solutions	CarpeDatum Consulting	NA	<ul style="list-style-type: none"> Converge Technology Solutions (TSXV: CTS), a Canada based IT distributor, acquired CarpeDatum Consulting, a US based IBM Analytics consultant and Alteryx Preferred Partner The acquisition bolsters Converge's capabilities in AI, analytics and performance management throughout the North American market
12/17/2020	IT Services	DataBank	zColo	NA	<ul style="list-style-type: none"> DataBank (backed by The Edgewater Funds), a US based provider of enterprise-class colocation, connectivity and managed services, acquired zColo's data center assets in the US and Europe The acquisition adds 44 data centers across 23 markets to DataBank along with several blue-chip customer relationships
12/8/2020	IT Services	3Pillar Global	Tiempo Development	NA	<ul style="list-style-type: none"> 3Pillar Global (backed by CIP Capital), a US based software product development company, acquired Tiempo Development, a US based provider of outsourced software engineering services The acquisition greatly expands 3Pillar's delivery capabilities, especially by progressing it toward its goal of working with clients on a 24-hour cycle
12/2/2020	Managed Services	Riverside Partners	Convergence Networks / Grade A	NA	<ul style="list-style-type: none"> Riverside Partners, a US based middle market private equity firm, backed the merger of US based Convergence Networks and Canada based Grade A (both providers of managed IT services) The combined company forms a leading managed IT and cybersecurity services provider with new equity capital to accelerate both organic initiatives and strategic acquisitions

Selected TM Capital Technology Experience



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