

TECHNOLOGY MONTHLY

FEBRUARY 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

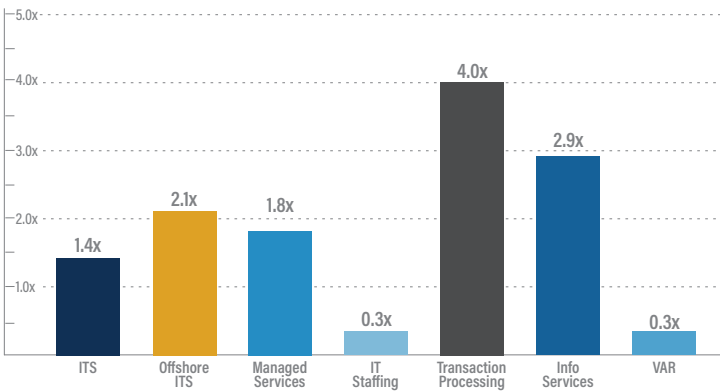
TARGET	ACQUIROR	ACQUISITION SYNOPSIS
		<ul style="list-style-type: none"> McKinsey & Company, a US based management consulting firm, acquired Candid Partners, a US based provider of cloud consulting services The acquisition scales McKinsey's technical cloud capabilities, which will enable it to generate better client outcomes with regards to cloud adoption
		<ul style="list-style-type: none"> Pamlico Capital, a US based middle market private equity firm, made a growth investment in Protera Technologies, a US based provider of application management and migration services focused on the SAP platform Pamlico's backing provides the capital needed to expand Protera's market reach and service offering
		<ul style="list-style-type: none"> CoreBTS (backed by Tailwind Capital), a US based IT solutions and managed services provider, acquired Skyline Technologies, a US based provider of Microsoft cloud, data analytics and application development consulting services The acquisition broadens Core BTS' ability to drive cloud transformation through customized data analytics and application development
		<ul style="list-style-type: none"> IBM (NYSE: IBM), a global integrated solutions and services company, acquired 7Summits, a US based Salesforce digital solutions consulting firm backed by Sverica Capital The acquisition is a part of IBM's continuing strategy to improve its capabilities around digital transformation through hybrid cloud and AI
		<ul style="list-style-type: none"> Genpact (NYSE: G), a Bermuda based BPO and IT services provider, acquired Enquero, a provider of data engineering and data-led digital transformation services The acquisition enhances Genpact's digital transformation abilities specifically by increasing the depth of its data and analytics teams
		<ul style="list-style-type: none"> Court Square Capital Partners, a US based middle market private equity firm, acquired a majority stake in Thrive, a US based provider of managed IT services backed by MC Partners Court Square's backing accelerates Thrive's investments in ServiceNow, Automation and AI, and also enables it to expand its product offering and sales/marketing team
		<ul style="list-style-type: none"> Logically (backed by The Riverside Company), a US based provider of managed IT services, acquired Network Support Co., a US based customer-centric managed IT services provider The acquisition is in line with Logically's strategy to acquire culturally similar MSPs that will expand its offering and enable it to run faster and more efficiently
		<ul style="list-style-type: none"> Thrive, (now backed by Court Square Capital Partners), a US based outsourced managed IT services provider, acquired Apex IT, a US based managed IT services provider The acquisition expands Thrive's Cloud & Cyber NextGen platform into Apex's client base, thereby establishing a presence in the Mid-Atlantic market
		<ul style="list-style-type: none"> Navisite (backed by Madison Dearborn Partners), a US based provider of application services, enterprise hosting and managed cloud services, acquired Velocity, a US based provider of enterprise and business application hosting services backed by Sumeru Equity Partners The acquisition solidifies Navisite's position as a leader in managed cloud and ERP services through the addition of Velocity's enterprise application and cloud expertise

IT Services

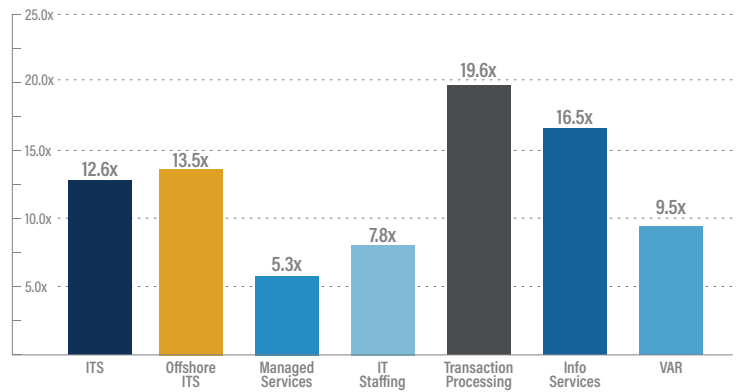
Managed Services

TECHNOLOGY GROWTH & VALUATION TRENDS

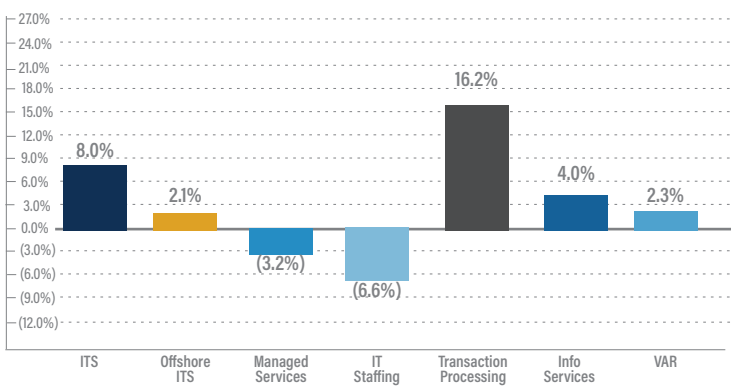
Enterprise Value / LTM Revenue



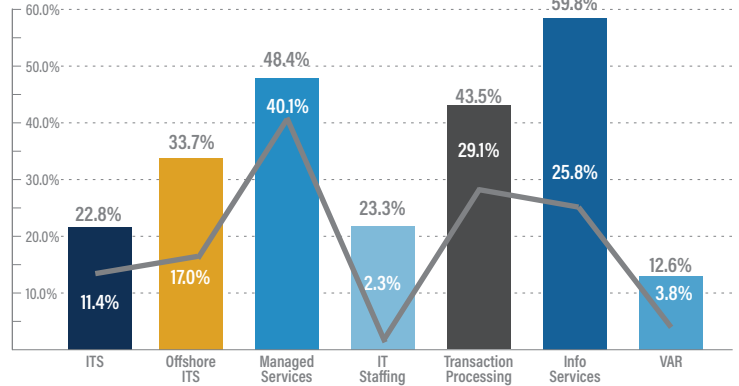
Enterprise Value / LTM EBITDA



LTM Revenue Growth

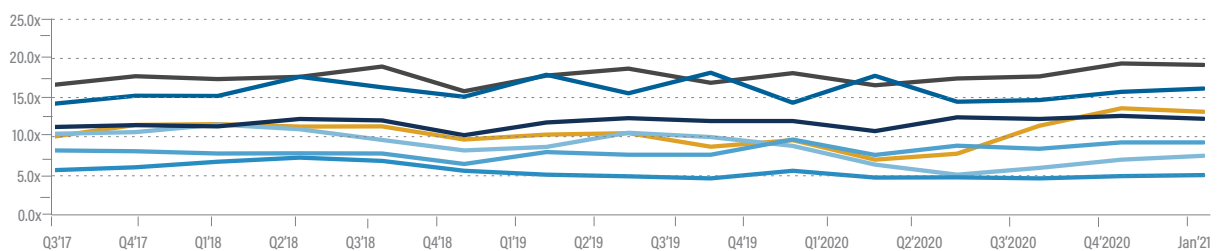


LTM Gross & EBITDA Margin*



*EBITDA Margins shown as the gray line.

TEV / EBITDA



12.6x ITS 13.5x Offshore ITS 5.3x Managed Services 7.8x IT Staffing 19.6x Transaction Processing 16.5x Info Services 9.5x VAR

SELECTED TECHNOLOGY TRANSACTIONS

Ann. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
1/28/2021	IT Services	eMids Technologies	Macadamian Technologies	NA	<ul style="list-style-type: none"> eMids Technologies (backed by New Mountain Capital), a US based provider of healthcare technology expertise and consulting services, acquired Macadamian, a Canada based healthcare-focused software design and development consulting firm Macadamian's design-first approach complements eMids' existing capabilities well and will improve its offerings to payer, provider and life sciences partners
1/26/2021	IT Services	Sunstone Partners	Evergreen Systems, Cerna Solutions, Novo/Scale	NA	<ul style="list-style-type: none"> Sunstone Partners, a US based middle market private equity firm, acquired Evergreen Systems, Cerna Solutions and Novo/Scale, three ServiceNow partners Under Sunstone, the combined company, which will be branded Thirdera, will be the will be the largest independent consulting partner focused exclusively on enabling ServiceNow across its client base
1/21/2021	IT Services	HSO	SAGlobal, 360 Solutions Group	NA	<ul style="list-style-type: none"> HSO (backed by The Carlyle Group), a Netherlands based Microsoft cloud business applications partner, acquired SAGlobal and their 360 Solutions Group, a provider of Microsoft Dynamics 365 and Power Platform solutions The acquisition expands HSO's North American presence and strengthens its go-to-market strategy
1/19/2021	IT Services	BV Investment Partners	PixelMEDIA	NA	<ul style="list-style-type: none"> BV Investment Partners, a US based middle market IT-focused private equity firm, invested in PixelMEDIA, a US based provider of digital commerce services focused on the Salesforce platform BV's backing will enable PixelMEDIA to accelerate its growth strategy and execute on its long-term goals
1/19/2021	IT Services	Apps Associates	Ethos Solutions	NA	<ul style="list-style-type: none"> Apps Associates (backed by BV Investment Partners), a US based provider of IT services to Fortune 1000 clients, acquired Ethos Solutions, a US based provider of IT services specializing in Salesforce implementations, customizations and integrations The acquisition bolsters Apps Associates' Salesforce offering, which helps it address rapidly growing customer demand in this area
1/19/2021	IT Services	Digital Fortress	Data Center and Colocation Business of Atmosera	NA	<ul style="list-style-type: none"> Digital Fortress, a US based enterprise level colocation provider, acquired the Data Center and Colocation Business of Atmosera, a hybrid managed services provider The acquisition adds three data centers to Digital Fortress, and it allows Atmosera to focus on its core Azure services segment
1/15/2021	IT Services	itelligence	My Supply Chain Group	NA	<ul style="list-style-type: none"> itelligence (owned by NTT Data), a Germany based provider of SAP support solutions, acquired My Supply Chain Group, a provider of IT consulting services for supply chain management companies The acquisition expands itelligence's supply chain planning and execution capabilities, especially in the US market
1/14/2021	Managed Services	International Business Machines	Taos	NA	<ul style="list-style-type: none"> IBM (NYSE: IBM), a global integrated solutions and services company, acquired Taos, a US based cloud-focused managed services provider backed by Bunker Hill Capital The acquisition adds significant expertise, public cloud partnerships and innovative solutions to IBM's hybrid cloud platform
1/13/2021	IT Services	ThoughtWorks	Gemini Solutions	NA	<ul style="list-style-type: none"> ThoughtWorks, a US based provider of software delivery, tools and consulting services, acquired Gemini Solutions, a software development and consulting services firm with offices in the US and Romania The acquisition allows ThoughtWorks to operate out of Gemini's Romania office and greatly expand its European presence
1/11/2021	IT Services	Valero Capital Partners	Full Spectrum Software; Intertech Engineering Associates	NA	<ul style="list-style-type: none"> Valero Capital Partners, a US based middle market private equity firm, acquired Full Spectrum Software (a provider of software development, engineering, SQA and testing services for the healthcare industry) and Intertech Engineering Associates (a medical device designer) The combined company forms a complete, end-to-end medical device solutions provider - from design to software development to testing

Selected TM Capital Technology Experience



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