

# TECHNOLOGY MONTHLY

APRIL 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

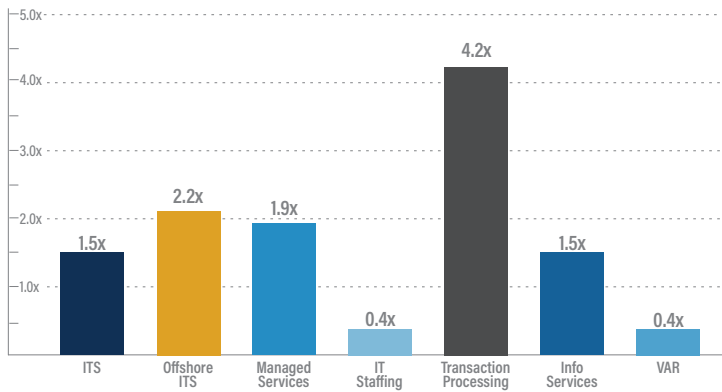
VAR

## HEADLINE TRANSACTIONS

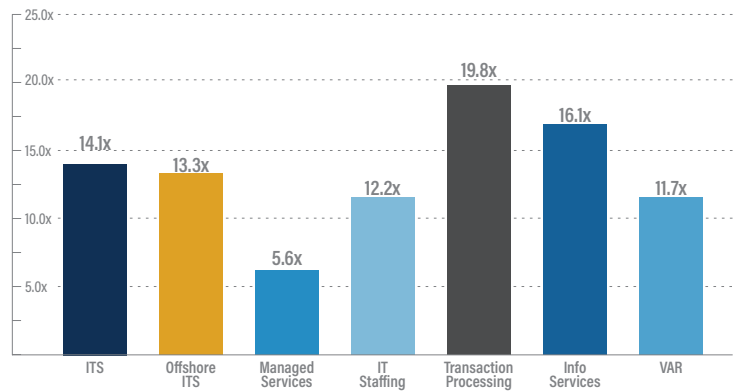
	TARGET	ACQUIROR	ACQUISITION SYNOPSIS
			<ul style="list-style-type: none"> <li>Hitachi (TSE: 6501), a Japan based provider of international IT, energy, industry, mobility and smart life solutions, acquired GlobalLogic, a US based provider of product lifecycle development services, for \$9.6 billion</li> <li>The acquisition adds advanced digital engineering capabilities and a solid client base to Hitachi's US based subsidiary, Lumada</li> </ul>
			<ul style="list-style-type: none"> <li>Deloitte, a global professional services company, acquired Groundswell Group, a Canada based AI and data integration company</li> <li>The acquisition strengthens Deloitte Canada's digital transformation capabilities, especially in Western Canada</li> </ul>
IT Services			<ul style="list-style-type: none"> <li>CDW (NYSE: CDW), a US based integrated IT solutions provider, acquired Amplified IT, a US based provider of Google services, solutions and software for the education market</li> <li>The acquisition brings valuable technical skills and knowledge to CDW's education practice</li> </ul>
			<ul style="list-style-type: none"> <li>Wipro (BSE: 507685), an India based IT, consulting and business process services company, acquired Capco, a UK based provider of management and technology consulting services to the financial services and energy industries, for \$1.5 billion (2.0x LTM Revenue)</li> <li>The acquisition creates one of the largest global providers of end-to-end consulting, technology and transformation services to the financial services industry</li> </ul>
			<ul style="list-style-type: none"> <li>EPAM Systems (NYSE: EPAM), a US based provider of digital platform engineering and software development services, acquired PolSource, a Poland based system integrator providing agile advisory services</li> <li>The acquisition expands EPAM's Salesforce capabilities with the addition of over 350 specialists holding more than 1,000 Salesforce certifications</li> </ul>
Managed Services			<ul style="list-style-type: none"> <li>Logically (backed by The Riverside Company), a US based provider of outsourced IT consulting and managed services, acquired Cerdant, a US based managed security service provider</li> <li>The acquisition bolsters Logically's newly created security business unit and expands its geographic footprint into Ohio</li> </ul>
VAR			<ul style="list-style-type: none"> <li>SYNNEX (NYSE: SNX), a US based provider of business process services internationally, entered an agreement to merge with Tech Data, a US based distributor of technology products and solutions, for \$7.2 billion (9.8x LTM EBITDA and 0.2x LTM Revenue)</li> <li>The combined company creates a \$57 billion player with an accelerated ability to scale and provide customers and vendors with expansive reach across its products, services and geographies</li> </ul>

# TECHNOLOGY GROWTH & VALUATION TRENDS

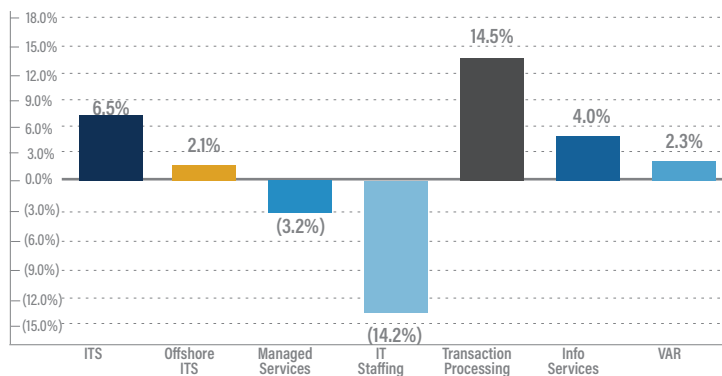
Enterprise Value / LTM Revenue



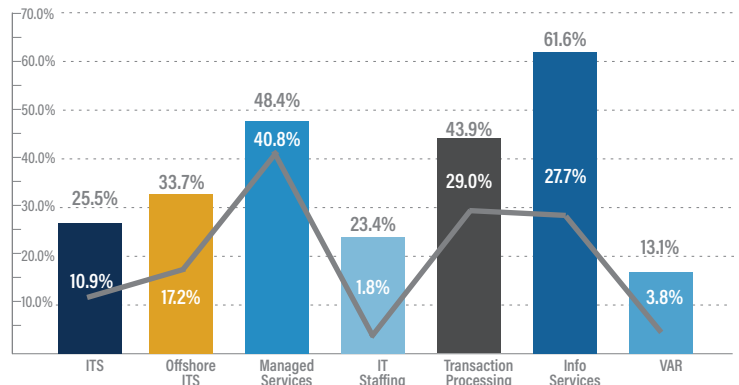
Enterprise Value / LTM EBITDA



LTM Revenue Growth

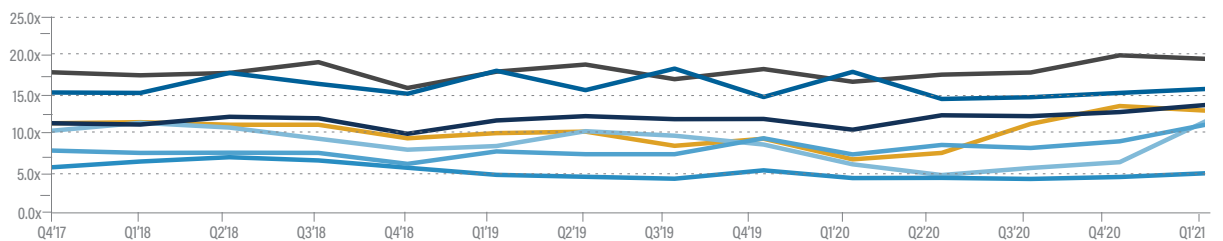


LTM Gross & EBITDA Margin\*



\*EBITDA Margins shown as the gray line.

TEV / EBITDA



14.1x ITS    13.3x Offshore ITS    5.6x Managed Services    12.2x IT Staffing    19.8x Transaction Processing    16.1x Info Services    11.7x VAR

# SELECTED TECHNOLOGY TRANSACTIONS

Ann. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
3/25/2021	IT Services	BP3 Global	transformAI	NA	<ul style="list-style-type: none"> <li>BP3 Global, a US based provider of automation services and solutions, acquired transformAI, a US based automation solution provider specializing in intelligent document processing (IDP)</li> <li>The acquisition adds IDP capabilities to BP3's Intelligent Automation division</li> </ul>
3/16/2021	Managed Services	Pfingsten Partners	Omega Systems Consultants	NA	<ul style="list-style-type: none"> <li>Pfingsten Partners, a US based middle market private equity firm, acquired Omega Systems Consultants, a US based provider of managed IT services</li> <li>Pfingsten plans to leverage its operational resources to organically grow Omega's business while also pursuing add-on acquisitions</li> </ul>
3/12/2021	Managed Services	Nautic Partners	VC3	NA	<ul style="list-style-type: none"> <li>Nautic Partners, a US based middle market private equity firm, acquired VC3, a US based provider of managed IT services, private cloud services, custom web applications, sharepoint consulting and website design and hosting</li> <li>Nautic's backing allows VC3 to invest in key growth areas including customer success and technical talent while also expanding its service offerings and geographic footprint</li> </ul>
3/9/2021	IT Services	Thrive	Howard Tech Advisors	NA	<ul style="list-style-type: none"> <li>Thrive (backed by Court Square Capital Partners), a US based provider of outsourced IT managed services to small and midsize businesses, acquired Howard Tech Advisors, a US based provider of IT solutions and management services</li> <li>The acquisition continues Thrive's expansion into the Mid-Atlantic market and brings its NextGen technology platform to a new and loyal customer base</li> </ul>
3/9/2021	Managed Services	Atmosfera	Wintellect	NA	<ul style="list-style-type: none"> <li>Atmosfera (backed by Seaport Capital), a US based provider of hybrid managed solutions to companies and SaaS providers, acquired Wintellect, a US based provider of cloud managed services</li> <li>By adding Wintellect's DevOps, automation, AI and cloud-native application development capabilities to Atmosfera's offering, the acquisition creates a one-stop-shop for Azure system integration</li> </ul>
3/4/2021	IT Services	Sun Capital Partners	Exadel	NA	<ul style="list-style-type: none"> <li>Sun Capital Partners, a US based global private equity firm, acquired Exadel, a US based provider of digital software engineering solutions and services</li> <li>Sun Capital's backing and vertical expertise will accelerate Exadel's growth through both operational improvements and strategic acquisitions</li> </ul>
3/4/2021	Managed Services	Green Cloud Defense	Cascade Defense	NA	<ul style="list-style-type: none"> <li>Green Cloud Defense, a US based cloud technology solutions provider, acquired Cascade Defense, a US based managed security services provider</li> <li>The acquisition significantly strengthens and expands Green Cloud's security product offering</li> </ul>
3/1/2021	IT Services	TTEC Holdings	Avtex Solutions	NA	<ul style="list-style-type: none"> <li>TTEC Holdings (NasdaqGS: TTEC), a US based customer experience technology and services company, acquired Avtex Solutions, a US based provider of customer experience integration solutions</li> <li>The acquisition enhances TTEC's proprietary customer experience technology portfolio and global partnerships with industry leaders</li> </ul>

## Selected TM Capital Technology Experience



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