

# TECHNOLOGY MONTHLY

JULY 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 SYNOPSISIS



- Accenture (NYSE: ACN), a global consulting and professional services provider, acquired umlaut, a Germany based engineering consulting and IT services firm
- The acquisition strengthens Accenture's data and digital capabilities and significantly scales Accenture's expertise in cloud, AI and 5G digital engineering technologies

cloudator



- Kainos Group (LSE: KNOS), a UK based cloud services and consulting firm, acquired the Workday division of Cloudator Oy, a Finland based provider of Workday enterprise cloud applications
- The acquisition will bolster Kainos' international expansion and add dozens of software specialists to its Workday practice



Booz | Allen | Hamilton

- Booz Allen Hamilton (NYSE: BAH), a US based technology and management consulting services provider, acquired Liberty IT Solutions, a US based IT consultancy specializing in federal government clients, for \$735 million
- The acquisition will complement Booz Allen Hamilton's powerful digital transformation portfolio with scaled Salesforce capabilities and an expanded talent base

COFOMO



- Novacap, a Canada based middle market private equity firm, acquired a significant equity interest in Cofomo, a Canada based provider of business talent management, IT and digital transformation consulting services
- The transaction will solidify Cofomo's leadership position in the Canadian market and accelerate its digital transformation capabilities for major public and private sector clients

SYKES



- Sitel Group, a US based provider of customer experience products and services, acquired Sykes Enterprises (NASDAQ: SYKE), a US based provider of global customer experience management services, multichannel demand generation and digital transformation, for \$2.4 billion (1.3x LTM Revenue; 9.0x LTM EBITDA)
- The acquisition will expand the companies' geographic footprints and build a full suite of integrated products and solutions

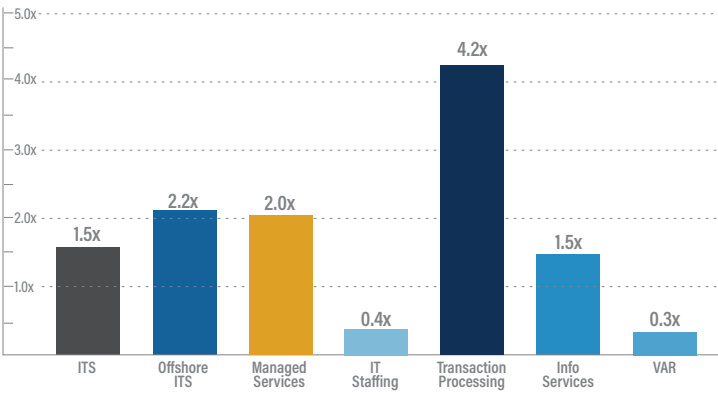


- Tech Mahindra (NSEI: TECHM), an India based provider of IT and business processing outsourcing services, acquired BrainScale, a US based cloud consulting firm and Microsoft Partner, for \$29 million
- The acquisition will bolster Tech Mahindra's consulting capabilities in the Cloud transformation space and will drive the growth of cloud-related IT services in the North American market

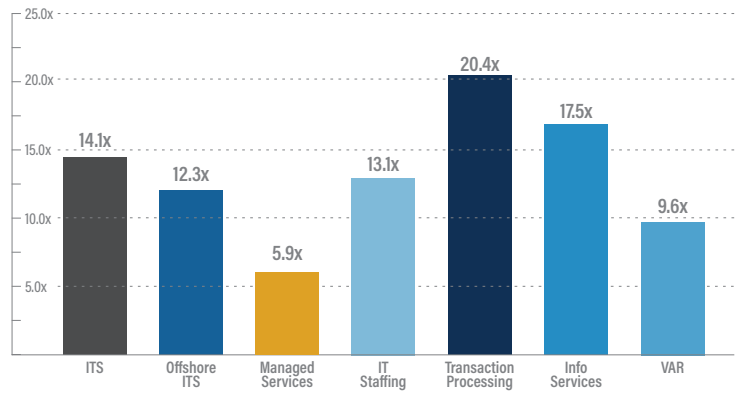
IT Services

# TECHNOLOGY GROWTH & VALUATION TRENDS

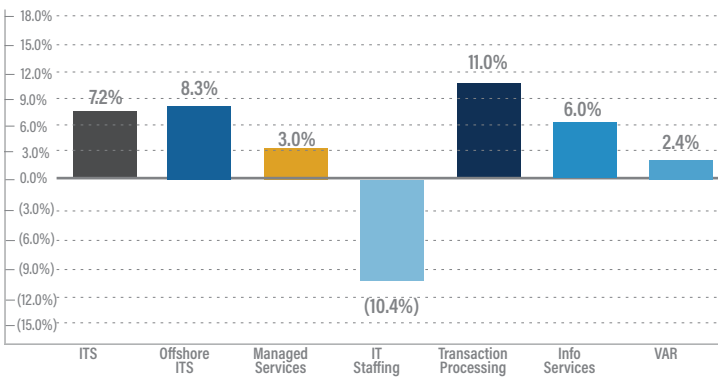
Enterprise Value / LTM Revenue



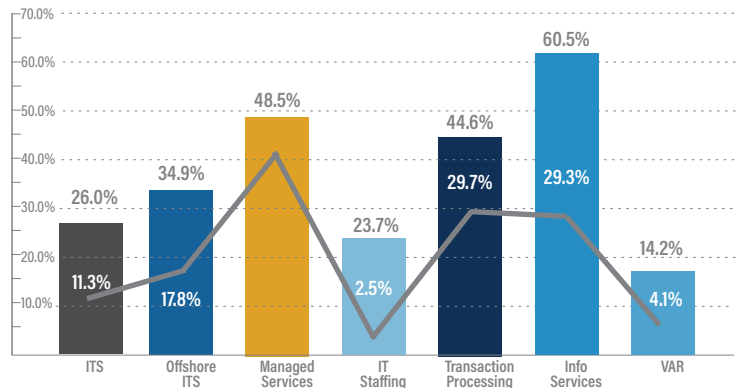
Enterprise Value / LTM EBITDA



LTM Revenue Growth

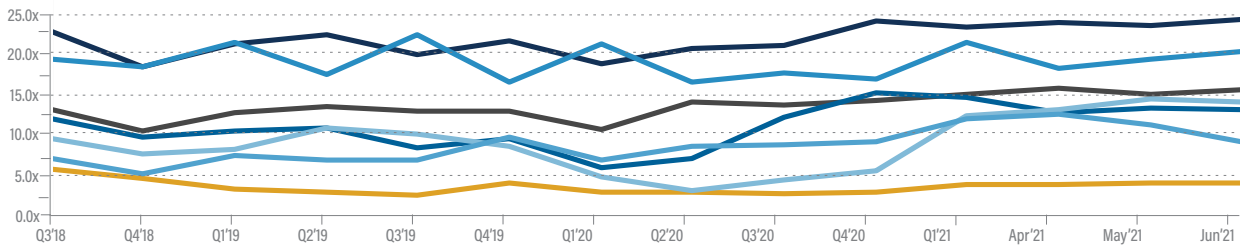


LTM Gross & EBITDA Margin\*



\*EBITDA Margins shown as the gray line.

TEV / EBITDA



14.1x ITS    12.3x Offshore ITS    5.9x Managed Services    13.1x IT Staffing    20.4x Transaction Processing    17.5x Info Services    9.6x VAR

# SELECTED TECHNOLOGY TRANSACTIONS



Ann. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
6/29/2021	IT Services	Accenture	Bionic	NA	<ul style="list-style-type: none"> <li>Accenture (NYSE: ACN), a global consulting and professional services provider, acquired Bionic, a US based customer growth consulting firm</li> <li>The acquisition strengthens Accenture Interactive's ability to help its clients launch new products and bring an entrepreneurial mindset to Fortune 1000 companies with Bionic's proprietary GrowthOS technology</li> </ul>
6/25/2021	Managed Services	Evergreen Services Group	VirtualArmour International	\$12.3 million	<ul style="list-style-type: none"> <li>Evergreen Services Group (backed by Alpine Management Services and Resolute Ventures), a US based family of managed IT service companies, acquired substantially all the assets of VirtualArmour International (OTCQB: VTLR), a US based cybersecurity managed services provider, for \$12.3 million</li> <li>The acquisition will solidify Evergreen's presence in a rapidly growing cybersecurity services market that is highly complementary to its portfolio of managed service providers</li> </ul>
6/24/2021	IT Services	OSF Digital	Paladin Group	NA	<ul style="list-style-type: none"> <li>OSF Digital, a Canada based provider of commerce solutions and digital transformation services to B2B and B2C companies, acquired Paladin Group, a US based provider of digital experience solutions</li> <li>The acquisition strengthens OSF's Salesforce Experience Cloud capabilities in North America and improves its personalized user experience service offering</li> </ul>
6/18/2021	IT Services	Inflexion Private Equity Partners	ANS Group	NA	<ul style="list-style-type: none"> <li>Inflexion, a UK based middle market private equity firm, acquired ANS, a UK based digital transformations provider and Microsoft and AWS partner</li> <li>The acquisition will bring ANS together with UKFast, an existing Inflexion investment that provides private cloud hosting, to create the UK's independent leader in secure cloud-led digital transformation across the public and private sectors</li> </ul>
6/3/2021	IT Services	Thrive	ONI	NA	<ul style="list-style-type: none"> <li>Thrive (backed by Court Square Capital Partners), a US based provider of NextGen Managed Services, acquired ONI, a UK based provider of cloud, hybrid managed IT and data center services</li> <li>The acquisition of a Cisco Gold partner will complement Thrive's extensive NextGen portfolio of solutions and significantly increase its domestic and international footprint</li> </ul>
6/3/2021	IT Services	Strattam Capital	CloudHesive	NA	<ul style="list-style-type: none"> <li>CloudHesive, a US based AWS Premier Consulting Partner, received a round of growth financing led by Strattam Capital, a US based private equity firm investing in founder-led, B2B software technology companies</li> <li>The backing will accelerate CloudHesive's pace of innovation, fund rapid geographical expansion and drive next-generation capabilities into its Centricity platform</li> </ul>
6/1/2021	IT Services	Cerberus Capital Management	Red River Technology	NA	<ul style="list-style-type: none"> <li>Cerberus Capital Management, a global alternative investment manager, acquired a majority stake in Red River Technology, a US based provider of technology solutions and managed services across security, networking, data center, collaboration, mobility and cloud applications</li> <li>The backing will accelerate Red River's market-leading platform by enabling several strategic growth initiatives and acquisitions</li> </ul>

## Selected TM Capital Technology Experience

 HAS RECEIVED A STRATEGIC GROWTH INVESTMENT FROM 	 HAS COMPLETED A STRATEGIC RECAPITALIZATION WITH 	 HAS SOLD  TO 	 HAS BEEN ACQUIRED BY  A PORTFOLIO COMPANY OF 
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