

# TECHNOLOGY MONTHLY


AUGUST 2024

*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      VAR

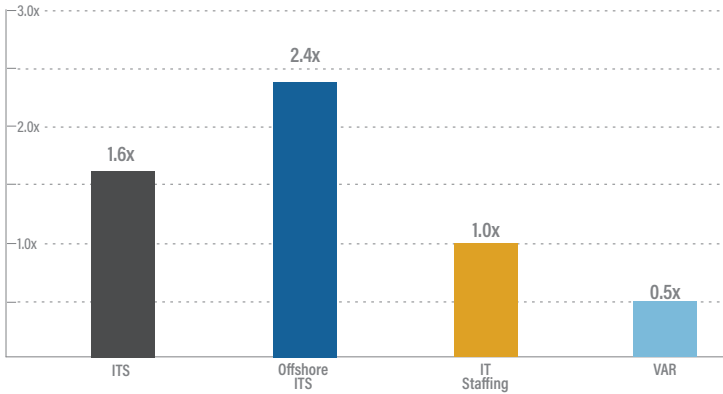
## HEADLINE TRANSACTIONS

TARGET      ACQUIROR      ACQUISITION SYNOPSISIS

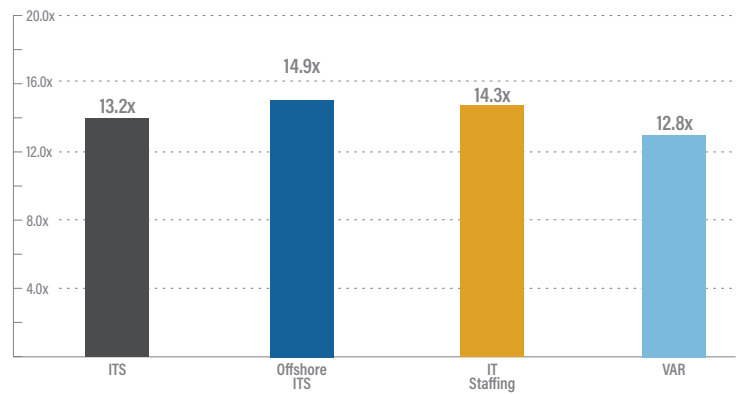
	TARGET	ACQUIROR	ACQUISITION SYNOPSISIS
IT Services			<ul style="list-style-type: none"> <li>CGI Federal, the U.S. operating subsidiary of leading global IT and business consulting services firm CGI, acquired Aeyon, an Enlightenment Capital-backed provider of digital transformation and AI technology solutions</li> <li>Aeyon, founded in 2011, specializes in data management, analytics and intelligent automation for the U.S. Federal Government, expanding CGI Federal's service offerings and its relationships with critical national security clients</li> </ul>
	 		<ul style="list-style-type: none"> <li>Sparq, a Harvest Partners and Bain Capital-backed provider of outsourced digital engineering services for technology-driven and Fortune 1000 companies, acquired Kingsmen Software and Amplify Consulting Partners, marking their second and third acquisitions in the past 6 months</li> <li>Kingsmen, founded in 2013, provides software consulting and development services to the largest financial institutions in the U.S.; Amplify, founded in 2017, specializes in providing data engineering, visualization and science solutions to large enterprises</li> </ul>
			<ul style="list-style-type: none"> <li>Accenture, a global strategy, technology and operational services provider, acquired True North Solutions, a Canadian provider of operational technology engineering solutions in the industrial sector</li> <li>True North, founded in 2006, specializes in engineering and commissioning critical energy infrastructure, enhancing Accenture's ability to integrate operational technology with enterprise IT systems in industries such as oil &amp; gas and mining</li> </ul>
Managed Services		 	<ul style="list-style-type: none"> <li>Secur-Serv, a division of Transom Capital-backed Scantron Corporation and a market-leading managed services provider, acquired C-Net Systems, a managed service provider based in Michigan</li> <li>C-Net Systems, founded in 1998, focuses on small and medium size businesses with recurring revenue in the industrials, manufacturing, professional services and financial services sectors, expanding and diversifying Secur-Serv's customer base within the Midwest</li> </ul>
			<ul style="list-style-type: none"> <li>VC3, a Nautic Partners-backed managed service provider serving municipalities and commercial businesses, acquired Inline Computer &amp; Communications, a Richland, WA-based IT services provider supporting businesses across the Northwest</li> <li>Inline, founded in 1988, has become a regional leader in the Washington market providing data backup, technology planning and compliance services, significantly expanding VC3's presence in the Northwest</li> </ul>
			<ul style="list-style-type: none"> <li>Thrive, a Court Square Capital and M/C Partners-backed technology outsourcing provider for cybersecurity, cloud and IT managed services, acquired The Longleaf Network, a leading North Carolina-based IT managed services provider</li> <li>Longleaf, founded in 2006, offers robust IT strategy, support, security and due diligence services, providing Thrive with a strong presence in the North Carolina market</li> </ul>
VAR			<ul style="list-style-type: none"> <li>Avance Investment Management, a leading private equity firm based in New York, NY, provided a strategic growth investment to Alchemy Technology Group, a premier value-added reseller and service provider of high-growth SaaS solutions</li> <li>Alchemy, founded 2016, specializes in providing high-compliance end-markets with critical software solutions including cyber security, identity and access management, hybrid cloud and data solutions</li> </ul>

# TECHNOLOGY GROWTH & VALUATION TRENDS

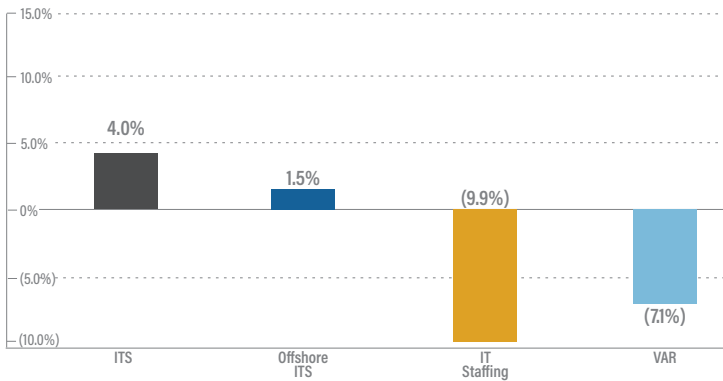
Enterprise Value / LTM Revenue



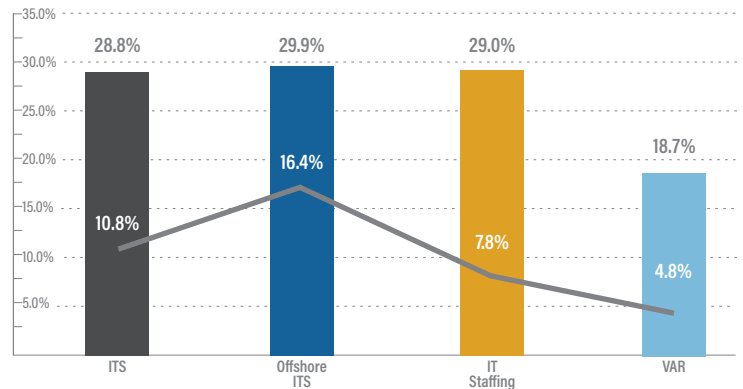
Enterprise Value / LTM EBITDA



LTM Revenue Growth

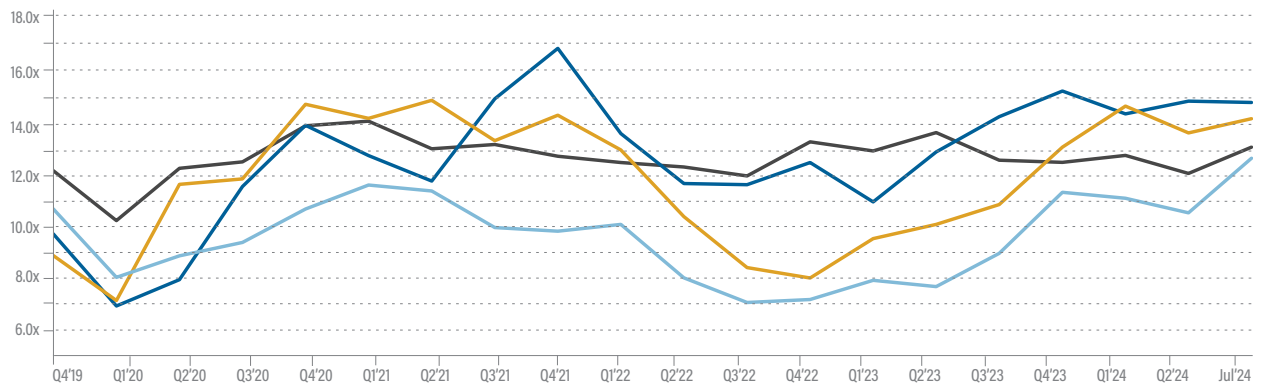


LTM Gross & EBITDA Margin\*



\*EBITDA Margins shown as the gray line.

TEV / EBITDA



13.2x ITS      14.9x Offshore ITS      14.3x IT Staffing      12.8x VAR

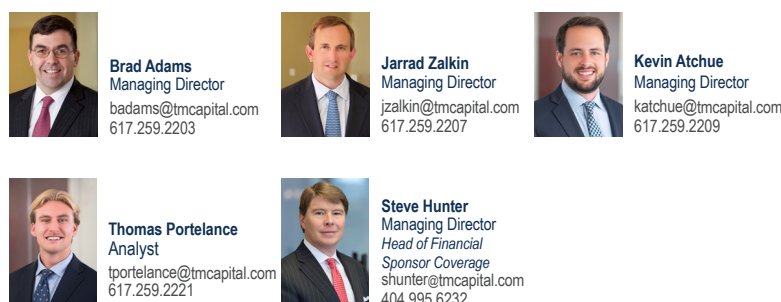
# SELECTED TECHNOLOGY TRANSACTIONS

Ann. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
7/30/2024	IT Services	Fairdinkum Consulting LLC	InnoLink Systems, Inc.	NA	<ul style="list-style-type: none"> <li>Fairdinkum Consulting, a leading provider of IT consulting services based in New York, NY, acquired InnoLink Systems, expanding its service area within the Mid-Atlantic region</li> <li>InnoLink Systems, founded in 1996, is a highly regarded IT services firm based in Delaware, specializing in systems integration, cloud computing and cybersecurity</li> </ul>
7/22/2024	IT Services	Infogain Corporation	Impaqtive US Corp	NA	<ul style="list-style-type: none"> <li>Infogain, an Apax Partners-backed digital customer experience engineering company based in Los Gatos, CA, acquired Impaqtive, adding deep Salesforce expertise to its service offering</li> <li>Impaqtive, founded in 2021, is a Bridgewater, NJ-based Summit Level Salesforce consulting firm, offering multi-cloud implementations and platforms accelerator services</li> </ul>
7/17/2024	Managed Services	Vertikal 6, Inc.	Brave River Solutions, Inc.	NA	<ul style="list-style-type: none"> <li>Vertikal6, an advanced managed IT solutions and professional services firm, and Brave River Solutions, a software development, digital marketing and IT managed services provider, combined in a strategic merger</li> <li>The merger expands the combined service offerings of both companies, creating a broad services portfolio of enterprise-class managed IT, digital marketing, web and application development and IT strategy services to small and medium businesses across New England</li> </ul>
7/10/2024	Managed Services	FFL Partners, LLC	Medicus Solutions, Inc.	NA	<ul style="list-style-type: none"> <li>FFL Partners, a private equity firm focused on growth investments in Healthcare and Tech-Enabled Services businesses, invested in Medicus IT, marking its second investment in the vertical IT managed services provider space</li> <li>Medicus IT, founded in 2004, is a 424 Capital and Plexus Capital-backed managed IT, compliance and cybersecurity services provider serving businesses in the healthcare sector</li> </ul>
7/8/2024	IT Services	Inspire1 LLC	Integral Software Inc.	NA	<ul style="list-style-type: none"> <li>Inspire1, a Keystone Capital-backed business and technology consulting firm based in Chicago, IL, acquired Integral, accelerating its growth in the AI and software engineering space</li> <li>Integral, founded in 2017, is a Royal Oak, MI-based software engineering company specializing in AI, software engineering and product management solutions</li> </ul>
7/4/2024	Managed Services	CGI Inc.	Credit union business of Celero Solutions Inc.	\$9.6	<ul style="list-style-type: none"> <li>CGI, a leading global IT and business consulting services firm, acquired the credit union business of Celero, complementing its core banking service offerings and digital banking solutions to the Canadian credit union sector</li> <li>Celero, founded in 2002, is a digital technology, integration and payment solutions provider serving financial institutions across Canada, divested its credit union business, which offers managed services, core banking, digital banking and related IT services to credit unions</li> </ul>
7/1/2024	IT Services	Insight Enterprises	New World Tech Ltd.	NA	<ul style="list-style-type: none"> <li>Insight Enterprises, a Fortune 500 Solutions Integrator specializing in digital transformation solutions, acquired New World Tech, adding a range of IT and cloud services to its suite of offerings</li> <li>New World Tech, founded in 2016, is a Brighton, England-based IT consulting services provider, specializing in complex real-world IT experience projects for businesses in the financial services, automotive, TMT and public sectors</li> </ul>

## Selected TM Capital Technology Experience



## TM Capital's Technology Industry Contacts



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