



# Technology Services Q2 Industry Update:

Strategic acquirers are driving M&A  
activity and consolidation of the  
Technology Services landscape

July 2023

[kpmg.com](https://www.kpmg.com)

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# Introduction

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# Introduction: Technology Services Sector Update

**M&A activity in the Technology Services ecosystem remained robust in Q2'23, with a wide array of key strategic acquirers leading acquisition activity in the sector. Strategic activity has been concentrated around several investment 'themes' ranging from Digital Transformation and Cloud Enablement to Cybersecurity and Managed Services.**



## Technology Services M&A Update

- M&A volume in the Technology Services sector increased 20% Q-o-Q in Q2'23, driven by a number of key investable themes
- High-quality assets continue to garner interest from strategic and financial acquirers, due to industry tailwinds and a significant amount of capital sitting on the sidelines
- Aggregate deal value has decreased measurably, due to massive contraction among large, transformational transactions



## M&A Activity is Driven by Several Key Investable 'Themes'

- A number of key themes are at the heart of M&A activity in the Technology Services landscape
- Key themes include Digital Transformation, Cloud Enablement, Managed Services, Data & Analytics, Cybersecurity, and Government Services



## A Vast Array of Strategic Acquirers are Driving M&A in the Sector

- The most active strategic acquirers include Accenture, Cognizant, IBM, NTT Data, DXC, Atos, Capgemini, Wipro, CGI, and Globant
- KPMG is tracking a total of 93 acquirers that are most active in the ecosystem, beginning on page 11



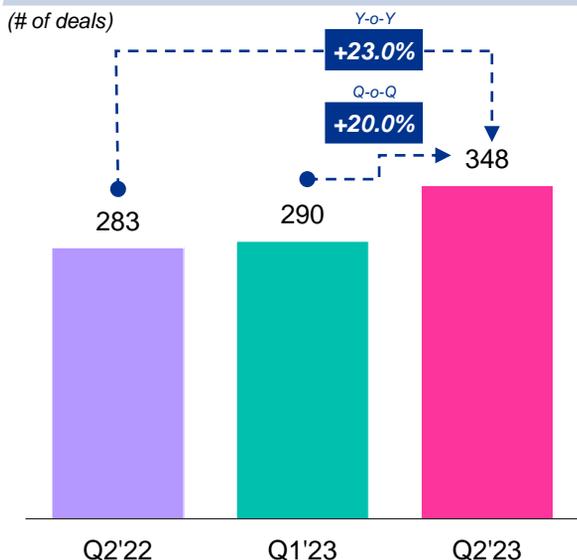
## Public Market Valuation Trends

- Valuation multiples (EV / LTM EBITDA) of publicly-traded Technology Services companies appreciated slightly in the quarter
  - Median multiples increased in Q2'23 to 14.9x, up from 14.4x in Q1'23
- The Technology Services index appreciated 4.6% in the quarter, reflective of an overall rebound in the equity markets

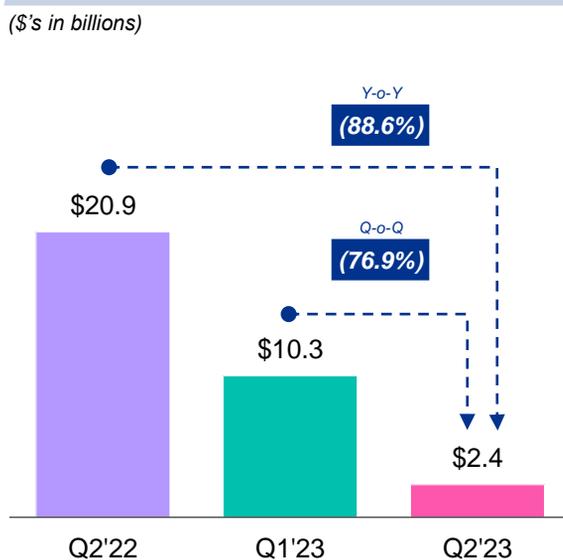
# Introduction: Technology Services Strategic Dashboard

M&A volume in the Technology Services sector increased 20.0% in Q2'23 relative to Q1'23, to 348 deals. M&A value in the sector decreased 76.9% in Q2'23 relative to Q1'23, reflecting an absence of large transactions in the quarter. Publicly-traded Technology Services share prices appreciated in Q2'23, recording a gain of 4.6%. Public market valuation multiples inflated slightly, increasing 3.8% in Q2'23 vs. Q1'23.

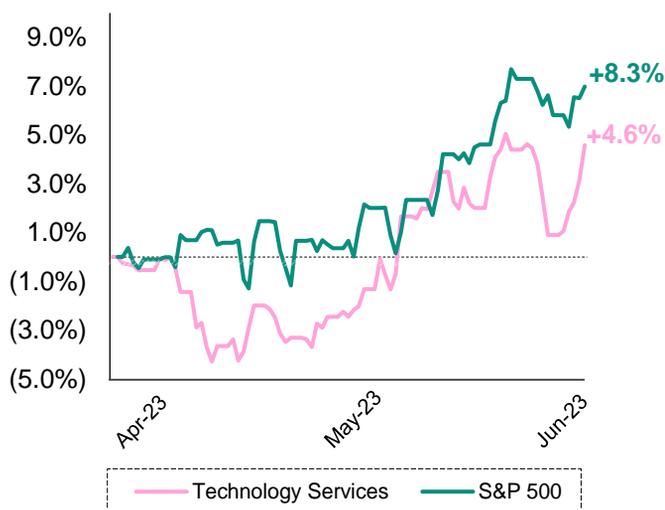
## Technology Services M&A Transactions – by Volume



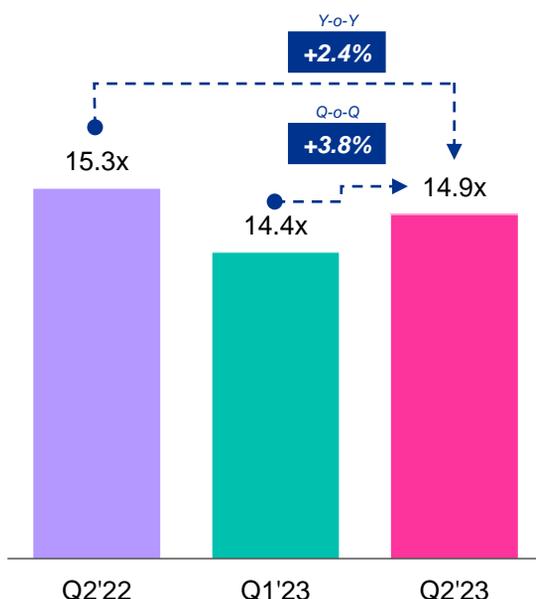
## Technology Services M&A Transactions – by Value



## Share Price Performance (Q2'23) <sup>(1)</sup>



## Valuation (EV / LTM EBITDA) <sup>(2)</sup>



Source: 451 Research, KPMG analysis.

Note (1): Share price performance of publicly-traded comparable companies found on page 31.

Note (2): Represents median EV / LTM EBITDA multiples for publicly-traded Technology Services firms outlined on page 31.



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# Key Themes Focused On By Strategic Acquirers in Q2'23

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# Key Themes Focused On By Strategic Acquirers in Q2'23 (1/3)

## Technology Services M&A Themes

### Digital Transformation:

Acquisitions focused on expanding digital transformation capabilities

### Managed Services:

Acquisitions focused on managed / outsourcing third-party services

### Cybersecurity:

Acquisitions focused on protecting systems, networks, and programs from digital attacks

### Cloud Enablement:

Acquisitions of capabilities in one of the 'Cloud Ecosystems'

### Data & Analytics:

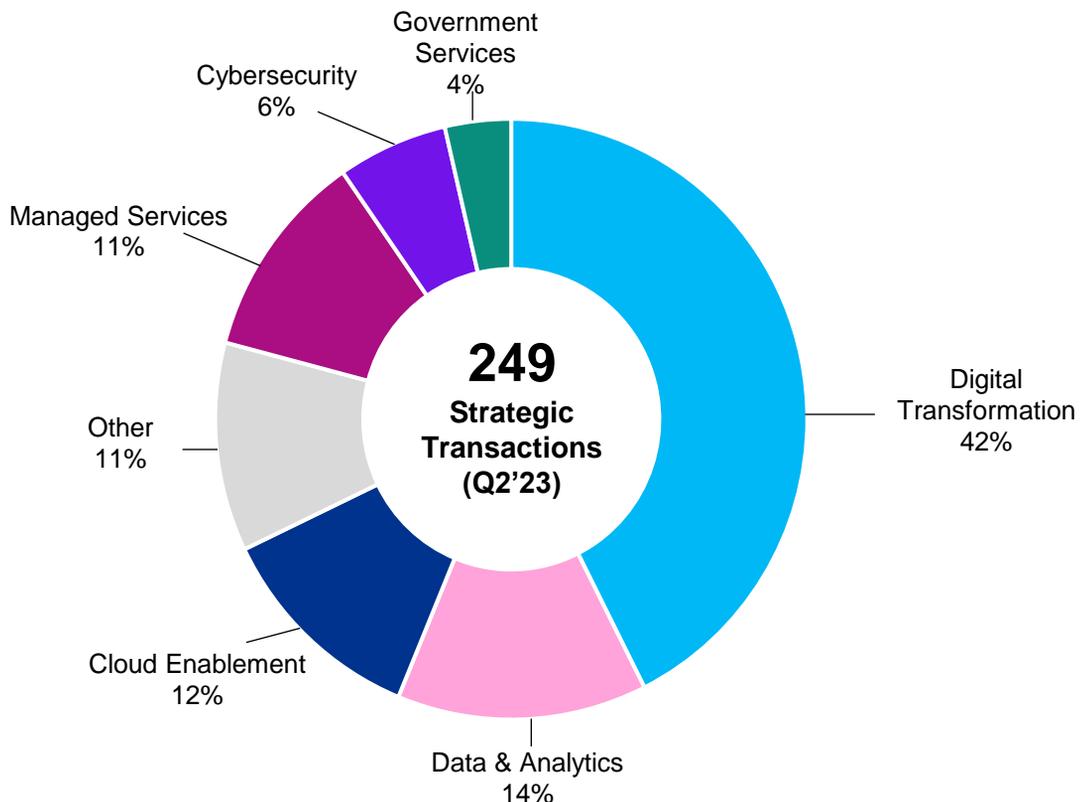
Acquisitions of capabilities specialized in providing data and analytics solutions

### Government Services:

Acquisitions focused on end markets in the government / defense sector



## Strategic Transactions by Theme (Q2'23)



Source: Capital IQ, MergerMarket, 451 Research, PitchBook.



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# Key Themes Focused On By Strategic Acquirers in Q2'23 (2/3)

## Technology Services M&A Themes – Selected Transactions



### Theme 1: Digital Transformation

Apr-23



#### Deal Rationale

Globant, a digitally native technology services company, has acquired ExperienceIT, a digital transformation consultancy. The acquisition strengthens Globant's ability to accelerate digital and cognitive transformation for its clients.

May-23



#### Deal Rationale

Globant, a digitally native technology services company, has acquired Pentalog, a digital transformation company. The acquisition will support Globant's growth plans in France, the Netherlands, and DACH Region.



### Theme 2: Cloud Enablement

Jun-23



#### Deal Rationale

Accenture has acquired Nextira, an AWS Premier Partner that uses AWS to deliver cloud-native innovation and predictive analytics for their clients. These services and solutions will bolster Accenture Cloud First's set of engineering capabilities and help clients take advantage of a full continuum of cloud capabilities and tools.

Jun-23



#### Deal Rationale

CDW Corporation, a leading multi-brand technology solutions provider has acquired Enquizit, a provider of AWS cloud services. The acquisition provides additional capabilities to CDW's Public Sector Cloud Services Practice and complements CDW's existing commercial-focused Digital Velocity Practice.



### Theme 3: Managed Services

May-23



#### Deal Rationale

IT Solutions Consulting, a provider of Managed IT, Managed Security, and Application Development services, has acquired Acropolis Technology Group, a Managed Services Provider. The acquisition strengthens IT Solutions' ability to deliver process-driven and customer-centric IT support.

May-23



#### Deal Rationale

The 20 MSP, a Managed Services provider, has acquired Computer Support Team, a Managed Services provider. The deal strengthens The 20 MSP's position as a national MSP, while adding crucial expertise in cybersecurity and cloud computing.

Source: Capital IQ, MergerMarket, 451 Research, PitchBook, company press releases.



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# Key Themes Focused On By Strategic Acquirers in Q2'23 (3/3)

## Technology Services M&A Themes – Selected Transactions

### Theme 4: Data & Analytics

May-23

Acquirer



Target



#### Deal Rationale

Blattner Tech, a provider of Predictive Transformation services and tools in the Data Analytics, Artificial Intelligence, and Machine Learning industry, has announced its acquisition of Global Footprints. This move is aimed at offering end-to-end solutions to customers, encompassing data acquisition, reporting, and predictive / preemptive analytics.

Jun-23

Acquirer



Target



#### Deal Rationale

Bigeye, a data observability company, has acquired Data Advantage Group. The integration of Data Advantage Group's data lineage capabilities allow Bigeye to automatically map data lineage across transactional databases, ETL platforms, data lakes, data warehouses, and business intelligence tools.

### Theme 5: Cybersecurity

Apr-23

Acquirer



Target



#### Deal Rationale

Unified Solutions, a cybersecurity company, has acquired Phalanx Solutions, a cybersecurity solutions provider. The combined entity will provide a broader range of solutions to clients, including GRC solutions, BI & analytics and staff augmentation.

Jun-23

Acquirer



Target



#### Deal Rationale

CBIZ, a provider of financial, insurance and advisory services, has acquired information security consulting firm, Pivot Point Security. The acquisition increases CBIZ's expertise and scope of cyber and security services that the company can provide to clients.

### Theme 6: Government Services

Apr-23

Acquirer



Target



#### Deal Rationale

ASRC Federal, a manufacturer of defense and space technologies, has acquired Broadleaf, a provider of cybersecurity, systems engineering, and professional services. The acquisition expands on ASRC Federal's relationships with the DoD and Federal Civilian customers.

May-23

Acquirer



Target



#### Deal Rationale

DarkStar Intelligence, a provider of defense and space manufacturing services, has acquired Academy Solutions Group, a provider of systems development and cybersecurity services. The acquisition expands Darkstar's existing capabilities in the defense sector.

Source: Capital IQ, MergerMarket, 451 Research, PitchBook, company press releases.



# Industry Spotlight: Strategic Acquirers in Technology Services

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# Industry Spotlight: Strategic Acquirers (1/13)

The 93 companies highlighted below represent key strategic acquirers in the Technology Services ecosystem.

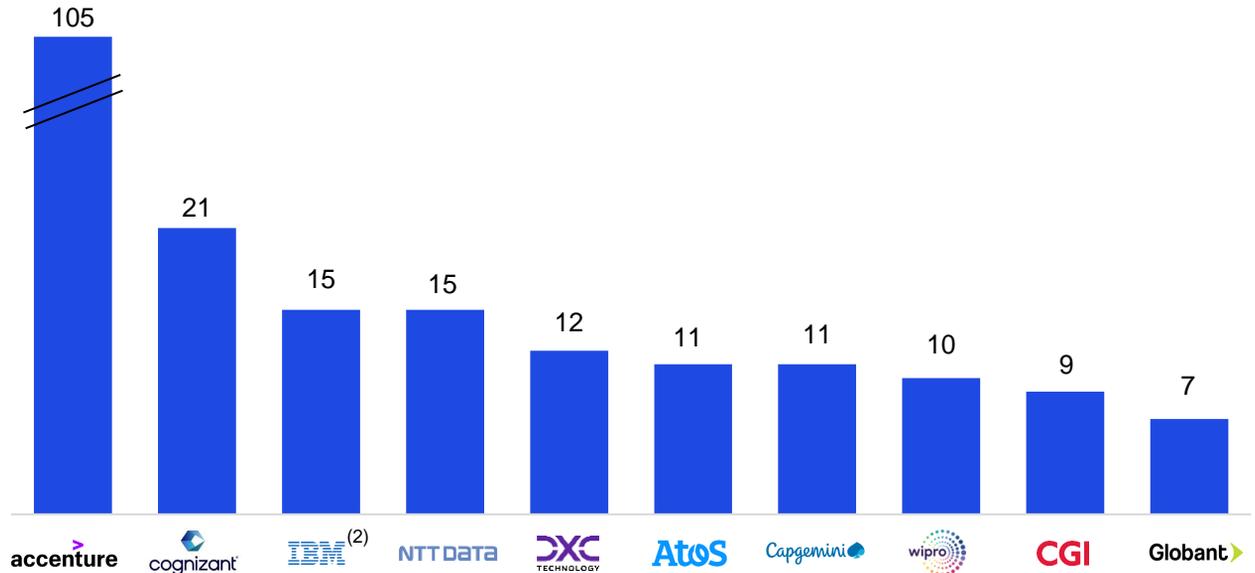


\*The above is a representative list only. To discuss the opportunity for your company to be included in future lists, please reach out to one of our bankers noted on page 34.

# Industry Spotlight: Strategic Acquirers (2/13)

## Top Acquirers in the Technology Services Sector (2018 - 23YTD<sup>(1)</sup>)

(# of deals)



**accenture**

Number of Deals in Last 5 Years (2018-23YTD<sup>(1)</sup>): **105**

# of Employees:  
732,000

Headquarters:  
Dublin, Ireland

LTM Revenue:  
\$63.5B

LTM EBITDA:  
\$10.6B

### Selected Recent Deals

Company	Theme	Areas of Focus
<b>NEXTIRA</b> (Jun-23)	Cloud Enablement & Digital Transformation	Cloud Migration, DevOps, Managed Engineering, AI / ML
<b>SOLVERA</b> (Jun-23)	Digital Transformation	Project Management, Business Processes, SAP Consulting
<b>ERGO</b> Driving Data Culture (Apr-22)	Data & AI	Data-Driven Decision-Making using Big Data, Analytics and AI

### Selected Recent Deals

Company	Theme	Areas of Focus
<b>MORPHUS</b> SEGURANÇA DA INFORMAÇÃO (Feb-23)	Cloud Enablement & Digital Transformation	Cloud Native Computing, Platform Engineering, Application Modernization
<b>MORPHUS</b> SEGURANÇA DA INFORMAÇÃO (Feb-23)	Cybersecurity	Cyber Defense, Risk Management, Cyber Threat Intelligence
<b>advocate</b> (Jun-22)	IT Consulting & Managed Services	Cloud Insight, IT Strategy, Cloud Managed Services

Source: PitchBook, Capital IQ, company press releases, 451 Research, company websites.

Note (1): As of 6/30/23.

Note (2): Represents deals in the Technology Services sector.



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# Industry Spotlight: Strategic Acquirers (3/13)



Number of Deals in Last 5 Years (2018-23YTD<sup>(1)</sup>): **21**

# of Employees:  
**351,500**

Headquarters:  
**Teaneck, NJ**

LTM Revenue:  
**\$19.4B**

LTM EBITDA:  
**\$3.5B**

## Select Recent Deals

Company	Theme	Areas of Focus
(Dec-22)	Digital Consulting	SAP, ERP & CRM, Managed Services, Cybersecurity, Digital Modernization
(Nov-22)	Cloud Solutions	Professional Services & Application Management
(Jul-21)	Data Intelligence	Automation, MES, Data Infrastructure, Lab Processes, Digital Technologies

## Select Recent Deals

Company	Theme	Areas of Focus
(Nov-22)	Digital Transformation	Digital Transformation, Enterprise Cloud, Data Analytics Advisory
(Jan-23)	Digital Solutions	IoT Software Engineering Services, Digital Transformation, Intelligent Mobility
(Jan-21)	Cloud Transformation & Consulting	Digital Platform Development, Asset Management, Network Automation



Number of Deals<sup>(2)</sup> in Last 5 Years (2018-23YTD<sup>(1)</sup>): **15**

# of Employees:  
**288,300**

Headquarters:  
**Armonk, NY**

LTM Revenue:  
**\$60.5B**

LTM EBITDA:  
**\$15.3B**

## Select Recent Deals

Company	Theme	Areas of Focus
(Jun-23)	Cloud & DevOps	Cloud, DevOps, Cybersecurity, Digital / Cloud Transformation, Network Monitoring
(Feb-22)	Cloud Solutions	Systems Integration, CRM, E-commerce, Hosting, Portal, Security

## Select Recent Deals

Company	Theme	Areas of Focus
(Sep-22)	Digital Product Engineering	Systems / Network Integration, Application Hosting, IT Consulting, IT Support Services
(Dec-22)	Digital Transformation & Cybersecurity	AI, DevSecOps, Cloud, Data Analytics, Cybersecurity, Low-Code No-Code

Source: PitchBook, Capital IQ, company press releases, 451 Research, company websites.

Note (1): As of 6/30/23.

Note (2): Represents deals in the Technology Services sector.



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# Industry Spotlight: Strategic Acquirers (4/13)

## NTT DATA

Number of Deals in Last 5 Years (2018-23YTD<sup>(1)</sup>): **15**

# of Employees:  
**195,106**

Headquarters:  
**Tokyo, Japan**

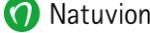
LTM Revenue:  
**\$24.7B**

LTM EBITDA:  
**\$3.7B**

### Select Recent Deals

Company	Theme	Areas of Focus
 <b>Umvel</b> (Sep-22)	<b>Digital Solutions</b>	UX/UI Design, Architecture, Development, DevOps
 <b>HASHMAP</b> (Dec-20)	<b>Data &amp; Cloud Solutions</b>	Data, Cloud and IoT Consulting
 <b>XTPHERE</b> (May-21)	<b>IT Solutions &amp; Consulting</b>	Technology Consulting, Application Maintenance, Web Development

### Select Recent Deals

Company	Theme	Areas of Focus
 <b>BSI BUSINESS SERVICES &amp; TECHNOLOGIES</b> an NTT DATA Business Solutions Company (Apr-22)	<b>Managed Services</b>	Managed Services, IT Infrastructure, Information Security
 <b>Natuvion</b> (Aug-23)	<b>Data Solutions</b>	Data Migration, Data Transformation, Data Integration, Data Privacy, Data Security
 <b>Postlight</b> (Jun-22)	<b>Digital Transformation</b>	Stack Engineering, Web Architecture, Product Design, Consulting, Digital Transformation

## DXC TECHNOLOGY

Number of Deals in Last 5 Years (2018-23YTD<sup>(1)</sup>): **12**

# of Employees:  
**130,000**

Headquarters:  
**Ashburn, VA**

LTM Revenue:  
**\$14.4B**

LTM EBITDA:  
**\$556M**

### Select Recent Deals

Company	Theme	Areas of Focus
 <b>VIRTUAL CLARITY</b> (Nov-19)	<b>Digital Transformation &amp; Cloud Enablement</b>	IT Modernization, Cloud Migration, ITaaS, Consulting
 <b>syscom</b> (Aug-19)	<b>Digital Solutions</b>	Service Management, Security Consulting, Customer Innovation, Workflow Automation

### Select Recent Deals

Company	Theme	Areas of Focus
 <b>Bluleader</b> (Nov-19)	<b>Systems Integration &amp; Consulting</b>	CRM, Marketing Automation, Field Service Management, Commerce
 <b>Luxoft</b> (Jan-19)	<b>Digital Strategy &amp; Cloud Enablement</b>	Cloud Solutions, Data & Analytics, Intelligent Automation, Legacy Modernization

Source: PitchBook, Capital IQ, company press releases, 451 Research, company websites.

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# Industry Spotlight: Strategic Acquirers (5/13)

## Atos

Number of Deals in Last 5 Years (2018-23YTD<sup>(1)</sup>): **11**

**# of Employees:**  
110,797

**Headquarters:**  
Bezons, France

**LTM Revenue:**  
\$12.4B

**LTM EBITDA:**  
\$700M

### Select Recent Deals

Company	Theme	Areas of Focus
 AppCentrica (Dec-21)	<b>Technology and Management Consulting</b>	Cloud Transformation, Enterprise Application Development, AI, Data & Analytics, Integration

 INFIDEM (Jan-21)	<b>Cybersecurity</b>	Cloud Security, Digital Identity, Risk Management, Cyber Breach Response
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### Select Recent Deals

Company	Theme	Areas of Focus
 PROCESSIA (Apr-21)	<b>Digital Transformation &amp; Cloud Enablement</b>	Data Migration, IT Modernization, Transition to Cloud, Business Consulting

 eagle creek (Oct-20)	<b>Technology and Management Consulting</b>	Business Intelligence, Application Development Consulting, CRM
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## Capgemini

Number of Deals in Last 5 Years (2018-23YTD<sup>(1)</sup>): **11**

**# of Employees:**  
359,567

**Headquarters:**  
Paris, France

**LTM Revenue:**  
\$24.1B

**LTM EBITDA:**  
\$3.2B

### Select Recent Deals

Company	Theme	Areas of Focus
 adigy (Sep-22)	<b>Digital Transformation</b>	Sales Optimization, Cloud Migration, Business Process Automation

 VARIQ (Sep-21)	<b>Government Solutions</b>	Software Development, Cybersecurity, Cloud Services
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### Select Recent Deals

Company	Theme	Areas of Focus
 knowledge expert (Sep-22)	<b>Digital Transformation</b>	Digital Transformation, Digital Marketing, Digital Workplaces

 empired, (Jul-21)	<b>Cloud Transformation &amp; Digital Services</b>	Modern Workplace Transformation, ERP, Security, Identity Services
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Source: PitchBook, Capital IQ, company press releases, 451 Research, company websites.

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# Industry Spotlight: Strategic Acquirers (6/13)



Number of Deals in Last 5 Years (2018-23YTD<sup>(1)</sup>): **10**

# of Employees:  
250,000

Headquarters:  
India

LTM Revenue:  
\$11.3B

LTM EBITDA:  
\$2.2B

## Select Recent Deals

## Select Recent Deals

Company	Theme	Areas of Focus
(May-22)	IT Consulting	SAP Functional and Technical Consulting

Company	Theme	Areas of Focus
(Dec-21)	IT Consulting & Systems Integration	Consulting, Systems Integration, Software and Application Development



Number of Deals in Last 5 Years (2018-23YTD<sup>(1)</sup>): **9**

# of Employees:  
91,000

Headquarters:  
Montreal, Canada

LTM Revenue:  
\$10.3B

LTM EBITDA:  
\$1.8B

## Select Recent Deals

## Select Recent Deals

Company	Theme	Areas of Focus
(Mar-22)	Digital Solutions	Big Data & AI, Infrastructure, Cloud, Integration of Business Solutions, BPO

Company	Theme	Areas of Focus
(Oct-21)	IT Services & Consulting	Systems Integration, Managed IT, BI & Analytics, IoT, Cybersecurity



Number of Deals in Last 5 Years (2018-23YTD<sup>(1)</sup>): **7**

# of Employees:  
26,000

Headquarters:  
Luxembourg

LTM Revenue:  
\$1.9B

LTM EBITDA:  
\$300M

## Select Recent Deals

## Select Recent Deals

Company	Theme	Areas of Focus
(Apr-23)	Digital Transformation	Digital Customer Service Experience, Technology Integration, Agile Transformation

Company	Theme	Areas of Focus
(May-23)	Digital Transformation	Application Development, Infrastructure Management, Systems Engineering

Source: PitchBook, Capital IQ, company press releases, 451 Research, company websites.

Note (1): As of 6/30/23.



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# Industry Spotlight: Strategic Acquirers (7/13)

Company	HQ Location	# of Employees	Representative Technology Services Acquisitions
 1Path	Kennesaw, GA	1,000	<b>Jan-18: Paradigm Computer Consulting</b> - Offers IT services, including managed IT, backup and disaster recovery, VoIP, and network security services
 3Cloud	Downers Grove, IL	670	<b>Jan-23: People Global Solutions</b> - Offers cloud consulting services focused on managed services, infrastructure and DevOps, application development, and data and analytics
 3Pillar Global	Fairfax, VA	2,000	<b>Sep-22: Jonah Group</b> - Provides design and implementation services for custom applications <b>Dec-20: Tiempo Development</b> - Provider of outsourced software engineering services including software development, mobile applications, architecture and design, deployment and support, and data analytics
 Accenture	New York, NY	538,618	<b>Jun-23: Nextria</b> - Provider of digital transformation services including cloud migration, DevOps, and managed engineering <b>Jun-23: Solvera</b> - Provider of digital transformation services including SAP consulting, project management and business process services
 Alithya	Montreal, QC	3,700	<b>Feb-22: Vitalyst</b> - Provider of employee software coaching, managed help desk, and other IT services (EV: \$45M) <b>Mar-21: R3D Conseil</b> - Provider of management and IT consultancy services (EV: \$60M, EV/LTM Rev: 1.3x)
 Alten	France	42,300	<b>May-22: Methods</b> - Provider of cloud engineering, cybersecurity, data migration, managed services, digital strategy and transformation <b>Nov-21: Expert Global</b> - Provider of product engineering and digital transformation solutions
 Anblicks	Addison, TX	500	<b>Aug-20: Knowarth Technologies</b> - Cloud data analytics firm, providing Azure-based data solutions to accelerate digital transformation <b>Sep-18: Cappius</b> - Provider of digital business transformation services
 AIS	Reston, VA	751	<b>Apr-22: Xgility</b> - Provider of information technology solutions in enterprise transformation
 Apps Associates	Acton, MA	1,500	<b>Mar-22: Forcivity</b> - Offers service cloud, technology management, and applications solutions <b>Feb-20: Stafford Technology</b> - Provider of enterprise performance management and business intelligence services
 Atos	France	111,000	<b>Jan-22: Cloudreach</b> - Provider of cloud computing and consultancy services <b>Dec-21: AppCentrica</b> - Provider of cloud transformation, technology, and management consulting services
 BCM One	New York, NY	235	<b>Mar-22: Flowroute</b> - Provider of communication and technology services for cloud platforms <b>Jan-21: LincLogix</b> - Provider of enterprise networking, data center and cloud design, unified communications as a service (UCaaS), and contact center solutions
 Bechtle	Germany	13,199	<b>Jul-23: APIXIT</b> - Provider of digital infrastructure services and solutions in the cloud or on-premise <b>May-22: PQR</b> - Provider of information and communication technologies and infrastructure services
 Brillio	New York, NY	4,287	<b>May-23: CloudStratex</b> - Provider of cloud infrastructure advisory services to accelerate digital transformation and enable cloud infrastructure <b>Dec-21: CEDRUS</b> - Provider of digital transformation and cloud consulting

Source: Pitchbook, Capital IQ, company press releases.

# Industry Spotlight: Strategic Acquirers (8/13)

Company	HQ Location	# of Employees	Representative Technology Services Acquisitions
 By Light Professional IT	McLean, VA	2,000	<b>Aug-22: Veraxx Engineering Corporation</b> - Provider of aircraft simulation training technology services to the United States military <b>Mar-19: Phacil</b> - Provider of technology services in the area of software services, cybersecurity, managed services, cloud services, and artificial intelligence
 Capgemini	France	308,336	<b>Oct-22: Quantmetry</b> - IT consulting firm specializing in data analytics, data science, and managed data services <b>Sep-22: Knowledge Expert</b> - Provider of digital transformation services
 CBTS	Cincinnati, OH	1,767	<b>May-23: Automated Telecom</b> - Provider of VoIP, unified messaging, e-commerce solutions, messaging, and technology solutions
 Computer Design & Integration	New York, NY	754	<b>Jan-22: Clearpath Solutions Group</b> - Provider of enterprise cloud computing and data infrastructure solutions <b>Oct-21: SecOps Partners</b> - Offers security consulting services including operations management, governance risk & compliance, and vulnerability management
 CDW	Vernon Hills, IL	11,000	<b>Jun-23: Enquizit</b> - Provider of IT consulting services in cloud, DevOps, business transformation, big data analytics, serverless systems, AI, and machine learning, <b>Oct-21: Sirius Computer Solutions</b> - Provider of information technology infrastructure and data center-focused technology integration services (EV: \$2.4B)
 CGI Group	Montreal, QC	62,021	<b>May-22: Umanis</b> - Provider of consulting, business intelligence, IT services and infrastructure services <b>Oct-21: Array Information Technology</b> - Provider of enterprise application, software development, systems engineering, and critical mission support services
 Cisco	San Jose, CA	97,653	<b>Jun-23: Accedian Networks</b> - Provider of network performance monitoring and assurance services <b>May-20: ThousandEyes</b> - Network intelligence company designed to provide data visualizations on application delivery and cloud-based services
 Cognizant	College Station, TX	349,740	<b>Dec-22: Utegration</b> - Provider of SAP consulting solutions <b>Dec-21: Devbridge</b> - Technology consulting company that focuses on digital transformation and custom software development
<b>Columbus</b> Columbus	Denmark	2,304	<b>Apr-23: ICY Security</b> - Provider of cybersecurity services catering to the identity and access management sector (EV: \$18M)
 Converge Technology	Canada	1,400	<b>Sep-22: Newcomp Analytics</b> - Offers managed data analytics and IT advisory <b>May-22: PC Specialists</b> - Offers cloud delivered, digital infrastructure, cybersecurity, collaboration, enterprise network, managed and business continuity services
 Computacenter	San Francisco, CA	13,753	<b>Jul-22: Business IT Source</b> - Provider of IT consulting and equipment services <b>Apr-21: ITL logistics</b> - Provider of technology logistics and IT services for enterprise customers and public sector clients
 Crayon Group	Norway	2,602	<b>Jul-21: Rhipe</b> - Provider of cloud computing and licensing services <b>Dec-20: Sensa</b> - Provider of hosting, cloud management, unified communications, and security solutions
 Dataprise	Rockville, MD	457	<b>Jun-23: RevelSec</b> - Provider of security-first managed services <b>Jan-22: Global Data Vault</b> - Provider of cloud-based solutions for disaster recovery, backup, and archiving for servers, PCs, and Macs

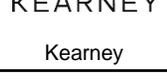
Source: Pitchbook, Capital IQ, company press releases.

# Industry Spotlight: Strategic Acquirers (9/13)

Company	HQ Location	# of Employees	Representative Technology Services Acquisitions
 DataStax	San Jose, CA	751	<b>Jan-23: Kaskada</b> - Provider of data design and visualization utilizing machine learning <b>Jan-21: Kesque</b> - Provider of enterprise-grade cloud messaging services
 Datatec	United Kingdom	7,000	<b>Jun-21: Siticom</b> - Communication enabling company that advises and implements cloud and virtualization solutions
 DXC Technology	Ashburn, VA	93,708	<b>Nov-22: MAK Solutions</b> - Provider of IT services including systems integration, software development, application maintenance, and data management <b>Nov-19: Virtual Clarity</b> - Provider of IT-as-a-Service intended to lead enterprise IT transformation
 Eze Castle Integration	Boston, MA	1,560	<b>Nov-20: NorthOut</b> - Provider of technology deployment, system integration, and IT support services <b>Jul-20: Alphaserve Technologies</b> - Provider of IT, cloud, and cybersecurity services to the asset management industry
 Ensono	Downers Grove, IL	2,626	<b>Jul-22: AndPlus</b> - Cloud-native consultancy, providing product strategy and design, IoT application development, and machine learning <b>Jan-22: ExperSolve</b> - Provider of application and web modernization, migrations, and refactoring services
 EPAM	Briarcliff Manor, NY	60,454	<b>Jan-22: ENGINIETY</b> - Offers commerce cloud technology solutions in designing, building, and maintaining complex commerce platforms <b>Jul-21: CORE</b> - Provider of technology consulting services focused on the management of complex technology transformations
 Equisoft	Montreal, QC	758	<b>Jul-21: Altus</b> - Provider of consulting services and business system solutions
 Evergreen Services Group	San Francisco, CA	718	<b>Feb-23: Lodestar Technologies</b> - Operates advanced data warehouses to provide advanced analytics, and professional services <b>Dec-22: MicroTech Systems</b> - Offers managed IT solutions including antivirus, cloud, and IT support services
 EXL	New York, NY	45,400	<b>Dec-21: Clairvoyant</b> - Enterprise data analytics platform helping organizations build products using big data, analytics, and the cloud
 Frontline Managed Services	Atlanta, GA	623	<b>Aug-21: LogicForce Consulting</b> - Provider of IT, eDiscovery, document review, cybersecurity, and digital forensic services to law firms and their corporate clients <b>Oct-21: Hilltop Consultants</b> - Provider of managed IT and professional services
 Fujitsu	Japan	55,286	<b>Sep-22: InPhySec Security</b> - Provider of cybersecurity services <b>Jul-22: Enable Professional Services</b> - Provider of IT services and solutions (EV: \$150M)
 Fulcrum IT	United Kingdom	440	<b>Apr-23: Viadex</b> - Provider of virtual infrastructure and deployment services including IT supply chain solutions <b>Mar-23: AdvizeX Technologies</b> - Provider of IT services, infrastructure, and enterprise applications
 General Datatech	Dallas, TX	970	<b>Feb-20: Integrated Archive Systems</b> - Provider of Managed IT and cloud services <b>Apr-18: Certain Assets</b> of cloud and managed services products of Quality Technology Services

Source: Pitchbook, Capital IQ, company press releases.

# Industry Spotlight: Strategic Acquirers (10/13)

Company	HQ Location	# of Employees	Representative Technology Services Acquisitions
 Globant	San Francisco, CA	23,200	<b>May-23: Pentalog</b> - Digital transformation company serving the finance, sports, gaming, travel, and entertainment industries <b>Apr-23: ExperienceIT</b> - Digital transformation consulting firm
 Guidehouse	Washington, DC	16,500	<b>Sep-21: Dovel Technologies</b> - Provider of system integration and information management services
 HCL Technologies	San Francisco, CA	215,835	<b>Jan-22: Starschema</b> - Developer of a technology outsourcing services (EV: \$43M, EV/LTM Rev: 3.1x) <b>Sep-20: DWS Group</b> - Provider of end-to-end IT consulting services (EV: \$171M)
 Hewlett Packard Enterprise	Houston, TX	61,705	<b>May-23: AxisSecurity</b> - Provider of cloud security services <b>Feb-21: CloudPhysics</b> - Provider of big data analytics
 Hitachi	Irvine, CA	749	<b>Sep-22: Flexware Innovation</b> - Provider of IT integration and technology solutions
 Huron Consulting Group	Chicago, IL	4,446	<b>Jan-21: Unico Solution</b> - Provider of data strategy and technology consulting services dedicated to finding data-driven management solutions <b>Oct-20: ForcelQ</b> - Provider of multi-cloud technology services using Salesforce
 ICF	Reston, VA	9,843	<b>Dec-21: Creative Systems and Consulting</b> - Provider of IT consulting services to federal agencies <b>Jan-20: Incentive Technology Group</b> - Provider of digital and information technology consulting services to government and commercial clients
 IBM	Armonk, NY	532,004	<b>Jun-23: Agyla.Cloud</b> - Provider of cloud, DevOps, and cybersecurity solutions <b>Dec-22: Octo Consulting Group</b> - Develops artificial intelligence-based software solutions and digital services to the federal marketplace
 Indra Sistemas	Spain	41,916	<b>Sep-21: Consultoría Organizacional</b> - Provider of consultation services <b>Jan-21: SmartPaper</b> - Developer and provider of archiving and electronic processing solutions for documents
 Infosys	India	294,733	<b>Sep-22: BASE Life Sciences</b> - Digital technology platform offering consulting, research, cloud, and data analytics <b>Sep-20: GuideVision</b> - An enterprise service management consultancy specialized in offering strategic advisory and ServiceNow implementations (EV: \$35M)
 InterVision Systems	Chesterfield, MO	550	<b>Mar-22: Virtuosity Consulting</b> - Offers digital engineering, digital platform, blockchain, and digital intelligence <b>Mar-18: Bluelock</b> - Provider of Disaster Recovery-as-a-Service and cloud hosting solutions for complex environments, and sensitive data to help clients mitigate risk
 IT Voice	Birmingham, AL	109	<b>Dec-22: Bytes of Knowledge</b> - Provider of managed services including network security, cloud services, disaster recovery, and managed IT services <b>Nov-22: The Jaekle Group</b> - Provider of managed IT and technology services
 Kaseya	Ireland	3,024	<b>Apr-23: Vonahi Security</b> - Cybersecurity company that helps automate network penetration testing <b>May-21: TruMethods</b> - Offers managed services for information technology service providers
 Kearney	London, UK	9,190	<b>Dec-21: Prokura</b> - Provider of consulting and supply chain solutions <b>Jan-19: Cervello</b> - Provider of business analytics and data management consultancy services

Source: Pitchbook, Capital IQ, company press releases.

# Industry Spotlight: Strategic Acquirers (11/13)

Company	HQ Location	# of Employees	Representative Technology Services Acquisitions
 Larsen & Toubro	India	45,615	<b>Mar-23: CYFIRMA</b> - Provider of threat discovery and cyber intelligence solutions using AI and predicative analytics <b>Mar-19: Mindtree</b> - Technology consulting and IT services company
 Loffler	Bloomington, MN	500	<b>Jun-20: MinnDak Computer Services</b> - Provider of managed IT services <b>Jun-18: Optimum Communications</b> - Provider of technology solutions and cloud services
 Marlabs	Piscataway, NJ	2,400	<b>May-23: Monitora Soluções Tecnológicas</b> - Digital solutions company that offers customer experience, infrastructure operations, and data analytics services
 Milestone Technologies	Fremont, CA	2,013	<b>Jul-21: Software Management Consultants</b> - Provider of IT staffing services <b>Jan-21: Covestic</b> - Offers security, project management, data center / platform migration, integration, business process management, and IT service management
 MNP	Calgary, AL	6,811	<b>Aug-22: Fidelity Factory</b> - Provider of application and automation consulting services <b>Jul-20: Next Digital</b> - Provider of outsourced and managed IT, IT project management, data protection and cloud services
 Mphasis	Palo Alto, CA	37,865	<b>Jun-23: eBECS</b> - Developer and designer of a business intelligence suite designed to deliver improved business performance and productivity <b>Nov-20: Datalytx</b> - Provider of data engineering and IT consultancy services (EV: \$17M, EV/LTM Rev: 2.3x)
 Navisite	Andover, MA	1,523	<b>Nov-21: EightCloud</b> - Provider of Salesforce related managed cloud services <b>Nov-20: Dickinson &amp; Associates</b> - Provider of IT consulting services including enterprise solutions, supply chain management, and master data management
 Net@Work	New York, NY	524	<b>Mar-23: Innovation ERP</b> - Provider of technology consulting services <b>Aug-19: Southeast Computer Solutions</b> - Provider of consulting services and ERP solutions
 New Charter Technologies	Denver, CO	750	<b>Feb-23: DS Tech</b> - Provider of IT consulting, cloud technology, business phone systems, network security, video surveillance, and disaster recovery services <b>Jan-22: Exbabylon</b> - Provider of website design, application development, IT solutions, and managed IT services
 NTT Data	Charlotte, NC	58,827	<b>Oct-22: Aspirent</b> - Provider of management and technology consulting services focused on data and analytics <b>Jun-22: Postlight</b> - Provider of information technology and digital transformation services
 NuMSP	Bloomfield, NJ	162	<b>Mar-21: Realize Information Technology</b> - Operates as a managed service company that provides a range of information technology support services <b>Jan-21: K-Tech Solutions</b> - Offers managed service and information technology consulting services
 Park Place Technologies	Cleveland, OH	2,200	<b>Jun-22: Riverstone Technology</b> - Provider of third-party maintenance and support services for storage, network, and server devices <b>Apr-19: MCSA Group</b> - Provider of IT support services and solutions for multi-national organizations
 Perficient	Saint Louis, MO	4,038	<b>Oct-22: Ameex</b> - Provider of digital technology solutions (EV: \$36M, EV/LTM Rev: 1.9x) <b>Mar-20: Catalyst Networks</b> - Provider of digital consulting services (EV: \$21M, EV/LTM Rev: 1.6x)

Source: Pitchbook, Capital IQ, company press releases.

# Industry Spotlight: Strategic Acquirers (12/13)

Company	HQ Location	# of Employees	Representative Technology Services Acquisitions
 Presidio	New York, NY	3,738	<b>Jun-22: ROVE</b> - Operates as a systems integrator and cloud solutions provider <b>Jan-21: Arkphire</b> - Provider of product procurement and IT logistics management services
 Prolifics	Orlando, FL	1,283	<b>Jun-22: Tier 2 Consulting</b> - Provider of software development and integration services
 Protiviti	Menlo Park, CA	10,153	<b>Dec-22: R2Integrated</b> - Provider of digital marketing and technology services <b>Dec-20: Identropy</b> - Provider of identity management integration, advisory and managed services
 Publicis.Sapient	Boston, MA	25,431	<b>Feb-23: Tquila ANZ</b> - Provider of cloud computing services <b>Feb-20: Sapient i7</b> - Provider of an extensive set of services leveraging Salesforce technology to enable digital transformation
 Pythian Services	Canada	500	<b>Mar-21: Manageserve</b> - Provider of hosting and managed services <b>Mar-20: Agosto</b> - Operates as a Google Cloud partner and cloud product development company
 Quattro Business Support Services	Marietta, GA	731	<b>Apr-22: USWired</b> - Provider of IT support, consulting, and cloud services for SMEs, large enterprises, and government entities
 Quisitive	Toronto, ON	665	<b>Nov-21: Catapult Systems</b> - Provider of information technology consulting services focused on building and sustaining digital transformation and cloud-based solutions (EV: \$52M, EV/LTM Rev: 1.0x) <b>Apr-21: Mazik Global</b> - Provider of CRM and ERP services (EV: \$15M, EV/LTM Rev: 1.4x)
 RackSpace	San Francisco, CA	7,911	<b>Jan-22: Just Analytics</b> - Provider of data discovery, performance management and analytics <b>Nov-20: Bright Skies</b> - Provider of cloud services aiming to optimize the IT structure of its client's company (EV: \$10M, EV/LTM Rev: 0.7x)
 SADA Systems	Los Angeles, CA	500	<b>Dec-21: ByteWave Digital</b> - Provider of cloud-native digital systems
 ScanSource	Greenville, WI	2,700	<b>Jul-19: intY</b> - Provider of cloud services <b>Aug-18: Canpango</b> - Provider of salesforce expertise and consulting services
 SHI International	Somerset, NJ	5,878	<b>Jan-18: Etelligent Solutions</b> - Provider information technology asset management services
 Softtek	Mexico	15,000	<b>Dec-19: Vector ITC</b> - Developer of disruptive technology including data science & analytics, AI & machine learning, cybersecurity, strategy & consulting, BPO, and IT outsourcing
 SoftwareOne	Switzerland	10,046	<b>May-23: Beniva Consulting Group</b> - Offers IT consulting and managed services to blue-chip enterprise clients <b>Feb-22: Predica</b> - Offers Microsoft Azure cloud migration, application modernization, and managed services

Source: Pitchbook, Capital IQ, company press releases.

# Industry Spotlight: Strategic Acquirers (13/13)

Company	HQ Location	# of Employees	Representative Technology Services Acquisitions
 Sonata Software	India	5,158	<b>Feb-23: Quant Systems</b> - Provider of information and technology services (EV: \$160M) <b>Jul-21: Encore Software Services</b> - Provider of IT services focused on application management, testing services, mobile and analytics
 Sopra Steria	France	48,707	<b>Nov-22: CS-Group</b> - Provider of decision-making and command solutions, communications, cybersecurity, and digital continuity (EV: \$185M, EV/LTM Rev: 0.7x) <b>Oct-21: EvaBssi</b> - Provider of cybersecurity consulting and technical expertise services (EV: \$80M, EV/LTM Rev: 40.0x)
 Synoptek	Irvine, CA	1,100	<b>Dec-22: Optistar Technology Consultants</b> - Provider of IT consulting services in managed services, cybersecurity, digital forensics, and software development <b>Dec-21: Rapid Technologies</b> - Provider of consulting, implementation, and support services
 Syntax Systems	Canada	2,000	<b>Jun-21: Illumiti</b> - Provider of system integration and management consulting services <b>Apr-21: Linke Information Technology</b> - Provider of Amazon SAP cloud solutions
 TCS	India	592,195	<b>Jan-21: Postbank Systems</b> - Provider of information technology services <b>Nov-20: Pramerica Systems</b> - Provider of technology services including software engineering and ethical hacking, actuarial services and data analytics, business analysis and customer support
 Tech Mahindra	India	125,490	<b>Mar-22: Thirdware Solutions</b> - Provider of consulting, design, implementation, and support services <b>Apr-21: DigitalOnUS</b> - Provider of IT development and integration services (EV: \$120M, EV/LTM Rev: \$3.9x)
 Thought Focus	Milwaukee, WI	1,600	<b>Feb-23: BreakFree Solutions</b> - Provider of IT consulting services in digital transformation, such as product development, cloud enablement, and DevOps implementation
 Thrive	Foxborough, MA	1,024	<b>Apr-23: Storagepipe Solutions</b> - Offers Backup-as-a-Service, Disaster Recovery-as-a-Service, cloud infrastructure, cybersecurity, and managed services <b>Nov-22: Custard Technical Services</b> - Provider of IT managed services, consultation, disaster recovery planning, IT security backup solutions, ongoing software and hardware support, and maintenance services
 TTEC	Englewood, CO	29,457	<b>Mar-23: Serendebyte</b> - Provider of digital transformation services (EV: \$13M) <b>Aug-20: VoiceFoundry</b> - Provider of cloud-based enterprise contact center solutions (EV: \$46M)
 UST Global	Aliso Viejo, CA	30,000	<b>Feb-22: Accrete Hitech Solutions</b> - Consulting and outsourcing company, offering IT and engineering services <b>Jan-22: ITernals Group of IT Companies</b> - Developer of software on a turnkey basis and provide software consultancy services
 Wayside Technology Group	Shrewsbury, NJ	269	<b>Aug-22: Spinnakar</b> - Operator of an IT channel distribution business (EV: \$12M) <b>Nov-20: CDF Group</b> - Developer of cloud solutions (EV: \$17M, EV/LTM Rev: 0.2x)
 West Monroe Partners	Chicago, IL	2,410	<b>Sep-21: Verys</b> - Product engineering services firm <b>Oct-19: GoKart Labs</b> - Digital innovation company that uses collaboration and human-centered design to help companies build digital experiences
 Wipro	India	258,574	<b>Apr-22: Rizing</b> - Provider of SAP functional and technical consulting services (EV: \$540M, EV/LTM Rev: 2.8x) <b>Mar-21: Capco Group</b> - Provider of global business and technology consultancy services (EV: \$1.5B, EV/LTM Rev: 8.3x)
 Zayo Group	Boulder, CO	3,781	<b>Jun-22: Education Networks of America</b> - Provider of managed network connectivity, communications and cybersecurity services <b>Jan-22: QOS Networking</b> - Provider of edge-to-cloud managed network services that include SD-WAN and network management solutions

Source: Pitchbook, Capital IQ, company press releases.



# Technology Services M&A Update

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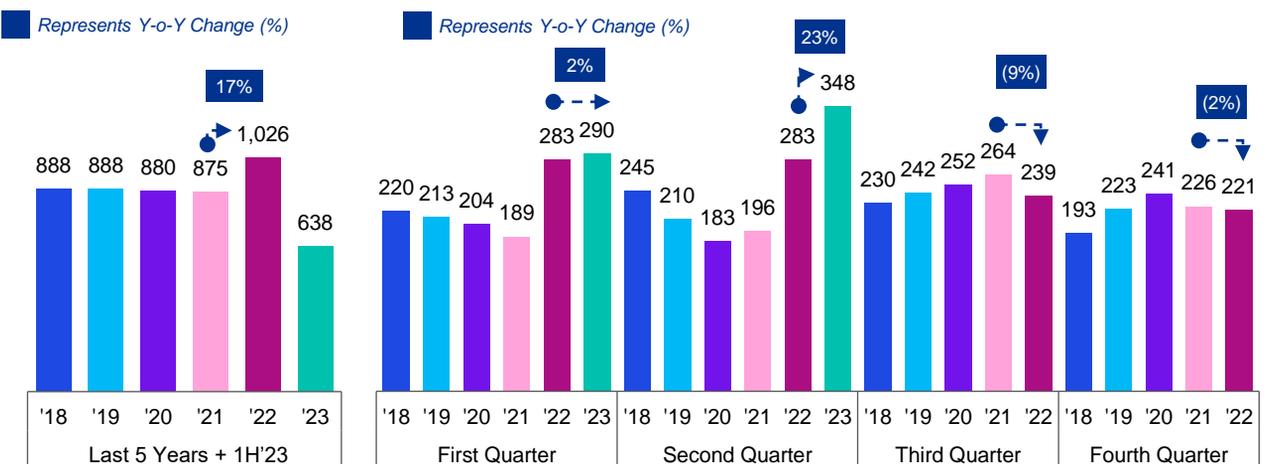
# Technology Services M&A Market Commentary

- The M&A market in Technology Services remained robust in the first half of 2023**
  - 348 deals announced in Q2'23, representing a 20% Q-o-Q increase
  - Deal value fell significantly as compared to last quarter, to \$2 billion in Q2'23
- New deals coming to market in the sector are garnering significant interest from strategic and financial buyers**
  - Dearth of deal flow for 'A+/A' opportunities has resulted in increased competition for coveted assets
- Valuations for 'A-quality' assets have not compressed meaningfully in the M&A markets, despite economic headwinds**
  - Strong performers in attractive sectors (Digital Transformation, Cloud Enablement, Managed Services, Data & Analytics, Cybersecurity, and Government Services) continue to garner premium valuations

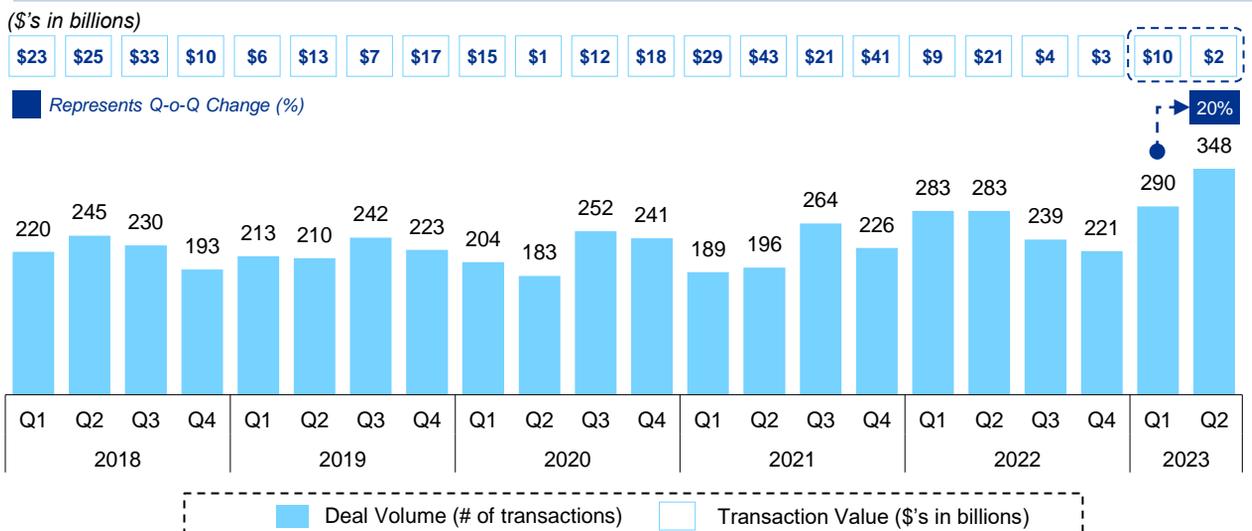
## Global Technology Services Announced Deal Volume (# of Transactions) Comparative Analysis

### 2018 – 2023 (Annual)

### 2018 – 2023 (Quarterly)



## Global Technology Services Industry Announced Deal Volume and Value



Source: 451 Research, KPMG analysis.



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# Public Market Observations and Valuation Benchmarking

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# Publicly-Traded Company Analysis: Summary Observations



## The Technology Services composite index appreciated modestly in the first half of 2023

- 1H'23 performance of +6.5% versus 2022 decline of -28.7%



## All sub-sectors of Technology Services traded higher in 1H'23

- The Managed Infrastructure sub-sector was the best performer in 1H'23, with share price performance of +19.3%
- The Offshore Services sub-sector was the worst performer in 1H'23, with share price performance of +1.8%



## In-line with the broader market declines, valuations have compressed over the past year

- EV / LTM EBITDA multiples have decreased from 19.5x at the beginning of 2022 to 14.9x as of 06/30/23
- EV / LTM Revenue multiples have decreased from 4.4x at the beginning of 2022 to 2.8x as of 06/30/23



## Valuation multiples vary depending on sub-sector

- High-end of EV / LTM EBITDA multiple range is represented by Managed Infrastructure Services at 29.3x
- Low-end of EV / LTM EBITDA multiple range is represented by IT Commercial Services and Consulting Services at 11.8x



## Growth and EBITDA margins are the key drivers of valuation multiples

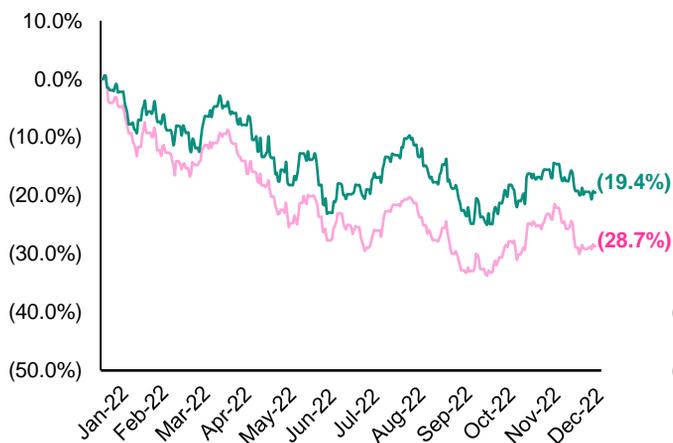
Sector	Revenue Growth % <sup>(1)</sup>	EBITDA Margin % <sup>(1)</sup>
Managed Infrastructure	22.2%	45.0%
Offshore Services	7.1%	18.9%
Consulting	6.0%	12.1%
Government Consulting	6.0%	10.8%
IT Commercial Services	5.1%	16.1%
Managed Services	3.9%	18.1%

Note (1): Revenue growth estimate for 2022-2023E; EBITDA margin for 2023E.  
Source: Capital IQ.

# Technology Services Public Market Observations (1/3)

The Technology Services sector staged a mild rebound in 1H'23, with the composite index appreciating 6.5% during the period. The Managed Infrastructure sub-sector was the strongest performer, with share price appreciation of 19.3%; Offshore Services represented the weakest performance, with indexed share price appreciation of 1.8%.

2022 Indexed Stock Price Performance<sup>(1)</sup>



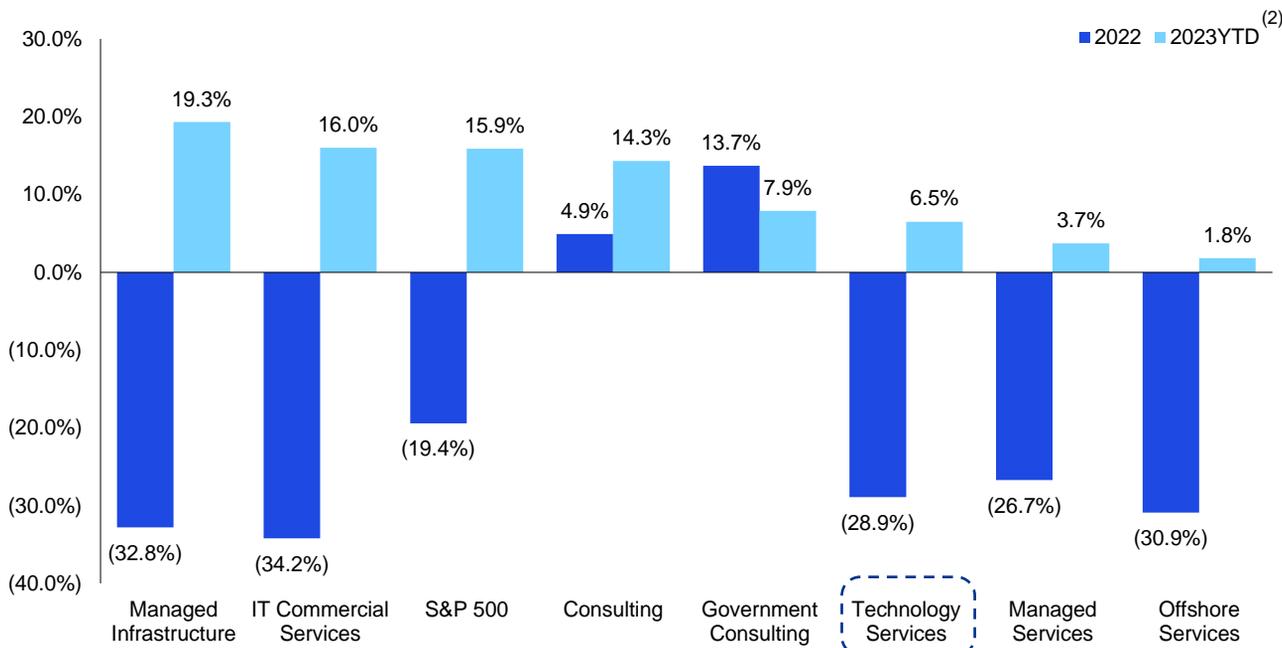
2023 Indexed Stock Price Performance<sup>(1)</sup>



Technology Services

S&P 500

Share Price Performance by Technology Services Sub-sector



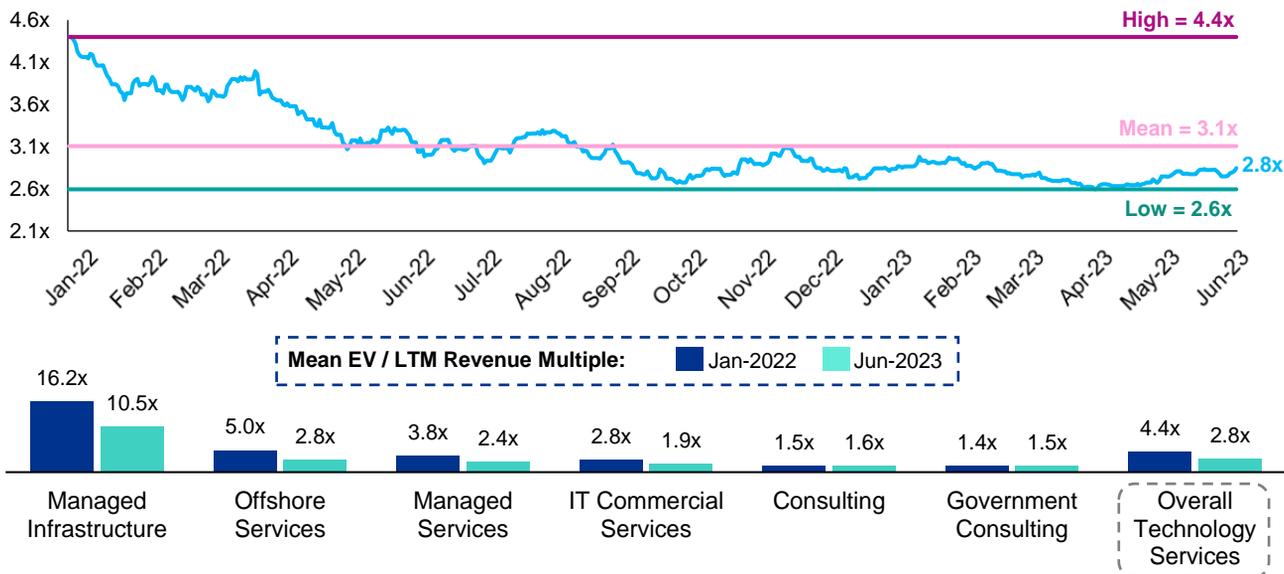
Note (1): Market statistics sourced from Capital IQ. Detailed listing of companies that comprise each peer group is located on page 31, "Select Publicly-Traded Technology Services Companies". Indexed Stock Price Performance calculated using market-cap weighted methodology.

Note (2): As of 6/30/23.

# Technology Services Public Market Observations (2/3)

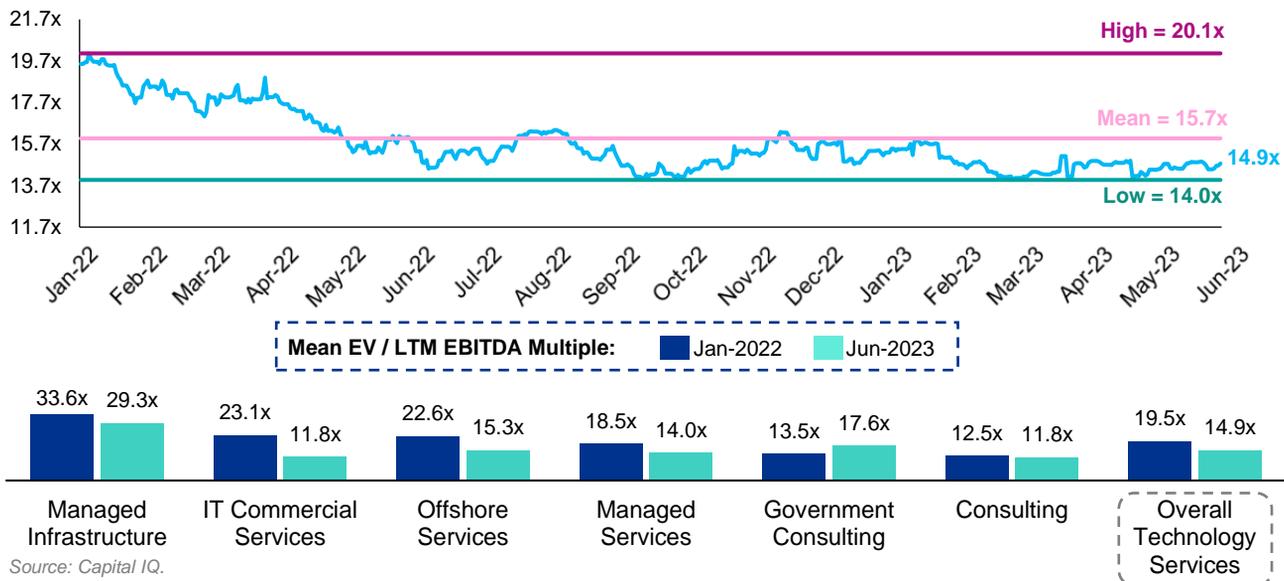
## 2022 – 2023YTD<sup>(1)</sup> EV / LTM Revenue Performance

Average EV / LTM Revenue multiples in the Technology Services sector, as of 06/30/2023, declined to 2.8x, 9.7% below the average multiple of 3.1x since 1/1/2022, and 36.4% below the average multiple of 4.4x as of 1/1/2022.



## 2022 – 2023YTD<sup>(1)</sup> EV / LTM EBITDA Performance

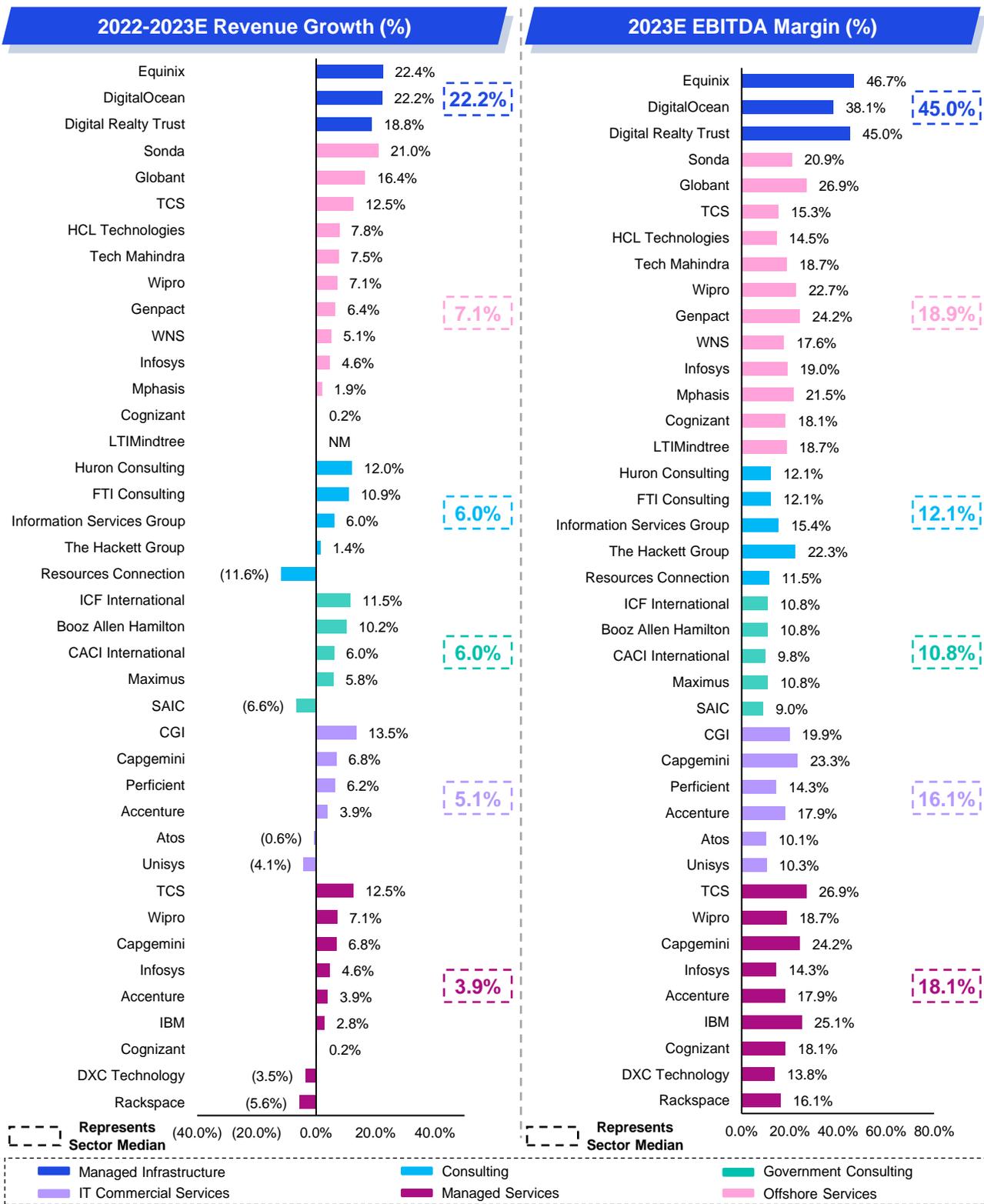
Average EV / LTM EBITDA multiples for the Technology Services sector, as of 06/30/2023, declined to 14.9x, 5.1% below the average multiple of 15.7x since 1/1/2022, and 23.6% below the average multiple of 19.5x as of 1/1/2022.



Source: Capital IQ.  
Note (1): As of 6/30/23.



# Technology Services Public Market Observations (3/3)



Source: Capital IQ data calculated as of 6/30/2023.

# Selected Publicly-Traded Technology Services Companies

Company	HQ Country	Market Data				LTM Financials				Valuation Multiples		
		Market Cap (\$mm) <sup>(1)(2)</sup>	Enterprise Value (\$mm) <sup>(3)</sup>	Share Price <sup>(2)</sup>	% 52 Wk High	Revenue	Revenue Growth	Gross Margin %	EBITDA % <sup>(4)</sup>	LTM EBITDA	CY 2023 Revenue	CY 2023 EBITDA
<b>Managed Infrastructure</b>												
Equinix, Inc.	US	\$73,317	\$87,687	\$783.94	99.0%	\$6,987	9.2%	45.0%	36.7%	34.2x	10.7x	23.8x
Digital Realty Trust, Inc.	US	\$33,176	\$55,036	\$113.87	82.5%	\$4,844	6.5%	55.7%	46.5%	24.4x	9.9x	20.4x
DigitalOcean Holdings, Inc.	US	\$3,565	\$4,631	\$40.14	74.5%	\$614	32.9%	61.5%	13.2%	57.0x	6.6x	17.1x
<b>Managed Infrastructure Mean</b>					<b>85.3%</b>	<b>16.2%</b>	<b>54.0%</b>	<b>32.1%</b>	<b>38.5x</b>	<b>9.0x</b>	<b>20.4x</b>	
<b>Managed Infrastructure Median</b>					<b>82.5%</b>	<b>9.2%</b>	<b>55.7%</b>	<b>36.7%</b>	<b>34.2x</b>	<b>9.9x</b>	<b>20.4x</b>	
<b>Offshore Services</b>												
Tata Consultancy Services Limited	IN	\$147,236	\$142,721	\$40.24	92.4%	\$27,454	17.6%	42.6%	25.6%	20.3x	4.8x	18.4x
Infosys Limited	IN	\$67,340	\$66,079	\$16.27	79.8%	\$18,212	11.7%	29.6%	23.1%	15.7x	3.5x	14.6x
HCL Technologies Limited	IN	\$39,190	\$37,323	\$14.48	99.5%	\$12,586	9.6%	36.4%	21.1%	14.1x	2.8x	12.5x
Cognizant Technology Solutions Corporation	US	\$33,128	\$32,154	\$65.28	92.1%	\$19,414	2.5%	35.9%	18.2%	9.1x	1.7x	9.7x
Wipro Limited	IN	\$25,974	\$23,230	\$4.74	87.5%	\$11,019	14.4%	28.7%	17.9%	11.8x	2.0x	10.6x
LTIMindtree Limited	IN	\$18,736	\$17,989	\$63.33	97.0%	\$4,041	27.1%	28.0%	17.3%	25.7x	4.1x	22.4x
Tech Mahindra Limited	IN	\$12,133	\$11,666	\$13.78	97.1%	\$6,489	19.4%	31.9%	14.1%	12.8x	1.7x	11.9x
Genpact Limited	BM	\$6,919	\$8,067	\$37.57	76.9%	\$4,392	6.0%	34.9%	15.8%	11.6x	1.7x	9.4x
Globant S.A.	LU	\$7,597	\$7,490	\$179.72	74.9%	\$1,851	29.6%	37.2%	16.2%	25.0x	3.6x	17.4x
WNS (Holdings) Limited	IN	\$3,565	\$3,709	\$73.72	77.6%	\$1,224	10.3%	35.0%	17.4%	17.4x	2.9x	14.0x
Mphasis Limited	IN	\$4,350	\$4,168	\$23.07	77.4%	\$1,680	15.4%	41.4%	16.3%	15.2x	2.5x	13.8x
Sonda S.A.	CL	\$423	\$678	\$0.49	91.1%	\$1,407	19.9%	16.6%	9.4%	5.1x	0.4x	4.2x
<b>Offshore Services Mean</b>					<b>86.9%</b>	<b>15.3%</b>	<b>33.2%</b>	<b>17.7%</b>	<b>15.3x</b>	<b>2.7x</b>	<b>13.2x</b>	
<b>Offshore Services Median</b>					<b>89.3%</b>	<b>14.9%</b>	<b>34.9%</b>	<b>17.4%</b>	<b>14.7x</b>	<b>2.6x</b>	<b>13.1x</b>	
<b>Consulting</b>												
FTI Consulting, Inc.	US	\$6,333	\$6,714	\$190.20	92.5%	\$3,112	10.6%	31.7%	11.2%	19.3x	2.0x	16.8x
Huron Consulting Group Inc.	US	\$1,507	\$1,990	\$84.91	97.1%	\$1,190	23.7%	30.5%	11.3%	14.9x	1.6x	12.9x
Resources Connection, Inc.	US	\$528	\$444	\$15.71	67.8%	\$808	6.3%	40.5%	11.8%	4.6x	0.6x	6.3x
The Hackett Group, Inc.	US	\$608	\$651	\$22.35	95.4%	\$284	(1.7%)	40.3%	21.0%	10.9x	2.2x	10.4x
Information Services Group, Inc.	US	\$259	\$319	\$5.36	69.1%	\$292	2.9%	40.2%	11.9%	9.2x	1.1x	6.9x
<b>Consulting Mean</b>					<b>84.4%</b>	<b>8.4%</b>	<b>36.6%</b>	<b>13.4%</b>	<b>11.8x</b>	<b>1.5x</b>	<b>10.7x</b>	
<b>Consulting Median</b>					<b>92.5%</b>	<b>6.3%</b>	<b>40.2%</b>	<b>11.8%</b>	<b>10.9x</b>	<b>1.6x</b>	<b>10.4x</b>	
<b>IT Commercial Services</b>												
Accenture plc	IE	\$194,651	\$189,937	\$308.58	94.1%	\$63,550	6.6%	32.3%	17.0%	17.5x	2.9x	16.4x
Capgemini SE	FR	\$32,572	\$36,682	\$189.47	89.6%	\$23,506	21.1%	26.5%	13.5%	11.6x	1.5x	10.2x
CGI Inc.	CA	\$24,580	\$26,522	\$105.50	98.2%	\$10,104	10.3%	30.5%	17.5%	15.0x	2.4x	12.1x
Perficient, Inc.	US	\$2,903	\$3,285	\$83.33	75.6%	\$914	12.4%	38.9%	20.0%	17.9x	3.4x	14.7x
Atos SE	FR	\$1,566	\$4,351	\$14.28	83.0%	\$12,120	4.6%	3.1%	5.6%	6.4x	0.4x	3.5x
Unisys Corporation	US	\$272	\$449	\$3.98	27.2%	\$2,050	2.9%	30.5%	9.4%	2.3x	0.2x	2.3x
<b>IT Commercial Services Mean</b>					<b>77.9%</b>	<b>9.7%</b>	<b>27.0%</b>	<b>13.9%</b>	<b>11.8x</b>	<b>1.8x</b>	<b>9.9x</b>	
<b>IT Commercial Services Median</b>					<b>86.3%</b>	<b>8.5%</b>	<b>30.5%</b>	<b>15.3%</b>	<b>13.3x</b>	<b>1.9x</b>	<b>11.1x</b>	
<b>Government Consulting</b>												
Booz Allen Hamilton Holding Corporation	US	\$14,618	\$17,265	\$111.60	99.2%	\$9,259	10.7%	23.2%	6.6%	28.4x	1.7x	16.2x
CACI International Inc	US	\$7,769	\$9,746	\$340.84	99.4%	\$6,642	8.4%	34.1%	10.2%	14.3x	1.4x	13.1x
Science Applications International Corporation	US	\$6,038	\$8,112	\$112.48	95.4%	\$7,736	3.0%	11.6%	8.9%	11.7x	1.1x	12.1x
Maximus, Inc.	US	\$5,137	\$6,552	\$84.51	97.4%	\$4,759	1.7%	20.1%	8.9%	15.6x	1.3x	12.7x
ICF International, Inc.	US	\$2,337	\$3,151	\$124.39	96.7%	\$1,850	16.5%	35.7%	9.5%	17.9x	1.6x	14.7x
<b>Government Consulting Mean</b>					<b>97.6%</b>	<b>8.1%</b>	<b>24.9%</b>	<b>8.8%</b>	<b>17.6x</b>	<b>1.4x</b>	<b>13.8x</b>	
<b>Government Consulting Median</b>					<b>97.4%</b>	<b>8.4%</b>	<b>23.2%</b>	<b>8.9%</b>	<b>15.6x</b>	<b>1.4x</b>	<b>13.1x</b>	
<b>Managed Services</b>												
Accenture plc	IE	\$194,651	\$189,937	\$308.58	94.1%	\$63,550	6.6%	32.3%	17.0%	17.5x	2.9x	16.4x
Tata Consultancy Services Limited	IN	\$147,236	\$142,721	\$40.24	92.4%	\$27,454	17.6%	42.6%	25.6%	20.3x	4.8x	18.4x
International Business Machines Corporation	US	\$121,506	\$165,856	\$133.81	87.3%	\$60,585	3.8%	54.2%	20.9%	13.1x	2.7x	10.8x
Infosys Limited	IN	\$67,340	\$66,079	\$16.27	79.8%	\$18,212	11.7%	29.6%	23.1%	15.7x	3.5x	14.6x
Capgemini SE	FR	\$32,572	\$36,682	\$189.47	89.6%	\$23,506	21.1%	26.5%	13.5%	11.6x	1.5x	10.2x
Cognizant Technology Solutions Corporation	US	\$33,128	\$32,154	\$65.28	92.1%	\$19,414	2.5%	35.9%	18.2%	9.1x	1.7x	9.7x
Wipro Limited	IN	\$25,974	\$23,230	\$4.74	87.5%	\$11,019	14.4%	28.7%	17.9%	11.8x	2.0x	10.6x
DXC Technology Company	US	\$5,630	\$9,460	\$26.72	83.5%	\$14,430	(11.3%)	22.1%	3.9%	17.0x	0.7x	4.2x
Rackspace Technology, Inc.	US	\$593	\$4,315	\$2.72	36.7%	\$3,106	1.5%	26.1%	13.9%	10.0x	1.5x	11.4x
<b>Managed Services Mean</b>					<b>82.6%</b>	<b>7.6%</b>	<b>33.1%</b>	<b>17.1%</b>	<b>14.0x</b>	<b>2.4x</b>	<b>11.8x</b>	
<b>Managed Services Median</b>					<b>87.5%</b>	<b>6.6%</b>	<b>29.6%</b>	<b>17.9%</b>	<b>13.1x</b>	<b>2.0x</b>	<b>10.8x</b>	
<b>Selected Public Technology Services Companies Mean</b>					<b>85.5%</b>	<b>11.0%</b>	<b>33.2%</b>	<b>16.4%</b>	<b>16.1x</b>	<b>2.6x</b>	<b>12.7x</b>	
<b>Selected Public Technology Services Companies Median</b>					<b>90.4%</b>	<b>10.3%</b>	<b>32.3%</b>	<b>16.2%</b>	<b>14.9x</b>	<b>2.0x</b>	<b>12.6x</b>	

Source: Capital IQ.

(1) Market Capitalization based on closing share prices as of June 30, 2023.

(2) Market Capitalization and Share Prices may be based on foreign exchange listed securities and converted to USD.

(3) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.

(4) EBITDA equals Earnings before Interest Expense, Income Taxes, Depreciation and Amortization.



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# KPMG Technology Services Investment Banking Overview

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# Enterprise-Class Service Delivered to the Middle-Market

The KPMG Technology Services team has advised on over \$15.1 billion of Technology Services M&A and Capital Markets activity over a 15-year period.

## Managed Services / Cloud



**APPIRIO**  
Capital raise from




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**\$40mm**



**ensono**  
Sale to




---

**\$150mm**



**EVOLVE IP**  
WORK ANYWHERE™  
Sale to




---

**\$225mm**

## Digital Transformation & Interactive Marketing Services



**accenture**  
Acquisition of




---

**\$320mm**



**PUBLICIS GROUPE**  
Acquisition of




---

**\$530mm**



**Sapient**  
Sale to




---

**\$3.7bn**

## Offshore Services / BPO



**Infosys**  
Secondary ADS  
Offering

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**\$1.6bn**



**WNS**  
IPO

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**\$255mm**



**xerox**  
Acquisition of




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**\$8.3bn**

# A Leading Global Middle-Market Investment Banking Platform\*

Mid-Market Deals Over Past 20 Years <sup>(1)</sup>			Mid-Market TMT Deals Over Past 20 Years <sup>(1)</sup>		
Firm		No. of deals	Firm		No. of deals
1	KPMG*	9,946	1	Houlihan Lokey	1,850
2	PricewaterhouseCoopers	9,553	2	KPMG*	1,753
3	Houlihan Lokey	6,793	3	PricewaterhouseCoopers	1,502
4	Deloitte	6,515	4	Deloitte	1,232
5	Ernst & Young LLP	6,193	5	Ernst & Young LLP	1,125
6	Rothschild & Co	5,804	6	Goldman Sachs & Co	945
7	Goldman Sachs & Co	4,236	7	Morgan Stanley	858
8	JP Morgan	4,140	8	Rothschild & Co	847
9	Lazard	4,120	9	Jefferies LLC	797
10	Morgan Stanley	3,821	10	JP Morgan	789

## Select KPMG\* Technology Services Transactions

  <p>Acquired by</p> 	  <p>Acquired by</p> 	  <p>Has divested its North American technical maintenance services business to</p> 	  <p>A portfolio company of</p>  <p>Has acquired</p> 	  <p>Has received a majority investment from</p> 	  <p>Acquired by</p> 
  <p>Has received an investment from</p> 	  <p>Has received an investment from</p> 	  <p>Acquired by</p>  <p>A portfolio company of</p> 	  <p>Acquired by</p> 	  <p>Has received an investment from</p> 	  <p>Acquired by</p> 
  <p>Acquired by</p> 	  <p>Has Sold</p>  <p>To</p> 	  <p>Has diversified its Japanese operations to</p> 	  <p>Acquired by</p> 	  <p>Has received an investment from</p> 	  <p>Has Sold</p>  <p>To</p> 

## KPMG CF LLC Technology Services Key Contacts

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Note (1): Thomson Reuters SDC; Each set of figures is taken from the league table press releases issued for that year. Middle-market is defined as deals less than US\$500 million. \*Represents the global Corporate Finance practice of KPMG International's network of independent member firms.





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