



# Technology Services Q4 Industry Update:

Accelerated migration to the  
cloud driving adoption of IT  
Managed Services

February 2023

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

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# Introduction

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# Introduction: Technology Services Sector Themes

**Modernization of advanced technologies will drive demand for third-party managed services, helping firms digitize and reduce costs through faster integrations, access to affordable talent, and tailored services.**

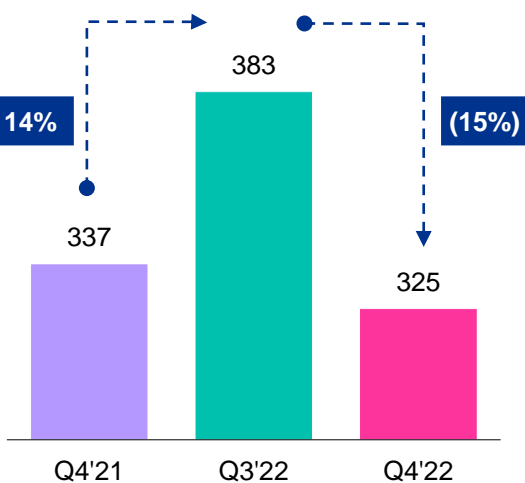
	<h2>Technology Services Summary</h2> <ul style="list-style-type: none"><li>Key industry themes including Digital Transformation, Cloud Enablement, and Data Analytics continue to fuel significant demand for Technology Services, despite macroeconomic headwinds</li><li>Technology Services M&amp;A remained resilient in 2022, with volumes up 33% year-over-year</li><li>Industry leaders and financial buyers continue to be active in M&amp;A and look to consolidate the fragmented Managed Services space</li></ul>
	<h2>Key Industry Drivers: Managed Services Provider (“MSP”) Market</h2> <ul style="list-style-type: none"><li>The Managed Services market is poised to grow at a CAGR of 12.9%, from \$267 billion today, to \$552 billion in 2028E</li><li>Fueled by key themes including Digital Transformation and Cloud Enablement, MSPs offer the opportunity to offload general IT tasks to specialized experts in order to reduce costs and improve service quality</li></ul>
	<h2>Technology Services M&amp;A Themes (Q4’22)</h2> <ul style="list-style-type: none"><li>M&amp;A activity in the sector has not been immune to the headwinds of rising interest rates and recessionary forces, as M&amp;A volume was down 15% in Q4’22 vs. Q3’22 and M&amp;A deal value was down 83% in Q4’22 vs. Q3’22</li><li>High quality companies continue to find a robust market for M&amp;A at attractive valuations</li><li>Private market valuations for high-growth Managed Services companies continue to reflect mid-teens EV / LTM EBITDA multiples</li></ul>
	<h2>Valuation Trends &amp; Drivers</h2> <ul style="list-style-type: none"><li>Valuations in the public markets have compressed as the broader market struggles to evaluate future earnings<ul style="list-style-type: none"><li>Most Technology Services sub-sectors recovered slightly from their 52-week lows; Consulting and Government Consulting recorded modest multiple expansion in 2022</li></ul></li><li>Managed Services deals traded at an average EV / LTM EBITDA multiple of 13.4x from 2018 to 2022</li></ul>
	<h2>A Number of Key Enablers are Driving Growth Across the Managed Services Landscape</h2> <ul style="list-style-type: none"><li>KPMG has compiled a list of selected Managed Services providers, outlined beginning on page 27</li></ul>

# Introduction: Technology Services Strategic Dashboard

M&A volume in the Technology Services sector decreased 15% in Q4'22, relative to Q3'22, returning to similar levels seen in Q4'21. Share price performance in the Technology Services sector showed modest recovery in Q4'22. Public market valuation multiples have compressed, declining 22.1% in Q4'22 vs. Q4'21.

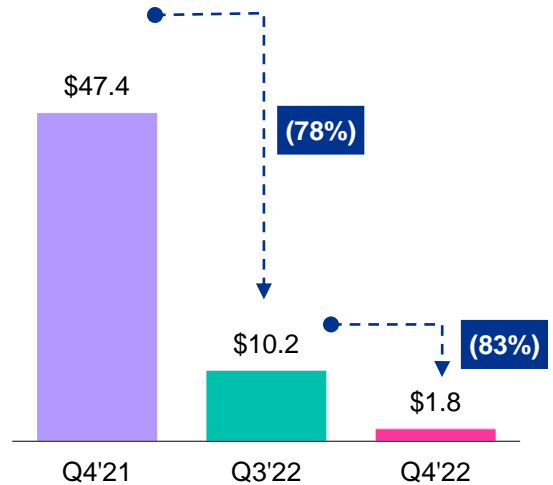
## Technology Services M&A Transactions – by Volume

(# of deals)

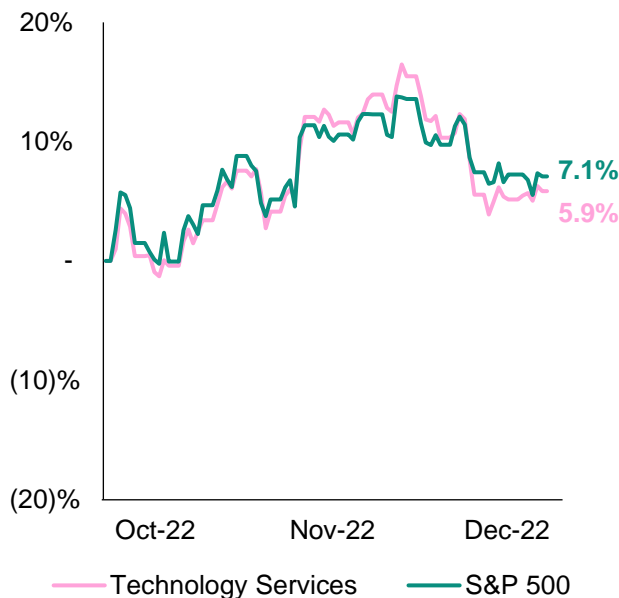


## Technology Services M&A Transactions – by Value

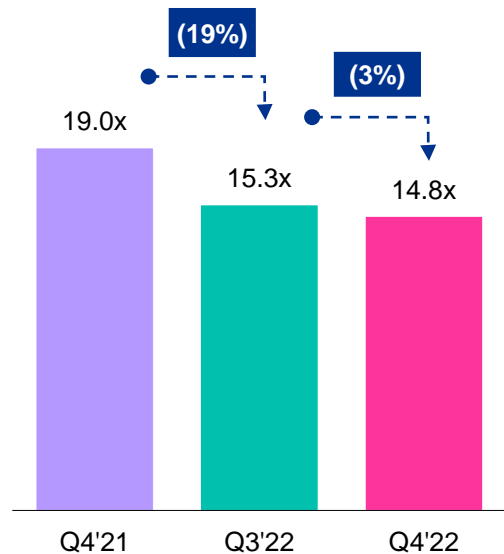
(\$'s in billions)



## Share Price Performance (Q4'22)



## Valuation (EV / LTM EBITDA)



Source: 451 Research, KPMG analysis.



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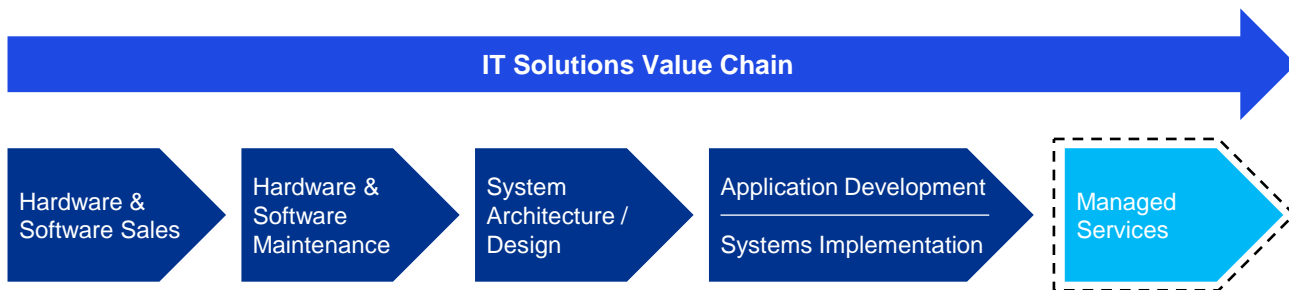


# Technology Services Industry Spotlight: Managed Services

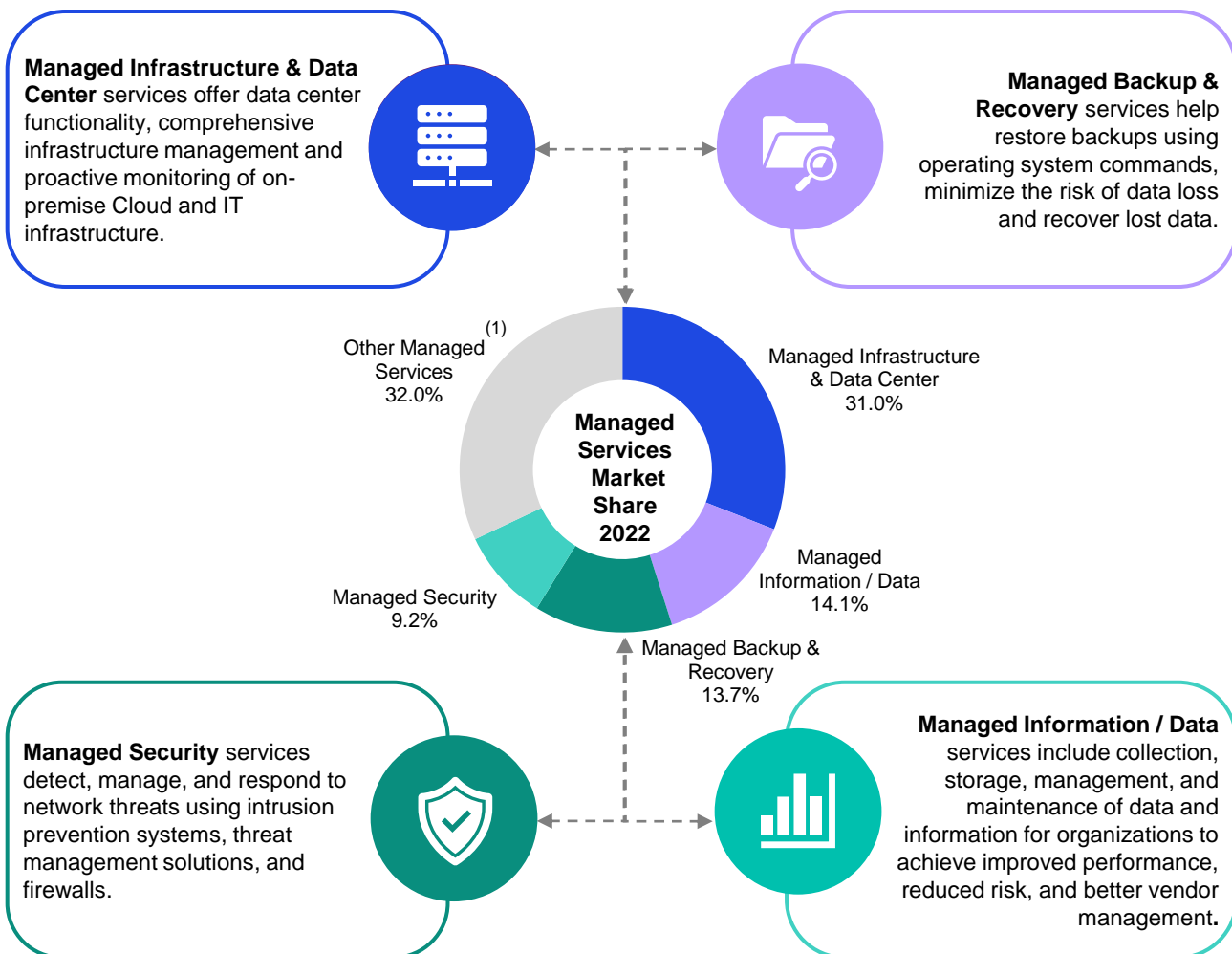
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# Managed Services - Sector Breakdown



**Managed Service Providers offer opportunity to offload general tasks to specialized experts in order to reduce costs, improve service quality, and allow businesses to focus on core competencies. The Managed Services market is broadly classified in four sub-categories highlighted below.**

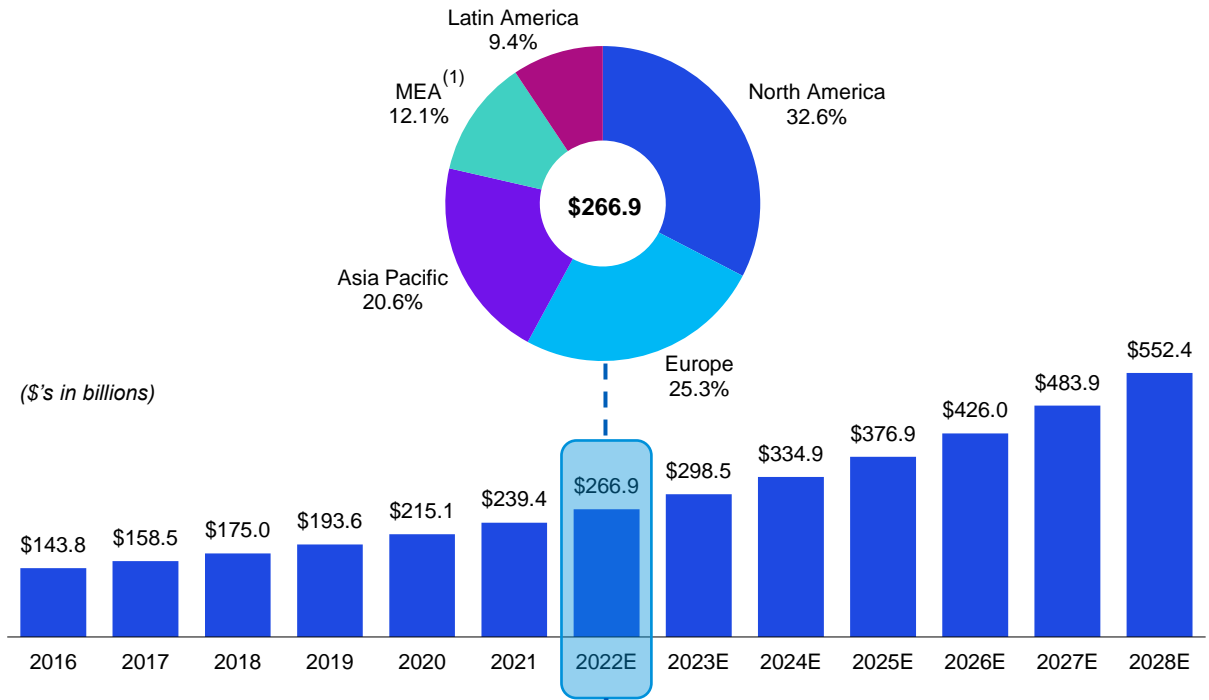


Sources: Infosecurity Magazine, MSPinsights, MSP Magazine, Company Annual Reports, PitchBook, and Grand View Research.  
 Note (1): Includes Managed Communication, Network and Mobility.

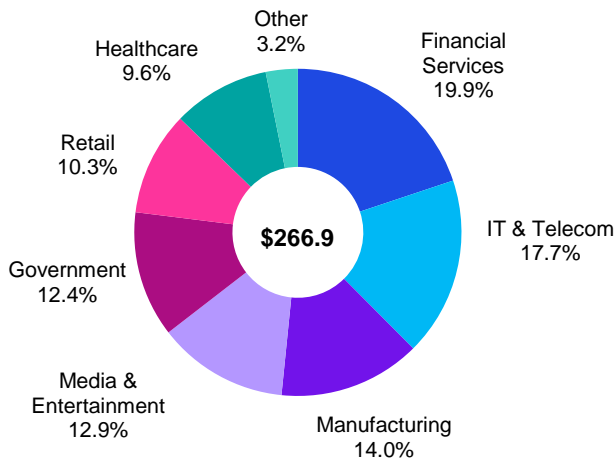
# Managed Services - Market Outlook

The Managed Services Market was \$267 billion in size in 2022 and is expected to surpass \$550 billion by 2028E, representing a 12.9% CAGR over this timeframe. Key segmentations of the market (by Geography, Industry, and Enterprise Size) are highlighted below.

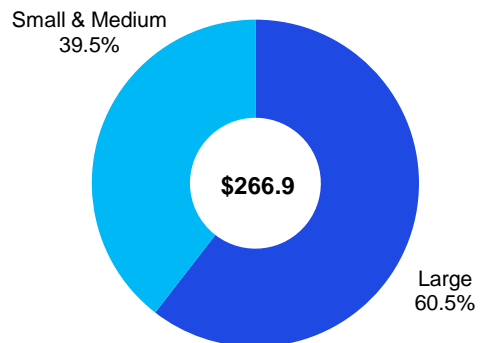
## By Geography



## By Industry



## By Enterprise Size<sup>(2)</sup>



Sources: Infosecurity Magazine, MSPinsights, MSP Magazine, Company Annual Reports, PitchBook, and Grand View Research.

Note (1): Middle East & Africa (MEA).

Note (2): Small & Medium size enterprises are defined as having less than 500 employees. Large enterprises have greater than 500 employees.

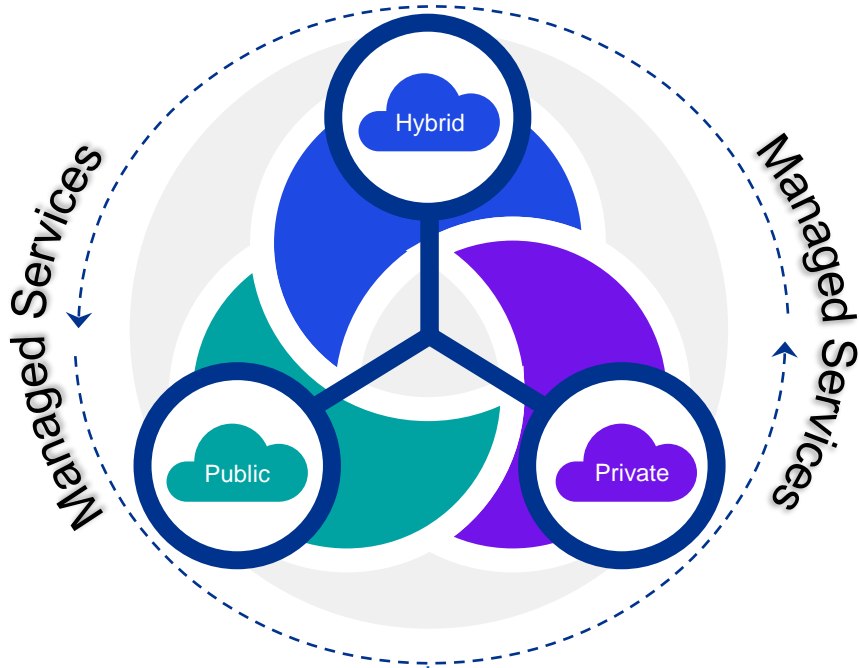


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# Managed Services Ecosystem and Key Publicly-Traded Players

The Managed Services ecosystem spans Public and Private workloads as well as Hybrid architectures. Selected companies that focus both on Managed Services as well as Managed Infrastructure (e.g. Datacenter Management) are highlighted below.



## Selected Managed Services Companies



## Selected Managed Infrastructure Companies



Sources: PitchBook, and Grand View Research.

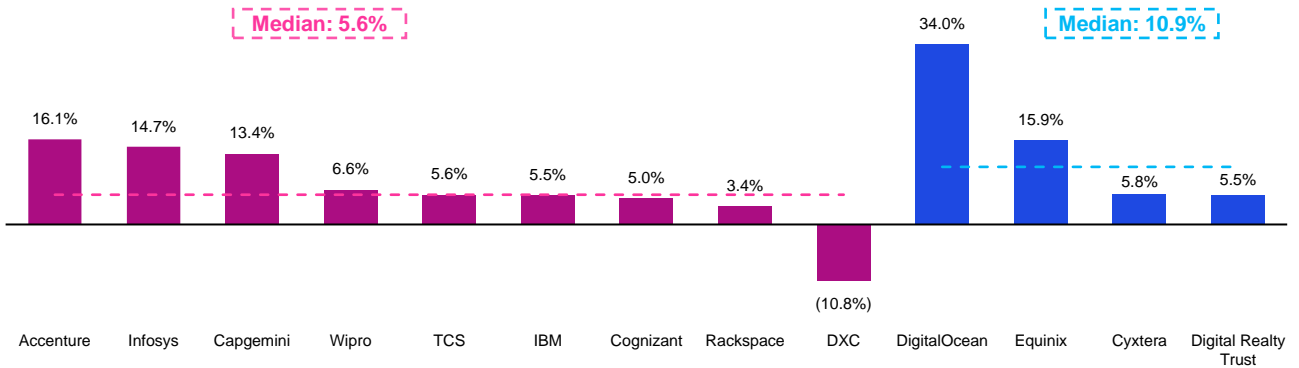


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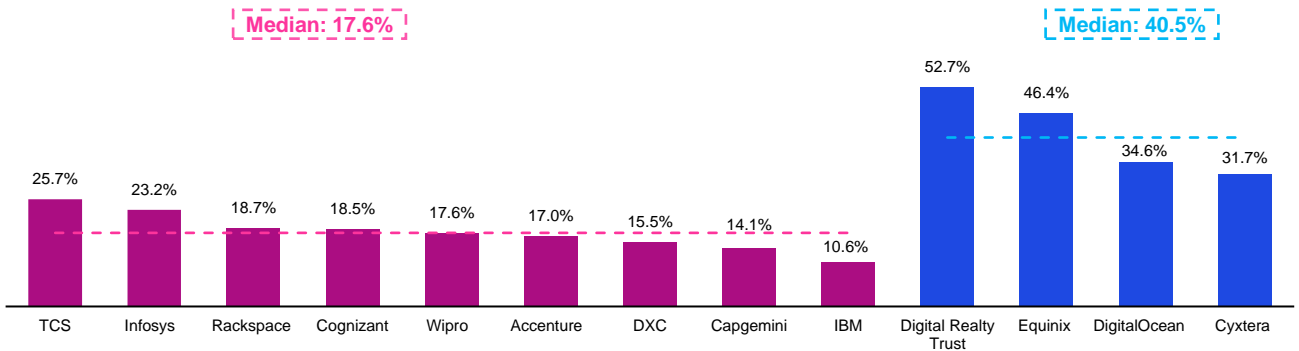
# Key Managed Services Publicly-Traded Comparables

Revenue growth and EBITDA margins drive valuation multiples in the Managed Services space. The median EV / 2023E EBITDA multiples are 10.9x and 15.4x, for Managed Services and Managed Infrastructure, respectively.

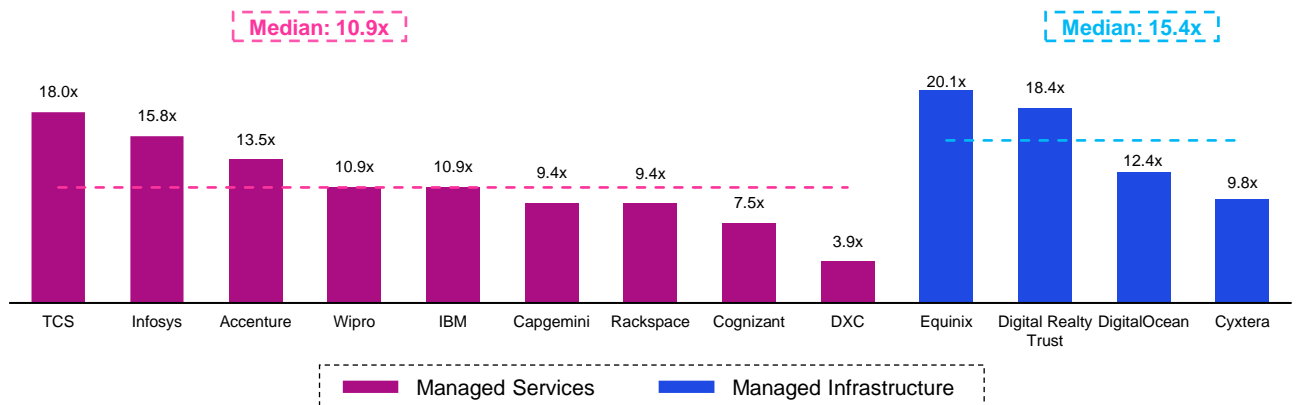
## Annual Revenue Growth % (2021-2022)



## 2022E EBITDA Margin %



## EV / 2023E EBITDA



Managed Services (Pink)      Managed Infrastructure (Blue)

Sources: Capital IQ, 451 Research.

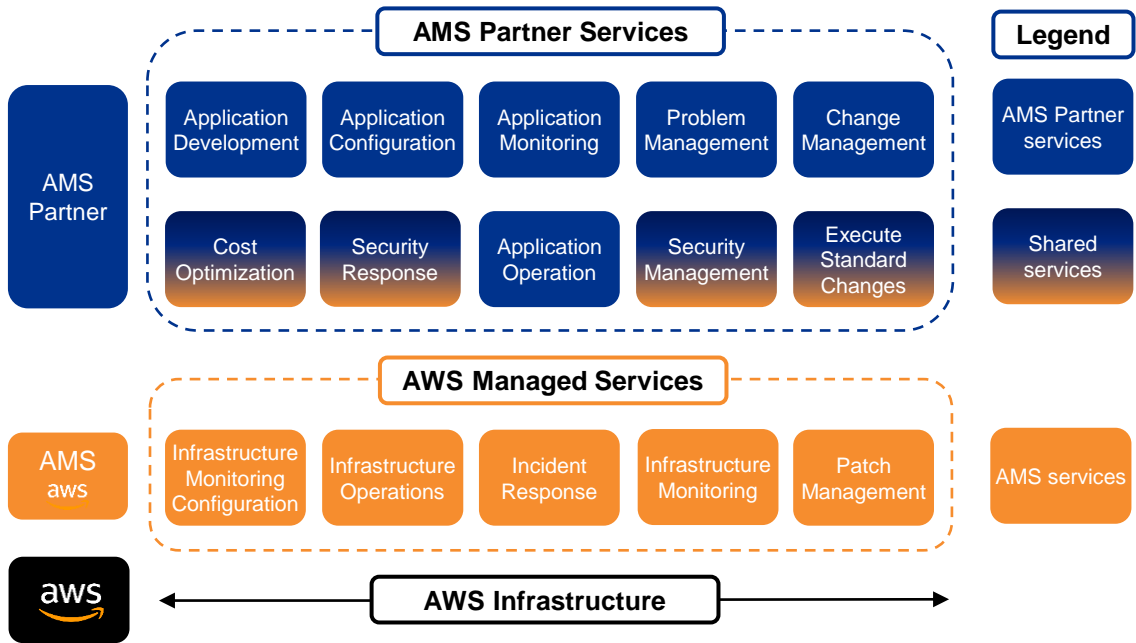


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# Managed Services Spotlight - AWS Managed Services

Amazon has moved aggressively into the Managed Services space. AWS Managed Services (AMS) collaborates with key partners to help companies adopt and maintain AWS workloads, resulting in operational efficiencies and cost reduction, as well as improved security and compliance.

## AWS Managed Services Cloud Operating Model



## AWS Managed Services Partners



Sources: Amazon, PitchBook.



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# Strategic Activity Update & Key Drivers of Technology Services M&A

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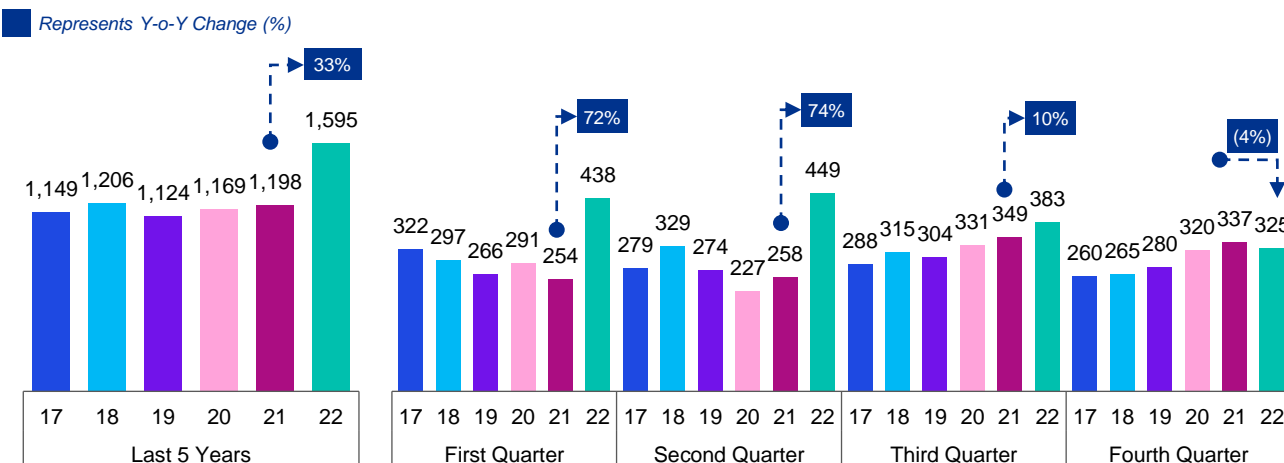
# Technology Services M&A Market Commentary

- Technology Services M&A remained resilient in 2022, with volumes up 33% year-over-year
- However, M&A activity in the sector has not been immune to the headwinds of rising interest rates, recessionary forces, and supply chain inefficiencies
  - M&A volume was down 15% in Q4'22 vs. Q3'22
  - M&A value was down 83% in Q4'22 vs. Q3'22
- Valuation compression will shift the balance of power from a sellers market to a buyers market in the near-term
- 'A+ and A' companies will continue to find a robust market for M&A at attractive valuations. Less exciting companies will face increased headwinds given a more challenging market backdrop
- Companies in the managed services space are reacting to the recessionary sentiments by forming alliances, entering into strategic partnerships, and consolidating smaller companies up the value chain

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

### 2017 – 2022 (Annual)

### 2017 – 2022 (Quarterly)



## Global Technology Services Industry Announced Deal Volume and Value

(\$'s in billions)



Deal Volume (# of transactions) Transaction Value (\$'s in billions)

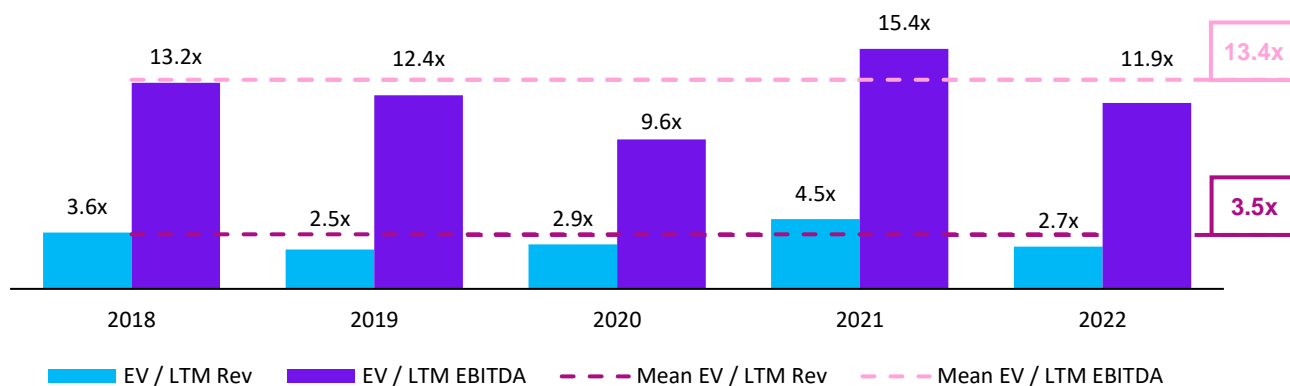
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# Managed Services Transaction Multiples

## Managed Services Transaction Multiples













## Selected Managed Services Transactions

<b>Target</b>	<b>Date</b>	<b>EV / LTM Rev</b>	<b>Target Description</b>
 CSI	Aug 2022	4.7x	Customer service company offering payment processing, cloud-based security, managed IT and cybersecurity services, mobile and internet solutions, and regulatory compliance to financial institutions.
<b>Acquirer</b>	<b>TEV</b>	<b>EV / LTM EBITDA</b>	<b>Deal Rationale</b>
 Centerbridge	\$1.5B	14.9x	The acquisition enables CSI to provide rapid adoption of technologies for the public cloud, enhancing the scalability of its digital transformation solutions to the banking industry.
<b>Target</b>	<b>Date</b>	<b>EV / LTM Rev</b>	<b>Target Description</b>
 cbi	Apr 2022	0.7x	A provider of IT risk management services in the U.S. The company develops and delivers IT advisory services, network security, integration, and infrastructure management services.
<b>Acquirer</b>	<b>TEV</b>	<b>EV / LTM EBITDA</b>	<b>Deal Rationale</b>
 CONVERGE TECHNOLOGY SOLUTIONS	\$64.0M	8.9x	The transaction expands Converge's security portfolio by bringing strategic partnerships and a team of strong technical resources across North America that provide cybersecurity expertise.
<b>Target</b>	<b>Date</b>	<b>EV / LTM Rev</b>	<b>Target Description</b>
 CyrusOne	Nov 2021	13.0x	A premier global REIT specializing in design, construction and operation of more than 50 high-performance data centers worldwide.
<b>Acquirers</b>	<b>TEV</b>	<b>EV / LTM EBITDA</b>	<b>Deal Rationale</b>
 KKR	\$15.0B	27.6x	The transaction enables CyrusOne to expand globally providing skilled data center developers and operators to provide critical infrastructure for their customers, including the world's leading technology companies.

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

# Managed Services Transaction Multiples

## Selected Managed Services Transactions

<b>Target</b>	<b>Date</b>	<b>EV / LTM Rev</b>	<b>Target Description</b>
 OvertheWire	Oct 2021	3.1x	Provider of telecommunication, cloud, and IT solutions to customers. The company offers data networks and internet, data center co-location, cloud, and managed services.
<b>Acquirers</b>	<b>TEV</b>	<b>EV / LTM EBITDA</b>	<b>Deal Rationale</b>
 Aussie Broadband	\$281.2M	16.3x	The acquisition enables Aussie Broadband to expand their product and skill capability and further accelerate growth in the enterprise/wholesale markets.
<b>Target</b>	<b>Date</b>	<b>EV / LTM Rev</b>	<b>Target Description</b>
 ettaingroup	Aug 2021	1.3x	Provider of enterprise IT staffing and recruiting services, managed application and web development, and managed security services for businesses in the US.
<b>Acquirers</b>	<b>TEV</b>	<b>EV / LTM EBITDA</b>	<b>Deal Rationale</b>
 ManpowerGroup	\$925.0M	12.3x	The acquisition accelerates ManpowerGroup's strategy of diversifying its business mix into higher growth and higher value services.
<b>Target</b>	<b>Date</b>	<b>EV / LTM Rev</b>	<b>Target Description</b>
 Adista	Jun 2021	2.6x	Provider of IT and telecom services. The company offers digitalization, private and public cloud services, managed services, and cybersecurity services.
<b>Acquirers</b>	<b>TEV</b>	<b>EV / LTM EBITDA</b>	<b>Deal Rationale</b>
 KEENSIGHT CAPITAL	\$485.0M	16.0x	Keensight Capital intends to accelerate Adista's organic growth and support the development strategy of its "one-stop shop" through external growth and integration of additional solutions.
<b>Target</b>	<b>Date</b>	<b>EV / LTM Rev</b>	<b>Target Description</b>
 VIRTUAL ARMOR	Jun 2021	1.5x	Managed security services provider specializing in advanced networking and cybersecurity, serving mid-market and enterprise customers across the U.S. and Europe.
<b>Acquirer</b>	<b>TEV</b>	<b>EV / LTM EBITDA</b>	<b>Deal Rationale</b>
 Evergreen Services Group	\$14.4M	15.9x	Evergreen sees the opportunity to enhance its capabilities in the rapidly growing cybersecurity services market that is highly complementary to Evergreen's portfolio of MSPs.
<b>Target</b>	<b>Date</b>	<b>EV / LTM Rev</b>	<b>Target Description</b>
 QTS	Jun 2021	20.1x	Provider of co-location, hosted services and managed IaaS (infrastructure as a service) from datacenter locations in the US, primarily for enterprises.
<b>Acquirers</b>	<b>TEV</b>	<b>EV / LTM EBITDA</b>	<b>Deal Rationale</b>
 Blackstone	\$11.3B	22.2x	QTS aligns with one of Blackstone's highest conviction themes – data proliferation – and the investment enables enhanced innovation in the service delivery and data center industry.

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



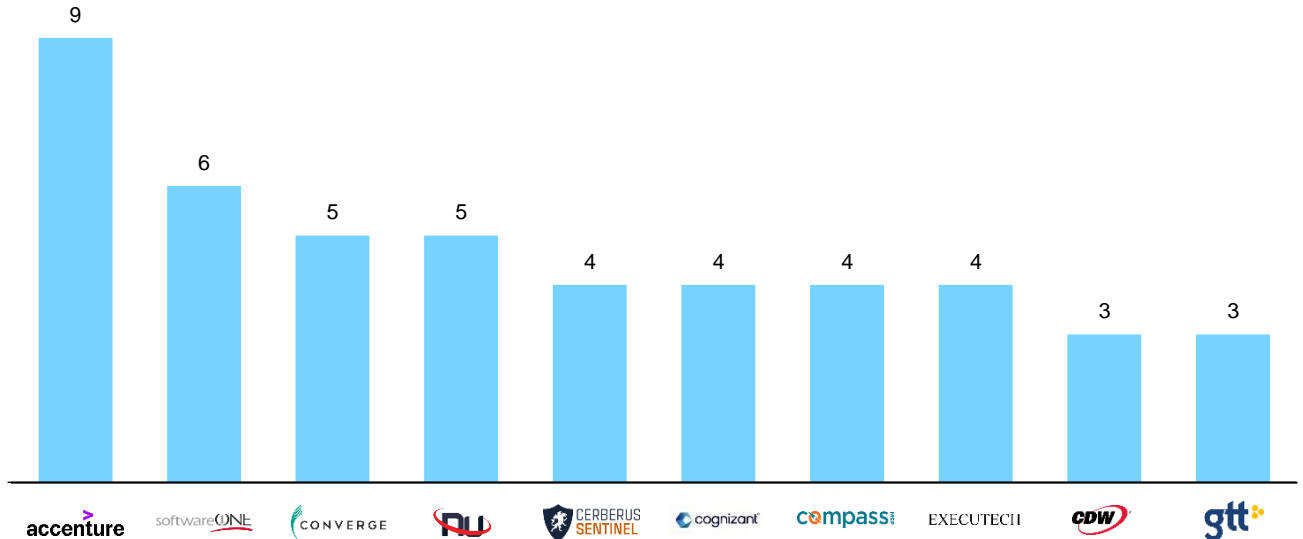
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# Most Active Acquirers in Managed Services

Industry leaders and financial buyers continue to be active in M&A and look to consolidate the fragmented Managed Services space. The most acquisitive buyers in Managed Services are highlighted below.

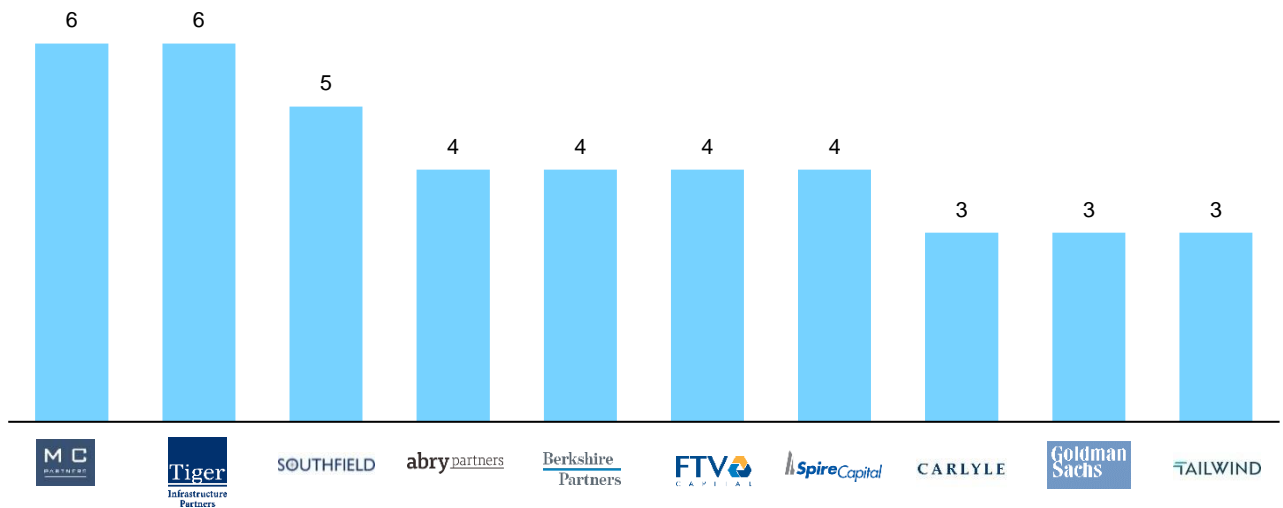
## Strategic Acquirers (2017 – 2022)<sup>(1)</sup>

(# of transactions)



## Financial Buyers (2017 – 2022)<sup>(1)</sup>

(# of transactions)



Source: 451 Research – transaction count based on target defined as a ‘managed service providers’ on the platform.

Note (1): Investments includes add-ons and co-investments.



# Selected Transaction History - Managed Services (1/4)

Date	Target Company	Buyer	Enterprise Value (\$mm)	EV / LTM Revenue	EV / LTM EBITDA
Aug-22	Computer Services	Centerbridge Partners / Bridgeport Partners	\$1,523.3	4.7x	14.9x
Aug-22	Sierra Wireless	Semtech	\$1,262.8	2.3x	NM
Jun-22	MOQ	Atturra	\$13.9	0.2x	NM
May-22	CynergisTek	Clearwater Compliance	\$16.5	1.0x	NM
May-22	SysEleven	secunet Security Networks	\$68.5	4.3x	NM
Apr-22	Creative Breakthroughs	Converge Technology Solutions	\$64.0	0.7x	8.9x
Mar-22	Alert Logic [Welsh Carson Anderson & Stowe]	HelpSystems [TA Associates Management]	\$700.0	5.0x	NM
Feb-22	Tripwire	HelpSystems [TA Associates Management]	\$350.0	3.3x	NM
Nov-21	CoreSite	American Tower	\$10,100.0	15.8x	NM
Nov-21	Catapult Systems	Quisitive Technology Solutions	\$51.5	1.0x	NM
Nov-21	Infinite Leap	CenTrak [Halma]	\$30.0	4.4x	NM
Nov-21	CyrusOne	KKR & Co. / Global Infrastructure Management	\$15,000.0	13.0x	27.6x
Oct-21	ahd	Proact IT Group	\$30.4	0.9x	NM
Oct-21	Over the Wire	Aussie Broadband	\$281.2	3.1x	16.3x
Sep-21	Comsec	HUB Security	\$21.8	0.6x	NM
Sep-21	HeleCloud	SoftwareONE	\$41.2	3.7x	NM
Aug-21	ettain Group [A&M Capital Advisors]	ManpowerGroup	\$925.0	1.3x	12.3x
Jul-21	Empired	Capgemini Australia	\$177.9	1.3x	13.3x

Source: 451 Research.



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# Selected Transaction History - Managed Services (2/4)

Date	Target Company	Buyer	Enterprise Value (\$mm)	EV / LTM Revenue	EV / LTM EBITDA
Jul-21	Alaska Communications Systems	Freedom 3 Capital and ATN International	\$680.3	2.7x	12.1x
Jul-21	Cancom UK&I	Telefónica	\$478.9	4.4x	NM
Jul-21	Vicom Computer Services	Converge Technology Solutions	\$41.9	0.4x	8.5x
Jun-21	VirtualArmour International	Evergreen Services Group	\$14.4	1.5x	15.9x
Jun-21	inherent Group	Keensight Capital / Bpifrance / Mubadala Capital	\$485.0	2.6x	16.0x
Jun-21	Adista	Keensight Capital / Bpifrance / Mubadala Capital	\$485.0	2.6x	16.0x
Jun-21	QTS Realty Trust	Blackstone	\$11,290.5	20.1x	22.2x
Jun-21	Data Foundry	Switch	\$432.1	8.6x	NM
May-21	Flagship Solutions	Data Storage	\$10.4	NM	10.4x
Apr-21	Managed Security Services business of Secure Logic	Tesseract	\$17.3	2.5x	5.3x
Feb-21	CloudShift	Globant	\$67.7	5.4x	16.6x
Feb-21	Starcom Technologies [K3 Business Technology Group]	Node4 [Bowmark Capital]	\$20.8	1.5x	NM
Feb-21	The Herjavec Group	Apax Partners	\$275.0	3.1x	22.9x
Jan-21	1901 Group	Leidos	\$214.0	2.4x	NM
Dec-20	Motiv ICT Security	Atos	\$65.0	2.2x	NM
Dec-20	Intalock Technologies	Spirit Technology Solutions	\$16.6	1.0x	9.8x
Nov-20	Perch Security	ConnectWise [Thoma Bravo]	\$75.0	12.5x	NM
Aug-20	Airloom	Tesseract	\$10.0	0.5x	5.4x

Source: 451 Research.



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# Selected Transaction History - Managed Services (3/4)

Date	Target Company	Buyer	Enterprise Value (\$mm)	EV / LTM Revenue	EV / LTM EBITDA
Aug-20	Nagarro	Allgeier	\$952.9	2.0x	13.1x
Jul-20	Getronics	GSH Private Capital	\$228.5	0.7x	NM
Feb-20	Evosys	Mastek	\$138.0	2.3x	10.0x
Feb-20	Unisys (Unisys Federal assets)	Science Applications International	\$1,200.0	1.7x	NM
Dec-19	Sistemas Informaticos Abiertos	Indra Sistemas	\$89.3	1.6x	NM
Dec-19	Nasstar	GCI Network Solutions [Mayfair Equity Partners]	\$102.7	3.2x	15.8x
Nov-19	VSS Holdings	Converge Technology Solutions	\$29.2	0.4x	5.1x
Nov-19	Novosco	Cancom	\$89.7	1.7x	11.4x
Oct-19	InterXion	Digital Realty Trust	\$8,640.9	12.8x	30.6x
Oct-19	PowerupCloud Technologies	LTIMindtree	\$15.0	4.3x	NM
Aug-19	Presidio	BC Partners	\$2,082.7	0.7x	11.1x
Jun-19	PCM	Insight Enterprises	\$504.7	0.2x	9.0x
May-19	SecureLink Group [Investcorp]	Orange	\$576.6	2.1x	NM
Apr-19	Sandz Solutions (Singapore)	Kronologi Asia Berhad	\$18.0	0.8x	NM
Mar-19	DQM GRC	GRC International Group	\$12.6	2.4x	10.3x
Jan-19	Software Information Systems	Converge Technology Solutions	\$15.4	0.2x	5.9x
Dec-18	SK infosec	SK Telecom	\$239.1	1.3x	9.6x
Dec-18	Lighthouse Computer Services	Converge Technology Solutions	\$23.2	0.3x	4.9x

Source: 451 Research.



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# Selected Transaction History - Managed Services (4/4)

Date	Target Company	Buyer	Enterprise Value (\$mm)	EV / LTM Revenue	EV / LTM EBITDA
Nov-18	ConvergeOne	CVC Capital Partners	\$1,788.8	1.3x	21.2x
Nov-18	Apogee	HP	\$498.5	1.8x	NM
Sep-18	FusionStorm	Computacenter	\$90.0	0.2x	9.2x
Aug-18	Shift F7 Group	AdEPT Technology Group	\$10.1	1.6x	11.3x
Aug-18	Secure Designs	ADT	\$30.0	3.0x	NM
Jul-18	ICEBRG	Gigamon [Elliott Management]	\$100.0	20.0x	NM
Jun-18	MWR InfoSecurity	F-Secure	\$114.4	3.1x	NM
Apr-18	Advantio	Cognosec	\$14.7	4.4x	24.6x
Feb-18	Interoute Communications	GTT Communications	\$2,300.0	2.7x	NM
Jan-18	Inmics	Telia Company	\$88.5	NM	11.7x
		<b>Mean</b>		<b>3.5x</b>	<b>13.4x</b>
		<b>Median</b>		<b>2.3x</b>	<b>11.7x</b>

Source: 451 Research.



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# Public Market Observations and Valuation Benchmarking

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<b>1</b>	<b>Introduction</b>	<b>3</b>
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<b>3</b>	<b>Strategic Activity Update &amp; Key Drivers of Technology Services M&amp;A</b>	<b>12</b>
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<b>6</b>	<b>KPMG Technology Services Investment Banking Platform</b>	<b>37</b>

# Publicly-Traded Company Analysis: Summary Observations



## Share price declines in the Technology Services composite index in 2022 have erased the gains experienced in 2021

- 12/31/22 performance of -29% versus 2021 gain of 30%
- Most sectors recovered slightly from their 52-week lows



## Performance in 2022 has varied by sub-sector

- The Government Consulting sub-sector was the best performer in 2022, with share price performance of +14%. The IT Commercial Services sub-sector was the worst performer, with share price performance of -34%
- The Managed Services and Managed Infrastructure sectors declined by 27% and 33%, respectively



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

- EV / LTM EBITDA multiples have decreased from 16.1x at the beginning of 2021 to 15.6x as of 12/31/22 but recover slightly from their low in Q3'22
- EV / LTM EBITDA multiples remain 7.8% below their 2-year average mean of 16.9x



## Valuation multiples range depending on sub-sector

- High-end of EV / 2022E EBITDA multiple range is Managed Infrastructure Services at 29.4x
- Low-end of EV / 2022E EBITDA multiple range is Consulting Services at 10.7x



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

Sector	Revenue Growth % <sup>(1)</sup>	EBITDA Margin % <sup>(2)</sup>
Managed Infrastructure	10.9%	40.5%
Offshore Services	10.3%	18.4%
Consulting	8.2%	12.5%
IT Commercial Services	7.8%	16.0%
Government Consulting	6.4%	9.5%
Managed Services	5.6%	17.6%

Note (1): 2021-2022.

Note (2): 2022E.

Source: Capital IQ, KPMG.



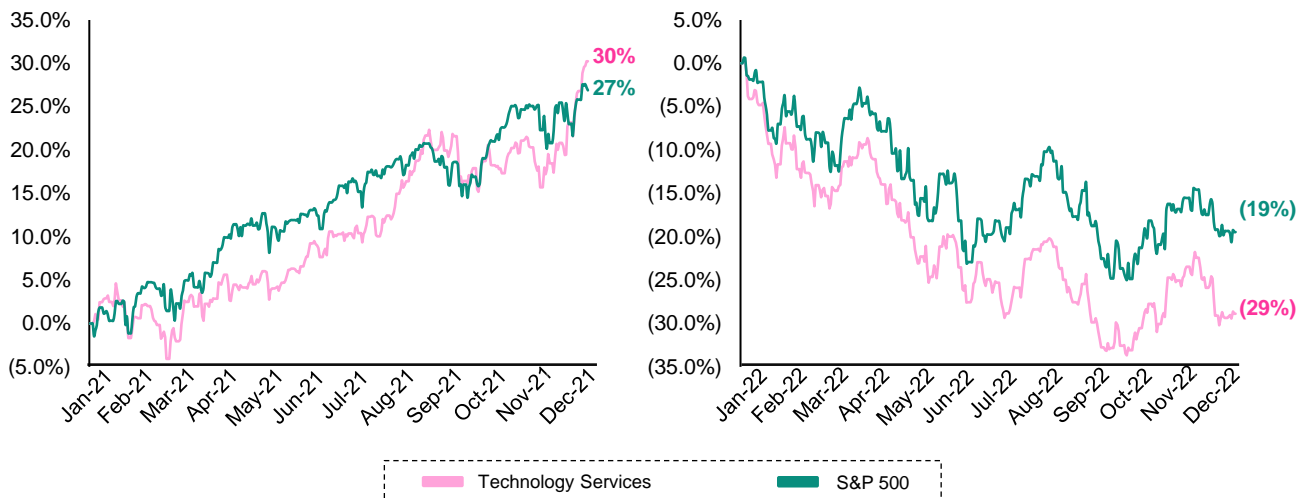
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# Technology Services Public Market Observations (1/3)

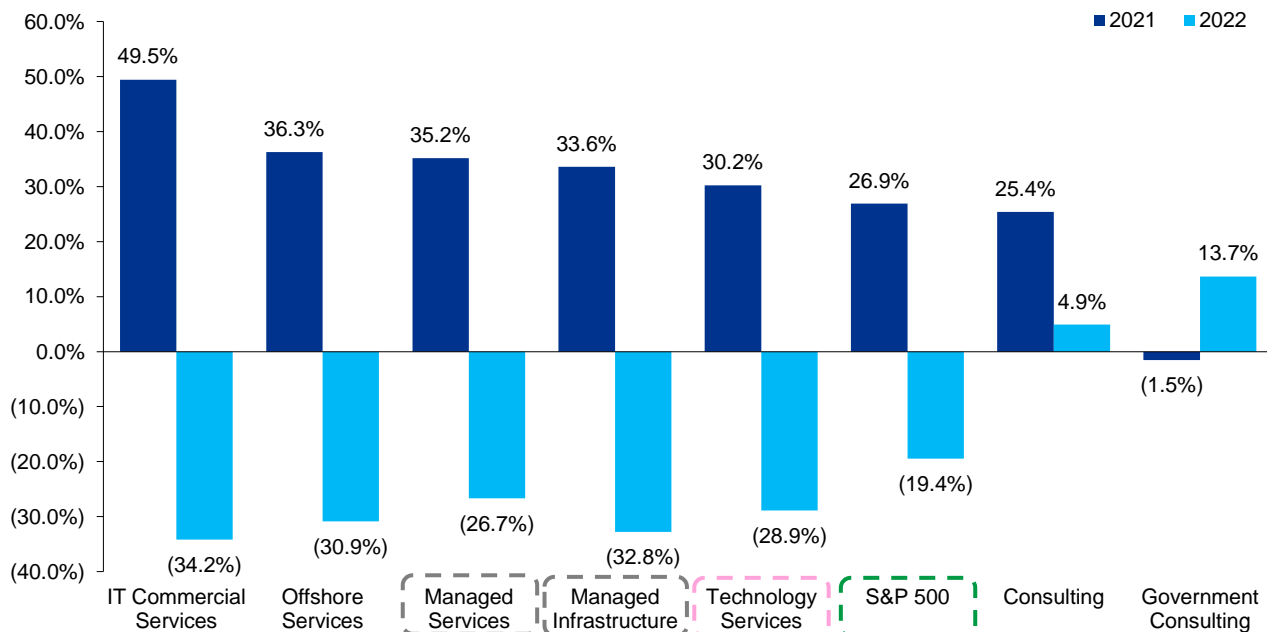
Publicly-traded companies within the Technology Services sector have reversed their gains from 2021. Most Sub-sectors have slightly recovered from their 52-week lows.

2021 Indexed Stock Price Performance<sup>(1)</sup>

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



Share Price Performance by Technology Services Sub-sector



Note (1): Market statistics sourced from Capital IQ. Detailed listing of members that comprise each peer group, is located on page 27, "Select Publicly-Traded Technology Services Companies". Indexed Stock Price Performance calculated using market-cap weighted methodology.

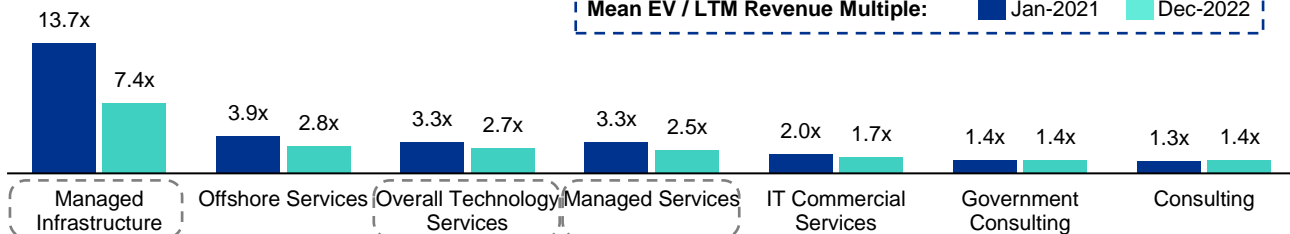
# Technology Services Public Market Observations (2/3)

## 2021 - 2022 EV / LTM Revenue Performance

Average EV / LTM Revenue multiples for the Technology Services sector, as of 12/31/2022, declined to 2.7x, 23.9% below the average multiple of 3.6x since 1/1/2021.

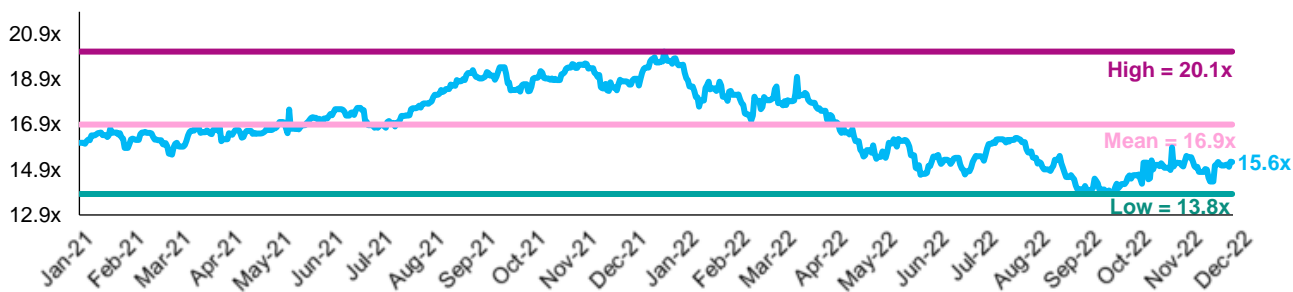


Mean EV / LTM Revenue Multiple: Jan-2021 (Dark Blue), Dec-2022 (Light Blue)

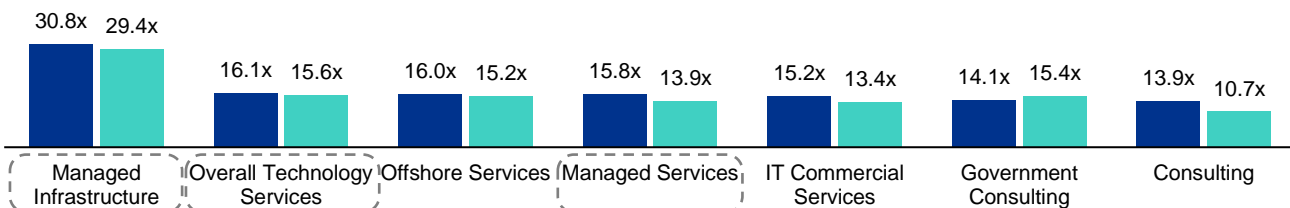


## 2021 - 2022 EV / LTM EBITDA Performance

Average EV / LTM EBITDA multiples for the Technology Services sector, as of 12/31/2022, declined to 15.6x, 7.8% below the average multiple of 16.9x since 1/1/2021.



Mean EV / LTM EBITDA Multiple: Jan-2021 (Dark Blue), Dec-2022 (Light Blue)



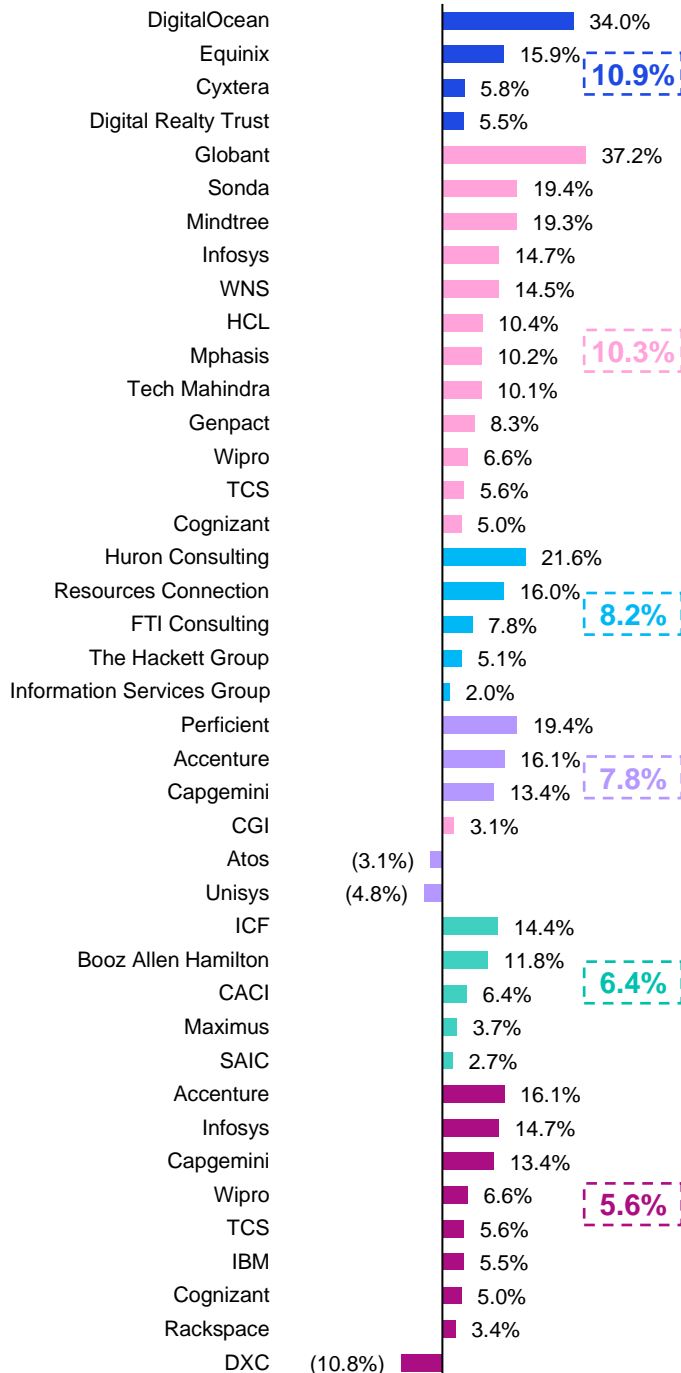
Source: Capital IQ.



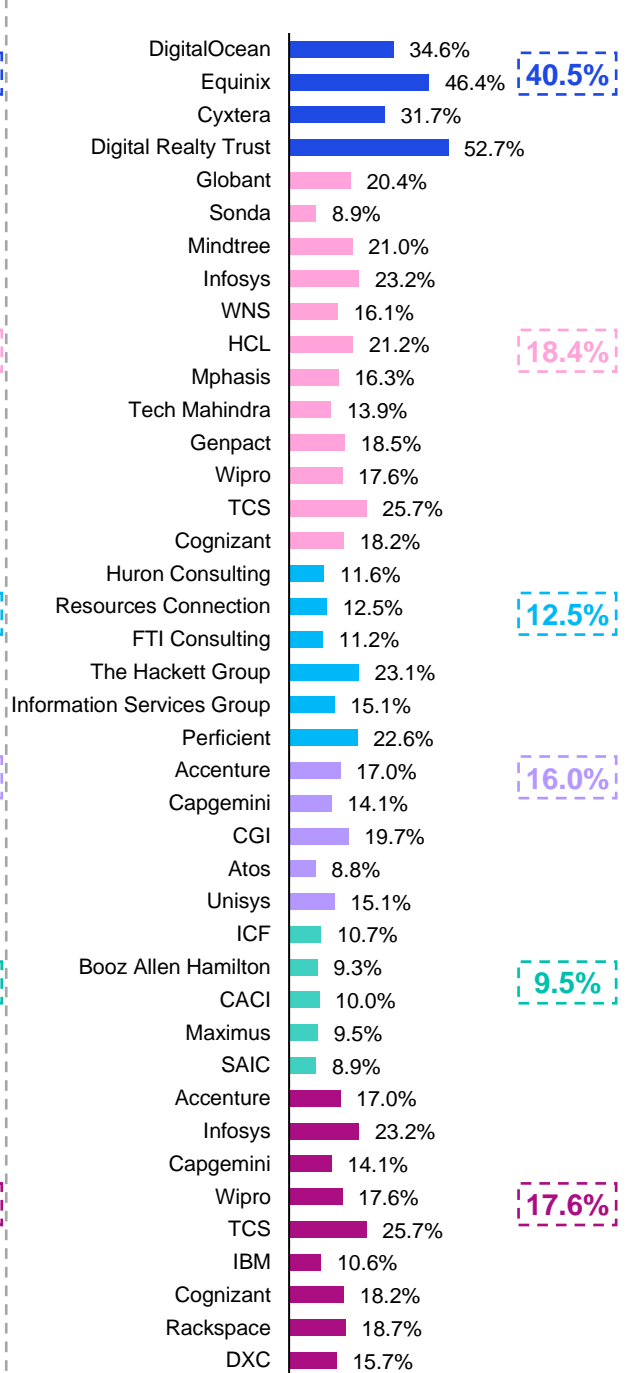


# Technology Services Public Market Observations (3/3)

## 2021-2022 Revenue Growth (%)



## 2022E EBITDA Margin (%)



Represents Sector Median (40%) (20%) 0% 20% 40%

Represents Sector Median 0% 20% 40% 60% 80%

■ Managed Infrastructure      ■ Consulting      ■ Government Consulting  
■ IT Commercial Service      ■ Managed Services      ■ Offshore Services

Source: Capital IQ data calculated as of 12/31/2022.



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# Select 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 2022 Revenue	CY 2022 EBITDA
<b>Managed Infrastructure</b>												
Equinix, Inc.	US	\$60,615	\$74,138	\$655.03	77.3%	\$6,610	12.2%	44.2%	36.9%	30.4x	10.2x	22.0x
Digital Realty Trust, Inc.	US	\$28,830	\$48,431	\$100.27	56.6%	\$4,513	0.7%	56.9%	47.7%	22.5x	10.4x	19.7x
DigitalOcean Holdings, Inc.	US	\$2,453	\$3,097	\$25.47	31.3%	\$533	34.5%	63.8%	12.3%	47.1x	5.4x	15.6x
Cytera Technologies, Inc.	US	\$345	\$2,591	\$1.92	12.5%	\$731	4.8%	73.3%	20.0%	17.7x	3.5x	11.0x
<b>Managed Infrastructure Mean</b>					<b>44.4%</b>	<b>13.0%</b>	<b>59.5%</b>	<b>29.2%</b>	<b>29.4x</b>	<b>7.4x</b>	<b>17.1x</b>	
<b>Managed Infrastructure Median</b>					<b>44.0%</b>	<b>8.5%</b>	<b>60.3%</b>	<b>28.5%</b>	<b>26.4x</b>	<b>7.8x</b>	<b>17.6x</b>	
<b>Offshore Services</b>												
Tata Consultancy Services Limited	IN	\$143,987	\$139,141	\$39.35	80.6%	\$26,207	17.3%	43.0%	25.7%	20.7x	5.3x	20.7x
Infosys Limited	IN	\$75,993	\$73,609	\$18.22	77.2%	\$17,937	14.7%	29.7%	23.2%	17.7x	4.1x	17.7x
HCL Technologies Limited	IN	\$33,999	\$32,918	\$12.56	76.5%	\$12,344	10.4%	36.4%	21.2%	12.6x	2.7x	12.6x
Cognizant Technology Solutions Corporation	US	\$29,391	\$28,180	\$57.19	61.2%	\$19,366	8.1%	36.4%	18.4%	7.9x	1.5x	8.0x
Wipro Limited	IN	\$25,987	\$24,153	\$4.75	54.1%	\$10,652	18.4%	28.5%	17.6%	12.9x	2.3x	12.9x
Tech Mahindra Limited	IN	\$10,802	\$10,323	\$12.28	55.9%	\$6,246	22.3%	32.2%	13.9%	11.8x	1.7x	11.8x
Genpact Limited	BM	\$8,489	\$9,712	\$46.32	85.7%	\$4,341	11.3%	35.2%	15.7%	14.3x	2.2x	12.1x
Globant S.A.	LU	\$7,025	\$6,801	\$168.16	52.7%	\$1,669	45.2%	37.8%	18.5%	22.0x	3.8x	18.7x
Mindtree Limited	IN	\$6,844	\$6,487	\$41.49	70.5%	\$1,495	35.1%	29.9%	20.2%	21.4x	4.2x	19.8x
Mphasis Limited	IN	\$4,495	\$4,376	\$23.87	56.8%	\$1,657	22.4%	41.2%	16.3%	16.2x	2.6x	16.2x
WNS (Holdings) Limited	IN	\$3,840	\$3,907	\$79.99	87.4%	\$1,208	14.5%	35.0%	16.1%	20.0x	3.2x	20.0x
Sonda S.A.	CL	\$332	\$543	\$0.38	81.8%	\$1,257	19.0%	16.7%	8.9%	4.8x	0.4x	4.8x
<b>Offshore Services Mean</b>					<b>70.0%</b>	<b>19.9%</b>	<b>33.5%</b>	<b>18.0%</b>	<b>15.2x</b>	<b>2.8x</b>	<b>14.6x</b>	
<b>Offshore Services Median</b>					<b>73.5%</b>	<b>17.8%</b>	<b>35.1%</b>	<b>18.0%</b>	<b>15.2x</b>	<b>2.7x</b>	<b>14.5x</b>	
<b>Consulting</b>												
FTI Consulting, Inc.	US	\$5,342	\$5,577	\$158.80	83.4%	\$2,931	7.5%	30.9%	11.2%	16.9x	1.9x	16.6x
Huron Consulting Group Inc.	US	\$1,351	\$1,737	\$72.60	89.9%	\$1,067	24.7%	30.4%	11.4%	14.3x	1.6x	13.6x
Resources Connection, Inc.	US	\$620	\$591	\$18.38	79.3%	\$826	16.0%	40.2%	12.5%	5.7x	0.7x	5.7x
The Hackett Group, Inc.	US	\$546	\$481	\$20.37	82.2%	\$291	8.8%	39.0%	19.5%	8.5x	1.6x	7.1x
Information Services Group, Inc.	US	\$221	\$274	\$4.60	58.4%	\$282	2.6%	41.0%	12.4%	7.8x	1.0x	6.4x
<b>Consulting Mean</b>					<b>78.6%</b>	<b>11.9%</b>	<b>36.3%</b>	<b>13.4%</b>	<b>10.7x</b>	<b>1.4x</b>	<b>9.9x</b>	
<b>Consulting Median</b>					<b>82.2%</b>	<b>8.8%</b>	<b>39.0%</b>	<b>12.4%</b>	<b>8.5x</b>	<b>1.6x</b>	<b>7.1x</b>	
<b>IT Commercial Services</b>												
Accenture plc	IE	\$168,040	\$166,127	\$266.84	64.2%	\$62,377	16.1%	32.0%	17.0%	15.7x	2.7x	15.7x
Cappgemini SE	FR	\$28,865	\$34,600	\$166.67	70.8%	\$21,051	18.6%	26.3%	13.2%	12.5x	1.5x	10.5x
CGI Inc.	CA	\$20,382	\$22,603	\$86.23	96.6%	\$9,772	8.4%	30.9%	17.5%	13.2x	2.3x	11.6x
Perficient, Inc.	US	\$2,418	\$2,823	\$69.83	52.5%	\$887	25.2%	38.8%	19.7%	16.1x	3.1x	13.7x
Atos SE	FR	\$1,059	\$4,207	\$9.63	23.0%	\$11,476	0.0%	1.5%	3.8%	9.6x	0.4x	4.0x
Unisys Corporation	US	\$346	\$594	\$5.11	22.1%	\$1,962	(6.2%)	26.3%	(3.4%)	NM	0.3x	2.0x
<b>IT Commercial Services Mean</b>					<b>54.9%</b>	<b>10.3%</b>	<b>26.0%</b>	<b>11.3%</b>	<b>13.4x</b>	<b>1.7x</b>	<b>9.6x</b>	
<b>IT Commercial Services Median</b>					<b>58.3%</b>	<b>12.2%</b>	<b>28.6%</b>	<b>15.1%</b>	<b>13.2x</b>	<b>1.9x</b>	<b>11.0x</b>	
<b>Government Consulting</b>												
Booz Allen Hamilton Holding Corporation	US	\$13,820	\$16,164	\$104.52	92.9%	\$9,064	11.8%	23.2%	9.3%	19.1x	1.8x	19.1x
CACI International Inc	US	\$7,063	\$8,860	\$300.59	94.1%	\$6,481	6.4%	34.4%	10.0%	13.6x	1.4x	13.6x
Science Applications International Corporation	US	\$6,060	\$8,519	\$110.93	94.1%	\$7,518	2.6%	11.5%	8.7%	13.0x	1.1x	12.6x
Maximus, Inc.	US	\$4,457	\$5,922	\$73.33	89.7%	\$4,631	8.9%	20.3%	9.4%	13.6x	1.3x	13.5x
ICF International, Inc.	US	\$1,866	\$2,781	\$99.05	81.7%	\$1,692	5.8%	36.1%	9.4%	17.5x	1.6x	14.7x
<b>Government Consulting Mean</b>					<b>90.5%</b>	<b>7.1%</b>	<b>25.1%</b>	<b>9.4%</b>	<b>15.4x</b>	<b>1.4x</b>	<b>14.7x</b>	
<b>Government Consulting Median</b>					<b>92.9%</b>	<b>6.4%</b>	<b>23.2%</b>	<b>9.4%</b>	<b>13.6x</b>	<b>1.4x</b>	<b>13.6x</b>	
<b>Managed Services</b>												
Accenture plc	IE	\$168,040	\$166,127	\$266.84	64.2%	\$62,377	16.1%	32.0%	17.0%	15.7x	2.7x	15.7x
Tata Consultancy Services Limited	IN	\$143,987	\$139,141	\$39.35	80.6%	\$26,207	17.3%	43.0%	25.7%	20.7x	5.3x	20.7x
International Business Machines Corporation	US	\$127,382	\$171,710	\$140.89	92.0%	\$60,530	5.5%	54.0%	10.6%	26.7x	2.8x	26.7x
Infosys Limited	IN	\$75,993	\$73,609	\$18.22	77.2%	\$17,937	14.7%	29.7%	23.2%	17.7x	4.1x	17.7x
Cognizant Technology Solutions Corporation	US	\$29,391	\$28,180	\$57.19	61.2%	\$19,366	8.1%	36.4%	18.4%	7.9x	1.5x	8.0x
Cappgemini SE	FR	\$28,865	\$34,600	\$166.67	70.8%	\$21,051	18.6%	26.3%	13.2%	12.5x	1.5x	10.5x
Wipro Limited	IN	\$25,987	\$24,153	\$4.75	54.1%	\$10,652	18.4%	28.5%	17.6%	12.9x	2.3x	12.9x
DXC Technology Company	US	\$6,097	\$9,672	\$26.50	66.8%	\$14,847	(10.8%)	21.4%	18.7%	3.5x	0.7x	4.1x
Rackspace Technology, Inc.	US	\$623	\$4,306	\$2.95	21.1%	\$3,113	5.6%	29.2%	17.8%	7.8x	1.4x	7.4x
<b>Managed Services Mean</b>					<b>65.3%</b>	<b>10.4%</b>	<b>33.4%</b>	<b>18.0%</b>	<b>13.9x</b>	<b>2.5x</b>	<b>13.7x</b>	
<b>Managed Services Median</b>					<b>66.8%</b>	<b>14.7%</b>	<b>29.7%</b>	<b>17.8%</b>	<b>12.9x</b>	<b>2.3x</b>	<b>12.9x</b>	
<b>Selected Public Technology Services Companies Mean</b>					<b>67.8%</b>	<b>13.2%</b>	<b>34.2%</b>	<b>16.5%</b>	<b>15.6x</b>	<b>2.7x</b>	<b>13.4x</b>	
<b>Selected Public Technology Services Companies Median</b>					<b>70.8%</b>	<b>12.2%</b>	<b>32.2%</b>	<b>17.0%</b>	<b>14.3x</b>	<b>2.2x</b>	<b>13.5x</b>	

Source: Capital IQ

(1) Market Capitalization based on closing share prices as of December 31, 2022.

(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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# Innovators Spotlight: Key Enablers Driving Managed Services

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# Innovators Spotlight – Key Enablers Driving Managed Services (1/9)

The companies highlighted below represent innovative players driving growth in the Managed Services ecosystem.

## Key Innovators in the Managed 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 39.

# Innovators Spotlight – Key Enablers Driving Managed Services (2/9)

Company	Description	HQ	Employees	Active Investors
	Provider of IT network consulting services to small and mid-size companies across various industries. The company offers managed services, network optimization, disaster recovery and business continuity planning, cybersecurity, and IT consulting services.	Elmwood Park, NJ	54	Omega Systems Consultants Pfingsten Partners
	Provider of communication-enabled systems and managed services intended for the government, education, healthcare and financial industries. The company offers network and multi-vendor management, staff augmentation, business continuity, session initiation protocol, call center support and other managed services.	Anaheim, CA	164	Waterfield Technologies
	Provider of managed IT services intended to provide one stop IT support and services. The company offers security and compliance, software development, ERP, business analytics, infrastructure, cabling, network design, business IT alignment services by design, plan, procure, implement, support, and manage all aspects of business technology.	Nashville, TN	191	N/A
	Provider of disaster recovery, managed services, application development, and systems integration services. The company operates within the industries of systems and information management, IT risk management, other IT services, and security & connectivity.	Urbandale, IA	81	N/A
	Provider of enterprise application advisory services intended to support mission-critical business applications and help facilitate enterprise customers' digital and cloud transformation initiatives. The company's wide range of consulting services include strategy, implementation, integration, and managed services.	Acton, MA	1,350	Quad-C Management Harvey & Company
	Provider of technology strategies and solutions including customer experience, enterprise monitoring and support, managed services, cloud-based backup, advisory, staffing, data center, cloud, collaboration, cybersecurity and other IT services.	Blue Bell, PA	113	N/A
	Provider of managed IT services intended to serve small and medium-sized businesses. The company's services include cloud and infrastructure management, cybersecurity management, service desk management, application management, salesforce management and data management.	Chicago, IL	263	M/C Partners
	Provider of IT managed services and solutions, including transformational Next Generation Digital Workplace and infrastructure management solutions to large and mid-market enterprises, as well as the public sector. It also offers end user computing, infrastructure management and cloud computing, IT lifecycle services and enterprise mobility management.	Indianapolis, IN	615	N/A

Sources: Pitchbook, Capital IQ, KPMG.

# Innovators Spotlight – Key Enablers Driving Managed Services (3/9)

Company	Description	HQ	Employees	Active Investors
	Operator of cloud identity consulting intended to focus on guiding clients to manage security and identity in the cloud, taking aim specifically at Okta customers. The company's services include consulting, implementation, and managed services for deploying and managing identity management, cybersecurity, and cloud platforms.	San Francisco, CA	188	Tercera
	Cloud consulting company intended to automate management of IT systems. The company's services include remote and onsite support, cloud hosting, cloud integration, migration and deployment, data analytics, product development and managed services, enabling businesses to manage IT operations in a cost-effective manner.	Pune, India	650	N/A
	Provider of hardware and software engineering services intended to serve the defense, civilian and commercial industries. The company offers security services, network services, cloud and managed services, artificial intelligence and wireless communication services.	McLean, VA	2,000	Sagewind Capital
	Provider of IT consulting and managed services intended to give businesses the power to simplify their IT environment. The company offers consulting and IT advisory, managed services, business intelligence, web development, IoT development, application integration, staffing solutions and other related services to its clients.	Pittsburgh, PA	1,075	N/A
	Provider of IT consulting and managed services including mission-critical IT services, hosted services, value-added sourcing, integration and project services, thus combining with a consultative service suite to construct the ideal hardware, software, support, security and infrastructure needs of the business.	Houston, TX	194	Hines Global Income Trust Main Street Capital BDC
	Developer of IT and communications solutions designed to allow mid-sized and enterprise businesses to improve operational efficiency, enable innovation, mitigate risk and reduce expenditures. The company offers building enablement infrastructure, deploying cloud services and managed services.	Cincinnati, OH	1,874	N/A
	Provider of cyber security, network consulting and managed services intended to serve clients in finance, healthcare, technology, government and education sectors. The company's services include managed security services, professional security services, remote infrastructure management, infrastructure security, network & convergence and workplace services.	Alpharetta, GA	53	N/A
	Provider of cloud consulting and managed services intended for the education, healthcare, retail, hospitality and financial services sectors. The company offers cloud consulting, development and operations (DevOps), managed security and services with a focus on security, reliability, availability and scalability.	Fort Lauderdale, FL	83	Strattam Capital

Sources: Pitchbook, Capital IQ, KPMG.

# Innovators Spotlight – Key Enablers Driving Managed Services (4/9)

Company	Description	HQ	Employees	Active Investors
 <b>CDI</b>	Provider of IT infrastructure hardware and software, consulting and managed services. The company's cloud and managed services portfolio includes hybrid cloud management, a complete integrated suite of business continuity solutions, software-as-a-service offerings, IT service management and digital transformation services.	New York, NY	675	One Equity Partners
 <b>Convergence</b> NETWORKS	Provider of managed IT and cybersecurity services. The company offers IT management consulting, outsourced technical support & administration and proactive monitoring services thereby helping small and medium-sized businesses.	Portland, OR	200	Riverside Partners
 <b>COREBTS</b>	Provider of IT and managed services dedicated to leveraging technology to transform businesses and enable change. The company's offerings include cloud, resource management and training, network, data center and IT security services.	Indianapolis, IN	740	Nomura Research Institute
 <b>corsica</b> technologies	Provider of computer support and managed services intended for small, mid-size and large organizations across the United States. The company offers network security and monitoring, project and systems management, data backups, disaster recovery services and strategic IT planning.	Centreville, MD	120	Five Points Capital
				Inverness Graham
 <b>Critical Insight</b>	Provider of information and infrastructure cybersecurity monitoring services intended to secure mission-critical systems. The company's services include managed detection and response, vulnerability detection, and cybersecurity consulting.	Bremerton, WA	82	Concord Health Partners
				East Seattle Partners
 <b>CyberAdvisors</b>	Provider of IT support solutions that reduce and mitigate network-related downtime, ensure data security and availability and enable your organization to contain IT-related costs. The company offers managed services, digital and IT transformation, security and cloud services.	Maple Grove, MN	81	Goldner Hawn
 <b>DATAPRISE</b>	Provider of IT managed services offering IT management, IT strategy and consulting, information security solutions, help desk support services and cloud services. The company's cloud IT management and consultancy services include onsite network and supporting, remote network monitoring and management and automated systems management.	Rockville, MD	400	Trinity Hunt Partners
 <b>Denovo</b>	Provider of IT consulting, ticket management, disaster recovery and managed hosting services to a wide variety of commercial and public sector clients. The company utilizes a cloud-based model to help clients reduce support cost and enable quick response time.	Boulder, CO	247	M/C Partners
 <b>DYNAMIC QUEST</b>	Provider of managed information technology services to enterprises and mid-sized businesses. The company offers hosted cloud services, disaster recovery, managed, software maintenance and security services, enabling clients to receive a cost-effective plan which fine-tunes the performance and frees them from productivity loss.	Greensboro, NC	157	Spire Capital

Sources: Pitchbook, Capital IQ, KPMG.

# Innovators Spotlight – Key Enablers Driving Managed Services (5/9)

Company	Description	HQ	Employees	Active Investors
	Provider of IT management and consulting services intended for medium to enterprise-sized clients across multiple industries. The company offers a wide range of services catering to cloud computing, cybersecurity, IT optimization and managed services.	North Little Rock, AR	130	M/C Partners
	Provider enterprise application managed services, cloud hosting, and consulting services. The company offers enterprise applications such as PeopleSoft, Workday, and cloud platforms such as AWS for computing, storage, databases, analytics, mobile, and IoT.	Dublin, OH	386	N/A
	Provider of consulting and managed services intended to transform technology investments into business capabilities for government, commercial, enterprise and healthcare clients. The company's solutions include next-generation network, data center, wireless and mobility, cybersecurity, business analytics and continuity and hybrid cloud solutions.	Markham, Canada	90	N/A
	Provider of outsourced services intended to serve firms in the legal and accounting markets. The company innovates the service delivery model and offers scalable services like IT service desk support, managed IT services, and managed financial services such as billing.	Atlanta, GA	700	BV Investment Partners
	Provider of IT services intended for energy, healthcare, hospitality, healthcare, finance and government industries. The company offers unified communications, storage solutions, enterprise networking, managed services, deployment services and advisory services, helping clients digitally transforming their organizations through technology investments.	Dallas, TX	908	H.I.G. Capital
	Provider of IT managed services intended to serve a variety of industries. The company specializes in providing bandwidth optimization, link balancing services, data center services, network management, software testing and other information technology services, enabling clients to leverage a single party to maintain, update and audit all of their network devices.	Oldsmar, FL	111	N/A
	Provider of IT and AV services intended to offer comprehensive and creative solutions that include updated technologies, products, and design methodologies. The company offers various services such as managed services, technology services, IT staffing services, client computing, and cloud services.	Cerritos, CA	110	N/A
	Provider of information technology managed services. The company offers infrastructure related services including network design and implementation to telecommunications and engineering service sectors.	Islandia, NY	100	Axispoint Technology Solutions Group

Sources: Pitchbook, Capital IQ, KPMG.



# Innovators Spotlight – Key Enablers Driving Managed Services (6/9)

Company	Description	HQ	Employees	Active Investors
 <b>integration partners</b>	Provider of IT managed services intended to drive workforce transformation with the fastest time-to-value in the market. The company offers a complete spectrum of data center, networking, cyber security and collaboration solutions, enabling customers to reduce IT costs, ensure safety and security and meet compliance & governance requirements.	Lexington, MA	315	ConvergeOne
<b>Integriss.</b>	Provider of IT managed services intended for small to mid-market businesses. The company focuses on cybersecurity, cloud services, information technology consulting and infrastructure, offering unlimited onsite and remote support packages to professional services firms.	Cranbury, NJ	700	Frontenac Company
 <b>Intuitive</b> TECHNOLOGY PARTNERS	Provider of IT solutions and services intended to help customers leverage technology to achieve business goals and excel in their core competencies. The company offers services such as cloud advisory, cloud migration, cloud managed services, network and security, global field deployment, and managed IT services.	Iselin, NJ	221	N/A
<b>LOFFLER</b>	Operator of a business technology and services organization intended to provide managed IT solutions, office technologies and services. The company offers IT solutions including cloud IT solutions, professional services, managed print services, mailing solutions, and IT security solutions.	Bloomington, MN	500	N/A
 <b>lps</b> integration	Provider of IT consulting services intended to address all of its customers day-to-day IT management needs. The company's spectrum of services include cloud hosting, managed services, consulting, managing maintenance and renewal of contracts, project management and staffing.	Brentwood, TN	80	Platinum Equity The Gores Group
<b>MATRIX</b>	Provider of IT staffing and managed services intended for the financial services, healthcare, oil and gas, retail, technology and transportation industries. The company offers IT and professional staffing, agile consulting, remote workforce services as well as development, security and operations (DevSecOps) consulting across North America.	Atlanta, GA	1,017	Littlejohn & Co. Motion Recruitment Partners
 <b>Microexcel</b> Your Technology Partner	Operator of an IT consulting firm intended to offer a high level of information systems expertise to clients for generating a high level of customer satisfaction at a reasonable cost. The company offers strategic consulting and sourcing, implementation, managed services, and digital transformation.	Secaucus, NJ	279	N/A
 <b>mission</b> CLOUD SERVICES	Provider of consulting and managed services related to Amazon Web Services. The company offers strategic cloud consulting, architectural guidance, cloud optimization and enterprise support, and cloud infrastructure consulting.	Beverly Hills, CA	300	Great Hill Partners Net Effect Technologies

Sources: Pitchbook, Capital IQ, KPMG.

# Innovators Spotlight – Key Enablers Driving Managed Services (7/9)

Company	Description	HQ	Employees	Active Investors
 MNJ TECHNOLOGIES	Provider of IT consultation and managed services offering complete monitoring, management and repair for covered equipment, SD-WAN, bandwidth and connectivity, cloud services, collaboration, support, security and IT professional services.	Buffalo Grove, IL	153	N/A
 mtm TECHNOLOGIES	Provider of digital infrastructure, unified communications, consolidation and virtualization and also offers a broad range of complementary managed service offerings, including system monitoring and management, security management, IP telephony management and IT helpdesk support.	New York, NY	478	Axispoint Technology Solutions
 nexustek	Provider of managed IT services intended to offer planning, consulting and reporting services to its clients. The company offers unlimited, fixed-cost support for desktop and mobile devices to help clients optimize their IT environments.	Greenwood Village, CO	301	ABRY Partners
 1PATH	Provider of managed technology services intended to optimize the technology ecosystem from cable to cloud. The company specializes in outsourced managed services, cybersecurity, cloud solutions, workplace technologies and project management.	Kennesaw, GA	800	MSouth Equity Partners Fidus Investment BDC
 onix	Provider of cloud computing services intended to help organizations improve their efficiency. The company's services include cloud containerization, cloud migration, disaster recovery, managed services, workplace cloud collaboration, search assessment, search enhancement and software development.	Lakewood, OH	240	Tailwind Capital
 options	Provider of cloud-enabled managed services intended to serve global capital markets and support their operations and ecosystems. The company's cloud-enabled managed services are delivered with a particular focus on financial technology and combine security, compliance and engineering practice with the latest advances in cloud and mobile technology.	New York, NY	431	ABRY Partners
 opti9	Provider of managed hybrid cloud and backup services serving enterprise, finance, government and healthcare industries. The company specializes in cloud services, application development and modernization, backup and disaster recovery, managed security, and compliance.	Garden City, NY	93	Crest Rock Partners
 ThePurpleGuys Stress Free IT Support	Provider of information technology services intended for small and mid-sized businesses. The company offers managed IT, hosted cloud services, disaster recovery and security services.	Shreveport, LA	220	Kian Capital ParkSouth Ventures

Sources: Pitchbook, Capital IQ, KPMG.

# Innovators Spotlight – Key Enablers Driving Managed Services (8/9)

Company	Description	HQ	Employees	Active Investors
	Provider of managed services intended to focus on quality assurance and testing of hardware, software and ground truth data services. The company's services include mobile testing, mobile testing strategy, performance testing, security testing, data collection, and data management.	Kirkland, WA	400	N/A
	Provider of next-gen cloud-managed services intended to empower the business with innovative technology software. The company builds, manages and modernize applications and software and provides cloud migration, cloud-managed services, optimization, and consulting.	Centennial, CO	200	66degrees Sunstone Partners
	Provider of IT management services catering to its clients across the globe. The company solves complex business challenges by architecting and implementing solutions while forming collaborative relationships and providing managed services, and project services.	Lacey, WA	117	N/A
	The company specializes in security and networking technologies, managed services and staff augmentation service for enterprise, federal and local government agencies, hospitals, colleges and non-profit businesses.	Atlanta, GA	51	N/A
	Provides IT solutions specializing in cybersecurity consulting and managed services. The company assists clients with data transformation and management, cloud computing consulting and IT security utilizing the Adaptable Data Center (ADC) Framework.	Littleton, CO	80	N/A
	IT consulting company offering various services such as digital transformation, process automation, data and analytics, managed services, and cybersecurity solutions.	Baton Rouge, LA	174	N/A
	Provider of IT services intended to serve higher education institutions. The company specializes in project-based IT consulting, staff augmentation, managed services, business process, technical support and technology procurement services.	San Diego, CA	140	Fort Point Capital
	Provider of global systems integration (GSI) and managed IT services intended to support small and medium-sized businesses. The company offers business application management, custom software product development, data insights, business and artificial intelligence as well as cloud migration, integration, expansion and security services, enabling clients to strengthen their IT systems.	Irvine, CA	1,001	Quad-C Management

Sources: Pitchbook, Capital IQ, KPMG.

# Innovators Spotlight – Key Enablers Driving Managed Services (9/9)

Company	Description	HQ	Employees	Active Investors
 THRIVE	Provider of corporate IT and managed services designed to drive business outcomes through application enablement and optimization. The company's offerings include a range of products from email services, onsite and remote support, dedicated hosting, hosted file sharing, hosted cloud services, disaster recovery and global network management services.	Foxborough, MA	1,000	M/C Partners Court Square
 THE TNS GROUP	Provider of managed security and IT services dedicated to developing clients' business strategies through technology. The company offers disaster recovery, system availability and security, risk management, network infrastructure, virtualization, business continuity and consulting services.	Stamford, CT	55	Omega Systems Consultants Pfungsten Partners
 TOPBLOC	Provider of workday consulting services including, help desk support, managed payroll and benefits services, event support and staff augmentation, enabling clients to accelerate the velocity of workday implementations.	Chicago, IL	437	BV Investment Partners
 trapp TECHNOLOGY	Provider of IT and consulting services to companies offering cloud, voice, IT managed services, IT consulting, application hosting, remote network monitoring, enterprise-level cloud and disaster recovery services.	Phoenix, AZ	98	Black Lake Capital Harbert Credit Solutions
 VERISTOR	Provider of transformative business technology services catering to enterprises and mid-market companies. The company offers a full suite of design, deployment, support and managed services, virtual infrastructure and enterprise storage solutions and services.	Duluth, GA	350	Mill Point Capital
 VOX	Provider of consulting and network services intended for clients to run their business effectively. The company offers IT consulting services, enterprise security solutions, and managed services.	Brisbane, CA	143	N/A
 worldwide	Provider of information technology services to clients across the world. The business offers customized IT solutions catered to organizations' specific requirements which include both design, implementation, training and maintenance, as well as IT integration and managed services.	Tewksbury, MA	3,000	N/A
 XANTRION CYBERSECURITY + IT SUPPORT	Provider of IT services and cybersecurity solutions to mid-sized businesses. The company offers services such as IT support, proactive monitoring, backup and recovery, security essentials and cloud strategy.	Oakland, CA	79	N/A
 ZAG Technical Services	Provider of cloud computing, managed services, business intelligence and network infrastructure services. The company specializes in IT staff augmentation, cybersecurity, productivity, collaboration & UC consulting and system integration, cloud computing services and managed IT services.	San Jose, CA	107	N/A

Sources: Pitchbook, Capital IQ, KPMG.



# KPMG Technology Services Investment Banking Platform

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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  
  
\$40mm

 **ensono**<sup>™</sup>  
Sale to  
  
\$150mm

 **EVOLVE** IP  
Sale to  
  
\$225mm

## Digital Transformation & Interactive Marketing Services

 **accenture**  
Acquisition of  
 **ACQUITY GROUP**  
\$320mm

 **PUBLICIS GROUPE**  
Acquisition of  
  
\$530mm

 **Sapient**  
Sale to  
 **PUBLICIS GROUPE**  
\$3.7bn

## Offshore Services / BPO

 **Infosys**<sup>®</sup>  
Secondary ADS  
Offering  
\$1.6bn


 **WNS**  
IPO  
\$255mm

 **xerox**  
Acquisition of  
 **A C S**<sup>®</sup>  
\$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	<b>KPMG*</b>	<b>8,842</b>	1	Houlihan Lokey	1,860
2	PricewaterhouseCoopers	7,890	2	<b>KPMG*</b>	<b>1,789</b>
3	Houlihan Lokey	6,080	3	PricewaterhouseCoopers	1,486
4	Deloitte	5,520	4	Deloitte	1,214
5	Ernst & Young LLP	5,076	5	Ernst & Young LLP	1,177
6	Rothschild & Co	4,922	6	Goldman Sachs & Co	1,024
7	JP Morgan	3,770	7	Morgan Stanley	903
8	Goldman Sachs & Co	3,722	8	JP Morgan	879
9	Lazard	3,660	9	Rothschild & Co	855
10	Morgan Stanley	3,484	10	Jefferies LLC	840

## Select KPMG CF LLC 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> 

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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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