TM CAPITAL
A DIVISION OF JANNEY

TECHNOLOGY MONTHLY

JUNE 2024

Our technology & tech-enabled services practice advises leading private and publicly traded technology companies including many of the world's most respected IT consulting, managed services, technical staffing and enterprise software providers.

ITS   Offshore ITS   Managed Services   IT Staffing   VAR

HEADLINE TRANSACTIONS

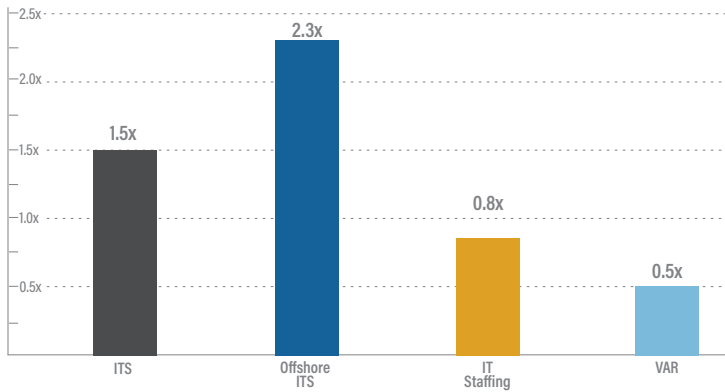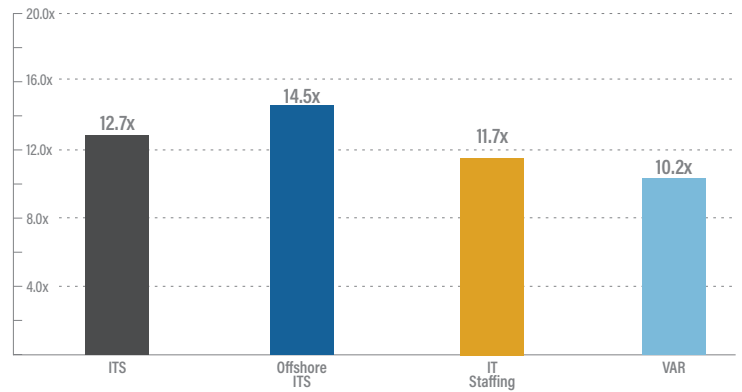| TARGET	ACQUIROR	ACQUISITION SYNOPSIS
SKYARCH	**IBM**	• IBM, one of the largest global providers of integrated software, consulting, and infrastructure services, acquired Skyarch Networks, a Japan-based professional services company specializing in Amazon Web Services (AWS) • Skyarch Networks, founded in 2001, has become a leading AWS specialist in the Japanese market, with expertise across infrastructure design, development, operation monitoring, in-house production support and maintenance, which will help enhance IBM Consulting's hybrid cloud service offerings
TEAM EXPAT REALIZE OPPORTUNITIES	**accenture**	• Accenture, a global strategy, technology and consulting services provider, acquired Teamexpat, an embedded software specialist for complex high-tech products and systems, headquartered in Eindhoven, Netherlands • Teamexpat, founded in 2017, specializes in software development, testing and integration for lithography systems in the semiconductor industry, strengthening Accenture's smart, connected products capabilities for clients in the semiconductor sector
RHB A DIVISION OF SIG	**SIG** HIGHER EDUCATION TECHNOLOGY CONSULTANTS	• Strata Information Group (SIG), a Fort Point Capital-backed provider of IT services to higher education institutions, acquired RHB, Inc., an educational consulting firm serving higher education institutions • RHB, founded in 1991, specializes in providing Slate software, enrollment management, institutional marketing, and executive counsel services, solidifying SIG's position as a premier consultancy for the Slate product line
1to1	**LIST ENGAGE**	• ListEngage, a Broadtree Partners-backed provider of online marketing services through the Salesforce Marketing Cloud, acquired 1to1, a premiere Salesforce personalization consulting agency, providing enterprise solutions to organizations • 1to1, founded in 2022, has been an innovative force in the industry, helping to lead and shape the charge for personalized consumer marketing through the use of AI technology, and will expand ListEngage's capacity for integration and AI-driven solutions for its customers
CCT Technologies, inc.	**ISSQUARED**	• ISSQUARED an IT and cybersecurity solutions provider supporting Fortune 500 companies, acquired CCT Technologies, which has expertise across a wide range of technology practices and compliments ISSQUARED's core cybersecurity, infrastructure and product offerings • CCT Technologies, founded in 1991, provides high-quality IT solutions to government, higher education and commercial clients in Northern California, expanding ISSQUARED's reach within the government and higher education markets in the region
PERFICIENT	**EQT**	• BPEA Private Equity Fund VIII ("EQT Asia"), part of EQT AB, acquired Perficient, a leading global digital consultancy transforming the world's largest enterprises, for $3B (~15x LTM EBITDA) • Perficient, founded in 1998, has expanded its services to provide strategy & transformation, data & intelligence and platform & technology solutions, and aims to leverage EQTs significant experience investing in the digital technology space to accelerate growth
Hooks Systems Your Network - We Manage IT	**DATAPRISE**	• Dataprise, a Trinity Hunt Partners-backed provider of managed IT services and cybersecurity solutions, acquired Hooks Systems, a dedicated provider of high-quality IT services based in Wilmington, NC • Hooks Systems, founded in 1995, has established itself as the top IT solutions provider in the Wilmington market, which will help Dataprise expand its regional footprint on the East Coast

IT Services

Managed Services

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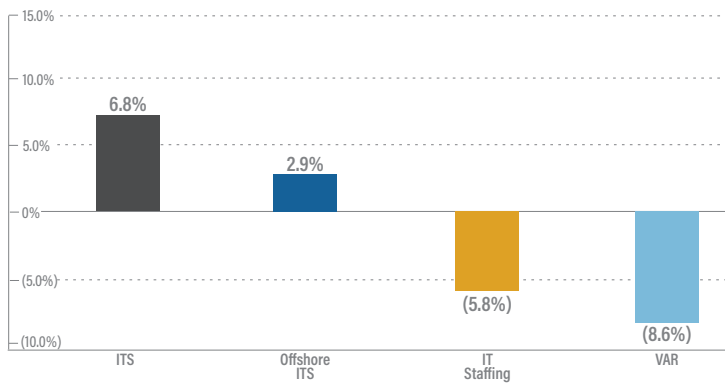
TECHNOLOGY GROWTH & VALUATION TRENDS

Enterprise Value / LTM Revenue

Category	Value
ITS	1.5x
Offshore ITS	2.3x
IT Staffing	0.8x
VAR	0.5x

Enterprise Value / LTM EBITDA

Category	Value
ITS	12.7x
Offshore ITS	14.5x
IT Staffing	11.7x
VAR	10.2x

LTM Revenue Growth

Category	Value
ITS	6.8%
Offshore ITS	2.9%
IT Staffing	(5.8%)
VAR	(8.6%)

LTM Gross & EBITDA Margin*

Category	Gross Margin	EBITDA Margin
ITS	29.0%	10.4%
Offshore ITS	31.1%	17.1%
IT Staffing	28.6%	6.9%
VAR	18.4%	5.0%
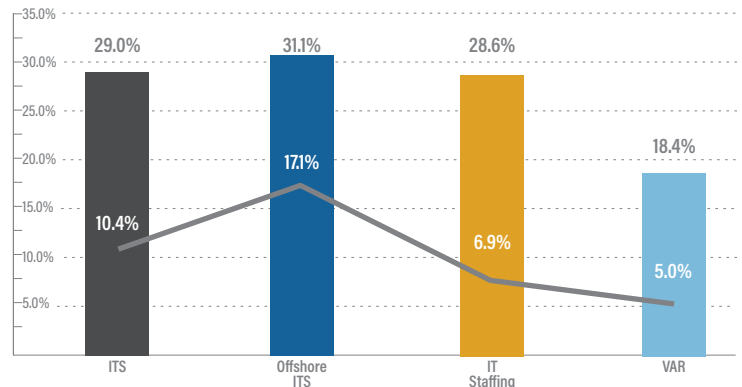
*EBITDA Margins shown as the gray line.

TEV / EBITDA

X-axis: Q3'19, Q4'19, Q1'20, Q2'20, Q3'20, Q4'20, Q1'21, Q2'21, Q3'21, Q4'21, Q1'22, Q2'22, Q3'22, Q4'22, Q1'23, Q2'23, Q3'23, Q4'23, Q1'24, May'24

Legend:
- 12.7x ITS
- 14.5x Offshore ITS
- 11.7x IT Staffing
- 10.2x VAR
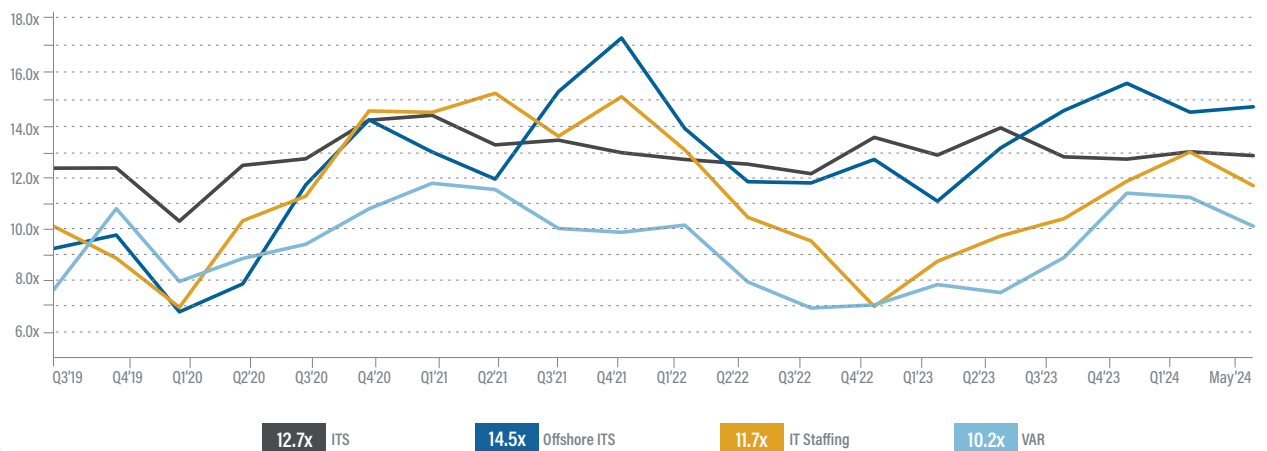
SELECTED TECHNOLOGY TRANSACTIONS

Annc. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
5/21/2024	IT Services	Trilliad LLC	Sercante LLC	NA	• Trilliad, a market-leading growth services provider, acquired Sercante, expanding its capabilities with Salesforce sales and marketing technology • Sercante, founded in 2017, is a leading Salesforce Marketing Cloud and Pardot consulting firm, which provides custom software implementation and managed services
5/21/2024	IT Services	Lumifi Cyber, Inc.	Netsurion LLC	NA	• Lumifi Cyber, an end-to-end cybersecurity resilience solutions provider specializing in managed detection and response (MDR) services, acquired Netsurion, marking its third acquisition in the space since 2022 • Netsurion, founded in 1989, is a PSG Equity-backed provider of remotely-managed data and network security services for multi-location businesses in the United States and internationally
5/9/2024	IT Services	CACI Limited	Rowe It Holdings Limited	NA	• CACI Limited, a leading data and technology solutions company, acquired Rowe IT, expanding its presence in the government and defense market • Rowe IT, founded in 2008 provides software engineering, systems integration, data analytics and cloud technologies to companies in the government and defense sectors
5/8/2024	IT Services	NESS Technologies, Inc.	Intricity, LLC	NA	• Ness Digital Engineering, a KKR-backed full-lifecycle digital services transformation company, acquired Intricity, which deepens its data offerings and strengthens its strategic relationship with Snowflake and Databricks • Intricity, founded in 2006, is a leading provider of complex data strategy, governance, modernization and monetization solutions serving a broad range of industries
5/6/2024	IT Staffing	Magnify	HuntSource, LLC	NA	• Magnify, a professional staffing firm specializing in IT, professional services, healthcare, sales and marketing staffing, acquired HuntSource, bolstering its presence in the Charlotte, NC IT and cybersecurity staffing market • HuntSource, founded in 2017, is an IT staffing firm specializing in Cyber and Information Security staffing headquartered in Charlotte, NC
5/2/2024	IT Services	Accenture plc	parsionate GmbH	NA	• Accenture, a global strategy, technology and consulting services provider, acquired Parsionate, expanding its ability to help clients accelerate data readiness and drive generative AI adoption • Parsionate, founded in 2013, is a MBG Baden-Württemberg-backed data consultancy specializing in data products and modern data foundation services ranging from data strategy development to technology implementation
5/1/2024	Managed Services	Cantey Technology Consulting, LLC	Network Computing Group, Inc.	NA	• Cantey Tech Consulting, a LNC Partners-backed IT managed service provider for small and mid-sized businesses in the Southeast United States, acquired Network Computing Group (NCG), adding new service capabilities to its offering, particularly in the security and project management space • NCG, founded in 1994, is an IT managed services provider based in Roanoke, VA, specializing in IT & data security, business continuity and cloud solutions

Selected TM Capital Technology Experience

Decisive
A PORTFOLIO COMPANY OF
THIRD CENTURY
HAS BEEN ACQUIRED BY
CALIAN Group Ltd.

Set Solutions
A PORTFOLIO COMPANY OF
THIRD CENTURY · Black Lake Capital
HAS BEEN ACQUIRED BY
TRACE3

ASD
A PORTFOLIO COMPANY OF
Centerfield Capital · PALMARES
HAS BEEN RECAPITALIZED BY
RAF

Cennox
HAS RECEIVED A STRATEGIC GROWTH INVESTMENT FROM
York Capital MANAGEMENT

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