

# TECHNOLOGY MONTHLY

OCTOBER 2024

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

ITS

Offshore ITS

Managed Services

IT Staffing

VAR

## HEADLINE TRANSACTIONS

TARGET

ACQUIROR

ACQUISITION SYNOPSISIS



**nexustek**

- NexusTek, an Abry Partners-backed managed IT services provider specializing in tailored technology solutions, acquired Enterprise Solutions Providers (ESP), a leading IT solutions provider in the hospitality industry
- ESP, founded in 2003, delivers specialized IT solutions tailored to the needs of companies in the hospitality sector, and will serve as the foundation for NexusTek's new hospitality-focused services vertical



- Agellus Capital, a Clayton, MO-based private equity firm focused on investing in essential, non-discretionary businesses, recapitalized BlackPoint IT Services, a provider of IT and cybersecurity solutions
- BlackPoint IT Services, founded in 1977, provides managed IT, hosted VoIP and cybersecurity solutions, offering comprehensive, 24/7 support to mid-sized businesses



**RECOGNIZE**

- Recognize Partners, an NYC-based private equity firm focused exclusively on making investments in the digital services industry, invested in Blue Mantis, a Abry Partners-backed premier IT services provider
- Blue Mantis, founded in 1992, is an IT services provider with deep expertise in managed services, cybersecurity and cloud solutions, serving mid-market and enterprise clients across North America



- Perpetual Capital Partners, a Washington D.C.-based private investment firm focused on long-term value creation through control equity investments, acquired Novatech, a Trivest Partners-backed provider of managed office solutions
- Novatech, founded in 1998, is a managed services provider offering a wide range of IT, print, cloud and cybersecurity services designed to streamline technology operations and enhance data security



- NWN Carousel, an American Securities-backed provider of AI-powered communications, networking and cybersecurity solutions, acquired Leverage Information Systems, a provider of technology-based services to federal agencies
- Leverage Information Systems, founded in 2007, offers a comprehensive suite of IT solutions, including communications, networking, data center, cybersecurity, managed devices and visual collaboration services to federal agencies across North America



- IBM (NYSE:IBM), a global technology company specializing in hybrid cloud solutions, AI and consulting, announced an agreement to acquire Accelalpha, a global Oracle services provider
- Accelalpha, founded in 2009, is a technology consulting firm specializing in Oracle cloud applications providing advisory, implementation and managed services, bolstering IBM's Oracle consulting expertise



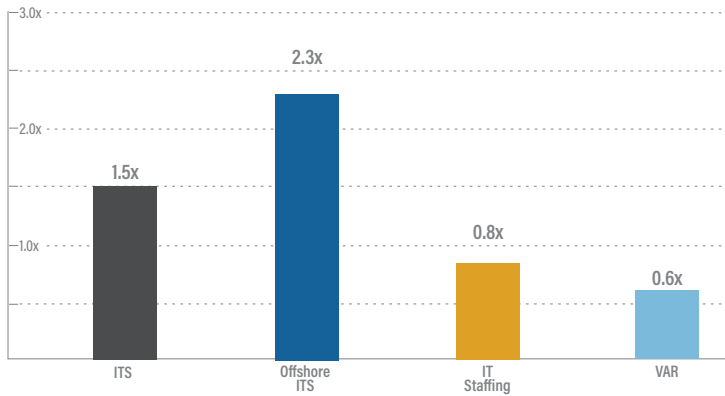
- EPAM System (NYSE:EPAM), a global digital transformation and product engineering services provider, announced an agreement to acquire Neoris, an Advent International-backed advanced technology consultancy firm
- Neoris, founded in 2009, specializes in delivering complex digital engagement and transformation projects for clients in the Americas and Europe, strengthening EPAM's presence and service capabilities in Latin America

Managed Services

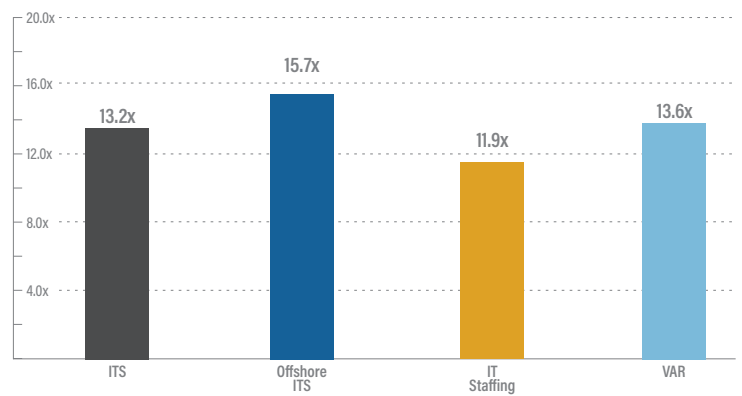
IT Services

# TECHNOLOGY GROWTH & VALUATION TRENDS

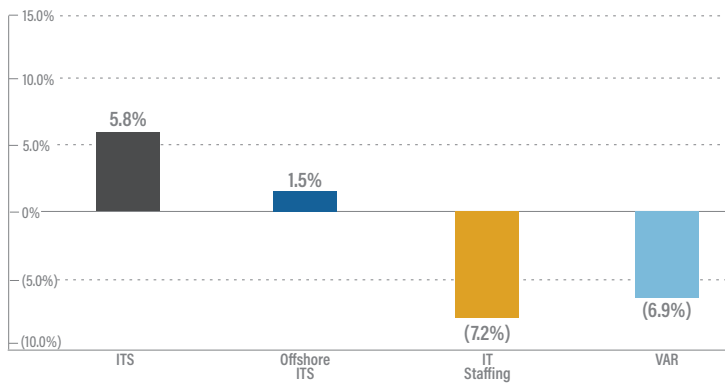
Enterprise Value / LTM Revenue



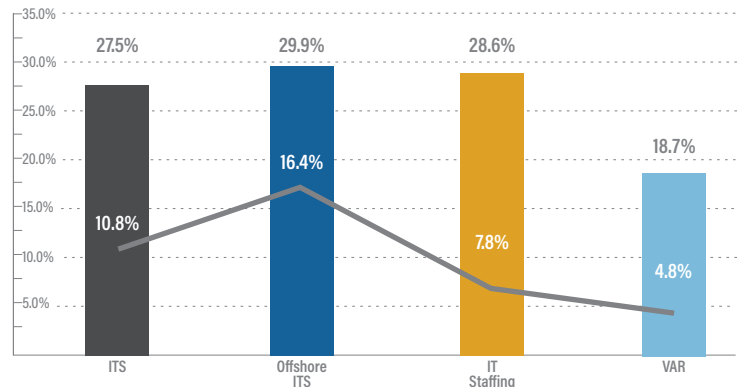
Enterprise Value / LTM EBITDA



LTM Revenue Growth

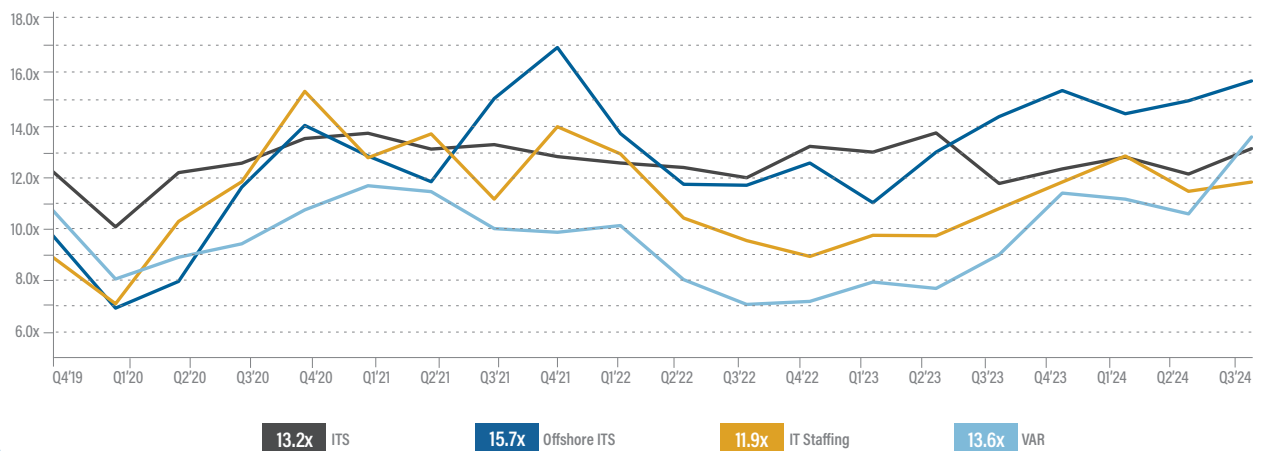


LTM Gross & EBITDA Margin\*



\*EBITDA Margins shown as the gray line.

TEV / EBITDA



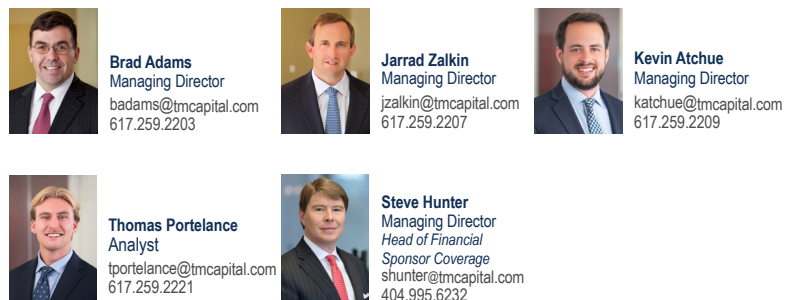
# SELECTED TECHNOLOGY TRANSACTIONS

Ann. Date	Sector	Acquiror	Target	Enterprise Value	Acquisition Synopsis
9/30/2024	IT Services	Davenforth, LLC	TeleCloud, Inc.	NA	<ul style="list-style-type: none"> <li>Davenforth, a joint family office focused on investing in recurring revenue businesses, acquired TeleCloud, launching a new managed IT, voice and networking platform</li> <li>TeleCloud, founded in 2007, specializes in cloud communication services and network deployment across the South Central and Western United States</li> </ul>
9/27/2024	Managed Services	Kingsway Financial Services Inc.	Image Solutions, LLC	\$19.5	<ul style="list-style-type: none"> <li>Kingsway Financial Services (NYSE:KFS), a financial services holding company focused on acquiring businesses in the insurance and technology sectors, acquired Image Solutions, enhancing its Xcelerator portfolio by adding premium IT hardware and support solutions offerings</li> <li>Image Solutions, founded in 2003, is an managed IT services provider specializing in hardware sales, service and helpdesk support, serving companies across North Carolina</li> </ul>
9/25/2024	IT Services	Buchanan Technologies, Inc.	Heartland IT Consulting, LLC	NA	<ul style="list-style-type: none"> <li>Buchanan Technologies, a Lightview Capital-backed IT and application managed services provider, acquired Heartland IT, enabling Buchanan to deliver a holistic IT service offering by leveraging Heartland's Oracle technology expertise</li> <li>Heartland IT, founded in 2010, is an IT services firm specializing in Oracle technologies including Oracle Fusion applications, Oracle Cloud infrastructure and PeopleSoft solutions</li> </ul>
9/25/2024	IT Services	CoreX, LLC	ITS Partners, LLC	NA	<ul style="list-style-type: none"> <li>CoreX, a NewSpring Capital-backed ServiceNow consultancy focused on enhancing business operations, supply chain and ERP transformation processes, acquired ITS Partners, accelerating CoreX's growth trajectory and solidify its position as a leading boutique consultancy in the ServiceNow market</li> <li>ITS Partners, founded in 2008, is a Elite ServiceNow partner specializing in operational technology, IT asset management and other key ServiceNow practices for the manufacturing and utilities industries</li> </ul>
9/24/2024	Managed Services	General Datatech, L.P.	Premier MDS Global IT LLC	NA	<ul style="list-style-type: none"> <li>General Datatech, an H.I.G. Capital-backed global IT solutions provider specializing in networking, data center modernization and security, acquired MDS Global IT, to expand its international collaboration and contact center capabilities</li> <li>MDS Global IT, founded in 2003, is a technology consulting firm specializing in Cisco Unified Collaboration and Unified Contact Center solutions, providing expertise and resources to enhance communication and contact center operations</li> </ul>
9/16/2024	IT Services	The Hackett Group, Inc.	LeewayHertz Technologies Inc.	NA	<ul style="list-style-type: none"> <li>The Hackett Group (NasdaqGS:HCKT), a Gen AI strategic consultancy and executive advisory firm, acquired LeewayHertz, strengthening its position as a leader in AI systems implementation</li> <li>LeewayHertz, founded in 2014, is a Canadian-based provider of generative AI solutions and consulting services specializing in enterprise-grade AI applications</li> </ul>
9/12/2024	IT Services	Quorum Cyber Security Limited	Difenda Inc.	NA	<ul style="list-style-type: none"> <li>Quorum Cyber, a Charlesbank Capital-backed managed detection and response provider of Microsoft security solutions, acquired Difenda, strengthening its position as the leader in Microsoft security solutions and expanding its reach within North America</li> <li>Difenda, founded in 2008, is a Canadian-based full-stack Microsoft security managed services provider offering cybersecurity solutions across the manufacturing, finance, technology and retail industries</li> </ul>
9/10/2024	IT Services	Capstone Integrated Solutions	Retail Process Engineering	NA	<ul style="list-style-type: none"> <li>Capstone Integrated Solutions, a Conanicut Capital-backed full-service retail software and technology company, partnered with Retail Process Engineering (RPE), enabling Capstone and RPE to offer a combined suite of IT services to their customers</li> <li>RPE, founded in 1998, is a supply chain IT consulting firm that specializes in helping retailers and wholesalers optimize systems and processes for merchandising, planning and replenishment</li> </ul>
9/10/2024	IT Services	Bridgenext, Inc.	CodeScience, Inc.	NA	<ul style="list-style-type: none"> <li>Bridgenext, a Kelso &amp; Company-backed digital consulting services provider specializing in data and creative marketing solutions, acquired CodeScience, enhancing its product development capabilities within the Salesforce ecosystem</li> <li>CodeScience, founded in 2008, is a technology consulting firm specializing in product development in Salesforce, dedicated to creating innovative and scalable solutions for organizations and independent software vendors</li> </ul>
9/10/2024	IT Services	Globant S.A.	Blankfactor LLC	NA	<ul style="list-style-type: none"> <li>Globant (NYSE:GLOB), an IT and software development company specializing in digitalization and AI, announced an agreement to acquire Blankfactor, expanding its capabilities in the financial services sector, particularly in payments, banking and capital markets</li> <li>Blankfactor, founded in 2016, is an IT services consulting firm with deep expertise in the financial services sector, providing product engineering, data engineering and enterprise AI solutions</li> </ul>

## Selected TM Capital Technology Experience



## TM Capital's Technology Industry Contacts



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