

# Market Update

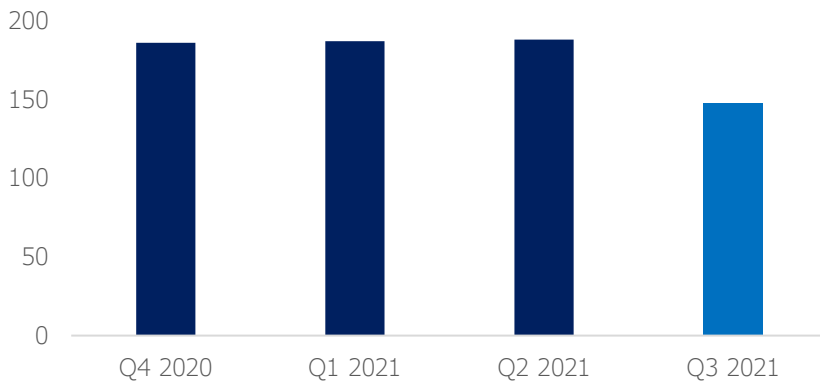
## IT Services & Software in Western Europe

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The third quarter of 2021 closed with a drop in deal volume, but the M&A transaction value continued to accelerate towards a new annual record. Private equity buyers were particularly acquisitive, encouraged by a favorable environment for leveraged buyouts. With strong leveraged lending markets and heightened levels of dry powder, the western European private equity exists activity intensified. Sellers were also motivated by higher multiples and strong optimism in the market.

The IT sector is driving the activity in Western Europe due to its resilience during the pandemic and its strategic position in front of disruption. Additionally, the war for talent and the pursuit of growth through geographical extension influenced the M&A activity in the region. The most active countries were Germany, France, and England, where investors targeted IT consulting companies, cloud providers, and digital transformation services. The verticals that characterized the quarter also extended to cybersecurity, artificial intelligence, and cloud mitigation providers.

# of M&A Deals in Western Europe



7MA has completed numerous M&A transactions for companies with outsourced operations and / or delivery centers in Western Europe and has developed unparalleled deal expertise and knowledge of the industry trends, valuation trends, and most active strategic and financial buyers. Please contact Kristina Sergueeva, Ilya Ulianchuk, or Lucas Cerbelli if you would like to learn more about IT Services & Software across Western Europe.

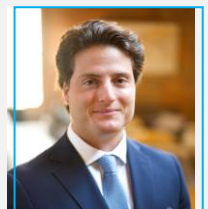
### Sector Coverage Team



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## EPAM Systems Acquired IT Consulting Provider CORE SE



Xebia Group, a digital transformation consultancy company, completed the acquisition of g-company via its financial sponsor Waterland Private Equity Investments. g-company, based in the Netherlands, offers cloud migration solutions, support for app development, data analysis, and Salesforce integration. g-company services clients in various industries such as healthcare, non-profit, eCommerce, and the public sector. Waterland Private Equity is an investment firm focused on the consumer products and services, healthcare, and technology sectors.

**Date:** Sept 3, 2021  
**Deal Type:** LBO  
**Target HQ:** Netherlands

## EPAM Systems Acquired IT Consulting Provider CORE SE



EPAM Systems, Inc. (NYSE: EPAM), a leading global provider of digital platform engineering and development services, announced its acquisition of CORE SE, a professional service provider specializing in IT strategy and technology-driven transformations. "The acquisition of CORE SE is part of EPAM's strategy to respond to the growing business needs of our Western European-based clients to execute on their Technology Transformation agenda across various industries," said Balazs Fejes, President for EU and APAC Markets at EPAM.

**Date:** July 27, 2021  
**Deal Type:** M&A  
**Target HQ:** Germany

## Western Europe Transactions Verticals in Q3 2021

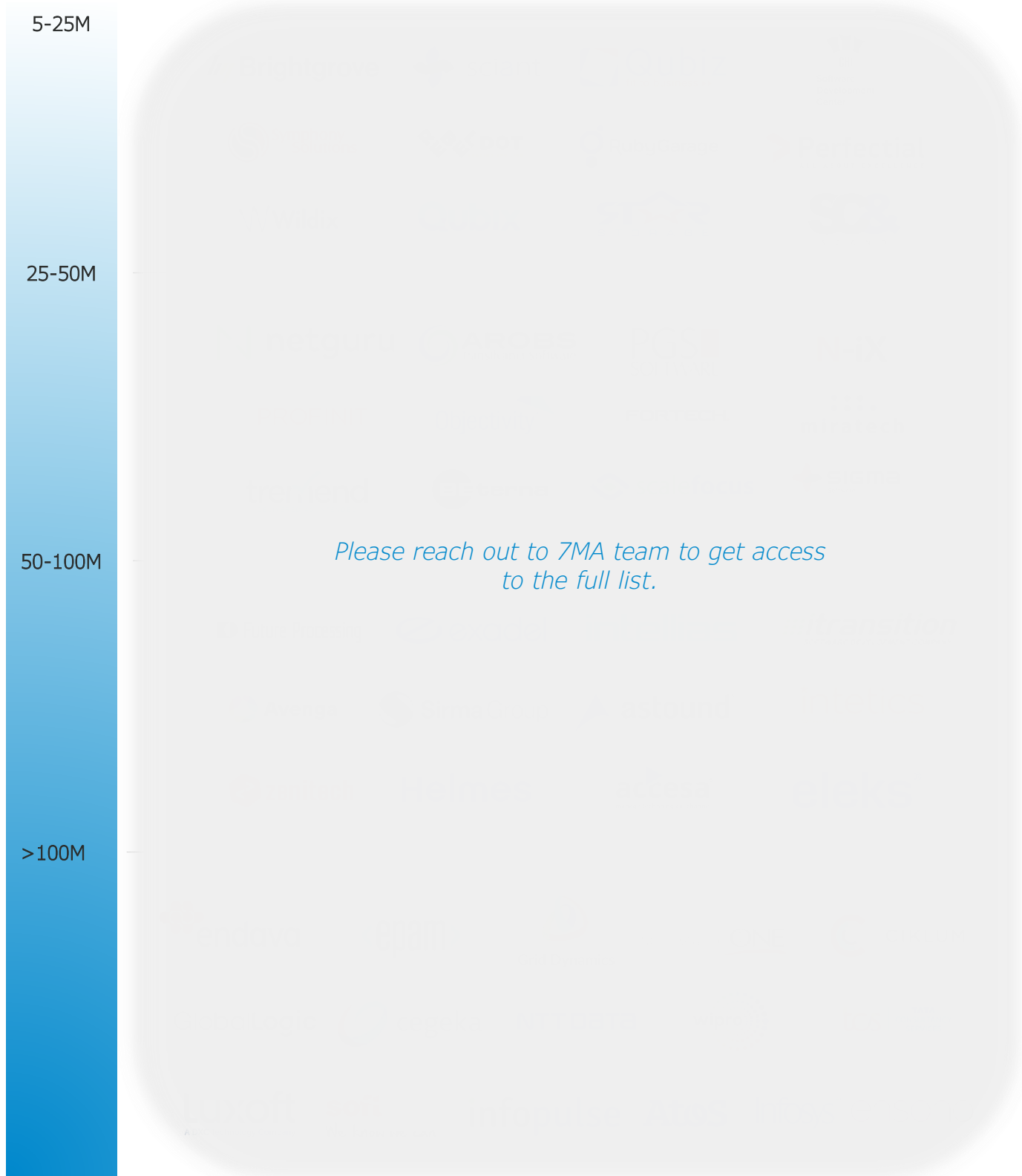
Cybersecurity

CloudTech

Artificial Intelligence

# Market Landscape

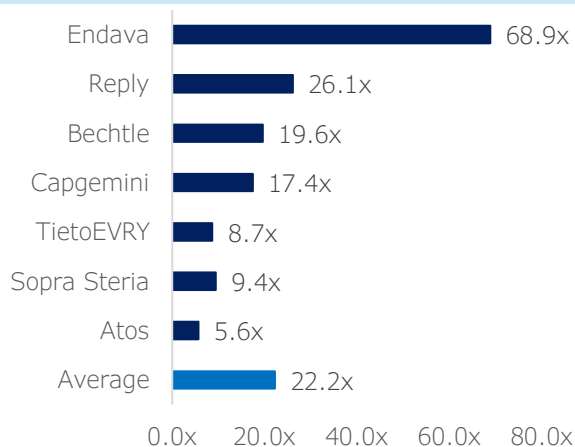
## Annual Revenue, USD



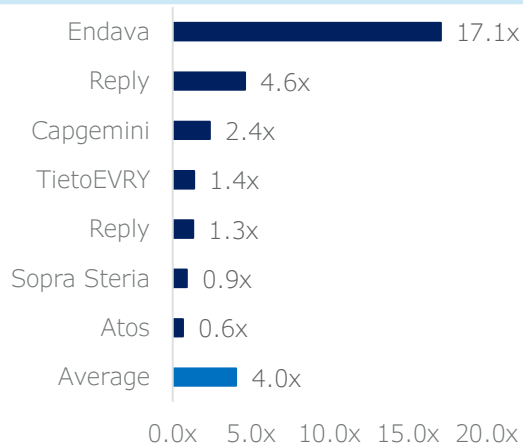
## Publicly-traded IT Services &amp; Software Companies - Western Europe – Q3 2021

Companies	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# of FTEs	Rev / FTE \$k
Capgemini	47,892	2,760	20,239	12%	26%	14%	2.4x	17.4x	289,501	17
Endava	10,247	149	600	27%	34%	25%	17.1x	68.9x	8,883	115
Bechtle	9,480	509	7,434	8%	15%	7%	1.3x	18.6x	4,676	203
Atos	8,192	1,500	13,086	-4%	27%	11%	0.6x	5.5x	105,000	8
Reply	7,731	288	1,630	5%	17%	18%	4.7x	26.9x	9,648	80
Sopra Steria	4,692	503	5,274	-4%	28%	10%	0.9x	9.3x	45,960	10
TietoEVRY	4,461	526	3,338	61%	26%	16%	1.3x	8.5x	23,860	19
<b>Average</b>	<b>13,242</b>	<b>890</b>	<b>7,372</b>	<b>15%</b>	<b>25%</b>	<b>14%</b>	<b>4.0x</b>	<b>22.1x</b>	<b>69,647</b>	<b>64</b>
<b>Median</b>	<b>8,192</b>	<b>509</b>	<b>5,274</b>	<b>8%</b>	<b>26%</b>	<b>14%</b>	<b>1.3x</b>	<b>17.4x</b>	<b>23,860</b>	<b>19</b>

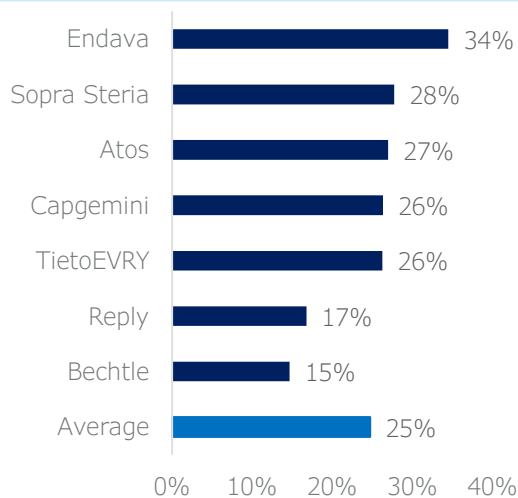
## TEV / EBITDA X



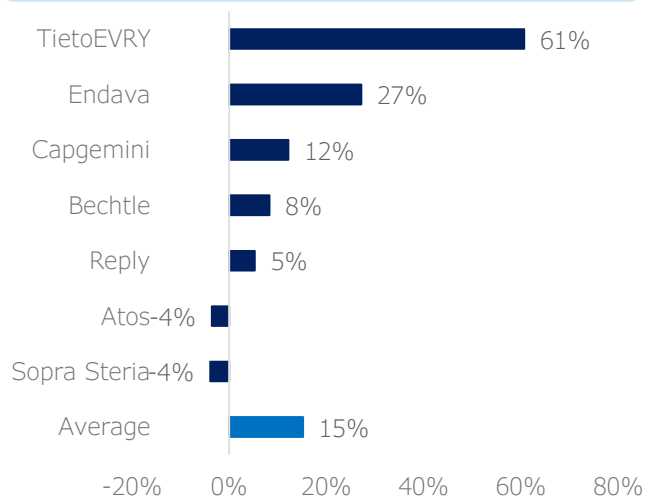
## TEV / Rev X





## Gross Margin %



## Rev Growth YoY



## Q3 2021 M&amp;A Transactions

Date	Target	Buyer / Investor	Target Description
Sept-8, 2021	<b>BIST group</b> 	<b>TACTUS GROUP</b> 	<ul style="list-style-type: none"> <li>Tactus Group, provider of original equipment manufacturing and supply chain solutions, completed the acquisition of the BIST Group, an U.K. based provider of hardware and software IT.</li> </ul>
Sept-3, 2021	<b>CLOUDEON</b>		<ul style="list-style-type: none"> <li>Devoteam, a consulting and engineering group, acquired dutch company Cloudeon for an undisclosed amount. Cloudeon is a consulting and cloud services company that provides cloud adoption services.</li> </ul>
August-16, 2021			<ul style="list-style-type: none"> <li>Seaton Partners is a provider of consultancy services specializing in Microsoft Dynamics 365 business applications including finance, supply chain management and HR.</li> </ul>
August1, 2021	<b>ProData consult</b> 	<b>-AXCEL</b>	<ul style="list-style-type: none"> <li>Axcel Management, a private equity firm headquartered in Denmark, acquired ProData Consult from its financial sponsor Polaris Private Equity. ProData Consult Scandinavian market leader with a leading nearshoring-as-a-service function in Poland for IT consulting and managed IT services.</li> </ul>
August-1, 2021			<ul style="list-style-type: none"> <li>SNP Schneider-Neureither &amp; Partner SE ("SNP"), a leading provider of software solutions for digital transformation processes and automated data migrations, announced its acquisition of Datavard AG. Datavard is a software and consulting company with around 170 employees and specializes in transformations and data management in SAP landscapes.</li> </ul>
July-1, 2021	<b>trivadis</b> makes IT easier. 	<b>accenture</b> 	<ul style="list-style-type: none"> <li>Trivadis is a provider of IT services intended to improve the data proficiency of companies. The company's services use a suite of proprietary accelerators and assets to help companies advance their data platform lifecycles, automate operational tasks in databases, develop data warehouse solutions, and accelerate cloud migrations.</li> </ul>

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. All securities transactions are executed by 7M Securities, LLC, member FINRA / SIPC. For more information, including research on the M&A markets, visit [www.7mileadvisors.com](http://www.7mileadvisors.com).



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## Notable 7 Mile Transactions

