

Market Update

IT Services & Software

in Latin America

- 1 Market Overview
- 2 Sector Snapshot
- 3 Public Markets
- 4 Notable Deals

Latin America's technology boom will close its 4th quarter with the largest number of deals and a growth of 27% q.o.q. vs previous year.

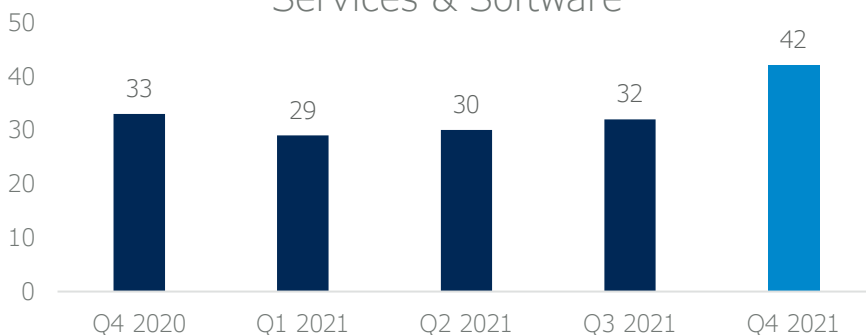
As vaccinations roll out in LatAm, uncertainty was reduced, attracting a higher volume of investors. The region has proven itself to become a very effective nearshore center for the Americas as far as IT services, but also capable of product development and innovation.

December 2021 presented similar M&A year-over-year when compared to December 2020, with 11 total deals completed vs 10. Transactions took place across several verticals, most notably in Cybersecurity, HealthTech, InsurTech, and E-Commerce. The majority of transactions took place in Brazil, followed by Chile, Mexico and Argentina.

Despite increased political instability due to political elections in both of the biggest economies coming up in 2022, the LATAM tech space continues to prove its resilience as companies continue to emerge and succeed, providing upside for investors and increasing the region's overall relevance in the M&A markets.

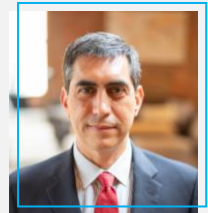
E-commerce and TMT have been very attractive verticals as digitalization and internet penetration grew in the region. AgTech and FinTech show promise as the region has relevance in crops production worldwide, and still has low bancarization compared to developed economies. Nubank IPO has been one of many FinTech stories and cross-border payments companies which are succeeding in LatAm.

of M&A Deals in Latin America - IT Services & Software



7MA has completed important M&A transactions for companies with outsourced operations and / or delivery centers in Latin America and has developed unparalleled deal expertise and knowledge of the industry trends, valuation trends, and most active strategic and financial buyers. Please contact Horacio Yenaropulos, Garth Martin, or Kevin Postigo if you would like to learn more about the landscape in Latin America.

Sector Coverage Team



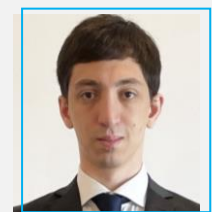
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BRLink, an IT MSP, Acquired by Ingram Micro



Ingram Micro, via its financial sponsor Platinum Equity, acquired BRLink through an LBO. Together, the two companies expect to continue to invest to enter new cloud markets and expand their combined ecosystem of solutions and services at an accelerated pace.

Ingram Micro is a provider of technology and supply chain services to the technology and eCommerce ecosystems. The company specializes in supply chain and mobile device lifecycle services among other electronic hardware.

BRLink is a provider of IT managed services intended for clients throughout Brazil. The company offers services catering to cloud migration and consulting, data analysis, artificial intelligence and machine learning, accelerating the process of digital transformation for its customers.

Date: December 7

Deal Type: M&A

Target HQ: Brazil

B3, a BI platform, Acquired by B3



B3 (BVMF: B3SA3) acquired Neoway for BRL 1.8 billion. This acquisition will allow the company to generate more value for its customers, bring more technology to the Brazilian economy, and be able to go much further, and team, customers, partners and society will benefit from this important movement.

Neoway is the developer of a business intelligence platform designed to make big data easily navigable. The company's platform compiles, organizes, and provides a practical, segmented application interface to navigate and get the most out of information, enabling clients to improve strategic decisions.

Date: October 19

Deal Type: M&A

Target HQ: Brazil

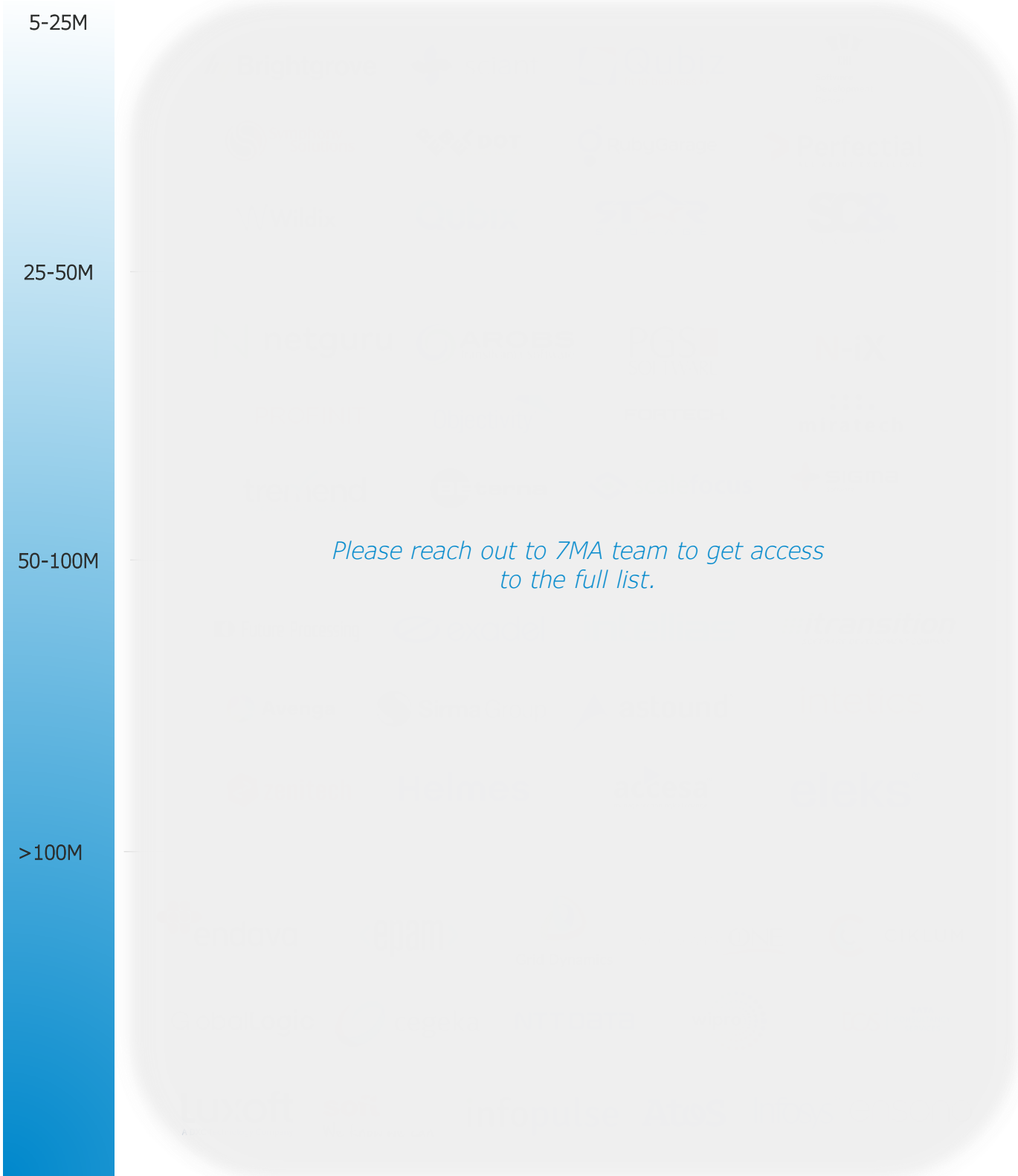
Most Active M&A Subsectors in Q4 2021 in Latin America

IT Consulting & Outsourcing

Business & Productivity Software

Media & Information Services

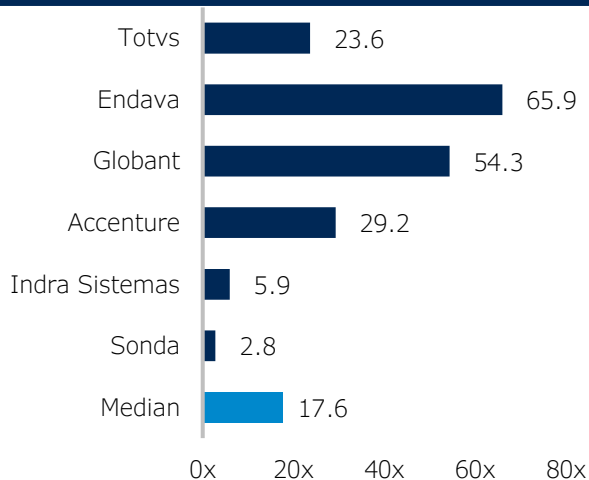
Annual Revenue, USD



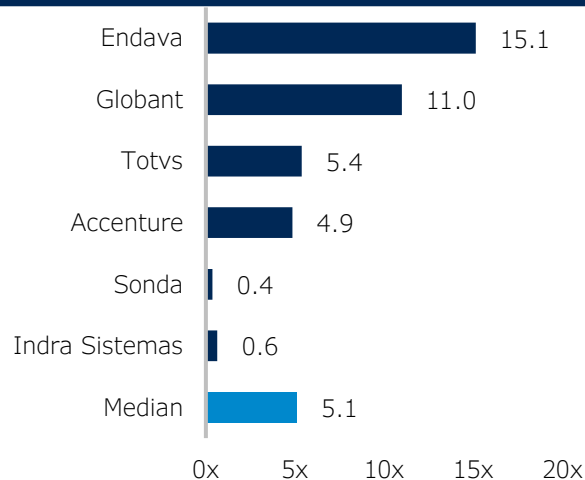
Publicly-traded IT Services & Software Companies – Latin America – Q4 2021

| 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 |
|----------------|---------------|----------------|---------------|----------------|--------------|--------------|-------------|----------------|----------------|---------------|
| Accenture | 260,625 | 8,913 | 53,736 | 20.1% | 32.3% | 16.6% | 4.9x | 29.2x | 674,000 | 80 |
| Endava | 10,321 | 157 | 682 | 37.1% | 34.8% | 23.0% | 15.1x | 65.9x | 9,616 | 71 |
| Globant | 12,632 | 233 | 1,150 | 50.2% | 38.2% | 20.2% | 11.0x | 54.3x | 21,849 | 53 |
| Totvs | 3,038 | 129 | 566 | 21.8% | 70.6% | 22.8% | 5.4x | 23.6x | 10,000 | 57 |
| Indra Sistemas | 2,505 | 425 | 3,887 | 6.0% | 31.7% | 10.9% | 0.6x | 5.9x | 48,979 | 79 |
| Sonda | 410 | 148 | 1,122 | 3.0% | 17.4% | 13.2% | 0.4x | 2.8x | 13,467 | 83 |
| Average | 48,255 | 1,667 | 10,191 | 23.0% | 37.5% | 17.8% | 6.2x | 30.3x | 129,652 | 70 |
| Median | 6,680 | 195 | 1,136 | 21.0% | 33.6% | 18.4% | 5.1x | 26.4x | 17,658 | 75 |

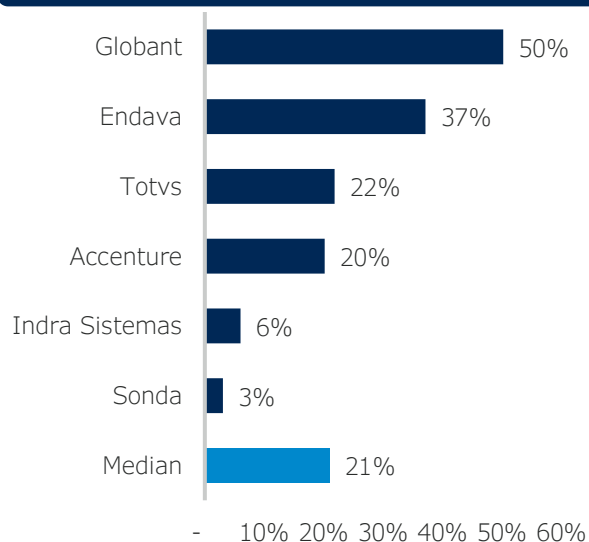
TEV / EBITDA X



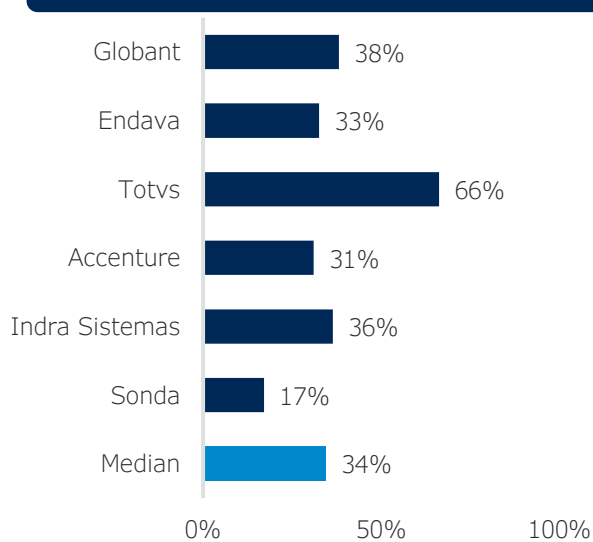
TEV / Rev X













Gross Margin %



Rev Growth YoY



Q4 2021 M&A Transactions

| Date | Target | Buyer / Investor | Target Description |
|--------------|---|---|--|
| Dec 23, 2021 |  |  | <ul style="list-style-type: none"> QuintoAndar, a digital real estate marketplace designed to offer long-term residential rentals in Brazil, acquired real estate operations from Navent, including ZonaProp, Imovelweb, Wimoveis, and Union Software. Navent has over 6 million properties advertised on its portals. The acquisition is also a key condition for QuintoAndar to attract and digitize more real estate agencies in LatAm |
| Dec 17, 2021 |  |  | <ul style="list-style-type: none"> IBID, a developer of supply chain platform, was acquired through an LBO by Hurst Capital, a VC firm in the U.S. The company's software promotes electronic collaboration between buyers and suppliers and makes them business partners, thereby helping in implementing solutions for purchasing processes in supply chain management through modules that can be implemented progressively according to the needs of the company. |
| Nov 18, 2021 |  POWERED BY SERVNET |  | <ul style="list-style-type: none"> InBest, a provider of information technology services specialized in cloud computing from Mexico, was acquired by Servnet Telecomunicaciones, via its financial sponsors ALZA Capital Partners, Anacapa Partners, Argo Management Group and The Operand Group, through an LBO. |
| Nov 11, 2021 |  A Route Mobile Company |  | <ul style="list-style-type: none"> Masivian, a Colombian provider of cloud communication services catering to enterprises in Latin America, was acquired by Route Mobile (UK) Limited, a subsidiary of Route Mobile (BOM: 543228), for \$49.04 million. Route Mobile expects to strength its presence in the region and expand its capabilities |
| Nov 4, 2021 |  an intive business |  | <ul style="list-style-type: none"> SimtLix is an Argentinean software development and engineering solutions specialized in technologies such as blockchain, machine learning and cloud to accelerate agile product development for American customers. The Company was acquired by Intive, via its financial sponsor Mid Europa Partners, through an LBO |

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.



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Notable 7 Mile Transactions



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