7MA

Market Update
Data Science & Analytics

The Data Science and Analytics sector continues to be a demanding industry in 2022 as there is a big push by private equity firms and global strategics to invest in data and analytics practices in order to keep pace with client and market demand. The increasing demand for assets with advanced data capabilities has resulted in a 40% increase in the number of M&A transactions for digital assets during the past 6 months. 7 Mile expects the underlying M&A trends in Data Science and Analytics to continue to rise through 2022.

Deal volumes and valuations remain at all-time highs as strategic and financial buyers have been aggressively investing into emerging data and cloud analytics spaces. In particular, the global big data and business analytics market has been a demanding industry by investors and is currently valued at 198.1b globally. Moreover, the market is expected to reach 684.1b by 2030, growing at a 13.5% CAGR during the period. The surge in adoption of big data analytics by various organizations to deliver enhanced decision-making in a timely manner contributes greatly towards growth across the market.

Big Data and Business Analytics Market

Bar chart titled "Big Data and Business Analytics Market" showing 13.5% CAGR:
- 2020: 198
- 2021: 224
- 2022: 254
- 2023: 287
- 2024: 325
- 2025: 368
- 2026: 417
- 2027: 472
- 2028: 534
- 2029: 604
- 2030: 684
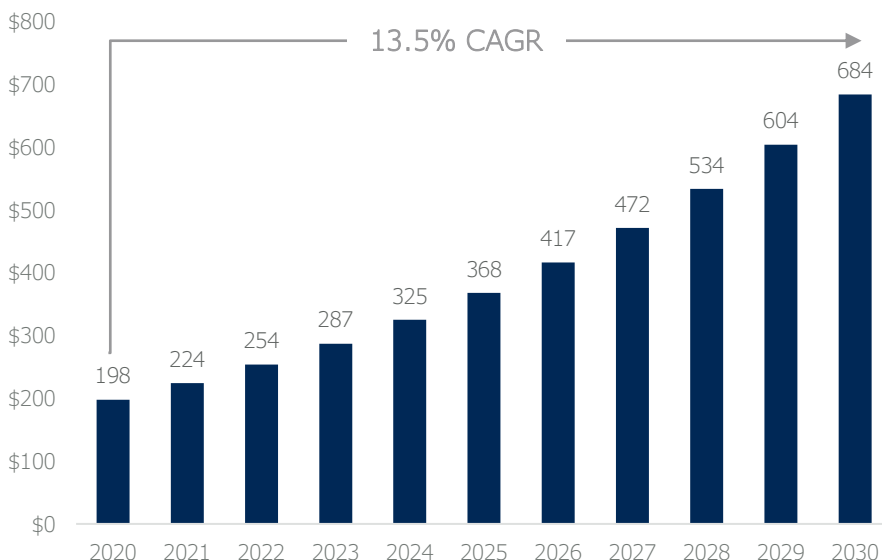
7MA has completed numerous M&A transactions for companies across the world in the data science and analytics space and has developed unparalleled deal expertise and knowledge of the industry trends, valuation trends, and most active strategic and financial buyers. Please contact Garth Martin or Ilia Ulianchuk if you would like to learn more about Data Science and Analytics.
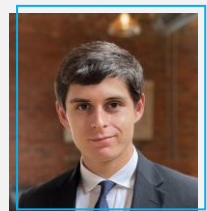
Sector Coverage Team
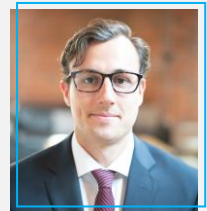
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Sector Snapshot

Resultant has acquired Teknion Data Solutions, expanding its services into Texas

Resultant, a leading consulting firm specializing in technology, data analytics, and digital transformation, has announced the acquisition of Teknion Data Solutions, a Dallas-Fort Worth-based full-service data analytics company. Resultant provides data and technology services such as strategy and planning, advanced data analytics, holistic managed services, application development, and cloud and network solutions. Teknion possesses a more than 20-year history of solving unique data challenges for clients across numerous industries, leveraging state-of-the-art technology to deliver advanced data solutions to it clients. Integrating Teknion will add approximately 60 personnel to the Resultant team, including industry-leading data engineering, business intelligence and sales talent, as well as a strong portfolio of over 150 tested and recurring client relationships. The acquisition will also enhance Resultant's data expertise, scale its sales and marketing team, and support the company's expansion into Texas.

Date: May 17, 2022
Deal Type: M&A
Target HQ: USA

McKinsey & Co. has acquired Caserta, a New York-based data analytics consulting and implementation firm

Global management consulting firm McKinsey & Co. has announced that is has acquired Caserta, a pioneer in data architecture and engineering. The acquisition is McKinsey's latest move to further strengthen its data capabilities and become clients' leading technology partner, bolstering work in data strategy and design. Caserta has designed and implemented cutting-edge data architectures for many Fortune 100 companies, building cloud native data lakes, data streaming capabilities, and pioneering thought leadership in data engineering. The acquisition will bring a team of nearly 50 data engineers, architects, and strategists to McKinsey, while strengthening its data transformation practice's ability to implement cloud data architectures at enterprise scale.

Date: June 1, 2022
Deal Type: M&A
Target HQ: USA

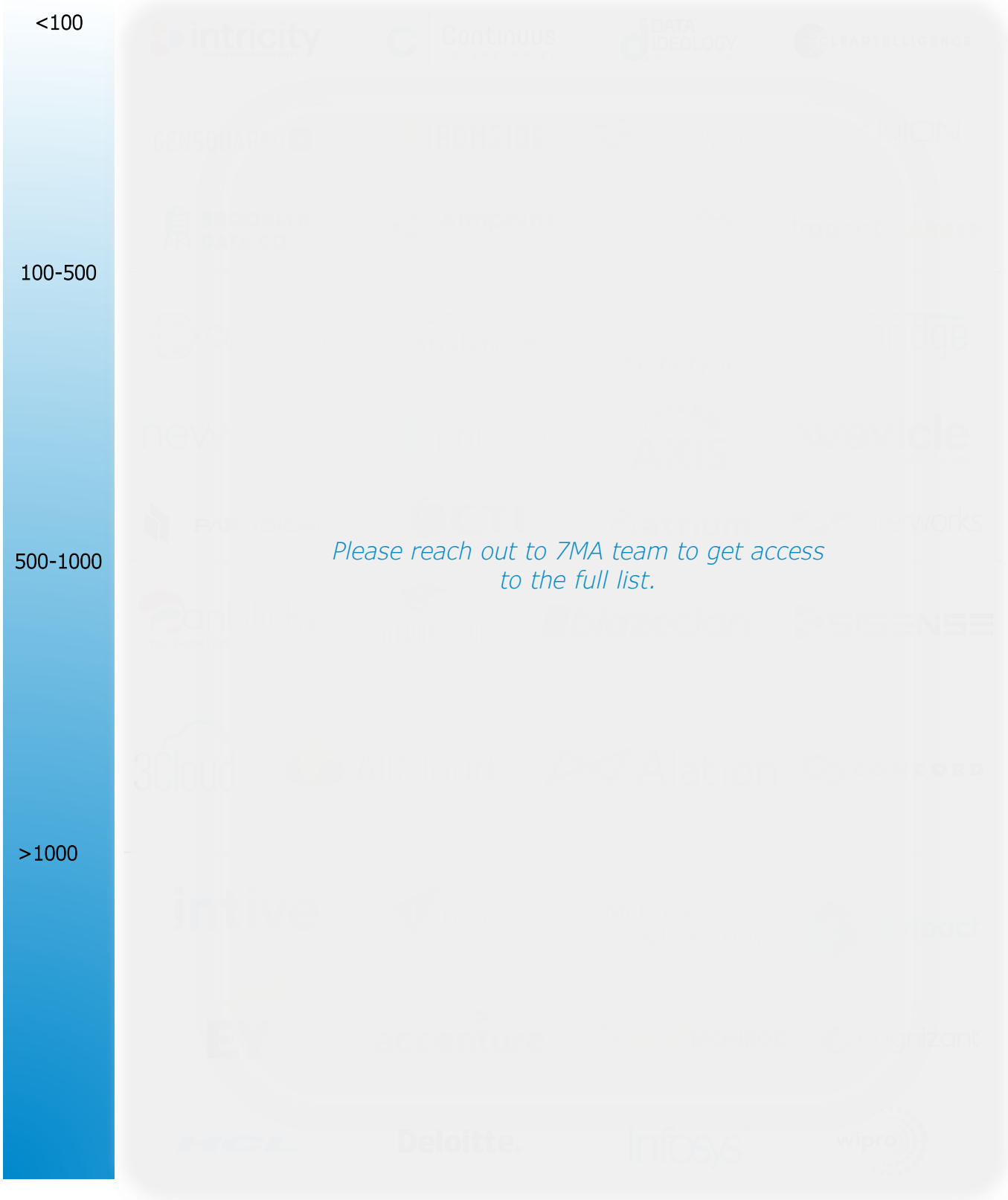## Most Notable M&A Data Analytics Acquirers in Q2 2022

Sector Snapshot

of Employees

<100

100-500

500-1000

>1000
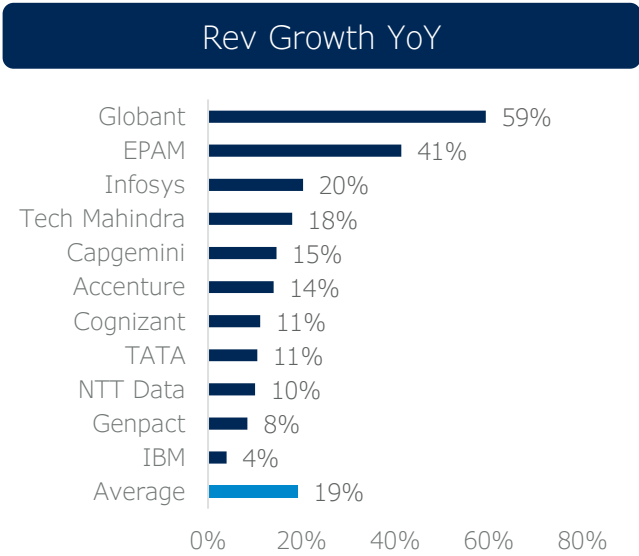
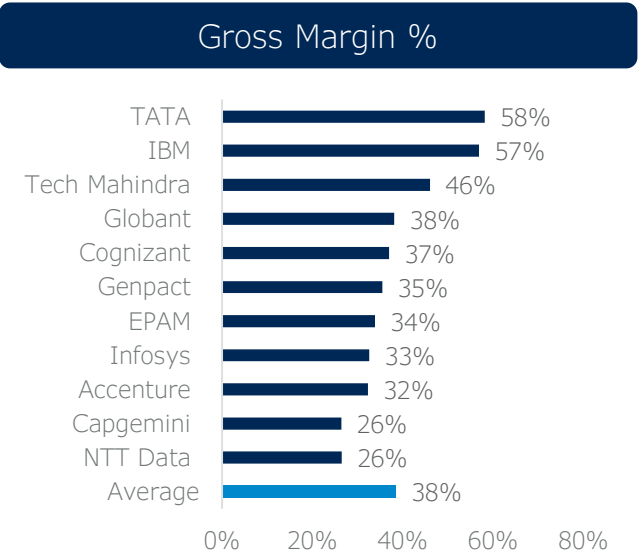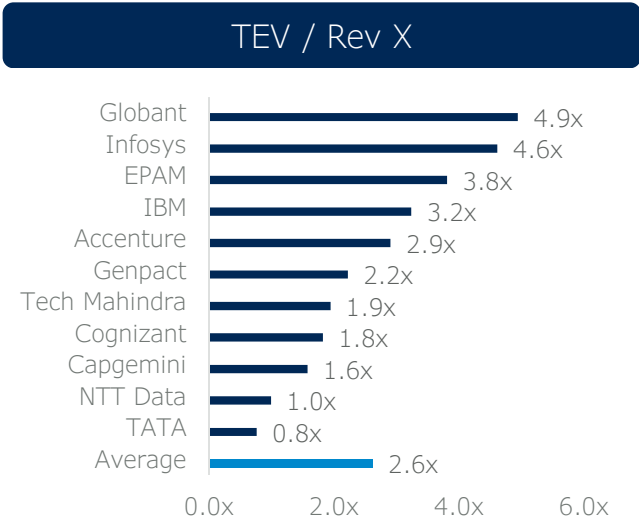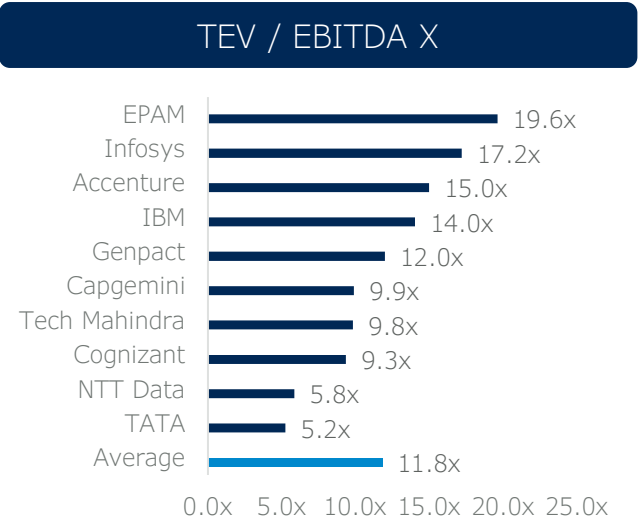*Please reach out to 7MA team to get access to the full list.*

Publicly-traded Data & Analytics Service Providers – Q2 2022

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	173,030	11,555	59,590	14%	32%	19%	2.9x	15.0x	40,247	430
IBM	174,116	12,416	53,819	4%	57%	23%	3.2x	14.0x	307,600	57
Infosys	75,254	4,378	16,311	20%	33%	27%	4.6x	17.2x	314,015	24
Cognizant	34,462	3,689	18,932	11%	37%	19%	1.8x	9.3x	340,400	10
Capgemini	33,797	3,418	21,471	15%	26%	16%	1.6x	9.9x	324,684	10
NTT Data	22,492	3,848	22,715	10%	26%	17%	1.0x	5.8x	155,531	14
Tech Mahindra	11,640	1,185	5,992	18%	46%	20%	1.9x	9.8x	125,490	9
EPAM	15,800	806	4,149	41%	34%	19%	3.8x	19.6x	58,000	27
Globant	7,056	-	1,428	59%	38%	-	4.9x	-	24,504	29
Genpact	9,201	768	4,145	8%	35%	19%	2.2x	12.0x	115,300	8
TATA	833	159	1,094	11%	58%	15%	0.8x	5.2x	5,200	16
Average	**50,698**	**4,222**	**19,059**	**19%**	**38%**	**19%**	**2.6x**	**11.8x**	**164,634**	**58**
Median	**22,492**	**3,554**	**16,311**	**14%**	**35%**	**19%**	**2.2x**	**10.9x**	**125,490**	**16**

TEV / EBITDA X

EPAM	19.6x
Infosys	17.2x
Accenture	15.0x
IBM	14.0x
Genpact	12.0x
Capgemini	9.9x
Tech Mahindra	9.8x
Cognizant	9.3x
NTT Data	5.8x
TATA	5.2x
Average	11.8x

TEV / Rev X

Globant	4.9x
Infosys	4.6x
EPAM	3.8x
IBM	3.2x
Accenture	2.9x
Genpact	2.2x
Tech Mahindra	1.9x
Cognizant	1.8x
Capgemini	1.6x
NTT Data	1.0x
TATA	0.8x
Average	2.6x

Gross Margin %

TATA	58%
IBM	57%
Tech Mahindra	46%
Globant	38%
Cognizant	37%
Genpact	35%
EPAM	34%
Infosys	33%
Accenture	32%
Capgemini	26%
NTT Data	26%
Average	38%

Rev Growth YoY

Globant	59%
EPAM	41%
Infosys	20%
Tech Mahindra	18%
Capgemini	15%
Accenture	14%
Cognizant	11%
TATA	11%
NTT Data	10%
Genpact	8%
IBM	4%
Average	19%

Q2 2022 M&A Transactions

Date	Target	Buyer / Investor	Target Description
April 1, 2022	TRUSTMARQUE	One Equity Partners	One Equity Partners, a middle market private equity firm, has acquired UK-based Trustmarque. Trustmarque offers data & analytics, cybersecurity, and cloud services that support UK organizations in several core sectors, including healthcare, central and local government, and corporates. The acquisition will allow Trustmarque to tap into One Equity Partners' deep expertise and expand its offerings to customers.
April 4, 2022	BiLD Analytics	ASCENT	Ascent, a leading European digital services business, has announced the acquisition of data engineering and business intelligence services business BiLD Analytics. BiLD is a cloud-first data engineering, BI and analytics consultancy, empowering customers to do more with their data via its dynamic and passionate data-driven team. The acquisition is another milestone in Ascent's ambitious growth strategy to create a powerful combination of advanced data capabilities, software and cloud skills to help customers build digital muscle.
April 8, 2022	PEAK INDICATORS	TPXimpact	TPXimpact Holdings, the technology-enabled services company focused on digital transformation, announced the acquisition of Peak Indicators, a provider of data analytics and training services. Peak Indicators is a leading data science services and analytics consultancy that works with public and commercial sectors in the UK. Peak Indicators will help form TPXimpact's AI & Data capability, opening a new market opportunity for the company.
April 25, 2022	GENSQUARED	EY	Ernst & Young Canada has acquired Gensquared, a technology consulting partner that has big data, analytics, and artificial intelligence expertise. Gensquared has a Data Team-as-a-Service approach to help customers organize, structure, and deliver trusted data. Gensquared will help EY customers tackle their biggest data and analytics challenges, allowing them to gain more meaningful and actionable insights.
April 28, 2022	M2C	ayesa	Ayesa, an international provider of IT and engineering services, has acquired M2C, a Spanish IT consulting firm specializing in data management and process automation solutions. M2C offers advanced technology solutions in the fields of big data, data analytics, artificial intelligence, and robotic process automation for the insurance, banking, and telecom sectors. The acquisition will allow Ayesa to continue supporting clients on their digital transformation journey by increasing capabilities in data management technology.
February 24, 2022	Blue.cloud	HUDSON HILL CAPITAL	Global cloud-only digital transformation company Blue.cloud, announced that it has received a majority equity investment at an enterprise value exceeding $100 million from Hudson Hill Capital. The growth investment in Blue.cloud will enable the company to focus heavily on expanding AI capabilities, executing acquisitions, and continuing to build a world-class team of IT leaders across all business practices.

About 7 Mile Advisors

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