

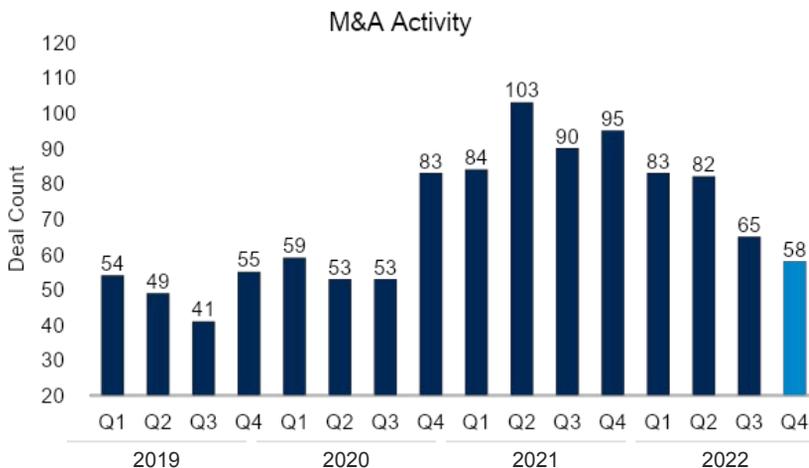
Market Update Cloud & Enterprise Application

- 1 Market Overview
- 2 Sector Snapshot
- 3 Public Markets
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The demand for cloud services implementations remains at the forefront of corporate focus as businesses continue to adapt to the new paradigms of remote work and digitalization. In an ever-increasingly competitive market where consumers demand the ease and flexibility of online infrastructure, CEOs and management teams have continued to put a focus on the cloud in order to survive and continue growing.

According to a recent Acceleration Economy study of the industry's leading cloud providers, Oracle generated the highest quarterly growth rate of 43%, while Salesforce had the lowest at 14%. This study also forecasted Microsoft's revenue to grow approximately 25% and increase to almost \$100 billion in 2022. Despite this strong growth, some analysts believe all providers could grow even more as the most aggressive estimates say that cloud penetration has barely reached 25-30%. This means that there is still 70% of a trillion-dollar market that remains untapped.

7 Mile's focus in this market update is on M&A activity within the Cloud and Enterprise Applications space. In Q4 2022, deal activity continued to lag the record levels seen in 2021 yet remains in-line with longer-term historical averages.



7MA has completed numerous M&A transactions for companies in the cloud services space and has developed unparalleled deal expertise and knowledge of the industry trends, valuation trends, and most active strategic and financial buyers. Please contact John Cooper, Tim Frye, Garth Martin, and Iliia Ulianchuk if you would like to learn more.

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Sector Snapshot

KKR Acquires Ness Digital Engineering



KKR, a global private equity firm based in New York City, acquired Ness Digital Engineering, a provider of software product engineering services intended for government, health care, and manufacturing sectors.

The acquisition of Ness expands KKR's global portfolio of technology investments, which currently includes Cloudera, a U.S. data management software company, Yayoi, a Japanese software developer, distributor, and support service provider, Probe CX, an Australian customer experience and business process outsourcing solutions provider, MYOB, an Australian online business management company, and Jio, a digital services platform in India.

Date: October 24, 2022

Deal Type: LBO

Target HQ: USA

Deal EV: Undisclosed

Buchanan Technologies Acquires Infosenseglobal



Buchanan Technologies, an IT consulting firm, acquired Infosenseglobal, an IT services firm specializing in medical, manufacturing, technology, oil and gas, retail, transportation, and other industries.

ISG's Oracle service line further expands Buchanan's Applications Services offerings, creating a combined team of over 250 application and database professionals. The collective business provides a comprehensive suite of services that include application modernization, end-to-end cloud services, and full-stack ERP application and database managed services to help clients maintain and modernize their mission critical applications.

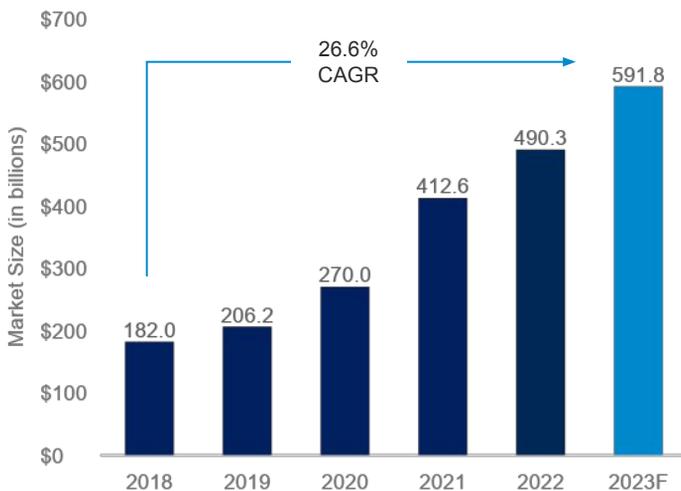
Date: December 1, 2022

Deal Type: LBO

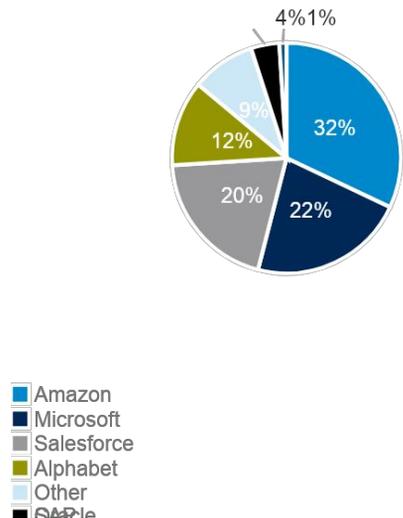
Target HQ: USA

Deal EV: Undisclosed

Global Cloud Market Size



Cloud Vendor Market Share



Sector Snapshot

of employees

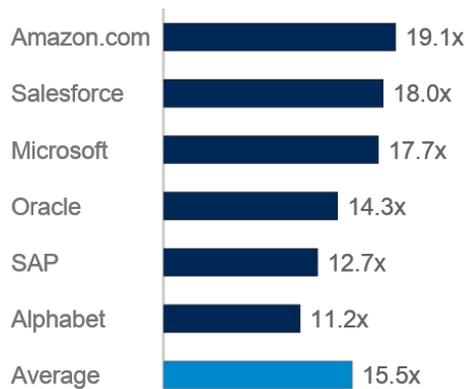


Sector Snapshot

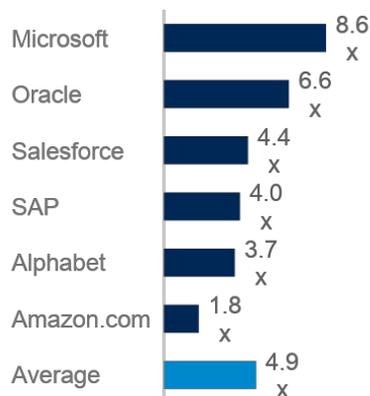
Publicly-Traded Cloud Vendors – Q4 2022

Companies	Cloud Rev \$b	% of Total Rev	TEV \$b	LTM EBITDA \$b	LTM Rev \$b	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X
Microsoft	\$ 25.7	12.7%	\$ 1,740.8	\$ 98.6	\$ 203.1	15.2%	68.3%	48.6%	8.6x	17.7x
Amazon.com	20.5	4.1%	926.5	48.6	502.2	9.7%	12.9%	9.7%	1.8x	19.1x
Salesforce	7.8	25.7%	134.7	7.5	30.3	21.3%	72.7%	24.6%	4.4x	18.0x
Alphabet	6.9	2.4%	1,057.7	94.1	282.1	17.9%	56.1%	33.4%	3.7x	11.2x
Oracle	3.6	7.8%	304.4	21.3	46.1	11.3%	76.1%	46.2%	6.6x	14.3x
SAP	3.3	10.0%	132.4	10.4	32.9	11.0%	71.3%	31.7%	4.0x	12.7x
Average	\$ 11.3	10.5%	\$ 716.1	\$ 46.7	\$ 182.8	14.4%	59.6%	32.4%	4.9x	15.5x
Median	\$ 7.4	8.9%	\$ 615.5	\$ 34.9	\$ 124.6	13.3%	69.8%	32.6%	4.2x	16.0x

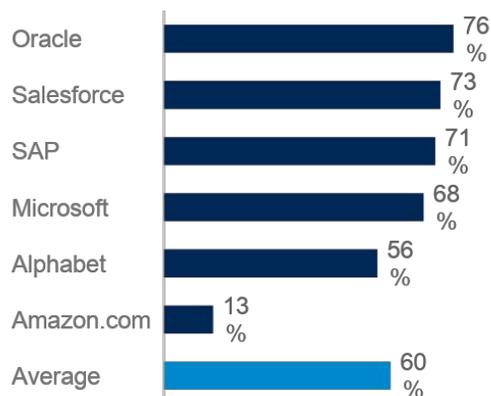
TEV / EBITDA X



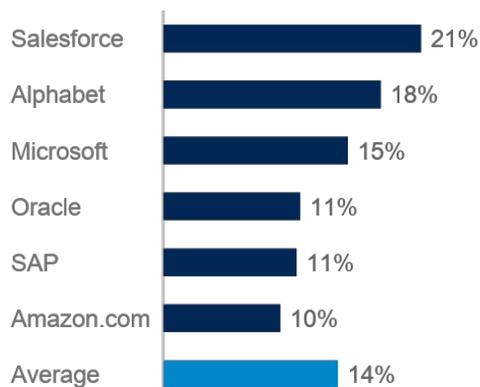
TEV / Revenue X



Gross Margin %



Revenue Growth % YoY

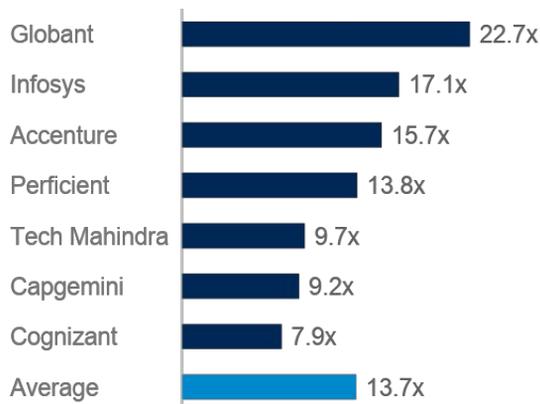


Sector Snapshot

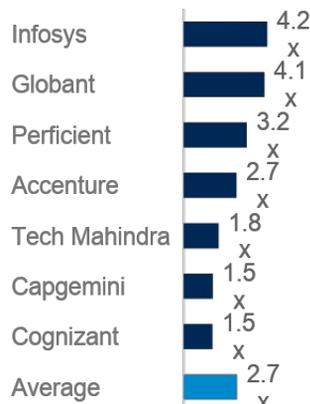
Publicly-Traded Cloud Service Providers – Q4 2022

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	\$ 166,127	\$ 10,558	\$ 62,377	16.1%	32.0%	16.9%	2.7x	15.7x	738,000	23
Infosys	73,840	4,317	17,529	17.6%	30.8%	24.6%	4.2x	17.1x	346,845	21
Capgemini	33,396	3,617	22,677	18.6%	26.3%	16.0%	1.5x	9.2x	324,684	10
Cognizant	28,180	3,586	19,366	8.1%	36.4%	18.5%	1.5x	7.9x	349,400	8
Tech Mahindra	11,351	1,173	6,434	22.1%	45.4%	18.2%	1.8x	9.7x	125,490	9
Globalant	6,797	300	1,669	45.2%	37.8%	17.9%	4.1x	22.7x	26,500	26
Perficient	2,823	204	887	25.2%	38.8%	23.0%	3.2x	13.8x	6,000	47
Average	\$ 46,073	\$ 3,394	\$ 18,706	21.8%	35.3%	19.3%	2.7x	13.7x	273,846	21
Median	\$ 28,180	\$ 3,586	\$ 17,529	18.6%	36.4%	18.2%	2.7x	13.8x	324,684	21

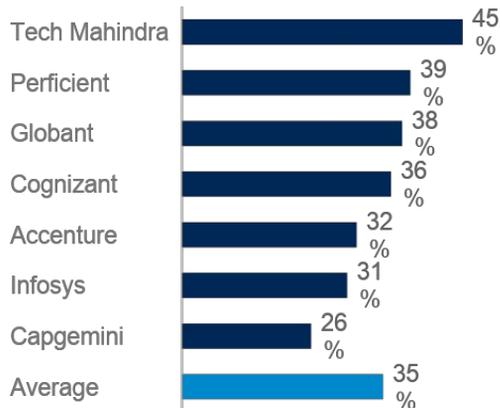
TEV / EBITDA X



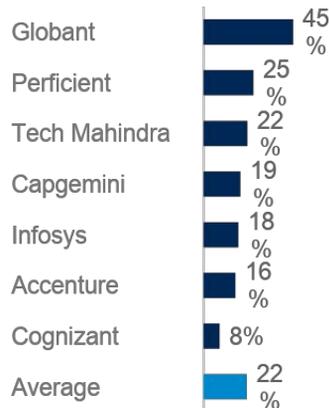
TEV / Revenue X



Gross Margin %



Revenue Growth % YoY



Sector Snapshot

Q4 2022 M&A Transactions

December 2022		 	Cloud Technology Solutions, a provider of cloud transformation and infrastructure services, was acquired by NorthEdge Capital and Marlin Equity Partners. Cloud Technology Solutions offers tailored cloud transformation services and software products that help design, build, and manage scalable and secure cloud infrastructure through its Google-certified experts.
December 2022		 Centrilogic	WatServ, a provider of managed cloud hosting services intended for business entities, was acquired by Centrilogic, a developer of a cloud-based data management platform. WatServ's services include public-cloud and private-cloud infrastructure, along with cloud strategy, cloud readiness, and roadmap creation.
December 2022			Milestone Technologies, a provider of managed information technology services intended to serve technology, media, pharmaceuticals, life sciences, automotive, and retail segments, was acquired by The Halifax Group. Milestone's offerings include digital workplace and private cloud services, managed help desk, data center operations, and AI.
October 2022			Blackcomb, a provider of digital, business transformation, and consulting services intended to serve P&C insurance carriers, was acquired by Accenture, a leading global IT-services firm that provides consulting, strategy, and technology and operational services. Blackcomb specializes in core system implementations, guidewire upgrades, production support, AWS, and Azure cloud services.
October 2022			Motion10, a provider of IT consulting services focused on the digital transformation of organizations, was acquired by HSO, a provider of enterprise business services intended to improve business performance. Motion10 realizes a widely accepted, secure, modern, and personal working environment using low code development platforms as well as offers services catering to cloud computing and data analytics.
September 2022			Pandera Systems, an owner and operator of a business intelligence and data integration consulting company, was acquired by 66degrees, a provider of cloud technology designed to serve healthcare, financial services, technology, media, and public sectors. Pandera System's products and services include enterprise decision automation, motion project optimization, alliance and managed services, systems integration, information management, business intelligence, predictive analytics, and business process transformation.

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

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brillio

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centare
a portfolio company of HADLEY

a portfolio company of BainCapital
DOUBLE IMPACT

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Daxos

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softwareONE

7MA

Deloitte.

7MA

3Cloud

7MA

EY

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keste

TRINITY HUNT
PARTNERS

