

SECTORWATCH:

# IT Services - Energy & Utilities

January 2018

**7** MILE   
ADVISORS

SECTORWATCH:  
**IT Services - Energy  
& Utilities**  
January 2018

- Sector Dashboard
- Public Basket Performance
- Operational Metrics
- Valuation Comparison
- Recent Deals
- Appendix

7 Mile Advisors appreciates the opportunity to present this confidential information to the Company. This document is meant to be delivered only in conjunction with a verbal presentation, and is not authorized for distribution. Please see the Confidentiality Notice & Disclaimer at the end of the document. All data cited in this document was believed to be accurate at the time of authorship and came from publicly available sources. Neither 7 Mile Advisors nor 7M Securities make warranties or representations as to the accuracy or completeness of third-party data contained herein. This document should be treated as confidential and for the use of the intended recipient only. Please notify 7 Mile Advisors if it was distributed in error.



# OVERVIEW



## Dashboard

summary metrics on the sector, with commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages



## Public Basket Performance

summary valuation and operating metrics for a basket of comparable public companies



## Valuation Comparison

a more graphical, detailed comparison of valuation multiples for the public basket



## Recent Deals

the most recently announced sector deals

## About Us

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.

## Sectorwatch

We publish sectorwatch, a review of M&A and operational trends in the industries we focus.

## Let us know if we can help

Contact us if there are ways we can assist your M&A or financing strategy.

# DASHBOARD

## Revenue Growth Momentum

↓ -2.8%

1 - year revenue growth compared to revenue growth average for last 3 years

Current revenue growth rate is less than the average of the last 3 years, indicating that the market may be flattening or declining

## Pricing / Gross Margin Momentum

↓ -0.6%

1 - year gross profit % compared to gross profit % average for last 3 years

Current gross profit margin is less than the average of the last 3 years gross profit margins, indicating customer pricing power

## Profitability Momentum

↑ 0.0%

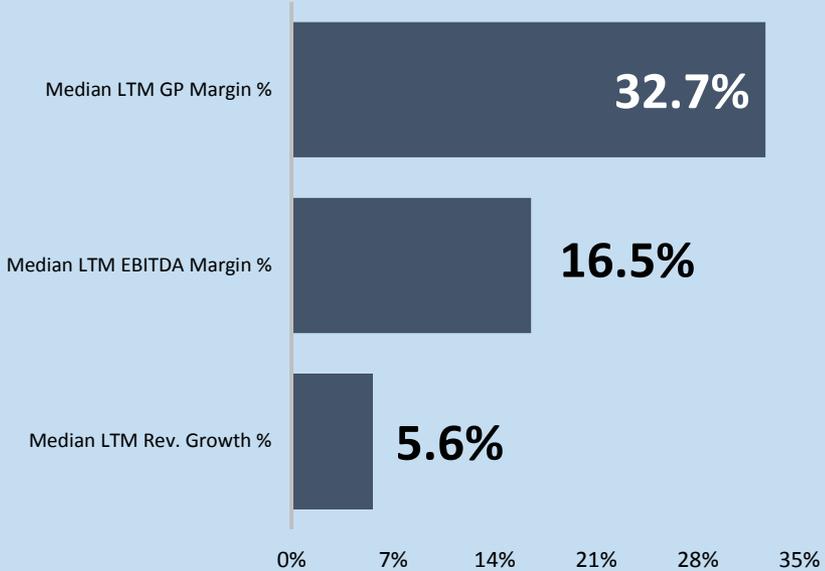
1 - year EBITDA % compared to EBITDA % average for last 3 years

Current EBITDA margin exceeds the average of the last 3 years EBITDA margin by this amount, a condition that may attract new entrants

### PUBLIC BASKET CONSTITUENTS

- NasdaqGS:PRFT      TSX:GIB.A
- NasdaqGS:VRTU      NYSE:ACN
- NasdaqGS:AZPN      DB:SAP

## Operating Metrics



## Valuation



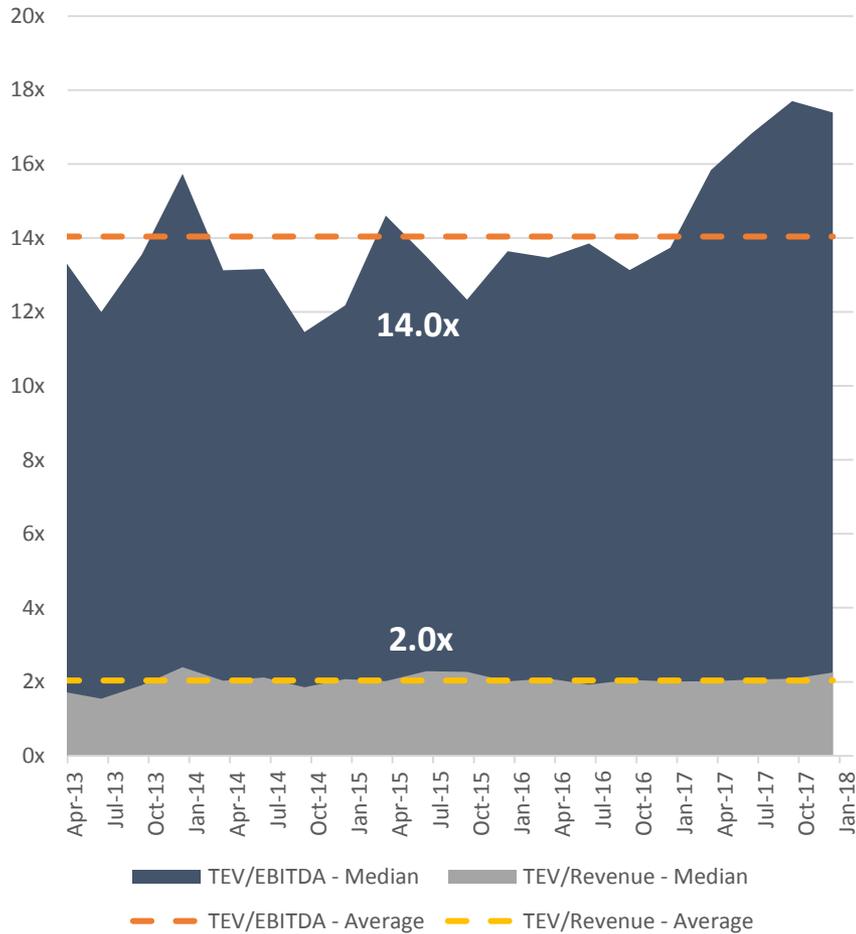
# PUBLIC BASKET PERFORMANCE

Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Perficient, Inc.	751	458	-5%	34%	11%	1.6	14.7	2,728	168
Virtusa Corporation	1,424	919	24%	28%	6%	1.6	23.9	17,750	52
Aspen Technology, Inc.	5,541	491	4%	90%	44%	11.3	25.7	1,419	346
CGI Group Inc.	17,269	8,677	2%	30%	17%	2.0	11.8	71,000	122
Accenture plc	96,171	35,858	7%	32%	16%	2.7	16.4	425,000	84
SAP SE	137,699	27,631	8%	70%	25%	4.8	18.9	84,183	328

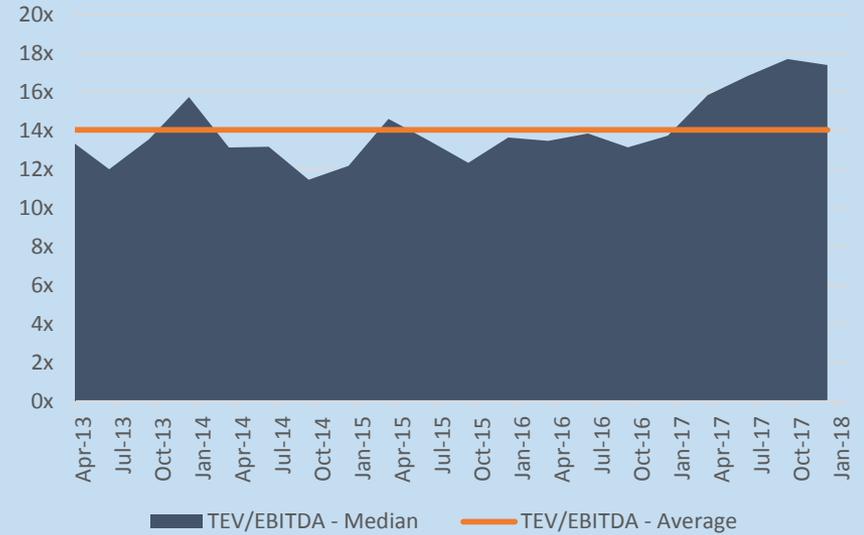
<b>Average</b>	43,142	12,339	7%	47%	20%	4.0	18.6	100,347	183
<b>Median</b>	11,405	4,798	6%	33%	17%	2.3	17.6	44,375	145

share price as of 25Jan18

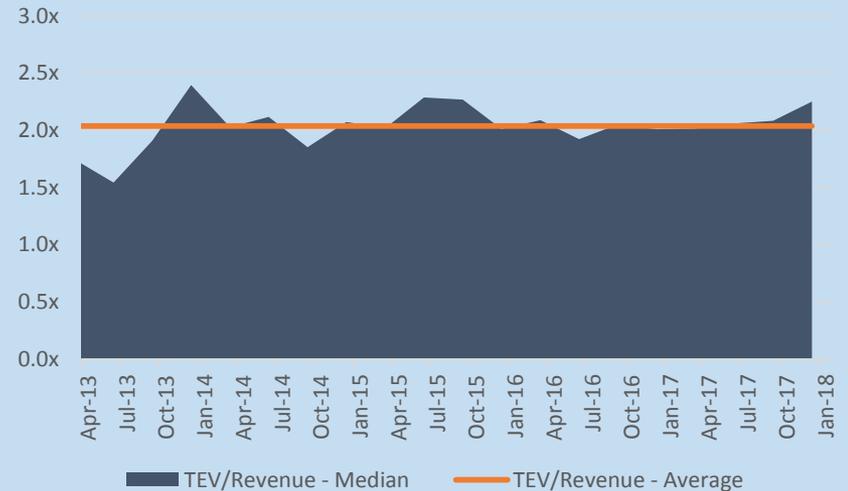
# PUBLIC BASKET VALUATION TRENDS



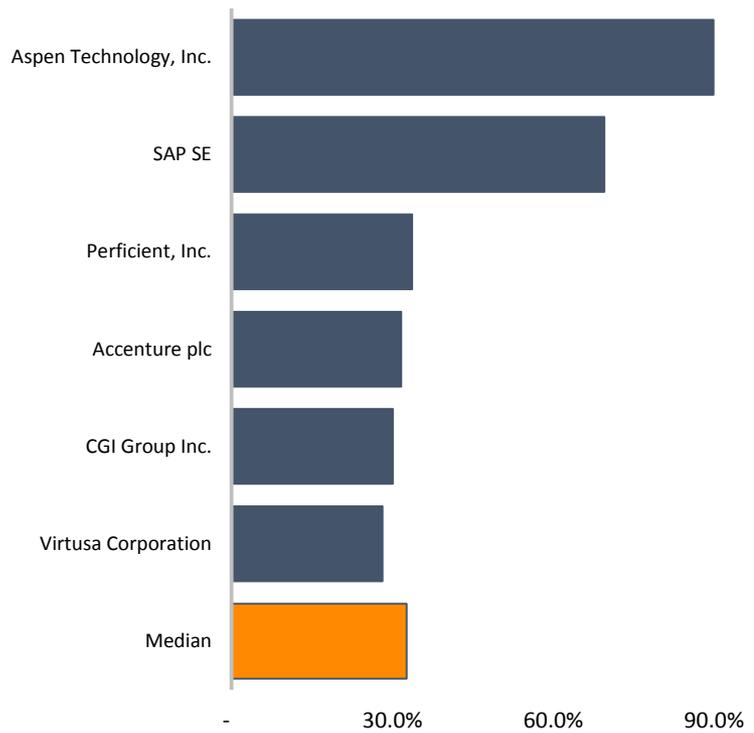
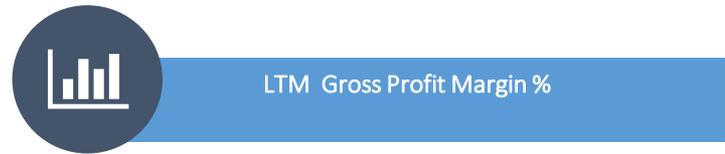
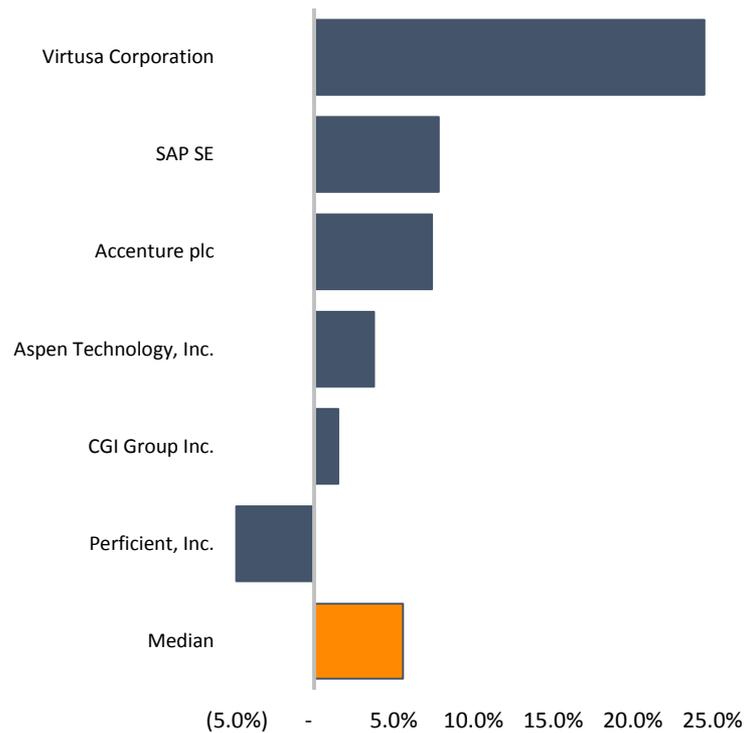
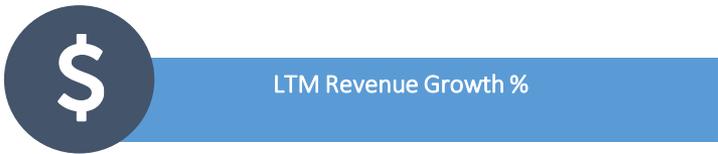
## Public EBITDA Multiples Over Time



## Public Revenue Multiples Over Time



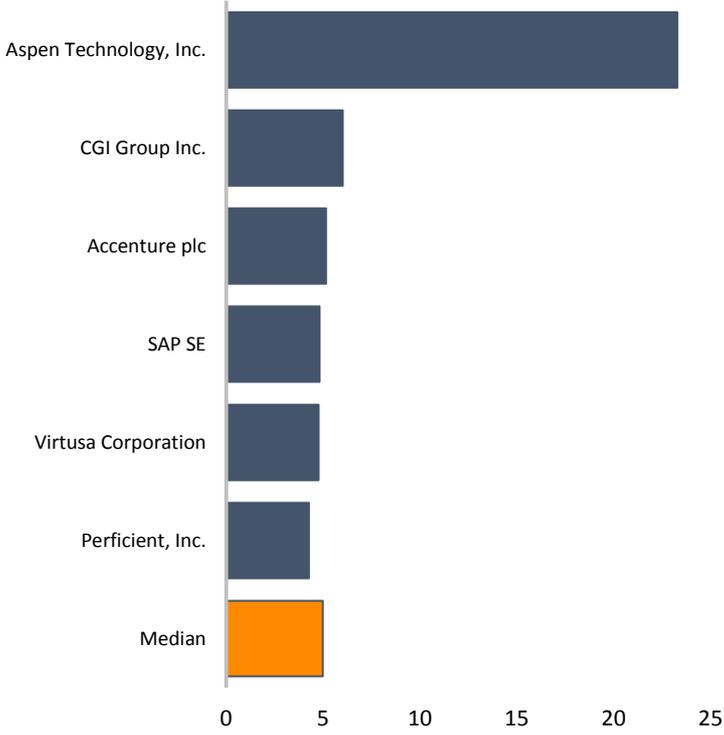
# OPERATIONAL METRICS



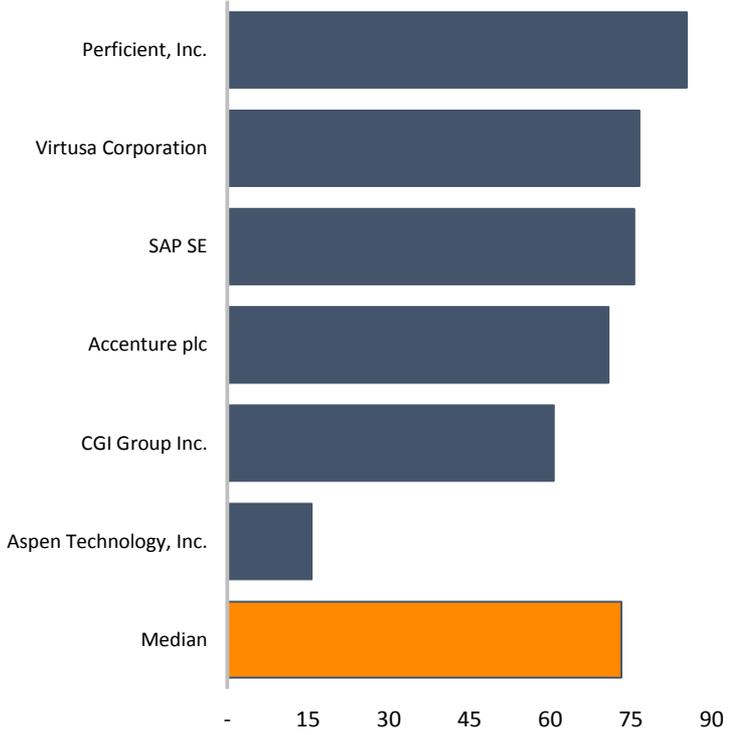
# OPERATIONAL METRICS



## Accounts Receivable Turnover



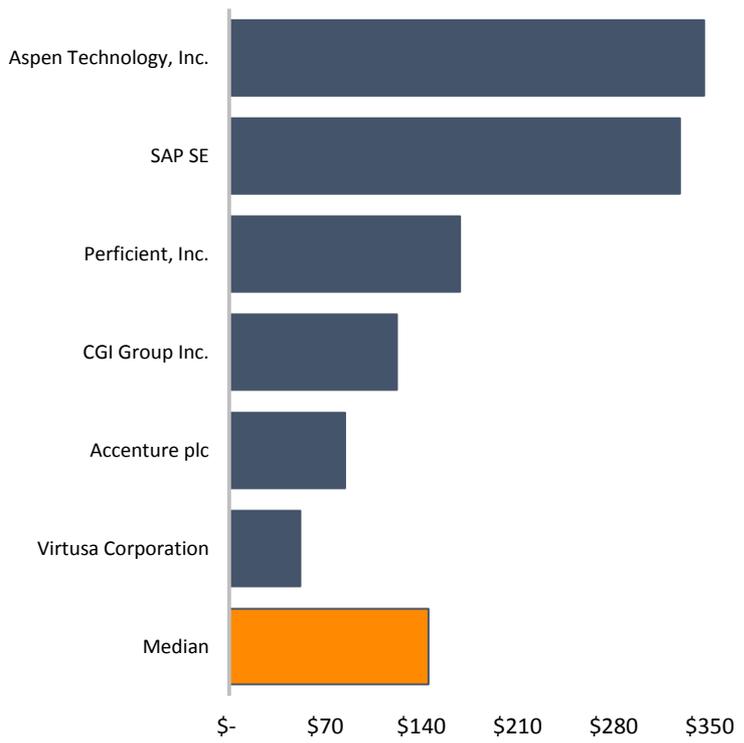

## Average Days Sales Outstanding



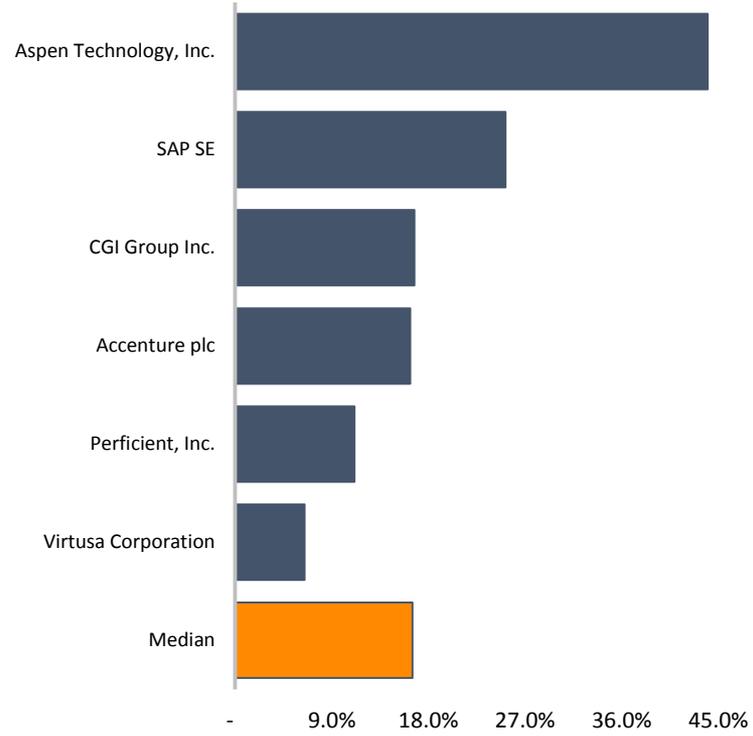
# OPERATIONAL METRICS



LTM Revenue per Full Time Employee x 000's



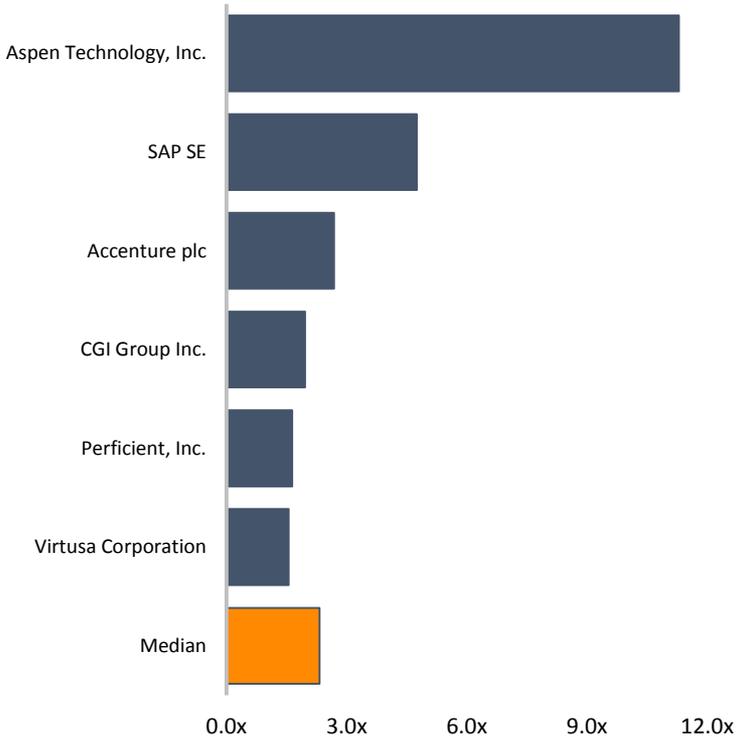
LTM ADJ. EBITDA %



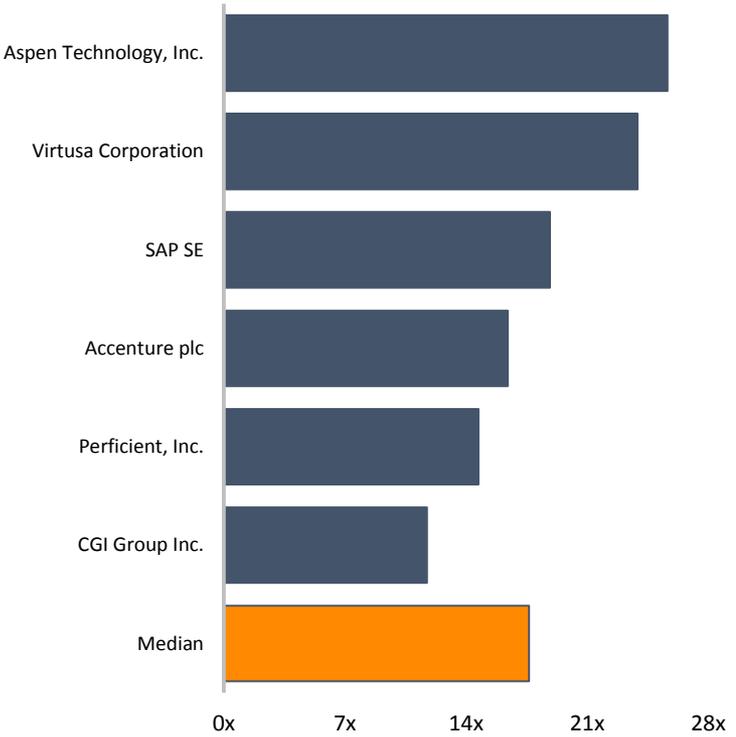
# VALUATION



TEV / LTM Revenue



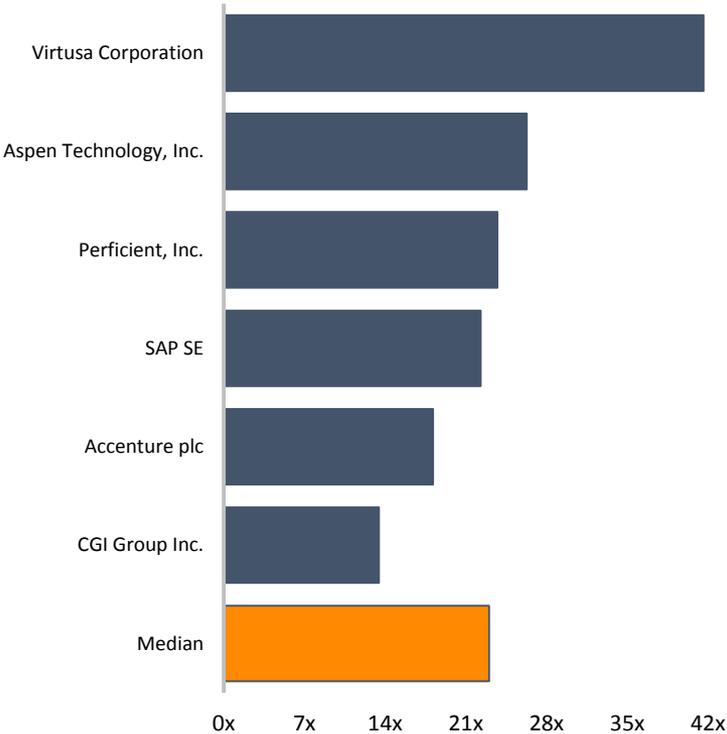
TEV / LTM EBITDA



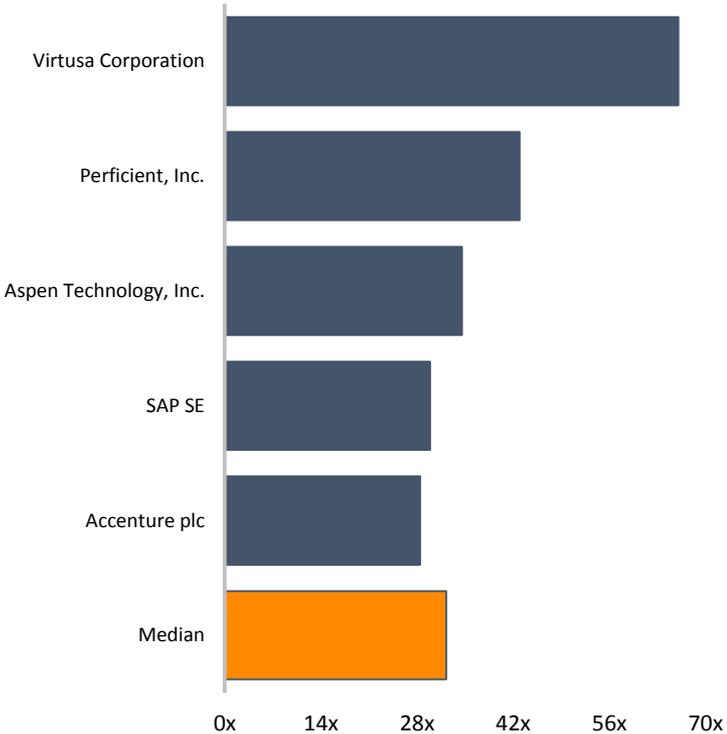
# VALUATION



TEV / LTM EBIT



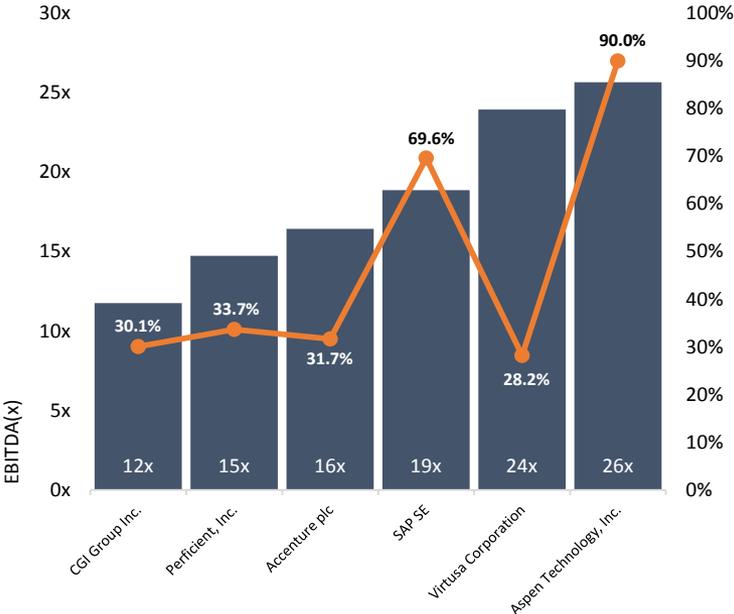
Price / LTM Earnings



# VALUATION



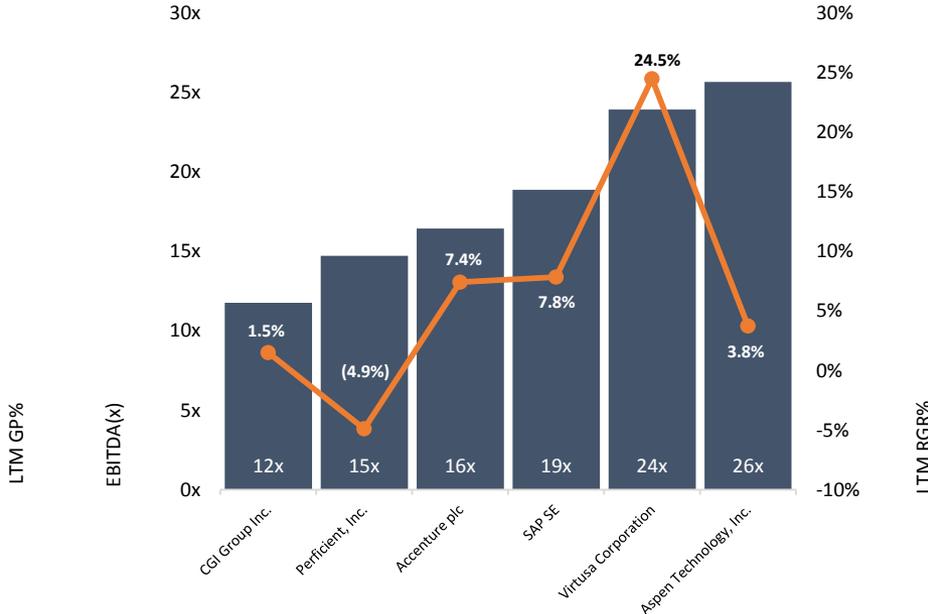
Historical Valuation Multiples versus Gross Profit



■ EBITDA(x)    ● LTM GP%



Historical Valuation Multiples versus Revenue Growth Rate



■ EBITDA(x)    ● LTM RGR%

# RECENT TRANSACTIONS

Date	Target	Buyer	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
21Dec17	PrimeLine Utility Services	VINCI Energies S.A.	-	-	-	-
18Dec17	Alexander Open Systems, Inc. (nka:AOS, a ConvergeOne Company)	ConvergeOne, Inc.	-	-	-	-
28Nov17	1QB Information Technologies Inc.	Fujitsu Limited; The Royal Bank of Scotland Group plc; Allianz SE; Accenture plc; CME Ventures LLC	35.11	-	-	-
31Jul17	CDI Corp.	AE Industrial Partners, LLC; Ae Industrial Partners Fund I-B, Lp; Ae Industrial Partners Fund I-A, Lp; AE Industrial Partners Fund I, LP	173.39	761.18	0.2x	NM
9Feb17	Green Team Energy Services, LLC	CLEARresult Consulting, Inc.	-	-	-	-
30Sep16	Tilson Technology Management, Inc.	Rand Capital Corporation; CEI Ventures, Inc.	3.00	21.60	-	-
12Aug16	Edwards & Zuck, D.P.C.	Stantec Inc.	-	-	-	-
6Jul16	Convergys Management Holding GmbH & Co. KG	Convergys Corporation	132.41	166.07	0.8x	-
29Jun16	Intesis Software SL	HMS Industrial Networks AB	16.99	6.22	2.7x	-
10Jun16	Allus Global BPO Center S.A.	Grupo Konectanet S.L.	192.00	220.00	0.9x	-
8Jun16	Quality Software S.A.	BNDES Participações S/A - BNDESPAR; Invest Tech Participações e Investimentos Ltda.; Capital Tech II Fundo de Investimento em Participações	0.72	20.40	-	-
5May16	TELUS International, Inc.	Baring Private Equity Asia	234.94	-	-	-
1May16	OPOWER, Inc.	Oracle Corporation	624.24	151.96	3.7x	NM
22Apr16	Engineering Ingegneria Informatica S.p.A.	Apax Partners LLP; Apax VIII, L.P.; Neuberger Berman Group LLC; NB Renaissance	598.39	959.63	0.8x	9.1x
29Mar16	MWH Global, Inc.	Stantec Inc.	793.00	1,270.28	0.6x	9.8x
8Mar16	Catalyst DevWorks	Salem Investment Partners	11.50	-	-	-
10Jun15	Maplesoft Group	SOMOS Consulting Group Ltd.	14.45	-	-	-
27May15	Phoenix IT Group Ltd. (nka:Daisy IT Group Limited)	Daisy Intermediate Holdings Limited	-	325.27	-	-
4Mar15	SimpliVity Corporation	Accel Partners; CRV; Draper Fisher Jurvetson; Kleiner Perkins Caufield & Byers; MeriTech Capital Partners; DFJ Growth 2013, L.P.; Waypoint Capital	175.00	-	-	-
6Jan15	Structure Consulting Group, LLC	Accenture plc	-	-	-	-
6Nov14	Beacon Information Technology Inc.	Bsp Incorporated (nka:Unirita Inc.)	14.49	25.84	1.6x	-
17Jul14	ATCO I-Tek Inc.	Wipro Limited	189.66	-	-	-
6May14	Eurofins Calscience, Inc.	Eurofins Scientific SE	100.44	20.24	5.0x	-

SECTORWATCH:  
**IT Services - Energy  
& Utilities**  
January 2018

Appendix: Public Basket  
Constituents

7 Mile Advisors appreciates the opportunity to present this confidential information to the Company. This document is meant to be delivered only in conjunction with a verbal presentation, and is not authorized for distribution. Please see the Confidentiality Notice & Disclaimer at the end of the document. All data cited in this document was believed to be accurate at the time of authorship and came from publicly available sources. Neither 7 Mile Advisors nor 7M Securities make warranties or representations as to the accuracy or completeness of third-party data contained herein. This document should be treated as confidential and for the use of the intended recipient only. Please notify 7 Mile Advisors if it was distributed in error.

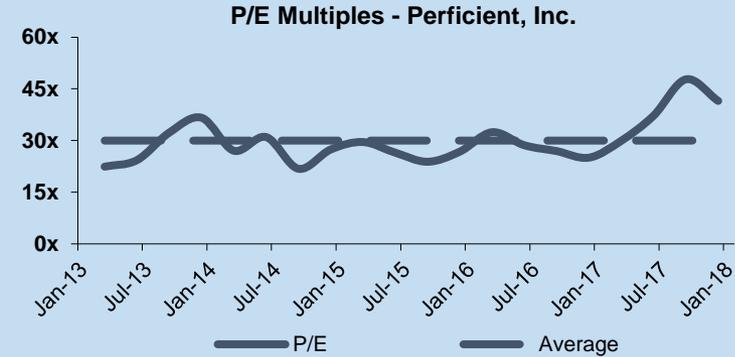
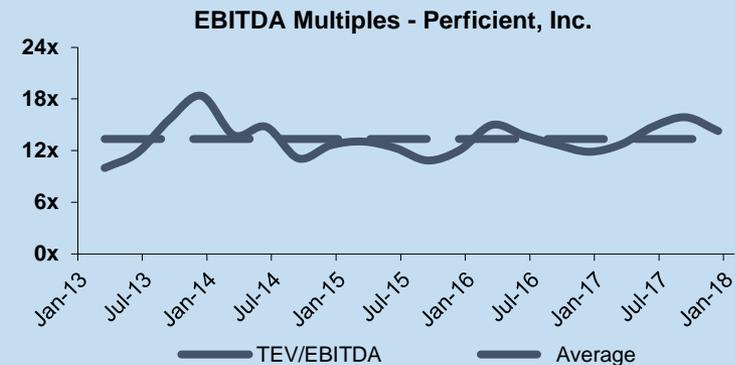
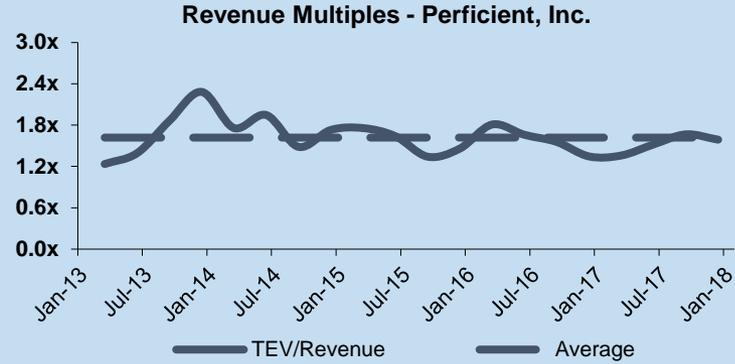


# PUBLIC BASKET CONSTITUENTS

## Perficient, Inc.

Perficient, Inc. provides information technology and management consulting services in the United States. The company designs, builds, and delivers solutions using middleware software products developed by third-party vendors. Its solutions include platform implementations services, including application server selection, architecture planning, installation and configuration, clustering for availability, performance assessment and issue remediation, security, and technology migrations; and portals and collaboration, such as searchable data systems, collaborative systems for process improvement, transaction processing, unified and extended reporting, and other services. The company also offers management consulting services in the areas of organizational change management, business analytics, project management, process excellence, and other; and cloud services comprising architecture, business value and health checks assessments, strategy and road maps, and vendor evaluation and selection services. In addition, it provides enterprise social solutions consisting of ideation and crowdsourcing, mobile apps, employee onboarding, partner and vendor collaboration, user and customer support, expert location/Q&A, and others; and digital marketing services, including search engine marketing, user experience and design, and conversion rate optimization. Further, the company offers business intelligence and analytics; commerce; content management; custom applications; business integration and APIs; business process management; customer relationship management; enterprise performance management; and enterprise mobile solutions. Perficient, Inc. was founded in 1997 and is headquartered in St. Louis, Missouri.

Date	Key Development Headline
6/22/17	Perficient, Inc. (NasdaqGS:PRFT) acquired Clarity Consulting, Inc. for \$9.4 million.

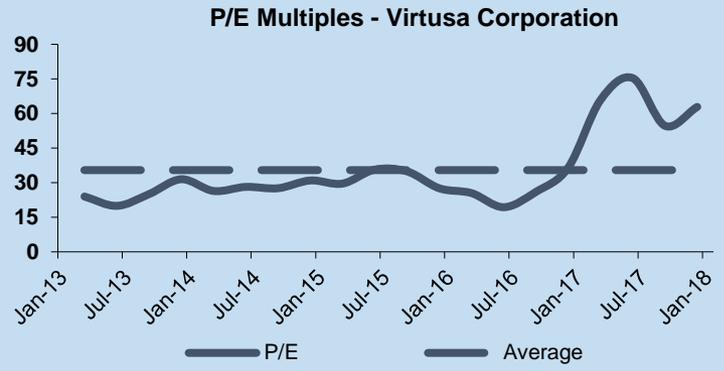
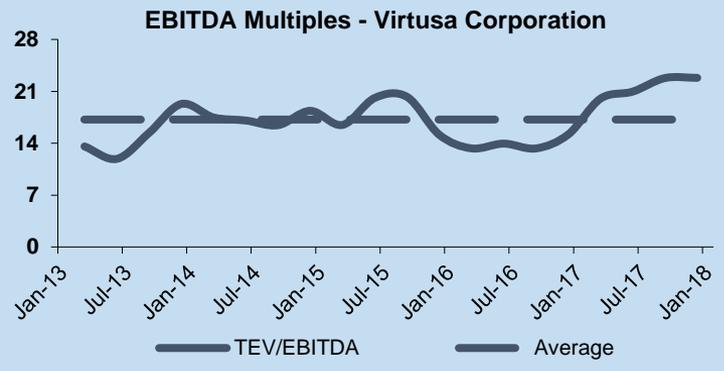
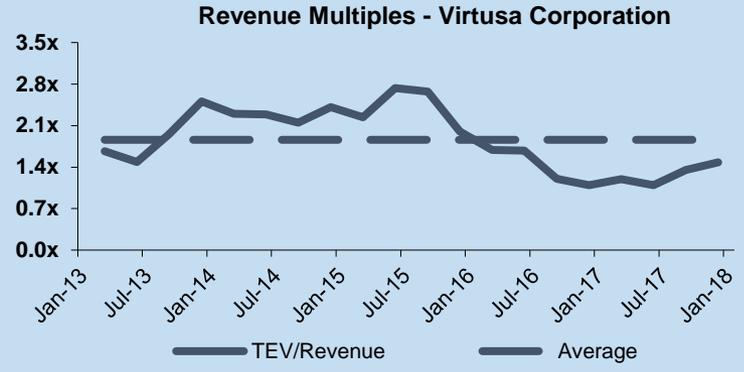


# PUBLIC BASKET CONSTITUENTS

## Virtusa Corporation

Virtusa Corporation operates as an information technology (IT) services company. It offers business and IT consulting services comprising advisory/target operating model, business process re-engineering/BPM, transformational solution consulting, and business/technology alignment analysis; omni-channel digital strategy, experience design ASD, and employee engagement; and application portfolio rationalization, SDLC transformation, and BA competency transformation services. The company also provides technology implementation services, such as application development, software product engineering, CRM and SAP implementation, content management, enterprise mobility, cloud computing, and social media solutions; systems consolidation and rationalization, technology migration and porting, and legacy application Web-enablement; data management, business intelligence, reporting and decision support, master data management, data integration, and big data analytics; and software quality assurance and managed testing services. In addition, it offers application outsourcing services, such as the application maintenance and support, maintenance and enhancement of applications, and cloud-environment management and support; managed infrastructure services, and remote application monitoring and support; and IT efficiency improvement services. Further, the company offers digital transformation and innovation; operational excellence; and transformational solutions. Virtusa Corporation provides its services to communications and technology; banking, financial services, and insurance; and media and information industries worldwide. The company was formerly known as eRunway, Inc. and changed its name to Virtusa Corporation in April 2002. Virtusa Corporation was founded in 1996 and is headquartered in Westborough, Massachusetts.

Date	Key Development Headline
9/7/17	Virtusa Corporation Seeks Acquisitions

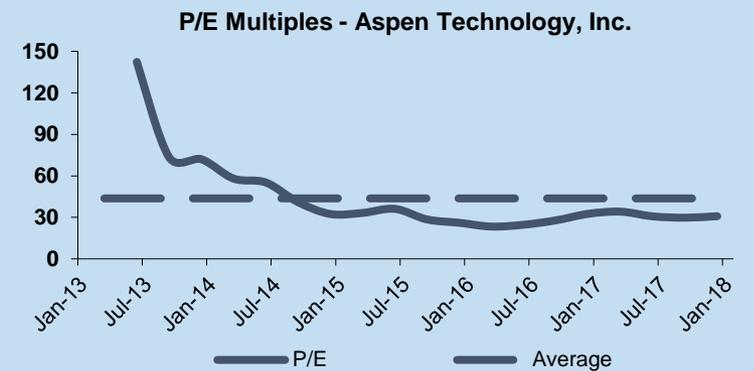
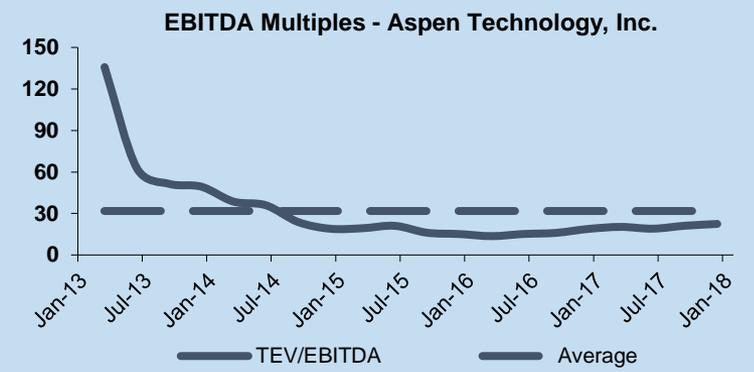
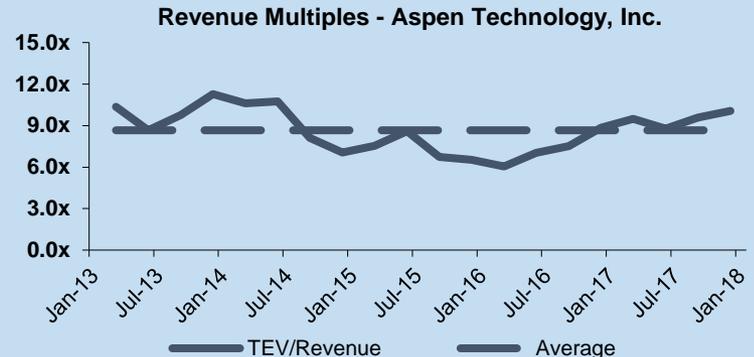


# PUBLIC BASKET CONSTITUENTS

## Aspen Technology, Inc.

Aspen Technology, Inc., together with its subsidiaries, provides software and services in the United States, Europe, and internationally. It operates through two segments, Subscription and Software, and Services. It supplies asset optimization solutions that optimize asset design, operations, and maintenance lifecycle in various industrial environments. The company's software suites include aspenONE Engineering, aspenONE Manufacturing and Supply Chain, and aspenONE Asset Performance Management, which are integrated applications that allow end users to design process manufacturing environments, forecast and simulate potential actions, monitor operational performances, predict the reliability of an asset and equipment failure, and manage planning and scheduling activities, as well as collaborate across these functions and activities. It also provides software maintenance and support, professional, and training services. The company's customers include companies that are engaged in the process and other industries, including energy, chemicals, engineering, and construction, as well as pharmaceuticals, transportation, power, metals and mining, pulp and paper, and consumer packaged goods. Aspen Technology, Inc. was founded in 1981 and is headquartered in Bedford, Massachusetts.

Date	Key Development Headline
12/4/17	Aspen Technology, Inc. (NasdaqGS:AZPN) acquired the cipher industrial internet of things (IoT) cloud based software and edge connectivity assets of RtTech Software Inc.
2/28/17	Aspen Technology Seeks Acquisitions

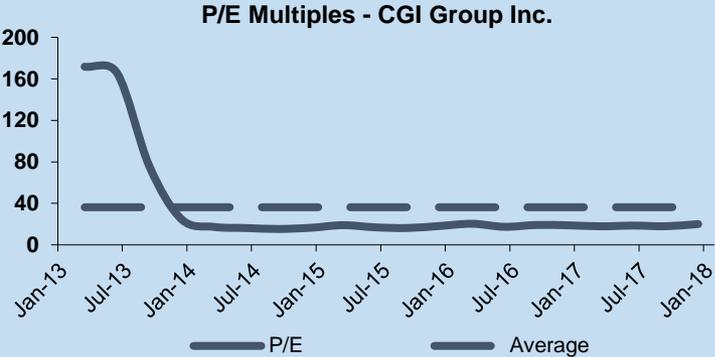
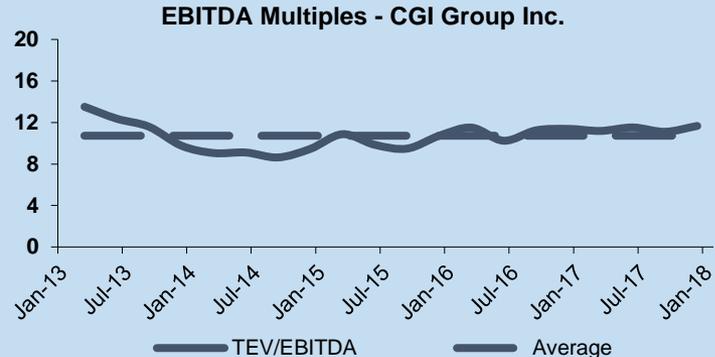
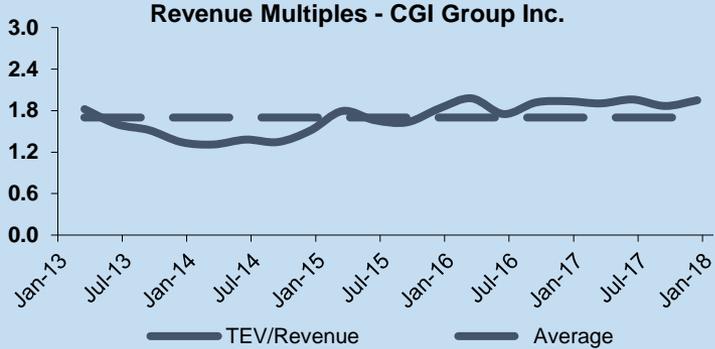


# PUBLIC BASKET CONSTITUENTS

## CGI Group Inc.

CGI Group Inc. provides information technology and business process services in Canada and internationally. It offers application development and maintenance, portfolio management, quality assurance and testing, modernization, and migration services; agile, business transformation, change management, CIO advisory, cybersecurity, data analytics, digital enterprise, project management, and industry-specific business consulting services; business-to-business and customer operations support, purchase management, revenue management, and supplier payment services; and data center facilities and management, technical service desk, printing and document management, remote infrastructure, transformation, storage as a service, data vaulting, disaster recovery and archiving as a service, bottomless edge-to-core storage, and file sync and share as a service, as well as infrastructure solutions and consulting services. The company was founded in 1976 and is headquartered in Montreal, Canada.

Date	Key Development Headline
12/6/17	CGI Group Inc. (TSX:GIB.A) acquired Paragon Solutions, Inc.
11/8/17	CGI Group Seeks Acquisitions
8/22/17	CGI Group Inc. (TSX:GIB.A) acquired Summa Technologies, Inc.
5/11/17	CGI Group Inc. (TSX:GIB.A) completed the acquisition of ECommerce Systems, Inc.
5/3/17	CGI Group Mulls Acquisitions

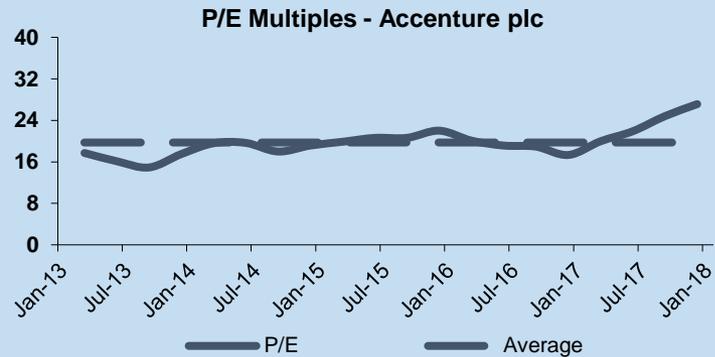
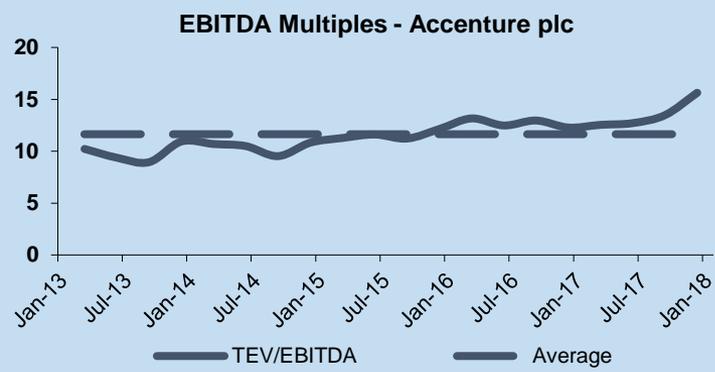
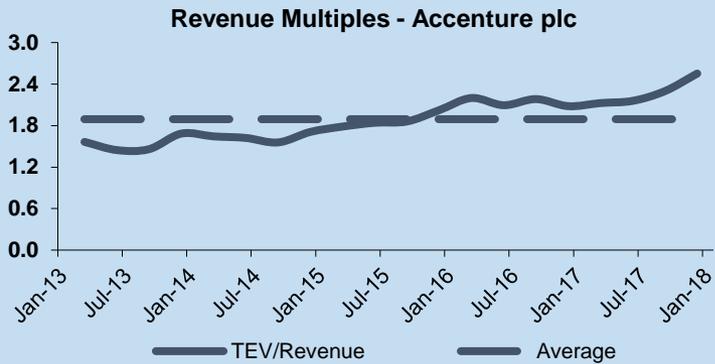


# PUBLIC BASKET CONSTITUENTS

## Accenture plc

Accenture plc provides consulting, technology, and outsourcing services worldwide. Its Communications, Media & Technology segment provides professional services that help clients accelerate and deliver digital transformation, and enhance business results through industry-specific solutions for communications, media, and high tech industries, as well as for software platforms. The company's Financial Services segment offers services that address profitability pressures, industry consolidation, regulatory changes, and the need to continually adapt to new digital technologies. This segment serves clients in banking, capital markets, and insurance industries. Its Health & Public Service segment provides research-based insights and offerings, including consulting services and digital solutions to help clients deliver social, economic, and health outcomes. This segment serves healthcare payers and providers, as well as government departments and agencies, public service organizations, educational institutions, and non-profit organizations. The company's Products segment helps clients enhance their performance in distribution, sales, and marketing; in research and development, and manufacturing; and in business functions, such as finance, human resources, procurement, and supply chain. Accenture plc was founded in 1989 and is based in Dublin, Ireland.

Date	Key Development Headline
1/9/18	Accenture plc (NYSE:ACN) signed an agreement to acquire MACKEVISION Medien Design GmbH from GIMV NV (ENXTBR:GIMB) and other shareholders.
1/7/18	Accenture plc (NYSE:ACN) acquired Altima SAS from Capital Croissance SAS and others.
1/5/18	Faurecia and Accenture Join Forces to Reinvent Onboard Experience for Connected and Autonomous Vehicles

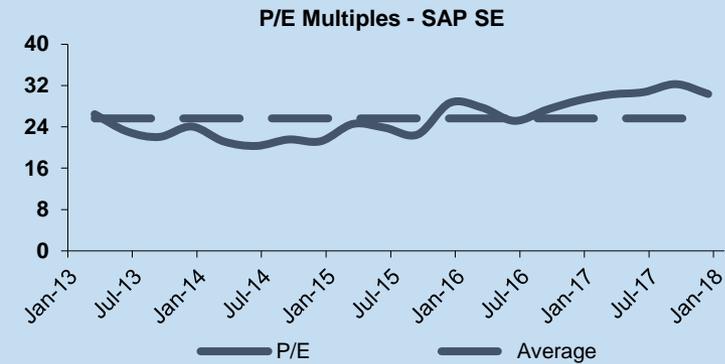
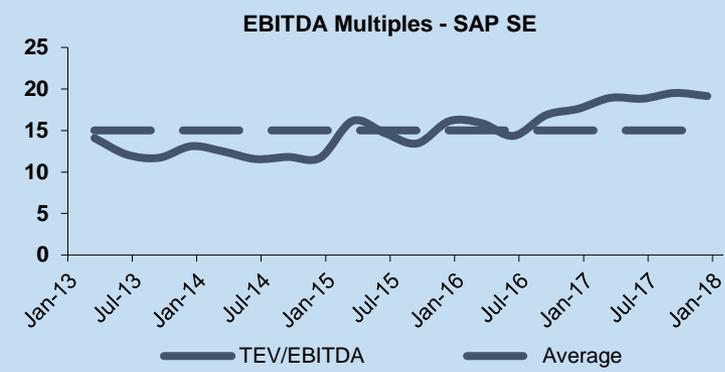
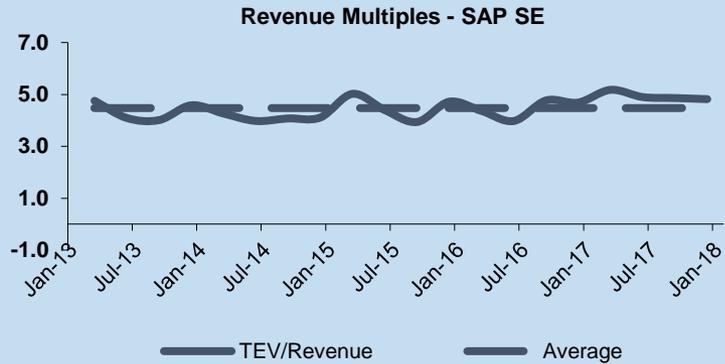


# PUBLIC BASKET CONSTITUENTS

## SAP SE

SAP SE operates as an enterprise application software and database company worldwide. It offers SAP HANA and SAP S/4HANA, which are in-memory computing platforms that store and process huge data, and eliminate the maintenance of separate legacy systems and siloed data; SAP BW/4HANA, a data warehouse software; SAP S/4HANA Cloud, a software-as-a-service solution that provides the scalability, ease of management, and security; SAP SuccessFactors, a suite of human capital management solutions to develop, manage, engage, and empower the workforce; SAP Concur, a travel and expense management solution; SAP Ariba, a guided buying, light enablement, and open platform solution; and SAP Fieldglass, a solution to procure and manage external workforce. The company also provides SAP Cloud Platform, an in-memory platform-as-a-service to build, run, and extend business applications; SAP BusinessObjects Cloud, a cloud analytics solution; SAP Digital Boardroom, a solution to access company data in real time; and SAP Leonardo, a solution to digitize manufacturing, logistics, and asset management processes, as well as maintenance, consulting, and training services. SAP SE was founded in 1972 and is headquartered in Walldorf, Germany.

Date	Key Development Headline
11/14/17	EY Collaborates with SAP to Continue Advancement of Blockchain Deployment Across Industries Worldwide
10/9/17	VMware, Inc. Teams Up with SAP to Accelerate and Streamline Enterprise IoT Initiatives
8/29/17	BASF and SAP SE Bring Multiple Business Partners Together in Global Network for Technical Assets
6/19/17	ASE Group Establishes Competence Center in Partnership with SAP



# CONTACT INFORMATION

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. Securities offered through 7M Securities LLC.

<b>Leroy Davis, Partner</b>	704.899.5962	leroy@7mileadvisors.com
<b>Tripp Davis, Partner</b>	704.899.5762	tripp@7mileadvisors.com
<b>Andy Johnston, Partner</b>	704.899.5961	andy@7mileadvisors.com
<b>Tom Dinnegan, Managing Director</b>	310. 426.2410	tom@7mileadvisors.com
<b>Ben Lunka, Managing Director</b>	704.496.2995	ben@7mileadvisors.com
<b>Jeff Stoecklein, Managing Director</b>	312-373-3737	jeff@7mileadvisors.com
<b>Kristina Sergueeva, Director</b>	704.899.5149	kristina@7mileadvisors.com
<b>Neil Churman, Director</b>	704.899.5960 x 121	neil@7mileadvisors.com
<b>John Cooper, Director</b>	704.973.3996	john@7mileadvisors.com
<b>Tim Frye, Director</b>	704.973.3994	tim@7mileadvisors.com
<b>Casey Augustine, Business Development - Manager</b>	704.973.3999	casey@7mileadvisors.com
<b>Nicholas Prendergast, Financial Analyst</b>	704.899.5960	nicholas@7mileadvisors.com
<b>Ariail Siggins, Marketing Director</b>	704.899.5960 x 123	ariail@7mileadvisors.com
<b>Rory Julyan, Associate</b>	704.899.5960	rory@7mileadvisors.com
<b>Chevonese Dacres, Analyst</b>	360.499.1502	chevonese@7mileadvisors.com

Charlotte | Los Angeles | Tampa | Houston | Chicago

