



IT Services

Earnings Call Synopsis / Q3 2018 Results

Content



[Summary](#)

[Deal Spotlight](#)

[Earnings Call Overview / Players In The Industry](#)

[Financial Trends and Transactions](#)

ABOUT 7 MILE ADVISORS

7 Mile Advisors is a partner-led middle-market investment banking firm providing strategic M&A, private capital transactions, and market insight for business owners, corporations, and private equity firms.

The 7MA team has completed over 120 transactions in the IT Services sector. We provide pragmatic advice, sector expertise and innovative processes to help clients adeptly navigate the decision tree. Our high-touch processes with senior-led deal teams are the cornerstone of the 7MA process.

Select Recent Transactions



SUMMARY

We are pleased to present our review and synopsis of results and earnings call commentary for Q3 2018. This summary includes the most recent financial results for key publicly traded companies in the IT Services sector (mix of buyers in Managed Services, Cloud Services, IT Services, and IT Consulting, among other service offerings in the technology market) for the period July – September 2018.

M&A Indicators:

- + Booming U.S. economy, and ability of corporate and private buyers to make substantial investments to increase scale.
- + Talent acquisition continues to trend upward as a factor driving M&A strategies, especially in the thriving technology and tech-enabled services sectors.
- + Digital Strategy

Technology Trends to Watch

- + [Robotic Process Automation](#)
- + [Blockchain](#)
- + Digital, AI, Analytics, Cloud, and Cybersecurity

Content



Summary
Deal Spotlight

Earnings Call Overview / Players In The Industry
Financial Trends and Transactions

7MA DEAL SPOTLIGHT – Q3 2018

Arrow Digital Acquired By Softvision

Custom Software Development, RPA, IT Consulting



- Softvision acquired Arrow Digital, a West Palm Beach-based digital consulting firm. Softvision will add West Palm Beach, Florida; Dallas, Texas; Lviv, Ukraine; and Ahmedabad, India to Softvision's growing network of 23 studios.
- This acquisition marks 7 Mile Advisors' second successful transaction in the Custom Software and IT Consulting space in the past month.
- The acquisition strengthens Softvision's RPA expertise for the Financial Services industry.

Intellinet Acquired By FPT Software

Microsoft, Infrastructure, Custom Software Development, IT Consulting



- FPT, the global leading IT Service Provider headquartered in Vietnam, and Intellinet, a U.S.-based purpose-driven management consulting and technology services firm, reached a definitive agreement for FPT to become the major shareholder of Intellinet, expanding the company's footprint in the United States.
- This partnership enables both companies to deliver end-to-end strategic IT services on a global scale, helping clients to accelerate their Digital Transformation journey.
- With a team of 150 Intellinet consultants joining FPT's workforce, the two companies are able to provide a full range of technology solutions from consultancy, requirement definition, system design, development, implementation, and maintenance for worldwide clients.

Content



Summary
Deal Spotlight

Earnings Call Overview / Players In The Industry
Financial Trends and Transactions

IT SERVICES INDUSTRY OVERVIEW

IT Services M&A was robust in Q3 2018. As an increasing number of firms continue to explore new and cutting-edge digital strategies, IT Services will continue to generate significant investment interest among acquisitive companies in 2019 and beyond.

Accenture has been instrumental in helping companies address the shift to digital through its Industry X.0 platform. To expand its Industry X.0 practice in North America, Accenture acquired software company Pillar Technology and hardware engineering firm Mindtribe. These two deals boost Accenture Industry X.0's ability to help companies digitize their enterprise through redefined smart connected software and physical products. Serial buyer Cognizant also expanded its digital transformation services and sales cloud capability with the acquisition of SaaSfocus. The company is further augmenting its digital engineering capabilities through the acquisition of Softvision, which will allow the company to provide software engineering services to EU-based clients. This transaction is expected to close in the fourth quarter of 2018.

There is an acceleration of digitization across industries to meet consumer expectations. Companies are planning to embrace digital transformation to improve asset efficiencies and are looking to consolidate and upgrade their systems for better business insights. All signs point to continued growth and demand for consulting and IT services. As such, the outlook for this space remains optimistic for the rest of this year and beyond.

 **PERFICIENT™**

 **Globant**
we are ready

 **epam**

 **wipro**

 **CGI**

 **Cognizant**

 **Infosys**

 **accenture**

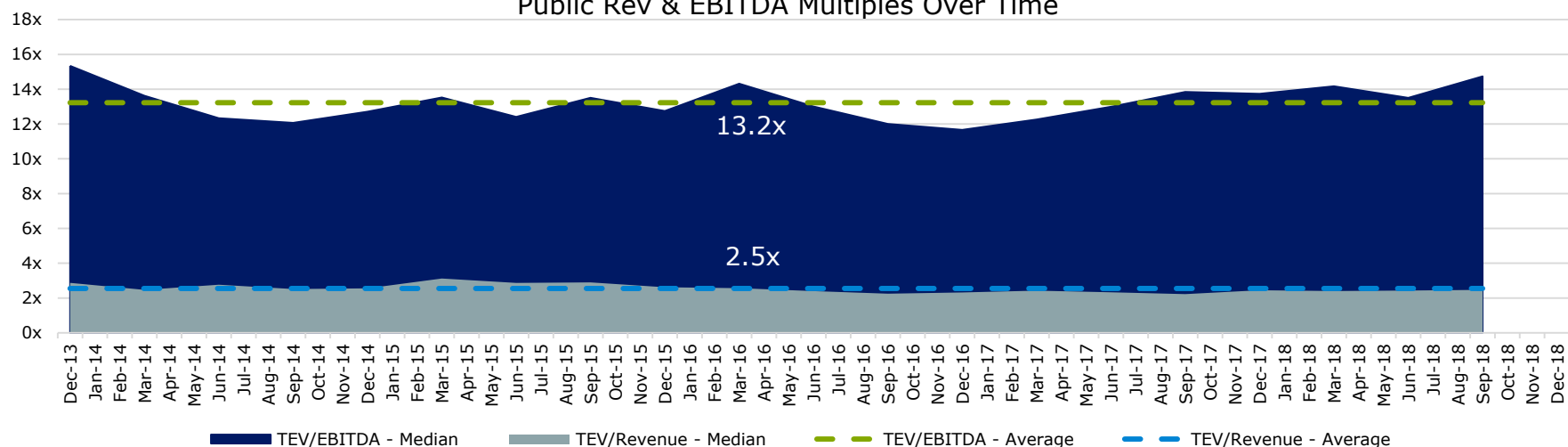
 **IBM®**

 **LUXOFT**

PUBLIC BASKET AND VALUATION TRENDS

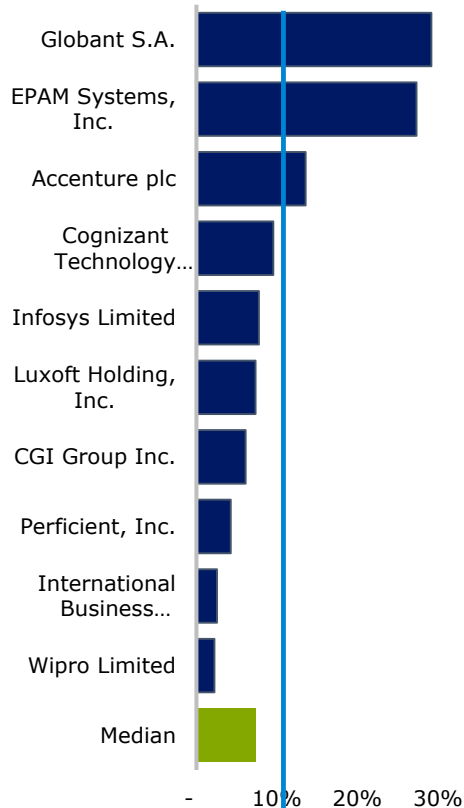
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Perficient, Inc.	865	488	4%	35%	12%	1.8	15.2	3,024	161
Luxoft Holding, Inc.	1,014	911	7%	37%	11%	1.1	10.3	12,898	71
Globant S.A.	1,854	498	29%	38%	16%	3.7	22.8	6,753	74
EPAM Systems, Inc.	5,943	1,737	27%	35%	15%	3.4	22.7	25,962	67
Wipro Limited	17,383	7,713	2%	29%	17%	2.3	13.0	163,827	47
CGI Group Inc.	18,663	8,902	6%	31%	17%	2.2	12.9	74,000	120
Cognizant Technology Solutions Corp.	34,808	15,824	10%	39%	21%	2.2	10.5	260,000	61
Infosys Limited	36,628	11,313	8%	35%	27%	3.2	12.2	204,107	55
Accenture plc	95,859	39,573	14%	31%	16%	2.4	14.9	459,000	86
International Business Machines Corp.	142,798	80,373	3%	46%	21%	1.8	8.4	366,600	219
Average	35,581	16,733	11%	36%	17%	2.4	14.3	157,617	96
Median	18,023	8,307	8%	35%	17%	2.2	13.0	118,914	72

Public Rev & EBITDA Multiples Over Time



OPERATIONAL METRICS

LTM Revenue Growth %



Average Rate: 11%

LTM Gross Profit Margin %



Average Rate: 36%

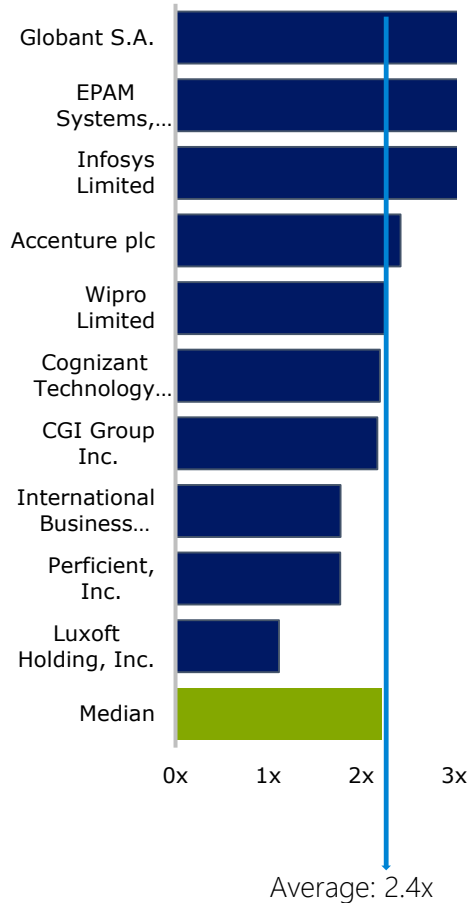
LTM EBITDA %



Average Rate: 17%

VALUATION

TEV / LTM Revenue



TEV / LTM EBITDA



Price / LTM Earnings





Commentary

"Client demand across industries is increasingly focused in advanced analytics, human-centered design and intelligent automation. These new initiatives have generated increased client outsourcing opportunities and renewed interest in partnering on CGI IP." — George D. Schindler, President & CEO

Highlights

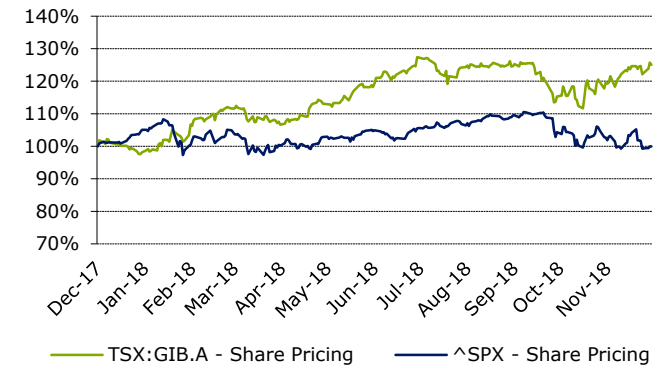
For the quarter ended September 30, 2018:

- Several metro market mergers were successfully completed, adding more than 1,700 talented professionals with expertise in data science and analytics across industries in Northern Europe, agile design and development across industries in Québec, and digital transformation consulting concentrated in the life sciences industry within the U.S. Northeast.
- CGI initiated new projects with Canadian banks, public utilities and retailers in the quarter as clients continue to focus on automating both customer-facing and core business systems. CGI accelerated the SaaS migration and blockchain enablement of its IP, particularly in financial services, as a direct result of the digital priorities of its Canadian clients.
- CGI is experiencing high demand for advanced analytics expertise across industries and countries in Northern Europe. Bookings were lower at 74% of revenue, reflective of the temporary slowdown in procurement decisions as the Brexit deadline nears. Given CGI's significant public sector positioning, the company continues to be optimistic about a post-Brexit upside as government clients implement sovereign program changes. Despite the uncertainty of Brexit, CGI is seeing global commercial clients moving forward with larger IT investments when compared with last year.

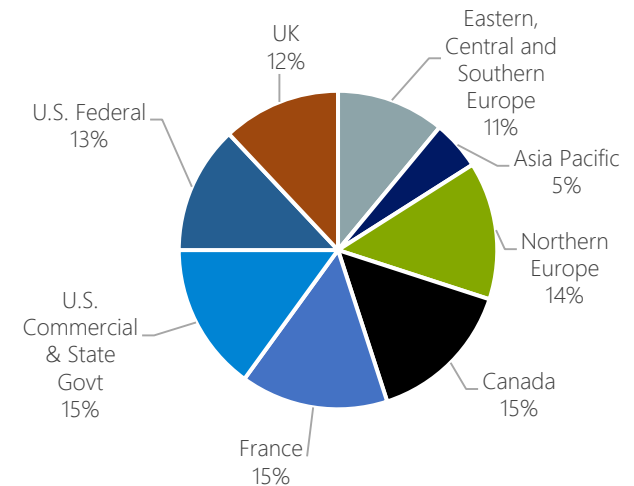
News

- [CGI Group Inc. entered into a definitive agreement to acquire ckc AG](#) on September 19, 2018.

Market Performance (LTM)



Revenue Mix



Source: PR, CapitalIQ, Presentation and Earnings Call Transcript

Commentary

"We are delighted with our broad-based growth across all business segments and geographies during the quarter.... Within digital, we see strong demand, especially in cloud, IoT, cyber, and data and analytics" — Salil Parekh, CEO

Highlights

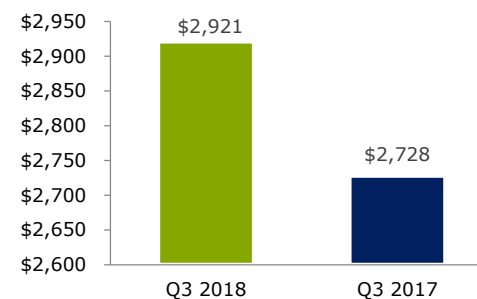
For the quarter ended September 30, 2018:

- Infosys' clients continue to increase spending in digital, data, and cloud, which resulted in a large digital-led deal pipeline. While Infosys expects momentum in the business over the next two quarters driven by new account openings and expansion of accounts opened earlier, near-term growth will also be impacted by seasonality. Insurance continues to perform strongly with a robust deal pipeline, especially in RPA and BPM.
- Overall, Infosys is seeing healthy growth in its deal pipeline. BPM is achieving industry-leading organic growth and margins with strong deal pipeline, both in traditional as well as digital and platform-based offerings.
- Infosys is continuing its investments in Agile, digital, automation, artificial intelligence, and also in its people via training and compensation. Overall, Infosys is positive that its strategy of Agile, digital and automation, AI and core services are resonating well with clients and building more relevance for them.
- Infosys had 12 large deal wins during the quarter, with a Total Contract Value of \$2.03 billion. Of the 12 deals, 7 were in Americas, 4 were in Europe and 1 was in other regions. By vertical, Infosys completed transactions in financial services (3), manufacturing (3), Hi-Tech (2), retail (1), communications (1), and other (2).

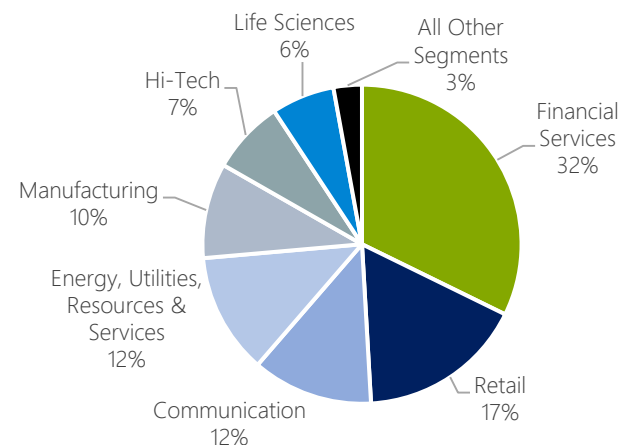
News

- [Infosys Completes Acquisition of Fluidio](#), the Largest Salesforce Consulting Partner in Nordics.
- [Infosys Finacle and R3 Partner to Bring Blockchain Solutions on Corda](#) for Banks
- [Infosys Unveils Enterprise Class Open Source DevOps Platform](#)

Revenue (\$Million)



Revenue by Segment



Source: PR, CapitalIQ and Earnings Call Transcript



Commentary

"We remain sharply focused on enhancing our Digital solutions in order to advance our competitive position and meet the evolving needs of our clients."

— Dmitry A. Loshchinin, CEO, President & Director

Highlights

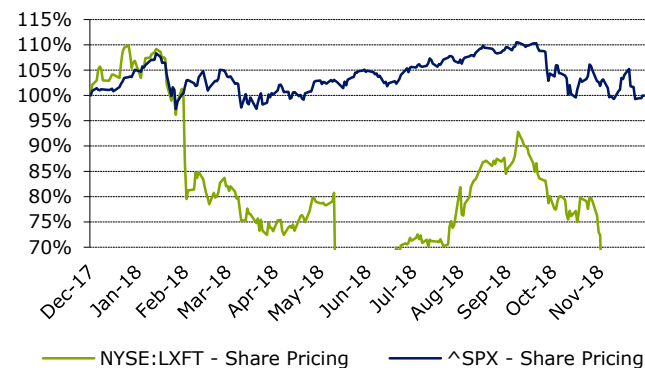
For the quarter ended September 30, 2018:

- Luxoft is committed to investing in disruptive technologies in order to enhance its value proposition. Luxoft is building strong momentum with its blockchain technologies, as the growing number of clients are moving from ideation to implementation phases. The company is well positioned in blockchain and has the resources and capabilities to drive client success.
- In healthcare, Luxoft is working with a large client in order to simplify and streamline claims processing. Luxoft is also engaged in revenue cycle management project for a large hospital network.
- Luxoft will continue to invest in its Automotive solution, given strong growth potential in areas such as connected mobility, autonomous drive, and digital cockpit.
- Luxoft is capturing synergies with Objective Software and is pleased with the new opportunity this acquisition has provided thus far.
- Luxoft won a long-term deal with a leading global financial institution where Luxoft is building and maintaining a variety of financial and business intelligence apps. The company has also been integral in the development of workflow operations for a large global bank. Luxoft will continue to focus on growing its wealth and asset management and expect further growth in fiscal 2020.

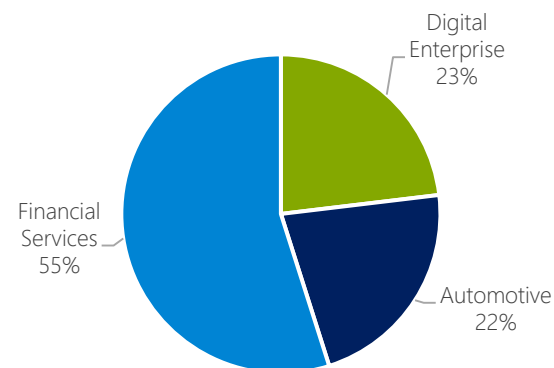
News

- [Luxoft Holding, Inc. completed the acquisition of Objective Software GmbH](#)
- [Luxoft & Appian reveal how Blockchain can revolutionize Healthcare in new whitepaper](#)

Market Performance (LTM)



Revenue by Segment



Source: PR, CapitalIQ and Earnings Call Transcript



Commentary

"We continue to benefit from the significant investments we have made to further strengthen our leadership position in high-growth areas such as digital, cloud and security services...." — Pierre Nanterme, Chairman / CEO

Highlights

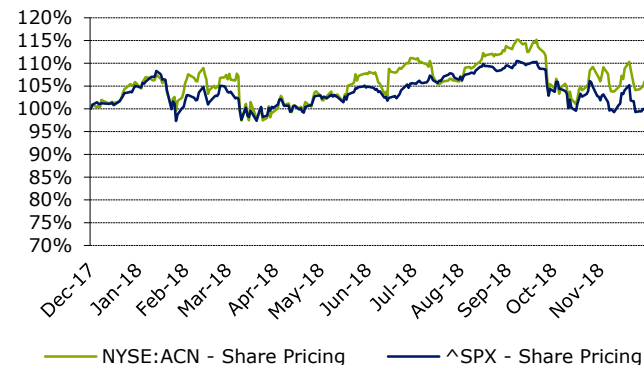
For the quarter ended August 31, 2018:

- Consistent with last quarter, there is continued strong demand for Intelligent Platform Services, which was an important contributor to Accenture's growth. These services primarily relate to deploying next-generation technologies, as well as SAP, Microsoft, Oracle, Salesforce, and Workday.
- Accenture's rapid rotation to "the New" digital, cloud, and security-related services has contributed significantly to its performance. In fiscal year 2018, "the New" accounted for \$23 billion or approximately 60% of total revenue — more than the double the revenue just three years ago.
- Consulting bookings were \$6.1 billion, representing a book-to-bill of 1.1, and outsourcing bookings were \$4.7 billion, with a book-to-bill of 1.0. The dominant theme continued to be strong demand for "the New."
- Accenture continues to invest in its industry X.0 capabilities and completed three acquisitions in the quarter including: Pillar Technology, a software firm in Columbus, Ohio; Mindtribe, a hardware engineering company in San Francisco; and Designaffairs, a design firm in Germany.
- Accenture gained significant market share, growing about three times the broader market with strong growth in nearly all of its largest markets. Accenture is generating outstanding free cash flow of \$5.4 billion and returned \$4.3 billion in cash to shareholders through share repurchases and dividends.

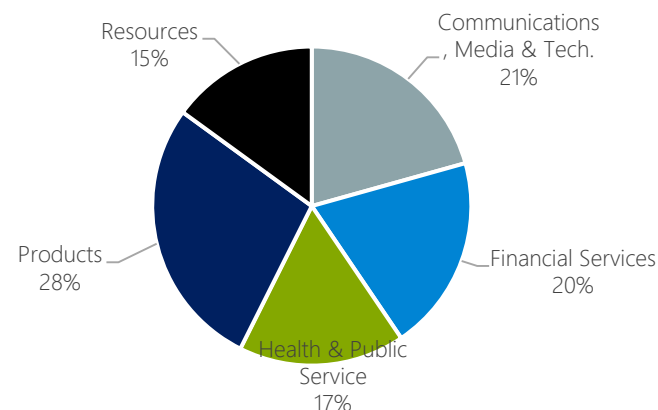
News

- [Accenture completed the acquisition of Pillar Technology Group](#)
- [Accenture plc completed the acquisition of Mindtribe](#)
- [Accenture plc completed the acquisition of Kogentix Inc.](#)

Market Performance (LTM)



Revenue by Segment



Source: PR, CapitalIQ and Earnings Call Transcript

Commentary

"During the quarter, we added to our digital capabilities with the acquisition of Stone Temple Consulting, a highly regarded and award-winning digital consultancy, focused on search engine optimization and content marketing services." — Jeffrey Davis, President and CEO

Highlights

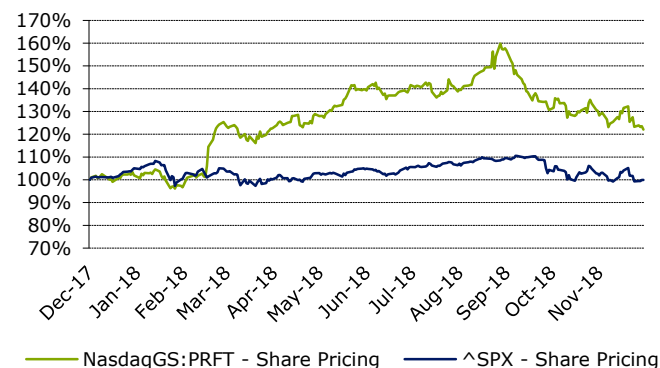
For the quarter ended September 30, 2018:

- In the quarter, Perficient grew by acquisition. Perficient added to its digital capabilities with the acquisition of Stone Temple Consulting, a highly regarded and award-winning digital consultancy, focused on search engine optimization and content marketing services.
- This quarter, Forrester Research named Perficient one of the 11 providers that matter most in a report covering digital process automation. Specifically, Forrester called out Perficient's ability to maintain long-term relationships with prominent clients and referred to the company as a trusted partner.
- Perficient completed a convertible debt offering during the quarter, where the company raised more than \$140 million, which was then used to pay off its existing credit facility and execute a large buyback, leaving the company with \$45 million cash on balance sheet and full access to the original \$125 million credit facility. That, coupled with strong cash flow being generated each quarter, leaves Perficient very well positioned to grow and execute on strategic plans for years to come.

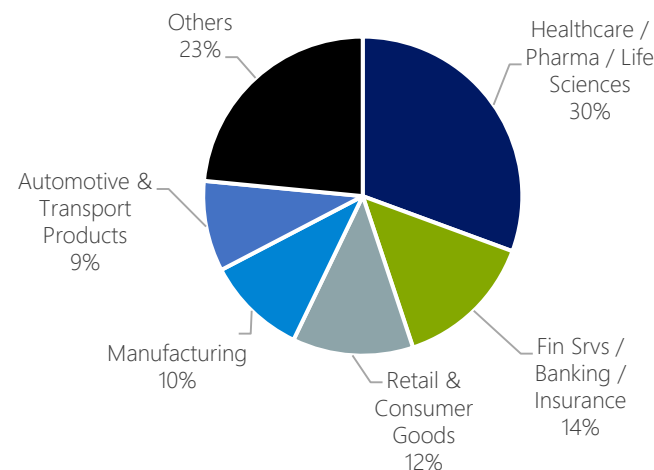
News

- [Perficient acquired Stone Temple Consulting Corporation](#) on July 16, 2018. Stone Temple Consulting had \$9 million of annual revenue. The acquisition is expected to be accretive to adjusted earnings per share immediately.
- [Pivotal names Perficient a systems integrator customer impact partner award winner for achievements in cloud innovation](#)

Market Performance (LTM)



Revenue by Industry



Source: PR, CapitalIQ, Presentation and Earnings Call Transcript



Commentary

"Our continued focus on expanding and strengthening our engineering, design and consulting capabilities helped us deliver another strong quarter. As our customers try to keep pace with constant change, we will continue to meet their demands with our compelling, disruptive solutions, delivering value and broadening our relevance to the market." — Arkadiy Dobkin, President & CEO

Highlights

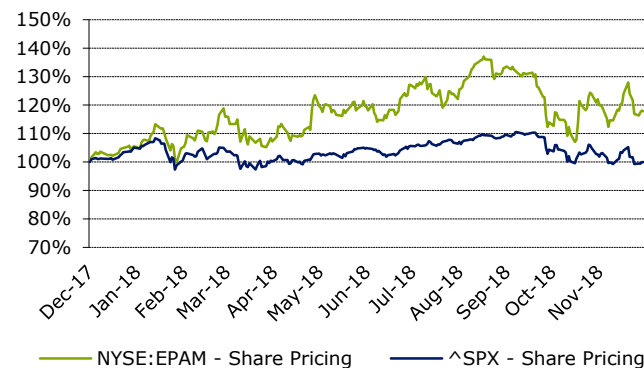
For the quarter ended September 30, 2018:

- EPAM announced the acquisition of TH_NK Digital, a U.K.-based consultancy with three studios across the U.K. TH_NK brings a high level of consultants and customer engagement experience — expertise that expands upon Global Digital and the organizational consultant capabilities within the U.K. and Europe. This acquisition should further enhance EPAM' s ability to meet customer demand for dynamic design-led consulting, digital products innovation, and advanced business solutions.
- For Q4 of fiscal year 2018, EPAM' s revenue is projected to be at least \$500 million including an estimated \$2 million contribution from the TH_NK acquisition, producing a growth rate of at least 25%.
- The drivers of revenue growth across EPAM' s industry verticals in the third quarter remain consistent in the industries they serve — these include digital transformation, increased focus on customer engagement, product development, driving efficiencies and deeper insights to artificial intelligence, machine learning, and analytics.

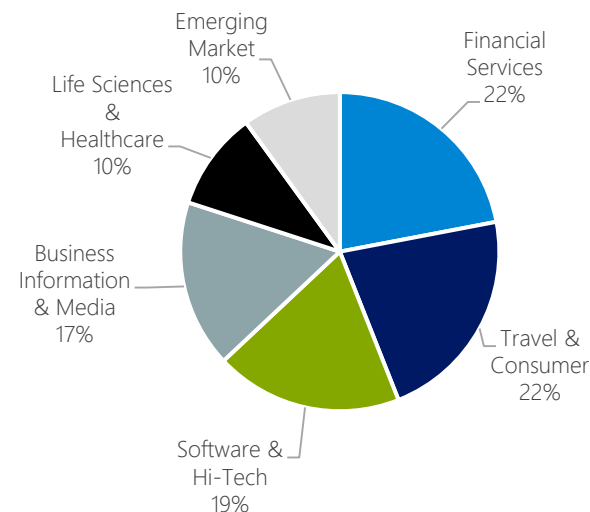
News

- [EPAM Acquires TH_NK](#) to Enhance Digital Consulting Services and Solutions.
- [EPAM Expands Its Partnership with Google](#) as an Advanced Solutions Lab System Integrator Partner.

Market Performance (LTM)



Revenue by Segment



Source: PR, CapitalIQ, Presentation and Earnings Call Transcript



Commentary

"We made continued progress in our shift to digital by building new capabilities and helping our clients excel with digital services and solutions." — Francisco D'Souza, CEO and Vice Chairman of the Board

Highlights

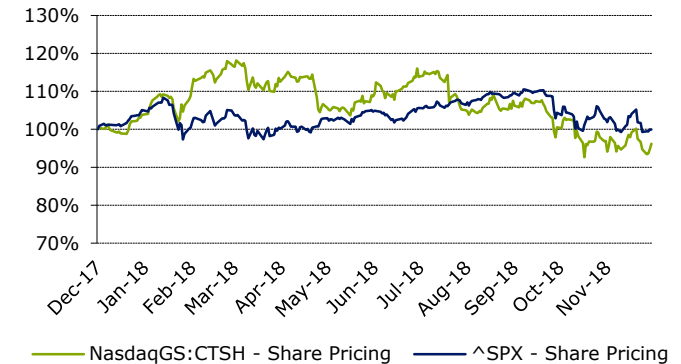
For the quarter ended September 30, 2018:

- Three of Cognizant's four business segments delivered a strong performance in the quarter, driven largely by the increasing adoption of digital. In the fourth segment, banking and financial services, Cognizant saw good growth in its digital offerings, which continues to be offset by pressure on run-the-bank spending.
- Cognizant announced three acquisitions this quarter to further enhance its digital capabilities. The acquisition of Advanced Technology Group will strengthen Cognizant's cloud solutions portfolio as clients shift to business models based on recurring revenue streams. The acquisition of SaaSfocus will expand its end-to-end digital transformation services and Salesforce cloud capabilities in Asia-Pacific. The acquisition of Softvision will expand the company's digital engineering capabilities. Softvision will bring more than 2,800 technologists to Cognizant, increasing its ability to provide software engineering services to clients from a new Eastern European base in Romania, a fast emerging hub for software developers.
- Cognizant's acquisition activity complements its ongoing organic investment in digital capabilities, domain knowledge, global and local delivery, and overall ability to deliver for clients from strategy through implementation and outcomes.

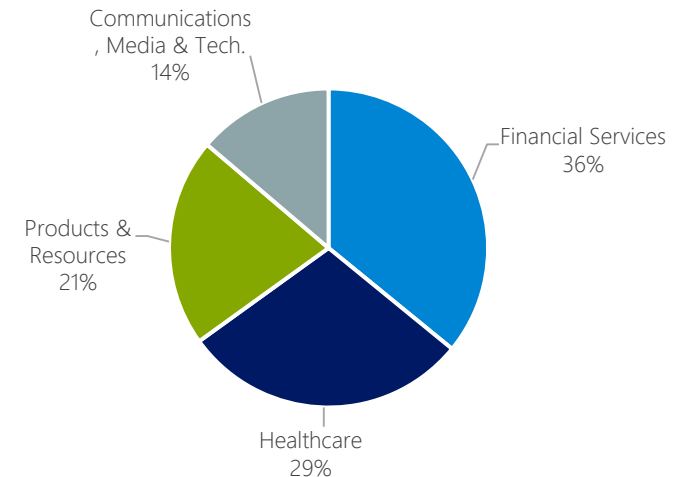
News

- [Cognizant entered into a definitive agreement to acquire Softvision](#) from Tower Arch Capital on October 4, 2018.
- [Cognizant entered into agreement to acquire Advanced Technology Group](#) on September 18, 2018.
- [Cognizant agreed to acquire SaaSforce Consulting](#) on August 23, 2018.

Market Performance (LTM)



Revenue by Segment



Source: PR, CapitalIQ, Presentation and Earnings Call Transcript

Commentary

"As a pure play in the digital and cognitive arena, we are consistently showing that we are the right partner to help our customers drive their transformations. We do this with a model that includes innovation, entrepreneurship, digital technologies, AI and agility." — Martín Migoya, Globant's CEO and Co-Founder

Highlights

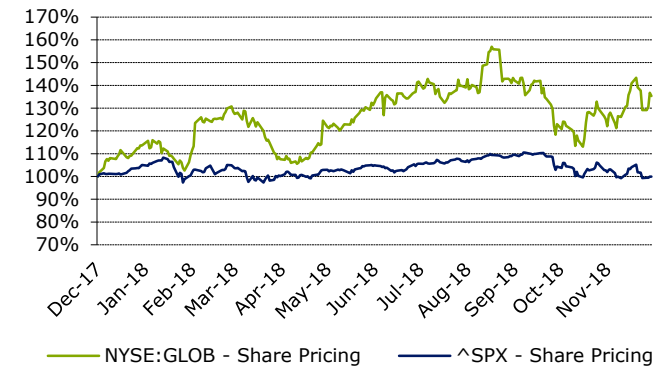
For the quarter ended September 30, 2018:

- Globant formed a new partnership with Wayin, a real-time digital marketing software company, to help deliver better solutions to its customers. Globant will help Wayin create enhanced services for large companies. In turn, Wayin will provide Globant with a robust marketing platform to strengthen digital strategy capabilities and marketing efforts.
- In Europe, Globant is working on a wide variety of strategic programs. The company is helping one of the leading retailers in the world to build a more scalable API platform. Also for a global leading financial institution, Globant is working on the evolution of a mobile product that can scale to millions of consumers.
- During Q3 2018, Globant repaid \$6 million in financial debt. The company mainly used cash to pay for M&A transactions (including earnouts) and CapEx to expand offices in Latin America, U.S., and Europe.
- Globant's new platform, Globant Minds, is a new way to deliver cognitive transformation in a rapid and efficient manner. It works on top of the massive amount of existing AI algorithms and RPA solutions and complement them, providing to Globant's customers a simplified path to leverage AI. Globant Minds will help Globant provide value-added solutions for customers by keeping the platform current with every new algorithm and AI system out there.

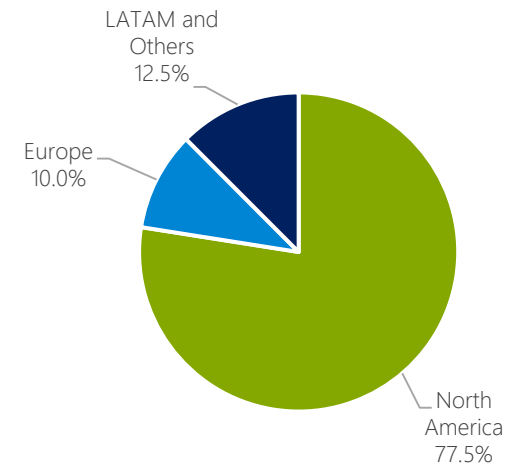
News

- [Globant And Wayin Announce That They Will Work Together](#)
- [New Globant Report Debunks Common AI Myths](#)

Market Performance (LTM)



Revenue by Segment



Source: PR, CapitalIQ and Earnings Call Transcript



Commentary

"IBM' s progress and momentum this year in the emerging, high-value segments of the IT industry are driven by our innovative technology, deep industry expertise and commitment to trust and security."

— Ginni Rometty, President and CEO

Highlights

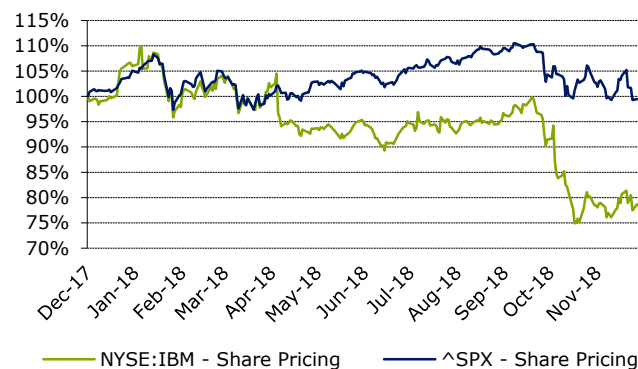
For the quarter ended September 30, 2018:

- IBM continues to see strong client demand in the emerging, high-value segments of the IT industry. IBM' s performance this quarter was driven by its offerings in hybrid cloud, security, digital, analytics, and AI.
- This quarter, IBM saw growth in health and key areas of analytics and security. In Watson Health, where IBM has been infusing AI the longest, the company had broad-based growth including in payer, provider, imaging, and life sciences. In the area of life sciences, IBM has been working with Medtronic to leverage data and apply intelligence into its glucose monitors.
- Security growth in the quarter was led by offerings in orchestration, data security, and endpoint management. IBM' s momentum is driven by its unique market position, comprehensive integrated portfolio, and differentiation with AI.
- Consulting revenue growth accelerated to 7%, led by strength in offerings within the Digital Strategy and iX, as well as Cognitive Process Transformation. IBM' s consulting performance reflects the fact that enterprises are undergoing a digital transformation and reinvention, leveraging technology to transform the way the company operates, to attract the best talent, and to improve engagements with customers.

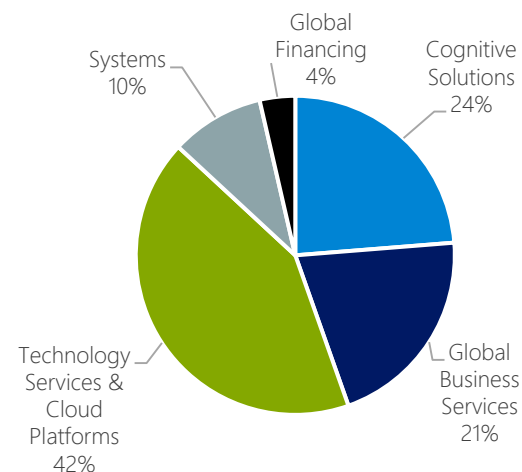
News

- [IBM To Acquire Red Hat](#), Completely Changing The Cloud Landscape And Becoming World's #1 Hybrid Cloud Provider.
- [Anthem and IBM Announce Agreement to Drive Digital Transformation](#). Expanded agreement with IBM Services to improve healthcare experience.

Market Performance (LTM)



Revenue by Segment



Source: PR, CapitalIQ and Earnings Call Transcript



Commentary

"Wipro has delivered a strong quarter on both revenue and margin growth. We won our largest deal to date and four of our Business Units grew over 4% ... The demand environment is robust, especially for digital transformation and enterprise scale modernization services." — Abidali Neemuchwala, CEO

Highlights

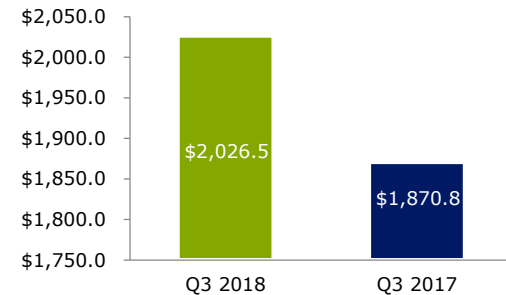
For the quarter ended September 30, 2018:

- Wipro announced the \$1.5 billion deal from Aight Solutions, marking its largest win to date. The company sees good momentum in its business led by steady performance in banking and financial services and its consumer businesses. Wipro also sees a revival in the energy and utility business and an uptick in its communication business driven by core enterprise spend as well as the new edge areas like 5G.
- In the health segment Wipro continues to see challenges, driven by the uncertainty around the Affordable Care Act. By geography, the U.S. continues to see a pickup in growth across industry segments. Wipro won a long-term digital strategic engagement with a leading healthcare company to enhance the user experience through IT service desk transformation. The contract will leverage artificial intelligence and automation for service desk transformation.
- Wipro continues to see strong traction on Topcoder, its crowdsourcing platform. Essentially in the areas of data science and analytics as more global customers seek to gain insights and accelerate efficiencies through improved analytics and customer algorithms, Topcoder and crowdsourcing is uniquely positioned to answer the pressing customer pain point, especially in this market caused by lack of accessible talent.

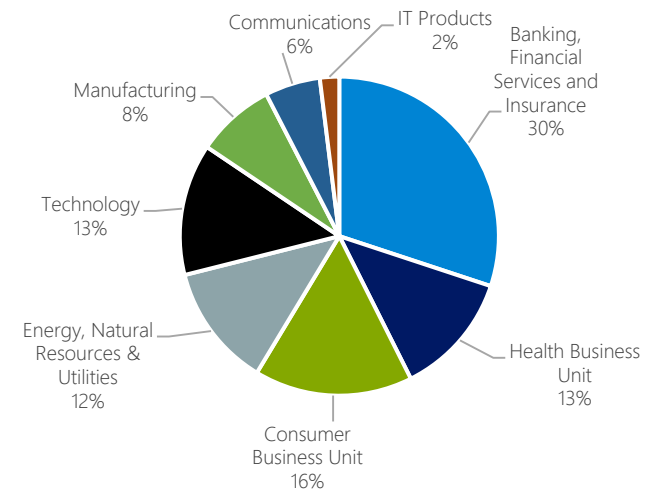
News

- [Wipro Limited completed the acquisition of Aight HR Services India Pvt Ltd](#) from Aight Solutions on August 31, 2018.
- [Wipro Cited as a Leader in Gartner's Magic Quadrant](#) for Data Center Outsourcing and Hybrid Infrastructure Managed Services, North America.

Revenue (\$Million)



Revenue by Segment



Source: PR, CapitalIQ and Earnings Call Transcript

Content



Summary
Deal Spotlight
Earnings Call Overview / Players In The Industry
Financial Trends and Transactions

FINANCIAL TRENDS

Company Name	Revenue (\$M)					Revenue YOY% change				
	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Perficient, Inc.	123.9	121.8	120.9	130.5	123.7	0.2%	4.1%	8.9%	12.4%	8.4%
Globant S.A.	134.6	127.9	119.7	115.4	109.7	22.7%	28.4%	34.9%	32.3%	33.2%
Luxoft Holding, Inc.	228.4	212.8	232.9	236.6	228.0	0.2%	1.7%	14.1%	14.3%	16.1%
EPAM Systems, Inc.	468.2	445.6	424.1	399.3	377.5	24.0%	27.7%	30.6%	27.4%	26.6%
Wipro Limited	2,004.4	2,041.1	2,115.8	2,141.6	2,055.2	8.3%	2.6%	-1.6%	-0.1%	-2.5%
CGI Group Inc.	2,165.3	2,235.8	2,287.8	2,246.2	2,086.7	7.3%	3.7%	8.3%	5.3%	1.0%
Infosys Limited	2,921.0	2,831.0	2,805.0	2,755.0	2,728.0	7.1%	6.8%	9.2%	8.0%	5.5%
Cognizant Technology Solutions Corporation	4,078.0	4,006.0	3,912.0	3,828.0	3,766.0	8.3%	9.2%	10.3%	10.6%	9.1%
Accenture plc	10,315.0	9,585.4	9,523.2	9,150.0	8,867.0	16.3%	15.2%	11.8%	7.8%	5.1%
International Business Machines Corporation	18,755.0	20,003.0	19,072.0	22,543.0	19,153.0	-2.1%	3.7%	5.1%	3.6%	-0.4%
Average	4,119.4	4,161.0	4,061.4	4,354.6	3,949.5	9%	10%	13%	12%	10%
Median	2,084.8	2,138.5	2,201.8	2,193.9	2,070.9	8%	5%	10%	9%	7%

FINANCIAL TRENDS

Company Name	GM%					EBITDA%				
	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Perficient, Inc.	36.1%	34.6%	34.5%	33.3%	34.4%	12.4%	11.8%	10.7%	10.8%	12.5%
Globant S.A.	39.5%	38.5%	37.8%	37.2%	36.4%	18.2%	16.7%	15.4%	14.0%	13.8%
Luxoft Holding, Inc.	38.4%	35.4%	36.2%	39.0%	38.9%	12.2%	8.8%	9.8%	12.2%	13.4%
EPAM Systems, Inc.	35.7%	35.1%	34.5%	36.4%	36.6%	15.8%	14.2%	13.4%	15.0%	14.9%
Wipro Limited	30.0%	28.2%	29.0%	29.8%	29.5%	16.1%	17.4%	17.9%	18.2%	20.7%
CGI Group Inc.	80.4%	14.9%	14.4%	14.4%	79.3%	17.5%	18.3%	17.7%	17.7%	17.1%
Infosys Limited	34.4%	34.7%	34.9%	34.6%	35.0%	25.9%	26.0%	27.2%	27.1%	26.8%
Cognizant Technology Solutions Corporation	39.2%	39.7%	38.6%	38.3%	37.9%	21.7%	19.8%	20.7%	21.4%	20.7%
Accenture plc	32.2%	29.7%	32.1%	31.5%	32.8%	17.1%	15.7%	18.0%	15.8%	17.7%
International Business Machines Corporation	46.9%	46.0%	43.2%	48.2%	46.9%	22.6%	21.8%	17.7%	25.7%	22.0%
Average	41%	34%	34%	34%	41%	18%	17%	17%	18%	18%
Median	37%	35%	35%	35%	37%	17%	17%	18%	17%	17%

FINANCIAL TRENDS

Company Name	EPS				
	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Perficient, Inc.	0.19	0.17	0.15	0.19	0.21
Globant S.A.	0.42	0.39	0.28	0.31	0.22
Luxoft Holding, Inc.	0.43	0.14	0.34	0.60	0.54
EPAM Systems, Inc.	1.15	0.89	1.15	(0.59)	0.77
Wipro Limited	0.06	0.07	0.06	0.06	0.07
CGI Group Inc.	0.80	0.76	0.73	0.78	0.56
Infosys Limited	0.13	0.12	0.13	0.17	0.13
Cognizant Technology Solutions Corporation	0.82	0.78	0.88	(0.03)	0.84
Accenture plc	1.60	1.37	1.79	1.48	1.05
International Business Machines Corporation	2.94	2.61	1.81	(1.14)	2.92
Average	0.9	0.7	0.7	0.2	0.7
Median	0.6	0.6	0.5	0.2	0.5

FINANCIAL TRENDS

Company Name	Stock Price (USD value)					Stock Price % change				
	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Perficient, Inc.	26.65	26.37	22.92	19.07	19.67	1.1%	15.1%	20.2%	-3.1%	5.5%
Globant S.A.	58.99	56.79	51.54	46.46	40.07	3.9%	10.2%	10.9%	15.9%	-7.8%
Luxoft Holding, Inc.	47.35	36.85	40.95	55.70	47.80	28.5%	-10.0%	-26.5%	16.5%	-21.4%
EPAM Systems, Inc.	137.70	124.33	114.52	107.43	87.93	10.8%	8.6%	6.6%	22.2%	4.6%
Wipro Limited	4.47	3.82	4.33	4.91	4.30	24.0%	-7.1%	-10.2%	11.6%	8.6%
CGI Group Inc.	64.43	63.34	57.62	54.46	51.76	0.0%	12.1%	8.8%	5.6%	-2.4%
Infosys Limited	10.06	9.54	8.70	8.16	6.89	11.7%	15.5%	8.6%	15.8%	-3.8%
Cognizant Technology Solutions Corporation	77.15	78.99	80.50	71.02	72.54	-2.3%	-1.9%	13.3%	-2.1%	9.2%
Accenture plc	155.74	161.01	148.01	130.76	124.47	-3.3%	8.8%	13.2%	5.1%	1.6%
International Business Machines Corporation	151.21	139.70	153.43	153.42	145.08	8.2%	-8.9%	0.0%	5.7%	-5.7%
Average	73.4	70.1	68.3	65.1	60.1	8%	4%	4%	9%	-1%
Median	61.7	60.1	54.6	55.1	49.8	6%	9%	9%	9%	0%

FINANCIAL TRENDS

Company Name	EV/EBITDA					EV/REVENUE				
	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Perficient, Inc.	17.1x	17.4x	15.9x	14.3x	15.9x	2.0x	2.0x	1.8x	1.6x	1.7x
Globant S.A.	28.6x	33.3x	34.1x	30.2x	26.4x	4.4x	4.5x	4.3x	4.1x	3.8x
Luxoft Holding, Inc.	15.0x	11.8x	14.1x	19.7x	16.9x	1.7x	1.3x	1.5x	2.1x	1.8x
EPAM Systems, Inc.	28.0x	27.3x	26.3x	26.2x	22.7x	4.2x	4.0x	3.8x	3.8x	3.3x
Wipro Limited	12.4x	9.8x	10.3x	11.6x	10.4x	2.3x	1.9x	2.0x	2.3x	2.1x
CGI Group Inc.	13.1x	13.5x	12.6x	11.8x	11.2x	2.2x	2.2x	2.1x	2.0x	1.9x
Infosys Limited	14.5x	13.5x	12.2x	10.3x	9.5x	3.9x	3.6x	3.3x	2.8x	2.6x
Cognizant Technology Solutions Corporation	12.9x	13.4x	14.2x	13.2x	14.2x	2.7x	2.8x	2.9x	2.6x	2.8x
Accenture plc	16.1x	16.5x	15.5x	13.5x	13.0x	2.6x	2.7x	2.5x	2.3x	2.2x
International Business Machines Corporation	10.1x	9.7x	10.7x	10.5x	9.8x	2.1x	2.0x	2.2x	2.2x	2.2x
Average	16.8x	16.6x	16.6x	16.1x	15.0x	2.8x	2.7x	2.6x	2.6x	2.4x
Median	14.7x	13.5x	14.2x	13.3x	13.6x	2.5x	2.5x	2.4x	2.3x	2.2x

KEY TRANSACTIONS IN 3Q 2018

Date	Target	Buyers/Investors	Target Business Description
09/24/2018	Paradigm Consulting Group Inc.	Golden Opportunities Fund Inc. – Class A; Westcap Management Ltd.	Paradigm Consulting Group Inc. provides information technology and business consulting services to government, healthcare, insurance, utilities, telecommunications, banking, and other sectors in North America.
09/18/2018	Advanced Technology Group, Inc.	Cognizant Technology Solutions Corporation (NasdaqGS:CTSH)	Advanced Technology Group, Inc. plans, implements, and optimizes automated cloud-based Quote-to-Cash (Q2C) business processes and technologies.
09/17/2018	Core BTS, Inc.	Tailwind Capital Group, LLC	Core BTS, Inc. provides business information technology (IT) consulting services. It offers cloud services, such as cloud assessments, Storage-as-a-Service, Platform-as-a-Service, Infrastructure-as-a-Service, and Collaboration-as-a-Service.
09/13/2018	Lobe Artificial Intelligence, Inc.	Microsoft Corporation (NasdaqGS:MSFT)	Lobe Artificial Intelligence, Inc. develops software which allows users to develop and apply deep learning and artificial intelligence models without writing code.
08/09/2018	Pillar Technology Group LLC	Accenture plc (NYSE:ACN)	Pillar Technology Group LLC provides information technology consulting services. The company's product includes LOOP which is a software service that validates the security, reliability, and compatibility of software and hardware integration before a hardware solution has been fully developed.

DISCLOSURES

At the time this was published: 1) 7M Securities was not making a market in any of the securities listed herein, nor was 7M Securities or associated persons selling or buying them from customers on a principal basis. 2) Neither 7M Securities, its officers nor its partners have a financial interest beyond a nominal basis in any of the securities of the issuers listed herein. 3) 7M Securities was not a manager or co-manager of a public offering of any of the securities listed herein within the past 12 months.

This report is for your information only and is not an offer to sell, or a solicitation of an offer to buy, the securities or instruments named or described in this report. Interested parties are advised to contact the entity with which they deal, or the entity that provided this report to them, if they desire further information. The information in this report has been obtained or derived from publicly available sources but neither 7 Mile Advisors, LLC nor 7M Securities, LLC represents that this information is accurate or complete. Any information contained in this report is subject to change without notice.

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.

Leroy Davis, Partner	704.899.5962	leroy@7mileadvisors.com
Tripp Davis, Partner	704.899.5762	tripp@7mileadvisors.com
Andy Johnston, Partner	704.899.5961	andy@7mileadvisors.com
Ben Lunka, Managing Director	704.496.2995	ben@7mileadvisors.com
Jeff Stoecklein, Managing Director	312.796.9330	jeff@7mileadvisors.com
Kristina Sergueeva, Director	704.899.5149	kristina@7mileadvisors.com
Neil Churman, Director	281.742.9340	neil@7mileadvisors.com
John Cooper, Director	704.973.3996	john@7mileadvisors.com
Tim Frye, Director	704.973.3994	tim@7mileadvisors.com
Nicholas Prendergast, Financial Analyst	704.973.3995	nicholas@7mileadvisors.com
Ariail Siggins, Marketing Director	704.981.2908	ariail@7mileadvisors.com
Sydney Larese, Associate	704.973.3998	sydney@7mileadvisors.com
Marty Johnson, Associate	704.973.3999	marty@7mileadvisors.com
Rory Julyan, Associate	704.981.2520	rory@7mileadvisors.com
Garth Martin, Associate	704.973.3997	garth.martin@7mileadvisors.com
Chevonese Dacres, Analyst	704.981.2342	chevonese@7mileadvisors.com