

7 Mile Advisors



Sectorwatch:

Robotics Process Automation

September 2020



Robotics Process Automation

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Overview

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.

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

DASHBOARD

- Summary metrics on the sector
- 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

- Graphical, detailed comparison of valuation multiples for the public basket.

RECENT DEALS

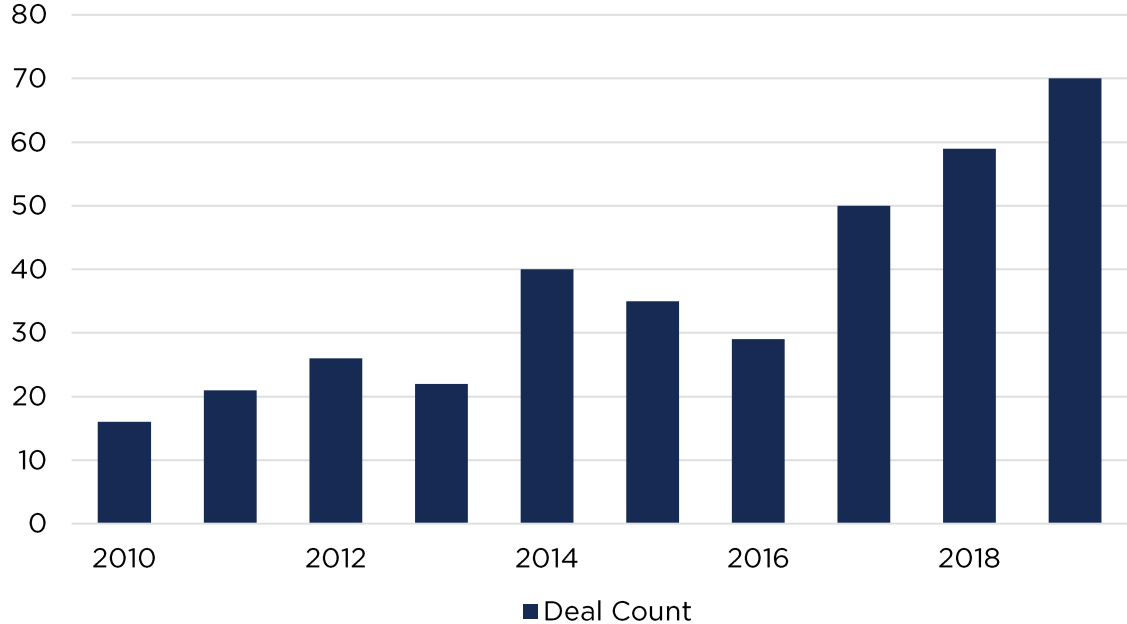
- The most recently announced deals in the sector

Dashboard

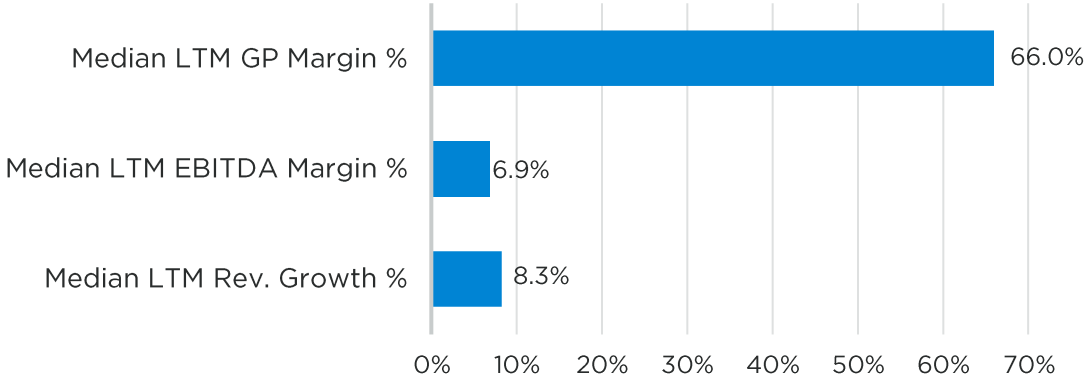
REVENUE GROWTH MOMENTUM ↑ 1.4%

1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing

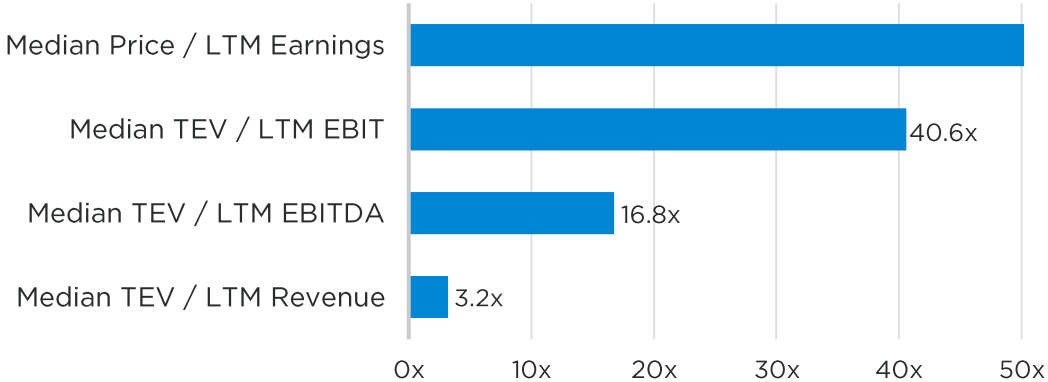
M&A Activity



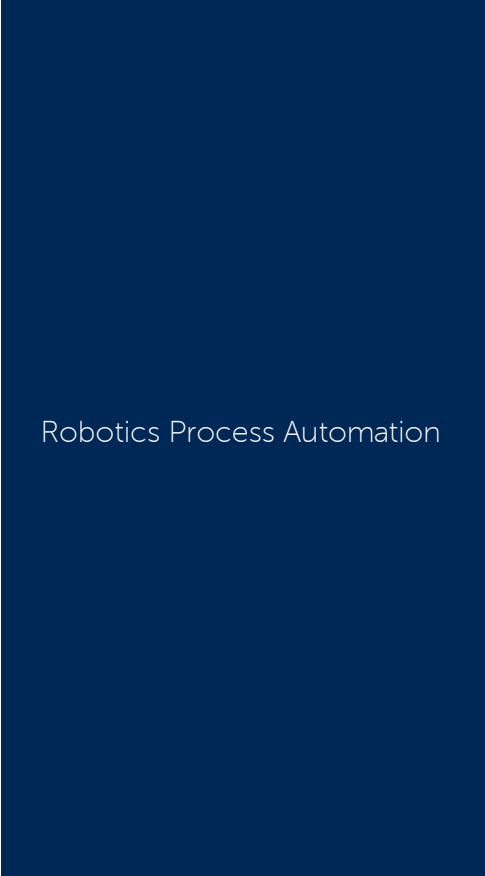
Operating Metrics



Valuation



Public Basket Overview



Information Technology Consulting



Business Productivity Software



Business Products and Services



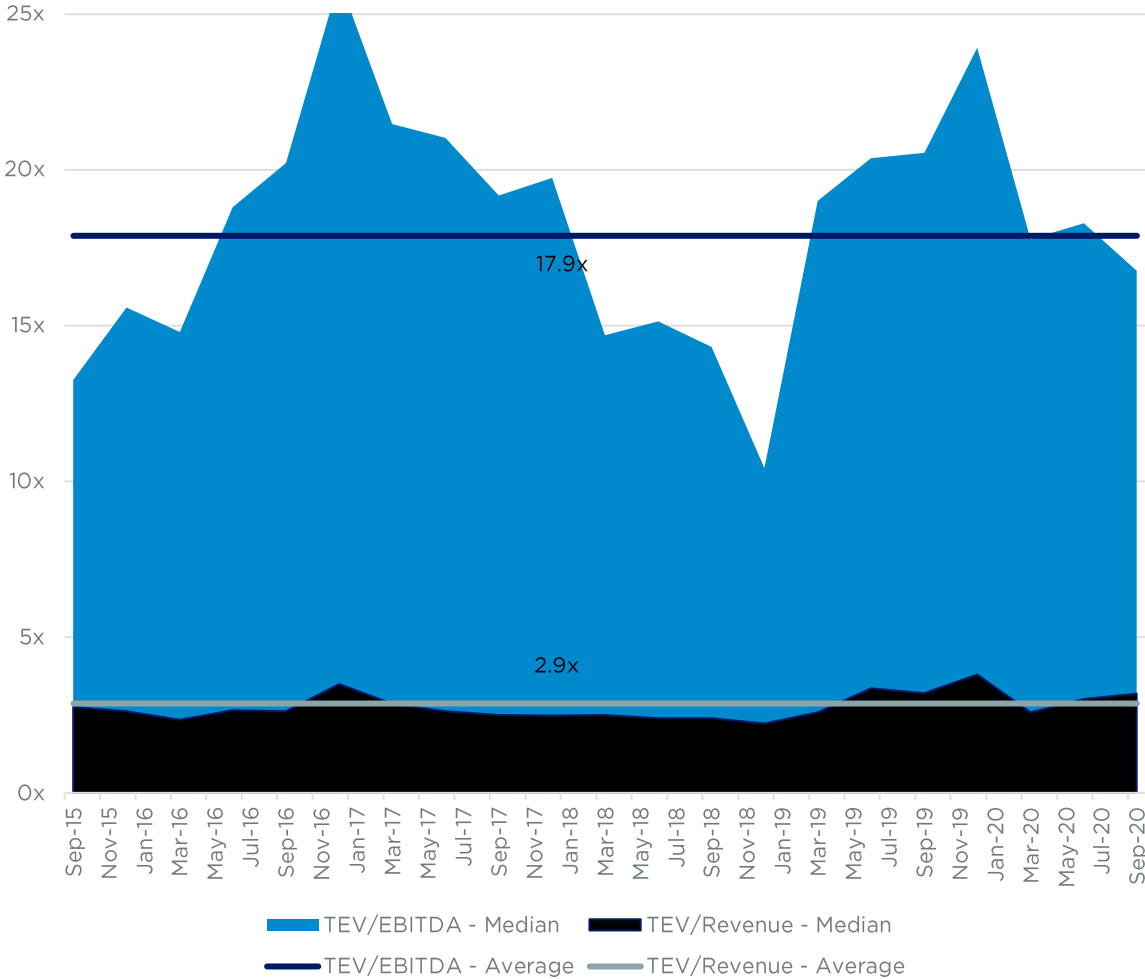
Public Basket

Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Jastech	93	-1	112	10.3%	10.2%	-1.0%	0.8x	-	384	291
Expert System	122	9	36	10.5%	71.5%	25.3%	3.4x	13.5x	231	155
Blue Prism	1,493	-109	163	77.6%	89.5%	-66.5%	9.1x	-	1,010	162
Conduent	2,410	-230	4,264	-12.2%	21.8%	-5.4%	0.6x	-	67,000	64
Verint Systems	3,746	187	1,260	-1.0%	65.6%	14.8%	3.0x	20.1x	6,200	203
Tech Mahindra	9,404	898	5,139	6.3%	46.4%	17.5%	1.8x	10.5x	106,400	48
Pegasystems	9,673	-105	986	12.4%	68.1%	-10.6%	9.8x	-	5,155	191
NICE Systems	13,288	427	1,620	6.3%	66.3%	26.3%	8.2x	31.1x	5,996	270

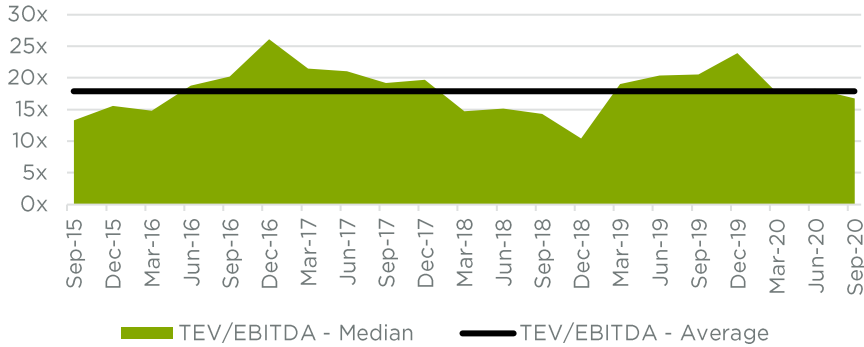
Average	5,028	135	1,698	13.7%	54.9%	0.0%	4.6x	18.8x	24,047	173
Median	3,078	4	1,123	8.3%	66.0%	6.9%	3.2x	16.8x	5,576	177

share price as of 11Sep20

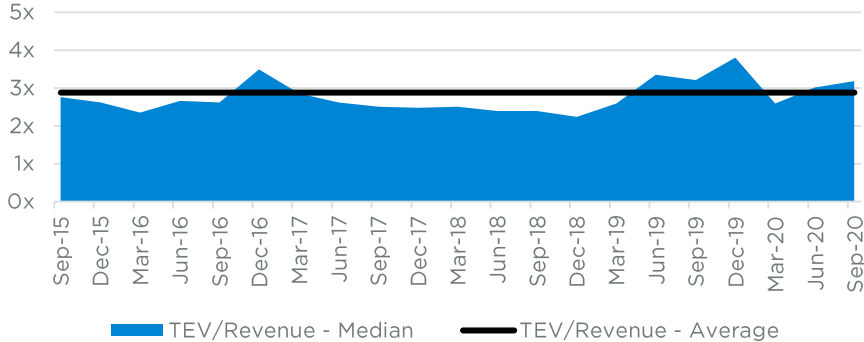
Public Basket



Public EBITDA Multiples over Time

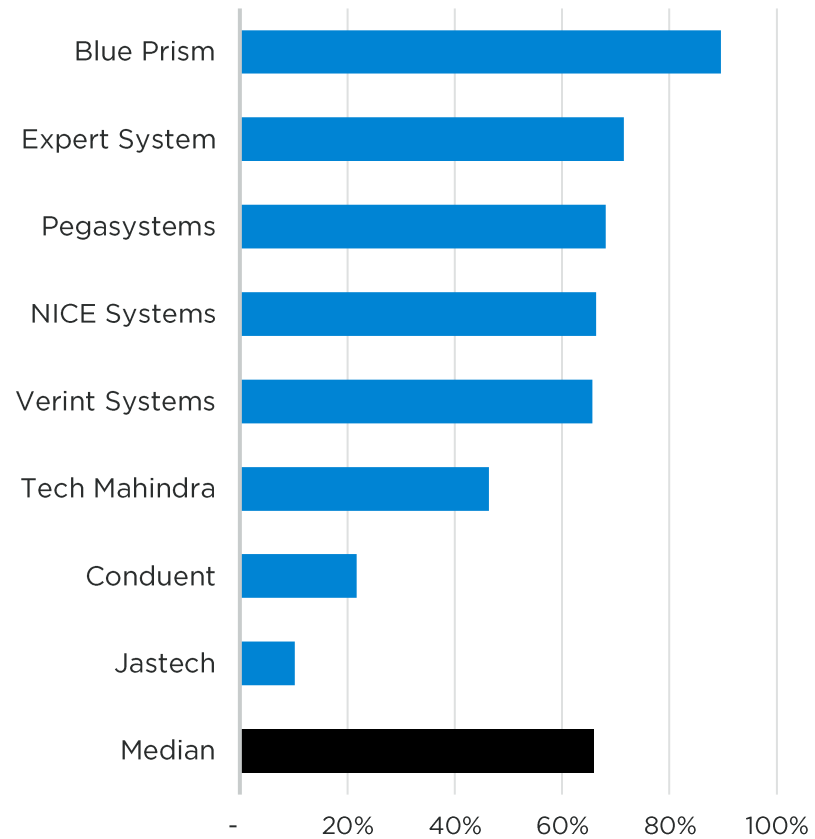


Public Revenue Multiples over Time

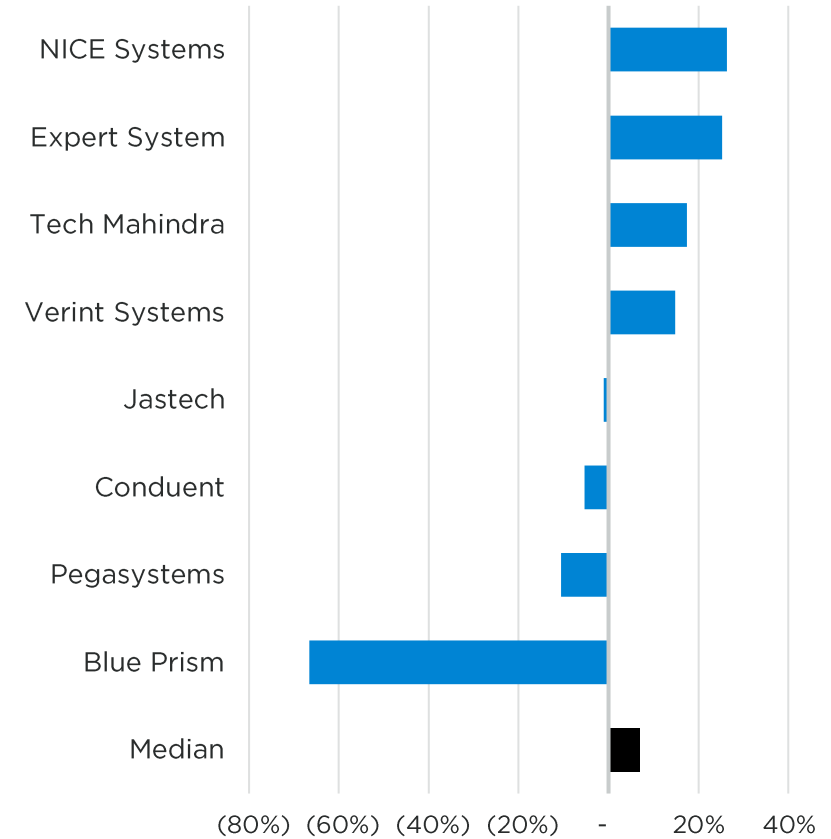


Operational Metrics

LTM Gross Profit Margin %

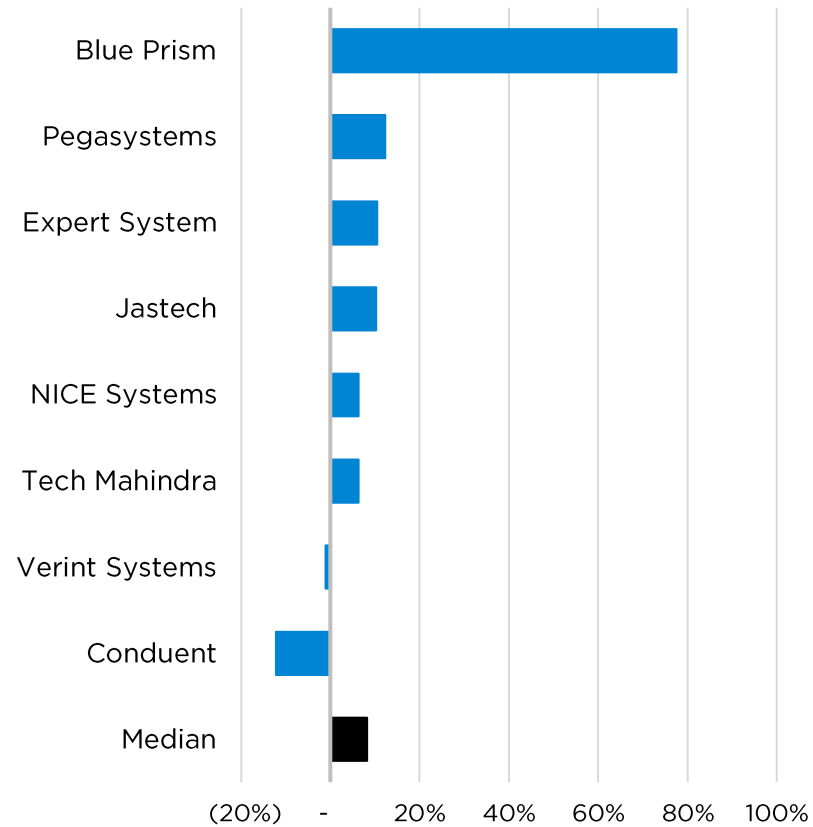


LTM EBITDA %

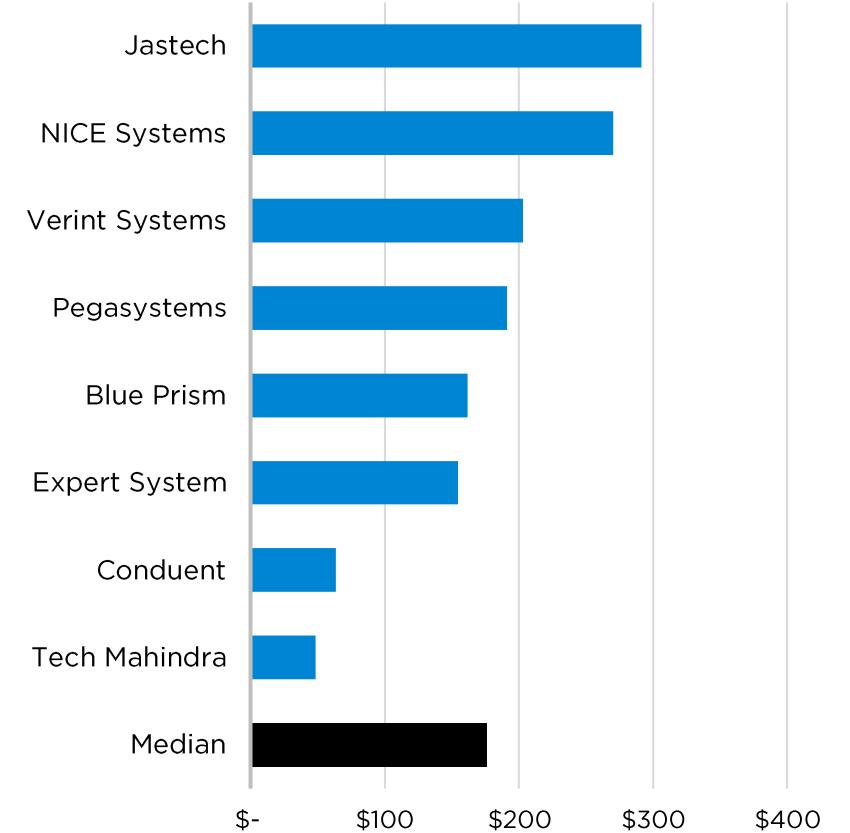


Operational Metrics

LTM Revenue Growth %

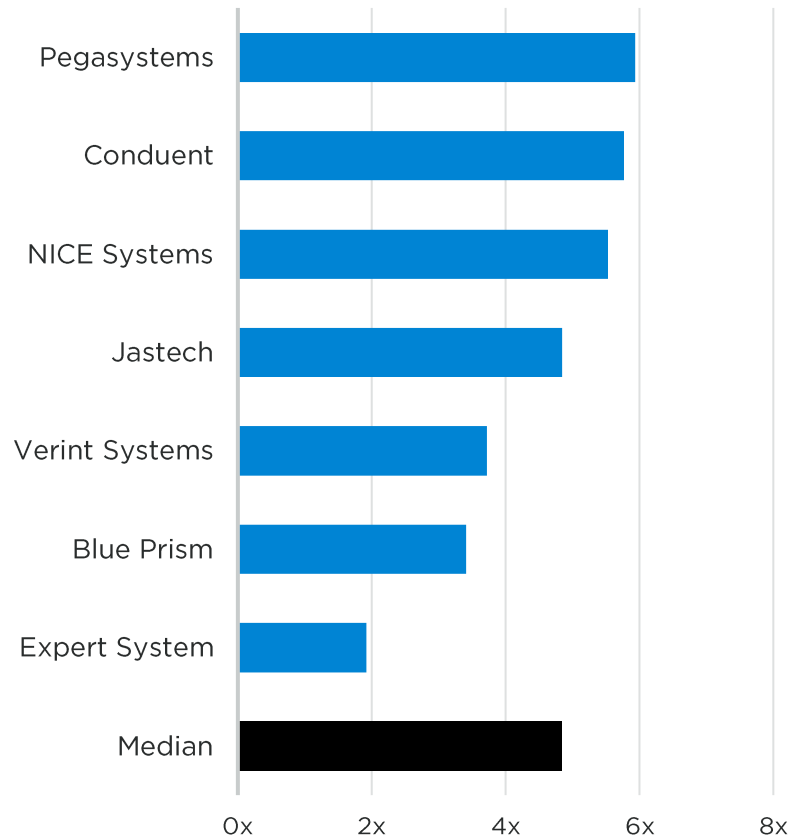


LTM Revenue per Full Time Employee x 000's

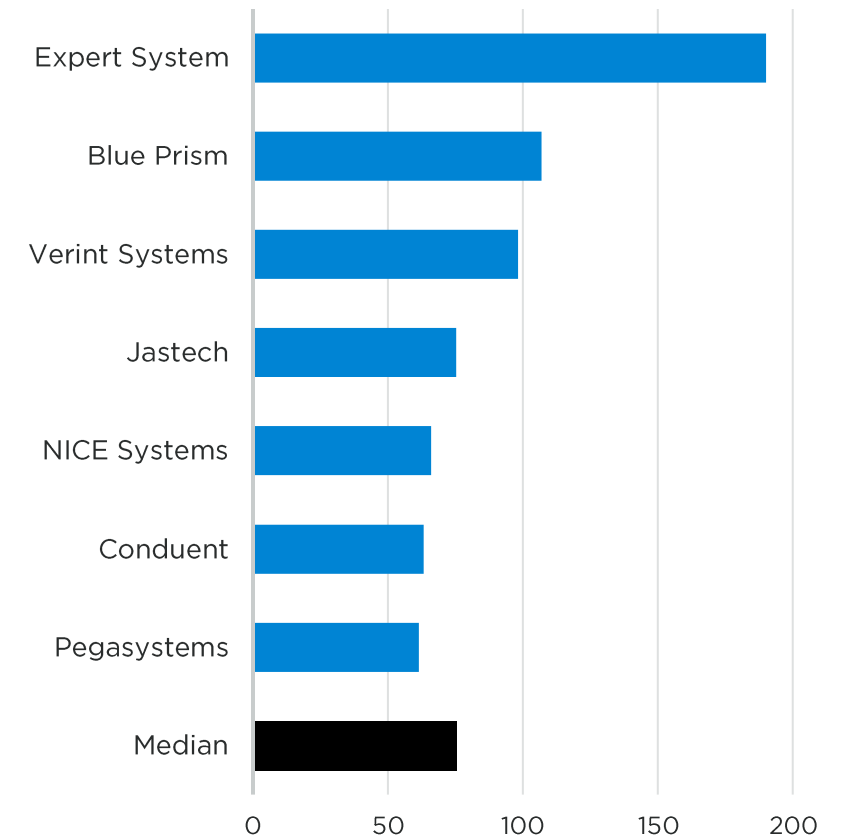


Operational Metrics

Accounts Receivable Turnover

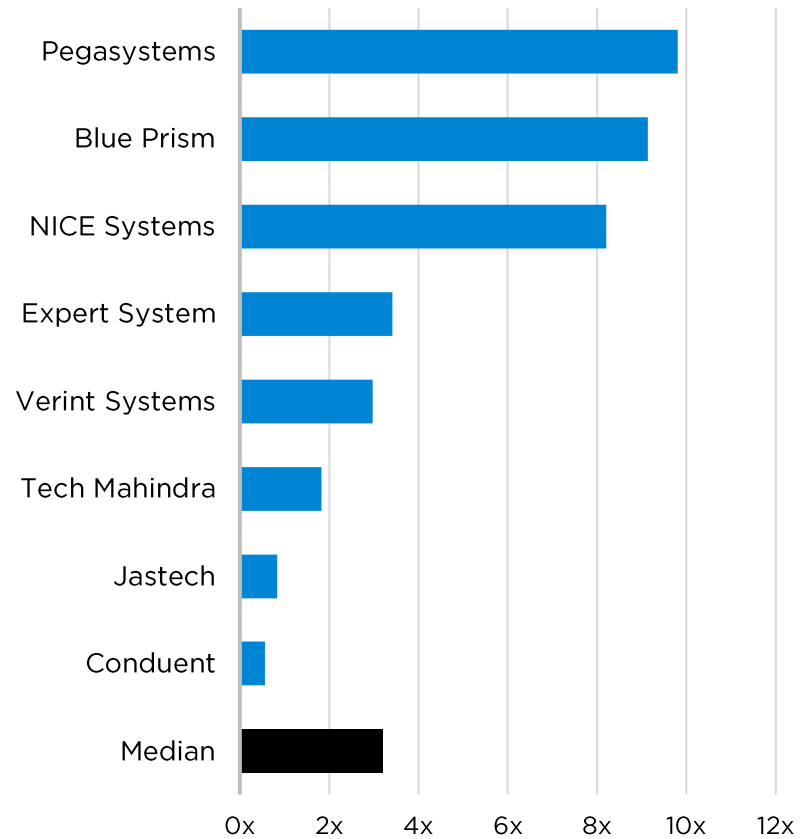


Average Days Sales Outstanding

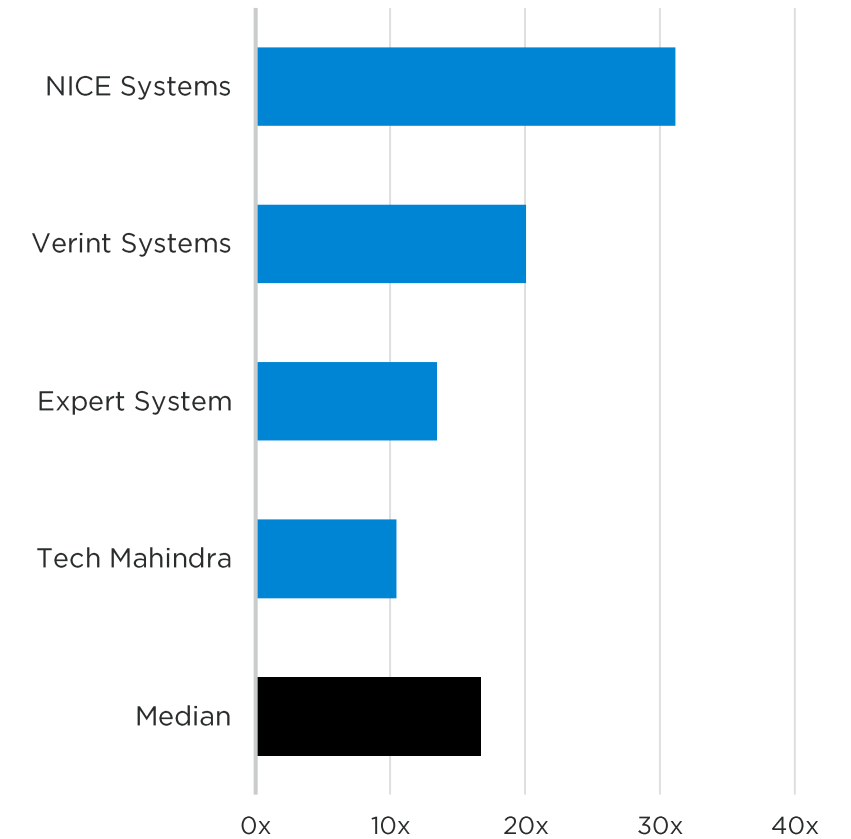


Valuation

TEV / LTM Revenue

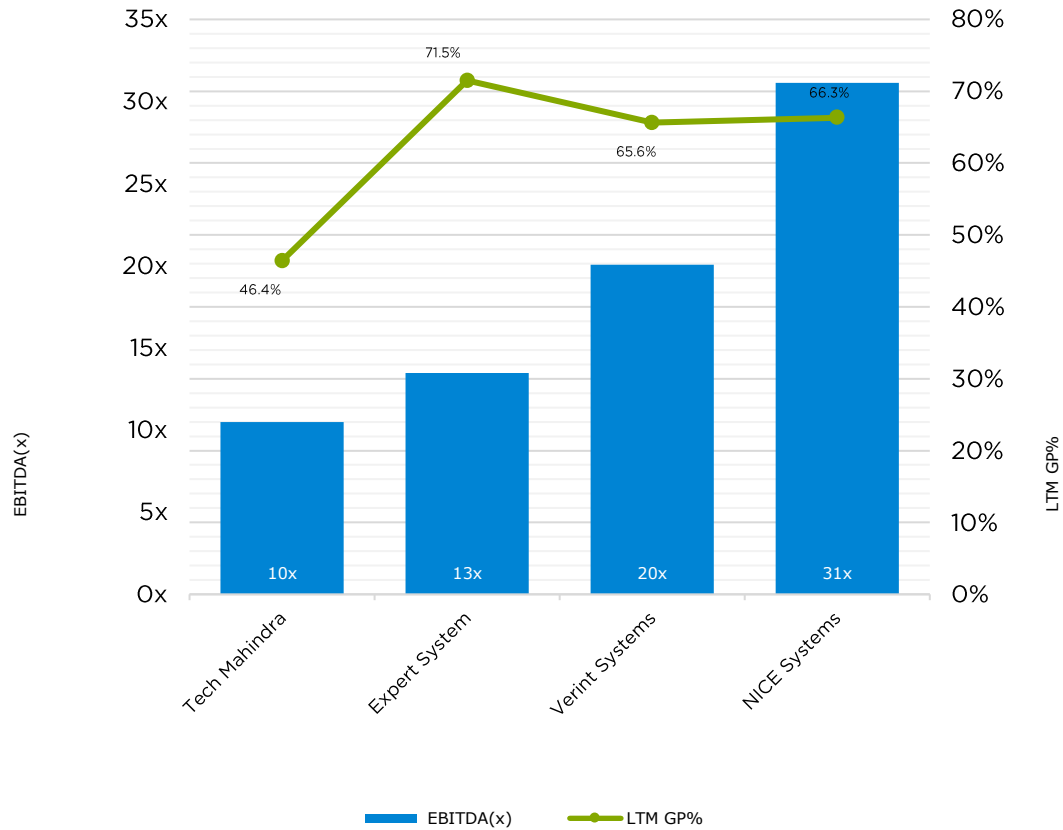


TEV / LTM EBITDA

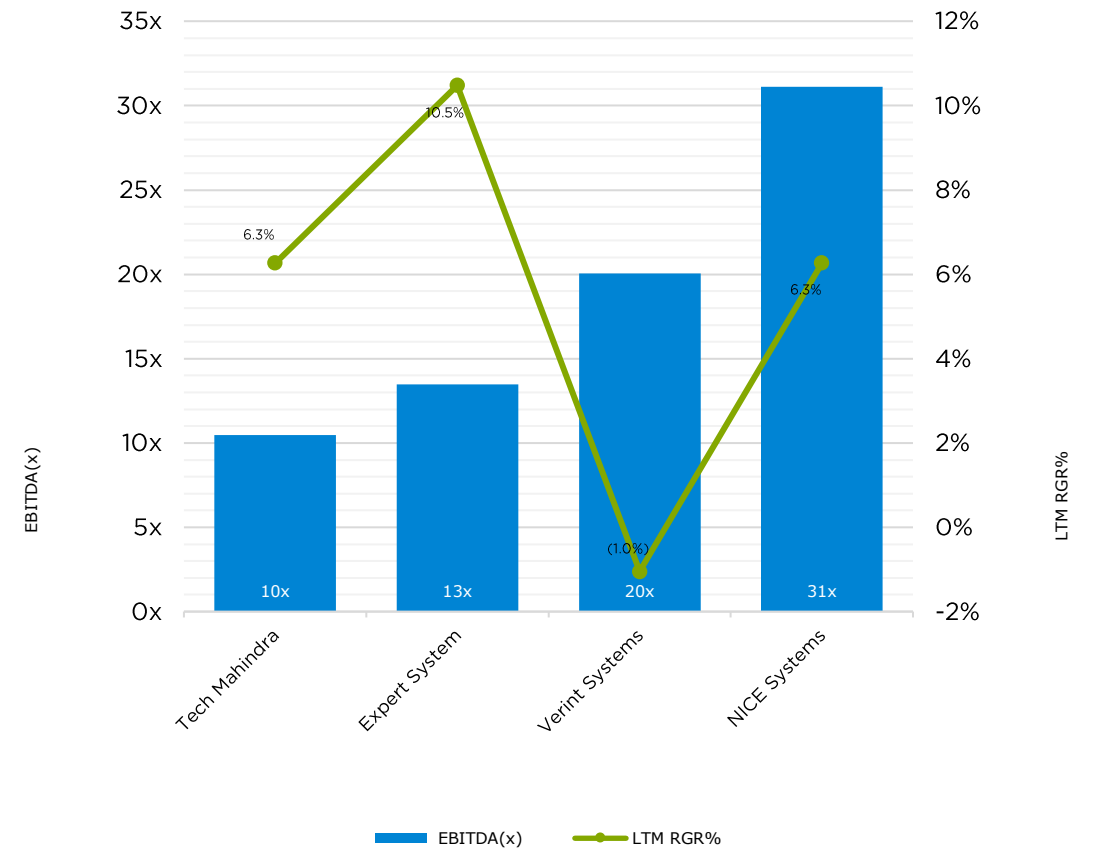


Valuation

Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
21-Aug-20	Another Monday	Hyland Software	-	-	-	-
20-Aug-20	Calibrater Health	Experity	-	-	-	-
14-Aug-20	Limelight Health	Fineos	75.00	-	-	-
10-Aug-20	Organize Cloud Labs	Accenture	-	-	-	-
16-Jul-20	Dexi.io	Mozenda	-	-	-	-
02-Jun-20	Appway	Summit Partners	37.50	-	-	-
01-Jun-20	Logimethods	Levio Conseils	-	-	-	-
15-May-20	Softomotive	Microsoft	150.00	-	-	-
06-May-20	Corcentric	Bregal Sagemount	80.00	-	-	-
17-Dec-19	Godesys	Elvaston Capital Management	-	-	-	-
18-Oct-19	FinSuite	Ncino	-	-	-	-
11-Oct-19	Robobiz	MOL	-	-	-	-
01-Oct-19	The Eclair Group	Deloitte Australia	-	-	-	-
04-Sep-19	MMC Packaging Equipment	Genstar Capital	-	-	-	-
04-Mar-19	EnableSoft	Macquarie Asset Management	-	-	-	-
15-Jan-19	Everpace	JOLT Advantage Group	-	-	-	-
31-Dec-18	RatchetSoft	KnowledgeLake	-	-	-	-
01-Nov-18	Symphony Ventures	Sykes Enterprises	68.34	-	4.84	-17.07
26-Sep-18	Softomotive	Grafton Capital	24.76	-	-	-

Appendix

*Public Basket
Contact Information*



Jastech

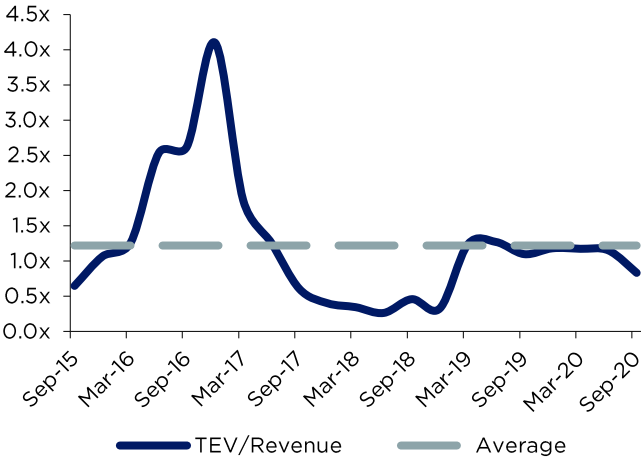
Jastech is a Korea-based company mainly engaged in the manufacture and distribution of semiconductor equipment and laser equipment.

Its products include electroplating system, water jet deflashing systems, chemical dipping water jet deflashing systems and liquid crystal display, among others.

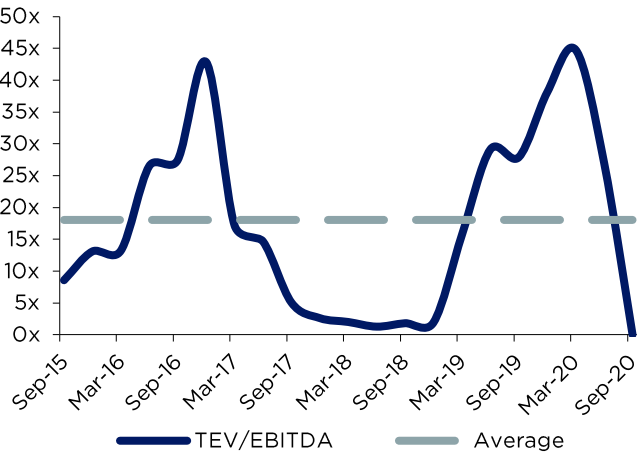
Public Basket

Jastech

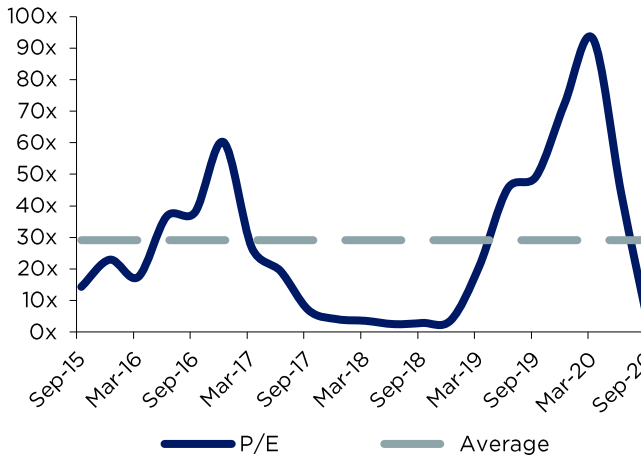
Revenue Multiples - Jastech



EBITDA Multiples - Jastech



P/E Multiples - Jastech



Company Name	Date	Deal Synopsis
#ENTITYNOTFOUND	#LIMITREACHED	#LIMITREACHED
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Expert System

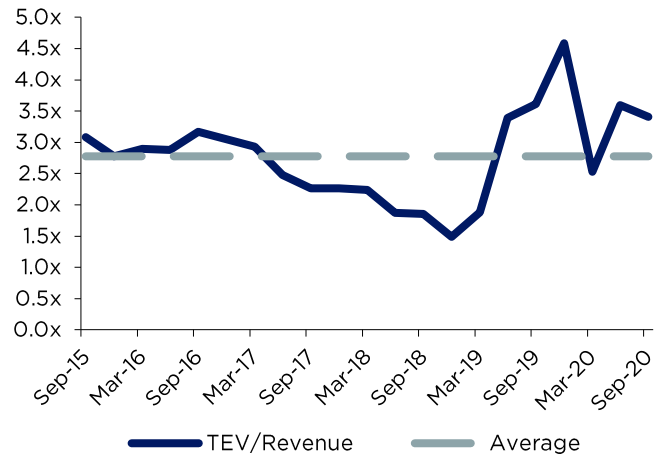
Expert System SpA engaged in the development of semantic technology.

Through its Cogito software patent, it provides solutions for online activities such as search and explores, tagging and categorization, intelligence, natural language understanding, and advertisement. The company offers Cogito cognitive technology for robotic process automation and information intelligence; Cogito Discover for entity extraction, classification, and text analytics; Cogito Intelligence Platform, an intelligence platform that processes content, and populates categories and entity lists to reveal the information for analysis activities; and Analysts' Workspace, a case management software and information intelligence solution. Its majority revenue comes from Italy.

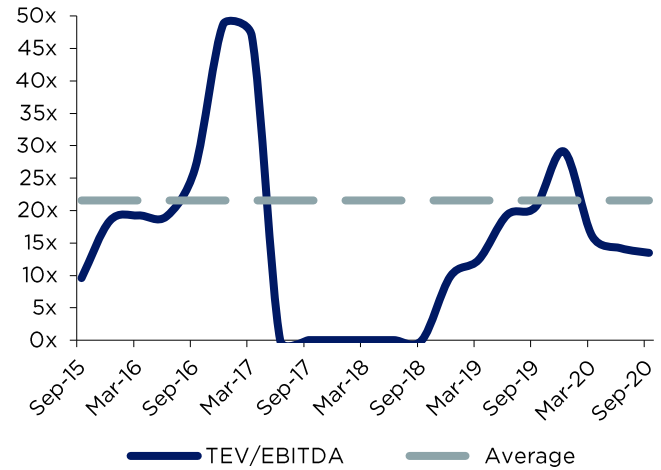
Public Basket

Expert System

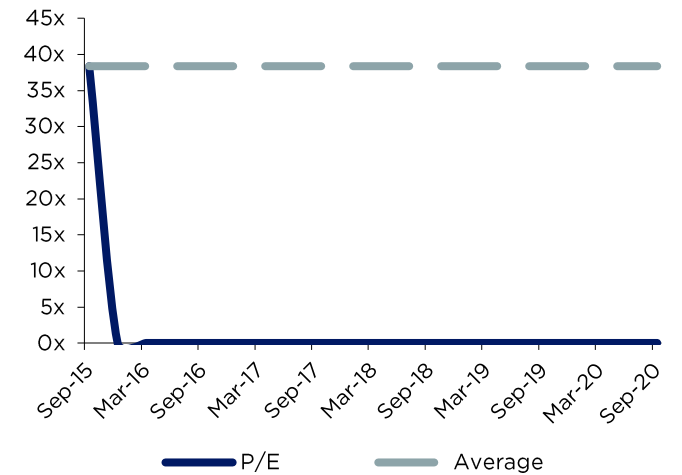
Revenue Multiples - Expert System



EBITDA Multiples - Expert System



P/E Multiples - Expert System



Company Name	Date	Deal Synopsis
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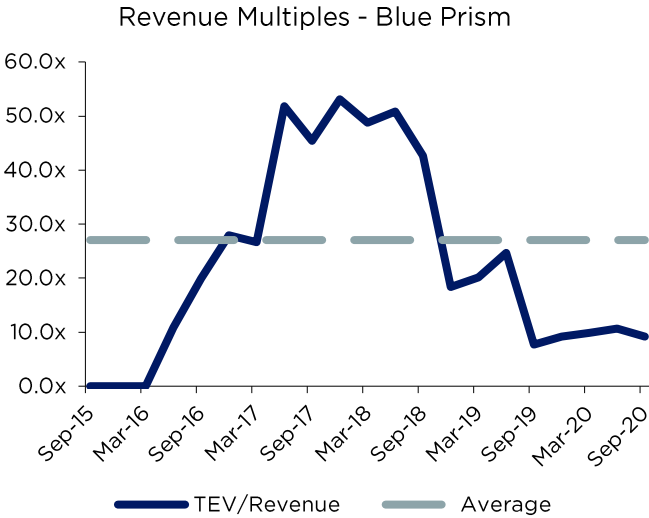
Blue Prism

Blue Prism Group PLC is a UK based software company.

It specializes in the field of Robotic process automation (RPA). RPA enables blue-chip companies to create a digital workforce powered by the company's software robots to automate routine back-office clerical tasks. The company's software enables the automation of manual, rules-based, administrative processes to create a more agile, cost-effective and accurate back-office. The group operates across three regions, EMEA, The Americas, and APAC.

Public Basket

Blue Prism



<i>Company Name</i>	<i>Date</i>	<i>Deal Synopsis</i>
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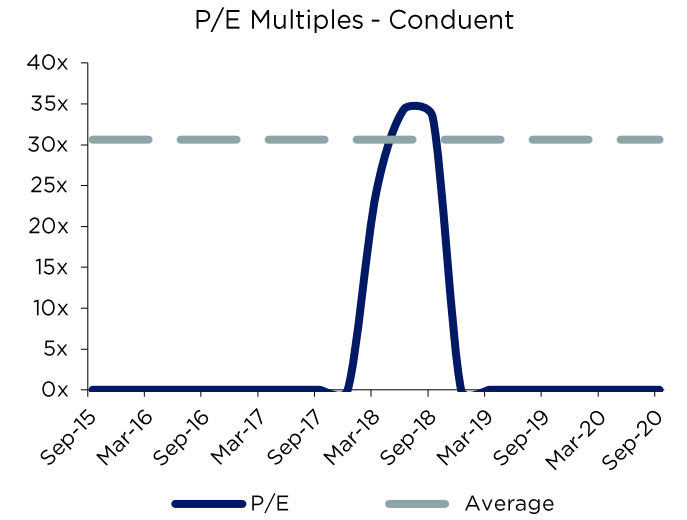
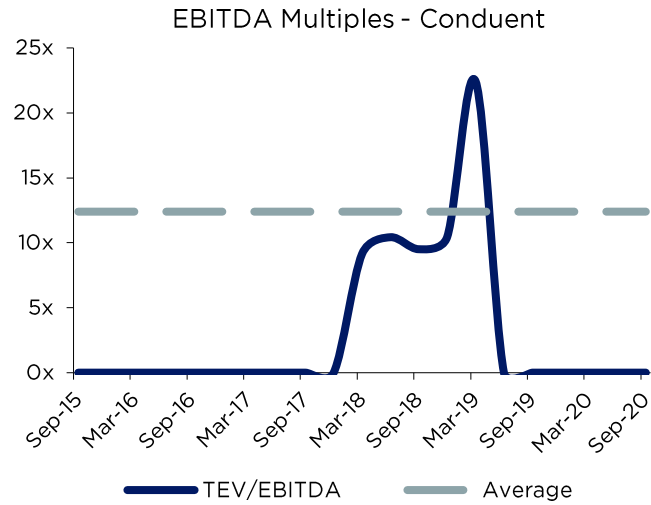
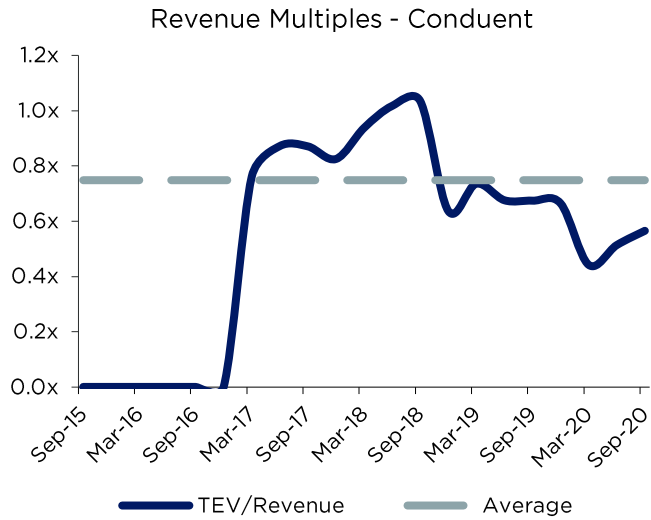
Conduent

Conduent Inc acts as a provider of business process services with expertise in transaction-intensive processing, analytics, and automation.

The company provides industry-focused service offerings in growth markets such as Healthcare and Transportation as well as provides multi-industry services such as transaction processing, customer care, and payment services. It operates through three segments namely Commercial Industries, Government Service, Transportation. The services provided by the company includes industry-centric business process services, government-centric business process services, business process services, and others. The company operates its business in the US, Europe, and other areas. Most of the company's revenue is generated in the US.

Public Basket

Conduent



Company Name	Date	Deal Synopsis
#ENTITYNOTFOUND	#LIMITREACHED	#LIMITREACHED
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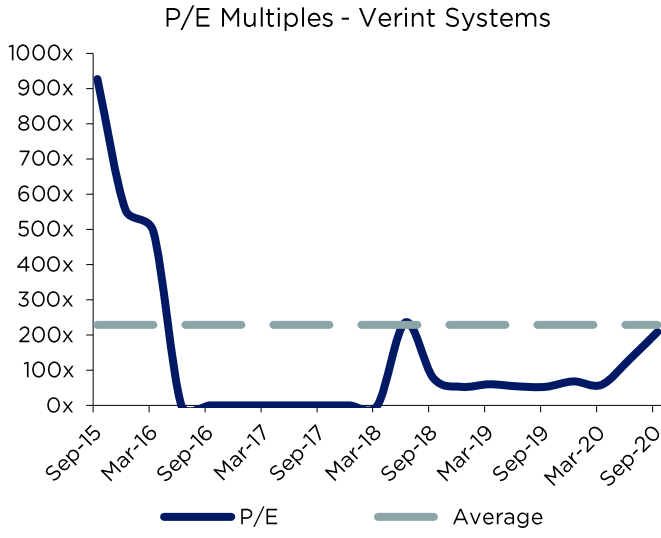
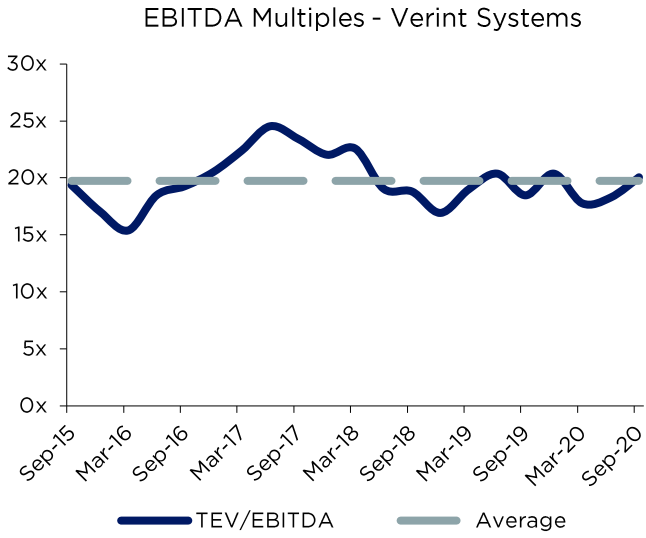
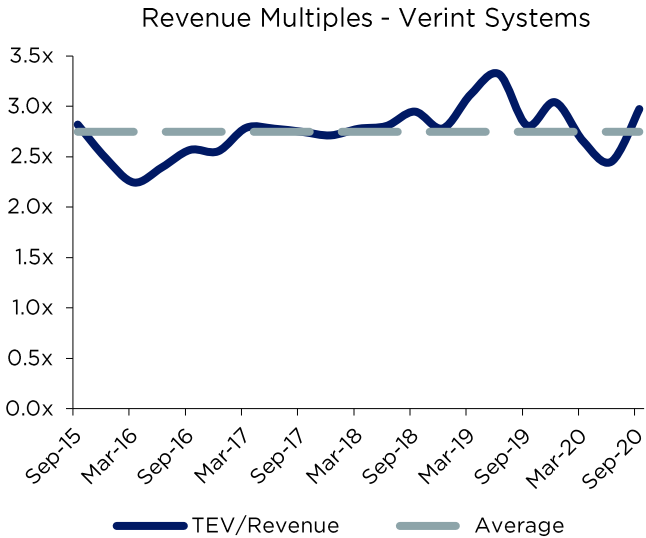
Verint Systems

Verint Systems is an enterprise software company operating in two segments, customer engagement and cyber intelligence solutions.

Verint Systems helps customers capture and analyze large volumes of disparate data such as voice, video, and unstructured text, through data processing, data capture, and data visualization. The customer engagement segment provides workforce engagement management services, in addition to compliance and fraud software. These offerings are deployed on-premises, in the public cloud, or through a perpetual license model. This segment encompasses the majority of revenue for the firm. The cyber intelligence segment produces data mining software to prevent terror, crime, and cyber threats.

Public Basket

Verint Systems



Company Name	Date	Deal Synopsis
#ENTITYNOTFOUND	#LIMITREACHED	#LIMITREACHED
#ENTITYNOTFOUND	#LIMITREACHED	#LIMITREACHED

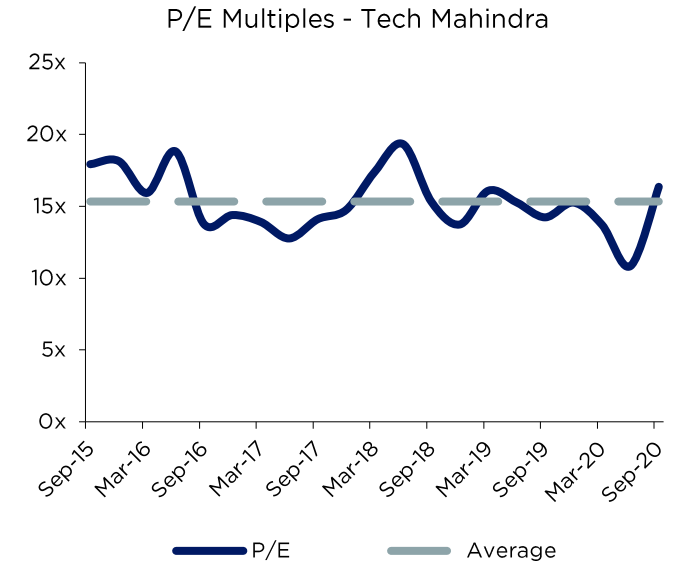
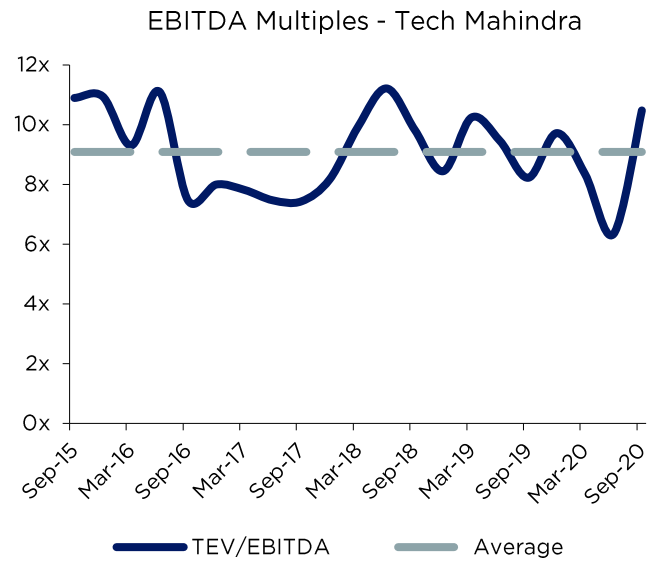
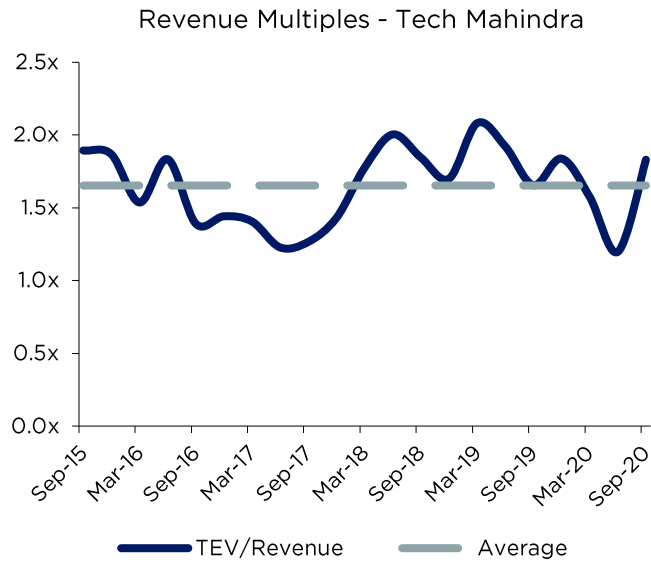
Tech Mahindra

Tech Mahindra Ltd is an IT services and consulting company in India.

It offers a variety of technology solutions and services in addition to business process services. Its segments are Information Technology and Business Processing Outsourcing. The technology solutions include helping companies engage in cloud software, mobile solutions, network services, cybersecurity, and a variety of other options. The business process service is offered across various industries including telecom, financial services, retail, energy, hospitality, high-tech, agriculture, and food beverage. The company's approach includes cost reduction, process optimization, and ownership through automation and productivity improvements. Tech Mahindra generates approximately half of its revenue from the United States.

Public Basket

Tech Mahindra



Company Name	Date	Deal Synopsis
#ENTITYNOTFOUND	#LIMITREACHED	#LIMITREACHED
BORN Group	05-Nov-19	The company was acquired by Tech Mahindra (BOM: 532755), a subsidiary of Mahindra & Mahindra (NSE: M&M), for \$95 million on November 5, 2019.

Pegasystems

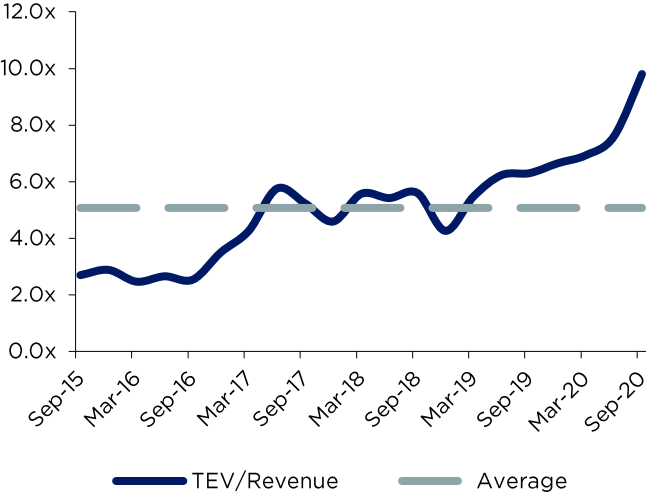
Founded in 1983, Pegasystems provides a suite of solutions for customer engagement and business process automation.

The company's key offering is the Pega Infinity platform, which combines business process automation with customer engagement applications.

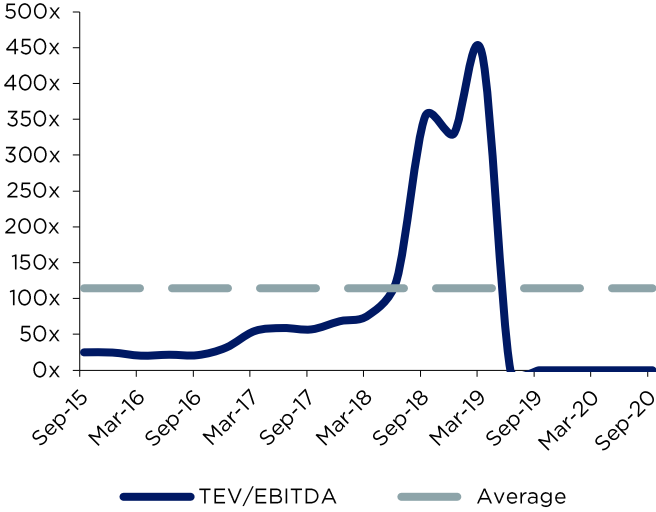
Public Basket

Pegasystems

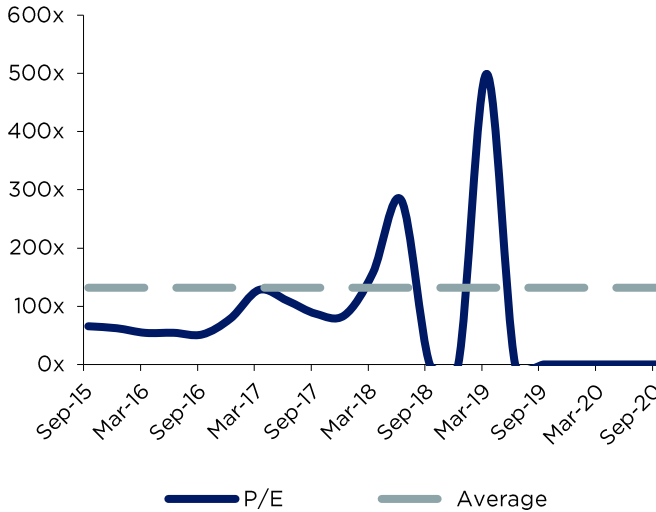
Revenue Multiples - Pegasystems



EBITDA Multiples - Pegasystems



P/E Multiples - Pegasystems



Company Name	Date	Deal Synopsis
#ENTITYNOTFOUND	#LIMITREACHED	#LIMITREACHED
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NICE Systems

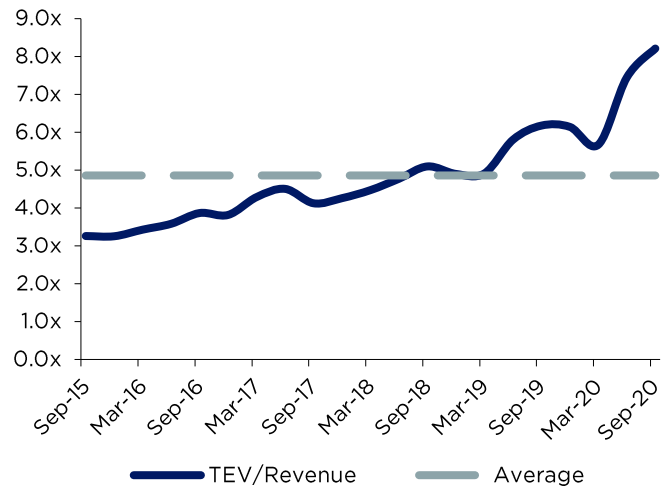
Nice is an enterprise software company that operates in two segments: customer engagement and financial crime and compliance.

The company develops on-premises and cloud software based on data analytics. In customer engagement, Nice uses its software to offer services in both workforce engagement management and contact center infrastructure (CCI), serving both niches. WEM products optimize call center efficiency, using data for call volume forecasting and scheduling. Nice's CCI products are cloud-based infrastructure products for back-end call routing. In financial crime and compliance, Nice sells anti-money-laundering, risk management, and fraud prevention software products.

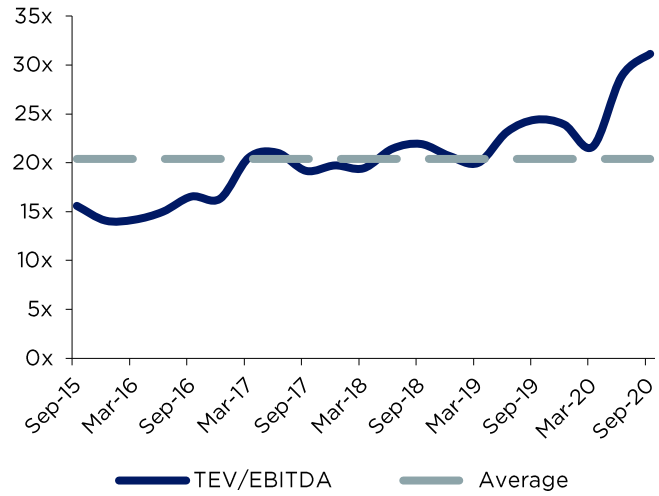
Public Basket

NICE Systems

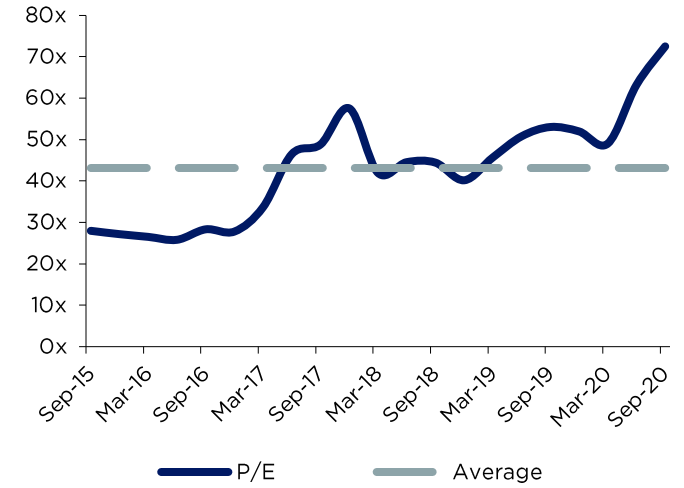
Revenue Multiples - NICE Systems



EBITDA Multiples - NICE Systems



P/E Multiples - NICE Systems



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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
John Cooper, Managing Director	704.973.3996	john@7mileadvisors.com
Mark Landry, Managing Director	561.972.0609	mark@7mileadvisors.com
Ben Lunka, Managing Director	704.496.2995	ben@7mileadvisors.com
Ariail Barker, Director, Sales & Marketing	704.981.2908	ariail@7mileadvisors.com
Kristina Sergueeva, Director	704.899.5149	kristina@7mileadvisors.com
Tim Frye, Director	704.973.3994	tim@7mileadvisors.com
Ben Garber, Vice President	412.626.7898	ben.garber@7mileadvisors.com
Garth Martin, Vice President	704.973.3997	garth.martin@7mileadvisors.com
Nicholas Prendergast, Vice President	704.973.3995	nicholas@7mileadvisors.com
Ben Bruggeworth, Vice President, Business Development	704.365.8859	ben.bruggeworth@7mileadvisors.com
Emily Halstenberg, Marketing & Sales Coordinator	704.409.9912	emily@7mileadvisors.com
Marty Johnson, Senior Associate	704.973.3999	marty@7mileadvisors.com
Sydney Scadden, Senior Associate	704.973.3998	sydney@7mileadvisors.com
Steve Buffington, Associate	704.960.1828	steve@7mileadvisors.com
Dennis Fox, Associate	704.706.9168	dennis@7mileadvisors.com
Daniel Kim, Associate	704.912.4584	daniel@7mileadvisors.com
Robin Siegel, Analyst	704.285.8173	robin@7mileadvisors.com