

7 Mile Advisors



Sectorwatch: Digital Transformation

July 2021



Digital Transformation

- 4 [Sector Dashboard](#)
- 5 [Public Basket Overview](#)
- 6 [Public Basket Performance](#)
- 8 [Operational Metrics](#)
- 11 [Valuation Comparison](#)
- 14 [Recent Deals](#)
- 15 [Appendix](#)

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.

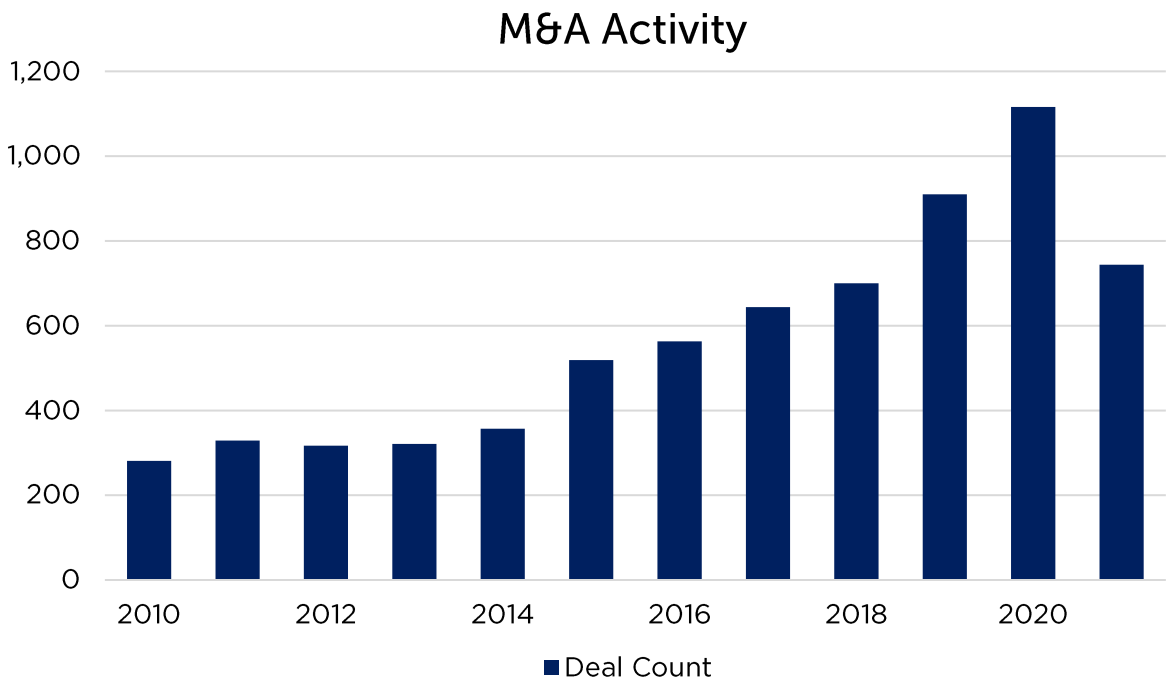
RECENT DEALS

- The most recently announced deals in the sector

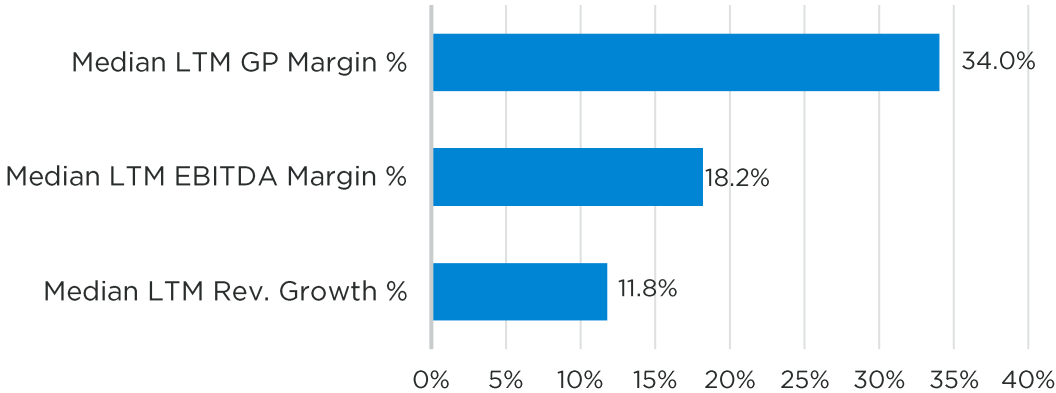
Dashboard

REVENUE GROWTH MOMENTUM ↑ 3.4%

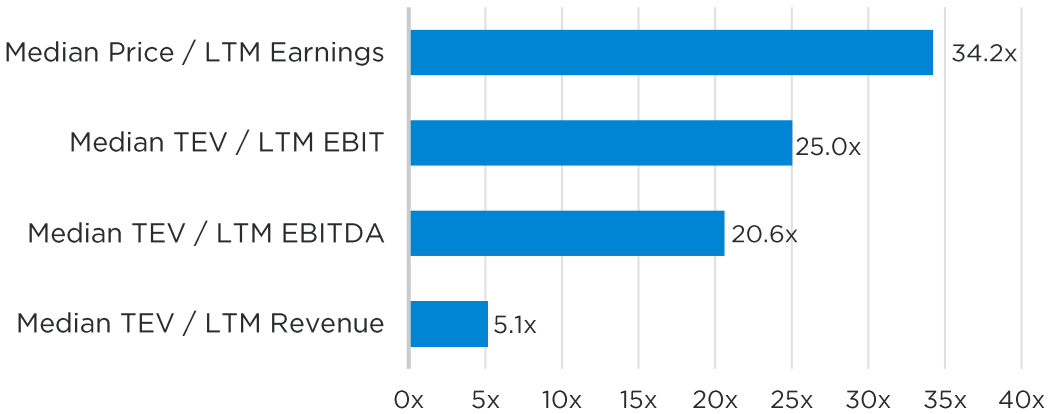
1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing



Operating Metrics



Valuation



Public Basket Overview



Europe



United States



South America



Asia

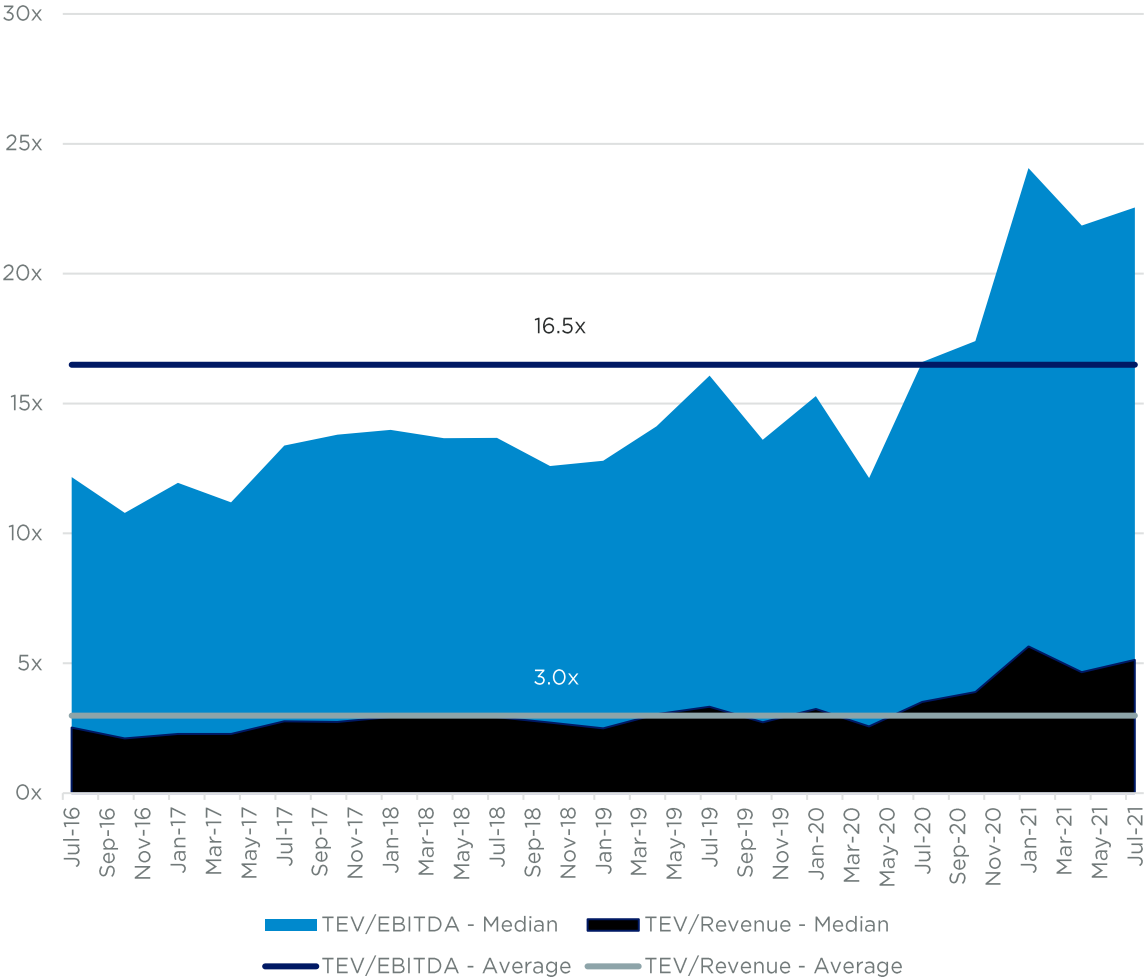


Public Basket

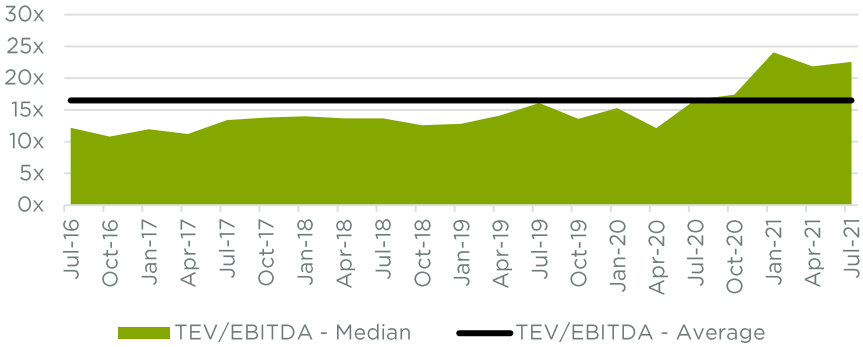
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Endava	7,417	98	526	19.6%	33.6%	18.6%	14.1x	75.6x	7,139	74
Globant	9,688	203	893	26.7%	37.6%	22.7%	10.9x	47.7x	16,251	55
WPP	19,840	2,073	15,386	-9.3%	16.8%	13.5%	1.3x	9.6x	102,822	150
EPAM Systems	30,308	621	2,789	15.1%	34.5%	22.2%	10.9x	48.8x	41,168	68
Capgemini	41,409	2,814	18,065	12.2%	26.1%	15.6%	2.3x	14.7x	269,769	67
Cognizant Technology Solutions	36,101	2,987	16,828	-0.4%	36.5%	17.8%	2.1x	12.1x	289,500	58
Infosys	87,803	4,259	14,223	11.4%	34.9%	29.9%	6.2x	20.6x	242,371	59
Accenture	196,053	8,007	47,949	7.6%	32.0%	16.7%	4.1x	24.5x	514,000	93
Average	53,577	2,633	14,582	10.4%	31.5%	19.6%	6.5x	31.7x	185,378	78
Median	33,205	2,443	14,805	11.8%	34.0%	18.2%	5.1x	22.6x	172,597	67

share price as of 26Jul21

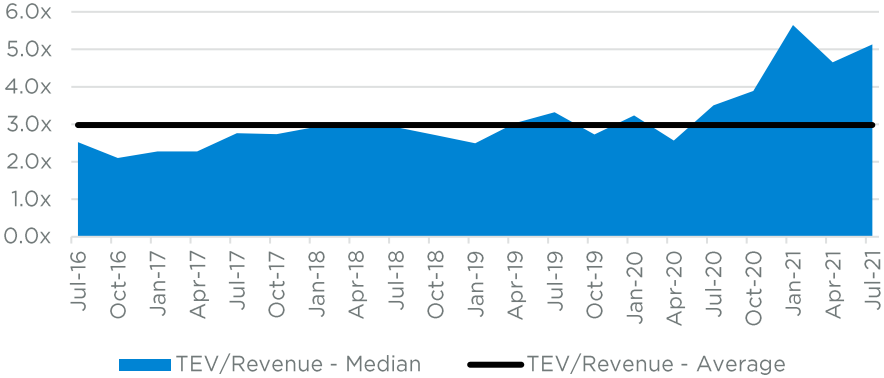
Public Basket



Public EBITDA Multiples over Time

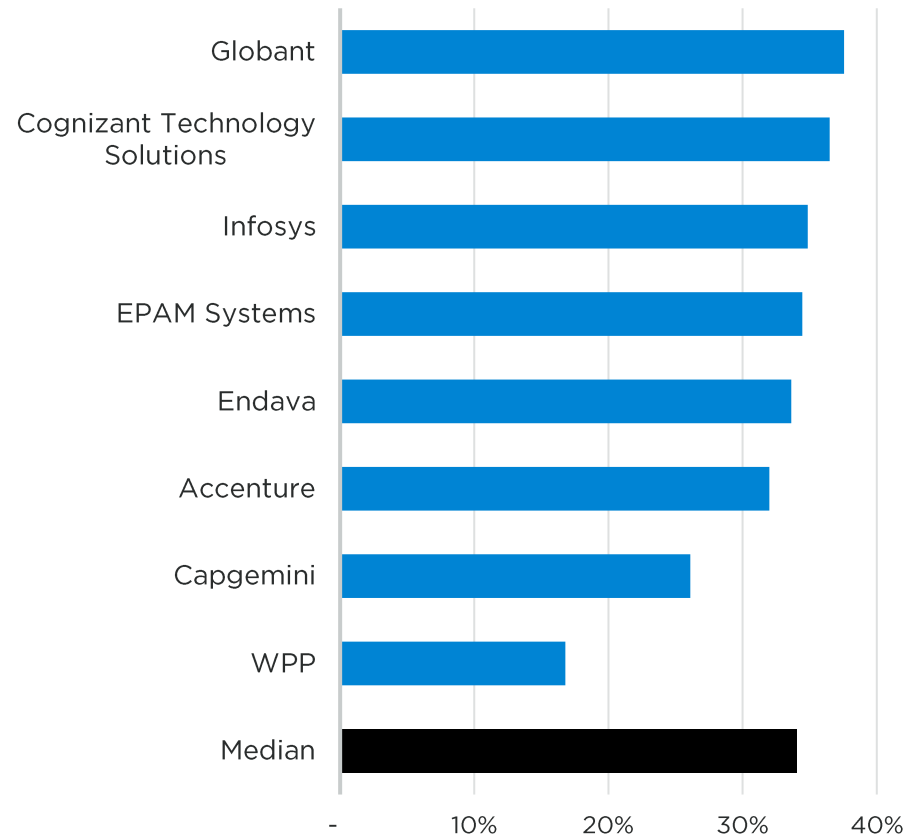


Public Revenue Multiples over Time

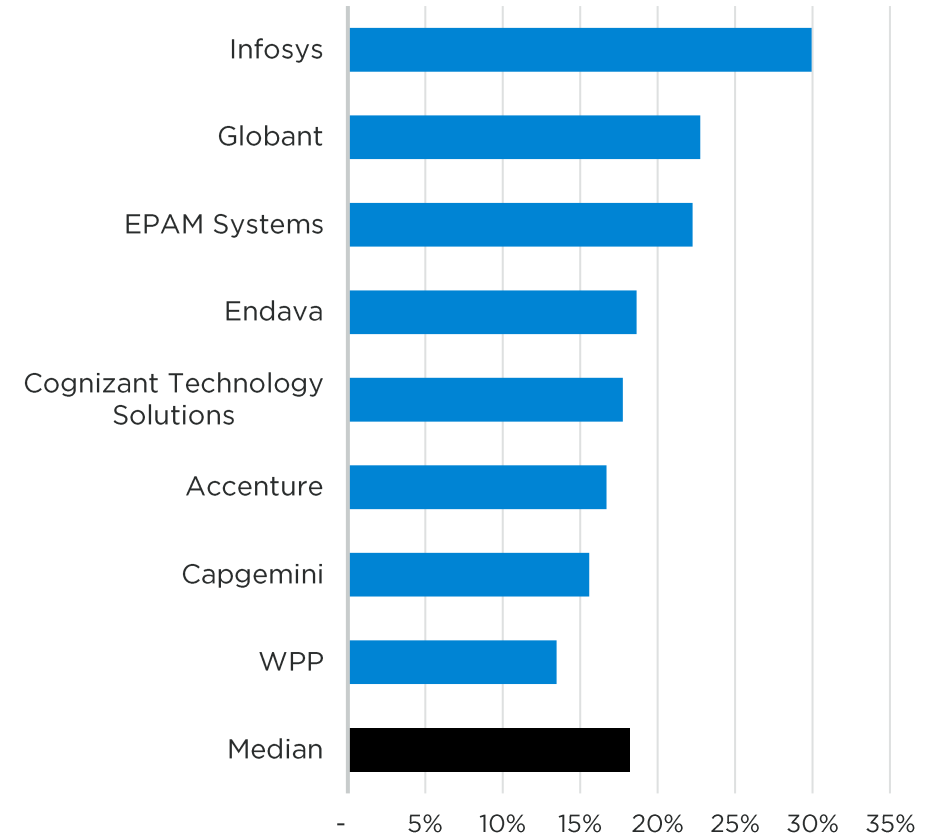


Operational Metrics

LTM Gross Profit Margin %

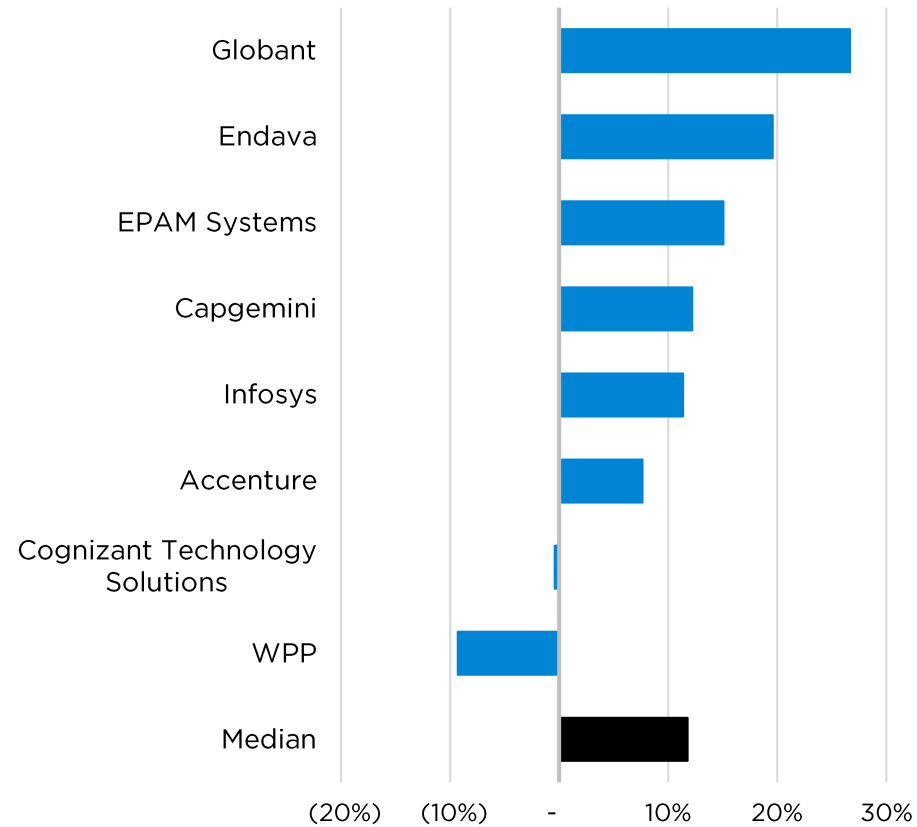


LTM EBITDA %

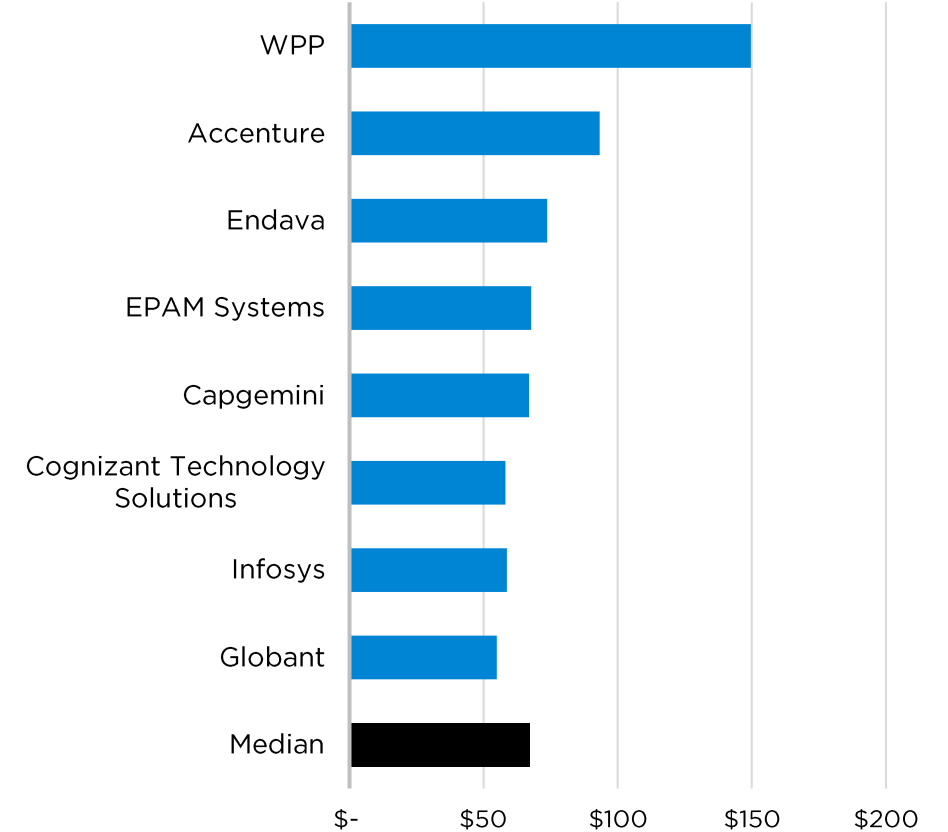


Operational Metrics

LTM Revenue Growth %

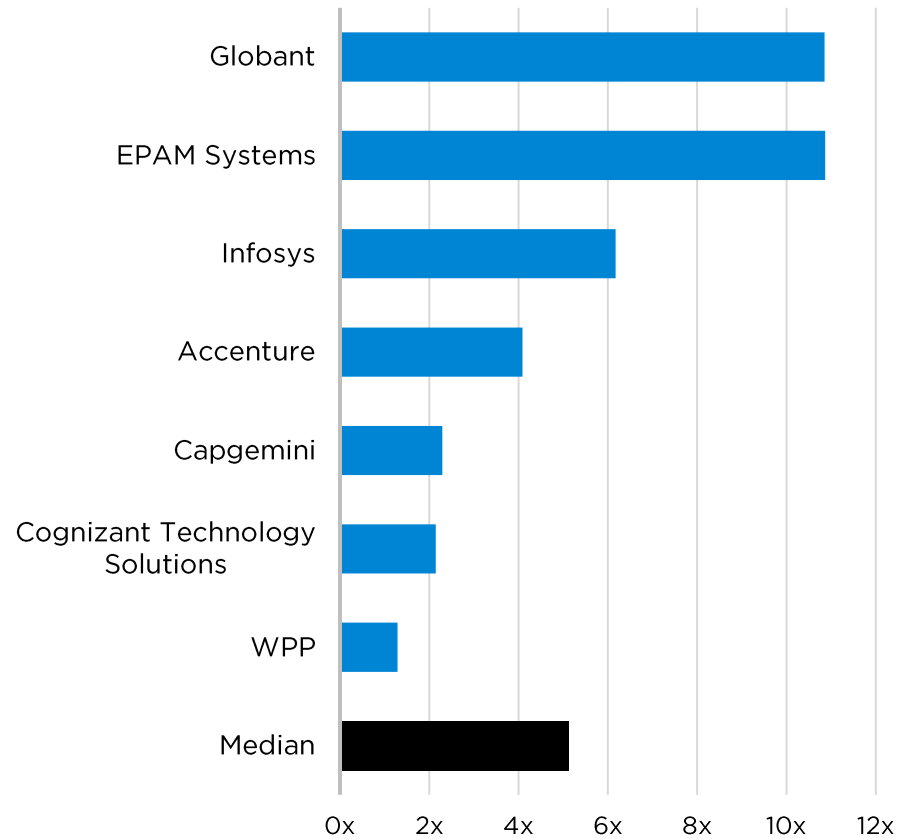


LTM Revenue per Full Time Employee x 000's

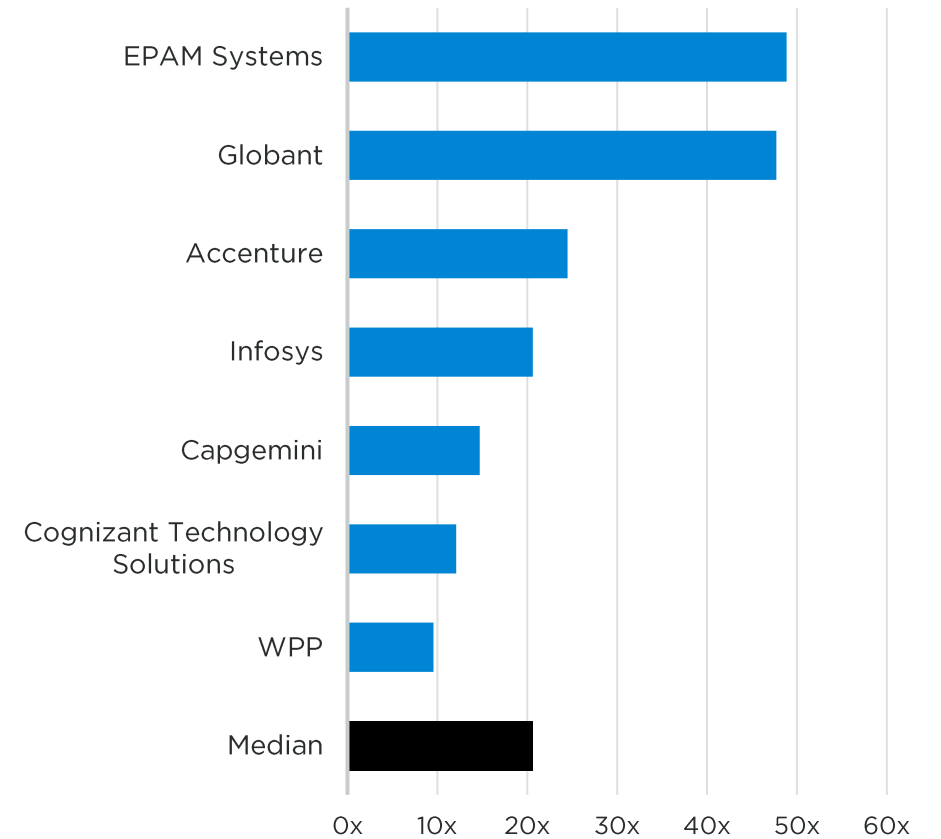


Valuation

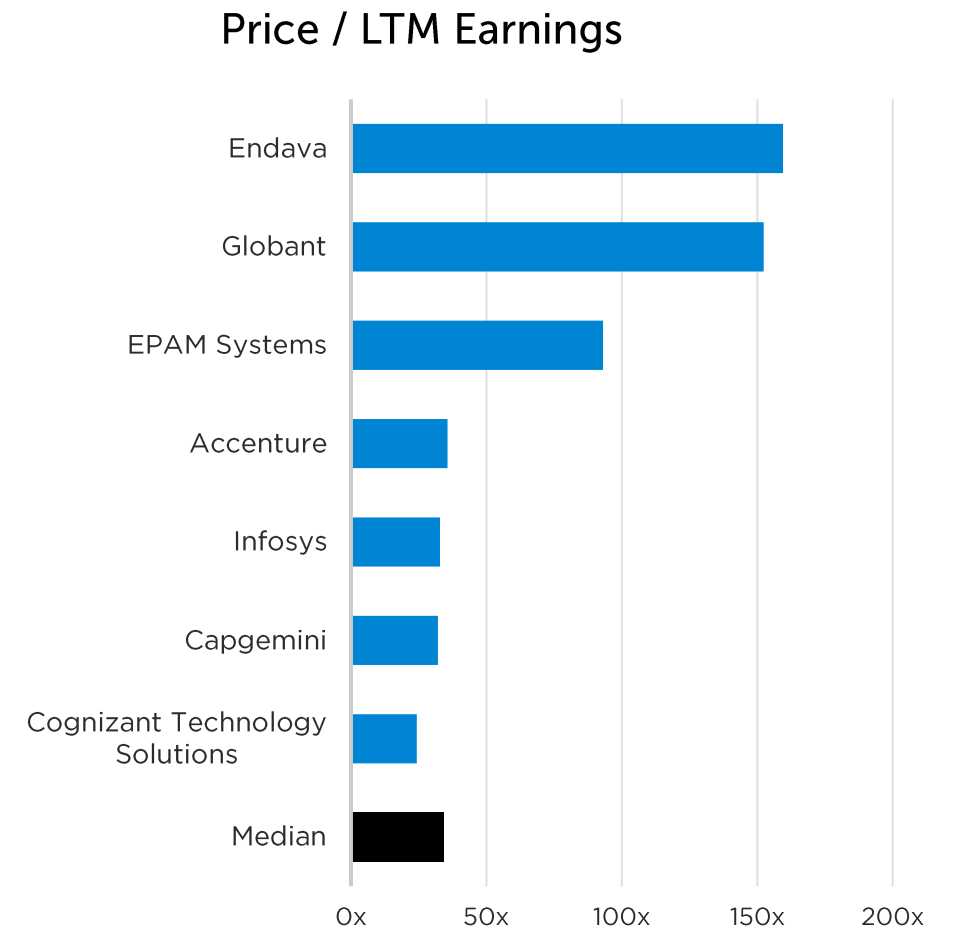
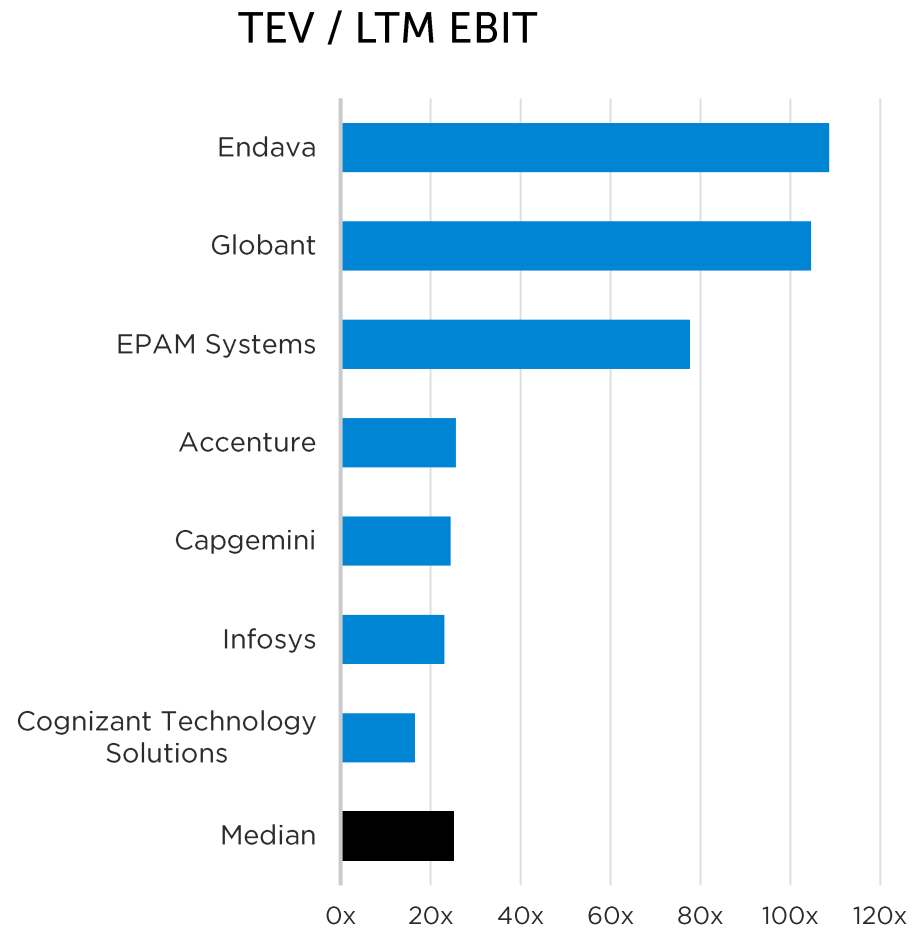
TEV / LTM Revenue



TEV / LTM EBITDA

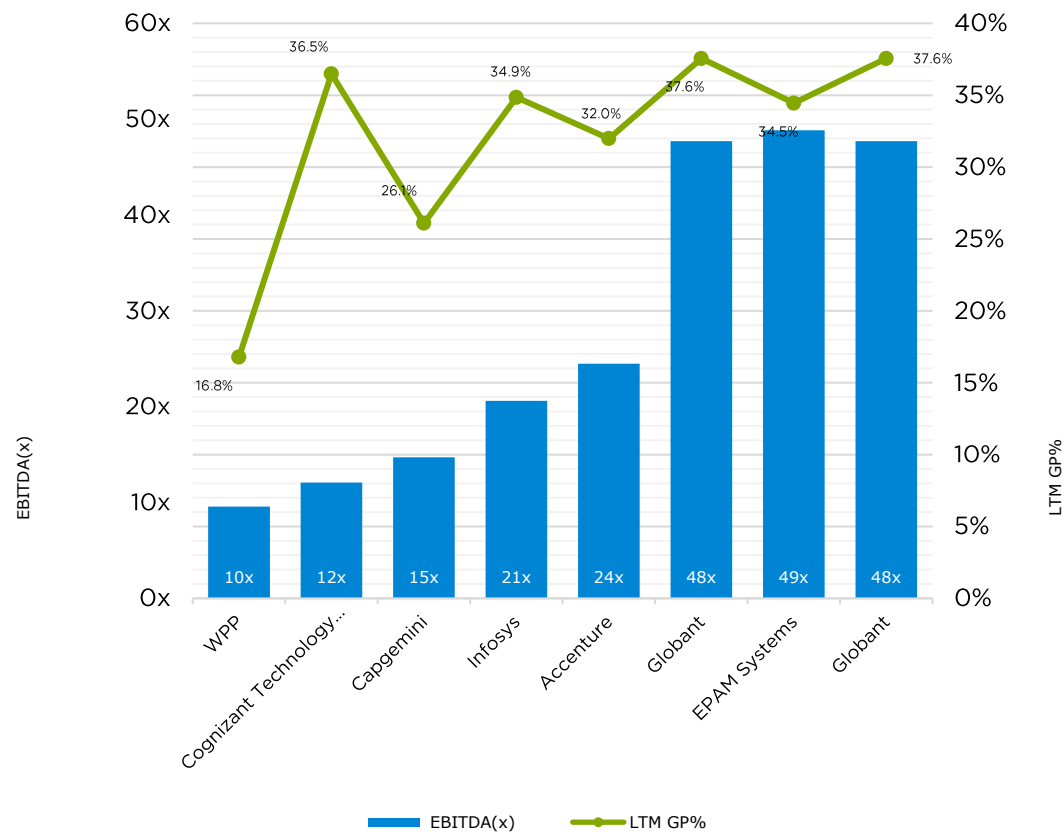


Valuation

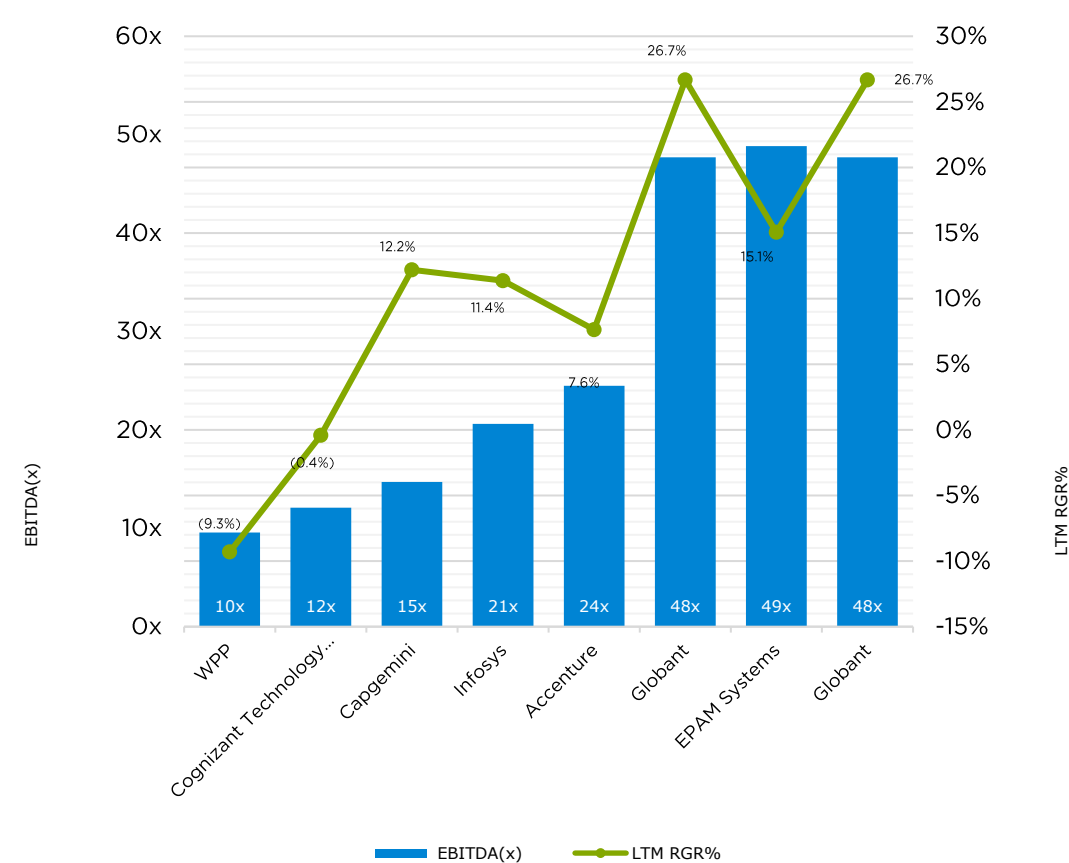


Valuation

Historical Valuation Multiples
versus Gross Profit



Historical Valuation Multiples
versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer	Total Transaction Amount	Target Revenue	TEV / Revenue	TEV / EBITDA
26-Jul-21	AGS Tek Partners	Kris Infotech	-	-	-	-
26-Jul-21	Simplicit Technologies	Palmer Technology Solutions	-	-	-	-
22-Jul-21	Zerkana	Nunsys	-	-	-	-
21-Jul-21	DotCom Partners	WhyteSpyder	-	-	-	-
21-Jul-21	KeyData	CIVC Partners	-	-	-	-
21-Jul-21	ProcessDX	Lydonia Technologies	-	-	-	-
21-Jul-21	Wireless Watchdogs	Dataprise	-	-	-	-
20-Jul-21	Clipper Group (France)	Andera Partners	-	-	-	-
20-Jul-21	CyberNet Security	BEK Communications	-	-	-	-
20-Jul-21	Defcon Solutions	MilDef Group	-	-	1.43	-
20-Jul-21	Trams	Econocom Group	-	-	-	-
19-Jul-21	Cloudworks Consulting Services	Accenture	-	-	-	-
19-Jul-21	Mainstream Technologies (Czech Republic)	Sandberg Capital	-	-	-	-
19-Jul-21	Sability (Dayforce HCM Consulting Practice)	AXL Global Consulting	-	-	-	-
19-Jul-21	Summa Solutions (Digital Commerce agency)	Infra.Commerce	9.00	-	-	-
19-Jul-21	VDOO	JFrog	-	-	-	-
16-Jul-21	Dapesco	Metron	-	-	-	-
16-Jul-21	Indrasoft (Cybersecurity)	ASGN	-	-	-	-
15-Jul-21	Blazing Edge	Dept Agency	-	-	-	-
15-Jul-21	Engagement Factory	BLEND360	-	-	-	-
15-Jul-21	Integress	AllCloud	-	-	-	-
15-Jul-21	Occam's Razor Technologies	Avantus Federal	-	-	-	-
14-Jul-21	Tarrytech Computer Consultants	Bilgola Capital	-	-	-	-
13-Jul-21	Cantey Technology Consulting	LNC Partners	-	-	-	-

Appendix

*Public Basket
Contact Information*



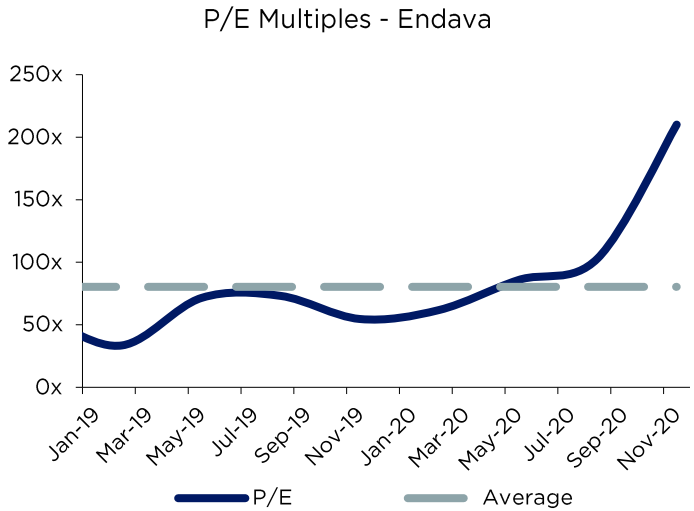
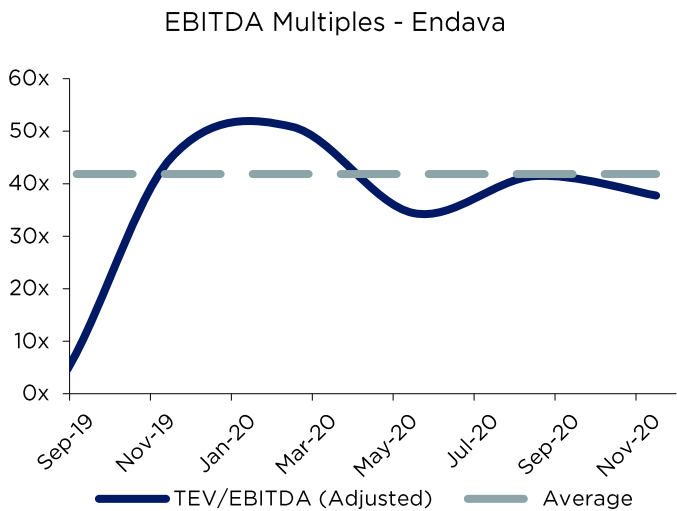
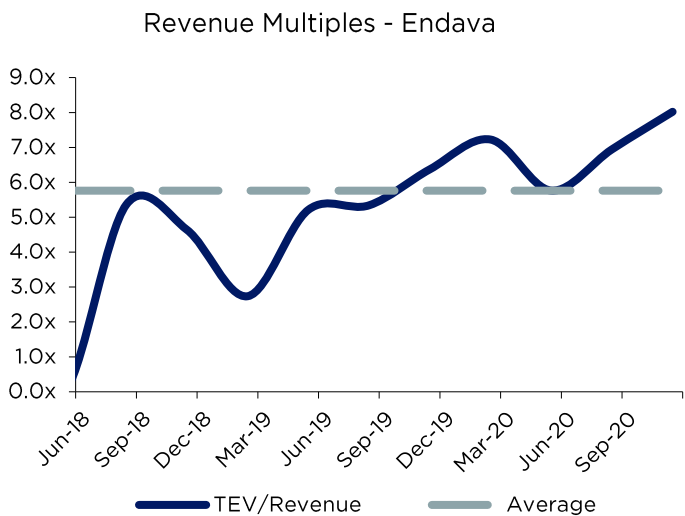
Endava

Endava PLC provides technology solutions.

It offers various services such as Agile Transformation, through which the company identify, define, and implement the mix of process, technology, and culture. It also provides Digital Evolution and Automation, Test Automation and Engineering, Cloud, Architecture, Software Engineering, and others. The company offers its services to various industries such as Finance, Retail and Consumer Goods, Telecommunication, Media, and Technology, Insurance and Healthcare, and others.

Public Basket

Endava



Company Name	Date	Deal Synopsis
Level	01-Apr-21	The company was acquired by Endava (NYS: DAVA), a subsidiary of Concise, for an undisclosed amount on April 1, 2021.
Five (Croatia)	04-Mar-21	The company, a subsidiary of RealNetworks (NAS: RNWK) was acquired by Endava (NYS: DAVA), a subsidiary of Concise, for an undisclosed amount on March 4, 2021. With this acquisition, Endava increases its capacity in the ideation, design and delivery of intelligent digital experiences and enhances its capabilities in digital product strategy and performance optimization services.

Globant

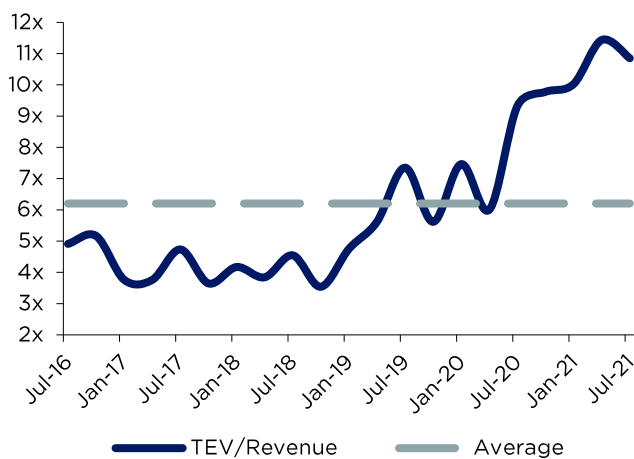
Globant SA is a software technology developer based in Luxemburg.

It creates platforms which are powered by native digital technology, better known as digital journeys. The digital journey incorporates various software products, mobile apps and sensors that assist its clients in knowing its end user's behavioral pattern. The key aspects of the digital journey are stay relevant, discover and build. The stay relevant helps its clients in staying abreast of the developments in its industry and taking preemptive measures. The discover conceives digital journeys for the users based on consumer behaviors and technologies and the build creates each digital journey leveraging the work of its studios. The company's revenue is primarily generated by its technology services in the United States.

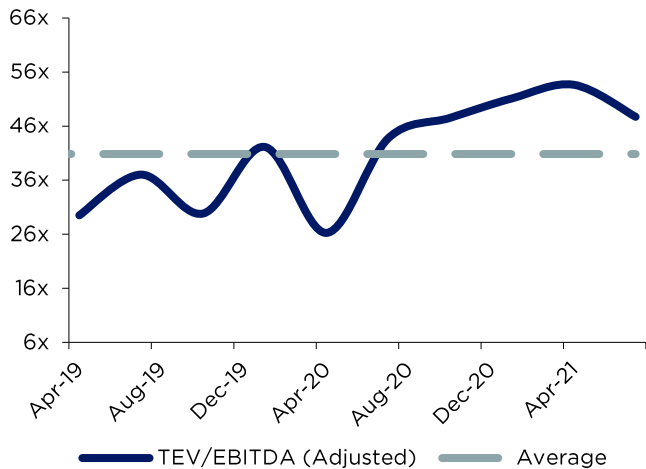
Public Basket

Globant

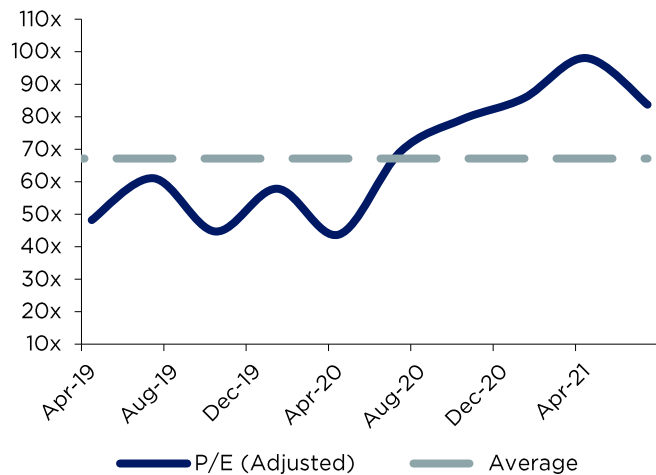
Revenue Multiples - Globant



EBITDA Multiples - Globant



P/E Multiples - Globant



Company Name	Date	Deal Synopsis
VU Security	12-Jul-21	The company raised \$12 million of Series B venture funding from Telefónica Tech Ventures, Globant and Bridge One on July 12, 2021. IDB Lab., NXTP Ventures and Agrega Partners also participated in the round. The funds will be used to hire developers across Europe and in the U.S.
Walmeric Soluciones	08-Jul-21	The company was acquired by Globant (NYS: GLOB) for an undisclosed amount on July 8, 2021. Globant has an option to acquire remaining minority stake in three year time.

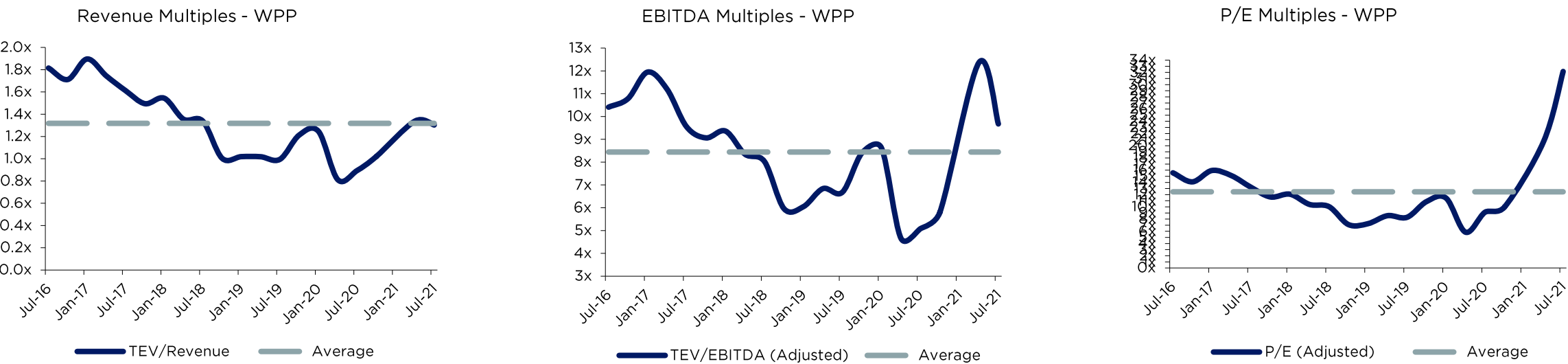
WPP

Headquartered in the U.K., WPP is the world's largest ad holding company, based on annual revenues.

WPP's services, which include traditional and digital advertising, public relations, and consulting, are provided worldwide, with over 70% of its revenue coming from more developed regions such as the North America, U.K., and Western Europe.

Public Basket

WPP



Company Name	Date	Deal Synopsis
DTI Digital	30-Apr-21	The company was acquired by WPP (LON: WPP) for an undisclosed amount on April 30, 2021. The acquisition will strengthen WPP's capabilities in supporting its clients' end-to-end digital transformation objectives in Brazil and beyond, by complementing and expanding WPP's existing adtech and systems integrations capabilities.
Anzu.io	02-Feb-21	The company raised \$9 million of venture funding in a deal led by HBSE Ventures and BITKRAFT Esports Ventures on February 2, 2021. Sony Innovation Fund, WPP, Innovation Growth Ventures, Alumni Ventures Group, Goal Ventures, The Chicago Cubs, Gaingels, Marc Merrill, and Dylan Collins also participated in the round. The funds will be used for growing Anzu's sales and marketing activities and support its commercial growth.

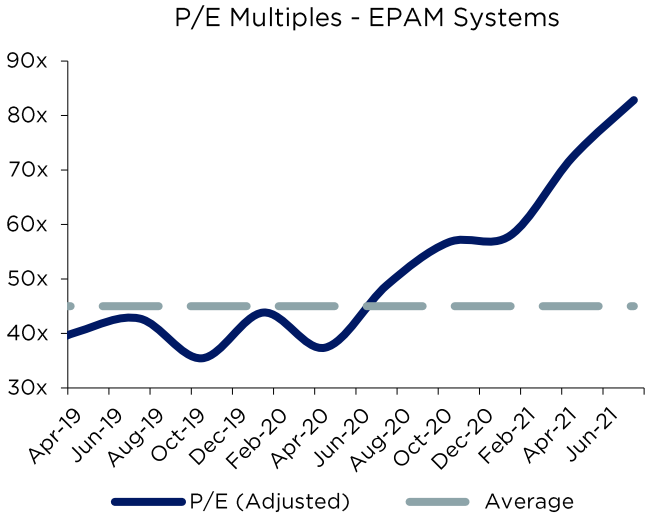
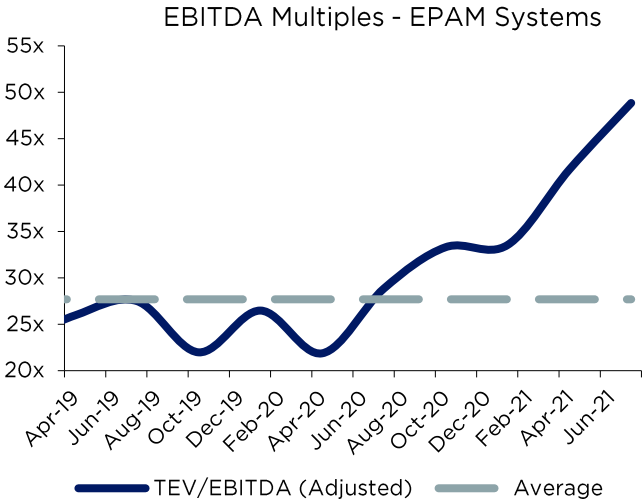
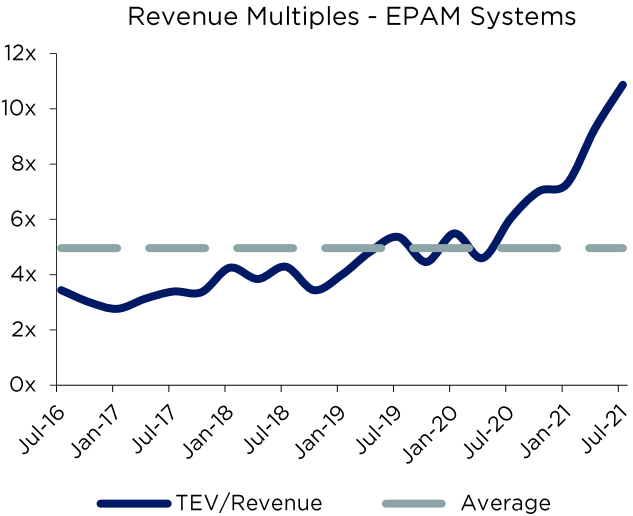
EPAM Systems

EPAM Systems Inc provides software product development and digital platform engineering

The company services include Software Product Development, Custom Application Development, Application Testing, Enterprise Application Platforms, Application Maintenance, and Support and Infrastructure Management. The company focuses on innovative and scalable software solutions. The company uses industry standard and custom developed technology, tools, and platforms to deliver results to handle business challenges. The company primarily offers its solutions in the following industries: financial services, travel and consumer, software and hi-tech, life sciences and healthcare. The majority of revenue is generated from North American

Public Basket

EPAM Systems



Company Name	Date	Deal Synopsis
Just-BI	11-May-21	The company was acquired by EPAM Systems (NYS: EPAM) for an undisclosed amount on May 11, 2021. The acquisition enables EPAM Systems to expand its portfolio of data and analytics services.
White-Hat	05-May-21	The company was acquired by EPAM Systems (NYS: EPAM) for an undisclosed amount on May 5, 2021.

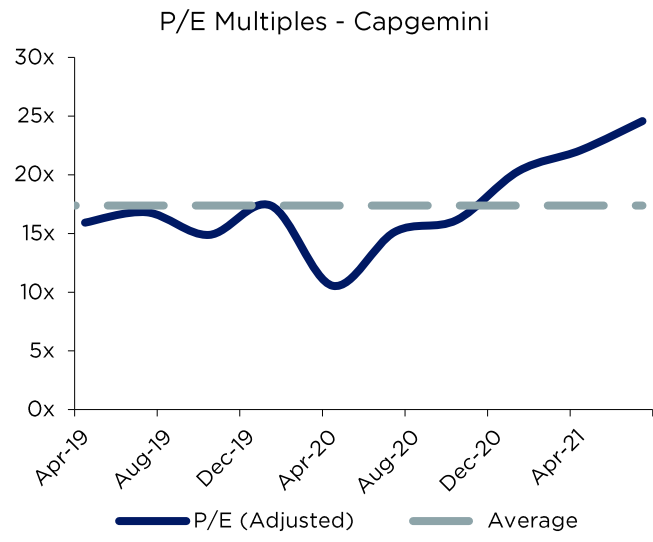
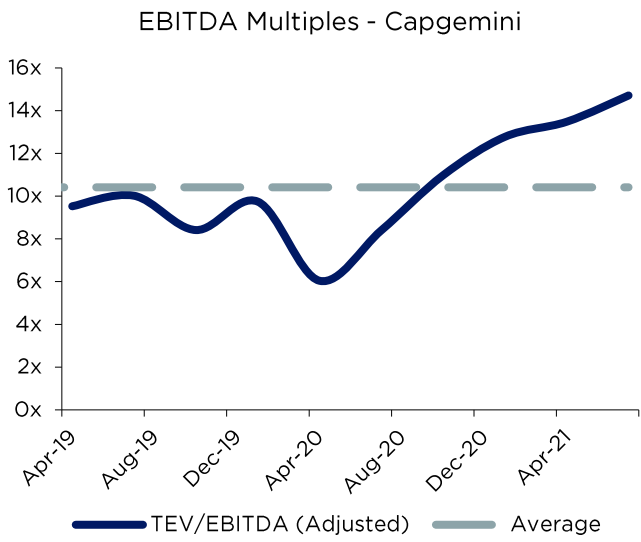
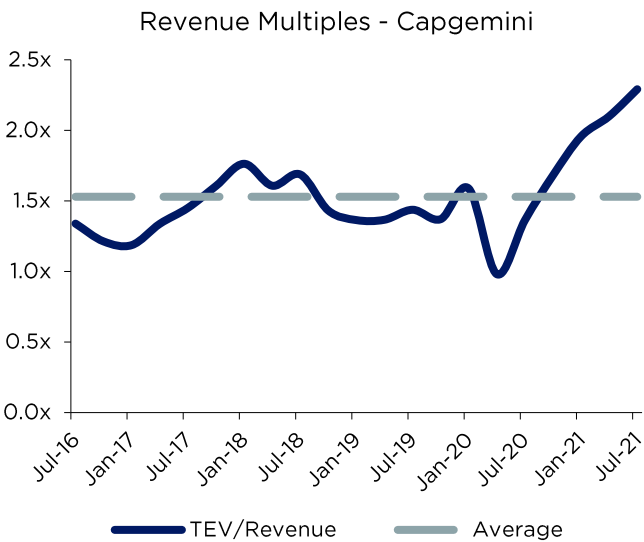
Capgemini

Capgemini is a French IT services company with a global presence.

The firm has over 450 offices globally, with more than half of its employees based in India. Capgemini provides services related to IT consulting, infrastructure management, and business process outsourcing.

Public Basket

Capgemini



Company Name	Date	Deal Synopsis
Empire	19-Jul-21	The company reached a definitive agreement to be acquired by Capgemini (PAR: CAP) for AUD 233 million on July 19, 2021. The acquisition strengthens Capgemini's client portfolio across key industries, notably in Mining, Utilities and Government.
Verkor	06-Jul-21	The company raised EUR 100 million of Series B venture funding in a deal led by Groupe Renault (France) and EQT Ventures on July 6, 2021. Schneider Electric, Capgemini, Arkema and 6 other investors also participated in the round. The funds will be used by the company to support the expansion of Vekor and accelerate the construction of the VIC (Verkor Innovation Center).

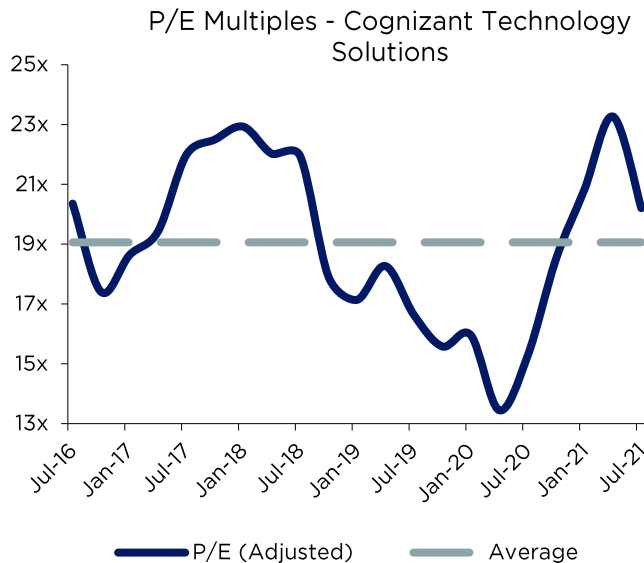
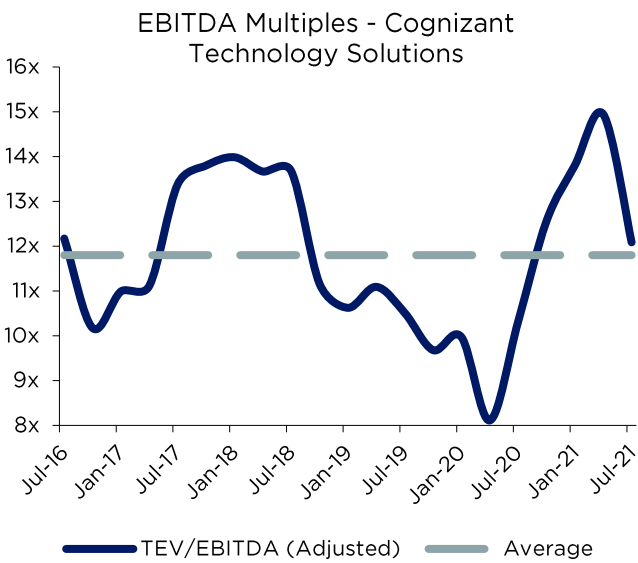
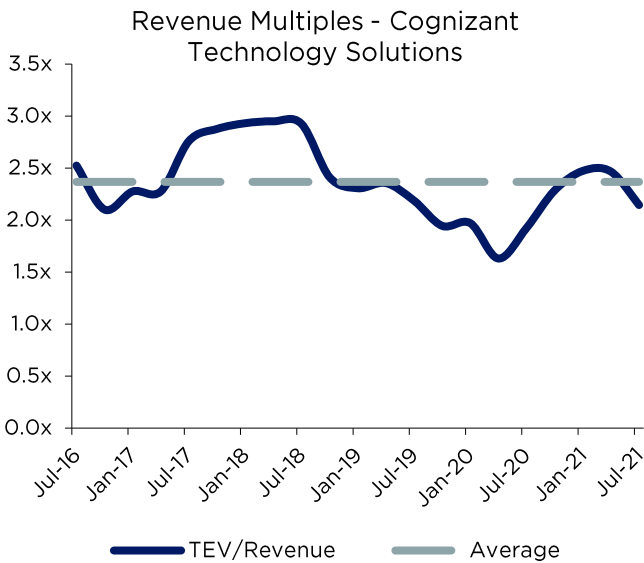
Cognizant Technology Solutions

Cognizant is a global IT services provider, offering consulting and outsourcing services to some of the world's largest enterprises spanning the

Cognizant employs nearly 300,000 people globally, roughly 70% of whom are in India, although the company's headquarters are in Teaneck, New Jersey.

Public Basket

Cognizant Technology Solutions



Company Name	Date	Deal Synopsis
TQS Integration	20-Jul-21	The company reached a definitive agreement to be acquired by Cognizant Technology Solutions (NAS: CTSI) for an undisclosed amount on July 20, 2021. The acquisition will expand Cognizant's presence in Ireland, a hub for the world's leading life science manufacturing experts and an ideal location to offer Industry 4.0 consulting and services to European manufacturing clients.
ESG Mobility	01-Jun-21	The company, a subsidiary of ESG Elektroniksystem- und Logistik was acquired by Cognizant Technology Solutions (NAS: CTSI) for an undisclosed amount on June 1, 2021. The acquisition will expand Cognizant's automotive engineering expertise, particularly in connected vehicles.

Infosys

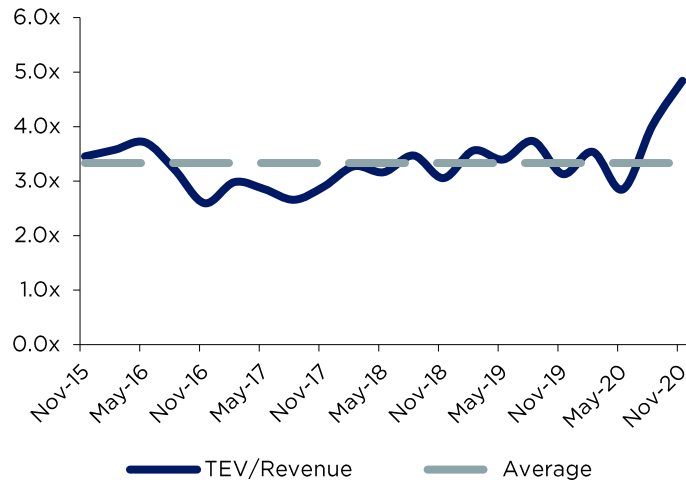
**Infosys is a leading global IT services provider,
with nearly 250,000 employees.**

Based in Bangalore, the Indian IT services firm leverages its offshore outsourcing model to derive 60% of its revenue from North America. The company offers traditional IT services offerings: consulting, managed services and cloud infrastructure services, and business process outsourcing as a service (BPaaS).

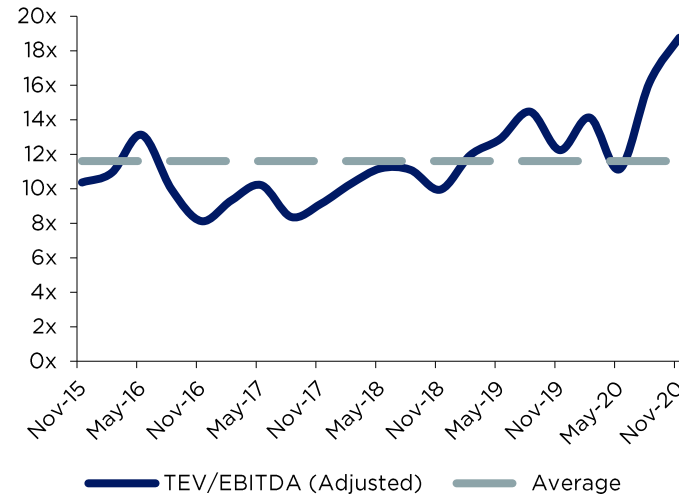
Public Basket

Infosys

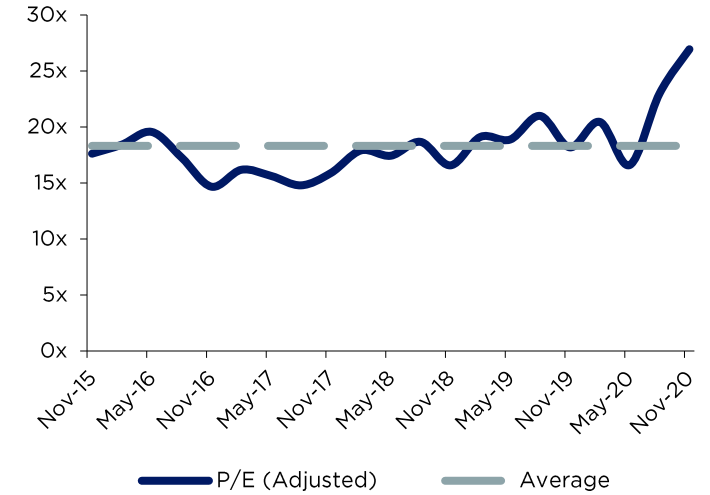
Revenue Multiples - Infosys



EBITDA Multiples - Infosys



P/E Multiples - Infosys



Company Name	Date	Deal Synopsis
Daimler (IT Assets in Germany)	12-Apr-21	The IT Assets in Germany of Daimler were acquired by Infosys (NSE: INFY) for an undisclosed amount on April 12, 2021.
ideaForge	11-Feb-21	The company received \$1 million of financing from Infosys on an undisclosed date.

Accenture

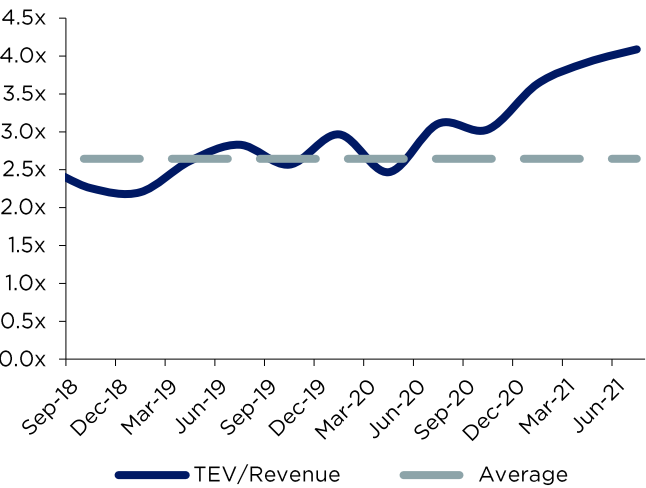
Accenture is a leading global IT-services firm that provides consulting, strategy, and technology and operational services.

These services run the gamut from aiding enterprises with digital transformation, to procurement services, to software system integration. The company provides its IT offerings to a variety of sectors, including communications, media and technology, financial services, health and public services, consumer products, and resources. Accenture employs just under 500,000 people throughout 200 cities in 51 countries.

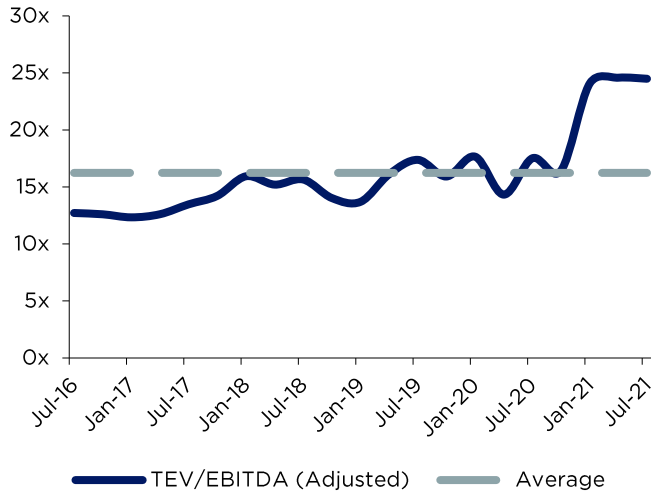
Public Basket

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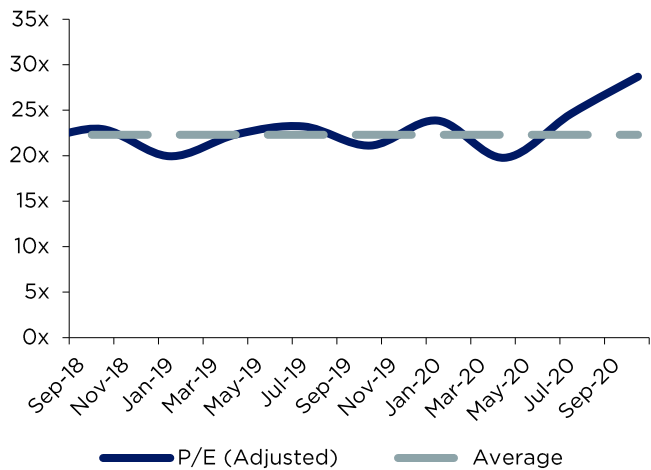
Revenue Multiples - Accenture



EBITDA Multiples - Accenture



P/E Multiples - Accenture



Company Name	Date	Deal Synopsis
Openminded	21-Jul-21	The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on July 21, 2021. The acquisition will help Accenture increase its presence in the field of cybersecurity in Europe.
Cloudworks Consulting Services	19-Jul-21	The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on July 19, 2021. The acquisition further enhances Accenture's capabilities to deliver oracle solutions to clients on their journeys to the cloud.

Contact Info

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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.



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