

Market Update

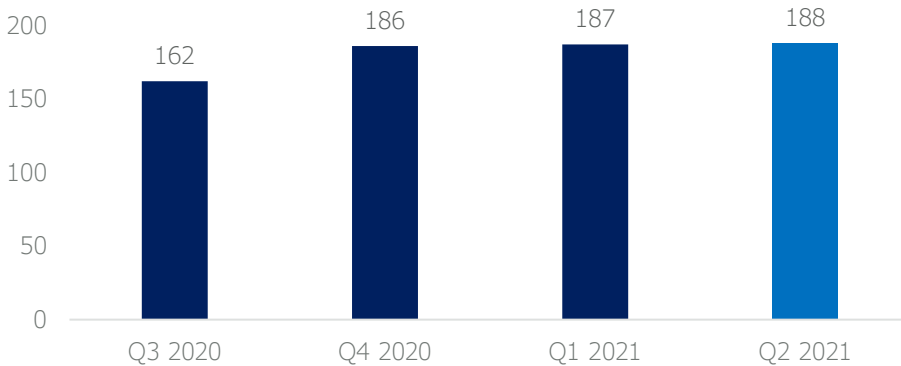
IT Services & Software in Western Europe

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The M&A market in Western Europe remains hot as buyers continue to show interest in the region, due largely to the expectation that Europe will reach an annual ICT spending of close to \$1 Trillion by the end of the year. We expect the underlying M&A trends in Western Europe to continue given the region's growing interest in IoT and cloud solutions from traditionally under digitized industries like manufacturing and healthcare.

Second quarter recorded 188 transactions, a 72% increase compared with Q2 2020. Deal volumes and valuations remain high as both strategic and financial buyers have been aggressive over the past six months acquiring software development, cloud analytics, and digital commerce service companies across all countries in Western Europe.

of M&A Deals in Western Europe - IT Services & Software



7MA has completed numerous M&A transactions for companies with headquarters in Western Europe and has developed unparalleled deal expertise and knowledge of the industry trends, valuation trends, and most active strategic and financial buyers. Please contact Kristina Sergueeva, Ilya Ulianchuk, or Robin Siegel if you would like to learn more about our Western Europe coverage.

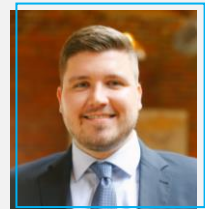
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Wipro to Acquire Capco



Wipro Limited, a leading global IT, consulting, and business process services company, announced its intent to acquire Capco, a global management and technology consultancy providing digital, consulting, and technology services to financial institutions globally. Over the past 20 years, the company has worked closely with business leaders and is known for its deep domain and consulting expertise, risk and regulatory offerings, and thought leadership around key industry technology challenges and opportunities. This acquisition will make Wipro one of the largest end-to-end global consulting, technology, and transformation service providers to the banking and financial services industry.

Date: March 21, 2021

Deal Type: M&A

Target HQ: UK

Deal Size: \$1.45B

ION Group Acquires Cedacri



ION Group, a developer of software for trading, treasury, and workflow services based in the UK, acquired Cedacri. Cedacri is an Italian banking software provider and offers banking solutions, cloud services, big data, and advanced analytics to over 70 banks. The acquisition will help ION to further expand its already strong solutions offering in the financial services sector.

Date: March 8, 2021

Deal Type: M&A

Target HQ: Italy

Deal Size: \$1.8B

Most Active M&A Subsectors in Q2 2021 in Western Europe

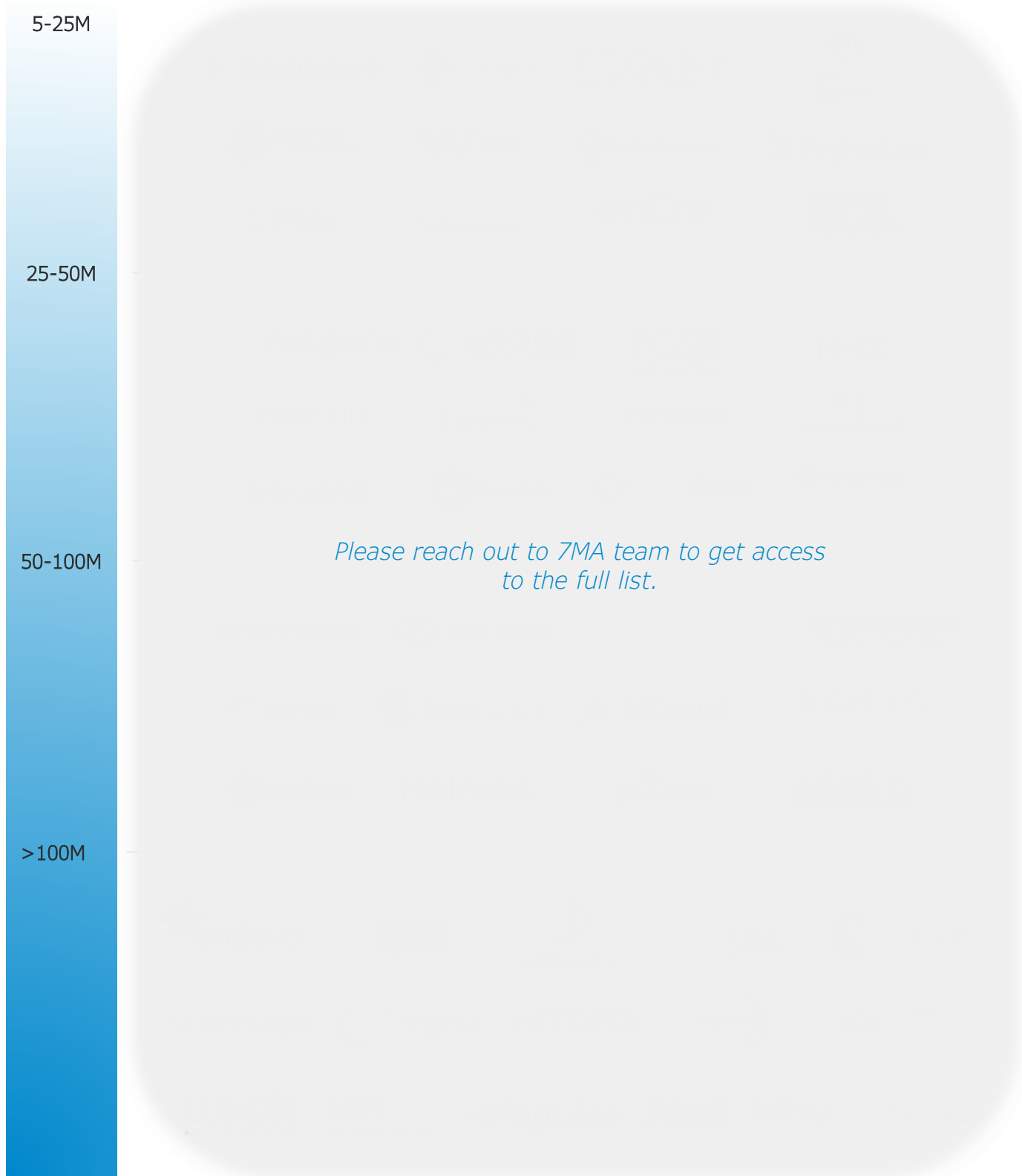
Software
Development

IoT

Digital Cloud
Transformation

Market Landscape

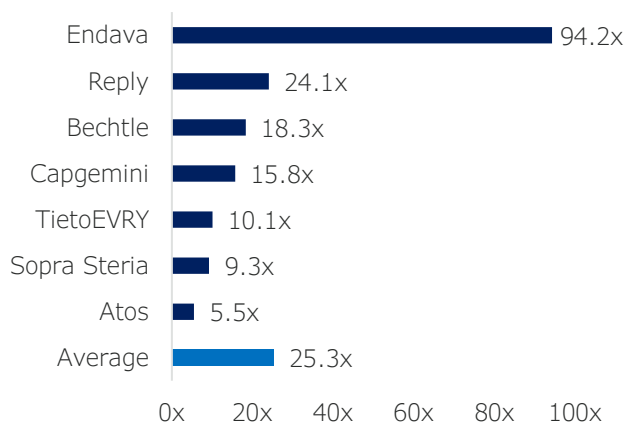
Annual Revenue, USD



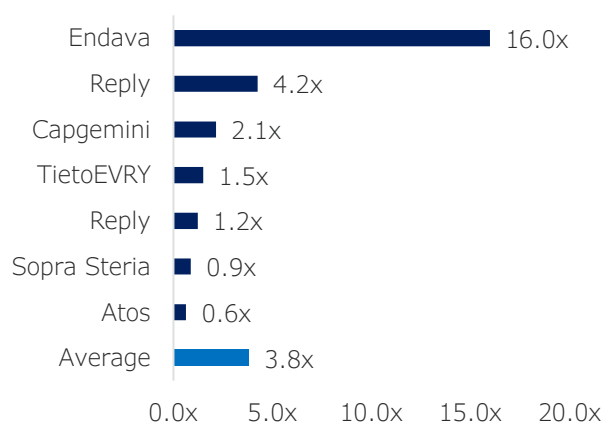
Publicly-traded IT Services & Software Companies - Western Europe – Q2 2021

Companies	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# of FTEs	Rev / FTE \$k
Capgemini	43,471	2,760	20,239	12%	26%	14%	2.1x	15.8x	289,501	15
Atos	8,313	1,500	13,086	-4%	27%	11%	0.6x	5.5x	105,000	8
Bechtle	8,931	487	7,267	8%	15%	7%	1.2x	18.3x	4,676	191
TietoEVRY	5,043	499	3,325	61%	25%	15%	1.5x	10.1x	23,610	21
Reply	6,920	288	1,630	5%	17%	18%	4.2x	24.1x	9,648	72
Sopra Steria	4,657	503	5,274	-4%	28%	10%	0.9x	9.3x	45,960	10
Endava	8,400	89	526	22%	34%	17%	16.0x	94.2x	7,139	118
Average	12,248	875	7,335	14%	24%	13%	3.8x	25.3x	69,362	62
Median	8,313	499	5,274	8%	26%	14%	1.5x	15.8x	23,610	21

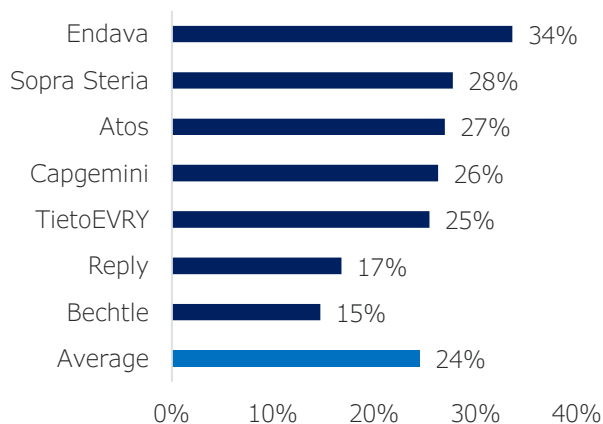
TEV / EBITDA X



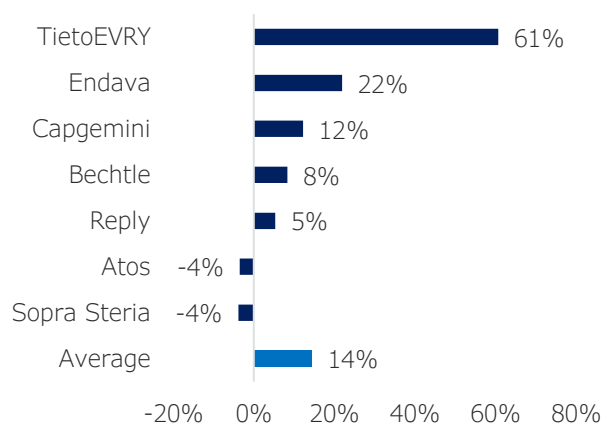
TEV / Rev X



Gross Margin %



Rev Growth YoY



Recent M&A Transactions

Date	Target	Buyer / Investor	Target Description
July-27, 2021			<ul style="list-style-type: none"> Atos acquired IDEAL GRP, a Product Lifecycle Management (PLM) system integrator and platinum-level solution partner of Siemens Digital Industries Software, headquartered in Finland.
July-27, 2021			<ul style="list-style-type: none"> EPAM Systems acquired CORE SE, a professional service provider specializing in IT strategy and technology-driven transformations with a focus on IT strategy, IT architecture, solution design, and software development.
July-9, 2021			<ul style="list-style-type: none"> Accenture acquired Linkbynet, a leading French cloud services provider specializing in cloud optimization and managed services, cloud transformation, and cloud security.
July-1, 2021			<ul style="list-style-type: none"> IBM acquired Waeg, a leading Salesforce Consulting Partner in Europe, to extend IBM's portfolio of Salesforce services and advance IBM's hybrid cloud and AI strategy.
June-30, 2021			<ul style="list-style-type: none"> Longship, a private equity investment firm that focuses on medium-sized growth companies in Norway, has acquired The Cloud People. The Cloud People is a provider of Google Cloud implementation and integration services in the Nordic region.
June-14, 2021			<ul style="list-style-type: none"> Valantic, a German IT Services provider, acquired Verovis via its financial sponsor Deutsche Private Equity. Verovis is a provider of consultancy services for performance management and advanced analytics.

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. All securities transactions are executed by 7M Securities, LLC, member FINRA / SIPC. For more information, including research on the M&A markets, visit www.7mileadvisors.com.



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Notable 7 Mile Transactions

