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Market Update Managed Service Providers

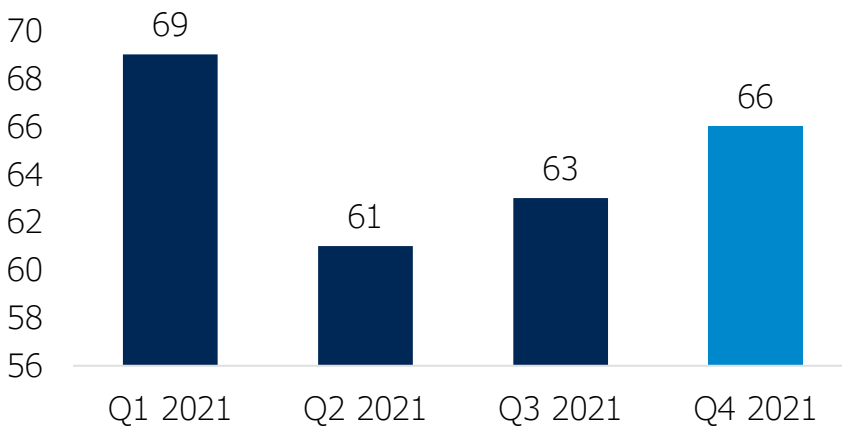
Managed Service Providers (MSPs) will remain hot as buyers continue to show increased interest in cloud adoption, advanced security measures, and desire for IT automation. Given the highly fragmented nature of the MSP space, M&A activity will continue to be abundant as sponsors and strategics look to increase scale and capture emerging technology trends to expand their geographic footprint.

According to MarketsandMarkets Research, the MSP market is expected to grow from \$242.9 billion to \$354.8 billion in 2026, a 7.9% CAGR. Additionally, the MSSP (Managed Security Services Provider) market is expected to grow closer to 12-15% annually.

Fourth-quarter 2021 recorded 66 deals - a 5% increase compared with Q3 2021. Deal volumes and valuations remain high as:

- 1) Cloud adoption continues to grow - by 2023, 40% of all enterprise workloads will be employed in cloud infrastructure - Gartner
- 2) Companies implement advanced security measures to combat cyber terrorist
- 3) IT automation becomes the new normal in our data-driven society

of MSP M&A deals - IT Services

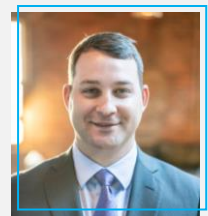


7MA has completed numerous M&A transactions in the MSP space and has developed unparalleled deal expertise and knowledge of the industry trends, valuation trends, and most active strategic and financial buyers. Please contact Tim Frye, Steve Buffington, or Tanner Lange if you would like to learn more about MSPs.

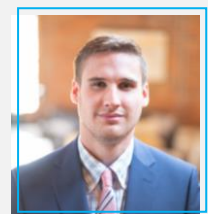
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7MA Transaction - Pfingsten Acquired Omega Systems

PFINGSTEN



Omega provides managed IT solutions, including cloud-based data hosting, incident management, cybersecurity, help desk support, storage, backup, disaster recovery, hosted infrastructure support, and network health monitoring. The Company also provides professional IT support services and hardware and software configuration. Omega serves small and medium sized businesses within financial services, insurance, manufacturing, healthcare, professional services, education, and local government industries. The Company brings enterprise-caliber IT solutions and support to organizations facing demanding data processing and compliance requirements.

Date: Feb. 2021
Deal Type: M&A
Target HQ: USA

7MA Transaction - Court Square Capital Acquired Thrive



Thrive is a leading provider of NextGen managed services designed to drive business outcomes through application enablement and optimization. The company's Thrive5 Methodology utilizes a unique combination of its Application Performance Platform and strategic services to ensure each business application takes advantage of technology that enables peak performance, scale, and the highest level of security.

Date: Jan. 2021
Deal Type: Majority Recap
Target HQ: USA

7MA Transaction - 3 Cloud (Gryphon Investors) Acquired CCG

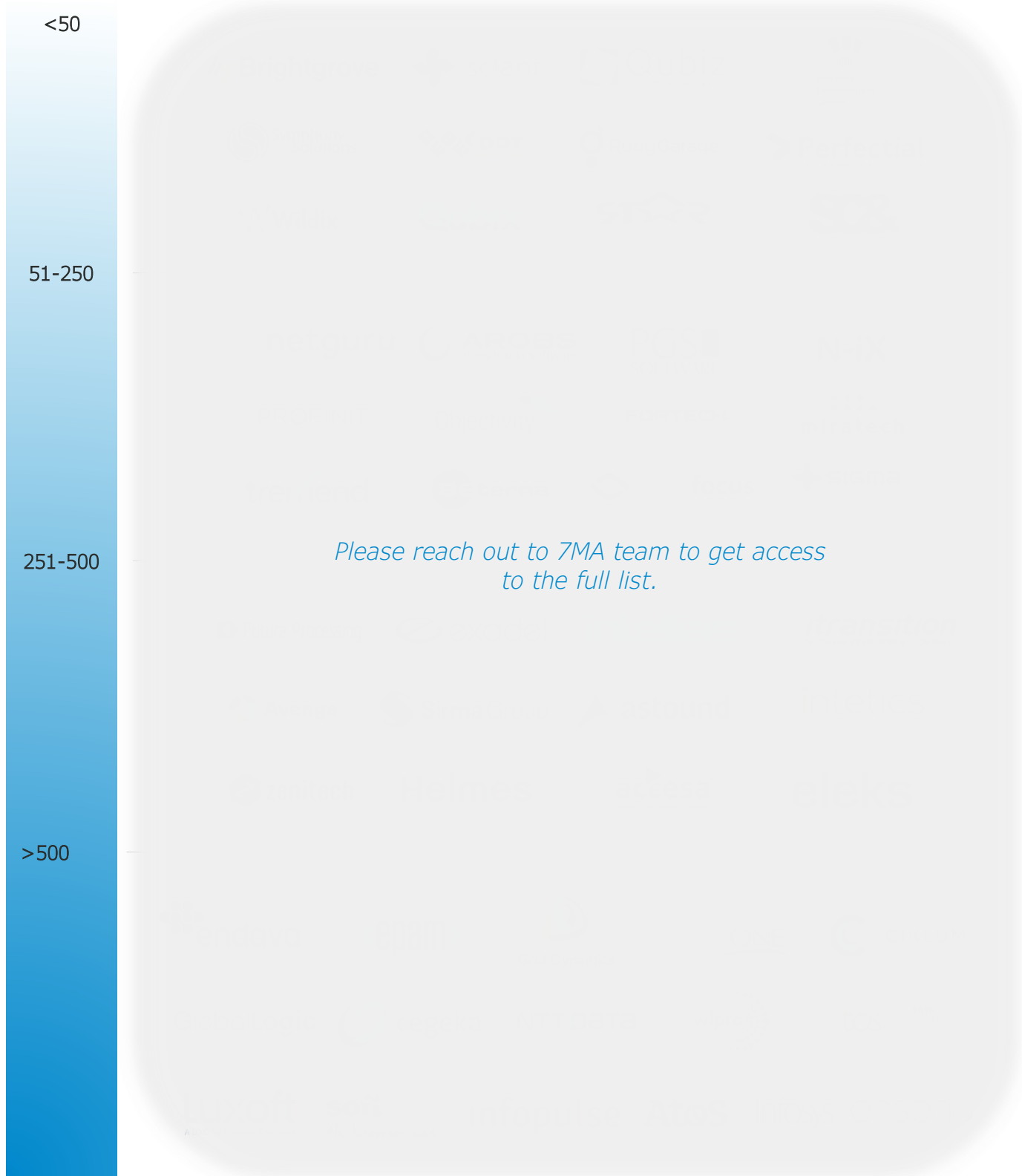


CCG Analytics is a Tampa-based data and analytics consulting firm and premier Microsoft partner. CCG Analytics stands out as an innovative consulting firm, with a diverse mid-market customer portfolio, that helps customers treat data as a critical asset across the organization enabling both resiliency and power to scale in today's digital business economy.

Date: Nov. 2021
Deal Type: M&A
Target HQ: USA

Market Landscape

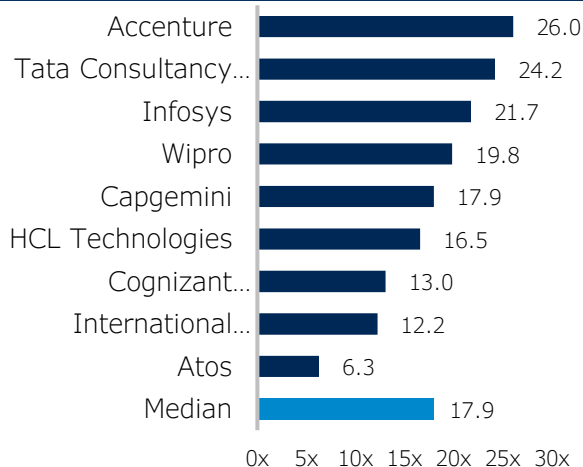
of Employees



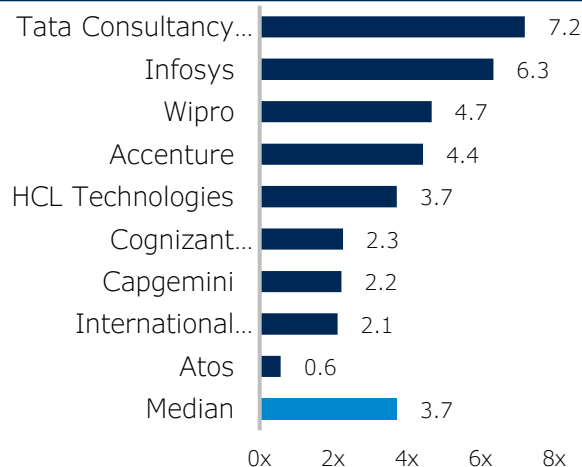
Publicly-traded Managed Service Providers – Q4 2021

Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Accenture	224,189	8,612	50,533	14.0%	32.4%	17.0%	4.4x	26.0x	624,000	81
Tata Consultancy Services	173,987	7,195	24,155	12.5%	47.2%	29.8%	7.2x	24.2x	509,058	47
International Business Machines	157,628	12,915	74,460	-0.8%	48.2%	17.3%	2.1x	12.2x	375,300	198
Infosys	94,577	4,355	14,909	15.8%	34.2%	29.2%	6.3x	21.7x	279,617	53
Capgemini	44,926	2,503	20,239	15.5%	26.3%	12.4%	2.2x	17.9x	289,501	70
Wipro	44,240	2,234	9,477	14.1%	31.4%	23.6%	4.7x	19.8x	221,365	43
Cognizant Technology Solutions	40,508	3,108	17,914	6.9%	37.3%	17.3%	2.3x	13.0x	318,400	56
HCL Technologies	40,287	2,436	10,811	8.9%	44.0%	22.5%	3.7x	16.5x	168,977	64
Atos	7,496	1,203	13,086	-4.3%	26.9%	9.2%	0.6x	6.3x	105,000	125
Average	91,982	4,951	26,176	9.2%	36.4%	19.8%	3.7x	17.5x	321,246	82
Median	44,926	3,108	17,914	12.5%	34.2%	17.3%	3.7x	17.9x	289,501	64

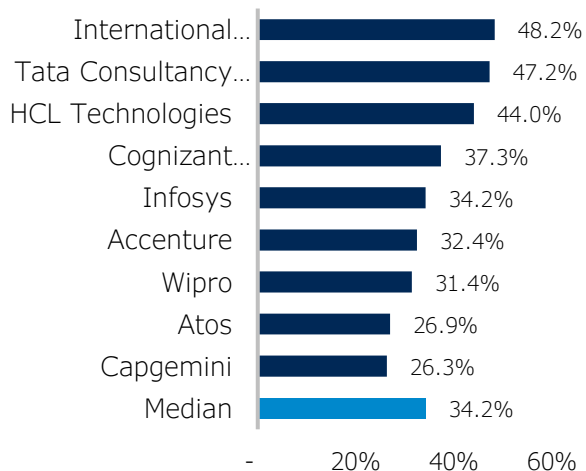
TEV / EBITDA X



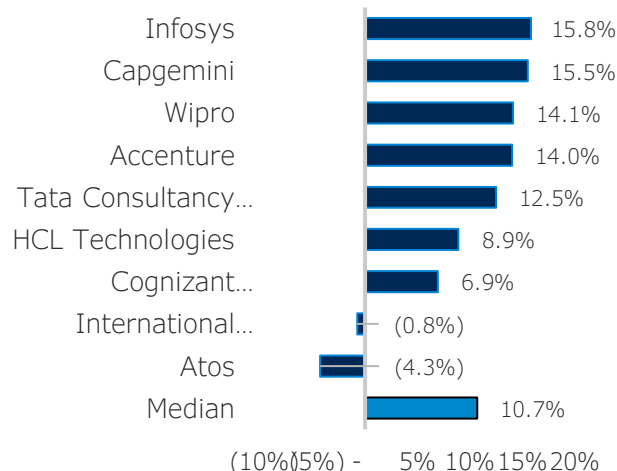
TEV / Rev X



Gross Margin %



Rev Growth YoY



Q4 2021 M&A Transactions

Date	Target	Buyer / Investor	Target Description
December 2021			<ul style="list-style-type: none"> MSP from Joplin, Missouri. The deal includes SNC Squared's staff and provides access to a new geographic market as well as expertise in the compliance and medical sectors.
December 2021			<ul style="list-style-type: none"> Headspring, founded in 2001, has roughly 90 employees in the U.S. and Mexico
November 2021			<ul style="list-style-type: none"> Managed IT services provider (MSP) in Gainesville, Georgia. Halski is a full-service MSP that supports customers in the southeastern United States. The company, which has 54 employees listed on LinkedIn, supports 5,300 customer endpoints.
November 2021			<ul style="list-style-type: none"> On Time Tech is an IT support and computer services company serving California since 2004. The company offers managed IT, cloud hosting, network security and backup solutions for SMBs.
October 2021			<ul style="list-style-type: none"> Aaxios Technologies, an independent managed IT company.
October 2021			<ul style="list-style-type: none"> Coretelligent, founded in 2006 by CEO Kevin J. Routhier, provides managed and co-managed IT support services, cybersecurity, backup and disaster recovery as well as cloud services.
October 2021			<ul style="list-style-type: none"> NetLogicDC located in Bethesda, Maryland focuses on IT solutions

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

Omega Systems
PARTNERED WITH
Pfingsten Partners
PFINGSTEN

3Cloud
3Cloud, A Gryphon Investors
Portfolio Company
ACQUIRED
Pragmatic Works
PRAGMATIC
WORKS

SOURCE
SUPPORT
Source Support Services
ACQUIRED BY
Capitala
Capitala

COURT
SQUARE
Court Square Capital
RECAPITALIZED
Thrive
THRIVE

Blue Chip
Blue Chip Consulting Group
ACQUIRED BY
Core BTS
A Tailwind Capital Portfolio Company
CORE
BYS, LLC

