

7 Mile Advisors



Sectorwatch: Supply Chain Tech & Software

February 2022



Supply Chain Tech & Software

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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

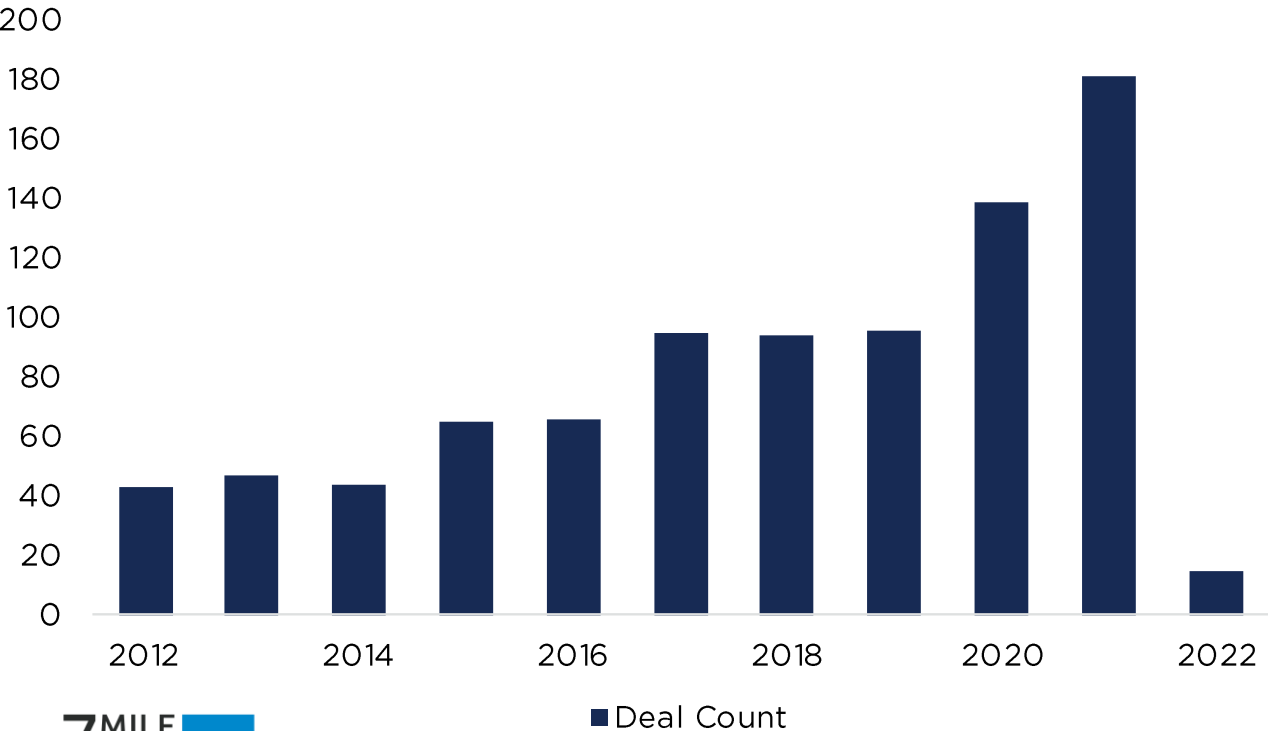
- The most recently announced deals in the sector

Dashboard

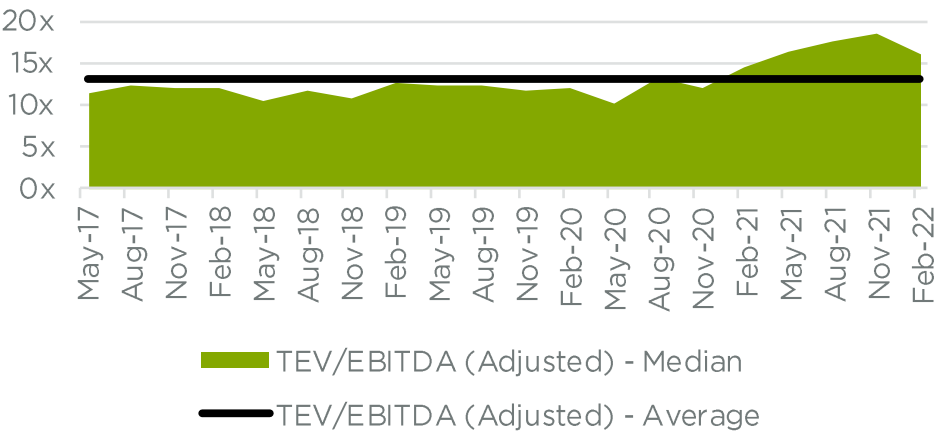
REVENUE GROWTH MOMENTUM ↑6.0%

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

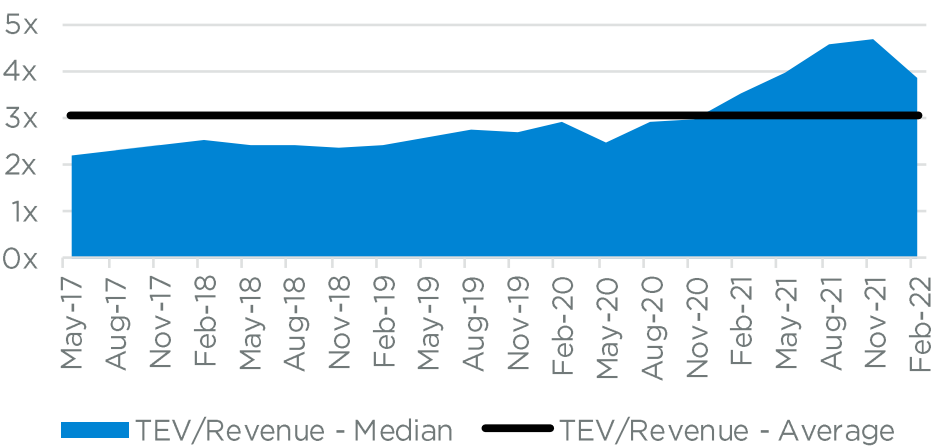
M&A Activity



Public EBITDA Multiples over Time



Public Revenue Multiples over Time



Public Basket Overview

Supply Chain &
Tech Software

United States



India



France



Ireland

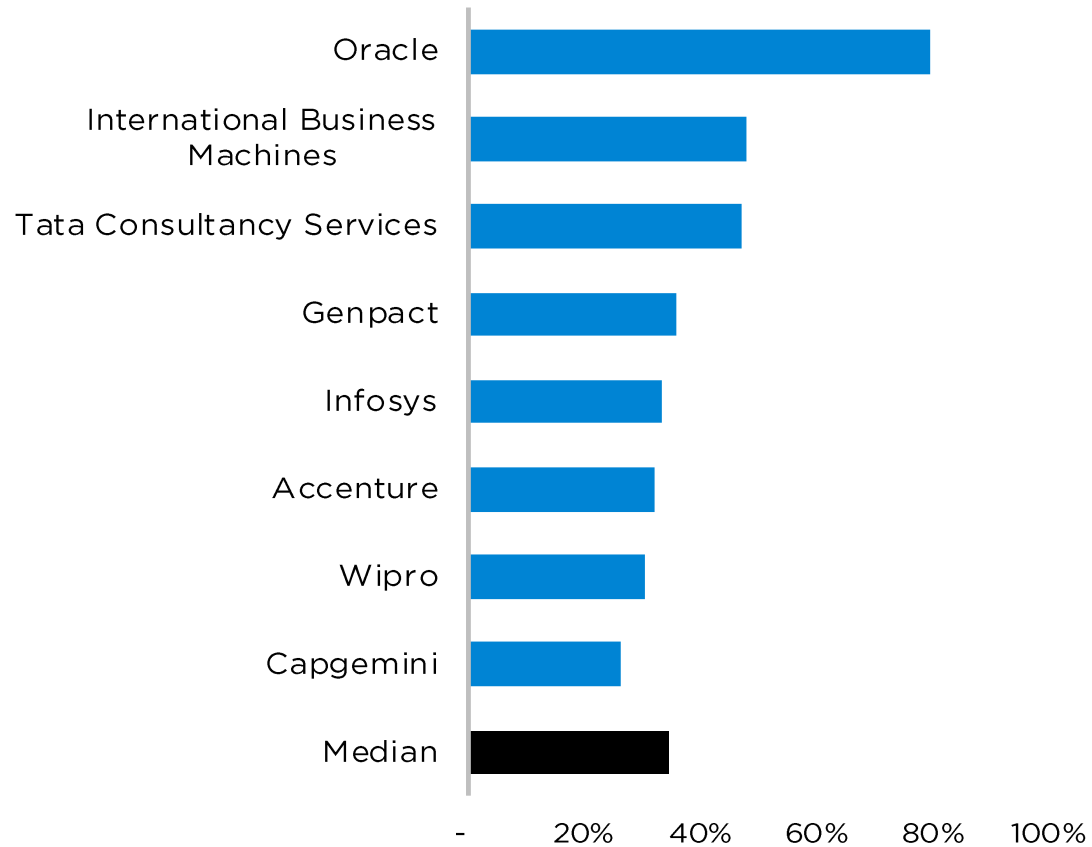


Public Basket

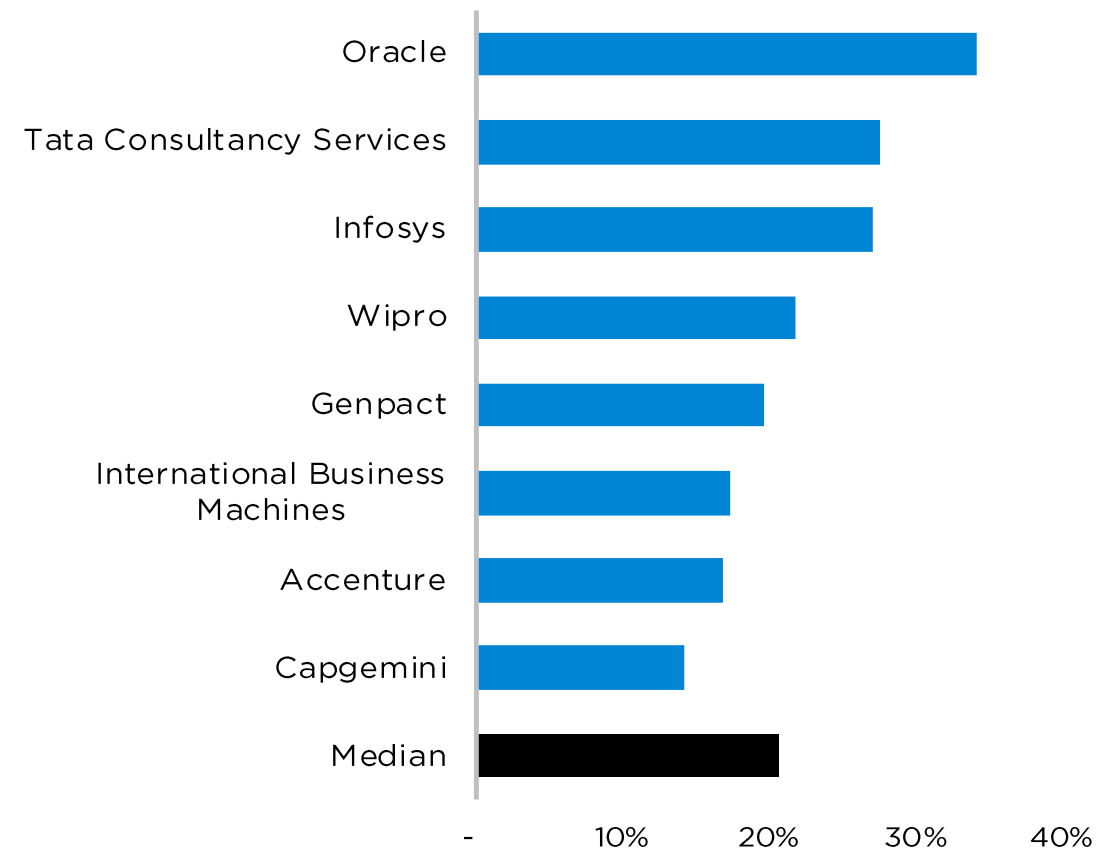
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Genpact	9,365	768	3,901	5.4%	35.9%	19.7%	2.4x	12.2x	105,400	37
Wipro	38,409	2,197	10,073	21.3%	30.5%	21.8%	3.8x	17.5x	220,000	46
Capgemini	42,349	2,875	20,239	15.5%	26.3%	14.2%	2.1x	14.7x	289,501	70
Infosys	94,635	4,256	15,644	19.0%	33.5%	27.2%	6.0x	22.2x	279,617	56
International Business Machines	163,834	12,915	74,460	-0.8%	48.2%	17.3%	2.9x	13.2x	375,300	198
Tata Consultancy Services	181,143	6,921	25,003	15.2%	47.1%	27.7%	7.2x	25.6x	509,058	49
Accenture	209,330	9,064	53,736	20.1%	32.3%	16.9%	3.9x	23.1x	674,000	80
Oracle	267,509	14,198	41,399	5.1%	80.0%	34.3%	6.5x	18.8x	132,000	314
Average	125,822	6,649	30,557	12.6%	41.7%	22.4%	4.4x	18.4x	323,110	106
Median	129,234	5,589	22,621	15.4%	34.7%	20.8%	3.9x	18.2x	284,559	63

Operational Metrics

LTM Gross Profit Margin %

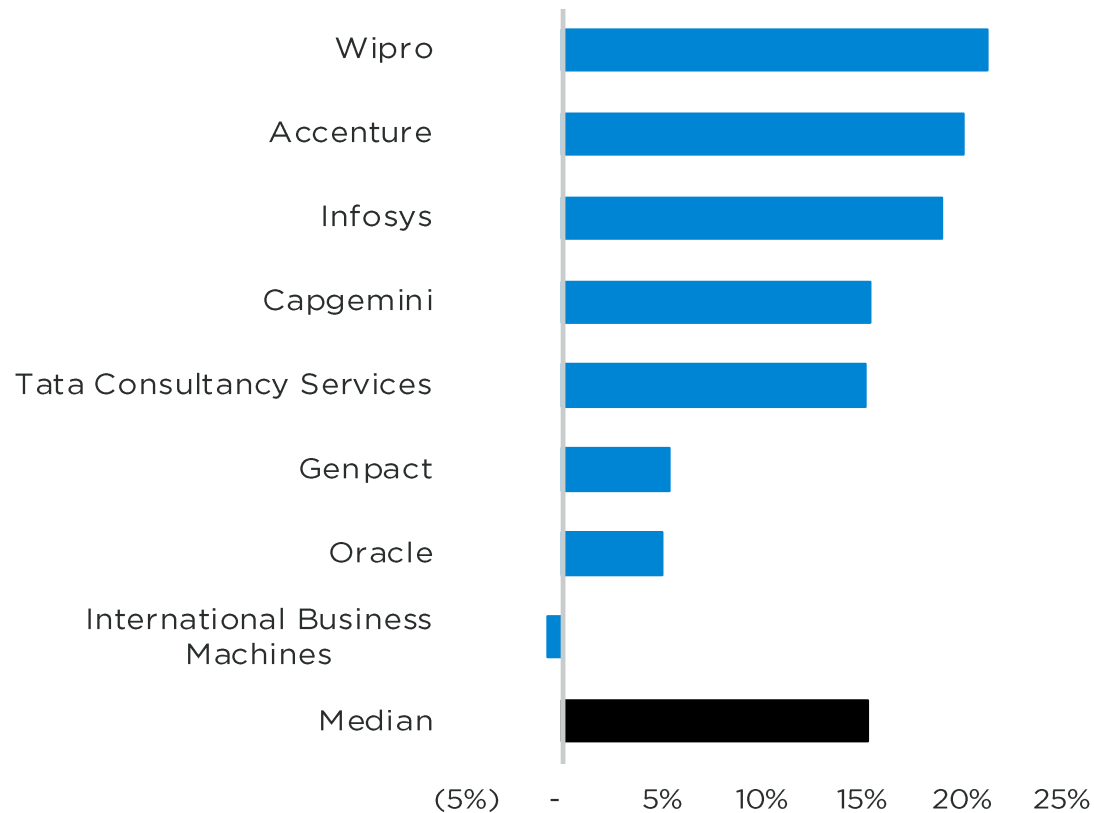


LTM EBITDA %

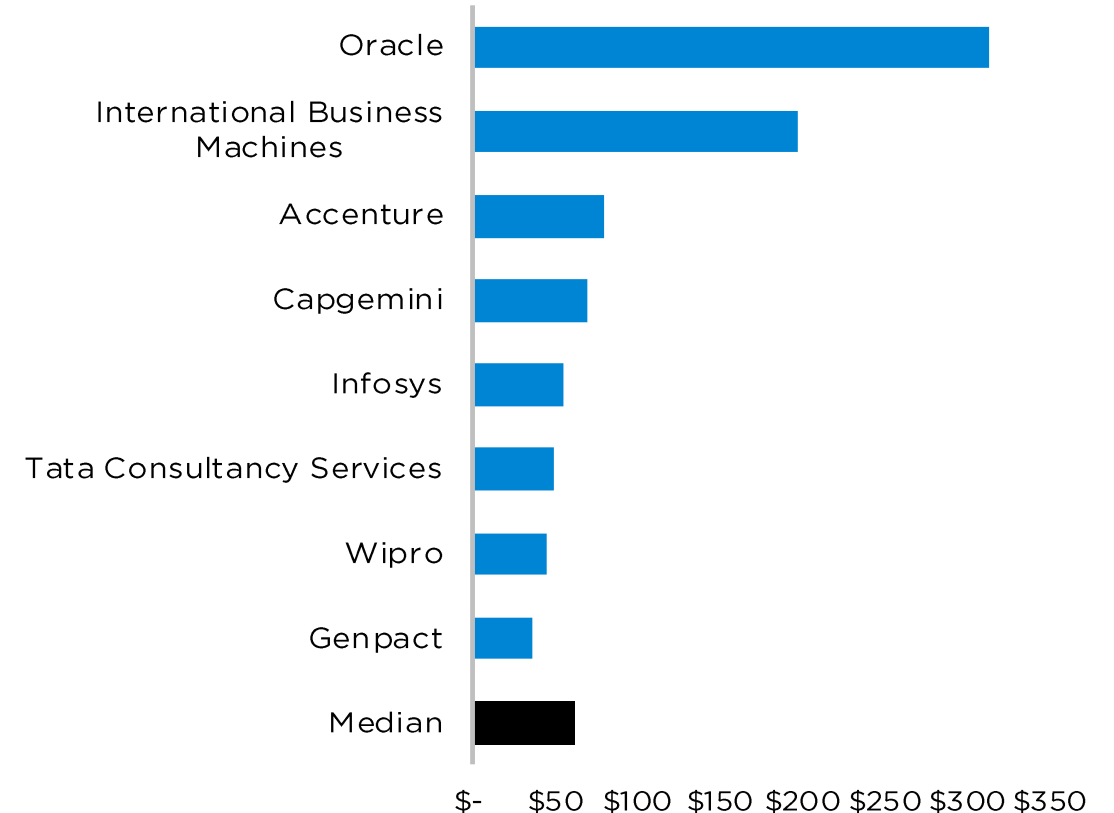


Operational Metrics

LTM Revenue Growth %

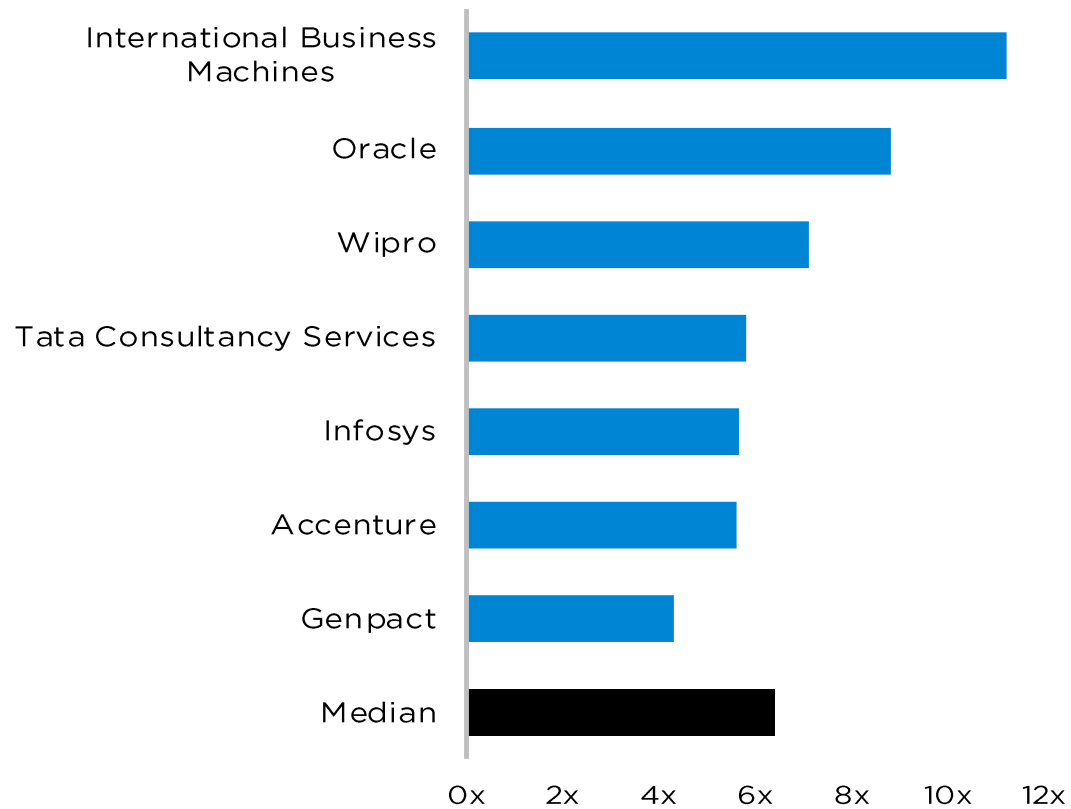


LTM Revenue per Full Time Employee x 000's

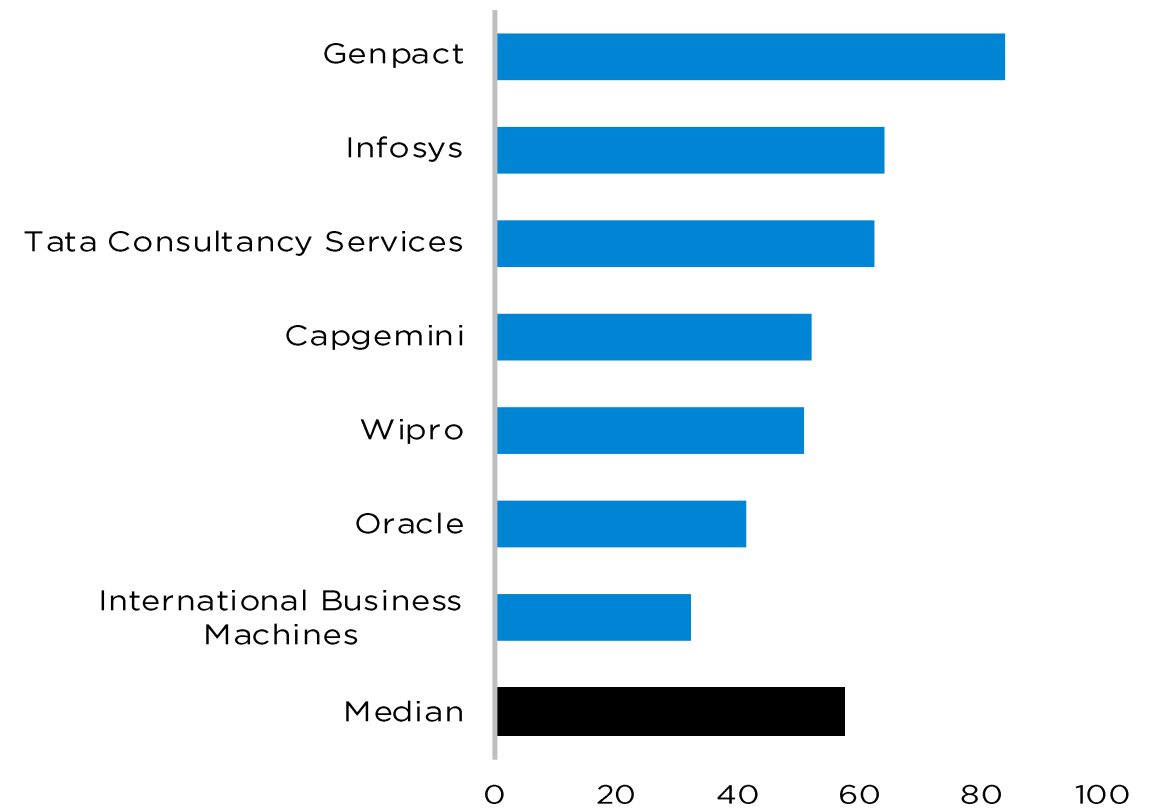


Operational Metrics

Accounts Receivable Turnover

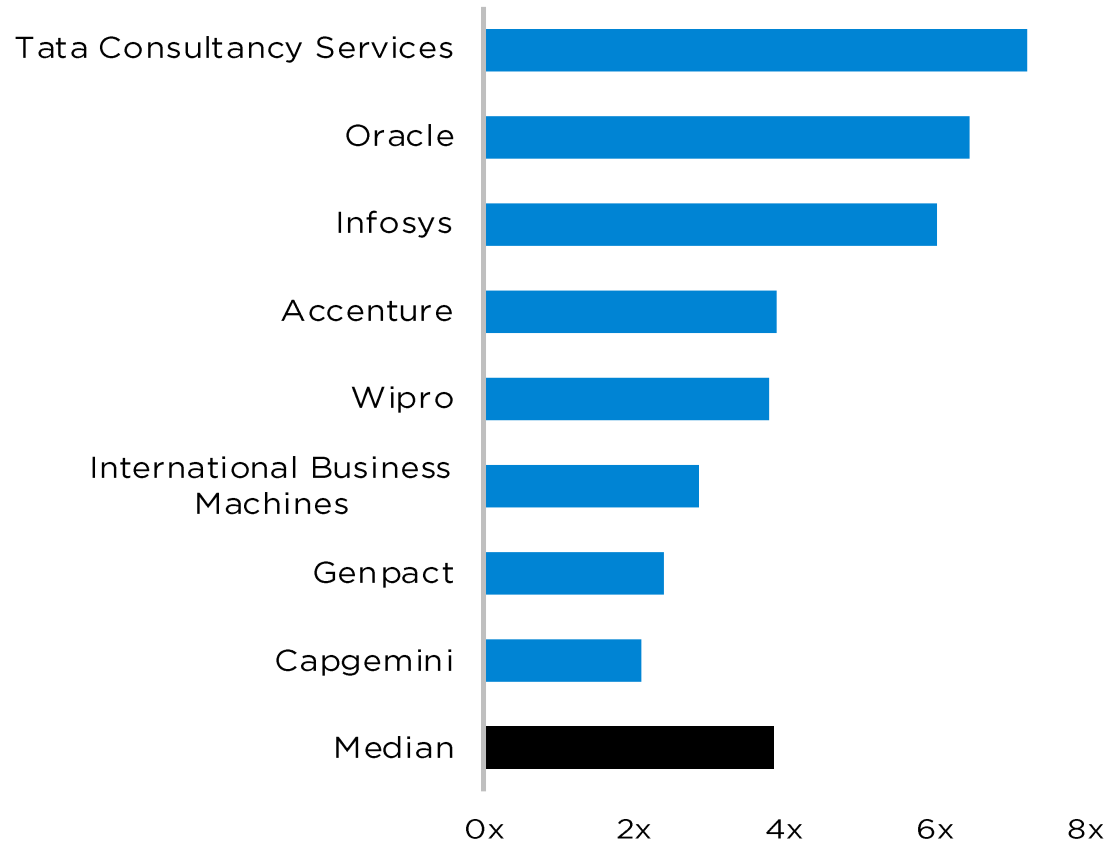


Average Days Sales Outstanding

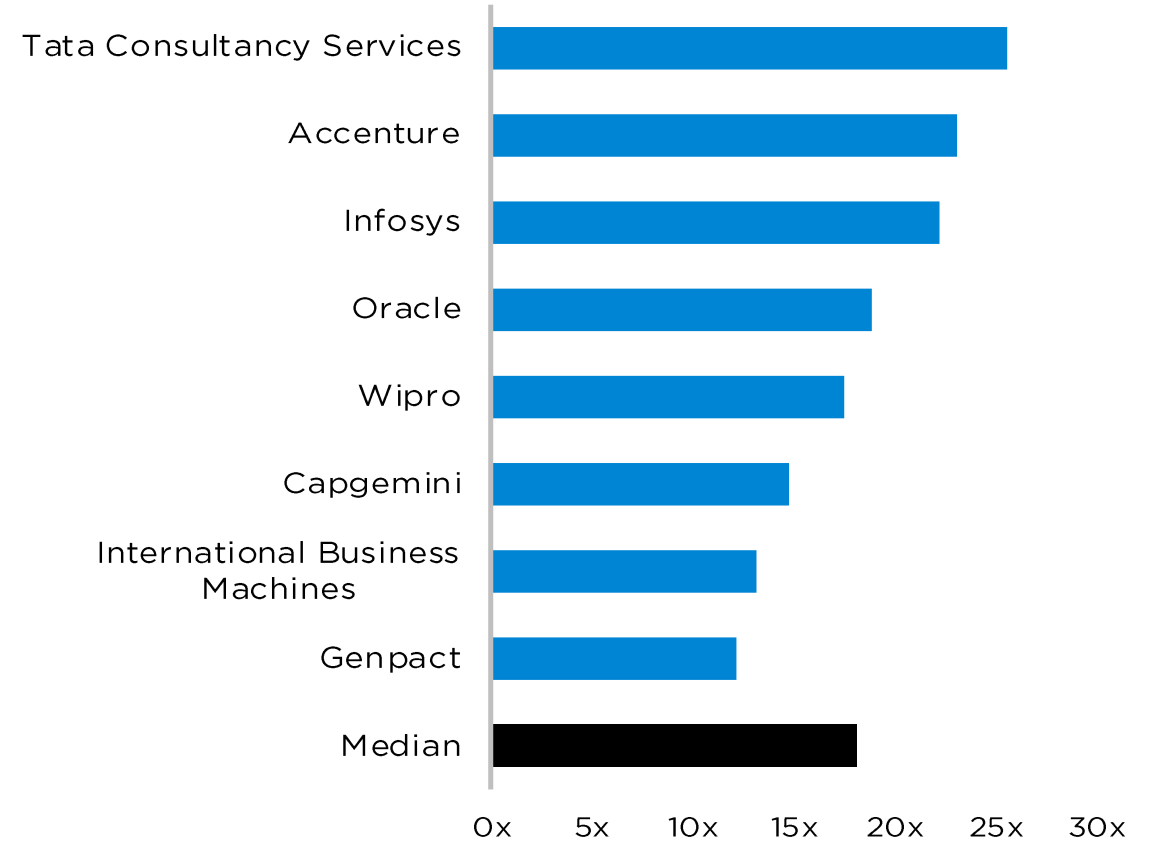


Valuation

TEV / LTM Revenue

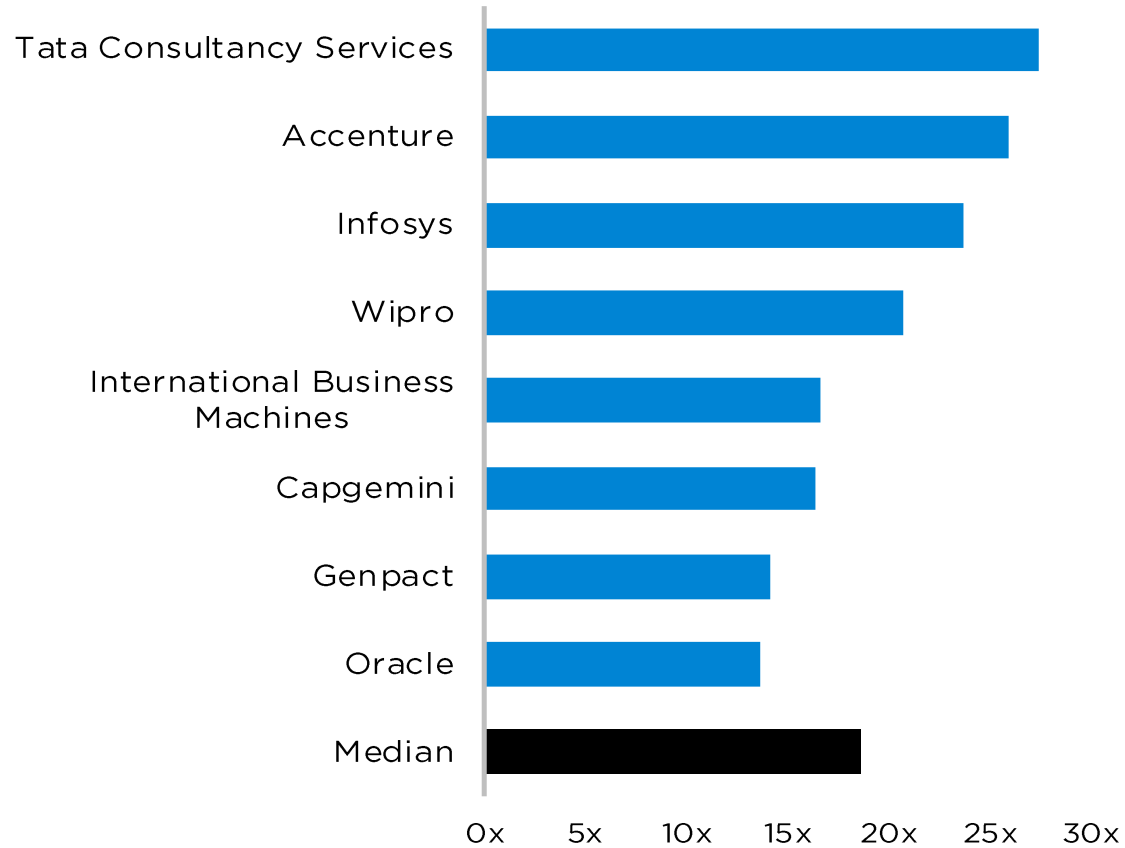


TEV / LTM EBITDA

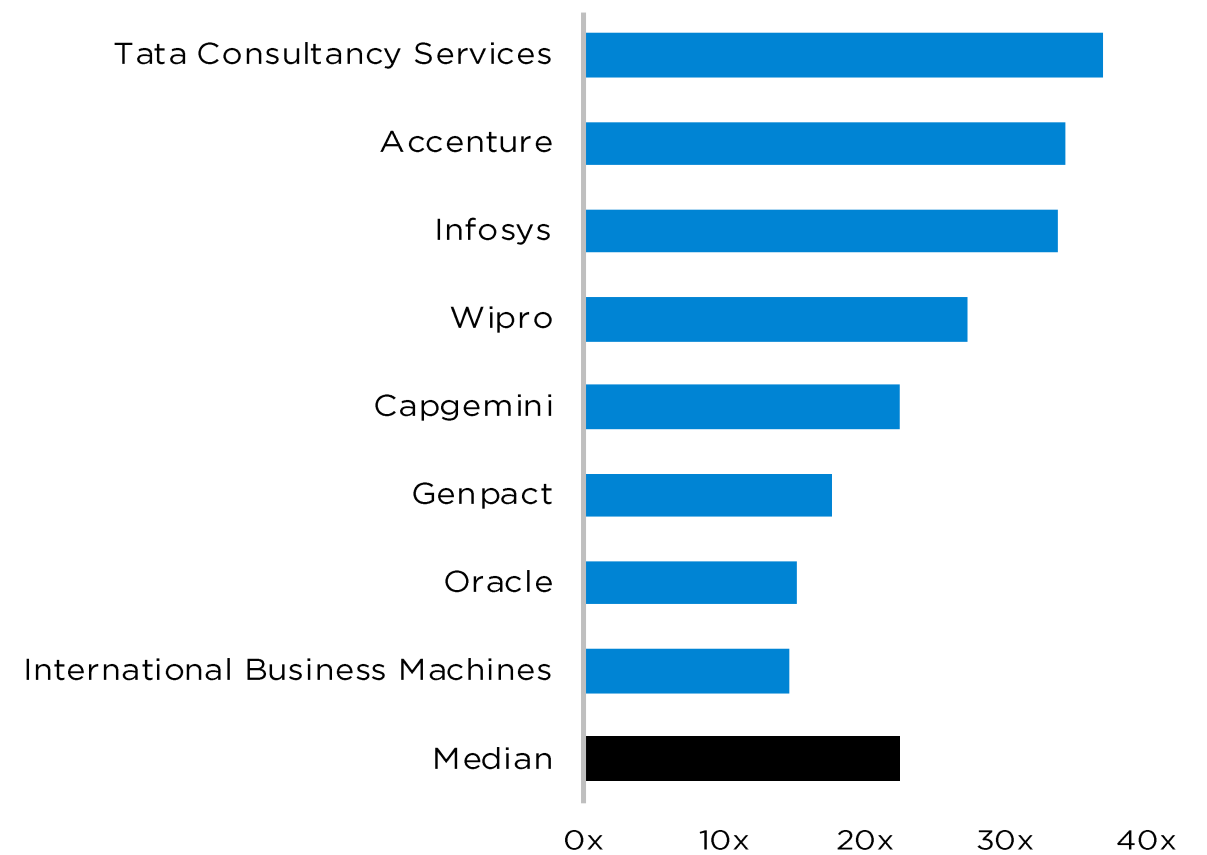


Valuation

TEV / LTM EBIT

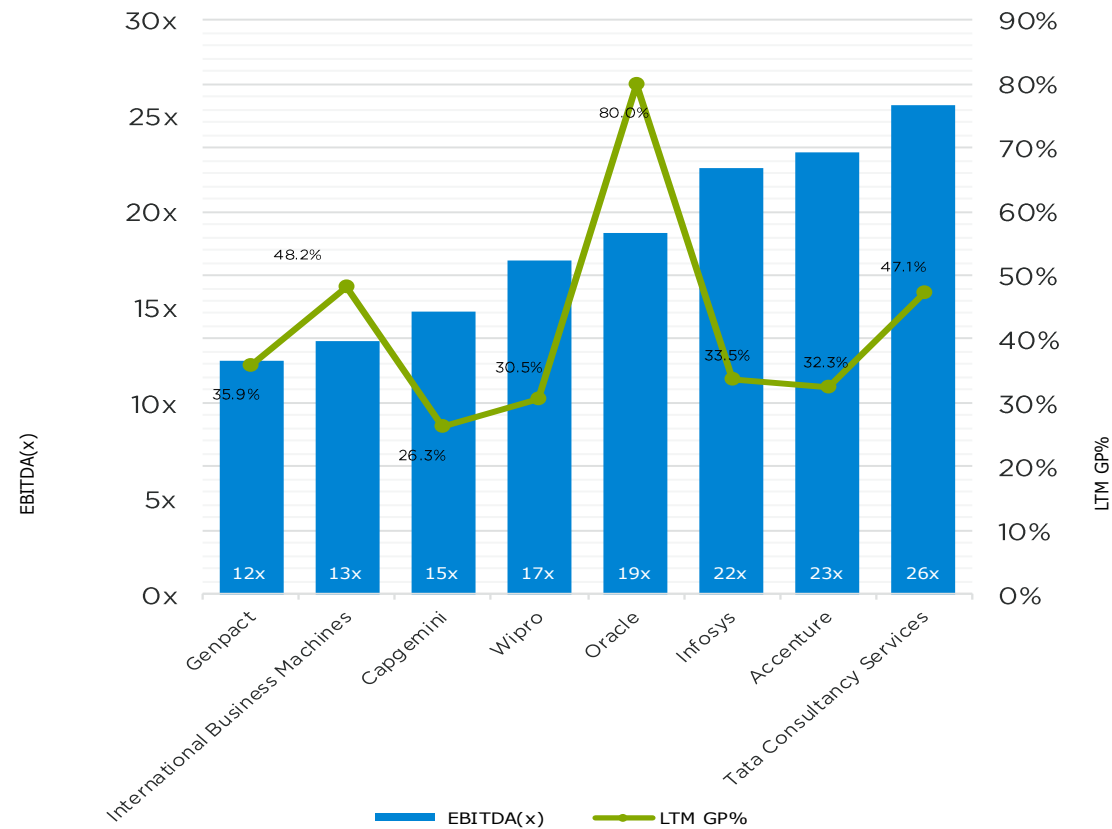


Price / LTM Earnings

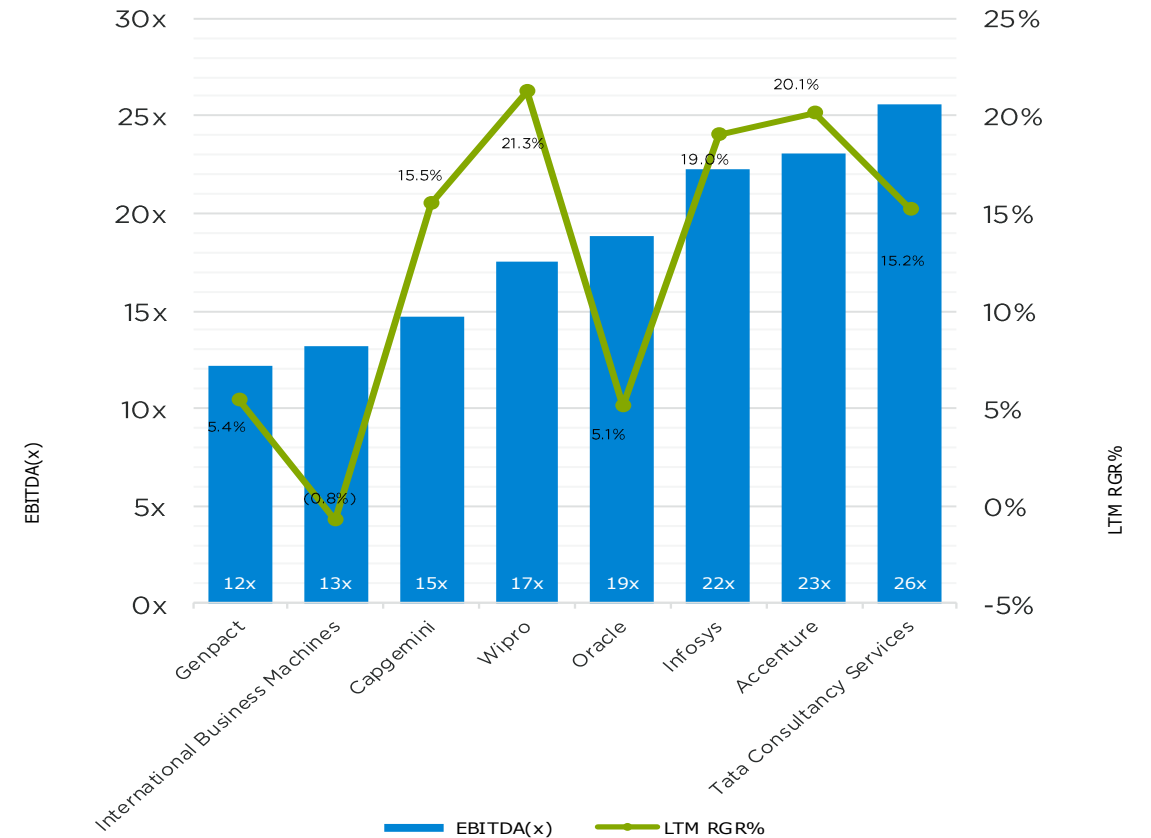


Valuation

Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer / Investor	Total Transaction Amount	Target Revenue	TEV / Revenue	TEV / EBITDA
16-Feb-22	Nexxiot	Arvato Financial Solutions	-	-	-	-
16-Feb-22	Traptic	Bowery (Cultivation)	-	-	-	-
14-Feb-22	Equilibrium (Business/Productivity)	Boticário Group	-	-	-	-
11-Feb-22	Transportèon	Astorg (Paris)	1134.17	-	-	-
09-Feb-22	Nurx	Thirty Madison	-	-	-	-
31-Jan-22	Zenith Freight Lines	J.B. Hunt Transport Services	87.00	-	-	-
27-Jan-22	Pinga	Beelivery	-	-	-	-
27-Jan-22	Taulia	SAP	-	-	-	-
26-Jan-22	Worklete	Clear Stream Partners	-	-	-	-
25-Jan-22	GAINSystems	Francisco Partners	-	-	-	-
24-Jan-22	Frichti	Gorillas	-	-	-	-
14-Jan-22	Nom Nom (Food Products)	-	-	-	-	-
06-Jan-22	Brightpearl	The Sage Group (Business/Productivity Software)	360.00	-	-	-
05-Jan-22	Flow Commerce	Global-e	500.00	-	-	-
03-Jan-22	EVERYTHING	Digimarc	-	-	-	-
30-Dec-21	Magnate Worldwide	Littlejohn & Co.	-	-	-	-
30-Dec-21	Spexis	Polyphor	-	-	-	-
29-Dec-21	Quiet Logistics	American Eagle Outfitters	360.00	-	22.57	-
22-Dec-21	Yimidida	Huisen Suyun	-	-	-	-
21-Dec-21	Cycloon	bol.com	-	-	-	-
20-Dec-21	Packlink	ShipStation	-	-	-	-
17-Dec-21	Now	Borzo	-	-	-	-
16-Dec-21	Colisweb	ID Logistics Group	28.23	-	-	-
15-Dec-21	Driven Deliveries	-	-	-	-	-
14-Dec-21	Lumi	Delivery Hero	904.12	-	-	-

Appendix

*Public Basket
Contact Information*



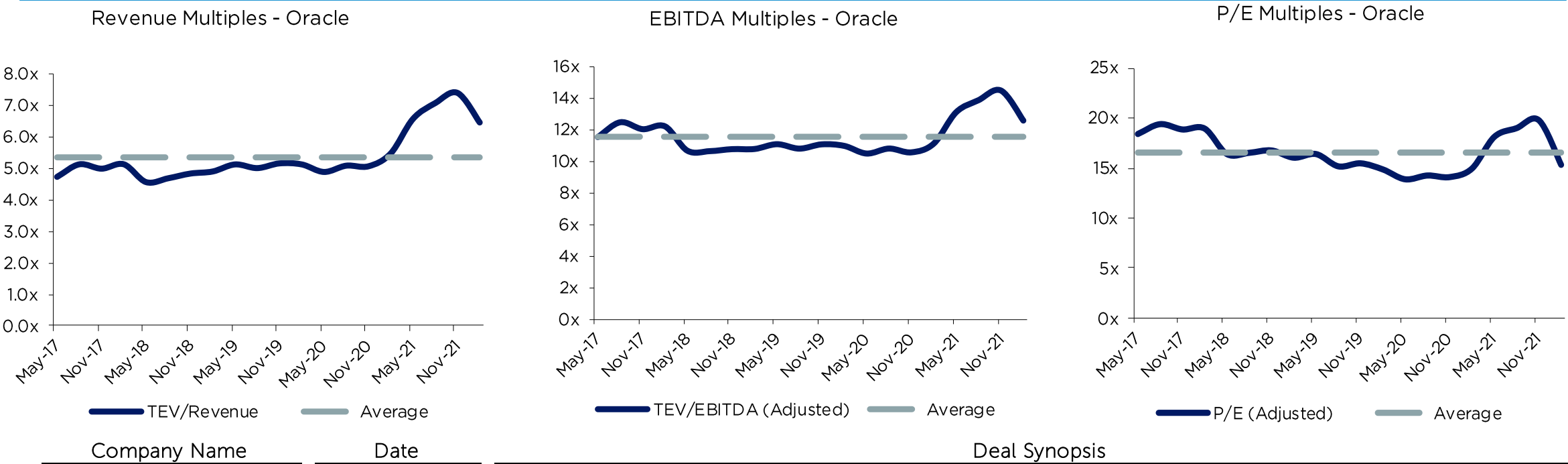
Oracle

Oracle provides database technology and enterprise resource planning, or ERP, software to enterprises around the world.

Founded in 1977, Oracle pioneered the first commercial SQL-based relational database management system. Today, Oracle has 430,000 customers in 175 countries, supported by its base of 136,000 employees.

Public Basket

Oracle



Accenture

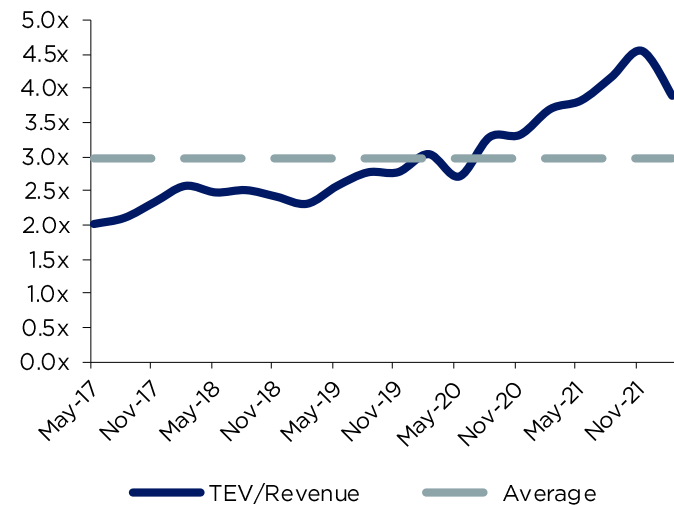
Accenture is a leading global IT-services firm that provides consulting, strategy, and technology and operational services.

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.

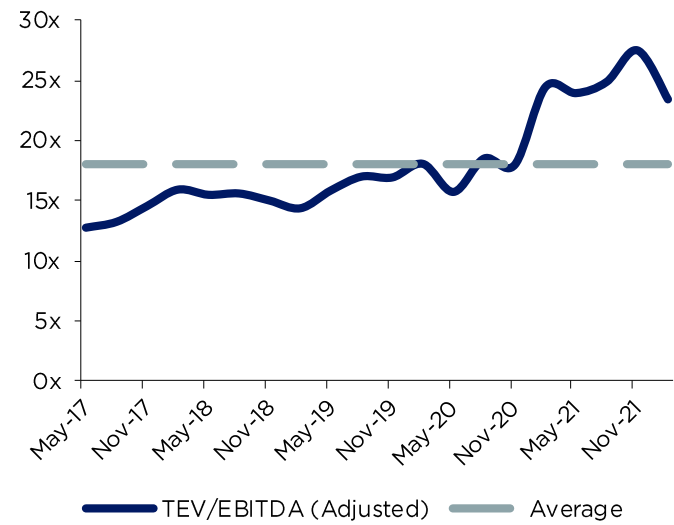
Public Basket

Wipro

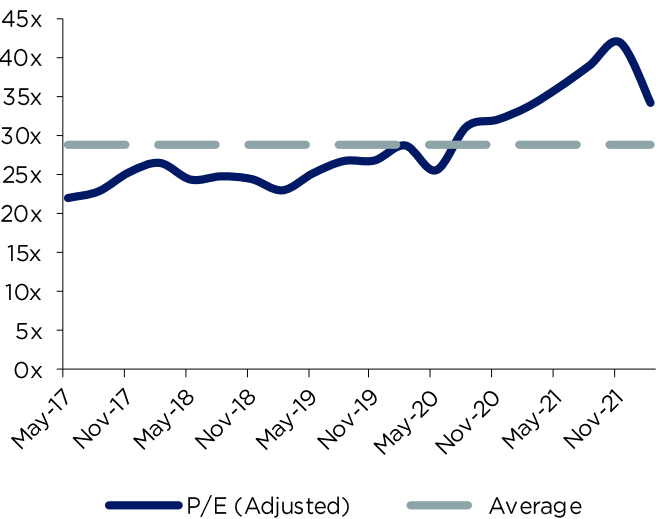
Revenue Multiples - Accenture



EBITDA Multiples - Accenture



P/E Multiples - Accenture



Company Name	Date	Deal Synopsis
tambourine (Japan)	22-Dec-21	The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on December 22, 2021.
Zestgroup	16-Dec-21	The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on December 16, 2021. This acquisition enhance Accenture's ability to build more trusted, circular and net-zero value chains while driving social and economic benefits for all stakeholders.

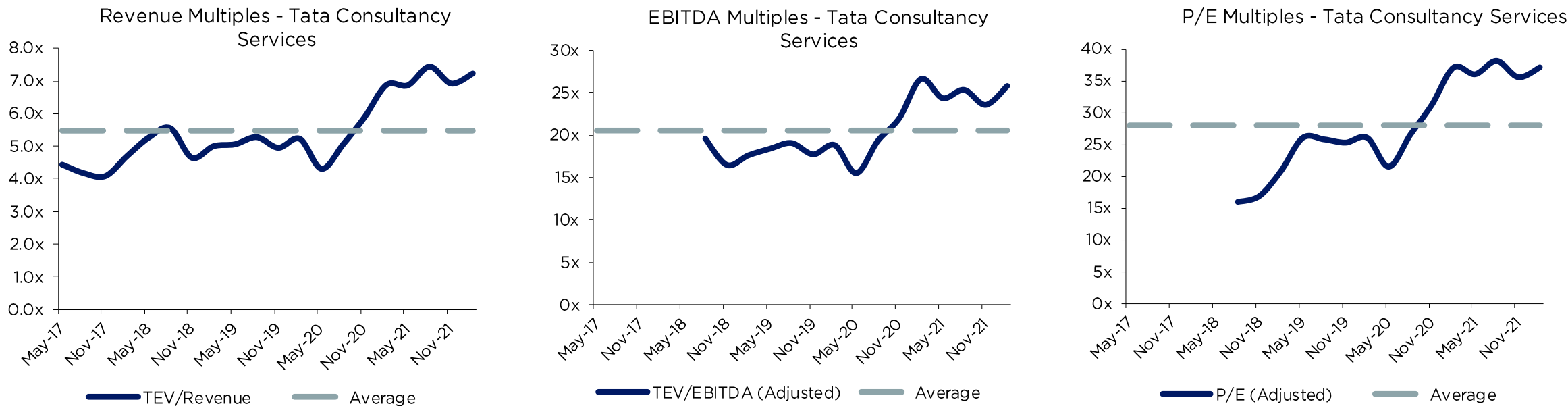
Tata Consultancy Services

Tata Consultancy Services is a leading global IT services provider, with nearly 450,000 employees.

Based in Mumbai, the India IT services firm leverages its offshore outsourcing model to derive half of its revenue from North America. The company offers traditional IT services offerings: consulting, managed services, and cloud infrastructure services as well as business process outsourcing as a service, or BPaaS.

Public Basket

Capgemini



Company Name	Date	Deal Synopsis
Postbank Systems	01-Jan-21	The company, a subsidiary of Deutsche Bank (ETR: DBK), was acquired by Tata Consultancy Services (NSE: TCS) for an undisclosed amount on January 1, 2021.
Pramerica Systems	12-Nov-20	The company, a subsidiary of Prudential Financial (NYS: PRU), was acquired by Tata Consultancy Services (NSE: TCS) for an undisclosed amount on November 12, 2020. The acquisition will deepen TCS's relationship with PFI and gives a new delivery capability in Ireland with specialized expertise, that significantly strengthens its ability to meet the growth and transformation needs of customers globally.

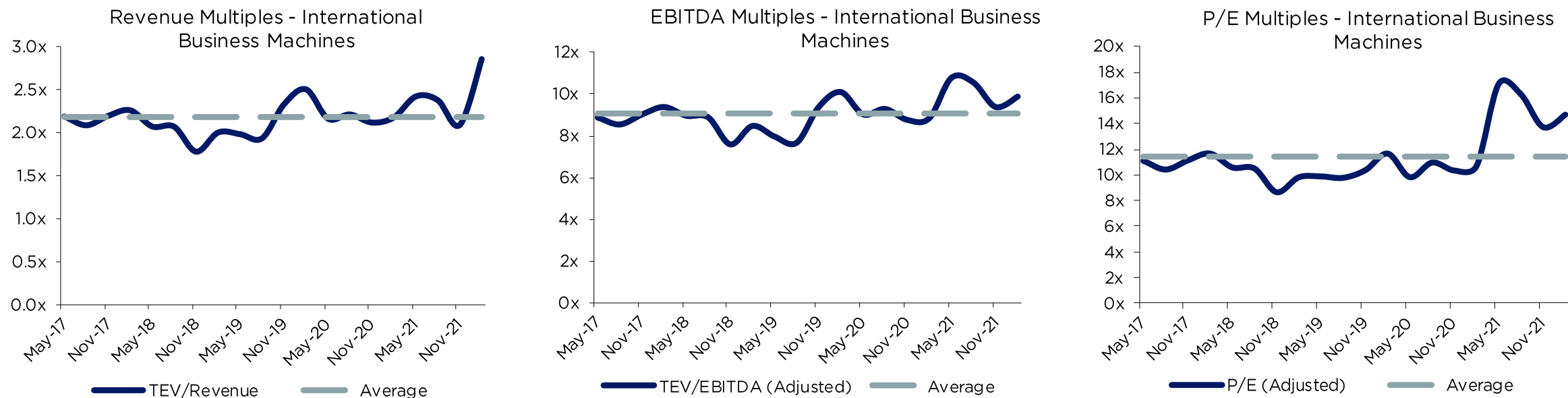
International Business Machines

IBM looks to be a part of every aspect of an enterprise's IT needs.

The company primarily sells software, IT services, consulting, and hardware. IBM operates in 175 countries and employs approximately 350,000 people. The company has a robust roster of 80,000 business partners to service 5,200 clients--which includes 95% of all Fortune 500. While IBM is a B2B company, IBM's outward impact is substantial. For example, IBM manages 90% of all credit card transactions globally and is responsible for 50% of all wireless connections in the world.

Public Basket

Infosys



Company Name	Date	Deal Synopsis
Sentaca	01-Feb-22	The company was acquired by International Business Machines (NYS: IBM) for an undisclosed amount on February 1, 2022. The acquisition enables International Business Machines strengthen its position as a prime systems integrator for the emerging network and 5G market.
Envizi	11-Jan-22	The company was acquired by International Business Machines for an undisclosed amount on January 11, 2022.

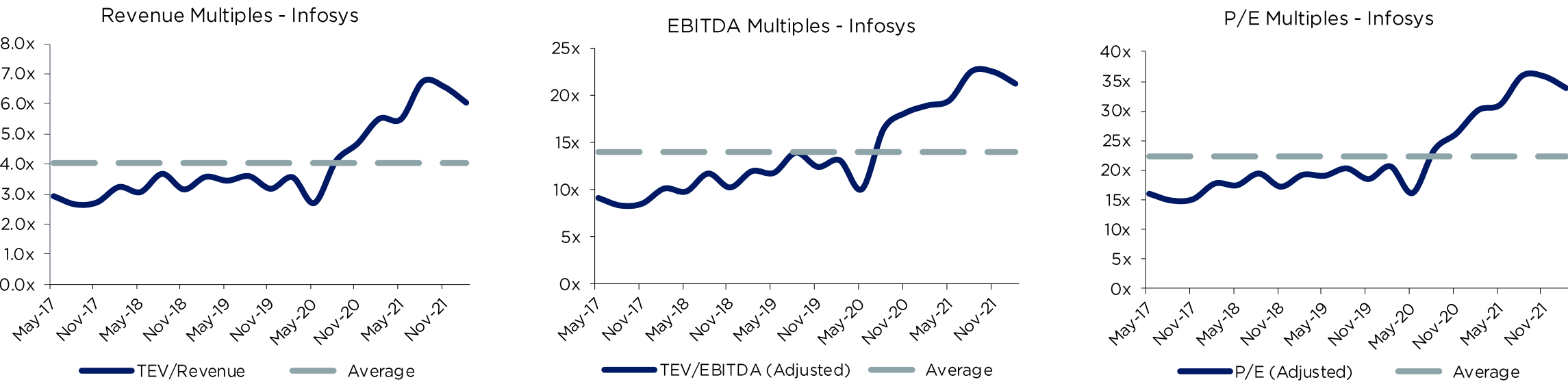
Infosys

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



Company Name	Date	Deal Synopsis
TidalScale	16-Aug-21	The company raised an estimated additional \$24.86 million of Series B venture funding from Infosys and other undisclosed investors on August 16, 2021, putting the company's pre-money valuation at \$57.9 million. The funds will be used to be utilized for R&D, business development, and working capital needs.
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.

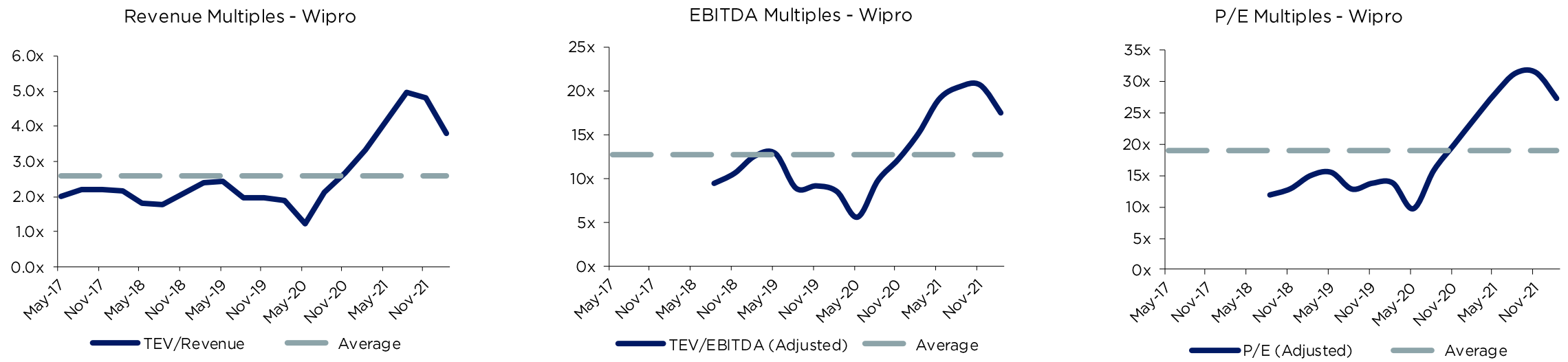
Wipro

**Wipro is a leading global IT services provider,
with 175,000 employees.**

Based in Bengaluru, the Indian IT services firm leverages its offshore outsourcing model to derive over half of its revenue (57%) from North America. The company offers traditional IT services offerings: consulting, managed services, and cloud infrastructure services as well as business process outsourcing as a service.

Public Basket

Tata Consultancy Services



Company Name	Date	Deal Synopsis
Edgile	31-Dec-21	The company was acquired by Wipro (BOM: 507685) for approximately \$230 million on December 31, 2021.
Leanswift Solutions	31-Dec-21	The company was acquired by Wipro (BOM: 507685) for an undisclosed amount on December 31, 2021. The acquisition aligns with Wipro's strategy to invest and expand its cloud transformation business.

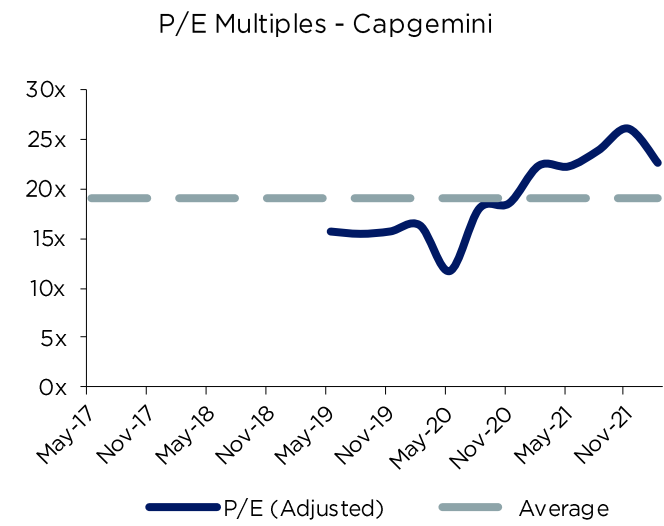
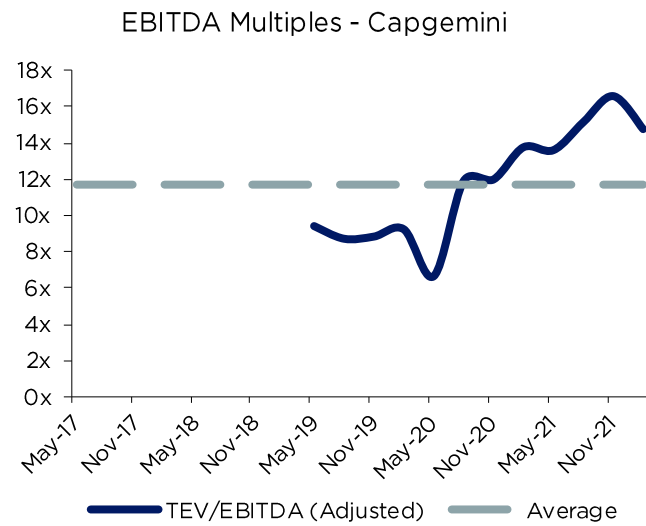
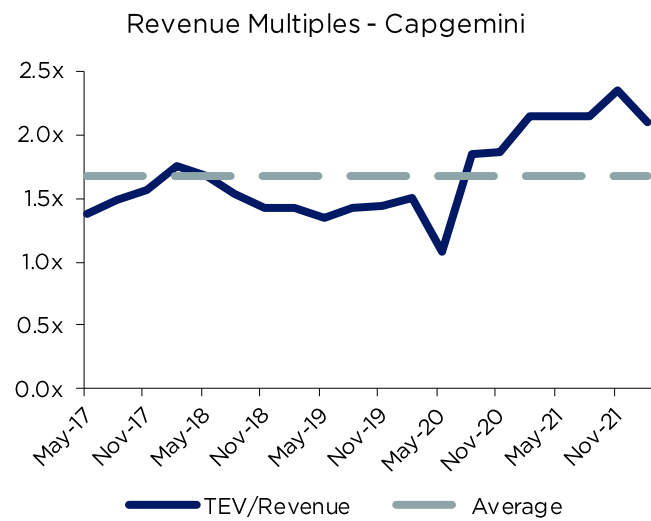
Capgemini

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

Accenture



Company Name	Date	Deal Synopsis
VariQ	3/23/20	The company was acquired by Capgemini (PAR: CAP) for an undisclosed amount on December 1, 2021. The acquisition allows Capgemini to increase its capabilities in software development, cybersecurity, and cloud services to support federal agencies.
Possible Future	1/6/20	The company was acquired by Capgemini (PAR: CAP) for an undisclosed amount on November 25, 2021. The acquisition will give the company the ability to improve its access to the market, to go and work on all the sectors on which they had not had the opportunity to focus and which, need to be rethought.

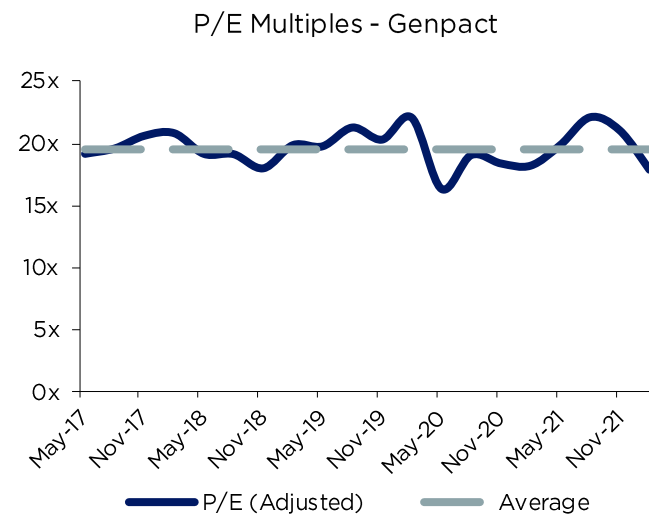
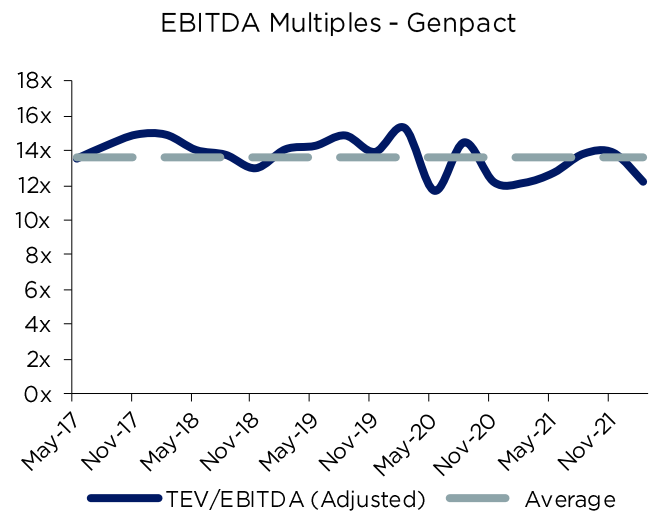
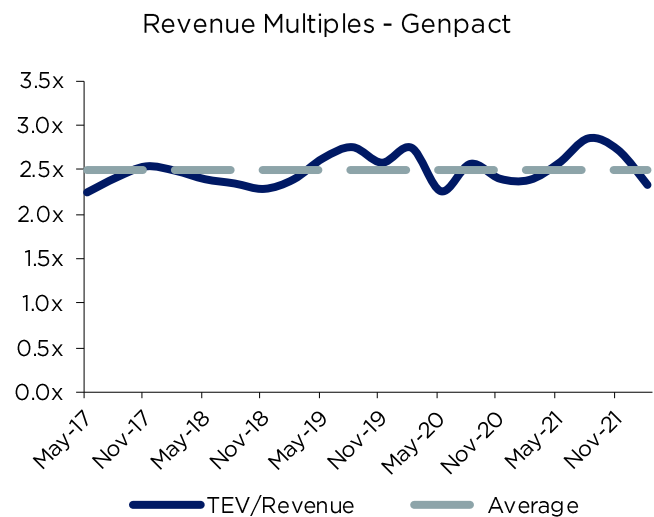
Genpact

Genpact Ltd is a provider of business process management services.

Clients are industry verticals and operate in banking and financial services, insurance, capital markets, consumer product goods, life sciences, infrastructure, manufacturing and services, healthcare, and high-tech. Genpact's services include aftermarket, direct procurement, risk and compliance, human resources, IT, industrial solutions, collections, finance and accounting, and media services. Genpact's end market by revenue is India. The company is a General Electric spin-off, which is still a large source of revenue for Genpact.

Public Basket

Oracle



Company Name	Date	Deal Synopsis
Hoodoo Digital	04-Jan-22	The company was acquired by Genpact (NYS: G) for an undisclosed amount on January 4, 2022. The acquisition furthers Genpact's strategy to fuse experience and process innovation to help clients drive end-to-end digital transformation and win in the growing experience economy.
Enquero	31-Dec-20	The company was acquired by Genpact (NYS: G) for \$148.9 million on December 31, 2020. The acquisition will accelerate Genpact's ability to leverage data and cloud technologies to drive digital transformation services through advanced analytics.

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John Cooper, Partner	704.973.3996	john@7mileadvisors.com
Leroy Davis, Partner	704.899.5962	leroy@7mileadvisors.com
Tripp Davis, Partner	704.899.5762	tripp@7mileadvisors.com
Tom Delbrook, Partner	404.647.0989	tom@7mileadvisors.com
Andy Johnston, Partner	704.899.5961	andy@7mileadvisors.com
Mark Landry, Partner	561.972.0609	mark@7mileadvisors.com
Simon Baitler, Executive Managing Director	310.829.1635	simon.baitler@7mileadvisors.com
Tim Frye, Managing Director	704.973.3994	tim@7mileadvisors.com
Kristina Sergueeva, Managing Director	704.899.5149	kristina@7mileadvisors.com
Horacio Yenaropulos, Managing Director	(+) 54.261.4617300	horacio@7mileadvisors.com
Chris Calton, Senior Advisor	629.236.6119	Chris.calton@7mileadvisors.com
Steve Buffington, Vice President	704.960.1828	steve@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
Sydney Scadden, Vice President	704.973.3998	sydney@7mileadvisors.com
Ilia Ulianchuk, Vice President	704.414.8743	ilia@7mileadvisors.com
Ariail Barker, Director, Sales & Marketing	704.981.2908	ariaill@7mileadvisors.com
Ben Bruggeworth, VP, Business Development	704.365.8859	ben.bruggeworth@7mileadvisors.com
Steve Sypek, VP, Business Development	704.414.8736	steve.sypek@7mileadvisors.com
Alexis Papa, Senior Analyst, Business Development	704.414.8732	lexi.papa@7mileadvisors.com
Nic Anderko, Analyst, Business Development	704.398.3991	nic.anderko@7mileadvisors.com
Kevin Postigo, Associate	704.912.4903	kevin.postigo@7mileadvisors.com
Conor Smith, Associate	704.855.2134	conor.smith@7mileadvisors.com
Nic Anderle, Senior Analyst	704.826.7492	nic.anderle@7mileadvisors.com
Chris McConnell, Senior Analyst	704.912.4584	chris@7mileadvisors.com
Tomas Adduci, Analyst	(+) 54.911.64809643	tomas@7mileadvisors.com
Adam Alderfer, Analyst	704.644.1917	adam@7mileadvisors.com
Lucas Cerbelli, Analyst	704.336.0118	lucas@7mileadvisors.com
Tanner Lange, Analyst	704.672.0611	tanner.lange@7mileadvisors.com
Trent McCauley, Analyst	704.644.1916	trent.mccauley@7mileadvisors.com
Tyler Ratterree, Analyst	704.706.9168	tyler@7mileadvisors.com
Alejo Vidal, Analyst	(+) 54.911.41589065	alejo@7mileadvisors.com