

7 Mile Advisors



Sectorwatch: Digital Transformation

April 2022



Digital Transformation

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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

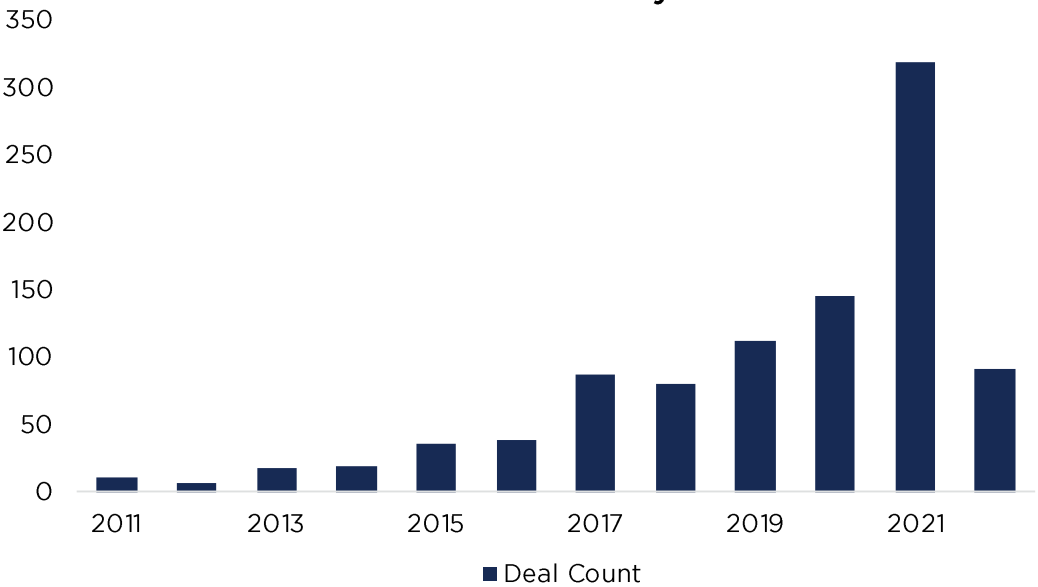
- The most recently announced deals in the sector

Dashboard

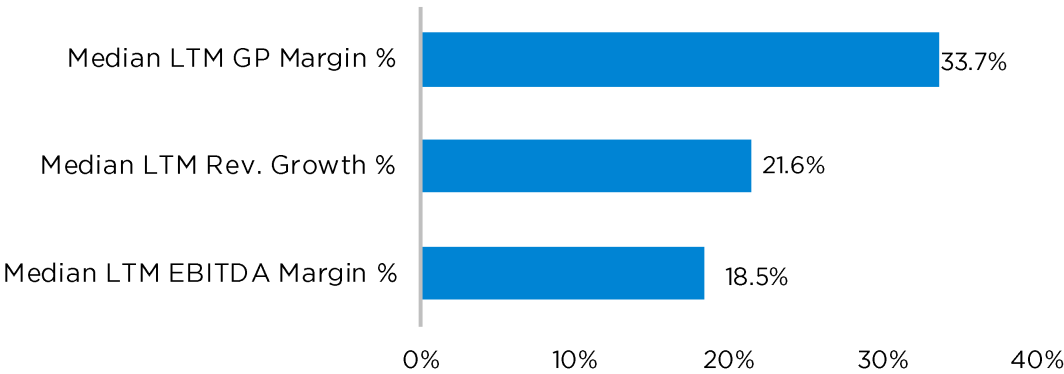
REVENUE GROWTH MOMENTUM ↑10.6%

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

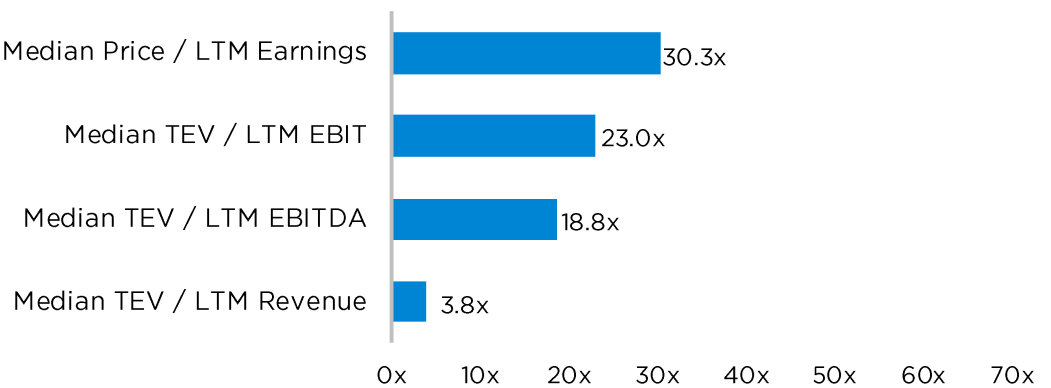
M&A Activity



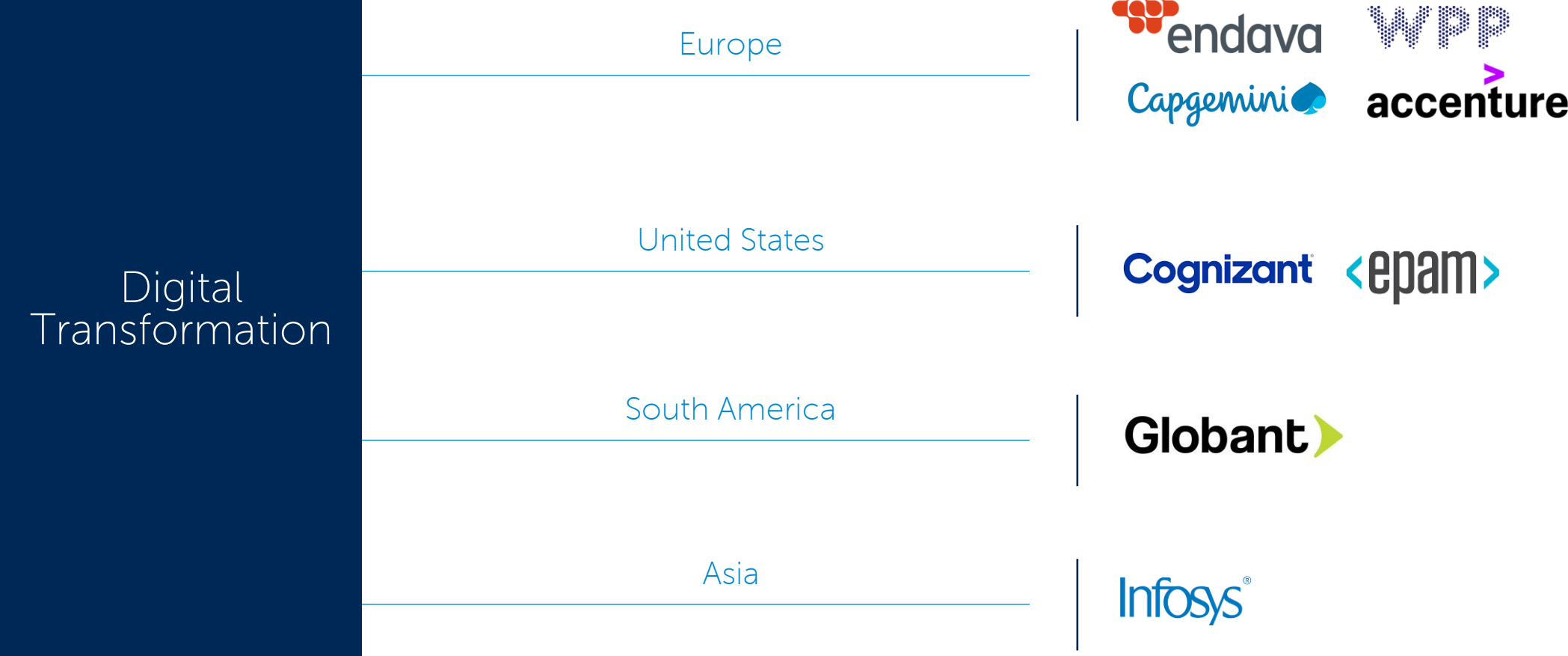
Operating Metrics



Valuation



Public Basket Overview

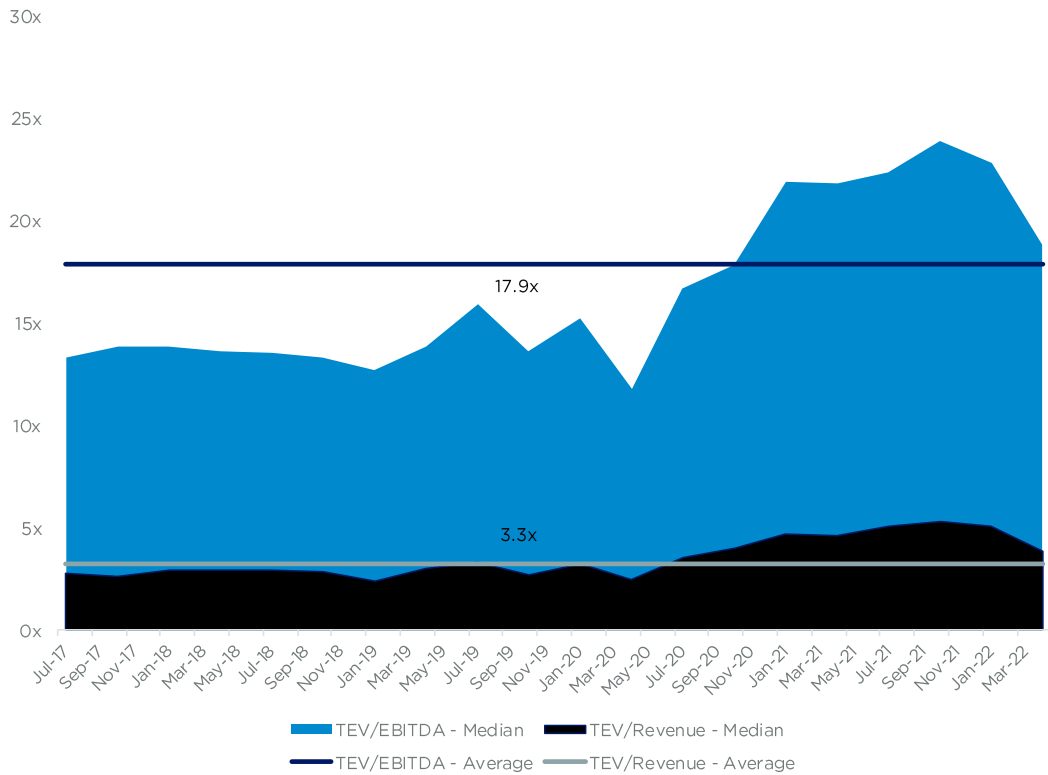


Public Basket

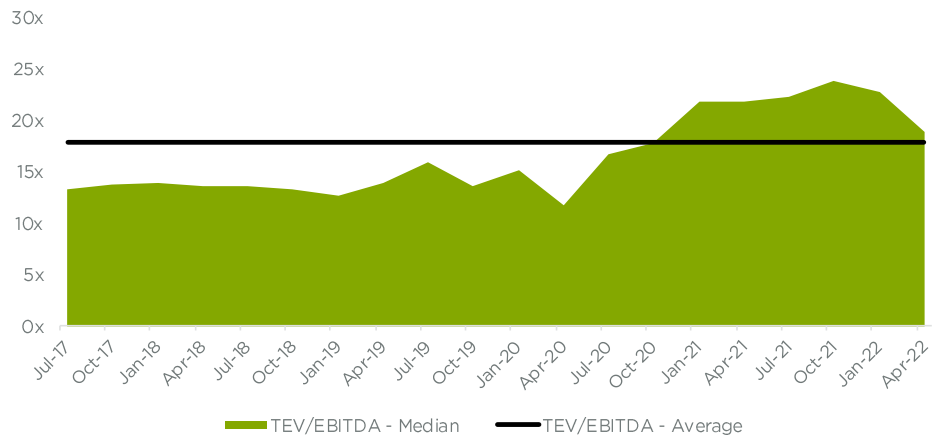
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Endava	6,505	163	758	43.9%	34.2%	21.5%	8.6x	40.0x	9,712	78
Globant	9,484	300	1,297	59.3%	38.2%	23.1%	7.3x	31.7x	23,526	55
EPAM Systems	15,274	814	3,758	41.3%	33.9%	21.7%	4.1x	18.8x	58,000	65
WPP	19,050	2,737	17,603	6.7%	17.2%	15.5%	1.1x	7.0x	104,808	168
Capgemini	39,787	3,468	21,471	14.6%	26.4%	16.2%	1.9x	11.5x	324,684	66
Cognizant Technology Solutions	44,143	3,419	18,507	11.1%	37.3%	18.5%	2.4x	12.9x	330,600	56
Infosys	84,630	4,256	15,644	19.0%	33.5%	27.2%	5.4x	19.9x	279,617	56
Accenture	203,691	9,415	56,695	24.1%	32.3%	16.6%	3.6x	21.6x	699,000	81
Average	52,821	3,071	16,967	27.5%	31.6%	20.0%	4.3x	20.4x	228,743	78
Median	29,419	3,078	16,624	21.6%	33.7%	20.0%	3.8x	19.3x	192,213	65

share price as of 22Apr22

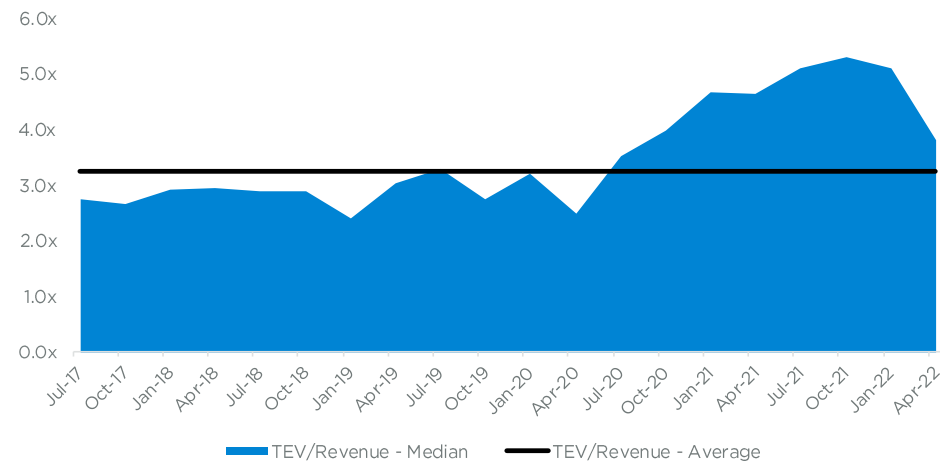
Public Basket



Public EBITDA Multiples over Time

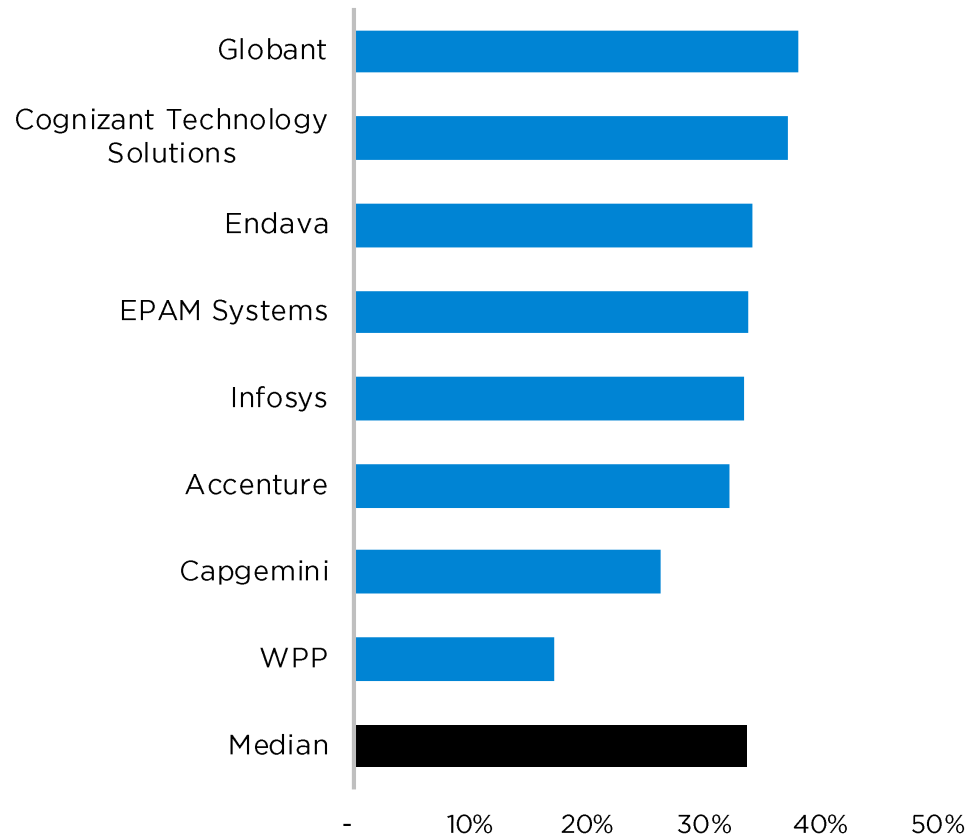


Public Revenue Multiples over Time

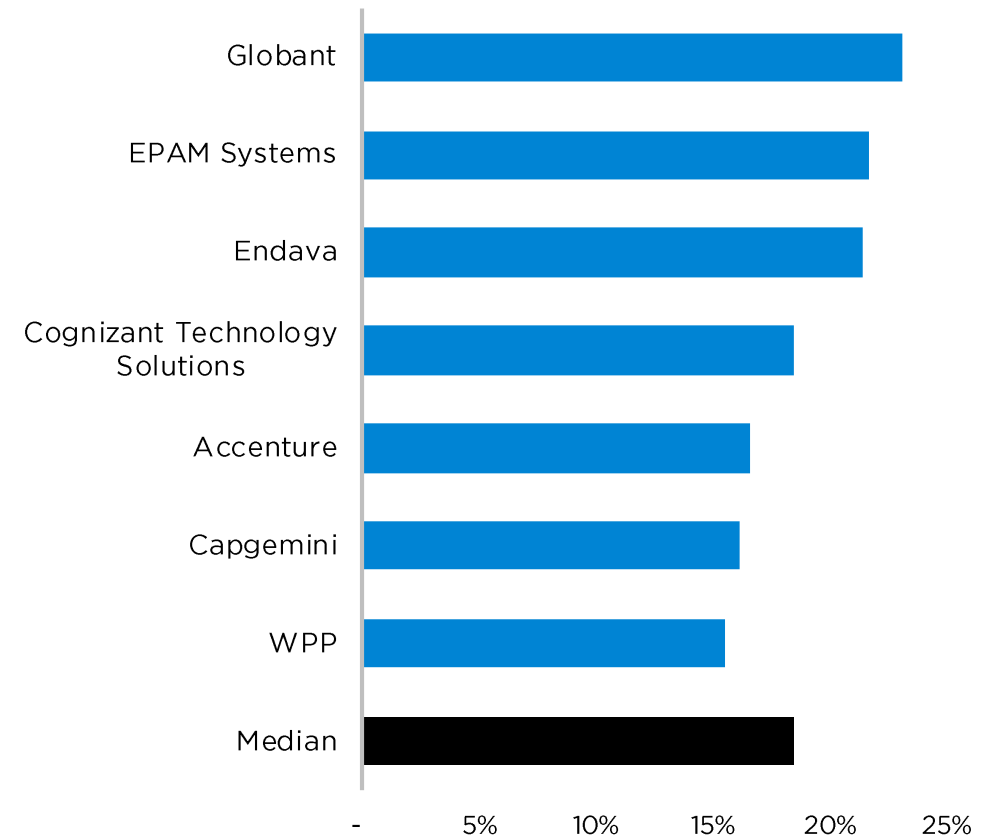


Operational Metrics

LTM Gross Profit Margin %

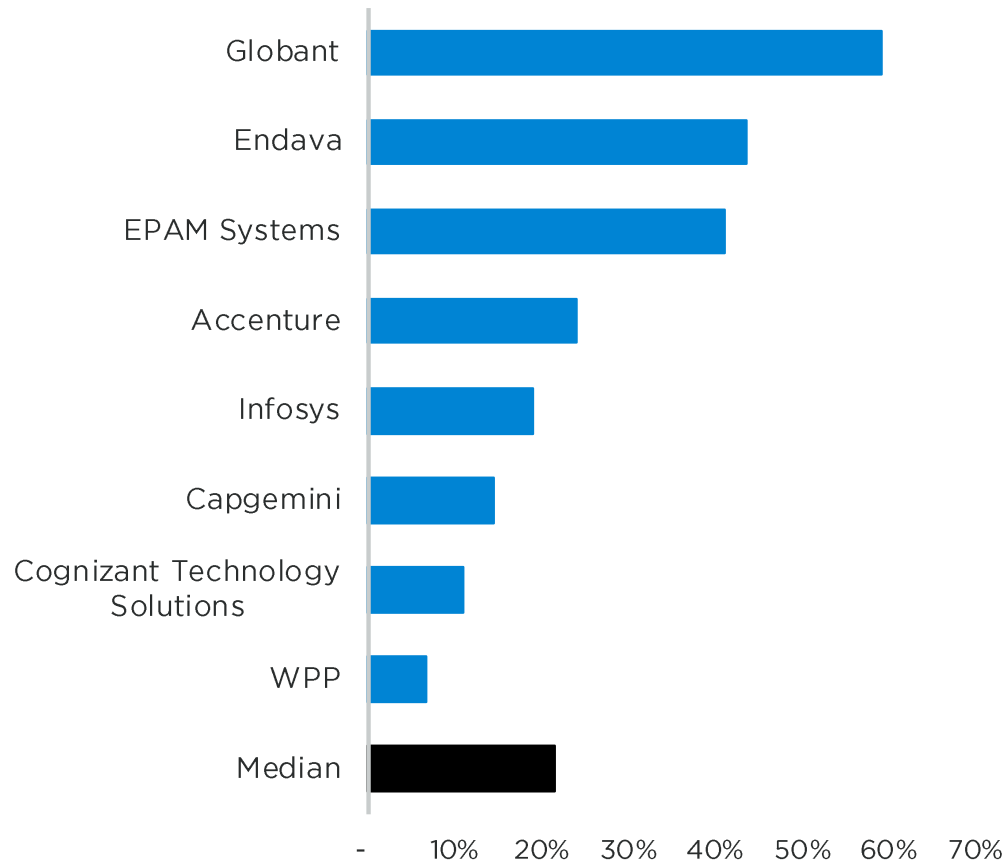


LTM EBITDA %

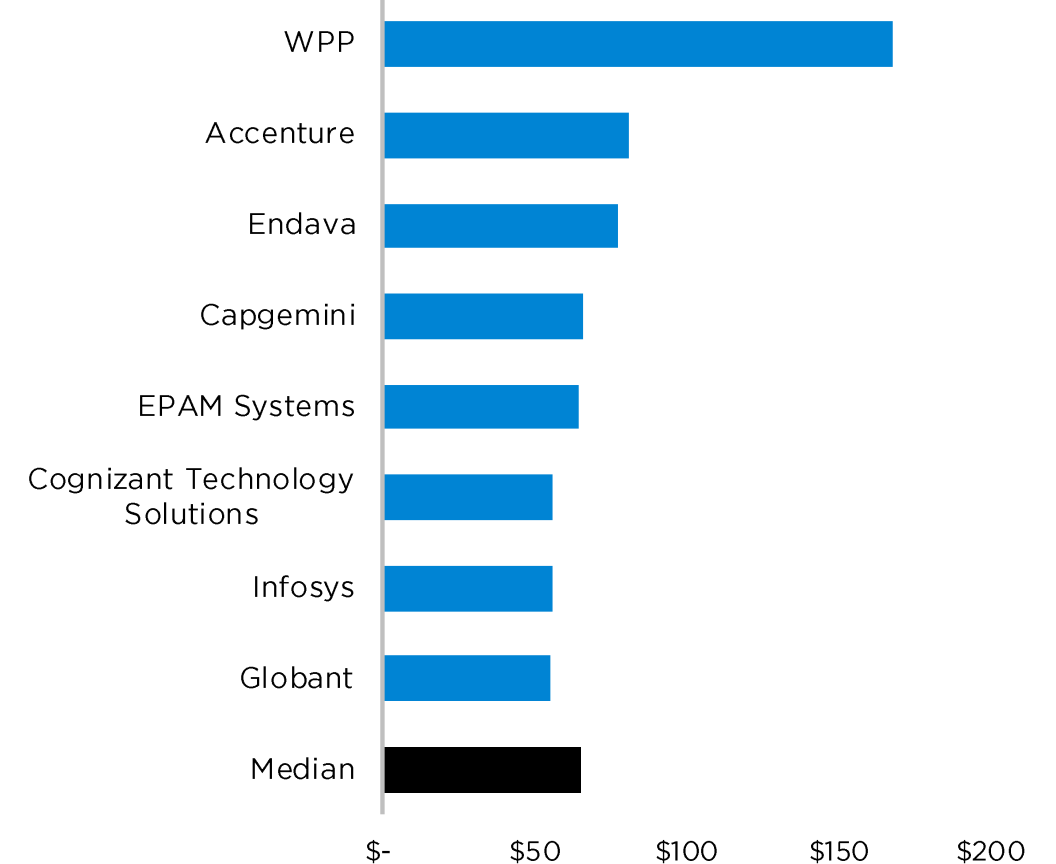


Operational Metrics

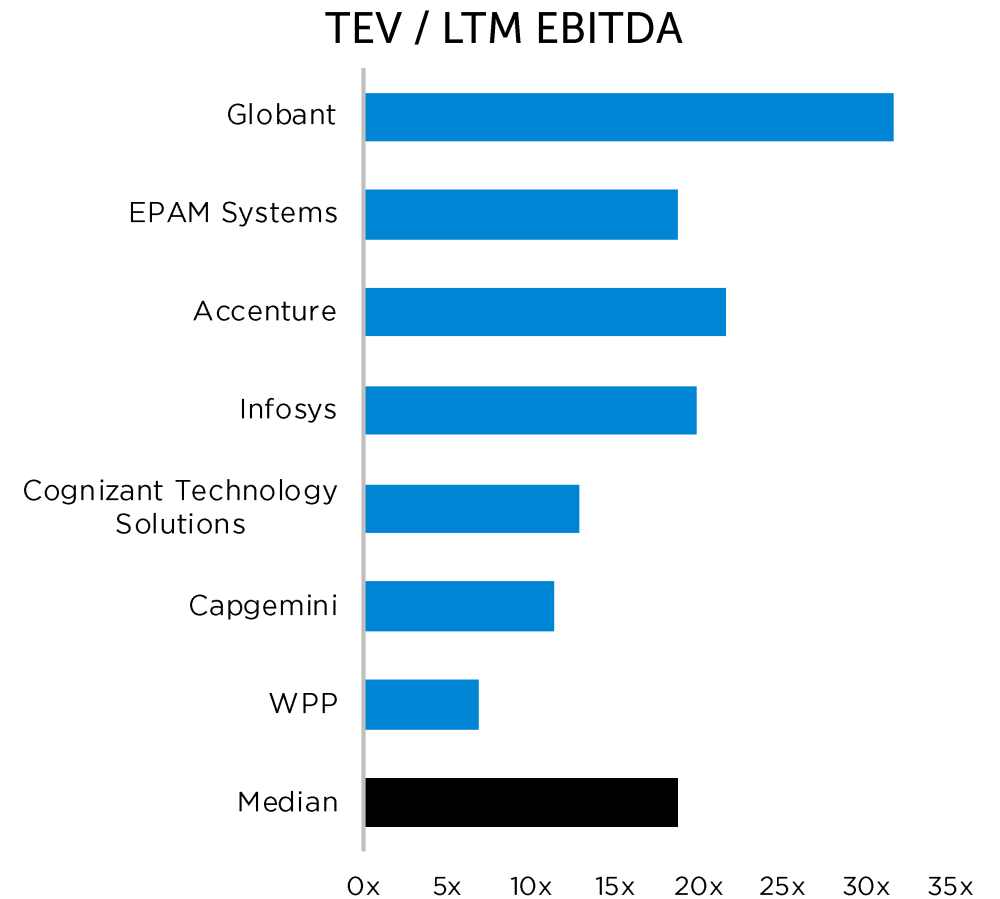
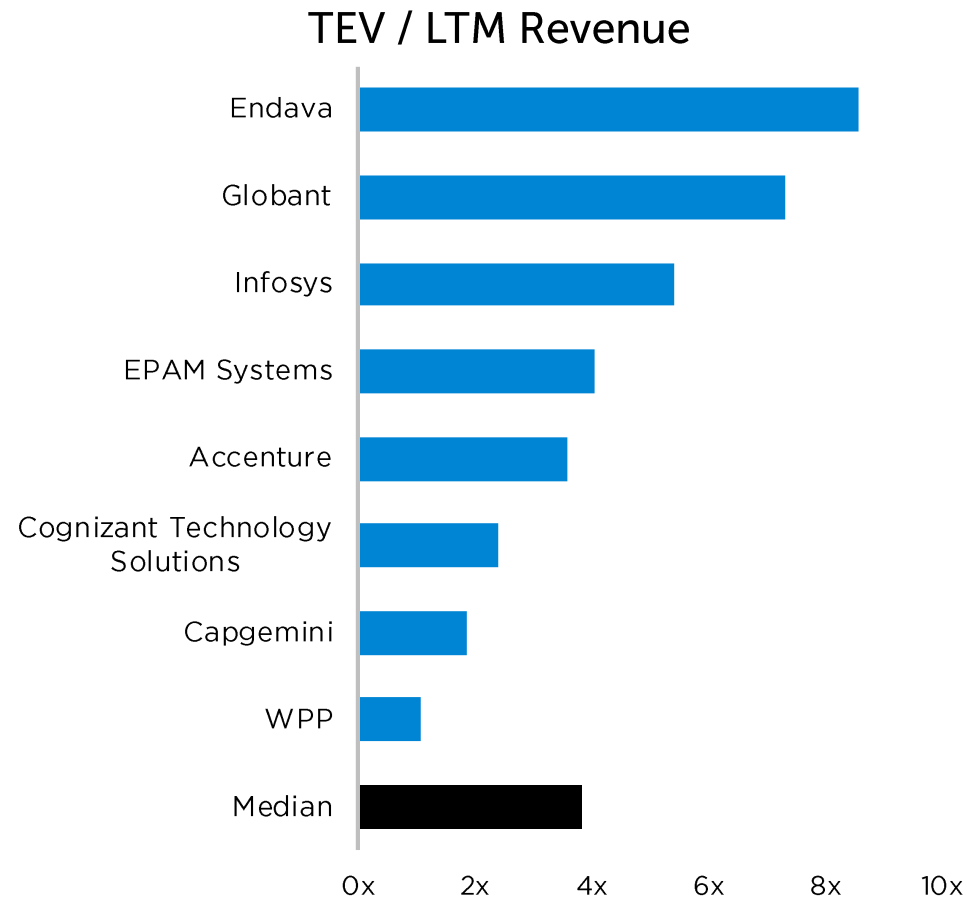
LTM Revenue Growth %



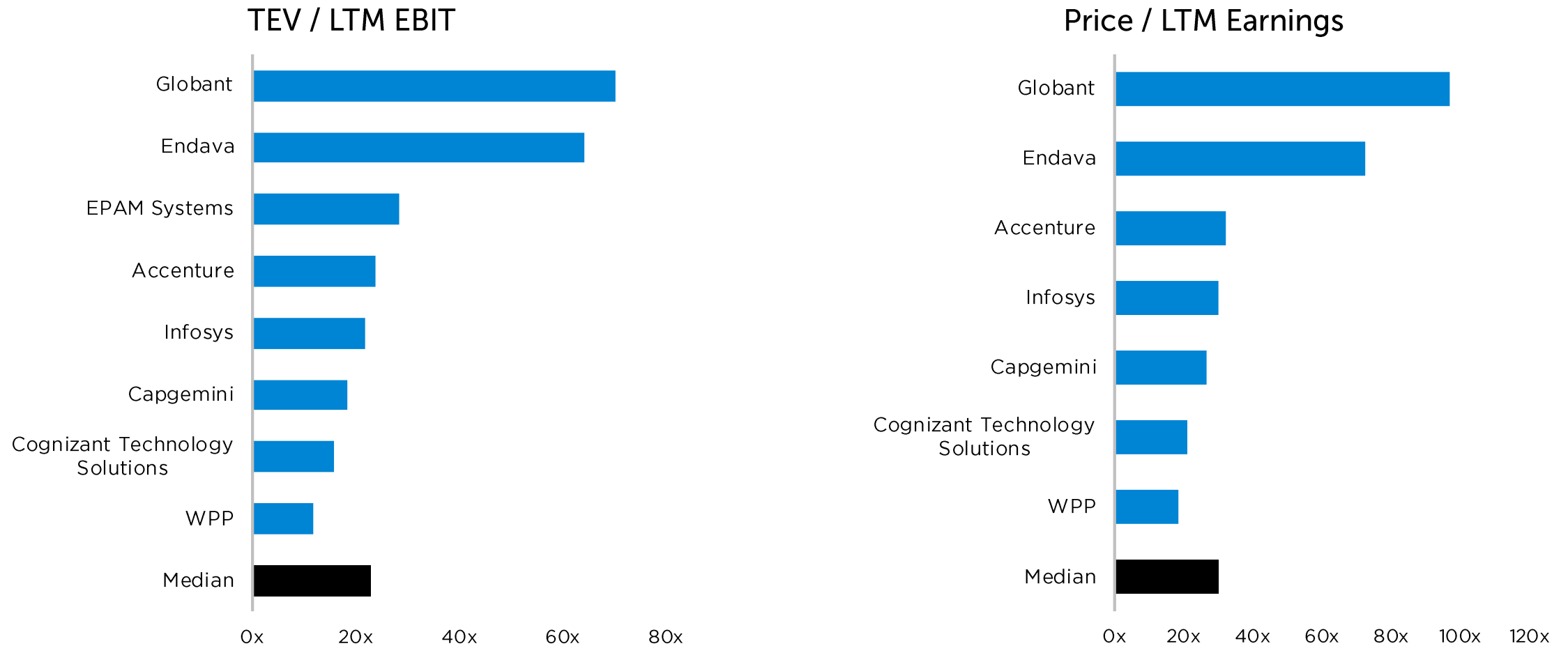
LTM Revenue per Full Time Employee x 000's



Valuation

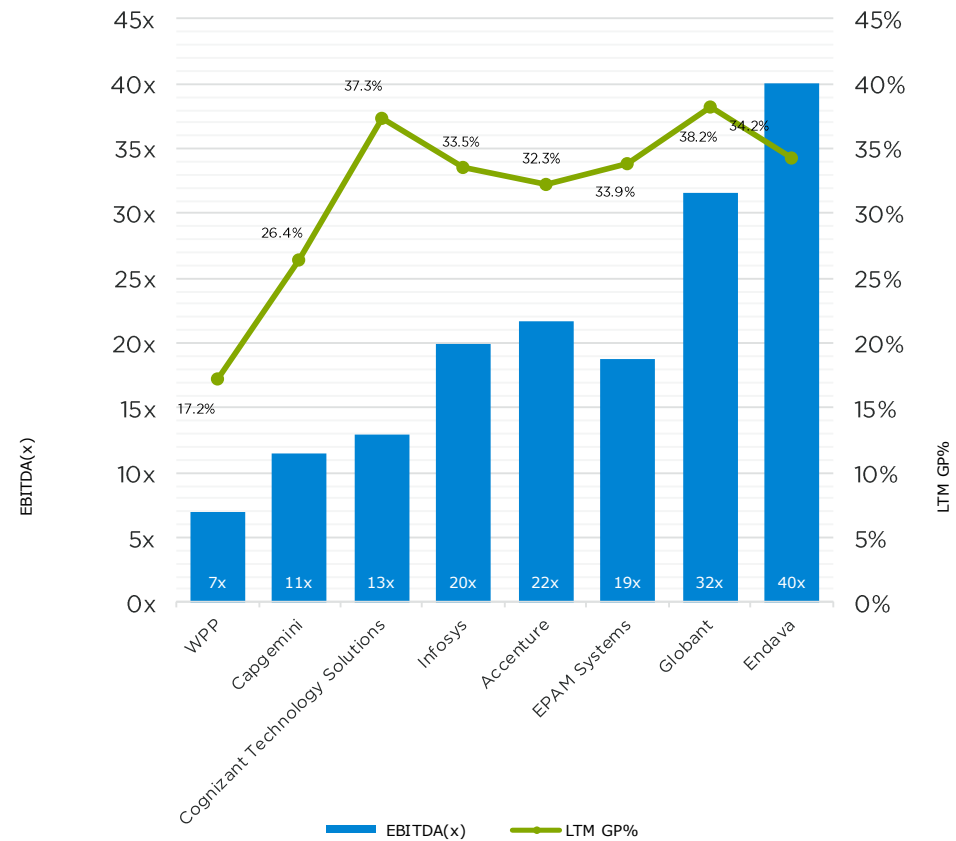


Valuation

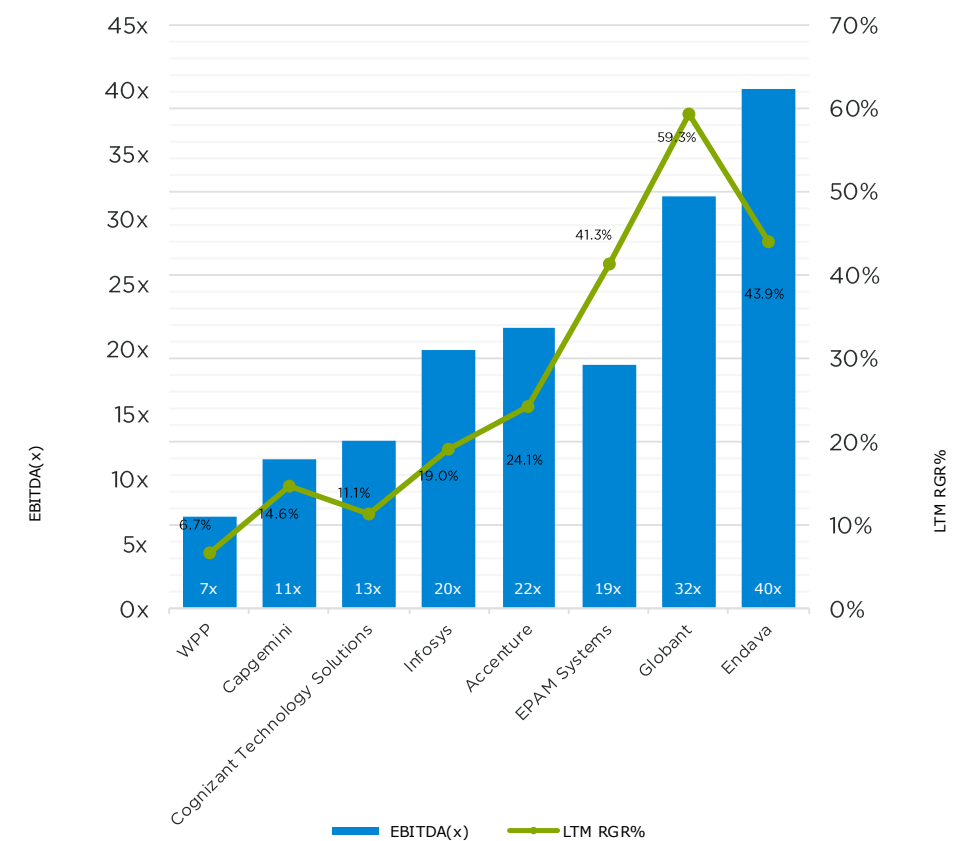


Valuation

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
20-Apr-22	WSD (London)	Bowmark Capital	-	-	-	-
19-Apr-22	Allos	Citel Group	-	-	-	-
19-Apr-22	Chateaux Software Development	Coretelligent	-	-	-	-
19-Apr-22	JCommerce	Inetum	-	-	-	-
13-Apr-22	ApexonHealth	Everstone Capital	-	-	-	-
12-Apr-22	Ananki	Intel	-	-	-	-
07-Apr-22	Berndt Group	BC Partners	-	-	-	-
06-Apr-22	Actica Consulting	Sovereign Capital Partners	-	-	-	-
06-Apr-22	BITROAD	Spinlab - The Hhl Accelerator	-	-	-	-
05-Apr-22	Aurotech	Digital Management	-	-	-	-
05-Apr-22	Syntervision	Airiam	-	-	-	-
04-Apr-22	Giza Systems	Arabian Internet and Communications Services Company	158.00	-	-	-
01-Apr-22	Silverware	Harren Equity Partners	-	-	-	-
31-Mar-22	Evolytics	Cobalt Ventures (Kansas City)	-	-	-	-
31-Mar-22	Kambr	Amadeus IT Group	-	-	-	-
28-Mar-22	ARQ Group	NCS Group	213.00	-	-	-
25-Mar-22	Silverprod Group	KPMG France	-	-	-	-
24-Mar-22	Virtuosity Consulting	Huron Capital	-	-	-	-
24-Mar-22	Web Financial Group	Allfunds Bank	165.81	-	-	-
22-Mar-22	Innovation Engineering	PNO Group Holding	-	-	-	-
17-Mar-22	Ready4Digital	-	-	-	-	-
16-Mar-22	Rubicon Red	KPMG Australia	-	-	-	-
16-Mar-22	Snapbi	A5	-	-	-	-
12-Mar-22	Thirdware Solution	Tech Mahindra	42.00	-	-	-
11-Mar-22	Parity Medical	TouchPoint	-	-	-	-

Appendix

*Public Basket
Contact Information*



Endava

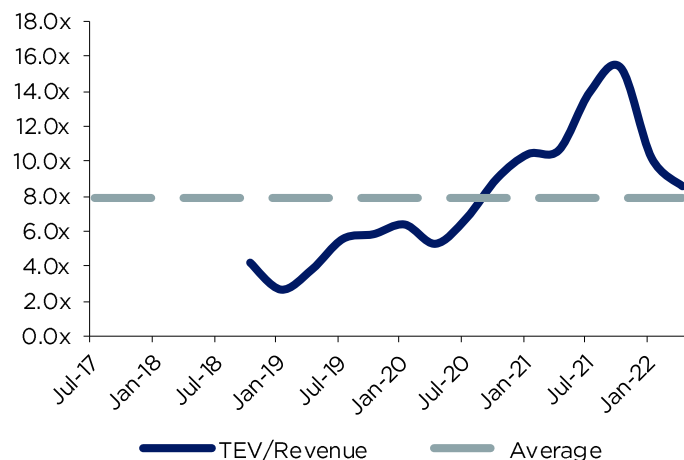
Endava PLC provides technology solutions.

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.

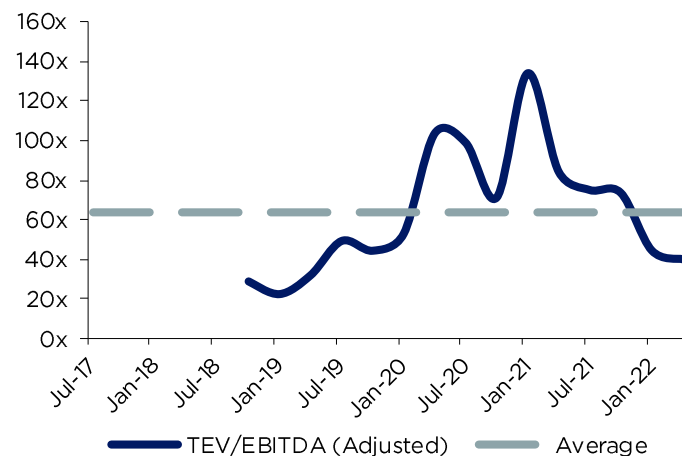
Public Basket

Endava

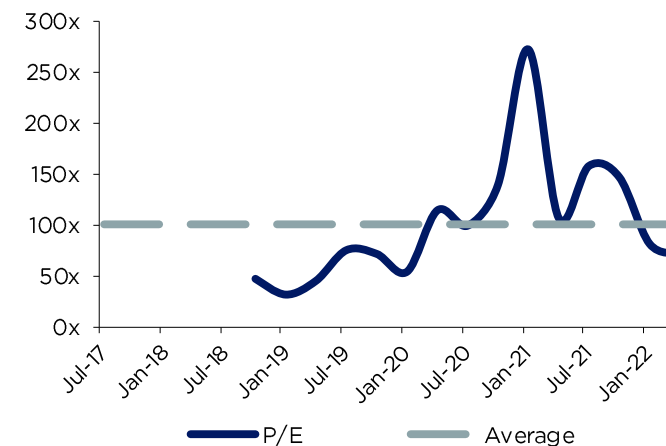
Revenue Multiples - Endava



EBITDA Multiples - Endava



P/E Multiples - Endava



Company Name	Date	Deal Synopsis
Business Agility Consulting	09-Feb-22	The company was acquired by Endava (NYS: DAVA), a subsidiary of Concise, for an undisclosed amount on February 9, 2022. The acquisition enables Endava to solidify its position as a key digital acceleration player for next-generation cloud-based solutions.
Level1	31-Mar-21	The company was acquired by Endava (NYS: DAVA), a subsidiary of Concise, for GBP 46.23 million on March 31, 2021. The consideration consists of GBP 2.9 million.

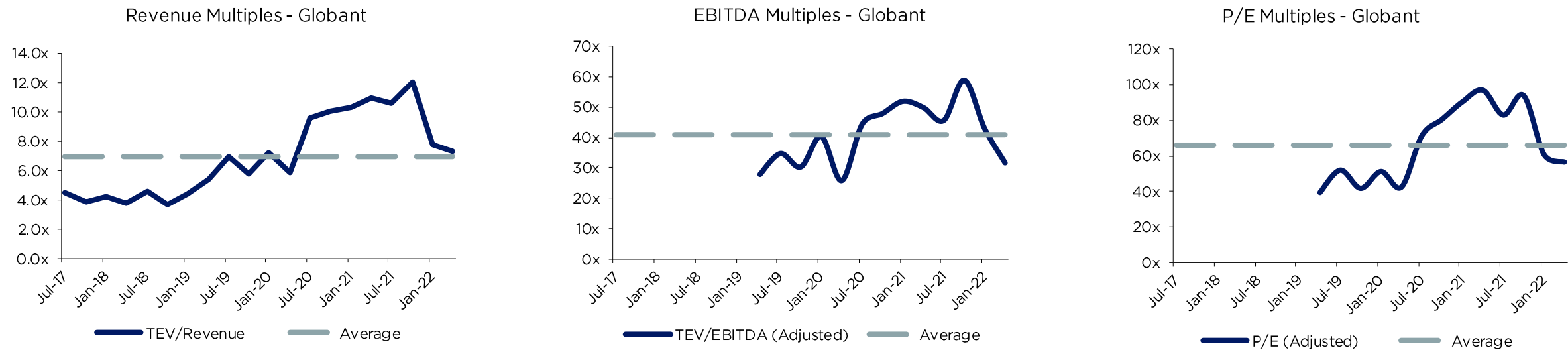
Globant

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



Company Name	Date	Deal Synopsis
GeneXus (Software Solutions)	20-Apr-22	The company reached a definitive agreement to be acquired by Globant (NYSE: GLOB) for an undisclosed amount on April 20, 2022.
Navint Partners	30-Nov-21	The company was acquired by Globant (NYS: GLOB) for USD 79.107 million on November 30, 2021.

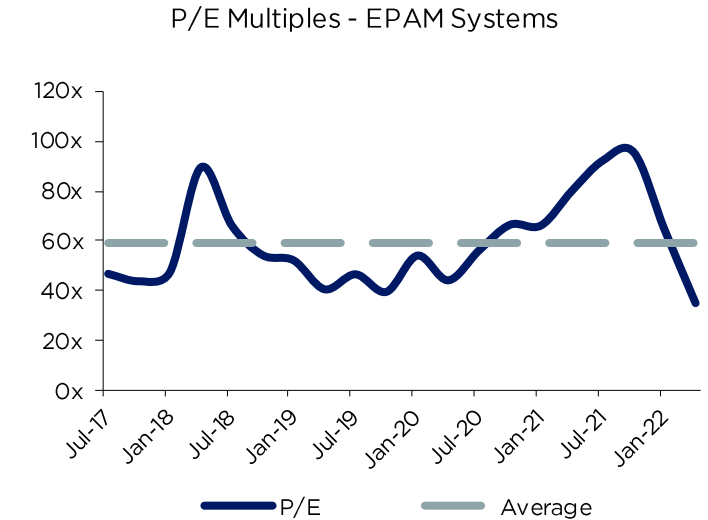
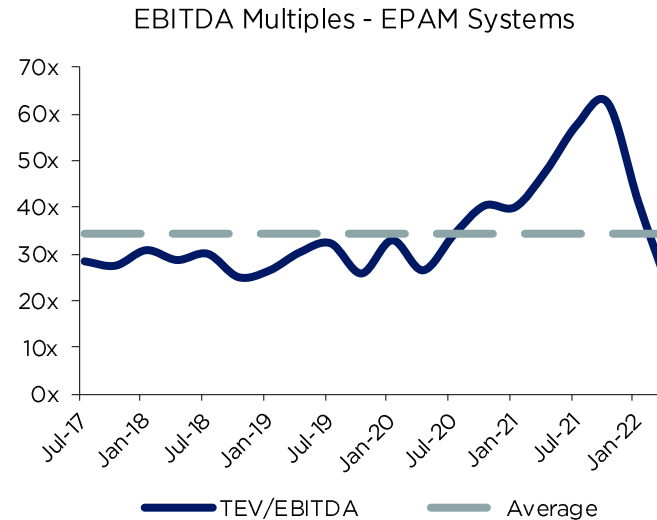
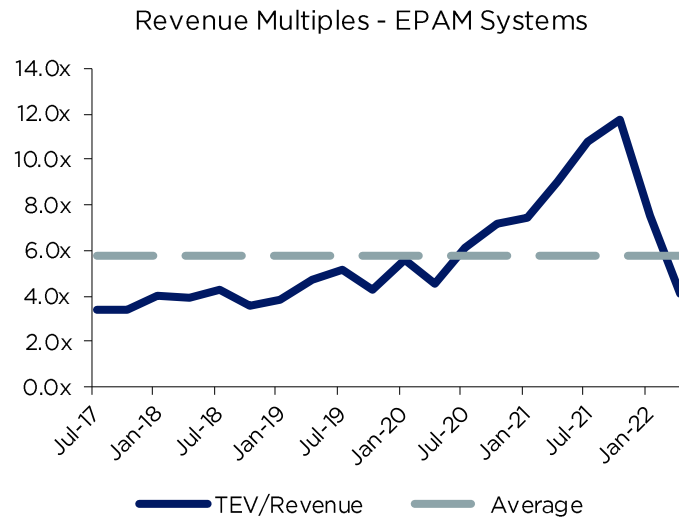
EPAM Systems

EPAM Systems Inc provides software product development and digital platform engineering services to clients located around the world.

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 clients.

Public Basket

EPAM Systems



Company Name	Date	Deal Synopsis
Superhub	01-Mar-22	The company was acquired by EPAM Systems (NYS: EPAM) for an undisclosed amount in March 2022.
Enginety	28-Jan-22	The company was acquired by EPAM Systems (NYS: EPAM) for an undisclosed amount on January 28, 2022. The deal will allow EPAM to expand its capabilities to deliver end-to-end solutions for building e-commerce services and platforms for global organizations.

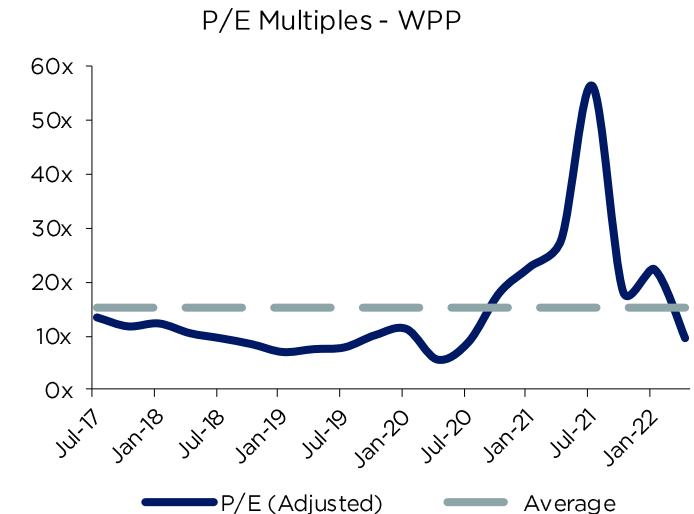
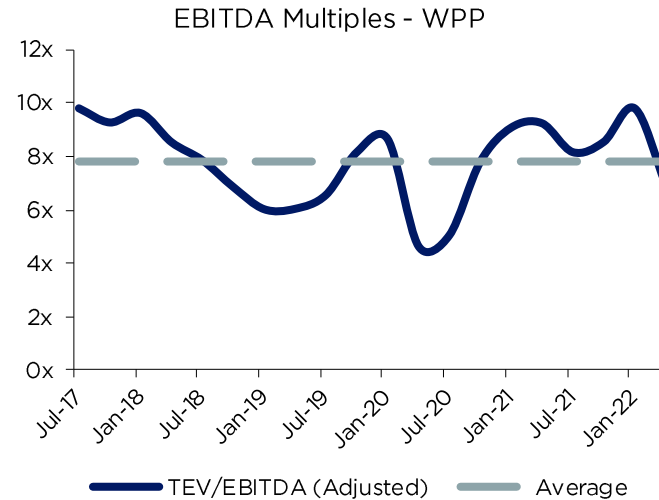
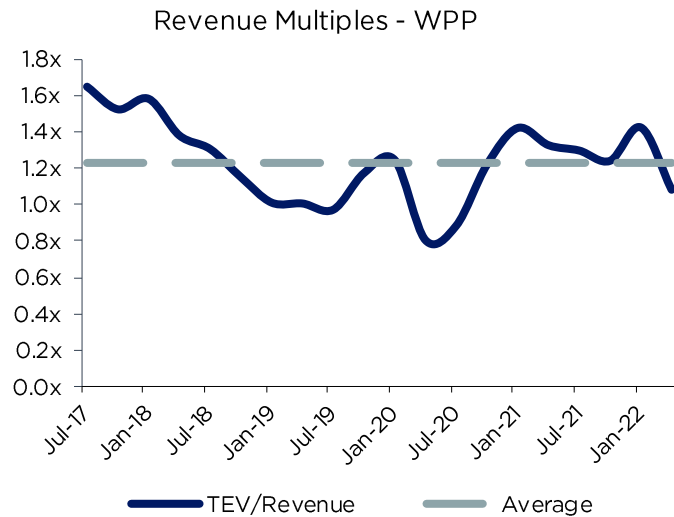
WPP

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
Anzu.io	28-Feb-22	The company raised ILS 20 million of Series B venture funding from NBCUniversal, Sony, WPP, VentureBeat, Alumni Ventures, and BITKRAFT Ventures on February 28, 2022, putting the company's pre-money valuation at ILS 160 million. A part of the funding was received in the form of SAFE notes.
Village Marketing	22-Feb-22	The company was acquired by WPP (NYSE: WPP) for an undisclosed amount on February 22, 2022. The acquisition is part of WPP's accelerated growth strategy and focused M&A approach to further strengthen its core creative capabilities in marketing, communications and design.

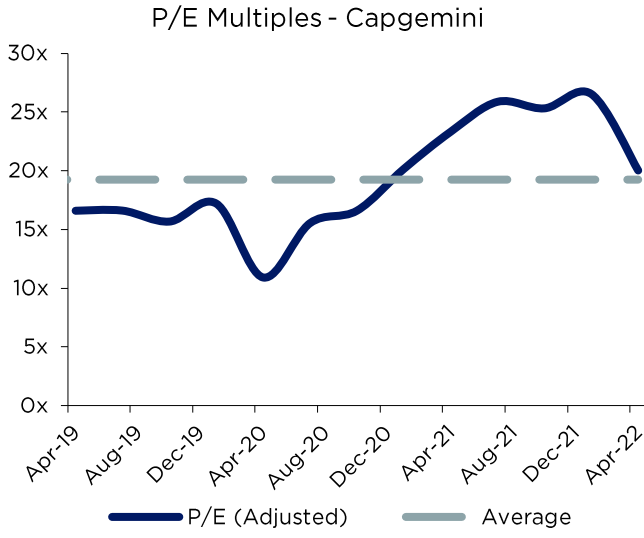
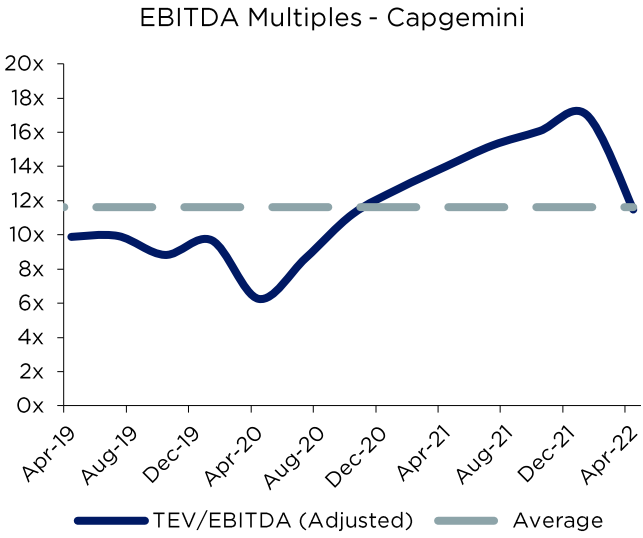
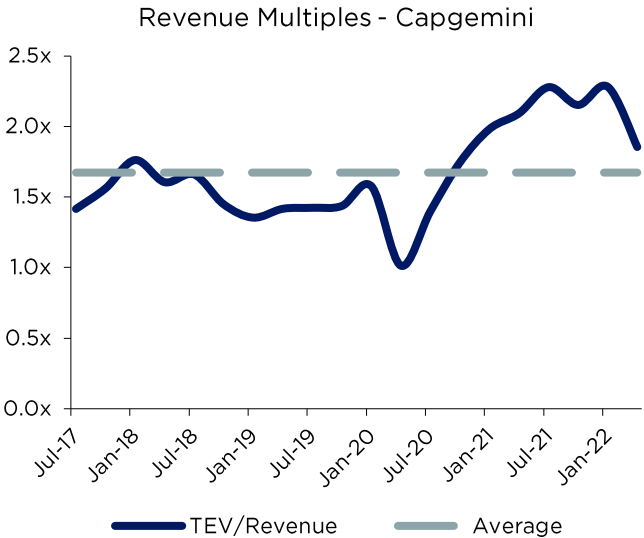
Capgemini

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
VariQ	01-Dec-21	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	25-Nov-21	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.

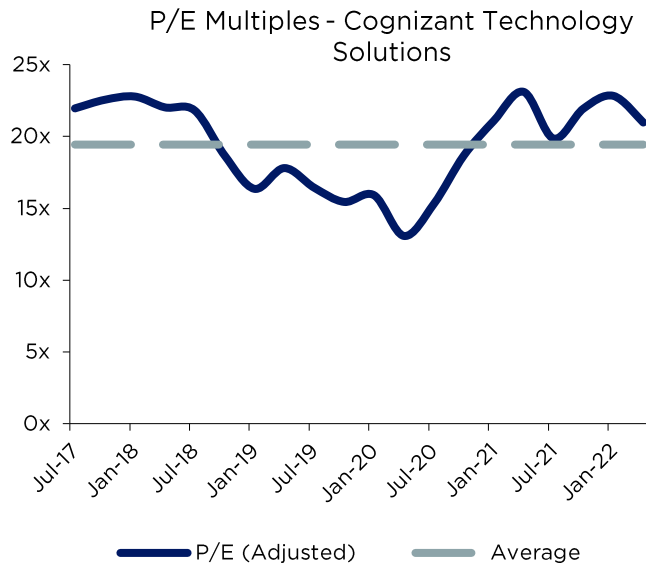
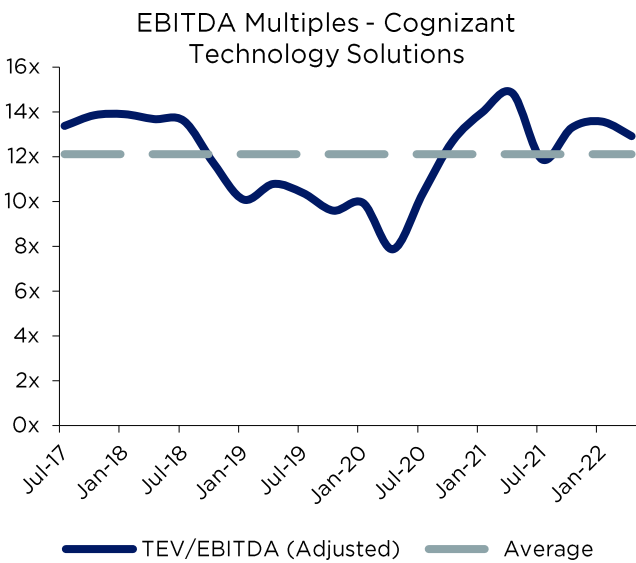
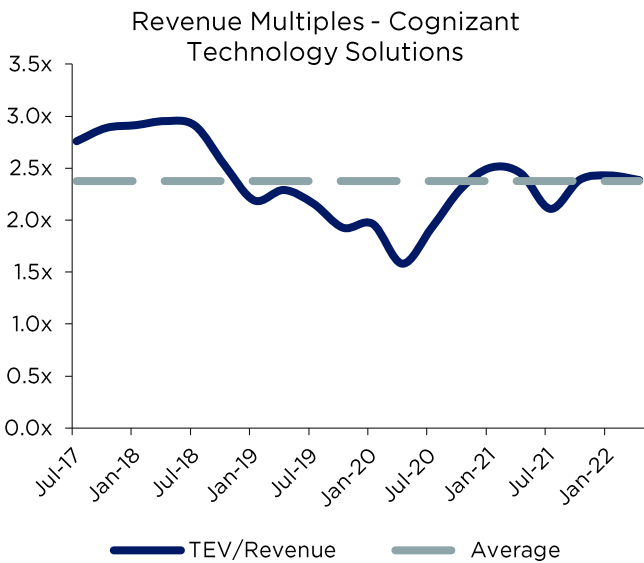
Cognizant Technology Solutions

Cognizant is a global IT services provider, offering consulting and outsourcing services to some of the world's largest enterprises spanning the financial services, media and communications, healthcare, natural resources, and consumer products industries.

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
Devbridge	09-Dec-21	The company was acquired by Cognizant Technology Solutions (NAS: CTSH) for an undisclosed amount on December 9, 2021.
Hunter Technical Resources	16-Aug-21	The company was acquired by Cognizant (NAS: CTSH) for an undisclosed amount on August 16, 2021. The acquisition will enhance Cognizant's access to IT talent across areas such as full stack development, data science, and machine learning.

Infosys

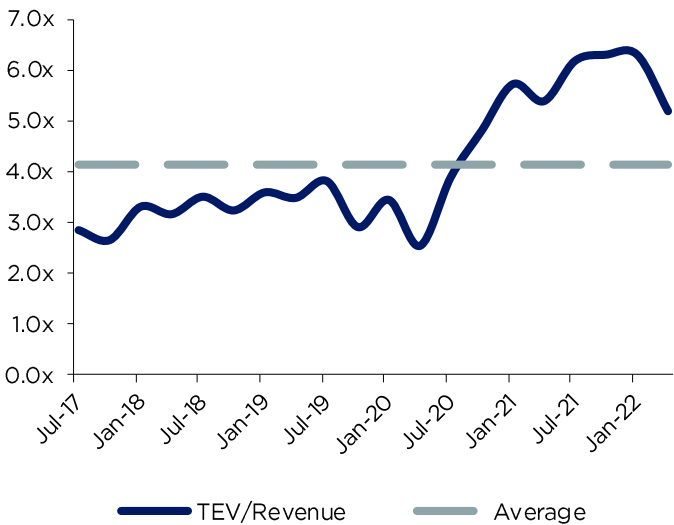
**Infosys is a leading global IT services provider,
with nearly 250,000 employees.**

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).

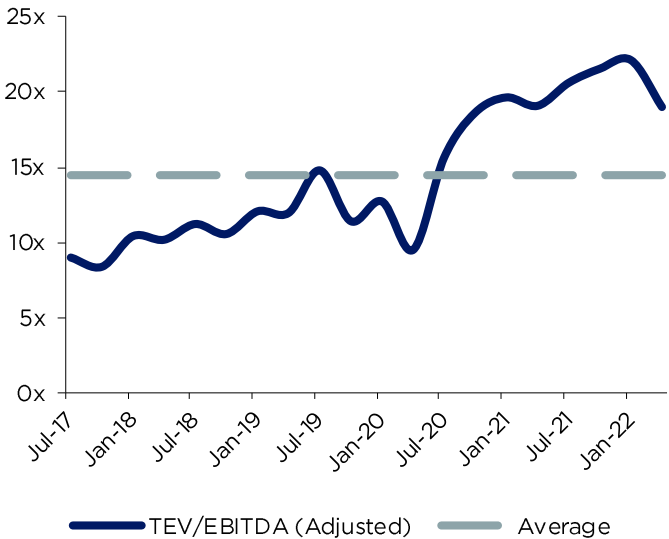
Public Basket

Infosys

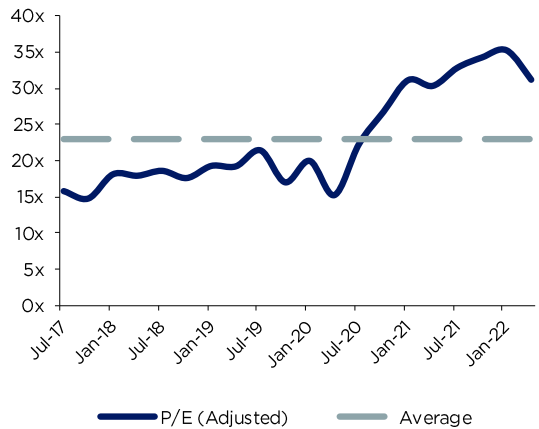
Revenue Multiples - Infosys



EBITDA Multiples - Infosys



P/E Multiples - Infosys



Company Name	Date	Deal Synopsis
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.

Accenture

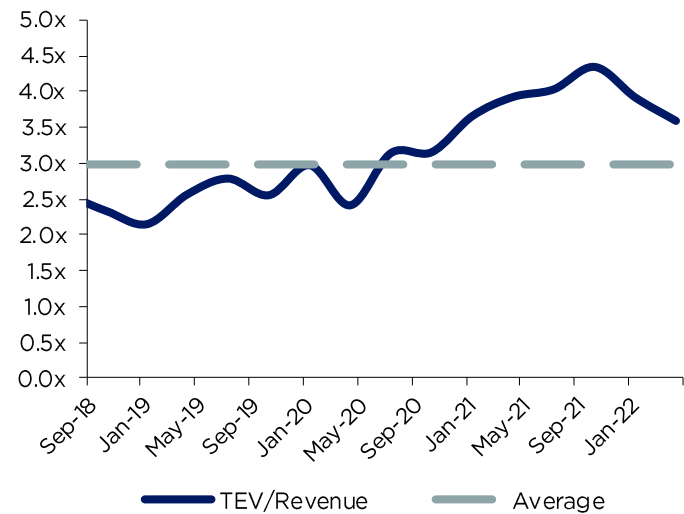
Accenture is a leading global IT-services firm that provides consulting, strategy, and technology and operational services.

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.

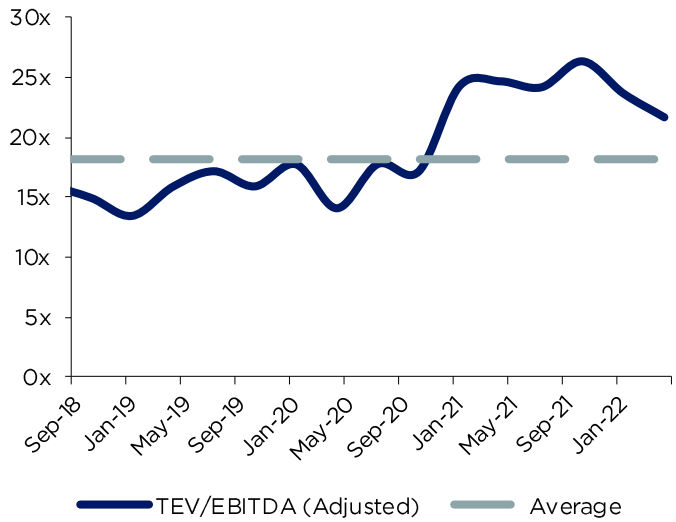
Public Basket

Accenture

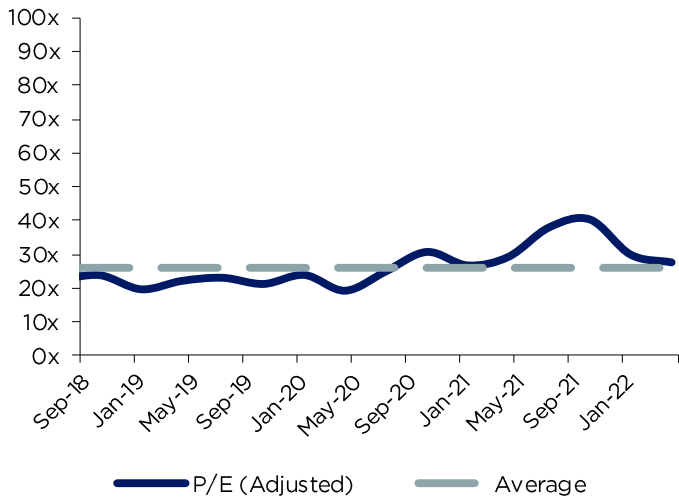
Revenue Multiples - Accenture



EBITDA Multiples - Accenture



P/E Multiples - Accenture



Company Name	Date	Deal Synopsis
Avieco	08-Apr-22	The company reached a definitive agreement to be acquired by Accenture (NYS: ACN) for an undisclosed amount on April 8, 2022. The acquisition will bolster Accenture's ESG measurement and analytics capabilities as converging standards and increased regulation drive client need for accurate data in decision-making.
AFD Technologies	01-Apr-22	The company was acquired by Accenture (NYSE: ACN) for an undisclosed amount on April 1, 2022. This acquisition enhances Accenture's multidisciplinary expertise in engineering, design, deployment and operation of next generation networks, such as 5G and fiber.

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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