

7 Mile Advisors



Sectorwatch: Supply Chain Tech & Software

April 2022



7MA

Supply Chain Tech & Software

- 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

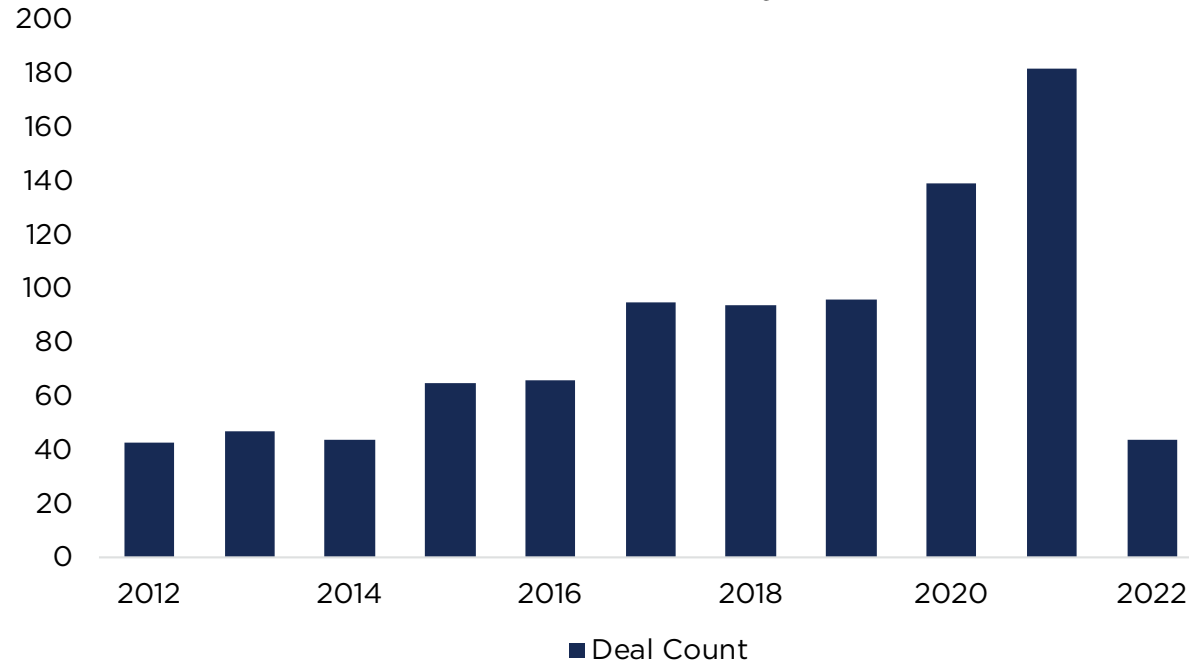
Dashboard

REVENUE GROWTH MOMENTUM

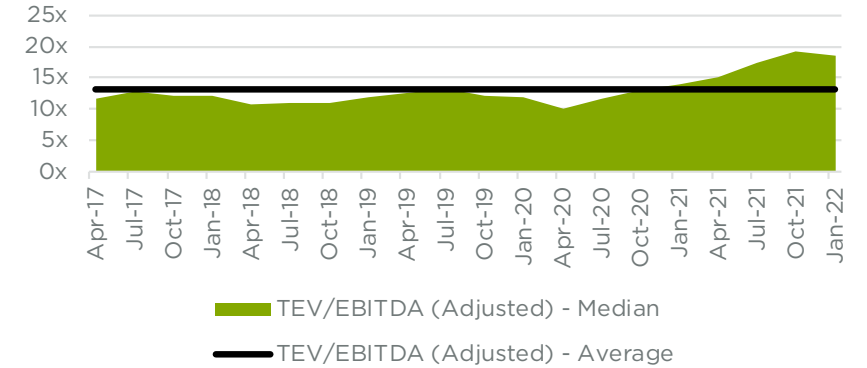
↑6.0%

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

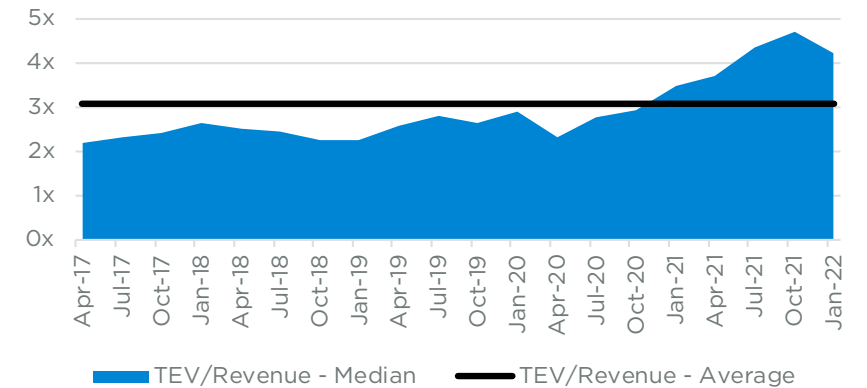
M&A Activity



Public EBITDA Multiples over Time



Public Revenue Multiples over Time



Public Basket Overview

Supply Chain & Tech Software

United States



India



France



Ireland



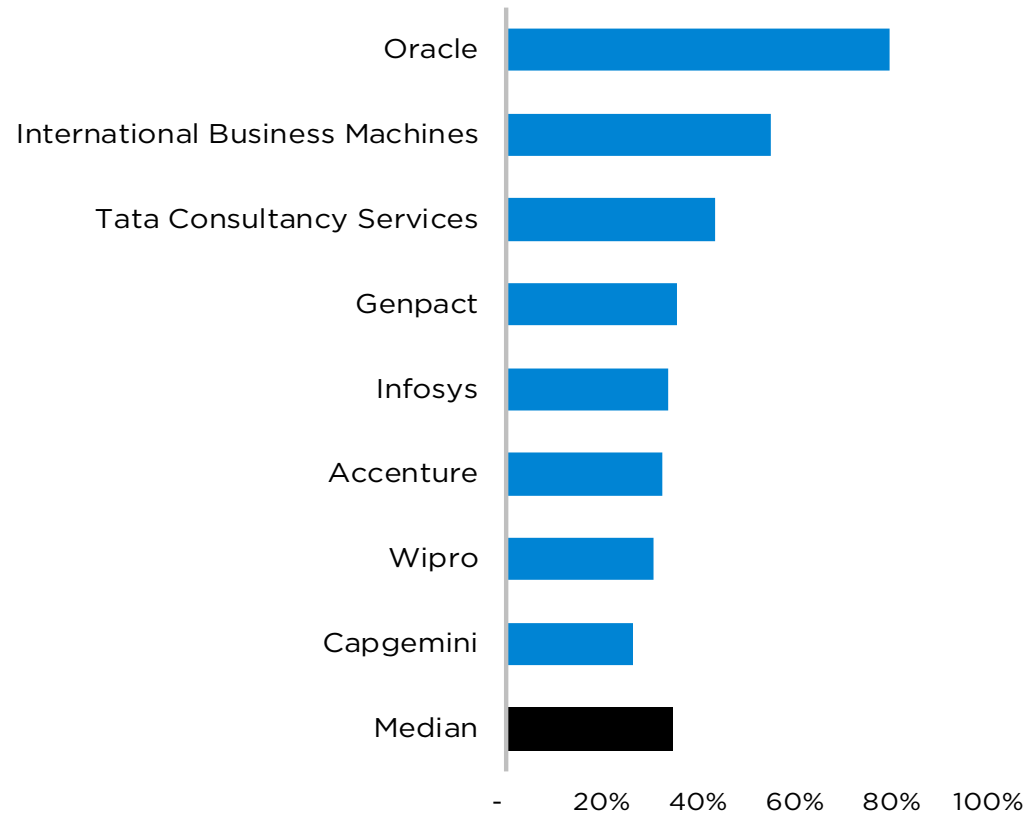
Public Basket

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	8,896	785	4,022	8.4%	35.6%	19.5%	2.2x	11.3x	109,600	37
Wipro	37,449	2,197	10,073	21.3%	30.5%	21.8%	3.7x	17.0x	220,000	46
Capgemini	39,731	3,468	21,471	14.6%	26.4%	16.2%	1.9x	11.5x	324,684	66
Infosys	93,537	4,256	15,644	19.0%	33.5%	27.2%	6.0x	22.0x	279,617	56
International Business Machines	161,801	12,357	57,351	3.9%	54.9%	21.5%	2.8x	13.1x	307,600	186
Tata Consultancy Services	170,139	7,660	25,736	16.8%	43.3%	29.8%	6.6x	22.2x	509,058	51
Accenture	201,030	9,415	56,695	24.1%	32.3%	16.6%	3.5x	21.4x	699,000	81
Oracle	267,494	13,895	41,827	5.4%	79.4%	33.2%	6.4x	19.3x	132,000	317
Average	122,510	6,754	29,102	14.2%	42.0%	23.2%	4.1x	17.2x	322,695	105
Median	127,669	5,958	23,603	15.7%	34.6%	21.7%	3.6x	18.1x	293,609	61

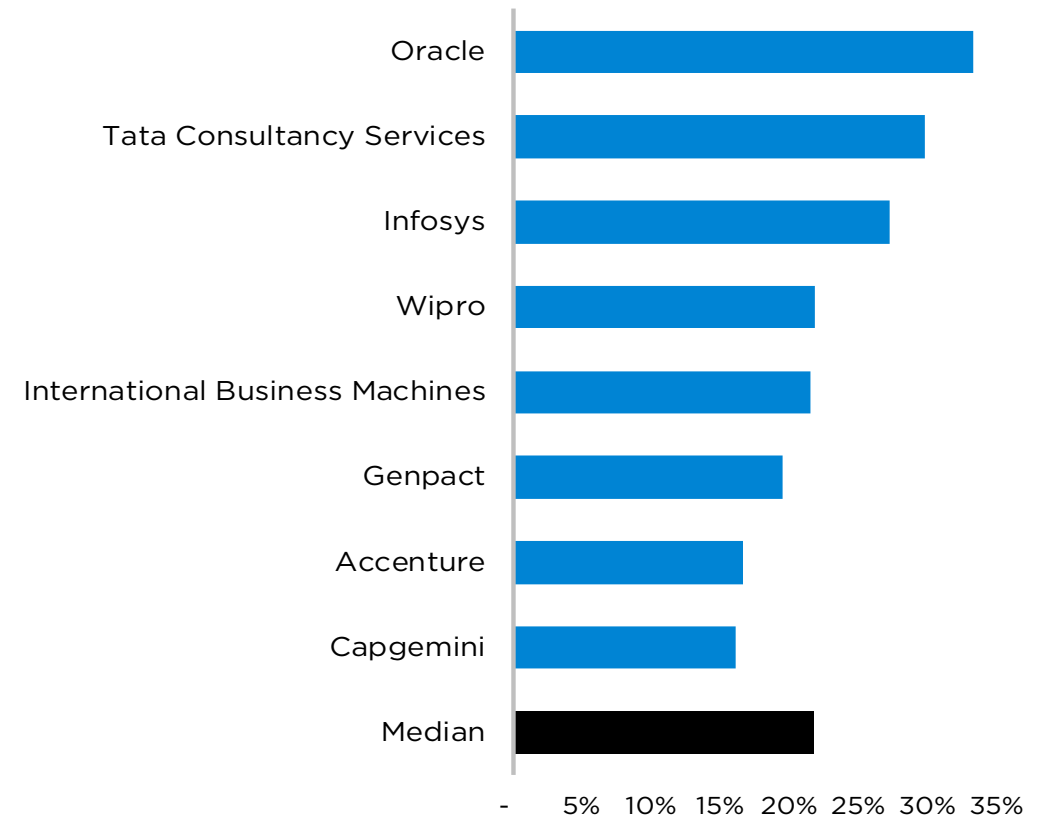
share price as of 18Apr22

Operational Metrics

LTM Gross Profit Margin %

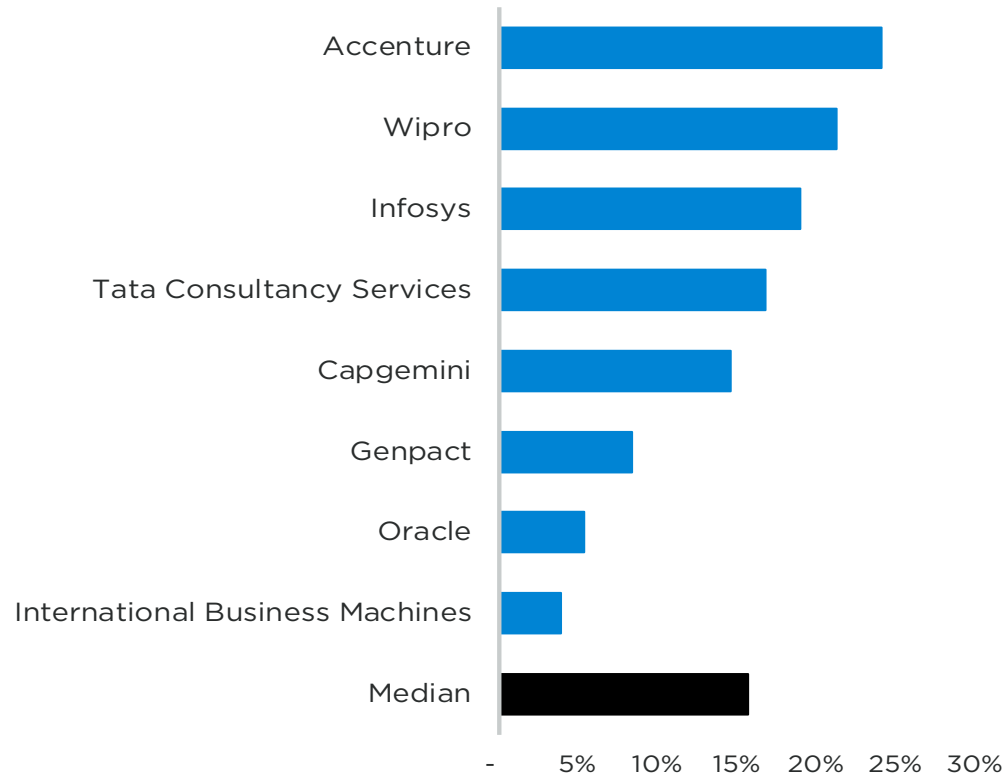


LTM EBITDA %

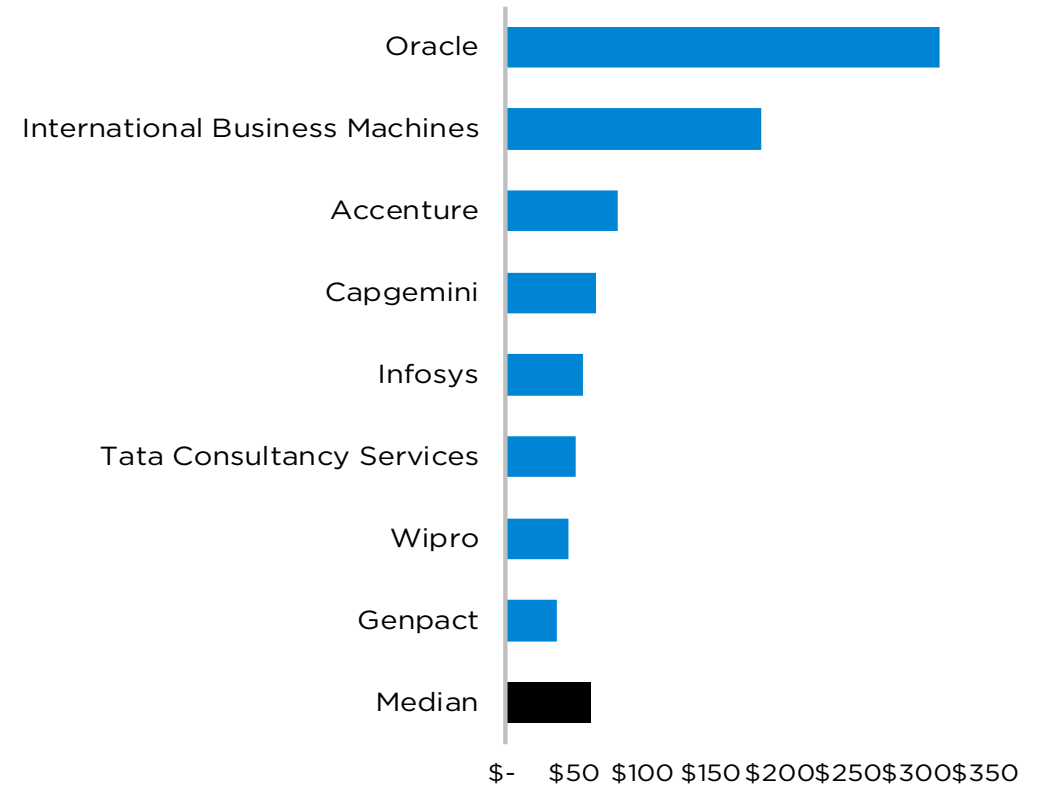


Operational Metrics

LTM Revenue Growth %

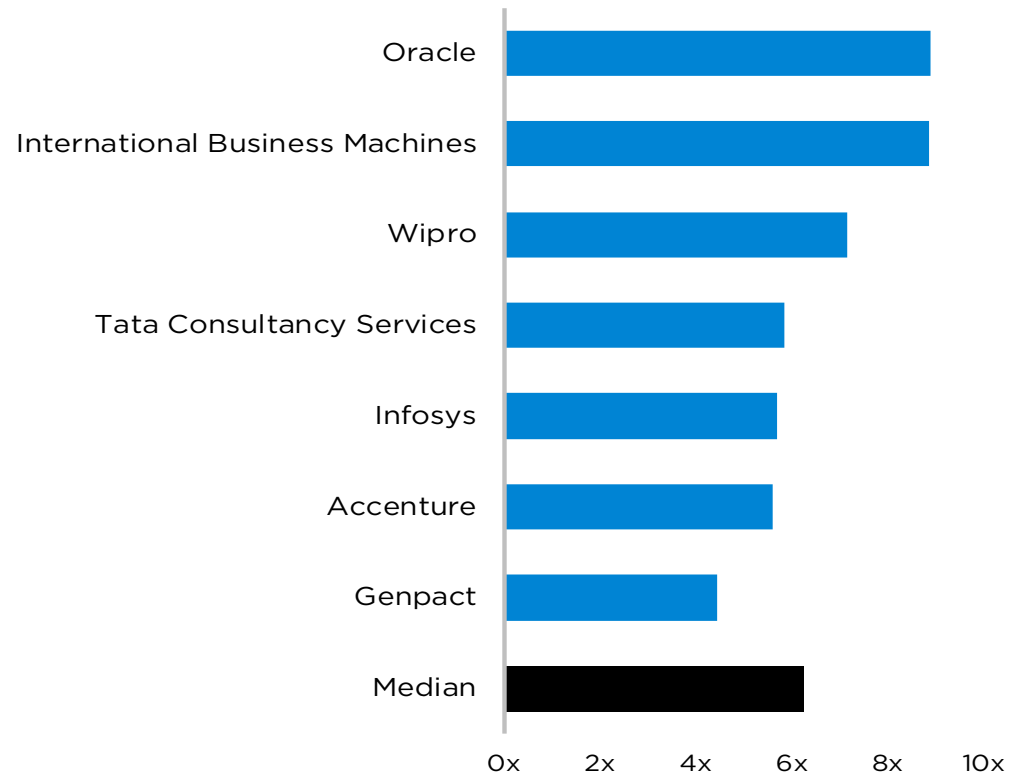


LTM Revenue per Full Time Employee x 000's

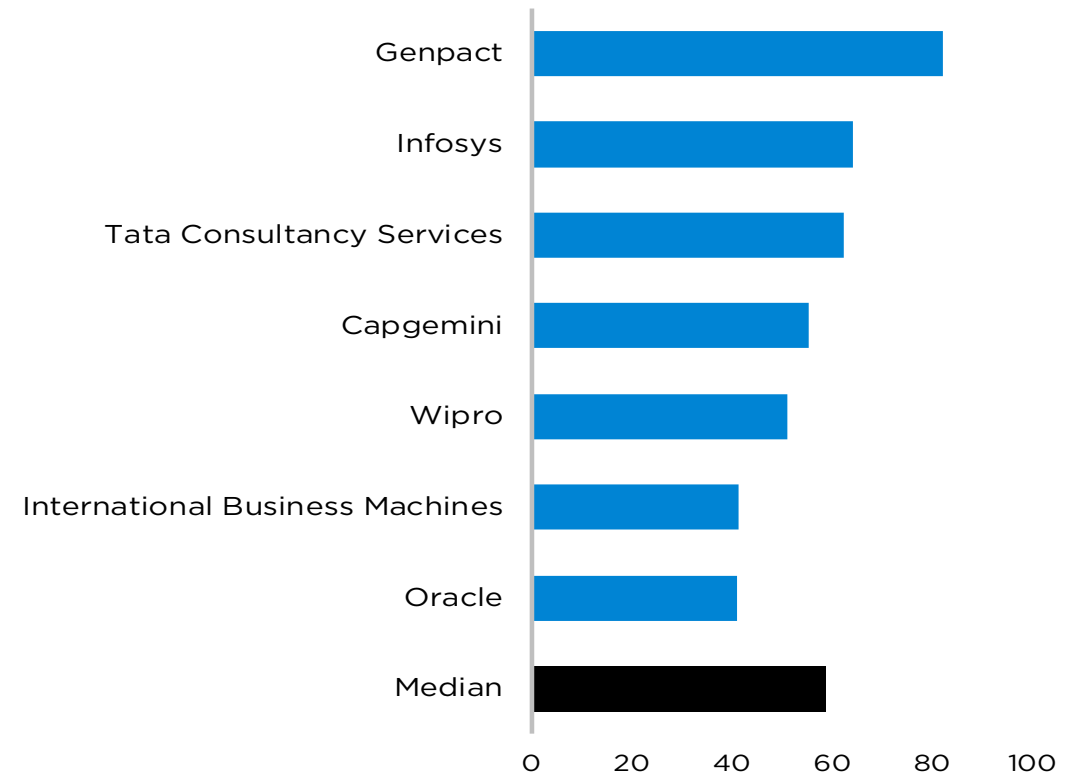


Operational Metrics

Accounts Receivable Turnover

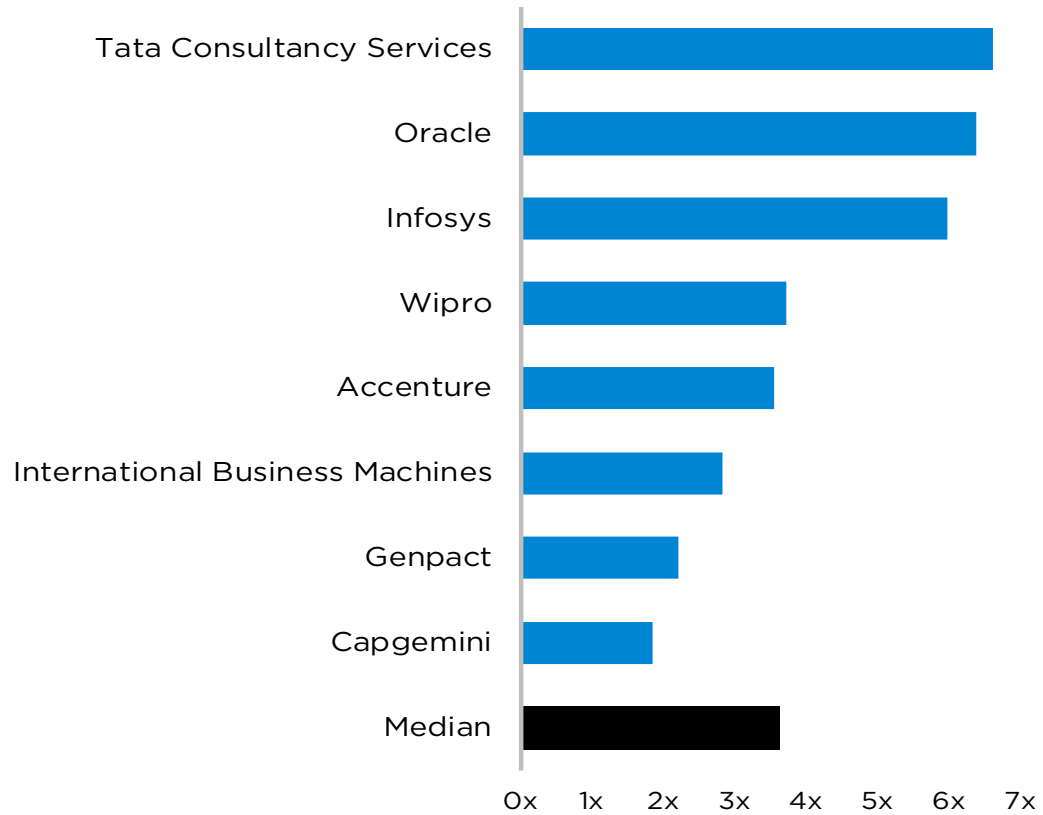


Average Days Sales Outstanding

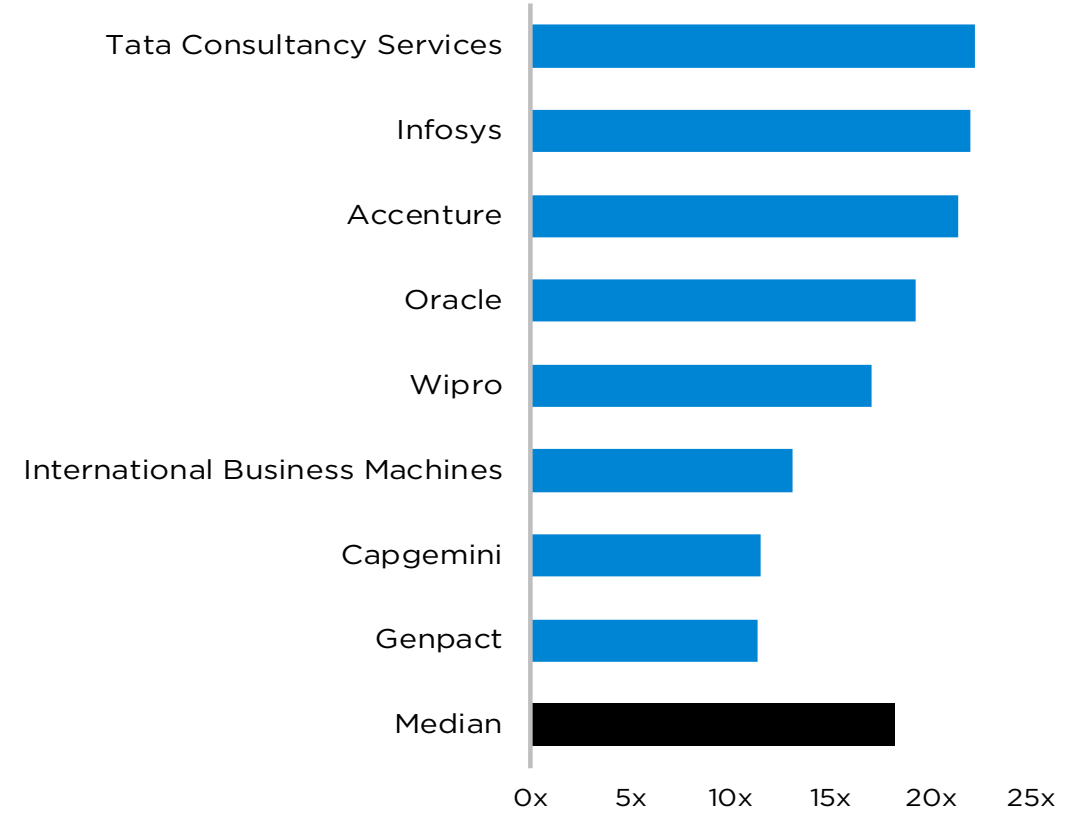


Valuation

TEV / LTM Revenue

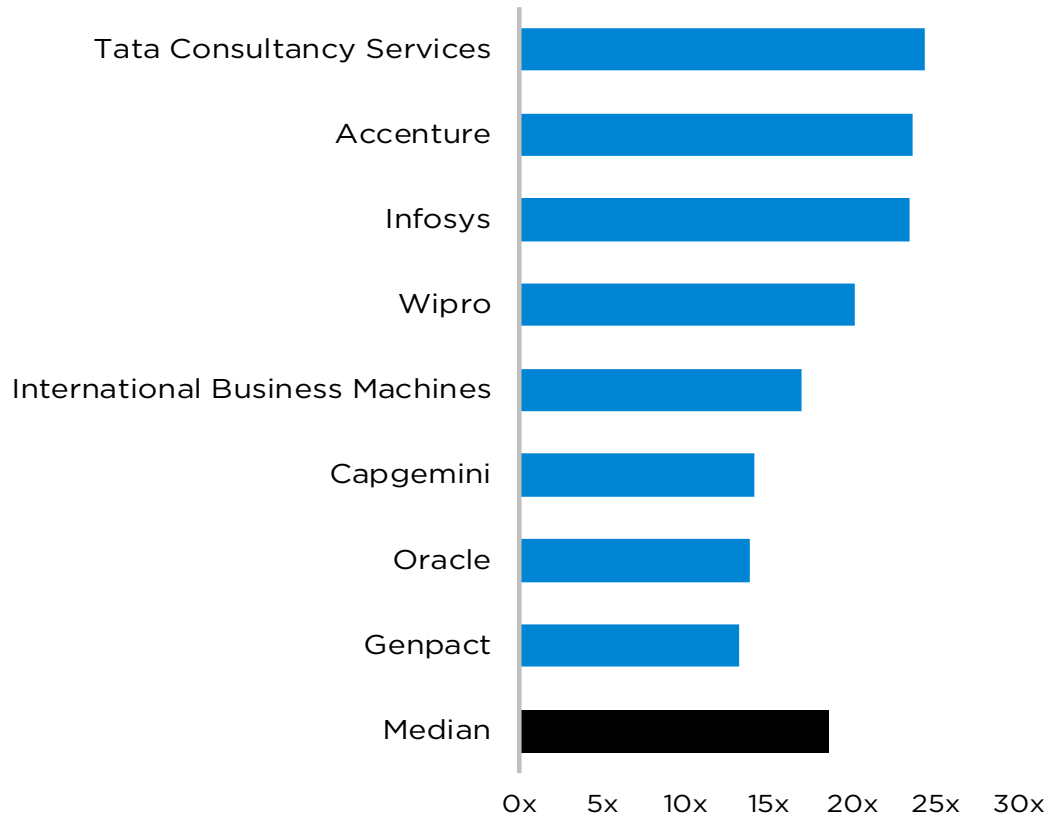


TEV / LTM EBITDA

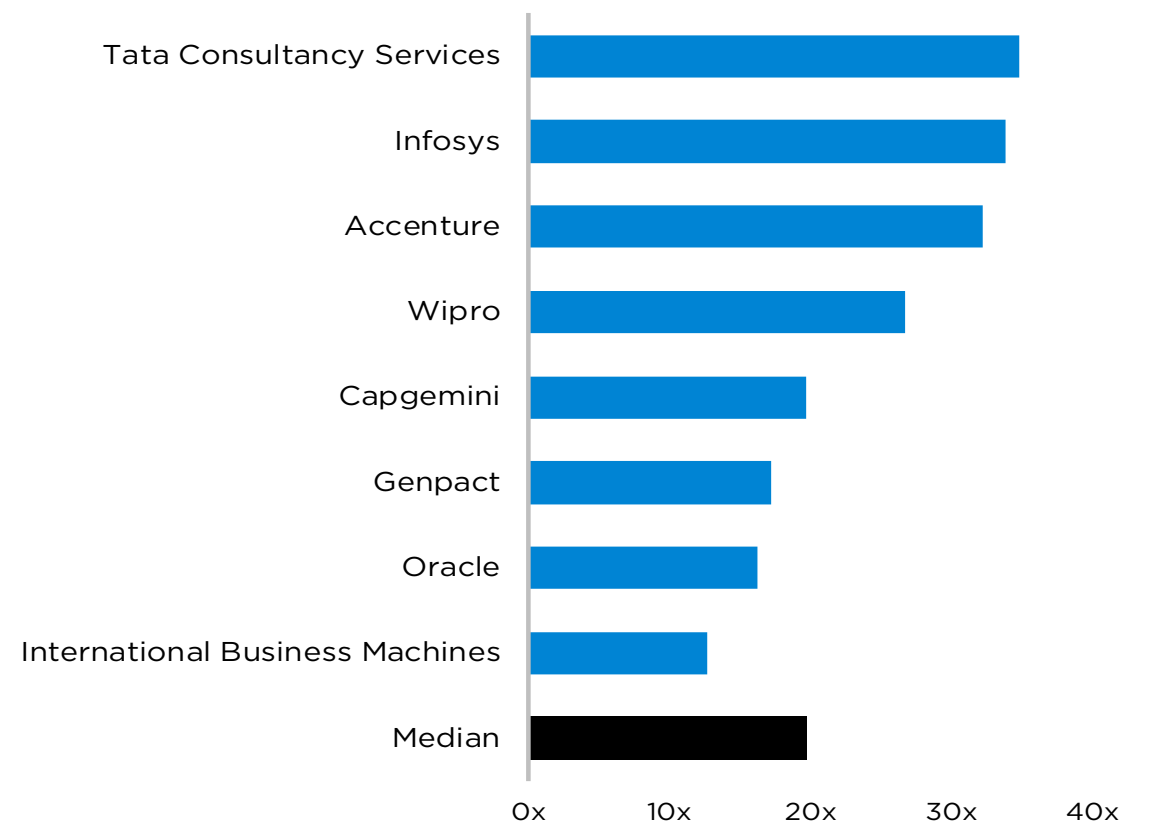


Valuation

TEV / LTM EBIT

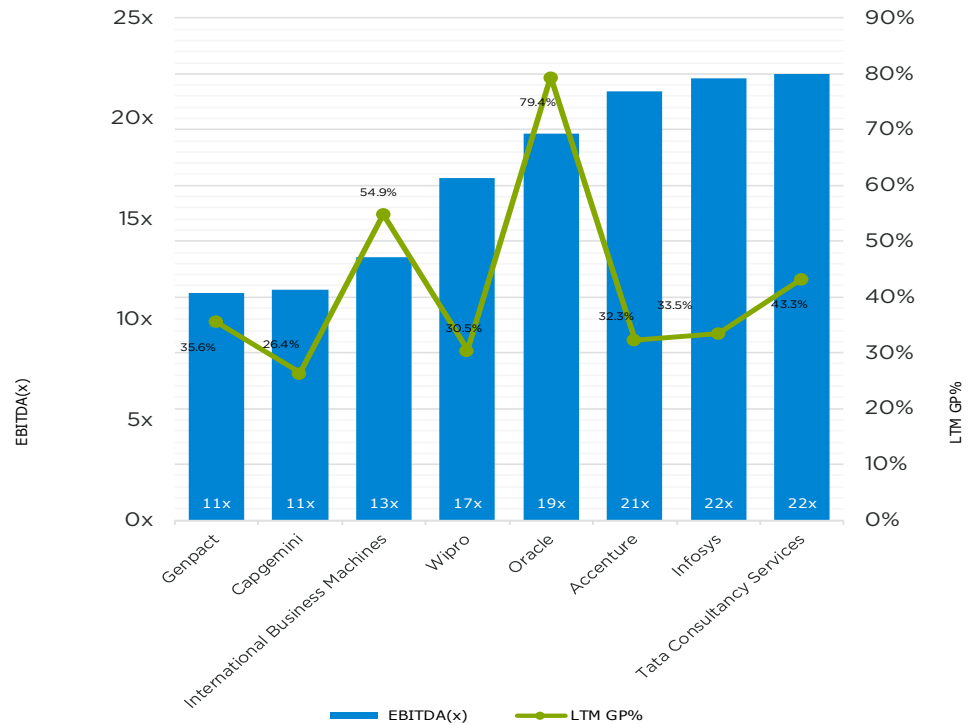


Price / LTM Earnings

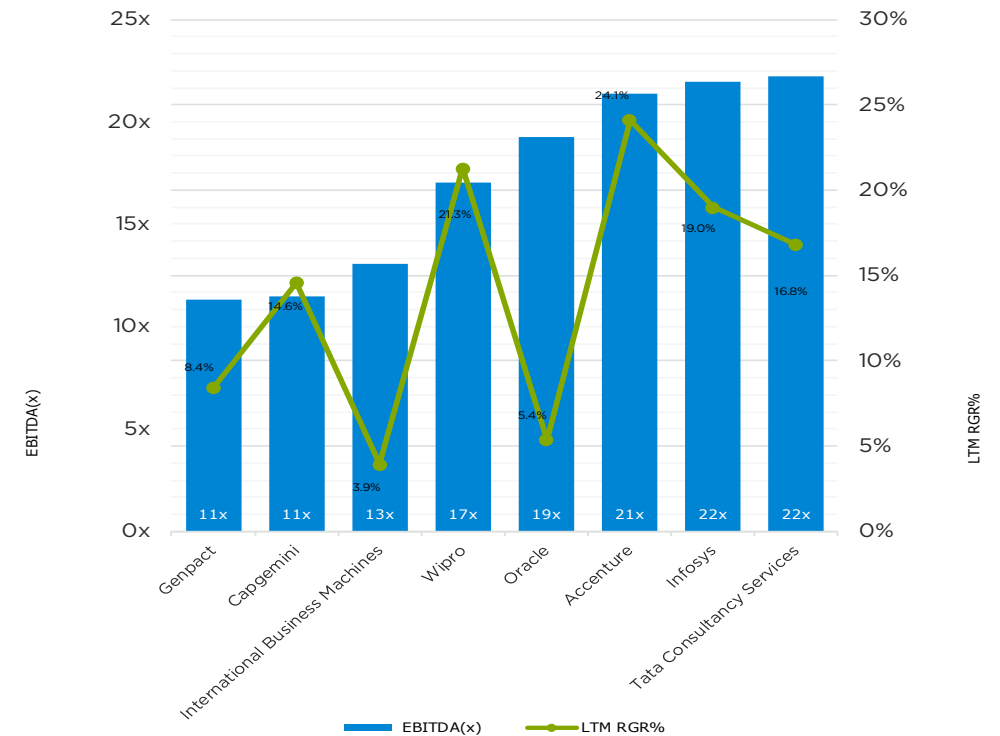


Valuation

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
15-May-22	Blinkit	Zomato	-	-	-	-
13-Apr-22	essDOCS	Intercontinental Exchange	-	-	-	-
13-Apr-22	VersaCold Logistics Services	1/1 CAPITAL	-	-	-	-
07-Apr-22	LogicSource	FTV Capital	180.00	-	-	-
04-Apr-22	Pete's	Local Bounti	122.50	-	-	-
04-Apr-22	Uello	RLog Investimentos	-	-	-	-
29-Mar-22	Jord Producers	Ynsect	-	-	-	-
25-Mar-22	Integration Wizards	SparkCognition	-	-	-	-
20-Mar-22	Anaplan	Thoma Bravo	10700.00	552.02	17.56	-58.21
16-Mar-22	Marrone Bio Innovations	Bioceres Crop Solutions	236.00	41.21	4.88	-20.86
16-Mar-22	QuikReturn	Veho	-	-	-	-
14-Mar-22	Basware	Accel-KKR	619.91	181.04	5.89	33.62
12-Mar-22	Deppon	JD Logistics	1416.13	4774.34	0.40	27.83
12-Mar-22	Just Eat Takeaway.com	-	-	5314.43	-	-
10-Mar-22	Frichti	Gorillas	-	-	-	-
10-Mar-22	Taulia	SAP	-	-	-	-
07-Mar-22	EdgeCast Networks	Limelight Networks	300.00	-	-	-
03-Mar-22	Synfioo	Project44	-	-	-	-
03-Mar-22	TraktorHub	Quipster	-	-	-	-
01-Mar-22	Zenith Freight Lines	J.B. Hunt Transport Services	87.00	-	-	-
28-Feb-22	Syft	Global Healthcare Exchange	-	-	-	-
25-Feb-22	Plant Response	The Mosaic	-	-	-	-
18-Feb-22	MakeSpace	Clutter	-	-	-	-
16-Feb-22	Nexxiot	Arvato Financial Solutions	-	-	-	-
14-Feb-22	Lumi	Boticário Group	-	-	-	-

Appendix

*Public Basket
Contact Information*



Oracle

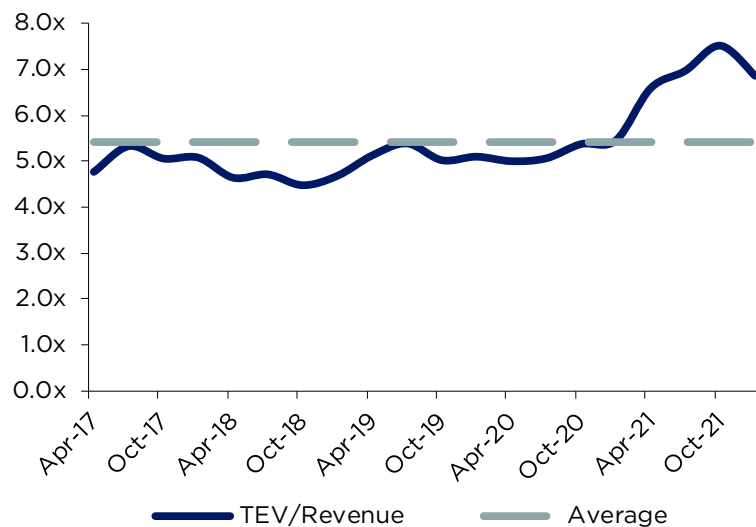
Oracle provides database technology and enterprise resource planning, or ERP, software to enterprises around the world.

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.

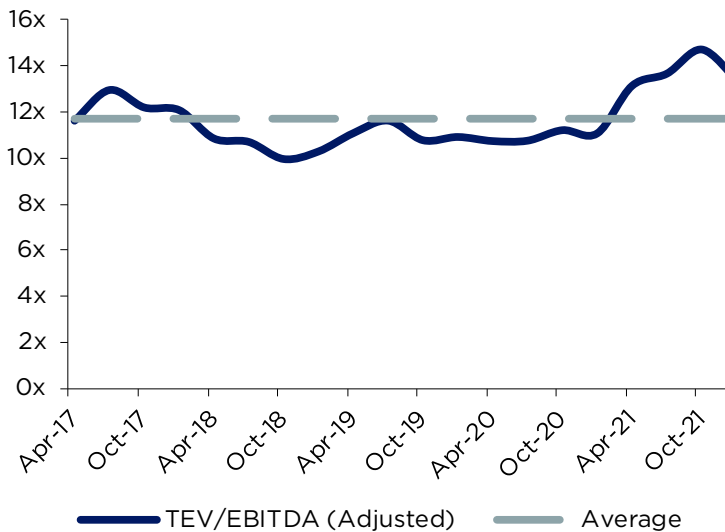
Public Basket

Oracle

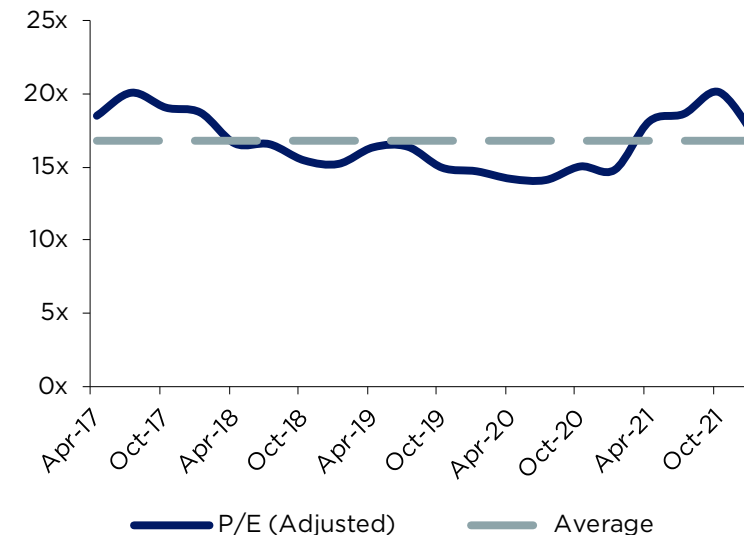
Revenue Multiples - Oracle



EBITDA Multiples - Oracle



P/E Multiples - Oracle



Company Name

Date

Deal Synopsis

Verenia (NetSuite CPQ)

04-Jan-22

Oracle (NYS: ORCL) entered into a definitive agreement to acquire the NetSuite CPQ business of Verenia for an undisclosed amount on January 4, 2022.

Federos

23-Dec-21

The company was acquired by Oracle (NYS: ORCL) for an undisclosed amount on December 23, 2021.

Accenture

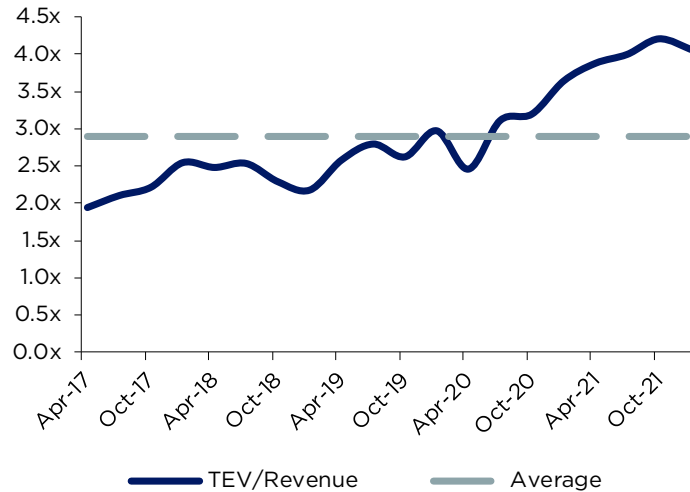
Accenture is a leading global IT-services firm that provides consulting, strategy, and technology and operational services.

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.

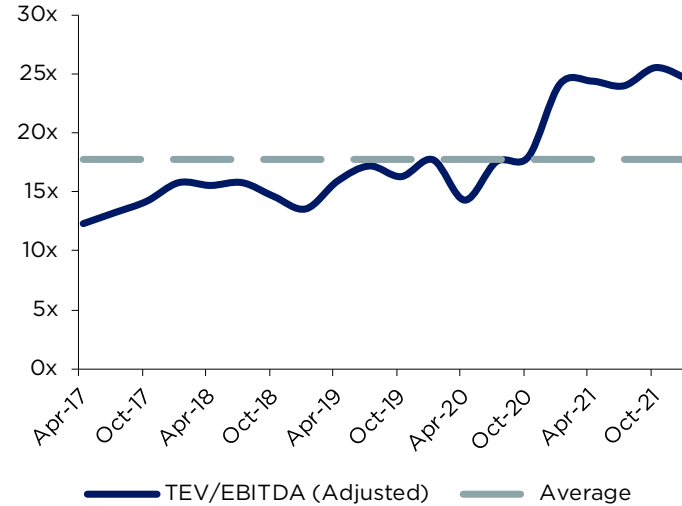
Public Basket

Wipro

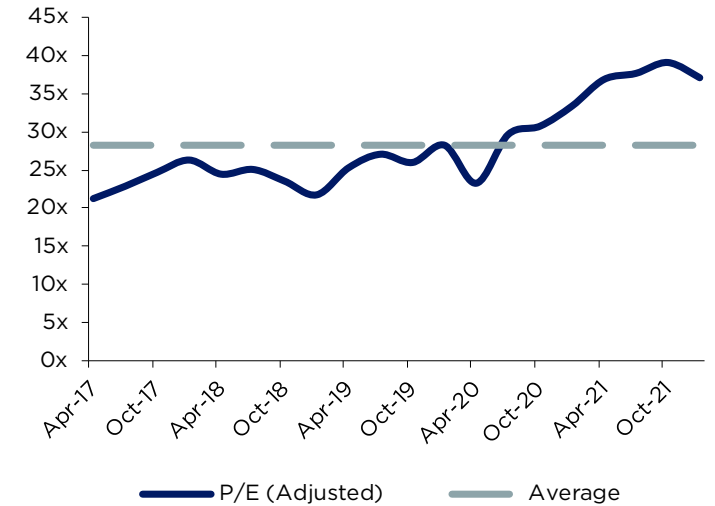
Revenue Multiples - Accenture



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.

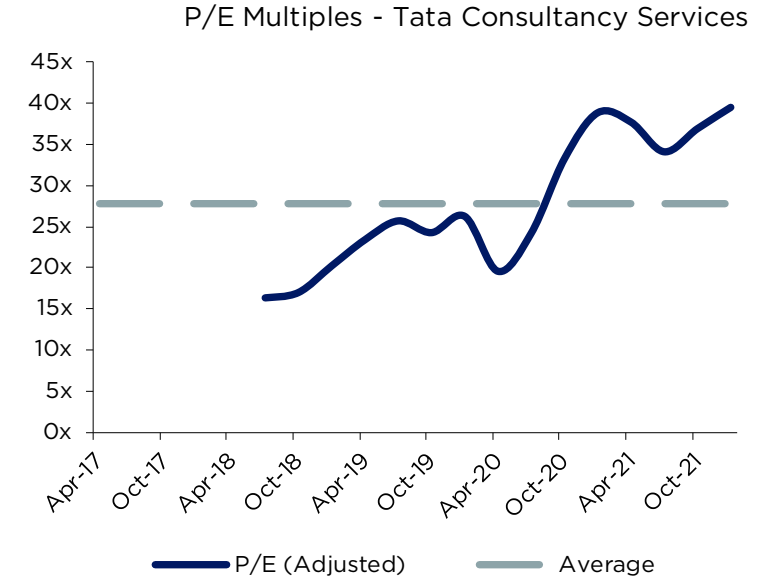
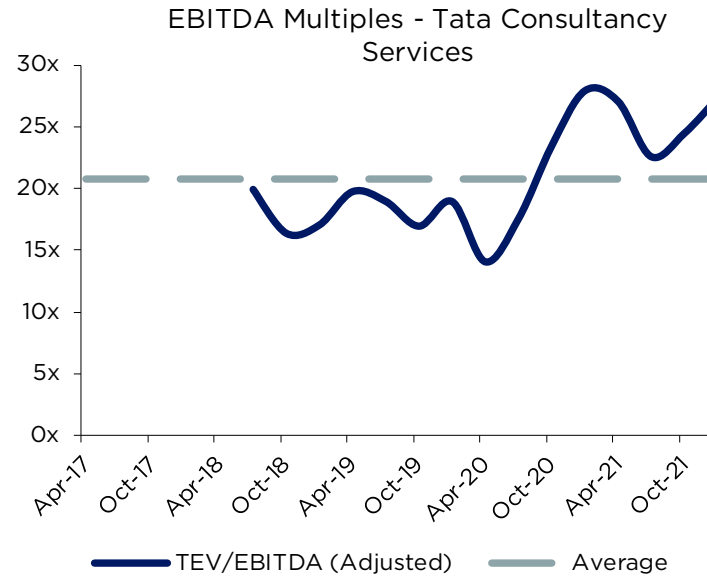
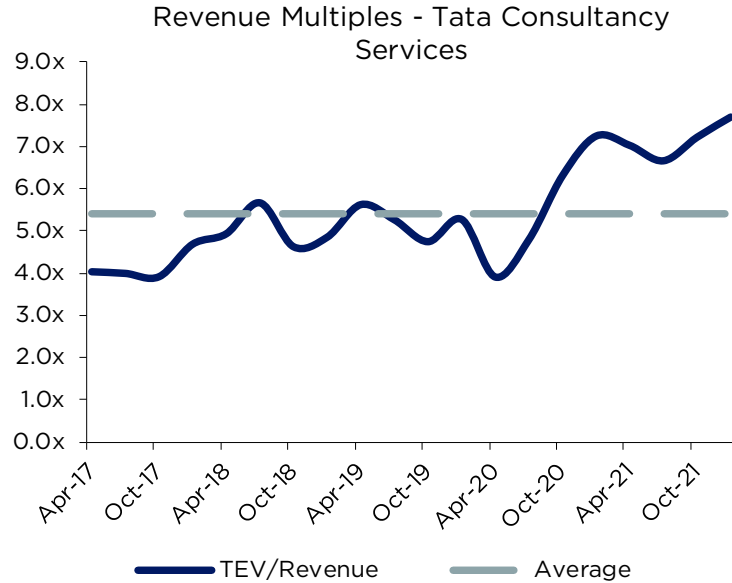
Tata Consultancy Services

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



<i>Company Name</i>	<i>Date</i>	<i>Deal Synopsis</i>
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.

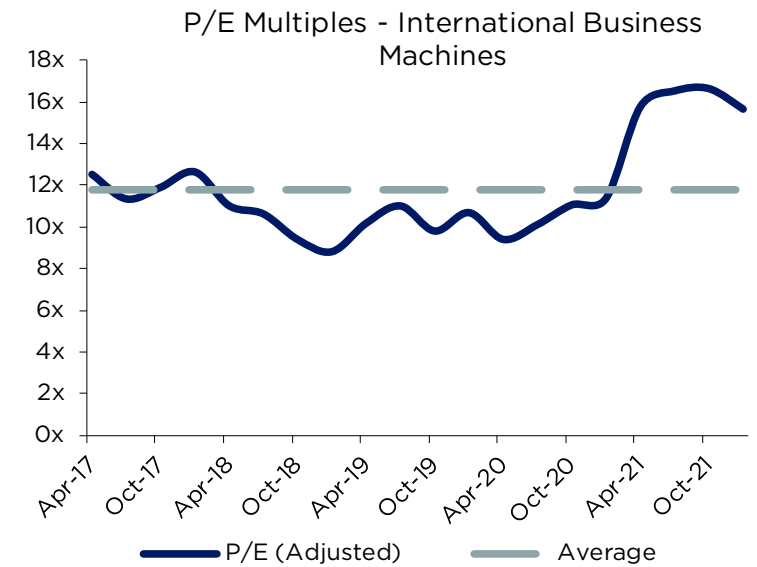
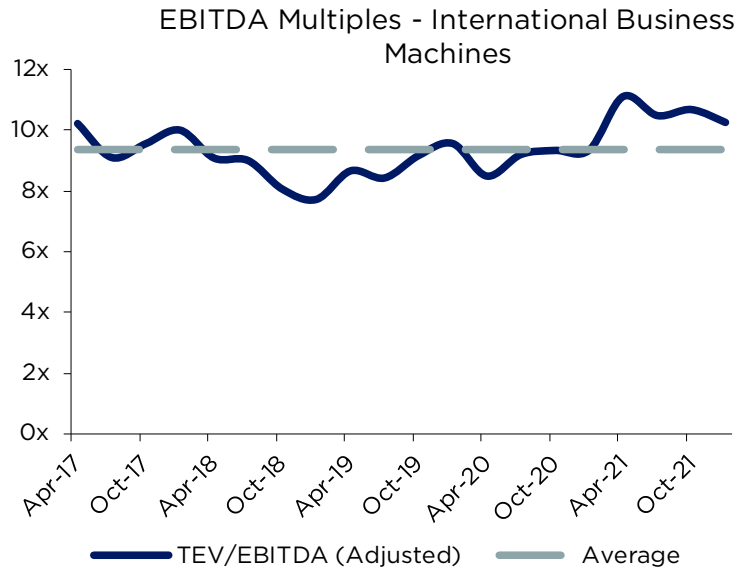
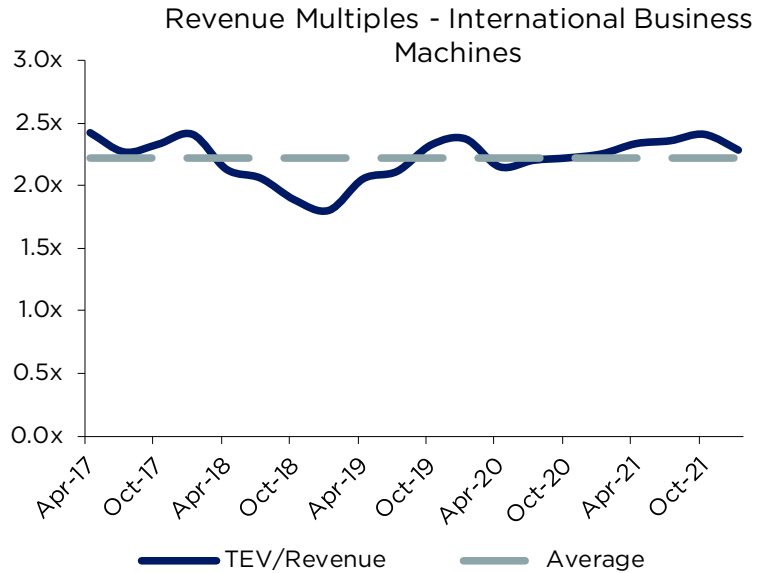
International Business Machines

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



<i>Company Name</i>	<i>Date</i>	<i>Deal Synopsis</i>
Neudesic	15-Feb-22	The company was acquired by International Business Machines (NYS: IBM) for an undisclosed amount on February 02, 2022.
Sentaca	31-Jan-22	The company was acquired by International Business Machines (NYS: IBM) for an undisclosed amount on January 31, 2022. The acquisition enables International Business Machines strengthen its position as a prime systems integrator for the emerging network and 5G market.

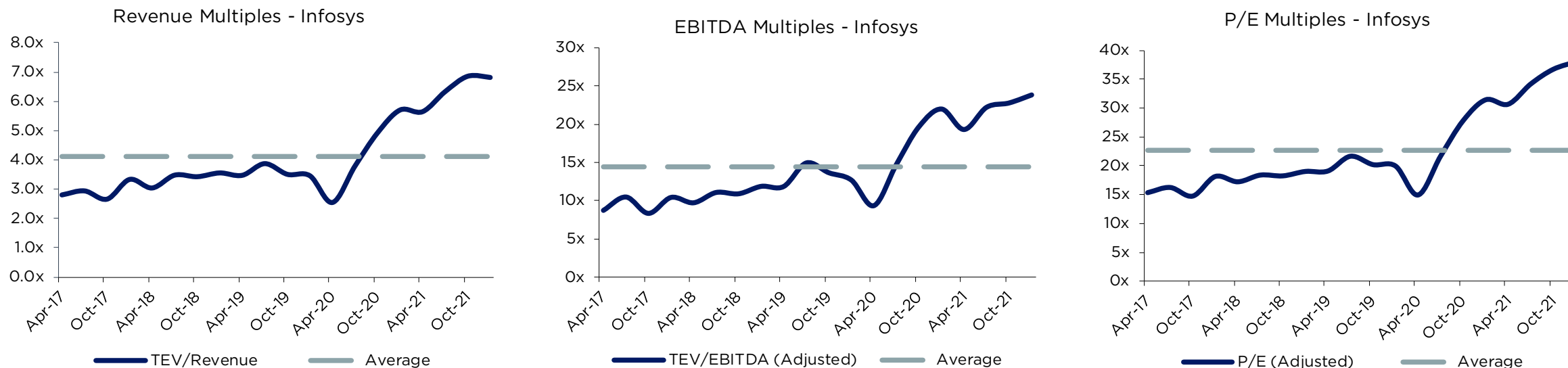
Infosys

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



<i>Company Name</i>	<i>Date</i>	<i>Deal Synopsis</i>
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

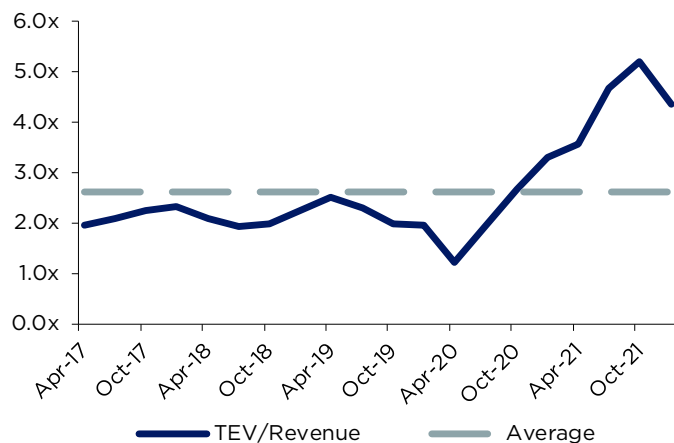
Wipro is a leading global IT services provider, with 175,000 employees.

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.

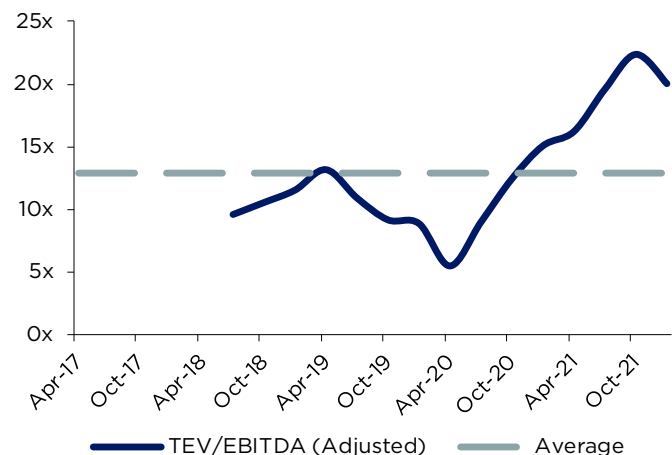
Public Basket

Tata Consultancy Services

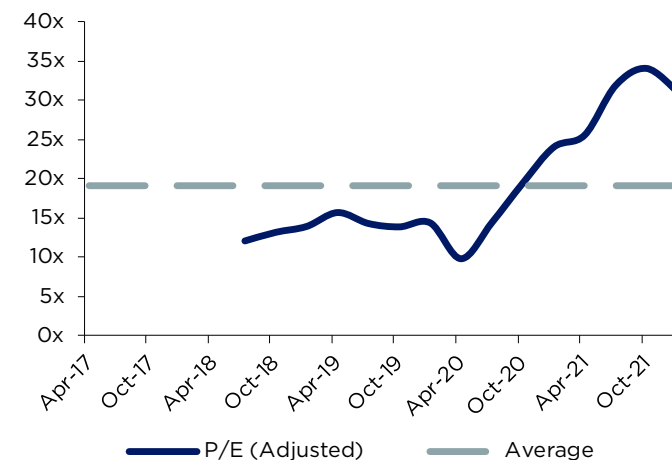
Revenue Multiples - Wipro



EBITDA Multiples - Wipro



P/E Multiples - Wipro



<i>Company Name</i>	<i>Date</i>	<i>Deal Synopsis</i>
Convergence Acceleration Solutions	11-Apr-22	The company was acquired by Wipro (BOM: 507685) for \$80 million on April 11, 2022. The company will receive a contingent payout of \$30 million to be payable over 3 years. The acquisition will help Wipro deliver an end-to-end professional services solution and immediate impact on communication service provider customers with services ranging from strategy development and planning to execution and implementation.
Edgile	31-Dec-21	The company was acquired by Wipro (BOM: 507685) for approximately \$230 million on December 31, 2021.

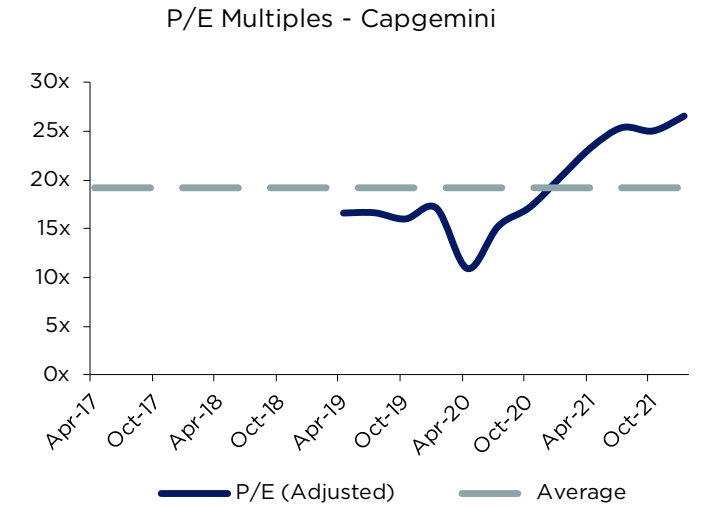
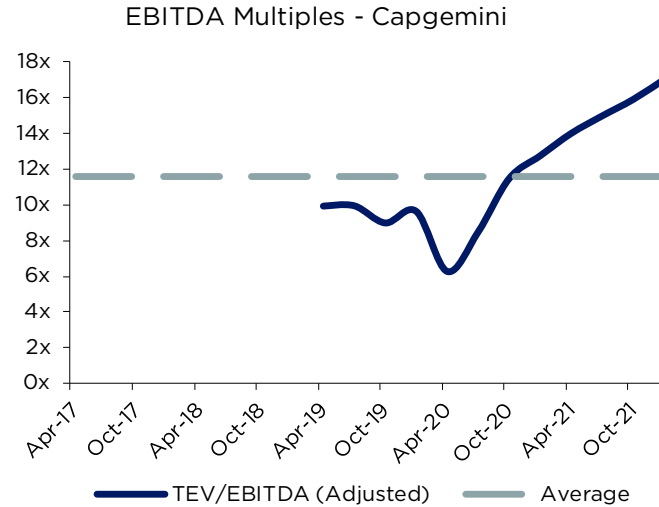
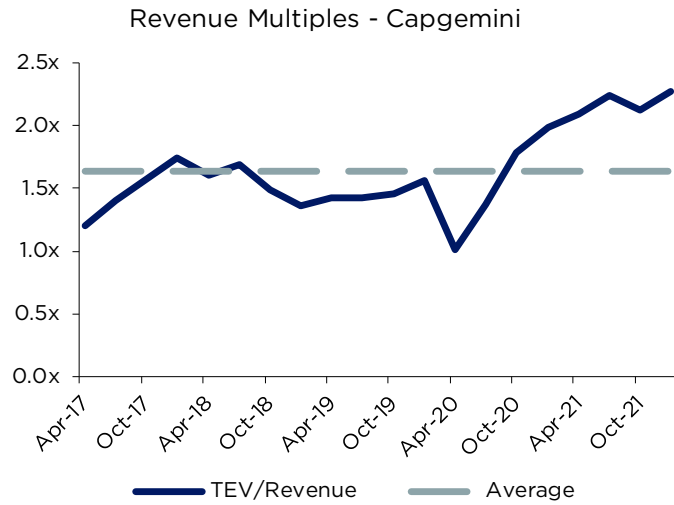
Capgemini

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

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.

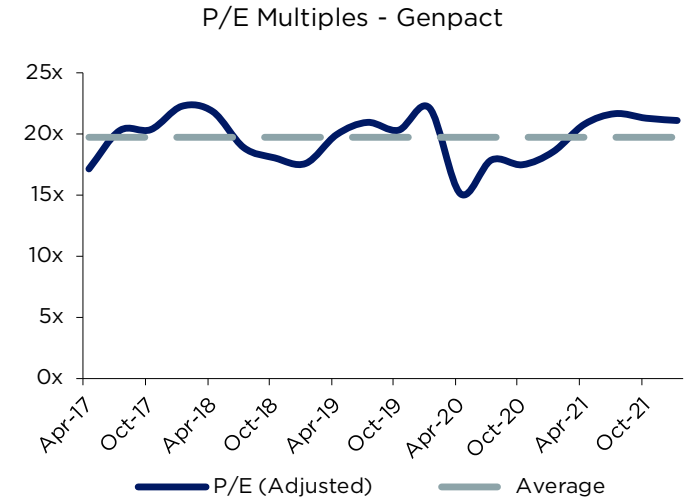
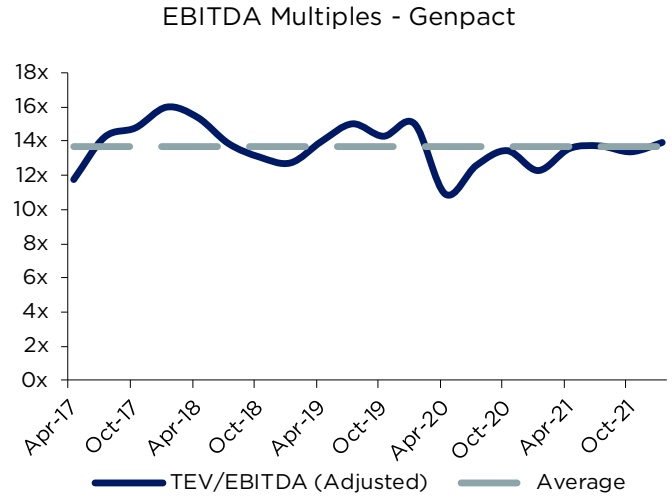
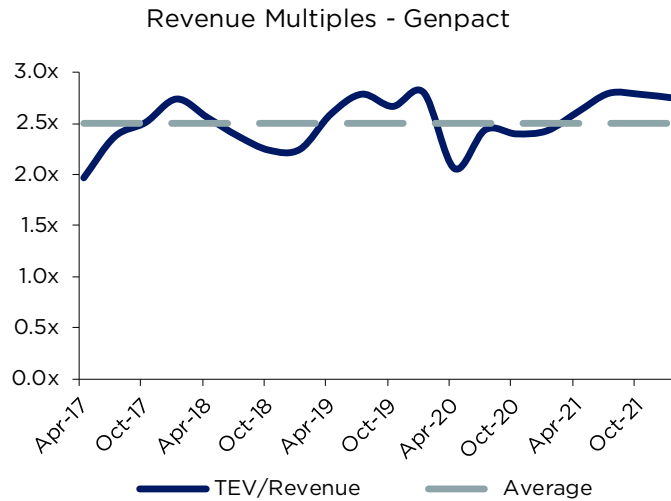
Genpact

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



<i>Company Name</i>	<i>Date</i>	<i>Deal Synopsis</i>
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.

Contact Info

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. Securities offered through 7M Securities LLC.

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	ariail@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
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