








Technology Services

*Valuation Drivers, Precedent M&A Transactions,
and Public Comparables*

September 2021




Key IT Services Valuation Drivers

Valuation Drivers	Investor Focus Areas	Valuation Impact	
		Lower	Higher
Recurring Revenue Profile	Business models with a greater mix of recurring revenue are seeing outsized interest		
Organic Growth Profile	Demonstrated track record of strong historical organic growth		
Client Base and End Market Diversification	Strength of client relationships and perceived end market stability		
Scalable Platform	Investments in infrastructure, talent, and ability to further scale business without requiring significant capital		
Level of Integration	Post-acquisition performance and overall level of integration		
M&A Platform / Capabilities	Ability to identify, source and pursue pipeline of attractive and actionable M&A opportunities		
Strength of Management Team	Established track record and significant operating history		

Relevant IT Services Transactions

Resultant

 **THRIVE**

Date	Dec 2020	Jan 2021
Seller		
Buyer	INVESTCORP	
TEV	\$250M	\$300M
TEV Multiple	14.0x	15.0x
Marketed Revenue	\$85M	\$75M ⁽¹⁾
Revenue Growth	NM	7%
Recurring Revenue	55 – 60%	85%
Service Mix	Cloud, data, consulting	Cloud, data, security
Marketed EBITDA	\$18M	\$20M ⁽¹⁾
EBITDA Margin	~21%	~20%
Capex	1% of revenue	1% – 2% of revenue

1. Includes pro forma run-rate impact for a full year of earnings from Thrive's three most recent acquisitions

Technology Services Precedent M&A Transactions

Target	Acquirer	Date Closed	Enterprise Value	LTM Financials		Enterprise Value Multiples	
				Revenue	EBITDA	Revenue	EBITDA
Managed Services / Hosting							
Iver AB	Intermediate Capital Group	Jul-21	NA	NA	NA	NA	18.0x
Red River Technology	Cerberus Capital Management	Jun-21	1,275,000	NA	85,000	NA	15.0x
VC3	Nautic Partners	Mar-21	168,000	NA	12,000	NA	14.0x
Thrive Networks	Court Square Capital Management, L.P.	Jan-21	300,000	75,000	20,000	NA	15.0x
Resultant (fka KSM Consulting)	Investcorp	Dec-20	250,000	85,000	18,000	NA	14.0x
General Informatics	Rosewood Private Investments	Nov-20	91,000	NA	\$7,000	NA	13.0x
InterVision Systems	MidOcean Partners	Oct-20	NA	NA	NA	NA	NA
iVision	CIVC Partners	Aug-20	NA	54,000	8,000	NA	NA
AVI-SPL	Marlin Equity Partners	Apr-20	NA	NA	NA	NA	8.3x
Unisys Federal	Science Applications International Corporation	Mar-20	1,200,000	689,000	NA	1.7x	11.8x
InterXion Holding N.V.	Digital Realty Trust, Inc.	Mar-20	9,138,650	681,980	313,760	NM	NM
PCD Solutions	Converge Technology Solutions Corp.	Feb-20	NA	33,000	NA	NA	5.1x
Incentive Technology Group	ICF Incorporated	Jan-20	255,000	102,000	13,492	2.5x	18.9x
Equilibrium IT Solutions, Inc.	Ntiva, Inc.	Jan-20	NA	5,000	NA	NA	NA
Nasstar Plc	GCI Managed Services Group Limited	Jan-20	78,320	25,970	5,260	3.0x	14.9x
Ascend Technologies LLC	M/C Partners	Dec-19	NA	15,000	NA	NM	NM
Presidio, Inc.	BC Partners Ltd.	Dec-19	2,200,000	NA	241,758	NA	9.1x
PCM, Inc.	Insight Partners	Aug-19	621,780	2,157,010	59,990	0.3x	10.4x
Combell Group	HgCapital	Mar-19	728,689	NA	54,339	NA	13.4x
Frontline Managed Services	BV Investment Partners	Feb-19	NA	7,000	NA	NA	NA
ConvergeOne Holdings, Inc.	CVC Capital Partners Limited	Jan-19	1,640,280	1,404,330	111,850	1.2x	14.7x
Trustteam NV	Ardian	Nov-18	114,600	22,387	7,629	5.1x	15.0x
IT Relation A/S	HgCapital	Sep-18	275,000	NA	20,522	NA	13.4x
Basefarm AS	Orange Business Services Participations SA	Jul-18	350,000	652,973	27,132	0.6x	12.9x
Visma	Axcel Management A/S	Jun-18	877,000	NA	73,900	NA	11.9x
Onepath Systems, LLC	MSouth Equity Partners	Oct-17	212,500	177,700	25,800	1.2x	8.2x
PlusServer GmbH	BC Partners Ltd.	Jul-17	468,017	114,710	NA	4.1x	NA
Zitcom	Intelligent	Jun-17	144,000	NA	13,515	NA	15.0x
Nebula Top Oy	Telia Co. AB	May-17	184,717	NA	14,431	NA	12.8x
ASG Group Ltd.	Nomura Research Institute Ltd.	Sep-16	254,355	137,330	19,400	1.9x	13.1x
INetU, Inc.	ViaWest, Inc.	Dec-15	162,500	27,000	NA	6.0x	NA
Kelway Ltd.	CDW Corp.	Aug-15	741,214	820,823	NA	0.9x	NA
IS Group BV	Royal KPN NV	Jul-15	115,000	NA	10,580	NA	10.9x
Telecity Group Plc	Equinix, Inc.	May-15	3,981,885	574,146	264,458	6.9x	15.1x
Accumuli Plc	NCC Group Plc	Mar-15	75,477	31,750	4,672	2.4x	16.2x
Megapath	GTT Communications, Inc.	Feb-15	152,300	124,000	20,000	1.2x	7.6x
Latisys Corp.	Zayo Group LLC	Jan-15	675,000	88,200	NA	7.7x	NA
Groupe Steria SCA	Sopra Groupe SA	Sep-14	993,440	2,472,316	172,865	0.4x	5.7x
Managed Services / Hosting Median			\$287,500	\$102,000	\$20,000	1.9x	13.3x

Technology Services Precedent M&A Transactions (cont'd)

Target	Acquirer	Date Closed	Enterprise Value	LTM Financials		Enterprise Value Multiples	
				Revenue	EBITDA	Revenue	EBITDA
Cloud Partners							
Taos	International Business Machines (IBM)	Jan-21	NA	25,000	NA	5.0x	NA
10th Magnitude, Inc.	Cognizant Technology Solutions Corporation	Oct-20	\$175,000	\$35,000	NA	5.0x	NA
New Signature	Cognizant Technology Solutions Corporation	Aug-20	NA	25,000	NA	5.0x	NA
Simplus	Infosys Limited	Mar-20	250,000	67,100	NA	3.7x	NA
2nd Watch, Inc.	ST Telemedia	Oct-19	NA	NA	NA	4.0x	NA
REAN Cloud LLC	Hitachi Vantara Corporation	Oct-18	NA	NA	NA	5.0x	NA
Cloud Sherpas, Inc.	Accenture Plc	Oct-15	400,000	134,000	NA	3.0x	NA
Cloud Partners Median			\$250,000	\$35,000	-	5.0x	-
Application Partner Ecosystems							
Highmetric	Gryphon Investors	May-21	NA	NA	\$8,000	5.0x	NA
Linium	Cognizant Technology Solutions Corporation	Jan-21	NA	\$35,000	NA	3.3x	NA
Blue Acorn iCi	Infosys Limited	Oct-20	NA	NA	NA	3.0x	NA
Application Partner Ecosystems Median			-	\$35,000	\$8,000	3.3x	-
Outsourced Software / Application Development							
Deltix, Inc.	EPAM Systems, Inc.	Feb-20	\$29,600	NA	NA	NA	NA
QualiTest Ltd.	Bridgepoint Advisers Limited	Oct-19	400,000	250,000	30,000	1.6x	13.3x
Belatrix Global Corporation S.A.	Globant S.A.	Aug-19	65,000	NA	NA	NA	NA
Luxoft Holding, Inc.	DXC Technology Company	Jun-19	1,964,750	904,440	95,170	2.2x	20.6x
Softvision, LLC	Cognizant Technology Solutions Corporation	Dec-18	541,000	NA	38,700	NA	14.0x
GlobalLogic Inc.	Partners Group	May-18	2,000,000	500,000	NA	4.0x	NA
Alliance Global Services LLC	EPAM Systems, Inc.	Nov-15	51,860	NA	NA	NA	NA
Outsourced Software / Application Development Median			\$400,000	\$500,000	\$38,700	2.2x	14.0x
Data & Analytics							
Skyline AI	JLL (NYSE: JLL)	Aug-21	NA	NA	NA	NA	NA
Clarity Solutions Group	Accenture Plc	Jan-20	NA	NA	NA	3.0x	NA
Data & Analytics Median			-	-	-	3.0x	-

Technology Services Precedent M&A Transactions (cont'd)

Target	Acquirer	Date Closed	Enterprise Value	LTM Financials		Enterprise Value Multiples	
				Revenue	EBITDA	Revenue	EBITDA
ERP Implementation							
Bounteous	New Mountain Capital	Aug-21	\$680,000	NA	\$27,200	NA	25.0x
Ensono	KKR & Co.	Apr-21	\$1,700,000	NA	\$170,000	NA	10.0x
Velocity Technology Solutions, Inc.	Navisite, LLC	Jan-21	450,000	NA	45,000	NA	10.0x
Symmetry Corporation	NTT Communications Corp.	Oct-19	NA	NA	NA	NA	15.0x
Secure-24 LLC	NTT Communications Corp.	Apr-18	NA	120,000	NA	NA	17.0x
Data Intensity LLC	EQT Partners AB	Aug-17	NA	NA	NA	NA	15.0x
TriCore Solutions, LLC	Rackspace Hosting, Inc.	Jun-17	343,800	NA	19,646	NA	17.5x
ThoughtWorks	Apax Partners	Aug-17	805,000	503,125	43,514	1.6x	18.5x
Tricor Holdings	Permira Advisers Ltd.	Oct-16	550,000	NA	36,667	NA	15.0x
Adapt Services	Datapipe	Aug-16	180,000	66,667	13,433	2.7x	13.4x
Symmetry Corporation	Great Hill Partners LLC	Dec-13	55,000	12,200	3,438	4.5x	16.0x
Secure-24 LLC	Pamlico Capital Management LP	Sep-12	NA	55,000	NA	NA	12.0x
Velocity Technology Solutions, Inc.	Silver Lake Partners	Aug-12	NA	NA	NA	NA	11.0x
ERP Implementation Median			\$500,000	\$66,667	\$31,933	2.7x	15.0x
Cybersecurity							
CyberMaxx	Periscope Equity	Aug-21	\$48,000	\$12,000	\$2,500	4.0x	NA
A-LIGN	Warburg Pincus	Aug-21	\$375,000	\$75,000	\$15,000	NA	25.0x
Context Information Security Limited	Accenture Plc	Mar-20	\$140,000	\$35,000	NA	4.0x	NA
Grupo SIA	Indra Sistemas, S.A.	Dec-19	80,000	65,000	5,674	1.2x	14.1x
Presidio, Inc.	BC Partners Ltd.	Dec-19	2,200,000	NA	241,758	NA	9.1x
2nd Watch, Inc.	ST Telemedia	Oct-19	NA	NA	NA	4.0x	NA
Avisa Partners	RAISE Investissement, SAS	Jul-19	NA	NA	NA	6.5x	16.3x
SecureLink nv	Orange S.A.	Jul-19	576,000	274,286	38,400	2.1x	15.0x
SecureData Europe Limited	Orange S.A.	Jan-19	110,000	50,000	4,151	2.2x	12.0x
Exclusive Networks SAS	Permira Advisers Ltd.	Jul-18	1,500,000	1,875,000	115,385	0.8x	13.0x
Cybersecurity Median			\$257,500	\$65,000	\$15,000	3.1x	14.1x

Technology Services Public Comparable Companies

Company	Enterprise Value	Market Capitalization	% of 52 Week High	1-Year Stock Performance	3-Year Stock Performance	Revenue Growth		2021E EBITDA Margin	Enterprise Value /			
						2021E	2022P		'21E Rev.	'22P Rev.	'21E EBITDA	'22P EBITDA
Accenture	\$213,022	\$217,119	98.0%	58.0%	96.2%	13.6%	11.1%	18.7%	4.0x	3.6x	21.6x	19.2x
IBM	\$174,518	\$122,554	89.8%	16.3%	(8.5%)	2.2%	1.6%	25.2%	2.3x	2.3x	9.2x	9.1x
Cognizant	\$40,429	\$40,550	94.1%	16.4%	0.8%	10.9%	6.7%	18.4%	2.2x	2.1x	11.9x	11.0x
CDW	\$30,435	\$26,471	94.5%	74.4%	116.4%	10.6%	5.4%	8.4%	1.5x	1.4x	17.7x	17.1x
CGI	\$24,629	\$22,308	98.7%	28.7%	34.8%	0.6%	3.4%	20.3%	2.6x	2.5x	12.6x	12.1x
DXC	\$13,028	\$8,862	79.4%	116.9%	(62.8%)	(6.4%)	(0.8%)	15.4%	0.8x	0.8x	5.0x	4.7x
Rackspace	\$6,905	\$2,968	53.5%	(20.9%)	NM	10.7%	9.3%	24.1%	2.3x	2.1x	9.5x	9.0x
Datto	\$3,753	\$3,890	71.6%	NM	NM	17.8%	16.0%	25.2%	6.1x	5.3x	24.3x	22.6x
IT Services & Consulting (US) Median	\$27,532	\$24,389	92.0%	28.7%	17.8%	10.7%	6.0%	19.5%	2.3x	2.2x	12.3x	11.5x
Tata Consultancy Services	\$189,469	\$194,012	97.2%	66.0%	76.1%	13.4%	12.8%	28.3%	7.6x	6.7x	26.9x	24.0x
Infosys	\$97,312	\$100,136	98.6%	81.0%	142.1%	14.8%	13.9%	26.7%	6.3x	5.5x	23.6x	20.8x
HCL Technologies	\$48,808	\$49,935	98.6%	72.5%	144.3%	9.6%	11.8%	25.2%	4.4x	3.9x	17.3x	15.7x
Wipro	\$47,817	\$50,072	96.8%	122.1%	171.3%	19.7%	14.5%	22.4%	4.8x	4.2x	21.4x	18.9x
Tech Mahindra	\$16,728	\$17,965	97.9%	101.5%	101.6%	10.9%	12.3%	18.6%	3.0x	2.6x	15.9x	14.0x
IT Services & Consulting (India) Median	\$48,808	\$50,072	97.9%	81.0%	142.1%	13.4%	12.8%	25.2%	4.8x	4.2x	21.4x	18.9x
Hitachi	\$74,669	\$57,052	95.3%	83.0%	69.2%	10.3%	(0.2%)	12.3%	0.9x	0.9x	7.2x	6.5x
Fujitsu	\$38,955	\$37,949	95.9%	48.3%	163.9%	(1.0%)	2.9%	12.2%	1.2x	1.1x	9.6x	8.9x
NTT Data	\$31,754	\$27,794	97.5%	56.5%	41.4%	4.7%	4.4%	15.6%	1.5x	1.4x	9.4x	8.6x
IT Services & Consulting (Japan) Median	\$48,808	\$50,072	97.9%	81.0%	142.1%	13.4%	12.8%	25.2%	4.8x	4.2x	21.4x	18.9x
Capgemini	\$45,057	\$37,975	97.1%	72.7%	74.9%	11.4%	6.9%	16.2%	2.2x	2.0x	13.4x	12.4x
Bechtle	\$9,487	\$9,242	92.3%	10.9%	115.0%	9.7%	9.3%	6.5%	1.3x	1.2x	19.6x	18.1x
Atos	\$8,631	\$5,757	57.4%	(34.2%)	(58.4%)	(1.1%)	1.2%	11.2%	0.7x	0.7x	5.9x	5.3x
Netcompany	\$6,302	\$6,192	93.1%	53.5%	253.4%	20.9%	18.3%	27.0%	11.7x	9.9x	43.2x	34.9x
Softcat	\$5,792	\$5,878	95.9%	82.3%	172.7%	13.0%	9.9%	9.4%	3.3x	3.0x	34.8x	33.4x
Alten	\$5,283	\$5,251	92.6%	71.3%	42.1%	20.5%	9.1%	12.2%	1.6x	1.5x	13.2x	12.0x
Sopra Steria	\$4,789	\$3,873	90.8%	22.2%	14.1%	8.7%	5.0%	11.5%	0.9x	0.8x	7.7x	6.9x
TietoEVRY	\$4,683	\$3,761	89.0%	14.2%	(0.1%)	(25.8%)	2.0%	18.6%	1.4x	1.4x	7.6x	7.5x
IT Services & Consulting (Europe) Median	\$38,955	\$37,949	95.9%	56.5%	69.2%	4.7%	2.9%	12.3%	1.2x	1.1x	9.4x	8.6x

Note(s): \$ in millions; data from S&P Capital IQ as of 9/07/2021

Technology Services Public Comparable Companies (cont'd)

Company	Enterprise Value	Market Capitalization	% of 52 Week High	1-Year Stock Performance	3-Year Stock Performance	Revenue Growth		2021E EBITDA Margin	Enterprise Value /			
						2021E	2022P		'21E Rev.	'22P Rev.	'21E EBITDA	'22P EBITDA
EPAM Systems	\$34,597	\$35,651	96.5%	98.7%	357.9%	37.8%	26.3%	19.3%	9.4x	7.5x	49.0x	38.6x
Globant	\$13,269	\$13,642	97.5%	89.1%	465.4%	52.8%	26.3%	20.5%	10.7x	8.4x	52.1x	42.0x
Thoughtworks	\$10,466	\$9,151	82.8%	NM	NM	NM	NM	NA	NM	NM	NM	NM
Endava	\$6,546	\$6,590	84.7%	107.3%	320.4%	27.3%	24.5%	24.5%	12.9x	10.4x	52.7x	42.6x
Outsourced Software Development Median	\$11,868	\$11,396	90.6%	98.7%	357.9%	37.8%	26.3%	20.5%	10.7x	8.4x	52.1x	42.0x
CrowdStrike	\$58,850	\$59,853	90.3%	95.0%	NM	64.1%	39.4%	14.5%	43.3x	31.0x	NM	NM
Splunk	\$25,421	\$24,645	68.1%	(14.0%)	30.4%	16.5%	20.1%	NM	10.0x	8.3x	NM	NM
NortonLikeLock	\$17,679	\$14,980	89.2%	26.1%	18.9%	7.6%	8.3%	52.8%	6.5x	6.0x	12.3x	11.7x
Rapid7	\$7,034	\$6,706	96.5%	103.5%	228.0%	27.0%	22.0%	4.9%	13.5x	11.0x	NM	NM
Tenable	\$4,748	\$4,952	82.1%	33.5%	29.1%	20.4%	18.5%	10.4%	9.0x	7.6x	NM	62.6x
FireEye	\$4,549	\$4,340	71.3%	45.4%	10.2%	(49.0%)	20.6%	NM	9.5x	7.9x	NM	NM
Qualys	\$4,246	\$4,664	79.9%	22.0%	35.7%	12.1%	12.0%	44.9%	10.4x	9.3x	23.2x	22.1x
SecureWorks	\$2,104	\$2,275	79.2%	70.9%	54.9%	(3.3%)	1.6%	1.0%	3.9x	3.8x	NM	NM
Managed Security & Compliance Median	\$5,891	\$5,829	81.0%	39.4%	30.4%	14.3%	19.3%	12.4%	9.7x	8.1x	17.8x	22.1x
Shopify	\$178,099	\$184,778	87.4%	58.8%	789.5%	58.1%	34.4%	17.2%	38.5x	28.6x	NM	NM
Verisign	\$24,884	\$24,219	92.6%	7.5%	36.6%	4.9%	8.9%	69.9%	18.8x	17.2x	26.8x	24.1x
GoDaddy	\$14,940	\$12,090	76.5%	(2.2%)	(11.0%)	13.0%	10.5%	22.0%	4.0x	3.6x	18.1x	16.3x
Wix.com	\$10,794	\$11,587	57.2%	(16.6%)	84.9%	27.9%	21.5%	5.7%	8.5x	7.0x	NM	63.3x
United Internet	\$10,610	\$7,421	86.2%	4.0%	(17.5%)	3.7%	3.2%	23.2%	1.6x	1.6x	7.0x	6.8x
Tucows	\$958	\$813	80.4%	11.4%	36.2%	(7.7%)	(7.7%)	10.4%	3.3x	3.6x	32.0x	34.7x
Web Hosting Median	\$12,867	\$11,838	83.3%	5.7%	36.4%	9.0%	9.7%	19.6%	6.3x	5.3x	22.5x	24.1x

Note(s): \$ in millions; data from S&P Capital IQ as of 9/07/2021