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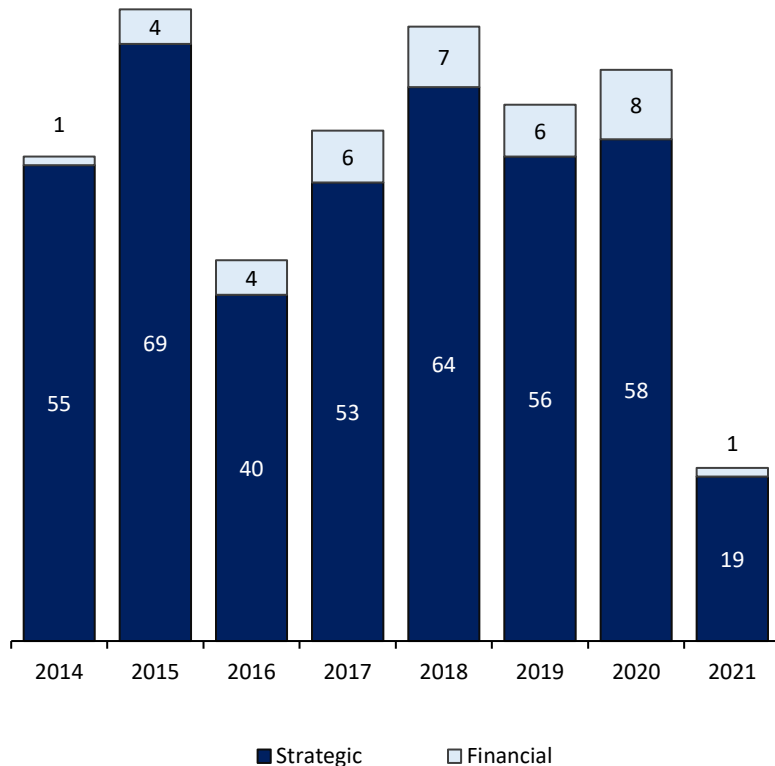


IT Services Industry Insight

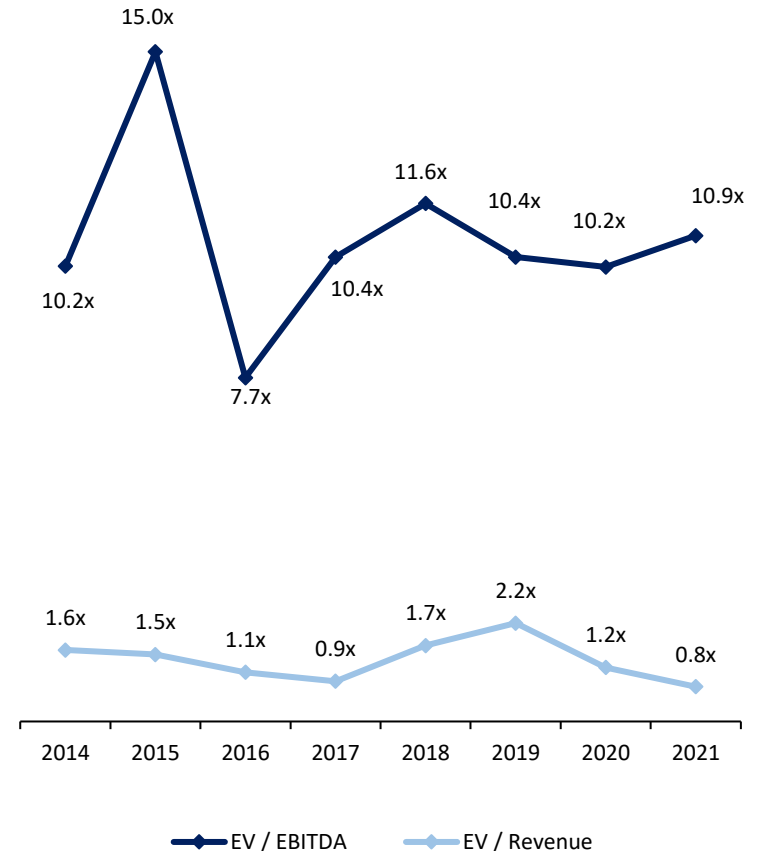
March 2021

U.S. IT Services Industry – M&A Market Overview

U.S. Number of Transactions by Buyer Type



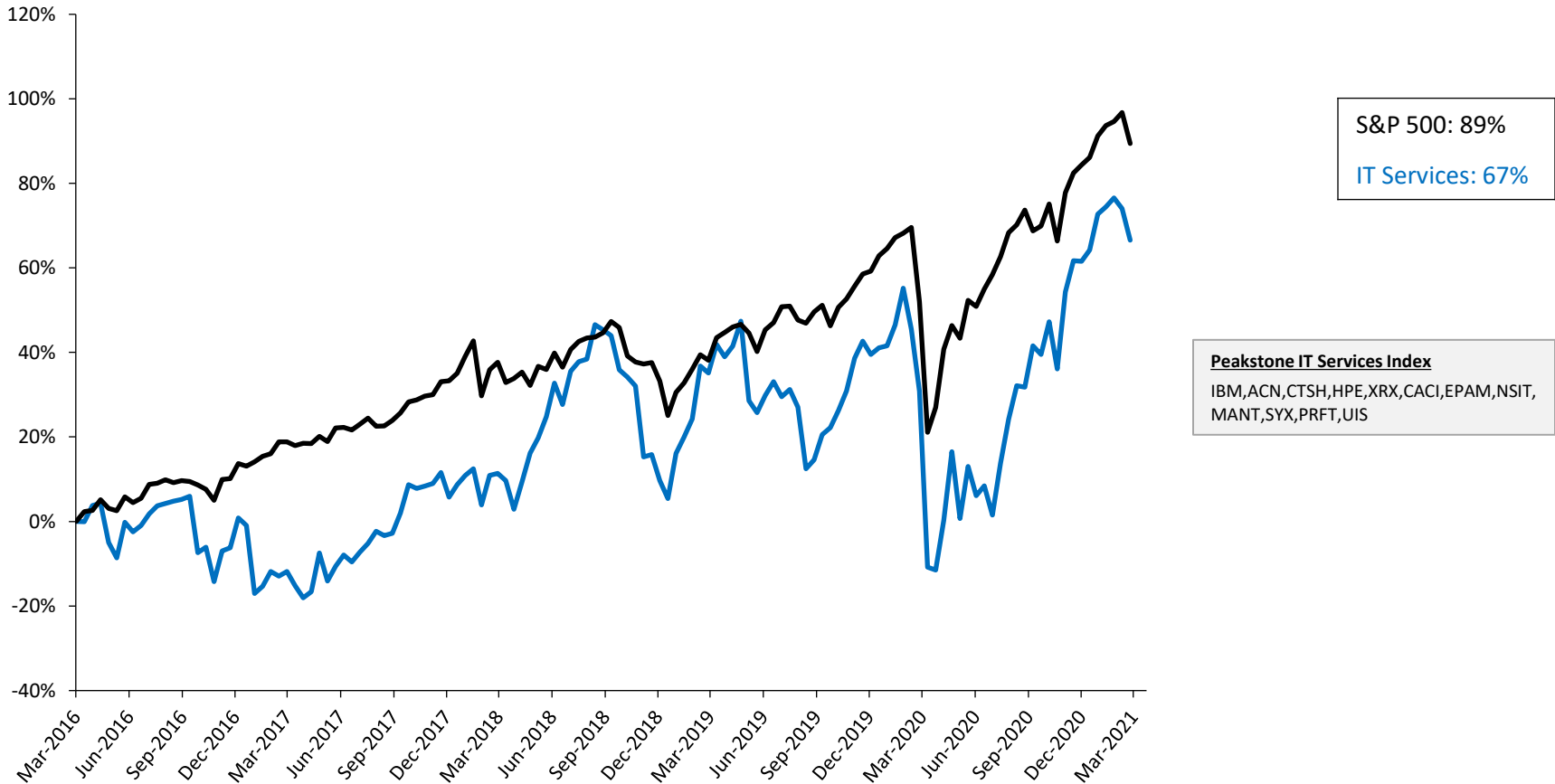
U.S. Transaction Multiples



Source: Capital IQ
Note: Includes only transactions with total transaction value greater than \$1.0 M

Peakstone IT Services Index – Trading Statistics

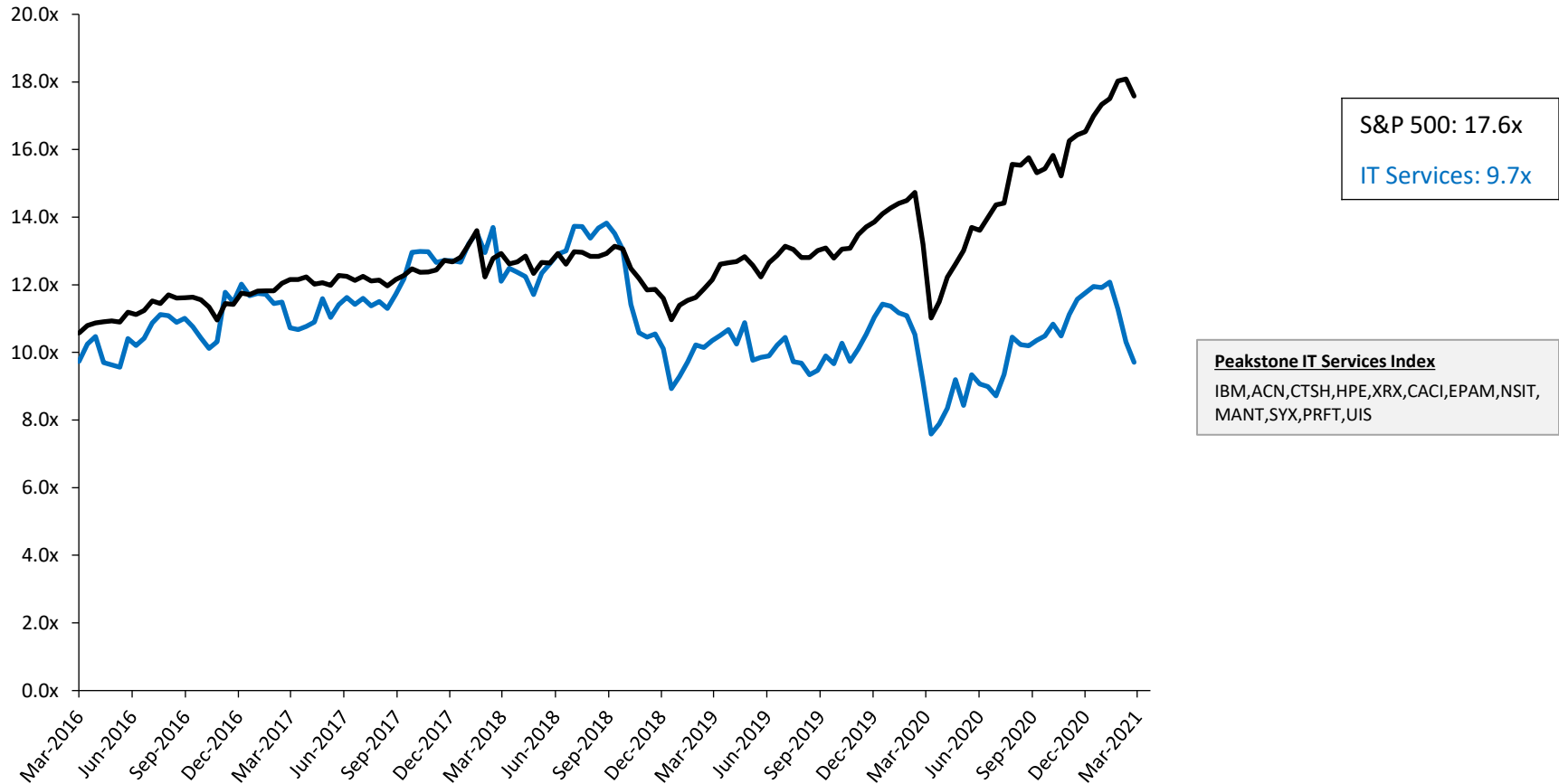
Relative Stock Performance



Source: Capital IQ, data as of March 2021

Peakstone IT Services Index – Trading Statistics

Comparable Valuation Trends – Enterprise Value / EBITDA



Source: Capital IQ, data as of March 2021

Public Trading Comparables by Sector

Selected IT Services Public Trading Comparables

(\$ in millions)

Company Name	Market Cap	Enterprise Value	Enterprise Value /			Forward P/E Ratio	Gross Margin %	EBITDA Margin %
			Revenue	EBITDA	EBIT			
IT Services								
International Business Machines Corporation	\$107,330	\$160,116	2.2x	8.7x	16.5x	11.1x	48%	22%
Accenture plc	\$156,656	\$151,928	3.4x	18.3x	22.9x	30.2x	32%	17%
Cognizant Technology Solutions Corporation	\$38,416	\$37,472	2.3x	11.4x	15.4x	18.6x	36%	18%
Hewlett Packard Enterprise Company	\$18,265	\$29,837	1.1x	6.8x	16.8x	8.1x	32%	16%
EPAM Systems, Inc.	\$20,171	\$19,055	7.2x	36.5x	50.2x	51.0x	35%	17%
Xerox Holdings Corporation	\$5,080	\$7,459	1.1x	8.0x	16.9x	12.6x	37%	11%
CACI International Inc	\$5,462	\$7,251	1.2x	9.7x	13.8x	14.3x	35%	11%
Insight Enterprises, Inc.	\$2,967	\$3,720	0.4x	9.5x	13.0x	12.8x	16%	4%
ManTech International Corporation	\$3,144	\$3,228	1.3x	11.9x	20.4x	21.8x	15%	9%
Perficient, Inc.	\$1,818	\$1,958	3.2x	18.0x	28.6x	19.0x	38%	16%
Unisys Corporation	\$1,515	\$1,391	0.7x	NM	NM	15.3x	25%	-3%
Systemax Inc.	\$1,323	\$1,388	1.3x	13.9x	16.5x	19.3x	35%	9%
Total IT Services Median	\$5,271	\$7,355	1.3x	11.4x	16.8x	16.9x	35%	13%

Source: Capital IQ, data as of March 2021

Selected IT Services Industry Transactions

Selected IT Services Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
03/01/2021	DOSH Holdings, Inc.	\$271	Cardlytics, Inc. (NasdaqGM:CDLX)	-	Cardlytics, Inc. (NasdaqGM:CDLX) signed an agreement to acquire DOSH Holdings, Inc. for approximately \$270 million on February 26, 2021. As per the terms of consideration, \$150 million will be payable in cash subject to adjustments and 0.
03/01/2021	Federal division of Attain, LLC	\$430	Maximus, Inc. (NYSE:MMS)	-	Maximus, Inc. (NYSE:MMS) acquired federal division from Attain, LLC for \$430 million on March 1, 2021. The purchase consideration is subject to certain reductions and adjustments. The federal division will be part of the U.S.
02/25/2021	Aquila Technology Corp.	\$1	Business Integra Technology Solutions, Inc.	-	Business Integra Inc. agreed to acquire Aquila Technology Corp. from Zensar Technologies, Inc. for \$1.2 million on February 25, 2021. Sale Consideration comprising \$0.
02/16/2021	Vendorin, Inc.	\$100	Corcentric, LLC	-	Corcentric, LLC acquired Vendorin, Inc. from Juvo Technologies for \$100 million on February 16, 2021. The acquisition was financed with cash on hand.
02/12/2021	Accudata Systems, Inc.	\$19	Converge Technology Solutions Corp. (TSX:CTS)	-	Converge Technology Solutions Corp. (TSX:CTS) acquired Accudata Systems inc for \$18.5 million on February 12, 2021. Consideration for the purchase consisted of \$7.
02/10/2021	NIC Inc. (NasdaqGS:EGOV)	\$2,339	Tyler Technologies, Inc. (NYSE:TYL)	19.5x	Tyler Technologies, Inc. (NYSE:TYL) entered into a definitive agreement to acquire NIC Inc. (NasdaqGS:EGOV) for \$2.3 billion on February 9, 2021. Under the terms of the transaction, NIC stockholders will receive \$34.
02/10/2021	Flagship Solutions, LLC	\$11	Data Storage Corporation (OTCPK:DTST)	10.5x	Data Storage Corporation (OTCPK:DTST) entered into that certain Agreement and Plan of Merger to acquire Flagship Solutions LLC from Mark Wyllie, Edwin Janeczek, Douglas Paton, Edgard Lopez and Thomas Mitchell for \$10.5 million on February 4, 2021.

Source: Capital IQ

Selected IT Services Industry Transactions *(continued)*

Selected IT Services Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
02/09/2021	Substantially all of the assets of Momentum Solutionz, LLC	\$6	BG Staffing, LLC	-	BG Staffing, LLC acquired substantially all of the assets of Momentum Solutionz, LLC for \$6 million on February 8, 2021. The purchase price consists of \$3.78 million paid at closing and up to \$2.
02/05/2021	Substantially all Assets of Business Information Systems, Inc. and Business Information System, GP	\$106	i3 Verticals, Inc. (NasdaqGS:IIIV)	-	i3 Verticals, Inc. (NasdaqGS:IIIV) acquired Substantially all of the Assets of Business Information Systems Inc. and Business Information Systems, GP for approximately \$110 million on February 1, 2021. As part of the consideration i3 paid \$52.
02/03/2021	TSR, Inc. (NasdaqCM:TSRI)	\$3	Qar Industries, Inc.	15.9x	Qar Industries, Inc. agreed to acquire 17.8% stake in TSR, Inc. (NasdaqCM:TSRI) from FinTech Consulting LLC for \$2.5 million on January 31, 2021.
02/02/2021	Convergent Media Systems Corporation	\$23	SageNet LLC	-	SageNet, Inc. acquired Convergent Media Systems Corporation from Ballantyne Strong, Inc (AMEX:BTN) for \$23.2 million on February 1, 2021. The purchase price was (i) \$15 million in cash and (ii) \$2.
01/29/2021	PGS Inc.	\$8	Happiest Minds Technologies Limited (BSE:543227)	-	Happiest Minds Technologies Limited (BSE:543227) agreed to acquire PGS Inc. for \$8.3 million on January 29, 2021. PGS has a revenue of approximately \$10.6 million in 2020. The acquisition is subject to customary closing conditions. Khaitan & Co.
01/27/2021	Perspecta Inc. (NYSE:PRSP)	\$6,792	Peraton Corporation	11.3x	Peraton Corporation entered into a definitive agreement to acquire 85.5% stake in Perspecta Inc. (NYSE:PRSP) for \$4.2 billion on January 27, 2021. Under the terms of the agreement, Perspecta stockholders will receive \$29.35 per share in cash.
01/26/2021	Babbage Mining Co.	\$4	Graph Blockchain Inc. (CNSX:GBLC)	-	Graph Blockchain Inc. (CNSX:GBLC) entered into a definitive share exchange agreement to acquire Babbage Mining Corp. for \$4 million on January 25, 2021.

Source: Capital IQ

Selected IT Services Industry Transactions *(continued)*

Selected IT Services Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
01/14/2021	V12	\$28	Porch Group Inc. (NasdaqCM:PRCH)	-	Porch Group, Inc. (NasdaqCM:PRCH) acquired V12 from DataMentors Holdings, Inc. for \$28 million on January 12, 2021.
01/13/2021	360 Spear Street Data Center Facility In San Francisco, California	\$165	Harvest Properties, Inc.	-	Harvest Properties, Inc. acquired 171,096-Square-Foot Office Building on Rincon Hill from PGIM Real Estate and Madison Capital for \$165 million on December 31, 2020.
01/07/2021	Cardtronics plc (NasdaqGS:CATM)	\$2,816	NCR Corporation (NYSE:NCR)	9.6x	NCR Corporation (NYSE:NCR) made a proposal to acquire Cardtronics plc (NasdaqGS:CATM) for \$1.8 billion on December 31, 2020. NCR Corporation entered into a definitive agreement to acquire Cardtronics plc on January 25, 2021.
01/06/2021	Professional Services Division of Harris, Mackessy & Brennan, Inc.	\$29	CGI Inc. (TSX:GIB.A)	-	CGI Inc. (TSX:GIB.A) acquired Professional Services Division of Harris, Mackessy & Brennan, Inc. on December 31, 2020.
01/04/2021	Vicom Computer Services, Inc.	\$25	Converge Technology Solutions Corp. (TSX:CTS)	4.9x	Converge Technology Solutions Corp. (TSXV:CTS) acquired Vicom Computer Services, Inc. for \$25 million on January 4, 2021.
01/04/2021	Certain Assets and Liabilities of Systems Management Planning, Inc.	\$27	ePlus Technology, inc.	-	ePlus Technology, inc. acquired Certain Assets and Liabilities of Systems Management Planning, Inc. on December 31, 2020. SMP employees will join ePlus family.
12/24/2020	PRGX Global, Inc. (NasdaqGS:PRGX)	\$235	Ardian	8.7x	Ardian North America Fund II LP managed by Ardian entered into an agreement to acquire PRGX Global, Inc. (NasdaqGS:PRGX) from Northern Right Capital Management, L.P. and other shareholders for approximately \$190 million on December 24, 2020.

Source: Capital IQ

Selected IT Services Industry Transactions *(continued)*

Selected IT Services Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
12/23/2020	Cascade Data Labs, LLC	\$30	Kin and Carta plc (LSE:KCT)	-	Kin and Carta plc (LSE:KCT) entered into an agreement to acquire Cascade Data Labs, LLC for \$29.7 million on December 23, 2020. Under the terms, \$6.9 million of cash will be paid on completion subject to customary adjustments. Further \$2.
12/21/2020	CarpeDatum Consulting, Inc.	\$5	Converge Technology Solutions Corp. (TSX:CTS)	3.6x	Converge Technology Solutions Corp. (TSXV:CTS) signed a definitive agreement to acquire CarpeDatum Consulting, Inc. for \$5 million on December 21, 2020. The purchase price will consist of \$5 million (approx. CAD 6.4 million) which includes \$1.
12/15/2020	Poynt Co.	\$365	GoDaddy Inc. (NYSE:GDDY)	-	GoDaddy Inc. (NYSE:GDDY) entered into definitive agreement to acquire Poynt Co. for approximately \$370 million on December 15, 2020.
12/14/2020	OSC Technologies LLC	\$3	Tianjin Yunzhikang Technology Co., Ltd.	-	Tianjin Yunzhikang Technology Co., Ltd. agreed to acquire OSC Technologies LLC from Bringspring Science and Technology Co., Ltd. (SZSE:300290) for CNY 17 million on December 14, 2020.
12/10/2020	ATL Data Centers LLC	\$28	CleanSpark, Inc. (NasdaqCM:CLSK)	-	CleanSpark, Inc. (NasdaqCM:CLSK) entered into agreement to acquire ATL Data Centers, LLC from Bernardo Schucman, Gustavo Lima Caldeira De Andrada and John Allen Martins Blount for \$28.1 million on December 9, 2020.
12/10/2020	1901 Group LLC	\$215	Leidos Holdings, Inc. (NYSE:LDOS)	-	Leidos Holdings, Inc. (NYSE:LDOS) entered into a definitive agreement to acquire 1901 Group LLC for approximately \$220 million on December 10, 2020. Leidos expects to fund the \$215 million purchase price with cash on hand.
12/10/2020	Paperless Transaction Management, Inc.	\$280	Wolters Kluwer N.V. (ENXTAM:WKL)	-	Wolters Kluwer N.V. (ENXTAM:WKL) signed an agreement to acquire Paperless Transaction Management, Inc. for approximately €230 million on December 10, 2020. The consideration is fully paid in cash. eOriginal, Inc.

Source: Capital IQ
















Selected IT Services Industry Transactions *(continued)*

Selected IT Services Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
12/08/2020	Panopta LLC	\$34	Fortinet, Inc. (NasdaqGS:FTNT)	-	Fortinet, Inc. (NasdaqGS:FTNT) acquired Panopta LLC for \$34 million on December 8, 2020. The consideration includes \$34 million in cash and \$0.34 million of which is to be held in escrow.
12/08/2020	Network Objects, Inc.	\$5	XTGlobal Infotech Limited (BSE:531225)	-	XTGlobal Infotech Limited (BSE:531225) agreed to acquire a 44.33% stake in Network Objects, Inc. for approximately INR 390 million on December 8, 2020. This is an all stock deal, to be completed through swapping of shares.
12/08/2020	Usio Output Solutions, Inc.	\$6	PacificDental Benefits, Inc.	-	PacificDental Benefits, Inc. entered into a non-binding letter of intent to acquire Information Management Solutions, LLC on December 8, 2020. Consideration will be paid in cash and warrants.
12/02/2020	Workgroup Connections, Inc.	\$1	Converge Technology Solutions Corp. (TSX:CTS)	-	Converge Technology Solutions Corp. (TSXV:CTS) acquired Workgroup Connections, Inc. for approximately CAD 1.4 million on December 2, 2020. Workgroup Connections had trailing twelve month revenue of CAD 14.
12/02/2020	NameSilo, LLC	\$30	Roland Vos Beheer BV	-	Roland Vos Beheer B.V. entered into a non-binding letter of intent to acquire NameSilo, LLC from NameSilo Technologies Corp. (OTCPK:URLO.F) and others for \$30 million on December 2, 2020.
12/01/2020	Acumen Solutions, Inc.	\$570	salesforce.com, inc. (NYSE:CRM)	-	salesforce.com, inc. (NYSE:CRM) entered into a definitive agreement to acquire Acumen Solutions, Inc. for approximately \$570 million on November 30, 2020.
11/13/2020	HGS Digital LLC, USA	\$1	Hinduja Global Solutions UK limited	-	Hinduja Global Solutions UK limited acquired additional 6.1% stake in HGS Digital LLC, USA for \$1.4 million on November 12, 2020. The consideration was paid in cash.

Source: Capital IQ

Peakstone Momentum

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About Peakstone

Peakstone is an investment bank that specializes in mergers and acquisitions advisory and capital raising for middle market clients. Our team is comprised of senior investment banking professionals who have decades of experience and have executed hundreds of transactions totaling billions of dollars. For additional information, visit www.peakstone.com.

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