



M&A Activity in the IT Services Sector

European Mid-Market Corporate Finance Advisory

BENELUX | DENMARK | FRANCE | INTERNATIONAL

Copenhagen - Paris – Lyon – 's-Hertogenbosch – Amsterdam

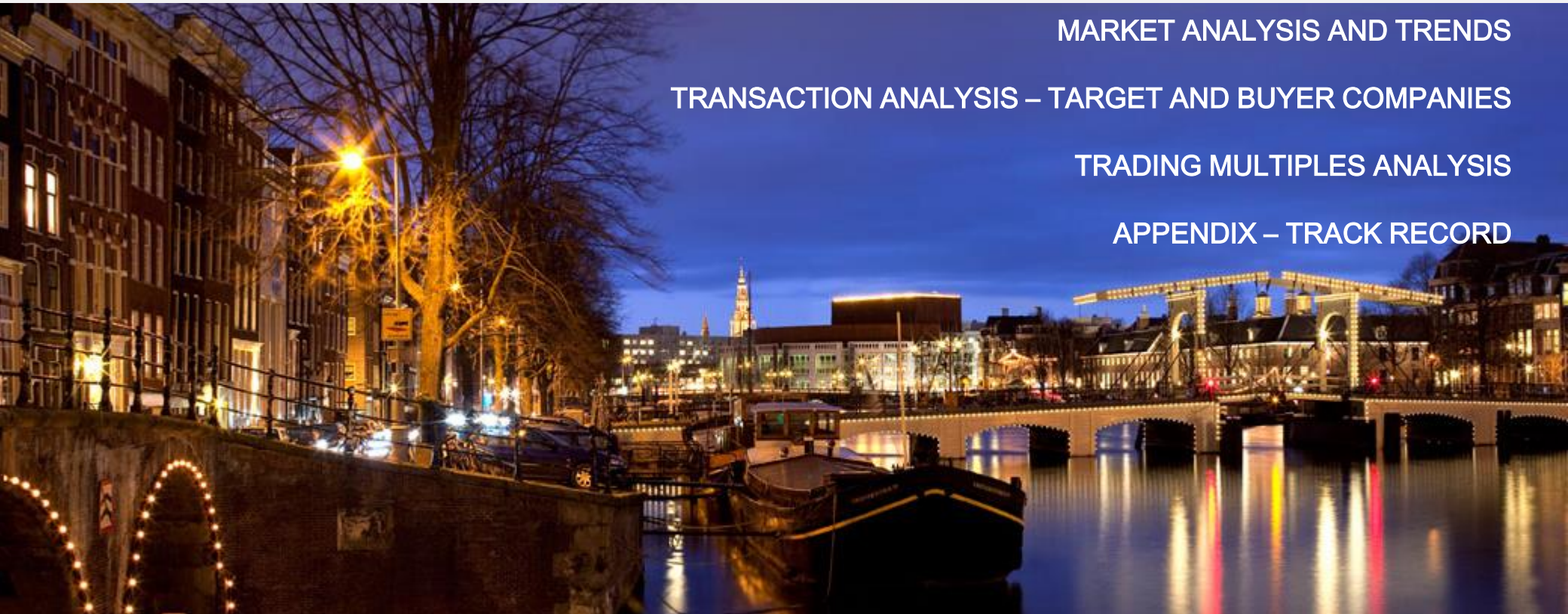
INTRODUCTION ■

MARKET ANALYSIS AND TRENDS

TRANSACTION ANALYSIS – TARGET AND BUYER COMPANIES

TRADING MULTIPLES ANALYSIS

APPENDIX – TRACK RECORD



Highly experienced and committed European team, strong of 25+ professionals

25+ experienced professionals,
located across 4 offices in Europe

Our values

- Independence
- Client focused and commitment
- Quality and professional
- Smart and pragmatic solutions
- Straight-forward advice



Paris (France)



Hilversum-Amsterdam (The Netherlands)



Lyon (France)



's-Hertogenbosch (The Netherlands)



We are independent European Corporate Finance Advisory firms focusing on the mid-market



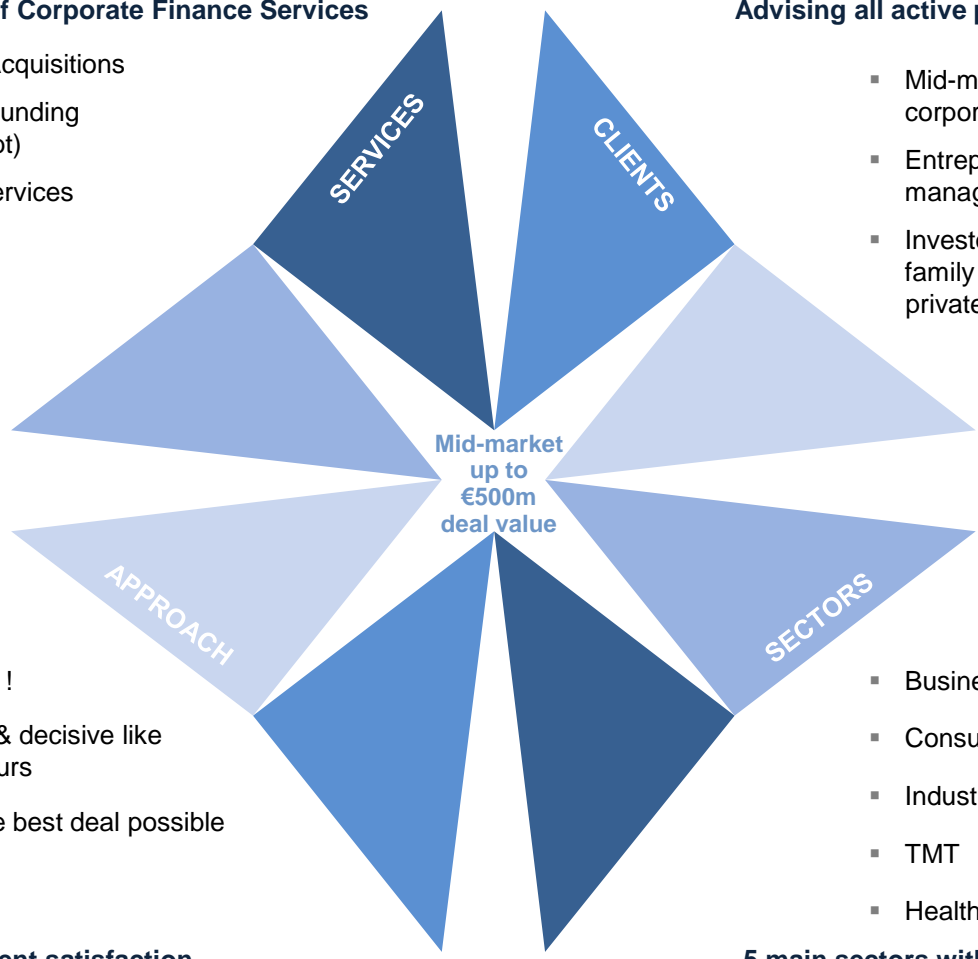
- Corporate Finance Advisory since 1999, with a focus on mid-market deals up to EUR 500 million
- European team strong of more than 40 experienced professionals
- 7 offices across Europe:
 - France: Paris, Lyon
 - The Netherlands: s-Hertogenbosch, Amsterdam (Hilversum)
 - Germany: Wiesbaden
 - SEE: Prague
 - Nordics: Copenhagen
- Award winning; 220 deals completed over the past 5 years
- Truly international access to worldwide strategic and financial players through Mergers Alliance: our award winning corporate finance partnership totaling more than 350 professionals worldwide

A full range of Corporate Finance Services

- Merger & Acquisitions
- Corporate funding (equity, debt)
- Advisory services

Advising all active players in the market

- Mid-market companies and corporates
- Entrepreneurs & management teams
- Investors (private equity, family offices, private investors)



- Clients first !
- Pragmatic & decisive like entrepreneurs
- We arrange best deal possible

Long term client satisfaction

- Business Services
- Consumer, incl. Food
- Industrials
- TMT
- Healthcare

5 main sectors with dedicated research

Capitalmind and EquityGate have truly local access to the most important western and emerging markets worldwide

Mergers Alliance – Award winning international corporate finance partnership

- Currently, 17 M&A advisory firms with over 36 offices worldwide, totalizing more than 350 professionals in the most important western and emerging markets (including Europe, USA, BRIC, Asia, Latin America, Turkey, etc.)
- All firms are independent and top 5 in their country/region, many award winning
- 130 deals closed over the last twelve months, for a cumulated deal value of +\$10bn
- Efficient partnership: one exclusive firm per country/region; international sector teams and research; daily business contacts; two conferences a year; several joint transactions with our partners every year



League Table
Any European involvement < \$500m Advisor Ranking
(Source: Information taken from Thomson Financial Tables for H1 2015)

Rank	Financial Advisor	Ranking Value (\$m)	# of Deals
1	Rothschild	5443	104
2	Lazard	5226	53
3	Goldman Sachs & Co	4722	34
4	Morgan Stanley	4349	33
5	JP Morgan	3714	24
6	PricewaterhouseCoopers	2978	111
7	Citi	2715	29
8	Deloitte	2254	37
9	MERGERS ALLIANCE	2223	421
10	Deutsche Bank	2068	19
11	BNP Paribas SA	1918	23
12	Canaccord Genuity	1319	18
13	KPMG	1289	86
14	UBS	1062	22
15	Lincoln International	966	26
16	Jefferies LLC	932	22
17	Ernst & Young LLP	899	66
18	IMAP	592	30
19	DC Advisory	495	27
20	CFI	426	31
21	Credit Suisse	365	18
22	M&A International	252	25
23	Clairfield International	230	38
24	Global M&A	228	21
25	BDO	198	24
26	Baker Tilly International	34	27
27	BCMS Corporate Ltd	31	24
28	Globalscope	10	20

Award winning corporate finance team, holding leading positions in France and Benelux

Award winning corporate finance team...

- Capitalmind is one of the very few independent M&A firms with an active track record throughout the Benelux and France, including Belgium
- Founded only in 1999, Capitalmind has grown significantly to become a financial 'brand' in the Benelux and France



...holding leading positions on its markets

- Over the years we have shown that we can effortlessly compete with the big names in the industry
- Each year – including in crises years - we have managed to close approx. 30 transactions. This is relatively speaking a very high number of transactions, as we do this with a team of only some 25 people

League Table Thomson Reuters – Mid-market up to EUR100m - Jan 1 - Dec 31, 2014

France-Benelux				France		Benelux	
# Firm	Benelux	France	Total	# Firm	France	# Firm	Benelux
1 Deloitte	9	54	63	1 Deloitte	54	1 BDO	46
2 KPMG	31	30	61	2 Rothschild	41	2 Rabobank NV	39
3 PwC	26	32	58	3 Credit Agricole CIB	33	3 KPMG	31
4 Rothschild	13	41	54	4 PwC	32	4 PwC	26
5 BDO	46	0	46	5 KPMG	30	5 ABN AMRO Bank	23
6 Rabobank NV	39	0	39	6 Lazard	25	6 Ernst & Young LLP	17
6 Ernst & Young LLP	17	22	39	7 Leonardo & Co	23	6 ING	17
8 Capitalmind	15	18	33	7 Societe Generale	23	8 Capitalmind	15
8 Credit Agricole CIB	0	33	33	9 Ernst & Young LLP	22	8 IMAP	15
9 Leonardo & Co	9	23	32	10 BNP Paribas SA	20	10 Clairfield International	14
9 Clairfield International	14	18	32	11 Capitalmind	18	11 Rothschild	13
9 IMAP	15	17	32	11 Lincoln International	18	11 M&A International	13
12 Lazard	6	25	31	11 Clairfield International	18	13 Baker Tilly International	12

Completed 50 transactions in Germany/SEE and 500 transactions globally in the past 48 months

Truly partner led service, providing clients with high quality financial advice and execution expertise

- Critical mass and international reach, but still small enough for senior led service
- Well trained team adds capacity and unprecedented experience to make your mission critical deals work:
 - Over 80 financial advisors on the ground in Western Europe with experience from hundreds of successfully closed transactions
 - Team integrated in global organization with scale and scope drawing on over 300 corporate finance specialists



Winner “Best of Consulting”
Wirtschaftswoche,
Düsseldorf, 2014



EquityGate among “Top 10
Debt Advisors DACH Region”,
FINANCE, Frankfurt, 2009



“Deal Financing of the Year”,
International M&A Advisor Award,
New York, 2014



“Deal of the Month”, Global M&A
Network, New York, 2013



"Global M&A Advisor Award – European
Equity Placement of the Year",
The M&A Advisor, New York, 2009

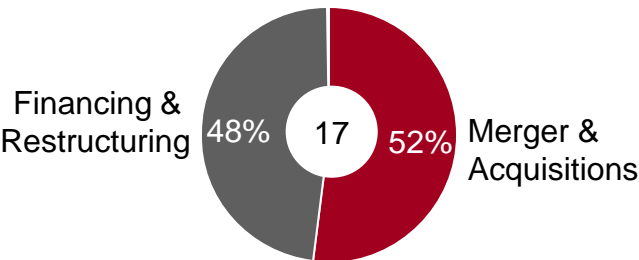


"Largest Corporate/Project Financing",
International Financing Review,
London, 2008

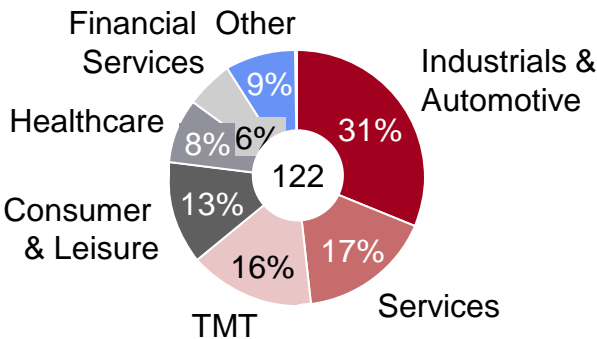
Global sector groups and product specialists offer

- Unprecedented transaction insight and proprietary deal flow
- Instant access to leading dependable debt, hybrid and equity investors
- Transparency on terms across a broad range of transaction structures and financial instruments
- Central execution teams guaranteeing consistent high quality
- Boutique approach with investment bankers trained at bulge bracket banks such as Deutsche Bank, Citigroup, Morgan Stanley, Kleinwort Benson, Schroders etc.

German Clients:
Transactions by Type 2014



International Partnership:
Global Transactions by Sector 2014



Since 2009 EquityGate has executed four transactions in this context with Technogroup



EquityGate Financial Advisors and Technogroup



US based recycler of iron, steel scrap, electrical and electronic waste acquires leading provider of IT recycling services

- EquityGate advised Technorecycle, a former spin-off of Technogroup, in its sale to Sims Metal Management
- Technorecycle was specialized in planning and execution of IT recycling
- The buyer, Sims Metal Management, is a global recycling company eager to expand its presence in Germany
- The transaction was concluded in 2009



Sale of ergoTrade to Sims Metal Management as part of their buy & build strategy

- EquityGate advised the private equity investor bmp on the sale of ergoTrade, a leading provider of IT remarketing and life cycle management
- Through this add-on acquisition the buyer, Sims Metal Management, was able to strengthen its market position in Germany and Eastern Europe
- The transaction was concluded in 2011



Leading IT service provider Technogroup expanding its shareholder base through Recapitalization

- EquityGate advised Technogroup throughout the entire transaction in which it approached a range of potential strategic and financial investors
- Eventually Caldec Beteiligungen, a private investment company with a long-term investment horizon, acquired a significant minority stake in Technogroup
- The transaction was concluded in 2013



Belgian Group Econocom sold its German subsidiary Econocom Managed Services AG to Technogroup IT Services

- EquityGate advised Econocom throughout the entire carve-out transaction and approached a range of potential investors worldwide
- The transaction resulted in a sale of Econocom Managed Services and a long-term agreement in the areas of IT-infrastructure projects and IT-maintenance between Econocom and Technogroup
- The transaction was concluded in May 2015

Lately several SIA Members have been involved in M&A activities

Transactions SIA Members

THE CARLYLE GROUP



The Carlyle Group acquires Cap Vert Finance in €137m deal

- France based Cap Vert Finance is a provider of maintenance services for computer equipment, and parent company of IT hardware recycling and remarketing specialist IB-Remarketing
- The Carlyle Group featured over €172bn of assets under management as of March 31, 2015. Investment focus is value creation through its portfolio companies
- This MBO transaction was announced in July 2015



US based Systems Maintenance Services acquires GMT360

- Systems Maintenance Services' client base encompasses firms like Cisco, IBM, HP, Dell, Oracle etc.; serving those clients through its over 1,300 employees strong operations in the life cycle support services segment
- GMT360 is a provider of datacenter support and solutions based in the UK
- The transaction has been announced in July 2015



Systems Maintenance Services acquired Careitec

- Denmark based Careitec is a leading independent IT services organization supporting global client needs throughout Northern Europe
- Acquirer Systems Maintenance Services further increased its global reach of multivendor IT asset lifecycle services and expanded its global delivery footprint which encompasses over 100 owned service centers throughout North America, Europa and Asia
- The acquisition was marked as completed by the end of October 2014



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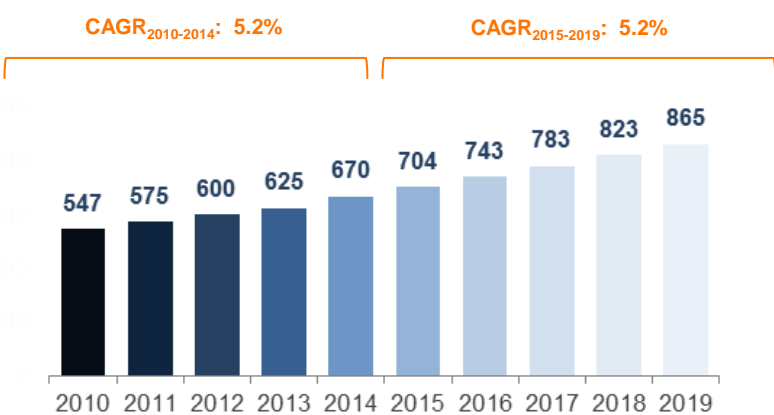
APPENDIX – TRACK RECORD

The Global IT Services industry weights € 670bn. 32% of the volume is coming from Europe

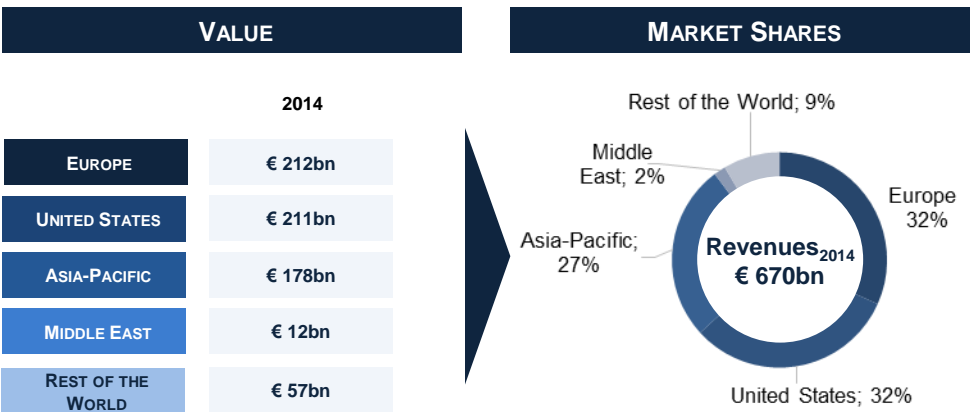
Market definition and segmentation

- The global IT services industry had total revenues of € 670bn in 2014, representing a compound annual growth rate (CAGR) of 5.2% between 2010 and 2014.
- The market is made up of a mixture of booming markets such as China and India and markets with low growth or decline such as the UK and Japan. Good growth in recent years has been slowing down but this deceleration reversed in 2014 to produce stronger growth. The market is forecast to maintain steady and strong growth to 2019.
- The industry is fragmented despite the presence of large, international incumbents (IBM, HP, First Data Corporation and Accenture), who together account for around 15% of global revenues. These larger players drive the widespread adoption of more advanced service offerings. The export-led nature of many IT services in developing countries has allowed skilled workforces to build up and given firms the opportunity to begin to place more focus on domestic markets.
- The global IT Services industry can be classified into the following segments:
 - BPO (Business process outsourcing);
 - Consulting;
 - Government consulting;
 - IT Commercial Services;
 - Managed Services;
 - Offshore Consulting.

Global IT Services market value historic and forecast - in €bn



Global IT Services market segmentation by geographic areas



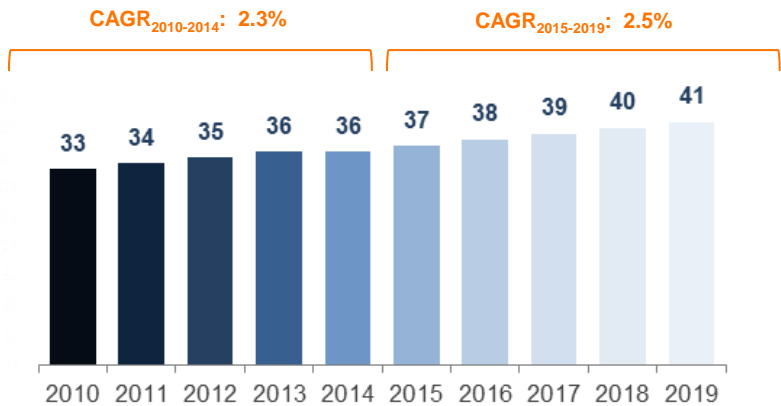
Source: MarketLine (Global IT Services June 2015)

The European IT services market showed low to moderate growth and is expected to slowly accelerate

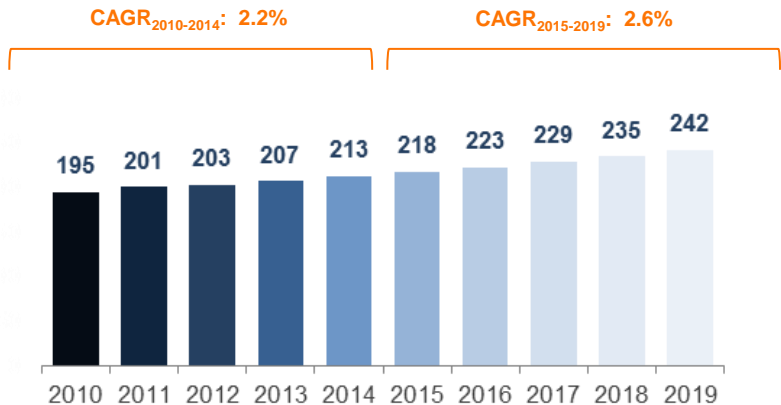
Market analysis

- The European IT services market has experienced fluctuating levels of low to moderate growth in recent years. The market is expected to slowly accelerate to a stable and moderate level of growth over the forecast period to 2019.
- Competition in Europe to become the regional technology hub is strong, with numerous cities such as Prague, London, Paris and Berlin competing against each other for talent and investment. This has created a skilled workforce across Europe and allowed major players in the region to drive growth on an international level, particularly in the consulting and more high-end segments.
- Important areas in Germany include amongst others Berlin, Oberbayern, Karlsruhe, Darmstadt, Rheinland-Pfalz and Saarland.

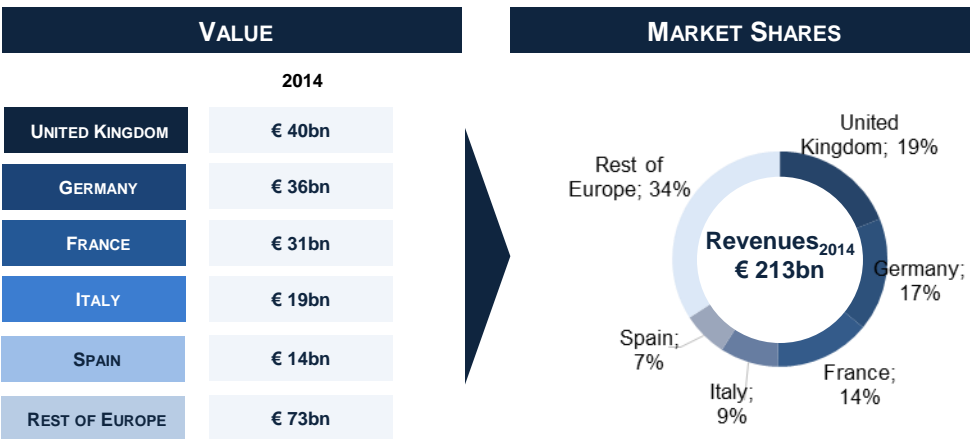
German IT Services market value historic and forecast - in €bn



European IT Services market value historic and forecast - in €bn



European IT Services market segmentation by geographic areas

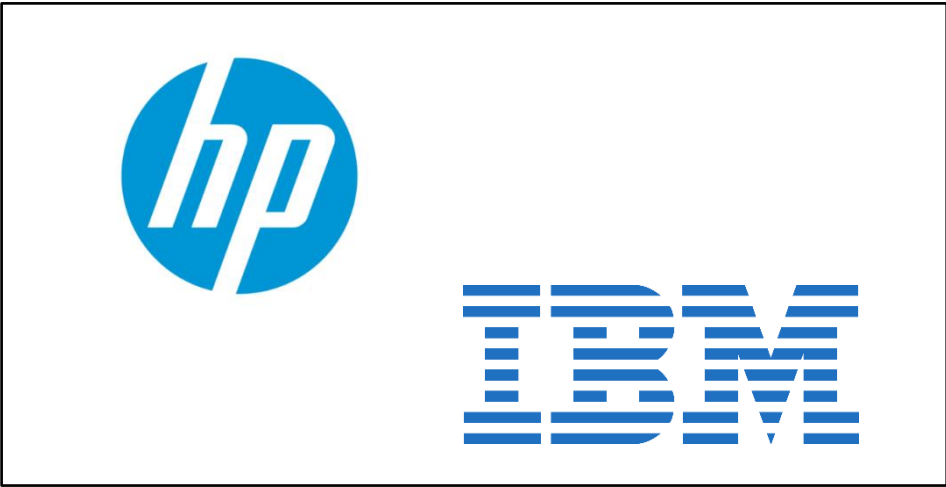


Source: MarketLine (European and German IT Services June 2015)

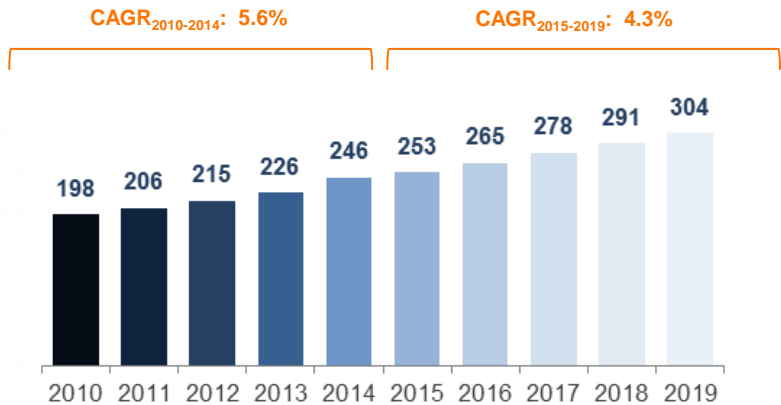
The North American IT services market experienced strong growth between 2010 and 2014 of which 2014 was a very strong year

Market analysis

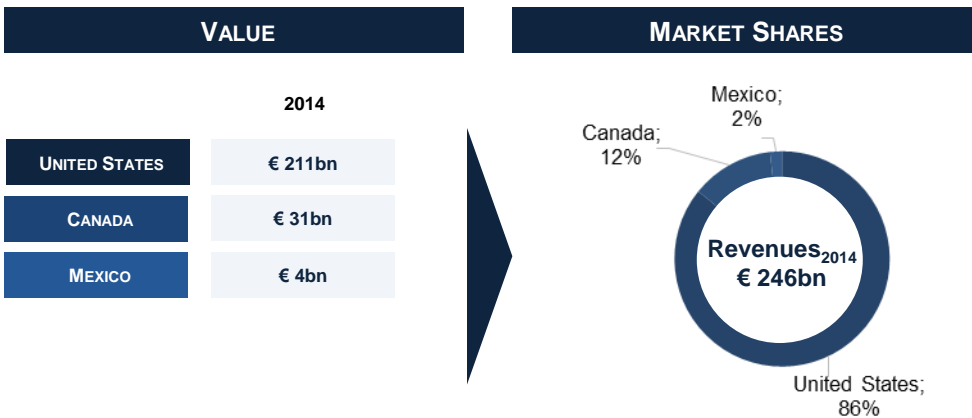
- The North American IT services market experienced consistent levels of strong growth between 2010 and 2013. The market had a very strong year in 2014 and is expected to return to stable and strong growth after a brief deceleration in 2015.
- The US is the dominant force in terms of IT services companies, with IBM and Hewlett Packard having significant market shares around the world. The strength and diversity of the North American economy has driven the demand for services in the region and allowed these players to become leaders in the field.



North American IT Services market value historic and forecast - in €bn



North American IT Services market segmentation by geographic areas



Source: MarketLine (North America IT Services June 2015)

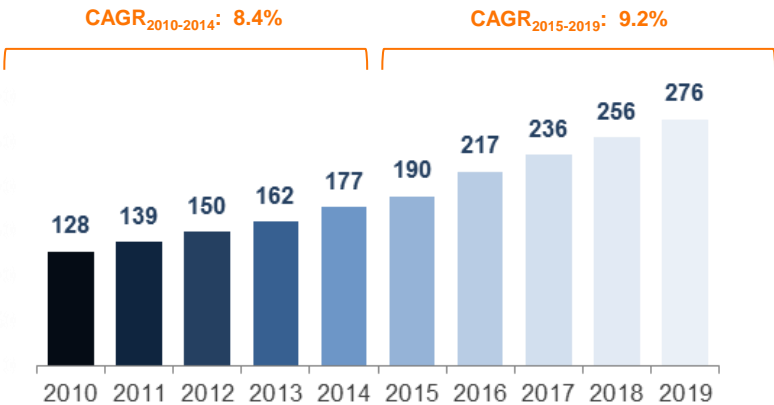
The Asia-Pacific IT services market has grown very strongly and this is expected to continue

Market analysis

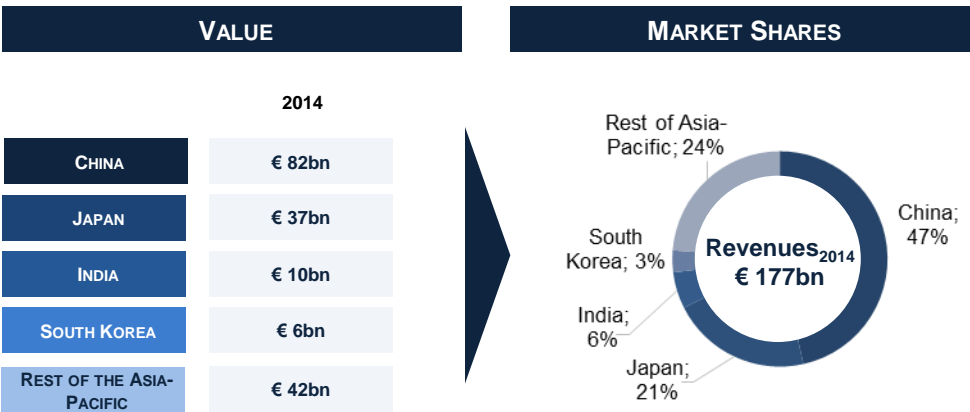
- The Asia-Pacific IT services sector has shown strong overall growth in recent years, led by dynamic markets in China and India. This trend is forecast to continue through to the end of the forecast period in 2019.
- The region has developed a skilled workforce and therefore slowed down the influence of major foreign brands and been able to drive domestic growth. It is home to a number of strong international market players such as Fujitsu in Japan, Tata Consultancy Services in India and Huawei in China, as well as smaller providers such as LG CNS in South Korea.



Asia-Pacific IT Services market value historic and forecast - in €bn



Asia-Pacific IT Services market segmentation by geographic areas



Source: MarketLine (Asia-Pacific IT Services June 2015)

Market maturation, shifting paradigms and vertical integration are paving the way for further consolidation

Maturation of Market

- IT services are maturing and becoming commoditized
- Opportunities for economies of scale
- Attracting strategic as well as financial investors
- Mindset developing from entrepreneurial to institutional and so is the type of inflowing capital
- Growing number of professional investors means that acquisitions are not only taking place at the level of large companies where scale is easy to apply, but also increasingly at the level of mid and small-sized players

Challenges for established players

- Difficulties for Legacy VAR (value-added reseller) and system integrators to transform themselves into managed service providers as a result of very different company cultures and business models
- In contrast, numerous smaller companies with strong service cultures but a lack of sales expertise and manufacturer relationships missing out on the front end of major new technology roll-outs
- New player entering the market attracted by the sustainable growth and higher margins compared to their original business

Change in vertical Markets

- MSPs (managed service provider) and system integrators developing application capabilities
- In combination with cloud technology vertical integration is significantly facilitated

1. **Succeeding in this fast-changing environment requires an understanding of the M&A market its dynamics and the opportunities**
2. **Consolidation will continue whether entrepreneurs understand the underlying trend and implied long-term options or not**

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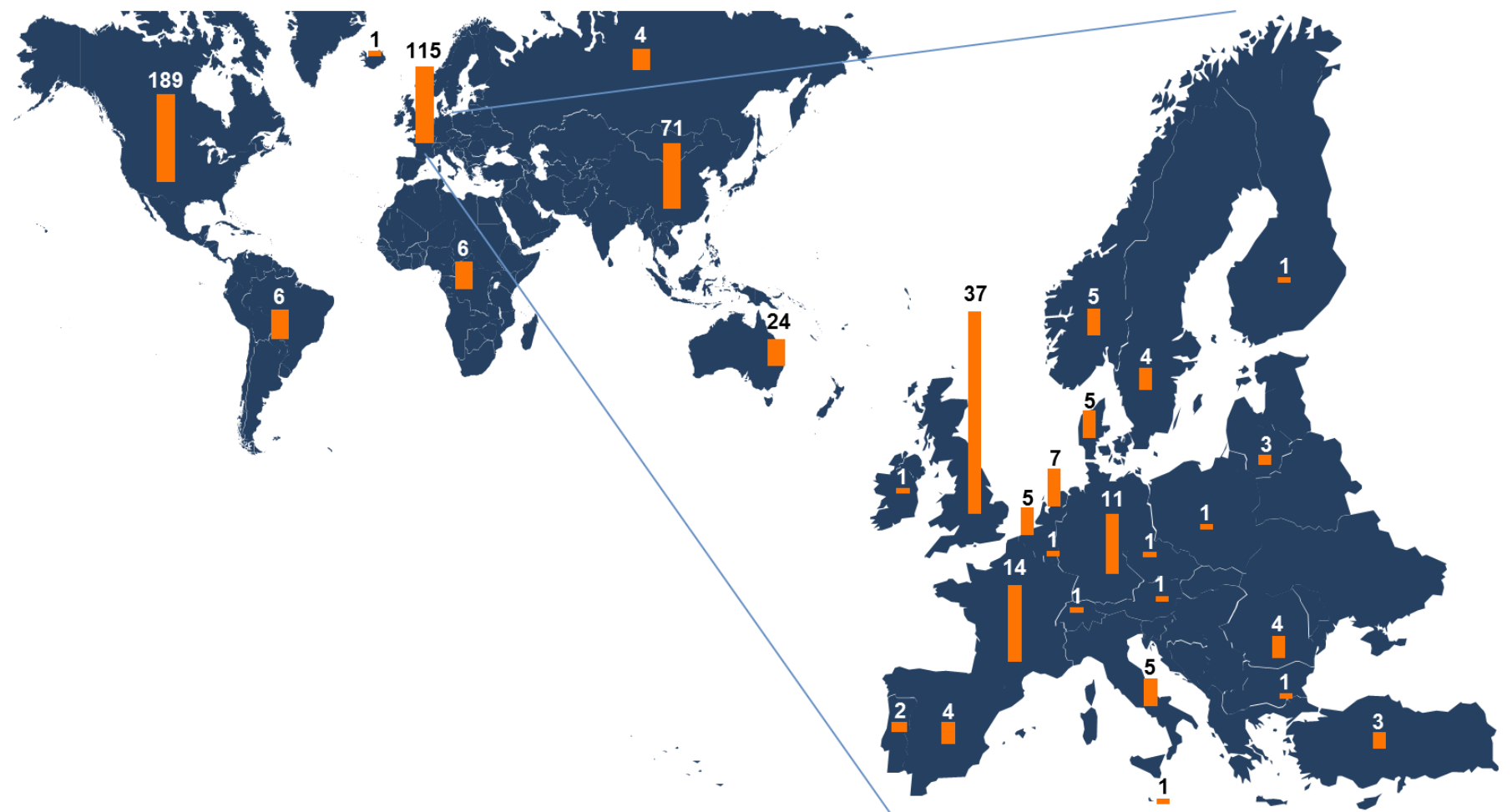
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Having analysed over 400 transactions through the years 2014 and 2015, we conclude that most targets are US companies, followed by European targets. Within Europe, the top 4 most attractive countries for buyers are respectively the United Kingdom, France, Germany and the Netherlands.

IT Services transaction activity

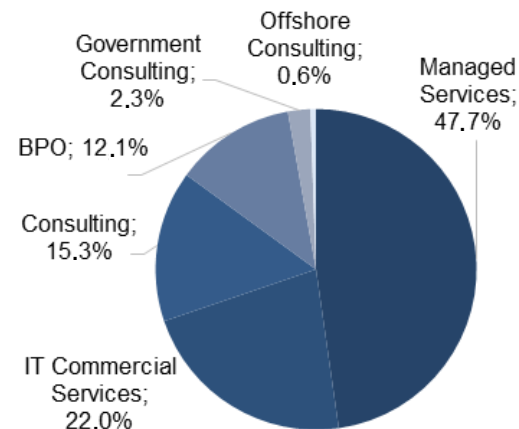


Numbers are proving that deal activity runs at a strong pace. Europe counts for 27.7% of the deals in the years 2014 – 2015

Analysis

- When categorizing the transactions by target company sub segment we find that by far most of the deals concern Managed Services companies with 47.7% of the deals involved, followed respectively by IT Commercial Service companies with 22.0%, Consulting companies with 15.3%, BPO companies with 12.1%, Governmental Consulting companies with 2.3% and Offshore Consulting Companies with 0.6%. Of the 415 transactions in our overview we were able to categorize 354 transaction.
- Transaction multiples were found for 152 transactions. Average and Median deal values differ significantly due to several relatively large deals that occurred.
- The 152 transactions show a median EV / Revenue multiple of 1.49x and a median EV / EBITDA multiple of 11.0x, which is in line with our trading multiple analysis presented later on (respectively 1.4x and 10.9x).
- Re-categorization of multiples in the different sub segments (i.e. Managed services, IT Commercial Services etc.) will expose the differences in valuation between the sub segments. A re-categorization is presented later on in the trading multiple analysis.

Overview target companies by sub segment - in %, N=354



Transaction multiples

DEAL MULTIPLES, N=152			
2014 - 2015			
AVG. DEAL VALUE	€ 237m	MEDIAN EV / EBITDA	11.0x
MEDIAN DEAL VALUE	€ 31m	MEAN EV / REVENUE	2.12x
MEDIAN EV / REVENUE	1.49x	MEAN EV / EBITDA	12.87x

USA accounting for the majority of investors. Overall, most of the investors search within their domestic or continental markets for target companies.

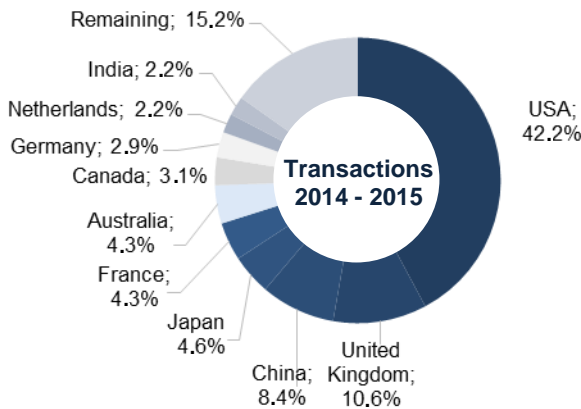
Market analysis

- Previous slides have shown that the majority of transactions occurred in the US. Moreover, most of the buying companies are based in the US as well.
- In terms of industry, the majority of buyers stem from the IT sector (53.9%). In a strong second place we find the companies active within the Financial sector (21.5%).
- It's striking that over 75% of the transactions occur within either country or continent borders. This applies to the US, Asia-Pacific and Europe as well (see below).

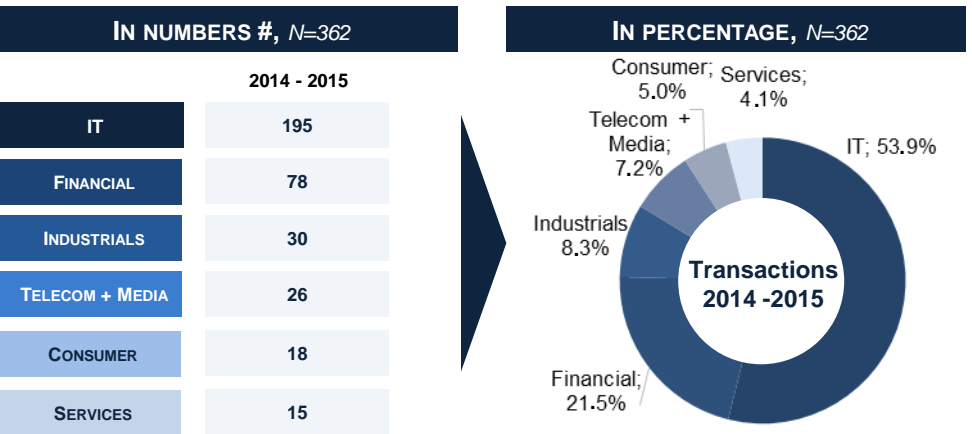
Overview bidding by sector- in %

IN NUMBERS # AND PERCENTAGE %, N=415			
	Total deals	Domestic / Continental buyers	% Domestic / Continental buyers
USA	178	137	77%
ASIA-PACIFIC	71	58	82%
EUROPE	115	90	78%
GERMANY	11	3	27%
THE NETHERLANDS	7	3	43%

Overview buying companies by country - in %, N=415



Overview buying companies by sector- in %



Source: Research Capitalmind Corporate Finance Advisory, Equitygate Financial Advisors

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The table below provides an overview of current trading multiples. Most of the times a discount is used for mid-market companies. The main reason being a difference in risk comparing with larger, listed companies and less liquidity of shares. On average a 20% discount is realistic when used for valuing mid-market companies.

Trading multiples - Market Data as of 6 Oct 2015 (\$m)

Company Name	Market Cap	TEV	Rev	Rev Growth YoY LTM	Gross Margin	TEV/Rev (LTM)	TEV/EBITDA (LTM)
BPO							
Automatic Data Processing, Inc. (NasdaqGS:ADP)	38.478	36.821	10.939	7,0%	43,1%	3,4x	16,1x
Paychex, Inc. (NasdaqGS:PAYX)	17.551	17.013	2.796	8,7%	70,7%	6,1x	14,3x
Sykes Enterprises, Incorporated (NasdaqGS:SYKE)	1.129	972	1.314	0,9%	34,1%	0,7x	6,4x
TeleTech Holdings Inc. (NasdaqGS:TTEC)	1.336	1.369	1.280	5,5%	28,3%	1,1x	8,3x
StarTek, Inc. (NYSE:SRT)	54	86	253	2,6%	11,1%	0,3x	11,2x
Convergys Corporation (NYSE:CVG)	2.373	2.503	2.971	24,3%	36,1%	0,8x	6,7x
Heidrick & Struggles International Inc. (NasdaqGS:HSII)	387	294	495	2,3%	31,6%	0,6x	6,5x
Towers Watson & Co. (NasdaqGS:TW)	8.350	7.764	3.645	4,7%	33,4%	2,1x	10,9x
Teleperformance S.A. (ENXTPA:RCF)	4.418	4.858	3.573	27,8%	32,3%	1,4x	10,3x
Exlservice Holdings, Inc. (NasdaqGS:EXLS)	1.276	1.174	557	14,1%	33,6%	2,1x	16,4x
Capita plc (LSE:CPI)	12.618	15.494	6.999	10,8%	27,5%	2,2x	15,0x
WNS (Holdings) Ltd. (NYSE:WNS)	1.511	1.384	537	5,0%	35,7%	2,6x	13,8x
Firstsource Solutions Limited (BSE:532809)	276	417	462	-4,2%	31,5%	0,9x	7,3x
Genpact Limited (NYSE:G)	5.099	5.476	2.386	9,3%	39,8%	2,3x	14,4x
CSG Systems International Inc. (NasdaqGS:CSGS)	1.032	1.123	747	-0,8%	48,4%	1,5x	9,2x
Iron Mountain Incorporated (NYSE:IRM)	6.685	11.371	3.070	-0,4%	57,0%	3,7x	12,5x
Xchanging plc (LSE:XCH)	637	711	810	-14,4%	10,7%	0,9x	NM
TriNet Group, Inc. (NYSE:TNET)	1.279	1.661	2.425	23,5%	15,9%	0,7x	11,2x
Mean						1,9x	11,2x
Median						1,5x	11,2x

The table below provides an overview of current trading multiples. Most of the times a discount is used for mid-market companies. The main reason being a difference in risk comparing with larger, listed companies and less liquidity of shares. On average a 20% discount is realistic when used for valuing mid-market companies.

Trading multiples - Market Data as of 6 Oct 2015 (\$m)

Company Name	Market Cap	TEV	Rev	Rev Growth YoY LTM	Gross Margin	TEV/Rev (LTM)	TEV/EBITDA (LTM)
Consulting							
Navigant Consulting Inc. (NYSE:NCI)	847	1.014	817	12,6%	32,8%	1,2x	8,1x
FTI Consulting, Inc. (NYSE:FCN)	1.843	2.314	1.758	2,8%	34,8%	1,3x	11,1x
Huron Consulting Group Inc. (NasdaqGS:HURN)	1.398	1.849	803	-0,4%	37,4%	2,3x	13,5x
Information Services Group, Inc. (NasdaqGM:III)	148	188	210	1,2%	40,2%	0,9x	10,0x
Resources Connection Inc. (NasdaqGS:REC�)	590	478	591	4,1%	38,7%	0,8x	8,8x
CRA International Inc. (NasdaqGS:CRAI)	204	189	307	0,7%	32,5%	0,6x	6,6x
Management Consulting Group PLC (LSE:MMC)	117	181	369	-6,6%	35,7%	0,5x	10,2x
The Advisory Board Company (NasdaqGS:ABCO)	1.800	2.315	666	-	47,4%	NM	NM
The Hackett Group, Inc. (NasdaqGS:HCKT)	417	419	223	9,7%	37,7%	1,9x	16,0x
Mean						1,2x	10,5x
Median						1,1x	10,1x
Government Consulting							
ICF International Inc. (NasdaqGS:ICFI)	606	959	1.104	12,3%	38,6%	0,9x	9,1x
CACI International Inc. (NYSE:CACI)	1.881	2.926	3.314	-7,0%	33,8%	0,9x	9,8x
Leidos Holdings, Inc. (NYSE:LDOS)	3.129	3.893	5.063	-12,0%	13,3%	0,8x	9,3x
Booz Allen Hamilton Holding Corporation (NYSE:BAH)	3.913	5.378	5.304	-1,3%	24,1%	1,0x	10,6x
MAXIMUS, Inc. (NYSE:MMS)	3.954	4.041	1.957	18,6%	25,6%	2,1x	13,4x
Tyler Technologies, Inc. (NYSE:TYL)	5.717	5.513	537	18,2%	47,3%	NM	NM
ManTech International Corporation (NasdaqGS:MANT)	981	1.029	1.613	-18,3%	15,0%	0,6x	8,4x
NCI, Inc. (NasdaqGS:NCIT)	181	200	317	-2,4%	16,0%	0,6x	7,9x
The KEYW Holding Corporation (NasdaqGS:KEYW)	262	370	303	7,8%	32,3%	1,2x	NM
Engility Holdings, Inc. (NYSE:EGL)	1.012	2.178	1.643	19,8%	15,1%	1,3x	14,4x
Science Applications International Corporation (NYSE:SAI)	1.916	2.884	4.064	4,8%	9,2%	0,7x	10,3x
Mean						1,0x	10,4x
Median						0,9x	9,8x

The table below provides an overview of current trading multiples. Most of the times a discount is used for mid-market companies. The main reason being a difference in risk comparing with larger, listed companies and less liquidity of shares. On average a 20% discount is realistic when used for valuing mid-market companies.

Trading multiples - Market Data as of 6 Oct 2015 (\$m)

Company Name	Market Cap	TEV	Rev	Rev Growth YoY LTM	Gross Margin	TEV/Rev (LTM)	TEV/EBITDA (LTM)
IT Commercial Services							
CGI Group, Inc. (TSX:GIB.A)	11,482	12,889	7,806	-2.8%	31.3%	1.7x	9.6x
Atos SE (ENXTPA:ATO)	8,231	8,079	11,060	15.5%	12.2%	0.7x	6.4x
Computer Sciences Corporation (NYSE:CSC)	8,751	9,194	11,697	-9.9%	21.4%	0.8x	9.1x
Unisys Corporation (NYSE:UIS)	640	546	3,274	-2.4%	22.4%	0.2x	3.0x
Ciber, Inc. (NYSE:CBR)	269	283	831	-4.5%	25.9%	0.3x	10.9x
Perficient Inc. (NasdaqGS:PRFT)	571	624	446	13.9%	33.9%	1.4x	11.3x
Virtusa Corporation (NasdaqGS:VRTU)	1,562	1,381	502	19.8%	36.4%	2.8x	20.8x
Cap Gemini S.A. (ENXTPA:CAP)	15,613	14,080	12,480	9.0%	25.1%	1.1x	10.4x
Accenture plc (NYSE:ACN)	63,685	59,864	31,048	3.5%	31.6%	1.9x	11.6x
Mean						1.2x	10.3x
Median						1.1x	10.4x
Managed Services							
Equinix, Inc. (NasdaqGS:EQIX)	16,144	20,518	2,567	12.0%	52.0%	8.0x	19.2x
Interxion Holding NV (NYSE:INXN)	1,899	2,440	410	13.7%	59.8%	6.0x	15.2x
Internap Corporation (NasdaqGS:INAP)	340	697	330	6.6%	46.8%	2.1x	11.4x
Level 3 Communications, Inc. (NYSE:LVT)	15,931	26,400	7,657	19.6%	46.7%	3.4x	11.5x
Rackspace Hosting, Inc. (NYSE:RAX)	3,682	3,540	1,902	14.6%	67.3%	1.9x	7.0x
Teradata Corporation (NYSE:TDC)	4,135	3,814	2,633	-3.9%	52.3%	1.4x	7.8x
Mean						3.8x	12.0x
Median						2.8x	11.5x

The table below provides an overview of current trading multiples. Most of the times a discount is used for mid-market companies. The main reason being a difference in risk comparing with larger, listed companies and less liquidity of shares. On average a 20% discount is realistic when used for valuing mid-market companies.

Trading multiples - Market Data as of 6 Oct 2015 (\$m)

Company Name	Market Cap	TEV	Rev	Rev Growth YoY LTM	Gross Margin	TEV/Rev (LTM)	TEV/EBITDA (LTM)
Offshore Consulting							
Syntel, Inc. (NasdaqGS:SYNT)	3.879	3.084	924	4,9%	39,2%	3,3x	11,9x
Cognizant Technology Solutions Corporation (NasdaqGS:CTSH)	39.687	37.183	11.320	17,9%	40,1%	3,3x	16,5x
Infosys Limited (NSEI:INFY)	40.478	36.049	8.834	5,3%	37,4%	4,2x	14,8x
Virtusa Corporation (NasdaqGS:VRTU)	1.562	1.381	502	19,8%	36,4%	2,8x	20,8x
Wipro Ltd. (BSE:507685)	22.585	19.613	7.371	7,2%	30,8%	2,7x	12,2x
HCL Technologies Ltd. (NSEI:HCLTECH)	18.412	16.880	5.952	11,1%	35,8%	2,9x	12,4x
Hexaware Technologies Limited (NSEI:HEXWARE)	1.181	1.123	440	17,5%	26,9%	-	-
Rolta India Limited (BSE:500366)	260	958	580	5,1%	43,0%	1,7x	5,3x
Neusoft Corporation (SHSE:600718)	2.683	2.818	1.213	2,5%	29,3%	2,3x	61,2x
Tata Consultancy Services Limited (NSEI:TCS)	81.119	77.750	15.063	14,3%	33,5%	5,2x	20,0x
Sonda S.A. (SNSE:SONDA)	1.355	1.414	1.350	24,1%	17,9%	1,0x	8,0x
Mphasis Limited (BSE:526299)	1.338	993	890	-	32,0%	1,1x	7,7x
Tech Mahindra Limited (NSEI:TECHM)	8.336	7.963	3.650	19,9%	29,6%	2,2x	12,6x
MindTree Limited (BSE:532819)	1.961	1.832	565	14,6%	33,6%	3,2x	17,2x
Mean						2,8x	17,0x
Median						2,8x	12,6x
Overall							
Mean						1,9x	12,1x
Median						1,4x	10,9x

INTRODUCTION

MARKET ANALYSIS AND TRENDS

TRANSACTION ANALYSIS – TARGET AND BUYER COMPANIES

TRADING MULTIPLES ANALYSIS

APPENDIX – TRACK RECORD ■



A proactive international TMT sector team

Mergers Alliance

Web Hosting
M&A update

April 2015

Strong growth and high margins driving consolidation in USD50 billion web hosting market

The hosting industry has experienced strong growth in recent years and is currently valued at more than USD50 billion. Robust growth looks set to continue across all major hosting subsectors over the next few years. Further consolidation is anticipated during this time as larger market participants continue to pursue acquisition opportunities.

High profile hosting and telecom players are likely to drive future sector growth and consolidation as they look to penetrate new market segments and innovations. Private equity (PE) firms are also active in the sector, offering attractive valuations due to hosting companies' recurring revenue, high margins and expansion potential. This presents exciting opportunities for sellers. Indeed, smaller hosting players are advised to either build more scale or consider selling their businesses to larger companies given current market dynamics.

Key conclusions from this report include:

- Size and global presence are needed to attract large customers and/or build a strong brand.
- Creating more scale and improving buyers' offerings are key motivations for acquisitions.
- Innovation is key to attracting and retaining customers in private Cloud infrastructures.
- There is a clear trend between the size of the target and the multiple a buyer is willing to pay for that target.
- PE firms generally execute larger transactions and also tend to pay higher multiples for these transactions.

"Consolidation in the hosting industry looks set to continue as strong market growth and the need to offer scale, innovation and an international presence drives deal activity. Hosting companies and high profile telecom players will be active buyers in the next few years, with the latter looking to make important strategic acquisitions in order to break into new, high growth markets. PE groups are also expected to continue to execute a number of large hosting transactions, paying attractive multiples whilst doing so."

Ree Bell, Partner
Capitalmind



Mergers Alliance

FinTech
M&A update

April 2015

Innovation and changing consumer behaviours driving FinTech investment and M&A

The financial technology (FinTech) sector is currently seeing a boom in investment and strong mergers and acquisition (M&A) activity as new technology and changing customer behaviours transform financial services. Much of this activity involves new FinTech companies that are developing innovative and disruptive products.

Start-ups focused on new payment solutions and peer-to-peer (P2P) lending in particular are challenging financial institutions' existing business models. With estimates suggesting investment into FinTech tripled between 2013 and 2014, the sector offers exciting opportunities for both strategic buyers and financial investors.

Key conclusions from this report include:

- Technological advancements are reshaping financial services
The unrelenting development of mobile devices, modern methods of data analysis (big data), social media and the migration of data into the Cloud have created opportunities for new FinTech companies looking to complement and challenge existing financial services providers.
- Changing customer behaviours are also a key driver
New regulation and strict bank lending requirements have come at a time of general consumer disillusionment with traditional banking products, meaning they are willing to turn to new banking products and technologies.
- Accelerated investment activity
Global FinTech investment has increased considerably in the last 18 months. A number of start-up companies in the payments and P2P lending subsectors are using these funds to accelerate growth, develop new products, move into new markets or expand their global presence.
- Active M&A landscape
Innovative companies in the payments and P2P lending spaces have triggered significant M&A activity in the last couple of years. Established market participants have targeted new generation payment companies to integrate new technology and products to their offerings. New market entrants have also been active buyers in the payments and P2P lending spaces as they look to move into new markets and expand internationally.
- M&A outlook is favourable
Further consolidation is likely between market participants. The growing fragmentation of the FinTech sector and the highly innovative nature of payments and lending in particular will see trade buyers continue to actively pursue niche players that are developing new solutions in these areas. Investor exits through trade sales and initial public offerings (IPOs) are also likely to increase.

"Tremendous opportunities exist for new FinTech companies as end users are increasingly turning to alternative forms of finance following the global economic downturn. Demands from businesses and consumers for new and more efficient payment and lending methods have created an ideal environment for investment and consolidation. As a result, we are seeing an increased amount of deal activity as market participants look to acquire new solutions and access new markets in order to keep up with the wave of innovation that is transforming the sector."

David Franciose, Managing Director
Investors' MB



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Recent Deals

<p>TMT</p>  <p>Description</p> <p>Technology Media Telecommunications</p> <p>Head of practice Capitalmind</p>  <p>Ron BELT Jean-Arthur ALEXANDRE Dattee EBIN</p>	<p> </p> <p>Funding of</p>  <p>by</p>  <p>PRIMEVENTURES</p> <p>Funding - 2015</p>	<p> </p> <p>SOCIAL INFLUENCERS</p> <p>Partially sold to</p>  <p>Company sale - 2015</p>	<p> </p>  <p>Fundraising underwritten by</p>  <p>bpi france</p> <p>Funding - 2015</p>	<p> </p>  <p>Acquired</p>  <p>Acquisition - 2015</p>	<p> </p>  <p>minority stake taken by</p>   <p>Company sale - 2014</p>
	<p> </p>  <p>sold</p>  <p>to</p>  <p>Company sale - 2014</p>	<p> </p>  <p>Funding led by</p>  <p>Funding - 2014</p>	<p> </p>  <p>Sold to IPG Mediabrands</p>  <p>Company sale - 2014</p>	<p> </p>  <p>Sold to IPG Mediabrands</p>  <p>Company sale - 2014</p>	<p> </p>  <p>Partly sold to British PE firm</p>  <p>Company sale - 2014</p>

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Recent Deals




Acquired




Acquisition – 2014



Spigraph
acquired



from



Acquisition - 2014




Distri
mobile systems

was sold to private
shareholders

Company sale - 2014




Merged with



Merger - 2014




Funded by



Funding - 2013




Sold to




Company sale – 2013




Sold to



Company sale – 2013





Acquired




Acquisition – 2013



Funded by



Funding – 2013




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<div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div>T Systems</div><div>sold its French "Systems Integration" activity to</div><div>NOVA</div></div></div><div>Company sale - 2013</div></div>	<div><div><div></div><div></div></div><div><div></div><div></div></div></div> <div><div><div>iS group</div><div>Acquired</div><div><div>nxS</div><div>betrouwbare hosting</div></div></div></div> <div>Acquisition - 2013</div>	<div><div><div></div><div></div></div><div><div></div><div></div></div></div> <div><div><div>Unetl</div><div>Sold to</div><div>neurofiber</div></div></div> <div>Company sale - 2013</div>	<div><div><div></div><div></div></div><div><div></div><div></div></div></div> <div><div><div>QS solutions</div><div>Acquired</div><div><div>e</div><div>elephant security</div></div></div></div> <div>Acquisition - 2013</div>	<div><div><div></div><div></div></div><div><div></div><div></div></div></div> <div><div><div>interxion</div><div>secured growth capital debt financing from</div><div><div>oséo</div><div>CIC</div><div>BNP PARIBAS</div></div></div></div> <div>Debt financing – 2013</div>
<div><div><div></div><div></div></div><div><div></div><div></div></div></div> <div><div><div>NETSOCIETY</div><div>ONLINE MEDIA AGENCY</div><div>Sold to</div><div><div>A</div><div>M</div><div>E</div><div>G</div><div>I</div><div>S</div><div>A</div></div></div></div> <div>Company sale – 2012</div>	<div><div><div></div><div></div></div><div><div></div><div></div></div></div> <div><div><div>videostrip</div><div>Sold to</div><div>rt nederland</div></div></div> <div>Company sale – 2012</div>	<div><div><div></div><div></div></div><div><div></div><div></div></div></div> <div><div><div>Business Geografic</div><div>acquired</div><div><div>SIMALIS</div><div>SOLUTIONS WEB-SIG</div></div></div></div> <div>Acquisition – 2012</div>	<div><div><div></div><div></div></div><div><div></div><div></div></div></div> <div><div><div>ciril</div><div>was sold to the children of the founding entrepreneur, supported by private investors</div></div></div> <div>Company sale - 2012</div>	<div><div><div></div><div></div></div><div><div></div><div></div></div></div> <div><div><div>ICE MOBILE</div><div>Merged with</div><div>brandloyalty</div></div></div> <div>Merger - 2012</div>

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Recent Deals



Acquired



VolkerWessels

Acquisition - 2012



Sold to



Company sale - 2012



sold its minority stake

G1ME ONE™

to



Company sale – 2012



Funded by



Funding – 2012



Funded by



Funding – 2012



Funded by



Funding – 2012



was sold to



Company sale - 2011



acquired



Acquisition - 2011



Funded by



Funding – 2011




Sold to



Company sale – 2011

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<div><p>Sold to</p><div></div></div> <p>Company sale – 2011</p>	<div><p>Spigraph</p><p>series A fundraising</p><div></div></div> <p>Funding – 2011</p>	<div><p>was acquired by</p><div><p>and</p></div></div> <p>Acquisition - 2011</p>	<div><p>Sold to</p><div></div></div> <p>Company sale - 2011</p>	<div><p>Sold to</p><div></div></div> <p>Company sale - 2011</p>
<div><p>Recapitalized</p><div></div></div> <p>Strategic advising - 2010</p>	<div><p>Spigraph</p><p>acquired a business from</p><div></div></div> <p>Acquisition - 2010</p>	<div><p>Amplify your e-business</p><p>Merged with</p><div></div></div> <p>Merger – 2010</p>	<div><p>Sold to</p><div></div></div> <p>Company sale – 2010</p>	<div><p>Funded by</p><div></div></div> <p>Funding – 2010</p>

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Recent Deals




Wolters Kluwer

sold




VAL SOLUTIONS

through a MBO backed by




SOFIMAC partners

Company sale – 2010




CDG

Sold to




Tech Data

Company sale – 2010



paylogic


Funded by



NoorderHuys participaties


Funding - 2010

MBO of



SNT


with



NEON


MBO - 2009

MBI of




CLOOKS

with



ABN-AMRO


MBI - 2009




PINS

Amplify your e-business

Funded by




HENQINVEST




BIG BANG VENTURES

Funding - 2009




syntesys

series A fundraising



CM-CIC Capital Privé

Funding - 2009




LearningGuide solutions

Funded by

Informals


Funding – 2009



Polymer Vision


The reliable display company

Sold to



wistron


Company sale – 2009



Avinity

BEYOND BROADCAST

Sold to



ActiveVideo NETWORKS

Company sale – 2009

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<div><div></div><div>Funded by</div><div></div></div> <div>Funding – 2009</div>	<div><div></div><div>Sale to</div><div></div></div> <div>Company sale – 2008</div>	<div><div></div><div>Funded by</div><div></div></div> <div>Funding - 2008</div>	<div><div></div><div>Merged with</div><div></div></div> <div>Merger - 2008</div>	<div><div></div><div>MBO of</div><div></div><div>with</div><div></div></div> <div>MBO - 2008</div>
<div><div></div><div>Sold to</div><div></div></div> <div>Company sale - 2008</div>	<div><div></div><div>MBO of</div><div>with</div><div></div></div> <div>MBO – 2007</div>	<div><div></div><div>Sold to</div><div></div></div> <div>Company sale – 2007</div>	<div><div></div><div>Acquired</div><div></div></div> <div>Acquisition – 2007</div>	<div><div></div><div>MBO of</div><div>with</div><div></div></div> <div>MBO – 2007</div>

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Recent Deals

<div><p>Glmv</p><p>Acquired</p><p>Human Inference</p></div> <p>Acquisition – 2007</p>	<div><p>paylogic</p><p>Funded by</p><p>van den ende & deitmers crossmedia fund</p></div> <p>Funding - 2007</p>	<div><p>indivkaart</p><p>Sold to</p><p>ARCADIS</p></div> <p>Company sale - 2007</p>	<div><p>momac</p><p>bringing media to mobile</p><p>Sold to</p><p>Truffle Capital</p></div> <p>Company sale - 2007</p>	<div><p>LOCATIE.NET</p><p>Sold to</p><p>piV traffic mobility logistics.</p></div> <p>Company sale - 2006</p>
<div><p>CTB</p><p>Acquired</p><p>cobra hrm & salaris</p></div> <p>Acquisition - 2006</p>	<div><p>MBO (35%) of</p><p>EVEREST</p><p>Getronics</p><p>a KPN company</p></div> <p>MBO – 2006</p>	<div><p>e.buddy</p><p>Funded by</p><p>PRIME TECHNOLOGY VENTURES LOWLAND CAPITAL PARTNERS</p></div> <p>Funding – 2006</p>	<div><p>MBI of</p><p>ASP 4 ALL</p></div> <p>MBI – 2006</p>	<div><p>DIGITAL CHANNELS</p><p>Sold to</p><p>TIE</p></div> <p>Company sale – 2006</p>

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Recent Deals





MBO of





MBO – 2006






SOLD TO





Company sale - 2006






SOLD TO





Company sale - 2006





Nordined 
MERGED WITH





Merger - 2006






ACQUIRED





Acquisition - 2006






ACQUIRED



Acquisition - 2005



MBO of


with

MBO – 2004

A strong industry experience








Secondary buyout




MA UK acted as
Advisor to Stone

- MA UK advised Stone Computers on a secondary management buy-out supported by RJD Partners in a deal valued at £28m.





Sold 60% Stake



MA Latin America acted as
Advisors to RJ Participacoes

- MA Brazil advised RJ Consultores, the Brazilian provider of complete solutions (software, hardware and services) for the booking and sale of bus tickets in Brazil and Mexico, on its sale of 60% stake to Bematech for approximately \$7.1m.





Sold to



MA USA acted as
Advisor to Quickstart

- MA USA advised QuickStart Intelligence Corporation, a leading provider of IT training solutions with locations throughout the Western United States, on its sale to Corinthian Colleges, Inc.





Sold to



MA USA acted as
Advisor to Rivet Software

- MA USA advised Rivet Software on its sale to Equity Administration Solutions (EASi), a SaaS stock plan software provider based in Pleasanton, California.

A strong industry experience



Sold to



MA USA acted as
Advisor to Rightsflow

- MA USA advised Rightsflow, a leading technology-enabled licensing and royalty service provider for artists, record labels, distributors, and online music companies on its sale to Google.



Sold to



MA Latin America acted as
Advisors to RiskControl

- MA Brazil advised Risk Control, the Brazilian company providing risk monitoring and risk evaluation solutions, on its sale to Accenture.



Sold to



MA USA acted as
Advisor to CR Software

- MA USA advised on the sale of CR Software, the US based company engaged in the provision of enterprise-class collections and recovery (C&R) solutions, to FICO (NYSE: FICO).



Sold to



MA USA acted as
Advisor to Cooking.com

- MA USA advised Cooking.com, the leading culinary e-commerce company, on its sale to Target (NYSE:TGT).

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