



CORPORATE FINANCE
INTERNATIONAL

SOFTWARE & IT SERVICES M&A PULSE

2017 YEAR IN REVIEW
FEBRUARY 2018



INSIDE THIS ISSUE

CASE STUDIES OF SUCCESSFUL DEALS	PAGE 3 - 6
SUMMARY	PAGE 7
M&A ACTIVITY AND VALUATION PER SUB-CATEGORY	PAGE 8 - 17
SELECTION OF CFI TRANSACTIONS	PAGE 18 - 19
CONTACT DETAILS	PAGE 20

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INTRODUCTION

Corporate Finance International ('CFI') is pleased to present the Software and IT Services M&A Pulse – 2017 Year in Review. This report provides commentary and analysis on current trading market trends, and merger and acquisition dynamics within the Software and IT Services sector.

We hope you find this edition informative and we would encourage you to reach out to our European sector specialists, **Ramon Schuitevoerder, Clément Barbot, Nicolas Gutbrod, Matt Rupprecht, Tim Brotherton & João Santos**, if you would like to discuss our perspective on current sector trends and M&A opportunities or our relevant sector and transaction experience.

CFI is a group of middle-market investment banks and corporate finance advisory boutiques with over 200 bankers specializing in cross-border acquisitions, divestitures, capital raising, and related services all over the world. CFI focuses exclusively on middle-market transactions, with deal sizes ranging from €10 million to €500 million. In 2017, CFI completed 97 M&A transactions, involving parties in 21 countries and 4 continents.

Our Software and IT Services team is dedicated to providing best-in-class, cross-border merger & acquisition advisory services to family and entrepreneurially owned companies, private equity funds and financial sponsors, and publicly traded companies. Our extensive sector knowledge and transaction experience spans the **Infrastructure & IT Management, Security, BI/Data Analytics, Horizontal and Vertical Enterprise Software, Fintech, Adtech & Martech, IT Services, Near- and Offshoring and Managed Services** domains.

Our professionals have global relationships with leading technology companies and financial investors. Thoughtful advice, deep experience, sector focus that supports in-depth understanding of trends and developments impacting our clients, and years of experience structuring and negotiating complex transactions have resulted in a relevant track record of many long-term relationships with clients who are seeking extraordinary value.

SECTOR TEAM



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SELECTION OF RECENT TRANSACTIONS

IT Services

sopra steria

acquires

Galitt

Sell-side

Business Intelligence / Data Analytics

NAVITAS

&

QUADRUM

acquires

bigdata

jdriven JCOR

Sell-side

Enterprise Software

DÜRR

acquires

ITAC SOFTWARE

Buy-side

Infrastructure & IT Management

Pinnacle

acquires

fast technology

Buy-side



CASE STUDY (I)

TRANSACTION DETAILS	TEAM
<p>Transaction type: Sell-side M&A</p> <p>Sector: Payments / IT Consulting</p> <p>Deal Value: EUR 50M – 100M</p>	<p>Clément Barbot France</p> <p>Zineddine Bennaoum France</p>

COMPANY OVERVIEW

Founded in 1990, Galitt is the French Expert in payment services, card processing and secure payments systems. The company provides a set of services and solutions supporting its clients throughout the whole payment value chain. The company has 249 employees and operates mainly in France. The company operates through 5 main business lines:

- **Payment consulting:** High value-add payment consulting services including strategy, market intelligence, audit and operational studies.
- **Payment services:** Provides end-to-end scope of services to accompany its clients through payment transformation: drafting of client specifications, business analysis, project management (PMO) and change management.
- **Payment solutions:** Turnkey business solutions and services to build and run cards and electronic payment systems: Store cards (fuel & fleet + CRM), Security solutions (tokenization & cryptography), Payment gateways and Terminals (embedded development).
- **Testing solutions:** Set of testing and certification solutions and services to test cards, mobile applications, card acceptance devices, acquirer and authorization hosts, networks, gateways and file processing applications.
- **Payment education:** Training on payment systems: Card Payments, EMV, Contactless, NFC, Mobile, HCE, PCI, Cryptography and Fraud; and Nexo.

MARKETING HIGHLIGHTS

- Galitt is a one-stop-shop, best-in-class expert in payment systems and electronic transactions.
- Payment market is driven by attractive long term macro trends: digitalization, new technologies, regulation and maintenance of installed systems infrastructure.
- Solid historical financial performance.
- The Management team leverages a 30 years track record of expertise in a high barriers to entry market.

TRANSACTION RATIONALE

This acquisition strengthens Sopra Steria's position in the banking vertical and will allow Galitt to step up its growth plans, both in France and internationally. In addition, Galitt will be able to leverage Sopra Steria's vertical expertise to expand its scope of business to new sectors, including retail and transport, while generating substantial sales and revenue synergies with the Group's various entities, and especially with Sopra Banking Software.

BUYER

Sopra Steria, a European leader in digital transformation, provides one of the most comprehensive portfolios of offerings on the market, spanning consulting, systems integration, industry-specific solutions, infrastructure management and business process services. With over 40,000 employees in more than 20 countries, Sopra Steria generated revenue of €3.7 billion in 2016.

PROCESS HIGHLIGHTS

CFI France acted as the lead corporate finance advisor to the sellers.



CASE STUDY (II)

TRANSACTION DETAILS

Transaction type:
Sell-side M&A

Sector:
Business Intelligence / Data Analytics

Deal Value:
Undisclosed

TEAM

Ramon Schuitevoerder
Netherlands

Roel ter Steeg
Netherlands

Pieter de Vries
Netherlands

COMPANY OVERVIEW

The Group is a Netherlands-based multidisciplinary information technology group specializing in the domains of data science and enterprise software development. BigData Republic deploys high caliber graduates (typically with an academic or PhD degree) that focus on big data solutions by helping organizations in big data discovery phases, design big data architectures and develop or implement the models/algorithms and integrate these systems. JDriven and JCore support IT development projects by providing services from experienced senior and medior consultants to support all phases of the software development lifecycle, with a focus on open source technologies, and more specifically on Java/JVM technologies.

JDriven's and JCore's co-founder, Mr Rob Brinkman, remains involved with the Group as a shareholder and board member. Following the transaction, Mr Fred Kroon will join Mr Brinkman as co-shareholder and co-board member of the Group. Mr Kroon held previous positions at a.o. DPA IT Professionals and Het Consultancyhuis.

MARKETING HIGHLIGHTS

- **The Data-Driven Imperative:** The rise of social media, mobile and Internet of Things, and growing adoption of cloud infrastructure is producing massive quantities of new data.
- **Generational shift to big data technology:** To accommodate this increase in data, IT is in a transformative shift towards next generation big data technologies.
- **Demand for self-service technology:** The proliferation of data, coupled with its strategic importance, has significantly increased business users' demand for tools and software applications to access the data themselves.
- Y-o-Y double digit growth for the three companies based on above market trends and the Company's ability to source highly scarce and best-in-class professionals.
- Full-service and integrated offering with cross-over model including expertise, technology and capacity.

BUYER

Navitas Capital is the investment company of the Zeeman family that invests in rock solid companies with excellent management. Navitas has long-term participating interests in mainly Dutch companies, including both private companies and publicly listed companies, such as in embedded software specialist ICT Group, staffing company DPA Group, cleantech and chemicals business Avantium and technology firm TKH Group.

Quadrum Capital is an entrepreneurial and hands-on investment company, with considerable experience in the IT sector. Via funds and separate structures Quadrum Capital has interests in a broad portfolio of companies in the Dutch mid-market.

PROCESS HIGHLIGHTS

CFI initiated discussions and negotiations with a select range of strategic and financial parties in a process that ultimately resulted in a successful transaction with the consortium of Navitas Capital, Quadrum Capital and Management. The transaction was closed on 29 December 2017.



QUOTE CLIENT

Mr Rob van Eerden and Mr Frank Kurstjens (RedGazelle) stated: "For RedGazelle the investments in BigData Rrepublic, JDriven and JCore exemplify our added value in successfully incubating and supporting high growth technology companies. The MBCF team helped us to structure the process and supported us throughout the transaction. Their IT focus and good understanding of our business and market dynamics were valuable. It ensured a structured, efficient and successful process".



CASE STUDY (III)

TRANSACTION DETAILS	TEAM
<p>Transaction type: Sell-side M&A</p> <p>Sector: Infrastructure / IT Management</p> <p>Deal Value: Undisclosed</p>	<p>Ramon Schuitevoerder Netherlands</p> <p>Clément Barbot France</p> <p>Pieter de Vries Netherlands</p>

COMPANY OVERVIEW

With operations and about 140 employees in the Netherlands, Belgium and Germany, Login Consultants is an international IT services company dedicated to supporting the entire end user computing lifecycle, with expertise in managing all aspects of the transition to a VDI compute environment. Login Consultants helps design, build, migrate and maintain end user computing solutions in an optimal balance between business demand, cost and IT control. It has extensive experience and expertise working with technologies from leading VDI solutions vendors such as Microsoft, Citrix and VMware. Furthermore, it has a track record in creating business relevant add-ons for industry VDI standards, and recently developed its own Desktop-as-a-Service (DaaS) cloud solution. Login Consultants is widely viewed as a subject matter expert ahead of the pack in advising enterprises through the transition to a VDI platform, including the requirements around data migration, desktop deployment and application delivery.



MARKETING HIGHLIGHTS

- The multi-billion dollar VDI software and services market is expected to grow at a 36% CAGR until 2019, with Western Europe expected to be a major area for adoption*.
- “Sticky” business model with repeat sales from existing customers representing over 80% of total revenue and average commercial relationship tenure of 5+ years.
- Partnerships with top-tier technology vendors, including vast experience onboarding to Citrix, Microsoft and VMware.
- Team leverages proprietary expertise, supporting products and templates with its own best practices framework.

**ELECTED BEST DEAL
AT THE DUTCH**



BUYER

Orange S.A. is one of the main telecom operators in the world, with annual sales amounting to €40 billion in 2015 and is listed on the Euronext Stock Exchange in Paris, France. At the end of year 2015, the Orange Group served 263 million customers around the world. Orange stands amongst the world leaders of communication services to multinational corporations. Orange is also a leading provider of global IT and telecommunication services to multinational companies, under the brand Orange Business Services (“OBS”).

PROCESS HIGHLIGHTS

CFI acted as the lead corporate finance advisor to the sellers, with the Dutch and French teams seamlessly coordinating and executing important aspects of the transaction, which resulted in CFI exceeding our clients' expectations.

*Source: Gartner, TechNavio, Visiongain

CASE STUDY (IV)

TRANSACTION DETAILS	TEAM
<p>Transaction type: Buy-side M&A</p> <p>Sector: Enterprise Software</p> <p>Deal Value: Undisclosed</p>	<p>Nicolas Gutbrod Germany</p>

COMPANY OVERVIEW

Dürr AG is one of the leading global players in mechanical and plant engineering with an expertise in automation processes. The public listed firm operates in 28 countries with a workforce of circa 14,700 people. Dürr offers products, systems and services, that enable efficient manufacturing processes in various industries. The company generated more than €3.6 billion revenue in 2015, from which approximately 60% from accounts for automobile manufacturers and related suppliers. Further, the company's market segments include mechanical engineering and chemical & pharmaceutical industries.

TARGET

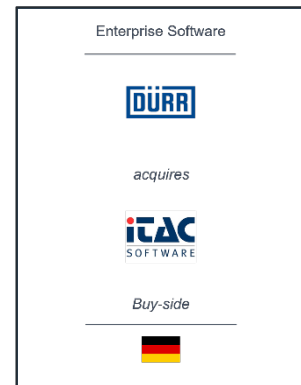
iTAC Software AG was founded in 1998 as a spin-off of Bosch's telecommunications division. Over the years, the company has equipped 140 factories worldwide in a wide scale of industries, with cloud-based MES software iTAC.MES.Suite. iTAC's customer base includes original equipment manufacturers (OEMs), automotive component suppliers and major manufacturers in the segments telecommunications, electronics and medical technology. In 2015, iTAC generated a revenue of circa €15 million.

ACQUISITION RATIONALE

The acquisition allows Dürr to extend its current activities in the field of Manufacturing Execution Systems (MES) – the central component of Industry 4.0 and industrial Internet of Things (IIoT). Together with iTACm, Dürr will further develop the existing Dürr MES software EcoEMOS. MES software integrates machinery and plant production lines with intelligent networks.

PROCESS HIGHLIGHTS

iTAC was acquired during an international M&A auction process, whereby CFI acted as the lead corporate finance advisor to Dürr. Due to CFI's outstanding effort and extensive experience, our client has successfully acquired all shares from numerous venture firms, including, TVM Capital, Co-Investor, SAP Ventures and Pari Group.

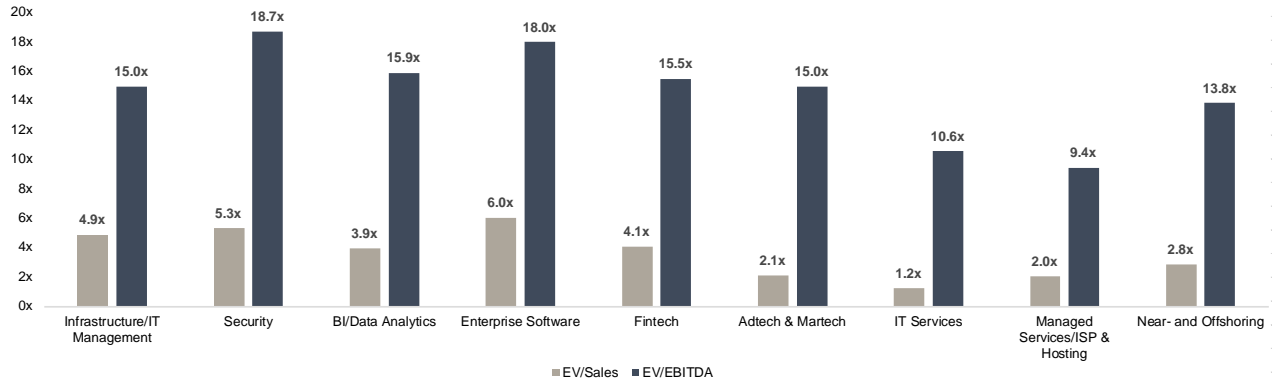


**ELECTED BEST DEAL
MAKER**

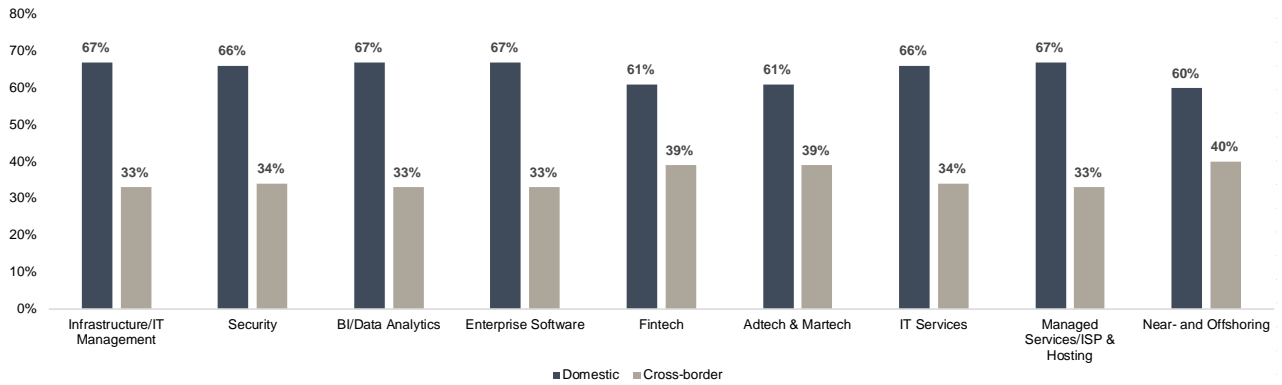


2017 SUMMARY

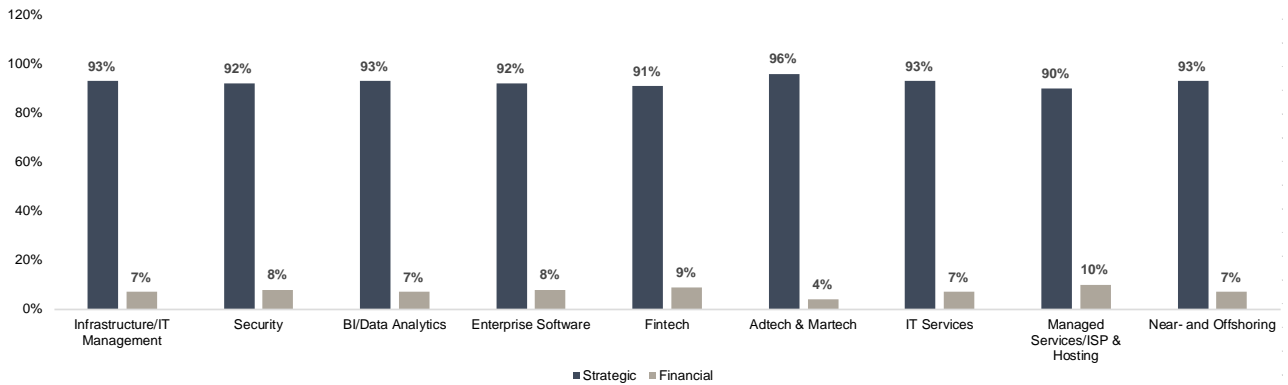
TRADING MULTIPLES PER SUB-CATEGORY



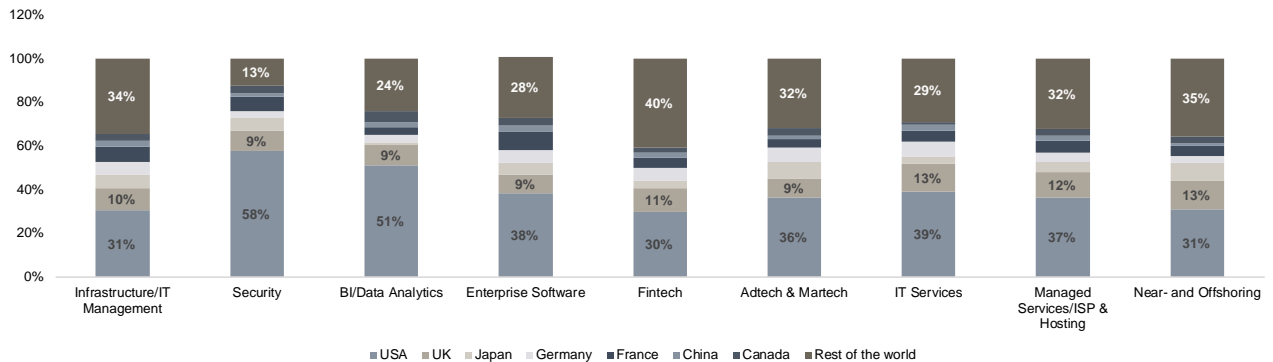
TYPE OF DEALS



TYPE OF BUYERS



COUNTRIES OF THE TARGETS

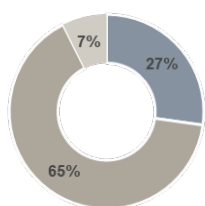


INFRASTRUCTURE & IT MANAGEMENT TRANSACTION ACTIVITY

TRENDS IN M&A

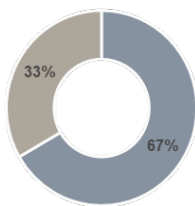
- Cloud was again a buzzword in 2017 as system infrastructure continues to move from traditional mainframes to virtual networks.
- The increased demand and recurring revenue models of IaaS and SaaS businesses is elevating valuations and attracting financial buyers.
- The mean EV/EBITDA multiples tracked by CFI in the sub-sector are up to 11.5% against a 3 year average, set to rise a further 6.9%.
- Those companies providing services to datacenters are also seeing improving valuations as they become a key function of the technologic ecosystem, providing storage and processing capacity.
- The US is still the key geography for M&A activity accounting for 31% transactions, slightly up from its 27% contribution in 2016.
- Cross-border activity remained buoyant in 2017, with acquisitions by corporates generally being unfazed by political uncertainties and exchange rate fluctuations, as corporates are in need for greater capabilities and market share.
- Attention will now be turned to companies abilities to efficiently integrate and extract value from acquisitions and pursue future targets.

TRANSACTIONS BY BUYER TYPE



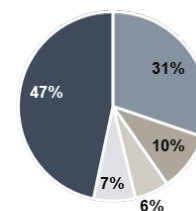
■ Same sector ■ Different sector ■ Financial sector

CROSS-BORDER TRANSACTIONS



■ Domestic ■ Cross border

TARGET COUNTRIES



■ United States
■ Japan
■ Germany
■ United Kingdom
■ France

STOCK MARKET VALUATIONS

Company	Country HQ	Revenues FY 2016	Revenues FY 17 *	Revenues FY 18 *	EBITDA FY 2016	Market Cap	EV/ Revenues	EV/EBITDA current	EV/EBITDA 3 year avg	EV/EBITDA next FY
Akamai Technologies, Inc.	United States	2,115	2,049	2,215	728	8,901	5.8x	17.0x	15.0x	16.3x
Arista Networks, Inc.	United States	1,021	1,352	1,717	238	15,088	7.2x	30.7x	18.9x	15.0x
CA, Inc.	United States	3,680	3,476	3,536	1,353	11,652	4.6x	12.5x	11.8x	13.8x
Citrix Systems, Inc.	United States	3,090	2,325	2,373	929	11,125	5.2x	17.4x	15.3x	19.0x
CommVault Systems, Inc.	United States	593	582	639	9	1,970	4.3x			
F5 Networks, Inc.	United States	1,894	1,786	1,762	574	7,198	5.1x	17.0x	13.8x	13.9x
Micro Focus International plc	United Kingdom	1,264	3,070	3,409	583	10,942	6.3x	13.7x	8.3x	7.6x
NetApp, Inc.	United States	5,048	4,784	4,951	849	13,603	3.1x	18.7x	17.2x	14.6x
NetScout Systems, Inc.	United States	1,070	871	871	207	1,943	3.1x	15.9x	14.9x	18.3x
Pegasystems Inc.	United States	678	666	734	59	3,151	4.0x	46.6x	29.7x	35.2x
Software AG	Germany	872	886	914	263	3,666	3.9x	12.9x	10.7x	12.0x
Progress Software Corporation	United States	356	331	333	125	2,046	5.2x	14.7x	12.8x	12.8x
Radware Ltd.	Israel	178	172	186	-2	708	4.6x		48.6x	69.9x
Red Hat, Inc.	United States	2,191	2,395	2,765	381	18,041	6.2x	35.8x	29.7x	20.7x
ServiceNow, Inc.	United States	1,257	1,582	2,073	-62	19,740	10.4x			37.6x
VMware, Inc. Class A	United States	6,412	6,486	7,122	1,660	11,204	2.7x	10.4x	8.6x	7.1x
Mean							5.1x	20.3x	18.2x	20.9x
Median							4.9x	17.0x	14.9x	15.0x

SELECT TRANSACTIONS 2017

Announced date	Buyer	Target	Target description	Enterprise Value ('EV')	EV/ Revenues	EV/ EBITDA
Nov-2017	Montagu Private Equity	Servelec	Provider of mission critical control systems and software specialist for large corporates	GBP 218.7m	3.67x	13.27x
Oct-2017	Cincinnati Bell	OnX Enterprise Solutions	Hybrid IT solutions provider	USD 201m	0.33x	6.93x
Sep-2017	ManTech	InfoZen	Provider of IT modernization and DevOps solutions	USD 180m		
Jul-2017	HIG Capital	NCI	Diversified IT management including system engineering, software development and system management	USD 272.3m	0.82x	9.04x
May-2017	PRA Health Services	Parallel 6	Cloud-based software solutions for healthcare focussed businesses	USD 58.1m		
Mar-2017	CA Technologies	Veracode	Automated online assesment platform for security analysis	USD 614m		
Jan-2017	HP Enterprises	SimpliVity	Hyper converged infrastructure solutions	USD 650m		
Jan-2017	CA Technologies	Automic	IT automation software and infrastructure	EUR 600m		

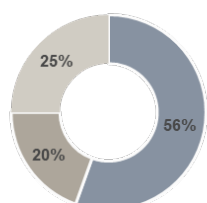


SECURITY TRANSACTION ACTIVITY

TRENDS IN M&A

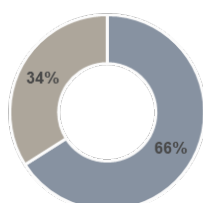
- M&A continues to be a priority for strategic acquirers and financial investors alike in an attempt to drive revenue growth and maintain or grow market positions. The recent cybersecurity threats increase the companies' awareness to reconsider and invest in their IT environment. These market dynamics stimulate the M&A activity (in number of transactions as well the EBITDA multiple) in the cyber security sector.
- IT security proves to be a high-growth sector and is undergoing significant disruption as best-of-breed threat detection and response techniques continue to evolve.
- Such dynamics have positively impacted the valuation of security vendors and services companies alike, as can be derived from the median EBITDA multiple for stock-listed.
- Cross-border activities shows a strong and sustained growth, while domestic transactions took place mainly in North America, where the majority of strategic buyers are located.

TRANSACTIONS BY BUYER TYPE



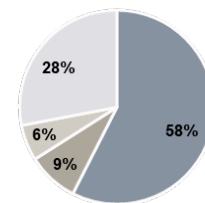
Same sector Different sector Financial sector

CROSS-BORDER TRANSACTIONS



Domestic Cross border

TARGET COUNTRIES



United States United Kingdom France Other

STOCK MARKET VALUATIONS

Company	Country HQ	Revenues FY 2016	Revenues FY 17 *	Revenues FY 18 *	EBITDA FY 2016	Market Cap	EV/Revenues	EV/EBITDA current	EV/EBITDA 3 year avg	EV/EBITDA next FY
Barracuda Networks, Inc.	United States	320	311	335	35	1,206	3.8x	35.0x	39.3x	20.8x
Check Point Software Technologies Ltd.	Israel	1,574	1,529	1,624	784	13,678	9.7x	19.5x	17.9x	18.1x
SecureWorks Corp. Class A	United States	389	383	415	-24	84				
CyberArk Software Ltd.	Israel	196	212	252	38	1,211	8.7x	44.5x	36.5x	37.0x
FireEye, Inc.	United States	646	611	658	-265	2,270	5.5x			
Fortinet, Inc.	United States	1,153	1,225	1,396	87	6,306	5.2x	69.0x	42.3x	23.5x
Intercede Group plc	United Kingdom	10	10		-5	17	4.0x			
F-Secure Oyj	Finland	158	171	188	27	666	4.1x	23.6x	22.8x	35.9x
Palo Alto Networks, Inc.	United States	1,611	1,483	1,786	-92	11,335	7.7x			
Proofpoint, Inc.	United States	339	419	543	-38	3,529	10.5x			
Qualys, Inc.	United States	179	189	220	43	1,981	7.3x	30.6x	24.8x	18.7x
Imperva, Inc.	United States	239	265	311	-47	1,235	6.0x			
Sophos Group Plc	United Kingdom	483	520	614	16	3,431	3.6x		23.2x	14.7x
VeriSign, Inc.	United States	1,033	959	994	673	9,092	10.7x	16.4x	16.2x	16.4x
Varonis Systems, Inc.	United States	149	173	206	-12	1,176	5.3x			
Trend Micro Incorporated	Japan	1,098	1,090	1,167	379	6,405	5.3x	15.4x	15.9x	16.2x
VASCO Data Security International, Inc.	United States	174	156	166	18	467	3.8x	35.7x	27.5x	35.4x
Zix Corporation	United States	54	54	58	11	205	5.1x	26.3x	21.7x	18.4x
Mean							6.3x	31.6x	26.2x	23.2x
Median							5.3x	28.4x	23.2x	18.7x

SELECT TRANSACTIONS 2017

Announced date	Buyer	Target	Target description	Enterprise Value ("EV")	EV/Revenues	EV/EBITDA
Nov-2017	Thoma Bravo, LLC	Barracuda Networks Inc	Engaged in manufacturing, designing and delivering security, data storage, protection and storage solutions	€1,133m	3.4x	31.1x
Aug-2017	MML Capital Partners LLP	CSI Limited	Application and security managed service provider	€31m	0.7x	6.2x
Aug-2017	DigiCert, Inc	Symantec Corp (website security and related PKI solutions business)	Website security and related PKI solutions business of Symantec Corporation	€802m		
Jul-2017	OpenText Corp	Guidance Software, Inc	Engaged in the provision of digital investigative solutions	€170m	1.6x	
Apr-2017	Belgacom International Carrier Services	TeleSign Holdings, Inc	Communications platform as a service company providing of internet security and authentication services operating as mobile network operator	€211m	2.2x	
Mar-2017	CA Technologies	Veracode, Inc	Engaged in providing a cloud-based application platform	€580m		
Jan-2017	Auxilio Inc	CynergisTek, Inc	Provider of IT security consulting services	€25m	1.8x	5.3x

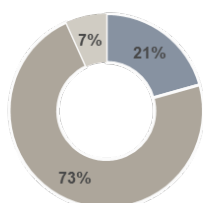


BI / DATA ANALYTICS TRANSACTION ACTIVITY

TRENDS IN M&A

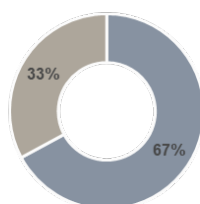
- IDC, a global provider of market intelligence, estimates that the quantity of data will double every two years through 2020 to reach 44 trillion GBs. Due to the size and complexity of big data sets, traditional data processing applications are seen as inadequate. While the volume of data becomes largely unimportant beyond a certain point, it is what organizations are able to do with the data that matters.
- As businesses look for new ways to benefit from the huge amount of data that is now available to them, their applications become more essential, and an organization's ability to leverage that data will become imperative.
- To accommodate this increase in data, IT is in a transformative shift towards next generation big data technologies. These will enable organizations to manage and process far greater amounts of data in real time and at significantly lower costs, increasing its adoption by organizations.
- The big data market size was USD 22.6 billion and is expected to increase to USD 92.2 billion by 2026.
- According to Statista the largest big data segment is currently professional services and counts for 38% of the total market share.

TRANSACTIONS BY BUYER TYPE



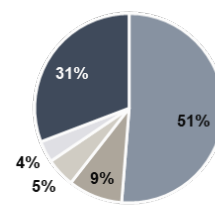
Same sector Different sector Financial sector

CROSS-BORDER TRANSACTIONS



Domestic Cross border

TARGET COUNTRIES



United States United Kingdom
Canada France
Other

STOCK MARKET VALUATIONS

Company	Country HQ	Revenues FY 2016	Revenues FY 17 *	Revenues FY 18*	EBITDA FY 2016	Market Cap	EV/ Revenues	EV/EBITDA current	EV/EBITDA 3 year avg	EV/EBITDA next FY
Datawatch Corporation	United States	33	31	33	-3	114	2.7x			
Hortonworks, Inc.	United States	167	212	269	-220	1,180	3.4x			
Inovalon Holdings, Inc. Class A	United States	387	371	400	69	749	3.7x	20.4x	12.1x	15.5x
MicroStrategy Incorporated Class A	United States	465	412	405	113	1,066	5.0x	20.5x	15.3x	
Open Text Corporation	Canada	2,102	1,950	2,285	700	7,269	5.1x	15.4x	13.0x	16.2x
Splunk Inc.	United States	860	1,021	1,282	-282	10,072	8.7x			
Tableau Software, Inc. Class A	United States	748	715	776	-87	3,742	4.2x			
Teradata Corporation	United States	2,099	1,762	1,786	449	4,041	2.3x	10.7x	13.5x	15.9x
Mean							4.4x	16.8x	13.5x	15.9x
Median							3.9x	17.9x	13.2x	15.9x

SELECT TRANSACTIONS 2017

Announced date	Buyer	Target	Target description	Enterprise Value ("EV")	EV/ Revenues	EV/ EBITDA
Nov-2017	Odyssey Investment Partners LLC; TrialCard, Inc. /Private Group/	TrialCard, Inc.	TrialCard, Inc. provides customer related solutions to pharma industry. It offers analytics, customer experience management, patient affordability, pharmacy, product access support and tailored services which include adherence measures, business intelligence case management and navigation services.	EUR 420m		
Sep-2017	Nasdaq, Inc.	eVestment Alliance LLC	eVestment Alliance LLC provides investment information and analytic technology services.	EUR 591m	8.9x	
Aug-2017	Pharmaceutical Research Associates, Inc.	Symphony Health Solutions Corp.	Symphony Health Solutions Corp. provides data, applications, analytics, and consulting services to help life sciences companies.	EUR 451m		
Jun-2017	Link Administration Holdings Ltd.	Capita Asset Services (UK) Ltd.	Capita Asset Services (UK) Ltd. provides loan administration, facility agent and asset management.	EUR 1,007m	76.1x	
Jun-2017	Ontario Teachers' Pension Plan Board; Apollo Global Management LLC;	CareerBuilder LLC	CareerBuilder LLC provides end-to-end human capital solutions. The firm specializes in human resources software-as-a-service to help companies with the recruitment process from acquire to hire.	EUR 560m		
May-2017	London Stock Exchange Group Plc	Citigroup, Inc. /2 Subsidiaries /	Citigroup, Inc. is a global financial services holding company, which engages in the provision of a range of financial products and services including consumer banking and credit, corporate and investment banking, securities brokerage, trade and securities services, and wealth management.	EUR 613m	6.4x	14.9x
May-2017	Government of Singapore; Temasek Capital Pte Ltd.	Global Healthcare Exchange LLC	Global Healthcare Exchange LLC provides supply chain automation services for the healthcare sector. The firm also offers consulting services. It offers purchasing automation, contract, price, item master management, requisition, sales data analytics, e-commerce, master data management, price alignment and invoice services.	EUR 1,624m		
May-2017	INC Research Holdings, Inc.	InVentiv Group Holdings, Inc.	InVentiv Group Holdings, Inc. provides outsourced clinical development and commercialization services to biopharmaceutical companies.	EUR 3,855m	1.8x	16.5x
Jan-2017	Hewlett Packard Enterprise Co.	SimpliVity Corp.	SimpliVity Corp. provides hyperconverged infrastructure that accelerates the deployment of resources and workloads.	EUR 613m		
Jan-2017	Gartner, Inc.	CEB, Inc.	CEB, Inc. is a best practice insight and technology company. It provides tools and solutions for talent, customer and operations management.	EUR 3,086m	3.4x	15.2x

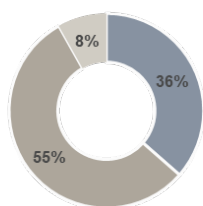


ENTERPRISE SOFTWARE TRANSACTION ACTIVITY

TRENDS IN M&A

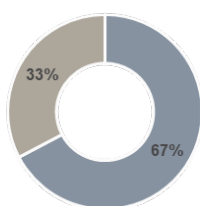
- Strong M&A activity in the sector with 748 deals in 2017 with an increase in domestic transactions, compared to 2016.
- Retraction of private equity acquisitions, that represented 8% of the total transactions versus a significant 27% in 2016.
- Strong performances in the public markets and higher valuations on the tracked indices.
- USA is under the buyers radar, counting for 38% of the transactions in the sector.
- In terms of transaction value, we highlight Moody's Corp./Bureau van Dijk Electronic Publishing BV (EUR 3 billion), SoftBank Group Corp./Fortress Investment Group LLC (EUR 2.9 billion) and Hyland Software, Inc.; Thoma Bravo LLC/Lexmark International, Inc. (EUR 1.3 billion)
- Google was the most acquisitive company in the sector (12) followed by Aurum (7), HgCapital (7), Microsoft (7) and Providence Equity (7).

TRANSACTIONS BY BUYER TYPE



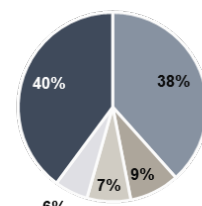
Same sector Different sector Financial sector

CROSS-BORDER TRANSACTIONS



Domestic Cross border

TARGET COUNTRIES



United States United Kingdom France Germany Other

STOCK MARKET VALUATIONS

Company	Country HQ	Revenues FY 2016	Revenues FY 17 *	Revenues FY 18*	EBITDA FY 2016	Market Cap	EV/Revenues	EV/EBITDA current	EV/EBITDA 3 year avg	EV/EBITDA next FY
AVEVA Group plc	United Kingdom	256	255	266	67	2,076	6.0x	23.1x	21.4x	25.0x
Constellation Software Inc.	Canada	1,921	2,022	2,339	482	10,962	5.1x	20.3x	16.9x	18.6x
Dassault Systemes SA	France	3,056	3,211	3,453	919	24,053	7.2x	24.1x	20.7x	20.6x
Enghouse Systems Limited	Canada	224	216	227	64	1,099	5.0x	17.6x	18.9x	18.7x
International Business Machines Corporation	United States	72,247	64,738	64,901	15,100	124,110	2.7x	13.1x	11.2x	12.8x
Intuit Inc.	United States	4,734	4,382	4,703	1,491	33,967	6.3x	19.9x	17.6x	18.0x
Micro Focus International plc	United Kingdom	1,264	3,070	3,409	583	10,942	6.3x	13.7x	8.3x	7.6x
Microsoft Corporation	United States	82,008	82,954	87,501	30,499	559,835	7.4x	20.0x	17.5x	18.7x
Oracle Corporation	United States	34,611	32,771	33,919	14,428	168,099	6.9x	16.6x	15.5x	15.7x
SAP SE	Germany	22,062	23,484	24,877	6,433	111,757	5.1x	17.7x	15.2x	15.3x
Sage Group plc	United Kingdom	1,969	1,933	2,141	572	9,808	4.7x	16.2x	16.1x	17.6x
Mean							5.7x	18.4x	16.3x	17.2x
Median							6.0x	17.7x	16.9x	18.0x

SELECT TRANSACTIONS 2017

Announced date	Buyer	Target	Target description	Enterprise Value ('EV')	EV/Revenues	EV/EBITDA
Dec-17	ModusLink Global Solutions, Inc.	IWCO Direct, Inc.	Direct mail marketing services provider	EUR 404m		5.79
Out-17	Emerson Electric Co.	Paradigm Ltd.	Enterprise software solutions to the oil and natural gas exploration industry	EUR 451m		
Out-17	SIRIS Capital Group LLC	Intralinks Holdings, Inc.	Provider of inter-enterprise content management and collaboration solutions	EUR 879m		26.02
Jul-17	The Sage Group Plc	Intacct Corp.	Cloud-based accounting and financial management solutions provider	EUR 730m		
Jun-17	Consortium of investors led by HgCapital	Visma Group	Provider of business software to SMBs	GBP 4.2bn	5.7x	+/- 23.7x
May-17	Moody's Corp.	Bureau van Dijk Electronic Publishing BV	Publisher of electronic business and company information	EUR 3bn		23.09
May-17	Thoma Bravo LLC	Lexmark International, Inc.	Software solutions and services provider	EUR 1.4bn		
Mar-17	Wolters Kluwer	Tagetik	Developer of corporate performance management software	EUR 300m	5.3x	
Feb-17	Advent International	CCC Information Systems	SaaS-based software provider to automotive, insurance and collision repair industries			
Jan-17	Thomas Bravo	Planview	Software solutions in work and resource management	USD 102m	1.3x	

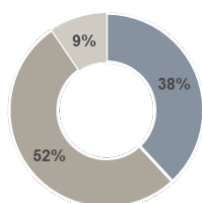


FINTECH TRANSACTION ACTIVITY

TRENDS IN M&A

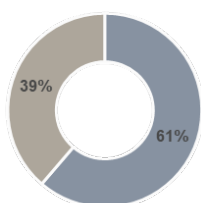
- Contrary to HY1 2017, financial investors have become less important as buyers of Fintech companies.
- The dominance of investors from the same sector has diminished throughout HY2; in contrast, the share of buyers from a different sector has grown from 33% to more than 50%.
- The share of cross-border deals has slightly increased from 33% to 39% while the target landscape is dominated by companies located in the US, Germany, the UK and France.
- In the area of stock market valuations, revenue multiples have significantly grown from 3.3x to 4.1x; the growth of EBITDA multiples is even larger from 10.5x to 15.6x.
- The fifteen largest comparable transactions in the Fintech sector are all above EUR 2 billion with (disclosed) EBITDA multiples between 10.0x and 25.2x.

TRANSACTIONS BY BUYER TYPE



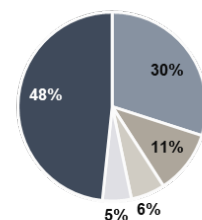
Same sector Different sector Financial sector

CROSS-BORDER TRANSACTIONS



Domestic Cross border

TARGET COUNTRIES



United States United Kingdom Germany France Other

STOCK MARKET VALUATIONS

Company	Country HQ	Revenues FY 2016	Revenues FY 17 *	Revenues FY 18 *	EBITDA FY 2016	Market Cap	EV/Revenues	EV/EBITDA current	EV/EBITDA 3 year avg	EV/EBITDA next FY
Basware Oyj	Finland	149	150	160	13	662	4.1x			
Bottomline Technologies (de), Inc.	United States	321	296	309	31	1,209	3.8x	40.4x	26.9x	17.5x
Dalyns SA	Belgium	64			-3	162	2.3x			
Earthport plc	United Kingdom	35	35	39	-6	60	4.3x			
Fidelity National Information Services, Inc.	United States	8,354	7,548	7,582	2,489	26,575	4.1x	13.7x	12.2x	13.6x
Fiserv, Inc.	United States	4,977	4,687	4,952	1,687	23,469	5.3x	15.7x	13.7x	15.7x
Ingenico Group SA	France	2,312	2,481	2,817	451	5,826	3.0x	15.2x	15.8x	13.6x
Jack Henry & Associates, Inc.	United States	1,313	1,189	1,243	463	7,841	5.1x	14.3x	12.8x	15.5x
PayPoint plc	United Kingdom	252	135	138	71	700	3.6x	12.7x	12.2x	13.1x
QIWI Plc Sponsored ADR Class B	Cyprus	245	178	200	80	609	3.7x	11.4x	11.7x	11.6x
SimCorp A/S	Denmark	301	339	368	76	2,004	6.5x	25.7x	21.4x	22.1x
Temenos Group AG	Switzerland	573	600	677	311	7,646	9.0x	16.5x	16.5x	23.0x
Worldline SA	France	1,309	1,598	1,740	259	5,657	3.1x	15.5x	12.1x	12.1x
Worldpay Group Plc	United Kingdom	1,371	1,402	1,524	567	9,807	6.7x	16.1x	13.8x	15.9x
Mean							4.6x	17.9x	15.4x	15.8x
Median							4.1x	15.5x	13.7x	15.5x

SELECT TRANSACTIONS 2017

Announced date	Buyer	Target	Target description	Enterprise Value ("EV")	EV/Revenues	EV/EBITDA
Jan-17	Cardtronics	DirectCash Payments	DirectCash Payments, Inc. operates ATMs and debit terminals. It also offers prepaid cards in Australia and the United Kingdom, as well as ATM services in Mexico and the U. S.	448	1.45x	6.13x
Feb-17	Green Dot Corp	UniRush	UniRush LLC provides prepaid debit card services. Its prepaid debit cards are used to deposit money, withdraw cash, make purchases, shop online, and pay bills. The firm empowers cardholders to take control of their financial futures.			
Mar-2017	Vista Equity Partners	DH. Corp	DH. Corp provides payments, lending and financial solutions to banks, specialty lenders, credit unions, governments, and corporations worldwide.	3447	2.55x	9.85x
Apr-2017	TA Associates	ITRS Group	ITRS Group is an international software vendor to the financial services sector, offering real-time monitoring and analytics software.			
May-2017	Mastercard	Vocalink	Vocalink is a payment systems company that designs, builds and operates the UK payments infrastructure.			
Jul-2017	First Data	CardConnect	A US-based omnichannel payments processor.	624	0.89x	50.92x
Jul-2017	The Sage Group	Intacct Corp	Sage Intacct provides cloud-based accounting and financial management solutions. The firm's offers include accounts payable, accounts receivable, cash management, revenue, inventory, order management and purchasing products.			
Nov-2017	Red Ventures	Bankrate	Bankrate is an online provider of financial services for consumers	1364	2.55x	13.85x
Dec-17	JPMorgan Chase & Co	WePay	WePay, Inc. provides payments as a service for online platforms and marketplaces. It powers payments for online platforms. The firm protects its partners from risk and regulatory exposure, while supporting end-users.			
Dec-17	Fintrax	Planet payments	Planet Payment provides international payment, transaction and multi-currency processing services. The company offers banks and their merchants with innovative services to accept, process and reconcile electronic payments.	211	3.55x	15.33x

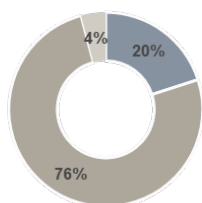


ADTECH & MARTECH TRANSACTION ACTIVITY

TRENDS IN M&A

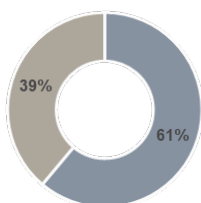
- With a share of 4%, the role of financial investors in Adtech and Martech transactions is rather limited, especially compared to other sectors.
- Showing a share of 76%, companies from the same sector are the most important buyer type.
- Cross-border transactions amount up to approx. 40% of all transactions, a similar level to other sub-sectors.
- The US dominates the target landscape (36%), followed at some distance by UK (9%), Japan (8%) and Germany (6%).
- Stock market valuations show lower revenue multiples (2.1x) compared with other sub-sectors.
- In contrast, EBITDA multiples are quite high with 14.8x, heading for 15.0x in the upcoming FY 2018.
- The fifteen largest comparable transactions in the Adtech sector range between EUR 200 million and EUR 3 billion with a very broad range of (disclosed) EBITDA multiples up to 44.8x.

TRANSACTIONS BY BUYER TYPE



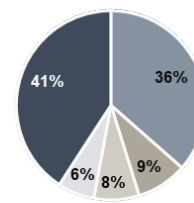
Same sector Different sector Financial sector

CROSS-BORDER TRANSACTIONS



Domestic Cross border

TARGET COUNTRIES



United States United Kingdom
Japan Germany
Other

STOCK MARKET VALUATIONS

Company	Country HQ	Revenues FY 2016	Revenues FY 17 *	Revenues FY 18 *	EBITDA FY 2016	Market Cap	EV/Revenues	EV/EBITDA current	EV/EBITDA 3 year avg	EV/EBITDA next FY
Albert Technologies Ltd	Israel	15			-8	22	2.3x			
Bazaarvoice, Inc.	United States	187	173	184	4	388	2.7x			22.1x
Brightcove Inc.	United States	136	128	136	0	198	2.2x			
Criteo SA Sponsored ADR	France	1,622	763	751	163	1,364	1.7x	16.7x	14.7x	11.1x
HubSpot, Inc.	United States	245	305	389	-30	2,845	6.9x			
Marin Software, Inc.	United States	90			-3	50	1.4x			
Matomy Media Group Ltd	Israel	250			14	84	0.7x	12.3x	12.2x	
New Relic, Inc.	United States	240	287	363	-39	2,608	6.5x			
RhythmOne plc	United States	136	217	349	0	164	1.7x			18.8x
Taptica International Ltd.	Israel	114	173	270	22	320	1.3x	6.3x	6.3x	5.2x
Rubicon Project, Inc.	United States	252	126	91	40	88	2.1x	13.0x	31.3x	
Mean							2.7x	12.1x	16.2x	14.3x
Median							2.1x	12.6x	13.5x	15.0x

SELECT TRANSACTIONS 2017

Announced date	Buyer	Target	Target description	Enterprise Value ('EV')	EV/Revenues	EV/EBITDA
Oct-17	Bain Capital LP; Bain Capital PE LP	ASATSU-DK, Inc	The company engages in the provision of media and communications services. It offers advertising, content planning and production, sales promotion, marketing, and public relations services in various media.	EUR 1,000m	0.4x	16.1x
Sept-17	Shenzhen One Cangjiasu Network Co. Ltd.	MIG Unmobi Technology, Inc.	The company engages in the research and development, manufacture, and sale of mobile e-commerce platform and internet advertisements.	EUR 1,062m	2.9x	44.8x
Aug-17	CBS Corp.	Ten Network Holdings Ltd.	The company is an entertainment and news content company, with focus on free-to-air television, online and digital platforms. It operates through two segments:	EUR 207.2m	0.5x	-28.1x
Jun-17	Dex Media, Inc.	YP Holdings LLC	The company provides print advertising services. The firm operates as a holding company with interests in the business directory publishing and local marketing.	EUR 525.1m	0.3x	
May-17	Blackstone Corporate PE; Expo Holdings I Ltd.	Global Sources Ltd.	The company is a business-to-business media company, which engages in the provision of information and marketing services.	EUR 333.4m	2.4x	11.9x
Apr-17	Oracle Corp.	Moat, Inc.	The company develops technologies and products for brand advertisers and premium publishers. It operates software as a service which focuses on building products for advertisers and publishers.	EUR 797.1m		
Mar-17	Altice NV	Teads France SASU	The company provides advertising services. It offers services through native video, publishing, and advertising.	EUR 285.0m		
Feb-17	ANA HOLDINGS INC.	Peach Aviation Ltd.	The company provides scheduled and non-scheduled air transport services. It offers hotel, car and flight booking services and travel insurance products.	EUR 899.7m	2.2x	
Feb-17	Amobee, Inc.	Turn, Inc.	Turn, Inc. provides online advertising services. It offers digital data centralization, media planning and execution, consumer intelligence, media intelligence and brand intelligence solutions.	EUR 294.2m		
Feb-17	Seek International Investments Pty Ltd.	Zhaopin Ltd.	The company is a holding company that engages in the provision of online recruitment services through its website.	EUR 775.3m	4.1x	16.7x
Feb-17	SoftBank Group Corp.	Fortress Investment Group LLC	The company is a diversified global investment management company that provides investment management services for investment funds and companies, including related managed accounts.	EUR 2,758m	2.6x	10.7x
Feb-17	U-NEXT Co., Ltd.	USEN Corp.	The company engages in cable radio service industry. It operates through the following segments: Music Distribution, Business Systems, Information and Communication Technology (ICT), and Others.	EUR 852.7m	1.3x	5.9x

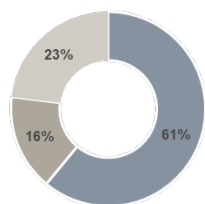


IT SERVICES TRANSACTION ACTIVITY

TRENDS IN M&A

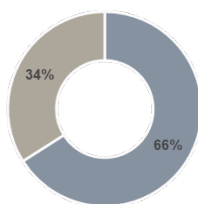
- While some uncertainty still remained in the market in 2017, the M&A market for IT services companies continues to be dynamic. Technology pursues to focus on the consumer and the race for competitive advantage leads business everywhere to embrace the new and the cutting-edge.
- Digital transformation is also opening up whole new markets, creating ecosystems that often extend across multiple sectors.
- The IT Services domain remains one of the most international of all sub-sectors.
- Most of the international buyer arena consists of acquiring companies from the United States, the United Kingdom and Germany.

TRANSACTIONS BY BUYER TYPE



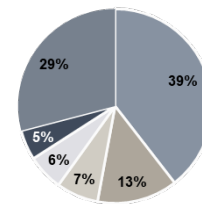
Same sector Different sector Financial sector

CROSS-BORDER TRANSACTIONS



Domestic Cross border

TARGET COUNTRIES



United States United Kingdom Germany Netherlands France Other

STOCK MARKET VALUATIONS

Company	Country HQ	Revenues FY 2016	Revenues FY 17 *	Revenues FY 18*	EBITDA FY 2016	Market Cap	EV/ Revenues	EV/EBITDA current	EV/EBITDA 3 year avg	EV/EBITDA next FY
Accenture Plc Class A	Ireland	33,470	29,570	31,562	5,520	83,171	2.2x	13.4x	12.2x	14.8x
Acando AB Class B	Sweden	233	250	270	23	311	1.2x	12.2x	9.4x	10.7x
Atea ASA	Norway	3,357	3,312	3,466	125	1,323	0.3x	9.3x	6.8x	9.5x
Atos SE	France	11,718	12,754	13,137	1,479	13,413	1.2x	9.7x	7.7x	8.3x
Bechtle AG	Germany	3,094	3,508	3,874	153	3,091	0.7x	15.0x	12.3x	11.6x
Capgemini SE	France	12,539	12,761	13,166	1,671	17,910	1.5x	11.5x	10.7x	10.8x
Capita plc	United Kingdom	5,974	4,869	4,763	821	2,969	1.5x	11.2x	14.9x	14.5x
Computacenter Plc	United Kingdom	3,959	4,232	4,354	138	1,611	0.3x	9.7x	9.3x	9.0x
CGI Group Inc. Class A	Canada	7,480	7,348	7,423	1,211	11,305	1.9x	11.7x	9.7x	10.6x
DXC Technology Co.	United States	6,935	20,013	19,906	1,007	23,530	1.6x	11.3x	5.4x	2.9x
Devoteam SA	France	556	532	586	49	675	1.1x	12.4x	8.3x	10.8x
Fujitsu Limited	Japan	37,969	30,601	30,700	2,885	12,485	0.5x	6.3x	6.2x	7.0x
Ordina N.V.	Netherlands	344			29	155	0.6x	6.7x		
GFI Informatique SA	France	1,015	1,135	1,169	78	515	0.7x	9.0x	7.6x	7.9x
Indra Sistemas, S.A. Class A	Spain	2,709	3,013	3,090	267	2,088	1.3x	13.5x	29.0x	13.3x
NEC Corp.	Japan	22,438	20,755	21,249	1,115	5,994	0.5x	10.6x	10.0x	10.9x
Neurones SA	France	447	487	531	51	686	1.5x	13.7x	11.7x	13.0x
Nippon Telegraph and Telephone Corporation	Japan	95,907	86,983	88,106	25,897	81,054	1.3x	4.9x	4.6x	5.5x
Reply S.p.A.	Italy	781	893	990	87	1,853	1.6x	14.6x	11.4x	10.1x
Sopra Steria Group SA	France	3,741	3,823	3,997	322	3,417	0.9x	10.1x	9.0x	9.1x
Tieto Oyj	Finland	1,492	1,542	1,600	212	2,059	1.4x	10.2x	10.4x	10.5x
Mean							1.2x	10.8x	10.3x	10.0x
Median							1.2x	11.2x	9.6x	10.6x

SELECT TRANSACTIONS 2017

Announced date	Buyer	Target	Target description	Enterprise Value ("EV")	EV/ Revenues	EV/ EBITDA
Nov-2017	Altran Technologies	Aricent	Provides design and engineering services, primarily serving clients of the communications and technology, semiconductor and software industries	€1,700m	3.3x	13.8x
Oct-2017	Orange S.A.	Business & Decision SA	Provides consulting and systems integration services worldwide	€95m	0.4x	8.7x
Jul-2017	Partners Group	Civica Group Limited	Provides software applications, cloud services and IT-enhanced outsourcing solutions	€1,180m	3.8x	18.5x
Jul-2017	BC Partners	PlusServer GmbH	Provides managed server hosting services	€397m	4.0x	11.0x
Jul-2017	H.I.G Capital, LLC	NCI, Inc.	Provides enterprise solutions, information technology, systems engineering and integration services	€238m	0.8x	8.7x
Jun-2017	The Link Group	Capita Asset Services	Services platform, providing shareholder solutions, corporate and private client solutions, fund solutions and banking and debt solutions	€1,010m	2.8x	12.2x
Jun-2017	Sopra Steria Group SA	Kentor IT AB	Provides IT consulting, systems integration and application maintenance services	€40m	1.2x	19.1x
Apr-2017	Eurazeo PME	Smile Open Source Solutions	Provides open source solutions	€100m	1.3x	12.0x
Apr-2017	Capgemini SA	Ciber Inc (North American operations)	North American business of Ciber, covering client-focused assets, employees and operations	€47m	0.2x	n.a.
Feb-2017	Accenture Plc	SinnerSchrader AG	Engaged in design and development of digital products and services	€98m	1.9x	18.5x

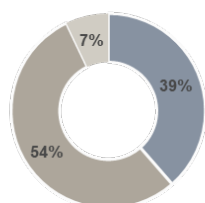


NEAR - AND OFFSHORING TRANSACTION ACTIVITY

TRENDS IN M&A

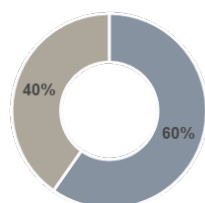
- There is an increasing divergence in the market between low-margin commoditized services and higher value add technology-based solutions.
- This trend has increased the number of buyers from adjacent sectors increasing service provision to improve customer retention.
- Cross-border activity in the sector was more subdued in 2017 than in 2016, due to political uncertainty in key economics.
- India still remains a key hub for large corporates in the sectors such as Infosys, Tech Mahindra and Wipro with continually acquisitive domestically and internationally.
- Valuations in the sector are driven either by geographic/customer diversity or technical capability.
- US-based TELUS, paid a significant premium EBITDA premium for Irish VoxPro in August 2017, but was consistent with sector revenue multiples for the fast growing multilingual customer service specialist.
- We see IT services and process continuing to be outsourced by large corporates that will drive M&A activity in the sector.
- Cross-border activity in 2018 is likely to increase as buyers look further afield for growth, expansion and opportunities.

TRANSACTIONS BY BUYER TYPE



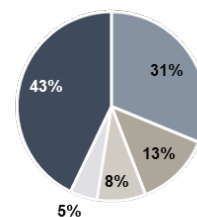
Same sector Different sector Financial sector

CROSS-BORDER TRANSACTIONS



Domestic Cross border

TARGET COUNTRIES



United States United Kingdom
Japan France
Other

STOCK MARKET VALUATIONS

Company	Country HQ	Revenues	Revenues	Revenues	EBITDA	Market Cap	EV/ Revenues	EV/EBITDA current	EV/EBITDA 3 year avg	EV/EBITDA next FY
		FY 2016	FY 2017 *	FY 2018*						
Cognizant Technology Solutions Corp.	United States	12,192	12,190	13,329	2,396	36,004	3.1x	15.8x	15.3x	16.0x
HCL Technologies Limited	India	6,467	6,532	7,220	1,418	16,862	2.8x	12.6x	12.7x	12.3x
Infosys Limited	India	9,311	9,102	9,854	2,580	31,308	4.0x	14.3x	14.9x	15.1x
Larsen & Toubro Infotech Ltd	India	884	923	1,044	167	2,399	1.9x	9.9x		10.2x
Persistent Systems Limited	India	391	402	455	65	779	2.0x	12.0x	13.8x	12.3x
Tata Consultancy Services Limited	India	16,039	15,863	17,392	4,393	69,671	4.3x	15.7x	16.1x	16.4x
Tech Mahindra Limited	India	3,962	3,977	4,361	580	6,974	1.8x	12.6x	13.4x	12.7x
Wipro Limited	India	7,483	7,100	7,561	1,484	19,166	2.9x	14.7x	15.1x	15.0x
Mean							2.8x	13.4x	14.5x	13.8x
Median							2.8x	13.4x	14.9x	13.8x

SELECT TRANSACTIONS 2017

Announced date	Buyer	Target	Target description	Enterprise Value ('EV')	EV/ Revenues	EV/ EBITDA
Dec-2017	TELUS	Xavient Information Systems	Technology and software consultancy and outsourcing services	USD 250m		
Dec-2017	The Carlyle Group	Visionary RCM Infotech	Provider of offshore risk adjustment and medical coding solutions	USD 70.2m		
Nov-2017	Larsen & Toubro Infotech	Syncordis	Specialist pure play Temenos banking service provider	EUR 28.5m		
Sep-2017	Dimension Data Protocol	Nihilent Technologies	Provider of international information technology outsourcing services	USD 73.7m		
Aug-2017	CGI	Summa Technologies	High-end IT outsourcing and consultancy			
Aug-2017	TELUS/Baring Private Equity	VoxPro	Provider of technical support and multilingual customer support	EUR 150m	2.5x	29.4x
May-2017	HTC Global Services	Ciber	Global information technology outsourcing and consultancy	USD 93m		
Apr-2017	Harvest Partners	PRO Unlimited	Provider of vendor-neutral outsourced services and management software	USD 300m		

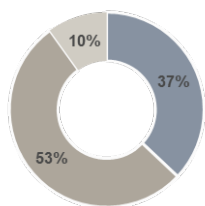


MANAGED SERVICES / HOSTING / ISP TRANSACTION ACTIVITY

TRENDS IN M&A

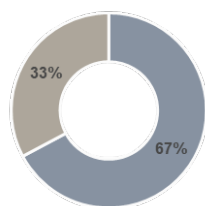
- The managed services companies post higher valuations compared to their (generic) IT services peers, due to the higher level of repeat business from contracts or SLA's.
- Once the underlying infrastructure is in place, economies of scale is a relevant driver for M&A.
- Most of the transactions recorded in 2017 originate from strategic buyers (90%), including notable ones such as United Internet (Strato), Datapipe (Adapt), and Godaddy (HOG). However, the impact of financial sponsors has dropped to 10% compared to 23% in 2016.
- With approximately 90%, strategic buyers are among the most active buyers in the managed services and (cloud) hosting space as players seek economies of scale across global markets.
- In 2017, most cross-border acquirers (67%) in the managed services domain originated from the United States, representing about 37% (27% in 2016) of the transactions.

TRANSACTIONS BY BUYER TYPE



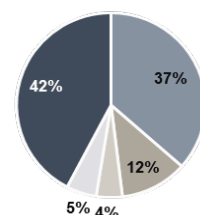
■ Same sector ■ Different sector ■ Financial sector

CROSS-BORDER TRANSACTIONS



■ Domestic ■ Cross border

TARGET COUNTRIES



■ United States ■ Germany ■ United Kingdom ■ France ■ Other

STOCK MARKET VALUATIONS

Company	Country HQ	Revenues FY 2016	Revenues FY 17 *	Revenues FY 18*	EBITDA FY 2016	Market Cap	EV/ Revenues	EV/EBITDA current	EV/EBITDA 3 year avg	EV/EBITDA next FY
Dada S.p.A.	Italy	64	67	71	10	67	1.4x	8.4x	7.3x	7.3x
Endurance International Group Holdings, Inc.	United States	1,004	965	965	206	980	3.2x	15.5x	13.2x	11.9x
GoDaddy, Inc. Class A	United States	1,670	1,831	2,092	190	5,367	2.7x	23.5x	11.7x	10.3x
Internap Corporation	United States	270	230	228	65	255	1.7x	6.9x	9.0x	6.0x
Interxion Holding N.V.	Netherlands	422	483	541	185	3,434	7.6x	17.3x	14.0x	14.5x
iomart Group plc	United Kingdom	106	111	121	41	468	4.2x	10.7x	9.0x	9.7x
Melbourne IT Ltd	Australia	113	131	156	18	269	1.5x	9.1x	7.7x	6.8x
Proact IT Group AB	Sweden	308	333	339	20	167	0.6x	9.3x	7.5x	8.1x
Redcentric Plc	United Kingdom	124	117	116	16	160	1.6x	13.0x	16.5x	9.9x
United Internet AG	Germany	3,949	4,184	5,054	834	11,796	2.4x	11.5x	11.8x	9.1x
Mean							2.7x	12.5x	10.8x	9.4x
Median							2.0x	11.1x	10.4x	9.4x

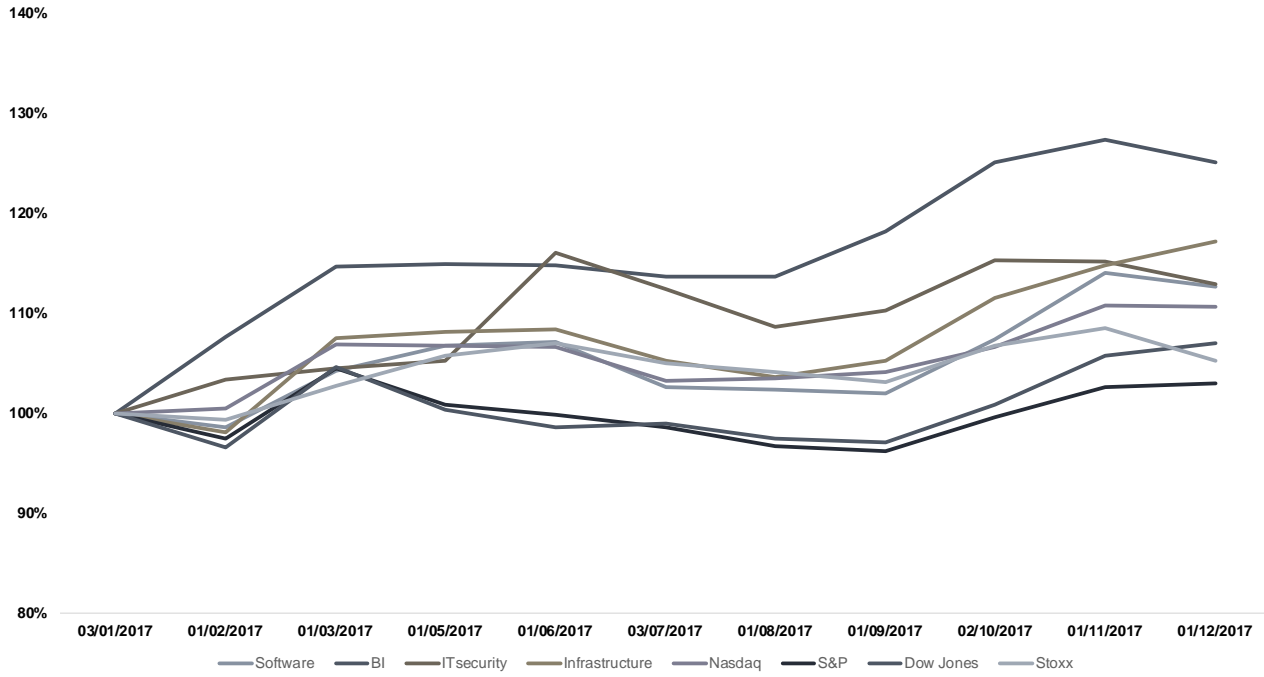
SELECT TRANSACTIONS 2017

Announced date	Buyer	Target	Target description	Enterprise Value ('EV')	EV/ Revenues	EV/ EBITDA
17-Nov-2017	iomart Group Plc	Sonassi Ltd.	Sonassi Ltd. provides hosting services for Magento stores. Its services include back-ups, firewall, PCI compliant, and SSH access.	17.80		
11-Sep-2017	Rackspace Hosting, Inc.	DataPipe Holdings LLC	DataPipe, Inc. engages in managed hosting and cloud services. It offers compliance, infrastructure and security management.			
26-Jul-2017	iomart Group Plc	SimpleServers Ltd.	SimpleServers Ltd. provides cloud computing services. It provides cloud and shared hosting services.			
18-Jul-2017	BC Partners Ltd.	PlusServer GmbH	PlusServer GmbH develops and markets individual hosting and cloud solutions to small and medium-sized enterprises as well as large companies	408.00		4.0
13-Jun-2017	Contegix LLC	Blackmesh, Inc.	Blackmesh, Inc. develops web hosting solutions with unlimited support. It offers big data, DevOps solutions, private cloud, physical dedicated, and remote server management.			
03-May-2017	WebFusion Ltd.	Squidhost Ltd.	Squidhost Ltd. provides hosting services. The firm offers cPanel hosting, decent support, Joomla and wordpress hosting.			
06-Mar-2017	CA, Inc.	Veracode, Inc.	Veracode, Inc. provides software security solutions. It offers application security platform, static analysis, veracode greenlight, etc.	581.30		
01-Feb-2017	Centric Holding BV	Bitlibre BV	Bitlibre BV provides information and communication technology solutions. It develops internet applications for marketers to communicate with their customers.			
24-Jan-2017	Cisco Systems, Inc.	AppDynamics, Inc.	AppDynamics, Inc. provides application performance management tools to analyze, troubleshoot, and manage modern application architectures. It offers application performance management, end-user monitoring, and infrastructure visibility.	3,631.79		18.9

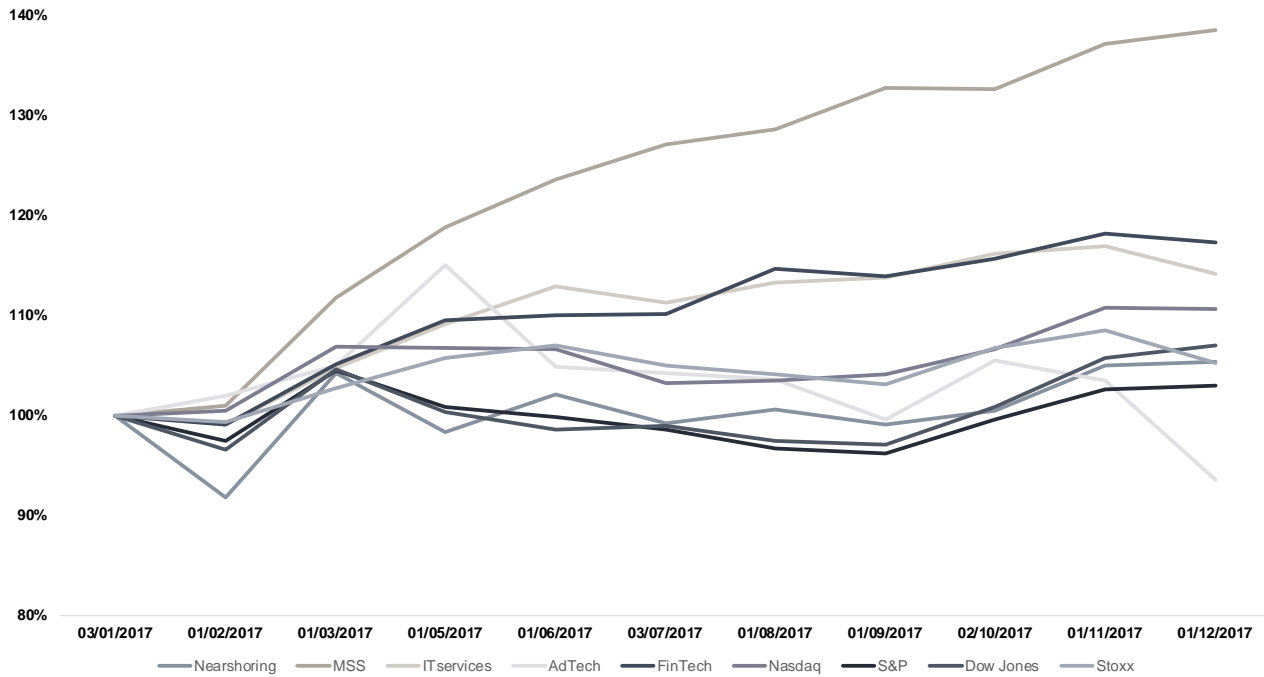


2017 STOCK PERFORMANCE

2017 Stock Performance



2017 Stock Performance

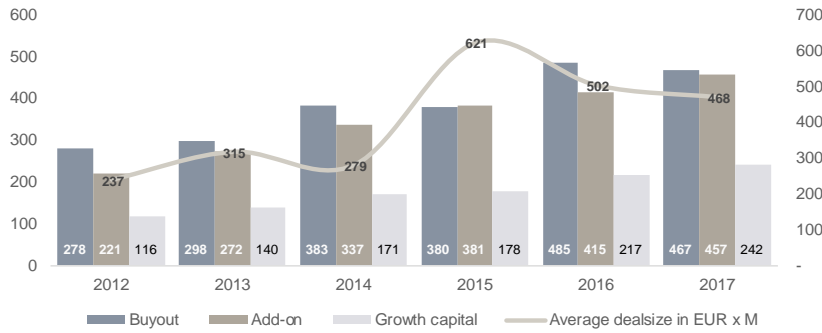


PRIVATE EQUITY DEALS, FUNDING AND LEVERAGE

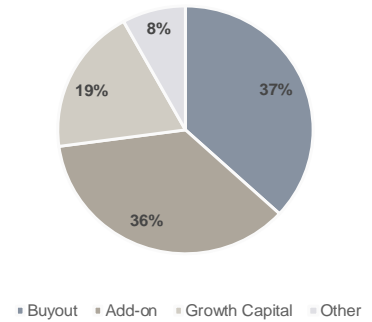
Observations

- Private equity continues to serve as a significant factor in Software and IT Services, M&A valuations and ongoing transaction activities in the various sub-sectors.
- 2017 showed the highest number of Software and IT Services deals in years with 1,268 on record (+3% vis-à-vis 2016).
- The high level of dry powder in 2017 indicates that more private equity M&A appetite may be expected in the first half of 2018.
- As a result of the record distribution levels seen in 2014, private equity fundraising in 2017 was robust, with over 900 vehicles raising \$461 billion over the course of the year. While slightly below 2014 levels, 2017 has been an exciting year for private equity given the liquidity within the investor community.
- However, the challenge of identifying the best investment opportunities at attractive entry prices in a competitive market continue to make it a seller's market. We are likely to see further strong exit activity in 2018 as well.

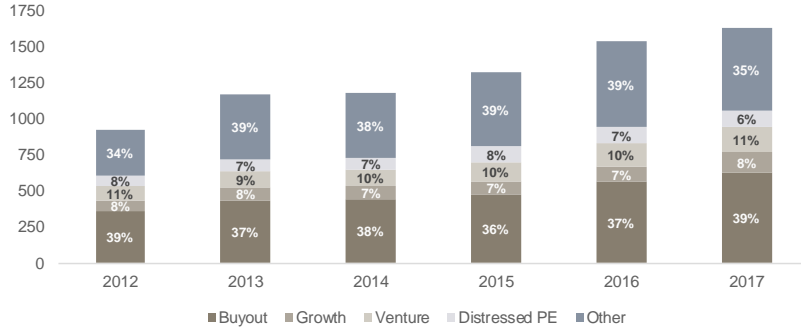
Software & IT Services sector buyout & add-on deals 2012-2017



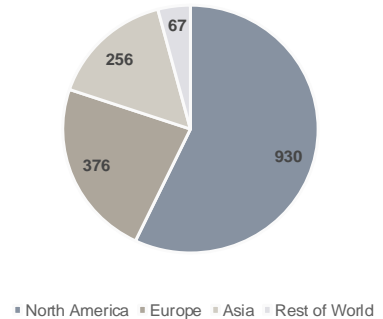
Types of transaction with financial buyers in Software & IT Services deals 2017



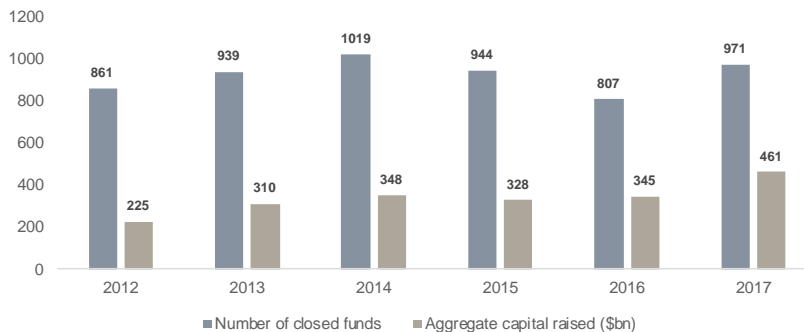
Aggregate level of dry powder annually



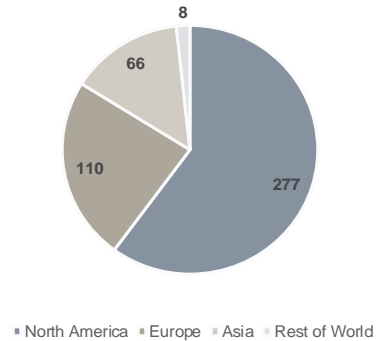
Global aggregate level of dry powder annually 2017 (\$ bn)




























































Global annual private equity fundraising





















































Global annual fundraising by geography 2017 (\$bn)



SELECTION OF TRANSACTIONS IN 2016 & 2017

<p>IT Services</p> <hr/> <p>sopra </p> <p>acquires</p> <p></p> <hr/> <p>Sell-side</p> <hr/> 	<p>Business Intelligence / Data Analytics</p> <hr/> <p></p> <p>&</p> <p></p> <p>acquires</p> <p> </p> <hr/> <p>Sell-side</p> <hr/> 	<p>Enterprise Software</p> <hr/> <p></p> <p>acquires</p> <p></p> <hr/> <p>Buy-side</p> <hr/> 	<p>Enterprise Software</p> <hr/> <p></p> <p>acquires</p> <p></p> <hr/> <p>Sell-side</p> <hr/> 
<p>Infrastructure & IT Management</p> <hr/> <p></p> <p>acquires</p> <p></p> <hr/> <p>Sell-side</p> <hr/>  	<p>Martech</p> <hr/> <p></p> <p>exits</p> <p></p> <hr/> <p>Sell-side</p> <hr/>  	<p>Infrastructure & IT Management</p> <hr/> <p></p> <p>acquires</p> <p></p> <hr/> <p>Buy-side</p> <hr/> 	<p>Enterprise Software</p> <hr/> <p></p> <p>acquires</p> <p></p> <hr/> <p>Sell-side</p> <hr/>  
<p>Digital Services</p> <hr/> <p></p> <p>sells</p> <p></p> <hr/> <p>Sell-side</p> <hr/>  	<p>Tech/ Enabled Services</p> <hr/> <p></p> <p>exits</p> <p></p> <hr/> <p>Buy-side</p> <hr/> 	<p>Infrastructure & IT Management</p> <hr/> <p></p> <p>acquires</p> <p></p> <hr/> <p>Sell-side</p> <hr/>  	<p>Infrastructure & IT Management</p> <hr/> <p></p> <p>acquires</p> <p></p> <hr/> <p>Sell-side</p> <hr/> 
<p>Tech / Enabled Services</p> <hr/> <p></p> <p>acquires</p> <p></p> <hr/> <p>Sell-side</p> <hr/> 	<p>Enterprise Software</p> <hr/> <p></p> <p>acquires</p> <p></p> <hr/> <p>Sell-side</p> <hr/>  	<p>Security</p> <hr/> <p></p> <p>acquires 77.35% of the shares in</p> <p></p> <hr/> <p>Buy-side</p> <hr/>  	<p>Business Intelligence</p> <hr/> <p></p> <p>acquires</p> <p></p> <hr/> <p>Sell-side</p> <hr/> 

SELECTION OF TRANSACTIONS IN 2016 & 2017

<p>Enterprise Software</p> <hr/>  <p>acquires</p>  <p>Self-side</p> <hr/> 	<p>Digital Services</p> <hr/>  <p>has secured \$ 83,500,000 of senior financing</p> <p>Debt advisory</p> <hr/> 	<p>Managed services / Hosting</p> <hr/>  <p>acquires</p>  <p>Self-side</p> <hr/> 	<p>Managed services / Hosting</p> <hr/>  <p>acquires</p>  <p>Buy-side</p> <hr/>  
<p>Tech / Enabled Services</p> <hr/>  <p>acquires</p>  <p>Self-side</p> <hr/>  	<p>Infrastructure & IT Management</p> <hr/>  <p>has recapped with</p>  <p>Self-side</p> <hr/> 	<p>IT Services</p> <hr/>  <p>acquires</p>  <p>Self-side</p> <hr/>  	<p>Application Development</p> <hr/>  <p>acquires</p>  <p>Self-side</p> <hr/> 
<p>Digital Services</p> <hr/>  <p>acquires</p>  <p>Self-side</p> <hr/> 	<p>Security IT Management</p> <hr/>  <p>acquires</p>  <p>Self-side</p> <hr/> 	<p>Fintech</p> <hr/>  <p>acquires</p>  <p>Self-side</p> <hr/> 	<p>Infrastructure & IT Management</p> <hr/>  <p>acquires</p>  <p>Self-side</p> <hr/> 
<p>IT Services</p> <hr/>  <p>acquires</p>  <p>Self-side</p> <hr/> 	<p>Data centers / Colocation</p> <hr/> <p>A group of investors has acquired a minority position in</p>  <p>Buy-side</p> <hr/>  	<p>Martech</p> <hr/>  <p>acquires</p>  <p>Self-side</p> <hr/> 	<p>Enterprise Software Reselling</p> <hr/>  <p>acquires</p>  <p>Self-side</p> <hr/> 

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RESOURCES

- FactSet
- Preqin
- Company Reports
- CFI desk research

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