



**Investment
Banking**

Canaccord Genuity

Canaccord Genuity Digital Transformation Services Update

June 2023



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49

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135+

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Representing Premier Digital Consultancies Across Competencies



Financial Advisor on sale to




Financial Advisor on sale to




Hoodoo



Financial Advisor on sale to




A subsidiary of


Financial Advisor on strategic investment in

a portfolio company of



Financial Advisor on sale to



a portfolio company of



\$1,225,000,000



a portfolio company of



Financial Advisor on sale to



(NYSE and TSX: TIXT)




Financial Advisor on strategic investment from




Financial Advisor on significant investment from




a portfolio company of



Financial Advisor on sale to



Cloud Applications

Digital Software Development

Data, Analytics, Cloud Infrastructure




Financial Advisor on strategic growth equity investment from





a portfolio company of



Financial Advisor on investment from

Financial Advisor on merger with



CORRA


Financial Advisor on sale to



a portfolio company of




(Euronext Paris FR0000130577, CAC 40)




a portfolio company of

RLH Equity Partners

Financial Advisor on sale to




A subsidiary of




(TSE: 4324)

FENOM DIGITAL


Financial Advisor on sale to

Financial Advisor on sale to



a portfolio company of




Financial Advisor on investment from



THE STABLE

a portfolio company of



Financial Advisor on sale to



Digital Marketing

E-Commerce

Digital Experience

Representative Partner Ecosystems



US Senior Leadership: Digital Transformation Services Practice

Sanjay Chadda

Senior Managing Director,
Co-Head of U.S. IB
Co-Head of Technology

- A trusted advisor to CEOs and private equity sponsors
- Joined Canaccord Genuity through the acquisition of Petsky Prunier and co-heads one of the most active investment banking practices focused on the broader technology, marketing, and related services industries
- Has led over 200 transactions during his career and has successfully completed more than 50 transactions since the beginning of 2020 alone



JP Michaud

Managing Director

- Active in the technology-enabled business services sector, where he has significant transaction experience
- Prior to joining Canaccord Genuity, JP was a director at 7 Mile Advisors, a Charlotte-based investment bank, where he led numerous transactions in the technology, business services, and professional services industries



Benjamin Lunka

Managing Director

- Longstanding transaction experience within IT services and digital transformation
- Prior to joining Canaccord Genuity, Ben was a director at 7 Mile Advisors, a Charlotte-based investment bank, where he led numerous transactions in the technology, business services, and professional services industries



Rohan Sura

Director

- Focused on global M&A across sub-sectors in tech-enabled digital services space; advised on more than \$20 billion in M&A transaction value
- Previously advised clients in tech services at Avendus Capital, and across geos/sectors at JP Morgan and Goldman Sachs



Senior UK Team

Julie Langley

Head of Tech
Advisory, UK/EU

James Kesner

Managing Director

Chris Lewis

Managing Director

Dylan Kearns

Managing Director

Richard Latner

Managing Director

Mark Williams

Managing Director

Financial Sponsors Group

Isaiah Knouff

Managing Director,
Co-Head of Financial Sponsors Group

Amy LaBan, CFA

Managing Director,
Co-Head of Financial Sponsors Group

Bryan Cummings

Managing Director,
Financial Sponsors Group

Tenny Field

Managing Director,
Financial Sponsors Group

Canaccord Genuity's Digital Transformation Services M&A Transactions

Recent & Relevant Domain Expertise in the Digital Transformation Sector

 <p>Financial Advisor on strategic investment from</p>  <p>June 2023</p>	 <p>Financial Advisor on strategic investment in</p>  <p>June 2023</p>	 <p>Financial Advisor on investment in</p>  <p>June 2023</p>	<p>C O R R A</p> <p>Financial Advisor on sale to</p>  <p>June 2023</p>	 <p>Financial Advisor on significant investment from</p>  <p>May 2023</p>	 <p>a portfolio company of RLH Equity Partners Financial Advisor on sale to</p>  <p>a subsidiary of dentsu group (TSE: 4324) March 2023</p>	 <p>Financial Advisor on sale to</p>  <p>A portfolio company of</p>  <p>February 2023</p>	 <p>a portfolio company of Frontenac Financial Advisor on sale to</p>  <p>a portfolio company of</p>  <p>January 2023</p>	<p>\$1,225,000,000</p>  <p>a portfolio company of</p>  <p>Financial Advisor on sale to</p>  <p>(NYSE and TSX: TIXT) January 2023</p>
 <p>Financial Advisor on sale to</p>  <p>January 2023</p>	 <p>Financial Advisor on investment from</p>  <p>November 2022</p>	 <p>A portfolio company of</p>  <p>Financial Advisor on acquisition of</p>  <p>November 2022</p>	 <p>a portfolio company of</p>  <p>Financial Advisor on sale to</p>  <p>November 2022</p>	 <p>Financial Advisor on investment in</p>  <p>November 2022</p>	 <p>Financial Advisor on sale to</p>  <p>NYSE: CINT November 2022</p>	 <p>Financial Advisor on majority investment from</p>  <p>October 2022</p>	 <p>a portfolio company of</p>  <p>Financial Advisor on majority investment from</p>  <p>September 2022</p>	 <p>Financial Advisor on growth investment in</p>  <p>August 2022</p>
 <p>Financial Advisor on strategic investment from</p>  <p>August 2022</p>	 <p>a portfolio company of</p>  <p>Financial Advisor on sale to</p>  <p>August 2022</p>	 <p>Financial Advisor on sale to</p>  <p>July 2022</p>	 <p>Financial Advisor on sale to</p>  <p>a portfolio company of</p>  <p>June 2022</p>	 <p>On its formation, initial acquisitions and investment from</p>  <p>May 2022</p>	 <p>Financial Advisor on sale to</p>  <p>March 2022</p>	 <p>Financial Advisor on sale to</p>  <p>March 2022</p>	 <p>Financial Advisor on investment from</p>  <p>January 2022</p>	 <p>a portfolio company of</p>  <p>Financial Advisor on sale to</p>  <p>January 2022</p>
 <p>Financial Advisor on sale to</p>  <p>a portfolio company of</p>  <p>January 2022</p>	 <p>Financial Advisor on sale to</p>  <p>January 2022</p>	 <p>Financial Advisor on sale to</p>  <p>November 2021</p>	 <p>Financial Advisor on acquisition of</p>  <p>November 2021</p>	 <p>Financial Advisor on sale to</p>  <p>November 2021</p>	<p>HATHWAY</p> <p>Financial Advisor on sale to</p>  <p>November 2021</p>	 <p>Financial Advisor on investment from</p>  <p>August 2021</p>	 <p>a portfolio company of</p>  <p>Financial Advisor on acquisition of</p>  <p>July 2021</p>	 <p>Financial Advisor on sale to</p>  <p>June 2021</p>

Leader in Technology Industry M&A Advisory

US Mid-Market TMT Advisory¹

Rank	Firm Name	LTM 3/31/23
1	 Canaccord Genuity	58
2	Lincoln International	28
3	Houlihan Lokey	20
4	Morgan Stanley	17
4	William Blair	17
6	Jefferies	16
6	Goldman Sachs	16
8	Moelis	13
8	Raymond James	13
10	RBC	10

US Mid-Market Media & Information Services Advisory¹

Rank	Firm Name	LTM 3/31/23
1	 Canaccord Genuity	46
2	Houlihan Lokey	11
3	Lincoln International	8
4	JEGI	7
5	Evercore	6
6	Moelis	5
6	William Blair	5
6	Progress Partners	5
6	Raymond James	5
10	Cowen	4

Select Representative Technology M&A Transactions Completed in the Last Twelve Months

 A portfolio company of  Financial Advisor on sale of its healthcare vertical business to  Pending	 Financial Advisor on strategic investment from  June 2023	 Financial Advisor on strategic investment in  June 2023	 Financial Advisor on investment in  June 2023	 Financial Advisor on sale to  June 2023	 Financial Advisor on sale to  A portfolio company of  May 2023	 Financial Advisor on significant investment from  May 2023	 Financial Advisor on investment from  May 2023
 a portfolio company of  Financial Advisor on sale to  April 2023	 Financial Advisor on sale to  April 2023	 Financial Advisor on strategic growth equity investment from  March 2023	 A portfolio company of  Financial Advisor on sale to  March 2023	 a portfolio company of RLH Equity Partners Financial Advisor on sale to  a subsidiary of  (TSE: 4324) March 2023	 A portfolio company of  Financial Advisor on sale to  A portfolio company of  NEW MOUNTAIN CAPITAL LLC March 2023	 a portfolio company of  Financial Advisor on sale to  ATHYRIUM February 2023	 Financial Advisor on sale to  A portfolio company of  February 2023

Select Representative Technology M&A Transactions Completed in the Last Twelve Months

 <p>Financial Advisor on strategic investment in</p>  <p>February 2023</p>	<p>\$1,225,000,000</p>  <p>a portfolio company of</p>  <p>Financial Advisor on sale to</p>  <p>January 2023</p>	 <p>a portfolio company of</p>  <p>Financial Advisor on sale to</p>  <p>a portfolio company of</p>  <p>January 2023</p>	 <p>Financial Advisor on sale to</p>  <p>a portfolio company of</p>  <p>January 2023</p>	<p>FENOM DIGITAL</p> <p>Financial Advisor on sale to</p>  <p>January 2023</p>	 <p>Financial Advisor on investment from</p>  <p>November 2022</p>	 <p>Financial Advisor on investment in</p>  <p>November 2022</p>	<p>aspiresent</p> <p>a portfolio company of</p>  <p>Financial Advisor on sale to</p>  <p>November 2022</p>
 <p>Financial Advisor on investment in</p>  <p>November 2022</p>	 <p>Financial Advisor on sale to</p>  <p>NYSE: CINT November 2022</p>	 <p>a portfolio company of</p>  <p>Financial Advisor on investment from</p>  <p>October 2022</p>	 <p>Financial Advisor on majority investment from</p>  <p>October 2022</p>	 <p>Financial Advisor on sale to</p>  <p>October 2022</p>	 <p>a portfolio company of</p>  <p>Financial Advisor on majority investment from</p>  <p>September 2022</p>	 <p>Financial Advisor on strategic investment from</p>  <p>September 2022</p>	 <p>Financial Advisor on sale to</p>  <p>A portfolio company of</p>  <p>September 2022</p>
 <p>Financial Advisor on growth investment from</p>  <p>September 2022</p>	 <p>Financial Advisor on sale to</p>  <p>September 2022</p>	 <p>Financial Advisor on growth investment in</p>  <p>August 2022</p>	 <p>Financial Advisor on strategic investment from</p>  <p>August 2022</p>	 <p>Financial Advisor on growth investment from</p>  <p>August 2022</p>	<p>THE STABLE</p> <p>a portfolio company of</p>  <p>Financial Advisor on sale to</p>  <p>August 2022</p>	 <p>Financial Advisor on strategic investment from</p>  <p>August 2022</p>	 <p>HEALTHCARE COMMUNICATIONS[®] Ideas that resonate</p> <p>Financial Advisor on sale to</p>  <p>August 2022</p>
 <p>Financial Advisor on sale to</p>  <p>July 2022</p>	 <p>a portfolio company of</p>  <p>Financial Advisor on strategic investment from</p>  <p>July 2022</p>	 <p>Financial Advisor on merger with</p>  <p>a portfolio company of</p>  <p>July 2022</p>	 <p>Financial Advisor on sale to</p>  <p>July 2022</p>	 <p>Financial Advisor on sale to</p>  <p>July 2022</p>	<p>WorkStride</p> <p>Financial Advisor on sale to</p>  <p>a portfolio company of</p>  <p>July 2022</p>	 <p>Financial Advisor on sale to</p>  <p>a portfolio company</p>  <p>June 2022</p>	 <p>\$70,600,000</p> <p>Financial Advisor on sale to</p>  <p>June 2022</p>

Leading Global Underwriter Since 2022

CG finished May as the leading global underwriter and a top global bookrunner since 2022

- Leveraging global capabilities, CG ranks as the leading global underwriter and one of the top global bookrunners since 2022
- Underwriter on 470 total financings; Bookrunner on 363
- Transactions across US, Canada, Australia, and UK platforms

Select CG Financings

immur.gen

\$373,750,000
Follow-on Offering
Lead Manager
May 2023

**VULCAN ENERGY
ZERO CARBON LITHIUM™**

A\$109,140,000
Follow-on Offering
Joint Bookrunner
May 2023

**EXO
Technologies™**

C\$35,000,000
Follow-on Offering
Joint Bookrunner
May 2023

**GENESIS
MINERALS LIMITED**

A\$470,000,000
Follow-on Offering
Joint Bookrunner
April 2023

**Delcath
Systems, Inc.**

up to \$85,000,000
Private Placement
Sole Agent
March 2023

**LITHIUM
ROYALTY CORP**

C\$150,000,000
Initial Public Offering
Joint Bookrunner
March 2023

**PATRIOT
BATTERY
METALS**

C\$50,000,000
Follow-on Offering
Joint Bookrunner
March 2023

**OSISKO
MINING**

C\$100,000,000
Follow-on Offering
Sole Bookrunner
February 2023

**U
YELLOW CAKE FC**

\$75,000,000
Follow-on Offering
Joint Bookrunner
February 2023

FARADAY COPPER

C\$34,800,000
Follow-on Offering
Sole Bookrunner
February 2023

Silex

A\$120,000,000
Follow-on Offering
Joint Bookrunner
February 2023

**Ashtead
Technology**

£47,900,000
Follow-on Offering
Joint Bookrunner
January 2023

Global League Table (US-Focused Banks)

Global Rank	Bank	Total Deals	Bookrun Deals	Total Proceeds (\$M)
1	Canaccord Genuity	470	363	18,560.3
2	JPMorgan	378	369	186,451.0
3	Goldman Sachs	363	352	214,485.8
4	Morgan Stanley	337	327	184,412.2
5	BofA Securities	303	294	188,317.9
6	Citi	267	261	167,820.9
8	Jefferies	192	190	46,473.9
9	RBC Capital Markets	181	139	64,035.3
10	Stifel	180	113	43,003.5
11	HC Wainwright	179	135	6,356.4
12	Raymond James & Associates	172	81	26,287.1
13	UBS	169	166	68,233.7
14	Barclays	167	163	91,852.7
16	BMO Capital Markets	160	95	37,783.7
26	Maxim Group	104	87	3,630.2
30	Wells Fargo	95	86	53,344.5
37	SVB Securities	83	78	20,212.4
38	Piper Sandler	82	64	17,239.9
42	Cantor Fitzgerald	77	57	10,529.4
44	AGP/Alliance Global Partners	75	69	2,473.2
47	Deutsche Bank	71	67	58,957.0
48	Cowen & Company	70	65	15,995.9
49	Evercore	68	67	24,015.8
55	EF Hutton	63	61	2,821.7
58	Truist Financial	60	49	29,938.5
61	Oppenheimer	58	26	12,408.0



**Investment
Banking**

Canaccord Genuity

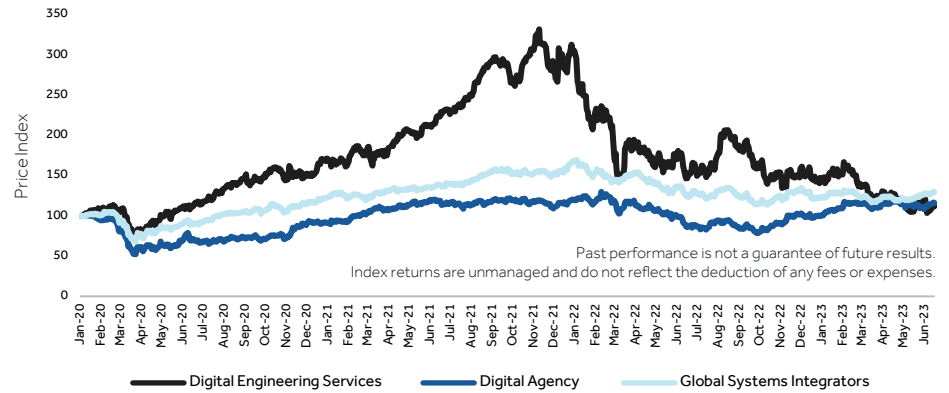
Digital Transformation Services Market Overview



Digital Transformation Providers and Partners Continue to Experience Growth, as Enterprises Evolve and Invest in Their Digital Evolution

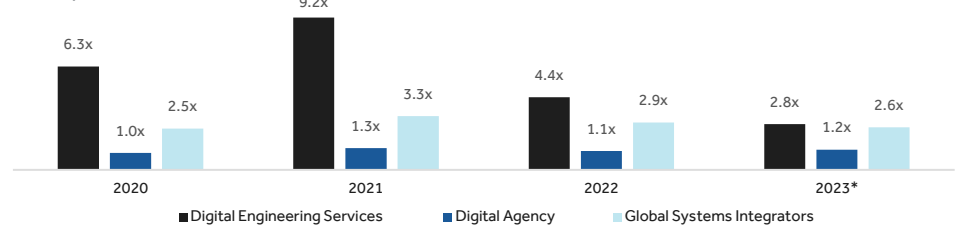
- Digital transformation remains a priority for enterprises across sectors globally; ongoing demand continues to drive investments and M&A in the space
- Given current financial market conditions, there has been marginal decline in enterprise spending in 2023; digital transformation businesses, however, have largely maintained momentum as an essential driver of enterprise revenue and profitability targets
- Following the Great Resignation, the market for talent is now more business friendly with improving retention rates for operators across the globe
- Overall, global systems integrators (GSIs) and digital agency sector stock performance has remained stable; digital engineering reached a high in 2021, but has since fallen in line with the broader technology market

Digital Transformation Services Stock Performance¹



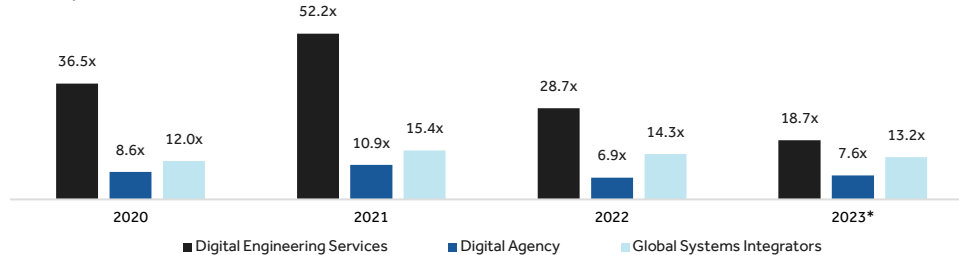
Digital Transformation Services Trading Multiples¹

Enterprise Value/Revenue



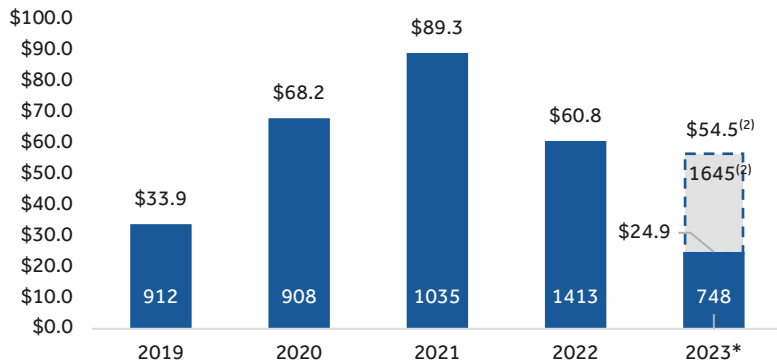
Digital Transformation Services Trading Multiples¹

Enterprise Value/EBITDA⁽³⁾



Digital Transformation Services M&A Activity²

(by Transaction Value, \$USD in Billions)



The information contained on this page is sourced from CG LLC's proprietary database. A more detailed methodology may be found in the appendix.

(1) The stock prices shown are as of 6/16/2023 and should not be relied upon as current thereafter

(2) Represents 2023 activity on a run-rate basis

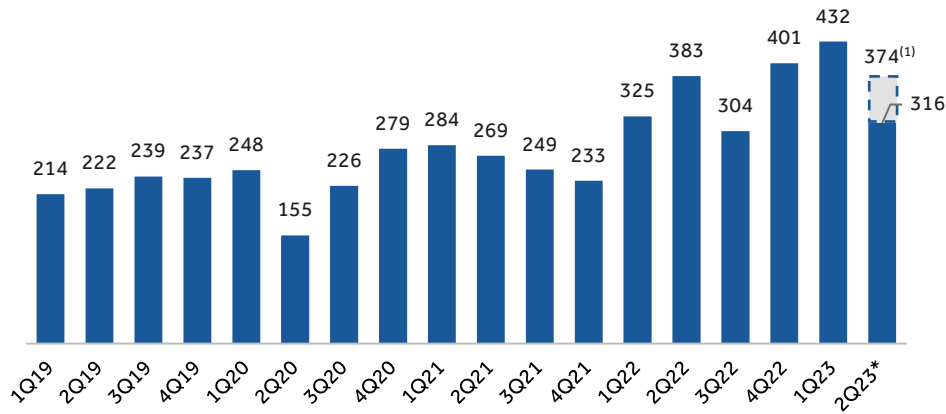
(3) EBITDA = Earnings before interest, taxes depreciation, and amortization * 2023 data is as of YTD 6/16/2023

Annual Digital Transformation M&A Volume Peaked in 2022

Deal volume, disclosed M&A multiples dip but remain strong through market uncertainty in the first half of 2023

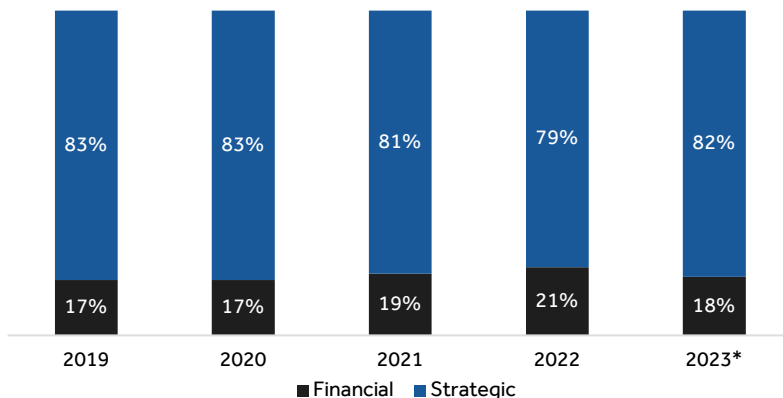
Digital Transformation Services M&A Activity

(#of Transactions)



Buyer Type

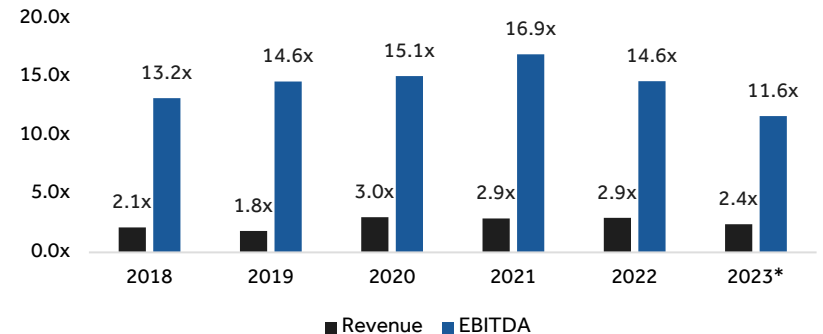
(by year)



- Enterprises continue to focus on progressing their mission-critical digital initiatives, prioritizing data and analytics, cloud and engineering, mobility, customer experience, e-commerce, marketing enablement, and artificial intelligence
- M&A deal activity across the broader digital transformation sector remains strong – deal activity increased by 33% from 1Q22 to 1Q23, with an expected decline of less than 5% year-over-year in 2Q23 versus 2Q22, given run-rate projections
- Strategic buyers, such as Accenture and NTT, are leading M&A deal activity
- Multiple market research firms value the digital transformation services market at more than \$500 billion, with projections of double-digit growth⁽²⁾

Digital Transformation Services M&A Multiples

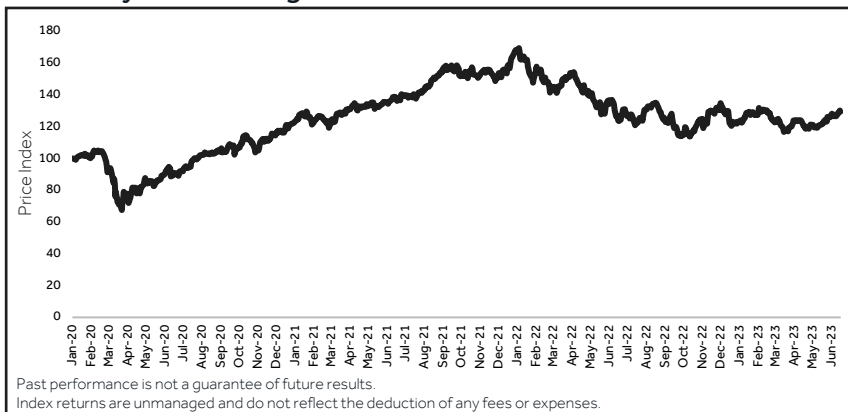
(average by year)



The information contained on this page is sourced from CG LLC's proprietary database. A more detailed methodology may be found in the appendix.

Global Systems Integrators Outlook

Global Systems Integrators Stock Performance¹



Median Summary Statistics⁽¹⁾

\$29.3B

Market Capitalization

17.7%

EBITDA Margin (LTM)

Peer Group Performance⁽¹⁾

LTM

Peer Group	5%
S&P 500	20%
Nasdaq	27%

- As the largest service providers for digital transformation, GSIs continue to benefit from ongoing demand from enterprises
- GSIs continue to pursue attractive assets for M&A; their diversified and market-tested business models allow them to maintain cash flow and healthy balance sheets
- Despite strong digital transformation offerings, several GSIs have legacy IT services portfolios under secular decline that could see ongoing pricing pressure, as enterprises look to contain costs
- GSIs stock prices have room to improve performance, as the market recovers and revenue mix continues to shift more toward next-generation digital transformation services

Global Systems Integrators Public Peer List¹

	Basic Statistics			Revenue	EBITDA	EV/Revenue		EV/EBITDA		Rev. Growth
	06/16/2023 Share Price	Equity Value	Enterprise Value	LTM	LTM	LTM	CY23E	LTM	CY23E	LTM
accenture	\$319.54	\$201,800	\$199,460	\$63,144	\$10,700	3.2x	3.1x	18.6x	16.9x	11.4%
Atos	\$15.06	\$1,651	\$4,438	\$12,120	\$683	0.4x	0.4x	6.5x	3.6x	4.6%
Capgemini	\$195.38	\$33,589	\$37,701	\$23,506	\$3,168	1.6x	1.5x	11.9x	10.5x	21.1%
CGI	\$104.52	\$24,370	\$26,318	\$10,104	\$1,773	2.6x	2.4x	14.8x	12.0x	10.3%
Cognizant	\$65.08	\$33,027	\$32,053	\$19,414	\$3,534	1.7x	1.6x	9.1x	9.7x	2.5%
HCLTech	\$14.01	\$37,940	\$36,070	\$12,586	\$2,652	2.9x	2.7x	13.6x	11.9x	9.6%
Infosys	\$15.76	\$65,433	\$64,170	\$18,212	\$4,203	3.5x	3.4x	15.3x	14.1x	11.7%
IBM	\$137.48	\$124,838	\$169,188	\$59,893	\$12,644	2.8x	2.7x	13.4x	11.0x	3.8%
NTT DATA	\$15.08	\$21,137	\$38,608	\$26,255	\$4,016	1.5x	1.3x	9.6x	9.6x	36.8%
PERFICIENT	\$78.67	\$2,741	\$3,123	\$914	\$183	3.4x	3.2x	17.0x	14.0x	12.4%
REPLY	\$123.33	\$4,598	\$4,524	\$2,021	\$329	2.2x	1.9x	13.8x	12.1x	27.2%
TCS	\$38.75	\$141,787	\$137,264	\$27,454	\$7,017	5.0x	4.6x	19.6x	17.6x	17.6%
Tech Mahindra	\$13.15	\$11,572	\$11,105	\$6,489	\$978	1.7x	1.6x	11.4x	10.6x	19.4%
wipro	\$4.65	\$25,504	\$22,756	\$11,019	\$1,974	2.1x	2.0x	11.5x	10.5x	14.4%
Mean	\$81.46	\$52,142	\$56,198	\$20,938	\$3,847	2.5x	2.3x	13.3x	11.7x	14.5%
Median	\$51.91	\$29,266	\$34,061	\$15,399	\$2,910	2.4x	2.2x	13.5x	11.5x	12.0%

The information contained on this page is sourced from CG LLC's proprietary database. A more detailed methodology may be found in the appendix.

Public data sourced from S&P Capital IQ as of 06/16/2023; Projections based off consensus analyst estimates

Valuation Multiples exclude Revenue Multiples >75x, EBITDA Multiples >150x, and EBITDA Multiples < 0x

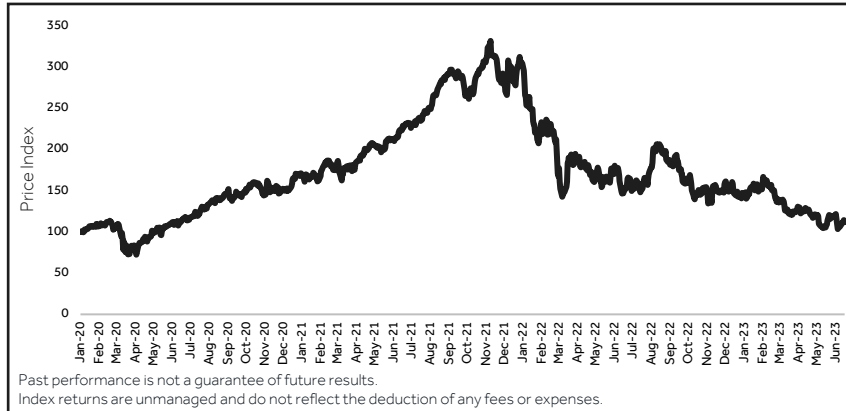
(1) Peer Group Share Performance is Market cap-weighted and through 6/16/23

Nasdaq = stock market index that includes almost all stocks listed on the Nasdaq stock exchange, S&P 500 = stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States.

Driven by your success.

Digital Engineering Services Outlook

Digital Engineering Services Stock Performance¹



Median Summary Statistics⁽¹⁾

\$1.8B

Market Capitalization

14.1%

EBITDA Margin (LTM)

Peer Group Performance⁽¹⁾

LTM

Peer Group	(26%)
S&P 500	20%
Nasdaq	27%

- Enterprises generally view custom and digital engineering projects as high-priority strategic initiatives
- Digital engineering and product development remain attractive markets despite the current macro environment
 - There is greater demand than supply for the high-quality engineering skill-set necessary to effect meaningful and advanced digital change for mid-to-large enterprises
- While companies in the digital engineering services group have experienced some declines in pricing, durability of demand has caused performance to remain strong compared to the broader group of publicly traded tech companies

Digital Engineering Services Public Peer List¹

	Basic Statistics			Revenue	EBITDA	EV/Revenue		EV/EBITDA		Rev. Growth
	06/16/2023 Share Price	Equity Value	Enterprise Value	LTM	LTM	LTM	CY23E	LTM	CY23E	LTM
CIST	\$6.19	\$829	\$959	\$455	\$75	2.1x	1.9x	12.8x	9.8x	40.6%
endava	\$53.97	\$3,067	\$2,900	\$972	\$170	3.0x	2.8x	17.0x	12.2x	29.2%
epam	\$219.51	\$12,711	\$11,090	\$4,864	\$720	2.3x	2.4x	15.4x	14.0x	17.2%
Globant	\$183.90	\$7,773	\$7,667	\$1,851	\$300	4.1x	3.7x	25.6x	17.8x	29.6%
Grid Dynamics	\$9.90	\$741	\$492	\$319	NM	1.5x	1.5x	NM	10.7x	31.0%
KIN + CARTA	\$0.84	\$145	\$176	\$251	\$28	0.7x	0.7x	6.3x	6.5x	25.6%
nagarro	\$88.49	\$1,201	\$1,373	\$979	\$131	1.4x	1.3x	10.4x	8.6x	46.2%
thoughtworks	\$7.71	\$2,446	\$2,683	\$1,282	\$33	2.1x	2.1x	81.0x	12.7x	11.2%
Mean	\$71.31	\$3,614	\$3,417	\$1,372	\$208	2.2x	2.1x	24.1x	11.5x	28.8%
Median	\$31.94	\$1,823	\$2,028	\$975	\$131	2.1x	2.0x	15.4x	11.5x	29.4%

The information contained on this page is sourced from CG LLC's proprietary database. A more detailed methodology may be found in the appendix.

Public data sourced from S&P Capital IQ as of 06/16/2023; Projections based off consensus analyst estimates

Valuation Multiples exclude Revenue Multiples >75x, EBITDA Multiples >150x, and EBITDA Multiples <0x

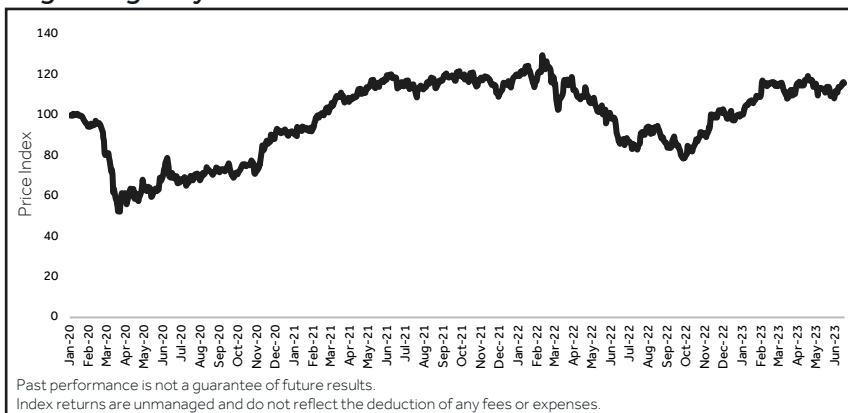
(1) Peer Group Share Performance is Market cap-weighted and through 6/16/23

Nasdaq = stock market index that includes almost all stocks listed on the Nasdaq stock exchange. S&P 500 = stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States.

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Digital Agency Outlook

Digital Agency Stock Performance¹



Median Summary Statistics⁽¹⁾

\$10.3B

Market Capitalization

13.4%

EBITDA Margin (LTM)

Peer Group Performance⁽¹⁾

LTM

Peer Group	35%
S&P 500	20%
Nasdaq	27%

- Digital marketing helps drive material revenue across B2C (and several B2B) sectors and is gaining popularity as a strategic investment for enterprises, as businesses continue to migrate toward e-commerce and subscription-based models
- Larger digital agencies will continue to use M&A to enhance their breadth and depth of services for enterprise clients and take market share from smaller firms
- Growth slowing in the digital agency sector is more a function of the macro environment than sectoral risk, and the market trends indicate that, following current economic uncertainty, leading players in this sector could see substantial rebound in performance due to tech innovations, emerging media, and platform capabilities

Digital Agency Public Peer List¹

	Basic Statistics			Revenue	EBITDA	EV/Revenue		EV/EBITDA		Rev. Growth
	06/16/2023 Share Price	Equity Value	Enterprise Value	LTM	LTM	LTM	CY23E	LTM	CY23E	LTM
Cheil	\$14.71	\$1,489	\$1,121	\$3,258	\$292	0.3x	0.3x	3.8x	3.8x	18.8%
dentsu	\$32.82	\$8,677	\$9,799	\$9,490	\$1,673	1.0x	1.1x	5.9x	6.2x	12.2%
HAKUHODO	\$10.71	\$3,930	\$3,722	\$7,456	\$601	0.5x	0.5x	6.2x	6.5x	10.7%
IFG	\$40.04	\$15,457	\$18,354	\$9,399	\$1,697	2.0x	1.9x	10.8x	10.0x	1.0%
OmnicomGroup	\$95.15	\$18,984	\$23,030	\$14,322	\$2,259	1.6x	1.6x	10.2x	9.4x	0.3%
PUBLICIS GROUPE	\$80.88	\$20,165	\$22,251	\$15,172	\$2,536	1.5x	1.6x	8.8x	7.0x	20.9%
4 CAPITAL	\$1.46	\$831	\$1,038	\$1,289	\$133	0.8x	0.7x	7.8x	5.1x	55.8%
WPP	\$11.22	\$11,992	\$18,619	\$17,385	\$1,930	1.1x	1.2x	9.6x	6.2x	12.7%
Mean	\$35.87	\$10,191	\$12,242	\$9,721	\$1,390	1.1x	1.1x	7.9x	6.8x	16.6%
Median	\$23.76	\$10,335	\$14,076	\$9,444	\$1,685	1.1x	1.1x	8.3x	6.4x	12.5%

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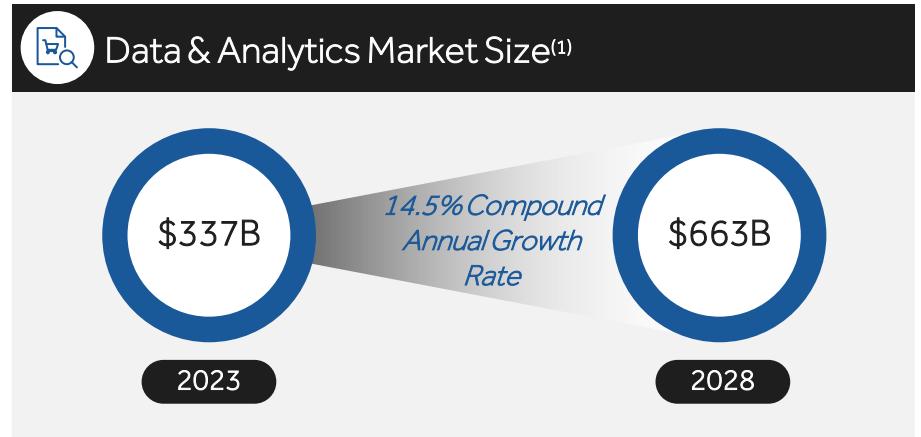
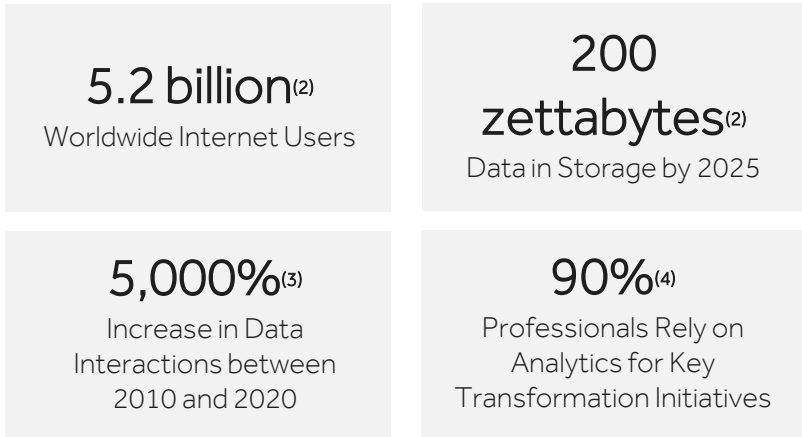
14 Valuation Multiples exclude Revenue Multiples > 75x, EBITDA Multiples > 150x, and EBITDA Multiples < 0x

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Sector Spotlight: Data & Analytics Consultancies



Notable Data & Analytics Consultancy Transactions

Date	Target	Acquirer
Jun-23	JMANN GROUP	Baird Capital BAIRD
Jun-23	Lovelytics	INTERLOCK EQUITY databricks
May-23	merilytics	ACCORDION
Dec-22	TRENDENCE Beyond Possible	Advent International GLOBAL PRIVATE EQUITY
Nov-22	aspirent	NTT DATA

Data & Analytics Market Dynamics⁽⁵⁾

- Data-Driven Business Intelligence:** Data and analytics are now leveraged across nearly every business segment, from supporting marketing efforts by supplying customer insights to driving innovative business decision making, to stay ahead of competition
- Increased Volume of Data:** Continued adoption of analytics-driven insights to inform business decisions will further improve companies' market differentiation and successful initiatives
- Scale is Paramount:** Continued market consolidation has left few independent data and analytics providers of scale that can design, deploy, and execute bespoke data-driven strategies and solutions
- 200 Zettabytes of Data by 2025 :** Surging cloud migration has increased the accessibility of data, emphasizing the importance of integrated data systems and business analytics tools

(1)GlobeNewswire: "Global Big Data and Data Analytics Market Report 2023" (4)Businesswire: "Global Big Data Analytics Market Growth Drivers & Restraints During the Forecast Period, 2019-2027"



(2)Statista

(5)SeedScientific: "How Much Data is Created Every Day [27 Staggering Stats]"

Favorable Market Dynamics Have Driven Strong Transaction Activity with Premium Valuations

Select Representative M&A Transactions

(\$ in Millions)

Date	Target	Buyer	Ent. Value
Jun-23	Lovelytics	Interlock Equity, Databricks Ventures	 Confidential
Jun-23	Clevertech	Avance Investment Management	 Confidential
Jun-23	Corra	Publicis Sapient	 Confidential
Jun-23	Baird Capital	JMAN Group	 Confidential
May-23	MSP Corp	Alfar Capital, Walter Capital Partners	\$100.0
May-23	PTP	424 Capital	 Confidential
Apr-23	Scalian	Wendel Group	\$598.0
Apr-23	Data4	Brookfield Infrastructure	\$3,800.0
Mar-23	Ordina	Sopra Steria	\$552.0
Mar-23	Shift7	Merkle (Dentsu)	 Confidential
Mar-23	Mobica	Cognizant	\$300.0
Mar-23	WebHelp	Concentrix	\$4,800.0
Mar-23	2X	Recognize	 Confidential
Mar-23	SK Shieldus	EQT	\$1,500.0
Mar-23	Cloud Flight	Partners Group	\$425.7
Feb-23	Authentic	Concord	 Confidential
Feb-23	Spreetail	McCarthy Capital	\$208.0
Jan-23	Excellerate	Encora	 Confidential
Jan-23	Fenom Digital	WPP	 Confidential
Jan-23	Cprime	Everstone, Goldman Sachs	\$290.0
Jan-23	WillowTree	TELUS	 \$1,225.0
Dec-22	Grove Resource Solutions	DLH Holdings	\$185.0
Nov-22	Fueled	Insignia Capital	 Confidential
Nov-22	Aspirent	NTT Data	 Confidential

*Transactions dated 6/1/22-present

16 **Dollar amounts in millions unless otherwise specified

Favorable Market Dynamics Have Driven Strong Transaction Activity with Premium Valuations (cont.)

(\$ in Millions)

Date	Target	Buyer	Ent. Value
Nov-22	DEFINTION 6	Kelso	 Confidential
Nov-22	ICREON	Incline Equity	 Confidential
Nov-22	NTERSOL	CI&T	 Confidential
Nov-22	R Systems International	Blackstone	\$359.0
Nov-22	EdgeCore Digital Infrastructure	Partners Group	\$1,200.0
Oct-22	Wpromote	ZMC	 Confidential
Sep-22	Network Coverage	Tenex Capital	 Confidential
Sep-22	Synoptek	Quad-C	 Confidential
Sep-22	Rahi Systems	Wesco International	\$217.0
Aug-22	The Stable	Accenture	 Confidential
Aug-22	Emtec	Kelso	 Confidential
Aug-22	RIA	Avance Investment Management	 Confidential
Aug-22	Computer Services	Bridgeport Partners	\$1,600.0
Aug-22	Blend 360	Recognize	\$100.0
Jul-22	Wilson Allen	LAC Group (Renovus Capital)	 Confidential
Jul-22	Pico Quantitative Trading	Golden Gate Capital	\$200.0
Jul-22	Vuram Technology Solutions	WNS	\$165.0
Jul-22	MST	Mastek	 Confidential
Jul-22	Robiquity	Growth Capital Partners	 Confidential
Jun-22	Knightec	Ratos	\$166.0
Jun-22	EdgeTechnology	Thrive (Court Square Capital)	 Confidential
Jun-22	SemanticBits	ICF International	\$220.0
Jun-22	Glidefast Consulting	ASGN	\$350.0

Appendix

- All transaction information has been publicly reported and is sourced from national news publications, industry trade journals and blogs, and public announcements by companies and investors.
- All trading data related to publicly-traded companies has been sourced from Capital IQ.

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