A Busy Start to 2018
The M&A market has been moving at such a rapid clip for enough time now that one has to wonder when the current environment will slow. If the first quarter of 2018 is any indicator of times to come, we expect this year to keep pace or even exceed years prior. With our IT Services Index trading at 12.0x+ LTM EBITDA and our Staffing Index trading at 11.0x+ LTM EBITDA, the market is healthy and both strategic and financial acquirers remain highly interested in assets with focused offerings in high growth vertical and/or horizontal areas. A few notable transactions from this quarter:

08-Mar-2018: Apax Partners invests in Business Integration Partners ("Bip")
- Milan-based Bip delivers consulting, business integration, and IT services
- The objective of the 60%, €120 million investment is to establish Bip as an undisputed global player in the market by pursuing both organic and inorganic growth, and accelerating its international development and industry diversification

12-Feb-2018: General Dynamics ("GD") acquires CSRA
- In early February, General Dynamics announced its intent to acquire CSRA, a major provider of IT solutions and professional services to the US government
- CACI attempted to hijack the deal, and ultimately failed, however it did force GD to amend its offer to acquire all outstanding shares of CSRA for $41.25 per share in cash, an increase from the original $40.75 per share offer

05-Feb-2018: Capgemini acquires LiquidHub
- Capgemini acquired LiquidHub, the Pennsylvania-based digital customer engagement solution provider, for $500 million, or 2.0x 2017 revenue
- The acquisition aims to reinforce Capgemini's digital consulting capabilities in North America

In addition to the busy quarter in the IT Services market, it has also been an exciting quarter for Clearsight. We expanded our firm to Nashville (where I am leading the charge), hired our first VP of Marketing, and closed multiple deals with several more slated to close in the second quarter.
IT Services & Staffing Comparable Companies Analysis

LTM EV / EBITDA Multiple Trend

| Source: Capital IQ, market data as of 30-Mar-2018 |
| Note: The multiple chart may differ from the Comparable Companies Analysis due to detailed adjustments made to the Comparable Companies Analysis. |

LTM EV / EBITDA Multiple Trend

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Closing Price 30-Mar-2018</th>
<th>High</th>
<th>Median</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accenture</td>
<td>$ 153.50</td>
<td>92.7%</td>
<td>68.9%</td>
<td>59.6%</td>
</tr>
<tr>
<td>Capgemini</td>
<td>124.88</td>
<td>93.0%</td>
<td>83.1%</td>
<td>70.9%</td>
</tr>
<tr>
<td>CGI Group</td>
<td>57.62</td>
<td>96.2%</td>
<td>84.7%</td>
<td>72.5%</td>
</tr>
<tr>
<td>DXC Technology</td>
<td>100.53</td>
<td>93.2%</td>
<td>83.0%</td>
<td>71.2%</td>
</tr>
<tr>
<td>Perficient</td>
<td>22.92</td>
<td>94.3%</td>
<td>93.7%</td>
<td>90.3%</td>
</tr>
<tr>
<td>The Hackett Group</td>
<td>7.16</td>
<td>76.9%</td>
<td>69.3%</td>
<td>63.0%</td>
</tr>
<tr>
<td>Virtusa</td>
<td>48.46</td>
<td>91.6%</td>
<td>84.4%</td>
<td>78.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Closing Price 30-Mar-2018</th>
<th>High</th>
<th>Median</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adecco</td>
<td>$ 71.31</td>
<td>84.9%</td>
<td>83.5%</td>
<td>79.6%</td>
</tr>
<tr>
<td>ASGN¹</td>
<td>81.88</td>
<td>95.1%</td>
<td>90.3%</td>
<td>85.1%</td>
</tr>
<tr>
<td>Hays</td>
<td>2.64</td>
<td>97.3%</td>
<td>93.5%</td>
<td>89.6%</td>
</tr>
<tr>
<td>Kelly</td>
<td>2.96</td>
<td>93.0%</td>
<td>89.7%</td>
<td>85.8%</td>
</tr>
<tr>
<td>Kforce</td>
<td>27.92</td>
<td>92.2%</td>
<td>90.8%</td>
<td>88.4%</td>
</tr>
<tr>
<td>ManpowerGroup</td>
<td>115.10</td>
<td>84.1%</td>
<td>78.8%</td>
<td>73.5%</td>
</tr>
<tr>
<td>Randstad</td>
<td>65.81</td>
<td>89.7%</td>
<td>84.8%</td>
<td>80.4%</td>
</tr>
<tr>
<td>Recruit Co.</td>
<td>24.90</td>
<td>91.9%</td>
<td>89.5%</td>
<td>86.3%</td>
</tr>
<tr>
<td>Robert Half</td>
<td>57.89</td>
<td>95.5%</td>
<td>93.0%</td>
<td>88.5%</td>
</tr>
<tr>
<td>TrueBlue</td>
<td>25.90</td>
<td>87.8%</td>
<td>83.5%</td>
<td>80.4%</td>
</tr>
<tr>
<td>High</td>
<td>$ 153.50</td>
<td>92.7%</td>
<td>68.9%</td>
<td>59.6%</td>
</tr>
<tr>
<td>Median</td>
<td>81.88</td>
<td>95.1%</td>
<td>83.5%</td>
<td>79.6%</td>
</tr>
<tr>
<td>Low</td>
<td>25.90</td>
<td>87.8%</td>
<td>79.6%</td>
<td>73.0%</td>
</tr>
</tbody>
</table>

Source: Capital IQ, market data as of 30-Mar-2018
Note: $ in millions except for closing price.
1. On Assignment officially changed its name to ASGN on 02-April-2018, concurrent with the closing of its acquisition of ECS Federal.

LTM EV / EBITDA Multiple Trend

Source: Capital IQ, market data as of 30-Mar-2018
Note: The multiple chart may differ from the Comparable Companies Analysis due to detailed adjustments made to the Comparable Companies Analysis.
IT Services & Staffing Indices Performance

**IT Services**

- Share Price Performance Q1 2018

Source: Capital IQ, market data as of 30-Mar-2018

**Staffing**

- Share Price Performance Q1 2018

Source: Capital IQ, market data as of 30-Mar-2018

**IT Services – Share Price Performance Q1 2018**

- Accenture: 0.3%
- Hackett: 2.2%
- Capgemini: 5.0%
- DXC Technology: 5.9%
- CGI Group: 6.2%
- Virtusa: 9.9%
- Perficient: 20.2%

Source: Capital IQ, market data as of 30-Mar-2018

**Staffing – Share Price Performance Q1 2018**

- Manpower: (8.7)%
- Adecco: (6.8)%
- TrueBlue: (5.8)%
- Robert Half: 4.2%
- Kelly Services: 6.5%
- Randstad: 7.0%
- Hays: 7.1%
- Kforce: 7.1%
- ASGN: 27.4%

Source: Capital IQ, market data as of 30-Mar-2018
<table>
<thead>
<tr>
<th>Announced</th>
<th>Target / Issuer</th>
<th>Buyer / Investor</th>
<th>Target Description / Deal Comments</th>
</tr>
</thead>
</table>
| 03/27/2018      | Brilliant       | Silver Oak       | ▪ Brilliant is a provider of temporary and permanent finance, accounting, and IT professionals to the Greater Chicago and South Florida markets  
▪ Silver Oak was attracted to the professional staffing sector given the continued strong demand for F&A and IT professionals that far outpaces the supply of these individuals, the highly fragmented nature of the industry, and the attractive cash flow dynamics |
| 03/23/2018      | Altius          | Devoteam         | ▪ Altius, a Salesforce Gold Partner, offers comprehensive Salesforce implementation services including analysis, development, integration, and training  
▪ The acquisition is complementary to Devoteam’s current customer relationship and marketing consulting activities and demonstrates Devoteam’s desire to accelerate its work with Salesforce |
| 03/22/2018      | Sonoma Partners | EY               | ▪ Sonoma Partners is a consulting firm specializing in the strategy, design, development, and implementation of Microsoft Dynamics CRM and Salesforce CRM solutions  
▪ The combination brings more than 100 experienced practitioners from the Chicago-based firm into EY’s Digital, Data, and Analytics practice |
| 03/21/2018      | Cynosure        | ZenSar           | ▪ Cynosure focuses on providing Guidewire platform implementation services to property and casualty insurance carriers and had 2017 revenues of ~$20 million  
▪ Zensar agreed to acquire Cynosure for ~$33 million (~1.7x 2017 revenue) in a move to expand its presence in the insurance vertical which currently accounts for ~15% of its total business |
| 03/19/2018      | Comity Designs  | Brillio          | ▪ Comity Designs is a cloud and mobile solutions provider and notable Salesforce consulting partner  
▪ The addition of Comity makes Brillio a partner of choice for front-office transformation engagements and further strengthens engagement with C-suite and line-of-business executives |
| 03/16/2018      | Edgewater       | Alithya          | ▪ Edgewater is a Massachusetts-based, publicly traded business and IT consulting firm with annual revenues greater than $100 million  
▪ Under the terms of the agreement, Alithya shareholders and Edgewater shareholders will each exchange all of their respective outstanding shares for shares in a newly-formed holding company; the former Edgewater shareholders will hold 42% of New Alithya’s total outstanding shares  
▪ Edgewater shareholders will also be paid a special cash dividend of $21 million |
| 03/14/2018      | NIMBL           | Techedge         | ▪ NIMBL is a boutique based in Denver, Colorado that specializes in the development and advisory of business solutions based on cloud technology and is one of the few SAP S/4HANA Cloud Lighthouse partners worldwide  
▪ The acquisition of NIMBL strengthens Techedge’s operations in the United States by broadening the company’s offering portfolio and increasing both capacity and geographic footprint in the US market |
| 03/14/2018      | Linium          | Ness             | ▪ Linium is a digital business, engineering, experience, and transformation consultancy. Linium delivers cloud-based enterprise platforms and solutions, with particular expertise in ServiceNow solutions, that position companies to achieve scale, drive growth, and enable modernization  
▪ By combining with Ness, Linium can offer its clients a wider range of digital platform development, customization, and management services that complement its expertise |
| 03/12/2018      | Cloud Technology Solutions | NorthEdge Capital | ▪ Cloud Technology Solutions is a Google Premier Partner and a provider of cloud transformation services and software products to businesses  
▪ The company is eyeing international expansion with the investment from NorthEdge Capital and will be pursuing complementary acquisitions in machine learning, artificial intelligence, and data analytics |
<table>
<thead>
<tr>
<th>Announced</th>
<th>Target / Issuer</th>
<th>Buyer / Investor</th>
<th>Target Description / Deal Comments</th>
</tr>
</thead>
</table>
| 03/12/2018  | eTouch          | Virtusa         | • Headquartered in Fremont, CA, eTouch provides cutting edge digital engineering, digital marketing, cloud, analytics, and data security solutions, primarily to technology companies  
• The purchase price of ~$140 million will be paid in three tranches with $80 million paid at closing, ~$43 million on the 12-month anniversary of closing, and ~$18 million on the 18-month anniversary of closing; an additional $15 million has been set aside for retention bonuses |
| 03/08/2018  | Bip             | Apax Partners   | • Founded in 2003, Bip delivers management consulting, business integration, and IT services supporting international companies in the research and adoption of disruptive technological innovation  
• The objective of the majority investment is to establish Bip as an undisputed global player in the market by pursuing both organic and external growth and accelerating its international development and industry diversification |
| 03/06/2018  | Intelligent Decisions | Acacia        | • Intelligent Decisions is a Virginia-based US Federal Government technology contractor  
• The Acacia Group has split Intelligent Decisions into two standalone companies: ID Technologies, the products business which pairs partner technologies with supportive acquisition strategies, and Applied Insight, the professional services business with a diverse team of technology and process specialists dedicated to solving complex technology problems for customers |
| 03/01/2018  | Minjar          | Nutanix         | • Minjar is the creator of Botmetric, a service that provides customers with unified cost control and enhanced visibility into their workloads running in public clouds. Botmetric, along with Minjar’s other cloud solutions help enterprises embrace the cloud effectively and optimize their multi-cloud environments for performance and cost  
• Through the Minjar acquisition, the Nutanix Enterprise Cloud OS will offer customers new capabilities to better manage their multi-cloud deployments |
| 02/28/2018  | Maxsys Solutions | Yoh             | • Maxsys Solutions is a Frisco, Texas-based specialty IT recruitment firm. The transaction includes Maxsys Financial Solutions, a separate finance and accounting brand  
• The acquisition expands Yoh’s IT specialty staffing practice area and addresses the demand from businesses of all sizes for flexible, on-demand, and sustained recruiting for skilled professionals |
| 02/27/2018  | Lyneer          | Palm Beach Capital | • Lyneer is a strategic staffing firm servicing the commercial, professional, financial, direct placement, and managed service provider verticals  
• Lyneer’s owners have grown the firm from a regional tri-state operation to a national staffing firm with over 100 corporate and customer-integrated offices across the United States |
| 02/27/2018  | ByteCubed       | Enlightenment Capital | • ByteCubed is a technology provider and consultancy, dedicated to providing innovative, technology-driven, cost-effective solutions to commercial and federal government customers  
• The investment will support ByteCubed’s growth strategy by providing financial resources and flexibility, allowing the business to pursue both organic and inorganic growth opportunities |
| 02/27/2018  | Axom Technologies | BlyLight       | • Axom Technologies offers IT, cyber, and engineering services to the US Federal Government  
• The companies see their combination as positioning them better for work in the defense and intelligence agencies that traditionally have high barriers of entry for contractors |
| 02/23/2018  | Niu Solutions   | CSI             | • Niu Solutions is a cloud services provider that has developed a deep portfolio of cloud infrastructure solutions based on the Microsoft Azure and IBM Cloud platform  
• The acquisition will reinforce CSI’s position as a leader in the cloud services market and strengthen its relationship with major cloud providers |
<table>
<thead>
<tr>
<th>Announced</th>
<th>Target / Issuer</th>
<th>Buyer / Investor</th>
<th>Target Description / Deal Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/21/2018</td>
<td>Propelics</td>
<td>Anexinet</td>
<td>Established in 2011, Propelics is a thought leader in enterprise mobility. The company's proven methodology fast-tracks enterprise customers for mobile success by helping them develop mobile strategies, tackle new technologies, and build mobile applications. The acquisition will enable Anexinet to accelerate its digital capabilities.</td>
</tr>
<tr>
<td>02/14/2018</td>
<td>IAI</td>
<td>ACP</td>
<td>Based in Chantilly, VA, IAI is a provider of systems engineering, integrated solutions, technical analysis, and subject matter expertise to customers in the intelligence and defense communities. Arlington Capital plans to combine the company with its existing investment in Xebec, a specialized provider of human intelligence solutions to the intelligence community, which was acquired in September 2017.</td>
</tr>
<tr>
<td>02/14/2018</td>
<td>Surge</td>
<td>Catalyte</td>
<td>Surge is an onshore provider of custom web, cloud, mobile, digital, and desktop software development and consulting services to clients in every industry, from startups to Fortune 500 companies. Catayte closed a $27 million Series A funding round around the same time as the acquisition.</td>
</tr>
<tr>
<td>02/12/2018</td>
<td>CSRA</td>
<td>General Dynamics</td>
<td>CSRA provides IT and professional services to the US Federal Government. CACI submitted a competing bid on March 18, but General Dynamics ultimately completed the acquisition in early April at a price of $41.25 per share in cash, an increase from the original $40.75 per share offer. The implied enterprise value of CSRA was ~1.9x LTM revenue and ~11.7x LTM EBITDA.</td>
</tr>
<tr>
<td>02/12/2018</td>
<td>Avtex</td>
<td>Norwest Equity Partners</td>
<td>Avtex is a customer experience focused consulting and technology company. Avtex was previously managed by LaSalle Capital. The ownership transition will help Avtex add incremental product and service offerings, invest in R&amp;D and innovation, and position the company for strategic add-on acquisitions.</td>
</tr>
<tr>
<td>02/05/2018</td>
<td>LiquidHub</td>
<td>Capgemini</td>
<td>LiquidHub is a digital customer engagement firm that specializes in developing and delivering compelling customer experiences. Capgemini agreed to acquire LiquidHub for ~$500 million, equivalent to ~2.0x LiquidHub's revenue in 2017.</td>
</tr>
<tr>
<td>01/31/2018</td>
<td>ECS</td>
<td>ASGN Incorporated</td>
<td>ECS is an information technology provider delivering solutions in cloud, cybersecurity, software development, IT modernization, and science and engineering. ASGN acquired ECS for a total cash consideration of $775 million representing ~1.3x 2017 revenue and ~11.5x 2017 EBITDA.</td>
</tr>
<tr>
<td>01/29/2018</td>
<td>SingleHop</td>
<td>INAP</td>
<td>SingleHop is a player in the managed hosting and infrastructure as a service (IaaS) business segment, offering highly automated and on-demand IT infrastructure. INAP acquired SingleHop for $132 million in cash representing ~2.8x LTM revenue and ~8.0x LTM adjusted EBITDA.</td>
</tr>
<tr>
<td>01/24/2018</td>
<td>Rizing</td>
<td>One Equity Partners</td>
<td>Rizing is an SAP-focused provider of IT systems integration and implementation services. Rizing operates from 14 regional offices in the US, Canada, the Netherlands, United Arab Emirates, Singapore, Malaysia, and Australia. One Equity Partners has extensive experience supporting the growth of IT services businesses and is enthusiastic about the SAP ecosystem.</td>
</tr>
</tbody>
</table>

Q1 2018 Transactions
## Q1 2018 Transactions

<table>
<thead>
<tr>
<th>Announced</th>
<th>Target / Issuer</th>
<th>Buyer / Investor</th>
<th>Target Description / Deal Comments</th>
</tr>
</thead>
</table>
| 01/17/2018  | Headstart       | Sofigate         | • Headstart is a Finnish company specializing in cloud-based ERP and business solutions  
                    • Sofigate has conducted several business acquisitions in the Nordic countries within the last two years. With this acquisition, Sofigate is aiming at becoming a forerunner in cloud business solutions in Finland |
| 01/11/2018  | DST             | SS&C             | • DST is a provider of specialized technology, strategic advisory, and business operations outsourcing to the financial services and healthcare industries  
                    • SS&C will purchase DST in an all-cash transaction for $84 per share plus the assumption of DST’s debt, equating to an enterprise value of $5.7 billion (2.6x LTM revenue and 11.5x LTM EBITDA) |
| 01/08/2018  | Altima          | Accenture        | • Altima is a full-service digital commerce agency headquartered in France  
                    • The acquisition, first announced on October 17, 2017, expands Accenture Interactive’s capabilities in France and other key markets to help brands attract and retain customers through differentiated and compelling digital experiences |
| 01/08/2018  | Velocity Partners | Endava       | • Velocity Partners is a software development company with a strong presence in Latin America  
                    • This strategic move will expand Endava’s technology services, scalability, geography, and capabilities to current and new clients on a global scale |

---

CLEARSIGHT MONITOR  |  IT Services & Staffing Industry  |  Q1 2018
ABOUT US

Clearsight Advisors is a premier, independent investment bank dedicated to providing world-class M&A and capital raising solutions exclusively to growth-oriented technology and business services companies. Clearsight combines deep market insights across software, services, and data. This market knowledge combined with superior strategic and financial advice allows Clearsight to act as a catalyst, enabling entrepreneurs, private equity owners, and boards of directors to successfully advance their vision. Clearsight Capital Advisors, Inc., a wholly owned subsidiary, is a registered member of FINRA & SIPC. For more information, please visit www.clearsightadvisors.com

CONTACT US

1650 Tysons Boulevard, Suite 710
McLean, Virginia 22102
325 North St. Paul Street, Suite 3500
Dallas, TX 75201
703.672.3100
www.clearsightadvisors.com
@clearsightmb
Clearsight Advisors

RECENT DEALS

We would like to thank all of our clients, colleagues, and friends for helping to reinforce Clearsight as the leader in advising high-end technology and business services companies.