At the end of the first quarter, we highlighted the confluence of macroeconomic conditions leading to an active digital transformation M&A market. The pandemic catalyzed a widespread shift to digital, particularly by private equity groups (PEGs) looking for a sector with sustainable attractive long-term growth expectations. According to Pitchbook, PEGs have raised $1.9T from January 2018 – June 2021 and have extraordinary amounts of dry powder. These investment groups have deployed $476.5B of that capital from January 2018 – June 2021 in the digital transformation landscape alone, and often edge out strategics in doing so. In 2018 PEGs drove 22% of the digital transformation deal volume. In comparison, this figure has increased to 29% so far this year.

Based on our observations, fund size is a significant factor in a PEG’s investment strategy in this space. For many PEGs and their platforms in this space, a successful exit will mainly rely on strong organic growth and tuck-in acquisitions to reach a size where the platform could be sold to a strategic or a larger PEG. However, larger funds with $100M+ businesses are aiming to reach $400M+ via transformational acquisitions, all with their sights set on an IPO. With Epam (NYSE: EPAM), Endava (NYSE: DAVA), and Globant (NYSE: GLOB) averaging a 39.5x EBITDA multiple, the public market offers a very attractive value creation strategy. According to Pitchbook, the SPAC market also continues to be active in 2021, with total capital raised surpassing 2020’s total by 19.8% in just over one quarter. While SPAC activity has cooled in the latter part of the second quarter, we believe SPACs remain a viable exit opportunity for the right companies in this space in the near term.

Over the next few years, we will see which companies can balance scaling the fastest through M&A while maintaining strong organic growth. Those able to successfully achieve both can capitalize on the public equity market at valuation multiples likely exceeding those in the M&A market – although the recent GlobalLogic transaction proves otherwise...
Apax Partners Announces Acquisition of Infogain Corporation

Deal Commentary
- Drawing on the Apax Tech team’s significant experience in the tech-enabled services sub-sector, Apax Partners, in partnership with Infogain’s management team, will look to continue and accelerate Infogain’s journey as a market leading digital transformation partner to its customers. Apax will support the company’s continued focus on innovation, service excellence and customer impact.
- Ayan Mukerji, incoming CEO of Infogain said, “Apax’s experience, track record and deep knowledge of the industry will help supercharge our growth, organically and through new strategic acquisitions. We will leverage opportunities to deepen and diversify our service offerings to support our clients’ – and our own – transformation journeys.”

Transaction Summary
On June 11th, 2021, Apax Partners, a London-based investment firm, announced the acquisition of Infogain Corporation, a leading global professional services & technology firm, through a leveraged buyout. Infogain provides business process and architecture design, end-to-end project implementation and managed services.

Transaction Information
Announced Date: 11-Jun-2021
Deal Type: Leveraged Buyout

Target Information
Year Founded: 1990
Target HQ: Los Gatos, CA
# of Employees: ~4000

NTT DATA Announces Acquisition of Nexient

Deal Commentary
- NTT DATA’s acquisition of Nexient will serve as a scalable anchor for NTT DATA’s Application Development & Modernization practice, adding user-centric full stack product development capabilities and speeding the ability to offer sophisticated digital transformation services to clients.
- Mark Orttung, CEO of Nexient said, “Nexient’s product-minded agile development approach has earned our clients’ trust to solve their complex business problems. Building on our commitment to operate within our core values, leadership competencies, and team-based approach, we are excited to join NTT DATA and expand the scope and value of the services we deliver to our clients.”

Transaction Summary
On May 18th, 2021, NTT DATA, a Tokyo-based global digital business and IT services firm, announced the acquisition of Nexient, a US-based software development and consulting services firm. Nexient, recognized for its product mindset and highly prized agile software development talent, provides product development strategy, product development and design and product operations capabilities.

Transaction Information
Announced Date: 18-May-2021
Deal Type: Acquisition

Target Information
Year Founded: 2009
Target HQ: Newark, CA
# of Employees: ~720

Source: Public filings, 451 Research, Capital IQ, and company websites
Public Market Performance

**EV / LTM Revenue – Last Twelve Months**

- Digital Technology Services
- IT & BPO Services
- Marketing Services

**EV / LTM EBITDA – Last Twelve Months**

- Digital Technology Services
- IT & BPO Services
- Marketing Services

Source: Capital IQ, market data as of 30-Jun-2021
**Public Market Performance**

### 3-Year Historic Revenue Growth
- **Digital Technology Services**: 24.3%
- **IT & BPO Services**: 7.8%
- **Marketing Services**: -1.1%

### 2021E Revenue Growth
- **Digital Technology Services**: 37.6%
- **IT & BPO Services**: 9.0%
- **Marketing Services**: 5.6%

### 2021E Gross Margin
- **Digital Technology Services**: 37.5%
- **IT & BPO Services**: 32.0%
- **Marketing Services**: 41.5%

### 2021E EBITDA Margin
- **Digital Technology Services**: 19.7%
- **IT & BPO Services**: 18.5%
- **Marketing Services**: 17.5%

### EV / LTM Revenue
- **Digital Technology Services**: 10.1x
- **IT & BPO Services**: 2.7x
- **Marketing Services**: 1.6x

### EV / 2021E Revenue
- **Digital Technology Services**: 8.1x
- **IT & BPO Services**: 2.5x
- **Marketing Services**: 1.5x

### EV / LTM EBITDA
- **Digital Technology Services**: 61.8x
- **IT & BPO Services**: 15.3x
- **Marketing Services**: 8.8x

### EV / 2021E EBITDA
- **Digital Technology Services**: 36.9x
- **IT & BPO Services**: 12.8x
- **Marketing Services**: 8.8x

**Source:** Capital IQ, market data as of 30-Jun-2021
Digital Transformation

Public Market Performance

Digital Technology Services Comparable Companies

<table>
<thead>
<tr>
<th>Digital Technology Services Index</th>
<th>Closing Price 30-Jun-2021</th>
<th>% of 52 Week</th>
<th>Equity Market Cap</th>
<th>Enterprise Value</th>
<th>EV / Revenue Multiples LTM</th>
<th>EV / EBITDA Multiples LTM</th>
<th>LTM EBITDA Margin 2018A-21E</th>
<th>3 Year CAGR 2018A-21E</th>
<th>2021E Revenue Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endava</td>
<td>$113.39</td>
<td>96.1%</td>
<td>$6,302</td>
<td>$36,278</td>
<td>11.3x</td>
<td>8.9x</td>
<td>7.7x</td>
<td>15.7%</td>
<td>25.4%</td>
</tr>
<tr>
<td>EPAM</td>
<td>510.96</td>
<td>96.9%</td>
<td>30,321</td>
<td>29,191</td>
<td>10.5</td>
<td>8.5</td>
<td>6.9</td>
<td>16%</td>
<td>23.3%</td>
</tr>
<tr>
<td>Globant</td>
<td>219.18</td>
<td>89.6%</td>
<td>8,750</td>
<td>8,695</td>
<td>9.7</td>
<td>7.6</td>
<td>6.3</td>
<td>16.1%</td>
<td>29.6%</td>
</tr>
<tr>
<td>Grid Dynamics</td>
<td>15.03</td>
<td>78.8%</td>
<td>872</td>
<td>772</td>
<td>6.5</td>
<td>4.6</td>
<td>3.9</td>
<td>23.3%</td>
<td>20.0%</td>
</tr>
<tr>
<td>High</td>
<td>$30,321</td>
<td>99.1%</td>
<td>$195,824</td>
<td>72.0x</td>
<td>36.3x</td>
<td>31.9x</td>
<td>15.7%</td>
<td>25.4%</td>
<td>33.6%</td>
</tr>
<tr>
<td>Median</td>
<td>75.26</td>
<td>90.5%</td>
<td>22,668</td>
<td>24,949</td>
<td>10.1</td>
<td>8.1</td>
<td>6.6</td>
<td>16.1%</td>
<td>23.3%</td>
</tr>
<tr>
<td>Mean</td>
<td>11,561</td>
<td>98.7%</td>
<td>11,234</td>
<td>12,018</td>
<td>9.5</td>
<td>7.4</td>
<td>6.2</td>
<td>16.1%</td>
<td>29.6%</td>
</tr>
<tr>
<td>Low</td>
<td>61.9</td>
<td>872</td>
<td>772</td>
<td>6.5</td>
<td>4.6</td>
<td>3.9</td>
<td>15.7%</td>
<td>22.0%</td>
<td>30.8%</td>
</tr>
</tbody>
</table>

IT & BPO Services Comparable Companies

<table>
<thead>
<tr>
<th>IT &amp; BPO Services Index</th>
<th>Closing Price 30-Jun-2021</th>
<th>% of 52 Week</th>
<th>Equity Market Cap</th>
<th>Enterprise Value</th>
<th>EV / Revenue Multiples LTM</th>
<th>EV / EBITDA Multiples LTM</th>
<th>LTM EBITDA Margin 2018A-21E</th>
<th>3 Year CAGR 2018A-21E</th>
<th>2021E Revenue Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wipro</td>
<td>7.34</td>
<td>96.7%</td>
<td>6,257</td>
<td>39,068</td>
<td>4.3</td>
<td>4.0</td>
<td>3.6</td>
<td>16.9%</td>
<td>12.2%</td>
</tr>
<tr>
<td>High</td>
<td>$201,839</td>
<td>99.0%</td>
<td>$95,824</td>
<td>24,949</td>
<td>72.0x</td>
<td>44.6x</td>
<td>36.1</td>
<td>16.1%</td>
<td>24.3%</td>
</tr>
<tr>
<td>Median</td>
<td>94.5</td>
<td>92.6%</td>
<td>15,721</td>
<td>18,018</td>
<td>10.1</td>
<td>8.1</td>
<td>6.6</td>
<td>16.1%</td>
<td>24.3%</td>
</tr>
<tr>
<td>Mean</td>
<td>14,265</td>
<td>98.7%</td>
<td>13,487</td>
<td>13,018</td>
<td>9.5</td>
<td>7.4</td>
<td>6.2</td>
<td>16.1%</td>
<td>29.6%</td>
</tr>
<tr>
<td>Low</td>
<td>64.8</td>
<td>872</td>
<td>772</td>
<td>6.5</td>
<td>4.6</td>
<td>3.9</td>
<td>15.7%</td>
<td>22.0%</td>
<td>30.8%</td>
</tr>
</tbody>
</table>

Marketing Services Comparable Companies

<table>
<thead>
<tr>
<th>Marketing Services Index</th>
<th>Closing Price 30-Jun-2021</th>
<th>% of 52 Week</th>
<th>Equity Market Cap</th>
<th>Enterprise Value</th>
<th>EV / Revenue Multiples LTM</th>
<th>EV / EBITDA Multiples LTM</th>
<th>LTM EBITDA Margin 2018A-21E</th>
<th>3 Year CAGR 2018A-21E</th>
<th>2021E Revenue Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dentsu</td>
<td>$35.82</td>
<td>95.9%</td>
<td>$9,843</td>
<td>$13,487</td>
<td>1.6x</td>
<td>1.5x</td>
<td>1.5x</td>
<td>19.0%</td>
<td>(1.1)%</td>
</tr>
<tr>
<td>IPG</td>
<td>32.49</td>
<td>94.4%</td>
<td>12,978</td>
<td>14,708</td>
<td>1.7</td>
<td>1.7</td>
<td>1.6</td>
<td>8.7%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Omnicom</td>
<td>79.99</td>
<td>92.6%</td>
<td>17,446</td>
<td>19,911</td>
<td>1.4</td>
<td>1.4</td>
<td>1.4</td>
<td>9.2%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Publicis</td>
<td>63.96</td>
<td>94.4%</td>
<td>15,721</td>
<td>20,685</td>
<td>1.6</td>
<td>1.7</td>
<td>1.7</td>
<td>9.0%</td>
<td>7.7%</td>
</tr>
<tr>
<td>WPP</td>
<td>13.46</td>
<td>95.3%</td>
<td>16,921</td>
<td>21,299</td>
<td>1.3</td>
<td>1.5</td>
<td>1.5</td>
<td>8.8%</td>
<td>8.8%</td>
</tr>
<tr>
<td>High</td>
<td>$17,446</td>
<td>95.9%</td>
<td>$21,299</td>
<td>17.0x</td>
<td>11.0x</td>
<td>9.1x</td>
<td>19.8%</td>
<td>2.5%</td>
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</tr>
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<td>Median</td>
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<td>15.0x</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
<td>8.8%</td>
<td>9.1%</td>
</tr>
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<td>Low</td>
<td>9,843</td>
<td>92.6%</td>
<td>13,487</td>
<td>13.0x</td>
<td>1.4</td>
<td>1.4</td>
<td>1.4</td>
<td>8.4%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Source: Capital IQ, market data as of 30-Jun-2021
Note: Revenue growth rates are shown in reported currency and remove the impact of FX.
### Digital Transformation

### M&A Activity

<table>
<thead>
<tr>
<th>Date</th>
<th>Target</th>
<th>Buyer/Investor</th>
<th>Summary</th>
</tr>
</thead>
</table>
| 6/29/2021  | it-novum                    | ALLGEIER       | • Target HQ: Fulda, Germany  
• it-novum provides big data analytics and enterprise information management in Germany |
| 6/28/2021  | VOYAGER                     | Tencent 腾讯    | • Target HQ: Mandaluyong City, Philippines  
• Voyager Innovations is a developer of digital payments and digital finance platforms in the Philippines |
| 6/21/2021  | mint                         | SC             | • Target HQ: Pune, India  
• Mint Marketing Agency provides creative design, app development and digital content services |
| 6/16/2021  | CUELOGIC                    | LT1            | • Target HQ: San Francisco, California  
• Cuelogic Technologies provides outsourced product development solutions |
| 6/2/2021   | FIVEMILL                    | Barrington Media Group | • Target HQ: Mumbai, India  
• Five Mill operates as a digital marketing agency enabling clients to optimize processes with customized dashboard, reporting and tracking |
| 5/20/2021  | L&T-MAXI                     | Mindtree       | • Target HQ: Madison, WI  
• NxT Digital Business is a startup with broad digital capabilities within L&T. It leverages L&T’s deep industry domain expertise to deliver disruptive business outcomes |
| 5/17/2021  | DELVE                       | TRINITY HUNT PARTNERS | • Delve provides human-centered product strategy, design and engineering to clients from Fortune 500 companies to startups |

Source: Capital IQ, Pitchbook
## Digital Transformation

### M&A Activity

<table>
<thead>
<tr>
<th>Date</th>
<th>Target</th>
<th>Buyer/Investor</th>
<th>Summary</th>
</tr>
</thead>
</table>
| 5/17/2021  | ![Bresslergroup](image)     | **TRINITY HUNT**     | • Target HQ: Philadelphia, PA  
• Bresslergroup was an add-on acquisition to Delve by Trinity Hunt Partners and provides product designing and development services |
| 5/12/2021  | ![HABITANT](image)          | **Globant**          | • Target HQ: Madrid, Spain  
• HABITANT provides solutions related to business challenges by creating and optimizing products, services and digital experiences |
| 5/11/2021  | ![astound](image)           | **RLH Equity Partners** | • Target HQ: Oakland, CA  
• Astound Commerce, an ecommerce agency, uses technology, customer experience strategy, and research to offer designing, data analysis and business optimization |
| 5/4/2021   | ![BlueFocus](image)         | **CVC CDPQ**         | • Target HQ: Beijing, China  
• BlueFocus International offers digital marketing, PR, communications and advertising agency services |
| 5/3/2021   | ![jelecos](image)           | **Crest Rock Partners** | • Target HQ: Omaha, NE  
• Jelecos is a provider of technology consulting services specialized in AWS cloud services |
| 4/20/2021  | ![SDE](image)               | ![3PILLAR GLOBAL](image) | • Target HQ: Raleigh, NC  
• Software Development Europe develops SaaS-based collaborative information technology tools designed to provide technical expertise and software development facilities |
| 4/20/2021  | ![fusion92](image)          | ![Land Capital Partners](image) | • Target HQ: Chicago, IL  
• Fusion92 is a marketing agency that offers end-to-end marketing and proprietary services |

Source: Capital IQ, Pitchbook
<table>
<thead>
<tr>
<th>Date</th>
<th>Target</th>
<th>Buyer/Investor</th>
<th>Summary</th>
</tr>
</thead>
</table>
| 4/20/2021 | THREE DEEP                | BoldOrange                    | • Target HQ: Saint Paul, Minnesota  
• Three Deep is a performance marketing company that provides marketing services intended to make improvements in the entire marketing and sales demand chain |
| 4/19/2021 | Inkxpert                   | KSA Capital Management        | • Target HQ: Albany, NY  
• Inkxpert is a marketing communications company providing brand consulting and content writing services |
| 4/19/2021 | Olenick                    | QUALITEST                     | • Target HQ: Chicago, IL  
• Olenick is a global leader in software quality engineering practices focusing on software testing and quality assurance, project and requirements management and DevOps |
| 4/19/2021 | ARETEANS                   | CREDERA                       | • Target HQ: Hyderabad, India  
• Areteans Technology Solutions provides digital transformation services related to Pega implementations |
| 4/15/2021 | DataArt                    | da vinci capital              | • Target HQ: New York, NY  
• DataArt Solutions operates as a technology consulting company that designs, develops and supports various software solutions |
| 4/8/2021  | Quovantis Technologies    | emids                         | • Target HQ: New Delhi, India  
• Quovantis Technologies develops and offers product design and software development focused on digital experiences |
| 4/7/2021  | WinWire Technologies      | SVERICA                       | • Target HQ: Santa Clara, Canada  
• WinWire Technologies offers digital engineering services and solutions consisting of cloud, data and AI, machine learning, mobility, security and UI/UX |

Source: Capital IQ, Pitchbook
<table>
<thead>
<tr>
<th>Date</th>
<th>Target</th>
<th>Buyer/Investor</th>
<th>Summary</th>
</tr>
</thead>
</table>
| 4/6/2021 | ![The Marketing Practice logo](image1) | ![Horizon Capital logo](image2) | - Target HQ: Oxfordshire, United Kingdom  
- The Marketing Practice, a business-to-business marketing agency, provides integrated campaigns services from strategy to execution and digital to direct marketing |
| 4/6/2021 | ![Concord logo](image3) | ![H.I.G. Capital logo](image4) | - Target HQ: Hopkins, MN  
- Concord is a business and technology consultancy focused on data solutions / analytics, digital / user experience, business strategy and cloud integration |
| 4/2/2021 | ![e-Zest logo](image5) | ![Accionlabs logo](image6) | - Target HQ: Pune, India  
- e-Zest delivers solutions through digital engineering, digital commerce, digital experience design, digital operations and digital data engineering |

Source: Capital IQ, Pitchbook
About Clearsight

Clearsight Advisors is an independent merchant banking firm dedicated to driving the Knowledge Economy by providing world-class M&A and capital raising solutions exclusively to growth-oriented Business Services and Technology companies. Clearsight combines deep market insights across software, services and data. Clearsight Capital Advisors, Inc., a wholly owned subsidiary, is a registered member of FINRA & SIPC. For more information about Clearsight, visit www.clearsightadvisors.com

Select Transactions

- **UNIFY SQUARE**
  - has been acquired by UNISYS
- **Qlarion**
  - has been acquired by gcom
  - a portfolio company of SAGEWING CAPITAL
- **CORE COMPETE**
  - has been acquired by accenture
- **novo/scale**
  - has been acquired by evergreen
cerna
  - backed by SUNSTONE PARTNERS
- **CORNERSCAPE ADVISORS**
  - has received an equity investment from Altamont CAPITAL PARTNERS
- **gA**
  - has been acquired by Globant
- **RSI**
  - has been recapitalized by DC CAPITAL PARTNERS
- **pS**
  - has been acquired by PERFICIENT
- **TeleWorld Solutions**
  - has been acquired by SAMSUNG
- **INTERSYS**
  - has been acquired by ASGN Incorporated