



Digital Transformation Market Monitor

Market Overview

Sector Spotlight

Public Market Performance

M&A Activity

In 2021, businesses in virtually every industry accelerated their digital agendas and spending to stay connected with their employees, suppliers and customers. As a result, consultancies at the heart of digital marketing, product development and data analytics experienced heightened demand, and often struggled to hire fast enough to keep up.

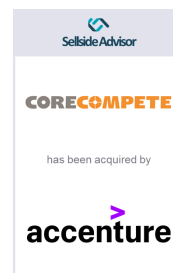
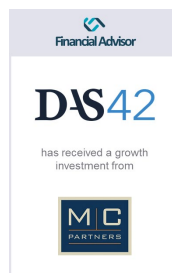
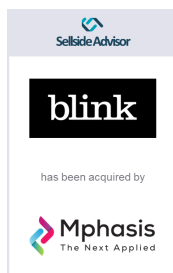
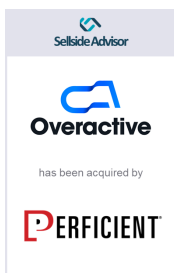
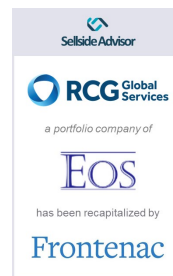
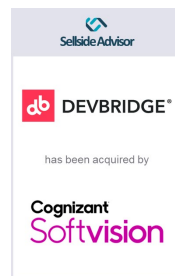
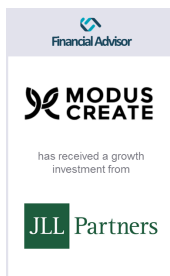
With corporate digital budgets surging, both private equity firms and strategic acquirers shifted their M&A resources towards this space. Strategic acquirers ramped up their outbound acquisition search to get an edge on the race, while PE firms poured a tremendous amount of capital into scaling existing portfolio companies and acquiring high-growth platforms. This powerful combination created highly competitive processes and yielded fantastic outcomes for our digital clients. We'd like to congratulate our clients below on their success in 2021 and thank them for trusting us with their monumental transactions.

Sector Leadership



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We are excited to host our annual Digital Innovation Summit virtually on Thursday, March 31st and look forward to seeing everyone there. More details are on page two. Please contact marketing@clearsightadvisors.com with any questions.

2022 DIGITAL INNOVATION — SUMMIT —

A Virtual Event Presented by



Clearsight Advisors
Investment Banking

Add to Calendar

Thursday, March 31st, 2022

Join us as we host a discussion of Digital Innovation
and M&A trends followed by individually
curated one-on one meetings

Attendees include CEOs,
entrepreneurs, premier private equity investors
and Fortune 500 leaders

By Invite Only

Please contact
marketing@clearsightadvisors.com
for more information

Sector Spotlight

West Monroe Partners Announces Acquisition of Carbon Five

Target
Carbon Five



Deal Commentary

- West Monroe's acquisition of Carbon Five will expand their end-to-end digital services in response to unprecedented market demand, and comes on the heels of acquiring Vervys, a 200-person product development firm, in September. These two acquisitions round out the foundation of West Monroe's new, innovative approach to digital consulting that combines expertise in technology, design and industry-leading business strategy.
- Tom Bolger, chief strategy officer for West Monroe, said, "We are excited to welcome Carbon Five, a likeminded organization with strong talent and integrated product capabilities. When paired up with Vervys's scale and West Monroe's core expertise in strategy, industry and tech, we are able to drive long-lasting value and partnership to our clients."

Acquirer



Transaction Summary

On December 1st, 2021, West Monroe Partners, a Chicago-based technology consulting firm, announced the acquisition of Carbon Five, a national product management, digital design and software engineering firm. Carbon Five specializes in building superior digital products and elevating their clients' product management and development capabilities.

Transaction Information

Announced Date	1-Dec-2021
Deal Type	Acquisition

Target Information

Year Founded	2000
Target HQ	San Francisco, CA
# of Employees	~100

Advent International Announces Acquisition of Encora

Target
encora



Deal Commentary

- Advent's acquisition of Encora will enable Encora to accelerate its global growth, both organically and through target M&A opportunities, expand its differentiated delivery model and advance its customer-facing digital services.
- Venu Raghavan, Chief Executive Officer of Encora, said "We are thrilled to enter into this partnership with Advent as we continue to scale our differentiated software engineering service offerings. Advent's deep business and technology services sector expertise, along with its global footprint, complements Encora's strengths and creates opportunities to grow our business in key markets around the world."

Acquirer



Transaction Summary

On December 21st, 2021, Advent International, a Boston-based private equity firm, announced the acquisition of Encora, a Scottsdale, AZ-based software product development firm. Encora specializes in offering differentiated innovation services and software engineering solutions across a wide range of leading-edge technologies.

Transaction Information

Announced Date	21-Dec-2021
Deal Type	Acquisition

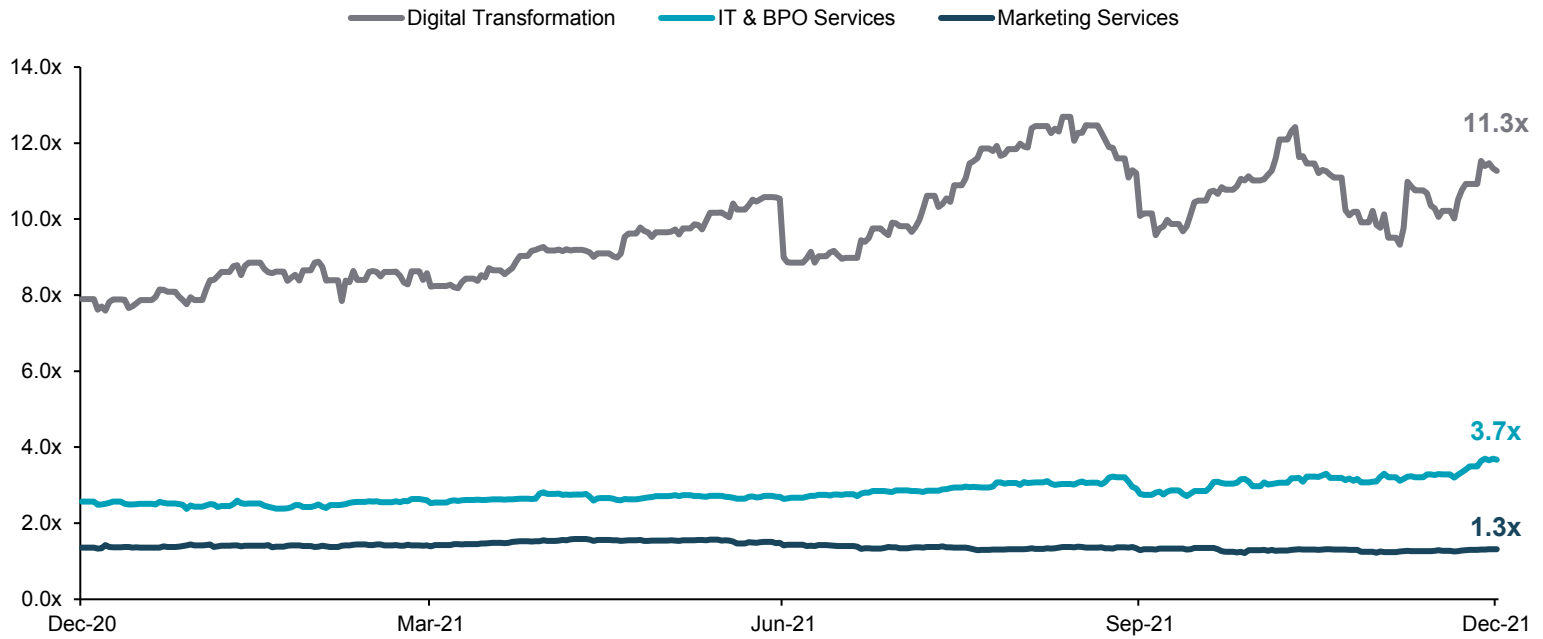
Target Information

Year Founded	2003
Target HQ	Scottsdale, AZ
# of Employees	~6,100

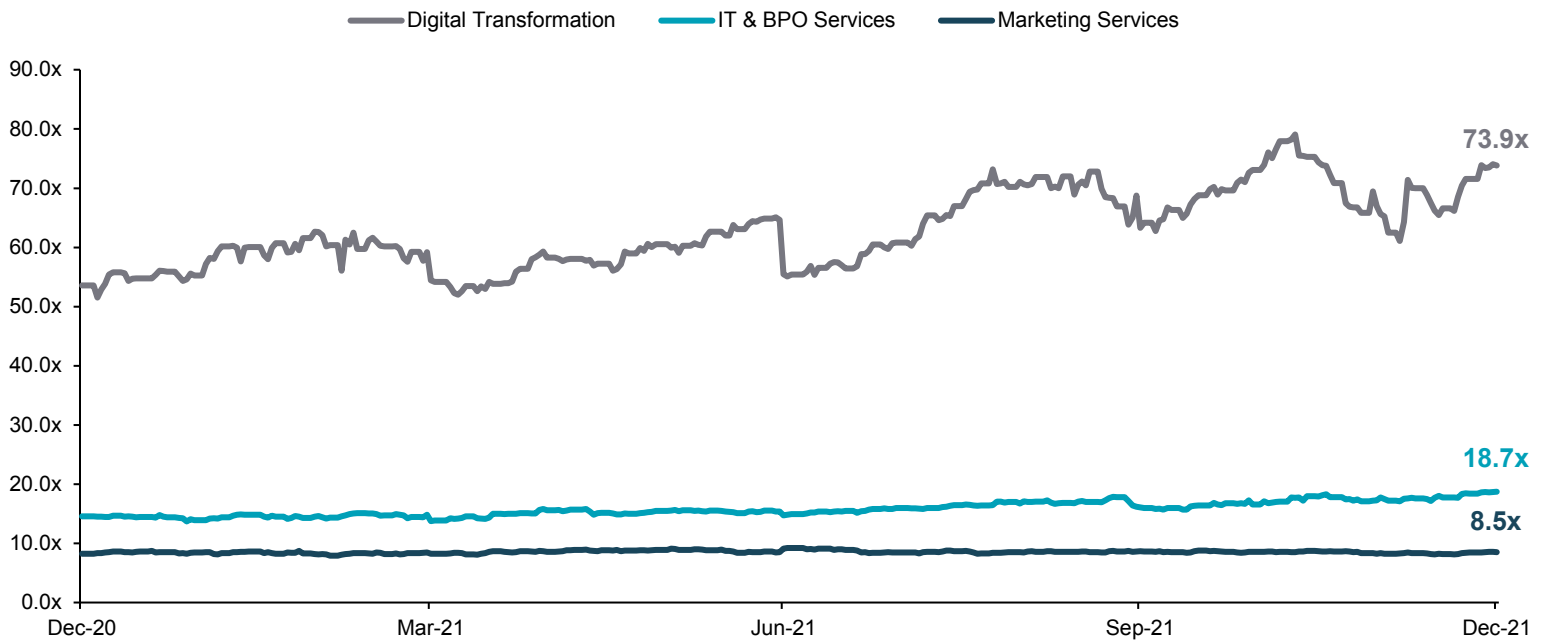
Source: Public filings, 451 Research, Capital IQ, and company websites

Public Market Performance

EV / LTM Revenue – Last Twelve Months



EV / LTM EBITDA – Last Twelve Months



Source: Capital IQ, market data as of 31-Dec-2021

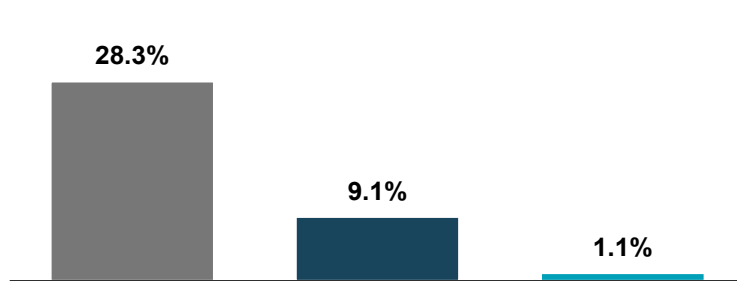
Public Market Performance

■ Digital Technology Services

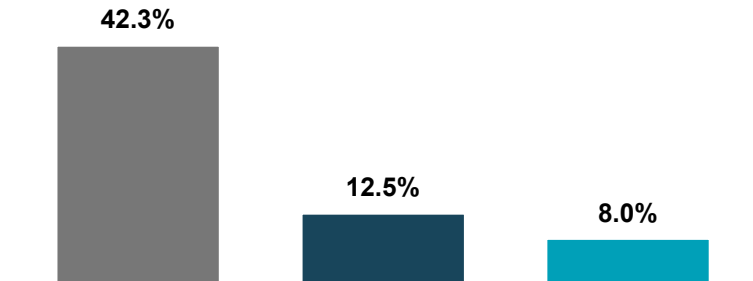
■ IT & BPO Services

■ Marketing Services

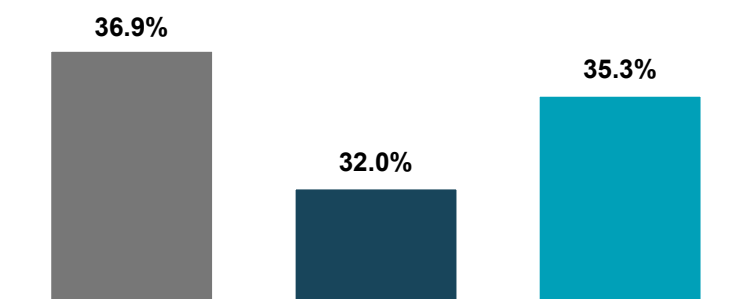
3-Year Historic Revenue Growth



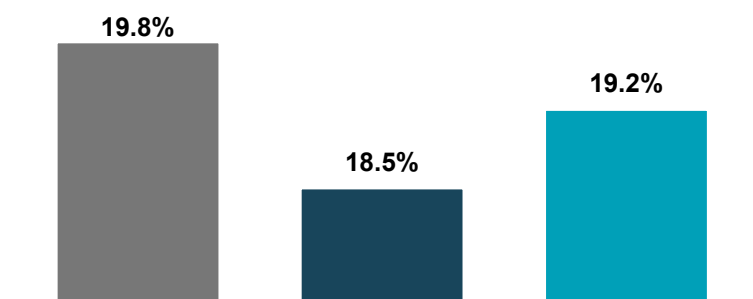
2021A Revenue Growth



2021A Gross Margin



2021A EBITDA Margin

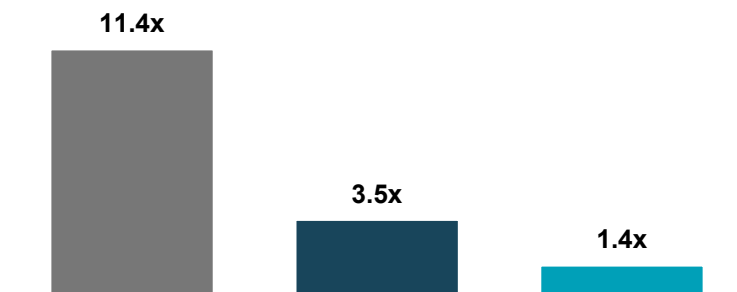


■ Digital Technology Services

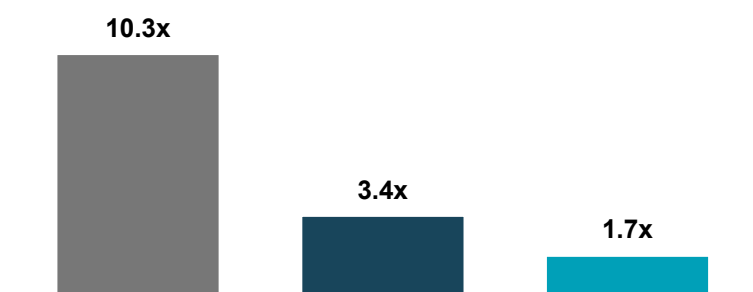
■ IT & BPO Services

■ Marketing Services

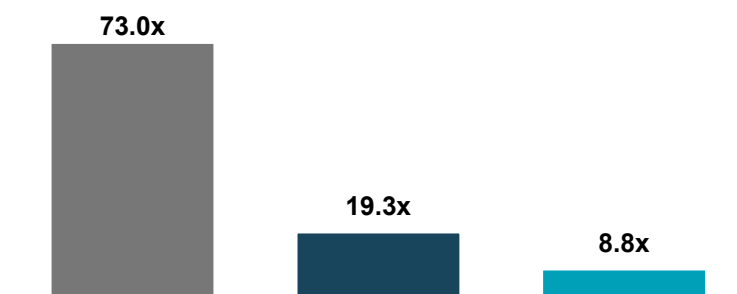
EV / LTM Revenue



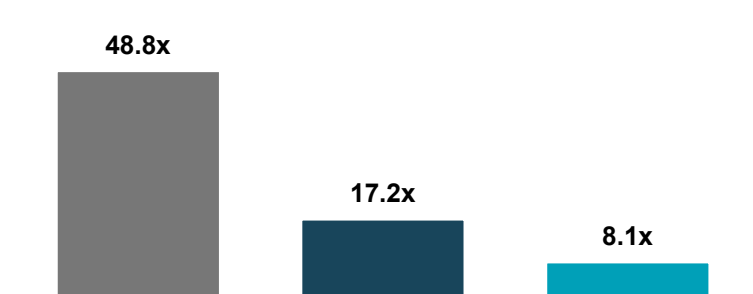
EV / 2021A Revenue



EV / LTM EBITDA



EV / 2021A EBITDA



Source: Capital IQ, market data as of 31-Dec-2021

Public Market Performance

Digital Technology Services Comparable Companies

Digital Technology Services Index	Closing Price	% of 52 Week	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA Margin	3 Year CAGR	2021E Revenue Growth %
	31-Dec-2021	High	Cap	Value	LTM	2021	2022	LTM	2021	2022	Margin	2018A-21E	Growth %
AgileThought, Inc.	\$4.72	13.1%	\$198	\$271	1.8x	1.7x	1.4x	(48.7)x	12.6x	8.0x	(3.7)%	12.9%	(3.0)%
Endava	\$167.92	97.4	9,343	9,313	13.8	12.6	10.0	74.5	47.6	40.1	18.6	28.3	43.0
EPAM	668.45	92.1	39,683	38,617	11.4	10.3	7.9	68.1	53.1	40.9	16.8	26.6	41.6
Globant	314.09	88.6	13,524	13,162	11.4	10.3	8.0	73.0	50.1	39.0	15.7	34.8	59.2
Grid Dynamics	37.97	88.7	2,596	2,397	13.7	11.8	9.4	N/M	64.3	54.0	1.3	30.3	85.9
Thoughtworks Holding, Inc.	26.81	77.9	8,851	9,002	9.1	8.5	7.0	80.6	43.4	36.8	11.3	NM	32.4
High		97.4%	\$39,683	\$38,617	13.8x	12.6x	10.0x	80.6x	64.3x	54.0x	18.6%	34.8%	85.9%
Median		88.6	9,097	9,157	11.4	10.3	8.0	73.0	48.8	39.6	13.5	28.3	42.3
Mean		76.3	12,366	12,127	10.2	9.2	7.3	49.5	45.2	36.5	10.0	26.6	43.2
Low		13.1	198	271	1.8	1.7	1.4	(48.7)	12.6	8.0	(3.7)	12.9	(3.0)

IT & BPO Services Comparable Companies

IT & BPO Services Index	Closing Price	% of 52 Week	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA Margin	3 Year CAGR	2021E Revenue Growth %
	31-Dec-2021	High	Cap	Value	LTM	2021	2022	LTM	2021	2022	Margin	2018A-21E	Growth %
Accenture	\$414.55	99.3%	\$269,349	\$263,404	4.9x	5.0x	4.3x	29.2x	26.5x	22.7x	16.8%	8.3%	19.5%
Atos	42.52	48.0	4,701	7,485	0.6	0.6	0.6	5.7	5.3	4.8	10.0	1.3	(1.4)
Capgemini	245.08	98.4	43,691	50,659	2.5	2.5	2.3	19.3	15.1	13.7	13.0	11.1	14.2
CGI Group	88.38	95.7	19,416	20,878	2.1	2.2	2.1	12.4	10.7	10.2	16.9	1.6	0.8
Cognizant	88.72	98.5	46,991	46,256	2.6	2.5	2.3	14.4	13.5	12.3	17.9	4.7	10.7
Genpact	53.08	98.4	10,210	11,217	2.9	2.8	2.6	16.2	15.0	13.8	17.8	10.0	8.1
HCL	17.70	95.7	48,043	46,987	4.2	4.2	3.8	17.9	17.2	16.4	23.4	9.9	9.3
Mphasis	45.59	92.8	9,531	9,370	6.6	6.3	5.2	38.0	35.0	28.7	17.3	14.2	15.9
Perficient	129.29	84.3	4,362	4,517	6.4	6.0	5.0	35.3	28.3	23.0	18.1	7.6	12.5
Tech Mahindra	24.03	97.4	21,059	19,101	3.5	3.4	2.9	19.5	17.9	16.0	18.0	9.1	21.8
Wipro	9.60	96.7	52,703	50,315	5.0	5.0	4.2	23.2	22.6	19.9	21.7	14.8	23.7
High		98.5%	\$269,349	\$263,404	6.6x	6.3x	5.2x	38.0x	35.0x	28.7x	23.4%	14.8%	23.7%
Median		96.7	21,059	20,878	3.5	3.4	2.9	19.3	17.2	16.0	17.8	9.1	12.5
Mean		91.4	48,187	48,199	3.7	3.7	3.2	21.0	18.8	16.5	17.4	8.4	12.3
Low		48.0	4,362	4,517	0.6	0.6	0.6	5.7	5.3	4.8	10.0	1.3	(1.4)

Marketing Services Comparable Companies

Marketing Services Index	Closing Price	% of 52 Week	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA Margin	3 Year CAGR	2021E Revenue Growth %
	31-Dec-2021	High	Cap	Value	LTM	2021	2022	LTM	2021	2022	Margin	2018A-21E	Growth %
Dentsu	\$35.61	91.8%	\$9,888	\$12,871	1.4x	1.4x	1.4x	6.5x	5.0x	6.6x	21.3%	1.1%	13.0%
IPG	37.45	95.2	14,974	17,793	2.0	2.0	1.9	10.2	10.2	10.2	19.7	4.1	11.8
Omnicom	73.27	84.8	16,015	18,329	1.3	1.3	1.3	8.3	7.8	7.8	15.6	(2.6)	8.0
Publicis	67.33	96.2	16,793	21,412	1.6	1.8	1.8	8.8	8.1	7.7	18.6	1.3	5.7
WPP	15.16	98.0	19,092	23,384	1.3	1.7	1.6	9.0	9.4	9.4	14.9	(7.4)	5.7
High		98.0%	\$19,092	\$23,384	2.0x	2.0x	1.9x	10.2x	10.2x	10.2x	21.3%	4.1%	13.0%
Median		95.2	16,015	18,329	1.4	1.7	1.6	8.8	8.1	7.8	18.6	1.1	8.0
Mean		93.2	15,352	18,758	1.5	1.6	1.6	8.6	8.1	8.3	18.0	(0.7)	8.8
Low		84.8	9,888	12,871	1.3	1.3	1.3	6.5	5.0	6.6	14.9	(7.4)	5.7

Source: Capital IQ, market data as of 31-Dec-2021




Note: Revenue growth rates are shown in reported currency and remove the impact of FX.

M&A Activity

Date	Target	Buyer/Investor	Summary
12/31/2021			<ul style="list-style-type: none"> Target HQ: Kirkland, WA Allyis is a provider of technology, consulting and technical staffing services, including software engineering and support, content management solutions and staffing
12/22/2021			<ul style="list-style-type: none"> Target HQ: Farmington Hills, MI J R Thompson Company operates as an advertising and marketing agency that offers services including branding, advertising, digital marketing and strategy
12/21/2021			<ul style="list-style-type: none"> Target HQ: Bangalore, India Nggawe Nirman Technologies provides cloud-native application development, integration and digital transformation services
12/21/2021			<ul style="list-style-type: none"> Target HQ: New York, NY Oak Digital provides end-to-end marketing and analytics services including strategy, recruitment, SEO and media buying
12/20/2021			<ul style="list-style-type: none"> Target HQ: Chandler, AZ Clairvoyant provides big data and analytics consulting services as well as managed solutions
12/18/2021			<ul style="list-style-type: none"> Target HQ: Krakow, Poland Virtus Lab provides IT services and software development including cloud-native infrastructure development, DevOps management and digital transformation
12/15/2021			<ul style="list-style-type: none"> Target HQ: Ottawa, Canada Napkyn offers digital analytics, marketing and executive consulting services.

Source: Capital IQ, Pitchbook











M&A Activity

Date	Target	Buyer/Investor	Summary
12/14/2021	 CompuGain		<ul style="list-style-type: none"> Target HQ: Herndon, VA CompuGain operates an IT and business consulting company that provides professional staffing services, project-based solutions and software solutions
12/14/2021	 Strömlin		<ul style="list-style-type: none"> Target HQ: Copenhagen, Denmark Strömlin operates as a strategic design firm that designs and builds digital products and services
12/10/2021			<ul style="list-style-type: none"> Target HQ: Reston, VA Modus Create operates as a digital design-build agency with services including system integration, product management and product engineering
12/09/2021			<ul style="list-style-type: none"> Target HQ: New York, NY Spark Digital provides digital consulting services such as technology consulting, software development and creative services to the media and entertainment industry
12/08/2021			<ul style="list-style-type: none"> Target HQ: Chicago, IL Maverick Digital provides Salesforce-based systems integration, marketing, implementation and related consulting services
12/08/2021			<ul style="list-style-type: none"> Target HQ: Seattle, WA New Engen provides digital marketing agency services including media strategies, digital and traditional media buying, channel optimization and campaign implementation
12/07/2021			<ul style="list-style-type: none"> Target HQ: London, England Cloudbreach designs and develops cloud computing solutions and offers consulting services

Source: Capital IQ, Pitchbook

Note: Clearsight logo denotes transactions in which Clearsight acted as advisor

M&A Activity

Date	Target	Buyer/Investor	Summary
12/06/2021	 DEVBRIDGE®	Cognizant®	<ul style="list-style-type: none"> Target HQ: Chicago, IL Devbridge is a software consultancy and product development firm
12/01/2021	 Headspring	 accenture	<ul style="list-style-type: none"> Target HQ: Austin, TX Headspring provides a broad range of cloud services including platform architecture, engineering, modernization and product management
11/30/2021	 DevOpsGroup	 amdocs	<ul style="list-style-type: none"> Target HQ: Cardiff, Wales DevOpsGroup advises enterprise customers on adopting modern software development models and shifting to cloud-based environments
11/29/2021	 object theory	THE STAGWELL GROUP  around	<ul style="list-style-type: none"> Target HQ: Portland, OR Object Theory provides mixed reality software development for Microsoft HoloLens and Windows Mixed Reality applications
11/25/2021	 Perfectial <small>ALL ABOUT EXCELLENCE</small>	 OAKTREE   Avenga	<ul style="list-style-type: none"> Target HQ: Boston, MA Perfectial provides outsourcing software development services for enterprises and small companies
11/22/2021	 pk	 CONCENTRIX	<ul style="list-style-type: none"> Target HQ: Omaha, NE PK is a leading global CX digital design and engineering firm, partnering with the world's best brands to create pioneering experiences that accelerate digital outcomes
11/22/2021	 TEJORA <small>TECHNOLOGIES</small>	 PRIMESOFT	<ul style="list-style-type: none"> Target HQ: Mumbai, India Tejora Technologies provides IT services including technology consulting, cloud consulting, application development and product design and support

Source: Capital IQ, Pitchbook

Note: ClearSight logo denotes transactions in which ClearSight acted as advisor

M&A Activity

Date	Target	Buyer/Investor	Summary
11/18/2021			<ul style="list-style-type: none"> Target HQ: San Francisco, CA Hero Digital provides digital transformation services including strategic consulting, design, technology, data and performance marketing
11/16/2021		 NEW MOUNTAIN CAPITAL LLC 	<ul style="list-style-type: none"> Target HQ: San Luis Obispo, Ca Hathway provides digital transformation strategy, consumer management, experience mapping, software development and marketing services
11/10/2021		 Vencap Technologies 	<ul style="list-style-type: none"> Target HQ: Dallas, TX Vektor provides data analytics and AI-based CX-focused digital consultancy services
11/09/2021			<ul style="list-style-type: none"> Target HQ: Pune, India Great Software Laboratory offers digital product engineering services to help ISVs and enterprises build, deploy and manage their digital products
11/02/2021			<ul style="list-style-type: none"> Target HQ: Iselin, NJ RCG Global Services provides consulting services including business process innovation, technology strategy, program management and data & analytics
10/28/2021			<ul style="list-style-type: none"> Target HQ: Pune, India Eternus Solutions offers information technology consulting and outsourcing services
10/27/2021			<ul style="list-style-type: none"> Target HQ: Pleasanton, CA Lodestone is a digital engineering quality assurance provider for new age digital companies

Source: Capital IQ, Pitchbook

Note: Clearsight logo denotes transactions in which Clearsight acted as advisor

M&A Activity






Date	Target	Buyer/Investor	Summary
10/22/2021			<ul style="list-style-type: none"> Target HQ: Harrisonburg, PA WebFX provides digital marketing services and related marketing automation SaaS
10/15/2021			<ul style="list-style-type: none"> Target HQ: Montevideo, Uruguay Overactive provides IT and DT consulting services including software development, application management, data science and experience design
10/13/2021			<ul style="list-style-type: none"> Target HQ: New York, NY IMRE provides an integrated suite of marketing communications services include brand strategy, creative, digital marketing, social media, public relations and media
10/12/2021			<ul style="list-style-type: none"> Target HQ: Saint Cloud, France Alter Way designs and develops web-based and open integrated source software
10/06/2021			<ul style="list-style-type: none"> Target HQ: New York, NY Jump 450 Media offers media buying, creative production, customizable analytics solutions, landing page development and machine learning and AI capabilities
10/05/2021			<ul style="list-style-type: none"> Target HQ: Buenos Aires, Argentina Atix Labs provides blockchain-based software and web development services to businesses in the United States, Argentina and Uruguay
10/04/2021			<ul style="list-style-type: none"> Target HQ: Rochester, NY LPA Software Solutions offers business data analytics, data science and artificial intelligence related consulting services.

Source: Capital IQ, Pitchbook

Note: Clearsight logo denotes transactions in which Clearsight acted as advisor

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Select Transactions

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 Sellside Advisor  has been acquired by 	 Sellside Advisor  has been acquired by 	 Financial Advisor  a portfolio company of RLH Equity Partners has been acquired by 	 Sellside Advisor  has been acquired by 	 Sellside Advisor  has been acquired by 