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M&A Facts Quarterly Q2 – 2023

IT Services Sector



IT Services Sector M&A-Highlights and Market Insights

Data source: S&P Capital IQ. Analysis by Proventis Partners.

- ▶ The M&A activity within the **IT Services Sector** during the second quarter of 2023 is indicating **mixed results**.
- ▶ The **volume of transactions** has seen an **increase**, and **transaction value** more than **doubled** compared to Q1 2023.
- ▶ The peer Group **EBIT multiple** demonstrated a slight **rise** - for the third consecutive quarter.
- ▶ On the contrary, the **EBITDA and Revenue multiples** of the Peer Group have **decreased**, in comparison to Q1 2023.
- ▶ Valuations in the **German Software & Computer Services Index** (FTSE Germany) continued a rising trend during Q2 2023. The EBITDA multiple had an **increase** from 19.72x to 21.48x during the analyzed quarter, which is a rise of **8.9%**.
- ▶ The biggest announced transaction in Q2 2023 is the acquisition of **Chindata Group Holdings Limited (NasdaqGS:CD)**, a China based hyperscale data center solutions provider, by a US based Private Equity firm **Bain Capital Investors, LLC** for **EURbn 2.7**. The transaction will be funded by a combination of debt and equity.
- ▶ **Octapharma AG**, a Swiss based healthcare company, made an offer to acquire 62% stake in **SNP Schneider-Neureither & Partner SE (XTRA:SHF)**, for **EURm 244**. **SNP Schneider-Neureither & Partner SE** is a digital transformation services provider, founded in 1994 and is headquartered in Heidelberg, Germany. The offer is subject to antitrust regulations.
- ▶ **Cancom SE**, a German IT Infrastructure and services provider, entered into an agreement to acquire **K-Businesscom AG** from **KBC Beteiligungs GmbH** for **EURm 165**. **K-Businesscom AG** provides digitalization solutions and develops end-to-end business models. It also offers consultation services and supports companies on their path to digital transformation. The company is based in Wien, Austria, with additional offices in Germany, Switzerland, and Romania.
- ▶ **Nebula Aurea Bidco S.P.A.** announced the acquisition of Italian cloud computing and cybersecurity services provider **Reevo S.P.A. (BIT:REEVO)** for **EURm 101**. The shares will be acquired at a price of **EUR 17.60**. Once the transaction is finalized, **Reevo S.P.A.** will be **delisted** from the Italian Stock Exchange – **Borsa Italiana**.

IT Services

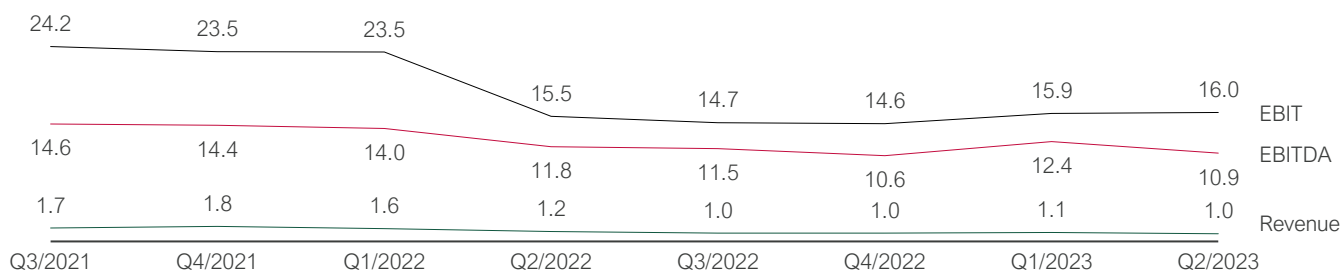
Any type of service or consulting in the context of IT: IT strategy conception, IT architecture design, software selection and implementation, software development and adaptation, managed services.

Peer Group - Current and historic trading multiples

Note: TEV = Total Enterprise Value. LTM = Last 12 Months. Data source: S&P Capital IQ. In EURm.

Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM ¹⁾	TEV/EBITDA Q1 2023 ²⁾	TEV/EBITDA Q2 2023 ²⁾	Q1 vs. Q2 Trend
Accenture plc	Ireland	178,300	173,982	59,629	10,167	15.3x	16.1x	↑
Capgemini SE	France	29,836	33,600	21,995	2,964	10.1x	10.3x	↑
CGI Inc.	Canada	22,516	24,294	9,300	1,632	13.4x	13.8x	↑
DXC Technology Company	United States	5,157	8,666	13,281	512	3.0x	9.0x	↑
Bechtle AG	Germany	4,576	4,884	6,188	416	12.7x	10.5x	↓
Reply S.p.A.	Italy	3,881	3,814	1,891	308	12.6x	11.3x	↓
Sopra Steria Group SA	France	3,691	4,276	5,101	474	8.0x	7.7x	↓
Atos SE	France	1,434	3,985	11,341	639	3.7x	3.9x	↑
Cancom SE	Germany	980	745	1,319	63	12.1x	11.9x	↓
adesso SE	Germany	806	1,029	969	51	14.1x	14.1x	→
Median						12.4x	10.9x	↓

TEV-Multiple (Peer Group)



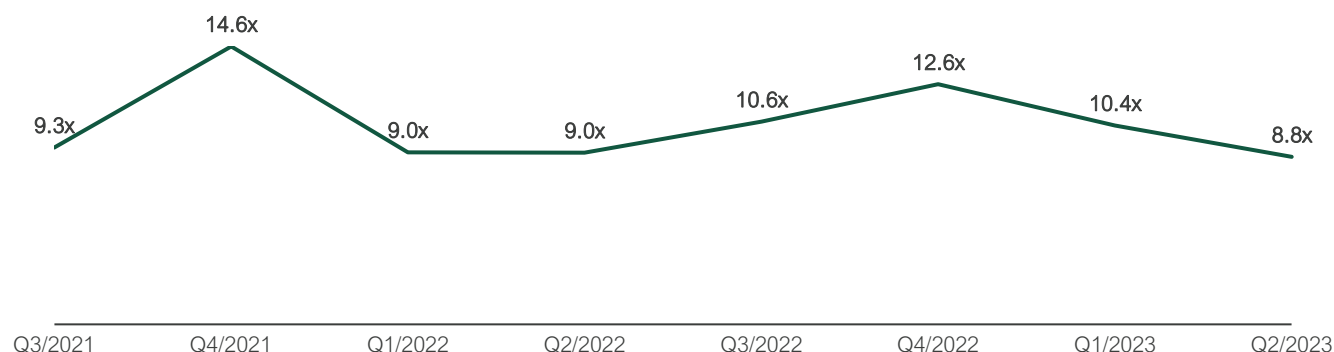
Recent M&A Transactions: Selected Transactions

Note: EV = Enterprise Value in EURm. Data source: S&P Capital IQ. Selection of transactions by Proventis Partners.

Announced Date	Target	Target Country	Acquirer	Acquirer Country	Acquired Stake (in %)	Total Transaction Value	Implied EV/ EBITDA
6/7/2023	Chindata Group Holdings Limited	CN	Bain Capital Investors, LLC	US	58	2,695	9.3x
5/17/2023	SNP Schneider-Neureither & Partner SE	DE	Octapharma AG	CH	62	244	19.3x
4/24/2023	K-Businesscom AG	AT	Cancom SE	DE	100	165	5.9x
5/16/2023	Reevo S.P.A.	IT	Nebula Aurea Bidco S.P.A.	IT	100	101	24.7x
6/1/2023	Exprivia S.p.A.	IT	Abaco Innovazione SpA	IT	43	77	4.6x
5/2/2023	MSP Corp Investments Inc	CA	Walter Capital Partners; Alfar Capital	CA	100	67	n/a
6/7/2023	Velotio Technologies Pvt Ltd	IN	R Systems International Limited	IN	100	32	n/a
4/11/2023	ICY Security ApS	DK	Columbus A/S	DK	100	17	27.2x

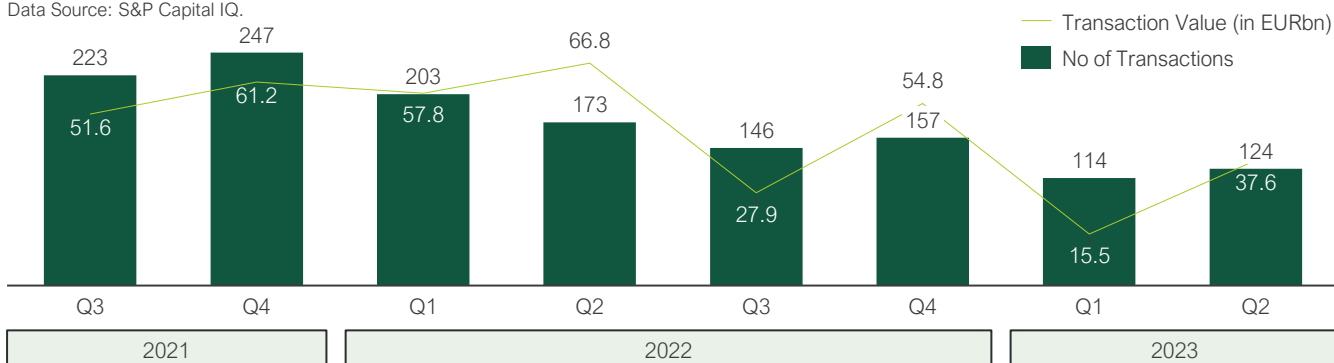
Recent M&A Transaction: EBITDA-Multiple

Implied Transaction Enterprise Value / EBITDA of announced transactions with disclosed multiple.
Data Source: S&P Capital IQ.



Recent M&A Transactions: Deal Count, Recorded Transaction Value³⁾ 2021-2023

Data Source: S&P Capital IQ.



1) EBITDA LTM does not include income (loss) from affiliates.

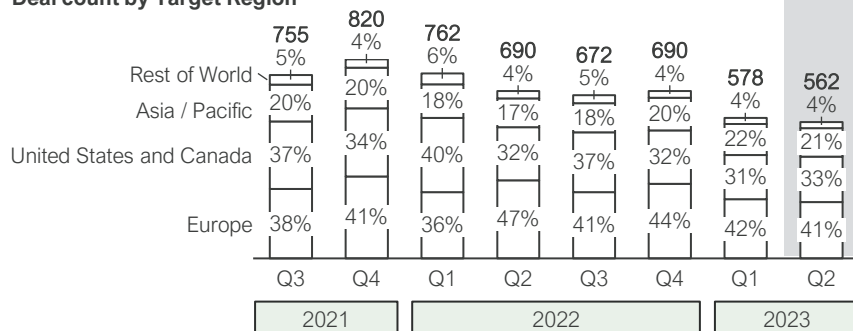
2) Multiples are calculated based on last reported LTM EBITDA including income (loss) from affiliates.

3) Only for a limited number of recorded M&A transactions the transaction volume is being published

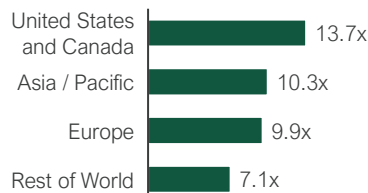
Global IT Services M&A Deal Analysis

Announced transactions. Implied M&A Enterprise Value / LTM EBITDA of announced transactions with disclosed multiple.
Data Source: S&P Capital IQ.

Deal count by Target Region

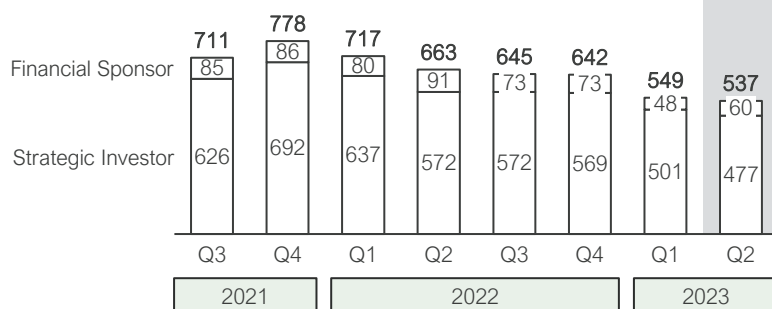


EBITDA Multiple (LTM) by Target Region

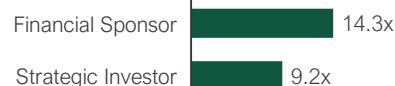


Deal count by Investor Type

Announced transactions with identified investors.

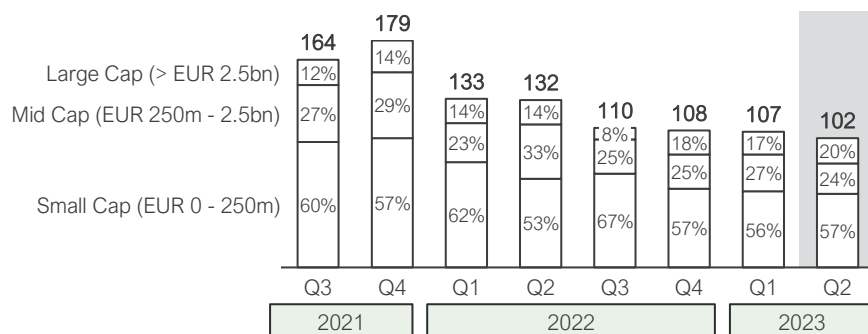


EBITDA Multiple (LTM) by Investor Type

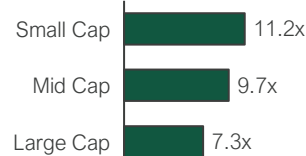


Deal count by Company Size

Announced transactions with disclosed annual pre-transaction revenues.



EBITDA Multiple (LTM) by Company Size



Notes

The analysis considers announced transactions only. Recent Transactions and Multiples only include items with available Total Enterprise Values (TEV). As S&P Capital IQ constantly updates its database, the values might differ from previous M&A Facts.

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