



---

# M&A activity in the Knowledge Economy

Q2 2021

# Contents

**03**

CONTRIBUTORS

**05**

EXECUTIVE SUMMARY

**07**SOFTWARE & TECH  
ENABLED SERVICES**09**TECHNOLOGY SERVICES  
AND OUTSOURCING**11**HUMAN CAPITAL  
MANAGEMENT**13**ENGINEERING CONSULTING  
AND SERVICES**15**

MANAGEMENT CONSULTING

**17**

Q2 2021: DEALS HIGHLIGHTS

**22**

MEET EQUITEQ

**23**

EQUITEQ SERVICES

**24**

EQUITEQ Q2 HIGHLIGHTS

**25**

LOCATIONS



# Contributors

---



**JEFF BECKER**  
MANAGING DIRECTOR,  
HEAD OF M&A - NORTH AMERICA

Jeff has over 25 years of investment banking experience, advising a variety of growth and middle-market companies on well over 100 strategic advisory or capital raising transactions.

Jeff focuses on the software, tech-enabled services, and human capital management sectors.

[jeff.becker@equiteq.com](mailto:jeff.becker@equiteq.com)



**PAUL DONDOS**  
MANAGING DIRECTOR  
GLOBAL HEAD OF STRATEGIC ADVISORY AND MARKET INTELLIGENCE

Paul advises listed corporations, owner-managed businesses, private equity and portfolio companies on their approach to M&A. He leads Equiteq's strategic advisory practice – serving acquirers and investors on M&A origination, and business owners on growing their equity value – and

Equiteq's market intelligence service, analysing and publishing data and perspectives on the global knowledge economy. He has 20 years' experience in corporate finance, consulting, digital services, and as a business owner.

[paul.dondos@equiteq.com](mailto:paul.dondos@equiteq.com)



**GREG FINCKE**  
MANAGING DIRECTOR

Greg is a Managing Director at Equiteq for North America. Greg works with owners to understand their goals for both themselves and their firms. He then brings together the necessary resources to deliver solutions to meet

their objectives. Greg draws on his diverse business background to help owners think through what they want to achieve and when.

[greg.fincke@equiteq.com](mailto:greg.fincke@equiteq.com)

# Contributors

---



---

**JEROME GLYNN-SMITH**  
**MANAGING DIRECTOR**

Jerome is a Managing Director at Equiteq and leads end-to-end sell-side and buy-side transaction advisory work, as well as active engagement and coverage of entrepreneurs and private equity in Europe. Jerome's expertise and value

to clients stem from a combination of extensive enterprise technology services domain knowledge with strong transaction execution experience.

[jerome.glynn-smith@equiteq.com](mailto:jerome.glynn-smith@equiteq.com)

---



---

**SAM LEVY**  
**MANAGING DIRECTOR**

Sam is a Managing Director at Equiteq and comes with more than twelve years of Investment Banking experience with boutique firms focused on technology and services. Sam has a strong understanding of technologies and business processes. He has worked on more than 30

buy-side, sell-side and capital raises transactions representing founder-owned or PE-backed companies, larger corporations and PE firms on more than \$3bn in aggregate transaction value.

[sam.levy@equiteq.com](mailto:sam.levy@equiteq.com)

---



---

**SYLVAINE MASSON**  
**DIRECTOR, ASIA PACIFIC**

Sylvaine is a specialist corporate advisor with a diverse background in the professional services sector, working with clients on M&A transactions, growth and strategic advisory. She has assisted companies in this sector to undertake strategic

reviews, develop their businesses, facilitate international market entry strategies, prepare for sale and successfully complete sell-side and buy-side transactions.

[sylvaine.masson@equiteq.com](mailto:sylvaine.masson@equiteq.com)

---

# Knowledge Economy Q2 M&A activity

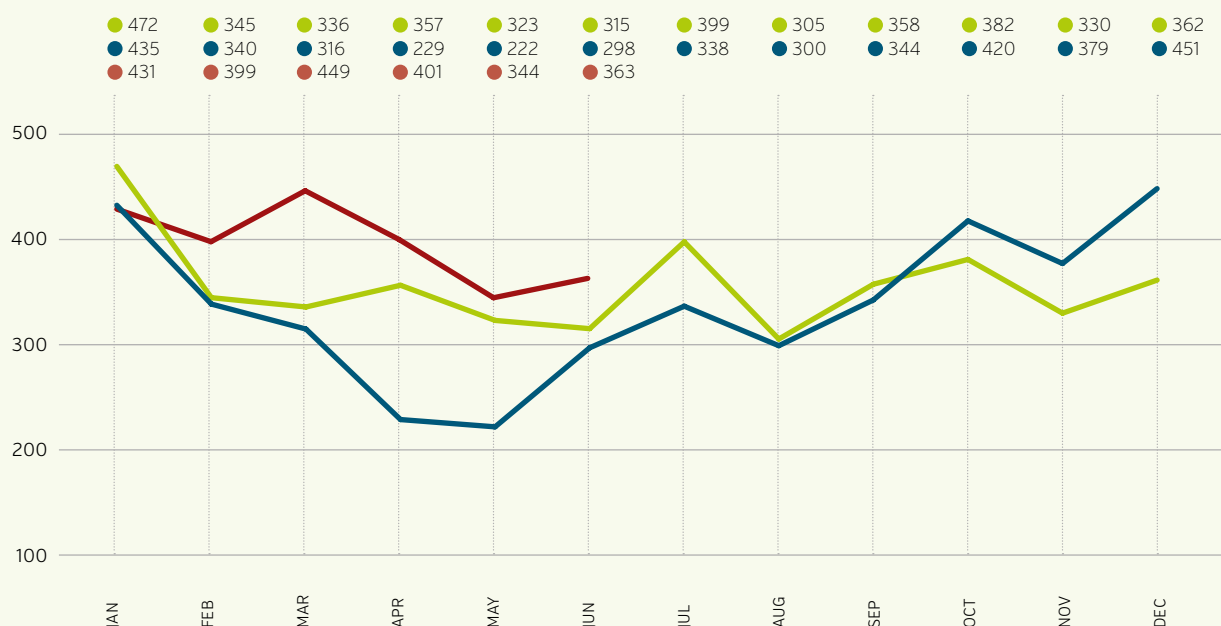
## Executive Summary

**F**ollowing in the wake of Q1's blazing hot market activity, Q2 2021 had a lot to live up to. The persistence of strong tailwinds (that have barely faltered since Q3 last year) means that M&A activity in the Knowledge Economy has continued apace, with high deal volumes and, arguably, even higher multiples in some segments. Quarterly deal volumes clearly represent a return - at least in terms of M&A activity - to sustained normality. Q2 2021 is tracking well above comparable quarters for both 2020 and 2019. We have seen 48% more deals completed compared to last year (up from 749 to 1,108), while 2021 is also tracking 11% above 2019

levels of Q2 activity, which saw 995 deals completed. Whilst there has been a 13% drop in deal count in Q2 compared to Q1, this follows the same seasonal pattern of activity we have observed over the last few years. We have seen the valuation pendulum swing even further in sellers' favour as plentiful dry powder among buyers, increasing stock market indices and low interest rates enable ever greater spending on higher multiples. Our figures indicate that the Q2 2021 cumulative deal value surpassed Covid-impacted Q2 2020 by 172%. We have also seen a greater proliferation of larger deals in recent months, with deals above \$10bn representing 19% of

**“**  
**M&A activity has continued apace, with high deal volumes and even higher multiples**  
**”**

Monthly Global Deal Volumes ■ 2019 ■ 2020 ■ 2021



the aggregate deal value in Q2. No deals of this size were reported in the Knowledge Economy Sector during Q1. Across the sector, deal geography has remained fairly consistent, with domestic deals on average representing 68% of all deals across the Knowledge Economy. Among the sub-sectors of the Knowledge Economy, we can see subtle variations despite an adherence to the broader sector trends. While deal volume and transaction values both dropped slightly from Q1 to Q2 in areas such as HCM and Management Consulting, we've seen huge leaps in buyer investment across the IT Services sector, which saw aggregated deal valuations jump by more than 96%, up from \$4.5bn in Q1 to a mammoth \$8.8bn in Q2.

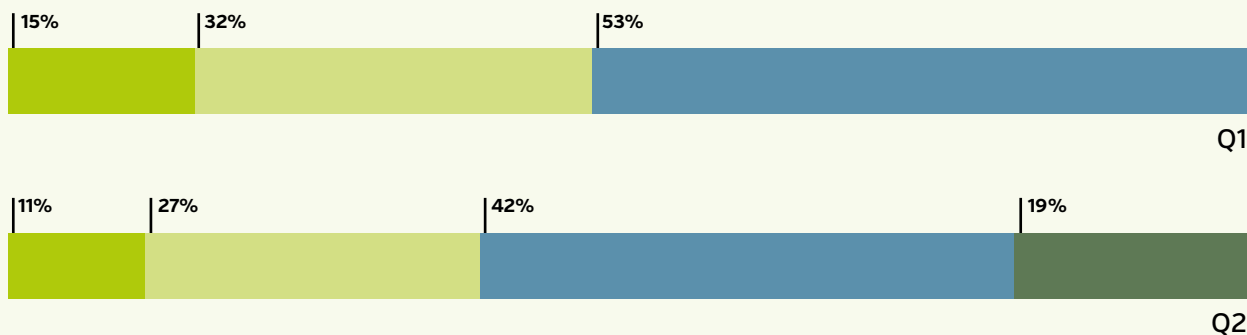
Such activity reflects the geographic trends we have observed across the quarter, with big spikes in activity across both Europe (double the number of deals IT Services deals y-on-y) and North America (almost double the number of Software deals y-on-y). Ultimately, Q2 2021 has continued where Q1 left off with activity and valuations both tracking higher than they have done for a number of years. However, despite plentiful dry powder among buyers and a persisting convergence of favourable market conditions, attention must now turn not just to Q3 and Q4, but to 2022. With the prospect of legislation, inflation, and potential tax raises, on the horizon, it remains to be seen just how long such spikes in M&A activity might persist. ●

# 48%

more deals completed in  
Q2 2021 than in Q2 2020

## 2021 Transaction values by size

■ <\$300m ■ \$300m - \$2bn ■ \$2bn - \$10bn ■ >\$10bn



## Q2 Deal count by buyer type

■ Financial ■ Strategic ■ Mixed



# Software and Tech Enabled Services (SWTES)

## Q2 M&A activity executive summary

**F**ollowing the strong performance of Q1, high levels of M&A activity continued throughout Q2 within the Software and Tech Enabled Services area of the Knowledge Economy. Compared to the previous quarter, deal count remains unchanged with another 260 deals completed, while year-on-year, the Software deal count for Q2 almost doubled, with 88% more deals closed in Q2 2021 compared to 2020.

Alongside the maintenance of high deal volumes - and this persisting from an already record Q1 - we've also seen an increase to the average transaction value. In fact, we have seen Q2 creep past Q1 in terms of total transaction values, growing from \$21.9bn in Q1 to \$22.2bn in Q2.

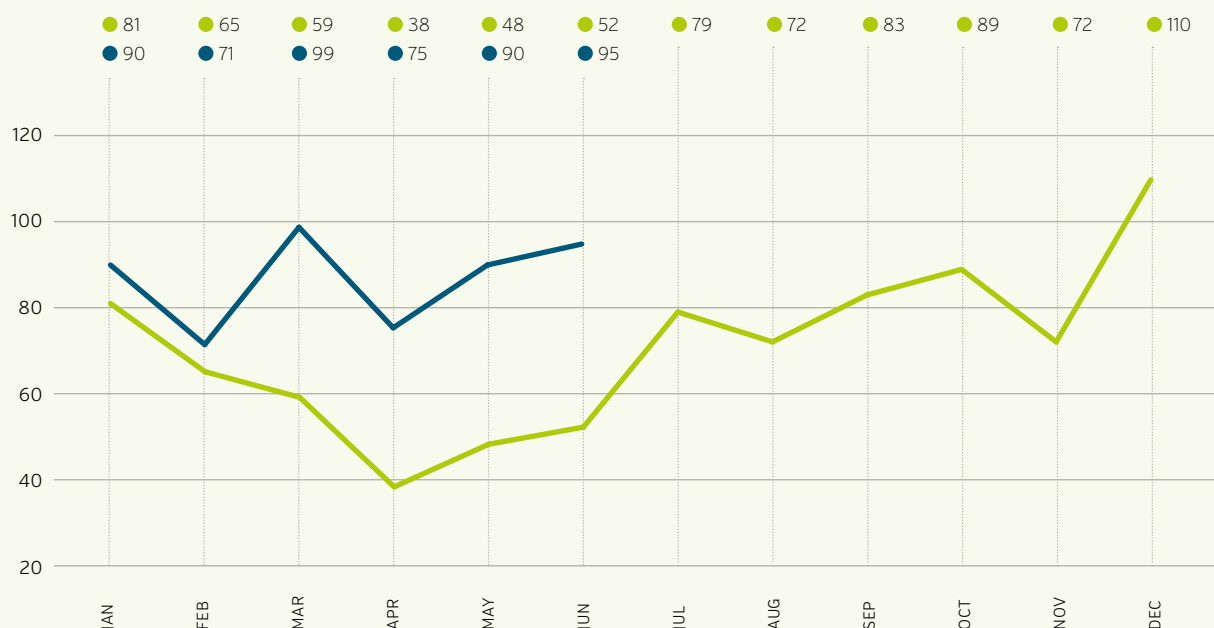
A number of megadeals in the space during the quarter have certainly contributed to this. The stand out deal being Microsoft's acquisition of the AI and cloud-based healthcare intelligence firm, Nuance.

"Investors and acquirers have prioritized full-cloud remote offerings and companies that were built for scale and rapid growth", says Sam Levy, Managing Director of Equiteq. "While these used to be strong preferences, they have become necessities for current and future investments."

Elsewhere, we have also seen Panasonic acquire the remaining 80% of the digital fulfilment platform Blue Yonder for \$7.1bn; Dell sell its cloud-based integration platform as a service, Boomi, to Francisco Partners

**“**  
**Deal volumes**  
**continued to**  
**hit record**  
**levels in Q2**

Year-on-year monthly Software deal count ■ 2020 ■ 2021



“  
With strong  
tailwinds, the  
record performance  
in SWTES will  
persist for the  
foreseeable future

and TPG for \$4bn; and Visa acquire Swedish open banking platform Tink for \$2.2bn (€1.8bn).

As noted in our Q1 report, the SWTES sector was mostly unscathed during COVID and even benefited from the crisis. With consumers and corporates still adapting and adopting their digital habits, companies in the space continue to adjust their offering by equipping

new skills and capabilities through inorganic methods. This has only served to fuel deal activity.

Thanks to this continued digital transformation, the SWTES space continues to be competitive with high levels of activity being driven by hungry investor appetites, plenty of dry powder, and an increasing number of liquidity exit options (via IPOs and SPACs).

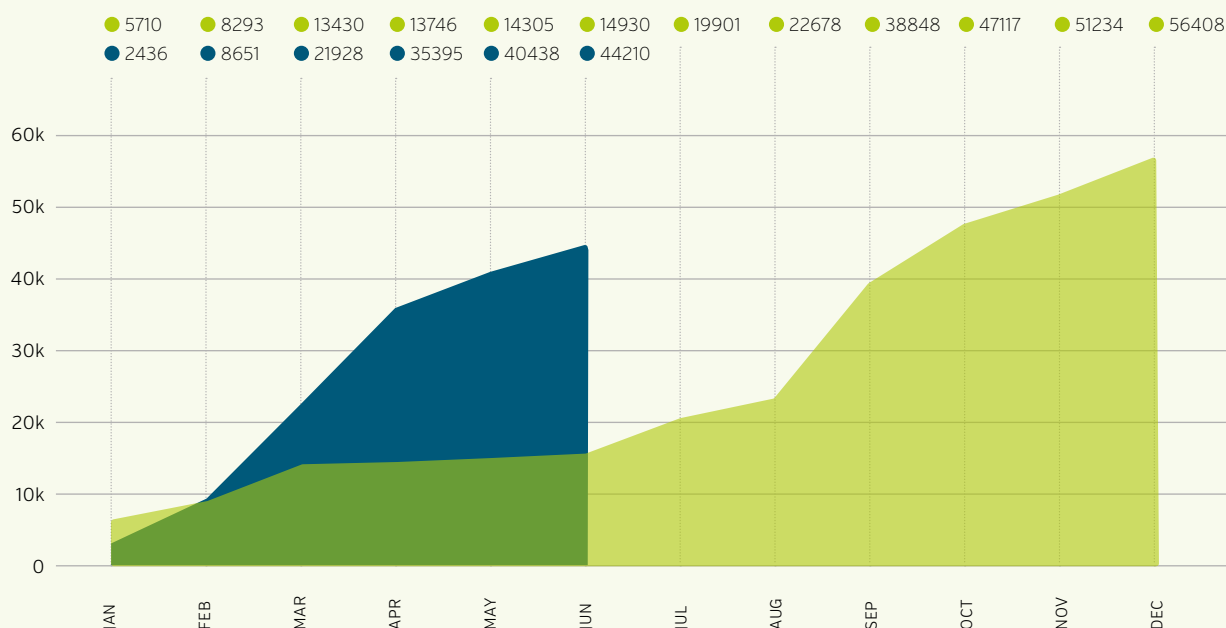
However, company owners considering the prospect of a deal, or who want to play in the white-hot market, need to be aware that if they are not fully-cloud, multi-cloud, or subscription-based businesses, then they risk being ostracized from the market, especially among PE buyers, unless they rapidly evolve towards these models.

With strong tailwinds, the record performance in the SWTES space will persist for the foreseeable future. However, as with other areas of the Knowledge Economy, the threats of inflation and legislation change may impact activity - but whether this means lower volumes and higher multiples in an already record-breaking market remains to be seen. ○

88%

More SWTES deals completed in Q2, 2021 compared to the same period last year

Monthly SWTES cumulative deal value (US \$, millions) 2020 2021





# Technology Services and Outsourcing

## Q2 M&A activity executive summary

**T**he ongoing, albeit uneven, re-opening of global economies signifies another corner turned in the fight against COVID and with plenty of dry powder still available it should come as no surprise that M&A activity in the IT Services sector of the Knowledge Economy is booming.

Year-on-year, we can see the sector's recovery clearly, with 53% more deals completed in Q2 2021 compared to 2020. However, despite the number of deals dropping 19% from Q1's blowout, we have seen acquisition expenditure scale dizzying new heights as total deal valuation jumped by almost 96% across quarters, up from \$4.5bn to a mammoth \$8.8bn.

Private Equity buyers remain particularly keen to deploy liquidity

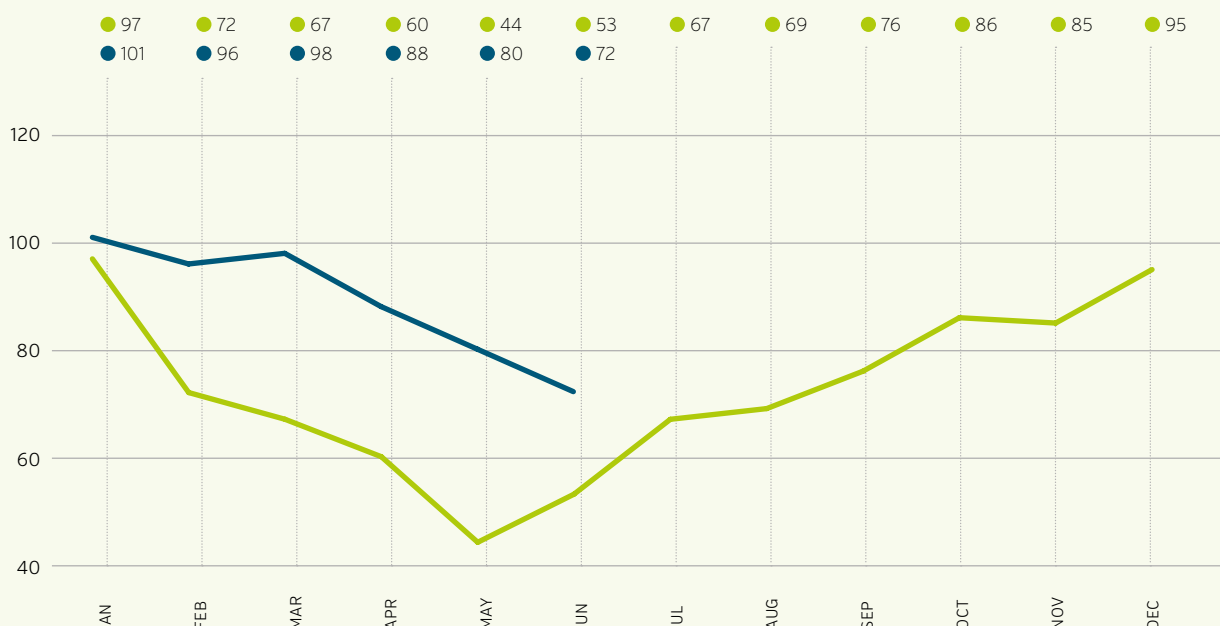
and rapidly bolt on capabilities. Examples include BC Partners \$1.4bn acquisition of a major stake in the UK-based digital services agency, Valtech, as well as the Japanese PE firm Advantage Partners' acquisition of a 70% stake in the digital transformation solutions provider Micro-D international (MDI).

Elsewhere, the Apax-backed software company Azentio Software finally completed its acquisition of the India-based 3i Infotech, before swiftly following it with the acquisition of two insurance tech services firms in Candela Labs and Beyontec.

As the rapid acceleration in demand for IT services persists, buyers not only increasingly recognise the recurring revenue opportunities that

**“ Private Equity buyers are keen to deploy liquidity and bolt on capabilities ”**

Year-on-year monthly IT Services deal count ■ 2020 ■ 2021



such implementation and integration projects present - but understand that they need the teams to carry them out.

"There are always going to be more Salesforce and SAP projects to implement and integrate," says Greg Fincke, Managing Director at Equiteq in Boston, USA. "They're no longer one-off projects that never materialize again."

Recurring implementation opportunities abound after a busy Q2, in which the SAP and Salesforce ecosystems have both come on strong again, while the demand for the public cloud means that Google Cloud, Azure and AWS ecosystems are now bursting at the seams with backlogs larger than revenues. With a real lack of implementation talent, a major sector concern, firms that can solve this resource scarcity are now attracting major attention, especially if they possess nearshore capabilities.

"Those companies in Western Europe or the US that have a significant amount of delivery in Central or Eastern Europe, or LATAM, and can deploy a team of 10 or 15 overnight on a project - those

**“Firms that can solve the large implementation talent shortage are attracting major attention**

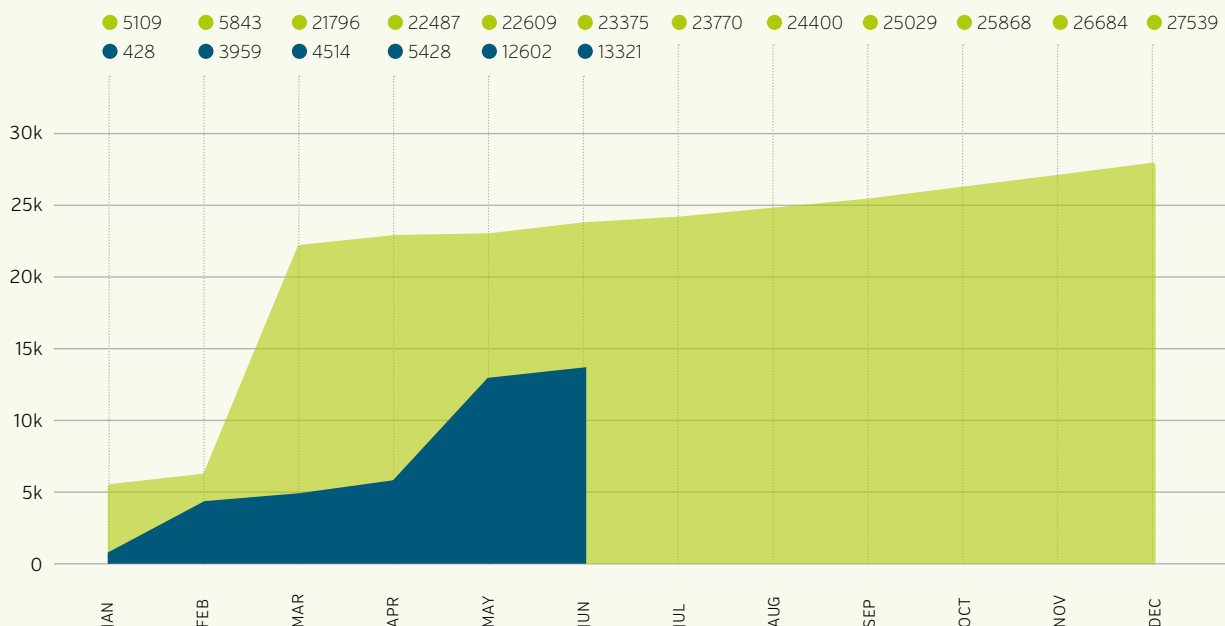
companies are very attractive right now," says Jerome Glynn-Smith, Managing Director at Equiteq in London, UK.

With strong tailwinds behind both activity and valuations, we are now seeing sellers look towards the viability of a deal in 2022. However, with capital gains tax increases on the cards in the US and the broader spectre of inflation in Europe, we are likely to see supply of the highest quality assets impacted in H2, which, in turn, could actually push the record multiple valuations we're already seeing even higher. 🟡

**53%**

more IT Services deals completed in Q2 2021 than in Q2 2020

Monthly IT Services cumulative deal value (US \$, millions) ■ 2020 ■ 2021



# Human Capital Management

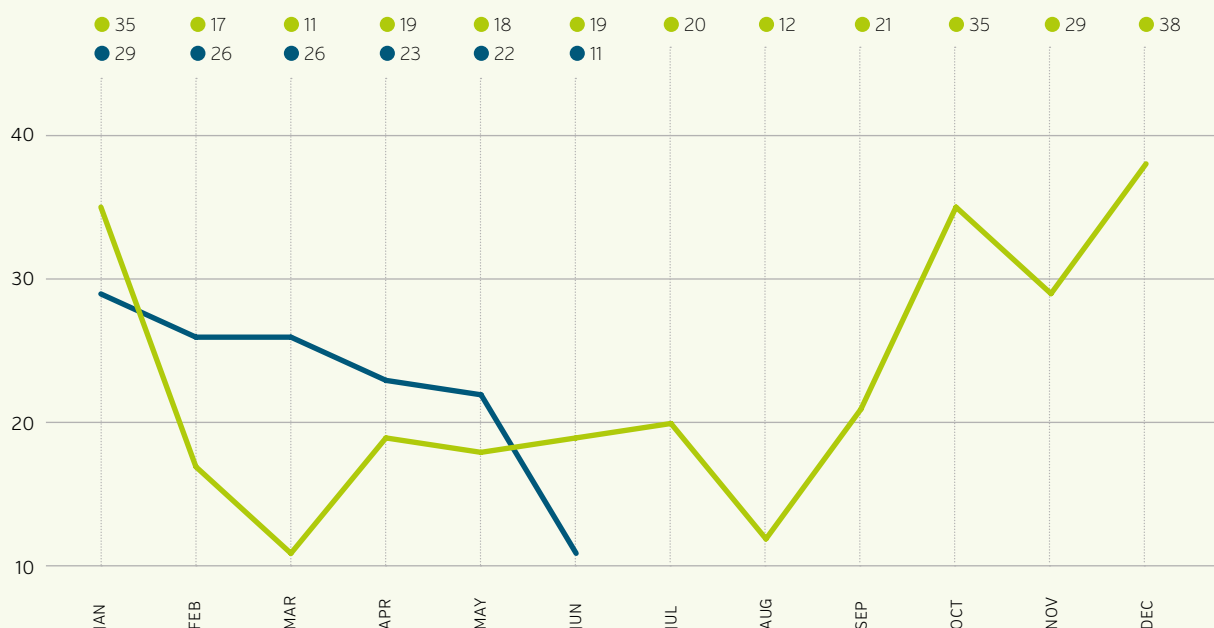
## Q2 M&A activity executive summary

**A**s countries and economies reopened across Europe, the US, and other major markets during Q2 2021, interest in HCM businesses (like M&A activity for nearly all businesses) dipped compared to Q1, with 30% fewer deals being completed. However, while the Q2 2021 deal count remains unchanged year-on-year, monthly transaction values were much more variable across Q1 and Q2 compared to last year. Despite this, the macro trends driving demand for HCM solutions persist and from a deal volume perspective, the M&A market remains robust.

The incremental re-opening of global economies has been a key driver of activity, as corporates prepare for life in the “new normal” going forward. With firms looking to re-energize and re-accelerate, precautionary habits adopted during the pandemic (companies downsizing and individuals changing jobs and/or location) are now exacerbating the pre-existing war for talent. With demand outstripping supply, huge numbers of jobs remain unfulfilled and the need for digital HCM solutions that enable more effective hiring, upskilling and retention practices is becoming greater than ever before.

“  
The need for digital HCM solutions is greater than ever before

Year-on-year monthly HCM deal count ■ 2020 ■ 2021



“Coming out of Covid, businesses want to continue to use technology to improve workflows and collaboration, and to be more efficient and cost-effective,” says Jeff Becker, Managing Director, Head of M&A - North America at Equiteq. “They understand some things can be done in-person, but a lot more can be done virtually, so there’ll be even more interest in firms that can enable this kind of digital transformation of HR practices such as recruiting and learning & development going forward.”

As such, we have seen sustained levels of activity among both PE firms and PE-backed strategic buyers during Q2.

“We’re seeing a lot of interest in the HCM space from private equity, growth equity, and venture capital firms,” says Becker. “As well as the rapid creation of exciting companies that have achieved critical mass in both the size and breadth of their solutions.”

Yet there is a lack of large vendors and service providers that are able to acquire these businesses. As such, those HCM software and services platforms that are now reaching critical mass are essentially being traded

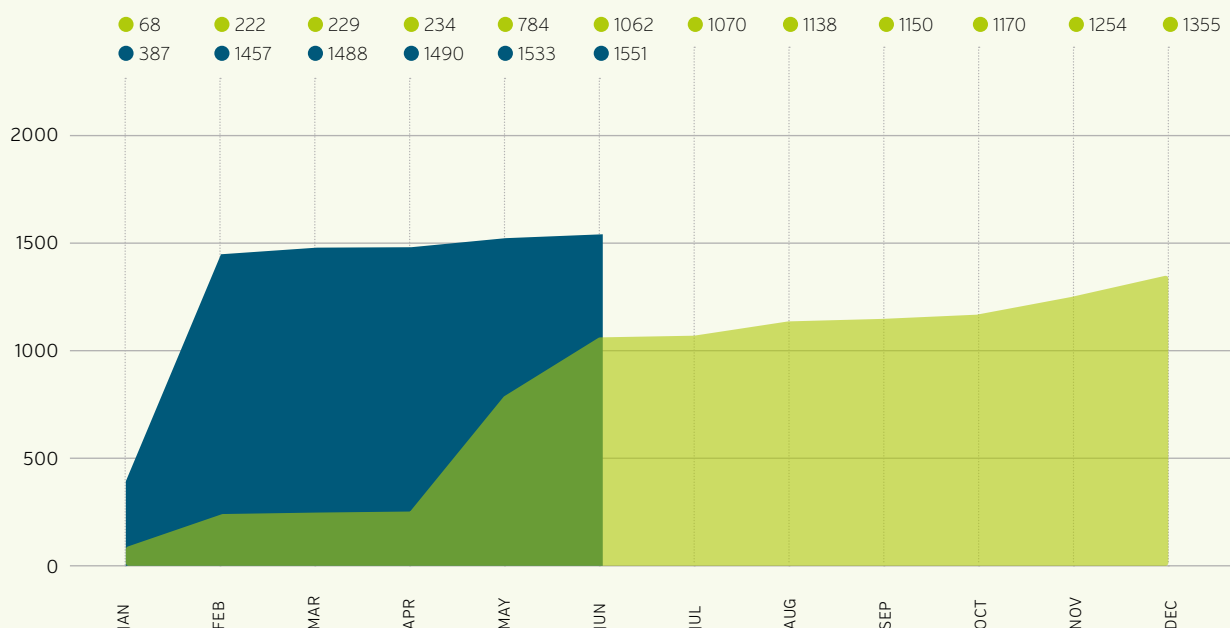


## Firms enabling digital transformation of HR practices are in high demand

among incrementally larger PE firms.

Looking forward, the uneven reopening of global economies will continue to drive the need for HCM solutions. However, lurking sometime in the future is the potential of a dip in valuations and market activity if inflation does take root and interest rates increase. Nevertheless, with buyers and sellers more likely able to meet in person again in the near future, this could sustain the resurgence of activity that has been at play since Q3 last year, regardless of any knock from inflation. ●

Monthly HCM cumulative deal value (US \$, millions) ■ 2020 ■ 2021





# Engineering Consulting & Services

## Q2 M&A activity executive summary

**M**&A activity in the engineering sector has been very strong over the last quarter with deal volumes double those of Q2 2020 as Q1 activity largely persists. We have also seen a remarkable jump in total transaction values during Q2, which rose 354% q-on-q, from \$0.55bn in Q1 to \$2.5bn in Q2.

These high volumes and valuations reflect the broader trends we are seeing throughout the Knowledge Economy. Meanwhile, the possibility of incoming US legislation means that not only has momentum been sustained from Q1, but that we are now reaching a fever pitch as businesses look to transact by the year's end.

Deals have been plentiful in the space as buyer preferences coalesce around the notion that sustainable transformation is the new digital transformation. Consequently, buyers are actively seeking to equip themselves with the necessary capabilities to enable and deliver this for clients.

We have seen a significant sustainability investment from the private equity firm KKR, which acquired a major stake in ERM, one of the world's largest pure-play sustainability consultancies. With the deal announced in mid-May, ERM has continued to build volume and capability with a series of small but significant acquisitions, including that of E4tech, a sustainability strategic consultancy that specializes in innovative and disruptive low-carbon technology. Elsewhere, in the TICC segment of the Knowledge Economy, renewables are also a leading theme, viz. the acquisition of Spanish solar business Enertis by Applus+.

"Sustainability is becoming a key focus throughout the Knowledge

Economy," confirms Sylvaine Masson, Director, M&A Services for Equiteq in APAC. It's a sentiment that Paul Dondos, Managing Director, Global Buy-side & Market Intelligence at Equiteq, agrees with. He adds: "Engineering firms are increasingly looking for what they can do on an advisory basis and trying to enlarge their capabilities in the management of projects through a sustainability angle."

But while advisory and sustainability services open new revenue opportunities, we are also seeing activity being driven by the growing demands that ESG regulations are placing upon businesses.

"If you don't have the capabilities to comply with sustainability regulation, then it's not simply a question of missing out on a market opportunity to sell those [sustainability] services," explains Dondos. "You may in fact find that you can't actually compete



**Environmental and Sustainability drivers are driving deal volumes to new highs**

or deliver in other parts of your engineering business.”

With sustainability no longer a nice to have, but a vital part of doing business, it's little surprise that activity among both PE and Strategics has been high. Nevertheless, unlike other sectors, such as Management consulting and Technology Services, PE investors are having a slightly harder time getting their foot in the door in the Engineering space.

Competition remains high, yet within this sector at least, the momentum remains with those whose existing engineering services can create stronger synergies and propositions for potential targets - and there's currently no shortage of interest in each and every target.

“Right now, it's not about those who have simply got capital to invest,” says Dondos, “There is just so

much synergy to be derived in this segment from existing infrastructure, existing operations and clients, existing footprints.”

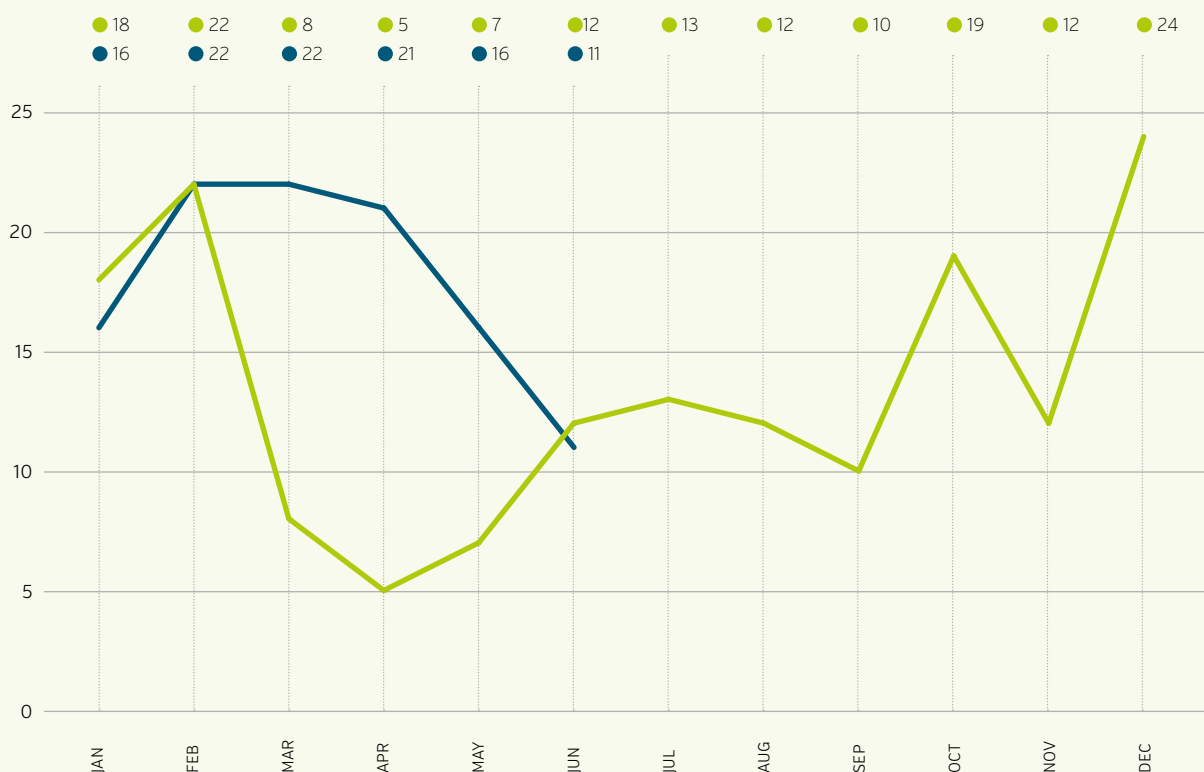
While we can expect high valuations and levels of activity to persist, with so many sellers looking to take advantage of the market heat, we may actually see a natural equalization process during H2 as sellers increasingly struggle to stand out from the crowd.

We're already seeing some impacts on the capability to deliver transactions from a provider perspective and while buyers remain plentiful, sellers need to be aware that in the second half of 2021, simply coming to market might not translate into an optimal outcome, or even an outcome at all - they need to find the right buyer at the right time and deliver the right message about their value and joint trajectory. ●

# \$2.5bn

Total Engineering transaction value for Q2 2021

Year-on-year monthly Engineering deal count ■ 2020 ■ 2021



# Management Consulting

## Q2 M&A activity executive summary

**T**he late 2020 rebound shows no signs of letting up as a convergence of economic, psychological, and personal financial factors continue to drive high levels of M&A activity in the Management Consulting sector.

Year-on-year performance is strong with 35% more deals completed this year compared to last. However, the sector did see a 26% drop in Q2 deal volume compared to Q1. That said, despite fewer deals being completed, the strong market has still driven remarkable some significant valuations in Q2, resulting in a total quarterly deal transaction value of \$3.3bn

This activity is being driven by a number of factors. The stock market is in and around an all-time high,

dry powder remains plentiful, and interest rates are still low, all of which is enabling buyers to lean into the higher multiples that are permeating the market.

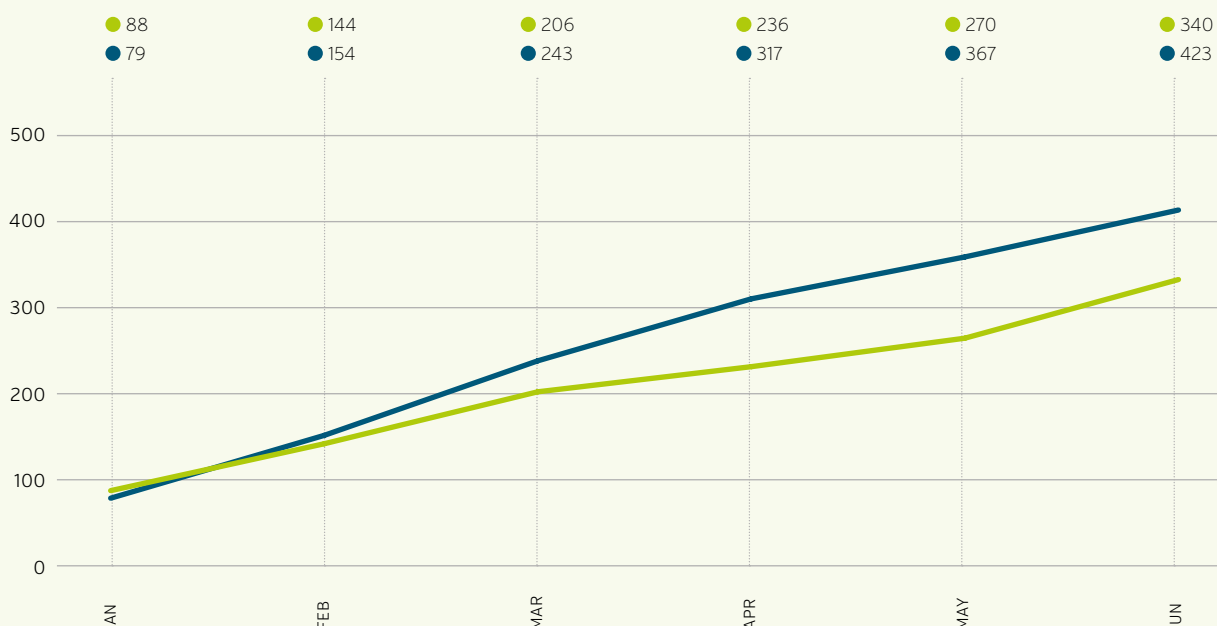
"Now that we're in July 2021, the trailing 12-month performance for most companies is pretty good. People are looking at their financials and feeling like they're in a good place to do a deal," notes Greg Fincke, Managing Director at Equiteq in Boston, USA.

Alongside this sits an increasing recognition of the value that management consultancies can offer large enterprises who want to move at pace in a digital economy. From helping them adopt digital transformation strategies



**The strong rebound in M&A shows no signs of letting up**

Year-on-year cumulative Management Consulting deal count ■ 2020 ■ 2021



to adapting their workforce to a changing environment, such projects are increasingly common and - rightly - seen as recurring revenue opportunities.

"We're seeing managed services players looking to differentiate their composition by providing more services," notes Jerome Glynn-Smith, Managing Director at Equiteq in London, UK. "Whereas historically such buyers would shy away from services based on consulting projects because they lack recurring revenue."

It's for this reason that we have seen a great deal of activity in both sectors from major PE and Strategic players, with Accenture alone closing 16 deals in Q2. Among these was one of the global consulting giant's biggest deals in recent times in the acquisition of German engineering advisory company Umlaut.

However, it is the PE-backed Strategics who seem to be the most active buyers in the market right now, combining the financial means with a strategic platform to offer sellers a very attractive opportunity. Yet this may be short-lived.

"If market trends head where we expect, it'll be interesting to

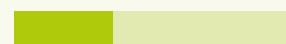


## PE-backed Strategics are significant buyers in the current market

see whether private equity gets comfortable with valuations that are higher than what they paid for the initial platform," notes Glynn-Smith.

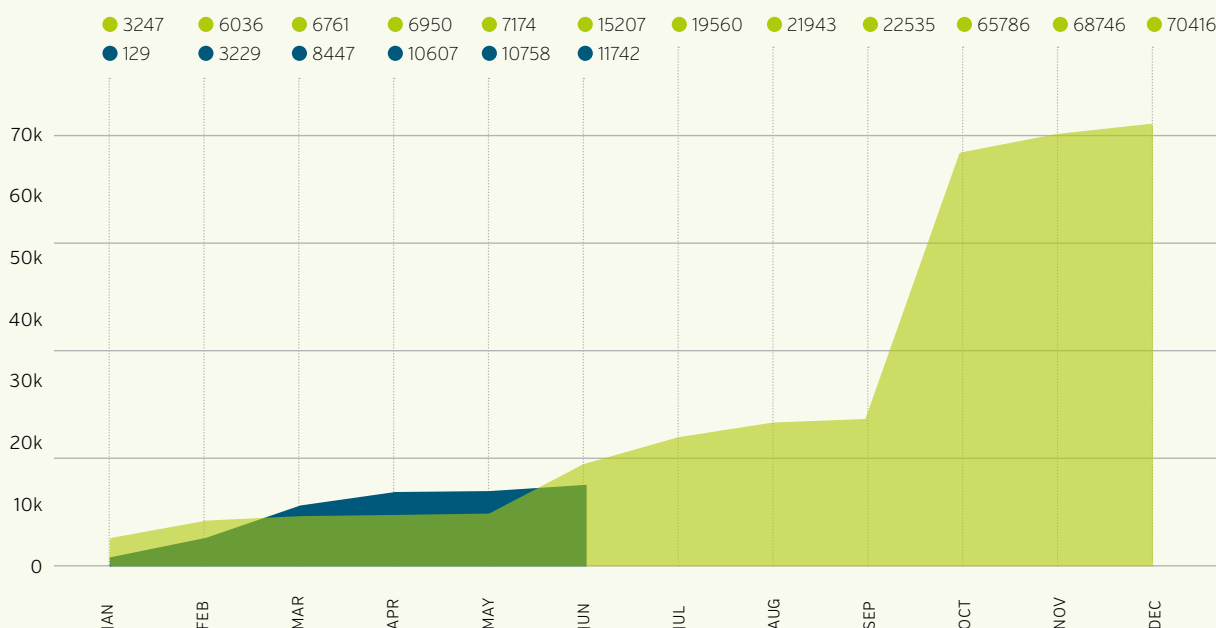
With sellers increasingly keen to participate in this white-hot market, we are already seeing the start of the 2022 wave. Add to this global reopenings and we're likely to see more cross border activity in the Consulting sector during H2 as teams are able to get together from America and the UK, and help deals to progress,

# 35%



increase in Management Consulting deal count year-on-year for Q2 2021

Monthly Management Consulting cumulative deal value (US \$, millions) ■ 2020 ■ 2021





# Q2 2021: Deals highlights

1

Kerv Group acquires  
cloudThing



- With a focus on its growth trajectory in 2021, Kerv has made its fifth and largest acquisition within a year. Equiteq advised Kerv on its acquisition of cloudThing, a 220-person UK based market leader in digital transformation.
- The major demand in digital transformation over the past year makes the acquisition of cloudThing a significant opportunity for Kerv to enter into this hot space.
- cloudThing will function as a division of Kerv and combine its digital transformation offerings with Kerv's focus on cloud managed services and infrastructure transformation.

2

Ernst & Young  
acquires Pythagoras  
Communications



- Equiteq advised Pythagoras Communications, a 120-person technology company based in the UK, on its sale to EY's technology consulting business.
- With all the advancements in the digital world, EY has been looking to widen its technology offerings. Pythagoras' expertise as a Microsoft Gold Partner gives EY the capability to now include more advanced Microsoft technologies and consulting.
- This acquisition is part of a larger effort to expand EY's presence in the UK and Ireland. This effort has been marked with the previous acquisitions of AgilityWorks and Frank Hirth.

3

Alpha FMC acquires  
Lionpoint Holdings



- Equiteq advised Lionpoint Group, a 150-person technology enablement and operations advisory firm based in New York, on its sale to Alpha FMC.
- Through Lionpoint's global footprint, Alpha FMC will now enter the North American markets with more exposure to alternative investments.
- With Lionpoint's offerings, client base, and partnerships, Alpha FMC expects this acquisition to help double the business within four years.

4

Sapphire Systems  
acquires Opal Wave



- Equiteq advised Opal Wave, a 40-person UK-based enterprise performance management and business intelligence specialist, on its acquisition by Sapphire Systems.
- The acquisition of Opal Wave marks Sapphire Systems' fourth of the year as they continue to focus on growing the company organically and inorganically.
- Opal Wave joins a larger organization and benefits from Sapphire Systems' digital operations offerings and large client base. As experts in SAP, Opal Wave advances Sapphire Systems' capabilities in EPM, BI, and cloud.

## Q2 2021: Deals highlights

5

**CREADEV acquires  
Alira Health**

**CREADEV**

**AliraHealth**

- Equiteq advised Alira Health, on its \$35M equity financing led by Creadev
- Alira Health is an international advisory firm on the frontlines of healthcare transformation, and Creadev is an evergreen investment firm investing in companies well positioned to scale and become worldwide leaders in their respective sectors.
- This new partnership will help accelerate the firm's growth strategy, focused on merging pharmaceutical, medical and digital technologies development with medical care through a patient-centric approach.

6

**GlideFast acquires  
CloudPires**

**GlideFast**  
consulting

**CLOUDPIRES**

- GlideFast, an Elite ServiceNow Partner and IT consultancy, acquired CloudPires, a 50-person Elite ServiceNow Partner based in Ohio.
- This deal creates the largest ServiceNow Partner in the ecosystem focused solely on ServiceNow.
- Both companies have a "client first" approach and have seen a demand in ServiceNow due to more clients shifting towards digital transformation. Together, the two companies will provide their clients better support on the digital journey.

7

**Microsoft acquires  
Nuance Communications**

**Microsoft**

**NUANCE**

- Following its partnership since 2019, Microsoft has acquired Nuance, a 7,800-person Massachusetts-based cloud and AI software leader, for \$19.7bn. This value marks Microsoft's second largest acquisition after LinkedIn.
- In 2020, Microsoft launched Microsoft Cloud for Healthcare to meet the growing needs for the developing healthcare vertical. The acquisition of Nuance is the most recent step in this healthcare-focused cloud strategy.
- Nuance's expertise in AI and cloud capabilities focused on healthcare will allow Microsoft to serve healthcare providers more effectively.

8

**Ensono acquires  
Amido**

**ensono™**

**AMIDO®**

- Ensono acquired Amido, a 130-person cloud-native consultancy with intelligent technologies based in the UK.
- As there has been a bigger focus on digital transformation, the strategy at Ensono is to provide end-to-end transformation services.
- Through the acquisition, Amido brings in its cloud-native software engineering capabilities to Ensono. This allows Ensono to provide services across the IT estate while strengthening its cloud partnerships.

## Q2 2021: Deals highlights

9

WCAS acquires  
Absorb Software

**WCAS**  
WELSH, CARSON, ANDERSON & STOWE  
**absorb**

- WCAS, a leading U.S. private equity firm focused on technology and healthcare, has agreed to acquire Absorb Software, one of the fastest growing providers of cloud-based learning and performance management software.
- Absorb's cloud-based Learning Management System serves over 23 million users across more than 1,400 global clients in 34 countries.
- The investment from WCAS is expected to accelerate Absorb's organic growth rates of product innovation, as well as enabling their pursuit of M&A opportunities.

10

emids acquires  
Quovantis  
Technologies

**emids**  
**Quovantis**

- emids acquired Quovantis Technologies, a 290-person user experience design and software development company based in India serving healthtech and product companies.
- As a result of COVID-19, emids is shifting its focus towards innovative digital customer experience in the payer, provider, and life sciences industries.
- Through this acquisition, the company now includes end-to-end offerings from concept to launch for life sciences as a product developer.

11

Visa  
acquires Tink

**VISA**  
**tink**

- VISA, the world-leader in digital payments, has agreed to acquire Tink, a European open banking platform.
- Founded in 2012 in Stockholm, Tink's 400 employees serve more than 300 banks and fintechs in 18 European markets, with offices in 13 countries.
- VISA expects the combination to help accelerate the adoption of open banking in Europe by providing consumers with better control of their money management, financial data and financial goals.

12

Environmental  
Resources Management  
acquires E4tech

**ERM**  
 **E4tech**

- Following KKR's investment in ERM, the company acquired E4tech, a 35-person low-carbon energy consultancy based in the UK.
- As part of its global expansion campaign, ERM has added E4tech to develop its low-carbon energy technologies further to assist clients who want to work towards a lower-carbon future.
- The capabilities at E4tech will be exposed to leading global organizations.

## Q2 2021: Deals highlights

13

Altman Solon  
acquires Venture  
Consulting



- Altman Solon acquires Venture Consulting, Australia and New Zealand's largest TMT specialist consulting firm.
- Through this acquisition, Altman Solon will increase its presence in the Australia and New Zealand markets.
- The APAC region has been seeing a demand for custom solutions in the TMT industries. Together, both companies will be feeding the demand to the TMT sectors in the region with global expertise.

14

Fishawack acquires  
closerlook



- Fishawack acquired closerlook, a 180-person digital-native healthcare agency focused on AI and data intelligence based in Chicago.
- Fishawack's growth strategy is to expand its global presence and capabilities within the business. Recently, there has been a larger demand for digital and data-driven healthcare solutions.
- Closerlook experienced its fastest growth to date last year and, with this acquisition, the growth rate will continuously improve. Together, the companies will offer custom commercialization, marketing, and consulting capabilities to biopharma companies.

15

Smile Group acquires  
UX-Republic



- Smile Group acquired UX-Republic, a 100-person user experience and user interface specialist based in France.
- The acquisition of UX-Republic is part of Smile's Open Arrow strategy, which is set to build out the company's consulting offerings.
- UX-Republic will leverage Smile's capabilities to develop its customer offerings and delve further into the French and European markets.

16

IBM acquires  
Turbonomic



- IBM acquired Turbonomic, Inc., an Application Resource Management (ARM) and Network Performance Management (NPM) software provider based in Boston.
- Turbonomic's technology uses AI to assure application performance and minimize costs by optimising resources (such as containers, VMs, servers, storage, networks, and databases).
- The transaction continues IBM's journey to reshape its future as a hybrid cloud and AI company, providing customers with innovative ways to fuel their digital transformations.



## Q2 2021: Deals highlights

<div>17</div> <div>Business Integration Partners acquires Advantis</div> <div>  </div>	<ul style="list-style-type: none"> <li>○ CVC Capital Partners acquired a majority stake in Business Integration Partners (BIP) from Apax Partners earlier this year. Through this partnership, the company will build out its digital transformation offerings and focus on international expansion.</li> <li>○ As part of its growth efforts, BIP has acquired Advantis, a 40-person IT strategy consultancy based in Colombia.</li> <li>○ With this acquisition, Advantis' digital transformation expertise and client base will be leveraged by BIP. BIP also further increases its industry expertise and presence in Colombia.</li> </ul>
<div>18</div> <div>TSA Management acquires Capital Projects Advisory Business of Worley</div> <div>  </div>	<ul style="list-style-type: none"> <li>○ Quadrant Private Equity-backed, TSA Management, has acquired the 110-person Capital Projects Advisory arm of Worley, an industrial engineering solutions firm based in Australia, for \$48m.</li> <li>○ TSA executed the acquisition within two weeks of the Quadrant investment.</li> <li>○ The Capital Projects Advisory arm focuses on the delivery of capital projects in the public infrastructure sector.</li> </ul>
<div>19</div> <div>Core BTS acquires Aptera Software</div> <div>  </div>	<ul style="list-style-type: none"> <li>○ Core BTS acquired Aptera Software, a 110-person Microsoft-focused software development firm based in Indiana.</li> <li>○ This deal bolsters Core BTS' offerings in application development and modernization with Microsoft Azure. There has been a focus since 2018 to build out the Microsoft practice at Core BTS through various acquisitions.</li> <li>○ Together, the companies will enhance their digital transformation and large-scale project management capabilities, and consolidate their in-house technical skills.</li> </ul>
<div>20</div> <div>Accenture acquires Novetta</div> <div>  </div>	<ul style="list-style-type: none"> <li>○ Accenture has entered into an agreement to acquire Novetta, an advanced analytics company serving U.S. federal organizations</li> <li>○ Novetta's team of 1,300 – which include software developers, data scientists, and specialists in AI, machine learning, cyber, cloud, and information exploitation – will join Accenture Federal Services' group of more than 10,500 employees.</li> <li>○ The sale of Novetta represents an exit by The Carlyle Group, which first acquired that company in 2015 from fellow private equity firm Arlington Capital. and innovative R&amp;D.</li> </ul>

# Meet Equiteq

---

We are the leading global investment bank for the Knowledge Economy

Equiteq is the leading specialist in Knowledge Economy investment thanks to our first-hand insight and research, our close relationship with the key acquirers in the sector, and through the deals we complete.

**Who are we?**

Equiteq is a fast-growing global M&A specialist. We buy and sell the world's smartest knowledge-based and technology firms. Being close to active buyers and investors helps us to understand their acquisition needs and this informs how we can add value to founders who want to sell their businesses.

**Why Equiteq?**

We are the recognized specialist advisor in the Knowledge Economy where intellectual property has historically been delivered through people in consulting firms, but more and more is delivered in combination with technology.

Our benchmarking studies – produced for the last 15 years – have become the industry standard and are supported with detailed insight reports on a range of disciplines within our sector.

**Our aim**

It's simple - our goal is to bring you to the smartest deal. ●

# Equiteq Services

---

Our clients sit at the heart of every transaction we advise upon, whether helping you to dramatically increase your return on M&A or by helping you to achieve the best possible valuation.

Our services in the Knowledge Economy cover four key areas:

**Buy Advisory**

Equiteq supports strategic acquirers and financial sponsors seeking to dramatically increase their returns on M&A in knowledge-based and technology services businesses. After 15 years exclusively advising owners of firms towards exit, we have the assets, systems, and experience to help you enhance and execute your M&A strategy.

**Sell Advisory**

Equiteq supports owners of innovative knowledge-based and technology firms seeking to realize equity value. We advise on all aspects of M&A, from helping ambitious owners find capital to inject into their business to accelerate growth, through to a full company sale. We use our unparalleled understanding, experience, and access to find you the right buyer or investor, at the best price and terms.

**Corporate Divestitures**

We work with corporations to meet their divestiture objectives, including disposal of non-core or underperforming assets that either have synergistic potential within other businesses or could form part of a private equity portfolio investment. After 15 years exclusively advising owners of firms in the sector towards exit, Equiteq has the people, processes, sector insight and market access to deliver your transaction at the right price and with preferred deal terms.

**Strategic Deal Origination**

We work with strategic acquirers and financial sponsors to develop detailed, insight-driven plans for investment into new markets. By leveraging our sector insight and purpose-built methodology, we can rapidly convert an attractive investment thesis 'on paper' into an actionable plan to realize the opportunity, helping you to exploit key innovation trends through a less crowded, lower risk route. 

# Equiteq Q2 highlights

Our team remained active throughout Q2, advising on deals to ensure the best results for all parties, as well as sharing their expertise in our market-leading reports and webinars.

Here are our Q2 highlights. To find out more please click the 'find out more' link beneath the relevant topic.

## Reports

### Cloud Services Report 2021

Key market themes and observations, market valuation drivers and recent M&A transactions in the cloud services market.

[Find out more](#)

### Microsoft Dynamics Partner Report 2021

Key market themes and observations, market valuation drivers and recent M&A transactions in the Microsoft partners ecosystem.

[Find out more](#)

### M&A Trends 2021 Report

Read our team's expert opinions on the eight key trends shaping M&A activity in the Knowledge Economy and the impact they will have in 2021.

[Find out more](#)

### M&A activity in the Management Consulting & Technology Services Report Q2 2021

This industry report is a compilation of quarterly insights from the Management Consulting and Technology Services sector, created to help you make well-informed, critical decisions about the future of your business.

[Find out more](#)

## Events

### M&A Update: How to stand out in a crowded market

Equiteq's prediction for global M&A activity in the Knowledge Economy is for a full-throttle boom of activity in 2021. In this webinar, the Equiteq team provide a global perspective, supported by direct research and recent deals.

[Find out more](#)

### Environmental Analyst Global Business Summit

Equiteq was an event Partner for this four-day summit across June 2021. Watch the discussion on global M&A in the environmental and sustainability services market here:

[Find out more](#)

## Deals

Equiteq advises economics consultant Economists Incorporated on its sale to Secretariat (Jul 2021)

[Find out more](#)

Equiteq advises Opal Wave on its acquisition by Sapphire Systems (June 2021)

[Find out more](#)

Equiteq advises Lionpoint Group on its sale to Alpha FMC (May 2021)

[Find out more](#)

Equiteq advises Pythagoras Communications on its sale to E&Y (May 2021)

[Find out more](#)

Equiteq advises Kerv on its acquisition of cloudThing (May 2021)

[Find out more](#)

Equiteq advises Alira Health on its equity financing by Creadev (April 2021)

[Find out more](#)

# Locations

**Boston, USA**

1 International Place  
1400,  
Boston, MA 02110  
+1 (212) 256 1120

**London, UK**

4th floor  
8 Angel Court  
Copthall Avenue  
London, EC2R 7HP  
+44 (0) 203 651 0600

**Asia Pacific**

15 Beach Road  
2nd Floor  
Singapore, 189677  
+65 3109 1955

**New York, USA**

122 East 42nd street  
35th floor  
New York, NY 10168  
+1 (212) 256 1120  
website@equiteq.com

**Paris, France**

7 rue Meyerbeer  
75009 Paris  
+33 (0) 173 053 941

**Australia and New Zealand**

Customs House  
Level 3, 31 Alfred Street  
Sydney  
NSW 2000  
Australia  
+61 2 9051 9007



---

No offerings of securities are made through this site. Securities transactions in the United States are executed through Equiteq Securities LLC, a member of FINRA/SIPC.

Equiteq Securities LLC is a wholly-owned subsidiary of Equiteq Inc. [a wholly-owned subsidiary of Equiteq M&A Holdings Limited].

**To learn more, please visit**  
**[www.equiteq.com](http://www.equiteq.com)**