



Amazon Web Services Partner Ecosystem Report

November 2022



Equiteq

Growing equity, realizing value

Equiteq is the leading investment bank for the Knowledge Economy

Equiteq offers:

1

Focus on knowledge-specific sectors

2

Strong expertise in positioning Knowledge Economy businesses for M&A deals

3

Established relationships with the most relevant buyers, both strategic and PE

4

Respect of client's values with the goal of finding a new home at the end of a deal

5

Preparing companies for a successful exit is in our DNA

6

Global presence informs our unique approach to M&A

Recent transactions in IT Services, Cloud Services, and Consulting showcase our M&A expertise:

Ongoing	 ALLATA 	 NOVATIO 	 SOLVERA 	 BEDFORD Consulting 	 grit. 	 Lonsdale Capital Partners 
	Software & AppDev Consultancy Received investment from  CLVC 	RPA Consultancy Received investment from  KEYSTONE CAPITAL 	Digital Consulting Sold to  accenture 	Leading European Anaplan consulting partner invested into  KEENSIGHT CAPITAL 	Global performance improvement design consultancy sold to  CYIENT 	Private Equity firm backs infrastructure consultancy firm  infrata 
Sell-side Advisor	Advised on the investment September 2022	Advised on the investment August 2022	Advised on Sale July 2022	Advised on the investment May 2022	Advised on the sale April 2022	Advised on the sale April 2022

 IST 	 ALCUST  Integrity360 	 4 MILE ANALYTICS 	 GROUNDWELL CLOUD SOLUTIONS 	 enowa. 	 intive 	 BOYDAK AUTOMATION 
Full-service CX technology provider sold to  majorel 	PE-Backed Cyber Security Firm Acquired  CARETOWER 	Data and Consulting Partner Sold to  S4 CAPITAL 	Salesforce Consulting Partner Sold to  GYANSYS 	SAP & Business Process Consulting Sold to  REPLY 	Digital Consulting Acquired  SPARK DIGITAL 	Intelligent Automation Services Sold to  BEterna 
Advised on the sale February 2022	Advised on the Acquisition February 2022	Advised on the sale January 2022	Advised on the sale December 2021	Advised on the sale December 2021	Advised on the acquisition December 2021	Advised on the sale December 2021

In the AWS Ecosystem, Equiteq delivers:



Buyer Knowledge

- **Focused Demand:** Highly targeted buyer lists built using proprietary insight into each buyers' unique acquisition criteria
- **Relationships:** Access to the key decision makers within the most prolific strategic and financial buyers



Proprietary Research

- **Valuations:** Data-driven perspective on M&A market activity and current valuations in the knowledge-intensive services space
- **Market Shifts:** Granular, future-focused monitoring of hot sectors and service offerings
- **Key Metrics:** KPIs and operational metrics continually market tested and confirmed



Market Insight

- **Context:** Tracking proprietary share indices enables a sector and buyer-specific perspective on key macro events
- **Trends:** Market-driven and real-time view of positioning and valuation expectations

The cloud computing industry is set for exponential growth looking towards 2025 and AWS is poised to capture additional market share...

North American enterprise adoption of AWS is leading to strong results



Lara Greden
2022

“IDC’s research demonstrates the strong value for North American organizations of running many of their most important business applications and customer-facing services on AWS.....Overall, IDC calculates that interviewed AWS customers from North America will achieve more than a 6:1 ratio of benefits to investment costs over five years, which would result in a ROI of 512%, with breakeven on their investment occurring in an average of 10 months”

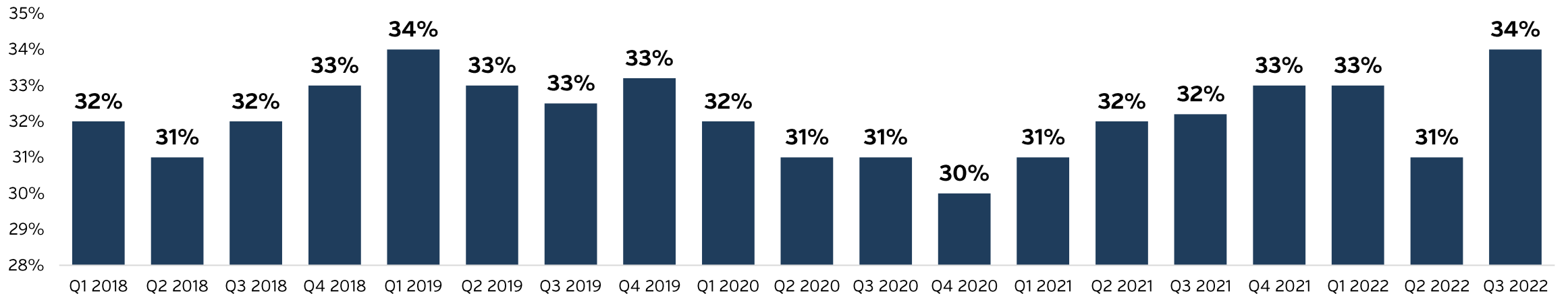
Market intelligence shows how AWS is capturing international markets

S&P Global
Market Intelligence

Anser Haider
2022

“Since 2017, the European cloud market has quadrupled up to \$8.8 billion but EU service providers have lost their market share from 27% to well under 16% as Amazon, Microsoft, and Google now account for 69% of the regional market.”

AWS market share across global cloud services space



AWS is disrupting new markets with industry developments

Emerging AWS-backed technology services are disrupting new markets and creating new product categories

“Driven by maturation of core cloud services, the focus of differentiation is gradually shifting to capabilities that can disrupt digital businesses and operations in enterprises directly. Public cloud services have become so integral that providers are now forced to address social and political challenges, such as **sustainability** and **data sovereignty**.

IT leaders who view the **cloud as an enabler rather than an end state** will be most successful in their digital transformational journeys. The **organizations combining cloud with other adjacent, emerging technologies will fare even better.**”

New industry developments include:



Hyperscale Edge Computing



Cloud Center of Excellence (CCOE)



Secure Access Service Edge (SASE)



AWS-Enabled Private 5G

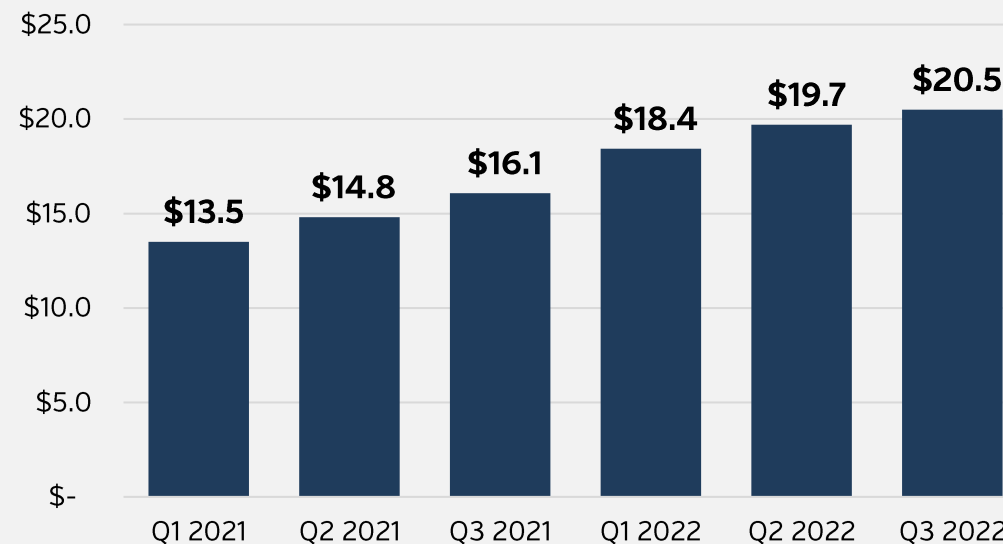


Intentional Multicloud DevOps, Platform and Fusion Teams



Mac-Focused Instances

AWS Revenue by Quarter (USD, bn)



...bolstered by market sentiment that emphasizes AWS' continued dominance in a lucrative and high-growth market

Recent AWS Partnerships and Announcements (July 2022)



AWS will play a critical role in **Delta Air Lines** digital business transformation with the announcement of a multi-year agreement to serve as the airline's preferred cloud provider. AWS will help Delta unlock technologies and streamline processes beginning in Summer 2022.

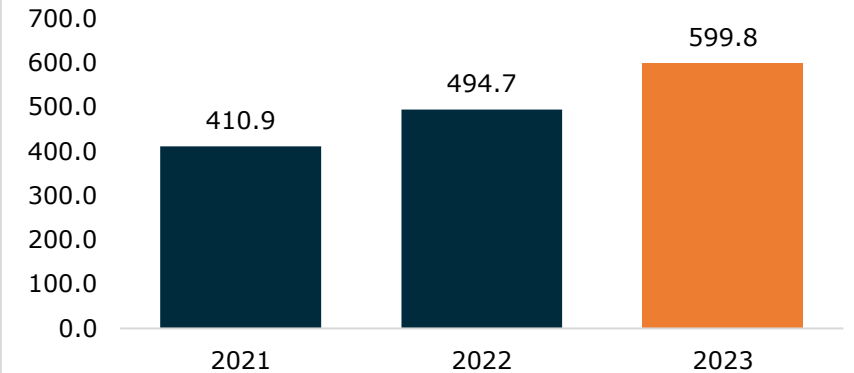


AWS introduced **Cloud WAN** in July 2022, a new managed wide area network (WAN) service that connects on-premises data centers, colocation facilities, branch offices, and cloud resources to simplify operating a global network.



AWS Partner **Tech Mahindra** announced the deployment of **VaccineLedger** in June 2022, an AWS SaaS model that leverages AmazonS3, EC2, and Elastic Beanstalk to track counterfeit COVID-19 vaccines with **Pfizer**.

Public-Cloud Related Enterprise Spend (USD, bn)



Amazon Web Services Research Perspectives



Bloomberg News

Ryan Vlastelica | 2022

"AWS alone could be worth more than Amazon's entire market cap right now, which means you're essentially getting the retail business for free," said Marko Lazarevic, a US investment analyst at Harris Associates. "At this valuation, you're not taking on much risk buying Amazon for the long term."

Amid a huge opportunity for cloud computing, some analysts see AWS alone being worth more than Amazon's \$1.14-trillion market capitalization. Bloomberg Intelligence says AWS sits in the \$1.5-trillion to \$2-trillion range."



RBC Capital Markets Research

Mark Mahaney | 2022

"Amazon invests more money in AI, applying machine learning and AI techniques everywhere it can from Alexa and Echo devices, autonomous Prime Air delivery drones and AWS cloud services to make improvements in inventory management forecasting, merchandising placements and fraud detection."

The benefits to Amazon include retail and AWS Cloud growth and reduced operating costs. Its AWS machine learning and AI services will also lower the cost barrier for smaller business wanting to adopt these technologies. Amazon could use its 30 – 40% market share to cross-sell AI products and grow AWS sales. As AI is a predictive technology that improves as more data is fed into the system, Amazon has a huge competitive advantage with its ability to generate large volumes of data on a global scale."

Industry Alert: The AWS-Salesforce bridge will strengthen AWS' position at the top

Equiteq is optimistic about the future of AWS and its partners because of the partnership announcement...



By establishing this “bridge” partnership in 2021, AWS and Salesforce strategically unified the largest players in the Cloud Infrastructure and CRM Platform Services Industries. The two technology giants will continue to strengthen their industry-leading positions through collaboration, allowing end-to-end execution of their respective services.

...met by eager anticipation of future performance from both sides of the bridge



“With this partnership, we are significantly simplifying developers’ lives and empowering them to develop applications however they want, from wherever they want globally, at any scale.”

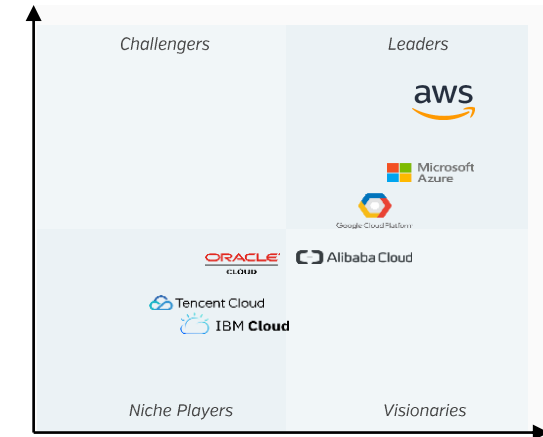
Andy Jassy
CEO, Amazon Web Services



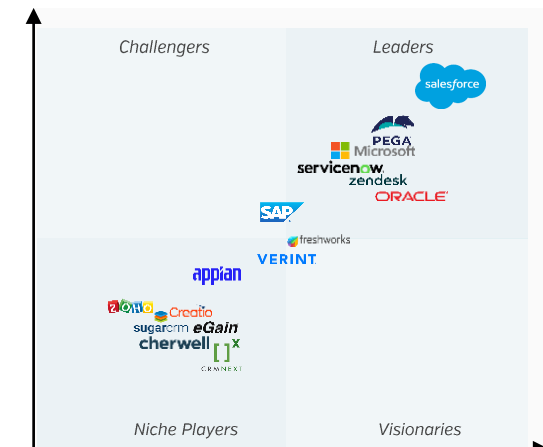
“This is a milestone partnership for the technology industry, and one that will enable our customers to experience an even more powerful Salesforce Customer 360 and achieve a new level of success in their business.”

Marc Benioff
Chair And CEO, Salesforce

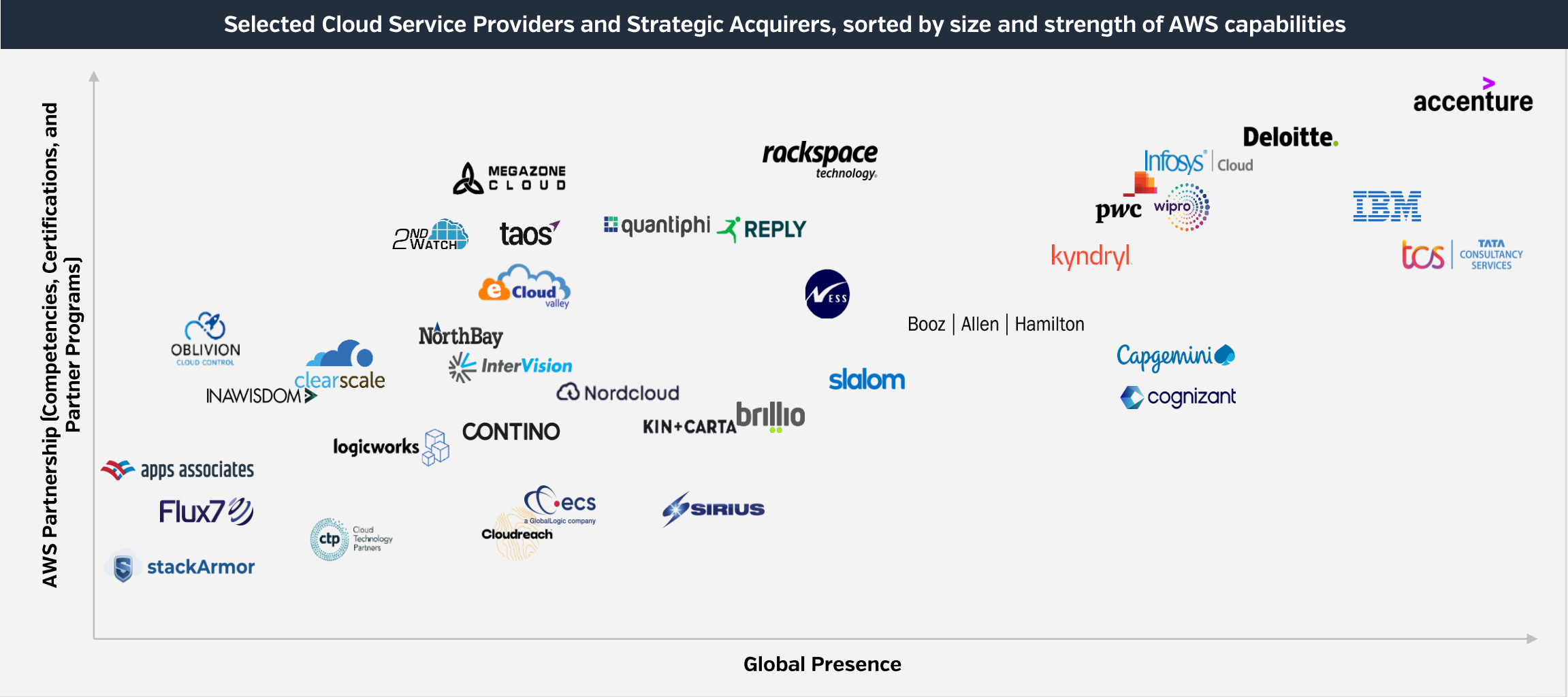
Gartner 2021 Magic Quadrant, Cloud Infrastructure



Gartner 2021 Magic Quadrant, CRM Platform Services

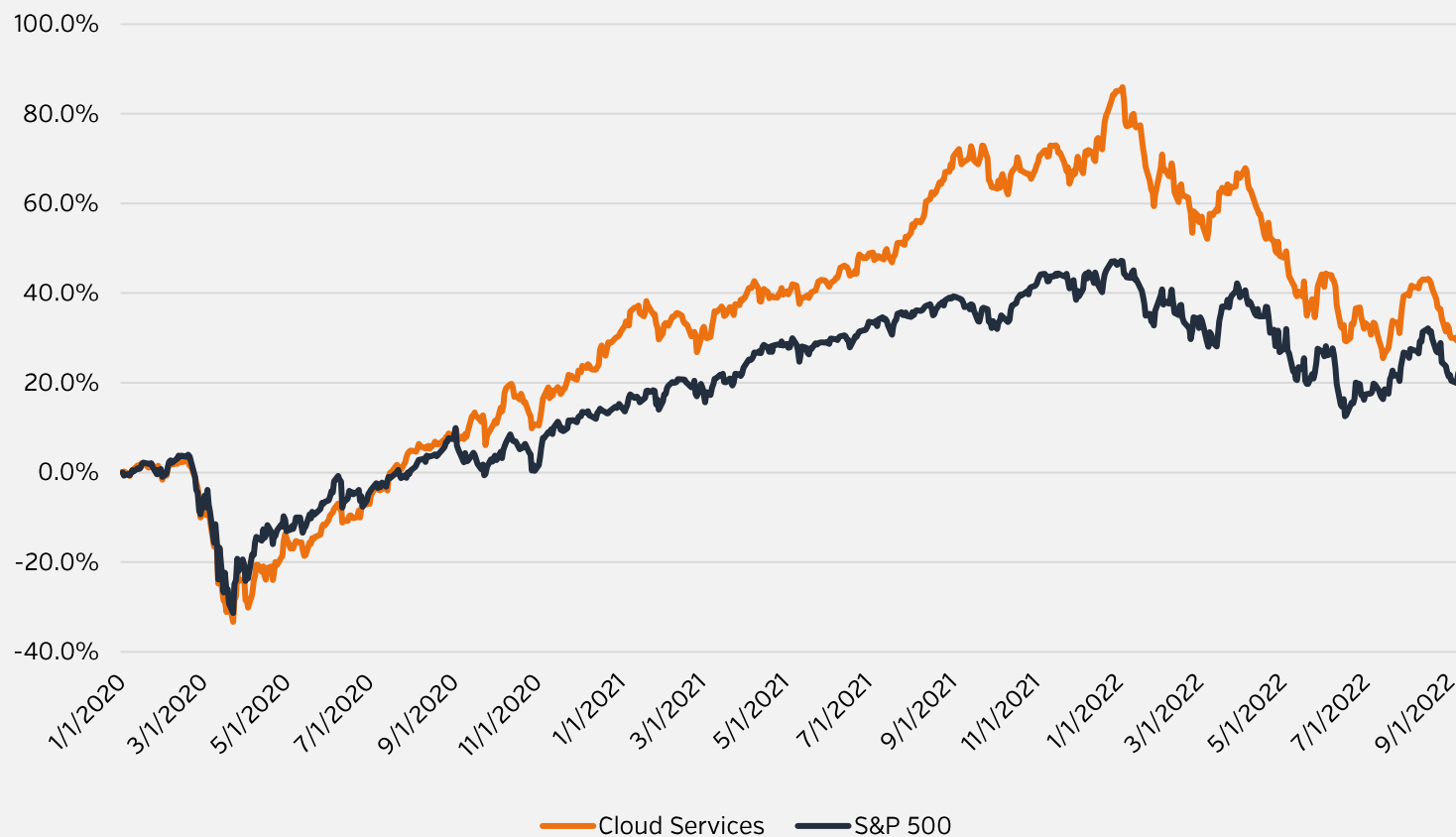


Equiteq has a strong understanding and relationships within the AWS Partner Network...



The Cloud Services Space is Outperforming the Broader Economy

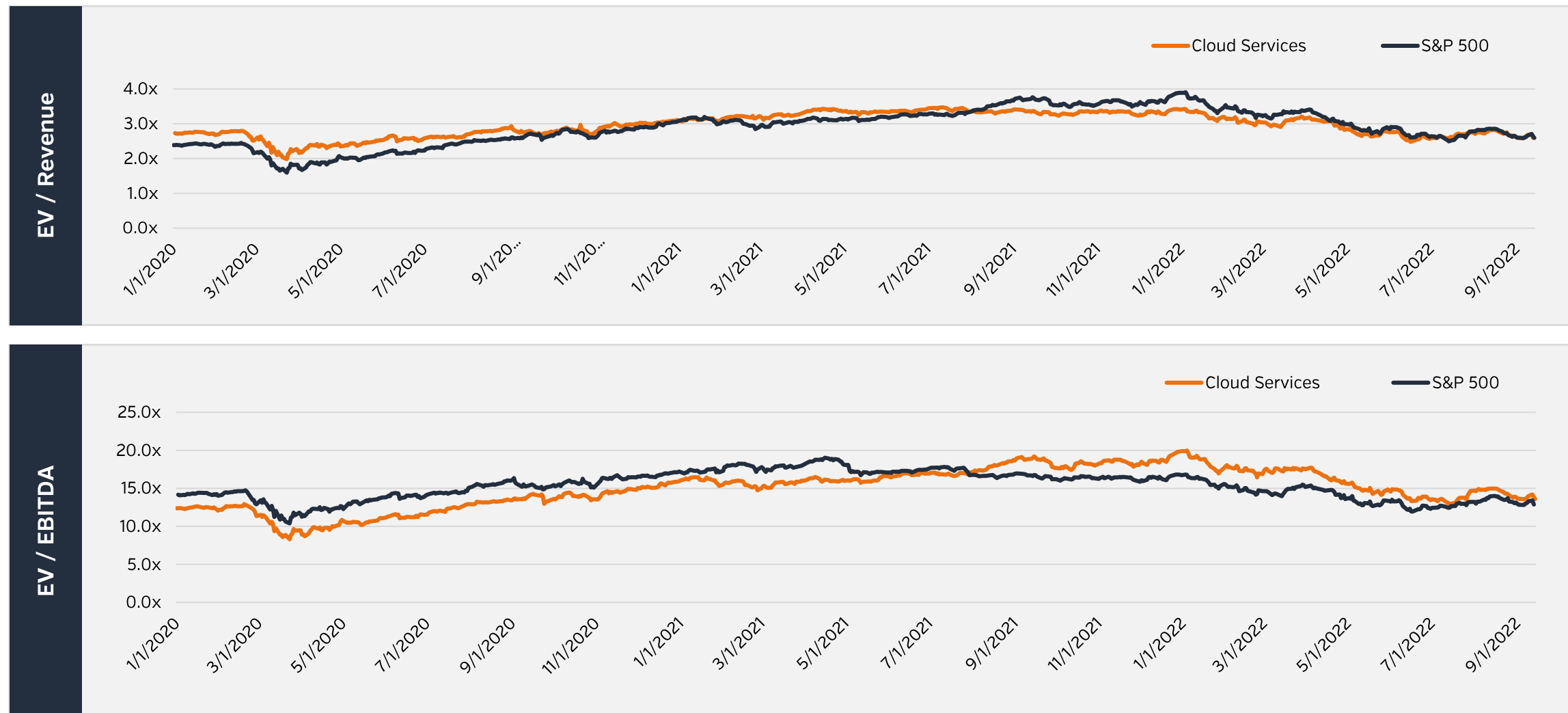
Cloud Services Public Comparable Stock Returns, 2020 - September 2022

















Selected Cloud Services Comparables




















Multiple Key Financial Metrics Imply Relatively Strong Performance Across the Cloud-Related Professional Services Space



Certified AWS Partners are in high demand, leading to an active M&A market from strategic acquirers

Selected Amazon Web Services Ecosystem M&A Activity			
Date	Acquirer	Target	Target Description / Commentary
July 22			Zero&One is one of the leading certified AWS Premier Consulting Partner in Lebanon and UAE.
June 22			Ubique Digital a UK-based consulting firm that has data engineering and analytics expertise.
June 22			Dozen Software is a full-service software development shop based out of Nashville, TN. Their tools include AWS, Ruby on Rails, PHP/Laravel, MySQL, and more.
June 22			Postlight, a digital strategy, design, and software engineering company.
May 22			Intellify is an Amazon Web Services (AWS) and Databricks consulting firm that has artificial intelligence (AI), data and machine learning (ML) expertise.
Feb 22			Xerris is a remote-first cloud technology services company that provides custom cloud technology, microservices, application development, data and AI expertise. The company's partners include AWS, Azure, GCP, HashiCorp and Snowflake.
Jan 22			Starschema provides consulting, technology and managed services in data engineering to Global 2000 companies in the U.S. and Europe.

Private Equity is also heavily active in the cloud services sector, seeking specific expertise for acquisition

Selected Amazon Web Services Ecosystem M&A Activity					
Date	Acquirer	Financial Sponsor	Target	Deal Type	Target Description / Commentary
Apr 22	 CHARLES THAYNE CAPITAL		 nClouds	Acquisition	nClouds is an AWS Premier Tier Services Partner with specialties in the areas of DevOps, cloud migration and modernization, including infrastructure-as-a-service (IaaS), containerization and serverless computing.
Apr 22	 CloudHesive	 STRATTAM CAPITAL	 Dextr	Acquisition	Dextr is an omnichannel customer service and performance dashboard for the Amazon Web Services (AWS) cloud contact center.
Mar 22	 InterVision	 MID OCEAN Partners		Acquisition	Virtuosity Consulting is a global technology firm specializing in digital transformation services and a Microsoft and Amazon Web Services (AWS) cloud partner.
Jan 22	 WEB AIR	 Crest Rock Partners	 jelecOS Technology—Powered by People	Merger	Webair and JelecOS, backed by private equity firm Crest Rock Partners, have merged to form Opti9 Technologies, an IT service provider with AWS Advanced Consulting public cloud expertise.
Dec 21	 brillio	 BainCapital	 CEDRUS	Acquisition	Cedrus is a New York City based boutique IT consulting firm focused on Digital Transformation, Cloud Native Architecture, Cognitive Business Automation, Cloud Security, and Design.
Dec 21	 ConvergeOne	 CVC	 primetsr	Acquisition	Prime TSR designs and implements custom cloud-based applications and data platforms for Fortune 1000 companies in the healthcare, insurance and professional services markets.

The Equiteq Team is Comprised of Deeply Experienced Professionals Who Can Help You Navigate the M&A Market With Sound, Objective Strategic Advice

Executive Leadership



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