

# ServiceNow Partner Ecosystem

February 2024



# Key takeaways



## Driven by positive market dynamics...

- ServiceNow operates in the ESM<sup>(1)</sup> and ITSM<sup>(2)</sup> markets, both of which are forecast to expand driven by positive market trends
- Factors driving growth encompass heightened expenditures in the IT sector, a shift toward cloud migration, and an amplified emphasis on enterprise digital transformation



## ...ServiceNow has scaled quickly...

- ServiceNow is maximising its market potential by broadening its scope beyond legacy IT to encompass non-IT workflows
- The Company estimates its total TAM is over \$220bn, with GenAI<sup>(3)</sup> accounting for an additional \$1tn



## ...creating a thriving partner ecosystem...

- ServiceNow has established a program numbering over 2,000 partners
- North America accounts for the majority of partners, followed by Europe and APAC



## ...and a strong M&A consolidation wave...

- Deal volume in the ServiceNow partner ecosystem saw a 41% CAGR between '17 and '21 before tapering off in '22 and '23 due to macroeconomic conditions
- Both strategic and financial acquirers have demonstrated activity in this sector, with financial sponsors pursuing buy-and-build strategies, as seen in companies like GlideFast, Thirdera and New Rocket



## ...at evolving valuation levels

- As of Dec-23, valuations of IT Services companies are in the 10-15x NTM EBITDA range, down from the highs of 2021 which saw assets trading as high as 40x NTM EBITDA
- Private markets have remained resilient, with valuation ranging between 15x – 20x EBITDA



## **I. ESM and ITSM Market Overview**

## II. ServiceNow Overview

## III. Partner Ecosystem Dynamics

## IV. Valuation Trends

## V. Select ServiceNow Partner Transactions

## VI. About Equiteq and case studies

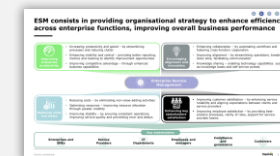


# ServiceNow has emerged as an ESM leader, expanding beyond ITSM to tap into a broader market opportunity, with further upside from GenAI

**A** ServiceNow has become a recognised leader in the ESM market, having replicated service management principles to function beyond ITSM



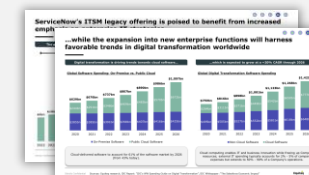
**B** ESM consists in providing organisational strategy to enhance efficiency across enterprise functions, improving overall business performance



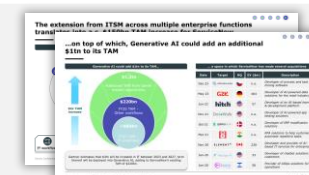
**C** The ESM market enjoys sustained favorable trends expected to persist in the medium and long term



**D** ServiceNow's ITSM legacy offering is poised to benefit from increased emphasis on enterprise IT strategies while the expansion into new enterprise functions will harness favorable trends in digital transformation worldwide



**E** The extension from ITSM across multiple enterprise functions translates into a c. \$150bn TAM increase for ServiceNow on top of which, Generative AI could add an additional \$1tn to its TAM



# ServiceNow has become a recognised leader in the ESM market, having replicated service management principles to function beyond ITSM

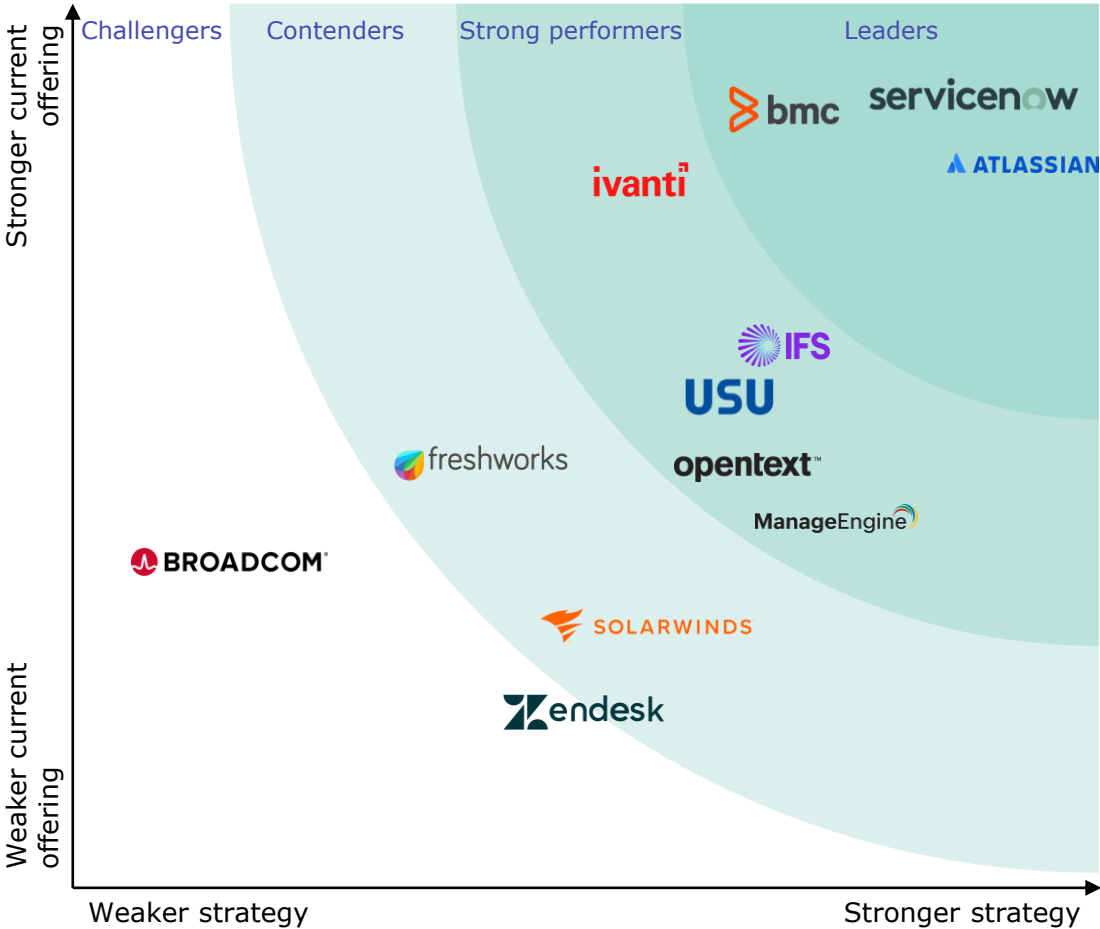
## Select Forrester perspectives

*"ESM platforms increasingly occupy positions of business criticality at adopting organizations, and leaders in the space have continued to introduce new functionality and integrations to allow them to surpass customer expectations"*

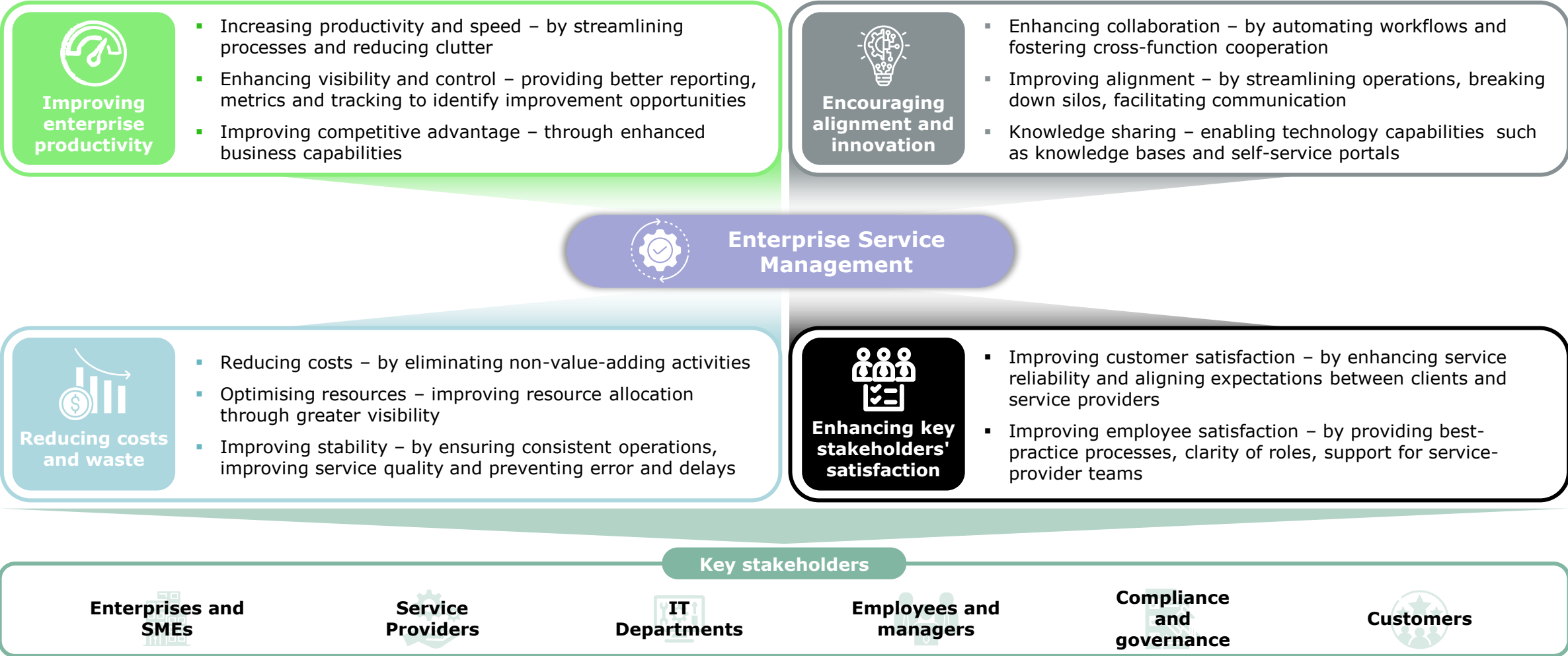
*"ServiceNow remains the most ambitious ESM vendor in the market, seeking to further the automation, employee services and employee experience enhancements it brings to customers"*

*"ServiceNow remains a leading choice for larger organizations looking to fully adopt ESM"*

## Forrester Wave: Enterprise Service Management, 2023

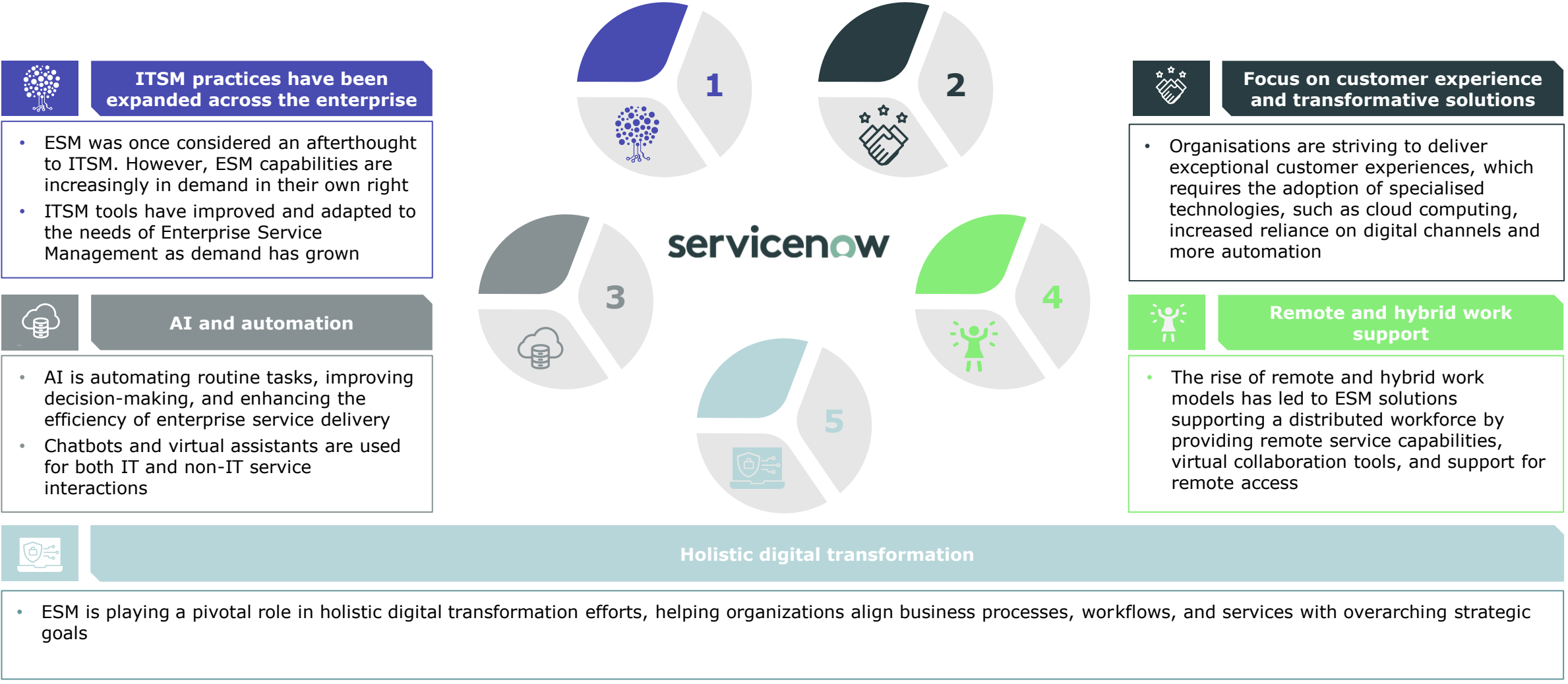


# ESM consists in providing organisational strategy to enhance efficiency across enterprise functions, improving overall business performance



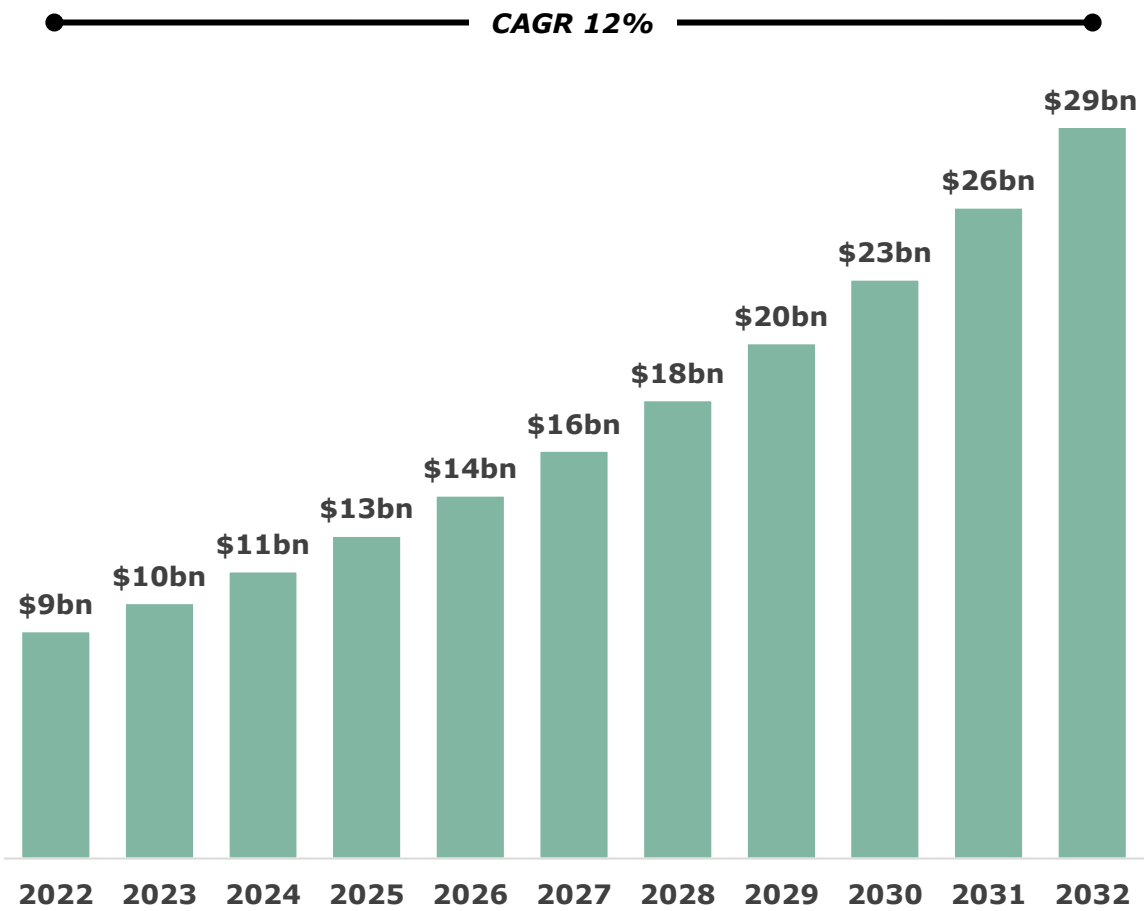


# The ESM market enjoys sustained favorable trends expected to persist in the medium and long term



# ServiceNow’s ITSM legacy offering is poised to benefit from increased emphasis on enterprise IT strategies...

The global ITSM market is expected to grow to \$29b in 2032...



...driven by fundamental shifts in how enterprises plan for IT

- 1

Business leaders are realizing strategic and operating advantages from IT systems in an increasingly interconnected and data-driven world
- 2

IT projects are shifting from a focus on external facing deliverables, such as revenue and customer experience, to more inward facing efforts focused on optimisation
- 3

Generative AI is top of mind for many business and IT leaders, which companies will gradually incorporate through add-ons and upgrades to existing tools
- 4

Compliance with industry regulations and a heightened focus on cybersecurity drive the need for IT solutions that can ensure adherence to standards and enhance security

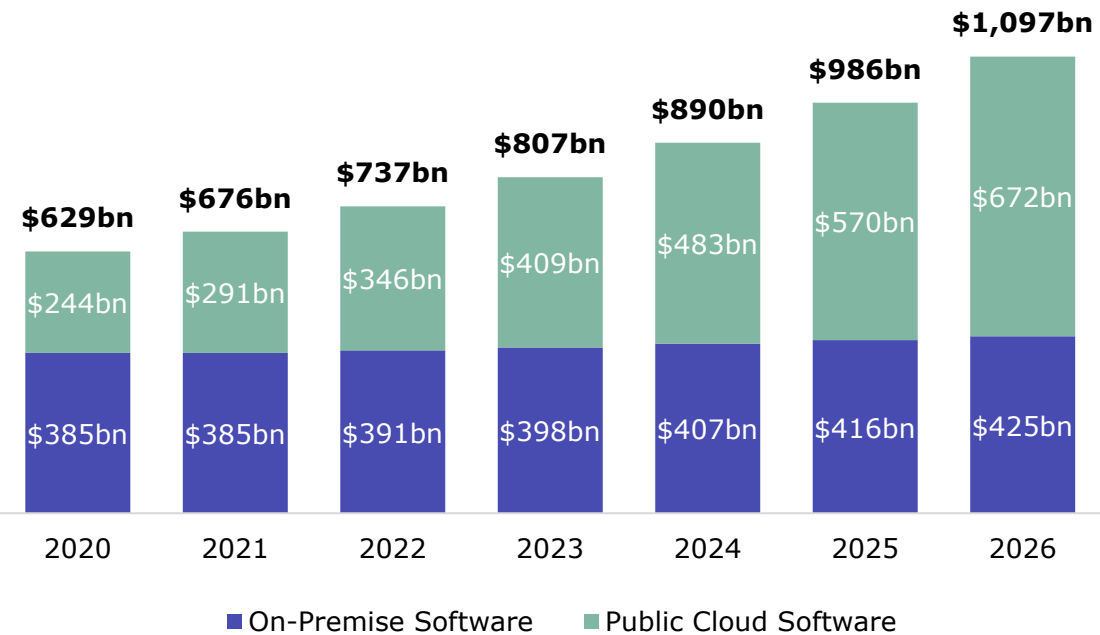


# ...while the expansion into new enterprise functions will harness favorable trends in digital transformation worldwide

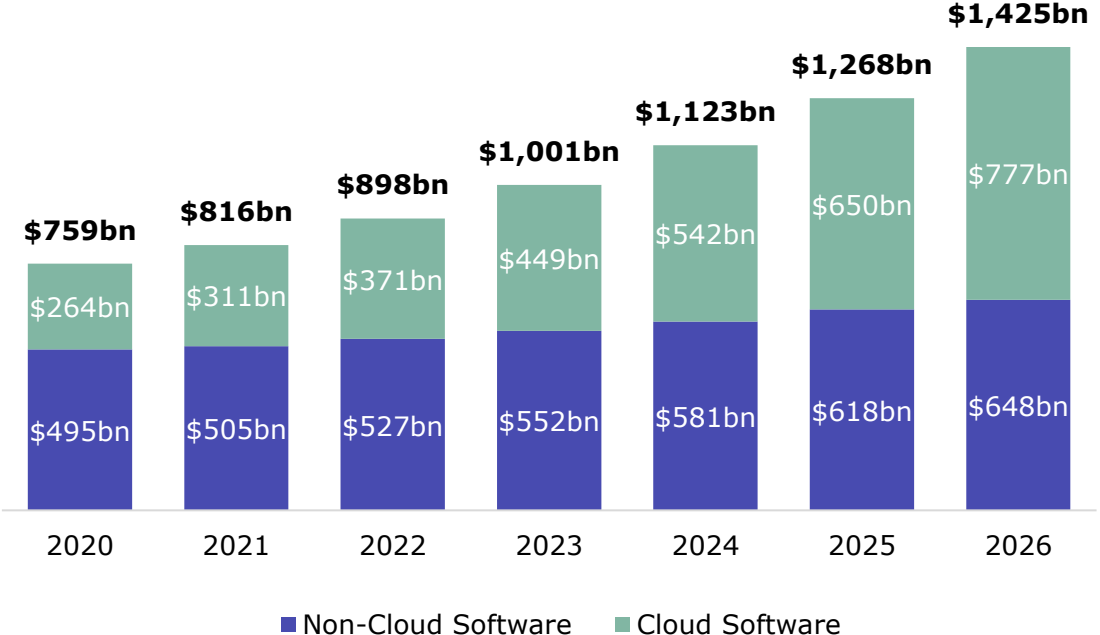
Digital transformation is driving trends towards cloud software...

...which is expected to grow at a ~20% CAGR through 2026

Global Software Spending: On-Premise vs. Public Cloud



Global Digital Transformation Software Spending

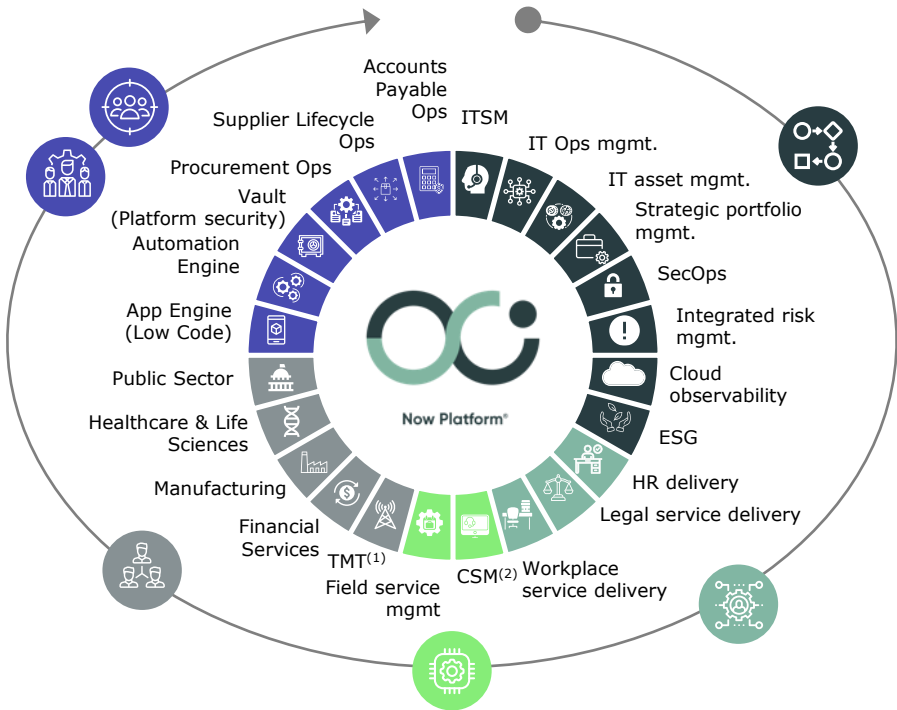


Cloud-delivered software to account for 61% of the software market by 2026 (from 43% today).

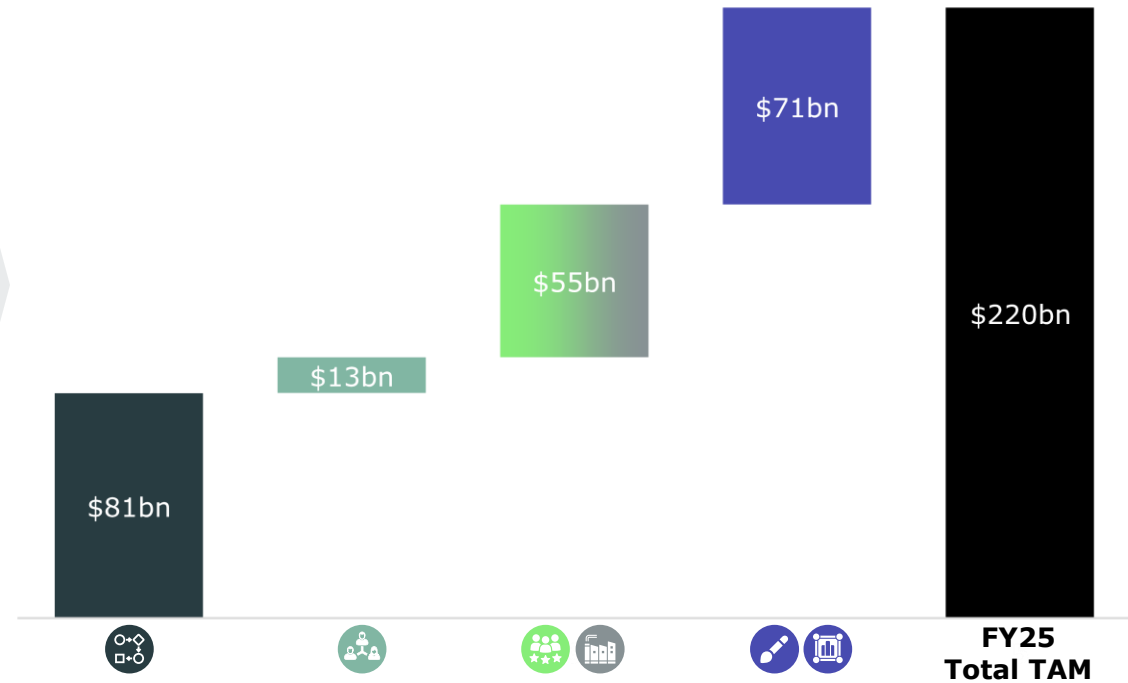
Cloud computing enables IT and business innovation while freeing up Company resources; external IT spending typically accounts for 2% - 5% of company expenses but extends to 50% - 90% of a Company’s operations.

# The extension from ITSM across multiple enterprise functions translates into a c. \$150bn TAM increase for ServiceNow...

ServiceNow workflow evolution

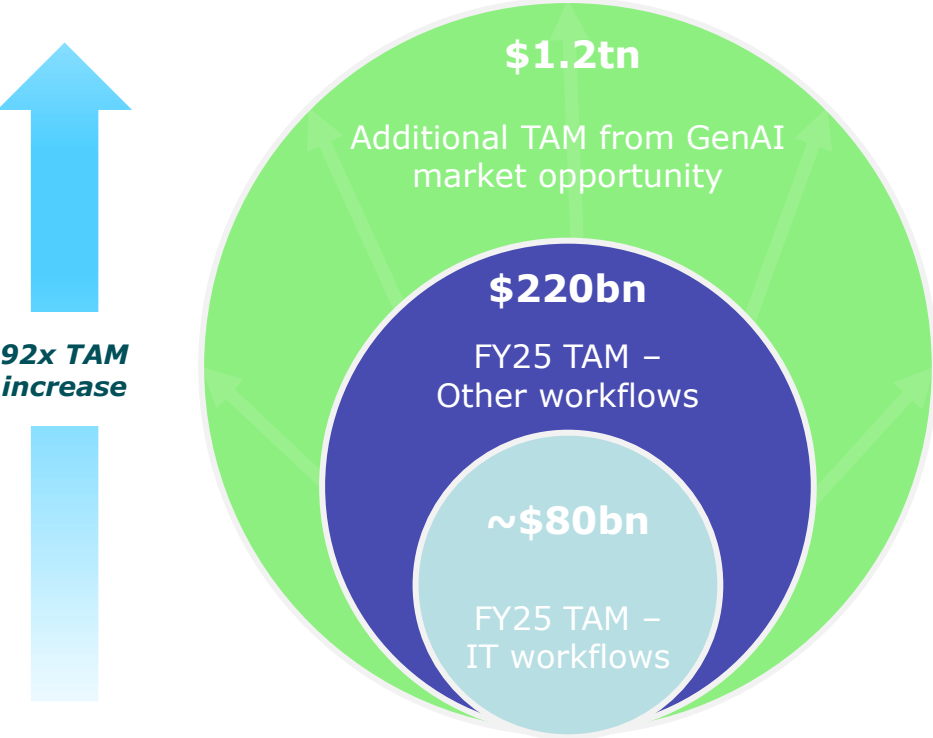


FY25 TAM by ServiceNow workflow



# ...on top of which, Generative AI could add an additional \$1tn to its TAM

## Generative AI could add \$1tn to its TAM...



Gartner estimates that \$3tn will be invested in IT between 2023 and 2027, \$1tn thereof will be deployed into Generative AI, adding to ServiceNow’s existing TAM of \$220bn.

## ... a space in which ServiceNow has made several acquisitions

| Date   | Target         | HQ | EV (\$m) | Description  |
|--------|----------------|----|----------|--|
| Dec-23 | ultimate.suite |    | n.a.     | Developer of process and task mining software                  |
| May-23 | G2K            |    | 464      | Developer of AI-powered data solutions for the retail industry |
| Jun-22 | hitch          |    | 57       | Developer of an AI-based learning & development platform       |
| Nov-21 | DotWalk        |    | n.a.     | Developer of AI-powered app testing solutions                  |
| Oct-21 | gekko brain    |    | n.a.     | Developer of ERP modification solutions                        |
| Mar-21 | IB             |    | n.a.     | RPA solutions to help customers automate repetitive tasks      |
| Nov-20 | ELEMENT AI     |    | 228      | Developer and provider of AI-based IT services for enterprises |
| Jan-20 | Passage AI     |    | 33       | Developer of chatbot solutions for customers                   |
| Jan-20 | loom Systems   |    | 58       | Provider of AIOps solutions for IT operations                  |



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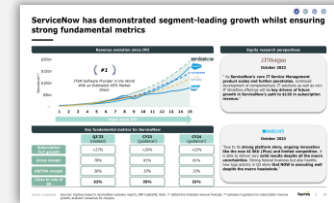
VI. About Equiteq and case studies



# ServiceNow's strong growth has been underpinned by cross-functional platform and strategic expansion and investment from SNEV<sup>(1)</sup>

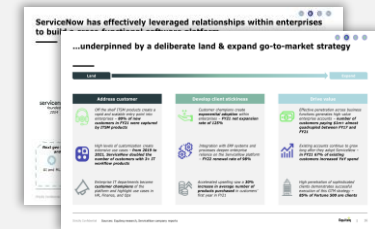
A

ServiceNow has demonstrated segment-leading growth whilst ensuring strong fundamental metrics



B

ServiceNow has effectively leveraged relationships within enterprises to build a cross-functional software platform underpinned by a deliberate land & expand go-to-market strategy



C

ServiceNow's successful positioning and expansion across the enterprise creates an exciting opportunity for its ecosystem

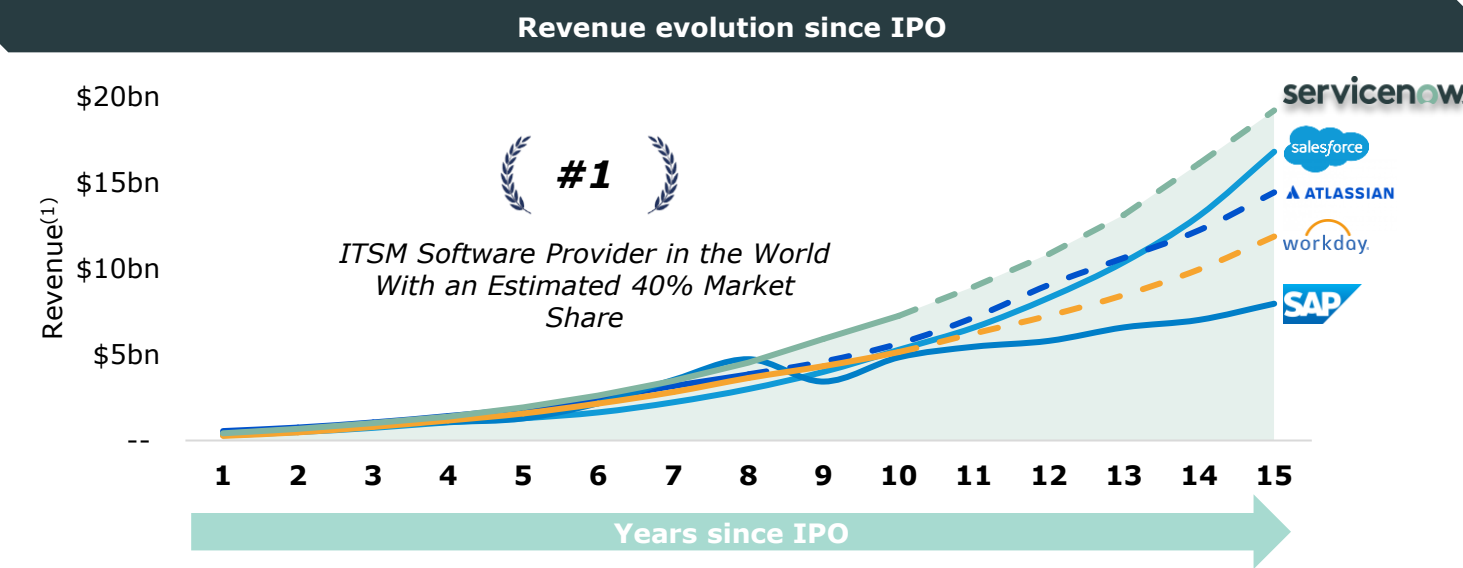


D

To fuel the growth of the landscape, ServiceNow Ecosystem Ventures has committed to invest \$1bn by 2026 across three core strategies



# ServiceNow has demonstrated segment-leading growth whilst ensuring strong fundamental metrics



Equity research perspectives

J.P.Morgan

October 2023

" As **ServiceNow's** core **IT Service Management product scales and further penetrates**, continued development of complementary IT solutions as well as non-IT Workflow offerings will be **key drivers of future growth in ServiceNow's path to \$11B in subscription revenue.**"

| Key fundamental metrics for ServiceNow |                     |                                  |                                  |
|--|---------------------|----------------------------------|----------------------------------|
|  | Q3'23<br>(realized) | CY23<br>(guidance <sup>2</sup> ) | CY24<br>(guidance <sup>2</sup> ) |
| Subscription YoY growth                | +27%                | +26%                             | +22%                             |
| Gross margin                           | 78%                 | 81%                              | 81%                              |
| EBITDA margin                          | 36%                 | 33%                              | 33%                              |
| Close to rule of 60                    | 63%                 | 59%                              | 55%                              |

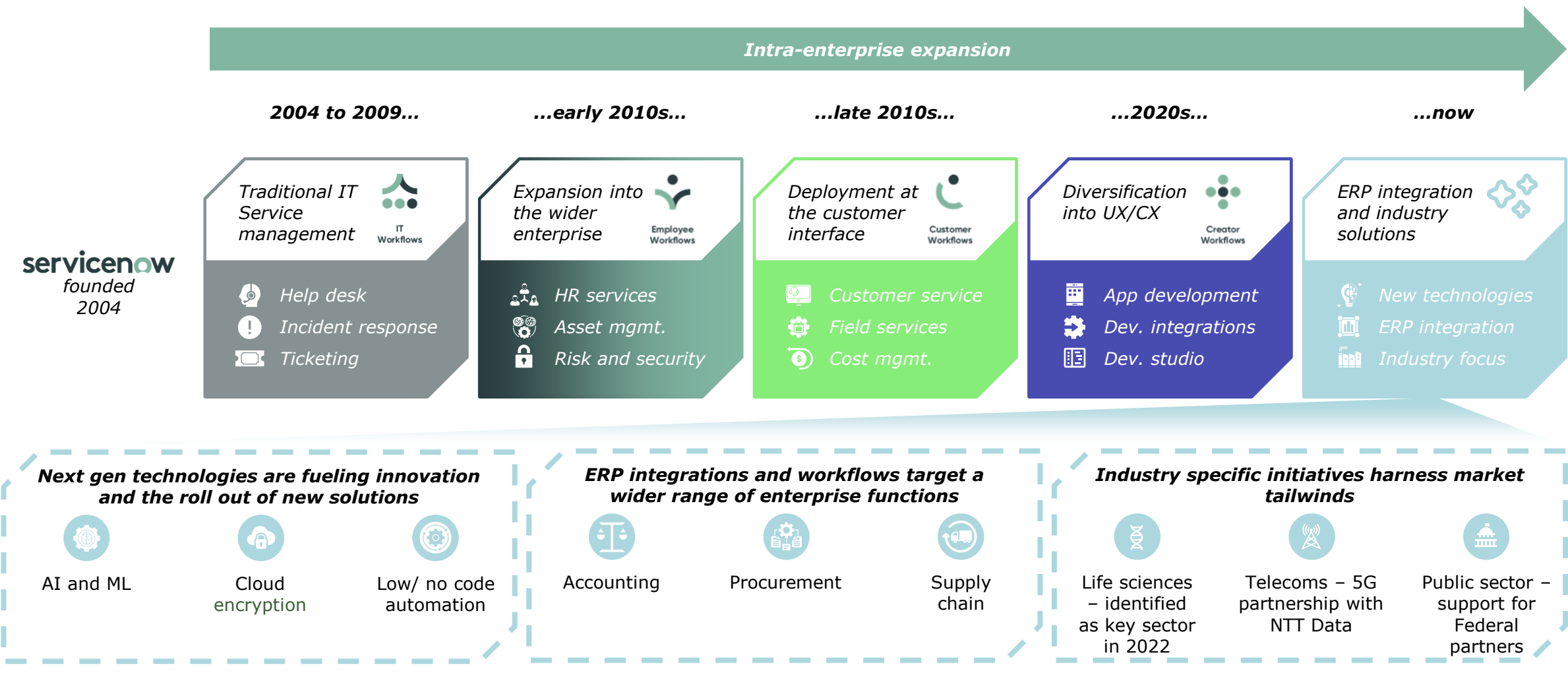
BARCLAYS

October 2023

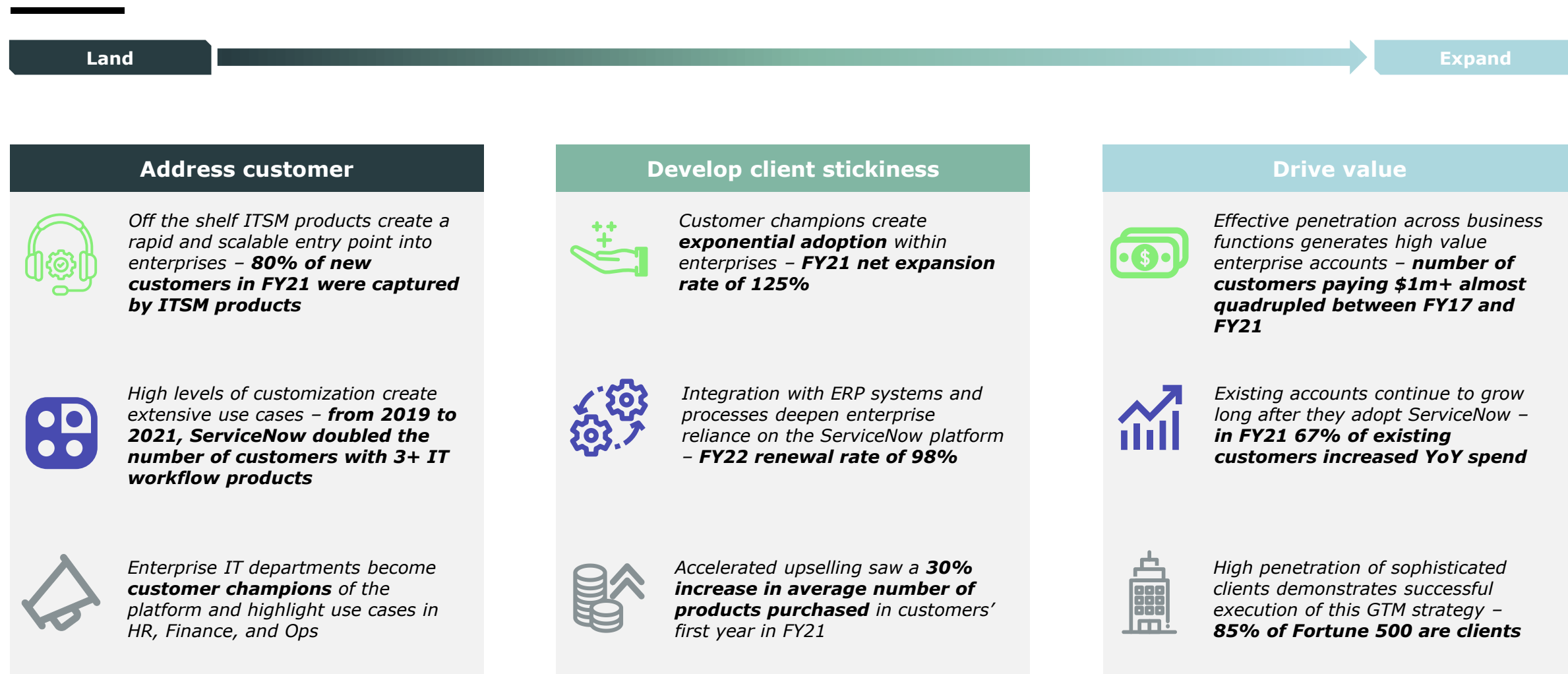
"Due to its **strong platform story, ongoing innovation like the new AI SKU (Plus) and limited competition**, it is able to deliver very **solid results despite all the macro uncertainties**. Strong federal business but also healthy new logo activity in Q3 show **that NOW is executing well despite the macro headwinds.**"















# ServiceNow has effectively leveraged relationships within enterprises to build a cross-functional software platform...



# ...underpinned by a deliberate land & expand go-to-market strategy



# ServiceNow's successful positioning and expansion across the enterprise creates an exciting opportunity for its ecosystem

| Key trends   |   | ServiceNow partner opportunity   |
|--|---|--|
|  <p><i>ServiceNow's revised partner strategy includes a new designation system along with initiatives to drive partner innovation and growth</i></p>  |    |  <p>Partners are able to better differentiate themselves and rely on ServiceNow's ongoing support in delivering services to customers</p>                 |
|  <p><i>ServiceNow has recently pushed into the ERP market with its Procurement Service Management tool</i></p>  |    |  <p>There is an opportunity for the partners to capitalize on global supply chain woes and cross-sell ERP and legacy ServiceNow solutions</p>             |
|  <p><i>ServiceNow continues to invest in its industry solutions, which include Telco, Manufacturing, Media, Tech, Financial Services, Public Sector, and Healthcare/Life Sciences</i></p>                               |    |  <p>Buyers see value in firms focusing on marketing to specific industry segments and building out products and services that target these industries</p> |
|  <p><i>ServiceNow's 2022 revenue grew at an impressive YoY rate of 29%, reflecting robust performance across the core IT business as well as emerging areas such as creator, employee, and customer workflows</i></p> |  |  <p>Dynamic growth across all segments should support partners and provide ample cross-sell opportunities</p>   |

# To fuel the growth of the landscape, ServiceNow Ecosystem Ventures has committed to invest \$1bn by 2026 across three core strategies



- Investing in emerging companies with innovative technologies that add value across ServiceNow's platform
- Core areas of focus include: AI, Machine Learning, hyper automation, distributed cloud, total experience and data intelligence

Craft

Tenon

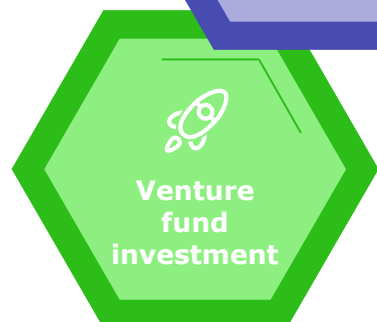
veza



- Strategic balance sheet investments to grow talent capacity and accelerate business objectives and capabilities with go-to-market partners that are helping drive customer adoption of the NowPlatform globally

PLATMATION

NEWROCKET



- Indirect fund investments to partner with venture capital investors who share SNEV's operational-centric investment strategy

SMITHPOINT

**SNEV has already deployed over \$300m across 45 portfolio companies**



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# ServiceNow partner ecosystem dynamics: an overview of the landscape

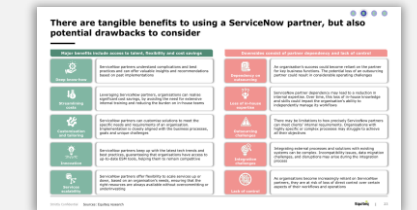
A

ServiceNow has an established partner program with over 2,000 partners globally categorized across five partner statuses and the partner ecosystem is fairly fragmented across all scales



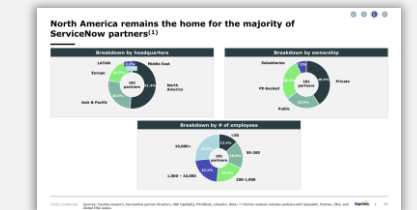
B

There are tangible benefits to using a ServiceNow partner, but also potential drawbacks to consider



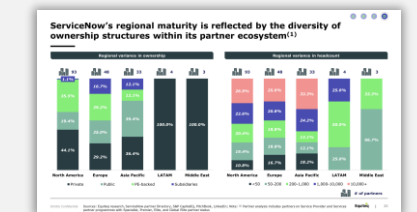
C

North America remains the home for the majority of ServiceNow partners



D

ServiceNow's regional maturity is reflected by the diversity of ownership structures within its partner ecosystem





# ServiceNow has an established partner program with over 2,000 partners globally categorized across five partner statuses...

|   |                     |  |   |   |
|---|---------------------|--|---|---|
| 1 | <b>Global Elite</b> | Partners with transformative practices, while demonstrating an exemplary level of NOW success metrics across various products and regions                            | Example pure-play partners<br><i>n.a.</i>   | Example diversified partners<br>accenture DXC TECHNOLOGY KPMG   |
| 2 | <b>Elite</b>        | Partners with a highly advanced NOW practice, showcasing extensive abilities across several product lines (5+ ServiceNow products) in one or more geographical areas | Example pure-play partners<br>Crossfuze The Workflow Company infocenter PLATONATION         | Example diversified partners<br>HCL Infosys kyndryl   |
| 3 | <b>Premier</b>      | Partners that have a well-established NOW practice, showing a variety of skills (<5 ServiceNow products) in more than one geography                                  | Example pure-play partners<br>devhd PLANHORIZON proclise                                    | Example diversified partners<br>A2ANTS minsaït An Indra company cegeka  |
| 4 | <b>Specialist</b>   | Partners that provide specialist skills in one or more ServiceNow products   | Example pure-play partners<br>4WRD CONSULTING coaXXion business solutions MATVAA CONSULTING | Example diversified partners<br>Crayon ICS GROUP K2   |
| 5 | <b>Registered</b>   | New partners to ServiceNow ecosystem which have met the minimum qualifications   | Example pure-play partners<br>periscope7 serenity STAVE                                     | Example diversified partners<br>B-rightsource CubeSimple SIMPLIFIED TO SCALE intellective LEADERS IN DIGITAL TRANSFORMATION |

# ...and the partner ecosystem is fairly fragmented across all scales

## Large (>1,000 employees)



- The largest ServiceNow services providers are a mixture of digital IT companies (e.g. Accenture, DXC Technologies, Nagarro) and large, diversified IT & BPO providers (e.g. Infosys, Larsen and Toubro, Wipro)
- This market has become attractive to large and diversified technology consultancies, highlighted by NTT Data's acquisition of Acorio (August 2020)

## Mid-size (200-1,000 employees)



- Mid-size companies are largely comprised of private equity backed, ambitious digital transformation companies (e.g. Crossfuze, Newrocket) that have grown organically and through acquisition
- Notable investors in this space include Keensight Capital (Plat4Mation), Gryphon Investors (Newrocket) and RLJ Equity Partners (Crossfuze)

## Independent Specialists (0-200 employees)



- The smaller, emerging firms typically focus on agility and innovation, either through specific verticals or geographic niches
- Firms can sometimes come from a consulting or managed services standpoint and evolve into an end-to-end cloud service provider

# There are tangible benefits to using a ServiceNow partner, but also potential drawbacks to consider

## Major benefits include access to talent, flexibility and cost savings



### Deep know-how

ServiceNow partners understand complications and best practices and can offer valuable insights and recommendations based on past implementations



### Adaptable level of services

ServiceNow partners provide adaptable solutions tailored to an organisation's fluctuating requirements and can deliver the required solutions



### Customisation and tailoring

ServiceNow partners can customise solutions to meet the specific needs and requirements of an organisation. Implementation is closely aligned with the business processes, goals and unique challenges



### Innovation

ServiceNow partners follow the latest technology trends and industry best practices and help their clients fully exploit the benefits of ESM technology



### Streamlining costs

Leveraging ServiceNow partners, organisations can realise significant cost savings, by avoiding the need for extensive internal training and reducing the burden on in-house teams

## Downsides consist of partner dependency and lack of control



### Dependency on outsourcing

An organisation's success could become reliant on the partner for key business functions. The potential loss of an outsourcing partner could result in considerable operating challenges



### Reduced internal know-how

ServiceNow partner dependency may lead to a reduction in internal expertise. Over time, this loss of in-house knowledge and skills could impact the organisation's ability to independently manage its workflows



### Outsourcing challenges

There may be limitations to how precisely ServiceNow partners can meet clients' internal requirements. Organisations with highly specific or complex processes may struggle to achieve all their objectives



### Integration challenges

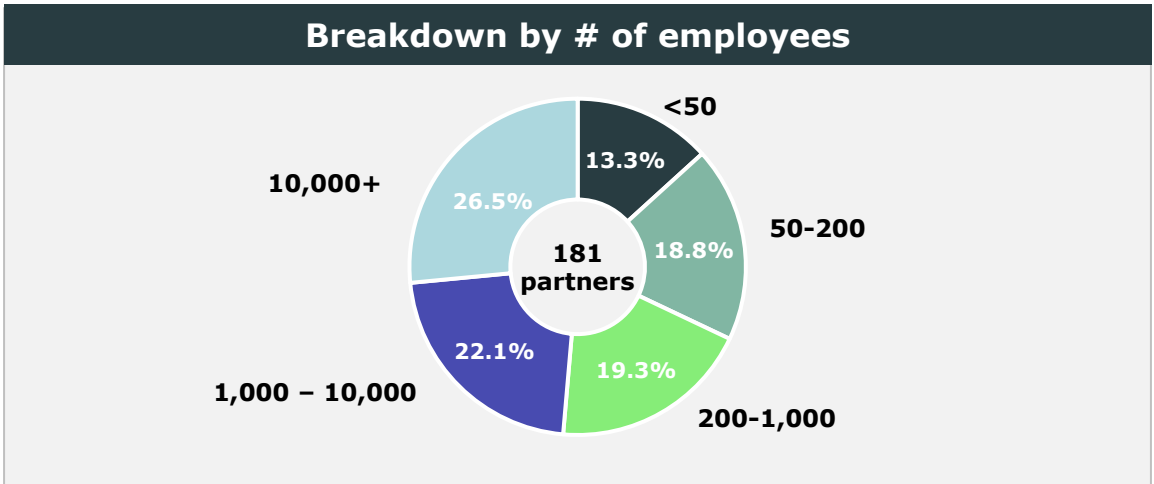
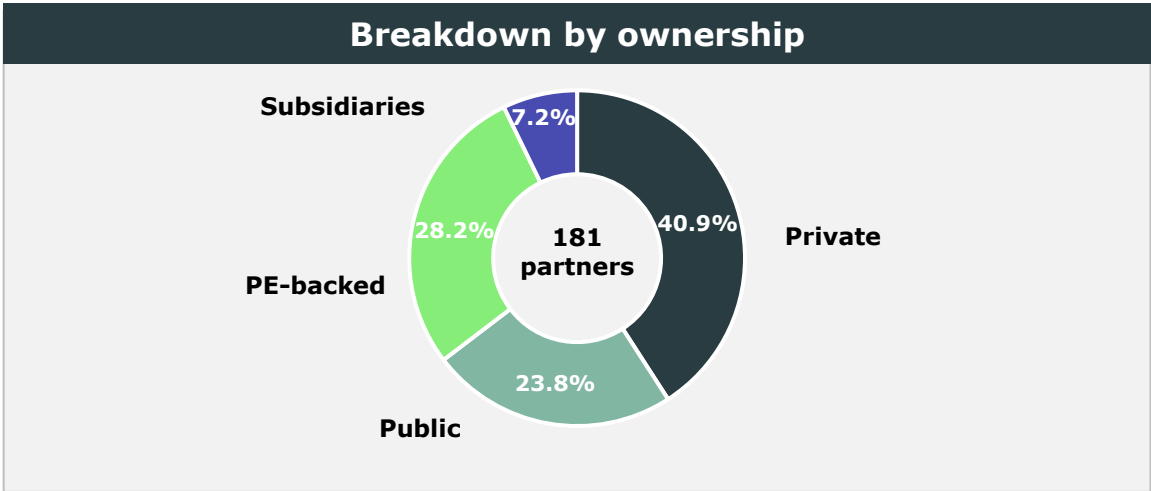
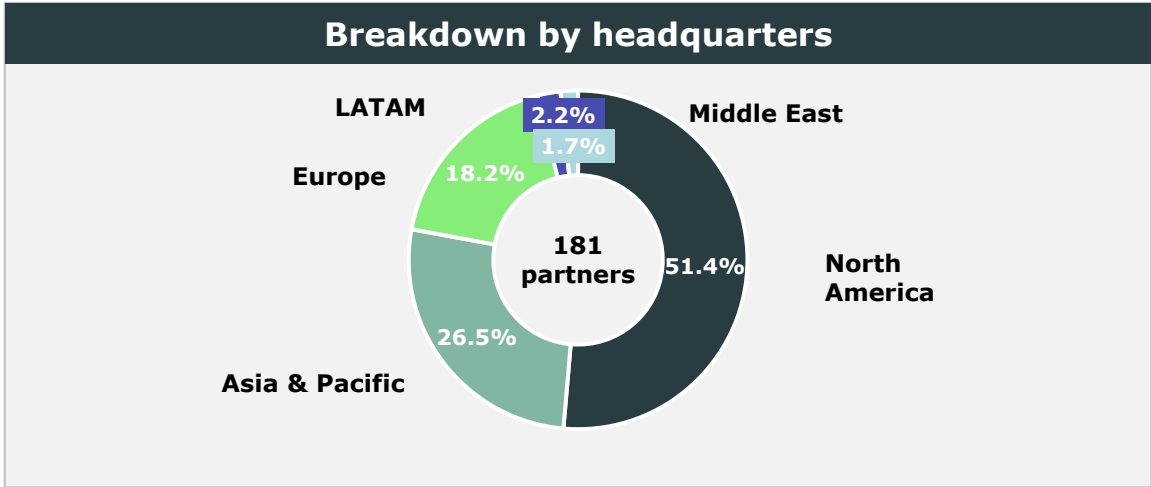
Integrating external processes and solutions with existing systems can be complex. Incompatibility issues, data migration challenges, and disruptions may arise during the integration process



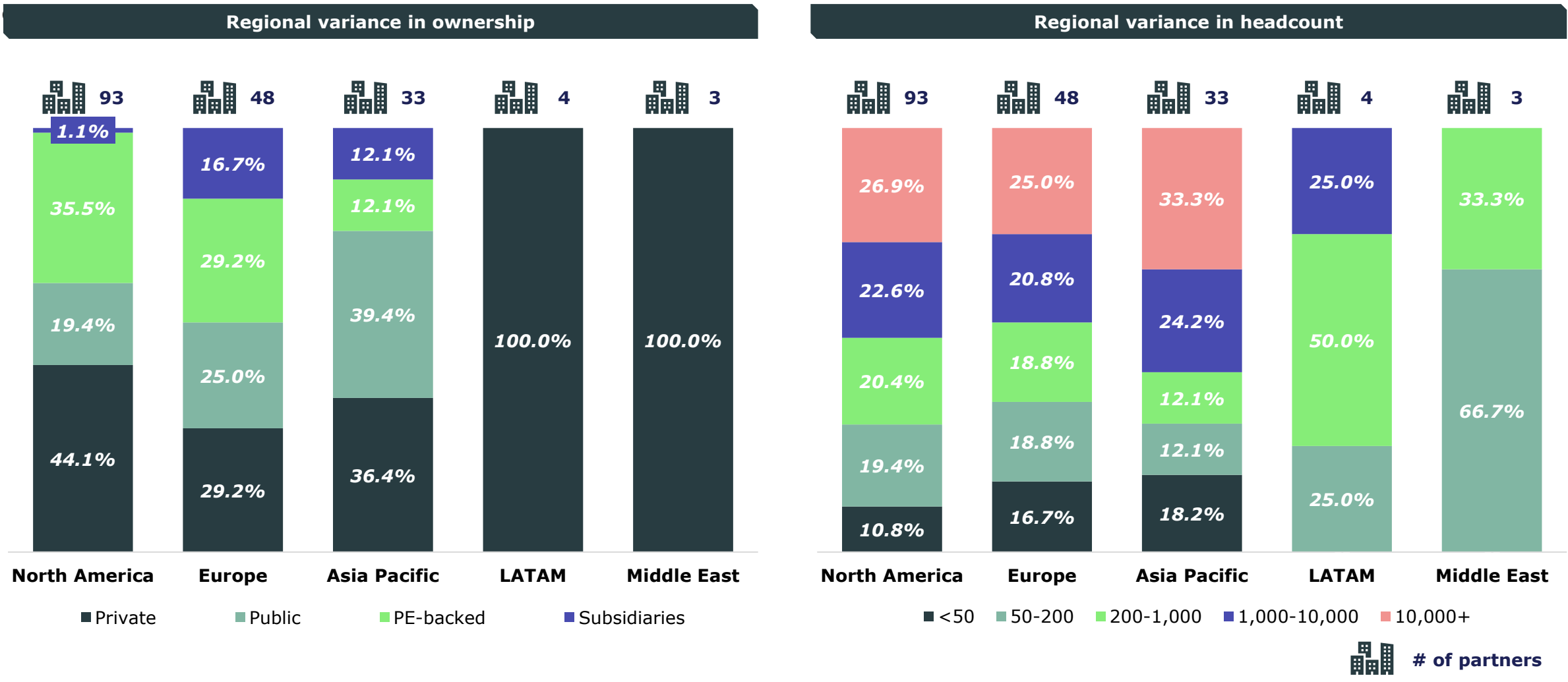
### Lack of control

As organisations become increasingly reliant on ServiceNow partners, they are at risk of loss of direct control over certain aspects of their workflows and operations

# North America remains the home for the majority of ServiceNow partners<sup>(1)</sup>



# ServiceNow’s regional maturity is reflected by the diversity of ownership structures within its partner ecosystem<sup>(1)</sup>



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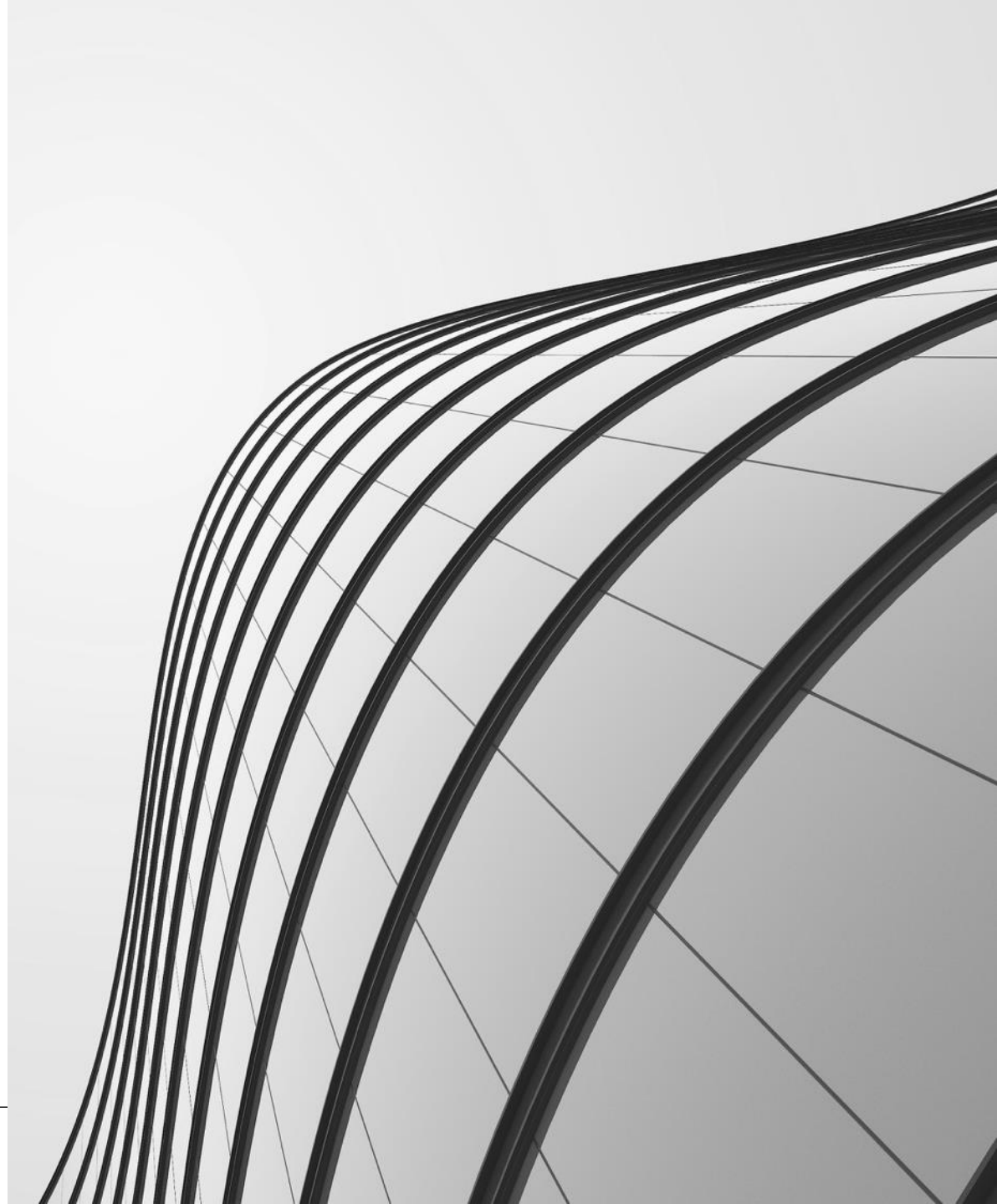
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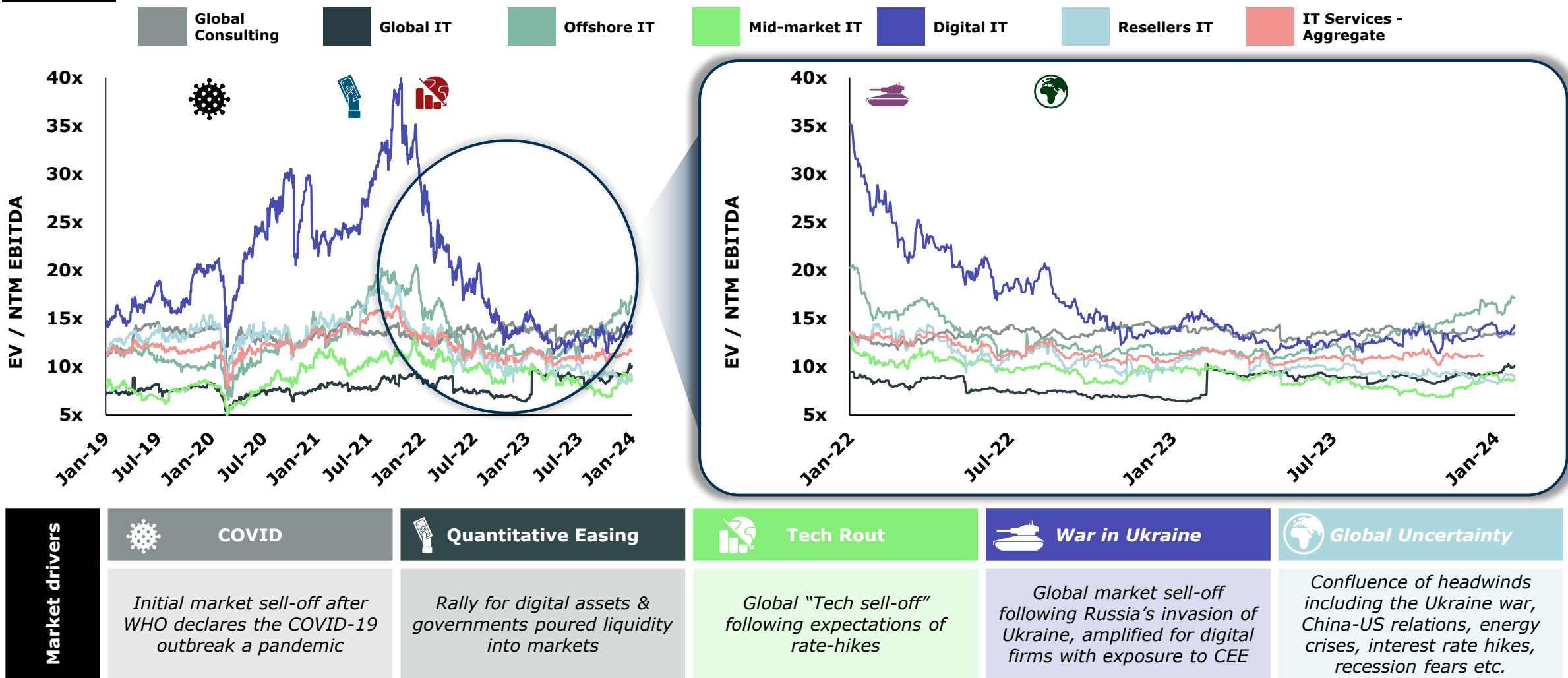
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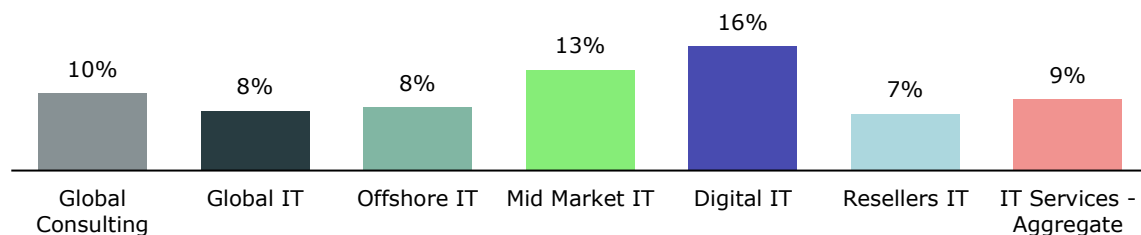
# After peaking in late 2021, digital IT firms have broadly reduced to pre-COVID levels



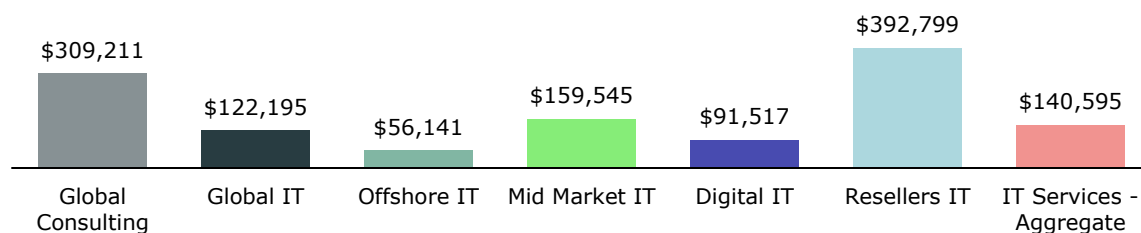
# Offshore IT and digital IT firms command elevated valuations due to heightened profitability and growth prospects respectively

## Median Revenue benchmarks

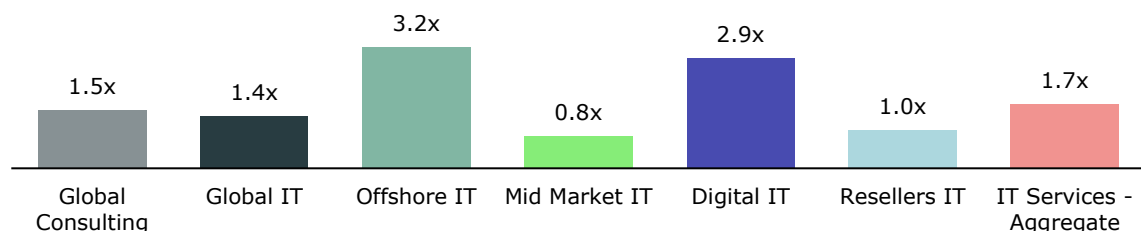
### CAGR CY21-CY24 revenue growth



### CY24 revenue per head

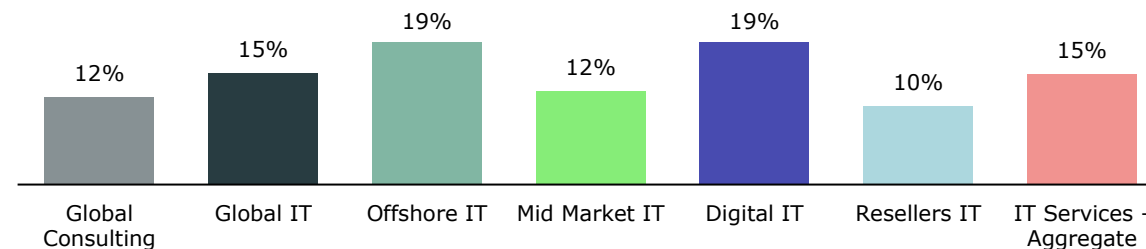


### CY24 EV/revenue multiples

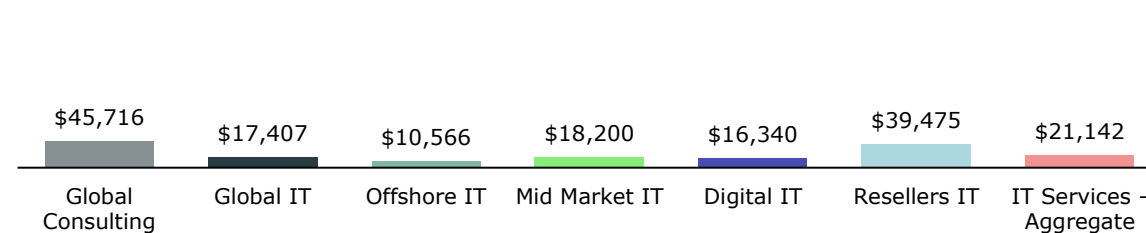


## Median EBITDA benchmarks

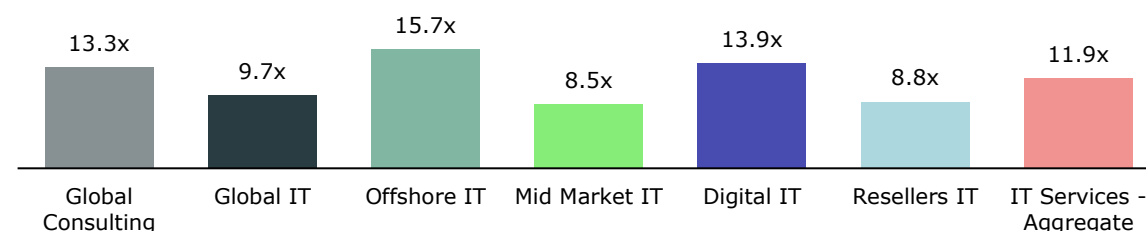
### CY24 EBITDA margin



### CY24 EBITDA per head



### CY24 EV/EBITDA multiples





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# ServiceNow partner transactions: market trends and consolidation dynamics

A

The ServiceNow partner ecosystem has seen accelerated consolidation from strategic acquirers and financial investors



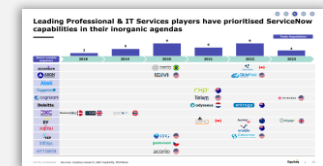
B

The mature North American ecosystem has driven global deal volume, while the UK has seen the most activity in Europe



C

Leading Professional & IT Services players have prioritised ServiceNow capabilities in their inorganic agendas



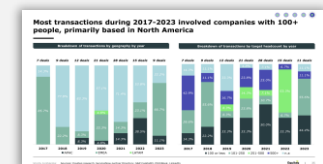
D

Private Equity firms have been active in rolling-up the North American landscape through buy-and-build strategies



E

Most transactions during 2017-2023 involved companies with 100+ people, primarily based in North America



# The ServiceNow partner ecosystem has seen accelerated consolidation from strategic acquirers and financial investors

## External factors have influenced the ServiceNow partner M&A market

**May 2019 – ServiceNow transforms its partner strategy, launching new partner designations and initiatives to drive partner innovation and growth**

partner business development team
 Insight into NOW platform roadmap
 Support for partners serving the Federal Gov.
 5x24 partner concierge service
 Next-gen deal registration system
 NOW platform solution validation system

**This was underpinned by a joint go-to-market forged by the partner ecosystem**

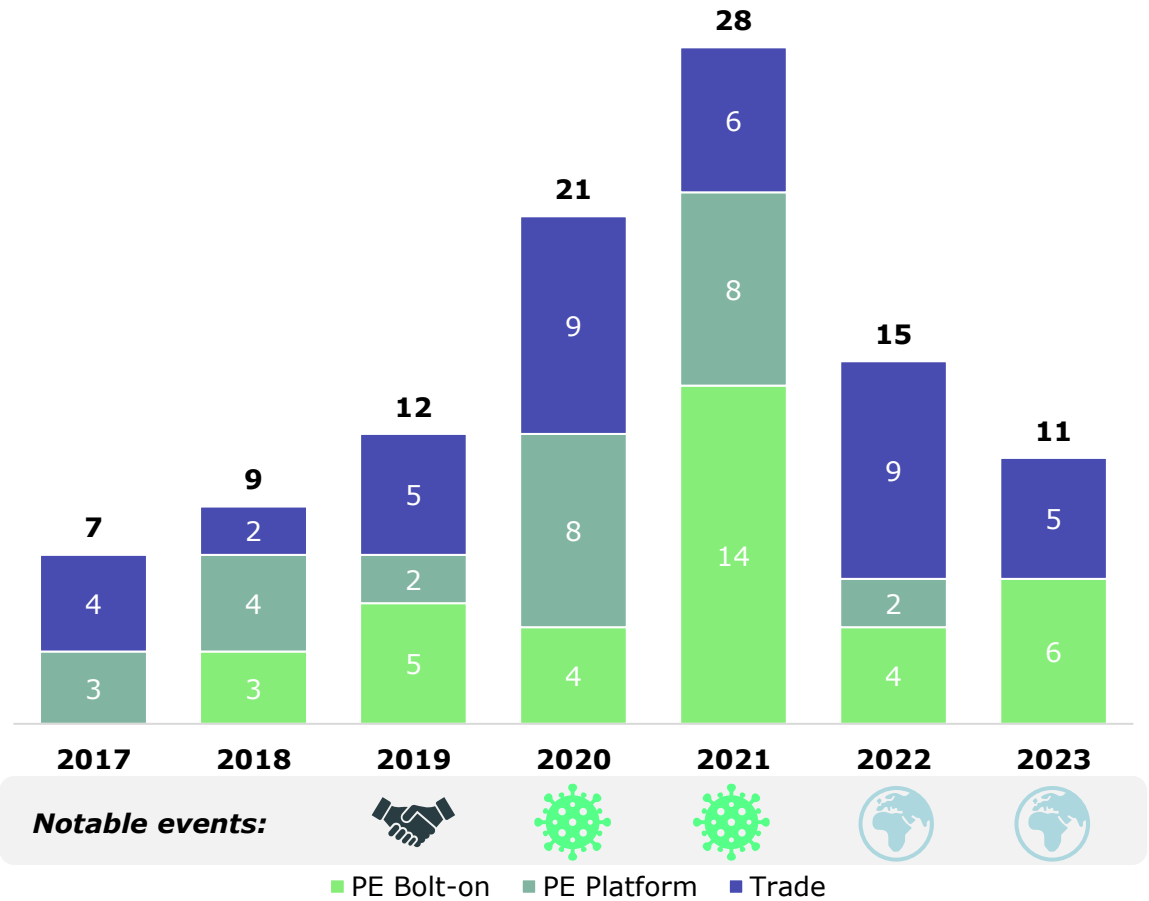
The C-19 outbreak greatly accelerated demand for digital transformation services, resulting in a very active M&A market during 2020.

Loose monetary policies and record Private Equity ‘dry powder’ propelled PE-related transactions during 2021.

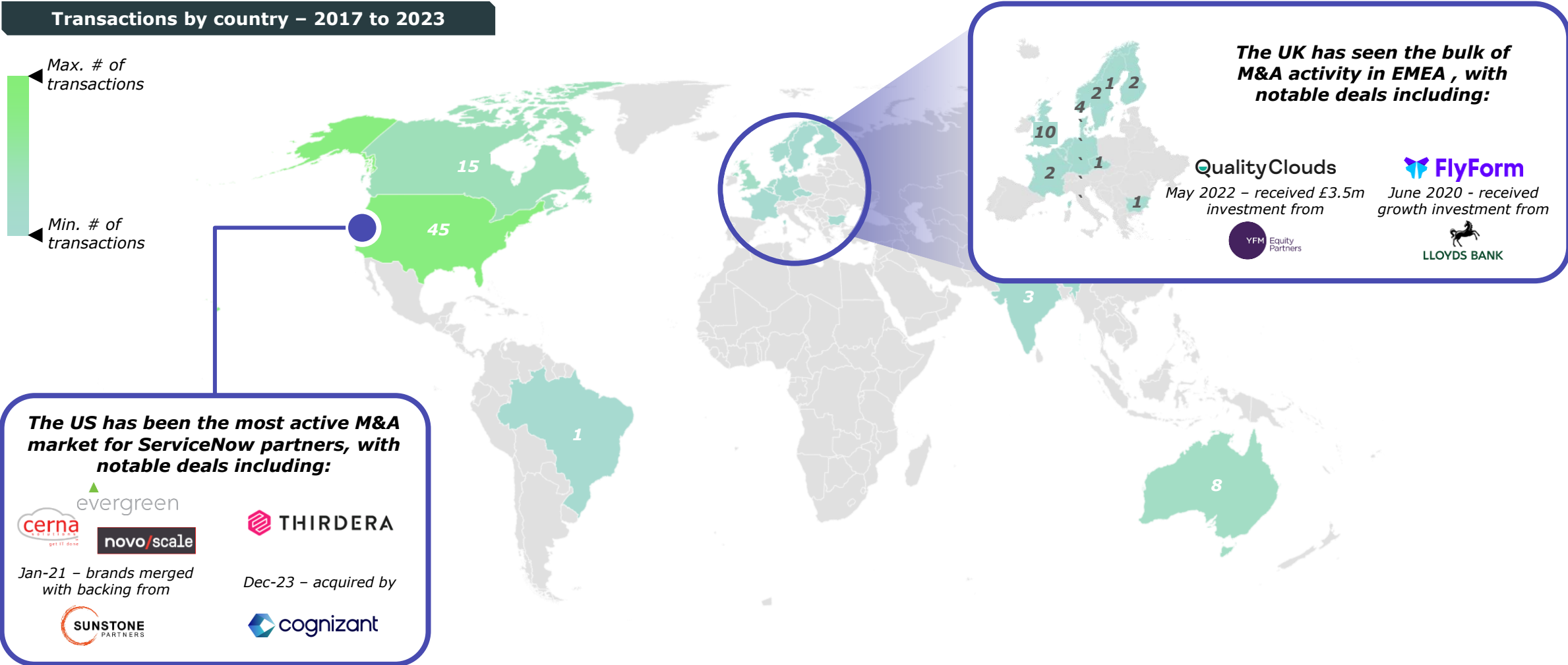
In the first half of 2022, the global ‘tech rout’ was amplified by conflict in Ukraine, rising inflation and tightening monetary policies, yielding a subdued M&A market.

Increased interest rates and conflicts in the Middle East contributed to driving down deal flow in 2023

## Breakdown of ServiceNow partner transactions by strategy

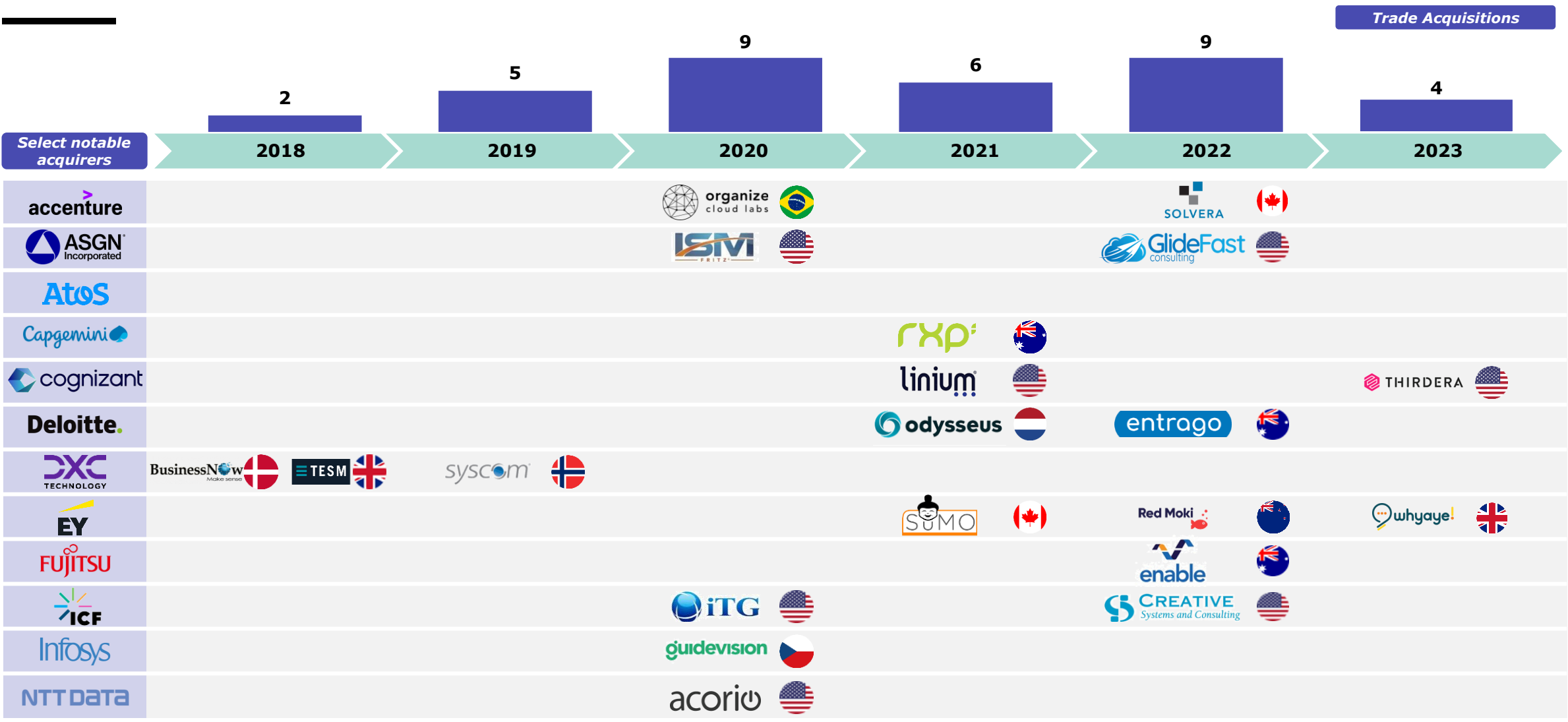


# The mature North American ecosystem has driven global deal volume, while the UK has seen the most activity in Europe

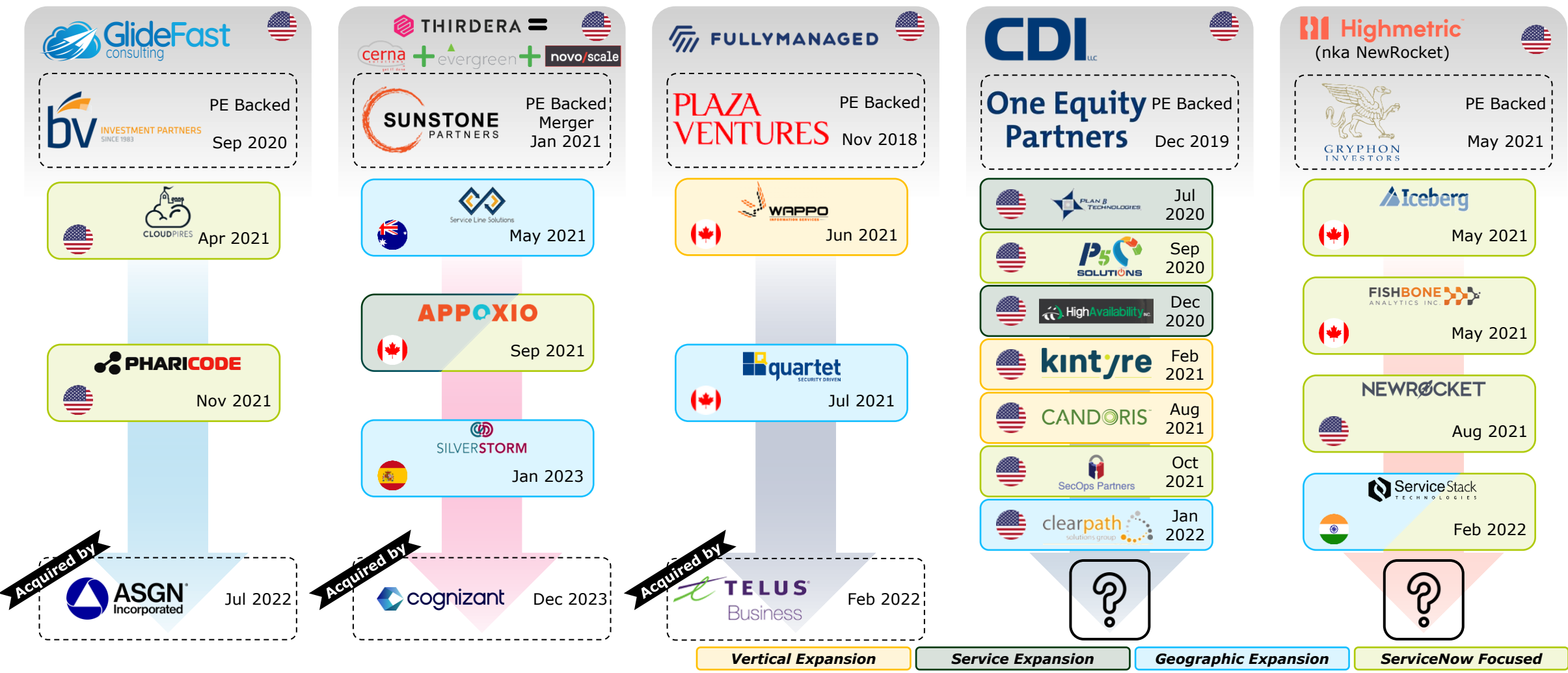




# Leading Professional & IT Services players have prioritised ServiceNow capabilities in their inorganic agendas

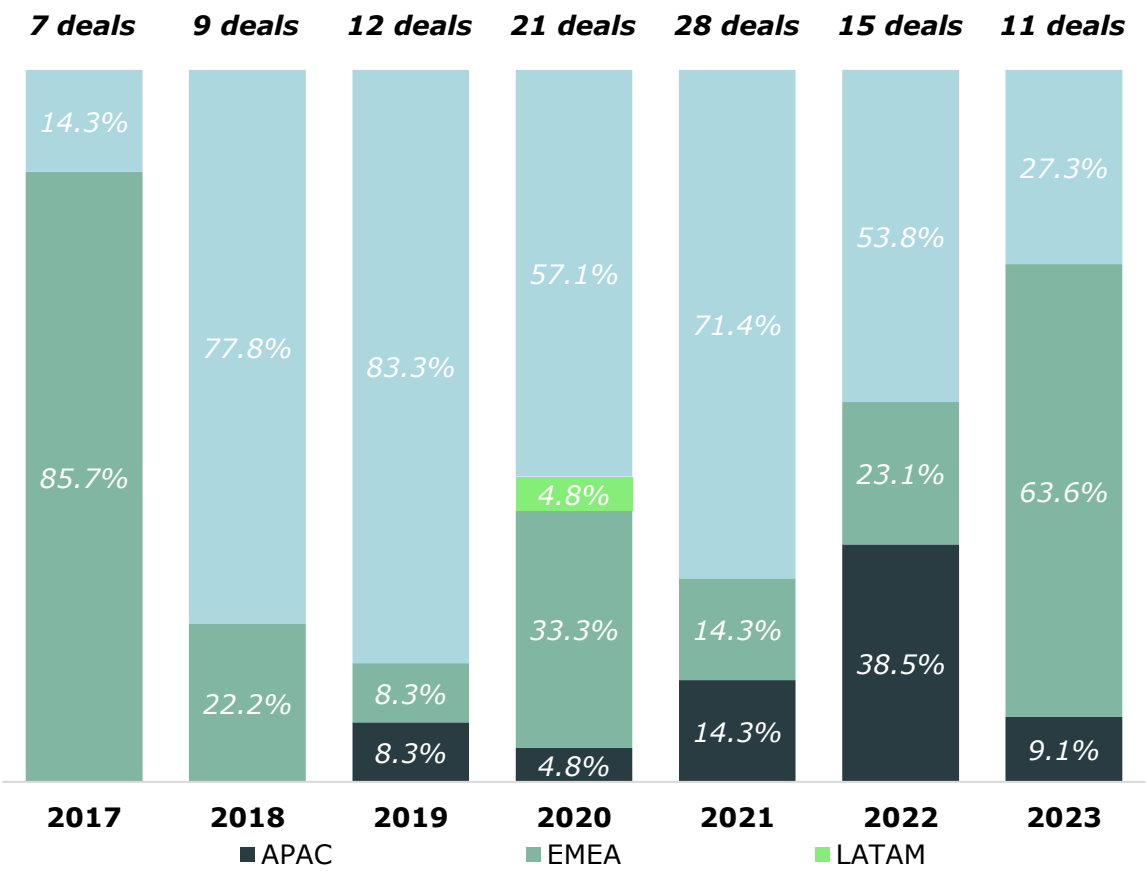


# Private Equity firms have been active in rolling-up the North American landscape through buy-and-build strategies

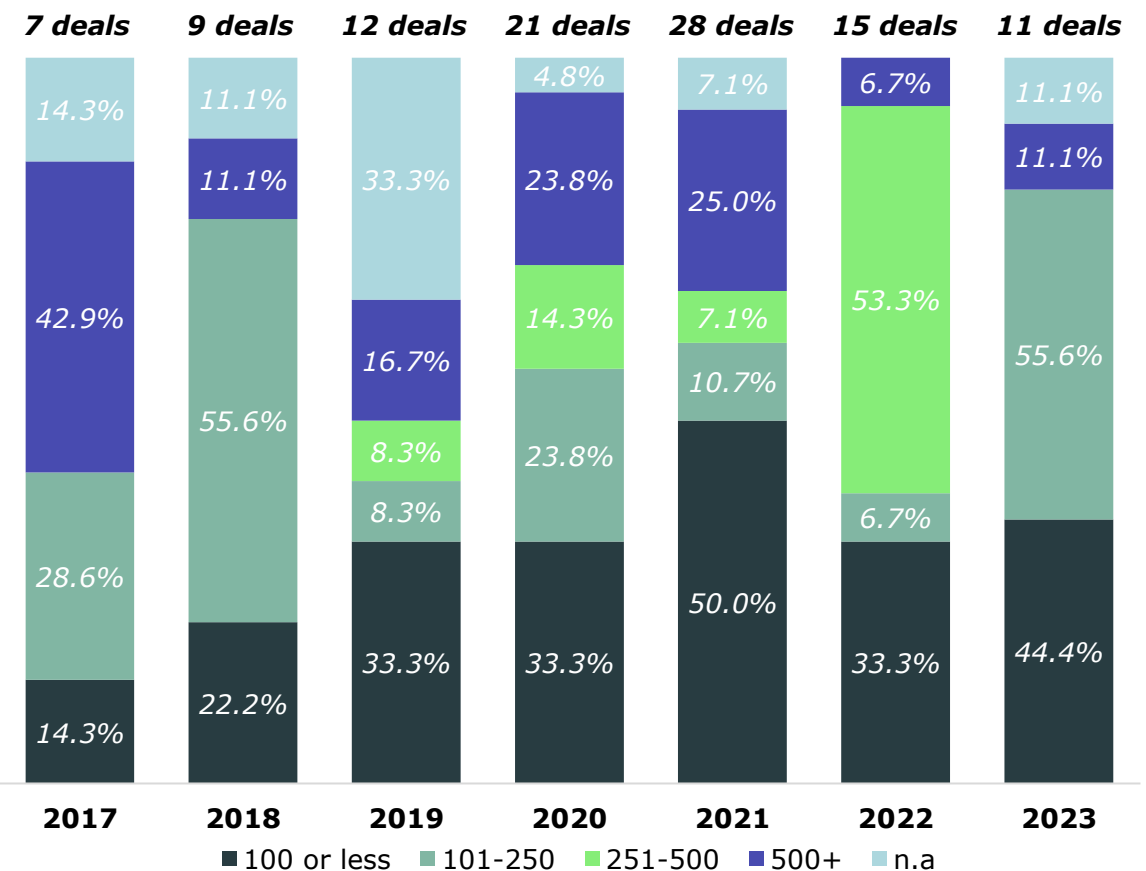


# Most transactions during 2017-2023 involved companies with 100+ people, primarily based in North America













































Breakdown of transactions by geography by year















































Breakdown of transactions by target headcount by year















































# Recent ServiceNow partner M&A activity (1/5)

| Buyer   | Target  | Date   | Type        | Commentary  |
|---|---|--------|-------------|---|
|       |       | Feb-24 | PE Platform | <i>Investing alongside ServiceNow Ecosystem Ventures, Keensight are looking to support Plat4mation in their journey of growth and help with geographic expansion</i>                                  |
|       |       | Dec-23 | Trade       | <i>The acquisition of Thirdera will enable Cognizant to offer clients one of the most comprehensive experiences in the ServiceNow ecosystem, with robust capabilities in prof. services and GenAI</i> |
|       |       | Dec-23 | PE Bolt-on  | <i>The acquisition enables Inetum to strengthen its presence in the United Kingdom &amp; Ireland and become a leading European partner for ServiceNow</i>   |
|       |       | Nov-23 | Trade       | <i>The acquisition will accelerate the growth of RGP's global digital consulting business, both from a strategic capabilities' perspective as well as regional positioning</i>                        |
|       |       | Sep-23 | PE Bolt-on  | <i>The acquisition helps Inetum reinforce its leadership in Europe and strengthen its ServiceNow capabilities</i>   |
|       |       | Aug-23 | PE Bolt-on  | <i>The acquisition enables The Cloud People to expand on its current service offering and increase specialisation in different parts of the ServiceNow platform</i>                                   |
|       |       | Jun-23 | Trade       | <i>The acquisition helps Bell bolster its service offerings for customers looking to improve application performance and streamline their operations</i>  |
|     |     | May-23 | Trade       | <i>The acquisition adds deep process automation and service management specialization to SoftwareOne's existing market-leading IT Asset Management (ITAM) services</i>                                |
|   |   | May-23 | Trade       | <i>The acquisition will support the growth of EY Technology Consulting services by expanding capacity, capabilities and market presence around the ServiceNow technology platform</i>                 |
|   |   | May-23 | PE Bolt-on  | <i>The acquisition will enhance Brillio's presence in the UK and Europe, strengthen Brillio's consultative client engagement model and expand its offerings for BFSI clients</i>                      |
|   |   | Jan-23 | PE Bolt-on  | <i>The acquisition enables the n_value Group to bolster its ServiceNow capabilities</i>   |













































# Recent ServiceNow partner M&A activity (2/5)

| Buyer  | Target   | Date   | Type        | Commentary   |
|--|--|--------|-------------|--|
|  THIRDERA                      |  SILVERSTORM           | Jan-23 | PE Bolt-on  | The acquisition will add 160+ consultants to the team, positioning Thirdera to better respond to growing interest in the ServiceNow platform among European businesses                       |
|  EY                            |  Red Moki              | Oct-22 | Trade       | The acquisition will enable EY to expand its footprint and expertise in the region and deliver valuable client outcomes  |
|  ACCSCIENT                     |  DXSherpa              | Aug-22 | PE Bolt-on  | The acquisition will expand Accscient's global presence in addition to expanding its reach into the markets of Asia, Europe, Middle East and Australia                                       |
|  accenture                     |  SOLVERA               | Jul-22 | Trade       | The acquisition of Canada's largest independent ServiceNow partner will help Accenture meet high levels of demand in the rapidly growing Canadian ServiceNow consulting ecosystem            |
|  FUJITSU                       |  enable                | Jul-22 | Trade       | The acquisition of APAC's largest, independent ServiceNow partner deepens Fujitsu's ServiceNow expertise and exposure to specific industries across the region                               |
|  inetum                        |  doitwise              | Jun-22 | Trade       | The acquisition will strengthen Inetum's position as a leader in Enterprise Service Management and Digitisation as Do IT Wise bring significant ServiceNow and low-code automation expertise |
|  ASGN                          |  GlideFast consulting  | Jun-22 | Trade       | The acquisition adds in-demand ServiceNow expertise to ASGN's growing Apex Consulting Services team  |
|  YFM Equity Partners         |  QualityClouds       | May-22 | PE Platform | The £3.5m investment will help QualityClouds scale their growing footprint in the US and expand the availability of their ServiceNow governance protocol                                     |
|  Deloitte                  |  entrigo           | Apr-22 | Trade       | The acquisition further strengthens Deloitte's position in healthcare sector in Australia  |
|  insource                  |  BECK              | Apr-22 | Trade       | The acquisition deepens Insource's expertise in Security Ops and Integrated Risk Management  |
|  Deutsche Beteiligungs AG  |  akquinet          | Mar-22 | PE Platform | The PE-backed MBO will see DBAG help Akquinet scale and capture the opportunities of the rapidly expanding German IT services market   |

# Recent ServiceNow partner M&A activity (3/5)













































| Buyer   | Target  | Date   | Type        | Commentary   |
|---|---|--------|-------------|--|
|       |       | Feb-22 | PE Bolt-on  | <i>The acquisition enhances Newrocket's global footprint and expertise across IT Workflows, Customer Workflows and Employee Workflows</i>                                  |
|       |       | Feb-22 | Trade       | <i>The acquisition helps Telus to offer ServiceNow managed services as well as IT services for senior care organizations in the health care sector</i>                     |
|       |       | Jan-22 | PE Bolt-on  | <i>The acquisition adds valuable ServiceNow and low/no-code automation expertise to Octo's service offering</i>  |
|       |       | Jan-22 | PE Bolt-on  | <i>The acquisition will see Savli join Godspeed's US Defence-focussed, IT services platform consisting of Varen Technologies and Exceptional Software Strategies</i>       |
|       |       | Jan-22 | Trade       | <i>The acquisition further strengthens ICF's offering of cloud development and expands its qualifications in the federal IT modernization/digital transformation arena</i> |
|       |       | Dec-21 | PE Bolt-on  | <i>The deal reinforces a growing worldwide trend that matches MSPs (managed IT services providers) with ServiceNow consulting, deployment and management expertise</i>     |
|       |       | Oct-21 | PE Bolt-on  | <i>Backed by One Equity partners, CDI acquires SecOps to strengthen its expertise in ServiceNow Security Operations and Integrated Risk Management</i>                     |
|     |     | Sep-21 | Trade       | <i>The acquisition strengthens Deloitte's service expertise in ServiceNow and Project Portfolio Management</i>   |
|   |   | Sep-21 | PE Bolt-on  | <i>Backed by Sunstone partners, Thirdera acquires Appoxio to build niche expertise in both UX/UI design and ServiceNow</i>   |
|   |   | Aug-21 | PE Platform | <i>The ~\$3bn transaction saw Carlyle invest in Hexaware's highly profitable and scalable portfolio of cloud automation services that utilise the ServiceNow platform</i>  |
|   |   | Aug-21 | PE Platform | <i>Backed by Gryphon Investors, Highmetric acquires Newrocket's ITSM, security &amp; user experience expertise and united the platform under the Newrocket brand</i>       |

# Recent ServiceNow partner M&A activity (4/5)

| Buyer   | Target  | Date   | Type        | Commentary   |
|---|---|--------|-------------|--|
|       |       | Jul-21 | PE Bolt-on  | <i>Backed by EQT, Nexon expands its international footprint across Australia</i>   |
|       |       | Jul-21 | PE Platform | <i>The investment will help realise The Cloud People's plan to become the leading Nordic GCP and ServiceNow through both organic and inorganic growth</i>              |
|       |       | May-21 | PE Bolt-on  | <i>The acquisition adds Fishbone's Elite ServiceNow partner expertise in Integrations to the newly created Highmetric platform</i>                                     |
|       |       | May-21 | PE Bolt-on  | <i>The acquisition adds Iceberg Network's leading ServiceNow SecOps, risk, and governance expertise to the newly created Highmetric platform</i>                       |
|       |       | May-21 | Trade       | <i>The transaction expands EY's delivery footprint with expertise across the ServiceNow platform including IT and customer service management and asset management</i> |
|       |       | May-21 | PE Bolt-on  | <i>The acquisition expands BitTitan's service offering with end-to-end ServiceNow data integration capabilities</i>  |
|       |       | May-21 | PE Bolt-on  | <i>The acquisition positions Thirdera for growth in the Asia-Pacific region and adds to its technical capabilities</i>   |
|     |     | May-21 | PE Platform | <i>The investment will help Sofigate achieve its target of €500m by 2025 via organic growth and M&amp;A</i>  |
|   |   | May-21 | PE Bolt-on  | <i>The ~\$7bn acquisition sees the creation of a leading, next-generation IT services provider for the national security environment</i>                               |
|   |   | May-21 | Trade       | <i>The acquisition further expands RSM's capabilities beyond financial consulting services into IT business management (ITBM) implementations services</i>             |
|   |   | May-21 | Trade       | <i>The acquisition enhances iON's reach in the Canadian cybersecurity market</i>   |



# Recent ServiceNow partner M&A activity (5/5)

| Buyer   | Target  | Date   | Type        | Commentary   |
|---|---|--------|-------------|--|
|       |       | May-21 | PE Platform | The significant minority investment will help SDI scale their service offering and penetration of the public and private sector across the US  |
|       |       | Apr-21 | PE Bolt-on  | The acquisition further expands GlideFast's ServiceNow capabilities and positions it as the largest partner in the ecosystem to be 100% dedicated to ServiceNow                      |
|       |       | Mar-21 | Trade       | The transaction further broadens Capgemini's expertise in a digital, data and cloud IT consulting firm with Microsoft, Salesforce and ServiceNow                                     |
|       |       | Feb-21 | PE Bolt-on  | The deal helps UST meet demand for the matured capabilities of the platform and increasing user adoption   |
|       |       | Feb-21 | PE Platform | The majority investment sees GSAM capitalising on Advania's strong growth and tailwinds in the Nordic IT Services market   |
|       |       | Feb-21 | PE Platform | The take private transaction will help Virtusa focus on innovation in its cloud transformation practice  |
|       |       | Jan-21 | Trade       | The acquisition helps Cognizant execute its pivot into cloud strategy by adding significant ServiceNow workflow expertise to its portfolio   |
|     |     | Jan-21 | PE Bolt-on  | The acquisition forms an immediate add-on to the newly created Thirdera platform, adding initial scale to help Thirdera become the largest pure-play ServiceNow partner in the world |
|   |   | Jan-21 | PE Bolt-on  | The acquisition forms an immediate add-on to the newly created Thirdera platform, adding initial scale to help Thirdera become the largest pure-play ServiceNow partner in the world |
|   |   | Jan-21 | PE Platform | The acquisition sees Evergreen rebranded as Thirdera, a Sunstone partners roll-up with the ambition of becoming the largest pure-play ServiceNow partner in the world                |
|   |   | Jan-21 | PE Platform | The minority investment will see General Datatech drive further growth and expand the range of services available to its blue-chip and Government clients                            |



I. ESM and ITSM Market Overview

II. ServiceNow Overview

III. Partner Ecosystem Dynamics

IV. Valuation Trends

V. Select ServiceNow Partner Transactions

**VI. About Equiteq and case studies**



# About Equiteq

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*We are a global integrated team of passionate and specialised M&A transaction advisors.*

*Our goal is to shed the right light on and deliver outstanding transaction outcomes for owner-managers and private equity that are heavily invested across various segments of the technology services, consulting & outsourcing industry.*



# We are custom-built to deliver optimized transaction outcomes for consulting entrepreneurs

Why Equiteq is best-placed to deliver value to our clients

Focused

Exclusively focused advisory business for consulting M&A

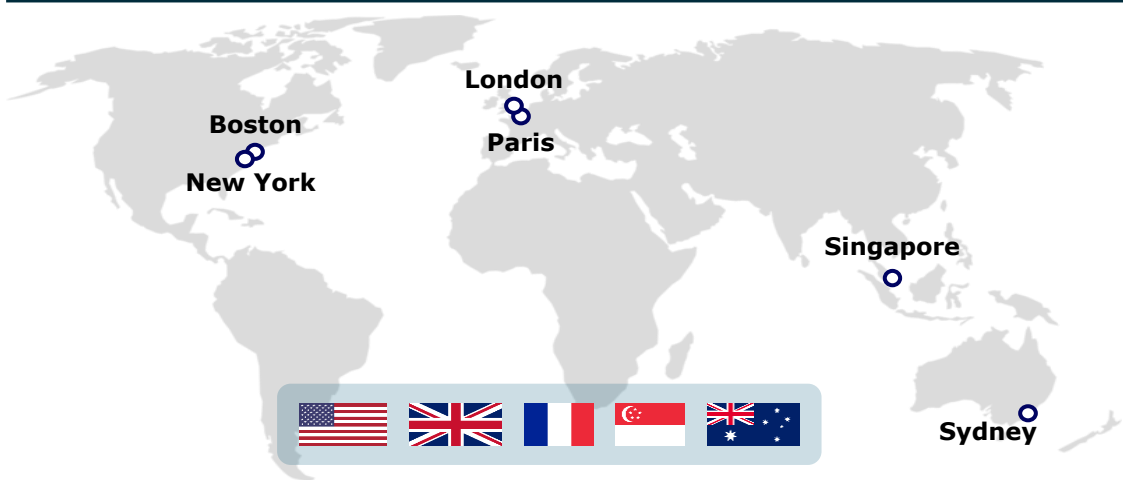
Honest

Hands-on, straightforward advice

Global

A truly integrated global team and network

Growing equity, realising value



| Equiteq results  |  |
|--|--|
| <div>170+</div> <div>Completed transactions in consulting and technology services segments</div> | <div>85%+</div> <div>Sell-side vs buy-side</div>   |
| <div>~40</div> <div>Average number of active mandates</div>                                      | <div>€20-250m</div> <div>Average deal size range</div>   |
| <div>6</div> <div>Global offices - London, New York, Paris, Singapore, Boston, Sydney</div>      | <div>20-50</div> <div>Average range of consulting specialist buyers engaged for each process</div> |



# We are the most active M&A advisor for the Knowledge Economy worldwide

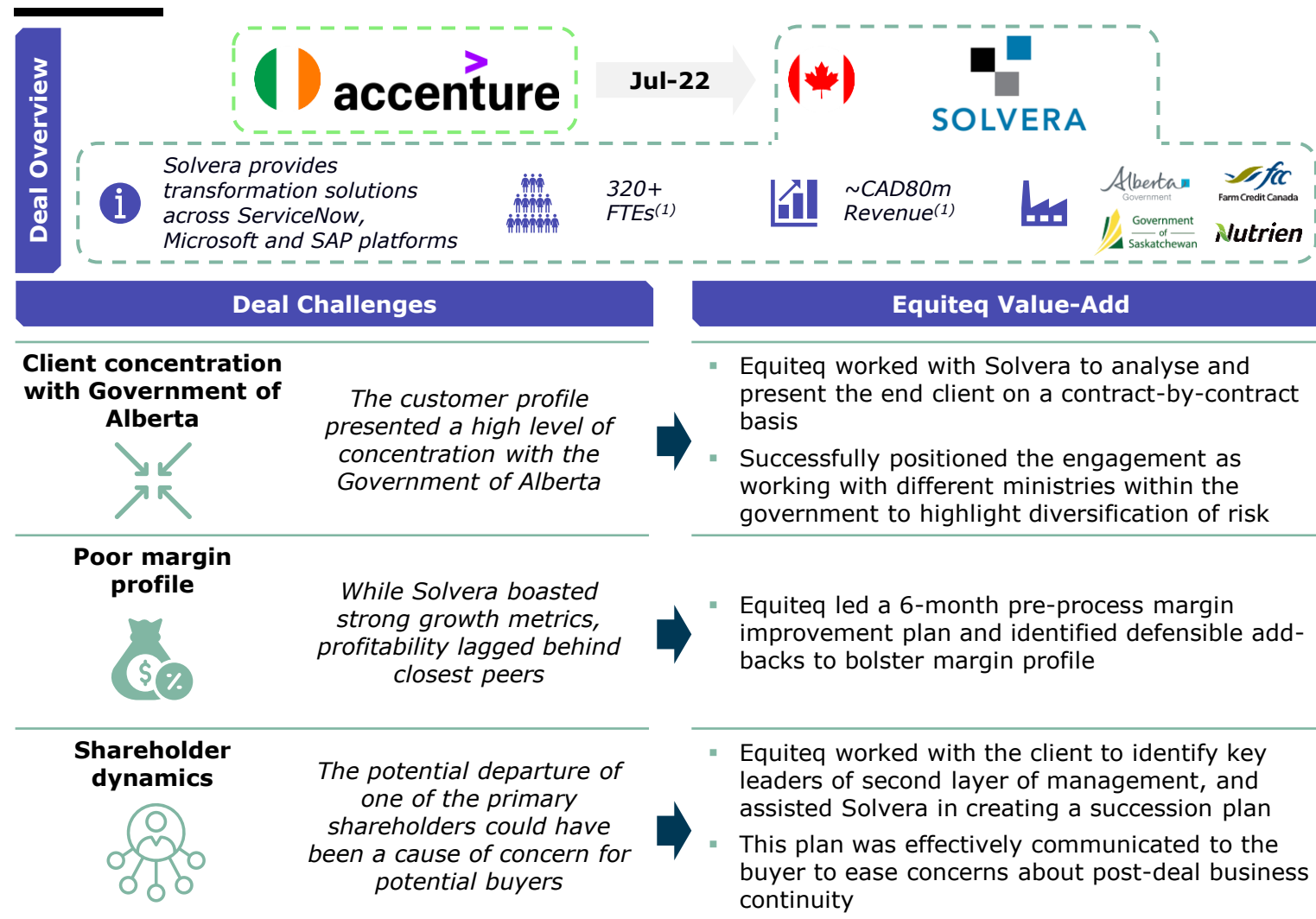
## Selected Completed Transactions

|   |   |   |   |  |  |  |  |   |  |
|---|---|---|---|--|--|--|--|---|--|
| <b>INFINITIUM</b><br><small>Security Partners &amp; Support</small><br>Digital Payments Specialist Sold to<br><b>Euronet</b><br>Advised on the sale February 2024 | <b>KEENSIGHT CAPITAL</b><br>Private Equity invested in<br><b>PLATO MATION</b><br>Advised on the investment February 2024        | <b>lumeri</b><br>Strategic Consulting Firm Sold to<br><b>ankura</b><br>Advised on the sale January 2024   | <b>evolvi</b><br><small>compelling. evolves.</small><br>Data-Driven Digital and Business Consulting Firm Received Investment from<br><b>INTERLOCK</b><br>Advised on the sale January 2024 | <b>KRESK DEVELOPMENT</b><br>Venture Capital and Private Equity Firm Invested In<br><b>Citwell</b><br>Advised on the acquisition January 2024 | <b>oligos</b><br>Pegasystems Solutions Consultancy Sold to<br><b>Magellan Partners</b><br>Advised on the sale January 2024         | <b>onebridge</b><br>Premier Data & Analytics Sold to<br><b>marlabs</b><br>Advised on the sale January 2024                                   | <b>ADIVO</b><br>Global Healthcare consultancy Sold to<br><b>Herspiegel</b><br><small>DFW CAPITAL PARTNERS</small><br>Advised on the sale December 2023 | <b>solnet</b><br>IT Services Partner Sold to<br><b>accenture</b><br>Advised on the sale November 2023   | <b>ProcureAbility</b><br>Procurement Services Specialist Sold to<br><b>JABIL</b><br>Advised on the sale November 2023                |
| <b>Apax</b><br>Acquired<br><b>KIN+ CARTA</b><br>Advised on the acquisition October 2023   | <b>tquila</b><br>Intelligent Automation Consultancy Acquired<br><b>elementBlue</b><br>Advised on the acquisition September 2023 | <b>bizanalytica</b><br>Data Management Solutions Provider Sold to<br><b>Mastek</b><br><small>Trust. Value. Velocity.</small><br>Advised on the sale August 2023 | <b>INTERLOCK</b><br>Private Equity Firm Invested into<br><b>Lovelytics</b><br>Advised on the investment June 2023   | <b>aquient</b><br>Salesforce Gold Partner Sold to<br><b>2</b><br>Advised on the sale June 2023   | <b>TSA</b><br>Project Management and Advisory Firm Acquired<br><b>DGA</b><br>Advised on the acquisition June 2023                  | <b>zebu</b><br>Web3 Technology-Focused Marketing Agency Sold to<br><b>flightstory</b><br>Advised on the acquisition May 2023                 | <b>TSA</b><br>Project Management and Advisory Firm Acquired<br><b>Henry Riley</b><br>Advised on the acquisition May 2023                               | <b>nvm</b><br>Private Equity Invested in<br><b>leadingresolutions</b><br>Advised on the investment April 2023   | <b>cg consus</b><br>Procurement and Supply chain solutions provider Sold to<br><b>YCP Holdings</b><br>Advised on the sale April 2023 |
| <b>HelloTech</b><br>Software CPaaS firm company Sold to<br><b>soprano</b><br>Advised on the sale April 2023   | <b>MML</b><br>Private Equity Firm Invested in<br><b>KICKMAKER</b><br>Advised on the investment February 2023                    | <b>Talan</b><br>Digital Transformation Specialist Acquired<br><b>Gemserv</b><br>Advised on the acquisition January 2023   | <b>BAIN &amp; COMPANY</b><br>Management Consultancy (ET) Acquired<br><b>Enterprise Blueprints</b><br><small>PART OF BAIN &amp; COMPANY</small><br>Advised on the acquisition January 2023 | <b>CLEARTELLIGENCE</b><br>Data & Analytics Consultancy Recapitalized by<br><b>ALIGN CAPITAL PARTNERS</b><br>Advised on the sale January 2023 | <b>Delivery Associates</b><br>Public Sector Impact Consultancy Sold to<br><b>TRILL IMPACT</b><br>Advised on the sale November 2022 | <b>HBR CONSULTING</b><br>Legal Consultancy Sold to<br><b>RENOVUS CAPITAL</b><br>Advised on the sale November 2022                            | <b>BIOS</b><br>Managed Cloud Provider Sold to<br><b>zoIn TECH</b><br>Advised on the sale October 2022  | <b>VALUE POINT</b><br>Cybersecurity Solutions & Services Sold to<br><b>softline</b><br>Advised on the sale October 2022   | <b>LEXICON</b><br>Digital Consultancy Sold to<br><b>endava</b><br>Advised on the sale October 2022                                   |
| <b>ALLATA</b><br>CSD & Digital Transformation Consultancy Received investment from<br><b>CIVIC PARTNERS</b><br>Advised on the investment September 2022           | <b>NOVATIO</b><br>RPA Consultancy Received investment from<br><b>KEYSTONE CAPITAL</b><br>Advised on the investment August 2022  | <b>SOLVERA</b><br>Digital Transformation Services Sold to<br><b>accenture</b><br>Advised on the sale July 2022  | <b>risuql</b><br>Azure Partner & Cloud Specialist Sold to<br><b>NODE4</b><br><small>Empowering business to do more</small><br>Advised on the sale July 2022                               | <b>SCANQMI</b><br>Anaplan Gold Partner Sold to<br><b>VESEO</b><br><small>PARITIS CAPITAL PARTNERS</small><br>Advised on the sale June 2022   | <b>Pexlify</b><br>Platinum Salesforce Partner Sold to<br><b>dentsu group</b><br>Advised on the sale June 2022                      | <b>BEDFORD Consulting</b><br>Anaplan Gold Partner Received investment from<br><b>KEENSIGHT CAPITAL</b><br>Advised on the investment May 2022 | <b>grit.</b><br>Design & Innovation Consultancy Sold to<br><b>CYIENT</b><br>Advised on the sale April 2022   | <b>infrata</b><br><small>Defining the confidence to invest</small><br>Infrastructure Consultancy Receives majority investment<br><b>Lonsdale Capital Partners</b><br>Advised on the investment April 2022 | <b>IST</b><br>CX Tech Consultancy Sold to<br><b>majorel</b><br>Advised on the sale March 2022  |

# Case Study: investment by Keensight Capital into Plat4mation



# Case Study: acquisition of Solvera Solutions by Accenture



## Outcome

- Ran an accelerated sale process which optimized transactions terms and achieved a premium valuation with a buyer that aligned with Solvera's cultural and management succession objectives
- Managed a highly effective bidding process with drove competitive tension and ran an efficient confirmatory due diligence process leading to a successful transaction close
- Equiteq highlighted several investment merits which resonated with the strategically selected group of buyers that ensured a desired outcome

*As we embarked on our journey to find a strategic advisor for our ownership succession plans, it became clear early on that Equiteq was the best fit for our firm. Their knowledge of the technology services sector, combined with their global reach and relationships, gave us confidence that we would find the right strategic partner to take our company to the next level. It was an absolute pleasure to work with the Equiteq team.*

**Solvera Team**



# We will be delighted to speak with you. Please contact us

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