



M&A activity in the Knowledge Economy

Q1 2022

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Executive Summary

Looking back on the first quarter of 2022 we can be reassured that M&A activity in the Knowledge Economy remains resilient. Quarterly deal volumes comfortably exceeded those seen in both 2019 and 2020, although the 1,208 completed this quarter is down on the 1,334 seen this time last year.


Despite the drop in deals year-on-year, a number of particularly large deals such as Microsoft's acquisition of Activision and Bain Capital's acquisition of Inetum, helped to propel the quarter to a record level of investment with quarterly deal values totaling \$110bn - up from \$93bn in Q4 2021 and almost double the \$56bn from Q1 2021.

We're seeing the impact of international travel restarting, with business as usual on the rise and gaining momentum in nearly all corners of the globe. Cross-border deals once again make up the vast majority of M&A activity we see in the Knowledge Economy, especially compared to where we were a little over 18 months ago. However, China and Hong Kong remain challenging markets due to ongoing lockdowns and geopolitical tensions.

Despite continued disruption from COVID and more recently from the war in Ukraine, we are still seeing both market activity and high prices persist across the Knowledge Economy. Yet, buyer confidence in paying the multiples that we've seen in recent quarters looks like it is beginning to tail off as funds stockpiled during the pandemic are used up on acquisitions and inflation drives up the cost of capital.

We may be seeing the tremors of this already with deal volumes peaking in January before falling - although not precipitously - in February and March. Looking forward, this could suggest that 2022 is shaping up to be a softer year than last year.

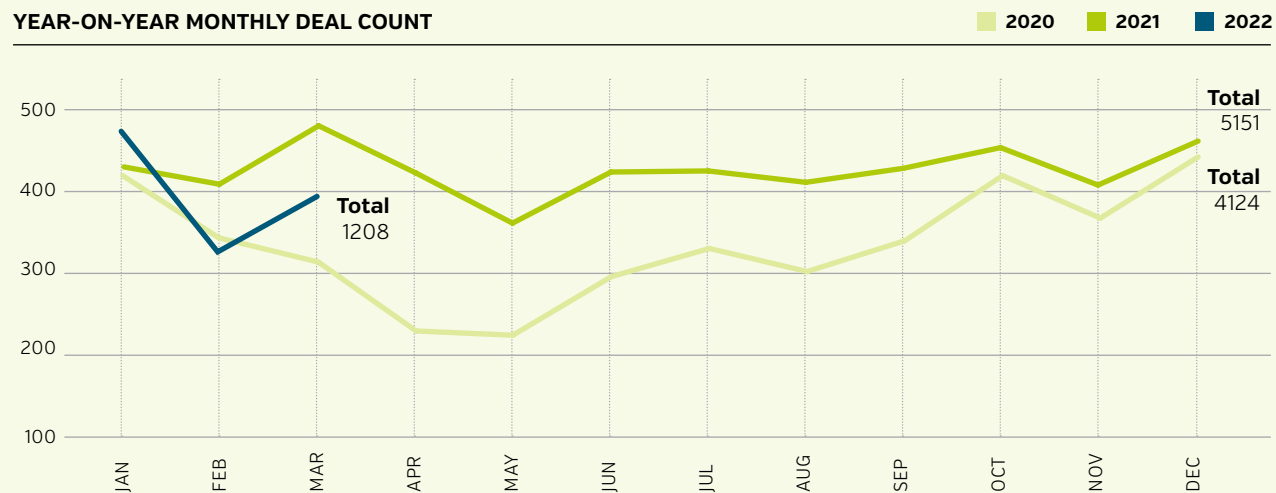
Key macro drivers identified in our **Knowledge Economy M&A Trends 2022** report continue to shape buyer habits in a positive way as the sector continues to grow. However, we have seen some large buyers take a pause as they turn to focus on integrating existing capabilities and acquisitions. Accenture's activity in particular has been notably down year-on-year despite the firm still completing five deals. With big names less active, though, this opens the door for emerging names to secure interesting opportunities that may otherwise have been unavailable, so sellers should be prepared to be open-minded about dealing with parties they may be less familiar with.

In this report, we take a closer look at M&A activity in the first quarter across several key verticals within the Knowledge Economy and offer insights into the drivers of this performance. To find out more, please feel free to contact our team, whose details are contained within this report. 

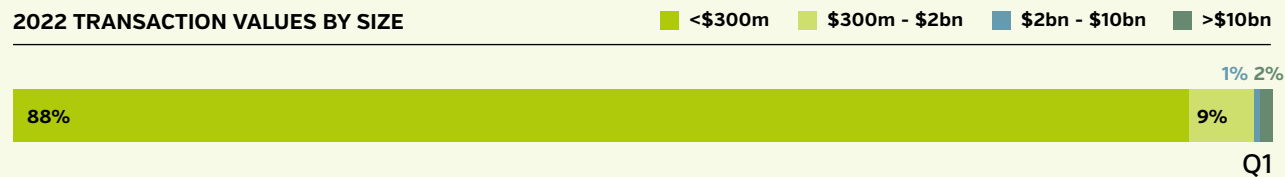
10%

fewer deals completed in Q1 2022
than in Q1 2021

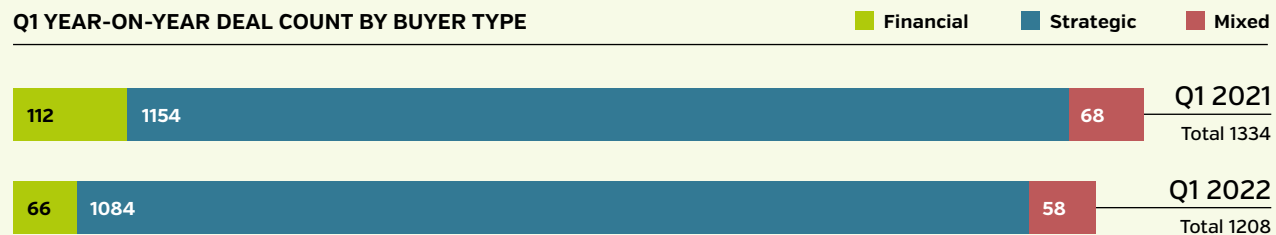
YEAR-ON-YEAR MONTHLY DEAL COUNT



2022 TRANSACTION VALUES BY SIZE



Q1 YEAR-ON-YEAR DEAL COUNT BY BUYER TYPE



Enterprise Software

MARKET HEAT PERSISTS

The first quarter of 2022 picked up where Q4 2021 left off with high deal volumes spilling over into January. Although down slightly on Q1 2021, deal volume for the quarter was otherwise higher than any first quarter since before the pandemic with 254 deals completed. However, global uncertainty in the wake of events in Ukraine saw deal volumes drop month-on-month across the quarter.

Deals completed by strategic acquirers [234 completed] dominate the sector, helping to drive a total quarterly spend of \$46.3bn, with \$43.6bn of this falling into March for the biggest single month in the sector since July 2019. Driving this were two major deals completed by Microsoft, which acquired conversational AI and ambient intelligence software provider, Nuance Communications, for ~\$20bn, and an investor group led by Advent International Corporation, which took the online security provider, McAfee, private for ~\$14bn.

BUYERS SEEMINGLY UNDAUNTED BY SHIFTING HEADWINDS

The need for technology among strategic players, especially social, digital, innovative, disruptive technology, and disruptive businesses in general, remains urgent. Yet favorable tailwinds that have driven acquisition strategies for the past decade are changing. Disruption caused by the pandemic is now

being compounded by additional global issues with higher interest rates, rising inflation, increased taxes, and greater regulation creating structural financial hurdles or delays for deals. Despite this, first quarter deal activity has resulted in the strongest start to a year since pre-pandemic levels - barring Q1 2021.

"Buyers seem undaunted by these shifting headwinds. There's a high level of confidence in the next 12 months' revenue growth from Strategics and also from PE firms, who remain highly active in the Software M&A space", says Dora Ruzic, Senior Associate at Equiteq.

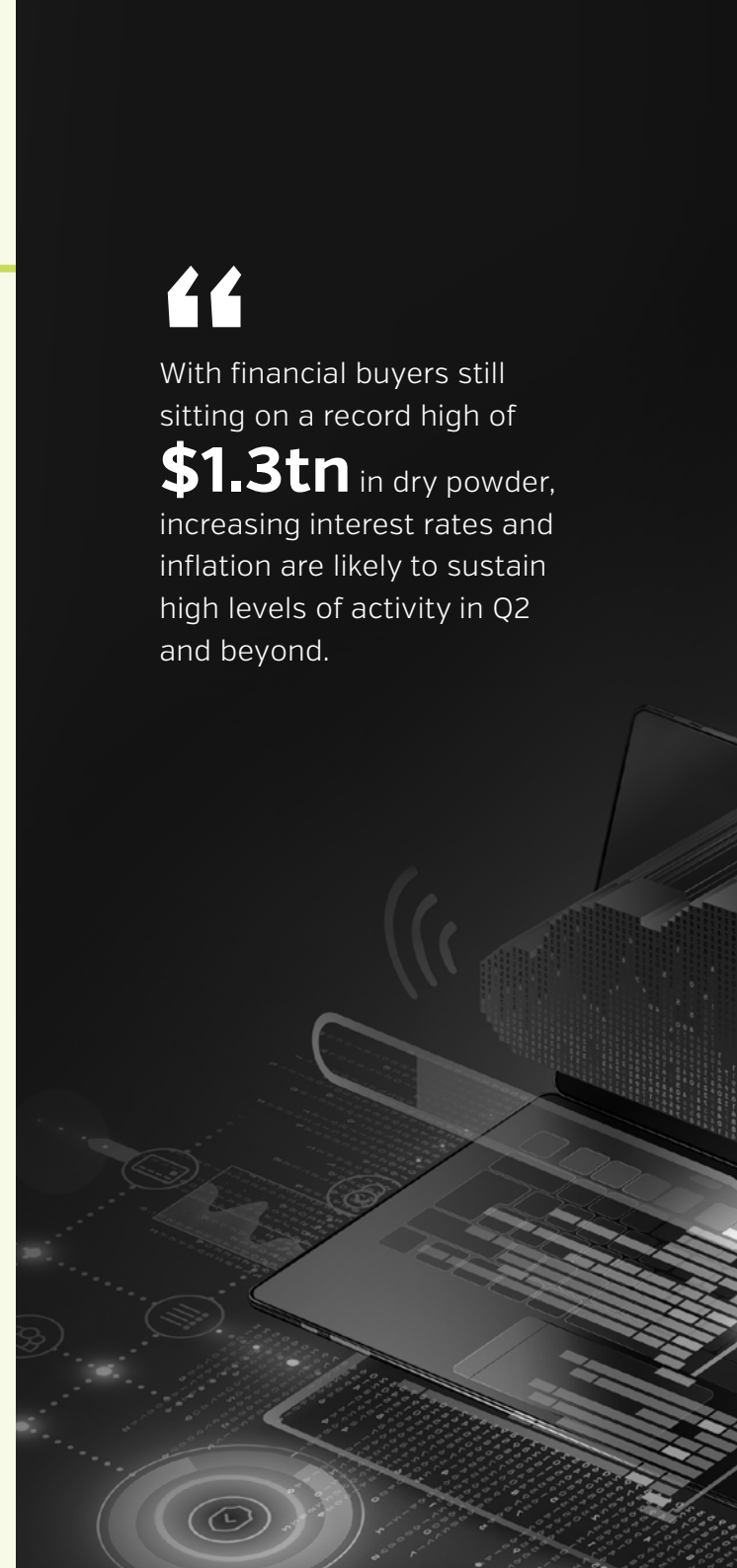
MARKET HEAT MAY PUSH US BUYERS ELSEWHERE

With financial buyers still sitting on a record high of \$1.3tn in dry powder, increasing interest rates and inflation are likely to sustain high levels of activity in Q2 and beyond as buyers seek to get deals done before money gets more expensive, or before prices are driven up. Yet with multiples for Software companies still high as organizations continue to refine their technology stacks, we may see US buyers start to look beyond domestic markets in search of more favorable market conditions.

"Multiples may have declined lately in public markets with the volatility we're seeing in the financial markets, but when it comes to private deals, multiples have

“

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Microsoft's \$68.7bn acquisition of gaming studio Activision Blizzard shows the tech giant's belief that gaming - the fastest-growing form of entertainment - holds the key to cracking the Metaverse.



acquired by



yet to compress. With interest rates in Europe shifting too, companies appear to be more comfortable looking globally for businesses. U.S. buyers can look to emerging markets and find strong software companies with multiple likely to be much lower than the one in the US," says Ruzic.

CYBERSECURITY CRITICAL TO SECURITY ORCHESTRATION, AUTOMATION, AND RESPONSE SERVICES

Cybersecurity remains a source of interest for the majority of the enterprise software market. With hybrid work persisting beyond the end of the pandemic and the security of proprietary information critical, the capability to provide an end-to-end security offering that covers enterprise security orchestration, automation, and response [SOAR] services seems to be key within the cybersecurity space right now. Google made moves in Q1 to offer such advisory services for its cloud platform, acquiring the Israeli cybersecurity startup, Siemplify, for a reported \$500m.

"Google management has spoken openly to investors about the importance of cybersecurity and the need for them to offer this end-to-end suite of SOAR services," says Ruzic. We also saw the \$14bn acquisition of McAfee in March, with the global online protection firm taken private

by an investor group led by Advent International Corporation. The move will supercharge McAfee's ability to provide personalized, innovative, and end-to-end online protection services to clients and consumers. "With end-to-end offerings key at the moment when looking at cybersecurity, clearly this is a very hot area right now," says Ruzic.

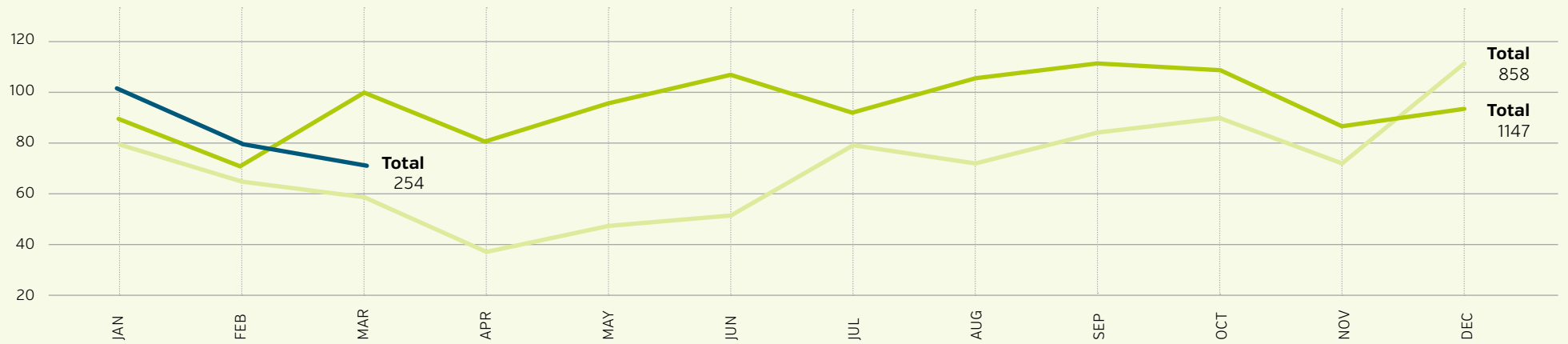
MICROSOFT BANKS ON GAMING TO CRACK THE METAVERSE

Since its announcement by the company-formerly-known-as Facebook in October of last year, the Metaverse has so far appeared to be more favorable to investors than the general public. Microsoft's \$68.7bn acquisition of gaming studio Activision Blizzard shows the tech giant's belief that gaming - the fastest-growing form of entertainment - holds the key to cracking the Metaverse. Microsoft CEO Satya Nadella has said as much, citing the acquisition, which when closed will see Microsoft become the third-largest gaming company by revenue behind TenCent and Sony, as "[playing] a key role in the development of Metaverse platforms."

Sony followed Microsoft's lead by acquiring Bungie, the game developer best known for the Destiny and Halo franchises, for \$3.6bn in February 2022. 

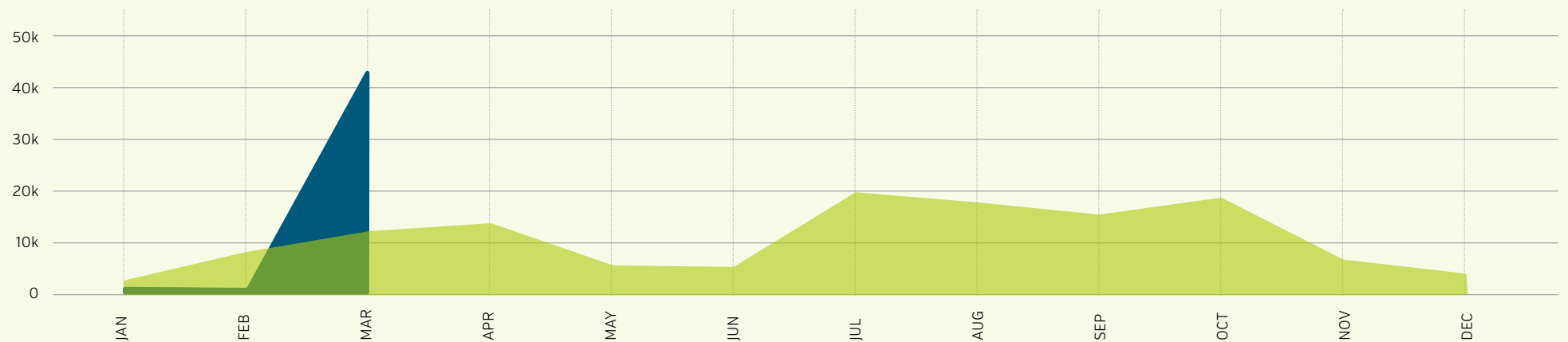
YEAR-ON-YEAR MONTHLY SOFTWARE DEAL COUNT

2020 2021 2022



MONTHLY SOFTWARE DEAL VALUE (US \$, MILLIONS)

2021 2022



IT Services

Q1 M&A activity

KEY TRENDS OVERVIEW

Persisting demand for custom software development firms, cloud migration capabilities and proprietary technology solutions helped to maintain high levels of market activity in the IT Services sector during Q1. However, as seen in other parts of the Knowledge Economy, deal volumes peaked in January before tailing off as the quarter wore on. Quarterly transaction values also fell from Q4 to finish at \$5.4bn, which is also down on both Q1 2021 and Q1 2020. Despite this, major deals took place with Bain Capital acquiring the French IT services firm Inetum with the equity firm looking to build scale in Europe's fragmented IT services industry.

PE ROLL-UPS

M&A activity in the IT Services sector for the first quarter shows a slowdown in acquisitions among key buyers such as Accenture. However, this has presented an opportunity for smaller players such as private equity build-ups to look to do more deals in the space.

"We advised on an interesting build-up in the cyber reselling space in February, which saw the sale of Caretower in the UK to Integrity360, who are backed by August," says Jerome Glynn-Smith, Managing

Director, Europe at Equiteq. "Similarly in this trend of private equity build-ups, we've also seen RSK group, an engineering consulting business backed by the British Growth Fund, acquire Fish Tech in the UK."

CROSS-SECTOR ADJACENCIES

Interest in IT Services companies appears to be spreading with buyers emerging from different ecosystems such as the media space, as illustrated by the advertising and PR giant Publicis's acquisition of Tremend Software Consulting, a Romanian software development shop, in March, and S4 Capital/MediaMonk's acquisition of 4 Mile Analytics in response to heightened demand for analytics capabilities across the digital industry.

"We're seeing companies from the advertising and media space trying to buy IT services capabilities so they can offer a one-stop-shop, end-to-end solution," notes Glynn-Smith. "What's also interesting is that we're seeing telecoms companies also talking about IT Services adjacencies, which is driving further activity."

Glynn-Smith highlights the acquisition of Incremental Group, a Microsoft AX company, by the Spanish telco Telefonica Tech, as representative of this trend.

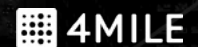
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Quarterly transaction values also fell from Q4 to finish at **\$5.4bn**, which is also down on both Q1 2021 and Q1 2020.

NOTABLE DEALS



acquired by



acquired by





The acquisition by Elixirr International of iOLAP, a US-based consultancy and broad technology off-shorer, stands out in this regard as an example of a buyer seeking a differentiated outsourcing model.



acquired by



TECH ADOPTION DRIVES DEMAND FOR CONSULTANCY SERVICES

For many organizations, the level of sophistication that technology can provide remains far ahead of where they are in terms of adoption. As the push to modernize and digitize across all sectors accelerates, the value of IT consultancy services should only increase.

“Oftentimes these companies don’t have the expertise to adopt these technologies or even know what these technologies can do for their businesses without outside consultants from IT services firms,” says Adam Tindall, Managing Director and Regional Head for North America at Equiteq. “Buyers are seeing this general backdrop and that’s driving demand and M&A activity across the board.”

10%

fewer IT Services deals completed
in Q1 2022 than in Q1 2021

NEXT GENERATION BPOS

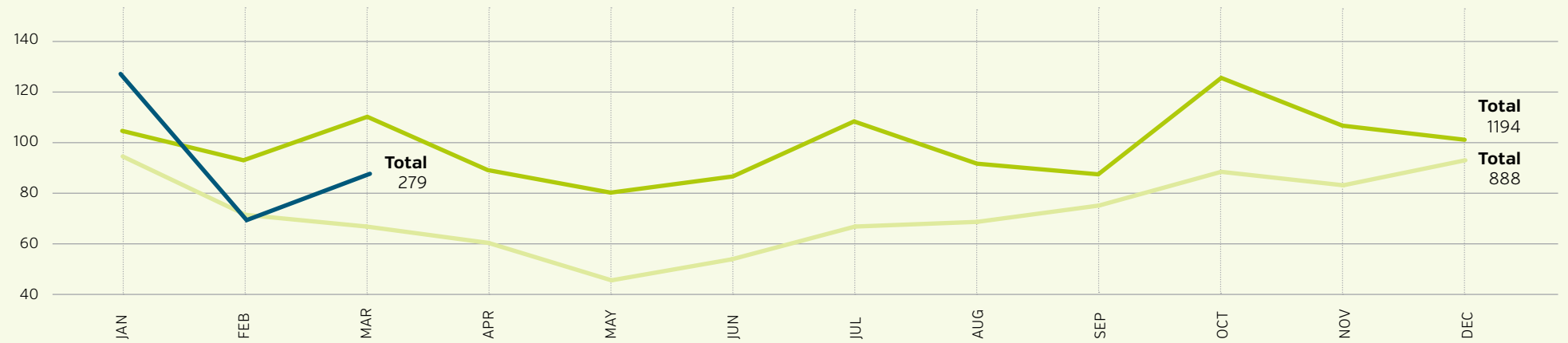
As organizations continue to rethink how to deploy services, the interests of both PE and strategic buyers are turning towards those companies that can implement and manage increasingly sophisticated and tech-enabled, ‘next gen’ Business Process Outsourcing solutions on an ongoing basis.

The acquisition by Elixirr International of iOLAP, a US-based consultancy and broad technology off-shorer, stands out in this regard as an example of a buyer seeking a differentiated outsourcing model. With nearly 200 FTEs in Croatia, iOLAP presents a ‘nearshore’ outsourcing model that can help Elixirr to both expand its US footprint and tap into the European market.

“We’re seeing a growing number of companies from the traditional management consulting space figuring out how to do managed services,” says Tindall. “They’re turning to ‘next gen’ BPOs as they look to wean themselves off project-based revenue that come with such engagements.” ●

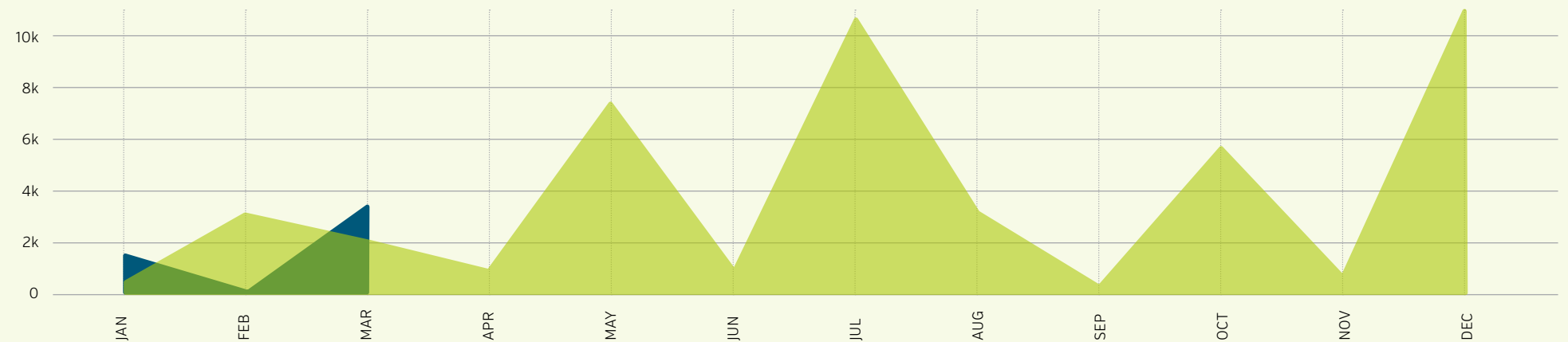
YEAR-ON-YEAR MONTHLY IT SERVICES DEAL COUNT

2020 2021 2022



MONTHLY IT SERVICES DEAL VALUE (US \$, MILLIONS)

2021 2022



Human Capital Management

Q1 M&A activity

A STEADY START TO THE YEAR

Buyer activity dropped slightly in the Human Capital Management (HCM) space with the first quarter seeing the lowest number of deals (61) and cumulative spend (\$104.5mm) since 2019. Favorable tailwinds may have carried from Q4 into January, which accounted for just under half the quarterly deal volume and spend, but overall spend fell significantly from the \$641mm seen at the end of 2021. As organizations continue to refine talent-related operations and buyer interests turn towards tech-enabled HCM solutions, we're seeing Strategics take the lead on deals in the HCM space, completing 51 in Q1 compared to two by private equity and eight by mixed buyers.

TALENT NEEDS DRIVE DEMAND FOR OUTSOURCING


Growing skills gaps continue to pose challenges to companies looking to recruit. This is driving a trend in which more traditional human resources management and executive search firms are now looking to deliver Business Process Outsourcing (BPO) solutions, charging retainers to large organizations in lieu of more typical project-based work to help them find resources. Illustrative of this burgeoning trend is A&M Capital Partners January acquisition of professional and locum staffing solutions provider, P2P Staffing.

"Companies that have the skill set to recruit people are becoming increasingly interesting," says Sylvaine Masson, Director, M&A Services for Equiteq in APAC. "It's getting harder to access key resources and recruit good talent globally. Both are a continuation of COVID trends, but resource challenges have really been exacerbated in the first quarter of 2022."

HCM MERGING INTO OTHER AREAS THROUGH TECHNOLOGY

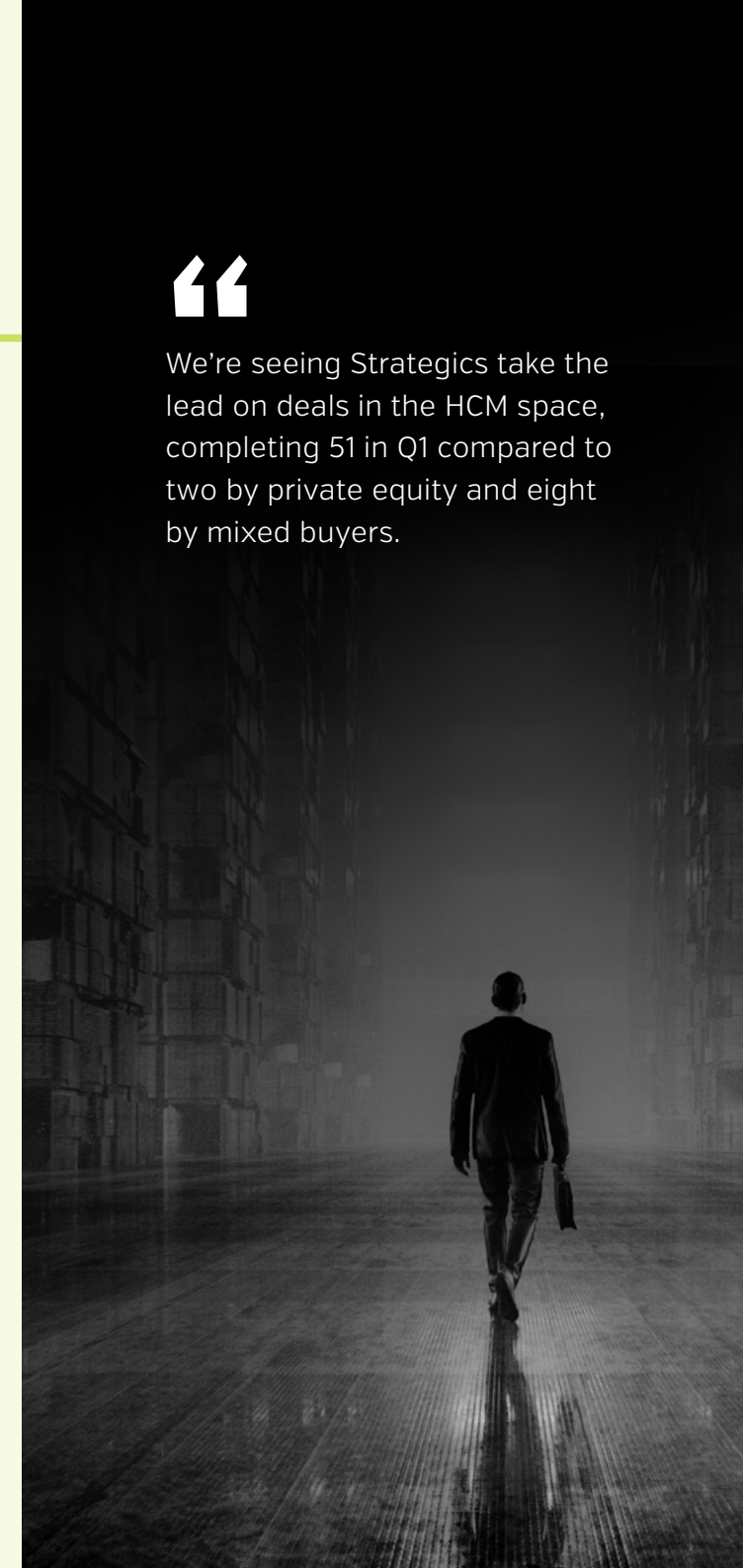
A further emerging trend in the HCM space is people management technology providers merging into other operational areas like payroll management or FinTech. This follows the broader 'end-to-end solution' trend developing across the Knowledge Economy, technology enabling companies to play beyond their traditional spheres of influence.

"Companies like Sage are moving beyond providing applications like payroll software to provide more holistic, BPO-type solutions for global clients," says Masson. "These businesses are not only growing and showing increased revenue and EBITDA but are also generating more interest from potential buyers."

Services around such technology platforms are also attracting buyer interest, with the Chicago-based, professional services and talent solutions firm, Addison Group, acquiring Bridgepoint Consulting to leverage its capabilities in transforming clients' technology infrastructure. 

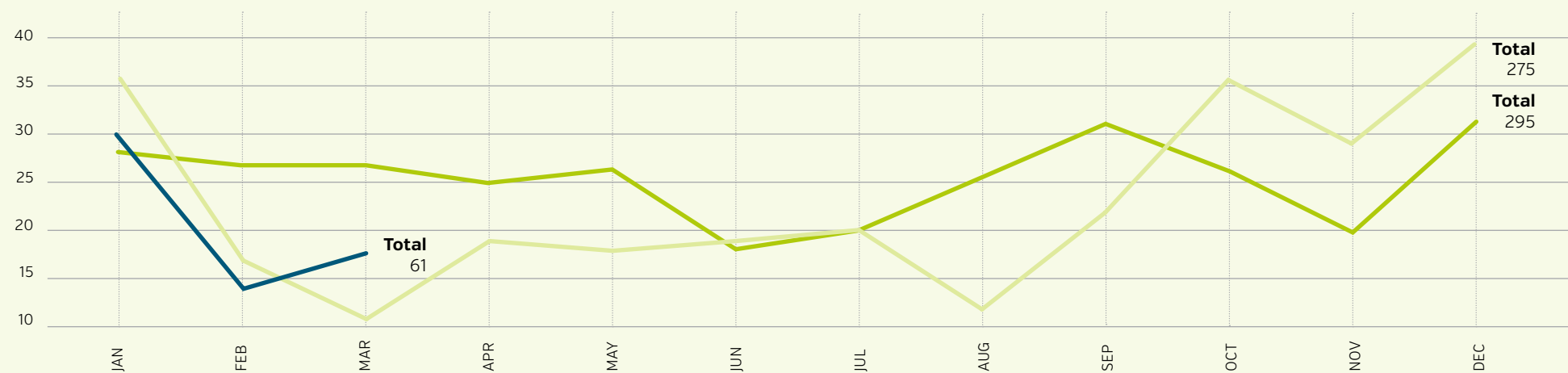
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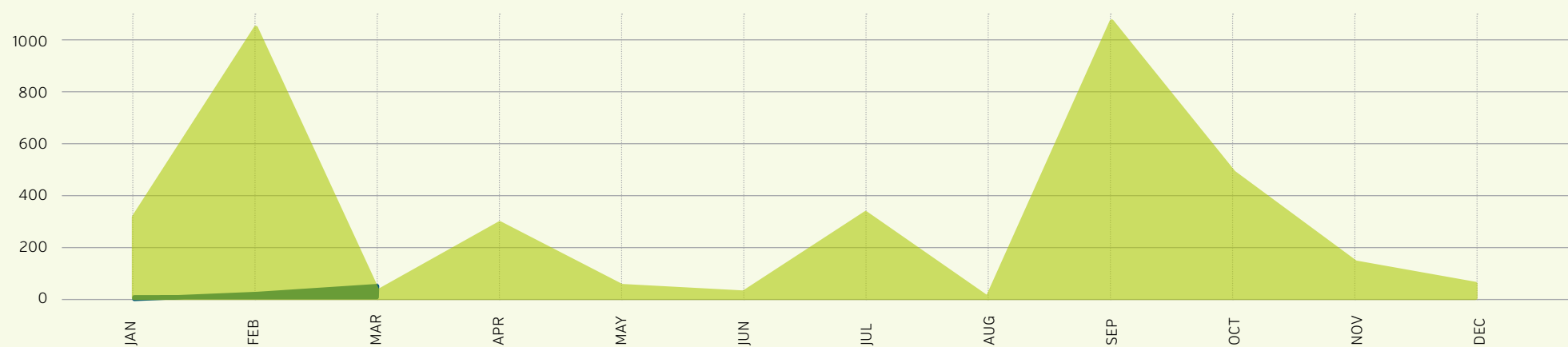
YEAR-ON-YEAR MONTHLY HCM DEAL COUNT

2020 2021 2022



MONTHLY HCM DEAL VALUE (US \$, MILLIONS)

2021 2022



Engineering

Q1 M&A activity

TAILWINDS CARRY INTO THE NEW YEAR

A strong start to the year in terms of Engineering M&A activity seemed to falter in the face of growing global disruption during the first quarter. Despite deal volumes falling across Q1, from 27 in January to 18 in February and 19 in March, the quarter as a whole continued where 2021 left off, finishing with the same deal count (64) as Q4.

The respectable quarterly investment of \$410mm in the sector flatters to deceive with liquidity all but drying up after a busy January. Acquisitions in the year's opening month totaled \$390mm, driven by Strategic buyers looking to wrap deals up early in the quarter.

ORGANIZATIONS REFINE THEIR SUSTAINABILITY PLAYS AMID ENERGY TRANSITION CHALLENGES

The interest in sustainability has been in the ascent since late Q2 2021 and while it continues to be an area of interest, particularly among strategics, many acquirers are now refining what they want in terms of such capabilities. The acquisition of Envizi, a leading data and analytics software provider for environmental performance management, by IBM in January highlights the growing need for more specialized Environmental, Social, and Governance capabilities.

Further, as we navigate towards a more sustainable and carbon neutral world, the pace of technological change throughout the energy value chain can prove challenging for businesses. Strategies and operational models need rethinking, and this is only further complicated by volatility and uncertainty caused by geopolitical situations, such as the escalating crisis in Ukraine. Not only is the crisis jeopardizing deal completion timelines in the region, but its wider impact on energy supply chains have reverberated globally, to say nothing, of course, of the devastating human tragedy of those caught up in the conflict.

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The acquisition of Envizi, a leading data and analytics software provider for environmental performance management, by IBM in January highlights the growing need for more specialized Environmental, Social, and Governance capabilities.

envizi

acquired by

IBM

NOTABLE DEALS



acquired by



While already a challenging space to navigate, buyers must now tailor their investments to manage what could be an accelerated energy transition, especially away from Russian oil and gas, and this will increase demand for services of Knowledge Economy firms operating in this space. Those firms able to utilize technology to improve efficiency and reliability, or who can disrupt existing business models, will likely see buyer interest grow, especially among mid-tier PE firms looking to invest in new and high-growth business models.



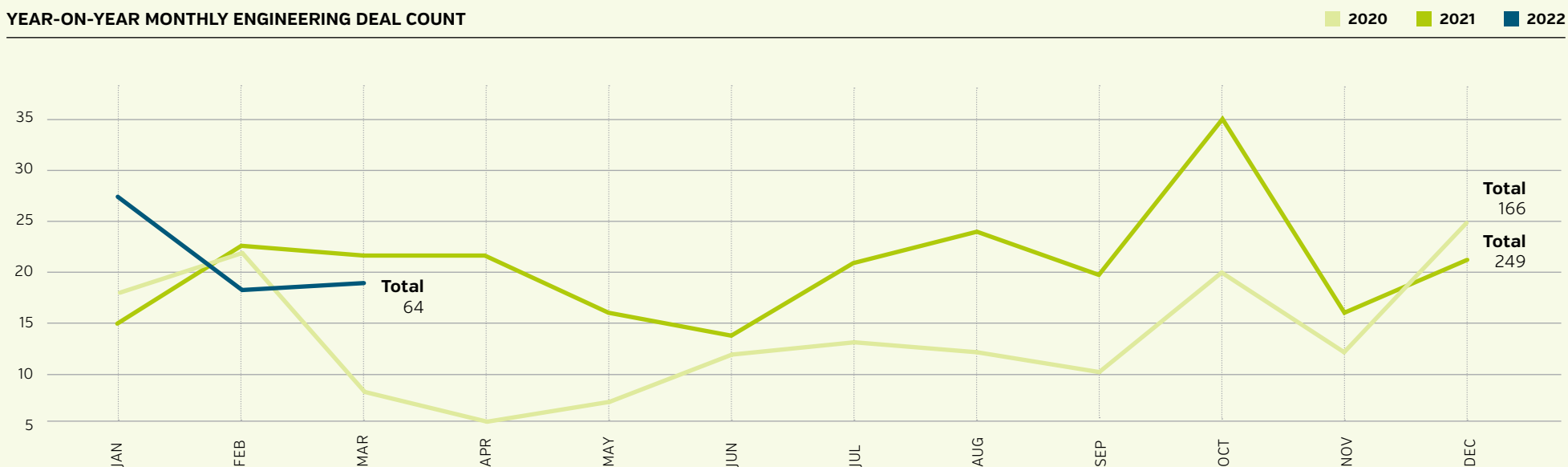
Overarching megatrends continue to help shape buyer activity across both the natural and built environments

CONSOLIDATION ON THE CARDS

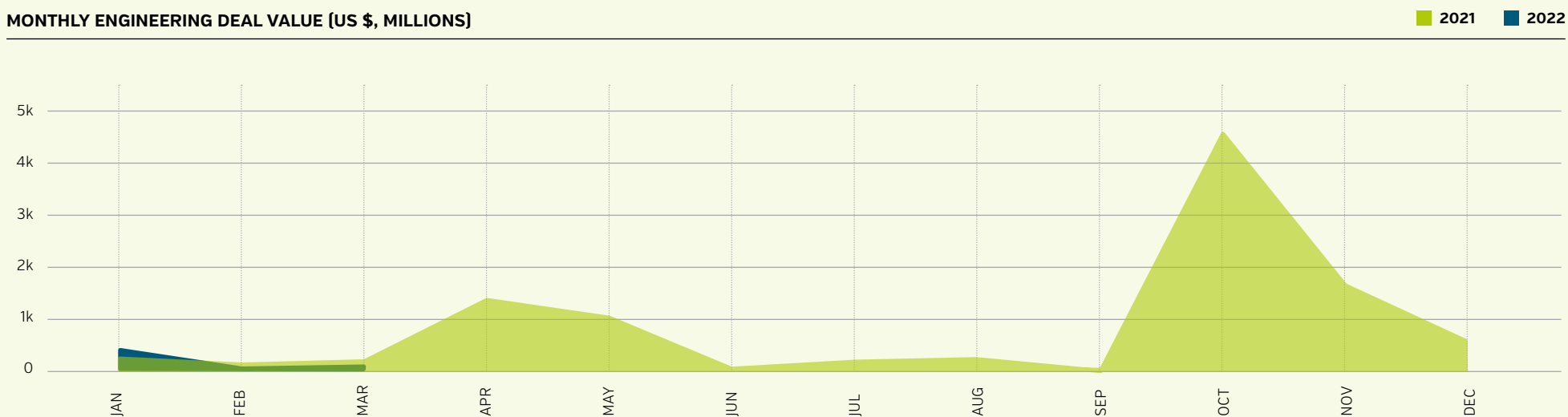
Overarching megatrends continue to help shape buyer activity across both the natural and built environments. Investment in infrastructure in the UK and Asia, alongside the \$1 trillion Infrastructure Investment & Jobs Act (IIJA), is accelerating trends as governments look to transition to new energy sources and upgrade existing civil infrastructure, while companies increasingly look to abide by evolving environmental, social, and governance (ESG) standards.

Interest in utility, transportation and water/ wastewater infrastructure are likely to benefit from such investment and already strong tailwinds. Such highly fragmented markets offer a range of opportunities for rapid consolidation, as buyers seek to expand services and headcounts across geographies. Businesses of all sizes across the engineering landscape then are likely to benefit from this accelerating demand in the form of more attractive opportunities. ●

YEAR-ON-YEAR MONTHLY ENGINEERING DEAL COUNT



MONTHLY ENGINEERING DEAL VALUE (US \$, MILLIONS)



Management Consulting

Q1 M&A activity

MAJOR DEALS DRIVE QUARTERLY ACTIVITY

Market activity in Management Consulting remained at a high level during the first quarter, as the 2021 end of year rush spilled over into 2022. Deal count for the quarter was slightly down year-on-year [210 deals in Q1 2022 vs 250 in Q1 2021], but up on 2020. Despite this, valuations for the quarter were extraordinary, resulting in a total quarterly outlay of \$52bn – the majority of which can be attributed to S&P Global's Merger with IHS Markit, which will supercharge S&P Global's offering as it deepens its expertise across data & analytics, ratings, benchmarks, indices, commodities & energy, transportation, and engineering.

This is the biggest start to a year since pre-pandemic levels even when factoring in the unprecedented level of activity that we've seen since Q3 2020; in fact, Q1 2022 has already outpaced 2019 in terms of spend for the year and has passed the halfway point of total spend for all of 2021.

SUPPLY CHAIN CONSULTING THRIVING AMID UNCERTAINTY

Buyer interest in supply chain consulting skills that gathered steam last year continues to persist in the wake of the pandemic. However, the invasion of Ukraine by Russia and the resulting challenges around energy security and price, as well as greater liquidity being injected into the economy, have served to further accelerate the need for supply chain and procurement capabilities.

"Buyers are looking at supply chains in general in a more holistic manner, with management consulting firms coming at this from the perspective of people, process, and technology," says Adam Tindall, Managing Director at Equiteq, North America. "The big change that the pandemic (and to some extent the Ukraine conflict) has brought about is a clearer understanding of the need for supply chain resilience and certainty of supply. Long, global, cheap supply chains were effective pre-pandemic, now they are less so – that's what's changed, and buyers are responding to these evolving needs."

In response to such drivers, February saw PwC complete its acquisition of supply chain consultancy Olivehorse, which provides end-to-end supply chain planning and management solutions to clients across SAP, Anaplan and Kinaxis technologies.

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Despite this, valuations for the quarter were extraordinary, resulting in a total quarterly

outlay of **\$52bn.**



Cloud solution provider Rackspace Technology's acquisition of Azure analytics firm, Just Analytics, is an example of this.

JUST ANALYTICS
Engage. Execute. Exceed.

acquired by

rackspace
technology.

DATA CONSULTING CONSOLIDATES AROUND NICHE PLAYERS

Generic, agnostic data analytics is out of favor among buyers; niche analytics firms aligned to a particular ecosystem are in. Strategic acquirers that already have data analytics capabilities are now seeking to fill gaps where they lack deep expertise within a particular technology. This has driven Q1 interest in firms specializing in SAP Cloud and Microsoft Azure analytics in particular. Cloud solution provider Rackspace Technology's acquisition of Azure analytics firm, Just Analytics, is an example of this.


"We're seeing an increasing specialization among consulting firms in the data analytics space," says Tindall. "Whereas previously firms worked across a number of different underlying data analytics technology solutions, buyer interests are moving towards smaller, niche businesses that focus on analytics for a single technology solution."

16%

fewer Management Consulting deals completed in Q1 2022 than in Q1 2021

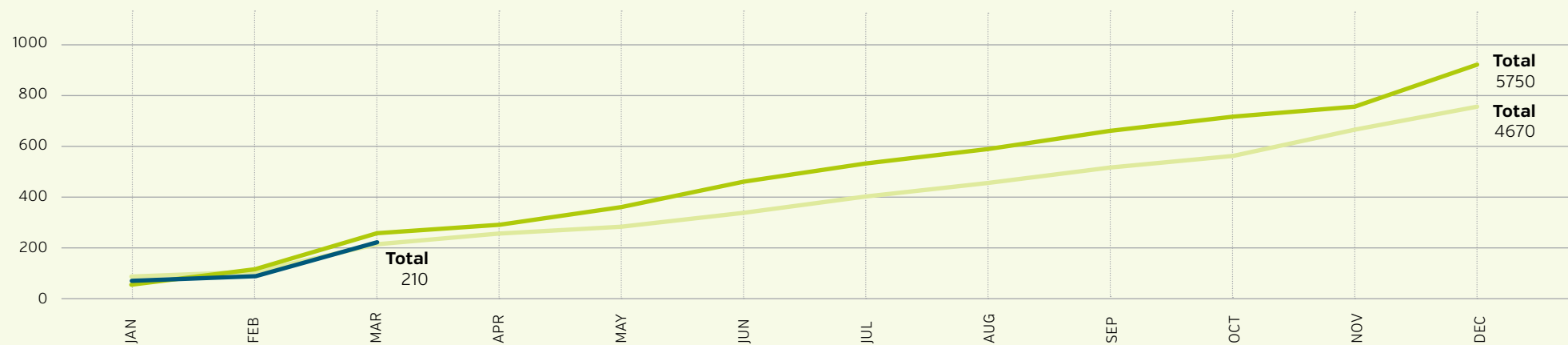
PUBLIC SECTOR CONSULTING

A further trend emerging in Q1 is the growing interest among global acquirers in companies advising governments - or, effectively, public sector work. Talk of levelling up in the UK and the tabling of huge infrastructure bills in the US is opening the door to consulting firms that can advise across different areas and do so in a tech-enabled way, such as market research and insights consultancy, Ducker, which bolstered its consulting capabilities by acquiring Carlisle, a leading supply chain and industrials insights and strategy consulting firm. Firms, such as Carlisle, that can provide the data-driven insights to improve decision-making will continue to be at the forefront of buyers' thoughts as the public sector acquisition trend continues.

"In many places, governments seem to be more actively involved in trying to improve supply chains," says Jerome Glynn-Smith, Managing Director at Equiteq. "Buyer interests are turning to firms that can help organizations and governments to not only make better, data-led decisions - but who can implement a long-term, manned model that generates ongoing, recurring revenues." 

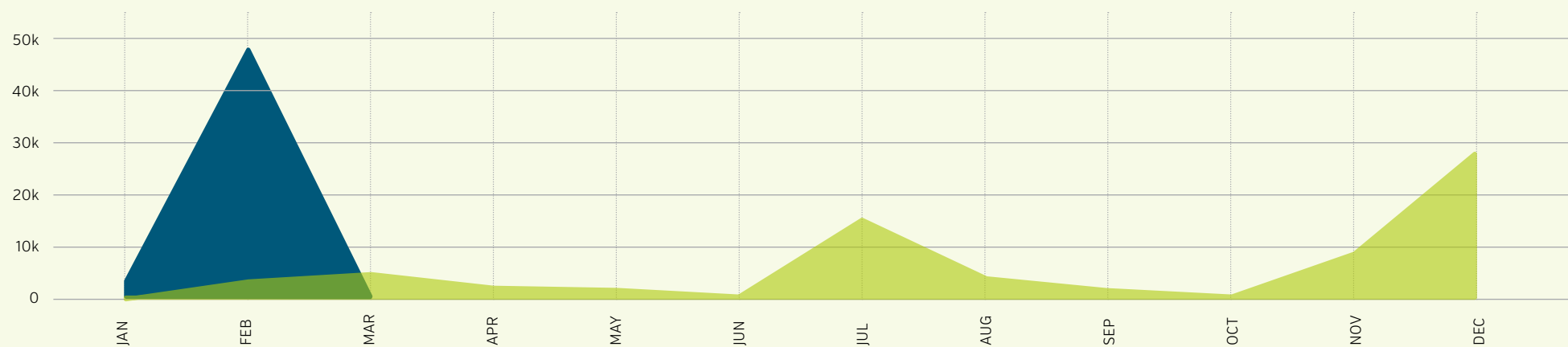
YEAR-ON-YEAR CUMULATIVE MANAGEMENT CONSULTING DEAL COUNT

2020 2021 2022



MONTHLY MANAGEMENT CONSULTING DEAL VALUE (US \$, MILLIONS)

2021 2022



Q1 2022: Deal highlights

IT SERVICES / DATA CONSULTANCY

S4 Capital/MediaMonks
acquires 4 Mile Analytics



- Equiteq advised 4 Mile Analytics, a 45 FTE data consultancy based in California, on its sale to S4 Capital, a tech-led digital advertising marketing services company with just under 7,000 people
- 4 Mile will be combined under S4 Capital-owned, MediaMonks, to expand their data and digital services, and scale in response to the heightened demand for analytics capabilities across the digital industry
- With S4 Capital and MediaMonks both based in the UK, the cross-border transaction will bolster client exposure at a global level, with the addition of numerous Fortune 500 brands

IT SERVICES / AI SPECIALIST

Rackspace Technology
acquires Just Analytics



- Equiteq advised Just Analytics, a 100 FTE Singaporean analytics and AI specialist, on its sale to global multi-cloud technology services company, Rackspace Technology
- Joining Rackspace Technology will enable Just Analytics to access the scale and resources required to grow their core cloud, analytics, and AI services beyond their existing market in the Asia-Pacific region
- Just Analytics presents deep Microsoft expertise, including a proprietary data analytics platform, Guzzle, listed on the Microsoft Azure marketplace, which will significantly bolster Rackspace Technology's presence across the Azure landscape

IT SERVICES / SAP CONSULTANCY

Reply acquires
Enowa/Spur Group



- Equiteq advised Enowa, a 110 FTE SAP consulting company headquartered in Philadelphia, on its sale to Reply
- Through joining a network of more than 10,000 employees, Enowa will be able to leverage the geographies and technological capabilities of Reply, whilst maintaining its existing culture, market reputation, and clientele
- The acquisition forms part of Reply's growth strategy in North America, which has also seen them take on board 350 FTEs through The Spur Group, a Seattle based consultancy offering marketing and sales strategy services for tech giants

IT SERVICES / PE-BACKED

Integrity360
acquires Caretower



- Equiteq advised private equity fund, August Equity, and cybersecurity solutions firm, Integrity360, on the acquisition of Caretower, an established security services specialist
- Caretower offers managed security services, penetration testing, security consultancy, and managed incident response services.
- The combined entity has over 300 FTE, including 200 cybersecurity engineers and specialists
- The deal gives Integrity360 a strong foothold in the UK and Ireland, ensuring it is the leading independent cybersecurity services specialist

Q1 2022: Deal highlights

IT SERVICES / CX

Majorel acquires
IST Networks



- Equiteq advised IST Networks, a 270-person Egypt-based CX technology services provider, on its sale to Majorel
- The scale and synergy of Majorel's offerings will fuel their joint growth as Majorel will look to make use of IST's deeper technical expertise in their capabilities with Genesys, Cisco, Verint, and Nuance
- IST Networks will provide nearshore delivery hubs that can be leveraged to serve clients in the Middle East as well as in Europe

IT SERVICES / SALESFORCE

GyanSys acquires
Groundswell Cloud Solutions



- Equiteq advised Groundswell Cloud Solutions, a Vancouver-based Salesforce Partner, on its sale to US-based systems integrator GyanSys
- This acquisition deepens GyanSys' portfolio of Salesforce advisory services, thought leadership capabilities, and its go-to-market partnership with Salesforce
- GyanSys' Salesforce advisory practice will grow to 250+ professionals with 600+ certifications and 500+ successfully delivered projects

IT SERVICES / MICROSOFT / PE-BACKED

Kartesia backs
sa.global



- Equiteq advised sa.global, the award-winning Microsoft Dynamics Gold Partner on securing \$50 million in growth financing from Kartesia, a specialist provider of capital solutions for small and mid-sized companies
- The growth financing will support sa.global's business transformation and international expansion
- To confirm growth ambitions, sa.global announced the acquisition of Dynamic Consulting – one of Microsoft's top 25 Managed Partners in the USA

MANAGEMENT CONSULTING

BIP acquires
Monticello Consulting Group



- Equiteq advised New York-based Monticello Consulting Group on its sale to multinational consulting firm BIP
- The acquisition will allow Monticello to deepen and broaden its services on a more global scale and for BIP to expand its North America presence
- The acquisition will take BIP's US workforce to 150 FTE, with a further 50 to be recruited by the end of 2022

Q1 2022: Deal highlights

SOFTWARE

Google acquires
Siemplify [CyArx Technologies]



- Google has acquired Siemplify, officially known as CyArx Technologies, a cloud-native security orchestration, automation, and response platform provider based in New York
- The VC- backed firm had raised \$58 million prior to the \$500 million deal with Google to build its technology which helps manage security risks and reduce costs of addressing threats
- The acquisition comes at a time when cyber risk is rapidly increasing, partially caused by the growing number of connected devices required to facilitate new remote working patterns
- Siemplify will be integrated into Google Cloud, where it will serve as the backbone for future investments in SOAR capabilities

SOFTWARE

Publicis Groupe acquires
Tremend Software Consulting



- Publicis Groupe, the third-largest communications group globally, has acquired Tremend, a 650 FTE software engineering company based in Romania
- The acquisition looks to capitalize on the extraordinary growth trajectory of Tremend, which has seen a reported 400% growth over four years
- With 60 million clients' end users and a strong foothold in the European market, Tremend offers a considerable opportunity for Publicis to accelerate their international expansion initiatives, championed by their joint venture with SCB which improved access to the South Asian market in 2021

SOFTWARE

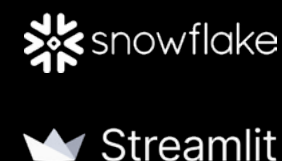
Cloudflare acquires
Area 1 Security



- Cloudflare has acquired Area 1 Security, a California-based cybersecurity company focused on cloud email security for \$162 million
- Area 1 Security's cloud native platform primitively discovers emails that pose a threat and blocks them before they appear in inboxes, a valuable layer of protection that offers more than traditional API email security services
- The deal is another example of strong demand for companies that protect corporates against intensifying security threats, particularly through emails, which are the largest medium of attack on the internet

SOFTWARE

Snowflake acquires
Streamlit



- Snowflake acquired California-based Streamlit, an open-source app framework for machine learning and data science teams, for \$800 million
- Snowflake was attracted to the potential integrations between Streamlit's application development framework and Snowflake Data Cloud, simultaneously giving Streamlit developers access to trusted and secure data for their applications
- Snowflake expects the platform to provide greater accessibility to non-technical users
- The deal highlights the demand for application development capabilities, but also more accessible technology which can be used by clients to meet their unique requirements

Q1 2022: Deal highlights

SOFTWARE

Google to acquire
Mandiant

Google
MANDIANT

- Google plans to acquire Mandiant, a cybersecurity firm that provides advisory, threat detection and intelligence, automation, and response tools, testing and validation, and managed defense
- Mandiant is known for their SaaS platform, Mandiant Advantage, a multi-vendor, extended detection, and response software with automation capabilities
- This move highlights the race for market share in enterprise technology between Google and Microsoft both, behind Amazon Web Services, the biggest player in the cloud
- The addition of Mandiant will bolster Google Cloud's cybersecurity capabilities and is representative of corporations needing more IT and cybersecurity skill as cyberattacks continue to occur with more frequency

SOFTWARE

Microsoft acquires
Activision Blizzard

Microsoft
ACTIVISION | BLIZZARD

- Activision Blizzard, a Californian headquartered game development and interactive entertainment content publisher has been acquired by Microsoft
- Following the acquisition, Microsoft will be propelled into a leading position as the third-largest gaming company by revenue, in a growing market of an estimated 3 billion users
- As Activision Blizzard has a strong foothold within Mobile, the largest category in gaming, the acquisition presents a significant opportunity to make gains in the market through leveraging Microsoft technology and talent
- Microsoft's Game Pass portfolio is expected to be bolstered by the acquisition through the addition of Activision Blizzard games including Call of Duty and Candy Crush

SOFTWARE

Sony Interactive Entertainment
LLC acquires Bungie, Inc.

Sony
Interactive
Entertainment
BUNGIE

- Sony has acquired Washington based video game developer Bungie for \$3.6 billion
- Bungie owns the rights to the popular Halo and Destiny franchises.
- The deal comes off the back of Microsoft's recent purchase of Activision Blizzard, marking another major deal in the video gaming sector
- Whilst this may have been a defensive tactic to protect against the impact of gaming rights restrictions between the two tech giants, the deal supports the trend of consolidation in the video gaming sector, which is experiencing strong growth off the back of lockdowns, expansion to new demographics and popularity of mobile gaming

SOFTWARE

Sia Partners acquires
Stratumn

SIAPARTNERS
STRATUMN

- Sia Partners has acquired Stratumn, a 20-person France based SaaS platform that helps companies digitize their finance operations by leveraging blockchain
- Sia will add to their platform of 14 SaaS solutions under Heka, their newly formed artificial intelligence solutions group
- This acquisition exhibits the desire of firms to arm themselves with blockchain capabilities in the Web3 consulting space and to position themselves ahead of the next wave of new technology

Q1 2022: Deal highlights

IT SERVICES / DATA SCIENCE

Dept acquires
Raybeam



- Netherlands based digital agency, Dept, has acquired Raybeam, a 100+ FTE data science and software engineering agency based in California
- Following investment by The Carlyle Group in 2020, Dept has made six acquisitions over the 18 months, of which Raybeam represents the fifth
- The acquisition sees both firms gain access to new markets, through Raybeam's blue-chip clientele and Dept's pre-established global network

IT SERVICES / PRIVATE EQUITY

Bain Capital acquires
Inetum



- Bain Capital has acquired Inetum, a 27,000 FTE France-based IT services company formerly backed by Mannai Corporation, in a transaction worth \$2 billion
- The acquisition marks the start of Inetum's second phase of growth as Bain proposes a series of organic and inorganic initiatives to gain scale and capability
- The deal comes after an intense year of growth for Inetum following its acquisition of Ilex International, an identity and access management security software specialist and recruitment target of 1,400 FTEs

IT SERVICES / SUSTAINABILITY & ESG

IBM acquires
Envizi



- IBM has acquired Envizi, a leading data and analytics software provider for environmental performance management, based in Australia
- The acquisition comes in response to the mounting pressure felt by organizations to accelerate sustainability initiatives across their business
- In addition to 60 FTEs, Envizi brings proprietary sustainability reporting software which will complement IBM's broader portfolio of AI-powered solutions, including IBM Maximo, IBM Sterling, IBM EIS, and IBM Turbonomic

IT SERVICES / PRIVATE EQUITY

Vista and Evergreen Coast Capital
Corp acquires Citrix Systems
through Vista's portfolio company,
TIBCO Software



- Vista and Evergreen have acquired Citrix Systems, a secure digital workspace and application suite provider, in an all-cash transaction valued at \$16.5 billion, with the aim of merging it with Vista portfolio company, TIBCO Software
- The deal will create one of the world's large software providers, with the combined entity serving 98% of the Fortune 500.
- The deal brings together Citrix's secure digital workspace and TIBCO's real time intelligent data analytics capabilities to form a compelling infrastructure for enterprises, with opportunities to invest in high growth data-as-a-service and hybrid cloud IT strategies
- The deal highlights the value in those companies that are providing security and intelligent data management in the transition to hybrid working models

Q1 2022: Deal highlights

IT SERVICES / ADVANCED ANALYTICS

Bain & Company acquires Spike SpA



SPIKE

- Bain & Company has acquired Brazil-based advanced analytics firm Spike SpA, coinciding with Bain's launch of an innovation hub for South America in Sao Paulo made up of 150 specialists and consultants
- Advanced analytics and machine learning capabilities acquired through Spike will support the growth of Vector, Bain's CX digital marketing, advanced analytics, and automation practice
- The deal confirms large strategic buyers' commitment to nearshore acquisitions as a method of hiring high quality data scientists and engineers to serve clients globally, aside from more traditional cost arbitrage, talent hire, time zone or cultural compatibility drivers

IT SERVICES / DATA ANALYTICS

Elixirr acquires iOLAP



iOLAP

- Elixirr, a UK based strategy consultancy, has acquired iOLAP, a 250-person US-based technology and data company with artificial intelligence and machine learning analytical capabilities
- The acquisition shows the highly synergistic nature that advanced data analytics firms offer to consultancies in any vertical, and the importance of technological capabilities in overall strategic business decision making
- This deal also represents the changing landscape of continued digital transformation and the demand that boardrooms have for data-driven analytics in an increasingly digital world

IT SERVICES / PRIVATE EQUITY

Thoma Bravo acquires Anaplan



Anaplan

- Software investment firm, Thomas Bravo, has acquired Anaplan, a 2,300-person provider of a leading cloud-native platform for business performance based in California
- Thomas Bravo's expertise in operating and investing in enterprise software will be leveraged to support Anaplan's future growth to continue to deliver SaaS solutions at scale
- Digital transformation has become highly relevant across industries and this deal shows the trending demand for cloud-based enterprise software

IT SERVICES

Telefonica Tech acquires Incremental Group



Incremental Group

- Telefonica Tech has acquired Incremental Group, a 350-person UK-based digital transformation and data analytics company
- This acquisition will catapult Telefonica as one of Microsoft's largest partners in the UK, as the company significantly expands their offering in cloud services
- Becoming a part of Telefonica Tech will allow Incremental Group to elevate their scale in technology transformation, while Telefonica continues to grow their client base

Q1 2022: Deal highlights

IT SERVICES / DIGITAL TRANSFORMATION

Intervision Systems acquires
Virtuosity Consulting



- Intervision Systems, an IT strategic service provider, has acquired Virtuosity Consulting, a 150-person US-based technology firm that focuses on digital transformation services
- Together, the companies will enhance their digital transformation and large-scale project management capabilities, and consolidate their in-house technical skills to compete as leading firms are being seen to position themselves strategically for Web3
- The acquisition marks company's fourth acquisition in three years, having acquired Sycom Technologies, Fotis Networks, and SeyVu in the previous years

IT SERVICES / DIGITAL MARKETING

Infosys acquires
oddtity



- Infosys, a global IT consulting and software development firm, has acquired oddtity, a German digital marketing, experience, and commerce agency
- oddtity is one of the largest independent digital agencies in Germany and has more than 300 experts located in Stuttgart, Berlin, Cologne, Belgrade, Shanghai and Taipei
- The deal strengthens Infosys' creative, branding, and experience design capabilities thanks to oddtity's service portfolio, which includes digital-first brand management and communication, in-house AR/VR production, e-commerce services, as well as a metaverse-ready set-up across Europe
- This is the first acquisition made by Infosys since January 2021, where it acquired Carter Digital, a digital design agency based in Australia

IT SERVICES / CLOUD

Netrix acquires
Edrans



- Netrix, a cybersecurity and end-to-end IT services provider, has acquired Edrans, a 130-person US based solutions provider focused on harnessing the power of the cloud for midsize enterprise clients
- This deal falls directly in line with Netrix's acquisitive growth strategy, completing their fourth deal in the past two years
- Netrix will continue to focus revenue growth channels on the cloud, digital, and security sectors
- The addition of Edrans will help Netrix compete and gain more business in Latin America and Europe as Edrans serves customers from nearshore and offshore delivery centers in Buenos Aires, Argentina and Barcelona, Spain, with additional personnel in the United States, Mexico, and Uruguay

IT SERVICES / PRIVATE EQUITY

Livingbridge invests in
Quorum Cyber



- The Private Equity fund, Livingbridge, has invested in UK-based Quorum Cyber, a cybersecurity services firm delivering managed detect and response capabilities to teams and organizations globally
- Over the past 18 months Quorum has increased both its annual recurring revenues and headcount fourfold as well as entered the US market.
- The investment builds on Livingbridge's track record in the cybersecurity space, which also includes recent investments in cyber security business, Adarma, and cloud security vendor, TitanHQ, made in 2020
- Livingbridge's investment also includes growth capital to enable Quorum Cyber to capitalize on strong macro tailwinds in the cybersecurity sector

Q1 2022: Deal highlights

ENGINEERING CONSULTING & SERVICES

SOCOTEC Group acquires BAC Engineering



- SOCOTEC Group has acquired 340-person testing, inspection, engineering, and risk management firm, BAC Engineering
- The deal completed SOCOTEC's European coverage with BAC offices being based in Barcelona and Catalan
- BAC Engineering has expertise in construction, transport infrastructure, maritime works, and water supply systems sectors, with their capabilities in structural analysis non-destructive testing, environmental studies, and energy performance measurements; these capabilities represent the main attraction for SOCOTEC

MANAGEMENT CONSULTING / SUSTAINABILITY & ESG

Stantec to acquire Barton Willmore



- Stantec plans to acquire Barton Willmore, a planning and design consulting firm based in the UK with over 300 FTEs
- The acquisition will be focused on strengthening project delivery capabilities across multiple sectors as Stantec continues to increase their footprint in the UK market
- The deal reflects the desirability of those businesses that can help established consultancies advance their sustainability and design capabilities

MANAGEMENT CONSULTING / SUSTAINABILITY & ESG

Anthesis Consulting Group acquires Climate Neutral Group



- Anthesis Consulting Group has acquired the 50-person Netherlands based net zero authority on emissions analysis and reduction firm, Climate Neutral Group
- The deal marks the 15th acquisition for Anthesis Group since its establishment in 2013 and is the second one this year, after the acquisition of Provisions Coalition, a Canadian based non-profit consultancy focused on sustainability in the Agri-food sector
- For Anthesis, the deal further supports their emissions avoidance and reductions services, extends their finance for mitigation offering, and gives the firm the opportunity to branch out to clients in the Benelux and South African markets

MANAGEMENT CONSULTING

Accenture acquires Alfa Consulting



- Accenture, the global professional services company, acquired Alfa Consulting, a 52 FTE consultancy that specializes in operations strategy in capital intensive industries that is headquartered in Barcelona and has offices in Madrid and Mexico
- Alfa Consulting's consultants possess extensive expertise in leveraging analytics to design and implement new operational models for clients across industries such as utilities, high tech, energy, and industrial good
- The bolt-on augments Accenture's ability to help clients in Spain, Portugal, and Mexico create more resilient, responsive, and sustainable supply chains
- The acquisition of Alfa Consulting was the first of five deals completed by Accenture in Q1. Further acquisitions were data analytics firm Ergo; sustainability consulting company, Greenfish; sustainability consulting company, Avieco; and operational technology capabilities firm Trancom ITS

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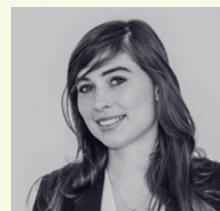


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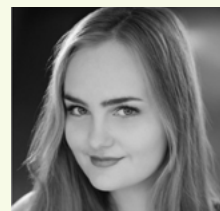


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Meet Equiteq

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 serving the Knowledge Economy. We help owners, investors and acquirers 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. As marketplace change accelerates, our specialist division heads are ideally placed to support both the buying and selling of Management Consultancies and Technology Services firms within Knowledge Economy.

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, with better value, choice and confidence.

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 Highlights

Our team remains active throughout the year, advising on deals, as well as sharing their expertise in market-leading reports and events.

Here are our highlights. Click the links below each topic to find out more.

Reports

Global Buyers Report 2022

For the seventh consecutive year, we surveyed global strategic buyers and Private Equity investors acquiring businesses across the knowledge economy to understand how they will approach M&A in the coming year.

[Find out more](#)

M&A Trends 2022

Our annual report featuring in-depth insights into eight key trends driving M&A in 2022.

[Find out more](#)

Consulting & Digital Quarterly M&A Report Q1 2022

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.

[Download the report](#)

Salesforce Ecosystem M&A Report 2022

Get insight into this growing ecosystem and the positive M&A outlook for Salesforce Partners in 2022 and beyond.

[Find out more](#)

Events

Global Buyers Report 2022 Webinar:

How buyers will approach M&A in 2022. Catch up with our on-demand webinar in which our team presents the findings of Equiteq's Global Buyers Survey 2022.

[Watch the recording](#)

M&A Trends 2022 Webinar

The global M&A team covers the key M&A trends driving activity in the Knowledge Economy this coming year and beyond.

[Watch the recording](#)

Deals

Equiteq advises Enowa LLC on its sale to Reply [January 2022]

[Find out more](#)

Equiteq advises sa.global on its sale to Kartesia [January 2022]

[Find out more](#)

Equiteq advises Just Analytics on its sale to Rackspace Technology [January 2022]

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Equiteq advises Groundswell Cloud Solutions on its sale to GyanSys Inc. [January 2022]

[Find out more](#)

Equiteq advises 4 Mile Analytics on its sale to S4 Capital [January 2022]

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Equiteq advises August Equity and Integrity360 on the acquisition of Caretower [February 2022]

[Find out more](#)

Equiteq advises Monticello Consulting Group on its sale to BIP [February 2022]

[Find out more](#)

Equiteq advises IST Networks on its sale to Majorel [March 2022]

[Find out more](#)

Equiteq advises Infrata on a majority investment from Lonsdale Capital Partners [April 2022]

[Find out more](#)

Equiteq advises Grit Consulting on its sale to Cyient [April 2022]

[Find out more](#)

Equiteq advises Bedford Consulting on an investment from Keensight capital [May 2022]

[Find out more](#)

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