



# Consulting & Digital Quarterly Report

M&A activity in Q2 2022



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# The state of M&A in the **Management Consulting and IT Services** sectors in Q2 2022

## MANAGEMENT CONSULTING

### QUARTERLY ACTIVITY OVERVIEW

Market activity in the Management Consulting space shows little sign of slowing down, even if valuations have taken a hit in the current economic climate. Deal volumes are up quarter-on-quarter, reaching 216 in total compared to Q1's 210. This marks Q2 2022 as the second most active quarter in the last five quarters with only the rush of activity in Q4 2021 outpacing it.

As with other sectors of the Knowledge Economy, we've seen interest rates, the cost of debt, and other macro factors hit valuations and, in turn, spend. However, while the absence of the large deals seen in Q1 resulted in a precipitous quarter-on-quarter drop in total transaction values, which fell 91% from \$52.2bn to \$4.5bn, quarterly spend is only negligibly shy of Q2 2021, down 4% year-on-year.

With supply chain issues persisting, tech-enabled procurement advisory capabilities remain critical to Strategic buyers in particular. However, with a growing number of Private Equity (PE) firms showing both an interest and a willingness to take a bet on services providers affiliated with the macro supply chain trend, market activity looks like it could continue on its upwards trajectory for the next quarter or two at least.

### ESG CONSULTING GATHERING PACE

As major organizations worldwide increasingly look beyond profits to more holistic and sustainable priorities, we sit at a critical juncture for Environmental, Social and Governance (ESG) initiatives - and those companies that can advise upon their successful implementation.

We've mentioned ESG as an area of growing interest for a while now and have seen this pick up significantly in Q2 2022 with a number of deals being done. This includes Accenture's announcement that it is acquiring two sustainability consultancies, the Brussels-based Greenfish and the UK-based Avieco. These deals will empower Accenture to improve the sustainability performance of clients and create sustainable value for their stakeholders.

"ESG is seeing a pretty hot pocket of activity within the management consulting ecosystem right now," says Greg Fincke, Managing Director at Equiteq in Boston, USA. "People are actively looking for firms that can help them understand what ESG means and what is, as well as what good looks like from an ESG perspective."



Q2 is the second most active quarter with only the rush of Q4 2021 outpacing it.

### NOTABLE DEALS

**accenture**

acquires



GREENFISH  
THE POSITIVE IMPACT COMPANY

**BAIN**  
& COMPANY

acquires

**Proxima**

As such, we're seeing acquisitions being driven by an investor community that wants to know that the companies they're investing in are using and aligned to ESG best practices.

"Investors don't want to put their money into businesses that are doing harm to the world," adds Fincke. "So we're seeing buyer interests turn towards companies that can help assess and report on ESG measures as well as those that can help investors deploy capital for social good in a way that's most effective and doesn't have unintended consequences."

#### BUILDING LINKS IN THE SUPPLY CHAIN

Following on from Q1, buyers also continue to be drawn towards interesting opportunities around procurement and supply chain management consulting. With an additional layer of churn being added to the global supply chain on an almost quarterly basis, there is an increasing sense of urgency among companies to mitigate the serious impacts such complexity is having on their operations.

"We had the full shutdown of everything during the pandemic, to the ongoing Ukraine situation, and now China is back into rolling lockdowns," says Fincke. "Companies are now seeing the global supply chain as either a strategic asset or an out-and-out liability."

As such, consultants with the knowledge to help navigate persisting supply chain issues caused by ongoing challenges around energy security and price as well as uncertainty surrounding global resource availability are in high demand. Bain & Company is one firm that moved early in Q2 to acquire such capabilities

by acquiring the procurement consulting firm Proxima, which aims to strengthen and differentiate Bain's existing end-to-end procurement solutions in the face of mounting geopolitical and economic challenges.

"There's so much uncertainty hanging over something that used to be fairly dependable that helping companies figure out the best supply chain design has become more and more important," says Fincke. "Outside of maybe financial institutions, almost every other company is having some form of issues with their supply chain and consultants that can help address that and use technology to create sustainable solutions for the organization are in high demand."

A deal reflective of such technological solutions can be found in Accenture's acquisition of Advocate Networks, a tech consultancy and managed services provider of Technology Business Management [TBM] solutions that help organizations achieve procurement cost savings through modernization of technology platforms.

# 5%

**year-on-year increase in the number of Management Consulting deals completed in Q2 2022 compared to Q2 2021**

## IT SERVICES

#### QUARTERLY ACTIVITY OVERVIEW

Despite an economic slowdown, growing interest rates and political uncertainty continuing to impact M&A activity in Q2, the IT services sector seems resilient in the face of such challenges. We've seen buyers more active than in the previous quarter, completing 314 deals - an 11% increase on Q1's 279 and an 18% jump on Q2 last year. Likewise, quarterly transaction values have also increased, growing 42% up to \$7.6bn in Q2 from \$5.4bn in Q1.

"It's a really strong market right now," says Greg Fincke, Managing Director at Equiteq in Boston, USA. "We're not seeing any of the shock waves from interest rates or stock market fluctuations impact buyer interest or multiples in the space."

Evidence of the IT services market weathering the storm can be seen in the high multiple, \$350m deal announced in early June for the ServiceNow consulting partner, GlideFast Consulting, by IT services and solutions provider, ASGN Incorporated. Likewise, Dentsu's acquisition of the Salesforce Platinum Consulting Partner, Pexlify, for a healthy multiple. Pexlify will join Merkle, a leading customer experience management company within the Dentsu Group.

#### NON-DISCRETIONARY IT SPEND HELPS TO MAINTAIN M&A ACTIVITY

Even with the macro picture as it is, digital transformation remains a fundamental and non-discretionary spend for organizations across the board as they look to stay competitive.

"People are still investing in these long-term, multi-year digital initiatives, which are really seen as mission critical to

the organization,” says Fincke. “They’re something that, theoretically, should go on beyond any downturn in the economy. Firms are more likely to cut costs in other areas than they are around their adoption of technology.”

IT services providers remain critical therefore to businesses looking to enable or provide the must-have technological transformations that create competitive advantages. Such strong tailwinds have driven numerous deals in Q2, including the April acquisition of application modernization and Cloud migration services provider, Version 1, by the PE firm, Partners Group, and the June acquisition of the UK-based, public sector digital transformation specialist VIMA Group by technology company, KBR.

“We’re seeing buyers looking at companies that are able to offer legacy modernization, platform simplification, and other types of services that go to the heart of digital transformation,” adds Alex Monck, Managing Director at Equiteq in Sydney, Australia. “These are things you can’t afford to delay. Those businesses that can offer these services are going to attract strong interest and it’s where we’d expect activity to occur.”

#### HIGH-GROWTH ECOSYSTEMS CONTINUE TO DRIVE DEMAND

Significant demand continues to exist for services in high-growth ecosystems within the IT services sector, especially among the ServiceNow, Workday and SAP ecosystems.

Reflecting this market interest, is KPMG’s April acquisition of DayOne Consulting, a leading consulting firm specializing in the implementation, support,

and integration of Workday. The deal should enable the professional services provider to not only enhance its digital transformation offering, but further supplement it by providing expertise for the complete Workday management system including finance, human resources, payroll, and scheduling.

The SAP ecosystem continues to flourish in the wake of its late 2021 resurgence, with WiPro’s Q2 announcement of its acquisition of SAP Cloud application consulting firm Rizing Intermediate Holdings from the mid-market PE firm, One Equity Partners. WiPro expects the deal to not only extend its offering across the utilities, manufacturing, and consumer industries, but help it to create one of the most differentiated SAP services in the marketplace.

“There’s enormous demand in the market for companies that can support the migration to SAP HANA,” says Fincke. “We’ve been talking about the demand for SAP for over a year and I think what we’re seeing now is that coming into fruition. Strategics are on the lookout for these capabilities and we expect this to be a major driver of both M&A activity and high multiples for not just the next few quarters, but the next few years, at least.”

Likewise, buyer interests continue to grow in the rapidly expanding Anaplan and Atlassian ecosystems with a number of deals completed during Q2. The PE firm, Keensight Capital was particularly active in both ecosystems, acquiring major stakes in Bedford Consulting, a leading European implementation partner of Anaplan’s Cloud-native Enterprise Performance Management [EPM] software, in May, and in Valiantys, which provides DevOps transformation and consulting services in the Atlassian ecosystem, in April.

“

Significant demand continues to exist for services in high-growth ecosystems within the IT services sector, especially in ServiceNow, Workday and SAP ecosystems.

#### NOTABLE DEALS



acquires

**RIZING**



backs





The dilution of the day rate doesn't seem to be a problem anymore - McKinsey wants to be able to advise all the way through the value chain.

#### NOTABLE DEALS

**McKinsey  
& Company**

acquires



#### STRATEGY HOUSES MOVE DOWN THE VALUE CHAIN

In the last quarter we have seen interesting deals being made by some of the world's leading strategy consulting shops.

One deal of particular note is the acquisition by McKinsey & Company of S4G, a leading Salesforce Platinum Partner based in Madrid. The move deepens McKinsey's expertise in the Salesforce ecosystem and adds the capabilities to deliver both strategic end-to-end growth transformation and AI-powered customer relationship management.

"These are deals slightly lower in the value chain from where a firm like McKinsey typically operates," says Jerome Glynn-Smith, Managing Director at Equiteq. "It's really interesting to see a strategy house like McKinsey acquire a Salesforce implementation shop because the latter tends to operate at a much lower day rate than you'd see at one of the major consulting firms. So, actually the dilution of the day rate doesn't seem to be a problem anymore - McKinsey wants to be able to advise all the way through the value chain."

#### THE MID-MARKET IS OPENING UP

With major strategic buyers like Accenture, WiPro, Capgemini, and the like all losing double digit percentages in equity market capitalization since the peaks of late last year, we're seeing those who might

normally be the major acquirers in the market stepping back slightly, taking stock, and being more selective in the opportunities they pursue. So, while it has still been active, Accenture has completed just 40% of the deals it had made this time last year, closing nine in the year-to-date compared to 20 in H1 2021.

"[These buyers] are being more selective and are only acquiring things that they especially need," says Glynn-Smith. "They want to integrate better and take the time to digest and make sure they're getting the right value from M&A. The knock-on effect is that it's making deals for smaller, mid-market companies less competitive, simply because there isn't an Accenture type business trying to buy it as well."

In the wake of this reduction in activity we've seen investment opportunities arise for mid-market PE's such as ECI Partners, who acquired BCN Group, a leading Managed Services Provider in the Microsoft services ecosystem, from Beech Tree Capital. The deal marks a 5.3x return for Beech Tree's initial 2018 investment in BCN.

#### CONSOLIDATION OF SKILLS

Buyer activity has continued on the same track as Q1 in the IT services space with more mid-market interest than arguably ever before. Consolidation at this level continues to be fueled by Private Equity backed players who are focusing their attentions on IT services in lieu of pure management consulting firms as they seek to take advantage of a playing field that is clearer of big players than it has been in some time [see previous trend].

"We're going to see more PE roll-ups in the IT Services space," says Fincke. "And I think that some of these companies are going to be fairly significant players and really challenging the global System Integrators [SIs] in terms of the scale and breadth of their capabilities."

An investment of note here is OSF Digital, which secured A \$100m Series C investment led by the PE firm Sunstone Partners with participation from existing investors Delta-v Capital and Salesforce Ventures. OSF has almost doubled its employees in the past 12 months - growing from a workforce of 1,000 to 1,800 in little under a year - and is a leading, independent digital transformation and Salesforce partner.

Fincke adds: "It remains to be seen how those companies fit into an ecosystem where we're going to have more companies in the \$100m-\$1bn revenue mark that are challenging the large global SIs."

While the lay of the land may yet shift as a result of mid-market roll-ups, the fact remains that PE firms are now just as aggressive as Strategics in investing capital, particularly in the wake of favorable debt markets in the past year. As such, we can expect this consolidation trend to persist in coming quarters.

#### GLOBAL RESOURCING MODELS MOVING FRONT-END SKILLS TO THE FORE

Activity seems to suggest that beyond Cloud-related capabilities and non-discretionary digital transformation activity among Strategics, buyer interests are turning towards front-end IT services skills.

"These are critical skills for an organization's IT stack," clarifies Glynn-Smith. "As global resourcing models proliferate, buyers are looking for capabilities that can enhance the things a user interacts with, such as applications, interfaces, and dashboards. Back-end skills like the maintenance of IT systems, networks, data centers and infrastructure seem to be less in demand."

Such front-end consultancy skills are playing an increasingly vital role in the digital transformation capabilities offered by global IT shops and consultancies. McKinsey's June acquisition of the data strategy and design firm, Caserta is indicative of this, with the consultancy seeking to become its clients' leading technology impact partner.

"Any large-scale, sophisticated project delivered by a large player today will require quite complex project management and visualization," adds Glynn-Smith. "But that's where the value add of these front-end consulting capabilities comes in." ●

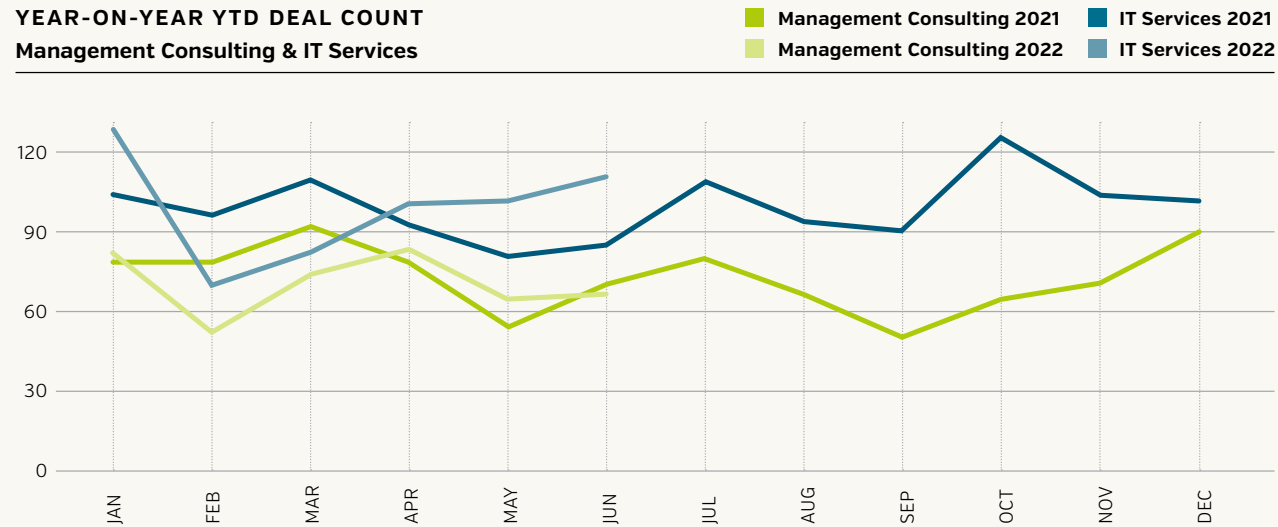
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We're going to see more PE roll-ups. Some of these companies are going to be challenging the global Systems Integrators in terms of scale and breadth of capabilities.

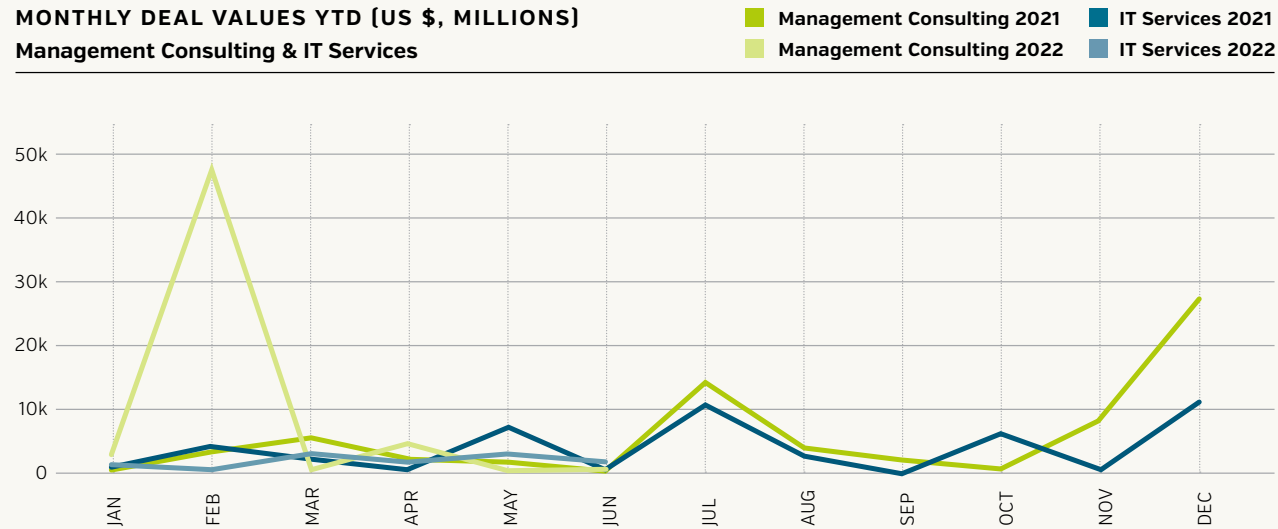




### YEAR-ON-YEAR YTD DEAL COUNT Management Consulting & IT Services

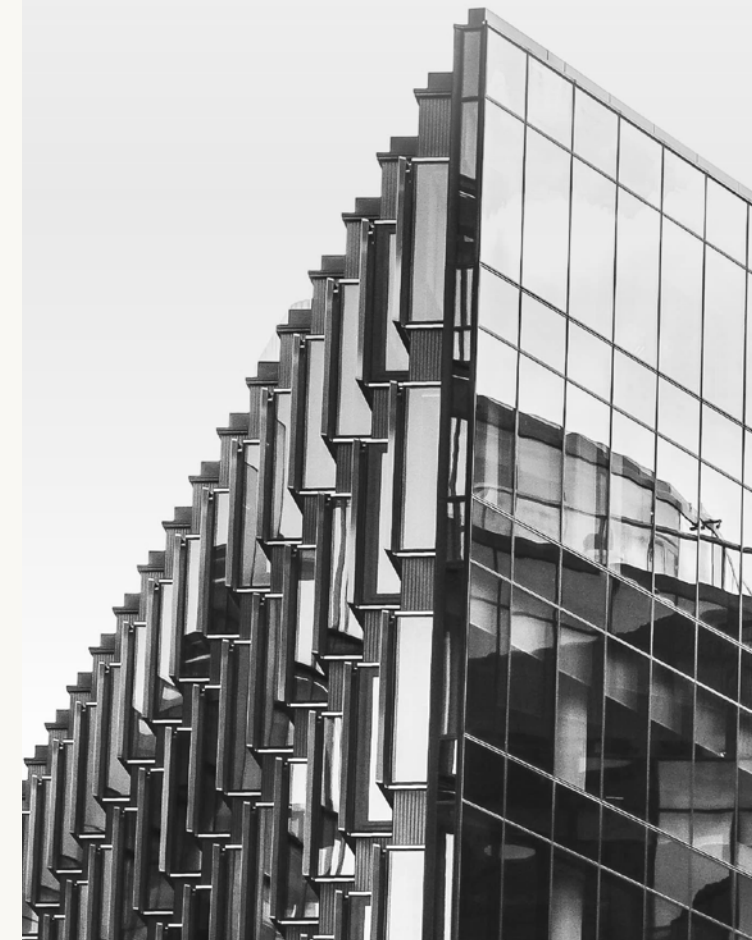


### MONTHLY DEAL VALUES YTD (US \$, MILLIONS) Management Consulting & IT Services



# 13%

quarter-on-quarter increase in  
the number of IT Services deals  
completed in Q2 2022 compared to  
Q1 2022





# Q2 2022: Deal highlights

## IT SERVICES

Dentsu Group  
acquires Pexlify



**Pexlify**

- Equiteq advised Pexlify Group, a 150-person Salesforce and Mulesoft consultancy based in Dublin, on its sale to Dentsu Group, a Japanese based international provider of management and business consulting services
- Pexlify will join Merkle within the Dentsu Group, the leading technology-enabled, data-driven customer experience management company
- The acquisition of Pexlify will strengthen Merkle's Salesforce offering and aligns with Dentsu's goal of bolstering net revenue generation by Customer Transformation and Technology

## IT SERVICES

WISEO  
acquires Scanomi

WISEO | POSITIVE  
DIGITAL  
MAKERS

**SCANQMI**

- Equiteq advised Scanomi, a leading Anaplan Gold Partner based in Singapore, on its sale to WISEO, a global IT firm specializing in digital transformation services
- Joining forces with WISEO will enhance the ability of both companies to deploy larger-scale digital projects across the Asia Pacific Japan region
- Scanomi's extensive expertise in Anaplan will dovetail with the adoption of Connected Planning solutions for WISEO's customers
- The deal forms part of WISEO's long-term growth strategy to strengthen its international presence in the region and scale to become the largest provider of Connected Planning in APJ

## IT SERVICES

Keensight Capital backs  
Bedford Consulting

**KEENSIGHT**  
CAPITAL

**BEDFORD**  
Consulting

- Equiteq advised Bedford Consulting, a leading European Anaplan implementation firm on an investment from Technology focused, pan-European private equity investor, Keensight Capital
- This transaction is a testimony to the availability of international capital for UK PE projects as well as the development of Anaplan as the leading technology stack in its field
- Keensight Capital's investment aims to support Bedford's founders in their vision to drive growth further by deepening market penetration, expanding internationally, and extending the company's service offering

## IT SERVICES

Cyient acquires  
Grit Consulting

**CYIENT**  
**grit.**

- Equiteq advised Grit Consulting, a global performance improvement design consultancy based in Singapore, on its sale to Cyient, a leading Technology Solutions company, in a transaction worth \$37 million
- The acquisition will enable Cyient customers across different sectors to draw value from Grit's deep knowledge and Cyient's technology solutions capabilities
- The deal reflects the expected strong growth in the global consulting services market and will empower Cyient to further its consulting-led growth initiative

# Q2 2022: Deal highlights

## ENGINEERING CONSULTING / PE-BACKED

Lonsdale Capital Partners  
backs Infrata

Lonsdale Capital Partners

**infrata**

Delivering the confidence to invest

- Equiteq advised Infrata, a 40-person advisory firm specializing in infrastructure projects to the financial services industry, on an investment from London based private equity firm Lonsdale Capital Partners
- Infrata has extensive consulting and advisory knowledge as the company has advised on transactions worth more than \$250 billion since inception
- With Lonsdale's backing, Infrata will target further scaling in North America and continental Europe as well as the development of existing and complementary business lines, especially those focused on rail, aviation and ESG
- The deal reflects Lonsdale proven ability to help consultancies scale and grow

## IT SERVICES

The Carlyle Group acquires  
ManTech International Corporation

THE CARLYLE GROUP  
GLOBAL ALTERNATIVE ASSET MANAGEMENT

**ManTech**

- Global Private Equity fund, The Carlyle Group, has acquired ManTech International, a leading provider of innovative technologies and solutions for national security programs, for a reported \$4.2 billion
- The transaction is a public to private LBO in which the c.10,000-person ManTech will look to take advantage of increased flexibility and resources by working with The Carlyle Group
- The deal will allow The Carlyle Group to implement across-the-board cost rationalization and use its deep fiscal pockets to expand ManTech's suite of offerings in AI, Analytics, automation, and cybersecurity

## IT SERVICES

KPMG acquires  
DayOne Consulting

**KPMG**

**DayOne**  
CONSULTING

- Global consulting firm, KPMG, has acquired DayOne Consulting, a leading consultancy in the implementation, support, and integration of the Workday management system
- The addition of the DayOne Consulting teams enhances the firm's existing technology, data, digitization, and automation offerings by providing the complete Workday management system, and highlights the commitment to investing in state-of-the-art technology tools
- This new acquisition is another in a series by the firm over the past 18 months confirming KPMG's already well-established expansion throughout Quebec
- The deal stresses the need for consulting expertise in digital transformation, particularly around Workday infrastructure. Consultancies with Workday expertise are becoming increasingly desirable, driving strong valuations

## IT SERVICES

ASGN acquires  
GlideFast Consulting

**ASGN**  
Incorporated

**GlideFast**  
consulting

- ASGN Incorporated, a leading provider of IT services and solutions, has acquired GlideFast Consulting, an elite ServiceNow Partner and IT consultancy, for \$350 million
- The acquisition is consistent with ASGN's three-year strategic growth plan, to acquire in-demand commercial consulting companies whose growth and revenue synergies will bring ASGN closer to its goal of \$6 billion in revenues by 2024
- The deal marks the eighth acquisition ASGN has made in the IT consulting ecosystem since 2020 as the company looks to strengthen its positioning in the enterprise business transformation market

# Q2 2022: Deal highlights

## IT SERVICES

Wipro  
acquires Rizing



- Global information technology and consulting firm, Wipro, has acquired Rizing, a +1,300-person, global SAP consulting firm, for \$540 million
- The deal highlights Wipro's strategic plan to significantly expand its breadth of capabilities in helping businesses transform into intelligent enterprises
- The deal reflects the desirability of those businesses that can help build even more agile enterprises in an effort to continue conforming to the new era of digitalization
- The deal represents Wipro's eighth acquisition of an IT Consulting company since January 2021, underscoring the company's ambitious growth agenda to advance its position as a sought-after advisor for clients' most complex SAP transformations

## IT SERVICES

Kaseya  
acquires Datto



- Kaseya, a premier provider of unified IT management and software for managed service providers, has acquired Datto, a 2,000-person provider of security and cloud-based software solutions for Managed Service Providers (MSPs), for \$6.2 billion
- The deal comes with an expectation to integrate workflows and product investment to augment Kaseya's IT Complete platform
- The global MSPs community is rapidly expanding, and this transaction emphasizes the commitment to creating additional technology products for MSPs
- This is the first acquisition made by Kaseya since February 2021, where it acquired RocketCyber, a cybersecurity service firm based in Dallas

## IT SERVICES

McKinsey  
acquires S4G



- McKinsey & Company has acquired S4G Consulting, a 170-person Spain-based provider of Salesforce consulting services and CRM solutions
- With the acquisition of S4G, McKinsey brings the best of strategy, design, and analytical horsepower together with rapid Salesforce CRM implementation capabilities to help clients ignite growth
- This acquisition highlights the transformation of B2B digital commerce to omnichannel interactions

## IT SERVICES

ECI Partners  
invests in BCN Group



- ECI Partners, a UK based Private Equity firm, has invested in BCN Group, a 220-person Microsoft-focused Managed Service Provider in the United Kingdom
- BCN Group has completed five strategic acquisitions since 2018, significantly expanding its capabilities and customer reach, and the investment by ECI will provide capital to continue this buy-and-build strategy going forwards
- The deal is the third in a recent string of technology and consulting related investments and the first since acquiring DB Group, a provider of energy advisory services across the UK



# Q2 2022: Deal highlights

## IT SERVICES

Insight Enterprises acquires  
Hanu Software Solutions



- Insight Enterprises, a Fortune 500 solutions integrator has acquired Hanu Software Solutions, a 650-person Microsoft Azure expert Managed Service Provider
- The acquisition will help Insight expand its capacity as a solutions integrator by leveraging Hanu's deep cloud expertise and proven ability to develop talent with technical skills
- The deal confirms large buyers' commitment to global expansion through the recruitment of world-class cloud experts to implement complete cloud transformation

## IT SERVICES

Adelis Equity Partners  
acquires netIP



- Swedish-based Private Equity Firm, Adelis Equity Partners, has acquired NetIP, a +160 -person leading one-stop-shop IT provider, for \$53 million
- Becoming a part of Adelis will allow NetIP to maintain company culture and values while elevating their scale with the help of competence and experience from Adelis
- The deal also highlights continued Private Equity interest in investing in IT consulting companies with strong market positions in growth sectors

## IT SERVICES

ICF International  
acquires SemanticBits



- ICF International, a global consulting and digital services provider, has acquired SemanticBits, a 450-person premier partner to US federal health agencies for digital modernization solutions, for \$220 million
- As one of the industry's leading digital service and platform providers using open-source, SemanticBits scales ICF's rapidly growing set of digital modernization capabilities and, together with ICF's deep federal health expertise, will enable ICF to support larger, more complex projects
- The acquisition is the first for ICF since December 2021, when the company acquired Creative Systems and Consulting, a provider of IT consulting services for federal agencies

## IT SERVICES

McKinsey & Company  
acquires Caserta



- McKinsey & Company has acquired Caserta, a 50-person US-based data analytics consulting and implementation firm
- McKinsey's acquisition of the firm will strengthen its data transformation practice's ability to implement cloud data architectures at enterprise scale
- The Caserta deal is McKinsey's fourth acquisition in 2022, the firm earlier this year bought S4G, a Spanish Salesforce consultancy; IncepTech, a Hungarian company that develops digital products and businesses; and Lobo, an Argentina-based digital agency

# Q2 2022: Deal highlights

## IT SERVICES

Secunet Security Networks  
acquires SysEleven

**secunet**



- Secunet Security Networks, the German-based leader in cybersecurity and IT security, has acquired SysEleven, a 100-person German-based provider of Cloud Infrastructure, Cloud Services, Managed Services and Managed Kubernetes, for \$68.8 million
- Secunet will accelerate its activities within the fast-growing market for secure cloud infrastructure and strengthen its technological position and gain a team of highly qualified experts with proven capabilities in project implementation and managed services
- The deal is Secunet's fifth acquisition and the first since May 2021, when it acquired Stashcat, a secure communication platform

## IT SERVICES

OSF Digital  
acquires Kolekto

**OSF** DIGITAL

[ **kolekto** ]

- OSF Digital, the large-scale global player in the digital technology and commerce space, has acquired Kolekto, a Brazil-based Digital B2B Commerce and CRM company
- The deal marks the fourth acquisition this year, as OSF continues to strengthen its Salesforce Customer 360 and multi-cloud expertise globally
- The acquisition reiterates the value CRM professionals drive in relation to Salesforce solutions and the increased attention large scale digital transformation firms are placing on cloud implementation solutions

## IT SERVICES

One Equity Partners acquires  
Trustmarque Solutions

**One Equity Partners**



- One Equity Partners, a middle market Private Equity firm, has acquired Trustmarque Solutions, a 300-person specialized hardware and software reseller and provider of managed services in the UK, for \$155 million
- The deal further highlights the trend of growth in cloud-based software sales and the ongoing digitization of the public sector
- The acquisition allows Trustmarque to tap into OEP's deep experience with IT service investments and other Microsoft and Cisco vendor-centric companies
- The deal marks the second in a string of four IT Consulting related acquisitions made by One Equity, as the company looks to further strengthen its position in the technology sector

## IT SERVICES

Audax Group invests in  
Bluecat Networks

 **Audax Group**

**BLUECAT™**

- Audax Group, the global Private Equity firm, has made a strategic investment in Bluecat Networks, a 420-person provider of software-based Enterprise Domain Name System solutions, for \$700 million
- The investment will combine Bluecat Networks' customer base of large global enterprises with Audax's Buy & Build strategy to expand offerings and move into adjacent markets
- The deal is the seventh transaction in the Information Technology sector for Audax, and the first since acquiring BCM One, in November 2021, a provider of cloud-based, internet access and unified communications services

# Q2 2022: Deal highlights

## IT SERVICES

Converge Technology Solutions  
acquires Technology  
Integration Group



- Converge Technology Solutions, a software-enabled IT & Cloud Solutions provider, has acquired Technology Integration Group, a 583-person provider of IT consulting services catering to enterprise, government agency, educational and SMB markets on a global scale, for \$74 million
- The deal highlights Converge's continued strategy of growth and global expansion as TIG brings a strong industry expertise in State, Local, and Education that can be leveraged across North America and gives additional presence in Canada
- This is Converge's fifth IT Consulting acquisition of 2022

## IT SERVICES

Partners Group  
invests in Version 1



- Partners Group, a leading global private markets investment firm, has made an investment in Version 1, a 2,500-person leading digital transformation service provider in the UK and Ireland, for \$875 million
- The investment aligns with a secular shift as the digital transformation services industry is experiencing strong tailwinds including increasing company investment in new digital initiatives and solutions, and the growing need to migrate technology infrastructure to the cloud
- Partners Group's value creation plan aims to achieve double-digit growth by developing Version 1's service offering and technical depth, building its international presence, and pursuing accretive M&A

## IT SERVICES

Telefónica Tech acquires  
Incremental Group



- Telefónica Tech, a Spanish-based digital transformation company, has acquired Incremental Group, a 350-person leading digital transformation, data analytics and Microsoft partner, for \$232 million
- With this new acquisition, Telefónica Tech significantly increases its scale in the UK and its offering of Microsoft technologies, including 16 Gold Competencies and 5 Advanced Specializations, consolidating its leading position in the UK market
- The addition of Incremental's business applications, power apps, data analytics and management capabilities to Telefónica Tech's cloud services portfolio will enable it to enhance the end-to-end cloud offering for mid-market, large enterprise, and government customers
- This new acquisition comes on the back of last year's integration of Acens, the purchase of Altostratus, the acquisition of Cancom UK&I, and the incorporation of Geprom, which served to strengthen its capabilities in Industry 4.0

## IT SERVICES

Keensight  
acquires Valiantys



- Keensight Capital, a leading Private Equity firm dedicated to pan-European growth buyout investments, has acquired Valiantys, a 200-person global transformation partner within the Atlassian ecosystem
- Valiantys received the Atlassian Partner of the Year award seven times, including most recently in the Enterprise Services category, and the new partnership will add value across accelerating strategic mergers and acquisitions and exponentially growing their pool of talent and global footprint
- The deal reinforces the trend for enterprises to focus on transformative technologies increasing efficiency, particularly through cloud computing and agile processes



# Q2 2022: Deal highlights

## MANAGEMENT CONSULTING

Accenture  
acquires Greenfish

accenture



- Global professional services company, Accenture, has acquired Greenfish, a 270-person Belgium-based independent engineering and advisory company specializing in sustainability consultancy services
- Greenfish's team joins Accenture to further enhance the provision of global Sustainability Services, helping clients improve their overall ESG performance
- The deal reaffirms the shift of organizations to increasingly pursue more sustainable business models and improved ESG performance while simultaneously enhancing financial performance and competitiveness

## MANAGEMENT CONSULTING

Bain & Company  
acquires Proxima

BAIN  
& COMPANY

Proxima

- Management Consulting giant Bain & Company, has acquired Proxima, a 300-person provider of supply chain and procurement consulting services for private and government bodies
- Bain & Company's acquisition of Proxima comes at a critical moment for the procurement sector, as companies worldwide strive to master an uncertain era of mounting geopolitical and economic challenges
- Proxima's deep expertise and proven track record will make it and its experts a critical part of Bain's delivery of procurement and supply chain solutions
- With this deal, and following the acquisition of ArcBlue earlier in the year, Bain & Company has established a global capability dedicated to providing clients with fully scaled support across all areas of procurement and supply chain

## MANAGEMENT CONSULTING

Accenture acquires  
Advocate Networks

accenture



- Accenture, the global professional services company, acquired Advocate Networks, an 85-person technology consultancy and Managed Services Provider of Technology Business Management solutions
- Advocate Networks will join Accenture's Technology Strategy & Advisory practice, bringing capabilities for helping measure value during clients' digital and cloud transformations
- The deal stresses the desire for large strategics to continue to innovate and acquire as a service companies to help clients achieve their technology visions and offer full service end-to-end platforms for Technology Business Management services [TBMaaS]

## MANAGEMENT CONSULTING

Apside  
acquires Nesis

APSIDE



- Apside, a provider of digital and engineering consulting services, has acquired France-based Nesis, a 30-person provider of information technology consulting services to public and private companies
- For Apside, the deal further supports its presence across the entire digital value chain and strengthens its reach in Europe's leading technology park [Sophia Antipolis]
- The acquisition of Nesis will help Apside expand its reach to a large pool of technology companies in Sophia Antipolis who are undergoing digital transformation

# Q2 2022: Deal highlights

## MANAGEMENT CONSULTING

Argano acquires  
Northpoint Group



- Argano, a 1,300-FTE provider of business modernization services, has acquired Northpoint Group, a 75-person technology and management consulting provider of instability identification
- The deal reaffirms cloud transformation trends as Northpoint group will strengthen Argano's Oracle team, which works with clients to improve products and services while moving from legacy systems to the cloud.
- The deal highlights the shift to complete enterprise digitization through ERP and PaaS services and specifically the Oracle ecosystem
- The combination of Northpoint's success in Oracle Cloud HCM and ERP with Argano's integrated business model will provide Oracle customers with a cohesive and unmatched depth of experience

## MANAGEMENT CONSULTING

CGI acquires  
Harwell Management



- Canada-based provider of IT-services, CGI Group, has acquired Harwell Management, a 150-person provider of management consulting services focused on the financial services sector for the French market
- The deal highlights continued demand for management consulting services worldwide and the need for large providers to broaden services to ensure delivery of end-to-end capabilities
- The merger also acts as a catalyst for CGI's organic growth strategy expanding its offerings in various financial services segments
- The deal is CGI's fourth acquisition in a series of IT and consulting company deals, and the first since October 2021 when the company acquired Cognicase Management Consulting, a provider of IT and implementation services to the Spanish market

## MANAGEMENT CONSULTING

KBR acquires  
VIMA Group



- KBR Group, a provider of science, technology, and engineering solutions, acquired VIMA Group, a 300-person leading provider of digital transformation solutions to defense and other public sector clients, for \$90 million
- The deal highlights the trend of investing in skills of the future as the acquisition of VIMA will build on KBR's growing platform of high end, technically differentiated advisory, consulting, and transformation solutions in international markets
- This marks the third acquisition KBR has made since July 2021, as the firm expands through strategic investments and expands its global presence to more than 34 countries and 30,000 employees

## MANAGEMENT CONSULTING

Accenture  
acquires Avieco



- Accenture has acquired Avieco, a 60-person leading U.K. sustainability consultancy intended for businesses to understand, manage, and improve their environmental and social impacts
- Avieco will bring extensive knowledge in ESG measurement and reporting, net zero strategy and regulation and real-time data analytics to Accenture's Sustainability Services
- The deal further reaffirms the need for effective data analytics and ESG measurement in driving growth through truly sustainable business models

## Case Study

# Dentsu Group acquires Platinum Salesforce Consultancy Partner Pexlify

**P**exlify is a leading Salesforce and Mulesoft consultancy founded in 2015 with 150 employees. It provides strategy, implementation, and integration services to international clients across Salesforce Commerce, Experience, Marketing, Sales, and Service Cloud Solutions. Their clients include Allianz, Amazon, Bank of Ireland, Hilti and Zurich.

Pexlify's founding shareholders were looking for an exit opportunity. With a shared view of being still committed to the business, they were seeking an acquirer that would support the business in its growth ambitions post-transaction.

Equiteq was chosen to help the shareholders find the right partner, ultimately resulting in a transaction with Dentsu Group, one of the largest global marketing and advertising agency networks. With its unique engagement model, Pexlify is joining Dentsu-company Merkle, a leading technology-enabled, data-driven customer experience management firm.

The acquisition of Pexlify strengthens Merkle's Salesforce offering and demonstrates Dentsu Group's commitment to enabling clients to deliver best-in-class differentiated and connected experiences across the customer journey. Dentsu is able to capitalize on a new revenue stream and access corporate clients, whilst Pexlify will be able to leverage a global brand to continue its growth.

Pexlify is a prime example demonstrating the persistence of buyer interest in high-growth technology platforms and the companies serving their ecosystem. We expect this trend to persist globally as businesses continue to digitize, with the business that can attract and retain people and skills to come out on top.

### Client Testimonial

"Equiteq was an outstanding partner for us, with an ability to deliver in 4.5 months multiple attractive options for us through a combination of unparalleled understanding of the Salesforce consulting ecosystem, demonstrable trust and hard work and formidable access to different partner types. All our teams at Pexlify are excited about the journey to come within Dentsu-Merkle, representing a great cultural and strategic fit for the future growth of our business."

**Stephen Lambert,**  
CEO of Pexlify

### Buyer Quote

"Pexlify provides a fantastic opportunity for Merkle to significantly extend our Salesforce services – adding scale and capability and supporting our ambitions for growth in these important markets with our key strategic partners."

**Margaret Wagner,**  
EMEA President, Merkle

**Pexlify**

Sold to



Advised on the sale  
June 2022



## Case Study

# Keensight Capital backs Anaplan Implementation Partner Bedford Consulting

**B**edford Consulting is a leading implementation partner of Anaplan's cloud-native Enterprise Performance Management (EPM) software, founded in 2018. Bedford Consulting employs approximately 80 deep-domain technical Anaplan experts and supports more than 250 clients across Automotive, Banking & Insurance, Consumer Goods, IT, Transportation, and Utilities, including The English FA, Jaguar Land Rover, Penguin Random House, SoftwareOne and Transferwise [now WISE].

Bedford Consulting is a long-term client of Equiteq, initially engaged in early 2019 in a strategic review to determine the likelihood of sale and indicative valuation. This work was followed by Equiteq being engaged to support Bedford long-term on both.

Equiteq was appointed to advise on the M&A transaction process that was initiated at the end of 2021, with a dual-track process, contacting a list of relevant trade buyers and Equity firms. Equiteq managed interest from several parties, ultimately executing a transaction with Keensight Capital.

Prior to the transaction, Bedford was the largest independent Anaplan Gold Partner in EMEA, providing Keensight a platform for further consolidation in the ecosystem and a clear route for future value realization. With Keensight's backing, Bedford's founders will carry out their vision to drive further growth by deepening its market penetration, expanding internationally, and extending its service offering.

Yuri Mikhalev, Partner at Keensight Capital, commented: "At Keensight Capital, we believe in international growth stories. We see a strong market opportunity for Anaplan partners in Europe, and Bedford Consulting is positioned like nobody else to capitalize on it."

This deal underlines Equiteq's core mission and dedication to meeting owners' objectives both in terms of financial outcome and finding the right home, that enables the business and employees to prosper and extend the reach of its unique proposition.

### Client Testimonial

"We had a fantastic client experience with Equiteq. It was a pleasure to work with people who got our business from the get-go. Their ability to mobilize parties globally combined with excellence in execution steered and delivered to us a valuable, internationally flavored and differentiated private equity investment."

**Neil Doyle,**  
Executive Chairman of Bedford Consulting

### Equiteq Comment

"We're very pleased to have delivered one of Europe's leading private equity funds for the digital economy to Bedford Consulting. This transaction is a testimony to the availability of international capital for UK PE projects as well as the rising of Anaplan as the leading technology stack in its field. We believe the Keensight and Bedford teams will make a perfect match for a successful next chapter of growth."

**Jerome Glynn-Smith,**  
Managing Director of Equiteq



Received investment from



**KEENSIGHT**  
CAPITAL

Advised on the investment  
May 2022



# Meet Equiteq's

## Management Consulting and IT Services team

### We are the leading global investment bank for Knowledge Economy Entrepreneurs

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 in the Management Consulting and IT Services space. 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. 



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Managing Director, Head - Europe  
London, UK

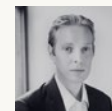
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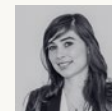
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# Equiteq Services

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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

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Our global teams remain 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.

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**Sign up** to receive all Equiteq M&A News, Insights & Resources directly into your inbox

## Reports

### M&A activity in the Knowledge Economy Q2 2022

This industry report is a compilation of quarterly insights from key sectors across the Knowledge Economy.

[Download the report](#)

### Global Buyers Report 2022

We surveyed global Strategic buyers and Private Equity investors to understand how they will approach M&A in the coming year.

[Download the report](#)

### M&A Trends 2022

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

[Download the report](#)

### Salesforce Ecosystem M&A Report 2022

[Download the report](#)

### Atlassian Ecosystem M&A Report 2022

[Download the report](#)

### Snowflake Ecosystem M&A Report 2022

[Download the report](#)

### Databricks Ecosystem M&A Report 2022

[Download the report](#)

## Upcoming Events

### Dreamforce 2022 by Salesforce

We're excited to be connecting with the Salesforce Partner community in San Francisco on 20-22 September. Get in touch if you'd like to meet with an M&A expert in person at the event: [info@equiteq.com](mailto:info@equiteq.com).

### Forward5 2022 by UiPath

The team will be returning to UiPath Forward5 in Las Vegas on 27-29 September. We're looking forward to networking with leaders in automation. To connect during the event, email us at: [info@equiteq.com](mailto:info@equiteq.com).

## Deals

Equiteq advises IST Networks on its sale to Majorel [March 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](#)

Equiteq advises Pexlify on its sale to Dentsu Group, joining Merkle [June 2022]

[Find out more](#)

Equiteq advises Scanomi on its sale to VISEO [June 2022]

[Find out more](#)

Equiteq advises risual on its sale to Node4 [June 2022]

[Find out more](#)

Equiteq advises Solvera Solutions on its sale to Accenture [July 2022]

[Find out more](#)

[View all Deals here](#)

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