



SALESFORCE ECOSYSTEM M&A UPDATE - 2023

March 2023



EQUITEQ IS THE LEADING, GLOBAL INVESTMENT BANK SERVING THE KNOWLEDGE ECONOMY...

A Global, Full-Service Investment Bank for the Knowledge Economy...

- Equiteq is a highly regarded & trusted investment bank focused exclusively on the knowledge economy [IT Services, consulting, and technology]
 - ✓ **Unparalleled** transactional and market expertise
 - ✓ **Global platform** with full-suite of sell-side and buy-side advisory services
 - ✓ **Extensive network** of active strategic and financial buyers
 - ✓ **Excellent track-record** of executing well-orchestrated and successful sale processes
 - ✓ **Deep** repository of proprietary research and tools
- Equiteq is custom-built to efficiently and comprehensively deliver end-to-end M&A advisory solutions to companies within the Knowledge Economy

Global Reach



... With Deep Transactional Expertise M&A Proven Track-Record

Select Transactions


















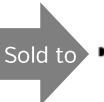

CLEARTELLIGENCE Tableau-Focused Data Analytics Consultancy ALIGN CAPITAL PARTNERS Advised on the sale January 2023	BIOS Managed Cloud Provider Sold to ZQIN TECH Advised on Sale October 2022	VALUE POINT Cyber Security Services Firm Sold to softline Advised on Sale October 2022	LEXICON Digital Consultancy Sold to endava Advised on Sale October 2022	ALLATA Custom Application Developer Sold to CIVIC PARTNERS Advised on Sale September 2022
NOVATIO UiPath Diamond Partner Sold To KEYSTONE CAPITAL Advised on Sale August 2022	SOLVERA Digital Transformation Services Sold to accenture Advised on Sale July 2022	riSUQL Azure Partner & Cloud Specialist Sold to NODE4 Empowering business to do more Advised on Sale July 2022	SCANQMI Anaplan Gold Partner Sold to WISEO Advised on Sale June 2022	Pexlify Platinum Salesforce Partner Sold to dentsu group Advised on Sale June 2022

Recent Testimonials

CLEARTELLIGENCE Joe Marino [Partner] Ron Keler [Partner]	"Equiteq's role started with us long before embarking on an M&A process . The team showed themselves to be reliable, trusted advisors and provided strategic guidance that ensured we were prepared for a transaction when the time was right ."
Pexlify Stephen Lambert [CEO]	"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."
GROUNDWELL CLOUD SOLUTIONS Brian Wiebe [CEO]	"The Equiteq team's emotional intelligence, unwavering resolve, and technical expertise set us up for success as we embarked on a process. We are truly thrilled with the result and the home they found us at GyanSys, where we can continue on our growth journey. We would highly recommend Equiteq to any individual considering the sale of their business."

... WITH DEEP SECTOR EXPERTISE, GLOBAL TRANSACTIONAL EXPERIENCE, AND A PROVEN TRACK-RECORD OF ACHIEVING PREMIUM VALUATIONS

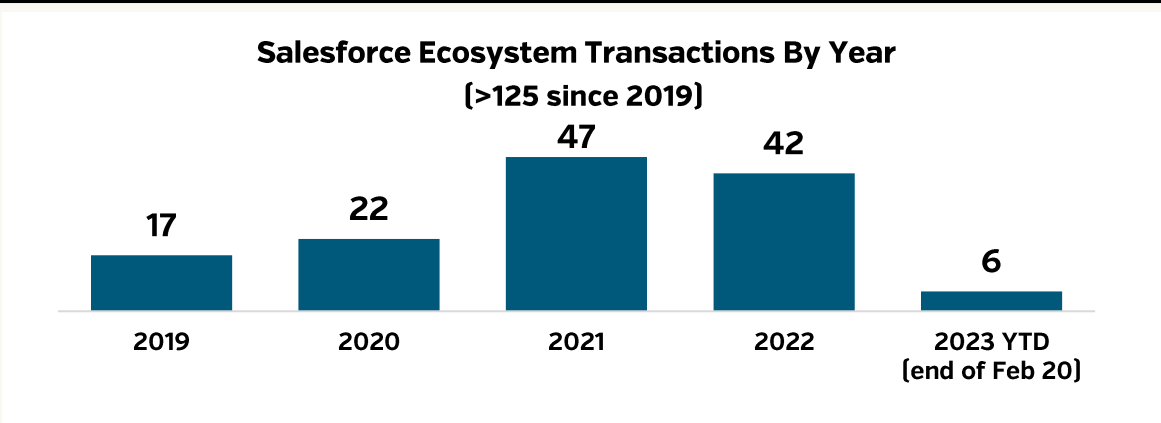
Select Equiteq Transactions in the Salesforce Ecosystem Worldwide

	North America		Europe		Asia Pacific
Transaction	   [Jan. 2023]	    [Dec. 2021]	    [Jun. 2022]	    [Jul. 2020]	    [Sep. 2018]
Target Description	Leading Tableau partner in the United States	Premier Salesforce Crest Partner with a leading position in the direct selling vertical	Premier implementation partner for Salesforce services, custom development and integrations	EMEA's largest independent Salesforce Platinum Partner	Salesforce Platinum Partner with >100 consultants across the ANZ region
Situation	Equiteq was selected as the preferred advisor due to a proven track record of successful transactions within the tech consulting space and long-standing relationships to key buyers	After being approached by a large strategic, Groundswell hired Equiteq to run a dual-track process to garner premium valuation & consideration mix by maximizing competitive interest	Founding shareholders selected Equiteq to evaluate exit opportunities while staying involved with growth of the entity	4C mandated Equiteq find the company a strategic partner given Equiteq's proven track-record of delivering successful outcomes within the sector	System Partner chose Equiteq as exclusive financial advisor due to its strong focus on the IT and digital marketing industries. Equiteq ran a robust, broad process to help identify the optimal partner.
Outcome	<ul style="list-style-type: none"> ✓ Engaged in a full broad auction with both strategic and financial parties ✓ Identified parties with high cultural fit to partner with ✓ Achieved a premium valuation and expedited diligence process 	<ul style="list-style-type: none"> ✓ Structured a competitive process among major buyers in universe ✓ Achieved a premium valuation multiple ✓ Negotiated a highly complex, tax-advantaged structure ✓ Closed transaction within targeted, short timeframe 	<ul style="list-style-type: none"> ✓ Arranged a two-step process with buyers to maximize competitive tension ✓ Attracted an exceptional amount of market interest, garnering a premium valuation ✓ Transacting with a buyer who met financial and cultural goals of mgmt. 	<ul style="list-style-type: none"> ✓ Leveraged deep network to identify optimal mgmt. consulting partner ✓ Put in place a highly attractive structure [high proportion of cash upfront, MIP] ✓ Realized above-market valuation 	<ul style="list-style-type: none"> ✓ Prepared the company as it positioned for a sale ✓ Cultivated strong competitive bidding activity to drive premium valuation ✓ Found ideal strategic partner

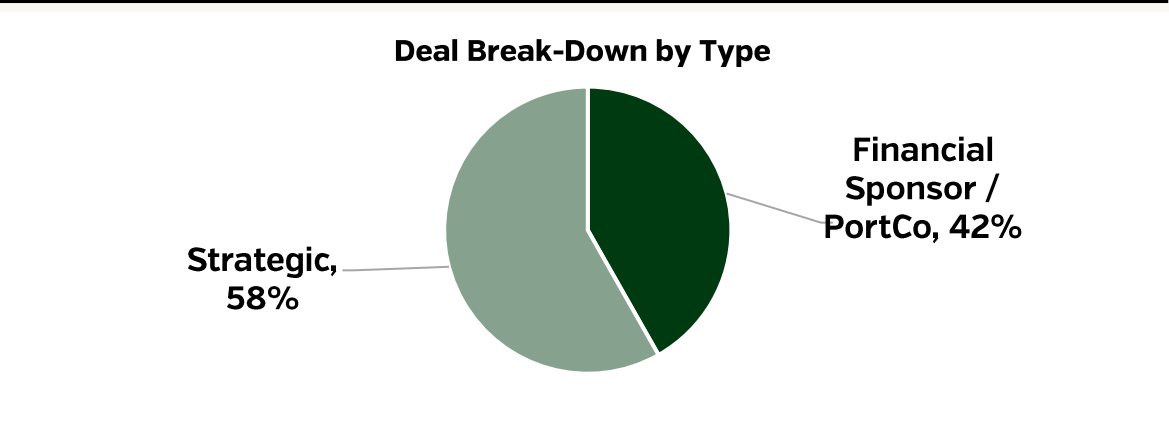
M&A DEAL VOLUME IN THE SALESFORCE ECOSYSTEM REACHED A NEW PEAK IN 2022 SUPPORTED BY GROWING APPETITES AMONG PE & PE-BACKED PORTFOLIO COMPANIES

Market pockets have emerged within the buyer universe where demand has been particularly strong

Global M&A Deal Volume in the Salesforce Space Continues to be Strong...



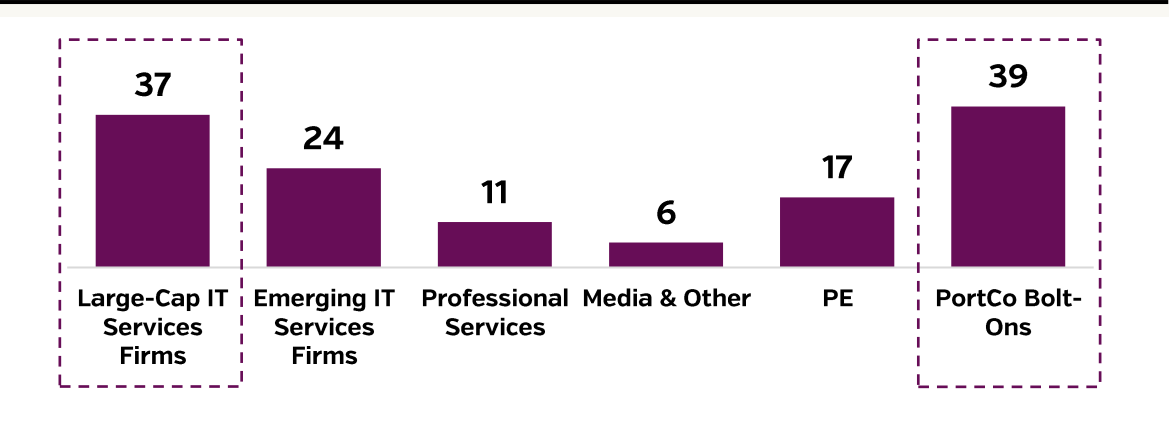
... With Increasing Activity by Financial Sponsors and Portfolio Co.'s



Deal Volume by Geography (2019 – Present)



Deal Volume by Acquirer Type (2019 – Present)

































































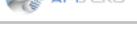





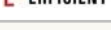



RECENT M&A ACTIVITY DEMONSTRATES THE DIVERSITY OF INTERESTED BUYER GROUPS

M&A activity reached a recent peak in 2022 amid strong demand trends within the professional services ecosystem

Strategic consolidation has continued within the Salesforce ecosystem with strong interest in multi-cloud, single-cloud, and industry-specific businesses





















































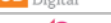















































The majority of these transactions are driven by the fragmented market as platforms continue with buy & build strategies

Date	Target	HQ	Acquirer	HQ	Headcount	Target Description / Commentary
Feb-23	 omega		 dentsu		~450	Expansion of Salesforce capabilities in Spain
Jan-23	 CLEARTELLIGENCE		 ALIGN CAPITAL PARTNERS		<50	Platform investment into the data analytics space with a specialization in Tableau
Jan-23	 original shift		 OSF DIGITAL		<50	Expand multi-cloud and strengthens position in the media and technology verticals
Jan-23	 GLOBAL INFOTECH		 intelliswift love the new		~500	Adds significant Salesforce capabilities to solidify their commitment to providing digital excellence as an in-house Center of Excellence for key technologies to high-growth companies
Jan-23	 COPILLOT		 VASS Complex made simple		<25	Fueling NA expansion, increasing its capabilities in cloud, data analytics, and automation
Jan-23	 FENOM DIGITAL		 WPP		<125	Help clients drive growth across all major digital routes to market in all major markets
Dec-22	 EALLYN		 CANIDIUM DESIGN • DELIVER • MANAGE		<10	Provides synergies and crossover of customer and prospect bases accelerating growth potential
Dec-22	 AWARE		 dentsu		~125	Enhancement of Dentsu's Merkle Salesforce data practice offering
Nov-22	 WILCO SOURCE		 CitiusTech		~300	Combines healthcare domain and digital innovation with strong Salesforce implementation
Nov-22	 EWAVE		 Globant		~250	Expansion of digital commerce and Salesforce specialization in APAC
Nov-22	 oe:gen an OSF Digital company		 OSF DIGITAL		~50	Establishes OSF as a highly regarded global Salesforce multi-cloud solution provider in Europe
Oct-22	 VSS		 KKR		~1750	Large platform investment by KKR to break into the Salesforce and digital innovation space
Oct-22	 akaCRM IMPROVING YOUR RESULTS		 SIG HIGHER EDUCATION POWERED BY EDUCATION		~25	Bolt-on acquisition for IT Services intended to serve higher education institutions
Oct-22	 RafterOne		 IPG		~550	Expansion from traditional advertising services to digital and other services
Sep-22	 work-relay A RafterOne Brand		 neostella		>10	Providing end-to-end automation services for digital transformation
Sep-22	 mooza		 nextview...		~50	Bolt-on acquisition to gain access to a fast-growing network of Salesforce services in Europe
Sep-22	 APIERO		 NTT DATA		~2000	Growth strategy to provide end-to-end cloud, data, and engineering capabilities
Sep-22	 Inflection Point		 PERFICIENT		~150	Nearshore delivery capabilities and capacity with agile software design, and development

VALUATION MULTIPLES REMAIN HEALTHY ACROSS THE SALESFORCE ECOSYSTEM

Valuation multiples have trended upward over the past ~8-years, increasing from a range of 2x – 2.5x revenue to a range of 2.5x – 3.5x between 2020 and 2023 YTD

Equiteq has identified key buyer groups with significant demand for premier Salesforce-focused consultancies, willing to pay premium valuations, leading to select Equiteq-led transaction eclipsing 5x revenue multiples

Date	Target	HQ	Acquirer	HQ	EV / Revenue Multiple
Jan-23					REDACTED
Jan -23					REDACTED
Nov -22					REDACTED
Aug-22					REDACTED
Jul-22					REDACTED
Jun-22					REDACTED
Dec-21					REDACTED
Nov-21					REDACTED
Jul-21					REDACTED
May-21					REDACTED
Mar-21					REDACTED
Jan-21					REDACTED
Oct-20					REDACTED
Oct-20					REDACTED
Jul-20					REDACTED
Feb-20					REDACTED
Nov-19					REDACTED
Jun-19					REDACTED
Dec-18					REDACTED
Sep-18					REDACTED
Sep-18					REDACTED
Sep-18					REDACTED
Sep-17					REDACTED
Jul-17					REDACTED
Oct-16					REDACTED



EV/Revenue Multiples
(since 2016)

Mean: 2.9x
Median: 2.7x

Since 2020, the Mean and Median would be **3.2x** and **3.0x**, respectively

Note: Equiteq would be pleased to share color / perspectives on valuation multiples in the Salesforce Ecosystem and broader IT Services space upon request

OVERVIEW OF SELECT DESIRABLE CHARACTERISTICS FOR INVESTORS / ACQUIRERS

1

Scale of Operations



- ✓ **\$50 to \$150mm in Revenue:** interest from large cap IT Services, private equity
- ✓ **\$20 - \$50mm in Revenue:** interest as a platform investment for PE or as a target for small cap and large cap strategies
- ✓ **<\$20mm in Revenue:** interest from growth equity, small cap PE, PE Portfolio companies, and small and select large-cap strategies

2

Capabilities & Specialization



- ✓ Specialization by cloud, industry, geography, delivery competency, or otherwise
- ✓ Strong track-record of executing complex, large-scale projects
- ✓ Bias towards onshore or well-managed nearshore/offshore delivery capabilities
- ✓ Sticky engagements - orientation towards managed services

3

Client Orientation



- ✓ Diversified client base [limited client concentration]
- ✓ Expertise in a core end-market / industry
- ✓ Orientation towards enterprise clients
- ✓ Longstanding, entrenched client relationships

4

Attractive Financial Profile



- ✓ Strong history of growth with favorable long-term tailwinds
- ✓ Gross margins in the ~40% area or greater
- ✓ Adjusted EBITDA margins in the 10-20% area
- ✓ Attractive, sustainable bill rates
- ✓ Orientation towards T&M vs. fixed price contracts

5

Resources & Team



- ✓ Highly skilled delivery team with deep technical or industry expertise, supported by a scalable infrastructure
- ✓ High ratio of FTE's-to-contractors
- ✓ High degree of employee retention
- ✓ Large number of relevant employee certifications
- ✓ Strong culture & career development programs

6

Leadership
















































- ✓ Effective, proven leadership team
- ✓ Leadership continuity post-transaction
- ✓ Strong, achievable vision for longer-term growth of the business
- ✓ Collaborative, friendly approach

SELECT MAJOR INVESTOR GROUPS ACTIVE IN THE SALESFORCE ECOSYSTEM

There are a wide range of buyer categories within the Salesforce consulting space, each of which have their own unique characteristics and motivations

Illustrative Buyer Group	Rationale	Illustrative Buyers	Illustrative Buyer Group	Rationale	Illustrative Buyers
IT Services	<ul style="list-style-type: none"> Augment or enhance existing Salesforce businesses, based on cloud focus, end-market expertise, geographic expansion, resource capabilities, and business scale 		PE-Backed PortCos	<ul style="list-style-type: none"> Increase scale of platform, add complementary capabilities / areas of expertise, enhance competitive positioning in market, partner with like-minded entrepreneurs / leaders, create shareholder value 	
Digital Transformation Consultancies	<ul style="list-style-type: none"> Expand into or enhance existing capabilities and pursue client cross-sell; focus on expanding suite of digital transformation solutions and domains of expertise 		Private Equity	<ul style="list-style-type: none"> Find a platform investment to gain entry into the Salesforce market and grow practice to a larger enterprise via organic growth and bolt-on M&A 	
Marketing, Advertising, & Comms.	<ul style="list-style-type: none"> Strengthen digital capabilities within customer experience and commerce, better serve existing clients globally (and capture cross-sell) 		Other	<ul style="list-style-type: none"> Salesforce has periodically invested in and bought ecosystem partners; acquisitions have been more limited and focused on scaled businesses with strategic importance to Salesforce 	
Professional Services and Consultancies	<ul style="list-style-type: none"> Expansion of capabilities to meet demand for increasingly complex and digitized client interactions 				

SELECT ACTIVE LARGE-CAP STRATEGIC BUYERS IN THE SALESFORCE ECOSYSTEM

Select Strategic Buyers	Acquirer	2017	2018	2019	2020	2021	2022	2023 YTD
	accenture							
	AtoS					 		
	Capgemini	LYONSCG						
	cognizant		 		 			
	dentsu		   				 	
	IBM					 		
	pwc						 	
	Globant					 		
	Infosys ^[1]		 	 	 			
	Deloitte.							
	wipro							
	WPP		 					

PRIVATE EQUITY ACTIVITY IN THE SALESFORCE ECOSYSTEM HAS ACCELERATED OVER THE PAST FEW YEARS, BOTH FOR PLATFORM INVESTMENTS & ROLL-UP M&A



THE EQUITEQ TEAM IS COMPRISED OF DEEPLY EXPERIENCED PROFESSIONALS WHO CAN HELP YOU NAVIGATE THE M&A MARKET WITH SOUND, OBJECTIVE STRATEGIC ADVICE

Americas



Adam Tindall
Managing Director
New York

+1 917 828 6119
adam.tindall@equiteq.com



Greg Fincke
Managing Director
Boston

+1 917 828 5090
greg.fincke@equiteq.com



Alex Floess
Director
New York

+1 518 320 5837
alexander.floess@equiteq.com



Zain Arfi
Analyst
New York

+1 248 756 8666
zain.arfi@equiteq.com

Coverage



John Gannon
Director
New York

+1 804 833 9659
john.gannon@equiteq.com



Tristan Kuhl Bamford
Vice President
New York

+1 212 256 1120
tristan.kuhlbamford@equiteq.com

EMEA



Jerome Glynn-Smith
Managing Director
London

+44 [0] 7415 534557
jerome.glynn-smith@equiteq.com



Emmanuel Kostucki
Managing Director
London

+44 [0] 789 181 8997
emmanuel.kostucki@equiteq.com



Alexandre Steiner
Managing Director
France

+33 603014591
alexandre.steiner@equiteq.com

APAC



Alex Monk
Managing Director
Australia

+61 [0] 477 672 625
alex.monck@equiteq.com



Sylvaine Masson
Managing Director
Singapore

+65 8284 6383
sylvaine.masson@equiteq.com

EQUITEQ IS THE MOST ACTIVE MIDDLE-MARKET INVESTMENT BANK SERVING THE KNOWLEDGE ECONOMY (OUR EXCLUSIVE FOCUS)

Select Completed Transactions

 <p>Private Equity Firm Invested in</p>  <p>Advised on the investment February 2023</p>	 <p>Digital Transformation Specialist Acquired</p>  <p>Advised on the acquisition January 2023</p>	 <p>Management Consultancy [ET] Acquired</p>  <p>Advised on the acquisition January 2023</p>	 <p>Data & Analytics Consultancy Recapitalized by</p>  <p>Advised on the sale January 2023</p>	 <p>Public Sector Impact Consultancy Sold to</p>  <p>Advised on the sale November 2022</p>	 <p>Legal Consultancy Sold to</p>  <p>Advised on the sale November 2022</p>	 <p>Managed Cloud Provider Sold to</p>  <p>Advised on the sale October 2022</p>	 <p>Cybersecurity Solutions & Services Sold to</p>  <p>Advised on the sale October 2022</p>	 <p>Digital Consultancy Sold to</p>  <p>Advised on the sale October 2022</p>	 <p>CSD & Digital Transformation Consultancy Received investment from</p>  <p>Advised on the investment September 2022</p>
 <p>RPA Consultancy Received investment from</p>  <p>Advised on the investment August 2022</p>	 <p>Digital Transformation Services Sold to</p>  <p>Advised on the sale July 2022</p>	 <p>Azure Partner & Cloud Specialist Sold to</p>  <p>Advised on the sale July 2022</p>	 <p>Anaplan Gold Partner Sold to</p>  <p>Advised on the sale June 2022</p>	 <p>Platinum Salesforce Partner Sold to</p>  <p>Advised on the sale June 2022</p>	 <p>Anaplan Gold Partner Received investment from</p>  <p>Advised on the investment May 2022</p>	 <p>Design & Innovation Consultancy Sold to</p>  <p>Advised on the sale April 2022</p>	 <p>Infrastructure Consultancy Receives majority investment</p>  <p>Advised on the investment April 2022</p>	 <p>CX Tech Consultancy Sold to</p>  <p>Advised on the sale March 2022</p>	 <p>PE-backed Cybersecurity Specialist Acquired</p>  <p>Advised on the acquisition February 2022</p>
 <p>Financial Services Consultancy Sold to</p>  <p>Advised on the sale February 2022</p>	 <p>AI & Analytics Specialist Sold to</p>  <p>Advised on the sale January 2022</p>	 <p>Data Consultancy Sold to</p>  <p>Advised on the sale January 2022</p>	 <p>Microsoft Gold Partner Growth Financing by</p>  <p>Advised on the financing January 2022</p>	 <p>SAP Consulting Sold to</p>  <p>Advised on the sale January 2022</p>	 <p>Salesforce Consulting Sold to</p>  <p>Advised on the sale January 2022</p>	 <p>Digital Consulting Acquired</p>  <p>Advised on the acquisition December 2021</p>	 <p>Private Equity Invested into</p>  <p>Advised on the investment December 2021</p>	 <p>AI & Automation Consultancy Sold to</p>  <p>Advised on the sale December 2021</p>	 <p>Procurement & Supply Chain Consulting Sold to</p>  <p>Advised on the sale December 2021</p>
 <p>Engineering Consultancy Acquired</p>  <p>Advised on the acquisition November 2021</p>	 <p>Digital consulting Sold to</p>  <p>Advised on the sale October 2021</p>	 <p>Construction Consulting Acquired</p>  <p>Advised on the acquisition October 2021</p>	 <p>Development Solutions Sold to</p>  <p>Advised on the sale August 2021</p>	 <p>Retail Consulting Sold to</p>  <p>Advised on the sale July 2021</p>	 <p>Economics Consulting Sold to</p>  <p>Advised on the sale July 2021</p>	 <p>SAP EPM Specialist Sold to</p>  <p>Advised on the sale June 2021</p>	 <p>Operations Transformation Sold to</p>  <p>Advised on the sale May 2021</p>	 <p>Engineering Consulting Acquired</p>  <p>Advised on the acquisition May 2021</p>	 <p>Microsoft Gold Partner Sold to</p>  <p>Advised on the sale May 2021</p>



Growing equity, realizing value

New York – Boston – London – Paris – Singapore – Sydney

www.equiteq.com

