



DIGITAL SERVICES

INDUSTRY UPDATE

Q3 2022

NEW YORK | LONDON | PARIS | MUNICH | SAN FRANCISCO
LOS ANGELES | BERLIN | DUBAI | SINGAPORE

OCTOBER 2022



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PARTNER



SAM LEVY

PARTNER

OUR QUARTERLY DIGITAL SERVICES NEWSLETTER

The Drake Star Partners Global Digital Services team is pleased to present the 5th edition of our quarterly Digital Services Report, providing updates on industry happenings such as important news and events, mergers and acquisitions activity and insights into the present and future trends impacting major areas of investment within the industry, including:

DIGITAL TRANSFORMATION

CLOUD MIGRATION

TECH-ENABLED IT SERVICES

CLOUD PROVIDERS

SECURITY SERVICES

BUSINESS INTELLIGENCE

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THE DRAKE VIEW FROM OUR INVESTMENT BANKERS

RALF PHILIPP HOFMANN, MANAGING PARTNER & MEMBER OF THE EXCOM



Despite the current macro-economic climate, the Digital Services industry continues to see momentum through Q3 2022. The current inflationary environment makes the investment case for technology and services which enhances productivity and optimises costs even more compelling; we have therefore seen an overall shift in priority for digital transformation having a positive impact on the Digital Services vertical; with **365+ M&A deals & \$40bn+ disclosed** and **260+ fundraises & \$5bn+ disclosed** in **Q3 2022¹**, including;

- **Fujitsu** acquired **Enable Professional Services** for **\$150m**
- **NTT DATA Business Solutions** acquired **Natuvion** for an undisclosed amount
- **Accenture** acquired **Tenbu** for an undisclosed amount
- **Litmus** raised **\$30m** of Series B funding led by **Belden**
- **team.blue** raised **\$17m** of growth funding from **Hg**
- **Quantori** raised **\$15m** of development capital from **Flint Capital**

Overall, Digital Services are the foundation of tech industry's growth and the vertical is ideally positioned to support companies in the coming months. Heading into Q4, I expect strong investor appetite for robust Digital Services companies with resilient business models. We particularly expect strong global demand for companies that are enabled by disruptive technologies such as AI, and big data and analytics which drive significant revenue optimisation and operational efficiencies for their clients.

DIGITAL SERVICES KEY HEADLINES

SELECTED SUBSECTORS



DIGITAL TRANSFORMATION



Changi Airport partners with **Accenture** for traveller digital experience transformation

Consultancy.asia, Sep 26, 2022

EY announces alliance with **Kyndryl** to help organisations accelerate their digital transformation journeys

Kyndryl, Aug 17, 2022

Arvest Bank teams up with **Google Cloud** to boost its digital transformation

Fintech Futures, Jul 22, 2022



CLOUD MIGRATION



Google Cloud partners with **Saudi Aramco** to launch a new data centre in Saudi Arabia to serve the region

Arab News, Sep 25, 2022

NTT DATA acquires **Natuvion** to expand its **SAP S/4HANA** transformation expertise

NTT Data, Aug 31, 2022

Malaysia's **Bank Islam** chooses **AWS** as preferred cloud provider

Technode Global, Aug 1, 2022



TECH-ENABLED IT SERVICES



The **department of Veterans Affairs** has awarded a **\$110m** Service Desk IT deal to **General Dynamics IT**

ExecutiveGov , Sep 26, 2022

Wavestone beefs up British division with **double acquisition** of **Coeus Consulting** and **Pen Partnership**

Consultancy.eu, 20 Sep, 2022

Capgemini named a '**leader of the year**' in banking and financial services, as well as insurance for IT services

Capgemini, 15 Jul, 2022

DIGITAL SERVICES KEY HEADLINES

SELECTED SUBSECTORS



CLOUD PROVIDERS



Cloud storage startup **Wasabi** raises **\$250m** to reach **unicorn status**

TechCrunch, Sep 27, 2022

Oracle and **Microsoft** announce availability of Oracle Database Service for Microsoft Azure

Microsoft, Jul 20, 2022

Vodafone picks **Google Cloud** for AI & ML at scale

Capacity, Jul 6, 2022



SECURITY SERVICES



Grand Theft Auto VI leak: Could this be the biggest hack in gaming history?

Euronews, Sep 20, 2022

SentinelOne Integrates with **Proofpoint** for Enhanced Ransomware Protection

Business Wire, Aug 11, 2022

Accenture Ranks No.1 in Cybersecurity Service Providers by **HFS Research**

Accenture, Jul 19, 2022



BUSINESS INTELLIGENCE



With help from **Microsoft**, **NBA** unveils new reimagined app

NBA, Sep 27, 2022

Capgemini helps **France tax office** reveal hidden swimming pools with **AI**

Ars Technica, Aug 30, 2022

Tencent Music launches **TME Business Intelligence** for artists and labels

Music Ally, Jul 13, 2022

SELECTED M&A DEALS IN Q3 2022

365+ DEALS AND \$40BN+ IN DISCLOSED DEAL ACTIVITY IN Q3 2022



Year founded



Employees



Sub-sector



Total Website Visits



DEAL DESCRIPTION

Fujitsu acquired Enable Professional Services. Through this acquisition Fujitsu will strengthen its ServiceNow advisory practice and delivery services across Asia Pacific.

July 7th, 2022



2014



322



Digital Transformation



n.a.

BUSINESS DESCRIPTION



Melbourne

Enable Professional Services is a certified ServiceNow partner and a pure-play ServiceNow consultancy. The company builds and implements leading solutions that improve the customer and employee experience, enabling businesses to create value at speed.

KEY PERSONNEL

Bruce Hara – Founder & CEO
Paul Thomason – Director of Strategy & Innovation

KEY SHAREHOLDERS



DEAL DESCRIPTION

NTT DATA Business Solutions acquired Nativion for an undisclosed amount. The acquisition will open new growth potential for NTT DATA Business Solutions in Cloud migration.

August 30th, 2022



2014



161



Cloud Migration & Security Services



n.a.

BUSINESS DESCRIPTION



Walldorf

Provider of IT services to help companies through the entire transformation and data privacy journey. The company offers cloud migration, platform transformation, IT security consulting, data warehouse, and other related services.

KEY PERSONNEL

Holger Strotmann – Co-Founder & Co-CEO
Patric Dahse – Co-Founder & Co-CEO
Roland Storbeck – Co-Founder & Head of Transformation

KEY SHAREHOLDERS



DEAL DESCRIPTION

Accenture acquired Tenbu for an undisclosed amount. The acquisition will expand Accenture's cloud first, data and AI offering in Latin America and globally.

August 1st, 2022



2004



151



Business Intelligence



n.a.

BUSINESS DESCRIPTION



São Paulo

Provider of IT and consulting services intended to support customers in the development and implementation of decision-making. The company offers services in big data, cognitive computing, business analytics, managed services and machine learning.

KEY PERSONNEL

Carlos Pinto – CEO

KEY SHAREHOLDERS



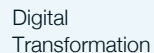
260+ DEALS AND \$5BN+ IN DISCLOSED FUNDRAISING
ACTIVITY IN Q3 2022



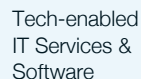
September 13th, 2022



July 6th, 2022



July 12th, 2022



BUSINESS DESCRIPTION

KEY PERSONNEL

KEY SHAREHOLDERS



KEY SHAREHOLDERS



KEY SHAREHOLDERS



SELECTED DEALS IN Q3 2022

EXCLUSIVELY ADVISED BY DRAKE STAR



DEAL DESCRIPTION

Synoptek, a leading global business and digital transformation advisory firm, was acquired by Quad-C Capital Management. Quad-C's ownership will support continued organic and M&A expansion opportunities.

September 28th, 2022



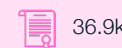
2001



993



Digital Transformation



36.9k

BUSINESS DESCRIPTION



Synoptek is a global, full-service business and digital technology solutions provider and advisory firm that helps companies envision, transform, and evolve. As a systems integrator and managed technology group, Synoptek partners with organisations globally, helping them navigate the ever-changing technology landscape and build solid tech foundations.

KEY PERSONNEL

Tim Britt – CEO
Jeremy Daum – CFO

KEY SHAREHOLDERS



DEAL DESCRIPTION

ICG, a leading PE firm with over \$70bn AUM will partner with Exxeta by acquiring a significant minority stake. The partnership is expected to provide access to an international network and relevant markets.

September 12th, 2022



2005



875



Digital Transformation



20.2k

BUSINESS DESCRIPTION



Provider of consulting and digital services intended for connecting business and information technology. The company designs, builds and runs tailor-made services for ecosystems or business models, enabling its clients in the automotive, energy and financial services sectors to go live and be prepared for the market within the shortest period of time.

KEY PERSONNEL

Andreas Ritter – CEO
Achim Kirchgaessner – CGO
Peter Heine – CTO

KEY SHAREHOLDERS



DEAL DESCRIPTION

Cognodata announced the acquisition of part of its equity by Audensiel. The transaction will help Cognodata accelerate deployment of its advanced analytics AI platforms across Europe and LATAM.

October 5th, 2022



2001



200



Digital Transformation



23.9k

BUSINESS DESCRIPTION



Capitalising on its best-in-class ML skills and consulting expertise, Cognodata has developed a significant know-how in the implementation of business-oriented AI platforms for specific verticals. The highly skilled team of data experts' consultants process and analyse extensive data sets of clients to deliver business-driven directly-applicable solutions.

KEY PERSONNEL

Raul Garcia – Co-founder & CEO
Fernando Corbacho – Co-Founder & Senior Partner

KEY SHAREHOLDERS



Year founded



Employees



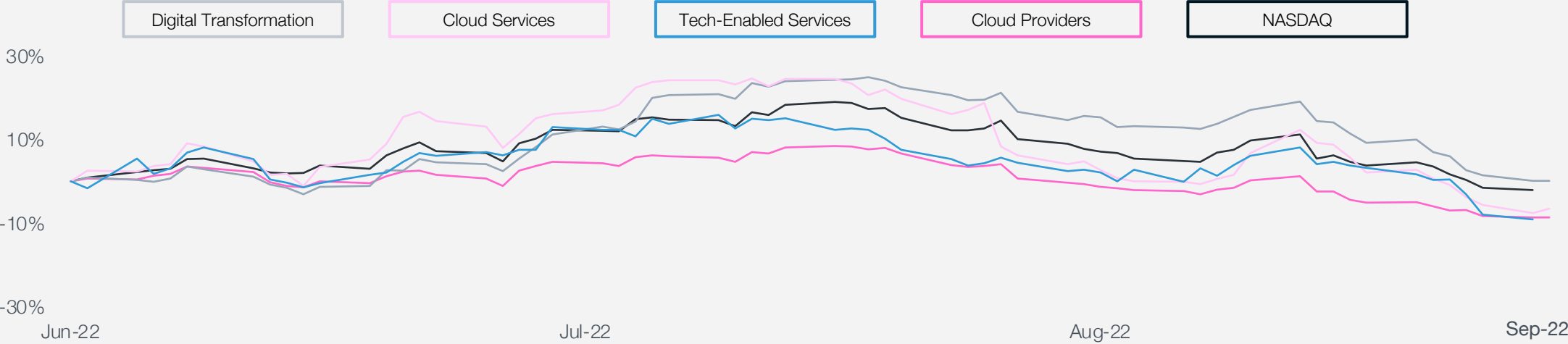
Sub-sector



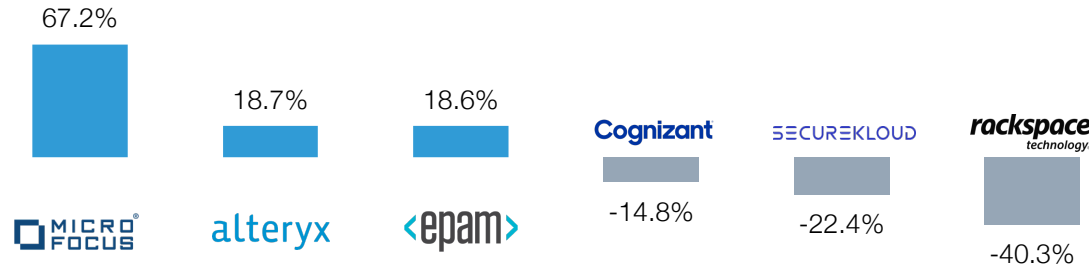
Total Website Visits

SHARE PRICES BROADLY DOWN VS. JUNE

WITH DIGITAL TRANSFORMATION SERVICES IN THE LEAD



TOP 3 RISERS & FALLERS JULY - SEPTEMBER 2022¹



KEY HIGHLIGHTS

- Micro Focus' share price (+67.2%) rose after Open Text Corp. agreed to acquire the digital transformation firm for 532 pence per share
- Alteryx's share price (+18.7%) gained momentum as they exceeded consensus estimates for both revenue and earnings in Q2
- Rackspace Technology's stock (-40.3%) fell as the company missed its Q2 targets and went through corporate changes, promoting its CFO as new CEO

UNPARALLED TRACK-RECORD IN THE DIGITAL SERVICES SPACE

WE HAVE SUCCESSFULLY EXECUTED 40+ DIGITAL SERVICES TRANSACTIONS IN THE PAST 5 YEARS



GLOBAL REACH COMBINED WITH LOCAL PRESENCE

ONE OF THE LARGEST TECH TEAMS WITH OVER 100 PROFESSIONALS IN THE US, EUROPE, AND MIDDLE EAST

6

countries



New York



Munich



London

+400

transactions



Singapore

+70%

cross-border
transactions



Paris

9

offices



Dubai



San Francisco



Los Angeles

3

continents



Berlin

+100

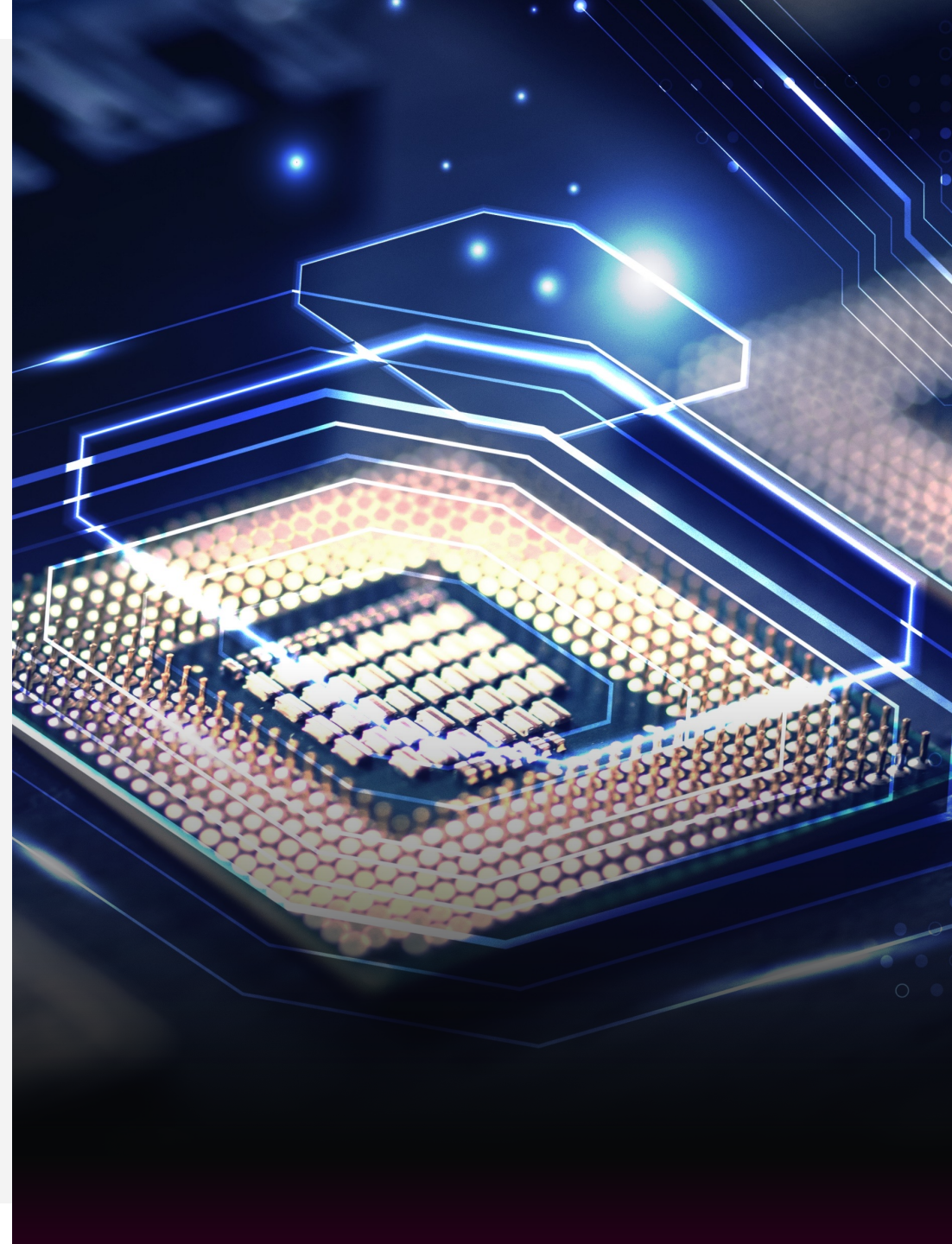
professionals



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CHANGE THE WORLD

