



# DIGITAL SERVICES

INDUSTRY UPDATE

Q1 2022

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

APRIL 2022



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MANAGING PARTNER &  
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**GABY  
SILVESTRIS**

PARTNER

# OUR QUARTERLY DIGITAL SERVICES NEWSLETTER

The Drake Star Partners Global Digital Services team is pleased to present the 3rd 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

## CONTACT THE DIGITAL SERVICES TEAM



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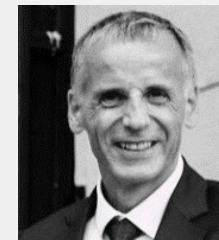
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## THE DRAKE VIEW FROM OUR INVESTMENT BANKERS

CHRISTOPHE MORVAN, MANAGING PARTNER



The Digital Services landscape has seen astonishing momentum at the start of 2022, marking a tremendous start to the year. 76% of CEOs will adopt a sharper focus on digitalisation, scalability and inorganic growth strategies <sup>(1)</sup>. This continues to create opportunities for M&A in the space as highly sought after deals for world-class technology and innovative capabilities will continue to demand a premium. Already in 2022, we are seeing a lot of demand from PEs looking for additive assets to expand their Digital Services portfolio across Europe. Q1 2022 has seen an uptick in Digital Services transactions with **335+ M&A deals** and **\$35bn+ disclosed** and **355+ fundraises** with **\$7bn+ disclosed**, including;

- **NTT DATA** acquired **Vectorform** for an undisclosed amount
- **Bain Capital** acquired French IT Services firm **Inetum** for **\$2.2bn**
- **Alteryx** acquired **Trifacta** for **\$400m** to create an end-to-end analytics automation platform
- **Securonix** received **\$1bn+** of development capital led by **Vista Equity Partners**
- **Megazone Cloud** received **\$442m** of funding led by **Kt Investment**
- **Fractal Analytics** raised **\$360m** from **TPG**, valuing the company at **\$1bn**

Heading into Q2 2022, we believe the desire for M&A and Private Placements will remain strong as entrepreneurs and CEOs are feeling the pressure to re-organise their businesses in light of COVID and recent volatility in the financial markets. **Investment in the Industry 4.0 technologies landscape will continue to see rapid growth due to their broad application to IT and technology-enabled services which usually converges with other technologies.**

# DIGITAL SERVICES KEY HEADLINES

## SELECTED SUBSECTORS



### DIGITAL TRANSFORMATION



**Cloud Technology** is changing the face of digital transformation in 2022

Forbes, Mar 30, 2022

**Accenture** launches metaverse design and consulting practice

Consultancy.uk, Mar 18, 2022

**Gartner** forecast global IT spending to grow **5.1%** in 2022

Gartner, Jan 18, 2022



### CLOUD MIGRATION



**Avaya** and **Alcatel-Lucent Enterprise** are extending the availability **Avaya's OneCloud CCaaS** composable solutions

Channelfutures, Mar 30, 2022

**Verizon Connect** and **AWS** collaborate on full cloud migration

Verizon, Mar 22, 2022

**BMG** accelerates **Google Cloud** migration with **Rackspace Technology** to meet data demands of music consumption boom

GlobeNewswire, Mar 17, 2022



### TECH-ENABLED IT SERVICES



**Atlassian Ventures** doubles down on its VC fund to unleash team potential through tech-driven services

Atlassian, Mar 25, 2022

**Telefonica** and **Microsoft** extend their agreement in joint initiative to cater to the global IT ecosystem

Telefonica, Feb 28, 2022

**Wavestone** aims to hit **€750m** revenue mark by 2025

Consultancy.eu, Jan 3, 2022

# DIGITAL SERVICES KEY HEADLINES

## SELECTED SUBSECTORS



### CLOUD PROVIDERS



**AWS** reaffirms its cloud service growth despite big outages in 2021

Financial Times, Mar 8, 2022

**Google Cloud** partners with **Teamwork Commerce** to deliver seamless experiences for shoppers

Retail Insight Network, Feb 22, 2022

**IBM** and **SAP** move their partnership closer to further enable hybrid cloud solutions

IBM Newsroom, Feb 10, 2022



### SECURITY SERVICES



**Cybersecurity** organisations help Ukraine over cyber-attacks

ComputerWeekly, Mar 2, 2022

**Israel** and the **USA** enter a cybersecurity collaboration deal to boost R&D

DHS, Mar 2, 2022

**UK Government** publishes a new cyber security strategy for 2022-2030

Gov.UK, Feb 17, 2022



### BUSINESS INTELLIGENCE



**BT** enters a new collaboration with **Google** to use its data, AI and cloud tools to enhance its business intelligence capacity

BT, Mar 10, 2022

**MIT-IBM Watson AI Lab** develop machine-learning capacities to identify malfunctions in large infrastructure grids

Science Daily, Feb 25, 2022

**Data-as-a-Service** market to reach **\$61bn** by 2030 in North America and APAC

IT Pro, Jan 28, 2022

# SELECTED M&A DEALS OF THE MONTH

335+ DEALS AND \$35BN+ IN DISCLOSED DEAL ACTIVITY IN Q1 2022

Year founded
 Employees
 Sub-sector
 Total Website Visits



Vectorform  
Undisclosed  
ACQUISITION BY  
NTT DATA

## DEAL DESCRIPTION

NTT DATA acquired Vectorform, a digital transformation and innovation company. Vectorform's 80 team members will join NTT DATA's consulting and digital transformation business

March 28<sup>th</sup>, 2022

- 1998
- 165
- Digital Transformation
- <50k

## BUSINESS DESCRIPTION Michigan

Provider of digital product development and consultancy services. The company provides digital and innovation strategy, human data science, design and program management services, enabling clients with digitally developed products and strategic consultancy services to emerge their businesses

## KEY PERSONNEL

Jason Vazzano – Co-Founder & CEO  
Kurt Steckling – Co-Founder & CEO

## KEY SHAREHOLDERS

NTT DATA



Inetum  
Positive digital flow  
\$2.2bn  
ACQUISITION BY  
BainCapital

## DEAL DESCRIPTION

Bain Capital acquired French IT Services firm Inetum from Qatar's group Mannai Corp. This expands Bain Capital's presence in European IT services

January 19<sup>th</sup>, 2022

- 1970
- 13,152
- Tech-enabled Services
- 318k

## BUSINESS DESCRIPTION Saint-Ouen

Inetum is engaged in the information technology and communication sector in France and in Southern Europe. The business activity of the group is operated in five areas namely Consulting, Enterprise Solutions, Application Services, Infrastructure Services and Software

## KEY PERSONNEL

Vincent Rouaix – Chairman & CEO  
Cyril Malher – CFO

## KEY SHAREHOLDERS

BainCapital



TRIFACTA  
\$400m  
ACQUISITION BY  
alteryx

## DEAL DESCRIPTION

Alteryx acquired Trifacta for \$400m to create an end-to-end analytics automation platform. Alteryx combines its industry-leading analytics solution with Trifacta's cloud-native tech for enterprises

February 7<sup>th</sup>, 2022

- 2012
- 165
- Cloud Providers
- 144k

## BUSINESS DESCRIPTION San Francisco

Developer of a data engineering cloud platform designed to radically improve the efficiency of wrangling data and ensure quality. The company provides flexibility to connect to any data from any source for any application, thereby enabling users to evaluate, correct, and validate data quality and accelerate data transformation

## KEY PERSONNEL

Adam Wilson – Senior Vice President & General Manager  
John McAdoo – CFO

## KEY SHAREHOLDERS

alteryx

# SELECTED FUNDRAISING DEALS OF THE MONTH

355+ DEALS AND \$7BN+ IN DISCLOSED FUNDRAISING ACTIVITY IN Q1 2022



Year founded



Employees



Sub-sector



Total Website Visits



## DEAL DESCRIPTION

Securonix received \$1bn+ of development capital to fuel its fast growth trajectory in cloud-native security analytics and operations, notably through significant talent acquisitions & product expansion

February 14<sup>th</sup>, 2022



2007



894



BI & Security Services



91k

## BUSINESS DESCRIPTION

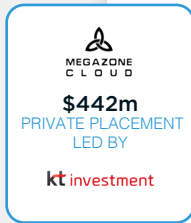
Addison

Provider of a cloud-based big data security insights platform aiming to transform security management with risk intelligence. The company's platform uses machine learning technology to consume, enrich, investigate and provide insights on massive volumes of data in real-time, enabling clients to detect and prioritise insider threat, cyber threat and fraud attacks

## KEY PERSONNEL

Sachin Nayyar – CEO  
Brett Bowman – CFO

## KEY SHAREHOLDERS



## DEAL DESCRIPTION

Megazone Cloud received \$442m of funding in a move to boost talent acquisition and overseas development. The injection pushes the largest cloud service provider in South Korea to unicorn status

February 15<sup>th</sup>, 2022



1998



362



Cloud Migration



131k

## BUSINESS DESCRIPTION

Seoul

Operator of an integrated cloud consulting and implementation platform intended to help companies in the cloud transition process. The company specialises in AWS Cloud and its offerings include architectural consulting, deployment and managed services, implementation and operation, enabling clients to optimise their business processes

## KEY PERSONNEL

Ju-Wan Lee – CEO & Founder

## KEY SHAREHOLDERS



## DEAL DESCRIPTION

Fractal Analytics raised \$360m from TPG, valuing the company at \$1bn. The investment will accelerate the company's ability to scale and meet the rising demand globally

January 5<sup>th</sup>, 2022



2000



3,424



Tech-enabled Services



n.a.

## BUSINESS DESCRIPTION

New York

Provider of AI, data analytics and management consulting services. The firm's services are offered with the help of diverse platforms and data scientists who convert traditional approaches to marketing mix modelling and provide a complete view of marketing's impact on sales

## KEY PERSONNEL

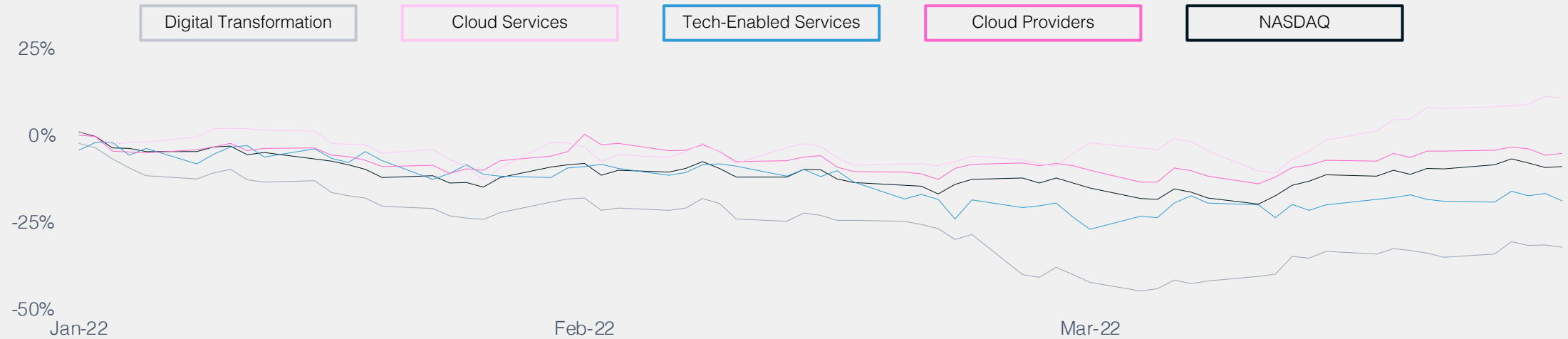
Srikanth Velamakanni – Co-Founder, Group CEO & Vice Chairman  
Pranay Agrawal – Co-Founder & CEO  
Ashwath Bhat – CFO

## KEY SHAREHOLDERS

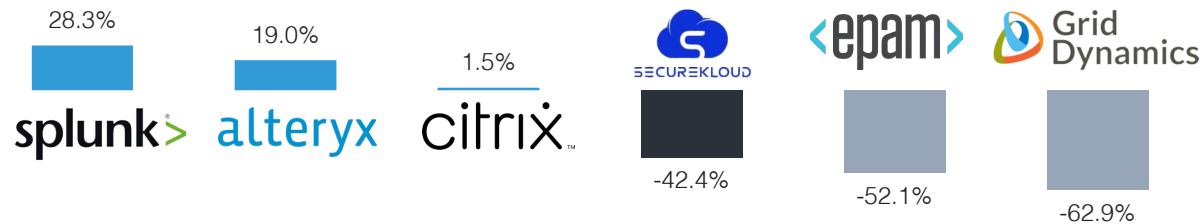


# SHARE PRICES BROADLY STABLE VS. JANUARY

WITH CLOUD SERVICES IN THE LEAD



## TOP 3 RISERS & FALLERS MARCH 2022<sup>1</sup>



## KEY HIGHLIGHTS

- Splunk (+28.3%) attracted particular attention as it appointed a new CEO, Gary Steele, from Proofpoint, announcing a further strategic focus on security
- Alteryx (+19.0%) gained momentum after announcing 'Alteryx Analytics Cloud', its unified analytics platform
- Grid Dynamic's stock (-62.9%) fell as major uncertainties due to the Russia-Ukraine conflict unrolled, significantly exposing its Eastern European office



# UNPARALLELED TRACK-RECORD IN THE DIGITAL SERVICES SPACE

WE HAVE SUCCESSFULLY EXECUTED 35+ DIGITAL SERVICES TRANSACTIONS IN THE PAST 5 YEARS



# A LEADING GLOBAL TECH M&A INVESTMENT BANK

**400+**

TRANSACTIONS  
COMPLETED

**70%**

CROSS-BORDER  
DEALS

**100+**

BANKERS

**10\***

OFFICES  
GLOBALLY



NEW YORK



LONDON



MUNICH



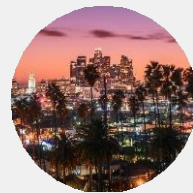
SINGAPORE



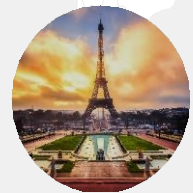
SAN  
FRANCISCO



DUBAI



LOS ANGELES



PARIS



BERLIN



GENEVA



DRAKE STAR

BELIEVE IN INNOVATION  
CHANGE THE WORLD

