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SECTOR SNAPSHOT



UK ICT SERVICES M&A ACTIVITY AND VALUATIONS FOR H1 2019

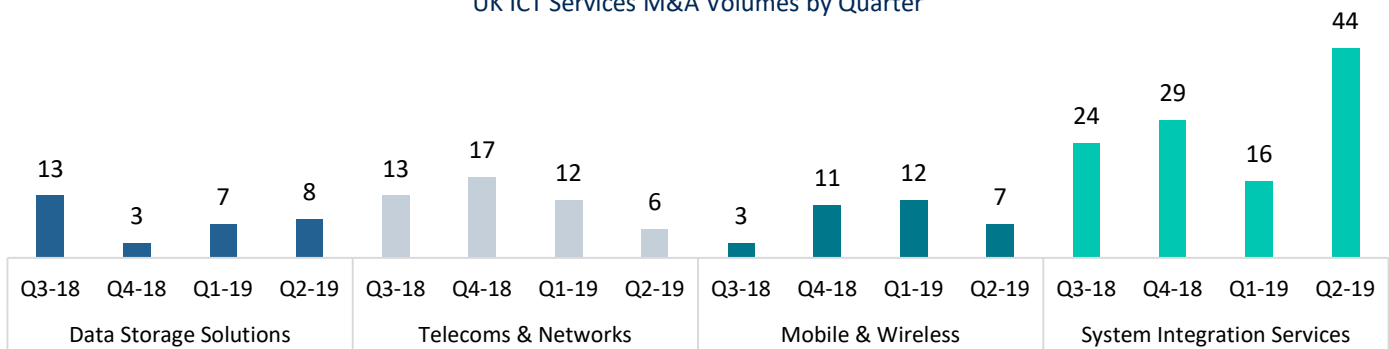
A growing digital transformation focus on data, AI and machine learning

Companies looking to transform their business are increasingly looking at data to provide critical operational and strategic insights and drive business-changing initiatives. Most new digital transformation strategies will be driven by data as it can be used to understand how to achieve and maintain a competitive advantage for the business. Many businesses now consider data as their most valuable asset and it is becoming more apparent that businesses that fail to take advantage of valuable data insights will struggle to remain competitive over the next 2 to 3 years. The data analytics market has grown to circa \$200 billion over the past year and is expected to grow at a CAGR of 13% through to 2022.

While there is a growing necessity to make use of data analytics tools, the vast volume of data that companies need to process and assess the usefulness of provides an obstacle for companies to achieve their data ambition. Therefore, when looking to navigate and analyse big data and generate useful business insights, there is a growing dependency on artificial intelligence and machine learning. AI and machine learning add speed, scale and automation to the data analytics process while algorithmic developments will enable their use in more complex data sets.

H1 2019 ICT Services M&A Volumes

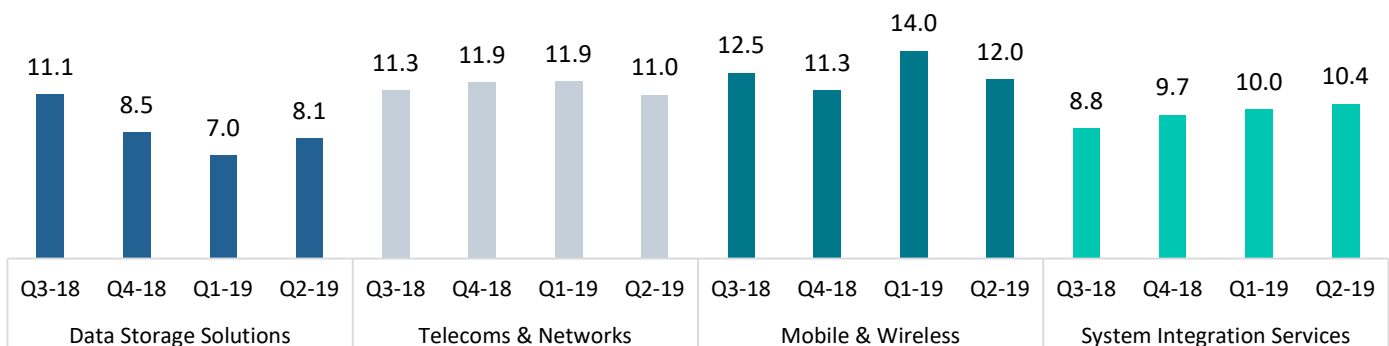
UK ICT Services M&A Volumes by Quarter



The first half of 2019 has seen 112 deals completed in the ICT services sector with over half involving a system integration service provider. This is consistent with the 113 deals completed in the second half of 2018.

H1 2019 ICT Services Average EV/EBITDA Multiples

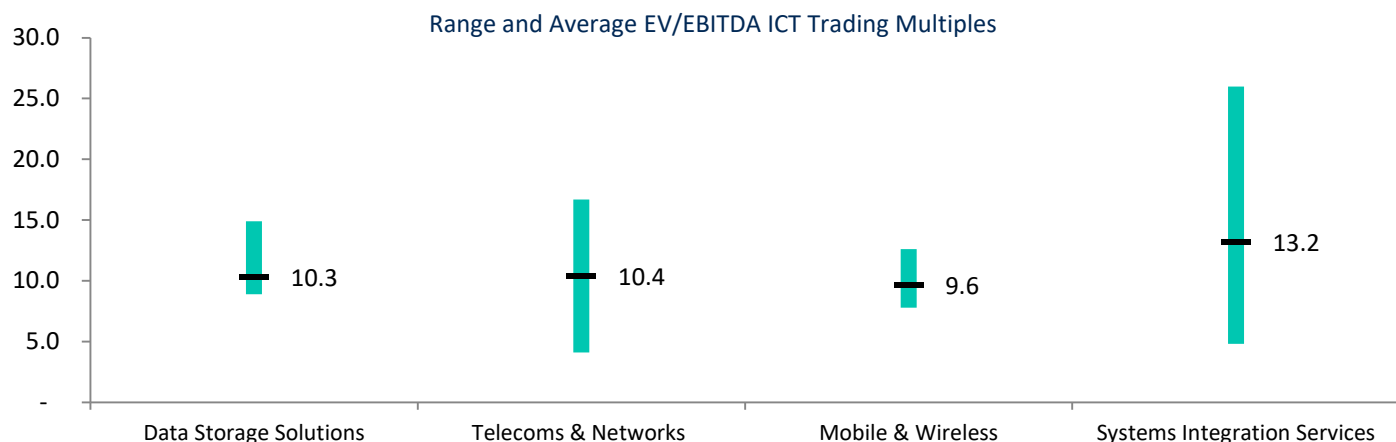
Average EV/EBITDA Multiples for UK ICT Services



On a trailing 12 month basis, EBITDA valuations for all disclosed transactions in the ICT services sector have broadly remained consistent. 'System Integration Services' has seen a slight increase while 'Data Storage Solutions' has declined over the 12 month period. 'Telecoms & Networks' and 'Mobile & Wireless' have remained consistent.

H1 2019 ICT Services Average Quoted Company Multiples

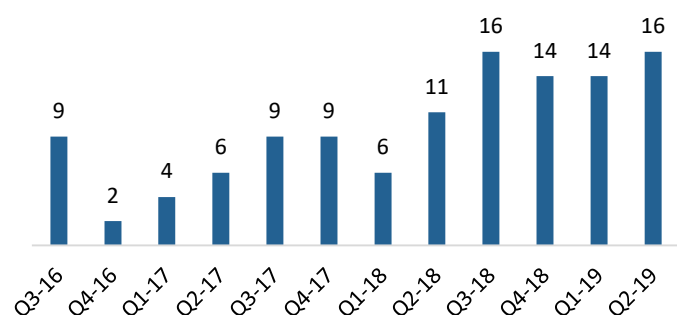
H1 2019 average quoted company multiples across all software sub-sectors ranged from 9.6x to 13.2x.



Private Equity Transactions

Private equity activity in the ICT Services sector remains high, culminating in 30 deals being completed in H1-19, the same as in H2-18.

Number of ICT Services PE Transactions Split by Quarter



Growth Capital Partners has announced its investment into **Infinity Works Consulting**, a technology consultancy and IT services provider. GCP has partnered with the original founders who will use the investment to target new market and overseas expansion. Infinity Works is expecting turnover to exceed £30m this financial year.

toob, a Plymouth-based fibre broadband provider, has secured a £75m funding package from **Amber Infrastructure Group's** National Digital Infrastructure Fund. The funding is expected to support the build out of a gigabit-capable fibre network. toob has ambitions to expand its full fibre network to over one million homes and business premises over the next ten years.

A consortium led by **Apax Partners** and **Warburg Pincus** is set to acquire **Inmarsat**, a satellite telecommunications company offering global mobile services. The \$3.4bn take-private bid is one of the biggest ever deals to delist a UK company. Apax initially acquired Inmarsat in 2003 with Permira and floated the company on the Stock Exchange in 2005. In October the Competition & Markets Authority will be submitting a report to the UK government about any concerns over national security or competition should this deal go ahead.

Living Bridge has announced the acquisition of **FluidOne**, a leading data connectivity aggregator, from Rigby Group plc. FluidOne provides a range of data connectivity services to UK businesses across the construction, hospitality, hotels, professional services and retail sectors. Recent growth has been driven by expanding its routes to market and a renewed focus on the mid-to-large enterprise segment.

Orbis ICT Services Transaction

Business Overview

Voice Mobile, headquartered at Fort Dunlop, Birmingham was formed in 2001 and is one of the largest independent suppliers of mobile phone solutions in the UK. The Company is a key distribution partner for EE, delivering corporate and consumer mobile phone solutions over the EE network. Voice Mobile works with several corporate clients including the Birmingham Chamber of Commerce and Birmingham City Football Club.

Our Role

Throughout our engagement, we spent time understanding the key value drivers for Voice Mobile, including the company's relationship with EE and the operational systems. We researched a selection of buyers that could add value to Voice Mobile and take the business forward. Daisy, with their acquisition strategy and existing distribution agreements with Vodafone and O2, were identified as a strong strategic fit.



Have acquired



For undisclosed value

Strategic Trade Transactions in the ICT Services Sector

The ICT services sector has seen 78 trade deals completed in H1-19, a slight increase from 76 in H2-18.

Orange has agreed to acquire 100% of **SecureLink**, one of the largest independent cybersecurity advisers in Europe, for £443m. The acquisition increases Orange's representation in the Nordics, Belgium, Netherlands, Germany and the UK, giving them an on-the-ground presence in eight European countries. Having acquired **SecureData** in January 2019, the transaction accelerates Orange's strategy to become a pan-European leader in cybersecurity services.

CGI Group, a Canadian global IT consulting, systems integration and solutions provider, has announced a cash offer of 254.15 pence per share to acquire share capital of **SCISYS** valuing the company at £78.4m. SCISYS, a listed software developer and IT services provider, is expected to accept the deal after the board of SCISYS has unanimously recommended the deal to shareholders.

Park Place Technologies, the world's largest post warranty data center maintenance provider, acquired **MCSA Group**, a UK-based business critical IT services and solutions provider. MCSA has a proven track record in delivering a wide range of data center and IT services to public sector clients.

Europe's leading IoT connectivity platform provider, **Wireless Logic Group**, has announced the acquisition of **M2MBlue**, an IoT connectivity specialist. This deal is Wireless Logic Group's fifth acquisition in the last four years and takes their overall revenue close to €100m.

Microsoft specialist, **Modality Systems**, has been acquired by **GCI**, one of the UK's largest ICT service providers. GCI will hope to benefit from Modality's complimentary software solutions and access to established global markets. Modality Systems is one of Microsoft's biggest Skype for Business partners.

Elsewhere **Commify**, a leading European Application to Person messaging company, acquired UK-based **TextAnywhere** and **Mediaburst** from Stericycle Inc.



Have acquired



For GBP 443m



Have acquired



For GBP 78m



Have acquired



The Maindec Group

For undisclosed value



Have acquired



For undisclosed value



Have acquired



Enabling your future®

For undisclosed value



Have acquired



For undisclosed value

Orbis ICT Services Transactions



Provided development capital to



Your Network Infrastructure Partner

For undisclosed value



Have acquired



For undisclosed value

About Orbis

Orbis is a mid-market corporate finance boutique advising on a wide range of M&A transactions covering the technology, media and telecoms sector in addition to industrials, technology, food & beverage and healthcare. Orbis also has an active investment portfolio held through its investment vehicle Intrinsic Equity.

If you are considering your strategic options for enhancing the value of your business or your client's business, please contact either Shah or Nick.

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Orbis is an independent corporate finance advisory firm, working with business owners, management teams and investors to advise them through every aspect of corporate finance.

The partners have over 100 years of deal-making experience and combine their broad network of global relationships with deep sector knowledge and investor skills to deliver a specialist M&A experience.

Orbis is the UK partner for Clairfield International, a global investment bank, offering clients access to over 400 corporate finance professionals situated in over 20 countries across the globe.

Orbis Partners : Services

A complete range of M&A services providing a wealth of experience to our clients

- Company Sales**
- Extensive mid market M&A expertise and experience across the team.
 - International reach – over 20 countries and growing.
 - Over 90% of all sale mandates involve an overseas party.

- Acquisition Support**
- Listed and private clients.
 - Research and origination - internal research team and tools.
 - Strategic and financial assessment.
 - Deal management.

- Due Diligence**
- Experienced and informed advice.
 - Extensive experience within the UK and of international transactions.
 - Tailored reports.
 - Partner led.

- Management Buy Out**
- Deal leadership and fund raising.
 - Align interests with management team.
 - Co-investors on 15 deals.

- Capital Raising**
- Supporting existing business to fund development.
 - Supportive investor bringing focus on value creation.
 - Co-investors on 3 deals.

- Business Improvement**
- Independent advice and planning strategy led by sector insights.
 - Turnaround and profit improvement credentials.
 - Leading the team through uncertainty whilst developing a game plan.
 - Co-investors and principal.

Orbis Partners : Sectors

Experience across a range of sectors

Technology, Media
and Telecoms

Business Services

Industrial

Healthcare

Food & Consumer

