



ACQUISITION OPPORTUNITY

Project: "CloudCorp"

Enterprise IT Software Consulting Company

Overview

- Founded in 2001. Privately held. Located in the Financial District of a major North American city
- Market Leader in Cloud, DevOps, Agile and CI/CD software solutions for Enterprise IT (including many Fortune 1000 companies).
- Microsoft's "GoTo" Partner for corporate migrations to the Azure Cloud
- Over 50 fully-billable Senior software developers, designers and architects
- Enviably track-record of success: project-after-project, year-after-year
- Deep penetration into the Financial Services / FinTech and Technology sectors

Key Assets

- A highly-skilled and experienced Senior Software Consulting team
 - With a deep understanding of Modern Software Development practices and technologies
 - Seasoned professionals (no Juniors): 80% have 15+ years of IT experience
 - Long-term, loyal Consulting Team (< 4% annual Voluntary Turnover)
- Market leaders in advanced Software Development services
 - Cloud
 - DevOps
 - Agile
 - CI/CD (Continuous Integration / Continuous Development)
 - Microservices
 - Automated Testing
 - ALM (Application Lifecycle Management)
- Their specialty is "Embedded" Coaching and Co-development with their Clients' IT teams
- They have deep expertise building on the Microsoft Stack
- Their Technology focus is on Open-source
- They are a trusted Microsoft Partner with a 16-year relationship

Clients

- The Company has a marquee list of Tier-one Enterprise Clients
- Target: FinServ/FinTech and Tech organizations
 - Revenue (last 3 years): 59% from FinServ/FinTech Clients, 34% from Tech Clients
 - FinServ: Banks, Insurance, Pension Funds and Wealth Management companies
 - FinTech: small and large Software companies serving the Financial Services sector
 - Tech: Top Technology companies with operations in CloudCorp's market area
- Key Client Statistics
 - 41 Consulting Clients in 2017; 14 New, 27 Repeat
 - Repeat Clients:
 - i. Represent **93%** of Total Revenue over last 3 years
 - ii. Had Average Revenue of **\$440K** in 2017
 - iii. Have Life-to-Date Average Revenue of **\$1.4m** each

Shareholder Objectives

- All 5 Shareholders work Full Time in the Company
- With the right Strategic Buyer, they could be several times their current size
- They are exploring all options to accelerate the growth of their Company
- All Shareholders desire to stay with the company post transaction

- Senior Management have had experience with successful corporate integrations

Financial Highlights

- **Revenue Growth > 25%** (CAGR since 2012)
- **EBITDA > 25%** (last 2 years)
- No Debt
- Proven Business Model: High Profit, Scalable, Low-Risk, Low-Working Capital
- 2018 will be another year of aggressive growth

\$ CDN	2015	2016	2017	2018P
Total Revenue (millions)	\$8.5	\$11.1	\$13.1	\$16.3
Gross Profit Margin	37.1%	36.4%	37.6%	37.0%
Adjusted EBITDA (millions)	\$1.9	\$2.8	\$3.5	\$4.4
Adjusted EBITDA Margin	22.8%	25.1%	26.6%	26.9%

This Opportunity Will Be Of Interest To

- Larger IT Services Companies
 - Who want to add higher than industry-average Revenue Growth and Profitability
 - Who can leverage Cloud Corp's skills for new sales back into their current client base
 - Who have lower rate Consultants that allow CloudCorp to take on larger client projects
- International Software and Consulting firms
 - Who are targeting and wish to expand their base of Tier-one Enterprise clients
 - Who wish to expand their footprint in North America with an experienced Management team and proven business model
- Global Systems Integrators
 - Who are looking to add Senior Software and Cloud development skills to their team
 - Who want to deepen their penetration into the FinTech / FinServ and Tech sectors
- Large Microsoft partners
 - Who need an experienced Cloud development team to fulfill their growth plans
- Private Equity Groups
 - Who have a focus on active investments in Software Consulting firms

Interested?

CloudCorp has retained Tequity to explore its options and evaluate potential investors. A substantial amount of detailed information to assist in your analysis has been accumulated in our Virtual Data Room. Qualified prospective acquirers will be required to sign a Non-Disclosure Agreement and provide information that illustrates their credibility in being able to complete a transaction.

Should you have an interest in exploring this opportunity, we welcome the chance to speak with you. Replies will be kept in the strictest confidence. For more information please contact:

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