

NOVEMBER 2019 DEAL OF THE MONTH

CLAIRFIELD INTERNATIONAL ADVISES FH IN BRAZIL ON ITS SALE TO INTELLIGENCE-GROUP (NTT DATA GROUP)

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INTELLIGENCE'S ACQUISITION OF FH ALLOWS MARKET ENTRY INTO BRAZILIAN SAP MARKET



was sold to

intelligence NTT DATA Business Solutions



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THE DEAL GIVES ITelligence GREAT ENTRY TO LATAM'S LARGEST ECONOMY

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Transaction summary

FH S.A., one of Brazil's top SAP consulting and development companies, reached an agreement to sell a majority stake to itelligence-group, the global leader in SAP consulting and part of the German NTT DATA Group. The closing of the transaction is conditional upon regulatory approvals, which are expected to be granted in December.

Profile of the companies



Founded in 1999, FH provides end-to-end services for SAP S/4HANA, SAP C/4HANA, as well as its own tax software that is in use by companies that together account for over 8% of Brazil's GDP. The company also has an excellent market position globally. FH is Latin America's leading vendor in SAP's Customer Experience portfolio and has completed numerous successful SAP rollout projects in over 30 countries.

itelligence

itelligence combines innovative SAP software and technology with services and products developed in-house. As a SAP Global Platinum Partner, itelligence offers IT strategy and transformation consulting, software deployment and implementation, as well as application management and managed cloud services, to SMEs and large enterprises. In 2018, itelligence generated approximately EUR 927 million in total revenues.

NTT DATA

NTT DATA, owner of itelligence, is a subsidiary of the Japanese telecom group Nippon Telegraph and Telephone Corporation. It employs about 9,200 people across 26 countries.

Transaction rationale

With this acquisition, itelligence-group expands in one of the strongest-growing economic regions in the world. The deal creates a strong alliance for innovative SAP business between Germany and Brazil. Due to increasingly stringent obligations regarding transparency and compliance, there is a high demand in Latin America's largest economy particularly for ERP software and financial management solutions. The two partners also see substantial growth potential in the areas of marketing, CRM, e-commerce, and for IoT (Internet of Things) solutions.

In over 20 years of business, FH built up specialized know-how in key business processes and developed software and service offerings for companies in the manufacturing, agribusiness, retail, professional services, finance, and utilities sectors. Becoming part of the itelligence group further strengthens its position on the international market and allows FH to generate new opportunities, to the benefit of the company, employees, and clients.

itelligence-group will benefit from an acquisition that represents a strategic expansion into the Latin American market, thereby gaining 700 SAP experts in six locations in Brazil, who will become part of a global team numbering in the thousands. FH's proprietary IP, in conjunction with innovative SAP technologies, will equip the company to achieve further growth, both inside and outside Brazil.

Clairfield role

Clairfield International acted as exclusive financial advisor to FH. The transaction was unusually complex due to the difficult company structure involving six legal entities in Brazil with five main shareholders and approximately 45 mini shareholders. All of the minority shareholders had to be bought out prior to the sale.

Another challenge was managing the expectations of three very different cultures, tax, and legal systems: Brazilian, German, and Japanese. Lead dealmaker Dirk Freiland successfully controlled the entire process on both sides including representatives from all the companies and countries on the core M&A and due diligence team.

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HIGH TECHNOLOGY
OCTOBER 2019

Financial advisors: deals up to USD 500m	rank
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PricewaterhouseCoopers	2
Clairfield International	3
KPMG	3
KBS Corporate	5
Oaklins	6
GCA Corp	7
Rothschild & Co	8
GCG	8
Raymond James Financial Inc	10
Lincoln International	11
Jefferies LLC	11
RSM Corporate Fin LLP	11
Goldman Sachs & Co	11
IMAP	16

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Transactions closed by Clairfield's IT services team

