



## **Computacenter - Arrangement Agreement to Acquire IT Solutions Firm**

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### **Computacenter plc**

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PURPOSE OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) No.  
596/2014.

FOR IMMEDIATE RELEASE

### **Computacenter plc**

## **COMPUTACENTER PLC ANNOUNCES ARRANGEMENT AGREEMENT TO ACQUIRE PIVOT TECHNOLOGY SOLUTIONS, INC.**

Computacenter plc ("**Computacenter**" or the "**Group**") announces that on 8 September 2020 it entered into an Arrangement Agreement pursuant to which Computacenter has agreed to directly or indirectly acquire the entire issued share capital of Pivot Technology Solutions, Inc. ("**Pivot**"), a company listed on the Toronto Stock Exchange (TSX:PTG), by way of a Canadian Plan of Arrangement with an all cash offer of CAD 2.60 per share. The offer has the unanimous recommendation of Pivot's board. The directors and officers of Pivot have provided support undertakings in respect of the shares held or controlled by them, for a potential total of 4.86 million shares, including options and Restricted Stock Units, representing circa 12 per cent of the fully diluted share capital.

Pivot is an IT solutions provider with approximately 85 per cent of its revenues from customers in the US and the remainder from customers in Canada. Pivot employs approximately 600 people in the US and 100 in Canada. In the US, Pivot's customers are large enterprise organisations across the country, with particular strength on the

West Coast (CA, WA), Central (TX) and South East (GA, FL) regions. In Canada, Pivot's wholly-owned subsidiary, TeraMach Technologies Inc., is a leading IT supplier to the Canadian public sector. Computacenter intends to integrate its existing US operations with Pivot, approximately doubling both its revenue and headcount in the US and significantly increasing its coverage and capability, especially in Services with Pivot's approximately USD 80 million of Pivot-Provided Services. The Pivot and Computacenter US businesses are complementary and the combination of the two will allow customers in the US to receive closer to the full range of capabilities that Computacenter offers customers in its more mature European businesses. Senior leadership in Pivot is expected to remain and play a key role in the combined Computacenter business. This includes Kevin Shank, Pivot President & CEO, who has worked in partnership with Computacenter in a previous role, and David Toews, Pivot Chief Financial Officer.

The cash consideration of CAD 2.60 per share (the "Consideration") represents CAD 105.8 million on a fully diluted basis of 40,688,650 shares, options, and Restricted Stock Units, payable upon completion of the acquisition. The arrangement is subject to the approval by 66 <sup>2</sup>/<sub>3</sub> per cent of the votes cast by Pivot's shareholders at a special meeting of Pivot's shareholders held to approve the arrangement, currently anticipated to take place on 23 October 2020, the approval by the Canadian court of the Plan of Arrangement, and certain other conditions precedent to closing. The Consideration will be funded from Computacenter's existing cash resources (Computacenter held cash and cash equivalents of £222.1 million at 30 June 2020). Pivot has a credit facility from a lending group represented by JPMorgan Chase Bank, N.A. ("JPMC"), which provides Pivot with a USD 225.0 million senior secured asset based revolving credit facility ("JPMC Credit Facility"). The JPMC Credit Facility may be used for revolving loans, letters of credit, protective advances, over advances, and swing line loans. Amounts owing by Pivot under the JPMC Credit Facility were USD 103.7 million and USD 106.7 million as at June 30, 2020 and December 31, 2019, respectively; and average undrawn availability was USD 47.8 million and USD 65.3 million for the periods ended June 30, 2020 and December 31, 2019, respectively. Computacenter has agreed with JPMC to retain the JPMC Credit Facility following completion of the acquisition.

For the year ended 31 December 2019, Pivot reported a statutory profit before tax of USD 20.7 million on reported revenue of USD 1,218.1 million. The profit before tax figure for the year ended 31 December 2019 includes USD 6.0 million of finance expense, USD 8.0 million of amortisation of acquired intangibles, restructuring and other non-recurring charges of USD 4.6 million and a gain on disposal of USD 22.3 million. Pivot reported profit before depreciation and amortisation, finance expense, restructuring and other non-recurring costs, change in fair value of liabilities, gains on disposal and other income of USD 26.8 million for the year ended 31 December 2019. As at 30 June 2020, Pivot reported Gross Assets of CAD 541.0 million. Computacenter expects that this acquisition will be accretive to the Group's primary measure, adjusted diluted earnings per share, in 2021.

*"We are pleased with our progress in the US, including the acquisition of Fusionstorm in 2018. The acquisition of Pivot represents an opportunity to increase our scale, geographic footprint and capabilities in US. Additionally, Canada expands our total market opportunity and helps us meet the needs of international customers. The businesses are a good fit and the combination gives us the opportunity to enable the*

*long-term success of customers, partners and people from both teams."* said Mike Norris, Computacenter Group CEO.

*"Computacenter's strong US and global organization, along with its robust and industry leading services portfolio, make it a great fit for Pivot's US and Canadian businesses," said Kevin Shank, Pivot President & CEO. "The merging of the US businesses allows us to scale the organization and better support our existing and new clients. We believe that Computacenter offers a secure long-term future for our businesses and an exciting opportunity for our people." Mr. Shank added.*

#### **About Computacenter**

Computacenter is a leading independent technology partner, trusted by large corporate and public sector organisations. We help our customers to source, transform and manage their IT infrastructure to deliver digital transformation, enabling users and their business. Computacenter is a public company quoted on the London FTSE 250 (CCC.L) and employs over 16,000 people worldwide. Computacenter was supported by Obair Partners on this transaction. For more information, visit [www.computacenter.com](http://www.computacenter.com)

#### **About Pivot**

Pivot is an industry-leading information technology services and solutions provider to many of the world's most successful companies, including members of the Fortune 1000, as well as governments and educational institutions. By leveraging its extensive original equipment manufacturer (OEM) partnerships and its own fulfilment, professional, deployment, workforce and managed services, Pivot supports the IT infrastructure needs of its clients. For more information, visit [www.pivotts.com](http://www.pivotts.com).

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