

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): October 1, 2020

MASTECH DIGITAL, INC.

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania
(State or Other Jurisdiction of Incorporation)

001-34099
(Commission
File Number)

26-2753540
(IRS Employer
Identification No.)

1305 Cherrington Parkway, Suite 400
Moon Township, PA
(Address of Principal Executive Offices)

15108
(Zip Code)

(412) 787-2100
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.01 per share	MHH	NYSE American

Item 8.01. Other Events.

On October 1, 2020, Mastech Digital, Inc. (the “Company”) issued a press release (the “Press Release”) announcing its acquisition of AmberLeaf Partners, Inc. (“AmberLeaf”), a Chicago-based customer experience consulting company. A copy of the Press Release is attached as Exhibit 99.1 hereto, and the statements contained therein are incorporated by reference herein.

AmberLeaf has approximately 40 employees, has consistently maintained an average of 40 to 50 active clients and, for the fiscal year ended December 31, 2019, generated approximately \$11.0 million of gross revenues. The Company anticipates that the acquisition of AmberLeaf will be accretive to the Company’s consolidated net earnings in the first full year following the closing.

The information in this Item 8.01, including the information in Exhibit 99.1 hereto, is being furnished and shall not be deemed “filed” for any purpose, including for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section. The information in this Item 8.01 shall not be incorporated by reference into any registration statement or any other filing under the Securities Act, or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filing, except to the extent set forth by specific reference in such a filing.

Forward-Looking Statements

Certain statements contained in this Current Report on Form 8-K are forward-looking statements within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Words such as “expects,” “anticipates,” “plans,” “believes,” “estimates”, “plans”, “will” and “projects” and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to (i) projections of revenues, earnings, and cash flow, and (ii) the expected benefits to the Company from completing the acquisition of AmberLeaf and the expected performance of the Company following completion of the acquisition. These statements are based on information currently available to the Company and it assumes no obligation to update the forward-looking statements as circumstances change. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict and many of which are outside of the control of the Company. Therefore, actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation, the risks and uncertainties that are described in the Press Release attached hereto as Exhibit 99.1 and in the Company’s filings with the Securities and Exchange Commission, including its Form 10-K for the year ended December 31, 2019.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<u>Press Release of Mastech Digital, Inc., dated October 1, 2020</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MASTECH DIGITAL, INC.

By: /s/ John J. Cronin, Jr.

Name: John J. Cronin, Jr.

Title: Chief Financial Officer

October 2, 2020



Mastech Digital Acquires AmberLeaf

Acquisition will enhance the Company's data and analytics service offerings to include Customer Experience Consulting and broaden its managed service opportunities.

Transaction Highlights:

- AmberLeaf will increase scale and add complementary capabilities to the Company's Data and Analytics business segment, branded as Mastech InfoTrellis;
- The acquisition will strengthen and provide additional scope from which to implement Mastech InfoTrellis' Enterprise Intelligence Hub strategy; and
- The combined businesses will provide customers with an expanded suite of service offerings, delivery capabilities, and human capital across North America, EMEA, India and ASEAN countries.

PITTSBURGH, PA – October 1, 2020 - Mastech Digital, Inc. (NYSE American: MHH), a leading provider of Digital Transformation IT Services, today announced the acquisition of AmberLeaf Partners, Inc., a Chicago-based customer experience consulting company. The acquisition will bring together two distinct brands, one that architects and delivers enterprise intelligence through data and analytics, and the other that provides experience consulting through the customer lifecycle.

AmberLeaf is a uniquely positioned organization that offers managed services for a variety of Cloud-based enterprise applications across sales, marketing, and customer service through the AmberLeaf Experience as a Service (AXaaS). The acquisition will provide a broader scope for AXaaS across Mastech InfoTrellis's global client base.

The transaction is valued at \$14.0 million, with \$9.5 million paid in cash at closing, subject to customary adjustments, and up to \$4.5 million in deferred payments over the next two years. The deferred payments are contingent upon the acquired business achieving specific financial targets during the two years following the closing of the acquisition.

Mastech InfoTrellis expects to realize the following synergies from the combined enterprise:

- Mastech InfoTrellis will enhance its capabilities in customer experience strategy, global service delivery, and IP-led platforms;
- AmberLeaf's customers will have access to Mastech InfoTrellis' "enterprise intelligence hub" - powered by its data bus and knowledge graphs; and
- The AmberLeaf business will have access to Mastech InfoTrellis' global delivery engine and robust sales and marketing capabilities.

Commenting on the acquisition, Vivek Gupta, President and CEO of Mastech Digital, stated, *"In 2017 we began our transformational journey to become a world-class provider of Data Management and Analytics services. The acquisition of AmberLeaf reinforces our commitment to this strategy by enhancing our ability to significantly scale our Data and Analytics business segment."*

Concurrent with the acquisition, the Company entered into a revised credit facility with PNC Bank which increased its term loan facility by approximately \$10 million to \$17.5 million and increased its revolving loan facility to \$30 million, an increase of \$7.5 million from the previous credit line of \$22.5 million. **Commenting on the new credit facility, Jack Cronin, CFO and Corporate Secretary of Mastech Digital** said, *"While we could have comfortably funded the acquisition with funds available under our previous facility, this revised credit agreement will give us sufficient financial flexibility to continue to invest in our businesses in both an organic and inorganic manner."*

Mastech Digital's advisors on the transaction included The Chesapeake Group – investment banker and Blank Rome, LLP - legal counsel.

About Mastech Digital / Mastech InfoTrellis:

Mastech Digital (NYSE American: MHH) is a leading provider of Digital Transformation IT Services. The Company offers Data Management and Analytics Solutions, Digital Learning, and IT Staffing Services with a *Digital First* approach. A minority-owned enterprise, Mastech Digital is headquartered in Pittsburgh, PA with offices across North America, EMEA, India and ASEAN countries. **Mastech InfoTrellis** is the wholly-owned subsidiary of Mastech Digital which offers professional services across data management, data engineering, and data science.

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