Chesapeake Technology Newsletter

15 Nov 2022

THE CHESAPEAKE GROUP
INVESTMENT BANKING & STRATEGIC ADVISORY

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Note: Market data as of Nov 15, 2022

Section 1:

Fortnightly update

This fortnight in technology…

Cognizant to acquire OneSource Virtual's professional services and application management practices

Overview:

- On 1 November 2022, Cognizant announced that it had entered into an agreement to acquire the professional services and application management practices of Dallas, TX-based Workday partner, OneSource Virtual for c.120m.

- The acquisition will enhance Cognizant's finance and HR advisory cloud implementation service offerings.

About Cognizant:

- Cognizant is a leading global IT and professional services company. It engineers modern businesses, helping its clients modernize technology, reimagine processes and transform experiences, enabling them to stay ahead of the curve.

- It is headquartered in Teaneck, NJ and has over 349,000 employees across offices worldwide.

About OneSource Virtual:

- Founded in 2008, OneSource Virtual is a Workday services, solutions and products company. Its professional services and application management practices provide Workday implementation and support services.

- The practices combined have c.400 employees across the US, Canada and the UK.

- The company is headquartered in Dallas, TX.

Rationale of the transaction:

- OneSource Virtual's professional services and application management practices will bolster Cognizant's existing finance and HR advisory implementation services with Workday, expanding its capabilities in consulting, deployment, and post-deployment support across North America and the UK.

- Professionals from OneSource Virtual will join Cognizant's Collaborative Solutions team, the core of Cognizant's Workday practice.

- *"Adoption and migration to the cloud to manage workflows is only accelerating, and the Workday platform ecosystem continues to be embraced as a critical tool to provide finance, HR, and other functions greater resiliency and agility. Acquiring the professional services and application management practices from OneSource Virtual enables Cognizant to expand our client offerings and provide end-to-end support in the business transformation journey,"* said Rob Vatter, Executive Vice President of Cognizant's Enterprise Platform Services.

- "*We believe that our shared value of customer centricity makes Cognizant the ideal home for our professional services and application management services businesses while we concentrate on the Business Process as a Service (BPaaS) division going forward*," said Trey Campbell, Chief Executive Officer, OneSource Virtual.

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Section 2:

Recent news and press releases

Recent news excerpts – Company specific

Wipro announces new retail solutions built on the Microsoft Cloud, launches Retail Innovation Experience – Press release

Nov 15, 2022 — Wipro, a leading technology services and consulting company, today announced new retail solutions, built on the Microsoft Cloud and Cloud for Retail, and a new Retail Innovation Experience in Mountain View, California. This physical, virtual, and hybrid Experience will deepen collaboration between Wipro and Microsoft to accelerate delivery of new solutions that will enable retailers to grow their business and build stronger customer relationships. The Retail Innovation Experience will leverage both Wipro and Microsoft's industry expertise and deep domain knowledge, providing retailers with an immersive space to experience various custom-built solutions powered by the Microsoft Cloud and Microsoft Cloud for Retail.

Infosys BPM opens AI, automation unit in Poland for global clients – Press Release

Nov 14, 2022 — Infosys BPM, the business process management arm of the Indian IT services firm, on Monday launched a unit for artificial intelligence (AI) and automation in Poland's Lodz city to assist global clients. The new unit, in collaboration with IBM, will use AI and automation to offer solutions for automation, lowering costs, productivity, and customer experience. The Center of AI and automation will deliver Infosys BPM's solutions including Infosys Intelligent Document Processing, Infosys Interaction Analytics, Infosys Multilingual Conversational AI, and Infosys Accounts Payable on Cloud. The unit will assist organizations to analyze workflows, design AI-infused apps with low-code tooling, assign tasks to bots, and track performance, the company said in a press release.

LTI and Mindtree to Start Operating as a Merged Entity From November 14, 2022 – Press Release

Nov 14, 2022 — Larsen & Toubro Infotech and Mindtree, leading technology consulting and digital solutions companies under the Larsen & Toubro (L&T) Group, announced that both Mumbai and Bengaluru Benches of Hon'ble National Company Law Tribunal (NCLT) have approved, via two separate orders, the scheme of amalgamation and arrangement between the two companies and their respective shareholders and creditors under section 230-232 and other applicable provisions of the Companies Act, 2013. The two companies had announced their intent to merge in May 2022. This approval clears the way for the merger of the two independently listed companies as LTIMindtree, a scaled-up IT services provider with a client portfolio of more than 750 leading global enterprises from all key industry verticals, and nearly 90,000 professionals spread in more than 30 countries across five continents.

After TCS, now Infosys to resume WFO in a phased manner – Business Today

Nov 14, 2022 — Indian IT bellwether Infosys is urging employees to come back to the office in a phased manner, as per an internal communication circulated amongst employees. The note says that the company is going to adopt a 'three phase work from office plan'. TCS, India's largest IT services company and one of Infosys' competition firms, has already commenced a hybrid model to bring back employees to offices in a phased approach. Krishnamurthy Shankar, Executive Vice President and Group Head of Human Resource Development at Infosys said in the email that their approach will allow flexibility to employees and is not a "one size-fits-all approach." Infosys's internal communication says that the first phase of the plan would allow employees to "come to the office twice a week based as per their convenience." In the second phase, employees would be allowed transfer or relocate to a branch office of their choice. As per Infosys' website, the company has 247 locations in 54 countries.

TCS plans to expand footprint in Illinois, create 1,200 jobs by end of 2024 – Business Standard

Nov 11, 2022 — TCS announced plans to expand its footprint in Illinois by creating 1,200 new jobs by the end of 2024. This investment in the local economy is accompanied by a commitment to accelerate its STEM outreach efforts in local schools to cover 25 % more students and teachers. More than 3,000 Illinoisans currently work for TCS – including 1,100 who were hired within the last five years. Naperville is home to one of the 30 TCS facilities in the US where TCS employees help digitally transform and grow businesses that are cornerstones of the Illinois economy, such as United Airlines and Walgreens Boots Alliance. "I am thrilled that TCS will be expanding their footprint in the Land of Lincoln—with over a thousand jobs being added over the next two years," said Governor JB Pritzker.

Recent news excerpts – Company specific (cont'd)

Wipro appoints Simmi Dhamija as Chief Operating Officer, APMEA – Press release

Nov 09, 2022 — Wipro, a leading global information technology, consulting and business process services company, announced the appointment of Simmi Dhamija as the Chief Operating Officer of the Asia Pacific, Middle East and Africa (APMEA) strategic market unit. Dhamija will lead delivery and operations of the strategic market unit across its different regions and effectively support its profitable growth ambitions. She is a seasoned leader with over two decades of experience in the technology industry. She joins Wipro from Tech Mahindra, where she was the Chief Transformation Officer leading strategic initiatives across digital transformation, M&A synergy, profit improvement, delivery modernization, key customer engagements, and managing 360-degree relationships with partners and ecosystem stakeholders. Prior to that, she has held various global leadership roles in strategy, delivery, operations, and talent development.

VodafoneZiggo selects Cognizant as strategic partner to consolidate its services for IT infrastructure and virtualized networking – Press release

Nov 09, 2022 — Cognizant announced today that it has been selected by VodafoneZiggo, a leading provider of fixed, mobile and integrated communication and entertainment services to consumers and businesses, as its managed services partner to consolidate and support VodafoneZiggo's operations of IT and virtualized mobile network infrastructure. This will enable VodafoneZiggo to improve the availability and reliability of its communications services through proactive monitoring of infrastructure operations, more accurate planning, and with faster deployments of new services to its more than five million mobile business and consumer customers in The Netherlands. As part of the five-year operations and maintenance agreement, Cognizant will harmonize and simplify the current on-premise landscape through increased levels of automation designed to reduce the total cost of ownership.

Wipro invests in new dedicated VMware Business Unit – Press Release

Nov 08, 2022 — Wipro, a leading technology and consulting services company, and VMware today announced an extended collaboration to help mutual customers accelerate their digital journey and maximize their VMware Cloud investments. As part of this expanded relationship, Wipro will launch a new dedicated VMware-focused business aligned to Wipro's broader strategy of driving growth through strategic partnerships. The unit will focus on the power of Wipro FullStride Cloud Services' in-depth expertise across industries along with VMware Cross-Cloud services to help enterprises drive enhanced agility, speed, and innovation. The goal will be to streamline VMware implementations and accelerate deployment of applications, leading to better, faster ROI.

Tech Mahindra's revenue from 5G solutions may touch $1 billion in FY23 – Moneycontrol

Nov 04, 2022 — Tech Mahindra is on track to touch almost $1 billion in revenue from 5G solutions alone in FY23 as India's fifth-largest software exporter continues to see strong momentum, a top executive said. Revenue from 5G solutions jumped almost fivefold to over $600 million in FY22 from $125 million in FY21 as the company benefited from the wider adoption of the faster mobile communications standard. "5G continues to be a strong growth engine for us," Manish Vyas, CEO of network services at Tech Mahindra, told Moneycontrol after the company's second-quarter earnings. "I don't want to steal the thunder from the full year, but as of now, I think we are well on our way to be very close – if not exactly that number – close to a billion dollars."

Infosys and Microsoft collaborate for Spark's ERP driven business transformation – Business Standard

Nov 02, 2022 — Infosys and Microsoft today announced the successful migration of Spark's corporate functions to Microsoft Dynamics 365.
This is set to enhance business resilience, operational simplicity, workplace agility and customer experience for New Zealand's largest telecommunications and digital services company. Infosys was chosen to assist Spark on this journey for its rich Enterprise Resource Planning (ERP) experience, Microsoft Dynamics 365 expertise, and ability to deliver digital and business transformation solutions in an agile and scalable manner. As part of the engagement, leveraging Infosys Cobalt, Infosys delivered a platform-led transformation to de-risk and accelerate end-to-end ERP service delivery and data-driven decision making through Microsoft Dynamics 365 implementation.

Recent news excerpts – Industry

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Business Standard **Nov 15, 2022**	**Building 5G use cases needs strong public-private alliance: NASSCOM study** Effective collaboration between public and private players for creating a skilled workforce and cybersecurity infrastructure, reducing regulatory overlaps, and providing financial incentives, will be needed to ensure that the benefits of 5G are realized across sectors, industry body NASSCOM said in a report released on Tuesday. Sectors such as healthcare, energy & utilities, manufacturing, and retail are expected to benefit the most from large-scale 5G adoption, which is expected to power up to 2% of India's GDP by 2030, the report said. India currently has the second highest number of telecom users in the world, at 1.1 billion, of which 740 million are 4G customers.
Press release **Nov 14, 2022**	**Gartner forecasts India IT spending to grow 2.6% in 2023** India IT spending is projected to grow 2.6% in 2023, according to a recent forecast by Gartner, Inc. Even with the looming tensions of global inflation and the weakening rupee, Indian businesses will continue to increase their spending in key segments of information technology next year. "Inflation has not impacted enterprise spending on technology globally, and India is no exception to this trend," said Arup Roy, VP Analyst at Gartner. "The headwinds are in favor of technology as businesses realized how going digital can benefit them in the long run. Depending upon the maturity level of the digital enterprise, the spending context may be different for different businesses, but overall technology spending will continue to be on the rise in 2023."
Moneycontrol **Nov 09, 2022**	**Large and mega deals dry up for TCS, Infosys, Wipro, HCL Tech** Large deals of over $100 million and mega deals shooting past $400 million have begun to slow down through the past few quarters for the top four Indian IT services companies — Tata Consultancy Services (TCS), Infosys, Wipro and HCL Tech — as clients have turned cautious amid an increasingly uncertain macro environment. Even as these companies remain bullish on the business outlook, analysts have said clarity on larger deal wins will only emerge after the first quarter of 2023. According to data from CareEdge Research accessed by Moneycontrol, there was no net new QoQ client addition for the $100-million-plus revenue bracket across these four companies in the second quarter. In fact, the total QoQ client addition across revenue buckets decreased to 90 from 154 in Q2FY22. The research firm called it "an implied higher base effect on account of a sudden post-pandemic ramp-up in Q2FY22". However, on a sequential basis, client additions remained largely flat.
Press release **Nov 09, 2022**	**Gartner forecasts IT spending in EMEA to grow 3.7% in 2023** IT spending in EMEA is forecast to total $1.3 trillion in 2023, an increase of 3.7% from 2022, according to the latest forecast by Gartner, Inc. Among the most mature markets in Western Europe, Germany, France and U.K., U.K. IT spending is projected to record the highest growth in 2023, achieving a 5.2% increase year-over-year. "In turbulent times, CIOs hesitate to sign new contracts, commit to long-term initiatives or take on new technology partners," said John Lovelock, Distinguished Vice President Analyst at Gartner. "Enterprise IT budgets are not central to this hesitancy, and businesses in EMEA will increase their IT budgets in 2023." EMEA CIOs will, however, perform a balancing act with their IT budget. "For example, they will use digital technology to help other departments realize operational efficiency and cost savings and deploy digital technology to transform their company's value proposition, revenue, and client interactions," said Lovelock.
Mint **Oct 08, 2022**	**IT firms hit the pause button on hiring plans** Indian IT services firms are hitting the pause button after a period of whirlwind expansion since the pandemic outbreak. Five of the country's 10 largest IT services firms reported a sequential decline in the sales and support staff in the quarter to September, as they let go of non-revenue generating people and put an informal freeze on hiring. The country's fourth and fifth largest IT services firms—Wipro and Tech Mahindra—reported a sequential decline in the number of sales and support staff and software engineers, respectively, in July-September. L&T Technology Services Ltd, the smallest of the three IT firms under engineering and construction conglomerate L&T, and Hyderabad-based Cyient Ltd also ended with fewer sales staff in the latest quarter.

Section 3:

Valuation overview

Share price evolution – IT / ITeS companies

Over the past 15 days, the valuation of large as well as mid cap IT services companies increased by c.6%. Stock price of Unisys plummeted 48% after the company missed revenue and EPS estimates for Q3 FY22 and lowered its guidance for FY22. The company also said that it was unable to file the 10Q for the quarter and that its accounting controls were under investigation.
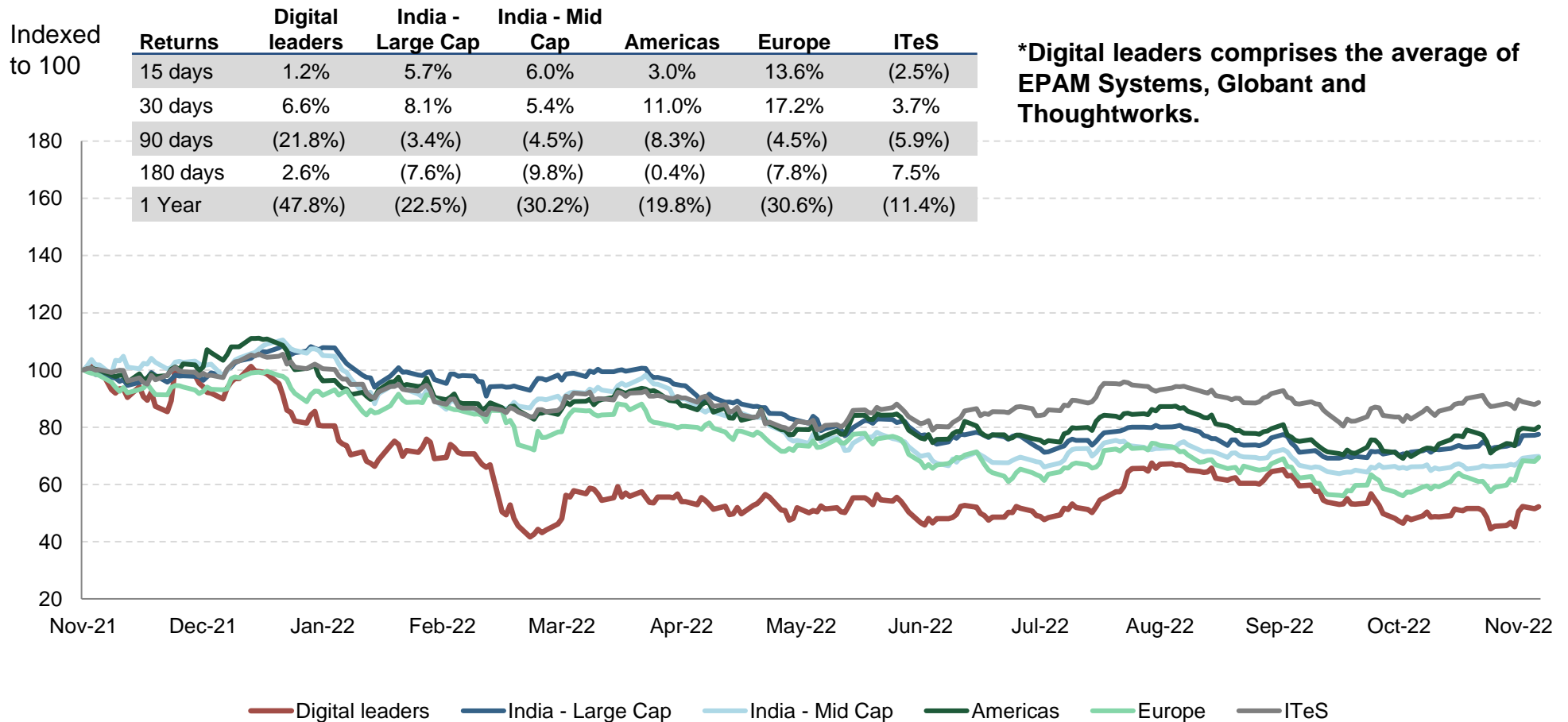
Returns	Digital leaders	India - Large Cap	India - Mid Cap	Americas	Europe	ITeS
15 days	1.2%	5.7%	6.0%	3.0%	13.6%	(2.5%)
30 days	6.6%	8.1%	5.4%	11.0%	17.2%	3.7%
90 days	(21.8%)	(3.4%)	(4.5%)	(8.3%)	(4.5%)	(5.9%)
180 days	2.6%	(7.6%)	(9.8%)	(0.4%)	(7.8%)	7.5%
1 Year	(47.8%)	(22.5%)	(30.2%)	(19.8%)	(30.6%)	(11.4%)

*Digital leaders comprises the average of EPAM Systems, Globant and Thoughtworks.

Indexed to 100

Legend: Digital leaders — India - Large Cap — India - Mid Cap — Americas — Europe — ITeS

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Valuation summary

EV / LTM Sales

3.8x	3.5x	4.4x	1.4x	1.4x	1.9x
Digital leaders	Indian IT - Large cap	Indian IT - Mid Cap	Americas	Europe	ITeS

EV / LTM EBITDA

25.1x	17.4x	20.3x	9.2x	12.8x	14.2x
Digital leaders	Indian IT - Large Cap	Indian IT - Mid Cap	Americas	Europe	ITeS

P / E (LTM)

49.8x	24.7x	23.2x	14.4x	20.6x	19.8x
Digital leaders	Indian IT - Large cap	Indian IT - Mid Cap	Americas	Europe	ITeS
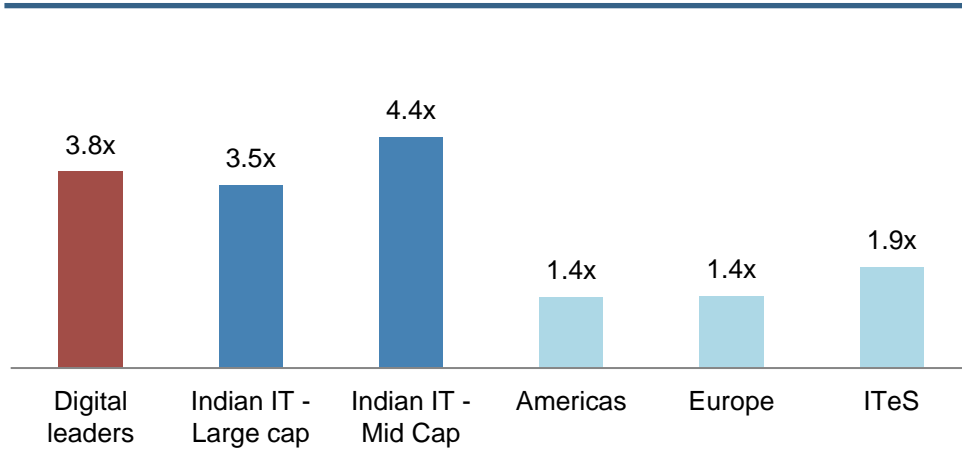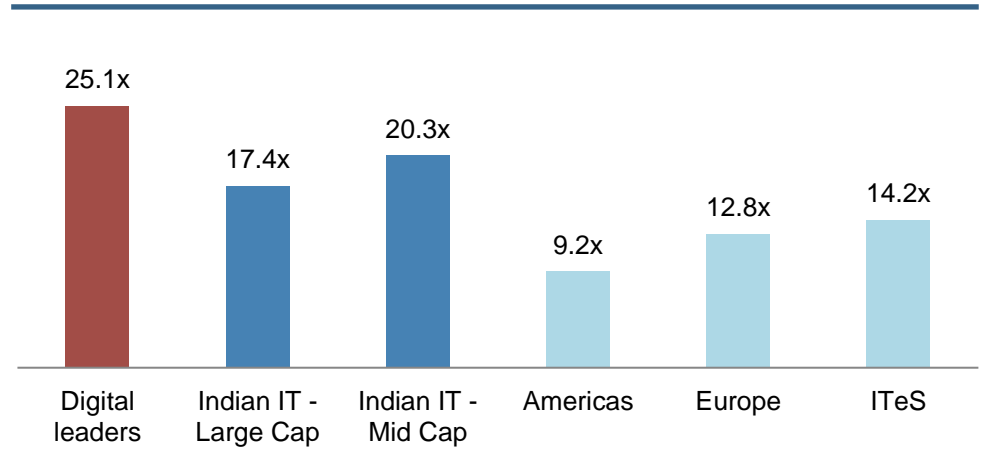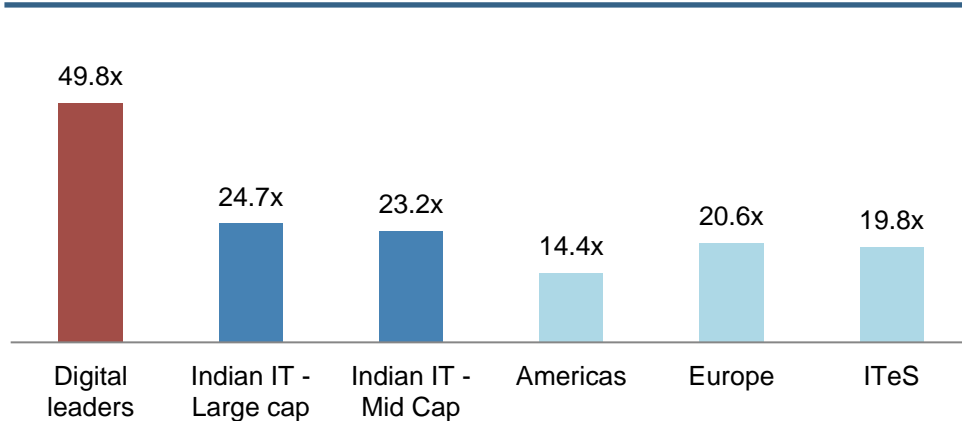
LTM EBITDA Margins

17.4%	19.7%	20.1%	15.6%	10.1%	11.2%
Digital leaders	Indian IT - Large Cap	Indian IT - Mid Cap	Americas	Europe	ITeS

*Digital leaders comprises the average of EPAM Systems, Globant and Thoughtworks.

The Chesapeake Group, Inc.

Key transactions in November

Overview	Target business description	Transaction rationale
Nov-22 Xebia / netlink digital solutions • Target country – United States • Deal size – NA • EV / Sales – NA	• Founded in 1998, Netlink Digital Solutions is a low-code application development services company. • It provides IT consulting, low-code application development, DevOps, QA and managed services. • It has been recognized as partner of the year by OutSystems for four years in a row. • It has trained and certified over 700 OutSystems professionals globally. • The company is headquartered in Atlanta, GA.	• Netlink brings low-code focused end-to-end digital transformation delivery expertise including DevOps, QA and managed services. • Having the largest team of certified OutSystems professionals globally, Netlink adds strong OutSystems experience and delivery capabilities to Xebia. • The transaction with Xebia also strengthens Netlink's capability to deliver low-code services nearer to its customers' locations across the globe.
Nov-22 geniant / 17seconds • Target country – United States • Deal size – NA • EV / Sales – NA	• 17seconds is a product design and innovation company. • It provides product & design strategy, UX research and interactive design services – implementing processes to activate change and showcasing specific key wins on engagements • It has Fortune 500 companies in the financial services industry as its clients. • It is headquartered in San Francisco, CA.	• The acquisition enables geniant to provide holistic digital transformation for its clients in the financial services industry. • The transaction comes at a time when differentiation has become a strategic priority in the financial services industry as an increasing number of financial institutions have become able to deliver many of the same digital capabilities. • By joining geniant, 17seconds will be able to deliver improved physical space and workplace experiences as well apart from the improved digital experience which it does already.
Nov-22 croud / BornSocial • Target country – United Kingdom • Deal size – NA • EV / Sales – NA	• Founded in 2012, Born Social is a social media agency. • It provides brand strategy, creative marketing, media, management, and influencer services. • It has social-first brands like Nando's, Guinness, Primark, Uber, Seedlip, and Jägermeister as its clients. • Born Social a B-Corp certified agency. • It is headquartered in London, UK.	• Born Social's social and brand advertising proficiency will strengthen Croud's existing social and creative offering, providing new and existing clients with the best-in-class services across the entire digital ecosystem. • Also, Born Social's proprietary social media measurement tool, Caliper, will compliment Croud's growing data solutions offering by helping clients better understand the value social media provides for their business. • With Born Social, Croud's global headcount exceeds 450 people, spanning across the UK, the US, Europe, and MENA.

Key transactions in November (cont'd)

Overview	Target business description	Transaction rationale
Nov-22 **KEARNEY** **OPTANO** the next level of planning ▪ Target country – Germany ▪ Deal size – NA ▪ EV / Sales – NA	▪ Founded in 2009, OPTANO is an enterprise software company. ▪ The company provides AI-powered operations optimization solutions for supply chain, production, or network optimization. ▪ It also offers prescriptive analytics solutions to provide effective recommendations for action and what-if scenarios. ▪ It is headquartered in Paderborn, Germany.	▪ With OPTANO, Kearney will get assistance on operations engagements, mainly in AI-powered end-to-end supply chain projects and large-scale operations transformations. ▪ OPTANO will continue serving its existing customers. ▪ "Kearney is the world leader in operations consulting and, adding OPTANO to the firm will enable us to maintain our position and do even more to help our clients optimize their supply chains in support of their growth, cost, resilience, and sustainability goals," said Suketu Gandhi, global co-lead of Kearney's operations and performance practice.
Nov-22 **compass.uol** **AvenueCode** ▪ Target country – United States ▪ Deal size – NA ▪ EV / Sales – NA	▪ Founded in 2008, Avenue Code is a software development agency. ▪ It provides end-to-end software development and digital transformation services to enterprises. ▪ **Verticals:** Retail, automotive, insurance, agricultural, petrochemical, and hi-tech ▪ It has over 1,000 employees across the US, Canada, Europe and Brazil. ▪ It is headquartered in San Francisco, CA.	▪ With Avenue Code, Compass UOL adds expert digital platforms engineering skills to its delivery capabilities. ▪ It will help Compass UOL deliver digital transformation solutions to its clients amidst the rise of new technology trends including metaverse, blockchain, and tech-augmented reality. ▪ It is the sixth acquisition by Compass UOL in a strategy that brings together distinguished digital transformation companies in order to effectively compete with global digital transformation services companies.
Nov-22 **CitiusTech** **WILCO SOURCE** ▪ Target country – United States ▪ Deal size – NA ▪ EV / Sales – NA	▪ Founded in 2014, Wilco Source is a Salesforce consulting company. ▪ It is one of the leading providers of Salesforce consulting and implementation services globally for the healthcare and life sciences verticals. ▪ The company has been a Salesforce partner since inception and has over 450 Salesforce certifications. ▪ It has over 400 employees across the US and India. ▪ The company is headquartered in Santa Clara, CA.	▪ The transaction bolsters CitiusTech's patient and member-centric digital offerings by combining Wilco Source's strong Salesforce implementation, integration, and product engineering capabilities with CitiusTech's deep healthcare domain and digital innovation expertise. ▪ The acquisition is in line with CitiusTech's 3x10 growth strategy to speed up business transformation and convergence across the healthcare and life sciences industry. ▪ Post-acquisition, Wilco Source's management team will run the integrated Salesforce business at CitiusTech.

Key transactions in November (cont'd)

Overview	Target business description	Transaction rationale
Nov-22 **OSF DIGITAL** **oe:gen** • Target country – United Kingdom • Deal size – NA • EV / Sales – NA	• Founded in 2005, Oegen is a Salesforce consulting company. • It provides Salesforce consulting services with expertise in Salesforce Experience Cloud as well as Marketing Cloud, Sales Cloud, Service Cloud, and B2B Commerce. • **Verticals:** Financial and business services, education, and non-profit • It is headquartered in Nottingham, UK.	• The transaction will further establish Sunstone Partners Management-backed OSF Digital as a holistic global Salesforce multi-cloud solution provider and consulting partner by strengthening its Salesforce Experience Cloud practice in EMEA. • Oegen adds major UK high street banks as well as global education and charitable foundations to OSF Digital's roster of clients. • This is OSF Digital's six acquisition in 2022 as it continues to boost its Salesforce multi-cloud expertise and offerings globally.
Nov-22 **splunk>** **twinwave** • Target country – United States • Deal size – NA • EV / Sales – NA	• Founded in 2019, TwinWave Security is a cybersecurity company. • It provides a threat analysis platform that automatically follows and investigates complex attack chains that would otherwise require cumbersome manual workflows for security analysts. • The company's clientele includes Fortune 500 companies. • It is headquartered in San Carlos, CA.	• TwinWave expands Splunk's mission-critical security analytics and automation capabilities to strengthen its leadership in helping customers quickly and accurately detect, analyze and respond to a dynamic landscape of security threats. • It adds critical abilities to empower security analysts with cloud-native automated threat analysis with decisions that can activate remediation playbooks within security, orchestration, automation and response (SOAR) for end-to-end automation. • TwinWave's CEO and co-founder, Mike Horn, will join Splunk as Senior Vice President and General Manager of Security.
Nov-22 **SirionLabs** **ZENDOC** • Target country – United States • Deal size – NA • EV / Sales – NA	• Founded in 2019, Zendoc is an enterprise software company. • It provides an AI-powered contract automation software. • Zendoc integrates with a host of document management software including Microsoft OneDrive / Office365 / Outlook / SharePoint, DocuSign, Dropbox, Box and Gmail. • The company is headquartered in Seattle, WA with an additional office in Nice, France.	• The acquisition of Zendoc reinforces Partners Group-backed Sirion's leadership and commitment to the applications of AI in enhancing contract lifecycle management (CLM) as a category. • It also adds a Center of Excellence (CoE) for Sirion in Nice, France, enabling it to attract technology talent and provide local support to its European customers. • Zendoc's talented team of engineers will focus on enhancing UI / UX for the Sirion CLM platform. • Zendoc's co-founder and CEO Laurent Lathieyre will join Sirion as the Head of Post Signature Applications.

Source: Press release, news reports, Capital IQ

Key transactions in November (cont'd)

Overview	Target business description	Transaction rationale
Nov-22 pwc / SAGENCE ▪ Target country – United States ▪ Deal size – NA ▪ EV / Sales – NA	▪ Founded in 2000, Sagence is a data consulting company. ▪ It provides data management and analytics services translating company goals to a data-based strategies. ▪ The company has industry knowledge and delivery capabilities in multi-cloud, data strategy and AI-based value transformation roadmaps. ▪ It is headquartered in Chicago, IL.	▪ Sagence bolsters PwC's data strategy and cloud transformation capabilities. ▪ It positions PwC as a leading player in data strategy and data cloud transformation capabilities and further establishes it as a distinguished digital business partner of its clients. ▪ The combination of Sagence with PwC's existing data and analytics expertise will help clients further modernize their data in the cloud including bringing sector-specific data strategies and roadmaps to help solve its clients' most pressing challenges.
Nov-22 IBM / omnio connect things faster ▪ Target country – Denmark ▪ Deal size – NA ▪ EV / Sales – NA	▪ Founded in 2016, Omnio is an enterprise software company. ▪ Its flagship product, Omnio Edge, connects operational technology (OT) to IT systems and combines the data for use in IoT and Industry 4.0 use-cases, such as advanced analytics, monitoring and predictive maintenance. ▪ The company is headquartered in Copenhagen, Denmark.	▪ Omnio Edge will merge with IBM's Sustainability Software portfolio, as a result advancing IBM's AI strategy with the development of integrated capabilities in areas such as Intelligent Asset Management. ▪ The product will be integrated into several IBM offerings including the Maximo Application Suite, to enable clients from asset-intensive industries to focus on what their assets should do, identify issues faster and work on strategies to mitigate enterprise risks.
Nov-22 TMG Consulting Where Business and Technology intersect / mak solutions™ ▪ Target country – United States ▪ Deal size – NA ▪ EV / Sales – NA	▪ Founded in 2000, MAK Solutions is a data science & conversion firm. ▪ It provides data analysis, conversion services, and software implementation services for ERP software products. ▪ It also provides functional, consultative and management services for software products and develops proprietary tools and accelerators. ▪ The company is headquartered in Irmo, SC.	▪ This acquisition of MAK Solutions is a key milestone for TMG as it continues to strengthen and expand its Utility Customer and related Systems products and solutions to accelerate project delivery and professional services competency globally. ▪ TMG has successfully partnered with MAK on projects over the last few years and this transaction will meaningfully benefit TMG and its clients. ▪ MAK brings with itself senior professionals, averaging over 25 years of experience in data science & analysis, data conversion, production support, data management, and data migration.

Key transactions in November (cont'd)

Overview	Target business description	Transaction rationale
Nov-22 10 Pearls • Target country – Peru • Deal size – NA • EV / Sales – NA	• Founded in 2017, Whiz is a software development company. • It provides agile software development and staffing services. • It also provides UI / UX research and digital marketing services. • The company has 125 employees from several countries in Latin America. • It is headquartered in Lima, Peru.	• With Whiz, 10Pearls continues expansion of its nearshore team in Latin America. • Whiz enables 10Pearls to better meet the demands of businesses seeking multiple options in this challenging economic climate with ability to leverage nearshore, offshore and stateside resources efficiently. . • The transaction follows 10Pearls' recent acquisitions of Latin America-based Pixel506, Proximity and Xtensifi, expanding its nearshore capabilities.
Nov-22 advania CLOUDIO • Target country – Denmark • Deal size – NA • EV / Sales – NA	• Founded in 2002, Cloudio is IT infrastructure solutions provider. • It provides IT infrastructure solutions including backup and storage to mid-sized as well as enterprise clients in Denmark with cross boarder expansion capabilities. • The company is headquartered in Copenhagen, Denmark.	• The acquisition is in line with Advania's ambition to become the preferred IT services provider in Northern Europe with a comprehensive set of offerings for existing and new customers. • It allows Advania to provide new services in Denmark and continue to build a holistic offering within consulting, managed services, product and software sales. • CLOUDIO will continue to offer the highest level of services to its existing clients and become a key delivery center for Advania in Denmark.
Nov-22 McKinsey & Company SCM connections • Target country – United States • Deal size – NA • EV / Sales – NA	• Founded in 2000, SCM Connections is a software implementation services provider. • It provides supply chain management focused advanced planning software implementation and deployment services. • It has over 45 employees with expertise in supply-chain planning as well as in mathematics, industrial engineering, and economics. • The company is headquartered in Chicago, IL.	• SCM Connections' proven technology skills and capability building will enhance McKinsey's strategic insights, planning-process expertise, and deep organizational, cultural, and mindset transformation experience. • With this transaction, McKinsey adds over 45 consultants with though understanding of advanced planning software to its team. • McKinsey and SCM Connections have partnered on client engagements in the past and share a culture that values client service above all.

Source: Press release, news reports, Capital IQ

The Chesapeake Group, Inc.

Key transactions in November (cont'd)

Overview	Target business description	Transaction rationale
Nov-22 **Impel** **CarLabs.ai** • Target country – United States • Deal size – NA • EV / Sales – NA	• Founded in 2016, CarLabs is a conversational AI software provider. • It develops AI-powered digital assistants that empower automotive OEMs and retailers to engage customers with contextual two-way conversations that drive greater sales and service revenue. • It uses ML and advanced statistical models to optimize content delivery and business performance. • It is headquartered in Calabasas, CA.	• CarLabs brings additional product capabilities, AI services, and resources to Impel and adds on to the company's May 2021 acquisition of Pulsar AI. • The transaction comes in the backdrop of supply chain challenges and tightness in the labor market for the automotive industry, making service revenue and customer loyalty more critical than ever. • CarLabs technology and API integrations augment Impel's Service AI creating a holistic solution for automated service drive communications for the automotive industry.
Nov-22 **cognizant** **onesource** VIRTUAL Professional services and application management practices • Target country – United States • Deal size – $120m • EV / Sales – NA	• Founded in 2008, OneSource Virtual is a Workday services, solutions and products company. • Its professional services and application management practices provide Workday implementation and support services. • The practices combined have c.400 employees across the US, Canada and the UK. • The company is headquartered in Dallas, TX.	• OneSource Virtual's professional services and application management practices will bolster Cognizant's existing finance and HR advisory implementation services with Workday, expanding its capabilities in consulting, deployment, and post-deployment support across North America and the UK. • Professionals from OneSource Virtual will join Cognizant's Collaborative Solutions team, the core of Cognizant's Workday practice. • The transaction is expected to close by year-end 2022.
Nov-22 **DATAPRISE** **Reboot Networks** • Target country – United States • Deal size – NA • EV / Sales – NA	• Founded in 1997, Reboot Networks is a managed services provider. • It provides high-end managed IT services to enterprises. • The company's proprietary IT Equity®, a framework that focuses on delivering technology solutions that add value well beyond regular problem solving. • Its clients located in southern California, Seattle, WA and Boston, MA. • The company is headquartered in Corona, CA.	• With this transaction, Trinity Hunt Partners-backed Dataprise expands its local presence across the West Coast and Boston and Reboot Networks' clients gain access to Dataprise's broad portfolio of powerhouse services including cybersecurity, disaster recovery and cloud. • Reboot Networks is Dataprise's fourth acquisition after its acquisition of Global Data Vault, a DRaaS powerhouse, Microsoft's exemplar Azure partner which rounded out its Cloud portfolio and Wireless Watchdogs, Mobility Managed Services (MMS) provider.

The Chesapeake Group, Inc.

Appendix I:

Market multiples

Market valuation

Company	Market data					LTM Performance				Growth	Valuation multiples		
	Price $	52 week High	Low	Market cap $m	EV $m	Revenue $m	EBITDA $m	Net income $m	EBITDA margin	CAGR 3 years	EV / Sales	EV / EBITDA	P/E
Digital leaders													
EPAM Systems, Inc.	352.1	700.1	174.8	20,252	18,903	4,701	773	407	16.4%	29.5%	4.0x	24.5x	49.8x
Globant S.A.	193.1	320.6	160.0	8,068	7,860	1,669	305	139	18.3%	39.5%	4.7x	25.7x	NM
Thoughtworks Holding, Inc.	9.5	33.2	8.0	2,993	3,250	1,272	(67)	(156)	NM	NA	2.6x	NM	NM
							Average		**17.4%**	**40.1%**	**3.8x**	**25.1x**	**49.8x**
India - Large Cap													
Cognizant Technology Solutions Corporation	60.0	93.1	52.0	30,815	29,604	19,366	3,558	2,345	18.4%	5.2%	1.5x	8.3x	13.1x
HCL Technologies Limited	13.6	18.3	11.0	36,932	35,827	12,078	2,583	1,791	21.4%	9.0%	3.0x	13.9x	20.6x
Infosys Limited	19.7	26.1	16.8	82,634	80,195	17,530	4,154	2,963	23.7%	12.3%	4.6x	19.3x	27.9x
Larsen & Toubro Infotech Limited	63.5	101.5	48.4	11,130	10,829	2,187	397	315	18.1%	15.6%	5.0x	27.3x	35.4x
Mindtree Limited	45.9	67.0	34.8	7,565	7,200	1,495	302	232	20.2%	12.7%	4.8x	23.8x	32.6x
Mphasis Limited	24.9	46.4	23.6	4,684	4,563	1,638	267	193	16.3%	12.1%	2.8x	17.1x	24.3x
Tata Consultancy Services Limited	41.2	54.1	36.6	150,690	145,721	25,505	6,592	4,867	25.8%	5.7%	5.7x	22.1x	31.0x
Tech Mahindra Limited	13.2	24.2	12.2	11,592	11,102	6,071	926	650	15.2%	6.5%	1.8x	12.0x	17.8x
Wipro Limited	4.9	9.7	4.6	26,868	24,992	10,475	1,902	1,386	18.2%	7.3%	2.4x	13.1x	19.4x
							Average		**19.7%**	**7.8%**	**3.5x**	**17.4x**	**24.7x**
India - Mid Cap													
Accelya Solutions India Limited	19.5	19.5	10.8	290	279	49	17	12	35.6%	(8.0%)	5.7x	16.0x	24.9x
Birlasoft Limited	3.5	7.8	3.2	952	876	555	79	59	14.3%	10.6%	1.6x	11.0x	16.0x
Coforge Limited	49.1	81.9	40.6	2,994	3,050	884	145	91	16.4%	16.5%	3.5x	21.0x	32.8x
Cyient Limited	9.5	15.4	8.8	1,050	1,110	616	91	59	14.8%	(1.8%)	1.8x	12.2x	17.8x
Happiest Minds Technologies Limited	12.3	18.2	10.3	1,761	1,754	156	36	27	23.1%	29.9%	11.2x	48.7x	NM
InfoBeans Technologies Limited	6.6	10.7	5.2	161	156	44	11	7	25.5%	38.0%	3.5x	13.8x	23.9x
Latent View Analytics Limited	4.9	9.4	4.0	979	886	59	17	19	29.0%	NA	15.1x	52.1x	NM
L&T Technology Services Limited	46.6	79.4	37.3	4,918	4,692	895	176	131	19.7%	5.1%	5.2x	26.6x	37.5x
Mastek Limited	20.1	44.3	19.7	605	633	286	54	38	19.0%	25.5%	2.2x	11.6x	15.9x
Perficient, Inc.	71.4	146.8	60.1	2,471	2,875	887	175	82	19.7%	17.1%	3.2x	16.4x	30.0x
Persistent Systems Limited	47.2	65.8	38.8	3,445	3,403	867	147	99	16.9%	21.5%	3.9x	23.2x	34.6x
Sasken Technologies Limited	11.6	18.4	9.3	174	162	54	15	13	27.4%	(9.8%)	3.0x	11.0x	13.1x
Sonata Software Limited	6.8	9.1	6.0	936	884	811	65	51	8.1%	20.7%	1.1x	13.5x	18.2x
Zensar Technologies Limited	2.7	7.2	2.6	611	487	577	65	43	11.3%	(1.3%)	0.8x	7.5x	14.1x
							Average		**20.1%**	**11.6%**	**4.4x**	**20.3x**	**23.2x**

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Market valuation (cont'd)

Company	Market data				LTM Performance				Growth	Valuation multiples		
	Price $	52 week High	Low	Market cap $m	EV $m	Revenue $m	EBITDA $m	Net income $m	EBITDA margin	CAGR 3 years	EV / Sales	EV / EBITDA	P/E
Americas													
Accenture plc	292.7	415.4	250.1	184,393	180,466	61,594	10,405	6,877	16.9%	12.5%	2.9x	17.3x	26.8x
CGI Inc.	84.6	88.5	73.9	19,963	22,226	9,372	1,659	1,068	17.7%	0.8%	2.4x	13.4x	18.7x
DXC Technology Company	28.6	38.8	23.3	6,582	10,157	15,370	2,834	757	18.4%	(8.7%)	0.7x	3.6x	8.7x
Positivo Tecnologia S.A.	1.8	2.6	1.0	251	449	887	92	38.3	10.3%	25.1%	0.5x	4.9x	6.6x
Sonda S.A.	0.4	0.4	0.3	322	524	1,069	111	31	10.4%	(2.5%)	0.5x	4.7x	10.4x
The Hackett Group, Inc.	22.8	24.8	17.7	721	656	291	57	48	19.7%	4.0%	2.3x	11.4x	15.1x
Unisys Corporation	4.7	22.8	4.4	319	567	1,962	(65)	(246)	NM	(7.0%)	0.3x	NM	NM
							Average		15.6%	5.6%	1.4x	9.2x	14.4x
Europe													
Alten S.A.	130.5	180.8	102.0	4,431	4,559	3,508	395	269	11.3%	7.8%	1.3x	11.5x	16.5x
Atos SE	12.0	48.0	7.1	1,319	4,379	11,476	438	(3,487)	3.8%	(3.3%)	0.4x	10.0x	NM
Aubay Société Anonyme	48.9	71.2	39.4	648	599	518	54	38	10.4%	3.5%	1.2x	11.1x	17.1x
Cancom SE	29.4	72.4	22.9	1,036	742	1,284	100	39	7.8%	(7.5%)	0.6x	7.4x	26.9x
Capgemini SE	188.9	245.4	149.6	32,494	38,068	21,051	2,778	1,444	13.2%	10.4%	1.8x	13.7x	22.5x
Capita plc	0.3	0.7	0.3	519	1,411	3,743	(201)	(31)	NM	(9.2%)	0.4x	NM	NM
Endava plc	80.5	170.1	63.7	4,561	4,429	784	131	105	16.7%	28.0%	5.7x	33.9x	43.4x
Indra Sistemas, S.A.	9.9	12.5	7.5	1,736	1,983	3,693	291	142	7.9%	0.9%	0.5x	6.8x	12.3x
Knowit AB (publ)	22.4	44.2	18.1	614	694	580	54	36	9.3%	20.1%	1.2x	12.8x	17.3x
Sopra Steria Group SA	152.1	198.1	118.9	3,076	3,912	5,121	465	225	9.1%	1.6%	0.8x	8.4x	13.7x
TietoEVRY Oyj	26.8	31.3	21.9	3,174	3,905	2,848	315	199	11.1%	17.4%	1.4x	12.4x	16.0x
							Average		10.1%	3.6%	1.4x	12.8x	20.6x

Company	Market data				LTM Performance				Growth	Valuation multiples		
	Price $	52 week High	Low	Market cap $m	EV $m	Revenue $m	EBITDA $m	Net income $m	EBITDA margin	CAGR 3 years	EV / Sales	EV / EBITDA	P/E
ITeS													
Conduent Incorporated	3.9	6.2	3.3	833	1,930	3,920	342	111	8.7%	(5.5%)	0.5x	5.6x	7.5x
ExlService Holdings, Inc.	182.4	189.1	113.5	6,031	6,111	1,333	226	139	17.0%	11.2%	4.6x	27.0x	43.3x
Firstsource Solutions Limited	1.4	2.5	1.2	930	1,091	726	79	59	10.8%	9.4%	1.5x	13.9x	15.7x
Genpact Limited	44.5	53.7	38.4	8,151	9,375	4,341	658	337	15.2%	8.3%	2.2x	14.2x	24.2x
Hinduja Global Solutions Limited	16.6	24.4	11.0	692	595	426	4	759	1.0%	(16.3%)	1.4x	NM	0.9x
Startek, Inc.	3.3	5.3	2.6	132	361	677	56	8	8.3%	1.6%	0.5x	6.4x	17.5x
TTEC Holdings, Inc.	47.5	94.8	40.1	2,243	3,206	2,398	305	110	12.7%	14.4%	1.3x	10.5x	20.5x
WNS (Holdings) Limited	83.7	91.3	68.5	4,018	4,084	1,185	191	139	16.1%	11.7%	3.4x	21.4x	28.8x
							Average		11.2%	8.2%	1.9x	14.2x	19.8x

The Chesapeake Group, Inc.

Contact us

ABOUT US

Founded in 1987, The Chesapeake Group is an independent financial advisory company with over 30 years of history in helping clients – from venture stage to large corporations – achieve their corporate development goals. We are focused on the Technology and Software services sector with significant experience in cross – border transactions. Since our inception, we have advised numerous companies on mergers and acquisitions, capital raising, recapitalization, and strategic alliances. Headquartered in New York, with an additional office in Bangalore. Team of 10 professionals with an average experience of more than 30 years.

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