



CHESAPEAKE TECHNOLOGY NEWSLETTER

30 June 2022



THE CHESAPEAKE GROUP

INVESTMENT BANKING & STRATEGIC ADVISORY

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Note: Market data as of June 30, 2022

Section 1:

Fortnightly update

This fortnight in technology...

Majorel to merge with Sitel Group

Overview:

- On 20 June 2022, Sitel Group announced that it had signed an agreement to merge Majorel with itself in a cash and shares deal that would include a c.\$463m cash payout to Majorel shareholders.
- The transaction will bolster growth strategies of both the organizations, creating a top player in the \$300 billion contact center and CX industry and enhancing the value proposition for new and existing clients alike.

About Sitel Group:

- Sitel Group is a leading global provider of CX and contact center products and services. The company has c.165,000 employees across the globe carrying out over 8 million customer interactions everyday in over 50 languages.
- It is a portfolio company of Creadev, the investment arm of the Mulliez family.

About Majorel:

- Founded in 2019, Euronext Amsterdam-listed Majorel is a CX and BPO solutions company. It provides full-service omnichannel customer interaction, BPO, technical support and end-to-end CX services.
- Its clientele includes digital-native and vertical-leading brands.
- The company has LTM revenues of \$1.9bn and LTM EBITDA of \$199m.
- It is headquartered in Luxembourg, Luxembourg.

Rationale of the transaction:

- The merger of Sitel Group and Majorel will create a new global leader in the CX industry.
- The merged entity will have over 240,000 employees across 55 countries speaking over 70 languages and supporting over 1,000 customers across all major verticals.
- The enterprise value of the merged entity is \$10.1bn with pro-forma revenues of \$6.4bn in 2021.
- Majorel legacy shareholders would represent 43.9% and the Sitel legacy shareholders would represent 56.1% of the combined entity. Consequently, the shareholding in the combined entity would be as follows: the Mulliez family (44.9%), Bertelsmann (17.3%), Saham (17.3%), Sitel management (11.2%), Majorel management (0.4%) and free float (8.8%).
- The shares of the combined entity will trade on Euronext Amsterdam and the free float would be increased to at least 20% within a year of closing the deal.



Section 2:

Recent news and press releases

Recent news excerpts – Company specific

Atos supports NATO in refreshing its cybersecurity capabilities – Press Release

Jun 29, 2022 — Atos today announced it has been awarded a €1.2 million contract by the NATO Communications and Information Agency (NCI Agency) to install and configure mission critical cybersecurity capabilities and systems at 22 NATO sites. Atos, #1 worldwide managed security services provider, with a strong focus on resilience and mission critical assets, has also an extensive experience in supporting clients in the defense sector. The Group will put its expertise at the service of NATO to maintain the alliance's ability to defend and protect its critical infrastructure. Atos has a strong track record of collaborating with NATO NCI Agency, providing professional engineering services for design, deployment, and configuration of cyber secured mission critical infrastructure, in various projects covering the wide span of international NATO sites.

Accenture beats quarterly revenue estimates but tempers 2022 view – Mint

Jun 23, 2022 — IT major Accenture beat third-quarter revenue expectations as more businesses turned to the IT services provider to digitize their operations. Revenue for the quarter ended 31 May was \$16.16 billion. Analysts on average had expected \$16.03 billion in revenue. Accenture reported new bookings of \$17 billion, the company's second-highest ever, a 10% increase in USD terms. Operating income rose 23% to \$2.6 billion, with operating margin of 16.1%, an expansion of 10 basis points. Julie Sweet, Accenture's Chair & CEO, said, "Our very strong financial results for the third quarter reflect continued broad-based demand across markets, services, and industries, and the continued recognition of the outstanding talent of our 710,000 people. We continue to gain significant market share, and our services have never been more relevant as our clients turn to us as the trusted partner for the solutions they need to accelerate growth and become more resilient and efficient."

HCL Technologies unveils new global delivery center in Vancouver – Press Release

Jun 23, 2022 — HCL Technologies (HCL) today announced the opening of its new delivery center in Vancouver, Canada. The new center will significantly expand its presence in the country to serve clients primarily in the HiTech industry. The new, nearly 9,000-square-foot facility will be a state-of-the-art center enabling faster and streamlined delivery of innovative technology services. This announcement follows a broader wave of momentum in Canada for HCL Technologies as the company has opened new delivery centers in New Brunswick, Mississauga and Edmonton, and also welcomed its first cohort of the HCL Technologies Apprenticeship Program in Vancouver. The program, part of the company's early career and training program, gives high school graduates who do not have a formal college degree the ability to pursue a career in a fast-growing industry, with focus areas in software development and testing, digital and cloud services, infrastructure delivery and engineering.

Cyient launches AI-powered platform to accelerate hyper-automation – Business Standard

Jun 22, 2022 — The technology solutions company on Wednesday announced the launch of an AI-powered framework for automated system and software testing (CyFAST), to accelerate end-to-end test automation. The platform enables end-to-end test automation across web, mobile, desktop, and embedded application and hardware devices, providing a comprehensive environment for managing testing projects, the company said. The need to integrate hardware, embedded, software, and connectivity aspects with the requisite domain knowledge require enterprises to access diverse skill sets at scale, manage the testing of software across a distributed environment / multiple platforms, and make high upfront investments. CyFAST addresses these challenges by providing a single framework that leverages existing automation assets to enable end-to-end system & software testing along with planning and scheduling multisite and parallel execution of test cases.

TCS bags deal from Aadhar Housing Finance to improve business operations – Business Standard

Jun 22, 2022 — India's largest software firm TCS has bagged a deal to drive business process transformation at Aadhar Housing Finance for an undisclosed sum, the companies said on Wednesday. The domestic housing financier will be deploying the Tata group company's lending and securitisation platform for market expansion, according to a statement. The partnership with TCS is for an end-to-end business process transformation using the integrated and collaborative blockchain-based cloud platform. The Indian market constitutes around 5 per cent of the revenues for the TCS, which depends on the export markets for revenues. Globally, banking, financial services and insurance is the biggest segment for the company.

Recent news excerpts – Company specific (cont'd)

Capgemini and Orange announce that Bleu will start engaging with customers by the end of 2022 – Press Release

Jun 22, 2022 — Today Capgemini and Orange confirmed that Bleu, their future joint venture that will provide trusted cloud (“Cloud de Confiance”) services to address the needs of specific French organizations, is expected to start supporting clients in preparing for their migration by the end of 2022 (date being subject to regulatory approvals). Bleu’s first services, including Microsoft Azure and Microsoft 365, will be operational in 2024. Since the announcement of Bleu in May 2021, Capgemini and Orange have been working closely together to confirm the target model, validate the technical solution with Microsoft, and initiate the development phase. In parallel, Capgemini and Orange are progressing with ANSSI to ensure Bleu Cloud services are designed to comply with SecNumCloud requirements.

IBM plans to step up hiring from tier-II cities – Financial Express

Jun 21, 2022 — IBM India will be looking to increase its headcount across business units of the company in high double-digits, and talent from tier-II cities will form a significant portion of the future workforce in the company. Instead of hiring talent from smaller cities and placing them in offices in key metros, IBM is planning to take offices closer to where majority of the talent is. Thirukkumaran Nagarajan, vice president and head of human resources, IBM India/ South Asia told FE, “We are extending opportunities to talented people across all the cities beyond just the metros. In the early 2000s, we set up offices in big metros, but now we are expanding across tier-II cities.” “Last year, the American technology major expanded its software lab footprint with product engineering, design and software development centers in Kochi and Ahmedabad. The company had grown its Business Processing Operations consulting unit in the suburbs of Hyderabad”

Birlasoft partners with Google Cloud to enable enterprises accelerate their digital transformation journey – Business Standard

Jun 20, 2022 — : Birlasoft, part of the USD 2.8 billion diversified CK Birla Group, and a global enterprise digital and IT services company, has entered in a global partnership with Google Cloud to enable enterprises accelerate their digital transformation journey. Birlasoft has been focusing on driving the benefits of cloud transformation to its customers through enhanced business integration and expanded business value chain. Birlasoft has been closely working with its customers on their digital transformation journeys across its chosen industry verticals - Manufacturing, Life Sciences, BFSI, and Energy and Utilities. Leveraging Birlasoft’s expertise on Google Cloud’s technology offerings will enable customers across various verticals to meet their cloud priorities with speed.

Atos CFO Lhopiteau to exit as company pursues planned split – Reuters

Jun 19, 2022 — French IT company Atos has announced the departure of Chief Financial Officer Stéphane Lhopiteau days after a poorly received plan to split its operations and sell assets, set out last week along with the departure of CEO Rodolphe Belmer. Lhopiteau will leave in the second half of this year, Atos said on Sunday, and will be succeeded by Nathalie Sénéchault, 49, currently deputy CFO. Atos announced the departure of Belmer on June 14 after what sources close to the matter told Reuters said had been a clash with the rest of the board over the fate of cybersecurity unit BDS, as he was willing to sell the business while the board wanted to retain it. Atos plans to spin off BDS and combine it with its services operations. The remaining part of the company would include the loss-making IT infrastructure management services business.

Wipro signs alliance agreement with Eros Investments – Business Standard

Jun 17, 2022 — Eros Investments has signed an alliance agreement with Wipro to evolve and scale the artificial intelligence (AI) and machine learning (ML) based content localization solution. The solution will automate the time-consuming manual content localization process of subtitling and dubbing with near human-level accuracy, driving significant cost and time savings for global media organizations, post-production, and direct-to-consumer over-the-top (OTT) streaming platforms. Eros Investments’ data science experts, in collaboration with Wipro’s technology team, will leverage latter’s Vantage solution, an AI/ML-powered content intelligence platform which uses Google Cloud’s Translation AI suite of services to develop both ‘Speech to Text models’ and ‘computer-generated voice from Text to speech’, including voice cloning, emotion tagging, and speed syncing in various languages.

Recent news excerpts – Industry

Press Release
Jun 29, 2022

Worldwide public cloud services revenues grew 29.0% to \$408.6 billion in 2021: IDC

The worldwide public cloud services market, including Infrastructure as a Service (IaaS), Platform as a Service (PaaS), Software as a Service – System Infrastructure Software (SaaS – SIS), and Software as a Service – Applications, grew 29.0% year over year in 2021 with revenues totaling \$408.6 billion, according to the International Data Corporation (IDC) Worldwide Semiannual Public Cloud Services Tracker. Spending continued to consolidate in 2021 with the combined revenue of the top 5 public cloud service providers (Microsoft, Amazon Web Services, Salesforce Inc., Google, and SAP) capturing nearly 40% of the worldwide total and growing 36.6% year over year.

BusinessToday
Jun 29, 2022

India's SaaS market to be valued at \$50 billion by 2030, says study

India is predicted to emerge as a world leader in cloud computing within the next eight years, according to a report on the Software-as-a-Service (SaaS) industry in the country, which is anticipated to grow at an accelerated rate in the coming years. According to projections made in the first edition of Bessemer Venture Partners' India report titled 'Rise of the Cloud in India', the country is predicted to hugely benefit from the global shift of industries towards increased digitisation and cloud-based technologies, so much so that India's SaaS industry is expected to touch the \$50 billion mark by the end of 2030.

Mint
Jun 24, 2022

IT firms bet on organic cloud platforms

Top software services companies like Tata Consultancy Services, Infosys, HCL Technologies and Wipro are betting big on organic cloud platforms built in-house to help customers accelerate their cloud journeys. The shift to cloud has accelerated due to the pandemic. According to Gartner, by 2025, 51% of IT spending in the areas of application software, infrastructure software, business process services and system infrastructure markets is expected to shift to public cloud, compared to 41% in 2022. Traditional offerings, constituting 58.7% of revenue in 2022, should witness a much slower growth than cloud. "Surge in cloud adoption could prove to be a growth lever for IT service providers on the back of cloud platforms created by them to help speed up cloud transformation journey of clients, thereby improving the utilization of cloud capacity subscribed by clients, and thus, translating bookings into revenues for hyperscalers partners," analysts at ICICI Securities said.

Moneycontrol
Jun 24, 2022

TCS, Infosys and Wipro shares under pressure as Street stares at sticky attrition

Most IT stocks suffered selling pressure on Friday, a day even as after reported a set of quarterly performance that highlighted strong demand for the sector. TCS, Infosys, Wipro, HCL Technologies and Tech Mahindra fell up to 1% in early deals, as analysts feared elevated levels of attrition will continue to impact Indian IT software exporters' margins. US-based IT consulting firm Accenture raised its full-year revenue growth guidance to 25.5-26.5% from 24-26%. It follows a September-August financial year. Its constant currency revenue jumped 27% on a year-on-year basis backed by a healthy deal book – suggesting high demand for technology. The higher revenue guidance comes at a time when IT giants such as TCS, Wipro and Infosys are struggling against shrinking margins due to higher spends to tackle attrition.

Business Standard
Jun 23, 2022

AI adoption to add \$500 billion to India's GDP by 2025: NASSCOM report

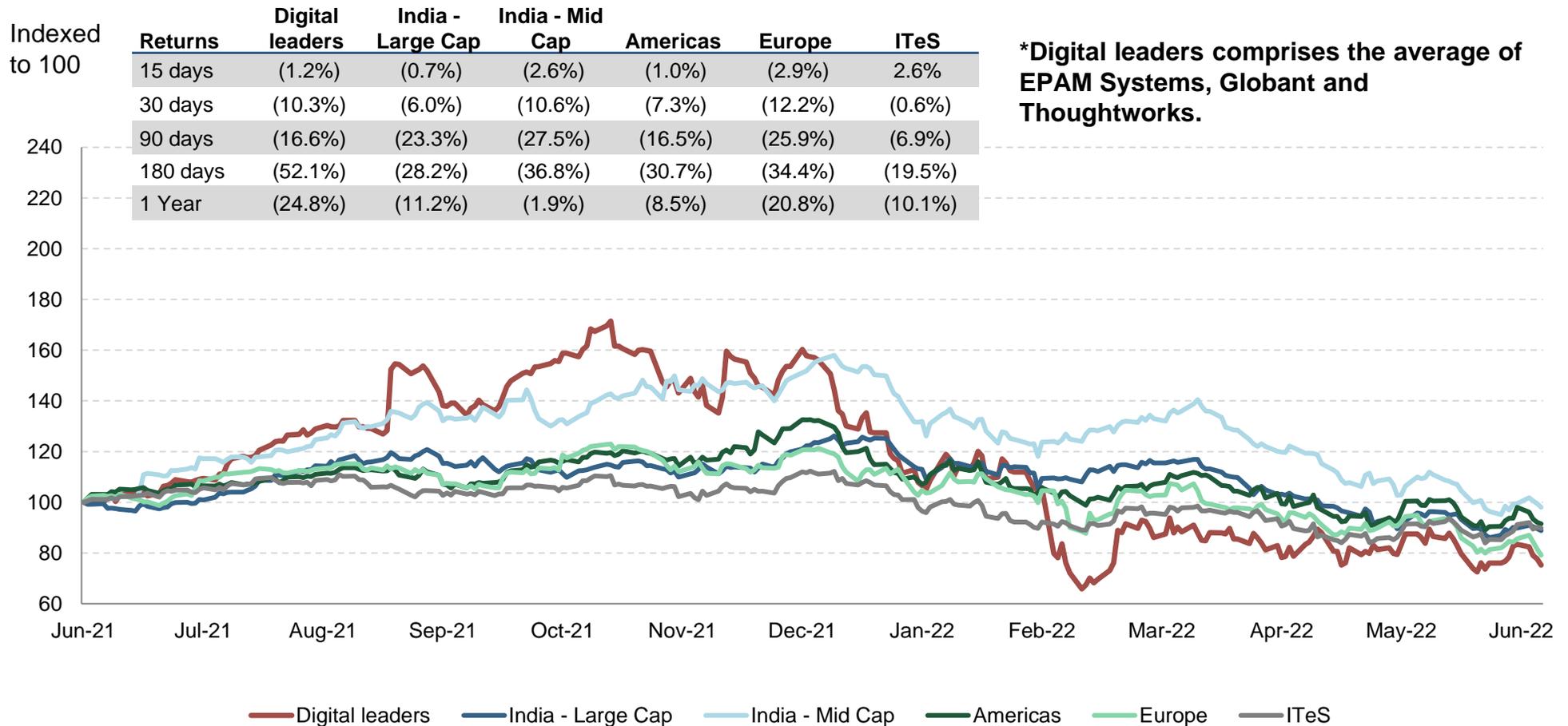
The adoption of artificial intelligence (AI) and data utilization strategy can add \$500 billion to India's GDP by 2025, a new NASSCOM report showed on Thursday. The AI adoption in four key sectors -- BFSI, consumer packaged goods (CPG) and retail, healthcare, and industrials/automotive -- can contribute 60 per cent of the total \$ 500 billion opportunity, according to "AI Adoption Index" NASSCOM, EY and Microsoft, EXL and Capgemini. Though the current rate of AI investments in India is growing at a compound annual growth rate (CAGR) of 30.8 per cent and poised to reach \$881 million by 2023, it will still represent just 2.5 per cent of the total global AI investments of \$340 billion.

Section 3:

Valuation overview

Share price evolution – IT / ITeS companies

Over the past 15 days, the valuation of large cap IT services companies decreased by c.1% and that of mid cap IT services companies decreased by c.3%. Stock price of Birlasoft rose 4% after the company announced a global partnership with Google Cloud to enable its customers accelerate their digital transformation journey.

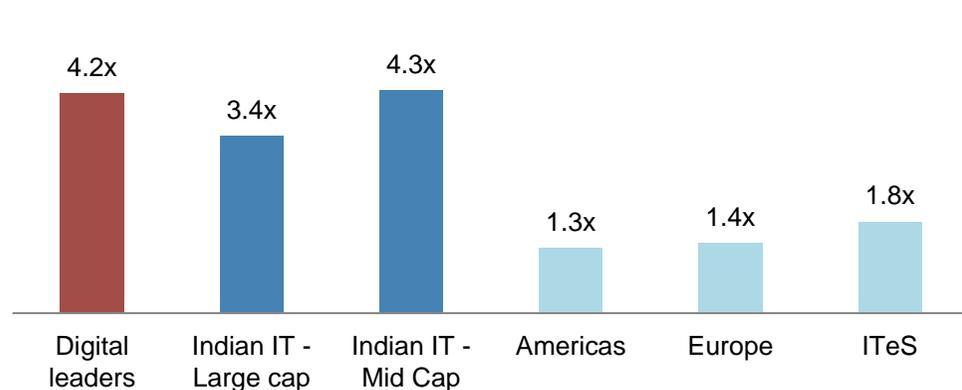


Source: Capital IQ

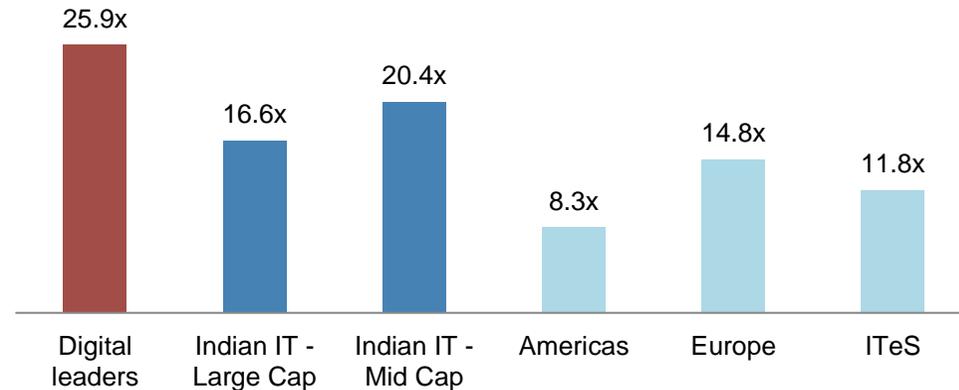
Note: For every parameter, we have used market capitalization of the companies in each segment (composition of each segment can be seen in the appendix)

Valuation summary

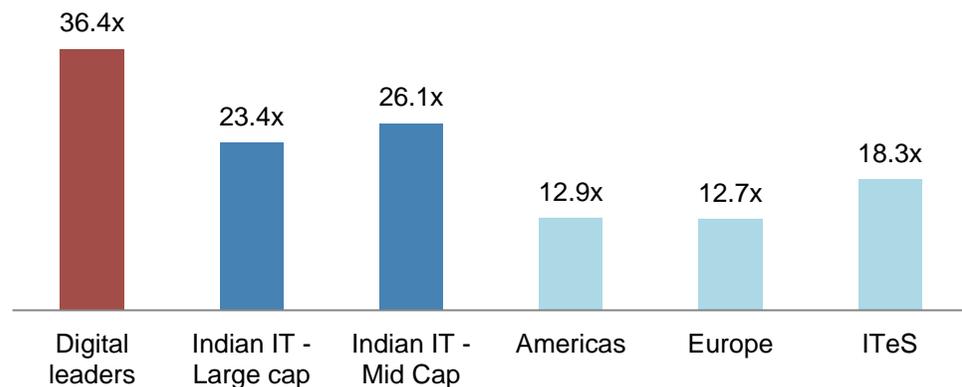
EV / LTM Sales



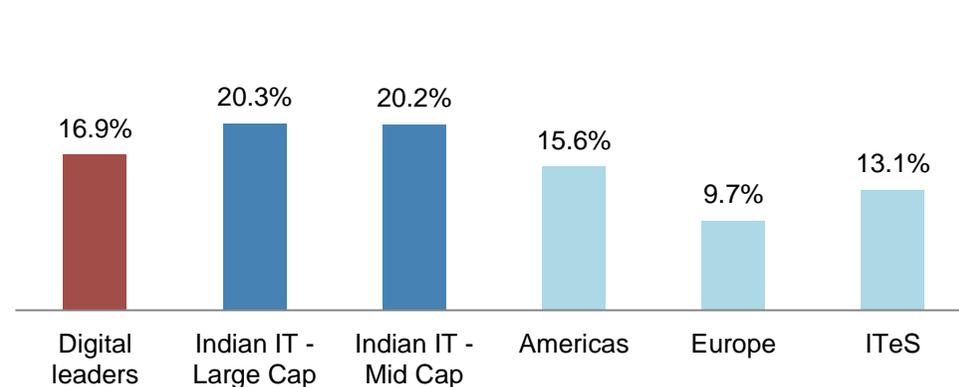
EV / LTM EBITDA



P / E (LTM)



LTM EBITDA Margins



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

Source: Capital IQ

Note: For every parameter, we have used market capitalization of the companies in each segment (composition of each segment can be seen in the appendix)

Key transactions in June

Overview

Target business description

Transaction rationale

Jun -22

ASCENTIAL



- Target country – Singapore
- Deal size – \$250m
- EV / Sales – 10.8x

- Founded in 2017, Intrepid is a digital commerce company.
- It provides expert end-to-end omni-channel e-commerce management, digital marketing, and insights & analytics services using its proprietary software solutions.
- It recorded a revenue of \$23.1m in LTM May 2022.
- The company is headquartered in Singapore, Singapore.

- Intrepid provides an entry point for Ascential's Digital Commerce business into Southeast Asia, expanding its global footprint in this important region for e-commerce.
- Its strong presence in Southeast Asia also provides Ascential's customers a clear pathway to access the next billion consumers over time.
- The acquisition adds 480 employees to Ascential, across Singapore, Malaysia, Indonesia, Thailand, Vietnam and the Philippines.

Jun -22



- Target country – United States
- Deal size – NA
- EV / Sales – NA

- Founded in 1993, Cornerstone IT is a managed services provider.
- It provides data backup and recovery, anti-virus malware and spyware protection, firewall protection and design, cloud, and project management services
- **Verticals:** Professional services, manufacturing, insurance, and construction / development
- It is a Microsoft Gold Cloud Partner.
- It is headquartered in Mentor, OH.

- Cornerstone IT adds to Riverside-backed Logically's capabilities in cybersecurity, data backup and recovery, cloud services, among others.
- This is the eleventh announced by Logically since 2019 and is part of Logically's larger strategy to enhance its footprint throughout the United States, while also continuing its legacy of high-touch customer support.
- Logically plans to continue to acquire successful MSPs that are culturally similar to its core values.

Jun -22



Prima XL and Prima Compliance for Solvency II

- Target country – France
- Deal size – NA
- EV / Sales – NA

- Founded in 2000, Prima Solutions is an enterprise SaaS company.
- It develops a suite of cloud-based software solutions for the insurance industry.
- Prima XL is its reinsurance solution while Prima Compliance for Solvency II is a compliance solution.
- It is owned by The Carlyle Group.
- The company is headquartered in Levallois Perret, France.

- The transaction expands Duck Creek's global footprint in EMEA and APAC and will help its customers streamline and automate reinsurance operations.
- Upon completion of the transaction, dedicated Prima Solutions' personnel will join Duck Creek to support Prima XL and Prima Compliance sales, customer success, and operations.
- The Prima XL reinsurance management solution will be made available to insurance organizations operating on Duck Creek systems as well as systems other than Duck Creek.

Key transactions in June (cont'd)

Overview

Target business description

Transaction rationale

Jun -22



- Target country – India
- Deal size – NA
- EV / Sales – NA

- Founded in 2014, The Data Team is an enterprise AI solutions company.
- It provides a customer intelligence platform, Cadenz, which transforms raw customer data into actionable insights for organizations.
- **Select customers:** Microsoft, Google, Cloudera, AWS, Hortonworks, and MapR
- The company is headquartered in Chennai, India.

- Following this acquisition, HDFC Bank, SIG and Bessemer Venture Partners-backed Lentra will integrate The Data Team's Cadenz to its own platform to enable banks and financial institutions make data-driven decisions relating to their customers' credit worthiness and launch new, innovative products for a faster go-to-market.
- As part of the deal, The Data Team's founder Rangarajan Vasudevan will join Lentra as co-founder and chief data officer.
- Financial terms of the deal were not disclosed.

Jun -22



- Target country – Canada
- Deal size – NA
- EV / Sales – NA

- Founded in 2002, XtremeEDA is an engineering design services company.
- It provides semiconductor engineering services including digital design verification, processor and system integration and hardware security services.
- **Verticals:** Hi-tech, telecommunications, consumer products, avionics and defense
- It has a team of over 40 engineers and practitioners.
- The company is headquartered in Ottawa, Canada.

- XtremeEDA will expand Accenture's silicon design capabilities in Canada and the United States.
- It bolsters Accenture Cloud First's capabilities in edge computing to help its clients improve how they manage and use physical assets at or near the user and create new interactive, human experiences.
- This is the fifth business that Accenture Canada will consummate since 2020.
- Terms of the acquisition were not disclosed.

Jun -22



- Target country – United States
- Deal size – NA
- EV / Sales – NA

- Founded in 2018, ROI Insights is an analytics company.
- It provides business analytics, data visualization, database integration and data consulting services.
- **Select clients:** Gold Star Restaurants, Drees Homes
- The company has 10 employees.
- It is headquartered in Cincinnati, OH.

- The transaction enhances Marcus Thomas' service offerings in the data science, business analytics and data engineering areas and strengthens its foot in Ohio.
- Marcus Thomas' yearlong partnership with ROI Insights on its client Dexcom and shared client Gold Star demonstrated synergies and an ease of working together that delivered exceptional results.
- ROI Insights will keep its name while operating under the Marcus Thomas umbrella.
- Financial terms of the deal were not disclosed.

Key transactions in June (cont'd)

Overview

Jun -22



- Target country – United States
- Deal size – NA
- EV / Sales – NA

Target business description

- Founded in 2017, towerIQ is an enterprise SaaS company.
- Its cloud-based platform provides robust communication, data insights, and exposure gathering for the commercial insurance industry.
- The company had raised seed funding from BGV Management, Clocktower Technology Ventures and Vestigo Ventures.
- It is headquartered in Boston, MA.

Transaction rationale

- towerIQ will allow ReSource Pro's clients to optimize their data and improve productivity, especially across middle to large market, complex and specialty commercial accounts.
- towerIQ is the latest in a series of insurance industry acquisitions made by ReSource Pro as part of its long-term growth strategy to add expertise, technology and resources that enhance client value and expand the company's global operations.
- Adam Demos, CEO of towerIQ, will continue to lead the towerIQ team as a director with ReSource Pro.

Jun -22

Hellman & Friedman



- Target country – United States
- Deal size – \$10.2bn
- EV / Sales – 7.1x

- Founded in 2007, NYSE-listed Zendesk is an enterprise SaaS company.
- It is a leading provider of cloud-based customer service management and sales CRM software solutions.
- It has over 100,000 brands as customers.
- The company has over 6,000 employees across the world.
- It is headquartered in San Francisco, CA.

- Zendesk will be taken private by a group of investors led by Permira and Hellman & Friedman in an all-cash deal.
- Zendesk shareholders will receive \$77.5 per share, representing a premium of c.34% over Zendesk's closing stock price on June 23, 2022, the last full trading day prior to the announcement.
- The transaction was agreed upon after Zendesk's Board concluded that it was the best option for value creation for its shareholders after considering a range of factors including current and anticipated market conditions, business momentum and long-term outlook in a strategic review over three months.

Jun -22



Ingenieria Informatica Interactiva

- Target country – Spain
- Deal size – NA
- EV / Sales – NA

- Founded in 1992, Ingenieria Informatica Interactiva (III) is a software solutions provider.
- It focuses on software development for commercial and industrial companies.
- Its ERP software, Soft Sumind, caters to distributors of industrial materials in the electrical, HVAC, plumbing and hardware segments.
- The company is headquartered in Barcelona, Spain.

- The acquisition is driven by Valsoft's interest in the strong growth opportunities in the construction vertical, as well as the opportunity to add value for all customers in this segment by creating new synergies to increase the quality of its solutions, services, and customer care.
- III complements Valsoft's construction vertical expertise, in line with its acquisition of Telematel in June 2021.
- This is Valsoft's third acquisition in Spain.

Key transactions in June (cont'd)

Overview

Jun -22

Deloitte.



- Target country – Canada
- Deal size – NA
- EV / Sales – NA

Target business description

- Founded in 2015, AE Cloud Consultants (AECC) is a systems integration services company.
- It provides implementation, integration, and custom prebuilt solutions for Oracle NetSuite and Celigo.
- The company's clientele includes multi-national companies as well as small-to-medium sized businesses, including non-profit organizations.
- It is headquartered in Montreal, Canada.

Transaction rationale

- AECC's proven track record in providing cutting edge cloud-based web solutions to clients of all sizes adds tremendous capacity to Deloitte Canada's NetSuite practice, which is poised for continued growth.
- It grants Deloitte Canada's clients access to a new range of offerings, coupled with the firm's credible reputation, expansive network, and forward-thinking execution.
- AECC's team will be joining Deloitte's Consulting practice in Quebec and its CEO will be joining as a Director at the firm.

Jun -22

mission



- Target country – United States
- Deal size – NA
- EV / Sales – NA

- Founded in 2016, Dozen Software is software development services company.
- It provides expert application design and development services.
- The company has clients across industry verticals and of all sizes, from enterprise clients to startups launching their first products.
- It is headquartered in Nashville, TN.

- The acquisition accelerates the growth of Mission Cloud's AppDev practice, bolstering its capacity and capabilities for solving customers' challenges by delivering high-performance and secure applications built on AWS.
- Dozens Software brings a team of talented software engineers skilled at designing, building, and optimizing applications on the AWS Cloud.
- Dozen Software CEO Chris Downs has joined Mission Cloud as the AppDev Practice Lead.

Jun -22

d devoteam

beclever

- Target country – Spain
- Deal size – NA
- EV / Sales – NA

- Founded in 2011, BeClever is a cybersecurity company.
- It specializes in identity-based security and provides access management (AM), privileged account protection (PAM), as well as identity governance and administration (IGA) services.
- It has 50 employees.
- The company is headquartered in Bilbao, Spain.

- The acquisition is a move towards making Devoteam one of the leading digital consulting companies in the Spanish cybersecurity market.
- Post the acquisition of BeCLever, Devoteam will have 900 employees in Spain.
- This acquisition is in line with Devoteam's strategic plan to reach a revenue of €1.5bn by 2024.
- Devoteam has acquired several companies across cloud, data and cybersecurity complement its organic growth in Spain.

Key transactions in June (cont'd)

Overview

Target business description

Transaction rationale

Jun -22



- Target country – Luxembourg
- Deal size – NA
- EV / Sales – NA

- Founded in 2019, Euronext Amsterdam-listed Majorel is a BPO and CX solutions company.
- It provides full-service omnichannel customer interaction, BPO, technical support and end-to-end CX services.
- Its clientele includes digital-native and vertical-leading brands.
- The company is headquartered in Luxembourg, Luxembourg.

- The merger of Sitel Group and Majorel will create a new global leader in the CX industry.
- The merged entity will have over 240,000 employees across 55 countries speaking over 70 languages and supporting over 1,000 customers across all major verticals.
- The enterprise value of the merged entity is \$10.1bn with pro-forma revenues of \$6.4bn in 2021.
- Majorel legacy shareholders would represent 43.9% and the Sitel legacy shareholders would represent 56.1% of the combined entity.

Jun -22



- Target country – India
- Deal size – NA
- EV / Sales – NA

- Founded in 2016, Venerate Solutions is a Salesforce consultancy.
- It builds and implements cutting-edge customized solutions on the Salesforce platform across multiple clouds including Financial Services Cloud, Salesforce Marketing Cloud, Vlocity Industry Cloud and various integration tools.
- The company is a Salesforce Summit Partner.
- It is headquartered in Bengaluru, India.

- Venerate Solutions will add to PwC India's talent pool while enhancing the firm's Salesforce consulting practice and platform engineering capabilities.
- The transaction aligns with PwC's commitment to invest in the area of digital transformation as well as in strategic alliances.
- Venerate's capabilities combined with PwC India's extensive reach will provide enhanced opportunities for clients as well as employees.
- The transaction is expected to close in the next few weeks.

Jun -22



- Target country – Netherlands
- Deal size – NA
- EV / Sales – NA

- Founded in 1979, Asysco is a cloud migration services company.
- It is an expert in legacy transformation technology that helps organizations with critical legacy applications on mainframe systems to convert to modern cloud-based enterprise platforms easily and securely.
- The company is headquartered in Coevorden, Netherlands.

- Asysco will help Avanade's clients in the modernization of their legacy IT infrastructure and realize the cost, agility, scalability and security benefits of moving to a modern cloud platform.
- Asysco's team join the Avanade Azure Center of Excellence dedicated to legacy mainframe conversions and will support clients' migrations globally, especially in Europe and North America where the core of business is currently located.
- Financial terms of the transaction were not disclosed.

Key transactions in June (cont'd)

Overview

Target business description

Transaction rationale

Jun -22



- Target country – United Kingdom
- Deal size – NA
- EV / Sales – NA

- Founded in 2009, BCN Group is a managed services provider.
- It provides hardware reselling and support services as well as managed services across the Microsoft stack.
- It supports over 1,000 clients and over 30,000 users.
- The company is a Microsoft Direct Tier 1 Cloud Service Provider and Gold Partner.
- It is headquartered in Manchester, UK.

- The transaction provides a full exit to Beech Tree Private Equity who invested in BCN Group in 2018.
- BCN Group, with Beech Tree Private Equity's support, has consummated five strategic acquisition since 2018 and this investment by ECI Partners will provide capital to continue this buy-and-build strategy going forward.
- The company's revenues have quadrupled over the past four years – growing from c.£10m to over £40m and is well positioned to expand its capabilities and customer reach further.

Jun -22



IT consulting business

- Target country – Norway
- Deal size – NA
- EV / Sales – NA

- Founded in 1985, Visma's IT consulting business focuses on digital transformation services and is part of Visma Custom Solutions.
- It provides custom software development services leveraging capabilities in GovTech, analytics, cybersecurity and cloud.
- It has over 2,000 employees.
- Its parent company, Visma, is headquartered in Oslo, Norway.

- The transaction separates Visma and its IT consulting business which will enable both entities to achieve even stronger growth as two separate businesses.
- The acquired business will have 30 offices across the Nordic region and Lithuania, with the headquarters in Copenhagen, Denmark, and will operate under a new brand name.
- CVC will support existing management team and employees of the new company to grow and develop its leading market position through both organic growth and acquisitions.

Jun -22



- Target country – United States
- Deal size – NA
- EV / Sales – NA

- Founded in 2006, NorthPoint is an Oracle consulting company.
- It provides solution design, implementation, and managed support services for Oracle's HCM and ERP product suites.
- The company also invested in Oracle technologies PaaS, including Fusion Analytics Warehouse.
- It is headquartered in Boise, ID with an additional office in Mexico.

- NorthPoint will strengthen Argano's service offerings, helping its clients leverage the full breadth of Oracle capabilities to grow their businesses.
- NorthPoint will be a part of the Argano 4 Oracle team to offer a unified set of business and technology solutions to clients.
- The transaction adds on to Argano's acquisition of CSS, a Charleston, SC-based Oracle Platinum Partner with expertise across ERP, JD Edwards, and EBS, in December 2021.

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.	294.8	717.5	174.8	16,847	15,800	4,149	710	462	17.1%	28.8%	3.8x	22.3x	36.4x
Globant S.A.	174.0	354.4	167.5	7,269	7,060	1,428	239	111	16.8%	37.6%	4.9x	29.5x	NM
Thoughtworks Holding, Inc.	14.1	34.4	13.6	4,379	4,584	1,153	(40)	(102)	NM	NA	4.0x	NM	NM
							Average		16.9%	39.3%	4.2x	25.9x	36.4x
India - Large Cap													
Cognizant Technology Solutions Corporation	67.5	93.1	65.8	35,174	34,462	18,932	3,411	2,195	18.0%	5.1%	1.8x	10.1x	16.0x
HCL Technologies Limited	12.3	18.4	12.3	33,345	31,769	11,786	2,635	1,796	22.4%	9.6%	2.7x	12.1x	18.6x
Infosys Limited	18.5	26.1	17.8	77,590	75,275	16,311	4,116	2,963	25.2%	11.4%	4.6x	18.3x	26.2x
Larsen & Toubro Infotech Limited	50.3	101.5	49.3	8,820	8,432	2,065	378	303	18.3%	14.8%	4.1x	22.3x	29.1x
Mindtree Limited	36.6	67.0	33.5	6,023	5,676	1,387	274	218	19.8%	11.0%	4.1x	20.7x	27.7x
Mphasis Limited	29.1	47.2	27.9	5,471	5,309	1,576	256	189	16.3%	12.2%	3.4x	20.7x	29.0x
Tata Consultancy Services Limited	41.3	54.1	39.6	151,286	146,258	25,197	6,600	4,910	26.2%	4.9%	5.8x	22.2x	30.8x
Tech Mahindra Limited	12.7	24.2	12.4	11,115	10,460	5,883	993	733	16.9%	5.5%	1.8x	10.5x	15.2x
Wipro Limited	5.3	9.7	5.2	28,866	26,735	10,422	2,081	1,610	20.0%	7.2%	2.6x	12.8x	17.9x
							Average		20.3%	7.3%	3.4x	16.6x	23.4x
India - Mid Cap													
Accelya Solutions India Limited	11.1	20.2	10.8	166	160	46	14	9	30.4%	(8.8%)	3.5x	11.4x	18.1x
Birlasoft Limited	4.5	7.8	4.1	1,248	1,115	544	79	61	14.6%	0.4%	2.0x	14.1x	20.4x
Coforge Limited	44.8	81.9	41.5	2,729	2,746	848	145	87	17.1%	16.9%	3.2x	18.9x	31.3x
Cyient Limited	9.6	16.4	9.6	1,057	965	597	97	69	16.3%	(3.6%)	1.6x	9.9x	15.4x
Happiest Minds Technologies Limited	10.5	20.6	10.5	1,497	1,450	144	31	24	21.3%	40.9%	10.1x	47.2x	NM
InfoBeans Technologies Limited	8.0	10.7	4.8	195	191	36	9	7	24.9%	29.0%	5.3x	21.4x	26.0x
Latent View Analytics Limited	4.2	9.4	4.0	847	748	54	15	17	28.8%	NA	13.9x	48.4x	49.6x
L&T Technology Services Limited	38.4	79.4	38.0	4,049	3,849	861	168	126	19.5%	5.3%	4.5x	22.9x	32.1x
Mastek Limited	27.1	45.5	24.4	814	760	288	64	39	22.3%	24.5%	2.6x	11.9x	20.9x
Perficient, Inc.	91.7	148.8	80.4	3,177	3,579	814	152	66	18.7%	16.8%	4.4x	23.6x	48.4x
Persistent Systems Limited	43.2	65.8	36.9	3,298	3,201	753	124	91	16.5%	15.7%	4.3x	25.7x	36.3x
Sasken Technologies Limited	9.7	20.2	9.3	146	139	57	17	17	29.6%	(7.7%)	2.4x	8.2x	8.7x
Sonata Software Limited	8.5	12.9	8.0	880	787	732	61	50	8.3%	19.6%	1.1x	13.0x	17.7x
Zensar Technologies Limited	3.4	7.9	3.3	779	693	559	82	55	14.7%	(0.8%)	1.2x	8.4x	14.2x
							Average		20.2%	9.5%	4.3x	20.4x	26.1x

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	277.7	415.4	270.9	175,627	173,030	59,590	10,043	6,628	16.9%	11.8%	2.9x	17.2x	26.5x
CGI Inc.	79.6	93.0	74.1	18,932	21,029	9,924	1,749	1,140	17.6%	4.1%	2.1x	12.0x	16.6x
DXC Technology Company	30.3	43.4	27.6	6,961	10,780	16,265	3,064	718	18.8%	(7.8%)	0.7x	3.5x	9.7x
Positivo Tecnologia S.A.	1.1	2.9	1.1	148	284	783	78	36.5	9.9%	19.0%	0.4x	3.7x	4.1x
Sonda S.A.	0.3	0.6	0.3	256	423	1,181	134	35	11.4%	(0.3%)	0.4x	3.1x	7.3x
The Hackett Group, Inc.	19.0	24.8	17.3	600	556	289	55	46	19.1%	3.5%	1.9x	10.0x	13.1x
Unisys Corporation	12.0	26.5	11.1	814	933	1,991	(408)	(348)	NM	(9.3%)	0.5x	NM	NM
Average									15.6%	5.4%	1.3x	8.3x	12.9x

Europe													
Company	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
Alten S.A.	108.5	180.8	108.5	3,685	3,645	3,327	358	236	10.7%	8.6%	1.1x	10.2x	15.6x
Atos SE	13.4	62.6	13.1	1,479	4,079	12,327	755	(3,369)	6.1%	0.4%	0.3x	5.4x	NM
Aubay Société Anonyme	50.6	71.2	48.9	671	608	535	57	39	10.7%	5.3%	1.1x	10.7x	17.1x
Cancom SE	33.6	72.4	33.6	1,191	794	1,415	106	305	7.5%	(2.8%)	0.6x	7.5x	3.9x
Capgemini SE	170.9	245.7	170.9	29,389	34,123	20,653	2,735	1,316	13.2%	11.0%	1.7x	12.5x	22.3x
Capita plc	0.3	0.7	0.3	519	1,658	4,309	35	304	0.8%	(6.3%)	0.4x	47.3x	1.7x
Endava plc	88.3	170.1	83.0	4,912	4,827	799	143	95	17.9%	31.0%	6.0x	33.7x	NM
Indra Sistemas, S.A.	9.5	12.7	8.6	1,680	1,928	3,927	327	178	8.3%	3.0%	0.5x	5.9x	9.4x
Knowit AB (publ)	27.9	45.4	27.6	764	783	588	60	36	10.1%	19.5%	1.3x	13.1x	20.9x
Sopra Steria Group SA	149.1	210.9	149.1	3,018	3,792	5,326	505	213	9.5%	4.3%	0.7x	7.5x	14.1x
TietoEVRY Oyj	24.6	35.9	22.9	2,916	3,532	3,160	386	319	12.2%	20.7%	1.1x	9.1x	9.1x
Average									9.7%	5.6%	1.4x	14.8x	12.7x

ITeS													
Company	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
Conduent Incorporated	4.3	7.5	4.2	931	2,038	4,079	376	119	9.2%	(7.4%)	0.5x	5.4x	7.8x
ExlService Holdings, Inc.	147.3	153.4	106.3	4,904	5,016	1,190	204	119	17.1%	9.1%	4.2x	24.6x	41.2x
Firstsource Solutions Limited	1.3	3.1	1.2	891	1,090	780	106	71	13.5%	12.2%	1.4x	10.3x	12.6x
Genpact Limited	42.4	53.7	38.4	7,843	9,196	4,145	667	374	16.1%	9.9%	2.2x	13.8x	21.0x
Hinduja Global Solutions Limited	13.6	24.4	11.0	567	160	430	36	804	8.4%	(12.6%)	0.4x	4.4x	0.7x
Startek, Inc.	2.9	7.5	2.8	116	366	708	67	12	9.4%	6.8%	0.5x	5.5x	9.4x
TTEC Holdings, Inc.	67.9	112.3	60.1	3,193	4,026	2,323	309	124	13.3%	15.0%	1.7x	13.0x	25.8x
WNS (Holdings) Limited	74.6	91.3	68.5	3,646	3,494	1,110	199	132	17.9%	11.1%	3.1x	17.6x	27.6x
Average									13.1%	9.4%	1.8x	11.8x	18.3x

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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