



CHESAPEAKE TECHNOLOGY NEWSLETTER

30 Apr 2022



THE CHESAPEAKE GROUP

INVESTMENT BANKING & STRATEGIC ADVISORY

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Note: Market data as of Apr 30, 2022

Section 1:

Fortnightly update

This fortnight in technology...

Wipro to acquire Rizing

Overview:

- On 26 April 2022, Wipro announced that it had agreed to acquire Rizing, a global SAP consulting company for \$540m, representing an EV / Sales multiple of 2.8x based on CY 2021 financials.
- Rizing brings strategic SAP consulting capabilities and deep expertise in the oil & gas, utilities, manufacturing, and consumer industries to Wipro.

About Wipro:

- Wipro is a leading global information technology, consulting and business process services company. It provides a comprehensive set of services leveraging cognitive computing, hyper-automation, robotics, cloud, analytics and emerging technologies.

About Rizing:

- Founded in 2003, Rizing is a pure-play premier SAP solution and services provider. It has over 1300 employees in 16 countries across North America, Europe, Asia, and Australia.
- The company recorded a revenue of \$194m in CY 21.
- It derives 58%, 23% and 19% of its revenues from North America, Asia and Europe, respectively. By vertical, it derives 60%, 17%, and 16% of its revenues from Retail, Fashion & Consumer Products, Energy & Utilities, Manufacturing & Tech, respectively and 7% from Others.
- It is owned by private equity firm One Equity Partners.
- The company is headquartered in Stamford, CT.

Rationale of the transaction:

- Rizing's industry expertise and SAP consulting capabilities in enterprise asset management, consumer industries, and human experience management, will be instrumental in advancing Wipro's position as a sought-after advisor for clients' most complex SAP transformations.
- It also bolsters Wipro's leadership in oil & gas, utilities, manufacturing, and consumer industries.
- Rizing will become a critical extension of Wipro's SAP Cloud practice and Wipro FullStride Cloud Services.
- Upon completion of the transaction, Rizing will operate as Rizing, a Wipro company, under the leadership of Mike Maiolo, Chief Executive Officer, Rizing.
- Commenting on the transaction, Thierry Delaporte, Chief Executive Officer & Managing Director, Wipro said, "*We are thrilled to welcome the Rizing team to the Wipro family. Rizing's complementary consulting capabilities and strong client relationships will significantly boost our existing offering, creating one of the most differentiated SAP services in the marketplace. Together, we will be able to expand our presence in high-growth industry sectors.*"



Section 2:

Recent news and press releases

Recent news excerpts – Company specific

Wipro to hire 38,000 freshers in FY23; offers quarterly promotion – The New Indian Express

Apr 29, 2022 — IT major Wipro said that it will hire 38,000 freshers this fiscal. Attrition has been a cause for concern for the IT industry and all major IT companies are increasing their freshers hiring. Wipro has doubled the hiring from 19,000 in FY22 to 38,000 in FY23. Earlier, IT majors TCS and Infosys too said that they will hire around 40,000 and 50,000 freshers, respectively in the current fiscal. The company's attrition rate in the fourth quarter jumped to 23.8% from 22.7% in the previous quarter. The IT major will also increase the frequency of the promotion cycle for 70% of employees in junior bands on a quarterly basis. Its total headcount as of March 31, 2022, was 2,43,128, and it has added 45,416 employees in FY22 alone.

Wipro GE Healthcare launches 'Made in India' CT System – Business Today

Apr 29, 2022 — Wipro GE Healthcare, a global medical technology and digital solutions innovator, today announced the launch of its next-generation Revolution Aspire CT (Computed Tomography) scanner. Revolution Aspire is designed and manufactured end-to-end in India, at the newly launched Wipro GE Medical Devices Manufacturing plant, in line with 'Atmanirbhar Bharat' initiative, the company stated. According to Wipro GE Healthcare, the CT system is equipped with higher imaging intelligence to improve clinical confidence when diagnosing diseases and anomalies and has operational efficiency with upto 50 per cent higher throughput. The rotation time in Revolution Aspire CT scanner has been increased by 20 per cent, enabling clinicians to provide faster diagnosis.

Tech Mahindra launches AI solution for business automation – BusinessLine

Apr 27, 2022 — Tech Mahindra on Wednesday announced the launch of TechM amplifAI^{0->∞} - a suite of Artificial Intelligence (AI) offerings and solutions to democratize and scale the deployment of AI in a responsible manner. Through these offerings and solutions, the IT services major will cater to enterprises solving complex problems to future-proof business operations. TechM amplifAI^{0->∞} has software-driven offerings at its center such as Artificial Intelligence for IT Operations (AIOps) and Machine Learning Operations (MLOps) platform GAiA, advanced speech analytics solution, Sayint and AI-powered marketing studio, MobilLytx. The offerings and solutions aim to help customers discover opportunities, strategize efforts in the right direction, and remove bottlenecks by offering tailor-made services and automating processes to increase the throughput and profitability of enterprises.

Labour Ministry sends notice to Infosys on no-compete clause – Mint

Apr 27, 2022 — The Ministry of Labour & Employment has issued a notice to Infosys to hold a "joint discussion" on the enforcement of the non-compete clause which prevents an employee from joining a rival tech firm within six months of exiting Infosys. "This is with reference to the complaint numberfrom the President, Nascent Information Technology Employees Senate (NITES), against the management of Infosys limited in respect of non-compete agreement clause, whereby the employees terminated from employment from Infosys for any reason have been restricted in respect of their future employment," said the notice sent to Krish Shankar, group head-human resources at Infosys. "The aforesaid clause has been alleged to be unethical and illegal by the complainant. It has been decided to hold a joint discussion on the issue before the Chief Labour Commissioner (Central) Ministry of Labour & Employment, Govt of India at 3pm on 28.04.2022...", the notice added.

Infosys launches Cobalt cloud for the financial services sector – Mint

Apr 26, 2022 — Infosys launched Cobalt Financial Services Cloud, an industry cloud platform for enterprises to accelerate business value and innovation in the cloud across the financial services industry. Infosys Cobalt platform is the company's umbrella offering for everything related to cloud, and one of its biggest organic investments in the digital space. "Infosys Cobalt Financial Services Cloud is a secure, vertical cloud platform that enables enterprises to accelerate cloud adoption, rapidly build cloud native business platforms, drive business agility and growth, foster innovation, and deliver a personalized customer experience," Infosys said in a statement. Infosys said the Cobalt Financial Services Cloud platform offers security and regulatory compliance built into the platform, financial services-specific assets and use cases, capability to rapidly deliver cloud native business platforms, and low-code apps for use by business and citizen developers, among others.

Recent news excerpts – Company specific (cont'd)

Freemans Grattan Holdings picks Tech Mahindra for digital transformation – BusinessLine

Apr 25, 2022 — Tech Mahindra announced that it has been selected as the technology and digital transformation partner for Freemans Grattan Holdings (FGH). Through this partnership, the IT services major will support FGH in executing their 4D strategy of Distinct Retail Offer, Dynamic Financial Services, Digital First and Driven by Operational efficiency. FGH is part of the Otto Group, one of the world's largest home shopping organizations, and the home of familiar names such as Freemans, and its boutique brand Kaleidoscope.co.uk. This five-year engagement will help FGH reduce their technical debt and migrate their entire infrastructure and application portfolio to cloud-based platforms. FGH and Tech Mahindra will collaborate to improve overall customer experience, delivering customer insight, hyper-personalization, seamless credit services, and simplified operations, all within a MACH (Microservices, API, Cloud, Headless) architecture.

SBI Card partners with TCS to revamp digital experience – Mint

Apr 25, 2022 — TCS is expanding its strategic partnership with SBI Cards and Payments Services, India's largest pure-play credit card issuer, to power the latter's next leg of digital transformation. The new engagement is built on a decade-long partnership. In the run up to SBI Card's blockbuster IPO in 2020, TCS had helped the company transform its core cards sourcing platform and digitized a significant portion of the process. The future-ready, agile platform personalized customer experience and helped boost sales and retention. During the COVID-19 crisis when social distancing norms were affecting customer interactions, TCS worked closely with SBI Card to implement video KYC and e-signature features to fully digitalize its cards sourcing process. This entire digitalization project was complex, considering the integration touchpoints between these new technologies and the SBI Card-owned Sales24 platform, which is used for new account originations.

Mindtree, Sapiens partner to provide software solutions for insurance industry – Mint

Apr 25, 2022 — Mindtree and Sapiens today announced a partnership to help insurance companies drive digital transformation. "The combination of Sapiens' industry-leading, cloud-native, core suite of banking and insurance applications, and Mindtree's deep domain knowledge and expansive delivery capabilities will enable insurance companies to increase scale, speed-to-market, and customer satisfaction as they embrace digital. Initially designed to support insurance system implementations, the partnership will first focus on North America and subsequently grow into Europe and Asia," Mindtree said in a statement. "We are delighted to partner with Mindtree in the Property & Casualty and Life & Annuity insurance markets. Our collective insurance industry and digital transformation experience will further strengthen our delivery capabilities and scale, which will drive continued growth and customer satisfaction," said Jamie Yoder, North America President and General Manager at Sapiens.

Mendix and Atos expand global partnership to drive efficient, digital decarbonization across every industry with enterprise low-code – Press Release

Apr 21, 2022 — Mendix, a Siemens business and global leader in enterprise application development, and Atos, a global leader in digital transformation, today announced that they have signed an expanded partnership agreement to empower Atos to leverage the Mendix low-code platform to drive hyper-automation and decarbonization in enterprises. This partnership with Mendix enhances the longstanding, trusted partnership between Atos and Siemens, cementing Atos' commitment to providing world-class, low-code solutions for global businesses. At launch, the agreement will give Atos the license to sell Mendix low-code platform in multiple regions where Atos has a joint business collaboration with Siemens, including APAC, EMEA, and the Americas. The offering will become available in more and more countries after the initial launch.

Wipro appoints Satya Easwaran as country head of India – Press Release

Apr 18, 2022 — IT major Wipro today announced the appointment of Satya Easwaran as the Country Head for India. Easwaran will be in charge of strengthening Wipro's business in India across key industry sectors through strategic consulting, transformation and modernization engagements. Easwaran will help clients leverage Wipro's capabilities and investments in cloud, digital, engineering R&D, data/analytics and cybersecurity to succeed in their business and digital transformation initiatives, the company said. Easwaran has global work experience driving end-to-end business transformation programs for leading enterprises in different sectors. Prior to joining Wipro, he was the Head of Business Consulting and the Telecom, Media & Technology (TMT) Sector Leader at KPMG India.

Recent news excerpts – Industry

Press Release
Apr 29, 2022

Indian domestic IT services market grows by 7.9% in 2021 with enterprises continuing to invest in digital transformation initiatives: IDC

In 2021, the Indian domestic IT & Business Services market was valued at USD 14.15 Billion and recorded a 7.2% year-over-year (YoY) growth as compared to 5.3% in 2020, according to IDC's Worldwide Semi-annual Services Tracker. The increase in growth rate is due to rise in digital transformation initiatives among enterprises in the country. Of the IT & Business Services market, the IT Services market contributed 77.6% and grew by 7.9% in 2021 compared to the 5.8% growth in 2020. Further, as per IDC, the IT & Business Services market is expected to witness a robust growth in the upcoming years as enterprises continue to invest in areas like cloud, AI/ML, security, application modernization, etc.

The Hindu
Apr 25, 2022

Indian firms filed 1,38,000 tech patents in the country from 2015-2021: NASSCOM

Indian companies have filed 1,38,000 tech patents in the country and over 9,500 patents in the U.S. from 2015-to 2021, according to India Patents Report published by NASSCOM on April 25. More than 60% of these patents were filed by Indian companies and start-ups while 17% of the tech patents were filed by individual inventors/Academia Research outfits. Some 65% of the total patents filed in the U.S. in 2020-21 by India domiciled companies were in the technology domain, as compared to 55% in 2019 and some 45% of the technology patents filed have been granted. Also, over 400 technology patents were filed by Indian start-ups from 2015-to 2021, an increase of 45% from 280 patents in the 2015-2019 period, said the study. Some 21% of the tech patents were related to software applications and healthcare and medical devices and other leading segments.

Mint
Apr 25, 2022

Internet of Things, AI to drive business value for fleet management firms

The pandemic underscored the importance of commercial vehicle fleets, amid mobility restrictions and limited supplies of essentials. It also highlighted the need for technology solutions to manage goods movement efficiently. Fortune Business Insights says global fleet management software market will grow 3.7X between 2022 and 2029, at a compound annual growth rate (CAGR) of 18.3%. Fleet-tech is no more about achieving efficiency alone but leveraging the power of Internet of Things (IoT) and Artificial Intelligence (AI). At the core of commercial fleets are the drivers, their "khalaasis" (navigators), the fleet managers and fleet owners. Drivers work day and night covering treacherous routes facing dangerous threats such as hijack attempts. But for a vehicle equipped with the right fleet-tech, the story is completely different.

Mint
Apr 23, 2022

Entry-level salaries at IT cos set to rise amid high attrition

Entry-level salaries in Indian software services companies are set to rise after nearly a decade amid a covid-induced boom in demand that has sparked high attrition and a race for fresh talent. According to industry insiders, the sector will see salaries rise by at least 15% and, in some cases, by as much as 60% for fresh hires. "The salaries for entry-level engineers has been revised to INR 4.25 lakh this year from INR 3.65 lakh. We are also tying up with engineering colleges for courses in analytics and digital content and students who take the courses and clear them will join HCL at INR 6 lakh salary," said Apparao V.V., chief human resources officer, HCL Technologies. HCL's strategy to raise salaries may prompt rivals such as Infosys, Cognizant, Wipro and TCS to follow suit. A senior industry executive said TCS is working on raising salary packages for graduates of the 2022 batch.

Press Release
Apr 19, 2022

Worldwide public cloud end-user spending to reach nearly \$500 billion in 2022: Gartner

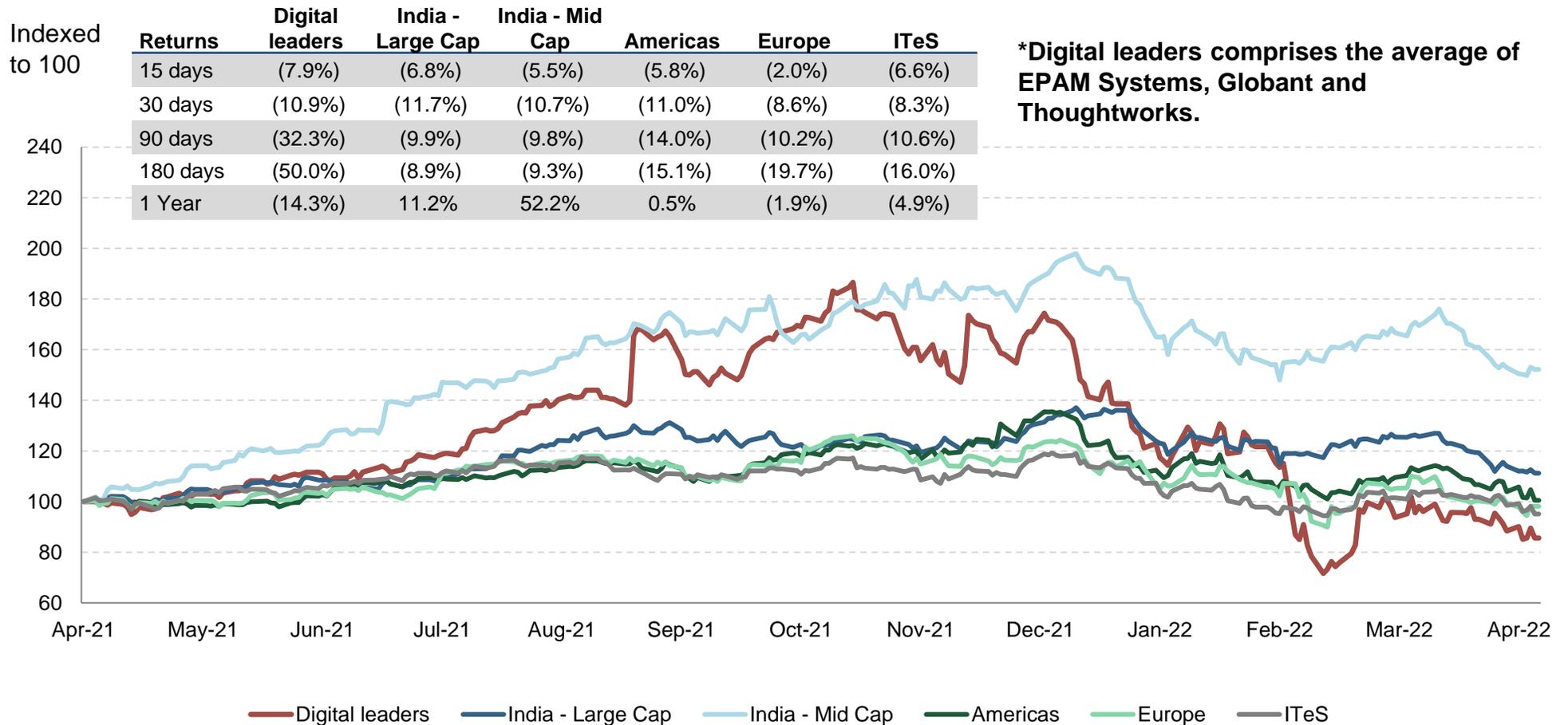
Worldwide end-user spending on public cloud services is forecast to grow 20.4% in 2022 to total \$494.7 billion, up from \$410.9 billion in 2021, according to the latest forecast from Gartner. In 2023, end-user spending is expected to reach nearly \$600 billion. "Cloud is the powerhouse that drives today's digital organizations," said Sid Nag, research vice president at Gartner. "CIOs are beyond the era of irrational exuberance of procuring cloud services and are being thoughtful in their choice of public cloud providers to drive specific, desired business and technology outcomes in their digital transformation journey."

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.7% and that of mid cap IT services companies decreased by c.6%. Stock price of Infosys fell by 7% after the company guided FY 23 revenue growth and margins below consensus estimates.

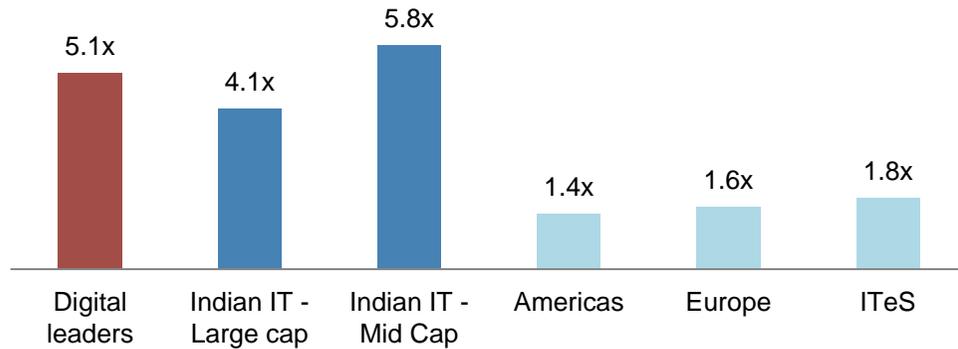


Source: Capital IQ

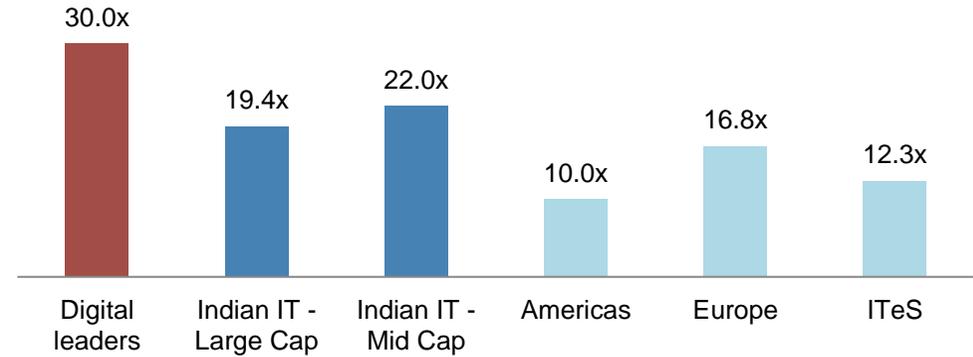
Note: For every parameter, we have used market capitalization of the companies in each segment (composition of each segment can be seen in the appendix)

Valuation summary

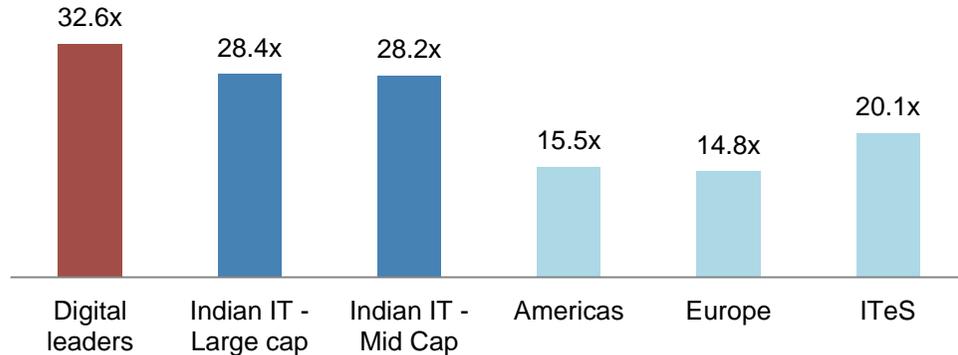
EV / LTM Sales



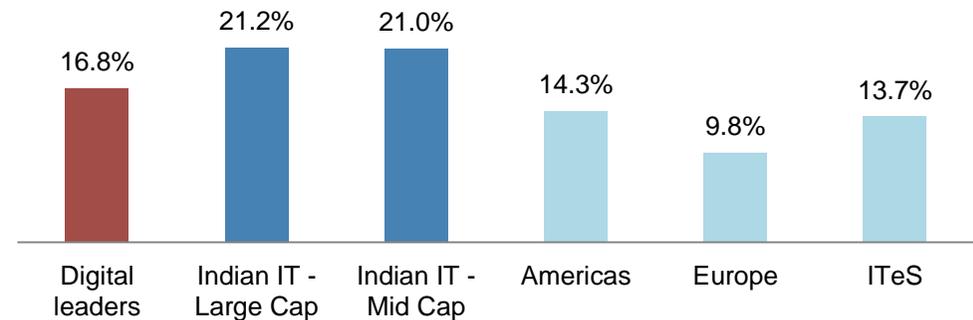
EV / LTM EBITDA



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 April

Overview

Apr -22



- Target country – Singapore
- Deal size – \$37m
- EV / Sales – 2.0x

Target business description

- Founded in 2014, Grit Consulting is a performance improvement design consultancy.
- It provides expert consulting services for asset-intensive industries like metal mining and energy.
- **Select clients:** Glencore, BHP, Vale, Rio Tinto, Anglo, Newmont, Newcrest, and Barrick
- The company recorded a revenue of \$18m in FY 22¹ at an EBIT margin of 30%.
- The company is headquartered in Singapore.

Transaction rationale

- The acquisition will enable Cyient to accelerate its consulting capabilities and deliver innovative technology solutions to its customers in the backdrop an exponentially growing global consulting services market.
- It will allow for the rapid expansion and deepening of Cyient's footprint in the mining and energy industries by leveraging customer, geographic, and talent synergies.
- Cyient will continue to invest in developing innovation hubs and CoEs to strengthen its digital transformation capabilities.

Apr -22



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

- Founded in 2014, Connected is a product development consultancy.
- It provides end-to-end product development services using a broad spectrum of technologies across the entire software product development lifecycle.
- **Select clients:** Bose, Ford, Capital One, Borowell, Royal Bank of Canada, iHeartMedia, VerticalScope
- It has over 165 employees.
- It is headquartered in Toronto, Canada.

- Connected will augment and enhance the Thoughtworks customer experience, product and design (CXPd) service line in North America.
- It significantly expands Thoughtworks' footprint in Canada with an especially strong presence in Toronto – one of North America's fastest growing technology talent markets and one in which Thoughtworks plans to invest further.
- Connected's entire team will join Thoughtworks.
- Financial details were not disclosed.

Apr -22



- Target country – United States
- Deal size – \$330m
- EV / Sales – NA

- Founded in 2001, WhiteHat Security (NTT Application Security) is a cybersecurity company.
- It operates as a subsidiary of NTT Security since July 2019.
- It is a leading provider of cloud-based application security software.
- **Verticals:** Financial services, retail / e-commerce, healthcare, hi-tech
- The company is headquartered in San Jose, CA.

- The addition of WhiteHat Security will provide Synopsys with significant SaaS capabilities and market-segment-leading dynamic application security testing (DAST) technology to strengthen its application security testing portfolio.
- Synopsys and WhiteHat Security share a vision of delivering SaaS-based security testing solutions and building security into the software development lifecycle.
- Synopsys expects the acquisition to be roughly neutral to FY 22 non-GAAP earnings per share.

Source: Press release, news reports, Capital IQ

Note:

1) YE January

Key transactions in April (cont'd)

Overview

Apr -22



RIZING

- Target country – United States
- Deal size – \$540m
- EV / Sales – 2.8x

Target business description

- Founded in 2003, Rizing is a pure-play premier SAP solution and services provider.
- It has over 1300 employees in 16 countries across North America, Europe, Asia, and Australia.
- It recorded a revenue of \$194m in CY 21.
- It is owned by private equity firm One Equity Partners.
- The company is headquartered in Stamford, CT.

Transaction rationale

- Rizing's industry expertise and SAP consulting capabilities in enterprise asset management, consumer industries, and human experience management, will be instrumental in advancing Wipro's position as a sought-after advisor for clients' most complex SAP transformations.
- It also bolsters Wipro's leadership in oil & gas, utilities, manufacturing, and consumer industries.
- Rizing will become a critical extension of Wipro's SAP Cloud practice and Wipro FullStride Cloud Services.

Apr -22



bundleb2b

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

- Founded in 2020, BundleB2B is a digital commerce company.
- It develops a digital commerce solution which provides advanced, easily configurable B2B functionality, built exclusively for B2B merchants of BigCommerce.
- Partnerships:** BigCommerce, SAP, Microsoft Dynamics 365, Acumatica
- It is headquartered in Las Vegas, NV.

- The acquisition of BundleB2B gives BigCommerce merchants the tools to offer B2B buyers an optimal ecommerce experience.
- BundleB2B and BigCommerce have been partnering closely to deliver BigCommerce B2B Edition, an advanced suite of B2B functionalities that has experienced significant growth since its launch in June 2021.
- The deal follows BigCommerce's recent acquisition of B2B Ninja, a premier enterprise quoting solution, and furthers BigCommerce's ability to deliver dynamic powerful ecommerce functionality to B2B merchants.

Apr -22



KOFAX

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

- Founded in 1985, Kofax is an enterprise software company.
- It provides intelligent automation software to facilitate digital workflow transformations.
- It has over 25,000 customers across diverse industries worldwide.
- The company has over 1,900 employees across the globe.
- It is headquartered in Irvine, CA.

- TA Associates and Clearlake Capital Group will acquire Kofax from Thoma Bravo and will become majority shareholders in Kofax upon closing of the transaction.
- Kofax will leverage Clearlake's and TA's industry knowledge and experience in scaling enterprise software companies to further grow the company and bring added value to its customers, with a focus on developing and expanding its product portfolio.
- The transaction is expected to close in the third quarter of 2022.
- Financial terms of the transaction were not disclosed.

Key transactions in April (cont'd)

Overview

Target business description

Transaction rationale

Apr -22



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

- Founded in 2018, eXspend is an IT consulting services services company.
- It provides strategic consulting, project management, software procurement, change and organizational development and staffing services.
- It also provides consultants with expertise in cloud solutions and modern operating models.
- The company is headquartered in Oslo, Norway.

- With the acquisition, Goldman Sachs PE-backed Advania will continue to build on the highest level of professional services to help customers on their digital journey.
- The transaction allows Advania to scale its professional services capabilities in Norway and continue to build a highly efficient offering within consulting, managed services, and product and software.
- It underpins Advania's goal of becoming the preferred IT-services provider in Northern Europe with a holistic offering to existing and new customers.

Apr -22



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

- Founded in 2019, DayOne Consulting is a systems integration company.
- It provides Workday implementation, support and integration services.
- It also offers application management services for small and mid sized companies.
- The company is headquartered in Montreal, Canada.

- The transaction reinforces KPMG as one of the key partners of Workday in Quebec.
- It also enhances KPMG's existing technology, data, digitization, and automation offerings by providing the complete Workday management system including finance, human resources, payroll, and scheduling.
- The acquisition comes on the heels of a series of acquisitions by the firm over the past 18 months confirming the firm's already well-established expansion throughout Quebec.

Apr -22



- Target country – United States
- Deal size – \$2.2bn
- EV / Sales – NA

- Founded in 2007, Change Healthcare is a healthcare technology company.
- Its claims payment and editing business, ClaimsXten provides rules-based claims payment solution for payers.
- It improves payment accuracy, reduce appeals, and reaps both medical and administrative savings.
- The company is headquartered in Nashville, TN.

- UnitedHealth's health services arm, Optum, was expected to close its \$13bn acquisition of Change earlier this year, but the Department of Justice halted the deal in February, citing anticompetitive concerns.
- The sale of Change Healthcare's claims payment and editing business is planned to ease antitrust concerns halting the UnitedHealth – Change Healthcare deal.
- The transaction is contingent upon UnitedHealth Group's acquisition of Change Healthcare.

Key transactions in April (cont'd)

Overview

Apr -22



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

Target business description

- Founded in 2020 as a spin-off of BAE Systems Digital Intelligence, SOC.OS is a cybersecurity company.
- It develops a cloud-based security alert investigation and triage automation solution.
- **Select clients:** Gentoo Group, UK Atomic Energy Authority, Natural History Museum, University of Sussex
- It headquartered in Milton Keynes, UK.

Transaction rationale

- With this acquisition, Sophos plans to advance its Managed Threat Response (MTR) and Extended Detection and Response (XDR) solutions for organizations of all sizes.
- It also helps Sophos expand its Adaptive Cybersecurity Ecosystem, which underpins all of Sophos' security solutions, which will include providing alerts and events from third-party endpoint, server, firewall, Identity and Access Management (IAM), cloud workload, email, and mobile security products.

Apr -22



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

- Founded in 2013, CXTeam is a CX consulting company.
- It provides implementation services for Medallia.
- It also provides CX training, strategy design, native language services, as well as business consulting services.
- The company is headquartered in Mexico City, Mexico.

- This acquisition in one of the fastest growing CX markets in the world makes Medallia the largest experience-focused company in Latin America.
- CXTeam is a longtime partner of Medallia and has led hundreds of Medallia implementations across the Americas.
- With CXTeam's deep expertise and experience, Medallia can help more organizations use Medallia Experience Cloud to drive better return on investment.

Apr -22



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

- Founded in 2004, Ergo is a data and analytics services company.
- It provides data-driven decision-making using big data, analytics and AI.
- **Select clients:** IBM, HSBC, Walt Disney, First Data, Tecpetrol, Galicia, Exiros, Santander, Prosegur
- It has 200 data specialists.
- The company is headquartered in Buenos Aires, Argentina.

- Ergo expands Accenture's Cloud First capabilities to drive data-led transformations for clients in the Hispanic South American market, spanning Argentina, Chile, and Colombia.
- The transaction will also enable Ergo to scale its data-led experience for major global clients to achieve better business outcomes, faster.
- Ergo's team will join the Data & AI team within Accenture Cloud First.
- Financial terms of the acquisition were not disclosed.

Key transactions in April (cont'd)

Overview

Apr -22

valtech.



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

Target business description

- Founded in 2013, CloudCo is a Salesforce consultancy.
- It provides Salesforce implementation, consulting, administration, training and technical support services.
- Verticals:** Finance & insurance, education, and real estate
- Select clients:** Sura Group, Liverpool, and Monex
- It is headquartered in Mexico City, Mexico.

Transaction rationale

- With this acquisition, Valtech is better positioned to support companies across the globe in their transformation endeavors.
- Together, CloudCo and Valtech will be able to provide enhanced offerings based on the Salesforce Platform.
- The acquisition adds on to the recent acquisition of fellow Salesforce leader, Wings IT, establishing Valtech as a key transformation partner in Latam and North America, with the ability to meet the increasingly complex needs of companies worldwide, at scale.

Apr -22



PLM implementation services business

- Target country – United States
- Deal size – \$140m¹
- EV / Sales – NA

- Founded in 1985, Nasdaq-listed PTC is an enterprise software company.
- Its product lifecycle management (PLM) implementation services business provides implementation services for PTC's cloud-based PLM software, Windchill.
- The Windchill software suite is used by enterprises as well as the US federal government.
- The company is headquartered in Boston, MA.

- ITC Infotech will acquire a portion of PTC's PLM implementation services business and establish a new business unit of the company, called DxP Services, combining PLM professional services experts from both the companies.
- The deal will accelerate digital transformation initiatives of customers, focused on the adoption of PTC's industry-leading cloud-based product lifecycle management software, Windchill.
- ITC Infotech has been PTC's partner for over 20 years.
- The transaction is expected to be completed in Q3 2022.

Apr -22



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

- Founded in 2016, AskSid is a conversational AI company.
- It provides a conversational AI platform for e-commerce and retail companies.
- The company has customers in over 25 countries and supports over 100 languages.
- Select customers:** AkzoNobel, Danone, Wolford, Akris and Himalaya Wellness
- It is headquartered in Bangalore, India.

- AskSid strengthens Gupshup's AI-powered conversational solutions for e-commerce, retail and consumer goods industries.
- Its full-stack AI platform including the Retail AI brain, strengthens Gupshup's CX offerings and will help make the entire shopping journey – across pre-purchase, purchase and post-purchase phases – fully conversational.
- Financial terms of the deal were not disclosed.
- Earlier this month, Gupshup also acquired Active.Ai, a leading conversational AI platform used by banks and fintech firms.

Source: Press release, news reports, Capital IQ

Note:

1) Midpoint of range provided

Key transactions in April (cont'd)

Overview

Target business description

Transaction rationale

Apr -22



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

- Founded in 1988, GeneXus is a low-code platform provider.
- Verticals:** Financial services, retail, and industrial & manufacturing
- It has over 1,700 customers in Latin America and Asia.
- Select customers:** Mitsubishi Electric, Itaú, Honda, Pan American Energy, and TV Azteca
- The company has over 150 employees.
- It is headquartered in Montevideo, Uruguay.

- With this acquisition, Globant strengthens the offering of Globant X, a division within Globant dedicated to productizing its scalable solutions into technology platforms.
- Globant is of the first leading digital players to invest in a low-code platform to enable faster and high-quality digital transformation.
- Nicolás Jodal, CEO and co-founder of GeneXus, and his team will join Globant and continue to expand GeneXus globally.
- Terms of the transaction were not disclosed.

Apr -22



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

- Founded in 2019, Dextr is an enterprise software company.
- It provides a customer service and performance dashboard for the AWS cloud contact center.
- Its quick deployment complements and enhances the expanding capabilities of Amazon Connect, accelerating time-to-value and business impact.
- The company is headquartered in Las Vegas, NV.

- The combination of Dextr and Strattam Capital-backed CloudHesive extends CloudHesive's investment in the Amazon Connect contact center space and provides customers with world-class agent management, contact center operations, and reporting capabilities for their Amazon Connect deployments.
- Dextr stands to benefit from CloudHesive's status as an AWS Premier partner, excellent reputation, extensive footprint across the US and LATAM regions, and their deep knowledge and expertise with Amazon Connect

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

- Founded in 2015, Elsy is a media analytics company.
- Its solutions enable advertisers, agencies and publishers to algorithmically plan, monitor and optimize complex portfolios of media investments.
- It offers solutions across traditional TV, streaming video, digital, social, programmatic, search, retail media and ecommerce platforms.
- It is headquartered in New York, NY.

- Elsy will enable VideoAmp to automate manual steps required to operationalize measurement and currency at scale.
- It will integrate with VideoAmp to algorithmically provide recommendations for media optimization throughout the campaign lifecycle.
- Combined, VideoAmp and Elsy will enable customers to spend significantly less time logging into various systems and analyzing data in excel and have more time to make data-driven decisions on how to optimize and get more value from their advertising.

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. | 265.0 | 717.5 | 174.8 | 15,072 | 13,873 | 4,149 | 698 | 462 | 16.8% | 28.8% | 3.3x | 19.9x | 32.6x |
| Globant S.A. | 216.0 | 354.4 | 204.5 | 9,023 | 8,712 | 1,297 | 217 | 96 | 16.7% | 35.4% | 6.7x | 40.2x | NM |
| Thoughtworks Holding, Inc. | 18.5 | 34.4 | 18.1 | 5,741 | 5,878 | 1,153 | (40) | (102) | NM | NA | 5.1x | NM | NM |
| Average | | | | | | | | | 16.8% | 38.9% | 5.1x | 30.0x | 32.6x |
| India - Large Cap | | | | | | | | | | | | | |
| Cognizant Technology Solutions Corporation | 80.9 | 93.1 | 66.5 | 42,163 | 41,099 | 18,932 | 3,411 | 2,195 | 18.0% | 5.1% | 2.2x | 12.0x | 19.2x |
| HCL Technologies Limited | 14.1 | 18.4 | 12.1 | 38,196 | 36,567 | 11,481 | 2,660 | 1,807 | 23.2% | 10.0% | 3.2x | 13.7x | 21.1x |
| Infosys Limited | 20.5 | 26.1 | 18.0 | 85,923 | 83,532 | 16,311 | 4,116 | 2,963 | 25.2% | 11.4% | 5.1x | 20.3x | 29.0x |
| Larsen & Toubro Infotech Limited | 63.3 | 101.5 | 48.9 | 11,089 | 10,688 | 2,065 | 403 | 303 | 19.5% | 14.8% | 5.2x | 26.5x | 36.6x |
| Mindtree Limited | 46.5 | 67.0 | 28.4 | 7,654 | 7,297 | 1,427 | 330 | 218 | 23.1% | 12.1% | 5.1x | 22.1x | 35.1x |
| Mphasis Limited | 37.2 | 47.2 | 23.7 | 6,979 | 6,812 | 1,576 | 256 | 189 | 16.3% | 12.2% | 4.3x | 26.6x | 37.0x |
| Tata Consultancy Services Limited | 46.4 | 54.1 | 41.0 | 169,647 | 164,423 | 25,267 | 6,991 | 5,050 | 27.7% | 6.1% | 6.5x | 23.5x | 33.6x |
| Tech Mahindra Limited | 16.5 | 24.2 | 13.0 | 14,444 | 13,355 | 5,672 | 1,004 | 690 | 17.7% | 5.2% | 2.4x | 13.3x | 20.9x |
| Wipro Limited | 6.7 | 9.7 | 6.5 | 36,373 | 34,163 | 10,422 | 2,081 | 1,610 | 20.0% | 7.2% | 3.3x | 16.4x | 22.6x |
| Average | | | | | | | | | 21.2% | 7.7% | 4.1x | 19.4x | 28.4x |
| India - Mid Cap | | | | | | | | | | | | | |
| Accelya Solutions India Limited | 12.7 | 20.2 | 11.5 | 190 | 184 | 46 | 14 | 9 | 30.4% | (8.8%) | 4.0x | 13.1x | 20.7x |
| Birlasoft Limited | 5.4 | 7.8 | 3.3 | 1,507 | 1,386 | 528 | 78 | 58 | 14.9% | (1.7%) | 2.6x | 17.7x | 26.1x |
| Coforge Limited | 54.9 | 81.9 | 38.6 | 3,344 | 3,392 | 799 | 130 | 79 | 16.3% | 16.8% | 4.2x | 26.1x | 42.4x |
| Cyient Limited | 11.6 | 16.4 | 9.9 | 1,276 | 1,174 | 597 | 108 | 69 | 18.0% | (3.6%) | 2.0x | 10.9x | 18.5x |
| Happiest Minds Technologies Limited | 13.1 | 20.6 | 9.8 | 1,860 | 1,816 | 144 | 34 | 24 | 23.6% | 40.9% | 12.6x | 53.5x | NM |
| InfoBeans Technologies Limited | 10.6 | 10.7 | 2.6 | 256 | 251 | 36 | 9 | 7 | 24.9% | 29.0% | 7.0x | 28.3x | 34.2x |
| Latent View Analytics Limited | 5.8 | 9.4 | 4.9 | 1,159 | 1,127 | 50 | 15 | 16 | 30.9% | NA | 22.7x | NM | NM |
| L&T Technology Services Limited | 53.5 | 79.4 | 34.1 | 5,645 | 5,439 | 866 | 186 | 126 | 21.5% | 5.5% | 6.3x | 29.2x | 44.8x |
| Mastek Limited | 36.7 | 45.5 | 20.9 | 1,103 | 1,047 | 288 | 64 | 39 | 22.3% | 24.5% | 3.6x | 16.3x | 28.4x |
| Perficient, Inc. | 99.4 | 148.8 | 65.6 | 3,444 | 3,846 | 814 | 152 | 66 | 18.7% | 16.8% | 4.7x | 25.3x | NM |
| Persistent Systems Limited | 56.4 | 65.8 | 27.5 | 4,309 | 4,208 | 753 | 124 | 91 | 16.5% | 15.7% | 5.6x | 33.8x | 47.4x |
| Sasken Technologies Limited | 10.8 | 20.2 | 10.7 | 162 | 155 | 57 | 17 | 17 | 29.7% | (7.7%) | 2.7x | 9.1x | 9.6x |
| Sonata Software Limited | 9.9 | 12.9 | 7.7 | 1,024 | 926 | 732 | 64 | 50 | 8.8% | 19.6% | 1.3x | 14.4x | 20.6x |
| Zensar Technologies Limited | 4.2 | 7.9 | 3.6 | 957 | 869 | 577 | 105 | 55 | 18.1% | 0.3% | 1.5x | 8.3x | 17.4x |
| Average | | | | | | | | | 21.0% | 9.3% | 5.8x | 22.0x | 28.2x |

Source: Capital IQ

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 | 300.4 | 415.4 | 279.4 | 190,248 | 188,926 | 56,695 | 9,511 | 6,392 | 16.8% | 10.3% | 3.3x | 19.9x | 29.8x |
| CGI Inc. | 79.9 | 93.0 | 78.2 | 19,008 | 21,116 | 9,924 | 1,749 | 1,140 | 17.6% | 4.1% | 2.1x | 12.1x | 16.7x |
| DXC Technology Company | 28.7 | 43.4 | 28.7 | 7,017 | 10,546 | 16,642 | 1,922 | (610) | 11.5% | (7.5%) | 0.6x | 5.5x | NM |
| Positivo Tecnologia S.A. | 1.6 | 3.1 | 1.4 | 221 | 339 | 604 | 55 | 35.9 | 9.0% | 7.3% | 0.6x | 6.2x | 6.1x |
| Sonda S.A. | 0.3 | 0.7 | 0.3 | 301 | 484 | 1,181 | 134 | 35 | 11.4% | (0.3%) | 0.4x | 3.6x | 8.6x |
| The Hackett Group, Inc. | 23.5 | 24.4 | 16.0 | 742 | 700 | 290 | 56 | 46 | 19.3% | 3.6% | 2.4x | 12.6x | 16.2x |
| Unisys Corporation | 14.2 | 28.2 | 14.2 | 961 | 1,081 | 1,991 | (408) | (348) | NM | (9.3%) | 0.5x | NM | NM |
| Average | | | | | | | | | 14.3% | 4.4% | 1.4x | 10.0x | 15.5x |

| 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. | 136.3 | 180.8 | 118.8 | 4,627 | 4,588 | 3,327 | 362 | 236 | 10.9% | 8.6% | 1.4x | 12.7x | 19.6x |
| Atos SE | 24.7 | 68.4 | 22.9 | 2,729 | 5,350 | 12,327 | 755 | (3,369) | 6.1% | 0.4% | 0.4x | 7.1x | NM |
| Aubay Société Anonyme | 58.0 | 71.2 | 47.6 | 768 | 705 | 535 | 57 | 39 | 10.7% | 5.3% | 1.3x | 12.4x | 19.6x |
| Cancom SE | 48.6 | 72.4 | 48.6 | 1,762 | 1,211 | 1,493 | 115 | 310 | 7.7% | (0.5%) | 0.8x | 10.6x | 5.7x |
| Capgemini SE | 206.7 | 245.7 | 180.2 | 35,546 | 40,318 | 20,653 | 2,735 | 1,316 | 13.2% | 11.0% | 2.0x | 14.7x | 27.0x |
| Capita plc | 0.3 | 0.7 | 0.3 | 502 | 1,679 | 4,309 | 35 | 304 | 0.8% | (6.3%) | 0.4x | 47.9x | 1.7x |
| Endava plc | 100.6 | 170.1 | 89.7 | 5,598 | 5,520 | 746 | 134 | 88 | 18.0% | 31.4% | 7.4x | 41.2x | NM |
| Indra Sistemas, S.A. | 10.3 | 12.7 | 8.6 | 1,813 | 2,062 | 3,927 | 327 | 178 | 8.3% | 3.0% | 0.5x | 6.3x | 10.2x |
| Knowit AB (publ) | 31.1 | 45.4 | 27.6 | 854 | 859 | 588 | 60 | 36 | 10.1% | 19.5% | 1.5x | 14.4x | 23.4x |
| Sopra Steria Group SA | 178.8 | 210.9 | 152.6 | 3,604 | 4,385 | 5,326 | 505 | 213 | 9.5% | 4.3% | 0.8x | 8.7x | 16.9x |
| TietoEVRY Oyj | 25.2 | 35.9 | 23.7 | 2,980 | 3,636 | 3,160 | 386 | 319 | 12.2% | 20.7% | 1.2x | 9.4x | 9.3x |
| Average | | | | | | | | | 9.8% | 5.6% | 1.6x | 16.8x | 14.8x |

| 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 | 5.6 | 8.3 | 4.2 | 1,214 | 2,609 | 4,079 | 376 | 119 | 9.2% | (7.4%) | 0.6x | 6.9x | 10.2x |
| ExlService Holdings, Inc. | 136.2 | 152.0 | 92.4 | 4,532 | 4,644 | 1,190 | 204 | 119 | 17.1% | 9.1% | 3.9x | 22.8x | 38.1x |
| Firstsource Solutions Limited | 1.6 | 3.1 | 1.5 | 1,115 | 1,251 | 780 | 126 | 71 | 16.2% | 12.2% | 1.6x | 9.9x | 15.8x |
| Genpact Limited | 40.3 | 53.7 | 40.3 | 7,453 | 8,548 | 4,145 | 668 | 374 | 16.1% | 9.9% | 2.1x | 12.8x | 19.9x |
| Hinduja Global Solutions Limited | 13.4 | 24.4 | 11.3 | 559 | 592 | 830 | 94 | 74 | 11.3% | 8.6% | 0.7x | 6.3x | 7.6x |
| Startek, Inc. | 3.8 | 8.2 | 3.8 | 151 | 400 | 708 | 67 | 12 | 9.4% | 6.8% | 0.6x | 6.0x | 12.2x |
| TTEC Holdings, Inc. | 73.8 | 112.3 | 72.5 | 3,472 | 4,291 | 2,323 | 309 | 124 | 13.3% | 15.0% | 1.8x | 13.9x | 28.0x |
| WNS (Holdings) Limited | 78.4 | 91.3 | 67.8 | 3,828 | 3,676 | 1,110 | 184 | 132 | 16.6% | 11.1% | 3.3x | 20.0x | 29.0x |
| Average | | | | | | | | | 13.7% | 10.8% | 1.8x | 12.3x | 20.1x |

Source: Capital IQ

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.

UNITED STATES

208 Hudson Street
Cornwall – on – Hudson, NY 12520
Tel: +1 845 534 0601

INDIA

761 Urban Vault, 1st Floor
19th Main Road | Sector – 2, HSR Layout
Bengaluru – 560102 | India
Tel: +91 750 605 0997



www.cginy.com



info@cginy.com