

## FORTNIGHTLY NEWSLETTER – 31 DEC 2023

### UNLOCKING THE POWER OF WEB APPLICATIONS: PROGRESSIVE WEB APPLICATIONS

\$2bn

2022 PWA  
market size

28.7%

CAGR  
(2023 – 2030)

\$12bn

2030E PWA  
market size

#### **Overview:**

- Progressive web apps (PWAs) are quickly becoming a top choice for businesses looking to build a fast, responsive, and feature-rich web presence. They are a type of web application that can be accessed through a web browser and offer a user experience similar to that of a native app.
- In today's mobile world, businesses must optimize for mobile browsers to reach their customers effectively. 79% of internet users access the internet mainly on their mobile devices and this number is expected to further grow. Unfortunately, mobile web users tend to have higher expectations and less patience than desktop users.
- PWAs help bridge this gap by providing an app-like experience on the mobile web. Features like fast load times, push notifications, and offline access make mobile browsing easier while engaging users.

#### **Transforming user experience:**

- At their core, PWAs are web applications that leverage modern web technologies to provide users with a seamless, app-like experience. PWAs work like native apps, but instead of requiring a user to download them from an app store, they work directly from a web browser, so they take up minimal memory on a smartphone. Pre-caching allows the app to stay up to date, so the most recent version is available when a user opens it.
- PWAs leverage advanced web technologies to deliver faster load times and smoother interactions. Users can install PWAs on their devices directly from the browser without going through an app store, hence eliminating the friction of traditional app installations and ensures a quicker onboarding process.
- It also eliminates the need for separate development efforts for different platforms. A single codebase can serve users across various devices and operating systems, streamlining the development and maintenance process.
- What makes PWAs most attractive is its offline accessibility. Users can access content and perform actions even in areas with poor or no network connectivity, enhancing the overall reliability of the application. PWAs can send push notifications to users, re-engaging them and keeping the application at the forefront of their attention. This feature is particularly valuable for businesses aiming to boost user engagement and retention.
- PWAs represent a significant leap forward in web development, offering a compelling blend of performance, accessibility, and engagement. By embracing the power of PWAs, businesses and developers can enhance user experiences, reach wider audiences, and stay at the forefront of the digital landscape.

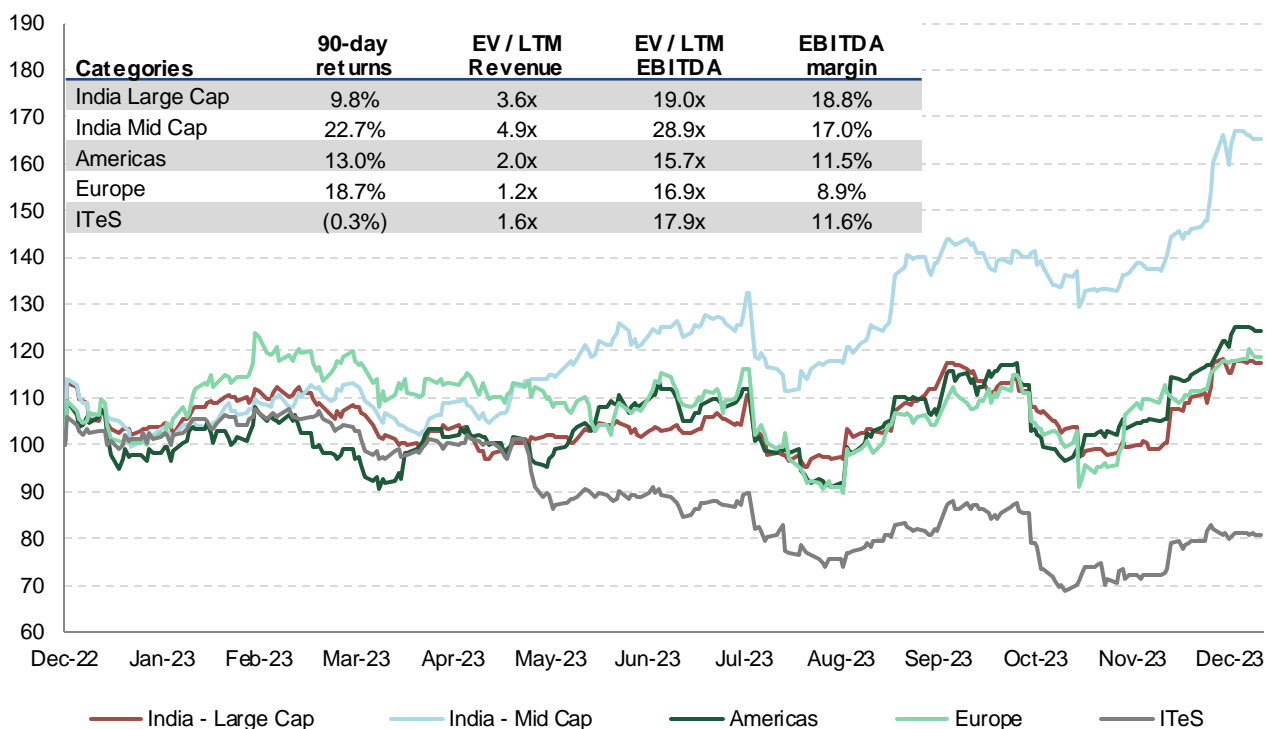
#### **Market landscape and use cases:**

- More businesses are recognizing the benefits of PWAs and choosing them over native apps or traditional websites, which is leading to an increasing user base who appreciate the improved mobile experience offered by PWAs. It is experiencing success across various industries including e-commerce, media and entertainment, financial, healthcare and education.
- Twitter's PWA, Twitter Lite offers a streamlined version of the platform that loads quickly and performs efficiently even in low-network conditions. Flipkart embraced PWA to deliver a fast and engaging shopping experience, resulting in increased user retention and conversions.
- Washington Post's PWA provides a seamless reading experience, complete with offline access and push notifications for breaking news. Starbucks' has launched a PWA for online ordering. It is available without a network connection and has helped the company double online orders, with desktop users now nearly equaling mobile users.
- With its PWA, Pinterest has reduced the size of its app's core bundle from 650 KB to 150 KB and decreased the interaction time from 20 seconds to 5.6 seconds.

# Market performance

## MARKET METRICS (AS OF 31 DEC 2023)

Indexed to 100



### HIGHLIGHTS:

















- Over the past 15 days, the valuation of Indian large cap players decreased by 1.2%, while that of Indian mid cap players marginally decreased by 0.3%.
- Indian IT firms are accepting tougher contract terms to win large deals from clients. Companies including TCS, Infosys and HCL Tech are accepting contract conditions which guarantee minimum cost savings, billing the client only if certain goals are achieved and reviewing cost overruns. In 2023, over 80% of the 1,600 IT deals included a committed-savings clause, integrated into the pricing. Companies faced the risk of a fee reduction if the stipulated savings were not realized.
- Valuation of **Infosys** decreased by ~2.5% over the last two weeks. A global company terminated the MoU signed in September 2023. Infosys was to provide enhanced digital experiences, along with modernization and business operations services leveraging their platforms and AI solutions. The contract was valued at \$1.5bn spread over 15 years.
- TCS's** valuation decreased by ~2% over the last two weeks after the company came under legal scrutiny for allegedly forcing transfer of employees. Nascent Information Technology Employees Senate (NITES) filed a formal complaint with Ministry of Labour and Employment against TCS, alleging that the company has been systematically forcing more than 2,000 employees to relocate to different cities without proper notice or consultation.
- Accenture's** valuation increased by 2% over the last two weeks. The company acquired two companies – Jixie and SirfinPA. Jixie is a Singapore based digital marketing platform, which will be integrated into Accenture Song, firm's tech-powered creative group. SirfinPA are technology consultancies that support legal and public sectors in Italy.
- Valuation of **Atos** decreased by ~9.1% over the past two weeks. Airbus is in talks to buy its Bid Data and Security division. Airbus had previously decided not to make an offer for 29.9% stake in Eviden and had commented that it was still open to a strategic partnership. In Sep 2022, the unit received an offer from technology consultancy Onepoint and British private equity fund ICG but the board of Atos unanimously rejected the offer.

# Recent Transactions (1/2)

## KEY DEALS

- **Neoris acquires ForeFront:** Neoris acquired ForeFront, a cloud consulting and implementation service provider specializing in Salesforce. Through ForeFront, Neoris will accelerate its growth in the US market and strengthen its Salesforce practice. This is consistent with Neoris' strategy, which seeks to establish more extensive and global consulting capabilities.
- **BPEA EQT acquires Indium:** BPEA EQT acquired Indium, a digital transformation firm providing services such as product engineering, data analytics, AI, ML, low-code no-code, digital assurance and gaming tech. BPEA EQT will support the next phase of Indium's growth. Indium currently has 3,000 employees and has grown at a CAGR of 50% over last three years.
- **Insight Partners and Clearlake Capital acquire Alteryx:** Insight partners and Clearlake Capital acquire Alteryx, a cloud analytics platform for \$4.4bn. Alteryx shareholders will receive \$48.25 per share. The share purchase price represents a 59% premium to Alteryx's unaffected closing stock price on 5 Sep 2023. Alteryx will get increased working capital and industry expertise from the two PE firms. The transaction is expected to close in the H1 2024, upon which Alteryx will become a privately held company.

## LATEST DEALS

Date	Buyer	Target	Transaction details	Target expertise
Dec-23	 NEORIS	 FOREFRONT	<ul style="list-style-type: none"> <li>▪ Deal size – NA</li> <li>▪ EV / Sales – NA</li> </ul>	Fair Haven, NJ-based cloud consulting and implementation service provider.
Dec-23	 BPEA EQT	 indium NEXT TECHNOLOGY WORK	<ul style="list-style-type: none"> <li>▪ Deal size – NA</li> <li>▪ EV / Sales – NA</li> </ul>	India-based digital transformation services provider.
Dec-23	 INSIGHT PARTNERS CLEARLAKE	 alteryx	<ul style="list-style-type: none"> <li>▪ Deal size – \$4.4bn</li> <li>▪ EV / Sales – 4.9x</li> </ul>	Irvine, CA-based cloud analytics platform.
Dec-23	 level access	 USERWAY	<ul style="list-style-type: none"> <li>▪ Deal size – \$99m</li> <li>▪ EV / Sales – 8.5x</li> </ul>	Wilmington, DE-based digital accessibility solutions provider.
Dec-23	 GLORY	 floodid	<ul style="list-style-type: none"> <li>▪ Deal size – \$184m</li> <li>▪ EV / Sales – NA</li> </ul>	UK-based software provider for retail industry.
Dec-23	 accenture	 SirFinPA	<ul style="list-style-type: none"> <li>▪ Deal size – NA</li> <li>▪ EV / Sales – NA</li> </ul>	Italy-based technology consultancy specializing in justice and public safety.
Dec-23	 SCADA international	 Sweet [geeks]	<ul style="list-style-type: none"> <li>▪ Deal size – NA</li> <li>▪ EV / Sales – NA</li> </ul>	Denmark-based IT services provider.
Dec-23	 CISCO	 ISOVALENT	<ul style="list-style-type: none"> <li>▪ Deal size – NA</li> <li>▪ EV / Sales – NA</li> </ul>	Cupertino, CA-based open-source cloud native networking and security software provider.

Continued on the next page

# Recent Transactions (2/2)

## LATEST DEALS (CONT'D)

Date	Buyer	Target	Transaction details	Target expertise
Dec-23	 <b>accenture</b>	 <b>JIXIE</b>	<ul style="list-style-type: none"> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	Singapore-based digital marketing platform.
Dec-23	 <b>LUMINE</b>	 <b>NOKIA</b> Device and service management platform	<ul style="list-style-type: none"> <li>Deal size – \$203m</li> <li>EV / Sales – NA</li> </ul>	Finland-based device management and service management platform of Nokia.
Dec-23	 <b>okta</b>	 <b>Spera</b>	<ul style="list-style-type: none"> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	Israel-based identity security platform.
Dec-23	 <b>ditto</b> DATA INTELLIGENCE	 <b>NETbay</b>	<ul style="list-style-type: none"> <li>Deal size – \$24m</li> <li>EV / Sales – 5.9x</li> </ul>	Thailand-based SaaS provider for online transactions.
Dec-23	 <b>IBM</b>	 <b>webMethods</b>  <b>StreamSets</b>	<ul style="list-style-type: none"> <li>Deal size – \$2.3bn</li> <li>EV / Sales – NA</li> </ul>	Germany-based integration and API management platform and DataOps and data ingestion platform.
Dec-23	 <b>snowflake</b>	 <b>samooha</b>	<ul style="list-style-type: none"> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	Los Altos Hills, CA-based provider of data clean rooms.
Dec-23	 <b>salesforce</b>	 <b>SPIFF</b>	<ul style="list-style-type: none"> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	Sandy, UT-based incentive management software provider.
Dec-23	 <b>spotler</b>	 <b>CrossEngage</b>	<ul style="list-style-type: none"> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	Berlin-based developer of customer intelligence platform.
Dec-23	 <b>Power Digital</b>	 <b>endrock</b>	<ul style="list-style-type: none"> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	Miami, FL-based conversion rate optimization (CRO) agency.
Dec-23	 <b>ERP LOGIC</b>	 <b>JEEVAN TECHNOLOGIES</b>	<ul style="list-style-type: none"> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	India-based IT services firm.
Dec-23	 <b>myHome</b> A WILLISTON FINANCIAL GROUP COMPANY	 <b>VOLLY</b>	<ul style="list-style-type: none"> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	Woburn, MA-based SaaS platform for mortgage and banking industries.
Dec-23	 <b>Ntiva</b>	 <b>Middleground</b>	<ul style="list-style-type: none"> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	Chicago, IL-based IT services firm.

# Appendix - Market Multiples

Company	Market data					LTM Performance					Growth CAGR 3 years	Valuation multiples		
	Price \$	52 week High	Low	Market cap \$m	EV \$m	Revenue \$m	EBITDA \$m	Net income \$m	EBITDA margin	EV / Sales		EV / EBITDA	P/E	
<b>India - Large Cap</b>														
Tata Consultancy Services Limited	45.6	46.5	37.6	164,884	159,298	28,461	7,268	5,375	25.5%	9.8%	5.6x	21.9x	30.7x	
Infosys Limited	18.5	19.6	14.9	76,717	74,996	18,547	4,300	3,019	23.2%	12.9%	4.0x	17.4x	25.4x	
HCL Technologies Limited	17.6	18.1	12.5	47,695	45,686	12,904	2,679	1,872	20.8%	9.1%	3.5x	17.1x	25.5x	
Cognizant Technology Solutions Corporation	75.5	76.2	57.1	37,872	36,949	19,434	3,436	2,089	17.7%	5.1%	1.9x	10.8x	18.1x	
Wipro Limited	5.7	5.7	4.3	29,563	27,669	11,045	2,035	1,401	18.4%	9.9%	2.5x	13.6x	21.1x	
LTMIndtree Limited	75.6	75.6	50.6	22,379	21,639	4,203	709	533	16.9%	38.0%	5.1x	30.5x	42.0x	
Tech Mahindra Limited	15.3	15.7	12.0	13,484	13,117	6,436	729	433	11.3%	7.9%	2.0x	18.0x	31.1x	
Mphasis Limited	32.9	32.9	20.3	6,213	6,074	1,612	266	193	16.5%	8.2%	3.8x	22.8x	32.2x	
<b>Average</b>										<b>18.8%</b>	<b>9.8%</b>	<b>3.6x</b>	<b>19.0x</b>	<b>28.3x</b>
<b>India - Mid Cap</b>														
L&T Technology Services Limited	63.1	64.1	39.9	6,676	6,491	1,013	203	147	20.1%	10.8%	6.4x	32.0x	45.4x	
Persistent Systems Limited	88.7	90.4	46.8	6,512	6,475	1,102	183	118	16.6%	28.2%	5.9x	35.3x	NM	
Cofigure Limited	75.4	77.6	43.7	4,655	4,771	1,050	146	83	13.9%	20.7%	4.5x	32.7x	NM	
Perficient, Inc.	65.8	96.3	51.5	2,289	2,630	918	170	102	18.5%	15.6%	2.9x	15.5x	22.4x	
Cyient Limited	27.5	28.7	9.8	3,052	3,070	823	136	80	16.6%	13.2%	3.7x	22.5x	38.1x	
Sonata Software Limited	8.9	9.3	3.5	2,475	2,473	975	80	57	8.2%	22.3%	2.5x	31.1x	43.2x	
Birlasoft Limited	8.7	8.9	3.1	2,387	2,229	604	65	46	10.8%	8.2%	3.7x	34.3x	NM	
Happiest Minds Technologies Limited	10.8	12.3	9.3	1,600	1,527	186	39	28	21.0%	23.9%	8.2x	39.1x	NM	
Latent View Analytics Limited	5.5	5.9	3.8	1,126	1,019	72	16	18	22.2%	NA	14.2x	64.2x	NM	
Zensar Technologies Limited	7.3	7.5	2.5	1,662	1,522	587	85	63	14.5%	2.5%	2.6x	17.9x	26.3x	
Mastek Limited	33.9	34.0	18.1	1,038	1,070	344	58	32	16.9%	22.5%	3.1x	18.4x	32.0x	
R Systems International Limited	6.6	6.9	2.9	780	745	201	28	16	14.2%	0.0%	3.7x	26.2x	47.8x	
Aceclya Solutions India Limited	17.0	20.6	13.0	254	243	58	20	15	34.4%	6.8%	4.2x	12.2x	16.9x	
InfoBeans Technologies Limited	5.3	6.9	4.8	128	117	45	5	3	12.1%	21.3%	2.6x	21.6x	48.9x	
Sasken Technologies Limited	16.9	17.2	9.5	253	243	51	8	11	15.6%	(5.8%)	4.7x	30.4x	22.8x	
<b>Average</b>										<b>17.0%</b>	<b>16.1%</b>	<b>4.9x</b>	<b>28.9x</b>	<b>34.4x</b>
<b>Americas</b>														
Accenture plc	350.9	354.5	246.2	220,018	216,761	64,588	11,304	6,880	17.5%	13.0%	3.4x	19.2x	32.0x	
CGI Inc.	107.5	108.4	84.4	24,981	26,622	10,568	1,852	1,206	17.5%	5.0%	2.5x	14.4x	20.7x	
EPAM Systems, Inc.	297.3	379.3	203.3	17,157	15,398	4,765	697	475	14.6%	22.9%	3.2x	22.1x	36.2x	
Global S.A.	238.0	246.8	137.1	10,059	10,061	2,006	307	156	15.3%	37.8%	5.0x	32.7x	NM	
DXC Technology Company	22.9	29.6	19.1	4,429	8,666	14,039	482	(562)	3.4%	(9.4%)	0.6x	18.0x	NM	
Thoughtworks Holding, Inc.	4.8	11.4	3.3	1,532	1,784	1,185	72	(30)	6.0%	15.4%	1.5x	24.9x	NM	
Grid Dynamics Holdings, Inc.	13.3	14.1	8.1	1,008	765	315	2	(11)	0.6%	40.7%	2.4x	NM	NM	
The Hackett Group, Inc.	22.8	24.7	17.4	620	656	289	59	36	20.4%	6.5%	2.3x	11.2x	17.2x	
Unisys Corporation	5.6	5.9	2.6	384	557	2,015	145	(257)	7.2%	0.3%	0.3x	3.8x	NM	
Sonda S.A.	0.4	0.5	0.4	381	676	1,333	108	40.2	8.1%	9.0%	0.5x	6.3x	9.5x	
Positivo Tecnologia S.A.	1.4	2.0	1.2	201	392	715	97	38	13.5%	29.2%	0.5x	4.0x	5.3x	
<b>Average</b>										<b>11.3%</b>	<b>8.1%</b>	<b>2.0x</b>	<b>15.7x</b>	<b>20.1x</b>
<b>Europe</b>														
Capgemini SE	208.6	213.8	163.4	35,664	40,898	24,818	3,352	1,844	13.5%	14.5%	1.6x	12.2x	19.3x	
Alten S.A.	148.8	173.8	114.9	5,138	5,037	4,372	423	469	9.7%	14.7%	1.2x	11.9x	11.0x	
Endava plc	77.9	94.0	45.5	4,535	4,414	960	162	91	16.9%	26.9%	4.6x	27.2x	49.7x	
Sopra Steria Group SA	218.6	227.7	151.9	4,413	5,558	5,892	559	271	9.5%	6.0%	0.9x	9.9x	16.3x	
TietoEVRY Oyj	23.8	33.2	20.5	2,819	3,880	3,036	375	203	12.4%	(0.5%)	1.3x	10.3x	13.9x	
Indra Sistemas, S.A.	15.5	15.8	11.4	2,730	3,007	4,475	375	214	8.4%	7.3%	0.7x	8.0x	12.7x	
Cancom SE	32.7	37.0	22.9	1,189	1,180	1,517	56	30	3.7%	0.5%	0.8x	21.2x	39.4x	
Atos SE	7.8	16.3	4.9	865	4,605	12,365	853	(1,211)	6.9%	(1.4%)	0.4x	5.4x	NM	
Aubay Société Anonyme	46.0	56.9	32.1	610	541	579	53	39	9.2%	6.6%	0.9x	10.2x	15.8x	
Capita plc	0.3	0.5	0.2	472	1,235	3,780	21	(35)	0.6%	(8.1%)	0.3x	59.2x	NM	
Knowit AB (publ)	15.6	23.3	10.8	427	541	665	52	24	7.8%	21.0%	0.8x	10.4x	17.4x	
<b>Average</b>										<b>8.9%</b>	<b>6.5%</b>	<b>1.2x</b>	<b>16.9x</b>	<b>21.7x</b>
<b>ITeS</b>														
Genpact Limited	34.7	48.4	31.6	6,297	7,293	4,433	719	430	16.2%	6.2%	1.6x	10.1x	14.7x	
ExlService Holdings, Inc.	30.9	35.7	25.2	5,088	5,087	1,591	279	176	17.5%	18.1%	3.2x	18.2x	28.9x	
WNS (Holdings) Limited	63.2	93.2	53.2	3,003	3,108	1,282	225	159	17.5%	11.8%	2.4x	13.8x	18.9x	
Firstsource Solutions Limited	2.2	2.3	1.2	1,526	1,681	738	93	66	12.6%	7.4%	2.3x	18.0x	23.0x	
TTEC Holdings, Inc.	21.7	53.6	15.3	1,028	1,997	2,495	277	41	11.1%	10.7%	0.8x	7.2x	25.3x	
Conduent Incorporated	3.7	4.9	2.5	793	2,016	3,755	272	(635)	7.2%	(3.7%)	0.5x	7.4x	NM	
Hinduja Global Solutions Limited	11.9	16.6	11.2	553	675	542	11	13	2.1%	(8.1%)	1.2x	60.6x	42.3x	
<b>Average</b>										<b>12.0%</b>	<b>4.1%</b>	<b>1.7x</b>	<b>19.3x</b>	<b>25.5x</b>

# Contact us

## ABOUT US

Founded in 1987, The Chesapeake Group is an independent financial advisory company with over 35 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 25 years.

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