



CHESAPEAKE TECHNOLOGY NEWSLETTER

15 Apr 2022



THE CHESAPEAKE GROUP

INVESTMENT BANKING & STRATEGIC ADVISORY

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Note: Market data as of Apr 15, 2022

Section 1:

Fortnightly update

This fortnight in technology...

Wipro acquires Convergence Acceleration Solutions

Overview:

- On 11 April 2022, Wipro announced that it had acquired Convergence Acceleration Solutions (CAS Group), a Roswell, GA-based business and technology advisory services company for \$80m, representing an EV / Sales multiple of 2.8x based on CY 2021 financials.
- The combined entity will provide communication service providers (CSPs) with strategy development and planning, execution and implementation services.

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 Convergence Acceleration Solutions:

- Founded in 2007, Convergence Acceleration Solutions (CAS Group) is a business and technology advisory services company providing operational support system (OSS) and business support system (BSS) transformation, application modernization, broadband infrastructure, and telco network enablement services.
- It has Fortune 100 communications service providers (CSPs) as its clients.
- The company recorded a revenue of \$28.1m in CY 2021.
- It is headquartered in Roswell, GA.

Rationale of the transaction:

- CAS Group's deep-rooted client relationships and strong domain expertise coupled with Wipro's execution capabilities will deliver an end-to-end professional services solution and immediate impact to clients.
- Together, the companies will provide clients with services ranging from strategy development and planning to execution and implementation.
- CAS Group's 145 employees will join Wipro.
- Commenting on the transaction, Malay Joshi, Senior Vice President and Sector Head for Communications, Media & Information Services at Wipro said, *"Communications service providers in North America are at the cusp of significant transformation driven by new connectivity technologies, solutions, and differentiated business models. CAS Group aligns very well with Wipro's strategic priorities of strengthening our client partnerships by providing differentiated business solutions with talent at scale in the markets we serve. Combined with Wipro's deep engineering prowess and extensive capabilities in Cloud, IoT, 5G commercialization, as well as our comprehensive digital business offerings—everything from customer experience and digital design to security and compliance—the addition of CAS Group to Wipro family will bring clients end-to-end global technology, consulting, and business transformation capabilities."*

Section 2:

Recent news and press releases

Recent news excerpts – Company specific

TCS gets deal from UK Financial Ombudsman Service to drive digital transformation – Mint

Apr 14, 2022 — Tata Consultancy Services said it has been chosen as a strategic partner by UK's Financial Ombudsman Service to accelerate digital transformation. "The Ombudsman has partnered with TCS to enhance and futureproof its digital services capabilities, to help achieve its goal of preventing complaints and unfairness, and for better serving and supporting its customers," read a TCS statement. TCS will help futureproof the Ombudsman's technology capabilities with a new digital portal that would improve the experience for complainants and respondents. The company will also develop and maintain a complaint management and reporting system to enhance the Ombudsman's public service offering and organization performance. TCS is the largest IT service provider by revenue in the UK with roughly 18,000 employees and is a significant contributor to the UK economy and to local community initiatives across the country, the company said.

LTI sets up ServiceNow Experience Center & Innovation Lab in Hartford, CT – Business Standard

Apr 14, 2022 — Larsen & Toubro Infotech has set up ServiceNow Experience Center & Innovation Lab at its recently inaugurated engagement center in Hartford, CT. The Experience Center aims to encourage enterprises to rapidly evolve and adapt to new organizational processes and harness the full potential of technological advancements by adopting digital workflows that identify improvements, establish roadmaps, and streamline processes. With focus on innovation and establishing new capabilities for enterprises, the LTI ServiceNow Experience Center will enable co-creation of best-in-class solutions for clients to accelerate their digital transformation journey on the ServiceNow platform. While the Experience Center will focus on new industry workflows, clients can engage with technical experts from LTI and ServiceNow for in-depth technology briefings, solution demos, software, and access to tools for Proof of Concept (PoC) and solution workshops.

HCL Technologies expands global partnership with Avaloq to accelerate innovation in digital wealth management – Press Release

Apr 13, 2022 — HCL Technologies has expanded its global partnership with Avaloq, a leading provider of digital banking solutions. HCL will now develop a world-class lifecycle management center for Avaloq clients and invest in ongoing training and development for HCL teams working with Avaloq products. These investments will combine HCL's deep domain knowledge in financial services with Avaloq's expertise in digital wealth management technology, to accelerate innovation across the industry. The new lifecycle management center will harness HCL's digital transformation execution framework (FENIX 2.0) and next-generation AI and automation (DRYiCE™) products to drive efficiency. HCL is upskilling its wealth management teams globally by enrolling them in specialized training from the Avaloq Academy and building program-specific competencies.

Tech Mahindra selects Keysight's test solutions to certify 5G vendors' equipment at its 5G O-RAN Lab in New Jersey, USA – Press Release

Apr 13, 2022 — Keysight Technologies, a leading technology company that delivers advanced design and validation solutions to help accelerate innovation to connect and secure the world, announced that Tech Mahindra, a leading provider of digital transformation, consulting and business re-engineering services and solutions, has selected Keysight Open Radio Architect (KORA) solutions to certify 5G equipment of open radio access network (O-RAN) in a 5G O-RAN test lab facility located in New Jersey, USA. Leveraging KORA solutions enables Tech Mahindra's 5G O-RAN lab to perform end-to-end validation of designs developed or deployed by communication service providers (CSPs), independent software vendors (ISVs), original equipment manufacturers (OEMs) and original design manufacturers (ODMs) in compliance to specifications defined by the O-RAN ALLIANCE.

Wipro Appoints Anis Chenchah as CEO, APMEA – Press Release

Apr 11, 2022 — Wipro announced the appointment of Anis Chenchah as member of the Wipro Executive Board and Chief Executive Officer, APMEA (Asia Pacific, India, Middle East and Africa). Anis has over two decades of experience in Consulting, IT and Business Process Services. He joins from Capgemini where he was the Global CEO of Capgemini Business Services and member of the Group Executive Committee. Prior to that, Anis held various leadership roles in Capgemini Financial Services across Europe and the Middle East. Anis holds a Master's degree in Engineering from ENSISA in France. N S Bala, who has been the CEO of the APMEA Strategic Market Unit for the past year, has decided to move back to the US for personal reasons.

Recent news excerpts – Company specific (cont'd)

Infosys, Rolls-Royce jointly launch aerospace engineering research centre – The New Indian Express

Apr 07, 2022 — IT company Infosys and industrial technology firm Rolls-Royce on Thursday launched a joint aerospace engineering research centre in Bengaluru. The Aerospace Engineering and Digital Innovation Centre has been established to provide high-end research and development (R&D) services integrated with advanced digital capabilities to Rolls-Royce's engineering and group business services from India, Infosys said in a statement. "Infosys and Rolls-Royce's collaboration has been reinforced through strategic deals aimed at yielding mutual benefits to both organisations over the next seven years," the statement said. In December 2020, the two companies had announced a collaboration for sourcing engineering and R&D services for Rolls-Royce's civil aerospace business, whereby Rolls-Royce transitioned a significant part of its engineering centre capabilities to Infosys, it added.

Tech Mahindra partners with Microsoft to offer integrated security solutions – Mint

Apr 06, 2022 — Tech Mahindra on Wednesday announced that it has collaborated with Microsoft to provide next-generation integrated security solutions for customers. As part of the collaboration, the companies will together build SenTindra, a cloud-based virtual security operations center developed on Microsoft Sentinel. SenTindra offers a single monitoring pane with all security components integrated to assist in immediate addressing of security threats. With Tech Mahindra's assessment and migration approach backed by Azure's security features, SenTindra will cover the entire lifecycle of migration and transformation requirements for customers. This collaboration will enhance security, simplify access and set smart policies across customers' different cloud environments.

Persistent Systems rejigs leadership team – BusinessLine

Apr 06, 2022 — Persistent Systems announced it is strengthening its leadership team to support continued growth and strategic focus on environmental, social and governance (ESG), risk management and talent transformation initiatives. Sameer Bendre, formerly chief people officer, will be Chief of Operations, overseeing ESG and risk management as well as enterprise information systems and administration functions. Yogesh Patgaonkar, as Chief People Officer, will be responsible for global HR function, including learning and development as well as talent acquisition. New to Persistent, Patgaonkar has over 28 years of HR experience at organisations like RPG Group, L&T and Mphasis, the company said. Patgaonkar will be a member of Persistent's executive team and based out of Pune. Patgaonkar said, "I am thrilled to join the Persistent leadership team at this exciting time. I look forward to furthering the people-centric culture that Persistent is well-known for. Our future depends on nurturing and growing talent in the company and that will be my mission."

Payments Canada Partners with TCS to evolve payments with RTR– Press Release

Apr 05, 2022 — Tata Consultancy Services has entered into a strategic partnership with Payments Canada, the country's largest payment organization, to transform its payment system operations and help implement the Real-Time Rail (RTR), the new real-time payments system that will allow Canadians to initiate payments and receive irrevocable funds in seconds, 24/7/365. TCS will leverage its deep knowledge of the Canadian payments industry and extensive experience in designing and implementing large payment systems for its Canadian financial services clients to help Payments Canada create and execute an integration roadmap for the RTR. Additionally, TCS will use its solutions around quality engineering and participant engagement to effectively help plan and orchestrate a comprehensive end-to-end industry assurance program that will holistically validate the solution for the RTR deployment.

TCS inks 'material multi-year contract' with US company – Mint

Apr 05, 2022 — Tata Consultancy Services on Monday announced that it has signed a 'material multi-year contract' with a large US company, expanding its long-standing partnership to accelerate their cloud transformation journey. IT services company, in a regulatory filing said, the transformation will serve as a platform for their future growth enabling business expansion, incubate new business models, improving customer experience and other strategic benefits. The company said in a BSE filing, "TCS has signed a material multi-year contract with a large American company expanding its long-standing partnership to accelerate their cloud transformation journey and transform their technology landscape into a modern hybrid cloud stack for greater agility, flexibility, and improved operational resilience."

Recent news excerpts – Industry

Mint
Apr 15, 2022

Talent churn in IT sector may stabilize in 6 months: Experts

Some of India's biggest IT companies are facing an unprecedented surge in employee attrition as a pandemic-induced acceleration in digital transformation leads to an intense race for talent from global rivals as well as smaller and nimbler rivals such as startups. Companies such as Tata Consultancy Services, Infosys, Wipro, and Cognizant Technology Solutions have seen record churn among their ranks. Industry experts have, however, predicted that the situation will ease shortly, possibly over the next six months. "Talent that transitioned out from Infosys and TCS last financial year, was absorbed by a nearly identical set of enterprises. In either of the cases, the Top 12 absorbers have taken over one-third of talent on the move," said Kamal Karanth, co-founder, Xpheno, a specialist staffing company.

The Hindu
Apr 09, 2022

India globally well placed with lowest tech talent demand supply gap: NASSCOM

India may be currently facing a huge scramble for digital talent, but the good news is that the country is well placed with a lowest tech talent demand supply gap when compared to major economies including the U.S., U.K. and China, said industry body NASSCOM. "India's tech talent demand supply gap at 21.1% is the lowest compared to other major economies," said Sangeeta Gupta, Senior VP and Chief Strategy Officer, NASSCOM. "The increasing pool of graduates coupled with a maturing talent ecosystem is helping the growth of digital talent pool in the country despite the churn for the right talent." Talent continues to remain a key advantage for Indian IT. In FY22, the country's technology industry employed more than 5.1 million people of which some 1.6 million were digitally skilled, she said.

Mint
Apr 08, 2022

Accenture's investor meet indicates room for growth is wide

Accenture's investor and analyst conference held on 7 April points to the rising focus on costs among European firms in the backdrop of the ongoing Russia-Ukraine war. It is also pertinent to global companies to a certain extent. Increased focus in costs could lead to an alteration in tech budgets and postponement or decline of discretionary spends. Even so, this has not affected Accenture's operations so far. Accenture's performance is often seen as an indicator for Indian IT sector's future performance. As such, the commentary from Indian IT companies, which are set to announce the March quarter (Q4FY22) results next week, would remain crucial. "High inflationary environment and geopolitical tensions (Europe is more vulnerable) are realities that enterprises are responding to. Higher focus on costs is an outcome but not necessarily a bad one for Indian IT, cost focus can bring back mega deals for the industry and will benefit tier 1 players enabling them to close gap with mid-tier peers," said analysts at Kotak Institutional Equities in a report on 8 April.

Press Release
Mar 06, 2022

Worldwide IT spending to reach \$4.4 trillion in 2022: Gartner

Worldwide IT spending is projected to total \$4.4 trillion in 2022, an increase of 4% from 2021, according to the latest forecast by Gartner. "This year is proving to be one of the noisiest years on record for CIOs," said John-David Lovelock, distinguished research vice president at Gartner. "Geopolitical disruption, inflation, currency fluctuations and supply chain challenges are among the many factors vying for their time and attention, yet contrary to what we saw at the start of 2020, CIOs are accelerating IT investments as they recognize the importance of flexibility and agility in responding to disruption. "As a result, purchasing and investing preference will be focused in areas including analytics, cloud computing, seamless customer experiences and security."

Moneycontrol
Apr 04, 2022

Impact of Australia trade agreement likely to be modest for IT sector, say experts

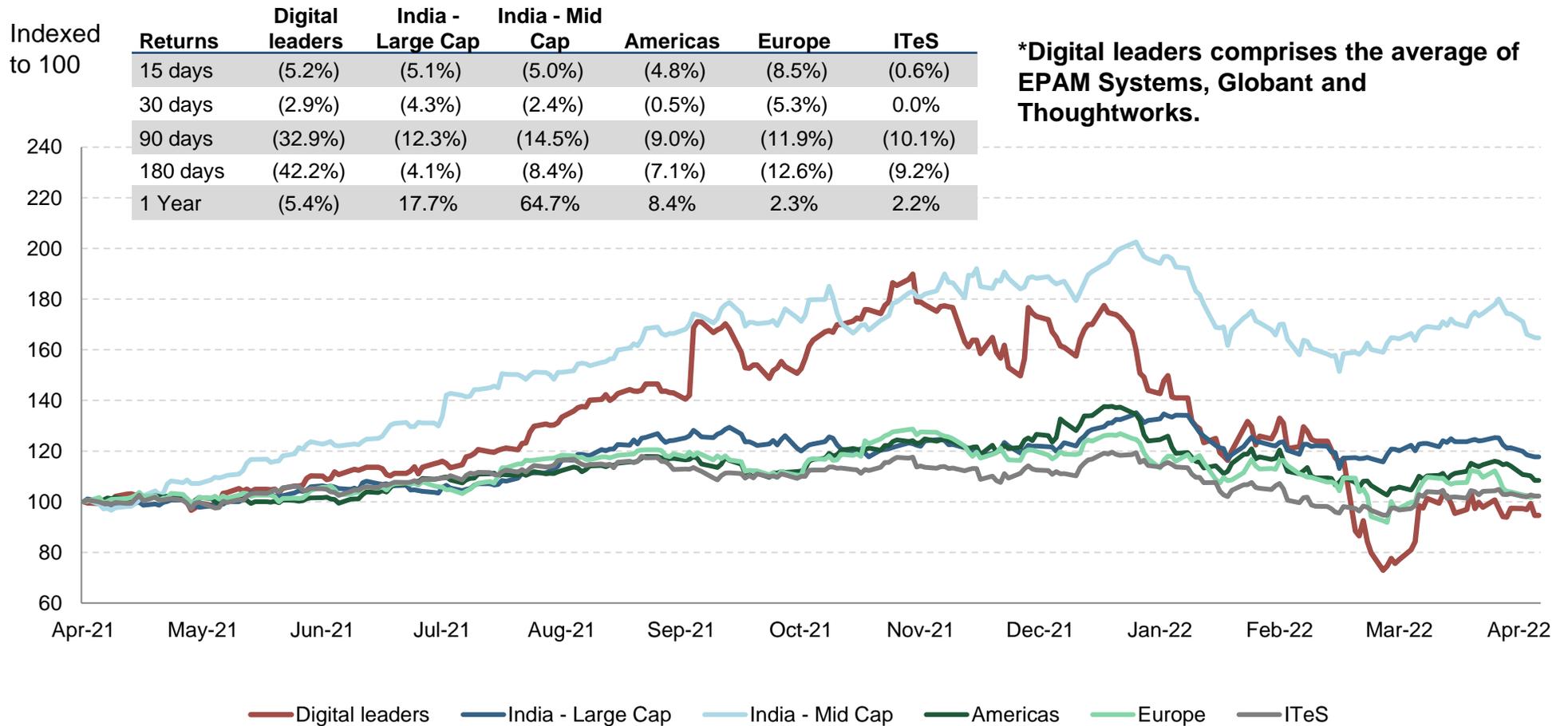
India's IT industry leaders have welcomed the end of double taxation in Australia and the introduction of work visas for Indian students after the two countries signed an extensive trade pact over the weekend. According to experts, while the deal will benefit the IT services sector, the impact would be modest, given that these companies already have a significant presence in the country. In the India-Australia Economic Cooperation & Trade Agreement, Canberra agreed to end double taxation under which Indian IT services firms were taxed on the revenue for the work done in India. According to reports, this led to \$1 billion loss for the sector over the last 10 years.

Section 3:

Valuation overview

Share price evolution – IT / ITeS companies

Over the past 15 days, the valuation of large cap IT as well as mid cap Indian IT services companies decreased by c.5%. Stock prices across the board saw a pullback as major central banks across the globe gave guidance and took action to tighten the monetary policies to curb the rising inflation, raising concerns that it may slow down economic growth.

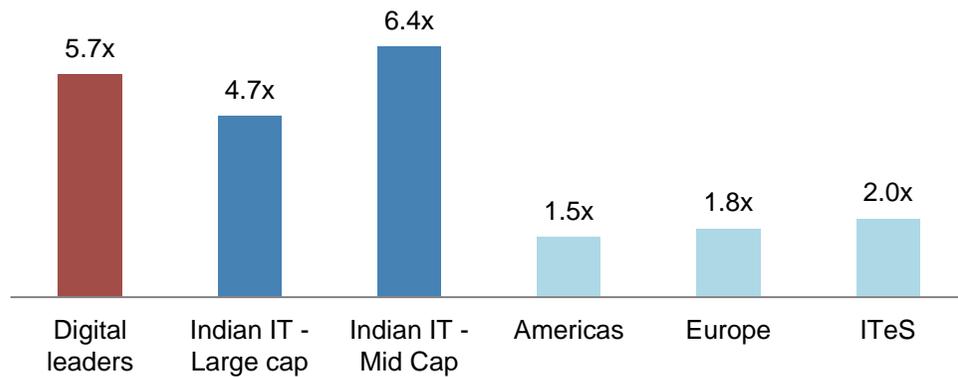


Source: Capital IQ

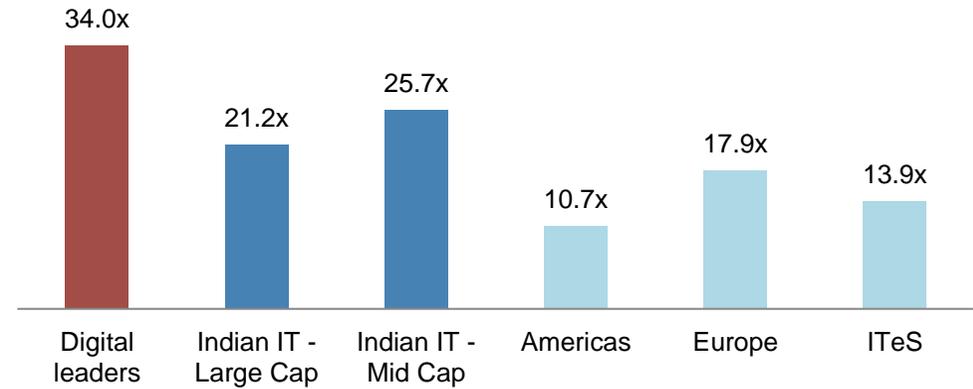
Note: For every parameter, we have used market capitalization of the companies in each segment (composition of each segment can be seen in the appendix)

Valuation summary

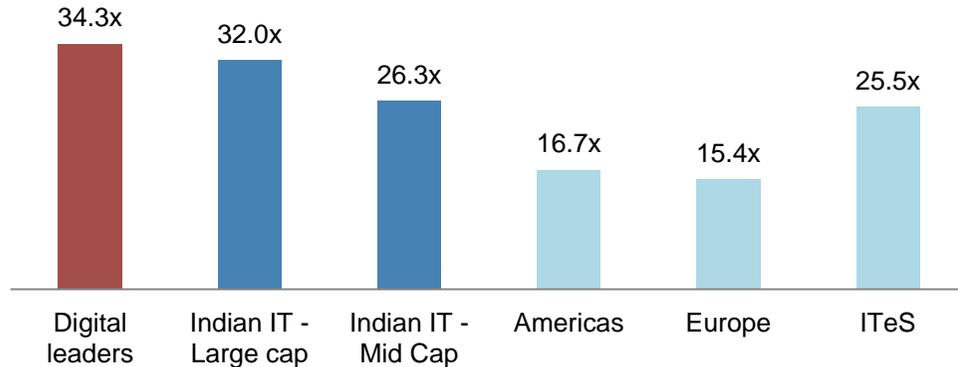
EV / LTM Sales



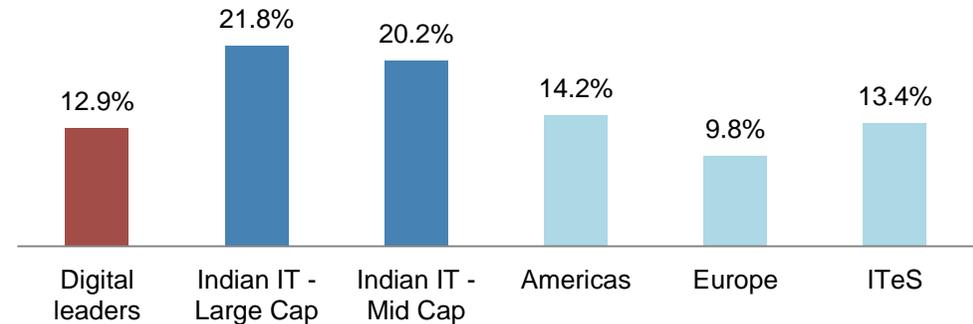
EV / LTM EBITDA



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

Target business description

Transaction rationale

Apr -22



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

- Founded in 2009, Fortica is a cybersecurity company.
- The company provides cloud security assessment, risk evaluation and architecture services.
- It specializes in Cloud Security Posture Management (CSPM) and in the deployment of cybersecurity strategies.
- The company is headquartered in Quebec City, Canada.

- The acquisition follows the steady growth of KPMG Cybersecurity in recent years and allows the firm to expand its position as a leader in cybersecurity in Quebec.
- It is the latest of a series of acquisitions that began in 2018 with the acquisition of Egyde, a firm specializing in various cybersecurity services including penetration testing and cyberattacks, which has allowed the firm to develop a range of services essential to enterprise risk management.
- It confirms KPMG's continuous expansion throughout Quebec.

Apr -22



Dharana Capital



- Target country – India
- Deal size – \$29m
- EV / Sales – NA

- Founded in 2017, ITILITE is an enterprise SaaS company.
- It develops cloud-based travel and expense management platform, Mastermind which provides data-driven recommendations to optimize travel and expense spending and processes using AI.
- **Select customers:** Automation Anywhere, Praj HiPurity, Page Industries, Byjus, Swiggy, Zetwerk
- It is headquartered in Bangalore, India.

- This \$29m Series C fundraise was led by Tiger Global and Dharana Capital along with participation from existing investors Matrix Partners and Tenacity Ventures.
- The capital raise, which aims to accelerate digital adoption in the travel & expense management space, comes after ITILITE recorded 5x growth since its Series B round in 2020, despite adverse market conditions.
- This investment comes at a time when employees are returning to offices and business travel is picking up.

Apr -22



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

- Founded in 2009, Colabo is a sales automation company.
- Its AI powered, low-code software platform provides customer engagement solutions by unifying knowledge from any digital and physical content into a seamless, personalized omni-channel experience.
- The company is headquartered in San Carlos, CA with an additional office in Herzliya, Israel.

- With Colabo's solution integrated into Uniphore's industry-leading conversational automation platform, enterprises will be able to leverage AI to extract knowledge entities and graphs from structured and unstructured data.
- This helps ensure that the most relevant content and next-best action are delivered to Intelligent Virtual Assistants and live agents, for significantly better customer interactions.
- Uniphore had raised \$400m in a Series E funding round led by New Enterprise Associates in January 2022.

Key transactions in April (cont'd)

Overview

Apr -22

**Content
+ Cloud**



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

Target business description

- Founded in 2010, Azzure IT is systems integration services company.
- A Microsoft Dynamics partner, it provides solution development and implementation services leveraging Dynamics Business Central and Dynamics 365 Sales (CRM) coupled with its proprietary solutions.
- It has 60 employees.
- It is headquartered in Sheffield, UK.

Transaction rationale

- The acquisition establishes Content+Cloud, a subsidiary of Goldman Sachs-owned Advania, as one of the largest Microsoft Dynamics Business Central providers in the UK.
- Along with the Advania Dynamics practice across the Nordics, the combined group will now have over 225 Dynamics professionals able to deliver Dynamics 365, Dynamics Business Central and Dynamics 365 Sales to its clients.
- Financial terms of the transaction were not disclosed.

Apr -22

KKR



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

- Founded in 2003, Barracuda Networks is a cloud-first cybersecurity company.
- It provides email protection, application security, network security and data protection solutions.
- It has over 200,000 SMEs as customers.
- **Verticals:** Education, government, financial services, health care, retail, consumer goods
- The company has a revenue of over \$500m.
- It is headquartered in Campbell, CA.

- Taking over Barracuda from Thoma Bravo, KKR will provide resources and expertise to further accelerate the company's growth and support its strategic expansion in key areas, including managed detection and response, extended detection and response, and secure access service edge technology.
- The investment in Barracuda builds upon KKR's experience investing in the cybersecurity sector globally, with investments including Ping, Cylance, DarkTrace, ForgeRock, NetSPI and Optiv, among others.
- Financial terms were not disclosed.

Apr -22

stellaris
VENTURE PARTNERS



- Target country – India
- Deal size – \$4m
- EV / Sales – NA

- Founded in 2020, LimeChat is an AI chatbot solutions company.
- Its chat assistant lets brands instantly respond to customer queries throughout the buying journey, from product discovery to checkout to returns.
- The company has over 125 brands as its customers.
- **Select customers:** Mamaearth, MCaffeine, Wow Skin Science, Man Matters
- It is headquartered in Bangalore, India.

- The seed funding round led by Stelarris Venture Partners also saw participation from pi Ventures, Titan Capital and marquee angel investors.
- The company plans to utilize the funds to strengthen its product and expand its go to market operations.
- This comes at a time when Direct-to-Consumer (D2C), the main market segment that LimeChat caters to, is showing sharp growth fueled by the growth in e-commerce over the last two years driven by the COVID-19 pandemic.

Key transactions in April (cont'd)

Overview

Target business description

Transaction rationale

Apr -22

Deloitte.

entrigo

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

- Founded in 2018, Entrago is an enterprise process automation services company.
- It is a ServiceNow elite partner, providing advisory, consulting, and delivery services.
- **Verticals:** Healthcare, public sector and financial services
- It has 21 employees.
- The company is headquartered in Brisbane, Australia.

- Entrago augments Deloitte's technical experience and capability in healthcare and process automation, helping its clients to streamline their operations and end-user service experiences.
- The transaction builds on the momentum Deloitte has achieved in the technology consulting and service delivery space in past twelve months.
- Deloitte believes that the Australian market for the business transformation that can be powered by ServiceNow is significant and has strong growth potential.

Apr -22

Kaseya

datto

- Target country – United States
- Deal size – \$6.2bn
- EV / Sales – 9.7x

- Founded in 2007, NYSE-listed Datto is an enterprise software company.
- It develops security and cloud management software which provides unified continuity, networking, endpoint management, and business management solutions.
- Its software is purpose-built for Managed Service Providers (MSPs).
- It is headquartered in Norwalk, CT.

- Kaseya will pay \$35.50 per share for Datto, which represents a 52% premium to Datto's unaffected stock price of \$23.37 as of March 16, 2022.
- Kaseya's global customers will experience more functional, innovative and integrated solutions as a result of this acquisition.
- The all-cash transaction will be funded by consortium of investors led by Insight Partners, with significant investment from TPG and Temasek, and participation from notable investors including Sixth Street.

Apr -22

wipro

CAS
CONVERGENCE
ACCELERATION
SOLUTIONS
GROUP

- Target country – United States
- Deal size – \$80m
- EV / Sales – 2.8x

- Founded in 2007, Convergence Acceleration Solutions (CAS Group) is a business and technology advisory services company.
- It provides operational support system (OSS) and business support system (BSS) transformation, application modernization, broadband infrastructure, and telco network enablement services.
- It has Fortune 100 communications service providers (CSPs) as its clients.
- It is headquartered in Roswell, GA.

- CAS Group's deep-rooted client relationships and strong domain expertise coupled with Wipro's execution capabilities will deliver an end-to-end professional services solution and immediate impact to clients.
- Together, the companies will provide clients with services ranging from strategy development and planning to execution and implementation.
- CAS Group's 145 employees will join Wipro.
- The transaction closed on Apr 11, 2022.

Key transactions in April (cont'd)

Overview

Apr -22

 THOMABRAVO



- Target country – United States
- Deal size – \$6.9bn
- EV / Sales – 16.0x

Target business description

- Founded in 2004, NYSE-listed SailPoint Technologies is an enterprise security company.
- A leader in identity security, it automates the management and control of access, delivering only the required access to the right identities and technology resources at the right time.
- It has modern enterprises across the world as its customers.
- It is headquartered in Austin, TX.

Transaction rationale

- As per the terms of this take-private transaction, SailPoint's stockholders will receive \$65.25 per share in cash, representing a premium of 48% to SailPoint's 90-day volume-weighted average price (VWAP).
- Thoma Bravo's operational and financial resources coupled with SailPoint's focus on driving consistent innovation that delivers sustained customer success will set SailPoint on a path for sustained long-term growth.
- The transaction is expected to close in the second half of 2022.

Apr -22



 Purple Scout

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

- Founded in 2004, Purple Scout is a digital and cloud transformation services company.
- It provides software development, cloud migration, AI, big data, virtual and augmented reality, e-commerce and DevOps services.
- It has c.60 employees.
- The company has a revenue of c.\$6.5m.
- It is headquartered in Malmo, Sweden and has additional offices in Gothenburg, Borås and Växjö in Sweden and in Copenhagen, Denmark.

- With this acquisition, adesso establishes subsidiaries in Sweden and Denmark which will join its Finland subsidiary, continuing to expand its international footprint.
- The new subsidiaries in Sweden and Denmark will initially focus on delivering services to industries of telecommunication, retail, financial services and manufacturing.
- With adesso Sweden and adesso Denmark, the adesso Group now has a total of twelve subsidiaries in Europe, bringing it a step closer to its goal of becoming a leading IT service provider throughout Europe.

Apr -22



 Active.Ai

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

- Founded in 2016, Active Intelligence an enterprise AI solutions company.
- Its platform Active.Ai, is a leading conversational AI platform used by banks and fintech companies.
- Its Conversational Banking as a Service (CBaaS) platform serves BFSI customers across 43 countries.
- **Select customers:** Royal Credit Union, CommFirst Federal Credit Union, Tata Capital, IndusInd Bank
- It is headquartered in Singapore.

- The acquisition augments Gupshup's product offering by bringing advanced, AI powered omnichannel conversational engagement solutions for BFSI organizations.
- Active.Ai's CBaaS platform adds more vertical depth to Gupshup's product stack, giving BFSI customers the tools to create intelligent, smooth micro conversations with consumers using voice, video and messaging channels.
- Gupshup is backed by Tiger Global and Fidelity among others and has raised c.\$390m over several rounds of funding.

Key transactions in April (cont'd)

Overview

Apr -22



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

Target business description

- Founded in 2018, BiLD Analytics is a data and analytics consultancy.
- It provides data engineering, data science, DevOps and advanced analytics services.
- **Select clients:** Exxon Mobil, Carlsberg Group, TripAdvisor, Deloitte, KPMG, BNP Paribas, MercedesBenz.io, Bain & Co, New Signature, Billigence, Avanade and Farfetch
- It is headquartered in Lisbon, Portugal.

Transaction rationale

- BiLD's data engineering capabilities will enable Ascent to seize new market opportunities driven by a rapidly increasing global demand for digital services.
- The deal gives Ascent access to BiLD's high-profile client basedata engineers that hold certifications in Microsoft Azure, Databricks and Snowflake.
- The acquisition is in line with Ascent's strategy to create a powerful combination of advanced data capabilities, software and cloud skills to help customers in their digital transformation journey.

Apr -22



- Target country – United States
- Deal size – \$1.9bn
- EV / Sales – NA

- Founded in 2017, Pensando Systems is a distributed computing software provider.
- Its distributed services platform includes a high-performance, fully programmable packet processor and comprehensive software stack that accelerate networking, security, storage and other services for cloud, enterprise and edge applications.
- **Select customers:** Goldman Sachs, IBM Cloud, Microsoft Azure and Oracle Cloud
- It is headquartered in Milpitas, CA.

- The acquisition expands AMD's product portfolio with a high-performance packet processor and software stack already deployed at scale across cloud and enterprise customers.
- Pensando's team will join AMD as part of the Data Center Solutions Group, led by AMD Senior Vice President and General Manager Forrest Norrod.
- Pensando will remain focused on executing their product and technology roadmaps, bolstered by additional scale from AMD to accelerate their business and address growing market opportunities across a broader number of customers.

Apr -22



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

- Founded in 2012, River Loop Security is a cybersecurity company.
- It provides system design, penetration testing, custom solutions development, and specialized cybersecurity services for the IoT and embedded devices sectors.
- **Verticals:** Government, telecommunications, consumer products, healthcare
- It is headquartered in Washington, D.C.

- River Loop and Carlyle-owned Two Six Technologies have partnered for several years on multiple programs for the Defense Advanced Research Projects Agency (DARPA) and this transaction will enable deeper collaborations on the development of innovative solutions for a growing set of customers and end users.
- With this acquisition, Two Six Technologies has over 500 highly skilled professionals working across their offices, government facilities and remote locations across the country.

Key transactions in April (cont'd)

Overview

Apr -22

HUBIFY



- Target country – Australia
- Deal size – \$2.3m
- EV / Sales – 1.2x

Target business description

- Founded in 2000, Connected Intelligence is a managed services provider.
- The company has 25 customers.
- It has a revenue of \$2m and an EBITDA of \$0.7m coupled with 90% recurring revenues.
- It derives 75% of its revenue from managed services and 25% from voice & data.
- It is headquartered in Sydney, Australia with additional offices in Melbourne and Brisbane.

Transaction rationale

- The acquisition further enables Hubify to execute on its growth strategy in enterprise managed services and supports its growing pipeline of prospects in this space.
- Connected Intelligence shares the same upstream suppliers and platforms as Hubify, which allows for a seamless integration of technologies and systems.
- Financially, Connected Intelligence is a high-quality recurring revenue business with good margins and long-term customers, making it a great fit for Hubify.

Apr -22

NTT DATA



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

- Founded in 2012, Business Services & Technologies (BST) is a systems integration and managed services provider.
- It provides business and implementation consulting as well as managed services for SAP solutions such as Ariba, S/4HANA and SuccessFactors.
- **Verticals:** Food & beverages, construction, automotive
- The company is headquartered in Sofia, Bulgaria.

- The acquisition expands NTT DATA's global managed services capabilities.
- It expands NTT DATA's delivery capabilities in the European Union, which is a requisite to serve European clients.
- The deal also enables the management and 150 employees of Business Services & Technologies benefit from new opportunities for their professional development.
- With the new location in Bulgaria through this acquisition, NTT DATA Business Solutions will have six global Managed Service Centers and operate in 31 countries globally.

Apr -22



- Target country – United States
- Deal size – \$64m
- EV / Sales – 0.7x

- Founded in 1991, Creative Breakthroughs (CBI) is a cybersecurity company.
- Its service offerings range from security programs to architecture and integration to managed security.
- It has strategists, former CISOs, and security experts as its employees.
- The company has a revenue of \$88m and an EBITDA of \$7m.
- It is headquartered in Ferndale, MI.

- CBI's knowledge of the security landscape and their delivery expertise will augment Converge's cybersecurity practice.
- CBI expands Converge's security portfolio by bringing more strategic partnerships and a team of strong technical resources across North America.
- The deal also enables CBI to offer cloud, analytics, and digital infrastructure services to continue meeting its clients' demands.
- CBI marks the thirtieth acquisition announced by Converge or its affiliates since October 2017.

Appendix I:

Market multiples

Market valuation

Company	Market data					LTM Performance				Growth	Valuation multiples		P/E
	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	
Digital leaders													
EPAM Systems, Inc.	290.1	717.5	174.8	16,498	15,299	3,758	628	482	16.7%	26.8%	4.1x	24.4x	34.3x
Globant S.A.	233.5	354.4	204.5	9,754	9,444	1,297	217	96	16.7%	35.4%	7.3x	43.6x	NM
Thoughtworks Holding, Inc.	20.1	34.4	18.1	6,136	6,273	1,070	57	(24)	5.3%	NA	5.9x	NM	NM
Average									12.9%	37.3%	5.7x	34.0x	34.3x
India - Large Cap													
Cognizant Technology Solutions Corporation	84.7	93.1	66.5	44,449	43,385	18,507	3,348	2,137	18.1%	4.7%	2.3x	13.0x	20.8x
HCL Technologies Limited	14.7	18.4	12.1	39,920	38,674	11,184	2,620	1,665	23.4%	10.0%	3.5x	14.8x	24.0x
Infosys Limited	22.9	26.1	17.8	96,060	93,664	16,311	4,226	2,963	25.9%	11.4%	5.7x	22.2x	32.4x
Larsen & Toubro Infotech Limited	79.1	101.5	48.9	13,867	13,498	2,126	465	303	21.8%	16.0%	6.3x	29.1x	45.8x
Mindtree Limited	53.7	67.0	26.9	8,852	8,551	1,427	330	218	23.1%	12.1%	6.0x	25.9x	40.6x
Mphasis Limited	40.0	47.2	21.9	7,509	7,435	1,504	257	182	17.1%	12.0%	4.9x	28.9x	41.3x
Tata Consultancy Services Limited	48.0	54.1	41.0	175,554	170,319	25,267	6,991	5,050	27.7%	6.1%	6.7x	24.4x	34.8x
Tech Mahindra Limited	18.5	24.2	12.7	16,218	15,125	5,672	1,004	690	17.7%	5.2%	2.7x	15.1x	23.5x
Wipro Limited	7.3	9.7	5.8	40,057	37,640	9,996	2,143	1,625	21.4%	6.7%	3.8x	17.6x	24.7x
Average									21.8%	7.5%	4.7x	21.2x	32.0x
India - Mid Cap													
Accelya Solutions India Limited	12.7	20.2	11.2	190	184	45	12	8	27.4%	(8.8%)	4.1x	15.0x	23.4x
Birlasoft Limited	5.9	7.8	3.2	1,651	1,530	528	78	58	14.9%	(1.7%)	2.9x	19.5x	28.6x
Coforge Limited	54.5	81.9	37.5	3,320	3,368	799	130	79	16.3%	16.8%	4.2x	25.9x	42.1x
Cyient Limited	11.4	16.4	9.0	1,256	1,144	597	105	63	17.7%	(2.8%)	1.9x	10.9x	19.9x
Happiest Minds Technologies Limited	14.3	20.6	8.4	2,030	1,986	136	29	22	21.0%	46.7%	14.6x	69.4x	NM
InfoBeans Technologies Limited	10.2	10.2	2.2	247	245	30	7	7	23.2%	22.5%	8.0x	34.6x	37.2x
Latent View Analytics Limited	6.5	9.4	4.9	1,302	1,271	50	15	16	30.9%	NA	25.6x	NM	NM
L&T Technology Services Limited	59.1	79.4	34.0	6,232	6,209	847	172	119	20.3%	6.7%	7.3x	36.1x	NM
Mastek Limited	40.4	45.5	17.2	1,211	1,140	293	66	39	22.5%	25.2%	3.9x	17.4x	31.2x
Perficient, Inc.	108.1	148.8	63.1	3,744	4,081	761	140	52	18.4%	15.2%	5.4x	29.2x	NM
Persistent Systems Limited	56.8	65.8	25.0	4,337	4,176	696	114	84	16.4%	13.8%	6.0x	36.5x	NM
Sasken Technologies Limited	12.3	20.2	11.2	184	174	58	18	18	31.1%	(6.5%)	3.0x	9.6x	10.5x
Sonata Software Limited	10.5	12.9	7.5	1,088	1,014	693	58	48	8.4%	20.6%	1.5x	17.5x	22.6x
Zensar Technologies Limited	4.7	7.9	3.5	1,059	971	532	79	50	14.8%	(0.2%)	1.8x	12.3x	21.0x
Average									20.2%	9.3%	6.4x	25.7x	26.3x

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	319.5	415.4	279.4	202,353	201,030	56,695	9,511	6,392	16.8%	10.3%	3.5x	21.1x	31.7x
CGI Inc.	80.4	93.0	78.2	19,405	21,521	9,640	1,701	1,101	17.6%	4.1%	2.2x	12.7x	17.6x
DXC Technology Company	31.3	43.4	29.0	7,640	11,169	16,642	1,922	(610)	11.5%	(7.5%)	0.7x	5.8x	NM
Positivo Tecnologia S.A.	1.8	3.1	1.4	252	377	604	55	35.9	9.0%	7.3%	0.6x	6.9x	7.0x
Sonda S.A.	0.4	0.7	0.3	369	522	1,053	126	41	12.0%	(3.0%)	0.5x	4.1x	9.0x
The Hackett Group, Inc.	23.7	23.9	16.0	748	706	278	51	42	18.5%	1.6%	2.5x	13.8x	18.0x
Unisys Corporation	18.5	28.2	17.1	1,253	1,361	2,054	(342)	(449)	NM	(3.0%)	0.7x	NM	NM
Average									14.2%	4.6%	1.5x	10.7x	16.7x

Europe													
Alten S.A.	140.1	180.8	118.8	4,756	4,716	3,327	362	236	10.9%	8.6%	1.4x	13.0x	20.1x
Atos SE	24.0	73.5	22.9	2,652	5,340	12,327	755	(3,369)	6.1%	0.4%	0.4x	7.1x	NM
Aubay Société Anonyme	59.0	71.2	47.6	783	718	535	63	39	11.8%	5.3%	1.3x	11.3x	20.0x
Cancom SE	52.4	72.4	50.9	1,905	1,340	1,493	115	310	7.7%	(0.5%)	0.9x	11.7x	6.1x
Capgemini SE	206.6	245.7	180.2	35,532	40,426	20,653	2,735	1,316	13.2%	11.0%	2.0x	14.8x	27.0x
Capita plc	0.3	0.7	0.3	460	1,685	4,309	35	304	0.8%	(6.3%)	0.4x	48.0x	1.5x
Endava plc	119.3	170.1	80.8	6,639	6,561	746	134	88	18.0%	31.4%	8.8x	48.9x	NM
Indra Sistemas, S.A.	9.9	12.7	8.6	1,750	2,145	3,907	309	163	7.9%	2.4%	0.5x	6.9x	10.7x
Knowit AB (publ)	30.8	45.4	27.6	845	851	532	50	32	9.5%	15.3%	1.6x	16.9x	26.3x
Sopra Steria Group SA	183.7	210.9	152.6	3,702	4,503	5,326	505	213	9.5%	4.3%	0.8x	8.9x	17.3x
TietoEVERY Oyj	25.6	35.9	23.7	3,023	3,696	3,213	412	332	12.8%	20.6%	1.2x	9.0x	9.1x
Average									9.8%	5.5%	1.8x	17.9x	15.4x

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	1,207	2,602	4,140	383	(28)	9.3%	(8.4%)	0.6x	6.8x	NM
ExlService Holdings, Inc.	145.7	149.2	92.4	4,838	4,872	1,122	201	115	17.9%	8.3%	4.3x	24.3x	42.2x
Firstsource Solutions Limited	1.7	3.1	1.5	1,177	1,313	784	107	61	13.6%	13.2%	1.7x	12.3x	19.4x
Genpact Limited	42.1	53.7	40.8	7,795	8,890	4,022	671	369	16.7%	10.3%	2.2x	13.3x	21.1x
Hinduja Global Solutions Limited	14.4	24.4	10.7	602	635	830	94	74	11.3%	8.6%	0.8x	6.8x	8.2x
StarTek, Inc.	4.4	8.5	3.8	177	426	704	71	2	10.1%	9.5%	0.6x	6.0x	NM
TTEC Holdings, Inc.	80.7	112.3	72.5	3,792	4,612	2,273	330	141	14.5%	14.6%	2.0x	14.0x	26.9x
WNS (Holdings) Limited	86.5	91.3	67.8	4,225	4,132	1,055	148	121	14.0%	9.6%	3.9x	27.9x	35.0x
Average									13.4%	10.9%	2.0x	13.9x	25.5x

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.

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