



CHESAPEAKE TECHNOLOGY NEWSLETTER

15 Jul 2022



THE CHESAPEAKE GROUP

INVESTMENT BANKING & STRATEGIC ADVISORY

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Note: Market data as of Jul 15, 2022

Section 1:

Fortnightly update

This fortnight in technology...

Accenture to acquire The Stable

Overview:

- On 13 July 2022, Accenture announced that it had signed an agreement to acquire The Stable, a Minneapolis, MN-based digital commerce agency, in a move to boost its commerce transformation capabilities in North America.
- Terms of the transaction were not disclosed.

About Accenture:

- Accenture is a leading global professional services company with capabilities in digital, cloud and security delivered by its strategic business units – Strategy & Consulting, Technology, Operations, Accenture Song (formerly Accenture Interactive) and Industry X, its Advanced Technology and Intelligent Operations unit.
- It has over 710,000 employees across 120 countries.

About The Stable:

- Founded in 2015, The Stable is a digital commerce agency.
- It provides end-to-end omnichannel commerce capabilities that drive revenue and efficiency for brands across consumer goods, retail, marketplaces and direct-to-consumer channels.
- The company has over 400 employees.
- It featured on Inc's list of the top 5,000 fastest growing private companies in the US in 2021.
- The company is headquartered in Minneapolis, MN.

Rationale of the transaction:

- The acquisition will enhance Accenture Song's global commerce transformation capabilities and its ability to rapidly build and operate data-driven digital commerce ecosystems that maximize sales performance and deliver innovative marketing and commerce experiences.
- It is in line with Accenture's Song strategy to deepen its broad, scalable set of capabilities to gain share in a rapidly growing digital commerce market that is expected to reach \$27 trillion by 2027.
- The Stable's team will be a noteworthy addition to Accenture's commerce services, strengthening its world-class strategy, design, performance, technology and large-scale operations capabilities.
- This is Accenture's latest in a series of acquisitions that it has consummated to scale digital commerce capabilities and excellence, including Businet System and Tambourine both located in Japan, Openmind in Italy, Glamit in Argentina, and Experity in Brazil.

Section 2:

Recent news and press releases

Recent news excerpts – Company specific

Accenture names Leo Framil as Chief Executive Officer – Growth Markets – Press Release

Jul 14, 2022 — Accenture today announced Leo Framil as chief executive officer — Growth Markets, effective September 1, 2022, succeeding Gianfranco Casati, who will become chairman — Growth Markets. In his new role, Framil will have management responsibility for all industries and services across Accenture's business in Asia Pacific, Africa, the Middle East and Latin America. Framil previously served as market unit lead for Latin America and has more than 30 years of consulting experience, working with major financial institutions in Latin America in banking, insurance and capital markets. Under Framil's leadership since 2016, Accenture made eight regional acquisitions in Latin America and increased the number of people in the region by 75%.

TCS opens its fifth global research and co-innovation center in Toronto – Business Standard

Jul 13, 2022 — Tata Consultancy Services has launched TCS Pace Port™ Toronto, its fifth global research and co-innovation center, to help Canadian companies bring digital innovations to life faster. Located on the top floor of 400 University Avenue and spanning 16,000 square feet, Pace Port Toronto provides companies with access to the latest technologies and breakthrough thinking from TCS Research labs, start-ups, VCs, entrepreneurs, and academia - including the University of Toronto - as well as TCS' network of Pace Ports in New York, Pittsburgh, Amsterdam, and Tokyo. Plugging into this collective ecosystem of innovators and intellectual property through TCS' Co-Innovation Network (COINTM) will enable Canadian companies to embrace a hybrid approach to collaborative innovation to set the pace of transformation in their industry.

France's Atos names new CEO – Reuters

Jul 13, 2022 — French IT company Atos said on Wednesday it named Nouridine Bihmane group CEO effective immediately, to strengthen its governance after Rodolphe Belmer's departure last month. Bihmane will also assume the role of co-CEO in charge of the tech foundations business, operational performance improvement and in particular cash generation. It also announced Diane Galbe would be senior executive vice president of the group in charge of strategic projects and all support functions of group. Philippe Oliva, co-CEO in charge of digital, big data and security activities; acceleration and innovation plans for these growth activities; will retain his position as group deputy CEO. Atos is deemed strategic by the French government for its high-tech assets such the manufacture of supercomputers and software used by the army and the finance ministry to manage tax collection. Former prime minister Edouard Philippe sits on its board.

Capgemini to support Eneco's sustainable energy transition and growth strategy – Press Release

Jul 12, 2022 — Capgemini today announced that it has signed two new agreements with Eneco, a group of companies active in the field of renewable energy and innovation, energy trade and retail. As part of a 10-year agreement, Capgemini will support Eneco's transition towards sustainable energy and help meet its ambition of becoming carbon-neutral by 2035. Additionally, a 5-year agreement was signed to develop and implement a Digital Technology Platform. The agreements will span service areas interfacing with and supporting Eneco's digital technology platform, including cloud, data, integration, infrastructure, cybersecurity, customer experience, consulting and transformation services, as well as applied innovation and sustainability solutions. Capgemini and Eneco began their collaboration in 2008 and renewed it in 2018, to support Eneco's digital and cloud transformation journey. The new agreements expand upon this strong and well-established partnership.

Accenture Federal Services Wins \$199 Million Transportation Security Administration Contract – Press Release

Jul 12, 2022 — Accenture Federal Services (AFS), a subsidiary of Accenture, has been awarded a 10-year, \$199 million contract from the U.S. Department of Homeland Security, Transportation Security Administration (TSA), to provide a wide range of IT services in support of TSA's Secure Flight System. Secure Flight is a risk-based, prescreening program that enhances security by matching passenger names against trusted traveler lists and government watchlists. "TSA's Secure Flight system identifies low and high-risk passengers before they arrive at the airport. It does this by synching up watchlist and intelligence information against traveler information and passenger reservation data," said Maurine Fanguy, AFS managing director and DHS lead. "AFS will enhance the system by incorporating emerging technologies, including artificial intelligence and machine learning, into this mission-critical program."

Recent news excerpts – Company specific (cont'd)

Palo Alto Networks and HCL Technologies announce expanded relationship to secure digital and cloud transformation for global customers – Press Release

Jul 12, 2022 — Palo Alto Networks, the global cybersecurity leader, and HCL Technologies, the global market leader in next-generation technology and IT services, today announced an expansion of their collaboration to introduce combined solutions that help secure digital and cloud transformations for customers. "It's essential that businesses think about and adapt to evolving threats. They need robust technology solutions, along with a trusted network of security and service providers, to guide them," said BJ Jenkins, president, Palo Alto Networks. "HCL Technologies has a proven record of delivering cutting-edge technology services to help customers expedite the process of transformation, and together we are committed to creating the security solutions our global customers require to stay ahead of cyberthreats."

Wipro announces quarterly promotions for top performers amid high attrition – Business Standard

Jul 11, 2022 — As India's technology sector continues to see a Covid-19-induced boom, IT giant Wipro Ltd has now decided to overhaul its employee bonuses and increments in order to curb high attrition. Wipro also aims to attract fresh talent with this latest move, a report in Livemint said. India's fourth-largest software firm Wipro plans to offer employee promotions every quarter and boost the salaries of most of its workforce by 10 per cent in September 2022. The top performers are likely to receive a 15 per cent hike, a first for the Bengaluru-based company. Wipro's move comes at a time when the tech sector is battling severe attrition. The demand for tech workers has risen significantly with the pandemic forcing companies across sectors to digitize businesses.

Coforge announces strategic partnership with Newgen – Business Standard

Jul 08, 2022 — Newgen Software, a global provider of a low code digital transformation platform, has entered into a partnership with Coforge to empower leading insurance firms, public sector organizations, and others in the US, Europe, and rest of the world. This alliance will bring together Coforge's expertise and implementation resources strength with Newgen's business insights and robust, secure, and scalable low code digital transformation platform NewgenONE. Newgen's and Coforge's combined capabilities will help organizations transform current processes, enhance operational efficiency, and gain a competitive edge over peers. Put together, business leaders will be able to leverage contextual content services (ECM), low code process automation (BPM), and omnichannel customer engagement (CCM) platforms to seamlessly manage their processes, content, and communications, said Coforge.

Zurich Insurance Germany selects Cognizant as strategic IT partner to transform its General Insurance application landscape – Cognizant

Jul 07, 2022 — Cognizant today announced that it has extended its relationship with Zurich Beteiligungs-AG, the German subsidiary of global insurance leader Zurich Insurance Group (Zurich), to help Zurich Germany deliver more digital services offerings to its clients and partners. As part of the new multi-year agreement, Cognizant will work closely with Zurich Germany to simplify, modernize, and manage and maintain the insurer's enterprise application landscape in the General Insurance domain. The partnership will establish joint DevOps teams and is designed to extend Zurich Germany's artificial intelligence (AI), data, software engineering and cloud capabilities. With this agreement, Zurich Germany is expected to reduce the total cost of ownership, speed up the time to market of new digital services and products, and lay the foundation for further digital and agile enablement of the enterprise.

Tech Mahindra expands India operations, opens new campus in Coimbatore – The News Minute

Jul 05, 2022 — Digital transformation, consulting, and business re-engineering services & solutions major Tech Mahindra, on Monday, July 4, announced a new campus in Tidel Park Coimbatore, Tamil Nadu. The facility was inaugurated by the Chief Minister of Tamil Nadu, M K Stalin in the presence of Sriram K, Sr Vice President, Enterprise Americas, Tech Mahindra. Tech Mahindra aims to hire 1000 associates in FY22-23 as part of its focus to tap local talent, improve agility to deliver solutions, and provide the flexibility to current associates to work from their hometowns. Spanning over 10,000 sq. ft., the campus will focus on building a next-generation technology hub in Coimbatore with an aim of delivering cutting-edge solutions for Tech Mahindra's global customers in various industry segments such as automobile, banking, e-commerce, finance, research & development, among others.

Recent news excerpts – Industry

Press Release
Jul 14, 2022

Worldwide IT spending to grow 3% in 2022: Gartner

Worldwide IT spending is projected to total \$4.5 trillion in 2022, an increase of 3% from 2021, according to the latest forecast by Gartner. While IT spending is expected to grow in 2022, it will be at a much slower pace than 2021 due to spending cutbacks on PCs, tablets and printers by consumers, causing spending on devices to shrink 5%. Price increases and delivery uncertainty, exacerbated by the Russian invasion of Ukraine, have accelerated the transition in purchasing preference among CIOs, and enterprises in general, from ownership to service — pushing cloud spending to 18.4% growth in 2021 and expected growth of 22.1% in 2022.

BusinessLine
Jul 13, 2022

Over 2 lakh jobs generated by Indian tech players in the US: NASSCOM

The Indian tech industry has directly generated \$103 billion of revenue and directly employed 2,07,000 people in the US with an average wage of \$1,06,360, witnessing a 22% of employment growth since 2017, according to a new report from NASSCOM. “From the value chain through to the end customers, Indian technology companies invest in American talent and technology that they augment with their global resources to develop and produce cutting-edge innovations for industries & clients,” NASSCOM said in its reports titled, “Impact of Indian Technology companies on the US Economy” and “Building the current and future US workforce: role of the Indian technology industry in the US”, commissioned by IHS Markit (now part of S&P global).

Press Release
Jul 12, 2022

Gartner survey finds that majority of technology purchases come with high degree of regret

As technology continues to become more critical to the business, technology customers have access to more options and information than ever before leading to more instances of buyer remorse. Fifty-six percent of organizations said they had a high degree of purchase regret over their largest tech-related purchase in the last two years, according to a new survey by Gartner. In November and December 2021, Gartner surveyed 1,120 respondents in North America, Western Europe and Asia/Pacific to understand how organizations approach large-scale buying efforts for enterprise technology. Respondents were required to be at a manager level or higher, aware of large-scale buying efforts for technology occurring during the past two years, and directly involved in the evaluation or selection of products or services for technology projects.

Business Insider
Jul 7, 2022

Infosys to lead the pack this earnings season while margin pressure will continue for two quarters

The earnings season has arrived and investors have already started factoring in the potential performance of bluechips like TCS, Infosys, Wipro, Mindtree, Mphasis that are to declare quarterly earnings this month. The IT services companies will continue to remain stressed because of macro concerns, wage hikes, high retention costs, increased travel costs, visa costs and sharp cross currency headwinds. Analysts feel among other IT players, Infosys could lead the pack since it bagged large deals which will provide it with good revenue. “We anticipate Infosys to lead on the organic revenue front with growth of 4.3% on quarter in constant currency, followed by TCS at 3.6%. Growth in TechM, Wipro and HCL is expected to be soft due to seasonal weakness and moderation in demand,” said a report by ICICI Securities.

Press Release
Jul 5, 2022

92% of Asia / Pacific banks make up for slow start on cloud: IDC

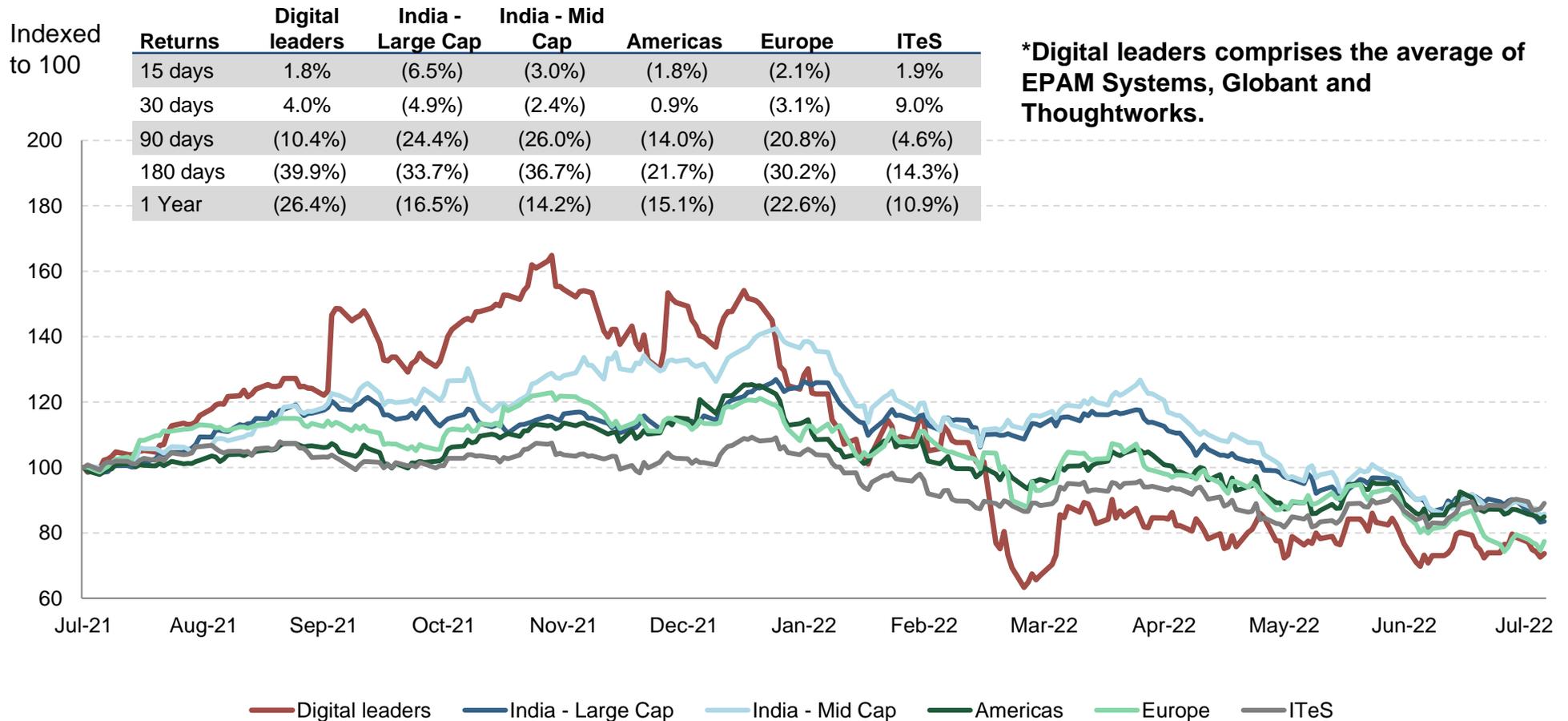
According to a recent IDC Financial Insights report, “Banking Cloud Trends in Asia/Pacific in 2022: Cloud Becomes Truly Business-Critical”, cloud has become a key part of the strategy of banks to attain and maintain a competitive advantage in digital financial services. This is a big leap from many years of hesitating on cloud, owing much to initial regulatory hurdles that banks had to overcome. According to the research, cloud budgets continue to grow, with 92% of the Asia/Pacific banks surveyed planning to increase their cloud spending in 2022 compared with 89% in 2020. Asia/Pacific banks are at an inflection point for hybrid and multicloud environments. Around 93% expect to operate in hybrid and multicloud environments in 2023.

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.3%. Stock price of Tata Consultancy Services plunged 5% after the company missed Q1 FY2023 profit estimates on rising employee-related expenses and showed muted growth in its orderbook, raising concerns of a demand slowdown.

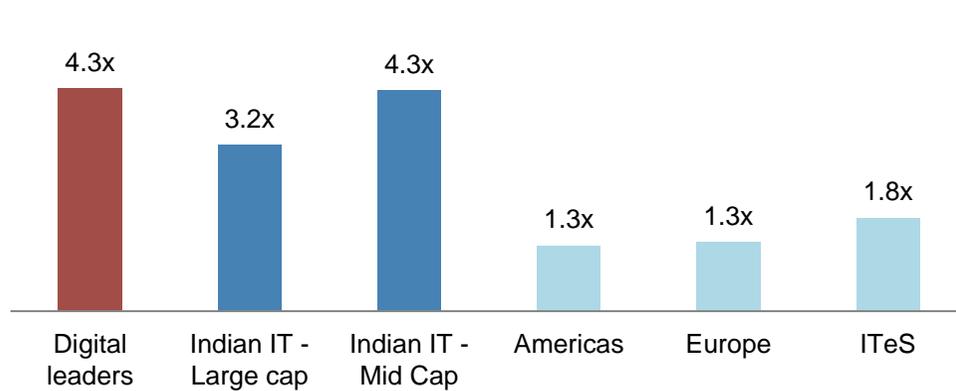


Source: Capital IQ

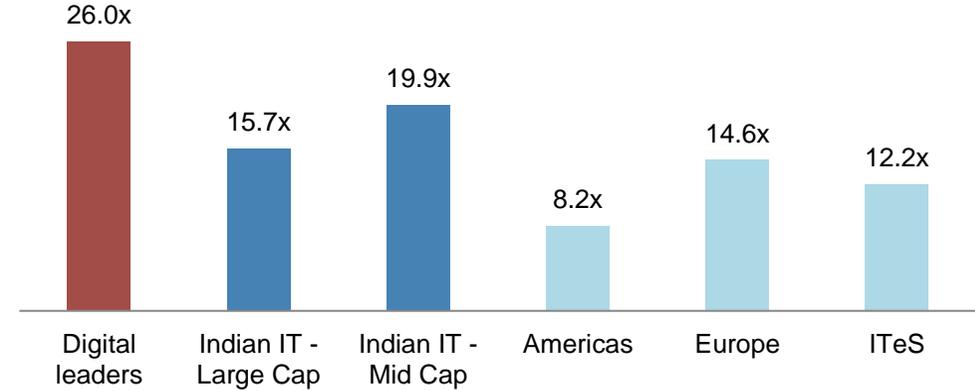
Note: For every parameter, we have used market capitalization of the companies in each segment (composition of each segment can be seen in the appendix)

Valuation summary

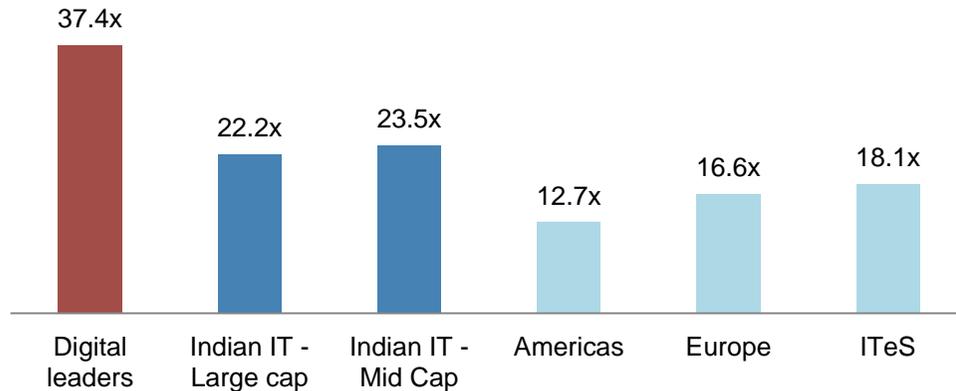
EV / LTM Sales



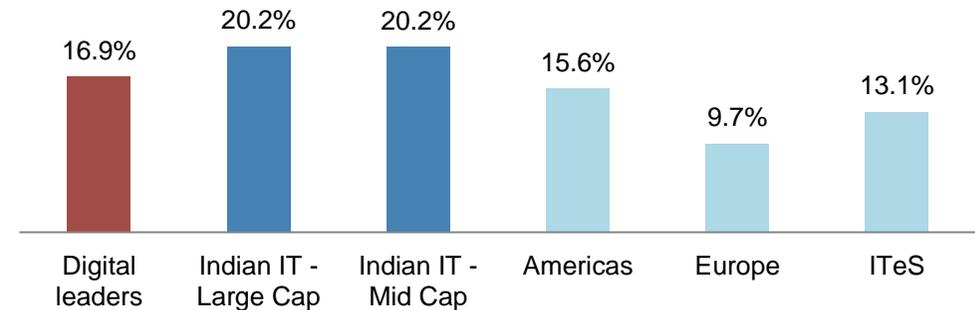
EV / LTM EBITDA



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 July

Overview

Target business description

Transaction rationale

Jul -22

CANCOM



- Founded in 1995, S&L Group is a managed services provider.
- It provides managed services for Microsoft and Citrix environments as well as consulting, sales and software & hardware implementation services.
- It has c.100 employees.
- The company recorded a revenue of c.\$19m at c.12% EBITDA in 2021.
- It is headquartered in Mülheim-Kärlich, Germany.

- The acquisition is in line with Cancom's CANCOM 2025 strategic vision and strengthens the CANCOM Group in the DACH region, which is the focus of the communicated strategy.
- It enhances Cancom's delivery expertise, specifically in the areas of managed services, network technologies and IT compliance.
- The deal also adds a diversified client base of German SMEs across the logistics, health and automotive as well as the municipal verticals to Cancom.

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

Jul -22

Infosys



- Founded in 2007, BASE life science is a life sciences technology consulting company.
- It focuses on data & AI and integrates business logic and technology, providing insights for better health outcomes.
- It has c.200 employees with expertise across commercial, medical, digital marketing, clinical, regulatory, and quality assurance.
- It is headquartered in Copenhagen, Denmark.

- The acquisition reinforces Infosys' commitment to help global life sciences companies realize business value from cloud-first digital platforms and data, to speed-up clinical trials and scale drug development.
- Combined with Infosys, BASE will further expand its portfolio of expertise into Consumer Health, Animal Health, MedTech and Genomics segments.
- The acquisition is expected to close during the second quarter of FY 2023.

- Target country – Denmark
- Deal size – \$111m
- EV / Sales – NA

Jul -22

accenture

THE STABLE

- Founded in 2015, The Stable is a digital commerce agency.
- It provides end-to-end omnichannel commerce capabilities that drive revenue and efficiency for brands across consumer goods, retail, marketplaces and direct-to-consumer channels.
- The company has over 400 employees.
- It featured on Inc's list of the top 5,000 fastest growing private companies in the US in 2021.
- The company is headquartered in Minneapolis, MN.

- The acquisition will enhance Accenture Song's global commerce transformation capabilities and its ability to rapidly build and operate data-driven digital commerce ecosystems that maximize sales performance and deliver innovative marketing and commerce experiences.
- The Stable's team will be a noteworthy addition to Accenture's commerce services, strengthening its world-class strategy, design, performance, technology and large-scale operations capabilities.
- Terms of the transaction were not disclosed.

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

Key transactions in July (cont'd)

Overview

Target business description

Transaction rationale

Jul -22



- Target country – Netherlands
- Deal size – \$101m
- EV / Sales – NA

- Founded in 2021, OneWelcome is a cybersecurity company.
- It provides cloud-based customer identity and access management (CIAM) solutions.
- Select customers:** Malakoff Humanis, PostNL and the European Central Bank
- It has over 100 employees.
- The company is headquartered in Amersfoort, Netherlands.

- This acquisition is a new step in Thales' strategy to further cement its leading position as a global cybersecurity player, and a leading provider of secure and trusted digital identities.
- With OneWelcome, Thales will offer a comprehensive Identity Platform that will allow organizations of all sizes to manage internal and external identities, enabling them to bring new businesses online quickly, improving operational efficiency and customer experience in the process.
- OneWelcome will be a part of Thales Digital Identity and Security global business unit.

Jul -22



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

- Founded in 1998, EasyIT is a managed services provider.
- It provides comprehensive IT support and managed services.
- The company is one of the few SOC 2, Type II certified IT providers in the Ohio River Valley region.
- It has businesses across Central Ohio as clients.
- The company is headquartered in Columbus, OH.

- The acquisition further expands Evergreen Services Group-backed NetGain's presence in the Ohio River Valley Region.
- The founders as well as senior management, along with the rest of the EasyIT team, will remain with EasyIT and it will retain its branding, culture and service delivery model as well.
- In the past year, NetGain Technologies has consummated five major acquisitions and will continue to look for acquisition opportunities.
- Financial terms of the deal were not disclosed.

Jul -22



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

- Founded in 2012, Aarin is a Salesforce consulting company.
- It provides end-to-end systems integration services for Salesforce Marketing Cloud including Marketing Cloud Intelligence, Marketing Cloud Personalization, and Salesforce Customer Data Platform.
- Verticals:** Retail, consumer goods, manufacturing, financial services, and healthcare & life sciences
- It is headquartered in Pleasant Hill, CA.

- Aarin will significantly expand Delta-V Capital & Sunstone Partners-backed OSF Digital's Salesforce Marketing Cloud center of excellence and delivery team presence in North America.
- It further fortifies OSF Digital as a highly regarded global Salesforce multi-cloud solution provider and consulting partner.
- Combined, OSF and Aarin will serve a growing North American customer base with innovative solutions and excellence.
- The terms of the deal were not disclosed.

Key transactions in July (cont'd)

Overview

Target business description

Transaction rationale

Jul -22

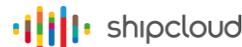


- Target country – Bulgaria
- Deal size – NA
- EV / Sales – NA

- Founded in 2015, Motion Software is a software development and staffing services company.
- It provides software development services with specialization in blockchain, AI, and analytics as well as staffing services.
- It also develops a remote work platform that enables technology companies to hire software engineers.
- The company is headquartered in Sofia, Bulgaria with additional presence in Romania and Turkey.

- The acquisition expands Exadel's presence in Europe with new offices across Bulgaria, Romania and Turkey.
- Motion Software's remote work platform opens new opportunities for streamlining the matchmaking process for Exadel's clients, and a suite of tools that ensure the success of the remote software specialists globally.
- For Motion Software, the deal expands the portfolio of remote work opportunities for its employees, by adding positions across a variety of different companies.

Jul -22



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

- Founded in 2013, shipcloud is an enterprise SaaS company.
- It provides a cloud-based software for parcel shipping tailored to the needs of online retailers.
- Its platform connects vendors' CRM, ERP or warehouse management systems to all major carriers and facilitates shipment tracking as well as automated printing of shipping labels.
- It is headquartered in Hamburg, Germany.

- The acquisition expands Waterland Private Equity's IT portfolio in the logistics sector.
- The deal is a further step in the strategic direction of establishing shipcloud as a leading provider of cloud solutions for parcel logistics in the future.
- It opens new collaboration opportunities for shipcloud in the area of parcel shipping with logistics companies and 4PL service providers from the Waterland group.
- The current management team will be retained and continue to support Waterland in all matters of strategic development.

Jul -22



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

- Founded in 1997, Innovation Strategies is a digital transformation services provider.
- It provides IT strategy, cloud, application design and development, and data analytics services.
- Partnerships:** AWS, Microsoft Oracle
- It has delivered over 1,500 projects to clients across over 20 countries.
- It is headquartered in Palma de Mallorca, Spain with additional presence in Spain and Mexico.

- With this acquisition, Siemens' digital transformation consultancy Siemens Advanta significantly expands its presence in Southern Europe.
- The deal sees c.100 employees of Innovation Strategies working from offices in Mallorca, Sevilla, Córdoba and Mexico City join Siemens Advanta, taking its total headcount to c.600.
- It also enables Innovation Strategies to tap into a network of c.10,000 employees at Siemens and make use of their experience in consulting or functional expertise in projects.

Key transactions in July (cont'd)

Overview

Target business description

Transaction rationale

Jul -22

Medallia

mindful

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

- Founded in 1995, Mindful is an enterprise CX software company.
- Its cloud-based callback automation software enables customers to schedule a call as per their convenience, automates intelligent callbacks, seamlessly transitions customers to other channels, and provides automated call initiation based on signals from various channels.
- The company is headquartered in Akron, OH.

- The acquisition will add to Thoma Bravo-backed Medallia's ability to turn customer signals into action, transforming the contact center experience and turning detractors into promoters.
- Coupled with direct and indirect feedback from Medallia Experience Cloud, Mindful will a focused personalization absent from most contact center interactions.
- The transaction comes at a time when traditionally high employee turnover rates at contact centers are now approaching 40%, only exacerbated by the Great Resignation.

Jul -22

GYANSYS

SouthEnd

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

- Founded in 2006, SouthEnd Group is a software implementation consultancy.
- It is an SAP Gold partner and provides specialized SAP Ariba consulting & application support services.
- It has executed over 50 projects across the Americas and Europe.
- The company has over 100 consultants.
- It is headquartered in Miami, FL with operations and delivery centers in Argentina and Brazil.

- SouthEnd expands GyanSys' geographic footprint to meet growing customer needs of worldwide delivery and bolsters its spend management practice.
- With SouthEnd, GyanSys has new delivery offices in Argentina and Brazil
- The transaction also strengthens GyanSys' go-to-market partnership with SAP to meet rising customer demand for experience-led digital transformations.
- Terms of the transaction were not disclosed.

Jul -22

EY **FABERNOVEL**

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

- Founded in 2003, Fabernovel is a digital transformation services company.
- It provides change management, UI / UX design, software development data and cloud services.
- It has had 80% of CAC 40 on its client roster since its inception.
- It has over 350 employees across Europe, North America and Asia.
- It is headquartered in Paris, France.

- With this transaction, EY and Fabernovel consolidate their respective positions as leaders in strategic transformation and innovation consulting.
- Combined, EY and Fabernovel expand their value proposition to provide innovation at scale and leverage it for differentiation and sustainable value creation for organizations.
- EY's recent acquisitions, including those of Greenwich Consulting, Bluestone Consulting, OC&C Strategy, Cognistreamer and Kalydia have enabled it to become a leading consulting player in France.

Key transactions in July (cont'd)

Overview

Target business description

Transaction rationale

Jul -22



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

- Founded in 2018, Databand.ai is an enterprise data management software company.
- It provides data observability software that helps businesses fix issues with their data, including quality, errors, and pipeline failures.
- Databand.ai's open and extendable approach enables data engineering teams to integrate and gain observability into their data infrastructure.
- The company is headquartered Tel Aviv, Israel.

- Databand.ai bolsters IBM's software portfolio across data, AI and automation to address the full spectrum of observability.
- By integrating Databand.ai with IBM Observability by Instana APM and IBM Watson Studio, IBM is well-positioned to address the full spectrum of observability across IT operations.
- The transaction marks IBM's fifth acquisition in 2022 as the company continues to strengthen its hybrid cloud and AI skills and capabilities.
- Financial details were not disclosed.

Jul -22



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

- Founded in 2017, InnoWise is an automation solutions company.
- It provides intelligent automation and ML services and solutions.
- Its SLA-based services are delivered remotely to help reduce downtime and increase productivity to lower the total cost of ownership (TCO).
- The company is headquartered in Houston, TX with a delivery center in Pune, India.

- InnoWise will strengthen iLink's position as a digital, data, and cloud market leader, with extensive capabilities across the entire technology product suite.
- Through this deal, iLink plans to deepen its RPA and intelligent automation capabilities as a fundamental building block of a broader digital transformation strategy.
- By combining with iLink, InnoWise gains access to greater business opportunities and improves the quality of its service offerings.

Jul -22



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

- Founded in 2014, Striven Consulting is a quality engineering services company.
- It provides testing and quality engineering services.
- The company's clientele ranges from Fortune 100 companies to start-ups.
- Its team has seasoned professionals with expertise across industries including government, retail, insurance, healthcare, and fintech, among others.
- It is headquartered in Vancouver, Canada.

- The acquisition scales Deloitte Canada's testing capabilities for large transformation projects and further integrate quality engineering as a firm wide capability.
- With Striven, Deloitte gains a host of experienced leaders uniquely positioned to support the firm's mid-market clients in the British Columbia-region, and across Canada.
- Striven will join Deloitte's Consulting practice in Canada, in the Systems Engineering offering.
- Terms of the transaction were not disclosed.

Key transactions in July (cont'd)

Overview

Target business description

Transaction rationale

Jul -22



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

- Founded in 2014, FreshWorks Studio is a software development services company.
- It provides UI / UX design and web & mobile application development services.
- Its clientele includes startups and Fortune 500 companies as well as governments.
- The company has 108 employees.
- It is headquartered in Victoria, Canada with other offices in Medellin, Colombia and Seattle, WA.

- The transaction expands the depth and breadth of EY Design Studio's digital strategy, application design and development capabilities.
- It also expands FreshWorks Studio's reach as an end-to-end technology partner.
- The co-founders of FreshWorks Studio, Sam Mod and Rohit Boolchandani, and its CSO, Shaun Jamieson, will join EY as partners.
- Financial terms were not disclosed.

Jul -22



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

- Founded in 2003, Simumak is a training solutions company.
- It specializes in new generation tactical training solutions using AI, gamification and virtual reality.
- It has developed some of the most sophisticated simulators for aircrafts, battle tanks ground training as well as specific civilian-based training.
- The company has over 400 employees.
- It is headquartered in Madrid, Spain.

- The transaction allows Indra Sistemas to strengthen its capabilities in the increasingly relevant field of tactical training simulation and complete its high value-added product and service offering.
- It also enables Indra to be able to develop tactical training systems in a much more agile manner to cater to the demands of its civilian and military customers.
- Additionally, Simumak bolsters Indra's international growth and strengthens its presence in Spain.

Jul -22



- Target country – India
- Deal size – \$165m
- EV / Sales – 7.2x¹

- Founded in 2011, Vuram is an enterprise automation services company.
- Its solutions extract, collect, and categorize organizational data using OCR and AI-based document processing, develop rule-based processing engines, and use advanced analytics to improve decision-making.
- The company has c.900 employees across India, US, Mexico, Australia, Canada, and UK.
- It is headquartered in Chennai, India.

- The transaction will support WNS' organizational journey towards digitally-led, human-assisted services and solutions.
- Vuram's depth of knowledge in helping large global corporations drive fast, scalable enterprise automation and business transformation is well-aligned with WNS' short-term as well as long-term strategic plans.
- Together, WNS and Vuram will assist clients to accelerate the automation, optimization, and transformation of their business models.

Source: Press release, news reports, Capital IQ

1) Estimate. Vuram's revenue calculated using WNS' revenue guidance and estimated contribution by Vuram

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.	302.6	717.5	174.8	17,292	16,245	4,149	710	462	17.1%	28.8%	3.9x	22.9x	37.4x
Globant S.A.	172.3	354.4	167.5	7,199	6,990	1,428	239	111	16.8%	37.6%	4.9x	29.2x	NM
Thoughtworks Holding, Inc.	14.6	34.4	13.6	4,518	4,724	1,153	(40)	(102)	NM	NA	4.1x	NM	NM
Average									16.9%	39.3%	4.3x	26.0x	37.4x
India - Large Cap													
Cognizant Technology Solutions Corporation	65.9	93.1	64.5	34,325	33,613	18,932	3,411	2,195	18.0%	5.1%	1.8x	9.9x	15.6x
HCL Technologies Limited	11.1	18.4	11.1	29,989	28,945	11,786	2,599	1,796	22.1%	9.6%	2.5x	11.1x	16.7x
Infosys Limited	17.9	26.1	17.8	75,239	72,945	16,311	4,116	2,963	25.2%	11.4%	4.5x	17.7x	25.4x
Larsen & Toubro Infotech Limited	49.9	101.5	48.4	8,740	8,358	2,117	386	308	18.2%	14.3%	3.9x	21.6x	28.4x
Mindtree Limited	35.5	67.0	34.8	5,852	5,458	1,437	288	225	20.0%	11.1%	3.8x	18.9x	26.0x
Mphasis Limited	26.9	47.2	26.4	5,052	4,893	1,605	254	189	15.8%	11.5%	3.0x	19.3x	26.7x
Tata Consultancy Services Limited	37.6	54.1	37.5	137,432	133,418	25,197	6,609	4,910	26.2%	4.9%	5.3x	20.2x	28.0x
Tech Mahindra Limited	12.2	24.2	12.2	10,730	10,081	5,883	993	733	16.9%	5.5%	1.7x	10.1x	14.6x
Wipro Limited	4.9	9.7	4.9	27,082	24,970	10,424	1,986	1,462	19.1%	6.6%	2.4x	12.6x	18.5x
Average									20.2%	7.2%	3.2x	15.7x	22.2x
India - Mid Cap													
Accelya Solutions India Limited	11.3	19.7	10.8	169	164	46	14	9	30.4%	(8.8%)	3.5x	11.7x	18.5x
Birlasoft Limited	3.9	7.8	3.9	1,084	953	544	79	61	14.6%	0.4%	1.8x	12.0x	17.7x
Coforge Limited	42.4	81.9	41.5	2,582	2,598	861	141	87	16.4%	15.9%	3.0x	18.4x	29.7x
Cyient Limited	9.7	16.4	9.3	1,067	976	598	101	66	16.8%	(3.8%)	1.6x	9.7x	16.1x
Happiest Minds Technologies Limited	10.4	20.6	10.3	1,482	1,435	149	33	26	22.0%	30.9%	9.6x	43.7x	NM
InfoBeans Technologies Limited	8.5	10.7	4.8	206	201	36	9	7	24.9%	29.0%	5.6x	22.6x	27.4x
Latent View Analytics Limited	4.4	9.4	4.0	883	786	54	15	17	28.8%	NA	14.6x	50.9x	NM
L&T Technology Services Limited	38.8	79.4	37.3	4,095	4,087	872	171	128	19.7%	4.3%	4.7x	23.8x	31.9x
Mastek Limited	24.7	45.5	24.4	741	687	283	61	38	21.5%	23.5%	2.4x	11.3x	19.3x
Perficient, Inc.	91.9	148.8	82.8	3,183	3,585	814	152	66	18.7%	16.8%	4.4x	23.6x	48.5x
Persistent Systems Limited	39.4	65.8	37.6	3,008	2,911	805	133	95	16.5%	18.1%	3.6x	21.9x	31.7x
Sasken Technologies Limited	9.8	20.2	9.3	147	140	54	16	14	28.9%	(9.7%)	2.6x	9.0x	10.6x
Sonata Software Limited	8.3	12.9	8.0	859	766	732	61	50	8.3%	19.6%	1.0x	12.6x	17.3x
Zensar Technologies Limited	3.1	7.9	3.1	709	624	559	82	55	14.7%	(0.8%)	1.1x	7.6x	12.9x
Average									20.2%	9.4%	4.3x	19.9x	23.5x

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	271.5	415.4	268.7	171,749	169,153	59,590	10,043	6,628	16.9%	11.8%	2.8x	16.8x	25.9x
CGI Inc.	81.8	93.0	74.1	19,447	21,523	9,924	1,749	1,140	17.6%	4.1%	2.2x	12.3x	17.1x
DXC Technology Company	28.7	43.4	27.6	6,600	10,419	16,265	3,064	718	18.8%	(7.8%)	0.6x	3.4x	9.2x
Positivo Tecnologia S.A.	1.1	2.9	1.0	149	281	783	78	36.5	9.9%	19.0%	0.4x	3.6x	4.1x
Sonda S.A.	0.3	0.6	0.3	221	369	1,181	134	35	11.4%	(0.3%)	0.3x	2.7x	6.3x
The Hackett Group, Inc.	19.7	24.8	17.3	624	579	289	55	46	19.1%	3.5%	2.0x	10.5x	13.6x
Unisys Corporation	12.7	26.5	11.1	859	979	1,991	(408)	(348)	NM	(9.3%)	0.5x	NM	NM
Average									15.6%	5.4%	1.3x	8.2x	12.7x
Europe													
Alten S.A.	116.6	180.8	102.0	3,962	3,923	3,327	358	236	10.7%	8.6%	1.2x	11.0x	16.8x
Atos SE	11.2	55.1	10.6	1,241	3,750	12,327	755	(3,369)	6.1%	0.4%	0.3x	5.0x	NM
Aubay Société Anonyme	51.0	71.2	48.2	676	615	535	57	39	10.7%	5.3%	1.1x	10.8x	17.3x
Cancom SE	30.1	72.4	29.0	1,067	683	1,415	106	305	7.5%	(2.8%)	0.5x	6.5x	3.5x
Cappgemini SE	166.6	245.7	159.2	28,664	33,233	20,653	2,735	1,316	13.2%	11.0%	1.6x	12.2x	21.8x
Capita plc	0.3	0.7	0.3	519	1,632	4,309	35	304	0.8%	(6.3%)	0.4x	46.5x	1.7x
Endava plc	84.8	170.1	83.0	4,718	4,633	799	143	95	17.9%	31.0%	5.8x	32.4x	49.8x
Indra Sistemas, S.A.	9.4	12.7	8.6	1,655	1,894	3,927	327	178	8.3%	3.0%	0.5x	5.8x	9.3x
Knowit AB (publ)	26.5	45.4	26.5	727	772	596	62	42	10.4%	19.5%	1.3x	12.4x	17.4x
Sopra Steria Group SA	149.6	210.9	138.9	3,029	3,777	5,326	505	213	9.5%	4.3%	0.7x	7.5x	14.2x
TietoEVRY Oyj	24.6	35.9	22.9	2,911	3,505	2,992	332	201	11.1%	18.0%	1.2x	10.6x	14.5x
Average									9.7%	5.4%	1.3x	14.6x	16.6x

Company	Market data					LTM Performance				Growth	Valuation multiples		
	Price \$	52 week High	Low	Market cap \$m	EV \$m	Revenue \$m	EBITDA \$m	Net income \$m	EBITDA margin	CAGR 3 years	EV / Sales	EV / EBITDA	P/E
ITeS													
Conduent Incorporated	4.1	7.5	4.0	890	1,997	4,079	376	119	9.2%	(7.4%)	0.5x	5.3x	7.5x
EXIServe Holdings, Inc.	145.7	153.4	106.3	4,849	4,961	1,190	204	119	17.1%	9.1%	4.2x	24.3x	40.8x
Firstsource Solutions Limited	1.3	3.1	1.2	877	1,080	780	106	71	13.5%	12.2%	1.4x	10.2x	12.4x
Genpact Limited	44.1	53.7	38.4	8,169	9,522	4,145	667	374	16.1%	9.9%	2.3x	14.3x	21.8x
Hinduja Global Solutions Limited	16.6	24.4	11.0	694	290	430	36	804	8.4%	(12.6%)	0.7x	8.0x	0.9x
Startek, Inc.	2.9	7.5	2.6	115	365	708	67	12	9.4%	6.8%	0.5x	5.5x	9.3x
TTEC Holdings, Inc.	65.5	112.3	60.1	3,081	3,914	2,323	309	124	13.3%	15.0%	1.7x	12.7x	24.9x
WNS (Holdings) Limited	77.3	91.3	68.5	3,774	3,622	1,152	206	138	17.9%	11.8%	3.1x	17.6x	27.3x
Average									13.1%	9.5%	1.8x	12.2x	18.1x

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.

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