



# CHESAPEAKE TECHNOLOGY NEWSLETTER

15 Mar 2021



THE CHESAPEAKE GROUP

*INVESTMENT BANKING & STRATEGIC ADVISORY*

# Table Of Contents

Fortnightly update	<b><i>Section 1</i></b>
Recent news / press releases	<b><i>Section 2</i></b>
Valuation overview	<b><i>Section 3</i></b>
Appendices	
<i>Market valuation</i>	<b><i>Appendix I</i></b>

*Note: Market data as of Mar 15, 2021*

# Section 1:

Fortnightly update

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# This fortnight in technology...

## Contract lifecycle management is gaining traction

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### **Overview:**

- Contract lifecycle management (CLM) has been gaining interest from enterprises as well as investors for some time now.
- Gartner defines CLM as “*a solution and process for managing the life cycle of contracts created and/or administered by or impacting the company.*”
- In this fortnightly, we discuss about growth drivers of the CLM software market and its characteristics.

### **Growth drivers:**

- Historically, CLM was used by enterprises to essentially create and negotiate contracts. However, with the digital transformation of organizations, CLM software is helping organizations in the methodical management of contracts – from initiation through negotiation, approval, storage, compliance and renewal – with customers, suppliers, partners, and key employees.
- The CLM software market is expected to grow from \$1.5bn in 2020 to \$3bn in 2026, representing a CAGR of c.12% from 2021 through 2026.
- The rapid gain in traction that CLM software is seeing is largely driven by the need of organizations to comply with regulations, coupled with faster drafting, negotiation and execution of contracts for increased organizational efficiency.
- Additionally, CLM software suites have developed risk identification and analytics capabilities which are being leveraged by chief financial officers and chief risk officers to foresee financial and business impacts their companies’ contracts may bring along and adopt measures to mitigate such impacts.
- CLM software vendors are also using AI to be able to offer advanced risk identification capabilities, intelligent contract drafting capabilities and chatbots, for engagement with users.

### **Market characteristics:**

- The CLM market is led by Icertis, SpringCM, Agiloft, SirionLabs, CobbleStone Software, and Ironclad, closely followed by Apptus, Coupa’s subsidiary, Exari and SAP Ariba Contracts.
- The strategic importance of contracts to run businesses efficiently and the nascent stage of the CLM market has caught the attention of PE investors. Recently, Icertis, whose clientele includes Apple, Microsoft, Airbus, Daimler, and Best Buy, raised c.\$80m in its Series F round of funding led by existing investor B Capital Group, with participation from Greycroft, Meritech Capital Partners, Premji Invest, PSP Growth, and e.ventures. The company’s post-money valuation stands at \$2.8bn.
- With market leader, Icertis having SaaS as its delivery model coupled with Wipro and Infosys as implementation partners and plans to work with Accenture and Deloitte to develop customized solutions for different verticals, the CLM industry is clearly adopting the very successful partner ecosystem model followed in the CRM and the ITSM industries.

## Section 2:

Recent news and press releases

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# Recent news excerpts – Company specific

## **TCS expands Ohio footprint with plans to hire 800+ employees – Press Release**

**Mar 15, 2021** – TCS announced plans to expand its operations in Ohio by hiring more than 800 local employees at its Seven Hills Park campus outside of Cincinnati and other offices across the state by 2022, to meet the evolving needs of its customers. Additionally, to meet the increasing demand for IT talent and address local community needs, TCS will invest more than USD \$518 million in Ohio over the next two years and expects to double participation in its award-winning STEM and computer science K-12 education programs by 2022. "This investment in the greater Cincinnati region demonstrates TCS' commitment to training and growing Ohio's workforce," said Ohio Governor Mike DeWine. "TCS' plan to double its commitment in STEM programs will positively impact the lives of young Ohioans and prepare them to enter this growing industry."

## **Infosys, Newmont extend strategic tie-up by 5 years – Mint**

**Mar 11, 2021** – IT services major Infosys said that it has extended its strategic collaboration with Newmont Corporation, the world's largest gold mining company, by five years. This association between Infosys and Newmont will help standardize and digitize delivery models across its mine sites, Infosys BPM said in a statement. Through this, Infosys BPM said it will enhance automation, artificial intelligence (AI) and design thinking which will help improve the business value for Newmont. "As part of the engagement, Infosys BPM will provide an enhanced end-to-end digital service to Newmont with its analytics-driven platform-as-a-service offering," the IT company said in a regulatory filing. The IT company also said that it will leverage DigiTran, which enables remote transition of services and establishes a sound standard operating procedure (SOP) knowledge base to deliver transparent and harmonized processes.

## **Wipro's growth may experience a drag from Capco's revenue stagnancy: report – Mint**

**Mar 7, 2021** – Wipro's acquisition of Capco which is at "lofty valuations" can pose its own challenges, say analysts. "Capco's revenue stagnancy is of concern as it can be a further drag on the already low growth of Wipro. Given its onsite / consulting heavy nature, the acquisition should weigh on IT services margins," ICICI Securities said in a report. Last week, IT major Wipro announced an agreement to acquire UK-based management and technology consultancy firm Capco for \$1.45 billion. The acquisition is expected to close in the quarter ended June. Revenues of Capco have been largely stagnant for the previous three years. EBIT margins are hinted to be close to the onsite margin profile of Wipro. "Including amortization of the intangibles, Wipro expects its IT services margins to be diluted 2% in the first year with the acquisition turning EPS-accretive from third year," the report stated.

## **Tech Mahindra partners with ThoughtSpot to offer AI-driven analytics – Mint**

**Mar 5, 2021** – As part of its focus on digital growth, Tech Mahindra has partnered with ThoughtSpot, provider of search and artificial intelligence (AI)-driven analytics, to offer real-time analytics for enterprises globally. "The partnership will enable enterprises to instantly analyze data through with the same ease as using a consumer app, unearth meaningful insights, and drive business actions," Tech Mahindra said in a statement. As part of the partnership, Tech Mahindra will integrate ThoughtSpot's search and AI-driven analytics platform with its Virtual Analyst platform to drive multi-level data analysis and empower users with real-time insights to make informed business decisions. "Furthermore, this collaboration will enable enterprises across verticals, including marketing, supply chain, financial among others, to identify trends in customer behavior, spot anomalies in product sales, optimize operations, manage costs, mitigate future risks while enhancing agility, growth, and productivity," the company said.

## **Cognizant offers bonuses to 1.6 lakh employees, promotions to over 24,000 – Business Today**

**Mar 5, 2021** – IT services company Cognizant is offering bonuses 'substantially higher than 2019' and has promoted more than 24,000 employees across levels. Cognizant aims to reduce attrition with this step. The IT services major also aims to move towards a quarterly promotion cycle for billable employees working at the senior associate level and below from June quarter of 2021 to reward them for "their hard work and high performance". The company will also offer bonuses to around 1,60,000 employees worldwide. "In recognition of the professionalism, client-centricity, work ethic, and perseverance of our employees globally in serving our clients during this protracted pandemic, we are rewarding bonuses above the level of company performance and substantially higher than 2019, despite 2020 being an extraordinarily challenging year," Cognizant India Chairman and Managing Director Rajesh Nambiar told PTI.

# Recent news excerpts – Company specific (cont'd)

## TCS bullish on growth from telecommunications and media over next 2-3 years – Business Standard

**Mar 5, 2021** – 5G deployments, fibre roll-out for rapid capacity expansion and virtualization of networks among the top global telecommunications players is making India's largest services provider bullish about growth from this sector over the next two-three years. We are extremely bullish for the next 2-3 years as telecoms transition from being just network providers to digital services. Those who are unable to ramp up will merely be relegated to being network infrastructure company. Their biggest investments in the coming months are year will be on 5G networks, fiber roll out and virtualization of networks. Our growth is pegged on these areas as we help them transition through this transformation," said Kamal Bhadada, Business Group Head, Communication, Media & Information Services, TCS.

## 'Built to enable equity': TCS launches new solutions for Covid-19 testing, vaccine management – BusinessLine

**Mar 4, 2021** – Leading IT services firm TCS announced the launch of a Covid-19 testing and management suite to streamline all staged of the end-to-end testing and vaccination process. The company said in a statement that the suite enables more individuals to get tested and vaccinated faster to return to normal life experiences. "The pandemic is changing our world in many ways, driving stakeholder collaboration across industries that share a commitment to getting testing and vaccines to everyone," said Debashis Ghosh, business group head of life sciences, healthcare and public sector, TCS. "TCS' suite of Covid-19 testing and vaccine management solutions is built to enable transparency, ease of access, and equity that will collectively accelerate a return to normalcy," he added. The suite leverages AI, robotics, blockchain and the Internet of Things (IoT), as well as TCS' extensive network of technology partners.

## Infosys steps up local hiring strategy in key markets – Mint

**Mar 4, 2021** – Infosys is stepping up local hiring in most of its key geographies, including the US and Canada, as a strategy to have more visa-independent employees and add greater value to the regions where it operates. India's second largest IT services major said it would add 500 jobs to Calgary, Canada, over the next three years, doubling its workforce in that country to 4,000 employees by 2023. "Calgary is a natural next step as part of our Canadian expansion and represents a significant and promising market for Infosys. The city is home to a thriving talent pool that the covid-related economic downturn has impacted. We will tap into this talent and offer skills and opportunities that will build on the city's economic strengths," Ravi Kumar, president, Infosys said in a statement.

## TCS launches TCS Mittelstand Enterprise Suite for German manufacturing firms – Business Standard

**Mar 3, 2021** – Tata Consultancy Services has launched the TCS Mittelstand Enterprise Suite, a ready-to-deploy, modular set of services and solutions, designed specifically for German medium-sized and family-owned companies in the manufacturing industry. The TCS Mittelstand Enterprise Suite includes services and solutions for IT infrastructure transformation, application management, digital workplace, business processes as well as strategic industry solutions for supply chain management, employee safety and the Industrial Internet of Things. The pre-configured modules can be customized, easily integrated into existing IT systems and are scalable. The suite helps enterprises gain faster and superior business outcomes, build operational resilience, accelerate innovation, embrace new business models and drive growth.

## Qualys and HCL Technologies expand partnership to secure the digital transformation of enterprises – Press Release

**Mar 3, 2021** – Qualys, a pioneer and leading provider of cloud-based IT, security, and compliance solutions, today announced the extension of its partnership with HCL Technologies that will include the embedding of Qualys VMDR® (Vulnerability Management, Detection and Response) into the HCL Technologies CyberSecurity Fusion Center (CSFC). HCL Technologies' CSFC customers will have access to Qualys VMDR, which provides an all-in-one, cloud-based app that automates the entire vulnerability management cycle. VMDR is powered by the Qualys Cloud Agent to provide built-in security that helps customers advance their digital transformation initiatives and ensure they meet compliance mandates. The CSFC at HCL Technologies provides customers with a single point of contact to meet the needs of the enterprise security lifecycle, from threat detection to remediation.

# Recent news excerpts – Industry

**Press Release**  
**Mar 10, 2021**

## **Adoption of hyperautomation by Gen Z will drive supply chain autonomy: Gartner**

The evolution towards an autonomous supply chain has already begun, and this transformation coincides and is driven by members of Generation Z (Gen Z), that have just started to enter the workforce, according to Gartner. “Born between 1997 and 2012, the oldest Gen Zers have just started their careers. In 10 years, they’ll be supply chain managers,” said Pierfrancesco Manenti, vice president analyst with the Gartner Supply Chain practice. “This generation has grown up with digital technologies, so today’s supply chain leaders expect them to be innovators that accelerate supply chain digitalization and pave the way towards hyperautomation.”

**Moneycontrol**  
**Mar 10, 2021**

## **Public cloud services spending in Asia-Pacific rose 38% to \$ 36.4 billion in 2020: IDC**

Chinese, Australian and Indian companies took the lead in using digital transformation to deal with remote workers and online customers, helping them manage costs, withstand the pandemic and be more competitive as economic activity returns to pre-COVID levels, the International Data Corporation (IDC) said in a report. Public cloud services spending soared 38% to \$36.4 billion across the Asia-Pacific region excluding Japan in 2020, and is forecast to rise to \$48.4 billion this year, according to the Worldwide Public Cloud Services Spending Guide of the IDC, it said in a statement from Singapore on March 10. The guide evaluates cloud-services opportunities from a technology, industry and geography perspective to help IT decision makers understand the current trends and the outlook for five years.

**NDTV**  
**Mar 9, 2021**

## **Global top brands could lose up to \$223 billion from data breach: Infosys**

IT services major Infosys said the potential risk in brand value of a data breach to the world's 100 most valuable brands could amount to as much as \$223 billion. The joint cybersecurity and brand value impact report titled "Invisible Tech. Real Impact," examines long-term impact of data breaches on value of the world's top brands across sectors. To quantify this risk, Infosys and Interbrand identified brand factors most impacted when a company suffers a data breach -- presence, affinity and trust -- and simulated the resulting brand value at risk in the event of a breach. Ameya Kapnadak, Chief Growth Officer for India market at Interbrand, said there is a fundamental shift in how brands engage with their customers. As the lines between the physical and virtual worlds increasingly blur, and brands rely more and more on the digital world to create unique experiences for their customers, data breaches have the potential to dent the very core of the brand's relationship with its customers.

**Mint**  
**Mar 4, 2021**

## **NASSCOM launches Deep Tech Club 2.0**

IT industry lobby NASSCOM has launched a project to boost Indian deep-tech startups and help them scale globally. A three-stage programme, Deep Tech Club (DTC) 2.0, is aimed at scaling the impact to over 1,000 firms that are leveraging technologies such as artificial intelligence (AI), machine learning (ML), Internet of Things, robotics and blockchain. Its central focus is to empower pioneers in Indian deep-technology startups and connect them with industry leaders, investors, academia, researchers and government regulators to establish a global ecosystem impacting physical and digital transformation. According to NASSCOM, the DeepTech startup base in the country will continue to grow at a compounded annual growth rate (CAGR) of 40-45% in 2021. As of 2020, more than 2,100 Indian startups were leveraging deep technologies, up from 1,600 in 2019.

**Business Standard**  
**Mar 2, 2021**

## **NASSCOM, Microsoft launch programme to promote AI-based innovations**

In an effort to promote artificial intelligence (AI)-led innovation in the country, the National Association of Software and Services Companies (NASSCOM) is launching a campaign called AI Gamechangers. The programme seeks to recognize impactful and scalable AI-based innovation in the country with Microsoft as the innovation partner. NASSCOM and Microsoft will work closely to develop and promote the AI Gamechangers programme built on a shared commitment towards accelerating the adoption of AI across key sectors. The programme will recognize innovators for their successful AI implementation at NASSCOM's Xperience AI Summit, one of the largest AI Summits in India.

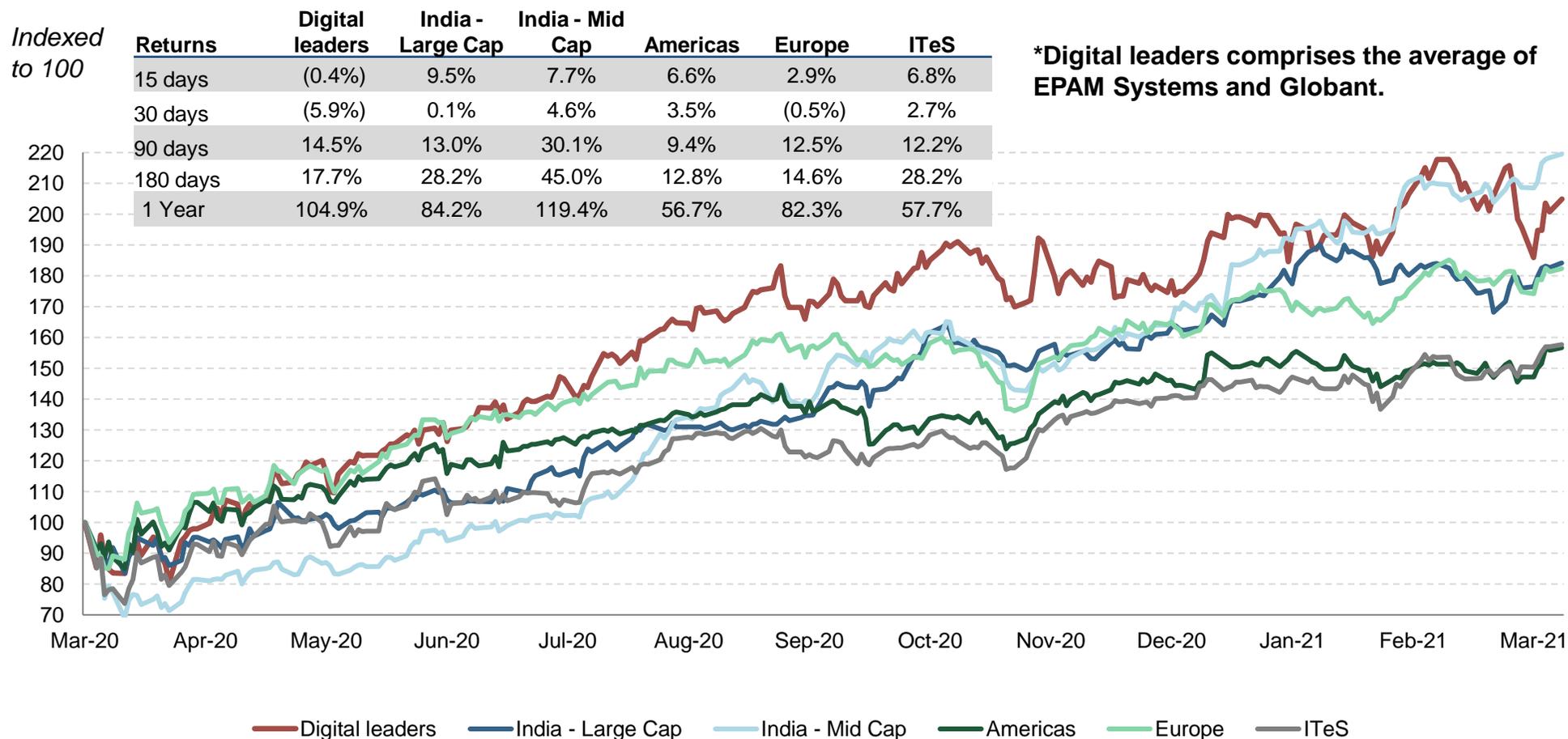
# Section 3:

## Valuation overview

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# Share price evolution – IT / ITeS companies

Over the past 15 days, the valuation for mid cap as well as large cap Indian IT services companies increased by c. 8% and c. 10% respectively. Stock price of Wipro fell by c. 5% after it announced the acquisition of Capco given its stagnant revenues and the premium valuation Wipro paid for it coupled with Wipro's patchy track record in realizing value from its acquisitions.

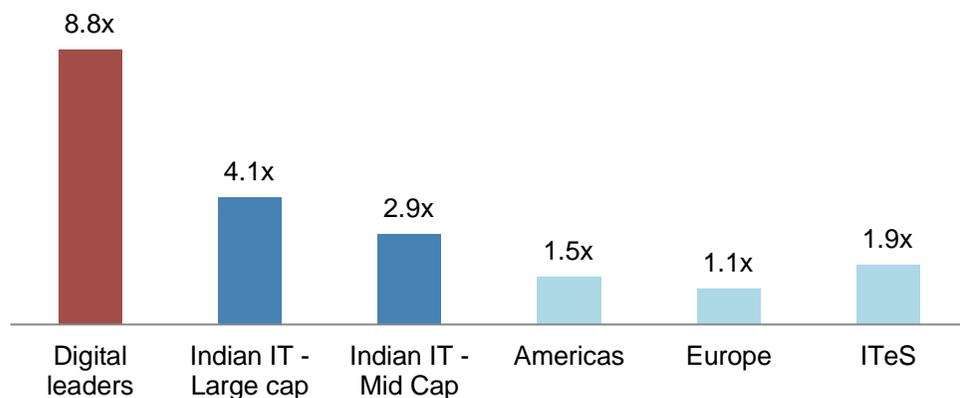


Source: Capital IQ

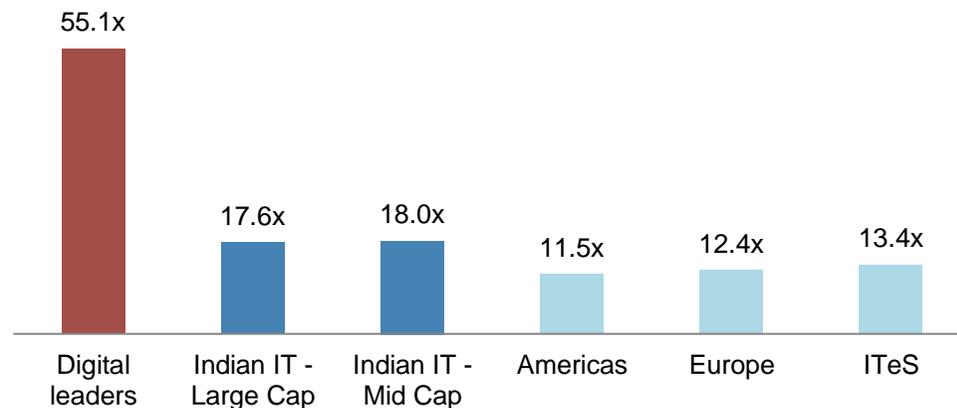
Note: For every parameter, we have used market capitalization of the companies in each segment (composition of each segment can be seen in the appendix)

# Valuation summary

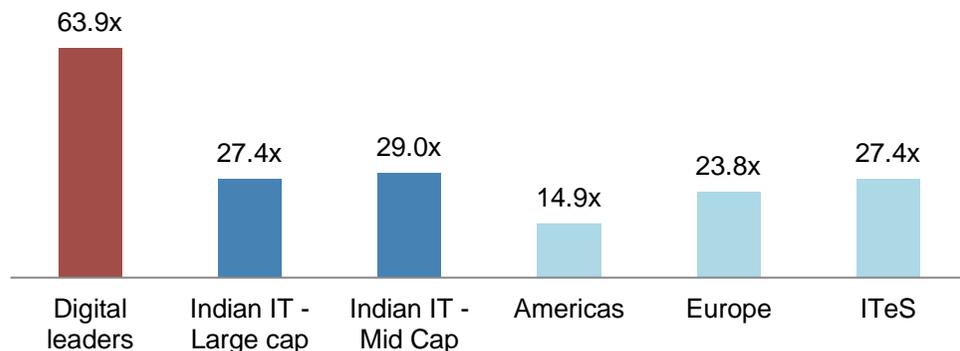
## EV / LTM Sales



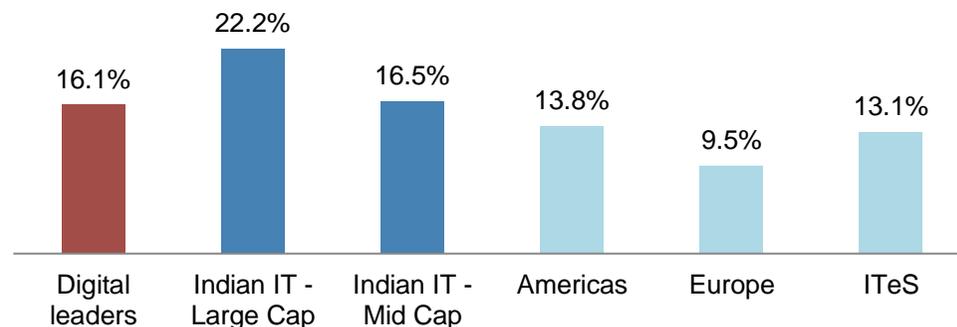
## EV / LTM EBITDA



## P / E (LTM)



## LTM EBITDA Margins



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

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 March

Overview	Target business description	Transaction rationale
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – Ireland</li> <li>Deal size – \$25m</li> <li>EV / Sales – 1.5x</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2010, Perigord is a digital workflow and artwork, labelling and BPO services firm.</li> <li>It specializes in end to end, packaging supply chain solutions such as packaging artwork &amp; labelling services, strategic consultancy, creative and digital, BPO &amp; managed services and software solutions for the life sciences industry.</li> <li>It has over 380 employees.</li> <li>It is headquartered in Dublin, Ireland.</li> </ul>	<ul style="list-style-type: none"> <li>This acquisition will help Tech Mahindra augment expertise in the global pharmaceutical, healthcare and life science (HLS) sectors and strengthen Tech Mahindra's position as a leading digital transformation enabler in the artwork and packaging services space with an integrated platform and services portfolio.</li> <li>It underlines Tech Mahindra's focus on digital growth, under the NXT.NOW framework, which focuses on leveraging next generation technologies and deliver disruptive solutions to enable digital transformation and meet the evolving and dynamic customer needs.</li> </ul>
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – United States</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2010, CipherCloud is a cybersecurity company.</li> <li>Its solutions span several developing Secure Access Service Edge (SASE) categories, including Cloud Access Security Broker (CASB), Zero-Trust Network Access (ZTNA), Secure Web Gateway (SWG) and Data Loss Prevention (DLP).</li> <li>Its customers are enterprises as well as government institutions.</li> <li>It is headquartered in San Jose, CA.</li> </ul>	<ul style="list-style-type: none"> <li>By combining the Lookout Mobile Endpoint Security with the CipherCloud SASE technologies, Lookout is in a unique position to deliver the industry's first end-to-end platform that secures an organization's entire data path from endpoint to cloud.</li> <li>With this acquisition, Lookout is squarely aligned with the shift to cloud infrastructure and is in a unique position to deliver differentiated value to its customers.</li> <li>The integrated offering will remove friction, increase usability and convenience, enable user freedom and reduce operational costs when compared to a collection of siloed point products.</li> </ul>
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – United States</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2020, Commerce on Demand is a digital commerce and staff augmentation services company.</li> <li>It provides Salesforce Commerce Cloud (SFCC) implementations, support, maintenance, LINK Cartridge development services.</li> <li>It has been in a joint operations partnership with Melon since last year.</li> <li>It is headquartered in Tampa, FL.</li> </ul>	<ul style="list-style-type: none"> <li>This addition bolsters Melon's expertise in leveraging SFCC to deliver best-in-class eCommerce solutions - from development and consulting to long-term support.</li> <li>The combined entity bolsters the scalability and flexibility of Melon, setting the foundation for an exciting 2021 with a whopping 20 Salesforce certified resources.</li> <li>This acquisition brings with it a partnership with Omniship, a global shipping technology firm focused on creating major cost and time savings for companies through advanced integrations.</li> </ul>

# Key transactions in March (cont'd)

Overview	Target business description	Transaction rationale
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – United States</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2013, ERP Maestro is a cloud-based enterprise software company.</li> <li>It develops a cloud-based governance, risk and compliance (GRC) solution for SAP environments.</li> <li><b>Partnerships:</b> Deloitte, IBM Security, KPMG, Winterhawk, Wipro, Infosys, PwC, TCS</li> <li><b>Select customers:</b> General Electric, Pep Boys, Zulily</li> <li>It is headquartered in Fort Lauderdale, FL.</li> </ul>	<ul style="list-style-type: none"> <li>With this acquisition, SailPoint unites identity security with separation of duties (SoD) access controls monitoring for an organization's most critical applications, like SAP.</li> <li>This integrated approach addresses the growing risk of over-permissioned, excessive or conflicting access to business-critical systems and the sensitive financial, business and operational data within.</li> <li>Once ERP Maestro is integrated with SailPoint, customers will be able to provide stronger access security controls and audit for SAP and other business-critical systems.</li> </ul>
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – United States</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2006, MK Partners is a cloud consulting company.</li> <li>It provides system consulting mainly for the introduction, maintenance, and operation of Salesforce.</li> <li>It has a strong foothold in California with clients across government agencies, financial services, and the healthcare verticals.</li> <li>It is headquartered in North Hollywood, CA.</li> </ul>	<ul style="list-style-type: none"> <li>This transaction will accelerate the LogiGear's entry and expansion into the Salesforce Ecosystem, combining MKPartner's strengths in Salesforce implementation, business and digital transformation services, with scalable full-stack development services, including LogiGear's Test Automation Expertise.</li> <li>It is a significant move by LogiGear in the direction of providing a full range of services to clients of both companies, from full software testing and custom software development services through digital transformation solutions built on Salesforce.com.</li> </ul>
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – Germany</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2016, fable+ is an organizational transformation consulting services company.</li> <li>fable+ quantifies key culture factors that drive performance across different levels of an organization by leveraging their proprietary cloud-based app to measure psychological safety and team performance.</li> <li>It is headquartered in Mannheim, Germany and has an additional office in Berlin, Germany.</li> </ul>	<ul style="list-style-type: none"> <li>This acquisition expands Accenture's analytics-driven transformation and workplace culture capabilities.</li> <li>fable+'s team of 50 professionals have joined Accenture's Talent &amp; Organization / Human Potential team, adding highly specialized expertise focused on organizational transformation.</li> <li>Terms of the transaction were not disclosed.</li> <li>fable+ complements Accenture's most recent Talent &amp; Organization / Human Potential acquisitions – Cirrus on March 1, Future State in February and Kates Kesler in 2020.</li> </ul>

# Key transactions in March (cont'd)

Overview	Target business description	Transaction rationale
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – United States</li> <li>Deal size – \$2.74bn</li> <li>EV / Sales – 9.0x</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2005, Talend is a data integration and data integrity solutions company.</li> <li>Its Data Fabric platform consists of a suite of applications that enables users to collect, transform, govern, and share data.</li> <li><b>Verticals:</b> Financial services, healthcare, government, retail and telecommunications</li> <li>It is headquartered in Suresnes, France with offices across Europe, United States, Asia and Australia.</li> </ul>	<ul style="list-style-type: none"> <li>Thoma Bravo will offer to acquire all of the outstanding ordinary shares and American Depositary Shares (ADSs) of Talend, for \$66.00 per ordinary share and ADS in cash.</li> <li>The offer represents a premium of c. 29% to Talend's closing price on March 9 and an 81% premium to the volume weighted average price over the last twelve months.</li> <li>The MoU includes a 30-day "go-shop" period expiring on April 10, 2021, which permits Talend's Board and advisors to solicit alternative acquisition proposals.</li> </ul>
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – Italy</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2003, DF Labs is a cybersecurity company.</li> <li>It is a provider of security orchestration, automation and response (SOAR) software.</li> <li><b>Verticals:</b> Finance, government, healthcare, energy, telecommunications, retail</li> <li>It integrates with most popular third-party security tools and technologies.</li> <li>It is headquartered in Milan, Italy.</li> </ul>	<ul style="list-style-type: none"> <li>The acquisition will extend Sumo Logic's cloud-native SIEM solution to help reduce or eliminate tedious and error-prone manual tasks and empower SOC teams to accelerate threat detection, analysis, incident response and forensic investigations.</li> <li>It will also broaden Sumo Logic's portfolio as well as a rich joint ecosystem of customers and partners including MSPs, MDRs and VARs, while accelerating the companies' mutual strategy to deliver the automation needed to modernize the SOC.</li> </ul>
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – United Kingdom</li> <li>Deal size – \$4bn</li> <li>EV / Sales – 3.1x</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 1987, McAfee is a cybersecurity company.</li> <li>Its enterprise business provides device-to-cloud cybersecurity solutions to 86% of the Fortune 100 firms around the world.</li> <li>It realized \$1.3bn in net revenue in FY 2020.</li> <li>It is headquartered in Santa Clara, CA with offices across the world.</li> </ul>	<ul style="list-style-type: none"> <li>Post this transaction, McAfee will become a pure play consumer cybersecurity company.</li> <li>With the proceeds, McAfee expects to issue an estimated \$4.50 special dividend per Class A common share and to reduce debt by c. \$1bn, which is expected to result in a neutral impact to net leverage ratio.</li> <li>At close, McAfee will retain its name and will continue its singular focus on delivering consumer cybersecurity solutions while the Enterprise business will be rebranded.</li> </ul>

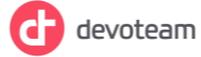
# Key transactions in March (cont'd)

Overview	Target business description	Transaction rationale
<p>Mar -21</p>  <ul style="list-style-type: none"> <li>Target country – United Kingdom</li> <li>Deal size – \$1.45bn</li> <li>EV / Sales – 2.0x</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 1998, Capco is a management and technology consultancy.</li> <li>It provides digital, consulting and technology services to financial institutions in the Americas, Europe and the Asia Pacific.</li> <li>It has over 5,000 business and technology consultants.</li> <li>It is headquartered in London, United Kingdom with offices in over 30 global locations.</li> </ul>	<ul style="list-style-type: none"> <li>This acquisition will make Wipro one of the largest end-to-end global consulting, technology and transformation service providers to the banking and financial services industry.</li> <li>By combining Wipro's capabilities in strategic design, digital transformation, cloud, cybersecurity, IT and operations services with Capco's domain and consulting strength, clients will gain access to a partner who can deliver integrated, bespoke solutions to help fuel growth and achieve their transformation objectives.</li> </ul>
<p>Mar -21</p>  <ul style="list-style-type: none"> <li>Target country – United Kingdom</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2007, REPL Group is an IT consultancy.</li> <li>It specializes in solutions for supply chain, workforce management, store operations and retail customer experiences.</li> <li>It is headquartered in Henley-In-Arden, United Kingdom, with additional offices in London, Warwick and Leeds in United Kingdom as well as in the United States, South Africa and Germany.</li> </ul>	<ul style="list-style-type: none"> <li>The acquisition expands Accenture's capabilities that help clients across retail and adjacent industries transform their supply chains and operations and deliver seamless customer and employee experiences.</li> <li>Terms of the acquisition were not disclosed.</li> <li>REPL is the latest acquisition Accenture has made to strengthen its technology capabilities in the U.K. In February, Accenture acquired Edenhouse, an independent SAP partner, and Infinity Works, a cloud and digital transformation consultancy.</li> </ul>
<p>Mar -21</p>  <ul style="list-style-type: none"> <li>Target country – New Zealand</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2008, WhosOnLocation is a SaaS company.</li> <li>It provides an enterprise-class, cloud-based platform with employee, visitor, contractor and emergency management applications.</li> <li>It manages c. 5,000 facilities for 1,600 customers across 46 countries.</li> <li>It is headquartered in Wellington, New Zealand with offices across Australia, United Kingdom, Europe, Canada and the United States.</li> </ul>	<ul style="list-style-type: none"> <li>WhosOnLocation extends MRI's workplace management offering to cover anyone who might have a physical presence on a commercial property, including industries such as manufacturing, services, and education.</li> <li>It brings additional automation and efficiency to workplace safety and security management with arrival notifications, access permissions, emergency and evacuation management features to MRI's integrated workplace management solutions.</li> <li>WhosOnLocation's global client base will benefit from the added resources and innovation that come with being part of MRI.</li> </ul>

# Key transactions in March (cont'd)

Overview	Target business description	Transaction rationale
<p>Mar -21</p> <p><b>Medallia</b></p>  <ul style="list-style-type: none"> <li>Target country – United Kingdom</li> <li>Deal size – \$160m</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2014, Decibel Insights is an analytics company.</li> <li>It is a leading provider of digital experience analytics solutions.</li> <li><b>Verticals:</b> Retail, financial services, hospitality and travel and media</li> <li><b>Select customers:</b> Adidas, Sony, CVS and Fidelity International</li> <li>It is headquartered in London, United Kingdom.</li> </ul>	<ul style="list-style-type: none"> <li>With this acquisition, Medallia's leading customer experience and engagement platform will seamlessly include always-on, unsolicited digital feedback, providing a single view of all customers and prospective customers at every point of their journey across all channels.</li> <li>Decibel's digital experience analytics solution captures and quantifies unique experience data to pinpoint revenue-impacting problem areas on websites and apps, augmenting the Medallia Experience Cloud platform.</li> <li>The acquisition is expected to close in March 2021.</li> </ul>
<p>Mar -21</p> <p><b>Globant</b></p>  <ul style="list-style-type: none"> <li>Target country – United Kingdom</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2012, CloudShift is a systems integration company.</li> <li>It is a leading Salesforce partner in the UK specializing in multi cloud digital transformation.</li> <li><b>Partnerships:</b> Salesforce, MuleSoft, Tableau and Slack</li> <li><b>Select clients:</b> Hitachi, Square Enix, GoCardless and Colliers International</li> <li>It is headquartered in London, United Kingdom.</li> </ul>	<ul style="list-style-type: none"> <li>With this acquisition, Globant reinforces its leadership in digital and cognitive transformation by scaling its cloud expertise in market leading platforms like Salesforce.</li> <li>At the same time, it will help the Company continue growing its operations in Europe.</li> <li>This acquisition supports Globant's strategy of investing in areas that reinforce its value proposition.</li> <li>CloudShift expands its capabilities with Globant's digital transformation expertise and global presence.</li> </ul>
<p>Mar -21</p> <p><b>softwareONE</b></p>  <ul style="list-style-type: none"> <li>Target country – Switzerland</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2006. ITPC is a systems integrations company.</li> <li>It is an SAP specialist for S/4HANA transformations, public cloud migrations to Microsoft Azure, AWS and GCP, and related managed services, including monitoring, maintenance and support.</li> <li>It has over 50 experienced consultants.</li> <li>It is headquartered in Zurich, Switzerland.</li> </ul>	<ul style="list-style-type: none"> <li>ITPC further expands and strengthens SoftwareONE's SAP capabilities, underpinning its strategic importance.</li> <li>Following the transaction, ITPC will be fully integrated into SoftwareONE's global SAP practice and European operations.</li> <li>Vincenzo and Biagio Boesch, founders of ITPC, will join SoftwareONE's global SAP services practice in leadership roles.</li> <li>Together with their team, they will be mainly focus on strengthening SoftwareONE's SAP services in the DACH region.</li> <li>No financial details or transaction terms have been disclosed.</li> </ul>

# Key transactions in March (cont'd)

Overview	Target business description	Transaction rationale
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – Poland</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2014, Decibel Insights is a systems integration company.</li> <li>It specialized in Salesforce consultancy services, delivering multi-cloud end-to-end digital transformation solutions.</li> <li>It is a Salesforce Platinum partner.</li> <li><b>Verticals:</b> Consumer goods, retail, manufacturing, automotive, technology, healthcare, life sciences</li> <li>It is headquartered in Krakow, Poland.</li> </ul>	<ul style="list-style-type: none"> <li>This acquisition scales EPAM's growing Salesforce capabilities and helps it expand into new markets as PolSource's senior leadership team and over 350 Salesforce experts will join EPAM Systems.</li> <li>PolSource's expertise across the Salesforce Customer 360 platform (including Sales, Service, Marketing and Commerce), and key Salesforce practices across Heroku, AI, Data &amp; Analytics, Integration (including MuleSoft), Mobile, and CX/UI will expand EPAM's delivery capabilities significantly.</li> </ul>
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – United States</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 1972, Avtex Solutions is a full service CX company.</li> <li>It provides a wide range of solutions and services including CX strategy, CX design, application development and managed cloud services to support CX transformation for clients.</li> <li><b>Verticals:</b> Financial services, healthcare, manufacturing, retail, higher education</li> <li>It is headquartered in Minneapolis, MN.</li> </ul>	<ul style="list-style-type: none"> <li>This acquisition will be immediately accretive and highly complementary to TTEC's well-established CX-as-a-Service (CXaaS) customer experience technology and services platform.</li> <li>With this deal, TTEC will further expand its position as one of the leading global CX technology innovators and largest providers of end-to-end digital customer experience solutions worldwide.</li> <li>A proven leader in digital CX transformation, Avtex will enhance TTEC's proprietary CX technology portfolio and extensive global partnerships.</li> </ul>
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – Spain</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2010, Nubalia is a cloud services company.</li> <li>It provides change management, cloud migration, support and custom development services for Google's cloud platform and software suite.</li> <li>It has over 450 customers in Europe, Latin America and Africa.</li> <li>It is headquartered in Madrid, Spain with additional offices in Barcelona and Granada, Spain, Lisbon, Portugal and Cape Town, South Africa.</li> </ul>	<ul style="list-style-type: none"> <li>With this acquisition, Devoteam, Google Cloud Premier Partner, after more than ten years of collaboration with Google, expands and reinforces its capabilities in Google Cloud technologies, strengthening its strategy and multi-cloud solutions globally.</li> <li>Nubalia's expertise and leading position in Spain and Portugal significantly strengthens Devoteam's Google Cloud expertise in Iberia.</li> <li>This deal also is a testament to Devoteam's continued commitment to providing the very best and most complete Google Cloud offering in the EMEA market.</li> </ul>

# Key transactions in March (cont'd)

Overview	Target business description	Transaction rationale
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – Australia</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 1997, GRA is a supply chain and logistics consulting firm.</li> <li>It specializes in end-to-end supply chain and logistics strategies and operations consulting services.</li> <li><b>Verticals:</b> Government, aerospace &amp; defense and consumer goods</li> <li>It has 50 employees.</li> <li>It is headquartered in Melbourne, Australia.</li> </ul>	<ul style="list-style-type: none"> <li>The acquisition strengthens Accenture's Supply Chain &amp; Operations capabilities that help public and private sector clients address complex supply chain demands to deliver dynamic customer experiences in line with responsible practices.</li> <li>Terms of the transaction were not disclosed.</li> <li>Accenture's acquisition of GRA follows other investments across Australia and New Zealand in the past 12 months, including cloud-native solutions provider Olikka in November 2020 and SAP and cloud solutions technology firm Zag in October 2020.</li> </ul>
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – United Kingdom</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 2010, Cirrus is a leadership and talent consultancy.</li> <li>It blends leadership, talent, and engagement expertise to assess and develop leaders — creating behavioural change and implementing agile ways of working to unlock their potential.</li> <li>It has 70 employees.</li> <li>It is headquartered in Wilmslow, United Kingdom with offices in London and Melbourne, Australia.</li> </ul>	<ul style="list-style-type: none"> <li>Cirrus joins Accenture's Talent &amp; Organization / Human Potential team and strengthens its development and coaching capabilities for leaders seeking business transformation.</li> <li>It complements Accenture's most recent Talent &amp; Organization / Human Potential acquisitions — Future State in February and Kates Kesler in 2020 — which aim to expand client offerings and create new ways to deliver value with a deep understanding of client needs and market challenges.</li> <li>Terms of the transaction were not disclosed.</li> </ul>
<p>Mar -21</p>   <ul style="list-style-type: none"> <li>Target country – Brazil</li> <li>Deal size – NA</li> <li>EV / Sales – NA</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 1996, Pollux is an industrial robotics and automation solutions company.</li> <li>It designs, engineers and deploys fully functional assembly lines that include robots and other hardware, plus the software that controls them.</li> <li>It also offers visual analytics inspection solutions, autonomous mobile robots and robots as a service for shopfloors and warehouses.</li> <li>It is headquartered in Joinville, Brazil.</li> </ul>	<ul style="list-style-type: none"> <li>The acquisition will expand Accenture's capabilities for clients in consumer goods, pharmaceutical and automotive industries seeking to make their factories, plants and supply chains more productive, safe and sustainable.</li> <li>This is Accenture's first acquisition of an industrial robotics solutions provider and will encompass Pollux's operations in Brazil, Ecuador, Mexico, Canada and the United States.</li> <li>Pollux's more than 290 professionals will join Accenture's Industry X group.</li> <li>Financial terms of the acquisition were not disclosed.</li> </ul>

# Appendix I:

## Market multiples

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# 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
<b>Digital leaders</b>													
EPAM Systems, Inc.	372.6	400.3	160.1	20,904	19,788	2,659	441	327	16.6%	22.4%	7.4x	44.9x	63.9x
Globant S.A.	213.6	232.1	72.7	8,522	8,338	814	127	54	15.7%	25.3%	10.2x	65.4x	NM
<b>Average</b>									<b>16.1%</b>	<b>23.1%</b>	<b>8.8x</b>	<b>55.1x</b>	<b>63.9x</b>
<b>India - Large Cap</b>													
Cognizant Technology Solutions Corporation	79.3	82.0	41.6	42,062	41,118	16,652	2,914	1,392	17.5%	4.0%	2.5x	14.1x	30.2x
HCL Technologies Limited	13.7	14.5	5.3	37,117	36,019	10,022	2,655	1,781	26.5%	9.6%	3.6x	13.6x	20.8x
Infosys Limited	18.9	19.0	6.9	80,357	77,577	13,145	3,470	2,506	26.4%	7.1%	5.9x	22.4x	32.1x
Tata Consultancy Services Limited	42.3	45.3	21.7	156,328	155,992	21,967	6,003	4,277	27.3%	5.1%	7.1x	26.0x	36.6x
Tech Mahindra Limited	14.2	14.7	6.4	12,366	10,814	5,151	750	568	14.6%	2.9%	2.1x	14.4x	21.8x
Wipro Limited	5.9	6.3	2.2	32,081	27,157	8,409	1,772	1,390	21.1%	(0.6%)	3.2x	15.3x	23.1x
<b>Average</b>									<b>22.2%</b>	<b>4.8%</b>	<b>4.1x</b>	<b>17.6x</b>	<b>27.4x</b>
<b>India - Mid Cap</b>													
Accelya Solutions India Limited	12.4	14.3	10.9	185	176	42	10	6	23.2%	(10.6%)	4.2x	18.1x	33.6x
Birlasoft Limited	3.4	3.7	0.7	938	837	487	59	40	12.2%	(4.3%)	1.7x	14.1x	23.5x
Cyient Limited	9.2	9.3	2.5	1,012	871	563	62	42	10.9%	(1.6%)	1.5x	14.2x	24.2x
Hexaware Technologies Limited	6.5	6.4	2.7	1,949	1,953	847	134	89	15.8%	12.6%	2.3x	14.6x	21.8x
L&T Technology Services Limited	37.7	37.9	13.3	3,959	3,988	760	128	92	16.8%	11.4%	5.2x	31.2x	42.9x
Larsen & Toubro Infotech Limited	56.3	60.2	16.9	9,842	9,405	1,659	332	249	20.0%	14.9%	5.7x	28.3x	39.5x
Mastek Limited	16.5	18.7	2.3	416	376	216	43	25	20.1%	21.1%	1.7x	8.6x	16.6x
Mindtree Limited	26.6	26.6	9.2	4,386	4,122	1,083	196	137	18.1%	9.1%	3.8x	21.0x	32.0x
Mphasis Limited	22.4	24.1	8.4	4,194	4,013	1,307	220	172	16.8%	9.8%	3.1x	18.3x	24.4x
COFORGE Limited	39.0	39.5	11.3	2,359	2,285	618	96	60	15.5%	10.2%	3.7x	23.8x	39.5x
Perficient, Inc.	61.4	62.7	21.8	2,028	2,168	612	97	30	15.8%	8.0%	3.5x	22.4x	NM
Persistent Systems Limited	24.4	24.7	6.1	1,863	1,669	548	82	54	14.9%	5.1%	3.0x	20.4x	34.3x
Sasken Technologies Limited	11.9	12.4	4.6	179	157	61	16	13	25.7%	(7.5%)	2.6x	10.0x	13.8x
Sonata Software Limited	6.9	6.9	2.1	717	657	559	50	30	8.9%	10.2%	1.2x	13.2x	23.5x
TAKE Solutions Limited	0.8	0.9	0.5	112	166	126	(34)	(74)	NM	(18.5%)	1.3x	NM	NM
Zensar Technologies Limited	4.0	4.2	0.9	905	810	545	67	25	12.3%	5.5%	1.5x	12.1x	36.4x
<b>Average</b>									<b>16.5%</b>	<b>7.8%</b>	<b>2.9x</b>	<b>18.0x</b>	<b>29.0x</b>

# Market valuation (cont'd)

Company	Market data					LTM Performance				Growth	Valuation multiples			
	Price \$	52 week		Market cap \$m	EV \$m	Revenue \$m	EBITDA \$m	Net income \$m	EBITDA margin	CAGR 3 years	EV / Sales	EV / EBITDA	P/E	
<b>Americas</b>														
Accenture plc	266.3	266.4	143.7	168,872	164,143	45,677	7,608	5,457	16.7%	6.5%	3.6x	21.6x	30.9x	
CGI Inc.	80.7	81.1	47.0	19,992	22,151	9,519	1,662	919	17.5%	2.8%	2.3x	13.3x	21.8x	
DXC Technology Company	29.4	29.6	9.3	7,493	11,716	18,159	2,531	(2,846)	13.9%	0.2%	0.6x	4.6x	NM	
Positivo Tecnologia S.A.	0.9	1.3	0.4	124	172	422	62	36.8	14.7%	(9.9%)	0.4x	2.8x	3.4x	
Sonda S.A.	0.6	0.8	0.4	560	723	1,098	106	1	9.7%	(7.0%)	0.7x	6.8x	NM	
The Hackett Group, Inc.	17.3	17.4	9.7	524	480	235	25	5	10.5%	(2.7%)	2.0x	19.4x	NM	
Unisys Corporation	27.0	27.3	9.5	1,810	1,686	2,026	(56)	751	NM	(9.6%)	0.8x	NM	2.4x	
<b>Average</b>										<b>13.8%</b>	<b>3.5%</b>	<b>1.5x</b>	<b>11.4x</b>	<b>14.6x</b>
<b>Europe</b>														
Alten S.A.	119.6	119.6	61.7	4,040	4,009	2,853	182	120	6.4%	6.3%	1.4x	22.0x	33.7x	
Atos SE	77.2	93.4	48.4	8,457	10,623	13,677	1,476	673	10.8%	(1.7%)	0.8x	7.2x	12.6x	
Aubay Société Anonyme	45.0	47.7	17.5	594	592	478	46	29	9.7%	8.1%	1.2x	12.8x	20.2x	
Cancom SE	63.1	68.9	36.5	2,433	2,130	1,941	148	44	7.6%	13.7%	1.1x	14.4x	NM	
Capgemini SE	171.8	174.3	62.2	28,951	36,376	19,386	2,944	1,171	15.2%	8.8%	1.9x	12.4x	24.7x	
Capita plc	0.6	0.7	0.3	1,073	2,821	4,539	248	19	5.5%	(7.4%)	0.6x	11.4x	NM	
Devoteam SA	124.1	130.4	55.8	1,017	940	930	113	50	12.2%	14.7%	1.0x	8.3x	20.4x	
Indra Sistemas, S.A.	9.2	9.3	6.0	1,629	2,226	3,786	151	(80)	4.0%	1.0%	0.6x	14.7x	NM	
Know it AB (publ)	31.5	39.5	10.7	623	616	411	50	30	12.1%	7.2%	1.5x	12.4x	20.5x	
Sopra Steria Group SA	161.5	175.9	88.4	3,263	4,206	5,215	430	131	8.2%	4.3%	0.8x	9.8x	25.0x	
TietoEVRY Oyj	32.3	34.3	19.0	3,825	4,875	3,413	326	116	9.6%	22.6%	1.4x	14.9x	33.1x	
<b>Average</b>										<b>9.2%</b>	<b>4.0%</b>	<b>1.1x</b>	<b>12.8x</b>	<b>23.8x</b>

Company	Market data					LTM Performance				Growth	Valuation multiples			
	Price \$	52 week		Market cap \$m	EV \$m	Revenue \$m	EBITDA \$m	Net income \$m	EBITDA margin	CAGR 3 years	EV / Sales	EV / EBITDA	P/E	
<b>ITeS</b>														
Conduent Incorporated	7.1	7.1	1.5	1,496	2,986	4,163	424	(118)	10.2%	(11.6%)	0.7x	7.0x	NM	
ExlService Holdings, Inc.	88.8	89.9	42.8	2,973	2,901	958	155	89	16.2%	7.9%	3.0x	18.7x	33.2x	
Firstsource Solutions Limited	1.5	1.5	0.3	1,010	1,103	643	79	56	12.4%	5.1%	1.7x	13.9x	18.1x	
Genpact Limited	43.3	43.6	22.7	8,146	9,443	3,709	628	308	16.9%	10.7%	2.5x	15.0x	26.4x	
Hinduja Global Solutions Limited	16.2	17.4	5.7	338	419	728	76	34	10.5%	7.1%	0.6x	5.5x	9.9x	
StarTek, Inc.	9.0	9.0	2.8	366	579	640	56	(39)	8.7%	10.3%	0.9x	10.4x	NM	
Sykes Enterprises, Incorporated	44.8	45.5	22.7	1,768	1,910	1,710	191	56	11.1%	2.5%	1.1x	10.0x	31.3x	
TTEC Holdings, Inc.	93.6	93.6	27.7	4,375	4,846	1,949	297	119	15.2%	9.7%	2.5x	16.3x	36.9x	
WNS (Holdings) Limited	76.1	77.0	34.6	3,786	3,690	917	157	105	17.1%	8.7%	4.0x	23.5x	36.2x	
<b>Average</b>										<b>13.1%</b>	<b>8.1%</b>	<b>1.9x</b>	<b>13.4x</b>	<b>27.4x</b>

Source: Capital IQ

## ABOUT US

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Founded in 1987, The Chesapeake Group is an independent financial advisory company with over 30 years of history in helping clients – from venture stage to large corporations – achieve their corporate development goals. We are focused on the Technology and Software services sector with significant experience in cross – border transactions. Since our inception, we have advised numerous companies on mergers and acquisitions, capital raising, recapitalization, and strategic alliances. Headquartered in New York, with an additional office in Bangalore. Team of 10 professionals with an average experience of more than 30 years.

### UNITED STATES

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

### INDIA

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



[www.cginy.com](http://www.cginy.com)



[info@cginy.com](mailto:info@cginy.com)