

TECH TRACKER

An Insight Into Trends And Deals In The Tech Space

Edition 4
Engineering Research & Development - Newsletter



FOREWORD

Engineering Research & Development (ER&D) services are emerging as a crucial capability for organisations across sectors for revolutionising their existing products/ services or innovating new ones altogether. Through an integrated approach that combines traditional and digital engineering, ER&D services facilitate the significant advantages of cost and flexibility that lend a competitive edge to organisations.

The driving factors for the growth of ER&D outsourcing range from the need for product/ service expansion and sustainability benefits to geopolitical factors. India, a preferred destination for these services, is estimated to continue being a dominant player through the decade, driven by the software, automotive and semiconductor sectors.

In the fourth edition of the Tech Tracker, we analyse the significant M&A activities in the global ER&D market propelled by diverse business goals such as expanding revenue, entering new markets/ verticals, building sustainable engineering, etc. We also cover the key PE deals in the segment across the global landscape.

The publication also tracks the latest financial positions of IT service organisations from the large, mid and small cap segments for a holistic view of the industry's progress.

We hope you find this publication a useful and insightful read.

We would love to hear your feedback at marketing@bdo.in



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ENGINEERING RESEARCH & DEVELOPMENT | MARKET OVERVIEW

The spend will continue to rise as companies look to innovate to respond to market disruptions

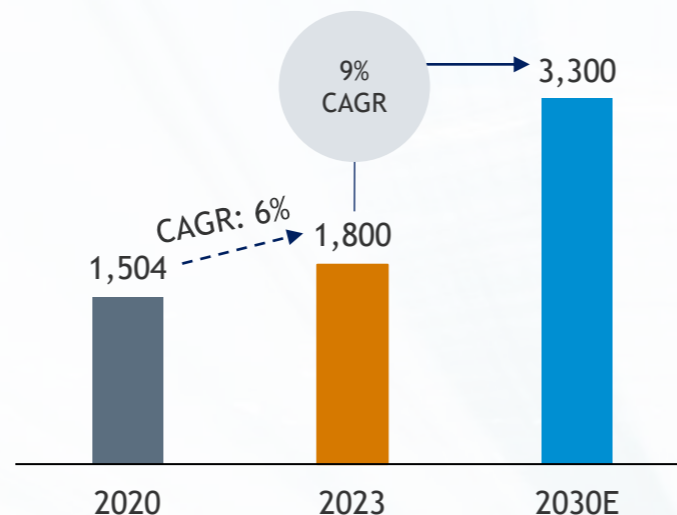
OVERVIEW

Broadly, Engineering Research & Development (ER&D) is a set of activities for developing new products and services and improving existing ones. At a high level, ER&D services primarily consist of digital engineering and non-digital engineering services.

Digital engineering is an integrated approach to engineering that uses digital methods and tools to design, analyse and simulate products and processes throughout their lifecycle.

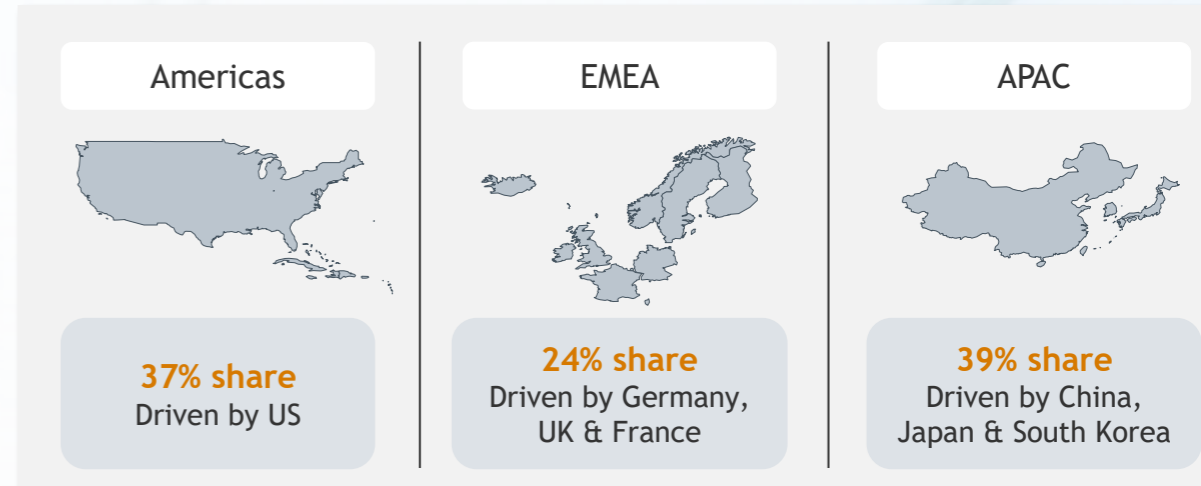
Non-digital engineering includes traditional methods of design and maintenance with the adoption of mechanical, electrical, manual and proprietary solutions.

GLOBAL ER&D SPEND (USD BN)



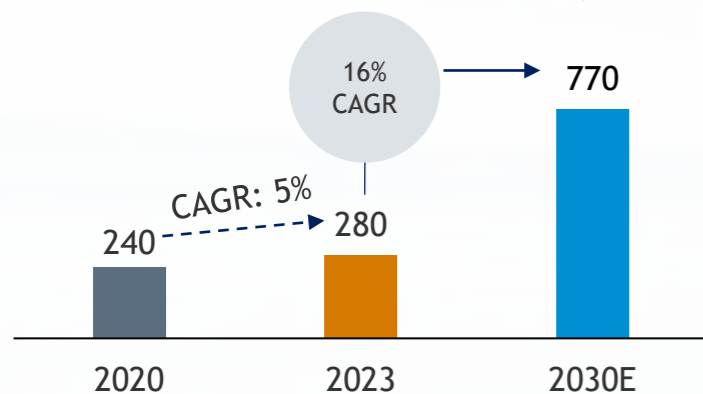
Global ER&D spend to increase in future driven by Digital Engineering whose share in overall ER&D spend is expected to rise from 37% in 2020 to 56% in 2026

DISTRIBUTION OF GLOBAL ER&D SPEND



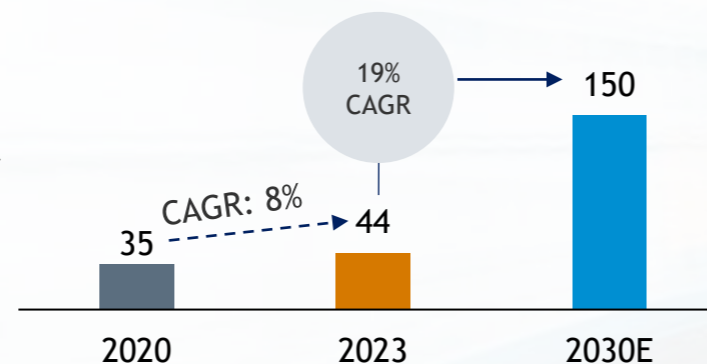
US maintains its stronghold as a leading market in ER&D segment, trailed by Germany, UK, Japan & China. These countries collectively command over 75% of the market. Other regions contribute the remaining 25%, highlighting a concentrated global landscape.

GLOBAL OUTSOURCING MARKET (USD BN)



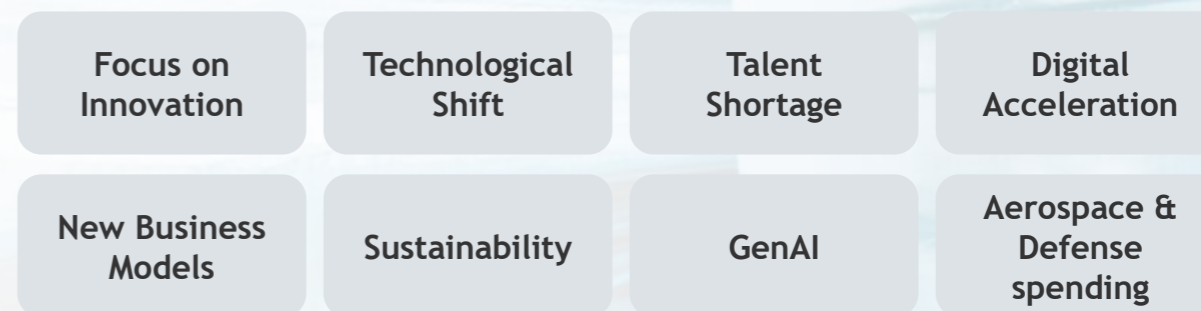
Global outsourcing will grow at a faster rate compared to the overall Global ER&D spend

INDIA OUTSOURCING MARKET (USD BN)



ER&D outsourcing to India to grow at a faster rate than global ER&D outsourcing. India commands 15-20% market share in the global ER&D outsourcing market.

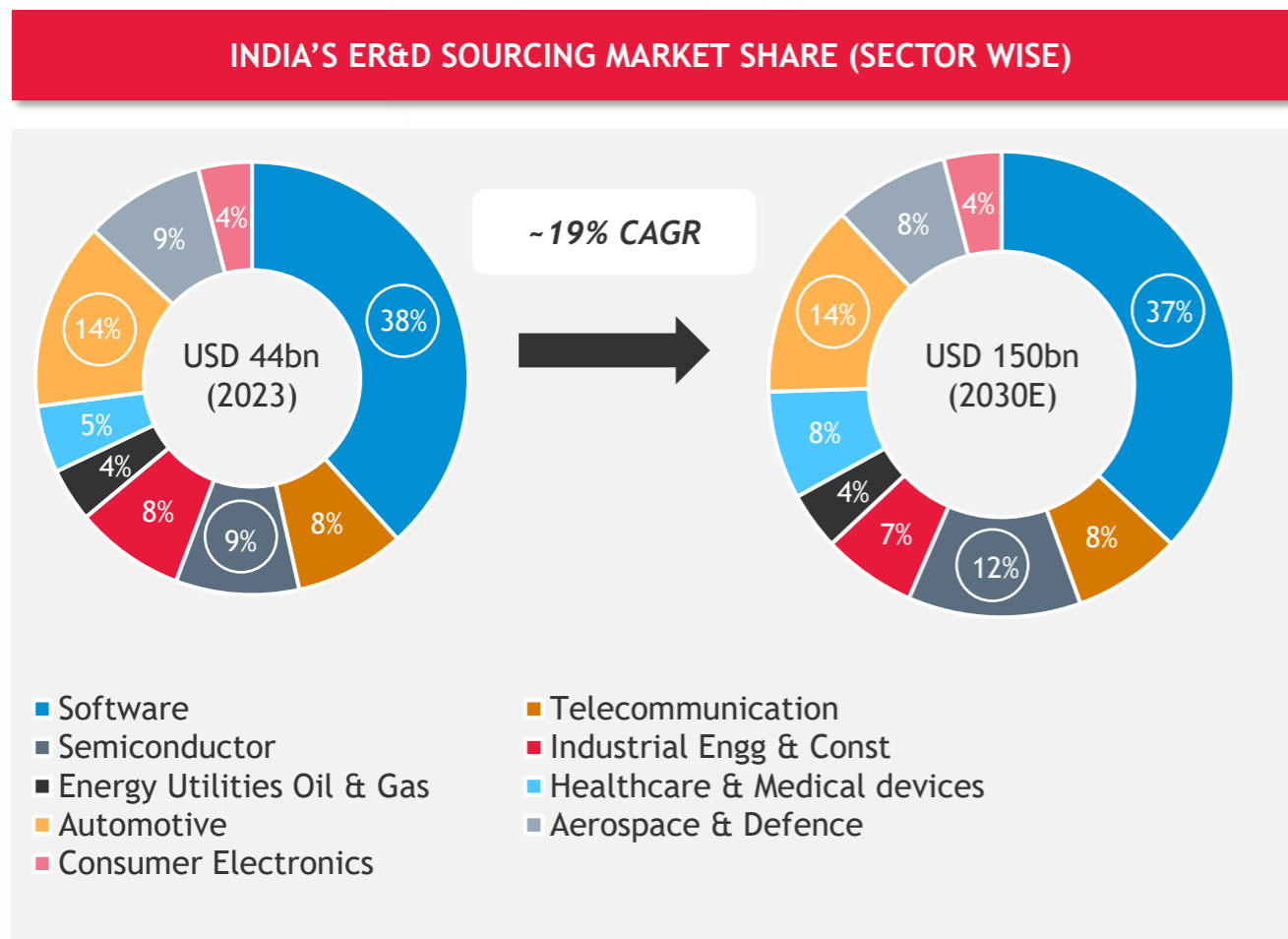
GROWTH DRIVERS FOR INCREASING ER&D OUTSOURCING



Shift in technology, increased competition, changing customer preferences and the increasing prevalence of technology in every aspect of life has made ER&D a critical component for business sustenance

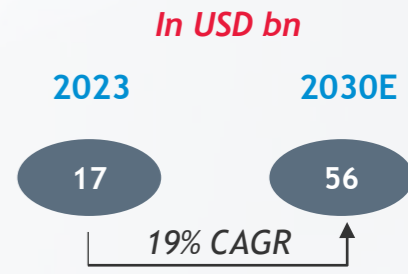
ENGINEERING RESEARCH & DEVELOPMENT | INDIA OUTSOURCING MARKET

India's share in ER&D sourcing is expected to increase from USD 44bn in 2023 to ~USD 150bn in 2030 driven by Software, Automotive and Semiconductor industries



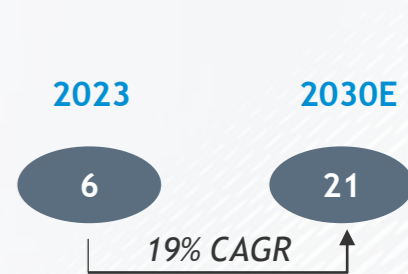
Software

Integration of AI/ML services, focus on cloud-based software and cybersecurity (mainly in the Aerospace & Defense industry) are set to drive the growth of the industry



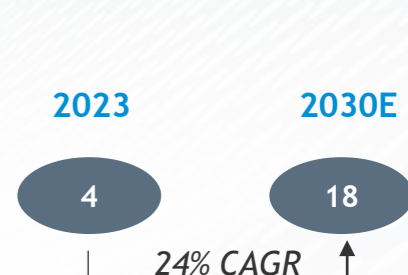
Automotive

EV, connected mobility, vehicle software including in-car technologies, infotainment systems, ADAS and autonomous vehicles are some key focus areas that drive this segment



Semiconductor

Semiconductor will be the third largest sector by 2030, the growth of which will be driven by innovation and customisation of chips to meet the increased demand for digital products for specific use cases across various industry verticals like automotive, medical and telecom



The availability of a large talent pool, established GCCs and favourable government policies attract companies to set up their presence in India

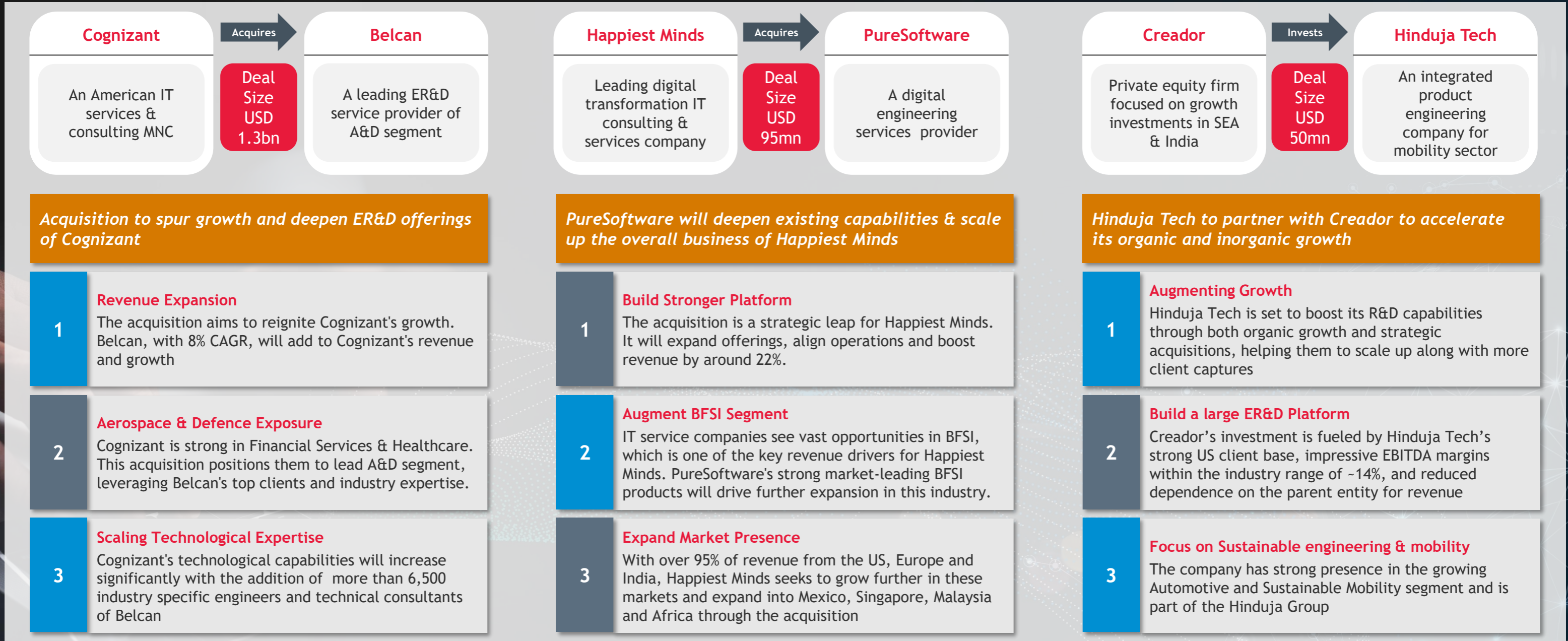
INDIA'S ENGINEERING RESEARCH & DEVELOPMENT OUTSOURCING | KEY DRIVERS & TRENDS

Given the current market dynamics, India will continue to be a dominant player in the ER&D outsourcing market as enterprises are looking to make India their dominant hub by setting up more GCCs and shifting more of their critical ER&D work to India

<p>Industry 4.0 & Emerging Technologies</p>	<p>Strong focus on innovation, cost optimisation, better outcomes and incorporation of emerging technologies such as AI/ ML, Analytics and IOT into existing and new solutions has led to an increase in the demand for digital engineering and smart manufacturing</p>	<p>Sustainability</p>	<p>Enterprises are investing a lot in sustainability as they aspire to become net-zero. Service providers are actively working with original equipment manufacturers and enterprises to help companies develop eco-friendly and energy-efficient solutions across verticals</p>
<p>Talent & Skill Development</p>	<p>Indian service providers are investing in training and upskilling their workforce to stay ahead in the rapidly evolving ER&D landscape making India a prime destination with over 1,000 ER&D GCCs in the country</p>	<p>GenAI</p>	<p>GenAI is expected to have a profound impact on ER&D services, particularly software engineering and product development. ER&D service providers are looking to incorporate GenAI in their workflows to enhance productivity and reduce the time to market</p>
<p>Expansion of Service Offerings</p>	<p>Service providers are looking to become a one-stop for all ER&D service requirements with increasing digital innovations in segments such as Automotive and Health and Medical devices. There is also an increasing focus on Product Lifecycle Services which manages products from inception to retirement.</p>	<p>Favourable Government Policies</p>	<p>Indian Government has been playing a pivotal role in sourcing ER&D services to the country from the global ecosystem. Schemes including PLI & DLI have been driving this growth. For example, MeitY and Chip to Startups (C2S) provide grants and incubation centres for companies</p>
<p>Geopolitical Factors</p>	<p>Due to geopolitical factors, companies are looking to diversify their supply chain and India is becoming a preferred destination for ER&D outsourcing</p>	<p>M&A Activity</p>	<p>M&A activity will gain more importance and focus from leadership. There has been a spurt in deal volume in the last 12 months as companies are actively looking to grow their ER&D service offerings and revenue</p>

ENGINEERING RESEARCH & DEVELOPMENT | STRONG IN M&A AND FUND RAISES

Companies are looking to leverage M&A and partnership with PE funds to capture the increasing market opportunity



ENGINEERING RESEARCH & DEVELOPMENT | KEY DEALS IN THE INDUSTRY (1/3)

M&A Transactions in the ER&D segment

TARGET	YEAR	ACQUIRER	TARGET DESCRIPTION	KEY VERTICALS	DEAL SIZE (USD MN)
Augmento	June 2024	Saksoft	Niche player in the digital engineering space offering innovative solutions to its clients predominantly across India and the US	Automotive, Healthcare, Hi-tech and Industrial	~12
Belcan	June 2024	Cognizant	Provider of mission-critical digital engineering services across the defence segment to its clients in North America and the UK	Aerospace & Defense, Marine and Industrial	~1,285
Design + Industry	June 2024	Capgemini	Deep expertise in mechanical engineering and electronics product development specialising in services across the product lifecycle, including high-precision solutions	Medtech, Industrial, Consumer and Mobility	NA
Aureus Tech Systems	May 2024	Happiest Minds	Niche Azure-native digital product engineering company focused on digital transformation through data, AI and application modernisation	Insurance & Reinsurance and Healthcare & Lifesciences	~8.5
People Tech Group	May 2024	Quest Global	Renowned digital transformation and product engineering company with strong capabilities across architecture, design, UX, development and testing	Automotive and Hi-tech	NA
PureSoftware	April 2024	Happiest Minds	Digital engineering and transformation services provider with more focus on products in the BFSI segment	BFSI and Healthcare & Lifesciences	~95
Intech	April 2024	Infosys	Leading ER&D services provider focused on the German automotive industry	Automotive	~480
Vates	March 2024	EPAM	Software development company offering end-to-end solutions for leading enterprise clients with offices in Argentina and Chile	Healthcare, Media, Hi-tech, Finance and Telecom	NA
Maple Labs	February 2024	Xoriant	Product engineering firm in the hi-tech segment with a strong focus on hybrid cloud infrastructure and cloud native engineering	Hi-tech	NA

ENGINEERING RESEARCH & DEVELOPMENT | KEY DEALS IN THE INDUSTRY (2/3)

M&A Transactions in the ER&D segment

TARGET	YEAR	ACQUIRER	TARGET DESCRIPTION	KEY VERTICALS	DEAL SIZE (USD MN)
Infogen Labs	February 2024	Ciklum	Global digital consulting company focused on building scalable software solutions and products	Retail & Consumer, Hi-tech and Financial Services	NA
Spalding	January 2024	Saalex	Leading provider of software development, information technology and engineering services to the defense industry	Defense	~75
Insemi	January 2024	Infosys	Semiconductor design and embedded system solutions provider specialising in electronic design and automation	Semiconductor	~34
Invecas	January 2024	Cadence	Provider of design engineering, embedded software and system-level solutions with extensive experience in designing chips and taking them to production	Semiconductor	NA
Smedix	October 2023	Perficient	Global leader in healthcare software development, system engineering, consulting, bioinformatics and IoT	Healthcare	~52
Accord	August 2023	Alten	Provider of software engineering, embedded systems and digital technology services	Aerospace & Defense and Semiconductor	NA
ASAP	July 2023	HCL Tech	Automotive engineering firm focused on autonomous driving, e-mobility and connectivity	Automotive	~280
Velotio	June 2023	R Systems	Product engineering and digital solutions provider with expertise in cloud & DevOps, AI/ML & data engineering	Healthcare, Software and Media	~34
Hexacta	January 2023	GlobalLogic	Pan-Latin-America digital and data engineering company providing software development, IT consulting, UI/UX design and analytic services	BFSI, Media, Telecom, Oil & Gas, Retail and Government	NA

ENGINEERING RESEARCH & DEVELOPMENT | KEY DEALS IN THE INDUSTRY (3/3)

Private Equity Transactions in ER&D segment

TARGET	YEAR	ACQUIRER	TARGET DESCRIPTION	KEY VERTICALS	DEAL SIZE (USD MN)
Hinduja Tech	March 2024	Creador	Integrated product engineering and digital technology solutions provider for the mobility industry	Automotive	50
Indium Software	December 2023	BPEA EQT	Digital engineering firm offering data and product engineering, LC development, AI/ML & digital assurance services	Healthcare, BFSI Retail & Technology	NA
Quest Global	August 2023	The Carlyle Group	Global product engineering services company delivering end-to-end engineering solutions by leveraging their deep industry knowledge and digital expertise	A&D, Energy, Automotive and Semiconductor	500
Brillio	September 2023	The Orogen Group	Leading digital transformation services and solutions provider	BFSI, Healthcare, Retail, Telecom, Media and Hi-tech	NA
R Systems	May 2023	Blackstone	Offshore software development and product engineering company that designs and builds next-gen products	BFSI, Healthcare, Automotive, TMT and Public Services	~185
Xoriant	January 2023	Chrys Capital	Provides services and solutions focused on digital product engineering, cloud infrastructure and operations	BFSI, Healthcare, Retail, Hi-tech and Manufacturing	~250
Ness	October 2022	KKR	Provider of UX design, software product, platform development and data analytic services	BFSI, Media Manufacturing and Technology	~500
GS Lab	November 2021	Kedaara	Offers digital product engineering services, performance engineering and application management services	Hi-tech, BFSI, Healthcare & Manufacturing	NA
Infogain	June 2021	Apax Partners	Leading digital platform and software engineering company offering design, assurance, analytics, data modernisation, hyper-automation, IoT and digital experience services	Technology, Retail, Travel, Insurance and Healthcare	800

RECENT DEALS IN TECHNOLOGY

M&A Deals (1/2)

DATE	BUYER	TARGET	HQ	TARGET DESCRIPTION	SEGMENT	DEAL SIZE (USD MN)
June 2024	Capgemini	Design + Industry	Australia	Deep expertise in mechanical engineering, and electronics product development and specialises in services across the product lifecycle, including high-precision solutions	ER&D	NA
June 2024	Cognizant	Belcan	USA	Leading ER&D player providing digital engineering services across aerospace & defense, space, marine and industrial verticals, primarily in North America and UK	ER&D	~1,285
June 2024	Saksoft	Augmento Labs	India	Niche player in engineering space offering cloud apps and solutions, product development, IT consulting, AI & analytics and RPA across Hi-tech, automotive, industrial and healthcare verticals	ER&D	~12
May 2024	Ness Digital Engineering	Intricity	USA	A specialised technology services provider in business intelligence, data strategy, governance, modernisation and monetisation solutions	Data & analytics	NA
May 2024	Cprime	INRY	USA	A ServiceNow Elite partner renowned for its innovative solutions in HR workflow optimisation and customer service management	Cloud	NA
May 2024	Happiest Minds Technologies	Aureus Tech System	USA	Niche Azure-native digital product engineering company focused on digital transformation through data, AI and application modernisation	ER&D	8.5
May 2024	Quest Global	People Tech Group	USA	Renowned digital transformation and product engineering company with strong capabilities across architecture, design, UX, development and testing, especially within automotive and hi-tech industries	ER&D	NA
May 2024	Happiest Minds Technologies	PureSoftware Technologies	India	Digital engineering and transformation services and solutions provider with deep domain expertise across BFSI, healthcare and life sciences, retail & logistic verticals	ER&D	~95

RECENT DEALS IN TECHNOLOGY

M&A Deals (2/2)

DATE	BUYER	TARGET	HQ	TARGET DESCRIPTION	SEGMENT	DEAL SIZE (USD MN)
May 2024	Coforge	Cigniti	India	AI & IP-led digital assurance and engineering services company offering product engineering, consulting, business intelligence, AI/ML, QA and RPA services	IT Services & Consulting	220
May 2024	Hexaware	Softcrylic	USA	Data consulting firm offering data analytics, data visualisation, cloud engineering, marketing automation services and their own product, 'The DataDesk' - a unique data management support solution	Data & analytics	NA
April 2024	ITC Infotech	Blazeclan	India	AWS Premier Partner & Snowflake Elite Partner and a leader in providing cloud transformation services including cloud migration, digital services, cloud consulting and data analytics	Cloud	~58
April 2024	nClouds	Foghorn Consulting	USA	Expertise across cloud security, migration and application modernisation services, and has achieved several AWS Competency designations - security, migration and DevOps	Cloud	NA
April 2024	Datamatics	Dextara Digital	USA	Digital transformation services provider and Salesforce Platinum consulting & ISV partner offering consulting, implementation, engineering, modernisation and integration services	IT Services & Consulting	~21
April 2024	Valtech	Kin+Carta	UK	Global digital transformation consultancy offering services across cloud & platform, data & AI, experience & product, managed services and strategy consulting	IT Services & Consulting	~300
April 2024	Infosys	Intech	Germany	Provides system design, methodical consulting, advanced electronics platform development and validation of specific software and hardware systems across automotive, rail transport and smart industry sectors	ER&D	480
April 2024	Virtusa	ITMagination	Poland	Premier technology consultancy with deep expertise in software development, data & analytics, AI solution development, cloud computing and DevOps	IT Services & Consulting	NA

RECENT DEALS IN TECHNOLOGY

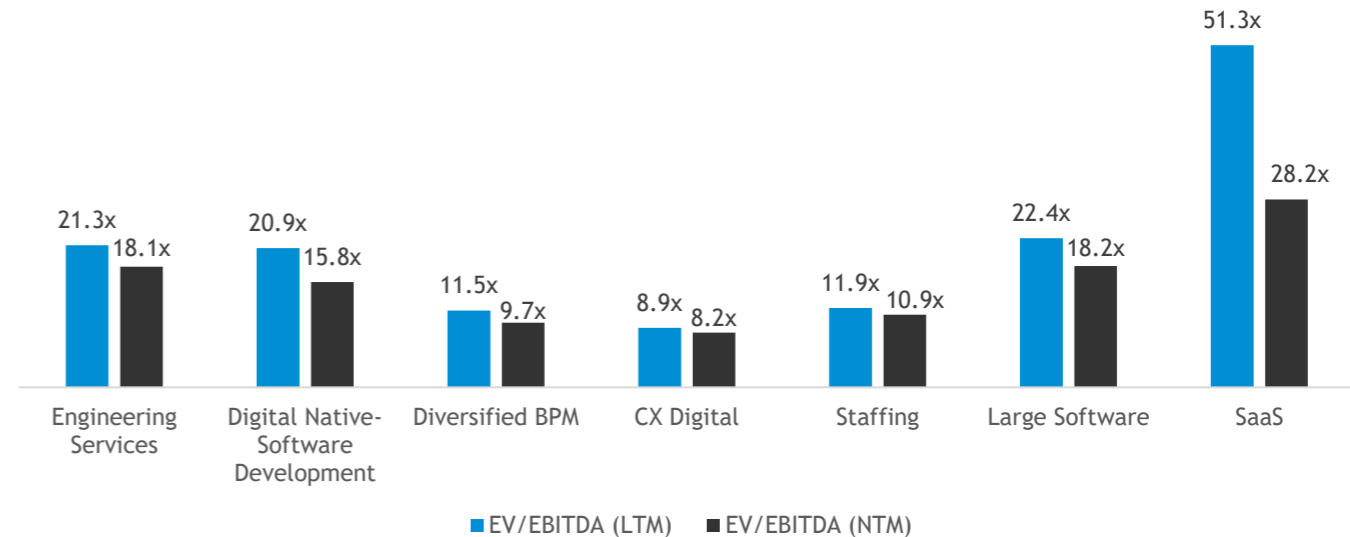
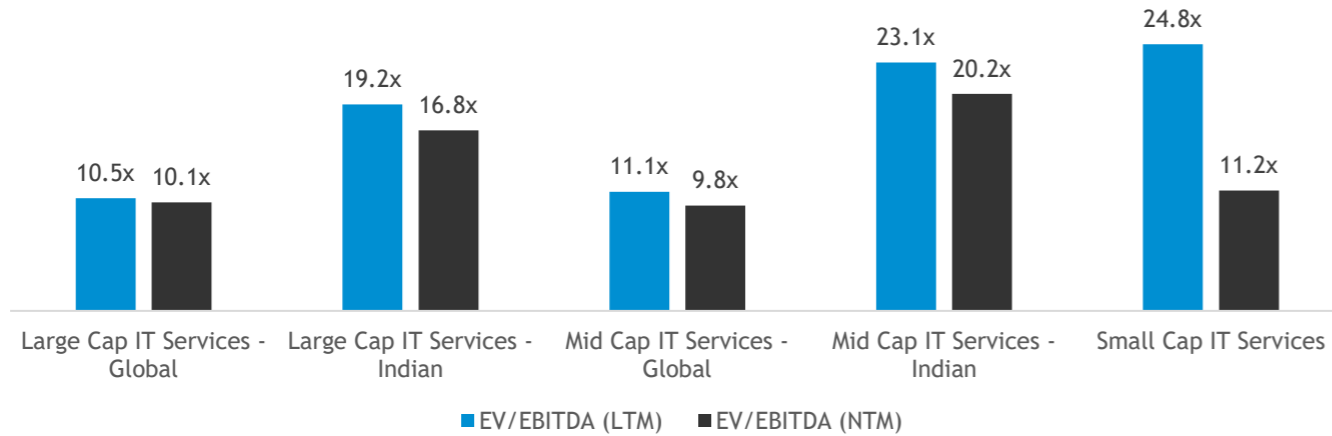
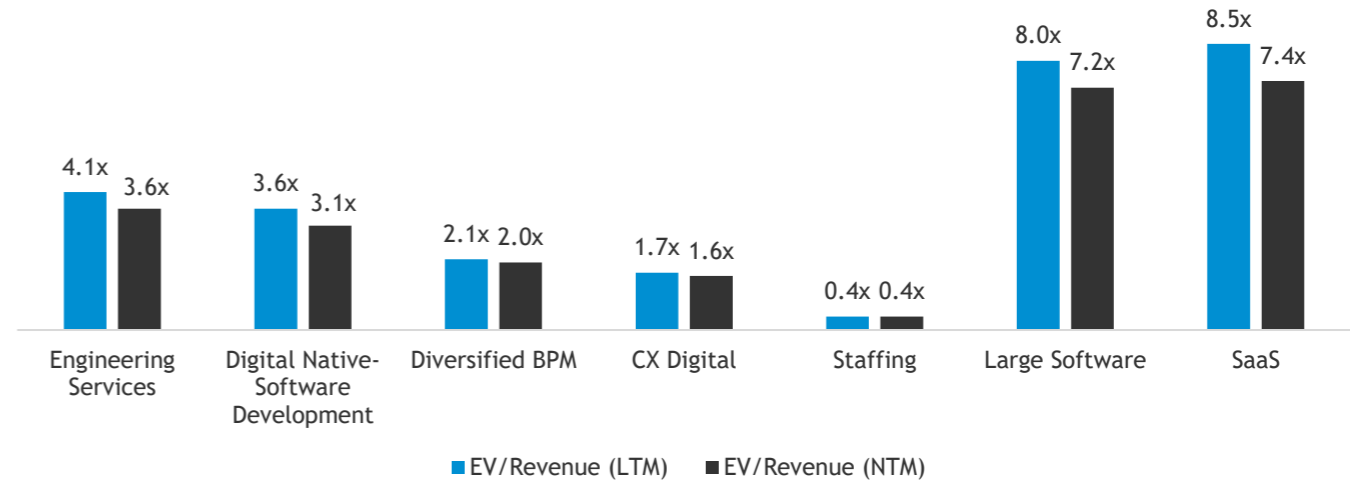
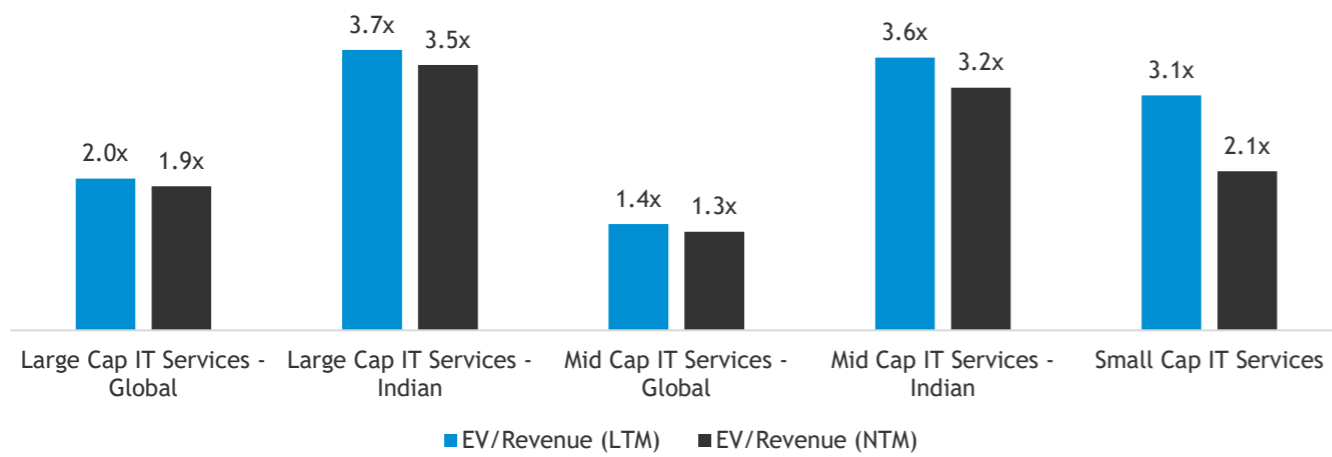
PE Deals

DATE	BUYER	TARGET	HQ	TARGET DESCRIPTION	SEGMENT	DEAL SIZE (USD MN)
June 2024	Capital Square Partner ServiceNow Ventures	InMorphis	India	A pure-play ServiceNow partner, offering enterprise service management, DevOps and infrastructure automation, IT security services, QA & testing and support services	IT Services & Consulting	NA
June 2024	Charlesbank Capital Partners	Quorum Cyber Security	UK	Global cybersecurity firm offering diverse suite of services focused on maintaining customers' cybersecurity postures as well as a portfolio of highly complementary professional services such as Incident Response	Cybersecurity	NA
May 2024	Attain Capital Partners	Excella Consulting	USA	Expertise across agile transformation, artificial intelligence, digital services delivery and modernisation across public, commercial and non-profit sectors	IT Services & Consulting	NA
May 2024	Growth Capital Partner	CloudRock	UK	Specialises in ERP advisory, implementation and managed services, providing advice and support to global enterprises as they digitally transform their HR and finance functions	IT Services & Consulting	NA
May 2024	BPEA EQT	Perficient	USA	Offers digital solutions across product development, strategy consulting, customer experience, digital marketing, data & intelligence, QA and testing services	ER&D	~3,000
April 2024	Columbia Capital	V2 Digital	Australia	Digital consultancy firm having capabilities across customer experience, modern software, AI/ML and cloud serving large global enterprises as well as tech startups	IT Services & Consulting	30
April 2024	CD&R	Presidio	USA	Digital IT company offering full suite of solutions including data & analytics, workforce transformation, application development, cloud migration and automation, cybersecurity and infrastructure	IT Services & Consulting	NA
April 2024	InvestCorp	NSEIT	India	Leading provider of advanced digital transformation including digital engineering, data & analytics, AI, cloud & cybersecurity services with a strong focus on BFSI and capital markets	IT Services & Consulting	~120

TECHNOLOGY COMPANIES TRADING MULTIPLES (MEAN)

BASED ON SIZE

BASED ON OFFERINGS



Source: CapIQ; All multiples are based as on 26 June 2024
 Note: NTM multiples are based on multiples of companies for which information was available
 SaaS multiple downfall is mainly driven by the fall with Veeva Systems Inc along with a fall in all the companies

LARGE CAP IT SERVICES TRADING MULTIPLES

GLOBAL

Name	Market Cap	EV	Revenue (LTM)	EBITDA (LTM)	3-Yr Revenue CAGR (%)	EBITDA Margin (%)	LTM			1 Yr Forward		
							EV/Revenue	EV/EBITDA	P/E	EV/Revenue	EV/EBITDA	P/E
Accenture PLC	190,809	190,744	64,476	11,280	10%	17%	3.0x	15.6x	27.5x	2.8x	14.9x	24.6x
Capgemini SE	34,494	37,783	24,894	3,301	12%	13%	1.6x	10.8x	20.1x	1.5x	10.0x	15.1x
CGI	22,686	23,970	10,689	1,903	6%	18%	2.3x	12.1x	19.6x	2.2x	10.8x	17.5x
Cognizant Technology Solutions	33,959	32,993	19,301	3,422	5%	18%	1.7x	8.8x	16.4x	1.7x	9.3x	14.6x
DXC Technology	3,371	7,270	13,667	1,396	(8%)	10%	0.5x	4.0x	40.7x	0.6x	4.0x	6.8x
IBM	157,880	201,708	62,069	14,380	7%	23%	3.2x	12.9x	19.5x	3.2x	12.4x	17.5x
NTT Data Inc	20,770	39,553	28,874	4,305	23%	15%	1.5x	9.8x	24.9x	1.4x	9.1x	22.8x
				Mean	8%	16%	2.0x	10.5x	24.1x	1.9x	10.1x	17.0x
				Median	7%	17%	1.7x	10.8x	20.1x	1.7x	10.0x	17.5x

INDIAN

Name	Market Cap	EV	Revenue (LTM)	EBITDA (LTM)	3-Yr Revenue CAGR (%)	EBITDA Margin (%)	LTM			1 Yr Forward		
							EV/Revenue	EV/EBITDA	P/E	EV/Revenue	EV/EBITDA	P/E
HCL Technologies Ltd	46,778	44,217	13,270	2,761	9%	21%	3.3x	15.5x	24.8x	3.2x	14.4x	23.2x
Infosys Ltd	76,339	74,073	18,562	4,206	11%	23%	4.0x	16.9x	24.3x	3.9x	16.1x	24.3x
LTI Mindtree	18,347	17,451	4,263	717	42%	17%	4.1x	23.3x	33.5x	3.9x	21.1x	30.6x
Tata Consultancy Services Ltd	166,922	162,704	28,912	7,511	14%	26%	5.6x	21.1x	30.6x	5.2x	19.1x	27.1x
Tech Mahindra Ltd	14,940	14,401	6,241	596	11%	10%	2.3x	24.2x	53.2x	2.3x	17.2x	29.7x
Wipro Ltd	30,950	28,056	10,773	1,945	13%	18%	2.6x	14.0x	23.8x	2.6x	13.1x	21.4x
				Mean	17%	19%	3.7x	19.2x	31.7x	3.5x	16.8x	26.1x
				Median	12%	19%	3.7x	19.0x	27.7x	3.5x	16.6x	25.7x

MID CAP IT SERVICES TRADING MULTIPLES

GLOBAL

Name	Market Cap	EV	Revenue (LTM)	EBITDA (LTM)	3-Yr Revenue CAGR (%)	EBITDA Margin (%)	LTM			1 Yr Forward		
							EV/Revenue	EV/EBITDA	P/E	EV/Revenue	EV/EBITDA	P/E
ASGN	3,967	4,917	4,371	451	7%	10%	1.1x	10.0x	19.9x	1.1x	10.4x	15.9x
Beyondsoft Corporation	653	449	922	42	14%	5%	0.5x	9.1x	28.5x	0.5x	8.6x	18.9x
Nagarro SE	1,069	1,276	994	109	28%	11%	1.3x	9.7x	18.8x	1.2x	8.1x	14.6x
Perficient Inc	2,617	2,921	890	142	12%	16%	3.3x	18.9x	31.9x	3.1x	15.0x	18.3x
Sopra Steria	4,048	5,649	6,417	616	11%	10%	0.9x	7.9x	21.0x	0.8x	6.7x	9.2x
				Mean	14%	10%	1.4x	11.1x	24.0x	1.3x	9.8x	15.4x
				Median	12%	10%	1.1x	9.7x	21.0x	1.1x	8.6x	15.9x

INDIAN

Name	Market Cap	EV	Revenue (LTM)	EBITDA (LTM)	3-Yr Revenue CAGR (%)	EBITDA Margin (%)	LTM			1 Yr Forward		
							EV/Revenue	EV/EBITDA	P/E	EV/Revenue	EV/EBITDA	P/E
Birla Soft	2,263	2,100	633	100	14%	16%	3.3x	21.0x	30.8x	3.0x	18.7x	27.8x
Coforge Limited	4,249	4,308	1,102	171	25%	16%	3.9x	25.2x	41.1x	3.4x	20.3x	32.7x
Mphasis Ltd	5,470	5,327	1,594	291	11%	18%	3.4x	18.4x	29.5x	3.1x	16.8x	26.8x
Persistent Systems Limited	6,944	6,872	1,183	194	33%	16%	5.8x	34.2x	55.6x	5.1x	28.9x	45.6x
Sonata Software	1,943	1,904	1,034	87	27%	8%	1.8x	21.9x	52.7x	1.6x	18.3x	28.7x
Zensar Technologies Ltd	2,037	1,895	588	105	9%	18%	3.2x	18.2x	25.8x	3.0x	18.0x	25.4x
				Mean	20%	15%	3.6x	23.1x	39.3x	3.2x	20.2x	31.1x
				Median	20%	16%	3.3x	21.4x	36.0x	3.1x	18.5x	28.2x

SMALL CAP IT SERVICES TRADING MULTIPLES

SMALL CAP IT SERVICES

Name	Market Cap	EV	Revenue (LTM)	EBITDA (LTM)	3-Yr Revenue CAGR (%)	EBITDA Margin (%)	LTM			1 Yr Forward		
							EV/Revenue	EV/EBITDA	P/E	EV/Revenue	EV/EBITDA	P/E
Axiscades	275	293	114	16	22%	14%	2.6x	17.9x	70.9x	NM	NM	NM
CI&T	672	766	428	63	28%	15%	1.8x	11.3x	31.7x	1.8x	10.0x	18.9x
Infobeans Tech	134	122	44	6	27%	14%	2.8x	19.8x	50.0x	NM	NM	NM
Mastek	991	998	367	61	21%	17%	2.7x	16.4x	27.6x	2.4x	13.9x	22.7x
R Systems	718	733	204	30	23%	15%	3.6x	24.3x	45.6x	NM	NM	NM
Saksoft	338	316	91	16	25%	18%	3.5x	19.3x	30.8x	NM	NM	NM
Sasken	297	291	49	4	(3%)	8%	6.0x	79.2x	32.0x	NM	NM	NM
The Hackett Group	593	612	297	60	8%	20%	2.1x	10.1x	17.0x	2.0x	9.7x	13.7
				Mean	19%	15%	3.1x	24.8x	38.2x	2.1x	11.2x	18.4x
				Median	22%	15%	2.7x	18.6x	31.8x	2.0x	10.0x	18.9x

All figures are in USD million
Source: CapIQ; Market data as on 26 June 2024

ER&D TRADING MULTIPLES

ENGINEERING SERVICES

Name	Market Cap	EV	Revenue (LTM)	EBITDA (LTM)	3-Yr Revenue CAGR (%)	EBITDA Margin (%)	LTM			1 Yr Forward		
							EV/Revenue	EV/EBITDA	P/E	EV/Revenue	EV/EBITDA	P/E
AFRY	1,952	2,588	2,521	201	13%	8%	1.0x	9.8x	20.2x	1.0x	8.9x	13.8x
Alten SA	3,952	3,906	4,497	410	20%	9%	0.9x	8.2x	15.8x	0.9x	7.7x	12.2x
Assystem SA	863	957	638	43	10%	7%	1.6x	23.7x	8.0x	1.4x	14.7x	16.5x
Bertrandt	322	489	1,307	91	14%	7%	0.4x	4.3x	10.5x	0.4x	3.4x	6.3x
KPIT Technologies	5,168	5,107	589	123	34%	21%	8.7x	41.6x	73.2x	7.1x	34.6x	57.2x
L&T Technology Services	6,136	5,896	1,158	214	21%	18%	5.1x	25.9x	39.4x	4.6x	24.3x	37.3x
Tata Elxsi	5,282	5,147	428	121	25%	28%	12.1x	40.9x	55.7x	11.0x	36.8x	50.2x
Cyient Ltd	2,433	2,498	858	142	20%	17%	2.9x	16.2x	29.7x	2.6x	14.6x	23.8x
				Mean	20%	14%	4.1x	21.3x	31.6x	3.6x	18.1x	27.2x
				Median	20%	13%	2.2x	20.0x	25.0x	2.0x	14.7x	20.1x

DIGITAL NATIVE - SOFTWARE DEVELOPMENT

Name	Market Cap	EV	Revenue (LTM)	EBITDA (LTM)	3-Yr Revenue CAGR (%)	EBITDA Margin (%)	LTM			1 Yr Forward		
							EV/Revenue	EV/EBITDA	P/E	EV/Revenue	EV/EBITDA	P/E
Endava	1,659	1,491	930	93	22%	10%	1.6x	13.8x	31.4x	1.5x	9.9x	19.5x
EPAM	10,586	8,713	4,645	662	19%	14%	1.9x	12.0x	25.0x	1.9x	11.0x	17.9x
Globant	7,643	7,697	2,195	328	35%	15%	3.5x	20.9x	46.4x	3.1x	15.0x	27.2x
Happiest Minds Technologies	1,534	1,448	195	36	28%	19%	7.5x	36.7x	49.5x	5.8x	27.3x	40.7x
				Mean	26%	14%	3.6x	20.9x	38.1x	3.1x	15.8x	26.3x
				Median	25%	15%	2.7x	17.4x	38.9x	2.5x	13.0x	23.4x

BPM & CX DIGITAL TRADING MULTIPLES

DIVERSIFIED BPM

Name	Market Cap	EV	Revenue (LTM)	EBITDA (LTM)	3-Yr Revenue CAGR (%)	EBITDA Margin (%)	LTM			1 Yr Forward		
							EV/Revenue	EV/EBITDA	P/E	EV/Revenue	EV/EBITDA	P/E
EXL Service Holding	4,961	5,134	1,667	280	20%	17%	3.1x	16.8x	28.0x	2.8x	12.8x	18.4x
Genpact Ltd	5,725	6,779	4,519	736	7%	16%	1.5x	8.4x	9.1x	1.5x	7.8x	10.5x
WNS Ltd	2,339	2,464	1,323	236	13%	18%	1.9x	9.2x	18.1x	1.9x	8.5x	11.5x
				Mean	13%	17%	2.1x	11.5x	18.4x	2.0x	9.7x	13.5x
				Median	13%	17%	1.9x	9.2x	18.1x	1.9x	8.5x	11.5x

CX DIGITAL

Name	Market Cap	EV	Revenue (LTM)	EBITDA (LTM)	3-Yr Revenue CAGR (%)	EBITDA Margin (%)	LTM			1 Yr Forward		
							EV/Revenue	EV/EBITDA	P/E	EV/Revenue	EV/EBITDA	P/E
Concentrix	3,829	8,547	8,647	1,310	19%	15%	1.0x	5.8x	13.7x	0.9x	5.0x	4.5x
eClerx Services Ltd	1,390	1,292	351	96	23%	27%	3.7x	13.5x	23.1x	3.3x	13.7x	21.7x
First Source Solutions Ltd	1,723	1,880	760	115	8%	15%	2.5x	16.4x	28.5x	2.2x	14.0x	23.4x
TaskUS	1,140	1,279	917	167	20%	18%	1.4x	7.0x	24.8x	1.3x	5.9x	10.0x
Telus International	1,568	3,124	2,679	454	15%	17%	1.2x	6.0x	32.3x	1.1x	5.0x	6.0x
TTEC Holdings	246	1,252	2,406	212	5%	9%	0.5x	4.8x	NM	0.5x	5.4x	3.5x
				Mean	15%	17%	1.7x	8.9x	24.5x	1.6x	8.2x	11.5x
				Median	17%	16%	1.3x	6.5x	24.8x	1.2x	5.6x	8.0x

All figures are in USD million
Source: CapIQ; Market data as on March 26, 2024

STAFFING TRADING MULTIPLES

STAFFING

Name	Market Cap	EV	Revenue (LTM)	EBITDA (LTM)	3-Yr Revenue CAGR (%)	EBITDA Margin (%)	LTM			1 Yr Forward		
							EV/Revenue	EV/EBITDA	P/E	EV/Revenue	EV/EBITDA	P/E
Adecco	5,606	9,050	25,658	971	7%	4%	0.4x	7.4x	16.9x	0.3x	8.3x	10.2x
Hays	1,902	2,064	9,275	230	9%	2%	0.2x	7.2x	18.2x	0.2x	9.1x	21.3x
Kelly Services	760	610	4,613	99	1%	2%	0.1x	4.8x	15.4x	0.1x	4.3x	10.2x
Manpower Group	3,322	4,126	18,566	484	0.5%	3%	0.2x	6.5x	68.7x	0.2x	8.2x	13.3x
Qness Corp	1,070	1,119	2,292	83	21%	4%	0.5x	13.5x	32.4x	0.4x	11.1x	24.2x
Randstad Holdings	8,043	9,168	26,805	959	6%	4%	0.3x	8.0x	13.8x	0.3x	7.2x	11.7x
Robert Half Inc	6,513	6,214	6,152	423	7%	7%	1.0x	12.2x	18.8x	1.0x	11.5x	20.0x
TeamLease	592	556	1,119	16	24%	1%	0.5x	35.5x	44.3x	0.4x	27.7x	35.2x
				Mean	9%	3%	0.4x	11.9x	28.6x	0.4x	10.9x	18.3x
				Median	7%	3%	0.3x	7.7x	18.5x	0.3x	8.7x	16.7x

LARGE SOFTWARE TRADING MULTIPLES

LARGE SOFTWARE

Name	Market Cap	EV	Revenue (LTM)	EBITDA (LTM)	3-Yr Revenue CAGR (%)	EBITDA Margin (%)	LTM			1 Yr Forward		
							EV/Revenue	EV/EBITDA	P/E	EV/Revenue	EV/EBITDA	P/E
Amazon	2,014,827	2,090,313	590,740	96,609	12%	16%	3.5x	19.1x	54.3x	3.2x	14.8x	40.4x
Google	2,280,757	2,201,043	318,146	109,723	17%	34%	6.9x	19.4x	28.2x	6.2x	14.6x	23.8x
Microsoft Corporation	3,360,591	3,386,807	236,584	125,982	14%	53%	14.3x	26.2x	39.2x	12.6x	23.7x	35.8x
Oracle Corporation	380,943	465,231	52,961	21,227	9%	40%	8.8x	20.7x	37.3x	8.0x	15.5x	22.1x
SAP SE	230,244	226,238	34,314	8,258	5%	24%	6.7x	26.5x	85.3x	6.1x	22.3x	36.1x
				Mean	12%	34%	8.0x	22.4x	48.9x	7.2x	18.2x	31.6x
				Median	12%	34%	6.9x	20.7x	39.2x	6.2x	15.5x	35.8x

All figures are in USD million
Source: CapIQ; Market data as on March 26, 2024

SAAS COMPANIES TRADING MULTIPLES

SAAS

Name	Market Cap	EV	Revenue (LTM)	EBITDA (LTM)	3-Yr Revenue CAGR (%)	EBITDA Margin (%)	LTM			1 Yr Forward		
							EV/Revenue	EV/EBITDA	P/E	EV/Revenue	EV/EBITDA	P/E
Atlassian Corporation	44,683	43,789	4,166	(31)	29%	(1%)	10.5x	NM	NM	8.9x	39.5x	57.1x
Guidewire Software	11,148	10,810	959	(44)	8%	(5%)	11.3x	NM	NM	10.2x	66.3x	82.0x
Paylocity	7,449	7,013	1,354	277	31%	20%	5.2x	23.9x	38.5x	4.6x	13.3x	20.3x
Salesforce.com Inc	235,612	231,334	35,743	9,202	17%	26%	6.5x	23.3x	43.7x	6.0x	16.4x	24.2x
ServiceNow Inc	154,840	148,337	9,478	1,516	25%	16%	15.7x	90.1x	80.7x	13.0x	37.2x	53.9x
Twilio	9,452	6,786	4,194	(34)	28%	(1%)	1.6x	NM	NM	1.5x	8.3x	17.9x
Veeva Systems Inc	29,788	25,078	2,488	562	17%	23%	10.1x	43.4x	54.3x	9.0x	22.6x	29.3x
Workday Inc	57,510	53,672	7,565	554	19%	7%	7.1x	75.6x	39.0x	6.2x	21.8x	31.1x
				Mean	22%	11%	8.5x	51.3x	51.2x	7.4x	28.2x	39.5x
				Median	22%	12%	8.6x	43.4x	43.7x	7.6x	22.2x	30.2x

All figures are in USD million
Source: CapIQ; Market data as on March 26, 2024

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