TECH TRACKER

An Insight Into Trends And Deals In The Tech Space

Edition 3
Cloud Platform & Services Market – An Overview

BDO in India
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FOREWORD

Recent years have seen a growing adoption of cloud services by organisations, given their significant benefits such as flexibility, efficiency, reliability and cost-effectiveness. Leveraging the latest capabilities of AI and ML, cloud systems are also enabling organisations to improve innovations and realise faster time-to-market.

The Big 3 cloud service providers, which form two-thirds of the global cloud market, continue to make significant inroads with their offerings around the world. The service partners, responsible for implementing and maintaining cloud solutions, play an integral role in the cloud ecosystem, being the most important link between service providers and businesses.

In the third edition of Tech Tracker, we set a deep lens on the significant M&A activities in the cloud service partner segment, attributable to the promising future of cloud platforms and services, and by extension, the upward prospects for the service partners. We cover the key PE and M&A activities in the segment, and the various factors driving large and mid-sized IT organisations to acquire partners of hyper scalers.

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

SAMIR SHETH
Partner & Head
Deal Advisory Services

MANISH PODDAR
Partner
Corporate Finance & Investment Banking
Deal Advisory Services

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CLOUD PLATFORM MARKET – AN OVERVIEW

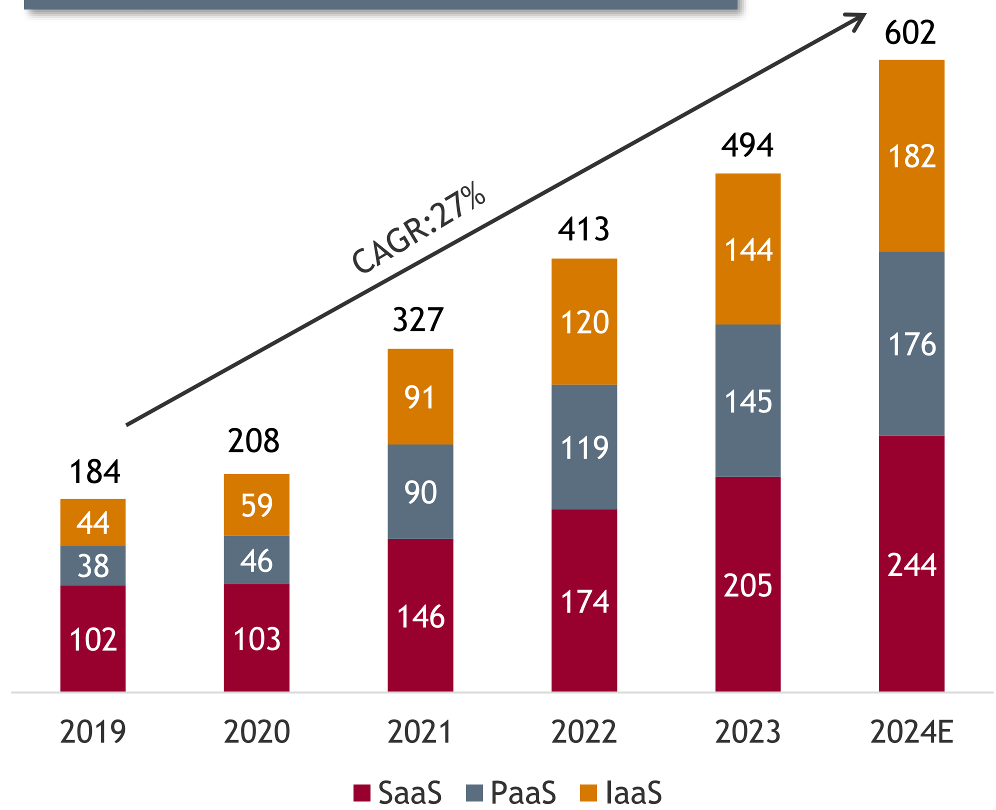
The annual spend on public cloud by end users is expected to grow at a CAGR of ~27% from USD 184bn in 2019 to USD 602bn in 2024, leading to a huge market opportunity for Cloud Platform Providers

KEY SEGMENTS OF THE CLOUD PLATFORM MARKET

Infrastructure as a Service (IaaS)	Bedrock of the cloud ecosystem - provides essential computing resources over the internet
Platform as a Service (PaaS)	Provides a complete environment for developing, deploying and managing applications
Software as a Service (SaaS)	Software applications delivered over the internet

PUBLIC CLOUD END USER SPENDING (USD BN)

While SaaS will continue to be the largest segment in 2024, IaaS is expected to grow at a higher rate than others at ~26% in 2024



GROWTH DRIVERS & TRENDS

Cloud adoption gained traction due to its ability of replacing CapEx with OpEx. As most enterprises have moved to the cloud, the focus has now shifted to cloud cost optimisation and revenue growth

The continued demand for integrated environments for cloud deployment is primarily driven by the boost in demand for cloud-native architecture and containerisation

Growth in the SaaS segment is driven by the ease of implementation and pay-as-you-go revenue model. The growth in this segment is bolstered by the cessation of user support for traditional implementations by the likes of SAP

Adoption of AI and vertical-based cloud solutions will further increase the demand for cloud platforms

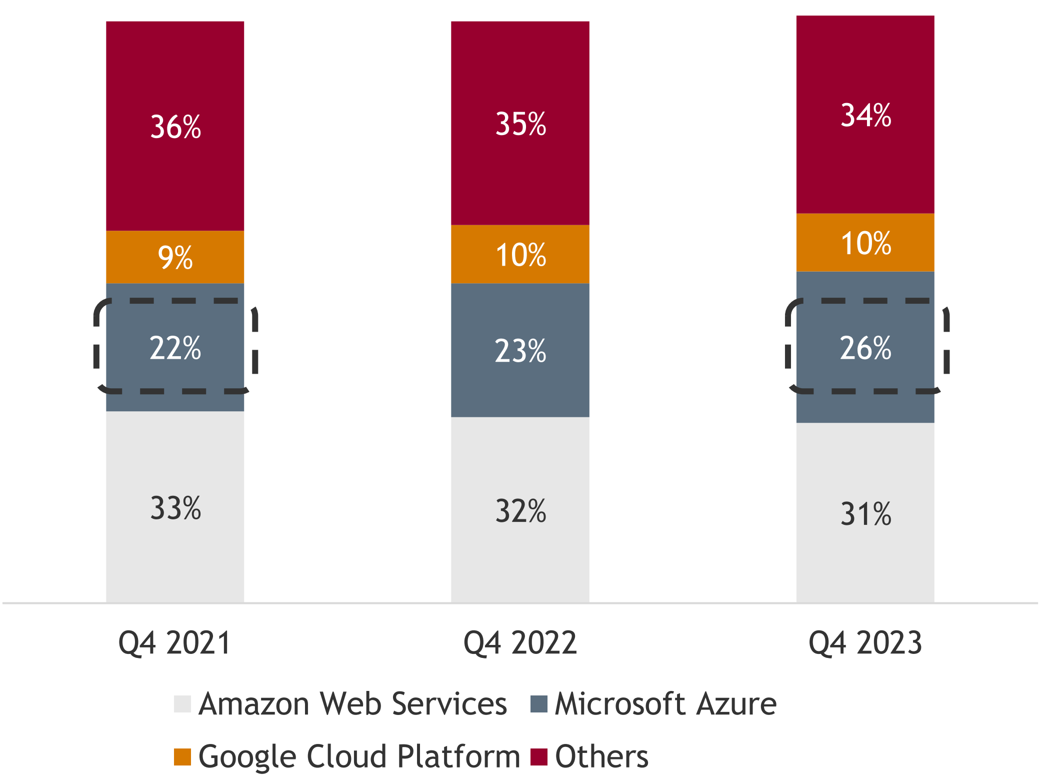
Source: Gartner

CLOUD PLATFORM MARKET: KEY PLAYERS

Amazon Web Services (AWS), Microsoft Azure and Google Cloud are the leading cloud service providers accounting for ~66% of the market share

CLOUD PLATFORMS	MARKET POSITION	BRIEF DESCRIPTION
Amazon Web Services	Market Leader	Full-service provider of IaaS and PaaS across the broadest range of IT use cases
Microsoft Azure	Market Leader	Particularly suitable for Microsoft-centric organisations with a hybrid cloud strategy
Google Cloud Platform	Market Leader	Approaches the market with a goal of replacing legacy infrastructure with container-based or serverless alternatives
Oracle	Market Leader	Differentiates itself from its competitors through its enhanced support for Oracle Applications and aggressive IaaS pricing
IBM	Niche Player	Niche cloud services provider with focus on IaaS, container and data-related services
Alibaba Cloud	Niche Player	Market share and cloud thought leader in China - offers a more comprehensive set of offerings than its competitors in China
Huawei Cloud	Niche Player	Caters to large and midsize enterprises with a preference for hybrid cloud solutions
Tencent Cloud	Niche Player	Focuses on multinationals operating in China and Chinese enterprises that are growing overseas

MARKET SHARE OF CLOUD PLATFORM PROVIDERS



Driven by the amplified cloud adoption by enterprises, Microsoft Azure has been closing in on Amazon Web Services steadily. Google Cloud has been gaining market share as well.

Source: Gartner, Canalys

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CLOUD PLATFORM MARKET: AWS VS AZURE VS GOOGLE CLOUD

While Amazon Web Services and Google Cloud have strong focus on enterprise and SMB clients, Microsoft is the clear winner in the enterprise segment. In terms of geographical coverage and industry solutions, all three are equally competitive

PARAMETERS	AMAZON WEB SERVICES	MICROSOFT AZURE	GOOGLE CLOUD PLATFORM
Geographic Focus	245 countries and territories	140 countries and territories	200+ countries and territories
Availability Zones	105	113	121
# of Partners	Over 130,000 in over 200 countries	Over 400,000 including Microsoft Partners	Over 100,000 partners across the globe
Revenue (CY23)	USD 90.8bn	USD 68.1bn	USD 33.1bn
Offerings	Strong focus on IaaS and PaaS solutions	Focus on enterprise software solutions (SaaS), followed by IaaS	Balanced portfolio across IaaS, PaaS and SaaS
Client Profile	Customers include enterprise, SMBs and digital natives	Focus on large corporates (>1,000 employees)	Focus on digital native companies
Hybrid & Multi Cloud Service Offering	Has been strengthening its Multi & Hybrid cloud services	Strong hybrid & multi cloud offerings. Partnership with other cloud vendors such as Oracle & Datadog.	Strong focus on open source and interoperability of applications in hybrid and multi-cloud environments

KEY INSIGHTS

AWS: First-mover advantage, sticky clients
Azure: Bolstered by Office365
Google Cloud Platform: Aggressive pricing

58% Azure solution providers reported having a strategic sales partnership with Microsoft. This metric was 43% for AWS and 31% for Google Cloud.

While all three are vertical agnostic, companies in the healthcare, retail, financial services and manufacturing industries are the heaviest users of cloud services

These hyper-scalers are trying to create differentiation by investing in service offerings related to analytics, cybersecurity, hybrid cloud and ML/ AI

Source: Company website, news reports, Forbes
SMB: Small and Medium Businesses

SERVICE PARTNER NETWORK OF CLOUD PLATFORM PROVIDERS

Partner networks are critical for the growth of the cloud platform providers as their service partners are responsible for the implementation and maintenance of the solutions provided

PURE PLAY

SADA · NIVEUS · 3CLOUD · SEARCE · AGILISIUM

Specialised and deep expertise in cloud services with focus on specific industry verticals

LARGE

ACCENTURE · CAPGEMINI · TCS · INFOSYS · HCLTECH

Expertise across various cloud services and engaged in large transformation projects across the organisation

MID-SIZED

ZENSAR · BIRLASOFT · SONATA · PERSISTENT · UST

Leveraging cloud services to win more digital transformation engagements and to cross-sell other digital offerings to their customers

OTHERS

DELOITTE · THOUGHTWORKS · MCKINSEY & COMPANY · EY · EPAM

Enabling digital transformation by leveraging their deep understanding of the industry practices and processes

KEY SERVICES PROVIDED BY SERVICE PARTNER NETWORK

Strategy & Assessment
To assess readiness, suitability and evaluation of which solution fits well for the clients

Migration
Modifies existing applications and facilitates workload migration from legacy infrastructure to cloud

Managed Services
Management of client's cloud resources or infrastructure for enhanced cost optimisation

Customisation & Development
Development of digital native processes & solutions for enabling digital transformation and unlocking the value of cloud

Resell
Selling of subscription licenses and value-added solutions which is generally a low margin business for cloud service partners

CLOUD SERVICES PARTNERS: DEAL ACTIVITY (1/2)

Large as well as mid-sized IT service providers continue to acquire partners of hyper-scalers in a bid to strengthen their delivery capabilities and win larger contracts from their clients

ACQUIRER	TARGET	DATE	HQ	KEY CLOUD SERVICES	DESCRIPTION	DEAL SIZE (USD MN)	EV / SALES
Insight Enterprises	SADA Systems	Dec-23	US	GCP	Leading cloud business and technology consultancy services provider	800	3.2x
DynTek and rSolutions	Arctiq	Nov-23	US	GCP	Leading cloud, DevOps, and automation solution integration company	NA	NA
Accenture	Ocelot Consulting	Nov-23	US	AWS	St Louis, Missouri-based cloud consultancy services provider	NA	NA
Telstra	Versent	Oct-23	Australia	AWS	Leading Australian technology and digital transformation consultancy services provider	268	2.1x
nClouds	Cloudnexa	Oct-23	US	AWS	AWS Premier Tier Services Partner	NA	NA
Onix	Datametica	Oct-23	India	GCP	Google Cloud Partner specialising in data management and analytics	NA	NA
Mastek	BizAnalytica	Jul-23	US	AWS	Premier data cloud and modernisation solutions provider	17	NA
IBM	Agyla	Feb-23	France	AWS	Leading hybrid cloud professional services firm	NA	NA

TRANSACTION DRIVERS

- Large strategics are acquiring system integrators with significant capabilities across cloud engineering and data on cloud as well as entrenched relationships with one or more of the hyper-scalers - Amazon Web Services, Microsoft Azure and Google Cloud
- Mid-sized strategics are acquiring targets to gain delivery expertise as well as to expand into new geographies. Often transactions in this segment are also consummated to augment client rosters with new logos.
- Private equity backed strategics, with the help of their investors, are executing the roll-up play by augmenting their service offerings and increasing scale

Large strategics | Mid-sized strategics | PE-backed strategics

CLOUD SERVICES PARTNERS: DEAL ACTIVITY (2/2)

Size, comprehensiveness of service offerings and target end markets are the key transaction drivers for investors

ACQUIRER	TARGET	DATE	HQ	KEY CLOUD SERVICES	DESCRIPTION	DEAL SIZE (USD MN)	EV / SALES
CDW	Enquizit	Jun-23	US	AWS	AWS Premier consulting partner in cloud migration & application modernisation services provider	NA	NA
Accenture	Nextira	Jun-23	US	AWS	Austin, Texas-based AWS Premier partner	NA	NA
iomart	Extrinsica	Jun-23	US	Azure	Azure solution implementation and managed cloud services	16	NA
Thought Works	Itoc	Feb-23	Australia	AWS	AWS Advanced Consulting partner and managed cloud services	18	NA
Centrilogic	WatServ	Dec-22	Canada	Azure	Managed cloud services with multiple Microsoft Azure partnerships	NA	NA
66degrees	Pandera Systems	Oct-22	US	GCP	Google Cloud Premier partner providing analytics and technology services	NA	NA
Persistent	Media Agility	Mar-22	US	GCP	Cloud transformation services provider and Google Cloud partner	72	2.8x
Persistent	Data Glove	Feb-22	US	Azure	Microsoft Azure, business applications and workplace transformation services	86	1.8x

Large strategics | Mid-sized strategics | PE-backed strategics

TRANSACTION DRIVERS

- Across segments, assets with a strong growth rate coupled with a healthy margin profile attract a premium valuation over their peers
- Scaled-up companies attract a higher valuation than their smaller peers. The number of cloud engineering experts and certifications is a good determinant of scale.
- A higher level of partnership indicates greater expertise on the platform. The tenures of partnerships help in establishing trust and attracting large clients.
- Targets that provide comprehensive cloud offerings across cloud infrastructure, security, advanced data and analytics, and containerisation are preferred by buyers

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CLOUD SERVICES PARTNERS: BUY & BUILD PLAY FOR PE FUNDS

Given the strong demand for cloud services and the presence of large number of small and mid-size cloud partners, PE investors are deploying a buy & build approach to ride the growth story

3Cloud has consummated seven acquisitions since Gryphon invested in it in June 2020, making it one of the largest independent pure-play Azure services companies

GRYPHON ACQUIRED A MAJORITY STAKE IN 3CLOUD

Gryphon Investors

3Cloud

On 30 June 2020, Gryphon Investors acquired a majority stake in 3Cloud, a Chicago, Illinois-based provider of strategic advisory and technical services for Microsoft Azure

BOLT-ON ACQUISITIONS BY 3CLOUD

Brainspire Solutions

- **Jun-23:** Acquired Brainspire, a specialist in Azure application modernisation services

People Global Solutions, Inc.

- **Jan-23:** Acquired its own outsourced global delivery center in Philippines, PGSI

BlueGranite

- **Aug-22:** Acquired Microsoft-focused data and analytics consulting firm, BlueGranite

CCG Analytics

- **Nov-21:** Acquired Tampa, Florida-based data and analytics consulting firm, CCG Analytics

Polaris Solutions

- **Oct-21:** Acquired Polaris Solutions, an Azure-focused application modernisation firm

Pragmatic Works

- **Sep-20:** Acquired Pragmatic Works, a Microsoft cloud-focused data and analytics firm

Applied Cloud Systems

- **Jul-20:** Acquired Pittsburgh, Pennsylvania-based infrastructure and application modernisation firm

EVOLUTION OF 3CLOUD POST THE INVESTMENT BY GRYPHON

Evolved to become one of the largest pure-play Microsoft Azure services firms

+

Strong expertise across Microsoft Azure solutions including AI and data analytics

+

Employee count grew from over 300 in 2020 to over 750 by 2024

CURRENT STATUS

Microsoft Award Winner	~750	1,200 Projects Annually
Top-tier Partner in US, 2023	Azure Experts and Architects	Expertise across diverse industry verticals

RECENT DEALS IN TECHNOLOGY

M&A Deals

DATE	BUYER	TARGET	HQ	TARGET DESCRIPTION	SEGMENT	DEAL SIZE (USD MN)
Mar-24	Accenture	ARHS Group	Luxembourg	Technology services provider focused on supporting public sector transformation with expertise in software development, data science, cloud and infrastructure management	IT services & Consulting	NA
Mar-24	XT Global Infotech	Network Objects Inc	US	A global IT solutions and services provider, primarily operating in the ERP, cloud, security, mobility, big data and enterprise application integration marketplace	IT services & Consulting	NA
Mar-24	Accenture Song	The Lumery	Australia	A marketing and technology consultancy firm, using data and technology to offer a variety of services including CX & personalisation, CRM & loyalty, customer data analysis, marketing operations, etc.	MarTech	NA
Feb-24	Endava	GalaxE Solutions	US	Global IT and business solutions provider with a singular focus on driving digital transformation for Fortune 500 companies in the healthcare, financial services, and retail industries	IT Services & Consulting	405
Feb-24	Accenture Song	Mindcurv Group	Germany	A cloud-native digital experience and data analytics company specialising in composable software, digital engineering and commerce services	Cloud	NA
Feb-24	Xoriant (Backed by Chrys Capital)	MapleLabs	India	Premier product engineering company, specialising in hybrid cloud infrastructure and cloud-native engineering, DevOps, site reliability engineering, etc.	ER&D	NA
Feb-24	Wipro	AggneGlobal	US	Provider of IT consulting and managed services, including development and integration, DevOps automation and cloud services for property and casualty insurance industry	IT Services & Consulting	66
Feb-24	Virtusa (Backed by BPEA)	Bright Consulting	UK	A top-tier ServiceNow (Elite) partner and Splunk (Premier) partner in EMEA region with a proven record of building digitalisation, security, SecOps, and AI-ML solutions	Cloud	NA

Source: CapIQ, Tracxn, Company Press release

RECENT DEALS IN TECHNOLOGY

M&A Deals

DATE	BUYER	TARGET	HQ	TARGET DESCRIPTION	SEGMENT	DEAL SIZE (USD MN)
Feb-24	Ciklum (Backed by Recognize Partners)	Infogen Labs	US	A global digital engineering and consulting company focused on building scalable software solutions with unique capabilities in edge-based R&D and Microsoft solutions	ER&D	NA
Jan-24	Accenture	Work & Co.	US	Global digital design and technology agency specialising in UX/UI design, prototyping, product strategy, content and brand design, mobile/ web development and prototyping	ER&D	NA
Jan-24	Globant	Iteris	Brazil	Business and technology consultancy firm focused on delivering digital transformation services including digital strategy, product design and management, solution architecture, data analytics, etc.	IT Services & Consulting	NA
Jan-24	Agital (Backed by Trinity Hunt Partners)	Web Development Group (WDG)	US	A premier strategy, design and digital experience company specialising in website development, branding and content strategy services	IT Services & Consulting	NA
Jan-24	Accenture	Navisite	US	An end-to-end strategic advisory and digital transformation services provider with deep expertise across multiple cloud providers, enterprise applications and digital technologies	Cloud	NA
Jan-24	Marlabs (Backed by BV Partners)	Onebridge	US	A full-lifecycle data analytics and AI consulting firm driven by powerful data frameworks, serving some of the largest healthcare, life sciences, manufacturing, and government entities	Data/Analytics	NA
Jan-24	Infosys	Insemi	India	Offers end-to-end semiconductor design services with expertise across electronic design, platform design, automation, embedded and software technologies	ER&D	34
Jan-24	Accenture	6point6	UK	A technology consultancy firm, specialising in cloud, data, cybersecurity and engineering services along with design and strategy consulting	ER&D	NA

Source: CapIQ, Tracxn, Company Press release

RECENT DEALS IN TECHNOLOGY

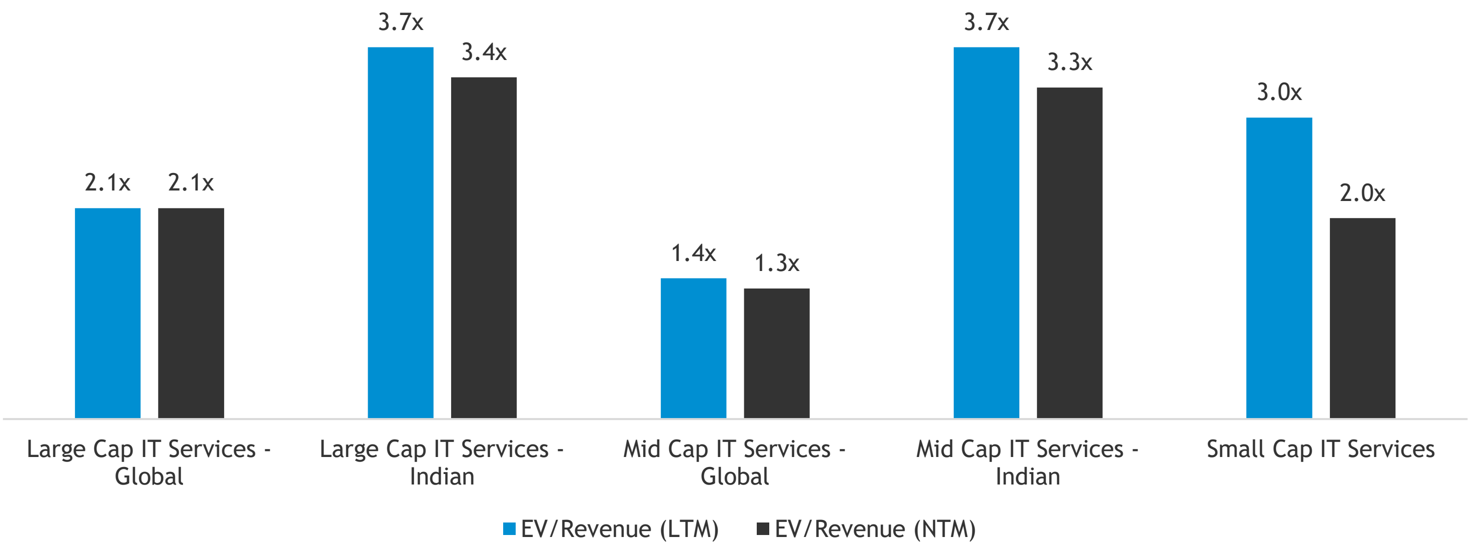
PE Deals

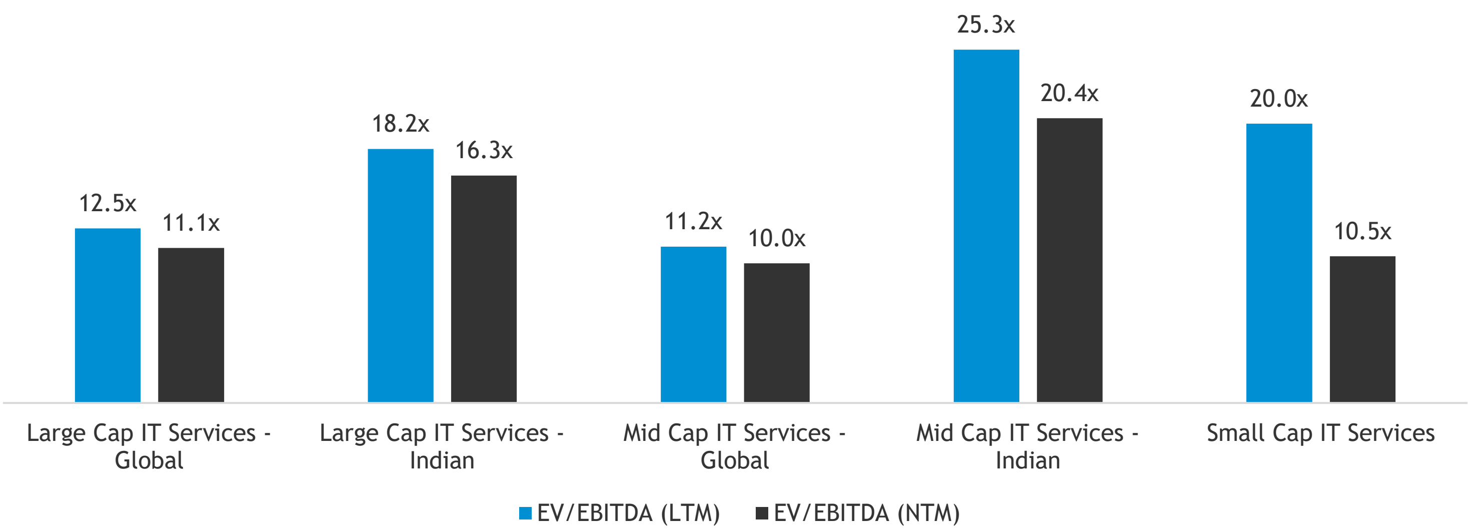
DATE	BUYER	TARGET	HQ	TARGET DESCRIPTION	SEGMENT	DEAL SIZE (USD MN)
Mar-24	Creador	Hinduja Tech	India	An integrated product engineering and digital technologies solutions provider for the mobility industry	ER&D	50
Mar-24	Court Square Capital Partners	Velosio	US	Leading cloud applications services partner, providing digital transformation services, managed services and managed cloud subscriptions for the Microsoft Dynamics ecosystem	IT Services & Consulting	NA
Feb-24	Capital Square Partners	Trianz	US	Digital transformation software and services company, offering product engineering, data analytics, experience design, application modernisation and cloud security services	IT Services & Consulting	NA
Feb-24	CIVC Partners	Highstreet IT Solutions	US	Cloud-focused Oracle implementation and managed services provider offering services across entire cloud lifecycle, from upfront strategy and design assessments to implementing and migrating to the cloud	Cloud	NA
Feb-24	Keensight Capital, ServiceNow ventures	Plat4mation	Netherlands	ServiceNow Elite partner providing end-to-end advisory, implementation, and managed services across digital, employee and customer experiences	Cloud	NA
Jan-24	MC Partners	Consortium Network	US	A national cybersecurity risk, technology and networking organisation offering cybersecurity risk assessments, incident response preparedness, policy library development, etc.	Cybersecurity	NA
Jan-24	CIVC Partners	Datavail Corporation	US	A leading data managed services provider, offering database management, data and analytics, cloud, application implementation and development, QA and support services	Data/Analytics	NA
Jan-24	Bridgepoint Development Capital	Kerv Group	UK	Provider of cloud-led, full stack technology solutions and digital transformation services, including business application, cloud network, CX, consultancy services and managed IT services	IT Services & Consulting	NA

Source: CapIQ, Tracxn, Company Press release

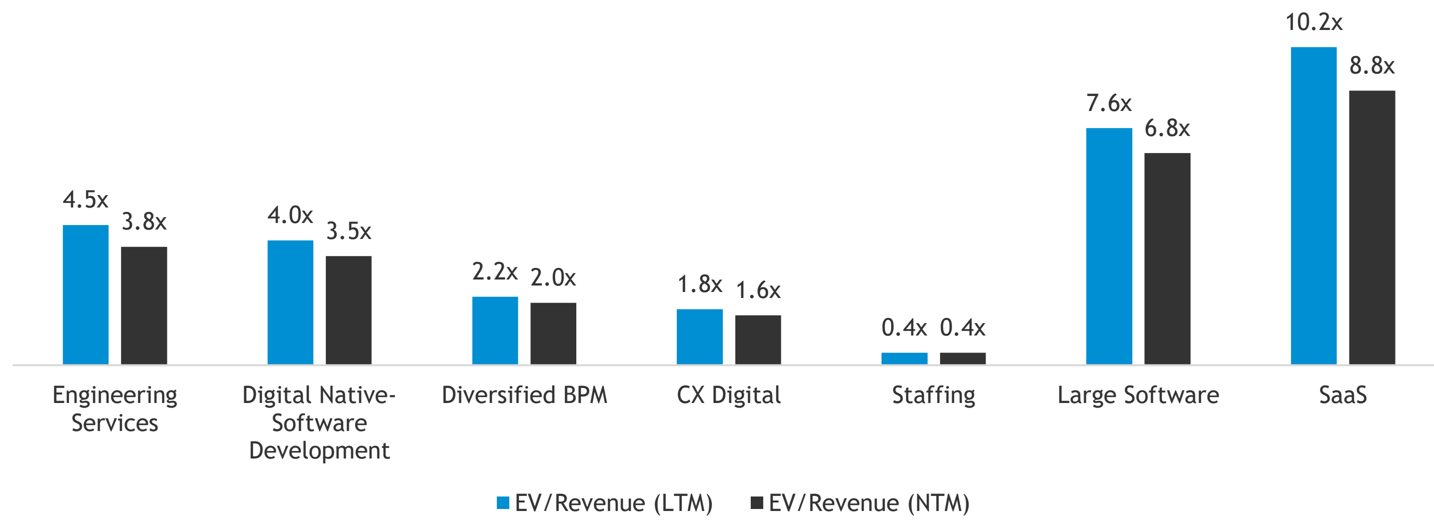
TECHNOLOGY COMPANIES TRADING MULTIPLES (MEAN)

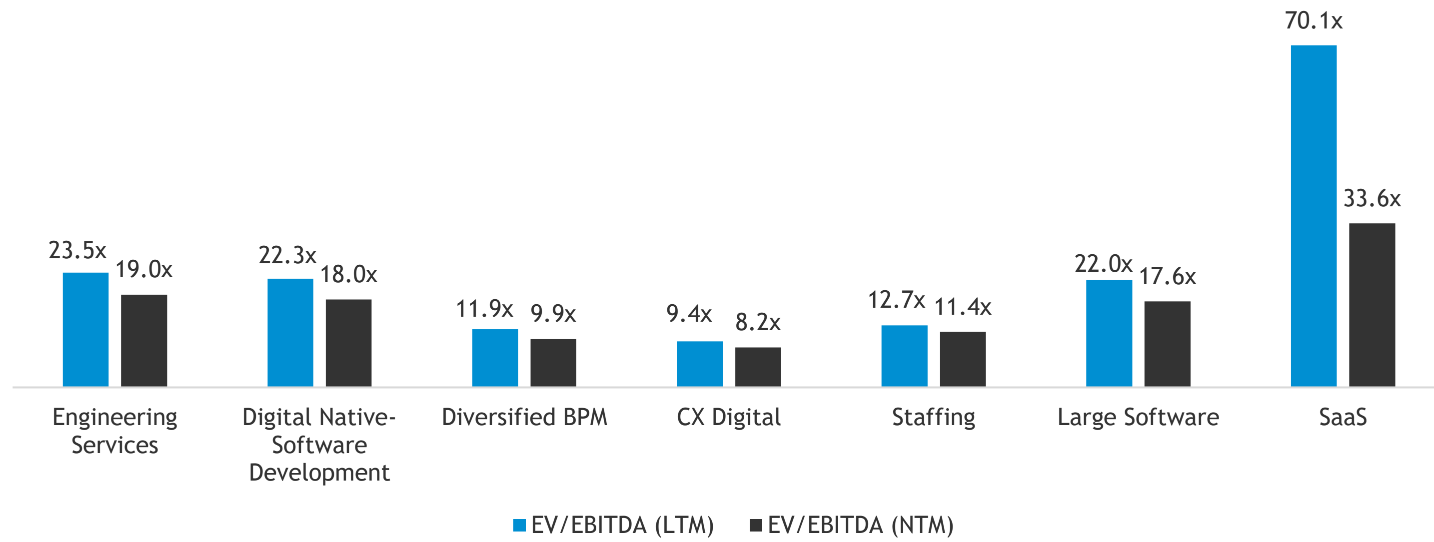
BASED ON SIZE





BASED ON OFFERINGS





Source: CapIQ; All multiples are based as on 26 March 2024
Note: NTM multiples are based on multiples of companies for which information is available

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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	211,498	210,365	64,574	11,277	12%	17%	3.3x	17.1x	30.5x	3.1x	16.4x	27.1x
Capgemini SE	39,622	44,748	24,894	3,051	12%	12%	1.8x	15.0x	22.8x	1.8x	12.4x	17.4x
CGI	25,192	26,566	10,941	1,920	6%	18%	2.5x	13.5x	21.4x	2.4x	11.9x	18.9x
Cognizant Technology Solutions	36,044	34,748	19,353	3,417	5%	18%	1.8x	9.3x	17.2x	1.8x	9.8x	15.8x
DXC Technology	3,774	7,720	13,872	465	(9%)	3%	0.6x	8.6x	NM	0.6x	3.8x	6.1x
IBM	172,806	219,380	61,860	14,291	4%	23%	3.5x	14.1x	23.1x	3.4x	13.8x	18.7x
NTT Data Inc	22,558	41,008	30,223	4,286	23%	14%	1.5x	10.3x	26.7x	1.4x	9.6x	21.6x
				Mean	**8%**	**15%**	**2.1x**	**12.5x**	**23.6x**	**2.1x**	**11.1x**	**17.9x**
				Median	**6%**	**17%**	**1.8x**	**13.5x**	**23.0x**	**1.8x**	**11.9x**	**18.7x**

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	50,777	48,661	13,075	2,699	9%	21%	3.7x	17.5x	26.8x	3.4x	14.9x	24.3x
Infosys Ltd	74,164	72,670	18,552	4,250	12%	23%	3.9x	16.4x	25.3x	3.8x	15.6x	23.2x
LTI Mindtree	17,682	16,817	4,243	747	43%	18%	4.0x	21.6x	32.1x	3.7x	20.2x	28.7x
Tata Consultancy Services Ltd	168,387	164,225	28,691	7,361	14%	26%	5.7x	21.8x	31.6x	5.3x	19.6x	27.9x
Tech Mahindra Ltd	13,287	12,920	6,348	657	12%	10%	2.0x	18.4x	39.5x	2.0x	14.8x	25.1x
Wipro Ltd	30,049	27,609	10,901	1,985	14%	18%	2.5x	13.4x	22.8x	2.5x	12.9x	21.1x
				Mean	**17%**	**19%**	**3.7x**	**18.2x**	**29.7x**	**3.4x**	**16.3x**	**25.0x**
				Median	**13%**	**19%**	**3.8x**	**17.9x**	**29.2x**	**3.5x**	**15.3x**	**24.7x**

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

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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	4,679	5,613	4,451	464	8%	10%	1.3x	11.1x	22.4x	1.3x	11.6x	17.9x
Beyondsoft Corporation	874	660	902	43	17%	5%	0.7x	12.8x	24.6x	0.7x	10.5x	18.9x
Nagarro SE	1,111	1,353	976	100	29%	10%	1.4x	10.7x	19.9x	1.3x	9.0x	16.0x
Perficient Inc	1,864	2,156	907	162	14%	18%	2.4x	12.4x	19.4x	2.3x	11.0x	13.2x
Sopra Steria	4,891	6,515	6,417	618	11%	10%	1.0x	8.9x	25.1x	0.9x	7.9x	11.0x
				Mean	**16%**	**11%**	**1.4x**	**11.2x**	**22.2x**	**1.3x**	**10.0x**	**15.4x**
				Median	**14%**	**10%**	**1.3x**	**11.1x**	**22.4x**	**1.3x**	**10.5x**	**16.0x**

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	2,465	2,307	618	90	13%	15%	3.7x	24.6x	37.5x	3.3x	20.2x	29.9x
Coforge Limited	4,116	4,233	1,080	145	26%	13%	3.9x	28.1x	49.6x	3.5x	19.4x	31.3x
Mphasis Ltd	5,394	5,255	1,589	262	11%	16%	3.3x	18.7x	28.8x	3.1x	17.1x	26.7x
Persistent Systems Limited	7,119	7,042	1,140	187	33%	16%	6.2x	36.2x	60.2x	5.4x	29.7x	48.9x
Sonata Software	2,489	2,487	1,001	80	27%	8%	2.5x	30.2x	66.6x	2.1x	22.0x	34.2x
Zensar Technologies Ltd	1,638	1,499	587	99	5%	17%	2.6x	14.1x	22.5x	2.5x	14.0x	21.3x
				Mean	**19%**	**14%**	**3.7x**	**25.3x**	**44.2x**	**3.3x**	**20.4x**	**32.0x**
				Median	**19%**	**16%**	**3.5x**	**26.4x**	**43.5x**	**3.2x**	**19.8x**	**30.6x**

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

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	315	111	16	17%	14%	2.9x	18.1x	56.1x	NM	NM	NM
CI&T	570	685	460	78	33%	17%	1.5x	8.8x	22.0x	1.5x	8.2x	14.8x
Infobeans Tech	111	100	44	5	27%	12%	2.3x	15.3x	51.9x	NM	NM	NM
Mastek	952	983	359	61	24%	17%	2.7x	15.9x	28.3x	2.4x	13.4x	21.6x
R Systems	641	655	202	30	24%	15%	3.2x	21.7x	38.1x	NM	NM	NM
Saksoft	307	292	90	16	25%	17%	3.3x	17.9x	27.6x	NM	NM	NM
Sasken	270	261	48	5	(4%)	10%	5.4x	51.2x	29.0x	NM	NM	NM
The Hackett Group	660	673	291	59	7%	20%	2.3x	11.2x	19.3x	2.2x	9.9x	14.2x
				Mean	**19%**	**15%**	**3.0x**	**20.0x**	**34.0x**	**2.0x**	**10.5x**	**16.9x**
				Median	**24%**	**16%**	**2.8x**	**16.9x**	**28.6x**	**2.2x**	**9.9x**	**14.8x**

All figures are in USD million
Source: CapIQ; Market data as on March 26, 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	1,864	2,496	2,683	289	12%	11%	1.0x	9.1x	17.9x	0.9x	8.8x	14.7x
Alten SA	5,036	5,084	4,497	407	20%	9%	1.2x	10.6x	10.8x	1.1x	9.3x	15.2x
Assystem SA	957	1,052	638	58	10%	9%	1.7x	23.2x	8.7x	1.6x	15.8x	18.3x
Bertrandt	501	710	1,310	95	12%	7%	0.6x	6.1x	14.4x	0.5x	4.9x	9.8x
KPIT Technologies	4,647	4,622	549	95	31%	17%	8.4x	45.8x	72.0x	6.8x	33.0x	55.8x
L&T Technology Services	6,879	6,694	1,043	207	16%	20%	6.4x	30.7x	45.6x	5.3x	26.0x	39.6x
Tata Elxsi	5,746	5,633	419	120	26%	29%	13.4x	45.3x	60.1x	11.7x	39.2x	53.7x
Cyient Ltd	2,587	2,605	846	142	20%	17%	3.1x	16.9x	32.7x	2.7x	14.8x	25.4x
				Mean	**18%**	**15%**	**4.5x**	**23.5x**	**32.8x**	**3.8x**	**19.0x**	**29.1x**
				Median	**18%**	**14%**	**2.4x**	**20.0x**	**25.3x**	**2.2x**	**15.3x**	**21.9x**

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	2,199	2,022	975	132	26%	14%	2.1x	13.7x	25.6x	2.1x	12.6x	23.9x
EPAM	15,521	13,596	4,691	675	21%	14%	2.9x	18.3x	38.0x	2.8x	16.9x	26.2x
Globant	8,575	8,585	2,096	313	37%	15%	4.1x	24.3x	54.7x	3.5x	17.0x	30.1x
Happiest Minds	1,365	1,293	190	37	29%	19%	6.8x	32.6x	48.2x	5.7x	25.4x	38.7x
				Mean	**28%**	**16%**	**4.0x**	**22.3x**	**41.6x**	**3.5x**	**18.0x**	**29.8x**
				Median	**27%**	**15%**	**3.5x**	**21.3x**	**43.1x**	**3.2x**	**16.9x**	**28.2x**

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

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	5,111	5,091	1,631	280	19%	17%	3.1x	16.7x	28.0x	2.8x	13.1x	19.2x
Genpact Ltd	5,839	6,754	4,477	726	6%	16%	1.5x	8.5x	9.5x	1.5x	7.7x	10.7x
WNS Ltd	2,374	2,488	1,301	207	12%	16%	1.9x	10.5x	15.5x	1.8x	8.9x	17.0x
				Mean	**13%**	**16%**	**2.2x**	**11.9x**	**17.7x**	**2.0x**	**9.9x**	**15.6x**
				Median	**12%**	**16%**	**1.9x**	**10.5x**	**15.5x**	**1.8x**	**8.9x**	**17.0x**

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	4,111	8,913	7,881	1,129	17%	14%	1.1x	6.3x	13.2x	0.9x	5.3x	5.1x
eClerx Services Ltd	1,356	1,272	343	89	26%	26%	3.7x	13.6x	22.4x	3.3x	12.2x	19.8x
First Source Solutions Ltd	1,609	1,765	748	84	10%	11%	2.4x	17.8x	26.2x	2.1x	13.6x	22.2x
TaskUS	1,007	1,193	924	167	25%	18%	1.3x	6.5x	23.7x	1.3x	5.7x	8.9x
Telus International	2,290	3,911	2,708	488	20%	18%	1.4x	7.1x	46.3x	1.4x	6.2x	8.7x
TTEC Holdings	451	1,429	2,463	241	8%	10%	0.6x	4.9x	53.4x	0.6x	6.2x	6.5x
				Mean	**17%**	**16%**	**1.8x**	**9.4x**	**30.9x**	**1.6x**	**8.2x**	**11.9x**
				Median	**18%**	**16%**	**1.4x**	**6.8x**	**24.9x**	**1.3x**	**6.2x**	**8.8x**

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

BDO

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	6,546	9,846	26,481	1,009	7%	4%	0.4x	8.3x	19.5x	0.4x	8.8x	11.0x
Hays	1,889	2,051	9,275	230	9%	2%	0.2x	7.1x	18.0x	0.2x	8.5x	19.1x
Kelly Services	869	795	4,836	99	2%	2%	0.2x	6.2x	25.3x	0.2x	6.3x	13.5x
Manpower Group	3,620	4,476	18,915	535	2%	3%	0.2x	6.5x	42.5x	0.2x	8.8x	14.9x
Quess Corp	892	954	2,238	58	20%	3%	0.4x	12.5x	35.3x	0.4x	9.5x	20.4x
Randstad Holdings	9,945	11,276	28,104	1,078	7%	4%	0.4x	9.0x	15.0x	0.4x	7.9x	13.0x
Robert Half Inc	8,010	7,520	6,393	519	8%	8%	1.2x	12.4x	20.0x	1.2x	14.1x	23.2x
TeamLease	572	544	1,071	12	22%	1%	0.5x	39.6x	44.2x	0.4x	27.1x	31.2x
				Mean	**10%**	**3%**	**0.4x**	**12.7x**	**27.5x**	**0.4x**	**11.4x**	**18.3x**
				Median	**7%**	**3%**	**0.4x**	**8.7x**	**22.6x**	**0.4x**	**8.8x**	**17.0x**

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

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	1,852,070	1,926,864	574,785	85,515	14%	15%	3.4x	19.6x	61.5x	3.0x	14.5x	42.4x
Google	1,879,121	1,798,072	307,394	100,172	19%	33%	5.8x	17.3x	26.0x	5.2x	12.8x	22.2x
Microsoft Corporation	3,133,043	3,163,419	227,583	118,427	14%	52%	13.9x	26.0x	38.1x	12.2x	23.2x	34.6x
Oracle Corporation	347,605	426,240	52,510	20,801	10%	40%	8.1x	19.7x	33.4x	7.6x	14.7x	21.0x
SAP SE	229,716	227,290	34,494	8,098	5%	23%	6.7x	27.4x	57.1x	6.2x	22.8x	38.3x
				Mean	**12%**	**33%**	**7.6x**	**22.0x**	**43.2x**	**6.8x**	**17.6x**	**31.7x**
				Median	**14%**	**33%**	**6.7x**	**19.7x**	**38.1x**	**6.2x**	**14.7x**	**34.6x**

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	49,806	49,440	3,892	(120)	29%	(3%)	12.7x	NM	NM	10.8x	49.4x	72.0x
Guidewire Software	9,650	9,310	926	(84)	7%	(9%)	10.1x	NM	NM	9.1x	69.9x	86.8x
Paylocity	9,654	9,346	1,292	251	30%	19%	7.2x	35.1x	57.9x	6.3x	18.8x	28.0x
Salesforce.com Inc	296,655	296,023	34,857	9,221	18%	26%	8.5x	28.8x	72.8x	7.8x	20.7x	31.2x
ServiceNow Inc	159,607	153,811	8,971	1,324	26%	15%	17.1x	105.9x	92.5x	14.1x	40.2x	59.2x
Twilio	11,053	8,218	4,154	(100)	33%	(2%)	2.0x	NM	NM	1.9x	10.4x	22.4x
Veeva Systems Inc	37,535	33,563	2,364	462	17%	20%	14.2x	70.2x	72.3x	12.3x	30.6x	37.9x
Workday Inc	73,228	68,711	7,259	465	19%	6%	9.5x	110.3x	53.3x	8.2x	29.2x	41.5x
				Mean	**22%**	**9%**	**10.2x**	**70.1x**	**69.8x**	**8.8x**	**33.6x**	**47.4x**
				Median	**22%**	**11%**	**9.8x**	**70.2x**	**72.3x**	**8.6x**	**29.9x**	**39.7x**

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

ABOUT BDO GLOBAL

BDO is the 5th largest professional services organisation, with a presence in 160+ countries and over 115,600 people working out of more than 1,750 offices. We endeavor to deliver an exceptional client experience through a tailored solutions approach, while partnering with our employees and clients globally.

ABOUT BDO IN INDIA

BDO in India offers Assurance, Tax, Advisory, Business Services & Outsourcing and Digital Services for both domestic and international clients across industries. The team at BDO in India consists of over 9,000 professionals led by more than 300 partners and directors operating out of 18 offices, across 12 key cities.

CONTACT US

SAMIR SHETH
Partner & Head
Deal Advisory Services
SamirSheth@bdo.in

MANISH PODDAR
Partner
Corporate Finance & Investment Banking
ManishPoddar@bdo.in

For any other queries or feedback, kindly write to us at marketing@bdo.in