



Digital Services sector update

Qualitative insights into broader Digital Services trends and public and private valuations across the transaction spectrum, and interviews with today's leaders transforming the sector.

Important disclosures appear at the end of this report
GP Bullhound Corporate Finance Ltd and GP Bullhound Asset Management Limited are authorised and regulated by the Financial Conduct Authority
GP Bullhound Inc is a member of FINRA
GP Bullhound Luxembourg S.À R.L. is regulated by the CSSF in Luxembourg



THE VIEW

Q2 Digital Services Perspectives from GP Bullhound

Low-code solutions are continuing to democratise development

- Low-code solutions have reduced development friction, making non-technical users “citizen developers”, with new tools enabling businesses to deliver flexibly and at the pace demanded by modern agile environments
- Proliferation of low-code has resulted in a broad range of technical solutions from both global incumbents and specialist players, accompanied by growing adoption by regulated industries and expansion into more complex applications
- Widening skills gap and economic pressures are making low-code capability highly valued in a fast-growing multi-billion-dollar market, accelerating M&A activity

Continuous development in VFX is pioneering innovation in digital

- VFX is increasingly being used within digital marketing by leading brands as a creative solution for those who are looking for new and innovative ways to engage with their audience
- Advancements in technology, such as AI, and M&A consolidation are considered as key growth drivers for leading creative design studios who operate in the space
- Recent examples of M&A include London-based FutureDeluxe’s coming together with Canada-based Tendril to create Forever, Envy’s acquisition of Absolute Post and Next Stage AM’s investment in Mathematic Studio

Composable reshaping Digital Experiences

- Composable platforms and technologies enable the separation of front-end and back-end applications for legacy commerce and CMS platforms in order to substitute in best-of-breed functionality and “microservices”
- Demand for this flexibility is being driven by rapidly changing customer experience needs in a digital-first omnichannel environment – allowing for companies to build nimble frameworks that can integrate the best tools customised for their particular market needs
- As a result, there has been increasing fundraising and M&A activity across both composable technology providers and services firms specialised in composable strategy and implementation

GP BULLHOUND'S SECTOR TAKEAWAYS

Low-code continuing to democratise development

Low-code solutions have reduced development friction, making non-technical users “citizen developers”

New tools are enabling businesses to deliver flexibly and at the pace demanded by modern agile environments

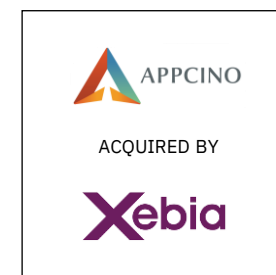
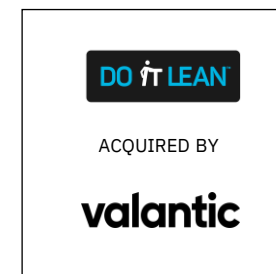
- Low-code/no-code refers to methodologies of developing applications using intuitive drag and drop tools that reduce or eliminate the need for traditional developers who write code
- Equipping both IT developers and non-IT personnel (“citizen developers”) with tools to develop is core to the low-code philosophy. It is predicted that by 2026 developers outside formal IT departments will account for at least 80% of the user base for low-code development tools, up from 60% in 2021⁽¹⁾
- While democratised development has distinct advantages, for example increased productivity, faster time-to-market, and the ability to address a wider range of business needs, associated challenges include ensuring quality and security of applications, managing the proliferation of applications across organisations, and governance/compliance⁽²⁾
- Proliferation of the low-code landscape has resulted in a broad range of technical solutions from both global incumbents and specialist players, among them Microsoft, Oracle and Pega, and Outsystems, Mendix and Quickbase respectively
- Several trends are accelerating low-code utilisation, including adoption by regulated industries, expansion into more complex applications, integration with data analytics and BI tools, and growing adoption by larger enterprises as tools are becoming more scalable and secure⁽²⁾. At the other end of the spectrum, low-code is highly relevant for SMBs as they grapple with enterprise solutions that don't meet their needs and a challenging talent environment in a world that is demanding digital maturity⁽³⁾

Low-code capability valued highly with strong client demand in a fast-growing multi-billion-dollar market

A widening skills gap and economic pressures are underscoring the need for operational optimisation

- The global low-code development technologies market is forecast to be worth ~\$32bn by 2024, growing strongly at a CAGR of 20%. Of this market, low-code application platforms are set to represent the largest and fastest-growing share, accounting for ~\$12.5bn in 2024, followed by Integration Platform as a Services (iPaaS) at ~\$8bn⁽³⁾
- Several recent transactions have highlighted the demand from consolidators for low-code expertise, most recently valantic's acquisition of OutSystems partner Do iT Lean, strengthening their foothold in the DACH region and adding an agile project management methodology based on Scrum with high-quality low-code software development
- In 2022, Globant became one of the first major incumbents to invest in low-code technology by acquiring GeneXus – a 150 team of low-code specialists with strength in LatAm and Asia. Similarly, in 2021, IT consultancy Xebia acquired low-code consulting and technology firm Appcino, augmenting their global low-code capability. Xebia CEO, Anand Sahay, commented: “Low-code platforms are game changers in the enterprise software application industry and have a strong future in bringing business agility”

Select transactions



GP BULLHOUND'S SECTOR TAKEAWAYS

Continuous development in VFX is pioneering innovation in digital

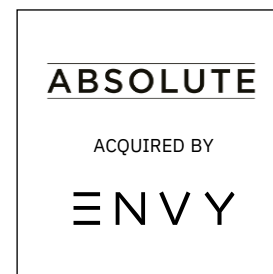
VFX is revolutionising the way that brands think about digital marketing

- Visual effects (VFX), once considered an exclusive art only available for big-budget Hollywood productions, is increasingly becoming a necessity within digital marketing. Blue-chip brands such as Apple, Microsoft and Nike are seeking new ways to capture their audiences' attention, leveraging on innovative creative design studios with VFX capabilities to fulfill this need
- VFX in advertising involves the use of computer-generated images (CGI) and other digital effects to enhance or transform an advertisements visual appearance. It can range from subtle adjustments, like colour gradient, to more complex effects like adding CGI or compositing multiple shots to create a seamless sequence
- VFX has continued to grow in popularity with the current market size at \$9.95bn in 2022, and likely to grow at a CAGR of 10.4% to reach over \$18.02bn by 2028. It is likely that the advertising segment of this spend will grow even faster at a CAGR closer to 15% per annum
- Landmark use cases of VFX range from key-note films produced for Apple's annual new iPhone releases to Coca-Cola's Taste the Feeling campaign which used VFX to create a series of ads featuring surreal, dream-like sequences to promote the drink. With VFX being both technical and specialist by nature, typical use cases are usually from premium brands who are willing to pay a premium price for high-quality outputs

Future growth of VFX is expected from advances in technology and strategic M&A

- One key driver for the growth in VFX has been the advancement of technology. More recently, specialist AI and machine learning-powered tools are enabling creative studios to simplify and streamline the VFX production process. As AI in VFX advances, we can expect increased speed and quality of visual effects, greater accessibility to the tool, with wider audience use cases spurring increased innovation in tv, film and advertising
- Separately, consolidation through M&A has also driven growth in the space. Recent examples of this include London-based FutureDeluxe coming together with Canada-based Tendril to create Forever, a global design offering which uses VFX, animation and technology to tell transformational stories for leading organisations. The acquisition has allowed private equity backed FutureDeluxe to strategically align with a high-quality operator to accelerate global expansion, with offices in the UK, US, Canada, Brazil and Australia, while still catering for the premium segment of the market
- Other deals such as ENVY's acquisition of Absolute Post or NextStage AM's investment in Mathematic Studio also reflect the ongoing interest in the space, shining a light on further M&A expected in the future

Select transactions



GP BULLHOUND'S SECTOR TAKEAWAYS

Composable reshaping Digital Experiences

■ Growing push towards commerce and content systems that are more flexible, effective and adaptable

Digital services providers will need to help clients develop customised and nimble enterprise systems

- Customer experience expectations and needs are rapidly changing in a digital-first omnichannel environment. As such, traditional monolithic platforms (e.g. commerce and content) are rapidly being supplemented with highly-flexible best-of-breed composable platforms
- Composable is similar to headless technology that separates front-end from back-end systems and communicates via APIs, but goes further by breaking down the back-end into microservices, allowing best-in-class optionality for functions such as ERP, payments, PIM, and CRM
- A composable infrastructure offers several key advantages, including:
 - Flexibility: Quickly allocate resources based on application requirements, adjusting the composition as needed
 - Scalability: Resources can be easily scaled up or down based on workload, leading to efficient resource utilisation
 - Alignment with DevOps: Composable infrastructure adheres to the principles of DevOps, which combines software development and operations. The programmability of composable systems simplifies continuous integration and deployment processes
- Composable architecture enables both hybrid and multi-cloud environments, providing a consistent and flexible infrastructure layer across different cloud platforms

■ The race towards composable infrastructure: industries poised for transformation

Growing funding and M&A activity around composable architecture and related digital services

- The composable application market size is estimated at \$5.2bn in 2023 and likely to reach \$11.8bn by 2028, at a CAGR of 17.5%(1)
- Commercetools, one of the original and leading composable architecture providers, last raised \$140m at a valuation of \$1.9bn in late 2021. Major investments in 2022 included Shopify's investment in Sanity, and Contentstack raising \$80m, bringing the total funding to \$169m
- 2023 has seen M&A activity in the sector, including the acquisition of Unstack by Elastic Path, the acquisition of Gatsby by Netlify, and on the services side, the acquisition of Corra by Publicis Sapient to bolster the buyer's offerings in ecommerce with composable solutions

■ Select transactions

C O R R A

ACQUIRED BY

publicis
sapient

UNSTACK

ACQUIRED BY

elasticpath

Gatsby

ACQUIRED BY

netlify

CONTENTSTACK™

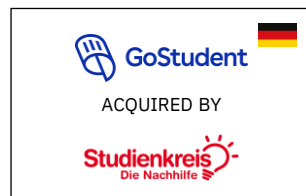
INVESTMENT BY

INSIGHT
PARTNERS

A LEADING TECHNOLOGY ADVISORY AND INVESTMENT FIRM, PROVIDING TRANSACTION ADVICE AND CAPITAL







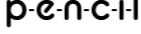


















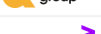
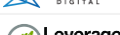
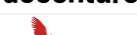
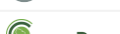
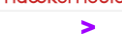



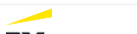


GP Bullhound's recent Digital Services activity

Advisory






































NOTABLE DIGITAL SERVICES M&A DEALS & PRIVATE FINANCINGS

Notable transactions from Q2 2023

Deal date	Geography of target	Target	Buyer / investor	Target description	Deal value (\$m)	Implied EV/LTM Rev	Implied EV/LTM EBITDA
Jun-23	N America			Digital marketing and brand management	n.a.	n.a.	n.a.
Jun-23	Europe			App development agency	n.a.	n.a.	n.a.
Jun-23	N America			Digital marketing agency	n.a.	n.a.	n.a.
Jun-23	Asia			Creative AI advertising platform	n.a.	n.a.	n.a.
Jun-23	N America			Creator development network	n.a.	n.a.	n.a.
Jun-23	Europe			Cyber-security, cloud computing, and IT consultancy	n.a.	n.a.	n.a.
Jun-23	N America			Digital marketing services	n.a.	n.a.	n.a.
Jun-23	N America			Outdoor advertising/marketing agency	n.a.	n.a.	n.a.
Jun-23	Europe			Digital advertising agency and consultancy	n.a.	n.a.	n.a.
Jun-23	N America			Digital marketing agency	n.a.	n.a.	n.a.
Jun-23	Europe			IT-focussed consultancy	n.a.	n.a.	n.a.
Jun-23	N America			Cloud migration, AI/ML, and IT consultancy	n.a.	n.a.	n.a.
Jun-23	Europe			Digital marketing agency	n.a.	n.a.	n.a.
May-23	Asia			App development service provider	n.a.	n.a.	n.a.
May-23	N America			Online marketing and web media company	n.a.	n.a.	n.a.
May-23	S America			IT & ESG consultancy	n.a.	n.a.	n.a.
May-23	Europe			IT outsourcing provider and consultancy	n.a.	n.a.	n.a.
May-23	Europe			Business process consultancy	n.a.	n.a.	n.a.

NOTABLE DIGITAL SERVICES M&A DEALS & PRIVATE FINANCINGS

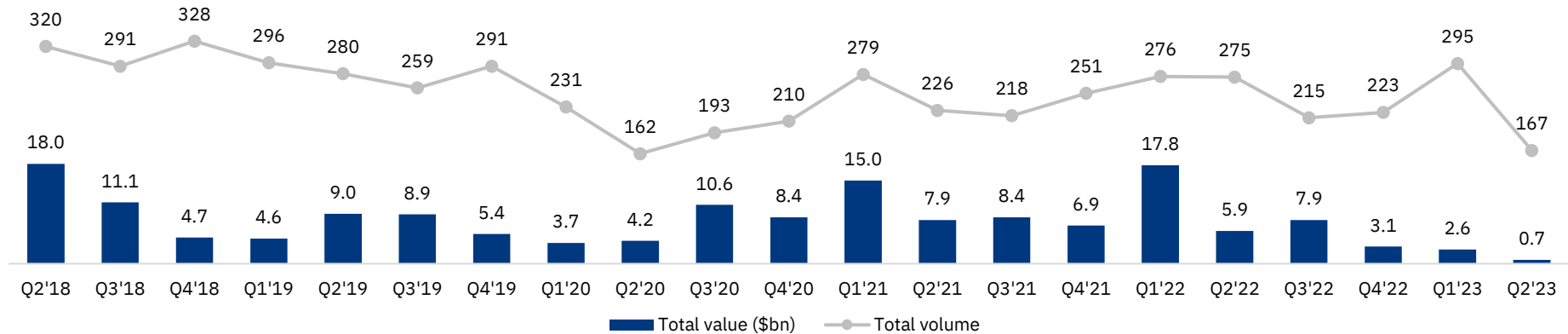
Notable transactions from Q2 2023

Deal date	Geography of target	Target	Buyer / investor	Target description	Deal value (\$m)	Implied EV/LTM Rev	Implied EV/LTM EBITDA
May-23	Europe			IT research company and consultancy	n.a.	n.a.	n.a.
May-23	S America			Digital advertising agency	n.a.	n.a.	n.a.
May-23	Europe			Value-driven IT outsourcing partner	n.a.	n.a.	n.a.
May-23	Europe			IT consulting and services company	n.a.	n.a.	n.a.
May-23	N America		Elmendorf Ryan LLC	Brand and digital strategy agency	n.a.	n.a.	n.a.
Apr-23	Europe			Digital consultancy and advisory	n.a.	n.a.	n.a.
Apr-23	Europe			Digital marketing and advertising agency	n.a.	n.a.	n.a.
Apr-23	N America			Data consultancy incl. data strategy and modelling	n.a.	n.a.	n.a.
Apr-23	N America			Digital transformation consulting firm	n.a.	n.a.	n.a.
Apr-23	Europe			Sonic branding business	n.a.	n.a.	n.a.
Apr-23	N America			IT and business consulting services	n.a.	n.a.	n.a.
Apr-23	N America			Business intelligence platform	n.a.	n.a.	n.a.
Apr-23	Europe			IT and business advisory	n.a.	n.a.	n.a.
Apr-23	Europe			Digital sports marketing agency	n.a.	n.a.	n.a.
Apr-23	N America			Media performance and data analytics company	n.a.	n.a.	n.a.
Apr-23	Europe			Digital marketing agency	n.a.	n.a.	n.a.
Apr-23	N America			Strategic market access and marketing services	n.a.	n.a.	n.a.
Apr-23	Europe			Data consultancy	n.a.	n.a.	n.a.

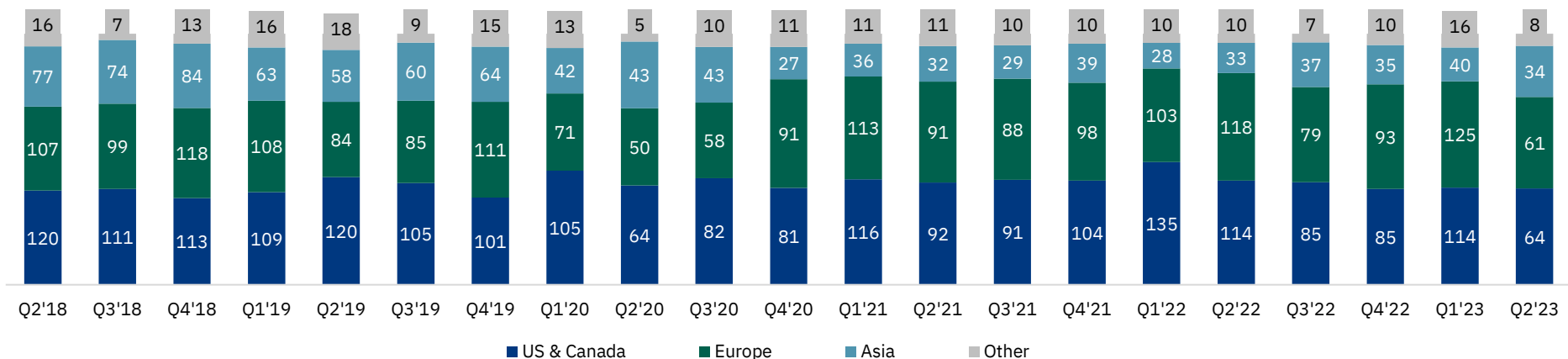
GLOBAL DIGITAL SERVICES TRANSACTION TRENDS

Significant drop in deal volumes & value in Q2 2023 deals, in line with 2020

Transaction deal value and number of M&A deals



M&A deal volume by geography

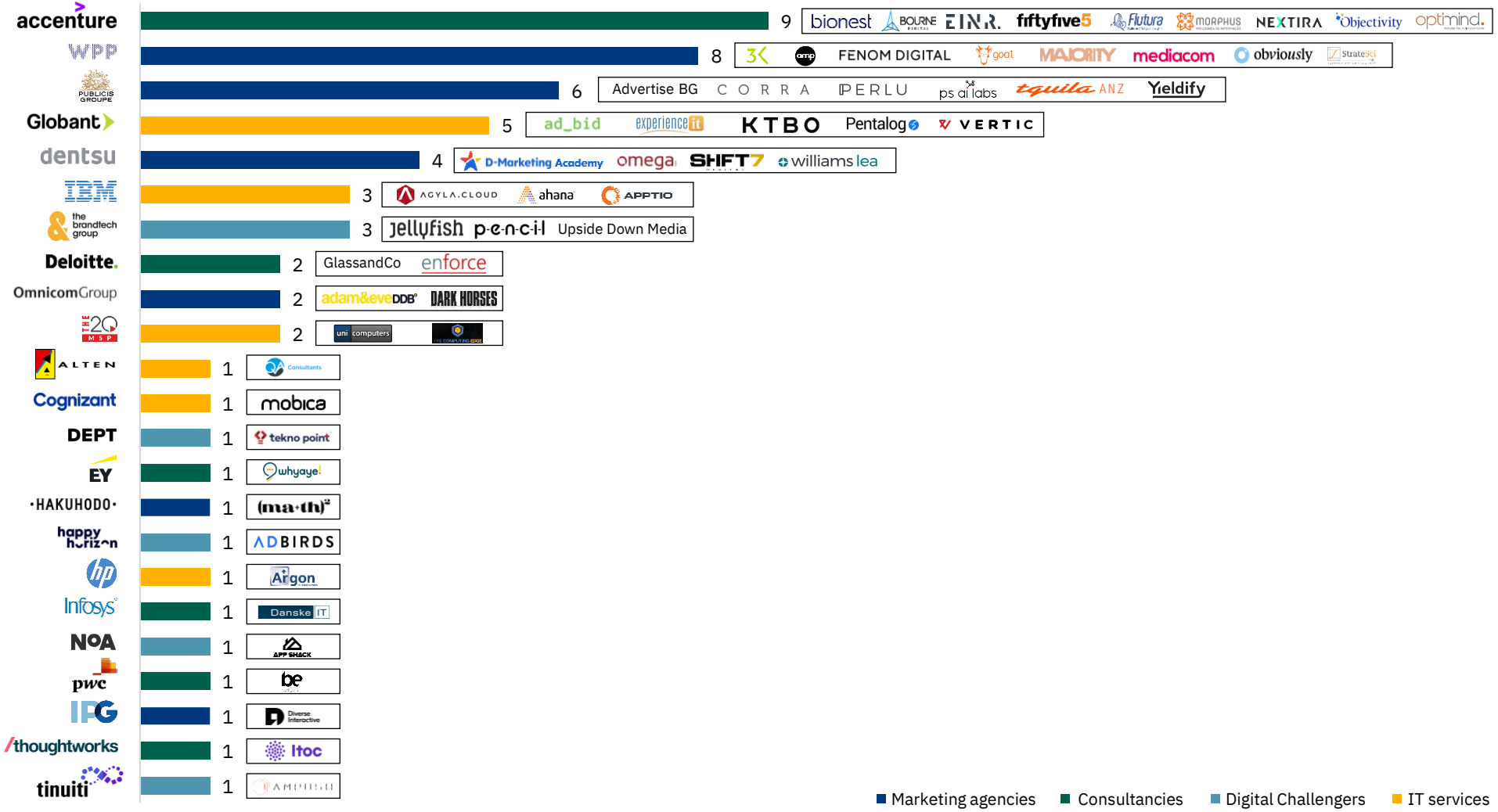


Source: Capital IQ (as of 30 June 2023)

Note: Data includes all Digital Services M&A and private placement deals as defined by Pitchbook regardless of geography; "Other" includes Africa, Oceania, South/Central America, and the Middle East

GLOBAL DIGITAL SERVICES TRANSACTION TRENDS

Accenture returned to being the most active acquirer in Q2 2023

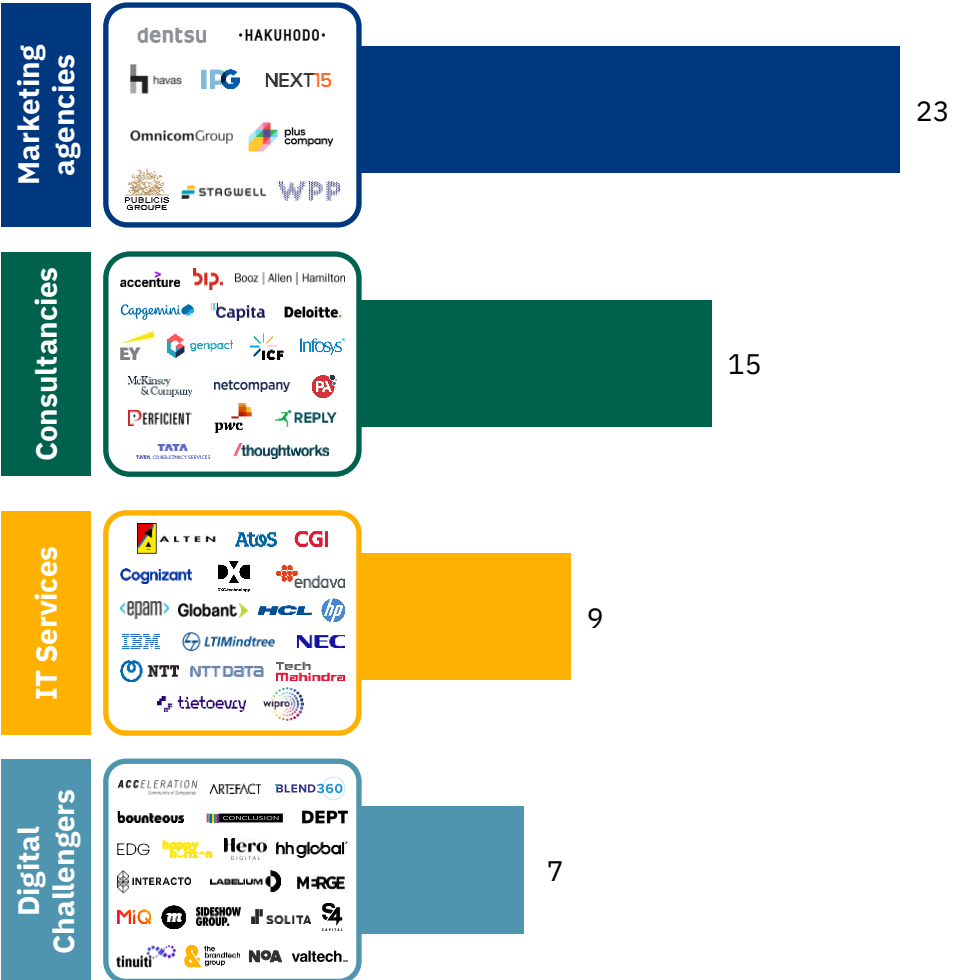


■ Marketing agencies ■ Consultancies ■ Digital Challengers ■ IT services

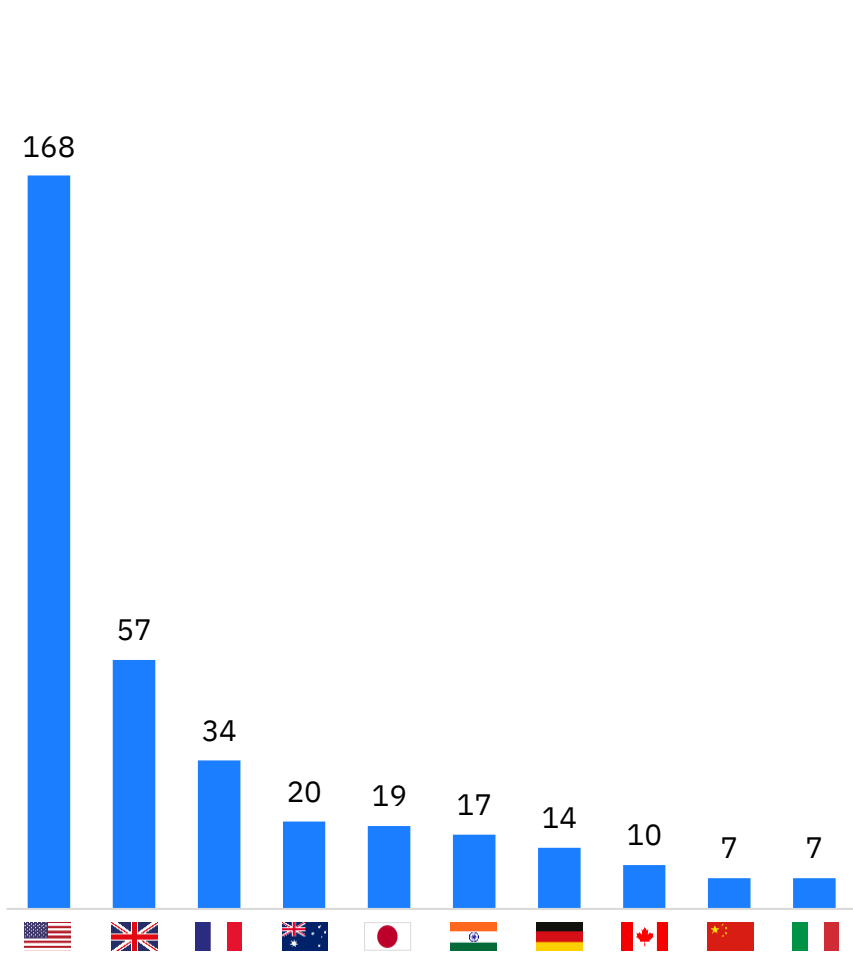
GLOBAL DIGITAL SERVICES TRANSACTION TRENDS

Marketing agency group activity remains high with WPP, Publicis and Dentsu remaining significantly active

2023 YTD transaction activity by buyer group ⁽¹⁾



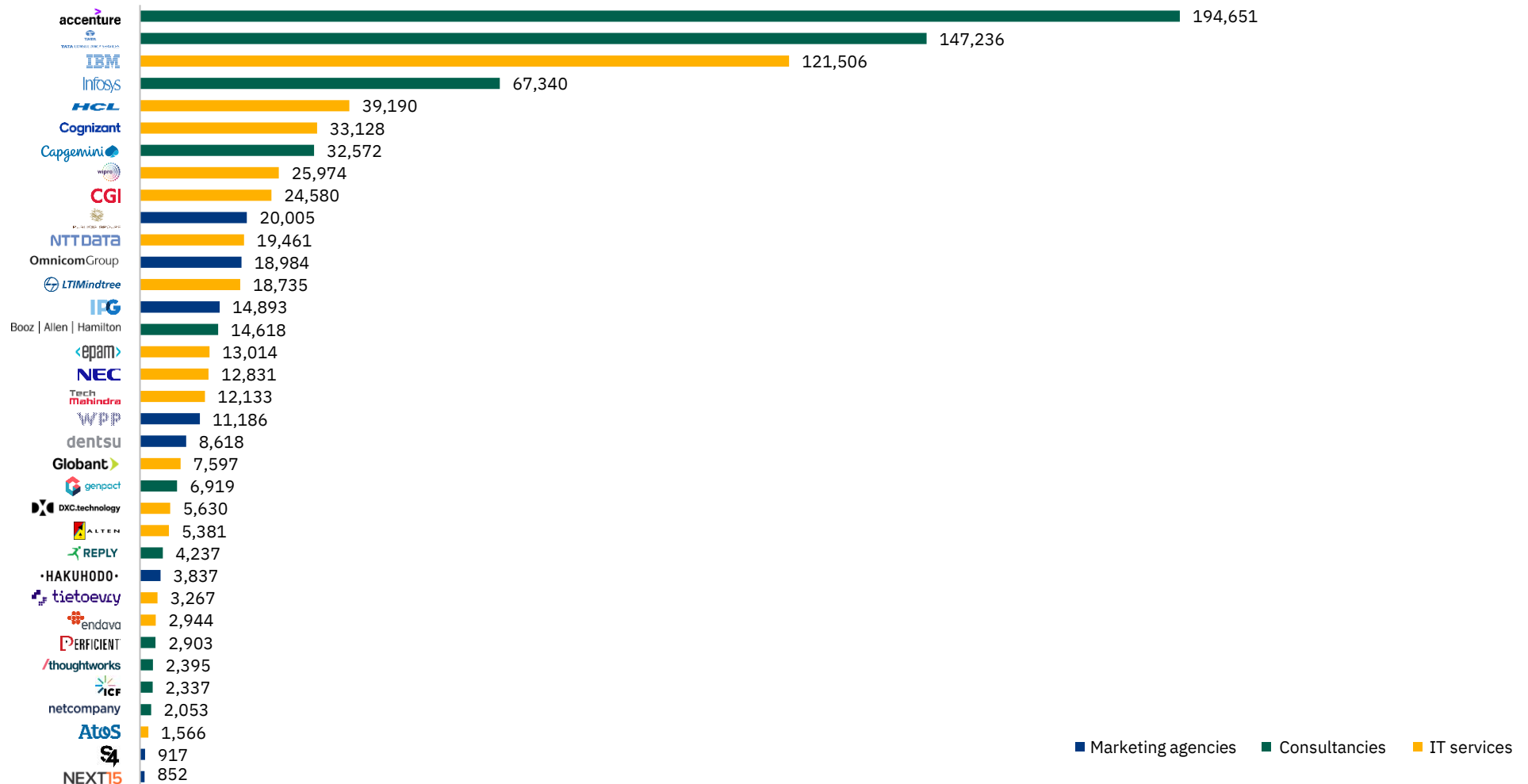
2023 YTD number of M&A deals by target geography



GP BULLHOUND DIGITAL SERVICES INDEX PERFORMANCE

GP Bullhound Digital Services index market capitalisation spread

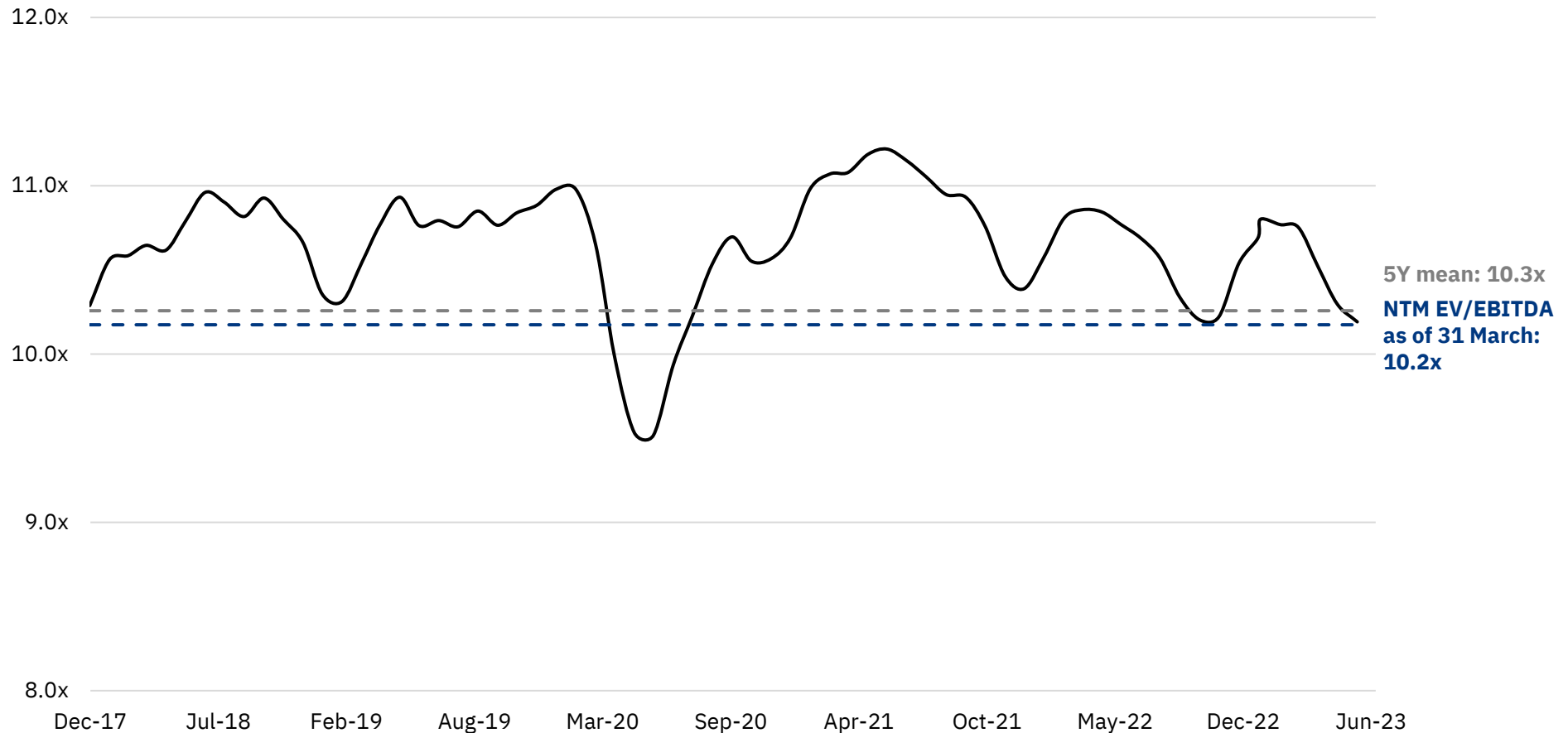
Market Cap (\$m)



GP BULLHOUND DIGITAL SERVICES INDEX PERFORMANCE

Valuations for GP Bullhound's Digital Services listed index remain around the 5-year average but have trended down since Q1'23

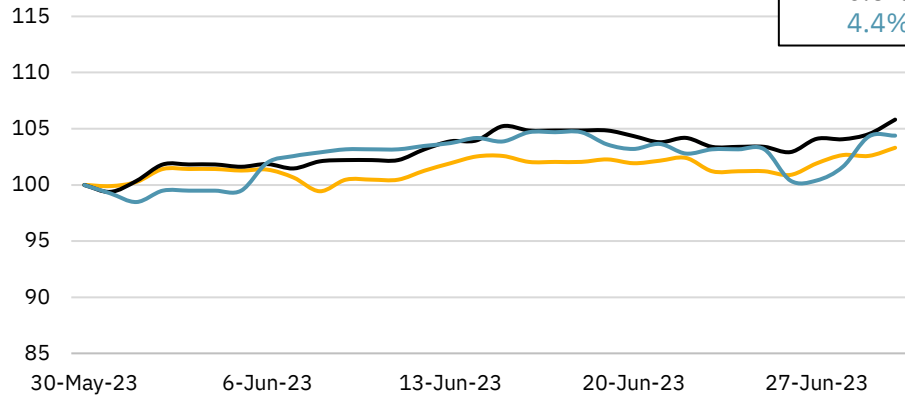
Digital Services index rolling three-month average NTM EBITDA



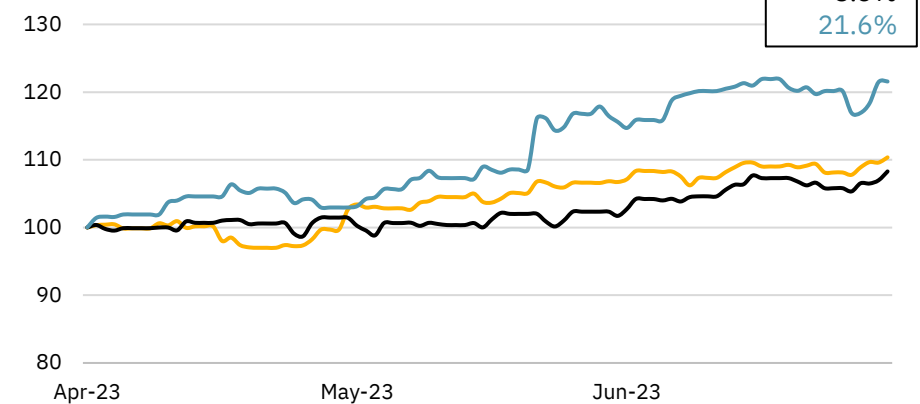
GP BULLHOUND DIGITAL SERVICES INDEX PERFORMANCE

Continued share price recovery in Q2 2023

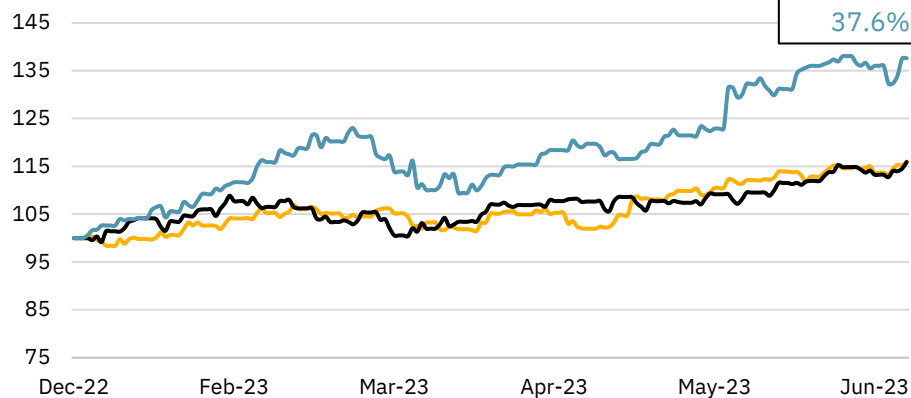
L1M



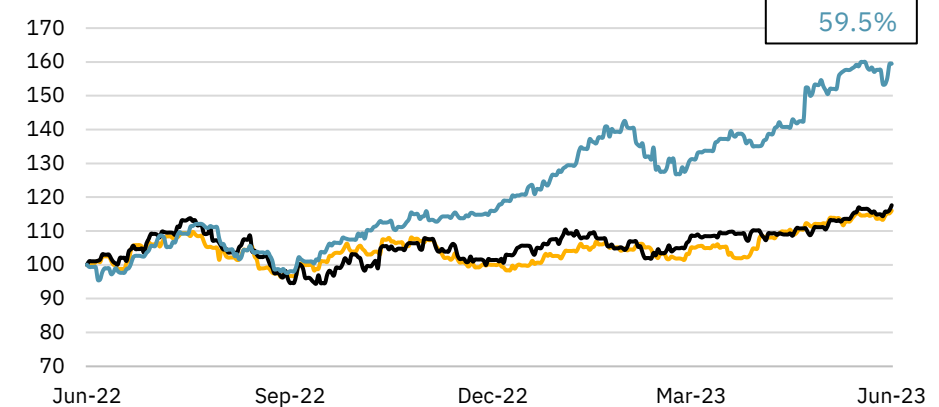
L3M



L6M



L12M



— GPB Digital Services index

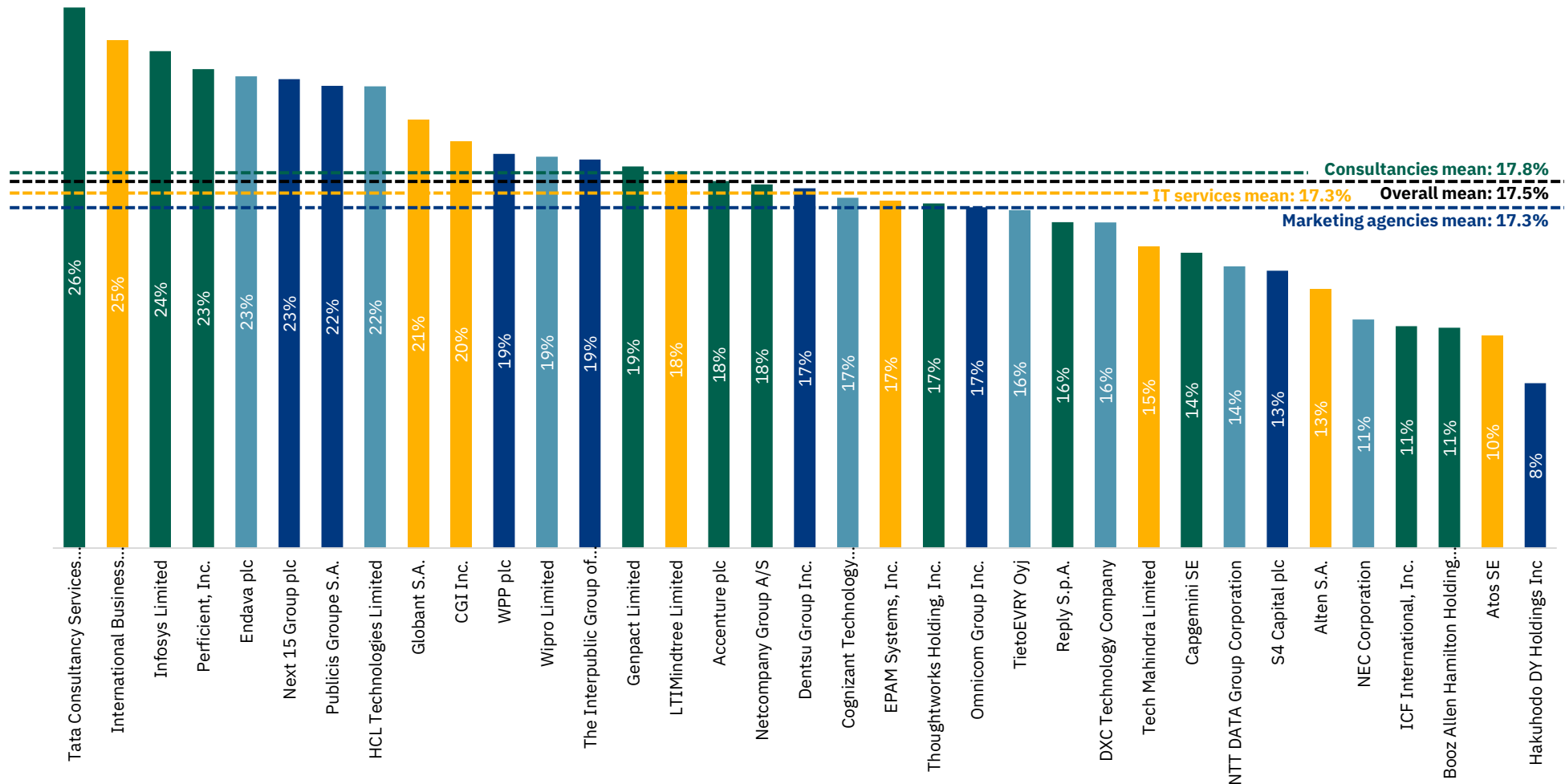
— S&P 500

— FTSE 100

GP BULLHOUND DIGITAL SERVICES INDEX PERFORMANCE

Margins continue to remain steady across categories

CY2023 EBITDA margins



LEADING COMPANIES AND CEOS TRANSFORMING THE SECTOR

Josh Rosen, President



PRESIDENT – HOTSPEX MEDIA

Josh Rosen

“Hotspex Media was created on a simple premise: define what will move a business outcome, and then what technology is best suited to deliver that. We find this agnostic approach differentiates us from other firms that bring a technology and media platform they know, and then try to fit a strategic media plan into that. We have developed unique processes to optimise existing media platforms – we deliver improved and better buying methods, tracking, measurement, audience identification and reporting visualisation. We have developed a unique proprietary platform called ReticleAI – a first of its kind, privacy compliant solution that delivers emotional alignment of a brand within the contextual signals of the content it is appearing in front of.

Reticle lives at the intersection of insights and programmatic advertising, giving its user the ability to truly connect both sides of their marketing strategies. The AI-based platform can be deployed quickly through existing tech stacks and leverage existing plans and budgets. The effectiveness of emotional targeting has been proven to result in increased ad recall, ad attention and overall boosting of consideration/intent. Overall Hotspex Media takes a differentiated bottoms-up approach that understands customer needs and constructs strategic campaigns that accurately tag, track and extrapolate data.”

SELECT CLIENTS



Hotspex Media, based in Canada, is a digital media buying and planning agency offering programmatic, social media, SEO and retail media services. It is the #1 ranked media buying and planning agency, as reviewed by clients on Clutch.co, and was named among Ad Age 's best places to work.

LEADING COMPANIES AND CEOS TRANSFORMING THE SECTOR

Allan Peretz, Co-founder and CEO



CO-FOUNDER AND CEO – BOLD STRATEGIES

Allan Peretz

“Bold Strategies is solving for the lag in next-generation marketing strategies and technologies within the consumer-packaged goods (CPG) industry. CPG marketing is still very much based on brand management and creative strategies, but without a focus on optimisation – we are working to change that culture. Brands are faced with an abundance of choice for retail strategies and marketing – we help them make analytics-based decisions on which two or three channels will be most effective (for emerging brands) or how to best allocate spending across multiple channels (for larger, established brands).

Two out of three new products fail. So, we are developing a unique software platform called TestPilot™ to test new products – using machine learning to analyse large amounts of data from the test market to help brands develop an optimised marketing strategy – including channel strategy, pricing, creative and shopper insights.

Retail media networks are an amazing opportunity to leverage high value data. Looking ahead, Bold will help clients utilise their vast first party data sets to create highly-personalised marketing – not just traditional direct media, but with media such as personalised websites or apps that will deliver profitable growth while building and enhancing brand equity.”

 SELECT CLIENTS


Bold Strategies is an ecommerce marketing and consulting agency that enables consumer packaged goods (CPG) brands to accelerate e-retail, DTC and omnichannel growth while building brand equity. The company provides the Strategy, Creative, Web Development, and Media capabilities that brands need to sell on their own direct-to-consumer (DTC) websites and on major marketplaces.

LEADING COMPANIES AND CEOS TRANSFORMING THE SECTOR

Tom Rowley, Co-Founder and CEO



CO-FOUNDER AND CEO – STRIPE PARTNERS

Tom Rowley

“Stripe Partners excels in working with teams in technology-led businesses to identify where to play next, clarify what they should be building and pinpoint how to scale their offers globally.

The shift to products and services powered by AI is putting more pressure on development teams than ever before. Moving fast and breaking things does not work as an approach when the products you are building need to mesh deeply into all aspects of people’s personal and working lives.

The pace and depth of change mean that standard data-driven research approaches do not provide the nuance required to make them useful in the development process. As the AI age pushes at long-established boundaries between people and machines, the industry needs to embrace new ways of understanding their users’ current and future worlds. Our collaborative approach combines social science, data science and design to help teams to rapidly translate complex human, social and cultural phenomena into understanding and models that inspire product teams to build the right things, first-time.”

 SELECT CLIENTS


Stripe Partners is an innovation consultancy specialising in the technology space. The team is made up of data scientists, anthropologists and designers addressing clients’ challenges in the field of artificial intelligence and beyond.

LEADING COMPANIES AND CEOS TRANSFORMING THE SECTOR

Sam Foroozesh, Co-Founder and CEO



CO-FOUNDER AND CEO – CURE MEDIA

Sam Foroozesh

“We have focused on optimising our solution specifically for big legacy brands within lifestyle, fashion, home, beauty and pharmacies. Our main expertise lies within supporting these types of brands in pinpointing what role creators should have in the media mix to support overall business goals, as well as implement and execute on the strategy to maximise brands’ success. We see a huge opportunity for brands within that field to develop their market position toward the audience of women between 16-45 years old, which is our main consumer.

We believe that people want to be inspired by likeminded peers. We founded Cure Media in 2014 with the aim to change the face of marketing by making it more efficient and result-focused for consumer brands to use influencers and creators in their communication. We’ve been focusing on AI since 2018. Today, we operate in the UK, Germany and the Nordics, where we are a leading player, but our goal is to be No.1 in Europe.”

 SELECT CLIENTS


Cure Media is an influencer marketing company for fashion brands. Its data-driven approach to influencer selection combines analytics and creativity to help clients strengthen their brand, drive sales and expand into new markets.

GP BULLHOUND DIGITAL SERVICES INDEX PUBLIC COMPARABLES

Public comps – GP Bullhound Digital Services index

Company Name	Share price	52 Week High	% of 52	Mkt Cap	EV	Revenue Multiple						EBITDA Multiple			EBITDA Margin			CY2022 - CY2024 CAGR	
	(USD)		Week High			%	(USD)	(USD)	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024	CY2022	CY2023	CY2024	CY2022	CY2023
	30-Jun-23	(USD)	%	(USD)	(USD)														
Omnicom Group Inc.	95.2	97.2	98%	18,984	23,030	1.5x	1.7x	1.6x	1.6x	1.6x	1.5x	9.7x	9.4x	9.0x	16.7%	16.6%	16.9%	3.2%	3.9%
Publicis Groupe S.A.	80.2	85.1	94%	20,005	22,090	1.8x	1.8x	1.7x	1.4x	1.5x	1.5x	8.3x	6.8x	6.5x	16.7%	22.4%	22.5%	(2.8%)	12.7%
WPP plc	10.5	13.7	76%	11,186	17,755	1.0x	1.1x	1.1x	0.9x	1.1x	1.1x	8.5x	5.8x	5.6x	11.1%	19.1%	19.0%	(6.4%)	22.5%
The Interpublic Group of Companies, Inc.	38.6	41.0	94%	14,893	17,790	2.1x	2.2x	2.0x	1.9x	1.8x	1.8x	10.1x	9.7x	9.3x	18.7%	18.9%	18.9%	3.5%	4.2%
Dentsu Group Inc.	32.6	34.3	95%	8,618	9,716	1.3x	1.4x	1.2x	1.1x	1.0x	1.0x	5.6x	6.0x	5.2x	19.4%	17.5%	19.2%	4.0%	3.4%
Hakuhodo DY Holdings Inc	10.5	11.3	93%	3,837	3,633	0.3x	0.4x	0.5x	0.5x	0.5x	0.4x	6.1x	6.2x	6.0x	8.6%	8.0%	6.6%	14.4%	0.4%
S4 Capital plc	1.6	3.2	51%	917	1,123	4.0x	2.5x	1.2x	0.8x	0.7x	0.6x	7.8x	5.4x	4.5x	10.3%	13.5%	14.4%	11.7%	32.1%
Next 15 Group plc	8.6	14.3	61%	852	873	2.2x	2.1x	1.4x	0.9x	1.1x	1.0x	6.5x	4.6x	4.3x	14.1%	22.8%	23.0%	(3.8%)	22.9%
International Business Machines Corporation	133.8	153.2	87%	121,506	165,856	2.9x	3.1x	2.9x	2.8x	2.7x	2.6x	13.4x	10.8x	10.2x	20.7%	24.7%	25.2%	3.7%	14.5%
HCL Technologies Limited	14.5	14.5	99%	39,190	37,323	3.9x	3.7x	3.3x	3.0x	2.8x	2.6x	14.2x	12.5x	11.4x	21.2%	22.4%	22.7%	8.1%	11.7%
Cognizant Technology Solutions Corporation	65.3	70.9	92%	33,128	32,154	1.9x	1.9x	1.7x	1.7x	1.7x	1.6x	9.0x	9.7x	8.9x	18.3%	17.0%	17.7%	2.5%	0.7%
NTT DATA Group Corporation	13.9	15.0	92%	19,461	36,577	2.2x	2.2x	2.0x	1.6x	1.2x	1.2x	10.7x	8.9x	8.1x	15.3%	13.7%	14.5%	17.7%	14.5%
Wipro Limited	4.7	5.4	87%	25,974	23,230	3.2x	3.1x	2.6x	2.2x	2.0x	1.9x	12.1x	10.6x	9.8x	17.8%	19.0%	19.4%	6.7%	11.1%
EPAM Systems, Inc.	224.8	463.0	49%	13,014	11,393	5.0x	4.3x	3.0x	2.4x	2.4x	2.2x	14.6x	14.4x	12.8x	16.2%	16.9%	17.6%	2.5%	6.7%
NEC Corporation	48.2	49.1	98%	12,831	16,027	0.7x	0.7x	0.7x	0.7x	0.7x	0.6x	6.8x	6.0x	5.7x	10.2%	11.1%	11.4%	4.0%	9.9%
Tech Mahindra Limited	13.8	14.2	97%	12,133	11,666	2.6x	2.5x	2.3x	1.9x	1.7x	1.6x	13.3x	11.9x	10.7x	13.9%	14.6%	15.2%	7.1%	11.7%
Endava plc	51.8	115.9	45%	2,944	2,776	6.7x	5.5x	3.8x	2.8x	2.6x	2.3x	16.0x	11.5x	9.4x	17.6%	22.9%	24.4%	10.5%	30.0%
LTIMindtree Limited	63.3	65.3	97%	18,735	17,988	14.3x	12.2x	10.1x	7.0x	4.1x	3.6x	40.7x	22.5x	17.8x	17.1%	18.3%	20.0%	39.7%	50.9%
TietoEVRY Oyj	27.6	33.4	83%	3,267	3,959	2.0x	1.3x	1.2x	1.2x	1.2x	1.2x	10.2x	7.3x	6.6x	11.8%	16.4%	17.3%	2.3%	23.8%
CGI Inc.	105.5	107.5	98%	24,580	26,522	2.9x	2.9x	2.9x	2.6x	2.4x	2.3x	15.1x	12.0x	11.4x	17.5%	19.8%	20.0%	7.7%	15.2%
DXC Technology Company	26.7	32.0	84%	5,630	9,460	0.5x	0.5x	0.6x	0.6x	0.7x	0.7x	3.5x	4.2x	3.9x	18.2%	15.8%	16.7%	(1.3%)	(5.3%)
Globant S.A.	179.7	240.0	75%	7,597	7,490	11.4x	9.2x	5.8x	4.2x	3.6x	3.0x	25.6x	17.4x	14.4x	16.4%	20.8%	20.7%	18.8%	33.2%
Alten S.A.	157.5	176.0	90%	5,381	5,184	1.8x	2.0x	1.6x	1.2x	1.1x	1.0x	11.3x	8.8x	8.1x	10.8%	12.6%	12.6%	9.5%	18.3%
Atos SE	14.3	17.2	83%	1,566	4,351	0.3x	0.3x	0.4x	0.3x	0.4x	0.4x	6.1x	3.4x	3.2x	5.6%	10.3%	11.1%	(1.8%)	37.5%
Accenture plc	308.6	327.9	94%	194,651	189,937	4.3x	4.2x	3.5x	3.0x	2.9x	2.8x	18.0x	16.4x	14.7x	17.0%	17.8%	18.8%	4.9%	10.5%
Tata Consultancy Services Limited	40.2	43.6	92%	147,236	142,721	7.6x	7.3x	6.3x	5.4x	4.8x	4.4x	21.0x	18.4x	16.7x	25.7%	26.3%	26.6%	10.4%	12.3%
Infosys Limited	16.3	20.4	80%	67,340	66,079	5.2x	5.0x	4.2x	3.7x	3.5x	3.2x	15.9x	14.6x	13.1x	23.2%	24.1%	24.6%	6.7%	10.0%
Capgemini SE	189.5	211.4	90%	32,572	36,682	2.3x	2.1x	1.8x	1.5x	1.4x	1.3x	11.0x	9.9x	9.0x	13.5%	14.3%	14.8%	5.6%	10.7%
Booz Allen Hamilton Holding Corporation	111.6	112.5	99%	14,618	17,265	2.4x	2.2x	2.1x	1.9x	1.7x	1.6x	20.4x	16.2x	15.5x	9.3%	10.7%	10.6%	7.8%	14.7%
Genpact Limited	37.6	48.9	77%	6,919	8,067	2.3x	2.2x	2.0x	1.8x	1.7x	1.6x	11.7x	9.4x	8.3x	15.8%	18.5%	19.0%	7.8%	18.2%
Perficient, Inc.	83.3	110.3	76%	2,903	3,285	5.8x	5.4x	4.3x	3.6x	3.4x	3.2x	18.1x	14.7x	13.4x	20.0%	23.3%	23.8%	6.8%	16.4%
Thoughtworks Holding, Inc.	7.6	17.4	43%	2,395	2,632	3.4x	3.3x	2.5x	2.0x	2.1x	1.8x	n.m.	12.4x	10.2x	n.m.	16.7%	17.9%	5.4%	n.a.
Netcompany Group A/S	41.4	61.4	67%	2,053	2,319	6.3x	5.4x	4.2x	2.8x	2.5x	2.2x	15.6x	14.2x	12.1x	17.8%	17.7%	18.5%	11.4%	13.7%
Reply S.p.A.	113.6	154.8	73%	4,237	4,163	3.1x	3.0x	2.5x	2.0x	1.7x	1.6x	12.0x	10.8x	9.8x	16.3%	15.8%	15.9%	12.3%	11.0%
ICF International, Inc.	124.4	128.7	97%	2,337	3,151	2.1x	2.1x	2.0x	1.8x	1.6x	1.5x	18.9x	14.7x	13.5x	9.4%	10.8%	10.9%	9.5%	18.1%
Mean all			83%			3.2x	2.9x	2.4x	2.1x	1.9x	1.8x	13.2x	10.8x	9.7x	15.7%	17.5%	18.0%	7.1%	15.4%
Median all			90%			2.2x	2.2x	2.0x	1.9x	1.7x	1.6x	11.8x	10.6x	9.4x	16.6%	17.5%	18.5%	6.7%	13.2%

Methodology

This report is based on the expert insights of GP Bullhound's worldwide team alongside detailed analysis of investment trends across the global technology landscape. GP Bullhound's Digital Services sector focuses on the full spectrum of digital and marketing services categories, including digital transformation, digital agencies, marketing technology services, data analytics, digital media services, healthcare marketing, and CRM/customer acquisition, among others.

GP Bullhound's Digital Services team

Based in our London and New York offices respectively, Simon Nicholls and Greg Smith head up our Digital Services practice with over 50+ years of experience and have completed over 100 transactions for digital services companies globally.



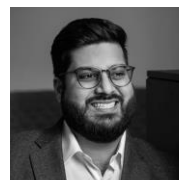
PARTNER
Greg Smith
gregory.smith@gpbullhound.com



PARTNER
Simon Nicholls
simon.nicholls@gpbullhound.com



PARTNER
Alec Dafferner
alec.dafferner@gpbullhound.com



EXECUTIVE DIRECTOR
Ravi Ghedia
ravi.ghedia@gpbullhound.com



EXECUTIVE DIRECTOR
Oliver Schweitzer
oliver.schweitzer@gpbullhound.com



EXECUTIVE DIRECTOR
Adam Birnbaum
adam.birnbaum@gpbullhound.com



VICE PRESIDENT
Viqas Chohan
viqas.chohan@gpbullhound.com



VICE PRESIDENT
Freddie Dodge
freddie.dodge@gpbullhound.com



ASSOCIATE
Tom Gilbride
tom.gilbride@gpbullhound.com



ANALYST
Rory Kimel
rory.kimel@gpbullhound.com



ANALYST
Robbie Lenigas
robbie.lenigas@gpbullhound.com

Disclaimer

No information set out or referred to in this communication shall form the basis of any contract. The issue of this insights report (the "report") shall not be deemed to be any form of binding offer or commitment on the part of GP Bullhound or any of its affiliates or subsidiaries. This report is provided for use by the intended recipient for information purposes only. It is prepared on the basis that the recipients are sophisticated investors (so-called "professional clients" in the meaning of Annex II of Directive 2014/65/EU on markets in financial instruments, or their equivalent elsewhere) with a high degree of financial sophistication and knowledge. This report and any of its information is not intended for use by private or retail investors in the UK or any other jurisdiction where access, use or availability of this information would be unlawful.

This report does not provide personalised advice or recommendations of any kind. You, as the recipient of this report, acknowledge and agree that no person has nor is held out as having any authority to give any statement, warranty, representation, or undertaking on behalf of GP Bullhound in connection with the contents of this communication. Although the information contained in this report has been prepared in good faith, no representation or warranty, express or implied, is or will be made and no responsibility or liability is or will be accepted by GP Bullhound. In particular, but without prejudice to the generality of the foregoing, no representation or warranty is given as to the accuracy, completeness or reasonableness of any projections, targets, estimates or forecasts contained in this report or in such other written or oral information that may be provided by GP Bullhound. The information in this report may be subject to change at any time without notice.

GP Bullhound is under no obligation to provide you with any such updated information. All liability is expressly excluded to the fullest extent permitted by law. Without prejudice to the generality of the foregoing, no party shall have any claim for innocent or negligent misrepresentation based upon any statement in this report or any representation made in relation thereto. Liability (if it would otherwise but for this paragraph have arisen) for death or personal injury caused by the negligence (as defined in Section 65 of the Consumer Rights Act 2015) of GP Bullhound, or any of its respective affiliates, agents or employees, is not hereby excluded nor is damage caused by their fraud or fraudulent misrepresentation.

This report should not be construed in any circumstances as an offer to sell or solicitation of any offer to buy any security or other financial instrument, nor shall they, or the fact of the distribution, form the basis of, or be relied upon in connection with, any contract relating to such action. The information contained in this report has no regard for the specific investment objectives, financial situation or needs of any specific entity and is not a personal recommendation to anyone. Persons reading this report should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment advisor. Past performance of securities is not a guide to future performance and the value of securities may fall as well as rise. In particular, investments in the technology sector may be subject to frequent fluctuations. The information contained in this report is based on materials and sources that are believed to be reliable; however, they have not been independently verified and are not guaranteed as being accurate. The information contained in this report is not intended to be a complete statement or summary of any securities, markets, reports or developments referred to herein.

This report may contain forward-looking statements, which involve risks and uncertainties. Forward-looking information is provided for illustrative purposes only and is not intended to serve as, and must not be relied upon as a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and may differ from assumptions.

Any and all opinions expressed are current opinions as of the date appearing on the documents included in this report. The information contained in this report should not be relied upon as being an independent or impartial view of the subject matter, and for the purposes of the rules and guidance of the Financial Conduct Authority ("the FCA") and of the Financial Industry Regulatory Authority ("FINRA"), and of the Commission de Surveillance (du Secteur Financier "CSSF"), this report shall not be viewed as a research report and is considered marketing communication and a financial promotion. Thus, in accordance with COBS 12.2.18 of the FCA Handbook, its contents have not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of the report.

The GP Bullhound indices and indexes included in this presentation are presented to support the opinions and information on the markets and securities included in this presentation. The GP Bullhound indices or indexes are NOT and should, under no circumstance, be used as indexes, indices or benchmarks in the sense of the EU regulation EU 2016/2011 or the UK Benchmark (Amendment and Transitional Provisions) (EU Exit) Regulations 2019 as amended by the Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019 (U.K. BMR), hereinafter, the "Regulations". GP Bullhound (including any of its regulated affiliates in the EU or UK) does not issue indexes or benchmarks within the definition of the Regulations, nor acts as manufacturer or administrator of regulated indexes or benchmarks as defined in the Regulations. Recipients or any reader of this presentation should not use the indices in this presentation as indices or benchmarks for the purposes defined in the Regulations. GP Bullhound (including affiliates) shall not be liable for its incorrect use as indexes or benchmarks subject to the Regulations by recipients, readers or any third party.

The individuals who prepared the information contained in this report may be involved in providing other financial services to the company or companies referenced in this report or to other companies who might be said to be competitors of the company or companies referenced in this report. GP Bullhound, through its advisory and asset management departments, does and seek to do business with companies which are, or may be covered in this report. As a result, both GP Bullhound and the individual members, directors, officers and/ or employees who prepared the information contained in this report may have responsibilities that conflict with the interests of the persons who access this report.

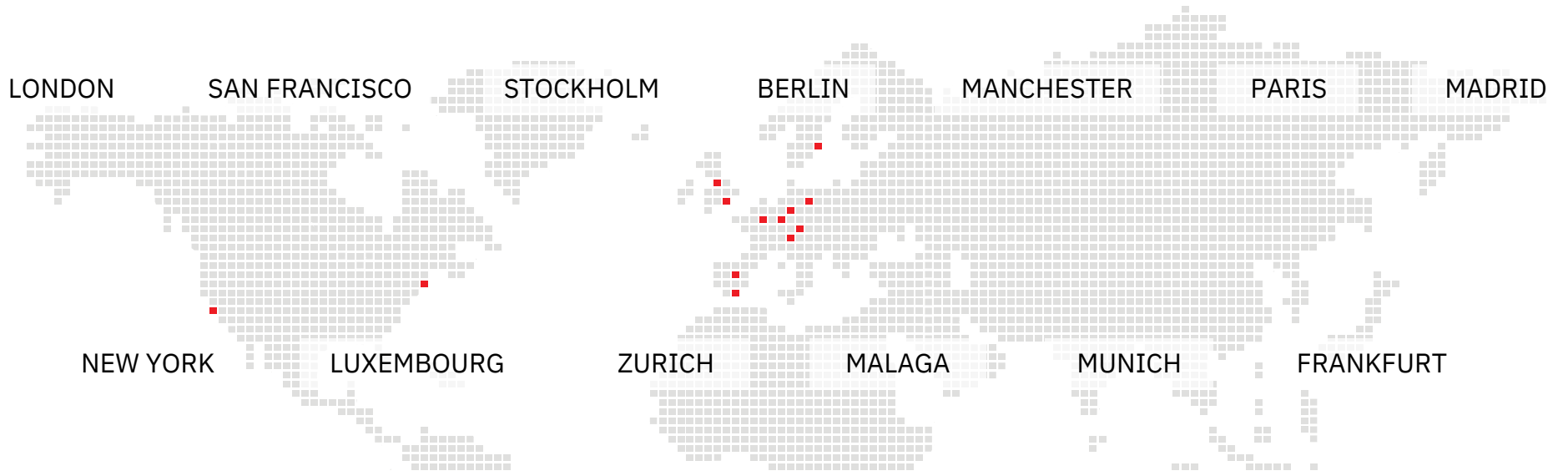
GP Bullhound and/or connected persons may, from time to time, have positions in, make a market in and/ or effect transactions in any investment or related investment mentioned in this report and may provide financial services to the issuers of such investments. The information contained in this report or any copy of part thereof should not be accessed by a person in any jurisdictions where its access may be restricted by law and persons into whose possession the information in this report comes should inform themselves about, and observe, any such restrictions. Access of the information contained in this report in any such jurisdictions may constitute a violation of UK or US securities law, or the law of any such other jurisdictions. Neither the whole nor any part of the information contained in this report may be duplicated in any form or by any means. Neither should the information contained in this report, or any part thereof, be redistributed or disclosed to anyone without the prior consent of GP Bullhound. GP Bullhound and/or its associated undertakings may from time to-time provide investment advice or other services to or solicit such business from any of the companies referred to in the information contained in this report.

Accordingly, information may be available to GP Bullhound that is not reflected in this material and GP Bullhound may have acted upon or used the information prior to or immediately following its publication. However, no person at GP Bullhound (which includes its members, directors, officers and/or employees), may undertake personal transactions in financial instruments of companies to which this report relates, without receiving prior clearance from the GP Bullhound Compliance Officer or nominated delegated. In addition, GP Bullhound, the members, directors, officers and/or employees thereof and/or any connected persons may have an interest in the securities, warrants, futures, options, derivatives or other financial instrument of any of the companies referred to in this report and may from time-to-time add or dispose of such interests. GP Bullhound Corporate Finance Ltd and GP Bullhound Asset Management Ltd are private limited companies registered in England and Wales, registered numbers 08879134 and 08869750 respectively, and are authorised and regulated by the Financial Conduct Authority. GP Bullhound Luxembourg Sarl is a private limited company, registered in Luxembourg (B-254.845) and authorised and regulated as an Alternative Fund Manager by the CSSF in Luxembourg (A00003217). Any reference to a partner in relation to GP Bullhound is to a member of GP Bullhound or an employee with equivalent standing and qualifications. A list of the members of GP Bullhound is available for inspection at its registered office, GP Bullhound 78 St. James's Street, London SW1A 1JB.

For US Persons: This report is distributed to US persons by GP Bullhound Inc. a broker-dealer registered with the SEC and a member of the FINRA. GP Bullhound Inc. is an affiliate of GP Bullhound Corporate Finance Ltd. All investments bear certain material risks that should be considered in consultation with an investors financial, legal and tax advisors. GP Bullhound Inc. engages in private placement and mergers and acquisitions advisory activities with clients and counterparties in the Technology and CleanTech sectors.

In addition, the persons involved in the production of this report certify that no part of their compensation was, or will be, directly or indirectly related to the specific views expressed in this report. As such, no person at GP Bullhound (including its members, directors, officers and/or employees) has received, or is authorised to accept, any inducement, whether monetary or in whatsoever form, in counterparty of promise to issue favorable coverage for the companies to which this report may relate.

In the last twelve months, GP Bullhound or an affiliate is or has been engaged as an advisor to and received compensation from, or has invested in the following companies mentioned in this report: Altice, Arca Blanca, Bridgepoint, Factor Eleven, Goat, GoStudent, LDC, Melon, Newcraft, Precision, Purple Strategies, and Talon.



GP Bullhound Insights



Follow us on



GP.Bullhound