ARTHOS | INTERNATIONAL TECHNOLOGY M&A ADVISORY FOR 20 YEARS

February 2025

Industry Insight: Digital Services Sector Report

Focus on IT Services

Introduction to ARTHOS Digital Services Sector Report

We are pleased to present the ARTHOS Digital Services Sector Report. This report provides comments and analysis on current market trends, valuation developments as well as M&A transactions within the Digital Services sector.

In 2024 the global economy has shown cautious optimism, with inflation and interest rates stabilizing, leading to renewed investor confidence. The IT Services sector, including IT Consulting, Software Development, and Other IT Services continues to grow, driven by AI, cloud adoption, and rising demand for automation and cybersecurity. M&A activity rebounded in 2024, highlighted by SoftwareONE’s acquisition of Crayon Group. As digital transformation accelerates, the sector remains ready for further growth and consolidation, attracting strong interest from investors and strategic buyers.

ARTHOS is an international M&A advisory firm focusing on international technology transactions. Its managing partners have closed more than 200 M&A transactions over the past 20 years. In 2023 ARTHOS and its international AICA M&A alliance partners have advised on more than 50 technology M&A transactions.

Table of content

ARTHOS TECHNOLOGY TEAM

Arne Tödt
Managing Partner

Arno Pätzold
Managing Partner

Mattis Menebröcker
Associate

Digital Services: Key Digitalization Trends Drive M&A Activity

Personal Note

Looking back on 2024, the global economy showed cautious optimism after the turbulence of the past few years. While inflation and interest rates have moderated, economic uncertainty persists. Despite these challenges, investor sentiment has shown signs of recovery, with confidence returning to markets.

The IT Services sector – comprising IT Consulting, Software Development, and Other IT Services - continues to thrive, with global revenue projected to reach $1.9 trillion by 2029. This growth is fueled by advancements in AI, increased cloud adoption, and the rising demand for automation and cybersecurity solutions. As businesses strive to modernize operations and stay competitive, digital transformation remains a strategic imperative, despite ongoing economic pressures.

With the growing importance of digital transformation, IT services are playing a vital role in helping businesses enhance customer engagement and operational efficiency. As companies seek for tailored solutions, the focus has shifted toward leveraging AI, cloud technologies, and automation to deliver personalized, seamless customer experiences.

Source: Market Insight by Statista

M&A activity in the IT Services sector rebounded in 2024 after a slowdown, driven by multiple large transactions from both financial investors and strategic buyers. Notable deals include EQT Private Capital Asia's acquisition of Perficient and SoftwareONE's acquisition of Crayon Group, both in the second half of 2024. This resurgence was fueled by trends in digitalization - such as AI, cloud-based services, and the Internet of Things - as well as a stabilizing economy. With easing interest rate concerns and softer regulatory scrutiny, investor confidence returned. Looking ahead to 2025, continued consolidation is expected as corporate buyers and private equity investors compete for strategic positions in an ever-evolving landscape.

IT service providers are well-positioned to benefit from strategic partnerships and growing demand for digital modernization. With current market conditions favoring exits, especially in high-growth areas such as AI, data analytics, and cloud services, business owners are faced with unique opportunities. Given the complex and fast-changing competitive environment, we strongly advise owners to partner with an experienced technology M&A advisory firm to maximize the outcomes of their transactions.

Market evaluation

Global IT Services revenue is expected to grow at a robust 5.8% CAGR, reaching $1.9 trillion by 2029

M&A activity in IT Services is accelerating, driven by large transactions

Key digitalization trends, such as generative AI, cloud services, and the Internet of Things, are driving market growth

The growing demand for productivity and customization is driving automation, generative AI, and machine learning, fueling growth in IT services

Digital Services companies' valuations remain on a healthy level across the board

IT Consulting

EV/Revenue	EV/EBIT
1.6x	14.3x

Software Development & Other IT Services

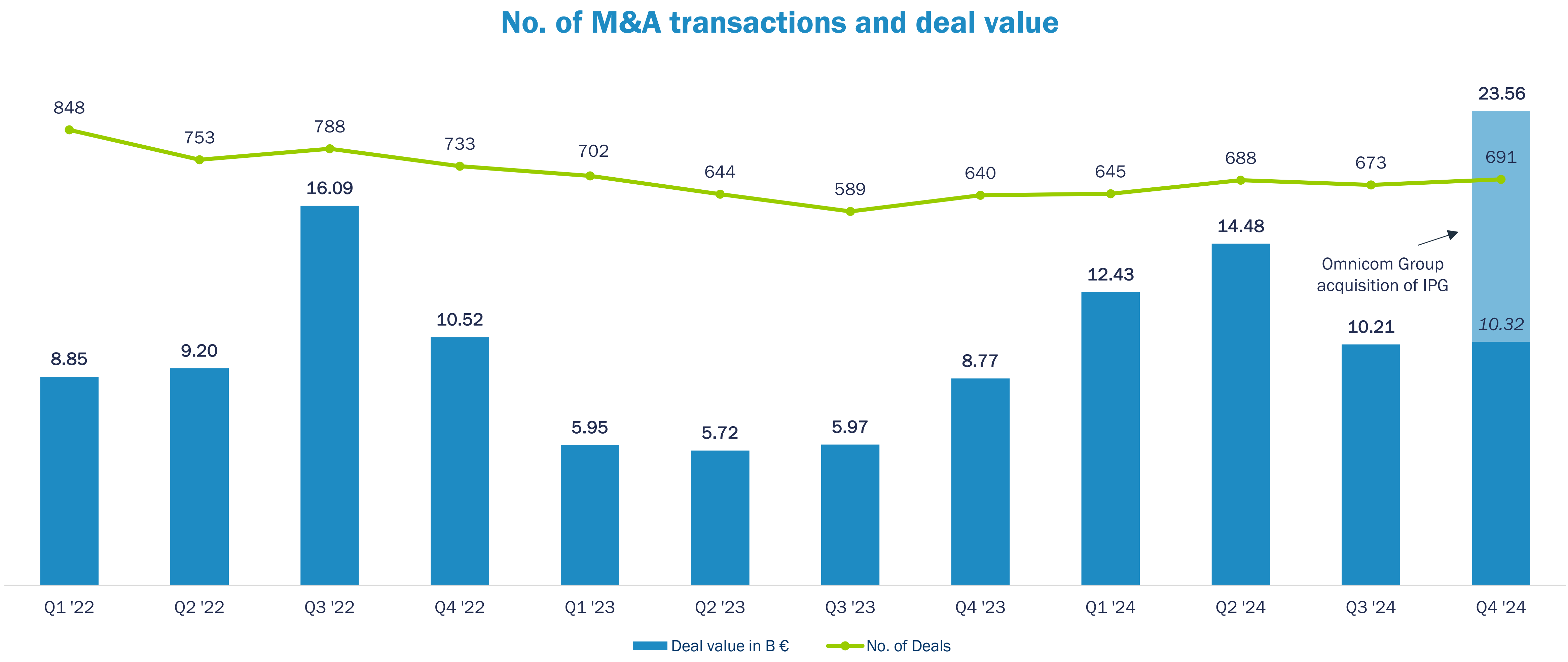
EV/Revenue	EV/EBIT
1.4x	13.9x

Digital & Marketing Agencies

EV/Revenue	EV/EBIT
0.9x	9.4x

Notes: Multiples are based on next 12 months (NTM) estimates; Calculations only include companies where both, revenue multiple and EBIT multiple were available; Median values for trading multiples
Source: PitchBook (as of 14 February 2025)

Notable recovery in Digital Services deal volumes & value since Q2 2023



Source: PitchBook (as of 14 February 2025)

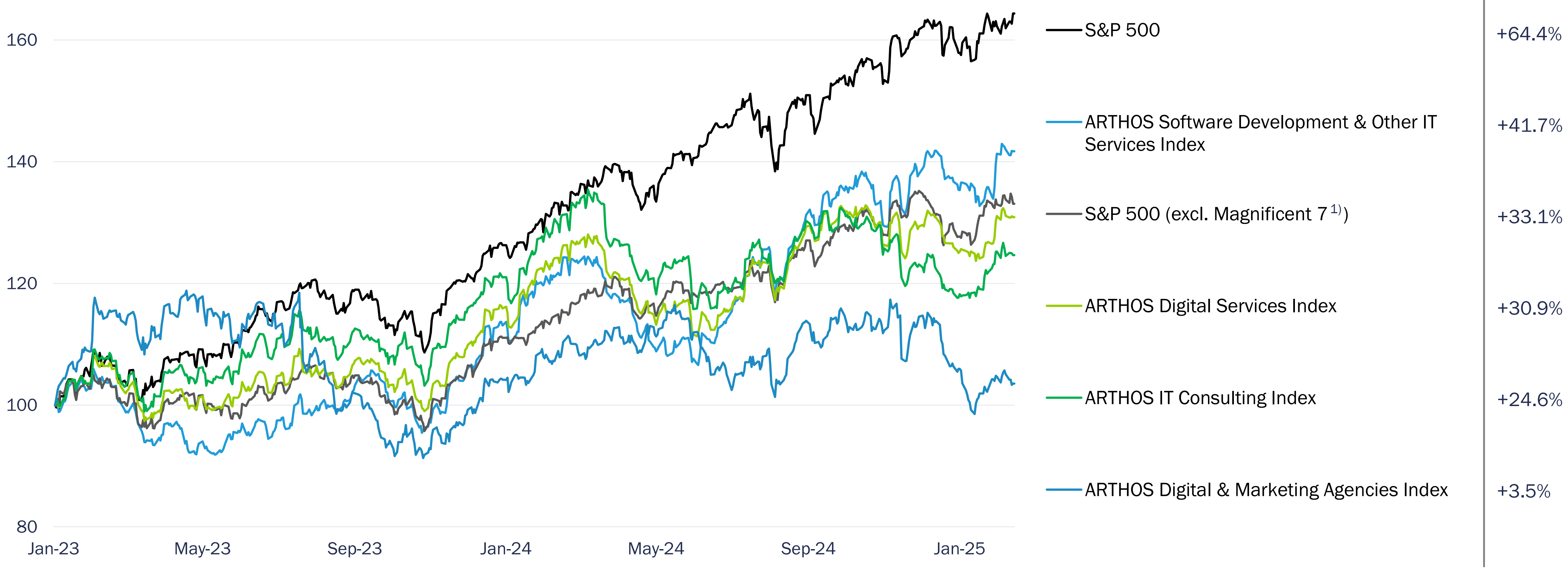
Robust valuation multiples of Digital Services companies despite challenging market situation

Digital Services sub-sectors	NTM EV/Sales	NTM EV/EBIT	Exp. 1Y Rev. Growth	LTM EBIT margin	NTM EBIT margin
IT Consulting IT Consulting companies offer consulting as well as implementation services, and to some extent software development capabilities. This sector enjoys the highest valuation level underpinned by a crisis-resistant business model proved by consistent high profit margins and good top line growth.	1.6x	14.3x	11%	13.8%	13.5%
Software Development & Other IT Services This sector includes companies offering software development and other IT services. Valuations are below the IT consultancy sector which can be explained by the lower expected revenue growth rate. However, the business models also demonstrated a crisis-resistant performance caused by the existing high demand for digital transformation.	1.4x	13.9x	5%	9.5%	11.2%
Digital & Marketing Agencies Digital & Marketing Agencies are at the core marketing service companies. The valuations of this sector have underperformed IT Consulting and Software Development & Other IT Services, due to the lower projected top line growth for the next twelve months, driven by market saturation and tightening marketing budgets amid economic uncertainty.	0.9x	9.4x	2%	11.2%	12.5%

Notes: NTM: Next twelve months, Median values for all financial figures
Sources: PitchBook (as of 14 February 2025); Promethean Research - 2024 Digital Agency Industry Report; Deloitte 2024 - Digital Media Trends Report

Digital Services index upward trend driven by Software Development and Other IT Services Companies

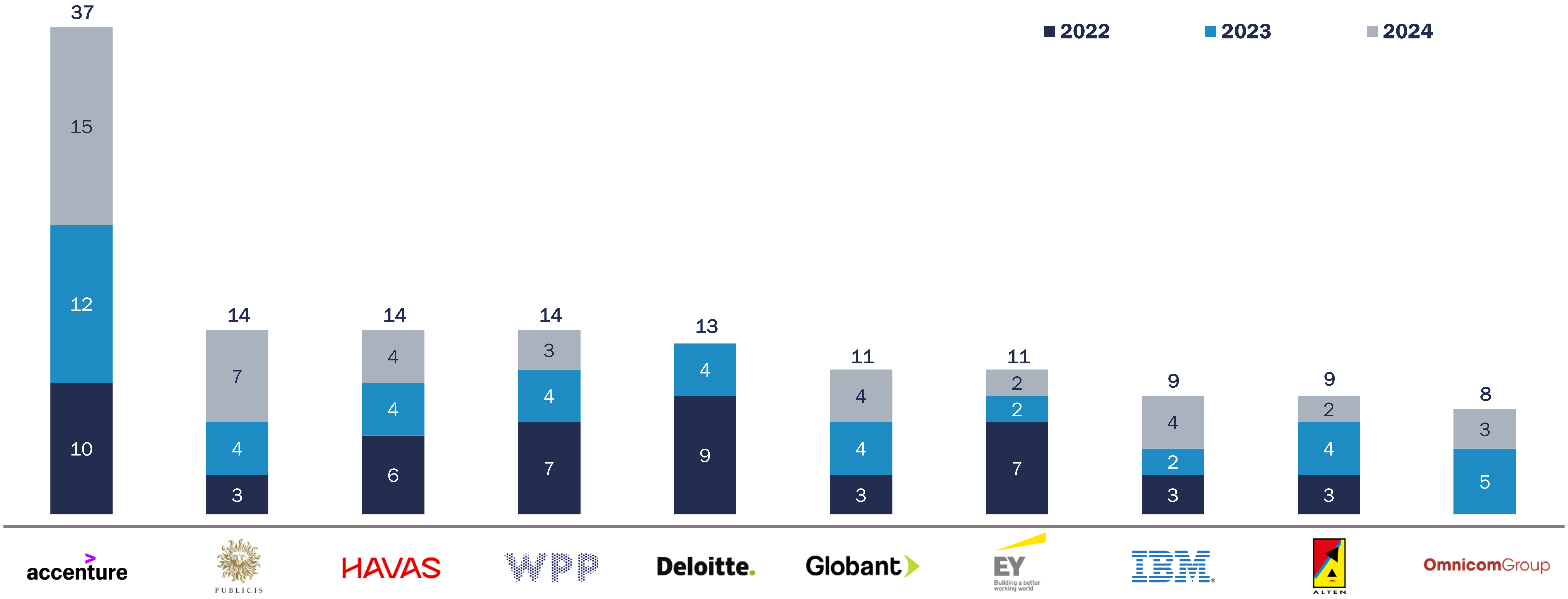
Stock market performance by Digital Services sub-sectors for past two years



Notes: All indices have been rebased to 100 as of 1 January 2023; Companies within ARTHOS indices were capped at 20% as of 1 January 2023, with excess market capitalization proportionally redistributed; 1) APPLE, META, MICROSOFT, ALPHABET, AMAZON, NVIDIA, TESLA

Sources: PitchBook (as of 14 February 2025), Capital IQ (as of 14 February 2025)

Accenture has dominates M&A activity since 2022, driving consolidation across all sub-segments, while other buyers remain balanced across these segments.



Notes: Includes acquisitions of current subsidiaries
Source: PitchBook (as of 14 February 2025)

Sub-sector: IT Consulting and Software Development & Other IT Services

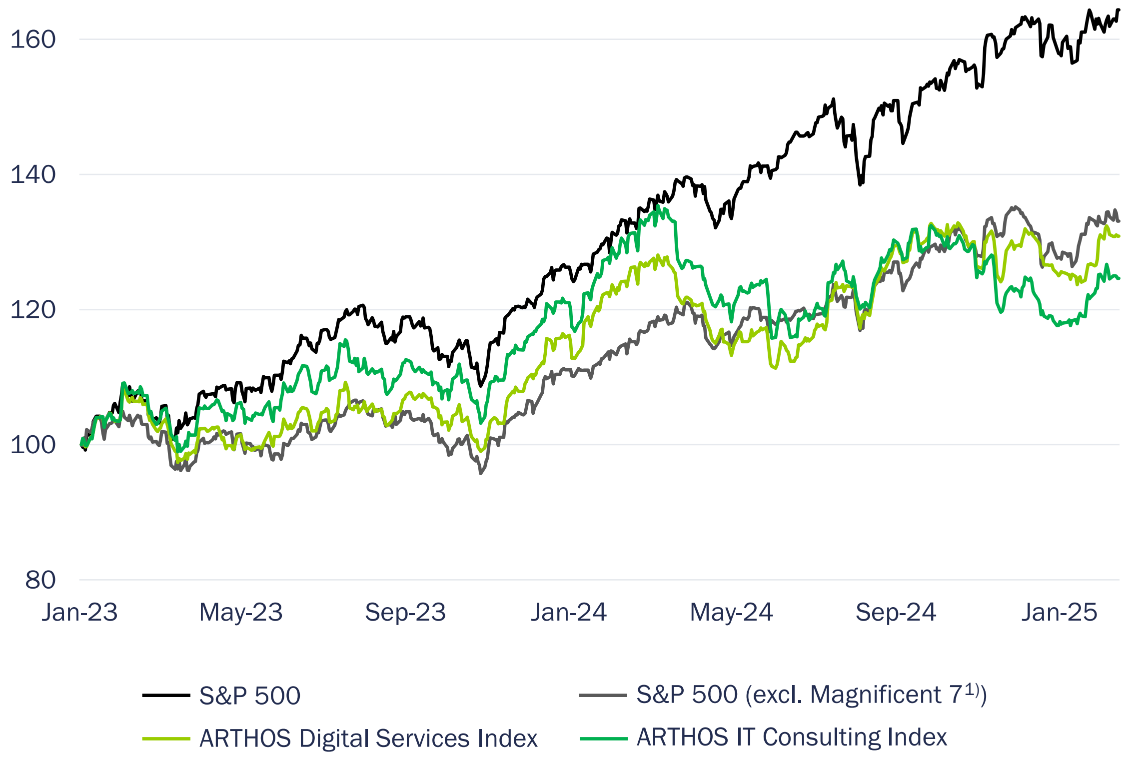
Sub-sector analysis: IT Consulting

ARTHOS IT Consulting peers

Company Name	EV (€M)	LTM Sales (€M)	Exp. 1Y Rev. Growth	NTM EBIT Margin	NTM EV/Sales	NTM EV/EBIT
Accenture	235,159	63,596	14.1%	15.8%	3.6x	22.7x
Booz Allen Hamilton	17,386	10,244	18.3%	9.9%	1.4x	14.3x
Capgemini	34,851	22,047	1.6%	13.5%	1.6x	11.5x
CGI Group	27,313	10,276	8.8%	16.4%	2.6x	15.7x
ICF International	2,528	1,938	8.1%	8.9%	1.2x	13.7x
Reply	6,117	2,292	11.1%	13.9%	2.4x	17.2x
Sopra Steria Group	5,223	5,801	0.8%	10.1%	0.9x	8.8x
Tata Consultancy Services	151,639	27,858	N/A	N/A	N/A	N/A
ExlService Holdings	8,047	1,779	12.1%	14.8%	4.1x	27.5x
Wavestone	1,299	762	34.7%	13.1%	1.3x	10.1x
Mean 2)			**12.2%**	**12.9%**	**2.1x**	**15.7x**
Median 2)			**11.1%**	**13.5%**	**1.6x**	**14.3x**

- The ARTHOS Digital Services Index achieved solid growth of 30.9% over the past two years, keeping pace with the performance of the S&P 500 when excluding the seven largest tech companies, often referred to as the "Magnificent 7".
- The ARTHOS IT Consulting Index grew by 24.6%. Whereas Accenture and Tata Consultancy both recorded strong growth, Capgemini was a major underperformer within the index.

Stock market performance comparison



Notes: All indices have been rebased to 100 as of 1 January 2023; Companies within ARTHOS indices were capped at 20% as of 1 January 2023, with excess market capitalization proportionally redistributed; 1) APPLE, META, MICROSOFT, ALPHABET, AMAZON, NVIDIA, TESLA; 2) Calculations only include companies where both LTM and NTM revenue and EBIT were available
Sources: PitchBook (as of 14 February 2025), Capital IQ (as of 14 February 2025)

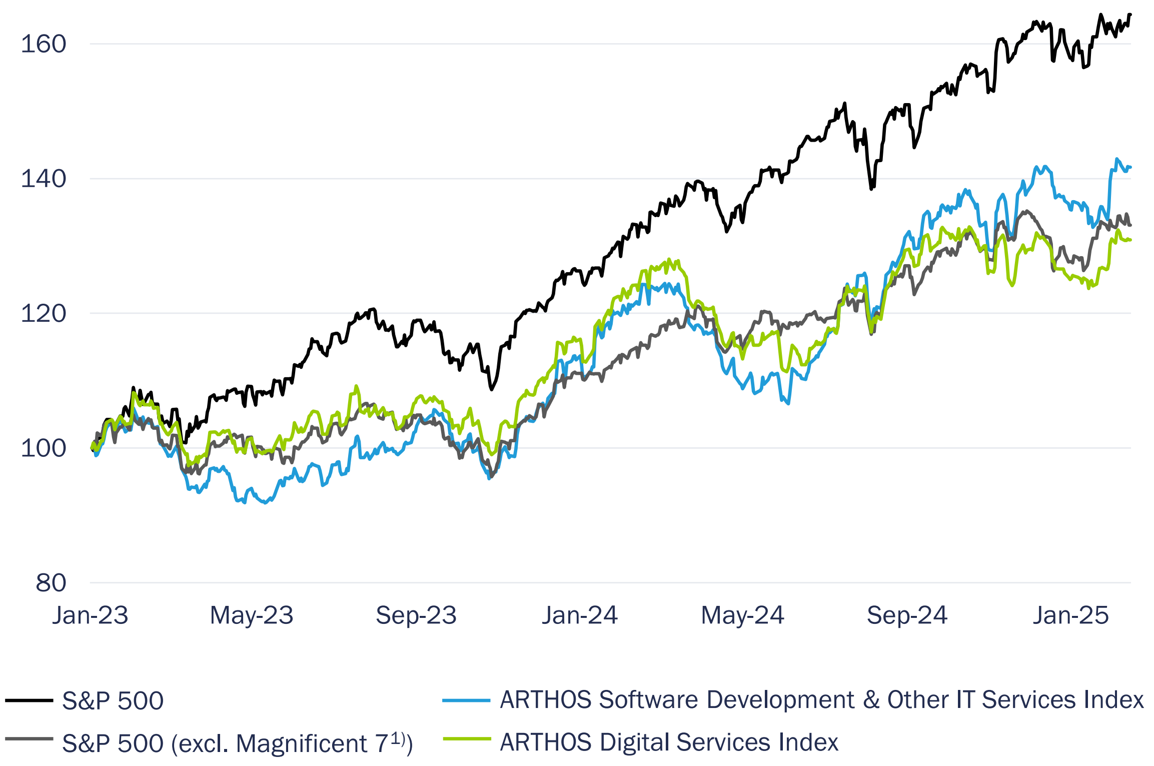
Sub-sector analysis: Software Development & Other IT Services

ARTHOS Software Development & Other IT Services peers

Company Name	EV (€M)	LTM Sales (€M)	Exp. 1Y Rev. Growth	NTM EBIT Margin	NTM EV/Sales	NTM EV/EBIT
HCL Technologies	48,625	12,734	N/A	N/A	N/A	N/A
Infosys	81,887	17,680	N/A	N/A	N/A	N/A
NEC	28,010	20,929	3.9%	7.6%	1.3x	16.0x
Neurones	978	800	6.0%	9.5%	1.2x	12.1x
Science Applications International	6,835	6,732	5.1%	7.5%	0.9x	12.5x
Tech Mahindra	15,950	5,855	0.7%	11.6%	2.5x	20.3x
TietoEVRY	3,148	2,820	0.6%	11.2%	1.1x	9.9x
Wipro	31,594	10,042	-1.8%	17.6%	3.0x	17.6x
Alten	3,203	4,143	2.9%	8.4%	0.8x	8.9x
cont'd [3]	...	...	...	...	...	...
Mean [2]			**5.3%**	**11.5%**	**1.8x**	**14.7x**
Median [2]			**4.7%**	**11.2%**	**1.4x**	**13.9x**

- From Q3 2024 onwards, the ARTHOS Software Development & Other IT Services Index has emerged as the strongest sub-index.
- The ARTHOS Software Development & Other IT Services Index experienced remarkable growth of 41.7% over the past two years, outperforming the S&P 500 (excluding the Magnificent 7). This strong performance was driven in part by notable gains from companies such as HCL Technologies and IBM.

Stock market performance comparison



Notes: All indices have been rebased to 100 as of 1 January 2023; Companies within ARTHOS indices were capped at 20% as of 1 January 2023, with excess market capitalization proportionally redistributed; 1) APPLE, META, MICROSOFT, ALPHABET, AMAZON, NVIDIA, TESLA; 2) Calculations only include companies where both LTM and NTM revenue and EBIT were available; 3) For further peers, refer to the appendix
Sources: PitchBook (as of 14 February 2025), Capital IQ (as of 14 February 2025)

Key trends and most active buyers in the IT Services sub-sector

IT Services trends

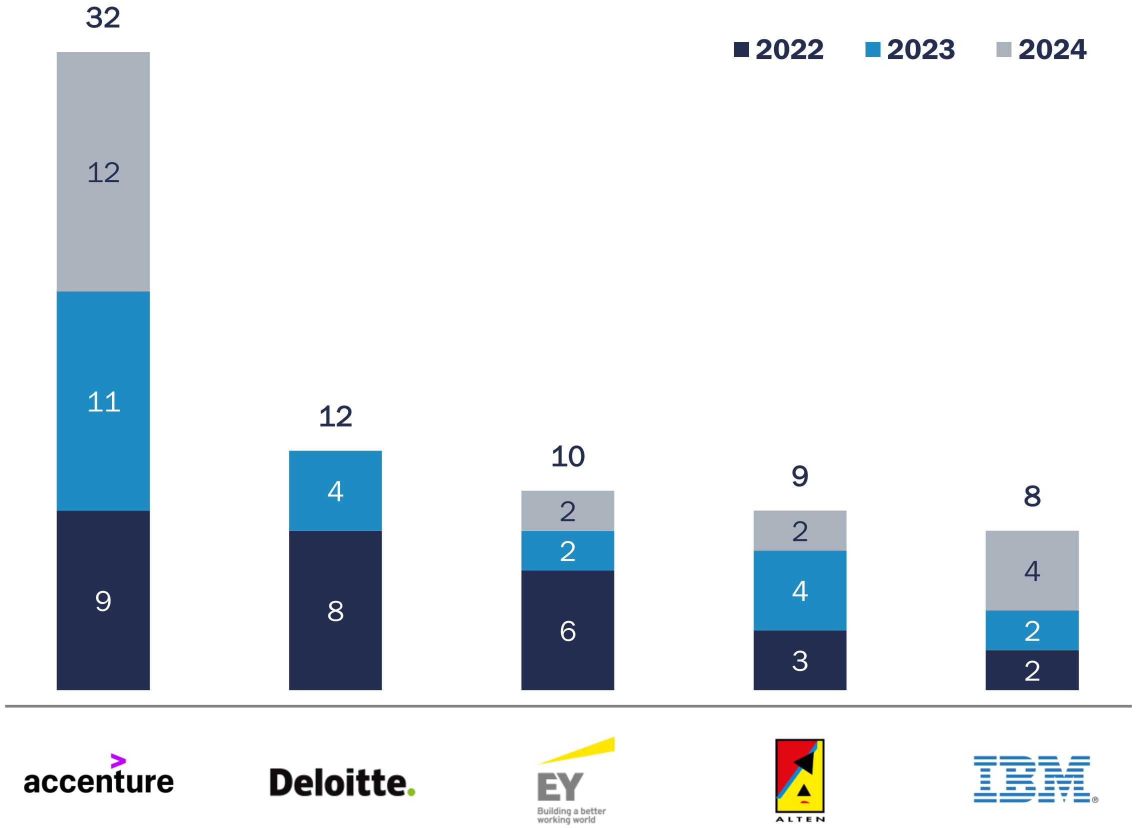
- The IT Service industry has reached $1.42 trillion in 2024, with a projected global market value of approximately $1.88 trillion by 2029, growing at a steady compound annual growth rate (CAGR) of 5.8%. The driving forces behind this growth are digital transformation initiatives, the rise of artificial intelligence (AI) and machine learning, and the increased demand of cybersecurity services and cloud computing solutions across industries.

- Germany ranks fifth globally in revenue, generating $73.62 billion in 2024, due to the continuing demand for digitalization despite the challenging economic situation. The market is characterized by a shift toward cloud-based solutions, increased outsourcing, and the adoption of AI and machine learning to enhance business processes.

- Digitalization continues to be the key driver shaping trends in the IT Services market. The demand for flexibility and cost-efficiency has accelerated the adoption of multicloud and hybrid cloud solutions. Additionally, cloud computing is essential for accessing advanced technologies such as artificial intelligence.

- M&A activities in the sub-sector rebounded slightly in 2024, with increases in deal volume / value compared to 2023, driven by high-value individual transactions. Accenture remained the most active buyer, while financial investors also played a key role, highlighted by Blackstone's €1.4 billion public-to-private LBO of Groupe SII.

No. of IT Services acquisitions per year of most active buyers



Notes: Includes acquisitions of current subsidiaries
Sources: PitchBook (as of 14 February 2025); Market Insight by Statista

Navigating Volatility: IT Services Sectors show resilience

- Over the past two years, the valuation of IT Services companies fluctuated significantly but displayed a modest overall increase from the initial to the final values (14 February 2025).

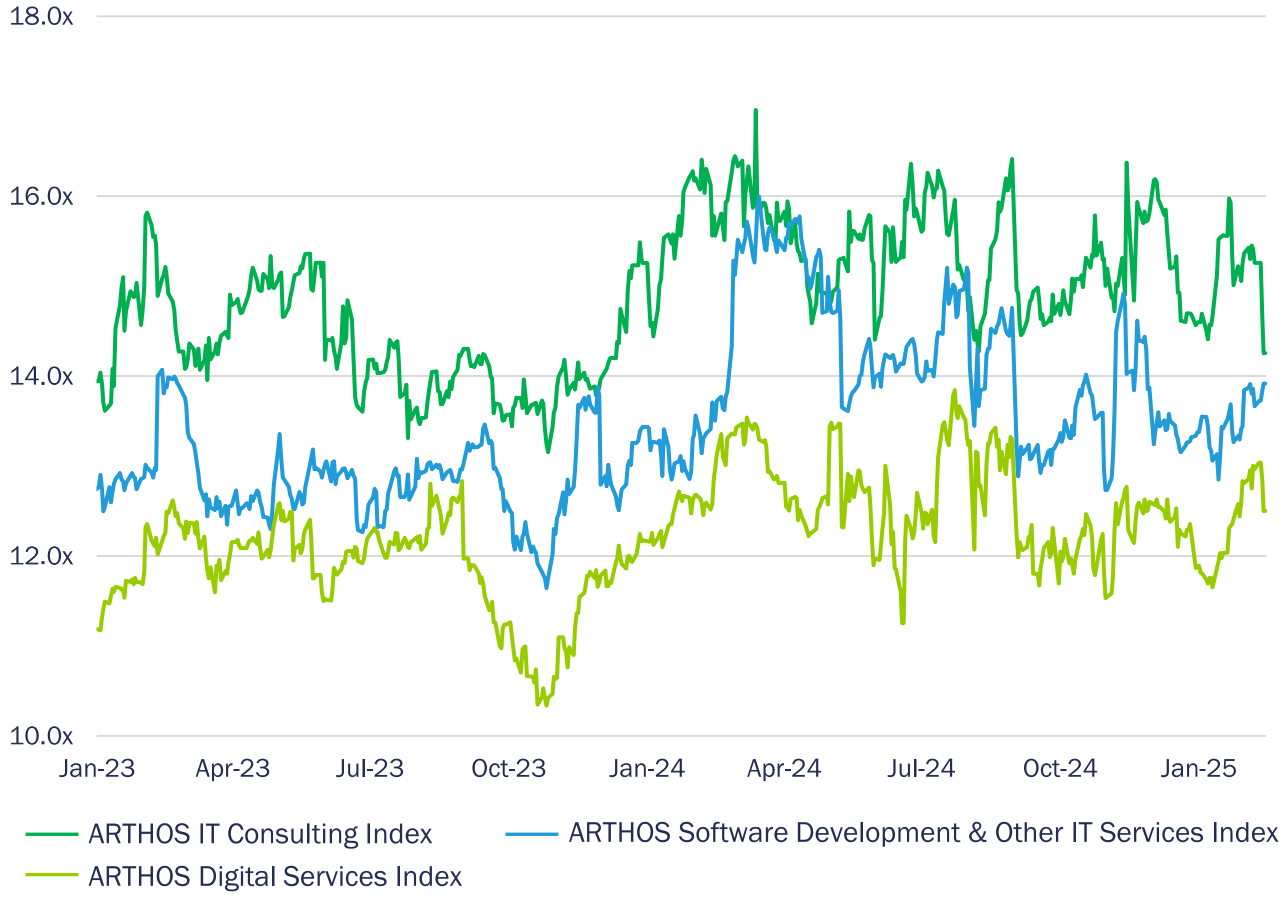
- The Software Development & Other IT Services sector saw a valuation increase from 12.8x to 13.9x, representing a 9.0% rise. Meanwhile, IT Consulting experienced a slight increase from 13.9x to 14.3x, up 2.3%, despite a decline in February 2025 caused by the fall in ICF and Booz Allen Hamilton shares due to investors' concerns about government contracts.

- The valuations of IT Consulting companies peaked at 17.0x EV/NTM EBIT in March 2024. The lowest valuation was at 13.2x EV/NTM EBIT in October 2023.

- Similar valuation trend was observed for the Software Development & Other IT Services companies. The highest value of 16.0x EV/NTM EBIT was recorded in March 2024 and the lowest value of 11.6x EV/NTM EBIT in October 2023.

- These valuation patterns underline the interdependence of the two sectors. Market conditions and customer demand for digital transformation and technological solutions presumably contributed crucially to the fluctuations and overall upward trend over the two-year period.

Median EV/NTM EBIT Multiple Development



Sources: PitchBook (as of 14 February 2025)

Notable International IT Services deals in 2024 (1/5)

Date	Buyer	Target	Comment	Country
January 2025	CGI	NOVATEC	Novatec is a technology consulting firm specializing in digital transformation, business agility, software engineering, and IT security (FTE:.~300). CGI Deutschland, acquired Novatec to enhance its business value across automotive, manufacturing, and financial services sectors.	Germany
January 2025	InfoGuard SWISS CYBER SECURITY	COM SYS	Communication Systems is a cybersecurity service provider offering managed detection and response, penetration testing, cloud security, and enterprise networking (FTE:.~100). InfoGuard acquired Communication Systems to expand its cybersecurity expertise, reinforcing its 360° security offering in the DACH region.	Germany
December 2024	software one	Crayon	Crayon Group is an IT advisory firm operating across software licensing, cloud economics, and consulting (FTE:~4,129). SoftwareONE has acquired all shares in Crayon for €1.3 billion at an EBITDA multiple of 18.2x, merging two industry-leading companies to create a global partner for customers and vendors.	Norway
December 2024	exprivia future. perfect. simple.	present your digital future	Present is an IT consultancy specializing in digital transformation for manufacturing, finance, public administration, and telecom sectors (FTE:.~1,500). Exprivia, a subsidiary of ABACO, acquired Present to strengthen its technological expertise, and expand geographically in the ICT[1] market.	Italy
December 2024	ALTEN	Atos Worldgrid	Atos Worldgrid provides IT consulting and engineering services for energy and utility companies, including meter data management and customer service (FTE:.~1,100). Alten acquired Atos Worldgrid for €270.0M, strengthening and complementing its presence in the energy and utilities sector.	France
November 2024	valantic	VENZO_	Venzo provides advisory services focused on digital strategy and transformation, specializing in artificial intelligence, automation, security, and compliance (FTE: ~200). Valantic, backed by Deutsche Private Equity, acquired Venzo to expand its digital transformation capabilities, leveraging Venzo's expertise in AI and automation to drive future growth.	Denmark

Notes: 1) ICT: Information and Communication Technology
Sources: PitchBook (as of 14 February 2025), Press releases

Notable International IT Services deals in 2024 (2/5)

Date	Buyer	Target	Comment	Country
October 2024	Reply	Solirius consulting	Solirius Consulting is a digital transformation consultancy offering business consulting, AI, cyber, cloud solutions, and IT strategy (FTE: ~190). Reply acquired Solirius as part of its international expansion strategy, strengthening its presence in the UK government sector.	UK
October 2024	deda.	Gruppo SCAI	Gruppo SCAI is a system integration and ICT service provider specializing in insurance, banking, public administration, and media industries (FTE: ~1,450). Dedagroup, subsidiary of Lillo S.P.A., acquired Gruppo SCAI to integrate complementary expertise, enhance its digital transformation capabilities, and create a stronger, more innovative ecosystem.	Italy
October 2024	BPEA EQT	Perficient	Perficient is a leading IT and digital consultancy serving healthcare, financial services, retail and electronics industries mostly in the United States (FTE: ~7,000). EQT Private Capital Asia acquired Perficient for $3.2B at an EBITDA multiple of 23.5x, leveraging $1.2B in debt financing to drive innovation, expansion, and leadership in digital consultancy.	USA
September 2024	Globant	Exusia (AI · Cloud · Data · Digital)	Exusia offers end-to-end data strategy, execution, and managed services, specializing in AI, cloud migration, and analytics to help businesses optimize costs and drive growth (FTE: ~405). Globant acquired Exusia for $130.0M to boost its AI, data, and cloud capabilities, expand its North American and South African presence, and drive innovation across key industries.	USA
September 2024	IBM	accelalpha (accelerate toward success)	Accelalpha specializes in implementing Oracle cloud applications for supply chain, logistics, and ERP, helping clients address business challenges and drive sustainable impact (FTE: ~685). IBM acquired Accelalpha to expand its Oracle consulting capabilities, focusing on enterprise performance management, and customer transformation.	USA
September 2024	epam	Neoris	Neoris is an IT consultancy offering nearshore outsourcing, value-added consulting, and emerging technology solutions (FTE: ~4,700). EPAM Systems acquired Neoris for $630.0M to enhance delivery capabilities in Latin America and Europe, and to boost client value across key industries.	USA

Sources: PitchBook (as of 14 February 2025), Press releases

Notable International IT Services deals in 2024 (3/5)

Date	Buyer	Target	Comment	Country
September 2024	Waterland	dacoso	Dacoso offers connectivity and security services, including network design, automation, and encryption, to ensure secure and agile data access (FTE: ~300). Waterland Private Equity Investments acquired Dacoso through an LBO, aiming to develop it into a leading platform for network performance and cybersecurity services.	Germany
August 2024	AMD	SILO AI	Silo AI offers AI services, including machine learning, computer vision, and NLP, to optimize operations, improve efficiency, and assess risks across various industries (FTE: ~300). Advanced Micro Devices acquired Silo AI for $665.0M, accelerating development, and deployment of AI Models on AMD Hardware.	Finland
July 2024	WESTCOAST	ALSO The Technology Provider	ALSO Holding is an ICT distributor, serving IT, data centers, consumer electronics, and telecom industries, while connecting cloud providers with customers across Europe (FTE: ~4,000). Westcoast and ALSO Holding have partnered to expand globally, combining Westcoast's IT expertise with ALSO's digital platforms for growth, and enhanced customer offerings.	Switzerland
July 2024	Infosys	in-tech	In-tech specializes in engineering and R&D services for digitalization in the automotive industry, rail transport, and smart industry (FTE: ~1,000). Infosys acquired In-tech for $480.0M from Deutsche Beteiligungs AG to leverage its strong relationships with leading German OEMs, and a multidisciplinary team across key locations.	Germany
July 2024	IBM	SiXworks Secure by Design	SiXworks offers IT services to the defense and security sectors, including cloud computing, advanced network design, and cyber vulnerability mitigation (FTE: ~128). IBM acquired SiXworks to enhance its UK public sector expertise, adding specialized skills in digital transformation, cybersecurity, and defence cloud solutions.	United Kingdom
June 2024	Capgemini	LÖSCH & PARTNER	Lösch & Partner provides ALM system integration and IT consulting services, focusing on agile systems, product line engineering (FTE: ~85). Capgemini acquired Lösch & Partner to enhance its systems engineering and lifecycle management expertise for automotive manufacturers, boosting its Intelligent Industry offerings.	Germany

Sources: PitchBook (as of 14 February 2025), Press releases

Notable International IT Services deals in 2024 (4/5)

Date	Buyer	Target	Comment	Country
June 2024	Mountain View IT Solutions	sylogist service	Sylogist's IT Services division (also known as Pavliks) provides managed IT services, including cyber security, data backup and network monitoring. Mountain View has acquired Sylogist for €278.5M, boosting IT services for small and medium-sized businesses, while keeping the well-known name, and ensuring service continuity.	
June 2024	accenture	parsionate. omnichannel excellence	Parsionate is a provider of omnichannel consultancy services specializing in data quality and software platform implementation for IT companies (FTE: ~130). Accenture acquired Parsionate to strengthen its data and AI capabilities in Europe, enhancing its ability to deliver innovative, data-driven solutions.	
June 2024	accenture	arηs GROUP	Arηs Group delivers IT projects and systems management services for Benelux and European institutional markets, incl. software development, data science, and cloud services (FTE: ~2,330). Accenture acquired Arηs Group to enhance public service offerings, leveraging innovative solutions to provide clients with a full spectrum of technology expertise.	
May 2024	ACCENTURE FEDERAL SERVICES	cognosante INNOVATE WITH PURPOSE	Cognosante provides IT services for state and federal agencies, specializing in enterprise IT, public health surveillance, data science, and telehealth (FTE: ~1,319). Accenture Federal Services acquired Cognosante to boost federal health IT, enhance services for veterans and military personnel, and expand its sector presence.	
May 2024	GBC GROUP finally IT works	CDS · we make IT easy	CDS Peter Griese delivers digitalization and IT services for law firms, tax advisors, and other businesses, including cloud infrastructure, IT outsourcing and IT security (FTE: ~205). GBC Group acquired CDS Peter Griese GmbH to expand its IT services for tax advisors and auditors, enhancing collaboration with SMEs.	
May 2024	Insight	infocenter	InfoCenter specializes in digital transformation and IT workflow automation, ensuring organizations optimize ServiceNow solutions (FTE: ~741). Insight Enterprises acquired InfoCenter for $265.0M at a revenue multiple of 2.1x to strengthen its AI-driven workflow automation capabilities and deliver advanced, unified solutions	

Sources: PitchBook (as of 14 February 2025), Press releases

Notable International IT Services deals in 2024 (5/5)

Date	Buyer	Target	Comment	Country
March 2024	DATAGROUP	ISC	› ISC offers IT consulting services specializing in SAP conversions, IT implementation, project management, hosting, logistics and digital invoice processing (FTE: ~50). › Datagroup acquired ISC in order to strengthen its SAP expertise and expand its presence in southern Germany.	
March 2024	Accenture Song	mindcurv	› Mindcurv is a digital consulting firm that enhances client relationships through services like digital experience management, platform rescue, and security compliance (FTE: ~512). › Accenture Song acquired Mindcurv to strengthen capabilities in composability, data, and AI, helping clients expand commerce and boost customer loyalty.	
March 2024	Blackstone		› Groupe SII is a technology consulting firm offering services in consulting, engineering, testing, and maintenance, specializing in telecoms, aerospace, defense, and banking (FTE: ~10,997). › Groupe SII was acquired by Blackstone and management through a €1.4B public-to-private LBO at an EBITDA multiple of 9.7x, enabling further growth and expansion.	
February 2024	endava	galaxe solutions	› GalaxE.Solutions provides IT consulting, security services, and platform-driven transformation, including mobile solutions and business process management (FTE: ~1,740). › Endava acquired GalaxE.Solutions for $405.0M, to expand Endava's core modernization solutions and capabilities in AI and automation.	
January 2024	accenture	NAVISITE	› Navisite offers cloud management and database services to help industries like manufacturing and retail modernize IT systems and drive digital transformation (FTE: ~1,500). › Accenture acquired Navisite from Madison Dearborn Parnters (private equity firm) to bolster and scale its infrastructure-managed services to support clients in modernizing IT for the AI era.	
January 2024	cognizant	THIRDERA	› Thirdera is an elite ServiceNow partner specializing in consulting, implementation, and optimization of ServiceNow solutions, with a focus on enterprise workflow products (FTE: ~940). › Cognizant acquired Thirdera for $430.0M to offer customers a comprehensive ServiceNow experience, enhancing capabilities in key workflows and new products like generative AI.	

Sources: PitchBook (as of 14 February 2025), Press releases

ARTHOS: International tech M&A advisors

ARTHOS – International M&A advisory firm with a focus on technology transactions

Partner-led and global

ARTHOS Corporate Finance is an independent, owner-managed M&A advisory firm based in Munich and part of a global alliance of 40 M&A advisory firms with 200 managing partners. All our projects are managed by an experienced managing partner who has successfully closed more than 200 company disposals, acquisitions or fund raisings. The majority of ARTHOS transactions have a volume of between 10 and 100 million euros.

M&A 360°

With our 360° approach we can advise our customers in a targeted and comprehensive manner – from the initial planning through the detailed preparation to the efficient execution of a transaction. That is why we see ourselves not only as deal makers, but rather as competent M&A experts, experienced process managers and financial advisers for our client's long-term goals.

Technology

Our focus on digital media, information technology and high-tech industries provides several powerful advantages to our customers: We know the M&A terms and conditions, business models and decision-makers within these industry sectors. With this knowledge, we are able to implement sustainable, creative solutions. This is why our M&A projects achieve above average results.

ARTHOS TECHNOLOGY TEAM

Arne Tödt
Managing Partner

Arno Pätzold
Managing Partner

Mattis Menebröcker
Associate

ARTHOS – 20 year track record in international technology M&A transactions

SOCIAL MATCH
Münster, Germany
has been acquired by
we are era
Berlin, Germany
Creating the leading European digital marketing and media agency for the creator economy

coconet
Düsseldorf, Germany
has been acquired by
EMERAM
Munich, Germany
Accelerating growth of CoCoNet's leading digital corporate banking platform

data respons
Oslo, Norway
has acquired
frobese
Hanover, Germany
Expansion into SW development and IT consulting for financial institutions

datango
Berlin, Germany
has been acquired by
SAP
Walldorf, Germany
Joining SAP for global roll-out of Datango's workforce performance software

TTMS
Warsaw, Poland
has acquired 55% in
pixelplus
Zurich, Switzerland
Strengthening TTMS' position in SW development and AEM in Switzerland

KETEK
Munich, Germany
has sold assets to
BROADCOM
San Jose, CA, USA
Worldwide leading 3D-wideband Silicon Photomultiplier Technology

Newsletter2Go
Berlin, Germany
has been acquired by
sendinblue
Paris, France
Creating the European market leader in email marketing software for SMEs

infineon
Munich, Germany
has acquired
MERUS AUDIO
Copenhagen, Denmark
Energy-efficient integrated audio amplifier solutions

Case Study CoCoNet: Acquisition by Emeram to accelerate growth

Company and mandate

Industry sector
Banking software

Our client
CoCoNet: European leader for digital corporate banking and one of Europe's most experienced fintechs.

Initial M&A situation
Find an investor to provide a 100% exit for the original founders while also supporting the next growth phase.

Our solution

Buyer
Emeram: A leading growth investor for medium-sized companies in German-speaking countries.

Structured M&A process
49 strategic and 24 financial investors, 12 indicative offers, 6 management meetings, 4 LOIs

Timeframe
7 months from kick-off to closing

Result

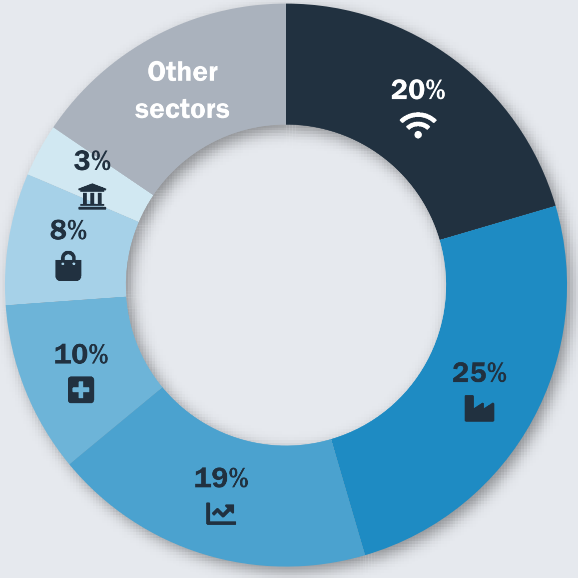
- CoCoNet has been acquired by an experienced and long-term investor who will be a strong partner in helping the company to capitalize on opportunities in its next phase of growth.
- Excellent deal terms: 100% exit at closing, much higher purchase price than originally expected and attractive incentive program for management.

ARTHOS worldwide – partner within the global AICA alliance

Global reach – international cooperation

AMERICA	EMEA	ASIA & OZEANIA
USA	Belgium	Australia
Canada	Czech	China
	Finland	India
Argentina	France	Japan
Brazil	Germany	Korea
Bolivia	Italy	Singapore
Ecuador	Ireland	Thailand
Colombia	Netherlands	Vietnam
Mexico	Norway	
Paraguay	Poland	
	South Africa	
	Spain	
	Sweden	
	Switzerland	
	Turkey	
	UK	

Transactions by sector in 2023



- Technology
- Industrials
- Business Services
- Healthcare
- Consumer Products
- Financial Services

365+	~40	~30	6	264	$6bn	~$23m
M&A professionals worldwide	M&A advisory firms	Countries	Continents	Deals closed	Total transaction value	Ø deal value

Contact us for technology M&A advice

Arne Tödt
Managing Partner
+49 89 2429 4350
arne.toedt@arthos.de

ARTHOS Corporate Finance GmbH
Knöbelstraße 28 | D-80538 München
www.arthos.de

Disclaimer: The material in this report is for information purposes only and is not intended to be relied upon as financial, accounting, tax, legal or other professional advice. This report does not constitute and should not be construed as soliciting or offering any investment or other transaction, identifying securities for you to purchase or offer to purchase, or recommending the acquisition or disposition of any investment. ARTHOS does not guarantee the accuracy or reliability of any data provided from third-party resources. Although we endeavor to provide accurate information from third-party sources, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future.

Appendix: Public comps by sub-sector

Public comps – IT Consulting

Company Name	HQ	Employees	Price (€)	Market Cap (€M)	EV (€M)	LTM Sales (€M)	LTM EBIT (€M)	LTM EBIT Margin	Exp. 1Y Rev. Growth	NTM Sales (€M)	NTM EBIT (€M)	NTM EBIT Margin	NTM Multiples EV/Sales	NTM Multiples EV/EBIT
Accenture	Ireland	774,000	374.8	234,453	235,159	63,596	9,956	15.7%	14.1%	67,125	10,583	15.8%	3.6x	22.7x
Booz Allen Hamilton	United States	35,900	113.4	14,366	17,386	10,244	1,006	9.8%	18.3%	12,259	1,211	9.9%	1.4x	14.3x
Capgemini	France	336,923	184.9	31,167	34,851	22,047	2,933	13.3%	1.6%	22,411	3,036	13.5%	1.6x	11.5x
CGI Group	Canada	90,250	117.0	26,243	27,313	10,276	1,692	16.5%	8.8%	10,714	1,756	16.4%	2.6x	15.7x
ICF International	United States	9,000	105.7	1,983	2,528	1,938	167	8.6%	8.1%	2,095	186	8.9%	1.2x	13.7x
Reply	Italy	15,353	164.1	6,117	6,117	2,292	320	14.0%	11.1%	2,547	355	13.9%	2.4x	17.2x
Sopra Steria Group	France	56,001	179.8	3,646	5,223	5,801	570	9.8%	0.8%	5,847	591	10.1%	0.9x	8.8x
Tata Consultancy Services	India	601,546	43.3	156,511	151,639	27,858	6,905	24.8%	N/A	N/A	N/A	N/A	N/A	N/A
ExlService Holdings	United States	54,000	49.5	7,959	8,047	1,779	252	14.2%	12.1%	1,994	295	14.8%	4.1x	27.5x
Wavestone	France	5,875	50.1	1,231	1,299	762	105	13.8%	34.7%	961	126	13.1%	1.3x	10.1x
Mean [1)]								**12.9%**	**12.2%**			**12.9%**	**2.1x**	**15.7x**
Median [1)]								**13.8%**	**11.1%**			**13.5%**	**1.6x**	**14.3x**

Notes: 1) Calculations only include companies where both LTM and NTM revenue and EBIT were available
Sources: PitchBook (as of 14 February 2025) and ARTHOS Analysis

ARTHOS

Public comps – Software Development & Other IT Services

						LTM				NTM			NTM Multiples	
Company Name	HQ	Employees	Price (€)	Market Cap (€M)	EV (€M)	Sales (€M)	EBIT (€M)	EBIT Margin	Exp. 1Y Rev. Growth	Sales (€M)	EBIT (€M)	EBIT Margin	EV/Sales	EV/EBIT
HCL Technologies	India	237,248	18.8	51,065	48,625	12,734	2,319	18.2%	N/A	N/A	N/A	N/A	N/A	N/A
Infosys	India	323,379	20.4	84,465	81,887	17,680	3,688	20.9%	N/A	N/A	N/A	N/A	N/A	N/A
NEC	Japan	105,276	96.7	25,778	28,010	20,929	1,263	6.0%	3.9%	22,296	1,701	7.6%	1.3x	16.0x
Neurones	France	6,849	47.4	1,151	978	800	76	9.5%	6.0%	849	81	9.5%	1.2x	12.1x
Science Applications International	United States	24,000	96.4	4,714	6,835	6,732	583	8.7%	5.1%	7,267	547	7.5%	0.9x	12.5x
Tech Mahindra	India	148,297	18.5	16,400	15,950	5,855	418	7.1%	0.7%	6,228	721	11.6%	2.5x	20.3x
TietoEVRY	Finland	23,359	19.1	2,220	3,148	2,820	304	10.8%	0.6%	2,836	318	11.2%	1.1x	9.9x
Wipro	India	230,000	3.4	35,698	31,594	10,042	1,558	15.5%	-1.8%	10,456	1,842	17.6%	3.0x	17.6x
Alten	France	58,300	90.3	3,142	3,203	4,143	346	8.3%	2.9%	4,264	358	8.4%	0.8x	8.9x
Cognizant Technology Solutions	United States	336,800	86.2	42,636	41,903	19,245	2,899	15.1%	3.5%	19,917	3,096	15.5%	2.1x	13.6x
DXC Technology	United States	130,000	19.8	3,585	6,507	12,683	929	7.3%	-3.5%	11,959	936	7.8%	0.5x	6.9x
EPAM Systems	United States	53,150	257.5	14,608	12,913	4,549	748	16.4%	12.1%	5,099	791	15.5%	2.6x	16.5x
Globant	Luxembourg	29,998	220.1	9,496	9,634	2,347	363	15.5%	13.7%	2,670	419	15.7%	3.6x	23.2x
International Business Machines	United States	282,000	249.4	230,619	272,799	60,151	10,936	18.2%	3.9%	62,511	11,544	18.5%	4.4x	23.6x
Leidos Holdings	United States	48,000	125.7	16,491	20,715	15,817	1,913	12.1%	4.3%	16,502	1,964	11.9%	1.3x	10.6x
NTT Data Group	Japan	204,922	19.1	26,814	47,456	26,896	1,869	6.9%	10.7%	30,066	2,484	8.3%	1.6x	18.5x
Adesso	Germany	10,891	93.8	612	750	1,302	29	2.3%	13.0%	1,471	53	3.6%	0.5x	14.3x
Datagroup	Germany	3,607	43.1	359	513	528	41	7.7%	N/A	N/A	N/A	N/A	N/A	N/A
Genpact	United States	138,500	53.4	9,335	10,061	4,562	778	17.1%	7.2%	4,891	848	17.3%	2.1x	11.9x
Mphasis	India	44,040	28.8	5,454	5,312	1,515	232	15.3%	6.2%	N/A	N/A	N/A	3.0x	19.2x
GFT Technologies	Germany	11,304	20.9	549	683	871	69	7.9%	6.4%	927	76	8.2%	0.7x	8.9x
Mean 1)								**10.9%**	**5.3%**			**11.5%**	**1.8x**	**14.7x**
Median 1)								**9.5%**	**4.7%**			**11.2%**	**1.4x**	**13.9x**

Notes: 1) Calculations only include companies where both LTM and NTM revenue and EBIT were available
Sources: PitchBook (as of 14 February 2025) and ARTHOS Analysis

Public comps – Digital & Marketing Agencies

						LTM				NTM			NTM Multiples	
Company Name	HQ	Employees	Price (€)	Market Cap (€M)	EV (€M)	Sales (€M)	EBIT (€M)	EBIT Margin	Exp. 1Y Rev. Growth	Sales (€M)	EBIT (€M)	EBIT Margin	EV/Sales	EV/EBIT
BlueFocus Communication Group	China	2,599	1.4	3,510	3,329	8,171	30	0.4%	17.4%	9,589	78	0.8%	0.3x	42.6x
Dentsu Group	Japan	71,127	21.9	5,688	7,996	8,754	574	6.6%	1.5%	8,882	834	9.4%	0.9x	9.6x
Hakuhodo DY Holding	Japan	39,955	6.8	2,500	2,658	5,798	233	4.0%	8.9%	6,084	241	4.0%	0.4x	10.6x
Next Fifteen Communications Group	United Kingdom	1,079	4.0	401	525	677	134	19.8%	0.7%	624	104	16.7%	0.8x	5.0x
Omnicom Group	United States	75,900	78.8	15,493	18,869	14,831	2,232	15.0%	4.6%	15,512	2,357	15.2%	1.2x	8.0x
Publicis Groupe	France	106,907	104.8	26,291	27,622	13,884	2,443	17.6%	9.1%	15,149	2,760	18.2%	1.8x	10.0x
S4 Capital	United Kingdom	7,700	0.4	241	504	902	74	8.2%	3.1%	930	92	9.9%	0.5x	5.5x
Stagwell	United States	13,000	6.5	725	2,611	2,684	150	5.6%	1.8%	2,731	187	6.9%	1.0x	13.9x
The Interpublic Group of Companies	United States	55,100	25.9	9,668	12,224	8,932	1,262	14.1%	(4.0%)	8,574	1,320	15.4%	1.4x	9.3x
WPP	United Kingdom	111,000	9.3	10,081	17,013	13,753	2,080	15.1%	(1.7%)	13,524	2,052	15.2%	1.3x	8.3x
Mean [1]								**10.6%**	**4.1%**			**11.2%**	**1.0x**	**12.3x**
Median [1]								**11.2%**	**2.4%**			**12.5%**	**0.9x**	**9.4x**

Notes: 1) Calculations only include companies where both LTM and NTM revenue and EBIT were available
Sources: PitchBook (as of 14 February 2025) and ARTHOS Analysis