

Q1 2023

Industry Insight: Digital Services Sector Report

Focus on IT Consulting



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.

Despite the unrelenting pressure from high energy prices and recession fears, the Digital Services M&A market proved to be resilient in Q1 2023. Although the crisis-related decline in valuations, the general M&A activity in the sector remained solid, as the economic turmoil further reinforces the need for digitalization. In this sector report, we focus on IT Consulting, as this sub-sector is especially benefiting from the still major trend of digitization and the emerging recovery of the economy, promising a strong growth for IT Consulting in the future.

ARTHOS is an international M&A advisory firm and its managing partners have closed more than 200 technology M&A transactions over the past 20 years. In 2022 ARTHOS and its international AICA M&A alliance partners have advised on about 55 technology M&A transactions.

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Digital Services: Poised for growth as AI sets a new era



Personal Note

After an already turbulent year in 2022, the challenges for the society and the economy transmitted over to the first quarter of 2023. However, despite these ongoing difficulties, the Digital Services M&A market is nevertheless proving resilient in Q1 2023. While the number of deals decreased slightly, deal values remained at a similar size compared to the previous two quarters as larger deals stay sidelined.

Looking across stock market sentiment since the beginning of this year, particularly the energy crisis depressed investors' sentiment. The resulting uncertainties led companies to retain IT budgets and invest less in digital transformation. However, for the Digital Services sector the recent drop in energy prices as well as an inflation rate back to below 8% combined with strong mega trends such as AI, data analytics and data platforms provide positive impacts for a market recovery in the second half of 2023.

Digital transformation has become a top strategic priority for companies, initially driven by the pandemic, now considered a fundamental practice. The increasing implementation of cloud solutions plays a major role in enabling digital transformation, providing major business opportunities for digital services companies.

The Digital Services industry is expected to continue growing in the coming years and further increase its M&A activity driven by the pressure of digital transformation and to keep up with the latest developments such as AI. Due to the digitization efforts of numerous companies, the current M&A market continues to be characterized by solid activity. Corporations begin to build up in-house digital transformation capabilities achieved by inorganic growth whereas market leaders are utilizing consolidation to cement their market share. Furthermore, strategic buyers are continuing to analyze M&A target opportunities in the space as they look to enhance the breadth and specialization of services as well as achieve further scale.

Owners of Digital Service companies thinking about joining a strategic partner are in a powerful position. Given a lead time of 4+ months for an M&A process, considering to kick off a sales process for Q3 this year, a seller is in an excellent position since markets are likely to rebound by that time. However, as the buyer universe is extremely competitive and can change quickly, we strongly advise owners to team up with an experienced technology M&A advisory firm to maximize the transaction's outcome.

Market evaluation



IT Consulting sub-sector expected to grow by >10% p.a. until 2028



Stable M&A activity along the digital transformation cycle



Megatrends such as AI, data analytics and data platforms offer long term growth opportunities



Economic turmoil further accelerates the need of digital transformation

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

IT Consulting



EV/Revenue
2.0x

EV/EBIT
15.9x

Software Development & IT Services



EV/Revenue
1.2x

EV/EBIT
13.3x

Digital & Marketing Agencies

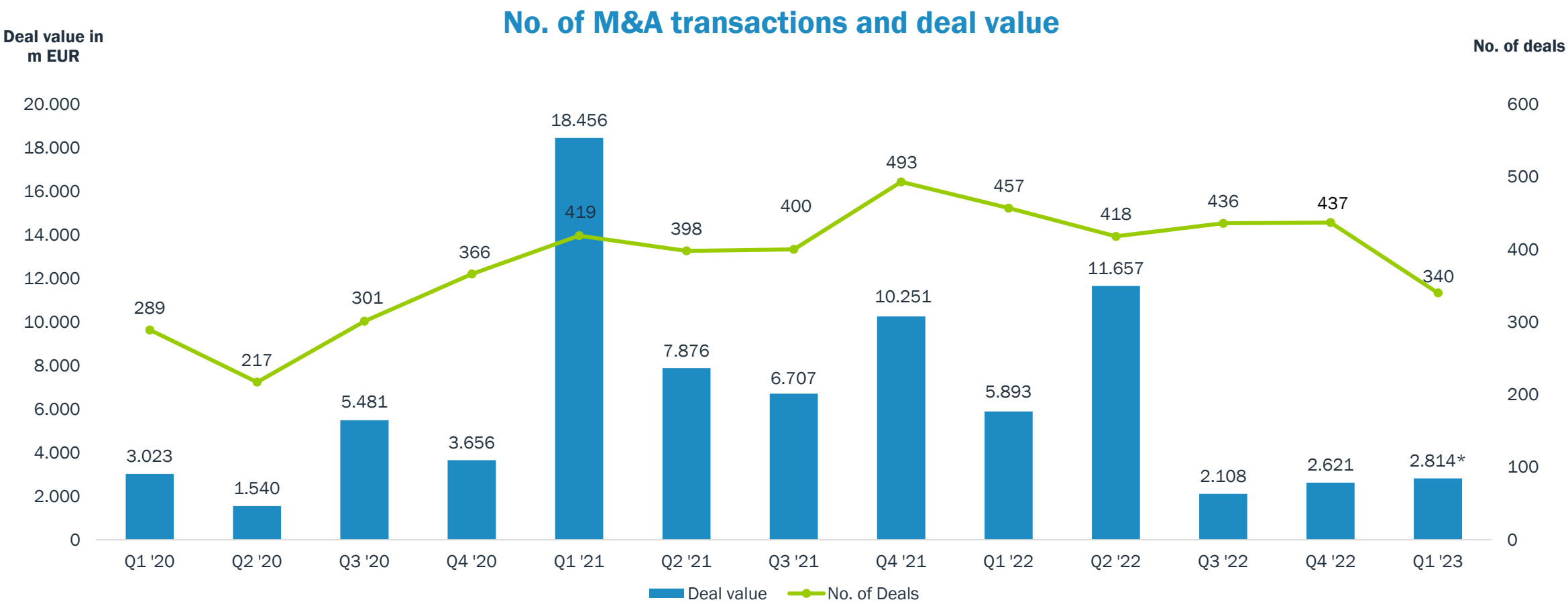


EV/Revenue
1.1x

EV/EBIT
10.1x

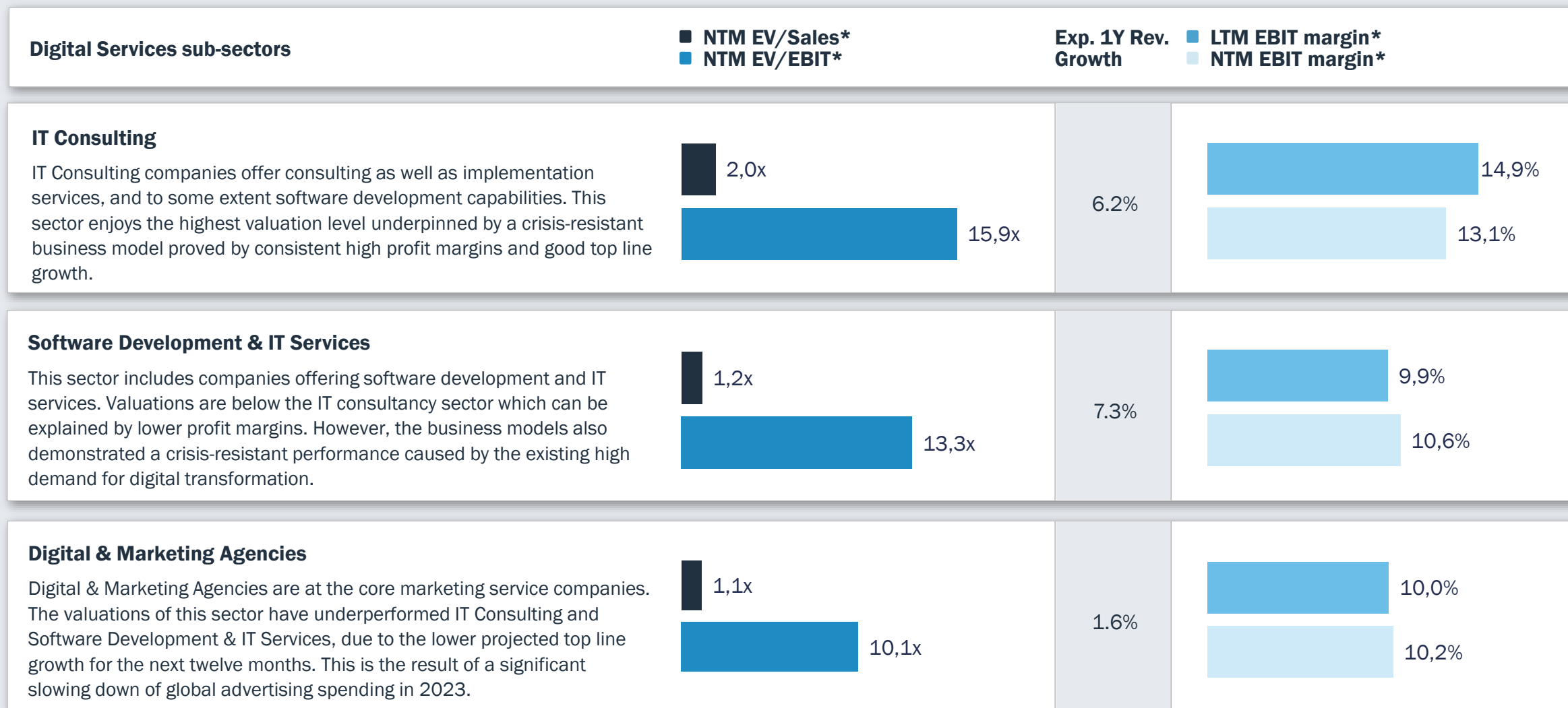
Multiples are based on next 12 months (NTM) estimates; Calculations only include companies where both, revenue multiple and EBIT multiple were available
Logos do not represent the complete list of stocks analyzed. Sources: Capital IQ (as of 31 March 2023), Median values for trading multiples

Solid M&A activity while deal volumes remain relatively low as larger deals stay sidelined



Sources: Capital IQ (as of 31 March 2023); IT-Consulting and Other Services, Advertising M&A transactions reflect selected deals. M&A metrics are based on closed and announced transactions
*: Capital IQ has not yet recorded all M&A transactions for March 2023 due to deferred publications

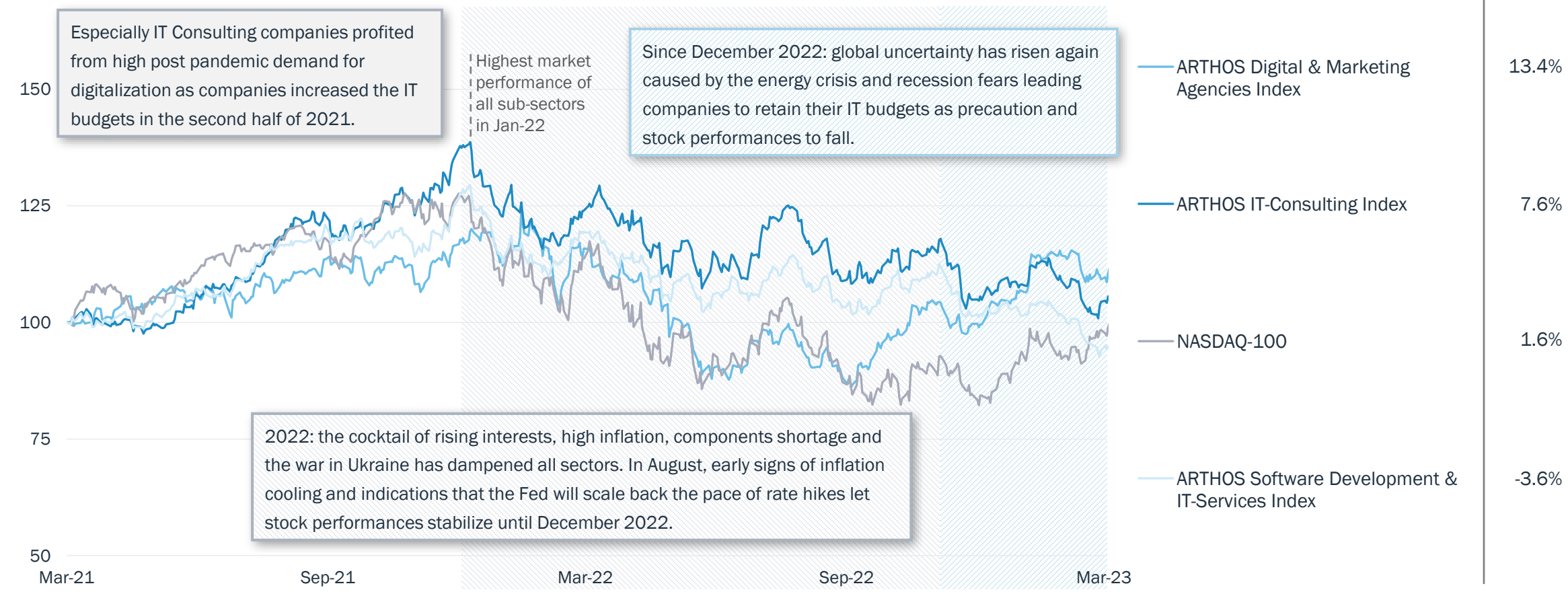
Robust valuation multiples of Digital Services companies despite challenging market situation



Sources: Capital IQ (as of 31 March 2023), * NTM EV/Sales; NTM EV/EBIT: Current enterprise value / next twelve months median estimates

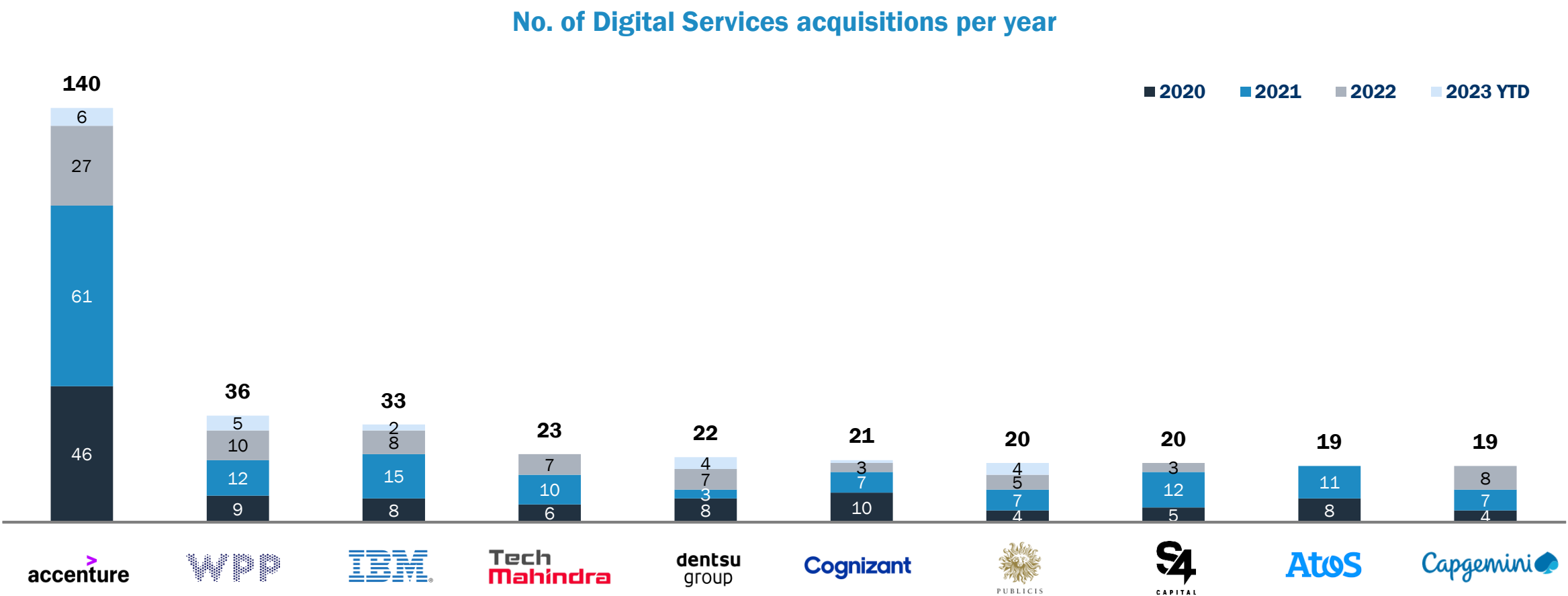
Digital Services market has stabilized during the ongoing geopolitical and economic crisis

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



Sources: Capital IQ (as of 31 March 2023)

Accenture has been by far the most active buyer since 2020 driving the consolidation in all sub-segments – other active buyers are balanced across all sub-segments



Sources: Capital IQ, including acquisitions of current subsidiaries (as of 31 March 2023)

Sub-sector: IT Consulting

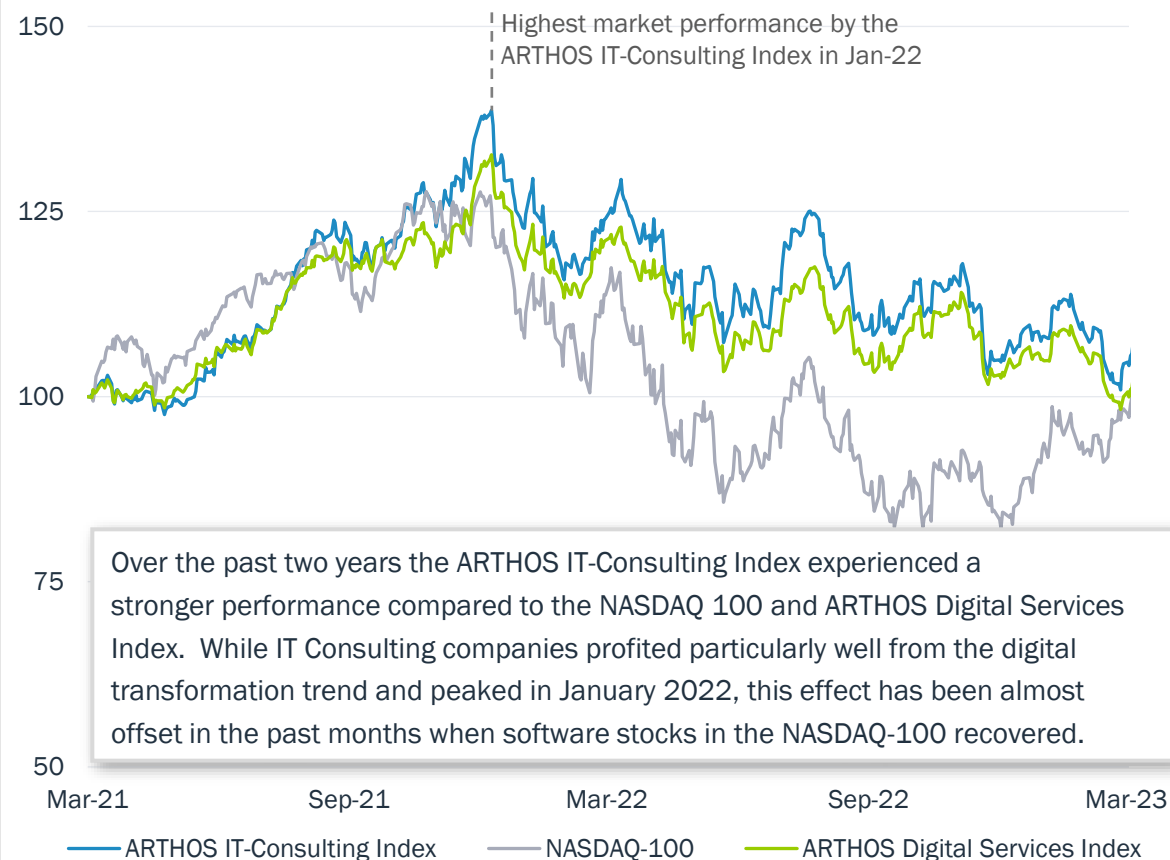
Sub-sector analysis: IT Consulting

ARTHOS IT Consulting peers

in € mn

Company Name	EV	LTM Sales	Exp. 1Y Sales Growth	NTM EBIT Margin	NTM EV/Sales	NTM EV/EBIT
Accenture plc	163,977	59,482	3%	15%	2.7x	18.5x
Booz Allen Hamilton	13,775	8,481	6%	10%	1.5x	15.9x
Capgemini SE	33,119	21,995	5%	13%	1.4x	11.0x
CGI Inc.	22,358	9,143	6%	16%	2.3x	14.1x
ICF International, Inc.	2,596	1,666	9%	8%	1.4x	18.5x
Reply S.p.A.	4,230	1,891	14%	13%	2.0x	15.0x
Sopra Steria Group SA	4,487	5,101	8%	9%	0.8x	9.0x
Tata Consultancy Services Ltd.	126,211	24,522	11%	25%	4.6x	18.7x
Perficient, Inc.	2,667	847	5%	17%	3.0x	17.6x
Mean			7%	14%	2.2x	15.4x
Median			6%	13%	2.0x	15.9x

Stock performance comparison



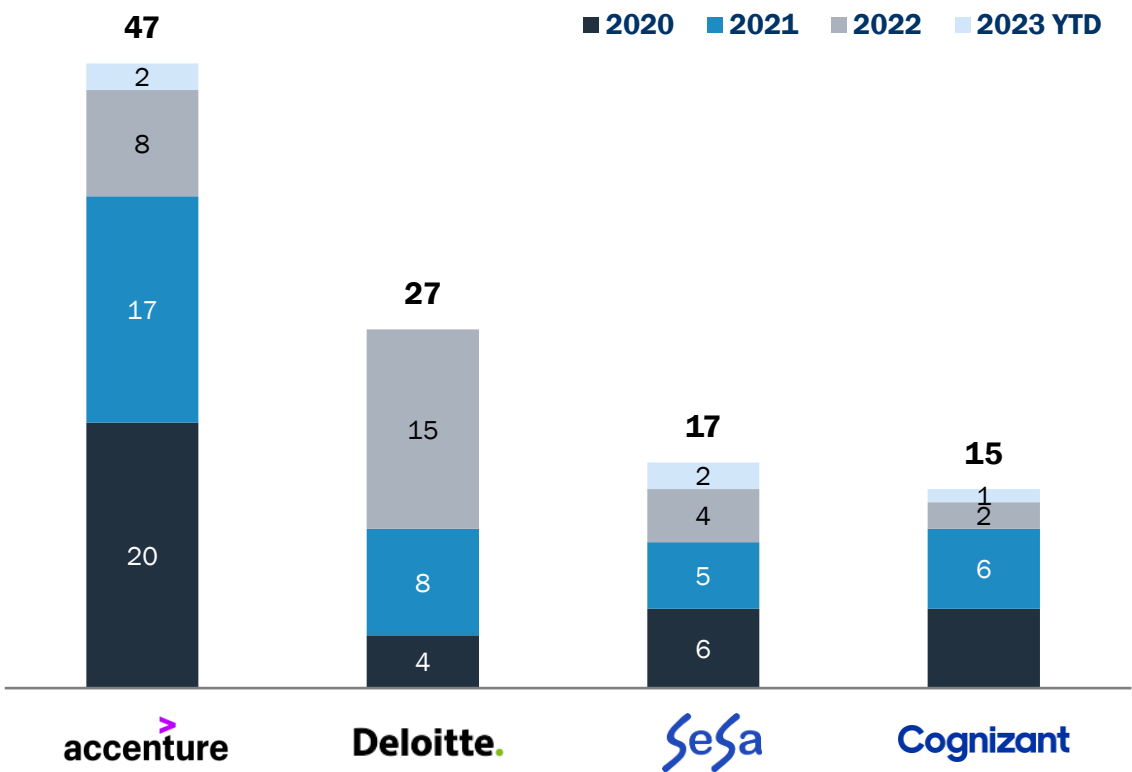
Sources: Capital IQ (as of 31 March 2023)

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

IT Consulting trends

- ➔ Artificial intelligence is fueling digital transformation by facilitating automation and optimization. As a result, there is a rising demand for consultancies that specialize in AI and data services in order to fully leverage the potential.
- ➔ Initially driven by the pandemic, digital transformation has become a top strategic priority not only for the private but also the public sector. As digitization is an urgent need, the German government has raised their IT budgets significantly, resulting in public institutions heavily investing into digitization projects.
- ➔ Migration of conventional IT solutions to cloud computing solutions and the rise of cyber threats, drive the strong demand for IT Consulting services, even if funds to invest are limited.
- ➔ IT consultancies utilize M&A to extend their specialized service offerings, as IT ecosystems around specific software tools such as Salesforce, AEM or Tableau continue to grow. The excess demand for IT Consulting companies is even further driven by industrial companies looking for digital experts and buy-out funds having established several Buy and Build platform companies.

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

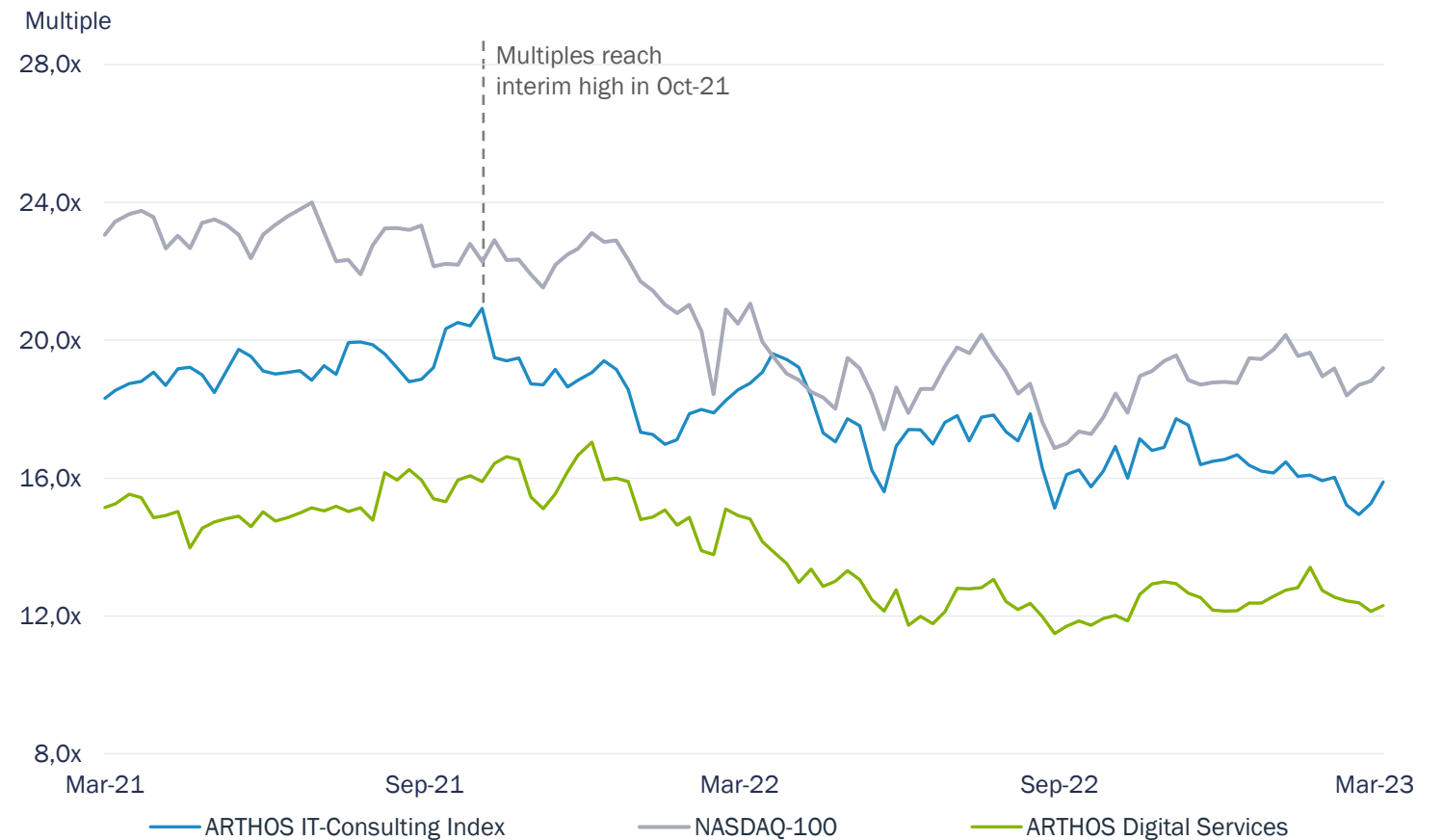


Sources: Capital IQ (as of 31 March 2023)

Valuations of IT Consulting companies have been more stable than other digital peers and NASDAQ















- ➔ In the past two years valuation of IT Consulting companies have dropped in line with the overall stock market due to rising interest rates, the war in Ukraine and the energy crisis.
- ➔ However, valuations of IT Consulting companies (-13%) proved to be more resilient in these two years compared to NASDAQ (-17%) and Digital Services Firms (-19%) overall as the sector benefits especially from the long-term digitalization trend.
- ➔ The valuations of IT Consulting companies peaked at ~21x EV/NTM EBIT in October 2021 as companies invested heavily in digitalization. This growth momentum of digitalization has slowed down over the past year and multiples of the ARTHOS IT-Consulting Index have consolidated at ~16x EV/NTM EBIT in Q1 2023.
- ➔ We expect that the valuations of IT Consulting sector companies will gain growth momentum later this year due to the strong demand for advice and services around the use of AI and facilitation of automation and optimization in businesses globally.

Median EV¹⁾ /NTM²⁾ EBIT Multiple Development



1) Enterprise value; 2) Next twelve months
Sources: Capital IQ (as of 31 March 2023)

Notable European IT Consulting deals in 2022 and Q1 2023 (1/3)

Date	Buyer	Target	Comment	Country
March 2023	 accenture	→  optimind. <small>manage risk, build your future</small>	<ul style="list-style-type: none"> ➤ Digital transformation agency providing advisory services for insurance firms, banks and large corporate clients (FTE: ~450) ➤ Acquisition strengthens Accenture's capabilities in providing clients with risk management and compliance services 	
February 2023	dentsu group	→  omega	<ul style="list-style-type: none"> ➤ IT consultancy specializing in offering strategic consulting services, implementation of solutions and continuous support for CRM tools (FTE: >550) ➤ Expands customer transformation and technology capabilities in Spain and enables dentsu to offer connected experiences across the entire customer journey 	
February 2023	valantic	→  SIEGER	<ul style="list-style-type: none"> ➤ Advises its clients in highly regulated markets on data-driven digitization and optimizes data use with automated analytics tools (FTE: ~55) ➤ Broadens the expertise in data strategy, analytics, data science and data management in the sectors of pharma, finance and public institutions 	
January 2023	 accenture	→  SKS ADVISORY	<ul style="list-style-type: none"> ➤ Consulting firm focused on the modernization of technological infrastructures with SAP S4/HANA solutions as well as on the implementation of regulatory requirements (FTE: ~112) ➤ Strengthens competencies in SAP and regulatory consulting for the financial sector 	
December 2022	ARTEFACT ARDIAN	→ Arca-Blanca	<ul style="list-style-type: none"> ➤ Data consulting company across a wide range of sectors, including healthcare, infrastructure and property, private equity and financial services (FTE: ~50) ➤ Expands data and artificial intelligence solutions and enlarges Artefact's client base 	
December 2022	 thyssenkrupp	→  WESTPHALIA DATALAB	<ul style="list-style-type: none"> ➤ Data science consultancy and developer of AI-based solutions for automation and process optimization (FTE: ~60) ➤ Acquisition expands the portfolio of digital services to make supply chains more resilient and reduce emissions 	

Sources: Capital IQ (as of 31 March 2023), Press releases

Notable European IT Consulting deals in 2022 and Q1 2023 (2/3)

Date	Buyer	Target	Comment	Country
November 2022	GOFORE →	e.mundo	<ul style="list-style-type: none"> Digitalization expert and software company that designs and carries out digital transformation projects as well as develops tailor-made software for strategic important operations (FTE: ~100) Regional expansion into the DACH region and new growth potentials with eMundo's large clients 	
November 2022	EXADEL →	CODETE	<ul style="list-style-type: none"> IT consulting and software development company advising on the selection and implementation of optimal technological solutions and the development of customized software (FTE: >350) Expands the European market presence and benefits through Polish expertise in engineering as well as HR services 	
November 2022	Gyrus CAPITAL →	RETAILCONSULT	<ul style="list-style-type: none"> IT consulting firm that provides digital transformation services for the retail industry and implementation services for Oracle Retail solutions (FTE: >300) Strengthens the development of Gyrus Capital's Katalist Group, established in 2022, which will be built as a full-service consulting firm 	
October 2022	Capgemini →	Quantmetry	<ul style="list-style-type: none"> Consulting firm specializing in mathematical data modeling and artificial intelligence technology solutions (FTE: ~160) Reinforces capabilities in France to deliver data transformations at scale and services powered by AI 	
October 2022	GOD WATERLAND PRIVATE EQUITY INVESTMENTS →	epcon	<ul style="list-style-type: none"> Provides IT consulting and professional services for technical recruitment, software development, and managed services (FTE: ~110) Further expansion of the technology portfolio in order to serve the increasing IT demand in Germany 	
October 2022	Capgemini →	Braincourt	<ul style="list-style-type: none"> Consultancy specializing in business intelligence, data science & big data as well as project & organizational experience (FTE: ~100) Acquisition serves to improve the data and analytics service offering of Capgemini in Germany and Northern Europe 	

Sources: Capital IQ (as of 31 March 2023), Press releases

Notable European IT Consulting deals in 2022 and Q1 2023 (3/3)

Date	Buyer	Target	Comment	Country
September 2022	 → 	<ul style="list-style-type: none">➤ Digital transformation services provider specializing in Pega technologies for finance, consumer goods, energy, telecommunications, and the government sector (FTE: >100)➤ Acquisition enhances digital customer experience offering across Europe and expands the expertise for low-code application development		
September 2022	 → 	<ul style="list-style-type: none">➤ Full-Service provider for software solutions and consulting services for digital workplaces (FTE: ~220)➤ Together, PROM12 and Communardo plan to continue strong growth and expand into the international markets		
August 2022	 → 	<ul style="list-style-type: none">➤ IT consulting company and SAP partner offering transformation of data and processes (FTE: ~250)➤ Reinforces leading market position by building SAP S/4HANA transformation expertise for the energy and utilities sector		
May 2022	 → 	<ul style="list-style-type: none">➤ IT consultancy specializing in core processes and systems, agile project management and business application management for the financial services industry (FTE: >450)➤ Acquisition expands presence in the banking and insurance sector and is part of Reply`s international growth strategy		
April 2022	 → 	<ul style="list-style-type: none">➤ IT consulting firm for analytics, process digitization and application management (FTE: ~300, EV \$ 37m)➤ Enhances the service portfolio for the DACH region especially in the business units “Analytics & Insights” and “SAP Information Management”		
March 2022	 → 	<ul style="list-style-type: none">➤ IT service firm focusing on the implementation of SAP and Microsoft and individual development of software solutions (FTE: ~950)➤ Expands the portfolio to profit from the fast-growing IT service market in Germany		



Sources: Capital IQ (as of 31 March 2023), Press releases

Notable International IT Consulting deals in 2022 and Q1 2023 (1/2)

Date	Buyer	Target	Comment	Country
March 2023		→ 	<ul style="list-style-type: none"> Technology consulting firm and Salesforce, MuleSoft and IBM business partner specializing in digital transformation and software development (FTE: ~200) Acquisition supports expansion to the U.S., India and Latin America and scales delivery capabilities 	
February 2023		→ 	<ul style="list-style-type: none"> IT consultancy offering advisory, managed services, managed hosting solutions, and systems integration services (FTE: >150, EV: \$ 151m, EV/Revenue 4.3x) Accelerates growth and increases expertise in the areas of enterprise data analytics, cloud modernization, cybersecurity as well as Salesforce and Adobe services 	
December 2022		→ 	<ul style="list-style-type: none"> Full-service consulting and solutions provider specializing in SAP technology and SAP-certified products for the energy and utilities sectors (FTE: ~350, EV: \$ 209m) Industry expertise and portfolio of energy and utilities-focused portfolio complements the current SAP practice of Cognizant 	
November 2022		→ 	<ul style="list-style-type: none"> Leading provider of Salesforce consulting and implementation services for healthcare and life sciences companies (FTE: >400) Expands patient and member-centric digital offerings by combining healthcare domain and digital innovation expertise with Salesforce capabilities 	
November 2022		→ 	<ul style="list-style-type: none"> Consultancy implementing end-to-end digital commerce transformations including CX design, platform engineering and IT optimization (FTE: >200, EV \$ 53m) Strengthens global leadership in digital and cognitive transformations and reinforces market presence in Australia and several Asian countries 	
October 2022		→ 	<ul style="list-style-type: none"> Provider of consulting, technology services, and digital transformations specializing in Salesforce and MuleSoft platform solutions (FTE: ~2.100) Acquisition complements strategy to become a leading digital innovation partner providing clients with end-to-end cloud, data and engineering capabilities 	

Sources: Capital IQ (as of 31 March 2023), Press releases

Notable International IT Consulting deals in 2022 and Q1 2023 (2/2)

Date	Buyer	Target	Comment	Country
October 2022		→ 	<ul style="list-style-type: none"> Software solution consultancy providing customized software for the digital transformation of the banking, financial services and insurance sectors (FTE: >170, EV \$ 125m) Improves the financial services expertise and broadens capabilities in North America 	
October 2022		→ 	<ul style="list-style-type: none"> Technology consulting, design and engineering firm focusing on new digital solutions & digital transformation programs across enterprise systems (FTE: >150, EV: \$ 63m) Enhances existing presence in Australia and provides a strong foundation for accelerated market growth 	
October 2022		→ 	<ul style="list-style-type: none"> Digital experience consultancy with expertise in leveraging standardized processes, automation analytics, and artificial intelligence/machine learning (EV: \$ 35m, EV/Revenue 1.8x) Acquisition broadens Perficient's global delivery capabilities and brings strategic client relationships with Fortune 1000 customers across several industries 	
July 2022		→ 	<ul style="list-style-type: none"> Salesforce integration consultancy providing agile transformation solutions (EV: \$ 110m, EV/Revenue 4.5x) Acquisition follows the Build-Buy strategic vision for Digital & Cloud services and enhances the Salesforce service offering 	
April 2022		→ 	<ul style="list-style-type: none"> SAP consulting firm focusing on enterprise asset management, consumer industries, and human experience management (FTE: >1300, EV: \$ 575m, EV/Revenue 3.0x) Supports wipro's growth agenda and extends the SAP Cloud practice and FullStride Cloud Services 	
February 2022		→ 	<ul style="list-style-type: none"> Cloud services consultancy specializing in the Microsoft Azure implementation and digital transformation services (FTE: ~1.500) Complements IBM's portfolio of hybrid multicloud services and further advances the company's hybrid cloud and AI strategy 	

Sources: Capital IQ (as of 31 March 2023), 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 100 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.

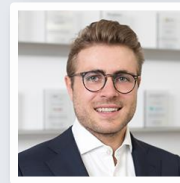
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Moritz Böck
Analyst



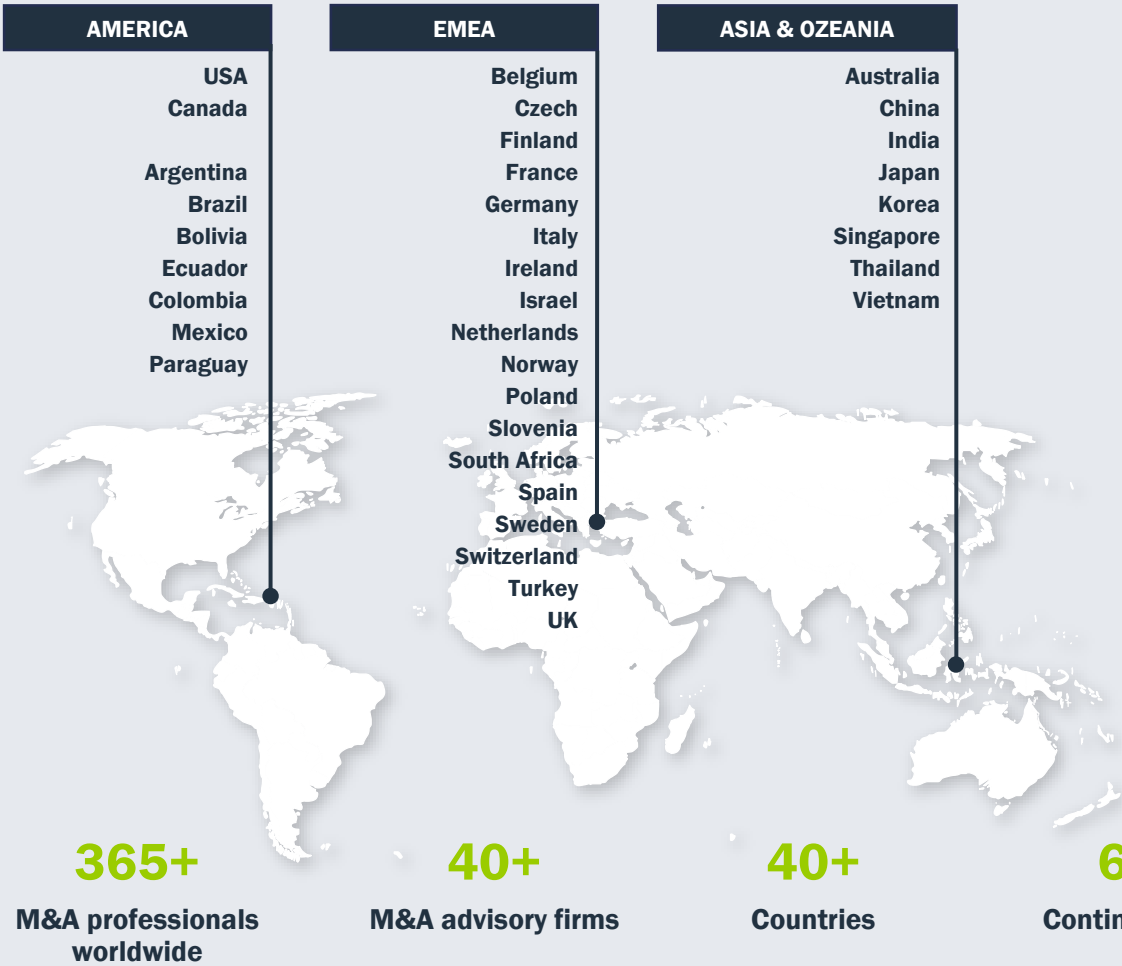
Christian Thiel
Analyst

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

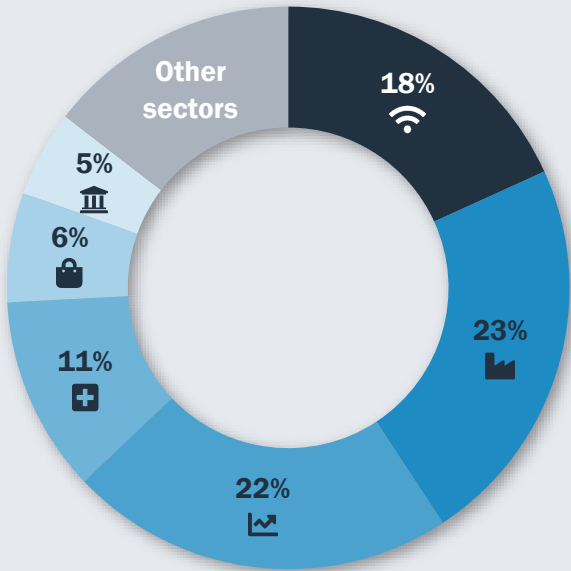
 <p>Oslo, Norway</p> <p>has acquired</p>  <p>Hanover, Germany</p> <hr/> <p>Expansion into SW development and IT consulting for financial institutions</p>	 <p>Berlin, Germany</p> <p>has been acquired by</p>  <p>Paris, France</p> <hr/> <p>Creating the European market leader in email marketing software for SMEs</p>	 <p>Cologne, Germany</p> <p>has been acquired by</p>  <p>Schaffhausen, Switzerland</p> <hr/> <p>Accelerating growth and global expansion of Xovi's SEO analytics software business</p>	 <p>Berlin, Germany</p> <p>has been acquired by</p>  <p>Walldorf, Germany</p> <hr/> <p>Joining SAP for global roll-out of Datango's workforce performance software</p>
 <p>Berlin, Germany</p> <p>shareholders have sold a majority stake to</p>  <p>Pfäffikon SZ, Switzerland</p> <hr/> <p>Buy and build strategy to create the leading integrated digital agency in Europe</p>	 <p>Munich, Germany</p> <p>has sold assets to</p>  <p>San Jose, CA, USA</p> <hr/> <p>Worldwide leading 3D-wideband Silicon Photomultiplier Technology</p>	 <p>Amaro, Italy</p> <p>has acquired</p>  <p>Taufkirchen, Germany</p> <hr/> <p>Accelerating Eurotech's growth strategy in the Edge Computing market in AIoT</p>	 <p>Munich, Germany</p> <p>has acquired</p>  <p>Copenhagen, Denmark</p> <hr/> <p>Energy-efficient integrated audio amplifier solutions</p>

ARTHOS worldwide – Partner within the global AICA alliance

Global reach – international cooperation



Transactions by sector in 2022



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

Contact us for technology M&A advice



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Appendix: Public comps by sub-sector

Public comps – IT Consulting

Currency in EUR

Company Name	HQ	Employees	Price €	Market Cap € mn	EV € mn	Cash € mn	LTM		Exp. 1Y Rev. Growth	NTM		Exp. 5Y EPS Growth	NTM Margin EBIT	NTM Multiples	
							Sales	EBIT		Sales	EBIT			EV/Sales	EV/EBIT
Accenture plc	Ireland	738,000	263.1	166,131	163,977	5,881	59,482	9,093	3%	61,068	8,873.3	10%	15%	2.7x	18.5x
Booz Allen Hamilton	United States	31,100	85.3	11,285	13,775	347	8,481	639.9	6%	8,992	867.2	9%	10%	1.5x	15.9x
Capgemini SE	France	359,567	170.8	29,355	33,119	3,802	21,995	2,550.0	5%	23,003	2,997.5	11%	13%	1.4x	11.0x
CGI Inc.	Canada	90,250	88.6	20,624	22,358	920	9,143	1,467.4	6%	9,708	1,583.0	12%	16%	2.3x	14.1x
ICF International, Inc.	United States	8,325	101.0	1,891	2,596	11	1,666	109.6	9%	1,821	140.1	16%	8%	1.4x	18.5x
Reply S.p.A.	Italy	13,467	115.5	4,306	4,239	312	1,891	281.7	14%	2,155	282.5	9%	13%	2.0x	15.0x
Sopra Steria Group SA	France	49,690	193.3	3,883	4,469	359	5,101	382.5	8%	5,508	497.4	12%	9%	0.8x	9.0x
Tata Consultancy Services Limited	India	613,974	35.9	131,475	126,211	5,372	25,269	6,078.8	8%	27,257	6,757.4	11%	25%	4.6x	18.7x
Perficient, Inc.	United States	6,893	66.4	2,305	2,667	28	847	138.7	5%	885	151.3	15%	17%	3.0x	17.6x
Mean									7%			12%	14%	2.2x	15.4x
Median									6%			11%	13%	2.0x	15.9x

Abbreviations:

HQ: Headquarter; NTM: Next twelve months; EPS: Earnings per share; NTM multiples - EV/Estimates: EV as of March 31, 2023 divided by NTM estimates (mean of analysts)

EV: Enterprise Value = share price * outstanding shares + total debt + preferred stock + minority interest – cash & short-term investments

Sources: Capital IQ (as of 31 March 2023) and ARTHOS Analysis

Public comps – Software Development & IT Services

Currency in EUR

Company Name	HQ	Employees	Price €	Market Cap € mn	EV € mn	Cash € mn	LTM		Exp. 1Y Rev. Growth	NTM		Exp. 5Y EPS Growth	NTM Margin EBIT	NTM Multiples	
							Sales	EBIT		Sales	EBIT			EV/Sales	EV/EBIT
adesso SE	Germany	7,524	147.0	957	1,139	50	836	49	17%	981	59.8	21%	6%	1.2x	19.1x
Alten S.A.	France	54,100	146.9	4,988	4,809	602	3,783	390	9%	4,113	424.4	7%	10%	1.2x	11.3x
Atos SE	France	110,797	11.4	1,252	3,803	3,331	11,341	224	(2%)	11,145	479.5	39%	4%	0.3x	7.9x
Cognizant Technology Solutions	United States	355,300	56.1	28,561	27,683	2,340	18,179	2,831	(1%)	18,023	2,729.4	8%	15%	1.5x	10.1x
DATAGROUP SE	Germany	3,500	65.8	548	603	55	504	43	7%	538	49.4	18%	9%	1.1x	12.2x
DXC Technology Company	United States	130,000	23.5	5,412	9,065	1,957	13,892	1,227	(5%)	13,252	1,162.6	8%	9%	0.7x	7.8x
EPAM Systems, Inc.	United States	59,300	275.2	15,873	14,449	1,630	4,514	647	7%	4,853	793.6	20%	16%	3.0x	18.2x
Globant S.A.	Luxembourg	27,122	151.0	6,381	6,239	319	1,666	206	15%	1,912	310.3	NM	16%	3.3x	20.1x
HCL Technologies Limited	India	222,270	12.2	32,930	31,754	1,957	11,550	2,096	7%	12,401	2,279.1	11%	18%	2.6x	13.9x
Infosys Limited	India	346,845	16.0	65,894	64,529	2,298	16,784	3,544	7%	17,997	3,856.5	13%	21%	3.6x	16.7x
International Business Machines	United States	288,300	120.7	109,447	151,189	8,176	56,029	7,080	3%	57,739	10,077.6	4%	17%	2.6x	15.0x
Leidos Holdings, Inc.	United States	45,000	84.7	11,625	16,372	483	13,470	1,060	2%	13,804	1,126.2	7%	8%	1.2x	14.5x
NEC Corporation	Japan	117,418	35.3	9,405	13,719	2,995	22,613	1,010	0%	22,623	1,047.6	3%	5%	0.6x	13.1x
Neurones S.A.	France	5,961	38.3	928	771	-	665	73	8%	719	78.2	NM	11%	1.1x	9.9x
NTT DATA Corporation	Japan	193,278	12.0	16,813	33,544	2,668	22,066	1,625	28%	28,345	1,829.8	7%	6%	1.2x	18.3x
Science Applications International	United States	26,000	98.9	5,403	7,666	53	7,561	511	(6%)	7,102	489.7	2%	7%	1.1x	15.7x
SII S.A.	France	10,741	50.2	968	895	152	930	89	8%	1,004	95.2	NM	9%	0.9x	9.4x
Tech Mahindra Limited	India	163,912	12.3	10,866	10,422	820	5,844	700	9%	6,348	771.2	10%	12%	1.6x	13.5x
TietoEVRY Oyj	Finland	24,320	28.9	3,424	4,111	273	2,928	259	3%	3,012	401.9	15%	13%	1.4x	10.2x
Wipro Limited	India	240,000	4.1	22,426	20,243	4,278	9,967	1,499	8%	10,754	1,632.9	8%	15%	1.9x	12.4x
Mean									6%			12%	12%	1.6x	13.5x
Median									7%			8%	11%	1.2x	13.3x

Abbreviations:

HQ: Headquarter; NTM: Next twelve months; EPS: Earnings per share; NTM multiples - EV/Estimates: EV as of March 31, 2023 divided by NTM estimates (mean of analysts)

EV: Enterprise Value = share price * outstanding shares + total debt + preferred stock + minority interest – cash & short-term investments

Sources: Capital IQ (as of 31 March 2023) and ARTHOS Analysis

Public comps – Digital & Marketing Agencies

Currency in EUR

Company Name	HQ	Employees	Price €	Market Cap € mn	EV € mn	Cash € mn	LTM		Exp. 1Y Rev. Growth	NTM		Exp. 5Y EPS Growth	NTM Margin EBIT	NTM Multiples	
							Sales	EBIT		Sales	EBIT			EV/Sales	EV/EBIT
BlueFocus Intelligent Communications	China	2,885	1.3	3,186	2,955	610	5,040	58	9%	5,474	30.6	NM	1%	0.5x	96.5x
Cheil Worldwide Inc.	South Korea	1,328	13.1	1,331	1,030	470	3,165	232	(1%)	3,143	230.2	6%	7%	0.3x	4.5x
Dentsu Group Inc.	Japan	64,832	32.2	8,512	9,960	4,417	8,826	1,331	(1%)	8,711	1,235.8	7%	14%	1.1x	8.1x
Hakuhodo DY Holdings Inc	Japan	25,522	10.4	3,832	3,406	1,508	6,851	427	10%	7,533	382.6	NM	5%	0.5x	8.9x
Next Fifteen Communications	United Kingdom	2,983	9.5	940	1,017	35	719	72	(6%)	679	71.0	NM	13%	1.5x	14.3x
Omnicom Group Inc.	United States	74,200	86.8	17,488	20,630	4,063	13,370	2,022	2%	13,602	2,065.1	6%	15%	1.5x	10.0x
Publicis Groupe S.A.	France	97,000	71.8	17,896	19,418	4,616	14,196	2,061	(9%)	12,873	1,927.8	5%	15%	1.5x	10.1x
S4 Capital plc	United Kingdom	8,891	1.9	1,045	1,229	252	1,206	23	10%	1,328	72.7	NM	6%	0.9x	16.9x
Stagwell Inc.	United States	11,100	6.8	899	2,588	206	2,515	251	2%	2,561	261.2	NM	10%	1.0x	9.9x
The Interpublic Group of Companies	United States	58,400	34.3	13,200	15,117	2,382	8,842	1,394	2%	8,983	1,484.9	9%	15%	1.7x	10.2x
WPP plc	United Kingdom	115,473	10.9	11,689	17,576	2,809	16,267	1,525	(14%)	14,053	1,741.8	6%	10%	1.3x	10.1x
Mean									0%			6%	10%	1.1x	18.1x
Median									2%			6%	10%	1.1x	10.1x

Abbreviations:

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EV: Enterprise Value = share price * outstanding shares + total debt + preferred stock + minority interest – cash & short-term investments

Sources: Capital IQ (as of 31 March 2023) and ARTHOS Analysis