

September 2023

Industry Insight: Digital Services Sector Report

Focus on Digital & Marketing Agencies



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.

As summer 2023 comes to a close, the Digital Services market performance recovered thanks to the recent drop in energy prices which eased the economy. The M&A activity indicates fewer megadeals, which have ebbed since hitting their peak in 2021, however the number of deals remained on a healthy level as companies still pursue strategic growth agendas. In this sector report, we have emphasized the sub-sector of Digital & Marketing Agencies that particularly benefits from the ongoing digital transformation of the economy.

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: New technologies speed up digitalization



Personal Note

After a very turbulent year in 2022, the economic situation stabilized throughout the summer of 2023. Inflation and rising interest rates have had a lesser impact on the job market

than anticipated, as consumer spending remains stable and financial markets have experienced a modest rebound. As a result, investors' expectations for the future seem positive, as the stock performance of almost all Digital Services sub-sectors increased throughout 2023.

The recovery of the economy led to a partial return of growing digital advertising and IT budgets, but companies still remain cautious about long-term digital transformation investments. However, as the market continues to stabilize, most companies are planning to further increase their digital advertising and IT budgets significantly in the coming months.

The necessity for digital transformation makes digital services an indispensable tool enabling the integration and utilization of advanced digital technologies.

Digitalization remains critical for businesses hoping to gain or retain a competitive edge, and IT leaders continue to turn to digital services as pressure increases to modernize complex and outdated systems.

The Digital Marketing & Agencies sector is expected to continue growing in the coming years and increase its M&A activity driven by consumers being increasingly drawn towards digital channels further enhancing the importance of digital marketing.

Global digital marketing market has been experiencing significant growth, with an increasing number of businesses adopting digital marketing strategies to improve brand awareness, target specific demographics, analyze user behavior and optimize their campaigns to reach a wider audience. The key drivers of growth in the digital marketing market include increased internet penetration, mobile device usage, advancements in data analytics and AI, and the growing need for businesses to engage with customers through multiple channels.

Owners of Digital Services companies thinking about joining a strategic partner continue to be in a favorable position since markets are likely to further improve in the next months. The competitive environment is complex 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



Digital marketing services worldwide digital ad spend expected up to \$836bn (10% CAGR) in 2026



Growing M&A activity expected along the digital transformation cycle



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



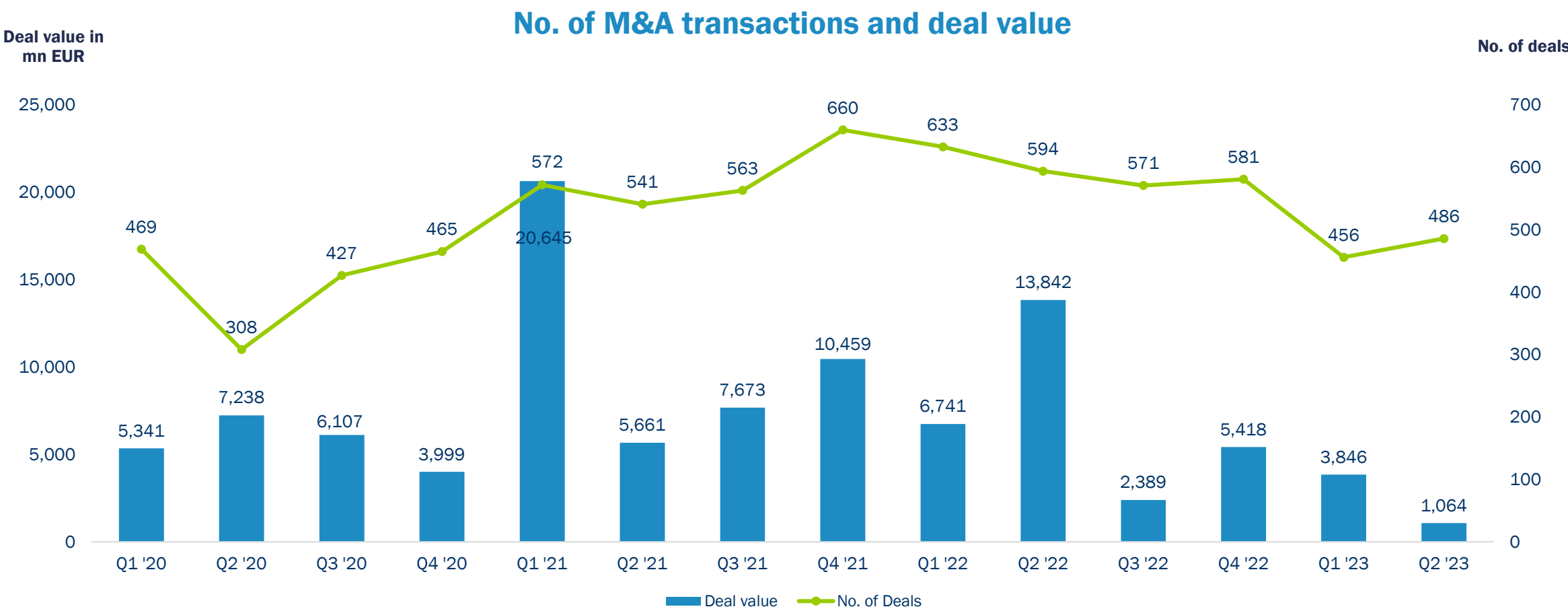
Economic turmoil further accelerates the need of digital transformation

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



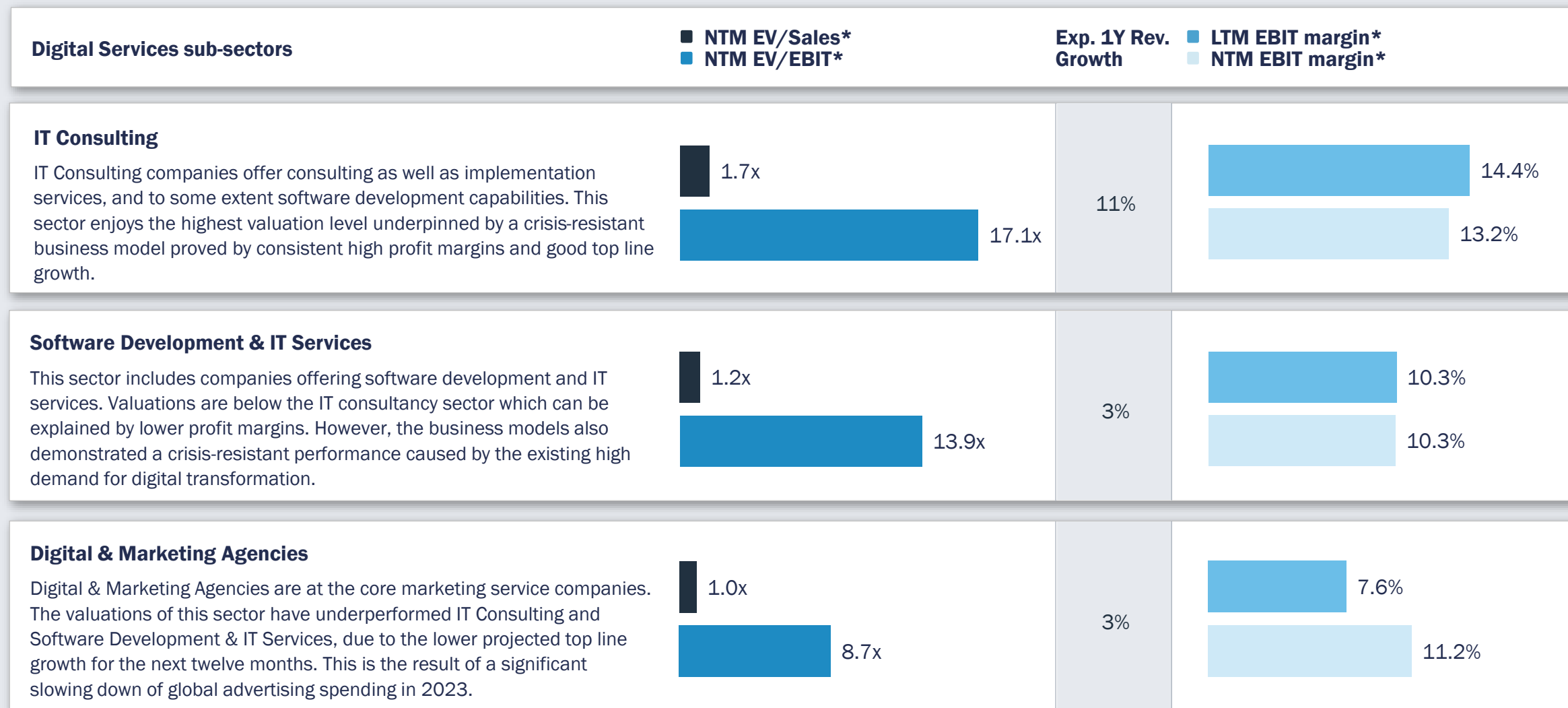
Multiples are based on next 12 months (NTM) estimates; Calculations only include companies where both, revenue multiple and EBIT multiple were available
Logos do not represent the complete list of stocks analyzed. Sources: Capital IQ (as of 18 September 2023), Median values for trading multiples

Significant drop in deal volumes & value in Q2 2023 deals



Sources: Capital IQ (as of 18 September 2023); IT-Consulting and Other Services, Advertising M&A transactions reflect selected deals. M&A metrics are based on closed and announced transactions

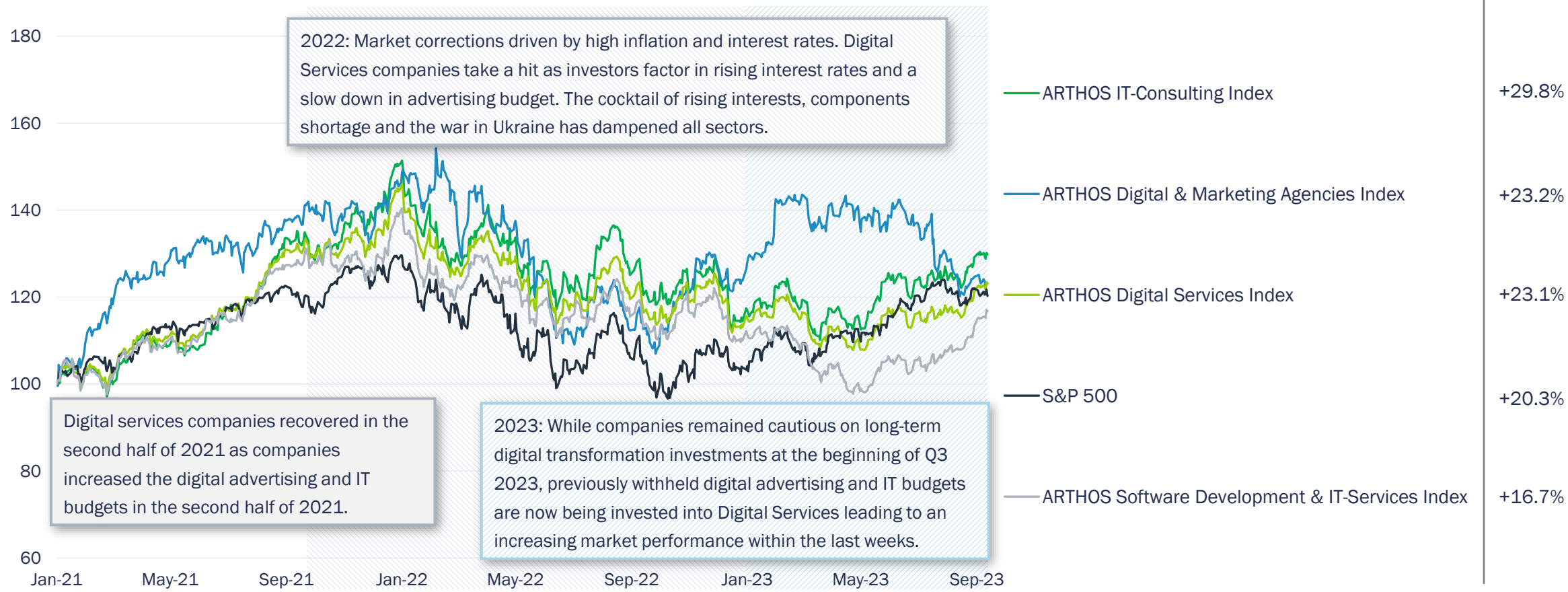
Robust valuation multiples of Digital Services companies despite challenging market situation



Sources: Capital IQ (as of 18 September 2023), * NTM EV/Sales; NTM EV/EBIT: Current enterprise value / next twelve months median estimates

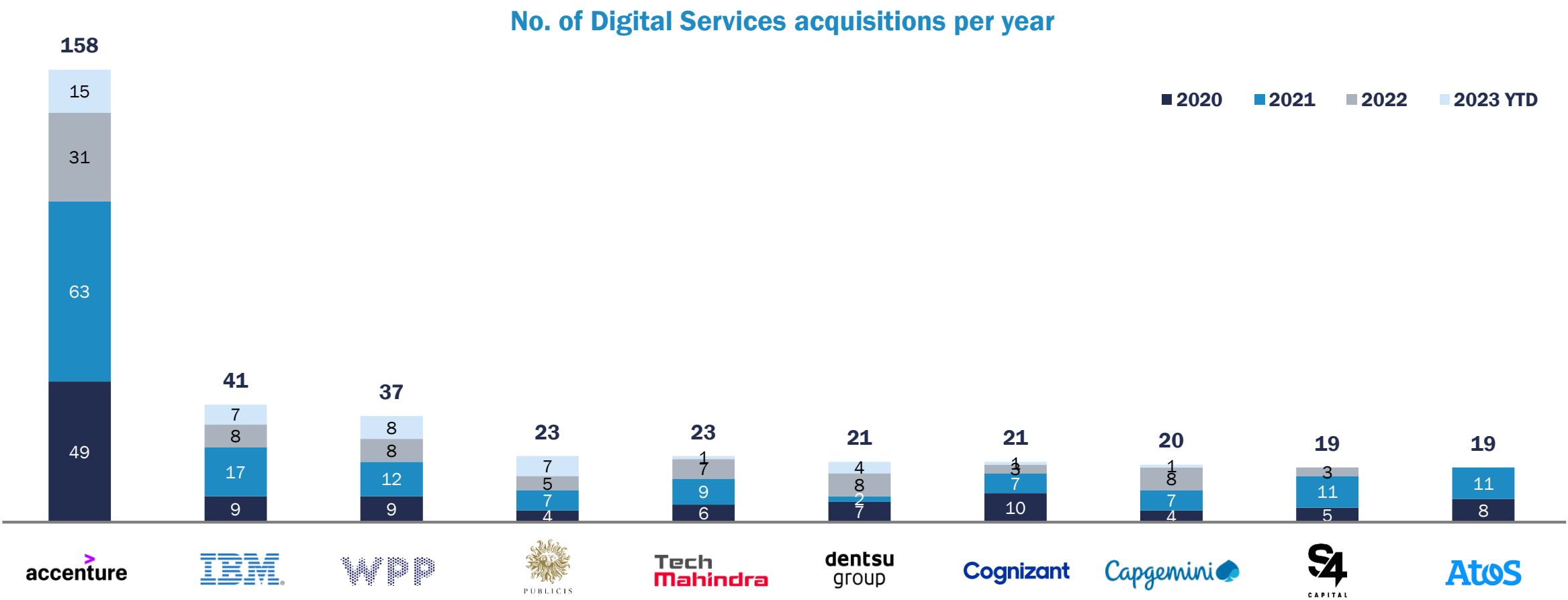
Digital Services index upward trend in Q2 2023 reflecting the easing macroeconomic conditions

Stock market performance by Digital Services sub-sectors since January 2021



Sources: Capital IQ (as of 18 September 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 18 September 2023)

Sub-sector: Digital & Marketing Agencies

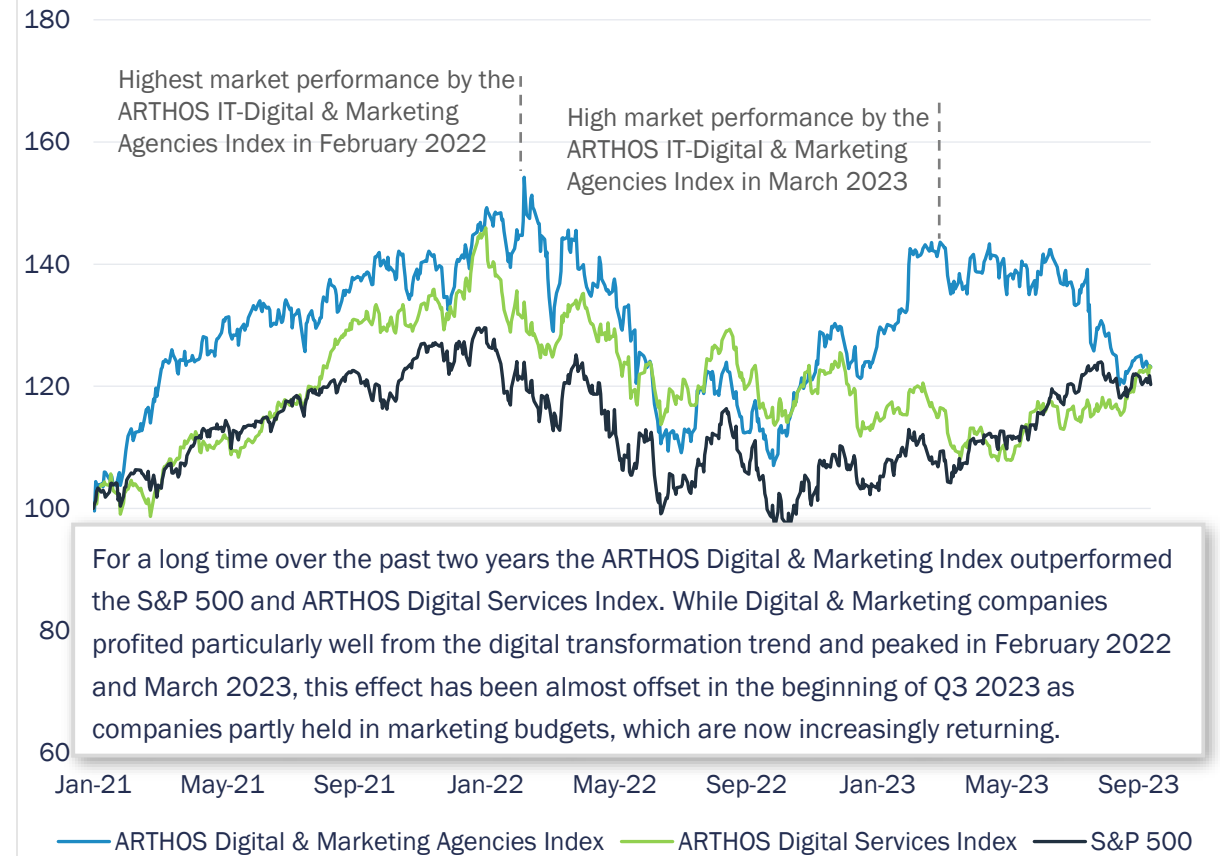
Sub-sector analysis: Digital & Marketing Agencies

ARTHOS Digital & Marketing Agencies peers

in € mn

Company Name	EV	LTM Sales	Exp. 1Y Sales Growth	NTM EBIT Margin	NTM	
					EV/Sales	EV/EBIT
BlueFocus Intelligent	2,178	5,300	21%	2%	0.4x	21.1x
Cheil Worldwide Inc.	1,051	2,951	1%	7%	0.3x	4.5x
Dentsu Group Inc.	8,022	8,053	4%	11%	1.0x	8.6x
Hakuhodo DY Holdings Inc	3,062	6,316	1%	4%	0.4x	9.8x
Next 15 Group plc	732	817	7%	21%	1.0x	4.9x
Omnicom Group Inc.	18,765	13,158	3%	15%	1.4x	8.8x
Publicis Groupe S.A.	20,891	14,754	3%	18%	1.6x	8.8x
S4 Capital plc	846	1,206	5%	12%	0.6x	5.6x
Stagwell Inc.	2,633	2,406	-1%	10%	1.0x	10.0x
The Interpublic Group	14,371	8,567	1%	17%	1.6x	9.4x
WPP plc	16,567	17,338	1%	15%	1.2x	7.7x
Mean			4%	12%	1.0x	9.0x
Median			3%	12%	1.0x	8.8x

Stock performance comparison



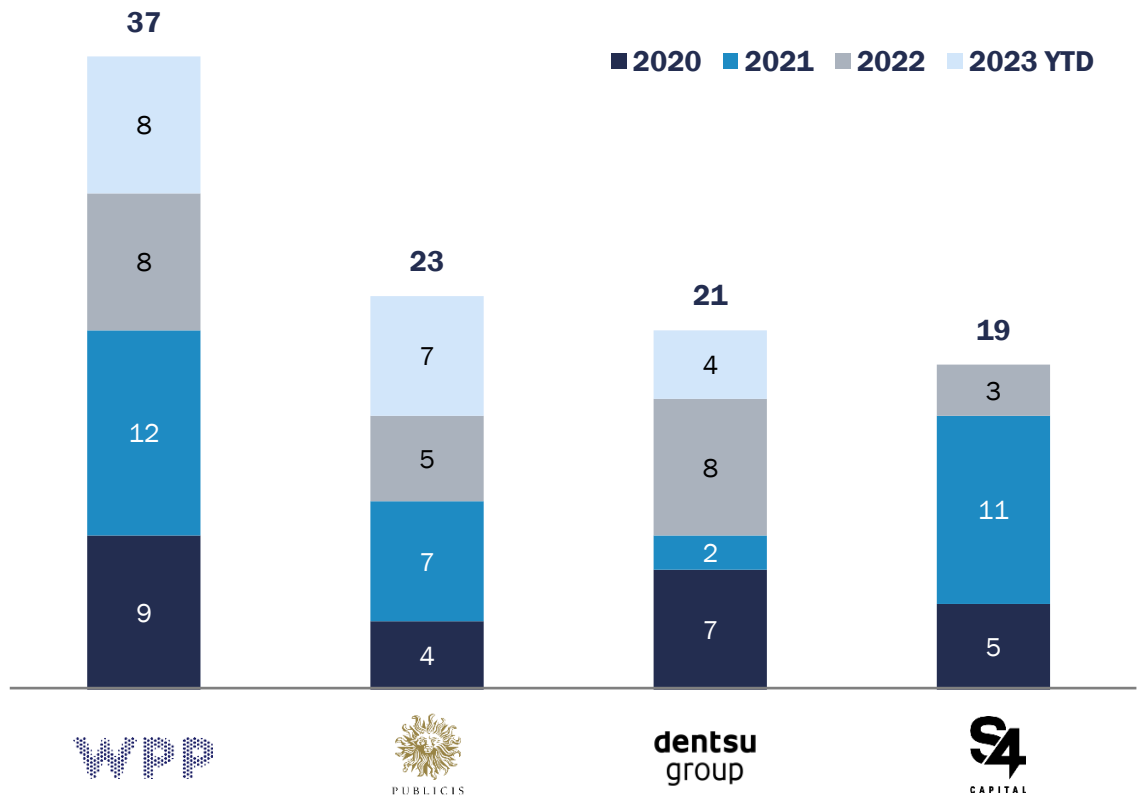
Sources: Capital IQ (as of 18 September 2023)

Key trends and most active buyers in the Digital & Marketing Agencies sub-sector

Digital & Marketing Agencies trends

- ➔ Artificial intelligence is fueling digital transformation by facilitating automation and optimization. As a result, there is a rising demand for developing Generative AI and Augmented Reality media platforms in order to fully leverage the potential. Agencies are investing heavily in data and technology platforms and M&A to gain a leading position in generative AI to e.g. deliver very personalized experiences and content to client specific target audience.
- ➔ Data and analytics have become the mainstay of digital marketing. As the digital age progresses, it's becoming clear that data is the superpower that today's marketers need. Accordingly, digital technologies and analytical tools are the crucial instrument to enable businesses to gain insight about their customers' behavior and to develop marketing strategies.
- ➔ Social media marketing is expected to gain further market share, influencer / creator marketing will evolve to include nano and micro-influencers, providing a more authentic and niche approach to reach target audiences.
- ➔ Double digit growth (10% CAGR) expected in worldwide digital ad spend up to \$836bn in 2026.¹

No. of Digital & Marketing Agencies acquisitions per year of most active buyers



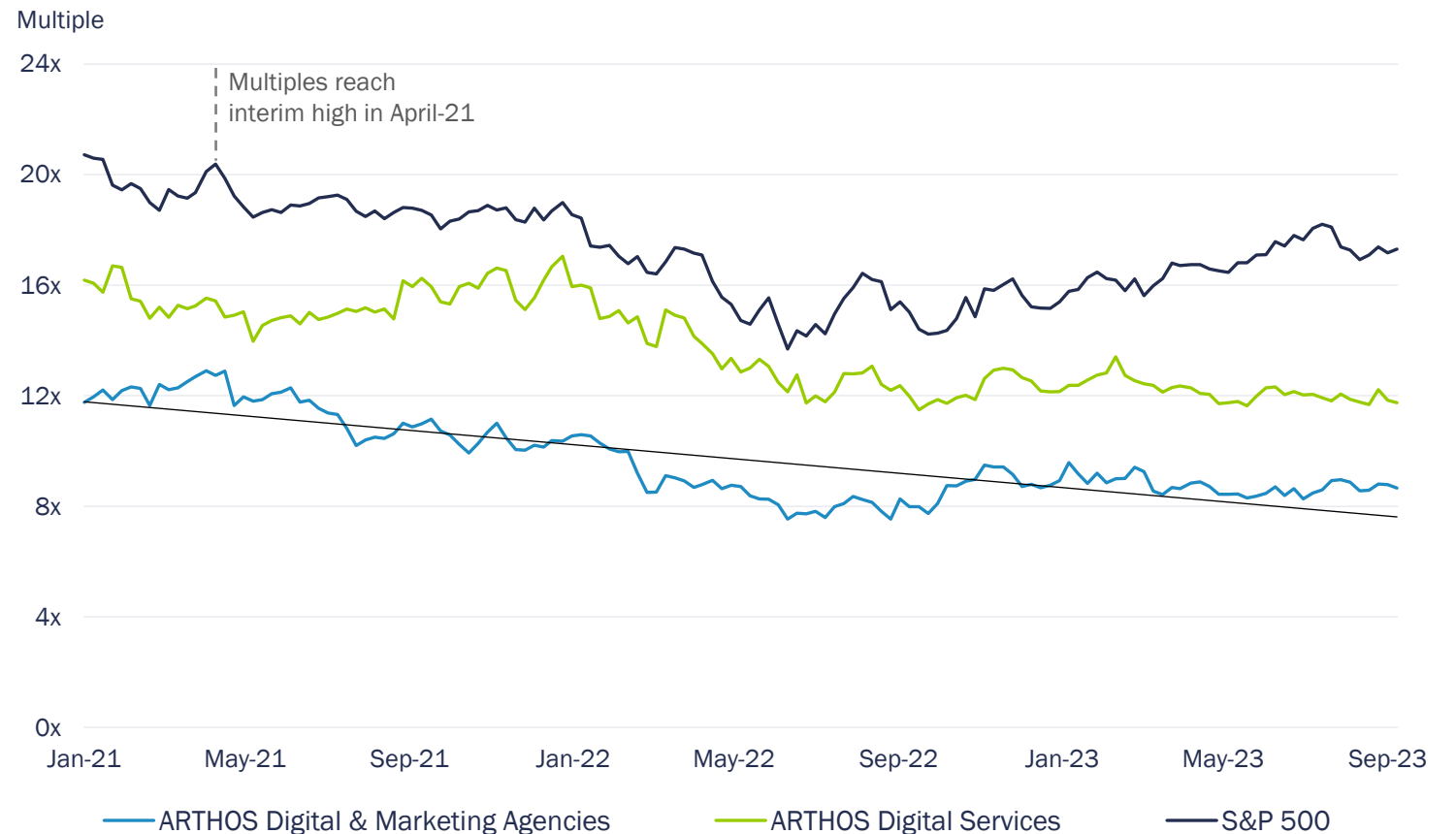
Sources: Capital IQ (as of 18 September 2023)

¹ Stagwell-May23_Investor-Presentation

Digital & Marketing Agencies valuations around 2-year average but have trended down since March 2023










- ➔ In the past two years valuation of Digital & Marketing Agencies have dropped in line with the overall stock market reflecting the challenging macroeconomic conditions characterized by inflation and high interest rates.
- ➔ The valuations of Digital & Marketing Agencies peaked at ~13x EV/NTM EBIT in April 2021 as companies invested heavily in digitalization. This growth momentum of digitalization has slowed down over the past year and multiples of the ARTHOS Digital & Marketing Agencies Index have consolidated at ~9x EV/NTM EBIT in September 2023.
- ➔ We expect that the valuations of Digital & Marketing Agencies sector will gain growth momentum towards the end of the year due to the strong demand for advice and services around the use of AI, the expected increase in Digital Media spending and projected growth in Digital Transformation services.

Median EV¹⁾ /NTM²⁾ EBIT Multiple Development












1) Enterprise value; 2) Next twelve months
Sources: Capital IQ (as of 18 September 2023)

Notable International Digital & Marketing Agencies deals in 2023 (1/5)

Date	Buyer	Target	Comment	Country
August 2023	dentsu →	RCKT.	<ul style="list-style-type: none"> ➤ Communications and creative agency that provides creative content, digital marketing, employer branding, UI and UX, customer experience, and communication strategy services (FTE: ~80). ➤ Acquisition of RCKT is central for providing integrated solutions for customers along the entire customer journey. 	
July 2023	OmnicomGroup →	GRABARZ & PARTNER	<ul style="list-style-type: none"> ➤ Advertising agency serving clients such as Deutsche Bahn, Burger King, IKEA, Lidl and Porsche (FTE: >260). ➤ Acquisition further expands the market position of Omnicom in Germany. 	
June 2023	HAVAS Media Network →	PivotRoots	<ul style="list-style-type: none"> ➤ Digital marketing and communications agency providing services such as media planning, UX design, performance marketing, social media marketing and website maintenance (FTE: ~280). ➤ Acquisition is part of Havas' broader strategy to expand their presence in lighthouse markets around the world. 	
June 2023	meet the people →	saltwater	<ul style="list-style-type: none"> ➤ Full-service digital agency providing advertising, analytics, branding, content marketing, graphic designs, and illustration services (FTE: ~33). ➤ Through the acquisition, Meet The People adds digital capabilities and grows to 550 employees across North America. 	
June 2023	 NEW ENGEN →	 PARTNERS	<ul style="list-style-type: none"> ➤ Seattle-based affiliate marketing agency providing consulting services designed to strategically solve problems of any business with a digital presence (FTE: ~62). ➤ Extend New Engen's reach beyond its paid media capabilities to support its clients on performance marketing across earned and owned media. 	
June 2023	softserve →	 HOVERSTATE	<ul style="list-style-type: none"> ➤ Full-service digital agency specializing in mobile and web-based solutions including digital strategy, mobile apps, websites, business applications and social integration (FTE: ~55). ➤ Acquisition positions both companies as a single software solution source for digital native organizations. 	




















Sources: Capital IQ (as of 18 September 2023), Press releases

Notable International Digital & Marketing Agencies deals in 2023 (2/5)

Date	Buyer	Target	Comment	Country
June 2023	One Equity Partners →	msq	<ul style="list-style-type: none"> Digital advertising agency offering marketing solutions across the full range to help brands to build customer relationships and drive growth (FTE: ~1,200). Acquisition will serve as a platform for further consolidation within the tech-enabled marketing solutions and digital transformation sector. 	
June 2023	 →	C O R R A	<ul style="list-style-type: none"> Digital marketing agency offering digital storefronts for growing brands across retail, food and beverage, technology and electronics, health and wellness, and B2B industries. (FTE: >300). Corra will supplement Publicis Sapient's existing expertise in commerce solutions, while extending Publicis Sapient's offerings in digital and omnichannel commerce. 	
June 2023	 →	jellyfish	<ul style="list-style-type: none"> Digital media agency offering services ranging from in-housing to influencer marketing, data, e-commerce, metaverse, gaming, to AI. (FTE: ~2,200) With the acquisition, Brandtech will comprise more than 7,000 employees and work for eight of the world's ten largest advertisers while claiming combined more than \$1bn in revenue. 	
June 2023	Avenue Z →		<ul style="list-style-type: none"> Full-service digital marketing agency offering marketing services through targeted Facebook, Instagram, TikTok, YouTube, Google Ads, Email & SM, and content creation. (FTE: ~29). Snow's social media expertise fits into Avenue Z's strategy of providing brands multi-channel marketing services. 	
June 2023	TRINITY HUNT PARTNERS →	REQ	<ul style="list-style-type: none"> Digital marketing and advertising agency providing services including brand strategy, advertising and media, reputation management, public relations, and data and analytics (FTE: ~404). Acquisition of REQ joins previous acquisitions by Trinity Hunt Partners, Exclusive Concepts and Highnoon, creating a central marketing platform. 	
May 2023	Together Group® →	NORTH SIX	<ul style="list-style-type: none"> Content agency supporting agencies, brands, creatives, and businesses across the disciplines of stills, motion, experiences, PR, and influencer marketing (FTE: ~103). Merger with North Six will enable Together Group to offer its clients global and local content production as well as experiential and influencer marketing. 	

Sources: Capital IQ (as of 18 September 2023), Press releases

Notable International Digital & Marketing Agencies deals in 2023 (3/5)

Date	Buyer	Target	Comment	Country
May 2023	Globant 	 KTBO	<ul style="list-style-type: none"> Full-service digital agency providing advertising services for brand building in Latin America (FTE:>300). Expands Globant's market presence into Latin America and enables further growth opportunities in these markets. 	
April 2023	 STAGWELL TRANSFORMING MARKETING	  IN THE COMPANY OF HUSKIES	<ul style="list-style-type: none"> Digital marketing and advertising agency offering capabilities including Research & Intelligence, Brand & Digital Strategy, Creativity and Technology & Innovation (FTE: ~72). Huskies adds award-winning strategic, creative, and digital marketing capabilities, and further scales Forsman & Bodenfors' footprint across Europe. 	
April 2023	HAVAS Media Network 	NOISE	<ul style="list-style-type: none"> Digital agency and data consultancy providing strategic advice, technology consulting, and agency services to brands across North America (FTE: ~68). Acquisition expands Havas Media Group's North American footprint across Canada and expertise in digital performance and data technology. 	
April 2023	POPREACH. 	 SCS SCHIEFER CHOPSHOP	<ul style="list-style-type: none"> Media and content agency providing media buying, creative, public relations, branded entertainment, marketing strategy, and consulting services (EV: €15m). Acquisition complements the competencies and service offerings PopReach delivers to brands and advertisers through Q1Media and Contobox. 	
April 2023	 WIL square	  TRINITY	<ul style="list-style-type: none"> Digital agency working together with brands to optimize online engagement and customer experience. Acquisition of Trinity further establishes WILsquare Capital's portfolio company OuterBox as a leader in performance marketing. 	
April 2023	 DARK HORSES	 TBWA	<ul style="list-style-type: none"> Creative agency in UK sports delivering rigor and brand expertise in the field of sports marketing (FTE: 51). Acquisition adds significant new depth to the UK group's expertise across the total brand experience. 	











Sources: Capital IQ (as of 18 September 2023), Press releases

Notable International Digital & Marketing Agencies deals in 2023 (4/5)

Date	Buyer	Target	Comment	Country
March 2023	WPP →	goat 	<ul style="list-style-type: none"> Digital marketing agency specializing in data-led end-to-end influencer marketing campaigns including social media strategy, content production and social media management (FTE: >150). Goat will join GroupM, WPP's media investment group, and merge with its influencer marketing solution INCA to create a marketing agency with more than 300 employees in over 30 markets. 	
March 2023	LLYC →	BAM	<ul style="list-style-type: none"> Public relations and marketing agency serving venture-backed, established and technology companies (EV: \$11m). Acquisition accelerates LLYC's aggressive growth strategy and doubles its size in the U.S. 	
March 2023	WPP →	 obviously	<ul style="list-style-type: none"> Influencer marketing agency automating processes; streamline workflow between influencers, clients and internal teams; and provide audience insights (FTE: ~158). Obviously brings a range of global influencer marketing capabilities and a technology platform that will further strengthen the offer to WPP's clients. 	
March 2023	dentsu →	shift7	<ul style="list-style-type: none"> B2B experience and commerce agency modernizing marketing and sales processes for manufacturers and distributors. Acquisition will bolster dentsu's global Experience and Commerce practice and improve its position as an experience partner for B2B transformation. 	
March 2023	dentsu →	tag.	<ul style="list-style-type: none"> Omnichannel content production agency providing digital infrastructure services for the customer experience management and dynamic content optimization (FTE: ~2,800). Acquisition will support dentsu's strategy of offering integrated client solutions at the convergence of marketing, technology and consulting, uniting the group's service offerings. 	
March 2023	REAL CHEMISTRY →	 TI Health	<ul style="list-style-type: none"> Marketing and predictive analytics company delivering omnichannel healthcare provider engagement insights and activation solutions for pharmaceutical and life sciences (FTE: ~54). Combined the companies create a fully unified HCP and direct-to-consumer (DTC) system of engagement for healthcare marketers. 	

Sources: Capital IQ (as of 18 September 2023), Press releases

Notable International Digital & Marketing Agencies deals in 2023 (5/5)

Date	Buyer	Target	Comment	Country
February 2023	 → FACTOR ELEVEN 	<ul style="list-style-type: none">Internet agency providing marketing services to resellers and offering automated evaluations and analysis of advertising measures (FTE: ~100).Acquisition expands Amira’s portfolio of fast-growing European technology companies.		
February 2023	 → Authentic	<ul style="list-style-type: none">Digital agency offering transformative end-user digital experiences driving customer engagement for enterprise customers and blue-chip brands across industries (FTE: ~84).Complements Concord’s expertise in digital and product experiences, data management and analytics, and cloud engineering and modernization.		
February 2023	BraveBison → 	<ul style="list-style-type: none">Digital media marketing agency delivering advertising campaigns for brands including Amazon, TikTok, Arla and KFC (EV: \$21m).With hubs in Manchester and New York, Social Chain will multiply Brave Bison’s powerful presence across three continents.		
January 2023	MYTY ® → 404	<ul style="list-style-type: none">Digital marketing agency providing content creation, web development, growth marketing, social media and public relations (FTE: ~170).Acquisition further expands network in the European market with Croatia's largest communications agency.		
January 2023	 → 	<ul style="list-style-type: none">Marketing agency with a core focus across social platforms that provides end-to-end performance creative and customer acquisition capabilities (FTE: ~104).Acquisition expands Tinuiti’s paid social capabilities, in addition to providing clients access to distinctive end-to-end social, creative and data analysis capabilities.		
January 2023	 → Yieldify	<ul style="list-style-type: none">Provider of digital marketing solutions enabling companies to personalize consumers’ web experiences and conversion optimization (FTE: >90).Expands Publicis’ mid-market presence and complements the PeopleCloud solution.		

Sources: Capital IQ (as of 18 September 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.

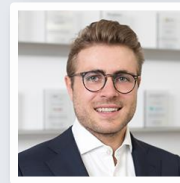
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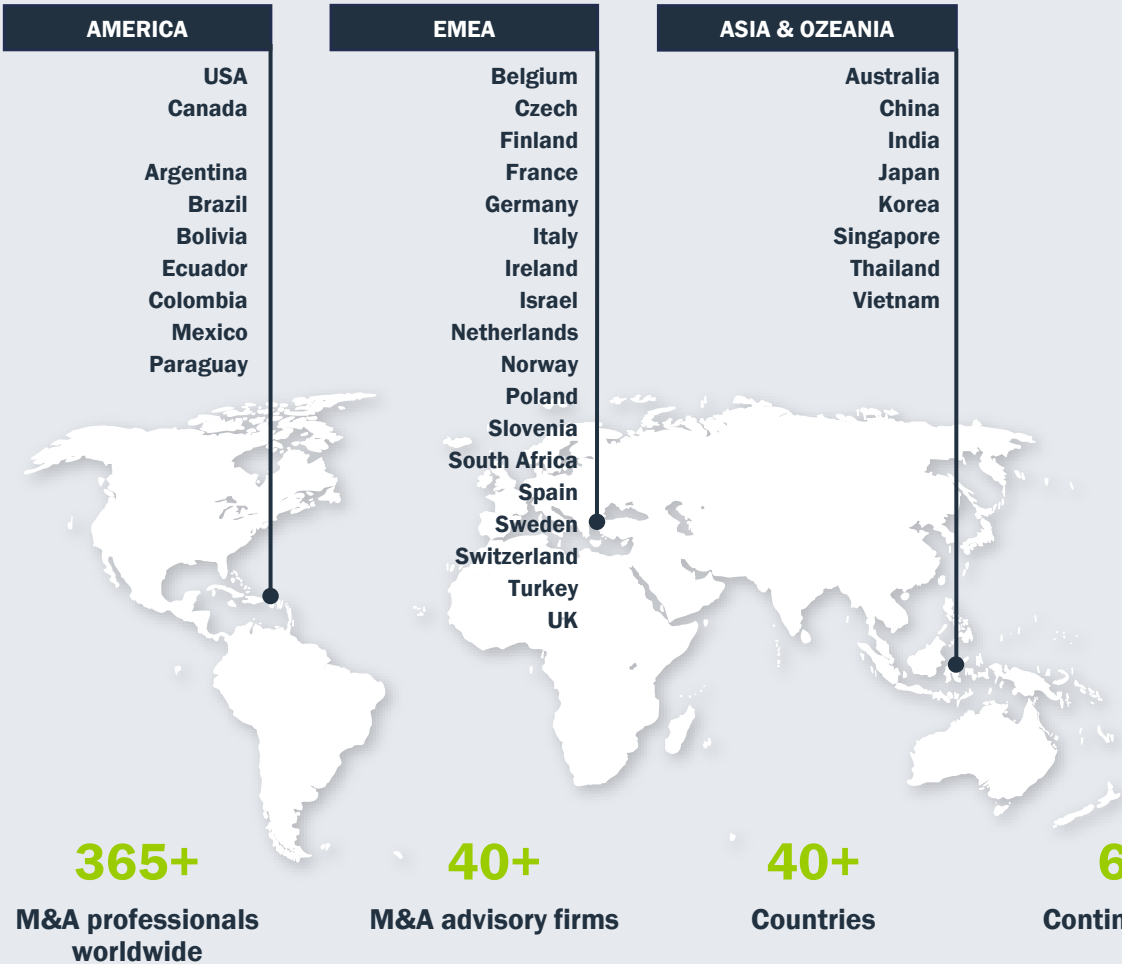
Christian Thiel
Analyst

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

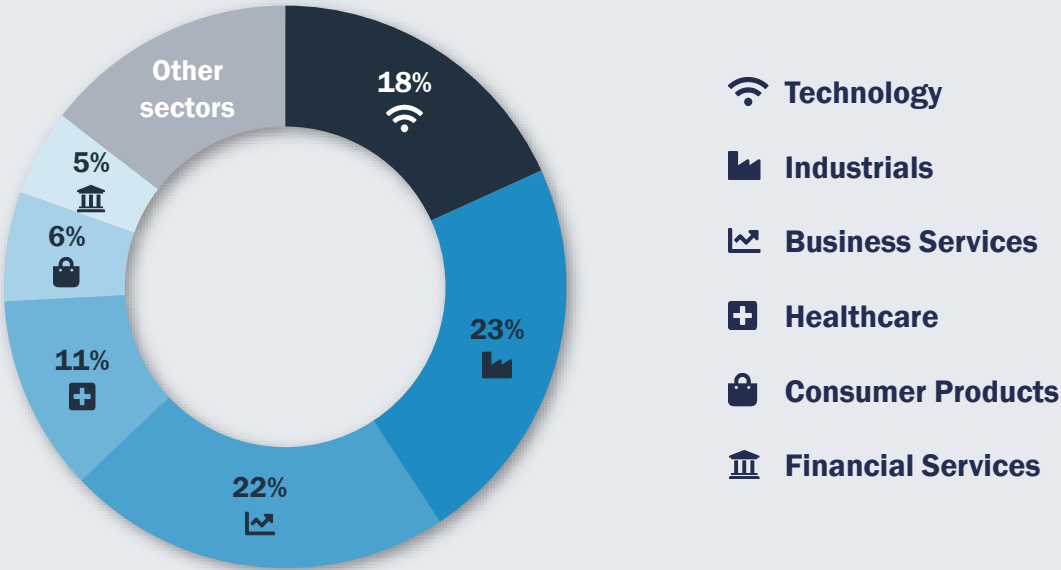
 <p>Oslo, Norway</p> <p>has acquired</p>  <p>Hanover, Germany</p> <hr/> <p>Expansion into SW development and IT consulting for financial institutions</p>	 <p>Berlin, Germany</p> <p>has been acquired by</p>  <p>Paris, France</p> <hr/> <p>Creating the European market leader in email marketing software for 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



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	732,000	292.9	184,762	180,344	8,013	59,629	9,154	4%	62,358	9,078.9	11%	15%	2.9x	19.9x
Booz Allen Hamilton	United States	32,600	104.4	13,685	16,399	205	8,852	430.4	11%	9,800	957.9	12%	10%	1.7x	17.1x
Capgemini SE	France	349,469	165.5	29,243	33,978	3,195	22,733	2,667.0	4%	23,541	3,110.4	11%	13%	1.4x	10.9x
CGI Inc.	Canada	91,500	97.6	22,767	24,363	1,018	9,709	1,565.5	11%	10,318	1,696.3	12%	16%	2.4x	14.4x
ICF International, Inc.	United States	9,000	116.9	2,200	2,961	12	1,765	112.8	11%	1,904	146.6	16%	8%	1.6x	20.2x
Reply S.p.A.	Italy	14,307	88.0	3,292	3,197	321	2,040	296.0	13%	2,246	282.5	NM	13%	1.4x	11.3x
Sopra Steria Group SA	France	53,954	190.9	3,972	5,008	271	5,398	418.0	12%	5,870	563.2	14%	10%	0.9x	8.9x
Tata Consultancy Services Limited	India	614,795	40.7	148,785	143,397	6,274	25,904	6,228.9	8%	28,157	6,793.8	9%	24%	5.1x	21.1x
Perficient, Inc.	United States	6,893	56.3	1,958	2,298	55	845	133.5	0%	841	126.3	10%	15%	2.7x	18.2x
Mean									8%			12%	14%	2.2x	15.8x
Median									11%			11%	13%	1.7x	17.1x

Abbreviations:

HQ: Headquarter; NTM: Next twelve months; EPS: Earnings per share; NTM multiples - EV/Estimates: EV as of September 18, 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 18 September 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	8,856	112.4	739	1,034	41	1,037	27	24%	1,149	50.3	20%	4%	0.9x	20.5x
Alten S.A.	France	54,100	129.3	4,597	4,417	602	3,783	389	10%	4,345	434.9	8%	10%	1.0x	10.2x
Atos SE	France	107,013	6.9	779	4,163	2,620	11,326	372	-3%	10,995	547.3	NM	5%	0.4x	7.6x
Cognizant Technology Solutions	United States	345,600	65.8	33,213	32,638	1,919	17,765	2,699	0%	18,531	2,679.8	7%	14%	1.8x	12.2x
DATAGROUP SE	Germany	3,500	46.4	400	474	34	501	44	0%	528	48.7	8%	9%	0.9x	9.7x
DXC Technology Company	United States	130,000	19.4	3,978	7,948	1,444	12,979	- 736	-4%	13,013	1,002.3	6%	8%	0.6x	7.9x
EPAM Systems, Inc.	United States	59,300	247.1	14,322	12,760	1,693	4,433	600	-3%	4,395	696.2	5%	16%	2.9x	18.3x
Globant S.A.	Luxembourg	25,947	188.0	7,948	7,856	248	1,758	197	18%	2,167	343.8	NM	16%	3.6x	22.9x
HCL Technologies Limited	India	222,270	14.7	39,840	38,191	2,165	11,689	2,121	9%	12,778	2,326.6	10%	18%	3.0x	16.4x
Infosys Limited	India	336,294	16.8	69,617	68,609	1,993	16,841	3,571	5%	17,606	3,671.6	10%	21%	3.9x	18.7x
International Business Machines	United States	288,300	136.8	124,646	165,954	14,929	54,774	7,817	3%	59,601	10,716.3	5%	18%	2.8x	15.5x
Leidos Holdings, Inc.	United States	45,000	88.1	12,105	16,950	301	13,595	1,074	5%	14,450	1,208.4	6%	8%	1.2x	14.0x
NEC Corporation	Japan	118,527	53.4	14,237	17,044	3,129	21,286	1,126	3%	21,723	1,292.5	12%	6%	0.8x	13.2x
Neurones S.A.	France	6,406	36.9	893	702	-	707	75	11%	736	77.6	NM	11%	1.0x	9.0x
NTT DATA Group Corporation	Japan	195,106	13.7	19,252	35,688	3,716	24,250	1,635	21%	27,098	1,875.7	7%	7%	1.3x	19.0x
Science Applications International	United States	24,000	102.9	5,445	7,350	319	6,965	721	-6%	6,617	473.9	1%	7%	1.1x	15.5x
SII S.A.	France	10,970	46.8	911	806	198	1,023	100	12%	1,147	110.0	NM	10%	0.7x	7.3x
Tech Mahindra Limited	India	116,331	14.5	12,809	12,391	771	5,998	624	2%	6,201	672.6	9%	11%	2.0x	18.4x
TietoEVRY Oyj	Finland	23,958	22.3	2,664	3,406	214	2,898	283	-1%	2,969	374.6	8%	13%	1.1x	9.1x
Wipro Limited	India	250,000	4.9	25,620	22,840	4,708	10,245	1,551	3%	10,550	1,664.5	8%	16%	2.2x	13.7x
Mean									5%			8%	11%	1.7x	14.0x
Median									3%			8%	10%	1.2x	13.9x

Abbreviations:

HQ: Headquarter; NTM: Next twelve months; EPS: Earnings per share; NTM multiples - EV/Estimates: EV as of September 18, 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 18 September 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	2,733	1.0	2,406	2,141	574	5,299	19	21%	5,936	115.6	NM	2%	0.4x	20.6x
Cheil Worldwide Inc.	South Korea	1,393	14.2	1,435	1,118	462	2,951	211	1%	3,165	273.9	NM	7%	0.4x	4.7x
Dentsu Group Inc.	Japan	69,066	28.5	7,537	8,090	2,902	8,053	865	4%	8,385	1,397.9	23%	11%	1.0x	8.7x
Hakuhodo DY Holdings Inc	Japan	27,936	8.6	3,164	3,029	1,111	6,316	302	1%	7,072	457.4	2%	4%	0.4x	9.7x
Next 15 Group plc	United Kingdom	4,079	7.2	735	754	54	817	84	7%	699	165.2	NM	21%	1.1x	5.1x
Omnicom Group Inc.	United States	74,200	72.5	14,334	18,560	2,574	13,158	1,981	3%	13,921	2,339.0	5%	15%	1.3x	8.7x
Publicis Groupe S.A.	France	101,152	71.4	18,382	21,041	3,682	14,754	2,144	3%	13,191	2,951.2	4%	18%	1.6x	8.9x
S4 Capital plc	United Kingdom	8,142	0.8	637	825	248	1,327	56	3%	1,284	128.0	NM	10%	0.6x	6.2x
Stagwell Inc.	United States	11,100	5.1	594	2,645	96	2,406	182	-1%	2,681	433.2	31%	10%	1.0x	10.0x
The Interpublic Group of Companies	United States	57,800	28.8	11,090	14,024	1,586	8,567	1,267	1%	9,219	1,738.6	7%	17%	1.5x	9.1x
WPP plc	United Kingdom	114,000	8.7	9,600	16,691	2,285	17,338	1,303	1%	14,049	2,676.8	4%	15%	1.2x	7.8x
Mean									4%			11%	12%	1.0x	9.0x
Median									3%			5%	11%	1.0x	8.7x

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Sources: Capital IQ (as of 18 September 2023) and ARTHOS Analysis