



Investment
Banking

Canaccord Genuity

Canaccord Genuity

Digital Transformation Services Market Update

December 2023



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2. Digital Transformation Services Market Overview

Canaccord Genuity is the Leading M&A Advisor for Digital Transformation Services Transactions

#1

Ranked Mid-Market Investment Bank in TMT¹

50

Digital Services M&A Transactions – Last 24 Months

130+

US Technology Transactions – Last 24 Months²

Representing Premier Digital Consultancies Across Competencies

AVIONOS
Financial Advisor on sale to
Hero DIGITAL
a portfolio company of
AEA

MST SOLUTIONS
Financial Advisor on sale to
Mastek

TA DIGITAL
Financial Advisor on sale to
OmnicomGroup
(NYSE:OMC)

ROBOYO NEXT LEVEL NOW
Financial Advisor on investment from
STANLEY CAPITAL

AVANCE
Financial Advisor on strategic investment in
clevertch

\$1,225,000,000
WILLOWTREE
a portfolio company of
INSIGNIA CAPITAL GROUP
Financial Advisor on sale to
TELUS
(NYSE and TSX: TIXT)

Baird Capital
Financial Advisor on investment in
JMAN GROUP

Lovelytics
Financial Advisor on strategic investment from
INTERLOCK **databricks**

ptp Infinite Innovation
Financial Advisor on significant investment from
424 CAPITAL

Cloud Applications

Digital Software Development

Data, Analytics, and MSPs

camelot STRATEGIC MARKETING & MEDIA
Financial Advisor on sale to
PMG

2E
Financial Advisor on strategic growth equity investment from
RECOGNIZE

WPROMOTE
a portfolio company of
SHAMROCK CAPITAL
Financial Advisor on investment from
ZMC

TOMORROW
Financial Advisor on strategic investment from
bv INVESTMENT PARTNERS

WestBridge
Financial Advisor on investment in
tryzens

CORRA
Financial Advisor on sale to
PUBLICIS GROUP **publicis sapient**

FACTOR
Financial Advisor on sale to
virtusa

brainlabs
a portfolio company of
LIVINGBRIDGE
Financial Advisor on significant investment from
FALBURRIAS CAPITAL

PHAEDON the commercial marketing group of
ICF (NASDAQ:ICFI)
Financial Advisor on sale to
COHERE

Digital Marketing

eCommerce

Digital Experience

Representative Partner Ecosystems



The information contained on this page is sourced from CG LLC's proprietary database as of 11/30/23. A more detailed methodology may be found in the appendix.

3 Deals shown completed between 1/1/2022-11/30/2023

- (1) PitchBook
- (2) Includes M&A and ECM Transactions

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US Senior Leadership: Digital Transformation Services Practice

Sanjay Chadda

Senior Managing Director,
Co-Head of U.S. IB
Co-Head of Technology

- A trusted advisor to CEOs and private equity sponsors
- Joined Canaccord Genuity through the acquisition of Petsky Prunier and co-heads one of the most active investment banking practices focused on the broader technology, marketing, and related services industries
- Has led 200+ transactions during his career and has successfully completed more than 80 transactions since the beginning of 2020 alone



JP Michaud

Managing Director

- Active in the technology-enabled business services sector, where he has 15+ years of significant transaction experience
- Prior to joining Canaccord Genuity, JP was a managing director at Petsky Prunier, where he was instrumental in opening the Charlotte, North Carolina office
- Has represented many industry-defining transactions across the major Partner ecosystems in all of the Digital Transformation spectrum



Benjamin Lunka

Managing Director

- Longstanding transaction experience within IT services and digital transformation
- Prior to joining Canaccord Genuity, Ben spent 10 years at a boutique investment bank, where he led numerous transactions in the technology, business services, and professional services industries
- Ben has completed more than 40 transactions across multiple verticals, including IT services, enterprise software, digital transformation, and consulting



Rohan Sura

Director

- Focused on global M&A across sub-sectors in tech-enabled digital services space; advised on more than \$20 billion in M&A transaction value
- Previously advised clients in tech services at Avendus Capital, and across geographies/sectors at JP Morgan and Goldman Sachs



Senior UK Team

Julie Langley

Head of Tech
Advisory, Europe

James Kesner

Managing Director

Chris Lewis

Managing Director

Dylan Kearns

Managing Director

Richard Latner

Managing Director

Mark Williams

Managing Director

Financial Sponsors Group

Isaiah Knouff

Managing Director,
Co-Head of Financial Sponsors Group

Bryan Cummings

Managing Director,
Financial Sponsors Group

Amy LaBan, CFA

Managing Director,
Co-Head of Financial Sponsors Group

Tenny Field

Managing Director,
Financial Sponsors Group


Canaccord Genuity's Digital Transformation Services M&A Transactions

Recent & Relevant Domain Expertise in the Digital Transformation Sector

 <p>Financial Advisor on sale to</p>  <p>October 2023</p>	 <p>Financial Advisor on investment from</p>  <p>October 2023</p>	<p>TOMORROW</p> <p>Financial Advisor on strategic investment from</p>  <p>September 2023</p>	 <p>a portfolio company of</p>  <p>Financial Advisor on significant investment from</p>  <p>September 2023</p>	<p>PHAEDON the commercial marketing group of</p>  <p>(NASDAQ:ICF) Financial Advisor on sale to</p>  <p>September 2023</p>	 <p>Financial Advisor on sale to</p>  <p>September 2023</p>	 <p>Financial Advisor on investment in</p>  <p>August 2023</p>	 <p>Financial Advisor on sale to</p> <p>Hero DIGITAL</p> <p>a portfolio company of</p>  <p>August 2023</p>	 <p>Financial Advisor on strategic investment from</p>   <p>June 2023</p>
 <p>Financial Advisor on strategic investment in</p>  <p>June 2023</p>	<p>Baird Capital</p> <p>Financial Advisor on investment in</p>  <p>June 2023</p>	<p>CORRA</p> <p>Financial Advisor on sale to</p> <p>publicis sapient</p> <p>June 2023</p>	 <p>Financial Advisor on significant investment from</p>  <p>May 2023</p>	<p>SHIFT7 DIGITAL</p> <p>a portfolio company of RLH Equity Partners Financial Advisor on sale to</p> <p>MERKLE a subsidiary of dentsu group (TSE: 4324)</p> <p>March 2023</p>	<p>authentic.</p> <p>Financial Advisor on sale to</p>  <p>A portfolio company of</p>  <p>February 2023</p>	 <p>a portfolio company of</p> <p>Frontenac Financial Advisor on sale to</p> <p>encora a portfolio company of</p>  <p>January 2023</p>	<p>\$1,225,000,000</p>  <p>a portfolio company of</p> <p>INSIGNIA CAPITAL GROUP</p> <p>Financial Advisor on sale to</p> <p>TELUS (NYSE and TSX: TIXT)</p> <p>January 2023</p>	<p>FENOM DIGITAL</p> <p>Financial Advisor on sale to</p>  <p>January 2023</p>
 <p>Financial Advisor on investment from</p>  <p>November 2022</p>	<p>Emtec Business & Technology Empowered</p> <p>A portfolio company of</p> <p>KELSO PRIVATE EQUITY</p> <p>Financial Advisor on acquisition of</p> <p>DEFINITION 6</p> <p>November 2022</p>	<p>aspirent</p> <p>a portfolio company of</p> <p>SUMMIT PARK</p> <p>Financial Advisor on sale to</p> <p>NTT DATA</p> <p>November 2022</p>	 <p>Financial Advisor on investment in</p> <p>ICREON</p> <p>November 2022</p>	<p>NTERSOL</p> <p>Financial Advisor on sale to</p>  <p>NYSE: CINT</p> <p>November 2022</p>	 <p>Financial Advisor on majority investment from</p> <p>TENEX CAPITAL MANAGEMENT</p> <p>October 2022</p>	 <p>a portfolio company of</p> <p>SVERICA Financial Advisor on majority investment from</p> <p>QUAD-C</p> <p>September 2022</p>	<p>KELSO PRIVATE EQUITY</p> <p>Financial Advisor on growth investment in</p> <p>Emtec Business & Technology Empowered</p> <p>August 2022</p>	 <p>Financial Advisor on strategic investment from</p>  <p>AVANCE</p> <p>August 2022</p>
<p>THE STABLE</p> <p>a portfolio company of</p>  <p>Financial Advisor on sale to</p> <p>accenture</p> <p>August 2022</p>	 <p>Financial Advisor on sale to</p>  <p>July 2022</p>	 <p>Financial Advisor on sale to</p> <p>THRIVE</p> <p>a portfolio company of</p>  <p>June 2022</p>	<p>SIGMA 7 GLOBAL RISK OUTCOMES</p> <p>On its formation, initial acquisitions and investment from</p>  <p>May 2022</p>	<p>acitis</p> <p>Financial Advisor on sale to</p>  <p>March 2022</p>	<p>TA DIGITAL</p> <p>Financial Advisor on sale to</p> <p>Omnicom Group (NYSE: OMCI)</p> <p>March 2022</p>	 <p>Financial Advisor on investment from</p>  <p>January 2022</p>	 <p>a portfolio company of</p> <p>MASON WELLS</p> <p>Financial Advisor on sale to</p> <p>CONVERGE TECHNOLOGY SOLUTIONS</p> <p>January 2022</p>	 <p>Financial Advisor on sale to</p>  <p>January 2022</p>

Leading Technology M&A Advisor





U.S. Mid-Market TMT Advisory¹

Rank	Firm Name	LTM 9/30/23
1	 Canaccord Genuity	44
2	Lincoln International	25
3	Houlihan Lokey	23
4	Raymond James	17
5	William Blair	16
6	Stifel	13
7	Jefferies	12
8	Evercore	11
9	AGC	10
10	Morgan Stanley	9

U.S. Mid-Market Media & Information Services Advisory¹

Rank	Firm Name	LTM 9/30/23
1	 Canaccord Genuity	38
2	Houlihan Lokey	12
3	Bright Tower	10
4	JEGI	7
4	Moelis	7
6	AGC	6
6	Evercore	6
6	Lincoln International	6
9	Raymond James	5
10	GP Bullhound	4

Select Representative Technology M&A Transactions Completed in the Last Twelve Months

 Financial Advisor on majority investment from  December 2023	 Financial Advisor on sale to  December 2023	 a portfolio company of  Financial Advisor on sale to  November 2023	 a portfolio company of  Financial Advisor on majority investment from  November 2023	 a portfolio company of  Financial Advisor on sale to  a portfolio company of   November 2023	£175,000,000  Financial Advisor on acquisition of  (LON:BLTG) November 2023	 Financial Advisor on strategic investment from  October 2023	\$95,000,000  Financial Advisor on sale to  (NASDAQ:OPRX) October 2023
 Financial Advisor on sale to  October 2023	 Financial Advisor on sale to  October 2023	 Financial Advisor on investment from  October 2023	 Financial Advisor on strategic investment from  September 2023	 a portfolio company of  Financial Advisor on significant investment from  September 2023	 Financial Advisor on acquisition of  September 2023	 the commercial marketing group of  (NASDAQ:ICFI) Financial Advisor on sale to  September 2023	 Financial Advisor on sale to  September 2023

1) PitchBook: Transaction totals represent U.S. M&A/Control Transactions, All Buyout Types, and Growth/Expansion transactions <\$500M in the

Leading Global Underwriter Since 2022

Canaccord Genuity finished November as the leading global underwriter and a top global bookrunner since 2022

- Leveraging our global capabilities, Canaccord Genuity ranks as the leading global underwriter and one of the top global bookrunners since 2022
- Underwriter on 616 total financings; bookrunner on 488
- Transactions across US, Canada, Australia, and UK platforms

Select Canaccord Genuity Financings



\$261,620,000
Follow-on Offering
Joint Bookrunner
November 2023




\$100,160,000
Private Placement
Co-Placement Agent
October 2023



C\$56,010,000
Follow-on Offering
Joint Bookrunner
October 2023



A\$300,000,000
Follow-on Offering
Joint Bookrunner
October 2023



£102,850,000
Follow-on Offering
Joint Bookrunner
September 2023



\$576,000,000
Initial Public Offering
Co-Manager
September 2023



C\$16,200,000
Follow-on Offering
Sole Bookrunner
September 2023



C\$38,830,000
Follow-on Offering
Sole Bookrunner
September 2023



A\$120,000,000
Follow-on Offering
Joint Bookrunner
August 2023



£291,450,000
Initial Public Offering
Joint Bookrunner
July 2023



C\$28,750,000
Follow-on Offering
Joint Bookrunner
July 2023



A\$40,000,000
Follow-on Offering
Joint Bookrunner
July 2023

Global League Table (US-Focused Banks)

Global Rank	Bank	Total Deals	Bookrun Deals	Total Proceeds (\$M)
1	Canaccord Genuity	616	488	23,445.2
2	JPMorgan	545	530	276,098.2
3	Goldman Sachs	511	495	298,645.6
4	Morgan Stanley	471	453	252,172.4
5	BofA Securities	465	440	277,906.1
6	Citi	374	362	241,403.6
7	UBS	348	334	145,303.8
9	Jefferies	269	267	79,986.7
10	Barclays	249	236	138,951.4
11	Stifel	246	157	59,013.3
12	HC Wainwright	240	186	8,269.8
12	RBC Capital Markets	240	191	91,423.3
15	Raymond James & Associates	216	104	34,841.4
16	BMO Capital Markets	211	128	58,959.6
24	Maxim Group	156	136	4,293.9
26	Wells Fargo	140	124	80,974.7
30	Deutsche Bank	129	118	96,467.9
37	AGP/Alliance Global Partners	116	108	2,909.5
37	Piper Sandler	116	96	27,495.4
42	Leerink Partners	105	100	24,305.0
43	Cantor Fitzgerald	104	80	13,327.1
47	Truist Financial	91	77	40,745.1
49	Evercore	89	88	36,631.9
53	EF Hutton	87	84	3,337.5
56	Roth Capital Partners	84	48	8,512.2
60	BTIG	75	23	26,072.2



**Investment
Banking**

Canaccord Genuity

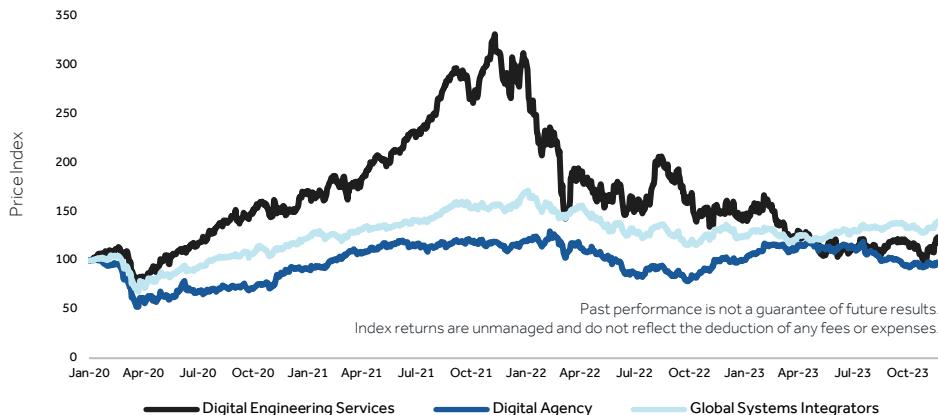
Digital Transformation Services Market Overview



Digital Transformation Services Continue to Experience Growth, Though Muted in Some Categories

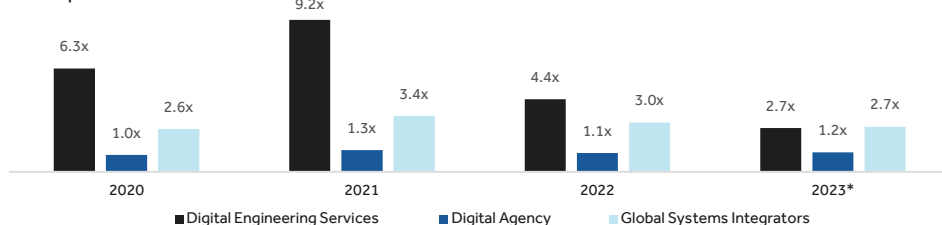
- Digital transformation remains a priority for enterprises across sectors globally; ongoing demand continues to drive investments and M&A
- Given the current macroeconomic environment, there has been limited year-over-year growth in IT enterprise spending in 2023; digital transformation businesses, however, have largely maintained momentum as essential drivers of enterprise innovation strategies tied to revenue and cost optimization
- Overall, the performance of stocks in the global systems integrator (GSI) and digital agency sectors has remained stable; the digital engineering index peaked in 2021, but has since fallen in line with the broader technology services market

Digital Transformation Services Stock Performance¹



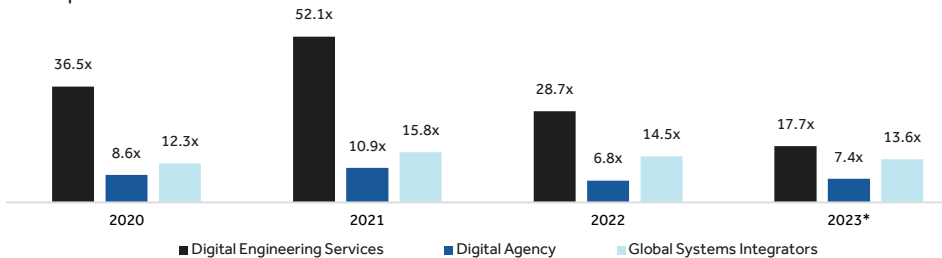
Digital Transformation Services Trading Multiples¹

Enterprise Value/Revenue



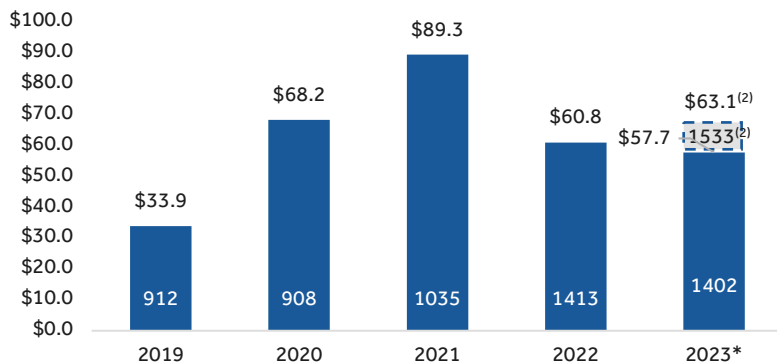
Digital Transformation Services Trading Multiples¹

Enterprise Value/EBITDA⁽³⁾



Digital Transformation Services M&A Activity²

(by Transaction Value, \$USD in Billions)



The information contained on this page is sourced from CGLLC's proprietary database. A more detailed methodology may be found in the appendix.

(1) The stock prices shown are as of 11/30/2023 and should not be relied upon as current thereafter

(2) Represents 2023 activity on a run-rate basis

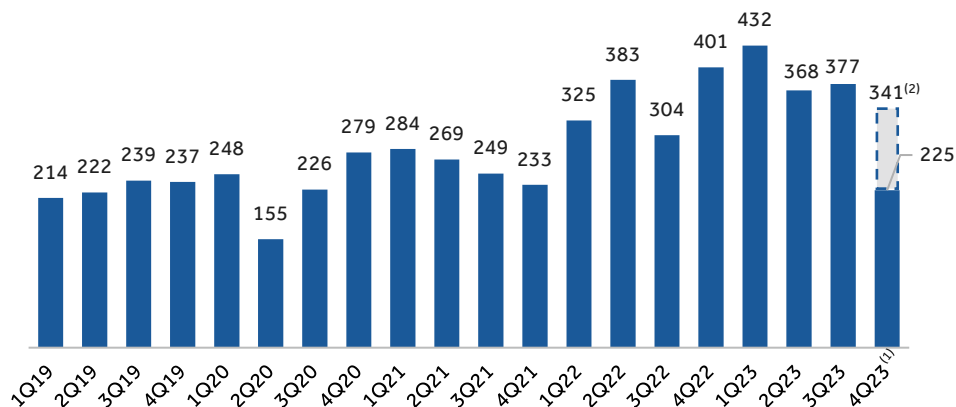
(3) EBITDA = Earnings before interest, taxes, depreciation, and amortization * 2023 data is as of YTD 11/30/2023

Annual Digital Transformation M&A Volume Peaked in 2022

Deal volume, disclosed M&A multiples dip but remain strong through market uncertainty in 2023

Digital Transformation Services M&A Activity

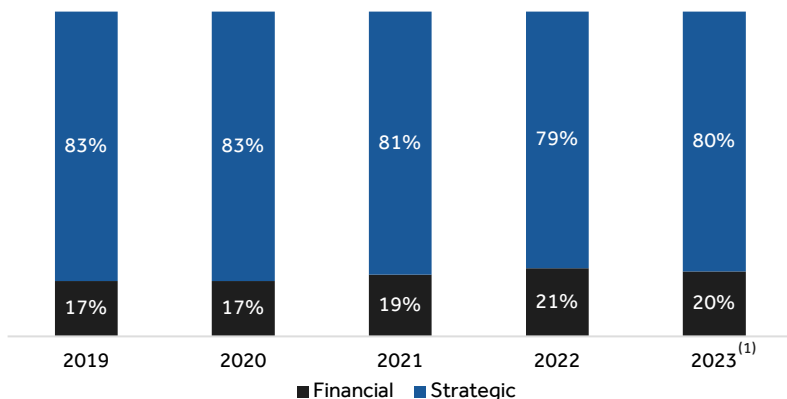
(#of Transactions)



- Enterprises continue to focus on investing in their mission-critical digital initiatives, prioritizing data and analytics, cloud and engineering, mobility, customer experience, ecommerce, marketing enablement, and artificial intelligence
- The digital transformation services market is valued at more than \$500 billion, with projections of double-digit growth⁽³⁾
- M&A deal activity across the broader digital transformation sector remains strong – deal activity increased by 33% from 1Q22 to 1Q23
- Strategic acquirers remain active, with Accenture and NTT Data being most acquisitive

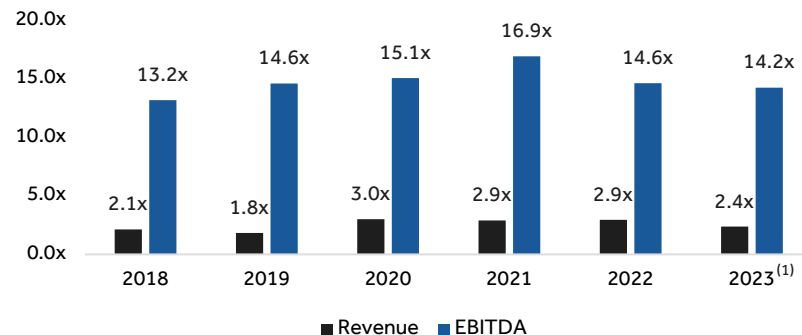
Buyer Type

(by year)



Digital Transformation Services M&A Multiples⁽⁴⁾

(average by year)



The information contained on this page is sourced from CG LLC's proprietary database. A more detailed methodology may be found in the appendix.

(1) 2023 is data as of YTD 11/30/2023

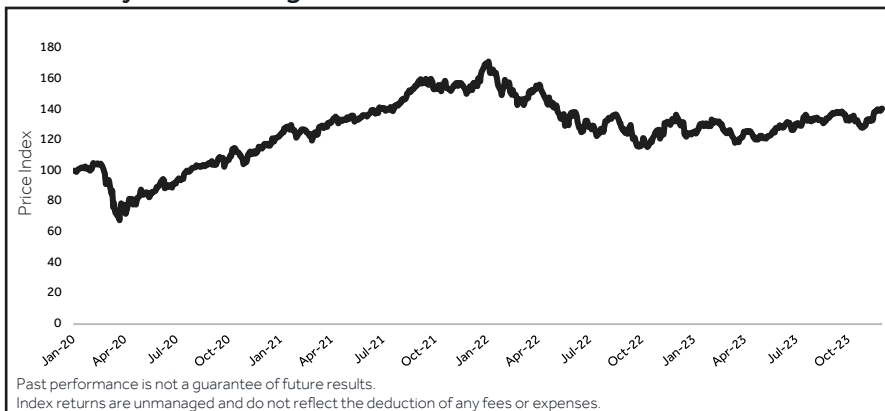
(2) Represents 4Q23 activity on a run-rate basis

(3) Source: "Digital Transformation Market Worth \$4,617.78 Billion By 2030", Grand View Research

(4) Valuation Multiples exclude Revenue Multiples >75x, EBITDA Multiples >150x, and EBITDA Multiples < 0x

Global Systems Integrators Outlook

Global Systems Integrators Stock Performance¹



- As the largest service providers of IT and digital transformation services, GSIs continue to benefit from ongoing demand from enterprises
- GSIs continue to pursue attractive assets for M&A; their diversified and market-tested business models allow them to maintain cash flow and healthy balance sheets
- Despite strong digital transformation offerings, several GSIs have legacy IT services portfolios experiencing secular decline that could see ongoing pricing pressure, as enterprises look to contain costs
- As client demand shifts towards new, technology-based services and solutions, GSIs are prioritizing growth in areas such as AI, data, and cybersecurity
 - Accenture has completed more than 30 acquisition in the last twelve months, many supporting expansion of next-generation digital transformation offerings⁽²⁾

Median Summary Statistics⁽¹⁾

\$35.1B
Market
Capitalization

17.7%
EBITDA Margin
(LTM)

7.7%
YoY Revenue
Growth (LTM)

Peer Group Performance⁽¹⁾

LTM	
Peer Group	3%
S&P 500	12%
Nasdaq	24%

Global Systems Integrators Public Peer List¹

(\$USD in Millions)	Basic Statistics			Revenue		EV/Revenue		EV/EBITDA		Revenue Growth			
	11/30/2023 Share Price	Equity Value	Enterprise Value	LTM	LTM	LTM	CY23E	LTM	CY23E	CY'21-'22	LTM	Difference in Rev. Growth	
accenture	\$333.14	\$209,083	\$203,948	\$64,112	\$11,201	3.2x	3.2x	18.2x	17.4x	16.1%	4.1%	(12.0%)	
Capgemini	\$204.19	\$35,104	\$40,247	\$24,691	\$3,334	1.6x	1.6x	12.1x	11.5x	21.1%	12.9%	(8.2%)	
CGI	\$102.19	\$23,742	\$25,347	\$10,589	\$1,856	2.4x	2.4x	13.7x	11.9x	8.4%	11.1%	2.7%	
Cognizant	\$70.38	\$35,289	\$34,366	\$19,434	\$3,436	1.8x	1.8x	10.0x	10.4x	5.0%	0.4%	(4.6%)	
HCLTech	\$16.10	\$43,599	\$41,592	\$12,904	\$2,679	3.2x	3.2x	15.5x	14.7x	10.4%	6.8%	(3.5%)	
Infosys	\$17.47	\$72,316	\$70,595	\$18,547	\$4,300	3.8x	3.8x	16.4x	16.1x	14.7%	5.8%	(8.9%)	
IBM	\$158.56	\$144,784	\$192,406	\$60,433	\$13,663	3.2x	3.1x	14.1x	12.8x	5.5%	1.1%	(4.5%)	
NTT DATA	\$12.21	\$17,112	\$36,165	\$28,509	\$4,072	1.3x	1.3x	8.9x	9.4x	24.0%	54.8%	30.8%	
PERFICIENT	\$61.88	\$2,152	\$2,493	\$918	\$170	2.7x	2.7x	14.7x	12.9x	18.9%	3.5%	(15.4%)	
REPLY	\$116.43	\$4,340	\$4,238	\$2,216	\$337	1.9x	1.8x	12.6x	11.7x	27.2%	22.9%	(4.4%)	
TCS	\$41.88	\$153,228	\$147,644	\$28,393	\$7,250	5.2x	5.1x	20.4x	19.7x	17.3%	13.9%	(3.4%)	
Teach	\$14.66	\$12,927	\$12,560	\$6,421	\$727	2.0x	2.0x	17.3x	18.2x	22.3%	8.2%	(14.1%)	
Mahindra	\$4.96	\$25,877	\$23,984	\$11,019	\$2,030	2.2x	2.2x	11.8x	11.8x	18.4%	7.7%	(10.7%)	
				Mean	\$22,168	\$4,235	2.6x	2.6x	14.3x	13.7x	16.1%	11.8%	(4.3%)
				Median	-	-	2.4x	2.4x	14.1x	12.8x	17.3%	7.7%	(4.6%)

The information contained on this page is sourced from CG LLC's proprietary database. A more detailed methodology may be found in the appendix.

Public data sourced from S&P Capital IQ as of 11/30/2023; Projections based off consensus analyst estimates

11 Valuation Multiples exclude Revenue Multiples > 75x, EBITDA Multiples > 150x, and EBITDA Multiples < 0x

(1) Peer Group Share Performance is market cap-weighted and through 11/30/23

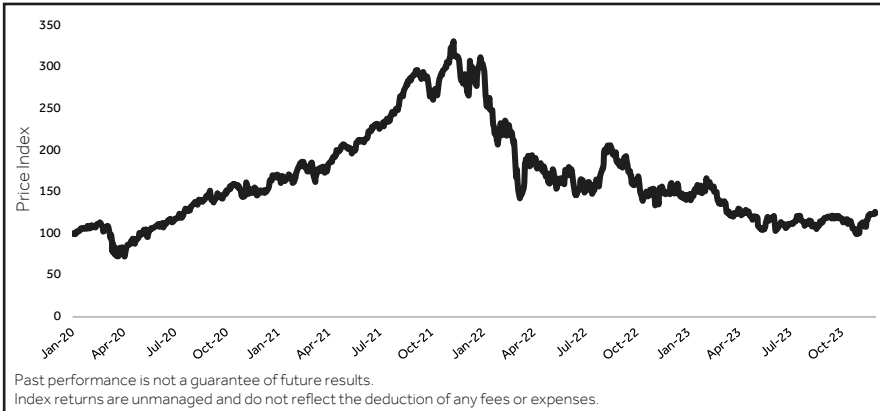
(2) PitchBook

Nasdaq = stock market index that includes almost all stocks listed on the Nasdaq stock exchange. S&P 500 = stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States.

Driven by your success.

Digital Engineering Services Outlook

Digital Engineering Services Stock Performance¹



- Enterprise organizations generally view custom software development and digital engineering projects as high-priority strategic initiatives, while also currently prioritizing the most mission-critical projects but preserving budget in other areas, where possible
- The digital engineering and product development markets have remained attractive despite the current macro environment; an anticipated rebound creates potential for further growth
- While peer group performance has declined in the past 12 months, ongoing durability of demand for digital initiatives has supported incremental revenue growth year-over-year

Median Summary Statistics ⁽¹⁾			Peer Group Performance ⁽¹⁾	
\$1.2B Market Capitalization	14.6% EBITDA Margin (LTM)	11.9% YoY Revenue Growth (LTM)	LTM	
			Peer Group	(3%)
			S&P 500	12%
			Nasdaq	24%

Digital Engineering Services Public Peer List¹

	Basic Statistics			Revenue	EBITDA	EV/Revenue		EV/EBITDA		Revenue Growth			
	11/30/2023 Share Price	Equity Value	Enterprise Value	LTM	LTM	LTM	CY23E	LTM	CY23E	CY'21-'22	LTM	Difference in Rev. Growth	
CIST	\$5.15	\$683	\$815	\$476	\$82	1.7x	1.8x	9.9x	9.6x	51.5%	14.3%	(37.2%)	
endava	\$65.24	\$3,800	\$3,679	\$998	\$169	3.7x	3.8x	21.8x	18.6x	36.3%	11.9%	(24.4%)	
epam	\$258.19	\$14,898	\$13,139	\$4,765	\$697	2.8x	2.8x	18.9x	16.1x	28.4%	1.4%	(27.0%)	
Globant	\$220.80	\$9,333	\$9,334	\$2,006	\$307	4.7x	4.5x	30.4x	21.9x	37.3%	20.2%	(17.1%)	
Grid Dynamics	\$12.68	\$958	\$716	\$315	\$10	2.3x	2.3x	71.9x	16.3x	47.0%	6.4%	(40.6%)	
nagarro	\$91.45	\$1,233	\$1,476	\$1,001	\$102	1.5x	1.5x	14.5x	11.0x	56.8%	16.9%	(39.9%)	
thoughtworks	\$3.90	\$1,242	\$1,494	\$1,185	\$72	1.3x	1.3x	20.9x	11.6x	21.1%	(6.8%)	(28.0%)	
				Mean	\$1,535	\$205	2.5x	2.6x	26.9x	15.0x	39.8%	9.2%	(30.6%)
				Median	-	-	2.3x	2.3x	20.9x	16.1x	37.3%	11.9%	(28.0%)

The information contained on this page is sourced from CG LLC's proprietary database. A more detailed methodology may be found in the appendix.

Public data sourced from S&P Capital IQ as of 11/30/2023; Projections based off consensus analyst estimates

Valuation Multiples exclude Revenue Multiples >75x, EBITDA Multiples >150x, and EBITDA Multiples < 0x

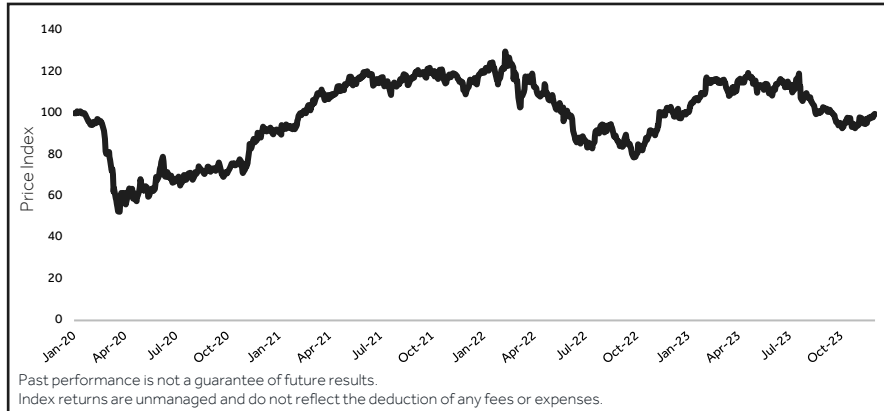
(1) Peer Group Share Performance is market cap-weighted and through 11/30/23

Nasdaq = stock market index that includes almost all stocks listed on the Nasdaq stock exchange, S&P 500 = stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States.

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Digital Agency Outlook

Digital Agency Stock Performance¹



- Digital marketing agencies, compared to GSIs and digital specialists, have maintained relatively stable public trading multiples, although down from recent highs 12 months ago
- Digital agencies have opportunities to expand their technical and digital initiatives, through both M&A and organically, by focusing on the intersection of customer experience and commerce
- By remaining closely connected to clients' core revenue generation strategies and incorporating technical capabilities to expand wallet share, agencies can continue growing their addressable market to foster stronger revenue growth
- Agencies that enhance their technical credentials are likely to rebound most effectively from the current slowdown, positively impacting trading multiples of this peer set

Median Summary Statistics⁽¹⁾

\$8.4B
Market
Capitalization

13.2%
EBITDA Margin
(LTM)

6.0%
YoY Revenue
Growth (LTM)

Peer Group Performance⁽¹⁾

LTM	
Peer Group	(21%)
S&P 500	12%
Nasdaq	24%

Digital Agency Public Peer List¹

(\$USD in Millions)	Basic Statistics			Revenue	EBITDA	EV/Revenue		EV/EBITDA		Revenue Growth		
	11/30/2023 Share Price	Equity Value	Enterprise Value	LTM	LTM	LTM	CY23E	LTM	CY23E	CY'21-'22	LTM	Difference in Rev. Growth
Cheil dentsu	\$15.05	\$1,524	\$1,130	\$3,227	\$293	0.4x	0.3x	3.9x	3.9x	27.9%	4.0%	(23.9%)
HAKUHODO	\$7.58	\$2,780	\$2,923	\$6,597	\$413	0.4x	0.4x	7.1x	6.1x	(3.2%)	2.9%	6.1%
IFG	\$30.74	\$11,774	\$14,887	\$9,365	\$1,696	1.6x	1.6x	8.8x	8.5x	3.7%	(0.9%)	(4.6%)
Omnicom Group	\$80.63	\$15,959	\$20,530	\$14,500	\$2,390	1.4x	1.4x	8.6x	8.6x	(0.0%)	1.6%	1.6%
PUBLICIS GROUPE	\$84.26	\$21,108	\$23,996	\$16,025	\$2,663	1.5x	1.7x	9.0x	7.6x	20.9%	15.3%	(5.6%)
WPP	\$8.96	\$9,577	\$17,309	\$18,879	\$1,741	0.9x	1.2x	9.9x	6.2x	12.7%	11.0%	(1.8%)
	\$0.58	\$334	\$534	\$1,445	\$147	0.4x	0.4x	3.6x	4.1x	55.8%	33.6%	(22.2%)
				Mean	\$9,852	1.0x	1.0x	7.2x	6.5x	16.6%	9.4%	(7.1%)
				Median	-	1.0x	1.1x	7.8x	6.8x	13.6%	6.0%	(5.1%)

The information contained on this page is sourced from CG LLC's proprietary database. A more detailed methodology may be found in the appendix.

Public data sourced from S&P Capital IQ as of 11/30/2023; Projections based off consensus analyst estimates

13 Valuation Multiples exclude Revenue Multiples > 75x, EBITDA Multiples > 150x, and EBITDA Multiples < 0x

(1) Peer Group Share Performance is market cap-weighted and through 11/30/23

Nasdaq = stock market index that includes almost all stocks listed on the Nasdaq stock exchange. S&P 500 = stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States.

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Sector Spotlight: eCommerce Consultancies

63%⁽¹⁾

of organizations were increasing spending across all customer experience categories in 2023

\$8 trillion⁽²⁾

of retail purchases expected to take place online by 2027

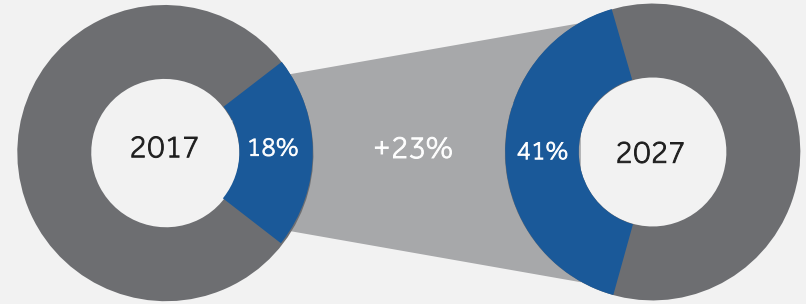
3x⁽³⁾

Projected revenue growth in two years for customer experience-focused companies

56%⁽⁴⁾

of organizations expect most of their revenue to be from eCommerce within the next three years

eCommerce's Increasing Share of Retail Sales⁽²⁾



Recent CG eCommerce Transactions

TOMORROW
Financial Advisor on strategic investment from
bv INVESTMENT PARTNERS
September 2023
shopifyplus

AVIONOS
Financial Advisor on sale to
Hero DIGITAL
a portfolio company of
AEA
August 2023
Adobe Commerce Cloud commerce cloud

WestBridge
Financial Advisor on investment in
tryzens
August 2023
salesforce commerce cloud

CORRA
Financial Advisor on sale to
publicis sapient
PUBLICIS GROUPE
(Euronext Paris FR0000130577, CAC 40)
June 2023
Adobe Commerce Cloud

SHIFT7 DIGITAL
a portfolio company of
RLH Equity Partners
Financial Advisor on sale to
MERKLE
March 2023
salesforce commerce cloud

FENOM DIGITAL
Financial Advisor on sale to
WPP
(NYSE: WPP)
January 2023
salesforce commerce cloud

eCommerce Market Dynamics⁽⁵⁾

- Rapid Adoption of Digital Retail:** Amplified by the recent pandemic years, digital channels are disrupting traditional brick and mortar retail, creating an imperative for businesses to invest in cutting edge e-commerce solutions
- Increased Consumer Expectations:** Growing preference for online shopping has made consumer experience more important, especially in competitive markets
- Shift Towards Direct-to-Consumer Strategy:** Retailers want to expand direct-to-consumer (D2C) capabilities to compete more effectively with third-party marketplaces like Amazon; in a survey, 70% of retailers responded that they are planning a shift towards D2C sales strategy to increase revenue⁽⁵⁾
- Innovative e-Commerce Solutions:** There is an increased demand for commerce-focused digital transformation offerings, such as mobile/social commerce optimization, payment integration, and AI and AR-powered tools

(1)451 Research: 2024 Trends in Customer Experience & Commerce

(2)BCG: Winning Formulas for E-Commerce Growth Study

(3)IBM










(4)Salesforce, State of Commerce Report

(5)451 Research: Customer Experience & Commerce, Merchant Study 2023

Favorable Market Dynamics Have Driven Strong Transaction Activity with Premium Valuations LTM

Select Representative M&A Transactions

(\$ in Millions)

Date	Target	Buyer	Ent. Value
Nov-23	Civica	Blackstone	\$2,500.0
Nov-23	Guidehouse	Bain Capital	\$5,300.0
Nov-23	Regency Technologies	Iron Mountain	\$200.0
Nov-23	Symbio	Superloop, Aussie Broadband	\$331.0
Oct-23	Flywheel Digital	Omnicom Group	\$835.0
Oct-23	Roboyo	Stanley Capital Partners	 Confidential
Oct-23	Kin + Carta	Apax Partners	\$251.0
Oct-23	Versent	Telstra	\$267.0
Oct-23	Silverline CRM	Mphasis	\$132.5
Sep-23	Tomorrow	BV Investment Partners	 Confidential
Sep-23	PFSweb	GXO Logistics	\$181.0
Sep-23	Denodo Technologies	TPG	\$336.0
Sep-23	Brainlabs	Falfurrias Capital Partners	 Confidential
Sep-23	Phaedon (Commercial Marketing Group of ICF)	Cohere Capital	 Confidential
Aug-23	Tryzens	WestBridge	 Confidential
Aug-23	Sealing Technologies	Parsons	\$200.0
Aug-23	Computer Task Group	Cegeka	\$168.0
Aug-23	Avionos	Hero Digital	 Confidential
Jul-23	Scalian	Wendel Group	\$1,070.0
Jul-23	Factor Creative	Virtusa	 Confidential
Jul-23	Quest Global Services	The Carlyle Group	\$640.0
Jun-23	JMAN Group	Baird Capital	 Confidential
Jun-23	Nomios	Keensight Capital	\$773.0
Jun-23	Lovelytics	Interlock Equity, Databricks Ventures	 Confidential
Jun-23	Clevertch	Avance Investment Management	 Confidential
Jun-23	Corra	Publicis Sapient	 Confidential

*Transactions dated 11/1/22-present

15 **Dollar amounts in millions unless otherwise specified

 Canaccord Genuity-led transaction

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Favorable Market Dynamics Have Driven Strong Transaction Activity with Premium Valuations LTM (cont.)

(\$ in Millions)

Date	Target	Buyer	Ent. Value
May-23	MSP Corp	Alfar Capital, Walter Capital Partners	\$100.0
May-23	PTP	424 Capital	 Confidential
Apr-23	Data4	Brookfield Infrastructure	\$3,800.0
Mar-23	Ordina	Sopra Steria	\$552.0
Mar-23	Shift7	Merkle (Dentsu)	 Confidential
Mar-23	Mobica	Cognizant	\$300.0
Mar-23	WebHelp	Concentrix	\$4,800.0
Mar-23	2X	Recognize	 Confidential
Mar-23	SK Shieldus	EQT	\$1,500.0
Mar-23	Cloud Flight	Partners Group	\$425.7
Feb-23	Authentic	Concord	 Confidential
Feb-23	Spreetail	McCarthy Capital	\$208.0
Jan-23	Excellerate	Encora	 Confidential
Jan-23	Fenom Digital	WPP	 Confidential
Jan-23	Cprime	Everstone, Goldman Sachs	\$290.0
Jan-23	WillowTree	TELUS	 Confidential
Dec-22	Grove Resource Solutions	DLH Holdings	\$185.0
Nov-22	Fueled	Insignia Capital	 Confidential
Nov-22	Aspirent	NTT Data	 Confidential
Nov-22	DEFINTION 6	Kelso	 Confidential
Nov-22	ICREON	Incline Equity	 Confidential
Nov-22	NTERSOL	CI&T	 Confidential
Nov-22	R Systems International	Blackstone	\$359.0
Nov-22	EdgeCore Digital Infrastructure	Partners Group	\$1,200.0

Appendix

- All transaction information has been publicly reported and is sourced from national news publications, industry trade journals and blogs, and public announcements by companies and investors.
- All trading data related to publicly-traded companies has been sourced from Capital IQ.

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