

Infosys



# M&A Case Study

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**Alphoenix Research**  
New Delhi, India  
[www.alphoenixresearch.com](http://www.alphoenixresearch.com)

# Infosys acquired Panaya



## Deal Overview

- On March 05, 2015, Infosys, a global leader in consulting, technology, outsourcing and next-generation services, acquired 100% of voting interests in Panaya, Inc., a provider of automation technology for large scale enterprise software management
  - The business acquisition was conducted by entering in a sales purchase agreement for cash consideration of \$225m
- This acquisition exemplifies Infosys' execution of its Renew and New strategy to enhance the competitiveness and productivity of current service lines by leveraging automation, innovation and artificial intelligence
- Panaya's CloudQuality™ suite will enable Infosys to leverage automation for several of its service lines through an agile SaaS model, and help mitigate risk, reduce costs and decrease time to market for clients

*The acquisition of Panaya is a key step in renewing and differentiating our service lines. This will help amplify the potential of our people, freeing us from the drudgery of many repetitive tasks, so we may focus more on the important, strategic challenges faced by our clients. At the same time, Panaya's proven technology helps dramatically simplify the costs and complexities faced by businesses in managing their enterprise application landscapes.*

**Dr. Vishal Sikka, CEO & MD, Infosys**

*We are excited about leveraging Infosys' global reach, service footprint and broad customer base to deliver compelling, simplifying, value to clients. I am confident this integrated proposition will uniquely position Infosys as the services leader in the enterprise application services market.*

**Doron Gerstel, CEO, Panaya, Inc**

## Post Acquisition

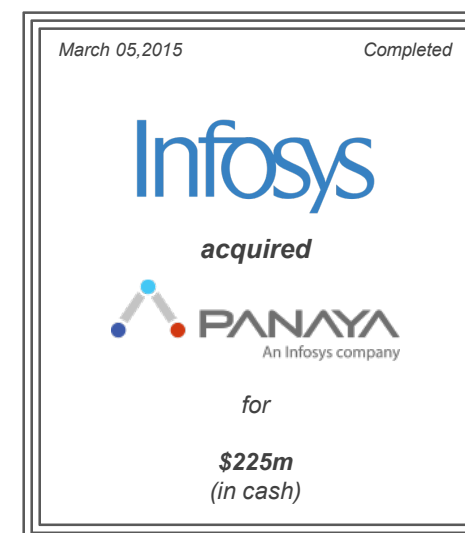
- Panaya announced the addition of over 200 new clients since being acquired by Infosys in March 2015, bringing the total number of clients that use Panaya to 1600
- Panaya's next generation SaaS platform Quality Suite (PCQ) enables faster changes and continuous improvement of ERP systems, releasing testing bottlenecks that hinder ERP agility, supporting the organizations' digital transformation
- Panaya is part of the new Infosys Mana artificial intelligence platform, enabling clients to have systems automatically sense, adapt and fix issues within their ERP systems

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## About Panaya (Target)

- Panaya is the leader in ERP change analytics and cloud-based enterprise software testing
- Panaya's CloudQuality™ Suite disrupts the risk, time and costs required to deliver all types of SAP and Oracle EBS changes
  - Powered by Big Data analytics and aggregating since 2008, Panaya's CloudQuality™ Suite delivers insights that tell organizations what will break, how to fix it and what to test
- **Key Facts: Customer Analyses:** 27,000; **Lines of Code Tested:** 7.5 billion; **Script Transactions:** 5 million
- Major customers include ABB, Air France, Apple, AstraZeneca, GSK, Coca Cola, Clarks, Diesel, Hanson, GM, Johnson & Johnson, Walmart, Novartis, Volvo, Atos, Mazda, Siemens, Entegris, Eveready
- The Company has offices in the US, UK, Germany, France, Australia, Japan and Israel
- **Key Management:** Doron Gerstel (CEO), Avi Elbaum (CFO), Mati Cohen (CTO)



## Financials - Panaya Inc & its Key Subsidiaries

*In INR Crore except % of shareholding and exchange rate*

Company Name (Period Ended Dec 31, 2015)	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding share capital and reserves & surplus)	Turnover <sup>(1)</sup>	PBT <sup>(1)</sup>	PAT <sup>(1)</sup>	Infosys Shareholding %
Panaya Inc	1USD=INR66.16	-	318	399	81	99	3	2	100%
Panaya Ltd <sup>(2)</sup>	1USD=INR66.16	225	(339)	245	359	204	(82)	(83)	100%
Panaya GmBH <sup>(2)</sup>	1EUR=INR72.11	-	(4)	21	25	26	-	-	100%
Panaya Japan Co Ltd <sup>(2)</sup>	1JPY=INR0.5497	-	(2)	4	6	4	-	-	100%

**Source:** Company website, Company reports.

(1) Converted at monthly average exchange rates. (2) Wholly-owned subsidiary of Panaya Inc.

# Thank You



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