



Everest Group°

ENGINEERING
SERVICES
SERVICE PROVIDERS

TOP
50TM

2019



WHAT IS THE EVEREST GROUP ENGINEERING SERVICES TOP 50™?

Engineering services include all activities (across software, embedded, mechanical, and process engineering functions) that support the design, development, testing, and management of products, both hardware and software¹. The Everest Group Engineering Services Top 50™ is a global list of the 50 largest third-party providers, based on their Engineering Services (ES) revenues and year-on-year growth for CY 2018. This is the inaugural edition of the list; we are launching it to help ES stakeholders understand the broad dynamics of growth and success in the industry.

WHY THE EVEREST GROUP ENGINEERING SERVICES TOP 50™?

The global third-party ES industry is valued at more than US\$40 billion. Enterprises have traditionally kept the design-to-development process in-house, but the need for scalability and rapid innovation has compelled them to consider third-party providers. As a result, ES providers have grown, through both more and larger deals, expanding the industry breadth, solution breadth, and global footprint. They are developing domain expertise and gaining scale through IP engagements and acquisitions. And, the market is becoming more favorable to engineering services providers as more high-end engineering services opportunities are being outsourced.

Engineering services providers are diverse. Some are pure-play engineering services providers, while others offer engineering services as part of a broader portfolio (IT and/or business process services, consulting, technology products, etc.). Some are focused on a particular domain or geography, while others are broad-based. Some are listed, while others are privately held.

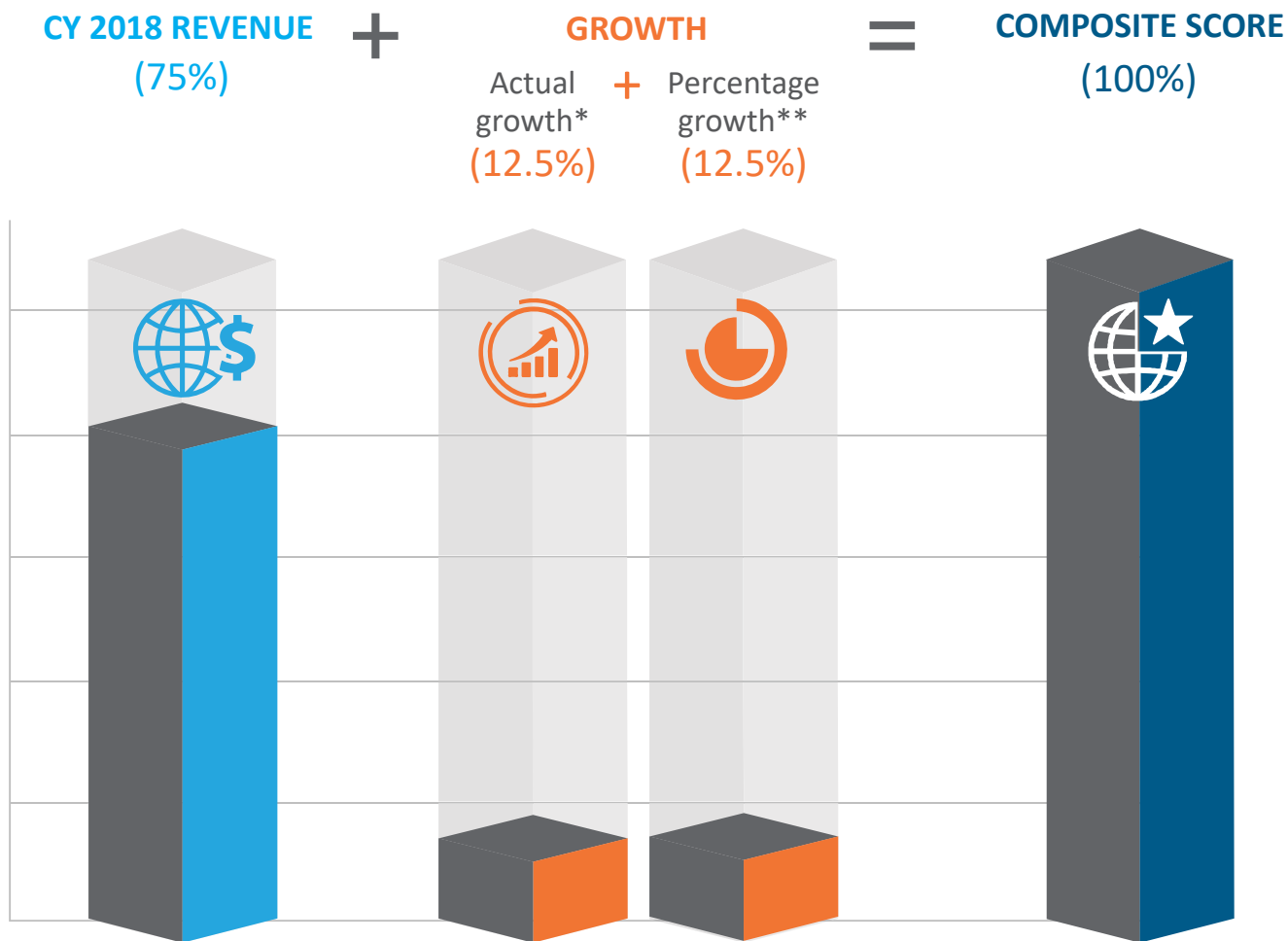
This list helps enterprises to identify the largest providers and their functional coverage. It also helps ES service providers to compare themselves against others in the industry.

¹ In the software context, engineering services include all Commercially Off The Shelf (COTS) and customer-facing software. System Integration (SI) and development, maintenance, and testing of custom applications are not part of engineering services.

HOW IS THE EVEREST GROUP ENGINEERING SERVICES TOP 50™ DETERMINED?

There are two distinct steps involved in determining the Top 50:

- Qualification – only the 50 largest service providers, based on their Calendar Year (CY) 2018 ES revenue, qualify for the Engineering Services Top 50 assessment
- Rank determination – service providers are ranked on the basis of their CY 2018 ES revenue and year-on-year growth. Growth has two sub-parameters: absolute growth (measured as change in ES revenue in US\$ million) and percentage growth (measured as percentage change in ES revenue)



We use multiple sources of information to conduct our analysis and determine the list rankings:

- Reported ES revenues and growth figures by listed companies
- Bottom-up revenue and growth build leveraging Everest Group's proprietary ES databases tracked and maintained at the functional levels
- Information shared/validated by service providers

*Year-on-year revenue change in US dollars

**Year-on-year percentage of revenue change

EVEREST GROUP ENGINEERING SERVICES TOP 50™ | 2019

Rank	Service provider	Revenue (CY 2018) US\$ billion	Growth rate (YoY)	Category	Key engineering services offerings								
					Engineering services by vertical								
					Software Products	Automotive	Consumer Electronics	Industrial & Energy	Aerospace & Defense	Telecom	Semi- conductor	Medical Devices	Computing Systems
1	Altran ⁴	3.34	27.0%	Pure-play	✓	✓	✓	✓	✓	✓	✓	✓	
2	Alten	2.60	14.4%	Pure-play	✓	✓		✓	✓	✓	✓	✓	
3	HCL Technologies	2.09	25.7%	Broad-based	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	AVL ¹	2.07	11.5%	Pure-play		✓		✓	✓				
5	AKKA Technologies	1.72	7.7%	Pure-play		✓		✓	✓	✓			
6	Accenture ¹	1.42	16.0%	Broad-based	✓	✓	✓	✓		✓	✓	✓	
7	Tata Consultancy Services ¹	1.41	15.0%	Broad-based	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Wipro ¹	1.40	9.1%	Broad-based	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	AF	1.56	1.2%	Pure-play		✓		✓	✓	✓			
10	L&T Technology Services	0.69	28.7%	Pure-play		✓	✓	✓	✓	✓	✓	✓	
11	SII Group	0.75	23.9%	Broad-based		✓	✓	✓	✓	✓	✓		
12	Tech Mahindra ²	0.82	19.7%	Broad-based	✓	✓	✓	✓	✓	✓	✓	✓	✓
13	Bertrandt Services	1.18	3.9%	Pure-play		✓		✓	✓			✓	
14	IAV	1.04	8.5%	Pure-play		✓		✓					
15	Harman Connected Services ¹	0.89	11.3%	Pure-play	✓	✓	✓	✓		✓	✓	✓	✓
16	Cognizant ¹	0.89	9.0%	Broad-based	✓	✓		✓				✓	
17	GlobalLogic ¹	0.62	22.0%	Pure-play	✓	✓	✓	✓		✓	✓	✓	
18	Globant	0.52	26.3%	Broad-based	✓								
19	Ferchau ¹	0.84	10.6%	Pure-play		✓			✓				
20	Belcan ¹	0.78	13.0%	Pure-play		✓		✓	✓				
21	Segula ²	0.98	3.2%	Pure-play		✓		✓	✓				
22	IBM ¹	0.93	5.0%	Broad-based				✓		✓			✓
23	Capgemini ^{2, 4}	0.83	8.5%	Broad-based	✓	✓		✓	✓	✓	✓	✓	
24	Infosys ¹	0.79	9.2%	Broad-based	✓	✓	✓	✓	✓	✓	✓	✓	
25	EDAG	0.90	4.5%	Pure-play		✓							
26	Luxoft ^{1,3}	0.64	15.0%	Broad-based	✓	✓		✓		✓			
27	Cyient	0.66	13.0%	Pure-play	✓	✓		✓	✓	✓	✓	✓	✓
28	QuEST Global ¹	0.56	14.0%	Pure-play	✓	✓	✓	✓	✓	✓	✓	✓	✓
29	FEV ¹	0.68	8.0%	Pure-play		✓							
30	DXC Technology ^{1, 3}	0.59	11.0%	Broad-based		✓		✓	✓	✓		✓	
31	EPAM	0.35	22.0%	Broad-based	✓	✓	✓	✓		✓	✓	✓	✓
32	Assystem	0.52	12.0%	Pure-play		✓		✓					
33	Arrk engineering	0.46	14.2%	Pure-play		✓							
34	Formel D	0.40	14.5%	Pure-play		✓							
35	Pactera ¹	0.45	12.0%	Broad-based	✓	✓		✓	✓	✓		✓	
36	KPIT	0.25	22.0%	Pure-play		✓							
37	Mindtree ²	0.28	20.0%	Broad-based	✓	✓	✓			✓	✓		
38	ESG ¹	0.37	12.0%	Pure-play		✓							
39	P3 ¹	0.43	8.0%	Pure-play		✓		✓	✓	✓		✓	
40	Safran Engineering Services ¹	0.41	7.9%	Pure-play				✓	✓				
41	Tata Technologies	0.43	2.6%	Pure-play		✓		✓	✓				
42	APL ¹	0.25	8.7%	Pure-play		✓							
43	Sonata Software ¹	0.13	14.0%	Broad-based	✓								
44	Tata Elxsi	0.22	8.3%	Pure-play	✓	✓	✓		✓	✓	✓	✓	
45	Persistent Systems ¹	0.37	1.2%	Broad-based	✓			✓					
46	Etteplan	0.27	5.1%	Pure-play		✓	✓	✓	✓	✓		✓	
47	Combitech	0.26	4.7%	Pure-play		✓		✓	✓	✓			
48	Hi-Q	0.21	4.0%	Pure-play	✓								
49	Cybage ¹	0.13	6.0%	Broad-based	✓								
50	Semcon	0.15	4.4%	Pure-play		✓		✓				✓	

1 Revenues and growth rates are based on public disclosures, information collected through our annual RFI process, our proprietary Transaction Intelligence (TI) database, and our ongoing coverage/tracking of service provider activity. These figures have not been validated by the service provider

2 Revenues and growth rates are estimated but have been validated by the service provider

3 In January 2019, DXC Technology entered into a definitive agreement to acquire Luxoft; the acquisition was closed in June 2019

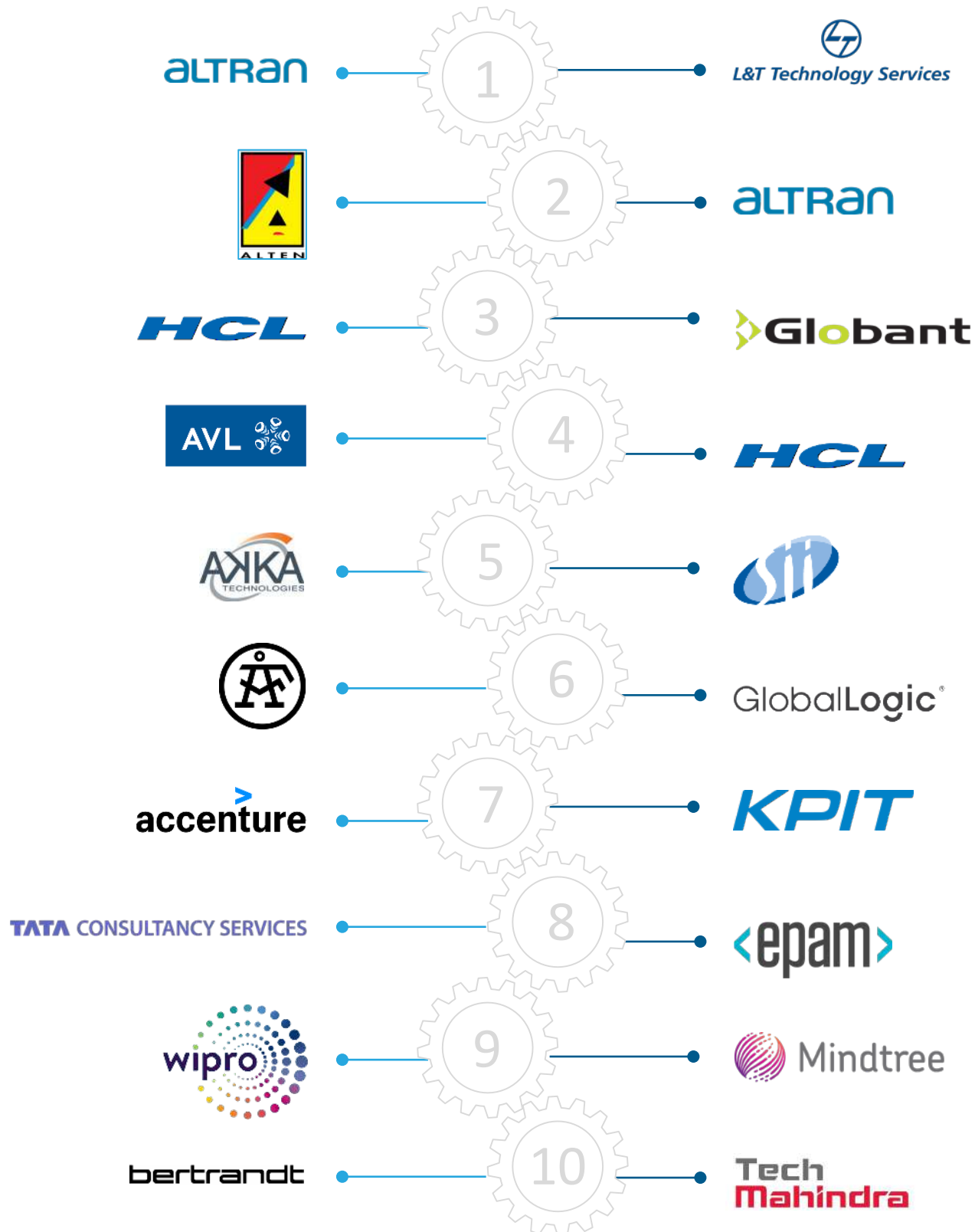
4 In June 2019, Capgemini announced its plan to acquire Altran; the acquisition is expected to close by the end of 2019

ES TOP 10 SERVICE PROVIDERS BY REVENUE AND GROWTH



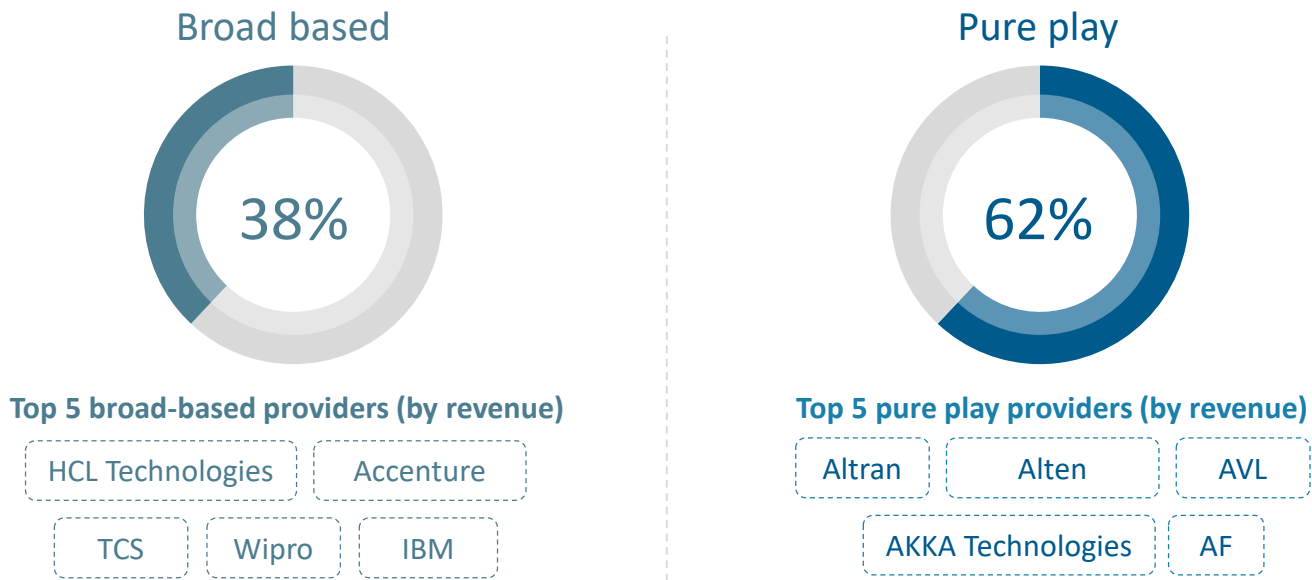
Players by revenue

Players by percentage growth %



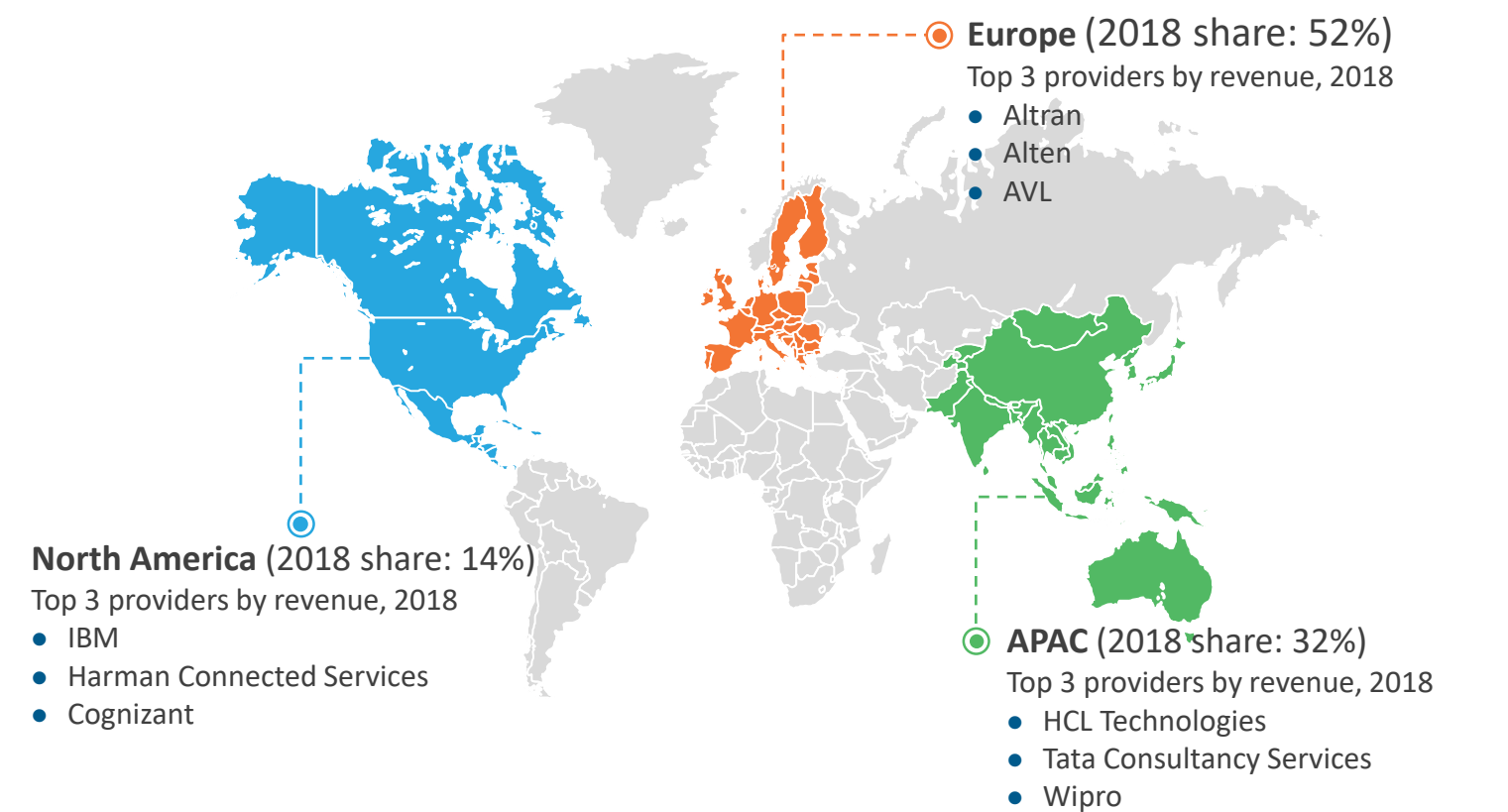
PURE PLAY VERSUS BROAD-BASED PROVIDERS

Most large engineering service providers are pure-play. Broad-based service providers that offer engineering services as part of a broader services portfolio (IT and/or business process services, consulting, technology products, etc.) view engineering services as an avenue to offset the low headroom for growth in IT and business process services.



SERVICE PROVIDERS' SHARE BY REGION, 2017-2018

At 52%, Europe has the most engineering services providers listed in the Engineering Services Top 50™ list. These service providers dominate the list given their higher revenues.





About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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