

GLOBANT

Globant is a software engineering and information technology company originally from Argentina with headquarters in Luxembourg. It is considered one of the four Argentine unicorns - emerging technology companies with a value of more than one billion dollars - together with Mercado Libre, Olx and Despegar.

In July 2020, its capitalization on the New York Stock Exchange reached 6.5 billion dollars, equivalent to twice the value of the Argentine state oil company / YPF.

Globant was founded in 2003 in Argentina by four software engineers: Martín Migoya, Guibert Englebienne, Martín Umarán and Néstor Nocetti. Their first big business was the administration of the website of the company LastMinute.com, with which they went from invoice 200 thousand dollars in its first year to 3 million dollars in the second. In 2006 the company began working for Google as an external software developer and received its first investment capital from FS Partners worth two million dollars. Over the next five years, it received further start-up funding from Riverwood Capital worth \$7.8 million and FTV Capital worth \$20 million.

In 2008, Accendra acquired the company, incorporating 100 employees and operations in Chile and Colombia. In addition, it acquires Openware, an Argentine company specialized in security and infrastructure management.

In 2011, Globant acquires Nextive, a San Francisco-based company specializing in mobile device applications. The following year, it acquires the Terraforum company in Brazil.

During 2013, Globant acquires 86.25% of the Huddle group.

In 2014, Globant was listed on the New York Stock Exchange under the stock symbol glob. In 2018 Globant offered software engineering services to various companies, including Google, Electronics Arts, National Geographic, LinkedIn, and Coca-Cola. Also, the company had seven offices in Argentina: Buenos Aires, La Plata, Córdoba, Chaco, Tandil, Rosario and Bahía Blanca; as well as offices in Montevideo, Bogotá, London and two in the United States: Boston and San Francisco. The US market represented 80% of its production.

In May 2015, it acquires the Indian company Clarice Technologies, expanding its business in Asia.

During 2016, Globant acquired the companies WAE (based in England) and L4 (United States), while in 2017 it acquired Point Source and Ratio, both from the United States.

In 2018, it acquired the Small Footprint company.

In 2019, Globant acquired the Colombian company Avanxo and the Argentine Belatrix.

At the beginning of 2020, Globant acquired the BiLive company. In July 2020, its capitalization on the New York Stock Exchange reached 6.5 billion dollars, equivalent to twice the value of the Argentine state oil company YPF.

In August of that year, it bought Grupo Assa, another company dedicated to offering external software engineering services, for 74.5 million dollars. Later that year, Globant completed 3 more acquisitions: Xappia, Giant Monkey Robot (GMR) and BlueCap.

Grupo Assa invested in South Africa in 2012, after having meetings with the Embassy and attending a Working Breakfast with WESGRO CEO, Mr. Nils Flatten who visited Argentina several times.

Globant buys gA, the Argentine multinational that survived 2001 and today serves the most powerful companies in the world

The purchase was announced by Martín Migoya, CEO of the company, in a statement to Nasdaq, where they have been listed since 2014. The idea is to expand its portfolio of solutions in digital transformation and innovation, using Data Science and Artificial Intelligence, two strengths of gA founded by the Argentine Roberto Wagmaister.

The operation included the Colombian subsidiary and other subsidiaries in the Americas and Europe.

Although the figure was not disclosed at first, according to the documents presented to the SEC in the United States, the company in charge of Martín Migoya put up some US\$74.5 million in different stages to buy the company: the first payment in 2020 was of US\$45 million and then US\$17 million over two years, in addition to an amount of up to US\$12.5 million related to the company's billing and earnings objectives for the remainder of 2020.

Founded in Buenos Aires in 1992, Grupo Assa operated as a digital business consulting platform, with a focus on the areas of life sciences, consumer packaged goods, and manufacturing and logistics. Their most important hub was in Argentina, but the company was headquartered in Miami, and had operations in Brazil, Chile, Colombia, Mexico, Belgium, Spain and Israel and a workforce of 1,100 employees. Its clients include Avon, Arcor, Johnson & Johnson, PepsiCo, and DirecTV, among others, providing services to Fortune 500 companies.

From 2008 to 2020, Globant has bought 14 companies (gA's is by far the largest), always with the aim of diversifying and complementing its offer of services and developments abroad.

The key to the acquisition has to do with the expansion of its portfolio of solutions, aimed at companies that are going through their digital transformation and that need disruptive technologies such as cloud, AI, and analytics. The idea was to strengthen globant's expertise on a global scale in solutions related to science and logistics, improving the ability of the Argentine unicorn to provide B2B solutions in the enterprise segment.

Migoya explained the reasons briefly. " In gA they found the perfect partner to improve their portfolio in Health and Sciences. They have a close relationship with other Fortune 500 companies and that helps them. The world is changing, and all industries are transforming. The gA portfolio is going to help them go out to further help their customers along that path.

The Argentine multinational is a strategic purchase for Globant, which is dedicated to software solutions for the enterprise segment. Roberto Wagmaister's company, founded in 1995 after, has

strategic alliances with Oracle and SAP and specializes specifically in Machine Learning, Data Science and Artificial Intelligence solutions, in addition to the Cloud solutions that it provides as a partner.

The negotiations between the two companies took place online, due to the Covid-19 pandemic.

Globant said that the operation allows it to expand its geographic presence, strengthen its leadership in digital and cognitive transformation, as well as complement its capabilities in the cloud and in enterprise application services.

They include, in addition to gA, the company Parabolt, which is exclusively dedicated to product innovation using AI and Machine Learning, a bet for which the company had ventured US\$10 million a few years ago.

Namely, the company led by Migoya had bought the operations of the Argentine software company Belatrix, a native of Mendoza, in mid-2019 and its operations were absorbed by the company. "There are 1,100 highly talented employees," Ledesma acknowledges, "and that is one of the reasons why gA was such an attractive option.

In March 2021, Globant purchased the English company CloudShift.

In April 2022, Globant acquired the Uruguayan company Genexus11.

It would be interesting to know if Globant has links with South Africa through the company that they bought and used to belong to Grupo Assa, and if not, it would be good to encourage them to start thinking in South Africa.

We visited Globant facilities with MBA Students of different South African Universities and they were impressed by the history of the company.

Born in 2003 with an initial capital of US\$5,000, the unicorn has more than 40 commercial offices distributed in more than 20 countries, exports knowledge and is a case study in universities such as Harvard, MIT, and Stanford.

Globant has a team in charge of evaluating and monitoring the evolution of various companies to add to their portfolio. First, as potential partners in specific projects, as happened with gA.

The companies bought by Globant includes North American technology companies (L4, Ratio, PointSource and Small Footprint), one from India (Clarice Technologies), the Brazilian TerraForum, and the Colombian Avanxo.