

Zinnov Zones 2022

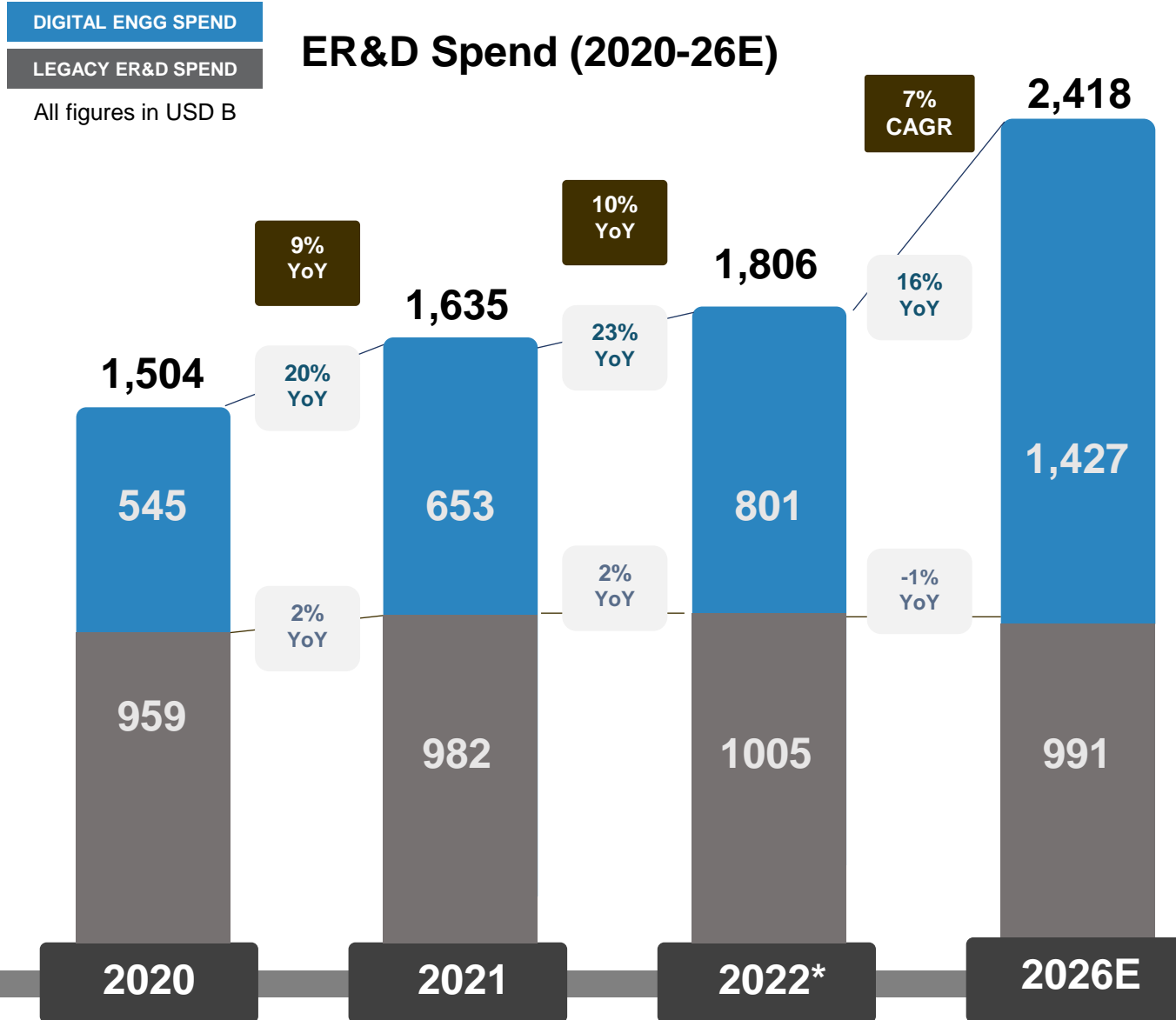
ER&D Landscape

December 2022

The Zinnov logo consists of the word "zinnov" in a lowercase, sans-serif font, followed by a blue square containing a white, stylized wave or 'Z' shape.

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Digital Engineering will continue to grow and is expected to reach USD 1.4T by 2026 even with adjusted macro headwinds



Despite the current macro environment, CXOs are committed to maintaining the pace of innovation

Relentless focus on digital tech & engineering initiatives by Enterprises – Data / AI, 5G, Cloud, Meta

SPs have witnessed high growth rates in the last 12 months. Two additional SPs have crossed 1Bn \$ run rate in quarter ending September 2022

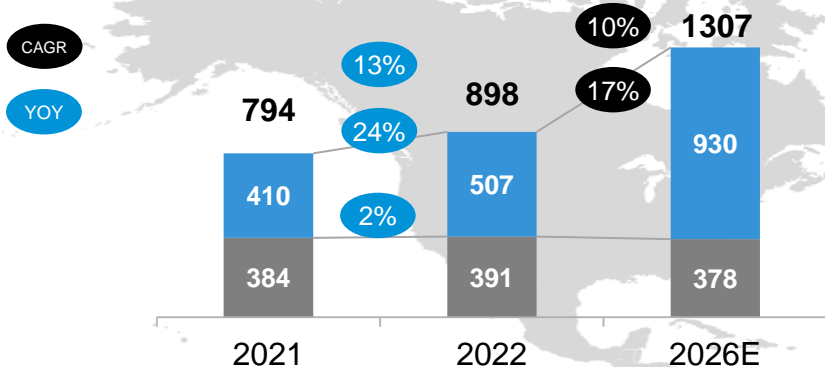
Pervasive consumption of cloud, chips, data will further accelerate digital engineering spending

APAC surpassed Western Europe in ER&D spending driven by focus on digital engineering by hi-tech led verticals in the region; North America continues to dominate

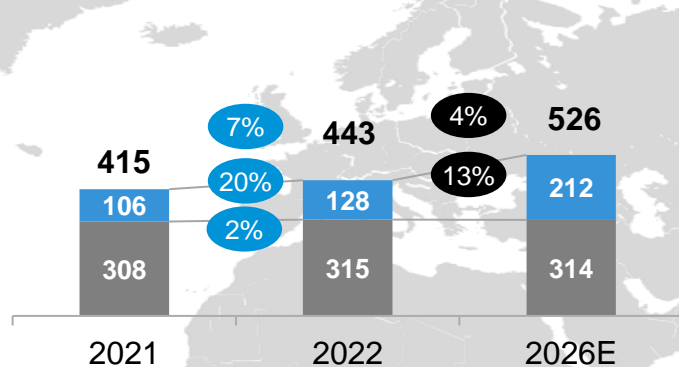
ER&D Spend, 2026E

USD 2,418 B

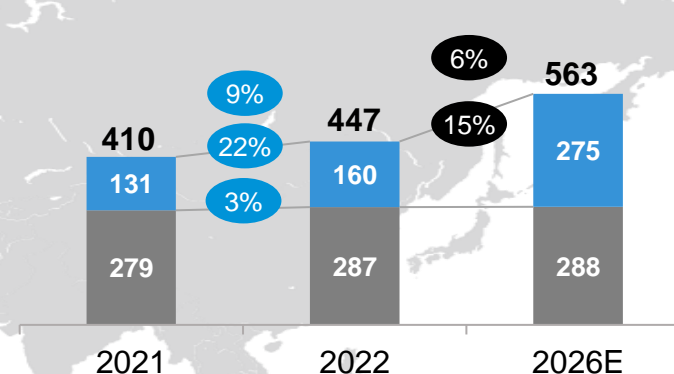
North America



Western Europe



APAC



Top Verticals



54%

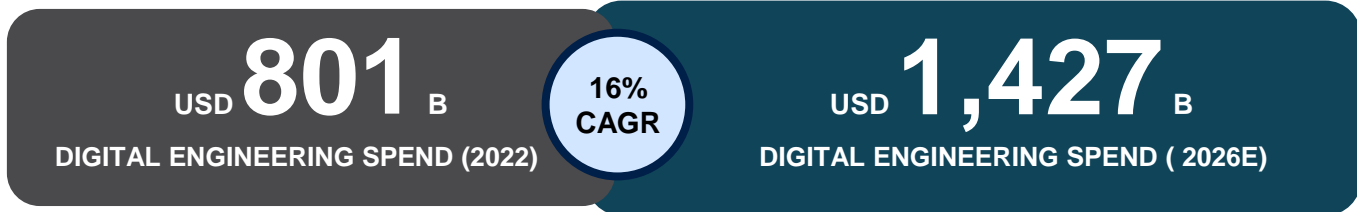
North American enterprises contribute to the largest share of spend geo-wise; The region also has the highest growth rate given the higher penetration of software & internet firms and will account for 54% of the global ER&D spending by 2026

Rise of APAC

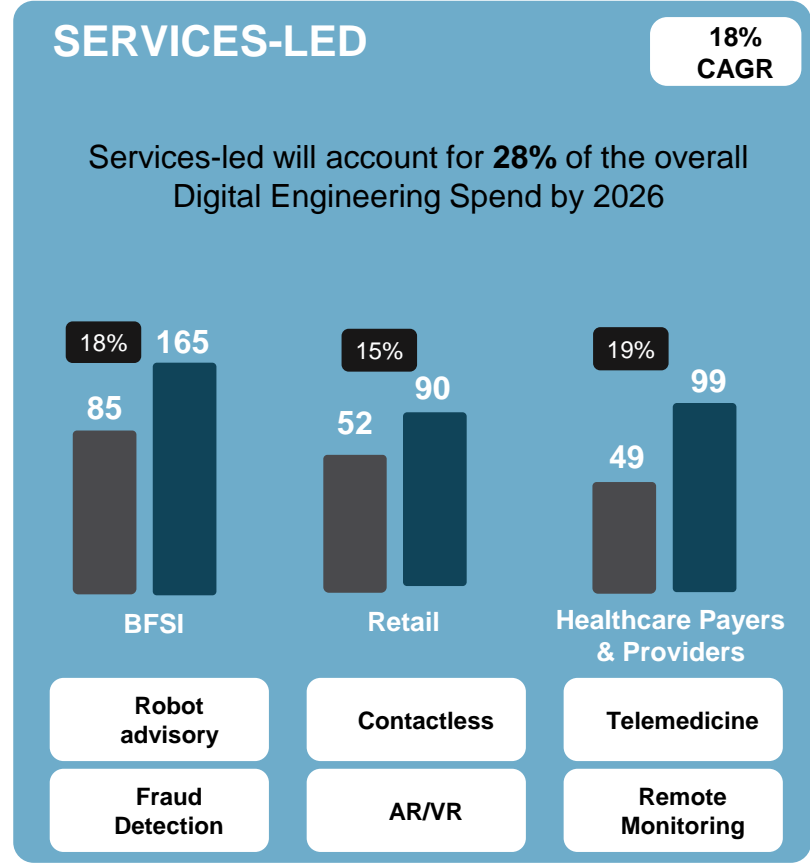
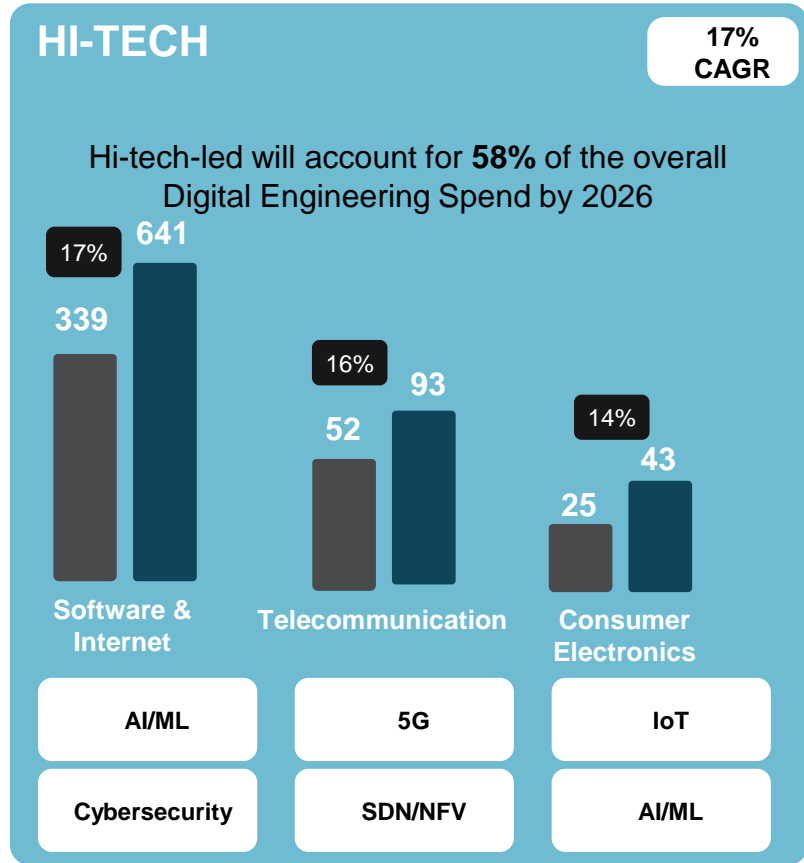
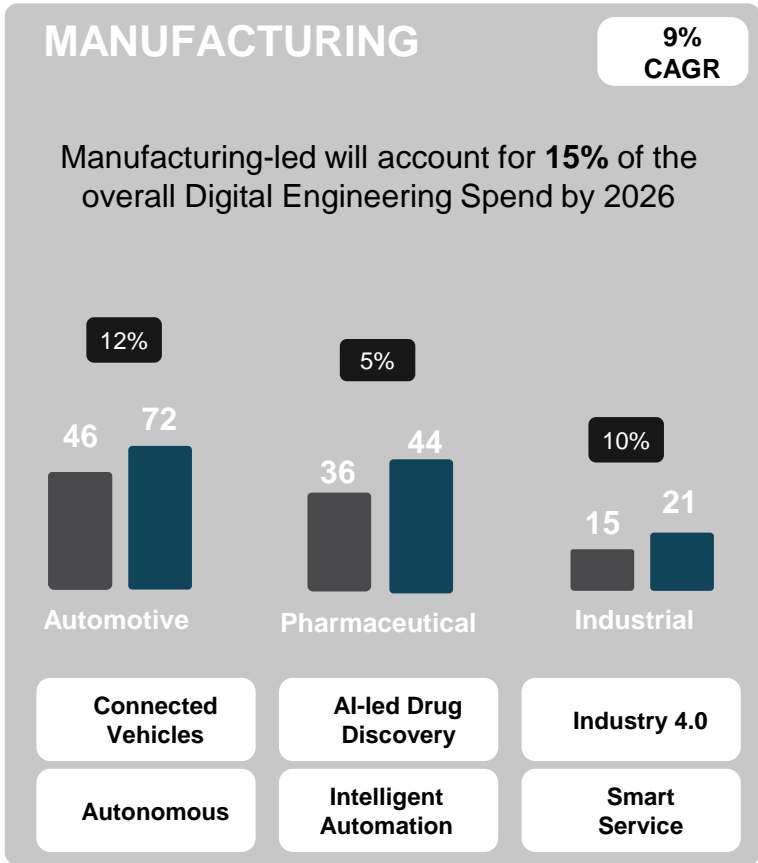
APAC surpassed Western Europe marginally in terms of spend owing to the digital engineering focus of hi-tech firms in the region

While Hi-Tech led verticals will contribute to 58% of the digital engineering spend by 2026, services-led verticals will grow the fastest

- 2022
- 2026E
- DE CAGR



~1.8x Digital Engineering spend is set to increase by 1.8x in the next 4 years, crossing USD 1.4 T by 2026



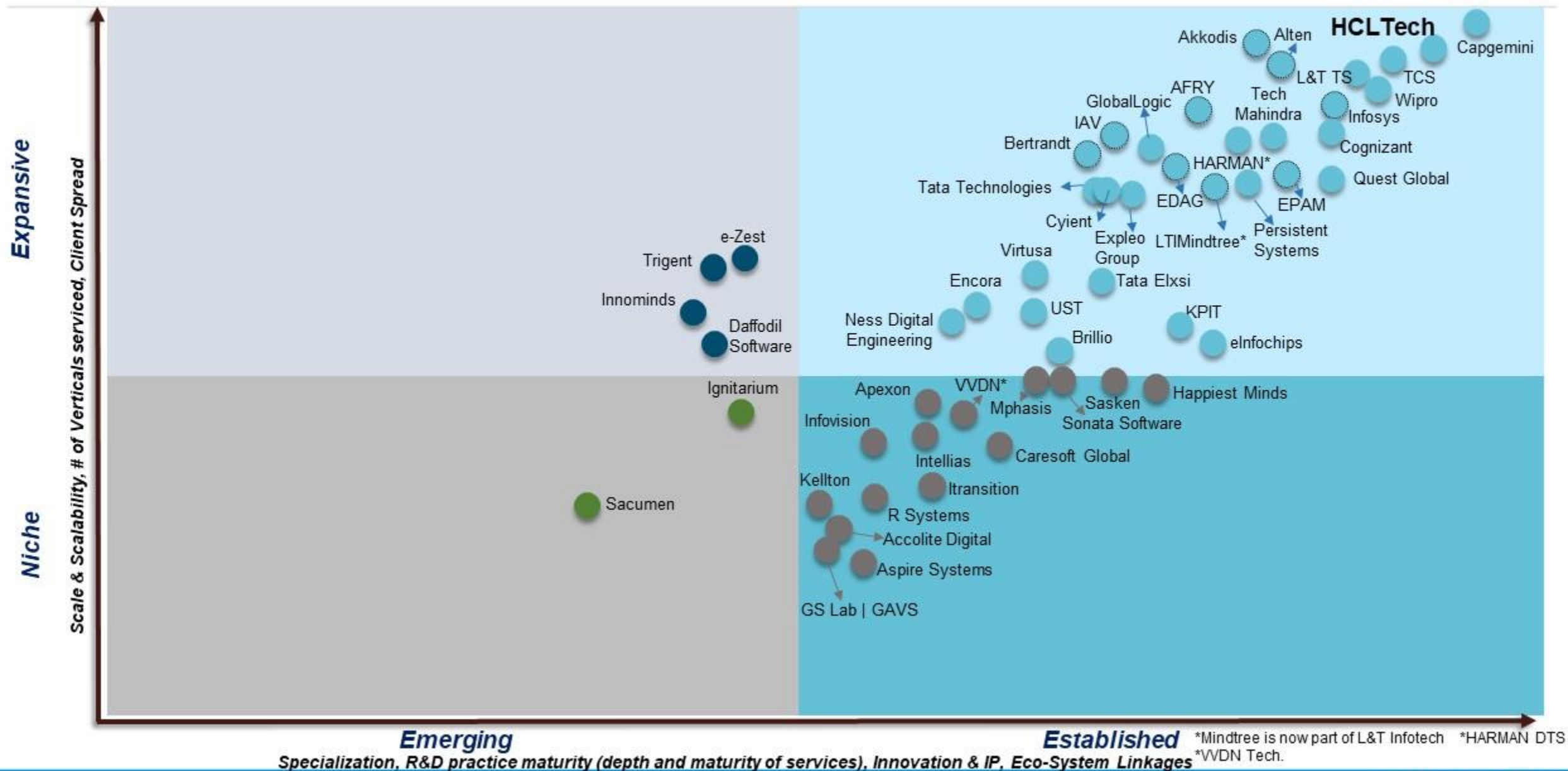
HCLTech recognized as a Leader in Zinnov Zones Engineering and R&D Services 2022

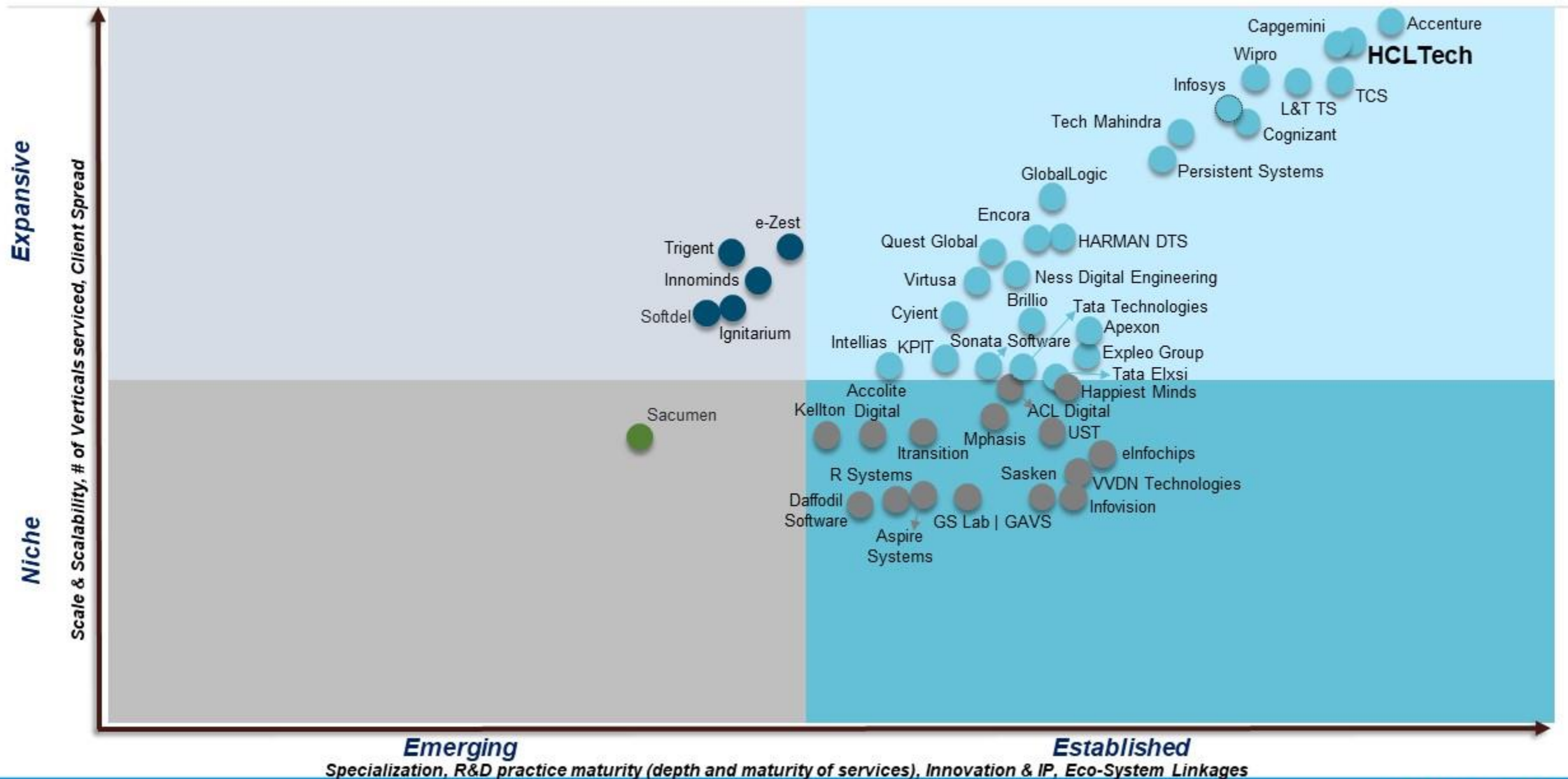
December 2022

- HCLTech continues to be the only service provider amongst Top 2 players in both Overall and Digital Engineering Services
- HCLTech recognized as a #1 Leader in Enterprise Software and Consumer Software Services

In addition, HCLTech has been recognized as a leader in ER&D Services US & Europe Geographies, Digital Engineering, Data & AI Engineering Services, Experience Engineering, Hyperscaler Services, Industry 4.0, Software Platform Engineering, Enterprise Software, Consumer Software, Aerospace, Automotive, Electrification/EV, Industrial, Semiconductor, Telehealth and Telecommunication.

Zinnov Zones 2022 report assessed ~50 Global ER&D Service Providers









Analyst Quote

Sidhant Rastogi, Managing Partner and Global Head, **Zinnov**, said, “*HCL Tech’s transformational framework- Industry NeXT, is helping it develop a unique digitally-powered cognitive ecosystem for its clients. The firm’s strong engineering legacy has enabled it to win large deals across Platform Engineering, Cloud Engineering, Digital Manufacturing, Silicon Platform Solutions, Data Engineering & AI and 5G Services & Solutions. This coupled with its continued investments in modern technologies, focused acquisitions, IP development, strategic partnerships, and infrastructure has helped it enjoy its leadership position in the* **2022 Zinnov Zones ER&D Services Ratings.**”



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