

HCLTech ramps up AI, data stack with \$400-mn M&As

The deals are capability-led, signalling the urgency to reposition the firm for AI-led growth

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HCL Technologies Ltd announced \$400 million worth of acquisitions in the past week—the most it has spent in three years—as it moves to strengthen AI and data offerings for customers increasingly adopting automation.

India's third-largest IT services firm said on Monday that it would spend more than \$240 million to buy Jaspersoft, a US data analytics company. That day, HCL also said it would buy Wobby BV, a Belgian startup that provides AI agents for data analysis purposes. The firm's acquisition spree started on 18 December, when it said it would purchase the Telco Solutions business of Hewlett Packard Enterprise for \$160 million. This division provides AI and cloud software to telecom companies.

The acquisitions come as a shot in the arm for C Vijayakumar, the chief executive officer of the fastest-growing of the country's five largest IT services companies. HCL ended last year with \$13.84 billion in revenue, increasing 4.3% from the preceding year.

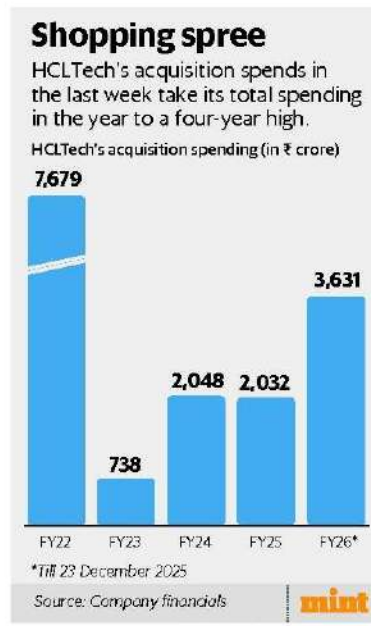
The buyouts seek to improve capabilities and not to scale business units, said Phil Fersht, CEO of HFS Research, a Massachusetts-based research firm. It signals intent and urgency as HCL Tech fast-tracks strengthening software- and data-driven capabilities rather than rely just on traditional services growth.

"Pace matters because it shows management believes the window to reposition for AI-led, platform-centric deals is now, not over the next few years. These are targeted capability buys, not scale acquisitions, aimed at sharpening differentiation in analytics, integration, and enterprise data workflows," Fersht said.



In its biggest M&A push in three years, HCLTech bought Jaspersoft, Wobby and HPE's telco solutions unit. REUTERS

Jaspersoft, a business unit of Cloud Software Group based in Fort Lauderdale, Florida, specialises in data analysis. As part of the acquisition, each of Jaspersoft's 115 employees is expected to shift to HCLTech's software product venture, HCLSoftware. HCLTech did not share incremental revenues from the acquisition, saying it had bought



offering flexibility to fully own the analytics experience," said Marc Potter, CEO and portfolio general manager of Actian, HCLSoftware's data and AI arm.

The Wobby acquisition has a similar motive. Noida-based HCLTech paid about \$5.3 million to acquire the startup. Upon completion of the acquisition, HCL is expected to get about

"Combining Wobby's capabilities with the Actian Data Intelligence platform will offer customers a differentiated approach to data management," he added.

Both these acquisitions – Jaspersoft and Wobby – are aimed at improving AI and data offerings for HCLSoftware, which makes up a little less than a tenth of its total business. With these acquisitions, the IT services company eyes better AI and data capabilities to service clients increasing automation adoption. The acquisition of HPE's telco solutions business is expected to accelerate 5G network adoption.

HCLTech's acquisitions over the past seven days have a cumulative value of more than \$400 million, or about ₹3,630 crore. Each acquisition will be paid for in cash and is expected to be completed within six months of signing. HCL ended FY25 with ₹8,245 crore in cash.

In December 2018, HCL spent \$1.8 billion to acquire six software products from IBM Corp—its highest spending on acquiring select assets and also the largest purchases in terms of value in the sector at the time. Subsequently, CEO Vijayakumar said the company would not spend as much on acquisitions as it had with the IBM purchases.

HCL's expenditure on acquisitions this year was the highest since spending ₹7,679 crore on acquisitions, both current and deferred payments, in the year ended March 2022, according to a Mint review of company financials. The acquisitions come as its peers turn their gaze towards inorganic growth and capability building.

On 10 December, TCS made its largest acquisition since its IPO in 2004, agreeing to acquire Coastal Cloud for \$700 million. TCS's latest buyout is its second in less than two months.

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AI ACQUISITION PUSH

JASPERSOFT'S assets, staff to move to HCLSoftware and help enhance its data analytics tools

WOBBY to add AI agents for proactive analytics, though near-term revenue share will be modest

HPE telco solutions to aid 5G adoption, strengthening HCL's telecom-focused AI and cloud offerings

HCLSOFTWARE accounts for under 10% of HCLTech's business, but is key to AI, data strategy

only certain assets and not a company whose revenue could be determined.

HCLTech's Jaspersoft acquisition will allow its clients to label, search and manage data access. "As GenAI adoption accelerates, our customers want business intelligence solutions that can deliver consistent analytics and report,

\$100,000 every year from Wobby.

"Wobby is reinventing how teams do business intelligence by building AI agents that not only answer questions but also are evolving toward proactive analytics by sharing automated insights," said Amra Dorjbayar, chief executive and co-founder of Wobby.