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🎉 2026 🎉

From

Valuation INDIA

Valuation ARABIA

NEWSLETTER

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Strategic Valuation & Deal Dynamics in a Tech-Driven Year-End

The closing weeks of the year have delivered a clear signal to global capital markets: strategic capital is concentrating, not retreating. This comprehensive analysis examines how sophisticated investors are recalibrating valuation frameworks across India, Arabian, and GCC markets.

Executive Summary: Capital Concentration in Strategic Markets

Whilst IPO pipelines remain cautious and public markets demonstrate heightened selectivity, large institutional investors and strategic buyers are doubling down on technology, artificial intelligence infrastructure, and defensible business models. The global landscape reveals a fundamental shift in how capital is being deployed and valued.

SoftBank's renewed acquisition push into AI and infrastructure highlights how long-duration capital is being redeployed with revised valuation lenses—placing greater emphasis on scalability, capital efficiency, and risk-adjusted returns. This strategic pivot signals a broader market evolution towards sustainable, cash-flow-positive growth trajectories.

In India, Coforge's USD 2.35 billion acquisition of Encora underscores the maturity of Indian tech services as a global consolidation target, whilst simultaneously exposing the complexity of valuation structuring, integration risk, and post-deal value creation dynamics.

$2.35B

Coforge-Encora Deal

Landmark Indian tech services acquisition

3

Key Markets

Global, India, and GCC focus

Meanwhile, across Arabian and GCC markets, a visible slowdown in IPO activity and deal closures is prompting corporates and family businesses to focus on valuation defensibility, restructuring, and readiness rather than rushed exits. This edition connects these developments to practical implications for business valuation, ESOP strategy, fundraising readiness, corporate structuring, and Virtual CFO support.

Market Context: Capital Is Selective, Not Scarce

Bifurcated Deal Environment

Headline volumes appear subdued whilst strategic transactions in technology, AI, and digital infrastructure continue to materialise at scale.

Scrutiny Over Narrative

Investors now prioritise cash-flow visibility, integration feasibility, governance quality, and downside protection over growth stories alone.

Recalibrated Frameworks

Valuations constructed with tighter sensitivity bands, higher disclosure standards, and stronger alignment with operating realities.

The global deal environment over recent weeks reflects a clear bifurcation. On one hand, IPO pipelines—especially in the GCC and parts of Asia—remain cautious, and exit timelines have stretched considerably. On the other hand, large strategic transactions continue to materialise, particularly in technology-driven sectors.

This divergence is fundamentally reshaping how valuations are approached across markets. Investors are no longer rewarding narrative-driven growth alone; instead, they are scrutinising cash-flow visibility, integration feasibility, governance quality, and comprehensive downside protection mechanisms.

For founders, CFOs, and investors, this means that year-end strategy cannot rely on legacy valuation benchmarks. Whether preparing for M&A, fundraising, ESOP expansions, or future exits, companies must recalibrate their financial models, equity structures, and capital narratives to align with this evolved environment. Against this backdrop, the developments across global, Indian, and Arabian markets offer valuable lessons for valuation and corporate strategy.

Global Theme: SoftBank, AI Capital & the New Valuation Paradigm

What Happened in the Last 15 Days

SoftBank has re-entered the global deal arena with renewed momentum, announcing and progressing major acquisitions and capital deployments across AI platforms, semiconductor ecosystems, and digital infrastructure. Unlike the aggressive, leverage-driven expansion of earlier years, the current approach is notably more disciplined—focused on strategic control, ecosystem synergies, and long-term value capture.

This shift is important not because of SoftBank alone, but because it reflects how large global allocators are now pricing risk and opportunity in a post-rate-hike, post-volatility environment. The implications extend far beyond individual transactions, signalling a fundamental recalibration in how technology infrastructure assets are valued and integrated into institutional portfolios.

01

Revenue Multiples to Risk-Adjusted Cash Flows

AI and infrastructure businesses are increasingly valued on long-term free cash-flow generation, capital intensity and reinvestment cycles, scalability with controlled marginal cost, and regulatory and geopolitical risk overlays.

02

Cross-Border Valuation Complexity

Deals now routinely involve multi-jurisdictional entities, IP domiciled separately from operating entities, currency and tax arbitrage considerations, and different accounting and valuation standards.

03

Higher Emphasis on Downside Protection

Valuation models now embed conservative terminal values, probability-weighted scenarios, integration and execution discounts, and stress-tested cost of capital assumptions.

Strategic Takeaways for Founders & CFOs

For companies positioning themselves for global investors, several critical imperatives emerge. Narrative alone is insufficient; model integrity matters profoundly. Valuations must be defensible under multiple scenarios, incorporating both optimistic and conservative projections.

Governance, reporting quality, and ESOP transparency directly affect deal pricing and investor confidence. Companies that invest in robust financial infrastructure and transparent equity structures command premium valuations.

Valuation India–Arabia Global Services

- NACVA-aligned business valuations for cross-border transactions
- Advanced financial modelling with scenario and sensitivity analysis
- Deal-readiness diagnostics
- Pitch-deck valuation narratives
- Virtual CFO support

Indian Market Focus: Coforge–Encora Deal & Tech Consolidation

Coforge announced the acquisition of Encora for approximately USD 2.35 billion, marking one of the most significant Indian IT services transactions in recent years. The deal reflects accelerating consolidation within the mid-to-large IT services space, driven by global client demand for scale, specialized capabilities, and geographic diversification.

The transaction represents far more than a headline number—it demonstrates how Indian technology services companies have matured into sophisticated global consolidation targets, capable of executing complex, multi-billion-dollar transactions with international counterparties.

1

Strategic Premium over Standalone Valuation

Encora's valuation reflects embedded client relationships, domain-specific capabilities, cross-selling potential, and offshore-onshore delivery leverage that justify premiums beyond standalone multiples.

2

Capital Structure & Instrument Design

Large Indian deals increasingly involve preference shares, structured debt, earn-outs and contingent consideration, plus tag-along and drag-along provisions to balance risk and return.

3

Integration Risk Discounting

Valuations factor in cultural integration risk, client retention uncertainty, talent and ESOP alignment challenges, and technology and delivery integration costs.

Implications for Indian Founders & Boards

Indian companies eyeing strategic exits or growth capital must recognise several critical dynamics. Buyers are paying for integration-ready businesses, not just growth trajectories. This means operational excellence, clean governance structures, and transparent financial reporting are non-negotiable prerequisites for premium valuations.

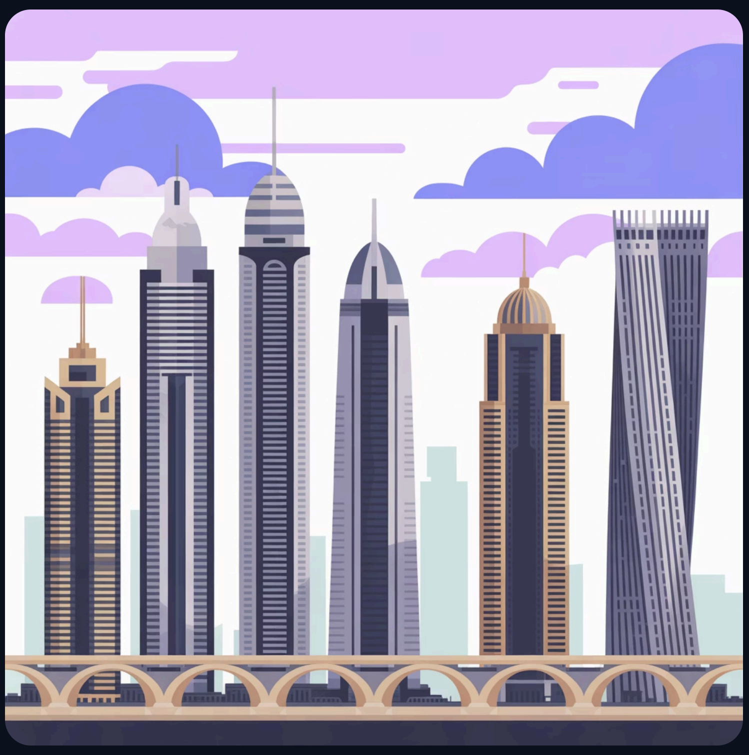
ESOP overhangs and unclear equity waterfalls reduce valuation certainty and introduce negotiation friction. Weak forecasting and governance structures increase negotiation haircuts, sometimes by 15-25% or more. Companies that invest proactively in financial infrastructure and equity clarity capture significantly higher enterprise values.

Parameter	Observed Trend
Valuation Focus	Cash flows + strategic synergies
Deal Instruments	Mix of equity, prefs, structured debt
Due Diligence Depth	High (financial, ESOP, tax, governance)
Post-Deal Risk	Integration & talent retention

Valuation India–Arabia Support for Indian Corporates

Transaction valuations & fairness opinions · Equity waterfall and preference modelling · ESOP impact analysis pre- and post-deal · Integration-ready financial models · Virtual CFO services for pre-exit discipline · Pitch decks for strategic and PE buyers

Arabian & GCC Focus: IPO Slowdown & Valuation Defensibility



What Happened Across GCC Markets

IPO activity and large-scale M&A have slowed in recent weeks. Market participants are observing deferred listings, extended regulatory timelines, repricing of valuation expectations, and increased scrutiny of corporate governance structures.

This does not signal a decline in capital availability—but rather a pause for strategic recalibration and quality assessment.

Exit Timing Risk Rising

Companies must prepare for longer holding periods, alternative exit routes through strategic sales or partial exits, interim valuation resets, and flexible capital deployment strategies.

Governance Non-Negotiable

Investors now demand clean corporate structures, audited and defensible valuations, transparent ESOP and incentive plans, and clear separation of family and corporate finances.

Restructuring as Value Strategy

GCC businesses are undertaking holding company rationalisation, spin-offs of non-core assets, pre-IPO restructuring, and financial model re-engineering to enhance attractiveness.

The implications for valuation in GCC markets are profound and multifaceted. Exit timing risk is rising across the region, requiring companies to prepare comprehensively for longer holding periods and develop alternative exit routes beyond traditional IPO pathways. Strategic sales, partial exits to institutional investors, and staged liquidity events are becoming increasingly common.

Governance and transparency have evolved from competitive advantages to non-negotiable prerequisites. International and regional investors now demand clean corporate structures, audited and defensible valuations prepared according to recognised standards, transparent ESOP and incentive plans, and clear separation between family wealth and corporate finances. Companies that fail to meet these standards face significant valuation discounts.

Many GCC businesses are proactively undertaking holding company rationalisation, divesting or spinning off non-core assets, engaging in pre-IPO restructuring to simplify ownership structures, and re-engineering financial models to demonstrate sustainable cash generation. These initiatives, whilst requiring upfront investment, consistently deliver enhanced valuations and improved investor receptivity.

IFRS-Compliant Valuations

Full business valuations aligned with international financial reporting standards and GCC regulatory requirements.

Corporate Restructuring

Strategic advisory for holding company optimisation and pre-transaction structuring.

ESOP Policy Design

Comprehensive ESOP policy drafting tailored for GCC entities and regulatory frameworks.

IPO Readiness

Valuation assessments and financial preparation for public market listings.

Cross-Border Structuring

India–GCC structuring expertise for international expansion and investment flows.

CFO-as-a-Service

Flexible CFO support for family offices and high-growth companies requiring strategic finance leadership.

Integrated Service Framework: Valuation as Strategic Capability

The final weeks of the year reinforce a critical message: valuation is no longer a static number derived from spreadsheet formulas—it is a strategic capability that drives competitive advantage, facilitates superior capital access, and unlocks enterprise value. Across global AI-driven deals, Indian tech consolidation, and GCC capital-market recalibration, businesses that succeed will be those that invest early and consistently in valuation readiness.

Valuation Readiness

Proactive preparation with robust, defensible financial models and documentation.

Investor Engagement

Proactive dialogue with capital partners rather than reactive fundraising approaches.

ESOP Alignment

Equity structures aligned with growth trajectories and exit planning requirements.

Financial Modelling

Scenario-driven models incorporating multiple growth pathways and risk factors.

Governance Discipline

Strengthened reporting standards and corporate governance frameworks.

Our Integrated Advisory Suite

At Valuation India–Arabia, we partner with founders, CFOs, boards, and investors to translate market complexity into clarity, credibility, and sustained value creation. Our integrated approach ensures that valuation exercises are not isolated events, but rather components of comprehensive strategic planning.

Whether you are preparing for fundraising, corporate restructuring, ESOP implementation, M&A transactions, or future IPO, our suite of services ensures you are positioned ahead of the curve and equipped to capture maximum value.

- **Business Valuation Services**

  NACVA-aligned, internationally recognised methodologies for all transaction types and regulatory requirements.

- **ESOP Advisory**

  Comprehensive design, implementation, and ongoing administration of employee equity programmes.

- **Financial Modelling**

  Advanced scenario planning, sensitivity analysis, and strategic financial forecasting.

- **Pitch Deck Strategy**

  Investor-ready positioning with compelling valuation narratives and financial storytelling.

- **Virtual CFO Services**

  Flexible, senior-level financial leadership supporting governance, reporting, and capital strategy.

Client Call-to-Action: Strategic Planning for 2026

As organisations conclude year-end planning and establish strategic priorities for 2026, the imperative for valuation readiness, governance strengthening, and capital strategy refinement has never been more acute. The market dynamics analysed throughout this newsletter demonstrate that success increasingly belongs to organisations that approach valuation as an ongoing strategic capability rather than a transactional necessity.

Fundraising & Strategic Transactions

Whether pursuing venture capital, private equity, strategic investment, or debt financing, our valuation frameworks and financial modelling ensure you enter negotiations from a position of strength with defensible, market-aligned valuations.

ESOP Design & Restructuring

Employee equity programmes require sophisticated design to balance incentive alignment, tax efficiency, dilution management, and exit readiness. Our comprehensive ESOP advisory supports creation, restructuring, and ongoing administration.

Cross-Border Valuation & Structuring

International transactions and multi-jurisdictional structures demand expertise in comparative valuation standards, transfer pricing, tax optimisation, and regulatory compliance across India, GCC, and global markets.

IPO & Exit Readiness

Public market listings and strategic exits require years of preparation. Our IPO readiness services encompass valuation preparation, financial reporting enhancement, governance strengthening, and investor relations strategy.

Virtual CFO Leadership

High-growth companies and family offices benefit from flexible, senior-level financial leadership without full-time executive commitments. Our Virtual CFO services provide strategic finance expertise, reporting discipline, and capital planning.

Begin Your Strategic Valuation Journey

We invite founders, CFOs, board members, and investors across India, Arabian, and GCC markets to connect with Valuation India–Arabia for a confidential consultation. Our team brings deep expertise across technology, services, manufacturing, family businesses, and emerging sectors.

Initial consultations explore your specific objectives, current financial and governance maturity, competitive positioning, and capital strategy—establishing a foundation for targeted advisory engagement that delivers measurable value.

Valuation India–Arabia: Your Strategic Partner

Valuation INDIA
Valuation ARABIA

📞 +91 90964 43660
📧 info@valuationindia.co.in
📧 info@valuationarabia.com
🌐 www.valuationindia.co.in
🌐 www.valuationarabia.com

Division of VI Advisors Pvt Ltd

Valuation India–Arabia represents the strategic advisory division of VI Advisors Pvt Ltd, delivering world-class business valuation, ESOP advisory, financial modelling, and Virtual CFO services across India, Dubai, and GCC markets.

Our practice combines international valuation standards, including NACVA alignment, with deep regional market expertise and cultural intelligence.

India Operations

Comprehensive advisory for Indian corporates, technology companies, family businesses, and investors navigating domestic and international transactions.

Dubai & GCC Services

Strategic valuation and corporate finance support for Arabian market participants, including family offices, corporates, and institutional investors.

Cross-Border Expertise

Specialised structuring and valuation advisory for India–GCC capital flows, joint ventures, and international expansion initiatives.

Core Services

- Business Valuation
- ESOP Advisory
- Financial Modelling
- Transaction Support

Specialisations

- Technology & AI
- Professional Services
- Family Businesses
- Cross-Border Deals

Engagement Models

- Project-Based
- Retainer Advisory
- Virtual CFO
- Board Support

> *"In an era of concentrated, selective capital deployment, valuation readiness is not a luxury—it is a strategic imperative that separates market leaders from market followers."*

For confidential consultations, strategic advisory inquiries, or to discuss how Valuation India–Arabia can support your organisation's growth, governance, and capital objectives, we welcome direct engagement with our advisory team across our India, Dubai, and GCC service locations.