

Low-code/No-code Platform Market

AN OVERVIEW

Alchemy Research and Analytics

2022

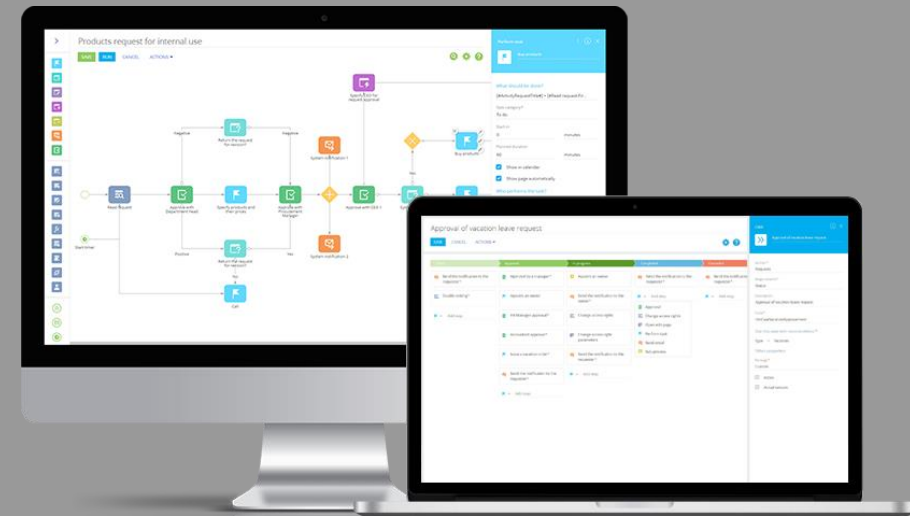


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01

LOW-CODE/NO-CODE PLATFORM INDUSTRY OVERVIEW






Market Insights

- Low-code/No-code Platform Overview
- Market Size & Outlook

Background

Using low-code and no-code methods like declarative, model-driven application design and development along with the streamlined one-button deployment of apps, a low-code-no-code (LCNC) application platform enables rapid application development and deployment. For simplicity of use, a LCNC platform typically isolates the underlying server infrastructure, creates metadata, and interprets that metadata at runtime; many also provide optional procedural programming extensions.

DIFFERENCES BETWEEN LOW-CODE AND NO-CODE PLATFORMS

Parameters	Low-code	No-code
 Target Audience	Aimed at professional developers in order to avoid duplicating basic code and to make room for more complex aspects of development that lead to innovation and feature set richness.	Aimed at business users who have extensive domain knowledge and may be slightly tech-savvy but lack the ability to manually write code.
 Use Cases	It can be extended to applications with heavyweight business logic and scaled to an enterprise level with an extensive component library.	It blends well with front-end apps that can be quickly created using drag-and-drop interfaces.
 Speed	Because it allows for more customization, it necessitates more training and time to onboard, develop, and deploy.	Because it is highly configurable and all plug-and-play, it takes less time to build than low-code.
 Open vs. Closed Systems	It is an open system that allows users to extend functionality through code.	It is a closed system which can only be extended through templated feature sets
 Shadow IT Risk	The fact that low-code needs to be supervised by the IT teams ensures better governance and control.	While this has been a concern for both low-code and no-code platforms, the risk of shadow IT is higher with no-code, which requires little or almost no intervention from IT teams.

Source: TIBCO and NTT DATA

FUNDAMENTAL LOW-CODE/NO-CODE APPLICATION DEVELOPMENT STEPS

Understanding the Pain Point of Users

Discovery of the problems faced by the target audience helps businesses define a clear goal and mission for low-code app development.



Conduct Extensive Market Research

Before going into development, it's considered wise to conduct exhaustive market research to validate the app idea in a real-world scenario.



Validate App Idea by Building an MVP

It is viable to build a minimum viable product (MVP) with the core features to get unbiased and constructive feedback from potential users.



Finalize the App Idea and Begin Development

Once the app idea is validated by conducting market research and receiving the most honest feedback from potential users, it's time to finalize the idea and move to the development stage.



Deploy the Application

Once the application design and development are completed, it's time to deploy the application to leverage the benefits offered by low-code applications.



Outlook

The growing demand for simple and inexpensive website and/or app development, combined with a scarcity of qualified personnel, is compelling IT, banking, healthcare, and education organizations to use low-code/no-code development platforms. Companies such as Microsoft and others are working on large-scale initiatives to develop LCNC developers through crash courses and other skill development programs.

QUICK FACTS

Major Platforms



While low-code/no-code technologies are being adopted globally, the key regions are the US and Asia Pacific. Other countries, including the UK, Germany, Russia, Canada, Australia, South Africa, and Turkey, are also adopting low-code/no-code development technologies and platforms.

Geographic Distribution

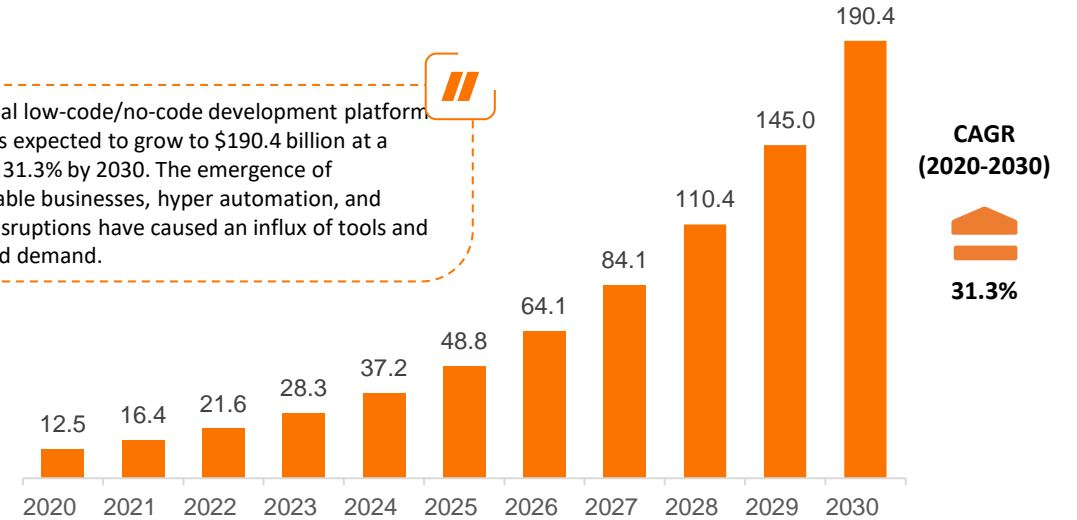
Aside from the IT industry, sectors such as Government & Defense, Banking & Finance, Telecom, eCommerce, Healthcare, Media & PR, Education, and Entertainment are all implementing LCNC platforms on a large scale.

End-User Sectors



GLOBAL LOW-CODE/NO-CODE PLATFORM MARKET SIZE (in \$B)

The global low-code/no-code development platform market is expected to grow to \$190.4 billion at a CAGR of 31.3% by 2030. The emergence of composable businesses, hyper automation, and digital disruptions have caused an influx of tools and increased demand.



FUTURE OUTLOOK

"Low-code application platforms will be used for 65% of all application development activity by 2024," according to Gartner.

According to the same report, 85% of people agree that no-code tools add value to their lives, and 84% trust no-code tools. 96% of respondents agreed to use code-free tools at some point in the future.

According to Gartner, by 2024, businesses would have used at least 3 of the 20 types of process-neutral hype automation software.

Nasscom states that, "India's low-code & no-code market stands at USD 400 million in 2022, and it can reach up to USD 4 billion by 2025".

02

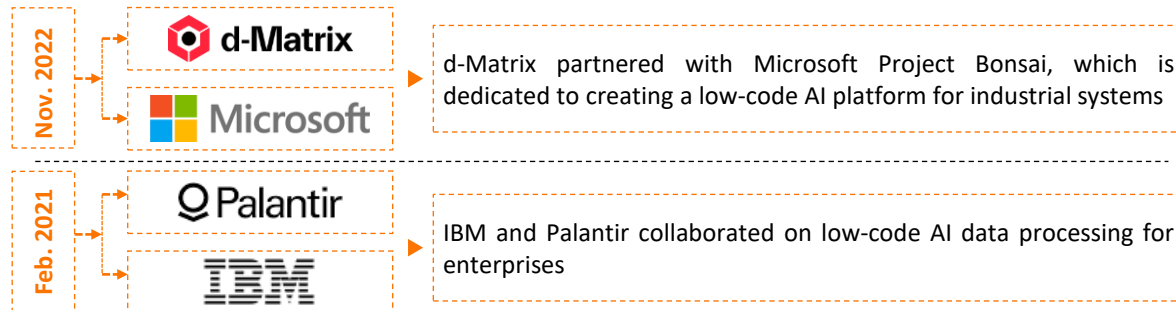
Trends & Public Peers Analysis

Broad Review of Trends

- Key Trends
- Public Peers Analysis

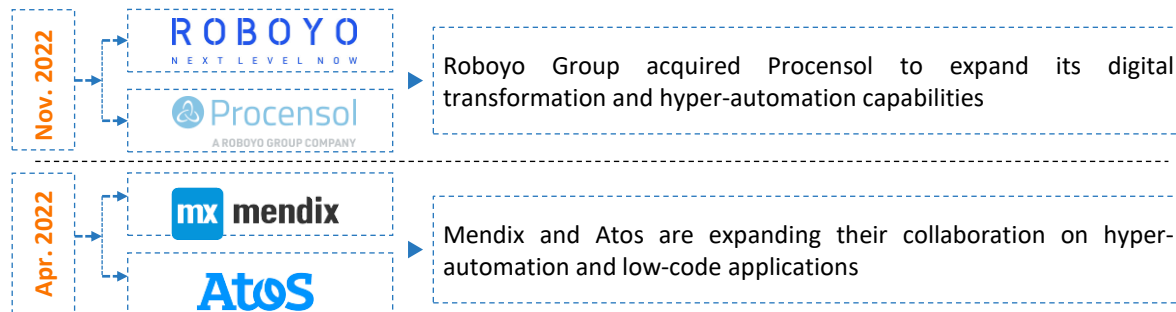
Low-code AI

- Low code artificial intelligence is a game changer in AI technology for application and software development. It helps businesses in reducing the real-time-to-market for AI products
- Tech Giants like Google and Microsoft are building AI solutions with low code/no code. While Google developed a no code AI solution called AutoML, Microsoft built a free desktop program called Lobe that builds customized AI models



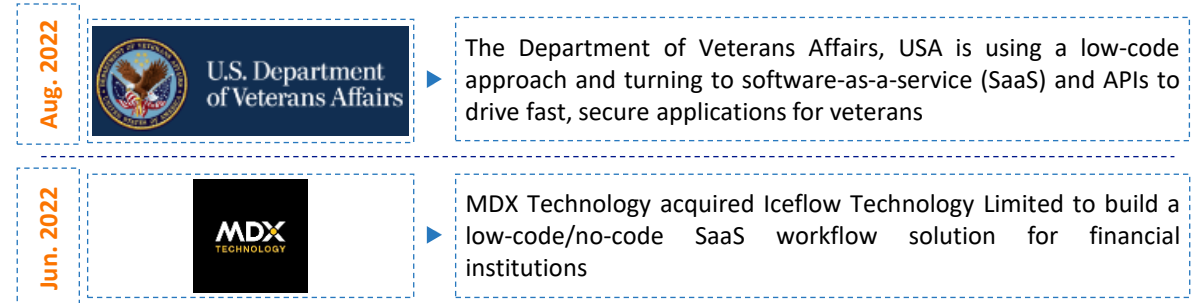
Hyper-automation Driving Low-Code, No-Code

- The modern business-driven approach to hyper-automation aids in creating customized digital experiences to share data across corporate processes through drag-and-drop features rather than coding languages
- Gartner states that hyper-automation is one of the 12 top strategic technology trends in the year 2022



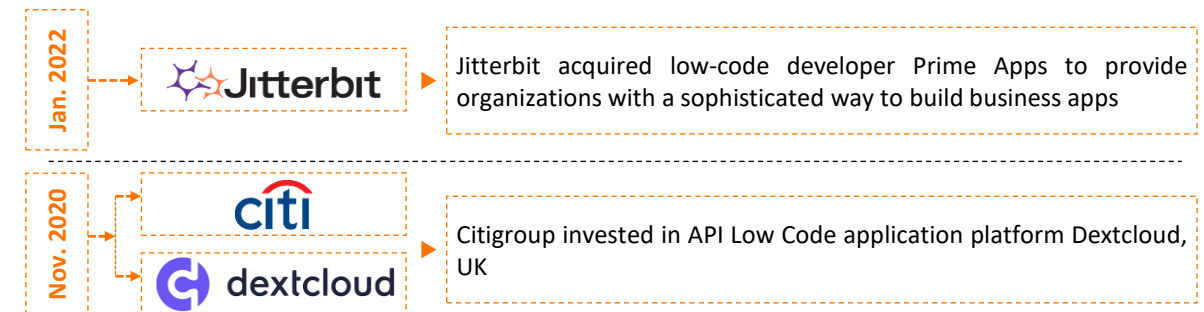
Bolstering SaaS based Platform

- Low-code/no-code development platforms are an excellent option for accelerating SaaS-based solutions to reach the market. It can help in fixing bugs, incorporating customer feedback, adding new functionalities, upgrading existing SaaS applications etc.
- Businessworld states that the Indian LCNC market generates 10-15% of its revenue from SaaS products and services and expands worldwide













Fostering API Integration

- Low-code/no-code API management platforms can foster a healthy API economy by transforming all aspects of the design journey, from API documentation to mocking and continuous testing
- Additionally, it allows executives to become immersed in the technical parts of API lifecycles, providing them significant influence and insight throughout the development process



Key Technology Players

COMPANY NAME	ENTERPRISE VALUE (Daily Time Series) (\$b)	STOCK PRICE (\$)	MARKET CAP (\$b)	REVENUE (\$b)	EBITDA (\$b)	EV/Sales (Daily Time Series Ratio)	EV/EBITDA (Daily Time Series Ratio)
 SAP	145.60	109.62	134.74	31.65	8.11	4.67x	20.01x
 Microsoft	1,760.35	245.03	1804.36	198.27	97.98	8.67x	17.84x
 ORACLE	295.99	82.12	215.21	42.44	18.95	6.70x	15.59x
 Alphabet	1,137.56	97.05	1238.75	257.64	91.14	4.03x	12.14x
 PEGA	3.21	36.56	2.89	1.21	-0.07	2.59x	N/A
 appian	2.48	36.31	2.58	0.37	-0.06	5.55x	N/A
 servicenow	75.78	400.28	78.25	5.90	0.73	10.95x	112.10x
 newgen	0.24	4.16	0.29	0.10	0.03	2.30x	10.73x
 salesforce	149.31	151.69	152.24	26.49	3.90	5.09x	39.48x
 temenos	5.57	61.14	4.78	0.97	0.40	5.80x	15.62x
Mean	357.61	122.40	363.41	56.50	22.11	5.64x	30.44x
Median	110.69	89.59	106.50	16.19	2.31	5.32x	16.73x

03

Low-code/No-code Platform Industry: Transactions

















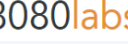





Broad Review of Trends

- M&A Transactions

M&A ACTIVITY

- M&A activity in Low-code/no-code continued to be very active throughout 2022 with acquisitions of GeneXus, Catalytic, Fylamynt etc.
- Reputed independent software vendors and hyperscalers like NetApp, Appian and Google acquired low-code, no-code platforms to expand their capabilities

RELEVANT M&A TRANSACTION

Date	Target	Buyer	Target Description	Target Country
16-Nov-22			NDS' areas of expertise include employee self service apps, mobile app development, custom application development, rapid application development, and Neutrinos.	US
30-Aug-22			Brandcast is a no-code platform for creating and managing enterprise-grade websites.	US
01-Jun-22			Datum is an IP enabled digital transformation service provider for data rich insurers and other regulated entities such as state governments.	US
19-May-22			Neptune offers rapid application platform/SaaS solution to industrialize the development of custom business applications.	Norway
20-Apr-22			GeneXus is known for developing a leading low-code platform extensively used in several industries.	US
02-Mar-22			Catalytic is a no-code workflow automation platform for efficient and digitized operations.	US
23-Feb-22			Fylamynt is a CloudOps automation technology company that enables customers to build, run, manage and analyze workflows securely in any cloud with little to no code.	US
07-Feb-22			Trifacta is a San Francisco-based company that offers cloud-first capabilities to help enterprises drive their analytics transformation at scale.	US
06-Oct-21			8080 Labs is the maker of bambolib, a popular UI-based data science tool that enables fast and easy data exploration and transformation with a matter of clicks, not code.	Germany
09-Mar-21			Makerpad is the developer of an e-learning platform intended to allow users to develop apps and websites without writing code.	UK
28-Apr-21			TimeSeries is an ISV and Mendix partner. It has significant expertise in the development of vertical apps built on the Mendix low-code platform.	US

KEY TRANSACTION TO HIGHLIGHT

unqork

Merged

KPMG

Deal Value: Undisclosed

About the transaction:

Oct 2020: Unqork teamed with strategic alliance partner KPMG LLP to combine its no-code platform with KPMG's extensive knowledge in capital markets, banking, and insurance.

appian

Acquired

novayre SOLUTIONS

Deal Value: Undisclosed

About the transaction:

Jan 2020: Appian acquired Novayre Solutions SL, developer of the Jidoka RPA platform. Jidoka is currently the highest-rated RPA software on Gartner Peer Insights.

Google

Acquired

AppSheet

Deal Value: Undisclosed

About the transaction:

Oct 2020: Unqork teamed with strategic alliance partner KPMG LLP to combine its no-code platform with KPMG's extensive knowledge in capital markets, banking, and insurance.



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