

# Software & IT Services M&A Pulse

H1 2021 Review



C O R P O R A T E F I N A N C E  
I N T E R N A T I O N A L

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# Introduction



Corporate Finance International ('CFI') is pleased to present the Software & IT Services M&A Pulse Review for H1 2021. This report provides commentary and analysis on current market trends and M&A activity within the Software & IT Services sector.

The Covid-19 crisis has brought about accelerated change in the way companies in all sectors and regions operate. Companies have significantly accelerated the digitisation of their customer and supply-chain interactions and of their internal operations.

We hope you find this edition informative and we would encourage you to reach out to our European sector specialists (Ramon Schuitevoerder, Clément Barbot, Andre Wassmann, João Santos, Sam Forman, Mats Axell, Mario van Gasse and Soichiro Fukuda) if you would like to discuss our perspective on current sector trends and M&A opportunities or our relevant sector and transaction experience.

CFI is a group of middle-market investment banks and corporate finance advisory boutiques with over 200 bankers specialising in cross-border acquisitions,

divestitures, capital raising, and related services all over the world. CFI focuses exclusively on middle-market transactions, with deal sizes ranging from €10m to €500m.

Our Software & IT Services team provides best-in-class, cross-border M&A advisory services to family and entrepreneurially owned companies, private equity funds, family offices, venture capitalists, start-ups and publicly traded companies. Our extensive sector knowledge and transaction experience spans the Adtech & Martech, BI/Big Data, Enterprise Software, Fintech, Infrastructure, IT Security, IT Services, Managed Services and Nearshoring domains.

Our professionals have global relationships with leading technology companies and financial investors. Thoughtful advice, extensive experience of structuring and negotiating complex transactions, and a sector focus that supports in-depth understanding of trends and developments impacting our clients, has resulted in a track record of long-term relationships with clients seeking extraordinary value.

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# Introduction



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## Recent tombstones

Founders and  
**FORTINO**  
CAPITAL PARTNERS  
have sold  
**DOBCO MEDICAL SYSTEMS**  
to  
**Dedalus**  
HEALTHCARE SYSTEMS GROUP  
a portfolio company of  
**ARDIAN**

CFI sell-side

**useitgroup**  
archisoft bouwsoft groensoft  
has been sold to  
**VISMA**  
a portfolio company of  
**Hg**

CFI sell-side

**MAIN**  
CAPITAL PARTNERS  
has sold  
**Sofon**  
Guided Solutions  
to  
**revalize**  
a portfolio company of  
**TA ASSOCIATES**

CFI sell-side

**endeit** FORTINO  
CAPITAL PARTNERS  
**Gimv**  
have sold  
**RIAKTR**  
to  
**Seamless**  
Distribution Systems

CFI sell-side

**COOPR**  
has been sold to  
**CANDID**

CFI sell-side

**Adaptive Vision**  
has been sold to  
**ZEBRA**

CFI sell-side

**squadd**  
has been sold to  
**semcon**

CFI sell-side

**VISKAN**  
E-BUSINESS AS USUAL  
has been sold to  
**VISMA**  
a portfolio company of  
**Hg**

CFI sell-side

**VISEO**  
DIGITAL MAKERS  
has secured a debt  
financing of €120m from  
**BlackRock**

CFI Debt advisory

**IT sector**  
has been sold to  
**ALTEN**

CFI sell-side

# Case Study 1

## Company overview

Viskan offers medium and large-sized companies in Sweden, Norway, and Finland a fast, scalable omnichannel platform with technical excellence that enables a seamless experience for both its customers and the end customers. Customers are typically omnichannel retailers, pure-play online retailers, subscription companies, and wholesalers of different kinds. The majority of Viskan's customers are B2C although the proportion of B2B customers is currently increasing.

## Buyer

With presence across the entire Nordic region along with Benelux, Central and Eastern Europe, Visma is a leading SaaS company empowering close to one million customers running their daily business. Visma delivers software that simplifies and digitises core business processes in private and public sectors. Being Visma's largest investor during the past 13 years, HgCapital further expanded its shareholding in April 2019, in a transaction that valued Visma at €6.5bn.

## Marketing highlights

Since its inception in 1997, Viskan has provided e-commerce solutions to different kinds of merchants. Over the years, the solution has developed significantly and today, Viskan offers a one-stop-shop for the complete cloud-based SaaS omnichannel platform. As a result, Viskan's financial performance has continuously improved and in FY19/20, revenue amounted to €5.5m with ARR of 50%.

## Process highlights

CFI initiated discussions and negotiations, managing the entire process in the sale to Visma, backed by HgCapital. The transaction closed on the 6th of April 2021. With a shared vision of making processes simple and cloud-based, Visma will be perfectly suited to support Viskan in becoming stronger and more competitive, as well as creating synergies that will benefit both companies' current and future customers.

**Transaction Type**  
Sell-side M&A

**Sector**  
Enterprise Software

**Deal Value**  
Undisclosed

**Date**  
April 2021



## Deal makers



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# Case Study 2

## Company overview

Headquartered in Brussels, Belgium, Riaktr is a global supplier of proprietary software technology for Business Analytics and Big Data in the telecoms sector. The product portfolio comprises innovative platforms for advanced analytics of Big Data and processes for sales optimisation as well as network infrastructure optimisation for telecommunications companies. The advanced proprietary platform, which is continuously improved by machine learning models, offers end-to-end solutions through sophisticated insight models for telecom operators.

## Buyer

Seamless Distribution Systems (STO:SDS) is a Sweden-based international software company that specialises in mobile payment services for mobile operators, distributors, retailers and consumers. SDS ensures that telecom operators can sell their telephone subscriptions, where SDS products and services handle up to 90% of the telecom operator's sales. Today, SDS has implemented solutions in fintech, advanced analytics and retail value management with clients in over 60 countries.

## Marketing highlights

The acquisition strengthens SDS's portfolio with Riaktr adding both advanced complementary technology and cutting-edge development and sales teams in Belgium and South Africa with an uncompromising focus on Big Data Analytics and Business Intelligence for global telecom operators in Africa, Europe, South Asia and Latin America.

## Process highlights

CFI led a competitive and global process, which ultimately resulted in a successful sale to Seamless Distribution Systems. The acquisition of Riaktr was financed by SDS through a Nordic high yield bond and the conversion of existing shareholder loans into shares.

**Transaction type**  
Sell-side M&A

**Sector**  
BI & Big Data

**Deal value**  
Undisclosed

**Date**  
May 2021



## Deal makers



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# Case Study 3

## Company overview

Founded in 1998 and located in the Netherlands and Germany, Sofon is an international provider of guided selling and configure, price and quote (CPQ) software for medium-large internationally companies with complex and customised products and services in made-to-order industries. The software suite offers full-field sales digitisation. Sofon Guided Selling supports analysis, calculation, configuration, pricing, visualisation and document generation. This reduces sales costs, shortens sales cycles, increases scoring rates, simplifies sales processes, and improves co-operation between clients, dealers, sales, engineering and production. Main Capital Partners joined Sofon as a majority shareholder in 2012.

## Buyer

Revalize is a global leader in sector-specific software that helps manufacturers optimise operations through design applications, engineering simulations, product selection, CPQ, product information management, visualisation, and data analytics. Headquartered in Jacksonville, Florida, the company serves customers globally. Revalize was created by TA Associates in 2021 following the combination of Europe-based Sofon with North America-based AutoQuote, FPX, and ConfigureOne.

TA is a leading global growth private equity firm. Focused on five key industries – technology, healthcare, financial services, consumer goods, and business services – the firm invests in profitable, growing companies with opportunities for sustained growth, and has invested in more than 535 companies internationally.

## Marketing highlights

“The acquisition of Sofon expands Revalize’s operation into continental Europe while adding more Fortune 100 businesses to the company’s growing list of world-class customers.” “Our current customers will enjoy a greater range of solutions to fit a wider range of use cases, while Sofon’s customers will benefit from Revalize’s global scale and capability.” Jim Contardi, CEO of Revalize.

## Process highlights

CFI acted as the lead financial adviser in a successful transaction with TA Associates on 26 May 2021, which precluded the creation of Revalize by TA Associates on 29 June 2021.

## Transaction type

Sell-side M&A

## Sector

Enterprise Software

## Deal value

Undisclosed

## Date

May 2021



## Deal makers



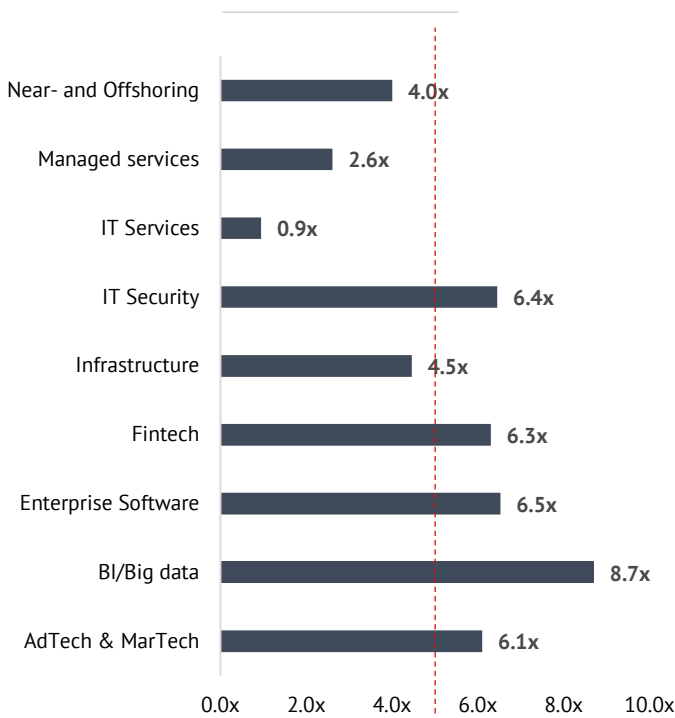
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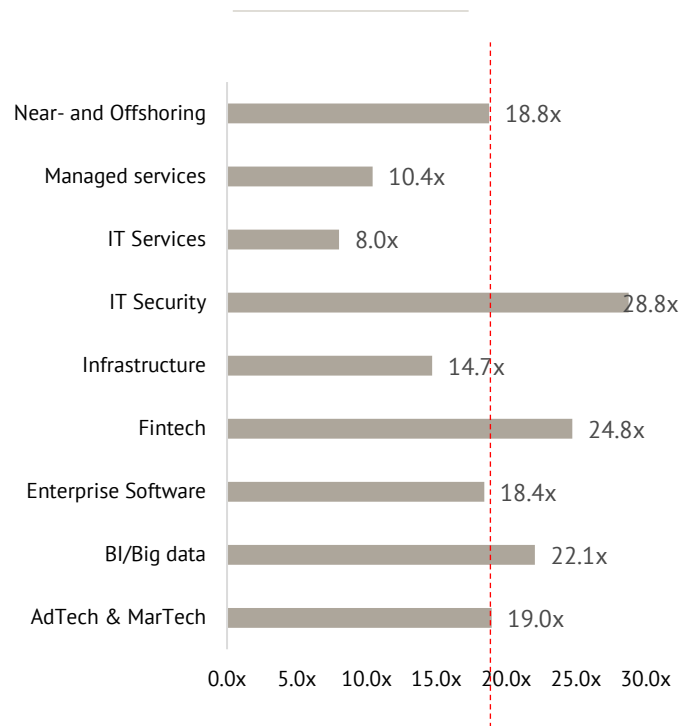
# Summary H1 2021

## TEV/Revenue



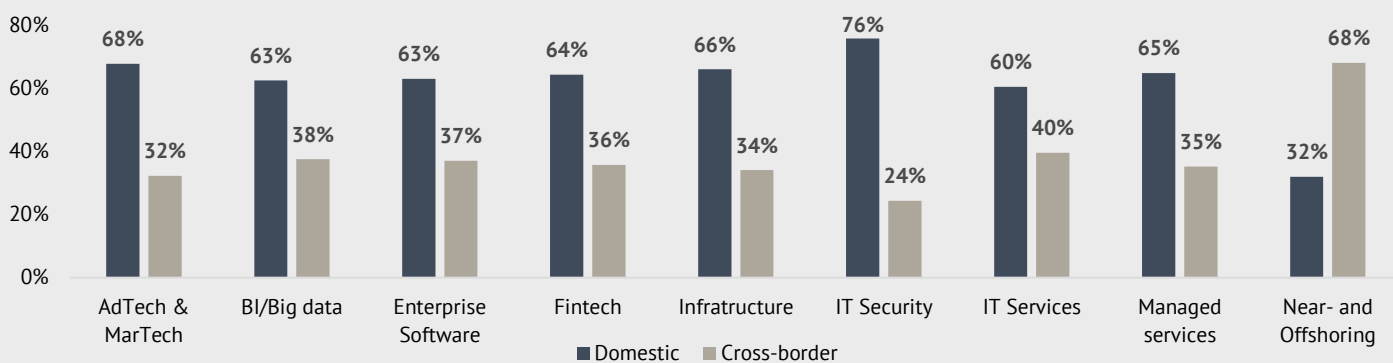
| Mean      | Median            |
|-----------|-------------------|
| 5.2x      | 6.1x              |
| = 2020 H1 | +1.67% vs 2020 H1 |

## TEV/EBITDA

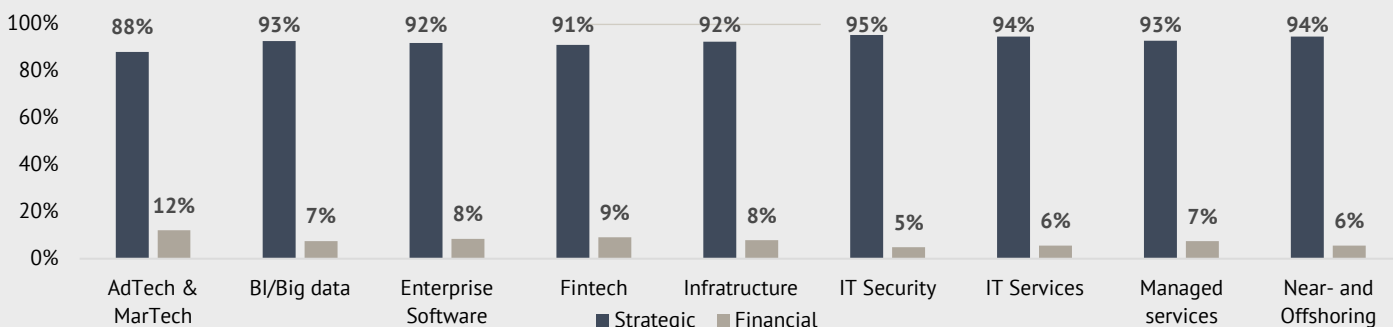


| Mean           | Median         |
|----------------|----------------|
| 18.3x          | 18.8x          |
| -7% vs 2020 H1 | +1% vs 2020 H1 |

## Type of Deals

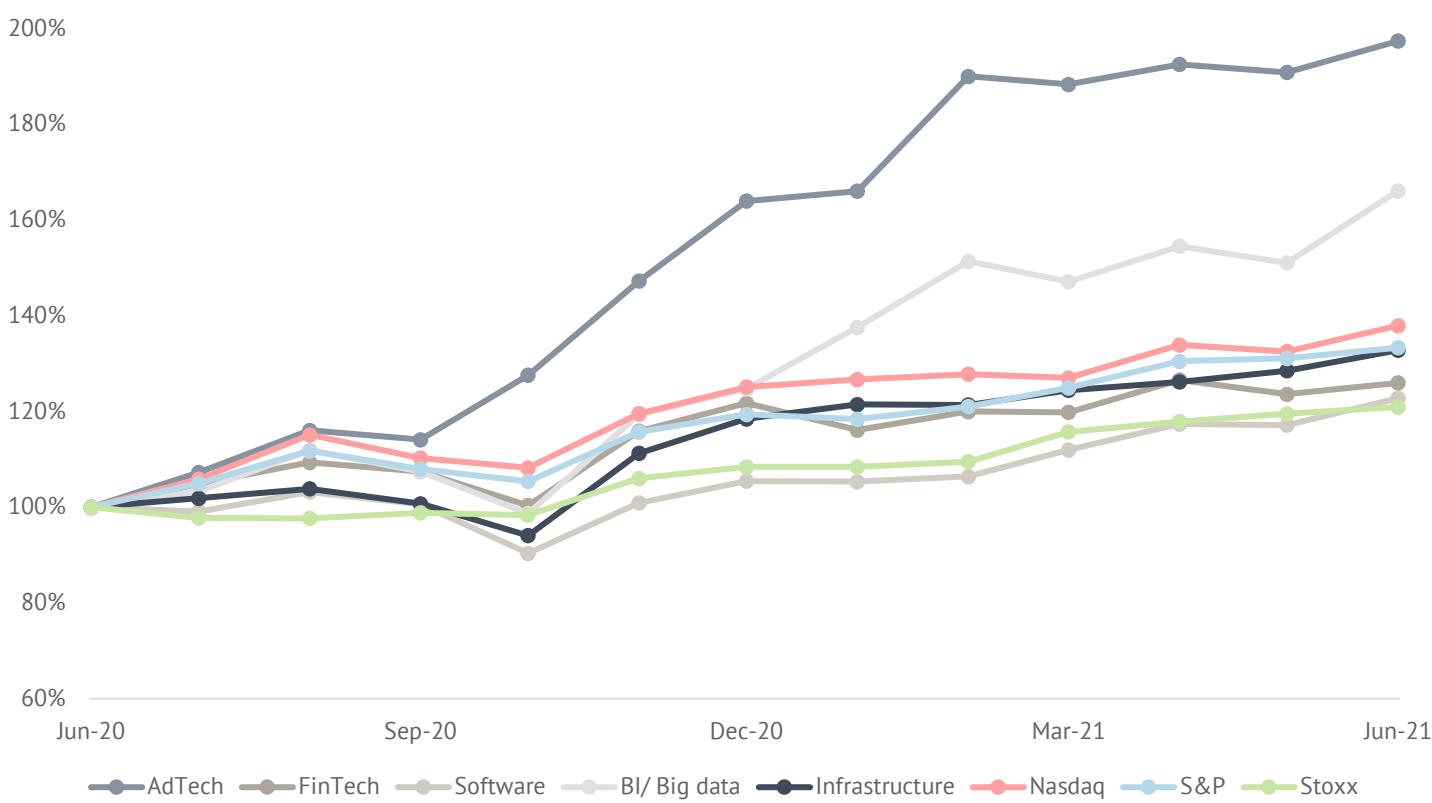


## Type of Buyers

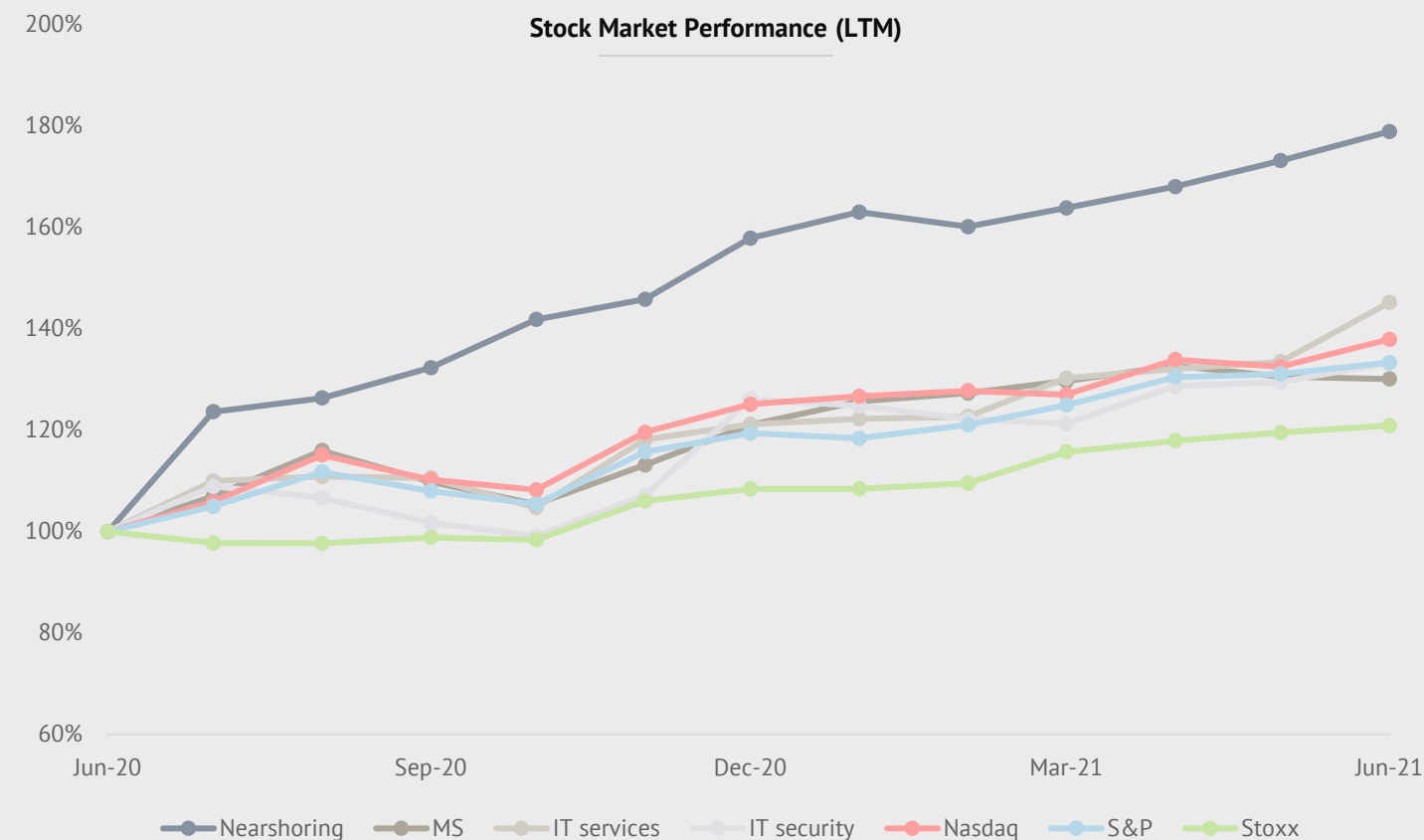


# Stock Performance

## Stock Market Performance (LTM)



## Stock Market Performance (LTM)



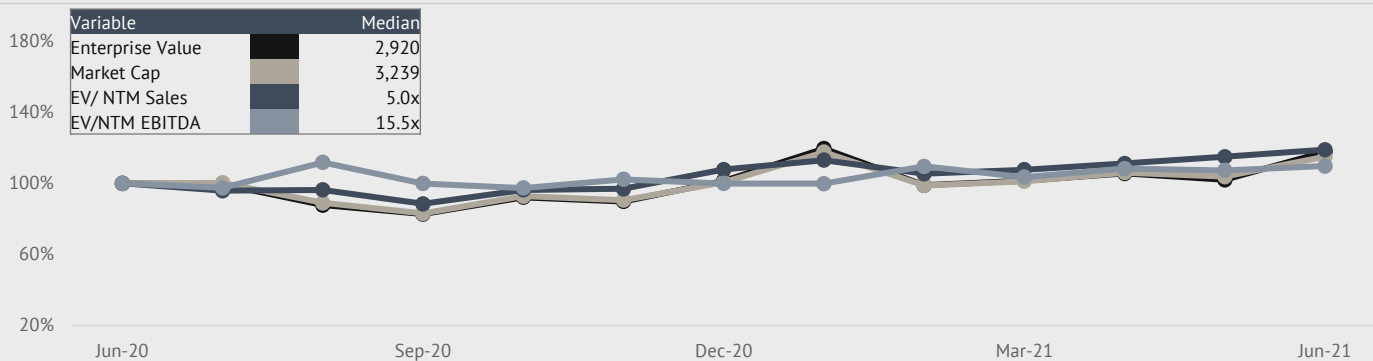


# AdTech & MarTech

## Trends

- As countries reopen their economies following extensive lockdown restrictions, capturing consumers' attention is more important than ever in order to rebound revenues and take advantage of strong consumer sentiment.
- AdTech is a key tool for advertising and marketing teams and is expected to record exponential market growth during the coming years.
- In the first quarter of 2021, investors spent over €20.4bn in the AdTech and MarTech markets, with 67% of this attributable to M&A activity.
- As the industry adjusts to the demise of third-party cookies, traditional digital advertising risks will become less relevant.
- Technologies that provide solutions to challenges such as ad fraud, transparency and privacy issues will be attractive investment targets, attracting elevated valuations and investor returns.
- From almost exclusively being used by larger organisations, AI and machine learning technologies are beginning to gain substantial traction within smaller companies.

## Rolling CTA Index



## Stock Market Valuation (in EURm)

| Company              | Revenues FY 2020 | Revenues FY 2021 | Revenues FY 2022 | EBITDA FY 2020 | Market Cap | Enterprise Value | EV/Revenues | EV/EBITDA current | EV/EBITDA 3 year avg | EV/EBITDA next FY |
|----------------------|------------------|------------------|------------------|----------------|------------|------------------|-------------|-------------------|----------------------|-------------------|
| Facebook             | 75,410           | 97,507           | 116,494          | 51,158         | 702,529    | 799,936          | 8.2x        | 15.6x             | 16.5x                | 13.3x             |
| BrightView           | 2,096            | 2,114            | 2,176            | 255            | 1,430      | 2,354            | 1.1x        | 9.2x              | 9.8x                 | 8.8x              |
| Brightcove           | 173              | 181              | 200              | 23             | 488        | 483              | 2.7x        | 20.9x             | 23.2x                | 16.8x             |
| Criteo               | 1,830            | 742              | 783              | 236            | 2,316      | 2,160            | 2.9x        | 9.1x              | 9.8x                 | 8.8x              |
| HubSpot              | 775              | 1,047            | 1,331            | 131            | 22,960     | 22,577           | 21.6x       | 172.9x            | 231.5x               | 131.2x            |
| Twitter              | 3,260            | 4,037            | 4,977            | 1,141          | 46,310     | 48,596           | 12.0x       | 42.6x             | 47.3x                | 32.7x             |
| Alphabet             | 159,960          | 198,779          | 231,791          | 76,635         | 1,303,108  | 1,308,464        | 6.6x        | 17.1x             | 18.4x                | 14.7x             |
| New Relic            | 540              | 599              | 676              | 4              | 3,654      | 3,368            | 5.6x        | 867.4x            | 175.2x               | 58.2x             |
| Tremor International | 186              | 240              | 261              | 81             | 1,242      | 975              | 4.1x        | 12.1x             | 14.2x                | 10.9x             |
| Magnite              | 194              | 334              | 434              | 96             | 3,677      | 4,573            | 13.7x       | 47.6x             | 57.5x                | 34.6x             |
| <b>Mean</b>          |                  |                  |                  |                |            |                  | 7.8x        | 121.4x            | 60.3x                | 33.0x             |
| <b>Median</b>        |                  |                  |                  |                |            |                  | 6.1x        | 19.0x             | 20.8x                | 15.8x             |

## Selected Transactions

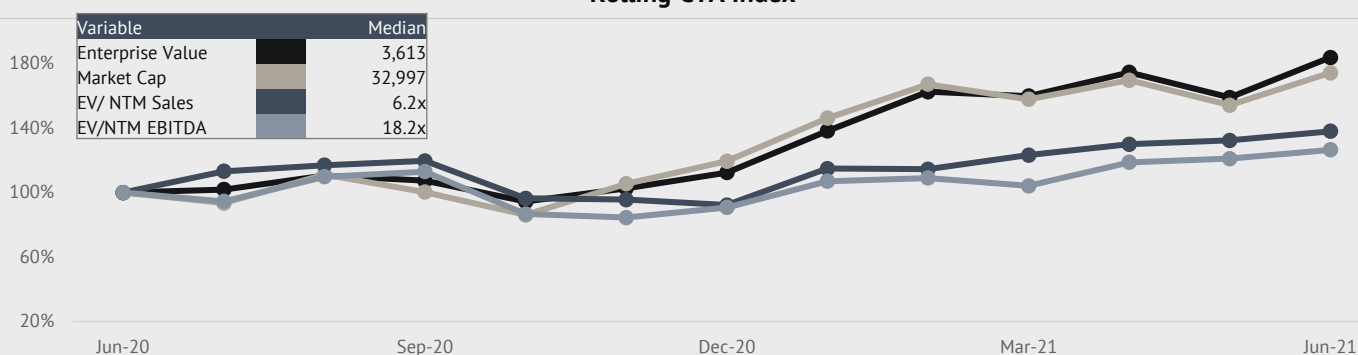
| Announced Date | Buyer  | Target          | Enterprise Value (EURm) | EV/Revenue | EV/EBITDA |
|----------------|--|-----------------|-------------------------|------------|-----------|
| Jun-21         | Affle International Pte                              | Jampp (Ireland) | 33.89                   | 1.4x       | 1032.5x   |
| Jun-21         | GOGO Lead Tech                                       | Sociallite      | 17.2                    | 7.3x       | -         |
| Jun-21         | Sinch  | Message4U Pty   | 1093.7                  | 7.6        | -         |
| May-21         | SoftBank Group                                       | eMnet Japan Co  | 24.1                    | 0.34x      | 10.76x    |
| Apr-21         | LINK Mobility Group Holding                          | AMM             | 15.4                    | 1.27x      | 15.03x    |
| Apr-21         | Bain Capital Private Equity LP; The Kantar Group Ltd | Market Track    | 1252.1                  | -          | -         |
| Mar-21         | Vista Equity Partners Management                     | Triple Lift     | 1186.7                  | -          | -         |
| Feb-21         | Magnite  | SpotX           | 983.6                   | 6.9x       | -         |
| Feb-21         | Sinch  | Inteliquent,    | 944.1                   | 2.0x       | 10.2x     |

# Business Intelligence/Big Data

## Trends

- Organisations were forced to develop creative and innovative solutions to navigate the pandemic and adjust to the remote world. The business intelligence industry faced increased attention, as companies reoriented their strategies to reflect evolved operational circumstances, and new trends began to arise in the field of data analytics.
- Corporates are increasing aware of the need to derive insights from their data, to guide effective decision-making throughout the pandemic. Subsequently there has been increased investment in BI tools and analytics platforms.
- Post Covid-19, cloud BI is expected to be a necessity by 95% of enterprise software vendors, with cloud/SaaS adoption is on the rise.
- Data visualisation, machine translation, predictive & prescriptive analytics and artificial intelligence are among the most prevalent trends in business intelligence witnessed during H1 2021.
- Automation has become increasingly prevalent, building further on increased adoption in recent years – 64% of large organisations used AI to automate data analysis in 2020, up from 55% in 2019. Artificial intelligence is anticipated to become a mainstream technology in business intelligence in the near term.

## Rolling CTA Index



## Stock Market Valuation (in EURm)

| Company            | Revenues FY 2020 | Revenues FY 2021 | Revenues FY 2022 | EBITDA FY 2021 | Market Cap | Enterprise Value | EV/Revenues | EV/EBITDA current | EV/EBITDA 3 year avg | EV/EBITDA next FY |
|--------------------|------------------|------------------|------------------|----------------|------------|------------------|-------------|-------------------|----------------------|-------------------|
| Altair Engineering | 412              | 430              | 473              | 54             | 2,658      | 4,351            | 10.1x       | 80.1x             | 85.9x                | 62.7x             |
| Cloudera           | 711              | 778              | 847              | 193            | 3,960      | 4,040            | 5.2x        | 21.0x             | 49.7x                | 17.5x             |
| Inovalon Holdings  | 586              | 644              | 722              | 228            | 2,236      | 5,041            | 7.8x        | 22.1x             | 23.0x                | 19.2x             |
| MicroStrategy      | 422              | 424              | 445              | 77             | 4,360      | 7,303            | 17.2x       | 94.5x             | 94.9x                | 89.1x             |
| Open Text          | 2,813            | 2,764            | 2,827            | 1,071          | 11,711     | 13,634           | 4.9x        | 12.7x             | 12.9x                | 12.4x             |
| Splunk             | 2,113            | 2,137            | 2,586            | -141           | 19,984     | 20,466           | 9.6x        | -                 | -                    | 965.0x            |
| Dynatrace          | 491              | 755              | 937              | 196            | 14,001     | 14,260           | 18.9x       | 72.6x             | 124.6x               | 59.2x             |
| Teradata           | 1,611            | 1,617            | 1,659            | 394            | 4,618      | 4,702            | 2.9x        | 11.9x             | 13.2x                | 10.9x             |
| <b>Mean</b>        |                  |                  |                  |                |            |                  | 9.6x        | 45.0x             | 57.7x                | 154.5x            |
| <b>Median</b>      |                  |                  |                  |                |            |                  | 8.7x        | 22.1x             | 49.7x                | 39.2x             |

## Selected Transactions

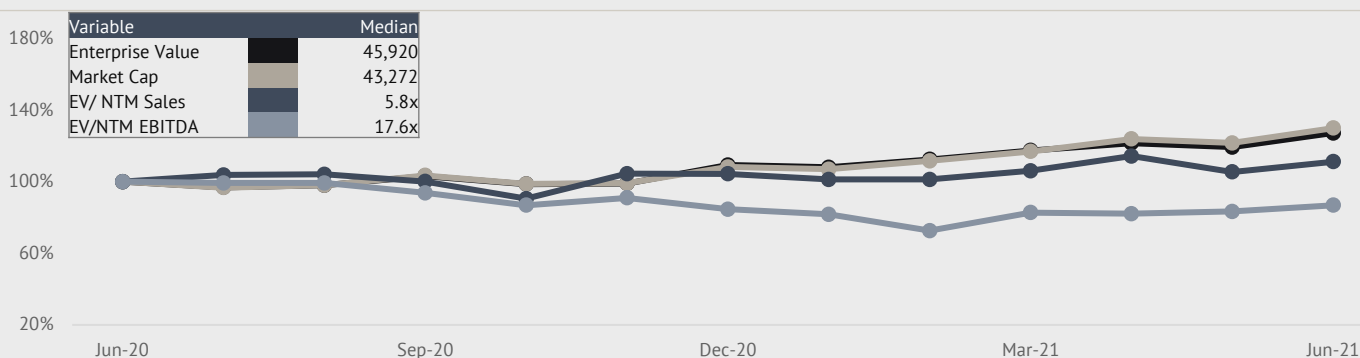
| Announced Date | Buyer                            | Target                | Enterprise Value (EURm) | EV/Revenue       | EV/EBITDA |
|----------------|----------------------------------|-----------------------|-------------------------|------------------|-----------|
| Jun-21         | Clayton, Dubiler & Rice, and KKR | Cloudera              | 4,360                   | 5.8x             | 285.09x   |
| May-21         | Zebra Technologies               | Adaptive Vision       |                         | CFI Confidential |           |
| May-21         | Seamless Distribution Systems    | Riaktr                |                         | CFI Confidential |           |
| May-21         | Switch                           | Data Foundry          | 345                     | 7.87x            | -         |
| May-21         | Clarivate Analytics              | ProQuest              | 4,390                   | 5.71x            | 20.01x    |
| Apr-21         | Microsoft                        | Nuance Communications | 13,500                  | 10.52x           | 61.65x    |
| Feb-21         | Cision Group                     | Brandwatch            | 370                     | 4.03x            | 256.85x   |
| Feb-21         | Match Group                      | HyperConnect          | 1,420                   | 7.72x            | -         |

# Enterprise Software

## Trends

- M&A activity has increased significantly in the Enterprise Software sector with a total of 613 deals during H1 2021, with software companies proving to be resilient to the effects of Covid-19.
- The software landscape is rapidly evolving, with start-ups in new product categories disrupting established vendors and well-known names consolidating to cement market share.
- Companies are widely adopting cloud-based enterprise software to scale up businesses at an affordable cost of investment.
- Enterprise software is increasing efficiency and accelerating overall productivity of organisations, fueling greater levels of adoption and investment in software-based solutions.
- Private equity buyers are targeting sectoral niches that are increasingly relevant following the pandemic, such as education management and e-learning software verticals.
- Increased appetite from financial investors is also driven by the attractiveness of subscription models, affording predictable and recurring cash flows that are well suited to facilitate leveraged buyouts.

## Rolling CTA Index



## Stock Market Valuation (in EURm)

| Company                         | Revenues FY 2020 | Revenues FY 2021 | Revenues FY 2022 | EBITDA FY 2021 | Market Cap | Enterprise Value | EV/Revenues | EV/EBITDA current | EV/EBITDA 3 year avg | EV/EBITDA next FY |
|---------------------------------|------------------|------------------|------------------|----------------|------------|------------------|-------------|-------------------|----------------------|-------------------|
| AVEVA Group                     | 953              | 1,440            | 1,562            | 462            | 13,009     | 10,056           | 7.0x        | 21.8x             | 24.0x                | 19.4x             |
| Constellation Software          | 3,482            | 4,252            | 4,880            | 1,269          | 27,092     | 27,855           | 6.6x        | 21.9x             | 22.4x                | 19.7x             |
| Dassault Systemes               | 4,452            | 4,776            | 5,217            | 1,708          | 54,279     | 55,467           | 11.6x       | 32.5x             | 33.8x                | 29.4x             |
| Enghouse Systems                | 333              | 331              | 368              | 116            | 2,086      | 2,009            | 6.1x        | 17.4x             | 17.0x                | 16.4x             |
| International Business Machines | 64,580           | 62,657           | 63,421           | 15,677         | 110,795    | 155,410          | 2.5x        | 9.9x              | 10.2x                | 9.8x              |
| Intuit                          | 6,932            | 7,907            | 9,184            | 3,012          | 112,947    | 112,714          | 14.3x       | 37.4x             | 38.7x                | 32.1x             |
| Micro Focus International       | 2,667            | 2,407            | 2,315            | 858            | 2,138      | 5,564            | 2.3x        | 6.5x              | 6.1x                 | 6.6x              |
| Microsoft                       | 129,365          | 140,171          | 157,448          | 67,765         | 1,720,468  | 1,697,404        | 12.1x       | 25.0x             | 25.0x                | 22.2x             |
| Oracle                          | 35,336           | 35,562           | 36,959           | 17,200         | 183,261    | 232,030          | 6.5x        | 13.5x             | 13.7x                | 12.9x             |
| SAP                             | 27,338           | 27,334           | 28,437           | 8,780          | 145,995    | 148,226          | 5.4x        | 16.9x             | 16.5x                | 16.1x             |
| Sage Group                      | 2,166            | 2,150            | 2,234            | 484            | 8,481      | 8,917            | 4.1x        | 18.4x             | 17.0x                | 17.1x             |
| <b>Mean</b>                     |                  |                  |                  |                |            |                  | 7.1x        | 20.1x             | 20.4x                | 18.3x             |
| <b>Median</b>                   |                  |                  |                  |                |            |                  | 6.5x        | 18.4x             | 17.0x                | 17.1x             |

## Selected Transactions

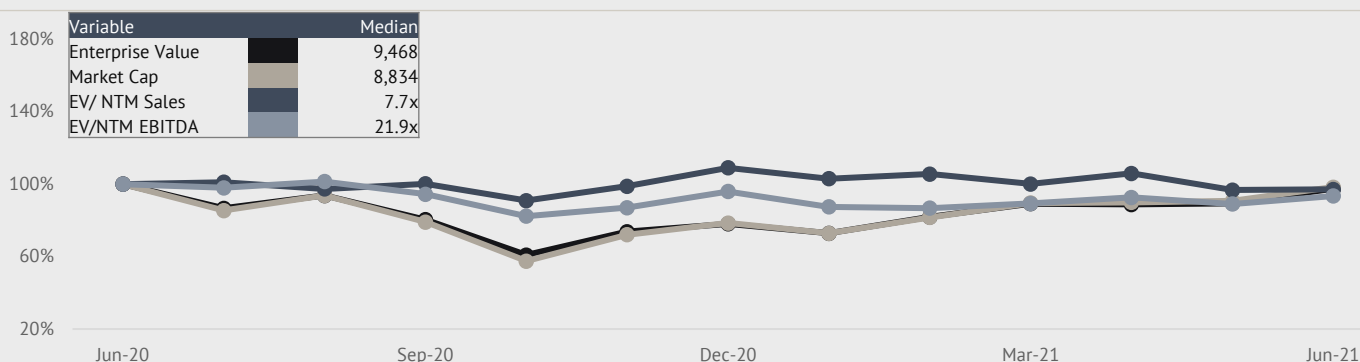
| Announced Date | Buyer   | Target                               | Enterprise Value (EURm) | EV/Revenue              | EV/EBITDA |
|----------------|---|--------------------------------------|-------------------------|-------------------------|-----------|
| Jun-21         | Visma (Hg Capital LLP)                        | Holded Technologies                  | 120                     | -                       | -         |
| May-21         | Atalante                                      | Eidosmedia                           | -                       | -                       | -         |
| <b>May-21</b>  | <b>Revalize (TA Associates Management LP)</b> | <b>Sofon (Main Capital Partners)</b> |                         | <b>CFI Confidential</b> |           |
| May-21         | E2open Parent Holding                         | Blujay Solutions                     | 1404                    | -                       | -         |
| <b>May-21</b>  | <b>Zebra Technologies</b>                     | <b>Adaptive Vision</b>               |                         | <b>CFI Confidential</b> |           |
| Apr-21         | Cegid Group                                   | TalentSoft                           | -                       | -                       | -         |
| Apr-21         | Main Capital Partners                         | Paragin                              | -                       | -                       | -         |
| <b>Apr-21</b>  | <b>Visma (Hg Capital LLP)</b>                 | <b>Viskan Distanshandel System</b>   |                         | <b>CFI Confidential</b> |           |
| Feb-21         | TA Associates Management                      | DL Software                          | 100                     | 1.4x                    | -         |
| Jan-21         | First Israel Mezzanine Investors              | E&M Computing                        | 218                     | 0.6x                    | 9.1x      |

# Fintech

## Trends

- Post-pandemic, capital investment in fintech companies has gained substantial traction, rising 13.5% from €74bn in H2 2020 to €84bn in H1 2021.
- Increasing collaboration between corporates and fintech companies across the financial services sector has been triggered by the Covid-19 pandemic and the rising trend of digitisation.
- Record levels of dry powder, digital acceleration, and increased demand for fintech solutions coupled with strategic consolidation has led to record deal volumes witnessed in H1 2021, with 2,456 transactions.
- B2B services are forecast to gain further traction in the payment, insurtech, wealthtech, regtech and crypto space. Three out of the Top Five global fintech M&A transactions occurred in the Institutional/B2B sector. The largest VC rounds in H1 2021 included Robinhood, Nubank, Klarna and Trade Republic.
- Investment appetite has historically been focused on later-stage maturing fintech technologies. However, a variety of options remain for SMEs to secure capital to fuel growth.

## Rolling CTA Index



## Stock Market Valuation (in EURm)

| Company                                | Revenues FY 2020 | Revenues FY 2021 | Revenues FY 2022 | EBITDA FY 2021 | Market Cap | Enterprise Value | EV/Revenues | EV/EBITDA current | EV/EBITDA 3 year avg | EV/EBITDA next FY |
|--|------------------|------------------|------------------|----------------|------------|------------------|-------------|-------------------|----------------------|-------------------|
| Basware                                | 152              | 155              | 173              | 21             | 575        | 620              | 4.0x        | 28.8x             | 29.5x                | 21.5x             |
| Bottomline Technologies                | 400              | 398              | 439              | 85             | 1,419      | 1,354            | 3.4x        | 16.0x             | 18.4x                | 15.1x             |
| PayPal                                 | 18,802           | 21,782           | 26,465           | 6,524          | 288,734    | 289,224          | 13.3x       | 44.3x             | 46.7x                | 36.1x             |
| Fidelity National Information Services | 11,011           | 11,583           | 12,515           | 5,179          | 74,081     | 89,978           | 7.8x        | 17.4x             | 17.3x                | 15.6x             |
| Fiserv                                 | 13,028           | 12,804           | 13,763           | 5,371          | 60,099     | 78,343           | 6.1x        | 14.6x             | 15.0x                | 13.3x             |
| Adyen                                  | 3,641            | 957              | 1,337            | 582            | 62,655     | 62,713           | 65.5x       | 107.7x            | 102.8x               | 75.2x             |
| Lightspeed Commerce                    | 109              | 381              | 523              | -28            | 9,275      | 8,780            | 23.0x       | -                 | -                    | -                 |
| PayPoint                               | 165              | 134              | 138              | 66             | 453        | 511              | 3.8x        | 7.7x              | 7.5x                 | 7.3x              |
| QIWI Plc                               | 492              | 238              | 241              | 121            | 470        | 222              | 0.9x        | 1.8x              | 1.6x                 | 1.9x              |
| SimCorp                                | 456              | 493              | 538              | 145            | 4,287      | 4,226            | 8.6x        | 29.1x             | 28.3x                | 26.0x             |
| Temenos                                | 778              | 831              | 915              | 376            | 10,059     | 10,703           | 12.9x       | 28.5x             | 25.4x                | 25.7x             |
| Worldline                              | 2,748            | 5,082            | 5,539            | 1,295          | 22,106     | 27,202           | 5.4x        | 21.0x             | 23.6x                | 18.1x             |
| Square                                 | 8,331            | 17,009           | 19,441           | 736            | 80,589     | 107,217          | 6.3x        | 145.7x            | 155.4x               | 102.0x            |
| <b>Mean</b>                            |                  |                  |                  |                |            |                  | 12.4x       | 38.6x             | 39.3x                | 29.8x             |
| <b>Median</b>                          |                  |                  |                  |                |            |                  | 6.3x        | 24.8x             | 24.5x                | 19.8x             |

## Selected Transactions

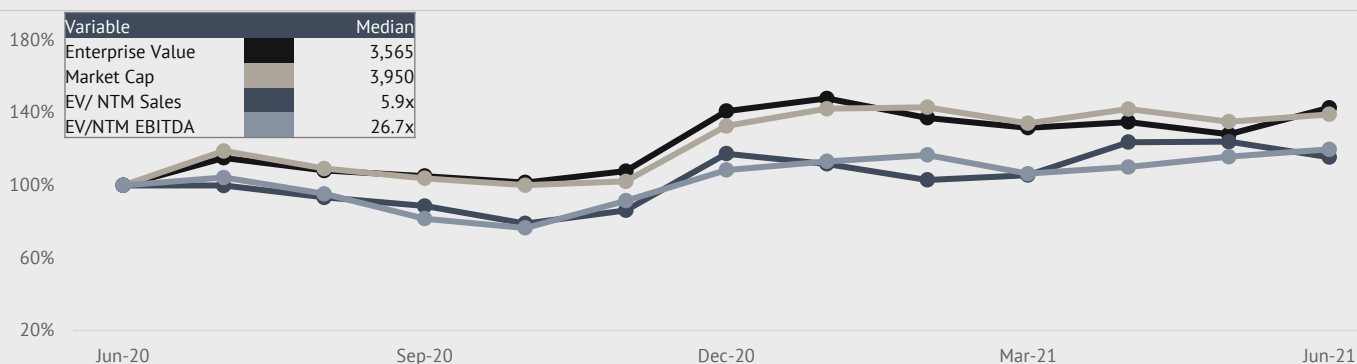
| Announced Date | Buyer                          | Target                        | Enterprise Value (EURm) | EV/Revenue | EV/EBITDA |
|----------------|--------------------------------|-------------------------------|-------------------------|------------|-----------|
| Jun-21         | Raisin                         | Deposit Solutions             | 670                     | -          | -         |
| Apr-21         | Pollen Street Capital          | Proactis Holdings             | 139,47                  | 2.7x       | 13.2x     |
| Mar-21         | Broadridge Financial Solutions | Itiviti Group                 | 2600                    | 12.5x      | 24.7x     |
| Mar-21         | Priority Technology            | Finxera                       | 358,28                  | 25.7x      | 38.4x     |
| Feb-21         | Altus Group                    | Finance Active                | 100                     | -          | -         |
| Feb-21         | Fusion Acquisition Corp        | MoneyLion (New York)          | 2474,86                 | 75.1x      | -         |
| Jan-21         | Spartan Acquisition Corp       | Sunlight Financial            | 1451,79                 | 25.4x      | 67.2x     |
| Jan-21         | CORESTATE Capital Holding      | Aggregate Financial Services  | 113                     | -          | -         |
| Jan-21         | smava                          | FFG FINANZCHECK Finanzportale | 200                     | -          | -         |
| Jan-21         | NCR Corp                       | Cardtronics                   | 1961,93                 | 2.1x       | 9.2x      |

# IT Security

## Trends

- The Covid-19 pandemic forced most organisations to shift their workforces to operate remotely. This poses new cybersecurity risks with sector leaders highlighting the increased sophistication and prevalence of cybersecurity attacks since the onset of the pandemic.
- Cybersecurity deal values increased from €1.9bn in 2020 to €3.2bn in H1 2021, driven by Nasdaq's €2.3bn acquisition of Canadian anti-financial crime management solution provider Verifin.
- VC funding was also elevated in H1 2021, most noticeably the €470m Series A fundraise by Transmit Security – the largest cybersecurity Series A transaction recorded.
- Leading cybersecurity companies are implementing value-add technologies such as machine learning, IoT, cloud and big data in their service offerings.
- International governments are investing in internet security solutions to secure their extensive confidential data and information security requirements.
- The rise of ransomware and other cyber-attacks is driving significant investment in artificial intelligence and driving cybersecurity companies to evolve their product offerings via M&A.

## Rolling CTA Index



## Stock Market Valuation (in EURm)

| Company                           | Revenues | Revenues | Revenues | EBITDA  | Market | Enterprise | EV/EBITDA |         |            |         |
|-----------------------------------|----------|----------|----------|---------|--------|------------|-----------|---------|------------|---------|
|                                   | FY 2020  | FY 2021  | FY 2022  | FY 2021 | Cap    | Value      | Revenues  | current | 3 year avg | next FY |
| Check Point Software Technologies | 1,811    | 1,804    | 1,857    | 881     | 13,431 | 11,632     | 6.4x      | 13.2x   | 13.4x      | 12.8x   |
| SecureWorks Corp                  | 495      | 460      | 473      | 0       | 212    | 1,149      | 2.5x      | -       | -          | 493.9x  |
| CyberArk Software                 | 407      | 414      | 466      | 32      | 4,368  | 3,954      | 9.6x      | 122.8x  | 92.6x      | 118.9x  |
| FireEye                           | 825      | 861      | 928      | 137     | 4,066  | 4,222      | 4.9x      | 30.8x   | 49.0x      | 28.2x   |
| Fortinet                          | 2,276    | 2,624    | 3,037    | 752     | 32,803 | 31,822     | 12.1x     | 42.3x   | 44.8x      | 35.8x   |
| Intercede Group                   | 12       | 13       | 15       | 2       | 66     | 54         | 4.0x      | 23.3x   | 23.1x      | 17.9x   |
| F-Secure                          | 220      | 235      | 250      | 37      | 639    | 625        | 2.7x      | 16.9x   | 16.7x      | 14.9x   |
| Palo Alto Networks                | 3,077    | 3,549    | 4,218    | 846     | 30,472 | 30,782     | 8.7x      | 36.4x   | 43.1x      | 30.7x   |
| Proofpoint                        | 921      | 1,020    | 1,121    | 174     | 8,444  | 8,575      | 8.4x      | 49.3x   | 60.9x      | 38.4x   |
| Qualys                            | 318      | 340      | 379      | 141     | 3,323  | 3,143      | 9.2x      | 22.3x   | 23.1x      | 20.4x   |
| Sophos Group                      | 489      | -        | -        | -       | -      | -          | -         | -       | -          | -       |
| VeriSign                          | 1,110    | 1,115    | 1,195    | 770     | 21,623 | 22,164     | 19.9x     | 28.8x   | 28.0x      | 26.4x   |
| Varonis Systems                   | 257      | 312      | 381      | 15      | 5,158  | 4,726      | 15.1x     | 313.2x  | -          | 129.8x  |
| Trend Micro                       | 1,430    | 1,396    | 1,463    | 448     | 6,222  | 4,393      | 3.1x      | 9.8x    | 9.3x       | 9.6x    |
| OneSpan                           | 189      | 186      | 204      | -1      | 867    | 772        | 4.2x      | -       | 114.0x     | 54.5x   |
| Zix Corporation                   | 192      | 210      | 239      | 46      | 338    | 590        | 2.8x      | 12.7x   | 13.2x      | 11.2x   |
| <b>Mean</b>                       |          |          |          |         |        |            | 7.6x      | 55.5x   | 40.9x      | 69.6x   |
| <b>Median</b>                     |          |          |          |         |        |            | 6.4x      | 28.8x   | 28.0x      | 28.2x   |

## Selected Transactions

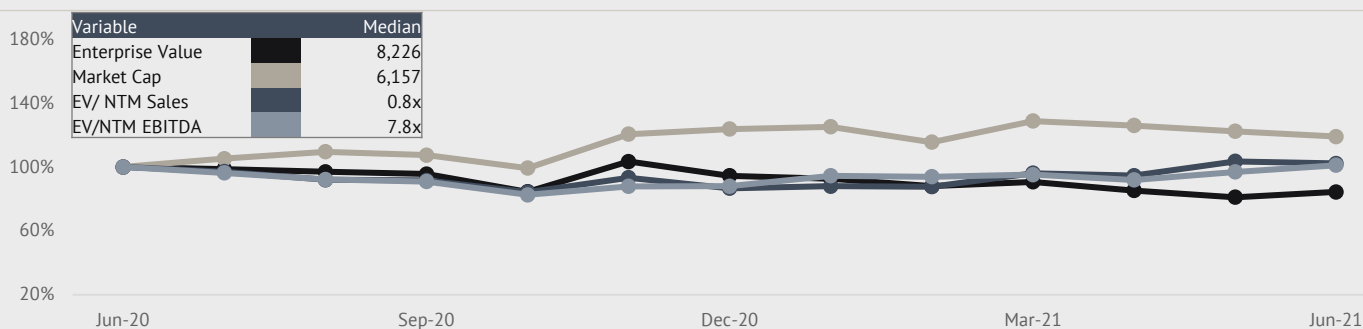
| Announced Date | Buyer   | Target                | Enterprise Value (EURm) | EV/Revenue | EV/EBITDA |
|----------------|---|-----------------------|-------------------------|------------|-----------|
| Jun-21         | Keensight Capital; Bpifrance SA; Mubadala Capital | Adista                | 400                     | 2.6x       | 16.0x     |
| Jun-21         | Coalfire Systems, Inc.                            | Denim Group           | 55.02                   | -          | -         |
| Jun-21         | Superloop   | Exetel Pty            | 80,02                   | 0.8x       | 4.7x      |
| May-21         | Knowit  | Cybercom Intressenter | 239,72                  | 1.5x       | 9.7x      |
| May-21         | Jamf Holding                                      | Wandera               | 328,95                  | -          | -         |
| Apr-21         | Intermediate Capital                              | 6point6               | 83,17                   | -          | -         |
| Mar 21         | Okta  | Auth0                 | 5383,02                 | -          | -         |
| Mar-21         | NPM Capital; Teslin Capital Management            | ICT Group             | 159,50                  | 1.0x       | 8.3x      |
| Feb-21         | Tenable Holdings                                  | Alsid                 | 80.82                   | -          | -         |

# IT Services

## Trends

- IT services continue to play a pivotal role in global SITS M&A activity with significantly increased deal value and volumes as global confidence returns from the pandemic.
- The world being increasingly connected and the IT services sector is being buoyed by digital transformation for data protection and analytics as well as for the growing working from home environment. It is estimated that the number of employees working from home has increased by 400% since the beginning of the pandemic.
- IT services M&A deal volumes and values are expected to continue their upward trajectory as enterprises continue to evidence strong demand for digital transformation support, in order to optimise business processes, minimise overheads, and increase operational profits.

## Rolling CTA Index



## Stock Market Valuation (in EURm)

| Company                        | Revenues FY 2020 | Revenues FY 2021 | Revenues FY 2022 | EBITDA FY 2021 | Market Cap | Enterprise Value | EV/Revenues | EV/EBITDA current | EV/EBITDA 3 year avg | EV/EBITDA next FY |
|--------------------------------|------------------|------------------|------------------|----------------|------------|------------------|-------------|-------------------|----------------------|-------------------|
| Accenture                      | 39,825           | 42,510           | 46,714           | 8,014          | 157,633    | 155,527          | 3.7x        | 19.4x             | 19.1x                | 17.5x             |
| Atos                           | 11,181           | 11,342           | 11,640           | 1,548          | 5,643      | 8,077            | 0.7x        | 5.2x              | 5.0x                 | 4.9x              |
| Bechtle                        | 5,819            | 6,368            | 6,947            | 402            | 6,579      | 6,789            | 1.1x        | 16.9x             | 17.2x                | 15.6x             |
| Capgemini                      | 15,848           | 17,115           | 18,028           | 2,701          | 27,345     | 33,862           | 2.0x        | 12.5x             | 12.8x                | 12.0x             |
| Capita                         | 3,740            | 3,832            | 3,985            | 374            | 732        | 1,833            | 0.5x        | 4.9x              | 4.6x                 | 4.3x              |
| Computacenter                  | 6,121            | 7,343            | 7,534            | 341            | 3,420      | 3,506            | 0.5x        | 10.3x             | 10.3x                | 10.1x             |
| CGI Inc                        | 8,076            | 8,338            | 8,648            | 1,686          | 16,951     | 21,028           | 2.5x        | 12.5x             | 12.9x                | 12.1x             |
| DXC Technology                 | 17,621           | 14,134           | 14,246           | 2,282          | 8,394      | 12,061           | 0.9x        | 5.3x              | 4.9x                 | 5.0x              |
| Devoteam                       | 760              | -                | -                | -              | 917        | 920              | -           | -                 | 19.9x                | -                 |
| Fujitsu                        | 31,937           | 27,978           | 28,833           | 3,356          | 32,712     | 30,202           | 1.1x        | 9.0x              | 8.6x                 | 8.4x              |
| Ordina                         | 369              | 385              | 403              | 54             | 353        | 365              | 0.9x        | 6.8x              | 6.7x                 | 6.3x              |
| NEC                            | 25,624           | 22,990           | 23,699           | 2,267          | 11,857     | 14,863           | 0.6x        | 6.6x              | 6.1x                 | 5.8x              |
| Neurones                       | 524              | 562              | 602              | 73             | 707        | 513              | 0.9x        | 7.0x              | 7.1x                 | 6.6x              |
| Nippon Telegraph and Telephone | 98,509           | 91,218           | 92,155           | 24,411         | 85,782     | 143,275          | 1.6x        | 5.9x              | 5.7x                 | 5.8x              |
| Reply                          | 1,250            | 1,427            | 1,587            | 235            | 5,185      | 5,017            | 3.5x        | 21.3x             | 22.0x                | 19.2x             |
| Sopra Steria Group             | 4,263            | 4,575            | 4,769            | 506            | 3,331      | 4,067            | 0.9x        | 8.0x              | 7.9x                 | 7.2x              |
| <b>Mean</b>                    |                  |                  |                  |                |            |                  | 1.4x        | 10.1x             | 10.7x                | 9.4x              |
| <b>Median</b>                  |                  |                  |                  |                |            |                  | 0.9x        | 8.0x              | 8.2x                 | 7.2x              |

## Selected Transactions

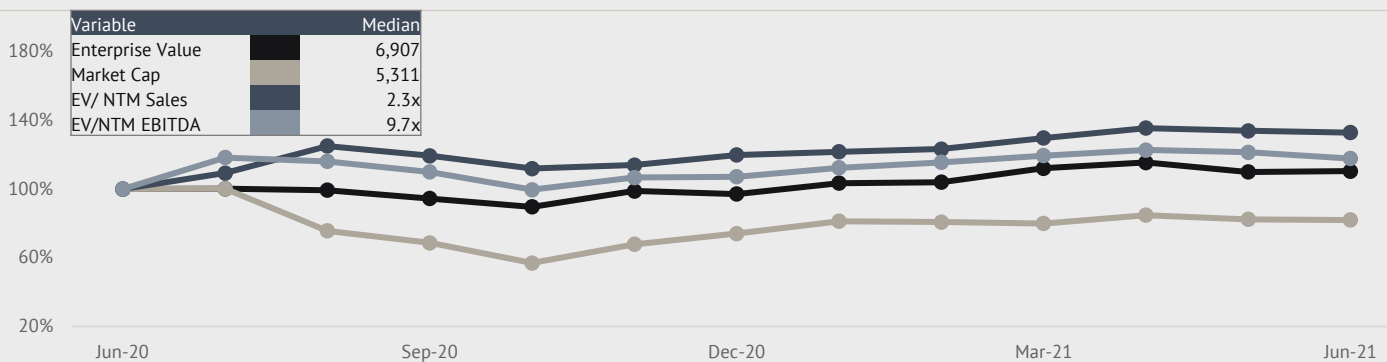
| Announcement Date | Buyer         | Target                        | Enterprise value (EURm) | EV/Revenue | EV/EBITDA |
|-------------------|---------------|-------------------------------|-------------------------|------------|-----------|
| Jun-21            | Vantea SMART  | ESC 2                         | 2.3                     | 0.5x       | 1.0x      |
| Jun-21            | Allgeier      | it-novum                      | 22.0                    | -          | -         |
| May-21            | Amdocs        | Sourced Group Worldwide       | 61.7                    | -          | -         |
| May-21            | Knowit        | Cybercom Intressenter         | 211.0                   | 1.3x       | -         |
| Apr-21            | Coforge       | SLK Global Solutions Pvt      | 172.2                   | 3.3x       | -         |
| Mar-21            | Open Resource | Annex Systems                 | 1.5                     | -          | -         |
| Mar-21            | Wipro         | The Capital Markets           | 1,200.9                 | 2.0x       | -         |
| Mar-21            | Instem        | The Edge Software Consultancy | 7.8                     | -          | -         |

# Managed Services

## Trends

- The managed services sector has proven its resilience during the pandemic, underpinned by secured revenues from multi-year contracts which has supported investor and business confidence in times of uncertainty.
- M&A volumes for Managed Services witnessed record-breaking activity in H1 2021 with 1,232 transactions.
- The unpredictability of the pandemic and the cloud's ability to scale without large scale investment has made cloud a critical technology in 2021.
- Covid-19 continues to act as a catalyst for cloud adoption, and enterprises are demanding technologies and services that support adoption, driving significant demand for remote-centric solutions such as security services.
- Additionally, enterprises are increasingly focused on obtaining 'bundled' service offerings to limit the number of suppliers and support further overhead management.
- These trends have led legacy IT service providers to exhibit greater appetite in acquiring smaller, niche managed services specialists.

## Rolling CTA Index



## Stock Market Valuation (in EURm)

| Company              | Revenues FY 2020 | Revenues FY 2021 | Revenues FY 2022 | EBITDA FY 2021 | Market Cap | Enterprise Value | EV/Revenues | EV/EBITDA current | EV/EBITDA 3 year avg | EV/EBITDA next FY |
|----------------------|------------------|------------------|------------------|----------------|------------|------------------|-------------|-------------------|----------------------|-------------------|
| Amdocs               | 3,724            | 3,613            | 3,758            | 790            | 8,327      | 8,264            | 2.3x        | 10.5x             | 10.5x                | 9.6x              |
| GoDaddy              | 2,907            | 3,158            | 3,491            | 656            | 12,303     | 14,838           | 4.7x        | 22.6x             | 23.2x                | 18.2x             |
| Softcat              | 1,226            | 1,448            | 1,597            | 142            | 4,118      | 4,055            | 2.8x        | 28.6x             | 30.6x                | 28.3x             |
| Rackspace Technology | 2,375            | 2,555            | 2,832            | 642            | 3,435      | 6,685            | 2.6x        | 10.4x             | 10.9x                | 9.6x              |
| HCL Technologies     | 8,972            | 9,675            | 10,725           | 2,455          | 30,305     | 29,259           | 3.0x        | 11.9x             | 11.9x                | 10.8x             |
| Proact IT Group      | 346              | 374              | 389              | 40             | 232        | 231              | 0.6x        | 5.7x              | 5.9x                 | 5.4x              |
| Redcentric           | 100              | 107              | 110              | 29             | 262        | 279              | 2.6x        | 9.7x              | 12.5x                | 9.4x              |
| United Internet      | 5,367            | 5,535            | 5,701            | 1,257          | 6,689      | 8,811            | 1.6x        | 7.0x              | 7.4x                 | 6.8x              |
| <b>Mean</b>          |                  |                  |                  |                |            |                  | 2.5x        | 13.3x             | 14.1x                | 12.3x             |
| <b>Median</b>        |                  |                  |                  |                |            |                  | 2.6x        | 10.4x             | 11.4x                | 9.6x              |

## Selected Transactions

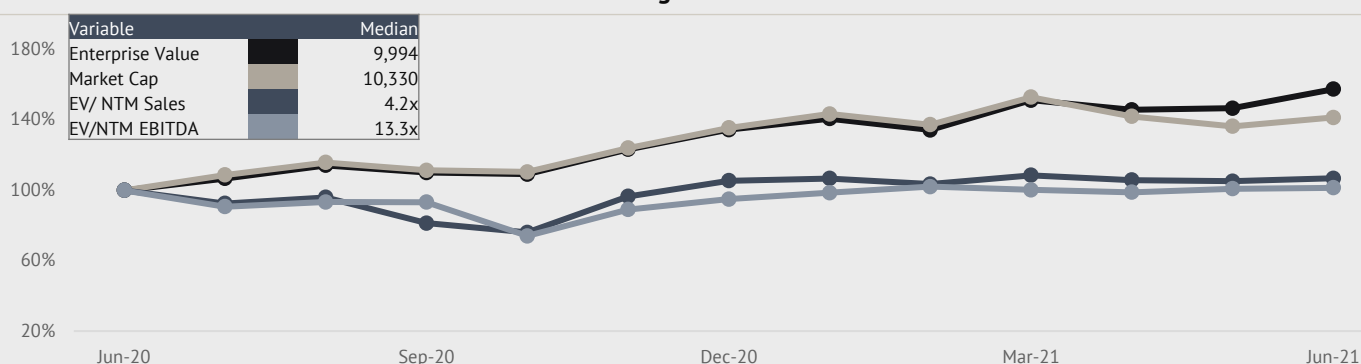
| Announced Date | Buyer                               | Target                    | Enterprise Value (EURm) | EV/Revenue | EV/EBITDA |
|----------------|-------------------------------------|---------------------------|-------------------------|------------|-----------|
| Jun-21         | Keensight Capital                   | Adista                    | -                       | -          | -         |
| Jun-21         | Blackstone Corporate Private Equity | QTS Realty Trust          | 6826                    | 147.9x     | 27.8x     |
| May-21         | Previder                            | Pimarox Holding           | -                       | -          | -         |
| Apr-21         | Intracto                            | Orangedotcom              | -                       | -          | -         |
| Apr-21         | Claranet Brasil                     | Mandic                    | -                       | -          | -         |
| Mar-21         | Computron Services                  | Solipsis Managed Services | -                       | -          | -         |
| Mar-21         | Inflexion Priave Equity             | ANS Group                 | 109                     | 2.3x       | 12.5x     |
| Jan-21         | Naturgy Solar                       | Cytera Technologies       | 1249                    | 2.2x       | 8.2x      |
| Jan-21         | eircom                              | Hibernia Services         | 80                      | 1.1x       | 8.8x      |
| Jan-21         | SAP                                 | Signavio                  | 1000                    | -          | -         |

# IT Infrastructure

## Trends

- Covid-19 has expediated digital transformations, with IT infrastructure playing a pivotal role in supporting this transition and underpinning growth of emerging technologies.
- Cloud technologies are dominating the SITS landscape, with 80% of enterprises predicted to shift to cloud-centric infrastructure by the end of 2021.
- Continued momentum from emerging and innovative technologies across the IT infrastructure sector is set to fuel further growth and address the increased complexity of end user requirements.
- Sustained sectoral growth has attracted private equity interest, accompanied by record levels of dry powder accumulated during the pandemic.
- Elevated levels of development capital are likely to spur innovation, while also prompting a wave of M&A activity as large corporates substitute R&D expenditure and organic development to focus on acquisitions strategies.

## Rolling CTA Index



## Stock Market Valuation (in EURm)

| Company                   | Revenues FY 2019 | Revenues FY 2020 | Revenues FY 2021 | EBITDA FY 2020 | Market Cap | Enterprise Value | EV/Revenues | EV/EBITDA current | EV/EBITDA 3-year avg | EV/EBITDA next FY |
|---------------------------|------------------|------------------|------------------|----------------|------------|------------------|-------------|-------------------|----------------------|-------------------|
| Akamai Technologies       | 2,585            | 2,805            | 2,813            | 1,035          | 13,309     | 14,862           | 5.3x        | 14.4x             | 14.1x                | 12.1x             |
| Arista Networks           | 2,154            | 2,033            | 2,210            | 667            | 19,604     | 18,134           | 8.9x        | 27.2x             | 23.9x                | 21.1x             |
| Broadcom                  | 20,105           | 21,228           | 21,735           | 10,008         | 165,199    | 199,641          | 9.4x        | 19.9x             | 18.9x                | 15.7x             |
| Citrix Systems            | 2,690            | 2,839            | 2,769            | 727            | 13,503     | 14,752           | 5.2x        | 20.3x             | 18.5x                | 15.5x             |
| CommVault Systems         | 614              | 604              | 589              | 16             | 2,625      | 2,386            | 4.0x        | 151.7x            | 43.6x                | 19.9x             |
| F5 Networks               | 1,988            | 2,100            | 2,107            | 521            | 10,123     | 9,686            | 4.6x        | 18.6x             | 16.4x                | 13.2x             |
| Micro Focus International | 2,979            | 2,667            | 2,330            | 1,042          | 1,626      | 5,199            | 1.9x        | 5.0x              | 5.1x                 | 6.2x              |
| NetApp                    | 5,349            | 4,884            | 4,629            | 1,060          | 13,164     | 12,440           | 2.5x        | 11.7x             | 11.3x                | 12.0x             |
| NetScout Systems          | 786              | 803              | 685              | 131            | 1,781      | 1,820            | 2.3x        | 13.9x             | 13.6x                | 11.3x             |
| Pegasystems               | 814              | 893              | 1,022            | -93            | 9,770      | 9,808            | 11.0x       | -                 | -                    | 188.4x            |
| Software AG               | 891              | 835              | 828              | 178            | 2,775      | 2,555            | 3.1x        | 14.3x             | 12.7x                | 15.3x             |
| Progress Software         | 369              | 391              | 427              | 141            | 1,643      | 1,943            | 5.0x        | 13.7x             | 14.1x                | 12.3x             |
| Radware                   | 225              | 219              | 223              | 15             | 1,043      | 849              | 3.9x        | 57.9x             | 35.0x                | 25.7x             |
| NTT DATA                  | 16,857           | 18,766           | 17,678           | 2,736          | 17,730     | 21,850           | 1.2x        | 8.0x              | 8.6x                 | 8.6x              |
| ServiceNow                | 3,092            | 3,965            | 4,732            | 603            | 92,439     | 94,661           | 23.9x       | 157.0x            | 118.2x               | 66.2x             |
| VMware                    | 8,195            | 9,683            | 9,653            | 1,840          | 13,450     | 52,387           | 5.4x        | 28.5x             | 20.7x                | 13.7x             |
| <b>Mean</b>               |                  |                  |                  |                |            |                  | <b>6.1x</b> | <b>37.5x</b>      | <b>25.0x</b>         | <b>28.6x</b>      |
| <b>Median</b>             |                  |                  |                  |                |            |                  | <b>4.8x</b> | <b>18.6x</b>      | <b>16.4x</b>         | <b>14.5x</b>      |

## Selected Transactions

| Announced Date | Buyer                            | Target                      | Enterprise Value (EURm) | EV/Revenue | EV/EBITDA |
|----------------|----------------------------------|-----------------------------|-------------------------|------------|-----------|
| Jun-21         | Stonepeak Partners, Digital Edge | PT Indointernet             | 102.24                  | 3.64x      | 11.5x     |
| May-21         | Gresham Enterprise Storage       | Electra Information Systems | 31.64                   | 2.69x      | 11.33x    |
| Feb-21         | Box Inc                          | SignRequest                 | 45.72                   | -          | -         |
| Feb-21         | Bowmark Capital, Node 4          | Starcom Technologies        | 17.0                    | -          | -         |
| Jan-21         | The Vitec Group                  | Infiniscene                 | 30.27                   | -          | -         |
| Jan-21         | NothernData                      | Hydro66                     | 25.0                    | -          | -         |

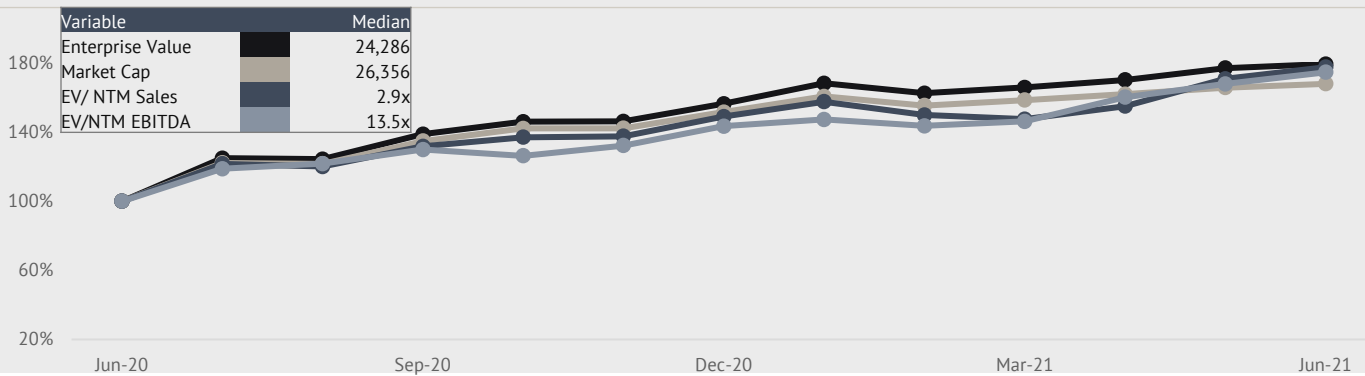


# Nearshoring

## Trends

- Due to the rapidly evolving nature of the SITS landscape, it is difficult for companies to access in-demand technical skills and recruiting the appropriate talent has become an increasing challenge.
- The role of nearshoring has changed significantly in recent years, largely supported by cloud, cyber and remote DevOps solutions, while emerging technologies such as machine learning and artificial intelligence begin to feature.
- Accelerated innovation is likely to accelerate corporates' outsourcing operations, with nearshoring set to become more prevalent within investment decisions, driven by a requirement for speed, efficiency, agility and cost reduction.
- Research firm Gartner predicts that by 2024, organisations will lower operational costs by 30% by combining hyper-automation technologies with redesigned nearshoring processes.
- Market consolidation is prevalent in the sector, with larger corporates implementing aggressive M&A strategies across SMEs to retain market share.

## Rolling CTA Index



## Stock Market Valuation (in EURm)

| Company                        | Revenues<br>FY 2020 | Revenues<br>FY 2021 | Revenues<br>FY 2022 | EBITDA<br>FY 2021 | Market<br>Cap | Enterprise<br>Value | EV/<br>Revenues | EV/EBITDA<br>current | EV/EBITDA<br>3 year avg | EV/EBITDA<br>next FY |
|--------------------------------|---------------------|---------------------|---------------------|-------------------|---------------|---------------------|-----------------|----------------------|-------------------------|----------------------|
| Cognizant Technology Solutions | 14,607              | 15,181              | 16,098              | 2,829             | 30,868        | 30,735              | 2.0x            | 10.9x                | 11.0x                   | 10.1x                |
| HCL Technologies               | 8,972               | 9,675               | 10,725              | 2,455             | 30,305        | 29,259              | 3.0x            | 11.9x                | 11.9x                   | 10.8x                |
| Infosys                        | 11,525              | 13,229              | 14,821              | 3,561             | 76,441        | 73,981              | 5.6x            | 20.8x                | 21.3x                   | 18.7x                |
| Larsen & Toubro Infotech       | 1,381               | 1,648               | 1,899               | 343               | 8,066         | 7,701               | 4.7x            | 22.4x                | 23.1x                   | 19.6x                |
| Persistent Systems             | 451                 | 566                 | 652                 | 95                | 2,544         | 2,375               | 4.2x            | 25.1x                | 26.5x                   | 21.6x                |
| Tata Consultancy Services      | 19,923              | 21,560              | 23,998              | 6,147             | 140,380       | 136,497             | 6.3x            | 22.2x                | 22.4x                   | 20.1x                |
| Tech Mahindra                  | 4,680               | 4,787               | 5,294               | 897               | 12,038        | 9,901               | 2.1x            | 11.0x                | 11.3x                   | 10.1x                |
| Wipro                          | 7,746               | 8,395               | 9,268               | 1,907             | 33,917        | 32,016              | 3.8x            | 16.8x                | 17.2x                   | 15.2x                |
| <b>Mean</b>                    |                     |                     |                     |                   |               |                     | 4.0x            | 17.6x                | 18.1x                   | 15.8x                |
| <b>Median</b>                  |                     |                     |                     |                   |               |                     | 4.0x            | 18.8x                | 19.3x                   | 16.9x                |

## Selected Transactions

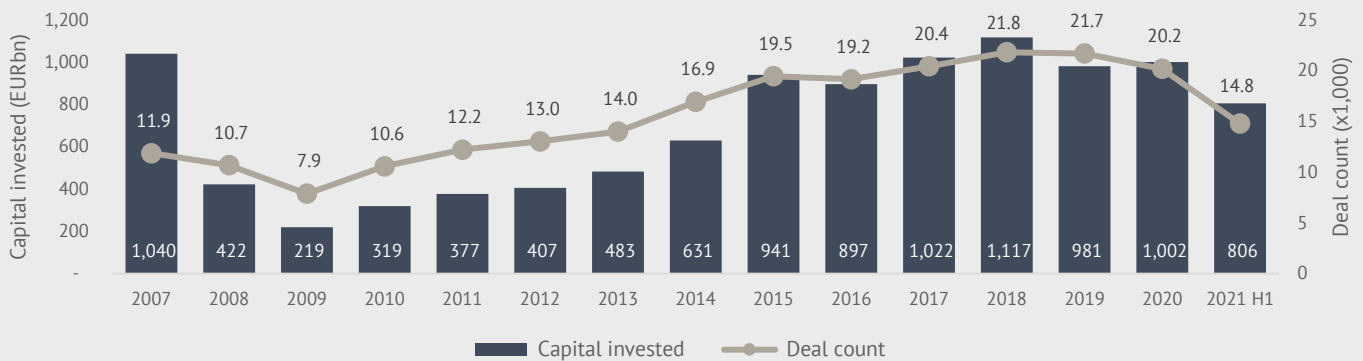
| Announced Date | Buyer         | Target                   | Enterprise Value (EURm) | EV/Revenue | EV/EBITDA |
|----------------|---------------|--------------------------|-------------------------|------------|-----------|
| Apr-21         | Wirtek        | Core Technology Services | -                       | -          | -         |
| Apr-21         | Accenture Plc | OpenMinded Consulting    | -                       | -          | -         |
| Apr-21         | Accenture Plc | CoreCompete              | -                       | -          | -         |
| Mar-21         | Visma         | Timemsystem              | -                       | -          | -         |
| Feb-21         | UT Group      | Suri Emu                 | 29.72                   | 4.76x      | -         |
| Feb-21         | Visma         | Brincr                   | -                       | -          | -         |

# Private Equity

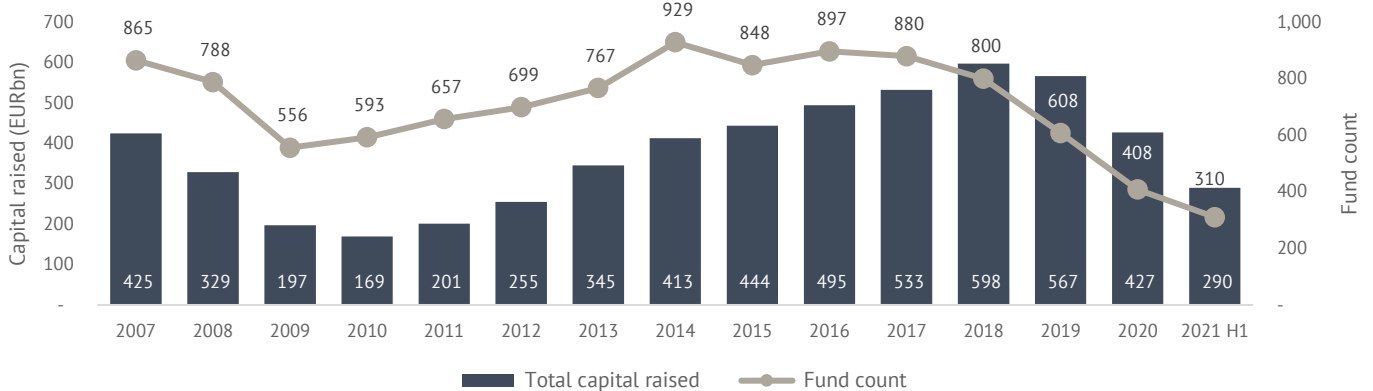
## Trends

- Resurging business confidence has driven deal activity to record levels, fueled by increased access to capital, and a buoyant fundraising environment.
- The proliferation of private equity and venture capital funds operating in the sector has enabled record levels of capital to be deployed into portfolio companies, providing substantial war chests to fund future M&A investments.
- Financial acquirers have been attracted to the SITS sector due to its covid-resilience, extensive innovation pipeline, and business models predicated on recurring revenues and strong operating margins.
- Private equity deal volumes are expected to surpass previous years activity in 2021 - having already recorded 73.26% of transaction volumes witnessed in FY20 in the SITS sector.

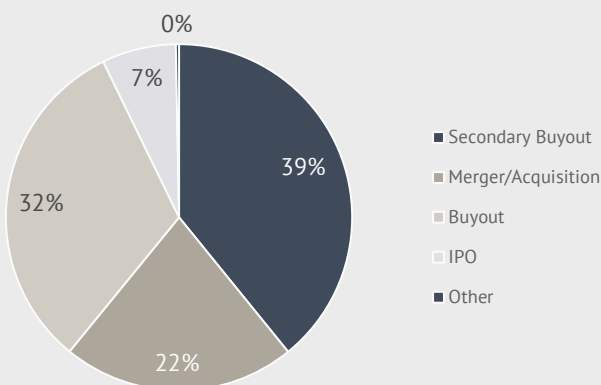
### Capital Invested & Deal Count



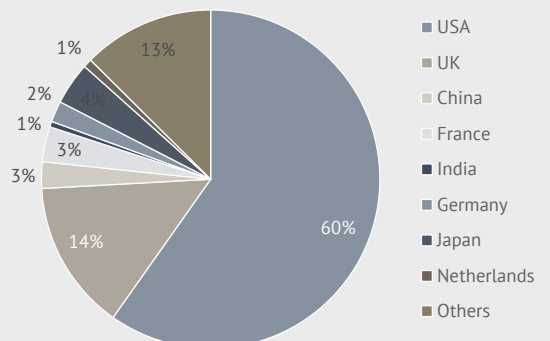
### Total Capital Raised & Fund Count



### Capital Invested by Exit Type



### Capital Raised by Countries



# Tombstones



|  |  |   |   |  |
|--|--|---|---|--|
| <p>Founders and<br/><b>FORTINO</b><br/>CAPITAL PARTNERS<br/>have sold</p> <p><b>DOBCO</b> MEDICAL SYSTEMS</p> <p>to</p> <p><b>Dedalus</b><br/>HEALTHCARE SYSTEMS GROUP</p> <p>a portfolio company of<br/><b>ARDIAN</b></p> <p>CFI sell-side </p> | <p><b>useitgroup</b><br/>archisoft bouwssoft groensoft</p> <p>has been sold to</p> <p><b>VISMA</b><br/>a portfolio company of</p> <p><b>Hg</b></p> <p>CFI sell-side </p> | <p><b>MAIN</b><br/>CAPITAL PARTNERS<br/>has sold</p> <p><b>Sofon</b><br/>Guided Solutions</p> <p>to</p> <p><b>revalize</b><br/>a portfolio company of</p> <p><b>TA ASSOCIATES</b></p> <p>CFI sell-side </p> | <p><b>endeit</b> FORTINO<br/>CAPITAL PARTNERS</p> <p><b>Gimv</b><br/>have sold</p> <p><b>RIAKTR</b></p> <p>to</p> <p><b>Seamless</b><br/>Distribution Systems</p> <p>CFI sell-side </p> | <p><b>COOPR</b></p> <p>has been sold to</p> <p><b>CANDID</b></p> <p>CFI sell-side </p> |
|--|--|---|---|--|

|   |  |   |  |   |
|---|--|---|--|---|
| <p><b>Adaptive Vision</b></p> <p>has been sold to</p> <p><b>ZEBRA</b></p> <p>CFI sell-side </p> | <p><b>squad</b></p> <p>has been sold to</p> <p><b>SEMCON</b></p> <p>CFI sell-side </p> | <p><b>VISKAN</b><br/>E-BUSINESS AS USUAL<br/>has been sold to</p> <p><b>VISMA</b><br/>a portfolio company of</p> <p><b>Hg</b></p> <p>CFI sell-side </p> | <p><b>WISEO</b><br/>DIGITAL MAKERS</p> <p>has secured a debt financing of €120m from</p> <p><b>BlackRock</b></p> <p>CFI Debt advisory </p> | <p><b>IT sector</b></p> <p>has been sold to</p> <p><b>ALTEN</b></p> <p>CFI sell-side </p> |
|---|--|---|--|---|

|  |  |  |  |   |
|--|--|--|--|---|
| <p><b>dqc</b></p> <p>has been acquired by</p> <p><b>Fellowwind</b><br/><small>formerly known as CDM Partners Group</small></p> <p>a portfolio company of</p> <p><b>FSN CAPITAL</b></p> <p>CFI sell-side </p> | <p><b>SofTek</b><br/>株式会社 ソフテック</p> <p>has been sold to</p> <p><b>CSC</b><br/>CYBER SECURITY CLOUD</p> <p>CFI sell-side </p> | <p><b>Plint</b></p> <p>has been sold to</p> <p><b>PRIVEQ</b></p> <p>CFI sell-side </p> | <p><b>iveo.</b></p> <p>has been sold to</p> <p><b>storskogen</b></p> <p>CFI sell-side </p> | <p><b>specter</b></p> <p>has been sold to</p> <p><b>VISMA</b><br/>a portfolio company of</p> <p><b>Hg</b></p> <p>CFI sell-side </p> |
|--|--|--|--|---|

|  |  |  |  |  |
|--|--|--|--|--|
| <p><b>PYLADES</b><br/>Microsoft Partner</p> <p>has been sold to</p> <p><b>WATERLAND</b><br/>PRIVATE EQUITY INVESTMENTS</p> <p>CFI sell-side </p> | <p><b>Inspiretec</b></p> <p>has undergone a refinancing from</p> <p><b>NatWest</b></p> <p>CFI Debt advisory </p> | <p><b>MAIN</b><br/>CAPITAL PARTNERS<br/>has sold</p> <p><b>YMOR</b></p> <p>to</p> <p><b>SENTIA</b><br/>a portfolio company of</p> <p><b>WATERLAND</b><br/>PRIVATE EQUITY INVESTMENTS</p> <p>CFI sell-side </p> | <p><b>Blauw Gras</b></p> <p>has been sold to</p> <p><b>ACE</b><br/><small>(formerly known as BorndS Group)</small></p> <p>a portfolio company of</p> <p><b>QUADRUM</b><br/>CAPITAL</p> <p>CFI sell-side </p> | <p><b>AUXILIUM</b><br/>CAPITAL<br/>has sold</p> <p><b>FRONTMEN</b><br/>FRONTEND EXPERTS</p> <p>to</p> <p><b>intracto</b><br/>a portfolio company of</p> <p><b>WATERLAND</b><br/>PRIVATE EQUITY INVESTMENTS</p> <p>CFI sell-side </p> |
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