



OCTOBER 2021

# Quarterly Tech M&A Update

## Q3 2021

# AGENDA

## Tech sector Q3 2021 – Key takeaways



Software companies with a focus on AI technology, e-commerce solutions and innovative financial software are of high interest for both strategic players and financial investors. Next to M&A transactions, a high interest is placed on fundraising rounds ranging between EUR 100m and EUR 500m.



Venture capital firms increase the funds available to startups and encourage entrepreneurs to “blitzscale” their company. This concept prioritizes speed over efficiency during a period of uncertainty and is used to navigate through the flattening pandemic.



M&A activity in the German Tech sector slightly decreased from 153 completed transactions in Q2 2021 to 100 transactions in Q3 2021. The majority of transactions in 2021 takes place on a cross-border basis (64%).



After a continuing rise of valuation metrics in the ‘hot’ Tech sector, the current market development shows a decrease in valuation metrics.






















The application software segment is still the most active sub-segment and has the highest revenue multiples in Europe in Q3 2021. The strong focus on software-related products and solutions continues.

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# EDITOR'S TOP TECH DEAL PICKS

Date	Deal type	Target	Deal description & Investor rationale	Acquirer/investor
SEP 2021	Fundraising	 	Discord Inc, a California-based <b>chat software developer</b> , raised <b>USD 500m in a new funding round</b> led by Dragoneer Investment Group. The proceeds will be used to hire further employees and to add new tools and features.	   amongst others   
SEP 2021	M&A	 	The Rocket Science Group, LLC, more commonly referred to as Mailchimp, an <b>automation platform for email marketing services</b> , was <b>acquired by Intuit Inc. for a consideration of USD 12bn</b> . With this transaction, Intuit is pursuing its strategy to become an AI-driven expert platform.	 
SEP 2021	Fundraising	 	Munich-based startup Agile Robots, <b>engaged in developing intelligent robotic systems</b> , has raised <b>EUR 186m in its Series C funding round</b> . The new funds will be used for product development and the establishment and expansion of serial production in Germany and China.	   amongst others   
SEP 2021	M&A	 	Volkswagen Payments S.A. is a <b>payments platform</b> of the Volkswagen Group. J.P. Morgan has <b>acquired a 75% stake in the business</b> , which will expand the bank's digital payment capabilities and help develop the platform for new markets outside the automotive sector in the long term.	 
SEP 2021	M&A	 	Paycom, a <b>two-sided payments service</b> that acts as a middleman between consumers and merchants, has been <b>acquired by PayPal Holdings Inc. for a consideration of USD 2.7bn</b> . The transaction is expected to accelerate PayPal's momentum in the strategically important 'buy now, pay later' market.	 
SEP 2021	Secondary Buyout	 	Berlin Brands Group Holding GmbH (BBG), a German <b>D2C e-commerce platform</b> , received <b>USD 700m of additional equity and debt financing</b> from Bain Capital, LP. The proceeds allow BBG to acquire emerging e-commerce brands in the US and the UK and to expand its supply chain and logistics infrastructure.	 
SEP 2021	M&A	 	Yahoo, formerly known as Verizon Media Group, was <b>acquired by Apollo Global Management for a consideration of USD 5bn</b> . Apollo plans to invest in growth across the business, including accelerating Yahoo's customer-first offerings and commerce capabilities.	 
AUG 2021	M&A	 	Cerved Group S.p.A., a <b>provider of credit information services</b> , was <b>acquired by a consortium consisting of ION Group and GIC Private Limited for a consideration of EUR 2.6bn</b> . The transaction will enable Cerved to implement its growth strategies by leveraging ION Group's software experience.	   
JUL 2021	Fundraising	 	Contentful GmbH is a <b>mobile applications development company</b> that engages in delivering digital content across websites, mobile apps, digital displays and other connected devices. The company will use its <b>USD 175m Series F funding</b> to expand its global footprint in marketing and sales.	     
JUL 2021	Fundraising	 	solarisBank AG is a <b>provider of a banking software platform and digital payment solutions</b> . Raising <b>EUR 190m in a Series D funding round</b> led by Decisive Capital Management, solarisBank plans to accelerate its expansion across Europe and Asia.	  amongst others   

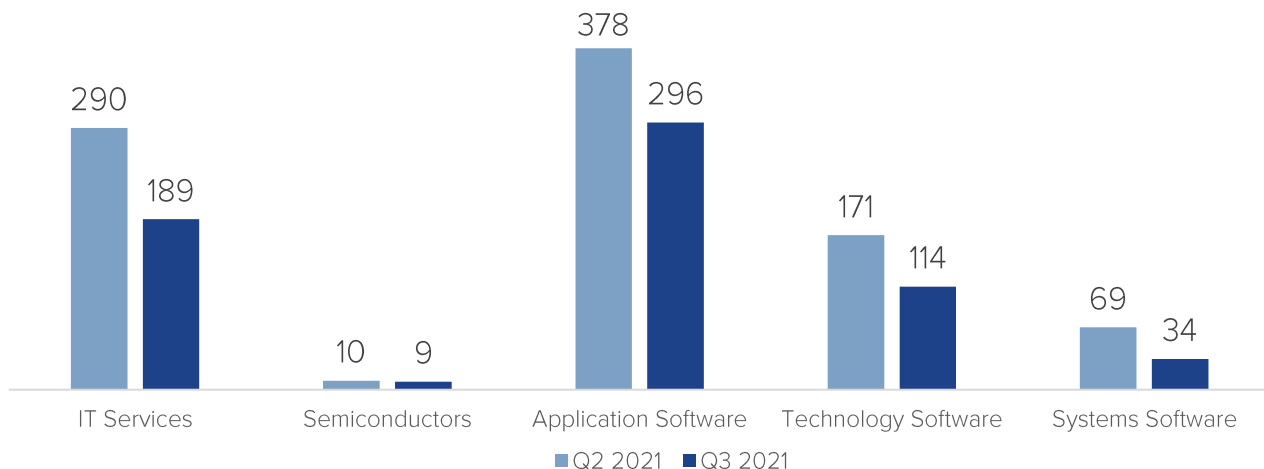
Source: Capital IQ, Mergermarket and Oaklins research as of 09/28/2021

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Oaklins

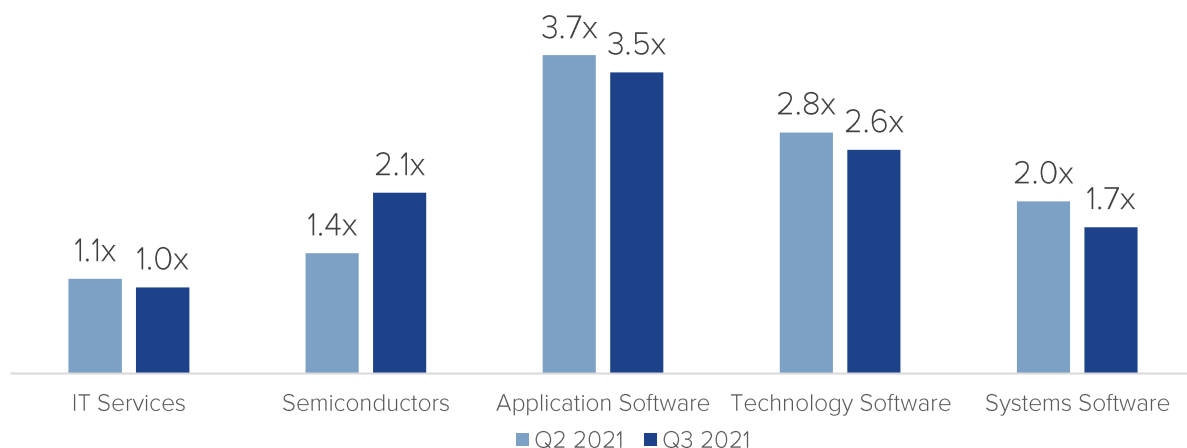
# TECH SECTOR M&A TRANSACTION OVERVIEW

## Number of M&A transactions in Europe Q3 2021



The European Tech market has seen a decrease in transactions in Q3. All segments except the field of semiconductors show a significant decrease in transaction count. The 'hot' market in the first half of 2021 continues with a moderate M&A activity in Q3 2021.

## M&A transaction multiples<sup>1</sup> Q3 2021 (Enterprise Value/Sales<sup>2</sup>)



The revenue multiples in Q3 2021 are slightly decreasing. The semiconductors segment is the only segment with an increasing multiple. The application software significantly outperforms the other segments and reflects the current interest from both, buyers and sellers.

Source: Capital IQ as of 09/30/2021

Notes: 1) Retrieved from Capital IQ excluding deals with revenue multiples >30.0x

2) Reported as LTM figures

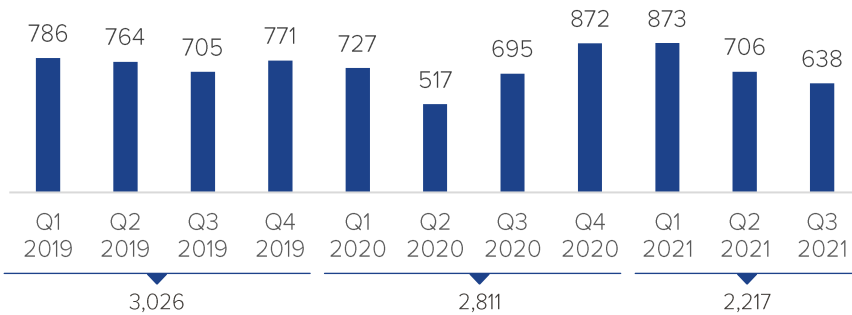
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# M&A TECH TRANSACTION ACTIVITY

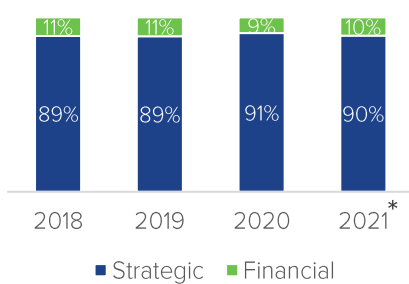
## Transaction overview in Europe

Tech transactions per quarter (Q1 2019 – Q3 2021)

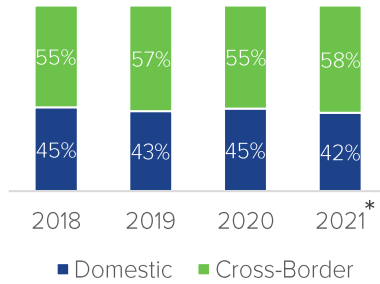


Tech transactions in Q3 2021 showed a slight decrease in count compared to the previous two quarters. After a significant increase of transactions in Q4 2020 and Q1 2021 and catch up of postponed transactions in 2020 the market seems to have stabilized itself.

Type of buyer



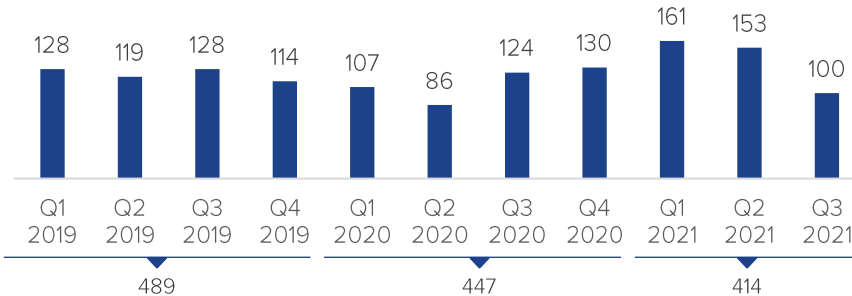
Type of transaction



The tech sector is dominated by strategic buyers acquiring additional know-how, expanding geographically and adding new products and services to their existing portfolios.

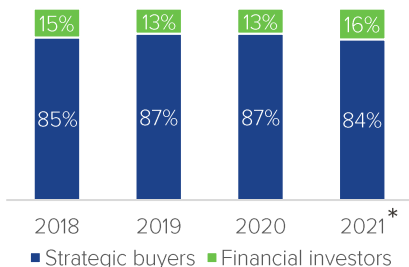
## Transaction overview in Germany

Tech transactions per quarter (Q1 2019 – Q3 2021)

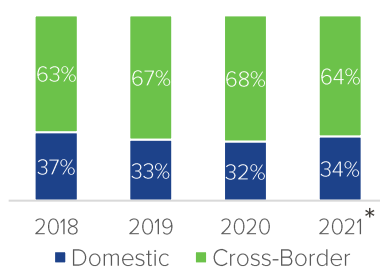


The positive trend and attractiveness of the German Tech market has slightly decreased again between Q2 2021 and Q3 2021.

Type of buyer



Type of transaction



Strategic buyers are still dominating Tech M&A activity in Germany in 2021. Most of the deals are cross-border acquisitions.

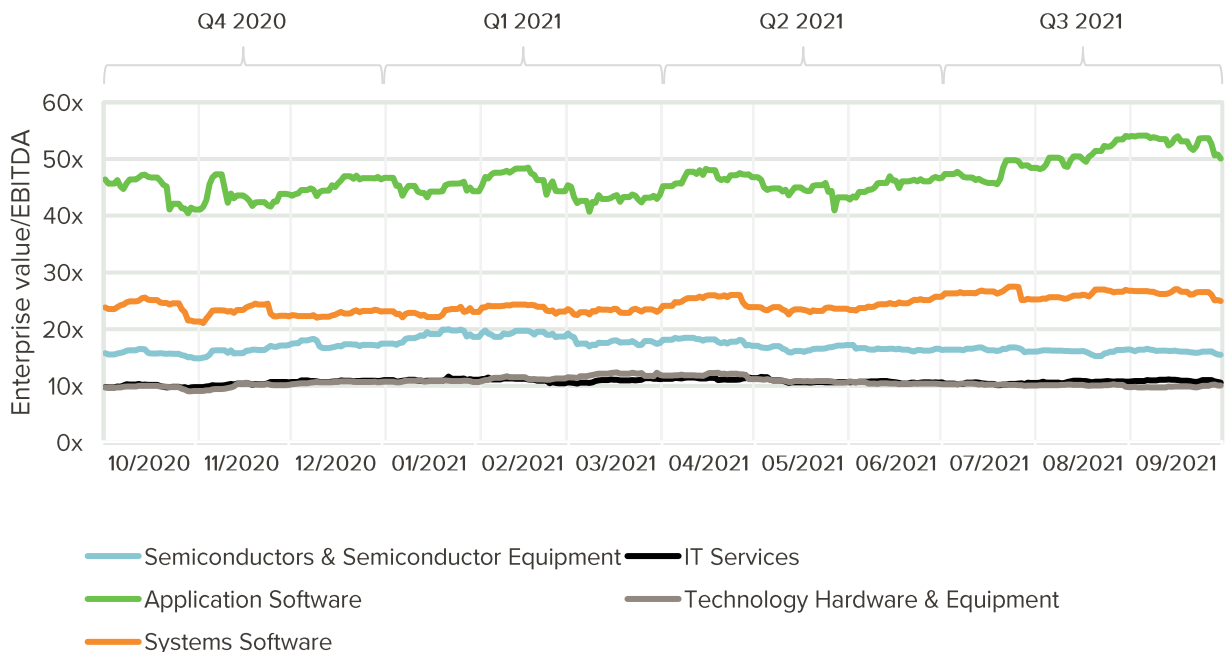
\* As of 09/30/2021

Source: Capital IQ as of 09/30/2021

# TECH SECTOR VALUATION (PUBLIC COMPANIES)



## EV/EBITDA<sup>1</sup> Multiples Tech Subsectors



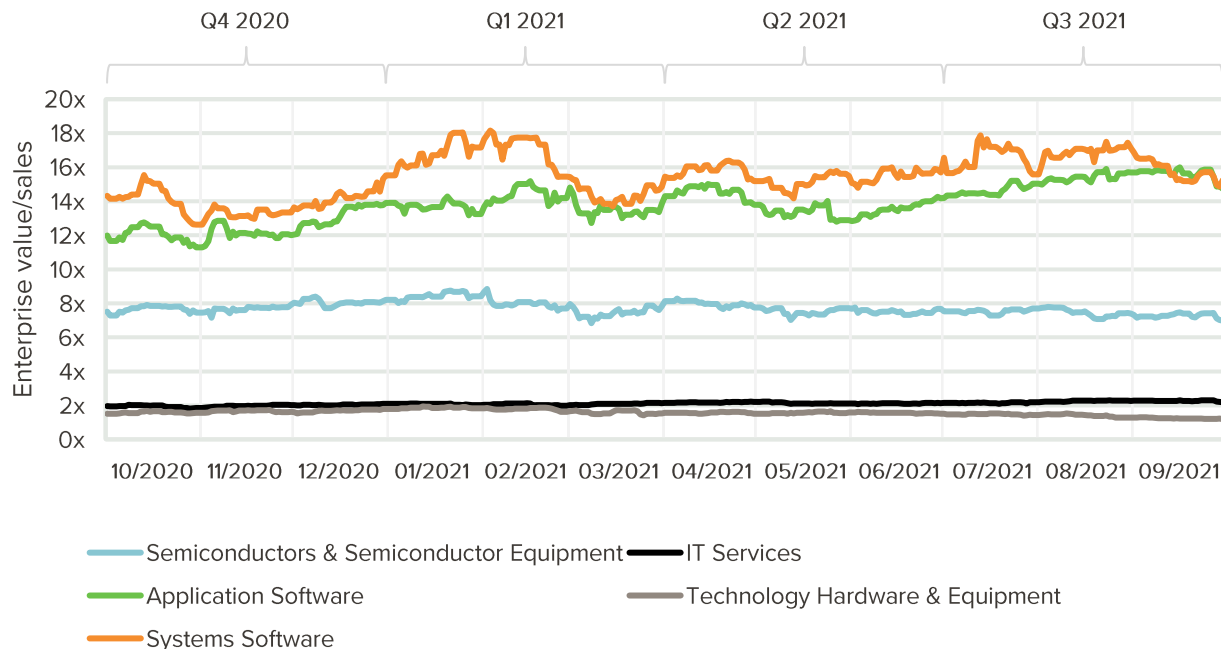
Sources: Capital IQ and Mergermarket as of 09/30/2021

Notes: 1) Daily total EV divided by lease and affiliate income adj. LTM EBITDA as of 09/30/2021 (CapitalIQ)

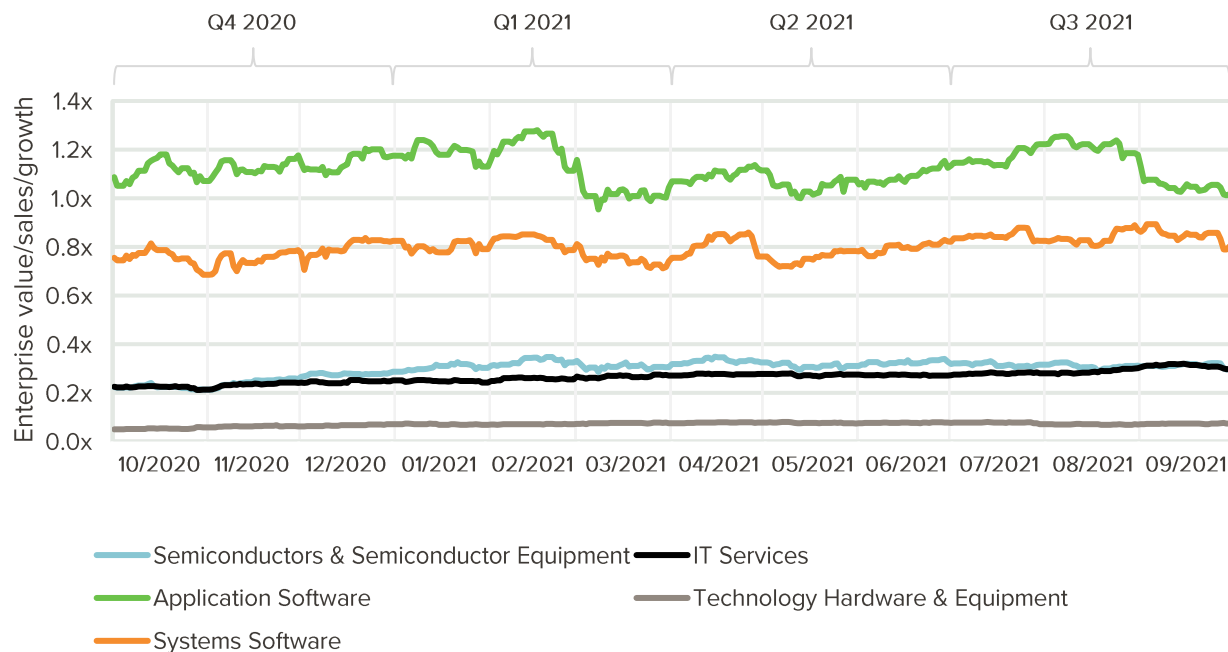
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# TECH SECTOR VALUATION (PUBLIC COMPANIES)

## EV/Sales Multiples<sup>1</sup> Tech Subsectors



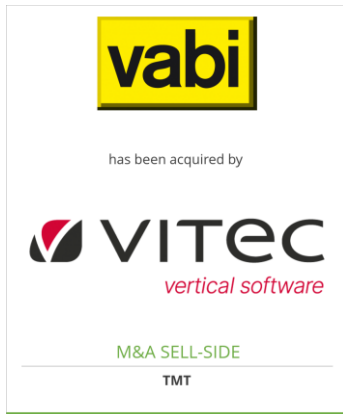
## EV/Sales/Growth<sup>2</sup> Multiples Tech Subsectors



Sources: Capital IQ and Mergermarket as of 09/30/2021

Notes: 1) Daily total EV divided by total LTM revenues as of 09/30/2021 (Capital IQ)  
 2) Daily EV/Sales multiple divided by 1-year annual revenue growth consensus estimate as of 09/30/2021 (Capital IQ)

# OAKLINS' TECH DEAL OF THE QUARTER



## Vabi Holding B.V. has been acquired by Vitec Software Group AB

Vabi Holding B.V., the Dutch market leader in building simulation, energy certification and energy advisory software, has been acquired by Vitec Software Group AB. By joining forces, Vitec will be able to strengthen its focus on sustainable green building software solutions.

September 2021


Founded in 1972, Vabi actively supports stakeholders in the real estate industry to realize their Paris 2050 climate agreement obligations. The firm acts as an established expert on sustainable green buildings, producing energy performance certificates (EPCs), building simulations, reliable decision-making software, and operates as a trusted third party in the market. Vitec is listed on Nasdaq Stockholm stock exchange and is the market leader for vertical market software in the Nordic region. It focusses on the development of standard niche software. The company grows through acquisitions of well-managed and well-established software companies.

*“We are delighted to announce that Vabi has been acquired by Vitec, as the company is ready to take the next step in supporting its clients in their Route-to-Paris strategy. Oaklins’ guidance and support, by leveraging on their international reach and deep SaaS expertise, played a fundamental role throughout the sale process.” – Pieter Peerlings, Shareholder and CEO of Vabi Holding B.V.*






# OAKLINS' TECH SECTOR TRANSACTIONS Q3 2021




has been acquired by




M&A SELL-SIDE  
TMT

September 2021




has been acquired by




M&A SELL-SIDE  
TMT

September 2021




has been acquired by



US\$86.3m  
M&A SELL-SIDE  
Financial Services/TMT

August 2021




has been acquired by




US\$9.3m  
M&A SELL-SIDE  
TMT


August 2021



has sold




to




M&A SELL-SIDE  
Business Support Services/TMT

August 2021



has acquired




M&A BUY-SIDE  
TMT

August 2021



has acquired



US\$3.2m  
M&A BUY-SIDE  
TMT

August 2021




has acquired




M&A BUY-SIDE  
Private Equity/TMT

August 2021




has been acquired by




M&A SELL-SIDE  
Private Equity/TMT

July 2021



has acquired



M&A BUY-SIDE  
Business Support Services/Private Equity/TMT

July 2021




has been acquired by




M&A SELL-SIDE  
TMT

July 2021



has acquired



M&A BUY-SIDE  
TMT

July 2021



# OAKLINS GERMANY TECH SECTOR TEAM

## Our industry expertise

Oaklins is a global advisory firm specialized in M&A, corporate finance, valuation, due diligence and fundraising. With more than 850 dedicated professionals in over 45 countries, we leverage our local presence in order to provide the best possible service on the ground.

Each year Oaklins completes more than 50 transactions within the global tech sector. Our German tech sector team brings decades of combined industry experience and has closed a variety of transactions with most of them requiring a cross-border approach.

The tech sector team maintains close contact with decision-makers, industry shifters & movers from the German tech industry.

## Tech transactions advised by Oaklins (2016-2020)

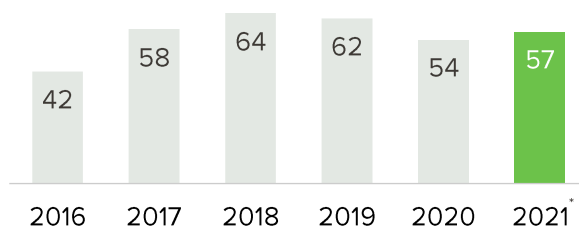
280

Transactions closed

63%

Cross-border transactions

## No. of tech transactions per year (Oaklins)



## Your Tech Sector Team at Oaklins Germany



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# OUR OFFICES IN GERMANY



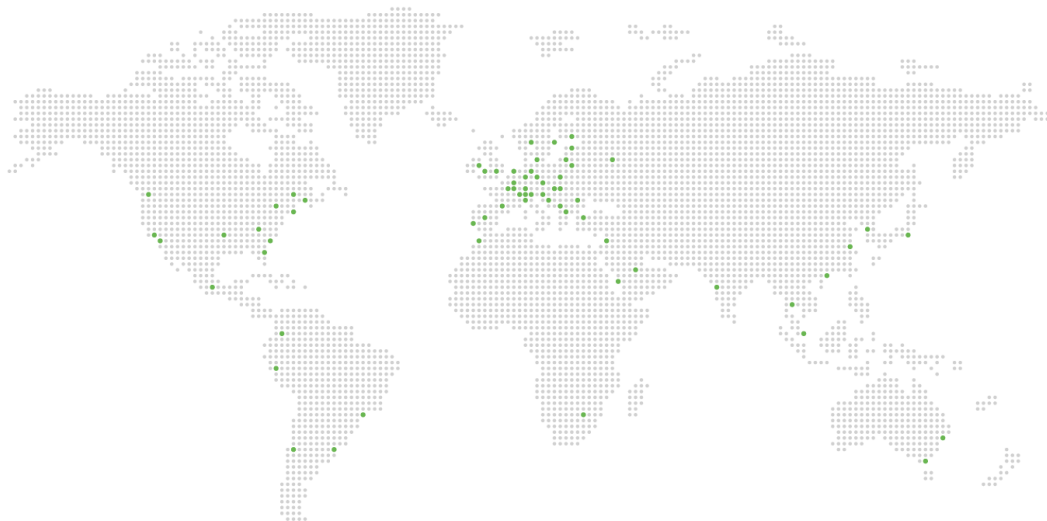
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**Frankfurt**  
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 60325 Frankfurt  
 +49 69 5050 291 52

## Deep local roots, global commitment

Offices around the world



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 Czech Republic, Prague  
 Denmark, Copenhagen  
 Estonia, Tallinn  
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 Germany, Berlin  
 Germany, Frankfurt  
 Germany, Hamburg  
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 Italy, Milan  
 Italy, Turin  
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 Lithuania, Vilnius  
 Netherlands, Amsterdam  
 Norway, Oslo  
 Poland, Warsaw  
 Portugal, Lisbon  
 Romania, Bucharest  
 Russia, Moscow

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 Saudi Arabia, Riyadh  
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 Switzerland, Zurich  
 Turkey, Istanbul  
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 United Kingdom, London

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 United States, Boston  
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 United States, Dallas  
 United States, Irvine  
 United States, Jacksonville  
 United States, Los Angeles  
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 United States, Seattle

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