

# Oaklins

The background of the slide features a complex network of glowing blue lines and dots, resembling a digital or neural network. In the center, there is a large, glowing blue cloud shape. Inside the cloud, various white line-art icons are visible, including a play button, a magnifying glass, a bar chart, a dollar sign, a gear, and a checkmark. A hand is visible at the bottom, reaching up towards the cloud.

JULY 2022

## Quarterly Tech M&A Update Q2 2022

# AGENDA

## Tech sector Q2 2022 – Key takeaways



The healthcare segment and companies developing and offering innovative software solutions are of high interest for M&A transactions by financial investors in Q2 2022. The German market has also seen a high volume of fundraisings led by impressive fundraising rounds by Personio (€200m) and Photon Delta (€1.1bn).



Contrary to the overall market, the M&A activity in the German Tech sector shows a continuing positive trend and ongoing high market activity. The number of transactions increased from 139 in Q1 to 167 in Q2 2022. Financial investors make up more than 20% of the number of transactions, indicating an attractive market environment and appetite for asset-light business models.



The combination of a progressively rising inflation, geopolitical tensions and slightly negative outlook drive an ongoing decrease in valuation metrics of our public market peer groups.



In Q2 2022, all subsegments (IT-services, application software, technology software, systems software and semiconductors) show an increasing deal volume. We continue to observe the most transactions and the highest sales multiples in the application software subsegment.

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# EDITOR'S TOP TECH DEAL PICKS

Date	Deal type	Target	Deal description & Investor rationale	Acquirer/investor
JUN 2022	Fundraising	 	<b>Personio</b> , a developer of a human resource software solution, has raised <b>€200m</b> in a Series E funding with a company valuation of €8.1bn from several investors led by Greenoak. The capital will be used to develop automated HR process solutions.	  <i>amongst others</i>
JUN 2022	M&A	 	<b>EMIS Group</b> , a provider of connected healthcare software and systems for healthcare professionals, has been acquired by UnitedHealth Group for <b>€1.5bn</b> . UnitedHealth merges its UK subsidiary Optum with EMIS to better support the National Health Service through technological innovation.	 
JUN 2022	Fundraising	 	<b>Castor</b> , a technology and management company providing a data catalog platform, has raised <b>€22.6m</b> in a Series A round led by venture capital firm Blossom Capital.	  <i>amongst others</i>
MAY 2022	M&A	 	<b>Medifox Dan</b> , a software-medical technology company developing software solutions for ambulatory nursing care service providers, has been acquired by ResMed Inc. at a valuation of <b>€958.9m</b> .	 
MAY 2022	M&A	 	<b>ITM8</b> , offering cloud services, digital transformation and cyber security services, has been acquired by the private equity firm Axel Management at a valuation of <b>€671.9m</b> . Axel merges its AddPro business with ITM8 to create a Northern European group within end-to-end IT services.	  <i>amongst others</i>
MAY 2022	M&A	 	AXA IM and Swiss Life AM have acquired <b>Lyntia Networks</b> , a local operator of fibre optic networks including dark and lit fibre networks. The buyers formed a new joint venture to execute the <b>€2bn</b> deal. The investment guarantees the long-term support of experienced telecom investors.	   
MAY 2022	M&A	 	Emirates Telecommunications Group (E&) has acquired a minority stake of 9.8% in the provider of mobile telecommunications services <b>Vodafone Group</b> for <b>€4.2bn</b> . E& becomes the largest shareholder and has no plans to acquire a significant share.	 
APR 2022	M&A	 	<b>Zendesk</b> , a software development company providing a customer relationship management platform, has been acquired by Hellman & Friedman and Permira Advisers at a valuation of <b>€9.8bn</b> .	   
APR 2022	M&A	 	<b>Deezer</b> , provider of on-demand digital audio streaming services, has been acquired by the SPAC I2PO at a valuation of <b>€1.1bn</b> . The capital will be used to achieve Deezer's ambitious goals and its next stage of growth.	 
APR 2022	Fundraising	 	<b>PhotonDelta</b> , a manufacturer of integrated photonics technologies, has raised <b>€1.1bn</b> in public and private investment. The investment includes <b>€470m</b> from the Dutch National Growth Fund (Nationaal Groenfonds), while the rest is co-invested by various partners and stakeholders.	  <i>amongst others</i>

Source: Mergermarket and Oaklins research as of 30-June-2022

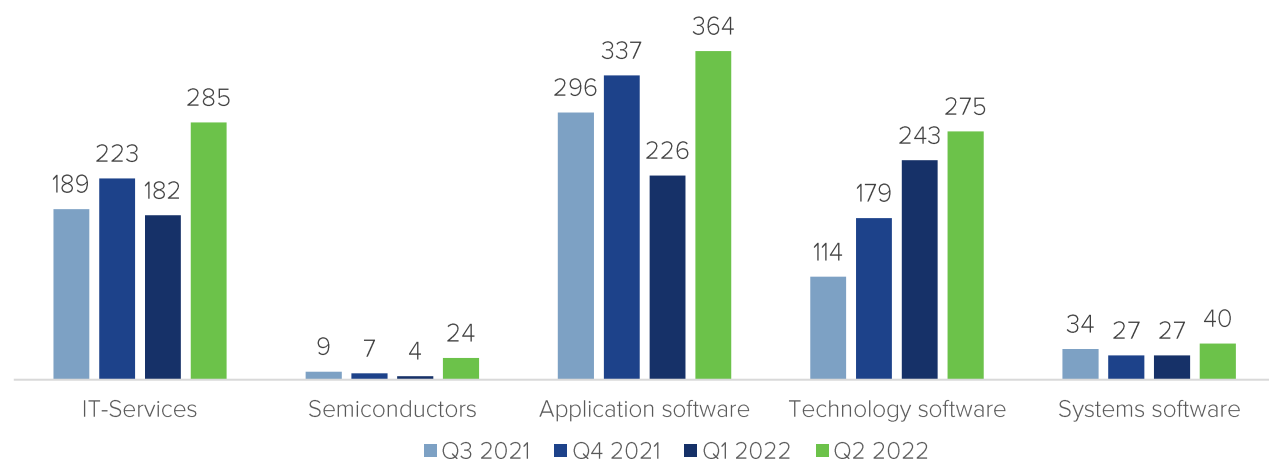
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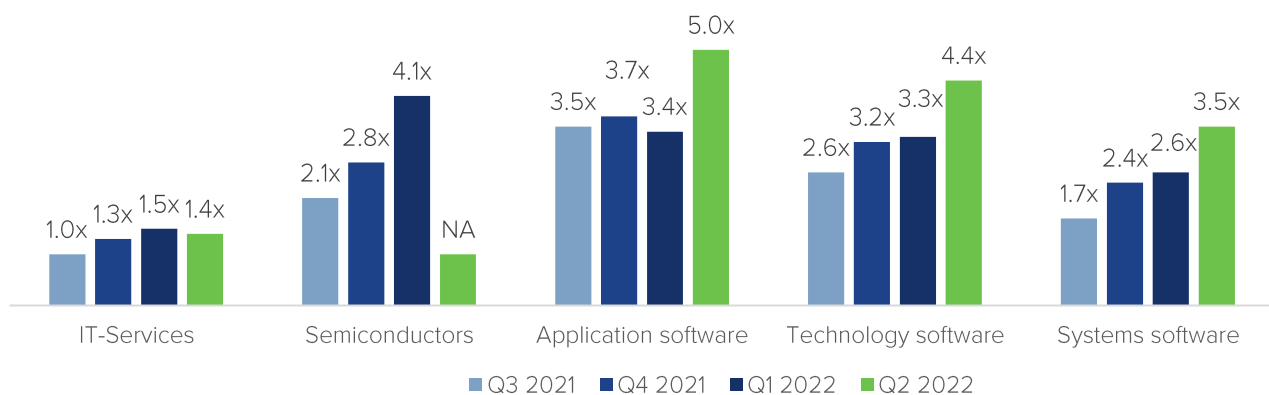
# TECH SECTOR M&A TRANSACTION OVERVIEW

## Number of M&A transactions in Europe between Q2 2021 and Q2 2022



The European Tech market shows an increasing M&A activity in Q2 2022 and high relevance for strategic buyers and financial investors, despite geopolitical tensions in Europe, supply shortages, and rising interest rates. Software technology, know-how and IP seem to be a key focus for strategic players and their attractive asset-lite business models.

## M&A transaction multiples<sup>1</sup> between Q2 2021 and Q2 2022 (Enterprise Value/Sales<sup>2</sup>)



The increasing M&A activity in Q2 2022 is accompanied by rising valuation metrics and a higher sales multiple for all subsegments except for IT-Services. Companies in the software subsegments (application-, technology-, systems software) show a significant increase of sales multiples between Q1 and Q2.

Source: Capital IQ as of 30-June-2022

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

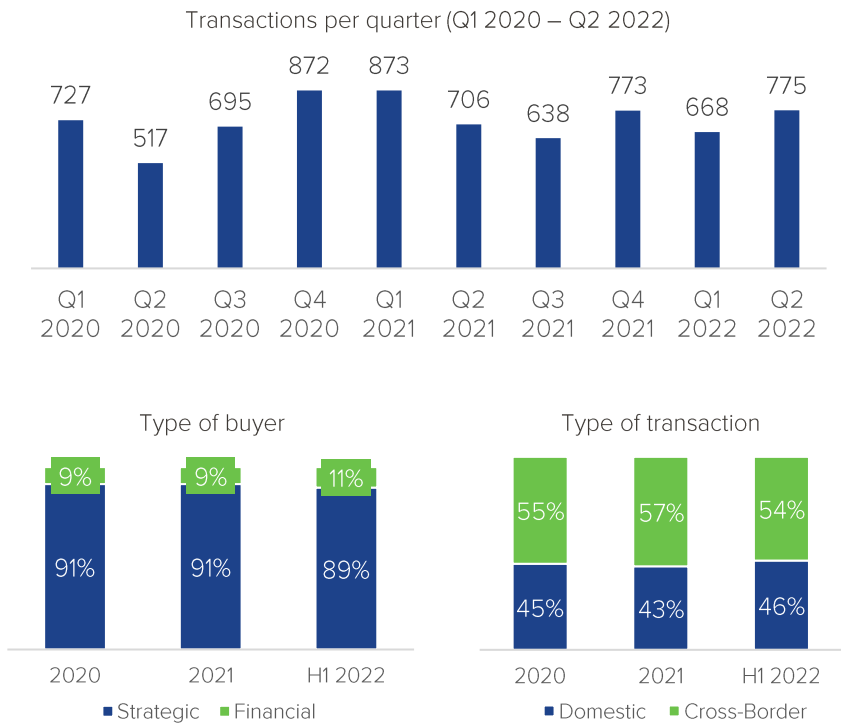
2) Reported as LTM figures

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# M&A TECH TRANSACTION ACTIVITY

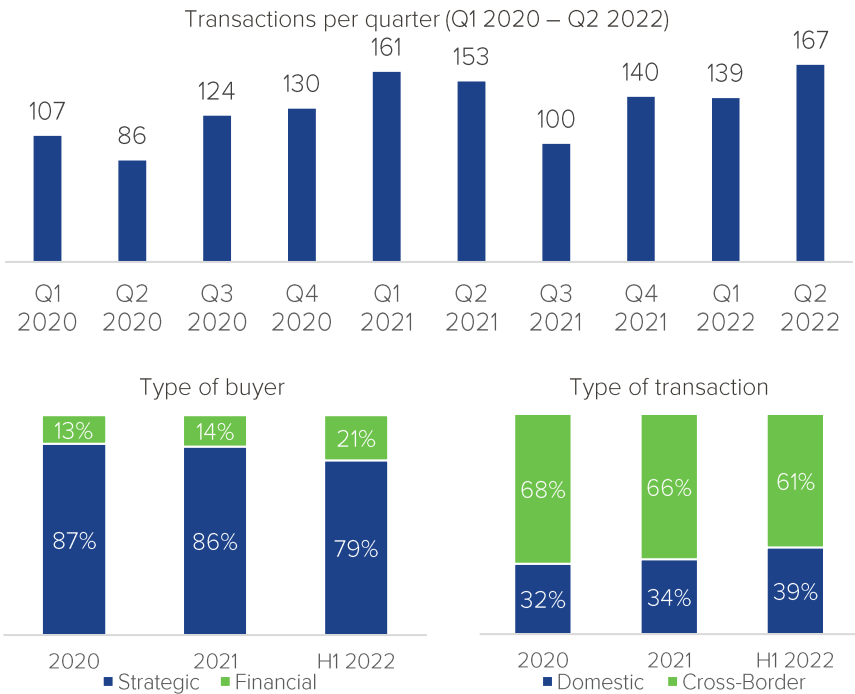
## Transaction overview in Europe



Despite the high general market volatility and rising uncertainty, the European Tech market shows a stable M&A activity. The fragmented market and potential know-how and IP synergies from Tech companies seem to drive the demand for M&A activities in 2022.

In Europe, financial investors increase their share in the Tech M&A environment as they are following a buy-and-build or asset-light strategy. The share of cross-border transaction does not significantly change in 2022.

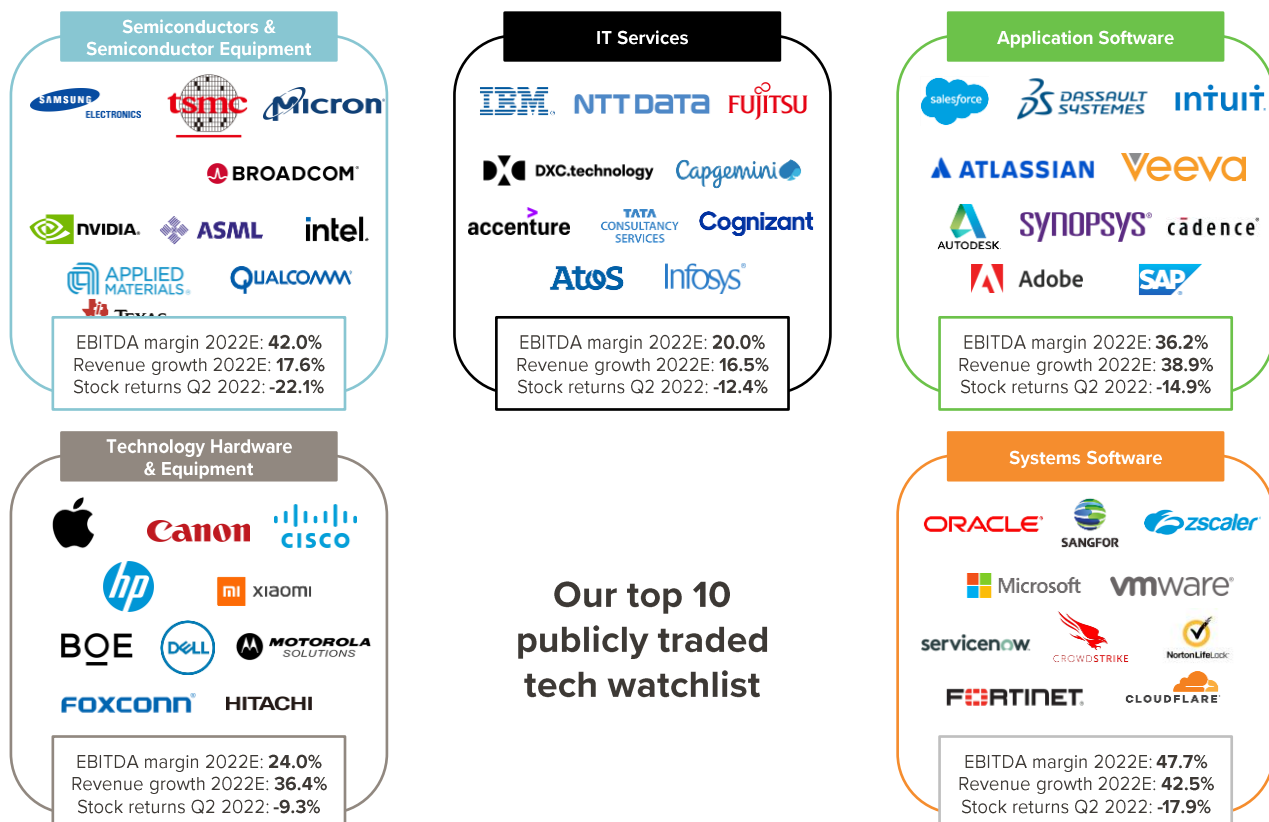
## Transaction overview in Germany



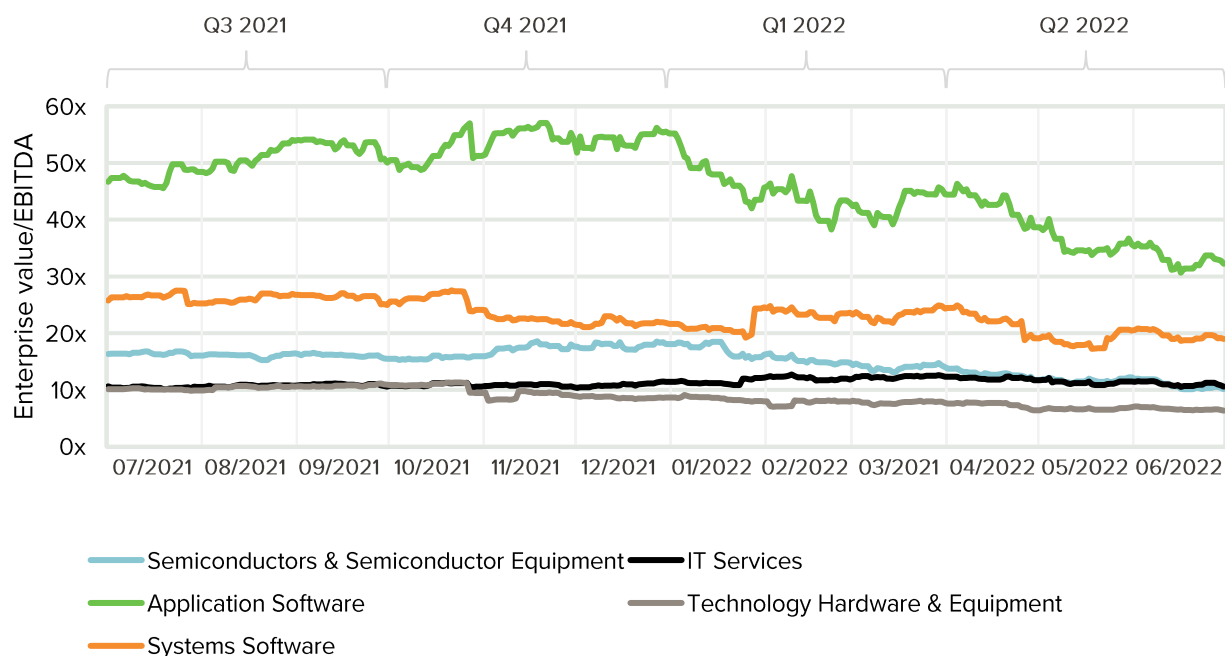
The high M&A activity in 2022 continues in the second quarter and shows the attractive German company landscape and takeover possibilities.

In Germany, strategic buyers continue to be the dominant acquirer. However, financial investors were able to increase their share to 1 in 5 transactions. Cross-border deals have again decreased slightly in H1 2022.

# TECH SECTOR VALUATION (PUBLIC COMPANIES)



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



Sources: Capital IQ and Mergermarket as of 30-June-2022

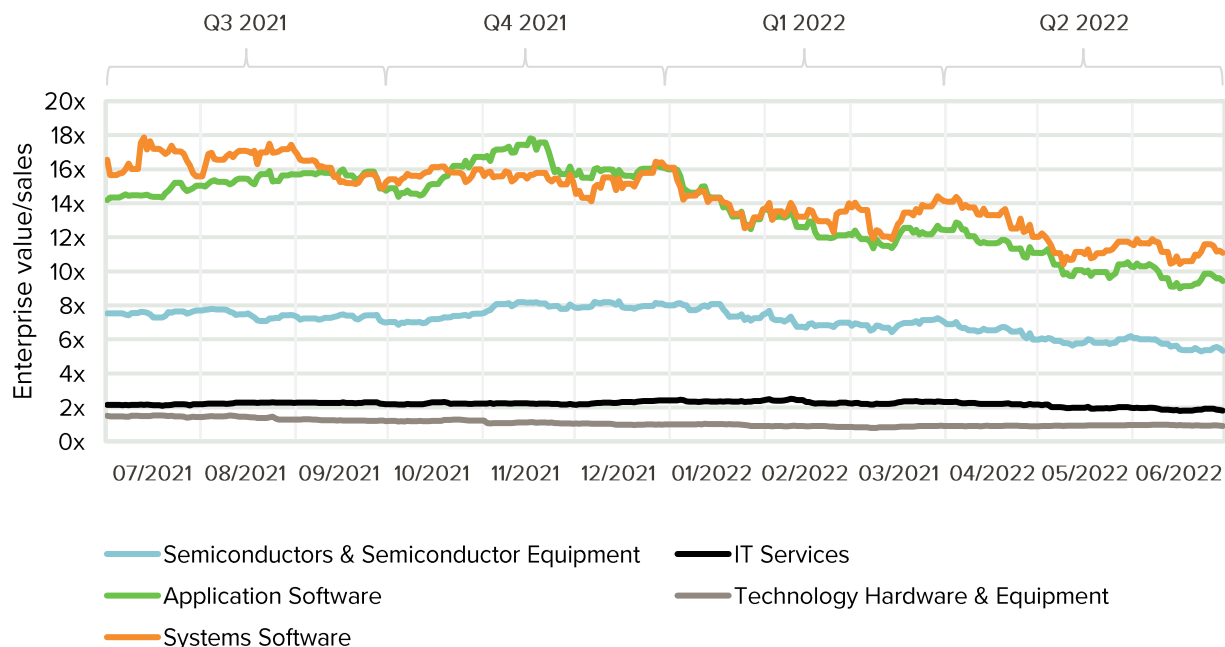
Notes: 1) Daily total EV divided by lease and affiliate income adj. LTM EBITDA as of 30-June-2022 (Capital IQ)

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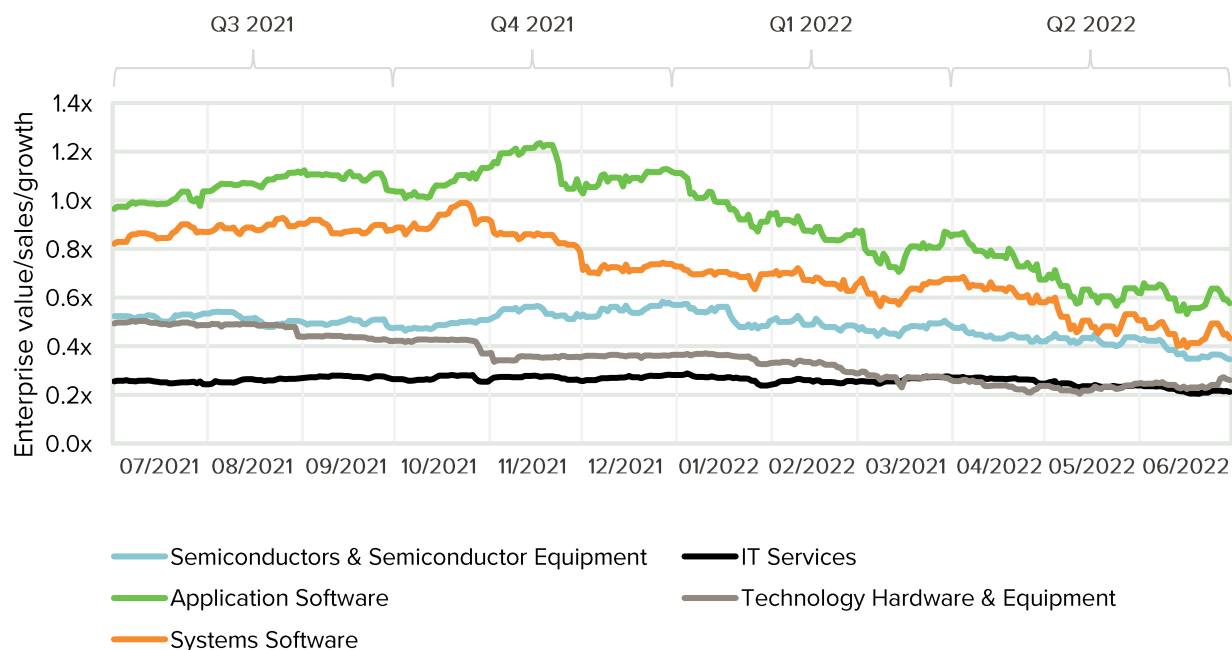
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# TECH SECTOR VALUATION (PUBLIC COMPANIES)

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



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



Sources: Capital IQ and Mergermarket as of 30-June-2022

Notes: 1) Daily total EV divided by total LTM revenues as of 30-June-2022 (Capital IQ)  
2) Daily EV/Sales multiple divided by 1-year annual revenue growth consensus estimate as of 30-June-2022 (Capital IQ)

## OAKLINS' TECH DEAL OF THE QUARTER



May 2022

### IT-Seal GmbH has been acquired by Hornetsecurity GmbH

IT-Seal is a provider of cybersecurity awareness training software. The company has been acquired in an Oaklins-led transaction by one of the leading provider of cloud-based security services, Hornetsecurity. Hornetsecurity offers solutions in the fields of email security, data storage and high-level protection for customer's IT infrastructures.


IT-Seal specializes in establishing a sustainable security culture by using innovative technologies to train employees at businesses and organizations worldwide. IT-Seal uses a scientific, patented security awareness indicator (Employee Security Index - ESI®) to make security awareness measurable and comparable and a patented Spear Phishing Engine to automatically generate company-, department- and employee-specific phishing scenarios.

Oaklins Germany acted as an advisor to IT-Seal GmbH by supporting the shareholders during the strategic orientation and the entire sales process. The team's industry knowledge and international offices enabled a successful transaction in a short timeframe.






# OAKLINS' TECH SECTOR TRANSACTIONS Q2 2022



has sold

**ADVERTISINGWEEK**

to




EMERALD


M&A SELL-SIDE

Business Support Services/TMT

June 2022



has acquired



Telia  
Latvija

US\$11.5m  
M&A BUY-SIDE

TMT

May 2022



has been acquired by



Nortal

M&A SELL-SIDE

Business Support Services/TMT

May 2022



has been acquired by




HORNETSECURITY

M&A SELL-SIDE

Private Equity/TMT

May 2022



has been acquired by



Onclusive

M&A SELL-SIDE

Private Equity/TMT

May 2022



has been acquired by



AMN<sup>®</sup>  
Healthcare


M&A SELL-SIDE

Healthcare

May 2022



has been acquired by




Oliva Capital


M&A SELL-SIDE

Private Equity/TMT

May 2022



has acquired a majority stake in




onidata


M&A BUY-SIDE

Financial Services/Private Equity/TMT

May 2022



has been acquired by



spotlergroup

M&A SELL-SIDE

Private Equity/TMT

April 2022



has been acquired by




Dialogue


US\$44m  
M&A SELL-SIDE

Private Equity/TMT

April 2022



has been acquired by




VESTUM


M&A SELL-SIDE

Construction & Engineering Services/TMT

April 2022



has been acquired by



CRONOS  
GROEP

M&A SELL-SIDE

Business Support Services/TMT

April 2022

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# 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 leaders & movers from the German tech industry.

## Tech transactions advised by Oaklins (2017-2021)

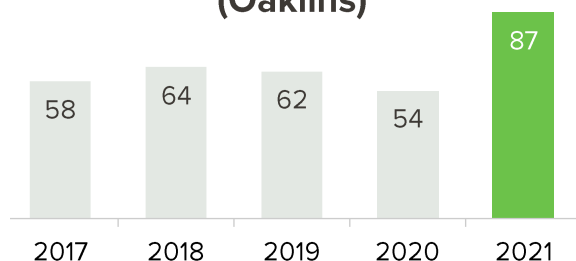
325

Transactions  
closed

40%

Cross-border  
transactions

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



## Your Tech Sector Team at Oaklins Germany



### Jan P. Hatje

Managing Partner

[j.hatje@de.oaklins.com](mailto:j.hatje@de.oaklins.com)

Tel: +49 40 349 14 175

M: +49 1520 9192944



### Christoph Rummelt

Director

[c.rummelt@de.oaklins.com](mailto:c.rummelt@de.oaklins.com)

Tel: +49 40 349 14 124

M: +49 1514 2233182



### Christopher Rahn

Associate Director

[c.rahn@de.oaklins.com](mailto:c.rahn@de.oaklins.com)

Tel: +49 69 5050 291 58

M: +49 1511 2108503



### Thorben Hinderks

Associate

[t.hinderks@de.oaklins.com](mailto:t.hinderks@de.oaklins.com)

Tel: +49 40 349 14 153

M: +49 1511 5630481



### Simon An

Analyst

[s.an@de.oaklins.com](mailto:s.an@de.oaklins.com)

Tel: +49 40 349 14 154

M: +49 1520 9192938



### Felix Daetz

Analyst

[f.daetz@de.oaklins.com](mailto:f.daetz@de.oaklins.com)

Tel: +49 40 349 14 174

M: +49 1511 4312291



### Lukas Girke

Analyst

[l.girke@de.oaklins.com](mailto:l.girke@de.oaklins.com)

Tel: +49 69 5050 291 50

M: +49 160 97230631



### Kevin Kambach

Analyst

[k.kambach@de.oaklins.com](mailto:k.kambach@de.oaklins.com)

Tel: +49 40 349 14 154

M: +49 1520 9192941

# Oaklins

# OUR OFFICES IN GERMANY



## Hamburg

ABC-Straße 35  
20354 Hamburg  
+49 40 349 14 170



## Frankfurt

Guillettstraße 48  
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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France, Paris  
France, Lyon  
France, Toulouse  
Germany, Frankfurt  
Germany, Hamburg

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Israel, Tel Aviv  
Italy, Milan  
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Norway, Oslo  
Poland, Warsaw  
Portugal, Lisbon  
Romania, Bucharest  
Russia, Moscow  
Saudi Arabia, Riyadh  
Slovakia, Bratislava

Slovenia, Ljubljana  
Spain, Madrid  
Sweden, Stockholm  
Switzerland, Basel  
Switzerland, Bern  
Switzerland, Zurich  
Turkey, Istanbul  
United Kingdom, Bristol  
United Kingdom, London

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Canada, Montreal  
Canada, Toronto  
Chile, Santiago  
Colombia, Bogotá  
Mexico, Mexico City  
Peru, Lima  
United States, Atlanta  
United States, Boston  
United States, Cleveland  
United States, Dallas  
United States, Irvine

United States, Jacksonville  
United States, Los Angeles  
United States, New York  
United States, Savannah

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China, Shanghai  
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Singapore, Singapore  
Thailand, Bangkok

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